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Highlights

- Between 1990 and 2000, Draper was among Utah's fastest-growing cities, with a population change of 247.5 percent. Draper's current population is estimated to be 36,500.
- Draper residents are prosperous, as a whole. The average household income is $115,250, and 20 percent of all taxpayers have adjusted gross incomes of more than $100,000 annually.
- The retail sector in Draper was effectively established within the last 10 years. Retail sales increased 1,049 percent from 1995 to 2005. Currently, 1.35 million square feet of retail space exists in the city, most of it along 12300 South and 11400 South. The city's 193 retail establishments generated $284.9 million in retail sales in 2005.
- Draper is a growing employment center in the region. The largest employer is the Utah Department of Corrections, but retail trade, construction, and information services are important components to the city's employment base. Currently, the city is home to 12,000 employees.
- Draper has added 8,400 units to its housing stock since 1995; 40 percent of all residential units in Draper have been built since 2000.
- Draper City is a high-end real estate market. The median price of single-family homes for sale in the first quarter of 2006 was $358,000. Only two of the 31 ZIP codes in Salt Lake County had higher median prices. The number of new listings and home sales are at record highs.
- Draper has approved $304 million in permit-authorized nonresidential construction in the last decade. The building boom is anticipated to continue, with an additional $350 million in commercial real estate investment slated to occur through 2009.
- Draper's population is projected to exceed 72,000 by 2050. West Jordan and Sandy are currently the region's centers for employment and retail activity. Draper may not be the largest or most important city in the region, but it has shown an aggressive and dynamic growth pattern than that is emblematic of widespread demographic and economic changes throughout the region.

The Changing Economic Structure and Current Baseline of Draper City

by Francis Xavier Lilly, Research Analyst

Introduction

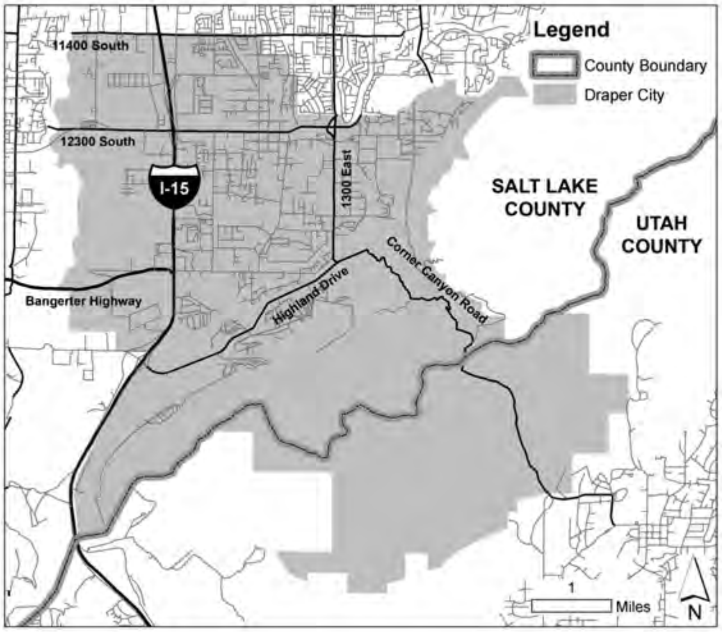
The rapid suburbanization of the Wasatch Front since 1990 is one of the greatest demographic and economic transformations to have occurred in Utah's history. Perhaps no city along the Wasatch Front is as emblematic of this shift as the suburb of Draper, perched in the foothills in the southeast corner of Salt Lake County. In 1990, Draper was a small bedroom community of 5,000 residents, with deep historic and rural roots. As of 2006, Draper's population exceeded 36,500, an increase of nearly 630 percent in 15 years.

Draper's growth completely changed the city and its role in the greater metropolitan area. Today, the city is a burgeoning and prosperous residential community with fast-growing office and retail cores. Draper's story has played out in similar ways all along the Wasatch Front, and the city's demographic and economic transformation signals broader trends, as Salt Lake, Utah, and Davis counties continue to experience unprecedented population growth. In 2005, the Draper City Department of Economic Development retained the Bureau of Economic and Business Research (BEBR) to conduct a study illustrating the city's changing economic and demographic characteristics. The study included three main components: a brief history of the city and the establishment of an economic baseline for 2006, a review of the most significant demographic and economic changes in Draper since 1995, and a comparative study of Draper and other nearby cities. Highlights from the study are included in this issue of the *Utah Economic and Business Review*.

Draper City Today

Settled in 1850, Draper is one of the oldest communities in Salt Lake County. For nearly 120 years, Draper was primarily an agricultural community, with limited commercial and industrial activity. Until the Utah State Prison was constructed in Draper in 1951, agriculture drove the local economy, and the largest employer through the 1940s was Draper Poultry. The completion of I-15 to 13800 South in 1970 cut the commute time from Draper to Salt Lake City in half to 30 minutes, making it an attractive option as a bedroom community for a growing urban region. In 1970, Draper's population was 870; by November 1977, the population was estimated to be 4,600, a 432 percent increase over the 1970 population. The 1970s were marked by rapid homebuilding in Draper, and the residents of the community sought to

Figure 1
Map of Draper City



Source: State of Utah Applied Geographic Reference Center

incorporate in 1977, fearful of annexation by neighboring Sandy. Draper's population grew at a relatively slow and steady annual growth rate of 2.8 percent in the ensuing decade. By 1990, the city's population reached 7,257. In 1995, Draper began to experience a demographic and economic shift that would redefine the city's role in the region, with a young, prosperous, and fast-growing residential population, and substantial growth in retail and office space. Essentially, Draper's economic structure has been entirely renewed in the last decade, resulting in new centers of industrial, commercial, and retail activities to complement a fast-growing population.

Demographic and Income Trends

In 2006, Draper's population is estimated to be 36,500, and the city is home to roughly 11,000 households. With an average household income of $115,250, Draper's residents are among the highest income-earners in the state.

Employment

While Draper is not considered a major regional employment center, Draper leads all cities in Salt Lake County in employment growth from 1995 to 2004. Employment in Draper City in 2004, the most recent year for which data are available, was 12,000. Retail trade is the largest single employment sector with 2,300 employees, followed by the construction (2,100 employees) and government (1,700 employees) sectors. The largest employer in the city is the Utah Department of Corrections, followed by eBay and 1-800 Contacts, Inc.

Retail Sales

As recently as 10 years ago, Draper had few retail offerings. Today, the city boasts 1.35 million square feet of retail space in nine major retail developments. Grocery store sales comprise the largest share – 25 percent – of the city's retail sales, although general merchandise and specialty retail establishments are rapidly growing in the city.

Residential Construction and Real Estate

Draper has an occupied housing stock of 10,250 units as of January 2006. Forty percent of all residential units in Draper have been built in the past six years. Housing values in Draper are among the highest in the state. The average sales price of an existing home in 2005 was $373,181 and a quarter of all new homes in Draper are priced above $500,000.

Nonresidential Construction

Draper has large and growing concentrations of office and industrial space. Currently, the city has 3.7 million square feet of office space and 1.9 million square feet of industrial space, most of which has been built in the past decade. Since 1995, $304 million in permit-authorized new nonresidential construction has occurred in Draper.

Major Projects and Public Infrastructure

Draper's phenomenal growth is poised to continue, and development will continue at historic levels. At least $350 million of new nonresidential development is planned through 2009, and noteworthy projects include the South Point Office Park project, Lone Peak Hospital, IKEA, and the LDS Temple. A major expansion of office and retail space was made possible through substantial infrastructure upgrades in the city, including an investment of $226 million in roads and highways in the city since 1995.

Tables 1 and 2 describe the economic baseline of Draper City as of 2006, based on major indicators of population, employment, retail sales, housing and real estate, nonresidential construction, and tax revenue and expenditures.

Major Economic and Demographic Changes in Draper Since 1995

Draper's transformation from a small, rural bedroom community to a burgeoning metropolitan suburb can be traced back to 1995, when new trends emerged in demographic and income characteristics, employment, retail sales, real estate, and nonresidential construction activity. These trends tell the story of a medium-sized city that has arisen in only a decade.

Table 1
Economic Baseline for Draper: 2006

Population *		
Residential Population (2006)		36,500
Median Age (2000)		28.6
Households (2006)		11,000
Average Household Income (2006)		$115,250
Employment		
Employer Firms (2004)		1,200
Average Employment (2004)		12,000
Average Annual Wage (2004)		$30,852
Major Employment Sectors (2004)	Number	Share
Retail Trade Employment	2,760	23.8%
Construction Employment	2,103	17.5%
Government Employment	1,706	14.2%
Retail Sales		
Taxable 2005 Retail Sales (millions)		$284.9
Major Retail Categories (millions)		
Food Store Sales		$69.0
Motor Vehicle Sales		$50.2
General Merchandise		$39.7
Per Capita Retail Sales		$8,519
Retail Expenditures by Draper Households (millions)		$431.3
Housing, New Construction and Real Estate		
Value of New Residential Construction, 1995 - 2005 (millions)		$944.6
Sales of Existing Residential Real Estate, 1995 – 2005 (millions)		$1,429.10
Average Sales Price of New Listings (2005)		$373,181
Average Days on Market (2005)		50
Number of Listings (2005)		825
Occupied Dwelling Units (2005)	Number	Share
Owner-occupied	8,250	80.5%
Renter-occupied	2,000	19.5%
Total Occupied Dwelling Units	10,250	100.0%
Nonresidential Construction		
Value of New Nonresidential Construction, 1995 – 2005 (millions)		$304.8
Value of Nonresidential Additions and Alterations, 1995 – 2005 (millions)		$41.2
Total Nonresidential Construction Value, 1995 – 2005 (millions)		$346.1
Inventory of Commercial Space (million sq. ft.)		
Office Space		3.7
Industrial Space		1.9
Major Retail		1.3
Tax Revenue and Expenditures		
Total Revenue (millions)		$26.6
Property Tax Receipts		$4.9
Sales Tax Receipts		$5.3
Expenditures		$22.3

*Excludes inmate population of approximately 3,800 at the Utah State Prison.
Source: Bureau of Economic and Business Research, University of Utah, Center for Public Policy and Administration, University of Utah; Newreach, Inc., Salt Lake County Assessor, U.S. Bureau of the Census, Utah Department of Workforce Services, Utah State Tax Commission.

Demographic and Income Trends

Draper has experienced unprecedented population growth in the past decade. This growth has underwritten the development of major employment and retail sectors in the city, prompted historic infrastructure upgrades, and has demanded a new vision for the city. Between 1980 and 1990 the residential population of Draper City increased at only 1 percent annually, adding 459 residents to the city in the 10-year period. In the next decade, Draper's population would more than quadruple, increasing at an annual rate of 16 percent in the 1990s. By 2000 the residential population had grown to 21,596. In the past five years population growth has slowed to an annual rate of 11 percent but Draper City still ranks in the top 5 percent of all Utah cities in annual rate of population growth.

The rapid population growth began in 1995, coinciding with the development of the South Mountain residential project. In 1997, Draper's population surged by nearly 3,700 people, which is still the single-year record for population growth for the city. Over the last few years, Draper's population growth has averaged about 2,500 annually (Table 3 and Figure 2).

Among all cities and towns in Utah, Draper ranked first in percent change in population between 1990 and 2000. During the decade, Draper experienced a 247.5 percent increase in population. This increase includes the inmate population at the Utah State Prison. Suggesting a pronounced

Table 2
Change in Major Indicators: 1990 to 2006

	1990	2006	Change	Percent Change
Residential Population*	4,995	36,445	31,450	629.6%
Households	1,401	10,991	9,590	684.5%
Average Household Income	$32,357	$115,250	$82,893	256.2%
Dwelling Units	1,452	11,500	10,048	692.0%

	1990	2006	Change	Percent Change
Municipal Revenue (millions)	$5.10	$26.60	$21.50	421.6%
Sales and Use Tax (millions)	$0.50	$5.40	$4.90	980.0%
Property Tax (millions)	$0.30	$4.90	$4.60	1533.3%
Municipal Expenditures (millions)	$3.30	$22.30	$19.00	575.8%

	1990	2006	Change	Percent Change
Employment	4,912	12,010	7,098	144.5%
Nonagricultural Employer Firms	334	1,200	866	259.3
Retail Sales**				
Total (millions)	$24.7	$284.9	$260.2	1053.4%
Per Capita	$2,944	$8,519	$5,575	189.4%

*Excludes inmate population of approximately 3,800 at the Utah State Prison.
**Retail sales data begin with 1995.
Source: Center for Public Policy and Administration, University of Utah; Newreach, Inc., Salt Lake County Assessor, U.S. Bureau of the Census, Utah Department of Workforce Services, Utah State Tax Commission.

regional trend of rapid population growth, four cities adjacent to or near Draper were among the 10 fastest-growing cities by percent change in Utah (Table 4).

Draper is a racially homogeneous community, with the vast majority of the city's population characterized as white. Racial minorities comprise less than 10 percent of the city's population. In 2000, the Hispanic population was estimated at 1,469, or 5.8 percent of the city's total population. A significant share of the city's racial and ethnic minorities is part of the inmate population at the Utah State Prison.

Despite a rapid population increase, household size in Draper decreased slightly from 3.54 persons in 1990 to 3.4 persons in 2000. Although Draper's typical household size was larger than both that of the State and of Salt Lake County, it is well below the average household sizes of other rapidly growing cities in Salt Lake and Utah counties. Typically households in Draper are smaller and have higher income levels than those in other high-growth cities. In 1995, Draper had 2,621 households, and is forecast to have 10,991 households in 2006, an increase of 319.3 percent.

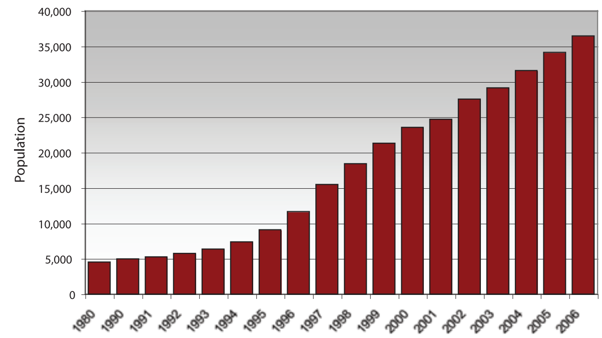
The income characteristics of Draper households also changed significantly from 1990 to 2000. In the intervening decade, many upper-income households moved into the city. The median household income for Draper increased from $32,357 in 1989 to $72,341 in 1999, an increase of 123.6 percent. Draper ranked sixth among all Utah cities in median household income in 1999 and ranked first in the percent change in median income in the same timeframe (Table 5). In Draper, 21.2 percent of all taxpayers had adjustable gross incomes above $100,000.

Table 3
Population Change in Draper City – Year End Estimates

Year	Population	Change	% Change
1990	4,959	-	-
1991	5,248	289	5.8%
1992	5,755	507	9.7%
1993	6,357	602	10.5%
1994	7,393	1,036	16.3%
1995	9,094	1,701	23.0%
1996	11,641	2,547	28.0%
1997	15,476	3,835	32.9%
1998	18,428	2,952	19.1%
1999	21,299	2,871	15.6%
2000	23,542	2,243	10.5%
2001	24,703	1,161	4.9%
2002	27,528	2,825	11.4%
2003	29,116	1,588	5.8%
2004	31,556	2,440	8.4%
2005	34,124	2,569	8.1%
2006 forecast	36,445	2,320	6.8%

Note: Excludes prison population.
Source: Bureau of Economic and Business Research, University of Utah.

Figure 2
Population in Draper City: 1980-2006



Source: Utah Department of Workforce Services.

Employment Trends

Alongside economic and residential growth in southern Salt Lake County and northern Utah County, employment in Draper City has increased rapidly, rising from 4,900 employees in 1990 to 12,000 employees by 2004. Especially noteworthy is the increase in the number of firms located in Draper, more than tripling from 334 in 1995 to 1,229 in 2004. The average wage rate is quite low due to the relative high concentration of government, and retail trade employers, which are moderate- to low-wage sectors. Aside from the 2001-2002 recession, employment and wages have increased consistently in Draper since 1995 (Table 6).The job market in Draper has diversified over the last decade. In 1995, one out of every three jobs in Draper was in the government sector, with most of these jobs located at the Utah State Prison. Growth in public sector employment has been a very slow 2 percent over the past decade, whereas construction and retail jobs have exploded: construction employment is up 194 percent and retail trade employment is up 128 percent over 1995 levels.

The largest single employment sector is retail trade, which includes three large employers classified by the Utah Department of Workforce Services as retailers: the Coca-Cola Bottling Company of Salt Lake, eBay, and 1-800 Contacts, Inc. These three firms account for much of the retail employment in Draper although, given the nature of their business, they do not contribute much in the way of retail sales tax revenue to the city. The remaining retail jobs are found in Draper's neighborhood shopping centers.

The second largest employment sector, the construction industry, accounted for 2,103 jobs in 2004. Only two of the 173 construction firms in Draper employed 100 or more people, and 58 percent of the construction firms hired fewer than five people. The construction industry in Draper is dominated by small firms and many of these firms are involved in single-family home building. Thirty-three firms are classified as single-family home builders.

Table 4
Rank of Cities by Population – Percent Change

City	1990	2000	Percent Change
Draper	7,257	25,220	247.5%
South Jordan	12,220	29,437	140.9%
Lehi	8,475	19,028	124.5%
Riverton	11,261	25,011	122.1%
Lindon	3,818	8,363	119.0%
Bluffdale	2,152	4,700	118.4%
Leeds	254	547	115.4%
Hurricane	3,915	8,250	110.7%
Alpine	3,492	7,146	104.6%
Santaquin	2,386	4,834	102.6%

Source: U.S. Bureau of the Census.

The third-ranked sector, government services, employed 1,706 people in Draper in 2004. The significant government worksite in Draper is the Utah State Prison and the adjoining Department of Corrections Administration Building and training facilities. The Utah National Guard also has its headquarters in Draper. This category includes government activities at all levels: federal, state and local services.

In addition to these three main sectors, Draper has small concentrations of education jobs, owing mostly to the Skaggs Catholic Center, a complex that includes educational services from daycare to high school; information and financial services, and mining (Figure 3).

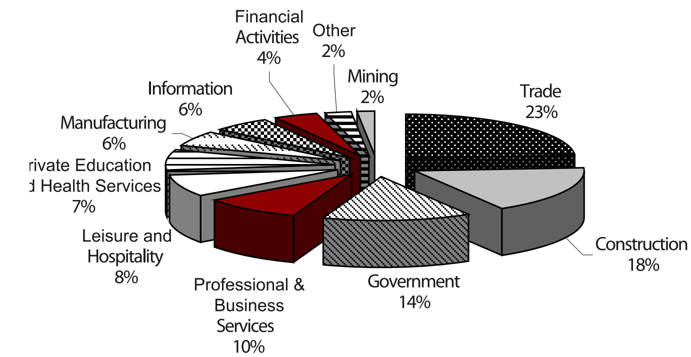
The expected future growth of retail business in Draper bodes well for employment in the city. The addition of the IKEA store with 300 to 400 employees plus adjacent retail

Table 5
Rank of Cities by Median Household Income

City	1999	1989	Percent Change
Highland	$80,053	$43,080	85.8%
Fruit Heights	$79,192	$54,372	45.6%
South Jordan	$75,433	$43,804	72.2%
Farmington	$74,250	$45,000	65.0%
Alpine	$72,880	$39,750	83.3%
Draper	**$72,341**	**$32,357**	**123.6%**
Bluffdale	$66,615	$36,302	83.5%
Sandy	$66,458	$43,971	51.1%
Park City	$65,800	$39,360	67.2%
Elk Ridge	$65,511	$36,618	78.9%

Source: U.S. Bureau of the Census.

Figure 3
Employment by Major Industry for Draper in 2004



Source: Utah Department of Workforce Services.

development induced by the IKEA location and other planned retail developments such as South Mountain will add several hundred new retail employees in the next few years. Education and health services should also experience significant expansion with the location of the new St. Mark's Lone Peak Hospital to be completed in 2007. This new 80-bed community hospital will have 500 employees.

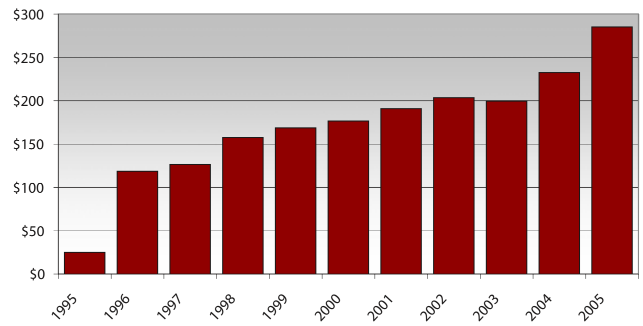
Draper has a relatively high number of large firms that provide most of the employment in the city. Draper's largest employers, each hiring at least 500 people, are 1-800 Contacts, Inc., eBay, and the Utah Department of Corrections. Advanta Bank, Ballard Medical Products, and the Coca-Cola Bottling Company of Salt Lake employ between 250 and 499 employees each.

Retail Sales Trends

Retail activity is one of the areas where Draper has made a startling transformation. According to the Utah State Tax Commission, Draper's reported retail sales grew from $24.8 million in 1995 to $285 million in 2005 – an increase of 1,049 percent in 10 years; an average annual compound growth rate for the period of 28 percent. In the past few years retail activity has emerged as a vital part of the Draper economy, as indicated by Figure 4.

Several major retail developments contributed to the sharp rise of retail sales beginning in 1996. The most significant developments in Draper in the last 10 years are Hidden Valley, completed in 1996, Draper Crossing, completed in 1998, and Draper Peaks, an ongoing project. These projects are concentrated along 12300 South, taking advantage of convenient access to the region's highways. Three-quarters of the 1.35 million square feet of retail in the city is located along the 12300 south corridor, with smaller corridors of retail activity along State Street from 11400 South to 13400 South, and along 11400 South between State Street and 700 East. As of May, 2006, there were 193 retail establishments in Draper,

Figure 4
Retail Sales in Draper City: 1995-2004



Source: Utah State Tax Commission.

including 55 restaurants, 20 hair salons and personal care establishments, 17 clothing stores, 10 automotive stores, eight home décor stores, five grocers, and two drugstores.

General merchandisers, eating and drinking establishments, furniture stores, and miscellaneous retail have contributed the most to the growth in retail activity in Draper in the past few years. General merchandise sales have increased 845 percent, rising from $4.2 million in 2001 to $39.7 million in 2005. Fast food and restaurant sales have increased 86 percent, a $17 million increase in just four years (Table 7).

In 2005, Draper recorded $284.9 million in retail sales, a quarter of which was food purchased at grocery stores. Motor vehicle sales ranked second at $50.2 million, including $10 million in boat and recreational vehicle sales. Eating and drinking establishments accounted for $37 million in sales, split almost evenly between sit-down/theme restaurants and fast-food establishments (Figure 5).

Table 6
Employment Characteristics in Draper City: 1995 to 2004

Year	Establishments	Percent Change	Employment	Percent Change	Average Monthly Wage	Percent Change
1995	334		4,912		$1,877	
1996	401	20.1%	6,376	29.8%	$2,131	13.5%
1997	535	33.4%	8,133	27.6%	$2,229	4.6%
1998	586	9.5%	9,184	12.9%	$2,143	-3.9%
1999	628	7.2%	10,574	15.1%	$2,203	2.8%
2000	750	19.4%	10,850	2.6%	$2,443	10.9%
2001	890	18.7%	9,774	-9.9%	$2,326	-4.8%
2002	953	7.1%	10,559	8.0%	$2,332	0.3%
2003	1,111	16.6%	11,475	8.7%	$2,366	1.5%
2004	1,229	10.6%	12,010	4.7%	$2,571	8.7%

Source: Utah Department of Workforce Services.

Draper's growing and wealthy population base places the city in a good position to continue to attract retail offerings. In 2005, the estimated 10,250 households in Draper spent approximately $1.5 billion, including $453 million on consumer purchases.

Draper will continue expanding its retail offerings in a series of major projects, beginning with the completion of the 300,000-square-foot IKEA furniture store in 2007. Draper is poised to become a major regional shopping destination.

Real Estate Trends

As the principal indicators of private investment in a city, residential construction and real estate activity say a lot about Draper's transformation since 1995. In the past decade, Draper has approved residential construction valued at $945 million. This expanding residential inventory has also led to increased real estate sales and values. Since 1997, the earliest date for which data are available, the value of real estate sales of existing homes and condominiums in Draper is $1.43 billion (Table 8).

Underlying Draper's transformation is a substantial increase in the housing inventory of the city. Since 1995, Draper has added nearly 8,400 dwelling units to its housing stock. The housing inventory in Draper rose from 2,700 units in 1995 to 10,250 occupied units in 2005. In just the past six years the number of new residential units in Draper increased by 4,300 units; remarkably, 40 percent of all residential units in Draper have been built since 2000 (Table 9).

The vast majority of new residential construction – over 80 percent - is owner-occupied, single-family homes. Most of the single-family development has been relatively low density, however, Draper has allowed a number of high-density multifamily projects, particularly near I-15. Two major projects, South Mountain and SunCrest, have driven much of the acceleration of single-family homebuilding in Draper. These two projects currently account for almost 20 percent of all residential units in Draper. When built out, these master-planned communities will have over 5,000 units and will be home to15,000 residents. The presence of two large master-planned communities in a local housing market is a unique characteristic of Draper City.

Draper City is a high-end real estate market. A total of 487 new single-family homes in 80 active subdivisions sold in 2005. Twenty-seven percent of new homes sold in 2005 were priced between $500,000 and $600,000. The median sales price of a home in Draper in the first quarter of 2006 was $358,000. Only two of the 31 ZIP

Table 7
Retail Sales by Major Category in Draper City

Type	2001	2005	Percent Change	Absolute Increase
Building & Garden	$26.90	$19.30	-28.3%	-$7.60
Gen'l Merchandise	$4.20	$39.70	845.2%	$35.50
Food Stores	$54.30	$69.00	27.1%	$14.70
Motor Vehicles	$38.90	$50.20	29.0%	$11.30
Apparel & Acces.	$22.60	$20.20	-10.6%	-$2.40
Furniture	$6.70	$14.50	116.4%	$7.80
Eating & Drinking	$20.30	$37.70	85.7%	$17.40
Miscellaneous	$16.90	$34.30	103.0%	$17.40
Total	$190.70	$284.90	49.4%	$94.20

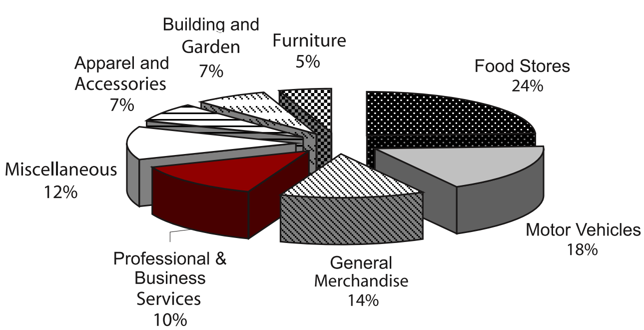
Source: Utah State Tax Commission.

codes in Salt Lake County had higher median prices: Holladay/Walker Lane (84117) with a median price of $366,800 and Willow Creek (84092) with a median price of $360,900.

In 2005, the median sales price of an existing home was $318,000 while the average price was $373,181. The significant difference between the median and average price reflects the high-priced character of the Draper City housing market. A few very high-priced homes push the average price nearly 20 percent above the median price.

The residential real estate market in Draper has been extraordinary and the city ranks as one of the hottest markets in the state. In 2005, the value of residential real estate sales in Draper, compared to the previous year, was up 50 percent to $332 million. Days on market are at a low, while the number of new listing and home sales are at record highs. These data all confirm that Draper City has great appeal for upper-income homebuyers.

Figure 5
Retail Sales by Major Category in Draper City in 2004



Source: Utah Department of Workforce Services.

Nonresidential Construction and Public Infrastructure Trends

In the past decade, significant investment has occurred in educational facilities, office and retail space, government buildings, and public infrastructure. Permit-authorized construction between 1995 and 2005 totaled $304 million, including the $40 million Skaggs Catholic Center, built in 1997, which stands today as Draper's costliest major construction project. Other major commercial projects included the Coca-Cola bottling facility, the Hidden Valley and Draper Peaks retail developments, Draper City Hall, and the Metropolitan Water Treatment Plant and reservoir. In addition to new construction, Draper City recorded $41.2 million in nonresidential additions and alterations (Table 10).

Office and industrial space have grown significantly since 1995. In 2005, office space totaled 3.7 million square feet. In the last decade, office space grew by 60 percent, or 2.15 million square feet. Industrial space grew even more dramatically, nearly quadrupling from a half million square feet in 1995 to 1.9 million square feet in 2005. The most significant additions to industrial space occurred between 1995 and 1998, with the construction of the Coca-Cola bottling facility and the Ballard Medical plant. No significant industrial space has been added since 2001.

The rapid growth in nonresidential construction and particularly retail development in Draper was made possible through unprecedented investment in road infrastructure in the past decade. The expansion of I-15, upgrades to highway interchanges at 11400 South, 12300 South, and Bangerter

Table 8
Value of New Residentail Units and Real Estate Sales in Draper City: 1995 to 2005 (in millions)

Year	New*	Existing**
1995	$75.10	-
1996	$106.30	-
1997	$77.40	$72.77
1998	$88.00	$89.60
1999	$73.60	$110.00
2000	$58.10	$123.70
2001	$89.40	$133.50
2002	$70.70	$153.10
2003	$89.60	$192.00
2004	$107.90	$222.60
2005	$108.50	$331.80
Total	$944.60	$1,429.07

*Includes single-family and multi-family units.
**Includes single-family and condominiums.
Source: University of Utah and Wasatch Front Regional Multiple Listing Service.

Table 9
Occupied and Total Dwelling Units in Draper City*

Year	Occupied Dwelling Units	Total Dwelling Units
1990	1,401	1,452
1995	2,621	2,730
2000	6,874	7,160
2005	10,248	10,675

*Difference between occupied and total units is vacant units for sale and rent.
Source: Bureau of Economic and Business Research. University of Utah.

Highway, as well as various street improvements, totaled $225.3 million.

Approximately $350 million in nonresidential investments are expected to occur through the remainder of the decade, including the Lone Peak Hospital, the Draper LDS Temple, and the IKEA furniture store. These two projects and the hospital all have a common element; they will provide goods and services to a much larger market than Draper City. In the case of the hospital the market is the cities in the southeast quadrant of Salt Lake County. In the case of IKEA, the market is regional, multi-county and even neighboring states.

In addition to major road building projects, significant investments are being made in bike and pedestrian trails and the city is supporting a tax increase to finance the expansion of the region's light rail system, TRAX, into the city. In anticipation of the light rail extension, Draper City has recently completed a process of master-planning future development in its historic downtown area. The city has also recently upgraded its parks and completed the purchase of 1,021 acres of open space. These investments will likely enhance the city's desirability and marketability as a place to live.

Table 10
Value of Nonresidential Construction in Draper City (in thousands)

Year	New Nonresidential	Nonresidential Additions and Alterations	Total
1995	$16,973	$48	$17,021
1996	$31,023	$1,403	$32,426
1997	$79,484	$1,698	$81,183
1998	$19,318	$2,305	$21,623
1999	$19,248	$2,432	$21,680
2000	$27,965	$5,219	$33,184
2001	$14,924	$3,972	$18,896
2002	$18,338	$5,931	$24,268
2003	$6,794	$5,537	$12,331
2004	$51,277	$8,390	$59,667
2005	$19,491	$4,311	$23,801
Total	$304,834	$41,246	$346,080

Source: Bureau of Economic and Business Research, University of Utah.

Draper in a Regional Context

Draper's economic and demographic changes are part of a broader transformation that is occurring throughout the region. Understanding Draper's role in the increasing urbanization of southern Salt Lake County and northern Utah County calls for a comparison of Draper's growth to that of six nearby communities: American Fork, Lehi, Riverton, Sandy, South Jordan, and West Jordan. Each has in its own way confronted many of the same changes that Draper has faced in the past decade.

Regionally, Sandy and West Jordan are by far the largest and most prominent cities, and serve as major regional centers for retail and employment. However, Draper has exhibited some of the most pronounced growth in housing and population of all the cities in the region: it may not be the largest or the most important player in the region, but it is growing and changing more rapidly than most of the other cities under consideration (Figure 6).

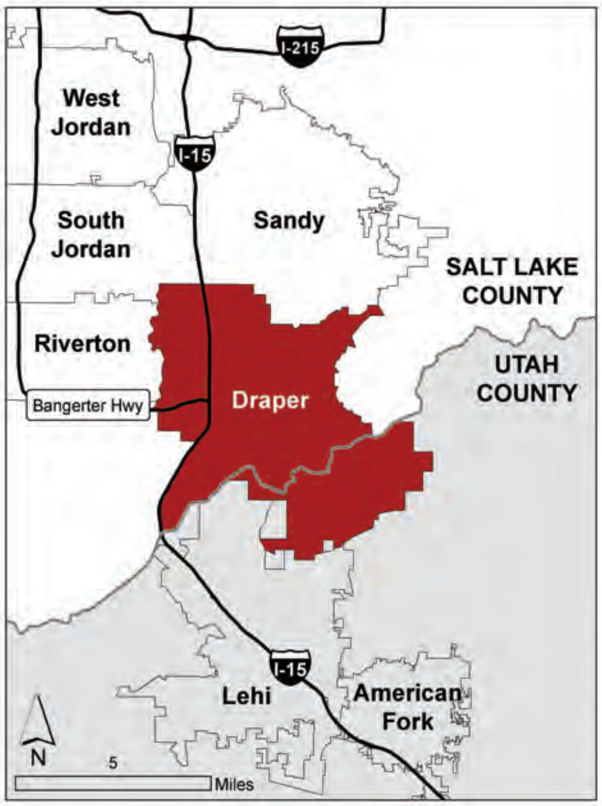
Population

Rapid population growth has been a defining characteristic of the region since 1990. Draper and the surrounding municipalities have been transformed from small outlying communities to large suburban cities in a growing metropolitan region. Only Sandy City experienced much of its population growth before 1990. Between 1990 and 2000, Draper experienced the greatest growth – a population increase of 248 percent, although in 1990 Draper had the smallest population of the municipalities in the area.

Lehi, Riverton, and South Jordan had triple-digit percentage change in the 1990s as well as Draper, indicating a regional trend toward rapid suburbanization. Between 1990 and 2000, only American Fork and Sandy experienced a percentage change less than 50 percent percent. Population growth since 2000 followed a similar pattern to population growth in the 1990s, with Lehi (58.1%), Draper (41.9%), Riverton (35.3%), and South Jordan (33.6%) experiencing the most growth.

The Utah Population Estimates Committee has made population projections at the municipal level out to 2050. By 2050, West Jordan is projected to be the largest city in the area, with a population of 182,080. There will be three other class-one cities by then: Sandy, South Jordan, and Lehi. Draper's population is projected to exceed 72,000 people by 2050 (Table 11).

Figure 6
Draper and Nearby Cities



Source: State of Utah Applied Geographic Reference Center.

Employment

Sandy is the major employment center in the region. Of the seven cities in this study, Sandy had by far the greatest number of firms, the highest wages, and the highest average employment in 2004. Draper had 1,229 firms in 2004, behind West Jordan (1,616) and Sandy (3,139). Draper employed 12,010 people on average in 2004, a number comparable to that of Lehi/Cedar Fort (12,085) and South Jordan (12,883). Only Riverton and American Fork employed fewer people than Draper in 2004. A complete listing of comparative employment characteristics is included in Table 12.

Relative to the total employment for each city in the region, Draper has the highest share of jobs in the information sector. Draper also has relatively high shares of construction, trade, and leisure and hospitality jobs. In the construction sector, only Riverton has a higher share of jobs – 23 percent of all employment in that city. Employment in trade, transportation, and utilities is most highly concentrated in West Jordan (27.8 percent), Sandy (24.6 percent), and Draper (23.8 percent). In South Jordan, 25.3 percent of all jobs are in professional and business services. Lehi and Cedar Fort combined have a major manufacturing component, totaling 26.1 percent of those cities' employment bases.

Real Estate and Construction

Population growth in Draper and in the surrounding communities has fueled an unprecedented growth of the housing stock in the region. Since 1990, all but two cities sustained an increase in housing inventory in the triple digits, and Draper has posted the greatest increase: 629.4 percent in 15 years. Sandy showed the slowest rate of growth in housing. Unlike the other cities in the study, Sandy had limited developable residential land by 2000.

Among the cities in the region, Riverton and South Jordan have the highest percentage of single-family housing, at 92 percent of the total housing stock. In Draper, 81 percent of the housing is detached single-family, a figure consistent with most of the cities in the region.

In the last six years, Lehi has experienced the greatest expansion of its housing stock, a 76.3 percent increase, followed by Draper, at 62.1 percent. In the region, Lehi has gained the most new single-family housing, as a percentage of the city's total stock, 71.6 percent in the last five years. Draper's increase in the same time was 53.6 percent. In absolute numbers, however, West Jordan gained the most new

Table 11
Population Projections for Draper and Surrounding Communities

									Percent Change		
	1990[(a)]	2000[(a)]	2005	2010	2020	2030	2040	2050	1990-2000	2000-2005	1990-2050
Draper	7,257	25,254	35,824	42,953	52,883	61,020	66,224	72,307	248.0%	41.9%	896.4%
American Fork	15,696	21,941	25,365	28,079	33,817	38,367	43,016	49,769	39.8%	15.6%	217.1%
Lehi	8,475	19,028	30,088	40,423	62,516	77,064	94,084	115,003	124.5%	58.1%	1257.0%
Riverton	11,261	25,011	33,845	45,588	49,346	51,773	57,486	63,081	122.1%	35.3%	460.2%
Sandy	75,058	88,418	92,602	96,656	107,268	111,465	116,722	123,157	17.8%	4.7%	64.1%
South Jordan	12,220	29,437	39,316	57,219	74,898	99,168	105,211	112,482	140.9%	33.6%	820.5%
West Jordan	42,892	78,721	93,193	110,189	126,427	144,925	167,337	182,080	83.5%	18.4%	324.5%

(a) Dicennial Census figures.
Source: Utah Population Estimates Committee.

Table 12
Comparative Employment Characteristics in 2004

Average Number of Firms		Average Employment	
City	Firms	City	Employment
Sandy	3,139	Sandy	36,834
West Jordan	1,616	West Jordan	19,180
Draper	1,229	South Jordan	12,883
South Jordan	1,053	Lehi/Cedar Fort	12,085
Lehi/Cedar Fort	762	Draper	12,010
American Fork*	652	American Fork*	7,555
Riverton	605	Riverton	4,318

Total Wages		Average Monthly Wage	
City	Wages (millions)	City	Wages
Sandy	$1,146.3	South Jordan	$2,692
West Jordan	$445.9	Sandy	$2,594
South Jordan	$416.1	Draper	$2,571
Draper	$370.5	Lehi/Cedar Fort	$2,476
Lehi/Cedar Fort	$359.1	Riverton	$2,215
American Fork*	$174.6	West Jordan	$1,937
Riverton	$114.8	American Fork*	$1,925

*2002 data.
Source: Utah Department of Workforce Services.

housing between 2000 and 2005, 6,364 units to Draper's 4,089 units.

In the years since 2000, communities in the region have experienced significant growth in multi-family housing. Riverton developed nearly all of its multi-family housing stock in this period, and Draper's stock of apartments, townhouses, and condominiums more than doubled in this time. Significant new multi-family housing has also been built in Lehi and West Jordan. The other cities in the region have increased their single- and multi-family housing stocks at slower rates of change, as indicated by Table 13.

The median price of new homes sold in 2005 in Draper and in the surrounding communities indicates that, relative to the region, new home prices in Draper are high. Only Sandy has a higher median price for a new home built in 2005. A comparison of home price distribution for the cities in the study is listed in Table 14.

Significant investment in nonresidential construction has occurred in Draper and in the surrounding cities. Sandy and West Jordan have recorded the highest values of new permit-authorized nonresidential construction since 1995. Draper ranks third with $304 million in new permit-authorized nonresidential construction (Table 15).

Retail Sales

Retail sales in the region are heavily concentrated in Sandy and West Jordan – together, these cities recorded nearly 67 percent of the retail sales in the region. With easy access to both I-15 and Bangerter Highway, West Jordan has successfully established itself as a regional shopping destination, due mostly to the massive Jordan Landing project, which promoted West Jordan into one of the leading retail sales generators along the Wasatch Front. West Jordan surpasses Draper in most retail sales categories.

American Fork in Utah County has made significant gains due to the addition of several new automobile dealerships and big-box retailers along the I-15 corridor. Motor vehicle sales and big-box sales explain why American Fork's retail sales activity surpasses that of Draper. Lehi, Riverton, and South Jordan all show retail activity that is less than that of Draper. These communities will expand retail offerings as the center of population along the Wasatch Front continues to move south. The addition of Kennecott Land's Daybreak community in South Jordan and the sustained residential housing boom in Lehi will prompt considerable expansion of the retail sectors in these communities. Already, Lehi is taking advantage of its location along I-15 with Thanksgiving Point and Cabela's, attractions whose market area encompasses the entire Wasatch Front. Sandy reported over $1.3 billion in retail sales in 2005, and West Jordan posted $799.4 million in the same time, the highest retail sales figures for the region. Draper reported $285.0 million in sales, behind American Fork.

Five of the seven cities in the region experienced significant expansions in retail sales activity between 2000 and 2005. The most significant growth in retail sales occurred in Lehi – rising from roughly $11 million to just under $61 million in five years: an increase of 462.4 percent. Retail sales in South Jordan nearly tripled in the same time, rising from $38.7 million in 2000 to $147.2 million last year. Reported retail sales doubled in American Fork, with the addition of several large automobile dealerships and the expansion of retail along I-15. Retail sales in Draper increased nearly 90 percent in the five years, while West Jordan's robust retail sales activity gained over 80 percent. Retail sales in Sandy and Riverton grew at a much slower pace, 30 percent and 4 percent, respectively (Table 16).

Table 13
Housing Inventories in Draper and in Surrounding Communities: 2000-2005

	2000 [a]	2005	Change
Draper	6,586	10,675	62.1%
American Fork	5,934	6,959	17.3%
Lehi	5,125	9,035	76.3%
Riverton	6,348	8,856	39.5%
Sandy	26,625	28,328	6.4%
South Jordan	7,507	10,779	43.6%
West Jordan	18,897	25,261	33.7%

(a) as of April, 2000, according to the U.S. Bureau of the Census.
Source: Bureau of Economic and Business Research, University of Utah; U.S. Bureau of the Census.

Table 14
Median Price of New Detached Single-Family Homes in 2005

City	Number of Closings	Median Price
Sandy	99	$600,000
Draper	484	$404,465
American Fork	44	$270,800
South Jordan	795	$267,100
Riverton	443	$249,900
West Jordan	819	$214,075
Lehi	890	$190,500

Source: NewReach and Bureau of Economic and Business Research, University of Utah.

Table 15
Permit-Authorized Nonresidential Construction: 1995-2005

City	Value (in thousands)
Draper	$304,834.0
American Fork	$187,033.5
Lehi	$154,707.1
Riverton	$133,283.9
Sandy	$539,366.3
South Jordan	$266,902.1
West Jordan	$389,429.8

Source: Bureau of Economic and Business Research, University of Utah.

Summary

The unprecedented population growth that occurred in Draper in the past decade compelled historic levels of residential, commercial, industrial, and public sector development. The magnitude and type of this development completely transformed the city from a bedroom community at the edge of an urban region into a thriving and dynamic suburb. While this transformation has occurred throughout the southern part of Salt Lake County and the northern part of Utah County, Draper has experienced the fastest and most thorough changes of any city in the region. These changes included an exploding population, the development of at least one commercial corridor, the establishment of major commercial office and industrial activity, enhancement of public infrastructure including new schools and religious facilities, better parks and open space, trails, upgraded water infrastructure, state-of-the-art highways, a new library and city hall, and thousands of new homes.

Draper remains in transition as the city draws major retailers of regional significance, whose markets will extend county- or statewide. Continued upgrades to public institutions and infrastructure, including schools, parks and open space, and trails, will allow Draper to continue its growth and development. In effect, the last decade has seen the birth of a new city, rising from the roots of a rural settlement steeped in the region's history.

References

[1] Unless otherwise noted, population figures for Draper exclude inmates of the Utah State Prison.

[2] Draper Area Incorporation Study, Prepared by the Bureau of Community Development, University of Utah, 1977.

[3] U.S. Bureau of the Census.

[4] Population estimates in this analysis were driven by annual increases in housing units from 1990 to 2005. Demographic estimates were lagged one year, as it is assumed that it takes a year from the time a housing unit is permitted to when it is occupied. Assumptions included a 3.5 percent vacancy rate for housing units, declining household size from 3.54 in 1990 to 3.32 in 2003, and each household requires a housing unit.

[5] Utah State Tax Commission.

[6] Utah Department of Workforce Services.

[7] "Draper Plots Course for Historic City Center" Salt Lake Tribune, 4 July 2006

Table 16
Retail Sales in Draper and in Surrounding Communites: 2000-2005 (millions)

			Change	
	2000	2005	Numeric	Percent
Draper	$150.1	$285.0	$134.9	89.8%
American Fork	$197.8	$415.0	$217.2	109.8%
Lehi	$10.8	$60.6	$49.8	462.4%
Riverton	$58.7	$61.3	$2.6	4.4%
Sandy	$990.0	$1,289.8	$299.8	30.3%
South Jordan	$38.7	$147.2	$108.5	280.2%
West Jordan	$441.4	$799.4	$358.0	81.1%

Source: Utah State Tax Commission.

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