

Bench mark: Mogul of Daybreak aims to shape western Salt Lake Valley's future

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SOUTH JORDAN — When Don Whyte steps onto the front porch of his two-story Daybreak colonial, he's greeted by a pick-your-superlative panorama of the Salt Lake Valley and Wasatch Mountains' majesty.

But if Whyte's wow-inspiring vantage is to live for, it's been planned for, too, starting with Brigham Young going on the grid by intersecting 100 South with 200 East to become the patron Latter-day Saint of urban planning.

From high on the mountaintop of Traverse Ridge to the superstructure skeletons rising from the bowels of downtown Salt Lake City, Young's recognized genius and vision have lent a steadying hand for 162 years of orderly growth and progress.

Now it's Whyte's turn to secure the future.

The 55-year-old president of Kennecott Land, who recently logged his second year on the job, is trying to do the rough equivalent of juggling chain saws as he presses forward with west-bench development plans while navigating choppy economic seas. Whyte has one eye sharply peeled on the well-received Daybreak project, which recently celebrated its fifth birthday. Planned for 4,200 acres and 20,000 residences when completed in 2024, it's ambitious by any standard. But it's just the warm-up act.

Whyte's other eye is flirting with something more audacious — an additional 93,000 acres that his company holds along the west bench that will be developed into the next century as the landmark Bingham Canyon Copper Mine is gradually decommissioned.

Nothing since pioneer times compares in terms of size and scope to what Whyte intends to pull off.

Whyte fell under the west bench's spell when he was being courted to come to Utah following an already stellar career spanning parts of four decades developing large-scale master-planned communities in Canada, Colorado and Florida.

"Someone mentioned to me that there were 93,000 acres up the hill (behind Daybreak) that could still be developed," he said. "That was part of the fascination for me: to do something that hasn't been done before."

Changing on the fly

Whyte was handed the reins for Daybreak just as Utah real estate was hitting the skids. That forced him to look for other ways to ensure that Kennecott Land survived, even prospered, amid a diminishing market.

It's proven Whyte's forte. He's worked energetically with his 11 builders, who are both local and national in their scope, making sure that product offerings are appropriate and competitive for the current market.

"We can deal with a slower pace of sales. Our landholding is large enough here that we can retool and adjust to what buyers are purchasing," explains the Canadian-born developer, who became a U.S. citizen in 1995.

One way is piggybacking on mass transit by building multifamily homes close to Daybreak's future light-rail stations scheduled to open in late 2010 or early 2011. Another is fast-tracking apartment construction, "because apartment dwellers are future homeowners," Whyte says.

Consumer feedback has been positive so far. "(It costs) \$140,000 to live in Daybreak now," he muses. "That wasn't the case when we started."

eBay on board

Although flying in the face of recession, Whyte expects Daybreak's commercial facet will start to sparkle during the next 12 months.

Daybreak Commerce Park's only major tenants to date have been incestuous — the new corporate offices of Kennecott Land and parent company Rio Tinto's 35-acre distribution center supporting the Bingham Canyon mine.

That'll change when eBay opens its "next generation" data center in 2010. Whyte says the online auctioneer's plans allow for expansion of the facility in the future into a campus-type setting.

Long-range plans eventually call for Daybreak to offer a jaw-dropping 8.3 million square feet of office and flexible industrial space, plus 3.5 million square feet of retail development. It's predicted to eventually add 20,000 jobs to the work force.

For comparison, Kip Paul, investment specialist for Commerce CRG, said Salt Lake County has 30.5 million square feet of total office space and 36.8 million square feet of retail. Practical matters

Whyte's neighborly demeanor and down-to-earth approach often remind you more of a favorite uncle than a savvy developer. Except for a bright lavender- and purple-colored print tie and matching handkerchief — trumping his otherwise conservative black suit and white dress shirt — Whyte doesn't stray from the solid foundation inherent in his civil-engineering background.

Although it turns out he hasn't forsaken practicality in this case, either, revealing the bold color scheme to be one of his wife's favorites.

His decisions involving Daybreak to date have been as measured as his attire.

"The view out my front door is very special," offers Whyte. "So in circumstances and locations like that, we're

going to wait until the right house is ready to be built on some of those lots, even if that means having to wait some period of time."

It's another example of Kennecott Land leveraging its largess.

"We look instead at all of our opportunities," Whyte said, "and our market share shows it."

Future predicated on past

Much of Daybreak's future is predicated on a relatively short past. But Whyte doesn't at all feel like a Donny-come-lately. Rather, his arrival here more closely paralleled a long reliever in baseball coming out of the bullpen.

"I'd like to take credit for all of it, but one of the things my predecessor (Peter McMahon) did was he assembled a really good team ... And he did an outstanding job kicking off the community," Whyte said.

Looking back, the decision to dig a big hole that has since become Oquirrh Lake — the development's wildly popular 60-acre, man-made centerpiece — was nothing short of brilliant.

Whyte, who cut his professional teeth helping develop man-made lake communities on the plains of Calgary, could have predicted as much.

"Nothing can replace water and trees for people," he said.

Ditto for the early overtures that finally resulted in an LDS Temple — the community's second major man-made feature — being located on Daybreak's hillside.

"The temple has provided a landmark and a community focal point that you can see driving from all over the valley," Whyte said.

Whyte also believes those early high-velocity years were key to getting the community's "head count up to present-day critical mass." In fact, Daybreak recently achieved a curious statistical symmetry by welcoming its 2,009th homeowner in the matching calendar year.

Luckily, that doesn't mean Whyte has to wait until 2010 for his next move-in. Company spokeswoman Jana Kettering said the number of homes sold in Daybreak is closing in on 2,100.

It does mean that there are more than 2,000 emissaries telling people where they live, Whyte said.

"How much easier is telling their story when they can talk about the lake and the miles of trails and somebody can come out and see it for themselves?" Whyte asks, twisting the tungsten alloy ring he wears on his pinky finger symbolizing membership in the fraternity of Canadian civil engineers. "Nothing compares to having a friend or family member say to you, 'Have you looked at Daybreak?'"

Failure to launch

Whyte says launching Daybreak would be difficult in today's economic climate. Those same market forces are also stymieing new developments on the company's other west-bench holdings, which approximate the size of Salt Lake City and West Valley City combined.

"Daybreak had a long history before a spade of dirt was turned in the ground, and the same is true of what will happen along the west bench," he said, clarifying that the West Bench General Plan has only been mothballed, not tossed onto the trash heap. "The vision for the west bench is still in place and will meet the Salt Lake Valley's demand for housing for a long time to come."

The plan, which deals with development of all of Kennecott's property once the copper mine plays out decades from now, was withdrawn from Salt Lake County's consideration in 2008 because it "dealt with too much," Whyte said, and was "more than most planners would feel comfortable biting off."

Kennecott's current strategy involves focusing on land likely to benefit from development in the near future. "Sometime in the not too distant future," he said, "we'll make an application dealing with land more proximate to develop."

Economic wild card

If Whyte needs a reminder of how toxic Utah real estate development can be, he doesn't have to look far.

At the bottom of Daybreak Hill languish parts of a swanky Jordan Heights subdivision built to apparently cash in on sightlines of the Oquirrh Mountain Temple sitting in full view above. Early sales were reportedly brisk and went for top dollar. Now, multiple homes sit vacant in various stages of completion, awaiting banking or legal remedies. Unsold lots liberally dot the site plan.

Whyte sees only a tenuous connection to his situation at Daybreak, where a 15-year target for completion has been rejiggered for 20 years as a concession to economic realities.

Although such hiccups apparently are of small consequence to companies with deep pockets and even deeper commitments. "We're a well-capitalized company. We make accommodations for people to live in," Whyte said. "So we're not speculating in the homebuilding business and lot development. What we're doing is developing at a rate the market is prepared to accept. There are always going to be people who want a new home.

"But we're not completely insulated from falling housing prices. We produce home sites that builders put homes on," he said. "If builders can't buy the materials and the lot and produce a house that can sell, they won't build."

Whyte has seen three significant downturns in his career, and each recovery has been different.

"We may have a different turnaround this time," he said, suggesting this one may be a little slower, although Utah will bounce back earlier, faster and at a higher rate than many other states.

If there's Tao of Whyte, it centers on sustainability — sustainability of the land, resources and the development itself.

"If we develop a community that can't sustain itself long-term, we haven't done anybody a favor," Whyte said.

That engineer's sensibility has fostered excellent relations with the city of South Jordan, whose boundaries encompass Daybreak and provide police and other municipal services.

"We work very well together," said South Jordan city manager John Geilmann. "(Kennecott Land) understands they need city services, and we need their development, so we get along very well."

Utah state of mind

One good thing about being in Utah, Whyte says, is that it isn't Florida or California or Arizona, where the housing markets badly lost their way.

"The mindset was very odd in those overheated markets," Whyte said. "I don't sense that mindset in Utah. People are more prone to buying housing ... for themselves and their family. It's something that's important; it's part of the ethic of how people live in Utah."

Still, given the housing slowdown, the recession and any other bad news the economists, bankers or Federal Reserve have neglected to share yet, can the Salt Lake Valley support the hundreds of additional homes Daybreak wants to provide yearly in perpetuity?

Whyte thinks, yes.

Utah is growing. It enjoys the highest birthrate in the nation, as well as being a place people favor relocating to, he said. Daybreak is going after more than its fair share of Utah's growth by producing a product that's outstanding for the price and offers amenities unavailable elsewhere.

"There's only one Oquirrh Lake, and you need to be on the scale of Daybreak to have an amenity like that," Whyte says, pointing to the daily swarms of kids, as well as a good number of adults, utilizing East Lake Park along the lake's shoreline.

Different challenge

Whyte says Daybreak presents developmental challenges different from his experiences as Southeast regional president for Newland Communities, North America's largest private residential-land-development company.

He describes surgically inserting a community into a lush subtropical oak forest at Fishhawk Ranch, near Tampa, Fla. "We didn't cut down a tree larger than 2 inches in diameter," he says proudly.

"Certainly we don't need to worry about cutting down trees here," Whyte laughs, knowing that more than 100,000 trees will be planted at Daybreak, which even has its own tree farm.

Capitalizing on the different attributes of the land is probably the biggest challenge a land developer faces. For Daybreak, it's about capitalizing on the incredible view and vista opportunities.

"The vision for Daybreak is very close to what the initial vision was — a community that demonstrates sustainable approaches to land development, that's walkable, economical in the use of water, accommodates higher densities and uses light rail," he said.

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