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## Utah mining company building a new city



By Paul Foy, AP Business Writer | April 7, 2006

SOUTH JORDAN, Utah --It's a plan for development that will take more than 50 years from start to finish, on the largest piece of privately owned land next to a U.S. metropolis for an expected half-million residents.

This megasuburb, twice the size of San Francisco, will be the work of Kennecott Land, the real-estate sister company of Kennecott Utah Copper Corp.

Kennecott Utah Copper Corp. is a subsidiary of London-based Rio Tinto, a mining multinational and avowed convert to environmentalism, which decided to make a showcase out of its surplus Utah lands instead of just selling them off for cookie-cutter subdivisions.

Home builders were skeptical when the Salt Lake valley's biggest landowner laid out the plan for a 20-mile string of densely packed, "walkable" communities framing the rural west side of Salt Lake County. The communities would be laid out along a planned highway and light-rail lines connecting to Salt Lake City.

Mining executives pitched the idea to some 50 builders. "A lot of them rolled their eyes and walked away," said Keith L. Morey, manager for Kennecott's flagship Daybreak project, where just seven builders were chosen to help build the first town of 14,000 homes.

"It was a mixture of excitement and fear," Brad Wilson, president and chief executive of Destination Homes, said of his decision to sign on with Kennecott Land to help build Daybreak.

"We didn't know if this was something people would wrap their arms around. It's so different -- the tiny lots and alley-loaded garages. It was a risk, but at the end of the day we felt they knew what they were doing," Wilson said.

Kennecott's whole plan calls for 162,800 houses in neighborhoods mixing the wealthy and wage earners in shared communities of gardens, pocket parks and surrounding open space.

The so-called West Bench development -- the string of communities along the base of a mountain range -- differs from other planned communities by emphasizing connections to a larger metropolis.

"It's part of a vision for how the whole region grows," said lead planner Peter Calthorpe, a Berkeley, Calif., consultant who designed the trendy redevelopment of Denver's old Stapleton Airport, which is about the same size as Kennecott's Daybreak community.

Kennecott Land is developing the rolling foothills of its 144 square miles of land, which ranks as the largest piece of land anywhere in the United States that's under the control of a single, private owner and next to a major metropolis.

Single ownership of the land "gives incredible control over development and the execution of the plan," said Gary Hunt, a retired executive for Irvine Co., which developed one of the country's first master-planned communities, in California's Orange County, starting in the 1960s. "In other parts of the country you don't have that kind of opportunity."

At Daybreak's information pavilion, manager Barbara Breen greets prospective buyers at a glass building with commanding views of the Wasatch and Oquirrh (OH-kuhr) mountains that frame the Salt Lake valley.

"We went on this incredible siege last summer, selling 40 houses a week, so we ran out," she said. More than



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"We went on this incredible siege last summer, selling 40 houses a week, so we ran out," she said. More than

800 houses have been sold so far, half of them still under construction.

Daybreak was not without its environmental problems, a legacy of a century of digging at nearby Bingham Mine, which is expected to keep operating until at least 2018.

A small part of Daybreak was built over ponds that collected mining runoff -- along with heavy metals -- from 1936 to 1965. Kennecott Land scooped up 3 million square yards of contaminated soil and carried it back near the mine.

Some buyers bluntly ask whether Daybreak would "glow in the dark or something," said Peter F. McMahon, president of Kennecott Land. He argued the Daybreak cleanup exceeded Environmental Protection Agency standards.

"It's cleaner than a bunch of other parts of the valley," he said.

Kennecott Utah Copper is building a pair of reverse-osmosis filter plants to clean tainted groundwater over the next 40 years, while providing fresh tap water for the southwest part of the Salt Lake valley. It dug other wells 300 feet deep to provide ground-source heating and cooling for a new elementary school and community center and contributed \$400,000 to kick-start an environmental study of extending a light-rail line from downtown Salt Lake City to Daybreak.

"It's a new business for Rio Tinto. Some people said, "What are you doing this for?" McMahon said, pointing out that Kennecott Land acquired more land than it will ever need for mining. "We have land in an area with strong demographics and a strong economy. All that growth is heading that way."

"Sustainable" development is a term McMahon and other Kennecott Land executives often use to describe their venture. Daybreak, for example, will contain all of its own runoff, using it for irrigation for native grasses and 40 species of trees, said Greg L. Rasmussen, an engineer and Kennecott Land's director of land development.

At Daybreak, every house will be within a five minute's walk of a park on 37 miles of interconnecting trails, some lined with channel streams. It will be just as easy to walk or bicycle to grocery and other shops and restaurants in the village core.

Kennecott Land banned the use of aluminum siding and fake cobblestone facades in favor of natural materials and insisted on rambling front porches for most houses.

"My wife always wanted a front porch," said Craig Douglass, a 56-year-old software quality analyst for 3M Co., who moved from a nearby subdivision, where he found his half-acre yard too large to maintain.

At Daybreak, the couple bought a \$273,000, 1,650-square-foot house with "a nice small yard, and we're looking forward to all the amenities" that will include a sailing lake, he said.

"The idea is these homes will appreciate in value because of their quality and the amenities of the neighborhood," said Wilson, the builder who has taken 200 orders so far and can't finish the houses fast enough for his buyers.

Kennecott is selling lots to builders but can't control home prices, which are rising with demand and range from less than \$200,000 to more than \$800,000, depending on a menu of options the builders offer.

Wilson said Kennecott Land's first town is not only unique to Utah but the country. He's toured many planned communities in other states but adds, "I don't know anyone who has done it as well as Kennecott."

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On the Net:

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On the Net:

Daybreak: <http://daybreakutah.com>

Kennecott Land Co. <http://www.kennecottland.com> ■

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