

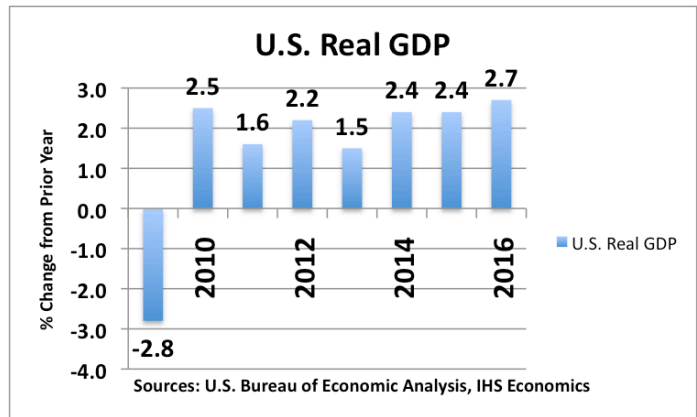
UTAH LEAGUE OF CITIES ECONOMIC FORECAST REVIEW

JANUARY 2016

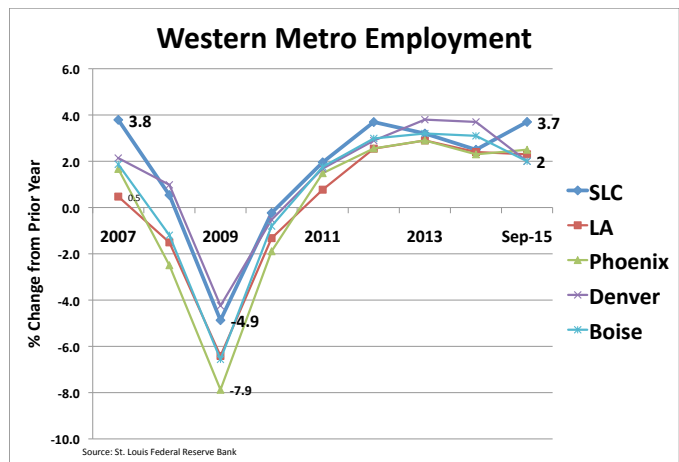
Utah taxable sales (the tax base for the 1% local sales tax and the basis for the population pot of the 50/50 distribution) will increase 6.1% in FY2016 to 7.6% in FY2017. In the first four months of FY2016, the statewide 1% local sales tax grew 4.8%. Salt Lake City's distribution was up 4.8% in the first four months and the other top five cities' distributions were mixed: West Valley (6.7%), Sandy (4.7%), Orem (3.9%), West Jordan (-4.5%), and Provo (1.9%). Tailwinds into FY2017 will be: 1) the 15% increase new home construction this year, 2) low, but rising gas prices in 2016, 3) strong investments in the high-tech sector and 4) relatively high consumer confidence. Headwinds, slowing down Utah's growth will be: 1) the high U.S. dollar, 2) a hurt, but somewhat improving oil, gas and copper industries. In addition, another weakness continues to be modest wage growth.

Leading Indicators	2016 Forecast
U.S. Real GDP	+ 2.7%
U.S. Consumer Prices	+ 1.4%
Utah Employment	+ 3.5 %
Utah Average Wages	+ 2.5%
Utah Total Wages	+ 6.0%
Utah New Home Construction	+ 8 %
U.S. Consumer Sentiment	94.4
Utah Taxable Sales	6% - 8%

The U.S. Economy Should be Trending up in 2016



Salt Lake City Metro Employment Growth Outpaces Competing Western State Metro Areas

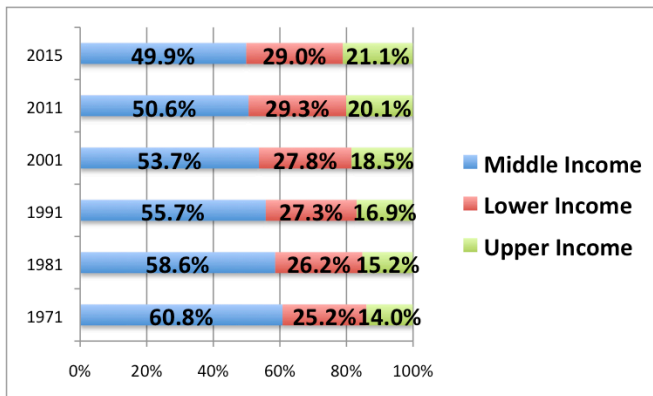


Top 10 Economic Predictions for 2016

1. U.S. growth will remain solid (GDP up 2.5-3%)
2. Europe will keep growing at modest pace
3. Japanese economy will limp along
4. China's growth will continue to decelerate
5. Brazil and Russia will remain in recession
6. Commodity prices will trough
7. Any rise in inflation will be modest
8. The U.S. Federal Reserve Bank and Banks of England and Canada will raise rates a bit, others will hold or ease up on rates.
9. The dollar will rise further
10. The risks buffeting the world economy will likely not derail it.

Source: Nariman Behravesh, IHS Economics

U.S. Middle Income Families Less Than 50% of Total according to Pew Research

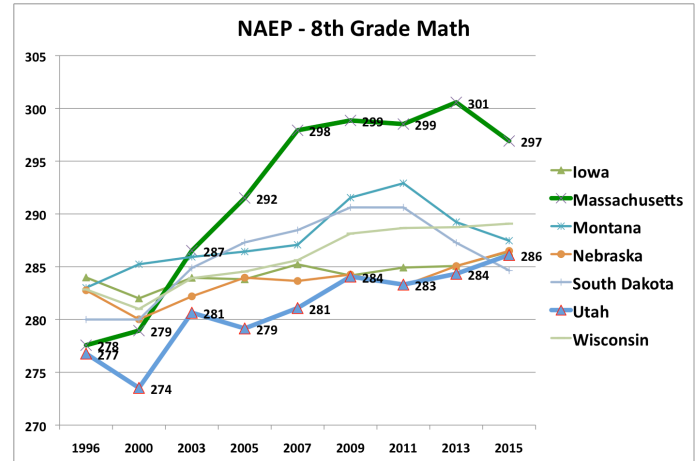


Most Price Indices Very Soft in 2015

	2015	2016
U.S. Price Deflator	+ 1.0 %	+ 1.8%
U.S. Consumer Price Index (CPI)	0.0	+ 1.4
U.S. Employment Cost Index	+ 2.1	+ 2.3
Western CPI	+ 1.1	
Wasatch Front CPI	+ 1.5	

Sources: IHS Economics, Bureau of Labor Statistics, Zions Bank

Utah Schools Improve, But Still Below Mass.



New Residential Const. Permit Values Up 20%

	Jan-Nov 2014	Jan-Nov 2015	%Chg.
(Dollars in Million \$)			
Salt Lake County	\$ 915.6	\$ 974.2	6.4%
Salt Lake City	109.0	155.7	42.8%
Bluffdale	67.0	58.8	-12.3%
Draper	51.8	17.4	-66.4%
Herriman	129.5	205.7	58.8%
Holladay	20.6	14.9	-27.7%
Midvale	54.3	37.8	-30.5%
Murray	29.9	12.7	-57.4%
Riverton	27.3	60.8	122.4%
Sandy	51.8	73.2	41.3%
South Jordan	198.2	169.7	-14.4%
West Jordan	51.0	115.2	125.9%
West Valley	59.2	30.2	-49.0%
Unincorp. County	57.1	12.0	-79.0%
Utah County	842.2	1,184.1	40.6%
Alpine	18.8	17.2	-8.6%
American Fork	18.3	29.0	58.7%
Eagle Mountain	47.2	259.1	449.5%
Highland	43.7	44.9	2.6%
Lehi	138.2	154.6	11.9%
Lindon	14.3	12.7	-10.7%
Mapleton	19.1	23.9	25.3%
Orem	145.2	131.7	-9.3%
Pleasant Grove	59.9	44.5	-25.8%
Provo	40.4	42.0	3.9%
Santaquin	20.9	33.2	58.5%
Saratoga Springs	49.0	71.3	45.7%
Spanish Fork	45.9	60.2	31.0%
Springville	25.4	29.7	17.0%
Vineyard	106.7	25.4	-76.2%
Salem	20.6	172.1	733.4%
Davis County	293.3	340.2	16.0%
Bountiful	13.7	17.4	27.1%
Centerville	1.8	19.2	961.2%
Clearfield	4.6	6.5	42.8%
Clinton	8.1	12.3	51.6%
Farmington	30.3	34.3	13.4%
Fruit Heights	11.9	8.7	-27.2%
Kaysville	48.3	55.7	15.3%
Layton	67.8	74.3	9.6%
North Salt Lake	40.8	29.5	-27.7%
Syracuse	33.7	48.2	43.0%
Weber County	157.3	146.1	-7.1%
Ogden	29.8	39.6	32.7%
Farr West	21.0	8.2	-61.0%
North Ogden	14.0	19.0	35.6%
Pleasant View	22.3	19.9	-11.1%
West Haven	11.0	24.1	118.5%
Unincorp. County	10.6	9.8	-7.1%
Wasatch Front	\$ 2,208.3	\$ 2,644.6	19.8%

Source: UofU, Gardner Institute, BEBR