

Foundation

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www.laytoncompanies.com

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South Jordan, Utah

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Pay Yourself

Strong economic habits carry Layton through difficult times

As youth, we were taught many lessons by our father. Not only did he teach us the



David S. Layton

value of hard work, honesty, quality and satisfaction in a job well done, but one of his favorite lessons was what he called “pay yourself.” It was a simple concept to understand but more difficult to implement.

His lesson of “pay yourself” involved taking a sum of money from every paycheck and paying it *again* to yourself. Now, he always left it up to us kids to determine what the amount might be that we’d pay ourselves, and he never strictly enforced its practice. It was always just simple and straightforward encouragement to always pay yourself.

You may know that Dad grew up as a teenager during the Great Depression. He experienced first-hand the challenges of putting food on the table for the family of 12. Back then his family lived day to day, and he learned the value of saving for the future and the unknown.

Now, once we paid ourselves, he stressed the necessity of putting that money away in a safe place — a place where we would not be tempted to spend it. The concept of “out of sight, out of mind” was surely applicable because as kids we loved a treat as much as anyone.

To emphasize this concept, Dad used the phrase, “don’t let the money burn a hole in your pocket” — meaning that if you kept the money in your wallet or purse, you’d always be tempted to spend it. We often made a trip to the bank, and we



Mark Layton (left) and president and CEO David S. Layton were taught the importance of hard work and paying yourself. These principles help The Layton Companies weather economic storms.

were always excited to see our savings accounts increase.

The benefits of Dad’s “pay yourself” philosophy are self evident. Put something away for the future, for a rainy day, for tough times. With the challenges of today’s economy, Dad’s counsel is once again proven wise and we’ve certainly followed his advice on this matter at The Layton Companies.

Heading into our 56th year, we’ve been through a few rough years in our history, and we’ve always come through challenging times as a better organization because we had to learn to be stronger in applying sound business principles. We’ve always chosen to be fiscally conservative. As we’ve grown the size of the business, we’ve also increased our retained capital to have a sizeable nest egg in the event of times like these.

We are prepared to weather the storm of these uncertain economic times. We have a strong backlog of work in many geographic markets with a wide variety of project types. This diversification will help insulate us from the unsettled markets.

To the Layton team, I’ve challenged us with these simple words of advice: As in the past, we control our own destiny going forward. The strength of this company always has been and always will be the quality of our people. So long as we continue to perform our duties at the highest level of professionalism and thoroughness, we will continue to be tremendously successful.

Lastly, we’re grateful for customers who we consider partners, and for excellent subcontractors and suppliers who are steadfast team members. To each of you, we pledge our very best and look forward to good times ahead.

Layton earns industry awards

National CMiC Award

Layton earned 1st place in the 2008 National CMiC Innovation Awards for its Concrete Scorecard, a graphical representation of the performance of its concrete projects. CMiC provides software solutions for the construction industry, and recognized Layton for using CMiC software in innovative ways to improve productivity and demonstrate a substantial return on investment. Layton's \$10,000 award was donated to the Huntsman Cancer Foundation.

Intermountain Contractor "Best of 2008" Awards, Utah

The McGraw-Hill publication jury selected four Layton projects representing the "best of the best" at awards ceremonies in December. **Best Private Building over \$5 million:** Rio Tinto Stadium. **Best Green Building Project Merit Award & Best Higher Education Project Merit Award:** Utah Valley University Library. **Best Interior Project Merit Award:** XanGo Corporate Center. **Best Masonry Project Merit Awards:** Spanish Fork Justice Center and Rio Tinto Stadium.

Intermountain Contractor "Best of 2008" Awards, Idaho

Idaho Project of the Year: BSU Stueckle Sky Center.

Southwest Contractor "Best of 2008" Awards, Arizona

Best Masonry Project: Institute of Religion at Arizona State University.



Rio Tinto Stadium – home of Major League Soccer's Real Salt Lake – opened Oct. 9, 2008 in front of a sell-out crowd of 20,000 and an international television audience.

Real Salt Lake soccer stadium unveiled

A sellout crowd of 20,000 fans and an international television audience inaugurated Rio Tinto Stadium at a match between Major League Soccer's Real Salt Lake and New York Red Bulls. At the request of Real Salt Lake, Layton-Turner Joint Venture crews accelerated construction to open the stadium weeks ahead of schedule.

Layton named one of 15 fastest growing companies in Utah, based on revenue



The Layton Companies was recognized by the Mountain West Capital Network as one of Utah's Top 15 Growth Companies. Layton was No. 7 on the list of companies based on revenue growth over the past four years.

Layton brings historic Colorado landmark into the present

Layton's Interior Construction Specialists completed a multi-million-dollar renovation of the New Sheridan Hotel, a 113-year-old hotel in Telluride, Colo., recognized as Telluride's most beloved historic landmark. The remodel and redecoration included 26 deluxe guestrooms. The project also included major structural upgrades, expanded dining capacity, revamped lobby, installation of heated marble bathroom floors, and re-use or matching of original moldings and fixtures.

Yuma (Ariz.) Detention Center uses 'shared savings' agreement

Layton Construction of Arizona completed 80 cells and administration space with an \$11.8 million contract to build a new Detention Facility for Yuma County in Arizona. The project was completed in October with a guaranteed maximum price and a "shared savings" agreement. "All were amazed at how smoothly Layton delivered the project ahead of schedule and below budget," says Roger A. Patterson, Yuma County engineer. "I have been with Yuma County for over 20 years and this is the first project Yuma County has actually received money back from the contractor."



The RiverPark Corporate Center brings an urban corporate center to a suburban environment.

Corporation Station

RiverPark Corporate Center brings luxury to South Jordan

In the last issue of *Foundation*, The Layton Companies president David S. Layton extolled the virtues of the design-build approach to construction (see “Design-Build: A profitable project delivery system” in the Fall 2008 edition of *Foundation*).

If David’s article was the theory, the RiverPark Corporate Center is the lab that puts the theory to the test.

The RiverPark Corporate Center — owned by The Argent Group and located at a prime gateway to South Jordan, Utah — blends luxury, convenience and practicality in a way few other office parks can. Layton Construction has completed 1.3 million square feet on 120 acres of the

master-planned project made up of the finest office space around. Each building is unique, yet enjoys a sibling relationship with the rest of the center.

“This was designed to be the best office park in Utah,” says Kent England, a partner with The Argent Group. “Besides the office space, though, we wanted to bring in support amenities — hotels, restaurants, retail businesses — that would keep people here during the day.”

To see how the project has done this, just drive down River Front Parkway. On the right, you’ll see restaurants that make grabbing a bite or having a nice business lunch convenient. Continue down the road and you’ll see corporate headquarters, colleges and health facilities.

So, how does an office park this diverse and scattered look like it belongs together so seamlessly? A strong team, comprised of designers, contractors, owners and engineers, each working together for a common goal: to create the best office park in the state of Utah.

“The delivery is a modified design-build,” says John S. Alley, a vice president with Layton Construction and one of the people involved with the project from the beginning. “The subcontractors, engineers and architects have been constant the whole time. We’ve built relationships with these people and we’re able to work together well.”

So what do these strong relationships bring to the building process?

“The subcontractors look out for one another,” says Scott Thiessens, Layton’s superintendent on the buildings. “If things would come up — even if they didn’t apply to their area — they would point them out

“Layton routinely exceeds my expectations. It’s been a true collaboration from the beginning.”

Kent England
Partner
The Argent Group

The Details

CONSTRUCTION
START DATE
Fall 2000

NUMBER OF BUILDINGS
24

SQUARE FOOTAGE
Approximately 1.4 million

ARCHITECT
MHTN Architects
Salt Lake City
Beecher Walker & Associates
Salt Lake City

SPACE INCLUDES
Class-A office, retail, medical,
university/educational, restaurant



A team meeting that includes Layton's John S. Alley (left) and Argent's Greg Haehl and Terrell Sparks.

and even help find solutions.”

This teamwork started in 2000 when developers broke ground on the project. That’s when the initial design-build team was assembled, bids received and plans drawn.

But instead of the conventional design-bid-build approach, the Layton team gathered the different groups and worked through potential problems before the job started.

“We used a lot of peer review,” Alley says. “We would work together to review the documents in a team peer-review process. Everyone would look at the plans from their perspective and bring up questions and concerns.”

Alley estimates this approach eliminated about 200 RFIs (requests for information) that would have been brought up during construction — each one delaying the project and costing the owners more money.

“There have been tremendous advantages to having the same contractor build all the buildings,” England says. “They’re more efficient. They build the buildings better, in less time and for less money.”

And the opportunity wasn’t



Layton Construction has already completed 1.3 million square feet of space just south of Salt Lake City.


lost on subcontractors.

“This has been the premier opportunity for subcontractors in the state for the last eight years,” Alley says. “They work hard to make sure they do a good job. That’s led to people coming in to see how we could build so much for so little.”

While the open communication and team-first approach seems easy, it involves mutual respect, understanding of individual perspectives and egos being put to rest.

Besides the buildings — which make any tenant look better — the project brings vibrance, maturity and legitimacy to South Jordan. The area is surrounded by park lands that offer a buffer between the three- to six-story office buildings and surrounding residences. The roadway features fountains in roundabouts that bring additional tranquility to the bustling business center.

And each building — juxtaposed at the perfect angles one with another — give the feeling of being in a more cosmopolitan area, but with the convenience of suburban living.

Just like the theory explained would happen. Test passed. 

Crunching the Numbers

Business owners are always looking at numbers and spreadsheets. Determining whether a project is successful or a new product should be delivered is based on careful analysis, estimations and data. RiverPark Corporate Center is no different. Here are some numbers to think about:

- The project sits on 120 acres, eventually bookended by I-15 entrances.
- RiverPark boasts 24 different buildings including Class-A offices, restaurants, medical facilities, educational institutions and retail spaces.
- Ultimately, the development will include about 1.4 million square feet of business space.
- The office buildings range from three stories to six.

The WOW Factor

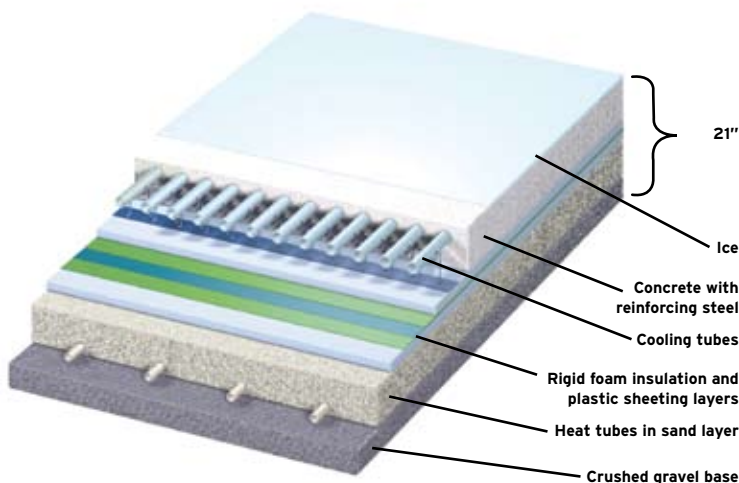
Drive south on River Front Parkway in South Jordan until you hit the round-about. Look to the east and you will see the impressive Class-A buildings juxtaposed perfectly to give an urban feel in a rural setting. The area also has a welcome tranquility from the fountain of water cascading down rocks in the center of the round-about.

What’s Unique?

No two projects are the same. The RiverPark Corporate Center is unique in at least four ways.

- The project has used the same CM/GC from the beginning, employing a *design-build delivery system*. In fact, Layton Construction project manager Jared Adamson estimates more than 80 percent of the subcontractors used have been with the project all eight years.
- The Argent Group *prepurchases critical tenant improvement materials* and has them waiting for when they’re needed.
- Two pairs of buildings (4/6 and 12/14) were *built simultaneously*, taking advantage of the economies of scale.
- The project is accessed at *I-15 at 106th South*. An interchange is under construction at *114th South* to provide another entrance to RiverPark.

The anatomy of a concrete ice skating sheet



¾-inches thick, it consists of about two dozen ultrathin and responsive layers of deionized water. It’s monitored continuously by multiple thermometers and chilled by 1,000 tons (cooling capacity) of saltwater circulating in 33 miles of pipes. All for one goal: speed.”

What makes the ice sparkle on top for world-class speed skaters or recreational skaters in Cottonwood Heights is largely determined by what is meticulously placed below and within the concrete slab.

To get a world-class level ice sheet, a gravel base is topped with sand and hot water filled heat tubes placed within the sand layer. Frozen earth expands and would crack the concrete layer above, but is prevented by the heated sand layer. Four inches of rigid foam insulation covered with plastic sheeting (which serves as a vapor barrier) provides a stable base upon which the reinforcing steel, refrigeration lines and concrete is placed.


Latticed reinforcing steel across the large expanse of the ice sheet, intermingled with the symmetry of the long tubes which carry the refrigerant creates a visually intriguing pattern. However, when the quality control checks were complete on the concrete pre-pour checklist, the intricate pattern of steel

and tubing disappeared beneath the feet of a crew of twenty-five concrete finishers, concrete finishing equipment and 35 concrete truck loads (320 cubic yards) poured in a five-inch slab. The crews worked 12 hours from the start of the continuous concrete placement to finish of the seamless concrete slab.

The concrete was formulated with additives called superplasticizers so it would flow to fill in the many voids around the reinforcing steel and refrigeration tubes. Concrete crews used a Copperhead® Laser Screed to control accuracy, productivity and cost efficiency.

“With the best concrete finishers in the West, we were able to achieve a super flat floor rating,” says Ross Dodds, ICS superintendent.

When the Utah Olympic Oval and other ice venues were completed for the Olympics, Ottavio Cinquanta, President of the International Skating Union said Salt Lake City had suddenly become “one of the most important centers for ice skating in the world ... and can become one of the leading cities for our sports.”

Layton’s concrete crews have played a quiet role in placing concrete slabs where Olympic champions are born and also where the dreams of Olympic hopefuls begin. 

Fastest Ice on Earth

Layton builds world-class skating venues

Interior Construction Specialists, one of The Layton Companies, recently completed an interior remodel of the Cottonwood Heights (Utah) Recreation Center Ice Arena. An existing rink was demolished and replaced with an Olympic-sized rink (200-feet by 100-feet).

Construction of concrete ice sheets is not common, but Layton has completed several sheets in recent years, most notably, the Utah Olympic Oval, home to the 2002 Olympic Winter Games long-track speed-skating events. The facility houses a 400-meter long-track and two ice rinks.

Of the Utah Olympic Oval’s ice, *Popular Science* magazine (February 2002) said, “Though it’s cold and hard and sits motionless on a concrete slab, the ice at the Utah Olympic Oval is far from dead. Just



Bruce Sandall

EMPLOYEE FOCUS | Bruce Sandall

In **September 1977**, a young father of one walked into the office of Layton Construction founder Alan Layton, Sr., looking for a construction job to get him through a rough time in residential construction.

Now, **31 years later**, Bruce Sandall is the father of seven and finds that he’s become a permanent fixture at his “temporary” job.

“Layton has always been a **family-oriented company** and that has always appealed to me,” Sandall says.

In fact, Sandall had one child when he started 31 years ago. Now he has seven. And each was born while dad was working at a company that appreciates its employees and has opportunities for them to support a family. “I’ve always had chances to advance,” Sandall says. “There are growth opportunities here.”

Plus, the attitude around the company is one of an extended family.

“As big as the company is, I still feel like everyone is close,” Sandall says. “I feel like **I could approach anyone** in the company and be approached by anyone.”

This desire to work “The Layton Way” has led Sandall to advance through all levels of the company. Originally hired as a “construction specialist,” Sandall found himself working 25 years as a concrete finisher. Throw in time as a foreman and superintendent and you see why Sandall is now a **field training specialist**, ensuring quality work is done on each project.

Some of Sandall’s favorite projects include Taylorsville High School, the Jordan River Temple, Rice-Eccles Stadium and Primary Children’s Hospital.

Adding a Spark

Taylor Electric brings light to RiverPark Corporate Center

When Jerald Taylor started his electrical contracting business in 1975, he instilled an understanding of two rules — now known as the two P's.

The first was the Platinum Rule — a play off the “golden rule” — that reminds Taylor employees to always treat clients as they would like to be treated personally.

The second “P” is the Performance Rule: under-promise and over-deliver.

“One thing that sets us apart is our service and our quality,” says Ryan Taylor, president of Taylor Electric and Jerald's son. “That comes from the dedication to these two principles. It's made all the difference.”

And it's a reason Taylor Electric — and specifically Grant Marchant, Taylor Electric's project manager — has been a constant partner in Layton Construction's work on the RiverPark Corporate Center in South Jordan, Utah (see page 4).

“Grant is the guy,” says John S. Alley, a vice president with Layton Construction. “He's one of the most vital members of our design-build team.”

“The design-build approach is the epitome of a team effort,” Taylor says. “Layton understands the concept of win-win. They know how to manage a team. If everyone's clicking, you'll end up with a ‘W.’ They're great at keeping everyone on the same page and the same team.”

Taylor Electric focuses on commercial construction and appreciates the relationship with Layton. Taylor has worked with Layton Construction on jobs besides the RiverPark Corpo-



Ryan Taylor leads his company using two P's: the Platinum Rule and the Performance Rule. It's made all the difference.

rate Center, including the University of Utah Hospital Expansion and Wasatch High School in Heber City, Utah.


At the core, the electrical contractor has one of the most visible jobs on a construction project ... literally. If the lights don't come on, not much else on the project matters.

“It's rewarding to drive around at night and see the buildings we work on all lit up,” Taylor says. “It's fun.”

But it's the less visible part of the electrical work that Taylor feels sets his company apart.

“We bring a wealth of experience to a project,” he says. “We can suggest gear or solutions that comes from our experience with other projects.”

For example, experience has taught Taylor that it's beneficial to warehouse equipment you use often. That means it will be ready when you need it and can get better pricing because you're buying in bulk.

It's just another way Taylor Electric is able to over-deliver. After all, wouldn't everyone like to be treated that way? 

Taylor Electric, Inc.

FOUNDED
1975

PRESIDENT
Ryan Taylor

TYPE OF WORK
Electrical

HIGH-PROFILE JOBS WITH LAYTON

University of Utah
Hospital Expansion (Salt Lake City)

Wasatch High School
(Heber City, Utah)

RiverPark Corporate Center
(South Jordan, Utah)

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“Layton understands the concept of win-win. They know how to manage a team. If everyone's clicking, you'll end up with a ‘W.’ They're great at keeping everyone on the same page and the same team.”

— Ryan Taylor
President
Taylor Electric

Economic Outlook

Utah

“Utah economic growth has stalled in recent months, falling victim to U.S. recession, dismal new home construction activity, soft home prices and high energy and food costs. The weakest pace of Utah economic activity in five years is likely to continue well into 2009, before some improvement is expected. Utah employment is essentially unchanged from a year ago.”

Source: Zions Bank, Utah Economic Outlook, Autumn 2008

Idaho

“The Idaho economy appears to have slid into recession during 2008, buffeted by a painful U.S. recession, dismal levels of new home building activity, soft home prices, cuts in high technology employment, and the most serious threat to global financial markets since the Great Depression. The weakest pace of Idaho economic performance since 2002 is expected to continue well into next year, before modest improvement is anticipated. Total Idaho employment is down nearly one percent from a year ago.”

Source: Zions Bank, Idaho Economic Outlook, Autumn 2008

Arizona

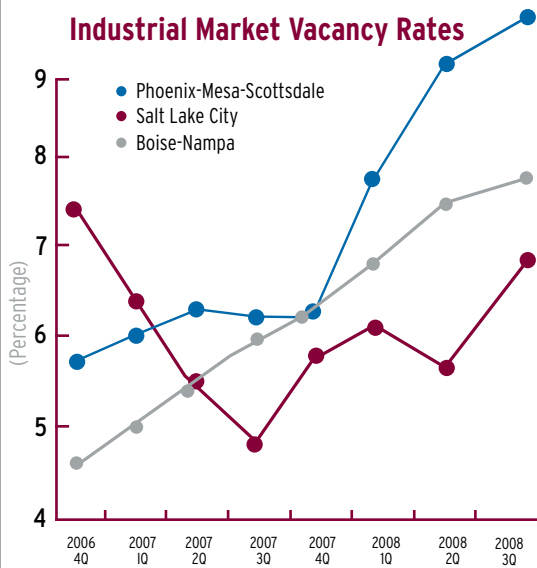
“Recession continues to grip Arizona and several more months are likely to pass before the economy bottoms and then begins to recover. By the middle of 2009, housing markets should bottom, credit will once again be expanding, and consumers will begin to release some pent-up demand. The business cycle will turn up and by mid-2010, robust growth will return once again. In our annual update of the long-term forecast, we find abundant growth in Arizona’s future.”

Source: Arizona’s Economy, September 2008, University of Arizona, Eller College of Management

THE NUMBERS GAME

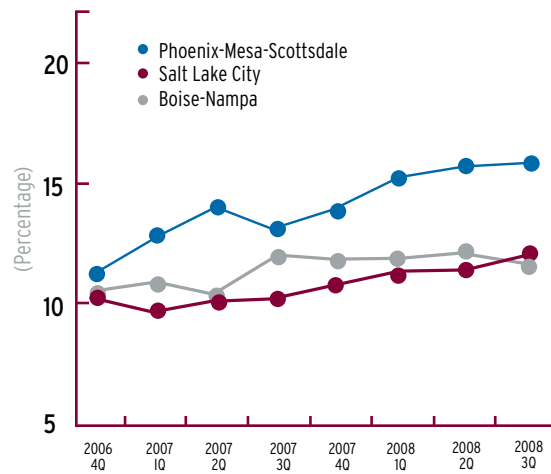
3 MARKETS BUILT ON DIFFERENT STORIES OF VACANCIES AND UNEMPLOYMENT

Industrial Market Vacancy Rates



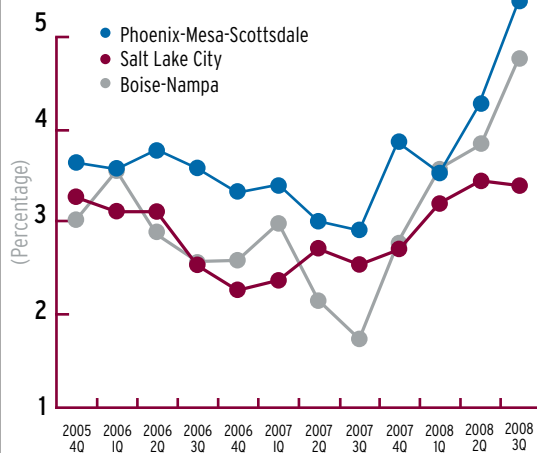
Source: Thornton Oliver Keller Commercial Real Estate (Boise); Cushman & Wakefield of Arizona, Inc. (Phoenix); Commerce CRG Commercial Real Estate (Salt Lake City)

Office Market Vacancy Rates



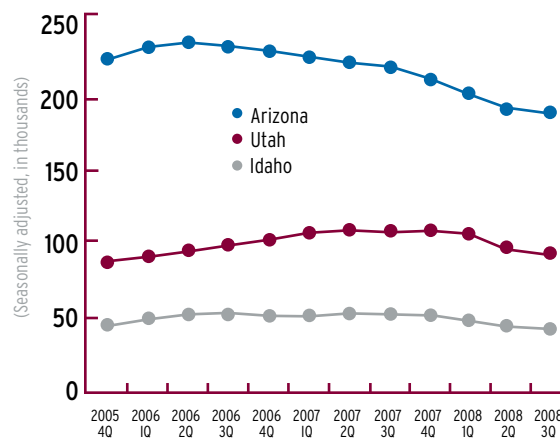
Source: Thornton Oliver Keller Commercial Real Estate (Boise); Cushman & Wakefield of Arizona, Inc. (Phoenix); Commerce CRG Commercial Real Estate (Salt Lake City)

Unemployment



Source: U.S. Bureau of Labor Statistics

Construction Employment



Source: U.S. Bureau of Labor Statistics

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