ECONOMIC BENCHMARKS FOR SALT LAKE CITY'S CENTRAL BUSINESS DISTRICT

Prepared For

Downtown Alliance – Salt Lake City

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Economic Benchmarks for Salt Lake City's Central Business District
2003 Update

In May of 2002 the first economic benchmark study of the Central Business District (CBD) was published by the Downtown Alliance of Salt Lake City. This study, prepared by the Bureau of Economic and Business Research at the University of Utah, examined in detail the economic change in Salt Lake City's CBD from 1990 to 2001. This original study now serves as a benchmark for the 2003 update, which measures the performance of the downtown economy over the past two years and provides a snapshot of current economic conditions shown in the economic profile below.

Economic Profile of the CBD - 2003

Category	Amount
Employment	59,775
Wages Paid	$1.98 billion
Office Square Footage	13.3 million sq.ft.
Office Vacancy Rate (includes space available for sublease)	18.4%
Retail Sales – 2002	$463 million
Retail Square Footage	2.0 million sq. ft.
Retail square Footage in Malls	1.46 million sq. ft.
Commercial Bank Deposits – 2002	$4.2 billion
Hotel Rooms (CBD)	3,000
Hotel Occupancy (October 2003)	67.8%
Convention Attendee Nights - 2002	205,529
Retail Spending by Convention Attendees	$19.0 million
Housing Units	3,615
Parking Spaces	36,300

Summary of Economic Change in the CBD - 2002 to 2003

- Due to the recession, employment in the CBD has declined by 2% or 1,200 jobs in the past twenty-four months. Virtually all of the job loss was in office employment.
- Retail sales increased by 19% or $73 million between 2000 and 2002. The CBD had retail sales of $463 million in 2002. The increase in retail sales reverses a four-year decline in retail activity. The retail categories with the largest sales gains were clothing, sporting goods, gifts and furniture.
- No new office space has been developed in the CBD in the past two years. A vacancy rate of 18% and sluggish lease rates have discouraged new development.
- The Church of Jesus Christ of Latter-day Saints announced the development of a combined campus for Brigham Young University's Salt Lake Center and the LDS Business College on Blocks 85 and 86, plus the development of two residential towers in the CBD and the redevelopment of Crossroads Mall and ZCMI Center. The LDS Church plans to spend "hundreds of millions of dollars" on these projects over the next several years.
- Hotel occupancy rates are beginning to improve. The current occupancy rate is 67.8% (October 2003).
- Due to mergers and acquisitions, bank deposits have increased from $3 billion in 2000 to $4.2 billion in 2002.
- Two new housing projects with a total of 307 units have increased the housing inventory in the CBD to 3,600 units. Absorption rates of new units and vacancy rates for existing units indicate a strong demand for housing in the CBD.

Employment in the CBD

In 2003, employment in the CBD totaled 59,775. Over 50,000 of these employees worked in an office setting, which means the CBD has the largest concentration of office employment in the state. Restaurant employment ranks a distant second to office employment with 4,500 jobs or 7.6% of the CBD workforce followed by the retail and hotel sectors, each at about 3% of CBD employment.

Table 1
Employment by Sector in CBD

Category	Employment 2001	Employment 2003	% Distribution
Office	51,350	50,125	83.9
Restaurants	4,475	4,530	7.6
Retail (Malls and Freestanding Retail)	2,100	2,050	3.4
Hotels	1,800	1,800	3.0
Manufacturing	500	500	0.8
Miscellaneous	750	750	1.3
Total	60,975	59,755	100%

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

The recession has created some economic weakness in CBD employment. Between 2001 and 2003 employment has fallen from 60,975 to 59,775, a job decline of 2%. The office sector, the hardest hit sector, has lost 1,225 jobs in the past 24 months. The single sector that recorded an increase in employment was restaurants, which had an increase of 1.7% or 75 new jobs.

Table 2
Estimated Change in Employment in the Central Business District

Category	1990	2001	2003	Change	% Change 2001-2003
Office	42,000	51,350	50,125	-1,225	-2.4
Hotels	1,250	1,800	1,800	0	Unchanged
Manufacturing	500	500	500	0	Unchanged
Restaurants	3,350	4,475	4,550	75	1.7
Retail	1,550	2,100	2,050	-50	-2.4
Miscellaneous	500	750	750	0	Unchanged
Total	49,150	60,975	59,775	-1,200	-2.0%

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

Total wages paid in the CBD has changed very little in the past two years as declining employment has nearly offset any gains attributable to increasing wages. Wages paid are up less than 1% to $1.98 billion. Nevertheless, the CBD remains the most concentrated wage center in the state. The wages in the CBD exceed total wages paid in any Utah city with the single exception of Salt Lake City. Furthermore, the wages paid in the CBD are greater than wages paid in 25 of Utah's 29 counties. Only the wages paid in Salt Lake, Utah, Davis and Weber counties exceed the wages paid in the CBD.

Table 3
Wages Paid in the CBD in Millions
(Current 2003 Dollars)

Category	1990	2001	2003	Percent Chg. 2001 to 2003
Office	$1,235.7	$1,820.0	$1,830.2	0.6%
Restaurants	$28.1	$46.0	$48.2	4.8%
Retail	$20.8	$28.7	$28.9	0.7%
Hotels	$16.4	$30.1	$31.0	3.3%
Miscellaneous	$15.0	$26.8	$27.6	3.0%
Manufacturing	$12.7	$14.0	$14.4	2.9%
Total	$1,328.7	$1,965.6	$1,980.4	0.8%

Source: Bureau of Economic and Business Research, David Eccles School of Business, University of Utah and Utah Department of Workforce Services.

Retail Sales in the CBD

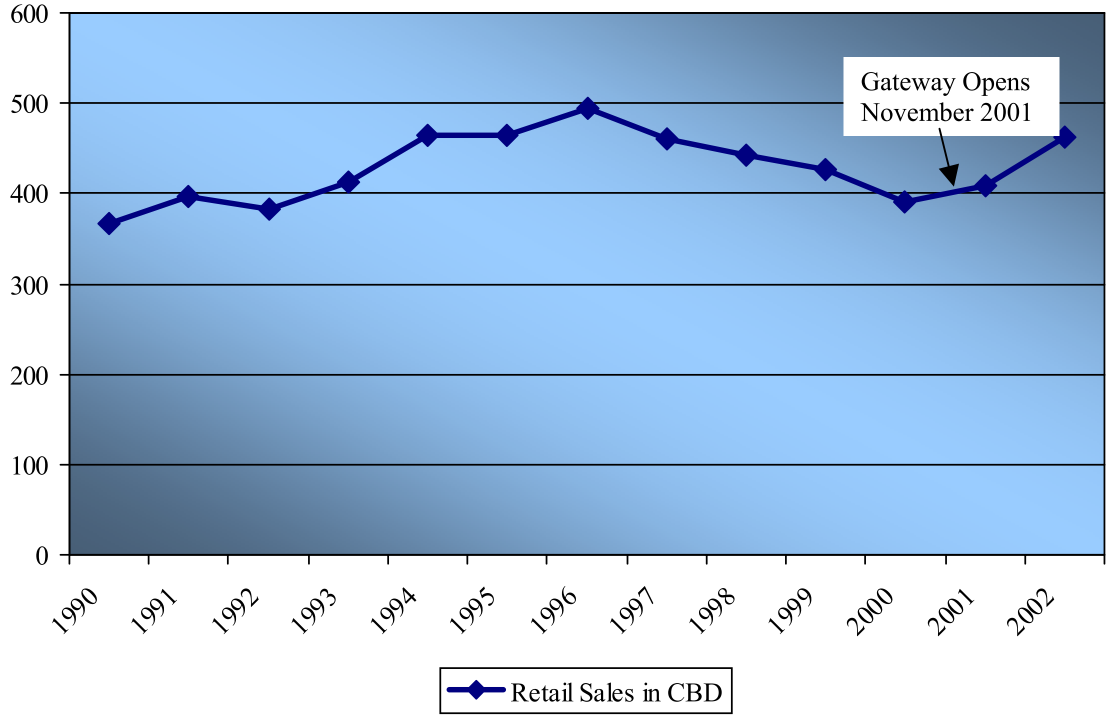
When measured in constant or 2002 dollars, retail sales in the CBD peaked in 1996 at $493.7 million but then declined 21% over the next four years falling to $389.8 million by 2000. The abrupt reversal in retail sales activity was caused primarily by two factors: (1) new construction in the CBD (TRAX, Salt Palace expansion, I-15 reconstruction and commercial development) that disrupted traffic and shopping patterns and (2) the intense retail competition from new retail power centers and "big box" facilities in suburban Salt Lake County. However, in the past two years the CBD seems to be recovering from the disruption of construction and improving its competitive position vis-à-vis the suburbs. Retail sales have increased almost 19% between 2000 and 2002. The opening of The Gateway in November of 2001, in time for the Christmas season, reversed the four-year decline in retail sales. This upward trend continued through 2002 with a full year of operation of The Gateway and the 2002 Olympic Winter Games, which combined to generate a significant increase in retail sales. Total retail sales in the CBD rose to $463 million in 2002; see Table 4 and Chart 1.

Table 4
Selected Retail Sales in the Central Business District
(Millions)

Year	Total Retail Sales (Current Dollars)	Total Retail Sales (Constant 2002 Dollars)	% Chg. Constant $
1990	$267.0	$367.5	---
1991	$300.9	$397.4	8.14%
1992	$297.8	$381.9	-3.92%
1993	$332.0	$413.3	8.24%
1994	$382.3	$464.1	12.29%
1995	$393.9	$465.0	0.18%
1996	$430.6	$493.7	6.18%
1997	$411.1	$460.8	-6.67%
1998	$401.2	$442.8	-3.90%
1999	$395.0	$426.5	-3.67%
2000	$373.1	$389.8	-8.62%
2001	$402.0	$408.4	4.76%
2002	$463.0	$463.0	13.38%

Source: Utah State Tax Commission.

Chart 1
Retail Sales in the Central Business District – Constant 2003 Dollars
(Millions of Dollars)



Source: Utah State Tax Commission.

Several retail sectors have recorded impressive gains over the past two years: clothing sales are up 19% or $16 million, department stores sales, with the renovation of Meier & Frank, are up 17% or $9 million, sporting goods are up over 400% or $16 million with the addition of Galyan's and retail sales classified as gifts are up 147% or $8.2 million due primarily to the new stores at The Gateway, see Table 5.

Table 5
Retail Sales in the CBD by Retail Category

Category	2000	2002	% Chg. 2000 to 2002
Family Clothing	$74.6	$92.5	24.0%
Shoes	$5.5	$5.6	1.1%
Apparel Accessories	$5.6	$3.7	-34.4%
Subtotal Clothing	$85.8	$101.8	18.7%
Department Stores	$52.2	$61.2	17.2%
Fast Food	$39.1	$36.4	-6.8%
Restaurants	$113.8	$107.0	-6.0%
Sporting Goods	$4.0	$20.5	416.4%
Books	$17.4	$19.8	13.5%
Jewelry	$13.2	$14	6.4%
Furniture	$2.7	$8.2	201.9%
Records	$3.0	$3.1	2.3%
Private Clubs	$17.2	$19.7	14.3%
Used Merchandise	$1.0	$3.6	244.6%
Hobby	$12.6	$10.0	-20.9%
Gift	$5.5	$13.7	147.4%
Other	$22.1	$44.0	98.7%
Total	$389.8	$463.0	18.8%

Source: Utah State Tax Commission and Bureau of Economic and Business Research, David Eccles School of Business, University of Utah.

The recent surge in retail sales in the CBD has improved the competitive position of downtown retail. In 1991, retail sales in the CBD accounted for 18% of county-wide retail sales, but this share steadily declined to only 11% by 2000. However, over the past two years retail sales in the CBD captured a greater share of county-wide sales despite the addition of a million square feet of new retail space in the suburbs. In 2002, retail sales in the CBD were $463 million, compared to the county-wide total of $3.3 billion, thus in 2002 the CBD captured about 14% of county-wide retail activity- the largest share since 1997, see Table 6 and Chart 2.

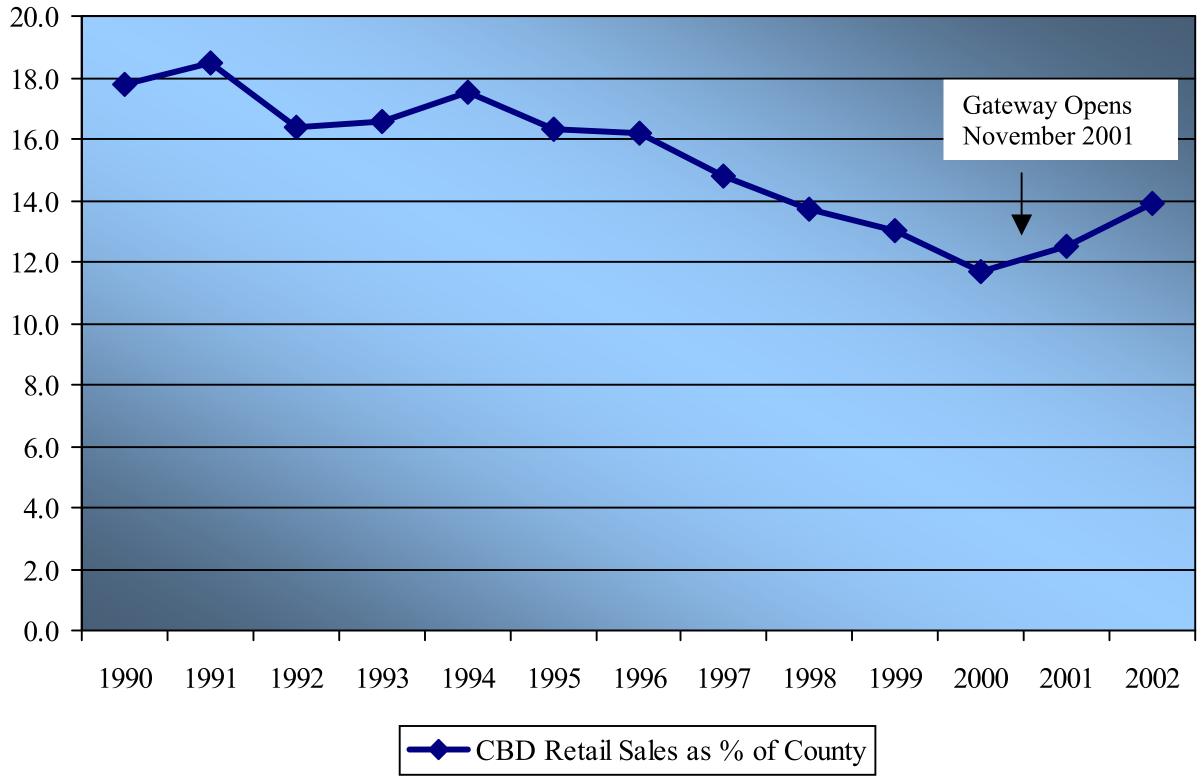
Table 6
Selected Retail Sales in Salt Lake County*
(Millions)

Year	Total Retail Sales	Total Retail Sales (Constant 2002 Dollars)	% Chg Constant $
1990	$1,500.4	$2,065.2	---
1991	$1,625.6	$2,147.2	4.0
1992	$1,812.2	$2,323.7	8.2
1993	$1,995.5	$2,484.4	6.9
1994	$2,188.1	$2,656.1	6.9
1995	$2,411.6	$2,846.7	7.2
1996	$2,650.0	$3,038.5	6.7
1997	$2,769.5	$3,104.3	2.2
1998	$2,925.6	$3,228.9	4.0
1999	$3,030.3	$3,273.2	1.3
2000	$3,190.0	$3,332.6	1.8
2001	$3,203.9	$3,254.5	-2.3
2002	$3,326.7	$3,326.7	2.2

*Selected retail sales exclude certain retail items that are not sold in the CBD such as general merchandise, automobiles and trucks, groceries, etc. See Table 5 for retail categories included.

Source: Utah State Tax Commission and Bureau of Economic and Business Research, David Eccles School of Business, University of Utah.

Chart 2
Selected Retail Sales in the CBD as Percent of Sales in County



Source: Utah State Tax Commission and Bureau of Economic and Business Research, David Eccles School of Business, University of Utah.

Office Space in the CBD

No new office buildings have been developed in the CBD in the past two years. A rising office vacancy rate has discouraged any new development. The office vacancy rate has increased from 11% in 2001 to over 17.9% in 2003. The CBD currently has nearly 1.3 million square feet of vacant office space, see Table 7 and 8.

Class C office space has been particularly hard hit by the recession as vacancy rates for this sector increased from 12% in 2002 to 29% in 2003. In contrast Class A office space showed improvement in the last year as the vacancy rate declined from 19.5% to 16.2%. The weakness in the office market is reflected in lease rates, which have actually declined slightly over the past 24 months. Currently, Class A office space in the CBD leases for $22.23 per square foot compared to $22.51 in 2001, see Table 9.

A timeline of the development of the CBD's office inventory is shown in Table 10 and Chart 3. The most recent additions to the inventory were in 2001 with 354,000 square feet of office space at The Gateway and 70,000 square feet of renovated space at the Brooks Arcade.

Table 7
New Office Construction in the CBD and Suburbs

Year	Class A	Class B	Class C	Total CBD	Suburban County	CBD as % of New Suburban Space
1995	14,993	73,611	42,488	131,092	287,514	45.6%
1996	150,000	83,108	0	223,108	892,472	25.0%
1997	0	0	0	0	624,322	0.0%
1998	262,500	0	0	262,500	1,045,301	25.1%
1999	0	23,095	0	23,095	1,004,190	2.3%
2000	0	0	0	0	1,604,954	0.0%
2001	246,000	0	0	246,000	1,440,368	17.1%
2002	0	0	0	0	504,077	0.0%
2003	0	0	0	0	304,000	0.0%

Source: Colliers Commerce CRG.

Table 8
Office Vacancy Rates in CBD

(Percent)

Year	Class A	Class B	Class C	Total CBD	Total SL Co.
1990	6	13	22	13	14
1991	21	16	17	18	Na
1992	14	16	19	16	Na
1993	7	11	18	11	11
1994	5	10	20	10	8
1995	4	6	14	7	6
1996	3	1	11	8	7
1997	Na	Na	Na	6	6
1998	4.5	13.3	7.7	8.7	8.0
1999	5.1	11.5	6.5	8.0	8.4
2000	4.5	13.3	7.7	8.7	8.9
2001	10.1	13.0	9.1	10.9	12.1
2002	19.5	10.7	12.2	14.6	20.4
2003	16.2	13.9	28.7	18.4	20.8
Vacant Space	455,079 sq.ft.	334,230 sq.ft.	472,515 sq.ft.	1,261,824 sq.ft.	5,398,754 sq.ft.

Source: Colliers Commerce CRG.

Table 9
Average Office Lease Rates for CBD and Salt Lake County

(Full Service Lease)

Year	Class A	Class B	Class C	Total	Total SL Co.
1995	$17.57	$13.01	$11.33	$12.84	$12.92
1996	19.02	14.53	12.90	14.44	14.03
1997	19.70	15.05	13.05	14.93	14.76
1998	19.69	15.55	13.39	15.47	15.43
1999	20.56	16.33	13.95	15.92	15.90
2000	21.46	16.41	13.51	17.53	17.26
2001	22.51	16.94	13.73	18.52	17.78
2002	22.18	16.86	13.66	18.27	17.46
2003	22.23	16.70	13.75	18.25	17.37

Source: Colliers Commerce CRG.

Table 10
CBD Office Buildings by Year Built
(Includes Institutional and Owner/User Space)

Building	Address	Yr. Built	Square Footage
Eagle Emporium (Zion= First National Bank)	102 South Main Street	1864	15,000
Brooks Arcade	300 South State Street	1891	30,000
Crane Building	307 West 200 South	1893	35,000
City/County Building	451 South State Street	1894	533,000
Henderson Building	375 West Second South	1898	20,000
Herald Building	165 South Main Street	1905	25,700
139 East South Temple	139 East South Temple	1906	65,778
Frank Moss Federal Building	350 South Main Street	1906	210,000
Firestone Building	175 West 200 South	1908	64,000
Salt Lake Hardware	105 North 400 West	1908	220,000
Boston Building	9 Exchange Place	1908	78,194
Commercial Club	32 Exchange Place	1908	55,195
Felt Building	341 South Main Street	1909	38,537
Judge Building	8 East Broadway	1909	74,776
Newhouse Building	10 Exchange	1909	87,000
Westgate	180 South 300 West	1909	200,000
Deseret Building	79 South Main Street	1910	135,000
Kearns Building	136 South Main Street	1910	145,904
Walker Center	175 South Main Street	1912	128,528
LDS Church Headquarters	47 East South Temple	1917	60,000
Clift Building	10 West 300 South	1920	79,712
Tribune Building	143 South Main	1924	76,000
Ford Motor Building	414 West 300 South	1925	80,000
200 East South Temple	200 East South Temple	1930	57,000
Exchange Plaza	51 East 400 South	1930	30,000
One Main Plaza	111 South Main Street	1937	80,000
Temple View	57 West South Temple	1940	48,284
Qwest	80 South State Street	1947	150,000
Crandall Building	10 West 100 South	1950	50,000
American Investment Bank	200 East South Temple	1950	54,000
55 South State	55 South State	1952	60,992
Federal Reserve	120 South State Street	1957	60,000
Questar	180 East 100 South	1960	220,000

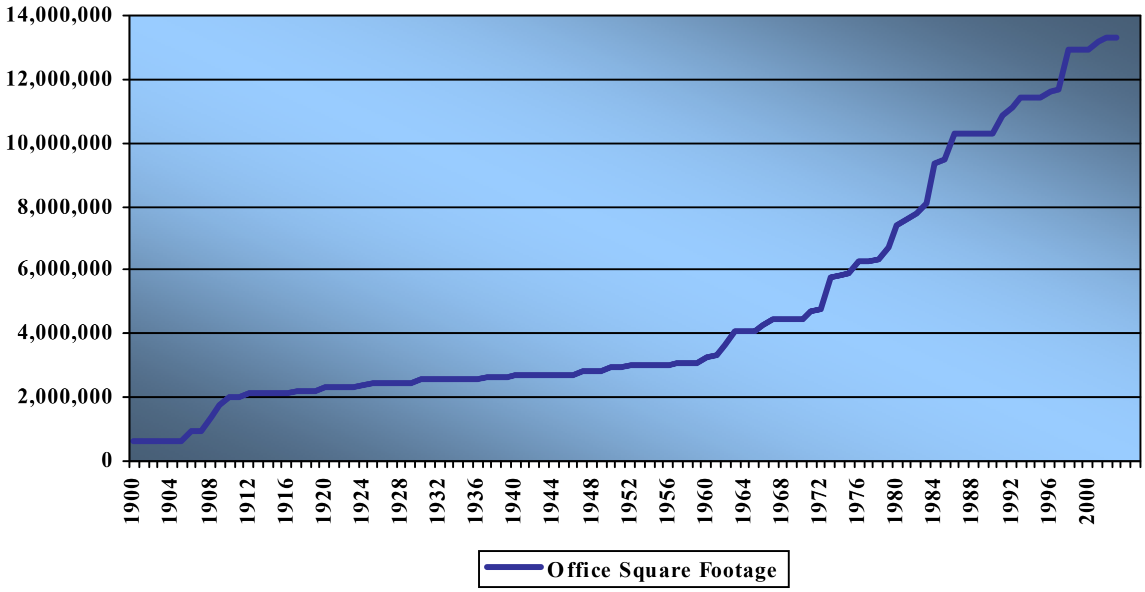
Building (Con=t)	Address	Yr. Built	Square Footage
Courtside	231 East 400 South	1961	55,000
Gateway Tower East	10 East South Temple	1962	309,714
One Main Plaza	115 South Main Street	1963	75,000
Wallace Bennett Federal Building	125 South State Street	1963	360,000
136 East South Temple	136 East South Temple	1966	216,976
Wells Fargo Building	405 South Main	1967	131,000
J.C. Penny	310 South Main Street	1971	233,890
Utah Power	60 East 100 South	1972	37,089
Broadway Pharmacy	250 East 300 South	1973	45,000
LDS Church Office Building	50 East North Temple	1973	980,000
SNI	275 East 200 South	1974	47,205
Deseret Book Building	40 East South Temple	1975	44,010
275 East South Temple	275 East South Temple	1976	26,367
American Plaza I	47 West 200 South	1976	55,341
Beneficial Life Tower	36 South State	1976	296,000
Westpoint	254 West 400 South	1976	19,980
Kirton McConkie	330 South 300 East	1977	21,150
American Plaza II	77 West 200 South	1978	63,044
175 South West Temple	175 South West Temple	1979	148,340
American Plaza III	57 West 200 South	1979	65,056
Brighton Bank	311 South State Street	1979	35,453
Human Services State Government	120 North 200 West	1979	140,000
261 East 300 South	261 East 200 South	1980	21,100
Chapman Pehrson	155 South 300 West	1980	23,608
Key Bank Tower	50 South Main Street	1980	306,309
Qwest	250 East 200 South	1980	305,772
Broadway Building	324 South State Street	1981	180,000
185 South State	185 South State Street	1982	166,000
American Towers	48 West 300 South	1982	53,726
Bank One Tower	50 West 300 South	1983	106,416
Heber Wells Building	160 East 300 South	1983	194,400
Parkside Tower	215 South State Street	1984	191,193
Plaza 349	349 South 200 East	1984	71,500
Triad Center 3,4,5	300 West North Temple	1984	569,234
Wells Fargo	170 South Main	1984	248,560
Qwest	205 East 200 South	1984	200,000

Building (Con=t)	Address	Yr. Built	Square Footage
265 East 100 South	265 East 100 South	1985	90,000
257 Tower	257 East 200 South	1986	260,234
City Centre	175 East 400 South	1986	207,630
Eagle Gate Plaza	60 East South Temple	1986	366,696
One Utah Center	201 South Main Street	1991	419,000
Department of Workforce Services	140 East 300 South	1991	140,000
Broadway Center	111 East 300 South	1992	240,529
Joseph Smith Memorial Building	15 East South Temple	1993	337,400 (1)
Social Hall/IRS	150 East Social Hall Ave.	1996	161,146
Deseret News	30 East 100 South	1997	90,000
Gateway Tower West	South Temple and Main	1998	279,875
Wells Fargo Center	300 South Main Street	1998	535,270
Matheson Courts Complex	450 South State Street	1998	420,000
30 East 300 South	30 East 300 South	1999	23,095
One Gateway	400 West 100 South	2001	161,000
Gateway	400 West 100 South	2001	85,000
Alphagraphics Building	280 South State Street	2001	70,000 (2)
Gateway (under construction)	400 West 200 South	2001	108,000
Total			13,305,368

(1) Joseph Smith Memorial Building is 482,000 square feet but only 70 percent is used for office space. The remaining 30 percent is space for church services, theater, two restaurants, reception rooms, etc.
(2) The Alphagraphics Building is a renovation and addition of the original Brooks Arcade, 30,000 square feet. The net addition is 70,000 square feet.

Source: Colliers Commerce CRG and Bureau of Economic and Business Research, David Eccles School of Business, University of Utah.

Chart 3
Growth of Office Square Footage in the Central Business District
1900 to 2003
(Square Feet)



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

The CBD economy and The Church of Jesus Christ of Latter-day Saints

The LDS Church has played a formative role in every sector of the downtown economy. No other institution, government entity or corporation has had such a defining role on the size, shape and direction of the CBD economy. Since 1848, the LDS Church has invested millions of dollars in the CBD but in October of 2003 they announced perhaps their most ambitious single investment. Beginning in 2004 and over the next several years the LDS Church will spend "hundreds of millions of dollars" on development and redevelopment in the CBD. The proposed projects include:

- Interior and exterior renovation of the Kennecott Building to be renamed the Zions Bank Building.
- The Crossroads Mall and ZCMI Center will be joined as a single retail entity and the total retail square footage will be reduced from the current 1.2 million square feet. The new malls will be two-story structures, with outer facades reduced from 60 feet to 40 feet and opened up with wide, tall windows. The parking terrace will be replaced by underground parking. The LDS Church has contracted with The Taubman Co. for the retail development. The Taubman Company is one of the leading real estate developers and operators of regional malls. Taubman owns 30 malls, including Cherry Creek in Denver and Biltmore Fashion Park in Phoenix.
- Two residential towers on the southeast corner of West Temple and South Temple and the northeast corner of Main Street and 100 South will include several hundred rental and condominium units.
- A combined campus for Brigham Young University's Salt Lake Center and the LDS Business College on Blocks 85 (Olympics Medal Plaza) and 86 (block east). The current enrollment of these two institutions is 4,000 students. Enrollment is expected to increase with the new downtown location.
- Demolition will begin in mid-2004. Planning for the new education facilities has begun and plans for the retail development will be finalized in 2004. The retail project will proceed in phases to minimize disturbance to existing tenants. The retail development will take three to four years.

In addition to the above proposed development and redevelopment on Main Street and South Temple, the LDS Church has extensive holdings, which have widespread economic impacts on the CBD, see below:

- Office Sector - Largest owner and manager of office space in the CBD. Owns 1.4 million square feet of ecclesiastical office space and 1.6 million square feet of commercially leased office space-22% of total office space in the CBD.
- Retail Sector - Owner of ZCMI Center and Crossroads Mall with more than 1.1 million square feet of retail space plus other scattered retail sites over 50% of retail space in the CBD.
- Manufacturing Sector - Owner of the Deseret Morning News and 50% of the Newspaper Agency Corporation, the largest manufacturer in the CBD.
- Housing Sector - Largest owner of rental units in CBD. Owns seven apartment communities with a total of 852 units-26% of residential units in the CBD.
- Finance Sector - Owner of Beneficial Life Insurance, an insurance company established in 1905, which is among the top 10 percent of American insurance companies.

- Communications Sector - Owner of Bonneville International Corporation organized in 1964. BIC is a major broadcasting group with 18 radio stations located in Chicago, Washington D.C., San Francisco, St. Louis and Salt Lake City, plus two television stations, and the subsidiaries of Bonneville Communications, Bonneville Satellite Company, and Video West Productions.
- Hospitality Sector - LDS Church owned properties provide hospitality services in three historic downtown buildings: Lion House, Joseph Smith Memorial Building and the Inn at Temple Square. For almost 80 years and until its renovation as the Joseph Smith Memorial Building, the Hotel Utah with 500 rooms was the state's most elegant hotel.
- Entertainment and Culture - The Tabernacle Choir and Temple Square along with the Family History Library and the Joseph Smith Memorial Building are important cultural attractions visited by an estimated 5 million people annually. The cultural role of the LDS Church has been profound and includes the donation of land for the Salt Palace Convention Center, Salt Lake Arts Center and Abravanel Hall.
- CBD Investment 1990 to 2001 - Developed and built six new buildings in the CBD with a construction value of $302 million-22% of the total value of new construction in downtown. The Conference Center completed in 2000 is the highest construction value ever for a single building in the CBD-$172 million.[1]
- Parking - Owns 10,250 parking stalls or 28% of all parking space in the CBD.
- Employment and Wages - One out-of-every eight employees in the CBD either work directly for the LDS Church or is employed by an establishment owned by the LDS Church. Consequently, the LDS Church is the largest single employer in the CBD. Wages paid to these employees are estimated at about $250 million.
- Land Ownership - Owns about 78 acres or 19% of the land in the CBD.
- Property Taxes - Largest property taxpayer in the CBD.

[1] Does not include the cost of interior finish.

CBD Sectors with Little Change 2002-2003

Four sectors of the CBD economy have experienced only minor changes over the past two years. A brief summary of those changes is given below:

Financial Sector - The number of branch and headquarters offices for financial institutions in the CBD continues to decline due to mergers and consolidations. In the past two years the number of bank offices has dropped from 18 to 15 with the closing of two Wells Fargo branch offices and one Key Bank branch office. Although there are fewer banking offices in the CBD, the total deposits for all institutions has grown significantly in the past 24 months. Total bank deposits have increased from $3.0 billion in 2000 to $4.2 billion in 2002.

Housing Sector – The CBD has had an increase of 307 new housing units since 2001. These new units are located in two projects: The Parc at Gateway - 152 condominium units and City Front Apartments – 155 rental units. The addition of these two projects raises the housing inventory in the CBD to 3,615 units.

The absorption rates in these two new projects indicates market demand for both rental and ownership units in the CBD. The Parc at Gateway has pre-sold nearly 60 units and anticipates the remaining units will be sold by the fall of 2004, following the completion of construction in early summer 2004. The City Front Apartments are in early lease-up and are renting about 25 new units per month. In addition to these strong absorption rates another indicator of demand for downtown housing is the apartment vacancy rate, which is 5.4%, well below the county-wide vacancy rate of about 8%.

Government Sector – The government sector is central to the economic structure of the CBD. As the capital city, Salt Lake benefits not only from state government offices but also from the presence of federal offices and of course, a large number of city employees. Currently governments own about 94 acres in the CBD. Much of this land provides public infrastructure. One or another government entity owns the land and/or physical facility for the following public facilities: Salt Palace Convention Center, Abravanel Hall, Salt Lake Arts Center, Delta Center, Capitol Theater, Rose Wagner Performing Arts Center, Utah State Historical Society, Salt Lake City Library, Scott Matheson Courthouse, Pioneer Park, Salt Lake City and County Building, Washington Square, Gallivan Center and Dinwoody Park.

Salt Lake City exerts considerable influence over the CBD economy through the activities of the Redevelopment Agency (RDA). New investments by the RDA are the most significant change for the government sector in the past two years. At the end of 2001, RDA investment in the CBD and Depot Districts (The Gateway) totaled $157.8 million. Over the past two years the RDA has provided more funding assistance to business firms in the CBD.

Hotel Sector – No new lodging rooms have been added to the CBD's hotel sector in the past two years. The current inventory of hotel rooms is 3,000. The hotel sector has some excess capacity due to the building boom prior to the 2002 Olympic Winter Games but in recent months occupancy rates have been improving. The occupancy rate for 2002 was 65.1% and in October of 2003 was 67.8%.

Entertainment and Culture – Entertainment and culture are becoming an increasingly important component of economic activity in the CBD. In the past year two important additions to the entertainment and cultural fare of the CBD have opened; the $19 million Clark Planetarium and $60 million Salt Lake City Public Library. The Clark Planetarium is averaging

45,000 ticket sales per month and the new library doubles the space and collection of the previous library, has a 300 seat auditorium, two small 125-seat movie theaters and public open space with a park, reflecting pond and amphitheater.

The annual attendance at entertainment and cultural venues is shown in Table 11. While attendance was up for most of the venues, attendance at the LDS Family History Library and Museum of Church History declined between 5% and 10% due to the 2002 Olympic Winter Games.

Table 11
Annual Attendance at Entertainment and Cultural Venues

Year	Family History Library	Museum of Church History	Clark Planetarium	Rose Wagner Center	Abravanel Hall	Capitol Theater	Delta Center	Total
1990	833,262	311,084	201,148	na	300,412	195,180		1,840,816
1991	819,556	297,718	178,151	na	344,413	251,530		3,291,368
1992	822,417	299,581	153,705	na	310,320	266,148		3,252,171
1993	756,264	401,827	170,630	na	281,783	313,715		3,324,219
1994	771,497	323,793	156,484	na	286,808	251,836		3,190,418
1995	814,464	293,244	172,025	na	322,238	364,699		3,366,670
1996	813,100	283,868	182,678	na	289,194	467,328		3,436,168
1997	816,869	307,973	169,561	8,233	286,957	249,417		3,239,010
1998	757,610	231,313	142,143	13,456	279,895	259,865		3,084,282
1999	708,347	202,038	132,017	11,132	300,266	330,070		3,083,870
2000	691,074	271,481	130,958	19,948	265,739	255,458		3,034,658
2001	608,097	234,528	114,428	38,685	240,551	230,121	1,400,000	2,866,410
2002	584,884	213,168	148,003*	48,877	254,941	234,041	1,400,000 (est.)	2,883,914

*The new Clark Planetarium, which opened April 11, 2003 has had paid attendance of 326,214 through December 9, 2003.

Source: Provided by each venue.