

Salt Lake City Council Policy Statement on The Future Economic Development of Downtown

January 2003

INTRODUCTION

By most objective measures, downtown Salt Lake City is healthy and doing well. Yet, even though there is much “good news” about downtown, City leaders and residents share a concern about its future.

At the beginning of 2002, the City Council named the future of downtown, and in particular, Main Street, as its top policy priority for the year. While downtown is much more than Main Street, Main Street is at the center — it is the heart — of downtown.

The challenge facing Salt Lake City policymakers as we move forward after hosting the Olympics and into the 21st Century is how to build upon downtown’s many strengths, and further enhance the vibrancy and vitality of the downtown.

The City Council’s role is to provide policy direction and to ensure that its efforts support the City’s policy goals. The Council’s tools are its authority to allocate city resources, including those of the Redevelopment Agency; to make zoning decisions; and to adopt ordinances.

To help focus on how the Council could best fulfill its responsibilities, it held hearings in March and April. Over one hundred citizens including representatives from various interest groups, provided comments and suggestions. A draft policy statement was circulated in November, and a Public Hearing was held on December 3. Council members have also, throughout the year, individually and in small groups, had many meetings with downtown stakeholders and citizens to deepen their understanding of the issues and forces shaping downtown.

As a result, the City Council’s overarching policy regarding downtown is this:

The City Council recognizes that Main Street is the core of our downtown commercial, tourist, and convention activity. To encourage the relocation of retail or other commercial businesses or other key “anchors” away from Main Street will undermine these activities to the long-term detriment of downtown, including the Gateway and other developments. The continued vitality of Main Street is essential to the economic and cultural health of our great city.

Downtown, defined generally as the area from Temple Square on the north, to The Gateway on the West, to Trolley Square on the east, to the hotel district along the 600 South Street entrance to the city from Interstate 15, is important to Salt Lake City residents for a variety of reasons. Historically it has been the business, financial, retail, and government center of the City, County, region, state, and in many ways the entire Intermountain West.

The health and vitality of Salt Lake City’s downtown is important to city residents and people throughout the region. Business and commerce; institutional uses; local government and related public facilities; arts, culture and entertainment; tourism, and housing are all vital to the health of Salt Lake City’s downtown.

A brief listing of the downtown’s strengths shows what downtown Salt Lake City means to Utah:

Business, and Commerce

Salt Lake City is Utah’s commercial and financial center.

- The Central Business District within the downtown contains 28.8 percent of the total square footage of office space in Salt Lake County. When office space on the CBD’s periphery is included the figure rises to 42.8 percent. (1)
- Downtown Salt Lake City contains the corporate offices of the two largest banks in Utah, and 10 commercial banks operate in the Central Business District.

Retail Services

Although it contains 10 to 15 percent of the total space leased for retail in Salt Lake County, Salt Lake City's downtown is perhaps the only downtown in the nation to have four destination malls within its borders: The Gateway, the Crossroads Plaza, the ZCMI Center and Trolley Square.

- Salt Lake City's downtown workforce grew by nearly 25 percent to 61,000 people between 1990 and 2001, leaving a significant daytime population to support retail services.
- According to a May 2002 survey conducted by the Downtown Alliance, 32 percent of Salt Lake County's population said they had visited the downtown "within the past week" to dine, shop, or seek entertainment.

Institutional

As Utah's capital, Salt Lake City is the seat of state government including state and local courts, and the local presence of the Federal Government.

- Near downtown are the State Capitol and the University of Utah, providing further opportunities to attract people to the core of the city.
- As the World Headquarters of the Church of Jesus Christ of Latter-day Saints, Salt Lake City's downtown is a magnet to members of that faith worldwide, as well as a draw to tourists from throughout the world. Temple Square and other LDS sites downtown including the world-renowned Family History Center draw more than five million visitors per year.
- Downtown is also home to several religious communities including the Roman Catholic and Episcopal dioceses, a number of historic churches — the Cathedral of The Madeleine, the Cathedral Church of St. Mark, the Holy Trinity Greek Orthodox Church, the historic First Presbyterian and

First United Methodist churches, and the Buddhist Temple, each of which attracts people to the downtown area.

Local Government and Related Public Facilities

Maintaining Salt Lake City's downtown has been a major concern of city government for decades.

- Since 1975 the City's Redevelopment Agency has allocated a substantial amount for downtown public improvements, land purchases and sales, and loans to businesses to renovate buildings.
- Salt Lake City voters approved bond issues of \$30 million and up to \$84 million respectively to renovate the City & County Building and build a new main library and public plaza.
- Salt Lake City elected officials also have been instrumental in encouraging the construction of the state's only operating light rail lines, and the location of the State Courts Complex in the Scott M. Matheson Courthouse.

Arts / Culture / Entertainment

Downtown remains the focal point of arts, culture and entertainment in Utah.

- It is the home of Utah's premier performing arts organizations and Utah's only major league sports franchise.
- The Capitol Theater, Abravanel Hall, and the Delta Center serve as venues for a wide variety of special events. The Days of '47 parade, the Utah Arts Festival and the New Year's Eve First Night celebration identify Salt Lake City as a core activity center for the region.

Tourism

Downtown is the focal point of Utah's convention business.

- It is home to the Salt Palace Convention Center and more than 5,000 hotel rooms. (2)
- In terms of square footage, downtown contains 67 percent of the top meeting space in Utah. It contains the two top facilities for meeting space, three of the state's top five facilities for meeting space, and five of the state's top ten facilities for meeting space. (3)
- Salt Lake City also attracts ski visitors from out of state to stay in downtown hotels while enjoying several world-class resorts within a one-hour drive of downtown.

Housing

Downtown living is on the rise in Salt Lake City, and housing is an increasingly important component of downtown.

- Partly due to the concerted efforts of the City Redevelopment Agency, housing stock in downtown has increased substantially during the past decade, to where it is now estimated that 4,500 residents live in the downtown's core.
- Downtown is bordered on the east by a neighborhood that has the highest density of any neighborhood in the state and on the west by a neighborhood that is projected to ultimately be the home of 13,000 residents. (4)

Downtown is not in decline. According to a recent economic study conducted by the University of Utah's Bureau of Business and Economic Research for the Downtown Alliance, in the 1990's every major economic indicator for downtown has been positive, including:

- 24% increase – 12,000 more employees – working in the CBD
- 69% increase in housing units
- 30% increase in office square footage, with the lowest vacancy rates in a decade.
- 45% increase in retail square footage

- 54% increase in wages
- 35% increase in commercial bank deposits
- 25 new restaurants and 15 new private clubs
- 6% increase in retail sales

The only major indicator that has been a disappointment, however, is one that is among the most visible — retail sales. While retail sales increased a slight 6% from 1990 to 2001, sales peaked in 1996, and then declined by 21%. The loss of retail business from downtown to the suburbs and other retail outlets such as the Internet, coupled with the empty storefronts of South Main Street have led policymakers, the news media, and citizens to be concerned about the viability and vibrancy of Main Street.

To further focus and shape City policies to enhance the success of downtown and Main Street, the City Council adopts these statements of principle:

1. City's Leadership Role

The City can and should be a vigorous advocate of downtown, encouraging business investment, working to retain as well as attract businesses to downtown, and making it easy to do business in the City. The City's advocacy should include being proactive to make businesses feel welcome in and a part of Salt Lake City.

The City Council recognizes that many decisions affecting the fate of downtown must be made by the private sector. There is much City government can and should do to encourage a healthy downtown. And yet it must be remembered that the City, through the tools available to it, is a catalyst and coordinator, not a wealth-creator in and of itself.

City government should provide focus and leadership to encourage and support private efforts leading to downtown investment. It should make sure that its roles — including but not limited to infrastructure, business licensing, regulation, zoning and code enforcement and public safety — are done efficiently, effectively, and in a way that encourages rather than discourages private investment.

The City should encourage and facilitate communication and cooperation among the various private and public interests who have a stake in downtown, such as the Downtown Alliance, the Salt Lake Chamber of Commerce, the Economic Development Corporation of Utah, the Downtown Merchants Association, the Salt Lake Convention and Visitors Bureau, and County, State and Federal governments.

The City should leverage its resources as much as possible by encouraging, utilizing, and not duplicating, the services of private non-profit organizations including the Downtown Alliance, the Salt Lake Chamber of Commerce, and the Economic Development Corporation of Utah, in furthering the City's goals for downtown.

2. Build Upon Downtown's Strengths and Uniqueness

People will come downtown when it provides an experience or opportunity they can't find in their own neighborhoods. Salt Lake City must distinguish itself from the suburbs by building upon what is unique to downtown — things that cannot be experienced anywhere else.

The City Council supports a greater emphasis on leveraging historic preservation as an economic development tool by working more closely with the Utah Heritage Foundation to find opportunities to use Salt Lake City's historic buildings in new and exciting ways, for office, cultural, retail, and institutional uses.

Despite numerous efforts to promote downtown, for too long Salt Lake City too often has assumed that downtown will attract people just because it exists. The time is long past when people will come to downtown because it is the only place to shop, eat at a restaurant, or see a movie. The City Council encourages greater efforts to market downtown to people where downtown is geographically the closest retail shopping area. Marketing campaigns should target Salt Lake City residents, the daytime population, particularly office workers, University of Utah employees and students, visitors, and the suburban population, particularly residents of South Davis County.

- The City Council supports encouraging the Downtown Alliance and Downtown Merchants associations to promote joint marketing opportunities, such as seeing the Utah Symphony and enjoying a dinner or staying the night in downtown hotels. The Council supports marketing campaigns targeting University of Utah employees and students to come downtown for restaurants, entertainment and shopping and to our own residents who shop in suburbs rather than coming downtown.
- The City Council supports the development of other anchors to Main Street, in addition to retail, that will attract people to the City's core. Anchors could include museums, a Broadway-style theater, Olympic legacy or other similar attractions that would provide unique "draws" to downtown.

3. Take the long view rather than focusing on quick fixes

While there are some immediate steps that should be taken during the next one to three years, City policy-makers must resist the temptation to think short-term and instead take a long-range view of how decisions now will impact the City five, ten, even twenty years into the future.

The City Council believes that the elements of sound development and marketing strategies for the downtown already exist in available plans and studies. The Council believes that the time for additional plans and studies have past, and the time for implementing a coherent, rational, and achievable program is now.

The City Council urges the Mayor and his administration to fashion an implementation program based on existing plans and strategies and carry out the implementation.

To keep the City Council and general public involved and informed of specific program steps taken and tied to long-term priorities with measurable benchmarks, the City Council supports having the Administration provide updates to the Council and the public on the program's implementation. Regularly, the Administration should share, on a confidential basis as needed, its efforts with a

subcommittee of the Council that will include representatives of Council and Redevelopment Agency leadership.

4. Support All facets of Downtown Development

Too often the focus on downtown is on just one aspect of downtown – such as nightlife or retail – while failing to recognize that a successful downtown is made of several important elements.

Each element is important in its own right, but, like an ecosystem, the success of each is intertwined and interdependent. These elements can be summarized as follows and measured by the criteria listed under each section:

- **Business center**, providing the premier location for a variety of businesses, in particular, local, regional, and where possible national headquarters.
 - Indicators of success include:
 1. Square footage and type of office space in the downtown inventory
 2. The vacancy rate
 3. The number and size of “headquarters” located in the downtown.
 4. New businesses relocating to the Central Business District.
 5. Existing businesses expanding at their present locations in the Central Business District.
 6. Existing businesses renewing their leases.
- **Retail**, supporting the retail needs of daytime population and drawing people to the downtown.
 - Indicators of success include:
 1. Number of jobs generated
 2. Square footage of retail
 3. Total retail sales and retail sales per square foot at each of the major retail destinations.
 4. Sales tax revenue generated.

- **Institutional Center**
 - Indicators of success include:
 1. Increased presence of county, state and federal offices
 2. Presence of educational facilities available to the public

- **Local government and related public facilities**
 - Indicators of success include:
 1. Well-maintained public infrastructure
 2. Continued development of efficient public transportation systems with easy access to homes and businesses and connected to a wider area

- **Arts, culture, entertainment and nightlife, providing unique entertainment and cultural opportunities for residents throughout the region and visitors**
 - Indicators of success include:
 1. Sales generated
 2. Number of nights of entertainment offerings
 3. Location of new entertainment and cultural facilities including theater for Broadway productions and museums

- **Tourism including convention visitors**
 - Indicators of success include:
 1. Convention bookings
 2. Hotel occupancy rate

- **Housing — available at all ranges of income levels — will further enhance the livability and vibrancy of downtown**
 - Indicators of success include:
 1. The number of housing units
 2. Vacancy rates
 3. Population

4. The mix of market rate, middle income, affordable and low income housing units

FIRST STEPS

Based on the quantity and quality of public input the City Council has received resulting from its focus on Main Street and Downtown, the Council suggests the following areas be considered immediately relating to the seven elements of a successful downtown:

- **Business Center**
 - Administration should identify major corporate presences in downtown, ascertain their satisfaction, and make appropriate efforts to ensure that they will remain downtown and not relocate to the suburbs.
 - Administration, in cooperation with EDCU, should target businesses to locate corporate or regional headquarters downtown.
 - The City should encourage greater cooperation between the Salt Lake Chamber of Commerce, Downtown Alliance, and EDCU.
 - The Administration should meet with major landowners of property fronting Main Street between 600 South and South Temple, to ascertain plans for development and to encourage appropriate development as supported by market conditions.
 - The City should endorse legislation to be presented to the Utah Legislature extending historic preservation tax credits – that currently exist only for residential properties – to commercial properties.
 - The City should utilize the assistance of the Utah Heritage Foundation in identifying key vacant or underutilized historic buildings and all financial incentives available to encourage appropriate development as supported by market conditions.
 - The City should strongly consider encouraging legislation to extend the expiration date of the Central Business Redevelopment District to enable the City to

continue to use RDA tools in the future to bolster the center of downtown.

○ **Retail**

- The City should continue to support and encourage retail on Main Street, with complimentary retail at The Gateway, Trolley Square, and in East Downtown in an effort to generate economic growth in the broader downtown area.
- The City and RDA, in conjunction with local businesses and landowners, should actively promote and market our downtown's opportunities to national, regional and local retailers, using existing plans and studies to identify and recruit potential retailers for the downtown area.
- Perceived parking problems continue to be a major obstacle to retail activity downtown. The City should continue to support the Parking Token initiative of the Downtown Alliance, but also look at more aggressive marketing of existing downtown parking to Salt Lake residents. Such marketing efforts could include advertising the availability of parking but also the advantages of covered parking at a mall versus parking in a flat parking lot in the elements of sun and snow. Marketing efforts also should dispel misperceptions that no parking is available downtown.
- The City should also consider additional free parking downtown, such as that provided on a pilot basis on 300 South. The cost-benefit of parking meters should be studied.
- The UTA Free Fare zone should be advertised by the City and downtown merchants. The UTA, the City, and downtown merchants should evaluate and implement ways, including small buses and possible expansion of the Free Fare Zone, to link the Gateway, Main Street, the future Intermodal Hub, and Trolley Square in such a fashion as to make movement around the downtown simple and easy for any visitor.
- The City should encourage and support the owners of the ZCMI Center and Crossroads Plaza in undertaking

- significant renovations and upgrading of both mall properties including making the retail spaces more accessible to the streets.
- RDA dollars should go toward supporting additional retail in all the CBD with a primary focus on filling vacant Main Street locations.
 - The Downtown Alliance and Downtown Merchants Association should be encouraged to develop more joint marketing opportunities with conventions being hosted in downtown to attract more tourists to stores and restaurants.
 - Given the proximity to downtown of communities in South Davis County, those communities should be targeted in a special marketing campaign. Emphasis should be on helping Davis County residents feel welcomed to and appreciated by Salt Lake City.
 - Efforts to make Main Street more pedestrian friendly should continue by creating elements that generate interest along the length of Main Street. Elements could include public art, window decorations and benches where people can relax.
 - 100, 200, and 300 South streets, along with South Temple Street, are important links between Main Street and West Temple Street, where much of the convention and tourist traffic flows. Efforts should continue to be made to make these links as inviting as possible to pedestrians.
- **Institutional Center**
 - The City should meet with the State Building Board and/or its executive director to find opportunities to work together to enhance state offices or locating state cultural centers downtown.
 - The City should meet with officials of the University of Utah to find areas where the City and University can work together to locate functions that attract people and activities downtown, including classrooms, museums and galleries.

- The City should meet with officials of Salt Lake Community College to ascertain the success of their downtown classroom building and to see if there is anything the City can do to aid its success.
- The City should meet with officials of the LDS Church to ascertain any plans for expansion of office space, use of properties (such as State Street and First South) in the downtown area.

- **Local government and related public facilities**
 - The City Council will continue to support making downtown more friendly to pedestrians, the disabled, and bicyclists.
 - The City should pursue ways to move the future construction of a light-rail connection to Salt Lake City International Airport – including completion of the downtown light-rail loop – further up the list of projects on the Wasatch Front Regional Council’s long-range transportation plan.
 - The City Council is committed to support the installation of Olympic legacy memorabilia in a prominent location downtown.

- **Arts, Culture, entertainment, and nightlife**
 - The City should focus on offering several successful events, such as “First Night,” rather than putting efforts into weekly activities that are less likely to be successful.
 - The City should consider current alcohol policies and monitor any changes in state laws that may be proposed in 2003.
 - In partnership with Salt Lake County – the owner of downtown arts facilities – consider the feasibility and advisability of constructing a Broadway-style theater on or near Main Street, capable of presenting full-scale productions.
 - The City Council will support marketing efforts to dispel misperceptions that “there’s nothing to do” downtown.

- **Tourism**

- The City should support a feasibility study regarding further expansion of the Salt Palace to keep Salt Lake City competitive in attracting conventions.
- The City should cooperate with the Salt Lake Convention and Visitors Bureau and the Utah Travel Council in attracting convention business and tourists to Salt Lake City.

- **Housing**

- The City should continue to encourage downtown housing for a full spectrum of income levels throughout the downtown area.
- The City should conduct an inventory of land within two blocks of the new main library that could be used for housing sites and study the feasibility of purchasing the sites for housing uses.
- The City should explore ways to protect further multifamily housing units on 300 East Street between South Temple and 400 South streets and encourage in-fill development of multifamily housing along 300 East Street.
- The City should encourage retail services, especially grocery stores, necessary to support an increased residential population as well as services that cater to downtown workers.

Notes

Except where noted, all factual statements were taken from the Downtown Alliance's *Economic Change in Salt Lake City's Central Business District – 1991 to 2001* prepared by James A. Wood of the University of Utah's Bureau of Economic and Business Research.

Noted exceptions follow:

1. Collier's CRG.

2. City Council staff estimate. The *Economic Change in Salt Lake City's Central Business District – 1991 to 2001* study defined the Central Business District's borders as North Temple, 300 East, 500 South and 500 West streets. The borders do not appear to include hotels between 500 South and 600 South streets including the 850 rooms in the Little America Hotel or the 775 rooms in the Grand America Hotel. Other hotels south of 500 South Street contain at least 375 rooms.
3. *The Enterprise* lists.
4. *Creating an Urban Neighborhood: Gateway District Land Use & Development Master Plan* adopted by the Salt Lake City Council on August 11, 1998.