

## ITEM II

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# M E M O R A N D U M

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**DATE:** May 28, 2002  
**TO:** City Council Members  
**FROM:** Russell Weeks, Janice Jardine, Sylvia Jones, Michael Sears, Lehua Weaver  
**RE:** City Council Discussion: Main Street and Downtown  
**CC:** Cindy Gust-Jenson, Rocky Fluhart, David Nimkin, Margaret Hunt, Gary Mumford, David Dobbins, Alison McFarlane, David Oka

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This memorandum is intended to provide an introduction to material compiled to further City Council discussion on the future of Main Street and Salt Lake City's downtown. The material includes: 1.) Matrices intended to identify policy issues related to the discussion. 2.) Policy issues raised during the City Council's April 25 public hearing on the downtown's future. 3.) A complete set of condensed remarks from the April 25 hearing sorted by category.

The matrices include two categories titled *Potential Steps for the City Council* and *Potential Steps for RDA*. Comments in the two categories are intended as possibilities to generate discussion.

The material also contains four attachments:

1. A list of *Guiding Principles for Downtown Development* adopted by the Salt Lake Area Chamber of Commerce Board of Governors on May 21.
2. A telephone survey of Salt Lake County residents for The Downtown Alliance to gauge County residents' activities as they relate to the City's Downtown. The survey was released May 21.
3. An "economic baseline study" titled *Economic Change in Salt Lake City's Central Business District: 1990-2001*. The Downtown Alliance released the study May 23.
4. Summaries of how other cities address policy concerns contained in the matrices.

Council staff will address briefly some items raised in the Downtown Alliance's telephone survey and economic study in a later section of this memorandum. Staff also will attempt to flesh out two parts of the matrices because: One part contains ideas formulated by staff as ways in which the dynamic of the downtown might be changed. Another part contains staff's attempt to formulate comments by the public into policy issues. However, the memorandum first will address two future planned projects that will affect the downtown in the near- to mid-term.

- A Government Services Administration representative confirmed May 23 that the GSA intends to build a federal courts complex west of the Frank Moss U.S. District Courthouse for Utah. Kim Bailey of the GSA office in Denver said she had told representatives of the Utah Heritage Foundation of GSA's decision earlier this month. The project will include moving the Odd Fellows Hall to a vacant lot on Market Street. That building will be seismically retrofitted when it

## ITEM II

is moved, and its façade will be restored, she said. The project also will leave the Shubrick Building intact. However, structures added to the building's original footprint will be removed, and businesses in the structures will be relocated or will close. Ms. Bailey said no designs have been made for the new court, but construction still is scheduled to start in 2006.

- According to a news report, the federal Surface Transportation Board has approved Union Pacific's sale of part of its right of way to the Utah Transit Authority for a commuter rail line. The City Council is scheduled to set a date June 4 for a July 2 public hearing on issues related to the commuter rail line.

The near- to mid-term future also probably will bring: 1.) Development of the eastern four acres of the Library Block. 2.) The location and development of an Olympic Legacy Park. 3.) The first phase of development of a multi-building residential complex on the block bordered by 300 South, 600 East, 400 South, and 500 East. 4.) The possible development of a mixed-use project at 250 South 200 East.

### **Downtown Alliance Survey and Study**

The telephone survey and baseline economic study commissioned by the Downtown Alliance appear to present paradoxes that might be explained in some respects by the boundaries of the study. The baseline study's boundaries are South Temple, 300 East, 400 South and 500 West streets.

Here are some key points of the economic study:

- The economy within the study's boundaries is Utah's seventh largest local economy. "Only four counties and two cities – Salt Lake and Provo – have more employment and wages," according to the study. (Page 5).
- The estimated 4,500 residents within the boundaries make up a population larger than 149 of the state's 237 cities and towns. The study notes on Page 71 that only three of eight selected cities had downtown populations of more than 10,000 residents.
- Office sector employment within the study's boundaries accounted for 80 percent of the job growth in the last decade. Restaurant employment and retail employment respectively accounted for 10 percent and 5 percent of job growth in the same period.
- The study notes in several places that "entertainment" – professional basketball, symphonies, operas, ballet and other performing arts, restaurants and private social clubs – has seen sustained growth in the last decade and differentiates the Central Business District from other cities and towns and suburban retail centers.
- The study notes on Page 32 that convention, tourism, and business travel may account for – at most – 15 percent of retail sales within the study area. According to the study, "The travel industry cannot be counted on to significantly change the level of retail sales in the CBD."
- It also notes that if the current residents of the study area "had average income levels of \$50,000 and made all of their expenditures in the CBD ... these expenditures would

## ITEM II

account for about 5 percent of total retail sales in downtown.” (Page 32.) The study continues, “At the end of the day, retail revitalization will depend on increased spending by residents of Salt Lake City and suburban households in the CBD.” (Page 32.)

The latter statement appears to be the study’s main paradox for a couple of reasons. First, the study appears to be one of the first that does not identify conventions and tourism as a major contributor to retail sales. The convention and tourism sector appears to help the CBD’s economy through hotel bookings and perhaps restaurant revenue but not through purchases of retail goods. Second, although conventions, tourism and resident expenditures are identified as lesser contributors to retail sales, the study does not identify who is spending money on retail goods in the CBD. Third, even though the study notes that retail sales have fallen since 1996, it lists the “number of retail choices” as the main strength of the retail sector. (Page 32). (One minor note: In the study, Nordstrom sales are included in the apparel category, not in the department store category. [Pages 21 and 24]).

In regard to the first item, the study may actually comport with a conclusion drawn from the Thomas Consultants study (and others) that the convention-tourism sector is one to target to increase retail activity downtown. One way of looking at the Alliance study is that the convention-tourism sector can be targeted because spending by tourists and people attending conventions is far from a point of saturation.

In regard to the second item it should be noted that the Alliance study addresses only the residential population within the study’s boundaries. The Thomas Consultants study identified the downtown’s primary trade area as bordered by Interstate 215 on the West, the north and east corporate boundaries of Salt Lake City, and 3300 South Street on the south. The study and the writer, James A. Wood, recognize the importance of housing to the vitality of the downtown. When Mr. Wood presented the study on May 23 he identified the Lower Avenues and Capitol Hill as keys to the vitality of the Central Business District.

The Alliance study also included apartments and condominiums on the west side of 300 East Street in its housing inventory. The 278 units on the west side of 300 East make up about 8.5 percent of the study’s total housing inventory. Generally, 300 East Street has been identified in previous studies as part of the East Downtown support district. There are 18 apartment houses and condominium complexes on 300 East Street between South Temple and 400 South streets if one includes the east side of the street as well as the west side.

The telephone survey released by the Downtown Alliance on May 21 indicated that 32 percent of the people surveyed countywide said they had visited the downtown “within the past week” for dining, shopping, or entertainment. Seventeen percent said they had visited the downtown for the same purpose within the previous two to three weeks of the time of the survey. (Page 5.) The survey also indicated that the top two downtown activities of the people surveyed were shopping and dining. (Page 7.) Given the survey’s statistics, the Central Business District appears to draw people from beyond even the primary trade area identified in the Thomas Consultants study. It also appears to indicate that there is a large percentage of people in Salt Lake County that may be an untapped market.

In regard to the third item, one of the Alliance study’s main points is, “Although the retail trade sector, in terms of employment and wages, is not the largest sector in the CBD, it generally receives a disproportionate share of attention and is considered a principal indicator of economic conditions in any downtown area.” (Page 20.) A subtext of the study might be: Retail is fairly strong but can be improved, but other strengths of the Central Business District must be nurtured.

## ITEM II

One final point. The Alliance study identified about 2 million square feet of leased retail space within the study area which includes the Gateway Associates' development. The Thomas Consultants' study identified 1.67 million square feet of retail on Main Street from South Temple to 400 South Street including 1.28 million square feet within the Crossroads Plaza and ZCMI Center malls. For purposes of comparison, an April 2000 study titled *Downtown Portland Retail Strategy* identified 1.9 million square feet of retail space in the 17 blocks of its downtown "core." Portland has a total population of 529,121. Salt Lake City has a total population of 181,743.

However, the Metropolitan Statistical Area (MSA) anchored by Portland contains 1.57 million people – roughly 46 percent of Oregon's 3.42 million residents. The Metropolitan Statistical Area that includes Salt Lake City contains 1.33 million people (Salt Lake, Davis and Weber counties) – roughly 60 percent of Utah's 2.33 million residents. If one combines the Provo-Orem Metropolitan Statistical Area's 368,536 residents, with the Salt Lake-Ogden MSA, the population figure climbs to 1.7 million people, a figure higher than the Portland-Vancouver, Washington MSA. One difference between Portland and Salt Lake City, then, appears to be Portland's concentration of residents within its boundaries versus the diffusion of residents within Salt Lake County. Even so, as potential markets to attract people to a downtown, the total populations in and surrounding Portland and Salt Lake City appear to be roughly equal.

### **Five Things That Could Change Downtown's Dynamic**

This section is included because Council staff has placed a section in the matrices with the same title. Staff has included this section not to propound the ideas over others but to more fully explain them because the ideas are staff's attempt to think long-term and "outside the box." The ideas are presented in no particular order.

#### **Move the light rail downtown loop to 700 South**

The current Airport to University Environmental Impact Study for light rail calls for a downtown loop involving Main Street, South Temple, 400 South and 400 West streets. Completion of the line including the loop is listed in the Wasatch Front Regional Council's transportation plan as being built in the years 2020 to 2030.

If the City Council pursues – or does not pursue – moving completion of the light rail line further up the Regional Council's list, it may wish to consider moving the southern edge of the planned downtown loop from 400 South to 700 South. The loop then would be South Temple, Main Street, 700 South and 400 West. Changing the southern edge of the loop probably would require amending the existing Airport to University environmental impact study.

Two goals for the original loop were:

- To provide UTA with a loop to stage light rail trains as use of light rail grows.
- Economic development of the Central Business District by linking Main Street to the 650-acre Gateway area and creating a downtown circulator.

There are perhaps five reasons not to lengthen the loop. First, a larger loop might not meet the Utah Transit Authority's needs. UTA officials have said in the past that the main reason a loop would benefit UTA is that, as the light rail system grows, UTA will need a loop so light rail trains can move fluidly through Salt Lake City's downtown. An analogy would be airplanes circling before getting clearance to land. A longer loop might delay UTA timetables for arriving and departing from light rail stations. Second, placing the southern part of the loop at 700 South

## ITEM II

Street would require extending the 400 West Street portion of the loop from 400 South to 700 South. As a result, light rail trains would have to cross 600 South, 500 South and 400 South streets a block east of freeway exits and entrances. The nearness to the on- and off-ramps and the construction involved in crossing the three streets might make the Utah Department of Transportation reluctant to support the idea. Construction also probably would affect automobile access to downtown. Third, if concentration of activity in the CBD is a goal, the longer loop could pull development further south. Fourth, the 1996 *Railroad Consolidation Plan* and the *Gateway Master Plan and Gateway Specific Plan* call for the relocation of the 900 South freeway viaduct from West Temple to 400 West Street and the creation of a boulevard on that street. However, the existing freeway viaduct was reinforced during I-15 construction, and moving it to 400 West Street might take two decades. Fifth, the City has built grassed medians along 400 West Street south of 400 South Street.

There are perhaps three reasons for lengthening the loop to 700 South. First, Long-term (50 to 75 years) a larger CBD may be necessary, and expansion could be guided by placing the light rail line on 700 South Street. If transportation systems define area boundaries, downtown may be limited by placing light rail on 400 South Street. Second, discussions among the City, UTA and the Utah Department of Transportation to place a light rail line on 400 South Street were long and arduous. UDOT was reluctant to have the line on a thoroughfare that linked Interstate 80 and Foothill Boulevard to Interstate 15. In fact, the Airport to University environmental impact study calls for the light rail line to fork at 200 East Street and run along the sides of 400 South Street to 400 West Street as a compromise to UDOT. Parking along 400 South also was eliminated as part of the compromise. It is unknown to Council staff what UDOT's position is on extending the loop further on 400 South Street to 400 West Street, but the agency may continue to be reluctant to complete the loop. On the other hand, 700 South Street is a City street and could be used to eliminate conflict with UDOT over traffic movement concerns on 400 South Street. Although track construction would involve intersections at 600 South, 500 South and 400 South streets, completing the loop as planned will involve construction on four blocks of 400 South Street. Third, if economic development remains a goal of building the loop, a longer loop would benefit the City in several ways. The longer loop would run almost the entire length of the Granary and Depot District RDA project areas on 400 West Street and increase potential for future development. It would tie more closely transit oriented housing under development on 200 West Street to the downtown and perhaps provide the impetus to build the light rail station planned there. It would connect the Central Business District to a key downtown support area anchored by the Sears store.

### **Build a new Public Safety Building at 600 South 200 East and sell existing site for housing**

It is Council staff's understanding that the existing Public Safety Building is at or near the end of its useful life. Based on recommendations in the 1994 *Facilities Master Plan*, the City has purchased property at the corner of 600 South and 200 East streets from what was the old Silver State Building on 600 South and including the former Odyssey House on 200 East. The site may be the best location to build a new Public Safety Building. The existing site then could be sold to develop housing. The existing Public Safety Building sits on about 2.3 acres at 200 South and 300 East – one of the main residential streets near downtown. The site is within a half block of a grocery store and next to banks, dry cleaners, cafes and other neighborhood amenities, some of which are part of the original East Downtown neighborhood. A parcel 2.3 acres-large could allow a signature residential development within walking distance of the Central Business District, reinforce 300 East as a key residential area, and perhaps spur more mid- to high-density housing development in the East Downtown.

## **ITEM II**

In earlier discussions of the Downtown's future Council staff noted that although housing in the Gateway area has been built, and projects are under way or are planned elsewhere, the Central Business District and its surrounding areas contain 11,383 fewer residents than they did in 1960. Staff also said that to reach its 1960 population level the Downtown area would have to capture slightly more than 1 percent of the 1 million-people projected growth along the Wasatch Front by the year 2020. A question to consider is: Is attracting 11,000 people in the next 18 years to live in or near the Downtown an achievable goal or a goal in which the bar could be raised?

### **Permanently locate the Utah Arts Festival on Main Street**

The 1988 R/UDAT study "strongly recommends that the Utah Arts Festival occur on Main Street or State Street." The study recommended the festival locate there because of its potential "stimulus to downtown merchants." The festival will be held at Gallivan Center this year. If the festival is successful, it may be worth considering keeping it there and letting the event flow onto Main Street. Careful planning could allow light rail to continue to operate during the festival. Other proposed future locations may be too far from Main Street to draw people to Main Street retail stores.

### **Build an art museum/arts complex on the southwest corner of Main Street and 400 South**

Four studies – the Second Century Plan, the R/UDAT study, the Downtown Master Plan, the Thomas Consultants study -- have called for development of an art museum or "anchor entertainment" building downtown. The Downtown Alliance baseline economic study on Page 75 lists, "the absence of a large and significant visual arts museum" as one of the weaknesses in the Central Business District's entertainment and culture sector. Other major downtown studies have noted the lack of anchors in the southern part of the CBD. The Thomas Consultants study recommended that an "anchor entertainment" structure be built on the southwest corner of 400 South and Main Street. (Block 40). The block's owner has plans to develop the block, but no firm timetable for development. In the past, the owner has declined to allow a new federal courthouse to be built on the southwest corner of the intersection in part because a courthouse would hinder future development plans. However, an art museum/cultural complex might be a permanent addition to the downtown that would enhance the block's future development and be the kind of land use that would blend with the property owner's future plans. Locating a museum/cultural complex there probably would require a great deal of cooperation among the City, the landowner, the county, the state and possibly the University of Utah. However, the location of an activity draw becomes more important with the General Services Administration's plans to build new court behind the Moss Courthouse. Given the anticipated size of the new facility, the institutional use of the area west of the existing courthouse could create a barrier to activity flowing from roughly Market Street to the hotel district on 500 South and 600 South streets.

### **Participate where possible in an intensified, sustained marketing of the downtown**

Although there have been several attempts to market downtown Salt Lake City as a whole, the Downtown Alliance's telephone survey indicates that people "dislike" the apparent lack of parking and traffic and congestion. Yet, the Downtown Alliance's baseline study indicates that there are 35,900 parking spaces within the study area. (Page 5.) Other comments raised in a variety of discussions about downtown have included that the downtown does not have retail unique enough to warrant traveling to it. Yet, the Downtown Alliance's baseline study said that the main strength of the downtown is "the number of retail choices."

## **ITEM II**

The seeming contradictions appear to point to a need for a marketing campaign more intense and more sustained than previous attempts. A potential marketing campaign might be two-pronged. One part of the campaign might be a long-term goal of “branding” the downtown and establishing a profile of downtown to use to market to developers and retailers who have not yet located in downtown Salt Lake City. The other part of the campaign might involve marketing the downtown to people in Salt Lake County and regionally. According to the Downtown Alliance’s telephone survey, 36 percent of the people in Salt Lake County check daily newspapers when planning for entertainment, dining or shopping. Another 13 percent get their information from television or radio. Given that the survey also indicates that 65 percent of Salt Lake County residents visit downtown Salt Lake City no more than every two weeks, a newspaper, television and radio marketing campaign appears to be warranted.

Developing and paying for such a campaign appears to be something the business community might want to undertake. Government’s role may be limited to promoting the campaign’s message wherever it can.

### **Additional Policy Issues Raised in the Process**

The matrices also contain a section titled the same as the above sub-head. The section contains staff’s attempt to summarize policy options and comments made by people who spoke at the City Council’s previous two public meetings on downtown’s future. Again, staff has attached a larger summary of the comments made during the public discussions. In the section staff has attempted to categorize the comments into separate policy areas. Staff also has attempted to formulate the comments into a policy perspective. For instance, several people at both meetings commented on a need for leadership in the future development of the downtown. From a policy perspective the comments might be viewed as: Should a single person or entity lead future development of downtown, or should leadership involve a more collective approach? Is there a plan or a plan under development to recruit businesses or developers to the downtown that the City Council may wish to review and support?

### **Matrix Key**

The first part of the matrix contains a variety of abbreviations in the comments section. Here is the key to the abbreviations:

- TC – Thomas Consultants study.
- SCP – Second Century Plan.
- RDT – Regional/Urban Design Assistance Team study.
- DTP – 1995 Downtown Plan.
- GWP – Gateway Master Plan and Gateway Specific Plan.
- EDP – East Downtown Master Plan.