

# HUB DISTRICT IMPLEMENTATION PROGRAM: GETTING FROM HERE TO THERE



Prepared for the  
**Redevelopment Agency of Salt Lake**

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## 1. Introduction

The Hub District is comprised of the two city blocks stretching from 200 to 400 South, and from 500 to 600 West. Now a rather isolated and aging industrial area, it is strategically positioned between the Intermodal Hub and Gateway, both growing activity anchors. Over time, it can become a destination neighborhood and TOD with historic elements and authenticity that set it apart from other districts in downtown. At its best, the Hub will become a transit-rich, walkable district populated with interesting uses, eating places, art, and residences. If so, the development will likely be incremental, reflecting the variety of parcel sizes, land ownerships, and appropriate uses for the area.

But “business as usual” will not work here. Left to market forces, the area will languish and lag behind other areas of downtown in development. The transit connections will be overlooked, buildings will continue to deteriorate, profitable development will sub-optimize the vision, and the opportunity for a model TOD and Intermodal Hub facility will be lost for at least another decade. To even begin to realize the potential of the district requires a near-term jumpstart involving demolition, clean-up, parking assistance, branding, and new development of notable scale.

This is a classic opportunity for public sector leadership to be transformational. The RDA has started by acquiring about half of the land in the district, and is prepared to move forward with other initiatives to attract private investment. Absent RDA leadership and participation, the district can be expected to languish for a number of years while developers focus on more traditional development opportunities that are perceived to be “less risky.” Also, UTA’s decision to invest in their property at the Intermodal Hub is essential to successful redevelopment of the area, and the sooner, the better.

This report documents the consultants recommendations on immediate action steps needed to implement transformation of the area. The specific goals are:

- Establish a national model transit oriented district (TOD) and Intermodal facility
- Engender quality development, both public and private
- Expedite the development cycle, targeting private development groundbreaking in 2013.

The strategy outlined here is the opposite of “business as usual.” In better times and more developed areas, redevelopment agencies can often buy land and sell it “as is,” thereby requiring the private developers to absorb the cost and risk of neighborhood infrastructure as well as construction and marketing of their own product. This is how RDA has generally been able to operate. But given the condition of the Hub District and the difficult market and financial conditions at this time, a more proactive approach is required to attract private investment. Accordingly, “aggressive predevelopment” is recommended. That is, RDA does

much of the development work necessary before buildings are feasible and private developers will start construction.

In the broadest terms, this is suggesting that RDA:

- Invest in the land it already owns
- Ready the neighborhood for vertical development
- Pay their “fair share” cost of district infrastructure along with other property owners
- Actively market and help attract the appropriate users and developers to the district
- Make it easier to see the viability and do the “right” kind of development
- Effectively reduce the risk for developers
- Realize the resultant property value appreciation for its investment and efforts

Key essential actions include:

- Selective demo and clean-up of RDA property, increased code enforcement of the area
- Comprehensive heritage property survey and strategy to preserve the valuable context of the area
- Assessment of environmental and structural conditions
- Rezoning the district with a TOD overlay
- Subdivide parcels as necessary for marketable development sites
- Design 300 South as a beautiful festival/market street
- Change the intersection at 500 West to allow cars to turn onto 300 South
- Focus initial efforts on the North Block to reinforce existing development
- Extend Eccles and Woodbine to create “mini-streets” within the block
- Develop the South Block as larger, institutional users are identified
- Build public parking structures in each block to provide shared parking for development
- Use TOD parking standards to reduce construction of unneeded spaces
- Work with UTA to build out the Transit Terminal as first-phase development
- Research feasibility and strategy for “festival/market” user
- Actively brand and market the district

The boldest elements of the proposed Implementation Plan involve building a public, shared parking structure on each block. They will be phased, and timed to accompany and serve the first new commercial development as it is built. The structures are critical to getting a denser, more transit supportive development pattern because they allow projects to construct more building square footage rather than using valuable land and resources to “self-park” on each parcel. Moreover, best practices and research have shown that mixed-use TOD’s routinely use 25-50% less parking than conventional developments, and that shared parking structures are the most efficient approach in these districts. Accordingly, the parking strategy for the district is “aggressive TOD”, capitalizing on the access to the most comprehensive transit service in the state.

Funding sources for the needed infrastructure and parking structures undoubtedly involve layering both public and private resources. The area is already eligible for TIF, and some form of a Special Improvement District ultimately backed by property tax assessments is suggested. This is a tool frequently used to front the cost of infrastructure, and is particularly appropriate in urban areas where development is likely. To address the large percentage of exempt government ownership in the area, a voluntary Payment in Lieu of Taxes (PILOT) will be necessary until private interests develop the area and take over land ownership. Parking revenue bonds are also a viable source of funds if the structures are built coincident with development projects, and are not oversized.

The risks to RDA of pursuing this implementation plan seem to fall into two categories:

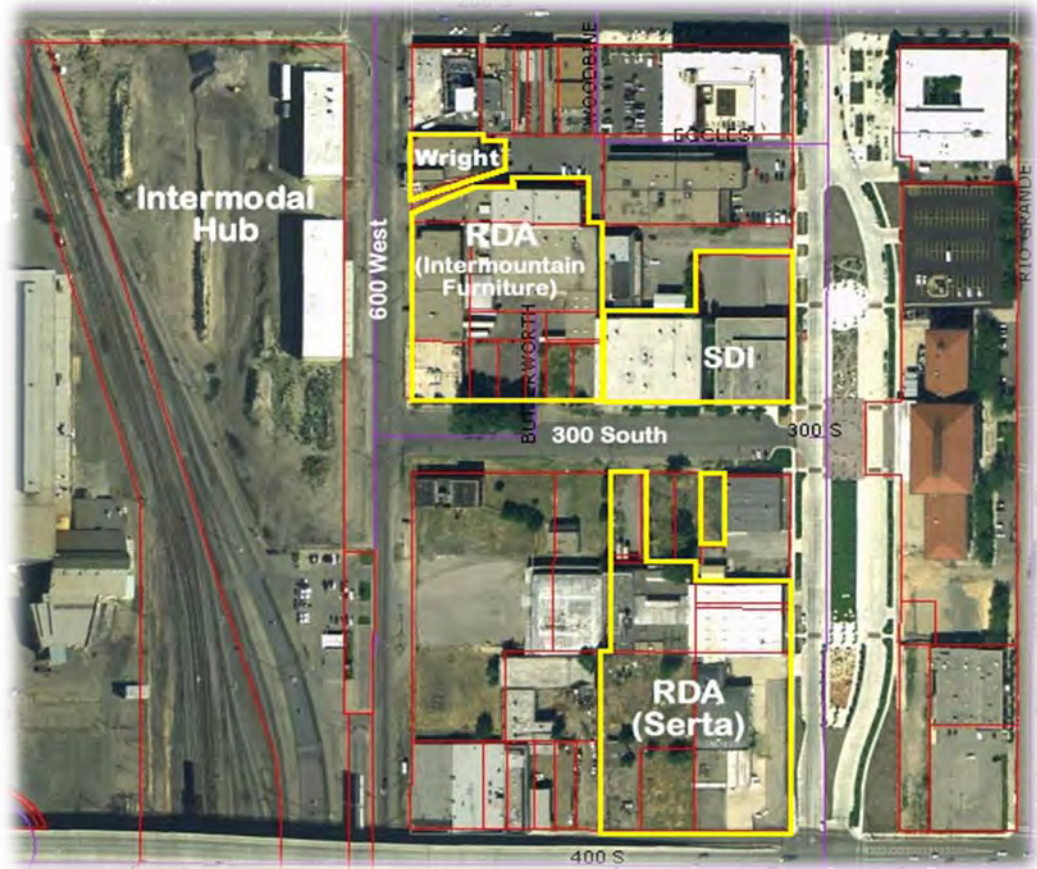
1. Development could take longer than expected. Market conditions drive private sector investment. This action plan targets a 2013 commercial groundbreaking based on market projections. Nonetheless, the same infrastructure and predevelopment work needs to be done, and will enable the RDA to compete for submarket opportunities.
2. The project is not completed, and development quality and timing suffer. If the RDA does not follow through with active management and predevelopment of the property, the risk is that the quality development warranted by the transit-rich location will not be realized. Development will revert back to a parcel-by-parcel basis, each site self-parked, with reduced intensity and building quality. To the extent RDA diligently follows through on the action plan, this risk is mitigated.

## **2. Process**

The Hub area has been the beneficiary of several previous studies and planning efforts by the City. These were carefully reviewed for the strong analysis they contained, and for principles to guide this focused Implementation Program. The district was toured, including walk-throughs of important buildings. Key elements of any implementation strategy are market conditions and identifying champions to advocate and lead development. To this end, the next step was a one-day workshop in February 2010 with RDA and City staff, UTA, Heritage Society, Downtown Alliance, and other institutional stakeholders (attendance list and workshop notes are included as Attachment F.) Excellent insights on development conditions, challenges and strategies were provided as well as political and market considerations. This meeting was then augmented by one-on-one meetings with property owners in the district, potential developers, potential tenants, and more detailed conversations with City and UTA. The 2010 Downtown Market Study done by Coley-Forrest was also relied upon to guide strategy. Continuing conversations and follow-up have ensued, largely led by the RDA staff, since that time.

**3. Existing RDA Inventory:**

- a. RDA/Wright property—vacant (.31 ac)
- b. RDA/Intermountain Furniture—vacant (2.8 ac)
- c. RDA/SDI property—leased buildings (1.62 ac)
- d. RDA/Serta property—vacant land and buildings (3.95 ac)



#### 4. Development Overview:



Briefly, the anticipated build-out of the district is as follows:

The **North Block** will be redeveloped in both a vertically and horizontally mixed-use fashion with equal amounts of commercial and multi-family residential development comfortably integrated. 300 South will be faced with retail and active street front uses, and the street, sidewalk, lighting and landscaping along this block will be enhanced to

give it a sense of importance and place. Art Space and existing businesses along 200 South have already set the tone for a variety of interesting uses in a relatively small format design. The older buildings along 200 South will be preserved to reinforce the context and history of the area. Eccles and Woodbine will be extended as “mini-streets”, and coupled with additional mid-block walkways, will create an interesting network of pedestrian and vehicle connections.

A midblock parking structure with a capacity of approximately 500 spaces is sized to support the desired mix of uses, and slipped between other buildings facing the Intermodal Hub to incent development by providing shared parking for projects on the block as well as on the Intermodal Hub site itself. Besides the parking structure, additional development of a dozen townhouses and 300 apartment/condos, 120,000 SF of commercial, and 40,000 SF of retail is feasible for the block. While development must be market driven and will happen over time, the smaller parcels on this block allow for a variety of developers and users, so build-out within the next 7-10 years is realistic.

The **South Block** is more suitable for larger users because of land ownerships, parcel sizes and proximity to 400 South. The face of 300 South should also be activated with retail storefronts or other commercial uses to foster evolution to a “festival/market street” on both sides of that block over time. While larger format institutional uses are a better physical fit on the south block than the north block, multifamily residential is a compatible use on either block and should be welcomed. The State’s art storage building should appropriately move to a less premium location, freeing that key corner for a landmark use.

A shared parking structure to support greater building densities and provide developer incentives is also recommended for the South Block. As with the North Block, it can be shared to support commercial and transit parking for the Intermodal Hub site across the street. This block is ideal for institutional users and large employers because of the proximity to regional transit. RDA alone owns some 140,000 SF of the nearly 300,000 SF of developable land on this block, not including land required for the parking structure. This likely yields ultimate build-out of 560,000 SF split between commercial and residential, depending on uses ultimately attracted. Presuming 1/3 of the development goes to housing, a development program of 150,000 SF for residential, up to 375,000 SF for commercial/institutional, and 35,000 SF for retail could be expected.

Property owners on the block—both public and private—are eager for redevelopment by a large user, which potentially expedites development of the south block. With few parcels of this size in similar proximity to downtown, and virtually none with the transit access this site will offer, build-out could come sooner if a user is found, but more likely this will trail the North Block and happen in a 10-15 year timeframe.

**5. Parcel Development/Parking Analysis:**

**North Block**



**Hub Development Program/Parking Analysis: North Block**

Parcel	Land Area	Total Development	Stories	Future Use
1	54,400 SF	54,000 SF	2	Various --Unchanged
2	28,900 SF	50,000 SF	3	40 units residential—self park
3	28,900 SF	~60,000 SF	4	Bridges (housing)—52 parking spaces from Parcel 2 needed in

				new parking structure
4	38,750 SF	~60,000 SF	2-3	Art Space --Unchanged
5	49,000 SF	100,000 SF	3	Residential, 100 apts.
6	46,500 SF	140,000 SF 20,000 SF	4	Residential, 150 apts.—self park First floor retail/active uses—60 spaces
7	46,500 SF	80,000 SF 20,000 SF	3	Commercial—240 spaces First floor retail/active uses—60 spaces
8	55,800 SF	223,200 SF	4	498 space parking structure (165/floor)
9	44,600 SF	10,000 SF 40,000 SF	2	12 units residential—self park Commercial—120 spaces.
393,350 SF		634,000 SF	Total existing and new block development (not including parking structure)	
		460,000 SF	Total <i>new</i> block development on the block (not including parking structure)	

**Parking Calculation:**

Parking Need:

Commercial	120,000 SF	@ 3/1000	360 spaces
Retail	40,000 SF	@3/1000	120 spaces
Residential	<u>300,000 SF</u>	self park	<u>52</u> Bridges replacement parking
	460,000 SF		532 spaces

Less: 50% for transit proximity	<u>(266 spaces)</u>
Net parking needed for new development	266 spaces
Add: Parking needed for UTA	<u>300 spaces</u>
Total parking need on North Block	566 spaces

Parking Supply:

On street parking supply	70 spaces
Parking structure size	<u>498 spaces</u>
Total parking supply	568 spaces

**South Block:**



**Hub Development Program/Parking Analysis: South Block**

Parcel	Land Area	Total Development	Stories	Future Use
1	52,500 SF	40,000 SF 20,000 SF	3	Commercial/institutional—120 spaces First floor retail/active uses—60 spaces
2	89,100 SF	150,000 SF	2	Residential, 150 apts., 40 Overflow spaces

		15,000 SF		First floor retail/active uses—60 spaces
3	72,900 SF	145,000 SF	3	Commercial/institutional—435 spaces
4	94,500 SF	190,000 SF	3	Commercial/institutional -570 spaces
5	63,000 SF	252,000 SF	4	760 space parking structure (190/floor)
<hr/>				
	372,000 SF	560,000 SF	Total existing and new block development (not including parking structure)	
		553,500 SF	Total <i>new</i> block development (not including parking structure)	

**Parking Calculation:**

Parking Need:

Commercial/institutional	375,000 SF	@ 3/1000	1125 spaces
Retail	35,000 SF	@ 3/1000	105 spaces plus on-street
Residential	<u>150,000 SF</u>	self park	<u>40 overflow spaces</u>
Total	560,000 SF		1270 spaces
Less: 50% reduction for transit proximity			<u>(635 spaces)</u>
Net parking needed for new development			635 spaces

Parking Supply:

On street parking supply:	82 spaces
Parking structure size	<u>570 spaces</u>
Total Parking supply	652 spaces

**6. Parking Philosophy:**

The Hub District, both now and in the future, offers the best multimodal transit access in the State of Utah. While this will help drive real estate values over time, the old real estate adage, “parking drives development” still applies. Typical parking requirements often require more square footage of parking to be built than is required for the development it is intended to serve. This is land expensive when surface parked, and financially expensive when housed in structures. Accordingly, the saying is especially true in mixed-use and urban environments such as the Hub, and refers to the resultant impact on projects from having to absorb these costs. To

afford a parking structure, either the quality of the building must be reduced, the rents must go up, outside funds must be received, or the project just won't go forward. To the extent that market conditions cap rents, too often the building quality suffers. Increasingly communities are realizing that the initial burden of structured parking is a major deterrent to quality infill development, and are assisting with that expense.

The parking challenge is somewhat alleviated by proximity to transit, especially transit that serves many destinations, including jobs. Extensive research in many markets, and recently validated by the new parking standards from the ITE (Institute of Transportation Engineers, widely acknowledged as the industry experts and the organization that sets transportation and parking standards used by most municipalities) shows much lower driving and parking usage than in non-transit settings. Evidence shows that when transit is located in mixed-use districts, parking requirements drop from 20-50% or more, depending on the site. This is due to normal turnover in the course of a day, the mix of building uses, and the phenomenon that people self-select to live and work in jobs where they have an opportunity to use transit.

Accordingly, TOD parking ratios can be much lower than conventional suburban standards. If the Hub District is to become a national model for this type of high-quality development, an aggressive TOD parking strategy is recommended.

Parking Spaces / 1,000 SF of Building Development

	<u>Typical</u>	<u>TOD</u>	<u>Hub District</u>
Residential	2	½-1	Self-parking on site
Retail	3-15	1 ½-3	1 ½-
Office/Institutional	5-6	1 ½-3	1 ½-

The lower ratios work well but will require careful parking structure management, a strategic mix of uses to create the right day and night balance, and metered on-street parking with enforcement.

**7. Parking Structure Cost:**

Parking structures cost anywhere between \$14,000-\$20,000/space for above-grade structures depending on whether they are at least 50% open air, simple concrete construction, or enclosed and “wrapped” with first floor retail, or upper floor development as well. (Below grade

structures are approximately double the cost for more than one level, and are prohibitive in this location given the high water table levels and the large number of spaces needed.)

Estimated costs for the north parking garage follow:

<u>Parking Structure Estimated Project Cost:</u>	
Construction (hard cost) of 498 spaces @ \$16,000/space	\$ 7,968,000
Construction of 8,000 SF of retail, including tenant finish @ \$125/SF	<u>\$ 1,000,000</u>
Subtotal Hard Costs	\$ 8,968,000
Soft costs (incl. financing, design, contingency) @ 30% of hard costs	<u>\$ 2,690,000</u>
Subtotal Hard and Soft Costs	\$11,650,000
Land (56,000 SF @ \$25/SF)	<u>\$ 1,400,000</u>
TOTAL Estimated Project Cost	\$13,050,000

#### 8. Parking Structure Funding and Financing:

The proposed parking structures are expected to charge for parking on either a short term or long term basis (i.e., UTA purchases or rents spaces for transit users; retailers validate customer parking or pay for employee parking; commercial tenants rent spaces on a monthly basis; general public pays hourly or daily charges). The amount of revenue will depend on the development put in place and the parking structure that is built, but a broad estimate of potential revenue is shown here:

<u>Parking Structure Estimated Annual Project Revenue:</u>	
UTA parking leases (300 spaces @ \$60/month)	\$ 216,000
Transient parking (198 spaces @ \$60/month @ 85% occupancy)	<u>\$ 121,176</u>
Subtotal Gross Parking Revenue	\$ 337,176
Less: Operator Costs (@ 40% of revenue)	<u>\$ 134,870</u>
Subtotal Net Parking Revenue	\$ 202,306
Retail rent (8,000 SF @ \$20/SF NNN @ 85% occupancy)	\$ 136,000
Less: Management Fee @ 20%	<u>\$ 27,200</u>
Subtotal Net Retail Revenue	\$ 108,800
TOTAL Estimated Annual Project Revenue	\$ 311,106

With such a revenue stream, tax-exempt parking revenue bonds become a major source of financing for the structures, but are inadequate to pay the entire amount, and thus still incur a large financing gap.

Parking Structure Estimated Financing Costs:

Annual debt service @ 4.5%, 25 years, \$13,000,000	\$ 867,096
Less: Annual Parking Structure Project Revenue	<u>\$ 311,106</u>
Subtotal Parking Structure Annual Funding Gap	\$ 555,990

If project costs can be reduced by obtaining grant proceeds (i.e. from FTA), RDA land donation, cutting construction costs, or some combination of all these things, the funding gap quickly narrows. For example, financing a \$10,000,000 project cost rather than \$13,000,000 saves nearly \$200,000/year:

Annual debt service @ 4.5%, 25 years, \$10,000,000	\$ 667,996
Less: Annual Parking Structure Project Revenue	<u>\$ 311,106</u>
Subtotal Parking Structure Annual Funding Gap	\$ 356,890

While these are only estimates until the project is actually designed, they illustrate that the project cannot pay for itself, and in any event, additional funding will be needed. Rather than seeking the City's General Fund support, the gap could be handled by establishment of a Special District in the Hub area, and then issuing bonds paid through property tax assessments in that district. Assuming a district area of the two blocks plus a 6 acre portion of land owned by UTA, the parking structure gap could be filled with an annual property tax assessment in the \$.50/SF range.

UTA has applied for an FTA grant to build transit parking at this location. Any funds received from that grant, or other grants which could be pursued, would reduce the amount to be financed through purchase of spaces in a condominium-type transaction structure. Alternately, UTA could pay an annual rental fee for a given number of spaces, or ultimately, as is happening with transit systems across the country, they could require users to pay at least nominally for parking in a downtown location such as the Hub.

Tax Increment funding is also available for this area. Those funds can be used for qualified purposes such as land buy-downs, capital costs, operating costs, infrastructure, and parking structures. These provide a potential capital cost reduction, or at least another back-up source for parking revenue or special district bonds, thereby lowering the interest rate and payment amount.

Public-private partnerships with developers/users on the block who would "buy" parking spaces and thus reduce the amount to be financed by whatever mechanism should also be explored.

Most likely, several of these sources will need to be "layered". A key next step for RDA is to determine the feasibility of using each of these sources, refine the budget, and structure a financing plan.

## 9. District Infrastructure Financing

The Hub district provides a unique opportunity for RDA to access Special District financing tools to jump-start redevelopment and establish a pedestrian character in the district. There are many types of Special Districts with various powers and allowed work programs. They range from Special Assessment/Improvement Districts limited to construction and maintenance of certain types of infrastructure to Business Improvement Districts which allow district marketing, programming and maintenance, and to several variations in between. The common element in each of them is that they all have the authority to issue bonds paid by property tax assessments on property owners within the district boundaries. In Salt Lake City, City Council can approve a Special Assessment District for construction of publicly-owned improvements (i.e., street infrastructure, sidewalks, lighting, landscaping, parking, etc.) A project budget is subjected to review by bond council and must show “equal benefit for equal assessment” to insure fairness in taxation. Accordingly, approval to establish the district, approval of the work program, and approval of the bond issuance must be done by the City Council following approval by no less than 50% of the property owners in a district vote. In the Hub District, the vote may be based on square footage of land owned or assessed value. A key element to making the economics work in the Hub District is to have the exempt property owners (i.e., RDA, UTA, State) voluntarily pay the property tax assessment amount a private property owner would have owed. Sometimes referred to as PILOTS (Payment In Lieu Of Taxes), this approach is often used to build infrastructure when the intent is to sell the property to private owners and developers, so the public sector contribution is self-liquidating. Generally, the bonds are underwritten on a project-finance basis meaning the local jurisdiction is not at risk or required to provide a back-up guarantee.

This type of funding and financing tool is broadly used and popular across the nation because it provides a mechanism to pay for up-front infrastructure, and is structured so the beneficiaries of the improvements pay for them rather than the general public. Criticism of the tool sometimes relates to concerns about “double taxation” which is rather easily addressed based on the nature of the improvements and increasingly limited public sector project resources. More frequently, concerns are based on fears of poor underwriting and ultimate bond default. There is merit to this consideration, though most problems have resulted when the tool has been used to build masterplanned communities in risky greenfield locations. Given the incredibly strategic location of the Hub in the heart of state’s largest city, this underwriting risk seems nominal and manageable.

There is great need for up-front infrastructure investment in the Hub i.e., the widening, lighting, landscaping and other enhancement of 300 South, creating of alley roads and pedestrian pathways through the two district blocks, update and needed repair of underground water lines. The unique opportunity is presented by a large percentage of publicly-owned land which would participate in the funding. While exempt property is a detriment to using TIF funds for early-stage infrastructure, special districts often employ a Payment in Lieu of Taxes (PILOT) which is a

voluntarily payment by public sector land owners for the non-exempt amount until the property is sold to private entities. Using this approach keeps the taxing rate equitable for non-exempt property owners in the district, and allows bonds to be issued for improvements before sale to developers.

The likely alternatives to financing the Hub improvements with special district bonds is use of RDA TIF revenues or applying for City capital improvement funds. Both sources are currently stretched, and will be for several years. It is recommended that RDA meet with City staff and outside bond counsel who specializes in this type of financing to determine the legal framework and best structure to introduce this powerful tool in the Hub district.

#### **10. Downtown Street Car**

At this writing, the alignment of a future downtown streetcar line is under consideration. One proposal includes routing it through the Hub District, most likely along 500 West. This would reinforce the “park street” envisions for 500 West, and already initiated north of the Hub at Gateway. A stop at 300 South would be a powerful reinforcement for a public market, an invigorated Rio Grande building, and the entire Hub District. If this alignment is selected, it can be expected to expedite Hub District development by 5-7 years, increase overall density in the area, and substantially improve the feasibility of retail of all types.

#### **11. Public Market**

There is strong political will and community desire for a thriving, year around public market in downtown Salt Lake. The question of whether and what kind of public market is feasible in the Hub District should be diligently pursued. The Downtown Alliance has already begun research on the initiative and should be brought in immediately as a partner in determining whether and how RDA should pursue this in the Hub District.

The proposed development program suggests up to 75,000 SF of first floor active or retail uses, virtually all along 300 South. It is not a conventional retail location because the single block nature of the street precludes typical levels of auto traffic and visibility. Moreover, the Rio Grande Station, while beautiful, provides another visual and physical barrier to access retail at this location. Accordingly, other active uses may initially be required in these spaces along the street until substantial development and expanded transit usage build demand for more retail.

A public market would greatly expedite and improve the quality of retail in the district. If it is not found to be the most viable location in downtown for a public market, then extensive programming with art, music, food and beverage festivals should be initiated to establish the brand of the neighborhood and attract additional development to the area.

In any case, 300 South should be designed to be attractive and easily closed off to accommodate festivals and programmed events (i.e., curved curbs, street materials in colored pavers, electrical outlets for vendors, human scale lighting, etc.) The dead end nature of 300 South accompanied by the multi-modal transit access makes it an interesting location. Whether the lack of street traffic and visibility offsets these advantages must be determined.

## **12. Marketing**

Development of the Hub is ultimately going to be done by the private sector, and RDA's objectives are to expedite that process, spur quality development, and realize a fair deal for the citizens. Given the condition and challenges of the area, conventional marketing techniques will not deliver the desired results. Simply issuing an RFQ/RFP to developers for sale of RDA property in its current condition might generate a few responses, but very few and they will very likely represent underutilization of the site and less than notable buildings. Realizing a neighborhood transformation demands significant up-front investment, and a labor-intensive, strategic marketing effort. In short, RDA will have to make an exceptional effort to transform the "vision" for the district into a series of very specific and well-defined projects that developers can easily grasp, evaluate, and implement. Given the deterrents of the current real estate market, the challenging condition of the Hub District today, and the ambitious vision the community has for redevelopment of the area, RDA will have to make an exceptional effort to succeed, even over time.

The aggressive predevelopment actions recommended in this document establish a framework for the area that well redefines it from industrial to mixed-use, demonstrates public commitment through infrastructure investment, and creates defined development pads for developers to purchase and build on. Current ownership boundaries do not lend themselves to the finer grain development envisioned in this document, so establishing those parcels before offering them for sale encourages more compact development.

Implementing the Development Infrastructure items listed above should more than pay for itself through increased land values when parcels are sold. Providing properly zoned development parcels with commitment to a shared parking structure, street enhancement and access improvements should improve land sale prices by \$10-\$20/sf—well worth the RDA effort.

### **Tenant Identification:**

While working to put in place the development infrastructure elements listed above, RDA should also focus on identifying anchor tenants and commercial users. Residential projects require a developer to be the primary marketing agent, but commercial and institutional users do not. RDA already has efforts underway on this front which have produced good leads. Each has appealing aspects, and apparent challenges, and none will happen without being diligently pursued. This is a good start, and other mixed-use concepts and users should be pursued.

Also, though not RDA property, more vertical development on UTA's Intermodal site could turn an unattractive neighbor into a powerful district anchor. The Intermodal, with both commercial and transit components, is the largest, most logical, and probably the most transformational influence on development patterns. RDA should work closely with UTA to expedite their development plans. UTA's need for parking off-site the Intermodal property is a strong mutual interest to be leveraged.

The Downtown Alliance and the State Economic Development officials should also be brought into the effort to attract anchor businesses. The large parcel size at this location is a valuable add to the land portfolio used in recruitment marketing, and it could result in unanticipated new users and leads.

Residential developers previously interviewed consistently expressed interest in building in the area, and consistently reported that their ability to move forward was primarily driven by a land price feasible for their product type. They suggested that to initiate development, the land price needed to be in the \$20-25/SF range (for a product that generally is a 4-story, stick-built apartment on a parking podium at densities of 40-60 du/acre.) This involves a policy commitment to buy down land that RDA has purchased for up to twice that price. It is clearly in the purview of RDA to do this, and for residential developers, it is one of the strongest marketing statements that can be made.

#### Developer Solicitation:

Once the Development Infrastructure is underway—particularly as demolition and other physical changes are evidenced—briefings on the area to local real estate organizations such as NAIOP, ULI and AIA are also worthwhile. An overview PowerPoint that is very specifically targeted to developers can be posted on line and gives the basis for many “marketing” talks about the area. A website with site data and plans should also be established.

In 2011, the Development Infrastructure should be in place and RDA will hopefully be ready to solicit proposals from developers. This should be timing from a market perspective. Utah is an early-recovery state with continuing job growth, and pent-up demand for more urban product should be growing.

Solicitations for public property can be done in a variety of ways, and the Request for Qualifications because it is less effort for them, and they are therefore more likely to enter into a competition. RFQ's are often the best choice when a project is very conceptual and a lot of visioning and pre-development feasibility work needs to be done. On the other hand, picking a development partner based on resumes and a few meetings can easily become a superficial personality contest unless the public agency is very sophisticated about the differences and capacities of various developers and their teams.

RFP's often require the public agency to court and invite developers to apply, and this has become a common practice among successful communities. But RFP's warrant the effort and

are the best choice when a project is quite well defined and the community generally knows what they want and what is feasible from the market. In that case, the RFP should be written to be as specific as possible in its requirements, and in return, it is realistic to expect developers to submit real numbers, plans and development concepts that can be compared, contrasted, measured, and evaluated.

In the case of the Hub District, there have been several studies, even in recent years, and the vision is quite consistent. Once the Development Infrastructure is in place or nearly so, an RFP process to developers in the Intermountain and Rocky Mountain regions is recommended. The formal RFP can follow a more informal process of meeting with and “introducing” developers to the area to discuss their interest and suggestions for development. Once again, real estate professional organizations such as ULI, AIA, and NAIOP can be helpful in providing names and/or venues to advertise the process.

RFP’s should be sent out to identify individuals as well as advertised in the paper. Similarly, real estate professional organization newsletters and journals offer much more targeted exposure than daily newspapers or the government publications which few developers read.

Out of state developers are not easy to attract, but the chances are better within a region and worth some effort. Since development is such a labor-intensive day to day endeavor, developers generally only work in cities with an exceptional market, or in cities close to home, or in cities where they like to be. Utah may have some untapped developers that live in Park City or Deer Valley that are an opportunity to pursue. More likely, however, the Hub will likely draw other Utah developers. Since the district will be developed over time in several smaller pieces, no one project is likely large enough to justify an out of state developer opening an office and/or moving to Salt Lake without other motives. When developers make that kind of commitment, they usually want to know there is more than one sizable project for them to pursue and that they can anticipate a backlog of opportunity.

### **13. Zoning**

The City of Salt Lake just approved a new zoning category for Transit Station Area Districts. It represents an innovative, incentive approach to encouraging TODs, and would be an excellent fit for this district. Getting such an overlay in place adds significant value to the property because it saves a potential user or developer six months to a year in processing time, and removes the uncertainty about whether approvals will be granted or delayed. Moreover, it authenticates the opportunity for non-industrial users to seriously consider development in the area.

This area would probably be considered an Urban Center station type which currently sets building heights at a minimum of 30 feet and a maximum of 90 feet, and requires lot coverage of 70% for new structures. Residential density is not capped, and parking is capped at 3 spaces/1,000 SF for commercial uses.

## 14. Partnerships

The Hub District is complex largely because the outcome depends so heavily on a variety of partnerships, which, to a large extent, RDA must define and establish. That work has begun on an informal basis through the efforts of this study, and needs to be an ongoing, high priority effort. Many of these partnerships will need to be formalized in order to move forward, and should be approached with that in mind. Specific joint efforts and partnerships to be pursued include:

- Adjacent property owners in both blocks
  - Needed to agree on Special District formation and zoning overlay application
  - Needed on the South Block if large users are to be recruited
  - Needed on the North Block for potential Art Space expansion
- UTA
  - Needed to expedite Intermodal Hub development
  - Needed to participate in formation of Special District and PILOT funding
- State of Utah
  - Needed to swap art storage property with City
  - Needed to further open up passageways and add outdoor dining to Rio Grande building
- City of Salt Lake
  - Needed to swap property with the State and acquire the art storage property
  - Needed to approve zoning
  - Needed to approve and potentially participate in formation of Special District with PILOT feature
- Downtown Alliance
  - Needed to help identify users and support funding strategies
  - Needed to research and implement a Festival/Market along 300 South
- Heritage community
  - Needed to agree to a preservation strategy for contributing buildings in the district

## 15. Implementation Schedule:

### **FY 2010/2011: Clean-up and Predevelopment**

- Complete Environmental Assessments on all district-owned properties
- Do comprehensive assessment to identify the heritage buildings in the district and establish the treatment each should receive
- Do utility assessment to determine current condition/improvements needed to support projected development
- Finalize land acquisitions:
  - Determine whether to acquire Beehive property
  - Swap with City and State for art storage building

- Buy the “tail” property from ArtSpace
- Maintain short term tenants/revenues
- Demo Intermountain Furniture (except for historic security warehouse)
- Determine condition of Security Warehouse and make necessary repairs to stabilize and prepare for lease or sale.
- Clean-up cleared sites, remove graffiti, repair sidewalks, etc.
- Step up code enforcement and security in the district
- Update the context map to show buildings to be saved, new road alignments, etc.
- Work with Downtown Alliance and other resources to pursue a public market as an anchor use in the district
- Create website and brochure to start branding and marketing the area

**FY 2011/2012: Design, Financing and Intense Recruitment (Frontrunner begins service to Provo)**

- Do conceptual design, engineering and pricing for construction of:
  - North Block alley streets, Eccles and Woodbine
  - 300 South as market/festival street (lighting, landscaping, sidewalk widening, curb and street reconstruction, public art)
  - North block parking structure
  - Intersection of 500 West and 300 South
- Survey RDA land and subdivide parcels as needed for development
- Rezone district for TOD. Consider new Transit Station Area designation.
- Determine financing approach for north block parking structure; research Parking District
- Determine feasibility and structure of Special District financing mechanisms for infrastructure
- Active user/developer recruitment. Issue RFPs on north block parcels
- Develop a comprehensive budget including money to start infrastructure work and get BOD approval

**FY 2012/2013: Design and Marketing**

- Continue intense marketing efforts to users and developers
- Select developers, sign Development Agreements
- Underwrite bonds for street improvements/infrastructure
- Do parking demand study and bond underwriting for construction of North Block parking structure
- Do final design and select contractor to design and build parking structure
- Do final design and select contractor for 300 South, Eccles, Woodbine, 300 South/500 West intersection (paid by bond funds)
- Developers doing design on new buildings

**FY 2013/2014: Groundbreaking**

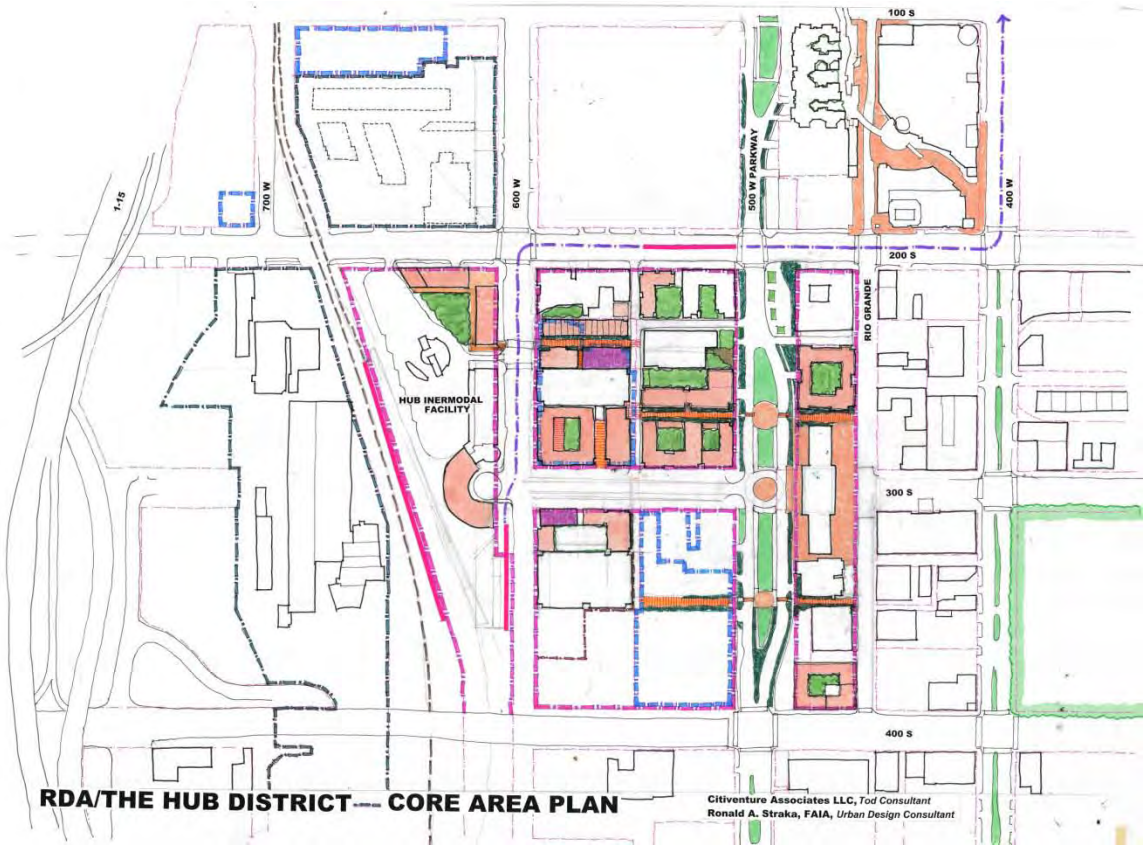
- Break ground on streets

- Break ground on parking structure
- Private development begins construction
- Continue to pursue users/developers for other sites

**FY 2014/2015: Open for Business**

- Celebrate opening of private development
- Complete construction of north block parking structure
- Complete construction of mini-streets in north block and 300 South improvements
- Open improved intersection of 300 South and 500 West

# Exhibit 1: District Context Map



## Exhibit 2: Hub Detailed Urban Design Analysis



## URBAN DESIGN

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Since the construction of the UTA Intermodal facility and the TRAX connection, little redevelopment has occurred in the HUB district. In analyzing the current context, a number of challenges and opportunities exist which need to be jointly addressed by the stakeholders in and adjacent to the district before significant redevelopment can take place.

### CHALLENGES:

- Isolation of the area and lack of connectivity to adjacent areas both locally and regionally/ impact of 400 S viaduct and RR corridor as barriers.
- Negative image and perception of the area, unsafe, under desirable uses, drug dealings, vacant and derelict buildings and properties.
- Lack of inviting safe public realm.
- Lack of a catalytic force/leadership to transform the area.
- Large Salt Lake City blocks.

### OPPORTUNITIES:

- Location/proximity to gateway, downtown, local and regional transit.
- Significant amount of underdeveloped and vacant land and buildings.
- Amount of land in public ownership.
- Existing mix of uses along northern edge of district.
- Build upon the public investment and transit infrastructure.

## URBAN DESIGN FRAMEWORK PLAN/KEY CONCEPTS

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The urban design framework plan from the HUB district defines the overall vision urban design/development principles and key concepts, specific land use, mixes, circulation, open space networks, urban form and patterns of development.

The HUB district, a relatively small district, is bounded by the “edge blocks” of the intermodal facility on the west and on the east by the Rio Grande block, on the north by 200 S and the south by the 400 S Viaduct.

## KEY URBAN DESIGN PRINCIPLES

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- **CREATING NEIGHBORHOOD:** To create a unique compact urban mixed-use edge neighborhood that is transit oriented.

- PLACE MAKING: To create a unique sense of place for the district on 300 S and the mid-block streets as a pedestrian-oriented festival street and promenade place.
- CONNECTIVITY: To develop a network of vehicular and pedestrian connectivity which radiates out from 300 S through the district and to adjacent destinations.

## URBAN DESIGN KEY CONCEPTS/RECOMMENDATIONS

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- Create a pedestrian friendly public realm including a hierarchy of streets/places/open spaces and pedestrian connections.

## 300 SOUTH PLACE; INTERMODAL HUB – RIO GRANDE DEPOT

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- Create a quality public open space connector, pedestrian oriented walkable street which links the Hub Intermodal Transit Facility/passenger terminal building and the Rio Grande Station building and a new west plaza area. An events or festival street which can be closed to traffic on special occasions. Narrow the street to two lanes of traffic with on-street parking and pedestrian amenities. Consider the option of providing public space in the middle of the right of way, or expanding the public space on the north (sunny) side of the street.

## FINE-GRAINED BLOCK DEVELOPMENT PATTERN

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- Develop a finer grain development and circulation pattern within the core district blocks. Integrate existing and new development opportunities. Provide internal block open spaces. Joint use/shared parking (structures) and internal vehicular and pedestrian circulation and access.

## CONNECTIVITY

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- 500 West: Parkway Extension and Improvements
  - Extend 500 West Parkway from its existing terminus north to 300 North and eventually to 600 North to provide local and regional vehicular, transit, bike and pedestrian access from the Hub Transit District to the North Temple Transfer Station and its existing and proposed adjacent development.
  - Provide vehicular access from 500 West to 300 South.
  - Orient adjacent buildings and entries to 500 West.
- 600 West: Transit Street 300 S– 400 S

- Add streetscape and roadway improvements that accommodate and complement the adjacent development and transit ways.
- 400 South: Southern Edge of the Transit District
  - Provide additional right-of-way parallel to 400 South Viaduct at grade for vehicular roadway improvements and potential streetcar alignment.
  - Provide urban design treatment/improvements a the ground plane and under the viaduct. Create a usable public open space as a definition and boundary for the district.
- 300 South Access from 500 West Parkway
  - Provide left turn access from NB 500 W Parkway to 300 S creating a traffic circle while maintaining the concept of the 500 W Parkway.
- Pedestrian Access To East: 500 W – Rio Grande Street
  - Improve public pedestrian access through the Rio Grande Depot at 300 S St.
  - Provide pedestrian access through the Rio Grande Block on the north side at the end of the north wing and at the south next to the Archives building.
  - Align streets and walkways west of 500 W to meet these openings in the Rio Grande Station block.

## DISTRICT IMAGE

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- District Gateway Treatments
  - Create icon urban design gateway treatments which mark the boundaries of the district and linkages to adjacent areas at key intersections to the district.
    - Consider lighting, signage, landscaping, public art, etc.
    - Potential locations:
      - 400 South, 500 West, and Rio Grande Street
      - 200 South and 600 West
      - 200 South and 500 West
  - Parking Improvement District
    - Investigate the feasibility of creating a parking improvement district for the study area.
      - If feasible, identify key parcels on each block which may be utilized for a shared district parking facility (either above or below grade)
      - These structures would free-up land for development as well as making development more feasible because each use would not have to self-park. These facilities would serve users in the blocks where they are located as well as potential users on adjacent blocks to West.
      - Residential development should self-park if possible, either through structures or “tuck-under” arrangements.

## EDGE BLOCKS

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- The intermodal HUB block and the Rio Grande block bookend the core blocks and define the west and east edges of the district. They have strong physical and functional relationship with the adjacent core face blocks in defining and activating the adjacent streets. They terminate and anchor the 300 South Place Promenade and act as barriers to surrounding area and activities.

## INTERMODAL HUB WEST EDGE BLOCK

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- This triangular configured block currently accommodates Amtrak, Commuter Rail, Greyhound/Regional and local busses, and TRAX light rail stations and facilities. RR corridor is a barrier on the West and 200 S and 600 W currently underutilized/has opportunities for infill development. Current HUB building on 600 W is underutilized. Limited on-site parking opportunities.
- Infill opportunities exist that define and activate the 200 S and 600 W street edges.
  - Build the Passenger Pavilion building and a public plaza which activates and anchors the western edge of 300 South. Locate all waiting areas for Amtrak, commuter rail, bus and light rail and other key facilities (transit user services)
  - Encourage development of a new gateway building on the 200 S/600 W corner to activate street edges with an urban form that is compatible with the existing intermodal facility.
  - Edge infill development on 600 W south of the Passenger Pavilion should be 4-5 stories in height in order to define and activate the adjacent streets and public spaces.
  - Provide parking on-site below grade wherever feasible in shared parking facilities on adjacent core blocks east of 600 W, or UTA land west of RR Corridor (employee parking)
  - Create urban open spaces:
    - 300 S terminus plaza the center of activity on the block.
    - Transit platform plazas areas (reconfigure as required to develop a cohesive urban space which services the various transit modes and users and connects areas to the transit plaza at 300 S.
    - Potential uses: UTA administrative/operations offices, transit related uses/office, transit serving retail.

## RIO GRANDE / EAST EDGE BLOCK

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- This key narrow rectangular shaped eastern edge is the keystone block connecting the district to Downtown and Gateway development. The focus and anchor of the historic Rio Grande Depot is the focus and anchor to the block and the 300S place promenade. Social Services buildings

and surface parking exist to the north of the Depot, with the Archives Building and renovated warehouse building located to its south. 500 W Parkway, Rio Grande Street provide N-S connectivity and 300 S to the east, limited infill opportunities exist, limited pedestrian access exists to the east.

#### RIO GRANDE BLOCK / EAST EDGE BLOCK

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- The Rio Grande Station Building is a historic landmark that is the eastern terminus of the 300 South promenade. Develop an urban entry plaza at the western façade as a center point to the transit plaza. Activate the existing building and provide public pedestrian access through the building to Rio and 300 South to the east. Improve the Entry plaza of the depot, eliminate surface parking from front facade of the depot.
- Use the Public Market and other 300 South uses and programs to activate the Rio Grande Station building as well.

#### CORE BLOCKS

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- Collectively the two CORE blocks are the heart and central focus of the district. Due to their location and existing development each has a different and complimentary role to each other and adjacent blocks. Each block will focus pedestrian related uses and activities on the 300 S façade block, have a finer master block recirculation and pedestrian circulation network, a variety of parcel sizes and configurations, and a shared parking facility. The CORE blocks are connected to the development and North Temple Transfer Station via the 500 W parkway and 600W.

#### NORTH CORE BLOCK

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**NORTH CORE BLOCK:** This is the keystone and catalytic block in the District due to its location on 200 S and its proximity and accessibility to Gateway and Downtown.

- This block has a significant number of one and two story preservable buildings along 200 S which provide character and activity. A combination of new residential development and redevelopment of existing warehouse buildings anchor the northeast corner of the site.
- Due to the configuration of existing buildings a finer grained pattern of development and inner block vehicular and pedestrian circulation is needed. Maintain and improve Eccles from 500 W to Woodbine.
- Extend Woodbine south to 300 S and close Woodbine from 200 S to Eccles.
- The existing surface parking lot on 200 S would be a key infill site, accommodating the relocated parking and mixed use development which would activate the street.
- Develop a pedestrian pathway system for Block as shown.

- Non-preservable buildings should be demolished and development parcels defined. Portion of the Intermountain Furniture building should be restored.
- A joint-use parking structure accessed via 600 West should be developed for use by occupants of the block and adjacent development on the northern portion of the UTA Intermodal block.
- Potential primary uses for this block are a variety of housing types, town houses, apartments, condos, live/work and other residential, quasi-industrial flex space, office art spaces, neighborhood-serving retail.

## SOUTH CORE BLOCK

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- Currently this block is occupied by low density warehouse and light industrial buildings, the ice house building on the NW corner, and a large amount of vacant and unutilized land.
- This large block should be split from N-S via a inner block road creating a half block configuration. This roadway road could either be placed on existing RDA (Serta Property) or immediately west of the Serta property on private land.
  - With some land assemblage this gateway site offers the opportunity for a large campus-type development on the south two-thirds of the site to anchor this block.
  - Office/research facility user
  - Provision should be made for an access road and possible streetcar right of way adjacent to the 400 South viaduct.
  - A joint-use parking structure accessed via 600 West should be developed for use by users on this block as well as on the southern portion of the UTA Intermodal facility across the street.
  - A permanent year-around public market should be considered in conjunction with the Nicholas property as well as restoration of the historic ice house building.

## SURROUNDING BLOCKS (North and West)

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- The blocks that surround the HUB district have an important influence and impact on the district.

## NORTH EDGE BLOCKS

These blocks with 200 S frontages have the most direct impact on the HUB district.

- Their frontage on 200 S combined with HUB district frontage establish the E-W entryway/gateway to Downtown and the West Side (front door to the city).
- Its proximity/adjacency to gateway residential/mixed-use development.
- The amount of public ownership UTA/RDA partnership opportunities.

## 200 S UTA/RDA BLOCK (64A)

- The vast majority of this key block is in public ownership UTA and RDA. It has three accessible face block frontages and bounded by the RR corridor on the west.

- UTA occupies more than three-quarters of the site for its bus maintenance facility which must be relocated due to expansion needs. RDA owns the majority of the 100 S face block.
- This is a key parcel and a potential catalyst for redevelopment north of 200 S.
- With its strategic location coupled with the Intermodal site across the street together these gateway blocks would form the important western entryway to downtown.

BLOCK (47-C) 200 S:

- Due to its location, limited street frontage and access, its size and configuration, and the impacts of I-15 and the RR corridor, this site has limited redevelopment potential. It's utilization should be considered in conjunction with the UTA/RDA block to the east.
- Parking/ancillary uses

WEST EDGE PARCEL (I-15 –RR Corridor)

- UTA owns the majority of this industrial parcel (17.5A +/-) which accommodates UTA facilities, industrial warehouse buildings, sheds and a portion of the old RR roundhouse which have some historic preservation issues regarding their potential adaptive re-use.
- Currently UTA has completed a master plan for this site anticipating the relocation and expansion of their Salt Lake Central Bus Operations Facility for 350 buses. (UTA 200 South block).
- A master plan should be formulated for the entire area to ensure that the uses and design are compatible with the urban design intent for this key gateway parcel. As seen from I-15 and the 400 South ramp, and its relationship/ connectivity to the HUB district (employee parking).

## **Exhibit 3: Hub Workshop Report**

### **RDA Hub Planning Workshop**

**November 16-17, 2009**

#### **Summary**

##### **Background and Objectives**

Given its importance to the region, the Hub district has been studied carefully over several years, including a station area plan prepared by IBI as recently as August 2006. RDA has acquired substantial land holdings on the two blocks spanning 200-400 South, and 500-600 West with the objective of jump-starting development in this key area of downtown. But the area is challenging, and implementation of a transformational plan is the difficult next step—particularly in an economy where both public and private resources are severely limited. This workshop was intentionally abbreviated and limited to the blocks between 400 South and 200 South, and Rio Grande Street and the UTA Hub in order to focus on specific action steps to start redevelopment of the area. Conceptual plans emerged from the analysis and discussion, but primarily as a tool to guide short term efforts by RDA and other players.

The questions addressed included:

- What potential uses should be pursued for these properties?
- What public investment is necessary to attract private investment?
- How should the RDA properties be marketed to the private sector?
- Who are other potential partners in implementation?

This summary constitutes an interim report on process and findings thus far. Final recommendations are anticipated by March 2010.

##### **Process**

Consultants toured the area, and, with RDA staff, met with key property owners on Day 1. Morning of Day 2 was a facilitated discussion of the issues and suggestions by public sector invitees from the City, UTA, RDA, Downtown Alliance and Utah Preservation and Heritage Foundation. Consultants worked the afternoon of Day 2, and then all participants were invited back for an “open house” briefing and feedback session that evening.

## Analysis

### Strengths

- i. Proximity to regional intermodal facility
- ii. Growing transit ridership in the region
- iii. UTA plans for development of their parcel
- iv. Proximity to downtown
- v. Proximity to Gateway
- vi. Rio Grande landmark building
- vii. Growing activity on 300 South with Farmer's Market and restaurants
- viii. Proximity to Pioneer Park
- ix. Art Space development and success
- x. Large public sector land holdings
- xi. Historic character/fabric of the area (i.e. Icehouse building, Rio Grande building, train sheds, warehouse building configurations)
- xii. Private property owners largely supportive of redevelopment of the area
- xiii. Good size land parcels available for redevelopment close to the downtown core
- xiv. Strong connections on 400 South
- xv. 300 South wide enough street to accommodate wide sidewalks, bike lanes, landscaping
- xvi. Empty lots and building configuration affords mid-block streets and alleys
- xvii. Some nice, mature trees on the property
- xviii. Land prices make the area suitable for townhouse, mixed-income housing with excellent proximity to downtown and transit

### Issues

- xix. Perception of safety in the area
- xx. Vacant, run-down buildings dominate the area
- xxi. Concentration of social service agencies in the neighborhood
- xxii. Intermodal Hub is unfinished facility with limited activity and low density—currently a blighting influence in the area
- xxiii. No busy streets in the area to support more than minimum retail uses
- xxiv. Rio Grande Station building “blocks” connections to the east side of 300 South, Pioneer Park, and downtown
- xxv. Rio Grande Station building underutilized as a museum with limited hours of operation and access
- xxvi. Design of 300 West inhibits connections to 300 south west of the Rio Grande
- xxvii. UTA Hub development plans unfunded and far into the future
- xxviii. Potential transit ridership competition when the North Temple Transfer Station is in place

### Opportunities

- xxix. Art Space interested in expanding into adjacent areas
- xxx. Homeless shelter re-location being considered by a City Task Force
- xxxi. Owners of the Nicholas property (SEC of 300 South and 600 West) interested in joint development of their property
- xxxii. State may have alternative storage options for building on SWC of 300 South and 400 West; open to land swap with City if so desired for redevelopment
- xxxiii. UTA needs parking in the area for transit; potential funds to build a structure across the street
- xxxiv. Other property owners in the area interested in development when users identified
- xxxv. Downtown streetcar alignment could connect to Hub
- xxxvi. Potential federal funding to bring Bike Station to the HUB
- xxxvii. University of Utah Innovation Center may need location
- xxxviii. International student housing may be needed

### Timing

- 2010 Amtrak station location must be decided  
Bicycle Station location/project must be decided  
RDA decides proposed streetcar alignment
- 2013 North Temple Corridor/Transfer Station Opens

## **Development Observations**

Redevelopment of the area will be incremental and phased over time—not a single big event such as an aquarium or a major “Gateway-like” project. This allows smaller users and developers to move into the area sooner rather than later, and provides an interesting mix of daytime and nighttime activity. Incremental development also restrains land speculation, making development projects feasible sooner, if the entire development is not choreographed from the beginning.

Likely uses over time are a combination of residential, arts and other small businesses, with limited retail (perhaps anchored by food), educational and institutional facilities, and even some quasi-industrial “flex” space. The Hub neighborhood will not and should not compete with Main Street and CBD densities. Four-six story building heights will provide ample density for several development cycles. Pedestrian amenities will be a key draw and branding feature of the area.

Focus on users, not developers. Developers are by and large out of business right now, but become plentiful once guaranteed users/tenants are in hand. Developers will want to tie up the land (for free) while they look for tenants that suit their preferred

development product. RDA should be identifying and talking to users that suit the community vision for the district as well as talking to residential and other specialty developers.

The 800 pound gorilla is the UTA Hub property. As long as it is unfinished, industrial, non-pedestrian, low activity, and bus dominated, the area around it will suffer. The most important next move for the district is for UTA to add development south of the existing building along 600 West. This will attract other investors to the area by “finishing the face of the facility” and bringing more users to the district.

Clean-up, lighting, landscaping, and select building demolition is worth the investment. These are tangible steps that can be taken to show progress in the area, and to make it feel safer and more pedestrian. They are necessary to attract for any kind of private investment, so redevelopment will not occur until that work is underway.

Parking facilities are lynchpins to the development of the area. UTA’s development plans do not include parking for all their users on UTA property, which presents an excellent opportunity for them to contribute to a shared, structured parking across the street. Building a small structure in each block removes the need for each property owner to self-park their uses, and allows more development density in the area. Zoning regulations capping parking are needed to complement the strategy, and can make all the difference in the feasibility of construction.

Special District financing may be an option to fund the initial infrastructure investment. The large amount of public land ownership make it feasible, and the critical gateway nature of these few blocks make a powerful argument for using such a mechanism to jump-start the redevelopment.

A specific infrastructure plan must first be done, and presumably it would include streetscape, some building demolition, some alley connections and a 300-car parking structure on the north block in Phase 1. A budget would be formulated and an annual property tax assessment calculated for the benefited properties. The boundaries of the benefit area should include UTA holdings since ridership will be enhanced by development of the area. With so much of the property in public ownership, it will be essential for those entities to agree to pay an annual PILOT (Payment in Lieu of Taxes) equivalent to what the property tax payment would have been. As the area develops and the parcels are sold, the public sector transfers the responsibility for the payment to the new owner. The assessments provide revenue to issue bonds to do the infrastructure work specified in the plan and budget. Bonds are usually issued for a period of 20-25 years, at which time the assessment ceases.

Revitalization will require innovative public-public, and public-private partnerships.

Many players have interests here, with many shared objectives among them. Yet none of them have the ability or resources to manage the entire undertaking. This is the necessary and powerful foundation for cooperative alliances. Any implementation strategy will require approvals and investments from multiple entities anyway; structuring them into a comprehensive vision and plan where each party sees their role and the role of the other players can make those agreements more understandable and achievable. Complex to structure, these public-private-partnerships (“P3’s”) are nonetheless the way cutting-edge cities are making things happen in times of scarcity and uncertainty. By sharing the risk and the responsibility, it makes projects doable that in other communities would languish.

Implementing revitalization will take strong project management. One potential approach for a P3 is outlined in the Hub District Implementation exhibit. While just a preliminary draft, it illustrates the many players and active management such a district redevelopment would require. If the resources and political will for such an ambitious approach are not in place, development will probably still occur over time, but slower and of lesser quality than has heretofore been desired.

#### **RDA Next Steps (6 months)**

- Continue direct outreach for tenants and uses
- Demolish non-contributing buildings and improve appearance of the area
- Investigate Special District financing feasibility
- Work closely with UTA to expedite additional commercial development on the Hub site
- Put TOD zoning in place for the district
  - Broad mix of uses
  - Maximum parking
  - Pedestrian amenities
- Adopt a Hub District Subarea Plan
  - Connections, green space, utilities
  - Parking ,infrastructure
  - Sustainability systems
- Coordinate with the historic preservation community to determine a strategy to preserve district character , yet facilitate investment and redevelopment
- Organize businesses and property owners into neighborhood advocacy group
- Ask ULI to convene a Technical Advisory Panel to identify potential users
- Follow up with DFCM on potential land swap for North Temple City-owned site

#### **Exhibits**

- Hub District Implementation
- Intermodal Hub Charrette Planning Exercise Notes

- Context Plan
- District Plan
- Phase I Plan (2010-2012)
- Property Ownership Map

**HUB DISTRICT IMPLEMENTATION: A P3 APPROACH**

New Partnership:        RDA  
                                   UTA  
                                   City  
                                   Private  
                                   District  
                                   State

PHASE I:                By 2012

PHASE II:             By 2020

**PHASE I: 2012**

**RDA:**

1. Complete land acquisition
2. Demo buildings-clean up property
3. Save heritage building (on IF site) – lease to Downtown Alliance for market to Artspace or other art use for percentage rent
4. Organize Special District and issue bonds—contribute with PILOT payment on properties
5. Find users/developers for other sites:
  - Small grocery/market/restaurants/international cuisine
  - U of Utah incubator
  - Film company
  - Residential on NWC of 300 South and 500 West
6. Endeavor to incorporate streetcar into the Hub district

**UTA:**

1. Participate in Special District with PILOT payment (Payment In Lieu Of Taxes)
2. Develop building on SWC of 600 West and 200 South signature structure (new or adaptive reuse TBD)- into mixed-use residential AND
3. Build south passenger terminal to enclose street front
  - Retail/commercial
  - Joint development (?)
  - Police
  - Amtrak(?)
4. Operate streetcar (Phase II)
5. Commercial office building on south end of parcel (Phase II)
6. Move bus maintenance facility and redevelop site (Phase III)

**Special District** (New governmental entity, property owner governance, bonding, workplan, etc.)

1. Establish boundaries
2. Set scope/budget assessment
3. Property owner vote
4. Issues 20 year bonds against property assessment + parking revenues
5. Phase I scope includes:
  - North block parking structure
  - 300 West improvements
  - 500 West enhancements
  - Utilities
  - Midblock streets/alleys
  - Branding/signage
6. Parking structure on south parcel (Phase II or III)
7. Widen 400 South Street if/when streetcar comes (Phase II or III)

**Private Entities:**

1. Downtown Alliance leases RDA building or Pumphouse (Ice Storage) building as master lessor- operates as a market
2. Artspace expands west into RDA buildings (if not a market) or south along 500 West
  - Housing
  - Arts
  - Black-box theater
3. Residential developers build row houses, etc.

**City:**

1. Consider alternatives for preservation of UTA warehouse
2. Small business/economic incentive assistance
  - Food and beverage
  - Arts
  - Market
3. Swaps Redwood Road property to State for art storage building on Serta site; re-sells Hub property to developer for appropriate project
4. Change district zoning to TOD with design guidelines
5. Evaluate moving shelter
6. Enhance police presence

**State:**

1. Swap art storage building on Serta site to City
2. Modify operations in Rio Grande building for more pedestrian access/pass thru
3. Add outdoor dining

INTERMODAL HUB CHARETTE  
PLANNING EXERCISE NOTES

IDEAS:

- Hotels, architects, engineers-office users
- Develop commercial/office mix
- Utilize Gateway as a draw
- Create a homeless shelter campus outside area
- Expand Research Park to area with U of U
- Open up intersection at 300 South and 500 West
- Change Park Blocks landscaping to grass and trees
- Sustainability in green space—green roofs, water capture
- LEED certification in construction
- Geothermal for heating/cooling-conducive in this area
- Place City Public Safety Building in area
- Built City Administrative Offices in area
- UTA act as developer
- Extension of light rail in downtown that ties into hub
- Streetcar-side open
- Run streetcar through Rio Grande Building
- Connect streetcar to HUB
- 400 West Streetcar line
- No one more than two blocks walking distance from transit
- Street hierarchy-pedestrian street, parking street
- 900 South 400 West line
- Continue 400 South line to the Hub
- Street between Rio Grande and Hub becomes the market
- West of the Hub becomes educational campus—BYU, U of Phoenix, U of U
- Could go in are North and South of Hub
- Innovation Center—less corporate (downtown)Center for local business
- Vertical mixed-use area
- World Trade Center, Salt Lake Chamber possible users
- Attracts a younger population-build services around them—restaurants, clubs
- New construction that compliments existing historic buildings
- Carve up the streets
- Look at this area as a district
- Pedestrian scale small bit corridor along 200 South-encourage adaptive reuse of existing buildings. Provide City incentives for small businesses with Federal incentives
- Transfer of development rights to help save historic structures
- Break up blocks
- Make this area unique from the suburban markets. Build on assets (light rail, etc.) Have businesses build around the pedestrian
- Best thing we can have is a parking problem!
- Create smaller streets or mid-block walkways
- Build on existing history of area as a food distribution center for market
- 300 South could be a pedestrian only or very narrow street with low vehicle use

- Save every mature tree left and plant new ones
- Make this the designated market/business incubator district or gateway into the City
- Add more workforce housing
- Extend Park Blocks to 900 South
- Offer a variety of housing choices i.e., row house, mixed-income
- Residential brownstones on walkable streets

November 17, 2009

Planning Exercise: Intermodal Hub Area

In Attendance:

Citiventure:

Marilee

Ron

RDA:

DJ Baxter

Jill Wilkerson-Smith

Valda Tarbet

Ed Butterfield

Matt Dahl

UTA:

Ryan McFarland

Bob Ett (sp?)

Salt Lake City:

Brad Stewart, Public Utilities

Wilf Sommerkorn, SLC Planning

Mary De-la-mar Schafer, SLC CED

Frank Gray, SLC CED

Renee Zollinger, SLC Sustainability

Kevin Young, SLC Transportation

Tim Harpst, SLC Transportation

Dan Bergenthal, SLC Transportation

Doug Dansie, SLC Planning

Other:

Nelson Knight, State of Utah Preservation

Kirk Huffaker, Utah Heritage Foundation

Bike Station: Issues

Dan: Been working with UTA for a year on Bike Station. Have a feasibility study—recommendation is to proceed. It is a location for cyclists to store bikes and provide maintenance facilities. It will be staffed. It will be staffed, there will be lockers and one unisex shower, a vending machine. It will be membership based and will be open during hub hours (11:00am to midnight). Received ECG (?) grant. It will be located in the south building. May have a sandwich shop. The grant is for \$249,000—includes construction costs and operating funds for 5 years. The issue now is UTA is looking at changing the

location. It may be in a new building or may be in a pod structure. So we want to know if we can change the scope but still be eligible for the funding. We may have to submit modification to the Feds, it will delay process 6 months.

Renee: The project was presented to them as the entire building, not just BS. If we go back with something different, it could be regranted if they are small differences. We want to be eligible for more grant money in the future, so we don't want to make big changes.

Frank: Why is UTA backing off?

Ryan: More complicated than that. UTA is trying to situate Amtrak. To facilitate the viaduct shortening, they were relocated. They were only supposed to be there for 2 years. They have been there for 10 now. We have a few options—we can relocate them into the terminal building, which is what we want to do. They don't want to be far away from the platform. The other issue is the funding for Bike Station is for 3 years. After the third year, if there are no other funds available, the obligation falls in UTA. We are not in a position to operate a bike station at \$100,000/year. We need some reassurance the funds will be there. Amtrak competes for the space.

Valda: This is a contract negotiation, not a planning issue.

Renee: The location is the planning issue.

Tim: There is stimulus money we need to spend or it goes to another purpose. The City and UTA needs to come up with a solution.

Ryan: Lots of uses would love to go in the south location, but none can pay rent.

Frank: Does everything have a dollar sign attached to it? What about service?

Nelson: What types of uses in new building?

Ryan: Retail, office—something that will pay the rent.

Frank: Will there be a new building for Amtrak?

Marilee: Let's talk about this...Amtrak is a big issue.

Ryan: Amtrak has space requirements that the City originally negotiated. They want to be in the south end. They are closed all day long. They open at 11pm and close at 6am. We want activity on the plaza.

[discussion about Amtrak's needs]

Ryan: Bike Station is better at the south end of plaza. We want all uses in the main terminal building.

Marilee: The discussion can be continued at a future venue.

#### STUDY AREA:

Marilee: RDA owns lots of land, UTA owns IH—big public ownership. We are trying to do a development plan. What are the big moves that have to happen? What are the obstacles? Let's go around the room and figure a few key issues and ideas.

Valda: The issues are finding a way to recreate this area that is pedestrian friendly, people feel safe, people will utilize services. You get safety from developments you put in. I don't think moving the shelters does anything. Part of it is bringing in a 24 hour population—office, residential.

Marilee: Have you thought of specific users?

Valda: Architects, Engineers—they utilize transportation system. Hotels—if the intermodal hub really works, hotel users are a reasonable user. Some chains are still building. Concern is NT station...people will take the path of least resistance.

Wilf: My big concern is this is supposed to be a big hub-it will not happen because of NT transfer. They will go there now. You will still get significant numbers of people here, but not enough. It has to be a destination stop. We have to play off of Gateway due to its proximity.

Marilee: If you think about this neighborhood in the context of what surrounds it—Gateway, downtown...what is the character of this neighborhood—what kind of office do we want? What kind of retail?

Wilf: You have 400 South which is freeway—challenging.

Mary: We are moving the shelter. Our goal is to have a new campus in the next 3-5 years.

Marilee: where do they go?

Mary: don't know yet.

Frank: The models we look at nationwide—the shelter piece is small and the large piece is transitional housing. At one time we had a policy of co-location—the providers say it is not necessary. They looked at a couple of other communities as models.

Mary: The Rescue Mission is ready to go. Road Home sees more money opportunity with transitional housing. What is also important is more campus space for research.

DJ: Developers need more guidelines.

Valda: They have also said they need family housing. They talk to us about it regularly, but they never move forward.

Mary: They are not in the development business—they don't know how to put it together.

Marilee: Good ideas.

Mary: Park Boulevard needs to be used—pedestrian experience.

Kevin: There are a lot of challenges with viaduct, freeway. Has a lot of access challenges. With the park blocks—You could open up the intersection at 300 South.

Valda: You reduce the greenspace if you remove it. They provide the only park experience in the area. It reduces the pedestrian use.

Nelson: It extends to 400 South.

Brad: There are some infrastructure issues—old, small water mains along 300 South between 500 and 600 West (6"), and a few side blocks that need to be upsized. The good thing is the pressure is excellent here. It will cost \$120/linear foot to replace. Sewer is similar—with more density, we will need to beef up capacity. Storm drains—some of this is a 100 year FEMA flood zone. That will preclude some development. Some buildings will be built on stilts. Ground water is high in this area and there is high liquifaction. You need dewatering systems for underground parking systems. There are also some environmental issues here.

Valda: We did a phase I—it actually isn't that bad.

Marilee: Ideas?

Brad: There is some multiple use stuff you can do—storm water detention that can double as green space or open space.

Marilee: If we did a sustainability model, are there ways to help us fund that?

Brad: I think there is grant money. It is a marketable advantage to do LEED. Geothermal would work well in this area.

Ryan: Public safety building in this area?

Frank: Those buildings have to be built on more stable ground than exists in this area.

Ryan: City administrative offices?

Ryan: Some of the infrastructure will be costly and economy is bad. Need more rooftops in the area to attract more activity.

[discussion about UTA's ridership, bus routes]

Tim: The Downtown Transportation Master Plan reflects what the people want—need to be mindful we have identified two locations for LRT expansion. We are going to be serving the public with transit, not with new road systems. The TOD aspect is very important.

Marilee: What are the two options?

DJ: [identifies LRT route options]

Tim: There will be transfer traffic as well as IH being a destination.

Valda: You want users that have clients coming to them.

Tim: Run streetcar through the Rio Grande! There may be a physical way to do that.

Doug: Reiterate what Tim said. Downtown in Motion plan—that went through a big public process. It was very sensitive to land use. My biggest concern with streetcar is there is providing growth. Need to prepare for increased capacity. I think the 400 West line is good—it covers the quadrant well. It used to be there, so the infrastructure is in place. [talks about DOM plan] 900 South 400 West line should come in, and University line should come through to IH as well.

Frank: The heart of the matter is the two blocks east of the IH. It should be a marketplace. 300 South is where the SL Market will be (grocery). The trolley should to along 500 West all the way up to the north area. It provides a center core. Educational campus should be west of UTA. BYU, Phoenix and others are interested. The transit hub is the perfect match.

Marilee: Any other place for the campus?

Frank: You are talking about transit users. Area just north or south could work. The infrastructure issues will impact the size of the buildings.

Marilee: What would you do first?

Frank: [discusses public market] 500 West—vertical mixed use. West side will develop in the long term.

Bob (UTA): Downtown Rising—Some users like the Chamber, World Trade Center, would be good uses.

Kirk: All challenges have been expressed. Small local businesses shouldn't be overlooked. These businesses attract a younger crowd, they go to clubs, restaurants, tattoo shops, etc. These will not be permanent but they've over come many of the existing challenges of this area. Mid block streets will be important.

Marilee: Are there buildings that you would save?

Nelson: If they are landmarked.

Kirk: Sustainability is also important. We should be looking at this as a historic district. Should do LEED-ND development.

Nelson: I work in this building. See a lot more use of the street since Fronrunner has arrived. I am also seeing that those who arrive and walk up 200 South are heading to Gateway. You have a great pedestrian scale, small business are established on 200 south. It would be great to reinforce that and we should play on what is already there. Could use tax credits to get more residential.

Marilee: Do you think building greener is actually building new?

Nelson: There are higher technologies, but there is a lot of replacement. Why not combine new technologies with the already established way of building and renovation?

Kirk: You could also transfer development right from one property to another—the developer would be more incentivized to save the building. (discussion about TDR districts).

Frank: You have to consider building issues on liquefaction. 7 stories stick is about as high as you can go.

Matt: We need to create a new product that they identify with that area. You need to break up huge blocks. If we're talking about a market—people need to get through. Market absorption needs to be addressed.

DJ: First issue: We need to make a decision and stick to it about street car. We need to figure out access issues. If it's vehicle oriented, it's like any other place in the valley. Transit will make it unique. People will come because it is a destination. Having a parking problem is what you do want. We have big blocks with interesting history. Some of the buildings worth saving are on the interior of the block and could be attractive destination points. This could be Granville Island. Public market, arts & crafts. Ideas: 300 South should be narrowed. It could be an attractive connection between the hub and the RG. A major UTA presence is important—it needs to be more prominent. Valda raised the important point of lack of greenspace. We need to save all of our mature trees and plant big growth trees in the right places.

Bob: I support what DJ said—it shouldn't be pedestrian only street. We could have this be a designated area for a market, maybe a business incubator. If the future is TOD, this needs to be a major focus. It is a link to the airport. Need housing—60-80% AMI. (Market rate)

Valda: Right now in the Gateway district, about 60% or more are at 50% or less AMI. May want to focus on mixing it more with condos.

Frank: Sometimes it pays not to build low income around transit hub.

Doug: Do we recommit to 500 West idea? It was meant to mimic Pearl District. Should be surrounded by residential. We now have drought tolerant plants. Was the original vision good? We could put grass and trees in as was originally meant. Streetcar on 500 West—could be a compliment.

Alisia: No different than others—I love this area—I love the warehouse feel and how others have capitalize on it. You have to get me out of my car with my 4 year-old. Issues are safety, lighting, it's drab. Arts would bring me here, shopping, food.

Jill: Shelter is 800 pound gorilla—need to accept that it is there and rely on activating area to incorporate it into the mix. Public market can play off of Farmer's Market.

Ed: 9<sup>th</sup> and 9<sup>th</sup> is similar to what attracts people to this area. Rosepark and Glendale are affordable—needs to be a consideration.

Valda: So there should be a mix of housing, higher density?

Ed: Some want a little backyard.

Bob: You need 15-20,000 living here for downtown to be viable (more density).

DJ: We struggle with midblock streets and walkway. Retailers need people walking by. Front porches are good.

Ed: It's a compromise between condo and house.

Kirk: "Sidewalk Streets."

DONE WITH ISSUES/IDEAS

**Exhibit 4: Area Images 2010**



Serta Building



Intermountain Warehouse

