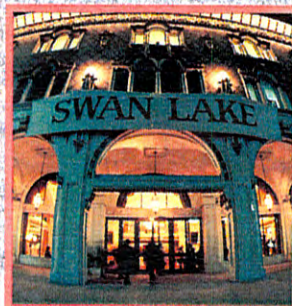
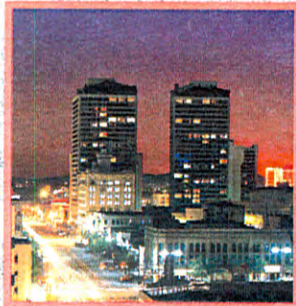


1989

REDEVELOPMENT AGENCY OF SALT LAKE CITY



A FOUNDATION FOR THE FUTURE

In 1969, the Redevelopment Agency of Salt Lake City was created to stimulate economic growth and expand the tax base in the downtown area of Utah's capital city. Before the RDA was founded, downtown Salt Lake City's economy was, at first glance, rather healthy.

In the 1950s and '60s, downtown could boast of a robust retail trade, but the busy shops of Main Street and Broadway were only a facade, masking underused interior sections of the city's unusually large 10-acre blocks. The interiors of some blocks were weedy tracts dotted with aging wood shacks and sheds, some dating to the late 1800s. It was clear that parts of downtown Salt Lake City, founded more than 100 years earlier in 1847, were blighted and in need of renewal.

A number of attempts were made to put in place a mechanism to improve the economic situation, but none was successful until 1969. Now, as the Redevelopment Agency of Salt Lake City celebrates its 20th year and plans for the future; the downtown skyline is marked by new office buildings and hotels, historic structures have been renovated to preserve the city's heritage, houses and apartments throughout the city have been rehabilitated to improve the housing stock, and two new project areas have been created to stimulate growth south of downtown and in a neighborhood commercial district.

Between 1969 and 1989, more than \$500 million in private investments have been made in downtown offices, shops, hotels and housing. In addition, more than \$15 million in public improvements have been financed by the RDA. Other indicators of the RDA's success; sales tax revenue on five key downtown blocks increased from a total of \$27 million in the third quarter of 1978 to more than \$40 million in third quarter of 1985. What's more, the assessed valuation of the RDA's 100-acre downtown project area has increased 309% from \$218 million to more than \$675 million.

THE RDA AND HOW IT WORKS

The Redevelopment Agency is governed by two Utah laws that comprise the agency's mission: The Utah Neighborhood Development Act and the Utah Residential Rehabilitation Act. The first act gives the RDA its general powers to improve areas of urban blight. The second allows the RDA to make low-interest loans to finance the rehabilitation of single and multiple-family housing.

The engine that drives the Redevelopment Agency is tax increment financing, which allows the agency to use property taxes generated by new buildings to stimulate further growth that, in turn, increases the city's tax base. The RDA uses its tax increment in two primary ways:

- To acquire blighted land and resell it for development at a below-market price, called a "write-down".
- To build public improvements, such as streets, sidewalks, plazas, parking structures and public utilities that make the project area more desirable for development, enhance projects under construction and benefit the public.

UNDERSTANDING TAX INCREMENT FINANCING

In simple terms, tax increment financing provides local means to fund urban renewal projects. Utah law allows creation of a redevelopment area where there is evidence of blight. As an area such as the downtown district of a city grows older, parts of it can become blighted with buildings that are abandoned and in disrepair. The result is a decrease in the assessed valuation of the property, which means less tax revenue for governments to provide support services, even though the need for tax funded services doesn't necessarily decrease.

A city has two main options to address this problem. It can either shift the tax burden to other taxpayers to pay for services in the blighted area or attempt to revitalize the blighted area's economy so it pays its own way. Salt Lake City has chosen the second option and created a redevelopment agency.

Once an agency adopts a redevelopment plan, the total assessed value of property in the project area is "frozen" at its current level and is considered the base year. The last equalized assessment roll for the project area before adoption of a redevelopment plan is the "base roll." The tax increment – available for the RDA's use in the project area – is the amount of tax revenue due to an increase in the assessed valuation of the base roll. The agency can use all or part of this increment. Portions not used by the agency for redevelopment projects revert to other taxing districts.

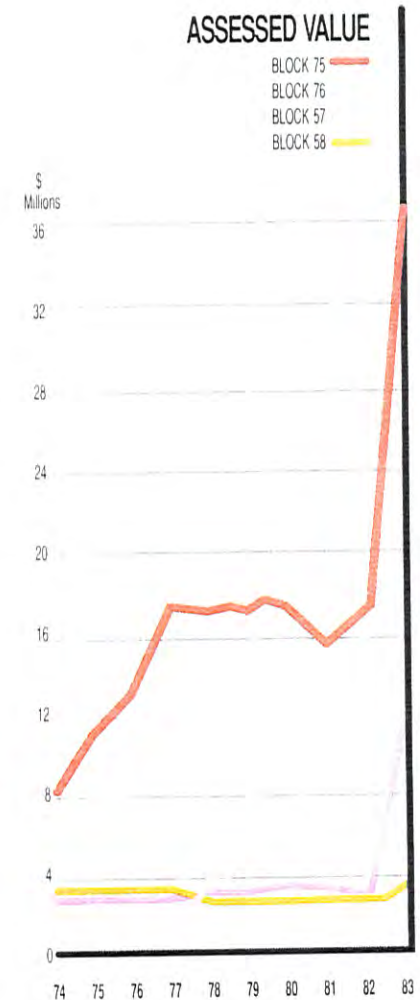
Utah law sets the period of time a redevelopment agency can exist at 32 years and the period of time it can use tax increment funding to 26 years. Tax increment financing is thus available to Salt Lake City's RDA until 2009 in the downtown area, 2012 in the Sugar House area and 2013 in the West Temple Gateway area.

The amount of increment an agency can claim is 100 percent of a project area's tax increment for the first five years of the area's existence. For the next five years, 80 percent of the increment is available. Every five years thereafter, the increment available decreases a certain percentage.

TWENTY YEARS OF SUCCESS

Redevelopment in Salt Lake City is now considered a big success, with some \$500 million in new construction in the past 20 years to its credit. But in the 1950s and '60s, before the Redevelopment Agency was born, urban renewal was an unknown and untried concept in Salt Lake.

In those two decades of Studebakers, bobby socks and moon shots, urban renewal was in vogue in cities across the nation. The impetus was the federally sponsored Urban Renewal Program, which made huge grants to cities intent on rebuilding themselves. Cities used the money to refurbish and renew downtown business, commercial and residential stock.



UTAH LEGISLATURE PASSES REDEVELOPMENT LEGISLATION

Beginning in 1956, efforts were made in the Utah Legislature to enable Utah cities to begin redevelopment efforts. The first legislation of that nature was passed by the Utah Legislature in 1964. First attempts to establish a redevelopment authority in Salt Lake City were slow going.

But by 1968, urban renewal was back on the minds of local politicians. The University of Utah had just released a report saying that Salt Lake City had missed receiving more than \$30 million in federal aid since 1965. The Utah Legislature altered the redevelopment law allowing redevelopment agencies to be created on a different basis than the original law.

With the new law on the books, the Salt Lake City Commission created the Redevelopment Agency of Salt Lake City on October 14, 1969. The fledgling RDA was a combination of two federally funded city programs: The Neighborhood Development Program, which funded capital improvement projects, and the city's housing rehabilitation program.

In its first year, the RDA directed its attention to attracting federal funds to acquire downtown land and demolish the buildings on it. In March 1971, the RDA received its first federal grant and loan for urban renewal, totalling \$742,977. Four months later, the Redevelopment Agency opened its first office, in downtown's Arrow Press Square, a yellow-brick collection of industrial buildings that had been renovated into offices and restaurants. M. Danny Wall was named as the RDA's first Executive Director.

TAX INCREMENT FINANCING ALLOWED

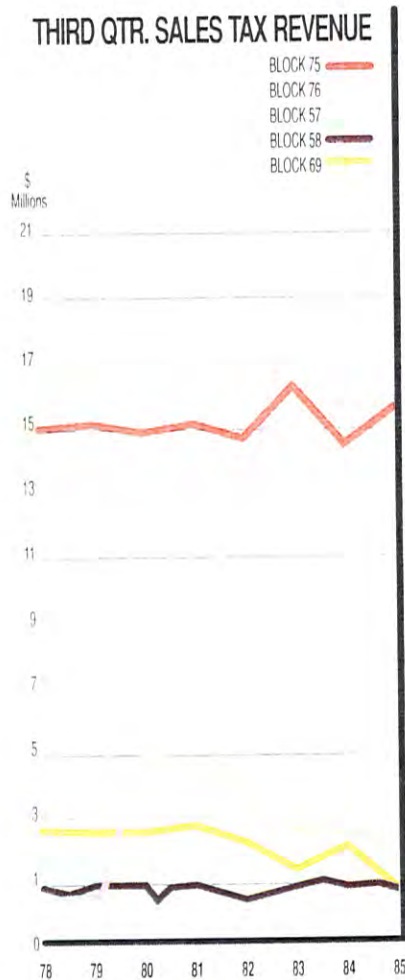
Three years later, in the 1974 session of the Utah Legislature, redevelopment agencies in Utah received a major boost as legislators followed a nationwide trend and approved the use of tax increment financing to fund redevelopment projects. By using tax increment, the RDA could capture a portion of the property taxes generated by new construction and use it to stimulate additional development. The financing method successfully withstood a court challenge a year later in the case of *Tribe v. Salt Lake City*.

Redevelopment in Salt Lake City was on its way. The Redevelopment Agency now had the power and the funding mechanism to start changing Salt Lake City's skyline.

The agency kicked off 1975 and its first major period of redevelopment activity with a new Executive Director, Michael Chitwood, who joined the agency that January.

The RDA chose as its first project area two blocks – referred to as Blocks 58 and 69 – directly east and southeast of the new Salt Palace arena and convention center, completed in 1969. With most of the land on the western half of Block 58 now owned by the RDA, the agency worked with two Salt Lake City's dentists and developers, Keith Lignell and Burton Todd.

Later joined by co-developers Christiansen Brothers and Clark-Leaming; Lignell, Todd and the RDA made plans to start construction on the \$120 million American Plaza project, to include a complex of three five-story office buildings, a 16-story, 502-room Sheraton Hotel (now the Red Lion Hotel), and the twin 26-story American Towers condominiums (The \$14 million, 12-story Valley Bank Tower was added in 1984.)



Once the Redevelopment Agency's first major project had broken ground on Block 69, the RDA focused on two projects. To improve pedestrian access from Main Street shops to Arrow Press Square's offices and restaurants, the agency bought and demolished two buildings, replacing them with a "pocket" park and walkway to Arrow Press Square. Dinwoodey Park features a small fountain and a landmark three-story mural depicting sandstone arches in southern Utah. Its central location and cool, peaceful atmosphere make Dinwoodey Park a popular place for lunchtime chats and small concerts.

Elsewhere on Block 69, the agency acquired and sold property on the southwest corner. The Bank of Utah building, a distinctive eight-story blue structure, was built at a cost of \$10 million, making it one of the first buildings completed as a result of the RDA's efforts.

During the same 1975-76 period, the RDA was involved on a smaller basis with the development of the \$80 million Crossroads Plaza office building and shopping center, one of Utah's largest malls with more than 140 stores, which was built across the street from the agency's successful Dinwoodey Park.

SUCCESS BREEDS SUCCESS

With major projects underway on its first two blocks, the RDA decided to expand its project area. In 1976 and 1977 the project area was expanded three times, from the original two blocks to 13 blocks, then 23 blocks and finally to 26 1/2 blocks. Most of Salt Lake City's downtown was now part of the agency's tax increment district.

The RDA's Board of Directors, consisting of the city's five commissioners, turned their attention southward, toward Block 53, just north of the historic City & County Building, seat of city and county government. Block 53 had long been peppered with ramshackle garages. The RDA wanted to acquire the property, demolish the structures and market the land as the southern anchor of the central business district. But the agency's tax increment wasn't yet large enough to pay the \$5 million purchase price. To finance the purchase the RDA entered a public-private partnership with Zions Securities, a major downtown landowner, which lent the RDA the money.

With land in hand, the RDA approached the State of Utah about moving some of its employees from their cramped Capitol Hill offices to a new building on Block 53. State officials agreed and by 1979 the \$31.5 million Heber M. Wells Building was under construction. The RDA began marketing the rest of the block to potential developers.

American Plaza I, II



Bank of Utah



Clift Building detail

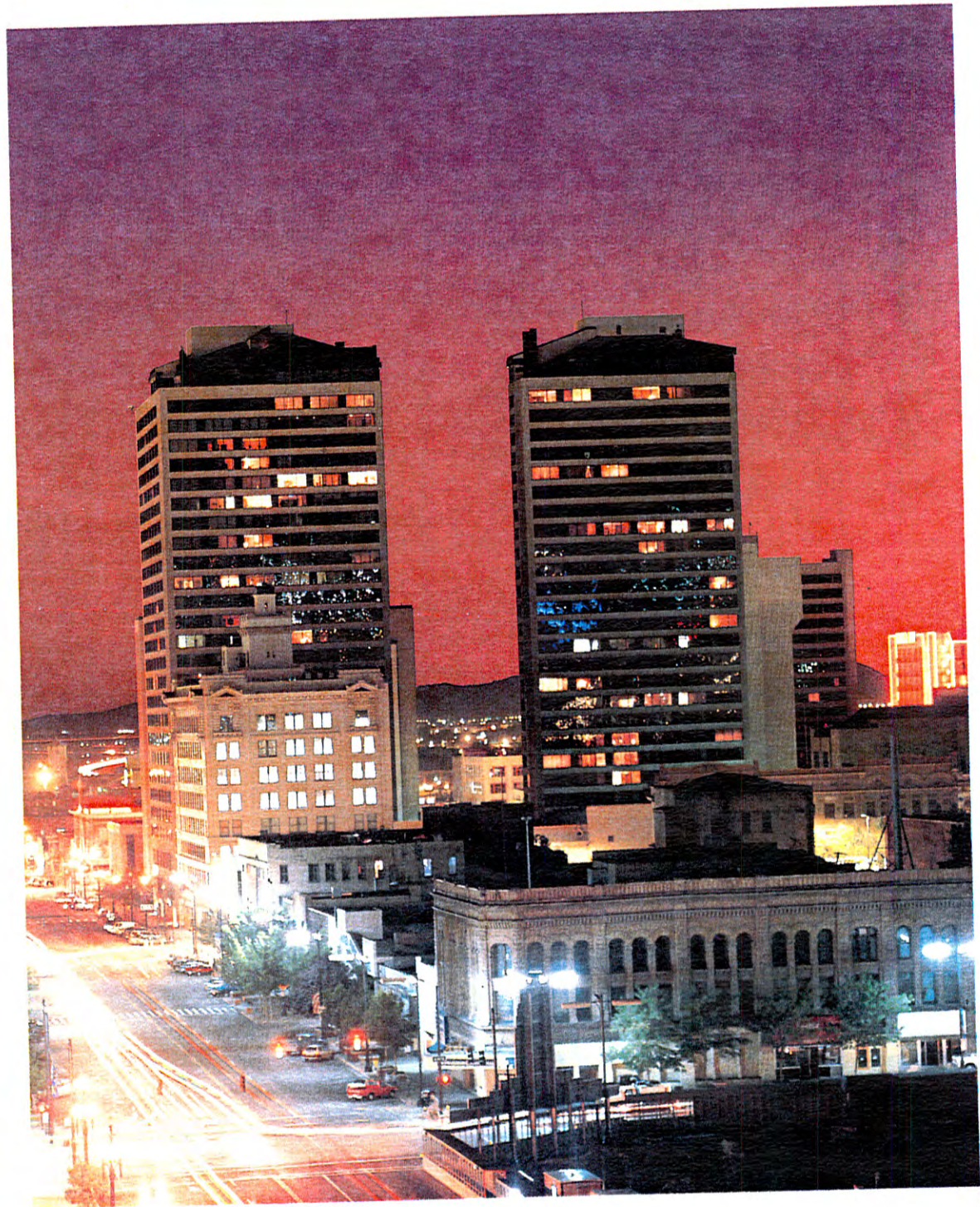
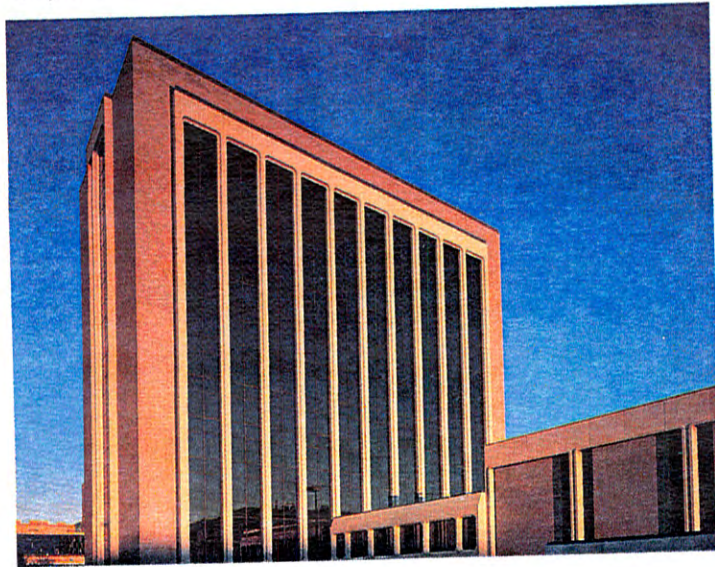




Red Lion

Valley Tower

American Towers



CITY GOVERNMENT CHANGES HANDS

In May 1979, the RDA entered a new era when the residents of Salt Lake City voted to change the city's form of government. The five-member, full-time Commission was replaced with a seven-member, part-time City Council and a full-time Mayor. The new Council, also given the responsibility as the RDA's Board of Directors, took office in January 1980. The Mayor assumed the role of the RDA's Chief Administrative Officer.

As the new RDA Board, the Council's first major act was to choose Price-Prowswood, Inc., to develop Block 53. Price-Prowswood proposed a 10-year plan called City Centre, to include a 10-story office building, a 20-story office building and three residential towers, all facing onto a central plaza. The first phase, the \$15 million, 10-story Chamber of Commerce Building, was completed in 1984.

The new RDA Board also commissioned a study of housing needs in the downtown area. With report results in hand, the RDA began acquiring land on Block 49, just east of the city's Pioneer Park in west downtown. Bono Development was selected to build a 305-unit apartment complex. During excavation for the project, some of Utah's earliest pioneer graves were found, making the RDA urban archaeologists for the first time.

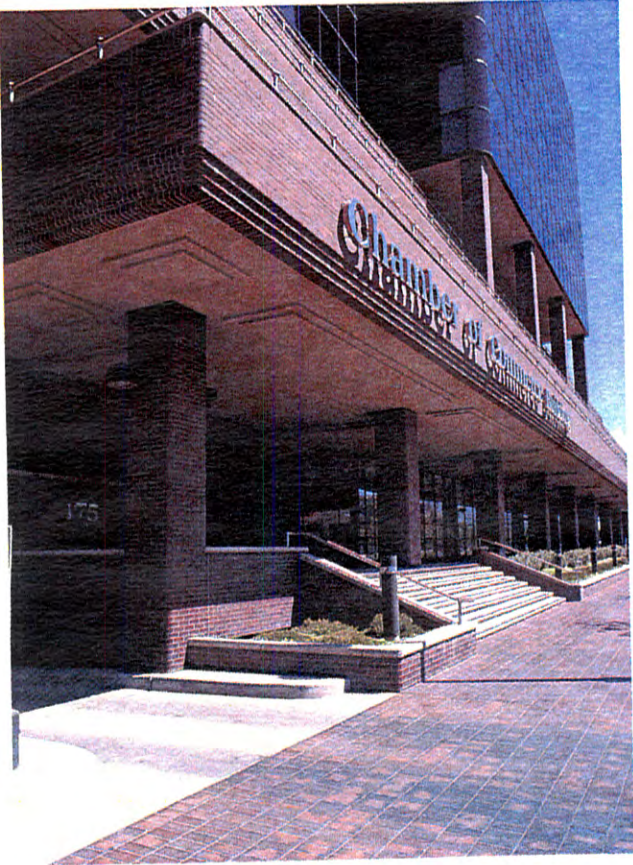
Employment Security Building at City Centre



Heber M. Wells Building



City Centre Chamber of Commerce Building



TRIAD CENTER RESHAPES WEST

In 1982 and 1983, the RDA received some bad news and some good news. The Utah Legislature delivered the bad news by limiting the size of redevelopment agencies' individual project areas to 100 acres. But the bad news was softened dramatically by news that the largest development in the city's history, the three-block Triad Center, was imminent.

The RDA had previously conceived a mixed-use development surrounding the historic Devereaux House, one of the city's oldest and grandest mansions, which was in dire need of renovation. With projects underway or completed in the southeast and southwest corners of downtown, the RDA hoped to stimulate development near the Devereaux House in the northwest quadrant of downtown. Triad America bought the development rights to the site.

The Triad Center transformed Salt Lake City's west downtown. By 1984, Triad's first phase was complete, consisting of 615,000 square feet of office and retail space in three buildings representing an investment of \$65 million. One of the buildings was named Broadcast House when Bonneville International, owner of the city's CBS television and radio affiliates and holding company for numerous broadcast properties and production facilities throughout the United States, moved its headquarters to Triad. Work was also completed on the restoration of the Victorian-era Devereaux House and its carriage house. The Redevelopment Agency provided nearly \$4 million in public improvements in the form of landscaping, streets, drainage projects and an outdoor amphitheater used for concerts and plays in the summer and as an ice skating rink in the winter.

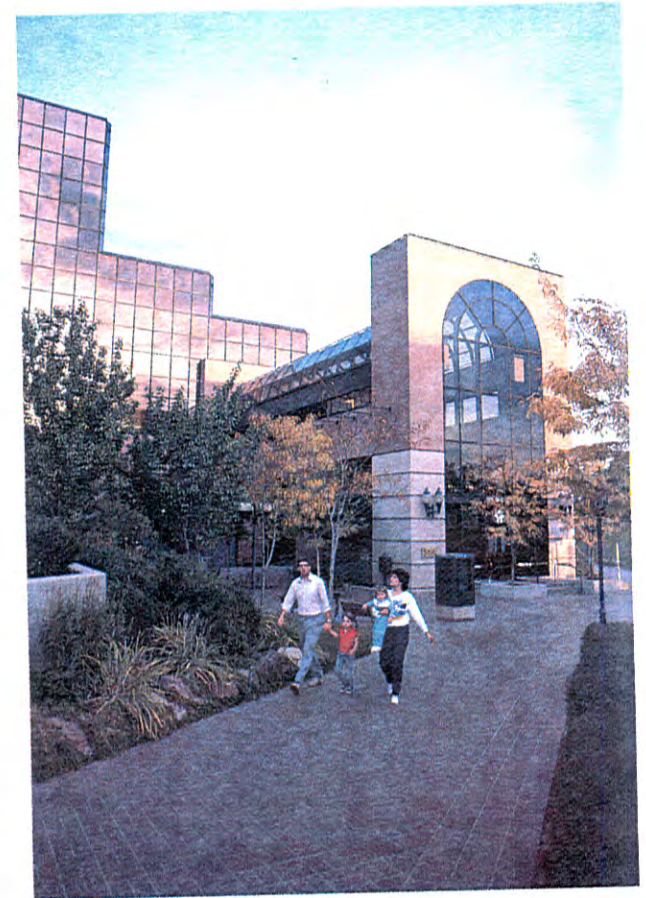
The Triad Center became a successful example of urban planning and a gathering place for Salt Lakers. The spacious grounds became the site of the popular Utah Arts Festival, which draws nearly 100,000 people downtown each June.

In 1986, the Travelers Insurance Company, the major underwriter on the project, acquired and continues to market the Triad Center properties.

Three years later, in 1989, the block just south of the Triad Center and Devereaux House was chosen as site of a new \$65 million, 20,000-seat arena to house the city's National Basketball Association team, the Utah Jazz, the Golden Eagles ice hockey team of the International Hockey Association and various other events throughout the year. The RDA is participating by acquiring property for the project and will build a public plaza surrounding the structure, to be complete in the fall of 1991. The RDA's financial involvement on the arena project will approach \$20 million.



Triad Center and Grounds



Devereaux House and Gardens



Photograph - Vicki Mischler

Summer Utah Arts Festival on Triad Grounds

PUMPING UP THE HEART OF DOWNTOWN

With projects underway on the southern and western edges of downtown, the RDA Board became interested in stimulating development in the core of downtown. Attention turned to Block 57, located at the very heart of the city, but was experiencing a decline with the closing of a JC Penney department store and a number of smaller shops.

In 1984, the RDA Board funded a planning study of the block, but never spent the money. Lincoln Property Company, the nation's second-largest developer announced that it owned 65 percent of the block and planned to develop it, with a 1-million-square-foot office building as the first phase. Lincoln requested the RDA's help to acquire the remaining 35 percent of the block.

The RDA's effort to acquire property on the block in anticipation of development met with some delay. An economic downturn in the middle 1980s, stalling the momentum for downtown Salt Lake City office space made attracting a developer for the project difficult. Typical disputes with owners of small parcels on the block also delayed comprehensive developments. For both of these reasons the Block 57 project was dormant until 1989. In the spring of that year, The Boyer Company announced plans to build a \$47 million, 25-story headquarters building for Utah Power & Light Company on the block's northwest corner. The 425,000-square-foot project broke ground in the fall of 1989. Funding from the RDA will build a five-acre public plaza and park area as well as construct an underground parking facility beneath the park.

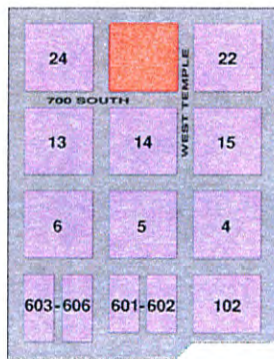
The Boyer Company Building / 201 South Main



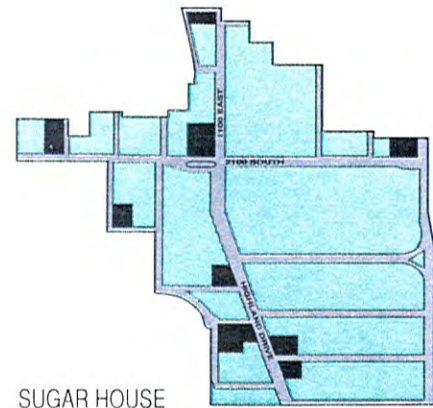
RDA CREATES NEW PROJECT AREAS

The RDA's success downtown led the agency's board to consider expanding RDA influence to other areas of the city. In 1986, the RDA created a project area in the southeast part of the city known as Sugar House, which had emerged as the city's first satellite commercial area in the early 1900s and which had for years been home to a number of furniture companies. But by the mid-1980s Sugar House needed a shot in the arm.

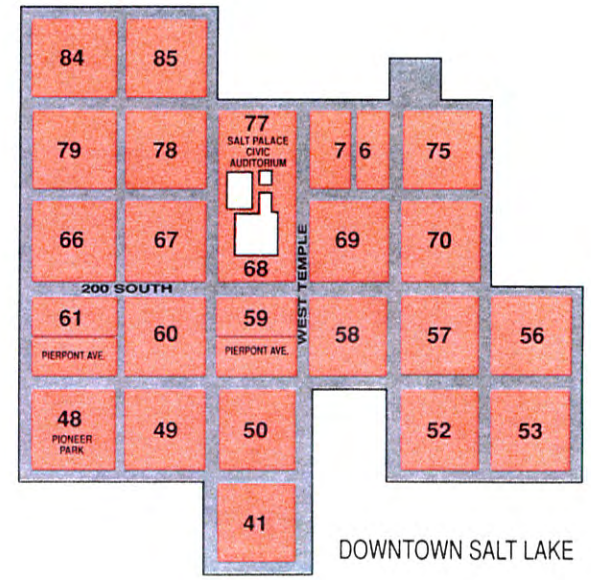
The RDA, using the city's master plan of the area as its guide, began a project to make it easier to park in Sugar House by connecting and providing better access to various privately owned parking lots. And, with Clark Financial Corporation, a major landowner and developer, the agency encouraged the development of a family-oriented shopping center anchored by a major department store on the southern edge of Sugar House adjacent to Interstate 80. Plans for Sugar House call for the further development of family-oriented shopping, low-rise office buildings and the creation of a park along Parleys Creek, which bisects the shopping district.



WEST TEMPLE GATEWAY



SUGAR HOUSE



DOWNTOWN SALT LAKE

■ Areas not in Sugar House project.

WEST TEMPLE GATEWAY AREA COMPLEMENTS DOWNTOWN

Just south of downtown, the RDA Board in 1987 created the West Temple Gateway project area to encourage the development of service industries to serve the central business district. The first development in this area is a three-block "auto mall." Proposed by prominent businessman Rick Warner, the mall currently houses four dealerships, with six more planned. Since the beginning of the project, sales tax revenue, property valuation and the esthetics of the Gateway District have been enhanced.

HISTORIC RENOVATION ENHANCES DOWNTOWN

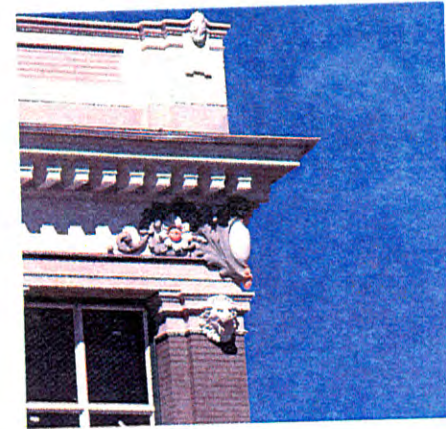
By the mid-1980s, with new construction changing the face of downtown, and with a voter-approved, \$35 million project to renovate the 90-year-old City & County Building nearing completion, the RDA Board began to actively encourage developers to restore historic structures. The RDA had previously participated financially in the renovation of Salt Lake City's Capitol Theatre into a home for the Utah Opera Company, Ballet West and other dance companies, and was involved in the renovation of the Devereaux House as part of the Triad Center project.

In 1987, several renovations were underway throughout downtown with and without RDA assistance. The largest project, for which the RDA provided a \$750,000 million loan, was the renovation of the nine-story Clift Building, which sits prominently at a key Main Street intersection. Finished in 1989, the 81,000-square-foot Clift has been restored to its 1920s splendor.

Immediately west of the RDA's Block 53 project, the Gerrard/Paul Development Inc. Company undertook the renovation of the four-story Plandome Hotel into offices. The nearly \$1,000,000 project, financed by a loan from the RDA, offers 15,000-square-feet of space.

Just west of downtown's Block 58, the privately financed renovation of the 1920s-era Salt Lake High School building into offices and restaurants helped boost artsy Pierpont Avenue. The project benefited from RDA construction of a walkway and fountain plaza connecting the building and neighboring art galleries with the Salt Palace arena/convention center and hotel district to the north.

Plandome Hotel detail



Clift Building



RDA'S SECOND 20 YEARS BEGINS ON A HIGH NOTE

As the Redevelopment Agency plans for its future, it has entered the most active period in its history. In 1989, construction began on four major projects and several smaller ones.

The Broadway Centre project, a \$24 million, 14-story office and entertainment complex, broke ground on the former site of the cavernous Centre Theatre. When complete in late 1990 by the Pentalon Corporation, the building will contain shops and a six-screen cinema on the first two floors and 268,000 square feet of office space.

Across the street on Block 53, the State of Utah is strengthening its commitment to downtown by building a six-story structure to house its Employment Security Department. The \$10.7 million building, next door to the state's Heber M. Wells Building, will contain 150,000 square feet of office space.

On Block 57 in the heart of downtown, the 25-story Utah Power & Light headquarters building is rising on the site of the former JC Penney department store. The \$47 million, 425,000-square-foot structure will be finished in 1991.

And, south of the Triad Center, the new \$65 million sports/multipurpose arena is being built with \$20 million in RDA assistance for land acquisition and public improvements.

The Broadway Centre



RDA'S LESSER KNOWN SIDE; HOUSING REHABILITATION

In all, some \$200 million in RDA-assisted construction projects were either underway or planned as of late 1989.

Throughout all of the high-profile redevelopment efforts, the lesser-known side of the Redevelopment Agency has moved smoothly and quietly along. Unlike redevelopment agencies in most other states, Utah's RDAs are charged with rehabilitation of single- and multiple-family housing as well as urban renewal.

Salt Lake City's RDA has been involved in housing rehabilitation since the agency's inception in 1969. The city's housing rehab efforts actually predate the RDA, having a genesis in federally funded rehab programs of the 1960s.

Roughly three-quarters of Salt Lake City's housing is in areas that can qualify for RDA assistance in the form of low-interest, long-term loans. Each year the RDA uses federal Community Development Block Grant funds to make individual loans totalling \$2 million for the rehabilitation of at least 200 housing units in Salt Lake City. In the 1980s, more than 1,800 housing units were renovated with \$14.2 million in RDA assistance.

In 1989, the RDA's housing rehabilitation program began a new project geared toward providing the opportunity of home-ownership to people who couldn't otherwise afford a house. The first 10 participants in the Urban Homesteading Program were chosen in the summer of 1989.

With a \$200,000 allocation, the RDA acquired 10 houses from the FHA and VA foreclosure lists, solicited applications from potential homesteaders and held a drawing to pick 10 homesteaders to participate in the program. Homesteaders are required to repair the properties to city standards within three years. Homesteaders receive title to their property after completing the necessary repairs and living in the house for at least five years.

FOCUS ON THE FUTURE

With 20 years of success behind it, the Redevelopment Agency of Salt Lake City is focusing on the future – the 1990s and the dawn of the 21st century. The RDA has set objectives to meet in each of its major areas of responsibility by the year 2000; the Central Business District project area, the Sugar House project area, the West Temple Gateway project area, and the housing rehabilitation program.

These goals and objectives were drafted in June 1987 and are periodically updated to reflect accomplishments and the policy direction of the RDA Board of Directors.

CENTRAL BUSINESS DISTRICT

- Attain a tax increment cash flow of \$10 million by 1995. In 1989 the increment cash flow was \$8 million.
- Exceed the Salt Lake Countywide average increase in sales tax collections by 5 percent.
- Complete development of the Block 53 City Centre project.
- Acquire remaining land on Block 57, complete development of the block's northern half and encourage development of at least one new building on the block's southern half.
- Complete a study of infrastructure needs and use tax increment funds not allocated for building construction to meet infrastructure needs.
- Market the remaining RDA-owned land on Block 49 east of Pioneer Park.

SUGAR HOUSE

- Re-establish the image of Sugar House as a unique place to live, work, shop and be entertained.
- Complete a facade restoration program.
- Complete the integrated-parking program and organize a parking district to finance improvements.
- Continue development of family-oriented shopping district in Sugar House, including development of a park along Parleys Creek streambed.
- Complete a study of infrastructure needs.

WEST TEMPLE GATEWAY

- Complete the three-block auto mall.
- Encourage development of a mid-priced hotel.

HOUSING REHABILITATION

- Continue meeting goal of assisting the rehabilitation of 200 housing units annually.

In addition to these specific objectives, the RDA has identified several broad goals for the future, all of which are under consideration.

- With other agencies of Salt Lake City government, develop a comprehensive strategic plan clearly establishing future economic development and redevelopment efforts throughout the city.
- Study and recommend the agency's role in the city's overall economic development plans for the future.
- Consider possible changes in Utah redevelopment law to allow a broader economic development role for RDAs.
- Increase the agency's visibility and support in the community at-large and solicit the cooperation of key business and civic groups.