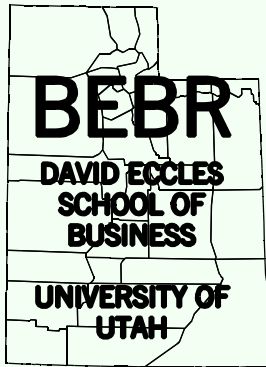


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SALT LAKE CITY'S DOWNTOWN ECONOMY

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Over the past 40 years Salt Lake City's downtown or Central Business District (CBD), has been the subject of a number of studies beginning with "A Downtown Salt Lake City - Second Century Plan" published in September of 1962. All of these studies focused on planning, transportation or retail strategies for downtown, none examined in any detailed or comprehensive way the economy of the CBD. In contrast, the study from which this article was taken focused exclusively on the economy of the CBD¹. The downtown or CBD is defined as the geographic area from North Temple to 400 South and 300 East to 500 West.

This article will first review the growth and structure of employment in downtown followed by an analysis of the major sectors of the downtown economy: retail, office, hotel, financial and government. A discussion of the economic role of the LDS Church and an examination of public and private investment in the CBD since 1990 complete the analysis.

Employment in the CBD

The most fundamental measure of the CBD economy is total employment. Total employment in 2001 is estimated to be 60,975. These employees work in several types of establishments: offices, malls, freestanding retail (non-food), restaurants,

hotels, manufacturers and miscellaneous establishments. Office workers are the dominate category of downtown employment. Eighty-four percent of all workers are employed in office buildings while only 10.7 percent are employed in retail establishments (malls, free-standing retail and restaurants). About 3 percent of all CBD employees work in the hotel sector. The few hundred workers in manufacturing establishments are concentrated primarily in the publishing and newspaper industries while miscellaneous establishments includes employees at the Delta Center, Salt Palace, Family History Library, Museums, Symphony Hall, etc. (Table 1).

The CBD with 61,000 employees and \$2 billion in wages is one of the largest economies in the state. Only four counties and two cities—Salt Lake and Provo—have more employment and wages.²

Since 1990 employment in the CBD has increased at an average annual growth rate of 2.0 percent compared to 4.0 percent for both the state and Salt Lake County. Total employment has grown by about 25 percent or 11,825 jobs. Employment growth has been tied to an expansion in office space, new free-standing restaurants and The Gateway. Office employment increased by about 9,350 jobs followed by employment growth at restaurants of 1,125. The absolute and percentage change in employment by each category is shown in Table 2.

Although employment has increased in recent years the CBD's share of total countywide employment has declined as the rapid growth in suburban areas has outpaced employment growth downtown. In 1990, the CBD accounted for 13.1 percent of countywide employment. By 2002, the CBD's share had dropped to 11.0 percent.

Total wages paid to workers in the CBD in 2001 were approximately \$2.0 billion, of which more than 90 percent were paid to office workers. As was the case with employment, the CBD's share of countywide wages has fallen since 1990, declining from 13.0 percent to 10.5 percent. The average wage for a downtown worker in 2001 is estimated to be \$32,500 compared to the countywide average of \$34,500. Over the past 11 years, in current (inflation-adjusted)

dollars, total wages paid in the CBD increased from \$1.3 billion in 1990 to \$2.0 billion in 2001. Estimated wages by employment category are given Table 3

Retail Sector

Although the retail trade sector, in terms of employment and wages, is not the largest sector in the CBD, it generally receives a disproportionate share of attention and is considered a principal indicator of economic conditions in any downtown area. The retail trade sector has important linkages to the entertainment, lodging, office and housing sectors and thereby contributes to the vitality and diversity of the CBD. The importance of the retail sector is pervasive and difficult to measure, nevertheless, the best single indicator of the sector's strength is retail sales.

Category	Employment	Percent
Office	51,350	84.2
Restaurants	4,475	7.3
Retail (malls and free-standing retail)	2,100	3.4
Hotels	1,800	3.0
Manufacturing	500	0.8
Miscellaneous	750	1.2
Total	60,975	100.0

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

Category	1990	2001	Numerical Change	Percent Change
Office	42,000	51,350	9,350	22.3
Hotels	1,250	1,800	550	44.0
Manufacturing	500	500	0	—
Restaurants	3,350	4,475	1,125	33.5
Retail	1,550	2,100	550	35.5
Miscellaneous	500	750	250	50.0
Total	49,150	60,975	11,825	24.0

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

Category	1990	2001	Percent Change
Office	\$1,235.7	\$1,820.0	47.3
Restaurants	28.1	46.0	63.7
Retail (nonfood)	20.8	28.7	38.0
Hotels	16.4	30.1	83.5
Miscellaneous	15.0	26.8	78.6
Manufacturing	12.7	14.0	10.2
Total	\$1,328.7	\$1,965.6	47.9

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

For the purposes of this analysis retail sales data include only those categories relevant to downtown retail. For instance, sales of automobiles, gasoline, general merchandise, etc. were not included. The broad retail categories used in the study were: clothing, furniture, fast food, eating and drinking places and specialty retail (books, stationary, gifts, luggage, sporting goods, hobbies, etc.)

The Utah State Tax Commission provides annual

data on retail sales activity by type of retail category at the zip code level³. The two zip codes that correspond closely with the boundaries of the CBD are 84101 and 84111. Annual retail sales data, for the relevant retail categories, in each zip code were combined.⁴ The sales data show that between 1990 and 1996 retail sales activity was increasing at about 8.3 percent annually. Countywide retail sales activity for the same categories was increasing at 9.9 percent annually.

In 1997 a sudden shift occurred—retail sales activity in the CBD began to contract. Over the next four years retail sales fell 21 percent while countywide sales increased by 20 percent (Table 4). Consequently, the CBD's share of countywide sales fell from 18 percent to 11.7 percent.

What caused the sudden change in retail sales activity? There are a number of factors that contributed to the reversal. First, the expansion of the Salt Palace interrupted the downtown convention

business. Second, the reconstruction of I-15, which began in the summer of 1997, provided even more incentive for county residents to shop in the suburbs. Third, construction of TRAX, the Gateway West office tower and two underground parking facilities below Main Street resulted in periodic closure of downtown intersections and long-term closure of Main Street from North Temple to 100 South. Fourth, increasing competition from new retail power centers and “big box” facilities in suburban Salt Lake County.

The competition for the retail dollar is intense. In the 1990s there was 4.5 million square feet of new retail space developed in the county. Thus, in the past ten years the amount of new retail space added in the suburbs was more than double the total

retail space developed in the CBD over the past 150 years. Countywide, the inventory of retail space is nearly 22 million square feet. The CBD accounts for less than 10 percent of total retail space countywide.

The retail sector has 2 million square feet of leased space. Malls dominate CBD retail with 76 percent of all leased space located in three malls—Crossroads, Gateway and ZCMI Center. Non-mall restaurants and fast food locations account for about 15 percent of total space while only 9 percent of retail space is free standing non-food retail.

Sales by Sector – The mix of retail sales has changed substantially during the 1990s. Department stores sales have dropped nearly 40 percent and by 2000 accounted

for only 13 percent of all retail activity. The share of clothing sales has remained relatively constant at about 21 percent. Most remarkable has been the expansion of restaurant food and beverage sales, which increased by 103 percent (in constant 2000 dollars). In 2000 restaurant food and beverage sales accounted for almost 30 percent of the retail trade activity in the CBD.

Retail sales data by category show that the restaurant sector has had the best performance in the 1990s. Restaurant sales now exceed clothing, shoes and apparel sales, which would include Nordstrom’s sales but not clothing sold in department stores such as Meier & Frank. (The Utah State Tax Commission classifies Nordstrom as family clothing). (Table 5).

Year	Total Retail Sales (current dollars)	Total Retail Sales (constant 2000 dollars)	Percent Change (constant dollars)
1990	\$267.0	\$351.8	—
1991	300.9	380.4	8.14
1992	297.8	365.5	-3.92
1993	332.0	395.6	8.24
1994	382.4	444.3	12.29
1995	393.9	445.1	0.18
1996	430.6	472.6	6.18
1997	411.1	441.1	-6.67
1998	401.2	423.8	-3.90
1999	395.0	408.3	-3.67
2000	373.1	373.1	-8.62

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

Table 5 Retail Sales by Category in the Central Business District Constant 2000 Dollars			
Category	1990	2000	Percent Change
Family Clothing	\$69.2	\$71.4	3.2
Shoes	3.7	5.3	43.2
Apparel Accessories	3.3	5.4	63.6
Subtotal Clothing	76.2	82.1	7.7
Department Stores*	82.3	50.0	-39.2
Fast Food	43.3	37.4	-13.6
Restaurants	53.6	108.9	103.2
Sporting Goods	20.3	3.8	-81.3
Books	13.7	13.7	0.0
Jewelry	na	12.6	na
Other	62.3	64.6	3.7
Total	\$351.8	\$373.1	6.1

*Estimated amount for Mervyn's and Meier & Frank.
 Source: Utah State Tax Commission and Bureau of Economic and Business Research, David Eccles School of Business, University of Utah.

The restaurant sector is the only retail sector in the CBD to come close to maintaining its share of countywide sales. The downtown restaurant sector had 16 percent of countywide restaurant sales in 1990. By 2000, downtown's share had fallen to 15 percent, due

entirely to a weak performance by the fast food sector. The performance of family and theme restaurants has been extraordinary. This sector has benefitted from the addition of over 25 new restaurants in the CBD including seven in The Gateway. Neither Crossroads

nor the ZCMI Center have family or theme restaurants, only food courts. Theme and family restaurants are an important distinguishing characteristic of The Gateway. Table 6 shows leased square footage by mall by type of retail activity.

Table 6 Distribution of Retail Square Footage in CBD Malls (by product category)				
Category	Crossroads	Gateway	ZCMI	Total
Clothing	245,237	154,624	36,244	436,105
Shoes	11,433	4,186	13,798	29,417
Department Store	152,728	0	325,785	478,513
Entertainment	0	73,997	0	73,997
Accessories	6,402	12,314	1,161	19,877
Fast Food	16,147	7,242	8,459	31,848
Restaurant	0	59,890	0	59,890
Sporting Goods	0	94,726	16,880	111,606
Books	25,000	25,873	12,858	63,731
Jewelry	5,520	1,295	3,312	10,127
Other	95,091	52,666	70,407	218,164
Total	557,558	486,813	488,904	1,533,275

Source: Crossroads Plaza, ZCMI Center and The Gateway.

The Gateway - In a number of ways, The Gateway has the potential of being a significant competitive response to suburban retail. It represents the first large expansion of retail space in the CBD since the completion of the Crossroads Plaza in 1980. The Gateway increased the inventory of retail space in downtown by one-third and, just as important, nearly 60 percent of Gateway's space is occupied by retailers that are new to Salt Lake County. Unlike Crossroads and ZCMI, which are strictly retail malls, The Gateway is a mixed-use development, which includes housing, commercial, retail and entertainment. The concept of Gateway is that of an urban entertainment center (UEC), a concept which has been successful elsewhere in revitalizing downtown retail, bringing suburban residents to the CBD and getting tourists to stay longer and spend more. UECs "tend to offer a combination of entertainment, dining and retail with a pedestrian-oriented environment".⁵ In addition to 74,000 square feet for movie theaters and 60,000 square feet for dining, Gateway will also be the location of a new planetarium. In total space the new planetarium will be twice as large as the existing Hansen Planetarium and will have a star theater (206 feet high with a 55-foot dome), as well as a 270-seat, IMAX theater. By 2004, the Children's Museum, another entertainment option, will

open a new \$25 million facility in Gateway. No other mall in Salt Lake County, or for that matter the state, includes entertainment as an important component of their marketing concept. The Gateway with its "new-to-Utah" retailers, entertainment options, restaurants and interactive retail improves the competitive position of the CBD.

Retail Demand in the CBD- The three components of retail demand—CBD employment, resident population and tourism/conventions—have experienced relatively modest growth. Since 1990 employment in the CBD has increased from 49,000 to 61,000, an annual growth rate of 2.0 percent. Population growth has been even slower at 1.3 percent annually. Unlike population and employment, the tourist/convention business expanded rapidly during the early part of the 1990s but in recent years the number of convention attendees and nights booked has declined.

At first blush, the nearly captive convention market would seem to be a significant potential market for retail sales. However, convention attendees contribute less than expected to total retail sales in the CBD. Of the \$373 million in retail sales in 2000 in the CBD, conventioners accounted for no more than 5 percent or \$17 million of these sales. In addition, the business

and leisure traveler may generate, at the most, another 10 percent or \$37 million. At the upper bound i.e., most optimistic level, travelers may account for \$55 million of the \$373 million in retail sales in the CBD. With no more than 15 percent of total retail sales, the travel industry can not be counted on to significantly change the level of retail sales in the CBD.

The surrounding population in Salt Lake City and south Davis County, downtown workers, and the travel industry are all important to downtown retail sales but none are experiencing rapid growth. If the demand for downtown retail is to expand significantly, new and dramatic retail additions are needed to entice suburban households to spend more of their time and retail dollars in downtown Salt Lake City.

Often public officials refer to the role that new housing in the CBD will play in revitalizing retail sales. Unfortunately, it would take a quantum leap in the number of new housing units and households in the CBD to make much difference in overall retail activity. If the 2,600 households now living in the CBD had average income levels of \$50,000 and made all of their expenditures in the CBD for restaurant food and beverages, apparel, entertainment, furniture and specialty items (books, sporting goods, etc.) these

expenditures would account for about 5 percent of total retail sales in downtown. This is not to diminish the role of new housing development in revitalization of the CBD. New housing is crucial for a number of reasons, but as an engine of expanded retail sales it will not be sufficient to support much new retail activity. At the end of the day, retail revitalization will depend on increased spending by residents of Salt Lake City and suburban households in the CBD.

Office Sector

The office sector dominates the economy of the CBD. Over 80 percent of all employees work in the 13.3 million square feet of office space. Since 1990 over 2.9 million square feet of new office space has been added to the downtown market. The single largest addition in the past 12 years was the Wells Fargo Center (originally American Stores Tower) with 535,270 square feet, completed in 1998.

One of the most recent additions to the downtown office market—the renovated Brooks Arcade—happens to be the second oldest surviving office building in the CBD.⁶ The Brooks Arcade, built in 1891, recently underwent extensive renovation and expansion to become the national headquarters for AlphaGraphics.

Since 1891 there has been about 13.3 million square feet

of office space built in the CBD. The most significant early office tower in the CBD was the 16-story Walker Bank Building completed in 1912, which, at the time, was the tallest building between Kansas City and the West Coast. Fifty years later, the height of the Walker Bank Building was finally surpassed, with the completion of Gateway Tower East (Kennecott Building) in 1962. Soon thereafter came the University Club building in 1966, and in 1973 the tallest and largest office building in the CBD, the Church of Jesus Christ of Latter-day Saints headquarters building with 980,000 square feet of office space.

For the most part office development in the CBD was steady but unspectacular from 1891 to 1970 (Chart 1 and Table 7).⁷ Table 7 gives a chronological listing of all major office buildings in the downtown area. Over the last 30 years approximately 8.5 million square feet of office space have been added to the market. The growth in square footage by decade shows that the 1980s was the decade with the greatest absolute and relative increase in new office space. The absolute increase in office space was 3.5 million square feet, which represented a 53 percent increase in the inventory of office space in the CBD. New office construction slowed down in the 1990s, nevertheless over 2.6 million square feet of new space was

added, increasing the inventory by 22 percent.

<u>Decade</u>	<u>Increase</u>	<u>Change</u>
1970s	2,257,925	50%
1980s	3,562,378	53%
1990s	2,646,315	22%

Types of Office Space - The 13.3 million square feet of office space in the CBD is divided into four categories.⁸ Estimates of the distribution by category are given below:

Class A	33%
Class B	19%
Class C	12%
Institutional/ Owner-user	36%

The relatively high percentage of owner-user single tenant space is due to the nearly 1.4 million square feet of office space owned and occupied by the Church of Jesus Christ of Latter-day Saints for administrative functions. In addition to this space, the LDS Church also owns and leases another 1.6 million square feet of office space.

Of course, the major office presence in the CBD of the Church of Jesus Christ of Latter-day Saints is due to two factors: (1) Salt Lake City is the international headquarters of the LDS Church and (2) early land distribution patterns in Salt Lake City.⁹ To no surprise, the LDS Church is the largest single owner-occupant of office space as well as the principal office space developer in the CBD. As a developer, the LDS Church has often had the advantage of

very low to zero land costs in their office projects—a considerable financial advantage for any real estate developer. The LDS Church has used this advantage to develop some of the highest quality commercial office space in the CBD. The Gateway Tower East (originally known as the Kennecott Building) was certainly the highest quality office building in the state when it was completed in 1962. Four other large office buildings developed by the LDS Church are also of high quality—JC Penney building, Eagle Gate Plaza, Social Hall/IRS and Gateway Tower West. Undoubtedly, the development of these buildings helped stimulate additional investment by private developers in the CBD.

In 1999, the CBD office market lost what was about to become the headquarters location for a major corporate tenant in downtown, American Stores. What would have certainly been an historic change as well as structural change in Salt Lake City’s office sector was regrettably short-lived. A year earlier, American Stores had completed the 535,000-square-foot office tower at 300 South Main Street and it was expected that over 2,000 American Stores’ employees would be located in the CBD. American Stores would be the first Fortune 500 firm to have its headquarters in downtown Salt Lake City. Unfortunately, the purchase of American Stores by Albertson’s (headquarters in Boise) in 1999 ultimately resulted in an empty office tower by 2000.¹⁰

The impact of the loss of American Stores on the CBD was severe, particularly in lost potential. The tally for the loss amounts to more than 2,000 direct jobs and \$80 million in wages, the forfeiture of significant synergistic effects on the demand for hotel rooms, housing and retail and finally the negative impact on the downtown office market that 535,000 vacant square feet of space created. For example, if American Stores would have remained in the CBD an additional 375,000-square-foot office tower—developed by Hamilton Partners—would likely be nearing completion on Main Street. Hamilton Partners has postponed their start date indefinitely due to the uncertainty in the CBD office market.

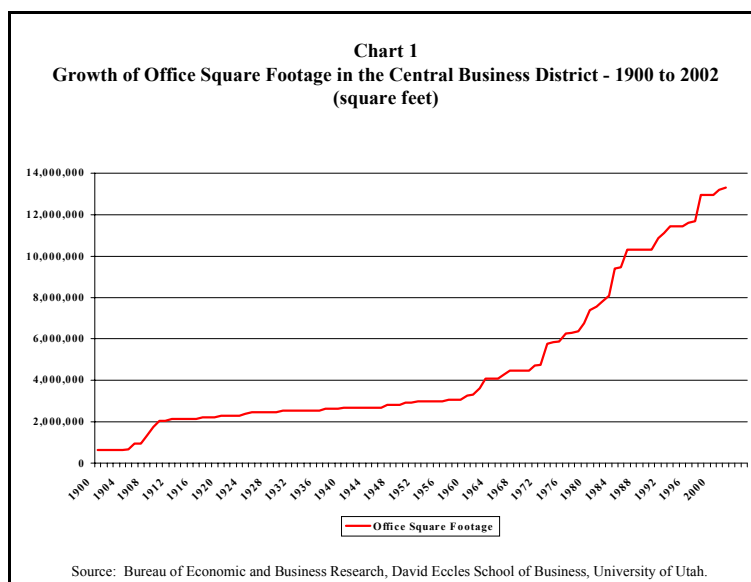


Table 7 CBD Office Buildings by Year Built (Includes Institutional and Owner/User Space)			
Building	Address	Year Built	Square Footage
Eagle Emporium (Zion's First National Bank)	102 South Main Street	1864	15,000
Brooks Arcade	300 South State Street	1891	30,000
Crane Building	307 West 200 South	1893	35,000
City/County Building	451 South State Street	1894	533,000
Henderson Building	375 West Second South	1898	20,000
Herald Building	165 South Main Street	1905	25,700
139 East South Temple	139 East South Temple	1906	65,778
Frank E. Moss Federal Building	350 South Main Street	1906	210,000
Firestone Building	175 West 200 South	1908	64,000
Salt Lake Hardware	105 North 400 West	1908	220,000
Boston Building	9 Exchange Place	1908	78,194
Commercial Club	32 Exchange Place	1908	55,195
Felt Building	341 South Main Street	1909	38,537
Judge Building	8 East Broadway	1909	74,776
Newhouse Building	10 Exchange	1909	87,000
Westgate	180 South 300 West	1909	200,000
Deseret Building	79 South Main Street	1910	135,000
Kearns Building	136 South Main Street	1910	145,904
Walker Center	175 South Main Street	1912	128,528
LDS Church Headquarters	47 East South Temple	1917	60,000
Clift Building	10 West 300 South	1920	79,712
Tribune Building	143 South Main	1924	76,000
Ford Motor Building	414 West 300 South	1925	80,000
200 East South Temple	200 East South Temple	1930	57,000
Exchange Plaza	51 East 400 South	1930	30,000
One Main Plaza	111 South Main Street	1937	80,000
Temple View	57 West South Temple	1940	48,284
Qwest	80 South State Street	1947	150,000
Crandall Building	10 West 100 South	1950	50,000
American Investment Bank	200 East South Temple	1950	54,000
55 South State	55 South State	1952	60,992
Wells Fargo Building	400 South Main	1955	131,000
Federal Reserve	120 South State Street	1957	60,000
Questar	180 East 100 South	1960	220,000
Courtside	231 East 400 South	1961	55,000
Gateway Tower East	10 East South Temple	1962	309,714
One Main Plaza	115 South Main Street	1963	75,000
Wallace F. Bennett Federal Building	125 South State Street	1963	360,000
136 East South Temple	136 East South Temple	1966	216,976
J.C. Penny	310 South Main Street	1971	233,890
Utah Power	60 East 100 South	1972	37,089
Broadway Pharmacy	250 East 300 South	1973	45,000
LDS Church Office Building	50 East North Temple	1973	980,000
SNI	275 East 200 South	1974	47,205
Deseret Book Building	40 East South Temple	1975	44,010
275 East South Temple	275 East South Temple	1976	26,367

continued on next page

Table 7 continued			
CBD Office Buildings by Year Built			
(Includes Institutional and Owner/User Space)			
Building	Address	Year Built	Square Footage
American Plaza I	47 West 200 South	1976	55,341
Beneficial Life Tower	36 South State	1976	296,000
Westpoint	254 West 400 South	1976	19,980
Kirton McConkie	330 South 300 East	1977	21,150
American Plaza II	77 West 200 South	1978	63,044
175 South West Temple	175 South West Temple	1979	148,340
American Plaza III	57 West 200 South	1979	65,056
Brighton Bank	311 South State Street	1979	35,453
Human Services State Government	120 North 200 West	1979	140,000
261 East 300 South	261 East 200 South	1980	21,100
Chapman Pehrson	155 South 300 West	1980	23,608
Key Bank Tower	50 South Main Street	1980	306,309
Qwest	250 East 200 South	1980	305,772
Broadway Building	324 South State Street	1981	180,000
185 South State	185 South State Street	1982	166,000
American Towers	48 West 300 South	1982	53,726
Bank One Tower	50 West 300 South	1983	106,416
Heber Wells Building	160 East 300 South	1983	194,400
Parkside Tower	215 South State Street	1984	191,193
Plaza 349	349 South 200 East	1984	71,500
Triad Center 3,4,5	300 West North Temple	1984	569,234
Wells Fargo	170 South Main	1984	248,560
Qwest	205 East 200 South	1984	200,000
265 East 100 South	265 East 100 South	1985	90,000
257 Tower	257 East 200 South	1986	260,234
City Centre	175 East 400 South	1986	207,630
Eagle Gate Plaza	60 East South Temple	1986	366,696
One Utah Center	201 South Main Street	1991	419,000
Department of Workforce Services	140 East 300 South	1991	140,000
Broadway Center	111 East 300 South	1992	240,529
Joseph Smith Memorial Building ⁽¹⁾	15 East South Temple	1993	337,400
Social Hall/IRS	150 East Social Hall Ave.	1996	161,146
Deseret News	30 East 100 South	1997	90,000
Gateway Tower West	South Temple and Main	1998	279,875
Wells Fargo Center	300 South Main Street	1998	535,270
Matheson Courts Complex	450 South State Street	1998	420,000
30 East 300 South	30 East 300 South	1999	23,095
One Gateway	400 West 100 South	2001	161,000
Gateway	400 West 100 South	2001	85,000
AlphaGraphics Building ⁽²⁾	280 South State Street	2002	70,000
Gateway (under construction)	400 West 200 South	2002	108,000
Total			13,305,368

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

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

Government Sector

The government sector is central to the economic structure of the CBD. As the capital city, Salt Lake benefits not only from state government offices but also from the presence of federal offices and of course, a large number of city employees. Salt Lake County has only a few employees at scattered sites in the CBD.

Besides employment, another important attribute of the government sector is ownership of both land and physical structures. Currently governments own about 94 of the 400 acres in the CBD. Much of this land provides public infrastructure. One or another government entity owns the land and/or physical facility for the following public facilities: The Salt Palace Convention Center, Abravanel

Symphony Hall, Salt Lake Arts Center, Delta Center, Capitol Theater, Rose Wagner Performing Arts Center, State Historical Society, Salt Lake City Library, Matheson Courts Complex, Pioneer Park, City and County Building, Washington Square, Gallivan Center and Dinwoody Park (Table 8).

Salt Lake City wields considerable influence over the

Table 8	
Government Owned Land and Structures	
State Government	
	Human Services Building
	Matheson Courts Complex
	Heber M. Wells Building
	Department of Workforce Services
City Government	
	City and County Building *
	City office building
	Salt Lake Public Library
	Delta Center (RDA owns land)
	Pioneer Park
	Washington Square
	Dinwoody Park (RDA)
	Gallivan Center (RDA)
County Government	
	Salt Palace Convention Center
	Capitol Theater
	Rose Wagner Performing Arts Center
	Salt Lake Arts Center
	Abravanel Hall
	Scattered Sites near 200 West
Federal Government	
	Frank E. Moss Federal Courthouse
	Wallace F. Bennett Federal Building
	324 South State (shared with city)
	Federal Reserve
*Salt Lake County owns one floor of the City and County Building which is leased to Salt Lake City. County owns no land at Washington Square.	
Source: Government agencies.	

CBD economy through zoning, licensing, various regulations and development assistance provided by the Redevelopment Agency (RDA).

The role of the RDA in the economic development of the CBD has been crucial, particularly in the 1990s. A review of RDA programs shows that from 1975 to 1989 the agency provided about \$18 million in assistance. Since 1990, RDA participation has totaled \$139.8 million including assistance for the expansion of the Salt Palace Convention Center, Main Street beautification, Delta Center plaza and the development of Block 57 (One Utah Center, Wells Fargo Center, Marriott City Center and Gallivan Center).

The CBD Economy and the Church of Jesus Christ of Latter-day Saints

The LDS Church has played a formative role in every sector of the downtown economy. No other institution, government entity or corporation has had such a defining role on the size, shape and direction of the CBD economy. The LDS Church's extensive holdings and widespread impact are briefly summarized below:

Office Sector - Largest owner and manager of office space in the CBD. Owns 1.4 million square feet of ecclesiastical office space and 1.6 million square feet of commercially leased office space—22 percent of total CBD office space.

Retail Sector - Owner of ZCMI Center with more than 600,000 square feet of retail space plus other scattered retail sites—over 30 percent of retail space in the CBD.

Manufacturing Sector - Owner of the Deseret News and 50 percent of the Newspaper Agency Corporation, the largest manufacturer in the CBD.

Housing Sector - Largest owner of rental units in CBD. Owns seven apartment communities with a total of 852 units—26 percent of residential units in the CBD.

Finance Sector - Owner of Beneficial Life Insurance, an insurance company established in 1905, which is among the top 10 percent of American insurance companies.

Communications Sector - Owner of Bonneville International Corporation organized in 1964. BIC is a major broadcasting group with 18 radio stations located in Chicago, Washington D.C., San Francisco, St. Louis and Salt Lake City, plus two television stations, and the subsidiaries of Bonneville Communications, Bonneville Satellite Company, and Video West Productions.

Hospitality Sector - LDS Church owned properties provide hospitality services in three historic downtown buildings: Lion House, Joseph Smith Memorial Building and the Inn at Temple Square. For almost 80 years and until its

renovation as the Joseph Smith Memorial Building, the Hotel Utah with 500 rooms was the state's most elegant hotel.

Entertainment and Culture - The Tabernacle Choir and Temple Square along with the Family History Library and the Joseph Smith Memorial Building are important cultural attractions visited by an estimated 5 million people annually. The cultural role of the LDS Church has been profound and includes the donation of land for the Salt Palace Convention Center, Salt Lake Arts Center and Abravanel Hall.

CBD Investment 1990 to 2001 - Developed and built six new buildings in the CBD with a construction value of \$302 million—22 percent of the total value of new construction in downtown. The Conference Center completed in 2000 is the highest construction value ever for a single building in the CBD at \$172 million.¹¹

Parking - Owns 9,850 parking stalls—27 percent of all parking space in the CBD.

Employment and Wages - One out-of-every eight employees in the CBD either work directly for the LDS Church or is employed by an establishment owned by the LDS Church. Consequently, the LDS Church is the largest single employer in the CBD. Wages paid to these employees are estimated at about \$250 million.

Land Ownership - Owns about 78 acres—9 percent of the land in the CBD.

Property Taxes - Largest property tax payer in the CBD.

The presence of the LDS Church in the CBD economy includes more than just quantifiable measures. The influence of the LDS Church extends far beyond their capital and land investment in the CBD. To quote the Deseret Management Corporation's website describing Zions Securities Corporation. "One important role filled by ZSC is to anticipate future growth needs and patterns. The company can then seek to acquire land and property in order to facilitate vital developments by itself or other organizations. In this role ZSC works closely with business and government organizations to provide support, planning, and coordination. For example, the Company helped stimulate additional growth by 'packaging' properties for downtown developments, including the Crossroads Mall and the Matheson Courthouse complex."

Hotel Sector

The addition of several new hotels, a \$120 million expansion of the Salt Palace Convention Center and increased funding for marketing, have combined to significantly expand the CBD's hotel sector in the 1990s. The addition of five new hotels increased the inventory within the boundaries of the CBD by

833 rooms. This expansion does not include the 775 rooms in the Grand America Hotel, completed in 2001, located just a block south of the CBD. The five new hotels created 550 new jobs increasing total employment in the sector from 1,250 in 1990 to 1,800 in 2001. These recent additions were all encouraged to some degree by the 2002 Olympics.

Three of five new hotels built during the 1990s are Marriot properties: the Marriott City Center, Courtyard by Marriott and Residence Inn by Marriott. The other two new hotels are Hotel Monaco and Renaissance Suites. The Marriott Corporation has a substantial presence in the downtown hotel market—four hotels with nearly 40 percent of the rooms.

Historically hotel development in the CBD seems to occur in fits and starts. About 20 years ago, which was the last hotel building boom, three new hotels added 1,400 rooms to the market over a period of four or five years: Salt Lake City Marriott, Hilton (built as Sheraton) and Wyndham (built as Doubletree). Occupancy and room rates declined as expansion in supply coincided with an economic downturn in the local economy. An economic scenario albeit more severe than that of the late 1990s but nevertheless very familiar.

Just like the 1980s, excess inventory (too many rooms) has

driven down occupancy and room rates. Data from Rocky Mountain Lodging Report, which includes the downtown and downtown east area, show that the *available* rooms on a monthly basis have increased from 90,000 in 1996 to 119,000 by 2001, an increase of 32 percent. For the same period, *occupied* rooms increased only 7 percent. Consequently occupancy rates have fallen from 81.2 percent to 64.6 percent. The drop in occupancy rate, however, is caused entirely by the increase in supply not by declining demand for hotel rooms.

Falling occupancy rates have pulled down average room rates. In 1998 the average room rate in the Salt Lake City market was \$95.79 an all-time high. But once the 900 new rooms were added, room rates fell, dropping to \$78.87 per night by 2001. Of course, total room revenue also fell. In constant 2001 dollars, total room revenue generated in the market dropped to \$80 million, down from a peak of \$102.5 million four years earlier.

While the 2002 Olympics helped to induce the development of new hotels and excess capacity, the hope is that the exposure of the Olympics will lead to greater demand for hotel rooms in 2002 and beyond. An improving economy, fading travel worries associated with September 11th, and strong convention bookings for 2002 and beyond should help to

absorb the overcapacity in rooms.

Financial Sector

Mergers and consolidations have changed the landscape of the financial sector nevertheless, the CBD continues to dominate commercial banking activity. In 2000, the deposits in the banking institutions downtown totaled \$2.98 billion or 37.6 percent of all bank deposits in Salt Lake County. In 1990, the CBD's share of all banking deposits countywide was 40.6 percent.

Salt Lake City's CBD has long been the "financial district" of the state. Most of the large insurance companies in the county have headquarters in or near downtown and the greatest concentration of commercial banking in the state is in a few square blocks of downtown Salt Lake City. The 1990s, however, was a time of transition for financial institutions. Ten of the 17 commercial banks and savings and loan institutions that were operating in the CBD in 1990 no longer have a presence "by name" in downtown. Those institutions include:

1. Bank of Utah (consolidated downtown office with South State office).

2. Capital City Bank (purchased by Washington Mutual Bank).

3. Crossland Savings Bank (purchased by First Federal Savings Bank).

4. First Federal Savings Bank (purchased by Washington Federal Savings and Loan).

5. First Professional Bank (purchased by First Security Bank).

6. Olympus Bank (purchased by Washington Mutual Savings Bank).

7. Pacific First Bank (purchased by First Security Bank).

8. Sandia Savings & Loan (purchased by Zions Bank).

9. First Security Bank (purchased by Wells Fargo).

10. Guardian State Bank (purchased by Community First Bank).

Currently, there are 10 commercial banks operating in the CBD. Washington Mutual Bank, which purchased Capital City Bank, and Irwin Union Bank are the only new banks to enter the downtown market in the 1990s. Of course, the most profound change in the banking industry was the merger of Wells Fargo and First Security Bank.

Public and Private Investment and the Fiscal Role of the CBD

Since 1990, the level of investment in the CBD has been extraordinary. No

other period in the economic history of Salt Lake's CBD compares to the 1990s in terms of the magnitude and range of public and private investment.

The CBD has captured nearly 15 percent of all of the permit-authorized nonresidential construction in the state since 1990—a total of \$1.35 billion in construction valuation. Included are some significant new public and private buildings: the Salt Lake City Public Library, the Scott Matheson Courts Complex, the renovation and expansion of the Salt Palace Convention Center and the Delta Center. Just south of the CBD boundaries, the Grand America Hotel, the largest hotel in downtown, was completed in 2001 as was the LDS Church's Conference Center on the north side of the CBD boundaries. The Gateway, the largest mixed-use development in the state added significant retail, office and residential space during the decade. Not included in the permit-authorized valuation is TRAX, a \$400 million light-rail system that terminates in the CBD. All projects with a *construction value* of \$5 million or more are included in Table 9.

Conclusion

This article is intended to provide background

information for the public discussion on the future of Salt Lake City's Central Business District. Clearly, the past ten years have been truly extraordinary years for downtown. At no time in its 150-year history has there been more public and private investment in the 40 blocks that comprise the downtown area. Nearly every economic indicator confirms that downtown Salt Lake City is a dynamic, growing and evolving economy. Since 1990, the number of jobs

has increased by nearly 12,000 and total wages have risen by more than \$700 million. The amount of office space increased by 30 percent, retail square footage by 45 percent, hotel rooms by 40 percent, housing units by 69 percent and entertainment has become an increasingly important sector. During the 1990s, the Delta Center and the Rose Wagner Center for the Performing Arts were added as entertainment venues, complemented by over 25

new restaurants and 15 new private clubs, plus, later in 2002, a new \$18 million planetarium and \$65 million public library. Two million people annually attend entertainment events in downtown Salt Lake City. Entertainment often includes eating out and for the first time in decades, restaurant food now accounts for more retail sales in downtown than clothing. Downtown clothing and Main Street retailers have struggled,

Property	Construction Value (millions)	Year Completed
The Gateway	\$300	2001
LDS Conference Center	\$172	2000
Grand America Hotel	\$130	2000
Delta Center	\$90	1991
Salt Palace Expansion I	\$82	1996
State Courts Complex	\$80	1998
Salt Lake City Library	\$60	2002
American Stores	\$55	1998
One Utah Center	\$50	1991
Salt Palace Expansion II	\$47	2000
Hotel Utah Renovation	\$42	1993
Monaco Hotel Renovation	\$35	2000
Gateway Tower West	\$35	2000
Marriott Hotel	\$32	2000
Broadway Center	\$31	1992
Main Street Parking and Gardens	\$27	2000
Federal Building Renovation	\$20	2002
Social Hall/IRS	\$15	1996
Deseret News Building	\$11	1995
Rose Wagner	\$14	1998
Questar Renovation	\$10	1995
AlphaGraphics	\$10	2002
Exchange Place Parking	\$7.5	1998
Total	\$1,355.5	
Source: Bureau of Economic and Business Research, University of Utah.		

due primarily to the intense competition from suburban malls. Unfortunately, the troubles of a few Main Street retailers have become synonymous with the definition of the downtown economy—a gross oversimplification. Nevertheless, if there ever was a golden age for downtown, it was not during the 1940s and 1950s when there was literally no new investment nor employment growth but rather the 1990s when investment and growth spread throughout the many sectors of the downtown economy.

Notes

¹ *Economic Change in Salt Lake City's Central Business District – 1990 to 2001*, prepared for Downtown Alliance of Salt Lake City by the Bureau of Economic and Business Research, David Eccles School of Business, University of Utah, May 2002. Available online at <http://www.business.utah.edu/bebr/bebrpubs.html>

² Salt Lake City has employment of 211,000 and Provo 81,000.

³ *Wasatch Front, Direct Sales by Zip Code*, Utah State Tax Commission, published annually.

⁴ The 2001 estimates will be published in August of 2002.

⁵ *Developing Urban Entertainment Centers*, Urban Land Institute, Washington D. C. 1998.

⁶ Only the Eagle Emporium (Zion's First National Bank at 102 South Main Street), built in 1864 is older. The recently renovated Karrick Building at 236 South Main Street was built in 1887, however, due to its relatively small size, (less than 10,000 square feet), the Karrick Building was not included in the office market inventory.

⁷ With the exception of the 1906 to 1912 period when 1.1 million square feet of space was added to the CBD. The development of the Exchange Place District, due in large part, “to the efforts of Samuel Newhouse to establish a non-Mormon business section at the south end of Salt Lake's central business district” (*The Westside of Salt Lake City* by John McCormick, Utah Historical Society, 1982). The Exchange Place district includes the Boston Building, Commercial Club, Felt Building, Judge Building, Newhouse Building and across the street the federal/post office building (Frank E. Moss Building).

⁸ Definition from Colliers' International. Buildings that meet two or more of the following conditions typically will be placed in the following categories: Class A - 75,000 sq. ft. or greater; 10 years or newer; lease rate \$19 full service/year or greater; Class B - 74,999 sq. ft. or smaller; 10 years or newer; lease rate \$15 full service/year or greater; Class C - 20,000 sq. ft. or greater; any age; lease rate \$10 full service/year or greater.

⁹ For example, “in the summer of 1847 Church apostles were allowed to select their own inheritances mostly property fronting on the Temple Block, and at that time Brigham Young picked for himself and family the block immediately east of Temple Square.” From Dale L. Morgan, “The Changing Face of Salt Lake City,” *Utah Historical Quarterly*, XXVII (July 1959), pp. 209-32. The “inheritances” were seized when the LDS Church was disincorporated in 1887 by the Edmunds-Tucker Act. Land near Temple Square was eventually reacquired by the LDS Church in the early 20th century.

¹⁰ American Stores ranked 67th on the Fortune 500 list in 1998. Albertson's currently ranks 38th on the Fortune 500.

¹¹ Does not include the cost of interior furnishings, such as drapes and electronics.

Utah Business Statistics

UTAH DATA	March 2001	March 2002	% Change from Year Ago	12-Month Average Current Year	12-Month Average Last Year	12-Month Average % Change
Total Personal Income (seas. adj. at ann. rates, mil. of dol., qtl.)	54,342	na	na	55,130.7	53,280	3.5
New Corporations (no.)	538	na	na	788.3	764	3.1
New Car, Truck, and Motor Home Sales (no.)	na	na	na	na	7,314	na
Agriculture						
Average Prices Received by Farmers (dol.)						
Lambs (cwt.)	85.00	68.00	-20.0	68.8	83.17	-17.2
Barley (per bushel)	2.14	2.34	9.3	2.2	1.97	10.7
Alfalfa Hay, Baled (per ton) ¹	87.00	95.00	9.2	95.8	78.67	21.7
Commercial Red Meat Production (thous. of lbs.)	41,400	36,500	-11.8	42,866.7	41,950	2.2
Milk Production (mil. lbs., qtl.)	392	397	1.3	404.3	417	-3.1
Construction						
Total Permit Construction (thous. of dol.)	354,980.5	276,951.8	-22.0	314,767.5	334,762.2	-6.0
Residential	219,406.6	198,446.4	-9.6	191,400.9	183,853.0	4.1
Nonresidential	94,099.4	42,917.6	-54.4	72,691.8	101,486.1	-28.4
Additions, Alterations, and Repairs	41,474.5	35,587.8	-14.2	42,091.5	49,422.3	-14.8
New Dwelling Units (no.)	1,903	1,540.0	-19.1	1,577.1	1,564.3	0.8
Employment³						
Civilian Labor Force (thous.)	1,114.9	1,160.3	4.1	1,138.2	1,109.9	2.5
Employed	1,069.7	1,091.2	2.0	1,085.8	1,072.4	1.3
Unemployed	45.2	69.5	53.8	52.3	37.5	39.6
Percent of Labor Force	4.1	5.9	43.9	4.6	3.3	37.7
Nonagricultural Jobs (thous.)	1,079.6	1,066.2	-1.2	1,083.8	1,080.1	0.3
Mining	7.8	7.5	-3.8	7.9	8.0	-1.7
Contract Construction	66.0	60.3	-8.6	69.2	71.0	-2.5
Manufacturing	129.1	120.4	-6.7	125.9	130.7	-3.7
Transportation, Communications, and Utilities	60.7	58.5	-3.6	60.4	61.2	-1.2
Wholesale Trade	51.1	49.8	-2.5	51.5	51.9	-0.9
Retail Trade	197.9	195.5	-1.2	200.0	200.3	-0.1
Finance, Insurance, and Real Estate Services ⁴	59.4	59.5	0.2	59.5	58.0	2.6
Federal Government	315.6	319.6	1.3	318.8	313.1	1.8
State Government ⁵	33.4	33.6	0.6	33.9	32.9	3.0
Local Government ⁵	59.7	59.9	0.3	59.0	57.9	2.0
Local Government ⁵	98.9	101.6	2.7	97.5	95.1	2.5
Average Weekly Hours						
Mining	43.2	47.7	10.4	43.8	43.9	-0.1
Manufacturing	39.4	38.0	-3.6	38.5	39.3	-1.9
Wholesale Trade	40.9	39.1	-4.4	40.0	40.0	-0.1
Retail Trade	27.2	26.8	-1.5	27.5	27.9	-1.5
Amount of Unemployment Compensation (thous. of dol.)	12,833.2	29,100.0	126.8	18,075.3	9,265.0	95.1
Finance (qtl.)						
Total State and National Chartered In-State Banks	33	32	-3.0	32.5	33	-1.5
Total Assets (mil. of dol.)	28,114.5	32,908.3	17.1	33,700.1	28,967.9	16.3
Total Liabilities (mil. of dol.)	25,488.6	30,233.6	18.6	31,034.7	26,450.9	17.3
Total Equity Capital (mil. of dol.)	2,626.0	2,673.5	1.8	2,663.3	2,516.9	5.8
Capital to Assets ⁶	10.48	8.12	-22.5	7.9	9.5	-16.5
Loan Loss Reserve Ratio	1.83	2.44	33.1	2.3	1.62	41.7
Loans to Assets	62.11	42.53	-31.5	43.5	65.32	-33.4
Temporary Investment Ratio	11.49	34.42	199.6	27.5	8.55	221.5
Return on Assets	1.49	0.78	-47.5	0.7	0.76	-9.4
Production						
Crude Oil (thous. of bbls.)	1,322.1	na	na	1,255.5	1,281.5	-2.0
Natural Gas (mil. of cu. ft.)	26,054.7	na	na	23,898.3	24,009.3	-0.5
Coal (thous. short tons)	2,737	2,184	-20.2	1,990.5	2,236	-11.0
Crude Oil to Refineries, Barrels Received (thous. of bbls.)	3,814	na	na	4,180.9	4,060	3.0
Travel/Tourism						
Air Passengers (total no. on and off, S.L. Int'l. Airport)	1,764,598	1,707,744	-3.2	1,550,425.4	1,656,707	-6.4
Highway Traffic Count Across State Lines (both directions)	60,627	63,564	4.8	65,044.7	66,116	-1.6
Visits to State and National Parks and Monuments	572,503	na	na	1,331,043.3	1,105,366	20.4
Utilities						
Natural Gas Customers (residential and commercial)	705,456	724,080	2.6	711,189.7	691,411	2.9
Natural Gas Customers (industrial)	1,033	1,030	-0.3	1,043.4	1,051	-0.7
Telephone Lines in Service (Qwest, residential access)	734,810	697,621	-5.1	712,114.3	767,830	-7.3
Telephone Lines in Service (Qwest, business/public access)	426,582	428,747	0.5	429,205.6	577,900	-25.7

Utah Business Statistics

UTAH DATA	March 2001	March 2002	% Change from Year Ago	12-Month Average Current Year	12-Month Average Last Year	12-Month Average % Change
Davis County						
Nonagricultural Employment (thous.)	84.7	86.6	2.3	88.1	85.5	3.1
Unemployment Rate (seasonally adjusted)	3.7	4.8	29.7	3.9	3.1	25.8
Authorized Permit Construction (thous. of dol.)	27,254.6	28,980.3	6.3	32,155.6	34,877.9	-7.8
New Dwelling Units (no.)	174	191	9.8	213	196	8.9
New Car, Truck, and Motor Home Sales, Owner's County (no.)	na	na	na	na	769	na
Natural Gas Customers (residential and commercial)	76,594	78,867	3.0	77,184	75,121	2.7
Natural Gas Customers (industrial)	92	88	-4.3	91	94	-3.2
Telephone Lines in Service (Qwest, residential access)	95,289	93,254	-2.1	94,072	94,726	-0.7
Telephone Lines in Service (Qwest, business access)	31,415	30,971	-1.4	31,114	29,769	4.5
Salt Lake County						
Nonagricultural Employment (thous.)	546.4	537.3	-1.7	548.7	547.7	0.2
Unemployment Rate (seasonally adjusted)	3.8	6.0	57.9	4.5	3.1	43.6
Authorized Permit Construction (thous. of dol.)	100,028.5	95,234.6	-4.8	105,562.9	125,890.2	-16.1
New Dwelling Units (no.)	273	476	74.4	461	398	15.8
New Car, Truck, and Motor Home Sales, Owner's County (no.)	na	na	na	na	3,918	na
Natural Gas Customers (residential and commercial)	297,993	302,874	1.6	297,995	291,305	2.3
Natural Gas Customers (industrial)	462	464	0.4	466	468	-0.3
Telephone Lines in Service (Qwest, residential access)	333,200	305,588	-8.3	317,562	341,744	-7.1
Telephone Lines in Service (Qwest, business access)	235,285	234,622	-0.3	235,758	232,568	1.4
Utah County						
Nonagricultural Employment (thous.)	155.3	151.3	-2.6	154.1	153.9	0.1
Unemployment Rate (seasonally adjusted)	3.3	6.2	87.9	4.2	2.7	56.6
Authorized Permit Construction (thous. of dol.)	68,936.3	59,814.4	-13.2	67,781.9	64,474.1	5.1
New Dwelling Units (no.)	304	274	-9.9	350	332	5.6
New Car, Truck, and Motor Home Sales, Owner's County (no.)	na	na	na	na	945	na
Natural Gas Customers (residential and commercial)	102,883	106,784	3.8	104,396	100,608	3.8
Natural Gas Customers (industrial)	149	143	-4.0	144	152	-5.2
Telephone Lines in Service (Qwest, residential access)	109,343	105,637	-3.4	107,000	111,416	-4.0
Telephone Lines in Service (Qwest, business access)	60,140	58,059	-3.5	60,066	57,608	4.3
Weber County						
Nonagricultural Employment (thous.)	87.7	86.5	-1.5	86.9	88.1	-1.4
Unemployment Rate (seasonally adjusted)	5.2	6.6	26.9	5.1	4.3	19.2
Authorized Permit Construction (thous. of dol.)	16,136.9	16,698.9	3.5	19,797.8	19,043.3	4.0
New Dwelling Units (no.)	54	157	190.7	115	107	7.3
New Car, Truck, and Motor Home Sales, Owner's County (no.)	na	na	na	na	488	na
Natural Gas Customers (residential and commercial)	68,823	70,254	2.1	68,412	67,405	1.5
Natural Gas Customers (industrial)	98	101	3.1	99	100	-1.0
Telephone Lines in Service (Qwest, residential access)	57,130	52,648	-7.8	53,843	61,231	-12.1
Telephone Lines in Service (Qwest, business access)	32,931	35,525	7.9	34,653	31,890	8.7

na Not Available

¹ Before deductions for hauling and government withholding; includes quality, quantity and other premiums. Excludes hauling subsidies. ² Mid-month prices. ³ Some figures not strictly comparable due to reclassification. ⁴ Includes services by nonprofit and religious organizations. ⁵ Includes public schools and college institutions. ⁶ Includes allowance for loan losses.

Sources:

Personal Income	U.S. Department of Commerce, Bureau of Economic Analysis.
New Corporations	Utah Department of Commerce, Division of Corporations and Commercial Code.
New Car and Truck Sales	Utah State Tax Commission, Economic and Statistics Unit, <i>Utah Car and Truck Sales</i> .
Agriculture	U.S. Department of Agriculture, Utah Agricultural Statistics Service, <i>Utah Agriculture</i> .
Construction Data	Bureau of Economic and Business Research, University of Utah, <i>Utah Construction Report</i> .
Employment Data	Utah Department of Workforce Services, <i>Utah Labor Market Report</i> .
Finance Data	Utah Department of Financial Institutions.
Crude Oil Production	Utah Division of Oil, Gas and Mining, <i>Oil and Gas Production Report</i> , and Utah Office of Energy and Resource Planning.
Natural Gas Production	Utah Division of Oil, Gas and Mining, <i>Oil and Gas Production Report</i> .
Coal Production	U.S. Department of Energy, Energy Information Administration.
Air Passengers	SLC International Airport, Statistics Division, <i>Air Traffic Statistics and Activity Report</i> .
Highway Traffic Count	Utah Department of Transportation, <i>Automatic Traffic Recorder Data Report</i> .
Visits to State and National Parks and Monuments	U.S. Forest Service and Utah State Parks and Recreation Department.
Utilities Data	Cooperating Utility Companies.

Utah Business Statistics

	April	April	% Change	12-Month	12-Month	12-Month
UTAH DATA	2001	2002	from Year	Average	Average	Average %
			Ago	Current	Last Year	Change
Total Personal Income (seas. adj. at ann. rates, mil. of dol., qtl.)	na	na	na	55,131	53,280	3.5
New Corporations (no.)	1,102	na	na	749	807	-7.2
New Car, Truck, and Motor Home Sales (no.)	na	na	na	na	7,351	na
Agriculture						
Average Prices Received by Farmers (dol.)						
Lambs (cwt.)	89.00	67.00	-24.7	67.00	83.08	-19.4
Barley (per bushel)	2.09	2.29	9.6	2.19	1.97	11.2
Alfalfa Hay, Baled (per ton) ¹	90.00	92.00	2.2	95.92	80.25	19.5
Commercial Red Meat Production (thous. of lbs.)	39,800	42,400	6.5	43,083	42,333	1.8
Milk Production (mil. lbs., qtl.)	na	na	na	404	417	-3.1
Construction						
Total Permit Construction (thous. of dol.)	348,966.5	300,154.0	-14.0	310,699.8	335,272.4	-7.3
Residential	215,617.7	208,959.9	-3.1	190,846.1	185,220.4	3.0
Nonresidential	74,789.1	55,145.4	-26.3	71,054.9	100,475.9	-29.3
Additions, Alterations, and Repairs	58,559.7	36,048.7	-38.4	40,215.6	49,575.2	-18.9
New Dwelling Units (no.)	1,743	1,613.0	-7.5	1,566	1,578	-0.7
Employment ³						
Civilian Labor Force (thous.)	1,113.0	1,153.4	3.6	1,141.5	1,112.8	2.6
Employed	1,067.8	1,087.2	1.8	1,087.4	1,074.1	1.2
Unemployed	45.3	69.2	52.8	54.3	38.6	40.7
Percent of Labor Force	4.1	5.7	39.0	4.7	3.4	37.5
Nonagricultural Jobs (thous.)	1,082.4	1,069.2	-1.2	1,082.7	1,081.1	0.1
Mining	7.9	7.7	-2.5	7.8	8.0	-1.8
Contract Construction	67.6	61.9	-8.4	68.8	70.8	-2.9
Manufacturing	127.4	119.9	-5.9	125.3	130.5	-4.0
Transportation, Communications, and Utilities	60.8	58.5	-3.8	60.2	61.2	-1.7
Wholesale Trade	51.1	50.3	-1.6	51.4	51.9	-1.0
Retail Trade	199.0	196.0	-1.5	199.7	200.5	-0.4
Finance, Insurance, and Real Estate	59.2	59.4	0.3	59.5	58.2	2.2
Services ⁴	316.8	318.5	0.5	318.9	313.9	1.6
Federal Government	34.0	33.9	-0.3	33.9	32.9	3.0
State Government ⁵	59.7	60.3	1.0	59.1	58.0	1.9
Local Government ⁵	98.9	102.8	3.9	97.9	95.3	2.7
Average Weekly Hours						
Mining	43.2	46.4	7.4	44.1	43.9	0.5
Manufacturing	39.3	37.3	-5.1	38.4	39.2	-2.2
Wholesale Trade	41.9	38.5	-8.1	39.7	40.2	-1.3
Retail Trade	27.5	26.8	-2.5	27.4	27.9	-1.6
Amount of Unemployment Compensation (thous. of dol.)	15,014.3	20,593.9	37.2	18,540.3	9,814.2	88.9
Finance (qtl.)						
Total State and National Chartered In-State Banks	na	na	na	33	33	-1.5
Total Assets (mil. of dol.)	na	na	na	33,700.1	28,967.9	16.3
Total Liabilities (mil. of dol.)	na	na	na	31,034.7	26,450.9	17.3
Total Equity Capital (mil. of dol.)	na	na	na	2,663.3	2,516.9	5.8
Capital to Assets ⁶	na	na	na	7.91	9.47	-16.5
Loan Loss Reserve Ratio	na	na	na	2.29	1.62	41.7
Loans to Assets	na	na	na	43.48	65.32	-33.4
Temporary Investment Ratio	na	na	na	27.50	8.55	221.5
Return on Assets	na	na	na	0.69	0.76	-9.4
Production						
Crude Oil (thous. of bbls.)	1,295.2	na	na	1,251.5	1,282.3	-2.4
Natural Gas (mil. of cu. ft.)	25,388.3	na	na	23,749.3	24,242.3	-2.0
Coal (thous. short tons)	2,008	2,219	10.5	2,008	2,228	-9.9
Crude Oil to Refineries, Barrels Received (thous. of bbls.)	3,883	na	na	4,214	4,049	4.1
Travel/Tourism						
Air Passengers (total no. on and off, S.L. Int'l. Airport)	1,537,750	1,454,681	-5.4	1,543,503	1,653,607	-6.7
Highway Traffic Count Across State Lines (both directions)	62,431	63,914	2.4	65,168	65,516	-0.5
Visits to State and National Parks and Monuments	1,093,686	na	na	1,360,713	1,094,951	24.3
Utilities						
Natural Gas Customers (residential and commercial)	705,757	723,814	2.6	712,831	692,840	2.9
Natural Gas Customers (industrial)	1,033	1,024	-0.9	1,043	1,049	-0.6
Telephone Lines in Service (Qwest, residential access)	731,580	694,043	-5.1	708,986	763,734	-7.2
Telephone Lines in Service (Qwest, business/public access)	429,13	423,57	-1.3	428,74	556,27	-22.9

Utah Business Statistics

UTAH DATA	April 2001	April 2002	% Change from Year Ago	12-Month Average Current Year	12-Month Average Last Year	12-Month Average % Change
Davis County						
Nonagricultural Employment (thous.)	86.4	88.2	2.1	88.3	85.8	2.9
Unemployment Rate (seasonally adjusted)	3.8	4.6	21.1	3.9	3.1	24.9
Authorized Permit Construction (thous. of dol.)	34,146.2	35,625.9	4.3	32,278.9	35,057.9	-7.9
New Dwelling Units (no.)	204	213	4.4	214	198	8.4
New Car, Truck, and Motor Home Sales, Owner's County (no.)	na	na	na	na	783	na
Natural Gas Customers (residential and commercial)	76,241	78,808	3.4	77,417	75,262	2.9
Natural Gas Customers (industrial)	92	87	-5.4	90	94	-3.6
Telephone Lines in Service (Qwest, residential access)	95,162	93,301	-2.0	93,917	94,818	-1.0
Telephone Lines in Service (Qwest, business access)	31,130	30,941	-0.6	31,098	29,961	3.8
Salt Lake County						
Nonagricultural Employment (thous.)	546.0	537.7	-1.5	548.0	548.1	-0.0
Unemployment Rate (seasonally adjusted)	3.7	5.8	56.8	4.7	3.2	46.5
Authorized Permit Construction (thous. of dol.)	112,010.1	86,096.1	-23.1	103,403.4	124,566.2	-17.0
New Dwelling Units (no.)	408	419	2.7	462	402	14.8
New Car, Truck, and Motor Home Sales, Owner's County (no.)	na	na	na	na	3,972	na
Natural Gas Customers (residential and commercial)	297,212	301,701	1.5	298,403	291,350	2.4
Natural Gas Customers (industrial)	464	460	-0.9	466	467	-0.2
Telephone Lines in Service (Qwest, residential access)	331,189	303,055	-8.5	315,217	340,358	-7.4
Telephone Lines in Service (Qwest, business access)	236,295	230,292	-2.5	235,258	233,332	0.8
Utah County						
Nonagricultural Employment (thous.)	155.6	152.0	-2.3	153.8	154.2	-0.3
Unemployment Rate (seasonally adjusted)	3.4	5.7	67.6	4.4	2.8	59.8
Authorized Permit Construction (thous. of dol.)	85,067.2	70,398.5	-17.2	66,559.5	66,638.7	-0.1
New Dwelling Units (no.)	439	360	-18.0	343	338	1.7
New Car, Truck, and Motor Home Sales, Owner's County (no.)	na	na	na	na	960	na
Natural Gas Customers (residential and commercial)	104,108	107,911	3.7	104,742	100,972	3.7
Natural Gas Customers (industrial)	148	143	-3.4	143	152	-5.5
Telephone Lines in Service (Qwest, residential access)	108,938	105,234	-3.4	106,691	111,142	-4.0
Telephone Lines in Service (Qwest, business access)	61,409	58,070	-5.4	59,787	58,081	2.9
Weber County						
Nonagricultural Employment (thous.)	88.2	86.9	-1.5	86.8	87.9	-1.3
Unemployment Rate (seasonally adjusted)	5.1	6.2	21.6	5.2	4.4	17.6
Authorized Permit Construction (thous. of dol.)	23,346.6	28,833.2	23.5	20,255.0	18,833.9	7.5
New Dwelling Units (no.)	134	97	-27.6	111	108	2.9
New Car, Truck, and Motor Home Sales, Owner's County (no.)	na	na	na	na	491	na
Natural Gas Customers (residential and commercial)	68,894	70,065	1.7	68,518	67,549	1.4
Natural Gas Customers (industrial)	98	100	2.0	99	100	-0.6
Telephone Lines in Service (Qwest, residential access)	56,569	52,430	-7.3	53,498	60,526	-11.6
Telephone Lines in Service (Qwest, business access)	33,717	35,129	4.2	34,770	32,115	8.3

na Not Available

¹ Before deductions for hauling and government withholding; includes quality, quantity and other premiums. Excludes hauling subsidies. ² Mid-month prices. ³ Some figures not strictly comparable due to reclassification. ⁴ Includes services by nonprofit and religious organizations. ⁵ Includes public schools and college institutions. ⁶ Includes allowance for loan losses.

Sources:

Personal Income	U.S. Department of Commerce, Bureau of Economic Analysis.
New Corporations	Utah Department of Commerce, Division of Corporations and Commercial Code.
New Car and Truck Sales	Utah State Tax Commission, Economic and Statistics Unit, <i>Utah Car and Truck Sales</i> .
Agriculture	U.S. Department of Agriculture, Utah Agricultural Statistics Service, <i>Utah Agriculture</i> .
Construction Data	Bureau of Economic and Business Research, University of Utah, <i>Utah Construction Report</i> .
Employment Data	Utah Department of Workforce Services, <i>Utah Labor Market Report</i> .
Finance Data	Utah Department of Financial Institutions.
Crude Oil Production	Utah Division of Oil, Gas and Mining, <i>Oil and Gas Production Report</i> , and Utah Office of Energy and Resource Planning.
Natural Gas Production	Utah Division of Oil, Gas and Mining, <i>Oil and Gas Production Report</i> .
Coal Production	U.S. Department of Energy, Energy Information Administration.
Air Passengers	SLC International Airport, Statistics Division, <i>Air Traffic Statistics and Activity Report</i> .
Highway Traffic Count	Utah Department of Transportation, <i>Automatic Traffic Recorder Data Report</i> .
Visits to State and National Parks and Monuments	U.S. Forest Service and Utah State Parks and Recreation Department.
Utilities Data	Cooperating Utility Companies.

Utah Business Statistics

	March	March	% Change	12-Month	12-Month	12-Month
NATIONAL DATA	2001	2002	from Year	Average	Average	Average %
			Ago	Current	Last Year	Change
				Year		
U.S. Gross Domestic Product (seas. adj. at ann. rates, bil., qrtly.)	10,141.7	10,428.8	2.8	10,279.9	9,991.2	2.9
Total Personal Income (seas. adj. at ann. rates, bil. of dol.)	8,676.2	8,928.4	2.9	8,868.3	8,407.4	5.5
Industrial Production Index (seasonally adjusted, 1992=100)	142.9	138.7	-2.9	139.1	145.6	-4.5
Capacity Utilization Rate (seasonally adjusted, percent)	78.5	75.3	-4.1	75.8	81.0	-6.4
Net Exports of Goods & Services (millions of dollars; seasonally adj.)	-33,083.0	-32,466.0	-1.9	-29,666.0	-32,388.9	-8.4
Exports of Goods & Services (millions of dollars; seasonally adj.)	87,720.0	78,422.0	-10.6	80,468.9	89,512.5	-10.1
Imports of Goods & Services (millions of dollars; seasonally adj.)	120,803.0	110,889.0	-8.2	110,134.9	121,901.5	-9.7
Composite Index of 11 Leading Indicators (1992=100)	108.7	112.5	3.5	110.4	108.8	1.5
Price Indexes						
Consumer Price Indexes (not seasonally adjusted, 1982-84=100)						
CPI-U (All Urban Consumers) All Items	176.2	178.8	1.5	177.6	173.6	2.3
CPI-U (All Urban Consumers) Food and Beverages	172.2	176.6	2.6	174.7	169.6	3.0
CPI-U (All Urban Consumers) Housing	175.4	179.1	2.1	177.3	171.5	3.4
CPI-U (All Urban Consumers) Transportation	153.9	150.5	-2.2	152.9	154.3	-0.9
CPI-U (All Urban Consumers) Medical Care	270.0	282.0	4.4	275.8	263.7	4.6
CPI-U (All Urban Consumers) Energy	129.5	115.6	-10.7	124.7	128.2	-2.7
Producer Price Index (not seasonally adjusted, 1982=100)						
Producer Price Index, All Finished Goods	141.0	138.9	-1.5	139.9	139.2	0.5
GDP Implicit Price Deflator (seasonally adjusted, 1992=100, qrtly.)	108.7	110.1	1.3	109.7	107.6	1.9
Corporate Profits (seas. adj. at ann. rates, bil., qrtly.)						
Profits Before Taxes	755.7	642.4	-15.0	670.2	823.1	-18.6
Profits-Tax Liability	236.8	213.5	-9.8	210.1	261.4	-19.6
Profits After Taxes	518.9	428.9	-17.3	460.0	561.7	-18.1
Civilian Employment (seasonally adjusted)						
Labor Force (mil.)	141.9	142.0	0.1	141.8	141.1	0.5
Employment (mil.)	135.4	133.9	-1.1	134.1	135.4	-0.9
Unemployment Rate	4.3	5.7	32.6	5.1	4.1	26.3
Value of New Construction Put In Place						
Total Construction (seas. adj. at ann. rates, bil. of dol.)	845.7	855.2	1.1	847.6	823.5	2.9
Private Const.: Residential (seas. adj. at ann. rates, bil. of dol.) ^b	382.3	413.8	8.2	395.3	373.3	5.9
New Housing Units (seas. adj. at ann. rates, bil. of dol.)	275.3	295.4	7.3	283.7	266.4	6.5
Private Const.: Nonresidential (seas. adj. at ann. rates, bil. of dol.)	217.6	178.5	-18.0	193.1	211.6	-8.7
Interest Rates						
Federal Funds Rate	5.31	1.73	-67.4	2.92	6.22	-53.0
Discount Rate on New 91-Day Treasury Bills	4.54	1.83	-59.7	2.67	5.81	-54.0
Yield on Long-Term Treasury Bonds	na	5.88	na	5.72	na	na
Average Prime Rate Charged by Banks	8.32	4.75	-42.9	5.95	9.22	-35.4
Mortgage Rate (conventional 1st mortgage, new home, U.S. avg.)	6.95	7.01	0.9	6.96	7.75	-10.2

na Not Available

^b Includes residential improvements, not shown separately.

Sources:

U.S. Gross Domestic Product	U.S. Department of Commerce, <i>Survey of Current Business</i> .
Total Personal Income	U.S. Department of Commerce, <i>Survey of Current Business</i> .
Industrial Production Index	Board of Governors of the Federal Reserve System, <i>Federal Reserve Bulletin</i> .
Capacity Utilization Rate	Board of Governors of the Federal Reserve System, <i>Federal Reserve Bulletin</i> .
Export/Import Data	U.S. Department of Commerce, <i>Survey of Current Business</i> .
Composite Index of 11 Leading Indicators	The Conference Board, Inc.
Consumer Price Indexes	U.S. Department of Labor, Bureau of Labor Statistics, <i>Monthly Labor Review</i> .
Producer Price Index	U.S. Department of Labor, Bureau of Labor Statistics, <i>Monthly Labor Review</i> .
GDP Implicit Price Deflator	U.S. Department of Commerce, <i>Survey of Current Business</i> .
Corporate Profits	U.S. Department of Commerce, <i>Survey of Current Business</i> .
National Employment Data	U.S. Department of Labor, Bureau of Labor Statistics, <i>Monthly Labor Review</i> .
National Construction Data	U.S. Department of Commerce, Bureau of the Census, <i>Value of New Construction Put in Place</i> .
Interest Rates	Board of Governors of the Federal Reserve System, <i>Federal Reserve Bulletin</i> .

Utah Business Statistics

	April 2001	April 2002	% Change from Year Ago	12-Month Average Current Year	12-Month Average Last Year	12-Month Average % Change
NATIONAL DATA						
U.S. Gross Domestic Product (seas. adj. at ann. rates, bil., qrtly.)	na	na	na	10,279.9	9,991.2	2.9
Total Personal Income (seas. adj. at ann. rates, bil. of dol.)	8,697.0	8,949.1	2.9	8,889.3	8,448.6	5.2
Industrial Production Index (seasonally adjusted, 1992=100)	142.0	139.1	-2.0	138.8	145.3	-4.5
Capacity Utilization Rate (seasonally adjusted, percent)	77.8	75.4	-3.1	75.6	80.7	-6.2
Net Exports of Goods & Services (millions of dollars; seasonally adj.)	-32,399.0	-35,938.0	10.9	-29,960.9	-32,663.8	-8.3
Exports of Goods & Services (millions of dollars; seasonally adj.)	86,286.0	80,110.0	-7.2	79,954.3	89,364.6	-10.5
Imports of Goods & Services (millions of dollars; seasonally adj.)	118,685.0	116,048.0	-2.2	109,915.2	122,028.4	-9.9
Composite Index of 11 Leading Indicators (1992=100)	108.8	111.7	2.7	110.6	109.0	1.5
Price Indexes						
Consumer Price Indexes (not seasonally adjusted, 1982-84=100)						
CPI-U (All Urban Consumers) All Items	176.9	179.8	1.6	177.9	174.1	2.2
CPI-U (All Urban Consumers) Food and Beverages	172.4	176.7	2.5	175.1	170.0	3.0
CPI-U (All Urban Consumers) Housing	175.4	179.5	2.3	177.6	172.1	3.2
CPI-U (All Urban Consumers) Transportation	156.1	153.7	-1.5	152.7	154.6	-1.2
CPI-U (All Urban Consumers) Medical Care	270.8	283.2	4.6	276.8	264.7	4.6
CPI-U (All Urban Consumers) Energy	133.1	122.2	-8.2	123.7	129.2	-4.2
Producer Price Index (not seasonally adjusted, 1982=100)						
Producer Price Index, All Finished Goods	141.7	139.0	-1.9	139.7	139.6	0.1
GDP Implicit Price Deflator (seasonally adjusted, 1992=100, qrtly.)	na	na	na	109.7	107.6	1.9
Corporate Profits (seas. adj. at ann. rates, bil., qrtly.)						
Profits Before Taxes	na	na	na	670.2	823.1	-18.6
Profits-Tax Liability	na	na	na	210.1	261.4	-19.6
Profits After Taxes	na	na	na	460.0	561.7	-18.1
Civilian Employment (seasonally adjusted)						
Labor Force (mil.)	141.8	142.6	0.6	141.9	141.2	0.5
Employment (mil.)	135.4	134.0	-1.0	134.0	135.3	-1.0
Unemployment Rate	4.5	6.0	33.3	5.2	4.1	27.8
Value of New Construction Put In Place						
Total Construction (seas. adj. at ann. rates, bil. of dol.)	849.7	858.2	1.0	848.4	826.2	2.7
Private Const.: Residential (seas. adj. at ann. rates, bil. of dol.) ^b	386.3	415.5	7.5	397.7	373.7	6.4
New Housing Units (seas. adj. at ann. rates, bil. of dol.)	276.9	297.0	7.3	285.4	266.7	7.0
Private Const.: Nonresidential (seas. adj. at ann. rates, bil. of dol.)	210.6	178.6	-15.2	190.5	212.1	-10.2
Interest Rates						
Federal Funds Rate	4.80	1.75	-63.5	2.67	6.11	-56.4
Discount Rate on New 91-Day Treasury Bills	3.97	1.75	-55.9	2.49	5.65	-56.0
Yield on Long-Term Treasury Bonds	na	5.82	na	5.75	na	na
Average Prime Rate Charged by Banks	7.80	4.75	-39.1	5.70	9.12	-37.5
Mortgage Rate (conventional 1st mortgage, new home, U.S. avg.)	7.08	6.99	-1.3	6.95	7.66	-9.2

na Not Available

^b Includes residential improvements, not shown separately.

Sources:

U.S. Gross Domestic Product

U.S. Department of Commerce, *Survey of Current Business*.

Total Personal Income

U.S. Department of Commerce, *Survey of Current Business*.

Industrial Production Index

Board of Governors of the Federal Reserve System, *Federal Reserve Bulletin*.

Capacity Utilization Rate

Board of Governors of the Federal Reserve System, *Federal Reserve Bulletin*.

Export/Import Data

U.S. Department of Commerce, *Survey of Current Business*.

Composite Index of 11 Leading Indicators

The Conference Board, Inc.

Consumer Price Indexes

U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.

Producer Price Index

U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.

GDP Implicit Price Deflator

U.S. Department of Commerce, *Survey of Current Business*.

Corporate Profits

U.S. Department of Commerce, *Survey of Current Business*.

National Employment Data

U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.

National Construction Data

U.S. Department of Commerce, Bureau of the Census, *Value of New Construction Put in Place*.

Interest Rates

Board of Governors of the Federal Reserve System, *Federal Reserve Bulletin*.

On May 13, 2002, the Bureau of Economic and Business Research lost our long-time Director, R. Thayne Robson, to pancreatic cancer, diagnosed just three weeks earlier.

Thayne was much more than our leader, mentor, and colleague—he was a trusted and loyal friend. He was family. His loss is a tremendous blow to each of us. Thayne’s legacy will live on through the work he championed. The University, the community and each of us will benefit from his work far into the future.



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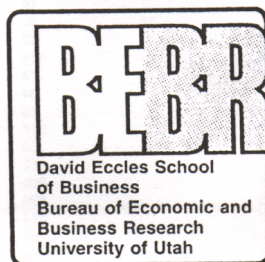
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