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Highlights

- In the past three years the most significant economic events for the downtown economy were the 2002 Winter Olympic Games and the recession.
- The impact of the Olympics was pervasive, stimulating downtown retail sales, raising hotel occupancy and inducing large investments in transportation systems and new retail, hotel and housing developments.
- The recession reduced employment in Salt Lake City's Central Business District by 1,200 jobs, however, with the recovery in 2004 recent job gains have more than offset the losses. Employment in the CBD is estimated at 61,250 in 2004.
- The CBD's retail sales increased by 12 percent or \$81 million between 2001 and 2004. The CBD had retail sales in inflation-adjusted dollars of \$493 million in 2004, the second best year ever.
- No new office space has been developed in the CBD since 2001, however, the recent decline in vacancy rates for both Class A and Class B office space has been accompanied by the announcement of three new office buildings. By the end of 2005 more than 600,000 square feet of new office space should be underway with a value of over \$150 million. Once these new buildings are complete the CBD will have over 14 million square feet of office space.
- Since 2002 there have been five new housing developments completed in the CBD. Of the 476 units in these developments 250 were rental units and 226 were condominiums. The demand for these new housing units has been strong, particularly in the past 12 months. Currently there are 3,400 units in the CBD, which provide housing for approximately 6,000 individuals.
- Hotel occupancy rates are still too low to encourage new development however, the downtown convention business has improved significantly in the past few years. The number of downtown room nights due to conventions increased from 213,877 in 2000 to 368,884 in 2004. The current hotel occupancy rate is 63 percent and the average room rent is \$85.20.
- After a post-Olympic lull the CBD is now on the threshold of impressive growth. All major sectors will be affected with as much as \$1.5 billion in new investment. By 2010 the CBD will have a population of 10,000, nearly 5,000 housing units, commuter rail service north to Ogden, downtown campuses for Salt Lake Community College, Brigham Young University and LDS Business College, an expanded Salt Palace and several hundred thousand square feet of new high-end retail shopping on Main Street.

2005 Economic Profile for Salt Lake City's Central Business District

James A. Wood, Director

The first economic benchmark study of Salt Lake City's Central Business District.¹ (CBD) was published by the Downtown Alliance in 2002. That study, prepared by the Bureau of Economic and Business Research, David Eccles School of Business at the University of Utah, examined in detail the economic change in Salt Lake City's CBD from 1990 to 2001. The study was descriptive, not prescriptive, and its purpose was more about understanding than solutions. In short, the purpose of that study was to examine the economic forces underlying the downtown economy. Economic trends and significant events were discussed and primary and secondary data presented for the 1990 to 2001 period. This update extends the analysis and economic data to 2005.

Economic Profile of the CBD

A snapshot of the current economic structure of the CBD is given in the 2005 economic profile. This profile gives data on the magnitude of important economic indicators in the CBD: employment, wages, commercial square footage, retail sales, housing units, hotel occupancy and convention attendee spending. These data help define the current economic structure of the CBD and give some perspective and context for the continuing dialogue on the future of Salt Lake City's downtown.

Reflected in the 2005 profile is the impact of two significant events: (1) the 2002 Winter Olympics and (2) the recession of 2001-2003. Each event left its mark on the downtown economy, affecting downtown investment, employment, wages and retail sales. The impacts are noted in the update's analysis beginning with employment change, followed by a discussion of retail sales trends, market conditions for office space and new housing developments. The update concludes with an overview of

¹The Central Business District (CBD) and downtown are used synonymously in the study. The geographic boundaries of the CBD are: 300 East, North Temple, 400 South and 500 West.

investments in each CBD sector for the 2001-2005 period and description of proposed major projects by sector.

Economic Profile of the CBD - 2005

Category	Amount
Employment	61,250
Wages Paid	\$2.1 billion
Office Square Footage	13.5 million sq.ft.
Office Vacancy Rate	15.5%
Retail Sales — 2004	\$493 million
Retail Square Footage	2.1 million sq. ft.
Retail Square Footage in Malls	1.5 million sq. ft.
Hotel Rooms (CBD)	3,000
Hotel Occupancy	63.0%
Convention Attendee	
Downtown Room Nights — 2004	368,884
Retail Spending by Convention Attendees	\$35.0 million
Housing Units	3,407
Parking Spaces	36,700

Employment Change in the CBD

The most fundamental measure of the CBD economy is total employment, which in 2005 is estimated to be 61,250. The CBD is one of the largest economies in the state. Only four counties and two cities—Salt Lake and Provo—have more employment and wages than Salt Lake City's CBD. Downtown workers are employed in a variety of settings: offices, malls, freestanding retail, restaurants, hotels, manufacturing facilities and miscellaneous commercial establishments. While much of the news coverage of downtown focuses on retail activity and Main Street, downtown is first and foremost an employment center. And, as an employment center, it is dominated by office workers. The estimated number of office workers in 2005 is 51,250, which accounts for 84 percent of employment in the CBD. Salt Lake's downtown has the largest concentration of office employment in the state. Restaurant employment ranks a distant second to office employment with 4,500 jobs or 7.6 percent of the CBD workforce followed by the retail and hotel sectors, each at about 3 percent of CBD employment. (Table 1)

Between 2001 and 2003, like both the county and the state, the CBD lost employment. In 2003 employment in downtown Salt Lake City was estimated at 59,775, down about 2 percent from 2001. However, in the past 12 months downtown employment has expanded and the CBD has added about 1,500 jobs. (Table 2)

Most of the job growth has been in office employment, which increased from 50,125 in 2003 to 51,250 in 2005. Office employment has now returned to its 2001 level. Employment in the retail sector steadily declined between 2001 and 2005, due to both the recession and the beginning of the renovation of the Crossroads and ZCMI malls. In contrast, restaurant employment did not decline during the recession as new restaurants continued to open between 2001 and 2003. Currently, restaurant employment is estimated at 4,800, a 7 percent increase over employment in 2001. Manufacturing employment has declined due to job losses in printing and publishing. In the next year this sector will lose much of its employment as the downtown's major manufacturer—Newspaper Agency Corporation—moves its printing operation to West Valley City.

Employment in the miscellaneous category has increased substantially rising from 750 in 2001 to 1,100 in 2005. The growth has been driven primarily by the location of KUTV's news operation on Main Street. KUTV employs 212 workers full time and another 12 part time at its location in the Wells Fargo Center. Big D construction has also recently located its company headquarters downtown, investing \$5 million to renovate the Fuller Paint building at 400 South and 400 West. Big D has 85 employees at this location.

Total wages paid in the CBD have increased to \$2.1 billion in 2005, up nearly \$150 million since 2001. Over 90 percent of all wages are paid to downtown employees in office settings. Less than 2 percent of wages are in the retail sector. Geographically, the CBD is the most highly concentrated wage center in the state. The \$2.1 billion in wages is more than double the \$900 million in wages and benefits paid at another highly concentrated wage center, the University of Utah and its medical complex.

Retail Sales Rebound in the CBD

After several years of decline in the late 1990s, retail sales in downtown have rebounded, increasing—in inflation adjusted dollars—from \$409.3 million in 2000 to \$493.1 million in 2004, (Chart 1 and Table 4) The turnaround can be attributed to a sequence of positive events beginning with improved access to downtown with the introduction of TRAX in December 1999 and the completion of the reconstruction of Interstate-15 in May 2001, followed by the opening of The Gateway in November 2001, the 2002 Winter Olympics in February

2002 and the opening of the remodeled Meier & Frank store in October 2003.

The combination of these events has been sufficient to offset the economic uncertainty associated with the future of Crossroads Plaza and ZCMI Center malls and the recession. Both malls currently have the highest vacancy rates in years due to the impending redevelopment by the Church of Jesus Christ of Latter-day Saints. Despite the approaching renovation, plus the closing in 2004 of three important Main Street retailers—Eddie Bauer, The Gap and Old Navy—downtown retail sales increased as The Gateway firmly established its presence in the downtown retail market.

The Gateway has probably added over \$150 million in additional retail sales to downtown plus provided a shopping alternative to the Main Street malls. The Gateway alternative has undoubtedly kept retail dollars downtown that might have otherwise strayed to the suburbs. With weakened Main Street retail The Gateway has been vital in preserving downtown's retail position in the city and county as well as generating at least a million dollars in sales tax revenue for Salt Lake City—about 2.5 percent of the city's total sales and use tax revenue.

Several retail sectors have recorded impressive gains over the past four years: clothing sales are up 23.9 percent or \$21 million, department stores sales, with the renovation of Meier & Frank, are up 42 percent or \$23 million, and sporting goods are up 350 percent or nearly \$15 million with the addition of Dick's, see Table 5.

The recent surge in retail sales in the CBD has improved the competitive position of downtown retail. In 1991, retail sales in the CBD accounted for 18 percent of county-wide retail sales but this share steadily declined to 11 percent by 2000. However, over the past four years retail sales in the CBD captured a greater share of county-wide sales despite the addition of a over a million square feet of new retail space in the suburbs. In 2004, selected retail sales in the CBD were \$493 million compared to the county-wide total of \$3.6 billion. In 2004 the CBD captured nearly 14 percent of county-wide retail activity—the largest share since 1998, see Table 6.

Office Space in the CBD

No new office space has been developed in the CBD since 2002, however, commercial brokers note that market

conditions have improved significantly over the past 12 months, especially for Class A space. One indicator of an improving market is the completion and full occupancy of The Gateway III office tower, a 113,000-square-foot building that was only partially finished in 2001. In addition the recent announcement of three new downtown office buildings to begin construction in 2005 demonstrates a confidence by developers in an improving downtown market. These new office buildings include: Gateway IV and Gateway V with a combined space of 330,000 square feet and the Hamilton Partners new 350,000-square-foot office tower on Main Street. All three buildings are expected to be underway by the end of 2005. The 10-year trend in new office construction activity in the CBD is shown Table 7.

While the CBD's overall vacancy rate (Class A, B and C buildings) remains high at 15.3 percent, it has dropped slightly from its recent peak of 16.2 percent in 2002. This overall vacancy rate, however, is distorted by the very weak market conditions in Class C space. Class C buildings currently have a vacancy rate of 29.5 percent. By comparison, Class A and Class B space have relatively low vacancy rates—9.8 percent and 11.6 percent, respectively. In fact, Class A and Class B space in the CBD have the lowest vacancy rates of all markets surveyed by Commerce CRG. Commerce CRG surveys A, B and C office space in the CBD, periphery and suburban areas of Salt Lake County. The CBD currently has about 1.1 million square feet of vacant office space of which 260,182 square feet is Class A space. There are 530,025 square feet of Class C office space vacant. A 15-year history of vacancy rates in the CBD by class of office building is shown in Table 8. The vacancy rate data do not include institutional buildings and single-tenant owner-occupied buildings.

Over the past five years office lease rates in the CBD have been extraordinarily stable, fluctuating no more than 5 percent over this period. Since 2000, average lease rates for all types of office space in the CBD have not moved outside the narrow band of \$17.50 to \$18.50 per square foot. Although Class A office rates are 20 percent higher, Class A space has also experienced stability, fluctuating between \$21.50 and \$22.50 over the past five years. (Table 9)

A chronological list of office space developed in the CBD since 1990 is shown in Table 10. Chart 2 shows growth in

office space from 1900 to 2005. The most recent additions to the inventory were in 2001 with 354,000 square feet of office space at The Gateway and 70,000 square feet of renovated space at the Brooks Arcade.

Housing Increases in the CBD

For much of the 20th century new housing development played only a minor role in the downtown economy. In fact housing was a declining type of land use in downtown. Between 1960 and 1970 about one-third of the housing units in the CBD were demolished and the property converted to commercial use. By the mid-1970s the years of decline were reversed with the construction of several hundred new high-rise condominiums units. However, the market for owner-occupied units downtown proved to be limited and many of these projects struggled. It would take until the late 1990s before the market was ready for a significant expansion of downtown housing.

Since 2000 there have been 10 new housing developments completed in the CBD. Of the 885 units in these developments 642 are rental units and 243 are condominiums. The rental developments include Northgate Apartments (330 units), City Front Apartments (155 units), Bridge Apartments (62 units) and Liberty Metro Apartments (95 units). The condominium properties include Parc at The Gateway (152 units), Uffens Marketplace (45 units), Library Square Condominiums (29 units), Karrick Building (9 units) and Gardens Condominiums (5 units). The addition of these units brings the total number of rental and owner-occupied units in and adjacent to the CBD to 3,407 units. These 3,407 units provide housing for approximately 6,000 people.

The recent additions to the housing inventory are evidence of the growing demand for downtown housing that began in the late 1990s, Table 12. This downtown housing boom has increased the number of units by 80 percent in less than 10 years. While adding traditional rental and condominium units to the downtown housing inventory the surge in activity has also included the first gentrification of housing in the CBD. About one out of every eight units (226 units) added to the inventory since 1997 has been a unit in a renovated warehouse or office building. Typically, these renovated units have sold for more than \$200 per square foot. Most of the renovated units are located between 200 and 300 South and west of

West Temple and are very much a part of the revitalized west downtown.

The new condominium developments in downtown include The Club (47 units), Parc at The Gateway (152 units) and Library Square Condominiums (29 units). Like the renovated condominium units, these new units also sell for \$200 or more per square foot. Over the past 25 years the average price of condominiums in downtown Salt Lake City has doubled. The nearly 600 new condominium units built in the 1970s and early 1980s in downtown and the surrounding area sold, on average, for about \$110 per square foot.

An important aspect of recent housing development in the CBD has been the addition of 430 new tax credit rental units. These tax credit units carry below-market rents and thereby have improved housing affordability. Generally, new tax credit units have rental rates 20 percent to 25 percent lower than comparable market-rate projects.

Current rental rates for new market-rate units in downtown Salt Lake City average \$750 for a one-bedroom unit, \$975 for a two-bedroom, two-bath unit and \$1,150 for a three-bedroom unit. As with most downtown housing markets, Salt Lake City has a high concentration of older rental properties. These older projects have much lower rents than those new properties cited above.

The downtown housing market, which includes nearly 3,000 rental units, has a vacancy rate of about 7.5 percent. This vacancy rate is slightly lower than the county-wide rate due to the number of subsidized rental units (tax-credit and HUD-assisted units) in the CBD. About 25 percent of the rental units in the CBD are subsidized units. Tax-credit and rent-assisted units typically have higher occupancy rates than market-rate units.

The downtown housing inventory will continue to expand with the development of three new projects in the next few years. City Plaza will add 200 tax-credit rental units at 200 East and 164 South. Wood Property Development, with assistance from the RDA of Salt Lake City, will develop a 120-unit condominium project at 200 East and 360 South and the Church of Jesus Christ of Latter-day Saints will build approximately 900 new housing units as part of the \$500 million redevelopment of their properties in downtown. Between 2000 and 2010

the housing inventory in the CBD will expand by at least 2,100 units, by far the largest increase for any decade since the 19th century, Chart 3. By the 2010 Census the number of people living in the CBD should be close to 10,000— more than double the 4,500 reported by the 2000 Census.

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

The Church of Jesus Christ of Latter-day Saints 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 and shape of the CBD economy. Since 1848 the Church has invested millions of dollars in the CBD but none of these prior investments is more ambitious than the one announced in October of 2003. Beginning in 2005 and over the next several years, the Church will spend ‘hundreds of millions of dollars’ on development and redevelopment in the CBD. The proposed projects include:

- Interior and exterior renovation of the Kennecott Building to be renamed the Zions Bank Tower.
- The Crossroads Mall and ZCMI Center will be become a single retail entity and the total retail square footage will be reduced from the current 1.2 million square feet. The parking terrace will be replaced by underground parking. The LDS Church has entered into a partnership with The Taubman Company for the retail development. The Taubman Company is one of the nation’s leading real estate developers and operators of regional malls. Taubman owns 30 malls, including Cherry Creek in Denver and Biltmore Fashion Park in Phoenix.
- Two residential towers—on the southeast corner of West Temple and South Temple and the northeast corner of Main Street and 100 South—will include 900 rental and condominium units.
- A combined campus for Brigham Young University’s Salt Lake Center and the LDS Business College to occupy the Triad Building. The current enrollment of these two institutions is 4,000 students. Enrollment is expected to increase with the new downtown location.
- Demolition will begin in mid-2005. Planning for the new education facilities has begun and plans for the

retail development will be finalized in 2005. The retail project, which will take about three years to complete, and will be phased to minimize disturbance to existing tenants.

In addition to the above proposed development and redevelopment on Main Street and South Temple, the LDS Church has extensive holdings, which have widespread economic impacts on the CBD.

- 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 office space in the CBD.
- Retail Sector - Owner of ZCMI Center and Crossroads Mall with more than 1.1 million square feet of retail space plus other scattered retail sites—over 50 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—25 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 five 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** - Between 1990 to 2001 the Church of Jesus Christ of Latter-day Saints 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—\$172 million³. It now appears likely that between 2005 and 2010 the Church's investment in downtown will exceed their investment during the 1990s. Unofficial sources estimate Church investment in the next five years at \$1 billion.
- **Parking** - Owns 10,250 parking stalls or 28 percent of all parking space in the CBD.
- **Employment and Wages** - One out of every eight employees in the CBD either works 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 or 19 percent of the land in the CBD.
- **Property Taxes** - Largest property tax payer in the CBD.

Entertainment and Culture

Entertainment and culture are becoming an increasingly important component of economic activity in the CBD. Two recent additions to the CBD's entertainment and cultural fare are the \$19 million Clark Planetarium and \$60 million Salt Lake City Public Library. The Clark Planetarium is averaging 45,000 visitors per month. Attendance is three times higher than attendance at the Hansen Planetarium. The new library, which doubles the space and collection of the previous library has a 300-seat auditorium, two small 125-seat movie theaters and public open space with a park, reflecting pond and amphitheater. The move to a new building has generated a significant increase in the number of items circulated by the Main

Library. In the last year of operation at the previous location, the Main Library circulated 1.15 million items compared to 1.81 million in the first full year of operation at the new location.

Two venues, Abravanel Hall and the Family History Library have experienced steady declines in attendance over the past several years. On-line genealogy explains the decline for the Family History Library while increased competition from other cultural events lies behind the drop in attendance for Abravanel Hall events. Attendance at the Capitol Theater varies greatly from year to year depending on performances. In the past 10 years the high for attendance was 467,328 in 1996 and the low was 230,121 in 2001. Table 13

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. Currently governments own about 94 acres in the CBD. Much of this land provides public infrastructure. Government entities own the land and/or physical facilities for the following public venues: 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, state courts complex, Pioneer Park, City and County Building, Washington Square, Gallivan Center and Dinwoody Park.

Salt Lake City exerts considerable influence over the CBD economy through the activities of the Redevelopment Agency (RDA). New investments by the RDA are the most significant change for the government sector in the past three years. At the end of 2001, the RDA investment in the CBD and Depot Districts (The Gateway) totaled \$157.8 million. Over the past three years the RDA has provided another \$30.9 million in funding for acquisitions, loans and projects in the CBD. Major recipients have been The Salt Lake City Housing Trust Fund which received \$3.0 million in funding for housing in the CBD, and TRAX extension and Gallivan Center Funding which each received \$1.8 million in funding. The largest single loan—\$2.8 million—was to KUTV for moving and renovation expenses associated with their location on Main Street.

Hotel Sector

No new lodging rooms have been added to the CBD's hotel sector in the past three years, although a new hotel at 300 West and 300 South is under construction and will add 124. The current inventory of hotel rooms is 3,000. The hotel sector has excess capacity due to the building boom prior to the 2002 Olympics, however, substantial increases in the number of room nights generated by conventions has helped absorb the additional capacity. In 2000 the Salt Lake Convention and Visitors Bureau reported 202,000 downtown room nights from convention attendees. By 2004 this figure had increased to 369,000 room nights. Nevertheless, annual hotel occupancy rates for the 'Salt Lake downtown and east Salt Lake' market have been below 70 percent since 1999 and average room rates, with the exception of 2002 (Olympics), have shown little improvement in recent years. Table 14

Proposed Major Projects

In the next five years investment in the CBD will exceed \$1.5 billion. There is no period in the CBD's history of equivalent investment activity in such a concentrated time

frame. The previous 'downtown boom' ran from 1990 to the 2002 Olympics and involved \$1.4 billion in new investment. During this period investments included both major public projects (Matheson Court Complex, Salt Lake Library) and private projects (The Gateway). In the 2005 to 2010 period the driving force will be the investment by the Church of Jesus Christ of Latter-day Saints. Their investment of over \$1 billion will be almost exclusively in commercial ventures: office space, retail malls and housing.

The expanding role of downtown's entertainment/culture sector is reflected in the proposed Children's Museum, Leonardo and Utah Science Center and the renovation of the Utah Theater. These projects will all have participation of public funds and join the Salt Palace expansion and the Frank Moss Federal Courthouse as proposed public investment in the CBD. Renewed interest in the development of office space signals an improving downtown economy with growing employment opportunities. Even the hotel sector, albeit on a limited basis—124 new rooms, will experience some growth.

Table 1
Employment by Sector in CBD

Category	Employment 2001	Employment 2005	Change 2001-2005	% Distribution
Office	51,350	51,250	-100	83.7
Restaurants	4,475	4,800	325	7.8
Retail	2,100	1,850	-250	3.0
Hotels	1,800	1,800	Unchanged	2.9
Manufacturing	500	450	-50	0.7
Miscellaneous	750	1,100	350	1.8
Total	60,975	61,250	275	100%

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

Table 2
Estimated Change in Employment in the Central Business District

Category	1990	2001	2003	2005	% Chg. 1990 - 2005	% Chg. 2001 - 2005
Office	42,000	51,350	50,125	51,250	22.0%	-0.2%
Hotels	1,250	1,800	1,800	1,800	44.0%	0.0%
Manufacturing	500	500	500	450	-10.0%	-10.0%
Restaurants	3,350	4,475	4,530	4,800	43.3%	7.3%
Retail	1,550	2,100	2,050	1,850	19.4%	-11.9%
Miscellaneous	500	750	750	1,100	120.0%	46.7%
Total	49,150	60,975	59,755	61,250	24.6%	0.5%

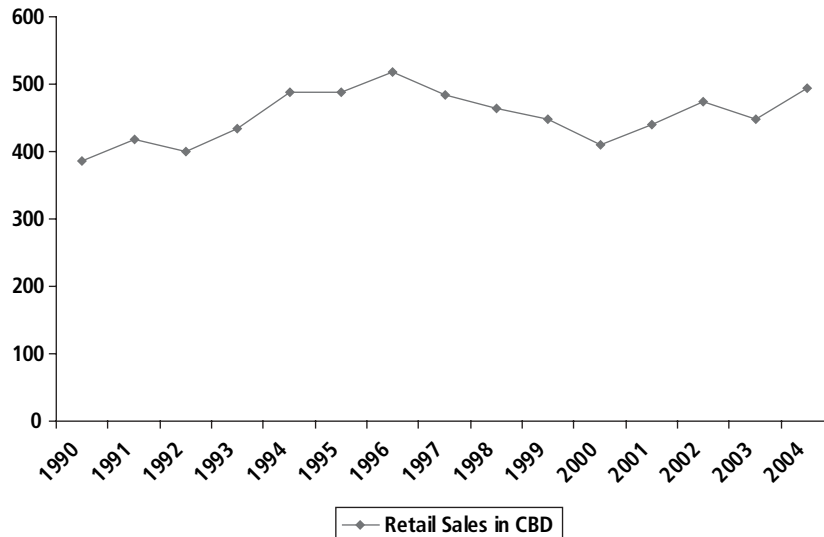
Source: Bureau of Economic and Business Research, David Eccles School of Business, University of Utah.

Table 3
Wages Paid in the CBD
(millions, current dollars)

Category	2001	2005
Office	\$1,820.0	\$1,943.6
Restaurants	\$45.1	\$49.9
Retail	\$34.8	\$34.0
Hotels	\$28.0	\$29.4
Miscellaneous	\$14.0	\$30.1
Manufacturing	\$14.8	\$13.9
Total	\$1,956.8	\$2,100.9

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

Chart 1
Retail Sales in the Central Business District
(millions, constant 2004 dollars)



Source: Utah State Tax Commission, Wasatch Front Zip Code Direct Sales.

Table 4
Retail Sales in the Central Business District
(millions)

Year	Total Retail Sales (current dollars)	Total Retail Sales (constant 2004 dollars)	% Chg. (constant dollars)
1990	\$267.0	\$385.9	
1991	\$300.9	\$417.3	8.1%
1992	\$297.8	\$401.0	-3.9%
1993	\$332.0	\$434.0	8.2%
1994	\$382.3	\$487.3	12.3%
1995	\$393.9	\$487.5	0.0%
1996	\$430.6	\$518.4	6.3%
1997	\$411.1	\$483.8	-6.7%
1998	\$401.2	\$464.9	-3.9%
1999	\$395.0	\$447.9	-3.7%
2000	\$373.1	\$409.3	-8.6%
2001	\$412.3	\$439.8	7.4%
2002	\$450.8	\$473.4	7.6%
2003	\$437.0	\$448.6	-5.2%
2004	\$493.1	\$493.1	9.9%

Source: Utah State Tax Commission.

Table 5
Retail Sales in the CBD by Retail Category
(constant 2004 dollars)

Category	2000	2004	% Chg. 2000 to 2004
Clothing	\$90.1	\$111.6	23.9%
Department Stores	\$54.8	\$78.0	42.3%
Fast Food	\$41.1	\$36.4	-11.3%
Restaurants	\$119.6	\$119.8	0.2%
Sporting Goods	\$4.2	\$18.9	350.0%
Books	\$18.3	\$23.7	29.7%
Jewelry	\$13.9	\$11.7	-15.6%
Furniture	\$2.8	\$10.9	284.5%
Records	\$3.2	\$4.2	33.3%
Private Clubs	\$18.1	\$17.0	-5.9%
Used Merchandise	\$1.1	\$5.3	404.7%
Hobby	\$13.2	\$9.5	-28.2%
Gift	\$5.9	\$5.5	-6.8%
Other	\$23.2	\$40.6	75.0%
Total	\$409.3	\$493.1	20.5%

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

Table 6
Selected Retail Sales in Salt Lake County*
 (current dollars)

Year	Salt Lake County Total Retail Sales (millions)	CBD Total Retail Sales (millions)	CBD as % of County
1990	\$1,500.4	\$267.0	17.8%
1991	\$1,625.6	\$300.9	18.5%
1992	\$1,812.2	\$297.8	16.4%
1993	\$1,995.5	\$332.0	16.6%
1994	\$2,188.1	\$382.3	17.5%
1995	\$2,411.6	\$393.9	16.3%
1996	\$2,650.0	\$430.6	16.2%
1997	\$2,769.5	\$411.1	14.8%
1998	\$2,925.6	\$401.2	13.7%
1999	\$3,030.3	\$395.0	13.0%
2000	\$3,190.0	\$373.1	11.7%
2001	\$3,203.9	\$412.3	12.9%
2002	\$3,326.7	\$450.8	13.6%
2003	\$3,387.8	\$437.0	12.9%
2004	\$3,598.4	\$493.1	13.7%

*Selected retail sales exclude certain retail items that are not sold in the CBD such as general merchandise, automobiles and trucks, groceries, etc. See Table 4 for retail categories included. Source: Utah State Tax Commission and Bureau of Economic and Business Research, David Eccles School of Business, University of Utah.

Table 7
New Office Construction in the CBD and Suburbs

Year	Class A	Class B	Class C	Total CBD	Suburban County	CBD as % of New Suburban Space
1995	14,993	73,611	42,488	131,092	287,514	45.6%
1996	150,000	83,108	0	223,108	892,472	25.0%
1997	0	0	0	0	624,322	0.0%
1998	262,500	0	0	262,500	1,045,301	25.1%
1999	0	23,095	0	23,095	1,004,190	2.3%
2000	0	0	0	0	1,604,954	0.0%
2001	246,000	0	0	246,000	1,440,368	17.1%
2002	0	0	0	0	504,077	0.0%
2003	0	0	0	0	304,000	0.0%
2004	0	0	0	0	na	0.0%

Source: Commerce CRG.

Table 8
Office Vacancy Rates in CBD*
(percent)

Year	Class A	Class B	Class C	Total CBD	Total SL Co.
1990	6	13	22	13	14
1991	21	16	17	18	Na
1992	14	16	19	16	Na
1993	7	11	18	11	11
1994	5	10	20	10	8
1995	4	6	14	7	6
1996	3	1	11	8	7
1997	2	8	8	6	6
1998	4.5	13.3	7.7	8.7	8.0
1999	5.1	11.5	6.5	8.0	8.4
2000	4.5	13.3	7.7	8.7	8.9
2001	10.1	13.0	9.1	10.9	12.1
2002	14.3	13.2	24.0	16.2	17.2
2003	11.3	12.8	29.2	16.1	16.7
2004	9.8	11.6	29.5	15.5	15.3
Vacant Space	260,812	282,059	530,025	1,072,896	4,093,808

*sublease space not included.

Source: Commerce CRG.

Table 9
Average Office Lease Rates for CBD and Salt Lake County
(full service lease)

Year	Class A	Class B	Class C	Total CBD	Total S.L. Co.
1995	\$17.57	\$13.01	\$11.33	\$12.84	\$12.92
1996	19.02	14.53	12.90	14.44	14.03
1997	19.70	15.05	13.05	14.93	14.76
1998	19.69	15.55	13.39	15.47	15.43
1999	20.56	16.33	13.95	15.92	15.90
2000	21.46	16.41	13.51	17.53	17.26
2001	22.51	16.94	13.73	18.52	17.78
2002	22.18	16.86	13.66	18.27	17.46
2003	22.23	16.70	13.75	18.25	17.37
2004	21.96	17.01	14.31	18.22	17.25

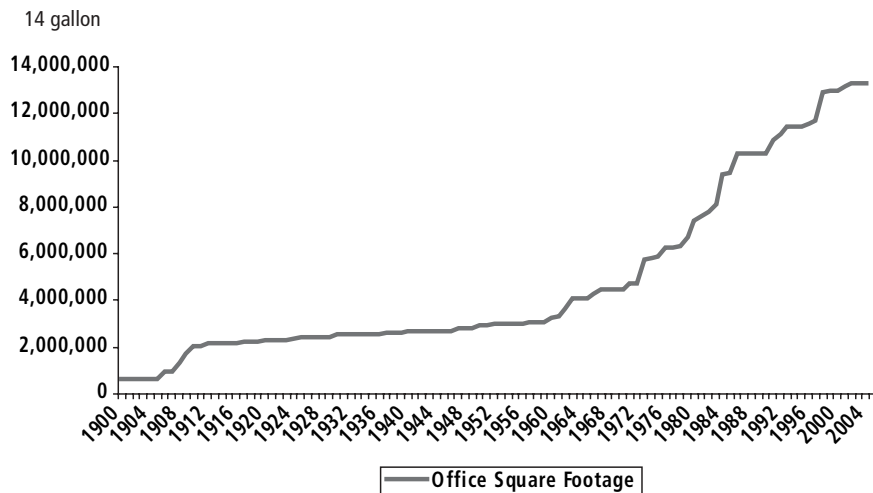
Source: Commerce CRG

Table 10
Office Space Developed in CBD Since 1990

Building	Address	Yr. Built	Square Footage
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	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
Gateway One	400 West 100 South	2001	161,000
Gateway Two	400 West 100 South	2001	85,000
Alphagraphics Building	280 South State Street	2001	70,000
Gateway Three (completed in 2004)	400 West 200 South	2001	113,000
Total			3,075,315

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

Chart 2
Growth of Office Square Footage in the
Central Business District - 1900 to 2004 (square feet)



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

Table 11
Housing Units in the CBD²-2005

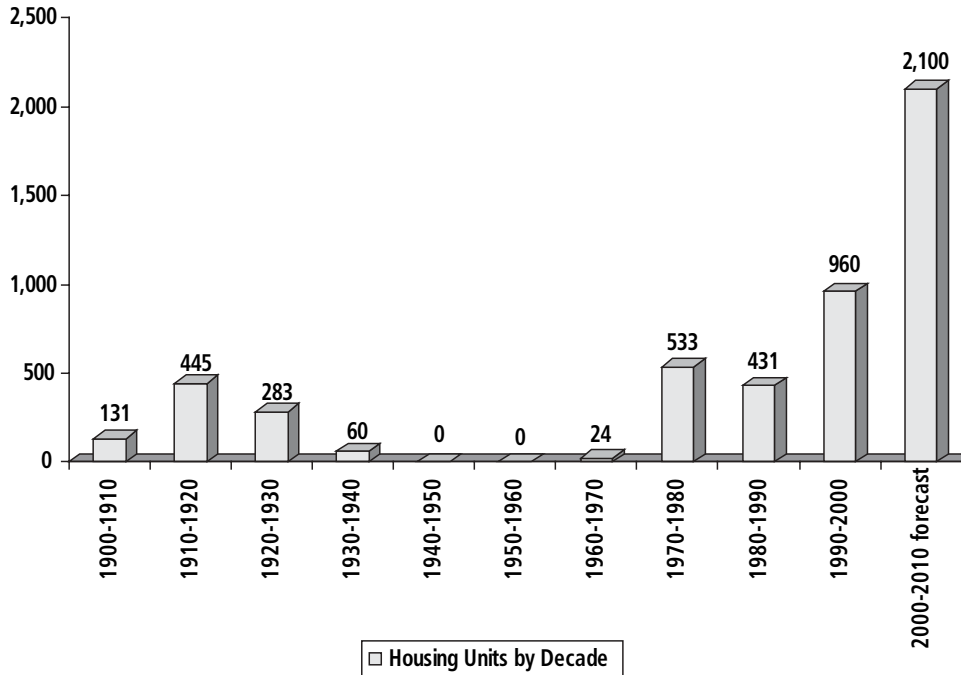
Type of Housing	Units	% of Total Units Units
Renter-Occupied Units	2,940	86.3
Subsidized or Rent-Assisted	705	20.7
Owner-Occupied Units	467	13.7
Total Units	3,407	100.0

Table 12
Housing Developments in the CBD Since 1997

Housing Development	Address	Units	Year Built
<i>Apartments</i>			
Palladio	360 South 200 West	250	1997
Artspace	329 West Pierpont Ave.	48	1997
Artspace Rubber Co.	353 West 200 South	53	1997
Renaissance	Suites267 West Broadway	60	1998
Brigham Street	201 East South Temple	337	1998
Bridges	511 West 200 South	62	2001
Northgate	100 South Rio Grand	330	2001
City Front	641 West North Temple	155	2002
Liberty Metro	465 South 200 East	95	2005
Total Apartments		1,390	
<i>Condominiums</i>			
Warehouse District	317 West 200 South	25	1997
Dakota Lofts	380 West 200 South	39	1997
The Club	150 South 300 East	47	1999
Broadway Lofts	159 West Broadway	58	1999
Pierpont Lofts	346 & 350 West Pierpont	42	1999
The Town	300 South 300 West	3	2000
Karrick Building	236 South Main	9	2001
Gardens	300 South State Street	5	2001
Uffens Marketplace	336 West 300 South	45	2003
Library Square	226 East 500 South	29	2004
Parc at The Gateway	14 South 400 West	152	2004
Total Condominiums		454	
Grand Total		1,844	

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

Chart 3
Housing Units Added to the CBD by Decade



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

Table 13
Annual Attendance at Entertainment and Cultural Venues*

Year	Family History Library	Museum of Church History	Clark Planetarium	Rose Wagner Center	Abravanel Hall	Capitol Theater
1990	833,262	311,084	201,148	na	300,412	195,180
1991	819,556	297,718	178,151	na	344,413	251,530
1992	822,417	299,581	153,705	na	310,320	266,148
1993	756,264	401,827	170,630	na	281,783	313,715
1994	771,497	323,793	156,484	na	286,808	251,836
1995	814,464	293,244	172,025	na	322,238	364,699
1996	813,100	283,868	182,678	na	289,194	467,328
1997	816,869	307,973	169,561	8,233	286,957	249,417
1998	757,610	231,313	142,143	13,456	279,895	259,86
1999	708,347	202,038	132,017	11,132	300,266	330,070
2000	691,074	271,481	130,958	19,948	265,739	255,458
2001	608,097	234,528	114,428	38,685	240,551	230,121
2002	584,884	213,168	148,003	48,877	254,941	234,041
2003	571,849	218,130	356,298*	55,290	213,232	282,973
2004	545,539	202,720	346,779	89,933	196,787	250,380

*The new Clark Planetarium opened April 11, 2003.

Note: Attendance figures for Delta Center events and NBA games were not available.

Source: Data provided by each venue.

Table 14
Occupancy and Room Rent in the CBD

Year	Occupancy Rate	Average Room Rent
1997	76.6%	\$90.60
1998	71.2%	\$95.79
1999	68.0%	\$89.75
2000	64.7%	\$83.26
2001	61.7%	\$82.97
2002	65.1%	\$101.56
2003	61.3%	\$85.03
2004	63.0%	\$85.20

Source: Rocky Mountain Lodging Report.

Table 15
Proposed Major Projects for CBD — 2005 to 2010

Project	Value (million)
The Gateway Offices	\$40
Hamilton Partners Office Building	\$100
Rio Grand Plaza (office, hotel and retail)	\$15
LDS Church Redevelopment *	\$1,000
Church History Library	\$50
Greek Church Renovation	\$8
Gateway Phase II	na
Salt Palace Expansion	\$58
Children's Museum	\$35
Housing**	\$75
Leonardo and Utah Science Center	\$20
Frank Moss Federal Courthouse	\$100
Utah Theater Renovation	\$45
Total	\$1,531

* estimated "gross cost".

** includes following properties: Wood Property Development condominiums, Neighborhood Housing Services Senior project, Emigration Court, Liberty Midtown, City Plaza and Housing Authority of Salt Lake City's homeless housing project.

Source: Project managers, Deseret News and Salt Lake Tribune.

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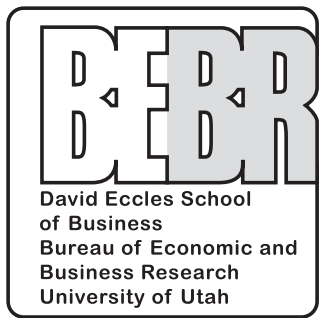
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