



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Austin Kimmel
Public Policy Analyst

DATE: April 1, 2025

**RE: ORDINANCE: ASSESSMENT ORDINANCE FOR THE SALT LAKE CITY CENTRAL
BUSINESS IMPROVEMENT ASSESSMENT AREA - 25 (CBIA-25)**

Item Schedule:

1st Briefing: July 2, 2024

Council Action: July 9, 2024

Public Hearing: Sept. 3, 2024

2nd Briefing and Council Action: Nov. 12, 2024

3rd Briefing: Feb. 4, 2025

4th Briefing and Final Adoption Vote: April 1, 2025

ISSUE AT-A-GLANCE

The City Council will consider adopting an ordinance at its April 1 formal meeting to authorize the Salt Lake City Central Improvement Assessment Area (CBIA). Two special assessments would be reestablished if adopted: one for downtown economic promotion and another for holiday lighting on certain streets. The consideration of this ordinance is the last step by the City Council in establishing the CBIA-25 special assessment area, which the administration anticipates starting **May 19, 2025**. The assessment is projected to raise **\$5,991,192 over the area's three-year life**.

The ordinance would do two primary things:

1. Accept the recommendations of the Board of Equalization for **21 of the overall parcels** in the assessment district based on the reasons outlined below for protest or adjustment.
2. Confirm the equalized assessment list and levy an assessment for the Central Business Improvement Assessment Area (CBIA-25).

Goal of the briefing: To learn about the final steps in reestablishing two special assessment districts for downtown economic promotion activities and special holiday lighting for specific properties, and review the recommendations from the Board of Equalization.

POLICY QUESTIONS

1. The Council may wish to inquire about communication strategies that the Department of Economic Development or the Downtown Alliance plans to implement to keep property owners informed about the services and benefits they can expect to receive from the CBIA-25 assessment.
2. The Council may wish to have a conversation about the current nonworking holiday lights and request the administration find ways to repair the lighting infrastructure.



BOARD OF EQUALIZATION RECOMMENDATIONS

A Board of Equalization (BOE) held two rounds of hearings to consider objections and arguments from property owners protesting proposed assessments to be levied or relating to the amount of benefit or cost of the proposed assessment. The Council appointed the BOE in November 2024, consisting of representatives from the City Council Office, the Treasurer's Office, and the Engineer's Office. The BOE's role is to consider all facts and arguments presented at the hearings and provide recommendations to the City Council. The BOE met on Jan. 7, 8, and 9 and on Feb. 18, 19, and 20 for this purpose.

During the six meetings, the BOE heard from **11 property owners** regarding **21 parcels**. A detailed chart of specific property owner concerns and the BOE recommendations for each argument can be found below. In summary, the BOE proposes:

1. **Remove holiday lighting assessment for three parcels** with nonworking lights,
2. **Remove the assessments for six parcels** with residential, which were misidentified as hotels/commercial properties,
3. **Reduce the assessments for eight parcels** that successfully disputed valuations with the Salt Lake County Assessor, and
4. **Reduce the assessment by a one-third reduction for four parcels** owned by a single entity to reflect their location outside the Downtown Ambassador's service area.

The anticipated revenue of **\$5,991,192** is \$196,467 less than the initially projected amount of \$6,187,659, after taking into account the recommended adjustments from the Board of Equalization. The administration notes it is confident that the budget will be sufficient to deliver the services promised by the special assessment area. However, if additional funding is required over the three-year period, other available funds may be used to meet budgetary needs. This could include any surplus remaining in existing accounts, reserves withheld, and/or reduced contractor fees.

Summary of BOE Recommendations

Property Address	Concerns	BOE Recommendation
250 and 260 E. South Temple St.	<p>The property owner was incorrectly assessed a holiday lighting fee when no holiday lighting exists.</p> <p>The property owner also expressed concern that the properties do not benefit from the Central Business District's economic promotion and believes the assessment does little to address other concerns in the area.</p>	<p>The Board recommends this property not be assessed for holiday lighting.</p> <p>The Board also recommends upholding the base assessment as appropriate.</p>
42 E. Exchange Pl.	The property owner appeared to contest the linear footage listed on the holiday lighting notice he received.	Upon further investigation, the Board determined that this parcel does not receive holiday lighting. Therefore, the Board recommends that this property not be assessed for holiday lighting.
10 W. 300 S.	The property owner successfully appealed with Salt Lake County regarding the property value as determined by the County Assessor's Office. The property owner requested that the BOE adjust the estimated CBIA assessment to reflect the updated value.	The Board recommends updating the CBIA assessment amount to reflect the successful valuation appeal.

<p>330, 334, and 335 S. West Temple St., and 48 W. Market St.</p>	<p>The property owner expressed support for the special assessment area but requested that the assessment amount be adjusted. The owner explained that there is a vacancy at their property and feels the assessment is too large to pass down to current tenants, which may make it more difficult to keep tenants or attract new ones.</p> <p>The property owner also requested that the three parcels be billed as one assessment instead of separately.</p>	<p>The Board discussed that the Statute governing special assessment areas only enables them to adjust assessment amounts based on benefits received or proof of lack thereof and does not make provisions for hardship. Therefore, the Board recommends upholding the base assessment as appropriate.</p> <p>The Board learned that the owner may combine assessment charges for the three parcels, yet the amount would not change. The Board suggested that City staff contact the property owner to explain this.</p>
<p>151 S. State St.</p>	<p>The property owner appeared to explain that the property is residential with no commercial space. They requested that the property not be included in the assessment area.</p>	<p>The Board found a minor discrepancy showing an overlap of hotel properties and apartment/condo properties listed under the same property type on the Salt Lake County Assessor database.</p> <p>The Board recommends not including this property in the assessment area and removing two additional residential parcels.</p>
<p>735 and 751 W. 300 S, and 760 W. 400 S.</p>	<p>The property owner claims there is a lack of benefit to their property due to the location of the property being at the very western edge of the CBIA-25 district. The property owner requests the boundary line be redrawn to exclude these properties. They also request a reduction in the overall assessment cost.</p> <p>Additionally, the property owner incorrectly received a holiday lighting assessment, while the property does not receive holiday lighting.</p>	<p>The Board first clarified that they have no authority to redraw the boundary map and suggested that the property owner contact his Council representative to discuss this matter further. The Board recommends that the Council review this particular area of the map when it considers adopting a notice of intention to designate the CBIA in 2027 to potentially consider expanding services to this area.</p> <p>The Board believes that while the properties are on the edge of the assessment area, they still receive benefits. However, the Board confirmed that the parcels are not included in the Downtown Ambassador's program service area map. Therefore, the Board recommends reducing the assessment amount by 1/3, proportionate to the Ambassador program's share of the SAA budget, to reflect this lack of benefit.</p>

		The Board recommends the holiday assessments be removed from the three parcels.
234, 268, and 280 S. 400 W.	The property owner appeared to request that the holiday lighting assessment be removed, as the properties do not receive holiday lighting.	The Board recommends the holiday assessments be removed from the three parcels.
247 and 266 W. 100 S.	<p>The property owner appeared to request that the holiday lighting assessment be removed, as the properties do not receive holiday lighting.</p> <p>The property owner expressed issues with litter, biowaste, and graffiti and hoped the CBIA-25 could help provide services to address these issues.</p>	<p>The Board recommends the holiday assessments be removed from the two parcels.</p> <p>The Board suggested City staff connect the property owner to the Ambassador program staff and the Downtown Alliance to request services for this area.</p>
328 and 338 S. State St.	The property owner appeared to appeal the holiday assessment due to nonworking holiday lighting.	<p>Following confirmation that the holiday lighting is damaged, the Board recommends removing these parcels from the holiday lighting assessment.</p> <p>Further, the Board recommends removing 342 S. State St. since this property has the same issues.</p>
175 E. 400 S.	The property owner successfully appealed with Salt Lake County regarding the property value as determined by the County Assessor's Office. The property owner requested that the BOE adjust the estimated CBIA assessment to reflect the updated value.	The Board recommends updating the CBIA assessment amount to reflect the successful valuation appeal.
50 S. Main St., 51 S. Main St., and 65 S. Regent St.	The property owner successfully appealed with Salt Lake County regarding the property value as determined by the County Assessor's Office. The property owner requested that the BOE adjust the estimated CBIA assessment to reflect the updated value.	The Board recommends updating the CBIA assessment amount to reflect the successful valuation appeal.

ADDITIONAL & BACKGROUND INFORMATION

1. History

Salt Lake City established the Central Business Improvement Area (CBIA) in 1991 to fund economic promotional activities in the downtown area. The current base assessment boundaries were most recently updated in 2022 (see below for more information about the CBIA-25 boundaries). Additionally, a separate assessment within the CBIA is designated for holiday lighting along specific properties, although not all properties within the CBIA are required to pay this holiday lighting assessment.

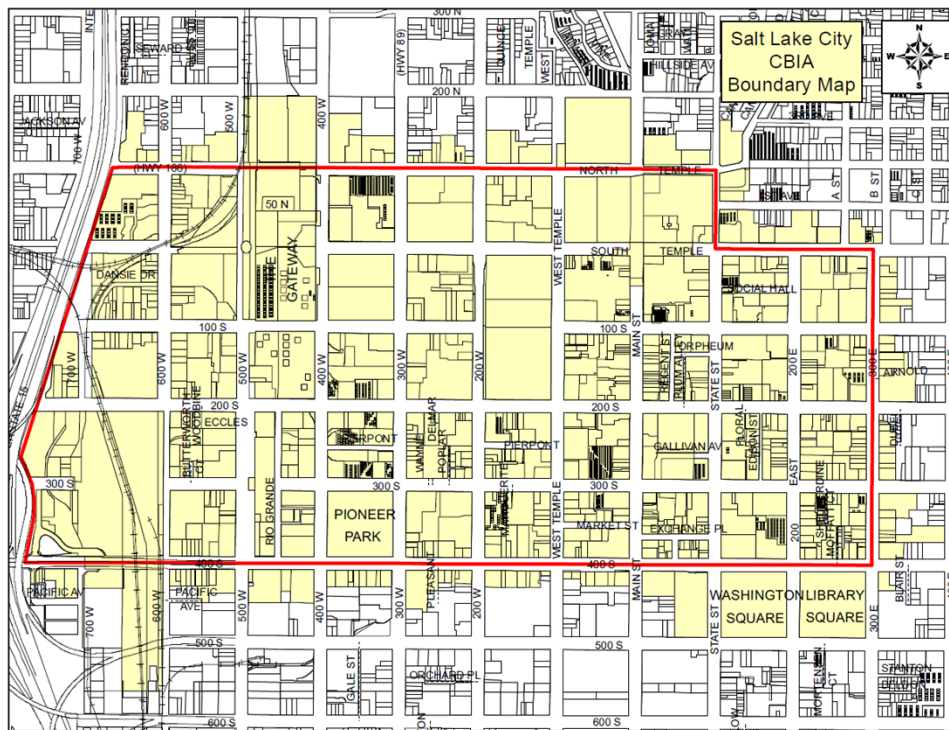
The CBIA covers over 2,500 businesses and is assessed exclusively to commercial properties, with residential properties being exempt from these fees.

To carry out economic promotion activities, the CBIA contracts with the Downtown Alliance to manage programs, including the Downtown Street Ambassador Program (in partnership with Salt Lake City and Visit Salt Lake), the Downtown Farmers Market, and an advertising program featuring over 730 banners and four kiosks on Main Street.

2. CBIA-25 Boundaries

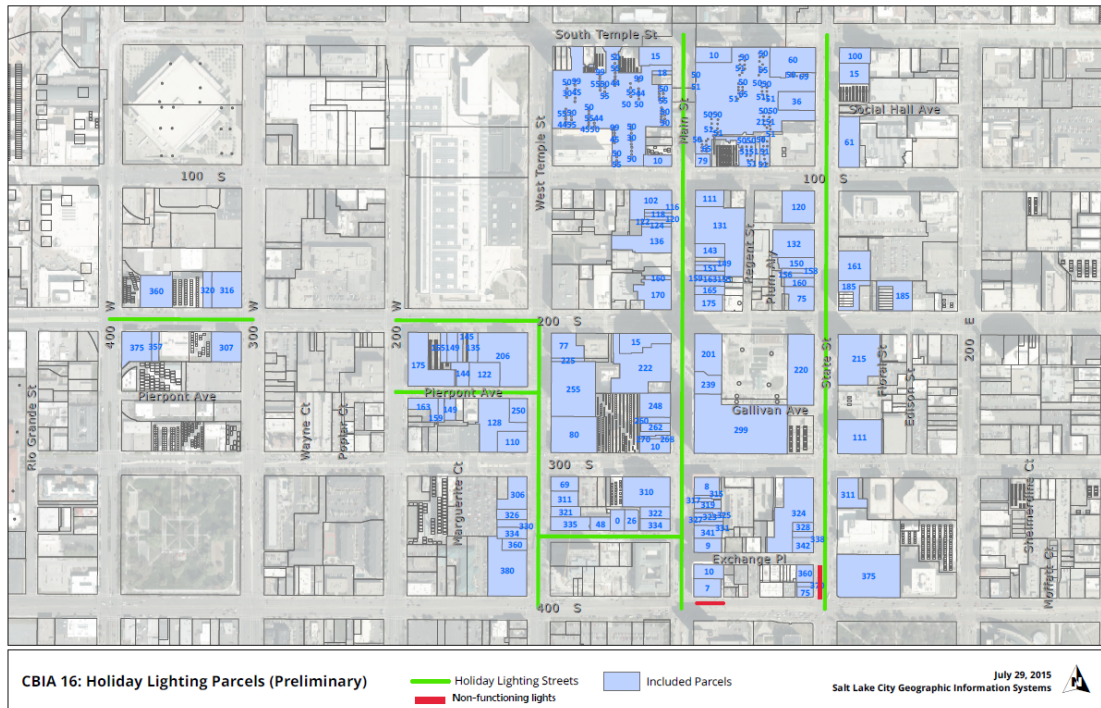
A. The boundaries of the base CBIA-25 assessment area are:

- a) North Temple from State Street to the east right-of-way line of Interstate 15 (includes parcels on both sides of the street),
- b) East right-of-way line of I-15 from North Temple to 400 South,
- c) 400 South from the east right-of-way line of I-15 to 300 East (includes parcels on both sides of the street),
- d) 300 East from 400 South to South Temple (includes parcels on both sides of the street),
- e) South Temple from 300 East Street to State Street (includes parcels on both sides of the street),
- f) State Street from South Temple to North Temple (includes parcels on both sides of the street).



B. The Holiday Street Lighting Assessment applies to the following streets:

- a) 200 South between 300 West and 400 West,
- b) 200 South between West Temple and 200 West (south side only),
- c) Pierpont Street between West Temple and 200 West,
- d) West Temple Street between 400 South and 200 South,
- e) Main Street between 400 South and South Temple,
- f) Market Street between West Temple and Main Street (north side only), and
- g) State Street between 400 South and South Temple.



3. Estimated Financial Summary for CBIA-25

The chart below is copied from page 5 of the Administrative Transmittal.

Revenue for CBIA-25

2024 Updated Taxable Property Valuation	\$4,262,870,230
Proposed Taxable Value Assessment Rate	.00142
Taxable Value Assessment Subtotal	\$6,053,276

2024 Linear Footage for Holiday Lights	10,507
Proposed Holiday Light Rate per Foot	\$12.79
Holiday Light Assessment Subtotal	\$134,385

Total Assessment Revenue	\$6,187,659
--------------------------	-------------

Board of Equalization Recommended Adjustments -\$196,467
(maximum possible adjustments)

Total Adjusted Assessment Revenue \$5,991,192
(reflects largest possible adjustment)

Updated Estimated Budget for CBIA-25**Salt Lake City Expenses**

DED Management	\$ 151,200
Reserve withheld (3%)	\$ 185,630
Professional and Technical	\$ 37,000
Legal Fees	\$ 30,000
Printing	\$ 6,300
Postage Fees	\$ 3,780
Salt Lake City Subtotal	\$ 414,710

RFP Recipient Budget

Economic Development Activities (27%)	\$ 1,505,650
Marketing and Events (16%)	\$ 892,237
Administration (24%)	\$ 1,338,356
Ambassador Program Homeless Services (33%)	\$ 1,840,239
RFP Recipient Subtotal	\$ 5,576,482

Total Use of Funds	\$ 5,991,192
--------------------	--------------

4. Holiday Lighting Mapping Error

At its Feb. 4 work session meeting, the Council received an update from Council and Economic Development staff regarding a software error that occurred with the special assessment area (SAA) noticing, which is required by State Code, and corrective steps to ensure transparency and compliance with state law. Please see **Attachment B** for the Feb. 4 Council Staff Memo.

In summary, during the Board of Equalization meetings in January, mapping errors were discovered in the holiday lighting assessment, resulting in incorrect assessments of some properties for holiday lighting where holiday lighting does not exist and the failure to assess other properties that do have holiday lighting. This error did not affect the CBIA base assessment for economic promotion activities.

In response to the error, in consultation with the Attorney's Office and Board of Equalization, the Economic Development Department reissued assessment notices to the correct properties and held a new series of Board of Equalization meetings in February. Economic Development continues to work with the City's Information Management Services (IMS) Department to prevent future mapping and notice.

ATTACHMENTS

- A. [Administrative Transmittal](#)
- B. [CBIA and Board of Equalization Update Staff Memo, Feb. 4](#)