



# COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

**TO:** City Council Members

**FROM:** Russell Weeks  
Senior Policy Analyst

**DATE:** October 31, 2022 at 10:07 PM

**RE: RESOLUTION OF INTENTION TO DESIGNATE A DOWNTOWN ASSESSMENT AREA**

Item Schedule:

Briefing: July 13, 2021

Set Date:

Public Hearing: September  
7, 2021

Potential Action: July 20,  
2021

## ISSUE AT-A-GLANCE

***Goal of the briefing: To hear the process for the proposed renewal of a special assessment area on commercial properties that would fund the economic promotion of downtown Salt Lake City and activities within the downtown for the benefit of business and commercial property owners, and to discuss any issues the City Council may find relevant to the proposed area renewal.***

- The briefing is the first in a series of steps the Administration and City Council must take to renew an assessment area that has existed since 1991 to promote the economic development of downtown Salt Lake City and economic promotion activities within it.
- The current assessment area is scheduled to expire April 21, 2022. The Administration plans to have the renewed area – with the same borders as the current assessment area – in place by April 22, 2022.
- The assessment will have two components: (1) a base assessment, based on taxable commercial property values, and (2) a smaller assessment on downtown commercial properties where winter holiday lighting is placed on streets. That assessment will be based on linear footage. It should be noted that properties under \$20,000 in valuation



as well as residential, ecclesiastical and government owned properties are exempt from the assessments, except those whose owners agree in writing to be assessed.<sup>1</sup>

- If the assessment area receives enough support from downtown property owners, the total assessment revenue over three years would be \$5,251,285.<sup>2</sup> That compares to projected revenue for the current area of \$4,884,454.<sup>3</sup> It might be noted that the total figures both respectively include \$177,378 in revenue for the smaller holiday lighting assessment. The holiday lighting assessment is based on 13,870 linear feet times \$12.79 per linear foot.<sup>4</sup>
- Minus the holiday lighting assessment, the annual projected assessment revenue for the proposed assessment area would be \$1,691,300 in each of the three years. The proposed assessment rate for the property is .00142. It might be noted that the proposed rate in the year 2000 was .001425.<sup>5</sup>
- The proposed resolution also is notable because the City will seek proposals on managing the contract to promote the downtown. Since the assessment area's inception in 1991 the City traditionally has awarded contracts every six years. The contract has contained an optional renewal clause after three years. It might be noted that the Downtown Alliance has been awarded the contract every time the City has sought requests for proposals.
- Under Utah Law, if 40 percent or more of property owners representing the aggregate taxable value of the property within the assessment area object to the assessment area's creation, the assessment area cannot be created. Similarly, if 40 percent of the total linear footage identified for the holiday lighting district object to its creation, the lighting district cannot be created.
  - Written objections or protests to the assessment area or the lighting district, or both, must be filed by 5 p.m. November 8 with the City Recorder to count as an objection or protest.<sup>6</sup> Oral protests or objections at the September 7 public hearing will not count unless people protesting or objecting also file their protests or objections in writing.
  - It might be noted that for the holiday lighting district owners of corner properties would be assessed for the linear footage of one of the two streets fronting their properties instead of for both streets.

## **POLICY QUESTIONS**

1. As the transmittal notes, "Parcels under \$20,000 in valuation as well as residential, ecclesiastical, and government owned properties are exempt from the assessment, except those whose owners agree in writing to be assessed." Is there any deadline for owners of exempt properties to notify the City in writing that they would like to be assessed?
2. The boundaries of the proposed assessment area have remained relatively static for several years. Given the development climate downtown, when might there be an appropriate time to expand the assessment area? Would expanding the assessment area dilute promotion activities in the existing assessment area?

## **ADDITIONAL & BACKGROUND INFORMATION**

The downtown assessment area has been a key component of the economic development of the downtown for several City Councils.

The process for determining the area's creation follows steps established in Utah law for special assessment areas. The most immediate steps include the scheduled July 13, 2021, briefing at the City Council's work session, and the Council's formal consideration July 20 of a resolution declaring the Council's intent to designate parts of downtown Salt Lake City as an assessment area. If the Council adopts the resolution, it would trigger a public hearing date of September 7, 2021, to hear objections related to the assessment area.

Again, only property owners' written protests count toward the success or failure of establishing the assessment area. The written protests must be filed with the City Recorder either in person or by mail on or before 5 p.m. November 8, 2021.

The protests are then tabulated based on the taxable value of property. If the aggregate taxable value of the protests equals at least 40 percent of proposed assessment area, the assessment cannot go forward. Similarly, in the smaller holiday street lighting assessment area if at least 40 percent of property owners' linear street frontage protest the assessment, the assessment cannot be imposed.

According to the Administration, the 2020 value of nonexempt taxable property in the assessment area is \$3.573 billion.<sup>7</sup> That compares to a 2018 taxable property valuation of \$ 3.314 billion.<sup>8</sup>

The boundaries of the proposed Central Business Improvement Area are:

- North Temple Street from State Street to the east right-of-way line of Interstate 15 (includes parcels on both sides of North Temple)
- East right-of-way line of I-15 from North Temple Street to 400 South Street
- 400 South Street from the east right-of-way line of I-15 to 300 East Street (includes parcels on both sides of 400 South Street)
- 300 East Street from 400 South Street to South Temple Street (includes parcels on both sides of 300 East Street)
- South Temple Street from 300 East Street to State Street (includes parcels on both sides of South Temple Street)
- State Street from South Temple Street to North Temple Street (includes parcels on both sides of State Street)<sup>9</sup>

The holiday street lighting assessment applies to the following streets:

- 200 South Street between 300 West and 400 West streets
- 200 South Street between West Temple and 200 West streets (south side only)
- Pierpont Street between West Temple and 200 West streets
- West Temple Street between 400 South and 200 South streets
- Main Street between 400 South and South Temple streets
- Market Street between West Temple and Main streets (north side only)
- State Street between 400 South and South Temple streets.<sup>10</sup>

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- <sup>1</sup> Administration Transmittal, Ben Kolendar, June 22, 2021, Page 3.
- <sup>2</sup> Administration Transmittal, Ben Kolendar, June 22, 2021, Page 2.
- <sup>3</sup> City Council staff report, *Notice of Intention to Create Central Business Improvement Area*, Russell Weeks, Page 2.
- <sup>4</sup> Administration Transmittal, Ben Kolendar, June 22, 2021, Page 2.
- <sup>5</sup> Memo, Motion Options for Proposed Renewal of Central Business Economic Improvement District DA-CBID-00, November 30, 2000.
- <sup>6</sup> Proposed Notice of Intent, Page 7.
- <sup>7</sup> Administration Transmittal, Ben Kolendar, June 22, 2021, Page 2.
- <sup>8</sup> City Council staff report, *Notice of Intention to Create Central Business Improvement Area*, Russell Weeks, August 9, 2018, Page 3.
- <sup>9</sup> Please see map in Administration transmittal, Page 5.
- <sup>10</sup> Please see map in Administration transmittal, Page 6.