

# WEST TEMPLE GATEWAY & GRANARY DISTRICT REDEVELOPMENT STRATEGY

## EXECUTIVE SUMMARY



June 7, 2011



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## **BACKGROUND**

The Redevelopment Agency of Salt Lake City (RDA) contracted with the National Development Council (NDC) to assist the RDA in crafting a redevelopment strategy for RDA-owned properties and the City-owned former fleet facilities (the “Fleet Block”) in the West Temple Gateway and Granary District Project Areas. NDC brought together a broader team with expertise in regional economics, development finance, design and transportation. The team consisted of:

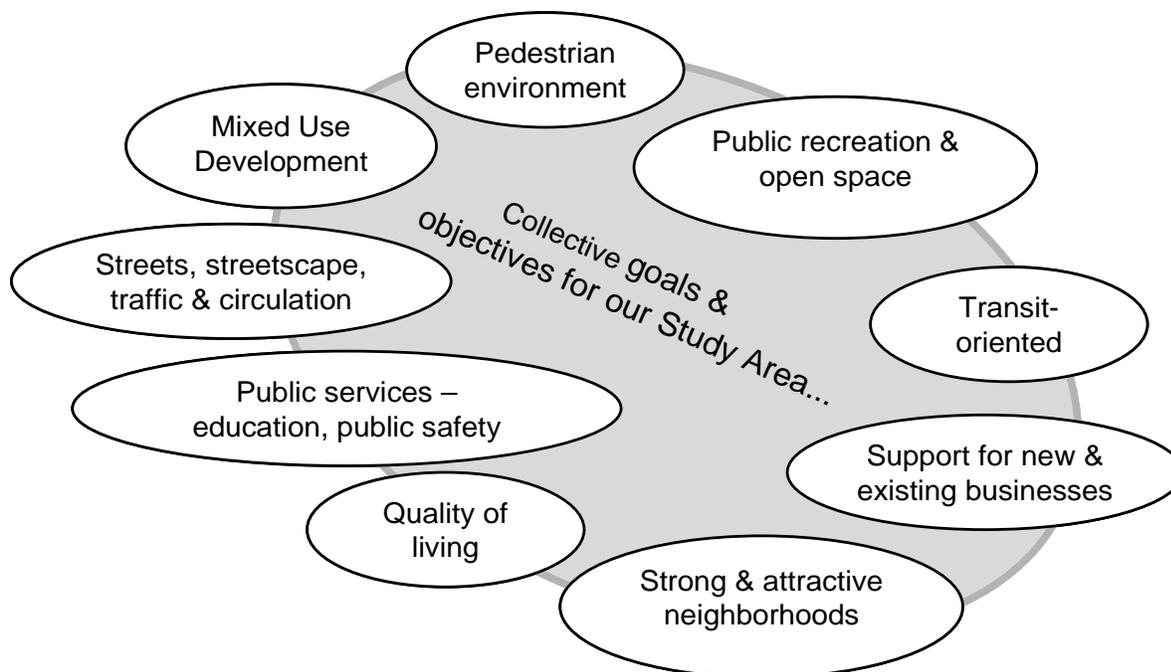
- Waronzof Associates – Regional Economics and Development Finance
- LMN Architects – Site Planning, TOD and Urban Design
- Charlier Associates – Transportation / TOD Planning

The consultant team created three documents for guiding RDA efforts in both Project Areas:

1. West Temple Gateway & Granary District Redevelopment Guide  
Provides an overarching vision for redevelopment and addresses land use, multi-modal transportation connections, redevelopment timeframes, zoning suggestions, and recommendations for strategic actions on the part of the RDA.
2. West Temple Gateway & Granary District Design Guidelines  
Provide design guidance for redevelopment efforts in both Project Areas, as well as specific recommendations for RDA-owned property. The document also provides a street typology for major and minor street development.
3. West Temple Gateway & Granary District Property Approach  
Provides site-specific design and redevelopment options for four RDA-owned properties within the West Temple Gateway Project Area and for the Fleet Block, a large city-owned property in the Granary District Project Area previously used for fleet storage and maintenance.



The study team compiled a broad list of public goals for the Redevelopment Strategy from the city master plans and the RDA project area goals which encouraged a transition of land uses from previous industrial and heavy commercial uses to a mixed use – residential community.



Key findings include:

- Given the current market conditions (below), RDA-property redevelopment should start with smaller parcels near the TRAX station and develop them as soon as possible in order to create development momentum for the Project Areas. Smaller infill projects focused on housing, but including flex space for future commercial use are financially feasible at this time.
- As the market improves, redevelopment of properties along 300 West (including the Fleet Block) will be more successful. This timing will allow for development of higher densities and more commercial space.
- The Project Areas lack the amenities and public services needed to attract desired private investment and may not be sufficient to retain the current level of investment and homeownership.
- The RDA should seek to attract employers to the area that can benefit from a close-in downtown community and support further commercial and residential development in the Study Area.
- The assets within the Project Areas include the single-family home population, as it is the main stabilizing factor right now, as well as large lots, including the Fleet Block, which can attract major employers.



- Because of the surplus of D-2 zoned property in the West Temple Gateway Project Area (WTG), perception of property values by owners is unrealistically inflated causing property to sit undeveloped longer.
- Although the D-2 zone allows building up to 65 feet, the compactable clays and building code requirements of steel framing at that height increase development costs beyond what the current market can afford.
- The identity provided by the single-family homes should be emphasized and enhanced.
- The design and architecture of much of the multi-family development does not contribute to a walkable, safe neighborhood.
- The poor placement of parking is not consistent with a pedestrian-friendly environment that is served by a neighborhood light rail station.

Context for the Redevelopment Strategy based on market and economic analysis:

- National residential and commercial real estate market conditions continue to experience unprecedented disruption and uncertainty.
- The Salt Lake City and Utah regional economy is expected to show better than average economic conditions over the next three years. This should speed the local recovery.
- The recovery in the regional economy should lead to job creation and housing market recovery that may have a positive impact upon the Project Areas; the opportunity will only come through aggressive marketing and/or capturing of the coming development opportunity by several stakeholders.
- The likely timing of the recovery in employment and residential and commercial property markets creates an opportunity for the Project Areas.
- In the long term, there appears to be adequate real estate and business investment capital within the region to meet and exceed the needs of the Study Area.
- As a blighted neighborhood, the Project Areas under-compete and are largely disconnected from the active sub-markets within the region, both in terms of residential housing and for commercial properties.

### KEY RECOMMENDATIONS

To respond to initial findings and facilitate redevelopment in the study areas to a mixed-use residential community, the Redevelopment Strategy suggests the following:

- Address Public Service Deficits
- Create a Comprehensive Transportation, Traffic, & Circulation Plan
- Abatement of Incompatible Land Uses



- Improve Neighborhood Identity – Enhance local Single-Family Residential Community
- Adjust Zoning and Seek an Overlay Zone for the Fleet Block
- Increase Coordination with State Economic Development Activities and Focus on Employment Creation within the Study Area
- Emphasize Private Investment in Property Development
- Support Pre-Development Activities by the Private Sector
- Aggressively Promote Redevelopment in the Study Area
- Leverage the Available Tax Increment and Use CDBG Resources and Federal Tax Credits to Assist Redevelopment

## **SPECIFIC ACTIONS TO BE TAKEN**

### **ZONING CHANGES**

#### **Height**

Only three buildings have been built at or near 65' in height. Height, along with density, drives land prices. In the study area, land prices may be an impediment to redevelopment as financial expectations cannot be achieved with market-rate development. While not suggesting a reduction of heights in the West Temple Gateway area, a height increase is not warranted.

#### **SF Residential**

There is an internal single-family community (Washington and Jefferson Street areas) which has seen reinvestment and provides a unique close-in residential opportunity for downtown Salt Lake City. However it is currently non-conforming under existing zoning. In order to assist this redevelopment type and encourage further residential diversity the Strategy recommends a change in zoning to allow single-family development in various forms, including Accessory Dwelling Units and Cottage Housing. Provide technical assistance for certain property development activities. Establish and maintain activities and programs that define the area as a neighborhood with a specific identity.

#### **Incompatible Uses**

As a previous industrial and heavy commercial area, there remain land uses that are incompatible with a mixed-use residential community. Previous uses also leave environmentally-suspect properties. The Strategy recommends that zoning be amended (or



an overlay be established) to prohibit incompatible uses. Design guidelines should additionally be adopted to ensure better compatibility of developments and land uses along with heavy commercial uses. Programs should be developed that assist small business owners and property owners with site improvements or façade improvements to meet design guideline requirements and to adapt older buildings for reuse.

**DESIGN GUIDELINES**

Specific Design Guidelines have been developed and provide direction on:

- Street Standards – A typology of streets within the study area and street cross section designs which facility movement through the area, within the area, adjacent development, and balance multi-modal usage of street rights-of-way.
- Site Design – Directs placement of buildings, and parking location and screening.
- Building Design – Establishes ground floor detailing, wall treatment, and transparency.
- Sign Design – Consistent signage placement.

**RDA PROPERTY RECOMMENDATIONS**

The consultant team evaluated four (4) RDA-owned parcels within the West Temple Gateway and the Fleet Block in the Granary District. The properties were selected in order to give the RDA a range of redevelopment options as well as strategies that could be applied to other similar properties owned by the RDA elsewhere in both study areas.

**Opportunity Site #1**



**OPPORTUNITY SITE 1:**

Small Infill Mixed-Use	
Height	30 ft.
	2.5 floors wood frame construction
Residential Units	1,250 SF PER rowhouse
	6 total units
Parking	6 garage stalls within unit; alley access
Open Space	150 SF private outdoor space / unit



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Opportunity Site 1 is located at the corner of 900 South and Jefferson. While located along 900 South, the site doesn't have significant commercial potential and the recommendation is to develop a dense single-family rowhouse/townhouse development containing approximately 6 new units. It is recommended, though, as an example of denser single-family development that will be financially viable for the developer as the local residential market improves.

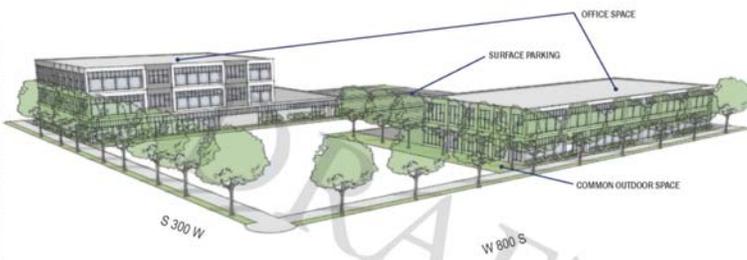
**Opportunity Site #2**



Opportunity Site #2 is at the corner of 900 South and 200 West. Its close proximity to a light rail stop and location at the corner of two key streets would support a mixed-use development. The site is a prototype for development that achieves the public and local community's goals for a mixed-use residential community. The design includes 3,400 SF of ground floor commercial space with 20 residential units. The project is financially feasible and would only require assistance from the RDA for the purchase of the land by the developer.



### Opportunity Site # 3



#### OPPORTUNITY SITE 3:

Large Commercial Infill (w/o corner parcels)	
Height	40 ft
	3 floors @ 13.5'
Office/Commercial	30,000 SF
Parking	109 surface stalls with new alley access
Open Space	6000 SF outdoor landscaped space



#### OPPORTUNITY SITE 3:

Large Residential Infill (w/o corner parcels)	
Height	45 ft
	4 floors wood frame construction
Residential	1,000 SF per: 12-13 units per floor
	100 total units
Parking	78 surface stalls with new alley access
Open Space	150 SF private outdoor space / unit 13,000 SF common outdoor space



#### OPPORTUNITY SITE 3:

Large Mixed-Use Infill (w/ corner parcels)	
Height	65 ft
	4 floors wood frame over 2 levels of concrete
Residential	1,000 SF per: 21 units per floor
	168 total units
Commercial	18,000 SF anchor retail (grocery) 6,000 SF small retail
Parking	240 structured stalls with new alley access
Open Space	150 SF private outdoor space / unit



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Opportunity Site #3 lies at the corner of 800 South and 300 West and is diagonal to the Fleet Block. Located at the corner of two major cross streets and the Fleet Block, Site #3 has a significant opportunity to shape the design of this intersection. The team evaluated multiple mixed-use development options with commercial, office and residential uses. Acquisition of the corner site was also evaluated. In the end, development densities did not increase due to acquisition of the corner parcel. However, its acquisition by the RDA is recommended as the parcel would enhance site development by providing open space at the corner that could complement development across the intersection on the Fleet Block and allow for a better overall design of the intersection. Commercial development is currently feasible while mixed use development with residential units is less feasible at this time. However, as redevelopment occurs in the study area and residential conditions improve – especially as later phase development of the Fleet Block occurs, it is expected that the site can be feasibly developed.

**Opportunity Site #5**

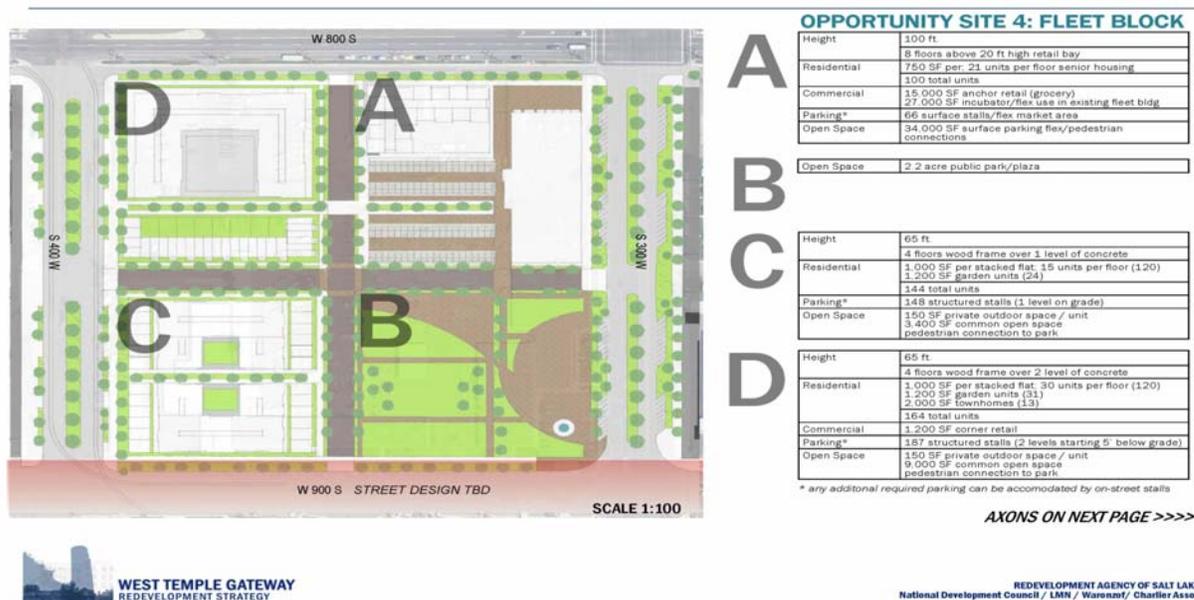


Opportunity Site #5 contains three single-family lots. Since the properties stretch between 200 West and Jefferson Street they provide the ability to create a new mid-block connection to the light rail station on 200 West. The use that best complements this neighborhood amenity is housing and in this scenario attached single-family development would be encouraged along with the pedestrian connection. Quality design will be essential in order to accommodate residential needs within the pedestrian corridor and contribute to a safe neighborhood amenity. The housing development is financially feasible but not sufficient to also fund the pedestrian walkway.



### Fleet Block – Opportunity Site #4

The Fleet Block housed Salt Lake City’s vehicle fleet and servicing functions. They have been relocated and the site is going through an environmental remediation phase. The size of the parcel provides a significant opportunity to shape future development in the Granary District and provide needed economic and community services for both Project Areas. It also has challenges in size that require the construction of internal and cross-property streets.



The Strategy looked at several uses to be phased on the site. The initial recommendation is to use a large portion of the site (25%) to provide a major open space for the development and the surrounding community and recommends collaboration with the private owner of the southwest corner parcel to allow for full-block development. Mixed use residential communities require open spaces and the Fleet Block provides the best opportunity to meet that need immediately. The decision to develop the open space also sends a strong signal to the marketplace regarding the City’s goals and commitment to the broader redevelopment strategy. The consultant team also recommends that a street be constructed to bi-sect the block north/south and east/west. The construction of the streets near mid-block create meaningful redevelopment sites for future development, a large quadrant for open space, and minimize traffic disruption from the site’s development at intersections on 800 South and 900 South. The Strategy recommends aligning future trolley service along 400 West with east-west service remaining on 900 South.



**OPPORTUNITY SITE 4: FLEET BLOCK**



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In terms of development, the size of the Fleet Block parcel will likely require a 5 - 15 year development timeframe. It does provide a unique economic development opportunity for the RDA to attract a major employer desiring a close-in location, but preferring a campus rather than high-rise building. Initial development programs accommodate a range of commercial, office, and residential developments that can be developed in multiple buildings. They would likely be phased as the market improves. Sites A, C, and D have sufficient land area to accommodate parking needs in a single level below-ground. Development feasibility shows the ability to absorb structure costs in the project’s financing and their sequencing is encouraged to allow for those development efficiencies and minimize surface parking.

In the near-term, it is recommended that an interim use be created in the existing building on Parcel A. An incubator, artist facility, or other interim use allows the site to be activated quickly at minimal expense. In combination with development of the open space proposed for Parcel B, the two actions will confirm the City’s commitment to the areas redevelopment and spur market interest. Later development will depend on the market, a potential recruitment opportunity for a large tenant, and increased development in the area due to RDA development and private investment.

**RDA Policy Statement**

On June 7, 2011, the RDA Board of Directors approved the West Temple Gateway and Granary District Redevelopment Strategy (the “Strategy”). As part of their approval of the



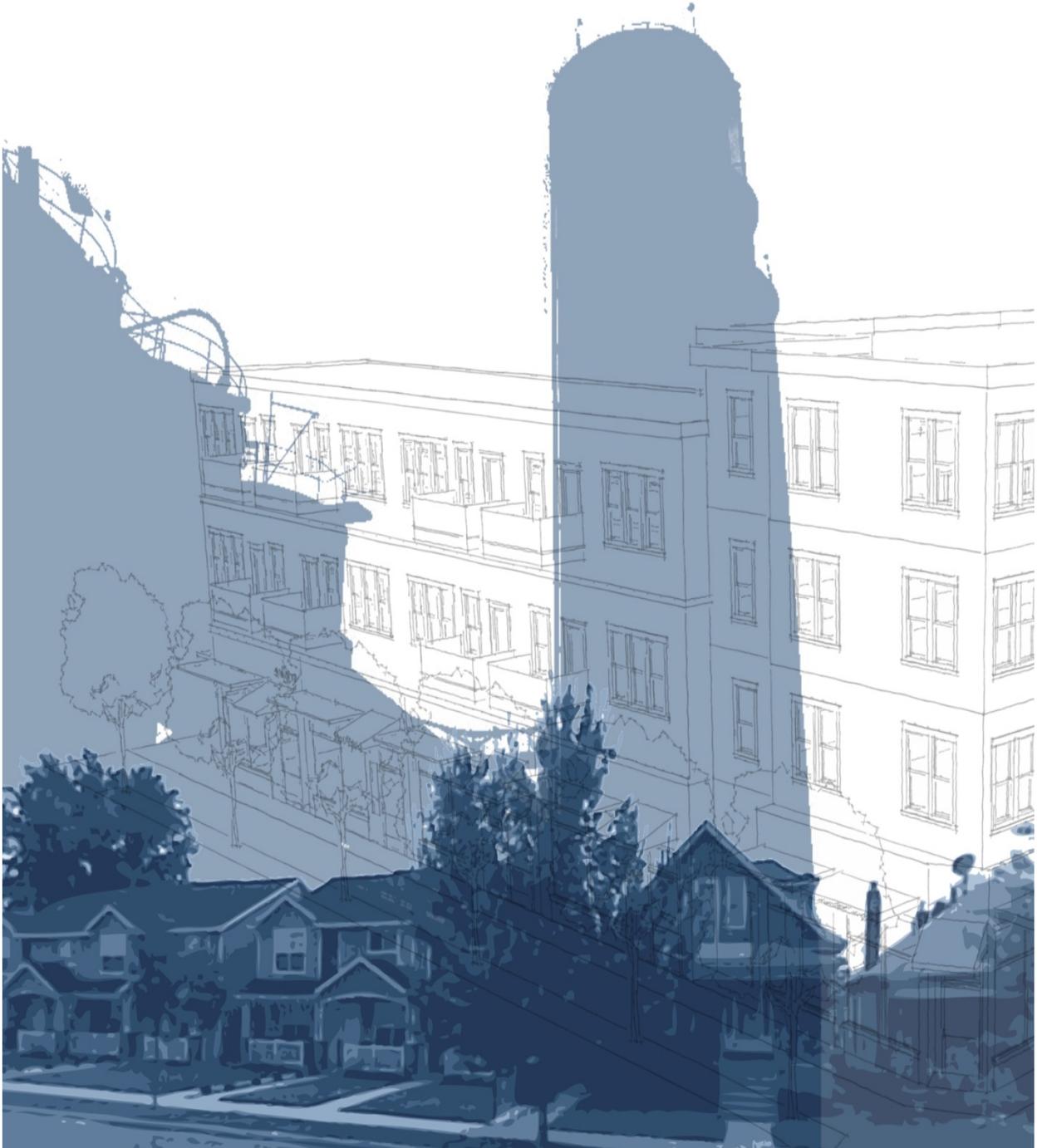
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Strategy, the RDA Board included policy statements to guide how staff uses the Strategy to encourage future redevelopment. The RDA Board's policy statements are as follows:

- The integrity of existing single-family home groupings should be preserved.
- Deference should be given to single-family character where it exists, but higher density development should be allowed where appropriate.
- The land use density on East Montrose Avenue, as well as interiors (not corners) of Washington St., 200 West, and Jefferson St., north of 900 South, should be low (single-family attached and detached).
- The land use density south of 900 South and east of 300 West should be medium/moderate with low building heights of up to three stories.





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