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# PROJECT AREA PLAN FOR THE CENTER STREET COMMUNITY DEVELOPMENT PROJECT AREA

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PREPARED BY THE  
REDEVELOPMENT AGENCY OF  
PROVO CITY CORPORATION

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## **I. PROJECT AREA BOUNDARY DESCRIPTION**

The Center Street Community Development Project Area includes all of Blocks 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, Plat “A”, Provo City Survey; and all of Blocks 21, 22, 27, and 28, Plat “B”, Provo City Survey; and the full width of the segments of Center Street, 100 North, 100 South, 600 West, 500 West, 400 West, 300 West, 200 West, 100 West, University Avenue, 100 East, and 200 East Streets which are contiguous to said blocks.

Project Area contains approximately 58 acres within platted City blocks plus approximately 43 acres of public right-of-way and vacated right-of-way, for a total of approximately 101 acres.

See also Exhibit “A”, Project Area Map.

## **II. GENERAL STATEMENT ON THE PROJECT AREA**

### **A. Land Uses**

The Center Street Community Development Project Area consists of 16 city blocks, plus adjoining right-of-way and several segments of former (now vacated) right-of-way, in downtown Provo. Forming the traditional core of Provo’s city center, these blocks contain multiple civic buildings, prominent business and religious buildings, and some of Provo’s most iconic historic landmarks. Among these 16 blocks:

- One is a City park (Pioneer Park).
- Four are predominantly City, County and State government installations.
- Much of an additional block is occupied by the County-owned Utah Valley Convention Center.
- Two are occupied primarily by the Nu Skin Enterprises campus and the LDS Church’s historic tabernacle and grounds (currently being retrofitted as an LDS temple).
- Much of an additional block is covered by the Provo Marriott Hotel.

The other seven blocks in the Project Area are also home to major downtown Provo developments, including Provo Towne Square, the Wells Fargo Center (vertically-mixed commercial-residential), Central Bank, Mountain America Credit Union, a Fresh Market grocery store and associated strip retail stores, Berg Mortuary, and many smaller storefronts and other businesses. Some of these buildings are quite new and well-maintained, while others are obsolete and in a state of physical decline and in some cases are chronically vacant. Still others are 80 to 130 years old but are being modernized in ways that preserve their historic design qualities. The Project Area also includes a small number of apartments (some on upper floors of small commercial buildings, but also two 24-unit apartment buildings) and a few single-family homes.

Several significant new developments are either under way now or are expected to begin soon in the project area. Among these are the Nu Skin Innovation Center and the Provo City Center Temple, both well into construction.

Four of the blocks contain above-ground parking structures. Additionally, the Nu Skin Innovation Center and LDS Temple projects will include substantial below-grade parking areas. The Project Area also has numerous surface parking lots, large and small, many of which will be replaced by new buildings, structured parking, and other amenities which will use the scarce land at the urban core more efficiently.

Characteristic of its longstanding role as the heart of Provo's urban core – and, therefore, as the traditional center of Utah County -- the Project Area is home to the most complex combination of diverse land uses and human activity in the City. Although the area is undergoing rapid change on a scale not seen in over a century, this will not lessen the complexity and intensity of development. New commercial development will continue in the area, but so will new high-density residential development as part of a strategy to bring more people into the downtown at all times of the day and night and every day of the week. The complexity is heightened further by efforts to preserve and enhance the character-defining storefront environment along much of the Center Street frontage. This element more than any other sets the Project Area apart as unique among Utah's urban areas, as an authentic attraction that newer suburban centers can imitate but not entirely replicate.

### **B. Layout of Principal Streets**

The Project Area straddles Provo City's original Plats "A" and "B", with streets laid out in a traditional grid system. Long the most prominent east-west street in Provo, Center Street is the spine of the Project Area. Its resurging popularity as a destination for dining, entertainment, and the conduct of various forms of private and public business, along with the growth of traffic in Provo in general, are severely impacting Center Street's ability to fulfill all of its traditional roles. More and more, Center Street needs to serve just the traffic which patronizes venues on the Street itself, with through-traffic finding other routes across town.

The street on the Project Area's north boundary, 100 North, is becoming increasingly important as an east-west Collector street. The redirection of through traffic off of Center Street and onto 100 North also suggests the street's growing role as an attractive location for commercial growth.

On the south boundary of the Project Area, 100 South is undergoing a sudden change in character: with the closure of 100 South between University Avenue and 100 West to accommodate the new LDS Temple, 100 South has given up its role as an east-west through street in favor of becoming a quieter feeder route into the Nu Skin and Temple properties. This quieter role also sets up 100 South to become an attractive multifamily residential street – near the bustle of Center Street and University Avenue, but not in the middle of it.

University Avenue, a State highway, crosses the Project Area and is Provo's most prominent north-south arterial street. Another arterial under State jurisdiction, 500 West,

also crosses the Project Area. Freedom Boulevard (200 West) is another arterial street, one of increasing importance as growing traffic spills over from 500 West and University Avenue. These north-south arterials are important routes for conveying people to and from the urban core, but they also pose special problems for the Project Area. University Avenue and 500 West in particular have evolved over the years primarily to convey vehicular traffic, and this has happened at the expense of pedestrians and cars desiring to travel east-west. The widths and traffic volumes of these north-south arterials particularly impede the continuity of Center Street as a comfortable, attractive pedestrian route. In fact, it has been noted that Center Street through the Project Area is not a single, cohesive district, but is a series of sub-districts, each with a somewhat different character, separated from one another by the north-south arterials.

As mentioned earlier, downtown Provo's traditional grid pattern of streets through the Project Area has been interrupted in a few locations by street vacations deemed necessary to accommodate key developments. Many years ago, 400 West was vacated between Center St. and 100 South for the City's city hall-library (now Covey Center for the Arts) development. Much more recently, the City vacated 100 West between Center and 100 South for Nu Skin's campus expansion, and 100 South between University Avenue and 100 West for the Temple project. Although preservation of the traditional street grid is generally quite important for maintaining accessibility options through a busy downtown district, the tradeoff here was to accommodate important development projects which are made better by vacating street segments. Unlike most Utah cities' 660-foot-long blocks, Provo's blocks are 400 feet long, so the impact of a few street closures is lessened in comparison to the other cities. Also, with each of these street closures pedestrian access was preserved along the routes of the vacated streets.

### **C. Population Densities**

At the present time, there are only a few residences in the Project Area. The Wells Fargo building (Block 28) includes 20 residential condominiums, and 24-unit apartment buildings exist on Blocks 27 and 71. There are fewer than ten habitable detached homes across the entire 16-block Project Area. A few of the older commercial buildings retain upper-floor apartments. City records track a total of 79 dwellings in the Project Area – about 1.4 per net developable acre. Considering their downtown location, these dwellings almost certainly contain smaller households than Provo in general. It would not be unreasonable to assume an average household size of two people or fewer, resulting in an estimated population density of about 1.6 persons per gross acre – surely one of the lowest densities of any area in Provo.

Across the United States, downtowns are being rediscovered as fascinating, fashionable places to live, full of amenities and with good access to jobs, transportation options, and culture. In recent years, these areas have proven particularly attractive to young adults, often single, or in families with no children or very young children. For increasing numbers in the under-30 demographic, a very urban lifestyle is the preferred way of life. Downtown Provo is positioned to be the primary beneficiary of this lifestyle trend in Utah County – or, for that matter, in all of Utah between Salt Lake County and St. George. Although downtown Provo is lacking in characteristically urban residential buildings, the potential for erecting and filling such buildings in downtown is

tremendous. Consequently, development activity in this Project Area should include considerable new residential development, and population density should increase substantially in the coming years.

There are likely many locations in and around the Project Area where higher-density residential would be successful and fewer locations where higher-density commercial would succeed. Therefore, in adding higher-density housing to the Project Area, care would need to be taken to avoid it supplanting higher-density commercial at prime commercial locations.

#### **D. Building Intensities**

Existing floor area ratios (FARs) -- the ratio of building floor square footage to land area -- varies widely across the Project Area. On many parcels, particularly those occupied by one- and two-story buildings, the FAR is less than 1.0. For a thriving central business district in a city of 115,000 population, this is indicative of the low, inefficient use of land in much the Project Area. However, several locations, particularly those with new development, have a higher FAR, some in the range of about 3.0 to 4.0.

FARs are a simplistic way of evaluating whether development is appropriate for a particular location or not. Other factors, such as building form, juxtaposition of land uses, fitting the development into the context of the surrounding area, and design of the development's "public realm," are at least as important to consider, or more important. Nevertheless, FARs give a useful measure of building intensity, and building intensity is a criterion to be considered under the Utah community development statute. In mid-rise office building developments, FARs typically range between 1 and 5. (*Planning and Urban Design Standards*. 2006: John Wiley & Sons, p. 199.) The Project Area includes numerous historic and architectural landmark buildings with low FARs which are high priorities for preservation. For these properties, community development should emphasize correcting deterioration and obsolescence. However, increased FARs on other properties will help to bring more people downtown and in the process improve the economic viability of many of the low-FAR landmarks. Increased FARs are therefore an important part the Project Area's future development.

### **III. STANDARDS TO GUIDE THE COMMUNITY DEVELOPMENT**

The following standards will guide the Center Street Community Development Project Area:

#### **A. General Character**

The Project Area will be situated in the central business district of a mid-size city, the county seat and traditional center of the Provo-Orem Metropolitan Area. It is appropriate that this area continue to transition to an intensity of development generally associated with mid-rise construction (2-6-stories in most of the Project Area, perhaps as tall as 12 stories on University Avenue). Such new construction should not occur, however, at the expense of the Project Area's iconic 19<sup>th</sup>- and early-20<sup>th</sup>-century storefront buildings which front on Center Street. The best of these historic buildings, mixed with new Center Street buildings *of similar forms*, are critical to maintaining the sense of unique place which sets downtown Provo apart among Utah cities. The traditional small scale of

buildings on Center Street – particularly with regard to length of building frontage on Center Street -- should continue with any new buildings erected on the Street. This is important to achieving the “fine-grained”, organic development pattern which larger buildings, even when designed to look like multiple buildings, have difficulty achieving.

“Walkable retail” is a term now used across the United States to denote the kind of environment which Center Street traditionally has been and which will be crucial to the Street retaining its strong sense of place in the future. The term refers to development which is compact, with a range of goods, services, and amenities juxtaposed on the ground floors of buildings to enable more walking and less reliance on automobile trips. Crucial to the concept, street improvements and storefronts must provide interesting things for pedestrians to see and do. In contemporary versions of walkable retail, a variety of residential types above the ground floor often contributes to the compactness of development and the success of the ground-floor commercial.

Primary uses throughout the project Area will range from lodging to retail to dining to office to residential. The specific uses which are appropriate will vary from location to location in the Area *and more especially from floor to floor in a given building*. That is to say, a continuous building façade of retail shops and restaurants should comprise the entire ground floor building space fronting Center Street and University Avenue in the Project Area. These ground-floor businesses should be designed to encourage window shopping people-watching. Office, residential, and other uses may be appropriate on upper floors, and perhaps on some ground floor spaces on 100 North, 100 South, and north-south streets other than University Ave.

Public realm space, particularly along Center Street, also must cater well to the pedestrian. Outdoor dining, inviting places to sit and gather, wise placement of on-street parking, street lighting, public art, and a shade tree canopy all help to draw people to the street.

Much of the Project Area is public or private open space, either in lawn areas or plazas. With the development of the Nu Skin Innovation Center and the LDS Temple, open space in the Project Area will become more prominent and much grander. There is such a thing as too much open space in a downtown area where intensive development and a sense of constant activity are important objectives. Nonetheless, additional outdoor gathering areas may yet have a place if they are carefully designed to serve specific types of additional downtown activities.

## **B. Building Orientation and Facades**

Buildings should be oriented close to and paralleling the street, i.e., generally no more than 10-16 feet back from the public sidewalk. Particularly on Center and University, buildings should be built right at the right-of-way line. As was stated above, breaks in the building façade should be kept to a minimum – essentially just those breaks needed to gain vehicle access to parking behind the buildings, and pedestrian access at some points. There should be no driveways breaking the building façade on Center Street. Building and parking structure facades along streets should integrate with historic downtown Provo buildings with regard to massing, window and door proportions and placement, and exterior materials.

### **C. Parking**

Most new parking to serve the more intensive new development will be located in shared parking garages, generally occupying space at the center of the block rather than taking up long stretches of street frontage. (Small areas of surface parking, also hidden from the street, may be acceptable in interior-block alleys.) Where parking or access to the parking must occupy short sections of street frontage, special attention should be given to hiding it or improving its appearance through landscaping, thoughtful selection of building materials, and deliberate design solutions. Shallow “liner buildings” along streets on ground floors of parking structures may also be a good solution in some cases.

With a shift in the balance between serving vehicle needs and pedestrian needs in the Project Area (see “Pedestrian Issues” below), on-street parking will continue to play an important but somewhat receding role on Center Street.

Because north-south side streets are often the routes that visitors take between Center St. businesses and nearby parking, these streets also must be attractive, well-lit, safe environments for pedestrians.

### **D. Pedestrian Issues**

As a prime area for walkable retail, Center Street through the Project Area plainly needs to fully exploit its walkable qualities. This calls for a shift in the Area’s existing balance between serving motor vehicles and serving pedestrians – certainly not the total surrender of the Street to pedestrians, but an incremental shift in emphasis nonetheless. In order to enhance the pedestrian experience and bring downtown workers and patrons to the street for a thriving street environment, street-level zones of building facades should be distinctive from upper levels in terms of materials, scaling, and architectural detailing. In addition, site design throughout the Project Area should give careful attention to layout of the space around buildings – not just in front along the streets, but also between and behind the buildings -- as well as to landscape and hardscape elements including paving, trees, shrubs, and other plant materials, landscape containers, top soil, soil preparation, automatic irrigation, street furniture, and landscape and pedestrian lighting.

### **E. Sustainability**

All new development in the Project Area should be sustainable in the sense that it makes efficient use of resources and creates a long-term, robust cost-benefit situation. Resources this should apply to include scarce downtown land, water, energy, infrastructure investment, building materials, cultural resources, and other resources – so that the useful life of the development and the resources assembled to undertake and operate it may continue long into the future.

## **IV. STATUTORY PURPOSES OF TITLE 17C – LIMITED PURPOSE LOCAL GOVERNMENT ENTITIES – COMMUNITY DEVELOPMENT AND RENEWAL AGENCIES**

Title 17C of the Utah Code contains no explicit statement of purpose, although it contains the following definition of "community development":

"Community development" means development activities within a community, including the encouragement, promotion, or provision of development. [17C-1-102 (15)]

By enabling localities to establish community development and renewal agencies and project areas, Title 17C grants localities one of their chief tools for fostering quality community development. The proposed Center Street Community Development Project Area furthers the attainment of the purposes of Title 17C by addressing four main objectives:

- To enhance employment & income opportunities for community residents
- To improve access to goods and services for residents
- To increase and diversify the tax base, thus increasing the resources available for performing governmental services while minimizing tax rates
- To provide for a wide range of housing opportunities, and to cultivate the market for downtown goods and services by adding residents in the downtown.
- To reaffirm and enhance downtown Provo's long-established role as the center of Utah County

**A. Enhanced Employment**

By bringing about the construction of new buildings, rehabilitation of existing buildings, and other improvements in downtown Provo, in the short term the project creates new construction employment opportunities in the Provo labor market. More importantly, by adding office, lodging, and other business facilities in the downtown, and by fostering commercial opportunities through improved parking, the project creates venues for the conduct of business, particularly employee-intensive types of businesses, which otherwise would be lacking in downtown Provo. To the extent that these businesses and the jobs they bring would locate elsewhere if the physical facilities were unavailable in Provo, the Project Area directly contributes to a robust downtown Provo job market. Furthermore, the entire Utah Valley market is enhanced by preserving and growing its traditional center for those employers who seek a city center location.

In a memorandum to Provo City dated November 30, 2006, Economics Research Associates (ERA), a nationally-recognized consultant in the area of community development, states:

As part of the (Provo) City's economic development function, the downtown needs to be actively marketed as a logical location for office development, both for larger corporations who may occupy whole buildings and smaller users in multi-tenant buildings...

Downtown is also a logical location for a wide variety of office based professional services, such as lawyers (serving both court functions as well as private individual needs), tax accountants, architects, dentists, chiropractors, physical therapists, and other medical practitioners...

*(In connection with the development of the new Utah Valley Convention Center downtown), consider legislation to encourage, or force, the next few hotel developments to also locate downtown in proximity to the new shared meeting facility.*

Regardless of whether Provo takes steps to coerce new hotels to locate downtown, the point is made that the Convention Center introduces new opportunities for hotel development and attendant new jobs downtown.

Although set forth nearly seven years ago, these ideas from the ERA memo still apply. The Project Area will help the downtown to fulfill its important role as an employment center.

**B. Access to Goods and Services**

One of the advantages of living in a community is convenient access to a wide range of goods and services. The Provo central business district is no longer the retail center of the Utah Valley region, but it can continue to be an important shopping destination both for people living in the surrounding neighborhoods and for visitors. This is true particularly for specialized classes of goods and for a range of services. It has been estimated that 32,000 people live within a one-mile radius of Center St. and University Ave. This is a considerably higher concentration of people than live in the centers of such communities as Albuquerque, NM, Palo Alto, CA, Boulder, CO, and Ogden, UT (Economics Research Associates, *Downtown Real Estate Market Analysis* for the City of Provo, November 30, 2006, pp. II-17, 18). The Project Area presents new opportunities for purchasing goods in ground floor retail business and greatly expanded opportunities to acquire office-based services.

**C. Improved Tax Base**

Cities, school districts, counties, and other units of government are expected to provide services to their residents and visitors, but they are constrained in what they can do by the size of their available revenue streams. Tax revenues, the product of a tax rate and the base on which a tax is levied, are key sources of local government revenue. Tax revenues grow by either increasing the tax base or increasing the tax rate. Taxpayers uniformly prefer to see the base increase.

The kinds of projects proposed for the Project Area can greatly increase the property tax base in the Project Area beyond what it may be otherwise. This is particularly good news for Provo City and Provo City Schools, both of which would likely lose this tax base growth to other locations if the Project Area were not created.

**D. Housing Opportunities**

Increased supply and variety of housing opportunities is a crucial component of a thriving downtown. New residents help to make downtown an active place at all hours of the day and all days of the week. More particularly, they help to solidify the demand for goods and services in the downtown, which Provo seeks to enhance. Specific to downtown Provo, the November 30, 2006, ERA memo states:

ERA's market research suggests there is a market for relatively affluent rental apartments in Provo, and the downtown should be a good place to develop one or more such projects...

ERA's research also indicates there is an active market for new condominiums in Provo, and again the downtown should be a good location for some of these.

**E. Downtown as the County Center**

Provo is the County Seat of Utah County. As such, it has always been the governmental center of the County. It is also the largest city and over the decades has attracted financial, educational, religious, cultural, and commercial institutions which have added to this role as center. Downtown Provo, in turn, has evolved over many decades as the center district of the center city. Functionally as well as symbolically, downtown has developed a unique identity in the County and in some ways is what people think of when they think of Utah County. Consequently, reaffirming, enhancing, and even continuing to reinvent downtown Provo -- beginning with the key Center Street area -- is a very important community development objective as Utah County continues to thrive.

**V. CONSISTENCY AND CONFORMITY TO THE CITY'S GENERAL PLAN**

The Project Area Plan is consistent with and conforms to -- and in fact, is designed to help carry out -- the Provo City General Plan. Below are some of the key provisions of the General Plan, 2009 Comprehensive Update, subsequently amended July 10, 2012, which this Project Area Plan carries out.

***Excerpts from Chapter 11 – Rehabilitation, Redevelopment, and Conservation***

*(Written in regards to the Central Business District Redevelopment Project Area Plan, which covers much of the same geographic area as this Center Street Community Development Project Area Plan,) redevelopment is used to strengthen downtown economic conditions while preserving the historic qualities of central Provo. The specific goals for the Central Business District development project area are to:*

1. Maintain and enhance the Central Business District as the business and financial center;
2. Maintain the Central Business District as a government center by encouraging the centralization of city, county, state, federal, and judicial activities in the Central Business District;
3. Encourage the continued viability of retail and service businesses, including specialty types of retail that may be unique to downtown;
4. Encourage the promotion and development of the conference center and facilities in downtown Provo in an effort to attract conferences and serve the traveling public; and

5. Maintain and enhance the dining, entertainment and cultural opportunities of the Central Business District.

*(Regarding the Central Business District Area, the General Plan also identifies several potential projects:)*

3. On the block bounded by Center Street, University Avenue, 100 West, and 100 North, the Town Square parking structure was originally designed to provide for the later addition of two floors, which may yet be built at some point in the future.

4. With downtown Provo continuing to evolve as the preeminent business, financial, and government center of Utah County, the need for office space will also grow. Adaptive reuse of existing buildings will help to meet the demand, but construction of additional new office space will also be central to the downtown redevelopment strategy. New “Class A” downtown office space is particularly lacking and deserves attention. The Redevelopment Agency’s role in recent years has tended toward providing downtown parking structures to serve office and other development, and this is expected to continue. There will be cases, however, where the Redevelopment Agency helps to assemble sites and otherwise foster new building construction downtown. The current effort to develop a new building at the southeast corner of the intersection of 100 North and University Avenue is an example of this. The Redevelopment Agency has also acquired properties on this block farther south on University Avenue to eventually enable additional office building development.

5. The retail, service, and restaurant sectors will also continue to be a key part of the downtown character, particularly as they cater to people living, working, and seeking educational, cultural, and entertainment opportunities in and near downtown. In large measure, this will occur as a natural outgrowth of drawing people downtown for these other activities. There will also be a continuing Redevelopment Agency role in promoting the preservation of historic blocks of continuous buildings, built to the sidewalk, along parts of Center Street and University Avenue where these continuous facades have best maintained their original qualities. Many such buildings will continue to house specialty retail, service, and restaurant businesses. The Redevelopment Agency will also help to redevelop infill buildings in the downtown. The site of the former Paramount Theater, at 61 East Center, is an example of this. The Redevelopment Agency has acquired the property and is working toward private-sector development of a new building compatible with the old in terms of scale, placement on the lot, use, and architectural style. New downtown offices and other buildings should also be planned (which) feature retail, commercial services and restaurants on their ground floors and should be designed with traditional storefront-type windows, entries, signage, and other features which will invite pedestrian activity along the street.

6. A resurgence of new downtown housing on the upper floors of retail and office buildings is a trend sweeping the country in the early years of the twenty-first century. The viability of this type of housing is suggested by the Village at Riverwoods in north Provo and the Wells Fargo Tower in Downtown. There is evidence that a latent, untapped market for this type of housing exists downtown among downtown workers, aging baby boomers seeking to downsize their homes and be close to amenities, and others. New downtown residents will be a key part of the downtown land use mix by adding to the customer base of downtown businesses and generally increasing the round-the-clock vitality of the district. Upper-floor housing should occur both in new buildings and in vacant or underutilized parts of existing buildings.

### ***Excerpts from Chapter 12 -- Economic Development***

#### Current Economic Development Policies

1. ***Business retention and expansion:*** Keep existing businesses in Provo and help them expand their operations, facilities, and markets.
2. ***Attract new retail business to Provo:*** Provide a broad range of goods and services within Provo to keep tax dollars local.
3. ***Encourage Downtown development:*** Focus on new development that increases the number of people that work and live downtown, with related services.

### ***Excerpts from Chapter 13 -- Implementation***

13.11.9 Maintain and enhance the position of the Central Business District (CBD) as the business, retail, government, entertainment, and conference center for the City. Do so through promotion and marketing, economic restructuring, management and organizational strength, provision of adequate parking, and continuing efforts to enhance the appearance of the core area.

13.11.10 Promote efficient utilization of building space by encouraging a mix of uses in the Central Business District (CBD), including retail, office, service, and high density residential occupancies.

13.12.5 Utilize redevelopment programs and incentives to encourage the revitalization of blighted commercial and industrial areas.

13.12.8 Encourage the development of the downtown area into a mixed-use development pattern to include housing, office, support commercial services, retail, arts, and entertainment.

## **VI. SPECIFIC PROJECTS THAT ARE THE OBJECT OF THE PROPOSED COMMUNITY DEVELOPMENT**

The strategy for the proposed community development will go forward in two tiers: first, adopt the Project Area Plan and establish the Project Area. Then secondly, the redevelopment Agency will seek out opportunities and resources to undertake specific projects. In cases where tax increment financing is a necessary and appropriate source of funding for projects, the Redevelopment Agency will seek, project by project, to enlist the support of the entities levying a property tax in the Project Area. Each taxing entity and the Agency will determine percentage of available tax increment to be pledged to a project, length of time it will be pledged, base year for calculating available increment, and other variables case-by-case for each community development project.

It would be well to note here that the territory of the Proposed Center Street Community Development Project Area overlaps in many places the territory of the Central Business District (CBD) Redevelopment Project Area which was established many years ago. That Redevelopment Project Area is slated, under Utah law, to lose its authorization to raise property tax increment after the 2015 tax year. The new Center Street Community Development Project Area will allow tax increment financing and other tools to continue to be employed toward accomplishing many of the same objectives, in much the same territory.

## **VII. PRIVATE DEVELOPERS CURRENTLY INVOLVED IN THE COMMUNITY DEVELOPMENT PROCESS; SELECTION OF OTHER PRIVATE DEVELOPERS**

As noted earlier, there are several private developers currently undertaking community development-related activities within the boundaries of the proposed Center Street Project Area. These include Nu Skin Enterprises (Innovation Center); the Church of Jesus Christ of Latter-day Saints (Temple); 63 Center LLC (apartments at 63 E. Center); Cowboy Partners (apartments at 302 W Center); and multiple smaller developers undertaking improvements to existing buildings. At the present time, the Redevelopment Agency does not anticipate that any of these ongoing activities would benefit directly from the Center Street Project Area – although that certainly could change in the future.

The Redevelopment Agency of Provo City currently (May 7, 2013) owns four properties within the Project Area:

- Block 68 - Provo Marriott Hotel parking structure (leased to the Hotel)
- Block 67 – Provo Towne Square parking structure (leased to Provo Towne Square)
- Block 28 – former Paramount Theater site (under contract to sell to Triumph Development)
- Block 70 – eastern 40% of the block (under contract to sell to Cowboy Partners)

In addition, Provo City owns several tracts of land in the Project Area, including Block 61 (Pioneer Park) and most of Blocks 62 and 63 (City Center, Covey Center for the Arts,

and leased property). Of course, Provo City also controls many public rights-of-way in the Project Area.

It has been the Redevelopment Agency's practice, as developers inquire about development opportunities in downtown Provo, to review with them the current roster of potential projects, including but not limited to Agency-owned properties in the downtown. At such times, developers are invited to submit proposals for acquiring Agency properties. Very recently, the Agency has also begun listing available properties on the Agency web page. As developer proposals come in, the Agency reviews these for conformity to City and Agency plans and objectives, financial feasibility, reasonableness of requested development terms (including requests for assistance), and developer qualifications. Developers' proposals usually are not solicited as part of a formal request-for-proposals (RFP) process. However, for particularly large or high-profile properties, the Agency may follow an RFP process. These generally are the procedures by which private developers will be selected for Agency-owned properties in the future.

Similarly, for community development on property in the Project Area not owned by the Redevelopment Agency, developers may make proposals for community development to the Agency at any time. The Agency will review these using essentially the same process and criteria outlined in the preceding paragraph.

## **VIII. REASONS FOR SELECTION OF THE PROJECT AREA**

This community development is being initiated at this time in recognition that 1) the possibility of tax increment financing (TIF) will soon expire in the Central Business District Redevelopment Project Area; 2) there are still many needs/opportunities for community development, including the possibility of TIF, in the Center Street Project Area; and 3) the Project Area is the traditional core of the downtown district, possessing certain unifying qualities and potential opportunities for community development.

## **IX. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS**

### **A. Physical Conditions**

Physical conditions in the Project Area vary widely. On the one end of the spectrum are the Temple and Nu Skin properties. These, when completed, will include beautifully-constructed new and revitalized historic buildings set among immaculate landscapes. On the other end of the spectrum are buildings which have been vacant for more than a decade and are uninhabitable because of badly-leaking roofs, structural deficiencies, and other serious problems. Multiple lots in the Project area have been vacant for years. These, as well as yards around some buildings, are often covered with weeds and trash. On Block 71, there is an environmental cleanup site which has not been fully resolved.

In between the fabulous new developments and the badly-deteriorated properties, most properties in the Project Area fall into a range of different states of maintenance. Many, while not dilapidated, are in need of rehabilitation and more regular maintenance. They are caught in a conundrum of not being able to afford maintenance or fix-up because

rents are too low, and not being able to charge higher rents because of their neglected condition.

### **B. Social Conditions**

In the past few years, the Project Area and some surrounding blocks have begun to experience a positive transition. There have been incremental improvements to the housing stock and increased home ownership in surrounding neighborhoods, as well as concerted efforts to promote the downtown as a fashionable, fun place to come. These have improved the Center Street district, bringing people for jobs during the day and dining/entertainment in the evening. But the progress is not complete, and success is not yet assured. More residents, with a range of incomes, more jobs, and more wholesome attractions are needed to make Center Street a place full of activity day and night, where people can feel safe, as befitting the center of the County.

### **C. Economic Conditions**

Economic conditions in the Project Area can best be summed up as mixed but improving. Too many ground floor retail spaces still rent for \$11 or less per square foot annually, triple-net. A key indicator that economic conditions truly have changed will be when no storefronts sit vacant and typical triple-net rents approach \$20 per square foot.

## **X. PROPOSED TAX INCENTIVES TO PRIVATE ENTITIES**

The Redevelopment Agency anticipates that, at least for the near future, many private community development undertakings in the Project Area will continue to require tax or other incentives to fill gaps in project feasibility. Tax increment financing is a category of incentive that likely will continue to be needed. This mechanism will be used judiciously, based on the Agency's project-by-project analysis of need coupled with agreement by individual property-taxing entities that tax increment is necessary and appropriate. Historically, TIF assistance to projects has taken the form of land price write-downs and construction of structured parking. This is likely to continue for at least some TIF-assisted projects in the Center Street Project Area.

In recent years, Provo City has also offered credits against development fees and taxes to small businesses investing in downtown. The Redevelopment Agency also administers federal grants and non-tax revenues (mostly from rental of real property) in community development projects, in order to lessen reliance on TIF alone.

## **XI. ANTICIPATED PUBLIC BENEFIT**

### **A. Beneficial Influences Upon the Community Tax Base**

In 2012, the taxable property in the Project Area had a total valuation of \$109,134,367, generating approximately \$1,280,000 in property tax revenue. Approximately 81 percent of this came from property improvements and 19 percent from the taxable land. Early in 2013, it is estimated that the *partially-completed* Nu Skin Innovation Center alone will raise the Project Area's valuation by approximately \$40,000,000 – a 37% increase in one year, attributable to a *single incomplete* community development project. Although the Nu Skin Innovation Center is an extraordinary project, and although credible projections

of tax base growth are impossible until specific new community development projects are brought forward, this suggests the general magnitude of tax base growth which is possible in the Project Area as more intensive development occurs.

One other example of how the tax base could be affected: in 2007 the Redevelopment Agency formed the Financial Center Community Development Project Area in downtown Provo, a half-block from the Center Street Project Area. The Zions Bank Financial Center, a 130,000 sq. ft. office building with parking structure, was subsequently erected on 1.44 acres in the Financial Center Area. Since then, the valuation of the site for property tax has increased more than tenfold, from \$2.63 million to \$28.65 million. Property tax charged on the site has increased from \$32,000 to \$342,000. The valuation and annual property tax will grow even further as the remainder of the building interior is finished. In the Center Street Project Area, similar tax base growth is likely at multiple locations as projects are undertaken in the Area.

### **B. Associated Business and Economic Activity Likely to Be Stimulated**

Part of Provo's strategy in trying to create new downtown office, retail, lodging, and entertainment space is to bring additional workers downtown during the day. These workers, in turn, will add to the demand for downtown dining and other retail and services. For some people, more downtown jobs will also help to make downtown a more attractive place to live, thereby increasing the demand for new downtown housing. As success in all these downtown real estate sectors grows, demand for downtown development will spiral upward.

New residential development will boost the downtown area in terms of demand for a full range of goods and services. Perhaps among the most important for the downtown economy will be purchases that people tend to make frequently and close to home, such as groceries and personal care services. However, having more people living in close proximity to the central business district will also reinforce the downtown as a center where people go to buy things they purchase somewhat less frequently and travel farther to buy – clothing, housewares, gifts and other specialty items, for example.

As mentioned earlier, one of Provo's objectives in downtown development is to see downtown property lease rates increase – not to price people out of the market, but *to encourage investment in new construction and restoration of historic buildings, with the expectation of recovering one's investment without tax increment and other incentives.* That will be perhaps the best measure that downtown Provo's revitalization has succeeded. Projects in the Center Street Community Development Project Area are intended to catalyze this upward spiral of the downtown market.

**EXHIBIT A**  
**PROJECT AREA MAP**