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A year later, City Creek revitalizes downtown

By Jasen Lee | @JasenLee1 | Mar 21, 2013, 7:55pm MDT

GRID VIEW



Shoppers walk through City Creek Center in Salt Lake City Wednesday, March 20, 2013. | Jeffrey D. Allred, Deseret News

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City Creek has definitely revitalized downtown. We are partnering with the Downtown Alliance and working on ways that we can make downtown stronger. – General manager Linda Wardell

SALT LAKE CITY — Tuesday Salt Lake City Mayor Ralph Becker and Salt Lake County Mayor Ben McAdams signed an agreement solidifying the city-county partnership to establish and maintain a new performing arts center in the heart of downtown.

The county's Center for the Arts, which also owns and operates nearby Abravanel Hall, Capitol Theatre and the Rose Wagner Performing Arts Center, will run the new theater, scheduled to begin construction in 2014 and bring a \$110 million venue to Main Street.

What sealed the deal?

City Creek Center, say city officials.

"But for City Creek Center, the city and county would not have moved forward with this new 2,500-seat, Broadway-style theater," said Jason Mathis, executive director of the Downtown Alliance. "Most of the good things that are happening in downtown are being driven by City Creek Center."

The massive \$1.5 billion project that brought hundreds of residential units and retail stores to downtown Salt Lake City celebrates the one-year anniversary of its opening Friday marking not just a new center, but a revitalized city core.

"To walk down Main Street today ... you see four or five storefronts that are being built, and everything else is full," Mathis said. "Over the past few years, there have been hundreds of new businesses that have opened up."

The 222 South Main office tower was completed in December 2009 and is showing an increase in occupancy. Another soon-to-be developed office project at 100 South and Main Street is planned. That corner is also the home of The Chalk Garden, locally owned high-end fashion and jewelry that first made its name in Trolley Square more than three decades ago and opened during the past year.

The store has been at its current location for about seven months, and there is optimism about the long-term future for the area around the new development.

"We are continuing to grow and benefiting from being associated with City Creek," said Willard Cron, Chalk Garden men's department assistant manager. "We're making better and better profits every day."

The financial impact of City Creek Center continues to be measured and specific figures are elusive. Sales tax numbers for 2012 are expected by midsummer. But other measurements show some winners and areas, such as residential sales, where demand has not caught up with supply.

City Creek mall opened with 95 stores. Today it includes 109 retail tenants with additional restaurant openings scheduled this year. Representatives of Nordstrom, an anchor tenant, and high-profile jeweler Tiffany each declined to divulge specific data on their first year's sales. But both expressed satisfaction with the initial 12 months in the new space.

"Our ability to bring a designer offering to Salt Lake City has been really well-received by our customers," Colin Johnson, Nordstrom spokesperson, said. "We are thoroughly encouraged by our results so far."

He said the store has performed "particularly well and has exceeded our expectations."

As for Tiffany, the New York-based jewelry maker also offered general praise.

"We've had a great welcome into the Salt Lake market," said Julie Peterson, director for Tiffany & Co. Salt Lake. "We feel like we've been well supported and the store is doing well."

Residential units

City Creek Center's residential component, built by City Creek Reserve, the for-profit development arm of the Church of Jesus Christ of Latter-day Saints, has had similar success, according to spokesman Dale Bills.

The development includes 111 rental units and 425 condominium units, along with more than 700,000 square feet of retail space.

"City Creek enjoyed a strong first year of full operations," he said. "Condominium sales are steady, our office space occupancy is at above market rates and our rental apartments (City Creek Landing) are fully leased."

While the rental occupancy has been at 100 percent since March of 2012, more than half of the condominium units at 99 West, The Regent and Richards Court remain listed as

for sale. The 219 units range in price from \$243,000 to \$2.36 million.

On the retail side, 98 percent of the available square footage at City Creek Center is currently leased, according to marketing manager Dee Brewer. Since the opening, only one tenant has left, Big Sal's Sandwich Shop, and the retail roster has expanded, said general manager Linda Wardell.

With an estimated 16.2 million visits annually, the center is expecting to continue to attract shoppers and diners to the central business district and become the "rising tide that lifts all boats," she said.

"City Creek has definitely revitalized downtown," Wardell said. "We are partnering with the Downtown Alliance and working on ways that we can make downtown stronger."

That optimism also rose from the corporate level of the new center.

"City Creek Center has exceeded our expectations in terms of traffic and business, and the attention the project continues to get globally for its beauty and uniqueness," said Karen MacDonald, communications director for Michigan-based Taubman Inc., which owns city Creek Center.

Taubman would not comment on how City Creek Center performed in comparison to the rest of the centers in the company's portfolio. Prior to its opening, some questioned the decision to keep stores closed on Sunday. But MacDonald said the success thus far of the development quieted concerns.

"The stores understand that the shopping center is closed on Sunday when they sign their lease," she said. "They believe they can be as successful in six days of operation as they would be in seven elsewhere."

The Gateway

The development of City Creek Center was touted as boon for the downtown economy, including its largest retail competitor to the west — The Gateway. During the past 12 months, The Gateway has experienced the loss of such staple tenants as the Apple Store, Ann Taylor and Anthropologie — all of which relocated to City Creek Center — and more than a dozen other stores.

Despite the turnover, the managers of the shopping and entertainment center said they are preparing to reposition The Gateway for a new era and are planning a \$2 million investment in the property.

“It has been an interesting year for The Gateway with the new shopping center downtown, but it has certainly been a successful one,” said Scott Bennett, general manager of The Gateway. “While we lost some retailers, we retained the vast majority, gained another nine new merchants and had two of our merchants expand their stores. So we have 100 merchants and more restaurants than any other shopping center in the state.”

Retail Properties of America Inc., which owns The Gateway, is launching a \$2 million improvement plan focused on “ambiance, community and being green.” The additions include installing soft-seating areas, which will more than double the center’s existing seating as well as upgrading landscape and hardscape areas.

“The Gateway has always had a unique ambiance, and we are keeping it fresh and new with upgraded fountain technology, allowing a variety of songs to be added, creating cozy winter warmth with additional fire elements and installing energy-efficient lighting in the garages that will reduce energy use by 50 percent,” Bennett said. “The center is evolving, and these improvements are a reflection of that evolution.”

In addition, the center has added automated parking payment systems that were designed to reduce emissions by decreasing idling time in the garage. The Gateway has also introduced a glass recycling program for the center’s retailers and restaurants.

“The upgrades will reduce the center’s carbon footprint and better serve the center’s connection to the community,” Bennett said. “The center will also be using the new space to partner with local community groups to raise awareness of their causes.”

“The Gateway has been a community gathering place for more than a decade,” said Rochelle Fraser, marketing director for the center. “We are pleased to provide opportunities for the interests of our community to be reflected here at our center.”

Gov. Gary Herbert is scheduled to join Salt lake County Mayor Ben McAdams and other city officials at the Skybridge at City Creek Center Friday at 10 a.m. to discuss the center’s impact on shopping, downtown and state economic development.

Stores are planning sales and giveaways throughout the day as a reward to shoppers.

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