North Salt Lake Town Center

Market Analysis Findings and Strategic Recommendations

May 2024

LELAND CONSULTING GROUP
People Places Prosperity | www.lelandconsulting.com

greensfelder
REAL ESTATE STRATEGY

Table of Contents

Market Analysis Findings

Introduction

As its name suggests, the City of North Salt Lake in Davis County, Utah, is located north of Salt Lake City and Salt Lake County. The Salt Lake City region has benefitted from robust growth throughout its history with new residents and employers bringing increased vibrancy to the broader community. Over time, that continued growth has caused the once-separated major urban areas of Ogden, Salt Lake City, and Provo to be nearly seamlessly interconnected from north to south, primarily along the spine of Interstate 15, with dozens of smaller suburbs helping to fill in the formerly undeveloped gaps across the now sprawling metropolitan area.

Although Salt Lake City and the Utah Transit Authority (UTA) have made significant strides in growing a network of light rail and other mass transit options, the area north of Salt Lake County remain largely auto-dominated for commuting, shopping, and other mobility needs. With strong population and employment gains along this largely linear north-south urban expanse, this continued reliance on driving has led to increased traffic congestion and ever-longer commutes for most workers and residents. Due to physical topography constraints, North Salt Lake happens to lie alongside one of the busiest traffic bottlenecks for I-15 as it funnels between the Great Salt Lake itself (with surrounding airport and industrial lands) on the west and the Wasatch Mountains on the east. In fact, the Town Center area of North Salt Lake lies directly east of the interstate along one of its busiest sections, passed twice a day by nearly 200,000 cars moving north or south through the metro to and from work.

The North Salt Lake Town Center area lies within a relatively linear section of land along US Highway 89, roughly parallel to I-15, with part of the study area extending east and west along Center Street, the major intersecting local road. Like many suburban "town centers" across the U.S., North Salt Lake's Town Center is somewhat hopefully named. There are indeed many elements in place to constitute such a mixed-use gathering place (some older building stock, patches of gridded streets, a new City Hall, a mix of commercial and residential land uses, and newer infill redevelopment activity) but those components have largely remained disconnected from one another, certainly from a pedestrian standpoint. In short, the area has yet to produce the envisioned hub of walkable urban activity to befit its name.

City leaders, businesses owners, and residents know that the area is not currently living up to its potential. Stakeholders rightly see the potential of Hwy 89 as a welcoming entryway to North Salt Lake and its intersection with Center Street as one "bullseye" of potential mixed-use activity that could help to catalyze a truer town center than it is now. They envision a more attractive place for people to live and visit, with improved walkability, a range of shopping and dining options featuring local establishments, family-friendly entertainment, and high-quality streetscapes. As a more specific near-term goal, city leaders and stakeholders want to work to improve the viability of commercial enterprises in the Town Center.

Analytic Objectives and Approach

This report helps inform the conversation around commercial revitalization of the Town Center study area with an evidence-based understanding of the market. Using a variety of sources and methods, the analysis identifies attainable development opportunities in the study area given market dynamics, development challenges, and prevailing trends. This work involves the following largely quantitative elements:

Demographic and employment drivers. This step involves analysis of census and census-based data to understand the local population, rate of growth, household income, education, age, and lifestyle preferences. These metrics help to inform the selection of retail trade zones (a.k.a. trade areas, market areas, catchments). Employment patterns and commuting behavior are included in this analysis.

Sales tax revenue flows: We used summarized sales tax data made available by the City to help assess the performance of Town Center establishments relative to one another and to other North Salt Lake businesses. This aids in our understanding of gap/pull factors, commercial supply conditions, and visitation data, while helping to assess potential economic impacts of attracting (or losing) retail tenants.

Competitive supply characteristics: We investigated the existing retail landscape to identify gaps in retail offerings that could be filled by new retailers. Key information sources included CoStar commercial real estate data, Placer visitation data, in-person fieldwork, and inputs from knowledgeable local stakeholders. Key quantitative metrics include total inventory by retail type, vacancy (both average rate and locations), rent levels, and pipeline development activity.

Visitor behavior. In addition to the standard data sources like CoStar, Census/ACS, Bureau of Labor Statistics, etc., Leland Consulting Group (LCG) now uses subscription data from Placer.ai™. Placer uses cell phone tracking data to provide a wealth of valuable information on visitor traffic. Any individual store, shopping center, or district can be analyzed for daily or weekly visitor counts, prevailing time-of-day and day-of-week visitation patterns, and trip-chaining behaviors. Using this geographic data on customer home and work locations, this data allows us to generate the true "trade areas" for stores in the study area and at key competitive locations.

Gap/pull analysis: This component of the broader supply/demand analysis quantifies differences in household spending potential and existing sales activity within a reasonable retail trade zone applicable across most store categories. Interpretation of gap/pull ("leakage") data is not straightforward as often presented in retail market analysis reports, so we include caveats to aid in interpretation of this data.

Demand forecasting. Although some attainable demand may be implied in the gap/pull findings, market area growth is often a larger component. In this step we combine inputs from both gap/pull analysis and demographic indicators (mainly household growth projections and spending power) to develop a realistic forecast of retail space demand across key store categories, presented in a range from conservative to aggressive/attainable.

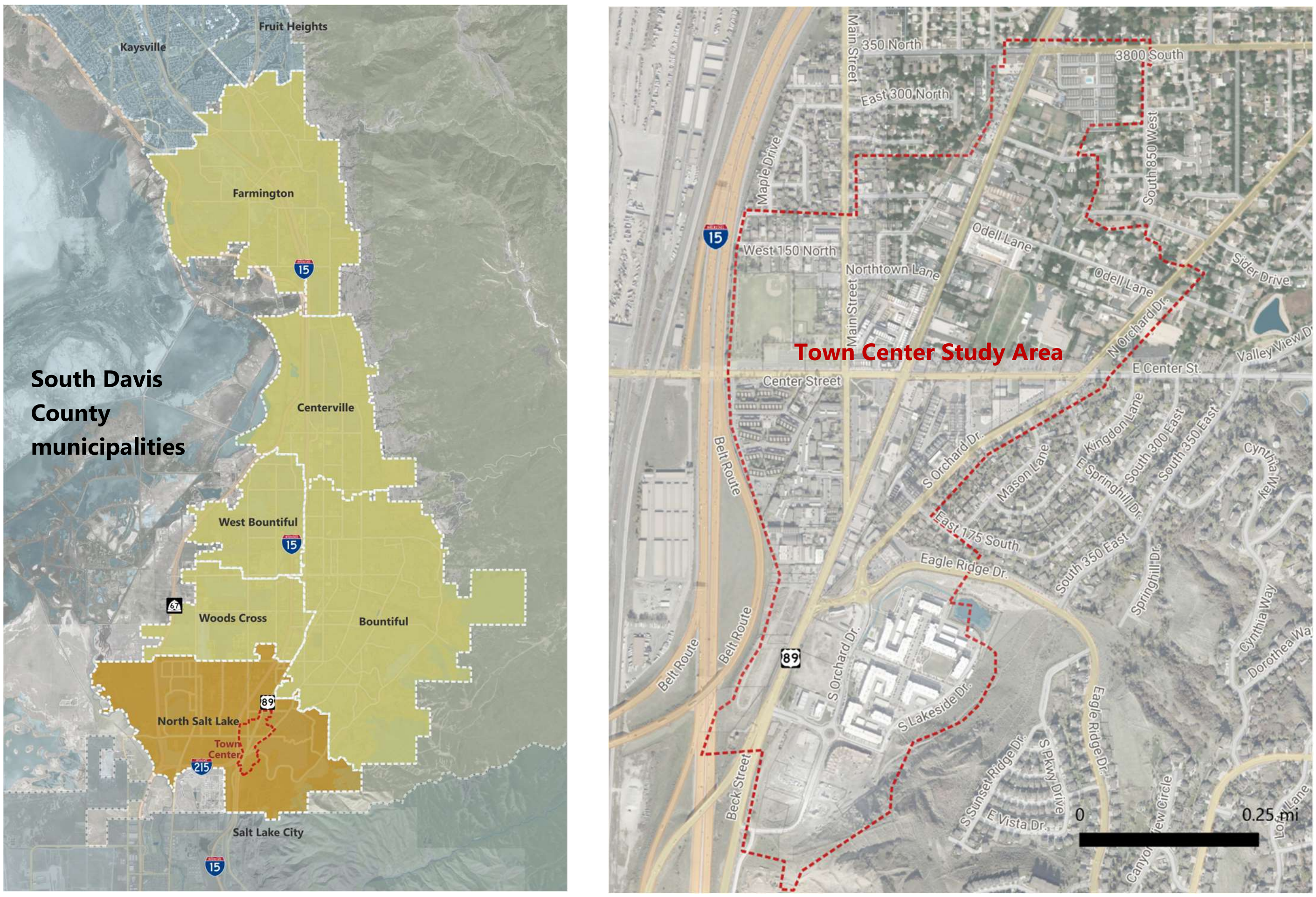
Site analysis. We will characterize the market suitability of Town Center development sites for different types of retailers and services, based on market-related factors such as visibility, traffic volumes, accessibility, parking, infrastructure, and zoning. This subtask includes some preparatory mapping of vacant and underutilized parcels, in-person fieldwork (both driving and on foot), collection of traffic volume data, and related activities.

From these analytic elements, the team crafted a more informed strategic approach to identifying strengths, weaknesses, opportunities and threats facing the Town Center area. That then allows North Salt Lake to more confidently profile key customer target segments, position potential development (and tenant recruitment) efforts to serve those segments competitively and identify high potential (re)development opportunity sites.

Comparison Geographies

The analysis of market conditions affecting Town Center commercial vitality requires qualitative and quantitative descriptions of the Town Center area itself, along with a number of comparison geographies that provide relative benchmarks to aid in understanding those metrics in context. A range of different geographies are used to provide relevant contrasts, with the choice of comparison areas driven mostly by relevance to the topic of discussion and availability of reliable data.

Figure 1. Cities of South Davis County; North Salt Lake Town Center Study Area



Source: Leland Consulting Group

In rough order of size (there are many overlapping shapes involved), the following comparison geographies are used throughout this report to help characterize the market.

- Town Center Study Area
- City of North Salt Lake
- Other individual cities in southern Davis County (Bountiful, West Bountiful, Woods Cross, Centerville, Farmington)
- Visitor-derived Trade Area definitions (irregular “blobs” covering home locations of visitors)

- Drive-time polygons (areas reachable from Town Center within 5 and 10 minutes by car)
- Davis County overall
- Ogden-Salt Lake City-Provo metropolitan area (designated market area, or Salt Lake City DMA)
- United States

Some demographic data is also shown for the Ogden-Clearfield MSA, but because North Salt Lake lies in the southernmost extents of that MSA, it is usually more appropriate to use the whole DMA to make broad regional comparisons.

Demographics and Employment

Population and Growth

From 2000 to 2020, the Salt Lake City DMA added more than one million residents, growing at more than double the rate of the nation as a whole during each of those two decades. While Davis County outpaced the metro area prior to 2010, it grew at roughly the same 1.7-percent average annual rate as the metro from 2010 to 2020.

North Salt Lake has seen significant population growth in recent decades, gaining over 13,000 residents between 2000 and 2020 (an increase of 146%), with an average annual rate of growth well above its south Davis County neighbors from 2000 to 2010. Growth tapered to 3.1 percent on average per year from 2010 to 2020. North Salt Lake is the third most populous city in southern Davis County after Bountiful and Farmington. Bountiful is the largest city in south Davis County, with a population just over double that of North Salt Lake, at 45,864 as of 2020.

Table 1: Population and Growth, North Salt Lake and Comparison Areas, 2000 to 2023

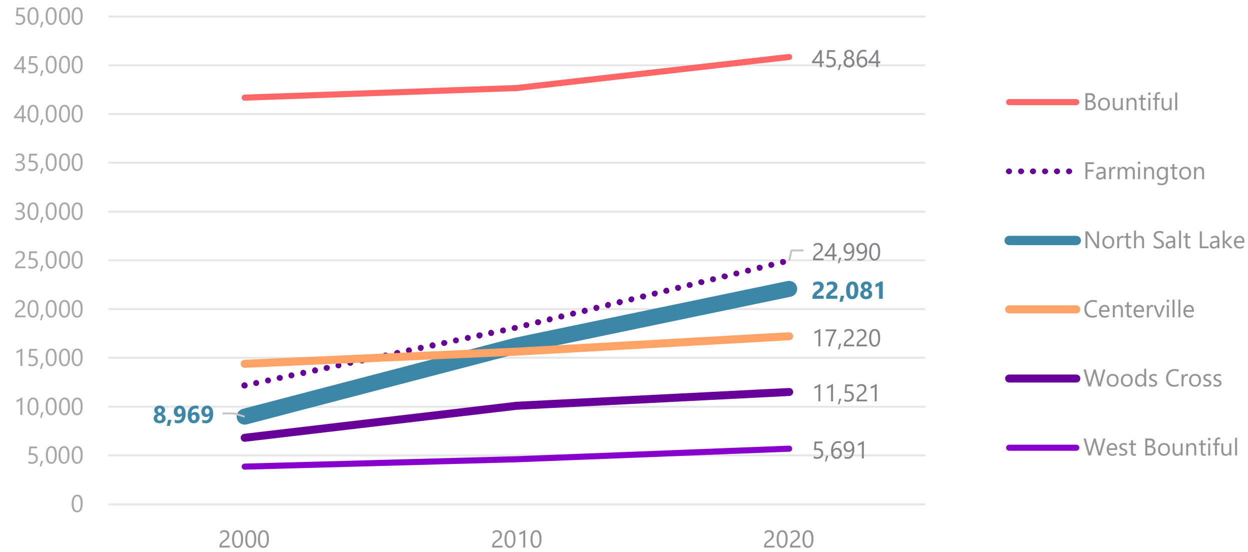
	Population				Annual Rate		
City	**2000**	**2010**	**2020**	**2023***	**2000 to 2010**	**2010 to 2020**	**2020 to 2023***
North Salt Lake	**8,969**	**16,275**	**22,081**	**22,886**	**6.1%**	**3.1%**	**1.2%**
Bountiful	41,683	42,658	45,864	45,930	0.2%	0.7%	0.0%
Woods Cross	6,815	10,089	11,521	12,277	4.0%	1.3%	2.1%
West Bountiful	3,846	4,595	5,691	6,124	1.8%	2.2%	2.5%
Centerville	14,403	15,623	17,220	16,851	0.8%	1.0%	-0.7%
Farmington	12,186	18,146	24,990	25,960	4.1%	3.3%	1.3%
Davis County	238,977	306,503	364,171	380,238	2.1%	1.7%	1.4%
Salt Lake City DMA	2,389,005	2,941,055	3,465,771	3,640,783	1.9%	1.7%	1.7%
USA	281,421,906	308,745,538	331,839,036	337,470,185	0.8%	0.7%	0.6%

Source: ESRI, U.S. Census decennial counts

Note: 2023 population shown in this table is based on ESRI model projections/estimates and is substantially short of the City's own official 2023 population estimate of 24,687 (based on building permits and average household sizes since the last decennial census).

The figure below shows the trajectory of growth in North Salt Lake and comparison cities across southern Davis County, using decennial U.S. Census counts for 2000, 2010, and 2020. Note that North Salt Lake and Farmington share a much steeper growth slope than neighboring cities over that period, with both surpassing Centerville after 2010.

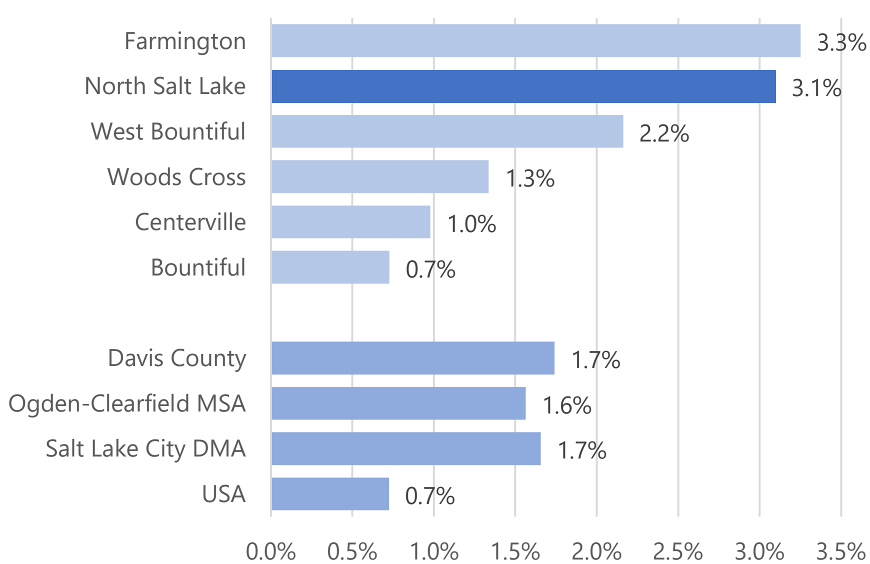
Figure 2. Population Growth in South Davis County Cities Between Census Counts, 2000-2020



Source: ESRI, US Census decennial counts

The average annual growth rates for the same south Davis County cities, along with other regional and national comparisons, again show Farmington and North Salt Lake leading the region in recent pace of growth at over three percent annually. North Salt Lake grew at nearly double the annual rate of the region (both for the Ogden-Clearfield MSA and the larger Salt Lake City DMA, which spans from Ogden to Provo) and more than quadruple the 0.7-percent annual rate nationally.

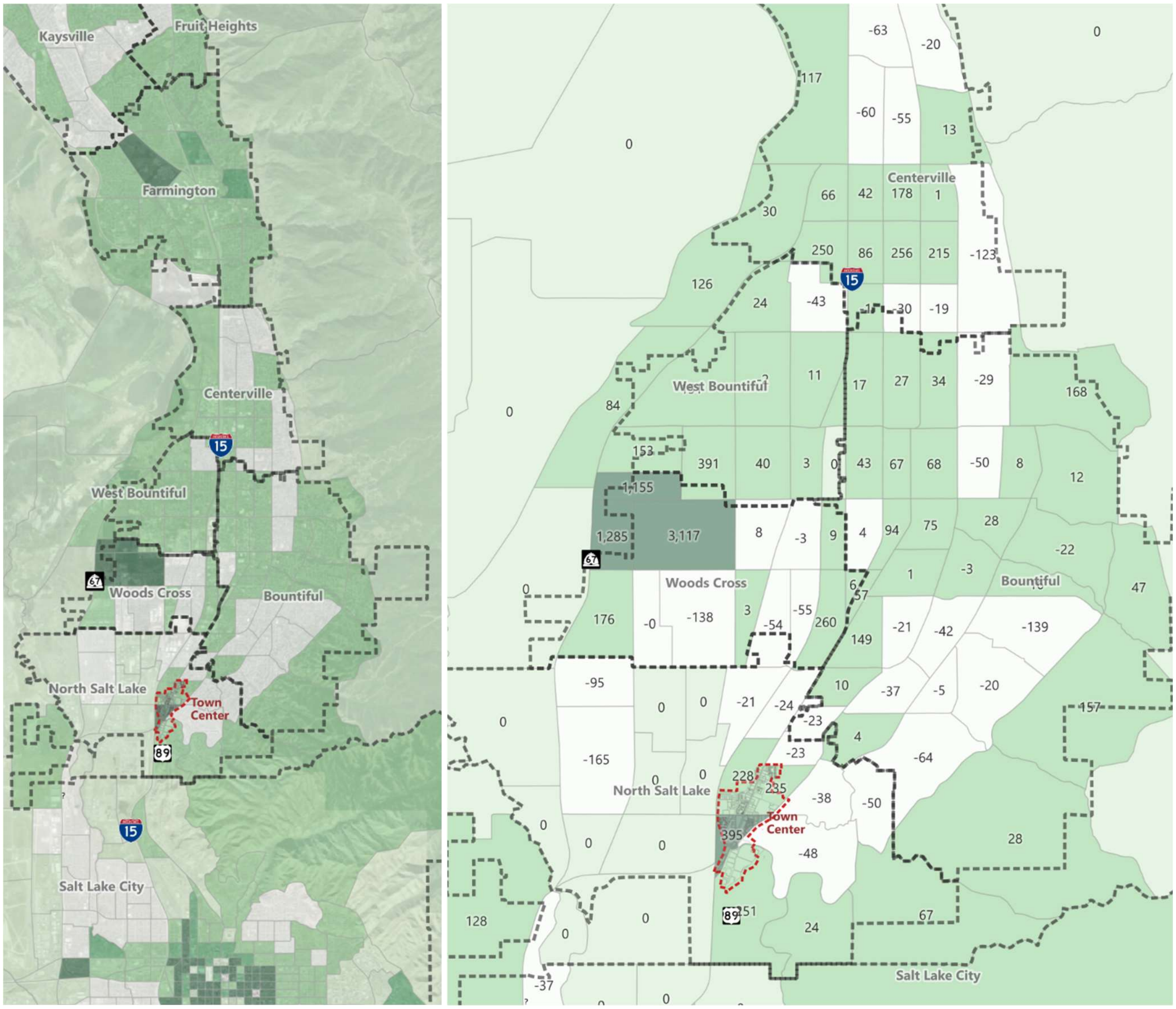
Figure 3. Population Average Annual Growth Rate, 2010-2020



Source: US Census.

The following maps are shaded to show relative rates of population growth anticipated at the traffic analysis zone (TAZ) level in forecasts produced by the Wasatch Front Regional Council (WFRC) for traffic modeling and general planning purposes.

Figure 4. Growth Projections by TAZ (2020 to 2030)



Source: WFRC and Leland Consulting Group

Note: Shading is based on the projected change in population per square mile at the traffic analysis zone (TAZ level); Labels indicate absolute population growth expected between 2023 and 2033.

The more zoomed out map at the left in the figure above shows the intensity of growth occurring in Farmington, Woods Cross, in downtown/central Salt Lake City (as infill), and to a lesser extent along the I-15 corridor between downtown and North Salt Lake, including the study area itself. The slightly more zoomed-in map at right includes labels with the absolute change in population projected between 2020 and 2030.

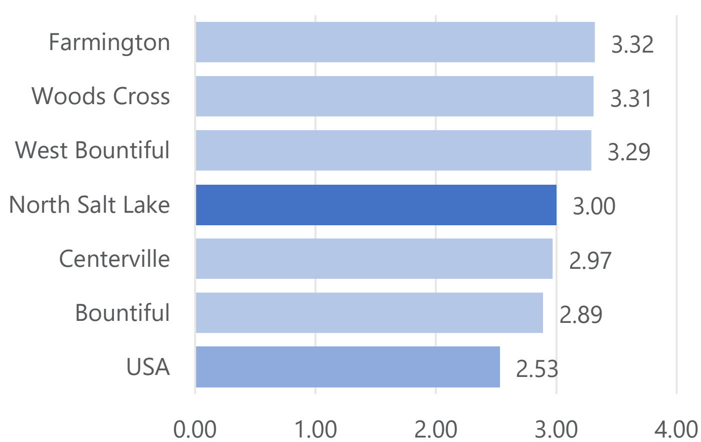
The four TAZs intersecting with the Town Center boundary are together expected to add approximately 1,100 residents over the coming decade – the strongest projected growth concentration in the vicinity except for the area around northwestern Woods Cross, which could add nearly five times that much in population.

Household Characteristics

South Davis County households are larger than the average for the United States. In North Salt Lake, there is an average of almost exactly three people per household, compared to just over 2.5 people per household in the nation as a whole. Household sizes in North Salt Lake lie in the middle of the pack among cities in south Davis County, which ranges from 2.89 in Bountiful to 3.32 in Farmington.

Typically, larger households have more expenditures than smaller households across almost all retail spending categories, but not on a per capita basis. Based on the *2022 U.S. Census Consumer Expenditure Survey*, 3-person households spend more than 2-person households on all major categories. For example, 3-person households spend 20 percent more on food at home (groceries), 21 percent more on food away from home (dining out), and more than 50-percent more on apparel than 2-person households.

Figure 5. Average Household Size (2023)



Source: US Census; Esri Business Analyst.

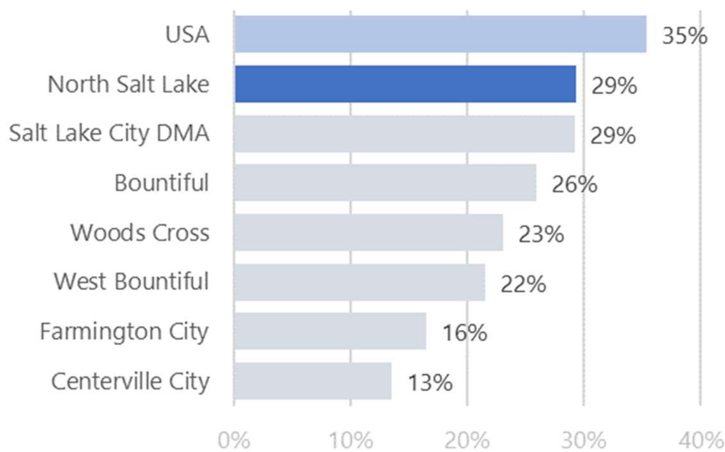
In part because they tend to have fewer children, 2-person households do spend some more on alcoholic beverages (+6 percent) and entertainment (+7 percent). Interestingly, 2-person households actually spend more on prescription drugs (+15 percent) and far more on pets (+26 percent), despite having one fewer person.

The nature of that spending can, of course, be quite different in terms of store types and tenants depending on the presence of kids and age of household members, especially for dining, entertainment, and fashion preferences.

North Salt Lake has about the same percentage of renters as the Salt Lake City DMA, at 29 percent – highest in south Davis County and rising steadily over the past several years. Bountiful, with about twice as many households as North Salt Lake, is 26 percent renter. Centerville is primarily owner households, with just 13 percent renters, as shown in the figure below. Overall, the cities of south Davis County all have a smaller share of renters than the overall metro area (DMA), which has a smaller share of renters than the nation as a whole (29 percent and 35 percent, respectively). Based on apartment construction activity over the past decade, the Town Center area itself likely has an even higher share of renters than the city as a whole.

Propensity to rent tends to reduce household spending on home centers and furniture, but is otherwise not directly correlated with spending patterns beyond what would be expected based on age and presence of children (renters are typically younger with fewer children). **As development in the study area continues to bring more renters, relative demand for entertainment, pets, drinking establishments, and drug stores should all rise– along with demand for certain dining and shopping tenants catering to younger adults in households without children.**

Figure 6. Percent of Households that Rent Their Homes (2021)

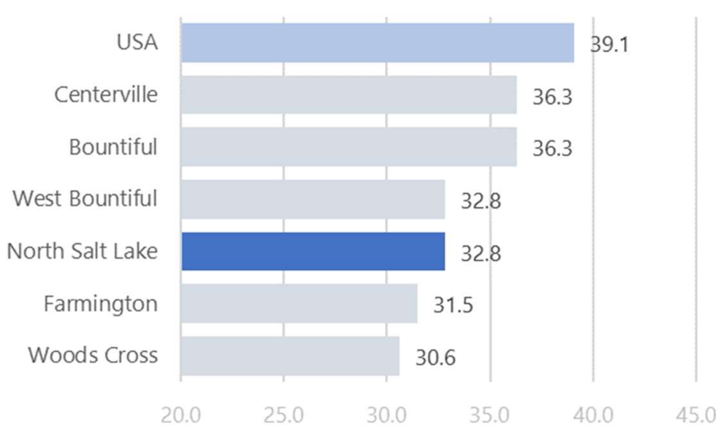


Source: US Census 2017-2021 5-year ACS estimates.

Age

North Salt Lake is tied with West Bountiful for the third lowest median age in south Davis County after Farmington and Woods Cross. The city's median age of 32.8 is well below the US median of 39.1. This indicates that the high number of residents per household in the city is likely due to the presence of families with children.

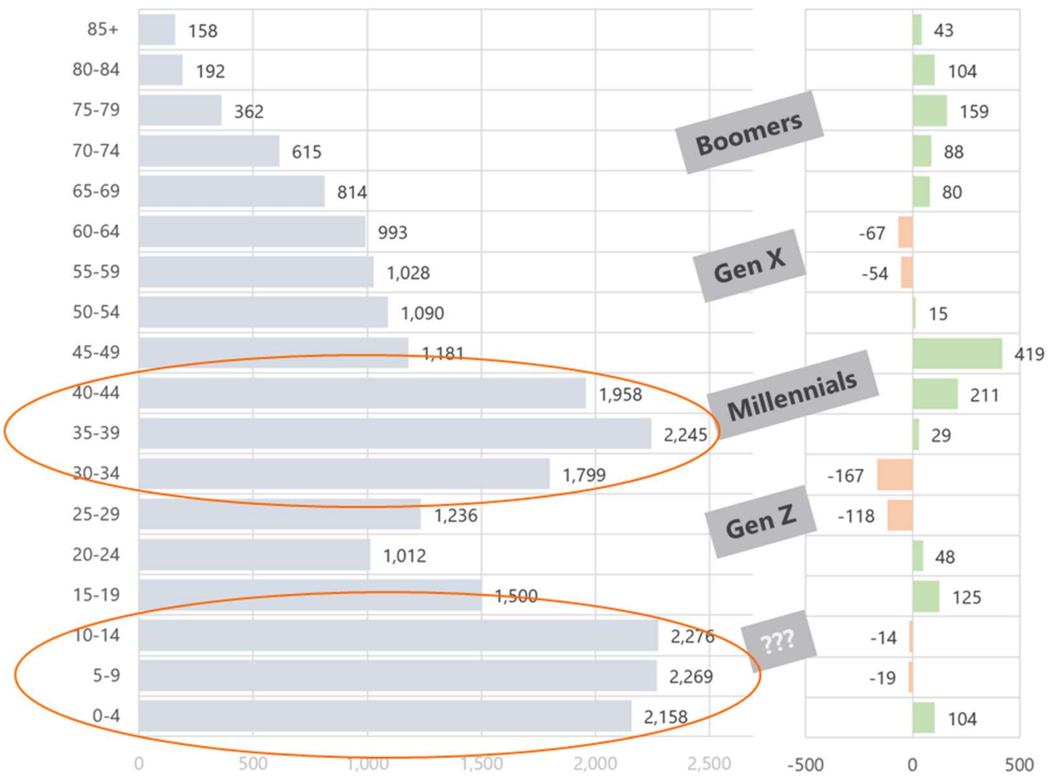
Figure 7. Median Age (2023)



Source: US Census; Esri Business Analyst.

The figure below shows the distribution of the North Salt Lake population by resident ages, both currently (2023) and projected forward five years. This short-term perspective on growth by age group can serve as an indicator of anticipated changes to demand drivers across several development/land-use types – especially residential.

Figure 8. Population by Age (2023) and Projected Change (2023-2028) in North Salt Lake



Source: US Census; Esri Business Analyst.

The largest bulge in the current population, Millennials, now aged in their 30s and early 40s, is anticipated to generate growth of nearly 420 new residents in the 45 to 49 age group, a bracket now occupied by the younger end of Gen X.

The second largest bulge, the generation following Gen Z (increasingly referred to as Generation Alpha) is made up of young children that will enter their late teens and early 20s over the next five years. Though the group is sizable now, it is expected to generate only modest growth over the coming five years, constrained somewhat by limited opportunities for development of additional housing suitable for larger families in North Salt Lake. Younger adults are typically underrepresented in suburban environments that tend to be more family oriented.

Over the next five years, the older Boomer generation will grow considerably, adding some demand for senior-friendly apartments and townhomes. While senior residents are not typically associated with elevated retail and dining spending, there may be some increase in demand support for drugstores and new opportunities may be provided for creative senior-friendly entertainment options, such as craft stores, pottery painting, crafts-related classes, or ballroom dancing.

As housing needs of the Baby Boom generation change with age and the leading edge of that cohort begins to shrink proportionally due to life expectancy, it is reasonable to expect that some larger single-family homes will become available to help meet at least some of the currently unmet demand for family-sized housing in the metro area and North Salt Lake specifically.

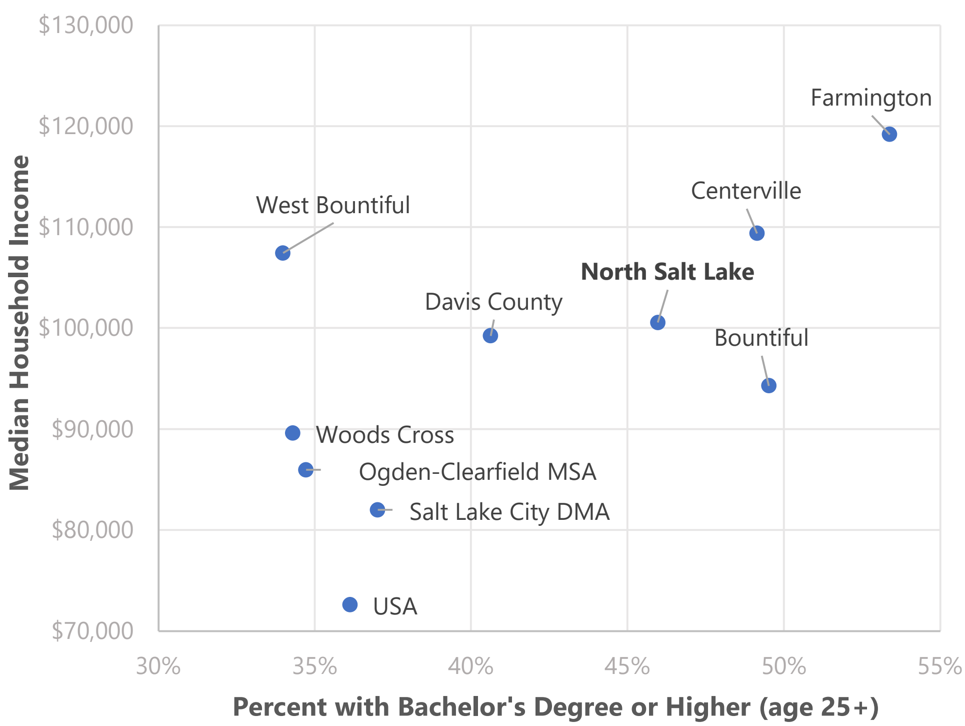
The smaller Gen X and Gen Z population groups translate into slow anticipated growth or even a moderate downward shift in the case of Gen X-ers entering their mid to late 50s and Gen Zers entering young adulthood. **The potential shrinking of the 25-34 age population as the smaller Gen Z cohort ages through, presents a challenge for dining and drinking establishments as those are important sources of demographic support in those categories.**

Income and Education

Income and education levels can help shape the spending patterns of local residents. Incomes tend to vary with education level, though this is not always the case. The figure below shows median household income plotted against educational attainment (percent with bachelor's degree or higher) for North Salt Lake and its comparison areas. West Bountiful has a relatively high median household income despite lower education levels than peer cities (often an indicator of high-paying blue-collar jobs in the vicinity). North Salt Lake has median household income and education levels just above the median for Davis County overall. Farmington has the highest income and education levels in south Davis County.

North Salt Lake's high median household income – estimated at over $100,000 for 2023– indicates that residents there have significant spending power. Nearly half of the city's residents over 25 have at least a bachelor's degree, far higher than the 36 percent for the nation as a whole, which could shape some product and brand preferences such as a desire for a wider variety of restaurants.

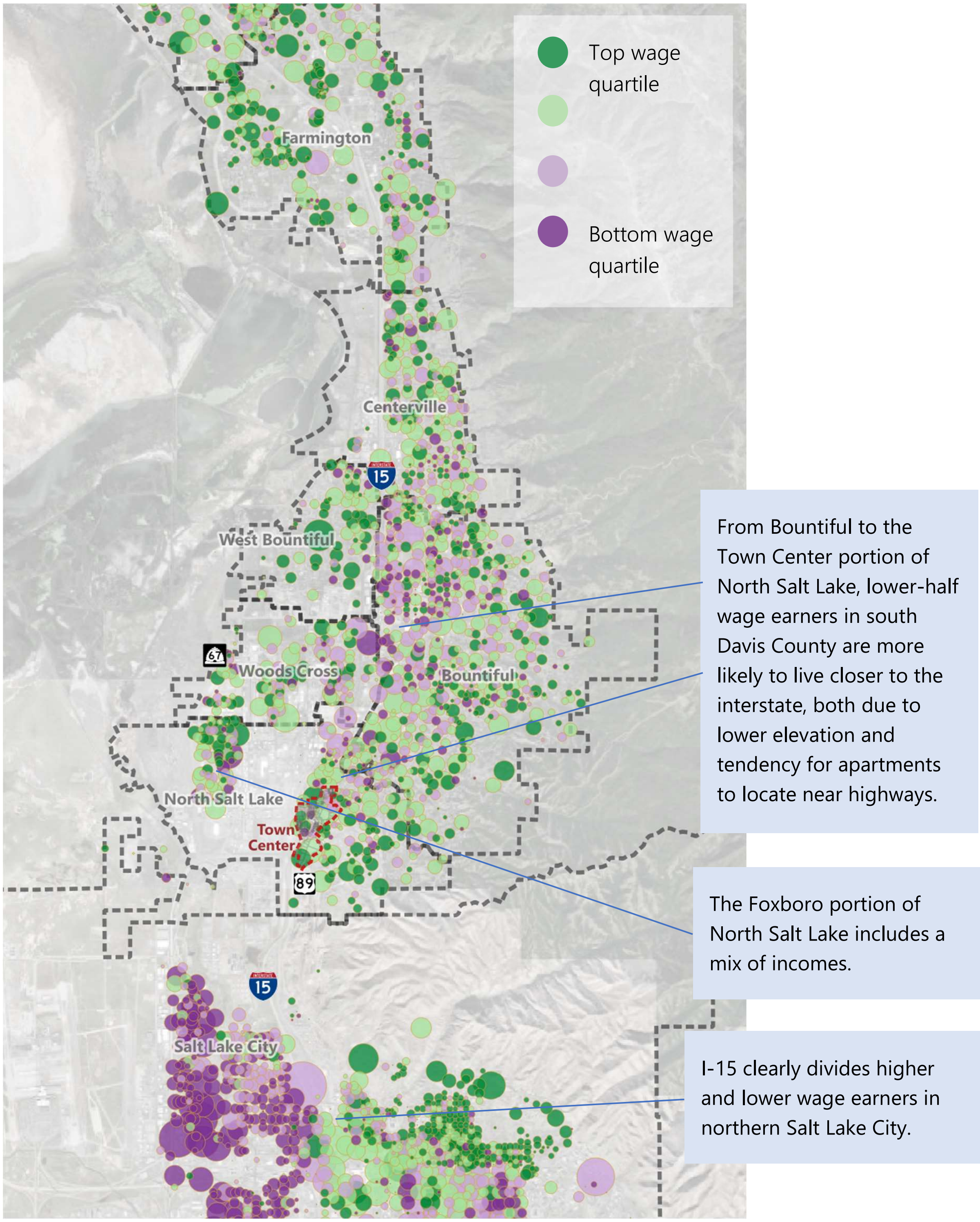
Figure 9. Income and Education Levels of North Salt Lake and Comparison Geographies, 2023



Source: US Census; Esri Business Analyst.

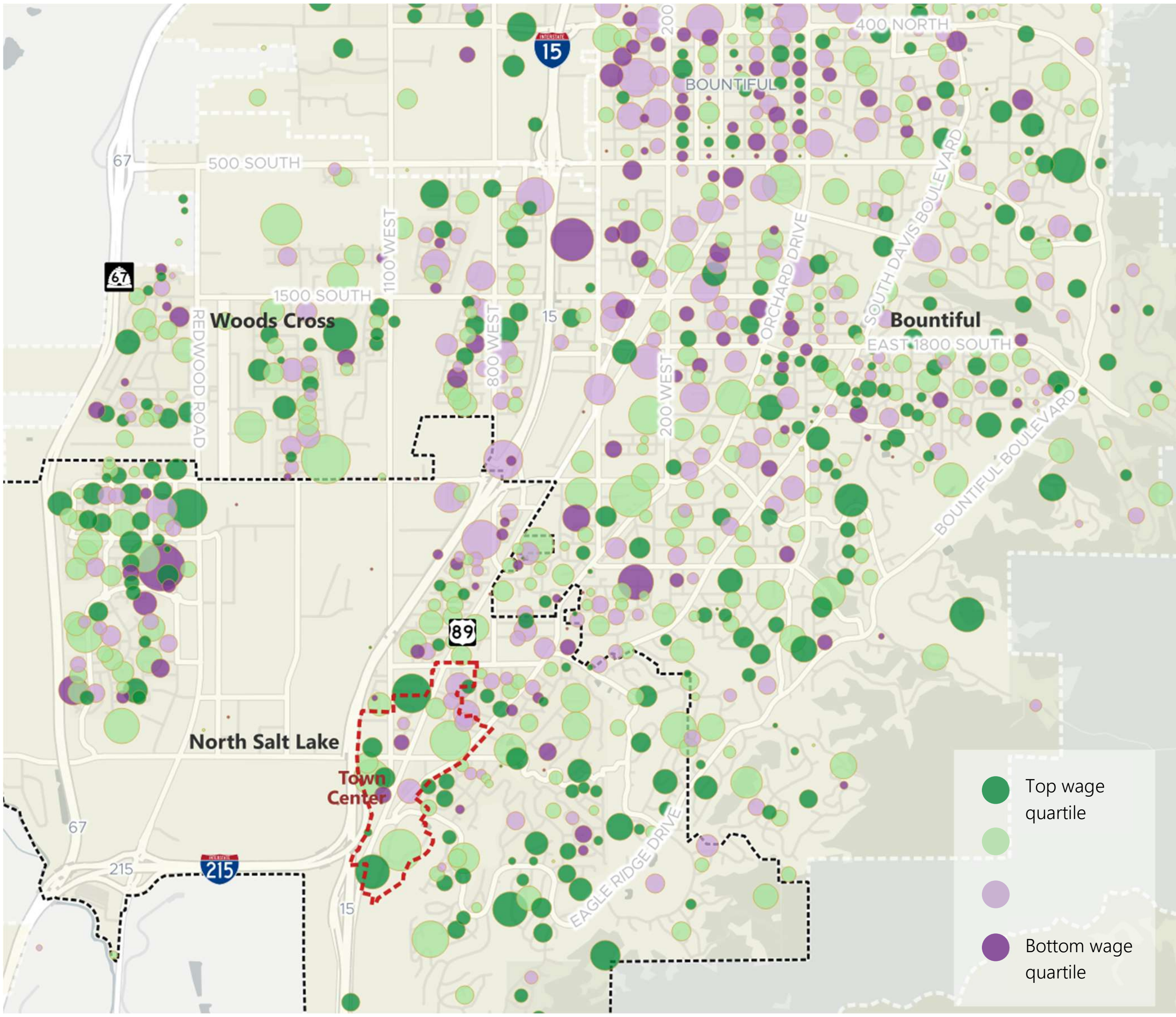
The following two maps show residential population density at the census block level using dots of varying size. The color of the dots indicates higher (green) versus lower (purple) wage earners, based on quartiles.

Figure 10. Population Density by Wage Level, North Salt Lake Vicinity, 2020



Source: U.S. Census Longitudinal Employment Household Dynamics (LEHD)/On the Map; and Leland Consulting Group

Figure 11: Population Density by Wage Level, North Salt Lake Area Close-in, 2020



Source: U.S. Census LEHD/On the Map; and Leland Consulting Group

Note: Dot placement for LEHD/On the Map data is somewhat inexact, to preserve confidentiality of residents

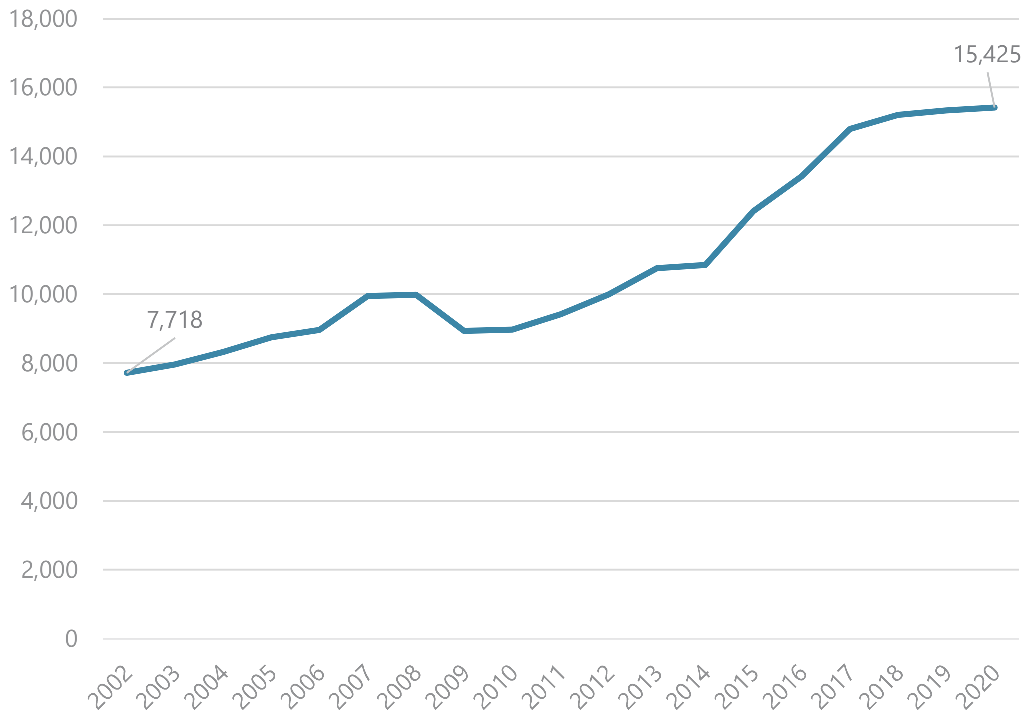
As shown in this more zoomed-in map, the Town Center area in North Salt Lake includes a broad mix of resident wage ranges, with census blocks representing all four wage quartiles. Foothills areas on the eastern edge of North Salt Lake are more consistently populated by higher wage earners. This view also allows a clearer look at the income skews in the Foxboro area on North Salt Lake's west side, with the largest, dark purple, dot centered roughly on the multifamily portion of that master-planned development.

Employment and Commuting

Employment Trends

Over the past 20 years, North Salt Lake's employment base has seen significant growth. Between 2002 and 2020, employment in the city roughly doubled, growing from 7,718 jobs to 15,425.

Figure 12. North Salt Lake Employment, 2002-2020

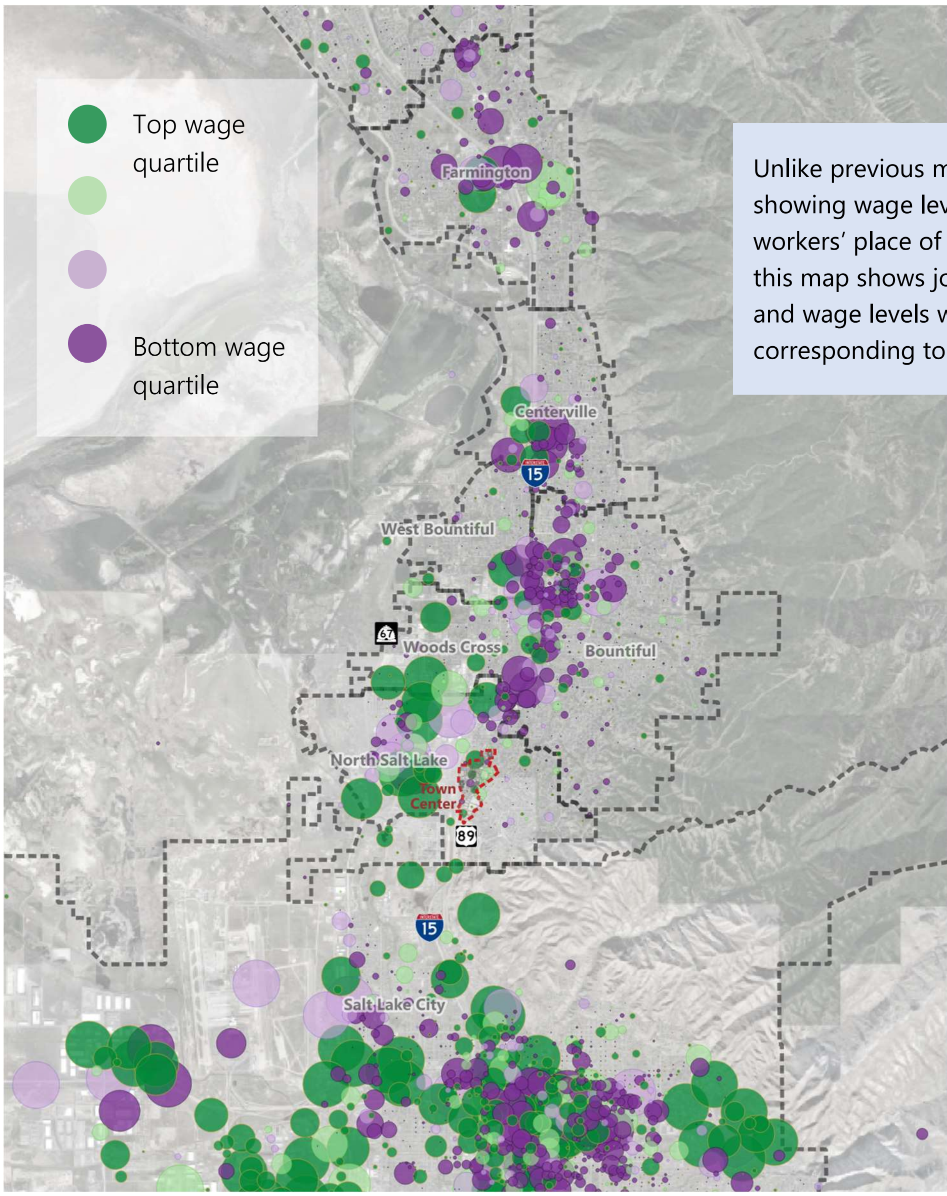


Source: U.S. Census Longitudinal Employment Household Dynamics (LEHD)

The following two maps show prevailing wage levels and job density by workplace locations (as opposed to by worker residence, as in prior maps). Note that I-15 acts as a dividing line through North Salt Lake, both physically due to the adjacent train tracks and economically due to the types of jobs that exist on either side. West of I-15, business parks in both Woods Cross and North Salt Lake have more concentrations of higher-wage workers. East of I-15, in the vicinity of the Town Center, there is a higher prevalence of lower-wage retail and service jobs.

Because people in the region tend to travel and commute north or south rather than east or west, due in part to frequent freight train obstructions, the Town Center area does not necessarily benefit from the pockets of higher wages in the industrial area west of I-15 near Foxboro. In fact, those neighborhoods show little in the way of patronage/visits to Town Center properties (discussed in a later section). This geographic split mainly exists in southern Davis County, unlike the downtown and northern portions of Salt Lake City where there is less wage segregation.

Figure 13: Regional Employment Density by Wage Level, South Davis County Area, 2020

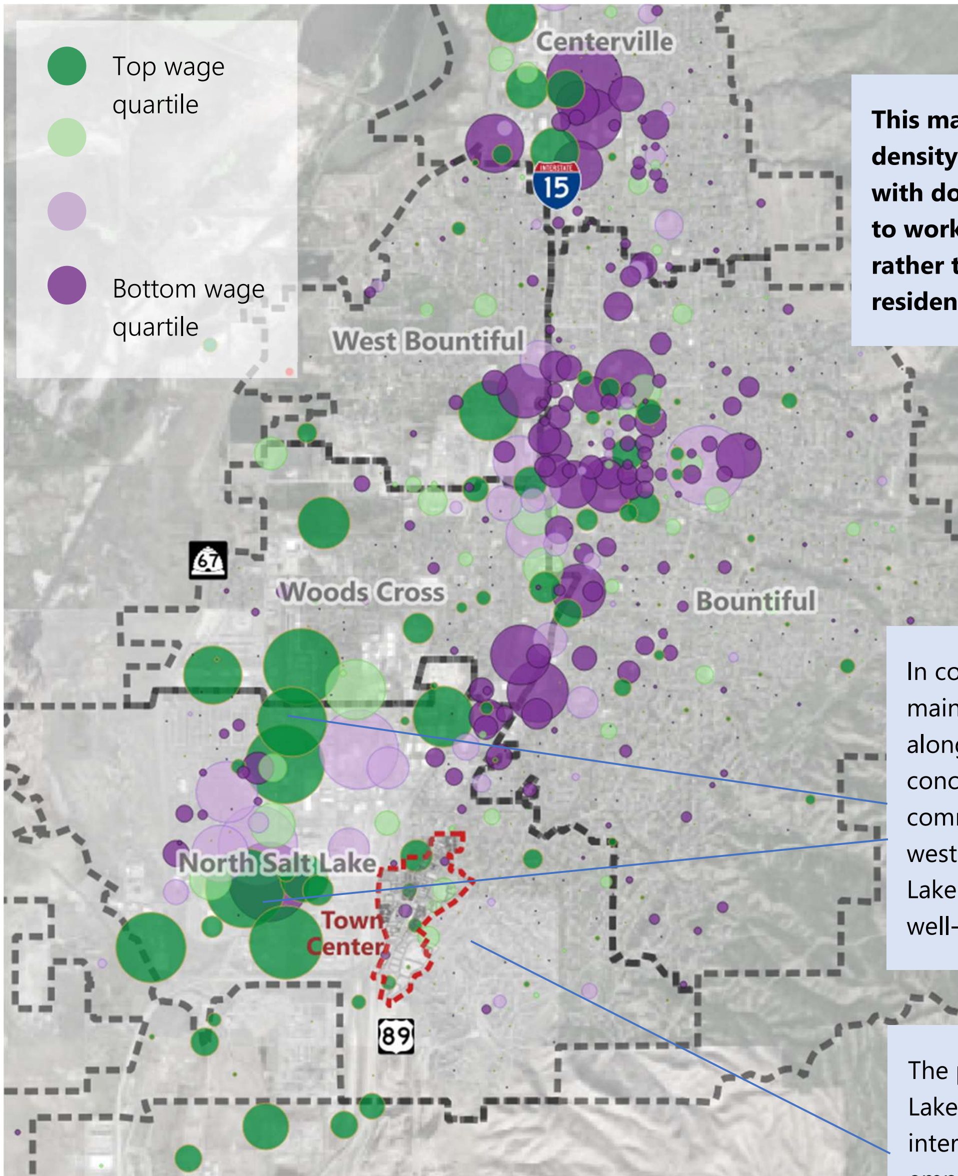


Unlike previous maps showing wage levels by workers' place of residence this map shows job density and wage levels with dots corresponding to workplace.

Source: U.S. Census LEHD; and Leland Consulting Group.

The next map is zoomed in slightly on the vicinity of the Town Center, from West Bountiful on the north to northern Salt Lake City on the south, to show more separation for dots representing workplace employment density (again, shaded by wage quartile). Zooming in again helps illustrate a wage divide driven by service/retail/hospitality employment versus office sector and higher wage blue collar jobs (with some lower wages in the west-side mix, such as near the Lee's Marketplace grocery center.

Figure 14. Employment Density by Wage Level Near the Town Center Study Area, 2020



This map shows job density and wage levels with dots corresponding to workplace locations, rather than place of residence.

In contrast to the large, but mainly low-wage workplaces along I-15, the concentrations of commercial employment west of I-15 in North Salt Lake include many large well-paying jobsites.

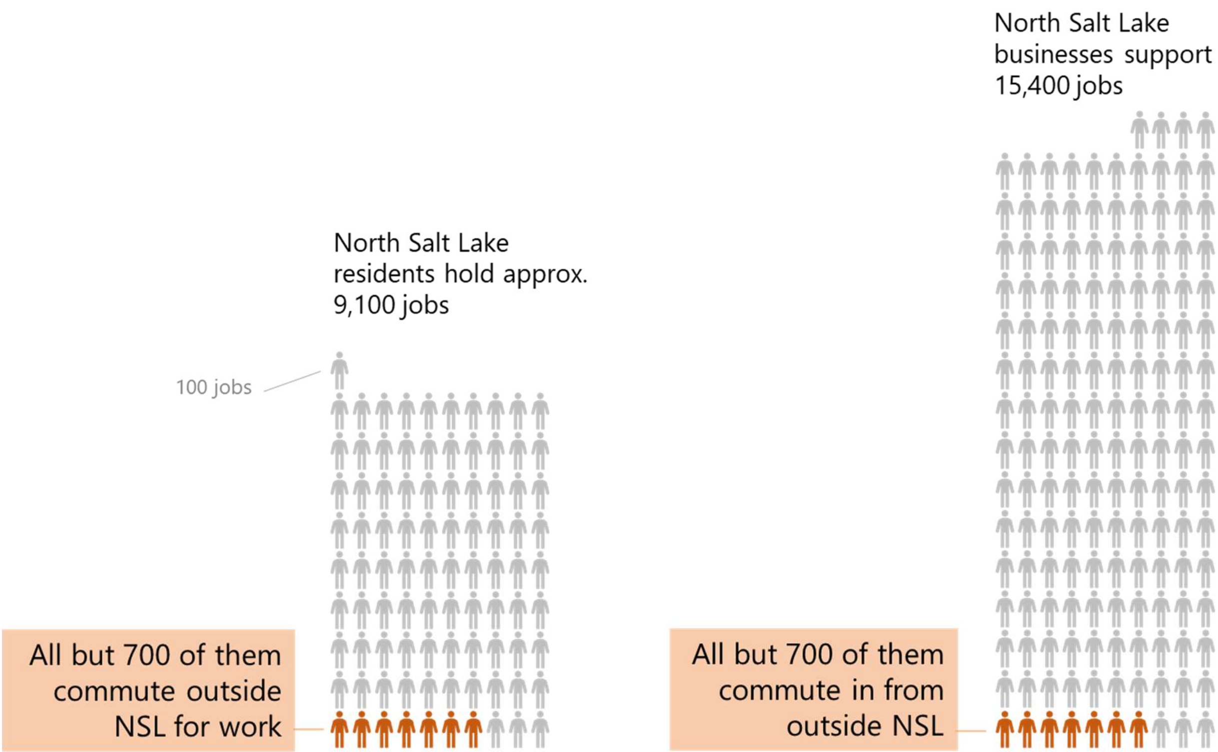
The portion of North Salt Lake lying east of the interstate has very few employment areas, with most being confined to the Town Center study area and made up of smaller employers.

Source: LEHD; Leland Consulting Group.

Commuting

Commuting patterns connecting North Salt Lake to the wider region are an important driver of retail dynamics for the Town Center study area. North Salt Lake is a major job center, with 15,400 jobs. Despite this, just 700 of the city's 9,100 employed residents work in the city. Each day, roughly 14,700 workers travel to jobs in North Salt Lake. 5,000 of these workers commute in from the north while 8,300 come in from cities and towns to the south of North Salt Lake.

Figure 15. Commuting Patterns for Jobs and Workers in North Salt Lake



Source: U.S. Census LEHD/On the Map; LCG.

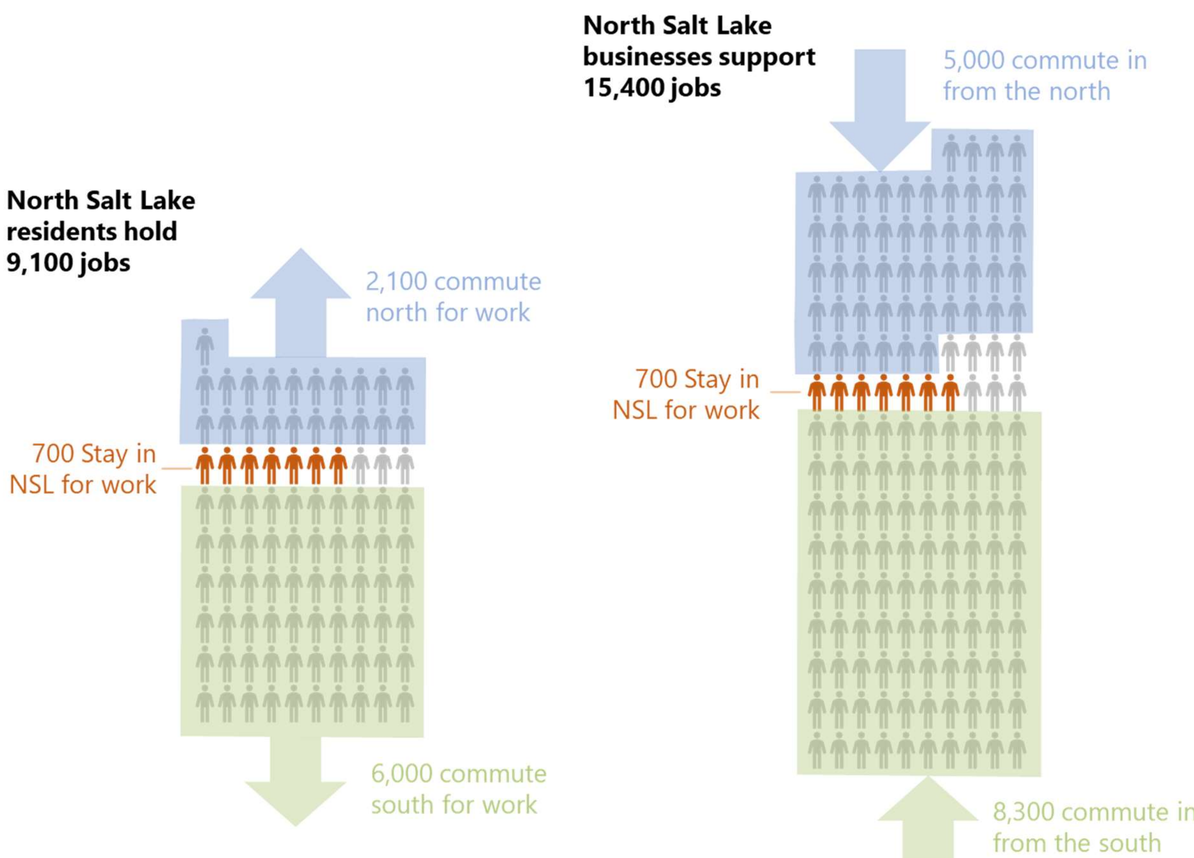
While driving to and from work is a common daily habit across most metropolitan suburbs in the U.S., the more extreme case of North Salt Lake is also partly due to the fact that the city's main employment concentration lies west of I-15 and a busy freight rail line, while most residents have homes east of that significant physical and psychological travel barrier. In addition, the jobs west of I-15, though relatively high-paying, tend to be in more blue-collar industries with job qualifications based more on experience than education, whereas North Salt Lake's east side residents tend to be highly educated and tend to commute further for office and tech jobs with high education requirements.

This mismatch between employment location and place of residence has a number of impacts affecting the Town Center area. First, it increases automobile dependence in general. With no current mass transit options other than the number 470 bus route with dozens of stops between North Salt Lake and downtown Salt Lake City (or Ogden to the north), all but the most transit-dependent workers must drive – and most of those will drive past the Town Center area on a congested I-15 (200,000 average daily vehicles) to and from work.

Although no survey was conducted for this study, it is reasonable to assume that heavy interstate traffic, especially during morning and afternoon rush hours, acts as a deterrent to the idea of exiting (and then re-entering) the freeway to visit Town Center businesses. It is also likely that a daily habit of creeping along the clogged interstate through the bottleneck alongside the study area may negatively impact commuters' perceptions of Town Center, even for those who have never stopped to visit. Those potentially tainted perceptions may then also reduce non-residents' likelihood of exploring Town Center for non-rush hour shopping or dining. Even if the primary goal of improving Town Center's retail offering is to increase the quality of life for North Salt Lake residents, any retail establishment in the city will must re;u heavily on establishing a strong customer base in adjacent cities as well.

The figure below builds on the previous chart by showing the directionality of commute travel for those same in-bound and out-bound workers. Note that due to the geography of the region, almost all commuting flows to and from North Salt Lake can be characterized as either northbound or southbound (with the few grey chart symbols representing the rare commuters that travel to the east or west from North Salt Lake for work).

Figure 16. Directional Inflow and Outflow of Workers to and from North Salt Lake

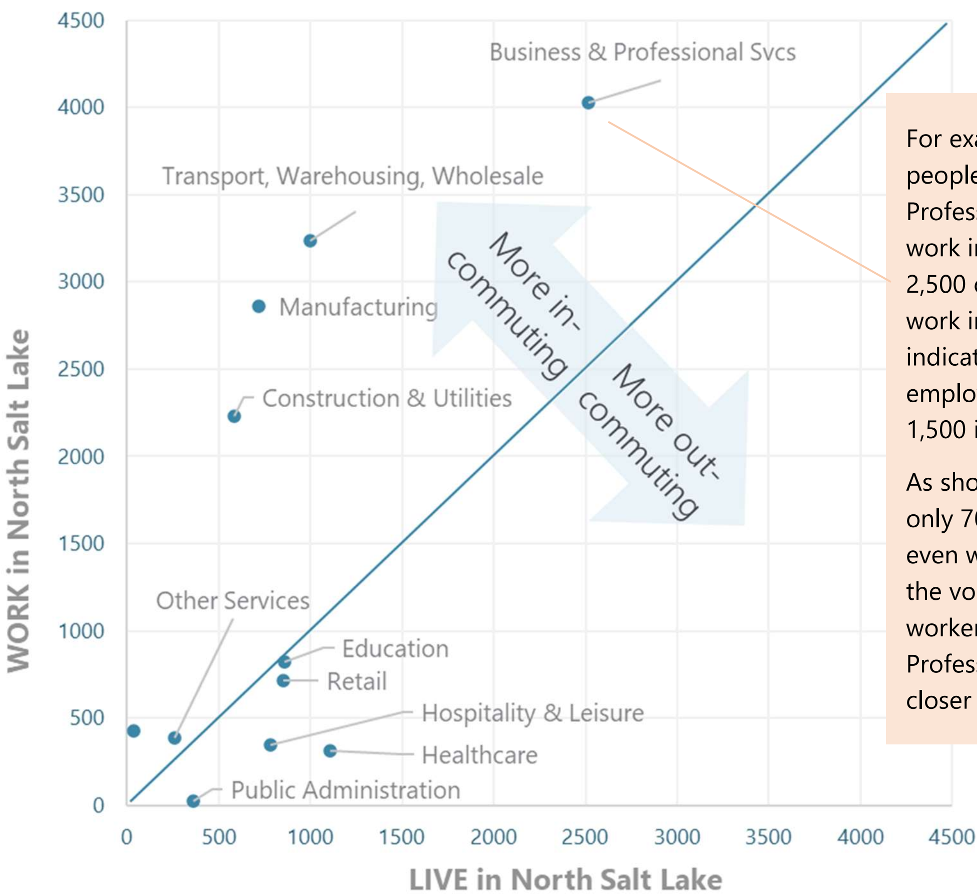


Source: U.S. Census LEHD/On the Map; LCG.

Employment Dynamics

The graph below plots industry categories such that dots further to the right have more employed residents working in those industries and industry dots higher on the graph have more employees working in North Salt Lake establishments. Thus, industries close to the line have a good balance of resident workers and locally-employed workforce. This graph helps to highlight the geographic mismatch between who works in North Salt Lake and who lives there. Specifically, the job concentrations west of I-15 are almost all represented by dots above the line, meaning that they are especially dependent on outside workers driving in each day (since few NSL residents work in those industries). The largest employment sectors in North Salt Lake are firms operating in Business & Professional Services, Transport, Warehousing, & Wholesale Trade, Manufacturing, and Construction & Utilities. Workers who live in North Salt Lake, however, are more likely to be employed in Education, Retail, Hospitality & Leisure, and Healthcare. These workers largely commute to other localities where these industries have a larger presence.

Figure 17. Commuting Trends by Industry in North Salt Lake



For example, approximately 4,000 people in the Business and Professional Services industry sector work in North Salt Lake. Roughly 2,500 of North Salt Lake's residents work in that same industry. This indicates that, at a minimum, those employers must rely on at least 1,500 in-commuters to fill positions.

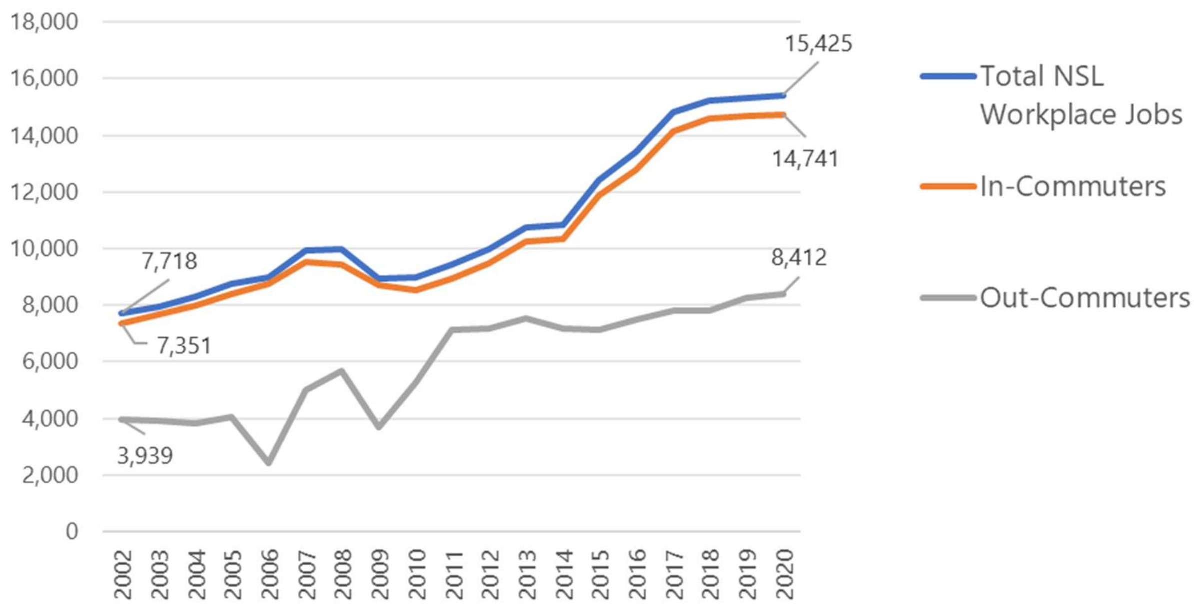
As shown in the previous charts, only 700 North Salt Lake residents even work in their home city. Thus, the volume of needed in-commuting workers to fill Business and Professional Services jobs is actually closer to the full 4,000 workers.

Source: U.S. Census LEHD/On the Map; LCG.

As the number of jobs in North Salt Lake has grown, the percentage of in-commuters has held relatively steady. In 2002, 95 percent of North Salt Lake jobs were filled by people from outside of the city. As of 2020, that share had risen just slightly to 95.5 percent.

The next figure shows historical growth in total workplace employment in North Salt Lake (blue line) along with growth of in-commuters and out-commuters. The narrow gap separating total jobs and in-commuters are made up of the small percentage of workers who manage to both live and work in North Salt Lake.

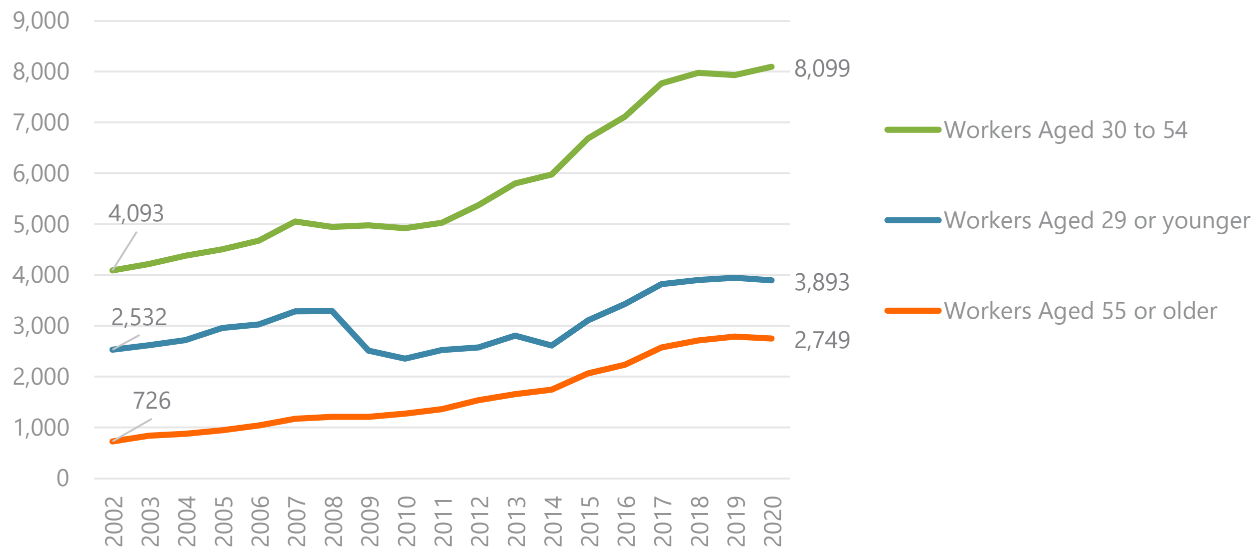
Figure 18. North Salt Lake Employees



Source: U.S. Census LEHD/On the Map.

This graph shows how many of the workers commuting into North Salt Lake on a daily basis have come from each of three broad age groups. As the total number of in-commuters to North Salt Lake increased by nearly 8,000 between 2002 and 2020, that growth has occurred most dramatically among commuters aged 30 to 54, as shown in the chart below. However, North Salt Lake has not seen a similar increase in younger workers. The number of workers aged 29 or younger commuting into North Salt Lake increased by just 54% over that time, versus 98% for the group aged 30 to 54. In terms of percentage increase, in-commuters aged 55 or older actually outpaced both other groups, growing by fully 279% between 2002 and 2020. Despite the large percentage growth, that age segment still remains the smallest, at 2,749 workers out of the total in-commuting 14,741 workers.

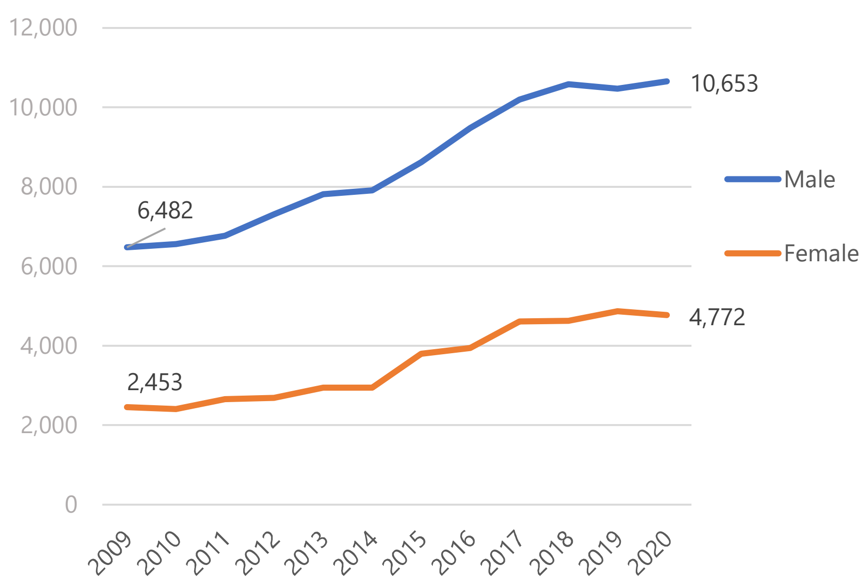
Figure 19. North Salt Lake In-Commuter Workforce by Age



Source: U.S. Census LEHD/On the Map.

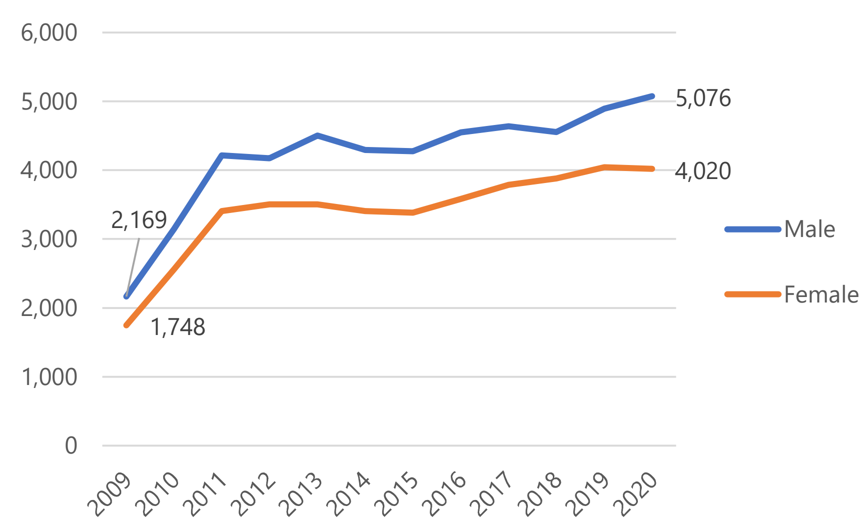
While 44 percent of employed North Salt Lake residents are female, the workforce employed by North Salt Lake establishments skews significantly more towards men. Fully 69 percent of workers in North Salt Lake are male. This is largely due to the dominance of the manufacturing, construction, and transport industries in the city. Most of these industrial jobs are on the west side of the city. The east side of the city, meanwhile, is mainly residential with service- and retail-based commercial establishments in the Town Center area and along Highway 89. **Retail success in the Town Center will require a mix of businesses including some that can attract a growing share of the area's largely male workforce with jobs west of I-15 during the week, along with others that can attract North Salt Lake families on the weekday evenings and weekends (with, of course, the potential for establishments that can do both).**

Figure 20. Workers with Jobs in North Salt Lake by Gender



Source: LEHD.

Figure 21. Employed North Salt Lake Residents by Gender

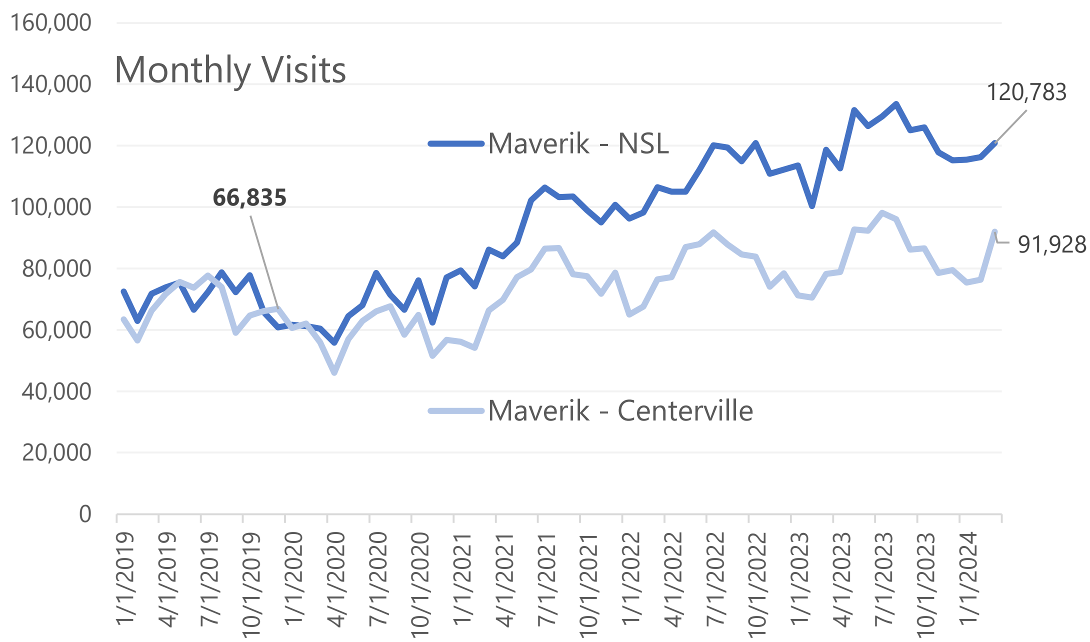


Source: LEHD.

Impacts of West Side Employment on Retail

There is evidence that commuters to businesses in North Salt Lake contribute significantly to the local economy there, at least for convenience/gas station spending. Since the 2021 opening of a new Amazon Fulfillment Center on Center Street, west of I-15, the dual Maverik stations and stores at the intersection of W Center Street and Redwood Road have seen a significant increase in traffic. Prior to the opening of the fulfillment center, the North Salt Lake and Centerville Maverik stores had roughly equal visitation levels. Since 2021, however, growth in monthly visits for the North Salt Lake Location has significantly outpaced that for the Centerville store. In March 2024, the North Salt Lake store(s) had nearly 121,000 visits per month in combined visits compared to approximately 92,000 for the Centerville Maverik.

Figure 22. The New Amazon Fulfillment Center is Driving Traffic to Local Stores



Source: Placer.ai, and Leland Consulting Group

Note: The North Salt Lake Maverick location data technically picks up both stores located on either side of Redwood Road, north of Center Street, reflecting their combined visitation volume.

Retail establishments located in the study area, however, are less well positioned to benefit from major employment increases, such as with the new Amazon facility, due mainly to the imposing interstate/rail separation between east and west parts of the city.

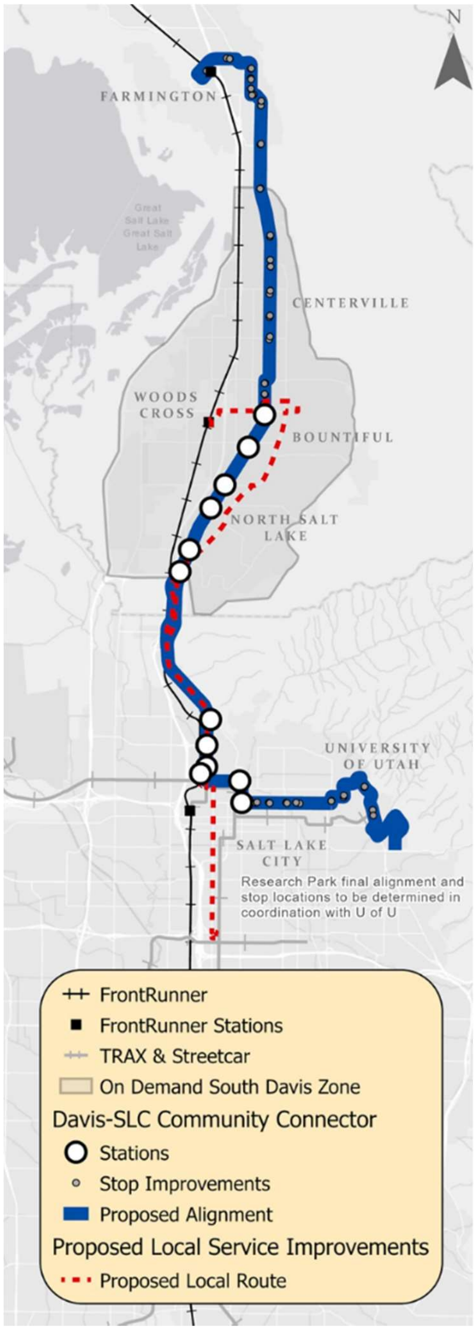
Impacts of Planned Enhanced Bus/BRT

Since 2008, state and regional transportation agencies have attempted to address the traffic bottleneck in Davis County. In 2008, Legacy Parkway (SR-67) was built on the western edge of North Salt Lake as a bypass for I-15. Between 2008 and 2012, UTA completed the FrontRunner commuter rail line connecting Ogden, downtown Salt Lake City, and Provo.

There is a FrontRunner park-and-ride station in Woods Cross that serves Woods Cross, North Salt Lake, Bountiful, and West Bountiful.

To alleviate regional commuting woes, the Utah Transit Authority has proposed a Davis to Salt Lake City Community Connector Bus Rapid Transit line. This line could include four stops in North Salt Lake, including two within the Town Center study area –Village Station at Eagleridge Drive and Town Center at Center Street., with the proposed Eaglewood Village stop located near the southern edge of the Town Center area.

Figure 23. The Locally Preferred Route for the Davis-SLC Community Connector BRT Line (2014)



Map source: UTA

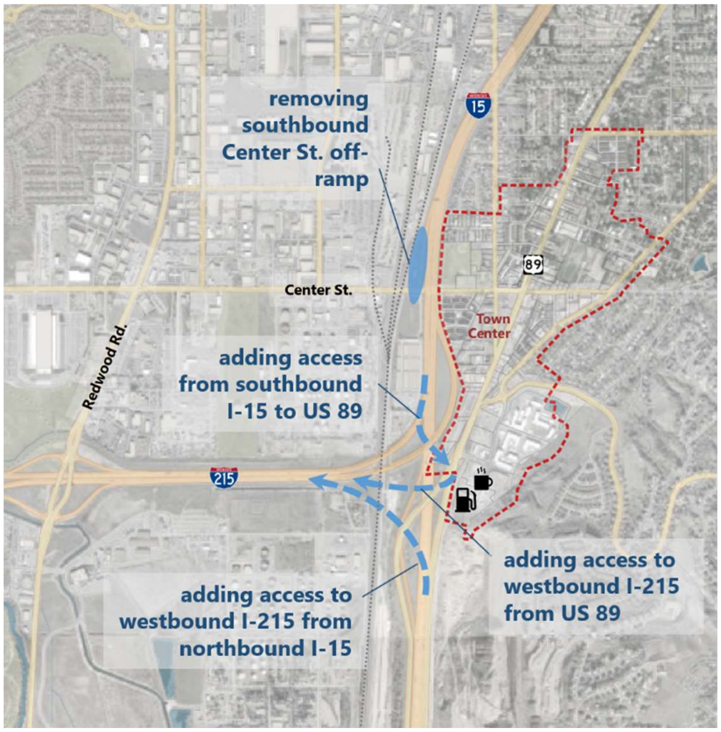
Unlike previous mobility improvements, the proposed BRT stops may have more ability to spur development in the Town Center area. High-capacity, high-frequency transit has the potential to attract more dense, mixed-use development than has occurred (with mixed success) in this part of North Salt Lake. Denser housing would bring more activity to the area, increasing revenue for local businesses. Amenities like the stakeholder-envisioned "restaurant row" have a higher chance of success in areas that support a wider array of customers, including residents, commuters, and visitors attracted to high-quality amenities.

The proposed enhanced bus/BRT line has been in the works since 2014, and there is not yet a firm timeline for final design and construction. North Salt Lake therefore will have to decide whether to plan under the assumption that the Town Center will be a future transit-oriented, mixed-use community, or whether it should make planning decisions based on its current conditions.

Impacts of Planned I-15/I-215 Interchange Modifications

Over the next five to seven years, a number of planned freeway changes along I-15 in south Davis County may have important impacts on retail in North Salt Lake. These include improvement of the I-215/I-15 interchange into a full-movement interchange, in addition to a number of reconfigurations to entrance and exit ramp facilities along I-15 that will affect driver behavior both within and around the Town Center study area.

Figure 24: Proposed Changes to I-15 and I-215 Interchanges



Source: Leland Consulting Group, based on September 2023 UDOT draft alternative map

Note: Map shows simplified movement changes (not to scale, select elements only, subject to change)

UDOT planning is still underway for these changes, but the latest versions of proposed plans suggest that the current **southbound ramp providing direct access to Center Street from Southbound I-15 may be eliminated entirely**, while the 2600 South interchange will see a number of access changes designed to improve safety and vehicle flows by reducing required turn angles and reducing peak hour stacking, among other changes.

The northbound exit from I-15 to US 89 would be moved to occur further north, reducing the unusually long decision-making lead time currently required for northbound vehicles exiting the freeway for Town Center destinations or points north.

Another very important change involves the addition of freeway movement for northbound I-15 travelers directly onto I-215 westbound, along with an easy on-ramp to I-215 westbound from southbound US 89. Although northbound I-15 vehicles already have the option to exit onto US 89 into the southern portion of Town Center (albeit with the unusually long lead time mentioned above), those same cars are not currently able to then directly enter I-215 westbound).

Currently, a vehicle exiting into the lower portion of Town Center on US 89 for gas or coffee, say, and wishing to continue on to an employment destination along Redwood Road does not have the option of then getting directly on westbound I-215 (to avoid potential train delays). Instead, that driver would need to proceed north on US 89 to turn left on Center St. and face the chance of a lengthy wait for passing trains after crossing under I-15 on the way to Redwood Road.

Under the latest draft design, that same car could get coffee/gas on lower US 89 and then reverse course just briefly to enter westbound I-215 for a much easier final leg to work. That latter change could stand to greatly benefit potential commercial developments around Village Station, including The Spot (gas, convenience store), the planned Starbucks, a prospective hotel property, and other retail. It remains to be seen whether the benefits likely to be seen for the southern part of Town Center will have a negative or neutral effect on businesses further north near Center Street.

Finally, the new configuration will make it possible for North Salt Lake's east side residents to enter northbound I-15 from the southern part of the Town Center, rather than having to drive up to the 2600 South on-ramp, a change which could significantly increase the morning in-town retail spending potential for that commuter group.

Many decisions remain to be made for that redesign project, and it would greatly benefit North Salt Lake to remain heavily involved in that planning process to help ensure that design decisions work to the benefit of local businesses and residents.

Sales Tax Revenue

Despite its name, the Town Center area does not currently act as a major hub for retail or entertainment spending, at least as measured by sales tax revenue. The area accounts for just 3% of citywide sales tax revenue, generating just under $110,000 in direct sales tax revenue annually.

Figure 25: City and Town Center Revenue and Taxable Sales

	Est. Tax Revenue (Direct)	Est. Taxable Sales
Town Center	$109,000	$10,868,000
Remainder of NSL	$3,181,000	$318,125,000
NSL Total	$3,290,000	$328,993,000
Town Center Share of NSL	**3.3%**	**3.3%**

Source: City of North Salt Lake and Leland Consulting Group

Although citywide sales tax generation involves hundreds of business entities, most revenue is generated by relatively few payors, and comparatively few of those are traditional retailers. Just 18 businesses alone account for about for 50 percent of citywide revenues. The top two payors are auto dealerships that together generated about one-eighth of North Salt Lake sales taxes in the most recent year. In fact, just two businesses in that group of top 18 payors would be considered conventional (non-auto dealer) retailers – a grocery store and a gas station/convenience store operator both located outside the study area, west of I-15. Those retailers together contribute a total of just under 6% of the City's total sales tax revenue. The remainder of the top 18 are primarily industrial firms and utilities or telecommunications firms whose sales take the form of franchise fees. Although the State of Utah does not tax wholesale purchases, industrial and other non-retail establishments still make considerable taxable purchases in the form of drop-shipments of equipment, janitorial services, certain software, etc. Because North Salt Lake is home to a large cluster of industrial and light industrial businesses making significant purchases, the percentage contribution of true retail to revenue flows is considerably lower than seen in other Utah city budgets where there is a smaller industrial presence.

Online sales is something of a special case; since 2017 purchases from Amazon and other online resellers by Utah customers have been subject to state sales taxes. In North Salt Lake, Amazon generates slightly less in annual sales tax revenue than the City's largest grocery store. The relationship between Amazon sales in general and the viability of Town Center retail is fairly indirect. Amazon (and smaller online retailers) do capture a large and growing share of retail spending that would otherwise have gone to brick-and-mortar stores. Nationally, the online share of all retail purchases has been estimated at around 15 to 20 percent (rising briefly well above 20 percent during the height of COVID). However, the types of retail that are either currently present in Town Center or may be desired in the future, like restaurants and specialty shops, tend to be relatively more immune to Amazon-type competition due to their physical and experiential nature of their offerings.

The relatively low share of sales tax revenue that comes from (non-automotive) retail in North Salt Lake suggests that improvements to commercial viability in the Town Center, even if successful, will not likely make a very substantial impact to the City's fiscal position.

However, a healthy mix of shops and restaurants is very important to residential quality of life in North Salt Lake – an important distinction when strategizing about targeting for tenants and store types.

In addition, because municipalities collect a portion of sales taxes based on point-of-sale location, retail transactions with internet-based companies such as Amazon are taxed largely at the residential addresses of recipients. As a result, additions of new concentrations of residential units have the potential to generate considerably more sales tax revenue than before the widespread adoption of internet shopping. Furthermore, a portion of the state collected sales taxes are distributed proportionately to cities based on population. So, every new resident increases the amount of this shared tax revenue to the city based on the population allocation formula.

Local Market Trends

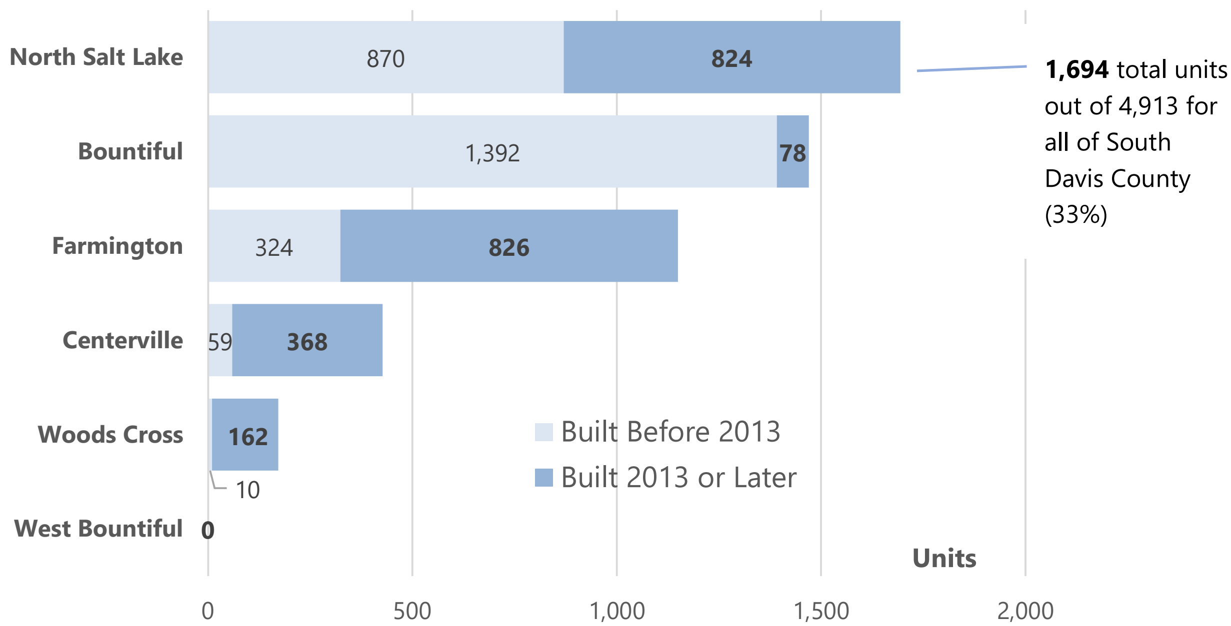
Although the focus of this market analysis is primarily on commercial vitality, this section discusses trends in both retail and residential market conditions, since much of the potential and existing retail development in the city takes place in mixed use settings, and because residential developments help to shape pockets of demand in support of that desired commercial development.

Multifamily Supply Conditions

The chart below shows apartment unit inventory in south Davis County municipalities. For all years prior to 2013, Bountiful had more apartment units (of 5 or more units) than any other city in the region. In 2015, North Salt Lake saw the completion of the 410-unit Eaglewood Lofts to surpass Bountiful in terms of total standing apartment units.

From 2013 through 2023, North Salt Lake added a total of 941 apartments units to its inventory, while Farmington added 826 units, more than tripling their standing inventory in 2013. Bountiful, meanwhile, has slowed their apartment growth considerably, adding just 76 units since 2012 While Centerville has greatly expanded their apartment inventory in the last decade, it remains around one third the size of Farmington in terms of total tracked apartment inventory.

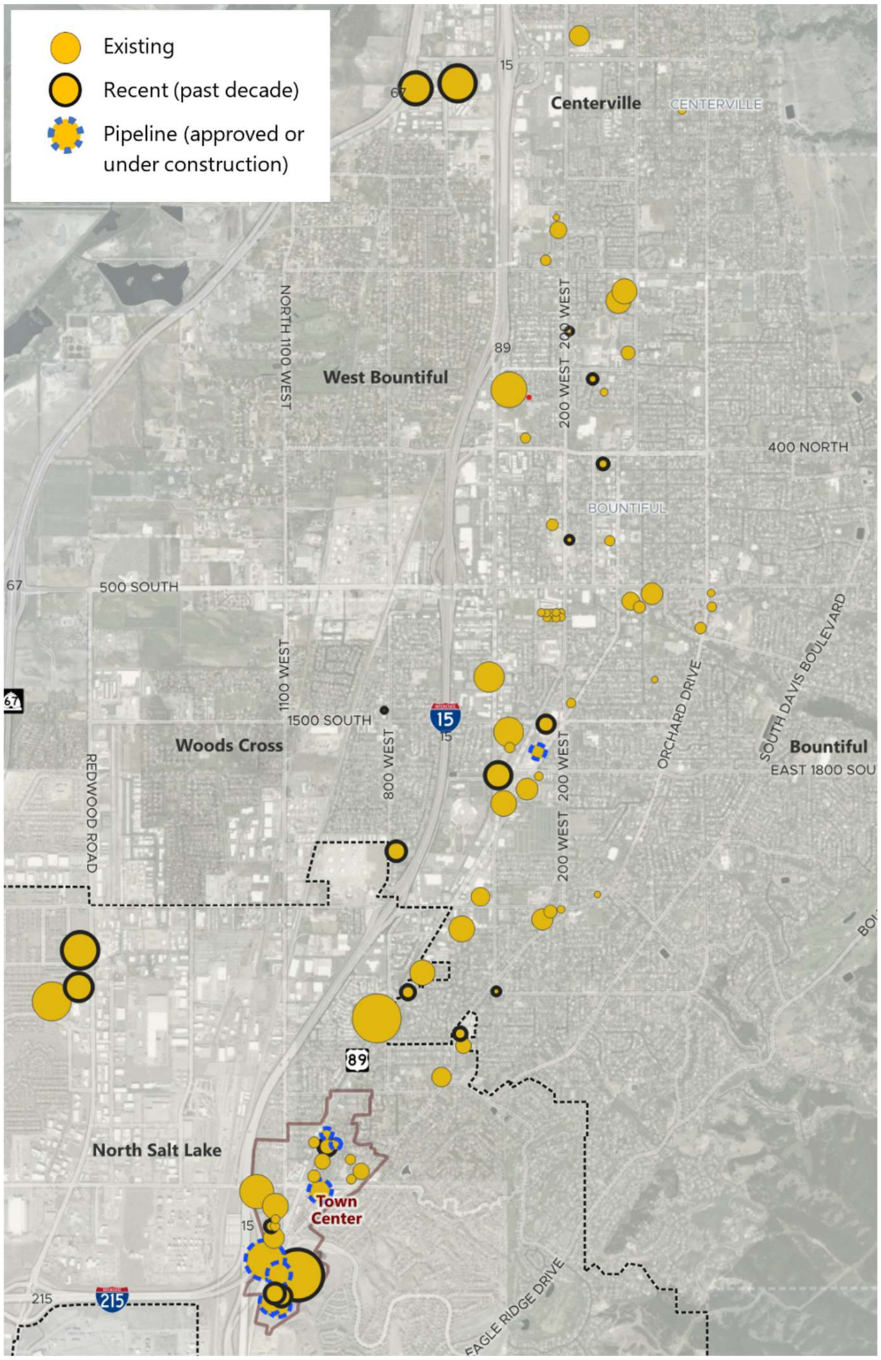
Figure 26. Apartment Unit Inventory by Year Built, South Davis County Cities



Source: CoStar.

Note: For rental projects of 5 or more units, excluding manufactured/mobile home rentals.

Figure 26. Multifamily Rental Projects
North Salt Lake Vicinity, 2023



Source: CoStar, City of North Salt Lake, and LCG

Multifamily apartment projects in south Davis County, are shown on the map above, with recent (post-2012) construction shown in bold outline and approved but unbuilt pipeline projects shown with dotted blue outlines.

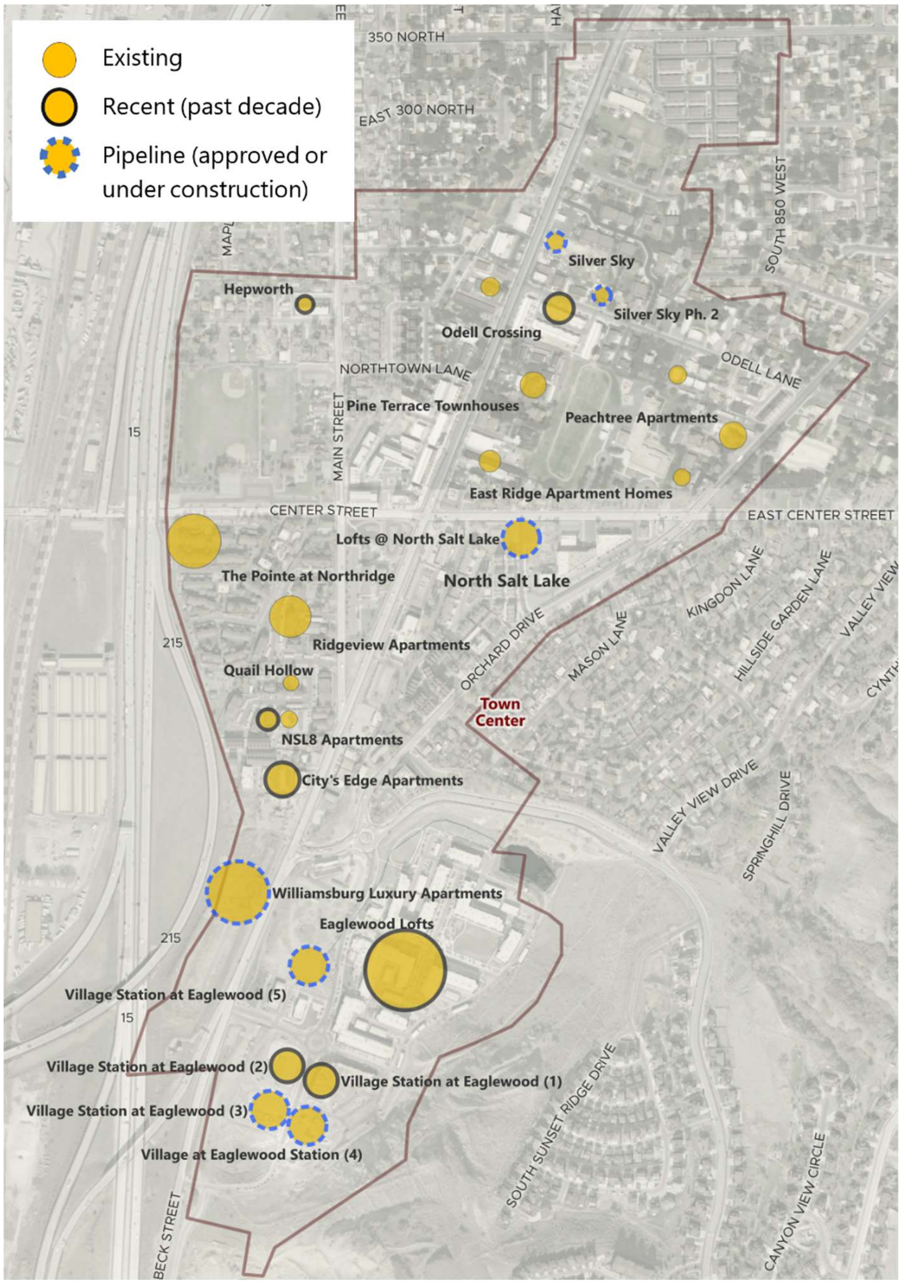
Including Farmington (not shown on the map for legibility), south Davis County has just over 5,000 multifamily apartment rental units in properties of 5 units or more (excluding rental mobile home projects).

North Salt Lake has just under 1,700 that south Davis County total. The Town Center area alone has nearly 1,100 units.

With the exception of apartments in the Foxboro development in the western portion of North Salt Lake, all properties in North Salt Lake and Bountiful are concentrated on the east side of I-15, particularly along US-89, Orchard Drive, and S 200 W.

Centerville has two larger recent apartment properties west of the interstate. Apartments in Farmington, while included in south Davis County totals, are geographically quite separated from the ones pictured here – all approximately four miles or more to the north of Centerville's northernmost projects.

Figure 27: Multifamily Rental Projects: Study Area Zoom, 2024



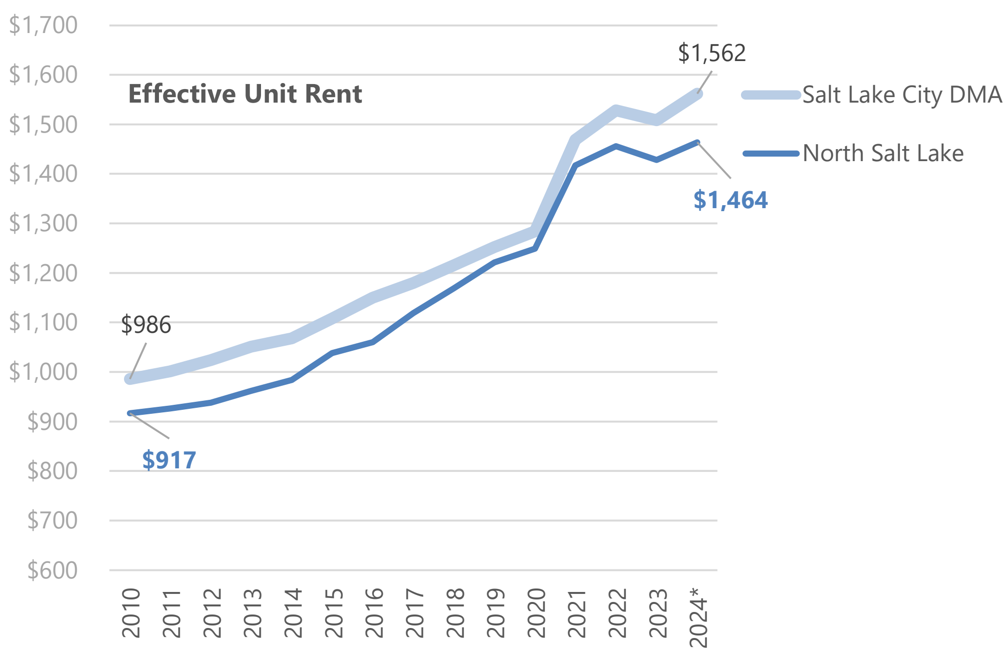
Source: CoStar, City of North Salt Lake, and LCG

The two large circles in the southern portion of the study area, shown in **the map on the left**, are the Eaglewood Lofts (410 units) and Village Station at Eaglewood (425 units). The City's Edge Apartments (65 units) and Odell Crossing (44 units) are the other properties in the Town Center area built recently.

Many of these units were originally built in anticipation of a BRT/enhanced bus stop in the southern part of the Town Center Area anchoring the still ongoing Eaglewood development (Village Station at Eaglewood and Eaglewood Lofts), That was envisioned as a transit-oriented mixed use hub featuring apartments, retail, and services. That assumption may end up being almost 15 years premature, but the resulting station-centered design is arguably more aesthetically coherent and conducive to walking and biking that may have resulted from a more typical suburban apartment complex. Unfortunately, some of the potential benefits of transit proximity for ground floor retail space have yet to materialize, resulting in conversion of much of that space into short term AirBnB rental units – a use that probably will need to be at least partially converted back to retail once the transit amenity

Since 2010, average effective unit rents (i.e. rent less concessions) in North Salt Lake have consistently been lower than metro-wide rents. While the two averages have generally tracked upwards in step over the past five years, the gap between them had begun to narrow from around 2017 to 2021. Since then, the two have again diverged, with rents in North Salt Lake approximately $100 per month lower than the metro (Salt Lake City DMA) average.

Figure 28. Effective Rent per Unit in North Salt Lake and the Salt Lake City DMA, 2010-2024



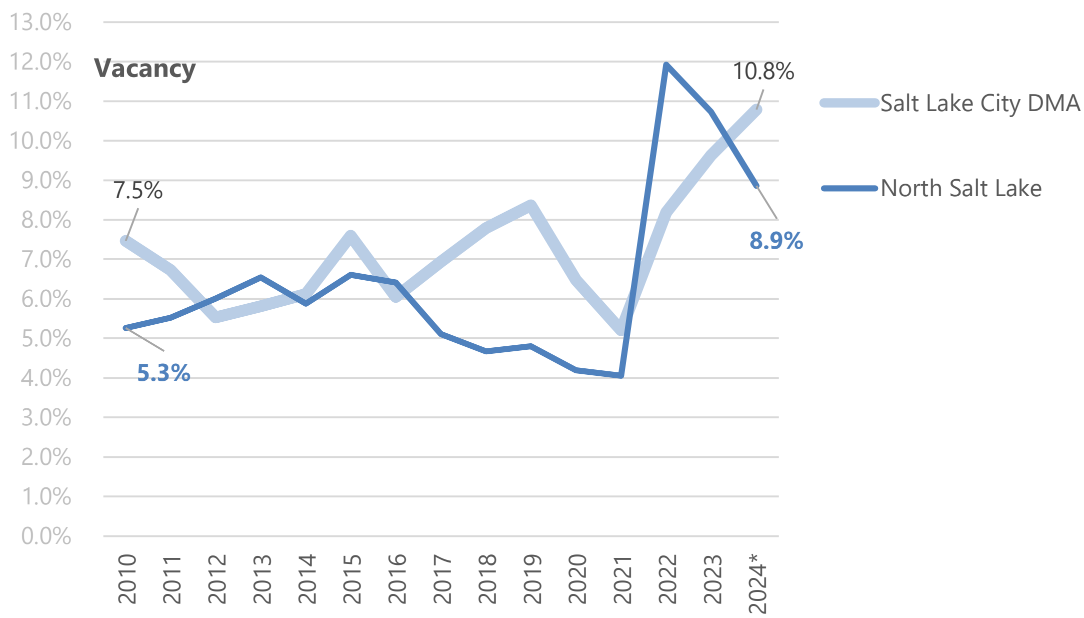
Source: CoStar.

**Based on data through March for 2024*

Similarly, vacancy rates in North Salt Lake stayed relatively close to the overall DMA vacancy rate between 2011 and 2017. Both the metro (DMA) area overall and North Salt Lake saw substantial increases in apartment vacancy in 2022 and 2023 in response to record amounts of new inventory additions both locally and regionally. Local and regional vacancy rates should fall at least somewhat as new projects complete lease-up activity.

Although rents would typically decline or remain flat in response to rising vacancy rates rise, all else held equal, the current market includes broad national inflationary pressures that have helped to support continued rent increases despite falling vacancy. This general inflation, along with the aforementioned inertial lag in renter mobility (it simply takes time for renters to move out of current housing situations into new inventory), combine to explain the absence of a drop in rents.

Figure 29. Apartment Vacancy Rates in North Salt Lake and the Salt Lake City DMA, 2013-2023



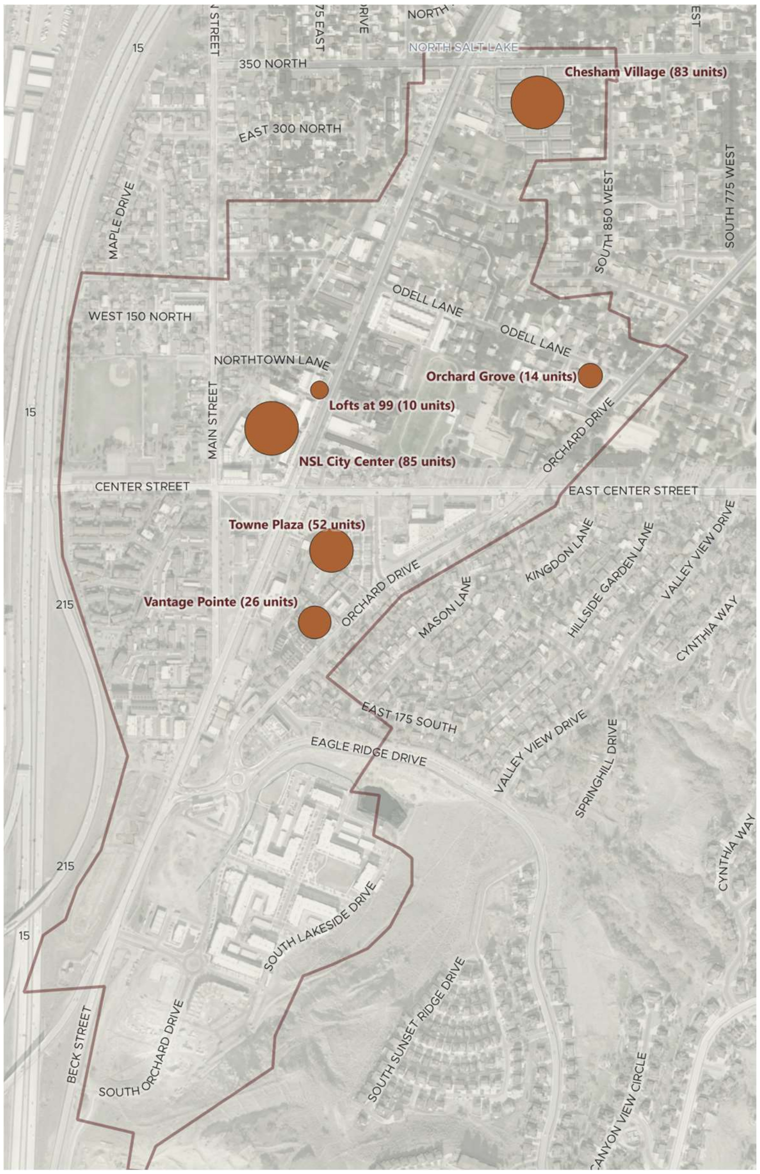
Source: CoStar.

**2024 is estimated based on March data.*

Ownership Multifamily

In addition to rental apartments, North Salt Lake has recently added housing inventory in the form of townhomes, including the approximately 260 units within six Town Center projects shown in the map below. Since 2015, most new townhome construction has been concentrated in the Town Center area, with new detached single family home construction tending to develop on higher hillside properties to the east and southeast. This is consistent with general character of the east side of North Salt Lake as being more focused on residential neighborhoods with limited retail offerings (Foxboro neighborhoods on the west side notwithstanding). When combined with recent apartment developments, this new Town Center housing stock represents substantial growth in a pool of households who would presumably be attracted to new retail and dining options in the vicinity of their homes.

Figure 30. Townhome Projects Completed since 2015, Town Center Study Area



Source: City of North Salt Lake; LCG.

Townhome Focus: Park Lofts at City Center

While development to the south in the Eaglewood (Lofts and Village Station) development has mainly featured rental housing units, the Park Lofts at City Center, developed by Brighton Homes on East Center Street between North Main Street and Highway 89, just across Main Street from Hatch Park, has addressed demand for relatively compact, urban, ownership housing in the form of townhomes. The first phase of the project was completed in 2020 and included 50 townhome units along with office space, including an office for Brighton Homes. The second phase was completed in 2022 and includes 36 townhomes as well as additional open space. The townhomes range from two to four bedrooms and units are currently on sale for between $440,000 and $510,000, according to Redfin.

Figure 31. Sidewalk View of the Park Lofts at City Center

Source: Brighton Homes.

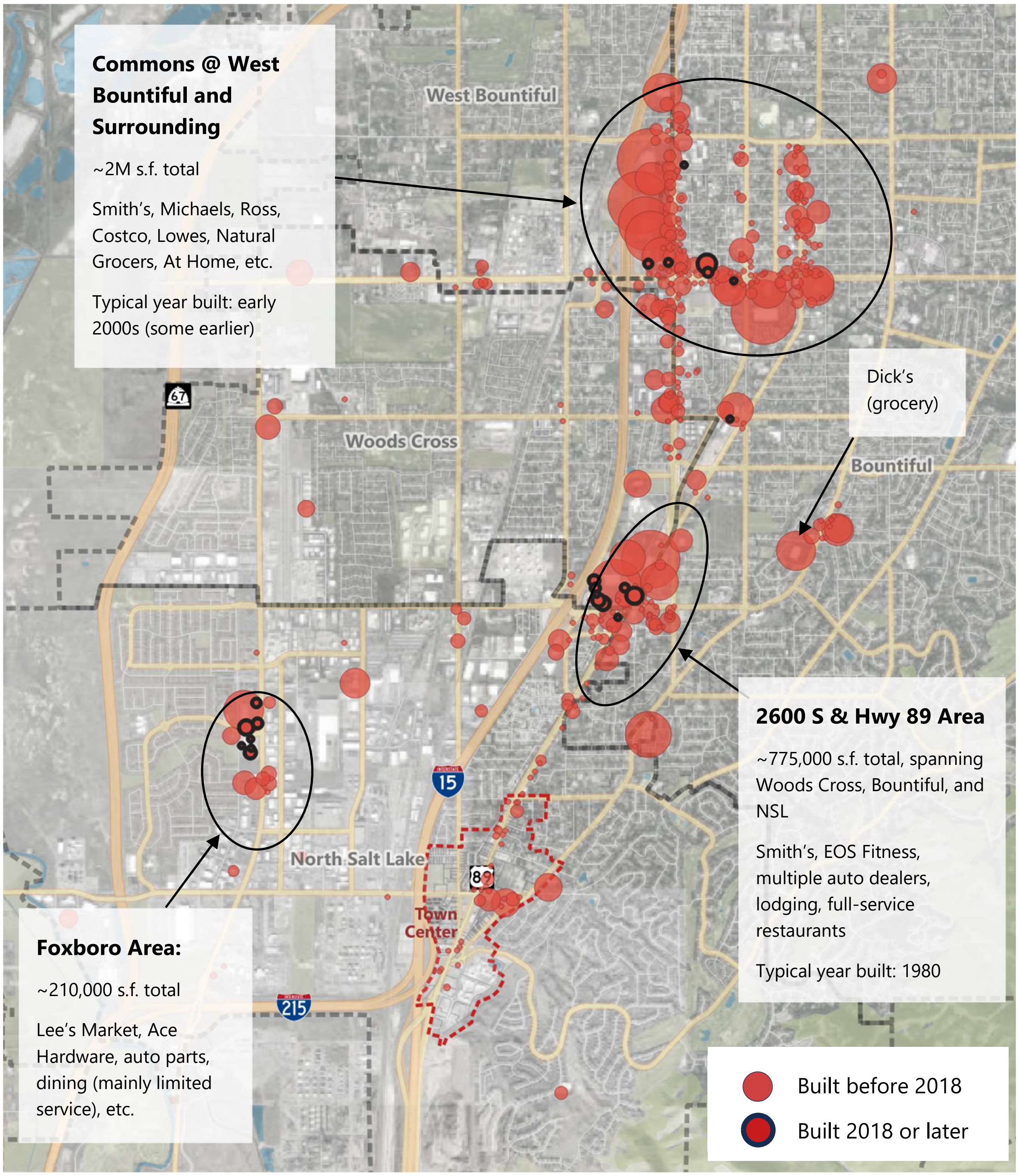
Figure 32. Aerial View of the Park Lofts at City Center, with Phase 2 Under Construction

Source: Google.

Retail

South Davis County boasts 3.4 million square feet of retail space, with 550,000 square feet located in North Salt Lake (16%). 81,000 square feet (15%) of North Salt Lake's retail is located in the Town Center. As with multifamily, most retail inventory in south Davis County is located east of I-15. The retail on the west side in the southern portion of Davis County is mainly located in North Salt Lake, along Redwood Road and W 500 N. On the east side, retail is largely found between US-89 and the interstate.

Figure 33. Retail Supply and Major Clusters in South Davis County (South of Centerville)



Source: CoStar; LCG.

Town Center Retail

Figure 34. Map of Retail within the Town Center Area

The Town Center area has 81,000 square feet of retail space with rents ranging from $6 to $15 per square foot per year. Much of the construction originally dates from the 1940s and1950s, but examples can be found from each decade since.

Just two new retail establishments have been built in the Town Center area since 2015 – The Stop, a 5,200 square foot convenience store built in 2017, and the Quick Quack car wash, also alongside Eaglewood lofts.

The area between S Orchard Drive and US-89 south of W Center Street is dominated by retail spaces built in the 1940s and 1950s. Many of these are auto-oriented, including gas stations and auto oriented shops. The retail in the Town Center area is not particularly attractive, nor is it walkable. Mixed use retail and multifamily development combined with high quality placemaking in this area would make it a significantly more attractive destination, potentially attracting more traffic from the west side of I-15. However, so far retail in newer mixed-use spaces has struggled to lease up.

While vertical mixed-use development can support retail establishments by increasing the number of people in an area, if the area itself is not aesthetically interesting or walkable, this effect is not enough to support ground floor retail. **Investments in the public realm are needed to support both the retail and housing elements in order to draw residents and visitors out of their cars and apartments and into the street, where more spontaneous shopping trips can occur. These investments could include public sculpture, improved sidewalks, shade structures, seating (including moveable seating, where possible), better lighting, plantings, decorative pavement treatments, etc. The City is already active in making such improvements in many places, but the key is continual investment, expanding coverage, and public involvement, including an active calendar of event programming.**

Figure 35. Orchard Plaza Shopping Center in NSL Town Center

Source: Google Streetview.

The Orchard Plaza Shopping Center in the Town Center area is located within a triangular area bound by E Center Street, S Orchard Drive, and S 130 E. It is located east of US-89 in an interior location not visible from the major highways, across Center Street from Orchard Elementary School. It includes 31,000 square feet of retail with around 10 spaces, of which three are vacant, totaling 5,000 square feet. The planned (and newly approved) Lofts at North Salt Lake are slated to include 8.000 square feet of new ground floor retail space in addition to the 79 new residential units.

Current businesses at the Orchard Plaza Shopping Center include:

- Chevron
- Music lessons
- Nails/Spa
- Private Preschool
- Sunshine Café
- Food pantry
- Handmade Paper

Figure 36. Neighbor’s Market Shopping Center in NSL Town Center

Source: Google Streetview.

The Neighbor’s Market Shopping Center in the North Salt Lake Town Center is a strip center with approximately 8,100 square feet of retail space. It includes a Mexican restaurant (Nacho House), a convenience store and gas station (Neighbors Market), a donut store (JJ Donuts), and a barber (Buffalo Barbers). There is a 1,000 square foot vacant space currently rented by Nacho House and considered important to their food preparation operations.

Vacancy in aging strip malls in North Salt Lake's Town Center area provide a potential opportunity to re-envision the Town Center in a way that aligns with stakeholder priorities. The strip-mall setup, with its low density retail set back from the sidewalk with front-facing parking lots, is not conducive to pedestrian- or people-oriented placemaking. It is not a coincidence that both Neighbors Market and Orchard Plaza and are adjacent to gas stations.

Older strip malls do, however, tend to be the kind of small, affordable spaces that enable local entrepreneurs to thrive. Despite the prevalence of fast food and fast casual chains in southern Davis County, both Neighbor's Market and the Orchard Plaza Shopping Center feature locally-owned restaurants like Nacho House and the Sunshine Café. A challenge for North Salt Lake is to increase interest and walkability without displacing the businesses that make the city unique.

Mixing compatible uses like retail and housing while implementing high-quality placemaking could make the Town Center more of a destination – a place to drive to rather than through – and potentially rekindle tenant and customer interest in activating the study area's ground floor retail spaces. **However, the struggle to fill retail in new mixed-use buildings indicates that adding more people will not be enough – revitalizing the Town Center will require both infrastructure investment and potentially a rebranding of the area to separate it from its existing reputation.**

Chains vs. Independents

Chain tenants are popular with landlords for their credit-worthiness and more predictable traffic generation. On the other hand, supporting local independent stores and restaurants is a commonly-held civic goal. Some cities have experimented with incentives (or even restrictions) favoring local, non-chain retail establishments over chain stores and restaurants, but such a strategy risks foregoing the synergy that can come from including at least some popular chains to spur mutually beneficial foot traffic and store awareness.

The problem of rent affordability and difficulty securing credit is a real barrier for local start-up firms which can be difficult to overcome without some form of subsidy. City-funded infrastructure such as streetscaping, underground utilities, lighting and other infrastructure can be helpful to tenants as well as developers. Carefully planned events, signage, and other promotional activities are another way that municipalities (and business improvement districts) can have positive bottom line impacts for tenants.

Retail Supply Conditions

Since the beginning of the COVID-19 pandemic, real estate data for smaller geographies has become more unreliable and difficult to track. Statistics like inventory, vacancy, rent, absorption, and anticipated deliveries are all less stable. However, it is clear that the retail market in the Town Center area has been more negatively impacted by recent trends than the rest of North Salt Lake and southern Davis County. Recent mixed-use projects have high vacancies for ground floor retail spaces (or, as within Park Lofts, include space intended for retail but since given over to office rather than remain unleased), and older retail spaces have higher vacancy rates and lower rents than newer grocery-anchored centers.

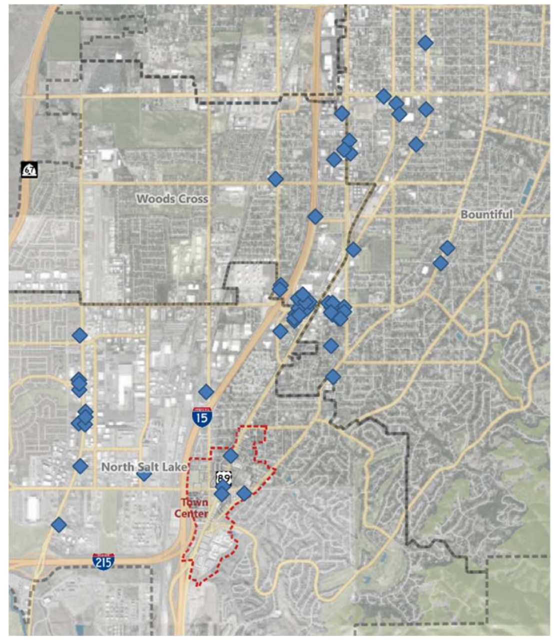
According to CoStar, as of Q3 2023 the market rent per square foot in the Town Center area is $14.62. Rent grew by 4.9% year over year as of Q3 2022, and then increased by an additional 2.8% by Q3 2023. As of Q3 2023, the official Town Center vacancy rate was 3.5%. This is likely an underestimate, given the vacancies in strip centers and new mixed-use construction. However, according to CoStar, retail vacancy in North Salt Lake is extremely low, at 1.3%. Market rent is $18.34, indicating that in most of the retail centers outside of the Town Center rents are higher. Rent has grown 3.3% year-over-year city-wide.

Low retail vacancy rates can signal undersupply and thus pent-up demand for added retail space. (a 5-percent overall vacancy is often considered a rule-of-thumb threshold for market equilibrium). Tracked rates by CoStar and LoopNet (a CoStar-owned commercial leasing web service are ultimately only as good as the data they are given by retail landlords, usually in the form of listings for vacant/available space. As such, they should be viewed with caution by any specific business looking to build or expand. Potential additions of new retail or mixed-use space within the Town Center area should be further scrutinized to ensure that the prospective tenants are consistent with the vision for the area, with a walkable, human-scale preferred over a strictly auto-oriented environment.

Nearby Food & Beverage

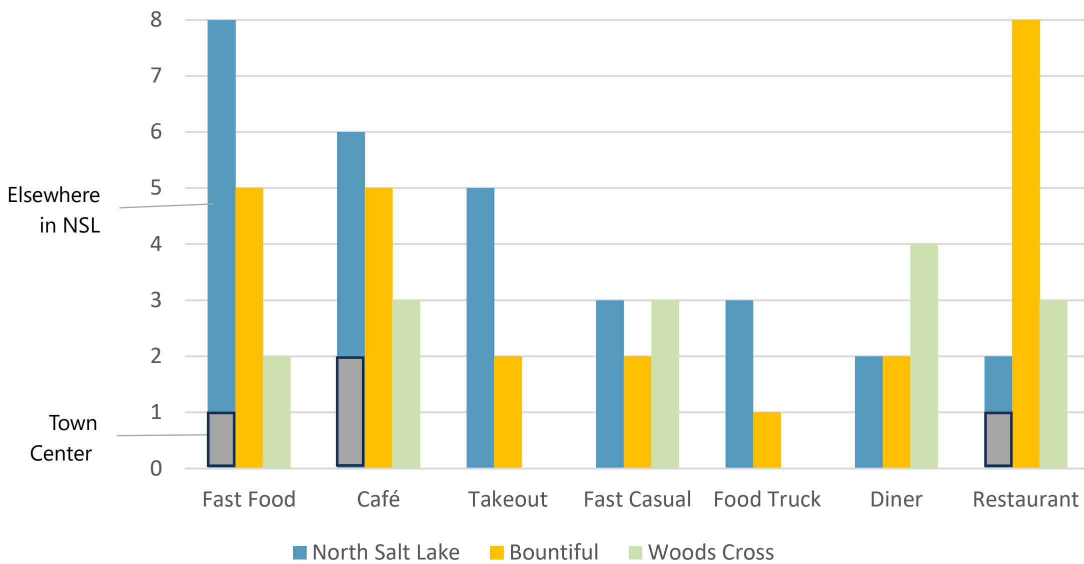
The kickoff activities that included local stakeholder interviews revealed a strong desire for non-fast food eating establishments in the Town Center area, with City leaders even imagining a future "restaurant row" if possible. LCG looked at a sampling of 69 food and beverage establishments likely to be competitive with the Town Center area (see map), reaching from North Salt Lake up into lower portions of Bountiful and Woods Cross. The food and beverage study area had a northern boundary of W 500 S in Bountiful, with the southern boundary concurrent with the Town Center's. The east and west boundaries were Legacy Parkway on the west and the mountains on the east.

Figure 37: Nearby Food Service Competition Sample



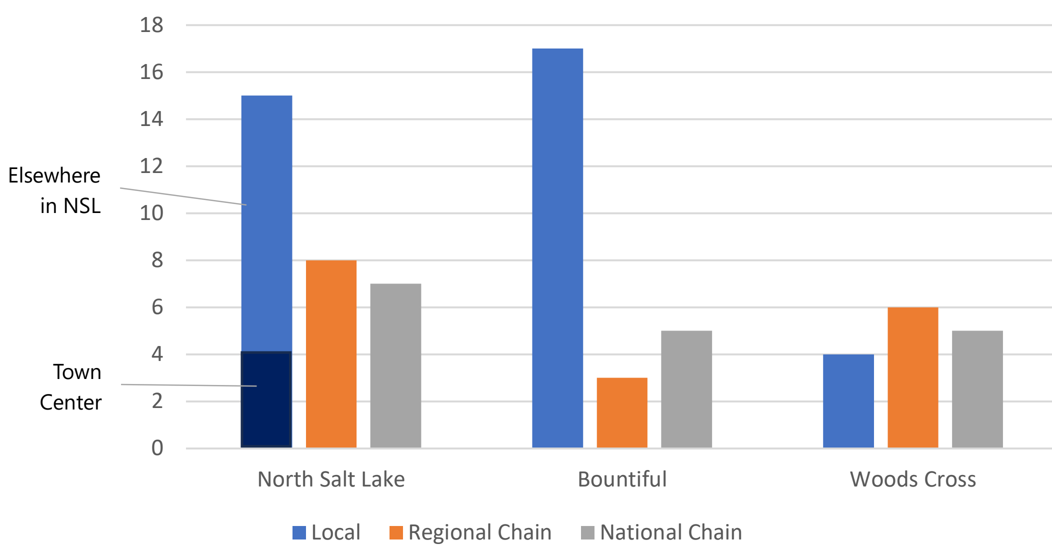
Currently, fast food dominates the North Salt Lake restaurant landscape, with eight fast food restaurants in the city and an additional five takeout establishments, including Dominos and Little Caesar's Pizza. North Salt Lake also has three fast casual restaurants. There are just two diners and two full-service restaurants in North Salt Lake. However, the southern portion of Bountiful has eight full-service restaurants and two diners and Woods Cross has three restaurants and two diners. Like other types of retail, restaurants are more likely to thrive in a location that draws people in and offers pedestrian-focused amenities. Restaurants that cater to families on pedestrian-friendly streets have the potential to attract strong "stroller traffic" in North Salt Lake.

Figure 38. Types of Food Establishments in the Vicinity of Town Center



Source: Google Maps; Leland Consulting Group.

Figure 39. Chains vs. Independent Food Establishments in the Vicinity of Town Center



Source: Google Maps; Leland Consulting Group.

Visitor Behavior

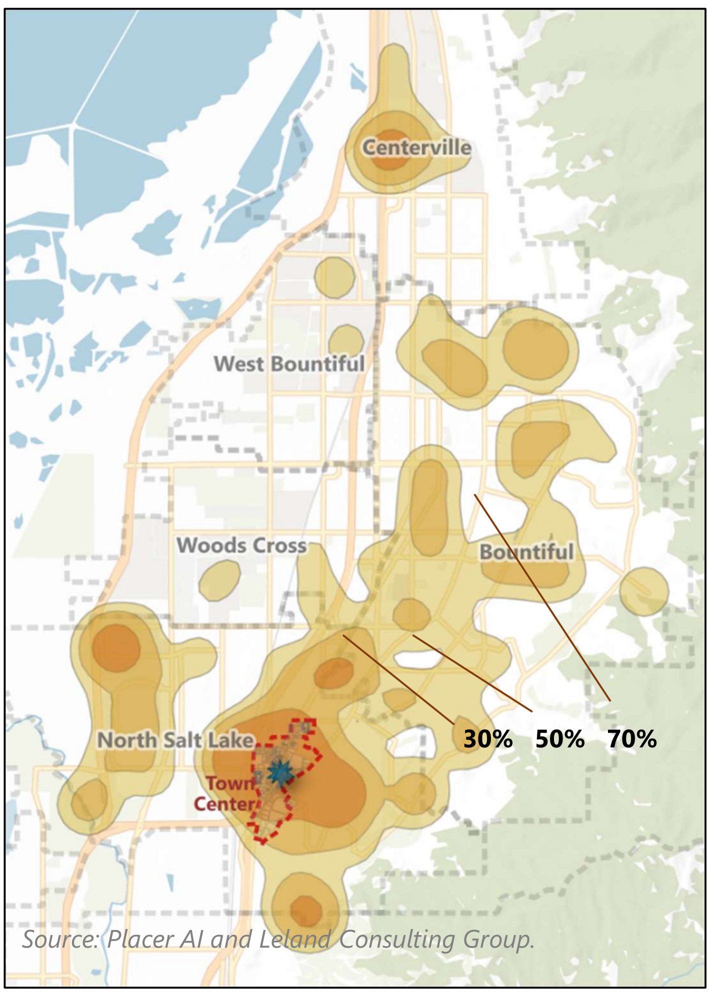
Trade Areas

Cellphone geo-fencing data services have made trade area definition far more precise and evidence-based than previously possible. Figure 40 below shows the trade area for Neighbor's Market in the Town Center area. The trade area is defined as the home locations accounting for 30 percent, 50 percent, and 70 percent of visits to the Neighbor's Market over the previous 12 months. Placer.ai, the visitor-tracking data provider, considers the 70-percent shape as an important threshold, representing the "True Trade Area" for a given venue.

While most visitors come from areas immediately adjacent to the Town Center, visitors also come from the residential areas in the Foxboro area as well large portions of Bountiful and the central areas of Centerville. In addition, the trade area extends south into Salt Lake City and Mill Creek, likely due to commuter activity. There is comparatively little visitor traffic sourced from households living west of the interstate in Woods Cross and West Bountiful.

One important takeaway of the map below is that, despite the small size of the Neighbor's Market strip shopping center, it relies on capturing visits from homes across a geographic area extending far beyond the boundaries the Town Center study area.

Figure 40. Neighbor's Market Trade Area

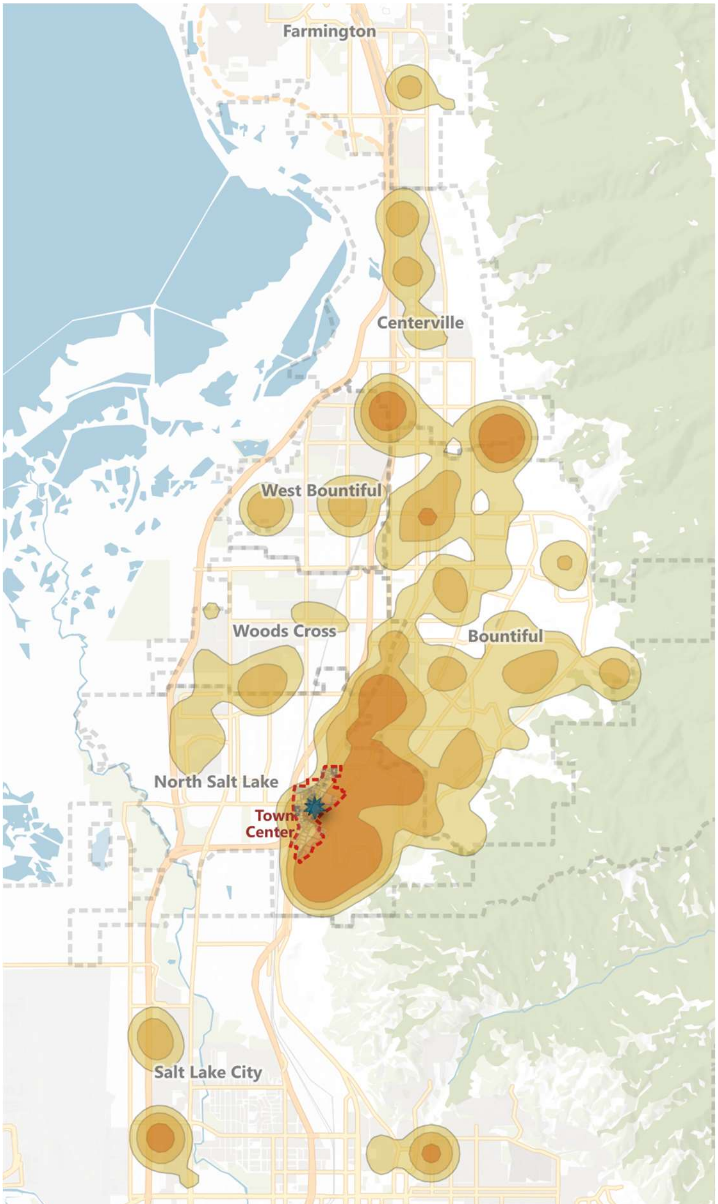


Source: Placer AI and Leland Consulting Group.

Neighbor's Market is a convenience store associated with a gas station. It is therefore more likely to capture commuter activity than local restaurants and cafes, especially those that primarily have dine-in customers. Commuters typically aim to get to work or return home in a timely manner rather than lingering. Compared to Neighbor's Market, the Sunshine Café has a trade area somewhat more confined to the east side of I-15. It draws primarily from the neighborhood surrounding the Town Center area, drawing fewer people from the Foxboro neighborhood west of I-15. However, it attracts more visitors from the northern portion of Salt Lake City.

Homes within the darkest shaded area account for **30%** of all visits to the Neighbor's Market center over the past year. Adding homes from the larger, medium shade areas account for **50%** of all visits, in total. Homes from the yet wider lightest shaded area must be added to account for **70%** of all visits (considered to be the "True Trade Area").

Figure 41. Sunshine Café Trade Area

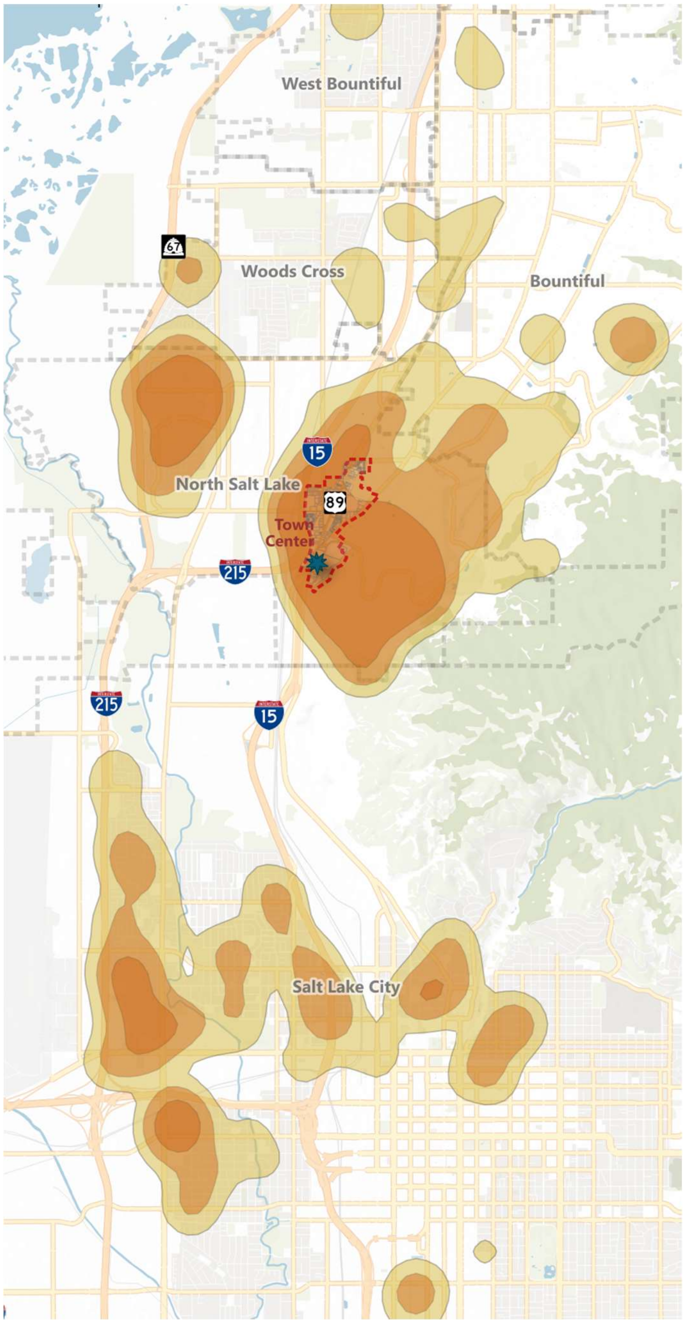


Source: Placer AI; and Leland Consulting Group

Note: Shading indicates approximate home locations accounting for 30%, 50%, and 70% of visits in the past 12 months.

The trade area for the Quick Quack Car Wash is different from the Neighbor's Market and Sunshine Café trade areas, straddling the line between a commuter draw and local traffic. Like Neighbor's Market, it draws significant traffic from the Foxboro area, and like Sunshine Café it draws primarily from south of the city. However, unlike both of the other examples, Quick Quack has a relatively small trade area of loyal customers confined primarily to North Salt Lake and the very northern reaches of Salt Lake City. Very few customers come from Bountiful and other northern cities. Because car washes in Utah do not charge sales tax (except for miscellaneous purchases), the fiscal benefits to North Salt Lake lie largely in the property tax valuation. That said, the traffic generated by the Quick Quack is bringing drivers to the City that may not otherwise visit. Other nearby retail (existing or future – especially after the interchange improvements) should be able to capitalize on this traffic generation.

Figure 42. Quick Quack Car Wash Trade Area

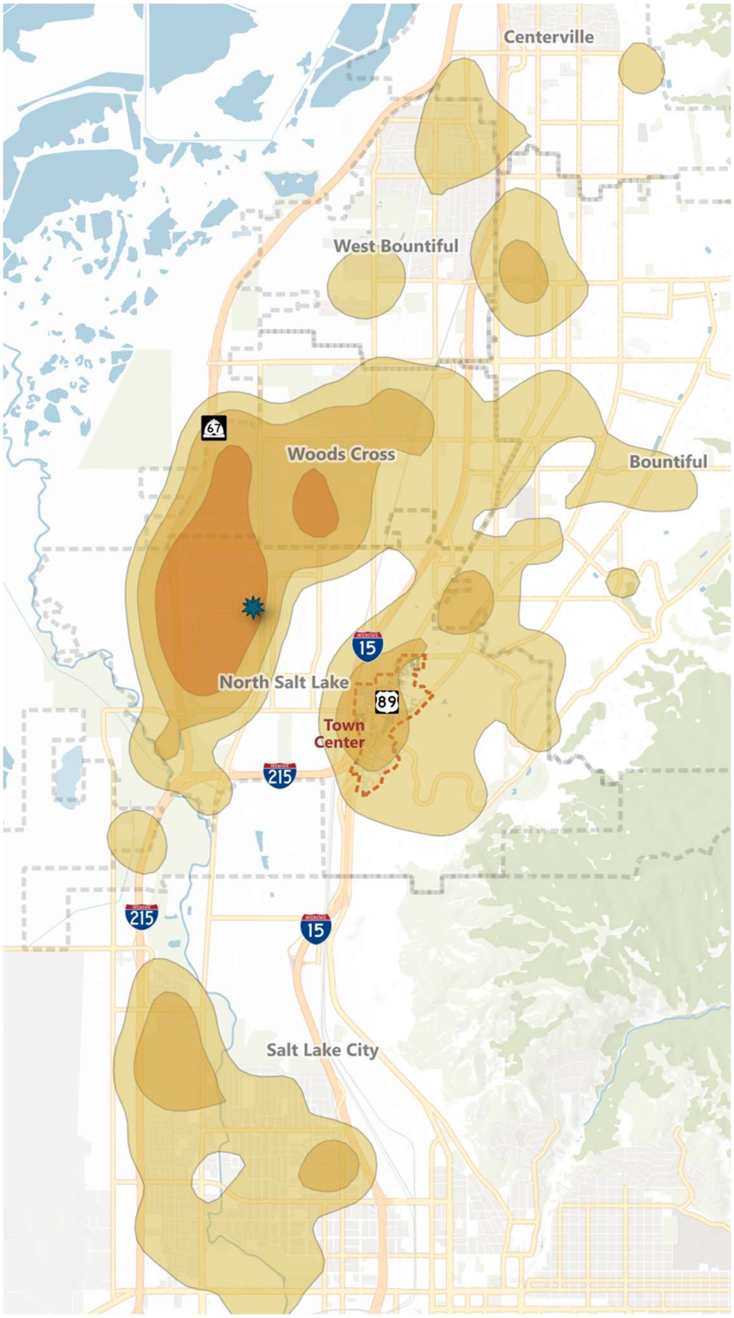


Source: Placer ™

Note: Shading indicates approximate home locations accounting for 30%, 50%, and 70% of visits in the past 12 months.

Although it lies outside the study area, it helps to add context to also understand the retail draw area for Lee's Market, the City's major grocery store, located west of I-15, just east of the Foxboro development. Note that the heart of the Lee's Market trade area (darkest orange in the map below) lies directly on top of the Foxboro residential areas and also includes the nearby residential subdivision within Woods Cross. Because of easier access to and from I-215, a substantial share of customers drive up from homes in north central Salt Lake City. Despite the difficulty in the east-west crossing, homes in the Town Center area are also an important part of the catchment for Lee's visitors.

Figure 43: Lee's Market Trade Area



Source: Placer ™

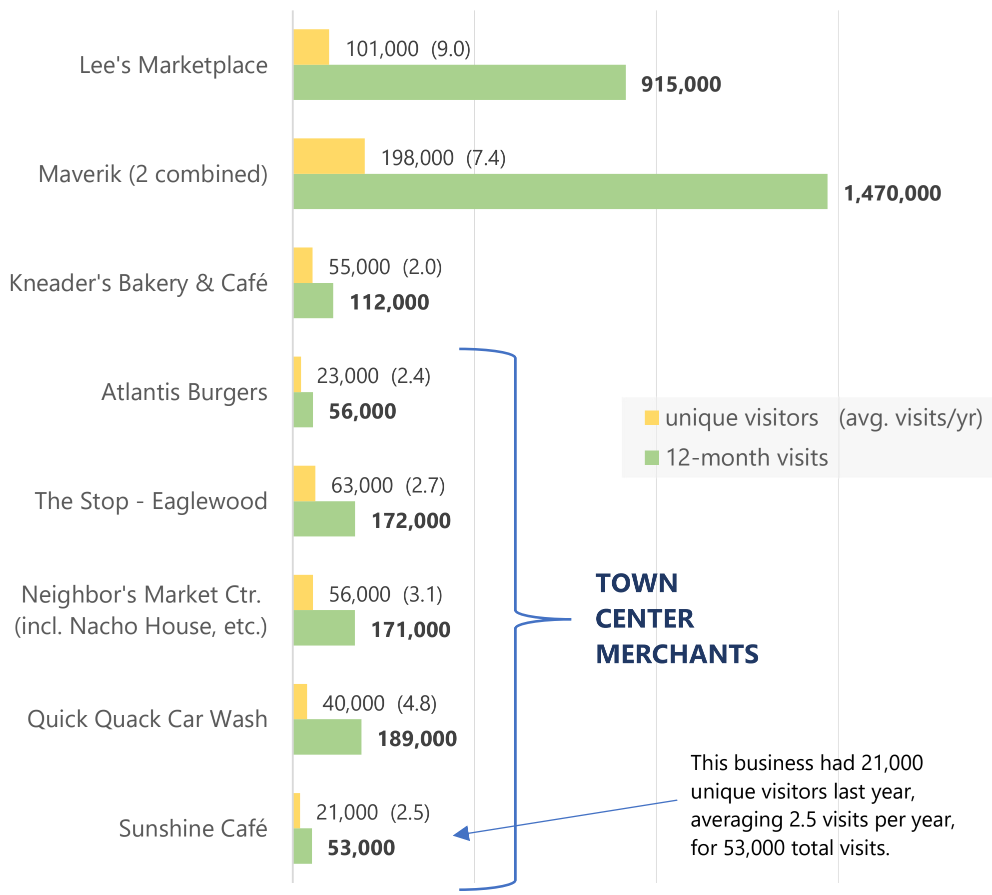
Note: Shading indicates approximate home locations accounting for 30%, 50%, and 70% of visits in the past 12 months.

The chart in Figure 44 shows three visitation data points for a sampling of merchants in North Salt Lake, both inside and outside the Town Center: the count of unique visitors over 12 months, average visits per visitor (in parentheses), and total annual visits in bold.

Over the twelve-month period ending in August 2023, North Salt Lake's two busiest retail destinations were outside of the Town Center area. Lee's Marketplace, for instance, had 915,000 visits over that period, thanks to just over 100,000 unique visitors averaging 9 visits per year each. The City's biggest draw, with nearly 1.5 million visits recorded over 12 months, was the Maverik gas station and convenience store (a combined location with operations on either side of the street), on Redwood Road within North Salt Lake's major employment area.

Within the Town Center study area, the Quick Quack Care Wash had 189,000 visitors. The Stop in Eaglewood had approximately 172,000 annual visits, virtually the same as the Neighbor's Market Center (a location with gas/convenience and a popular Mexican restaurant as the major tenants). Sunshine Café and Atlantis Burgers – restaurants with very different service approaches – each had close to 55,000 annual visits). Activity at The Stop is likely to climb quickly as customers become more familiar with that location option for gas and convenience goods (and even more as adjacent retail develops in anticipation of favorable changes to the I-15 interchange configuration).

Figure 44. Visitors, Visits, and Visits per Year, 12-Month Period Ending in August 2023



Source: Placer.ai™ , Leland Consulting Group

The average visitor to the Quick Quack Car Wash visited 2.7 times over the 12-month period, highest repeat frequency among Town Center businesses. Sunshine Café has an average number of visits per visitor, 2.5, that was just above that for Kneaders, just north of the Study Area. Within the realm of gas station/convenience stores, the Maverick west of I-15 had more than double the level of repeat visitation than either Neighbors Market Center or The Stop. It is possible that repeat business is simply more convenient due to its location near many work sites, with relatively uncomplicated highway access.

The table below shows the share of annual visits to each of the Town Center locations by length of stay. Not surprisingly, visits to gas stations and car washes tend to be very brief, while the Sunshine Café's sit-down restaurant environment is more conducive to longer stays.

Figure 45. Share of Visits by Duration of Stay, 12-Month Period Ending April 2024

	Neighbors Market Ctr.	The Stop (incl. gas)	Janet's Sunshine Café	Quick Quack Car Wash	Atlantis Burgers
<5 min	14%	50%	5%	34%	31%
5 to 9 min	15%	30%	13%	50%	34%
10 to 14 min	18%	9%	27%	10%	21%
15 to 29 min	22%	3%	23%	3%	7%
30 to 44 min	15%	2%	14%	1%	3%
45 to 59 min	8%	1%	8%	1%	1%
1+ hour	9%	6%	10%	0%	3%

Source: Placer ™ .

Note: Average dwell times for the Neighbor's Market center are almost certainly driven Nacho House restaurant customers. (Placer does not allow for visit analysis for shapes smaller than 5,000 square feet)

Visitor patterns by time of day can help understand customer base and potential synergies, including shared parking opportunities. Over 87 percent of visits to Janet's Sunshine Café take place between the hours of 7:00 AM and 2:00 PM. **These hours indicate that if there was housing built adjacent to the café, there could be an opportunity for shared parking.** People who work typical nine-to-five jobs are usually gone during the café's peak hours and return when business has slowed down. This kind of synergy does not appear to exist for the other business shown in Figure 46 below. The Quick Quack Car Wash comes closest, with 86 percent of visits between the hours of 9:00 AM and 6:00 PM. Car washes typically rely less on parking, as the service is primarily drive-through. Both Atlantis Burgers and Neighbor's Market Center show a concentration of visits around the lunch hour and dinner, likely driven by patrons of the Nacho House restaurant in the case of Neighbor's. Unlike Atlantis, which is solely a burger restaurant, with much of its business taking place via a drive-through, Neighbor's Market Center has a smaller, but substantial share of visits in the morning and into the evening, surely thanks to the gas station and convenience store component there.

Figure 46. Share of Annual Visits by Time of Day

	Neighbors Market Ctr.	The Stop (incl. gas)	Janet's Sunshine Café	Quick Quack Car Wash	Atlantis Burgers
12:00 AM	0%	1%	0%	0%	0%
1:00 AM	0%	0%	0%	0%	0%
2:00 AM	0%	0%	0%	0%	0%
3:00 AM	0%	0%	0%	0%	0%
4:00 AM	0%	0%	0%	0%	0%
5:00 AM	0%	1%	0%	0%	0%
6:00 AM	1%	2%	1%	0%	0%
7:00 AM	3%	4%	5%	2%	0%
8:00 AM	4%	4%	8%	4%	0%
9:00 AM	4%	4%	11%	5%	1%
10:00 AM	3%	5%	13%	6%	3%
11:00 AM	6%	6%	16%	7%	10%
12:00 PM	9%	7%	16%	8%	14%
1:00 PM	8%	7%	13%	9%	12%
2:00 PM	6%	8%	4%	9%	8%
3:00 PM	6%	10%	5%	10%	7%
4:00 PM	6%	8%	2%	12%	7%
5:00 PM	9%	7%	2%	10%	11%
6:00 PM	11%	7%	2%	9%	11%
7:00 PM	10%	6%	1%	5%	10%
8:00 PM	7%	5%	0%	3%	5%
9:00 PM	4%	4%	0%	0%	1%
10:00 PM	2%	3%	0%	0%	0%
11:00 PM	1%	1%	0%	0%	0%

Source: Placer AI.

Gap Analysis and Retail Demand Growth

Retail demand for a given area typically takes two main forms. First, there may be **pent-up demand** for additional retail space within a retail store category in an area if the local household spending potential for that store type (as represented by aggregate area household incomes and share of spending by category) is higher than what is actually being provided for in the form of stores. The second main source of new retail demand comes from household growth expected to occur within a reasonable retail trade area.

A so-called **gap analysis** (also known as a leakage analysis or a gap-pull analysis) quantifies that pent-up portion of demand by looking at household density and income within a given area, separated by retail category, minus estimated store sales within those same categories in that same area. When spending potential exceeds estimated sales, the amount of that gap represents spending that is "leaking" outside of the area to stores beyond its boundaries.

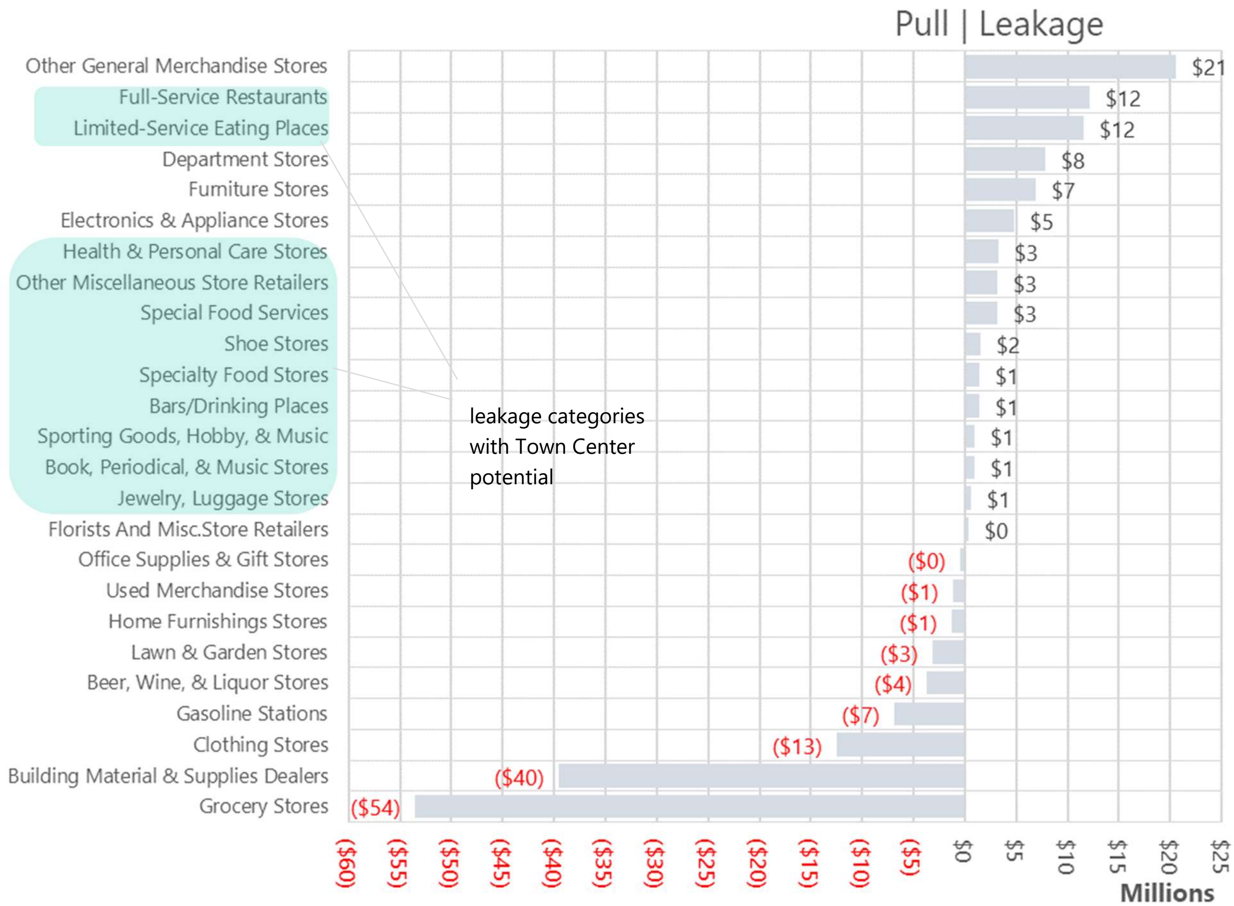
If sales are higher than expected given local household spending power, then an area may have a surplus of retail in that category – or, more accurately, is pulling in spending from households outside the area due to competitive or locational advantages.

Typically, such an analysis is interpreted by declaring any leakage as demand that is simply up for grabs by new development in the area (and surplus spending, or "pull" categories are typically ignored). Such an interpretation may hold true in the case of commodity/convenience goods such as most grocery stores and drug stores, where shoppers are reluctant to travel too far to patronize a store regularly. However, in cases like apparel and appliances, existing leakage gaps tend to remain in place stubbornly, with retail (and shopper expectations) drawn to clusters forming around existing lifestyle centers or big box concentrations.

Gap analysis is often conducted at the city limits level since municipalities tend to compete for retail sales tax dollars and want to know whether they are capturing at least the spending power of their own residents. Of course, most suburban shopping takes place without any regard for city boundaries, driven instead by proximity and preferences that have little to do with jurisdictional lines. To estimate demand for a specific store type and potential location, it makes more sense to choose a reasonable trade area boundary from which spending is likely to be sourced (and which contains the most logical sources of store competition).

However, to estimate demand for a potentially wide range of store types across a whole district, as in the case of the Town Center area, there may be a range of possible trade area shapes and sizes at play. For the present analysis, we look at a possible benchmark trade area shape, both centered roughly around the center of the study area near the east-west midpoint on Center Street. The following figures show existing retail spending gaps for a five-minute drive time area around that location. That shape would be roughly appropriate for the types of specialty shops and dining options most likely to occupy retail space within future Town Center developments. Again, for each store category, household spending potential is compared against an estimate of existing store sales to arrive at an estimate of existing leakage (or pull).

Figure 47: Gap Analysis, 5-Minute Drive from Center St. & US 89



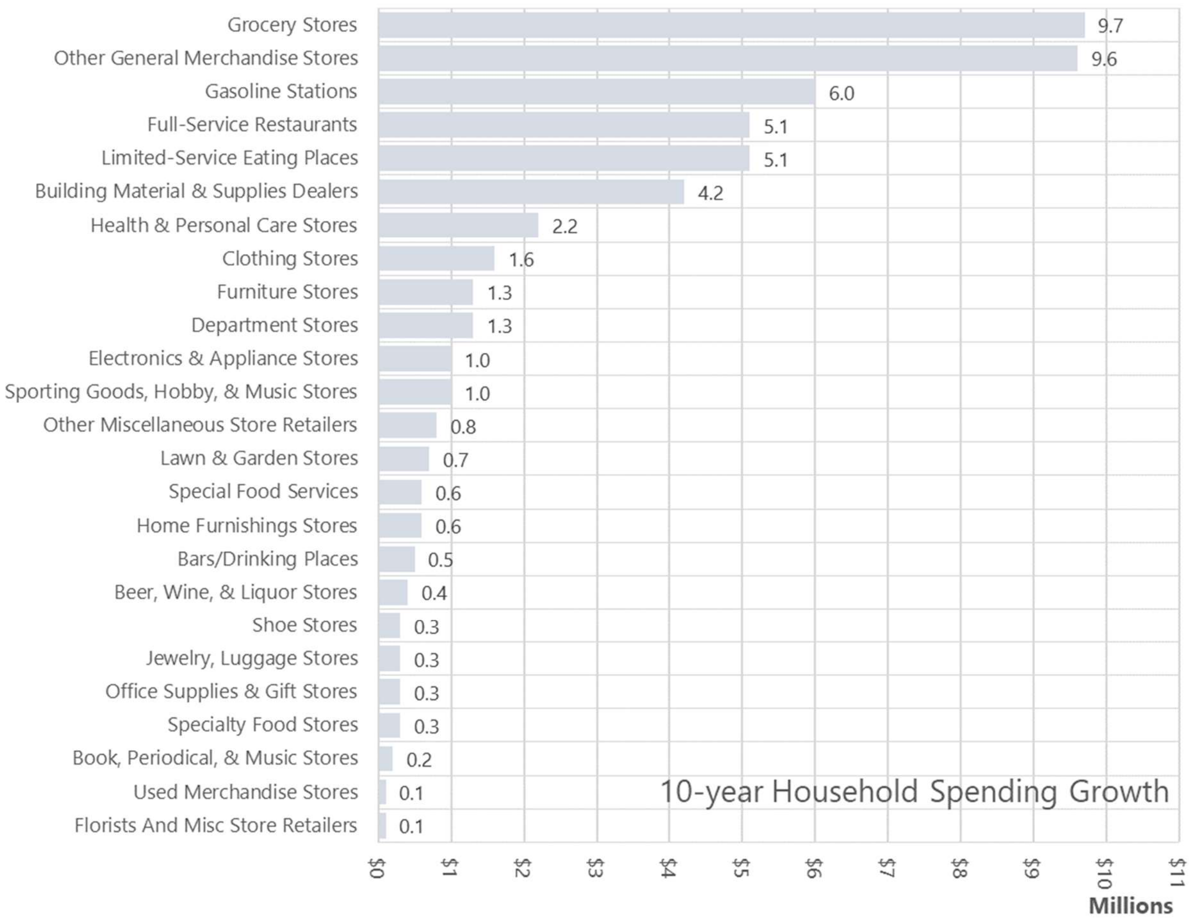
Source: Leland Consulting Group, Placer ™ , and STI

As shown in the preceding figure, at the five-minute trade area level, there are retail spending gaps (i.e., more household demand than estimated sales) across about half of the non-automotive store categories analyzed. The largest gap, for Other General Merchandise Stores is probably irrelevant for the Town Center Analysis as such stores (e.g., Walmart, Costco) require far more land than could be assembled. **Leakage categories with realistic Town Center potential (based on type, size, and consistency with quality of life goals) are highlighted, including promising leakage levels of around $12 million annually for both full-service restaurants and limited-service eating places. Some other reasonable Town Center categories are highlighted, such as Health & Personal Care Stores (drug stores) and Sporting Goods/Hobby/Music, but those have much lower leakage levels to go after.**

Jewely/luggage is a category that often shows leakage for areas not including a mall or lifestyle center, this five-minute drive area has no substantial leakage in that category thanks in part to a luggage store already in the Town Center area -- Travel Outfitters at 328 N. Hwy 89.

In addition to leakage-based demand, anticipated household growth in the five-minute trade area will lead to increased spending potential across all store types. The following graph quantifies those estimated demand increases by category over the coming 10 years, assuming a 1.5-percent annual rate of household/population growth.

Figure 48: Projected Growth in Household Spending Potential, 5-Mile Drive from Town Center



Source: Leland Consulting Group, Placer ™ , and STI

Grocery-Related Demand

As shown in the figure above, five-minute trade area household spending in the two largest single spending categories, Grocery Stores and Other General Merchandise Stores, is expected to grow by nearly $10 million each over the course of the next decade. While Other General Merchandise is not a likely candidate for the Town Center area, that amount of grocery spending would likely generate demand for 15-20,000 square feet of grocery store space. Unfortunately, groceries of that size are only represented across a few tenant chains (e.g. Trader Joe's, Natural Grocer) that are already well distributed across the metro.

Dining Demand

The categories of Full-Service and Limited-Service dining, both critical to successful Town Center commercial viability, five-minute annual household spending should increase by approximately $5.1 million by 2033, sufficient to support approximately 15,000 square feet of new dining space in each of those categories. While the preference would probably be for local/independent restaurants, that amount of full-service restaurant space would roughly equate to two average sized Olive Garden locations, for reference.

Within the limited-service restaurant category, 15,000 square feet would roughly be sufficient for one Café Zupas-sized restaurant (around 4,000 square feet) plus 4 to 6 smaller restaurant spaces more typically found in vertical mixed-use settings. Assuming that a successful Town Center could also recapture even one quarter of the current $24 million in existing restaurant spending leakage, that could support another Panera-sized space plus another smaller restaurant.

Other Category Demand

Growth and pent-up leakage-based demand sources do not demonstrate obvious market support in other individual categories, but in combination could yield sufficient demand to help support another 10,000 to 20,000 square feet or more of additional miscellaneous specialty retail and personal service space. While demand within Health and Personal Care Stores (leakage and growth-based combined) is not quite adequate to warrant a typical chain drug store (around 15,000 square feet), there may be enough to attract a smaller independent drugstore with a more specialized clientele.

Other categories worth considering for potential tenants, based on growth in nearby multifamily housing population alone, could include pet-oriented (grooming, specialty food, etc.) and wellness/fitness-oriented (yoga, jiu-jitsu, etc.) spaces. The $4.2 million growth in anticipated yearly household spending in Building Materials & Supplies, together with some $700,000 in Lawn & Garden spending could together justify pursuit of a smaller independent floral/garden store.

In interpreting these results, keep in mind that the Town Center is not a blank slate for retail development. Potential redevelopment sites are likely to be small and unlikely to accommodate anything as large as a typical grocery-anchored neighborhood center, much less a larger big box community shopping center.

Strategic Commentary and Recommendations

Site Analysis

Existing Site Conditions Impacting Market Viability

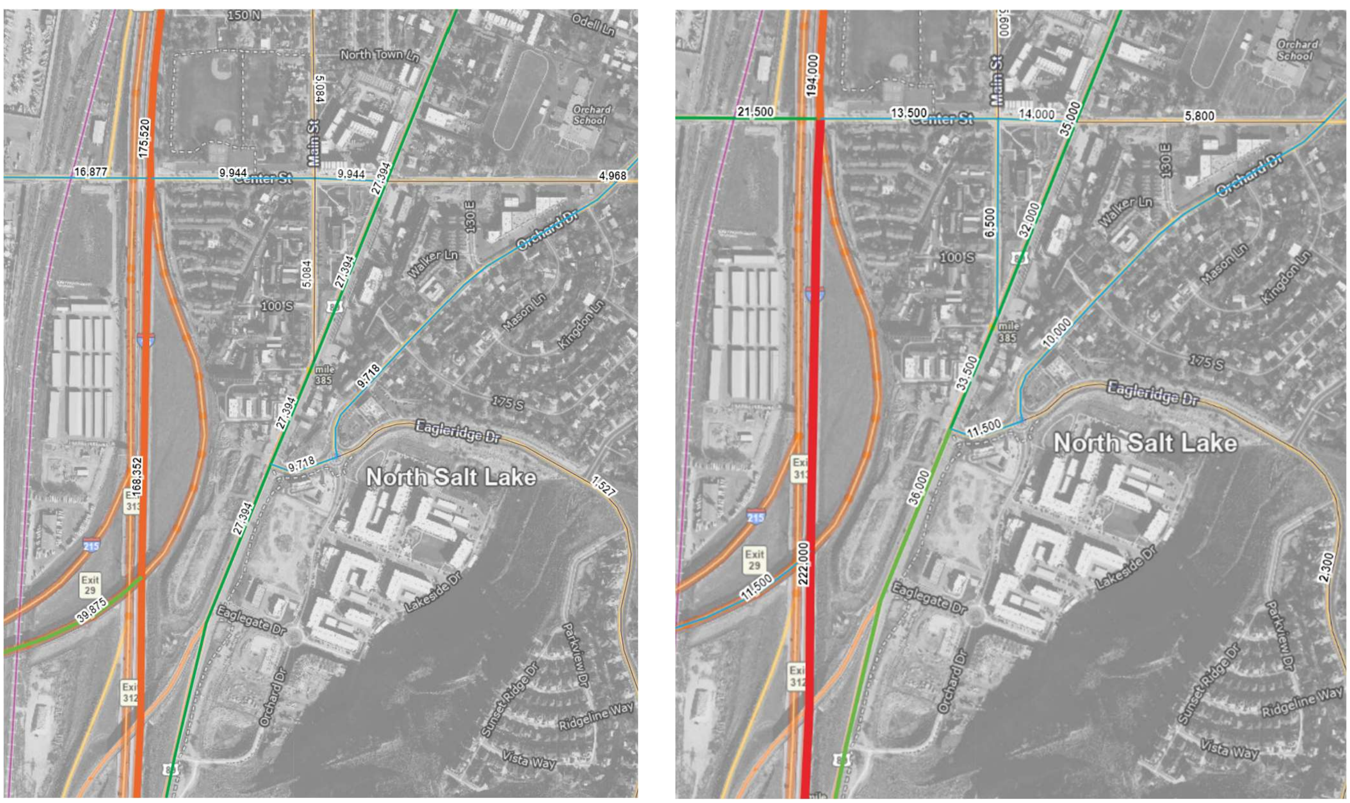
Category	Analysis
Access	• North Salt Lake is divided by I-15 and the freight rail tracks adjacent to it. Commuting patterns indicate that there is significantly more north-south movement than east-west in this area. While the west side of I-15 includes the largest employment centers in the City, the Town Center area is on the east side of I-15. The highway and tracks act as both a physical and psychological barrier between the two sides of town. • Changes planned for the I-15/I-215 interchange should greatly improve access/convenience for stores near the south end of Town Center, but may present challenges for Center Street (in part due to removal of the southbound off-ramp onto Center). • **The City should investigate if the I-15 interchange project may make it possible to provide a Center Street bridge across the freight rail tracks west of the interstate**. Such a project would be very expensive, but would be a tremendous help to socially and economically linking the east and west portions of North Salt Lake. • **Active mobility access (walk, bike, scooter) would be further improved by adding multi-use paths along Center Street to improve east-west connectivity.** • The Orchard Elementary School on Center Street causes significant congestion during pick-up times, limiting access to the Town Center, but those issues will be partly mitigated by planned pedestrian improvements.
Visibility	• Currently, despite its adjacency to I-15 and Highway 89, the Town Center area is not particularly visible to those passing through North Salt Lake, due to the long I-15 exit lead time. This could change substantially with the new interchange design changes. • **A prominent vertical element such as a sculpture or unique monumentation could greatly improve visual recognition of Town Center**, especially for interstate travelers that may currently pass by without realizing that Town Center even has retail/dining offerings. • **Hatch Park is visible from I-15 and could be visually enhanced to improve its ability to remind freeway drivers of the existence and potential allure of the greater Town Center** area. This could include artistic/sculptural elements, distinctive facility designs, attractive nighttime lighting, and visually interesting plantings – all of which should be included as goals in the ongoing park improvement planning. • Seasonal signage and other event-oriented decorative elements should be continually improved and aesthetically coordinated with other visual efforts.

Walkability, Bike-ability	• The Town Center area, like much of North Salt Lake, is mainly auto-dominated. However, the City is working to complete its sidewalk, trail, and streetscaping network. • For the past several years, UTA has been proposing a Bus Rapid Transit (or Enhanced Bus) line connecting Davis County with Salt Lake City. Village Station at Eaglewood is a proposed stop on this route. Adding BRT to the Town Center would significantly increase mobility options and provide a pedestrian focal point near the southern end of the study area. • The Center Street Trailhead of the Legacy Parkway Trail is just under 1.5 miles west of the Town Center area. The Legacy Parkway Trail connects North Salt Lake to Farmington Station, 11.6 miles away. Enhanced bike and pedestrian facilities along Center Street would connect the Town Center area to this important regional trail. • In 2023, North Salt Lake approved a scooter-share program, increasing non-car options in the city. Enhanced pedestrian and bike facilities would also benefit this kind of micromobility program.
Infrastructure	• Town Center area is undergoing continuous repair and replacement work to maintain (and enlarge where possible) existing street, water, and sewer infrastructure. This activity is critical to preserving redevelopment potential in the area. • Additional sidewalks are being added along Center Street, which is likely to be rebuilt in the next few years. • The City is currently working on an Active Transportation Capital Facilities Plan to promote more biking, walking, and other non-automotive travel modes.
Surrounding Land Uses	• Center Street, as its name suggests, is the major east-west thoroughfare in the Town Center area, with the intersection at US 89, forming what could logically function as its most important retail/activity hub. • Orchard Elementary School property dominates the superblock bounded by US 89, Center, Orchard, and Odell Lane, and it features a prominent Center Street frontage directly across from Orchard Plaza and most of the redevelopment sites to the west. • While the school is an important community asset, its presence (presumably permanent) limits the extent to which the north side of Center Street can add to the kind of shopping, dining, and nightlife characteristic of successful retail nodes in older suburbs. • The area west of the elementary, particularly the Atlantis Burger (as currently surface-parked) along with the used car lot behind it, could contribute to an improved retail synergy at the 89/Center hard corner if redeveloped with a more active sidewalk frontage (with or without a revamped Atlantis Burgers). Extending that energy further east becomes more difficult with fragmented residential parcel ownership transitioning to the school property itself. The residential in this portion of Center Street is zoned Highway Commercial and has begun transitioning the homes to office space. • Hatch Park is another important community asset within the study area – a bit further off the 89/Center corner – that is currently neutral to somewhat limiting in its effect on the potential retail and dining revitalization for Town Center. Parks tend to be essentially off-limits after dark, and as such would not really extend the active zone that could be developed around popular evening dining spots. • That said, Hatch Park is in the midst of a major redesign and expansion featuring some improvements that could improve the value of that amenity for surrounding residents and

	visitors, including some changes to the park plaza space that may directly bring retail activity within the park (such as event-based food trucks and vendors, along with potentially semi-permanent pop-up space for a variety of tenant possibilities. • Careful event and facilities planning at the park (and elsewhere in Town Center) could help to balance the appeal of the area in general across demographic groups, capable of attracting young, largely male, workforce in west North Salt Lake, while maintaining a safe, family-friendly character for that important demographic • Although small in size relative to other elements in this discussion, the Utah Local Governments Trust site (building and adjacent surface parking) represents something of an activity dead zone that interrupts pedestrian interest along US 89 for what is an important linkage between the Eaglewood Lofts/Village Station and City Center . The City should encourage owners there to cooperate in adding elements (plaza, seating, shade, art, etc.) that help to bridge that long linear stretch for would-be walkers and bikers.
Aesthetics	• The Town Center Area is located at the base of the foothills of the beautiful Wasatch Range, an important factor in regional visitation and quality of life. • However, industrial and refining operations west of interstate and the gravel quarry at southern gateway may negatively impact aesthetic perceptions (or expectations) of what lies within the study area. • North Salt Lake's Town Center lacks a clear, defining aesthetic focal point, but City Hall, Hatch Park (especially with planned design improvements), and the newer street-fronting mixed-use developments in the Eaglewood and Brighton Homes areas all contain attractive elements to build upon in creating memorable aesthetic impressions. • **The distance between the Center Street and Eaglewood Village nodes is too great to meaningfully connect with a single aesthetic theme, so the area should assume separate branding.**
Topography	• The topography of the North Salt Lake Town Center area could make some development or redevelopment tricky. The area near Janet's Sunshine Café, for instance, has abrupt elevation changes that would significantly add to the cost of an expansion of the business. • At the intersection of I-15 and Center Street, the elevation is just under 4,300 feet, rising 100 feet to the east a half-mile to the Orchard Drive intersection. By the time Center reaches Lacey Way (another 0.8 miles east) the total climb reaches 250 feet above the interstate level. This rise enhances views from the foothills and adds visual interest to the area in general but does also make for more challenging biking and pedestrian travel.
Parcels, Ownership Patterns	• Most of the parcels in the Town Center area are small and irregularly shaped, with fragmented ownership. • However, some areas have been consolidated by developers for mixed-use projects, including Eaglewood Lofts, Village Station, and the Park Lofts at City Center. • Relatively shallow lot depths along much of US 89 limits major mixed-use development except where additional depth can be achieved through land assembly.

Traffic Volume	• I-15 averages around 170,000 vehicles per day driving past the Town Center area. While this traffic volume is a potentially excellent generator of visual awareness for Town Center, the vast majority of drivers are, of course, bound for other destinations and often actively fighting traffic, making them poor candidates for impulse shopping and dining exits. • US 89, the main drag for Town Center, sees almost 28,000 vehicles per day – projected to rise above 36,000 by 2040. This volume is just below volumes along 2600 S. near the Smith's center in Woods Cross – busiest of any arterial in southern Davis County. Arterial traffic is much more closely tied to local retail activity and is generally viewed as a positive by prospective tenants. • Center Street is busiest just outside the study area, as it passes under I-15 towards the employment destinations in west North Salt Lake (~17,000 daily traffic). Within the Town Center, Center St. slows to 10,000 daily vehicles at Main St., then drops to 5,000 east of US 89 as it passes Orchard Plaza. These volumes are generally lower than east-west collector roads in other south Davis County cities. • Orchard Drive has traffic volumes similar to Center St. – too low to be considered helpful by retailers depending on drive-by impulse traffic to generate shoppers. • Figure 49 has maps depicting these and other nearby traffic volumes for 2019 and projected to 2040 (although not contemplating interchange re-configuration plans.)

Figure 49: Annual Average Daily Traffic Counts, Town Center Area, 2019 and 2040 (proj.)



Source: UDOT (for 2019 counts); WFRC (for 2040 projections)

Note: Projections do not reflect interchange reconfiguration plans

Strengths and Challenges

Strengths

- NSL's geographic location as the **nearest northern suburb to Salt Lake City** is a significant amenity for many residents seeking shorter commutes but unwilling or unable to live in Salt Lake City proper.
- Both **rental apartments and ownership townhomes in and around the Town Center are seeing strong demand** from a demographic mix of young working couples, divorced singles, non-family roommates, and other, mostly child-free, household types.
- The Town Center area now has a **relatively diverse resident population in terms of life-stage demographics and incomes**, especially compared to some areas in northern Salt Lake City and elsewhere in south Davis County.
- The combination of **flexible Planned District zoning paired with custom development agreements** has proven to be a suitable arrangement for both City and developers in the Town Center area – with the City often trading needed infrastructure improvements for some negotiated requirements for providing some housing units at target AMI levels to support workforce affordability demand. **Reductions in parking requirements** have also been successful as incentives to spur development.
- North Salt Lake **leadership and City staff have a reputation for being generally pro-development** and easy to work with compared to neighboring municipalities in south Davis County.
- City planning **staff has strong continuity and longevity with respect to the Town Center vision** and effort, with the core team of planners essentially unchanged since the Town Center Master Plan was drafted seven years ago.
- Janet's **Sunshine Café is a particularly popular dining establishment** on Center St. with strong positive relations with long-time customers from the surrounding neighborhood, who like the quirky building and easy, dependable parking availability.
- The assembly of **vacant infill parcels on Center Street** across from the elementary school, between Neighbor's Market Center and Orchard Plaza, appears to be a pivotal opportunity site that may help shape the future of that east-west portion of the Town Center area. After working to balance financial feasibility with density concerns of some neighbors, the site was approved in December 2023 for 79 loft units and 8,000 square feet of retail.
- Surface parking on the north side of the City Hall lot is working well as **shared parking** with tenants across Center St. to the north.
- The City has made great **progress in recent years towards a more comprehensive vision of "complete sidewalks"** (including plantings, lighting, signage, etc.) in and around Town Center – with many connections yet to be completed to flesh out the network, but some excellent new examples to build on (e.g. in front of City Center offices on US89 & Center Street). The site should consider adding add bike racks.
- **Hatch Park** is a well-located civic asset for current and prospective residents in and around Town Center. The planned **expansion/redesign** has potential to result in a greatly improved amenity for the area and may hold potential for periodic, pop-up style, activity-generating retail and related uses. Preliminary site planning and land acquisition is well underway for perimeter expansion.
- NSL may be well-positioned to benefit from having **marginally more daytime activity** due to more office workers staying in the suburbs in the post-pandemic era, with increased demand for local dining and services appealing to home-based workers.

- The long-envisioned **BRT/Enhanced Bus** seems to still be a real plan, but timing is unclear. In general, stakeholders see the prospect of transit as a positive, but hold tempered expectations for a major commercial boost directly due to those stations – likely more of a residential draw/amenity. The transit potential for the Town Center area remains an area of opportunity, but potentially less of a shaping force for the plan as a whole as envisioned in 2016.

Challenges

- Along both Center St. and US 89, much of the **street and water infrastructure needs upgrading** over the next several years due to obsolescence and growing capacity demands (actively being addressed but a remaining weakness relative to newer suburban development locations).
- Though improved considerably since the 2016 plan, Town Center **sidewalk and trail systems need additional shoring up** to get residents and visitors used to the idea that they can reliable walk/bike/scooter to any destination in Town Center.
- The elementary school on Center Street presents a challenge for development/activation of that street due to safety considerations, pick-up/drop-off congestion, and simply the large footprint of land permanently off-limits to commercial and residential uses.
- Land uses in the northern portions of US 89 within the Study Area remain far from the Town Center vision and have a very uncertain timeline for conversion to desired uses. Some possibilities for infill redevelopment activity are being delayed due to standoffs with **some landowners unwilling to move/sell** some potentially desirable redevelopment parcels (e.g. used car lots). This is common in older urban/suburban locations with fractured ownership.
- The area has a considerable amount of **difficult topography** that increases development costs and presents challenges to site and building planning.
- Pockets of neighborhood **resistance towards additional residential development** (or *any* development in some cases), is an obstacle to timely redevelopment of the infill parcels across from Orchard Plaza and the elementary school. Such resistance is also common in or adjacent to established residential neighborhoods.
- The SLC metro area has seen some signs of **difficulty supporting small-scale urban grocery** stores (see Lee's recent closure of brand new 9,000 s.f. store in Marmalade District and Neighbor's Market's transition over time from grocery to C-store. This weakness is not specific to Town Center, necessarily, but highlights what may be some cultural incompatibility with that urban format in this market.
- **The I-15/I-215 interchange reconfiguration** (likely 3-5 years out) has many likely components, most of which is generally considered a net positive given problems with current design. Loss of Center Street access could be detrimental to convenience businesses near that node and along Center but improved southern access (near Village Station at Eaglewood) could have strong positive implications for convenience-oriented businesses.
- The **roundabout on Eagleridge Dr. just east of US89 is not functioning well** in conjunction with the traffic light on US89, nor for the safety of pedestrians that want to walk north into the Town Center.
- NSL is **highly auto-oriented and almost completely dependent on commuting:** out-commuting for employed residents and in-commuting to fill jobs in the city. This acts as an obstacle to establishing pedestrian and other non-auto mobility and activity in the Town Center. Resident habits are challenging to change and will require persistent effort and a dedicated program of pedestrian-friendly infrastructure and public amenities.
- Reducing this mismatch between employed residents (mostly east of I-15) and local jobs (mostly west of I-15) is especially challenging given the physical and psychological **east-west barrier posed by the Interstate and very active freight rail** crossing.

- **Difficulty filling ground floor retail spaces** in the Eaglewood Lofts/Station project has led to those spaces being filled with short-term rentals. While those are currently a productive use, they are less desirable from an activation standpoint and will be challenging to retrofit back to retail. Ground floor space in the City Center office building has also been difficult to fill (but has not been relinquished to other uses to the same degree).
- **High interest rates and construction costs** are causing a lull in new activity, but not seen as a permanent state. This is not a weakness of NSL or Town Center but the development/financial markets in general as of this analysis. This results in a very tight spreads on returns, especially for smaller investors looking at smaller development sites (such as Town Center-like infill).
- Lingering post-pandemic work-from-home behavior, while it may help boost neighborhood dining and service demand, is generally **causing some suppressed office demand market-wide**, potentially reducing some tenant possibilities for properties initially slated for office.
- Though escalating rents and housing prices stabilized, at least temporarily, in 2023, **housing affordability remains a concern** across the market. This could have mixed effects on Town Center. Its appeal may grow as a more affordable alternative to downtown and central SLC living, attracting more young adults to NSL – but to compete for that demand, Town Center will need to provide some of the same urban, walkable lifestyle characteristics.
- As of yet, there is **no memorable "heart" of North Salt Lake**. Town Center, especially near Center St. is the logical and long-desired location for that heart, but requires more coherent aesthetics, wayfinding, branding and placemaking across the board – preferably concentrated at first to reach a critical mass and then spilling over to surrounding areas.

Opportunities: Customer Segments and Key Sites

Major commercial opportunities for the Town Center can be grouped thematically around the core customer/visitor target segments, and geographically, around a number of key opportunity areas within Town Center.

Target Customer/Visitor Segments

The following groups make up the most likely sources of spending/demand potential in support of commercial enterprises in the Town Center area**, each with specific strategic implications including tenant targeting preferences.**

Close-in Commodity/Convenience-Driven Shoppers

- Includes nearby residents or employees (already in Town Center), for coffee, snacks, incidentals, gas),
- …plus considerable new potential related to the reconfiguration of the I-15 & I-215 interchange – introducing the possibility of commuters from south or north exiting for gas, quick breakfast, coffee, etc. with much easier re-entry to either I-215 west (towards west NSL employment) or back onto I-15 either north or south.
- A smaller-format supermarket could be a suitable fit, but chains currently active in that space are not spaced far enough away. Should another brand of small format grocer emerge, they should be approached for the commercial expansion area at Village Station at Eaglewood.

Weekday Breakfast/Lunch Crowd

- Mix of patrons driven more by daytime employment population than surrounding residents.
- Will require effort to attract and change habits, especially to attract westside NSL employees (mixed demographics, but predominantly young, male). A once-a-month lunch shuttle across Center St. could be an

event idea to build awareness of Town Center options, along with hosting weekly food trucks at Hatch Park during the workweek lunch period.

- Grade separated crossing (bridge?) for Center St. over freight rail lines would obviously be game-changing for reconnecting east-west but very expensive and complex.

Weekday Evening, Weekend, Event Diners

- Resident and visitor driven dining options with potentially wider geographic reach can be explored, along with targeting individual segments such as families with kids, young couples, friend groups, etc.
- Multiple restaurants are needed for critical mass. "Restaurant row" is ideal but can take time to cultivate. The idea is to become a destination with a reliable collection of choices available to groups *after* arrival.
- An established local "star" restaurant is an ideal tenant to build around. Sunshine Café would be a very desirable anchor tenant for ground floor space on either US 89 or further west on Center St., but may be difficult to entice away from tried and true current location. Chile Amor was likewise an excellent potential candidate to reposition as anchor, but the owner family was lost to burnout and may require extra effort to spur a return.
- Dinner locations with nearby dessert choices (ice cream, donuts, etc.) can make for natural evening progression for patrons – again, preserving options along the way, allowing groups to confidently remain undecided.
- A potential idea to help link Hatch Park and dining/nightlife behavior (an otherwise incompatible pairing) would be to have a well-lighted playground at the corner closest to the restaurant area – allowing parents a safe after-dark activity with kids before, between, or after family dining.

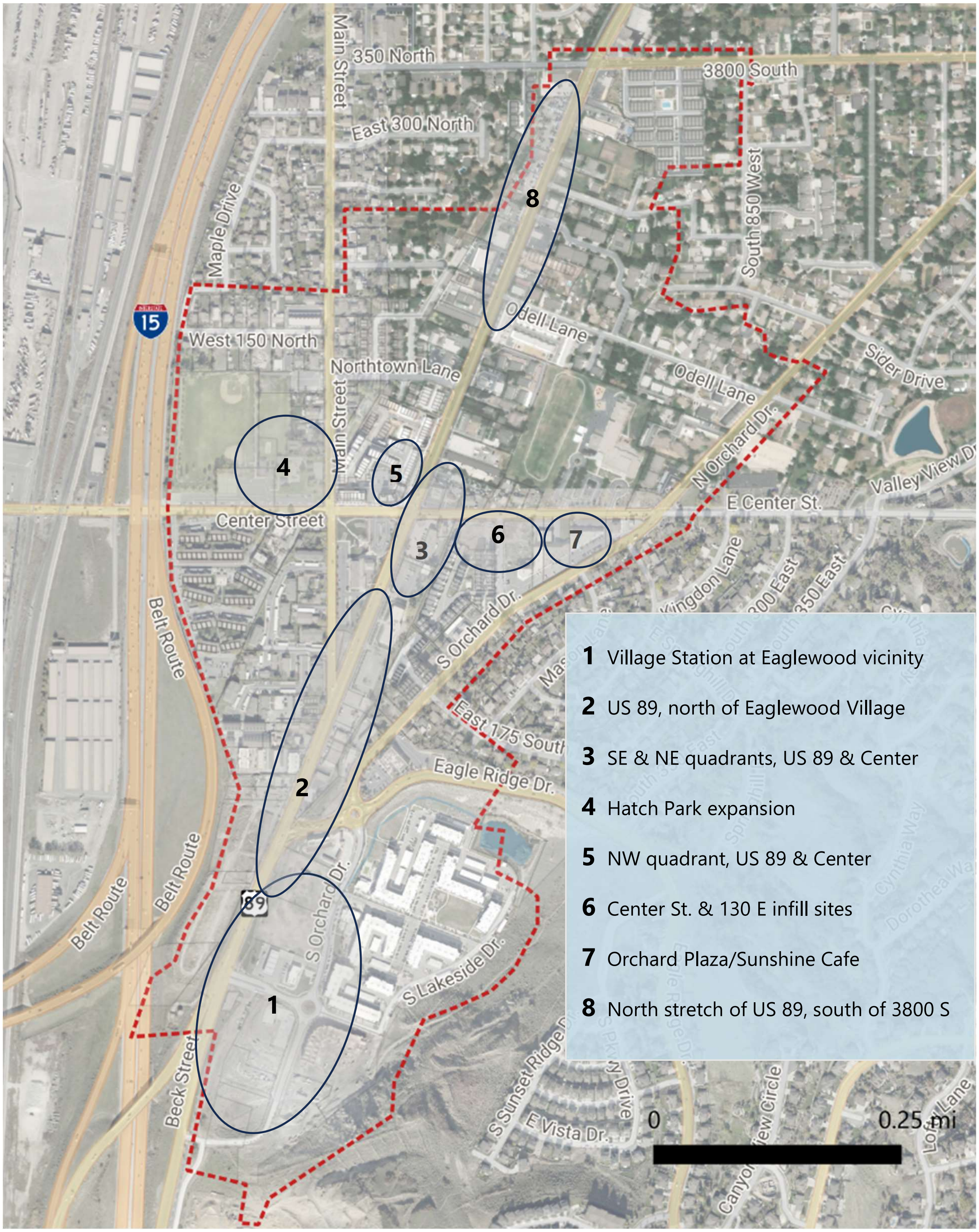
Entertainment-Seekers, Arts/Culture

- Some overlap with above group. Likely to be resident-driven, evening/weekend-focused, but potential to expand appeal to young/single adult workforce if east-west connectivity can be improved across I-15 and/or if outreach efforts targeted to change habits and awareness among west-side workers.
- Hatch Park additions and improvements, including potential for event-based and even semi-permanent, rotating pop-up spaces (food truck, cultural/non-profit, gifts, makers) will be important, requiring dedicated year-round programming attention.
- Cultural/arts dimension is currently largely missing from NSL offering, outside of special events. Hatch Park is a logical catalyst locale for arts and crafts activity.
- Create a historic district protecting the Bamberger Station buildings and incorporating art pieces, with art shows in historic Bamberger Station buildings.
- Arts and arts-adjacent activity could also take shape as makers spaces in underutilized light industrial space on US 89. Such spaces tend to mix entrepreneurial light manufacturing/fabrication (short-run 3-D printing, CNC milling, woodworking, welding) with related classes and potential for fine arts fabrication/studio spaces.

Specialty Shoppers

- A mixed group including window shoppers drawn for other reasons (above), or customers drawn specifically to a specialty shopping-oriented tenant (jewelry, florist, garden/floral, boutique furniture/furnishings, gifts, hobby, niche sporting goods, yoga/dance/martial arts, vintage clothing, etc.).
- Hand-made paper studio currently in Orchard Plaza is an example of a potentially good fit with ground floor space closer to Center/US 89, adding visual interest and variety for curious shoppers on foot.

Key Opportunity Site Recommendations



1 Village Station at Eaglewood Vicinity

Natural location for convenience focused retail, with advantages for that increasing greatly with planned interchange improvements. Tenant possibilities include coffee, fast casual dining, fast food, (any full-service chain restaurant should go here rather than further north), lodging, smaller supermarket (Natural Grocer), smaller floral/garden center. Addition of BRT/enhanced bus with potential for a multimodal stop will help complete the vision for this node, but appears likely to be preceded by interchange access improvements. Planning staff and City leadership may need to exercise some caution to avoid letting auto-oriented uses overtake the TOD-style placemaking potential that inspired the initial design.

2 US 89, North of Eaglewood Village

This extended linear stretch is very unlikely to see significant pedestrian activity or be thought of as part of a future Center Street branded node area. Lot depths are limited on either side, constraining development possibilities. Trust property is architecturally nice and well streetscaped but an extended activity dead zone that continues to the south through auto-oriented and light industrial properties until Eaglewood Village properties. Complete sidewalk and/or trail connections along this stretch are important for active transportation modes. Redevelopment will be piecemeal – with replacement of light industrial as land value pressure increases from the north and south – and likely remain auto-oriented as activity to the north and south. Additional redevelopment opportunities could arise as UDOT acquires properties for widening of US 89 for the proposed BRT service.

3 SE & NE quadrant, US 89 & Center

Part of the hard corner for Town Center, where a mix of convenience, dining, and auto-oriented tenants now operate. This spot is likely to become more difficult for convenience and traffic-dependent merchants as new ease of interstate access buoys competition to the south and the Center St. offramp is removed. The City should prepare for and encourage transition over time towards greater emphasis on pedestrian-friendliness, with dining, specialty shopping, arts, and entertainment increasingly feasible over time. With City Hall excluding commercial activity (and street-fronting buildings) from the opposite quadrant, it should be a priority to redevelop the NE quadrant to help contribute to more to sense of place for this key intersection (possibly even providing relocation encouragement/assistance to Atlantis Burgers to help anchor a more coherent dining destination).

4 Hatch Park Expansion

Planned expansion and improvements will help enhance this important outdoor amenity for nearby residents – helping to compensate for the urban compromise many apartment and townhome dwellers are having to make due to increasing unaffordability of detached homes with yards. The expanded park, with and the opportunity for added residential and commercial/office space, should increase the potential for event activity and become more attractive for periodic food trucks and other vendors, the location is unlikely to be conducive to permanent retail space (with the possible exception of educational and culturally-oriented non-profit space designed for frequent turnover).

5 NW Quadrant, US 89 & Center

Though currently empty, the ground floor spaces here, associated with Brighton Homes and Park Lofts, help to form the most visually and physically in-place element of the envisioned hard corner for Town Center. Those spaces should help set the tone for an increasingly coherent pedestrian-friendly destination where specialty and destination tenants predominate at ground level, with activity spilling onto the sidewalk (seasonally and where feasible). Focus on specialty shops, fast casual dining, full-service dining, arts, and entertainment. Relocating a popular independent restaurant tenant like Sunshine Café, Nacho House, or even a re-booted Chile Amor would be a perfect catalyst here, but would, of course, have to fit with the goals and wherewithal of those owners). The City is prepared to work with Brighton to encourage the transition of ground floor office into hard corner retail or restaurant uses as envisioned in the Town Center Master Plan.

6 Center & 130 East Infill Sites

These are critical infill sites, vacant since closure of the local bowling alley, and where redevelopment would help the activity from the US 89 and Center hard corner node to partially wrap around onto Center Street. Because suitable storefront tenants (dining or other) have proven difficult to come by, especially in suburban locations, it may be better to limit commercial activity to half of the possible street-fronting development on these sites. This could help prevent inefficient competition with other potential spaces closer to the corner proper (benefitting overall node prospects). In fact, the recently approved site plan, for 79 loft units, with 8,000 square feet of ground floor storefront commercial space limited to the west building is a good example of implementation of this idea. Various dining and specialty retail tenants could be targeted there, such as deli, pet foot store, personal services (barber, salon, spa), hobby store, etc.

7 Orchard Plaza/Sunshine Café

Although these quirky, largely triangular, parcels and buildings are home to the Town Center's most popular single destination, the property is approaching obsolescence, prone to vacancy, and difficult/costly to renovate. While the Café patrons have become accustomed to this location, the mix of loyal regulars and destination-seeking new guests would likely follow it to a relocated destination, should that be desired by ownership. The flex retail/office/studio tenant areas represent some of the most naturally affordable commercial space in the area and arguably serve an important role for local entrepreneurs. The location, across from an elementary school and relatively far-removed from the priority node at US 89, should not necessarily be a priority for City incentives or investment, and should probably be allowed to redevelop or rehab over time according to market forces (potentially including medium density residential or even live/work units with makers space).

8 North Stretch of US 89, to 3800 S

Though technically in the study area, this portion of US 89 remains quite disconnected from the areas to the south. While the intersection at 3800 S appeared at the time of the 2016 master plan to be a logical TOD-like location to be served imminently by a BRT station location, the timing for that is clearly further out than once believed. This upper corridor, with its large used car storage and sales lots, a mix of light industrial and showroom-type spaced (with some miscellaneous retail), should be seen as an area for continued opportunistic (primarily residential) infill. While some design and streetscape continuity could be preserved between Center Street and the new townhomes at Odell Lane, this area should not be a priority focus of extensive City investment in infrastructure or retail incentives, as that could dilute efforts further south.

Primary Recommendations

Focus efforts on central and southern portions of the Town Center study area, aiming to first improve commercial viability around the Center Street and US 89 "hard corner" and the Village Station at Eaglewood commercial frontage area. Other portions of Town Center should still be addressed via infrastructure upgrades, sidewalk network completion, BRT planning, etc., but should not be the main focus of redevelopment planning and incentives.

Plan for more destination/specialty focus for commercial activity around Center Street and US 89 – with preference for specialty shops, fast casual dining, full-service dining, arts, and entertainment. The planned removal of the Center St. offramps to I-15 will reduce what remains of convenience/commodity role for that node, strongly advantaging the southern end of US89, while Hatch Park improvements will improve the destination appeal around the Center/89 intersection.

The southern Town Center node near US 89 and Village Station at Eaglewood should have a more convenience-oriented appeal, taking advantage of the planned new access to I-215 west as well as the addition of easy new options for I-15 re-entry, both north and southbound. Coffee shops, a smaller supermarket (such as Natural Grocers), lodging, fast food and limited-service dining along with somewhat larger possible tenants than the Center St. node. Addition of BRT/enhanced bus (likely but not guaranteed) should help solidify that node and further support convenience-oriented tenants, allowing for a more cohesive design of buildings and public spaces to enhance the sense of place.

Auto-orientation should be discouraged north of the planned interchange improvements around Village Station, giving way to much more pedestrian, bike, transit and alternative mode service as one moves north towards Center St.

Improve some linkages between Village Station and Center St. but assume essentially separate nodes. Pedestrian connectivity and consistency of branding/design between these two nodes is impractical to establish due to length. While gradual additions to plantings, lighting, and trail buffering will help maintain an available physical connection, avoid over-investment in what is an unlikely connection.

Continue to encourage residential development across the Town Center. Residential rooftops will be the lifeblood of much of the retail in the Town Center and provide needed round-the-clock activity and vibrancy that will spur placemaking.

Avoid mandating additional ground floor retail below residential in Town Center. While some new storefront retail may be made to work (and may well be the best option for part of the 130 East infill site, especially next to the Center Street hard corner), insisting on more ground floor inventory risks adding yet more oversupply of space for a relatively uncommon category of suburban tenant.

Consider a bold vertical monumentation element to aesthetically center the still-lacking branding/placemaking element for Town Center, while providing a natural visual landmark to assist in wayfinding (while reminding interstate passers-by of the City's existence and potential interest. This should be in addition to, but thematically consistent with new freeway signage as well as in-district signage and monumentation.