Public Private Partnerships

D.J. Baxter - Redevelopment Agency of Salt Lake City
Public Private Partnerships

a. SLC Examples
   a. Mid-street LRT line
      a. No coordination
      b. No land assembly for a kick-off project
      c. No zoning change – timing is critical
         a. When zoning change finally came, it was too late; corridor was built out.
      d. No financial tools
Learning from efforts that didn’t work:
1. Most common mistake – public sector makes the investment and assumes the private sector will respond.
   a. Power line burial – no coordination with private sector
   a. Mid-street park blocks
      1. Some coordination
      2. Partial Zoning Changes
      3. BIG model project on one side of the street
      4. No firm commitments on the other side
      5. No land assembly
      6. Poor execution – space not designed with user in mind, trees too small and too few.
Salt Lake City’s PPP Approach: Sugar House Streetcar and Greenway
Sugar House Streetcar and Greenway

Background

• Partnership Among:
  – Salt Lake City
  – South Salt Lake City
  – UTA
• $26 million federal grant
• Phase 1:
  – Two miles long
  – Runs along 2230 South
  – From Central Pointe TRAX station (200 West) in South Salt Lake to McClelland Street (1040 East) in Sugar House
• Seven stops 0.3 miles apart
• Service every 15 minutes for peak hours, every 30 minutes for off-peak hours
• Construction began in April 2012, scheduled to open in December 2013
Sugar House Streetcar and Greenway

WFRC Transit Projects, 2011-2040

[Map of Wasatch Front Regional Council Salt Lake Area with Transit Projects Phase highlighted.]
Sugar House Streetcar and Greenway

Old/New Idea: Streetcars Supporting Development – but originally a fully private enterprise
Sugar House Streetcar and Greenway
Sugar House Streetcar and Greenway

PPP Components: (illustrated by Sugar House example)

1. Establish the vision – and make sure it is widely shared
   a. Broaden horizons – travel with the key players
   b. Common reference points make all the difference
   c. Traveling together builds relationships and trust

2. Confirm with the community

3. Build excitement – develop a plan

4. Secure funding for core project & commitments for private investments
   a. Public sector assist with securing funds and commitments from private sector

5. Align Public Resources to support private outcomes: (seems obvious)
   a. Public Sector makes regulatory changes based on private sector feedback
   b. E.g., TIF assistance, construction or gap financing for projects
   c. Make sure the right strings are attached – but not too many!
   d. Model project(s)

6. Include partners in details of implementation

7. Celebrate each small success together

8. Shared bragging rights – encourage partners to brag about all of the projects, public and private

9. If needed, be willing to build or invest heavily in the first project(s)
Sugar House Streetcar and Greenway

Phase 1
Sugar House Streetcar and Greenway

Phase 1
Sugar House Streetcar and Greenway

Before

After
Sugar House Streetcar and Greenway

Latest Update: Greenway Visioning Process

• Recently completed a visioning process for the streetcar line
  – Community overwhelmingly supports the creation of a greenway along the corridor
  – Greenway is a linear “park” to include plazas, the Parley’s Trail, and extensive landscaping
  – Design Process to involve neighbors, developers, investors
  – Block-by-block meetings with existing neighbors – discussions of opportunities
  – Private sector already responding to the plans for investment.
Sugar House Streetcar and Greenway

Rendering of the Sugar House Streetcar and Greenway at 700 East
Sugar House Streetcar and Greenway

Rendering of the Sugar House Streetcar and Greenway at 800 East
Sugar House Streetcar and Greenway
Sugar House Zoning—Future

Sugar House Future Land Use Map

Future Land Use
- Very Low Density Residential (less than 1 acre)
- Low Density Residential (1-5 acres)
- Medium Density Residential (6-20 acres)
- Medium High Density Residential (21-50 acres)
- Neighborhood Business
- Mixed Use - Low Intensity
- Business District Mixed Use - Neighborhood Scale
- Mixed Use - High Intensity
- Business District Mixed Use - Town Center Scale
- Parks & Open Space
- Institutional & Public Lands

Business District Future Land Uses
- Business District Mixed Use - Neighborhood Scale
- Business District Mixed Use - Town Center Scale
- Parks & Open Space
- Institutional & Public Lands
- Town Center Overlay
Sugar House Streetcar and Greenway

The Private Sector Response: Streetcar-Influenced Development
Sugar House Streetcar and Greenway

Granite Furniture
(Boulder Ventures)
1050 East 2100 South
• Construction currently underway
• Planned uses:
  – Retail: 20,000 ft²
  – Office: 30,000 ft²
• Private investment: $50m
• Scheduled completion: Spring 2013
Sugar House Streetcar and Greenway

Sugar House Crossing
(Mecham Management)
2130 South 1100 East

- Construction scheduled to begin: August 2012

- Planned uses:
  - Residential: 207,000 ft² (211 units)
  - Retail: 56,000 ft²

- Private investment: $53m

- Scheduled completion: Fall 2015
Sugar House Streetcar and Greenway

Liberty Village
(Cowboy Partners)
2150 South McClelland

• Construction scheduled to begin: Fall 2012
• Planned uses:
  – Residential: 134,000 ft² (171 units)
  – Retail: 1,200 ft²
• Private investment: $26m
• Scheduled completion: 2014

“The streetcar project is a big catalyst for our development. It was the tipping point in our being willing to pay top dollar for the site.”
—Dan Lofgren, Cowboy Partners
Sugar House Streetcar and Greenway

Sugar House Apartments
(Gardner Properties)
1985 South 1200 East

- Construction currently underway
- Planned uses:
  - Residential: 70,000 ft² (70 units)
- Private investment: $11m
- Scheduled completion: 2013
Sugar House Streetcar and Greenway

Westminster
(Woodbury Corporation)
1985 South 1200 East
• Construction currently underway
• Planned uses:
  – Residential: 67,000 ft² (44 units*)
  – Retail: 8,500 ft²
  – Office/Academic: 15,000 ft²
• Private investment: $28m
• Scheduled completion: Fall 2012

*student housing units; equivalent to 164 beds
Sugar House Streetcar and Greenway

Wilmington Gardens  
(Woodbury Corporation)  
1201 East Wilmington  

- Construction scheduled to begin: **Fall 2012**  
- Planned uses:  
  - Residential: 200,000 ft² (212 units)  
  - Retail: 60,000 ft²  
  - Office: 30,000 ft²  
- Private investment: **$70m**  
- Scheduled completion: **Fall 2014**
Sugar House Streetcar and Greenway

Sugar House Center  
(Dee’s, Inc. / Woodbury Corporation)  
Simpson and Highland

- In early planning and predevelopment stages
- Anticipated uses:
  - Residential: 500,000 ft² (350 units)
  - Retail: 245,000 ft²
  - Office: 230,000 ft²
- Planned private investment: $170m

“We are integrating transit stops and connections that are walkable and attractive into our mixed-use development. We believe the benefits of the streetcar and our TOD will result in a new and remarkable mixed-use development for the neighborhood.”
—Todd Olsen, Dee’s Inc.
Sugar House Streetcar and Greenway

Summary of Streetcar-related Private Development in Sugar House

Construction of the streetcar accelerated or is partially responsible for the creation of over 1,000 residential units and nearly 2 million square feet of redevelopment on seven sites (resulting in $400 million in private investment) in the Sugar House Business District.

Private Investment Planned Within 0.5 Miles of Sugar House Streetcar Terminus

<table>
<thead>
<tr>
<th>Project</th>
<th>Address</th>
<th>Residential Units</th>
<th>Square Footage</th>
<th>Private Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Residential</td>
<td>Retail</td>
<td>Office</td>
</tr>
<tr>
<td>Granite Furniture</td>
<td>1050 East 2100 South</td>
<td>-</td>
<td>20,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Sugar House Crossing</td>
<td>2130 South 1100 East</td>
<td>211</td>
<td>207,000</td>
<td>56,000</td>
</tr>
<tr>
<td>Liberty Village</td>
<td>2150 South McClelland</td>
<td>171</td>
<td>134,000</td>
<td>1,200</td>
</tr>
<tr>
<td>Sugar House Apartments</td>
<td>1985 South 1200 East</td>
<td>70</td>
<td>70,000</td>
<td>-</td>
</tr>
<tr>
<td>Westminster</td>
<td>2162 South 1300 East</td>
<td>44*</td>
<td>67,000</td>
<td>8,500</td>
</tr>
<tr>
<td>Wilmington Phase I North</td>
<td>1201 East Wilmington</td>
<td>112</td>
<td>100,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Wilmington Phase I South</td>
<td>1201 East Wilmington</td>
<td>100</td>
<td>100,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Sugar House Center West</td>
<td>Simpson and Highland</td>
<td>250</td>
<td>200,000</td>
<td>95,000</td>
</tr>
<tr>
<td>Sugar House Center East</td>
<td>Simpson and Highland</td>
<td>100</td>
<td>300,000</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>1014</strong></td>
<td><strong>1,178,000</strong></td>
<td><strong>390,700</strong></td>
</tr>
</tbody>
</table>

*Student housing units; equivalent to 164 beds

The streetcar corridor’s greenway will also add an additional 5.76 acres of public green space to the area’s neighborhoods.
Sugar House Streetcar and Greenway

Return on Investment

<table>
<thead>
<tr>
<th>Public Investment</th>
<th>Streetcar</th>
<th>Greenway</th>
<th>Total Public</th>
<th>Private Investment</th>
<th>ROI</th>
<th>New Prop. Taxes Generated per Year</th>
<th>Payback in Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLC Funds</td>
<td>$6,180,000</td>
<td>$6,800,000</td>
<td>$12,980,000</td>
<td>$408,250,000</td>
<td>3045%</td>
<td>$1,286,133</td>
<td>10.09</td>
</tr>
<tr>
<td>ALL Local Funds</td>
<td>$11,180,000</td>
<td>$6,800,000</td>
<td>$17,980,000</td>
<td>$408,250,000</td>
<td>2171%</td>
<td>$4,434,942</td>
<td>4.05</td>
</tr>
<tr>
<td>ALL Public Funds</td>
<td>$55,000,000</td>
<td>$6,800,000</td>
<td>$61,800,000</td>
<td>$408,250,000</td>
<td>561%</td>
<td>$4,434,942</td>
<td>13.93</td>
</tr>
</tbody>
</table>
Sugar House Streetcar and Greenway

Phase 1
Sugar House Streetcar and Greenway

Phase 2
Locally Preferred Alternative

East to Highland via both Sugarmont and Simpson; then north to 1700 South, with stops at the Sugar House Monument, Hollywood Avenue, and Garfield Avenue.
Topics For Discussion

1. Who should engage whom?
2. When?
3. What can each sector realistically expect of the other, in terms of:
   a. Level of investment;
   b. Timing
   c. Contributions to Urban Form
   d. Financial support for the other entity’s project(s)
   e. Regulatory changes and private response to those changes
4. Do trust and relationships make a difference, or is it just about the bottom line?
5. Can a failed effort be rescued?
6. What does the future hold for PPPs?
Questions?

D.J. Baxter
Executive Director
Redevelopment Agency of Salt Lake City
www.slcrrda.com
801-535-7240