



## PROVO MUNICIPAL COUNCIL

### Economic Development Retreat

7:30 AM, Thursday, August 17, 2017

The Reserve in Provo Towne Centre

1200 Towne Centre Drive

Provo, UT 84601

### Roll Call

The following elected officials were present:

Council Chair David Sewell, conducting  
Council Vice-Chair David Knecht, arrived 8:30 AM  
Council Member Kay Van Buren  
Council Member George Stewart  
Council Member Gary Winterton  
Council Member David Harding  
Council Member Kim Santiago

### Prayer

The prayer was given by Cliff Strachan, Council Executive Director.

### Business

1. Welcome and introductions ([0:01:56](#))

Chair Sewell welcomed members of the business community and invited introductions from guests who were attending the meeting, several as contributors later on the agenda.

2. A presentation and discussion on the retail landscape of Provo City. ([0:05:10](#))

Stuart Thain, Coldwell Banker Commercial Advisor, presented on the retail landscape of Provo City and the Wasatch Front more generally. As retail has shifted to online platforms, many successful retailers have found creative ways to market to online audiences as well as utilize the unique advantage of their brick and mortar retail spaces. More and more, retail is trending toward entertainment and experienced-based retail. Utah is booming with construction and a critical component in creating an inviting retail climate is creating opportunities (through redevelopment, good relationships with shopping center owners in Provo, mixed use development, etc.) and facilitating the development and construction process. Mr. Thain stressed that the longer the entitlement process and development process take, the less attractive an area is to a retailer. For example, Costco has a 120-day start-to-finish for planning and building stores. He explained that often a key anchor may need to be incentivized, then it can attract other services to the area—in the beginning, some subsidization may be needed to create the right environment, then after a time a city can attract tenants based on other factors and not the subsidization.

Provo has unique challenges with a heavily skewed student population; shoppers may be frugal out of necessity or out of habit, but a conservative shopping community is difficult for retailers. Provo does not have much buildable land, so many developers go to areas like Saratoga Springs and Eagle Mountain, where build-outs on undeveloped land are more feasible. Provo also struggles with leakage of shoppers to neighboring cities, due to geographical constraints and highway access. Provo needs to capitalize on key

opportunities to attract new retails, quick-service restaurants (QSRs), and other businesses. Mr. Thain spoke about Provo’s great downtown scene, with many local operators as well as community events and concerts, drawing traffic to those areas. He suggested finding ways to capitalize on the existing retail strengths in Provo. Long-range planning is critical because traffic planning and public transit are also important components in helping retail to succeed. Wayne Parker, CAO, noted that the Administration has thought about bringing in a professional planner or developer on the East Bay area.

3. A roundtable discussion with short presentations from Provo Towne Center, Riverwoods, Downtown Provo Inc., and the Mix. ([1:26:58](#))

Scott Bowles, General Manager of Provo Towne Centre Mall, shared positive progress at the Provo Towne Centre Mall under new ownership, Brixton Capital. The mall will be undergoing redevelopment and significant reinvestment, as well as construction of a hotel and office space on surrounding parcels.

J.J. Haering, Riverwoods Director of Leasing and Tenant Relations & Managing Director, noted that the Riverwoods was ahead of the curve of the changing nature of modern shopping centers. Currently with approximately 99% occupancy, the center is thriving, though there is more work to be done.

Mark Isaac, a representative Westport Capital Partners and owners of The Mix, shared some of his experience both working in planning and economic development, and currently in his field working as a developer. The entitlement and planning processes through government service are often what holds a project up, such as The Mix, which has been in development for some time. Mr. Isaac noted that several of the Utah cities noted earlier in the retreat for their retail successes are also cities with aggressive incentives and a fast entitlement process—this is not a coincidence.

Quinn Peterson, Downtown Provo, Inc. Executive Director, got his start in e-commerce and a shop in Salt Lake, then opening a second location in downtown Provo. Downtown Provo, Inc. as an organization hopes to facilitate success in the downtown area as a whole.

After these brief introductions, Chair Sewell opened up the discussion to panelists about how to improve and further economic development initiatives in Provo City.

Mr. Bowles, Haering, Issac, and Peterson shared insight into the retail world and how the Council can make a difference to help encourage businesses in their efforts to locate in Provo:

- Mr. Isaac noted that the cities that are aggressive and can strike while the iron is hot are the cities that get a lot of attention from retail developers.
- Mr. Bowles said “Time kills all deals” is a well-known and apt mantra in their field.
- Retailers are not concerned with what a city’s ‘sacred cows’ are; a retailer is there to make money and offer a service—if the city is not friendly with regulations regarding signage, building height, multifamily housing, and growth potential, they are not inclined to locate there.
- Mr. Isaac noted that The Mix’s challenges have been primarily with obtaining necessary permits, recording the plat, etc.—many aspects which occur after the Council’s approval of the project. The City is experiencing a significant redevelopment of existing assets—there is a learning curve, but he felt that many parts of this process could have gone more smoothly and quickly.
- Wayne Parker, CAO, noted that there is another side to the story; there are standards that delve into more detail than text amendment approved by Council. Determinations about whether a street is private or public, utilities and infrastructure, and whether engineering standards need to be revised to meet the desires of the developer are all factors which can extend the process.
- Mixed use and multifamily housing are a boon to retail—besides bringing additional daytime and nighttime users of retail spaces to the area, slowdown and congestion can promote additional foot

traffic for retailers. Retailers want movie theaters, apartments, and office space near them—proximity is a huge factor in drawing weekday traffic outside of peak weekend use.

- Mr. Haering noted similar challenges to those mentioned by Mr. Isaac, regarding the length of time required to obtain a permit for a tenant finish (no structural changes) and a hold-up over removing a tree in a parking lot. He stressed the importance of the City Council and city departments working together, building relationships, and helping ease this process.
- Mr. Peterson talked about creative approaches to traditional retail, such as offering services that cannot be obtained online—at Unhinged on Center Street, they opened a barber shop and are booked solid for two months on any given day. Unique solutions will help bridge the gap and create retail that can thrive in a community.
- Mr. Isaac shared examples of cities that have been willing to adapt to changing times and be creative. As soon as a liquor ordinance was finally passed in West Jordan, his development group was able to secure 40 restaurants in a shopping center. Only 13 establishments sell liquor, but attracting retail has never been a problem there since that ordinance change.
- Mr. Isaac said that the entrepreneurial spirit of the Wasatch front has attracted nationwide attention from investors. He said the Council is instrumental in facilitating and attracting retail and businesses that will help to maintain a good quality of life for Provo residents.
- Mr. Haering observed that the Riverwoods did not have a voice in the Council’s consideration of a PEG Development multifamily residential project, despite the critical impact their businesses have in the neighborhood, including several billion-dollar companies in the business park.

Council members shared their thoughts after hearing these comments from panelists. The Council’s DAPR (Development Approval Process Review) Committee has been working on changes to make the review and approval process simpler and smoother for developers. Chair Sewell invited Mr. Bowles, Haering, Isaac, and Peterson to coordinate with Council staff to provide additional opportunities for Council members to see projects firsthand and discuss concerns onsite.

#### 4. Other items related to economic development as needed. ([2:27:01](#))

Doug Munson and Dejan Eskic of MTN Retail Advisors, a Salt Lake City-based grocery consulting group, presented. MTN works in consulting with grocers and municipalities, to help groups understand the dynamic at play, and about 70% of their work takes place on the east coast. Mr. Munson and Mr. Eskic described the market factors at work in the grocery sector, including volume and population demographics, very slim profit margins (and thus the inherent risk for grocers to locate in an uncertain market), impacts on the existing grocery market, competitive landscape, population’s weekly grocery expenditure, road networks, growth to sustain opportunity, and a number of other factors—there is no silver bullet. Mr. Munson and Mr. Eskic also touched on smaller grocers and independent operators and some of the main groups in this market in the intermountain west. Throughout the discussion, Mr. Munson and Mr. Eskic responded to questions, about west Provo and the potential for a grocer, from several Council members. Mr. Munson and Mr. Eskic emphasized that the support of the Council can go a long way with garnering community support and providing assurance to a grocer.

## **Adjournment**

*Adjourned by unanimous consent.*