

Chapter 3.2: Thriving Economy

Diverse and creative City economies generate jobs, wealth, and innovation, stabilizing the community. Through becoming its own City, Millcreek has the opportunity to diversify into new areas of economic activity and continue to promote outdoor recreation and lifestyle as a cornerstone of its economy.

3.2.1 THE IMPORTANCE OF MILLCREEK'S ECONOMY

Very importantly, Millcreek has also gained a reputation as a place with assets, which if harnessed, could attract entrepreneurs, young professionals, and new businesses, particularly in creating a business climate that supports economic diversification, innovation, entrepreneurship and economic inclusion.

Thriving Economy is the economic development component of Millcreek Together. It identifies strategies to strengthen Millcreek's economy and protect the City's tax revenues by capitalizing on strengths and overcoming challenges. A thriving economy is one that offers diverse and well-paying jobs, along with a strong educational and workforce training system that effectively prepares Millcreek residents for these opportunities. It is recommended that Millcreek build on traditional and new economies, creating the foundation for a new era. This subchapter sets priorities based on both immediate needs and the potential for building a healthy, diversified economy.

Strategic attention to the physical development of the City is essential to attracting and maintaining the employees, jobs and investment needed for a healthy economy. In turn, continued land use investment provides the public revenues needed to support the facilities and services necessary to create and maintain great places. Great places attract a high-quality work force and further investment in the community.

What We Heard

- Support local and new business development.
- Redevelop strip mall properties into higher-value businesses.
- Encourage employment types that foster creativity and talent.
- Harness Millcreek's outdoor lifestyle as an economic development strategy.

3.2.2 TRENDS

Employment and Workforce

Jobs. There were approximately 43,000 jobs and employees working in Millcreek in 2015. Employment has recovered steadily since the 2013 recession and is larger than pre-recession levels.

Business. Millcreek's economy is driven mainly by four major business sectors: Education Services, Health Care and Social Assistance, Retail Trade, and Finance and Insurance. Millcreek is home to two higher education facilities (Western Governors University and Fortis College), St. Mark's Hospital, and numerous retail and entertainment businesses.

Light industrial is a key component of Millcreek's job base, specifically on the western edge of the city. To promote a diverse economic base, light industrial uses should be encouraged in already existing use areas.

Jobs to Housing Ratio. The number of jobs per household is 1.09, indicating that there are roughly equal numbers of people working in Millcreek as there are living in Millcreek households. However, the majority of Millcreek residents are not employed in Millcreek, but commute to other locations. Of the 42,969 jobs available in Millcreek in 2015, only 4,017 were filled by those who live in Millcreek.

Income. Household incomes in Millcreek are slightly lower than Salt Lake County as a whole. Millcreek's median household income is \$59,291 compared to the County at \$64,601. On the other hand, due to fewer people per Millcreek household (2.56 in Millcreek compared to 3.03 in Salt Lake County), Millcreek has among the highest per capita incomes in the County at \$33,981 per person, compared to \$28,578 for the County.

Workforce Education. Millcreek is a highly educated community when compared to the rest of the Salt Lake Valley. 28% of Millcreek residents over the age of 25 have at least a Bachelor's degree, and another 16% have a Graduate degree.

Regional Competitiveness and Target Industries

Target Industry. Outdoor Products and Recreation is one of the Governor's Office of Economic Development's Utah Strategic Industry Clusters, and an industry Millcreek over performs in. Millcreek is home to a variety of recreation amenities, from the Jordan River to the Wasatch Canyons, as well as supporting employers, such as REI, Momentum Climbing Gym, Ski N See, Hangar 15 Bicycles, and more. Millcreek has an opportunity to harness the recreation industry by encouraging more outdoor focused employers and experiences. Businesses, especially high-tech firms, consider having nearby outdoor recreation amenities as "absolutely vital" in attracting and keeping high value employees.

Strengths. The Education Services Industry is a major strength for Millcreek, which already has a large share of the employment in the industry than the region as a whole. Health Care and Social Assistance industry is also an existing strength, anchored by St. Mark's Hospital and supporting businesses surrounding the campus.

Opportunities for Growth. Some of the other target business sectors, such as information technology, do not have a strong employment presence in Millcreek, but there is opportunity in these industries due to the proximity of institutions of higher education, the strength of these business sectors in the region, and, as mentioned above, the draw of quality of life amenities.

Constraints. One major constraint for future growth is the lack of attractive spaces for potential businesses to locate, as well as availability of developable land. Land assembly can be one of the most challenging issues in economic development and redevelopment. Millcreek has about 500 acres of vacant land, but it is primarily in small parcels mixed in-between developed properties. There is little, if any, vacant land currently available in large parcels, defined as 50 to 500 acres, with access to infrastructure.

Going forward, economic development efforts need to shift to emphasize Millcreek's lifestyle amenities, and pursue businesses in specifically targeted growing sectors (recreation, information technology), and in sectors that more closely match the qualifications of Millcreek's workforce. There is growing recognition and active efforts to diversify and expand the City's economic base into businesses that diversify the economy and can be leveraged to develop support businesses and startups.

Linkage Between Economic Diversity and Fiscal Sustainability

Economic development policies must stabilize and improve the City's financial picture through greater efficiencies, more in-tune tax and fee structures, and efficient growth and revitalization. Municipal finances and economic growth are mutually reinforcing systems – efficient growth that produces more benefits than costs gives a City the ability to promote desirable investment and economic diversification.

Zions Public Finance conducted an economic market analysis for Millcreek to identify opportunities for economic development (Appendix C). The ZPFI Economic Development Report highlights the findings of the economic analysis, and identifies eleven main “nodes” of economic activity in Millcreek. For each node, the sales tax revenues; amount of vacant land; the improvement values of existing development per acre are calculated. The Report also identifies strengths, weaknesses, opportunities and recommendations to promote node-specific and overall economic growth.

Overall, the study shows that Millcreek has substantial opportunities in key areas. Demographics of Millcreek show an educated populace with relatively appealing income levels. The Report notes some of the following highlights of the analysis:

- Retail activity is strongest in the Brickyard area; along 3300 South to the east of 2300 East; around 4500 South and 900 East; and just off of State Street.
- Key nodes (based on demographics, visibility and exposure, and current uses) that are presently struggling to generate retail activity include 2300 East and 3300 South; 3900 South; and areas surrounding I-15.
- Notable sales tax leakage (Millcreek residents leaving the City to shop elsewhere) occurs to neighboring cities, although the amount of leakage is not atypical for cities with similar geographical conditions.
- The Olympus Hills area has a key location along the Wasatch Front, although the retail layout and offerings generate relatively limited sales tax revenues for developments of similar size. The area needs a stronger daytime population component, which could be filled with a notable office project.
- The City Center and Brickyard Plaza areas show significant potential for additional development and growth. Sales tax revenues in the area are notable, although a significant amount is lost to Salt Lake City due to existing municipal boundaries.
- Opportunities exist for flex office and quasi-commercial spaces near I-15.

Business Attraction and Retention

Sense of Place. A sense of place is essential to defining Millcreek's identity. A “brand” can be defined as a package of expectations, and Millcreek's brand, while improving, is still largely undeveloped. A clear message is important to potential businesses, visitors from outside the Millcreek area, and to residents themselves. Strong identity and satisfaction with their City gives residents more ownership in their community and a stronger commitment to make it better.

Broadband. Economic development, energy efficiency, and advances in education and health care rely on broadband infrastructure. Advances in technology have increased the importance of broadband technology in economic development. Broadband enables industry and opens the door to new possibilities. Broadband is no longer an amenity, but a necessity. Broadband access is one of the most

important factors in the decision to choose a particular business location. The availability, quality, and competitiveness of broadband service are key issues for the Wasatch Front region and a top priority for the State as well.

3.2.3 VISION & PRINCIPLES

VISION: *Millcreek's economic diversity thrives by being inviting, supporting local businesses, attracting an innovative and adaptive workforce, investing in amenities that promote a better quality of life, and encouraging a range of business sizes and types.*

The following principles establish a higher-order decision-making framework to guide the growth and evolution of Millcreek for the next 20 years. The guiding principles articulate the overarching direction for the Plan recommendations, while also framing a set of criteria for evaluating unanticipated opportunities and potential deviations from the specific direction set in this document. The five guiding principles include:

[Character] Attract and retain businesses that enhance the quality and character of Millcreek.

[Redevelopment] Invest in redevelopment projects along major corridors and intersections to reinvigorate underutilized properties into businesses that match Millcreek's future vision.

[Youth] Attract young people to Millcreek by supporting the development of mixed-use projects in appropriate areas that include amenities like restaurants, coffee shops, gyms, ice cream shops, gathering spaces, etc. Identify and encourage creation of jobs in Millcreek that attract young people to move in near the worksites.

[Cityscape Aesthetics] Promote a quality-built environment that is commensurate with the beautiful natural setting in which Millcreek sits, and which encourages new start-up and expanding businesses.

[Zoning Codes] Maintain regulations, processes, and codes that demonstrate Millcreek's business-friendly atmosphere and quality design, and which help businesses grow throughout the City.

3.2.4 ECONOMIC FRAMEWORK MAP

The Economic Framework Map provides a graphic framework of the vision of Thriving Economy. This map is intended to be used as one means of furthering Millcreek's economic health when making land use decisions moving forward. This map is expected to be a living and evolving graphic. It is not intended to strictly define place boundaries or names for all purposes.

Sales Summary

The majority of the City's commercial sales and economic activity occur in one of three commercial nodes: Canyon Rim, City Center, and 900 East 4500 South. Furthermore, much of sales generated within each of

these nodes is a result of large retailers located in each of the nodes – Canyon Rim (e.g., Smith’s Marketplace, REI), Brickyard (e.g., Home Depot), and 900 East 4500 South (e.g., Walmart). Approximately 10 percent of all commercial sales in Millcreek occur outside one of the commercial nodes, and only 1.57 percent of all sales in Millcreek are from home occupations.

The economic development focus should be on the “centers” identified on the Future Land Use map and within the already existing nodes on the Thriving Economy Framework map. Millcreek has relatively little vacant land left, especially within the commercial nodes, but does have underutilized properties, particularly in the Meadowbrook area. Generally, most nodes have fewer than five acres of vacant land. Because of a lack of vacant land, redevelopment of underdeveloped parcels will be key for future economic development in Millcreek.

3.2.5 GOALS AND STRATEGIES

OVERVIEW. GOAL E-1: *Diversify and expand Millcreek’s economic base to create a robust economy that offers a wide range of employment opportunities, goods and services.*

Strategy 1.1: Create and implement an Economic Development Strategic Plan that identifies short- and mid-term goals and strategies to diversify and expand the Millcreek economy.

Strategy 1.2: Coordinate and explore partnerships with the state, county, other cities, businesses and organizations engaged in diversifying and expanding the economic base of the Wasatch Front region.

Strategy 1.3: Prioritize growth in regional targeted industry clusters – Outdoor Products and Recreation, Life Sciences, Software and IT, Financial Services– when allocating available economic development incentives.

Strategy 1.4: Prioritize City Center development and redevelopment to establish it as the City’s hub of commerce, governing, innovation, entertainment, art and culture.

Strategy 1.5: Target, create, and promote incentives for businesses and industries that foster growth and retention of jobs offering wages higher than the county average.

BUSINESS CULTURE. GOAL E-2: *Cultivate a business culture that allows existing establishments to grow in place, draws new firms to Millcreek and encourages more homegrown enterprises.*

Strategy 2.1: Continue land regulations that allow for a diverse mix of workplace types including non-traditional and flexible workspaces, such as co-working facilities.

Strategy 2.2: Support the establishment and expansion of commercial businesses that produce goods locally, increase local spending and provide needed goods and services to local residents and businesses in Millcreek.

Strategy 2.3: Coordinate with organizations that provide microloans, small business loans and other financial resources to fund new businesses and business expansions and encourage entrepreneurs to explore innovative financing strategies, such as crowdfunding.

Strategy 2.4: Support and expand incubator space in Millcreek for existing and future small businesses, particularly those seeking to commercialize innovative products and services.

Strategy 2.5: Support efforts to attract, expand and retain large, medium and small businesses that offer high quality jobs, generate local tax revenue and/or provide needed goods or services to residents.

Strategy 2.6: Support and leverage projects and initiatives with mixed uses, transit supported and walkable attributes to attract and retain a skilled workforce and business investment

Strategy 2.7: Partner with the K-12 school system, the Promise Millcreek program, technical and community colleges, and universities on physical plans that support workforce training opportunities for jobs in sectors with the greatest need and growth potential such as skilled nursing and information technology.

Strategy 2.8: Promote internship opportunities in business sectors present in Millcreek.

Strategy 2.9: Support business growth in innovation, research, development, and emerging technologies by being responsive in the application and adaptation of City processes and requirements.

OUTDOOR INDUSTRY FOCUS. GOAL E-3: *Build on Millcreek's emerging recreation and outdoor lifestyle identity as an economic development strategy.*

Strategy 3.1: Integrate the recreation and outdoor lifestyle brand into citywide initiatives, such as tourism, education, and arts and culture.

Strategy 3.2: Utilize the State of Utah's Office of Outdoor Recreation's Utah Outdoor Recreation Grant to assist with the construction and expansion of outdoor recreation amenities, recognizing that new trails and other amenities further our goal of promoting outdoor recreation and conservation of open space as an economic development strategy.

LIVEABILITY. GOAL E-4: *Leverage the City's livability as a workforce and economic driver, and create a city brand that supports growth and leverages existing community and economic assets.*

Strategy 4.1: Maintain and enhance the social and cultural amenities of the City (such as attractive public spaces, restaurants, and art galleries) to help attract more creative, artistic, skilled, and innovative people (the creative class) to live, shop, work, and invest in the Millcreek community.

Strategy 4.2: Collaborate with businesses, business organizations, and the community to organize and promote events and festivals that help residents and visitors develop positive associations with the Millcreek community

Strategy 4.3: Structure ordinances and incentives to encourage new development to include site, architectural and landscape design features that enhance the appearance and reputation of the City and its neighborhoods and business districts.

PHYSICAL ENVIRONMENT. GOAL E-5: *Enhance the physical environment by creating new amenities that help attract and retain new businesses and residents.*

Strategy 5.1: Support the redevelopment and adaptive re-use of functionally obsolete buildings and strip commercial centers as new mixed-use employment centers, particularly in the centers identified on the Future Land Use Map.

Strategy 5.2: Consider impact fees to increase new public investments in streets, infrastructure, and public spaces in order to keep pace with new development and foster redevelopment.

Strategy 5.3: Create street activation in the design of employment and business centers through the use of supportive zoning, design guidelines, and street standards.

Strategy 5.4: Incorporate street-activating uses in and near public places and facilities.

Strategy 5.5: Accommodate creative temporary uses such as food trucks, farmers markets, pop-up retail, and craft markets to help activate business and employment centers.

Strategy 5.6: Improve access to parks, trails, nature and the outdoors from employment centers.

INFRASTRUCTURE. GOAL E-6: *Provide high-quality infrastructure and technology Citywide.*

Strategy 6.1: Support Millcreek's major institutions, business centers, and other businesses with continued quality infrastructure that meets the City's needs.

Strategy 6.2: Enhance infrastructure, transportation, and communications connectivity near major cultural, hospitality, and entertainment venues.

Strategy 6.3: Create a mechanism to coordinate activities among service providers to collaborate on service installations to coordinate trenching opportunities to reduce the digging within streets.

Strategy 6.4: Create a Telecommunications Plan to better understand the feasibility and financing tools necessary for a citywide broadband/fiber optic network.

SUSTAINABILITY. GOAL E-7: *Promote environmentally sustainable efforts and initiatives in the public and private sector.*

Strategy 7.1: Encourage the integration of environmentally sustainable and cost-effective best practices and technology in public infrastructure investments, such as street trees, permeable paving, green spaces, bicycle parking, electric vehicle charging stations, etc.

Strategy 7.2: Encourage businesses to adopt renewable energy, waste reduction, recycling, and other green initiatives.

Strategy 7.3: Promote Millcreek's natural assets, infrastructure, and supportive policies to expand a recreation- and environment-related economy.

3.2.6 MEASUREMENTS OF SUCCESS

The following Thriving Economy keystone indicators are representative of primary measures of the health and resilience of our economy over the long term. Although there is a strong high-level correlation between our plan for physical development and these indicators, it is recognized that they will often not be directly applicable to individual development plans or to city initiatives.

- **Job Growth:** Annual growth in number of jobs in targeted employment sectors (Source: Census Longitudinal Employer-Household Dynamics)
- **Job Growth:** Annual growth in number of jobs
- **Sales Tax Revenues:** Gross sales tax revenues per capita
- **Property Tax Revenues:** Increase in property revenues generated by increased property valuations.
- **Income:** Median household income above inflation, particularly in underserved neighborhoods where affordable housing is maintained or expanded
- **Educational Attainment:** Increases in the percentages of population aged 25+ with differing levels of educational attainment (high school degree, associates degree, college degree, and professional degree)
- **Promise Program:** The number of participants in the Promise Program after school programs and year over increase in literacy and math proficiency at each school
- **Worker Flows:** Increase in the percent of City residents that also work within the City
- **Green Initiatives:** Percentage of Millcreek businesses committed to 50% renewable energy

3.2.7 ESSENTIAL QUESTIONS FOR ZONING DECISIONS, DEVELOPMENT AGREEMENT AND CITY INITIATIVES

Realizing that not all these questions will be applicable to every decision, these essential questions should be considered as a tool to focus on and promote implementation of the Plan's Thriving Economy theme.

Does the application or initiative:

- ***Advance the Goals and Policies of the Economic Development Plan?***
- ***Support the retention of existing Millcreek businesses?***
- ***Help attract new businesses in targeted business sectors?***
- ***Create or enhance a built environment with amenities that will help attract new, skilled talent to Millcreek?***
- ***Support the creation of new, high-paying and livable wage jobs?***
- ***Contribute to effective and efficient use of City resources?***
- ***Provide for balanced budgets and financial stability for the City over the long-term?***
- ***Promote renewable, sustainable, and environmentally healthy/friendly business practices and products?***
- ***Support or align with regional business attraction and retention efforts?***
- ***Have a positive impact on the educational competitiveness of Millcreek?***

- *Result in construction and / or renovation that is compatible with the existing mass, scale, and height of the immediate neighborhood?*