



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Austin Kimmel
Public Policy Analyst

DATE: May 28, 2026

**RE: RESOLUTION OF INTENTION TO DESIGNATE SUGAR HOUSE
SPECIAL ASSESSMENT AREA**

Item Schedule:

Briefing: May 28, 2026

Council Action: June 9, 2026

Set Date: July 14, 2026

Public Hearing: August 18, 2026

2nd Briefing and Council Action: October 20, 2026

Final Adoption Vote: TBD 2027

[View Administrative Transmittal](#)

ISSUE AT-A-GLANCE

The Department of Economic Development will brief the City Council on a proposed Resolution of Intention to designate the Sugar House Business District 2027 (SHBD-27). This would establish a Special Assessment Area (SAA) in the core commercial area focused on economic promotion, applied to all eligible properties within the designated boundaries. A second assessment would apply to properties with frontage on certain streets for specialty lighting and signage.

Considering the Resolution of Intention to designate is the City Council's first step in establishing the SAA. The administrative transmittal details the full tentative timeline, which includes 48 steps. Six of these require City Council action, including this initial briefing, a protest hearing, appointing a Board of Equalization (BOE), and formally considering the Assessment Ordinance to officially establish the SAA.

At this stage, the Council is not formally creating the SAA. It is only being asked to adopt a Resolution of Intention to Designate, which signals the City's intent to establish the SHBD-27 and triggers the statutory noticing and protest process required by state law. Adoption of the resolution starts the administrative process, but does not commit the City to creating the SAA. Property owners will still have the opportunity to protest, and the Council will take several additional formal actions before the assessment area is officially established.

The administration anticipates the SAA will officially start in **early 2027** and is projected to raise **\$1,697,640** over the area's proposed **three-year period**. The full tentative timeline for establishing the SAA is on pages 10 and 11 of the administrative transmittal. It is also included as a separate attachment (Attachment A) to this staff report.

Goal of the briefing: *To learn about the steps in establishing two special assessment areas (SAAs) for economic promotion activities in the Sugar House neighborhood and for special lighting and signage on specific properties.*



POLICY QUESTIONS

1. The Council may wish to ask how the Department of Economic Development plans to communicate with property owners during the SAA establishment process and what ongoing reporting will keep them informed about the services and benefits they can expect from the SHBD-27 assessment.
2. The Council may wish to ask whether the infrastructure to support year-round specialty lighting along 2100 South, 1100 East, and Highland Drive already exists or if upfront capital investment is required. If upfront capital investment is required, the Council could ask whether those costs would be covered by the SAA or through another avenue.
3. The Council could ask at what point into the term of the SAA property owners along streets designated for specialty lighting can expect to see lighting and signage installed.
4. The Council may wish to ask how the entity selected to manage the SAA will be chosen and what the competitive selection process will look like.
5. The Council could ask how disputes or complaints about the services delivered from assessed property owners will be managed during the three-year term.
6. The Council may ask the department to elaborate on its decision not to include multifamily properties with five or more units in the SAA.

BACKGROUND

In Fall 2021, the Sugar House Chamber & Community Alliance (SHC) officially requested the creation of an economic promotion SAA. Following this, the City Council allocated \$60,000 to cover research and feasibility costs for the special assessment in Sugar House.

Since then, the Department of Economic Development held meetings with SHC and Zions Public Finance to discuss the SAA creation process and potential financial scenarios for the assessment area. Those meetings paused to allow planned road construction in Sugar House until its completion in 2025, when conversations resumed. Economic Development and SHC have worked with property owners to gauge support, determine desired assessment types and rates, and identify services provided under the SAA.

The following sections provide an overview of the proposed SAA boundaries and the proposed and preferred financial scenario.

SUGAR HOUSE SAA BOUNDARIES

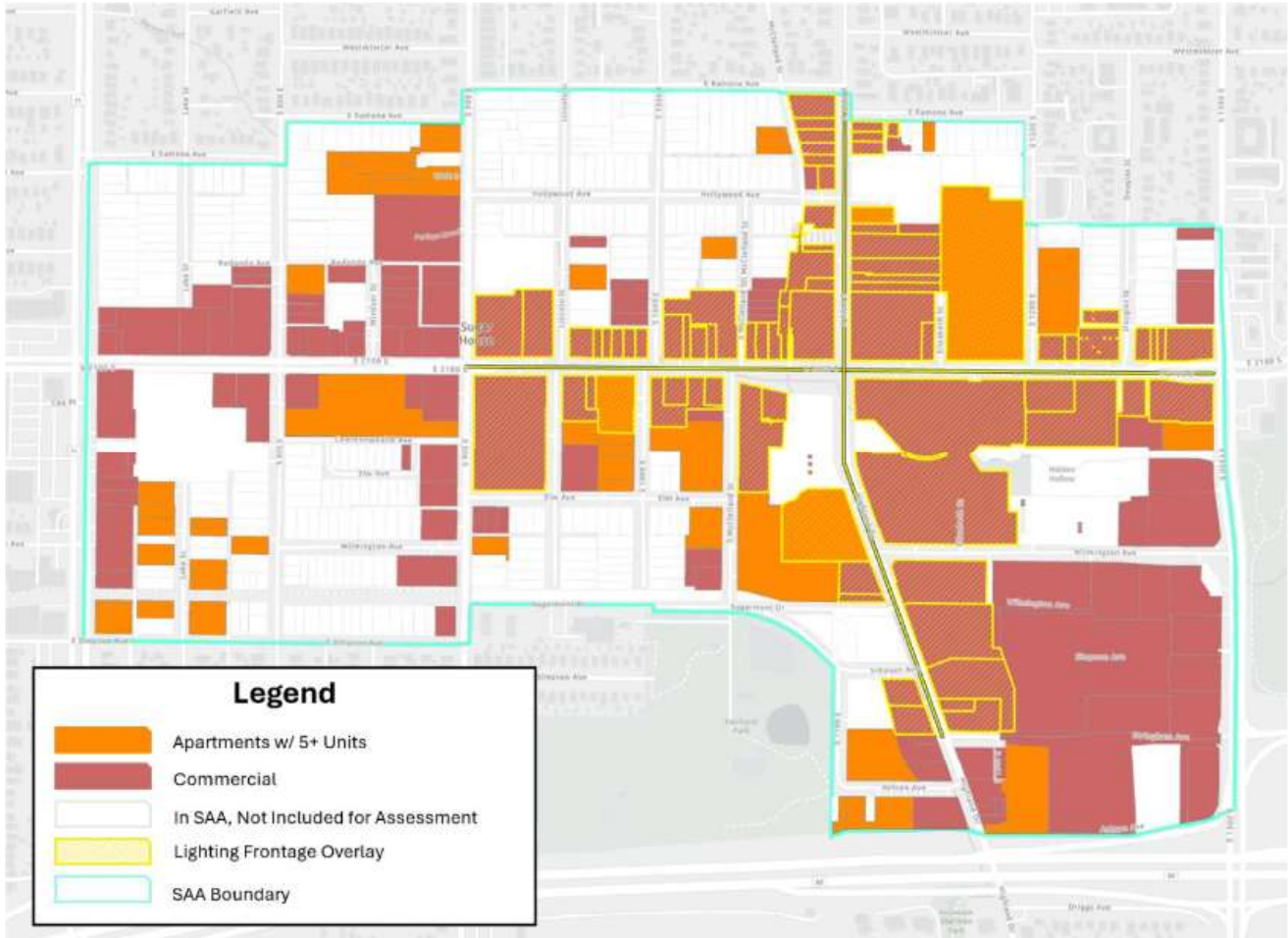
Per the Notice of Intent Resolution included in the Administrative Transmittal, the proposed boundaries of the base Sugar House Business District SAA are:

- A. *Ramona Avenue from 700 East to 1200 East*
- B. *1200 East from Ramona Avenue to Property Line between 1963 South 1200 East and 1979 S 1200 East*
- C. *Property Line between 1963 South 1200 East and 1979 South 1200 East from 1200 East to Alley 12884*
- D. *Alley 12884 from Property Line between 1963 South 1200 East and 1979 South 1200 East to Douglas Street*
- E. *Alley 12109 from Douglas Street to Alley 13236*
- F. *Alley 13236 from Alley 12109 to 1300 East*
- G. *1300 East from Alley 13236 to North right-of-way line of I-80*
- H. *North right-of-way line of I-80 from 1300 East to 1100 East*
- I. *1100 East from North right-of-way line of I-80 to Sugarmont Drive*
- J. *Sugarmont Drive from S McClelland Street to 900 East*
- K. *900 East from Sugarmont Drive to Simpson Avenue*

- L. Simpson Avenue from 900 East to 700 East
- M. 700 East from Simpson Avenue to Ramona Avenue

The Lighting/Signage Assessment would apply to the following streets:

- A. On 2100 South from 900 East to 1300 East
- B. On 1100 East from Ramona Avenue to 2100 South
- C. On Highland Drive from 2100 South to Stringham Avenue



*Proposed Sugar House SAA map
Image courtesy of Salt Lake City Department of Economic Development*

ESTIMATED REVENUE & BUDGET

The Sugar House Chamber & Community Alliance reviewed the financial scenarios below and preferred Scenario 3. Scenario 3 includes a base assessment rate of 0.00249 and a final budget of \$1,412,762 for the 3-year assessment period. The preferred special lighting and signage assessment is \$13 per linear foot of frontage along 2100 South, Highland Drive, and 1100 East. However, the lighting and signage assessment will depend on the cost of the lighting contract selected by the entity responsible for managing the Sugar House Assessment Area.

Multifamily housing with five or more units is eligible to be assessed and included in an SAA. However, it was decided not to include these properties due to sensitivity to housing costs. They could be considered in future assessment authorizations after the initial three-year term.

	Scenario 1: Multifamily 5+ units and Commercial	Scenario 2: Commercial Only	Scenario 3: Commercial Only (Inflation-Adjusted Rate)
Rate	0.00225	0.00225	0.00249
Primary Assessment	\$2,439,163	\$1,437,725	\$1,591,027
Lighting/Signage (\$13/ft)	\$106,613	\$106,613	\$106,613
Total Revenue	\$2,545,776	\$1,544,338	\$1,697,640
City Administrative Costs (One Time Fee - Includes Management, Professional and Technical, Legal, Printing, and Postage)	\$228,280	\$228,280	\$228,280
Reserve (3%)	\$76,373	\$46,330	\$50,929
Salt Lake City Expenses Subtotal	\$304,653	\$274,610	\$279,209
Contract Recipient Budget	\$2,241,123	\$1,269,727	\$1,418,430

*Copied from page 6 of the Administrative Transmittal
Preferred financial scenario, Scenario 3, outlined in red*

TENTATIVE SHBD-27 BUDGET

Revenue for SHBD-27

2025 Taxable Property Valuation	\$638,988,678
Proposed Taxable Value Assessment Rate	0.00249
Taxable Value Assessment Subtotal	\$1,591,082
2025 Linear Footage for Holiday Lights/Signage	8,201
Proposed Holiday Light/Signage Rate per Foot	\$13
Holiday Light Assessment Subtotal	\$106,613
Total Assessment Revenue	\$1,697,640

(Figures have been rounded to the nearest dollar amount)

Copied from page 7 of the Administrative Transmittal

Salt Lake City Expenses	
City Administrative Cost	\$151,200
Professional and Technical	\$37,800
Legal Fees	\$30,000
Printing	\$6,300
Postage Fees	\$3,780
Reserve (3%)	\$50,929
<i>Salt Lake City Expenses Subtotal</i>	<i>\$279,209</i>
Contract Recipient Budget	
Economic Development & District Promotion	\$397,160
Marketing, Events, & Cultural Promotion	\$312,055
Ambassador Program & Public Realm Services	\$482,266
Administration	\$226,949
<i>Contract Recipient Subtotal</i>	<i>\$1,418,430</i>
Total Use of Funds	\$1,697,640

(Figures have been rounded to the nearest dollar amount)

Copied from page 8 of the Administrative Transmittal

ADDITIONAL KEY POINTS

- If property owners holding 40% or more of the total valuation in the SAA protest its creation, the area cannot be created.
- The following properties are exempt from the SHBD-27 SAA: parcels valued under \$20,000, residential, ecclesiastical, and government-owned properties.
- Property owners are assessed the full amount when the SAA is created but may pay in three annual installments over its term.
- Properties are assessed using the 2025 taxable property values.
- Properties along the identified street frontage for the special lighting/signage assessment receive an additional assessment based on linear feet along those identified streets.
- Properties cannot be added to the SAA after the Notice of Intent is issued without the property owner's consent. However, they can be removed at the Council's discretion before the assessment starts.
- Instead of special lighting only during the holiday season, as is the case in the Central Business Improvement Area SAA, the Sugar House Chamber & Community Alliance has requested year-round specialty lighting.
- The City will establish a management contract through March 2030 to provide promotional activities for the SAA, subject to its creation.
- State statute caps total administrative costs (City costs + contractor costs) at 30% of the total SAA budget. Economic Development would be responsible for this monitoring and annual reporting on the City's website.
- In first year of the assessment, \$60,000 (allocated in FY22 Budget Amendment No. 4) would be earmarked from City Administrative Costs to reimburse the City's General Fund.

- According to the tentative timeline, the Administration anticipates the SAA effective date as March 21, 2027, with assessment payments due April 6, 2027.
- According to the resolution, promotional activities include: “advertising campaigns, newsletters, placemaking initiatives, limited trash pickup, hospitality, wayfinding assistance, holiday lighting/signage, light maintenance, homeless services including connection to social services through the Ambassadors & Public Realm Services, business recruitment, district research/reporting, surveys, government coordination, housing advocacy collaboration, town meetings, strategic planning and special projects.”

NEXT STEPS

On **June 9**, the Council is tentatively scheduled to take action on the Resolution of Intention to Designate the SHBD-27 and on **August 18** the Council will hold a protest hearing. The protest hearing gives property owners an opportunity to object to the creation of the assessment area, their inclusion in it, or the proposed services. It also opens a 60-day window for filing written protests. If property owners holding 40% or more of the total valuation in the SAA protest its creation, then the SAA cannot be created, and the process ends.

Following the protest hearing, if the process continues, the Council will consider the Resolution to Designate the assessment area and appoint a Board of Equalization (BOE). The BOE process is separate from the protest period. At that stage, the question is no longer whether to create the SAA but whether adjustments to individual assessment amounts or property inclusions are warranted based on the benefit a property receives from the proposed services.

Finally, the process concludes with the Council's consideration of the Assessment Ordinance, which would officially establish the SHBD-27.

ATTACHMENTS

[Attachment A: Sugar House SAA Tentative Timeline](#)