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Overlooking the Mormon Temple, a New Center

By **LINDA BAKER**

SALT LAKE CITY — While the economic crisis has silenced hundreds of real estate projects around the country, 1,100 construction workers are toiling on a 20-acre development here that is springing up across the street from the Mormon Temple in the center of downtown.

A private development of the Church of Jesus Christ of Latter-day Saints, City Creek Center will be the largest mixed-use project in Salt Lake City. When completed in 2012, it will encompass 900,000 square feet of retailing, including an outdoor pedestrian shopping mall capped by 115 apartments; 1.6 million square feet of office space in eight buildings; a grocery store; and five residential towers with about 600 condominiums.

The development, which is within sight of the Mormon Tabernacle, will also feature six acres of public spaces and a retractable glass roof over the retail component. A man-made creek will run through the property.

The Mormon Church, which has its headquarters in the city, is investing “hundreds of millions of dollars” in the project, said Mark Gibbons, president of City Creek Reserve Inc., a real estate arm of the church, while declining to be more specific. The project will reshape downtown, Mr. Gibbons said. “We believe there won’t be anything anywhere that compares with it,” he said.

City Creek is not immune to the recession, Mr. Gibbons conceded. But he said the church has always had a “debt averse” philosophy that is proving especially helpful in the current climate.

“For which of you intending to build a tower does not first count the cost to see if he have money to complete, so he doesn’t look like a fool,” said Mr. Gibbons, paraphrasing Luke 14:28-29. “We set aside reserves to build this project, we counted the cost before we started, and we have the resources to complete.”

Bounded by the Great Salt Lake and the Wasatch and Oquirrh mountain ranges, Salt Lake City is home to 200,000 people, about 40 percent of them Mormons. It is a center for outdoor recreation, with several [ski](#) areas within 30 minutes of the city; a financial services hub, and a film festival mecca.

But the Mormon Church also wields considerable clout as the city’s largest employer and landowner. “We don’t have a [Microsoft](#) or [Coca-Cola](#),” said Jason Mathis, executive director of the Downtown Alliance. “In many ways, the L.D.S. church fills that role.”

Now the church is a bringing a high-density, mixed-use project to Salt Lake City, with its own imprint: outsized, environmentally friendly and with a history of controversy. Two other companies have taken relatively small stakes in parts of the project.

Located at the intersection of the city's primary commercial and ecclesiastical corridors, Main and South Temple Streets, the City Creek site, which is owned by the church, previously housed two poorly performing malls.

When [Nordstrom](#), which anchored one of the shopping centers, threatened to leave seven years ago, Mormon leaders decided it was time for a makeover. The mayor at the time, Rocky Anderson, called enclosed malls "a failed paradigm," and the church eventually agreed to a design that is much more open than the former malls.

To integrate the project with the surrounding neighborhood, City Creek planners put all parking underground and carved new streets into Salt Lake City's monolithic 10-acre blocks — a legacy of the church's founder, Joseph Smith, who developed a plan for the "City of Zion" in 1833.

The project features sweeping promenades and urban plazas "in line with the great plazas in [Italy](#)," said Joe Collins, a project architect with Zimmer Gunsul Frasca. Fountains that include fire and bells — designed by the company responsible for water features at the Bellagio hotel in Las Vegas — will grace one of the plazas. "It's going to be marvelous," Mr. Gibbons said.

City Creek's two-story 100-store retail center consists of several structures and will be developed by Taubman Centers, a developer based in Michigan, which is investing \$75 million.

Its chief operating officer, William S. Taubman, said he had re-signed [Macy's](#) and Nordstrom as anchor tenants, but declined to comment on the number of additional commitments he had secured. The center, which will open in 2012, will provide more upscale shopping than currently found in Salt Lake City, he said.

Nationwide, about 12 other major shopping centers were scheduled to open in the next year, Mr. Taubman said, but almost all of them have been delayed. City Creek is one of the few that has not been hampered by the economic downturn, he said.

Signs of the church's financial strength — and managerial approach — abound. City Creek's retractable glass roof will provide protection for shoppers during inclement weather. It would not be feasible without the deep coffers of the church, Mr. Collins said.

In keeping with religious dictates, the mall will be closed on Sundays, and only a few establishments, located on land whose title is held by Taubman Centers, will be allowed to serve alcohol.

Elements of the project are controversial. Some people scoff at the plan to use potable water to evoke City Creek, which determined the location of the city but which will remain underground.

"It's the Disneyfication of what for many of us who are not members of the church find to be our sacred places, the natural environment," said Stephen A. Goldsmith, a former city planning director who first approached the church with the mixed-use proposal for the City Creek property in 2002.

A sky bridge to be built over Main Street, where a light rail train operates, has also drawn criticism on the grounds it would mute street-level activity.

But Mr. Goldsmith, who now teaches at the [University of Utah](#), is in favor of many aspects of the project. "To

think we are going to have thousands of people living downtown — it's something we only dreamed about," he said

About 30 percent of the condos in City Creek's Richards Court, a 10-story twin tower opening this year, have sold, Mr. Gibbons said. So far, most of the buyers are church members who will pay more than \$900,000 for a one-bedroom unit with a view of the temple. "It's the equivalent of living across the street from the [Vatican](#) or the Wailing Wall," said Babs De Lay, a local real estate agent. "They will pay anything for this location."

To accommodate the retail and residential components, City Creek developers demolished two office buildings. The ensuing demand led to the construction of 222 South Main Street, a \$125 million tower a block from City Creek that will open in November.

Downtown Salt Lake has always had "good bones," Mr. Gibbons said. But multiuse development is the future of the city — and the church, he said. "The existence of the temple dictates that our headquarters always be here," he said. "We have a vested interest in making certain the vitality of this area."

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