Development Problems Facing Logan's Retail Community

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DEVELOPMENT PROBLEMS FACING
LOGAN'S RETAIL COMMUNITY

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INTRODUCTION

Development Problems Facing Logan's Retail Community

This paper concerns itself mainly with the problems presently facing Logan's CBD (Central Business District). With the possibility of competition from a mall on 14th north, increased population with all its ramifications and continuing natural decay, the problems of downtown Logan today will not get any easier. This paper offers a look at those problems and considers a few alternative solutions. In no way is it intended to cover the entire range of solutions available, nor does it offer in depth answers to these problems. Rather, it is an overview of possible avenues where effort may be directed.
DEVELOPMENT PROBLEMS FACING LOGAN'S RETAIL COMMUNITY

What is a city and what functions does it serve? Such questions will help in understanding urban decay and what alternatives are available in solving urban problems. In Ralph Thomlinson's book _Urban Structure_, a city is identified by three criterion:

1. A large agglomeration of people living in a contiguously built up area,
2. They function to produce non-agricultural goods and services, and more particularly, to distribute all manner of goods and services,
3. As a result of carrying on such functions they develop a way of life characterized by anonymity, impersonal and segmentalized contacts with other people and secondary controls.¹

Thomlinson continues his description of cities in these words:

"In sum, cities are built up of large quantities and varieties of edifices offering physical contrasts and requiring transportation facilities to relieve congestion and permit flow of materials and people. Urban centers are characterized by rapidity and fluidity of life, specialization of activities, complex social organizations

¹_Urban Structure_, Ralph Thomlinson, copyright 1969 by Random House, N.Y., pp. 41, 42.
and intensification of opportunity. Compared with inhabitants of rural areas, city residents are more heterogeneous, often anonymous, and given to impersonal and secondary relationships as a result of their far more numerous recurrent personal contacts."

The earliest cities known to man date back to 4000 B.C. and were found in the Mesopotamian Basin. Cities have also been found in the Nile Valley dating back to 3000 B.C., the Indus Valley around 2500 B.C. and in Latin America at 500 A.D. These early cities were populated by smaller numbers than cities familiar to us today. Most contained between 5,000 and 20,000 people. The largest of any early city population is an estimated 34,000 reached in the city of Ur. With the exception of Rome, no known city attained a population of one million or over until the industrial age.

Early cities often happened in haphazard ways. They were located as center of trade or situated around fertile areas of farm ground; they grew along natural paths or valleys and their amenities were situated in positions that reflected the short-sightedness of those who constructed them. For example, the use of gutters for waste disposal was common. While this may have worked for one or two houses without sanitation

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2Ibid, p. 42

3Excavations at Ur, Leonard Woolley (London Benn, 1954) p. 193
problems, it was dangerous as the town grew. Such lack of development is attributable in part to lack of knowledge, but not always. With the introduction of the industrial age and the extended growth of cities, profit dictated, or was responsible for the shortcomings of cities. An example of this is the railroad apartments in New York City. These apartments were situated on plots of ground measuring 25 feet x 100 feet. The apartment either filled the entire plot, or there was a back yard measuring about 10 feet x 25 feet. In the back would be located the outhouse that would serve the entire apartment building. On each floor was situated four apartment units containing one small bedroom, one small living room and one small kitchen. Each apartment had one window only. These apartments were built at a minimum of cost on a minimum amount of space to bring the greatest return possible on the investment involved in building them. Thomlinson indicates, "As long as landlords are motivated primarily by profits and not constrained by community housing regulations, it is almost certain that some will try to draw the maximum income from the smallest investment in their property, disregarding the comfort and health of the renters; after all, people who don't like it can always move out."  

In 1867 a law was passed in New York requiring each room to have a window in it. This law resulted in the creation of very narrow breezeways between each building. The windows facing the breezeways

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4 Urban Structure, p. 240
brought in very little air and much noise. The breezeways also served as good garbage shoots for the tenants living on the upper levels. The result of all this was that these newly created windows were usually kept shut. After much complaint and many health problems with this type of situation, zoning laws requiring the building to occupy not more than 70 percent of the plot did away with this type of apartment. Another aspect of the law as the requirement that one toilet be provided for each twenty persons. This resulted in the installation of one toilet on each floor shared by the four apartments. 5

Short-sightedness, convenience, ease of construction and profit maximization at the consumer's expense have been the cause of many of the ills of the city. Usually, not until there has been a crisis of one sort or another have city dwellers regulated the improvement of their cities. As late as 1900 St. Louis and Philadelphia had twice the street mileage as sewer mileage. Baltimore and New Orleans still were using open gutters for waste disposal, and it wasn't until a yellow fever epidemic in 1879 that Memphis built a sewer system. 6

Even if cities start out with none of the above mentioned problems, it remains a fact that urban decay is a natural process and all cities will experience it to one degree or another. No building will last forever,

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5 Urban Structure, p. 235

6 Ibid, p. 236
and given time it will become obsolete and more of a liability than an asset. It takes a process of continual improvement to keep real estate improvements usable, and there comes a time in the life of most structures when the costs of further improvements become prohibitive.

Human changes in the city also add to the problem of urban decay. As population increases it expands into the suburban areas. This draws some businesses into the suburban areas via shopping malls. The business shift out of the central business district can affect the income level of the downtown area which in turn affects the ability of downtown to stay abreast with pleasing real estate aesthetics. As the downtown becomes old and run down, many of the people wealthy enough to move, leave for better surroundings. The property they once owned downtown now becomes apartments or expanded commercial property. In either case it is usually occupied by tenants. The relationship of owner not being occupier makes it easier for the building to go unattended, thus speeding the urban decay process. There comes a point in time when the central business district becomes a social problem requiring the attention of citizens who may not even live or associate there. Murphy says, there can be no prosperous city without a successful downtown. Let the hub deteriorate and the metropolis will be sapped of strength and vigor. This is the time when urban decay reaches its "unpeak", the time when slums rot into existence.

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7 The Central Business District, Raymond E. Murphy, Copyright 1972, p. 170
Urban decay can be graphed all the way from a new city to the dredges of inhabitability at the other. Each city fits somewhere on the graph, and in order to stop the gradual process of slipping, citizens must realize the results of urban decay and the preventive alternatives available. Logan city is not in the "unpeak" of urban decay. There are no slums in the downtown area with respect to apartment complexes, and as a result crime in the CBD is not the problem it could be. Logan's downtown area suffers from a growth problem more than a problem of decay, although decay is evident. The growth problem is characterized by a need for more goods and services resultant from the influx of people into Logan's commercial drawing area and the natural tendency for business to expand in a random fashion in search of new markets and good locations at reasonable prices.

Population in Cache Valley has grown over the past forty years at a rate of approximately 1.15 percent annually. Within the last ten years that average has jumped to 1.8 percent annually, and it is projected that the ten years between 1970 and 1980 will experience growth of 2.7 percent annually.\(^8\) It is obvious that the population of Cache Valley is not slowing down. The escalation in population is going to demand among other things an increase in retail goods and services offered to the public.

Compiled and published by Utah Foundation.
for the telephone company) it was discovered that in the major Logan retail drawing area, the number of phones is increasing at a rate of approximately 7 percent annually. It must be taken into consideration that there is often more than one phone per family installed each year, and certainly businesses and the number of phones used for these purposes cannot be overlooked. But the area that concerns Logan business is on the move up and must be planned for.

Another major indication of mushrooming growth in Cache Valley is the recent introduction of new industry in the Valley. The fastest city growth in recent decades has been attributed principally to enlargement of factories. Within the next five years companies already in the Valley are planning to increase their work force by approximately 550 employees. This base expansion will bring additional increase in population due to the increase in services required by the 550 base. In many cases, those counted as part of the 550 base will be family heads and total population growth will be significantly greater. In the event any new industry moves into the Valley, the numbers will continue to increase.

The second characteristic inherent in increasing population is the geographic expansion that accompanies it. This problem concerns the Logan downtown area more, with regard to the expansion in and around Logan, than in any other part of their drawing area. With

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9Urban Structure, p. 49
increase of housing, and the shift in population density in the Logan area, it will continue to be a natural thing for merchants to want to expand along with the people, in the same direction the people are moving. Viewing Cache Valley from the air, or watching where the building expansion is taking place, it is obvious that the area between Logan and Smithfield, as well as farther north in the Valley, are critical areas in geographic expansion. With the recent annexation that has taken place in North Logan, it doesn't take a Jean Dixon to realize that the property north of Logan on Highway 89-91 will continue to be valuable for manufacturing and commercial purposes. Other indications that point to the north as becoming more significant to the Logan downtown merchant is the proposed expansion of industries located for the most part in the north end of the Valley.

This migration away from downtown brings us to the crux of the problem facing the CBD merchants. What can be done to keep the shoppers in the downtown area? Is it wise for the merchants to encourage expansion of the CBD in an attempt to discourage the continued trend of running Main street from 10th South in Logan north to Smithfield. Is it enough for the merchants to band together in the downtown area and promote themselves in the same manner as a mall, or should they go a step further and push for a zoning change on North Main that would open
the area for manufacturing, but close it to retail trades? These are questions that arise as a result of growth, especially to the north.

Another aspect that must be considered is the action that may be taken by firms in the Valley in solving their manpower needs. It is very likely that they will entice workers to join their ranks by offering them wages better than those found throughout most of the Valley. The increase in wage will result in more spendable income, and the result will be increased consumer demand for greater variety in goods and services offered. It is clear that expansion in one direction or another is inevitable.

The problem Logan must deal with at present can be represented in the following equation:

The increase in population results in an increase in retail outlets, thus offering the consumers more goods and services, and at the same time by virtue of the increased competition lower prices and a better quality of service. In the lower portion of the equation, the increase in population and retail outlets can result in random retail
growth or a scattered unorganized retail pattern throughout the community. This random growth makes shopping less convenient for consumers and takes business income away from each area involved due to the decrease in traffic, both foot and motor (the decrease in traffic retards the effects of impulse buying). The decrease of business dollars to each area will take its toll by decreasing the total number of retail outlets (this problem is caused also by the amount of competition in the community). The folding of retail establishments results in costs that must be born by the public. These public costs may take the form of losses to creditors at bankruptcy, costs of fire and police protection to vacant commercial buildings, or costs of utilities required at one time and no longer generating revenue. All of these are real costs that a business pays when it is creating a profit and paying taxes. They are paid by the public when a business folds for one reason or another.

The problem facing Logan presently may appear to some to concern only those businessmen who have set up shop downtown, but in reality, it is a problem that affects many more.

Cutting away the lower portion of the equation is the goal of action that should be taken with regard to the CBD. It is important to keep the public costs low. It is also important to keep the shoppers in the downtown area.

Preventing random growth is basically a problem controlled by zoning. However, zoning is not without its weaknesses. The major
one as I see it is with commercial zoning. Certain businesses can be established in a C-1 zone; then in a C-2 zone they can do a few more, plus all those in the C-1. The C-3 zones have all the liberties of the other two plus a few of its own. Where the problem lies is in the way the zones are divided up. More thought should be given the designations, Zoning regulations should allow for only compatible types of businesses in specific areas. Presently a C-3 zone contains nearly any type of business. For example, this zoning revision could include characteristics such that the C-1 areas may include all retail establishments that require a large amount of pedestrian traffic and aesthetics congenial to a relaxed atmosphere. The C-2 zone will contain all business types that people generally do from their car. For an illustration showing the types of businesses found to be compatible see page 13.

Another zoning solution to random growth would be to discontinue the policy of crossing over. Instead of allowing C-1 designated in a C-3 zone, tighten up on what goes where and hold each type of establishment within those bounds. This would prevent the possibility of having a dress shop next to a garage.

Another way to control random growth would be for the city to encourage retail development close to the city center. There are areas in the city that could be profitably developed into retail areas (refer to map on page 14). The city could encourage development
within these areas by making special tax concessions to businesses who are willing to go to the expense of developing there. For example, they might agree to keep taxes low for the first five or ten years giving the new businesses time to become established. Another form of encouragement may be special treatment with regard to utility costs. I am not sure of the legal ramifications of such actions, but they should be considered.

Control of retail growth does not necessarily fall onto the shoulders of the city fathers, however. Merchants in the downtown area who have business to lose via increased random growth may find it feasible and profitable to develop this property in the downtown area themselves and lease it to other retail stores. This could easily be done by forming a syndicate among the CBD merchants, buying property they want to develop and then leasing it on a long or short term basis, depending on their situations and goals. This would help them in two ways. First, they would increase their income by virtue of the lease. Secondly, they would keep their competition close and retain customers who are looking for their type of product in their general area. To me, this appears to be the most practical solution and certainly the fastest. It may take, however, a combination of effort on the part of the city as well as the merchants or other private individuals. The syndicate or developer may require help from the city in condemning property in order to acquire sufficient to put together a package.
Area hashed over is the area presently where the majority of the retail pedestrian traffic takes place. This I classify as Logan's Central Business District. The areas marked with a blue "X" are areas where further retail development could take place with a minimum amount of razing structures presently in existence.
The most effective aids to central-city renewal have been these:

1. The active participation of a small group of the city's most influential citizens.

2. Planning which regards the entire central city as an entity.

3. Use of the power of eminent domain in land assemblage.\(^\text{10}\)

To find a feasible solution to the problem of keeping shoppers in the downtown area (other than keeping all of the stores in that area), it is beneficial to determine what has been the downtown area trend in other cities. A look at the strong and weak points characteristic in the downtown area will also help in deciding the most productive course of action.

In a study published in 1955, it was determined by interviews conducted in three cities across the United States that the downtown area was preferred as a shopping area by most people, and that the downtown area satisfied more of the shoppers' needs than did shopping centers in the suburban areas of the city (see chart on page 17). The three most important needs of shoppers, and the three that the city center is strongest in fulfilling, are the selection of goods, the convenience of accomplishing several errands at one time, and the cheaper downtown prices. The greater pull of the central business district apparently derives from these advantages, which for the majority must

\(^{10}\text{Nine Cities, the Anatomy of Downtown Renewal, Leo Adde, Copyright 1969 by the Urban Land Institute, Washington, D.C. p. 8}\)
outweigh the disadvantages of that section. Of the disadvantages, the most important ones were difficult parking, the crowded conditions, and the traffic congestion.\textsuperscript{11}

These conditions were found to give the central business district an edge over the shopping centers on the outskirts. However, the shopping centers offered certain amenities that are attractive. Jonassen points out that for the suburban shopping center, the most important advantage is that it is nearer home, the next most important is easy parking, and the third is that people appreciate the suburban stores more convenient hours. According to the respondents, the number one disadvantage of the suburban shopping centers is their lack of a large selection of goods, the second that not all kinds of businesses are represented there, and the third that prices are too high.\textsuperscript{12}

Murphy gives further direction with regard to these advantages:

If the hypothesis is correct that the prime advantage of the central area over the outlying retail centers is convenience for the greatest number of consumers in terms of (1) variety of services and (2) range of choice among services, then an important indicator of central deterioration would be a loss or decline of this advantage . . . But if productivity is not to suffer . . . the strong tendency toward decreasing accessibility to consumers must be offset and the advantage of a wide variety of services must be protected.

. . . (it is important to maintain) accessibility for the central area through such positive steps as: (1) more

\textsuperscript{11} The Shopping Center Versus Downtown, C. T. Jonassen, Copyright 1955, p. 2

\textsuperscript{12} Ibid, p. 90
This table shows which shopping conveniences were felt by consumers to be most important (starting at the top and working down). In sixteen of the twenty three factors listed, the CBD was preferred to the suburban shopping center.

<table>
<thead>
<tr>
<th>Shopping Satisfaction Factor</th>
<th>Columbus</th>
<th>Houston</th>
<th>Seattle</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater variety of styles and sizes</td>
<td>0.7</td>
<td>0.6</td>
<td>0.1</td>
</tr>
<tr>
<td>Takes less time to get there</td>
<td>0.8</td>
<td>2.8</td>
<td>1.1</td>
</tr>
<tr>
<td>Less tiring</td>
<td>1.2</td>
<td>3.3</td>
<td>1.6</td>
</tr>
<tr>
<td>Greater variety and range of prices and quality</td>
<td>1.5</td>
<td>0.5</td>
<td>0.3</td>
</tr>
<tr>
<td>Less walking required</td>
<td>1.8</td>
<td>0.5</td>
<td>0.3</td>
</tr>
<tr>
<td>Better quality of goods</td>
<td>3.3</td>
<td>1.8</td>
<td>0.1</td>
</tr>
<tr>
<td>Cheaper prices</td>
<td>3.8</td>
<td>2.1</td>
<td>0.6</td>
</tr>
<tr>
<td>Better place to combine different kinds of shopping and other things one may want to do</td>
<td>3.8</td>
<td>1.3</td>
<td>0.3</td>
</tr>
<tr>
<td>More dependable guarantees of goods</td>
<td>5.0</td>
<td>3.1</td>
<td>1.0</td>
</tr>
<tr>
<td>Keep open more convenient hours</td>
<td>5.8</td>
<td>4.8</td>
<td>5.6</td>
</tr>
<tr>
<td>Goods more attractively displayed</td>
<td>6.1</td>
<td>3.3</td>
<td>0.8</td>
</tr>
<tr>
<td>Cost of transportation less</td>
<td>7.4</td>
<td>3.1</td>
<td>5.3</td>
</tr>
<tr>
<td>Best place to meet friends from other parts of the city for a shopping trip together</td>
<td>13.3</td>
<td>11.3</td>
<td>14.6</td>
</tr>
<tr>
<td>It is the better place for a little outing away from home</td>
<td>13.5</td>
<td>8.0</td>
<td>12.3</td>
</tr>
<tr>
<td>Easier to return and exchange goods bought</td>
<td>14.4</td>
<td>4.7</td>
<td>6.5</td>
</tr>
<tr>
<td>Better places to eat lunch</td>
<td>16.0</td>
<td>6.0</td>
<td>8.8</td>
</tr>
<tr>
<td>More convenient to public transportation</td>
<td>16.2</td>
<td>14.2</td>
<td>8.1</td>
</tr>
<tr>
<td>More bargain sales</td>
<td>17.5</td>
<td>3.3</td>
<td>10.3</td>
</tr>
<tr>
<td>Better place to establish a credit rating</td>
<td>19.7</td>
<td>7.8</td>
<td>12.0</td>
</tr>
<tr>
<td>Better delivery service</td>
<td>21.2</td>
<td>11.1</td>
<td>8.6</td>
</tr>
<tr>
<td>Easier to establish a charge account</td>
<td>23.9</td>
<td>10.3</td>
<td>13.0</td>
</tr>
<tr>
<td>The right people shop there</td>
<td>26.8</td>
<td>39.4</td>
<td>55.4</td>
</tr>
<tr>
<td>Easier to take children shopping</td>
<td>43.8</td>
<td>31.2</td>
<td>43.0</td>
</tr>
</tbody>
</table>
efficient use of the street system through traffic routing and control; (2) improvements in the street system through widening and developing of throughways; (3) additional parking facilities and better parking control; and (4) spreading the load on the system by staggering beginning and quitting times (referring to office workers in the downtown area mainly) and by maintaining evening shopping hours. 13

The downtown area must capitalize on the strengths and work to compensate for or erase the weaknesses. It was pointed out in The Shopping Center versus Downtown that the advantages held by the city center outweighed the disadvantages and as a result the CBD still controlled for the most part, but some of the styles of suburban retail development have changed since 1955 when this report was published. Many new malls have a large number of stores offering as large a variety as downtown even though the selection may not be as great. In 1958 Richard Nelson observed with regard to the larger cities, "Down-town will become less and less the mass buying district for the entire metropolitan area." 14 I can't foresee the Logan area growing to this extent in the next ten years.

As cities grow, the downtown area tends to lose standardized goods to the outside shopping centers. The CBD maintains its strength in the specialty shops and comparison goods. If we were to build a shopping center in Logan, it is likely that one of the first stores to leave

13 The Central Business District, p. 143

14 The Selection of Retail Locations, Richard Lawrence Nelson, Copyright 1958, p. 325
the downtown area would be J.C. Penneys. By the nature of the standardized business they do, they would be better off in a shopping center (this plus the cheap rent they would get there).

Loosing Penneys in downtown Logan would be a loss felt by many of the stores who are now neighbors. Unless some development takes place in the downtown area, it is probable that at some time Penneys will leave. Therefore, it is one answer to a problem for Logan merchants to involve themselves in some development activity.

Other actions can be taken to retain a strong retail position. For example, a three-way program should be initiated involving modernization of design through the application of certain principles, the adoption of an architectural prescription, and the initiation of a well integrated promotion plan.

Many of the buildings in the downtown area could use some paint and remodeling. Many of the outside amenities associated with shopping downtown leave much to be desired. These are areas that would make shopping more pleasurable and relaxing for consumers. Money has been donated by cities in other areas from revenue created at the parking meter for these rejuvination efforts. Federal aid is increasingly being used for such projects. The largest portion of such money is utilized in cities with populations less than 25,000.
"... the move by cities to revitalize their main streets is at least an acknowledgment that something more than new housing and slum clearance are needed to restore the city's health. And since regenerating a city's downtown is a vital part of its medication, this phase of the renewal program is one of its more important contributions."

The downtown merchants should not overlook the benefits derived from pooling resources in sponsoring activities, promotions and advertising that pushes their businesses as a group rather than each fending for himself. The organization of a downtown merchants association would help. The drawback apparent is that there is no way to compel merchants in the CBD to join such an association, and it follows that any "downtown promoting" that is done will benefit all merchants whether they contribute or not.

At any point in time we can look at a given position and conclude that those occupying that position are at a turning point. It appears that Logan City's present retail center is at such a point, especially with the threat of continued expansion away from the CBD. How fast the turn will be accomplished remains to be seen. If no action is taken, the city may expand a retail area too large to be supported by the present population. If this be the case, the turn would probably be toward an economic and retail sinking. On the other hand, nothing may be done and things will turn continually up. The point is that the city is never stagnant and is

15 The City is the Frontier, Charles Abrams, pub. 1965, p. 169
either becoming economically more healthy or more sick. The danger lies in the long-term trend. It appears to me that it is time to attempt to steer the direction of the turn.
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6. The Shopping Center Versus Downtown, C.T. Jonassen, copyright 1955, pp. 2, 90

7. The Selection of Retail Locations, Richard Lawrence Nelson, copyright 1958, p. 325

8. The City is the Frontier, Charles Abrams, Published 1965, p. 169