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Retail Shopping Center Development in Logan, Utah

Russell F. Fjeldsted

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RETAIL SHOPPING CENTER DEVELOPMENT IN LOGAN, UTAH

by

Russell F. Fjeldsted

Report No. 1 submitted in partial fulfillment of the requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION

Plan B

UTAH STATE UNIVERSITY
Logan, Utah

1969
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AN EXTERNAL ANALYSIS</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>INTERNAL ANALYSIS</strong></td>
<td>7</td>
</tr>
<tr>
<td>Historical background</td>
<td>7</td>
</tr>
<tr>
<td>Definitions of shopping areas</td>
<td>8</td>
</tr>
<tr>
<td>The rule of uniformity</td>
<td>10</td>
</tr>
<tr>
<td>An analysis of the Logan shopping complex</td>
<td>12</td>
</tr>
<tr>
<td>Development of a community shopping center</td>
<td>14</td>
</tr>
<tr>
<td>Quantitative information</td>
<td>16</td>
</tr>
<tr>
<td>The Cache Valley trading area</td>
<td>20</td>
</tr>
<tr>
<td>Parking and traffic flow</td>
<td>21</td>
</tr>
<tr>
<td>The ideal shopping center</td>
<td>21</td>
</tr>
<tr>
<td>Reilly's law of retail gravitation</td>
<td>22</td>
</tr>
<tr>
<td>Important considerations in retail location selection</td>
<td>24</td>
</tr>
<tr>
<td><strong>WHERE DO WE GO FROM HERE?</strong></td>
<td>30</td>
</tr>
<tr>
<td><strong>EPILOGUE: THE FUTURE OF SHOPPING FACILITIES IN LOGAN, UTAH</strong></td>
<td>32</td>
</tr>
<tr>
<td><strong>LITERATURE CITED</strong></td>
<td>34</td>
</tr>
<tr>
<td><strong>APPENDIX</strong></td>
<td>36</td>
</tr>
</tbody>
</table>
LIST OF TABLES

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Logan City and Cache County census data</td>
<td>17</td>
</tr>
<tr>
<td>2.</td>
<td>Average family income for selected areas in Cache Valley</td>
<td>18</td>
</tr>
<tr>
<td>3.</td>
<td>Logan City and Cache County retail sales classification</td>
<td>19</td>
</tr>
<tr>
<td>4.</td>
<td>Population statistics and estimates</td>
<td>28</td>
</tr>
</tbody>
</table>
AN EXTERNAL ANALYSIS

Two stores side by side have, under the free enterprise system, usually more than twice the business of a single store. Merchants of the world recognize the value of this cumulative pull; it is implicit in every Main Street, every Fifth Avenue, every crossroads store group. ¹

In this paper we are interested in shopping centers, which are a compound of the department store, the rural general store, the downtown shopping block, and a traditional street market. This new type of store group will usually be under single ownership, a dominating fact which will show itself through a certain architectural unity which ties the stores together. Each tenant will have been selected by the center to fit into a pre-ordained pattern of merchandising. Together, this group of tenants will be able to supply all of the shopper's day-to-day needs. The typical customer of this new type of shopping center will be driving a private car. Instead of occupying a ground area of approximately three square feet, as a pedestrian, the auto shopper required an area of approximately 300 square feet before dismounting. The area allocated for parking will exceed the actual floor area of the stores by as much as three to one. ²


² Ibid.
Therefore, any shopping area must have parking facilities in proportion to the amount of customers it wants to attract. Other problems are caused by automobiles. The motor car, from London to Los Angeles and from Cape Town to Chicago, has become the number one problem confronting urban and metropolitan authorities. The motor car indeed has virtually taken over the towns and cities of the world, not only the large metropolitan areas, but also the smallest towns and hamlets, and wherever people have congregated the number of cars has continued to increase. 3

The automobile has created a new way of city life. The old compact, tightly grouped, intimate towns and cities of yesterday have become a symbol of a past era; they have been replaced by the metropolis covering hundreds of square miles. Motor cars have become an essential adjunct to modern living. Urban sprawl and suburban spread are manifestations of modern society and traffic congestion and its attendant problems, symptoms of the progress syndrome. Major cities have already passed the point where traffic congestion is merely a haphazard though acute problem. Congestion of city centers and main highways is now a constant problem. Traffic holdups are regular occurrences and shrinkage of traffic arteries approaches the point of total occlusion. When traffic sputters to a standstill, established high density commercial areas cease to function efficiently and people seek alternative shopping facilities. Business goes into decline and property values fall. Only bold and determined

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action can now free our cities and economy from the strangling grip of traffic congestion. 4

What can the established retail merchant do to stem the tide of automobile congestion, maintain his profitability and protect his business establishment in the city core (downtown)?

In a small town it is considerably easier to bring about remodeling of the present shopping district. The state will usually help in the diversion of through traffic by constructing new by-pass roads. Land costs are at such a level that it is not usually beyond the means of a small town to buy land for parking right in the middle of the existing store groups. But action is not usually taken until the situation has already become tense and then a great deal of fact-finding, pleading and pushing by reform groups is usually needed before any decisive move can be made. 5

In a small town every citizen feels personally involved in any governmental expenditure, so it is always a crucial question to decide who shall pay for these improvements: the town as a whole, the merchants who benefit directly, or the shoppers.

Cities are agglomerations of people, institutions and structures organized for the performance of certain "urban" functions. The dominant functions

4 Ibid.

are economic and depend on mutual proximity. Mutual proximity depends upon accessibility, which, in turn, takes two forms: (a) competition for the accessible sites in central locations, producing high land costs or site rentals; (b) accessibility by means of transportation, which produces another type of cost. Up to a point, the two forms of accessibility are substitutable.  

In a free real estate market, the interplay of these forces, which may be termed centripetal or centrifugal, produce a sorting of the land uses in accordance with their relative ability to benefit from, and hence to pay for, the most competitive areas, on the one hand, by extending accessibility to the core, but it also increases mutual accessibility of outlying sites and, thus, spreads cities to ever-lower average densities.  

Certain forms of land uses which are of public concern cannot be created or located as a result of purely market forces; therefore, various forms of public intervention are necessary. Planning consists of the orderly and systematic study and presentation of feasible alternatives toward goals, which are set by the community, within the framework of the general society and culture in a given area at a given time.

Requisite to planning is the determination of the present and prospective functions of a city or urban area. The goals set by the public must be within the

6 Ibid., p. 371.
7 Ibid.
8 Ibid., p. 372.
realm of feasibility; planners have the obligation of examining goals, suggesting modifications in terms of feasibilities and alternatives and recommending appropriate choices of specific patterns and projects leading toward the goals.

Increasing freedom of choice of residential location and employment location, encouraged by increased leisure and mobility, places a premium upon those cities and urban areas which offer the greatest number and variety of opportunities for employment, residential location, and use of leisure. Such places are increasing their populations at a greater rate than those offering more limited choice. If the choice is too limited, the population will tend to decline. Maximization of choice—the provision of variety in environment—should be one of the goals of planning. ⁹

Today we are experiencing growth problems in Logan, Utah, which resemble others across the county. Our problem is to develop traffic and parking areas downtown sufficient to accommodate the needs of those requiring use of banking, civic, government, professional and retail shopping in the downtown area, and still supply shopping services to those who want to have suburban shopping facilities. Another question has to be resolved. This concerns the size of the trading area. Is it sufficient to support the city core, the suburban shopping center or both? To find some solutions to these problems it is necessary to consider an internal analysis of our local situation.

⁹ Ibid., p. 373.
This paper presents and consolidates statistical data and other information concerning population growth, income, retail sales in the Cache Valley trading area to help determine the potential profitability of a merchant's staying downtown, moving to the new shopping center or developing a branch store at the new site, at present or in the future.
INTERNAL ANALYSIS

Historical background

Logan is Utah's fourth largest city. It is situated at the mouth of Logan Canyon, where the waters of Logan River enter Cache Valley. The Bear River and Wasatch Mountain Ranges border the city on the east and west, respectively, while pastures and irrigated fields fan out across the valley.

This location makes Logan one of the most beautifully situated cities in America, and there is strong civic pride in the tree lined streets and well-kept gardens and lawns. It is a city of many cultures, made possible by its early Mormon settlers mostly of English or Scandinavian extraction, and Utah State University.

Logan is the county seat of Cache County. It serves as the center of commerce for a large rural area. The community offers all types of services and retail stores of wide variety. It provides an 18 hole golf course, three museums, a Mormon Temple and Tabernacle, many historic points of interest and one of Utah's four universities, Utah State University.

While much of Logan's economy is centered around agriculture and education, there are a number of small industries located here--clothing manufacturers, fabricators of farm machinery and a printer of business forms.

The retail shopping area of the community originally followed the urban cluster format but has subsequently developed an urban strip pattern. Today
there is talk of the development of a new community shopping center. This paper will define various shopping units and present some data on shopping center planning and research which might be considered by a retailer, investor, zoning commission or other interested persons.

Definitions of shopping areas

To enter into a discussion of shopping centers in Logan, first a definition of the various kinds of shopping centers which are emerging throughout the land is important. The following centers exist in our economy today, and it is important to note that the supermarket is used as the reference store in developing criteria for the various shopping centers.

I. Urban strip centers

The criteria for identifying an urban strip store are:

A. Located in an unplanned business development.

B. Located in proximity to retail stores selling convenience type merchandise. At least ten stores of this classification within one-third mile of the reference store.

C. Located on a major traffic artery in an urban area.

D. Located in an area where population density is at least 7,500 people per square mile.

II. The urban cluster center

The criteria for identifying an urban cluster store type are:

A. Located in an unplanned business development.
B. Located in proximity (one-third mile) to at least one large departmentalized store selling shopping goods.

C. Located on a major traffic artery near intersection with another major traffic artery. The survey store is located within one-third mile of this intersection.

D. Located in an area where population density is at least 7,500 people per square mile.

III. The small town store

The criteria for identifying a small town store are:

A. Located in unplanned business development.

B. Located in town with population under 5,000 inhabitants enumerated in U.S. Census of Population: 1960.

C. Located in relatively isolated market area. The town must be located at least five miles from the center of the nearest larger town. (Theurer's Market in Providence could be classified in this category.)

IV. The neighborhood shopping center

The criteria for identifying a neighborhood shopping center are:

A. Located in a planned shopping development.

B. Located in a center with over seven and less than sixteen retail units.

C. Located in a center dominated by a supermarket and/or a medium-sized variety store.
V. The community shopping center

The criteria for identifying a community shopping center are:
A. Located in a planned shopping development.
B. Located in a center with over sixteen and less than fifty retail units.
C. Located in a center dominated by medium-sized department store or a large specialized variety store.

VI. The regional shopping center

The criteria for identifying a regional shopping center are:
A. Located in a planned shopping development.
B. Located in a center with over fifty retail units.
C. Located in a center dominated by a large department store.
D. Off-street parking provided for at least 5,000 automobiles.  

The rule of uniformity

It is now necessary to define the "downtown" or core of Logan City. Leo V. Aspinwall, former marketing specialist at the University of Colorado, has developed the rule of uniformity to assist us in this endeavor.  

The rule of uniformity makes an analysis of the functional activities of cities and seeks to join these functional activities by a framework of axis.

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The results of such an analysis clearly delineates a workable design that shows a striking similarity between one city and another. The marked similarity of city design led easily to the title, "Rule of Uniformity."

A. The major axis

The essential feature of any urbanization arises out of some means of transportation. There must be a means whereby goods produced in a particular locality can be carried to markets of the area as they may be required. Thus, an inter-community type of transportation facility becomes the life-giving first essential to urbanization. This is called the "Major Axis" and is easily identified in any community. (In Logan, the major axis would be the Union Pacific Railroad running parallel to Sixth West Street.)

B. The principal axis

The function of this axis is to make available to the urban population, the goods and services they need for their everyday living. This axis is Center Street and along it are located the retail stores, office buildings, theaters and other such services requiring grouping so as to afford any citizen seeking goods and services the convenience of a central location. One of the unique situations developing from the linear characteristics of the principal axis is that it almost invariably intersects the major axis band at right angles. This is explainable by the fact that a right
angular intersection of axis provides maximum accessibility to the intersection for the contiguous lands. 3 (Logan, Utah, has a unique principal axis development. It seems now to be West Center Street to Main Street then north to Fourth North and east to the University.) (See Map in Appendix.)

C. The minor axis

The minor axis is the cross town street running through town and parallel to the major axis. 4 This street would have to be Main Street from 900 South to 1400 North Street. (See Map in Appendix.)

The "urban strip" or string street phenomenon is also a prominent shopping characteristic in Logan. A long, block-after-block business development has emerged in Logan as it has in many other cities in the West. This development stems from the distance between cities and the fact that stores seeking traffic locate along the major arteries.

**An analysis of the Logan shopping complex**

The above definitions can be utilized effectively to clarify and evaluate the shopping complex which has developed since 1856, when Brigham Young sent a band of pioneers to Cache Valley to eventually establish what is now Logan.

1. The urban strip center (string street) has emerged along what is now Main Street (U.S. Highway 89) or the minor axis. This axis intersects

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3 Ibid.

4 Ibid.
Center Street or the principal axis which connects to the railroad terminal and freight unloading dock. Most of the business naturally has developed along this street and north and south on Main Street for those reasons. The construction of the Logan Tabernacle as a civic and religious center has been highly instrumental in centralizing shopping in this area. (The original city planners were wise to follow Brigham Young's advice and create wide streets which permitted parking adjacent to the retail complex.)

2. The community has continued to grow in a "String Street" fashion north and south of Logan on U.S. Highway 89, until today, when another prominent intersection has developed. This is the principal axis leading to the university and is now known as Fourth North Street. (See Appendix.)

3. An urban cluster is now developing along the Fourth North axis. This cluster might also be labeled a neighborhood shopping center. It consists of the three chain supermarkets, filling stations, a major drug outlet, several specialty stores, and a junior department store.

4. The downtown core consisting of two large chain department stores and one junior department store, three banks, three large furniture stores, four drug stores, several shoe and apparel stores, hardware stores, restaurants, theaters, and specialty shops, and the civic government units, is a community shopping facility. It can not be called a regional shopping center in the true definition, since it does not meet the definition of 200,000 people living within 30 miles. It also does not have features of singleness of ownership or unity of architectural design as a specifically designated center would. However,
more parking facilities and mall features are being planned and with property owners and city government coordination, a community, and eventually a regional, mall facility could be developed. Community leaders are working toward this end at present.

5. A proposed community shopping center between 1400 and 1500 North and Main Street is also being studied and will be developed in the next five to seven years.

**Development of a community shopping center**

In 1966, a real estate development organization purchased a 42-acre site, located between 1400 and 1500 North and Main Streets, for the development of a shopping center to contain approximately 30 retail stores and service facilities. The various store locations are to be made available to entrepreneurs by rental based on percentage of sales, outright purchase, or lease with option to buy. Since leases with option to buy and outright purchase options are usually not economical, nearly all tenants will submit to rental based on a percentage of sales. The retail operator, depending on his merchandise or service, will pay 4 to 18 percent of his gross sales for rent plus a share of heating, light, advertising and upkeep. This is typical of most modern shopping malls.

Larry Smith, one of the most experienced analysts and management consultants in the West, offers the following pointers on how promoters obtain the most productive leases in a modern shopping center. The most profitable lease with a major tenant will be based on a low minimum rental rather than on a high rental fee. The major tenants take the attitude that if they are required
to guarantee a fair return on the total valuation of land and buildings, they should pay no percentage rent. If they do pay percentage it will be more in the nature of an inflation clause, rather than a full percentage of sales. When the major tenants are located, there will be an assurance of pedestrian traffic which will allow one to obtain higher minimum rents and more generous percentage clauses with the smaller tenants than would otherwise be possible.

Interested local merchants should be made aware of the fact that they might have to pay higher percentages than the larger chain units. This pricing structure is valid in that the chain stores bring stability to the shopping center and through their attraction, promotion and strength, other stores will draw and add to the cumulative offering of the center.

This projected community shopping development has caused considerable re-evaluation among merchants of the urban cluster, and downtown shopping area. Local investors, merchants, civic officials and other interested persons are now considering that a better downtown shopping complex would be advisable to prevent loss of several chain store operations to the proposed community shopping center.

Deciding whether to move to a suburban shopping site or remain in the downtown complex is difficult for the average local merchant since marketing data is not available to assist him in a decision of this type, except with considerable outside study and research.

The shopping center promoter has presented very little information.

5 Baker and Funaro.
concerning feasibility, economics and design of the new center. Any interested tenant ought to request a complete feasibility study from the promoter before giving serious thought to such a venture.

**Quantitative information**

Table 1 is a fact sheet presenting data on income, population and retail sales potential for Logan City and Cache County. Table 2 presents an average family income for selected areas in Cache Valley.

The total population of Cache County will be the market for the proposed community shopping center. Each small community will offer competition to the mall, in addition to the downtown business district. The county income figure indicates that the buying power is average or possibly slightly below average. This average is increasing as the national average increases. In 1965, the median income throughout the United States was $7,041 in the 25 to 34 age bracket.  

It has been stated by certain local retailers and knowledgeable people that possibly 25 percent of the $51,185,000 county retail sales is being spent in larger communities located outside of Cache County. It is difficult to assert how much of this money will be spent here with the development of a new shopping center. The large communities have great influence and promotional techniques which give evidence that little of this 25 percent will be retained by a new

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Table 1. Logan City and Cache County census data

<table>
<thead>
<tr>
<th>Population and income data</th>
<th>Logan</th>
<th>Cache County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population, 1967</td>
<td>25,000</td>
<td>45,900</td>
</tr>
<tr>
<td>Median age</td>
<td>22.6</td>
<td>22.6</td>
</tr>
<tr>
<td>Percent 65 years and over</td>
<td>8.3</td>
<td>8.5</td>
</tr>
<tr>
<td>Persons 14 years and over in labor force</td>
<td>8,340</td>
<td>14,943</td>
</tr>
<tr>
<td>Male percent in labor force</td>
<td>67</td>
<td>71</td>
</tr>
<tr>
<td>Female percent in labor force</td>
<td>37</td>
<td>31</td>
</tr>
<tr>
<td>Percent employed in manufacturing</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>Median income of families</td>
<td>5,403</td>
<td>6,957</td>
</tr>
<tr>
<td>Percent of families having income less than $4,000</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Percent of population who own their own homes</td>
<td>57</td>
<td>67&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>Trading area population</td>
<td></td>
<td>80,000</td>
</tr>
<tr>
<td>Total retail sales</td>
<td>$41,501,000</td>
<td>$51,185,000&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<sup>a</sup> Cache Chamber of Commerce, "Fact Sheet." Cache Chamber of Commerce, Logan, Utah, n.p. (Mimeographed.)

The average family income for selected areas in Cache Valley indicates that significant buying power is not available for a very large retail complex development at this time.

Table 2. Average family income for selected areas in Cache Valley

<table>
<thead>
<tr>
<th>Area</th>
<th>Income</th>
</tr>
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<tbody>
<tr>
<td>Northwest</td>
<td>$4,677</td>
</tr>
<tr>
<td>Northeast</td>
<td>5,144</td>
</tr>
<tr>
<td>North Logan</td>
<td>6,209</td>
</tr>
<tr>
<td>Smithfield</td>
<td>4,620</td>
</tr>
<tr>
<td>College Hill</td>
<td>8,371</td>
</tr>
<tr>
<td>Hyde Park</td>
<td>4,802</td>
</tr>
<tr>
<td>Average income for area family</td>
<td>$5,637&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<sup>a</sup>Community Action Program, files, Logan, Cache County, Utah, 1967.
Table 3. Logan City and Cache County retail sales classification

<table>
<thead>
<tr>
<th></th>
<th>Logan</th>
<th>Cache County</th>
</tr>
</thead>
<tbody>
<tr>
<td>1963 U.S. Census--Total</td>
<td>$34,919,000</td>
<td>$43,608,000</td>
</tr>
<tr>
<td>1965 Estimate--Total</td>
<td>37,992,000</td>
<td>47,533,000</td>
</tr>
<tr>
<td>1966 Estimate--Total</td>
<td>36,071,000</td>
<td>45,178,000</td>
</tr>
<tr>
<td>Lumber, Hardware</td>
<td>2,177,000</td>
<td>4,230,000</td>
</tr>
<tr>
<td>General Merchandise</td>
<td>7,056,000</td>
<td>7,612,000</td>
</tr>
<tr>
<td>Food</td>
<td>7,095,000</td>
<td>8,979,000</td>
</tr>
<tr>
<td>Gasoline</td>
<td></td>
<td>7,695,000</td>
</tr>
<tr>
<td>Apparel</td>
<td></td>
<td>1,715,000</td>
</tr>
<tr>
<td>Furniture</td>
<td></td>
<td>2,369,000</td>
</tr>
<tr>
<td>Eat, Drink</td>
<td>1,961,000</td>
<td>2,278,000</td>
</tr>
<tr>
<td>Drugs</td>
<td>656,000</td>
<td>1,052,000</td>
</tr>
<tr>
<td>Individual Income--1960 Estimate</td>
<td>37,350,000</td>
<td>71,500,000</td>
</tr>
<tr>
<td>Individual Income--1966 Estimate</td>
<td>49,041,000</td>
<td>101,745,000</td>
</tr>
<tr>
<td>Number of Households</td>
<td>5,906</td>
<td>11,643</td>
</tr>
<tr>
<td>Income per Household--1966 Estimate</td>
<td>7,473</td>
<td>7,864</td>
</tr>
<tr>
<td>Number of Farms</td>
<td></td>
<td>1,868</td>
</tr>
</tbody>
</table>

aCache Chamber of Commerce, "Fact Sheet." Cache Chamber of Commerce, Logan, Utah, n.p. (Mimeographed.)
The Cache Valley trading area

A trade area is defined as the area of influence from which a shopping complex could expect to derive as much as 85 percent of its total sales volume. This area is delimited by various factors which include driving time, topography, natural and man-made barriers such as coast lines, rivers, swamps, highways and railroad tracks; and the existence of strong competitive facilities. The primary trade area is the area of strongest influence, normally three to six miles from the site. The secondary and tertiary areas are those of lesser influence. It generally includes three important facilities. These are the financial center of the region, the religious center for the community and region and the civic, community and regional governmental centers. Logan has three banks, several commercial and personal loan organizations, two savings and loan associations, and many real estate, insurance and other financial service companies. The Mormon Temple, four Logan L. D. S. stake centers, seven Protestant churches and one Catholic church comprise the religious center. The city, county post office, regional forest service facilities, Utah State Road Commission, Employment, Welfare and Traffic Control departments are all located in the Logan downtown core.

The primary, secondary and tertiary Cache County trading areas would be considered to cover an area of 50 miles radius of downtown Logan. Retail sales, individual income, number businesses and farms, population, all make up the definition of the trade area.
Parking and traffic flow

One of the major reasons for shopping center development in the neighborhoods and suburbs is availability of parking facilities and ease of traffic flow. A movement is developing in the downtown area to develop 200 parking spaces in the Main Street from Center to First North area. Another potential parking site is the former junior high school property east on Second North, which is being considered by civic and business people. Development of this area would provide another 450 parking spaces.

Another parking area is located one-half block east of the Sears, Roebuck and Company department store. Sears is adding great stability to the downtown area and recently disclosed extensive enlarging and remodeling plans for their store which will entail enlarging their parking areas to accommodate another 100 to 150 cars. Store owners and managers in the First North to Second North and Main Street area are becoming adamant about having their employees utilize parking areas such as the proposed junior high school lot, so that customers can enjoy "next to the store" parking facilities.

The ideal shopping center

To formulate an idea of what would be needed in developing an ideal shopping center, we can consider the "recipe for the Ideal Shopping Center," by Victor Gruen, an architect and specialist in shopping center planning.

Take 100 acres ideally shaped flat land. Surround same by 500,000 consumers who have no access whatever to any other shopping facilities. Prepare the land and cover the central portion with 1,000,000 square feet of buildings. Fill the stores with
first-rate merchandisers who sell superior wares at alluringly low prices. Trim the whole on the outside with 10,000 parkways in all directions. Finish up by decorating with potted plants, miscellaneous flowers, sculptures and serve, air-conditioned to the customer. 7

This is the "ready-mix" preparation for a model shopping center. Of course, the ideal ingredients never seem to be on hand. The shopping center cannot just be a machine for selling because it doesn't deal with just mechanical operations, but with people. Attempts to persuade people to visit shopping centers will be successful in the long run only if one can make them want to go there often as possible and stay there as long as possible.

The center then, should include cultural, recreational and civic endeavors, as well as shopping facilities. For the limited market of 80,000 people in the Cache Valley marketing complex extending out from Logan for 25 miles, it would be extremely difficult to provide the shopping facilities suggested above with the competition from the existing downtown area. One question, whether the trading area is large enough to accommodate another shopping area, is important.

Reilly's law of retail gravitation

By far the most widely used, tested, and discussed technique for measuring retail trading areas is W. J. Reilly's law of retail gravitation. Reilly attempted to formulate a principle which would explain how boundaries of trading areas are determined. The principle can be expressed as a mathematical formula to facilitate the delineation of a center's retail trading area

with respect to a competing center in the same geographic area. (A community shopping center would be competing with downtown in this sense.) The law was formulated to apply principally to fashion and shopping goods. It states that two cities attract retail trade from any intermediate city, or from in the vicinity of the breaking point, approximately in direct proportion to the population of the two cities and in inverse proportion to the square of the distances of these two cities to the intermediate town.

The formula, which expressed this relationship, is as follows:

\[
\frac{Ba}{Bb} = \left(\frac{Pa}{Pb}\right) \left(\frac{Db}{Da}\right)^2
\]

Where \(Ba\) is the proportion of the trade from the intermediate city attracted by City A.

\(Bb\) is the proportion attracted by City B

\(Pa\) is the population of City A

\(Pb\) is the population of City B

\(Da\) is the distance from the intermediate town to City A

\(Db\) is the distance from the intermediate town to City B

To test the formula, he conducted field studies of pairs of trading centers. The result was sufficient to prove to Reilly that his law worked—-that customers between the two cities generally gravitate to the larger city. If this is the case, the downtown Logan shopping complex would be a significant

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obstacle in the successful development of a relatively small community shopping area in the Logan City suburbs. Local merchants, by utilizing this theory and preparing consumer questionnaires on shopping desires, would be in a better position to determine whether or not they are serving the most appropriate trade area.

**Important considerations in retail location selection**

Some factors which consumers consider important in determining relative attraction to shopping facilities as developed by Richard L. Nelson in his text, *The Selection of Retail Locations*, are:

1. Availability of merchandise (or lack of it)—type, size and variety of stores; breadth of selection; adequacy of service.

2. Price advantage (or lack of it)—presence of standard retail units enjoying broad acceptance; regularly competitive prices; impact of special sales and promotions.

3. Physical comforts (or lack of them)—air conditioning; attractive decor; adequate and facile interstore circulation; collateral comforts.

4. Convenience (or lack of it)—public transportation (cost, time and frequency of schedules); private transportation (adequacy of parking, accessibility, traffic conditions, distance to parking).  

   A resident of an area equidistant between a shopping center and downtown

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area is open to attraction from both, as well as other retail districts in the immediate area.

Certain general principals of consumer response which must be considered before a retail location can be pinpointed are:

1. Shoppers move toward the dominant trading center. (Shopping, banking, government, professional services, etc.)

2. Shoppers will seldom go through one trading center to get to another center with equal retail stores and service facilities.

3. Shoppers will patronize the closest center with equal facilities.

4. Shoppers tend to follow traditional circulation patterns.

The following concept might be used in studying a proposed site in a trading area of 80,000 population: (I am indicating the following assumptions since they are relative to the downtown area in Logan in many respects.)

Assumption 1--The downtown department stores are on long term leases or own their own sites. They are reasonably successful. The chances are, therefore, that "downtown" will just about maintain its present strength. 10

In Logan, the two major and one junior department stores are on three- to five-year leases which will expire sometime between 1970-1973. These are Penneys, Sears and Keith O'Brien.

Assumption 2--The major mail order houses are already located downtown. (These are Sears, Wards and Firestone. The community buying power

10 Ibid.
is not large enough to attract one of the big department stores from Salt Lake City such as ZCMI or Auerbachs. This is the opinion of several business development experts and Chamber of Commerce officials.

Assumption 3--The most likely department store tenant (if there is a market for one at all) might, therefore, be a typical unit of a regional chain not now represented in town, a combination of department stores from those national chains whose typical units are of the "junior" department store type, or perhaps a major branch of one of the existing independent downtown stores. The J. C. Penny Company is seriously considering moving to the proposed shopping mall.

Assumption 4--If it should develop over a period of time that there is an adequate market for one of these three department store types, the center could obtain two of the national womens' ready-to-wear chain outlets and at least two national chain shoe stores.

Assumption 5--If there is a market for a department store, a new unit of national chain variety can be secured.

Assumption 6--The project could obtain a supermarket with at least good local acceptance.

If there is a market for a department store, the center will almost certainly run in size between 140 thousand to 250 thousand square feet of gross enclosed space. It is highly questionable whether an establishment of this type would be economically possible.

\[11\] Ibid.
Basic shopping goods in a fairly wide variety, service facilities and needs are generally available in the Logan trading area. A need for better selection in furniture and price competition in carpeting and automobiles has been expressed by various shoppers to Chamber of Commerce officials. Local merchants are firmly established and well-known by most residents. Their fixed costs are low and in the event a community shopping center were to develop, competition for customers would increase significantly. Whether a significant number of these customers would shop consistently at a new shopping center is not known. Newness always attracts shoppers in the short run. It is questionable whether the new center would captivate enough shoppers to be successful without banking, medical, law and government and recreational services on location at the center. From the above data, Cache Valley buying power, population and retail sales do not completely justify the expenditure of funds necessary to construct an area shopping center at present.

Concerning population growth in the shopping area, we have to expect a good growth pattern in the future. The population increase in the trading area in the succeeding five years is going to be the same or greater than in the preceding five years. (See Table 4.)

If the Cache Valley trading area increases to 100,000 people in the next seven to ten years, downtown merchants and civil officials will have to develop new and exciting shopping facilities in the downtown area in addition to those in the planning stage now (i.e., parking terraces, mall facilities, etc.), to stem the loss of business to newer suburban shopping malls.
Table 4. Population statistics and estimates

<table>
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<th>Year</th>
<th>Logan</th>
<th>Cache County</th>
<th>State</th>
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<td>1975</td>
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<tr>
<td>1980</td>
<td>53,000</td>
<td></td>
<td>1,432,000</td>
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</tbody>
</table>

Fall Quarter at Utah State University--1965 7,850
1966 8,100
1967 8,500
Projected 1980 14,500

Farm Population (Cache County)---- 1965 4,800

Farm Gross Income--1965 $16,401,000

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*Cache Chamber of Commerce, "Fact Sheet." Cache Chamber of Commerce, Logan, Utah, n.p. (Mimeographed.)
Population and income growth indicate that a mall of the type proposed might be given consideration again between 1970 to 1975.

Making a decision to build a store or lease one at the proposed new center under present circumstances, and especially without a thorough, comprehensive feasibility study, appear to present high risks.
WHERE DO WE GO FROM HERE?

What should be done to maintain a healthy, competitive and dynamic retail and service complex in the downtown area of Logan, Utah? Victor Gruen, internationally renowned planner/architect refuses to let cities die. He says it is vitally necessary to end the urban crisis and bring about the renaissance of the city. Gruen’s first concern is the metropolitan core, or heart of the city (call it downtown, if you will) or the central business district. Gruen tells us that the heart of the city should contain both the most and the best, the rare and the unusual. Ideally it should offer a complete range of highest productive uses in business, retailing and civic administration, in cultural, recreational, social, and spiritual activities. It should contain residential quarters of high quality and density. No metropolitan core can become viable and dynamic, says Gruen unless it has:

1. Activities (working, living, recreational, civic, social).
2. Activity participants (the people who are attracted by the activities).
3. Superior environmental qualities (health, protection from weather and from unpleasant sights, sounds and smells).
4. Accessibility media (core-bound roads leading toward the heart and distributary roads circling it).

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5. Accessibility for people and goods.

6. Good terminal facilities.

7. Mass transportation such as railroads, buses, and individualized transportation such as taxis.  

Logan City has the ingredients for the above. However, it will take total involvement by municipal and federal government, the business community, Chamber of Commerce, citizens groups and a range of professional consultants—economists, traffic specialists, engineers, urban planners and architects—all working together and all working hard to keep Logan City young and alive as it should be.

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2 Ibid.
EPILOGUE: THE FUTURE OF SHOPPING FACILITIES IN LOGAN, UTAH

The feeling is constantly growing that something must be done to revitalize downtown business districts all over the country. The development of new department stores and parking terraces in Salt Lake City and Ogden, Utah, points out the direction these merchants, civic officials and the general public have taken in their cities. They are determined to make urban shopping exciting, comfortable and enjoyable. Downtown deterioration is blamed on different factors, as demonstrated by a polling of the members of the National Retail Merchants Association. ¹ The results show that 81 percent believe the reason for downtown's trouble to be lack of parking; 78 percent attribute it to traffic congestion; 38 percent to antiquated buildings; 30 percent to congestion; 27 percent to poor retail promotion; 16 percent to existence of slums around the downtown district.

Within the next ten to fifteen years it is safe to predict that the importance of environmental planning for downtown Logan will receive greater recognition and understanding from those who are in a position to act, and that out of the present despair will be born the will and the wherewithal to accomplish the reshaping of the city.

¹Ibid.
Considering the entire field of retailing, each form of shopping facility--the neighborhood center, community center, regional center and central downtown business district--has its own particular and distinctive role, and all of them can flourish simultaneously. The result of such healthy competition will be the raising of quality not only in the design of shopping facilities, but in urban and suburban environment as a whole.
LITERATURE CITED


Men's Wear Magazine, CLV, No. 11 (July 14, 1967), 76.
APPENDIX
LOGAN CITY
CACHE COUNTY, UTAH

In the Heart of Bridgerland
Population 23,000
Elevation 4525 feet

Points of Interest
L.D.S. Temple & Tabernacle
Five Parks
18 Hole Golf Course
Municipal Swimming Pool
Home of Utah State University
Fact Sheet

Location: Logan is located on the East side of Cache Valley in Northern Utah, and is situated in an ideal location from which industry can serve the entire Western United States. Logan is the County Seat of Cache County. The valley is quite level—about 30 miles long and 15 miles wide. Altitude is 4,535 feet.

Population: Logan City Limits—25,000; Cache County—42,000; Trade Area—80,000 (50 miles) (1967 estimates).

Climate: Logan has a four-season climate. Summers are dry and favorable to most industry. Nights are cool. The fall season is crisp and cool. Winters are cold, but not severe. Average annual temperature is 47.5 degrees; humidity is relatively low in the daytime. Precipitation is 16.17 inches.

Government: Mayor and Commission.

Taxes: Building taxes are based on 20% of current replacement value and merchandise or material is 26% of cost at the close of year. Utah has an "Intransit" law in which material is not taxable if converted into merchandise. Corporation tax minimum is 10% or 3% of net income.

Labor Force: Cache Valley has an ample number of workers of all skills to meet the needs of industrial expansion. Approximately 1,600 workers commute to jobs outside of the valley because of the lack of local job opportunities. Approximately 10,000 workers in the County: 65.2% male and 21.2% female.

Police Protection: There are 24 officers and 14 squad cars providing 24-hour protection.

Transportation: Rail—Union Pacific, which connects with other railroads serving the entire West and Midwest. Bus—Overland Greyhound Bus Lines with six schedules daily. Air—At the present time the Thunderbird Flying Service has three scheduled flights from Salt Lake to Logan and back. The Logan-Cache Airport is rated as one of the best in the State of Utah and is equipped for day or night flying. There is also a private airport in the East part of Logan. U.S. Highways—No. 89 and 91. State Highway—No. 69. Interstate 15 runs fifteen miles west with high-speed connecting highway.
Utilities: Electric—Utah Power and Light Company is available for future industrial expansion. Water—Culinary water supplied from the 3-million gallon storage reservoir. Water is almost pure and needs no icing for drinking purposes. Logan City has shares in the Smithfield-Richmond irrigation canal for industrial use; plus approximately 1,000 artesian wells which have a total flow of more than 65,350 gallons per day. Gas—shipped from mines in Carbon County, Utah; supplies are ample for industrial uses. Fuel—oil provided by Texaco and Yeates Coal Companies for industrial and residential use.

Communication: Telephone—Mountain States Telephone Company, Telegraph—Western Union. Radio—There are 2 local stations. Television—One channel from Logan, 4 from Salt Lake City, 1 from Idaho Falls, Idaho. Newspaper—One daily paper, The Herald Journal, plus 2 from Salt Lake City and 1 from Preston, Idaho.

Major Employers: Agriculture is the basic economy and main source of income. There are 50 manufacturing industries in Cache Valley including: World’s largest pea cannery and swiss cheese factories, printing industry, condensed milk plants, lumber and saw mills, farm equipment, bean cannery, sugar factory, needle work, etc.

Zoning: The City Building Ordinance is liberal and conforms to city zoning laws which are based on the United Pacific Coast Building Code. Industry is protected in the zones in which industry is permitted and residences are protected in the zones in which they are permitted.

Sewerage: Lagoon system.

Banks: There are 8 banks in Cache Valley, 4 of which are branches of the First Security Bank of Utah; 4 savings and loan companies in Logan.

Churches: Nine denominations are represented; 3 seminaries. Mormon is the predominant church in Logan with 1 temple, 1 tabernacle, and 29 Ward chapels. There are also 7 Protestant churches and 1 Catholic.

Education: Six elementary schools, 1 Junior and 1 Senior High School—also Utah State University (8,400 students). Two libraries are available—Cache County with one of the largest genealogical sections of any library in the intermountain states, and the Utah State University Library. The junior and senior high schools also have libraries.

Medical Facilities: The L. D. S. Church owns and operates a 125-bed hospital with plans for future expansion when necessary. This well-staffed hospital serves people of northern Utah and southern Idaho. Physicians—
29, Dentists--18, Optometrists--5, Chiropractors--4, Generalized public health nursing program: 1 nursing consultant, 1 part-time medical health officer, 4 nurses and 1 sanitarian.

Shopping facilities: There are over 175 retail outlets including: Department stores, shoe stores, drug stores, clothing stores, jewelry stores, and auto sales stores.

Service Agencies: Service stations, garages, restaurants, etc.

Professional services are also available locally.

Recreation: Parks, playgrounds, ball diamonds, country club, tennis, golf, swimming, competitive sports of both high school and university, cultural art programs, youth civic and fraternal organizations. The nearby mountains, lakes and reservoirs, rivers and canyons provide abundant boating including annual boat rides and races, swimming, horseback riding, sports. There is ice skating in Logan and skiing at Beaver Mountain in Logan Canyon which is equipped with two double-chair lifts--3,300 feet.

Natural Resources: Cache Valley is surrounded by mountains composed almost entirely of sedimentary rocks; which minerals in the rocks constitute tremendous reserves of limestone, dolomite, portland cement rock, silicic building stone, clay and gravel.

Special Industrial Assets: Industrial sites: Cache Valley has an altitude strongly in favor of additional industrialization and will welcome all desirable industries. Land zones for industrial purposes are available at Logan and in all the larger communities of the valley. It is level, has good drainage, and will support large structures. It is located near railroad tracks, highway, sewer, water, and electric power lines.

Industrial Development Assistance--Indian: The Bureau of Indian Affairs, in cooperation with State employment service agencies, will assist industry in the recruitment of qualified applicants to meet personnel staffing requirements. The bureau has an on-the-job training program through which industrial enterprises with established program may be reimbursed at an agreed upon rate for the cost of the training eligible Indian employees. Also, the Bureau has a relocation program to help relocate Indians to the area when the need arises.

Further Information: Contact the Cache Chamber of Commerce, Civic Centers, Logan, Utah.¹

¹Cache Chamber of Commerce, "Fact Sheet." Cache Chamber of Commerce, Logan, Utah, n.p. (Mimeographed.)