

Big Projects in the Works

By William Fraser, City Manager

For Bridge, July 19, 2018

Thanks to Montpelier Alive, the many volunteers and contributors, the City's Police, Fire and Public Works departments and all who helped make the July 3rd Celebration and National Life's Do Good Festival such wonderful successes this year. Events like these are what help keep Montpelier such a vibrant community.

I note the special challenges the community faced with the awful heatwave in early July. Many people helped out, opened cooling locations and generally took care of their neighbors. Thanks to National Life and Harpoon Brewery for providing the water stations used on July 3rd.

Hotel and Parking Garage

The proposed new Hampton Inn and parking garage on Capitol Plaza property has generated a lot of excitement and discussion in the community. As has been reported in the press, City officials and Capitol Plaza owners are in active negotiations about the parking garage component.

The City's Economic Development Strategic Plan adopted in 2016 identifies adequate parking as a strategic investment and a new hotel/conference facility as desirable and transformative. The City Council's recently adopted strategic plan includes Community Prosperity and Thoughtfully Planned Built Environment. Because these projects are consistent with the city's official vision, we have sought to work with the developer for a successful outcome.

The proposed hotel and 200 parking space garage received local permits after an extensive public review process. The owners hope to break ground in November. Why, then, is the City involved in discussions about the garage?

A 200 space parking garage is problematic for a few key reasons. First, it only meets the Capitol Plaza and Hampton Inn needs and does not assist with downtown parking or potential future development. Second, and extremely important, the overall project is not financially feasible if the developer builds both the hotel and the garage on their own. The developer has shared financial information with the city's real estate consultants which fully support that conclusion. Given these realities, we have a scenario where a new hotel – a highly desirable project – can't work without additional parking yet the 200 space garage can't work on its own.

This situation creates an opportunity to facilitate the hotel, add net new parking spaces to downtown and provide for other great projects such as a potential affordable housing project connected to Christ Church.

Therefore, we are currently assessing the financial, physical and logistical feasibility of the City building, owning and operating a 350 space garage with an estimated cost of around 10 million dollars. The garage would be financed through Tax Increment Financing proceeds (the new tax increment from the hotel and other new development in the area), a long term lease with the hotel owners to meet their parking needs and parking revenues from hourly users and monthly permit holders.

A 350 unit structure would almost certainly need to extend into the adjoining 60 State Street parking lot which is leased by the city but has a separate owner. The design would be based on the already approved garage design. When all the projects are completed, there would be approximately 160 net new parking spaces in downtown Montpelier. A modern automated parking management system would be installed to assure maximum use and availability of all the spaces in the garage.

Issues under negotiation include long term lease rate for the hotel owners, allocations for other users and use/compensation agreements with all involved property owners. Financial analysis includes detailed cost estimates including annual financing weighed against estimates of future TIF revenue, lease projections, monthly permit rates and daily/hourly use projections. Capital reserves and annual operating/maintenance costs are included in the expenses. The City needs to be convinced that all costs can be covered without using the general fund budget and that needed parking rates are reasonable for our market.

The hotel owners have been active partners in considering financial options for the project so that it meets the city's parameters while allowing the Hampton Inn to move forward.

This rendering by Architect Greg Rabideau is conceptual assuming all is worked out favorably. It shows a 350 space garage next to the new Hotel, situated behind the Capitol Plaza and Christ Church. It would include an accessible staging area for the new recreation path and possible bike rental location. The rendering shows the expansion into the adjacent lot – again contingent on agreements with that landowner.



The next steps include final approval of the TIF district from the State of Vermont, lease and land use agreements with the involved parties, detailed financial outlines and, ultimately, voter approval of possible City financing.

The City and hotel owners are working toward having all of these elements in place in time for a public discussion of the garage at the August 22nd City Council meeting. If the project remains feasible, a bond vote may be warned for the November 6th general election. This would include

public discussion on September 12th and formal public hearings on September 26th and late October (date to be determined).

This is a major potential project for Montpelier. The City is working hard to make sure that public needs are being met. We urge people to follow the progress (see end of article). We will provide updates as substantive information develops.

One Taylor Street

After many years of discussion, planning, negotiating and financing, the One Taylor Street Project will begin construction this summer. As most people know by now, the project includes a new Transit Center, 30 affordable housing units, a recreation/alternative transportation path, a new bicycle/pedestrian bridge across the North Branch River and an improved gateway on Main Street.

Seemingly every aspect of this project has been difficult from start to finish. The final step to construction was no different. With all set to proceed, project bids came in significantly higher than projected creating a final funding challenge to be met. The project team of DEW Construction, GBA Architects, Dubois & King Engineers, Housing Vermont/Downstreet Housing and City staff successfully value engineered significant cost reductions.

That work, however, still left a large gap in resources. Thanks to wonderful support from the Scott administration, notably Transportation Secretary Joseph Flynn and his staff, and great work by City staff, we were able to secure additional federal highway funding of \$1.25 million which allows work to proceed on schedule.

The first visible work will be environmental clean up (asbestos removal) from the former Montpelier Beverage building followed by demolition of that building and the former Vermont Association for the Blind and Visually Impaired building. This will begin very soon. We don't have a formal construction schedule for the rest of the project yet but expect to see mobilization on site by August with completion by the fall of 2019. The schedule will be published once established.

Related to this project is the overhaul and upgrade of Taylor Street itself. The rail crossing has already been improved, the rest of the street will see new sidewalks, lighting, landscaping and surfacing.



One aspect of this multi-faceted project which is still up in the air is the possibility of a new private building near the former Montpelier Beverage site. At the last minute, the property owner chose not to exercise their option to purchase a lot from the city and develop an already permitted building.

The City is seeking guidance from our state and federal partners about possible choices for this parcel. It is entirely possible that the project will be put out to a public process for potential development in the future. In the meantime, our current plan is to construct various components as planned such as parking, lighting and access. We would leave the building site as temporary open space and utilize the 28 parking spaces for public use until a final determination is made.

Recreation Path

Another long standing project is the recreation path running from Granite Street to Gallison Hill Road. We're happy to say that this project has been successfully bid with prices below projections. A contractor has been selected and work will likely begin in August. This path involves a lot of drainage and stormwater management work as well as path construction. Work will continue until the end of 2019 and, possibly, early 2020.

Caledonia Spirits

Although not a city project per se, the new Caledonia Spirits Distillery began site work this week. This is a key economic development project for the City and we are delighted to see them building their new facility in Montpelier.

City Information

Information about any of the city projects and city meeting agendas can be found on the City's Website www.montpelier-vt.org. Additionally our Facebook page City of Montpelier VT – City Government and our Twitter account @vtmontpelier are both regularly updated. We frequently use Front Porch Forum as well.

Thank you for reading this article and for your interest in Montpelier city government. Please feel free to contact me at wfraser@montpelier-vt.org or 802-223-9502 with questions or comments.