

Proposed Parking Garage Q & A

By William Fraser, City Manager

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Parking Garage Proposal Basics

Who? The City will construct, own, operate, manage and maintain the garage. The garage property is being donated to the City by the Capitol Plaza for the purpose of building the facility.

What? The building will contain at least 348 parking spaces. In addition, 50 surface parking spaces will be leased by the city for public parking. The overall project will result in 160 net new parking spaces in downtown. A private 80 room Hampton Inn will be constructed by the Capitol Plaza next to the garage.

When? The Council will be holding a public hearing on October 3rd prior to making a final decision whether to place this \$10,000,000 bond issue on the ballot. There will be an additional public hearing on October 29 about all ballot items. Voting day is November 6th. If the bond passes, construction is expected to begin as early as December.

Where? The Garage will be located behind Christ Church in the current Capitol Plaza parking lot. The Hampton Inn will be next to the Garage and behind the Capitol Plaza. The new site design will result in approximately 60 surface parking spaces, 50 of which will be leased by the city for public use.

Why? The City's Economic Development Strategic Plan (EDSP) adopted in June of 2016 after an extensive public process set out priorities. The EDSP specifically called for a new Hotel as the top desired transformational downtown project. The Plan identified parking and housing as key community needs.

The 160 net new parking spaces will increase the inventory of city managed (meters, permits, lots) spaces by 26% and will free up surface spaces for short term use. The project is also being designed to accommodate potential new housing (with garage parking) at Christ Church.

The 80 new hotel rooms will bring additional people into downtown for more economic activity while adding to local rooms, meals and alcohol tax revenue.

Finally, the project will create an ADA compliant bike path connection with a small park. There will likely be green space behind the garage creating symmetry with the proposed confluence park. The garage construction also allows the city to eliminate six parking spaces in the One Taylor Street project thereby opening up another 1600 square feet of green space.

How? The project is paid for with permits & fees (\$575,000, 80%) and Tax Increment Financing (TIF) revenue (\$150,000, 20%). Without going into detail about TIF, the only taxes paying for the project are those from the new hotel. No additional property taxes will be raised for this project. Capitol Plaza/Hampton Inn have committed to purchasing 200 permits annually for 30 years. We project to sell an additional 80 permits. The monthly permit rate is \$125 per month which will generate \$420,000 per year. Christ Church's affordable housing project will be allocated 30 permits at \$50 per month. General public parking is projected to generate approximately \$136,000 in revenue.

Expenses for the garage include debt service (78%), operations (14%) and capital reserve (8%). Budget, cash flow and other financial details are available on the city's web site.



Frequently Asked Questions

- Will my taxes go up to pay for this? As mentioned above, the only tax dollars being proposed are those from the new hotel through TIF. The remainder is anticipated to come from permits and fees.
- Why is the hotel project influencing the schedule? Although the hotel is private and the garage public, they rely on each other. The garage does not work financially without the 200 permits purchased by the hotel. The new hotel does not work without adequate parking. The hotel does not work financially if they build the garage on their own.
- Is the City doing this just for the hotel? Parking has been a chronic issue in Montpelier. The hotel development has created an opportunity to increase downtown parking by 26% and making additional development possible. Both the public and hotel benefit.
- Is the City giving the hotel a “sweet deal”? The hotel is donating land worth approximately \$500,000. They are paying \$300,000 annually for permits and an additional \$150,000 annually in new property taxes. These two sources represent 62% of the project funding. That is equivalent to \$6.2 Million of the \$10 Million project cost. \
- Isn't the Hilton Corporation bankrolling all of this? Hilton is not paying anything for either the hotel or the garage. The Capitol Plaza owners have purchased a Hampton Inn franchise from Hilton but are financing this project on their own backed by their own assets and using local lenders.
- What is the traffic impact? Traffic studies were conducted for One Taylor St, the new hotel and the original smaller garage. An updated study is being conducted now and is necessary for permitting. The city has a strong interest in assuring that traffic is managed effectively.
- What are the storm water impacts? The project is meeting all storm water management requirements and incorporating green drainage areas where possible. The current location is already a paved impervious surface, the building will not create any new impervious area and new internal treatment systems will improve quality of any run off.

- Has the City considered other locations for a garage such as the “pit” on Court Steet? The City has looked at virtually all potential locations for parking solutions including and especially the “pit”. Each present their own opportunity and challenges both logistically and financially. There is no one ideal location. The original One Taylor Street (then Carr Lot) project study identified this Capitol Plaza location as a top alternative. This is the most viable opportunity that has presented itself to the City.
- Can the garage be constructed to allow for future re-use? The current project budget and resources does not allow for the additional load bearing capacity needed for future housing or office space. This could be done but would need additional funding sources, likely property taxes.
- What will the garage look like? Generally the building is expected to be 4 to 4 ½ stories high which will be lower than the new Hampton Inn. It is proposed to have a green wall exterior made up of ivies and plants with structural accenting at the corners. A rendering provided by Rabideau Architects is included with this article. Additional renderings are available on the city’s web site.
- Can Net Zero principles be applied? The building will have solar panels on the top floor and may use district heating to assist with snow removal in exposed areas.
- What happens if car use goes down? If there is a long term reduction in car use, the City will systematically reduce parking in other surface lots and on streets to open up new re-use opportunities.

City information can be found on our web site www.montpelier-vt.org our Facebook page, City of Montpelier –Official, on Twitter @vtmontpelier and on Front Porch Forum.