



CITY OF MONTPELIER, VERMONT

- THE SMALLEST CAPITAL CITY IN THE UNITED STATES -

Mayor John Hollar

City Council Members:

Dona Bate
 Jessica Edgerly Walsh
 Tom Golonka
 Thierry Guerlain
 Justin Turcotte
 Anne Watson

William Fraser,
 City Manager

Jessie Baker
 Assistant City Manager

ECONOMIC IMPACT INFORMATION William Fraser, City Manager, June 19, 2014

Richard W. Heaps and Arthur Woolf of Northern Economic Consulting, Inc. prepared an economic impact report dated June 18th at the request of the City of Montpelier. The report projects economic activity in the city based on initial proposals from the Redstone Commercial Group. The three projects for comparison are 21,200 square feet of office space, a 50,600 square foot hotel with 80 rooms and a 36,400 square foot apartment complex with 41 housing units. The report explains methodology and presents this summary table on page 12.

Estimated Impact on Economy of the City of Montpelier - During Operations					
	Jobs	Wages (in millions)	New City Population	Taxable Retail Spending	Restaurant Spending
Office complex	58	\$2.0	4	\$113,000	\$69,000
Hotel	73	\$1.7	5	\$98,000	\$396,000
Apartments	3	\$0.1	49	\$104,000	\$245,000

In addition to the independent economic report, the City Assessor prepared projected property values for each project, using the descriptions in Redstone's proposal. The Assessor projected value ranges which vary by 6% to 18% from the midpoint. For this purpose, I have applied the projected FY15 tax rates and the midpoint value to develop an estimate of property tax revenue.

Project	Estimated Value	Municipal Tax	School Tax	Combined Tax
		\$1.07 Rate/\$100	\$1.55 rate/ \$100	\$2.62 rate/\$100
Office Complex	\$1,939,800	\$20,756	\$30,067	\$50,823
Hotel	\$5,750,000	\$61,525	\$89,125	\$150,650
Apartments	\$3,239,000	\$34,657	\$50,205	\$84,862