

51 Biltmore Avenue Fact Check

(or “Much, Much More Than You Want to Know about this Project”)

The following are a number of contentions or specific statements about the 51 Biltmore hotel/parking garage made by various opponents of the project, followed in italics either by an explanation or a correction of inaccuracies. This is way more information than anyone would want to know but unfortunately this very complicated multi-party transaction has been reduced to a number of short, and mostly untrue, sound bites. Opponents' statements are taken from their published articles and comments they have posted online.

This is just a really bad real estate deal for the City and it shouldn't have to pay the price it contracted to pay two years ago.

The deal has gone through many iterations, each time changing at the request of the City with PIP agreeing to accommodate their requests, as described below. We had always taken the position we didn't want to sell this property, we preferred to keep it and lease it so Julian Price's heirs (the property owners) would have long-term income. PIP will receive no direct or indirect financial compensation from this transaction, but has carried out all negotiations on behalf of the heirs separate entity, King James Properties, LLC.

(Stage 1) - Four years ago, PIP and the City were going to do the parking garage as a joint venture/lease with both parties sharing in the risks and benefits, but after a few months the deal was changed because the City preferred.....

(Stage 2) - A flat ground lease of the property from PIP to the City at \$180,000 per year (\$30-40,000 less than the average annual revenues generated by the parking fees on the site's existing parking lot). This amount was adjudged by the City's financial consultants to be a below market lease. The City was still having problems making the cost numbers work because using our site alone would have required the City to do extensive excavations to

generate the target number of parking spaces. Because our analysis showed it would save the City over \$2 million in projected excavation costs after paying the cost of acquiring the adjacent Hot Dog King property, PIP went out and obtained option rights for that property. We therefore agreed to alter the deal to

(Stage 3) - A flat ground lease of the property from PIP to the City at \$295,000 per year, which, after paying the costs of purchasing the HDK property, would leave Mr. Price's heirs receiving rent of \$160,000 per year (\$50-60,000 less than the annual revenues generated by the parking fees on the site's existing parking lot). Again this was agreed to be a below market lease. Because the City was still having problems making the cost numbers work we did an analysis of the cost to the City of the Stage 3 lease approach versus selling the property to them at appraised value plus an amount equal to the capital gains taxes Julian's heirs would have to pay for accommodating the City yet again by selling when our plan had always been to lease the land. We saw after this analysis that even after paying a price which covered the capital gains taxes, the City would be \$1-\$1.5 million better off buying rather than leasing (because the City can borrow money much more cheaply than commercial land lease rates) so PIP agreed to

(Stage 4) accept the City's offer to purchase the site at a price equal to its appraised value, plus an amount equal to capital gains taxes, that is, the current contract for purchase, which PIP has honored and allowed extensions on now for 2 ½ years. That patience has generated \$2.5 million in construction savings.

The net result of all the deal changes detailed above and PIP's patience in waiting through the arduous process to get to this point is that PIP's initiatives and patience have saved the City almost double the purchase price of the land (\$5.5 million in savings v. \$3.1 million purchase price). That is not counting the additional \$5+ million saved by the City not being forced to build its own liner building on Biltmore as required by its own ordinances.

Regardless of any benefits PIP claims the City has received over the four years of negotiations, the City shouldn't have to pay what it agreed to pay if the price is more than current valuations justify.

We have a number of responses to that:

- 1) This really isn't our understanding of how contracts work. We did what we said we'd do and we expected the City to do the same.*
- 2) Based on current pedestrian counts and business vitality, we don't believe current values of downtown property suitable for development have declined. If anyone could establish the contrary (a very difficult proposition since the banks aren't lending and therefore development property is not changing hands), we would decline to sell. We don't need to sell now and would not sell at a market bottom. We believe strongly that whatever the future holds (high gas prices, electric cars, whatever) there will be market forces working against more suburban sprawl and creating more demand for urban living. Therefore, downtown property values will continue to go up.*
- 3) It is very interesting how the "story" of this transaction has evolved. When we began this process, PIP thought we were doing the City a great service, given the great difficulty they've had in the past doing any project on their own. The City had repeatedly expressed a desire to do this project but nothing was happening. We put this deal together and offered up our property as a site for a badly needed parking garage. We provided a 3rd party ready, willing, and able to bear the cost of the required liner building, add vitality to the street, and support local government with substantial tax revenues. We didn't intend to sell the property. We made that clear from the beginning.*

We have never offered the City the frontage on Lexington or any space above the garage. We only offered the City what we knew they could use. There was no reason to offer them any more of the property when they had no history of being able to work out successful partnerships with the private sector. In addition we had always planned on making separate deals on the remaining portions of the property to generate a total more in line with the property's actual value.

After two years of the City requesting that we re-consider and sell, we finally consented to a sale. We did so only after we saw that the sale would save the City over \$1 million and the City offered to cover most of the capital gains taxes. Now 4 years later, PIP is the "bad guy" who somehow pressured(?) or tricked(?) the City into doing this deal. It is a remarkable reversal of the "story".

We agreed to sell only as an accommodation to the City, at the City's request. We'd still be perfectly happy to say: "Fine, don't buy it". We are confident we will end up being paid more for the property without anywhere near this much trouble.

4) We could agree to negotiate a new price based on our mutual judgment of fair market value. When we do a project we establish the value of the benefits to us and to the community that a project will produce. We check that value against the fair market value of other sites equally useful for the intended project. I have reviewed the benefits of this project here:

<http://www.citizen-times.com/apps/pbcs.dll/article?AID=2011301200005>.

The following is an analysis of the 51 Biltmore site versus comparable sites. The most powerful rule in real estate remains: location, location, location. The City wants this property to build a parking garage. This property is the largest development parcel on the busiest car and pedestrian street in downtown. It is centrally located on the busiest stretch of Biltmore. It has 2 corners and 600 feet of frontage on busy streets. It is a great, visible, safe location, very well-suited to be part of a downtown shuttle or trolley loop. It also has that rare combination of enough size and depth to allow the construction of a cost-effective parking structure. For the City's purposes, and for just about anybody else's, there is no other parcel like it in downtown.

There are a number of sites in downtown that have been sold over the last 5 years for development. That is, they are sites in very favorable, high traffic, and high visibility areas of downtown. They were purchased not for the site's current use, but rather with the intention that the buyer, or someone the buyer sells to, would demolish whatever is there and build a new, more valuable building. Unfortunately all of these properties have flaws that render them

less valuable to the City than our parcel for purposes of a parking garage. This means that to arrive at a value for our property from looking at these sales you'd have to adjust their sales values upward.

a) 63 Biltmore -The Hot Dog King property

-The parcel right next door to us sold twice in arms length transactions over the last 5 years. It is much less valuable for the City's purposes, or anyone else's. It has no prominent corner locations. Has little guaranteed access to light and views making it substantially less valuable than our site for any mixed use development. Is less than 1/3 the size of the 51 Biltmore site. In addition it will require demolition of a building, substantial additional excavation, and relocation of a utility easement which would be extremely hard to relocate without help from adjacent landowners.

Sold in 2006 for \$93.50/sq ft

Sold again in 2008 for \$100/sq ft

Under contract now to sell for \$123/sq ft

b) 35 Battery Park - sold for teardown to consolidate property into development site - will require substantial demolition and excavation- one prime corner but less than ½ the car and pedestrian traffic and 1/3 the size of the 51 Biltmore site -useless for garage because of proximity to other garages

Sold in 2006 for \$417/sq ft

c) 34-36 Haywood St/1-35 Battery Park - sold for teardown to consolidate property into development site - will require substantial demolition and excavation- two prime corners but less than ½ the car and pedestrian traffic - 2X the size of the 51 Biltmore site -useless for garage because of proximity to other garages

Sold in 2008 for \$231/sq ft

d) 151 Haywood St - sold for teardown to consolidate property into development site - will require substantial demolition and excavation- no prime corners but very visible location less than ½ the car traffic and almost no pedestrian traffic - 3/4 the size of the 51 Biltmore site -not much value for garage because of location on downtown edge, proximity to other garages, and difficult shape for efficient garage

Sold in 2007 for \$94/ sq ft

e) 33 Page Ave - sold for teardown to consolidate property into development site - will require substantial demolition and excavation- no prime corners much less than ½ the car traffic and very little pedestrian traffic - 1/7 the size of the 51 Biltmore site -not much value for garage because way too small and proximity to other garages.

Sold in 2002 for \$177/sq ft

The City is paying us \$3.11 million for the site they need. The City's actual agreement was to pay \$2,250,000 (effectively \$68/sq ft) plus the capital gains taxes caused by selling rather than renting. That translates to \$94/sq ft, but the overall deal is a good bit more complicated than that.

The City is using approximately 33,000 feet on the 51 Biltmore site. We are confident

that an analysis of the benefits of the project and the comparable sales values, adjusted as appropriate for differences between the 51 Biltmore property and the described comparables for the City's purposes would result in a substantially higher price for the 51 Biltmore site than the City is now being charged.

All the above is academic. We're not going to negotiate for a higher price. That would just result in even more damage to our reputation than we've already experienced as a result of attempting to do a deal with the City. And we're not going to accept a lower price because we don't need to sell.

Bad Deal or Bad Dealings

A bad deal compared to what? The City's last effort to do a mixed use parking garage project, in the Battery Park area, resulted in approximately \$4 million being spent and ZERO parking spaces created. More recently the City spent thousands of dollars trying to generate private sector interest in working with the City on all or any of a number of its downtown parcels with no results to show for the effort and expense. The City's reputation with the local private sector is such that there was not one response from any local person or company. If, at this late date, the 51 Biltmore project doesn't go forward, the City might as well have had a bonfire with the \$750,000 that has been spent based on all the Council approvals of this project to date. And it should avoid, for some decades, wasting any further City money or staff energy on trying to interest the private sector in working with the City.

This is not intended as a criticism of City government as a whole. We have a city staff which has worked creatively, long, and hard to help get us where we are today. We also have a number of bright, dedicated elected officials who understand fiscal reality, are thoughtfully trying to prepare Asheville for the future, and, yet, are also willing to trust staff to do their jobs. Unfortunately, however, for some years there has been a willingness on the part of a small minority of our elected officials to second guess and micro-manage years of work by staff, to treat no decision as ever final, and to treat contractual obligations entered into in good faith as mere inconveniences. It is no wonder that the City has had a great deal of difficulty working out

successful win-win deals with the private sector.

Part of our motivation in undertaking this project was to help increase the confidence of both the City and the private sector that the two sides could work together to produce great results for our community. Our experience to date leaves us with serious doubts that such a partnership can be successful in Asheville.

Project opponents cite the gap between tax value and price as proof of a “bad deal”.

The City is being criticized for paying 5 times the tax value for the property. We paid over 7 times the tax value when we bought the property. Tax value is not always a good indicator of value, particularly property with development potential in a critical downtown location.

Specific statements of opponents and our responses:

Cecil Bothwell:

“The plan is based on a parking study which failed to consider alternatives (shuttles or a trolley) and took no note of rising fuel costs (with gas prices headed for \$3.75 soon and \$5 in the not-distant future.) When gas hit \$4 two years ago, we saw a 25 percent increase in transit ridership. What kind of “parking study” ignores such facts?”

The City had a “parking study” done. The City didn’t request a transit study. Gas hit \$4 a gallon in July of 2008. City budget numbers say transit revenue was down 5% that year from the previous fiscal year. Ridership increased 25% because we made riding the bus free.

Mr. Bothwell claimed he could find no other downtown properties selling for more than \$1 million per acre, yet the City is paying several million/acre here.

It may be true that Mr. Bothwell could not find such properties but it was not difficult. The records show that, prior to this transaction, multiple millions per acre were paid for our property and that The Hot Dog King owners paid multiple millions per acre for their property.....and that the previous owner of the Hot Dog King also paid multiple millions per acre.

“To make matters worse, the 220-space net gain at 51 Biltmore amounts to more than \$65,000 each. The new Buncombe County deck ran \$17,000 apiece — the difference is boggling.”

Actually the City is gaining, and receiving full parking revenue from, 412 spaces. They are gaining, on average after hotel use, 350 spaces for use by the general public. There are no guaranteed public spaces there now. There are 99 private spaces that we’ve never “gifted” to the City and will be going away in the future, one way or another. Buncombe County owned the land where they placed their deck. Their deck, without land cost, actually cost about \$24,000 per space. Mr. Bothwell’s cost number is old and incorrect. The per space cost for the two decks are actually about the same after you adjust for the valuable land the county already owned and used, the cost of designing for the liner building required by city ordinance on the 51 Biltmore site, and the substantial additional revenue the Biltmore site will generate after 5PM compared to the county site.

“Putting all of our transit eggs in one basket is completely irresponsible. And despite my requests starting a year ago for a study that considered alternatives, no meaningful consideration of shuttles or trolleys has been forthcoming from city staff or our paid consultants.”

We don’t have actually have any “transit eggs”. According to the City’s budget numbers Transit requires subsidies of about \$4.5 million per year.

“When we borrow \$15 million to accommodate automobiles, we are choosing the unsustainable over the sustainable. We are making it harder to access downtown without a car, instead of making it easier for tourists, shoppers and workers to frequent our city. We are increasing the effects of climate change — a change already upon us.”

It is not very clear how not adding parking makes it easier for tourists, shoppers, workers, and residents to frequent our city. Or how forcing people to continuously circle the block looking for parking reduces the effects of climate change.

“We need to be honest with the people of this city. This deal means dedicating all of our transit

money for the next 10 years and a significant portion for 25 — money that could be used in much better ways. By committing to this project, Asheville will say “no” to any meaningful increase in sidewalk construction, we will say “no” to a downtown trolley or electric shuttle system that could be powered with local energy, we will say “no” to maintaining flexibility in our transit planning.”

Actually, honesty dictates we tell the people of this City we don't have any “transit money”, it's actually “parking money”, and that it's not all being used to support this garage. Asheville's Parking services are typically generating about \$1.40 in operating revenues per \$1 spent. Transit services are typically generating about 15 cents in operating revenues for each \$1 spent. After construction of this garage, in the early years there is still \$250,000 to \$500,000 in surplus projected from parking to continue subsidizing transit. In later years surpluses will be in the millions.

“A trolley or shuttle is not the only option, just one alternative that ought to be considered. Parking/transit money is earmarked for parking/transit/sidewalks/greenways/bike paths ... so it could be used to up frequency on transit routes. Low frequency is one of the main reasons people don't use transit as often here as in most other cities.”

There is no parking/transit money. There is only the extra money parking generates over the cost of providing parking. Transit needs about \$4.5 million a year in subsidies to cover losses, with about \$1.25 million coming from local taxpayers(60-80%) and from parking revenues(20-40%). Much of the rest comes from federal and state subsidies, which according to Mr. Bothwell, are unlikely to be increased.

None of this is to say we shouldn't spend more money in creative ways to enhance transit because it is a necessary service that will grow in importance and efficiency, particularly if we can increase density and generate parking and tax revenues needed to support transit.

“Cities as small as 4,000 pop. have built trolley systems recently. They are much cheaper to operate than bus systems.”

Mr. Bothwell later advised that “recently” was 1900.

“For \$15 million we could build a trolley system that would serve the entire downtown, making the current transit system much more useful, since it would enable the cross town linkage we don't currently have.”

We don't have \$15 million. We are able borrow for the 51 Biltmore project based on the projected revenue from parking. Funds have to be borrowed, based on some positive revenue stream. Transit doesn't have a positive revenue stream. It is also questionable that we could build a trolley for \$15 million if we did have the money. Boise, ID, a city about our size, projected that a little over 2 mile long trolley would cost \$60 million.

“McKibbon told me he wouldn't build without City participation. Corporate welfare.”

McKibbon actually said he wouldn't build this project, including a 412 car public parking garage, without City participation. McKibbon's original plan and preference was to build their hotel and just enough private parking for their hotel. Public Interest Projects was aware that the City had targeted the site for a public/private project with a public parking garage in the 2025 Plan, the Center City Plan, and the Parking Plan and that there was a severe shortage of parking in the area. Therefore PIP made offering the City an opportunity to participate a requirement for going forward.

“Commercial property prices have flattened or fallen.” *(A few lines above this quote he wrote: “In recent years the market has bid up downtown property.”)*

(The following is Mr. Bothwell's response to our point that parking decks generate parking revenue to pay for themselves, as well as generating property tax increases by encouraging property owners with nearby parking to more intensively develop their properties.)

“This point is Swiss cheese, it is so full of holes. Yes, parking decks generate revenue, but a deck this expensive will not come close to paying for itself for 35 years or more. Paying off the \$14.8 million loan will take ALL of our parking deck, parking meter and parking fine money for the first ten years, and a declining percentage for another fifteen years. (that's from all decks including this one).

That \$1 million per year (*in debt service*) could be used to build sidewalks or improve transit. (our parking money is earmarked for transit/parking/pedestrian/bike projects - so it does not go into general revenue). A trolley system would demonstrably generate revenue as they do in many other modern cities, also drawing tourists, making the whole downtown accessible—and you can borrow money for trolley systems.”

It is not true that this project uses all our parking revenues. Neither is it true that the approximately \$1 million in expected debt service can just be applied to something else. Most of the money to pay the debt service is coming from the garage. No project = no money. The project is projected to cover half in the first full year and 75% by year five. Even based on the city's conservative projections parking will still be able to continue subsidizing transit. The City's pro forma uses exceedingly conservative projections for growth in parking use because the N C Local Government Commission which reviews the financial soundness of City deals requires that level of conservatism. So the City projected NO growth in parking demand over the next 50 years and the garage was still found to pay for itself. If the pro forma is adjusted to the growth in downtown parking we've seen the last 20 years (6% a year over inflation), or the growth our parking consultants projected based on the area's expected population growth (2.7% per year going forward), the project produces tens of millions of dollars of extra revenue for the City and pays for itself much sooner. It is a little odd to call the fact of positive payback from parking revenues alone, putting aside the clear increase in property taxes, "Swiss cheese", particularly when compared to Mr. Bothwell's alternative trolley/transit expansion. We could find no city in the United States which has reported any net positive operational revenues from transit or trolleys, let alone full payback of capital costs, ever.

“As for the “density” claim ... the kind of density that encourages transit is housing density, not parking density, not hotel and retail density. We need people living along transit lines to help them pay for themselves and justify more frequent service. The “proposed” work-force housing, if it were ever built, would increase residential density downtown, but as stated above it is not part of this deal.”

Not true, actually the literature shows that all kinds of density support transit, including especially centralization of jobs and destinations. The parking garage will not only make possible workforce housing on this site but will encourage development of mixed use projects, including more residential

PARC:

“When PIP sells it to the City for a parking deck, they claim it's worth more than \$5,000,000.”

We didn't claim anything. The City offered to pay the price they are paying for the land because after studying the deal for 2 years they determined that, given the difference between their borrowing costs and commercial land lease rates, this was the best deal for the City.

“If boondoggles were simple, everybody could see through them. When a deal is complex enough, folks have a hard time following it.”

As noted by the corrections below the anonymous writer for PARC had a very difficult time following the deal.

“Asheville will pay Public Interest Projects \$3.11 million for part of the parking lot, but not the air rights, not the portion that fronts on Lexington Avenue, and not the portion that fronts on Biltmore, all of which will remain with Public Interest Projects;”

Not true, the City is actually buying a condominium unit which extends all the way from Biltmore Avenue to 30 feet from Lexington and King James Properties, LLC is the seller.

“Asheville will pay Cascade Mountain Properties \$1.45 million for the Hot Dog King property, but again not the whole thing. The valuable part, the frontage along Biltmore Avenue, and the frontage along Lexington Avenue, goes to Public Interest Projects.”

Not true. . King James Properties, LLC is buying the Hot Dog King Property and subjecting it to a condominium. The City gets a condominium unit extending all the way to Biltmore and including most of the frontage on Lexington. This represented the primary value of the property and the reason for its purchase because it allowed the City to expand the garage's footprint and save substantially more

than the purchase price in expensive excavation. King James Properties, LLC (owned by Julian Price's heirs) will be allowed to retain the small parcel on fronting at sidewalk level on Biltmore (2,000 sq ft +/-) and the tiny frontage left on Lexington (300sq ft). Because they are so small neither of these has much value in themselves, but King James is also retaining a condominium unit (of air) over the garage covering most of the footprint of the HDK property, allowing the possibility of a later phase building capping that portion of the garage. King James is paying \$300,000 into the project because of retaining that unit.

"Asheville will get a hole in the ground where it will build a parking deck, a structure that has to be strong enough to support a six story hotel on top of it."

The City wants a hole in the ground. The "hole" saves some of the City's excavation costs. The hotel is paying for its structural requirements.

"McKibbon Hotels will pay Public Interest Projects \$1.78 million for the air rights, and build a hotel on top of the City parking deck;"

The hotel is not buying air rights, rather it is buying a condominium unit which will be above the parking deck along Biltmore and Aston.

"Tens of thousands of dollars worth City staff time has been taken up by the proposal. We have already paid at least \$180,000 on options on the properties (that is, we have been paying the Hot Dog King \$10,000 per month for the last two years!), and the City has spent \$472,000 on appraisals, project management and design for the proposed deck."

The City has spent a good deal more than that, as has the hotel developer. PARC has actually not spent any money on this project. The City has not paid the Hot Dog King Owners \$10,000 per month for the last 2 years. It has paid what was effectively option money which will be fully applied to final purchase. It would have been recklessly imprudent to spend all the money required to create the detailed plans necessary for permitting and obtaining accurate binding construction bids without having the binding legal right to purchase the properties. City staff has spent a great deal of time making certain this project was a prudent investment for the City. The City saved hundreds of thousands

of dollars on the construction plans since the City was able to do them jointly with the hotel.

"Public Interest Projects is private, not public. It's a private, for-profit, development corporation that does not operate in the public interest. Many people think it's a non-profit when they hear its name, but Public Interest Projects is nothing more than a developer with a misleading name."

We are a for-profit company but that does not preclude us from doing things in the public interest. We actually make a determination before undertaking any project that it is both: 1) in the public interest and 2) represents a defensible business investment. Although you are free to disagree, it's our money so we make that determination for ourselves. If you would like more information about what we've been doing in Downtown Asheville for the last 20 years, please check our website: www.pubintproj.com.

"PIP would receive \$4.89 million in cash, plus the valuable storefronts on Biltmore Avenue and Lexington Avenue, all in exchange for a parking lot that's listed on the tax roles as being worth \$870,000."

It is not true that PIP is getting any frontage or any cash from this transaction directly or indirectly. It is true the seller, King James Properties, LLC, (owned by Julian Price's heirs) will be paid a little over 5 times tax value at closing. But tax value isn't often a good indication of market value. King James paid 7 times tax value when it bought the property.

"Cascade Mountain would receive \$1.45 million for a property that's listed on the tax roles at \$778,800."

If the tax value is true, this is still both irrelevant and misleading. Cascade paid much more than that for the property, as did their predecessor.

"McKibbon would receive a sturdy, five story base for its hotel, making their whole hotel, even the lower floors, a high-rise."

None of this is true. McKibbon is paying for the structural support provided by the garage, it won't be 5 stories tall, and no part of the hotel will be a high-rise. If there were no hotel, the City would have had to spend an additional \$5 to \$10 million in public monies to build, provide structural support for, and find tenants for its own

speculative liner building on Biltmore Avenue, since a liner building is required by the City's own ordinances. And the hotel is being required to pay more for their spaces than the general public.

"Nearby downtown businesses get 200 or so new parking spaces for their customers."

Actually, for most of their business hours, they'll have around 350 new public spaces.

"The City would get the bill, which comes to about \$14.8 million."

The truth is each party pays its own bills. The real estate and the garage will cost the City about \$12.75 million. The garage alone was projected to cost the City \$12 million in the early projections before the recession hit. The City should have an additional \$1 to \$2 million in costs having the building designed, permitted, financed, and, finally, approved by the State of North Carolina. The hotel is paying a similar amount.

"Where does the money come from? Asheville has just paid off all the bonds on the parking decks that we already have, so the revenue stream from them is now available for public transportation purposes. Council could choose to spend this money on many things -- on parking, on new streets, on mass transit, bike lanes, greenways, or on sidewalks."

Although the City could presumably spend parking revenues on anything it chooses to, the money was generated by parking fees. The parking fees are generated by people's desire to come downtown. That interest in coming downtown is generated largely by all the great local businesses and non-profit organizations that have invested their time and money in creating appealing destinations downtown. It doesn't seem inappropriate for at least some of that money to be put back into creating new parking which will both pay for itself and support the people and businesses that are the reason for downtown's popularity.

"Instead, if this plan is adopted, all the money from all the decks and all the meters in town will be spent, for the next ten years, on this one project, and some of the money, in a decreasing percentage, for fifteen years after that."

Not true. Once again, not "all", there should still be an ever-growing surplus to

subsidize transit or sidewalks, if Council so chooses.

"The Environment The least environmentally friendly way to spend this money is on bringing more automobiles into the city. Adding more cars downtown just adds pollution, noise, and gridlock. Spending this money on parking is the worst choice for our environment.

Density is the opposite of sprawl and therefore the best choice for our environment.

*Pat Whalen
Public Interest Projects*

All of the above is stated to the best of our knowledge. Please advise us if you discover we have misstated anything. Anything above can also be checked with the City of Asheville.

In closing, a rhetorical question:

Is it really possible that we are seriously debating abandoning a project which:

- 1) is going to cost zero tax dollars and, even by the most conservative projections, pays for itself over time;*
- 2) will increase both density and public tax revenues over time and have a huge multiplier effect on the value of surrounding properties;*
- 3) will result in the project site paying more in city property taxes in the 1st year after project completion, than the site paid over the previous 25 years;*
- 4) has been extensively reviewed and approved by City Council in numerous public meetings over 4 years;*
- 5) the City has spent four years and close to \$750,000 dollars working on;*
- 6) fulfills numerous promises made by Council over the last 10 years, in the City's 2025 Plan, Center City Plan, and Parking Plan, to deal with at least part of the parking shortage south of Patton documented by the City's professional parking studies and redress some of the imbalance between 1,500 publicly-owned garage spaces north of Patton and the zero such spaces south of Patton;*
- 7) was such a good idea that it had the momentum necessary to overcome all the obstacles presented by our current economic environment;*

- 8) *will generate jobs in construction, at the hotel, and up and down the street, from the increased economic activity generated by the presence of the project;*
- 9) *has been fully approved by Council over 2 years ago subject only to final word on construction costs and financing;*
- 10) *has now gotten word back that construction costs, thanks to the economic climate, are going to be 2/3 to 3/4 of the City's previous projections and financing looks good and will cost less than originally projected; and*
- 11) *Now, after all that, we are going to choose instead another "project" which doesn't yet exist in any, even preliminary, form, which will possibly involve transit, or possibly sidewalks, or possibly a trolley, which has no known project costs other than guesses, no known funding source, will produce no net revenue and, most importantly in the current economic climate, because it will produce no net revenue, can't support any borrowing without pledging tax money?*