



## Center City Revenue Finance Corporation Board Meeting

To: Center City Revenue Finance Corporation (CCRFC) Board of Directors  
From: DMC Staff, Planning & Development Department  
Date: May 6, 2015  
RE: Parking Garage Proposal- 11 East Butler Avenue

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CENTER CITY DEVELOPMENT  
CORPORATION

CENTER CITY REVENUE  
FINANCE CORPORATION

DOWNTOWN PARKING  
AUTHORITY

DESIGN REVIEW  
BOARD

As an inducement and support for the development of the Tennessee Brewery residential project located at 495 Tennessee Street, and to meet the current and future need for public parking in the area, as a private-public partnership with the Brewery's developer, the DMC staff is proposing support from the CCRFC to fund and develop a public parking garage at 11 East Butler Avenue (or a subdivided parcel thereof). The proposed 4-story, 339-space public parking garage, including the land, is expected to cost no more than \$5,191,125 to build.

The Brewery project will be a mixed-use project. The project involves the renovation of the existing historic Tennessee Brewery building to include 46 apartment units and approximately 13,500 sq. ft. of commercial space. On the same parcel, a new 6-floor apartment building will be constructed to the north of the existing brewery building on an empty lot. The new building will include 90 apartment units organized around a new courtyard space. The total project cost, less the proposed garage, is approximately \$22,931,856.

Conditioned upon approval by the Memphis City Council and the Shelby County Commission, the PILOT Extension Fund is the proposed source of funding. The CCRFC would own the garage. The CCRFC/DPA (as lessor) would enter into a capital lease with 495 Tennessee, LLC (as lessee) which would outline the manner in which the garage would be constructed and operated as a public parking facility, as well as other terms and conditions. The proposed financials for the capital lease are attached. The capital lease would provide the applicant the option of eventually purchasing the garage from the CCRFC.

The DMC commissioned the attached Downtown Memphis Commission Parking Survey- 2015 Tennessee Brewery report. In it, the parking consultant concludes that an additional 200 parking spaces are needed to satisfy long-term demand. They do however state that that number is based on a more conservative approach. In fact the report states that using methodology developed by the Urban Land Institute, the parking demand, inclusive of the Brewery Development, could be as high as 535 spaces. Taking into account that possible higher demand, along with the report's assertion that building a limited number of spaces that can then be added

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on to as needed, though a possibility, would have significant cost implications, has led the DMC and the developers to believe that a garage with the number of spaces as proposed would be a more practical long-term solution to the area's parking needs. This is especially true given the recent unveiling of plans for Central Station.

**Staff recommends funding the construction of a new public parking garage with approximately 339 spaces, as proposed, up to an amount (including land and other soft costs as per the attached estimate) not to exceed \$5,191,125.**

## TN Brewery Garage

Parking Spaces

339

### PROJECT COST

<u>Item</u>	<u>Amount</u>
<b>Acquisition</b>	
Land	\$562,500
<b>Total Acquisition</b>	<b>\$562,500</b>

### Hard Costs

General Conditions	\$212,501
Demolition	\$20,000
Sitework	\$119,759
Concrete	\$2,835,900
Masonry	\$42,000
Structural & Misc Steel	\$175,400
Building Insulation & Waterproofing	\$94,500
Roofing	\$0
Caulking & Firestopping	\$25,200
Doors & Hardware	\$41,200
Finishes	\$35,280
Specialties	\$20,160
Conveying Systems	\$80,000
Plumbing	\$50,400
Fire Protection	\$21,450
Electrical	\$302,400
Permit	\$10,190
Builders Risk Insurance	\$8,173
Overhead & Fee	\$163,781
Contingency	\$170,332
MLG&W Fees	\$25,000
<b>Total Hard Costs</b>	<b>\$4,453,625</b>

### Soft Costs

Construction Management	\$25,000
A&E Fees	\$150,000
<b>Total Soft Costs</b>	<b>\$175,000</b>

**Total Project Cost** **\$5,191,125**

**Cost per Space** **\$15,313**

### LEASE CALCULATION

Years	60
Rate	3.0%

**Annual Payment** **\$186,657**



**DOWNTOWN MEMPHIS COMMISSION  
PARKING SURVEY – 2015  
TENNESSEE BREWERY**



**REPUBLIC PARKING SYSTEM  
633 CHESTNUT STREET, SUITE 2000  
CHATTANOOGA, TN 37450  
423-756-2771**

**REVISED: MARCH-2015**



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## 1. DOWNTOWN MEMPHIS COMMISSION PARKING SURVEY

### SCOPE OF WORK

Republic Parking System was asked by the DMC to survey the parking areas related to the future development project, the Tennessee Brewery development site. Our task was to determine existing parking conditions of the on-street and off-street parking inventory. Furthermore we were tasked to provide data for making future parking demand estimates.

### METHODOLOGY

Over the months of January & February 2015 Republic Parking System employees surveyed all existing on-street and off-street parking inventory. We gathered space count, parking rates and occupancy levels of each parking segment. Physical counts were taken on normal business day activity, normal evening activity and selected event parking activity.

### DEMAND ANALYSIS

Typically the parking mix is determined by the project owner or landlord's need to satisfy parking demand. Parking demand is usually dictated by land use and is often estimated and can exceed or fall short of the actual number of parking spaces in the facility.

### ULI PARKING DEMAND FACTORS

Most demand estimates used in the parking industry uses the Urban Land Institute publication "The Dimensions of Parking" table to estimate general demand from specific demand generator projects. The table follows for your information.

Ranges of Generation Factors						
Land Use	Peak Space Factor		Unit			Short-Term Percentage
Shopping Center > 600,000 sq. ft.	4.50 to 4.50	Spaces	Per 1,000 Sq. Ft. GLA			80%
Shopping Center < 600,000 sq. ft.	4.00 to 4.50	Spaces	Per 1,000 Sq. Ft. GLA			80%
Office	0.50 to 3.00	Spaces	Per 1,000 Sq. Ft. GLA			10%
Office	0.10 to 0.75	Spaces	Per Employee			10%
Medical Center	0.75 to 4.50	Spaces	Per Bed			33%
Medical Center	0.10 to 0.75	Spaces	Per Employee			33%
Industrial	0.67 to 3.50	Spaces	Per 1,000 Sq. Ft. GLA			10%
Industrial	0.36 to 1.60	Spaces	Per Employee			10%
University / College	0.10 to 0.50	Spaces	Per Student			NA
	0.80 to 0.80	Spaces	Per Staff Person			NA
Cinema	10.00 to 85.00	Spaces	Per Screen			100%
Hotel	0.20 to 1.50	Spaces	Per Room			NA
Restaurant	5.00 to 25.00	Spaces	Per 1,000 Sq. Ft. GLA			90%
Residential	0.20 to 2.00	Spaces	Per Unit			NA

Sources : ULI The Urban Land Institute and ICSC, Parking Requirements for Shopping Centers, Second Edition (Washington D.C.: ULI 1999), The Urban Land Institute, Shared Parking (Washington D.C.: ULI 1983), and Barton Acheman Associates for Survey Data



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## 2. TENNESSEE BREWERY DEVELOPMENT SITE

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The Tennessee Brewery redevelopment is located at the intersection of Butler and Tennessee streets in Memphis, Tennessee. It is directly on the bluff overlooking the Mississippi River.

The parking site is located across Tennessee Street.



### STUDY AREA

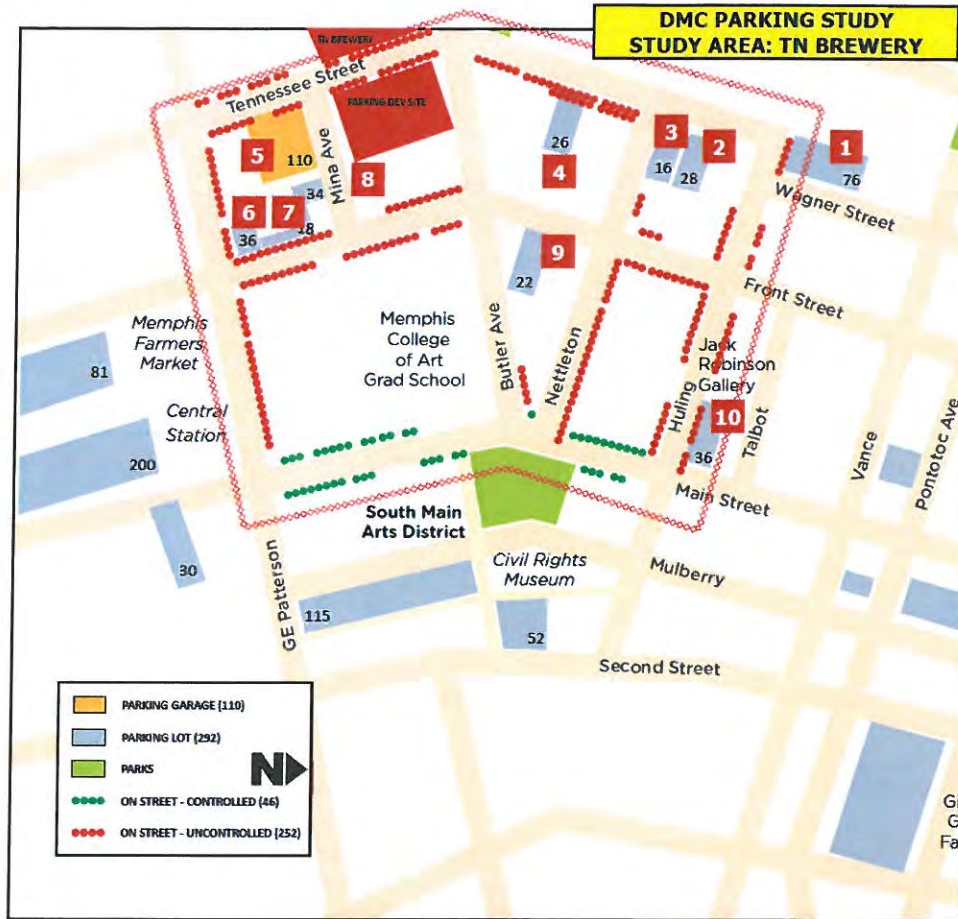
The study area for the Tennessee Brewery on the following map was chosen due to the proximity to the development site on the west side of the study area and the beginnings of the expansion of controlled parking on the east side of the study area at the South Main Arts District.

On the west side of the study area there is a mixed-use area that is heavily weighted towards residential usage with a residential neighborhood with single family homes along with the Lofts at South Bluff.

As you move east through the study area, more retail, entertainment and business locations emerge. As the area gathers momentum in parking usage and more vacant and underutilized areas are developed the uncontrolled or non-paid parking areas will be more heavily used and will require additional controls.

The South Main Arts District is fully two blocks away from the residential development but we wanted to illustrate that these controlled parking areas will grow as the development continues. It will not have an immediate impact on the parking demand for the Tennessee Brewery site, but as parking demand increases the spaces may supplement a larger area farther to the east.





**EXISTING INVENTORY - ON STREET & OFF STREET**

Location	Spaces	Public	Restricted
1. The Old Spaghetti Factory	76		X
2. 421 Wagner Complex	28		X
3. Wagner & Nettleton Apts. Visitors	16		X
4. 460 TN Street Customers	26		X
5. TN Street Lofts Garage	110		X
6. United Warehouse Apts.	36		X
7. The Corkscrew Customers	18		X
8. United Warehouse Apts.	34		X
9. 450 Front Street Permit	22		X
10. Public Parking	36	X	
On Street Spaces - Controlled (Paid)	46	X	
On Street Spaces - Uncontrolled	252	X	
<b>Total Spaces in Survey Area</b>	<b>596</b>		





### **Local Businesses**

Currently the closest business/offices/apartments that are adjacent or across from the brewery include the following businesses.

#### **Self-Tucker Architects**

Self-Tucker Architects is a local architectural firm. We spoke with their receptionist and she said she lives downtown and currently takes the trolley (currently the bus) to work but she thinks the area could use more parking.

#### **Emerge Memphis**

Emerge Memphis is across from the brewery and it's a nonprofit organization that assists people in starting up new businesses. They are located in a four story building. The employee we talked to said some of their employees are using an underground parking garage that is around the corner from their office (still very close). He said if there were other options for parking that were reasonable in price that most would take advantage of it.

We spoke with a lady who was there on business with the Emerge Memphis office and she said that she feels there is a need for additional parking and that she illegally parked when she goes there to conduct her business.

#### **Dry Cleaner**

There is a dry cleaner/laundromat also adjacent to the brewery and one of the ladies we talked said the people who own/manage the cleaner/laundry pay for her parking.

#### **The Lofts at South Bluff**

The Lofts are also on the same side of the street as the Brewery. They have a tenant only parking garage with approximately 110 parking spaces serving 131 Loft Apartments with a mix of different size loft apartments.





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## EXISTING PARKING RATES

Currently there is only one public lot with 46 spaces and 46 on street spaces that charge for parking. The lot is primarily used for event parking and evening parking. Most of the street parking is currently uncontrolled and customers do not have to pay, or observe time limit restrictions.

## OCCUPANCY AT PEAK

### Off Street

The off street spaces are virtually full during peak periods, except for the 36 space public lot on Main Street. The off-street spaces are primarily designated for residents, tenants and visitors to the offices and residential units.

The only public parking lot in the survey area is empty during normal business hours and only attracts customers during peak shopping and special events in the South Main Arts District (Main Street and Mulberry Street areas).

### On Street

Due to the construction in the area, most of the on street parking is full of visitors to the area and construction workers. While there appears to be available parking, it is only outside a two block walking area.

Clearly the on-street spaces will need to be controlled in the future. As the area fills with more residential units and new businesses the on-street spaces will fill up quickly and they will not turn over very fast. Area retail, restaurant and office employees will use these spaces first if they are uncontrolled and free to park without restriction.

## SUMMARY TABLE

### Tennessee Brewery Specific

A typical demand worksheet for this project based on the news media reports of 148 new residential units might look like the following demand table for just the residential portion of the project. If there are ancillary parking needs such as employee parking, retail unit parking, visitor parking etc. then those factors can be added to the specific demand estimate worksheet.

Based on the nature of the area we would assume the demand for parking being on the higher side of the Residential Metric. While there is a public transport component available to the area, that public transport component would only be able to be used for transportation to and from Downtown. All other trip needs would have to be met with taxi, car share or personal vehicle usage. Personal vehicle usage is still the largest component of trip needs so we would assume the higher metric projections.





Ranges of Generation Factors				Project Metrics		Space Demand		
Land Use	Peak Space Factor	Unit	Short-Term Percentage	Metric	Unit	Low	Medium	High
Shopping Center > 600,000 sq. ft.	4.50 to 4.50	Spaces Per 1,000 Sq. Ft. GLA	80%		sq. ft.	0	0	0
Shopping Center < 600,000 sq. ft.	4.00 to 4.50	Spaces Per 1,000 Sq. Ft. GLA	80%		sq. ft.	0	0	0
Office	0.50 to 3.00	Spaces Per 1,000 Sq. Ft. GLA	10%		sq. ft.	0	0	0
Office	0.10 to 0.75	Spaces Per Employee	10%		Employees	0	0	0
Medical Center	0.75 to 4.50	Spaces Per Bed	33%		Beds	0	0	0
Medical Center	0.10 to 0.75	Spaces Per Employee	33%		Employees	0	0	0
Industrial	0.67 to 3.50	Spaces Per 1,000 Sq. Ft. GLA	10%		sq. ft.	0	0	0
Industrial	0.36 to 1.60	Spaces Per Employee	10%		Employees	0	0	0
University / College	0.10 to 0.50	Spaces Per Student	NA		Students	0	0	0
University / College	0.80 to 0.80	Spaces Per Staff Person	NA		Staff Persons	0	0	0
Cinema	10.00 to 85.00	Spaces Per Screen	100%		Screens	0	0	0
Hotel	0.20 to 1.50	Spaces Per Room	NA		Rooms	0	0	0
Restaurant	5.00 to 25.00	Spaces Per 1,000 Sq. Ft. GLA	90%		sq. ft.	0	0	0
Residential	0.20 to 2.00	Spaces Per Unit	NA	148	Residential Units	30	133	296
<b>Total Spaces Needed</b>						30	133	296
<b>Spaces Provided by Other Facilities</b>								
<b>Spaces Needed</b>						30	133	296

Sources : ULI The Urban Land Institute and ICSC, Parking Requirements for Shopping Centers, second Edition (Washington D.C. ULI 1999), The Urban Land Institute, Shared Parking (Washington D.C. ULI 1993), and Earton Acheman Associates for Survey Data

### Area Wide Specific (Estimated)

Based on canvassing of the area and what we can observe, the following area wide parking demand estimation is as follows:

Ranges of Generation Factors				Project Metrics		Space Demand		
Land Use	Peak Space Factor	Unit	Short-Term Percentage	Metric	Unit	Low	Medium	High
Lofts at South Bluff	0.20 to 2.00	Spaces Per Unit	NA	131	Residential Units	26	118	262
Tucker Architects	0.50 to 3.00	Spaces Per 1,000 Sq. Ft. GLA	10%	6,000	sq. ft.	3	11	18
Emerge Memphis	0.50 to 3.00	Spaces Per 1,000 Sq. Ft. GLA	10%	60,000	sq. ft.	30	105	180
Spaghetti Warehouse	5.00 to 25.00	Spaces Per 1,000 Sq. Ft. GLA	90%	5,000	sq. ft.	25	75	125
Various Office	0.50 to 3.00	Spaces Per 1,000 Sq. Ft. GLA	10%	12,000	sq. ft.	6	21	36
Various Residential	0.20 to 2.00	Spaces Per Unit	NA	100	Residential Units	20	90	200
Various Retail	4.00 to 4.50	Spaces Per 1,000 Sq. Ft. GLA	80%	3,000	sq. ft.	12	13	14
Tennessee Brewery	0.20 to 2.00	Spaces Per Unit	NA	148	Residential Units	30	133	296
<b>Total Spaces Needed</b>						152	565	1,131
<b>Spaces Provided by Other Facilities</b>						596	596	596
<b>Spaces Needed</b>						(444)	(31)	535

It is clear that there will be a time in the future when parking demand will exceed supply if there is no further parking development. What is not clear at this time is if the occupancy of the potential residential, retail and office space is at present, and what time frame it may take to build up sufficient demand to justify the investment necessary to build out the parking spaces.

This may be a very clear development opportunity to build a limited number of spaces necessary to meet current demand with the ability to “add on” spaces later, if necessary. However, there are cost implications for that as well such as enhanced construction costs for the lower floors in the initial build out phase.

At the highest end of the demand curve we see that 535 additional spaces will be needed provided the area is operating at full capacity and the Brewery Development is complete. If further, additional development occurs then this demand estimation may go up, provided no new parking is developed for the area. We have not observed demand in Memphis to be at the very high end of the scale so we would recommend a more conservative approach in the mid-range between Medium – High scale. We believe, with full occupancy in the area, an additional 200 spaces is needed to satisfy long term demand.