

Downtown Montgomery

Building Permits & Projects Report

2014-2018

February 2, 2019



City of **Montgomery**

DEPARTMENT OF ECONOMIC &
COMMUNITY DEVELOPMENT

TABLE OF CONTENTS

Introduction	1
Downtown Study Area	2
Building Permit Data	4
Top Projects	6
Featured Major Projects from 2014-2018	8
New Construction Projects:	
Columbus Square Housing	9
The Heights Apartments	10
79 Commerce Building	11
Staybridge Suites Hotel	12
National Memorial for Peace and Justice, Memorial Garden and Memorial Center	13
Renovation Projects:	
The Kress Building	14
The Bell Building	15
Embassy Suites Hotel	16
The Belk Building	17
SpringHill Suites Hotel	18
Looking Ahead	19

LIST OF TABLES

City of Montgomery Downtown Study Area Map	2
City of Montgomery TIF District Map	3
Number of Building Permits Table 2014-2018	4
Value of Permits in Downtown Study Area 2014-2018	5
Highest Downtown Study Area Single Value Permits by Year	5
Top 12 Highest Value Multi-Permit Projects	6
Map of 12 Highest Multi-Permit Projects	7
Overview Table of Number, Value and Percent of Total City Permits and Projects	19

Introduction

We are pleased to provide the following report about building permits in Downtown Montgomery covering the January 2014 through December 2018 period. The data presented here describe the number of City building permits issued and the estimated construction value of those permits during the most recent four-year period. The report provides data that can be independently verified and replicated thanks in part to Open Data Montgomery, a new web-platform comprising high value data published in an engaging and open format available free to the public at <https://data.montgomeryal.gov/>. With the City of Montgomery's new Open Data Montgomery approach, this is information that others – for example, future investors, banks, researchers – can also access.

Montgomery's downtown revitalization has now firmly taken hold. In the early 2000's, publicly-funded, catalytic projects like the Riverwalk Stadium, the Riverfront Park and Amphitheatre, the Cramton Bowl, and the Multiplex were – and remain – critically important to the story of Downtown's rebirth. In 2019, the narrative about downtown revitalization is clearly not an anecdote, nor is it based on public dollars. **Over \$169 million in reported construction values were invested in Downtown from 2014 to 2018. That sum is nearly 16 percent of the \$1 billion invested City-wide in that time period.**

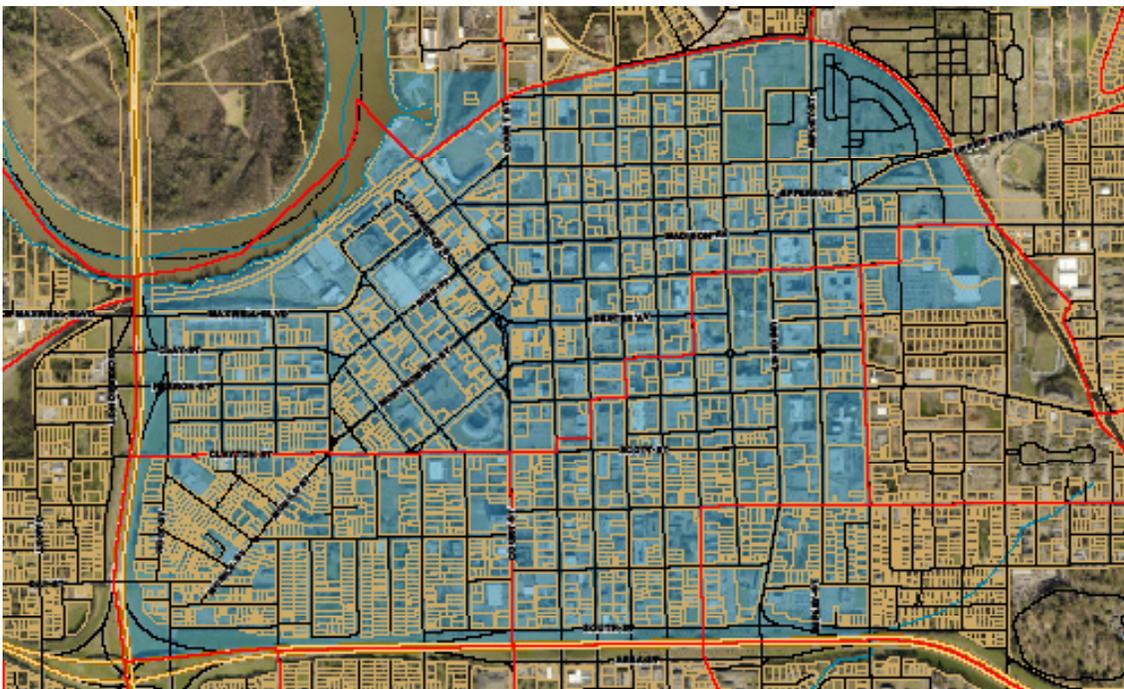
This report covers only permitted, Downtown construction projects. While there were and continue to be substantial street/streetscape and utility projects, those are excluded. Investments related to equipment are also not included. In addition, there are no property acquisition costs included, nor are any soft costs or other property development related professional services included. These costs would represent significant private investments in and of themselves. However, these data are not consistently available across all projects. Finally, several large private construction projects pre-date the period reviewed in this report but are not included, for example, between 2009 and 2013, including those on Commerce Street and Dexter Avenue.

Explanations are summarized as needed in the report pages to follow. We are confident that there is a continued bright future ahead for Downtown Montgomery and we look forward to updating and providing this information annually going forward.

Downtown Study Area

The report's data compilation began with the creation of a Downtown polygon in which to search for applicable real property parcel records. In the Open Data Montgomery project, permits are geocoded by parcel number in order to be mapped.

Open Data Montgomery is the City's robust catalogue of publicly accessible and interactive data that increases transparency and fosters greater accountability. The City's press release (<http://www.montgomeryal.gov/Home/Components/News/News/1333/193?npage=7&arch=1>) describes Open Data Montgomery as a tool to enhance overall effectiveness and efficiency of departmental operations when used internally. The initial offerings on the platform include interactive maps, charts and graphs built on comprehensive datasets comprising demolitions, permits, inspections, 3-1-1 service requests, street paving and more. Like most digital resources, especially those providing real-time information, the portal will constantly evolve as the City releases new data from different departments as they become available in the required format.



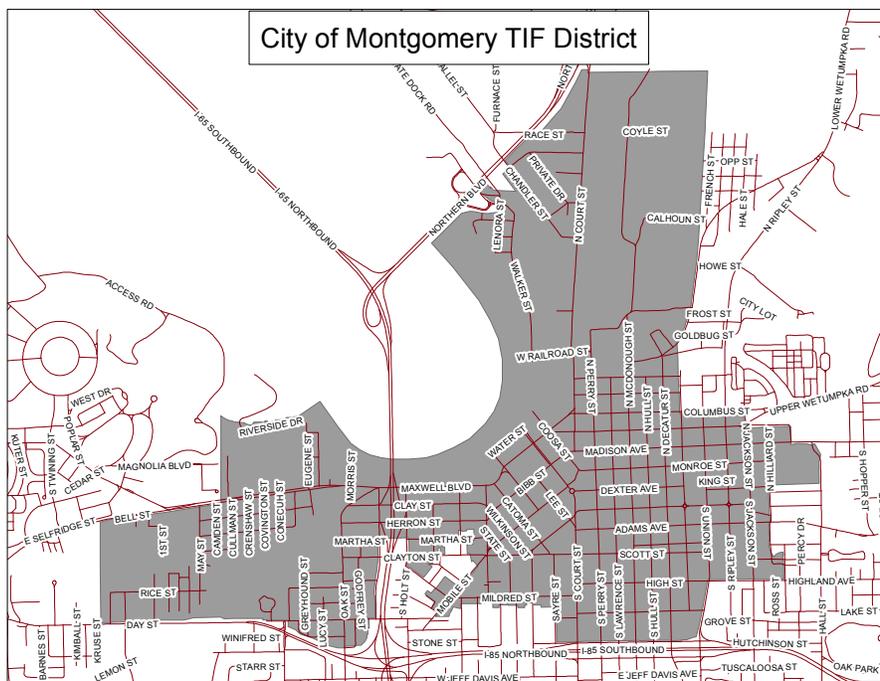
City of Montgomery Downtown Study Area Map, Building Permits Report

The *Downtown Montgomery Plan (2007)* area drives our Study Area boundaries by focusing in on those areas now defined by “SmartCode” zoning. Interstate 65 is the easternmost edge and Interstate 85 is the southernmost edge. This area, delineated in the Study Area Map on page 2, provides a great base from which to compare into the future as revitalization continues. While City-wide, zip code specific, and individual property data are now accessible on-line, we worked with the GIS Analyst team to create the Downtown-specific polygon (shown on page 2) within which to focus this report to ensure that hard, specific numbers were available to support and demonstrate Downtown’s growth.

Three areas were considered for inclusion but are not part of this report. First, the Study Area leaves out the Centennial Hill and Oak Park areas in the southeast of Downtown. This means we are missing large recent projects, including the Centennial Hill Plaza housing development and any renovations in the vicinity of Jackson Hospital.

Second, the Study Area leaves out Maxwell Boulevard, west of Interstate 65. The City owns a substantial amount of property in this area. While much of this City property is “SmartCode” zoned, and this area is included in the Downtown Tax Increment Financing (“TIF”) District, we determined the area could be included in the future should redevelopment begin.

Finally, the Study Area leaves out large area in the north of downtown, despite this area also being inside the TIF District boundary. See below for the TIF District boundaries for a comparison with the Study Area boundaries for this report.



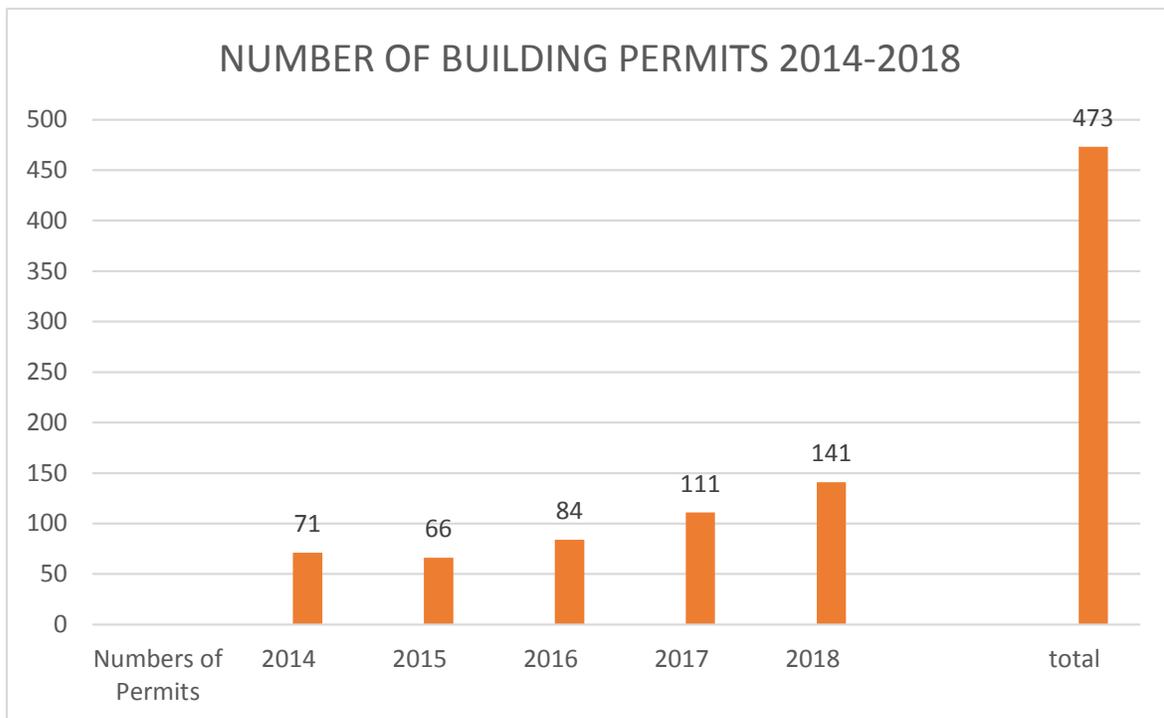
Building Permits Data

From January 2014 to the end of December 2018, there were four hundred seventy three (473) building permits issued. That number comprises distinct, trackable permits. It includes building permits for grading; there were nine of them downtown during this time. In order to issue a grading permit, there has to be significant excavation and most downtown projects did not have that level of ground disturbance. The 473 building permits do not include any Mechanical, Plumbing, Electrical, or Gas Permits.

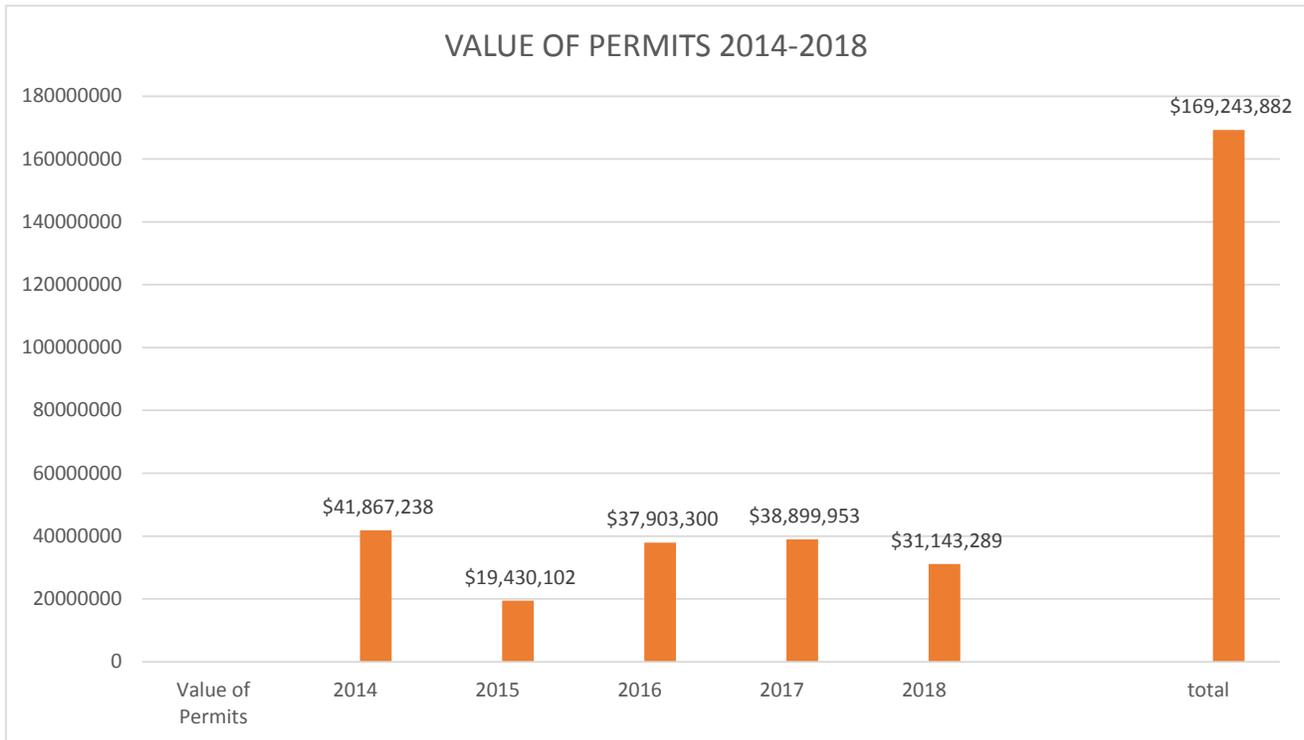
Building permit records include the property parcel number and property address. If there were to be an error made in data entry, then the building permit would not come up in this report, though it would still be expected to be on the Open Data system as an individual permit. The work involved in reviewing and sorting of the entire City list – some 10,707 permits – to verify these numbers was substantial. As this is the first year running this report, we have confidence in 473 being the low or conservative number for Downtown permits.

If a person or entity should be doing work without a building permit, it is not included in this report. Finally, an important disclaimer is regarding the valuation of construction work. When the owner or contractor requests a building permit, they provide the estimated value of the work, which in turn drives the fee that is assessed for the permit. It is possible that some self-reported estimates are low; so again, we have confidence in this being the conservative number.

Across the five years we studied, the year 2018 saw the highest number of building permits: 141 of the 473 total permits.



Value of Permits in Downtown Study Area 2014- 2018



Across the five years we studied, there was more than \$169 million in permitted construction value. The year 2014 saw the highest valuation of building permits, at nearly \$42 million in construction cost estimated value. The single highest project in that year, The Heights project at 605 Maxwell Boulevard, was the major driver of estimated construction cost value in 2014.

The highest value projects based on single building permits issued for each of the five years that we studied are identified in the table below.

Highest Downtown Study Area Single Value Permit by Year

2014	The Heights, 605 Maxwell Boulevard
2015	The Montgomery Municipal Justice Center, 1001 Madison Avenue
2016	The Kress Building, 39 Dexter Avenue
2017	The Bell Building, 207 Montgomery Street
2018	Columbus Square Phase Two, 777 Columbus Street

Top Projects from 2014-2018

In the table (previous page), the highest estimated construction value single building permit is shown by year. That noted, many major projects span calendar years. Sometimes this occurs because of the phasing or components of projects; sometimes this is occurring because items like building signage and tenant improvements are permitted separately for a project/property with the same address and parcel number.

The highest twelve (12) multi-permit, multi-year projects by address are described in the section below as “Featured Major Projects” during the January 2014 to the end of December 2018 timeframe. The top twelve projects range from just over \$3 million to nearly \$24 million in estimated construction value, with Columbus Square as the largest total multi-year project.

Top 12 Highest Value Multi-Permit Projects

1. Columbus Square, Phase 1 and Phase 2	\$23,998,240.00
2. The Kress Building	\$18,843,000.00
3. The Heights	\$18,631,000.00
4. The Bell Building	\$14,201,470.00
5. RSA Building, 445 Dexter	\$12,863,400.00
6. 79 Commerce Building	\$10,458,000.00
7. Staybridge Suites	\$10,154,000.00
8. National Memorial for Peace and Justice, Memorial Garden and the Memorial Center	\$ 9,700,700.00
9. Montgomery Municipal Justice Center	\$ 4,849,000.00
10. Embassy Suites	\$ 4,237,840.00
11. The Belk Building	\$ 4,158,800.00
12. SpringHill Suites	\$ 3,103,000.00

TOTAL **\$135,498,450.00**

Percent of Total Downtown Permit Value **80.06%**

Locations and Distribution of Top 12 Projects 2014-2018

The distribution of the highest twelve (12) multi-permit, multi-year projects – during the January 2014 to the end of December 2018 timeframe – is scattered across different areas Downtown. They represent a good mix of new construction and renovation projects. They represent a good mix of hospitality based projects, public building projects, and development projects that resulted from the sales of strategic, City-owned properties. These are strategic properties conveyed to developers committing to private investment through development or rehabilitation agreements with the City.



Locations and distribution of top twelve highest value multi-permit projects.

Featured Projects

The following section of “Featured Major Projects” during the 2014 to 2018 timeframe illustrates the mix of types and investors, scale and scope of Downtown investment. They range from just over \$3 million to nearly \$24 million in estimated construction value.

The New Construction Projects include Columbus Square Housing, The Heights Apartments, 79 Commerce Building, Staybridge Suites Hotel, and the National Memorial for Peace and Justice, Memorial Garden and Memorial Center.

The Renovation Projects include the Kress Building, The Bell Building, Embassy Suites Hotel, The Belk Building, and the SpringHill Suites Hotel.

To follow is more specific information and photographs of these projects.



New Construction, Residential

Columbus Square Housing, Phase 1 and 2 645 and 777 Columbus Street \$23,998,240 estimated value of construction

The Montgomery Housing Authority had the old Trenholm Court apartments torn down in 2011, removing what was perceived as a significant blight on this northeast corner of Downtown.



The new project on that site is called Columbus Square. Phase 1 and Phase 2 have been completed. Combined, these two phases represent the largest multi-year, multi-permit construction project in downtown with a cumulative estimated value of construction listed at \$23,998,240. Phase 2 construction alone was also the largest single building permit downtown in 2018 as of early November at \$13,498,240.

There are 80 residential units completed. At full build out across four or five phases, there are an announced 240 residential units expected, with a mix of apartments and townhomes.

This is a quality built and attractive project, with a long waiting list of residents and families wishing to live there. This many new units would be expected to provide a significant impact on the downtown market; the project is easy walking distance to the State Capitol Complex and central downtown.



New Construction, Residential

The Heights
605 Maxwell Boulevard
\$18,631,000 estimated value of construction

The Heights Montgomery apartment building was the largest single building permit in 2014. Adding in the grading work, pool, and signage, this project is the third largest total multi-year, multi-permit project in Downtown in recent years with \$18,631,000 cumulatively in total estimated construction values reported in those permits.



The project is new construction, with 164 residential units. The apartments are all one and two bedrooms with quality finishes; there is a swimming pool and fitness center. The Heights overlooks the Alabama River and is footsteps from the newly upgraded Wright Brothers Park, the EAT South Downtown Farm, and is an easy walking/biking connection to the core of downtown.

The City of Montgomery sold the property to River View LLC, an assignee of StoneRiver Company, in September 2014 for \$643,313 with a Development Agreement and timeline for construction.



NON-BINDING CONCEPTUAL RENDERING
MAXWELL EAST APARTMENT DEVELOPMENT
MONTGOMERY, ALABAMA
STONERIVER COMPANY | WILLIAMS-BLACKSTOCK ARCHITECTS
MARCH 11, 2014

New Construction, Mixed Use

79 Commerce Building, 79 Commerce Street \$10,458,000 estimated value of construction

Located at the prominent corner of Commerce and Bibb Streets, the 79 Commerce building opened in October 2015. It is a quality built project that went through the City's Architectural Review Board because it occupies the location of the historic Gay-Teague Hotel. That old, ten-story hotel became known as the Frank Leu Building; it was imploded in 1997. The property sat as a parking lot for the next 17 years.



79 Commerce is a four-story, multifamily residential building with 54 units. There are 45 one-bedroom and 9 two-bedroom/two-bath units ranging from 740 square feet to 1185 square feet. This is new, mixed use construction, with some 15,800 square feet of retail. Ground floor restaurants include the large, corner Mellow Mushroom and a Wet Willies.

Because of the grading work, substantial tenant improvements work, and signage, this project is the sixth largest total multi-year, multi-permit project in Downtown in recent years with \$10,458,000 cumulatively in total estimated construction values across all of those individual permits.

The City of Montgomery sold the property at 79 Commerce Street to CBD Montgomery in May 2013 for \$250,000 with a Development Agreement and expectations regarding construction and project delivery.



New Construction, Hospitality

Staybridge Suites Hotel, 275 Lee Street \$10,154,000 estimated value of construction

The Staybridge Suites Hotel at the corner of Bibb and Lee Streets is a new, five-story hotel with 115 guest rooms expected. It is under construction at the time of this report with an opening date in 2019.

The project has a grand, urban, glassed area on the pedestrian level and it is directly across from the Montgomery Performing Arts Center and Conference Center. Parking is tucked strategically behind the building, and there will be a pool and fitness center for guests.



With construction and grading this project is the seventh largest total multi-year, multi-permit project in Downtown with \$10,154,000 to date in total estimated construction values as part of those permits.

The site of a former, small urban City skate-board park. There were initially concerns raised when the property was sold by the City for development. The opening of a new, larger skate park near Gunter Park has largely mitigated these complaints. The City of Montgomery sold the property at 301 Bibb Street to KMB Alley, LLC, in November 2015, for \$300,000 with a Development Agreement and expectations for construction.



New Construction, Civic and Commercial

National Memorial for Peace and Justice, Memorial Garden and Memorial Center 417, 403 and 414 Caroline Street \$9,700,700 estimated value of construction

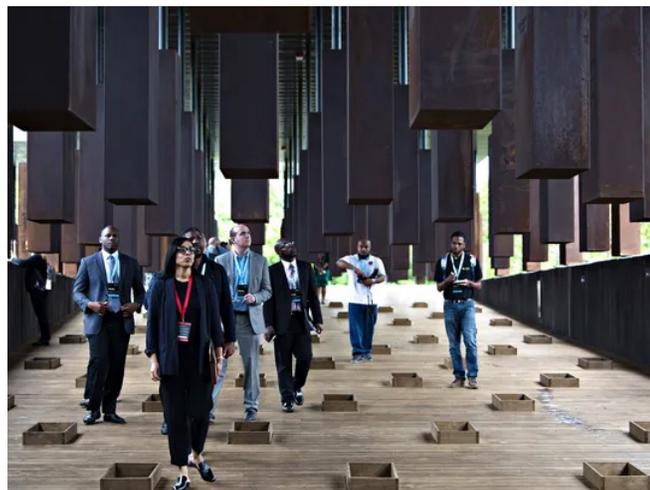
The National Memorial for Peace and Justice is a new civic space dedicated to honoring the victims and reflecting on the tragedy behind the more than 4,000 documented extra-judicial lynchings of African Americans that occurred throughout the United States from 1877 to 1950. Its very moving message, art and architecture have earned international recognition and extensive national media attention. The development is part of the Montgomery-based nonprofit Equal Justice Initiative's ("EJI") work to bring awareness, healing and resolution to issues around mass incarceration and racial inequities in the country.



The National Memorial for Peace and Justice and the adjacent Memorial Garden opened in April 2018. They have received a reported 300,000 visitors by December 2018. The Memorial Center will be a large, state-of-the-art auditorium, café, and gift shop space. It is expected to open in early 2019. There is no doubt that the project has had significant impact on downtown and will likely spur revitalization more to the south and west of the traditional core.

Adding in the grading work, construction and combining these three EJI projects together, these projects represent the eighth largest total multi-year, multi-permitted construction in Downtown across recent years with \$9,700,700 in total estimated construction values for all those permits.

The City of Montgomery sold the property at 417 Caroline Street in September 2015 for \$276,800 and at 414 Caroline Street in June 2017 for \$100,000 to Equal Justice Initiative with Development Agreements and expectations for construction.



Renovation Project, Mixed Use

The Kress Building, 39 Dexter Avenue
\$18,843,000 estimated value of construction

The Kress Building is a spectacular renovation of an historic 1929 art deco building in the heart of the Court Square-Lower Dexter Historic District. It provides some 33 residential units on the upper two floors of an estimated 32,000 gross leasable commercial space. It was re-platted together with adjacent properties fronting Dexter Avenue and Monroe Street, with new construction and elevators in those areas.



The Kress Building renovation was the largest single building permit in 2016. Adding in the foundation work, signage, and substantial tenant improvements – for example at the Prevail Union Coffee Shop -- this project is the second largest total multi-year, multi-permit project in Downtown across recent years with \$18,843,000 cumulatively in total estimated construction values as part of all those building permits.

The City of Montgomery sold the property to ELSAJA 35 Dexter, LLC, and ELSAJA 39 Dexter, LLC, in September 2014 for \$125,000 and \$430,000, respectively. Rehabilitation Agreements define expectations for renovation, including key elements of the original building that were called out by the City as required for preservation. These add to the property’s unique charm and place in the historic district; for example, its plasterwork, rounded storefront windows, and even a large marble carving labeled with the words “Colored” and “White” allowing visitors to reflect on the past era of segregated water fountains.



Renovation Project, Residential

The Bell Building, 207 Montgomery Street \$14,201,470 estimated value of construction

This twelve-story building was the city's tallest structure when it was built in 1910. It is a lovely, ornate building with extensive cast iron details. When complete, there are expected to be 88 units of residential housing, largely one and two bedrooms. The property began marketing floor plans in fall 2018 and attracted extensive local media interest. Residents are expected to start to move in, floor by floor, perhaps in summer 2019.



The Bell Building renovation was the largest, single building permit of 2017, at \$14,201,470 in estimated construction value for that permit. It is still under construction as of this report. It is expected that there will be additional permits issued, related to streetscape, exterior work, signage, and tenant improvements. It is currently the fourth largest total project in Downtown. A newspaper article from November 2017 suggested that the renovation could approach \$25 million, which, at that time, would make it the largest project in Downtown.



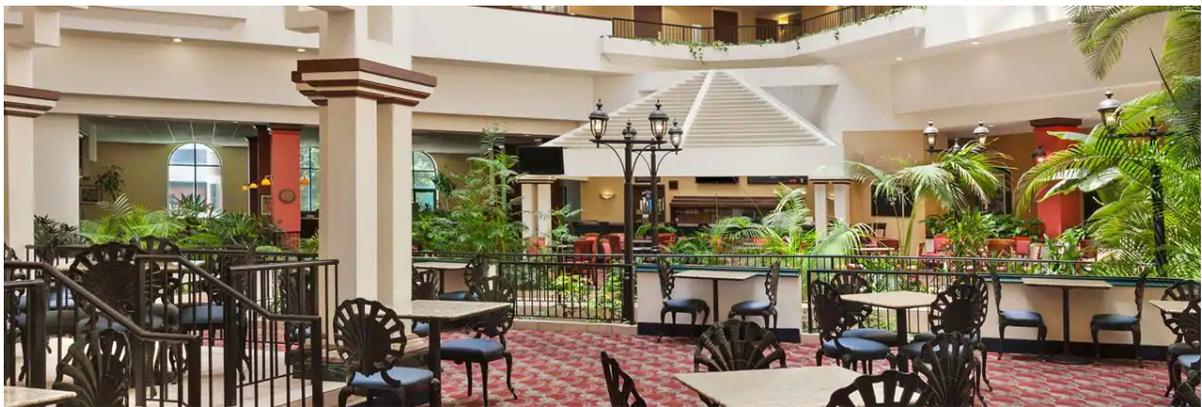
Renovation Project, Hospitality

**Embassy Suites Hotel, 300 Tallapoosa Street
\$4,237,840 estimated value of construction**

The existing Embassy Suites Hotel is centrally located at Tallapoosa Street just in front of the historic Union Station building. It has over eight floors, 237 rooms, 15,000 square feet of meeting space, business center, fitness center, pool, and restaurant.



With renovation work and signage occurring at this address in 2016, 2017, and 2018, the private investment reported on this property makes it the tenth largest total multi-year, multiple permit renovation in Downtown with \$4,237,840 cumulatively to date in total estimated construction values as part of those permits.



Renovation Project, Mixed Use

District 36 Lofts, 36 Dexter Avenue

The Belk Building

\$4,158,800 estimated value of construction

The Belk Building is at 36 Dexter Heart of the Court Square-Lower Dexter Historic District and is directly across from the Kress Building. Rebranded as District 36 Lofts, this is a mixed-use renovation project with 28 units of residential on the upper floors and commercial spaces available on the first and basement levels. Commercial restaurants Momma Goldberg's and Frios Pops popsicle treats are operating and are well known in the City. Residential units are one and two bedroom units, with exposed brick and century-old pine floors.



This renovation was the largest single permit in 2015 at \$2,850,000 in estimated construction value. Work permitted to this address also include multiple signage, tenant improvements and work on the adjacent City alleyway, creating required egress for tenants and a passageway to the City Parking structure to the south. With those included, the private investment at this address is the eleventh largest total multi-year, multi-permit project in Downtown across recent years with \$4,158,880 in total estimated construction values as part of all those building permits.



Renovation Project, Hospitality

**SpringHill Suites Hotel, 152 Coosa Street
Bishop Parker Building
\$3,103,000 estimated value of construction**

This renovation project is a four-story, historic building in the Lower Commerce Historic District. The building is very ornate and has extensive cast iron details and was used as a showroom for furniture sales for many years. It is very well located across from the Riverwalk Stadium and the Alley Entertainment area. When renovation is complete, there are expected to be 135 hotel rooms opening as a new SpringHill Suites Hotel. The property renovation kick-off ceremony attracted extensive local media interest. It is expected to be complete in 2019.



The Bishop Parker Building renovation is the twelfth largest multi-permitted project with \$3,103,000 in estimated construction value its two permits. It is still under construction. It is not known if there will be additional permits related to streetscape or signage before it opens.



Looking Ahead

Our assessment of 2014 to 2018 construction and development activity in Downtown Montgomery yields the following information:

	Downtown Study Area	City as a Whole	Downtown as a % of the City
Unique Building Permits	473	10,707	4.42%
Estimated Cost of Construction from the Permits	\$169,243,882	\$1,067,315,074	15.86%
	Top 12 Addresses Downtown Study Area	Top 12 as a % of Downtown	
Estimated Cost of Construction from the Permits	\$135,498,450	\$169,243,882	80.65%

Looking ahead, we expect Downtown Montgomery’s revitalization to continue. In spite of that \$169 million in estimated construction value in recent years. There remain many parcels and buildings ripe for investment. Revitalization will continue emanating out from what is perceived as the traditional Downtown “core” at the Alley and along Commerce Street, to the north above Madison Street, to the west along Bibb Street, and to the south below Clayton/Scott Street. Even in the heart of Dexter Avenue, which has seen so much investment recently, there remain buildings and properties that have not yet been renovated, including for example, at One Court Square, 71 Dexter Avenue, and 100 Dexter Avenue.

The impact of the Equal Justice Initiative’s investments are only starting to be seen. Within the Downtown Study Area, we would expect investment in Five Points and Cottage Hill to increase as a result of the Memorial project. Looking years out, along Mobile Street, as of 2018, the City owns some fifty-plus parcels that it expects to convey in order to see private development occur.

The first two phases of Columbus Square are completed, adding 80 units of downtown housing. Another two or three phases are planned to come in the next couple years as the remaining 160 units are constructed.

Another reason to be optimistic about Downtown is the catalytic potential of the remaining strategic sites of yet unsold eCity-owned land. Nearly three full blocks were owned along Columbus Street, north of Madison Avenue. In

mid-November 2018, the first of those blocks sold to the Equal Justice Initiative for a new project. As of December, the second of those blocks went under contract to a regional developer for another potential new private development project.

In future years, City Staff preparing this report may consider using all or part of the Downtown TIF District as a boundary for building permits. This would enable consideration of the large amounts of currently vacant land along Maxwell Boulevard. This would also enable consideration of areas to the north of downtown. As the Western Railyard redevelopment advances, and as a planned public trail system extends across the Cypress Inlet, the potential for revitalization of the many currently industrial or vacant properties along the Alabama River also increases.

Future reports might also compile the large amount of tenant improvements work inside the RSA-owned building at 445 Dexter Avenue, 201 Monroe Street, 100 N Union, Street and 770 Washington Avenue. Finally, all of Downtown Montgomery is now included within the designated “Opportunity Zone” census tracts. This federal tax incentive allows investors to put unrealized capital gains into Opportunity Funds dedicated for investing into these Opportunity Zones. As of the end of 2018, we are just beginning to spread the word about this new incentive and work to help match projects with investors, and investors with projects. The future is bright and we look forward to reporting on more investments in the upcoming years.

We invite your feedback on the report and suggestions for improvements in future years.

