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## MEMORANDUM

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To: Our Town Manager

From: Polly C. Analyst

Date: February 7, 2010

Re: Cost Benefit Analysis for Downtown Shopping District Investment Options

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### Executive Summary

Our Town wishes to invest in upgrading the downtown shopping district. This project has the support of town residents as they are looking forward to a more vibrant and pleasant downtown. The Town supports the residents' quality of life interests but in order to ensure delivery of expected services must focus decisions on revenues that support these services. Key revenues as they relate to the downtown shopping district upgrade come from sales and business tax revenue generated by the restaurants, retail and other business.

Eight options were considered:

Increased police presence	Downtown trolley service
Building a parking garage	Sidewalk cleanup project
Creating a pedestrian zone	Downtown branding project
Advertising cooperative for merchants	Shopping area beautification

An analysis using specific default levels of implementation to determine feasibility points to the parking garage as the best option, producing the highest net benefit: \$700,000. All other options with the exception of increasing police patrols are feasible at the default level.

The budget constraint of \$800,000 allows for construction of the garage, creation of the pedestrian zone and the cleanup. These provide a net benefit of \$1,425,000.

If multiple projects can be undertaken on different scales with a budget constraint of \$800,000, the garage and the advertising coop will provide the best net benefit \$1,850,000.

Staff recommendation is to build the Garage and initiate the advertising coop based on the higher level of net benefit which is achievable within the \$800,000 budget constraint.

### Analysis

As requested by Council, this report provides details on:

- Assessment of each project's feasibility at default levels provided by Council
- Assessment of each project's optimal level of implementation
- Recommendation of the best project at the default level
- Recommendation of best project(s) at default level, with a budget of \$800,000
- Recommendation of the best project(s) at optimal levels, within budget of \$800,000