

1. Name of Municipality: City of Burlington
2. TIF District Contact Person:

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3. Date Application is Expected to be Filed: October 1, 2009
4. TIF District Boundaries:

The boundaries of the proposed TIF district are indicated on the attached map, in red. The proposed district is roughly the southern two-thirds of the City's Downtown Improvement District (from Bank Street south), described in Burlington's 2006 Municipal Plan as being "the portion of the downtown area where much of the City's future development and public investment is desired and will be concentrated." (The Downtown Improvement District in turn generally conforms to the boundaries of the "Downtown Development District" as designated by the VT Downtown Program). The proposed TIF district differs from the Downtown Improvement District in that the TIF district includes a few additional underutilized and/or industrial properties on the south end of the downtown waterfront, notably the parcel near Perkins Pier currently used for surface parking, and much of the Vermont Rail Yard.
5. Infrastructure Improvements:

Burlington is considering a variety of public infrastructure improvements, which, if implemented, would encourage the development, and/or revitalization of several properties by private developers. Our full application will demonstrate that available financing mechanisms are insufficient to build these proposed improvements, and the private developments incited will generate incremental property taxes to help finance infrastructure debt.

Many of the improvements being considered involve the construction of strategically located structured parking. Not only are parking requirements for downtown sites often a primary factor in determining a project's financial feasibility, but access to public parking is both essential to Burlington's economic vitality as well as an antidote to sprawl development.

TIF financing will be used to finance both municipally owned parking structures and/or help finance privately owned structures in exchange for public parking rights. Public participation in these projects will not only ensure replacement of surface spaces that would be lost to private development, but it will also result in net new public parking. Public participation will also encourage the private developments to proceed by enhancing their financial viability. Examples of these projects include the “Super Block,” Banknorth Block, and Brown’s Court (described in more detail in the response to question #6).

These three projects will likely also require additional TIF-financed public infrastructure, for example, storm water improvements to mitigate impact on Lake Champlain water quality (separating storm water from waste water, constructing storm water retention tanks, and minimizing surface run-off). Other TIF-financed improvements could include pedestrian and bike amenities, signalization, reconfiguring intersections, improving streetscape amenities, street lighting, and public transit infrastructure, and undergrounding utilities.

TIF financing could also be used to address deferred maintenance at several existing City-owned parking structures. Failure to adequately maintain these existing public assets could jeopardize the long term economic viability of the proposed TIF district, whereas properly maintaining them would be an incentive for further private investment in the downtown.

TIF financing could be used for the upgrade of the Church Street Marketplace and Side Streets Project, to replace deficient infrastructure, ensure safer pedestrian and vehicular flow, and improve connectivity between Church Street and the surrounding streets. Investment in this infrastructure has proven to attract private capital and enhance the vitality of Burlington’s downtown by keeping it a vibrant, safe place with ample economic opportunities.

Lastly, the proposed TIF district includes underutilized industrial properties on the south end of the downtown, including much of the Vermont Rail Yard. Although this area is not in the state-designated Downtown Development District, we include it for several reasons. First, if the Lake Champlain Transportation site (located on the southern edge of the existing waterfront TIF district) is to be redeveloped, it will require public infrastructure investment in nearby parcels, some of which are outside the district. Infrastructure improvements could include upgrades to public roadways, pedestrian amenities, storm water, signalization, and construction of parking that would serve not just the hotel but other waterfront functions as well. Second, the much desired relocation and redevelopment of the Vermont Railroad rail yard will not happen but for investment of public infrastructure, which would

yield enormous local and statewide economic benefits. Third, relocation of the rail yard would allow the city to construct the last leg of the Champlain Parkway – which could be partially financed with TIF revenue. This significant investment in transportation infrastructure is directly linked with the economic vitality of the entire downtown. Lastly, while these properties are not currently in the state designated downtown district, the city intends on applying on enlarging the district to include this area, and in the meantime we note that all of the properties are in the city’s Smart Growth District.

6. Real Property Development:

Having administered a TIF district for many years, Burlington has well established TIF policies and guidelines that will ensure proper consideration and selection of TIF-financed projects in the new district. For instance, all projects must meet certain thresholds – primarily that the project would not go forward “but for” the tax incremental financing – before a commitment is made by the City to finance infrastructure improvements. Based on preliminary discussions with owners of targeted properties located within the proposed district, there are several real property developments that are expected to occur because of the infrastructure improvements described above. These include:

- “Super Block:” An extensive re-development of the block bordered by South Winooski, Main, South Union, and College Streets, currently consisting of several municipally-owned surface lots, the central fire station, public library, Memorial Hall, and a few privately held parcels (including the vacant and deteriorating Mid-Town Motel). Identified as a prime area for downtown revitalization efforts, the private developer who owns the motel proposed a plan more than four years ago to construct new office, retail and hotel space, as well as a shared parking facility that would serve the downtown core area. The project could include up to 300 public parking spaces, strategically located on the southeastern corner of the downtown core. This project has enormous potential to focus development in a designated downtown, enhance employment opportunities, create a variety of new tax revenue for the City and State, and relieve vehicular congestion by capturing cars before they enter the downtown core.
- Banknorth Block: Market rate condos at the Hinds building are complete, two historic houses have been rehabilitated, and construction is complete at the affordable housing and office building developed by the Champlain Housing Trust. The next phase is contemplated to include the renovation and adaptive reuse of the historic Armory Building, construction of office space and possibly a hotel, and a shared parking facility that would service the development as well as downtown commercial district. The public interest

would also be served by providing an incentive to complete the revitalization of this long-underutilized block, creating many permanent employment opportunities, and generating significant gross receipts and sales revenues. However, it is questionable whether the next phase can proceed without public sector participation. Even if it did proceed, it would happen in a significantly different and less desirable manner, as it would be a lost opportunity to create up to 100 public parking spaces on the southern edge of the downtown core, where there currently are few parking options.

- Browns Court: A municipally-owned surface parking lot since 1954, this downtown parcel has been identified by the City for high-density, mixed-income housing (possibly with nonresidential uses on the first floor). This project will address the on-going shortage of housing – particularly affordable housing – in downtown Burlington, and will remediate a known brownfield. Previous attempts at developing a viable plan for this parcel have failed for a variety of reasons, including the requirement that the project have a minimal impact on the existing public parking on the site.

As was mentioned in the response to question #5, there are plans to redevelop the LCT property located in the existing TIF district. This project, which involves the construction of a locally-owned waterfront hotel, restaurant, and marina, would clearly strengthen the economic vitality of the city and region. However, some of the required infrastructure will need to be built outside the existing TIF district, and just outside the state-designated Downtown District. However, all of the properties included in the proposed TIF district are in the city's Smart Growth District.

Clearly, relocating the Vermont Railroad rail yard creates enormous real property development potential. At the very least, construction of the Champlain Parkway “spur” is essential not just to ensure the economic vitality of the downtown business district, but to protect quality of life in low-income neighborhoods in the King and Maple Street areas.

#### 7. Status of Municipal Approval:

- In September 2008 the city of Burlington forms a TIF working group, comprised of officials from CEDO, the Planning and Zoning Office, Assessor's Office, Chief Administrative Officer, and City Attorney's Office.
- On September 19 2008, the working group meets with VEPC Executive Director Fred Kenney to discuss the city's intention to apply for a new TIF district.

- On October 1 2008, CEDO presents an update on TIF, and the process for applying for a new TIF district, to the City Council's Community Development and Neighborhood Revitalization Committee (CDNRC). The Committee votes to sponsor a resolution asking the full City Council to authorize CEDO to apply for a new TIF district.
- On October 6, 2008, the Burlington City Council passes a resolution authorizing CEDO to submit a letter of intent VEPC to create a new TIF district. The resolution directs CEDO to work with the CDNRC and the Planning Commission in preparing the full application.
- On October 21 2008, CEDO presents an update on TIF financing and the process for applying for a new TIF, to a joint committee of the CDNRC and the Planning Commission. After discussion, CEDO is asked to come back with a proposed map of the new district.
- On November 12 2008, the joint committees meet for a second time to discuss proposed TIF District boundaries drafted by the working group, and refer the process back to the CDNRC for action.
- On December 10 2008, the CDNRC authorizes CEDO to move forward with finalizing and submitting the LOI.
- On January 23 2009, CEDO submits Letter of Intent to VEPC. The following week, VEPC staff informs CEDO that the LOI was not acceptable because the proposed district includes properties in the existing TIF waterfront district.
- January – May: The city secures a provision in Act 54 that allows the city to incur new debt in the existing district, obviating the need to include any part of the existing district in the proposed district.
- On July 1 2009, the TIF working group meets to refine the proposed district.

8. State designation under 24 VSA:

- Section 2793 Designated Downtown
- Section 2793a Designated Village Center
- Section 2793b Designated New Town Center
- Section 2793c Designated Growth Center

9. Status of State designation:

“Downtown Development District” designation under the VT Downtown Program was awarded in 2007. See attached map.