

APPROVAL OF THE ACT 80 SETTLEMENT OF DISTUTES  
OVER AMOUNTS IDENTIFIED IN JUNE 4, 2012 REPORT  
OF THE OFFICE OF THE STATE AUDITOR

In the year Two Thousand  
Thirteen.....

Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, the City of Burlington created its Waterfront TIF District in 1996  
and has maintain that District at all times since; and

WHEREAS, the success of Waterfront TIF District is self-evident and  
Burlington's Waterfront has developed into one of the jewels of the State over the past  
two decades; and

WHEREAS, the grand list value of the District has tripled since 1996; growing  
from an assessed value of \$42 million in 1996 to over \$120 million currently; and

WHEREAS, the Vermont State Auditor's Office conducted audits of existing TIF  
Districts over the past few years and the resulting reports alleged significant  
"underpayments" to the State Education Fund by the audited municipalities, including  
Burlington; and

WHEREAS, the audited communities, including Burlington disputed the  
allegations of underpayment made by the State Auditor's Office; and

WHEREAS, the City of Burlington was specifically alleged in the June 4, 2012  
Audit Report completed by the State Auditor's Office to have retained \$1 million of State  
Education Fund money as its alleged "underpayment;" and

WHEREAS, as a part of this year's TIF legislative reform, which the City of Burlington supported, the legislature included statutory provisions which, subject to certain conditions, settled all of the outstanding allegations of underpayment by audited municipalities including those pertaining to the City of Burlington; and

WHEREAS, Burlington's settlement, pursuant to subsection (c) of Section 1 of Act 80 of the 2013 -2014 Legislative Session, states that subject to the approval of its legislative body, the City of Burlington "shall remit the amount of \$200,000.00 to the Education Fund in equal installments over a five-year period beginning December 15, 2013 from incremental revenues not otherwise dedicated to the repayment of the district's debt obligations;" and

WHEREAS, Section 1 of Act 80 of the 2013 – 2014 Legislative Session further declares that "[i]f the legislative body of a municipality with an active tax increment financing district that was audited by the State Auditor in 2012 does not approve the payments described in subsection (c) of this section, then the General Assembly shall consider any amounts identified as owed to the Education Fund during the period covered by the 2012 Auditor's Report's to be outstanding" and

WHEREAS, it is in the best interest of the City of Burlington to resolve all outstanding allegations of underpayment raised by the June 4, 2012 report of the Office of the State Auditor in the manner as set out in Section 1 of Act 80 as referenced above.

NOW THEREFORE BE IT RESOLVED that the City Council does hereby approve of, and now ratifies, the City of Burlington's agreement with the General Assembly of the State of Vermont as set out in subsection (c ) of Section 1 of Act 80 of the 2013 – 2014 Legislative Session and agrees to remit the payments scheduled therein.