

Resolution Relating to

RESOLUTION

Sponsor(s): Councilors Shannon,
Bushor, Aubin, Knodell

Introduced: _____

Referred to: _____

Action: _____

Date: _____

Signed by Mayor: _____

NOTICE INFORMATION FOR MARCH 4, 2014 ANNUAL CITY
MEETING - Re PLEDGING THE CREDIT OF THE CITY TO SECURE
INDEBTEDNESS FOR PUBLIC IMPROVEMENTS WITHIN THE
WATERFRONT TIF DISTRICT

CITY OF BURLINGTON

In the year Two Thousand Fourteen.....

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

That WHEREAS, the City Council, at its January 27, 2014 meeting, resolved to request that the
Mayor's proposed slate of Public Investment Action Plan (PIAP) public improvements and related costs
be advanced in the form of a ballot question for City-wide consideration and a public vote at the City's
Annual Meeting on March 4, 2014 (see attached resolution); and

WHEREAS, recently passed legislation now requires that the municipal legislative body provide
certain information to the public prior to the public vote to authorize incurrence of debt by pledging the
credit of the municipality under 24 V.S.A. § 1894 (h); and

WHEREAS, the above referenced ballot question to authorize Waterfront TIF district debt
incurrence secured by pledging the credit of the City under 24 V.S.A. § 1894 (i) is therefore subject to the
requirements of 24 V.S.A. § 1894 (i); and

WHEREAS, in order to assure compliance with statutory requirements, the City Attorney's Office
has prepared the attached Information Notice to the Public relating to the above referenced ballot question
for City-wide consideration and a public vote at the City's Annual Meeting on March 4, 2014; and

WHEREAS, in an effort to provide full and complete information to a public deserving more than
simply that required by the law, the Community and Economic Development Office (CEDO) has also
prepared a packet of "Frequently Asked Questions" (FAQs) (see attached) with the intent of making said
packet available to the public;

Resolution Relating to

NOTICE INFORMATION FOR MARCH 4, 2014
ANNUAL CITY MEETING - Re PLEDGING THE
CREDIT OF THE CITY TO SECURE INDEBTEDNESS
FOR PUBLIC IMPROVEMENTS WITHIN THE
WATERFRONT TIF DISTRICT

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby provides the information required under 24 V.S.A. § 1894 (i) by adopting the attached Information Notice prepared by the City Attorney's Office and requests that it be made available to the public through March 4, 2014 during normal business hours, both at the front desk of the City Clerk's Office and at the front desk of the City's CEDO Office, as well as making it electronically available to the public on the City's website; and

BE IT FURTHER RESOLVED that the City Council also requests that the above referenced FAQ's prepared by the CEDO Office also be made available to the public through March 4, 2014 during normal business hours, both at the front desk of the City Clerk's Office and at the front desk of the City's CEDO Office, as well as making it electronically available to the public on the City's website.

Resolution Relating to

RESOLUTION 9.05

Sponsor(s) Councilors Shannon,
Bushor, Aubin, Knodell: Bd. of Finance

Introduced: 01/27/14

Referred to:

Action: adopted

Date: 01/27/14

Signed by Mayor: 01/30/14

MARCH 4, 2014 ANNUAL CITY MEETING -
PLEDGING THE CREDIT OF THE CITY TO SECURE
INDEBTEDNESS FOR PUBLIC IMPROVEMENTS
WITHIN THE WATERFRONT TIF DISTRICT

CITY OF BURLINGTON

In the year Two Thousand Fourteen.....

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

That WHEREAS, the City of Burlington engaged in the extensive, inclusive, very public, more than year-long Public Investment Action Plan (PIAP) which solicited over one hundred proposals for new projects in the City's Waterfront Tax Increment Financing (TIF) District, culminating on January 13, 2014 with Mayor Miro Weinberger's announcement of a slate of six PIAP projects (see attached January 13, 2014 public letter from the Mayor) to be facilitated by the City's proposed investment of up to \$9.6 million of public improvements and related costs; and

WHEREAS, the City has established a projected capacity to finance this proposed slate of PIAP public improvements as a result of the success of the Waterfront TIF District already as evidenced by the growth in the property value of the Waterfront District from approximately \$42 million to more than \$136 million; and

WHEREAS, the Chief Administrative Officer's office presented a thorough analysis at the January 13, 2014 Board of Finance meeting as to how the Waterfront TIF District's projected increment going forward should be sufficient, even under conservative estimates, to finance this proposed \$9.6 million slate of PIAP public improvements and related costs; and

WHEREAS, the Board of Finance, at its January 13, 2014 meeting unanimously approved advancing the Mayor's proposed slate of PIAP public improvements and related costs for City-wide consideration and a public vote at the City's Annual Meeting on March 4, 2014;

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby requests, pursuant to Sec. 25 of the City Charter, that the following question be placed on the ballot of the March 4, 2014 Annual City Meeting:

"Shall the City Council be authorized to pledge the credit of the City to secure indebtedness or make direct payments for the purpose of funding one or more public improvements and related costs attributable to Public Investment Action Plan (PIAP) projects serving the Waterfront Tax Increment Financing (TIF) District, specifically

Resolution Relating to

MARCH 4, 2014 ANNUAL CITY MEETING -
PLEDGING THE CREDIT OF THE CITY TO SECURE
INDEBTEDNESS FOR PUBLIC IMPROVEMENTS
WITHIN THE WATERFRONT TIF DISTRICT

- (a) **New Moran:** mixed-use redevelopment of the building with a focus on multi-purpose arts and events space, local foods, and green energy innovation;
- (b) **Waterfront Park Upgrades:** site improvements to electrical and water infrastructure to enhance Vermont's most visited public park;
- (c) **Lake Champlain Community Sailing Center:** site improvements for a permanent home and new building for the Community Sailing Center;
- (d) **Burlington Harbor Marina:** construction of a marina on our northern waterfront to meet the burgeoning need for boat slips in our harbor;
- (e) **Sustainability Park:** construction of new outdoor amenities, educational installations, and lake protection facilities on land surrounding the ECHO Lake Aquarium and Science Center, Leahy Center for Lake Champlain; and
- (f) **Waterfront Access North:** site improvements increasing access to the northern waterfront, landscaping, environmental remediation, lake protection, and utility relocation

in a total principal amount not to exceed \$9,600,000, (with the total outstanding TIF debt for the Waterfront TIF district approved to date of \$8,421,238), and to issue bonds, notes or make inter-fund loans for such purpose with the understanding that tax increment from the properties within the Waterfront TIF District shall be pledged and appropriated for the payment of such indebtedness, direct or related costs of the improvements; and with the further understanding that in the event that, upon the recommendation of the Mayor, the City Council determines that the proposed New Moran project cannot be reasonably accomplished, the City Council shall be authorized to utilize tax increment funds from the Waterfront TIF District for payment of indebtedness, direct or related costs of the demolition of the Moran building and site stabilization in accordance with the public trust doctrine?"

* * * * *

DISTRIBUTION:

I hereby certify that this resolution
has been sent to the following
department(s) on

CEDO, Nathan Wildfire
Assistant City Attorney Haesler

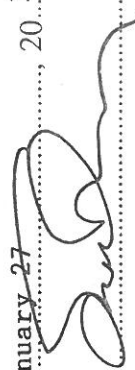
ORIGINAL

RESOLUTION RELATING TO

March 4, 2014 Annual City Meeting -
Pledging The Credit of The City to
Secure Indebtedness for Public Improvements
Within The Waterfront TIF District

Adopted by the City Council

January 27, 2014


Clerk

Approved January 30, 2014


Mayor

Attest:

Lori Olberg

Licensing, Voting and Records Coordinator Vol.

Page

* * * * *



Office of Mayor Miro Weinberger

January 13, 2014

Open Letter to the People of Burlington,

Happy New Year!

Thank you again for your trust and support over the last 21 months – we will be working hard to continue making good on that confidence throughout 2014.

This past year included two of the most inclusive and transparent planning processes our City has ever attempted: PlanBTV and the Public Investment Action Plan (PIAP). PlanBTV, a vision of the future worthy of our dynamic, vibrant, committed City, involved two years' research, more than 100 public events, with more than 1,200 participants from our community – residents, workers, business, and nonprofits, and resulted in an award-winning plan. PIAP – an implementation effort designed to move PlanBTV elements from concept to reality – generated 120 initial proposals that have been winnowed to nine detailed final proposals.

Together, these two initiatives have generated new ideas and energy, and clarified our current opportunities for progress in the City's long-term effort to reclaim the waterfront from its historic, industrial past. Today, I am pleased to announce my support for a slate of six projects totaling up to \$7.5 million in new Tax Increment Financing (TIF) investment plus \$2.1 million in reauthorized TIF investment.

Collectively, this slate of investments will accomplish a number of key waterfront goals, without impacting municipal property tax rates:

- **Strengthen existing waterfront resources.** The slate includes investments in beloved elements of today's waterfront: the Community Sailing Center, ECHO, and Waterfront Park.
- **Resolve the use of the abandoned Moran site.** The proposed slate will both determine the use of the land immediately surrounding the Moran building, and define a path to near-term resolution of the future of the building.
- **Increase public access and use of the waterfront and Lake Champlain.** All proposed projects include public elements that will bring more residents and visitors to the waterfront. Some projects include features that will increase the public's access to the lake itself.
- **Protect Lake Champlain and continue Burlington's leadership in water quality efforts.** The proposed projects include important new public infrastructure that will protect Lake Champlain from stormwater run-off, improve public education about lake protection, and continue Burlington's leadership on stormwater issues.

- **Leverage additional investment that creates economic opportunity and grows City revenues.** The proposed \$9.6 million of project investments are conceptually anticipated to leverage approximately \$33 million of non-municipal direct investment. In addition, municipal tax revenues are projected to grow annually, with indirect economic activity increasing by \$15 million.

I am respectfully requesting that the City Council approve ballot language supporting the following slate of public investments at their January 27, 2014 meeting, and that Burlington voters approve this item on Town Meeting Day. The proposed slate consists of the following projects:

- **New Moran: up to \$6.3 million for a mixed-use redevelopment of the building with a focus on green energy innovation, local foods, and a multi-purpose arts and events space.** The proposed investment includes \$4.2 million of new TIF investment and reauthorization of a \$2.1 million investment previously approved by the City Council in 2011. Key elements of this investment include:
 - New Moran will be developed and managed by a new, independent non-profit that will assume the project's pre-development, construction, and operating risk. The City will invest its TIF funds only after the New Moran team has secured tenants and the balance of the financing for the approximately \$25 million project and taken steps to guarantee the long-term financial viability of the project.
 - The local New Moran team has presented a proposal that represents an exciting vision for the building – arguably the most exciting vision proposed in 30 years of redevelopment efforts – and has garnered an enormous amount of support from other significant, credible, local individuals and organizations.
 - The New Moran proposal represents the last hope for the many Burlingtonians who, like me, see value in the existing structure and would like to see it redeveloped successfully.
 - The New Moran team's plan is ambitious, complex, will take time to accomplish, and success is not guaranteed. Because we cannot return to the years of uncertainty and minimal progress that marked the last redevelopment effort, my support for New Moran is conditioned on the team achieving critical milestones and demonstrating steady progress.
 - After three decades of efforts, it is time to resolve the uncertainty regarding the future of the northern waterfront. If New Moran proves infeasible, it will be time to acknowledge that the building has become an obstacle to waterfront progress. In the proposed PIAP ballot language, I am requesting the authority from voters for resolution: in the event the Administration and City Council determine that New Moran cannot be completed in a timely manner, the City will use TIF funds to demolish the building.
 - **A vote for the PIAP slate is a vote for resolution of the Moran building and site.**
- **Waterfront Park Upgrades: \$800,000 for improved electrical and water infrastructure to enhance Vermont's most visited public park.** These Waterfront Park upgrades will enable the City to better serve waterfront events while mitigating the impacts of events on neighbors and other users of the park and Bike Path.
- **Lake Champlain Community Sailing Center (CSC): \$500,000 to support site improvements for a permanent home and new building for the CSC.** It is time for the 20-year-old Community Sailing Center to have a permanent home on the waterfront. The proposed TIF investment will leverage approximately \$4.5 million of independent investment by the Sailing Center and allow the Sailing Center to expand its programs and services that allow hundreds of Vermonters from all backgrounds to enjoy the Lake every summer.

- **Burlington Harbor Marina: \$500,000 to create a marina on our northern waterfront to meet the burgeoning need for boats slips in our harbor.** The proposed TIF investment will leverage approximately \$4.5 million in private investment, create jobs, and generate substantial new revenues to the City. The proposed marina would include public piers stretching into Lake Champlain, and serve as breakwater protection for both the marina and Community Sailing Center. The proposal also includes public bathrooms, a variety of currently lacking marina amenities, and water taxi service to increase public access along the entire waterfront.
- **ECHO Center Sustainability Park: \$500,000 to support creation of new outdoor amenities, educational installations, and lake protection facilities on land surrounding ECHO.** New plantings, a boardwalk extension, stormwater mitigation, and educational installations all would be constructed in a first phase of what ultimately is envisioned to be an approximately \$3.8 million enhancement to the ECHO site, with the balance to be funded without further direct City investment.
- **Waterfront Access North: \$500,000 for increased access to the northern waterfront, landscaping, environmental remediation, lake protection, and utility relocation.** Waterfront Access North currently is in construction after support by the voters last fall. This additional investment will enable the project to support the use of the Moran site, a permanent home for the Lake Champlain Community Sailing Center, and a marina.
- The proposed total TIF authorization also includes \$500,000 to support the City's management of the TIF district during the years ahead of project implementation.

The Perkins Pier Marina and the Cherry Street Promenade PIAP proposals are both exciting, important projects that the City will continue to explore. However, because of limited funding and timing considerations, those projects are not being included in my recommended PIAP slate at this time.

One year ago, we could not have anticipated the extraordinary amount of energy, creativity, and partnership created by the Public Investment Action Plan. I want to thank the hundreds of Burlingtonians who participated in the PIAP process, the members of the Public Investment Team, and the many City employees who worked very hard to get us to this point. I have never been more excited about the future of our great City.

Sincerely,

Miro Weinberger
Mayor

PUBLIC NOTICE
TAX INCREMENT FINANCING
CITY OF BURLINGTON
WATERFRONT TAX INCREMENT FINANCING DISTRICT

This Public Notice is prepared by the City of Burlington to provide certain information to the public relating to the proposed ballot question seeking authorization to pledge the credit of the City to borrow, to finance, or otherwise pay for tax increment financing (TIF) improvements within the City's Waterfront TIF District. If approved by the voters, the City expects to use tax increment revenues from within the Waterfront TIF District in order to pay for the indebtedness and direct and related costs for the TIF Improvements. This notice is intended to provide the voters with additional information concerning the proposed projects, the terms of indebtedness to be incurred, the related costs that may be incurred by the City, and the expected source of payment for such indebtedness and direct and related costs.

WARNING and PUBLIC VOTE

The City Council at its January 27, 2014 meeting passed a resolution relating to "March 4, 2014 Annual City Meeting – Pledging the Credit of the City to Secure Indebtedness for Public Improvements Within the Waterfront TIF District." By resolution, the City Council requested that the following question be placed on the ballot at the March 4, 2014 Annual City Meeting:

"Shall the city council be authorized to pledge the credit of the City to secure indebtedness or make direct payments for the purpose of funding one or more public improvements and related costs attributable to Public Investment Action Plan (PIAP) projects serving the Waterfront Tax Increment Financing (TIF) District, specifically

- (a) **New Moran:** mixed-use redevelopment of the building with a focus on multi-purpose arts and events space, local foods, and green energy innovation;

- (b) **Waterfront Park Upgrades:** site improvements to electrical and water infrastructure to enhance Vermont's most visited public park;
- (c) **Lake Champlain Community Sailing Center:** site improvements for a permanent home and new building for the Community Sailing Center;
- (d) **Burlington Harbor Marina:** construction of a marina on our northern waterfront to meet the burgeoning need for boat slips in our harbor;
- (e) **Sustainability Park:** construction of new outdoor amenities, educational installations, and lake protection facilities on land surrounding the ECHO Lake Aquarium and Science Center, Leahy Center for Lake Champlain; and
- (f) **Waterfront Access North:** site improvements increasing access to the northern waterfront, landscaping, environmental remediation, lake protection, and utility relocation

in a total principal amount not to exceed \$9,600,000, (with the total outstanding TIF debt for the Waterfront TIF district approved to date of \$8,421,238), and to issue bonds, notes or make interfund loans for such purpose with the understanding that tax increment from the properties within the Waterfront TIF District shall be pledged and appropriated for the payment of such indebtedness, direct or related costs of the improvements; and with the further understanding that in the event that, upon the recommendation of the Mayor, the City Council determines that the proposed New Moran project cannot be reasonably accomplished, the City Council shall be authorized to utilize tax increment funds from the Waterfront TIF District for payment of indebtedness, direct or related costs of the demolition of the Moran building and site stabilization in accordance with the public trust doctrine?"

FINANCING OF PUBLIC IMPROVEMENTS – INDEBTEDNESS

Subject to the receipt of necessary voter approvals, the City intends to finance these public improvements principally by the issuance of bonds or notes, in one or more instances, for a total principal amount not exceeding \$9.6 million. Issuance of the bonds, notes or other evidence of indebtedness will be subject to City Council authorization. The City would issue these bonds or notes through either a competitive or negotiated sale or may seek to sell the bonds or notes through the Vermont Municipal Bond Bank. The terms of repayment would not exceed twenty years and the interest rate would be determined based upon market conditions at the time of securing the debt. The city has historically sold its general obligations bonds through a

competitive bidding process but may reserve the right to sell them in a negotiated sale if the City Council determines it is in the City's interest to do so. The City may also issue notes to the US Department of Housing and Urban Development, if approval is obtained. Historically, loans from HUD can carry a lower interest rate.

PROJECTED TAX INCREMENT REVENUES

The City estimates that the Tax Increment Revenue from the Waterfront TIF District will be sufficient to pay the costs of the proposed improvements and the related costs of the projects. The forecasts are dependent upon the expected development that will occur in the Waterfront TIF District. The projections presented to the City Council, as well as the memo which accompanied it, are attached to this notice.

In the event that the tax increment received by the City from within the Waterfront TIF District is insufficient to pay the principal and interest on the indebtedness in any year, for whatever reason, including a decrease in property value or repeal of a State of Vermont property tax source, unless determined otherwise at the time of such repeal, the City shall remain liable for the full payment of the principal and interest for the term of indebtedness.

INTERFUND TRANSFERS

In lieu of borrowing through the issuance of bonds or notes, the City, in the event that it determines it is prudent to do so, may use interfund transfers among the City's funds and accounts. For example, the Community and Economic Development Office (CEDO) might cover design costs for a project through an interest-free loan (by statute, no interest can be charged for TIF interfund loans) from the City Clerk's Office, and the loan would be repaid via a

documented City Council approved agreement utilizing tax increment according to a set schedule. These authorizations are allowed under the TIF statutes and any and all interfund transfer moneys utilizing TIF would need to be authorized by City Council and reported as such for municipal and state TIF audit purposes. To the extent, that interfund transfers are utilized, the total principal amount of bond or note issuance would be reduce accordingly from its allowance of \$9.6 million. Under applicable law, no interest may be charged on interfund transfers.

RELATED COSTS

The City may use its TIF revenues for broad category of items which are defined as “related costs.” Related costs can be City expenditures related to the specific public improvements or they can be related to the City’s overall administration of its TIF district.

The following are expected “related costs” to be paid from TIF Revenues:

(i) the City’s costs in complying with the State audits and reporting requirements as may be required by the TIF statutes;

(ii) reimbursement for the City’s allocable costs and expenses which already incurred and paid by creating and administering the Public Investment Action Plan (PIAP), including reimbursement of departmental or personnel costs identified as related to creating or administering the Waterfront TIF District;

(iii) reimbursement for the City’s allocable costs and expenses which were already incurred and paid by the City for the Moran project, including reimbursement of departmental or personnel costs identified as related to creating or administering the Waterfront TIF District.

(iv) the City's allocable costs and expenses in the years ahead for the administration of its Waterfront TIF District and the PIAP projects identified herein; including departmental or personnel costs identified as relating to creating or administering the Waterfront TIF District.

(v) those allocable related costs attributable to the individual PIAP projects identified herein as approved by City Council in the applicable debt authorizations issued for the respective projects.

The City expects to utilize up to \$500,000 of TIF Revenues in order to cover these related costs. It is understood that if related costs exceed that amount, City Council may need to adjust budget allocations so as not to exceed the requested authorization of \$9.6 million in indebtedness for public improvements within the TIF District.

Some of the foregoing "related costs" can wholly utilize tax increment revenues, while others by law may only utilize the portion of the municipal tax increment and not the portion for the education taxes.

The City will maintain records of such related costs, the reimbursement of related costs, and the allocation of costs of personnel related to administration of the Waterfront TIF District.

THE PROJECTS

1.

New Moran: an approximately \$25 million mixed-use redevelopment of the building with a focus on multi-purpose arts and events space, local foods, and green energy innovation. The City will utilize up to \$6.3 million in TIF related borrowings for the funding of public improvements to the building and site. These improvements will allow for, and are tied to the

New Moran redevelopment project (see attached “Public Investment Action Plan – Project Summaries” memo prepared by Burlington’s Community and Economic Development Office (CEDO)). The City will proceed with its expenditures via a Memorandum of Understanding to be executed between the City and New Moran, if the ballot measure is passed. The Memorandum will set forth the timeline for benchmarks to be met by New Moran, which if met, will serve as the basis for City Council authorizations to incur TIF debt, and expend funds to be paid with TIF increments, as well as reimburse qualified City expenditures via interfund transfers by utilizing TIF increment. Approximately \$2.1 million of TIF indebtedness will be incurred through the issuance of notes to the U.S. Department of Housing and Urban Development (HUD). If HUD approval of such borrowing is obtained, the balance of the \$4.2 million costs for New Moran public improvements would be funded through one or more bond issuances, or by interfund transfers as approved by City Council. If some or all of the \$2.1 million projected to be funded through HUD does not occur, the City may fund the balance through issuance of bonds or through interfund transfers to make up the balance of the funding for the New Moran project.

Categories of expenditures for TIF public improvements at New Moran, subject to further City Council approval, include:

- Environmental assessment and remediation of the building and the property;
- Site stabilization and site work;
- Building stabilization and construction;
- Utility infrastructure and connections (water, sewer, electrical; IT; stormwater)
- Public Accessibility Improvements – both inside and outside the building;
- Architectural and Engineering costs associated with stabilizing the building;

- Civil Engineering, Commissioning, Certifications and Energy Modeling costs;
- Historic Preservation costs;
- Marine Infrastructure and Flood Resiliency costs at the site;
- Permit Application and Hearing costs
- Landscaping; Public Amenities; Site Lighting; Public Art installation; Wayfinding and Signage;

and eligible related costs associated with the above categories, or as attributable to the project generally where permitted for inclusion as eligible related costs for administration of the Waterfront TIF District.

The Ballot measure contemplates that in the event that the benchmarks and timeline criteria called for by the prospective Memorandum as between the City and New Moran are not met and, upon the Mayor's recommendation, the City Council determines that the proposed New Moran project cannot be reasonably accomplished, the City Council can authorize use of tax increment funds for the payment of indebtedness, direct or related costs, for the demolition of the Moran building and site stabilization in accordance with the public trust doctrine. The City received an estimate for demolition of the building in 2007 for an approximate cost of \$2 million. A new estimate would be needed but City Council approval for expenditures would remain within the \$6.3 million proposed limitation for the New Moran project.

2.

Waterfront Park Upgrades: site improvements and public infrastructure to enhance Vermont's most visited park (see attached "Public Investment Action Plan – Project Summaries")

memo prepared by CEDO). These Waterfront Park upgrades will enable the City to better serve waterfront events while mitigating the impacts of events on neighbors and other users of the park and Bike Path. The City projects using \$800,000 in TIF related borrowings for public infrastructure improvements at Waterfront Park.

Categories of expenditures for TIF public improvements for Waterfront Park, subject to future City Council approval, include:

- General Site Prep;
- Utility Services; Light Fixtures and Infrastructure; Sanitary Infrastructure; Water Infrastructure; Stormwater Infrastructure
- Boardwalk; Shoreline Stabilization; Landscaping;
- Stairs and Handrails; Water level Deck Structure; Paths and Walkways;
- Bike Amenities; Public Art and Place-making; Wayfinding;
- Engineering, Design, and Permitting;

and eligible related costs associated with the above categories, or as attributable to the project generally where permitted for inclusion as eligible related costs for administration of the Waterfront TIF District.

3.

Lake Champlain Community Sailing Center (CSC): Public Infrastructure and Site work. It is projected that the City will use \$500,000 in TIF related borrowings for the funding of public improvements to prepare the site for the CSC's proposed sailing center. Along with the City's share of such funding, it is expected that CSC will make an investment of \$4.5 million to construct a new sailing center facility which will in turn expand its programs and services at

Burlington's Waterfront (see attached "Public Investment Action Plan – Project Summaries" memo prepared by CEDO).

Categories of expenditures for TIF public improvements at the Lake Champlain Community Sailing Center, subject to future City Council approval, include:

- Engineering, Design and Permitting costs associated with preparation of the site;
- Environmental Remediation of the site;
- Utility infrastructure (water, electrical, sewer and stormwater);
- Site prep and Site work; Public Paths and Walkways; Fencing;
- Shoreline Stabilization and Improvements;
- Road, sidewalk and parking infrastructure;

and eligible related costs associated with the above categories, or as attributable to the project generally where permitted for inclusion as eligible related costs for administration of the Waterfront TIF District.

4.

Burlington Harbor Marina: The City projects incurring \$500,000 of TIF indebtedness for TIF public infrastructure improvements to leverage approximately \$4.5 million in private investment for a new marina (see attached "Public Investment Action Plan – Project Summaries" memo prepared by CEDO). The Burlington Harbor Marina project will include public piers stretching into Lake Champlain, and constructing breakwater protection for the marina and the CSC sailing center.

Categories of expenditures for TIF public improvements at the Burlington Harbor Marina site, subject to future City Council approval, include:

- Engineering, Design and Permitting costs associated with preparation of the site;
- Environmental Remediation of the site;
- Utility infrastructure (water, electrical, sewer and stormwater);
- Site prep and Site work; General Site work
- Landscape Improvements
- Marina Infrastructure (Docks, Pier, Breakwater protection)
- Shoreline Stabilization and Improvements;
- Road, sidewalks and parking infrastructure;

and eligible related costs associated with the above categories, or as attributable to the project generally where permitted for inclusion as eligible related costs for administration of the Waterfront TIF District.

5.

ECHO Center Sustainability Park: A projected \$500,000 of proposed TIF related indebtedness will be used for public improvements to support the creation of new outdoor amenities, educational installations, and lake protection facilities on land surrounding ECHO. New plantings, a boardwalk extension, stormwater mitigation, and educational installations will be constructed in a first phase of a projected \$3.8 million enhancement to the ECHO site (see attached “Public Investment Action Plan – Project Summaries” memo prepared by CEDO)

Categories of expenditures for TIF public improvements at the ECHO Center Sustainability Park, subject to future City Council approval, include:

- Engineering, Design and Permitting costs associated with preparation of the site;
- Utility infrastructure (water, electrical, sewer and stormwater);

- Site prep and Site work; General Site work
- Landscape Improvements; Walls and Stonework;
- Public Art installation; Public Amenities; Bike Amenities;
- Road, sidewalk and parking infrastructure;

and eligible related costs associated with the above categories, or as attributable to the project generally where permitted for inclusion as eligible related costs for administration of the Waterfront TIF District.

6.

Waterfront Access North: It is expected that \$500,000 of TIF related borrowings will be used for public infrastructure improvements to provide increased access to the northern waterfront. The Waterfront Access North project is currently in construction after receiving TIF funding support from the voters in November, 2012, though those funds have yet to be accessed. The City received voter approval to use TIF increment to pay for up to \$6.05 million in public improvements for the bike path and for Waterfront Access North. That indebtedness has not yet been incurred but is expected to be incurred, if the ballot question passes, contemporaneously with the bond issuances anticipated herein. This additional investment will enable the project to support the use of the Moran site, the CSC site, and the Burlington Harbor Marina site.

Categories of expenditures for these additional TIF public improvements relating to the Waterfront Access North project, subject to future City Council approval, include:

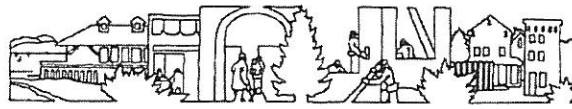
- Landscaping;
- Environmental Remediation,
- Lake protection;

- Utility infrastructure and relocation;

and eligible related costs associated with the above categories, or as attributable to the project generally where permitted for inclusion as eligible related costs for administration of the Waterfront TIF District.

PLEDGE OF THE CREDIT OF THE CITY

Finally, even though the City projects sufficient TIF increment to service all obligations of the City authorized by the March 4, 2014 ballot question referenced herein, voters are reminded here once again that, by authorizing with passage of this ballot question the City Council to pledge the credit of the City, if the tax increment received by the City from its source for the tax increment, the Waterfront TIF District, is insufficient to pay the principal and interest on the debt in any year, for whatever reason, including a decrease in property tax or repeal of a state property tax source, unless otherwise determined at the time of such repeal, the municipality shall remain liable for payment of the principal and interest for these obligations for the term of indebtedness; that is until fully paid.



COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

Celebrating 30 Years ~ 1983-2013

To: Burlington City Council
From: Nathan Wildfire, CEDO – reviewed by Bob Rusten, CAO
January 22, 2013

Re: **Tax Increment Financing (TIF) Capacity – Waterfront TIF District**

On January 13th, Mayor Miro Weinberger announced a slate of six projects to be facilitated by the City's proposed investment of up to \$9.6 million dollars of public improvements and related costs, the culmination of the Public Investment Action Plan (PIAP.) PIAP was a year-long public process to generate project proposals with the City's Waterfront Tax Increment Financing (TIF) district, the first time any Vermont municipality has allocated TIF dollars in such a public fashion.

Attached to this memo is a spreadsheet demonstrating the capacity within our TIF district for both the \$6.05 million in already voter-approved TIF projects (Bike Path improvements, Waterfront Access North, and related costs) and this new allocation of \$9.6 million. The resolution before you is seeking approval to place the new \$9.6 million on the March 2014 Town Meeting Day ballot.

Already voter-approved debt – scheduled for spring 2014 bonding:

Waterfront Access North	\$2,900,000
Bike Path Improvements	\$2,750,000
City Project Management/Related Costs	\$ 580,000
Debt issuance costs	\$ 60,000
Total	\$6,110,000

New PIAP related debt – resolution before City Council:

New Moran	\$6,300,000*
Waterfront Park Upgrades	\$ 800,000
Lake Champlain Community Sailing Center	\$ 500,000
Burlington Harbor Marina	\$ 500,000
Sustainability Park	\$ 500,000
City Project Management/Related Costs	\$ 500,000
Waterfront Access North	\$ 500,000
Total	\$9,600,000

*The \$6,300,000 figure associated with New Moran includes \$2,091,000 of TIF debt approved by City Council in 2011 to repay a Section 108 loan in the same amount awarded by HUD to support the redevelopment of Moran. As this debt has never gone to the voters for approval that's why it needs to be included in the Resolution.

The assumptions in the TIF capacity model are conservative. Some key assumptions:

- The model assumes an annual growth rate in assessed value within the Waterfront TIF district of 1%. This is lower than the annual growth rate from the past 10 years.
- The rates of tax growth are also all below recent historical averages:
 - Non-homestead education tax rate growth of 4% annually, falling to 1% after 2020
 - Homestead education tax rate growth of 6% annually, falling to 2% after 2020
 - Municipal tax rate growth of 1% annually
- If there is a reappraisal in 2020 our conservative budgeting approach projects a slight reduction in the actual municipal tax revenue being generated. New projected tax revenue associated with three of the PIAP projects, Community Sailing Center, Burlington Harbor Marina, and the New Moran are all halved, to recognize uncertainty in the projects and also to acknowledge their associated tax revenue growth is at least in part captured by our 1% annual growth within the district.
- The already voter-approved debt assumes a 5% or 6% borrowing rate – each on their own tab within the spreadsheet. These rates are significantly higher than the rate just secured by the City through the Municipal Bond Bank of 3.853%.

The column on the first two tabs of the spreadsheet entitled “Net TIF Capacity” represents our “excess” TIF capacity, after all current debt repayments and the already voter-approved debt of \$6.05 million-plus costs. The table at the bottom of both of those sheets shows the cost of borrowing different amounts at different interest rates.

If the City borrows the \$6.11 million at 5%, our Net TIF Capacity is \$14,144,941, and if the City borrows the \$6.11 million at 6%, our Net TIF Capacity is \$13,717,261.

The cost to finance \$9.5 million of additional debt is:

- \$13,043,324 at 6%
- \$12,432,439 at 5%

In both cases, the City should have enough TIF capacity to finance the new debt of \$9.6 million. Obviously borrowing at a 5% rate gives us more capacity. We will also be looking at paying the debt issuance costs out of TIF revenue and not borrowing for these costs. The model also tracks the “Annual Net” associated with cumulative debt repayments (within the schedule) and annual revenues from the district. In both models, cash flow remains positive year to year, indicating an ability to service the debt in any given year.

Lastly, as the plan is to phase in these projects we will have the capacity to assess our projected targeted TIF revenues to ensure that the model is meeting the actual costs; and if not we can make appropriate modifications to project implementation.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
1																									
2																									
3																									
4																									
5																									
6																									
7																									
8																									
9																									
10																									
11																									
12																									
13																									
14																									
15																									
16																									
17																									
18																									
19																									
20																									
21																									
22																									
23																									
24																									
25																									
26																									
27																									
28																									
29																									
30																									
31																									
32																									
33																									
34																									
35																									
36																									
37																									
38																									
39																									
40																									
41																									
42																									
43																									
44																									

[illegible]

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
28																									
29																									
30																									
31																									
32																									
33																									
34																									
35																									
36																									
37																									
38																									
39																									
40																									
41																									
42																									
43																									
44																									
45																									
46																									

Scenario	Projected annual rate of increase in education tax rates
"Non"	4.00%
Projected annual rate of increase in education tax rates	6.00%
Projected annual rate of increase of municipal tax rate.	1.00%

[illegible]

TAX INCREMENT FINANCING DISTRICT (TIF) DEBT SERVICE- Existing Debt

	(a) #98/#158 Sec108 59.5% \$ 1,110,133 Lake Street Reconstruction 4/28/1999	(b) #128 Sec 108 % \$ 495,000 Lake Street Housing FY 2004	(c) #95 COPS 100% \$ 1,390,000 Urban Reserve	(d) #94 COPS 100% \$ 5,500,000 Lakeview Garage 6/1/1999	(e) #103 COPS 9.93% \$ 407,130 Fishing Pier 6/27/2000	(f) #140 COPS 2005 \$ 7,870,000 Westlake Garage Lakeview 6/7/2005	(g) Lease \$436,610 College St Garage Improv 11/18/2011	ANNUAL TIF DEBT SERVICE TOTAL
Original Borrowing amount:								
Principal FY 2014	60,000	-	85,000	225,000	21,846	385,000	78,322	855,168
Interest FY 2014	16,560	26,411	25,008	66,081	11,467	249,594	5,125	400,244
Total Principal and Interest	76,560	26,411	110,008	291,081	33,313	634,594	83,447	1,255,412
Principal O/S balance @ 6/30/14	350,133	495,000	475,000	1,285,000	194,132	5,470,000	202,621	(736,854)
Principal FY 2015	60,000	-	85,000	235,000	23,336	400,000	79,865	883,200
Interest FY 2015	14,169	26,411	20,991	55,584	10,244	233,231	3,582	364,212
Total Principal and Interest	74,169	26,411	105,991	290,584	33,579	633,231	83,447	1,247,412
Principal O/S balance @ 6/30/15	290,133	495,000	390,000	1,050,000	170,796	5,070,000	122,756	(1,620,055)
Principal FY 2016	70,133	-	90,000	245,000	24,825	415,000	81,438	926,396
Interest FY 2016	11,454	26,411	16,813	44,331	8,925	216,231	2,009	326,174
Total Principal and Interest	81,587	26,411	106,813	289,331	33,750	631,231	83,447	1,252,569
Principal O/S balance @ 6/30/16	220,000	495,000	300,000	805,000	145,971	4,655,000	41,319	(2,546,450)
Principal FY 2017	100,000	-	95,000	255,000	25,818	435,000	41,319	952,137
Interest FY 2017	7,712	26,411	12,349	32,456	7,533	198,594	405	285,459
Total Principal and Interest	107,712	26,411	107,349	287,456	33,351	633,594	41,723	1,237,595
Principal O/S balance @ 6/30/17	120,000	495,000	205,000	550,000	120,153	4,220,000	-	(3,498,587)
Principal FY 2018	120,000	245,000	100,000	270,000	27,308	455,000	-	1,217,308
Interest FY 2018	2,736	19,930	7,595	19,920	6,055	180,106	-	236,342
Total Principal and Interest	122,736	264,930	107,595	289,920	33,362	635,106	-	1,453,650
Principal O/S balance @ 6/30/18	-	250,000	105,000	280,000	92,846	3,765,000	-	(4,715,895)
Principal FY 2019	-	250,000	105,000	280,000	29,294	475,000	-	1,139,294
Interest FY 2019	-	6,725	2,573	6,720	4,463	160,769	-	181,249
Total Principal and Interest	-	256,725	107,573	286,720	33,755	635,769	-	1,320,542

Principal O/S balance @ 6/30/19	-	63,552	3,290,000	(5,855,188)				
Principal FY 2020								
Interest FY 2020		30,783	495,000	525,783				
Total Principal and Interest		<u>33,545</u>	<u>635,581</u>	<u>669,126</u>				
Principal O/S balance @ 6/30/20		32,769	2,795,000	(6,380,971)				
Principal FY 2021								
Interest FY 2021		32,769	515,000	547,769				
Total Principal and Interest		<u>942</u>	<u>119,544</u>	<u>120,486</u>				
		<u>33,711</u>	<u>634,544</u>	<u>668,255</u>				
Principal O/S balance @ 6/30/21		-	2,280,000	(6,928,740)				
Principal FY 2022								
Interest FY 2022			535,000	535,000				
Total Principal and Interest			<u>97,656</u>	<u>97,656</u>				
			<u>632,656</u>	<u>632,656</u>				
Principal O/S balance @ 6/30/22			1,745,000	(7,463,740)				
Principal FY 2023								
Interest FY 2023			560,000	560,000				
Total Principal and Interest			<u>74,919</u>	<u>74,919</u>				
			<u>634,919</u>	<u>634,919</u>				
Principal O/S balance @ 6/30/23			1,185,000	(8,023,740)				
Principal FY 2024								
Interest FY 2024			580,000	580,000				
Total Principal and Interest			<u>51,119</u>	<u>51,119</u>				
			<u>631,119</u>	<u>631,119</u>				
Principal O/S balance @ 6/30/24			605,000	(8,603,740)				
Principal FY 2025								
Interest FY 2025			605,000	605,000				
Total Principal and Interest			<u>26,469</u>	<u>26,469</u>				
			<u>631,469</u>	<u>631,469</u>				
Principal O/S balance @ 6/30/25			-	(9,208,740)				
Total Principal	1,110,133.00	495,000.00	1,390,000.00	5,500,000.00	407,130.00	7,870,000.00	436,610.00	17,208,873.00
Total Interest	640,288.50	382,756.82	760,559.17	2,521,307.97	287,004.50	4,164,943.32	22,347.82	8,779,208.10
Total Principal & Interest	1,750,421.50	877,756.82	2,150,559.17	8,021,307.97	694,134.50	12,034,943.32	458,957.82	25,988,081.10

(a) Note #98 TIF portion of debt was 59.5% of \$1,930,000, or \$1,148,350; however, effective 2/1/09 note #98 was replaced with note #158 where TIF portion of debt was \$560,133. Thus, total principal due under these two notes totals \$1,110,133 (i.e. \$550,000 paid under note #98 from 8/1/98 to 8/1/09 plus \$560,133 paid under note #158 from 8/1/10 to 8/1/17).

Background Growth Calculations

PFM Recommendations do not include Background Growth

Projected rate of background growth 0.00%
 Total background property growth over 15 years - 2011 through 2025
 Average background property growth per year - 2011 through 2025

	Non-Homestead Property							Homestead Property									
Year	Non-Homestead Property value	Increment due to Background Growth	Non- Homestead Education tax rate**	Non- Homestead Education tax Increment	"Effective" Municipal tax rate	Non- homestead Municipal tax increment	Total Non- Homestead Tax Increment	Homestead Property value	Increment due to background growth	Homestead Education tax rate**	Homestead Education tax Increment	Total Homestead Tax Increment	"Effective" Municipal tax rate	Homestead Municipal tax increment	Total Homestead Tax Increment	Cumulative Tax Increment	75% of Increment*
2009	63,268,000	-	1.4560	-	0.4115	-	-	12,386,700	-	1.1090	-	-	0.4115	-	-	-	-
2010	66,535,803	-	1.5334	-	0.4415	-	-	10,302,387	-	1.2304	-	-	0.4415	-	-	-	-
2011	67,404,600	-	1.5390	-	0.7200	-	-	12,384,700	-	1.2820	-	-	0.7200	-	-	-	-
2012	67,404,600	-	1.5441	-	0.7280	-	-	12,384,700	-	1.3019	-	-	0.7280	-	-	-	-
2013	67,404,600	-	1.5684	-	0.7153	-	-	12,384,700	-	1.4302	-	-	0.7153	-	-	-	-
2014	67,404,600	-	1.6055	-	0.7584	-	-	12,384,700	-	1.5257	-	-	0.7584	-	-	-	-
2015	67,404,600	-	1.6697	-	0.7953	-	-	12,384,700	-	1.6775	-	-	0.7953	-	-	-	-
2016	67,404,600	-	1.7365	-	0.8033	-	-	12,384,700	-	1.7782	-	-	0.8033	-	-	-	-
2017	67,404,600	-	1.8060	-	0.8113	-	-	12,394,700	-	1.5848	-	-	0.8113	-	-	-	-
2018	67,404,600	-	1.8782	-	0.8194	-	-	12,384,700	-	1.9979	-	-	0.8194	-	-	-	-
2019	67,404,600	-	1.9533	-	0.8276	-	-	12,384,700	-	2.1178	-	-	0.8276	-	-	-	-
2020	67,404,600	-	2.0315	-	0.8359	-	-	12,384,700	-	2.2449	-	-	0.8359	-	-	-	-
2021	67,404,600	-	2.0518	-	0.8442	-	-	12,384,700	-	2.2898	-	-	0.8442	-	-	-	-
2022	67,404,600	-	2.0723	-	0.8527	-	-	12,384,700	-	2.3356	-	-	0.8527	-	-	-	-
2023	67,404,600	-	2.0930	-	0.8612	-	-	12,384,700	-	2.3923	-	-	0.8612	-	-	-	-
2024	67,404,600	-	2.1140	-	0.8698	-	-	12,384,700	-	2.4239	-	-	0.8698	-	-	-	-
2025	67,404,600	-	2.1351	-	0.8785	-	-	12,384,700	-	2.4765	-	-	0.8785	-	-	-	-

* Background growth falls under new TIF authority, therefore the City only retains 75% of increment

Effect of re-appraisal on Waterfront TIF District Reappraisal not mandated based on statistical measures

Do not change any values on this page!

Background: The Waterfront TIF District is grandfathered under current TIF law, in that the "base value" remains the same after re-appraisal. This is unlike new TIF Districts (including the new Downtown TIF District) in which the "base values" increase proportionally upon re-appraisal.

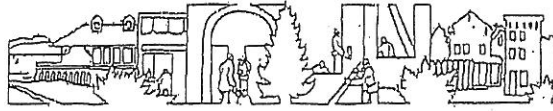
Year in which re-appraisal is effective	2020	-5%	* PFM recommends to not account for re-appraisal
Average increase in assessed value	Current	Post Re-appraisal	
Total Grand List	\$35,786,372,900	\$34,006,654,255	assumes average increase in values shown above
TIF Dist Grand List	123,426,100	117,264,795	assumes average increase in values shown above
TIF Dist Base Value	42,412,900	42,412,900	"base value" remains the same
Net TIF Grand List	81,013,200	74,841,995	consequently the "incremental value" in the TIF increases more =
Net Grand List outside TIF	35,715,359,700	33,831,712,360	-7.6%
Total Tax Revenue outside TIF	1,100,297,979	1,100,297,979	revenue neutral
Total Tax Rate (yr of re-appraisal)	3.09074	3.242683327	Percent new rate vs. old 105.26%

\$2,178,362
\$2,051,376
\$126,986

Net TIF Grand List	81,013,200	74,841,995	
Retained TIF Tax Rate			
City (projected for yr of re-appraisal)	0.8359	0.8798	New rate at 105.26% of old rate
State (projected for yr of re-appraisal)	2.2449	2.3929	New rate at 105.26% of old rate
Combined Rate	3.0807	3.2427	
Total TIF Revenue	\$2,495,807	\$2,426,886	Revenue retained within the TIF District increases by (\$68,922) in first year

Note 1: This is an inelegant rough calculation. It is conservative in that it applies the homestead education tax rate to all properties, rather than the higher non-homestead rate. It is also conservative in that when the increased tax revenue is inserted into the "Summary" tab it does not increase the tax rate in any year after the first year the re-appraisal becomes effective. But it should provide a rough indication of the impact of re-appraisal.

Note 2: It is not necessary to adjust the tax rates on the "Tax Rates" tab to reflect the reappraisal because it will be revenue neutral for the "incremental property value" in the district.



COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

149 CHURCH STREET • ROOM 32 • CITY HALL • BURLINGTON, VT 05401
(802) 865-7144 • (802) 865-7024 (FAX)
www.burlingtonvt.gov/cedo

Public Investment Action Plan – Project Summaries

The City will invest up to \$7.5 million in new Tax Increment Financing (TIF) and reauthorize an additional \$2.1 million in previously allocated dollars. TIF investments do not impact municipal property taxes, and all TIF allocations are contingent upon each project meeting certain progress milestones. Future reallocations are possible based on project progress.

New Moran

Project Leads:	Room 9 Redevelopment and the Charles Tipper Co.
Total Project Cost:	\$26 million
TIF allocation:	\$6.3 million*
Projected Job Totals:	70 FTE and 79 PT
Direct Annual Economic Impact:	\$5,904,280
Indirect Annual Economic Impact:	\$9,320,300

The local New Moran team has developed a proposal that represents an exciting vision for the building – arguably the most exciting vision proposed in 30 years of redevelopment efforts – and has garnered an enormous amount of support from other significant, credible, local individuals and organizations. New Moran is a mixed-use redevelopment of the Moran Plant building with a focus on local foods, a multi-use performance space, and other arts uses. Plans call for new jobs in makers and artisan spaces, a new multimedia studio, food services, and community gathering spaces. New Moran will be developed and managed by an exciting new independent non-profit that will assume the project's pre-development, construction, and operating risk. The City will continue to own and lease the redeveloped building. Partners include:

- Vision and Non-profit leadership: Charlie Tipper
- Architecture: Smith-Buckley Architects
- Finance & Project Management: Jeffry Glassberg, Renaissance Development Co.
- Construction Estimation: PC Construction
- Civil/Structural Engineering: Engineering Ventures
- Energy Strategy & Finance: BETTER P3
- Engineered Wastewater Systems: John Todd Ecological Design
- Philanthropic Support To-Date: Vermont Community Foundation
- RFP-Stage Fiscal Agent: Preservation Trust of Vermont
- Program partners include:
 - Food & Drink: The Vermont Community Garden Network, The Farmhouse Group and Zero Gravity Craft Brewery
 - Arts & Artisan: 'Generator' Maker Space, Burlington City Arts (BCA) and AO Glass Studio
 - Community Media/Technology: Bradley Holt & Jason Pelletier - Found Line, BTV Gig & Code for BTV (a Code for America Brigade)

- o Recreation: Burlington Parks & Recreation
- o Events: Crothers Productions

* The New Moran allocation includes \$4.3 million of new TIF investment and the reauthorization of \$2.091 million allocated by City Council in 2011 for work on Moran Plant redevelopment

Waterfront Park Upgrades

Project Lead:	Department of Parks and Recreation
Total Project Cost:	\$1.7 million
Phase 1 Project Cost:	\$831,000
TIF allocation:	\$800,000
Direct Annual Economic Impact:	\$150,000 direct annual revenues to the City
Indirect Annual Economic Impact:	Up to \$4 million per event

This proposal seeks to implement long-overdue upgrades at Waterfront Park through the renovation of electrical, water, boardwalk, and bike path infrastructure. For years, the site has been functioning as the city's premier event grounds with an under-supported infrastructure that limits the on-site growth potential. The proposed improvements will enhance the day-to-day functionality, event experience, aesthetics, and improve neighborhood quality of life. These necessary improvements will complement and support the site's current use as an active park and event site. The first phase of work will focus on upgrading the utility infrastructure. By improving the utilities, event impacts will be lessened on neighboring uses, and allow increased use of the bike path during ticketed events through realignment.

Lake Champlain Community Sailing Center (CSC)

Project Lead:	Community Sailing Center
Total Project Cost:	\$5 million
TIF allocation:	\$500,000
Projected Job Totals:	2 new FTE and 5 new seasonal hires
Direct Annual Economic Impact:	Negotiations on lease terms and taxes ongoing

The Lake Champlain Community Sailing Center (CSC) proposes to build and operate a 10,000 square-foot classroom, office, and storage building with an additional 40,000+ SF outdoor storage yard and access facility. The CSC will provide and expand its operations to meet the community needs for small craft storage and access to Lake Champlain, for Floating Classroom outdoor experiential-education opportunities for local students, for continued growth of the Adaptive Watersports program and partnership with Vermont Adaptive Ski & Sports, and as the home for the nationally ranked University of Vermont Sailing Team, and the Northern Vermont High School Sailing Team. For 20 years, the CSC has increasingly been a vital community asset providing access, education, and recreation opportunities to all members of the community, regardless of physical or financial abilities. The CSC is like no other organization in the region, providing nationally acclaimed programming to a broad and diverse community around Greater Burlington.

Burlington Harbor Marina

Project Lead:	Burlington Harbor Marina, LLC and Jerome J. Parks Company
Total Project Cost:	\$5 million
TIF allocation:	\$500,000
Projected Job Totals:	5-10 new FTE and 10-15 new seasonal hires
Direct Annual Economic Impact:	Negotiations on lease terms and taxes ongoing
Indirect Annual Economic Impact:	Significant growth in sales tax and rooms and meals tax anticipated with new transient and seasonal boater capacity

The Burlington Harbor Marina Project (BHM) seeks to address Burlington's acute shortage of slips and moorings to enable increased usage of Lake Champlain. The project includes 120 new slips, 40 moorings and stacked storage on land for up to 64 boats. The location would be near the New Moran project and Community Sailing Center, creating synergies for both. A new publicly accessible pier would provide breakwater protection for both the marina and the Community Sailing Center. The project would also include publicly accessible restroom and shower facilities, as well as a seasonal taxi service to serve the entire waterfront. The project is proposed by developers who most recently completed Hotel Vermont and The Hen of the Wood in downtown Burlington.

ECHO Center Sustainability Park

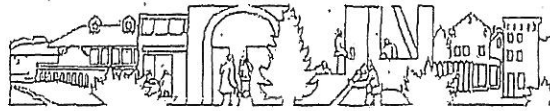
Project Lead:	ECHO Lake Aquarium and Science Center
Total Project Cost:	\$3.8 million
Phase 1 Project Cost:	\$700,000
TIF allocation:	\$500,000
Indirect Annual Economic Impact:	Already generating \$12 million annually

Sustainability Park will be a safe, socially and educationally rich outdoor environment mirroring ECHO's inside experience. The outdoor experience will be free-to-all, with no operating cost to the City. The Park will feature docks and floating nature-walks with direct access to the water – full of things to do, touch, and explore – surrounded by educational demonstrations of sustainable stormwater, energy, and waste management strategies. The project will be located directly to the south of ECHO's current building, abutting the Navy Memorial Pier. The first phase of the project would focus on building the pathways and educational interpretation, as well as some stormwater mitigation.

Waterfront Access North

Project Lead:	Department of Public Works
Total Project Cost:	\$8,661,000
TIF allocation:	\$500,000 – new allocation

Waterfront Access North is the ongoing project aimed at improving access to the north harbor, northern section of Waterfront Park, and the bike path. Project components include alterations to Lake Street, the addition of on-street parking, a new and relocated skate park, important stormwater mitigation work, and improved access to the Community Sailing Center, the Burlington Harbor Marina, and New Moran. This additional investment will better enable the project to move forward in coordination with these other projects.



COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

149 CHURCH STREET • ROOM 32 • CITY HALL • BURLINGTON, VT 05401

(802) 865-7144 • (802) 865-7024 (FAX)

www.burlingtonvt.gov/cedo

Public Investment Action Plan – Allocations

The amounts below represent the total allocation of Tax Increment Financing (TIF) dollars under the Public Investment Action Plan (PIAP). The City is prepared to invest up to \$9.6 million dollars* in six projects across the waterfront. Reallocations based on future project progress are possible.

<u>Project</u>	<u>TIF Allocation</u>	<u>Total Project Cost</u>
New Moran	\$6,300,000*	\$26,000,000
Waterfront Park Upgrades	800,000	1,700,000
Community Sailing Center	500,000	5,000,000
Burlington Harbor Marina	500,000	5,000,000
ECHO Sustainability Park	500,000	3,800,000
Waterfront Access North	500,000	8,661,000
Project Management	500,000	
TOTAL	\$9,600,000	

* New Moran would receive \$4.3 million of new TIF dollars, in addition to a reauthorization of \$2.1 million of TIF dollars approved by City Council in 2011 for redevelopment of the Moran Plant.

SLATE OF WATERFRONT INVESTMENTS – FREQUENTLY ASKED QUESTIONS (“FAQS”)

What is the ballot question asking of the voters?

This question asks voters to authorize the City to make a slate of catalytic investments in its waterfront that would leverage substantial private investment without impacting the City property tax rate. A “yes” vote would authorize the City to take on up to \$9.6 million in debt to support the creation of new public infrastructure and public facilities intended to make the waterfront more vibrant and accessible and to bring resolution to the Moran site after 30 years of discussion. The debt would be paid back through a process known as tax increment financing (TIF), which allows future expected increases in property values to help retire any debt associated with the construction of improvements without directly impacting individual taxpayers. The investments would:

- **Strengthen existing waterfront resources.** The slate includes investments in elements of today’s waterfront: the Community Sailing Center, ECHO, and waterfront Park.
- **Resolve the use of the abandoned Moran site.** The proposed slate is designed to both determine the use of the land immediately surrounding the Moran building, and define a path to near-term resolution of the future of the building.
- **Increase public access and use of the waterfront and Lake Champlain.** All proposed projects include public elements that are designed to bring more residents and visitors to the waterfront.
- **Protect Lake Champlain and continue Burlington’s leadership in water quality efforts.** The proposed projects include new public infrastructure for protection of Lake Champlain from stormwater run-off, and improving public education about lake protection.
- **Leverage additional investment that creates economic opportunity and grows City revenues.** The proposed \$9.6 million of project investments are conceptually anticipated to leverage approximately \$33 million of non-municipal direct investment. In addition, municipal tax revenues are projected to grow annually, and additional indirect economic activity projected to increase by approximately \$15 million annually.

What investments in the waterfront is the City considering?

As a result of the inclusive, year-long public process known as the Public Action Investment Plan (PIAP), the City is asking voters to authorize a “slate” of six different projects to help make the waterfront more vibrant and accessible and to aid in the long-term effort to reclaim it from its historic, industrial past. These projects include:

- **New Moran:** \$6.3 million to support a mixed-use redevelopment of the building with a focus on multi-purpose events space, local foods, and green energy innovation. The proposed investment includes \$4.2 million of new TIF investment and reauthorization of a \$2.1 million investment previously approved by the City Council in 2011. The New Moran component project of the slate is complex, and in order to provide appropriate protections for the City, its support for the project has been made contingent on the New Moran team’s achieving critical milestones. A “yes” vote on the slate is also a vote for resolution on Moran

– in the event the Administration and City Council determine that New Moran cannot be completed in a timely manner, that the City can then also use this voter authorization to demolish the building.

- **Waterfront Park Upgrades: \$800,000 for improvements to electrical and water infrastructure to enhance Vermont's most visited public park.** These Waterfront Park upgrades are designed to enable the City to better serve waterfront events while mitigating the impacts of events on neighbors and other users of the park and Bike Path.
- **Lake Champlain Community Sailing Center (CSC): \$500,000 to support site improvements for a permanent home and new building for the CSC.** After 20 years on the Burlington waterfront, the Community Sailing Center is seeking a permanent home on the waterfront. The City's proposed investment anticipates leveraging approximately \$4.5 million of independent investment by the Sailing Center and allows the Sailing Center to expand its programs and services that allow hundreds of Vermonters from all backgrounds to enjoy the Lake every summer.
- **Burlington Harbor Marina: \$500,000 of public infrastructure improvements to support the creation of a marina on our northern waterfront to meet the need for additional boats slips in Burlington's harbor.** The proposed investment anticipates leveraging approximately \$4.5 million in private investment, create jobs, and generate substantial new revenues to the City. The proposed marina would include public piers stretching into Lake Champlain, and serve as breakwater protection for both the marina and Community Sailing Center. The proposal also includes public bathrooms, a variety of currently lacking marina amenities, and water taxi service to increase public access along the entire waterfront.
- **ECHO Center Sustainability Park: \$500,000 to support the creation of new outdoor amenities, educational installations, and lake protection facilities on land surrounding ECHO.** New plantings, a boardwalk extension, stormwater mitigation, and educational installations all would be constructed in a first phase of an enhancement to the ECHO site.
- **Waterfront Access North: \$500,000 for increased access to the northern waterfront, landscaping, environmental remediation, lake protection, and utility relocation.** Waterfront Access North currently is in construction after support by the voters last fall. This additional investment will enable the project to support the use of the Moran site, a permanent home for the Lake Champlain Community Sailing Center, and a marina.

How were these projects selected as the PIAP slate?

This past year included two inclusive and transparent planning processes: PlanBTV and the Public Investment Action Plan (PIAP). PlanBTV, designed to provide a vision for the City, involved two years' research, more than 100 public events, with more than 1,200 participants from our community – residents, workers, business, and nonprofits, and resulted in a final award-winning plan adopted by the City Council on June 10, 2013. PIAP – an implementation effort designed to move PlanBTV elements from concept to reality – generated 50 initial concept proposals that have been winnowed to nine detailed final proposals.

In January of 2013, Mayor Weinberger invited the public to submit first ideas and then project proposals to the City that would take advantage of Tax Increment Financing (TIF) in the City's Waterfront TIF District. Over the last year, a public process unfolded with a volunteer Public Investment Team playing a key role in reviewing projects and advising the Mayor. The Mayor used their feedback, along with the feedback of the public, to recommend a final slate of nine projects to the City Council, which they approved to put on the March ballot at their meeting on January 27, 2014. This is the slate voters have been asked to authorize on the March 4, 2014 ballot.

Throughout the PIAP process, the proposals have been posted online, several Open Houses were held, and the final proposals have been on display at the Fletcher Free Library's Reference Desk for several months. For more information on PIAP, click [here](#). To see the Mayor's open letter to the public, click [here](#).

Will this raise my taxes?

The use of Tax Increment Financing is not dependent upon an increase in taxes. In fact, the proposed \$9.6 million of project investments are conceptually anticipated to leverage approximately \$33 million of non-municipal direct investment. In addition, municipal tax revenues are projected to grow annually, and additional indirect economic activity projected to increase by approximately \$15 million annually. The proposed slate of investments in the City's waterfront relies on a process known as Tax Increment Financing, explained immediately below. It should be noted, however, that the debt associated with Tax Increment Financing is backed by the full faith and credit of the City.

What is Tax Increment Financing (TIF)?

A city can designate an area a "TIF district," and in that district most "tax increment" (the increases in tax revenue resulting from increases in property values within the district after a certain date) is set aside to cover the costs associated with current infrastructure projects designed to benefit that district. In other words, TIF is a mechanism that allows future expected increases in property values to help retire any debt associated with the construction of improvements without directly impacting individual taxpayers in the TIF district. As a result, TIF does not increase property taxes. Burlington has two TIF districts, one on the waterfront and one Downtown. If the City does not utilize the tax increment revenue to fund improvements here in Burlington, at the end of the life of the district the city will return the majority of funds back to the State of Vermont to be used elsewhere.

Click here for more information on TIF: <http://www.burlingtonvt.gov/CEDO/Tax-Increment-Financing/Overview/>

Are these projects qualified TIF expenditures?

TIF investments are intended, by design, to support and stimulate private economic development and related growth in the grand list. Each of these projects has been evaluated and is a qualified TIF expenditure using Burlington's TIF District Policies and Guidelines.

Is a project management fee for the City a qualified expense?

The City is the primary developer/manager of the TIF District and has managed the entire PIAP process, primarily through the Community and Economic Development Office (CEDO). Several City

departments, and particularly CEDO, will have primary roles in the development of the proposed projects. The fees are important funding sources for CEDO's project based development work. Review with the City Attorney's office has confirmed that project development fees are eligible for inclusion as a cost related to TIF funded improvements. The fees are based on the total tax increment allocated to the project.

Can we afford these improvements?

The actual lifetime capacity of the district is subject to a number of future variables (interest rates, property assessments, tax rates, time of projects, amount of private development in the district, etc.) However, our most recent analysis shows that even under conservative projections the district will have ample capacity to fund these improvements.

Will the City permanently transfer any property or assets as a result of this ballot question?

No. Leases will be created with some of the project partners on land the City will continue to own. No land will be sold to enable any of these projects and there will be no permanent transfer of any public assets, i.e. buildings or other infrastructure.

Where can I find information more about the projects?

Click [here](#) to see elements of all the final proposals, as well as the other proposals submitted and reader comments. Click [here](#) to see the Mayor's open letter to the public. You can also see the final proposals in their entirety at the reference desk of the Fletcher Free Library.

What is actually in the New Moran proposal, and what will the building be like if the project is successful?

The ballot question authorizes up to \$6.3 million for a mixed-use redevelopment of the building with a focus on a multi-purpose arts and events space, local foods, and green energy innovation. The proposed investment includes \$4.2 million of new TIF investment and reauthorization of a \$2.1 million investment previously approved by the City Council in 2011. Key elements of this investment include:

- New Moran would be developed and managed by a new, independent non-profit that would assume the project's pre-development, construction, and operating risk. The City will invest its TIF funds only after the New Moran team has secured tenants and the balance of the financing for the approximately \$25 million project and taken steps to guarantee the long-term financial viability of the project.
- New Moran is proposed to be a mixed-use redevelopment of the Moran Plant building with a focus on local foods, a multi-use performance space, and other arts uses. Plans call for new jobs in makers and artisan spaces, a new multimedia studio, food services, and community gathering spaces. The City would create a long-term lease for the redeveloped building.
- More information can be found at the project team's website: <http://newmoran.org/>

What will happen if the New Moran project is unsuccessful in achieving the milestones and timelines agreed upon by the project team and the City?

If the Administration and City Council conclude that the New Moran project is unable to achieve the milestones and timelines previously agreed upon, a portion of the TIF dollars allocated to the New Moran portion of the slate could be used for the demolition of the building.

What would happen in the space previously occupied by the Moran building if the building is demolished?

The City would embark upon a public process to determine the future of the land.

I am not a boater. Why does the City need more marina space?

Burlington has only the ninth largest marina on Lake Champlain, despite being—by far—the largest population center. The marina is a significant economic driver in our summer months, bringing dollars to our City from points far and wide as boaters visit our city. The current wait list for slips in our harbor numbers in the thousands. There is a large unmet demand for more slips and mooring in our harbor, which prevents the City from collecting a substantial source of revenue.

What is “breakwater protection,” and why does any new marina need it?

Our current breakwater (the dirt and concrete structure in the harbor) protects the boats and infrastructure in our harbor from damaging weather and waves. With a change in weather patterns, however, the current breakwater does not protect our harbor from damaging wave and wind action from the north and south. Any expansion of our harbor capacity must be tied to increased breakwater protection. The protection proposed by the Burlington Harbor Marina is known as a floating wave attenuator.

Will the marina proposal be privately operated?

Yes. The marina is proposed by the same management group that recently built Hotel Vermont. They would lease land from the City to build and operate their marina. Certain elements of their facility (like restrooms and the main pier) would be open to the public. The rest of the marina would operate very similarly to the marina already operating in our harbor at Perkins Pier.

Why was the marina in the northern harbor chosen over the marina in the southern harbor?

First, the southern marina proposal requested \$3 million in TIF dollars. The marina in the north requested \$500,000. Second, the northern marina fits in with the Mayor’s goal to reinvigorate the northern part of the waterfront through the combination of Waterfront Access North, the new Community Sailing Center facility, and the New Moran project.

Will elements of all of these projects be free and open to the public?

Yes

- The marina pier would be open to pedestrians, and marina amenities like restrooms are proposed to be open to the public. Anyone would be able to use the marina slips and moorings for a fee, similar to the current publicly and privately run marinas at Perkins Pier.

- Sustainability Park would be open and free to the public year-round.
- Waterfront Park Upgrades would enable the bike path to remain open during events, improving access to existing park amenities; and enable the park to host events more efficiently.
- The Community Sailing Center's new building would enable them to get more kids and adults out on the lake, many of whom attend the program on scholarships. (See more information about their programs here: <http://communitysailingcenter.org/>) They will also continue to have fee-based activities in their new facility.
- New Moran would take a currently inaccessible building and fill it with activities – jobs, community space, and event space. It would become a public building with primary public use purposes. Private uses will be in support of the public uses.
- Waterfront Access North will make improvements to Lake Street, adding new parking, utility infrastructure, stormwater mitigation features, and a new skate park.

Will all of these projects involve stormwater mitigation?

Yes. Bio-swales, permeable paving, wetlands, and education are all part of these projects.

Will this proposal create new revenues for the City?

Yes. New Moran, the Marina, and the Community Sailing Center all propose to pay new taxes and have leasing arrangements with the City.

Will this proposal create new jobs?

Yes. New Moran, the Marina and the Community Sailing Center all propose to create new jobs.

Is this proposal and ballot question consistent with Plan BTV?

Yes. See Plan BTV here: <http://www.burlingtonvt.gov/PlanBTV/>