



**COMMUNITY & ECONOMIC DEVELOPMENT OFFICE**

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Date: February 8, 2012

To: Parks, Arts and Culture Committee

Cc: Kirsten Merriman Shapiro, Special Projects Manager, CEDO

Darlene Kehoe, Assistant Director of Finance, CEDO

Ed Antczak, Economic Development Specialist, CEDO

From: Larry Kupferman, CEDO Director

Re: Moran Center Update – Expenditures and Predevelopment Budget as of December 31, 2011

This communication is intended to provide an update on the working budget for the Moran Center project and city expenditures to date (December 31, 2011). I have updated the table for comparison with the October 21, 2010 figures.

Since the advisory vote in March, 2008, to date the City has had expenditures of \$1,500,793.00 for the Moran redevelopment project. The City has assembled \$1,842,877.15 in sources for interim expenditures of which only 40.5% are from City funds.

The financial plan for Moran currently anticipates refunding all the City's Capital Budget expenditures from the proceeds of the final financing of the project. If this is done, it will reduce the City's investment to \$375,000 (cost of acquisition of Moran) and greatly increase the effective leverage of other funds for every City dollar.

Below is the current *short term* budget and expenditures

<b>Moran Budget as of 12/31/11</b>			
<b>Sources</b>		As of 10/21/10	<b>Sources</b>
City Capital Funds –FY10		\$305,000	\$305,000.00
City General Fund FY09 – Capital Reserves		\$215,856	\$215,856.00
City Capital Fund FY 11		\$150,000	\$150,000.00
City Capital Fund FY 12			\$75,000.00
<b>sub-total City funds</b>		<b>\$670,856</b>	<b>\$745,856.00</b>
Brownfield Economic Development Initiative		\$260,000	\$312,000.00
Section 108 Guaranteed Loan		\$522,750	\$627,300.00
Community Development Block Grant - Recovery		\$25,000	\$25,000.00

Burlington Electric Department Settlement		\$100,000	\$100,000.00
Community Development Block Grant		\$3,737	\$3,737.00
Petroleum Cleanup Fund (PCF)			\$22,140.42
FEMA reimbursement			\$6,843.73
<b>sub-total outside funds</b>		<b>\$911,487</b>	<b>\$1,097,021.15</b>
<b>Total Sources</b>		<b>\$1,582,343</b>	<b>\$1,842,877.15</b>
<b>Uses</b>			
	<b>Current contracts</b>	<b>As of 10/21/10</b>	<b>Paid to date</b>
<b>Consultants</b>			
Freeman French Freeman (fff)*	\$956,899.00	\$579,315.95	\$804,076.33
White + Burke Real Estate Investment Advisors **	\$257,900.00	\$157,875.38	\$233,894.49
Grindline Skateparks	\$42,750.00	\$21,375.00	\$42,550.00
New England Preservation Collaborative	\$6,733.75	\$2,893.75	\$6,733.75
Vanasse Hangen Brustlin, Inc.	\$47,650.00	\$24,227.69	\$47,650.29
Pomerleau Properties	\$1,000.00	\$1,000.00	\$1,000.00
DEW Construction Corporation	\$11,000.00	\$4,000.00	\$11,000.00
SE Group	\$2,225.00	\$0.00	\$2,225.00
Burak, Anderson and Melloni	\$21,502.68	\$0.00	\$31,159.73
Arace & Company	\$18,500.00	\$0.00	\$18,500.00
Barden	\$617.50	\$0.00	\$617.50
<b>sub-total</b>	<b>\$1,366,777.93</b>	<b>\$790,687.77</b>	<b>\$1,199,407.09</b>
<b>Brownfield Remediation &amp; testing</b>			
Alderson Consulting, Inc.	\$26,031.80	\$15,681.80	\$26,031.80
Waite Environmental Management	\$11,127.02	\$900.00	\$11,127.02
Engineering Ventures, Inc.	\$5,905.00	\$3,936.25	\$5,905.00
Environmental Products & Services	\$4,255.96	\$0.00	\$4,255.96
Prosons, Inc.	\$1,500.00	\$1,500.00	\$1,500.00
P&P Septic	\$6,173.00	\$320.00	\$6,173.00
Lincoln Applied	\$2,336.70	\$2,336.70	\$2,336.70
Vermont Department of Taxes	\$2,070.45	\$0.00	\$2,070.45
Heindel & Noyes	\$10,000.00	\$0.00	\$32,140.42
GMP for ECS/ENPRO on "former switchyard"	\$18,750.00	\$0.00	\$0.00
Vermont Dept. of Environmental Conservation	\$56,421.00	\$0.00	\$52,089.61
<b>sub-total</b>	<b>\$144,570.93</b>	<b>\$24,674.75</b>	<b>\$143,629.96</b>
<b>Misc</b>			
zoning permit fees to the City	\$106,937.00	\$43,937.00	\$44,388.75
Dion's Security	\$136.45	\$136.45	\$136.45
Curtis Lumber	\$85.53	\$21.63	\$85.53
Burlington Free Press	\$403.50	\$136.00	\$403.50
Lafayette	\$9,919.50	\$0	\$9,838.50
Office Supplies	\$486.17	\$0	\$312.27
Hills	\$113.37	\$0	\$113.37

Hulbert	\$151.01	\$0	\$151.01
Camp Precast	\$930.40	\$0	\$930.40
Essex Equipment	\$669.73	\$0	\$669.73
Moran to DPW Engineering	\$1,352.04	\$0	\$1,352.04
Shattuck Welding	\$1,116.00	\$0	\$1,116.00
Ducks Unlimited	\$68,629.50	\$0	\$68,629.50
Checkers	\$3,441.32	\$0	\$3,441.32
Salaries & Benefits	\$26,187.58	\$0	\$26,187.58
<b>sub-total</b>	<b>\$220,559.10</b>	<b>\$44,231.08</b>	<b>\$157,755.95</b>
<b>Total Uses ±</b>	<b>\$1,731,907.96</b>	<b>\$859,593.60</b>	<b>\$1,500,793.00</b>

\*FFF includes following subs: SE Group, LN Consulting, Engineering Ventures Inc., DEW and Pizzagalli,

\*\*W+B includes following subs: Polaris (Weems), VHBP

± does not include costs for MBRC, staff time or \$27,568 in costs incurred before the March 2008 vote for technical investigations, regular maintenance and security along with minor miscellaneous expenses.

We have adjusted the working budget by increasing the amount of FY 12 City Capital funds by \$25,000 for a total of \$75,000 out of the \$100,000 programmed for FY12. We also made a 5% increase in the BEDI and Section 108 funds to accommodate additional Brownfield related costs and costs associated with permitting. This represents an overall increase of \$181,550.

As mentioned in the last report, other changes include increases to Waite Environmental Management for additional work related to the Brownfield issues and spring flooding, some of which should be reimbursed by FEMA.

Also changed was the Heindel & Noyes contract for services relating to the Corrective Action Plan addressing the petroleum issues so that the city could access the Petroleum Cleanup Fund (PCF). The Vermont Department of Environmental Conservation (VT DEC) has approved this site for the PCF if it is not covered by the city's insurance. The insurance review is now underway. The PCF is a program that allows for the full reimbursement of cleanup and consulting costs for petroleum sites, provided that insurance does not cover the cleanup. Since over 70% of contaminated sites in Vermont are petroleum related, often caused unknowingly by leaking underground tanks, this program is highly effective and is used often. The PCF is funded by a gasoline tax. There is a \$10,000 deductible for all eligible sites and that is what is shown as the contract amount. Total expenditures to date for this work are \$32,140.42. As is the case with most PCF sites, the total cost of the work was not known at the time the contract was executed. If the City shows that insurance does not cover the cleanup of the petroleum, all expenses over \$10,000 will be reimbursed by the Vermont DEC.

Additionally CEDO has been coordinating efforts to address the "former switchyard" adjacent to the Moran building with Green Mountain Power Corporation (GMP) and Burlington Electric Department. This work involves the removal of substation infrastructure, specifically concrete pads and a brick fire wall. A small area of soil will also be removed. GMP has hired Environmental Compliance Services (ECS) to manage the project and ENPRO Services is the contractor performing the work. The contract amount is for \$56,250 and all three entities (GMP, CEDO & BED) are paying \$18,750 towards this cost. This work is being done in compliance with and has the authorization of the Vermont Dept. of Environmental Conservation (VT DEC) and the U.S. Environmental Protection Agency (EPA).

If you have additional questions or comments, please send them to me in advance of the meeting, so we can be as prepared as possible to respond.

