

UTILIZATION OF TIF FUNDS
FOR REPAYMENT OF HUD SECTION 108 LOAN
RE THE MORAN PROJECT

In the year Two Thousand Eleven.....
Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, in 2009, the U.S. Department of Housing and Urban Development (HUD) released its Notice Of Funding Availability for the Brownfields Economic Development Initiative (BEDI), which made \$20 million available for that nationally competitive program; and

WHEREAS, BEDI funding, was deemed by the City to be an important resource to pursue for the redevelopment of the Moran Plant; and

WHEREAS, the BEDI program required that an applicant submit an application for funding under the Section 108 Loan Guarantee Program for the project, in at least a 1:1 ratio of Section 108 to BEDI funds requested; and

WHEREAS, the City of Burlington is eligible to receive Community Development Block Grant funds as an entitlement city under HUD regulations, and is therefore eligible for funding under the Section 108 Loan Guarantee Program; and

WHEREAS, the City Council of the City of Burlington, Vermont, on June 1, 2009 approved the filing of an application for Section 108 Loan Guarantee in the amount of \$2,091,000, to match the requested BEDI funds and the Mayor was authorized and directed to file the application and all understanding and assurances contained therein, as required, and to provide any additional information or documents required by said agency, to execute any agreements pertaining to said Loan Guarantee, and to otherwise act as the representative of the City of Burlington in all matters relating to this application and any award which may be based upon this application; and

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WHEREAS, all of this was done, and furthermore was done in satisfaction of the prerequisite requirements for applying for a BEDI grant; and

WHEREAS, the City also simultaneously filed its application for a BEDI grant in the amount of \$1,040,000, pursuant to the FY 2009 BEDI Notification of Funding Availability (NOFA); and

WHEREAS, on August 24, 2009, the City was informed that, as one of just seven projects nationwide, it had been awarded a BEDI grant in the amount of \$1,040,000; and

WHEREAS, the City in prior resolutions and communications has clearly indicated its plan to service the debt for the Section 108 loan with revenues from its existing Waterfront Tax Increment Financing (TIF) district as authorized by the Vermont Recovery and Reinvestment Act of 2009 (Act 54) which required subsequent approval of an agreement with the Legislative Joint Fiscal Committee to contribute 25% of tax increment from the District to the state education tax fund; and

WHEREAS, the Legislative Joint Fiscal Committee, in fact, approved such agreement with the City on September 10, 2009; and

WHEREAS, HUD officials have nevertheless indicated the Section 108 loan application would be best served by a final resolution clarifying the City's intention to utilize TIF funds for the repayment of the Section 108 loan;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Burlington, Vermont, does hereby clarify it's intention to use TIF revenues from the existing Waterfront TIF District to repay the \$2,091,000 Section 108 loan for use in conjunction with the BEDI grant for the Moran redevelopment.