What is an ‘improvement district?’

• An improvement district is a defined area within which businesses and property owners are required to pay an additional tax in order to fund “enhanced services” within the district's boundaries and within its limited purview.

• While funding comes primarily from businesses, districts may also draw on other funding streams, such as from residential property owners, non-profit operations, grants, and donations.

• These districts are created to fund only “enhanced services,” supplemental to those already provided by a municipality.
What *isn’t* an ‘improvement district?’

- An improvement district does not replace core or baseline government services, such as:
  - Approving or implementing public policy
  - Managing rights of way or public space
  - Creating policing policy or conducting law enforcement
  - Levying taxes or bonding for infrastructure developments
History of improvement districts in BTV

• We have two improvement districts currently

• Church Street Marketplace District
  • Established 37 years ago
  • Includes 40 property and business owners on Church Street
  • Annual budget: ~$1,000,000

• Downtown Improvement District
  • Includes most of the downtown core
  • Limited to only subsidize parking in the downtown
  • Annual budget: ~$320,000
Background and History

- January 2017: DIDAC was created by unanimous City Council approval to “serve as an informal advisory group” to the process.

- February 2018: Progressive Urban Management Associates (PUMA) was contracted to evaluate Burlington’s existing downtown management framework and provide options for reimagining our improvement district.

- June 2018: Presentation from PUMA on “Downtown Global Trends.”

- August 2018: The City Council approved the public process for this project.

- October 2018: The City Council held a work session to consider the Phase 1 Report from PUMA.

- October 2018: PUMA submitted its final draft Management Plan to the City Council.
Recent History (October + November + December)

- The City Council held work sessions to discuss the DID report and options.

- The City Council Board of Finance met five times to consider options provided in the consultant’s report and to make a recommendation to the full City Council.

- Members of the City Council hosted a Town Hall Meeting to present information to the public and receive additional feedback.

- The Council referred the BoF recommendations to the Charter Change Committee, who met this week to draft language in line with the recommendations, public feedback, and councilor feedback.
Who’s paying in?

- Fee-payers of the DID would include all non-residential properties within the boundaries of the district that are not owned and occupied by religious organizations, social service providers, or government agencies.

- Non-profit agencies (other than social service providers) would pay fees, but can claim hardship based on inability to pay.

- Fee rates would be submitted by the governing board for City Council approval annually.
Boundaries of District + Expansion

• The district would be slightly expanded from the current DID’s existing borders.

• The addition would be to include two blocks of St. Paul St. south of Main (the two blocks currently under reconstruction).

• There is a process for expanding the DID, which includes a petition process that would enable properties adjacent to the DID boundaries to join, only after City Council approval.
Map of Boundaries
Governance

• The new DID would be established as a 501(c)(6) non-profit and be governed by a thirteen-member board.

• The board would be composed of:
  
  • Seven members appointed by City Council + Mayor during its annual appointment process, to include two residents, one non-profit fee payer, two business representatives, and two property owner fee payers.

  • Six members selected amongst fee-payers, to include one resident, two business representatives, and three property owner fee payers.

  • In addition, ex officio, non-voting representatives from DPW, Parks, BPD, and City Council would be on the board
Capital Planning and Improvements

• Currently, general taxpayer funds cannot be used for the operations or infrastructure of Church Street. This restriction is removed.

• City will include all the public areas within the DID in its capital planning and be fully responsible for base-level public infrastructure within the DID.
Capital Planning and Improvements (cont.)

- The DID and City will share in the cost of providing “enhanced” capital improvements (i.e., the bricks on Church Street).

- The DID is required to go through all standard City approval processes while providing enhanced services. (i.e., the lights on Church Street trees)
Sunset Clause

- The DID will automatically sunset after 10 years.

- In addition to annual reports to the City Council, a review after 5 years is required.

- The DID Board of Directors may submit a new operating plan, and after a public hearing, the City Council may vote to extend the sunset timeline.
Public Accountability Measures

- City has majority appointment authority over the governing board
- City must approve the annual “management plan”
  - Management plan determines the specific work plan for the DID, articulates the enhanced services, and shows employee job descriptions.
- City must approve the annual fee payer rates and methodology
- City must approve the annual operating budget
- City collects the district’s revenue from fee payers on their tax bill
- City retains all its responsibilities, including permitting public space
- Governing board meetings are subject to Vermont Open Meeting Law
Next Steps

• City Council will vote on January 28th whether or not to place the Charter Change question on the March 2018 ballot.

• A significant public information sharing effort will include:
  • NPA presentations
  • Channel 17 presentation
  • Town Hall Meeting
  • Digital Presentations
  • Front Porch Forum postings