



Office of Mayor Miro Weinberger

May 29, 2020

VIA EMAIL

BTC Mall Associates LLC
c/o Brookfield Properties
250 Vesey Street, 15th Floor
New York, NY 10281
Attention: Aanen Olsen, Senior Vice President

Re: CityPlace Burlington ("Project")

Dear Aanen,

I hope you and your family are well during this challenging time.

I am writing to advise BTC Mall Associates LLC ("BTC") of important pending deadlines regarding the Project and actions required of BTC as a result thereof.

First, I want to acknowledge the progress that BTC made during Q1 2020, prior to the onset of Covid-19 restrictions in mid-March. During that time, BTC conducted three well-attended public presentations regarding its revised development plan for the mid-block site, engaged in the technical review process of its plans for both the mid-block site and redevelopment of 67 Cherry Street (former Macy's) with City departments, and, with its design team, further refined the program and design for both the mid-block and 67 Cherry Street in preparation for submission of permit applications.

There has not been significant, evident progress since then. BTC has not submitted permit applications for either the mid-block site or 67 Cherry Street. BTC has not responded to the draft amendment to the Development Agreement the City delivered 2/18/20.

In our most recent discussions, BTC leadership has continued to express confidence in Burlington and the Project over the long term. That is encouraging, as far as it goes. However, it is now late May 2020; it will soon be the two-year anniversary of BTC's failure to perform continuous construction as required by the Development Agreement. BTC must take a series of actions in the near term, as outlined below, to keep the Project on-track.

1. Preserve the TIF. Conclude negotiation of the amended Development Agreement by July 31, 2020.

BTC must continue to actively support the City's efforts to maintain compliance with the statutory requirements applicable to the Waterfront TIF District (which are referenced in the Development Agreement). BTC must provide to the City information as may be required

by the Vermont Economic Progress Council (“VEPC”), the state agency that administers the TIF program. Because of the special nature of the legislative authorization associated with the Project TIF, the City may seek written affirmation from BTC of certain information if the legislature considers TIF debt incurrence timeline extensions due to Covid-19. Further, the information BTC must provide will include updates to certain memoranda, comfort letter(s) and design and programming materials that BTC previously provided to the City, which the City in turn submitted to VEPC in late 2019 to support the City’s request for a substantial change to the TIF plan for the Project.

At its December 19, 2019 meeting VEPC acted to table the City’s request pending amendment of the Development Agreement between the City and BTC. The City delivered a draft amendment to BTC on February 18, 2020. BTC has not provided a response. BTC and the City must conclude negotiation no later than 7/31/20 and submit the amended Development Agreement to VEPC.

Among the key terms of that draft is a provision whereby if BTC fails to commence construction of the mid-block by 12/31/20, BTC must transfer the rights-of-way for Pine and St. Paul Streets to the City. Because of the impacts of Covid-19 and a realistic timeline moving forward, the City will agree to reset the date for construction start to a reasonable point in early 2021. However, this term - this guarantee that the City will ultimately control the rights of way - is critical to the City in order to move forward. The City Council and I are absolutely firm on this point.

2. Complete restoration of the City’s rights of way along Bank and Cherry Streets in accordance with the requirements of the November 2017 License Agreement.

As you recall, BTC undertook an interim restoration of the rights-of-way in late 2019. Earlier this year, construction of the mid-block was expected to commence as soon as August. It is now clear that will not happen.

BTC paid to encumber the rights-of-way through 6/30/20. At the City’s discretion, BTC may seek to extend its encumbrance period through 8/30/20 and pay the associated additional fees.

BTC must submit a proposed restoration plan to DPW for its review as soon as possible. I understand that availability of construction labor may require time beyond 6/30/20 to implement the restoration. However, BTC must have a DPW- approved restoration plan in place prior to 6/30/20, or DPW may elect to proceed with restoration at BTC’s expense.

3. Commit to provide an update on the Project to the City Council in public session at its 8/3/20 meeting.

As you know, the public and the Council are eager for progress. Please focus on actions 1 and 2 above and then plan to be in front of the Council in early August for a fulsome public update.

At that meeting, the Council will expect to hear from BTC about the Project schedule, including the separate schedule tracks for 67 Cherry Street and the mid-block.

4. Actively participate in the Small Business Restaurant and Retail Task Force.

BTC has a critical role to play in supporting the re-opening of downtown retail businesses and restaurants. The timing and scope of BTC's plans can support the health of existing downtown businesses.

Please confirm that you or another BTC executive will join and actively participate in the task force.

5. Continue to pay the City a monthly fee to offset its administrative costs of delay.

BTC has paid to the City the sum of \$10,000 per month for the period 9/18 through and including 12/19. Payment is due for the period 1/20 - 4/20, and for the months going forward until such milestones occur as described in the draft amendment to the Development Agreement.

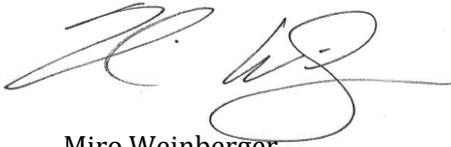
Please confirm that BTC will continue to make these payments and that the next payment will be made to the City on or before 6/10/20.

So long as BTC acts in good faith to address these actions, the City will continue to productively engage with BTC in an effort to facilitate a Project that achieves the outcomes the City originally bargained for:

- Restoration of St. Paul and Pine Street rights-of-way.
- Incremental tax revenue (TIF) generated by redevelopment sufficient to pay for those improvements, as well as improvements to Bank and Cherry Streets.
- A substantial number of housing units, including additional affordable units, in the downtown.
- A mix of uses, including retail and office, that would create substantial new downtown jobs.
- A range of ancillary benefits including public access and achievement of environmental goals.

Please confirm BTC's intent to continue that productive engagement by responding to me in writing in the affirmative on these requested actions by 6/4. I look forward to hearing from you.

Sincerely,



Miro Weinberger
Mayor

c.c.

Peter Calkins (via email only)
Jeremy Farkas, Esq. (via email only)
Richard Haesler, Esq. (via email only)
Brian Dunkiel, Esq. (via email only)
Jeffrey Glassberg (via e-mail only)