**Burlington Town Center’s Answers to Questions about the Redevelopment**

As you know, there have been many public meetings and City Council sessions on the proposed redevelopment of the Burlington Town Center mall. But many Burlington residents have let me know that it can be difficult to get a handle on all the details, especially as things change, and I know that it takes time to come to public meetings, review written material and plans, etc. to stay up to date. I also know that while a good number of people came out to support the project at the City Council during its deliberations of the Predevelopment Agreement recently, many others came to express concerns or have posted questions or criticisms of the project since that time. Therefore, in an effort to provide the most accurate information and images here are answers to questions I’ve heard; if you have other questions you want me to address, post them or contact me directly at dsinex@devonwoodinvestors.com. We will continue to answer your questions, and address your concerns.

**Where are the plans and presentations for this project posted?**

The City of Burlington has a dedicated webpage where all of the public presentations, documents, and

plans can be reviewed[: https://www.burlingtonvt.gov/btvmall](file:///C:\Users\mtuttle\AppData\Local\Microsoft\Windows\Temporary%20Internet%20Files\Content.Outlook\EFF80HVE\:%20https:\www.burlingtonvt.gov\btvmall)

Here you will find:

* Photos visualizing the project from key locations selected by the City:

<https://www.burlingtonvt.gov/sites/default/files/CEDO/Files/btvmall/all%20views%20combined.pdf>

* A 3D animated "fly through" model and animated sun studies (scroll down to the “Current BTC Mall Proposed Plans” section and look for the two bold headings): <https://www.burlingtonvt.gov/CEDO/Project-Documents>

*(Please note these files are large and may take several minutes to download.)*

All of the public forums are also summarized on this webpage, and all the slides presented by the BTC

Mall team at these meetings are posted too. You will also see the City’s presentation on the its design

assessment, including its conclusion that the project massing and program overall fit with the City’s

downtown development policies (like planBTV) and current context, and that the zoning should be

changed accordingly. Improvements and refinement of the façades and architectural interest

consistent with new proposed zoning will continue in anticipation of any permitting approval.

Going forward, the City plans to keep this page updated throughout the Planning Commission and

Development Review Board approval processes so that City residents have a single place to look for the

most up to date material on the project.

**Why is the project proposed to be 14 stories/160 feet high, more than the up to 105 feet of height**

**currently allowed?**

Many residents agree that the current mall building is a low, monolithic, awkward, inward facing waste of central downtown space. In designing the project, the owner has wanted to be responsive to what people desire for this portion of the downtown as expressed through the planBTV process and the many public forums and design meetings for this project. The public’s input has caused the owner to change the project in many significant ways. The owner is proposing the project as designed to be responsive to the community’s desire for a lot of different mixed uses and to maximize the potential of this site to serve many interests. In order to build the maximum amount of mixed income housing encouraged and allowed by the state’s Priority Housing permitting law; add the office and commercial spaces demanded by the smart growth marketplace; affordably provide the needed parking without digging into the likely contaminated soil on the site; and turn the inside retail shops out to the street all while returning two streets to public use, the project needs to go higher than current zoning.

A great deal of time has been spent discussing the project’s mix of uses and its height. The project is in a part of Burlington where 105 feet of height is presently allowed and there are already several tall buildings. PlanBTV calls for more density and greater height than currently allowed in this limited core downtown area to support housing and growth. The City’s technical team has agreed that the project’s proposed massing and uses are appropriate for this area of the City. Only 40 percent of the site is proposed to be built to the highest total allowed height because the building will be stepped back toward the center to help mitigate the feel of the height and shadows while providing roof space for storm water controls, outdoor tenant access, and good interior lighting. The photo views show that because of the topography of the City and many preexisting buildings the project will be well screened from many key locations, minimizing the impact of the proposed height. The permitting process will be an opportunity to refine the project materials and the look and feel of the façade through architectural features. If the project were not permitted to build at the proposed height, it would lose important uses (housing units, office space, etc.) and harm the project feasibility.

**Why isn’t there a physical 3D model we can look at?**

The property owner heard the many public comments on this subject and responded to it by agreeing to give the City $16,000 so the City can commission a physical 3D model, eliminating concern expressed about the owner preparing the model. This is in the Predevelopment Agreement approved by City Council. Physical models are not often used any more in preliminary designing; more advanced photo realistic images and animated computer models are often far more helpful in evaluating a project. That’s why the owner provided more than three dozen City selected photo views of the project and a 3D fly through of the project, using the City’s own digital topographical model to ensure its accuracy.

**I heard the City is going to bond for about $21M through Tax Increment Financing (TIF) to pay for the**

**public streets and related improvements for this project – why should the City pay anything for this**

**private development, and why use TIF?**

The City is using this unique redevelopment opportunity to reacquire land to restore St. Paul and Pine

Streets, both of which were lost to urban renewal more than 40 years ago. The City convinced the

property owner to do this after hearing many residents call for restoration of the streets, and it will be

a major benefit to Burlington. To pay for only the public streets and related improvements, the City will use a Tax Increment Financing (TIF) model which will use *increased property taxes generated by the project itself*, rather than other City taxpayers, to retire a special purpose bond for construction of these public improvements. This will mean that the redevelopment is not a financial burden on City residents and will leave general obligation bonding capacity for the City to address other critical infrastructure needs, on roads, at schools, etc. The City has been clear from the beginning that its support of the project is predicated upon fulfilling the planBTV vision, including street connectivity and streetscape improvements. The City will get its streets back, opening up important connections that substantially increase the desirability of this project for residents. The City’s public streetscape infrastructure investment will be no more than $21 million, under a completion guaranteed maximum price contract, with the balance of the over $200 million project privately funded. These will be City owned, public streets. This investment means the project will have a 10% to 90% balance of public vs. private funding, conservative for this type of development. And while the City’s TIF will pay only for the truly public aspects of this project, it is important to repeat that the TIF bond will be paid off by the developer’s own real estate taxes, not impacting City taxpayers. In other words, the TIF lets property taxes from *this project* pay for the public streets – rather than local taxpaying residents. This is not a project subsidy but instead a smart way for the City to reclaim this public infrastructure. Here are links to the City’s own analyses of the [tax payments](http://www.boarddocs.com/vt/burlingtonvt/Board.nsf/files/A9KNGM563C23/$file/BTC%20Mall%20TIF%20Projection%20Presentation.xlsx) and [TIF impacts](http://www.boarddocs.com/vt/burlingtonvt/Board.nsf/files/A9KNGW564068/$file/04-22-16%20Waterfront%20TIF_Ed%20Fund%20Impact%20and%20Municipal%20Impact.pdf), showing that the City’s revenue is better off if this TIF investment and redevelopment happen.

**What protections are in place to ensure that this project doesn’t end up like the hole in the ground in**

**Newport, with the City and its residents left to clean up the mess?**

This project uses a traditional debt/equity funding model with strong protections for the City and its

residents. The funding for this project is the developer’s own funds and that of additional financing

sources such as life insurance companies and pension funds. These are lower risk investors that will

insist on seeing financial sureties for the project and will require significant pre lease commitments.

This is a difficult but important project; the owner understands that and agreed to the protections the

City asked for in the Predevelopment Agreement:

• At the City’s request, the owner agreed to provide underwriting/financial surety information to

the City’s expert.

• The owner will provide the City with its feasibility studies and provide money for the City to

commission its own.

• The assignment clause in the agreement requires the developer to stay directly and personally

involved.

• The owner also agreed to language that expressly requires financial surety for not only the

public street improvements but also the private improvements.

• The owner agreed to clearly define “construction” to include “demolition” so the City can be

sure that it will not be stuck with a hole in the ground.

Nothing will occur onsite until the protections the City asked for are in place.

**How come the parking garage isn’t proposed to be underground? It would help lower the buildings**

**if we put the parking below grade.**

The property owner looked into the feasibility of an underground garage. While the owner originally

would have preferred to put the parking underground, unfortunately an underground garage will not

work for both impact and cost reasons. It is estimated that a subsurface garage would require the excavation and relocation of approximately 234,000 cubic yards of soil (127,750 sq./ft. garage at 45 feet of excavation depth). Given the soils test results at adjacent sites such as the new Downtown Transit Center, we know that soils on this site likely will be considered contaminated and require careful management and appropriate disposal at solid waste landfills or other facilities. Excavation, transport, management, and disposal of this huge volume of material would cause significant project construction impacts. It would substantially extend the duration of the construction (approximately 9 months just for the required excavation transporting if done every day for 12 hours each day). It would require at a minimum approximately 19,500 truck trips to either landfills or other approved receiving facilities. It would also require an extensive and costly environmental assessment to pre characterize the potentially contaminated soil in place prior to construction or to identify a safe location in Burlington to temporarily stockpile the material while the necessary environmental assessment is performed to determine the appropriate disposal options. The additional handling costs for removing, characterizing, trucking and appropriately disposing the soils is approximately $135/cubic yard (assuming it all exceeds the applicable soil quality screening standards), totaling up to $31 million. The additional construction costs to build an underground garage would also be substantial, estimated at $22 million extra hard costs to shore up the excavation and appropriately build a garage underground. That means the cost of an underground garage would likely be $53 million greater than the just over $20 million cost of the self-ventilating, above ground garage being proposed. This substantial additional cost and the significant impacts associated with excavation make the underground garage option untenable.

**I heard that the developer wants to be able to close the public streets he’s building for private**

**events. Is that true?**

No. The Predevelopment Agreement requires that developer deed the streets to the City as a part of

this project. The City and developer will negotiate the circumstances when the new City streets can be

temporarily closed for public events, such as festivals, street fairs, and art shows approved by the City.

**Why is the developer saying that he needs to keep this project on track for permitting? He seems**

**unwilling to slow down the review process for this project even though it will have a lot of impact on**

**the City.**

There has been an almost two-year public process on how to redevelop this important downtown site,

with substantial input from the public and the City. There are still a number of critical steps to fulfill –

such as zoning, permitting, final development agreement approval, and a public TIF vote – to make this

project a reality. But if the project is not completed on time, UVM Medical Center will be forced to find

space elsewhere for the offices it seeks to lease; there are no other suitable sites in Burlington. This

means jobs will leave downtown, costing the City vibrancy and revenue. The owner also needs to move

forward with this project in order to actually secure (and keep) other tenants and lenders. The

schedule agreed to in the Predevelopment Agreement should be achievable and reasonable; further

delay beyond that schedule puts the project at significant risk.

**Is the project going to be built in a responsible, energy efficient and environmentally sensitive way?**

**It is such a large project – will it have negative environmental impacts?**

The project will be built to LEED Gold standards and the developer will diligently seek that certification.

The project will incorporate solar and energy efficiency measures (and will continue to evaluate

whether other ideas – such as geothermal or waste heat – could be used). The project will incorporate

storm water treatment systems that will *improve* the City’s Combined Sewage Overflow problems,

even though it will have more users onsite for wastewater. By leaving soils in place, the project will

not risk any impacts from excavation. Building more densely on this 4-5-acre underutilized downtown

site as proposed, rather than building the same uses in a suburb, will save open space and allow for

better long term energy savings, by creating a hub of activity right downtown so residents and visitors

can avoid driving.

**What balance of housing is proposed for this project (inclusionary, market, student, unit size, etc.)?**

20% of the apartments will be permanently inclusionary under City rules. Up to 30% of the apartments will be available to be leased under a master agreement with Champlain College. The balance of the apartments will be available at market rates. The owner expects most of these to be rentals but will continue to evaluate whether some can be made available for ownership. The units will be a mix of sizes, efficiency through 3 bedrooms, determined as final designs are put in place and will meet the size standards set by the City for inclusionary units.

**What are the rents expected to be on those inclusionary units and how long will they remain a part**

**of that program?**

The inclusionary units must remain permanently available only to income qualified renters. By City

rule, that means they are available to households with annual income that is 65% of median adjusted

for household size. (Sec. 9.1.12 of comprehensive development ordinance). “Affordable” is defined by the federal Housing and Urban Development agency to mean that the total cost of housing, including rent and utilities, does not exceed 30% of the household’s gross annual income.

In calculating rents, the following relationship between unit size and household size apply:

Efficiency units = 1-person household

One bedroom units = 1.5-person household

Two bedroom units = 3-person household

Three bedroom units = 4.5-person household

Four bedroom units = 6-person household

(Sec. 9.1.12 of comprehensive development ordinance)

Based on the above, here are the calculations for the total monthly cost of housing (rent plus utilities)

for each of these size apartments based on the 2016 HUD income limits:

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**It seems like housing students in a significant number of the apartments, rather than other residents,**

**is not a good thing for the City – why does the project include a proposed Master Lease with**

**Champlain College?**

This is to assist in the City’s own strategy recommendations in its “[City of Burlington Downtown](https://www.burlingtonvt.gov/sites/default/files/Mayor/05-2014%20Burlington%20Downtown%20Housing%20Strategy%20Report.pdf)

[Housing Strategy Report May 2014](https://www.burlingtonvt.gov/sites/default/files/Mayor/05-2014%20Burlington%20Downtown%20Housing%20Strategy%20Report.pdf).” The Executive Summary (page 7) recommends that the City

“*encourage development of student housing on strategic downtown sites to free up existing housing*

*inventory for other market segments*. The economic and social benefits flowing from the historic mix of

downtown residents across age and income has been disrupted by market pressures on many

downtown neighborhood streets. *Making available key public sites for production of purpose built*

*student housing to serve UVM and Champlain College students will free up opportunities to re balance*

*impacted neighborhoods for families and other segments of the residential population***.**”

**Unit Type Household Size Median Income Adjusted for Household Size 65% of Median Annual "Affordable" Housing Cost Monthly "Affordable" Housing Cost**

Efficiency 1 $58,833.33 $38,241.67 $11,472.50 $956.04

1 bedroom 1.5 $63,083.33 $41,004.17 $12,301.25 $1,025.10

2 bedrooms 3 $75,666.67 $49,183.33 $14,755.00 $1,229.58

3 bedrooms 4.5 $89,400.00 $58,110.00 $17,433.00 $1,452.75

4 bedrooms 6 $108,600.00 $70,590.00 $21,177.00 $1,764.75

The City Council unanimously approved the administration’s [Housing Action Plan](https://www.burlingtonvt.gov/sites/default/files/CEDO/About_Us/Housing%20Action%20Plan.pdf) in October 2015,

which also includes the recommendation III (1) on p. 8 that states: “*Over the Next Five Years, Create*

*Approximately 1,500 New, Well Managed Student Housing Beds On Campus and in the Downtown to*

*Create a Better Balance in Our Community:* Meeting this goal will reduce the number of students living

off campus in Burlington’s historic neighborhoods by approximately 50 percent and restore a better

balance to many of those neighborhoods. The City will not use public resources from the HTF or other

sources of affordable housing creation to subsidize new student housing. Of the 1,500 beds, approximately 300 are accounted for by Champlain College’s Eagles project, 300 are accounted for by UVM’s redevelopment of the dormitories being rebuilt as part of the hospital expansion project (which

will result in a net increase in on campus beds of that amount), leaving approximately 900 beds to

make the goal. The City will take care to ensure that these new beds are created either on campus or

in a way that does not distort the vibrant life of the downtown for all residents” The owner did hear the concerns about the amount of student housing in the project, and cut in half the original number of units Champlain College had expressed interest in. The 80 units approved for a master lease arrangement by the City Council is about 30% of the total apartments. The owner also agreed to give the City a review of the arrangement after a 15-year initial lease. Champlain has a history of managing student apartment rentals well and it would be a good thing for Champlain to be able to put upperclassmen right downtown. A significant master lease like this also would make the project easier to finance and that’s a good thing for the overall project success. The City Council insisted, and the owner agreed, that the only master lease for student housing for this project would be for up to 80 units with Champlain College.

**What about the impact on City services from this project?**

This project has already started technical review sessions with City departments to address this

question, and will go through Major Impact Review as a part of the permitting process, during which

every relevant City department will be able to weigh in on these issues. Storm water handling and

Combined Sewage Overflow events will be improved by the project. Streets will be opened, and the

owner will conduct a traffic study as a part of permitting. The project will increase the tax base

significantly. The owner believes that the project will be a major net benefit for the City and its

services, but expects to go through that analysis thoroughly as required in the permitting process.

**Won’t construction of this project be a real disruption in the City? How will other merchants,**

**residents and visitors be protected from these impacts during construction?**

The project will be phased in order to help minimize disruption to surrounding merchants and

residents. The good news is that there are currently no streets traveling through the project, and so

the owner will be able to erect construction fences and do the bulk of the construction job with relatively minimal direct disruption. The Church Street side of the project, from St. Paul to Church, will not be touched at all in Phase I, and therefore the daily activity on that street will not be interrupted.

At the City’s request, a provision was added to the Predevelopment Agreement requiring the owner to

work with the City on communications regarding construction disruption and on minimizing displacement of current tenants of the mall.

**What are the economic benefits to the City, region, and state from this project?**

The project has specific benefits to the City, including:

• More jobs: 900 direct and indirect construction jobs; 1,300 hundred permanent jobs

• Economic activity each year estimated at $190 million

• Additional City real estate taxes of approximately $3.3 million, plus increased sales, rooms &

meals taxes

• A stronger retail base to improve all the City, rather than slowly shrinking retail in obsolete space

• Much needed downtown rental housing of mixed size and income type, including 20%

inclusionary and market rate housing important to help Burlington’s economic growth

• Newly reconnected streets to help restore the downtown grid and enliven the corridor

between Church Street and Lake Champlain

• New offices so UVM Medical Center can keep jobs downtown, and so can other large institutional employers that otherwise have options only outside of downtown Burlington.

[Here](https://www.burlingtonvt.gov/sites/default/files/CEDO/Files/btvmall/Devonwood%20Press%20Release%20w%20Economic%20Impact%20Study.pdf) is the economic impact study commissioned by the owner from UVM Professor Kevin Chiang. The owner has also agreed that the construction jobs will have livable wages. Construction jobs will be offered to local, qualified workers, and the owner will participate in job fairs and training programs. The owner has said that this project has to work for the City, and recognizes that these labor commitments are important to show that. This project will bring jobs, activity and economic growth –

beneficial for residents and visitors alike. There will be jobs at this project for a range of skills and backgrounds, from construction jobs skilled and unskilled, to maintenance, tech, retail, service/administrative, management, food preparation, and office jobs of various types.