

Resolution Relating to

CREATING A DEVELOPMENT AGREEMENT FOR THE  
REDEVELOPMENT OF THE BURLINGTON TOWN CENTER

RESOLUTION \_\_\_\_\_

Sponsors: Councilors Paul, Blais,  
Bushor, Ayres, Shannon, Legrand,  
Hartnett, Wright

Introduced: \_\_\_\_\_

Referred to: \_\_\_\_\_

Action: \_\_\_\_\_

Date: \_\_\_\_\_

Signed by Mayor: \_\_\_\_\_

CITY OF BURLINGTON

In the year Two Thousand Fourteen .....

Resolved by the City Council of the City of Burlington, as follows:

1 That WHEREAS, in June 2013 the Burlington City Council unanimously adopted the *planBTV-Downtown*  
2 & *Waterfront Master Plan* reflecting our common desire to have a walkable, connected, dense, compact,  
3 mixed use and diverse urban center that offers a balance of residential, commercial, recreational, civic,  
4 hospitality, entertainment and social services that are all necessary to sustain our downtown's economic  
5 vitality; and

6 WHEREAS, the *planBTV-Downtown & Waterfront Master Plan* emphasized that underutilized sites  
7 represent the greatest potential for future mixed use and residential development, and highlighted several  
8 redevelopment opportunities - including the Burlington Town Center - for adding new transformative vitality  
9 to the city and help to implement several of the strategically important “Big Ideas” presented in the plan; and

10 WHEREAS, in December 2013 the Burlington Town Center was purchased by Devonwood Investors  
11 LLC who has embraced the vision of *planBTV* for the Burlington Town Center as a place for significant  
12 housing, restoring connectivity north-south between Cherry and Bank streets, adding significant street-level  
13 retail and other pedestrian-oriented improvements, and street-level and rooftop stormwater improvements; and

14 WHEREAS, Devonwood’s vision for the Burlington Town Center also includes opportunity for new  
15 anchor tenants; new street-level retail, dining entertainment and hospitality uses; a conference hotel; roof-top  
16 public civic space and stormwater management; expanded underground parking; and a north-south publicly  
17 accessible galleria at St. Paul and Pine streets - all representing an historic opportunity to grow a healthier,  
18 more walkable and prosperous downtown environment aligned with the vision of *PlanBTV Downtown and*  
19 *Waterfront*; and

20 WHEREAS, such large-scale development projects involve a substantial investment of private capital  
21 and public infrastructure; often present a variety of both opportunities and challenges that are difficult to  
22 anticipate and accommodate within traditional regulatory processes; and require careful integration with  
23 public capital facilities planning, financing, and construction schedules; and

WHEREAS, realizing a vision of this magnitude and inherent complexity will require a long-term partnership between the City and the developer, a significant private and public investment, likely modifications to the zoning code, careful integration and flexibility in negotiating what, how and when public infrastructure and services are provided, and how they are paid for in order to bring such a project to fruition; and

WHEREAS, large-scale developments and their host communities commonly enter into “Development Agreements” that are intended to clearly define the obligation and responsibilities of all parties in order to bring the project to competition, and in Burlington the utilization of development agreements isn’t a new idea with many such agreements already in place including those with UVM, Champlain College, FAHC, City Market, Macy’s, Westlake Apts., Hotel Vermont, Marriott Courtyard, and the anticipated development of the selected Waterfront PIAP projects; and

WHEREAS, Devonwood has announced that they are poised to make a significant re-investment in the Burlington Town Center and is seeking the active support and partnership of the Administration through the creation of such a development agreement and, recognizing the City’s costs in such support and partnership, has committed to providing the City with \$150,000 towards hiring its own independent team of development professionals to advise the Administration throughout the negotiation process; and

WHEREAS, given the significance of a project like this to the community, and the necessity of obtaining affirmative support of the voters for the commitment of any public funding, the Administration is recommending the use of a transparent and collaborative approach to create a development agreement that will give the public, the City and the owner a more predictable path towards realizing a truly transformative project for Burlington’s downtown core;

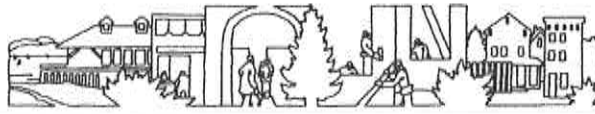
NOW, THEREFORE, BE IT RESOLVED that the Burlington City Council hereby supports and endorses the use of a robust, transparent and collaborative approach as presented by the Administration to create a development agreement with Devonwood for the redevelopment of the Burlington Town Center; and

BE IT FURTHER RESOLVED that the Burlington City Council hereby accepts \$150,000 from Devonwood to be spent by the City towards hiring its own independent team of development professionals to advise the Administration throughout the negotiation process; and

BE IT FURTHER RESOLVED that the City Council President will appoint 2 members of the Council to be joined by 2 members of the Planning Commission appointed by the Commission Chair to form a Joint Committee to advise the Mayor and his administration throughout the public negotiation process; and

BE IT FURTHER RESOLVED that the City Council is supportive of a timeline to adopting a Development Agreement which includes the public review process that will begin in January with a series of public meetings ending with an opportunity for public comment on the proposed development agreement in April and Council action on the proposed Development Agreement in May 2015.

lb/RWH /Resolutions 2014/CEDO – Burlington Town Center - Creating a Development Agreement for the Redevelopment of the Mall  
11/24/14



## COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

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### Memorandum

TO: Burlington City Councilors

FROM: Peter Owens, Director, CEDO  
David E. White, Director, Planning & Zoning

DATE: December 11, 2014

RE: Burlington Town Center (BTC) Development Agreement Public Process: A Path Forward

The prospective re-development of the Burlington Town Center (BTC) property represents an historic opportunity to grow a healthier, more walkable and prosperous downtown environment aligned with the vision of *PlanBTV: Downtown and Waterfront*. However, the inherent complexity of a project this size will require a long-term partnership between the City and the developer – a partnership that is based on mutual trust and results in a development agreement containing well-defined obligations on the part of both parties. Key issues to work through include: a) level of public investment required to leverage private investment; b) scope and design of public amenities; c) development coordination and phasing, and e) necessary regulatory framework and approvals required to bring the project to fruition. Given the significance of the project to the community, and the necessity of obtaining affirmative support of the voters prior to the commitment of any public funding if necessary, we propose a transparent and collaborative approach (outlined below) to create a development agreement that will give the public, the City and the owner a more predictable path forward for the Burlington Town Center project.

#### A. Development Agreements:

Background: By the very nature of their size and complexity, large-scale development projects often unfold in multiple phases over a period of years. Because of their scale and duration, such projects involve a substantial investment of private capital by developers who are understandably wary of taking such large risk without some reasonable assurance that they have a willing public partner able to help support the development with municipal infrastructure and services. This also means that they need to know that they have a predictable regulatory process that will provide them with a clear and predictable path towards approval.

These large-scale developments often present a variety of both opportunities and challenges that are difficult if not impossible to anticipate and accommodate within traditional zoning regulations and

processes. Because of their size and duration, such developments often require communities to utilize alternative types of development review, while still managing impacts on the community.

Finally, large-scale developments require careful integration between public capital facilities planning, financing, and construction schedules and the phasing of the private development. To better structure and manage development approvals for such large-scale developments and ensure their proper integration into local capital facilities programs, local governments need the flexibility in negotiating what, how and when public infrastructure and services are provided, and how they are paid for. In agreeing to support private development with public infrastructure and investment, the public shares in the significant risk presented by such large and complex projects and therefore needs the assurance of a capable and responsible partner and predictable development process.

As a result, large-scale developments and their host communities often enter into a development agreement that clearly defines the obligations and responsibilities of both parties in order to bring the project to completion.

Application in Burlington: The utilization of development agreements by the City of Burlington isn't a new idea. Memorandums of Understanding with UVM, Champlain College, and the UVMMC (formerly FAHC) regarding future development and municipal services are examples. Development agreements also facilitated the redevelopment of the former Police Station into City Market; the former Urban Renewal sites into Macy's, Lakeside Parking Garage, Westlake Apts, Hotel Vermont, and the Marriott Courtyard; and the proposed development of the selected Waterfront PIAP projects. In some cases, support for specific zoning changes and overlays that are specific to a single large property, or multiple properties under common ownership have been included in these agreements. Examples include Core Campus Overlays for UVM, Champlain College and UVMMC, and the Centennial Woods Overlay (owned by UVM).

### **B: The BTC Redevelopment:**

The BTC redevelopment represents a very large, complex and costly mixed-use development in the heart of Burlington's downtown that will require close collaboration and partnership between the owner and the City in order to come to fruition.

As currently envisioned, the BTC redevelopment project includes:

- new downtown housing
- new retail, hospitality and entertainment
- new office space
- new hotel and conference facilities
- new underground parking with additional spaces
- new publically-accessible roof-top green space running east – west between Church and Pine
- re-established north-south connections via new arcades/galleries/bikepath along Pine and St. Paul creating new vibrant civic spaces and 24/7 access for pedestrians and cyclists
- activation of Cherry and Bank streets for pedestrians with street-level retail and hospitality activities, as well as the new street front arcade retail along of Pine and St. Paul.
- associated major streetscape re-design and improvements
- expanded / rebuilt BTC facade on Church St with direct pedestrian arcade to Pine Street
- LID stormwater management within a new rooftop civic space and along Cherry St



This would all mean a significant private investment in our downtown, likely the largest single private investment Burlington has ever seen, and one that would present a significant step forward in the implementation of the *planBTV: Downtown and Waterfront Master Plan* and the realization of the community's vision for the future of its downtown. Additionally, the completion of a project of this scale and nature would mean tens of millions of dollars of new local and state revenue in the form of property, sales, rooms and meals, and alcohol taxes, to say nothing about the hundreds of new jobs that would be created.

However, in order for this project to reach its full potential, it may require significant public investment by the City, most likely achieved through the use of Tax Increment Financing (TIF), for streetscape, parking improvements, stormwater improvements and possibly for re-claiming the public right-of-way of Pine and St. Paul between Cherry and Bank. The commitment of any TIF investments will require voter and state authorizations.

In order to achieve the economy of scale necessary to build on top of the existing retail floor-plates, bury new parking underground, re-establish connections between Cherry and Bank streets, re-activate Cherry and Bank Streets, and create new publically-accessible roof-top green space, zoning changes by the City may be necessary to allow for additional building height, encroachment into view corridor setbacks, and possibly other modifications. Additionally, the City will need to be assured that any redevelopment along a public frontage effectively activates the public street with street-level retail and hospitality activities to engage pedestrians.

### **C: Components of a Development Agreement Process:**

A public process to create, review and approve a development agreement between the City and the BTC is being proposed. Unlike earlier examples of development agreements, this process would be transparent and open to the public to ensure that both decision-makers and the public are able to fully understand the relevant issues, opportunities, solutions and compromises.

This process will be led by a team of City staff (led jointly by CEDO Director Peter Owens and Planning Director David E. White) supported by a Technical Team of development consultants in areas of professional expertise including urban design, economics, real estate development traffic and parking, stormwater, legal, financial, etc. The Technical Team will have professional and contractual responsibility to the City alone to offer objective review and analysis throughout the development agreement process. The Technical team will also support the City Team in any public outreach and engagement activities.

The BTC will provide a total of \$150,000, paid in two equal installments, to the City to hire members of the Technical Team and support the public engagement process. Subject to the City's Procurement Policy, the City Council and/or Board of Finance will have to approve any budget amendments and contracts necessary to hire members of the Technical team

The City Team will work in conjunction with the Development Agreement Public Advisory Committee (DAPAC) comprised of two City Council and two Planning Commission representatives whose role would be to bring additional perspectives to the development agreement process from members of the legislative bodies that ultimately will need to approve and implement the agreement and/or elements of it. All meetings of the City's DAPAC and the BTC team would be warned and open public meetings.

Meetings would generally be designed to include presentation of information to the public and solicit feedback and input.

The process is intended to be completed in two phases (see D below for more detail). The first phase is envisioned as a community engagement and design process where the broad outlines and objectives for the property included in the *planBTV: Downtown and Waterfront Master Plan* are refined into more detailed community goals and objectives for the redevelopment of the BTC property. These community goals will be blended with the BTC's vision for the property and current market conditions to result in a conceptual master plan for the site. The public outreach and engagement process will be led by the City Team with support provided by the Technical Team and BTC's design consultants.

The second phase of the process is to establish through negotiation clear responsibilities and commitments on the part of both parties that will be necessary to bring the conceptual plan to fruition and result in a fiscally viable development project.

Key components of the final decision-making process include:

- the City Team will make final recommendations to the Mayor on the contents of the Development Agreement.
- the Mayor will present a proposed Development Agreement to the Planning Commission and City Council that includes all terms of development including committed public investment and required regulatory revisions.
- the Planning Commission will be invited to provide their formal recommendation to the City Council.
- the City Council will consider the Mayor's proposed Development Agreement and take final action to approve the Development Agreement.
- the City Council will take action to initiate any local financial commitments included in the approved Development Agreement via the relevant city or state-mandated approval processes (e.g. placing a TIF ballot item before the voters)
- the Planning Commission and City Council will take action to initiate any local regulatory changes included in the approved Development Agreement via the state-mandated review and adoption process for zoning amendments

## **D: Timeline to Review and Adopt Development Agreement**

### **INITIAL STEPS (Nov thru Dec)**

**Step 1:** Discuss with Developer, and reach out to Councilors and Commissioners (ongoing)

**Step 2:** City Council authorizes the initiation of a Development Agreement Process with the BTC. BTC provides the first installment of funding.

**Step 3:** Identify and hire technical team consultants. BTC provides first installment of funding. City hires its technical team to develop/review/vet development proposals, assesses economic and other impacts, and assist in negotiation of Development Agreement (December)

### **THE PUBLIC REVIEW PROCESS (Jan thru May) (subject to change and refinement)**

Convened by Development Agreement Public Advisory Committee (DAPAC)

#### **Step 4: The Development Concept (January – March)**

Public Meeting #1: Kickoff Public Meeting (tentatively January 8)

Review *planBTV: Downtown and Waterfront Master Plan* (in particular “The Mall” section); BTC to presentation of conceptual proposal in response to City goals and economics of these changes; facilitated discussion to take public comments and invite participants to February design workshops.

Public Meeting #2: Development and Design Workshop (tentatively February 18-21)

A multi-day public design workshop on different components of the proposal—for example:

- public spaces—arcades
- public spaces—streetscapes
- public spaces—roof top park and gardens
- transportation and parking
- stormwater and utilities
- scale and mass
- housing mix and affordability
- non-residential mix
- public finance and commitments
- economic impact analysis

Public Meeting #3: Public Review of Workshop Results (March 11 or 12)

Public Meeting #4: City and Technical Team Comments (TBD)

City’s Team to present their review, analysis and recommendations on the elements; Development Team offers responses; take public comments.

#### **Step 5: The Development Agreement Negotiations (March - May)**

City & Technical Team enters into direct negotiations with the BTC structured around specific components of the proposed development.

Public Meeting #4 – City, City’s Technical Team, and Development Team present a proposed Development Agreement and takes public comments

#### **Step 6: Final Draft Development Agreement (May)**

City & Technical Team recommends Final Draft Development Agreement to Mayor

Mayor proposes Development Agreement to Planning Commission and City Council; Planning Commission comments on and City Council takes action on the proposed Development Agreement.





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### Memorandum

TO: Burlington City Councilors

FROM: Peter Owens, Director, CEDO  
David E. White, Director, Planning & Zoning

DATE: December 11, 2014

RE: Response to 12-1-14 Memo from Councilors Colburn, Knodell and Tracy regarding Questions about Burlington Town Center Development Agreement Public Process



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#### QUESTIONS ABOUT THE PUBLIC PROCESS:

1. In Step 4 of the proposed process, what criteria will be developed for evaluating the project, as it relates to public input? Will the administration define criteria? The developer? Or the public themselves? Will the public be engaged in the definition of the goals, or in the best ways to achieve pre-determined goal? Are the "City goals" understood to be fully captured by Plan BTV: Downtown and Waterfront Master Plan? This document does not include other types of goals (other than land use), such as improving employment outcomes for unemployed and underemployed Burlington residents. At what point, if any, would additional goals such as this one come on the table?

The "City goals" and criteria used in evaluating this project are largely a result of the three-year planning and community engagement effort that concluded in the unanimous adoption by the City Council of *planBTV: Downtown and Waterfront Master Plan*. This plan provides the broad outlines and objectives within which the redevelopment of the BTC should fit and specifically identified a mixed-use, dense redevelopment of the mall as one of the plan's major priorities. We would anticipate that the first phase (Step 4) of the proposed process would include refining more detailed community goals and objectives within the framework provided by planBTV, and considering municipal goals beyond land use policies (such as those noted above) that could be advanced by the successful redevelopment of the mall. There will be explicit and robust public engagement as part of this work. The work in Step 4 will in turn inform the negotiation of the Development Agreement in Step 5.

- 2. Why is there no involvement anywhere of our Development Review Board? Is the DRB involved after this process is completed?**

The DRB is a quasi-judicial regulatory body, and as such their formal role is in the final review and permitting process under the applicable regulations in effect when BTC files its application for a zoning permit. As such, it is inappropriate for the DRB to participate in the process. Given the complexity and scale of the proposed redevelopment, the aim of this process is to add an opportunity for meaningful public input and review prior to the more constrained and formal DRB hearings. After any agreements between the City and BTC have been negotiated and finalized, BTC will go through the full permitting process like all other projects.

- 3. This is touted as a “transparent” process, one unlike previous development agreements (p 3). In Step 5, Development Agreement Negotiations, will these meetings between City & its Technical Team and BTC also be public, open, and transparent?**

Yes – these meetings will be publically warned, and the public will have an opportunity to attend and participate as appropriate.

- 4. When would the TIF debt-issuance vote take place?**

The BTC property is within the Waterfront TIF District and adjacent to the Downtown TIF District. If the City decides to pursue TIF investments related to the BTC redevelopment, a public vote on the use of TIF can only take place after an agreement has been approved by the City Council and following all required state and City review and approval processes. This will not happen in time for a Town Meeting Day 2015 vote.

- 5. As BTC is paying for the City’s “technical team”, how independent from BTC will they really be? The 11/24/14 document (prepared by whom/which department/s? authorship is not identified) says that “this payment could be counted towards any future development application and review fees required by the City”, but the draft resolution simply says that Devonwood will be providing this. Please clarify.**

Under the proposed resolution, BTC will provide funding to the City which the City would use to hire technical team members. The technical team will have professional and contractual responsibility to the City only. As for how this payment might be “counted towards any future development application and review fees required by the City,” ultimately that is a matter to be negotiated as part of the process, and the City has made no commitments in this regard.

This proposal was drafted jointly by Peter Owens from CEDO and David E. White from Planning, and is conceptually based on a similar process currently codified by state statute and in use in Chapel Hill, NC. It further was guided by several long conversations with the Assistant Town Manager who coordinated the process for several large projects in Chapel Hill.

6. Is it fair to say that the public process in Step 4 will inform to some extent the City's positions and demands in Step 5?

Yes – as noted in the response to Q1.

7. How does this project fit into overall CEDO priorities? In light of the various projects and planning processes already under way or in their early stages (New Moran, Southern Railyard, South End BTV, Farrington Mobile Home Park, Housing Action Plan), which projects will be higher, and which lower, on the list of priorities?

All of these projects and public processes are high priorities. Numerous City departments are currently engaged in the work of actively advancing all of these priorities, and the Administration does not intend to deprioritize any of these projects or processes if we decide to move forward with the BTC development agreement process. If this process is approved, the City will expand its capacity to engage the BTC project through the hiring of the Technical Team.

**QUESTIONS ABOUT THE PROJECT AS CURRENTLY PROPOSED:**

1. Is there market research that the City has reviewed supporting the need for another hotel and/or conference center of this size?

While the City has not evaluated any specific market analysis for this site and proposed uses at this stage, work completed as part of the *planBTV: Downtown and Waterfront Master Plan* included a Retail Market Analysis for the entire downtown. This work echoed and reinforced many other similar analyses and anecdotal assessments from various market and economic development experts of the strength, breadth and potential of our downtown real estate market including the market for additional hotel rooms. We would anticipate that the viability of the specific scale and mix of uses will be further analyzed and assessed both by the developer and by our Technical Team as part of the proposed process.

2. What parking infrastructure will be required to support the expansion and proposed functions? Especially a large-capacity conference center?

Parking infrastructure and management will be a key part of the project. The City is currently completing a downtown-wide parking management study. The Technical Team will include parking and transportation expertise. Evaluation and design of parking infrastructure is another example of a specific issue that will be considered as part of the process and with the assistance of our Technical Team.

3. What's the nature of the proposed housing? Rental? Homeowners? # of units? Affordable and low income? Will it be necessary to develop high-end housing only among the non-inclusionary units for the developer to recoup his investment and earn his target rate of return? Is the developer fully aware of the provisions of our inclusionary zoning ordinance? Are changes to that ordinance among the regulatory changes contemplated for this project?



The City is pleased that Devonwood is interested in adding housing to the mall site as explicitly contemplated in planBTV. Devonwood has made no specific proposal for the mix of housing that might be included. Devonwood is clearly aware of the City's Inclusionary Zoning requirements. No changes to the Inclusionary Zoning Ordinance are contemplated for this project at this time.

- 4. What's the vision for proposed retail expansion? Has market research been done, that the City has reviewed, supporting the need for the amount of contemplated new retail space? Are there any strategies on the table for incentivizing small or local businesses? Will it be necessary to develop predominantly high-end retail for the developer to recoup his investment and earn his target rate of return?**

As noted in Q1 above, a Retail Market Analysis for the entire downtown was completed as part of the *planBTV: Downtown and Waterfront Master Plan* and found existing capacity for a 10-20% expansion of the City's approximately one million square feet of retail space. Any discussion and consideration regarding the specific types and mix will need to be part of the negotiation process and based on additional market information.

- 5. What's the amount of TIF financing being proposed, and for what aspects of the project? How does this relate to and/or compete with other TIF priorities in the waterfront district? What are the anticipated changes to zoning that will be required to complete the project?**

There are no specific requests or proposals regarding the need and extent of public financing or regulatory changes at this time. Any discussion and consideration regarding specific public funding sources and amounts will need to be part of the negotiation process. Any discussion and consideration regarding specific regulatory changes will need to be based on the final outcome of the community design process and how it conforms to the existing regulations (or not), and included as part of the negotiation process.

**QUESTIONS ABOUT THE DEVELOPER AND HIS COMPANY:**

- 1. Please provide a description of the due diligence the City has performed on Mr Sinex and Devonwood, and its results.**

The City has completed an initial due diligence process on Mr. Sinex and Devonwood. The process included but was not limited to web searches, phone inquiries, and other research into his professional background, project experience (in particular those with public-private component), financial capacity, and past relationships. While this process is still on-going, we initially have found Devonwood to be a solid and dependable partner in its interactions with the City to date. This is evidenced by Mr. Sinex's delivery of his commitment to secure L.L. Bean in conjunction with City Council resolution last spring and his acquisition of the property where other parties had previously failed.

- 2. Please provide a resume of, and third-party references from, the projects that Mr Sinex has managed, from start to finish. Of particular interest are public-private partnerships such as the one contemplated here, and projects that include housing development, and affordable housing in particular.**

Please see Devonwood supplemental document.

- 3. Please provide professional references for Mr Sinex.**

Please see Devonwood supplemental document.

- 4. Please provide information on Mr Sinex's/Devonwood's financial capacity to complete this project. Are the terms of his financing placing pressure on the timeline for the development agreement? How was his purchase of BTC financed, and how will the proposed \$200 m investment be financed?**

It is our understanding that Mr. Sinex financed the acquisition and the renovation of the BTC with traditional mortgage debt and equity from Devonwood. The investment made to date in the BTC is reported to be approximately \$34 million, with \$24 million being traditional debt and approximately \$10 million being equity.

The proposed re-development of the BTC as conceptually envisioned by Mr. Sinex would cost approximately \$200 million. The actual final cost will vary depending on the terms of the development agreement and the development plan that emerges after the completion of the design, permitting, and development processes. Whatever the final cost, Mr. Sinex expects the project to be financed using a standard combination of traditional commercial bank debt plus equity.

Equity will be contributed by Devonwood as well as other equity sources. There are multiple interested lenders, including the lenders that have financed other projects and the lender who made the initial loan to Mr. Sinex as part of his acquisition of the BTC.

While there are no known financing terms that place any specific pressure on the approval timeline, it is important to note that until the project is approved, permitted, and ready to be built, it is not possible to have the commitment of any full third party (lender or equity source) for the BTC re-development project.

- 5. Has the City discussed the advantages of Devonwood partnering with local for- and non-profit development organizations?**

We have encouraged the developer to familiarize themselves and, where appropriate, consider partnering with local development organizations. They are already using a number of local contractors, design professionals and attorneys, and have reached out to groups such as UVM, UVMC (FAHC), the Burlington Farmers' Market, and the YMCA.

**QUESTIONS ABOUT PUBLIC RISKS VS BENEFITS AND ALTERNATIVE PATHS:**

1. What is the Administration's assessment of the risks versus the benefits of moving forward as proposed?

Please see attached letter from Mayor Weinberger.

2. Presumably, when Plan BTV: Downtown and Waterfront Master Plan was written, we did not think that implementing that vision depended on a \$200 m investment from a then-unidentified non-local developer. We presumably believed that that vision could be implemented through a combination of local public and private investment. How does this way of implementing Plan BTV (e.g., partnering with Devonwood) compare with alternative approaches? What are the pros and cons of moving forward as the Administration proposes?

The *planBTV: Downtown and Waterfront Master Plan* very clearly and explicitly understands that much of the vision proposed cannot and will not be achieved without the significant contribution of private property owners. The City does not own or control the BTC site and, therefore, ultimately cannot make progress on this key site on its own short of radical public intervention. We see no viable alternative approaches to redeveloping the site other than working with the current property owner.

Please see the attached letter from Mayor Weinberger for further discussion of the pros and cons of pursuing the proposed public process for reaching a development agreement.





## Office of Mayor Miro Weinberger

### MEMORANDUM

**To:** City Council  
**From:** Mayor Miro Weinberger  
**Date:** December 11, 2014  
**Re:** Burlington Town Center Development Agreement Public Process

I want to thank Councilors Colburn, Knodell, and Tracy for their December 1 questions regarding the Burlington Town Center (BTC) Development Agreement Public Process. In the attached document, Planning and Zoning Director David White and CEDO Director Peter Owens have collaborated to address these inquiries as thoroughly as possible at this early stage of the process. In this letter, I will speak to why we believe the path forward that we have proposed represents a promising option for the City.

Our analysis of the path forward begins from the perspective that established, publicly-vetted City policy supports the comprehensive, dense redevelopment of the BTC site. Comprehensive redevelopment of the large, currently underutilized mall site was identified as a major goal of planBTV: Downtown & Waterfront Master Plan (planBTV) after three years of public process, and planBTV was adopted unanimously and incorporated into the City's official Municipal Development Plan by unanimous vote of the City Council. A well-designed, thoughtful redevelopment of these two central, downtown blocks could potentially address many of our City's largest challenges by growing job and housing opportunities for all Burlingtonians, increasing the vibrancy of our downtown, creating new public amenities, and generating substantial new municipal revenues.

Councilors Colburn, Knodell, and Tracy prefaced their questions with the following statement: "The proposed redevelopment of the Burlington Town Center presents both a significant opportunity and a significant challenge to ensure that the public interest is well served." I completely agree with this sentiment – in fact, that perspective has shaped our proposal to go forward in a manner that is both grounded in precedent and inclusive of new concepts.

#### **The City has used Development Agreements to guide many important past projects**

As noted in previously submitted materials, the City used Development Agreements to facilitate the redevelopment of the former police station into City Market and the former Urban Renewal sites into Macy's, Lakeside Parking Garage, Westlake Apartments, Hotel Vermont, and the Courtyard Marriott Burlington Harbor, and the City is actively working towards creating development agreements with all the non-municipal entities that received Public Investment Action Plan (PIAP) awards. Development Agreements are an important tool for promoting City interests during large-scale, complex, multi-year redevelopment efforts.

### **The proposed process for BTC includes new public engagement + use of professionals**

While the use of a development agreement is not new, we are proposing two elements that have been employed elsewhere, but we believe are new to the Burlington Development Agreement process: first, transparent public engagement throughout the Development Agreement negotiation process; and second, City engagement of a team professionals (at the expense of BTC) to advise on Development Agreement issues. (It is worth noting that these new process elements we are proposing because of the size and complexity of the BTC project are not likely to be necessary for all future Burlington development agreements.)

As I expand upon below, both of these additions to the Development Agreement process are aimed at protecting the City's financial and programmatic interests and securing the best possible public outcomes.

### **Public engagement and professional vetting at this early stage will improve the redevelopment project**

The history of urban planning and development efforts in this country and this City is one that should make us all humble. Public officials in the 20<sup>th</sup> Century often got major urban planning decisions wrong, damaging lives and cities in the process. The Burlington Town Center Mall itself is a product of a national policy of Urban Renewal that misjudged much about what makes communities great.

We have a rare opportunity now before us to fix some of the errors of Urban Renewal. The proposed public-private collaboration we would like to explore has the potential of creating a new, dynamic downtown neighborhood by restoring crucial connectivity on Pine Street and St. Paul Street, bringing street life back to Bank Street and Cherry Street, and reintroducing a mixture of uses to two central blocks of the City that currently house only a single story, retail use.

However, it would be tragically ironic if, in our attempt to address some of the errors of the past, we made major new mistakes. Engaging the entire public at this early stage will bring more wisdom and perspectives to the planning decisions and decrease the likelihood of new errors and omissions.

### **Public engagement in advance of the permitting process will be more meaningful**

The Development Review Board and Act 250 permitting processes that eventually will regulate any major redevelopment of BTC are quasi-judicial processes that do not lend themselves well to productive public engagement. A well-resourced, iterative public engagement process that the City and the BTC owner are both fully committed to at this early stage has the potential to create a much more satisfying and higher impact experience for members of the public interested in participating in discussions about the redevelopment's scale, height, housing mix, job opportunities, impact on local merchants and other public issues in an interactive and open way.

### **Public engagement and expert input during the drafting of the development agreement will protect the City's interests**

The City faces numerous potential financial and programmatic risks in a complex, public-private redevelopment project. For example, the City's ability to service tax increment financing (TIF) debt can be negatively impacted by delays in anticipated, taxable private development, and the City's ability to leverage affordable housing investment can be undermined by a poorly structured agreement. By creating the opportunity for both public and expert input during the crafting of the development agreement, we hope to create a comprehensive document that robustly defends City interests and minimizes problematic surprises during the redevelopment process.

**Public engagement and expert input may broaden public support for redevelopment**

Public support is critical for a successful redevelopment of BTC. In addition to numerous approvals that will be needed from the City Council and potentially the Planning Commission, any related public infrastructure investment to support the BTC redevelopment will involve voter approval of TIF debt. Just as the PIAP process contributed to strong public support of TIF waterfront investments, the proposed public process for the development agreement should broaden support for BTC redevelopment.

**In summary, we believe that adding public engagement and expert perspective to the development agreement process as proposed has the potential to materially improve the redevelopment's design, and protect the City's financial and other interests. The only potential downside of the proposed approach that we have identified is that the approach is new and untested in Burlington and, therefore, subject to mistakes or missteps that could delay and undermine progress at the BTC site. However, given the potential benefits of the proposed approach and the possibility that following the City's past practice of pursuing direct, private negotiations between CEDO and the developer could also undermine public confidence and progress on this high profile project, we strongly believe the benefits of the new proposed path outweigh the risks.**

We respectfully request City Council approval of the proposed process for drafting a BTC development agreement and look forward to working with you on this exciting and important redevelopment in the months ahead.

Thank you.