

MARKET AND TRANSPORTATION IN DOWNTOWN BURLINGTON

INTRODUCTION

A central premise of this planning effort will be to use the power of the transport system to help realize the land use and development goals of Burlington's Municipal Development Plan (MDP). The role of land use in support of transportation ends has been an increasing part of transportation planning in recent years. This transport planning effort will use the "other half" of the transport - land use cycle to support the MDP's land use and development goals.

The Downtown/Waterfront area is an economic engine for the entire region. It is a major employment center, a major retail area, and also a major destination for tourists and other visitors. With current national trends toward downtown living, there is also a great potential for expanding housing in the downtown. A primary focus of the Transportation Plan will be to use transportation as a tool to support existing activities and to encourage increased activity. This requires a careful balancing act addressing the sometimes conflicting requirements of road throughput, parking, pedestrians, bicycles, transit, economic development and urban form.

To this end, the Transportation Plan is designed to be grounded in a good understanding of the market conditions in the downtown area. The market analysis that is the basis for this grounding has been designed to understand of how the City's transportation policies and investments will affect the market. This has two broad aspects: 1. a general examination of the economic conditions in the downtown area, and 2. a "survey" of local business understanding of this issue. Each of these, in turn has components. Our general review of downtown business conditions has been informed by a brief overview of the commercial real estate market, and by an analysis of location quotients, describing the downtown's position vis-a-vis the larger region. Our survey has been based largely on direct conversations with members of the business community. This has been supplemented with an older, but somewhat more rigorous survey conducted by St. Michael's College faculty in 1996 as well as other documents obtained in the course of the survey.

The "survey" has been based on extensive interviews with local business people including developers, investors, property managers, real estate professionals and bankers to uncover issues and opportunities regarding the relationship between transportation infrastructure and Downtown/Waterfront economic activity. It has relied heavily on input from the Burlington Business Association/Downtown Action Group (BBA/DAG) and the Marketplace commission and staff, City staff, and Lake Champlain Regional Chamber of Commerce staff, as well as a number of individual merchants and business people.

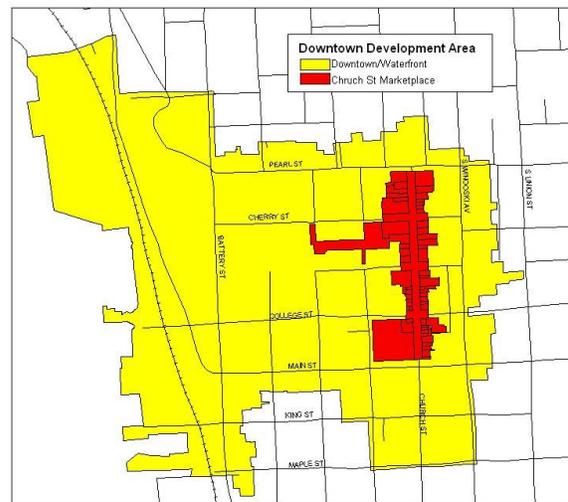


Figure 1 Downtown/Waterfront

The area covered has been limited to the downtown/waterfront development area as defined by the MDP. This area is shown on Fig 1.

In addition to the assessment of economic conditions by knowledgeable participants, overviews of the commercial real estate market, and of the structure of the economic base in the downtown have been provided to underpin the overall analysis.

THE COMMERCIAL REAL ESTATE MARKET: ALLEN AND BROOKS

The commercial real estate market has two important contributions to the economic health of the city. First, of course, it represents an important economic market in itself. The development, management, and transfer of, often high value, commercial properties generates economic activity and jobs directly that contribute to the city's economy and provide the space needed for other businesses. People engaged in the marketing, management and development of commercial real estate also participate in other economic activities of the community, including restaurants and the direct purchase of a wide range of supporting goods and services.

Perhaps of at least equal importance, the commercial real estate market represents a significant barometer of the overall health of city economy. Both low vacancies and high rents clearly indicate a vibrant commercial sector as well as significant opportunities for further development.

Both the market itself, and the larger economy that it represents rely heavily on high quality transportation services and infrastructure to support it.

The firm of Allen and Brooks of South Burlington prepares a regular, detailed analysis of the commercial real estate market that includes the city of Burlington. This report examines detailed characteristics of the commercial real estate market for the city and the larger county, including inventory, vacancies, rentals, and outlook. The two major components of the commercial real estate market are the retail and office sectors. Only very broad characterizations have been included here.

Retail

Inventory: The city has a retail inventory of about 865,000 sf, of which 588,000 is in the area Allen and Brooks defines as the CBD. This represents a little under 20% (1/5) of all retail space in Chittenden County, with South Burlington and Williston both supporting more space.

Vacancies as of 6/2006: Burlington CBD: 5.6% suburban = 8.9%; vacancies in downtown Burlington are down from an 1993 - 2006 average of 9.1% while suburban vacancies are up from an average of 7.2% for the same period.

Rental (\$/sf): Burlington CBD/Church Street commands the highest retail rental in the area at from 110 - 150% of premium suburban rentals and about 200 - 300% of average suburban rentals.

CBD success: Church Street Marketplace vacancy is only 2% (6/06). Retail absorption 12/05 - 6/06 for Burlington was +2,235 sf. Only Colchester & Shelburne were also positive. For the period, there was a net loss in Chittenden County of 73,064sf.

Office

Inventory: The city has an Office inventory of about 2,059,000 sf, of which 1,119,000 is in the CBD. This represents about 35% (over 1/3) of all office space in Chittenden County. No other community in the county supports more office space.

Vacancies as of 6/2006: Burlington CBD: 4.8% suburban = 8.0%; vacancies in downtown Burlington are down from an 1993 - 2006 average of 6.8% while suburban vacancies are up from an average of 5.9% for the same period.

Rental (\$/sf): Burlington CBD/Church Street commands essentially the same rental for both Class A and Class B office space as the rest of the county.

Discussion/Conclusions

It is clear from this information that Burlington, especially downtown is in a very strong economic condition. Rents are high without being cripplingly so and vacancies are low. The Marketplace in particular is very successful with very low vacancy. Despite an outflow of large retailers and manufacturing activity to the suburbs and beyond, Burlington still supports 1/5 of all retail space and over 1/3 of all office space with no loss of quality in the ability to command good rents. It is a strong and even enviable position to be in—an excellent position to build for the future that is obviously drawing substantial regional support despite some perceived transportation bottlenecks.

Further support for this position is indicated in a recent (9/28/06) Burlington Free Press article also indicated the strong economic position of the Burlington metropolitan area (see appendix A). This article reports that “The "business vitality" index, ... created by Moody's Economy.com, a division of Moody's Investor Service” found the Burlington metropolitan area to be number 1 “on a 2005 national assessment of business strength in 379 metropolitan areas.” Although this applies to the metropolitan area rather than the city specifically, it is consistent with and supportive of other strong market and economic findings outlined in this report.

ECONOMIC BASE: LOCATION QUOTIENTS

For a full understanding of the market position of Burlington's downtown, especially with respect to its transportation system, it is necessary to understand the economic role the downtown plays with respect to the larger region. There are two reasons for this. First, one of the greatest concerns in most American downtowns including Burlington is the increasing competition from suburban shopping malls and “big box” developments. Once, the regional center city was the home to virtually all important shopping and most other commerce in an urbanized region. They were the homes to the department stores, specialty stores, restaurants and most major

entertainment as well as financial and other services. Over the years this has changed with more shopping activity and, to a lesser extent, other commerce, migrating to suburban malls and other locations with their plentiful free parking and close proximity to major highways. The economic base that the center city relies on to support it has changed dramatically, as have the markets on which it is based. A good insight into how this is actually functioning—what goods and services are being supplied to the larger region and what are being imported from it—is essential.

Second, this exchange with the larger region has transportation needs that often differ from the straightforward demands of the regional shopping/commercial hub. Movements occur at different times of day and in different directions. Freight and shipping needs are different, as are the requirements for internal circulation.

One standard means of understanding the economic structure of an area is the analysis of “location quotients”. These economic indices provide a quantitative description of the relation of a subject economy, in this case taken to be the Burlington downtown development area as described above, and a larger, “reference” economy. Since one of the key questions to be addressed in this transportation plan is the downtown’s position in the larger, regional economy and the transportation system to serve and improve that position, this larger reference economy in this case has been taken to be the Chittenden County economy.

Location quotients may be described as follows:

The Location Quotient Technique is the most commonly utilized economic base analysis method. ... This technique compares the local economy to a reference economy, in the process attempting to identify specializations in the local economy. The location quotient technique is based upon a calculated ratio between the local economy and the economy of some reference unit. This ratio, called an industry "location quotient" gives this technique its name.

<http://garnet.acns.fsu.edu/~tchapin/urp5261/topics/econbase/lq.htm>

The “industry” in this case refers, of course, to any category of economic activity and includes all services, retail, and even government. It is not limited to the manufacturing activities often understood as “industrial”.

Comparison has been made on the basis of employment. In order to closely approximate the Burlington core, employment has been derived from the MPO TAZ (transportation analysis zone) data base of address based employment for 2005. In order to avoid confidentiality and disclosure problems, the MPO has aggregated both the TAZ data and a number of industrial classifications to higher levels.

Understanding Location Quotients

Location quotients are generally understood to represent a measure of “basic” vs “non-basic” industries, i.e. a location quotient greater than one indicates an industry in which the Core area is a net exporter of the output of that industry, while less than one means it is a net importer. In the case of industries without actual goods to import or export, e.g. retail, a basic industry is one in

which, on balance, more shopping is done by consumers coming into the city to do it than city based consumers are going out. In the case of a non-basic industry, the opposite would be true.

Location Quotients for Burlington Core

Location quotients have been calculated for the Burlington Core area from the MPO 2005 employment data as indicated above. The results are tabulated in Table 1.

Table 1. Location Quotients by Industry for Burlington Core Area

SIC Group	LQ
Agriculture, mining & construction	0.38
Manufacturing except printing	0.06
Printing & publishing	2.06
T.C.U. (Transportation, communications & utilities)	1.19
Wholesale trade	0.25
Retail except auto oriented	1.06
Automotive dealers & service stations	0.05
F.I.R.E. (Finance, insurance and real estate)	3.34
Hospitality	2.25
Entertainment	0.61
Personal services	1.86
Business services	1.86
Health Services	0.49
Public services/administration	0.81
Other/miscellaneous	0.98

Discussion

Overall, there are few surprises in such a distribution, but there are a few, as well as some notable observations.

As already mentioned, the business environment in American downtowns has undergone a transformation over the past several decades and Burlington has been no exception.

Several categories of businesses are clearly under-represented in the Burlington core. These include Agriculture, mining and construction, manufacturing, wholesale trade and auto oriented businesses. This is very much expected in each instance in an urbanized downtown district and consistent with conditions found in pretty much all American downtowns. Agriculture, forestry and other resource based industries require large tracts and/or specialized resources and are not normally associated with urbanized areas in general, let alone downtowns, and, not surprisingly, they are nearly non-existent in downtown Burlington.

Manufacturing (except printing), warehousing and auto oriented retail and services also have largely moved out of downtowns in favor of predominantly suburban, and even exurban locations. Cost of land, low density, highway orientation and even processes sometimes offensive to near neighbors have all converged to largely move this cluster of industries out of inner city areas.

Interestingly, despite the apparent entertainment/hospitality orientation of the downtown, the entertainment sector itself is represented only at a little more than half the rate of the region as a whole. This is discussed further below. Also health services are significantly under represented in the core proper. However, this is not altogether unexpected due to the close proximity of FAHC immediately outside the core.

A number of categories are highly represented and indicate significant specialization in the downtown core. These include printing and publishing, F.I.R.E (finance, insurance and real estate), and hospitality, including both lodging and eating and drinking establishments. These are consistent with the experience of most, if not all, American downtowns, at least those that are not in an advanced state of collapse. Personal and business services market segments are also both well represented in the core and provide good support for both existing businesses and residents. This is fairly typical of American urban cores and the office employment they support represents an important market segment in support of other downtown economic activities such as eating/drinking, entertainment, and retail. Downtown office workers represent a very important market segment for these activities, as does the “secondary market” of customers who access entertainment or shopping in conjunction with appointments in these offices.

One special industrial class in downtown Burlington is printing and publishing, In this case, the inner city location of the Burlington Free Press no doubt is the chief contributor to the specialization in this category.

Several industrial groupings are represented at rates very close to the regional average. These include T.C.U. (Transportation, communications & utilities), retail (except auto oriented), and public services/administration. Despite a general impression of a heavy public services presence in the downtown, they are actually represented at slightly below the regional rate. They also represent an important area of market support for other downtown economic activities.

Three important specific observations may be offered on the Burlington downtown market:

1. Retail except auto oriented represents, if not one of the surprises of this analysis, at least one of the notable observations. Despite widespread concerns regarding suburban penetration of the retail market, Burlington core is holding its own about even with the rest of the region.. Although it is not the regional shopping core, it has not fallen below the broader region. This relies almost entirely on apparel and allied retailers. In general, this mirrors the performance of large regional malls, however the core lacks both the general merchandisers and general grocers that typically anchor regional and community shopping centers respectively.

2. Hospitality, consisting of both lodging and eating and drinking establishments is well represented. However, within this category, only two lodging establishments are listed (employment suppressed for confidentiality). This represents a significant market opportunity, especially in light of the importance of the tourism market segment noted elsewhere in this analysis to the overall core economy.
3. Entertainment: despite the importance of both tourism and the hospitality industry, the downtown is significantly under represented in this category. This represents a significant “hole in the market” and would be both well supported in the market and offer support for the tourism and hospitality segments.

BUSINESS COMMUNITY INSIGHTS

A key feature of this market review has been a survey of sorts in which knowledgeable members of the business community were asked to address the economic and market conditions in the downtown as they saw them and their important relationship to transportation. The purpose of this exercise is to gain a depth of understanding that is not readily obtainable by objective descriptors alone, and to, quite frankly, “pick the brains” of individuals who have been trying to deal with making the transportation/economy link for many years.

Our survey has been based primarily on direct conversations with members of the business community. This has been supplemented with an older, but somewhat more rigorous survey conducted by St. Michael’s College faculty in 1996 as well as other documents obtained in the course of the survey.

The community surveyed has included local business people including developers, investors, property managers, real estate professionals and bankers to uncover issues and opportunities regarding the relationship between transportation infrastructure and Downtown/Waterfront economic activity. It has relied heavily on input from the Burlington Business Association/Downtown Action Group (BBA/DAG), Marketplace commission and staff, City staff, and Lake Champlain Regional Chamber of Commerce staff, as well as a number of individual merchants and business people.

Findings

Several broad findings are very clear from this analysis. Burlington, especially downtown is in a very strong market condition. This is born out in the actual economic statistics as well as reflected in the assessments of the business community, pretty much universally.

Almost as universal is a deep understanding that Burlington has many special qualities distinct from suburbs, and among these are a much heavier reliance on non-vehicular (largely pedestrian) transportation. More than once the attitude was expressed that business(es) wouldn’t be in Burlington except for Church St Marketplace and the unique environment that it embodies.

Consistent with the many specific observations and ideas offered by the business community, a number of fundamental themes have been expressed:

1. Parking: both its importance to serving both the consumer (shoppers, clients, etc) and employees, and many perceived deficiencies and opportunities for improvement.
2. Congestion: getting in and out of the city, largely by private auto for both employees and customers/clients.
3. Wayfinding/information, including, especially, parking: interestingly, this may have been the single most important concern expressed broadly for both facilitating circulation around the city and downtown and accessing businesses, and for maximizing the effectiveness of existing transportation resources, especially parking, but also including transit, walking routes and traffic management.

One of the great benefits of discussing these issues with the business community has been the identification of the five, possibly six, important market segments that are tapped by downtown businesses. These include:

- downtown, and to a slightly lesser extent, other city residents who can access downtown services easily, often on foot or public transportation
- downtown employees
- tourists (including the significant observation that tourists don't frequent suburban malls)
- regional shoppers and other clients, including both Canadian and out of state consumers
- secondary market, i.e. customers who take advantage of other downtown shopping, eating, etc opportunities as a result of visiting some other downtown business
- colleges (this segment has many characteristics in common with other categories, but also has some useful distinct qualities)

There are at least two important inferences that arise from the identification of these segments:

1. All have somewhat different transportation needs, and
2. Only one of these segments (regional shoppers) experiences direct competition by suburban development

It was also apparent from both direct data and the interviews that downtown Burlington is experiencing a substantial shift away from lower density activities such as manufacturing and warehousing, and even, to a lesser degree, from retail to office, services, restaurants, and entertainment.

Detailed Findings: Observations and Specific Suggestions

This section offers a general overview and discussion of the specific observations and suggestions/priorities that were received. A more detailed breakout is available in Appendix B.

Downtown Market & Transportation: General

Downtown “image” and special qualities

There is a widespread recognition that city as a whole, and especially the downtown, is very different from suburbs in terms of its market and what it takes to serve it. It was observed that “tourists don't go to the suburban malls, they have plenty of those where they come from.” This is closely allied to a widespread recognition of the role of downtown image/cachet in attracting and retaining businesses and that the transportation system shapes this in many ways. Foot traffic is of particular importance to the market for downtown merchants.

Connections and links

In a sense, the essence of all transportation is the creation and facilitation of connections and links between areas, and particularly, between activities. Several links (in addition to the link to the broader region) have been recognized as especially important to the downtown:

Downtown/waterfront: increasingly the traditional downtown and waterfront are merging into a single downtown district; strong convenient links within this district are critical to its vitality.

Specific links along cross streets: Bank, Cherry, Main and College have been cited as has expanding the marketplace concept onto the side-streets to include more sidewalk space for outdoor activity, such as eating.

Downtown/Pine St: the Pine St area has been growing and appears the likely direction for future downtown expansion. Strengthening this link to existing activity and for future expansion is seen as valuable.

Special features

Two destinations were singled out as of particular importance to the downtown: the airport and the Flynn. Access to the airport is especially important for business in general. And the Flynn is a unique attractor in the downtown that also has significant needs including parking, pedestrian access, and drop-off on a special event basis. Special events such as this, a number of festivals, sporting and other events are a key ingredient in the City's success, and they create special demands on the transport system for parking, transit and traffic surge loading, etc.

Finally, it has been noted that small businesses make up a significant portion of the downtown business community, and that these businesses often have special requirements that can differ somewhat from those of their larger counterparts.

Information & wayfinding

As already noted, information and wayfinding, especially as they relate to parking, routes, locations, bike/routes and facilities, transit routes and information, and even the organization of the city as a whole were among the most widespread concerns among downtown businesspeople. Probably the single most frequently voiced suggestion was that much more and better parking information was needed indicating not only location, but real-time availability, the location of

alternative locations and how to access them. Better information for visitors unfamiliar with the city, especially from portals and better information about how the city's transport system functions as a whole were also noted

Pedestrians/bikes

As already mentioned, there was a widespread recognition of pedestrians as key to the entire downtown economy and of bicycling as an important contributor to non-motorized transport in the city. No one thought that the bike/pedestrian system would supplant the private auto for regional access, but saw it as the key "point-of-sale", if you will, mode.

There were many suggestions for improving pedestrian and bike access, and, perhaps as importantly, for taking advantage of these modes to promote and support the downtown. Many of these, including some of the key links, using the cachet of bike transport to attract "creative economy" individuals and firms, and with respect to parking and public transport are treated under other sections.

A number of problem areas were identified, mostly as the pedestrian system intersects the key elements of the vehicular circulation system such as at Winooski & Main, and at Battery at Pearl and College. Other issues with and suggestions for improving the bicycle routes and facilities were also discussed.

Parking

As noted above, parking is seen perhaps second only to information and wayfinding in the downtown as an issue. In general, this is seen largely as a supply problem, although a strong undercurrent of sentiment existed that parking is adequate in many ways, but needs to be managed better, including getting people to it. Considerable sentiment existed for the creation of satellite/intercept parking such as that contemplated in the South End with links through the public transit system which could free up employee and other long term parking in the core area for customers, clients and other patrons. Parking and its enforcement were also mentioned as a bit of an image problem for the downtown.

A number of specific suggestions were made for improving parking that are included in the Appendix.

Congestion & roadway access

Problems with congestion and roadway access were cited as interfering with both customers/clients and employees getting to/from businesses in town. This was especially acute in instances where competition from suburban merchants was seen as an issue.

A number of suggestions were advanced as addressing this, mostly in the form of greater roadway capacity. These included Main St improvement, new roadways such as the Southern Connector and Circ highway and other capacity expanding improvements.

Winter maintenance and access

This issue was identified frequently. Problems with sidewalk clearance, including obstruction by parking meters, and difficulty accessing meters were cited as impeding smooth functioning in the downtown during the characteristic Vermont winter.

Public/alternative transportation

Despite appearances, the public/alternative transportation system probably received as many comments and ideas as virtually everything else put together.

In general, existing transit service is seen as adequate to good, but could benefit greatly from improvement.

A number of observations dealt with image problems, including a perception of the bus as “low class”. Both alternate modes (rail, LRT) and improvements to the existing system were seen as antidotes to this.

Actual conditions of service were also noted including frequency, coverage, time/schedules, area, poor quality of many stops (eg no shelters), and a lack of information relative to routes, schedules, fares, hours of operation, etc. Also frequently cited as an impediment to improving these deficiencies was the issue of funding, including getting the suburbs to participate more fully. Antidotes cited include better information, smaller, possibly electric or alternative fueled vehicles, and broad improvements to service. One characterization was the 3 f’s: “frequent, free, and fun”.

Singled out for special notice was the College Street shuttle service. There was general agreement that the College St shuttle is very good and a real asset. It is seen as a model of what is possible. Suggestions were made to expand and improve this service to include:

- airport shuttle
- general downtown circulator, including satellite parking
- extend to lodging on Williston Rd (especially for tourists)
- between downtown and University Mall
- open sided shuttle vehicle; ad hoc boarding

A number of additional suggestions were made that could have long term significance for transit both in the region and in the city. These include:

- emphasize rail and build on its potential to deliver substantial market directly to downtown as pedestrians
- revisit LRT or possibly lower cost street car alternatives as “growth shaper” and as antidote for anti-bus perceptions
- make better use of water connection including improved access to/from ferries, expanded marina facilities and even a water taxi as alternative to Shelburne Rd.

Finally a number of more “exotic” approaches to transit were offered including aerial tramway(s) and funicular(s), in-town novelty transportation as market attraction, eg horse-carriage, car sharing and alternative fuels for private and public vehicles

Transportation as an attraction for business, residents, general economic activity

Finally, at least two suggestions were made to use aspects of the transportation system as direct attraction for business, residents, general economic activity. These included:

- build on cachet of biking and associated facilities to attract outdoor, nature oriented, green industries and the “creative economy”, and
- develop one or more walking “trail” along the lines of Boston’s Freedom Trail as marketing tool for the downtown and the larger city

Additional Sources: BBA/DAG, CEDO 1996, and Regional Chamber of Commerce

In addition to the findings summarized here, both the Burlington Business Association through its Downtown Action Group (BBA/DAG) and the City’s Community and Economic Development Office (CEDO) have developed extensive information in the same general areas covered in the survey conducted for this study.

The BBA/DAG has been largely focused on the successful implementation of the transportation earmarks for downtown improvement. These are targeted largely to the area immediately adjacent to the Marketplace/Church Street, primarily the side streets, the waterfront, and to an extent, the connections between the two.

The BBA/DAG findings significantly mirror the discussion above. It is perhaps not surprising, since this organization has contributed heavily to the development of these findings. A detailed discussion of the BBA/DAG process and findings is contained in Appendix C.

Also, the City, through CEDO has provided a 1996 survey of business attitudes that often bears striking resemblance to some of those heard in this investigation. CEDO staff believes this survey to still have a good deal of validity, although, clearly, some of the specific quantitative assessments (eg number of businesses or employees) will have changed, and some specific observations will no longer apply. Extensive excerpts are in Appendix D and include a significant number of direct, illustrative quotes from interviewees.

Many of the findings of this survey also mirror the findings of this study. Three excerpts from that report, two from the Executive Summary and one from the Summary and Conclusions, are emblematic of the tone and findings of that document as they apply to this study:

** Burlington, according to the business community, has several competitive advantages over its neighboring communities. Most important among these are access to higher education, arts and cultural activities, and quality of life concerns. Burlington's major disadvantages include parking problems (cost and availability), property taxes, cost of land, and traffic congestion.*

** Customer and employee parking problems were viewed as the most critical problems within Burlington's transportation network. Other transportation features like "bikepaths," "crosswalks," "street signs," and "sidewalks" were all seen as being "adequate."*

The city will need to take a proactive approach to the changing landscape. This means not only trying to attract new businesses but also responding to the concerns expressed by those firms who are considering relocating or expanding outside the city. The number one priority articulated by the business community is the need to respond to a myriad of traffic and parking concerns. The strong attraction of Burlington as a regional hub for commerce, retail, education, and cultural and recreational activities, with a limited public transportation network, virtually dictates that parking and traffic will be problematic. These are not the problems confronting dying cities.

Similarly, the LCRCC has developed a comprehensive transportation policy paper. Much of that document necessarily applies well beyond Burlington's borders. Policies The LCRCC transportation policy paper in its entirety has been included in the Appendix E. The policies are summarized below based on paraphrasing the policy document itself. For specific quoted policy, please see Appendix E.

- *Construction of a number of capacity expansion projects including Circumferential Highway and Champlain Parkway.*
- *Maintenance and upgrades of existing transportation infrastructure including paving, bridges, public transportation vehicles, and enhancement projects.*
- *Expanded public transportation services, especially for commuters; updated downtown Burlington transit facility.*
- *Specific enhancements to the rail freight and passenger rail system to reduce truck traffic and roadway maintenance costs.*
- *Improvements to BIA, including land-side access.*
- *Additional/improved recreational paths, bike lanes, and sidewalks.*
- *Additional park and ride facilities and car-pooling options.*
- *An interstate signage system for better access from the highway.*
- *A variety of funding and organizational/management proposals intended to implement these proposals and continue oversight of regional transportation.*

SUMMARY AND CONCLUSIONS

It is abundantly clear from all the above information including both objective, quantitative measures and the assessments of those closest to Burlington economy and market that Burlington in general and the downtown in particular represent an extraordinarily good place to do business of all kinds.

This happy condition is heavily dependent on the special qualities of Burlington that include many specifics, including the colleges and other institutions, an extremely active arts community, and a livable quality and vitality that attracts entrepreneurs, employees, residents and visitors worldwide.

The transport system is a direct contributor to this quality and vitality. It is not overwhelming as in many big American cities, and retains a high degree of accessibility and walkability that are the hallmarks of a successful economic and living environment.

However, as is the case in almost all highly successful economic environments, a certain amount of congestion and stretched demand have resulted. While clearly superior to the opposite effect, in which there is inadequate demand to support the community, this places stresses on the system. Parking is sometimes tight and difficult to use, and congestion at key vehicular access points to the city has become endemic at morning and evening rush hours.

A number of priority transportation areas have been identified:

- Maintain and enhance the special quality that is downtown Burlington and includes its walkability and human scale; build a transportation systems that enhances that including biking, public transit, and vehicular access and parking.
- The parking system is critical to the well being of downtown. Enhance and manage it for maximum support of the downtown and the city as a whole.
- Congestion limits the regional accessibility that is the life blood of a city economy. Address this in a way that supports the overall community character on which the economy also depends.
- Information, including wayfinding, and management of the city transport system are critical to success and the ability of participants of every stripe to fully participate in the economic and social life of the community.

Many of the individual components of a transport system designed to build on, support, and enhance Burlington's economic and social environment are already in place and many more are envisioned. The Church Street Marketplace is a unique and valuable asset and its extension to adjacent areas is already underway. Key improvements to vehicular accessibility are nearing completion or in the pipeline. Parking improvements are likewise under consideration and the transit system, while still fairly rudimentary, offers a backbone on which to build further enhanced access. The city retains a high degree of walkability with a few important deficiencies that need to be addressed. That walkability directly supports the economic market in the downtown and beyond.

The key will be to knit these pieces together into a coherent whole and to fill in a few gaps to create an integrated system. And to do it in a way that achieves the critical balance between regional accessibility and internal livability that are both necessary for a successful and vital downtown for all participants—the participants on which the existing successful market depends heavily.

APPENDICES

A: Burlington Free Press Article

Burlington No. 1 in country in business outlook

By John Briggs

Free Press Staff Writer

September 25, 2006

When Burlington puts \$8.5 million in bonds on sale today, investor confidence in the city will be boosted by the metropolitan area's No. 1 ranking on a 2005 national assessment of business strength in 379 metropolitan areas.

"This is enormously beneficial," Chief Administrative Officer Jonathan Leopold said. "Businesses and institutions who use this kind of service find it very important. This makes our bonds very attractive to an investor."

The "business vitality" index was created by Moody's Economy.com, a division of Moody's Investor Service. It was reported in the Regional Financial Review, a publication by Moody's covering the overall U.S. economy. The review, its Web site says, offers "in-depth analysis of topical issues highly relevant to business planning."

City officials learned of the rating in time to make it part of their presentation to financial analysts from Moody's, who last week reconfirmed the city's double-A bond rating.

The index rates metropolitan areas in three main areas: current economic conditions, prospective economic conditions and economic risk. Each area is subdivided further. Prospective economic conditions, for example, includes assessments of the cost of doing business, the cost of living, housing affordability, educational attainment and others.

The Burlington metropolitan area includes much of Chittenden County. While Burlington topped the national list, it ranked 242 on the current conditions list, 118 on the prospective conditions list and 210 on the risk list.

Leopold warned last spring when the city budget was being debated that Moody's had indicated the bond rating, a measure of investment risk, would be lowered if the city didn't take immediate steps to fully fund the employee's pension fund, restore money to the undesignated reserve fund and generally exercise fiscal restraint.

He said Moody's analysts typically get good news stories when they visit a city to assess its economic stability for investment purposes. "This," Leopold said of the business vitality rating, "reinforces the story we told. Investors in the bonds can derive confidence not only from Moody's review of the city but also for future prospects. We have a dynamic and vital economy with strong prospects for the future."

Robert Costanza, director of the University of Vermont's Gund Institute for Ecological Economics, said the business vitality rating paralleled a national quality of life indexing, the Genuine Progress Indicator, from two years ago that found Burlington and Vermont in general to have improving ratings, unlike a national downward trend that found quality of life measures declining and outweighing traditional economic measures.

"So it's interesting to see Burlington ranks high on a more traditional economic index," Costanza said. "The two aren't unconnected. People come to places, especially these days, because of quality of life issues."

"I think everyone is feeling pretty positive right now," said Nancy Wood, director of the Burlington Business Association. Given pessimism about the national economy, she said, "the fact we've stayed strong is very good news. And having it confirmed by this index is a cause to realize we can continue to attract new business and strengthen the businesses here."

She said such ratings also make it easier to attract young people to the area.

Regionally, Syracuse, N.Y., was rated 42; Albany, N.Y., was 61; Boston was 93, and New York City was 103. Raleigh, N.C., came in second, after Burlington. Houma, La., a small city close to the Gulf of Mexico, was rated 379, the lowest ranking on the index.

Contact John Briggs at 660-1863 or jbriggs@bfp.burlingtonfreepress.com.

B: Detailed Responses from Business Community Survey

This section summarizes many of the comments received over the course of the inquiry. For convenience, these have been roughly grouped under the rubrics of "observations" relative to important issues at the market/transport interface, and "specific suggestions/priorities" for addressing the perceived issues. This division is not rigid and many specific ideas incorporate at least some characterization of the situation(s) from which they arise, and many observations contain at least the seeds of an idea to address them.

These broad groupings have been further grouped into areas of similar observations and ideas. Again, these groupings are not rigid: there are many areas of overlap. For some reason, there have been a disproportionately large range of responses in the area of public/alternative transportation.

It should be noted that the individual findings here do not represent any kind of "voting". A large number of the observations and ideas were encountered more than once, quite a few, several times. These are presented in simple bulleted form.

Observations

Downtown: market & transportation: overview

- importance of foot traffic to market: "for retail merchant, the name of the game is to

- increase foot traffic"
- regional shopper draw extends out ~60 mi; importance of regional transportation network/access
- importance of airport to businesses; access to airport
- role of downtown image/cachet in retaining businesses: transportation shapes that in many ways
- recognition that city is very different from suburbs in terms of market & what it takes to serve it (eg "wouldn't be in Burlington except for Ch St Marketplace"); tourists don't go to suburban malls
- importance & special requirements of small business

Connections & links

- Importance of downtown/waterfront link(!); expand Marketplace along cross streets: Bank, Cherry, Main & College; could use more s/w space on side streets for outdoor activity, eg eating
- Link downtown & Pine St area

Congestion: interferes with both customers/clients and employees getting to/from businesses in town; problem especially bad on Main St/Exit 14.

Public/alternative transportation

- people prefer rail (any) to bus; perception of bus as "low class"
- actual limitations of bus service: frequency, coverage: time, area
- funding! & getting suburbs to participate
- poor quality of many stops (no shelters)
- need more information: routes, fares (incl College St = free), schedules, stop locations
- smaller/elec vehicles; idling & AQ
- Importance of Flynn; transp relative to:
- parking: need for and effect on
- special event requirements
- pedestrian access; drop off

Parking

- difficulty of finding parking, driving around looking for it can have AQ (& congestion) effects
- problems w/ parking enforcement & image
- parking probably better than realized; need better information

Some Specific Suggestions/Priorities

Parking

- expand marketplace garage into air-rights over Handy's
- need more waterfront parking
- satellite parking, esp for employees, regular users; good shuttle; especially @ exit 14
- use (more) angle parking to increase supply & it's easier

- improve information about existing resources; real-time/ITS to direct to available parking

Bikes/pedestrians

- importance of downtown/waterfront link; expand Church St style environment along side streets: Bank, Cherry, Main & College
- fix specific pedestrian problems @ S Winooski w/ Main & Pearl, Battery w/ Pearl & College,
- raised mini-median separating bike lanes
- use bike transp as theme attractor/market theme; support creative economy
- be sure to provide adequate crossing time for handicapped at pedestrian signals; better information on timing/sequencing of pedestrian signals
- whenever road rebuilt should include bike lanes

Congestion & roadway access

- address congestion, especially on Main st; additional lane @ Staples?
- reversible/counter-flow lanes; rush hour no parking
- build Southern Connector
- build Circ highway
- maintain vehicular circulation on Marketplace cross streets
- revisit N Winooski one-way
- improve waterfront vehicular circulation; loop rd?

Winter maintenance

- better winter sidewalk clearance
- access to meters through snow
- meters interfere w/ snow clearing

Public/alternative transportation

Bus service: general

- need to expand CCTA service (time & space); "frequent, free, fun"
- better information re routes, schedules, fares (including free services!), etc
- bus stops inconvenient, uncomfortable: improve
- Impression of bus as "poor people's ride": improve image, expand to other alternatives, eg LRT
- electric (& other alternative fuels) for buses; limit bus idling as AQ measure

Shuttle services: General agreement that College St shuttle is very good/real asset; expand concept to:

- airport shuttle
- general downtown circulator, including satellite parking
- extend to lodging on Williston Rd (especially for tourists)
- shuttle between downtown & U Mall, gain more than lose
- open sided shuttle vehicle; ad hoc boarding

Make better use of water connection

- better access to/from ferries
- marina & related services to capture lake traffic
- water taxi as alternative to Shelburne Rd

Build on rail potential to deliver substantial market directly to downtown as pedestrians

Revisit LRT as antidote for anti-bus perceptions

Information & wayfinding: parking, routes, locations, ped/bike, transit routes and information

- improve City web-site; provide transp information there
- parking: real-time space availability finder, especially when some prime garages or lots are full; locating parking for unfamiliar visitors to the city, eg from Interstate and Ferries
- information re transit routes, stops, schedules, fares; real-time next arrival information
- maps, walking, wayfinding, etc; put information all on one map (parking, routes, transit, walking, etc.)
- need to make sure public understands what markings mean, e.g. "blue curb" & handicapped limitations; information re meter color

Exotic approaches (n.b. this characterization is intended only to capture the idea that these ideas fall outside the normal "conventional" transportation solutions)

- aerial tramway(s) & funicular(s): particularly in areas where congestion or topography limit conventional solutions
- in-town novelty transportation as market attraction, eg horse-carriage
- "zip cars" & alternative fuels
- hooks for electric cars in parking garages

Transportation as an attraction for business, residents, general economic activity

- build on cachet of (eg) bike path for outdoor, nature oriented, green industries; also "creative economy"
- walking "trail" as marketing tool (cf Freedom Trail)

C: Burlington Business Association/Downtown Action Group (BBA/DAG) Notes on Downtown Improvement Priorities

Burlington Business Association Downtown Action Group

"The Mission of the Downtown Action Group is to identify gaps, resources and opportunities for Downtown Burlington, and to take action."

During 2006 and 2007 the Downtown Action Group (DAG), a committee of the Burlington Business Association, is engaging downtown property owners and businesses in a participatory process that builds ownership in and a shared vision for capital improvements in the downtown district.

The City has access to \$12 million in federal SAFETEA funds for infrastructure improvements in

downtown Burlington, specifically for the Church Street Marketplace, the streets immediately adjacent to the Marketplace and the Waterfront. The City is seeking public input in the planning process for these improvements, guided by the following principles:

1. Burlington's Marketplace, Downtown and Waterfront will be economically strengthened through continued public improvements and private investments;
2. The infrastructure improvements provided on the Waterfront will ensure safer pedestrian and vehicular access;
3. The amenities of the Marketplace will be extended to other parts of the downtown and the waterfront;
4. Consideration will be given to improvements that can be well maintained and managed.

The DAG is focusing first on the SIDE STREETS of Church Street Marketplace: Main, College, Bank, Cherry and Pearl between South Winooski Avenue and St. Paul Streets, including the areas in and around Burlington Town Center. \$3 million of the federal SAFETEA funds have been earmarked for this area. The following strategies and ideas have been suggested during past discussions:

1. Integration of Side Streets into Church Street Marketplace design

- * Using Church Street as a model for success, the goal is to increase "walkability" on side streets.
- * Amenities could include enhanced lighting for pedestrians, trashcans, benches and trees to the creation of special overhead gateway treatments where South Winooski Avenue intersects with College, Bank and Cherry Streets.
- * The bricks used on Church Street may be cost-prohibitive on side streets, but efforts should be made to find alternatives (such as concrete pavers, etc.) that can enhance a side street's unique character and complement Church Street.
- * Side streets would remain open to vehicular traffic.
- * Designs would be individualized to suit the character of each street.
- * Where feasible, green belts may need to be widened and enhanced.
- * Capital improvements should be made with the costs of long term maintenance in mind - this is an operating (not a capital) expense and will impact city budgets if not fully considered.

2. Comprehensive Wayfinding Signage

Recent customer and business owner surveys have identified the need for a) improved wayfinding signage that directs shoppers, diners and visitors, from entry corridors (Main Street, Ferry, Battery, College, Pearl) to available parking in the downtown and b) signage that guides pedestrians from garages to shopping, dining, etc.

3. Integration of Burlington Town Center (General Growth Properties).

General Growth Properties plans capital improvements to increase pedestrian traffic & strengthen its "sense of place" by enhancing its Church Street entrance and corridors along Bank and Cherry Streets. Opportunities to complement and enhance private improvements with streetscape

investments and improvements are recommended.

4. Improvements that are Inviting, Integrated, Cohesive, Comfortable, Interesting and Exciting.

The unique character of our downtown must continue to be enhanced so that we can compete effectively against suburban destinations in the county.

Downtown Action Group Summary of Ideas/Comments/Observations

Brainstorming Ideas (from May 15 meeting)

- * Cleanliness: Corner of Church and Main Street, & the Greenbelt
- * Late night vs. day
- * Drop off space
- * Limited parking - TD Banknorth (from 170 down to 130); King St. Entrance to Courthouse Parking
- * Part of Marketplace - cleaner and better maintained
- * 100 M from ICETEA - - lighting (1 block Main St.)
- * Fix sidewalk - transformers at cross walk (trip hazards)
- * Drops off at St. Paul
- * Signage needs for FlynnSpace kiosk
- * Bring "storytelling" onto street
- * Lighting Design: Quirky, Downtown fun
 - * Attractive, well lit
 - * Park - lighting in trees
 - * Up-light buildings
- * Issue of spending money on private buildings
- * Info kiosk that ties together CSMP, Flynn, ECHO
- * Trees - obscuring buildings?
- * Bring amenities, maintenance to lower Church
- * City match - from existing street and sidewalk funds (except on CSMP)
- * Other cities' models, Charlottesville, Boulder
- * New? Lifestyle Centers: Retail & Entertainment, Top Tier & Residential
- * Pieces ARE HERE - Need to TIE IN TOGETHER
- * Chicago - flowers - color - exciting
- * Linkages among anchors
- * Keep the differences while improving connections
- * Are bricks the answer? Big \$\$'s to lay and maintain
- * Varied themes
- * Clean, safe, secure
- * Mixed use important
- * How to create texture and feel
- * Science! Art/History - "Story"

- * Create flow & transition
- * Design approach - who help?
- * Parking
- * Meters - snow removal issue (Montreal meters by buildings/credit cards)
- * Stakeholders
- * Departments: SAG - - TAC - - City Council/Mayor
- * Possible Goal - pull it all together/specific problems/story landscape
- * Area in between: more retail, more interesting
- * Conceptual work: Private money - - General Growth

Brainstorming: Concerns Needs & Comments (from Aug. 6 meeting)

- . More activity on side streets;
- . More pedestrian traffic on Cherry Street
- . Link in the 3 separate entities, i.e., the waterfront, CSMP and Burl Town Center
- . Integrate UVM and F ARC with Downtown
- . Parking: the CSMP garage "full" sign, linking the garages w/signs & maps showing other garages that are open
- . Signage
- . Parking meters, i.e., snow removal
- . Meters are color coded, but what do the colors mean?
- . Meters' hours of operation
- . Main Street congestion
- . Drop-off issues in front of Flynn, i.e., truck loading & patrons
- . Additional structure parking, i.e., corner of So. Winooski & Main
- . Signage in the garages to get to the streets
- . There is no clean, concise, uniform signing effort for people getting into and around the City
- . During Holidays, the City is able to come up with additional parking spaces. Can this be available more often?
- . Width of College Street, especially during winter and snow piles (CCTA buses having problems)
- . Sidewalks snow removal
- . Connection between Downtown and the Old North End; i.e., one-way streets revisited
- . Signs on Riverside Ave to get to CSMP and Downtown
- . Park 'n ride near Staples/Sheraton for employees working downtown
- . Weekend shuttle service from Hotels/UVM to Downtown
- . During snow emergencies, cars moving off streets and filling CSMP garages
- . North end of marketplace is dead; i.e., no sidewalk cafes to give it life
- . Parking spaces for Moms with strollers, pregnant, etc.

Specific Comments: (from Sept. 12 meeting)

- . So. Winooski Ave & Battery Street are "thru" streets and are critical in getting traffic in and out of town;
- . So. Winooski Ave is important pedestrian area - City Market is growing & expanding
- . Traffic lights (Main Street, etc) should be timed better - better flow of traffic
- . Existing bus station - potential for area

- . It's so difficult to park Downtown, maybe consider adding angled parking (vs. parallel parking) along some streets; however, some think it's important not to sacrifice the "pedestrian experience" for parking
- . Idea - eliminate sidewalk on Center Street and add angled parking . Need good & plenty of services in Burlington to attract professionals here and then have them want to stay
- . Better Wayfinding signage needed
- . Parking garages should be digitally linked so FULL signs lead to other available lots
- . Accommodations for bicycles are important as more and more customers are coming into downtown by bike
- . There are no elevators in some garages - especially difficult for disabled people

D: Excerpts from 1996 Survey of Burlington's Business Community

Prepared for: Community and Economic Development Office

Prepared by: Saint Michael's College Center for Social Science Research Professor Reza Ramazani Professor Herb Kessel Fall 1996

EXECUTIVE SUMMARY

In 1995, the city of Burlington contracted with the Center for Social Science Research at Saint Michael's College to conduct a benchmark mail survey of Burlington's business community. In total, 527 out of a population of approximately 2100 firms participated in the study. A brief summary of the results from this survey are presented below.

* A thumbnail sketch of Burlington's business community reveals the presence of a large number of small firms in the city, (40% of the sample had 3 or less employees), many of which are sole proprietorships (n=141). Only 29 out the 527 businesses in the sample were subsidiaries of a parent company. Even fewer companies, 13, were publicly owned. A few major companies provided most of the employment opportunities in the city (12 firms in the sample supplied 3 out of every 4 jobs). Most businesses, 70%, rent or lease their facilities. Twenty-two percent of the businesses in the sample were owned by women. Most firms, 59%, now have fax numbers, many, 38%, have access to the Internet. Burlington is a city alive with new businesses. Thirty percent of the sample had been in business only since 1990. These new businesses have generated 802 jobs.

* Although there is an undercurrent of apprehension within the business community, most respondents were still reasonably optimistic about the city's economic climate in the coming years. Three out of four felt that the climate will either remain the same or improve during the next five years. Businesses are also projecting a more rapid growth in employment than recorded over the last few years. Most of this growth will occur in small and medium size companies. Single person companies plan to add 43 people over the next 3 years. The largest firms in Burlington, those with employment levels over 100 workers, plan to add only 163 new workers. The largest expansion, 323 new workers, will come from firms with between 4 to 9 workers,

* The face of Burlington will continue, as it has in the past decade, to change over the next few years. More respondents, (58%), say that they are likely to expand than reduce operations (12%).

Thirty firms expect to cease operations entirely. Another 71 firms hope to sell their businesses sometime during the next 5 years. A substantial number of firms, 187, are either "likely" or "very likely" to relocate their operations within the next five years. Just over one-half of these "potential relocaters" expect to stay within the city. Approximately one-third may move to another city within Chittenden County, while others may move to other areas in Vermont (4%) or out of the state (4%). A sizable percent, 10%, are still unsure of where and whether they will relocate. Within the sample, approximately 24 firms each year are expected to move out of the city. These departing firms will be replaced by a slightly larger number of new businesses if recent trends continue in the future.

* The decision to relocate or expand operations outside of Burlington is strongly related to whether a business owns or leases their property. The cost and availability of land, parking considerations, and taxes, in this order, are the main factors cited by those businesses which are considering relocating or expanding outside of the city.

* Burlington, according to the business community, has several competitive advantages over its neighboring communities. Most important among these are access to higher education, arts and cultural activities, and quality of life concerns. Burlington's major disadvantages include parking problems (cost and availability), property taxes, cost of land, and traffic congestion.

* Customer and employee parking problems were viewed as the most critical problems within Burlington's transportation network. Other transportation features like "bikepaths," "crosswalks," "street signs," and "sidewalks" were all seen as being "adequate."

* Reflecting the small size of many of the firms in the sample, 3 out of 4 have used their own funds for startup and expansion. Firms within the sample have obtained loans for working capital (n=126), equipment (n=127), and commercial mortgages (n=90). Among those who applied for financing, 8% were denied loans for equipment purchases and another 17% were denied loans for commercial mortgages. Out of the 300 firms who responded to a question about their future financial plans, 96 felt that they will need some form of loans within the next three years. Financing for working capital is the most common need (n=51), followed by equipment loans (n=44), and commercial mortgages (n=40).

* No city department or office received more negative than positive evaluations from the business community. The highest ratings were for those departments which offered "free" services such as the fire and police departments, the Fletcher Free Library, and the Burlington International Airport. Well over three-quarters of the respondents rated these areas as either excellent or good. In contrast, departments which monitor or regulate business, such as planning and zoning and the city's assessors office received more critical reviews. Just under 33% rated the services of these offices as either excellent or good (between 40% and 50% had no opinion about the work of these departments).

* When respondents were asked to list the most important actions the city could take to improve conditions for businesses, parking, either improving access or lowering cost, was the most common response. Reducing taxes and improving traffic flow followed closely behind.

* Sample members often lacked knowledge about the services of many of the public and private agencies and associations established to help the business community. The services offered by the Lake Champlain Chamber of Commerce (89% familiarity), the Vermont Department of Employment and Training (88% familiarity), and the Small Business Administration (87%) were the best known by the public. Fifteen local agencies had public awareness levels under 60%.

* Sixty-seven firms reported problems filling professional positions while 46 firms expressed difficulty filling skilled trades positions. Retaining workers, with the exception of unskilled jobs, did not appear to be a problem.

* It was common for employers to express concern about the quality of their new hires, especially high school graduates. The most frequently cited deficiency was in general work habits (for both high school and college graduates).

* Many firms, 31%, were interested in "specialized training for their workforce." The area of greatest interest was for general software training, both for management and production/semiskilled workers. Internet training along with marketing and communication skills also registered considerable interest.

* Most respondents, (58%), expressed interest in Burlington Electric Department's energy efficiency program. Far fewer firms, 25, felt they needed assistance complying with the 1990 Americans with Disabilities Act. Fifty-three firms had either facilities or staff available to share with other firms in Burlington. Forty firms needed staff or facilities. Twenty-eight firms in the sample had some vacant facilities, although only 6 firms had more than 20% of their facilities vacant.

THE BUSINESS OUTLOOK

This is a select city. The lure of cheap accessible suburban space with lots of convenient parking and better vehicle access to our customers around the country is very strong. Continuous impact of mega-retailers on traditional downtown stores will be very difficult to offset.

...

The decision to relocate or expand operations outside of Burlington is strongly related to whether a business owns or leases their property. For example, among businesses who are considering relocating or expanding their operations outside of Burlington during the next three to five years, 73% either lease or rent their facilities. As noted earlier, 70% of the firms in the study rent or lease space for their businesses. One way to reduce the migration of businesses out of the city is to encourage ownership of property. The data also suggests that city officials might take some role in either helping businesses renegotiate expiring leases, locating vacant property, and working with real estate agencies to match available space with business needs.

The loss of a business for any city is a concern, especially if it is a major employer. Why do businesses expand or relocate outside of the city? The most common response cited by those who

are contemplating such a move is the cost or availability of land (27%). Parking considerations at 13% was the second most common reason. This was followed closely at 12% by taxes. Financial considerations offered by other communities hardly registered (2 firms) as an explanatory factor. The role that parking constraints, land availability, taxes, and other factors play in the decision making process can be seen in the selected quotes that follow:

Downtown is facing some serious competition from the suburbs. While I believe there is adequate parking in garages, people either aren't aware of them or are hesitant to use them. The meter people don't help matters very much. The biggest things downtown could use are a convention center and more housing. The waterfront should be developed but not for retail.

Our decision to relocate (possibly) is based on our need to be closer to our major clients (IBM, etc.). Although I am totally opposed to the current progressive line of thinking, this will not enter into my final decision.

Parking, parking, parking... & get rid of the parking meter police. They hurt downtown business. The mall has plenty of free parking & when the suburbs develop with malls & downtown is still charging & policing the parking meters, it's not going to help.

Our staff is so frustrated with traffic we come in and out on off times. We would consider relocating from traffic problems alone, combined with parking; it's a nightmare.

I am one of the last of the independent small merchants on the street and I will be vacating this location shortly, mainly because of the cost of doing business.

...

BURLINGTON'S COMPETITIVE POSITION

While our business could be located anywhere in Chittenden County, we located here because of the personal preferences of the staff and owners. As individuals, we like working in Burlington, access to retail, cultural events, and the vibrancy of the city.

The vitality of the business community is critical to Burlington's future. Cities cannot offer a high quality of life without being able to attract and retain a healthy mix of companies. To gain a sense of how Burlington weighs in as a place to do business, respondents were asked to compare the city with towns in the surrounding communities on the basis of 32 factors. Burlington, according to local businesses, has a competitive advantage in 3 areas in particular: "access to higher education," "arts/cultural activities," and "quality of life." Approximately 8 out of 10 respondents selected these factors as ones that make Burlington a better place to do business. High ratings for what some might consider "transcendental" factors reinforces the importance of seeing business not as separate, but as an integral part of the larger community. A thriving and well planned economic community enhances the "quality of life" of the city's residents. At the same time, Burlington's ability to maintain its high "quality of life" ensures that new and existing businesses will be attracted to the city.

"Quality of life" issues surfaced frequently when respondents explained why they would remain in Burlington.

Burlington is a great area-excellent for scenic beauty, excellent for availability to cultural events, excellent for layout of city, friendly business people, great customers, good source of employees, friendly bankers.

Burlington is the only place where I can live and work at home in ChHtenden County. Important factors are: central to county and other professionals, easy access to supplies and services, xerox-printingpaper, access to courier services-quality of residential location.

The high quality of life In city - That is Burlington's edge in competing wHh the rest of the country.

More than half of the respondents also rated Burlington favorably on "access to sales markets," "recreational opportunities," "bus service," "air transportation," "highway access," and "access to retail services."

Policies or programs that enhance or support the so called "transcendental" features of life in Burlington must be understood in light of the larger picture of economic development. Things like bike paths, outdoor concerts, market festivals, and water front activities are what distinguishes Burlington from its suburban neighbors. They help offset some of the persistent and endemic problems of doing business in the city.

At least 40% of the respondents cited 6 factors which place Burlington in a competitive disadvantage with neighboring towns. These include parking (cost and availability), property taxes, cost of land, and traffic congestion. Many factors often cited as impediments to business in Burlington, such as "zoning," "building codes," and "utility rates," were viewed by a slight majority of the respondents as "neutral," that is, factors which are neither favorable nor unfavorable in comparison to the situation in other communities.

Some respondents were quick to remind the city that high property taxes and other "costs" were making Burlington a difficult place to do business.

Lowering property taxes (and personal property) and franchise fees will improve profitability and encourage owners to locate in Burlington rather than surrounding areas. This keeps the city the vital place to be located.

Improve their (city) attitude. Business drives economies. Business is not here to rape Burlington. It is here because of the population. Burlington needs to promote business, not to shun it. Wake up! It's not about suing Williston to keep businesses here.

To me, Burlington is the only place in Vermont I would want an office. My hope is that the cost of doing business in the form of taxes and fees and utilities doesn't make remaining in Burlington a costly luxury.

By their very nature, cities, especially those which are vibrant and flourishing, are confronted with a myriad of transportation problems. Traffic congestion takes an increasingly prominent place in the mix of problems that confront urban areas. Growing populations, a society resistant to public transportation, and serious resource constraints makes this unavoidable. Transportation problems were high on the list of factors which put the city at a disadvantage in comparison to its neighbors. To learn more about how transportation issues impact respondents' abilities to operate their businesses, each was asked to rate the importance and adequacy of Burlington's transportation infrastructure. Not surprisingly, both customer and employee parking are rated as "very important" by more firms than any transportation feature. They are also the least likely to be seen as "adequate." Transportation features like "bikepaths," "crosswalks," "street signs," and "sidewalks" are all seen as being "adequate" by at least 80% of the respondents.

When respondents were asked to list the most important factors which constrain their ability to remain competitive, the most common response was, "the high cost of doing business." After this general response, three specific factors were identified. The "availability of a skilled workforce" (noted by 128 firms), "marketing costs" (120 responses), and "availability of space" (106 responses). Four factors which appeared far less important were "availability of unskilled workers" (32 citations), "financing for product development" (37 responses), "access to suppliers" (41 responses), and "State environmental regulations" (43 responses).

...

City Departments

The business community was also offered the opportunity to advise the city on "what the most important actions the city could take to improve conditions" in their businesses. A list of the verbatim responses to this open ended question is included in the Appendix. The most common suggestions concerned parking, either improving access or lowering cost (55 responses) and reducing taxes (50 responses). Improving traffic flow came next with 47 responses. Other frequently mentioned problems included the need to complete the Southern Connector, better removal of snow, an "anti-business" attitude among city officials, and concerns about juveniles scarring away shoppers from downtown. A few examples of the more common responses are included below:

Burlington in general would be well served by 1) increasing ease of access via S-E Connector, 2) additional parking and/or shuttle services, 3) stop looking at how to raise revenues via anti-business taxes, expenses.

Parking downtown needs a lot of it, and it needs to be free. All the malls have free parking. Instead of a developer paying for impact fees how about a few providing free parking for downtown workers?

Stop focusing all energies on the Marketplace. Promote entire city as a place to do business. Add cultural destinations, zoo, aquarium, expand parking, remove meters.

Improve tourism, parking downtown, anything to make Church Street more attractive. Work on youth programs to keep the kids off the streets loitering.

I feel that Burlington should have a booklet published explaining all the necessary paperwork (permits, etc) that needs to be done before a business opens to the public. Very unclear as to what a proprietor needs for legal purposes.

Make the city more user friendly. Parking and ticketing are problems. Access into the city - a problem - Finish the southern connector Find a place for teenagers to expend energy - Find a place for the homeless.

Figure out legal and "politically correct" way to get the "bums" and kids who hang out and smoke cigarettes, litter, etc. away from the central shopping district...IT'S KILLING US!!!!!!!!!!

To be fair on the appraisals - To exempt the equipment from taxes - To lower the power and utility rates -To be more friendly to the businesses.

Many of the responses were idiosyncratic and could not be easily classified. Often, however, the problems noted are ones that might be solved easily with appropriate intervention by city officials.

Sign that was removed when street work done saying "no parking, taxis only" in front of our business (needed badly) - taxi driver licensing process needs to go back to City Hall under old system - airport system too lengthy.

None - unless you can shorten the commute from Poultney to Burlington!?!

The southern connector is scheduled to eliminate all private parking that exists beside our building and will eliminate our loading dock. This will create a great hardship on my ability to do business. Allowing that parking to remain would be the most helpful thing the city could do.

I would love to see a community gym + pool down on the waterfront that I could use on lunch break.

Accept our commercial trash without huge costs to us. Disposing of excess paints is too expensive, so many painters just dump their waste into the ground.

Ease of travel to and from town. Parking for clients. Clean up the kids who "hang out" on Church St in front of the mall. Let's find them jobs if they don't want to go to school.

The most important will be signs. Considering the fact that customers cannot drive by my shop on Church St. I would like to place a sign on the corner of Cherry and Church St. that indicate my business and its name.

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SUMMARY AND CONCLUSIONS

Burlington's business community operates in an environment that is very different from the past. Businesses face a world where increased uncertainty and risk coincide with prosperity. Local markets may remain vibrant and alive while individual companies are buffeted by downsizing, mergers, business relocations, bankruptcies and rapid changes in technology and consumer tastes. It is this duality that underlies, on the one hand, the sense of optimism that pervades many of the study's data findings and, on the other hand, explains the respondents' expressions of apprehension and concern.

If we can generalize from the study's sample to the larger population of all firms in the city, our data findings suggest that the rate of employment growth in Burlington will likely exceed trends experienced in the recent past. While the total number of jobs should increase, growth patterns are likely to be uneven and perhaps unsettling at times. Although many Burlington firms plan to expand or relocate their operations, most expect to stay within the city. Others plan to relocate or expand outside of the city, often seeking open or less expensive space. New business start-ups should compensate from the loss of jobs from departing businesses.

Much of the expected "churning" in the business community reflects the large number of small firms that operate in the city. It is within the small business community that most net gains in employment will be found. Yet, Burlington's aggregate employment levels are highly dependent upon the fortunes of a small number of large employers. These employers, from banking, education, medical care, and manufacturing, facing intense competitive pressures, will not likely provide many new additions to the job base.

The city will need to take a proactive approach to the changing landscape. This means not only trying to attract new businesses but also responding to the concerns expressed by those firms who are considering relocating or expanding outside the city. The number one priority articulated by the business community is the need to respond to a myriad of traffic and parking concerns. The strong attraction of Burlington as a regional hub for commerce, retail, education, and cultural and recreational activities, with a limited public transportation network, virtually dictates that parking and traffic will be problematic. These are not the problems confronting dying cities.

The city of Burlington must be diligent in its efforts to maintain the current "strengths" identified by the business community. In times of tight budgets, it is not always easy to find public funds to enhance or support the more "transcendental" features of life in Burlington. The arts, educational opportunities, and a high quality of life are Burlington's competitive advantages according to our respondents. Their critical role must be understood in the larger picture of economic development. Things like bike paths, outdoor concerts, market festivals, fine dining, educational opportunities, and water front activities are what distinguishes Burlington from its suburban neighbors. They help offset the more troublesome problems that may, at times, confront urban businesses.

Beyond customer and employee parking problems and traffic congestion, the business community expressed concern about the "cost of doing business" in Burlington. Property taxes,

utility rates, and other fees were cited as factors which respondents felt put Burlington at a competitive disadvantage with surrounding communities. These concerns raise complex questions about the comparative "costs of doing" business in Burlington and whether reasonable alternatives are available to either reduce or transfer potentially adverse hardships.

Many of the concerns expressed by the business community were more idiosyncratic in nature...a sign needed here, a street with a snow removal problem, loud neighbors, difficulty with a permit and the like. These types of problems can often be solved easily with appropriate intervention by city officials.

This study was designed to provide a broad spectrum of the business community with an opportunity to help shape the debate about the proper course of economic development in the city. In the process, the city should consider how it can best respond, either through programmatic change and consultation with individual firms, to the problems identified. Although we have not drawn substantive policy implications, it is easy to see that many can be drawn from the data findings from the more than 500 firms which chose to participate in this "public" dialogue.

E: Lake Champlain Regional Chamber of Commerce Position Paper: TRANSPORTATION

Providing for mobility and accessibility, Vermont's transportation system is essential to regional and state economic vitality and growth. Vermont's quality of life is bolstered by an efficient multi-modal transportation system and we support development of appropriately located facilities, which promote that concept.

To ensure a safe, reliable and efficient transportation system, the Lake Champlain Regional Chamber of Commerce and GBIC recommend that the state provide a sufficient and sustained level of transportation funding. We believe that state transportation fund revenues, which come from user fees and taxes derived from transportation activities, be used only to support the Agency of Transportation budget and transportation projects that are included in the State Transportation Capital Program as well as the recently passed Transportation Equity Act. Over time, appropriations from the transportation fund that provide general fund activities should be reduced and eventually eliminated.

Under federal law, the Chittenden County Metropolitan Planning Organization (CCMPO) is required to develop a comprehensive plan for the use of federal transportation funds in the region. The Chamber and GBIC support the CCMPO's planning process, the Metropolitan Transportation Plan and the latest Transportation Improvement Program (TIP), which prioritizes what transportation projects should receive federal funds the next three years. We believe federal transportation dollars and state matching funds should be appropriated as prioritized in the TIP in order to honor the collaborative review of projects by the CCMPO's regional planning process.

Part of having a transportation system involves proper oversight. In the last few years, both on a state and local level, asset management for the transportation infrastructure has become more

common. The Chamber and GBIC support efforts to inventory and plan for physical assets as a cost-effective approach to system health and long term economic development. A healthy transportation system across the state is essential for Vermont's economic prosperity.

For the year 2006, our transportation priorities for the region are as follows:

- * Construction of the projects in the Chittenden County Metropolitan Planning Organization's Transportation Improvement Program, including completion of the Circumferential Highway and the Champlain Parkway.
- * Maintenance and appropriate upgrades of our existing transportation infrastructure including repaving roads, reconstructing bridges, replacing public transportation vehicles, enhancement projects, and upgrading the infrastructure system on a regular basis.
- * Funding transportation programs at levels sufficient to improve the system's condition.
- * The development of a systematic approach to raise adequate state matching funding to enable the use of all of the federal transportation funds available from the federal Transportation Equity Act of 2005 by the State of Vermont.
- * Continued efforts to provide for improved and expanded public transportation services, especially those that provide additional services for commuters to and from Chittenden County and an updated downtown Burlington transit facility.
- * The enhancement of the rail freight system to the 286,000 pound car capacity, structural clearance to 19'6" and track speed to a minimum of forty miles per hour thus making rail in Vermont competitive with National Standards. The ultimate goal is to move freight on rail and reduce truck traffic resulting in reduced maintenance cost on highways and bridges. With the enhancement of rail for freight, passenger rail improvements can be achieved by providing inter-state passenger rail service, development of multi-modal transit centers and state purchase of additional rail bed right of way.
- * Support for the legislative study committee's efforts to determine whether or not a rail authority is an appropriate entity to oversee the upgrading of the state's rail infrastructure.
- * Continued efforts to provide for competitive air service at Burlington International Airport. Continued upgrading of facilities including development of the south end of the airport for cargo and general aviation use as well as improved access (via road and bus improvements) to the airport.
- * Exploration of establishing a regional transportation authority (serving more than one county) for both public transit and human services transit. Examination of funding options (other than the property tax model) to support regional transit services.
- * Additional/improved recreational paths, bike lanes, and sidewalks with the goal of connecting,

where applicable, to existing and proposed systems.

* Additional park and ride facilities and car-pooling options including those complementary to inter-modal transit connections (rail, bus, van, bike, and pedestrians).

* Development of an interstate signage system that allows for the international logo system to be used to provide clear and safe destinations for vehicles exiting the highway.

Approved by the Chamber and GBIC Executive Committees on October 17, 2005 and Chamber Board on October 26, 2005.