

Office of
the Mayor
Burlington,
Vermont



Miro Weinberger
Mayor

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MEMORANDUM

TO: City Councilors
FROM: Mayor Miro Weinberger
DATE: August 27, 2012
RE: November Ballot Items

A handwritten signature in blue ink, appearing to read "Miro Weinberger", is written over the "FROM" line of the memorandum header.

I hope you all have enjoyed this summer's gorgeous weather as much as I have. As is typical, however, our collective pace will quicken as the fall settles in. We have much to do. I am looking forward to meeting with you at tonight's special work session and engaging on a number of different, important issues.

Most immediately, I am respectfully requesting your support for three separate ballot items:

- Authorization of a \$9 million Fiscal Stability Bond;
- Authorization of the use of Waterfront Tax Increment Financing (TIF) to fund Bike Path Improvements, the Waterfront Access North project, and Cherry Street improvements; and
- Authorization of a ½ cent tax for the improvement and maintenance of the Bike Path.

Authorization of \$9 million Fiscal Stability Bond

Summary

This fall marks the unhappy three-year anniversary of the public revelation that the prior administration spent nearly \$17 million that the City should now have available, but has no immediate means of recovering. The impact is still with us:

- A community cannot make a \$17 million expenditure like this without repercussions. Doing so has left the City short of essential cash reserves, necessitating a higher reliance on short-term borrowing than is prudent. It leaves us vulnerable to substantial interest rate increases and credit availability.
- Our most recent audit management letter recognized this reality, stating in its opening paragraphs that the City is "at risk, as it is overly reliant on borrowing from financial institutions to provide overall City short-term cash requirements" (emphasis added).

- The credit rating agency Moody's noted this risk in its recent three-step downgrade of Burlington's rating to the edge of junk-bond status.

As municipal stewards, we must act together and responsibly address this situation. Our auditor called for such action in the most recent Management Letter, concluding its top recommendation with this passage:

“We recommend that the City adopt a formal documented plan to improve the cash flow and eliminate the deficit general fund unassigned fund balance. This will improve the financial condition of the City, and reduce the reliance on bank financing to meet normal cash flow requirements.”

Tonight interim CAO Paul Sisson will present a “Plan to Reduce Reliance on Short-term Financing and Improve Liquidity” that directly responds to this immediate need and Management Letter recommendation. I am asking each of you to fully support this plan. The key element of the plan involves the issuance of a \$9 million Fiscal Stability Bond. Such a bond would dramatically reduce the City's short-term borrowing with a stable bond repayment schedule over the next 15 years.

This action is roughly the municipal equivalent of an individual refinancing a large amount of credit card debt into a stable home-equity loan or mortgage at a time of historically low long-term interest rates. With this replacement financing, the City will reduce the reliance on short-term financing with a disciplined budgeted and manageable approach.

What is the problem?

The amounts "loaned" (\$16,936,492) to Burlington Telecom by the City of Burlington are not a liquid asset. As of today, it is impossible to know when – if ever – that will be repaid.

The impact of this impaired asset on the City's cash flow has been mitigated by true operating surpluses in recent years – annual revenues that exceed expenses – of approximately \$8 million. Thus, unless and until the amounts transferred to BT can be collected, the City still faces a true deficit of just under \$9 million.

Since the BT situation developed, the City has been addressing this deficit through extensive use of the short-term borrowing instrument known as a Tax Anticipation Note (TAN). There are two problems with the continuation of this practice:

- 1) It is expensive. We are spending nearly \$500,000 a year out of the general fund operating budget covering interest obligations on TANs. These substantial payments are doing nothing to resolve the underlying deficit.
- 2) This type of borrowing is inherently risky. The TAN borrowing must be renewed on an annual basis. This over-reliance on short term credit markets is not prudent in light of the present economic situation. The City's current TAN already includes covenants that would double the interest rate should the City's Moody's credit rating slip even one step further. To stay the current course is to risk even larger

financial penalties, disruptions of public services, as well as other damaging long term financial consequences.

After consultation with our auditor, our financial advisor Public Financial Management (PFM), the City Attorney, bond counsel, and our Moody's contacts, interim CAO Sisson and I have concluded that continuation of the current level of TAN short-term borrowing should be addressed as quickly as possible. We are proposing to the Council and the voters of Burlington that this be done through a \$9 million Fiscal Stability Bond. As a general obligation bond that will pledge the City's full faith and credit, we will need to gain a 2/3rds affirmative vote for the bond to be authorized.

How does it address the problem?

The proposed Fiscal Stability Bond would improve the City's liquidity with \$9 million of new cash. In conjunction with the implementation of the other elements of the Plan to Reduce Reliance on Short-term Financing and Improve Liquidity, the bond would eliminate the City's deficit balance and replace short-term TAN borrowing on a dollar for dollar basis.

This Fiscal Stability Bond would not eliminate all TAN borrowing. Used properly to cover inherent gaps between necessary expenditures and the collection of predictable revenues, TAN's are a legitimate way of evening out the City's uneven cash flow over the course of the year – comparable to the type of line of credits that many businesses utilize. However, the Fiscal Stability Bond would end the City's over-reliance on TANs.

Wouldn't this just lead to more City spending?

No. No additional spending would be authorized by the issuance of the Fiscal Stability Bond. The bond simply allows the City to meet its current financial obligations without resorting to undue, expensive, risky short-term borrowing.

Why now?

After three years of inaction, it is time to break the City's financial paralysis. Further delay and continued reliance on interest-only TAN borrowing will only increase the ultimate cost to the City and extend the period of time at which the City is exposed to the considerable risks of short-term borrowing.

Does this mean we are bailing out BT?

No. The Fiscal Stability Bond is about securing the City's finances and ensuring the City's financial health. It is about our continued ability to deliver police and fire services, maintain our streets and the essential utilities beneath them, continue our parks and recreation programs. No proceeds from the bond will be spent on BT.

Does this mean BT will not pay the City back?

No – the proposed bond will make repayment of the \$16.9 BT loan no more and no less likely. The full \$16.9 million receivable will remain on the City's books and my administration will continue to pursue repayment efforts as aggressively as possible. Any funds recovered from BT will be placed in a debt service reserve fund and reduce the property taxpayer's bond payments.

Does the Fiscal Stability Bond resolve all of our BT problems?

The Fiscal Stability Bond would mean that the City was no longer at risk of financial instability as a result of the \$16.9 million cash pool loan to BT.

The bond will not in and of itself resolve the litigation with CitiCapital over their \$33 million federal suit.

Does this resolve all of our financial issues?

No. The city faces a host of financial challenges that will not be addressed by the Fiscal Stability Bond. Our pension fund has a material shortfall, municipal costs are rising faster than our revenues, the airport has a separate short-term borrowing challenge and we must do more to improve our financial systems and internal controls to avoid repeating errors that created the current problem.

That said, however, the Fiscal Stability Bond does address the top concern raised by our auditor, and one of three major challenges listed by Moody's in their recent three-step downgrade. This is a step we must take together and must take right now.

Are there other options?

The proposed Fiscal Stability Bond will address the City's liquidity issue rapidly and spread the financial pain out over fifteen years, minimizing the cost. With current long term interest rates, property owner's with a \$250,000 home will pay approximately \$60 more per year for the 15 year life of the bond.

If the bond is not approved, the Administration will have no choice but to consider options that include significant tax increases and municipal service cuts in the FY14 budget. These options will take years to complete – unduly prolonging the City's exposure to financial risk – and have a far greater impact on near-term taxation and public service levels than the proposed bonding solution.

Inaction is not an option that is palatable to me, or to the equally committed members of my administration. I do not believe it is palatable to this City Council either. I urge you to support the Fiscal Stability Bond as the best option we have for facing a difficult challenge.

Authorization of the use of Waterfront Tax Increment Financing (TIF) to fund Bike Path Improvements, the Waterfront Access North project, and Cherry Street improvements

Summary

The Administration is respectfully requesting the Council’s support in seeking authorization for up to \$7.1 million in general obligation bonds to fund select public infrastructure improvements in the Waterfront TIF District (see attached map Exhibit A). These bonds will be repaid through new tax increments from properties in the district. The improvements include a rebuilt and improved Bike Path along the central waterfront, the Waterfront Access North project adjacent to the Moran Plant, and a series of infrastructure and street improvements along the Cherry Street corridor. The associated overall costs are summarized in the table below:

| November 2012 TIF Bond Costs | | | |
|------------------------------|-------------|-----------|------------|
| Project | Bond Amount | Debt Cost | TIF Load |
| Waterfront Access | | | |
| North | 2,900,000 | 1,190,000 | 4,090,000 |
| Bike Path (5-9) | 2,570,000 | 1,050,000 | 3,620,000 |
| Cherry Street | 1,630,000 | 680,000 | 2,310,000 |
| Totals | 7,100,000 | 2,920,000 | 10,020,000 |

8/26/2012

Note 1: figures rounded up to nearest \$10,000

Note 2: bond amount based on cost estimates from various sources— see attached memos

Note 3: debt cost is estimated based on 4% origination fee, 5% interest, and variable amortization schedules

What do these projects include?

The Waterfront Access North project includes infrastructure improvements such as brownfield remediation, undergrounding of utilities, street and sidewalk improvements, new parking areas, innovative storm water treatment, lighting and pedestrian amenities. The Waterfront Bike Path project includes rebuilding the heavily used central portion (segments 5-9) from Perkins Pier to the northern end of the Urban Reserve. The new bike path will be wider (11’ with 2’ shoulders), safer, and feature a number of enhancements such as wayfinding signage, benches, trash containers, drinking fountains, benches, and landscaping. The Cherry Street improvements include a number of parking, utility and streetscape projects that will support the extensive private development and property tax growth along the Cherry Street corridor. Summary and cost memos on each project are attached.

Are these projects qualified TIF expenditures?

TIF investments are intended, by design, to support and stimulate private economic development and related growth in the grand list. Each of these projects has been evaluated and a qualified TIF expenditure using Burlington's TIF District Policies and Guidelines. An analysis of the qualifying criteria for each project also is attached.

How does TIF financing work?

TIF is a powerful fiscal tool designed to finance public infrastructure that supports future property tax growth within the designated TIF district. In simple terms, growth in tax revenues above and beyond the base revenue at the start of the district's life (i.e. the "tax increment") can be used to borrow and repay infrastructure costs thru the end of the tax district (2025).

Can we afford these projects?

The actual lifetime capacity of TIF district is subject to a number of future variables (interest rates, property assessments, tax rates, timing of projects, amount of private development in the district, etc). However, our most recent analysis shows that even under the most conservative projections, the district will have ample capacity to fund these improvements.

Will repayment of these bonds raise property tax rates?

No, assuming expenditures are carefully planned. The big advantage of TIF is that it uses tax revenues from incremental growth in tax revenues to fund the improvements. These are revenues that would likely not have been available without the TIF investments.

Is part of the TIF increment sent to the State for education funding?

While the Waterfront TIF pre-dates the requirements of Act 60, the City agreed in the 2009 agreement with the legislature's Joint Fiscal Committee to send 25% of the education portion of the TIF increment to Vermont.

Can we afford other TIF funded infrastructure projects on the Waterfront?

Yes. The amount of TIF funding available for additional projects will vary depending on the property taxes generated by those projects and other variables.

How long do we have to decide on TIF investments?

In 2009, the Vermont Legislature agreed to extend the window for the Waterfront TIF investments by five years as part of Act 54. The district is allowed to incur new TIF debt to the end of 2014. Given that extensive planning, cost estimating, and voter approval are necessary before incurring TIF debt, it is important that the City begin committing to specific investments now.

Use it or lose it.

The majority of any surplus balance left in the TIF account at the end of 2025 will be returned to the State without and direct benefit to the City per the JFC 2009 agreement.

Authorization of a ½ cent tax for the improvement and maintenance of the Bike Path

Our Bike Path is a spectacular resource in great need of restoration. I applaud the Bike Path Task Force for two years of hard work, and I fully support the Task Force's vision of a rebuilt and modernized bike path.

The Task Force also has laid out a thoughtful and compelling plan for financing an \$11.6 million project over approximately five years. The plan would appropriately spread the responsibility for the upgraded path among visitors, the business community, and property tax payers.

In a different time it might have been appropriate to secure full financing for this worthy project all at once. In the City's current financial condition, we must be more resourceful and disciplined. Given the importance of addressing our City's core financial challenges through voter approval for the Fiscal Stability Bond, I cannot support a competing general obligation bond for the Bike Path at this time.

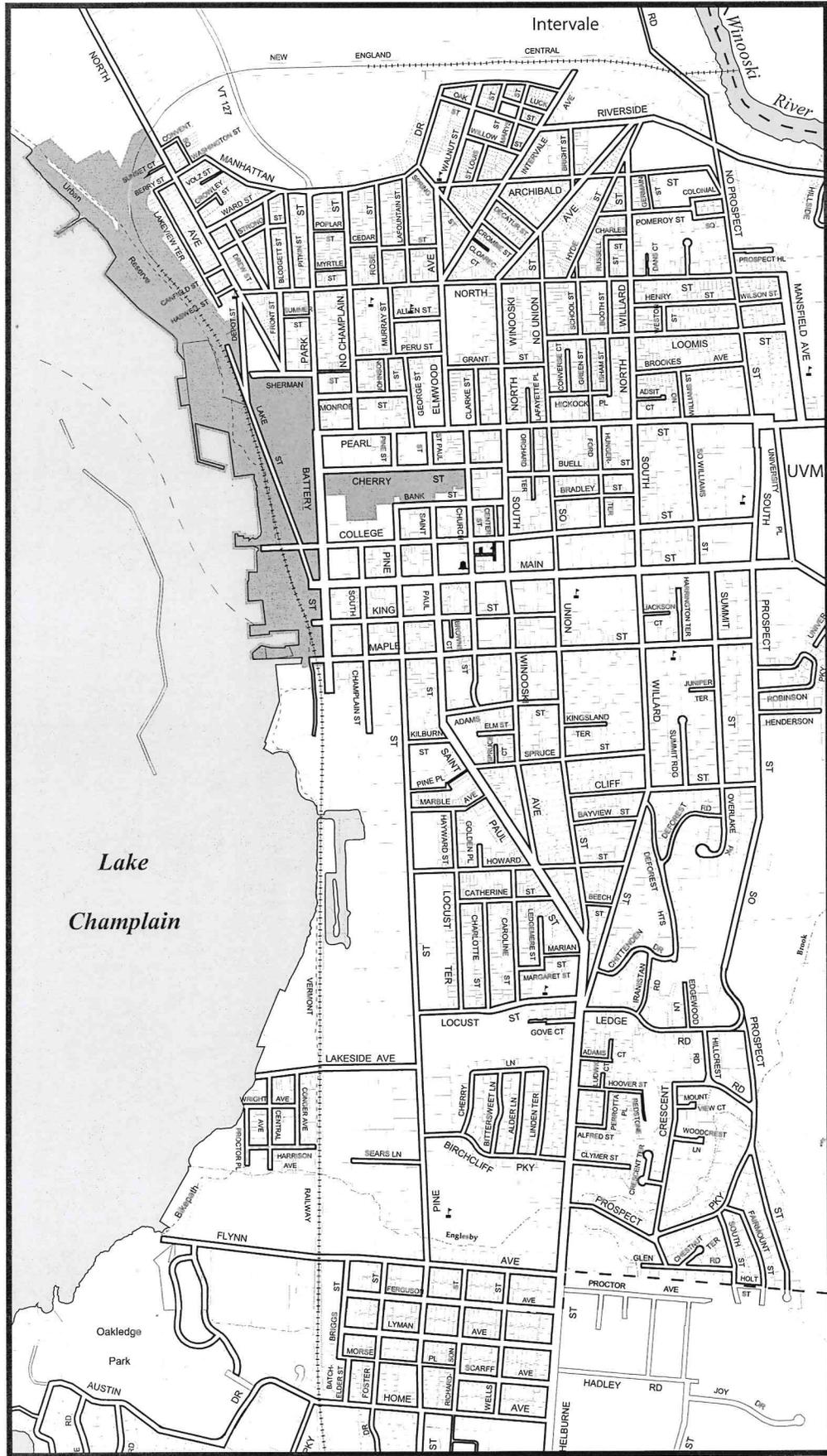
Fortunately, we can make considerable and immediate progress towards the ultimate realization of a rehabilitated bike path through the passage of two ballot items this fall:

- The Waterfront TIF ballot item that includes up to \$2,570,000 of TIF investment in the bike path, as detailed above (this figure includes approximately \$600,000 in potential "enhancement" items detailed in the Task Force Report beyond the \$11.6 million baseline scope).
- A ½ cent tax for the improvement and maintenance of the bike path.

If successful, these two initiatives, augmented if necessary with modest investments from the Penny For Parks program, the annual City capital budget, and \$1 million of anticipated private donations, will allow us to:

- Design and permit the proposed upgrades and enhancements for the entire 7.5 mile path. (Estimated time period: approximately 12-18 months.)
- Reconstruct the critical, heavily-utilized section of the Bike Path from at least College Street to North Beach. (Estimated time period: 1 year; Note: as detailed in an attached 8/26/12 Steinbach memo, the non-TIF section from the Urban Reserve to North Beach will cost an additional \$875,000.)

In short, with the passage of these two ballot items, the anticipated private fundraising, and investment of existing City capital improvement sources the City will be able to design and permit the entire new path and actually rebuild the most over-crowded section of the path. During the more than two years that it will take to complete this work we will strengthen the City's overall finances and secure the resources to finish this vital effort.

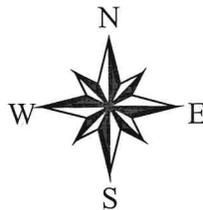


Community and Economic
Development Office
Burlington, Vermont



TIF District
(Tax
Increment
Financing)

Exhibit A



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DRAFT

NOVEMBER 6, 2012 – SPECIAL CITY MEETING
ISSUANCE OF GENERAL OBLIGATION BONDS FOR
WORKING CAPITAL RESERVE FUNDS
AUTHORIZED

In the year Two Thousand Twelve

Resolved by the City Council of the City of Burlington (the “City”), as follows:

Whereas, the City borrows money from one or more financial institutions, on short term basis, to finance its working capital requirements and needs;

Whereas, the City also issues revenue anticipation notes from time to time to finance the working capital needs of certain of the City’s Departments, including the Airport, the Electric Department, and the water division and wastewater division of the Public Works Department;

Whereas, such short term working capital borrowings are for terms of one year or less or, in the case of the Electric Department, two years or less;

Whereas, the City’s advisors and rating agencies have noted the City’s past reliance on short term financing may impact the City’s bond credit rating;

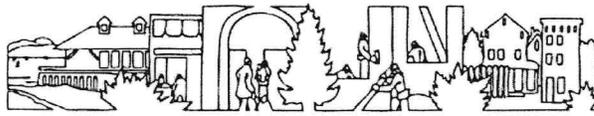
Whereas, as an effort to improve the City’s credit rating, reduce the City’s borrowing costs and reliance on short-term financing, it appears advisable for the City to replenish existing reserve funds and establish additional funds to finance the City’s working capital needs and capital improvement requirements through the issuance of long-term bonds, notes or other evidence of indebtedness, i.e. fiscal stability bonds;

Whereas, there is no intent to use the proceeds of the bonds to increase budgetary authority; and

Whereas, Section 63 of the City’s Charter, provides that, with a two-thirds vote of the City’s voters, the city council shall have the authority to pledge the credit of the City for any purpose by issuing its negotiable orders, warrants, notes or bonds, for which authority has been given by the voters;

NOW, THEREFORE, BE IT RESOLVED that the following question be placed on the ballot of the special meeting of the City to be held on November 6, 2012:

“Shall the City Council be authorized to issue general obligation bonds or notes (“fiscal stability bonds”) in one or more series in an amount not to exceed Nine Million Dollars and 00/100 (\$9,000,000.00) for the purpose of funding one or more reserve funds to be used for working capital, costs and expenses for the City and its departments, thereby reducing the City’s reliance on short term debt?”



COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

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www.burlingtonvt.gov/cedo

To: Miro Weinberger, Mayor
From: Peter Owens, CEDO Director
Date: August 26, 2012
RE: Summary of TIF Issues — Waterfront Bike Path

Project Description:

For 25 years, the Waterfront Bike Path has been Burlington's gateway to Lake Champlain. It is widely used for recreation, exercise and transportation by a broad cross-section of the community and has grown into a key economic engine in the City's economy.

The work of the Bike Path Task has highlighted the pressing need for re-investment and upgrading of this key piece of public infrastructure. The Waterfront TIF District can be used to finance improvements to the most heavily used section of the Bike Path from Perkins Pier thru the Urban Reserve (Segments 5-9) and possibly to North Beach (Segment 10) pending outcome of TIF eligibility analysis. The improvements will improve the path's functionality, safety, character and aesthetics.

The proposal is based on Enhanced Scenario of the February 2012 Feasibility Report and that would generally include:

- Re-building path to 11' width with 2' unpaved shoulders
- New signage, interpretive markers, kiosks with interpretive and safety information, "You are here" maps, signs to existing restrooms, and mile markers.
- Additional public facilities including restrooms and drinking fountains
- Amenities including benches, bike racks, trash receptacles, etc.

Projected Costs:

| | | |
|-----------------------|--------------------|--|
| TIF Bond Amount: | \$2,570,000 | (construction + soft costs) |
| Est. Financing Cost: | \$1,050,000 | (assume 4% origination fee, 5% interest) |
| Load on TIF District: | \$3,620,000 | (all figures rounded up to nearest 10k) |



COMMISSION

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DIRECTOR

Mari Steinbach
CPRP, MPA

CITY OF BURLINGTON
DEPARTMENT OF PARKS AND RECREATION
645 PINE STREET, SUITE B, BURLINGTON, VT 05401
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MEMO

TO: Mayor Miro Weinberger
FROM: Mari Steinbach
DATE: August 26, 2012

RE: Bike Path Improvements related to Waterfront TIF

The 2012 Burlington Bike Path Improvement Feasibility Study calls out five (5) specific sections of rehabilitation that are within Waterfront TIF District. Estimates (conveyed through the Feasibility Study) have been prepared for each of the three (3) improvement levels, known as 1) Rehabilitation 2) Functional, and 3) Enhancement. While these are *estimates* for the cost to construct, there is high confidence in the numbers.

The lines below detail the estimates by section.

| For purposes of TIF, original WF TIF is segments 6-9 | Rehabilitation | Functional | Enhancement |
|---|--------------------|--------------------|--------------------|
| 6. Perkins Pier to King Street | \$95,000 | \$145,000 | \$145,000 |
| 7. King Street to College Street | \$200,000 | \$700,000 | \$710,000 |
| 8. College Street to Lake Street | \$295,000 | \$320,000 | \$330,000 |
| 9. Lake Street through Urban Reserve | \$715,000 | \$815,000 | \$1,385,000 |
| The sum of these four sections is verified to be: | \$1,305,000 | \$1,980,000 | \$2,570,000 |

The cost of the balance of Section **10**, connecting all the way to North Beach, adds

| | | | |
|---|-----------|-----------|-----------|
| 10. Urban Reserve to North Beach | \$475,000 | \$875,000 | \$875,000 |
|---|-----------|-----------|-----------|

| | | | |
|-------------------------------------|-------------|-------------|-------------|
| Sum including all of these segments | \$1,780,000 | \$2,855,000 | \$3,445,000 |
|-------------------------------------|-------------|-------------|-------------|

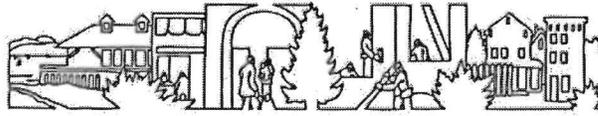
Detailing the segments in this way allows you flexibility to include/exclude any segment based on needs.

Primary assumptions of these estimates include:

- Prices are for 2011 using a combination of the US Bureau of Labor Statistics CPI Inflation Calculator, the VTrans 2004-2009 5-year Average Bid List, the 2010 VTrans Report on Shared-Use Path and Sidewalk Unit Costs.
- Included within the estimates are
 - Costs to improve drainage, assumed to be 5% of construction
 - Engineering costs, assumed to be 20% of construction
 - Municipal project management costs, assumed to be 15% of construction
 - Construction inspection, assumed to be 25% of construction, and
 - A 25% contingency
- Paved width is 2-11-2 (2 feet soft shoulder either side of 11 feet paved) w/ centerline stripe
- Appropriate and standard sub-base, base, and surface in all sections
- Existing Waterfront Park section stays the current course, bisecting the Festival Site rather than move east or west
- Urban Reserve section stays the current course, rather than moving west to follow the shoreline

Again, while they are estimates, there is good confidence in the numbers presented based on the nature of this project, and this is further supported by conversations with RSG, Inc. staff and CCRPC staff.

Please let me know if I can provide any additional information.



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August 26, 2012

Findings: Waterfront TIF Bike Path Project Review as a Qualified TIF Expenditure

Burlington Tax Increment Financing Waterfront District Guidelines:

A. Threshold Guidelines:

1. The City's participation is economically necessary and involvement by the City is needed in order for the project to be undertaken. The Project must demonstrate that but for the tax incremental financing, the Project would not go forward. Justification for economic need and City involvement must be clearly demonstrated.

This is a public facility and infrastructure project that due to the massive amount of flood damage it sustained in 2011 must be renovated to return it to optional use. The community has long desired to make additional enhancements to the Bike Path given its high level of use by Burlington's citizens as well as visitors.

A recent UVM transportation Research Center study estimated that the bike path contributes significantly to the local economy through annual tourism expenditures. Thirty percent of trail users come from beyond Chittenden County. Strategic improvements (including amenities such as interpretive stations, way-finding, and scenic viewing areas,) would increase the path's economic impact.

There was a ~\$10.8M -- Impact of the Burlington Bike Path and associated events in 2012

- **\$4.5M -- Path users from outside Chittenden County -- direct spending**
- **\$3.8M -- Marathon impact -- direct spending**
- **\$2.5M -- Triathlon -- direct spending**

Finding: Affirmative

2. TIF funds will be utilized for the construction or rehabilitation of public infrastructure facilities such as traffic upgrades, public parking facilities, etc. that are needed within the TIF District;

This project meets these activities.

Finding: Affirmative

3. The project creates significant new tax value equal to or greater than \$10,000 a year.

This project will create significant new tax value equal to or greater than \$10,000 a year by incenting other new tax value in the entire district as well as potentially along Lake Street and in the Urban Reserve.

There is often large debate as to whether pedestrian and bicycle trails effect property values. In the last two decades a number of studies covering a wide spectrum of bike path related issues at local, regional and national levels have been conducted by the Federal Highway Administration (FHWA) exploring the economic impacts of bike paths on property values.

The majority of studies indicate that the presence of a bike path/trail either increases property values and ease of sale slightly or has no effect. Studies have shown that neighbors of many bike paths/trails feel that the quality of life of their neighborhood has been improved, that the trails were a good use of open space, and in the case of abandoned railways were an improvement from before the trails went in.

Example: Colorado Study

One of the most often referenced studies is “The Effect of Greenways on Property Values and Public Safety” in Colorado. It involves a survey of residents adjacent to a variety of trails in Metro-Denver. This study found that the effect of the trails on neighboring property was beneficial rather than detrimental. For residents of single family homes adjacent to the trail, 29% of residents believed that location of the trail would increase the selling price of their homes. 7% of the residents felt that the trail would make the home easier to sell, 29% were positively influenced by the trail in their decision to buy their home. For residents of town homes, apartments, and condominiums adjacent to the trail, 42% felt it would increase the selling price of their home and 17% were influenced by the trail to move to the area. No public safety issues could be directly linked to the trail.

Finding: Affirmative

4. Financial capability to undertake project must be evidenced prior to review.

The recent analysis by the CAO's Office shows sufficient capacity in the Waterfront TIF district to support the proscribed Waterfront Bike Path Improvements, the Waterfront Access North Improvements and the Cherry Street Improvements projects.

Finding: Affirmative

5. Compliance with all statutory and regulatory guidelines of the State of Vermont and the City of Burlington.

This project will comply with all statutory and regulatory guidelines of the State of Vermont and the City of Burlington.

Finding: Affirmative

B. Guidelines to determine level of City Participation:

1. The project assists an established business in the City of Burlington, thus retaining existing employment.

CEDO conducted a brief survey of business related to or located near the Burlington Bike Path in 2011. Specifically, employers were asked about the impact of repairing or enhancing the heavily flood damaged bike path the bike path, would have on the number of employees. If the Bike Path was actually enhanced and attracted more users many of these employers indicated they would likely hire additional staff. See table below for retained jobs.

Bike Path Improvement: Jobs Retained

| <u>Bike-Related</u> | <u>Waterfront Businesses</u> |
|--|---|
| <p><u>Local Motion:</u> Full time: 10</p> <p><u>Terry Bicycles:</u> Full time: 13 Seasonal: 1 Paid interns: 1 People who work remotely (from NY): 4</p> <p><u>Old Spokes Home:</u> Full time: 4 off season, 9 from Apr-Sep Part time: 2-3 from Apr-Sep</p> <p><u>Outdoor Gear Exchange:</u> Full time: 75</p> <p><u>Alpine Shop:</u> Full time: 88 in winter, 40 in summer</p> <p><u>Cycles D'Autremont:</u> Full time: 1</p> <p><u>Magliano:</u> Full time: 5 Part time: 5</p> <p><u>North Star Sports:</u> Full time: 4 Seasonal: 3 FT, 3 PT</p> <p><u>Ski Rack:</u> Full time: 50</p> | <p><u>ECHO:</u> Full time: 23 Part time: 2 Seasonal: 15</p> <p><u>Courtyard Burlington Harbor:</u> Full time: 38 Part time: 13</p> <p><u>Hilton:</u> Total employees: 97</p> <p><u>Ice House:</u> Total employees: 25</p> <p><u>Skinny Pancake:</u> Total employees: 32 Seasonal: 8</p> <p><u>Burlington Bay Market:</u> Total employees: 40</p> <p><u>Shanty on the Shore:</u> Total employees: 20-30 in winter, 50-60 in summer</p> <p><u>Breakwaters and Northern Lights:</u> Seasonal: 120</p> <p><u>Splash:</u> Full time: 25 Part time: 20</p> <p><u>Miguel's:</u> Total employees: 25</p> <p><u>Madera:</u> Total employees: 20</p> <p><u>April Cornell:</u> Total employees: 30</p> |

Finding: Affirmative

2. The project creates long-term, permanent employment.

See information above.

Finding: Affirmative

3. The Project pays a prevailing wage for construction and livable wages for jobs generated or saved.

The city is required by ordinance to pay livable wage for all of its construction projects. The city has established \$13.94 with health insurance and \$15.83 without health insurance as the current livable wage. The city's livable wage is greater than prevailing wage or Davis Bacon wage rates in many construction categories, but not in all categories. The City Council could direct the Parks Department to develop construction specifications that establish that bid documents will require prevailing wages and livable wages for construction jobs.

The city generally cannot require businesses to pay the established city livable wage to employees.

Finding: Affirmative

4. The project improves a blighted area in need of redevelopment, or an area identified as a priority by the City of Burlington.

This project is part of an ongoing effort to put in place public infrastructure to reclaim Burlington's formerly industrial downtown waterfront in a manner that both drives the regional economy and enriches quality of life by enhancing public access to and enjoyment of the Lake Champlain shoreline. It is also located in the HUD-designated Renewal Community (except for the northern most third of the Urban Reserve), which includes Burlington's Old North End, the most densely populated and impoverished neighborhood in Vermont. According to the most recent data at the block group level, the per capita income of the Renewal Community was \$15,867 – which is 73.5% of the national average of \$21,587 (2000 Census, SF1 and SF3).

Similarly, median household income in the Renewal Community is \$24,339; just 58% of the national figure of \$41,994 (2000 Census, SF3). Seventy-seven percent of residents are low/moderate income, and the poverty rate is 31.4%, almost 2.5 times the national rate (2005-07 American Community Survey Table C17001). The homeownership rate is just 19.4%, compared to a national homeownership rate of 66.2%, and 47% percent of renters are cost-burdened (2000 Census, and CHAS 2000 Table B1C).

Finding: Affirmative

5. The project improves a blighted building in need of rehabilitation.

Not applicable.

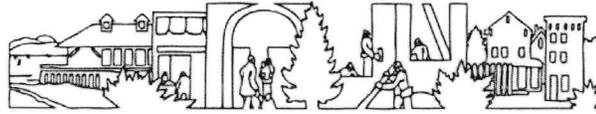
6. The project will create other public benefits, such as access to open spaces, community facilities, job training, supporting local contractors and suppliers, etc

The project will address the critical need of expanding economic opportunities in the area of the city with the highest unemployment and poverty rates, and lowest income. To the extent practicable, the City will target construction jobs to residents of the Renewal Community. The City has had considerable success in targeting employment in such a manner including requiring On –the-Job training specifications to be included in bid documents that identify a certain number of hours within the contract must be used for apprentice training and encourages hiring from trainees from YouthBuild or WomenBuild.

City ordinances will require the following responsible contracting tools be used for construction:

- **Burlington’s Livable Wage Ordinance – City Code of Ordinances 21-80 et seq. requires payment of an annually adjusted “livable wage” to employees working on the funded project**
- **Pre-Qualification Ordinance City Code 21-67 et seq. requires information to determine whether contractors are responsible contractors including but not limited to payment of D-B wages.**
- **MBE/WBE - Generally, E.O. 11625, 12432 and 12138 - opportunity for participation by women and minorities in procurement of goods and services, take affirmative steps to ensure inclusion of MBE’s and WBE’s in the solicitation process and to make competition feasible.**
- **Contract Work Hours and Safety Standards Act, 40 U.S.C. 327-330 - Requires overtime payment. Preempts the overtime requirements of the Fair Labor Standards Act, which apply generally.**
- **WACTO (Women in Construction Trades Ordinance), City of Burlington Code 21-50 et seq. - Requires specified workforce participation rates for women.**

Finding: Affirmative



COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

149 CHURCH STREET • ROOM 32 • CITY HALL • BURLINGTON, VT 05401
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www.burlingtonvt.gov/cedo

To: Miro Weinberger, Mayor
From: Peter Owens, CEDO Director
Date: August 26, 2012
RE: Summary of TIF Issues — Waterfront North (WFN)

Project Description:

The Waterfront North area (adjacent to the former Moran Station) suffers from inadequate transportation infrastructure, which restricts public access, creates safety concerns, and limits economic development potential. The Waterfront North project will improve transportation infrastructure to the development areas at the north end of Lake Street, including the Moran Site. It will create long-term economic benefits by supporting future waterfront re-development of the former industrial waterfront,

The project includes remediation of brownfield sites, undergrounding of utility lines, improvements to the streetscape, parking, pedestrian, bicycle and possible transit facilities plus road alterations and undergrounding of overhead utility lines. The new parking areas will be managed with an intelligent parking management system coordinated with the Pease and ECHO parking lots. Benches, sidewalks, street lighting, signage, and landscaping will make the area more inviting. It also includes innovative on-site storm water management to mitigate run-off, flooding, and water quality.

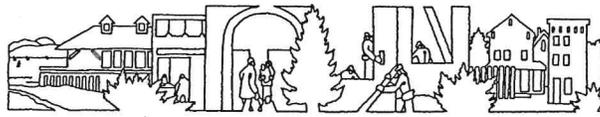
Projected Costs:

| | | |
|-----------------------|--------------------|--|
| TIF Bond Amount: | \$2,900,000 | (construction + soft costs) |
| Est Financing Cost: | \$1,190,000 | (assume 4% origination fee, 5% interest) |
| Load on TIF District: | \$4,090,000 | (all figures rounded up to nearest 10k) |

The attached memorandum details both estimated engineering & construction costs associated with the entire WFN project and already secured project funding. Of the total **\$7,480,000** project cost, **\$4,580,000** has been secured thru various Federal and State Sources. The remaining **\$2,900,000** will be funded thru the Waterfront TIF.

A Qualified TIF Expenditure:

CEDO has reviewed and evaluated the proposed project in conjunction with the City Treasurer, City Attorney, City Tax Assessor, and the Public Works Department. This project meets the City of Burlington's Policies and Guidelines for the Waterfront TIF. A summary of these findings is attached to this memorandum.



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August 26, 2012

WATERFRONT NORTH: PROJECTED COSTS AND FUNDING SOURCES

This document contains the sources and uses estimates for the engineering and design along with construction cost estimates below.

SOURCES

| | | |
|--|-------------|--------------------|
| FHWA - TIGER | \$3,150,000 | |
| Lake Champlain Basin Program (Stormwater) | \$200,000 | |
| FHWA - STP5000(17) | \$504,000 | |
| VTrans Transportation Enhancement | \$100,000 | |
| CCRPC - soils assessment during construction | \$57,035 | |
| LSE | \$30,000 | |
| Tony Hawk Grant | \$10,000 | |
| CDBG - Skatepark | \$3,737 | |
| Other Utilities | \$60,975 | |
| BED - Underground Utilities | \$148,084 | |
| BED - Street Lights | \$17,776 | |
| Stormwater Utility | \$15,000 | |
| Parks | \$142,500 | |
| Downtown Transportation grant | \$17,960 | |
| CCMPO Sidewalk | \$80,000 | |
| ANR grant | \$30,000 | |
| Private Fundraising | \$10,619 | |
| Total Sources | | \$4,577,686 |

COST ALLOCATIONS

Department of Public Works

| | | |
|-------------------------|-----------|-------------|
| Preliminary Engineering | \$783,500 | |
| Streets & Sidewalks | \$836,942 | |
| Parking | \$25,302 | |
| Lighting | \$275,635 | |
| Water Dept | \$67,973 | |
| | | \$1,989,351 |

Burlington Electric Department

| | | |
|--------------------|-----------|-----------|
| Power transmission | \$452,976 | |
| Street lights | \$81,156 | |
| | | \$534,132 |

Additional BED Costs

| | | |
|---------------------------------------|-----------|-------------|
| Utility work | \$869,617 | |
| Street lights (poles, lights, wiring) | \$268,414 | |
| | | \$1,138,031 |

Department of Parks and Rec

| | | |
|--------------------|-----------|-----------|
| Bike Path | | |
| Landscaping | \$135,621 | |
| Lighting | \$85,717 | |
| Amenities | \$25,317 | |
| Temporary Ice Rink | \$12,892 | |
| Fishing Pier Lot | \$56,107 | |
| | | \$315,653 |

Other Utilities

| | | |
|--------------------------------|----------|----------|
| other utilities undergrounding | \$60,975 | |
| | | \$60,975 |

Stormwater

| | | |
|------------------|-----------|-----------|
| Gravel wetlands | \$279,530 | |
| Other stormwater | \$252,806 | |
| | | \$532,336 |

Service Improvements- connectivity to Moran

| | | |
|------------------|----------|-----------|
| Water intake | \$27,887 | |
| Wastewater | \$41,692 | |
| Electric Service | \$92,503 | |
| Water | \$28,552 | |
| | | \$190,634 |

Skate Park

| | | |
|-----------------------------------|-----------|-----------|
| Skate Park | \$544,739 | |
| Earthwork (includes impact piers) | \$300,000 | |
| Mobilization | \$39,099 | |
| New Pavilion | \$30,000 | |
| Landscaping | \$12,049 | |
| Demolition | \$11,015 | |
| Lighting | \$6,000 | |
| Paths | \$5,673 | |
| | | \$948,576 |

Everything Else

| | | |
|------------|-----------|-----------|
| Demolition | \$36,262 | |
| Excavation | \$138,112 | |
| Signs | \$117,799 | |
| Equipment | \$52,904 | |
| Other | \$138,140 | |
| | | \$483,216 |

Other Costs

| | | |
|-------------------------|-----------|-----------|
| RE Services | \$175,000 | |
| City Project Management | \$175,000 | |
| Contaminated Soils | \$250,300 | |
| | | \$600,300 |

| | | |
|----------|--|-------------|
| subtotal | | \$6,793,204 |
|----------|--|-------------|

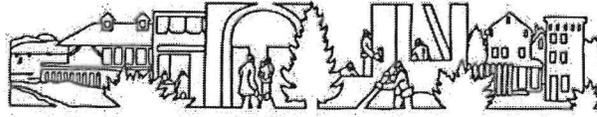
| | | |
|--|-----------|--|
| 10% increase in cost due age of estimate | \$679,320 | |
|--|-----------|--|

| | | |
|------------------------------|--|--------------------|
| Total Estimated COSTS | | \$7,472,525 |
|------------------------------|--|--------------------|

| | | |
|--|--|--------------------|
| Total SECURED SOURCES (non-TIF) | | \$4,577,686 |
|--|--|--------------------|

| | | |
|------------------------------------|--|---------------|
| Net Shortfall before TIF Financing | | (\$2,894,839) |
|------------------------------------|--|---------------|

| | | |
|---|--|---------------------------|
| PROPOSED Tax Increment Financing | | <u>\$2,894,839</u> |
|---|--|---------------------------|



COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

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www.burlingtonvt.gov/cedo

August 26, 2012

Findings: Waterfront Access North Project (WFN) Review as a Qualified TIF Expenditure

Burlington Tax Increment Financing Waterfront District Guidelines:

A. Threshold Guidelines:

1. The City's participation is economically necessary and involvement by the City is needed in order for the project to be undertaken. The Project must demonstrate that but for the tax incremental financing, the Project would not go forward. Justification for economic need and City involvement must be clearly demonstrated.

This is a public facility and infrastructure project that is required to incent private development on the north end of Burlington's Downtown Waterfront area. Without the WFN project the redevelopment of the Moran Plant property will not occur. Additionally, the WFN project allows for supporting access to and potential future development on the waterfront and in the Urban Reserve including recreation paths, restrooms and other amenities. The city has secured roughly two thirds of the project cost from grants and other sources, the remaining project costs must be financed using the Waterfront TIF funds or it cannot be done.

Finding: Affirmative

2. TIF funds will be utilized for the construction or rehabilitation of public infrastructure facilities such as traffic upgrades, public parking facilities, etc. that are needed within the TIF District.

This project meets these activities.

Finding: Affirmative

3. The project creates significant new tax value equal to or greater than \$10,000 a year.

This project will create significant new tax value equal to or greater than \$10,000 a year with the redevelopment of the Moran Plant property. It will

also help to incent other new tax value in the district potentially along Lake Street and in the Urban Reserve.

Finding: Affirmative

4. Financial capability to undertake project must be evidenced prior to review.

The recent analysis by the CAO's Office shows sufficient capacity in the Waterfront TIF district to support the proscribed Waterfront Bike Path Improvements, the Waterfront Access North Improvements and the Cherry Street Improvements projects.

Finding: Affirmative

5. Compliance with all statutory and regulatory guidelines of the State of Vermont and the City of Burlington.

This project will comply with all statutory and regulatory guidelines of the State of Vermont and the City of Burlington.

Finding: Affirmative

B. Guidelines to determine level of City Participation:

1. The project assists an established business in the City of Burlington, thus retaining existing employment.

Long term success of all existing waterfront businesses can only be enhanced by allowing for new synergies to expanded waterfront as a destination location. Ultimately opening up of the northern end of the waterfront to development will increase public access and year round use and enjoyment of the waterfront. This will increase year round activity will support existing businesses, such as ECHO, Skinny Pancake, Burlington Bay, splash and others.

The purpose of WFN is to continue to open up the city's waterfront development foot print in order to accomplish this.

2. The project creates long-term, permanent employment.

The WFN project will enable the future development of the Moran plant property and potential future development on the waterfront and in the Urban Reserve, which could all create long-term permanent employment. The city could negotiate a jobs agreement with the future developers that would include certain requirements in terms of number of jobs created or retained and wages.

WFN will also support existing businesses retaining jobs and possibly expanding job opportunities in the future.

Finding: Affirmative

3. The Project pays a prevailing wage for construction and livable wages for jobs generated or saved.

The city is required by ordinance to pay livable wage for all of its construction projects. The city has established \$13.94 with health insurance and \$15.83 without health insurance as the current livable wage. The city's livable wage is greater than prevailing wage or Davis Bacon wage rates in many construction categories, but not in all categories. The grant funding from the Federal Highway Administration requires the contractor pay prevailing wage or Davis Bacon wage rates and this is already incorporated into the bid documents.

While the city generally cannot require businesses to pay the established city livable wage to employees, with the redevelopment of the Moran Plant property, the city could negotiate a jobs agreement with the future developer that would include certain requirements in terms of number of jobs created or retained and wages.

Finding: Affirmative

4. The project improves a blighted area in need of redevelopment, or an area identified as a priority by the City of Burlington.

It is the second phase of multiphase a High Priority SAFETEA-LU funded project, and is part of an ongoing effort to put in place public infrastructure to reclaim Burlington's formerly industrial downtown waterfront in a manner that both drives the regional economy and enriches quality of life by enhancing public access to and enjoyment of the Lake Champlain shoreline.

It is also located in a HUD-designated Renewal Community, which includes Burlington's Old North End, the most densely populated and impoverished neighborhood in Vermont. According to the most recent data at the block group level, the per capita income of the Renewal Community was \$15,867 – which is 73.5% of the national average of \$21,587 (2000 Census, SF1 and SF3).

Similarly, median household income in the Renewal Community is \$24,339; just 58% of the national figure of \$41,994 (2000 Census, SF3). Seventy-seven percent of residents are low/moderate income, and the poverty rate is 31.4%, almost 2.5 times the national rate (2005-07 American Community Survey Table C17001). The homeownership rate is just 19.4%, compared to

a national homeownership rate of 66.2%, and 47% percent of renters are cost-burdened (2000 Census, and CHAS 2000 Table B1C).

Finding: Affirmative

5. The project improves a blighted building in need of rehabilitation.

Not applicable.

6. The project will create other public benefits, such as access to open spaces, community facilities, job training, supporting local contractors and suppliers, etc

The WFN project will address the critical need of expanding economic opportunities in the area of the city with the highest unemployment and poverty rates, and lowest income. To the extent practicable, the City will target construction and permanent jobs to residents of the Renewal Community.

The City has had considerable success in targeting employment in such a manner; for instance 124 of 160 jobs created by the City Market project are filled by Renewal Community residents (representing \$1.26 million in wages), as are half of the 46 jobs created at a recently constructed Marriott Courtyard Hotel. The city should consider a jobs agreement with any future developer of the Moran Plant property or any other developers on the waterfront.

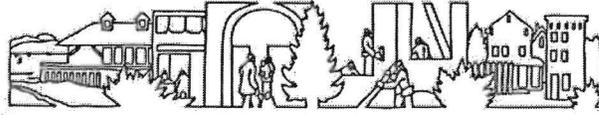
Additionally, the contract and bid documents for WFN include specifications requiring On-the-Job training that identify a certain number of hours within the contract must be used for apprentice training and encourages hiring from trainees from YouthBuild or WomenBuild.

Finally, due to the use of federal funds and City ordinances the Moran project will require the following responsible contracting tools be used for construction:

- **Davis Bacon Act, 40 U.S.C. 276a - Pay lawful prevailing wages (Davis-Bacon) and properly classify employees**
- **Burlington's Livable Wage Ordinance – City Code of Ordinances 21-80 et seq. requires payment of an annually adjusted “livable wage” to employees working on the funded project**
- **Pre-Qualification Ordinance City Code 21-67 et seq. requires information to determine whether contractors are responsible contractors including but not limited to payment of D-B wages.**
- **MBE/WBE - Generally, E.O. 11625, 12432 and 12138 - opportunity for participation by women and minorities in procurement of goods and services, take affirmative steps to ensure inclusion of MBE's and WBE's in the solicitation process and to make competition feasible.**

- **Contract Work Hours and Safety Standards Act, 40 U.S.C. 327-330 - Requires overtime payment. Preempts the overtime requirements of the Fair Labor Standards Act, which apply generally.**
- **WACTO (Women in Construction Trades Ordinance), City of Burlington Code 21-50 et seq. - Requires specified workforce participation rates for women.**
- **Section 3 of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701u - permits and encourages local preferences to low- and very low-income persons and, where dollar limits are triggered, sets specified workforce and contracting participation rates.**

Finding: Affirmative



COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

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(802) 865-7144 • (802) 865-7024 (FAX)
www.burlingtonvt.gov/cedo

To: Miro Weinberger, Mayor
From: Peter Owens, CEDO Director
Date: August 26, 2012
RE: **Summary of TIF Issues — Cherry Street Improvements**

Project Description:

The infrastructure improvements at the west end of Cherry Street have supported many millions of private investment dollars and a significant growth the tax base. A series of final work projects are needed to clean up and complete the public infrastructure in the Cherry Street area. Improvements project includes utility service and streetscape improvements along with safety and automation improvements in the public garages.

Projected Costs:

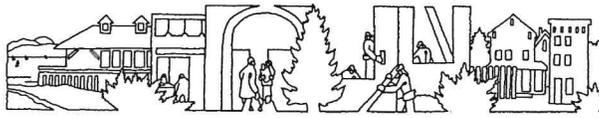
| | | |
|-----------------------|--------------------|--|
| TIF Bond Amount: | \$1,630,000 | (construction + soft costs) |
| Est. Financing Cost: | \$680,000 | (assume 4% origination fee, 5% interest) |
| Load on TIF District: | \$2,310,000 | (all figures rounded up to nearest 10k) |

The costs are based on information from Public Works for various improvements to the public garages and based on recent utility and streetscape improvement projects on St. Paul and Church Streets.

- ~\$175,000 automated payment control
- ~\$185,000 safety improvements (lighting / cctv / other)
- ~\$1,270,000 utility and streetscape improvements

A Qualified TIF Expenditure:

CEDO has reviewed and evaluated the proposed project in conjunction with the City Treasurer, City Attorney, City Tax Assessor, and the Public Works Department. This project meets the City of Burlington's Policies and Guidelines for the Waterfront TIF. A summary of these findings is attached to this memorandum.



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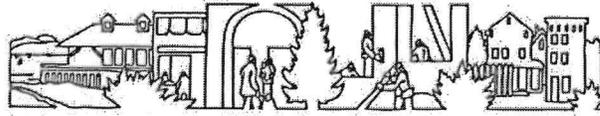
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August 26, 2012

CHERRY STREET IMPROVEMENTS: PROJECTED COSTS AND FUNDING SOURCES

This document contains construction cost estimates for improvements below. This estimate was developed in conjunction with the Department of Public Works.

| Waterfront TIF District Cherry Street Improvements Project | |
|---|--------------------|
| | Estimates |
| Public Garages -- Automated Revenue Control | \$175,000 |
| Public Garages -- Safety Improvements | \$185,000 |
| Streetscape improvements- based on Side Street project costs | \$1,000,000 |
| 25% for design & bid | \$221,250 |
| contingency | \$50,000 |
| Total Estimated Costs | \$1,631,250 |



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August 26, 2012

Findings: Waterfront TIF Cherry Street Improvements Project Review as a Qualified TIF Expenditure

Burlington Tax Increment Financing Waterfront District Guidelines:

A. Threshold Guidelines:

1. The City's participation is economically necessary and involvement by the City is needed in order for the project to be undertaken. The Project must demonstrate that but for the tax incremental financing, the Project would not go forward. Justification for economic need and City involvement must be clearly demonstrated.

This is a public facility and infrastructure project that is required to incent private development in Burlington's Downtown. Without the Cherry Street Improvements project the completion of the Hotel Vermont redevelopment project and other development along Cherry Street would likely not occur or occur in a less ideal fashion.

Finding: Affirmative

2. TIF funds will be utilized for the construction or rehabilitation of public infrastructure facilities such as traffic upgrades, public parking facilities, etc. that are needed within the TIF District;

The Cherry Street Improvements project includes utility and streetscape improvements along with safety and automation improvements in the public garages.

Finding: Affirmative

3. The project creates significant new tax value equal to or greater than \$10,000 a year.

This project will create significant new tax value equal to or greater than \$10,000 a year with the completion of Hotel Vermont. It will also help to

incent other new tax value in the district as a whole and potentially along Cherry Street.

Finding: Affirmative

4. Financial capability to undertake project must be evidenced prior to review.

The recent analysis by the CAO's Office shows sufficient capacity in the Waterfront TIF district to support the proscribed Waterfront Bike Path Improvements, the Waterfront Access North Improvements and the Cherry Street Improvements projects.

Finding: Affirmative

5. Compliance with all statutory and regulatory guidelines of the State of Vermont and the City of Burlington.

This project will comply with all statutory and regulatory guidelines of the State of Vermont and the City of Burlington.

Finding: Affirmative

- B. Guidelines to determine level of City Participation:

1. The project assists an established business in the City of Burlington, thus retaining existing employment;

These improvements will assist the Courtyard Marriott as well as all the businesses in the Burlington Towne Center and others in the downtown.

Finding: Affirmative

2. The project creates long-term, permanent employment.

The new Hotel Vermont will create new permanent jobs post construction along with temporary construction jobs. The public improvements to public garages, utility and streetscape improvements will improve the business climate and encourage additional long-term, permanent employment

Finding: Affirmative

3. The Project pays a prevailing wage for construction and livable wages for jobs generated or saved.

The city is required by ordinance to pay livable wage for all of its construction projects. The city has established \$13.94 with health insurance and \$15.83 without health insurance as the current livable wage. The city's livable wage is greater than prevailing wage or Davis Bacon wage rates in many construction categories, but not

in all categories. The City Council could direct the Public Works Department to develop construction specifications that will require prevailing wages and livable wages for construction jobs to be mandatory in bid documents.

While the city generally cannot require businesses to pay the established city livable wage to employees, however, if the city could negotiate a jobs agreement with the Hotel Vermont or other developers/businesses that would include certain requirements in terms of number of jobs created or retained and wages.

Finding: Affirmative

4. The project improves a blighted area in need of redevelopment, or an area identified as a priority by the City of Burlington.

This project is located in the city's urban renewal district and has long been an area that was identified as blighted and in need of redevelopment. In fact the construction of the new Hotel Vermont will eliminate the last remaining vacant lot along Cherry Street. Additionally, these improvements could assist in addressing the changes that will occur from the transit center along with other utility and streetscape problems.

It is also located in a HUD-designated Renewal Community, which includes Burlington's Old North End, the most densely populated and impoverished neighborhood in Vermont. According to the most recent data at the block group level, the per capita income of the Renewal Community was \$15,867 – which is 73.5% of the national average of \$21,587 (2000 Census, SF1 and SF3).

Similarly, median household income in the Renewal Community is \$24,339; just 58% of the national figure of \$41,994 (2000 Census, SF3). Seventy-seven percent of residents are low/moderate income, and the poverty rate is 31.4%, almost 2.5 times the national rate (2005-07 American Community Survey Table C17001). The homeownership rate is just 19.4%, compared to a national homeownership rate of 66.2%, and 47% percent of renters are cost-burdened (2000 Census, and CHAS 2000 Table B1C).

Finding: Affirmative

5. The project improves a blighted building in need of rehabilitation.

Not applicable.

6. The project will create other public benefits, such as access to open spaces, community facilities, job training, supporting local contractors and suppliers, etc

The project will address the critical need of expanding economic opportunities in the area of the city with the highest unemployment and poverty rates, and lowest income. To the extent practicable, the City will

target construction and permanent jobs to residents of the Renewal Community. The City has had considerable success in targeting employment in such a manner; for instance 124 of 160 jobs created by the City Market project are filled by Renewal Community residents (representing \$1.26 million in wages), as are half of the 46 jobs created at a recently constructed Marriott Courtyard Hotel.

The City has had considerable success in targeting employment by including requiring On-the-Job training specifications to be included in bid documents that identify a certain number of hours within the contract must be used for apprentice training and encourages hiring from trainees from YouthBuild or WomenBuild.

City ordinances will require the following responsible contracting tools be used for construction:

- Burlington's Livable Wage Ordinance – City Code of Ordinances 21-80 et seq. requires payment of an annually adjusted “livable wage” to employees working on the funded project
- Pre-Qualification Ordinance City Code 21-67 et seq. requires information to determine whether contractors are responsible contractors including but not limited to payment of D-B wages.
- MBE/WBE - Generally, E.O. 11625, 12432 and 12138 - opportunity for participation by women and minorities in procurement of goods and services, take affirmative steps to ensure inclusion of MBE's and WBE's in the solicitation process and to make competition feasible.
- Contract Work Hours and Safety Standards Act, 40 U.S.C. 327-330 - Requires overtime payment. Preempts the overtime requirements of the Fair Labor Standards Act, which apply generally.
- WACTO (Women in Construction Trades Ordinance), City of Burlington Code 21-50 et seq. - Requires specified workforce participation rates for women.

Finding: Affirmative

DRAFT

NOVEMBER 6, 2012 SPECIAL CITY MEETING -
ISSUANCE OF GENERAL OBLIGATION BONDS
FOR PUBLIC IMPROVEMENTS WITHIN THE WATERFRONT TIF DISTRICT

In the year Two Thousand Twelve.....
Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, the Burlington Bike Path Task Force, which was created by a City Council resolution in September 2010, has made recommendations for improvements and changes to Burlington’s Bike Path; and

WHEREAS, the Waterfront Access North Project includes significant public infrastructure improvements to the waterfront area to the north of Waterfront Park, including brown field remediation, utility undergrounding, parking, sidewalks, plantings and lighting improvements; and

WHEREAS, additional public improvements are needed to complete Cherry Street infrastructure;

WHEREAS, all the needed public improvements described above are within the Waterfront TIF district;

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby requests, pursuant to Sec. 25 of the City Charter, that the Mayor call a Special City Meeting to be held on November 6, 2012 and that the following question be placed on the ballot of that Special City Meeting:

“Shall the city council be authorized to issue general obligation bonds or notes in one or more series in an amount not to exceed Seven Million Dollars and 00/100 (\$7,000,000) in order to finance public improvements that serve the Waterfront Tax Increment Financing (TIF) district, specifically for the Waterfront Access North Project, Bike Path and Cherry Street improvements within the TIF district; it being understood that tax increment from properties within the TIF district shall be pledged and appropriated for the payment of principal and interest on any bonds or notes issued for the purpose of accomplishing these improvements?”

DRAFT

NOVEMBER 6, 2012 SPECIAL CITY MEETING—
APPROVAL OF INCREASE IN MAXIMUM TAX RATE FOR
GENERAL CITY PURPOSES AUTHORIZED FOR BIKE PATH IMPROVEMENT AND
MAINTENANCE FUND

In the year Two Thousand Twelve.....
Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, the Burlington Bike Path Task Force, which was created by a City Council
resolution in September 2010, has made recommendations for improvements and changes to
Burlington’s Bike Path; and

WHEREAS, the Task Force identified the need for a “maintenance and management plan
that enables consistent and intentional work plans to sustain the integrity of the Bike Path,
connector trails, and corridor;” and

WHEREAS, the recommendations include a ½ cent dedicated property tax to assist in
securing “the necessary base maintenance funding” for the Bike Path going forward; and

WHEREAS, the City Council is in full support of establishing such a tax to assist in
funding ongoing maintenance and improvements to the Bike Path;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Burlington,
as follows:

That the following question be placed on the Special City Meeting to be held November 6, 2012:

“Shall the tax rate ceiling in Sec. 99 of the City Charter be amended by increasing it one-
half (.5) cent upon the dollar of the property grand list, from .2329 cents to .2379 cents, and shall
the voters recommend and authorize the appropriation of such increase to be placed in a special
revenue account under the name of the Bike Path Improvement and Maintenance Fund, the
purpose of which is to provide for the City’s ongoing bike path improvement and maintenance
needs?”