

Public Investment Action Plan – PIAP – Frequently Asked Questions

What is the ballot question asking of the voters?

This question asks voters to authorize the City to make a slate of catalytic investments in its waterfront that would leverage substantial private investment without impacting the City property tax rate. A “yes” vote would authorize the City to take on up to \$9.6 million in debt to support the creation of new public infrastructure and public facilities intended to make the waterfront more vibrant and accessible and to bring resolution to the Moran site after 30 years of discussion. The debt would be paid back through a process known as tax increment financing (TIF), which allows future expected increases in property values to help retire any debt associated with the construction of improvements without directly impacting individual taxpayers. The investments would:

- **Strengthen existing waterfront resources.** The slate includes investments in elements of today’s waterfront: the Community Sailing Center, ECHO, and waterfront Park.
- **Resolve the use of the abandoned Moran site.** The proposed slate is designed to both determine the use of the land immediately surrounding the Moran building, and define a path to near-term resolution of the future of the building.
- **Increase public access and use of the waterfront and Lake Champlain.** All proposed projects include public elements that are designed to bring more residents and visitors to the waterfront.
- **Protect Lake Champlain and continue Burlington’s leadership in water quality efforts.** The proposed projects include new public infrastructure for protection of Lake Champlain from stormwater run-off, and improving public education about lake protection.
- **Leverage additional investment that creates economic opportunity and grows City revenues.** The proposed \$9.6 million of project investments are conceptually anticipated to leverage approximately \$33 million of non-municipal direct investment. In addition, municipal tax revenues are projected to grow annually, and additional indirect economic activity projected to increase by approximately \$15 million annually.

What investments in the waterfront is the City considering?

As a result of the inclusive, year-long public process known as the Public Action Investment Plan (PIAP), the City is asking voters to authorize a “slate” of six different projects to help make the waterfront more vibrant and accessible and to aid in the long-term effort to reclaim it from its historic, industrial past. These projects include:

- **New Moran:** \$6.3 million to support a mixed-use redevelopment of the building with a focus on multi-purpose events space, local foods, and green energy innovation. The proposed investment includes \$4.2 million of new TIF investment and reauthorization of a \$2.1 million investment previously approved by the City Council in 2011. The New Moran component project of the slate is complex, and in order to provide appropriate protections for the City, its support for the project has been made contingent on the New Moran team’s achieving critical milestones. A “yes” vote on the slate is also a vote for resolution on Moran

– in the event the Administration and City Council determine that New Moran cannot be completed in a timely manner, that the City can then also use this voter authorization to demolish the building.

- **Waterfront Park Upgrades: \$800,000 for improvements to electrical and water infrastructure to enhance Vermont's most visited public park.** These Waterfront Park upgrades are designed to enable the City to better serve waterfront events while mitigating the impacts of events on neighbors and other users of the park and Bike Path.
- **Lake Champlain Community Sailing Center (CSC): \$500,000 to support site improvements for a permanent home and new building for the CSC.** After 20 years on the Burlington waterfront, the Community Sailing Center is seeking a permanent home on the waterfront. The City's proposed investment anticipates leveraging approximately \$4.5 million of independent investment by the Sailing Center and allows the Sailing Center to expand its programs and services that allow hundreds of Vermonters from all backgrounds to enjoy the Lake every summer.
- **Burlington Harbor Marina: \$500,000 of public infrastructure improvements to support the creation of a marina on our northern waterfront to meet the need for additional boats slips in Burlington's harbor.** The proposed investment anticipates leveraging approximately \$4.5 million in private investment, create jobs, and generate substantial new revenues to the City. The proposed marina would include public piers stretching into Lake Champlain, and serve as breakwater protection for both the marina and Community Sailing Center. The proposal also includes public bathrooms, a variety of currently lacking marina amenities, and water taxi service to increase public access along the entire waterfront.
- **ECHO Center Sustainability Park: \$500,000 to support the creation of new outdoor amenities, educational installations, and lake protection facilities on land surrounding ECHO.** New plantings, a boardwalk extension, stormwater mitigation, and educational installations all would be constructed in a first phase of an enhancement to the ECHO site.
- **Waterfront Access North: \$500,000 for increased access to the northern waterfront, landscaping, environmental remediation, lake protection, and utility relocation.** Waterfront Access North currently is in construction after support by the voters last fall. This additional investment will enable the project to support the use of the Moran site, a permanent home for the Lake Champlain Community Sailing Center, and a marina.

How were these projects selected as the PIAP slate?

This past year included two inclusive and transparent planning processes: PlanBTV and the Public Investment Action Plan (PIAP). PlanBTV, designed to provide a vision for the City, involved two years' research, more than 100 public events, with more than 1,200 participants from our community – residents, workers, business, and nonprofits, and resulted in a final award-winning plan adopted by the City Council on June 10, 2013. PIAP – an implementation effort designed to move PlanBTV elements from concept to reality – generated 50 initial concept proposals that have been winnowed to nine detailed final proposals.

In January of 2013, Mayor Weinberger invited the public to submit first ideas and then project proposals to the City that would take advantage of Tax Increment Financing (TIF) in the City's Waterfront TIF District. Over the last year, a public process unfolded with a volunteer Public Investment Team playing a key role in reviewing projects and advising the Mayor. The Mayor used their feedback, along with the feedback of the public, to recommend a final slate of nine projects to the City Council, which they approved to put on the March ballot at their meeting on January 27, 2014. This is the slate voters have been asked to authorize on the March 4, 2014 ballot.

Throughout the PIAP process, the proposals have been posted online, several Open Houses were held, and the final proposals have been on display at the Fletcher Free Library's Reference Desk for several months. For more information on PIAP, click [here](#). To see the Mayor's open letter to the public, click [here](#).

Will this raise my taxes?

The use of Tax Increment Financing is not dependent upon an increase in taxes. In fact, the proposed \$9.6 million of project investments are conceptually anticipated to leverage approximately \$33 million of non-municipal direct investment. In addition, municipal tax revenues are projected to grow annually, and additional indirect economic activity projected to increase by approximately \$15 million annually. The proposed slate of investments in the City's waterfront relies on a process known as Tax Increment Financing, explained immediately below. It should be noted, however, that the debt associated with Tax Increment Financing is backed by the full faith and credit of the City.

What is Tax Increment Financing (TIF)?

A city can designate an area a "TIF district," and in that district most "tax increment" (the increases in tax revenue resulting from increases in property values within the district after a certain date) is set aside to cover the costs associated with current infrastructure projects designed to benefit that district. In other words, TIF is a mechanism that allows future expected increases in property values to help retire any debt associated with the construction of improvements without directly impacting individual taxpayers in the TIF district. As a result, TIF does not increase property taxes. Burlington has two TIF districts, one on the waterfront and one Downtown. If the City does not utilize the tax increment revenue to fund improvements here in Burlington, at the end of the life of the district the city will return the majority of funds back to the State of Vermont to be used elsewhere.

Click here for more information on TIF: <http://www.burlingtonvt.gov/CEDO/Tax-Increment-Financing>.

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 is a qualified TIF expenditure using Burlington's TIF District Policies and Guidelines.

Is a project management fee for the City a qualified expense?

The City is the primary developer/manager of the TIF District and has managed the entire PIAP process, primarily through the Community and Economic Development Office (CEDO). Several City

departments, and particularly CEDO, will have primary roles in the development of the proposed projects. The fees are important funding sources for CEDO's project based development work. Review with the City Attorney's office has confirmed that project development fees are eligible for inclusion as a cost related to TIF funded improvements. The fees are based on the total tax increment allocated to the project.

Can we afford these improvements?

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

Will the City permanently transfer any property or assets as a result of this ballot question?

No. Leases will be created with some of the project partners on land the City will continue to own. No land will be sold to enable any of these projects and there will be no permanent transfer of any public assets, i.e. buildings or other infrastructure.

Where can I find information more about the projects?

Click [here](#) to see elements of all the final proposals, as well as the other proposals submitted and reader comments. Click [here](#) to see the Mayor's open letter to the public. You can also see the final proposals in their entirety at the reference desk of the Fletcher Free Library.

What is actually in the New Moran proposal, and what will the building be like if the project is successful?

The ballot question authorizes up to \$6.3 million for a mixed-use redevelopment of the building with a focus on a multi-purpose arts and events space, local foods, and green energy innovation. The proposed investment includes \$4.2 million of new TIF investment and reauthorization of a \$2.1 million investment previously approved by the City Council in 2011. Key elements of this investment include:

- New Moran would be developed and managed by a new, independent non-profit that would assume the project's pre-development, construction, and operating risk. The City will invest its TIF funds only after the New Moran team has secured tenants and the balance of the financing for the approximately \$25 million project and taken steps to guarantee the long-term financial viability of the project.
- New Moran is proposed to be a mixed-use redevelopment of the Moran Plant building with a focus on local foods, a multi-use performance space, and other arts uses. Plans call for new jobs in makers and artisan spaces, a new multimedia studio, food services, and community gathering spaces. The City would create a long-term lease for the redeveloped building.
- More information can be found at [here](#).

What will happen if the New Moran project is unsuccessful in achieving the milestones and timelines agreed upon by the project team and the City?

If the Administration and City Council conclude that the New Moran project is unable to achieve the milestones and timelines previously agreed upon, a portion of the TIF dollars allocated to the New Moran portion of the slate could be used for the demolition of the building.

What would happen in the space previously occupied by the Moran building if the building is demolished?

The City would embark upon a public process to determine the future of the land.

I am not a boater. Why does the City need more marina space?

Burlington has only the ninth largest marina on Lake Champlain, despite being—by far—the largest population center. The marina is a significant economic driver in our summer months, bringing dollars to our City from points far and wide as boaters visit our city. The current wait list for slips in our harbor numbers in the thousands. There is a large unmet demand for more slips and mooring in our harbor, which prevents the City from collecting a substantial source of revenue.

What is “breakwater protection,” and why does any new marina need it?

Our current breakwater (the dirt and concrete structure in the harbor) protects the boats and infrastructure in our harbor from damaging weather and waves. With a change in weather patterns, however, the current breakwater does not protect our harbor from damaging wave and wind action from the north and south. Any expansion of our harbor capacity must be tied to increased breakwater protection. The protection proposed by the Burlington Harbor Marina is known as a floating wave attenuator.

Will the marina proposal be privately operated?

Yes. The marina is proposed by the same management group that recently built Hotel Vermont. They would lease land from the City to build and operate their marina. Certain elements of their facility (like restrooms and the main pier) would be open to the public. The rest of the marina would operate very similarly to the marina already operating in our harbor at Perkins Pier.

Why was the marina in the northern harbor chosen over the marina in the southern harbor?

First, the southern marina proposal requested \$3 million in TIF dollars. The marina in the north requested \$500,000. Second, the northern marina fits in with the City’s goal to reinvigorate the northern part of the waterfront through the combination of Waterfront Access North, the new Community Sailing Center facility, and the New Moran project.

Will elements of all of these projects be free and open to the public?

Yes

.

- The marina pier would be open to pedestrians, and marina amenities like restrooms are proposed to be open to the public. Anyone would be able to use the marina slips and moorings for a fee, similar to the current publicly and privately run marinas at Perkins Pier.

- Sustainability Park would be open and free to the public year-round.
- Waterfront Park Upgrades would enable the bike path to remain open during events, improving access to existing park amenities; and enable the park to host events more efficiently.
- The Community Sailing Center's new building would enable them to get more kids and adults out on the lake, many of whom attend the program on scholarships. (See more information about their programs here: <http://communitysailingcenter.org/>) They will also continue to have fee-based activities in their new facility.
- New Moran would take a currently inaccessible building and fill it with activities – jobs, community space, and event space. It would become a public building with primary public use purposes. Private uses will be in support of the public uses.
- Waterfront Access North will make improvements to Lake Street, adding new parking, utility infrastructure, stormwater mitigation features, and a new skate park.

Will all of these projects involve stormwater mitigation?

Yes. Bio-swales, permeable paving, wetlands, and education are all part of these projects.

Will this proposal create new revenues for the City?

Yes. New Moran, the Marina, and the Community Sailing Center all propose to pay new taxes and have leasing arrangements with the City.

Will this proposal create new jobs?

Yes. New Moran, the Marina and the Community Sailing Center all propose to create new jobs.

Is this proposal and ballot question consistent with Plan BTV?

Yes. See Plan BTV here: <http://www.burlingtonvt.gov/PlanBTV/>