MEMORANDUM

Date: January 18, 2017

To: City Council Community Development & Neighborhood Revitalization Committee

From: Kirsten Merriman Shapiro, Senior Policy and Project Specialist, CEDO

CC: Noelle MacKay, CEDO Director and Downtown Designee
    Ron Redmond, Executive Director, Church Street Marketplace District
    David E. White, AICP, Director of Planning & Zoning
    Meagan E Tuttle, AICP, Principal Planner, Planning and Zoning
    Kelly Devine, Executive Director, Burlington Business Association

RE: Designated Downtown District Renewal Application

It is time for the City to submit a renewal application for it State of Vermont Designated Downtown District. The City was awarded the original Downtown Designation on January 6, 1999 for the area of the Church Street Marketplace and on March 26, 2001 and again in March 22, 2004 was awarded the designation for an expanded Downtown District and again on March 2007 was awarded the designation for an expanded Downtown District and in March of 2012. This renewal application is due on March 6, 2017.

The State of Vermont through the Agency of Commerce and Community Development created the Vermont Downtown Program (1998 Downtown Development Act), which provides a number of benefits, including tax credits, loans and grants from various state agencies to designated downtowns. Details of benefits provided can be found at [http://accd.vermont.gov/sites/accdnew/files/documents/CD/CPR/CPR-Designation-Benefits-Overview.pdf](http://accd.vermont.gov/sites/accdnew/files/documents/CD/CPR/CPR-Designation-Benefits-Overview.pdf)

The Downtown Partnership of which the municipality is a partner continues to provide the organizational structure for the designated downtown. The Downtown Partnership primary partners at the time of City's last renewal included CEDO, the Church Street Marketplace, the Department of Planning and Zoning and the Burlington Business Association. The configuration of the Downtown Partnership remains the same for this renewal effort.

The City has the same planning commitment to Downtown District in this renewal application as it did for the 2012 renewal of the Downtown District. All of the Downtown District is in the City's design control district. The
majority of properties in the Downtown District are either eligible for listing or are listed national or state historic structures or are in historic districts. The City of Burlington views the Vermont Downtown Program and historic preservation as important tools to protect our cultural resources, while facilitating reinvestment and economic development in our community.

The City of Burlington through the Office of the Mayor, the Community and Economic Development Office, Department of Planning and Zoning, the Church Street Marketplace Commission, in conjunction with the Burlington Business Association, are implementing a program of reinvestment in the City's downtown. This effort requires vigilance and involves a long-term commitment to enhancing economic opportunities, preserving historic buildings, and improving public spaces and infrastructure in the Downtown District ensuring the vitality of Burlington's downtown.

Over all the Downtown designation and benefits have been a catalyst for focusing energy on the health and vitality to Burlington's downtown, ensuring Burlington as a place for arts, education, cultural and recreational opportunities.

We are requesting your support of the renewal of the Designated Downtown District and sponsorship of the draft resolution authorizing the City to submit the renewal application and to enter into the Memorandum of Understanding and Community Reinvestment Agreement.

Attached to this communication are the draft resolution, Memorandum of Agreement and Community Reinvestment Agreement, a map of the Designated Downtown District and a list of the benefits of Burlington's Downtown District.

If you have any questions prior to the January 31, 2017 meeting, please contact Kirsten Merriman Shapiro at 865-7284 or kmerriman@ci.burlington.vt.us
In the year Two Thousand Seventeen resolved by the City Council of the City of Burlington, as follows:

WHEREAS, Vermont's downtowns and villages have served as the social and economic centers of our communities for generations often they play a key role in a region's economy. Almost one fifth of Vermont's economic activity and jobs are based in our downtowns; and

WHEREAS, recent decades have brought tremendous economic, technological and social changes, often with adverse effects on our downtowns along with the national trend of disinvestments in downtowns; and

WHEREAS, Burlington's Downtown is an area of intensive capital investment, both public and private, in buildings, water and sewage systems, streets, sidewalks, and parks; and

WHEREAS, the City of Burlington desires to protect this investment and to preserve the wealth of historic buildings in our downtown, which are built with a quality of construction, craft and style that make Burlington's downtown an attractive place to live, work and visit; and

WHEREAS, the City of Burlington through the Office of the Mayor, the Church Street Marketplace Commission, the Community and Economic Development Office, Burlington City Arts, the Department of Parks and Recreation, the Department of Public Works and the Department of Planning and Zoning in conjunction with the Burlington Business Association, desire to undertake a program of reinvestment in the City's downtown; and

WHEREAS, this must involve a long-term commitment to enhancing economic opportunities, preserving historic buildings, and improving public spaces and infrastructure in the commercial district ensuring the vitality of Burlington's downtown; and

WHEREAS, The State of Vermont through the Agency of Commerce and Community Development created the Vermont Downtown Program (1998 Downtown Development Act), which provides a number of benefits (http://accd.vermont.gov/sites/accdnew/files/documents/CD/CPR/CPR-DT-Designation-Benefits.pdf), including tax credits, loans and grants from various state agencies to designated downtowns; and

WHEREAS, The City was awarded the original Downtown Designation on January 6, 1999 for the area of the Church Street Marketplace; and
WHEREAS, June 26 2000, the City Council authorized the City to make an application to the Agency of Commerce & Community Development to expand and renew Burlington’s Designated Downtown; and

WHEREAS, the Agency of Commerce & Community Development approved the expansion and of renewal Burlington’s Designated Downtown in March 2004; and

WHEREAS, the Agency of Commerce & Community Development approved the expansion and of renewal Burlington’s Designated Downtown in March 2007; and

WHEREAS, the Agency of Commerce & Community Development approved the expansion and of renewal Burlington’s Designated Downtown in March 2012; and

WHEREAS, Burlington must submit a renewal application to the Agency of Commerce & Community Development renew Burlington’s Designated Downtown on March 6, 2017; and

WHEREAS, the Church Street Marketplace Commission has endorsed the continued participation in this program and execution of the Community Reinvestment Agreement at their January 16, 2017 Commission meeting; and

WHEREAS, the Burlington Planning Commission has endorsed the continued participation in this program and execution of the Community Reinvestment Agreement at their January 24, 2017 Commission meeting; and

WHEREAS, the Burlington Business Association has endorsed the continued participation in this program and execution of the Community Reinvestment Agreement at their January 19, 2017 Executive Board meeting; and

WHEREAS, the Burlington Community Development and Neighborhood Revitalization Committee has endorsed the continued participation in this program and execution of the Community Reinvestment Agreement at their January 31, 2017 meeting; and

WHEREAS, the Burlington Board of Finance has endorsed the continued participation in this program and execution of the Community Reinvestment Agreement at their February 6, 2017 meeting; and

WHEREAS, the City of Burlington is requesting that the State of Vermont renew Burlington’s Designated
Downtown for a period of five years from 2017-2022; and

NOW, THEREFORE, BE IT RESOLVED THAT the City Council authorizes the Mayor through the Community & Economic Development Office and all other city departments to execute documents required to submit an application for the renewal of Burlington's Designated Downtown and to execute a Community Reinvestment Agreement and Memorandum of Agreement with the Community & Economic Development Office, Church Street Marketplace, Department of Planning and Zoning and the Burlington Business Association.
COMMUNITY REINVESTMENT AGREEMENT

WHEREAS, the City of Burlington through the Office of the Mayor, the Community and Economic Development Office, the Church Street Marketplace Commission, Burlington City Arts, the Department of Parks and Recreation, the Department of Public Works and the Department of Planning and Zoning, in conjunction with the Burlington Business Association, desire to continue a program of reinvestment in the City’s Vermont Designated Downtown District including the Church Street Marketplace; and,

WHEREAS, the City of Burlington has advocated for, supported and participated in the Vermont Downtown Program as one of Vermont’s first Designated Downtown since 1999; and

WHEREAS, the City of Burlington has produced and has attached to this agreement an accurate map that delineates the boundaries of the designated downtown district; and

WHEREAS, the City of Burlington certifies that it is meeting the previous planning commitment to the designated Downtown District and will continue this commitment through the renewal period including a Design Control District, Historic Districts and Urban Renewal District; and

WHEREAS, the City of Burlington annually adopts a capital budget and improvement plan under 24 V.S.A. Section 4426, which includes the identified capital improvements in the Downtown District; and

WHEREAS, the City of Burlington is in the process of upgrading infrastructure in the downtown improvement district that connects the original designated district (Church Street Marketplace) through continuity of infrastructure design to the current district; and

WHEREAS, the City of Burlington is continuing to improve public transit facilities such as the new bus transfer station (2016), additional commuter lots and shuttles and considering additional parking garage space for the downtown improvement district; and

WHEREAS, the City of Burlington constructed an additional two parking decks at the Lakeview parking garage in association with the Burlington Town Center, Marriot hotel and facilities along with attracting Macy’s as a new anchor department store; and

WHEREAS, the City of Burlington is committed to and has supported the development and upgrade of additional hotel and conference facilities with the Hotel Vermont in 2013 and in 2015 with the Hilton Garden Inn in the downtown improvement district, and

WHEREAS, the City of Burlington is committed to investing over $22 million in TIF eligible and other infrastructure improvements over the next five years in the Downtown District; and
WHEREAS, the City of Burlington, with the approval by the voters of the November 3, 1998 ballot question, has implemented an expanded downtown improvement district and of a two-hour free parking program; and,

WHEREAS, the Church Street Marketplace Commission has implemented a downtown assessment for the purposes of partially funding the two-hour free parking program; and,

WHEREAS, the Church Street Marketplace Commission and the Burlington Business Association are in the process of considering expanding this assessment to include activities conducted by a more traditional Business Improvement District; and,

WHEREAS, the Burlington Business Association expresses its support for the revitalization efforts associated with Burlington’s Vermont Designated Downtown District; and.

WHEREAS, the City of Burlington, Community and Economic Development Office, Church Street Marketplace, Dept. of Planning and Zoning and Burlington Business Association have been and will continue to be committed to sustaining a long-term and comprehensive downtown revitalization effort.

NOW THEREFORE, BE IT RESOLVED THAT the below-signed parties support the designated Downtown Development District and agree to the above listed commitments as part of this Community Reinvestment Agreement.

City of Burlington

_________________________________________ Date: __________________________
Mayor Miro Weinberger

Burlington Business Association

_________________________________________ Date: __________________________
Kelly Devine, Executive Director

Church Street Marketplace Commission

_________________________________________ Date: __________________________
Ronald Redmond, Executive Director

Community & Economic Development Office

_________________________________________ Date: __________________________
Noelle MacKay, Downtown Designee & CEDO Director

Burlington Dept. of Planning & Zoning

_________________________________________ Date: __________________________
David E. White, AICP, Directo
MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF BURLINGTON’S COMMUNITY AND ECONOMIC DEVELOPMENT OFFICE, DEPT. OF PLANNING & ZONING, CHURCH STREET MARKETPLACE, AND THE BURLINGTON BUSINESS ASSOCIATION

The City of Burlington departments of Community and Economic Development (CEDO), Church Street Marketplace (CSM), and Planning & Zoning (DPZ), and the Burlington Business Association (BBA) enter into this Memorandum of Agreement to act as partners to provide oversight and support comprehensive revitalization efforts in the Vermont Designated Downtown District for Burlington, through the period of designation (2017-2021).

CEDO, CSM, DPZ, and the BBA will share leadership in the Downtown Partnership, a public-private partnership that focuses on the health and vitality of the downtown.

The leadership of the Downtown Partnership will convene a partner’s meeting to create and review the work plan for Burlington’s Designated Downtown along with other meetings as necessary. A Downtown Partnership meeting will be convened within six months of receiving approval of the renewal of the Downtown Designation to coordinate with the new administration, and to refine and adopt a more detailed work plan that includes other community organizations where appropriate.

The City of Burlington has a long history of regular and intensive ongoing business assistance and recruitment activities both through the Church Street Marketplace and CEDO. Two staff members of the Marketplace and five staff from CEDO work on aspects of economic development and revitalization. These two City Departments will continue to provide the business recruitment and retention programs, financing, and technical assistance necessary to have a sustained downtown development program into the future.

The Community and Economic Development Office (CEDO) is a City of Burlington department which works with the community to: foster economic vitality; preserve and enhance neighborhoods, quality of life and the environment; and promote equity and
opportunity for all residents of Burlington. CEDO’s annual budget varies from year to year depending on availability of federal funds, but in FY17 CEDO’s annual budget is $5,282,841; a quarter of its staff is focused on enhancing the economic vitality and housing needs of the City.

In support of its mission, CEDO works in partnership with citizens, the public and private sectors, and other city departments to: strengthen the quality of life in Burlington's neighborhoods; preserve and develop decent, safe and affordable housing opportunities; maintain and improve the vitality of Downtown, the Pine Street area and neighborhood business districts; encourage a thriving small business sector; foster job growth and employment opportunities; increase civic engagement and citizen participation; support the delivery of human services; and revitalize Burlington's waterfront.

CEDO will administer community and economic development programs, such as business development loans, technical assistance and various housing programs to improve the availability of housing in the downtown.

The Church Street Marketplace is a City of Burlington department that manages the public right-of-way in the Church Street Marketplace District, which is a business improvement district that includes all properties abutting Church Street between Main and Pearl Streets. The Mission of the Church Street Marketplace District Commission is to provide responsible management leading to an economically successful downtown which is vibrant, clean and safe, for the benefit of the fee payers, community members and visitors. The Marketplace staff provides a range of services including administration, maintenance, promotions and safety & security. The Marketplace has a staff of five, and a current budget of $1,002,994.

The Church Street Marketplace Commission sets policy for the business improvement district and each year establishes the common area fee rate, the assessment charged to all property owners in the district. The Marketplace's operating budget is derived entirely through fees from property owners, through sidewalk cafe and cart vendor licenses, and by corporate sponsorships. The Marketplace Commission is also charged with setting the Two Hours Free Parking tax rate, assessed on all commercial properties in the Downtown Improvement District. All fees set by the Marketplace Commission are approved by the City Council.

The Department of Planning and Zoning is a City department with responsibility for two essential governmental functions: comprehensive land use and development planning; and administration of the City’s land development regulations. Through its planning function, the Department is responsible for the preparation of long-range land use and development plans, including the City’s Municipal Development Plan and other area-specific and issue-specific plans; conducts special studies and inventories; and researches and drafts amendments to land development ordinances. Through its regulatory function, the Department administers all permitting and development review functions under the City’s Comprehensive Development Ordinance, including both the zoning and subdivision regulations. Finally, the Department also administers the City’s Certified Local Government Program (CLG) for historic preservation planning under an agreement with the National Park Service and the VT Division for Historic Preservation.
The DPZ has a staff of 8, and its work is guided by a 7-member Planning Commission who formulates land use and development policy and regulations for consideration by the Council. Another 25 citizen volunteers participate in the planning process as members of the Development Review Board, Design Advisory Board and Conservation Board, playing key roles in implementing the City’s land use and development regulations. The department also regularly collaborates with other city departments in the pursuit and application of its functions. The Department’s FY2017 Annual Operating Budget is $850,463; 80-100% of the budget is derived from permit fees.

The Burlington Business Association is a membership association whose purpose is to maintain and enhance the economic vitality of the Burlington Central Business District and will offer its services to the entire Designated Downtown. The BBA advocates for policies and projects which serve to enhance the business environment in Burlington. In addition, the BBA hosts several annual events which educate, inform, and empower the community to work towards a strong economic future for Burlington. The BBA has three staff and a Board of Directors of 17. Its annual budget is $300,000 which is derived from membership dues and fundraising events.

2017-2021 Work Plan
The broad categories and responsibilities for the 2017-2021 comprehensive work plan for Burlington’s Vermont Designated Downtown District can be summarized as follows:

Community and Economic Development Office
1. Administration of a revolving loan fund, direct loans, guarantees, gap financing, and participation loans as well as assisting with gaining access to capital or securing adequate terms and conditions to support retention, expansion and recruitment of downtown business and housing ventures.
2. Implementation of Burlington’s strategic plan for revitalization of its urban Renewal Community. The Designated Downtown is within the urban Renewal Community.
3. Provide direct technical assistance to businesses or refer businesses to appropriate services, including help with planning and permitting issues.
4. Provide information about state and federal tax credit programs that would benefit employers and employees.
5. Coordination of renovation to the infrastructure within the Designated Downtown district.

Church Street Marketplace
1. Ongoing business attraction, promotion, and retention activities at the Marketplace and in the Designated Downtown.
2. Renovations to Church Street Marketplace infrastructure.
Department of Planning & Zoning

1. Administration of the City’s land development regulations as they are applied within the Designated Downtown District including specific provisions regarding design review and historic preservation.
2. Provide assistance to businesses and property owners regarding redevelopment opportunities, City development policies and regulations, and obtaining necessary land development and constructions permits.
3. Provide information about state and federal historic reinvestment tax credit programs that would benefit business and property owners of eligible historic buildings.
4. Development and implementation of a new comprehensive land use and development plan for the City of Burlington, which will include the entire Designated Downtown District and its adopted plan—the 2013 planBTV Downtown & Waterfront Master Plan—which was first incorporated into the city-wide plan in 2014.
5. Development and implementation of a new form-based code for the Downtown and Waterfront area which encompasses the entire Designated Downtown District.

Burlington Business Association

1. Expand revitalization activities to the entire Designated Downtown district.
2. Ongoing promotion and marketing of Burlington’s Designated Downtown.
3. Host Annual Business Summit event with focus on downtown vitality
4. Advance a public/private partnership with City of Burlington to deliver improved parking and transportation services in the Downtown.
5. Lead an effort with Downtown Partnership members to craft a plan for a full service Business Improvement District for the Designated Downtown.
6. Produce and distribute the Waterfront Map which highlights waterfront businesses and events from within the Downtown District.
7. Conduct special events and projects to support business attraction and downtown promotion for the waterfront and areas within the Designated Downtown but outside of the Church Street Marketplace.
8. Partner with City of Burlington to advance the rehabilitation of the Burlington Bike & Recreation Path.
9. Partner with City of Burlington to advance the rehabilitation of Burlington’s City Hall Park, an important civic space in the heart of the Designated District.

With this Memorandum of Agreement, CEDO, Church Street Marketplace, Dept. of Planning & Zoning, and the Burlington Business Association pledge to jointly develop and support the Downtown Partnership as the primary organization focusing on the health and vitality of Burlington’s Designated Downtown. This indicates a commitment by the partners to adopt, accept responsibility for tasks, and commit resources to the attached work plan. They will engage and collaborate as necessary with other organizations in the community to ensure long-term success and sustainability of the revitalization efforts in the Designated Downtown.
Signed: ____________________________ Date: __________
Noelle MacKay, Downtown Designee & CEDO Director
for the Community & Economic Development Office

Signed: ____________________________ Date: __________
David E. White, AICP, Director
for the Burlington Dept. of Planning & Zoning

Signed: ____________________________ Date: __________
Ronald Redmond, Executive Director
for the Church Street Marketplace

Signed: ____________________________ Date: __________
Kelly Devine, Executive Director
for the Burlington Business Association
Designated Downtown Development District 2012
Burlington, Vermont

Map Date: 14 February 2012
## Overview of Designation Program Benefits

### AUTHORITY

<table>
<thead>
<tr>
<th>Statute Section (24 V.S.A. Chapter 76A)</th>
<th>2793</th>
<th>2793a</th>
<th>2793b</th>
<th>2793c</th>
<th>2793e</th>
</tr>
</thead>
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### PURPOSE

| Historic Preservation*                | ✓    | ✓    | ✓    | ✓    | ✓    |
| Economic Revitalization*              | ✓    | ✓    | ✓    | ✓    | ✓    |
| Smart Growth                          | ✓    | ✓    | ✓    | ✓    | ✓    |
| Economic Development                  | ✓    | ✓    | ✓    | ✓    | ✓    |

### BENEFITS

| 10% State Historic Rehabilitation Tax Credit | ✓    |
| 25% Façade Improvement Tax Credit          | ✓    |
| 50% Code Improvement Tax Credit            | ✓    |
| 50% Technology Tax Credits                 | ✓    |
| Downtown Transportation Fund               | ✓    |
| Sprinkler System Rebate                    | ✓    |
| Special Assessment District                | ✓    | ✓    | ✓    |
| Reallocation of Sales Tax on Construction Materials | ✓    |
| Traffic Calming Options                    | ✓    |
| Signage Options                           | ✓    |
| Act 250 Threshold for Mixed-Income Housing & Mixed-Use Projects | ✓    | ✓    | ✓    |
| Act 250 Findings and Conclusionson Criteria | ✓    |
| Act 250 Master Plan Permit Application     | ✓    |
| Act 250 Mitigation for Loss of Primary Agricultural Soils** | ✓    | ✓    | ✓    | ✓    |
| Act 250 fee reduction                     | ✓    |
| Act 250 Existing Settlement under criterion 9(L) | ✓    | ✓    | ✓    | ✓    |
| Exemption from land gains tax             | ✓    |
| ANR Wastewater fee capped at $50/application | ✓    |

### PRIORITY CONSIDERATION***

- All State Agencies and Funding Programs - first priority
- Specific State Agencies and Funding Programs:
  - Municipal Planning Grants
  - Bike/Ped and Transportation Alternatives Grants
  - Property Assessment Fund (Contaminated Sites / Brownfields)
  - Community Development Block Grants
  - ANR Wastewater funding
  - State affordable housing funds
  - Locating State Buildings

*May not apply to all growth centers.

**Agricultural soil mitigation benefits apply to designated neighborhood development areas only when they are associated with a designated downtown and applies only to new town centers created before 1/1/14.

***Statute establishes that designated downtowns and village centers should have greater priority for state funding and programs than new town centers and growth centers. (24 V.S.A. §2790(d) and 24 V.S.A. §2793c(l)(2)(A))

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For more information, please contact:
Chris Cochran: chris.coehran@vermont.gov or 802.595.5410
Website: [http://accd.vermont.gov/community-development/designation-programs](http://accd.vermont.gov/community-development/designation-programs)