



COMMUNITY & ECONOMIC DEVELOPMENT OFFICE

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December 30, 2014

MEMO

To: City Council

From: Richard Haesler (City Attorney), Peter Owens and Nate Wildfire (CEDO)

CC: Bob Rusten (CAO), Mayor's Office, Chapin Spencer and Norm Baldwin (DPW)

RE: January 5th Work Session on Proposed Downtown TIF Authorization for March Ballot

The purpose of this work session is to outline for the Council the City's proposed next steps in the Downtown Tax Increment Financing (TIF) District, and to walk you thru the analysis that concludes there is sufficient capacity in the Downtown TIF to support the proposed investments, even using very conservative assumptions.

The Council approved a phase filing request to the Vermont Economic Progress Council (VEPC) in November that included streetscape, parking, and related infrastructure improvements with a maximum limiting amount of \$20M. VEPC unanimously approved this request at its December 17, 2014 meeting. While VEPC's approval does not obligate the City to any specific timeline or in fact to actually implement any of the projects, VEPC approval is required for the City to proceed with any of the public infrastructure projects.

We propose asking the voters in March for authorization to incur up to approximately \$10M of debt for the following public infrastructure projects and related costs: a) the first four blocks of street improvements (i.e. the Main and St Paul blocks most closely associated with current / pending private investment), b) associated brownfields / storm water improvements c) and a portion of parking garage improvements (up to \$1M of \$4.3M).

Background information to bring you up to date on the City's Downtown TIF phased filing application to the VEPC (approved by you in November) is included in the following attachments.

- 11-10 Board of Finance memo – explaining our Phased Filing to VEPC
- 11-20 Downtown TIF MASTER spreadsheet – showing capacity for ~\$20m of projects
- 12-2 Phased filing submittal to VEPC
- 12-17 VEPC staff report reporting compliance with all approval criteria (*note: we hope to forward the final version by Friday once it is released by VEPC—the City has reviewed and we believe it provides useful information to the Council*).

Please refer to Tab 6H for project costs (all adjusted to be construction year costs) and Tabs 6M – 6Q for derivation of associated TIF capacity and how it projects out to cover anticipated debt over the life on the district.