



- 1. Renewal Community/Vermont Downtown District:** Provide workshop and technical assistance to businesses to access federal and state tax credits and deductions (new construction, rehabilitation and restoration tax credits; tax credits for employed Old North End residents & wages for new hires).
- 2. Retail Centers:** Ensure that new retail developments meet the community's needs. Assist Burlington Town Center, Church Street Marketplace, Ethan Allen Shopping Center and Main St. Landing to recruit tenants for mall, downtown, New North End and waterfront. Increase the number of sidewalk vendors downtown.
- 3. Industrial Property Redevelopment:** Plan Phase III of the "Smart Growth District" at the General Dynamics property to include a combination of S. End Transit Center and commercial development to create/retain jobs. Upgrade the deteriorated Sears Lane. Predevelopment for property located between Flynn Ave. and Ambrose Place.
- 4. Redevelopment Opportunities:**  
 CEDO will provide a variety of technical assistance to the following companies:  
**Job Development:** a) Charlebois; b) Heritage Flight; c) Switchback; d) Koffee Kup Bakery; e) Dealer.com.  
**New Development:** a) 2 hotels; b) Technology Incubator; c) New Federal Court; d) Lake Champlain Chocolates; e) Waterfront Plaza on Battery St; and f) Emergent Media Incubator on Lakeside Ave.  
**New Facilities:** a) Burtons; b) VEIC; c) Food Enterprise Center; and d) Rhino Foods  
**New Commercial/Housing complexes:** a) Thayer School; b) Bannister Roofing  
**Pre-Development:** CEDO will continue to work cooperatively with owners, NPA's, Planning & Zoning, Church Street Marketplace, etc. to determine the highest and best use of the following properties: a) Main St. Landing waterfront property; b) Burlington College; c) Revitalize alley and surrounding properties at Lawson Lane; d) Burlington Town Center; e) Barge Canal properties; f) Fitzpatrick's GMAC Dealership on Sears Lane; and g) other downtown parcels not yet identified.
- 5. Learning Clusters:** Provide assistance and training to small businesses in business clusters including Software, BioScience, Green Businesses, Specialty foods, New Media, Arts and Culture.
- 6. Burlington Airport Industrial Park:** Assist in developing and carrying out strategic plan to attract and retain tenants for the expanding Airport Industrial Park.
- 7. Waterfront Development:** Support implementation of the citizen-approved *Waterfront Plan*.
- 8. Workforce Training:** Identify sectors that pay livable wage jobs where local training is unavailable. Outreach to low and moderate-income residents to help access workforce training and jobs.
- 9. Education:** Support technology transfer and business development from UVM and Champlain College, establish new businesses in Burlington from faculty and students, and link classroom learning with Burlington business needs. Work with businesses to identify new career skill sets needed to be taught in the schools.
- 10. Regional & National Headquarters:** Support the establishment, retention and expansion for a variety of regional and national business headquarters including Burtons, VEIC, and Seventh Generation.

b. If you plan to pay for staff with CDBG funding, describe what they do in relation to the specific service(s) / activity(ies) described above. All staff that appear in the salary / benefits line items in your budget (Section XV) must be described below. Add rows if necessary.

Specific Service / Activity	Position/Title	Work Related to CDBG-Funded Activity	# Hours per Week spent on this Specific Service / Activity	% of Hours per Week spent on this Specific Service / Activity to be paid with CDBG
Business Development Enhance Infrastructure	Assistant Director for Economic Development	Business Technical Assistance and Info	36	100
Business Development Enhance Infrastructure	Economic Development Specialist	Business Technical Assistance and Info	24	100
Business Development	CEDO Director	Business Tech Asst.	4	100
Outreach	Executive Secretary	Publications, website	6	100
Finance	Assistant Director of Finance Management	Service loans	2	100

**V. Beneficiary Information**

a. For each service / activity you identified in Section IV, please project how the Burlington residents will break out into the following income categories.

Service / Activity:	Unduplicated Total # of Burlington Households / Persons to be Served:	# Extremely Low-Income	# Low-Income	# Moderate-Income	# Above Moderate-Income
Technical Assist. and Information	70 job holders	See c below	See c below	See c below	See c below
Business Devel. and Permitting Assistance	30 job holders	See c below	See c below	See c below	See c below

b. Please provide a single unduplicated total beneficiary count below:

Unduplicated Total # of Burlington Households / Persons to be Served:	# Extremely Low-Income	# Low-Income	# Moderate-Income	# Above Moderate-Income
100 job holders	100 job holders	See c below	See c below	See c below

c. How will/do you document beneficiary income levels? Most businesses are located in the HUD approved Neighborhood Revitalization Strategy Area (downtown, the ONE, Riverside Ave., the west side of Pine St. to Flynn Ave.) where all jobs are considered to be low and moderate income. 71% of the residents in this area are low to moderate income, and parts of the area have the highest poverty rate in Vermont. Using the Neighborhood Revitalization Strategy Area to determine income levels is approved by HUD specifically to stimulate job development in low income areas.

**VI. Problem Statement**

a. What particular problem or need will this project address? This project addresses the need to increase Burlington’s tax base and to create and retain jobs for Burlington citizens. Globally we are still in “The Great Recession,” and foreclosures are at an all time high. Local employers of all types are laying off employees, contracting with out-of-town companies and sending jobs offshore to save on labor costs and “remain competitive” in the global economy. Burton had two layoffs, and General Dynamics and CCV relocated out of Burlington in 2010. The Edlund Co. sold their locally-owned manufacturing business to an Italian conglomerate. The accelerated pace of Chinese imports made by workers who earn \$0.50/hour makes it almost impossible for businesses to compete. This trend towards selling local companies to national businesses, off-shoring jobs, required furloughs, and increased imports has greatly accelerated over the past few years. The Department of Labor has estimated that over 241 jobs were lost in 13 Burlington-area businesses in 2010. More than 6,030 manufacturing jobs were eliminated between 2001-2010, with a current average wage of \$67,120.

The troubling issue with those laid off is that large numbers of unemployed do not have the technical skills for the jobs that are growing, the Federal job training money is totally inadequate to deal with this problem, and the education system is not designed to upgrade the skills of the teachers and the students interested in upgrading their skills. The jobs that are competitive for unskilled workers are low-paying service sector jobs. Jobs are continually created and eliminated, with jobs created and eliminated in any one year reaching 8-10% of the average employment for the region.

There were 3,500 unemployed in our region three years ago, and there are 5,200 currently unemployed. The unemployment rate for youth is rising at an alarming rate. In addition to those recently affected by plant closures and downsizing, there are those who have not benefited even during good economic times. Persistent pockets of poverty and high unemployment in the Old North End and elsewhere are evidence of this problem. Additionally, the health of our community continues to be threatened by increasing foreclosures, increasing energy and utility costs, persistent challenges from suburban sprawl, increasing

healthcare costs, and contaminated industrial land. Overall, Burlington has been fortunate over the past 10 years in having a relatively healthy and growing economy. The city's economic development strategies have played a significant role in this regard and have also provided the leverage and financial support for many other activities promoted by CEDO. World financial markets are in chaos, and the nation is in the worst recession since the Great Depression. It is more important than ever to continue to support these strategies and initiatives and to apply them with even greater vitality than ever before.

b. **How was this need identified?** The need was identified by a combination of public input through a series of roundtable discussions hosted by CEDO as well as the Micro Business Alliance in 2008 and an Economic Summit in 2009. Other tools used to identify need include the Jobs and People IV Update in 2010 and the 207-page Jobs and People IV Towards a Sustainable Economy Report in 2009. The fourth in the series of reports that date back to 1984, Jobs & People IV examines the Burlington and regional economy to identify present trends in employment, income, earnings and demographic data. The reports identify economic concerns and opportunities faced by the City and lay out strategies to strengthen our local and regional economy.

c. **Why is this a funding priority for Burlington?** The projects described in Section IV have been identified through an extensive public process. The projects have been a funding priority for the City of Burlington over the last 26 years because they address the goal of creating a sustainable economy within the City to the benefit of low and moderate-income residents. Also, for a relatively small investment, these economic development activities: 1) create significant new local tax revenue (over \$600,000 last year), and 2) leverage significant funds (over \$45,000,000 last year which is excellent during bad economic times) which enhance the City's ability to implement an even wider variety of initiatives (see budget).

**VII. Program Goals: How will this project reduce the number of people living in poverty? Will it help people move out of poverty? Prevent people from entering poverty? Address basic needs of people living in poverty?** The basic premise of the BSEDSP is to create good quality, well paying jobs with benefits in Burlington as a strategy to alleviate the root cause of poverty. We support the creation of jobs through assistance to private businesses, non-profit partners, and business networks. We strive to: 1) increase the amount of commercial and industrial space that could be leased in Burlington and at the airport; 2) promote the highest and best use for vacant space and buildings; 3) match new businesses to neighborhood needs; 4) expand internet access and e-commerce opportunities for entrepreneurs and small businesses; and 5) support workforce training to upgrade skills and assist workers in securing good quality jobs.

a. **Are you targeting any specific disadvantaged population/group of people? If so, who are they? (i.e., people with disabilities, minorities, women with children living in poverty, people with limited English proficiency, at-risk youth, etc.)** The Renewal Community (RC)/VT Downtown Program targets areas with the highest concentration of poverty. We are hoping the RC is reinstated; this is constantly being worked on. We get emails every week on the latest status. The development of the needed community services in the New North End, upper story redevelopment, and increased telecommunication services will benefit seniors and disabled residents. Workforce programs, Vermont Technical College, and Burlington Technical Center provide greater access to educational opportunities leading to good paying job opportunities for low & moderate-income residents.

**VIII. Equal Opportunity/Accessibility: How do you make sure your programs are accessible to all and culturally appropriate? What equal opportunity efforts do you make in hiring and, if applicable, Board recruitment?**

The City has a long-standing equal opportunity personnel policy. The City has completed an equal opportunity workforce analysis, which it uses to shape ongoing hiring, retention and promotion efforts. The City continues to expand its recruitment and job posting sources to encourage continuing diversity in its workforce. CEDO advertises nationally for certain professional positions to increase the diversity of its recruitment pool. Many CEDO staff members have participated in diversity/racism trainings. CEDO staff will have a mandatory staff retreat scheduled for February 1 on cultural competency. An EO statement is included in our outreach materials. CEDO's offices are accessible. Program information is available in French, Vietnamese and Serbo-Croatian in hard copy and online (with a link to an online translation site for

additional languages/information). We will arrange for interpretation services with advance notice, and indicate that on our outreach materials.

CEDO's offices are accessible. Additionally, our Business Revolving Loan Fund provides for 0% interest loans for accessibility improvements to commercial property. This has been utilized in a number of projects and resulted in increased access to otherwise prohibitive entrance ways. As mentioned in our Program Goals (Section VII) we offer specialized technical assistance to those with limited English proficiency as well as those who, for a variety of reasons, have traditionally been at a disadvantage for business ownership.

Additionally, economic development staff meets with the Micro Business Alliance quarterly to share information about our programs and to develop new programs that are culturally appropriate.

#### **IX. Impact and Evaluation:**

**a. How do you define success? How do you measure it? How many of your beneficiaries achieve it?**

Success is a prosperous Burlington economy as measured by such things as job growth, vacancy rates, and unemployment rates. The results are reported annually in the CAPER. Success is also customer satisfaction as measured by satisfaction surveys which routinely log satisfaction rates in excess of 90%. Finally, success is an increasing tax base as measured by an increasing grand list to support City services for all residents.

**b. If this is an existing project:**

1. **What were your projected accomplishments for your most recent completed funding period or fiscal year?** 38 new jobs, 15 jobs retained, \$100,000 additional taxes collected, 10,000 sq.ft. new commercial space, 30,000 sq.ft. commercial space retained/renovated, 350 construction jobs, 4 business startups, 5 businesses expanded/retained.
2. **What were your actual accomplishments for that period? If you did not meet projections, please explain (i) why and (ii) how you will overcome that issue in the future?** Last year, these activities helped to create and retain over 735 jobs, 147 temporary jobs and added \$297,000 in new property taxes annually plus \$340,000 in rent and parking revenues and rooms, meals and sales taxes. Our activities supported the development of 49,170 square feet of commercial space and renovated 152,000 square feet of commercial space, with over 916 associated construction jobs. Last year, we were responsible for leveraging over \$45,322,848 in investment (\$5,736,635 in Federal and State funds), thereby leveraging \$490 for every \$1 in CDBG funds. We assisted in starting, expanding or retaining 16 businesses.

Between FY '99 and FY '09 we created or retained 5,866 jobs, added \$3,353,074 annually in new local taxes and city revenues, and reduced commercial space vacancies by 1,528,878 square feet.

#### **X. Community Participation & Partners**

**a. How are the community and/or program participants involved in decision-making and in identifying the program need, design and/or evaluation?**

Public input on program need, design, and evaluation has also been obtained through: 1) *Survey of the Burlington Business Community*, with over 500 businesses contacted; 2) working with networks such as the Legacy Project, South End Arts + Business Assn. (SEABA), VT Software Developers' Alliance, VT BioScience Alliance, and the Burlington Business Assn.; 3) comments from clients; 4) Individual meetings with the Mayor and Burlington business owners; 5) 3 Roundtable meetings in 2008 culminating in an Economic Summit in 2009 with 124 people attending; 6) a series of roundtables hosted by the Mayor in 2006 with 75 people attending; 7) Neighborhood Night of Success hosted by all NPAs in 2004 with 200 residents participating.

**b. What other agencies or sectors (i.e., government, private) do you work with on this project/program?**

To accomplish our goals while leveraging the Federal, State and local resources outlined in Section XVb, the Economic Development Division works with a wide array of non-profit, government and business entities, including: Federal Reserve Bank of Boston, HUD, VT Agency of Commerce and Community Development, small business owners, local and national developers, GBIC, business and real estate professionals, property owners, business trade and advocacy associations, City departments and commissions, higher education, VT Department of Labor Partners, VT Economic Development Authority, and numerous financial institutions.

## **XI. Sustainability**

**a. How will this project have a long-term benefit to the City of Burlington?** The outcomes of the Sustainable Economic Development Strategies Program will continue to benefit Burlington by creating a sustainable economy that will bring long-term benefits to all residents through: 1) development of new workforce training programs; 2) retention and development of hundreds of livable wage jobs; 3) development of viable growing businesses; 4) revitalization of our business districts; and 5) an increase to the City's tax base which supports needed community services such as Police, Fire, streets & sidewalks and our community schools. The tax base has increased by \$3,340,000 annually over the last ten years.

**b. If the project ends, will that benefit continue?** The businesses that have been helped in the past will probably continue operating until something significant impacts their success. New development projects and businesses that require CEDO's support (such as Dealer.com and Lake Champlain Chocolates' expansion on Pine Street, City Market, and the Marriott Hotel) will not happen. These projects alone contribute over \$1,030,000 in new local taxes per year to the City.

**c. If CDBG funding ends, will the project be sustainable (i.e., able to continue)?** NO, unless the City of Burlington decides in the future to support this type of economic development with an increase in local property taxes.

## **XII. Consistency**

### **a. What Consolidated Plan objective does this project support?**

1.1 Retain and increase the number of businesses and jobs in Burlington by providing technical assistance, information, entrepreneurial training and business loans.

1.2 Enhance commercial infrastructure to increase business opportunities and the city's tax base.

### **b. What other City plans, if any, does this project support or complement?**

The priorities outlined in this proposal support and complement the following plans: 2010 Framework for Economic Development Priorities and Strategies, 2010 Jobs and People IV Update, Jobs & People IV: *Towards a Sustainable Economy 2009*, 2005 Economic Development Plan, Master Plan, Legacy Action Plan, Neighborhood Revitalization Strategy, and the Harbor Plan.

## **XIII. Readiness to Proceed**

**a. Is the project ready to begin July 1, 2011 and be completed by June 30, 2012? Yes**

**b. If not, what are the expected start and completion dates? N/A**

**c. Are there any other conditions that may affect your ability to begin or complete this project? NO**

## **XIV. Financial Narrative**

**a. Why should CDBG resources, as opposed to other sources of funding, be used for this project?**

CDBG funds are required for these economic development activities because there are no other options available. There are virtually no City or State funds available for these activities without

demonstrating CDBG support. The relatively low investment of CDBG funds last year leveraged \$2,313,354 federal, \$3,413,281 state and \$39,596,213 from other funding sources. Often, these funding opportunities provide benefits well beyond the economic development infrastructure. Private investment and development activities create jobs, improve the quality of life, and substantially increase the City of Burlington's commercial tax base. An increase in the commercial tax base is essential to keep property taxes low for the low and moderate-income residents of our community and to provide essential city services to all residents.

- b. **Describe your use of community resources. For example, will your project be matched or leveraged with other funding sources or resources (such as volunteers) that don't appear in the budget summary below?**

We expect the BSEDSP to leverage over \$31,235,000 million (see below XVb).

- c. **Has your organization had any significant changes in funding levels over the last year? If so, please describe.**

Our organization utilized stimulus and economic development initiative carryover during Fiscal Year 2011. That funding will be fully expended by the end of FY 11. By having this program in place, we were ready to use these funds according to their complex requirements to support job growth and energy improvements at local businesses.

- d. **What percent of Agency funds are used for administration vs. program costs?**

The percentage of agency funds that are used for general administration is 13%. Of this request, 100% of funds will be spent on direct program costs.

**XV. Budget**  
**a. Summary**

	Project		Agency	
	Current	Projected	Current	Projected
CDBG	\$ 92,500	\$ 147,100	\$ 964,858	\$ 964,858
State			601,850	321,100
Federal			2,436,181	2,099,868
United Way				
Private				
Program Income			64,800	64,000
Other	14,000	10,000	993,733	862,188
<b>Total</b>	<b>\$ 106,500</b>	<b>\$ 157,100</b>	<b>\$ 5,061,422</b>	<b>\$ 4,312,014</b>

\* Must match your CDBG request amount on Page 1.

\*\* Must match in all three boxes on Pages 7 and 8.

**b. Proposed Project Budget Sources**

<b>CDBG</b>	<b>\$147,100</b>
<b>Other Federal – please specify funder and program (i.e., HUD – Emergency Shelter Grant, etc.)</b>	
US DOL (Dept. of Labor) Workforce Development	50,000
Federal Historic Tax Credits	1,000,000
US HUD (Housing & Urban Development) Section 108	2,000,000
US HUD Renewal Community Deductions & Employment Credits	1,000,000
US HUD Economic Development Initiatives	750,000
US Rural Development & US Dept of Energy (Energy Conservation and Efficiency)	100,000
<b>State – please specify funder and program (i.e., Department of Health – AIDS Prevention, etc.)</b>	
VT Downtown Program (Historic Tax Credit)	50,000
VT Downtown Program (Sales Tax Reallocation)	50,000
Vermont Economic Progress Council	1,000,000
VT Downtown Tax Credit	50,000
VT Department of Public Service	30,000
Vermont Economic Development Authority (VEDA)	4,000,000
<b>Private – please specify (i.e., individual donations, foundations, faith-based organizations, etc.)</b>	
Private Sector	20,000,000
<b>Other – please specify (i.e., fee-for-service, etc.)</b>	
Chittenden County Regional Planning	25,000
Burlington Planning Office	10,000
Burlington Electric Dept. (Energy Conservation)	50,000
Burlington International Airport (industrial park fees)	10,000
Greater Burlington Industrial Corp (economic development planning)	10,000
Revolving Loan Funds (Northern Vermont Lenders, Vermont Job Start, etc.)	150,000
<b>TOTAL</b>	<b>***\$31,235,000</b>

**c. Proposed Budget Uses**

<u>Line Item</u>	<u>CDBG</u>	<u>Other</u>	<u>Total</u>
<b>1. Program Management</b>			
- Assistant Director	\$53,800	6,600	60,400
- Econ./Waterfront Dev. Specialist	40,000	0	40,000
- Staff Support	8,600	0	8,600
- Program and Staff Fringe	44,700	3,400	48,100
- Travel/Training	0	0	0
<b>2. Incentive Grants</b>			
- Industrial Development	0	0	0
- Upper Story Redevelopment	0	0	0
- Redevelopment Opportunities	0	0	0
- Renewal Community/Downtown	0	0	0
- Headquarter Development/ Vending Carts	0		0
<b>3. Special Programs/Consultants</b>			
- Outreach/Business Networks (SEABA)	0	0	0
- New Project Development	0	0	0
- Workforce Training/Development	0	0	0
<b>Total</b>	<b>*147,100</b>	<b>10,000</b>	<b>**157,100</b>

\* Must match your CDBG request amount on Page 1.

\*\* Must match in all three boxes on Pages 7 and 8.