

City of Burlington / 2013 CDBG Application Form

Project Name: Burlington Sustainable Economic Development Strategies Program (BSEDSP)

Project Location / Address: 149 Church Street, Room 32, City Hall, Burlington, VT 05401

Applicant Organization / Agency: CEDO

Mailing Address: Same as above

Physical Address: Same as above

Contact: Ed Antczak Title: Econ. Dev. Specialist Phone #: 865-7587

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EIN #: 036000410 DUNS #: 830418245

CDBG Funding Request: \$63,800

1. Type of Organization

- Local Government Non-Profit Organization (please provide copy of your
 For-Profit Organization IRS 501(c)(3) tax exemption letter)
 Faith-Based Organization Institution of Higher Education

2. Conflict of Interest: NA Please complete and sign attached form.

3. List of Board of Directors: NA Please attach. (City Council)

Certification

To the best of my knowledge and belief, data in this proposal are true and correct.

I have been duly authorized to apply for this funding on behalf of this agency.

I understand that this grant funding is conditioned upon compliance with federal CDBG regulations.

I further certify that no contracts have been awarded, funds committed or construction begun on the proposed program, and that none will be prior to issuance of a Release of Funds by the Program Administrator.

Signature of Authorized Official

Name of Authorized Official

Title

Date

I. Demonstrated Need

1. Project Narrative: Provide a description of the project/program to be funded with CDBG. (Refer to NOFA for required information in this section.)

CEDO's economic development division addresses poverty, unemployment, underemployment, and disinvestment through: 1) financial/technical assistance to all businesses; 2) targeted assistance to employers who: a) pay a livable wage; b) serve Burlington residents, and/or c) contribute to the vitality of the South End, Downtown, Waterfront and Airport business districts; 3) development of affordable space for small/micro businesses; and 4) redevelopment of vacant/abandoned property.

The Economic Development Division of CEDO has provided assistance to over one thousand businesses, helped to create over 4,000 jobs for Burlington residents and added over \$3,400,000 in new local taxes annually. Economic development is critical to all of CEDO's main goals. It has leveraged over \$360 million dollars over the past 29 years to support a variety of projects designed to help low and moderate-income residents. Last year provided technical assistance to 214 business owners and entrepreneurs, resulting in the start-up of 7 new businesses, the expansion of 5 businesses, the creation of 33 new permanent FTE jobs, the retention of 82, the creation 60,000 new square feet and the renovation of 4,500 square feet of commercial space, produces \$12,500 in new property taxes annually plus \$94,350 in rent, parking revenues, and rooms, meals and sales taxes. The project was responsible for leveraging over \$23,765,337 in investment (\$798,937 in Federal and State funds), thereby leveraging \$187 for every \$1 in CDBG funds. CDBG is the sole revenue source for this work.

2. Innovation

a. What new programs and/or services will be provided as a result of CDBG assistance?

The Sustainable Economic Development Strategies Program has consistently provided a core array of services to businesses in Burlington. The business community has come to rely on technical assistance from CEDO to address a variety of needs. This program works to meet the needs of the business community, employing innovative approaches when possible while ensuring that activities meet the eligibility criteria of HUD.

b. How will existing programs and/or services be expanded as a result of CDBG assistance? Use actual numbers to demonstrate expansion.

This program will be expanded to include Waterfront and Airport businesses, along with the South End and Downtown, as a focus for business technical assistance. This will add over 24 additional businesses to the program's focus over the next year.

c. Are there other programs in the community that address similar issues? Yes No If Yes, how is this proposal different?

This program efficiently provides assistance that is often linked to other City services and/or City Departments. This includes helping with business expansion plans, permitting, storm water and more. Helping business owners navigate the City bureaucracy is a service that no other programs in the City can provide efficiently. This saves business owners time and money.

II. Proposed Outcomes

1. How will this project/program impact individuals and contribute to the City's anti-poverty strategy?

The basic premise of the BSEDSP is to assist businesses in creating good quality, well paying jobs with benefits in Burlington. 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.

2. List your goals/objectives, activities to implement and expected outcomes (# of units, # of individuals, etc.)

The primary goals for this project, for the upcoming fiscal year, include expenditures of \$2-3 Million dollars of Waterfront TIF investments in support of new development and \$2-3 Million in Downtown TIF investment in support of the new hotel on Main Street. That will leverage approximately \$20,000,000 Million in private dollars and create 50-60 new jobs. According to HUD, this program only needs to create/retain 5 FTE jobs. However, it is estimated that closer to 50 clients will benefit from direct service.

III. Experience / Organizational Capacity

1. What is your agency's mission, and how do the proposed activities fit with your mission?

The Community and Economic Development Office is a department of the City of Burlington. We work 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. In support of its mission, CEDO works in partnership with citizens, the public and private sector, 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 is funded through Federal and State grants, and through the Housing Trust Fund. CEDO has four divisions: Housing, Economic Development, Community Development and the Community Justice Center. In addition, CEDO has administrative and special projects staff. CEDO's Development staff works closely with other divisions on a variety of development activities throughout the City but principally focuses in downtown, the waterfront, the Enterprise Zone in the South End, and the Airport. CEDO uses a variety of tools in supporting development. The City's Brownfield program, Tax Increment Financing, Renewal Community tax credits, the Burlington Community Development Corporation, the Downtown Program, and transportation funding are all utilized. Major redevelopment projects such as new housing, public facilities, offices, hotels, retail and industrial expansion are all supported. This project works to achieve economic justice and sustainability in Burlington by mobilizing resources and working with businesses, non-profits, government agencies, and citizens to increase economic opportunities; revitalize the waterfront, the South End, Downtown, the Old North End, and the Airport; create livable neighborhoods; and develop affordable housing.

2. How long has your agency been in operation?

The Community and Economic Development Office was created in 1983 by City Council Resolution.

3. What programs and services do you offer?

Under the city's Charter, CEDO is responsible for:

- Developing and implementing a comprehensive community and economic development strategy, as well as projects, for the city.
- Working on behalf of the city to stimulate investment, and to attract, retain, and encourage the development of both existing and new economic enterprises.
- Developing, coordinating, implementing, and administering a comprehensive program to address the city's housing needs.
- Developing, coordinating, implementing, and administering waterfront development activities other than those activities which the Planning Commission and the City Council must exercise under the Vermont Planning and Development Act.

- Recommending to the City Council, and to solicit on behalf of the City Council, grants-in-aid funds for the city.
- Administering Community Development Block Grants and Urban Development Action Grants.
- Coordinating and facilitating citizen participation in economic and community development with community organizations, city commissions, and the Neighborhood Planning Assemblies.

This Project specifically focuses on:

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 the mall, downtown, New North End, and waterfront. Increase the number of sidewalk vendors downtown.

Industrial Property Redevelopment: Continue to work with City Market expansion to the South End and Old North End, increase Economic Development activity due to Champlain Parkway completion, upgrades to Sears Lane. Predevelopment of property located between Flynn Ave. and Ambrose Place.

Redevelopment Opportunities: Provide a variety of assistance to the following companies:

Job Development: a) Charlebois; b) Heritage Flight transition to VTC, VFA and BTC; c) Switchback; d) Koffee Kup Bakery; e) Dealer.com; f) Seventh Generation; g) Burton

New Development: a) hotels; b) Lake Champlain Chocolates/Sondik Building; c) Waterfront Plaza on Battery; d) Emergent Media Center Champlain College.

New Facilities: a) Burton; b) Food Enterprise Center; c) Rhino Foods

New Commercial/Housing complexes: a) Thayer School; b) Free Press buildings

Pre-Development: CEDO will continue to work cooperatively with owners, Planning & Zoning, Church Street Marketplace, etc to determine the highest and best use of the following properties; a) Main Street landing waterfront properties; b) Burlington College; c) Burlington Town Center; d) Revitalize surrounding properties at Lawson Lane; e) Barge Canal Properties; Sears Lane; f) Downtown TIF properties; g) Waterfront TIF properties.

Learning Clusters: Provide assistance and training to small businesses in business clusters including Software/Technology, BioScience, Green Business, Bicycles, Specialty Foods, New Media, Arts and Culture.

Burlington Airport: Assist in developing and carrying out strategic plan to attract and retain tenants for the expanding Airport Industrial Park. Assist in Heritage Flight transition.

Waterfront Development: Support Waterfront TIF redevelopment process and Public Investment Action Plan.

Downtown Development: Support Downtown TIF redevelopment process and Public Investment Action Plan.

Workforce Training: Identify sectors that pay livable wage jobs where local training is unavailable. Work with higher education institutions and government agencies to develop workforce training programs. Outreach to low and moderate-income residents to help access workforce training and jobs.

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 schools.

Regional & National Headquarters: Support the establishment, retention, and expansion for a variety of regional and national businesses headquarters including Burton, VEIC, and Seventh Generation.

4. If you plan to pay for staff with CDBG funding, describe what they do in relation to the specific service(s) / activity(ies) in your Project Narrative.

Specific Service / Activity	Position/Title	Work Related to CDBG-Funded Activity	# of 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	4	100%
Business Development Enhance Infrastructure	Economic Development Specialist	Business technical assistance and info	22	100%
Business Development	CEDO Director	Business Tech. Asst.	4	100%

5. Explain how your agency has the capacity to carry out the proposed activity (i.e., staff qualifications and years of experience related to this type of activity, etc.)

The CEDO has twenty-nine years of experience successfully implementing complex community, housing and economic development projects and programs. Tasked with The City administers several HUD and EPA programs, including the Community Development Block Grant, HOME Investment Partnership, Lead Hazard Reduction and Brownfields programs. The CEDO has always met timely expenditure standards and has been recognized for several best practices.

6. Have you received Federal or State grant funds in the past three years? Yes No
7. Were the activities funded by these sources successfully completed? Yes No
If No, please explain:

IV. Proposed Low & Moderate Income Beneficiaries / Commitment to Diversity

1. Will the program target any specific group of people? (check one below):

- Abused Children Elderly (62 years +) People with AIDS
 Battered Spouses Homeless Persons Illiterate Adults
 People with Severe Disabilities

2. For your proposed project, please estimate how the Burlington residents will break out into the following income categories. Use the Income Table at <http://www.burlingtonvt.gov/cedo/cdbq/2012-HUD-Income-Limits>.

Service / Activity	Unduplicated Total # of Burlington HH / Persons to be Served	# Extremely Low-Income	# Low-Income	# Moderate-Income	# Above Moderate-Income
Technical Assist. And Information	3	See Below *	See Below *	See Below *	See Below *
Business Devel. And Permitting Assistance	2	See Below *	See Below *	See Below *	See Below *

*Most of the businesses assisted are located in the HUD approved Neighborhood Revitalization Strategy Area (downtown, the ONE, Riverside Ave., the west side of Pine Street 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. Ethnicity data and job classifications will still be collected from any clients receiving direct service from this program.

3. Explain how the target population is selected, qualified and monitored.

Areas with the highest concentration of poverty remain a focus of this program. The development of needed community services in the Old 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 and moderate-income residents.

4. How do you ensure that your programs are accessible to all, inclusive and culturally appropriate?

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; and has started using hiring panels for certain positions to ensure diversity of thought in the hiring process. Many CEDO staff members have participated in several diversity/racism trainings, including an all-staff meeting on January 9, 2013. We include an EO statement in our outreach materials. CEDO's offices are accessible. Program information is available in French, Vietnamese and Serbo-Croatian in hard copy and online (w/ 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.

5. What steps has your organization/board taken in the past year to become more culturally competent?

We have an eight member team who oversee our department’s efforts to be more culturally competent. The We All Belong committee completed a 3 part retreat process for the staff members which focused on our cultural competency and how it impacts the way we do our work and the way we relate to each other, the community and program participants. The three half-day retreats were led by consultants, with specific expertise in terms of the variety of ways in which organizations model diversity and inclusion, build strong staff relationships, and engage all members in difficult conversations.

In addition, in order to increase staff cohesion and build the foundation necessary for authentic change and increased cultural competence, the team has restructured our monthly staff meetings. Now the meetings allow for more group interaction, small core group work and on-going conversation on cultural competency. Staff members who interact with clients and program participants have expanded their outreach to include information and awareness gleaned from the retreats. Additionally staff has been involved with key community initiatives that address bias. In particular, a number of CEDO staff and contractors have been involved with/provided leadership to the Uncommon Alliance. On January 9, 2013, the CEDO staff meeting was a retreat at the ECHO Center, with a tour of an exhibit on Race, and facilitated discussions.

V. Budget / Financial Feasibility

1. Project Budget

Line Item	CDBG Funds	Other	Total
Assistant Director Econ. Dev.	\$5,800	\$	\$5,800
Econ. Dev. Specialist/ CEDO Director	\$41,000	\$	\$41,000
Program and Staff Fringe	\$15,000	\$	\$15,000
Travel/Training	\$2,000	\$	\$2,000
Total	\$63,800	\$	\$63,800

2. Funding Sources

	Project		Agency	
	Current	Projected	Current	Projected
CDBG	\$112,948	\$63,800	\$ 626,689	\$ 576,554
State (specify)			\$613,601	\$613,601
Federal (specify)			\$1,201,710	\$1,344,453
United Way				

Private (specify)				
Program Income			\$64,000	\$33,600
Other (specify)			\$940,350	\$842,350
Total	\$112,948	\$63,800	\$3,446,350	\$3,410,558

3. Of the total project cost, what percentage will be financed with CDBG?

$$\frac{\$ 63,800}{\text{CDBG Funding}} \div \frac{\$ 63,800}{\text{Total Project Cost}} = \frac{100 \%}{\text{Percentage}}$$

4. Of the total project cost, what would be the total cost per person?

$$\frac{\$ 63,800}{\text{CDBG Funding}} \div \frac{50(\text{estimated})}{\# \text{ Proposed Beneficiaries}} = \frac{\$ 1,276}{\text{Cost Per Person}}$$

5. 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. Often, these funding opportunities provide benefits well beyond the economic development infrastructure. Private investment and development activities create jobs, improve the quality of life in the City, and substantially increase the 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.

6. Describe your use of community resources. Include any resources not listed in your budget.

Every year this program leverages private dollars including direct investment in businesses along with commercial leases.

7. Has your organization experienced any significant changes in funding levels during the past year? Yes No

If Yes, please explain.

There has been a steady decline in award amounts from our Federal and State funders, approximately 40% over the last two years. There is an anticipated 8% reduction for FY14 in both CDBG and HOME. Declining revenue will seriously impact our ability to provide services.

8. What cost-cutting measures has your organization implemented?

In the past year, CEDO has eliminated a fulltime position in the Housing Division due to decreased CDBG and HOME funding. In addition, we have curtailed outside expenditures to the greatest extent possible. This includes sponsorships for events, travel to meetings and conferences, community outreach, attendance at workshops and webinars, and other expenses. We no longer have the funding to contribute to the cost of studies critical to the City's community and economic development. Most of CEDO's office equipment was obtained from the castaways of others. Some staff must use antiquated computers with upgrades only allowed when funding permits. Staff has also eliminated expenditures on professional development and training. While necessary to meet budgetary constraints, these cost-

cutting measures have reduced CEDO's capacity to serve the community, and limited both our ability to grow professionally and to network with colleagues in Vermont and nationally.

VI. Community Support / Participation

1. What other organizations or key individuals (if any) have given support to this project?

To accomplish our goals we try to leverage additional Federal, State and local resources. The Economic Development Division works with a wide array of non-profit, government and business entities, including 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.

2. How are the community or program participants involved in decision-making and/or 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 Leagy Project, South End Arts +Business Association (SEABA), VT Technology Alliance, VT BioScience Alliance, and the Burlington Business Association; 3) comments from clients; 4) individual meetings with the Mayor and Burlington business owners; 5) The Economci Summit held in 2009 with 124 people attending; 6) a series of roundtables hosted by the Mayor with 75 people attending; 7) Neighborhood Night of Success hosted by all NPSs with 200 residents participating. This input has been reflected in the following documents: A) 2009 Jobs and People IV: Towards A Sustainable Economy; B) the City's Consolidated Plan; C) City's 2005 Economic Development Plan; D) 2009 regional Comprehensive Economic Development Strategy (CEDS); E) Common Ground: A Strategic Plan for the ONE Enterprise Community; and F) the City's Master Plan identified the community needs.

This project meets the goals and objectives outlined in the City's Consolidated Plan by: 1) retaining and increasing the number of businesses and jobs in Burlington by providing technical assistance, entrepreneurial training and business loans; 2) Enhancing commercial infrastructure to increase business opportunities and the City's tax base; 3) reducing barriers to economic opportunities.

VII. Readiness to Implement

1. Is the project ready to begin on July 1, 2013 and be completed by June 30, 2014?

Yes No

If not, what are the expected start and completion dates?

2. List any conditions (i.e., obtaining permits, availability of other funding, etc.) that may affect your ability to begin or complete this project.

VIII. Impact / Evaluation

1. Describe how this project will effectively measure outcomes.

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 Consolidated Annual Performance Evaluation and Review (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.

2. What strategies will you implement to collect the data necessary to analyze your results?

There are three primary strategies to collect data for analysis of success. 1) Self reporting forms are supplied to employees of the companies that use our services. If new jobs are created or jobs retained due to our assistance, the forms will state the number of low and moderate-income residents were impacted. 2) Direct contact with business owners regarding private dollars leveraged, lease amounts, jobs created/retained, square feet of commercial space

impacted, etc. 3) data is collected from Allen and Brooks Real Estate Report including vacancy rates and trends in space demand for retail, office and industrial use within Burlington as well as in comparison to the rest of Chittenden County.

3. How are clients better off as a result of your program?

Clients are better off as a result of this program because they receive direct service from the City which leads to a clearer understanding of the bureaucratic process including permitting, zoning, code enforcement, storm water, water/waste water, parking, energy efficiency, etc. Our assistance also provides a link to Mayoral priorities that can be extremely helpful for business planning. We can also share links to financing that may be critical for operating capital, building improvements, relocation or expansion. Our non-profit partners and government agencies on the Federal, State and local level may also provide needed assistance for business retention such as VEGI Credits. Through our two active TIF Districts, CEDO can be a direct link to planning for necessary public improvements to support future development and redevelopment on the waterfront and in the downtown.

IX. Sustainability

1. How will this project have a long-term benefit to the City of Burlington? If this project ends, will that benefit continue?

The outcomes of the Sustainable Economic Development Strategies Program will continue to benefit Burlington over the long term 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 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 expansion, and the TIF District redevelopment projects might not happen. This project will contribute significantly to new local taxes per year to the City.

2. Provide evidence of long-term support for this project.

This program has had the support of the Mayor's Office since 1983. HUD CDBG funding has been critical for this program.

3. If CDBG funding ends, will the project be able to continue?

No, unless the City of Burlington decides in the future to support this type of economic development with alternative sources.