

## **Waterfront TIF District Reconciliation Amendment: Narrative**

Act 80 of the 2013 legislative session (with amendment by Act 174 of 2014) required that all Tax Increment Financing (TIF) Districts were be subject to Vermont Economic Progress Council (VEPC) oversight provisions. This included Districts which were created before 2006 and not previously subject to VEPC oversight. The City of Burlington, whose Waterfront TIF District was created in 1996, therefore, pursuant to Section 605 of Rule # 15-P04 (adopted May 6, 2015 in accordance with the Vermont Administrative Procedures Act), as per requirements of ACT 80, submitted a District Reconciliation to the Vermont Economic Progress Council (VEPC) on December 16, 2015. The District Reconciliation serves as the basis for performance indicators and potential Substantial Change requests for the District.

This Reconciliation Amendment narrative, supplemented by its referenced attachments, constitutes Burlington's Waterfront TIF District Reconciliation Amendment. The rationale for making this amendment is rooted in a legislative change affecting circumstances involving the Waterfront TIF District. Because the Waterfront TIF District was a District which was created before 2006, the City of Burlington sought a legislative change to its debt incurrence and debt retention timelines for a portion of the District in order to support redevelopment of the Burlington Town Center, a property located on three parcels within the District. In its 2016 session, the legislature enacted these changes in Section 9a of Act 134 (Miscellaneous Tax Bill), which in turn thereby amended Section 18 of Act 80 of the 2013 legislative session.

These amendments to Act 80 essentially constitute a legislatively authorized substantial change to Burlington's Waterfront TIF District. Therefore, while VEPC need not approve the change, the City of Burlington does need to provide necessary and appropriate updates to its 2015 TIF District Reconciliation in order to properly reflect the projections for future real property development, public infrastructure investment, schedules, debt incurrence and debt service in light of the legislative changes.

### **Overview:**

#### **A. Projected Future Real Property Development**

The following is an amendment to the previously submitted Burlington Town Center summary in the anticipated Real Property development section of the Waterfront TIF District Reconciliation:

- Burlington Town Center Redevelopment (BTC) – This project is currently proceeding under a Predevelopment Agreement (“PDA” - see Attachment 1 - executed May 12, 2016).
- Final details of the deal are still being negotiated but the project anticipates approximately \$249 million of construction resulting in \$87 million of tax increment (growth to the City grand list). The proposed project itself has been evolving conceptually as the developer has engaged with the City and the public in a wide variety of forums. Most recently, the developer presented a preliminary sketch plan to the City's Design Review Board for preliminary review. See

Attachment 2 for the Preliminary Sketch Plan Review Set submitted by the developer for the project.

**B. Projected Future Public Improvements**

In support of this private development, the City is prepared to invest in approximately \$22 million of new public infrastructure; to include acquisition and construction of two new city blocks of public right-of-way (St. Paul and Pine Streets between Cherry and Bank Streets) as well as street improvements conforming to the City's Great Streets initiative for 6 additional city blocks (Cherry Street from Church Street to Battery Street as well as Bank Street between Church Street and Pine Street). Attached please find three items:

- Attachment 3: Map of Burlington Downtown – highlights BTC property which is the subject of the 2016 legislative amendment to Act 80; the proposed right-of-way acquisitions of St. Paul and Pine Street; and the six other blocks (see Cherry Street and Bank Street) designated for public improvement upgrades.
- Attachment 4: Select sections from Burlington's Transportation Plan – adopted as part of the City's Municipal Development Plan in 2011. These concepts will drive the specifications for the public street improvement piece of the project. Implementation of these concepts is currently commencing, and will first roll out as a part of the Phase One Voter approved Great Streets Project in Burlington's other TIF District; the Downtown TIF District. The City is expecting to commission specific schematic renderings of the proposed street improvements for the project in the coming months.
- Attachment 5: Spreadsheet of a preliminary cost estimate for the City's Public Improvements component to the BTC redevelopment project. The City is expecting to commission a more detailed cost estimate for the proposed street improvements for the project in the coming months.

**C. Post Legislative Extension of Debt Incurrence Authority**

Act 134 (2016) extended Burlington's authority to incur indebtedness for the three properties which comprise the Burlington Town Center (BTC) within the District to June 30, 2021 (subject to the City of Burlington's submission to VEPC of a construction contract with a completion guarantee by the owner of the parcels evidencing commitment to construct not less than \$50 million of private development on the parcels).

- In November, 2016, it is anticipated that Burlington voters will be asked to approve a ballot item calling for authorization to issue up to \$22 million of debt to pay for the right-of-way acquisition and streetscape improvements referenced above. Under the terms of the PDA, the improvements will be constructed by BTC and accepted by the City and paid for by the City when not only the public improvements but also the project itself has been completed to the City's satisfaction. This assures the City that the private development (and its resulting property

taxes) will be in place to service the City's debt. Construction is scheduled to commence in 2017; with completion in 2019.

- The BTC project, for TIF accounting purposes, will be classified as a City TIF public infrastructure project which will use 100% of TIF dollars to acquire and construct the City's public infrastructure to incent the associated private development project.

**D. Post Legislative Extension of Debt Service in Grand List Value to the District**

The Original Taxable Value of Burlington's Waterfront TIF district was \$42,412,900 and the value as of April 1, 2014 as reported in the 2015 TIF District Reconciliation was \$136,086,300. The spreadsheets and electronic workbooks submitted with the reconciliation narrative showed the growth through 2014 reporting and projected future growth from 2016 on. That information demonstrated that the district was projecting a surplus at the end of the district's then allowed 20 year period of State Education Fund Tax Increment retention (i.e. at the close of FY 2025). The City now supplements that submission with a separate spreadsheet which reflects the projected tax increment to be generated by the three parcels which the legislature has authorized continued tax increment retention for through the close of FY 2035. These BTC parcels are shown in the spreadsheet to fully cover the debt service for the public improvements referenced above that the City will make in support of the project (See Attachment 6). Irrespective of an estimate from the developer of plans for approximately \$249 million of construction for the project, the City Assessor has carefully made a projection of grand list value for the property after redevelopment of approximately \$114 million, which in turn would mean approximately \$87 million of incremental growth to the grand list as a result of the project. The City Assessor arrived at these numbers by using conservative estimates for appraisal of the planned new retail, housing and office space which will be created at BTC. This was done purposely, in order to be sure that there will be sufficient tax increment generated by the project to enable the City to service its debt for the planned public improvements.

**E. BTC – Evaluation of Economic Impact**

In addition to utilizing economically conservative projections for grand list growth, interest rates for debt service, and tax rates as referenced in Attachment 6, the City is also, at this point, inclined to be conservative with all of the various other performance indicators which might be utilized going forward for purposes of assessing the success of this project. The City has received, reviewed and includes as its Attachment 7, Professor Michael Chiang's BTC – Evaluation of Economic Impact report, which was

commissioned by BTC in 2016. Projections of job creation, tax revenues in addition to property tax revenues, and other economic indicators are carefully set out in the report. As with the City Assessor's conservative projection of grand list value for the property after redevelopment, the City takes a conservative position in assessing the potential economic impacts which can be projected for the project, but looking at Dr. Chiang's projections, the City believes that such a report further justifies the City's commitment to investment of up to \$22 million in public improvements.

**F. Attachments:**

- (1) Burlington Town Center – Predevelopment Agreement
- (2) BTC Preliminary Sketch Review Set
- (3) Map of Burlington Downtown – TIF & BTC
- (4) Burlington Street Design Guidelines
- (5) BTC Project Public Improvements – Preliminary Cost Estimates
- (6) Waterfront TIF – BTC Schedule of TIF Revenues and TIF Debt Service Payments (PDF)
- (7) Professor Michael Chang's BTC – Evaluation of Economic Impact report

## Predevelopment Agreement

This Predevelopment Agreement (“Agreement”) is entered into as of May 12, 2016 by and between the **City of Burlington**, a Vermont municipal corporation (the “City”) and **BTC Mall Associates LLC**, a Delaware limited liability company (“Owner”). Each is referred to individually as a “Party” and collectively as the “Parties.”

### Background

- A. Owner owns the real property numbered 49 Church Street, Burlington, Vermont, Parcel No. 044-4-004-000 which is improved with a retail shopping mall known as “Burlington Town Center”, and the real property numbered 75 Cherry Street, Burlington, Vermont, Parcel No. 044-4-033-000, which is improved with a parking garage (together, the “Property”).
- B. The Burlington Town Center mall opened in 1976 under the name “Burlington Square Mall” in conjunction with 1960s-era urban renewal development in the City of Burlington. While the existing mall originally expanded the retail base of the City’s downtown, for several years it has been a chronic underperformer economically. The site is also a barrier to north-south connectivity, and has precluded the growth of a vibrant street life on Bank Street and Cherry Street.
- C. The City has undertaken a community planning process known as “*planBTV – Downtown & Waterfront Master Plan*” (“PlanBTV”), which contemplates the redevelopment of the Property in a manner that would utilize the Property more intensively in order to infill downtown development and provide more active street-level uses, and which would include a mix of affordable and market rate downtown housing, retail and services, and would also restore and/or improve connectivity to the urban grid along Pine Street and St. Paul Street.
- D. Pursuant to a resolution adopted by the Burlington City Council on December 14, 2014, the City has established the Development Agreement Public Advisory Committee to oversee a public input process with respect to the proposed redevelopment of the Property, and to work closely with technical consultants and Owner in connection with the redevelopment of the Property.
- E. Owner desires to redevelop the Property substantially in a manner that aligns with the vision set forth in PlanBTV, as described and depicted on the plans, drawings and other materials included within a 42 sheet plan set entitled “Burlington City Center, Technical Review Set – Parking Above Grade” prepared by PKSB Plus Architects and dated December 23, 2015, a copy of which is attached hereto as **Exhibit A** and made a part hereof (the “Plan Set”), as revised by Concourse Level Plan Sheet A-102 dated February 24, 2016, by Plaza Level Plan Sheet A-103 dated February 24, 2016, and by the height and massing reductions to the Cherry Street portion of the Project shown on the drawing

labeled "Alt Proposal", copies of which are attached hereto as **Exhibit B** and made a part hereof (the "Revised Plan Sheets").

F. Owner's proposed redevelopment of the Property contemplates a two phase project containing approximately the following features and characteristics (the "Project") (all numbers are approximations and the specified uses that are planned as of this time and set forth below are subject to change and modification by agreement of the Parties as described in more detail below):

- Not more than 274 residential housing units (collectively measuring  $\pm 307,000$  sq. ft.), including a mix of unit sizes and including both market rate and affordable (i.e., inclusionary) housing units in compliance with the requirements of the City of Burlington Comprehensive Development Ordinance (the "Zoning Ordinance"), as it may be amended, and in compliance with the definition of a "priority housing project" under 10 V.S.A. § 6001(35) (i.e., Act 250).
- $\pm 17,700$  sq. ft. of rooftop open space as a tenant amenity.
- $\pm 340,000$  sq. ft. of Class A commercial office space, with  $\pm 264,000$  sq. ft. of such space constructed as part of Phase 1 of the Project, and the  $\pm 76,000$  sq. ft. balance of such space constructed as part of Phase 2 of the Project.
- $\pm 246,000$  sq. ft. of first class retail space, designed to attract a mix of local, regional and national retailers and restaurants.
- $\pm 15,500$  sq. ft. of indoor daycare space designed for an early childhood development center tenant, together with  $\pm 15,000$  sq. ft. of outdoor daycare space.
- Owner shall provide a community space measuring at least  $\pm 5,000$  sq. ft. for use by community and/or civic groups during normal business hours and pursuant to rules and regulations adopted and published by the Owner.
- A  $\pm 925$  space parking garage (measuring  $\pm 353,000$  sq. ft.), including the provision of covered bicycle parking facilities.
- The re-establishment of St. Paul Street as a 60 foot wide through, public street running between Bank Street and Cherry Street, featuring a high level of street design including: wider sidewalks; street trees; premium pavers; street lighting; storm water features, sub-surface utilities and infrastructure; and the creation of multiple entry points into the retail and other spaces within the Property from the street, all in accordance with plans and specifications to be agreed upon by the Parties, and subject to the rights of third parties not affiliated with Owner or the City, such as adjoining property owners. The Parties will cooperate in good faith to resolve or eliminate any such third party rights to the Parties' mutual satisfaction.

- The re-establishment of Pine Street as a 60 foot wide through, public street running between Bank Street and Cherry Street, subject to the existence of the building numbered 100 Bank Street, featuring a high level of street design including: wider sidewalks; street trees; premium pavers; street lighting; storm water features, sub-surface utilities and infrastructure; and the creation of multiple entry points into the retail and other spaces within the Property from the street, all in accordance with plans and specifications to be agreed upon by the Parties, and subject to the rights of third parties not affiliated with Owner or the City, such as adjoining property owners (the “Pine Street Connection”). The Parties will cooperate in good faith to resolve or eliminate any such third party rights to the Parties’ mutual satisfaction.
  - The “activation” of Bank Street and of Cherry Street between St. Paul Street and Pine Street, including (in both instances) a high level of street design including: sidewalks within the public ROW (but wider than those currently in place); street trees; premium pavers; street lighting; storm water features, sub-surface utilities and infrastructure; and the creation of multiple entry points into the retail and other spaces within the Property from those streets, all in accordance with plans and specifications to be agreed upon by the Parties.
  - A rooftop observation deck made available to the public.
  - The re-establishment of St. Paul Street, the activation of Bank and Cherry Streets, and the construction of the Pine Street Connection (all as more particularly described above) are collectively referred to in this Agreement as the “Public Improvements”, and the balance of the Project elements described in this Agreement are referred to as the “Private Improvements”.
- G. Owner and the City desire to enter into and memorialize certain agreements to reasonably facilitate Owner’s construction of the Project substantially in accordance with the Project schedule referenced below.
- H. Owner has obtained a commitment from the University of Vermont Medical Center (“UVMMC”), pursuant to which UVMMC has agreed to lease certain commercial office space as an anchor tenant, provided that Owner is able to meet certain milestones described therein, and that in the event that the Owner is not able to achieve such milestones according to the timeline set forth therein, then UVMMC has the right to terminate its commitment to lease the commercial space.

Now therefore, in consideration of the covenants, considerations and mutual benefits set forth herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the City and Owner agree as follows:

- I. Phasing; Project Schedule; Market and Feasibility Study.
  - a. In an effort to mitigate and minimize both the construction time and the disruptions

associated with a large construction project—such as noise, traffic and general community disruptions—the Project consists of two overall phases, referred to as Phase 1 and Phase 2. Phase 2 consists of the renovation of the existing retail space within the portion of the Property bounded by Church, Cherry, Bank and St. Paul Streets, the renovation of the Church Street entrance to the Property, and the construction of ±76,000 sq. ft. on such portion of the Property, contemplated to be of Class A commercial office space. Phase 1 consists of the balance of the Project, including all housing, parking, and Public Improvements. Owner desires to commence construction of the Project on or before January 1, 2017. Nothing herein shall preclude Owner from revising Phase 1 or 2 to add or modify uses of the Property in a manner consistent with the applicable zoning ordinance then in effect.

b. Owner anticipates completing Phase 1 of the Project in sub-phases in accordance with the Project Schedule attached hereto as **Exhibit C** and made a part hereof (the “Project Schedule”). Each Party agrees to use best efforts to cause the Project to adhere to the Project Schedule, with the understanding that each Party’s ability to timely perform under this Agreement may be contingent on the other Party’s timely performance, or on timely performance by one or more third parties (including, without limitation, independent political bodies of the City of Burlington) over whom the Parties have no control.

c. Within one week of the full execution of this Agreement, Owner shall provide the City with an organizational chart for BTC Mall Associates, LLC which shall, without limitation, clarify the relationship between Donald F. Sinex and Owner. Prior to August 1, 2016, Owner shall provide the City with copies of any market studies and feasibility analyses prepared for the benefit of Owner’s Project lender(s) and/or investors and available to Owner. The Parties agree that such reports customarily include data that analyze whether a market exists for the retail, commercial and residential components of a project, and whether the anticipated market demand for the retail, commercial and residential components of a project is sufficient to support the anticipated costs of developing, constructing and operating it. If market studies and feasibility analyses satisfactory to the City are not provided to the City by August 1, 2016, then Owner will provide the City with an amount of money, not to exceed \$20,000, for the purpose of allowing the City to hire an independent third party to conduct such studies and analyses, subject to a reasonably agreed upon scope of work. The City shall provide a copy of any such studies and analyses to Owner and reimburse Owner the amount provided by Owner for the studies and analyses at the closing of the City’s acquisition of the real property interests in St. Paul Street and Pine Street. In addition, Owner agrees to work cooperatively with EconNorthwest, or with another member of the City’s third party technical team reasonably satisfactory to Owner, to provide customary financial underwriting information regarding the experience, qualifications and financial capability of the Owner and its principals, and their capacity to execute a financing plan for the Project (meaning to include equity sources, debt sources and associated financial sureties), together with information substantiating Owner’s leadership of an investment and development team, including architects, engineers, attorneys, contractors, investors and lenders, capable of designing, financing, constructing and operating the Project. The Parties agree to cooperate as needed to facilitate the completion of these disclosures and assessments, including appropriate treatment of proprietary or confidential information. If the City, acting upon the advice of its advisors, is not satisfied with the results of such disclosures and assessments, then the City shall have the right to

terminate this Agreement.

d. Owner and the City agree to work together in good faith to provide timely communications and other information concerning Project construction, such as potential disruptions, to current mall tenants and neighboring property owners affected by the construction of the Project and to take such steps to mitigate potential construction impacts on such tenants that can reasonably be expected to be effective in mitigation such impacts; provided that nothing required herein shall alter or delay the timeline or the construction schedule for the Project.

e. In the event that UVMMC terminates its commitment to lease commercial space at the Property due to the City's failure to meet a milestone established by the UVMMC commitment referenced above, then Owner shall be entitled to terminate this Agreement by delivering written notice of termination to the City.

## 2. Sustainability; Additional Project Features; Design Modifications.

a. In addition to incorporating the Public Improvements and Private Improvements substantially as described above, Owner agrees that: (i) the final plans and design for the Project will accommodate and support alternative forms of transportation, including the use of bicycles, car-sharing, mass transit and other progressive concepts; (ii) the final plans and design for the Project will include the installation of rooftop solar photovoltaic electric generation infrastructure subject to Owner's receipt of regulatory approval from the Vermont Public Service Board and to Owner's entry into a reasonably acceptable interconnection agreement with Burlington Electric Department; (iii) the Project will be built to the standard of LEED Gold certification and Owner shall use reasonable efforts to obtain such certification, and shall strive to achieve the energy reduction goals outlined in the "Architecture 2030 Challenge" and shall provide the City with periodic updates regarding such efforts; (iv) the final plans and design for the Project will incorporate City-approved public art installations that are reasonably satisfactory to the Owner; and (v) the final plans and design for the Project will incorporate accessibility features in accordance with applicable law.

b. Owner agrees that the Project shall include at least 270 residential housing units. Owner intends to provide a mix of housing unit sizes, designs, and costs meant to attract a mix of tenants as contemplated in PlanBTV. Owner intends to provide housing primarily as rental units but may offer some units for sale. Owner agrees to provide the City with an opportunity to review and comment on the unit design mix and the unit size mix for the residential component of the Project, as well as the unit location for the inclusionary and student housing units and the mix of rental and any ownership units, for conformity with the goals of PlanBTV, provided that Owner shall have complete discretion and shall retain final control over such issues. Without limiting the foregoing, the Parties acknowledge that the Owner has entered into a preliminary Letter of Intent with Champlain College to provide, through a Master Lease, apartment units for the exclusive purpose of serving as student housing for its students (hereinafter "Champlain Student Housing"). Owner agrees that the Master Lease for the Champlain Student Housing shall be for a term not to exceed 15 years, and that at the end of such term the Owner shall not renew or extend the term of the Master Lease for the Champlain Student Housing (or for any other master-leased student

housing) without the prior written approval of the City acting through the City Council. Owner additionally agrees that the Champlain Student Housing component of the Project will include not more than 80 units and shall either be managed by Champlain College, or it shall be appropriately managed either by Owner (or its affiliate) or by a property management company with experience and a proven track record managing student housing. Other than the Champlain Student Housing referenced above, all other forms of purpose-built or master-leased student housing shall be subject to the review and approval of the Burlington City Council. Nothing contained herein limits the availability of other housing units in the Project for occupancy by individuals, including, without limitation, those who may be pursuing full or part time higher education, seniors or work force members.

c. In addition to the affordable, or inclusionary, housing to be included as a component of the Project (as described in the Background section to this Agreement), Owner shall endeavor to develop some “workforce housing” as part of the residential component of the Project, “workforce housing being that which targets households with incomes between 80% to 120% of the median income for the Burlington/South Burlington MAS, adjusted for household size. The City agrees to use its diligent, reasonable and good faith efforts to support Owner’s efforts to apply for and obtain finance subsidies and Low Income Housing Tax Credits that are normally available from either the State of Vermont or the U.S. government to qualified Vermont development projects that include Affordable Housing and/or Work Force Housing, such as that which this Project intends to offer.

d. Owner agrees to revise the Plan Set to be consistent with the Revised Plan Sheets, and agrees that the plans submitted to support permit applications for the Project shall be consistent with the revised Plan Set, subject to the other provisions of this Agreement. Owner further agrees to revise the Plan Set to remove the aerial walkway depicted over St. Paul Street, provided that nothing herein shall constitute a waiver of Owner’s right to seek construction of an aerial walkway over St. Paul Street in the future, provided that Owner is able to obtain necessary permitting.

e. Owner agrees to use reasonable efforts to utilize Burlington Telecom residential and commercial services if such services are available to the Project on the time-line described herein and such services are available on terms and conditions that are competitive with other similar services on a commercial and residential basis.

f. The City acknowledges receipt and review of satisfactory three dimensional, 3D animated, and photo-realistic, simulated images and perspectives of the Project taken from various vantage points in and around downtown Burlington to facilitate the City’s assessment and evaluation of the Project height and massing that Owner has proposed, and the City reserves the right to further review such materials and to reasonably request additional materials for further evaluation.

### 3. Municipal Zoning.

a. The Parties acknowledge that as presently designed, the Project could not be

approved under the terms of the Zoning Ordinance because, among other things, it exceeds applicable height and setback limitations. In order to construct the Project, Owner will require an amendment to the Zoning Ordinance to establish a new overlay district within that portion of the City of Burlington that includes the Property, within which a Project that is consistent with the Plan Set could be developed without exceeding applicable height, setback and other requirements.

b. Owner and the City agree that the present Project design, as reflected on **Exhibits A and B**, needs further refinement to take into account the Parties' concerns regarding certain aesthetic aspects of the Project design, specifically including the uniformity of mass and of the skyline, façade articulation and design, and the location and design of vertical step-backs, and that Owner and the City are in the process of negotiating revisions to the Project design to address the Parties' concerns. The Parties acknowledge that the zoning amendment referenced above will include prescriptive design standards and requirements with regard to the uniformity of mass and skyline, façade articulation and design, the location and design of vertical step-backs, and primary and accent façade materials used in the Project. The Parties agree that the Project would conform with the Zoning Ordinance if the Zoning Ordinance were amended substantially in accordance with **Exhibit D** attached hereto and made a part hereof (the "Zoning Amendment Summary") and the Project design were modified to conform with the requirements of the Zoning Amendment Summary. Notwithstanding the foregoing, the Parties agree that the Project design reflected on **Exhibit A as modified by Exhibit B** is acceptable regarding the overall square footage and floor area ratio (FAR) of the Project, and that the uses described on Exhibit D are acceptable.

c. The City shall support an amendment to the Zoning Ordinance which will permit the lawful development and use of the Project, subject to standards and criteria to be developed in consultation with Owner including, without limitation, the design criteria set forth in the Zoning Amendment Summary. The City, acting through the Office of the Mayor, shall use diligent, good faith efforts to (i) submit, or cause to be submitted, in writing to the City Planning Commission such an amendment to the Zoning Ordinance within ten (10) days of execution of this Agreement and (ii) obtain final legislative approval of such an amendment to the Zoning Ordinance within one hundred and twenty (120) days following execution of this Agreement. **The Parties agree that if the City fails to amend the Zoning Ordinance on or before the one hundred twentieth (120th) day following the date of the execution of this Agreement in a manner that will enable the Project to obtain zoning approval, then Owner shall have the right, but not the obligation, to terminate this Agreement.**

d. The City, acting through the Office of the Mayor, shall use diligent, good faith efforts to facilitate the adoption of an amendment to the Zoning Ordinance to facilitate the Project, with the understanding that only the Burlington City Council and Planning Commission have the authority to adopt amendments to the Zoning Ordinance, which must be adopted in accordance with applicable laws, ordinances and regulations. Owner shall timely submit the materials and submissions to the level of completeness necessary for the City to process an amendment to the Zoning Ordinance so as to reasonably facilitate Owner's adherence to the Project Schedule. Without limiting the foregoing, the City agrees that so long as Owner timely submits the materials and submissions necessary to process an amendment to the Zoning Ordinance, the City's administrative personnel shall use diligent, good faith efforts to process such submissions in a

timely manner so as to reasonably facilitate Owner's adherence to the Project Schedule.

e. In consideration of the City's agreement to undertake efforts to support and facilitate such an amendment to the Zoning Ordinance, and in consideration of the funds expended by the City in support of the Project, Owner shall, subject to the application of the reimbursement provisions described in Section 4 of this Agreement, construct the Public Improvements as a component of the Property in the first phase of its construction of the Project. Owner covenants and agrees that prior to commencing the construction of any portion of the Project (it being understood that, as stated on the project schedule attached as Exhibit C to this Agreement, the commencement of construction includes the demolition of the existing improvements on the Property), it shall provide the City with (i) a copy of an executed construction contract that contains a guaranteed maximum price to construct the Public Improvements, together with payment and performance bonds for the City's benefit issued by a solvent and reputable bonding company in the amount of such guaranteed maximum price, consistent with the requirements of Section 3.2.10 of the Zoning Ordinance or such other security reasonably acceptable to the City and (ii) evidence that the obligation to construct the Private Improvements is subject to a guaranteed maximum price contract that is secured by payment and performance bonds for the benefit of the construction lender, a completion guaranty for the benefit of the construction lender, or another customary and commercially reasonable form of financial surety reasonably satisfactory to the City. Owner agrees that the City will not have an adequate remedy at law for Owner's noncompliance with the provisions of this paragraph and, therefore, the City shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance, to enforce the foregoing covenant and agreement.

f. The Parties acknowledge that prior to constructing the Project, it will be necessary for Owner to obtain permits and approvals for the Project from the Burlington Development Review Board ("DRB"), that the DRB is an independent body not under the City's control, and that the City does not and cannot guaranty that the DRB will approve the Project even if the Zoning Ordinance is amended. During that zoning amendment process, the Owner shall make its best efforts to submit permit application materials at the earlier, legally permissible time to the level of completeness necessary for the DRB and other Boards to consider Owner's application for the permits and approvals necessary to develop and construct the Project so as to reasonably facilitate Owner's adherence to the Project Schedule. **The Parties agree that if Owner fails to obtain the necessary permits and approvals to develop and construct the Project prior to October 15, 2016, or such later date as may be communicated to the City in writing by Owner, then all of the Parties' rights and obligations under this Agreement shall terminate.**

g. Upon the City's request, Owner agrees to provide up to \$16,000 for the City to commission an industry quality physical 3D model or additional 3D computer simulated visualizations of the Project and its surroundings. Owner shall direct its architects and designers to provide the 3D model preparer with the necessary plans, specifications and other materials and information necessary to prepare such model.

#### 4. Waterfront TIF District; Payment for Public Improvements.

a. Existing Legislation. The Property is situated within the City of Burlington's Waterfront Tax Increment Financing District (the "Waterfront TIF District"), within which the City is authorized to invest public funds to construct or acquire infrastructure improvements that facilitate private investment, all in accordance with applicable laws and regulations and following approval by the Vermont Economic Progress Council, by the Burlington City Council and with the support of the voters via a public referendum. If approved, municipal debt incurred within the Waterfront TIF District is repaid using the incremental increase in property taxes generated by the real property located within the District over the property taxes that were generated by the District at the time that the District was first established, all as more particularly set forth and described in the laws and regulations by which the District was established and is now governed.

b. Extension of Repayment Term. As of the date of this Agreement, the City is legally permitted to incur debt within the Waterfront TIF District through December 31, 2019, and such debt must be fully paid by December 31, 2025. Owner estimates that the hard and soft costs of constructing the Public Improvements, plus the agreed-upon or appraised value of the real property interest in St. Paul Street and Pine Street that Developer will convey to the City (as further described in Section 4(e), shall not exceed a total cost to complete of \$21,829,890.00, as outlined with more particularity on **Exhibit E** attached hereto and made a part hereof (the "Not to Exceed TIF Funding Amount"). As the Project moves through the design development process and more detailed construction drawings are developed, the Parties shall refine the Not to Exceed TIF Funding Amount to determine if the direct costs of the Public Improvements (and the Not to Exceed TIF Funding Amount) should be adjusted prior to finalization.

The Parties acknowledge that the remaining available amortization period within the Waterfront TIF District severely limits the City's maximum investment in the Public Improvements; however, if the expiration date for the Waterfront TIF District were extended until December 31, 2035, the City would anticipate being able to invest sufficient funds to construct and acquire the Public Improvements so long as the debt is committed prior to December 31, 2019, and the tax increment generated by the Property as improved by the Private Improvements would be sufficient to service the debt incurred.

The City acknowledges that but for the City's agreement to utilize the public financing resources available through the Waterfront TIF District, the Public Improvements would not be included as components of the Project or would have occurred in a significantly different and less desirable manner. Accordingly, in order to facilitate the Owner's construction of the Public Improvements and the City's payment for and acquisition of the Public Improvements, it will be necessary for the Vermont Legislature to permit the parcels that contain the Project to allow for full payment of TIF incurred debt by the end of 2035. The Parties agree to work cooperatively to facilitate adoption of a state law achieving this outcome during the 2016 legislative session ending in mid-May 2016, so as to reasonably facilitate Owner's adherence to the Project Schedule, **and they further agree that if the Vermont Legislature fails to grant such extension, then all of their rights and obligations under this Agreement shall terminate.** Notwithstanding the termination of this Agreement if the Vermont Legislature fails to grant such an extension, termination of this Agreement shall not divest the Owner of any zoning rights or development permits that Owner shall have obtained with respect to the Project or the Property.

c. Approval For Expenditure of Public Funds. If a law is enacted prior to July 1, 2016 that extends the expiration date for the portion of the Waterfront TIF District that includes the Property until December 31, 2035, then Owner shall timely provide the City with the materials and submissions to the level of completeness necessary for the City to seek approval from the Vermont Economic Progress Council, from the Burlington City Council and from the voters to expend funds from the Waterfront TIF District to pay for the Public Improvements, so as to reasonably facilitate Owner's adherence to the Project Schedule. The City agrees that so long as Owner timely submits such materials and submissions, the City shall use diligent, good faith efforts to process such submissions in a timely manner in an effort to reasonably facilitate Owner's adherence to the Project Schedule. **The Parties agree that if the City fails to obtain the necessary approvals to expend funds from the Waterfront TIF District to pay for the Public Improvements, prior to November 15, 2016, then either Party shall have the right, but not the obligation, to terminate this Agreement.** Notwithstanding the right of the City to terminate this Agreement if it fails to obtain the necessary approvals to expend funds from the Waterfront TIF District as stated immediately above, termination of this Agreement shall not divest the Owner of any zoning rights or development permits that Owner shall have obtained with respect to the Project or the Property.

d. Payment for Public Improvements; Amount of Municipal Investment. Subject to the contingencies set forth in this Agreement, Owner shall construct the Public Improvements in accordance with mutually agreed upon plans and specifications and in accordance with the Project Schedule. Owner shall initially construct the Public Improvements at its own cost and expense, and the City shall reimburse Owner for the agreed-upon cost of constructing the Public Improvements and the City shall acquire the real property interests in St. Paul Street and in Pine Street that are a component of the Public Improvements for a price agreeable to the City and the Owner or, at either Party's election, for their appraised value, using an appraisal process agreed to by the Parties, upon Owner's receipt of a Unified Certificate of Occupancy for Phase 1 of the Project; provided however, that the City may partially reimburse Owner for such costs sooner upon agreement. The City shall cooperate in good faith and take such steps as may be reasonably necessary and appropriate to facilitate Owner's receipt of a Unified Certificate of Occupancy for Phase 1 of the Project prior to December, 31, 2019. The Parties acknowledge and agree that the construction of the Public Improvements must be bid and accounted for separately from the Private Improvements, and the City is only legally able to use Waterfront TIF District funds to pay for the actual cost to construct the Public Improvements and to pay for the value of the real property interests in St. Paul Street and Pine Street that Owner conveys to the City as a component of the Public Improvements. In addition, as stated above, the amount of money that the City is able to pay for the Public Improvements is limited by the obligation that the debt must be committed prior to December 31, 2019 (meaning, that Owner must receive a Unified Certificate of Occupancy for Phase 1 of the Project prior to such date unless the City agrees otherwise) and by the obligation that the tax increment generated by the Private Improvements must be sufficient to service debt in an amount equal to the payment made by the City to Owner. If the City finds it necessary to ensure that the tax increment generated by the Private Improvements is sufficient, the Parties shall agree upon the minimum assessed value of Phase 1 of the Project upon its completion, and Owner shall agree not to appeal such assessment in an effort to reduce it below

the agreed upon value. The parties agree and acknowledge that the Owner may pledge any rights it has to reimbursement for the agreed-upon cost of constructing the Public Improvements as collateral to its lender(s) or other financing parties and the City shall execute documentation to evidence and agree to such collateral assignment as may reasonably be requested by such lender(s) or other financing parties in connection with such collateral assignment.

e. St. Paul Street and Pine Street. The Parties acknowledge that they have not yet agreed upon the nature of the real property interests required in St. Paul Street and in Pine Street that comprise elements of the Public Improvements and to be depicted on an amended Official Map. The Parties agree to negotiate in good faith to reach an agreement regarding this issue prior to determining the amount that the City will pay for the real property interests in St. Paul Street and Pine Street. The City shall acquire the real property interests in St. Paul Street and in Pine Street free and clear of all mortgages, security interests and liens and free and clear of all encumbrances that would preclude or impair the use thereof as public streets; provided that Owner shall be entitled to retain easement rights that would permit the construction of an aerial walkway over St. Paul Street, subject to Owner's ability to obtain required permitting. The Parties agree to negotiate in good faith regarding certain matters concerning the transferred portions of St. Paul Street and Pine Street, including (1) the Owner's ability to erect signage on and about pedestrian sidewalks; (2) the Owner's ability to close the street on an expedited basis for events, fairs and promotions upon reasonable notice to the City; (3) a prohibition on vehicular parking along the transferred portions of St. Paul Street and Pine Street; (4) the Owner's ability to relocate benches, trash cans and other similar items located along the street, as needed, to accommodate such events; and (5) the terms upon which Owner may reacquire the transferred portions of St. Paul Street and/or Pine Street if it ceases to be used as a public, vehicular right-of-way.

f. Sales Tax Reallocation. The City agrees to use its diligent, reasonable and good faith efforts to support Owner's efforts to apply for and obtain sales tax exemptions/refunds/abatements for items purchased during construction (Construction Sales Tax Exemption) that are normally available from the State of Vermont to qualified Vermont development projects such as the Project. Any reallocation of Project sales tax that is awarded by the State of Vermont shall be used by the Parties to pay for mutually agreed-upon expenditures that support the Project.

#### 5. Work Product; Project Modifications.

a. Owner acknowledges that the Project will have a major impact on downtown Burlington, and that the City has a legitimate interest in ensuring that the Project is consistent with the design principles adopted by Plan BTV, is consistent with best engineering practices, and that it is likely to generate a sufficient tax increment to pay debt service on funds paid by the City towards the Project using the borrowing capacity from the Waterfront TIF District. Accordingly, as the Project is developed in more detail, Owner will consult with the City and will use good faith efforts to provide the City with advance copies of all work product, including plans and drawings (including, without limitation, civil engineering and architectural plans and drawings), specifications (including, without limitation, with respect to exterior and interior finishes, fixtures and materials), renderings, and other materials related to the Project and its design ("Work

Product”) prior to or, if necessary to meet a filing deadline, simultaneous with submitting such Work Product for formal review to any other party. The City shall have five (5) business days to provide reasonable objections to any such submissions in writing. In addition, Owner shall provide the City with advance copies of any material modifications that Owner may make to any Work Product (including, without limitation, the Plan Set) prior to, if necessary to meet a filing deadline, or simultaneous with submitting such Work Product for formal review to any other party, and the City shall have a five (5) business day opportunity to provide reasonable objections in writing.

b. In each instance, an objection shall not be reasonable if the proposal made by Owner is consistent with the goals set forth in this Agreement and does not adversely affect the City’s realization of its expectations under this Agreement. If the City provides Owner with any written objections, Owner shall revise and modify its Work Product or modifications to the extent necessary to satisfy such objections and shall thereafter resubmit the revised Work Product to the City for further review in accordance with this Section. If the City does not make any objections within the time periods provided for in this Agreement, then any such Work Product or modifications shall be deemed approved and available for submission for formal review by any other party. In addition, Owner may make non-material modifications to the Work Product from time to time as final design, engineering and permitting of the Project proceeds, so long as such modifications are consistent with the goals set forth in this Agreement and do not adversely affect the City’s realization of its expectations under this Agreement,

6. Cooperation; Establishment of Labor and Community Workforce Agreements; Future Negotiations; Further Assurances.

a. The Parties shall cooperate and communicate with each other on a regular basis, including by arranging joint meetings with appropriate personnel present to address issues set forth in this Agreement, to discuss any proposed changes to the Project and to discuss the Work Product (as such term is defined in Section 5(a) of this Agreement) generated as the Project progresses, so as to permit the orderly and efficient construction and development of the Project.

b. Owner and the City agree to the following:

- i. Owner will use reasonable efforts to provide jobs for qualified low and moderate income Burlington residents to construct and operate the Project, and will include in its general contract for the Project a requirement that the labor employed to construct the Project shall be paid a “livable wage” as that term is defined in the City of Burlington Livable Wage Ordinance as is in effect on the date of this Agreement;
- ii. Owner will use reasonable efforts to incorporate locally sourced materials in the Project;
- iii. With regard to the construction of the Private Improvements, Owner will hire contractors and subcontractors who pay appropriate wages, properly

classify employees, obey labor laws, participate (where applicable) in formal apprenticeship training programs, and provide employer funded health and retirement benefits, with the understanding that it is the Parties' intent that the foregoing shall not be understood to preclude the Owner from engaging any qualified contractor or construction manager to construct the Project; and

- iv. Owner and the City will enter into a community benefits agreement to memorialize, without limitation, the Owner's agreement to participate in City or City-affiliate sponsored job fairs, Owner's agreement to distribute and encourage the utilization of a list (provided by the City) of local vendors for products and services to its general contractor and lessees, and Owner's agreement to solicit and review proposals from community job training programs such as Youth Build Vermont and Vermont Works for Women to construct portions of the Project.
- c. In addition, the Parties agree to negotiate in good faith with regard to:
- i. the temporary closure of public streets and sidewalks to facilitate construction of the Project and other construction-related matters;
  - ii. the allocation of municipal personnel to the Project to streamline construction inspections and permit reviews;
  - iii. the total amount of construction and permit fees that Owner will pay in connection with the Project;
  - iv. the amount of property taxes payable by Owner with respect to the Property during construction of the Project which will include demolition of existing improvements, introducing uncertainty into future assessments;
  - v. entry into a parking agreement to accommodate existing monthly customers of the parking garage on the Property after the closure and demolition of the parking garage and prior to the completion of the new structured parking that is a component of the Project;
  - vi. the availability of sales tax exemptions applicable to the Public Improvements;
  - vii. the establishment of long term property rights upon the completion of construction for the maintenance of private improvements on municipal property;
  - viii. the entry into post-construction maintenance agreements with regard to the Public Improvements;

- ix. the entry into agreements with Burlington Electric Department regarding the provision of electricity to the Property and the availability of net-metering for the rooftop solar photovoltaic electric generation infrastructure to be included as a component of the Project; and
- x. the entry into agreements with Burlington Telecom regarding the provision of internet connectivity and service to the Property.

d. With regard to the construction of the Public Improvements, the Owner shall hire contractors and subcontractors who pay appropriate wages, properly classify employees, obey labor laws, participate (where applicable) in formal apprenticeship training programs, and provide employer funded health and retirement benefits, with the understanding that it is the Parties' intent that the foregoing shall not be understood to preclude the Owner from engaging any qualified contractor or construction manager to construct the Project.

e. The Parties agree to execute, acknowledge, if necessary, and deliver such documents, certificates or other instruments and take such other actions as may be reasonably required from time to time to carry out the intents and purposes of this Agreement.

f. The Parties contemplate negotiating and entering into a Development Agreement, consistent with the terms herein, and shall present it to the City Council for review within 30 days after adoption of an amendment to the Zoning Ordinance (as defined below) in accordance with Section 4 of this Agreement, unless mutually extended by the Parties. The Parties agree that any market studies, feasibility analysis, and similar reports and information required under Section 1(c) of this Agreement shall be made available to the City Council so as to allow reasonable review prior to approval of a Development Agreement.

7. No Assignment; Financing Matters. This Agreement shall not be assigned by Owner without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed so long as Donald F. Sinex holds and exercises executive managerial authority over the assignee. Notwithstanding, the Owner shall be entitled to collaterally assign this Agreement, and its rights hereunder, to any of its lender(s) and other financing parties without the City's consent, and such lender(s) and other financing parties shall have the right to assign this Agreement to a successor developer in connection with their enforcement of their collateral rights in this Agreement. The City shall execute documentation to evidence and agree to such collateral assignment as may reasonably be requested by such lender(s) or other financing parties in connection with such collateral assignment. The City acknowledges that Owner's lender(s) and other financing parties are likely to hold a mortgage of the Property and to hold other security interests with respect to the Project and the Property, and the Parties agree that upon the City's reimbursement of the costs of constructing the Public Improvements and the City's acquisition of real property interests in St. Paul Street and Pine Street, such mortgage and other security interests shall be released with respect thereto.

8. Governing Law; Venue. This Agreement shall be governed and construed in accordance

with the laws of the State of Vermont, without regard to its conflicts of law rules. The Parties consent to and submit to in personam jurisdiction and venue in the State of Vermont, County of Chittenden, and in the federal district courts which are located in the City of Burlington. The Parties assert that they have purposefully availed themselves of the benefits of the laws of the State of Vermont and waive any objection to in personam jurisdiction on the grounds of minimum contacts, waive any objection to venue, and waive any plea of forum non conveniens. This consent to and submission to jurisdiction is with regard to any action related to this Agreement, regardless of whether the Parties' actions took place in the State or elsewhere in the United States.

9. Severability. If any term, covenant or condition contained in this Agreement is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained, provided that such invalidity does not materially prejudice any Party in their respective rights and obligations contained in the valid terms, covenants or conditions hereof, and the Parties shall cooperate to modify the Agreement to cause it to conform to the original language of the Agreement to the extent consistent with the finding of the court.

10. Construction; Headings. The Parties waive the benefit of any rule that this Agreement is to be construed against one Party or the other. The headings in this Agreement are for the purposes of reference only and shall not limit or otherwise affect the meaning hereof.

11. Integration; Modification. This Agreement, together with the exhibits referenced herein and/or attached hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior agreements or representations, oral or written, on the same subject. The Agreement can be modified only by written agreement executed by authorized representatives of each Party.

12. No Partnership. The Parties do not intend by this Agreement to create, nor shall this Agreement be deemed to create, a partnership or a joint venture among the Parties; each Party is an independent actor and entity, and nothing in this Agreement shall be deemed to make either Party an agent or partner of the other, or to give either Party the right to bind the other in any way, notwithstanding any reference to the Project as a "public-private partnership."

13. Force Majeure. If either Party shall be delayed, hindered in or prevented from the performance of any act required hereunder, by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive state or federal governmental laws or regulations, riots, insurrection, war, terrorism, or other reason beyond its reasonable control (including the act, failure to act or default of the other Party), then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay, provided that no such event shall excuse a Party's failure to comply with any time period imposed by statute.

14. Waiver. The failure of either Party to insist on strict performance of any of the provisions of this Agreement or to exercise any right it grants will not be construed as a relinquishment of any right or a waiver of any provision of this Agreement. No waiver of any provision or right

shall be valid unless it is in writing and signed by a duly authorized representative of the Party granting the waiver.

15. Incorporation by Reference. The content of the Background section to this Agreement, including without limitation the definitions set forth therein, and all exhibits hereto and the terms contained therein and the contents thereof, are incorporated into this Agreement by reference.

16. Authority. Each of the Parties warrants to the other that the person or persons executing this Agreement on behalf of such Party has the full right, power and authority to enter into and execute this Agreement on such Party's behalf and to thereby bind the Party on whose behalf such person, and that no consent from any other person or entity is necessary as a condition precedent to the legal effect of this Agreement.

17. Notices. Any notices to be given pursuant to this Agreement shall be sufficient if given by a writing: deposited in the United States mails, certified mail or registered mail, return receipt requested, postage prepaid; by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender; by facsimile; or by email (provided that the electronic process used is reasonably secure and not easily susceptible to manipulation) addressed as follows:

If to the City:           City of Burlington  
                                  149 Church St.  
                                  Burlington, VT 05401  
                                  Attention: Miro Weinberger

If to Owner:             BTC Mall Associates LLC  
                                  101 Cherry Street, Suite 440  
                                  Burlington, Vermont, 05401  
                                  Attention: Donald Sinex

With a copy to:         Brian Dunkiel, Esq.  
                                  Dunkiel Saunders  
                                  91 College Street, P.O. Box 545  
                                  Burlington, Vermont 05402-0545

or to such other person, address or number as the Party entitled to such notice or communication shall have specified by notice to the other Party given in accordance with the provisions of this Section. Any such notice or other communication shall be deemed given: (i) if mailed, three days after being deposited in the mail, properly addressed and with postage prepaid; (ii) if sent by courier, the next day after being deposited with the courier, properly addressed and with prepaid; (iii) if sent by facsimile, when transmission has been electronically confirmed; and (iv) if sent by email, when transmitted as long as the sender does not receive a delivery failure notification.

18. Designated Representatives. Each party shall designate one or more representatives to

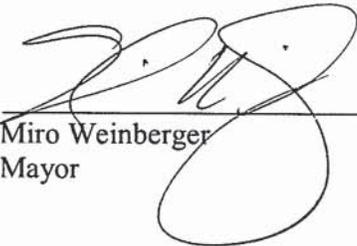
serve as the primary contact for communications relating to and issues arising under this Agreement. In the event that either party changes its designated representative(s), it shall notify the other party of the successor designated representative in accordance with Section 17.

19. Deadline for Execution. The City Council will consider this Agreement for approval on May 2, 2016. This Agreement shall be executed by the Parties no later than May 16, 2016, or it shall be void ab initio.

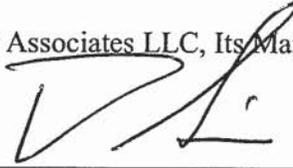
*Signature Page to Follow*

In Witness Whereof, this Agreement is executed by the duly authorized officers or representatives of the Parties as of the date first set forth above.

**City of Burlington**

By:   
Name: Miro Weinberger  
Title: Mayor

**BTC Mall Associates LLC**

By: BDM Associates LLC, Its Manager  
  
By: \_\_\_\_\_  
Name: Donald Sinex  
Title: Manager

# REGIONAL CITY CENTER

## SKETCH REVIEW SET



REVIEW SET DEC 23, 2015

D-100  
D-101

DEMOLITION PLAN - CONCOURSE LEVEL  
DEMOLITION PLAN - PLAZA

CONCOURSE LEVEL FLOOR PLAN  
PLAZA LEVEL FLOOR PLAN  
2ND FLOOR PLAN  
3RD FLOOR PLAN  
4TH FLOOR PLAN  
5TH FLOOR PLAN  
6TH FLOOR PLAN  
7TH FLOOR PLAN  
8TH FLOOR PLAN  
9-10TH FLOOR PLAN  
11TH FLOOR PLAN  
12TH FLOOR PLAN  
13-14TH FLOOR PLAN  
ROOF PLAN

A-102  
A-103  
A-104  
A-105  
A-106  
A-107  
A-108  
A-109  
A-110  
A-111  
A-112  
A-113  
A-114  
A-115

CHERRY STREET ELEVATION  
BANK STREET ELEVATION  
ST. PAUL'S STREET ELEVATION

A-201  
A-202  
A-203

EAST-WEST SECTION  
NORTH-SOUTH SECTION

A-211  
A-212

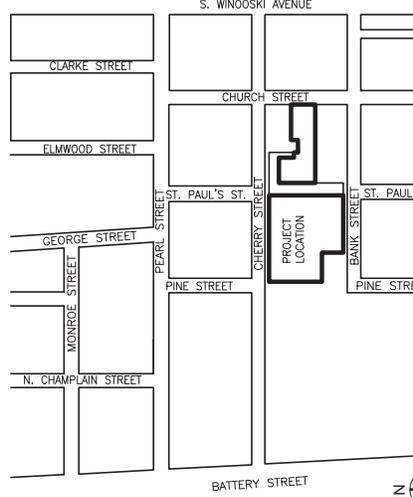
VIEW 1: CHURCH STREET ENTRANCE  
VIEW 2: ST. PAUL'S STREET LOOKING NORTH ON BANK STREET  
VIEW 3: BANK STREET LOOKING EAST  
VIEW 4: BANK STREET LOOKING EAST FROM PINE STREET  
VIEW 5: BANK STREET AERIAL  
VIEW 6: CHURCH STREET AERIAL VIEW  
VIEW 7: CHERRY STREET AERIAL VIEW  
VIEW 8: ST. PAUL'S STREET LOOKING SOUTH FROM CHERRY STREET  
VIEW 9: ST. PAUL'S STREET  
VIEW 10: NW CORNER OF CHERRY AND ST. PAUL'S STREET  
VIEW 11: CHERRY STREET LOOKING WEST  
VIEW 12: PINE STREET ARCADE ENTRANCE FROM CHERRY STREET  
VIEW 13: PINE STREET ARCADE INTERIOR

V-01  
V-02  
V-03  
V-04  
V-05  
V-06  
V-07  
V-08  
V-09  
V-10  
V-11  
V-12  
V-13

VIEW KEY MAP  
VIEW 12.0-12.2  
VIEW 13.0-13.2  
VIEW 19.0-19.2  
VIEW 44.0-44.2  
VIEW 45.0-45.2

BEFORE & AFTER VIEW LOCATION PLAN  
BEFORE & AFTER: ST. PAUL'S STREET LOOKING SOUTH  
BEFORE & AFTER: PINE STREET LOOKING SOUTH TO CHERRY STREET  
BEFORE & AFTER: PINE STREET LOOKING NORTH TO CHERRY STREET  
BEFORE & AFTER: VIEW FROM LAKE CHAMPLAIN  
BEFORE & AFTER: VIEW FROM EDMUNDS & CHAMPLAIN

### LOCATION PLAN: NTS



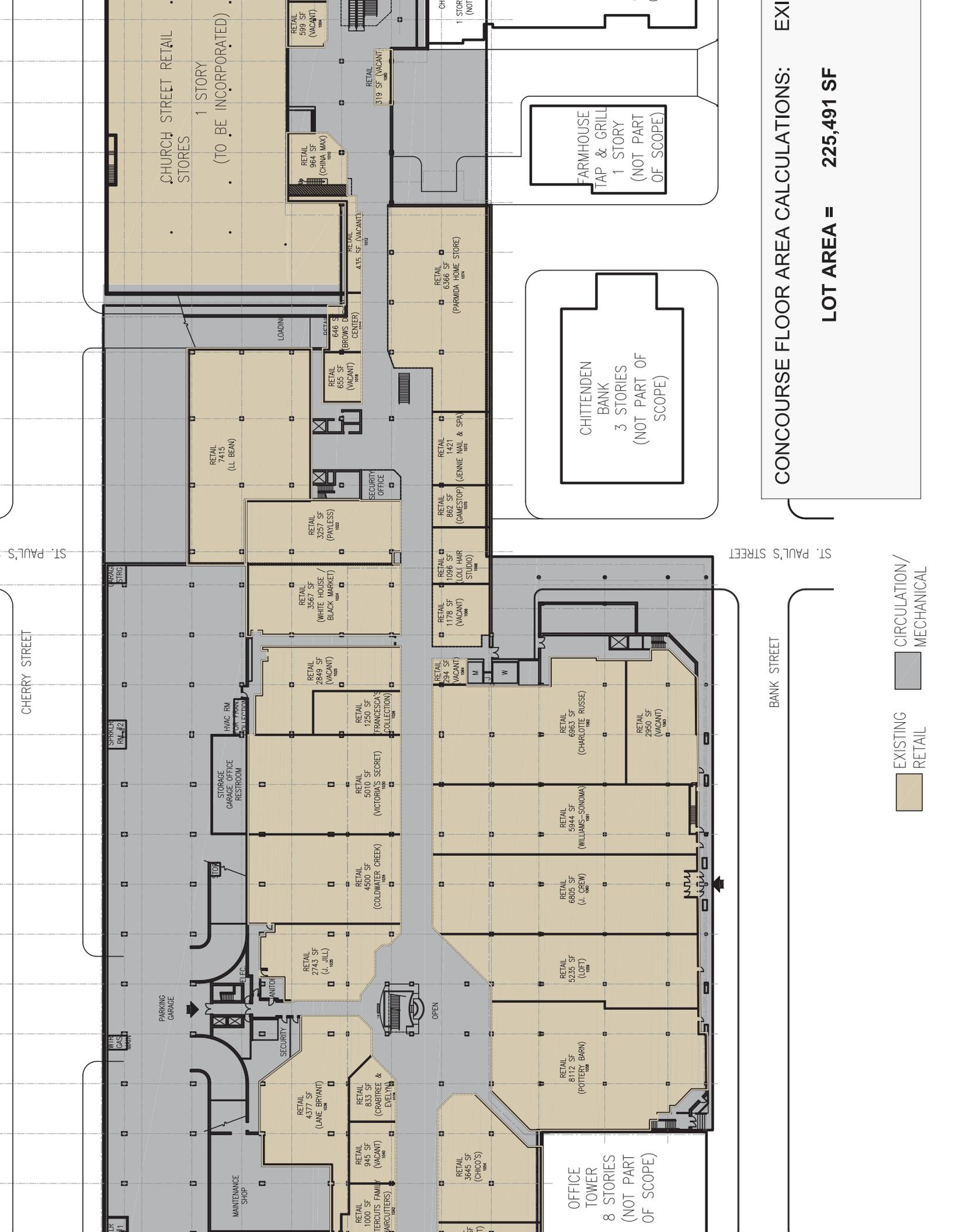
A-901-904

SUN STUDY DIAGRAMS

ZD-101  
ZD-103-107

ZONING/PHASING PLAN  
ZONING DIAGRAM - BUILDING HEIGHTS & SETBACKS

\*\*ISSUED UNDER SEPARATE COVER  
ANIMATION: SUN STUDY  
ANIMATION: PROJECT FLY-THRU



CHURCH STREET RETAIL STORES  
1 STORY  
(TO BE INCORPORATED)

FARMHOUSE TAP & GRILL  
1 STORY  
(NOT PART OF SCOPE)

CHITTENDEN BANK  
3 STORIES  
(NOT PART OF SCOPE)

OFFICE TOWER  
8 STORIES  
(NOT PART OF SCOPE)

CONCOURSE FLOOR AREA CALCULATIONS:  
EXISTING  
LOT AREA = 225,491 SF

EXISTING RETAIL  
CIRCULATION/MECHANICAL

CHERRY STREET

ST. PAUL'S STREET

ST. PAUL'S STREET

BANK STREET

MILK #1

WTR GAS

SPRINKLER RM #2

VACANT STRG

PARKING GARAGE

MAINTENANCE SHOP

STORAGE GARAGE OFFICE RESTROOM

HVAC RM

LOADING

SECURITY OFFICE

RETAIL 646 SF (BROOKS D. CENTER)

RETAIL 415 SF (VACANT)

RETAIL 319 SF (VACANT)

RETAIL 599 SF (VACANT)

RETAIL 964 SF (CHINA MAX)

RETAIL 7415 (LL BEAN)

RETAIL 655 SF (VACANT)

RETAIL 3257 SF (PAYLESS)

RETAIL 3567 SF (WHITE HOUSE / BLACK MARKET)

RETAIL 2849 SF (VACANT)

RETAIL 1250 SF (FRANCESCA'S COLLECTION)

RETAIL 5010 SF (VICTORIA'S SECRET)

RETAIL 4500 SF (COLDWATER CREEK)

RETAIL 2743 SF (J. JILL)

RETAIL 4377 SF (LANE BRYANT)

RETAIL 833 SF (ORABTREE & EVELYN)

RETAIL 1000 SF (TERCUTIS FAMILY (BARBERS/HAIRCUTTERS))

RETAIL 945 SF (VACANT)

RETAIL 812 SF (POTTERY BARN)

RETAIL 5235 SF (LOFT)

RETAIL 6805 SF (J. CREW)

RETAIL 5944 SF (WILLIAMS-SONOMA)

RETAIL 6963 SF (CHARLOTTE RUSSE)

RETAIL 1178 SF (VACANT)

RETAIL 1096 SF (LOUI HARR STUDIO)

RETAIL 862 SF (GAMESSTOP)

RETAIL 1421 (JENNIE NAIL & SPA)

RETAIL 6366 SF (FARMIDA HOME STORE)

RETAIL 294 SF (VACANT)

RETAIL 2950 SF (VACANT)

RETAIL 3646 SF (CHICO'S)

OPEN

RETAIL 812 SF (POTTERY BARN)

RETAIL 6805 SF (J. CREW)

RETAIL 5944 SF (WILLIAMS-SONOMA)

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RETAIL 3646 SF (CHICO'S)

OPEN

RETAIL 812 SF (POTTERY BARN)

RETAIL 6805 SF (J. CREW)

RETAIL 5944 SF (WILLIAMS-SONOMA)

RETAIL 6963 SF (CHARLOTTE RUSSE)

RETAIL 1178 SF (VACANT)

RETAIL 1096 SF (LOUI HARR STUDIO)

RETAIL 862 SF (GAMESSTOP)

RETAIL 1421 (JENNIE NAIL & SPA)

RETAIL 6366 SF (FARMIDA HOME STORE)

RETAIL 294 SF (VACANT)

RETAIL 2950 SF (VACANT)

RETAIL 3646 SF (CHICO'S)

OPEN

RETAIL 812 SF (POTTERY BARN)

RETAIL 6805 SF (J. CREW)

RETAIL 5944 SF (WILLIAMS-SONOMA)

RETAIL 6963 SF (CHARLOTTE RUSSE)

RETAIL 1178 SF (VACANT)

RETAIL 1096 SF (LOUI HARR STUDIO)

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RETAIL 1178 SF (VACANT)

RETAIL 1096 SF (LOUI HARR STUDIO)

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RETAIL 1421 (JENNIE NAIL & SPA)

RETAIL 6366 SF (FARMIDA HOME STORE)

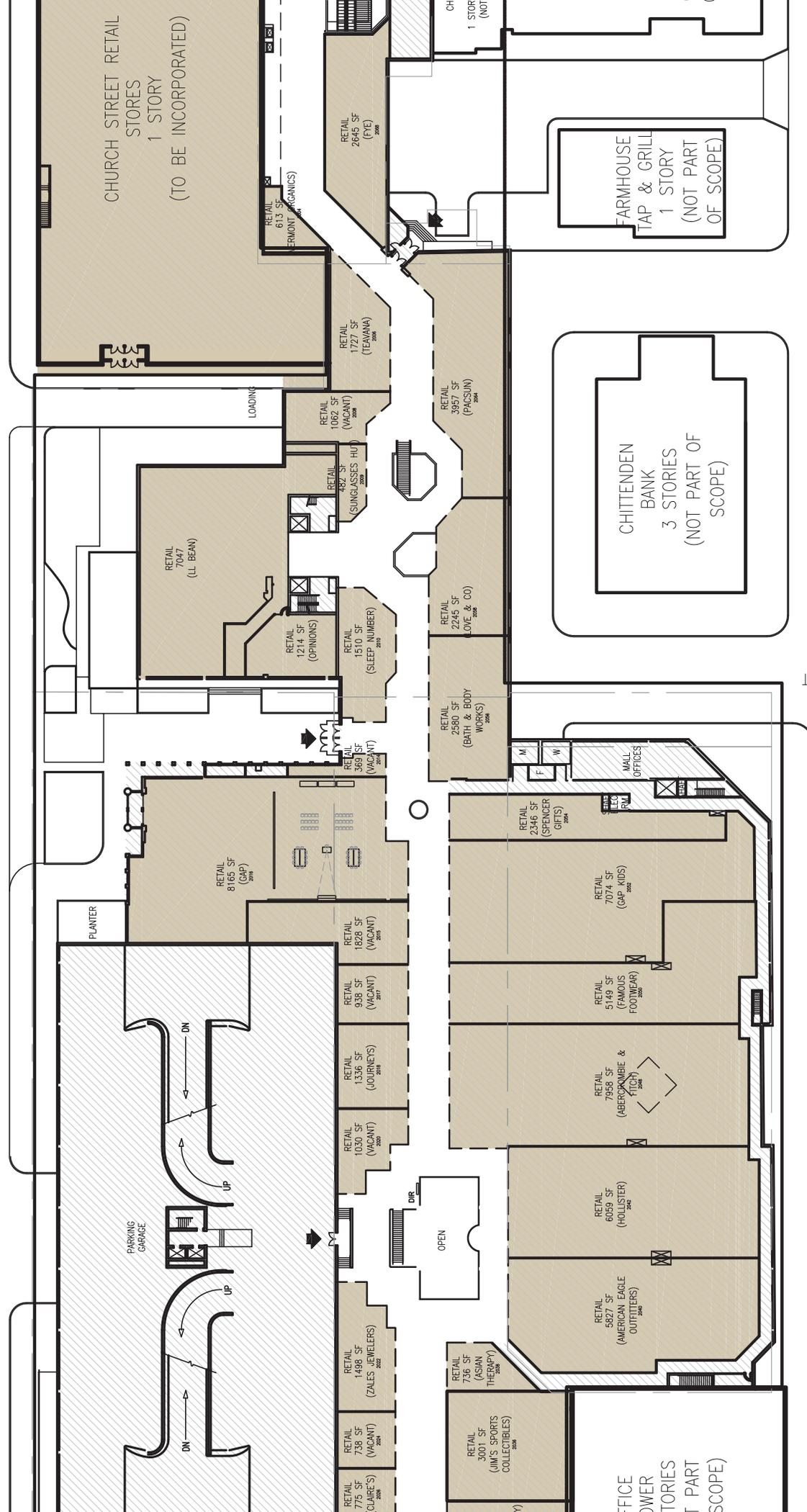
RETAIL 294 SF (VACANT)

RETAIL 2950 SF (VACANT)

RETAIL 3646 SF (CHICO'S)

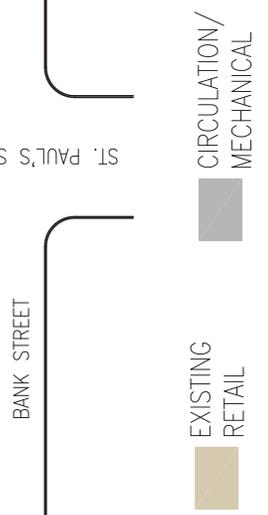
CHERRY STREET

ST. PAUL'S

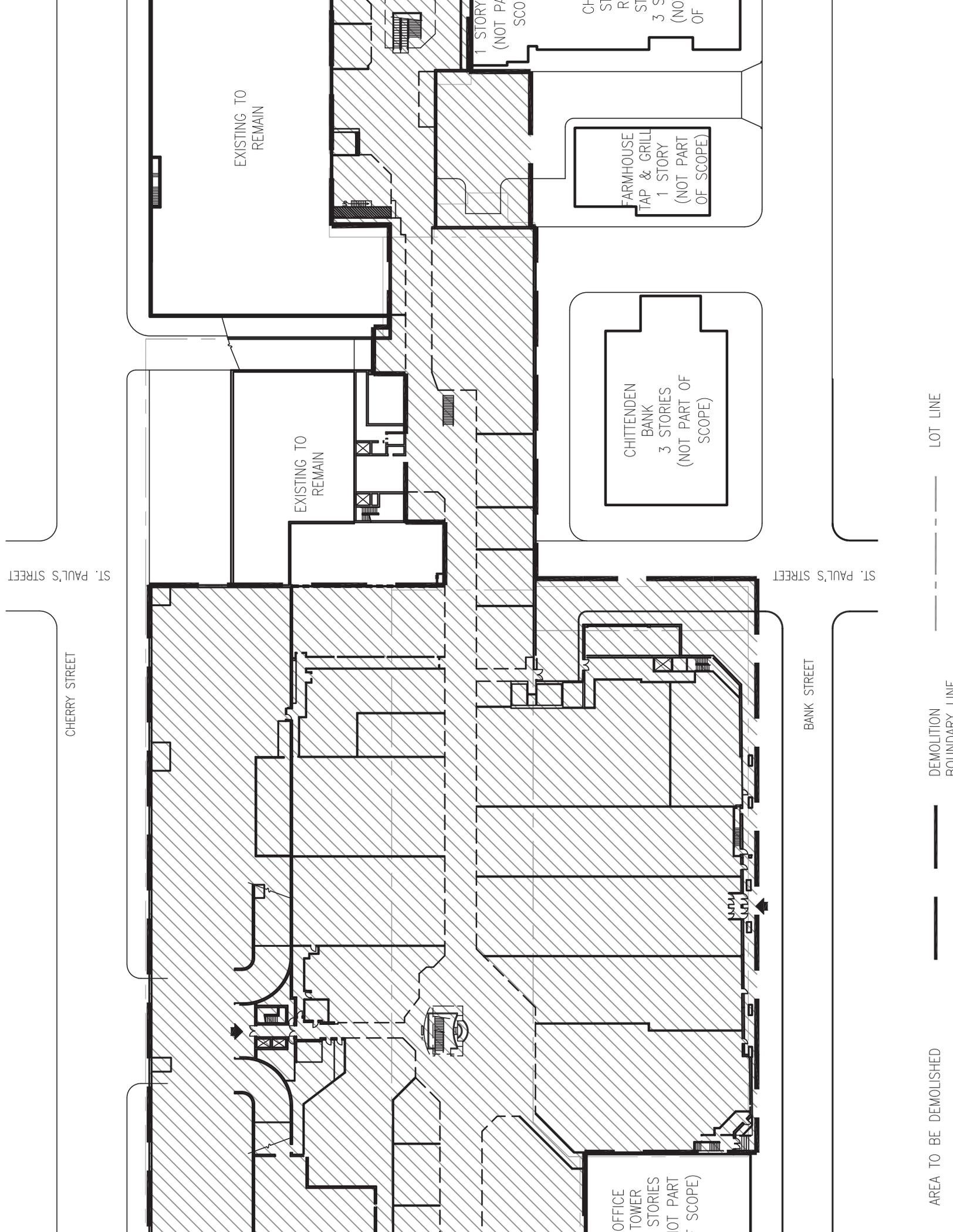


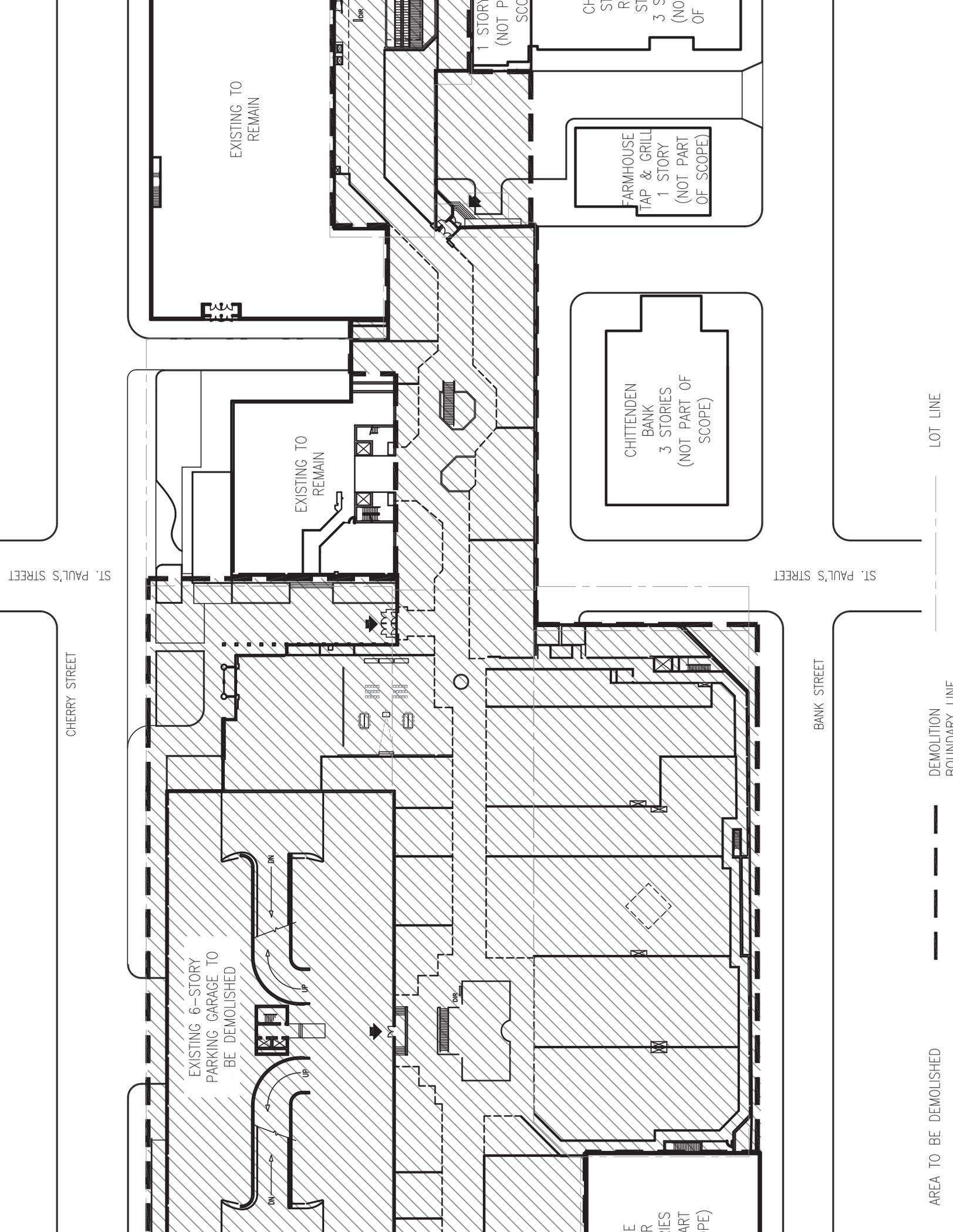
**PLAZA FLOOR AREA CALCULATIONS:**

**LOT AREA = 225,491 SF**



BANK STREET





CHERRY STREET

ST. PAUL'S STREET

ST. PAUL'S STREET

BANK STREET

EXISTING TO REMAIN

EXISTING TO REMAIN

EXISTING 6-STORY PARKING GARAGE TO BE DEMOLISHED

FARMHOUSE TAP & GRILL 1 STORY (NOT PART OF SCOPE)

CHITTENDEN BANK 3 STORIES (NOT PART OF SCOPE)

EXISTING 6-STORY PARKING GARAGE TO BE DEMOLISHED

1 STORY (NOT PART OF SCOPE)

CHITTENDEN BANK 3 STORIES (NOT PART OF SCOPE)

AREA TO BE DEMOLISHED

DEMOLITION BOUNDARY LINE

LOT LINE





CHERRY STREET

400'-0"

340'-0"

ST. PAUL'S STREET

5'-11"

EXISTING OFFICES  
13,617 SF

COMMUNITY CENTER  
6,184 SF

RETAIL  
17,131 SF

PARKING 86,742 SF (275 CARS)

MECHANICAL  
3,301 SF

BICYCLE  
PARKING  
5,355 SF

73'-10"



CIRCULATION  
/MECHANICAL

60'-0"

5'-11"

117'-10"

55'-7"

344'-0"

60'-0"

BANK STREET

325'-10"

461'-4"

ST. PAUL'S  
STREET

366'-9"

60'-0"

5'-11"

117'-10"

55'-7"

344'-0"

60'-0"

BANK STREET

325'-10"

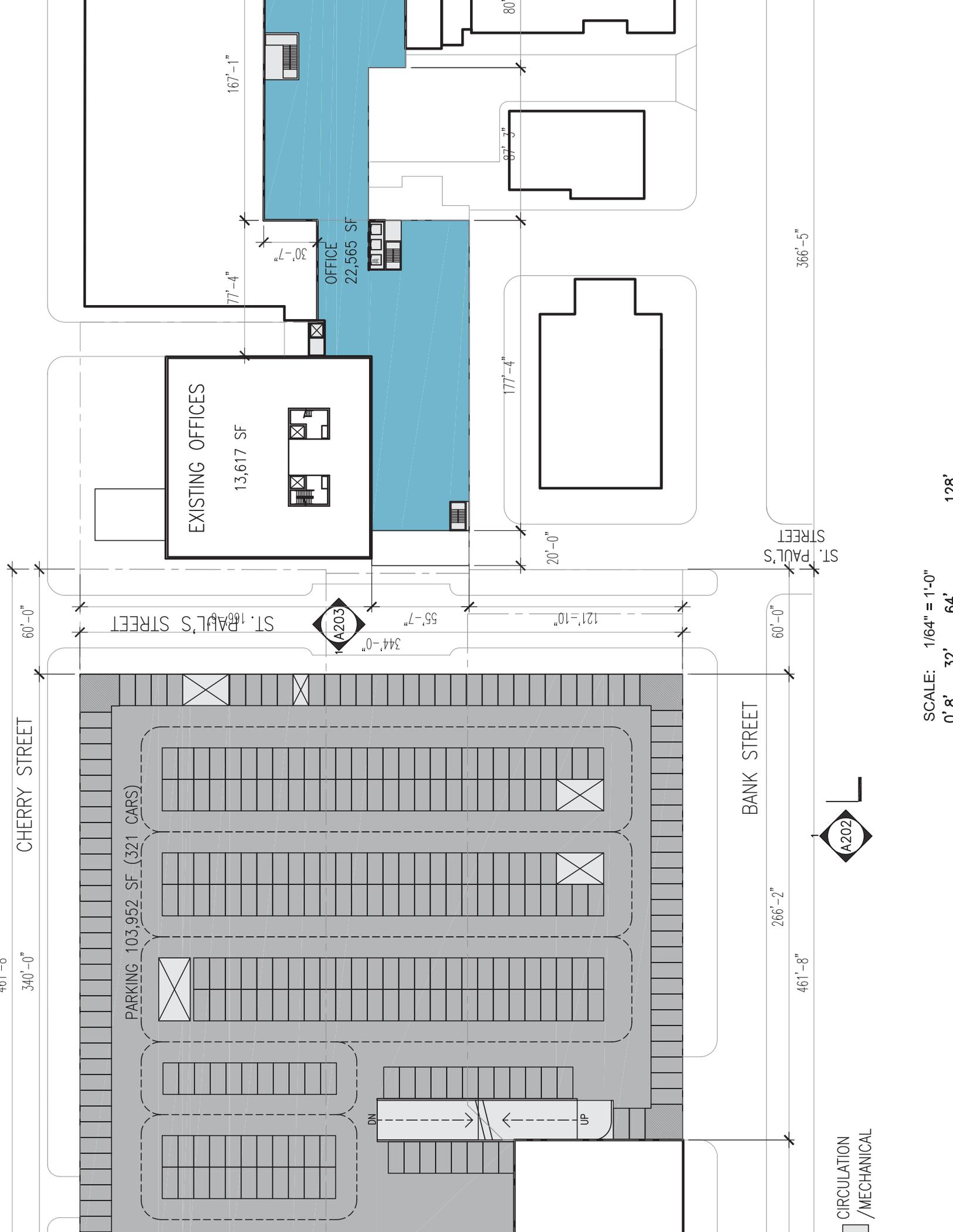
461'-4"

ST. PAUL'S  
STREET

366'-9"

SCALE: 1/64" = 1'-0"

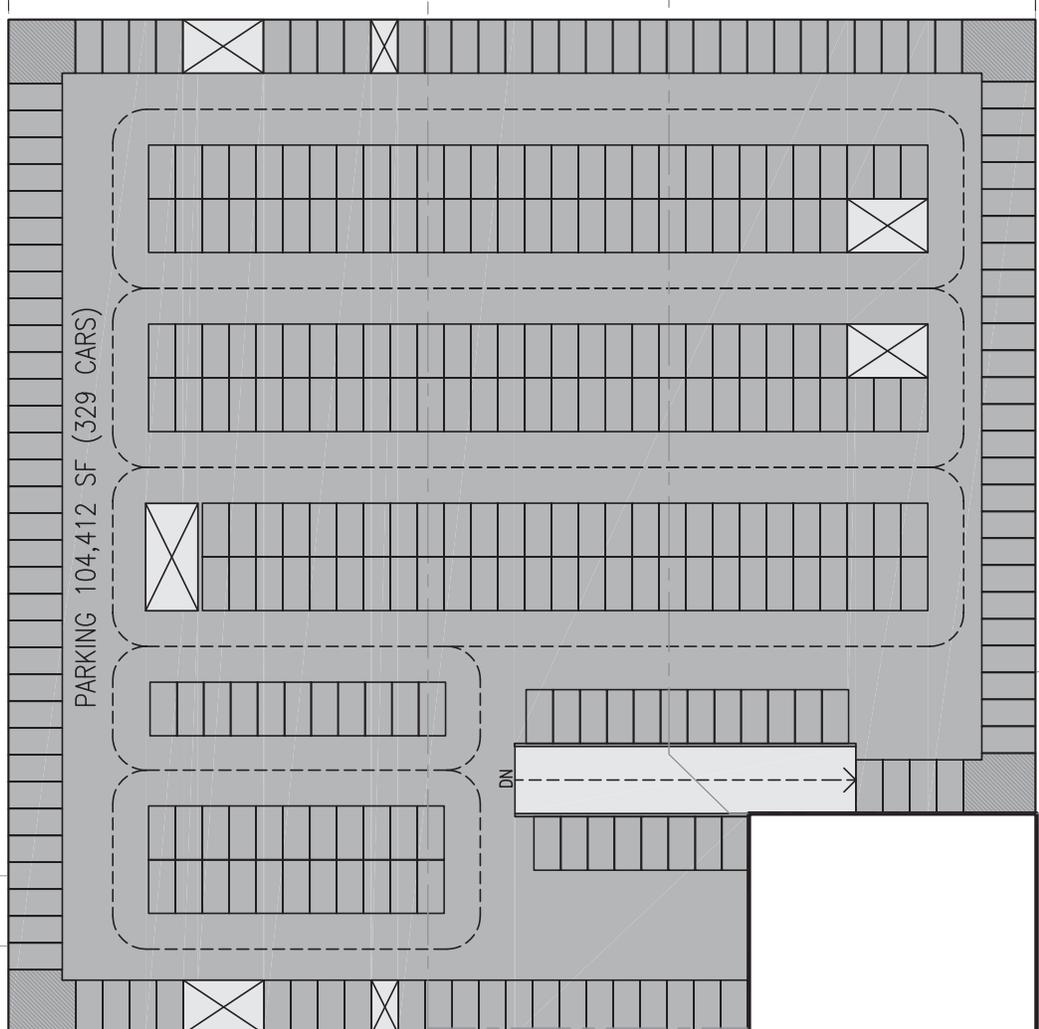
0'-8" 39' 64' 128'



CHERRY STREET

340'-0"

PARKING 104,412 SF (329 CARS)



60'-0"

ST. PAUL'S STREET

166'-8"

344'-0"

55'-7"

A203

20'-0"

177'-4"

EXISTING OFFICE  
13,617 SF

77'-4"

107'-1"

OFFICE  
15,485 SF

107'-1"

BANK STREET

60'-0"

266'-2"

401'-8"

135'-6"

366'-5"

ST. PAUL'S STREET



CIRCULATION  
/MECHANICAL

SCALE: 1/64" = 1'-0"

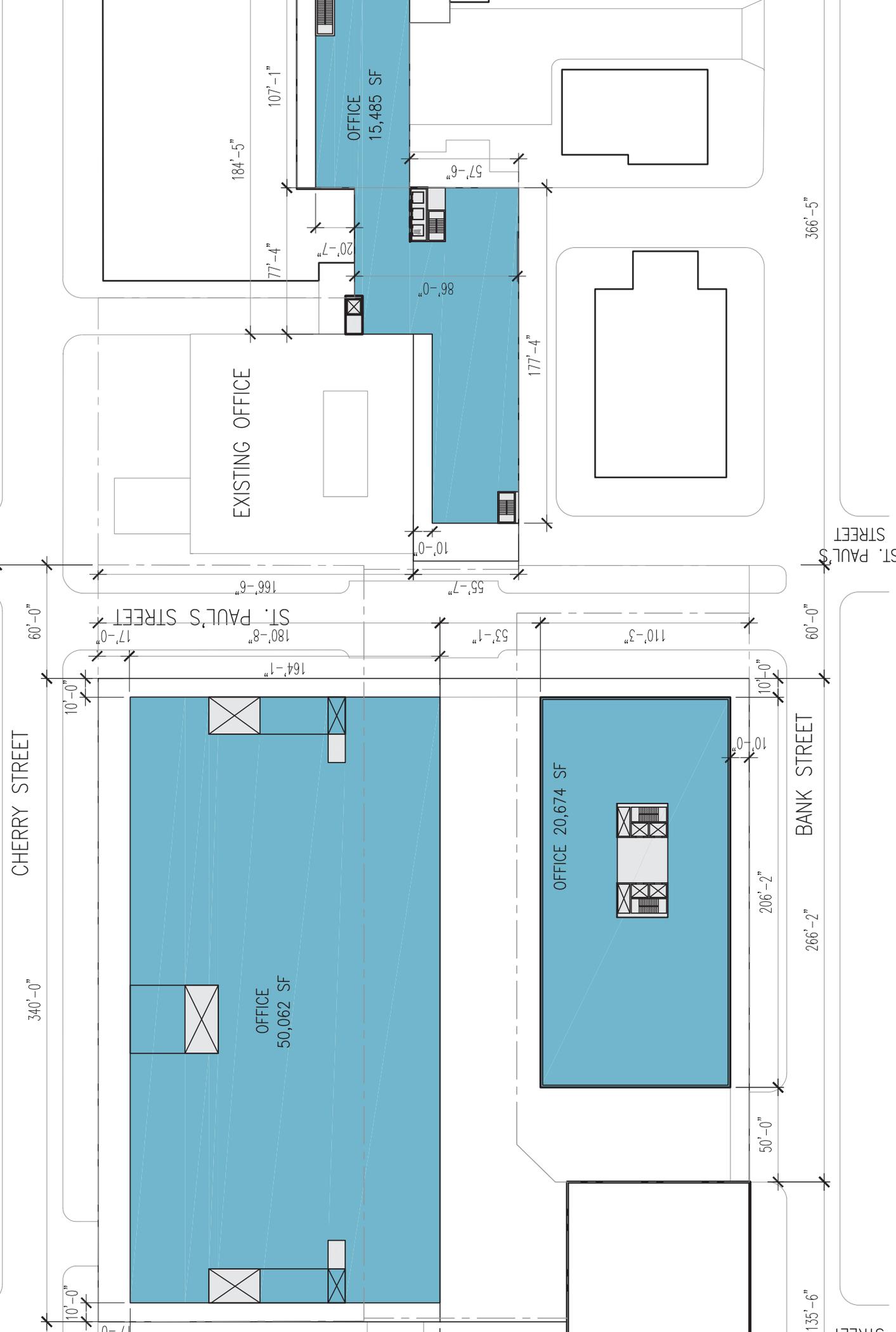
0'-8" 39' 64' 128'



CHERRY STREET

340'-0"

60'-0"



EXISTING OFFICE

OFFICE 15,485 SF

OFFICE 50,062 SF

OFFICE 20,674 SF

366'-5"

60'-0"

BANK STREET

266'-2"

135'-6"

ST. PAUL STREET

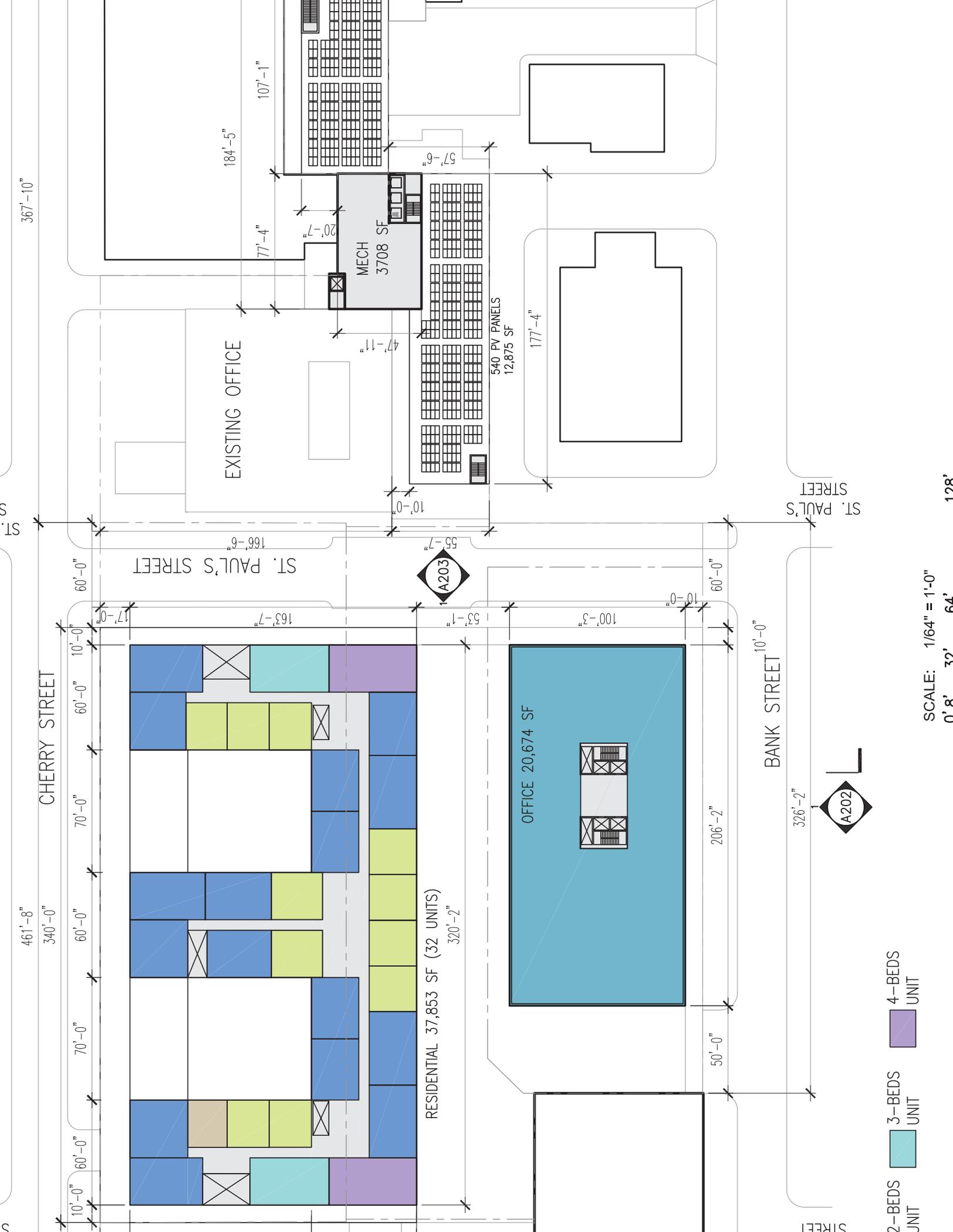
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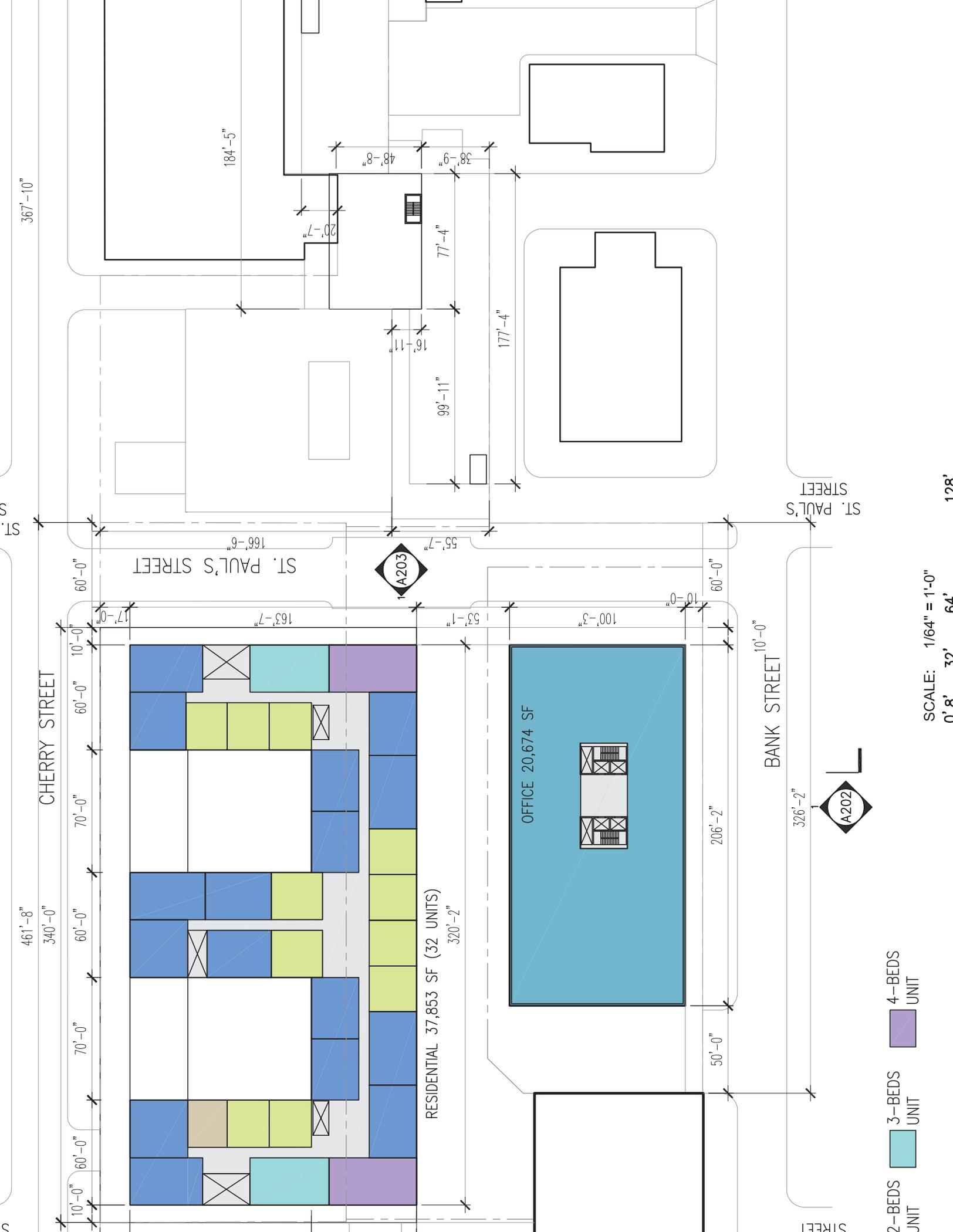
NE

128'

64'







367'-10"

461'-8"

CHERRY STREET

340'-0"

60'-0"

10'-0"

60'-0"

60'-0"

70'-0"

70'-0"

60'-0"

60'-0"

70'-0"

60'-0"

70'-0"

60'-0"

10'-0"

ST. PAUL'S STREET

163'-7"

166'-6"

166'-6"

163'-7"

163'-7"

163'-7"

163'-7"

163'-7"

163'-7"

163'-7"

163'-7"

163'-7"

163'-7"



RESIDENTIAL 37,853 SF (32 UNITS)  
320'-2"

55'-7"

53'-1"

100'-3"

10'-0"

60'-0"

206'-2"

50'-0"

10'-0"

60'-0"

100'-3"

53'-1"

55'-7"

100'-3"

10'-0"

60'-0"

OFFICE 20,674 SF

BANK STREET 10'-0"

326'-2"



ST. PAUL'S STREET

2-BEDS UNIT  
3-BEDS UNIT  
4-BEDS UNIT



SCALE: 1/64" = 1'-0"

128'

64'

32'

16'

8'

4'

2'

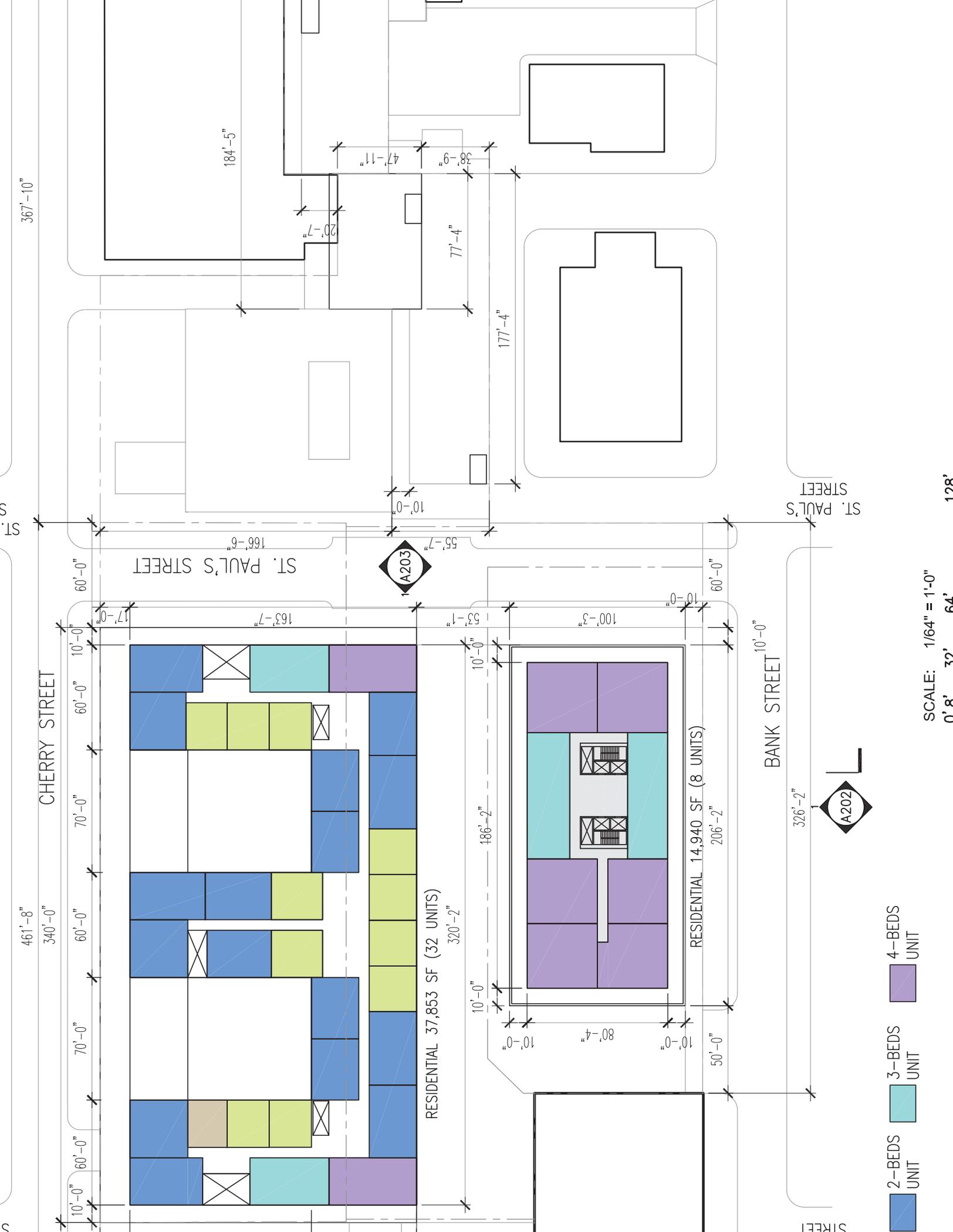
1'

0.5'

0.25'

0.125'

0.0625'



367'-10"

461'-8"  
340'-0"

CHERRY STREET

ST. PAUL'S STREET

ST. PAUL'S STREET

BANK STREET

RESIDENTIAL 37,853 SF (32 UNITS)  
320'-2"

RESIDENTIAL 14,940 SF (8 UNITS)  
206'-2"

A203

A202

- 2-BEDS UNIT
- 3-BEDS UNIT
- 4-BEDS UNIT

SCALE: 1/64" = 1'-0"

128'

64'

60'-0"

10'-0"

60'-0"

60'-0"

70'-0"

70'-0"

60'-0"

60'-0"

70'-0"

60'-0"

60'-0"

10'-0"

163'-7"

10'-0"

60'-0"

60'-0"

70'-0"

60'-0"

60'-0"

70'-0"

60'-0"

60'-0"

10'-0"

184'-5"

20'-7"

47'-11"

38'-9"

77'-4"

177'-4"

10'-0"

55'-7"

53'-1"

10'-0"

186'-2"

10'-0"

10'-0"

10'-0"

10'-0"

10'-0"

10'-0"

10'-0"

10'-0"

10'-0"

10'-0"

100'-3"

10'-0"

60'-0"

60'-0"

10'-0"

10'-0"

10'-0"

10'-0"

10'-0"

10'-0"

10'-0"

10'-0"

60'-0"

10'-0"

60'-0"

60'-0"

10'-0"

10'-0"

50'-0"

50'-0"

10'-0"

10'-0"

10'-0"

10'-0"

10'-0"

326'-2"

10'-0"

10'-0"

10'-0"

10'-0"

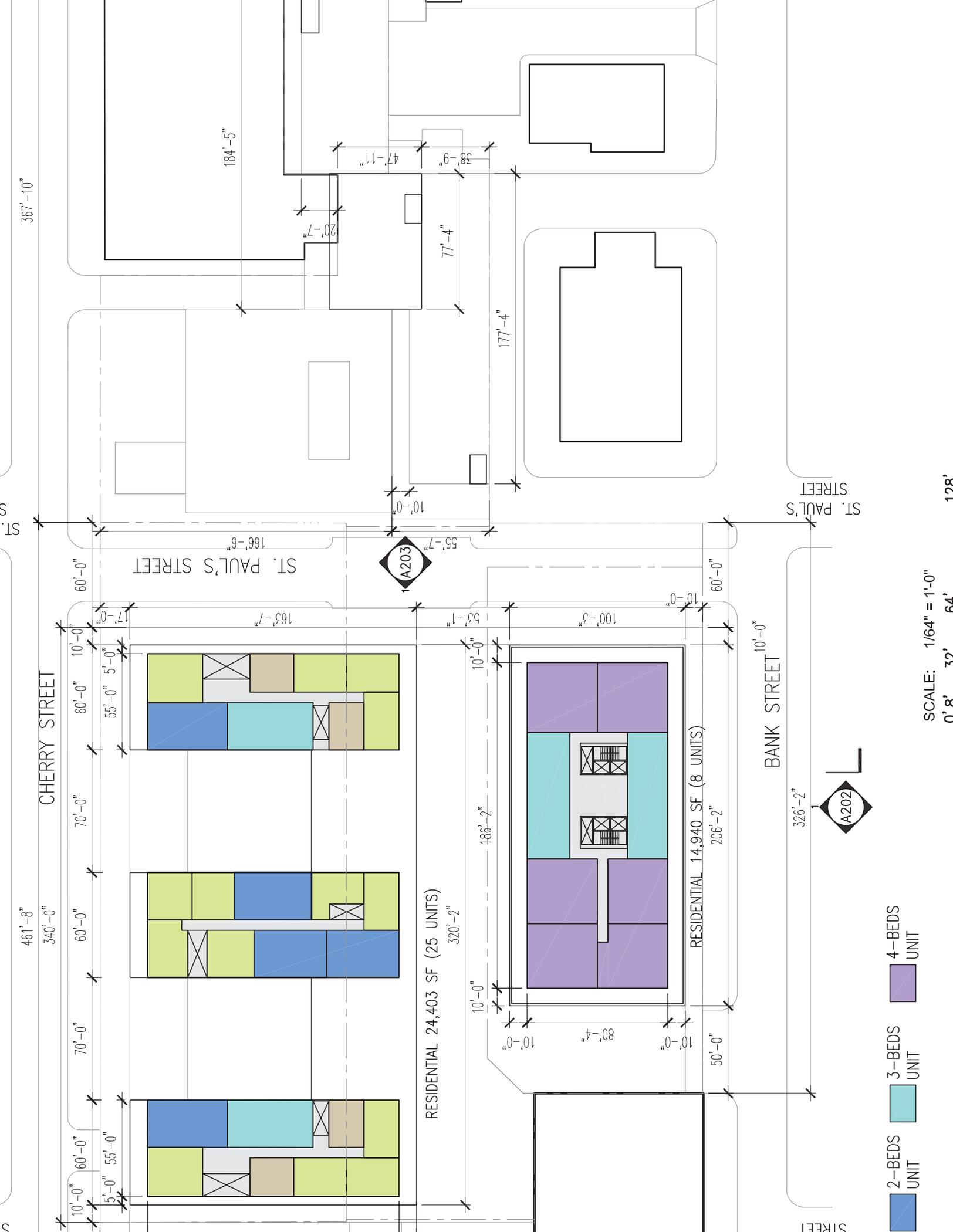
10'-0"

10'-0"

10'-0"

128'

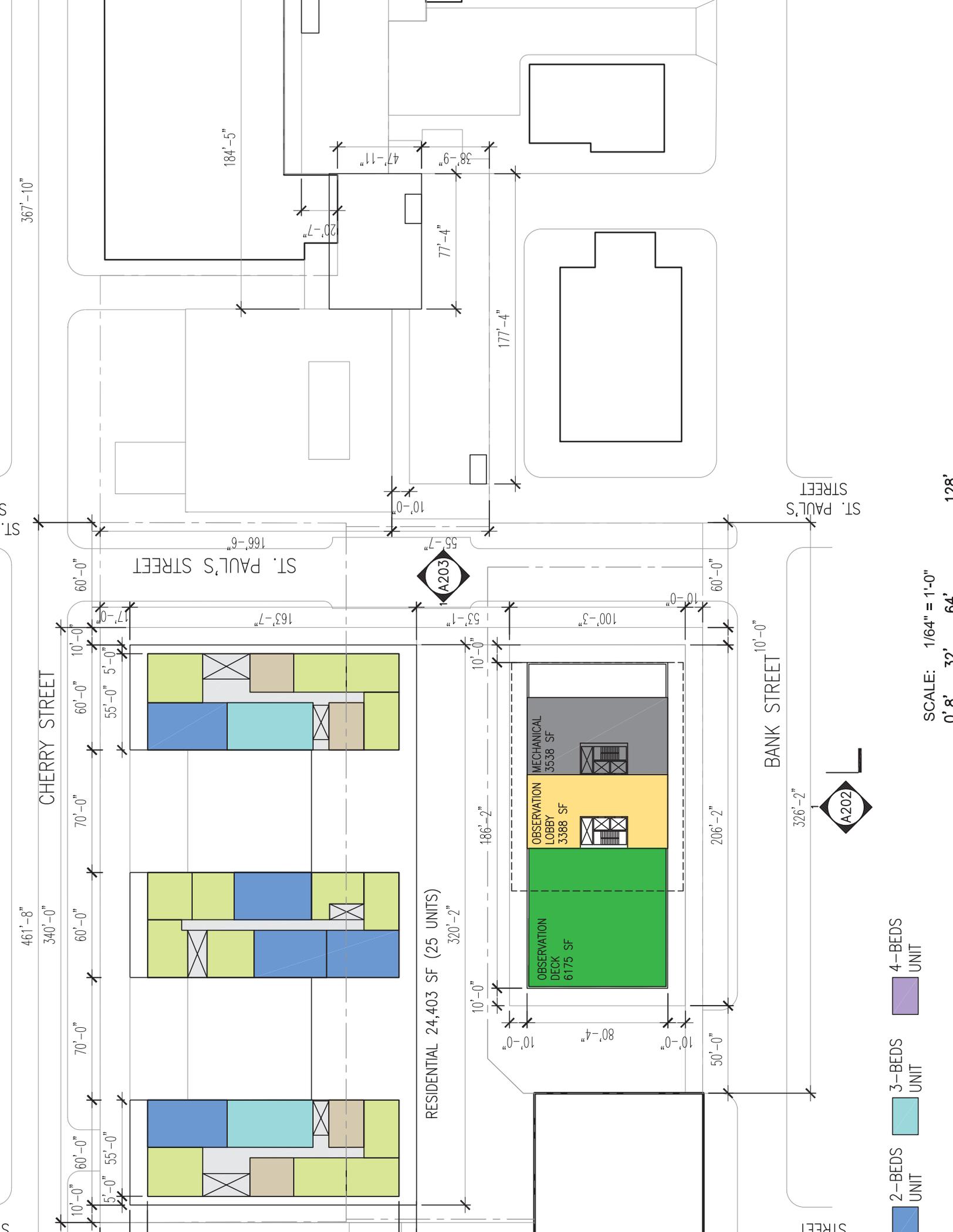
64'



SCALE: 1/64" = 1'-0"

128'

64'



367'-10"

461'-8"

CHERRY STREET

ST. PAUL'S STREET

ST. PAUL'S STREET

BANK STREET

RESIDENTIAL 24,403 SF (25 UNITS)

OBSERVATION DECK  
6,175 SF

OBSERVATION LOBBY  
3,388 SF

MECHANICAL  
3,538 SF

A203

A202

2-BEDS UNIT

3-BEDS UNIT

4-BEDS UNIT

SCALE: 1/64" = 1'-0"

128'

64'

32'

16'

8'

4'

2'

1'

0.5'

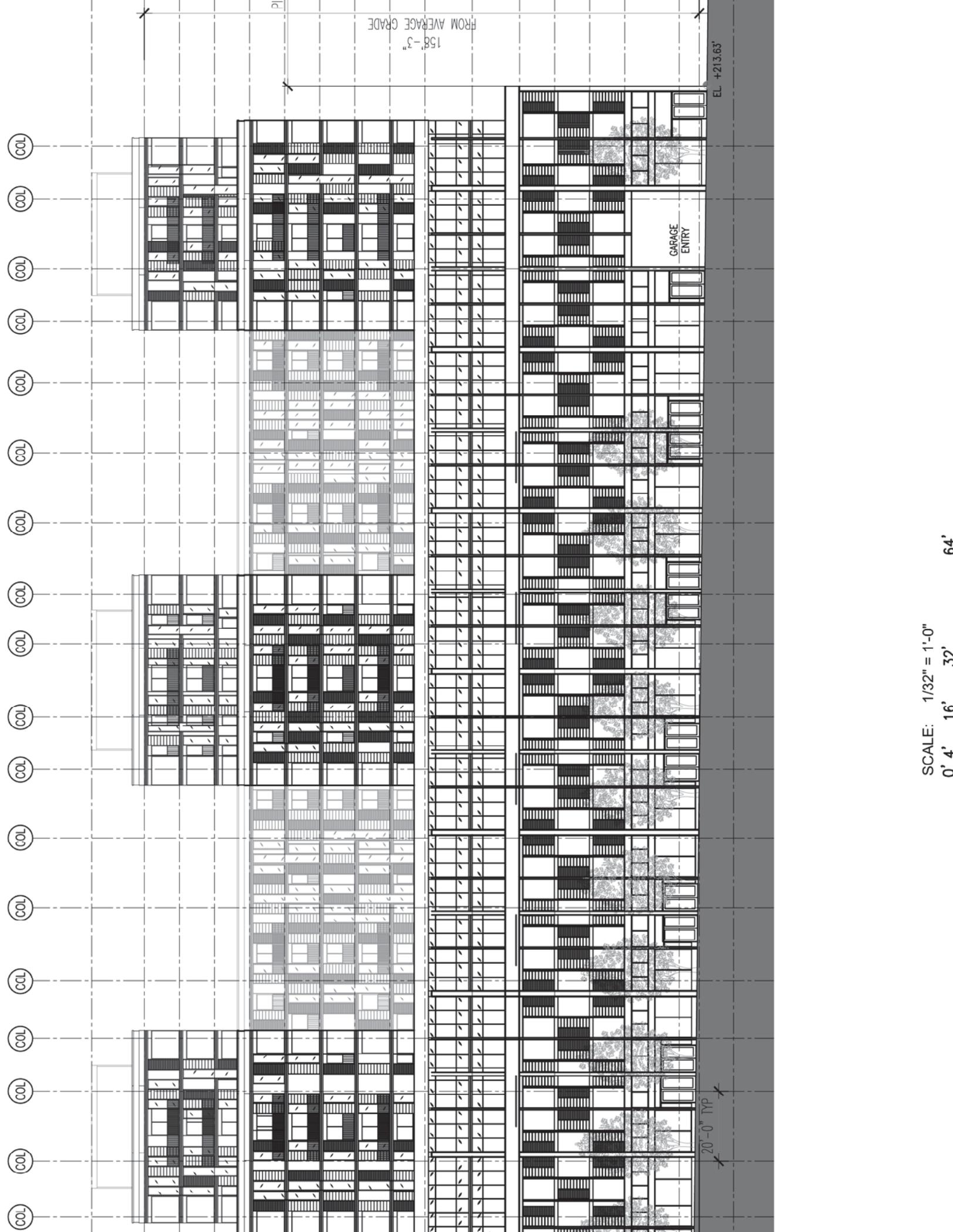
0.25'

0.125'

0.0625'

0.03125'





158'-3"  
FROM AVERAGE GRADE

EL. +213.63

GARAGE  
ENTRY

20'-0" TYP

SCALE: 1/32" = 1'-0"  
0' 4" 16' 32' 64'

PROPERTY LINE

PROPERTY LINE

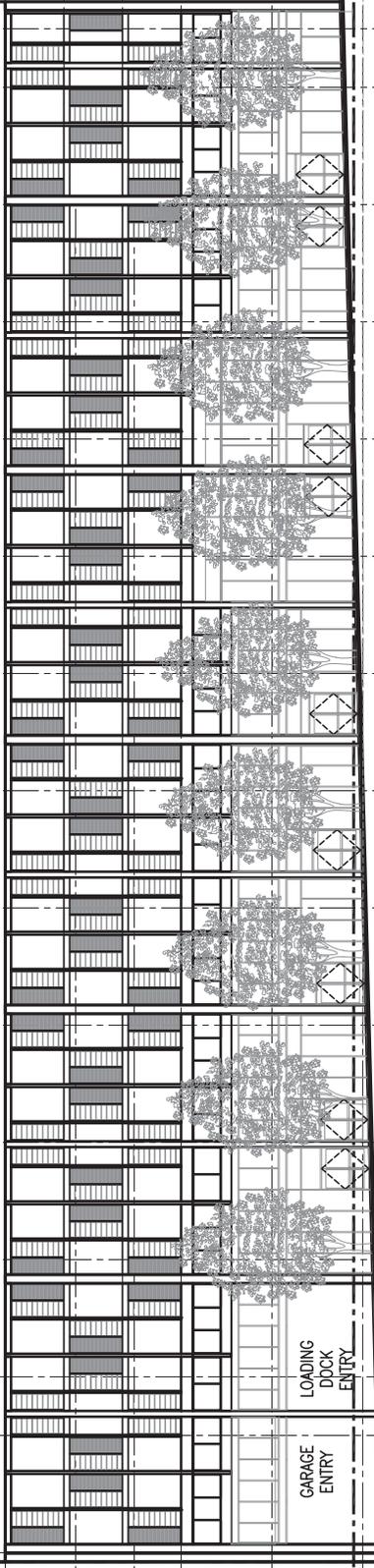


60'-0"  
ST PAULS STREET PUBLIC .R.O.W

13'-6"  
TYP.

5'-6"  
TYP.  
10'-0"  
TYP.  
15'-6"  
TYP.

EL. +211.04  
EL. +212.00



GARAGE ENTRY  
LOADING DOCK ENTRY

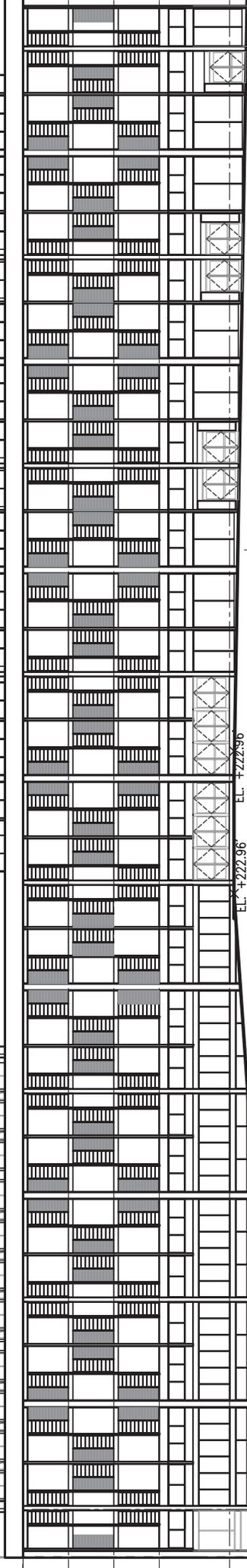
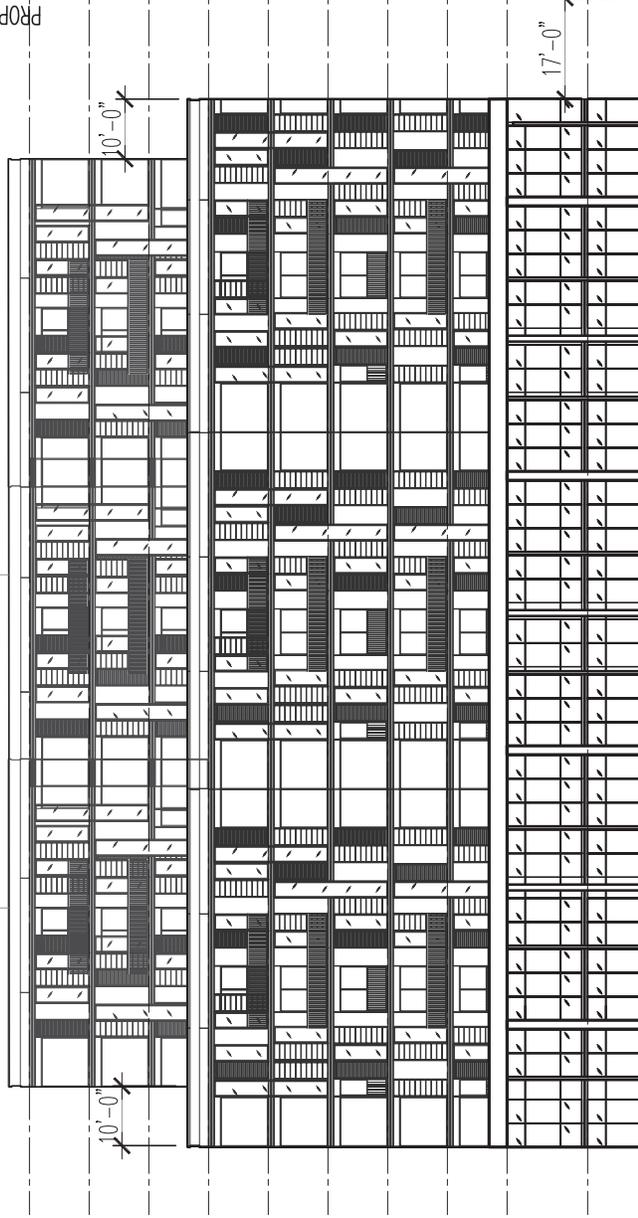
SCALE: 1/32" = 1'-0"

0' 4" 16' 32' 64'

PROPERTY LINE



PROPERTY LINE



EL. +27'

1.80% SLOPE

10'-0"

EL. +222.96 EL. +222.96

6.9% SLOPE

EL. +217.54

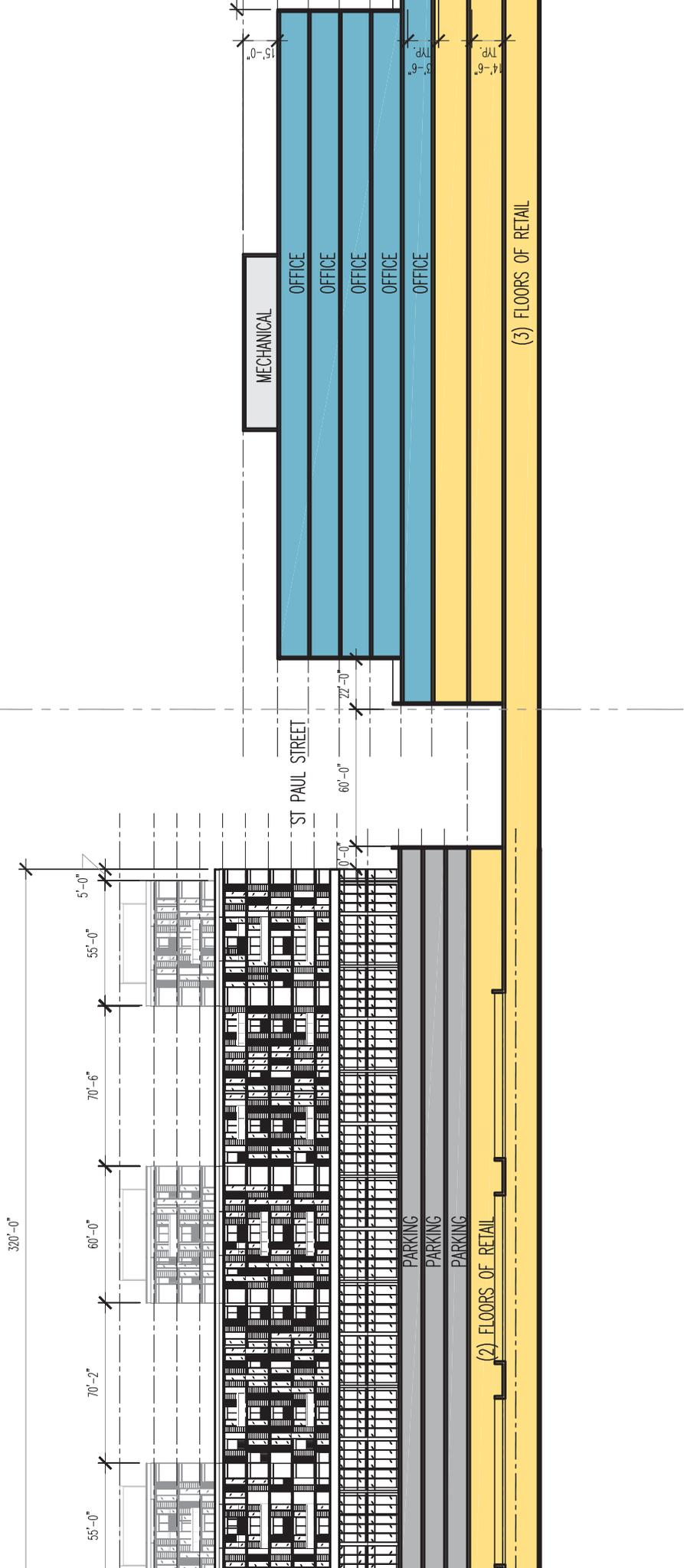
SCALE: 1/32" = 1'-0"

64'

16'

32'

ST. PAULS STREET

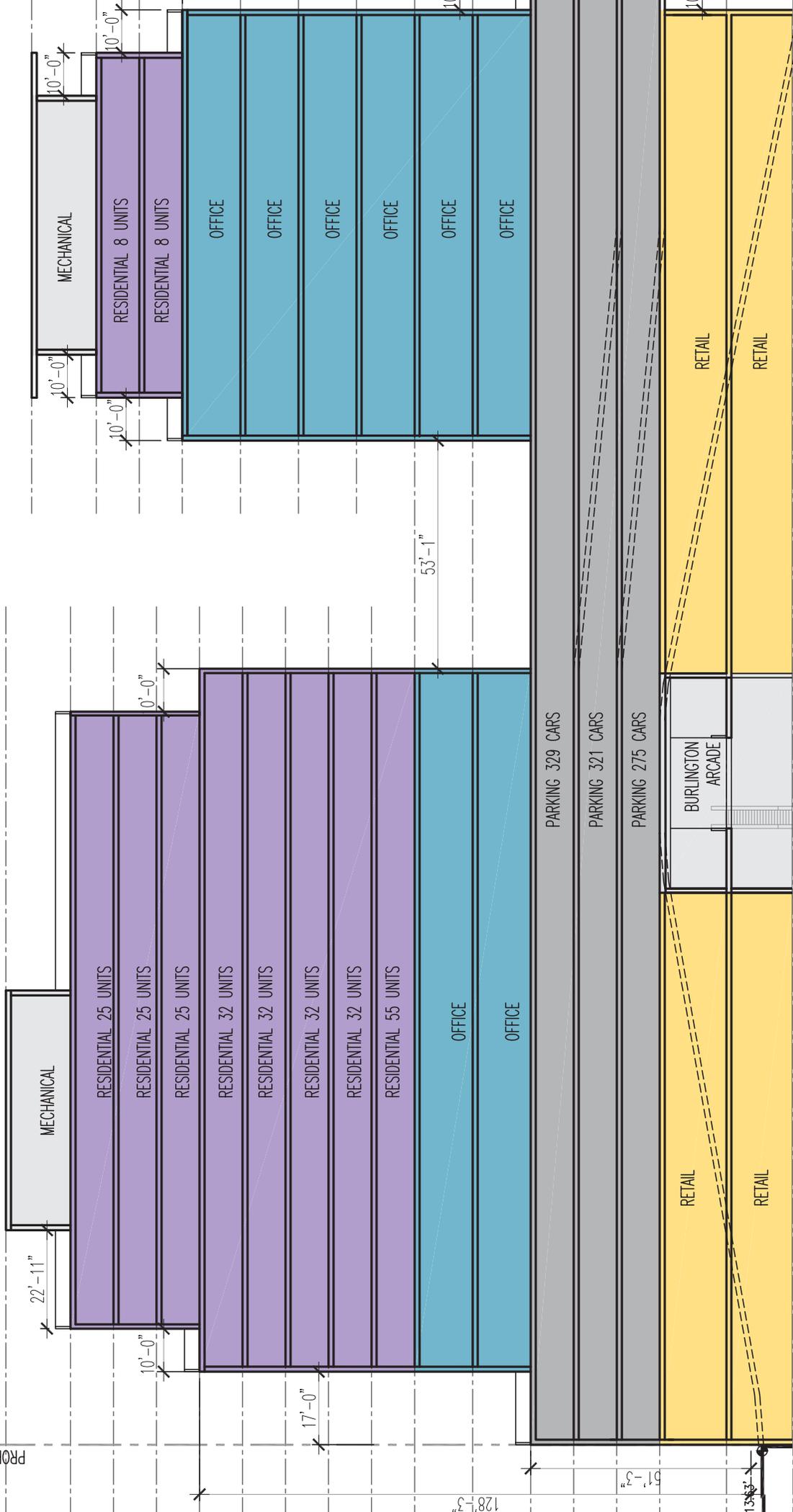


LEASABLE  
OFFICE



SCALE: 1/64" = 1'-0"  
0' 8" 32' 64' 128'

PROPERTY LINE



- RESIDENTIAL
- PARKING
- CIRCULATION / MECHANICAL

SCALE: 1/32" = 1'-0"





VIEW 2 - ST. PAUL'S STREET LOOK



SIGNAGE

CREPERIE

FRENCH BISTRO

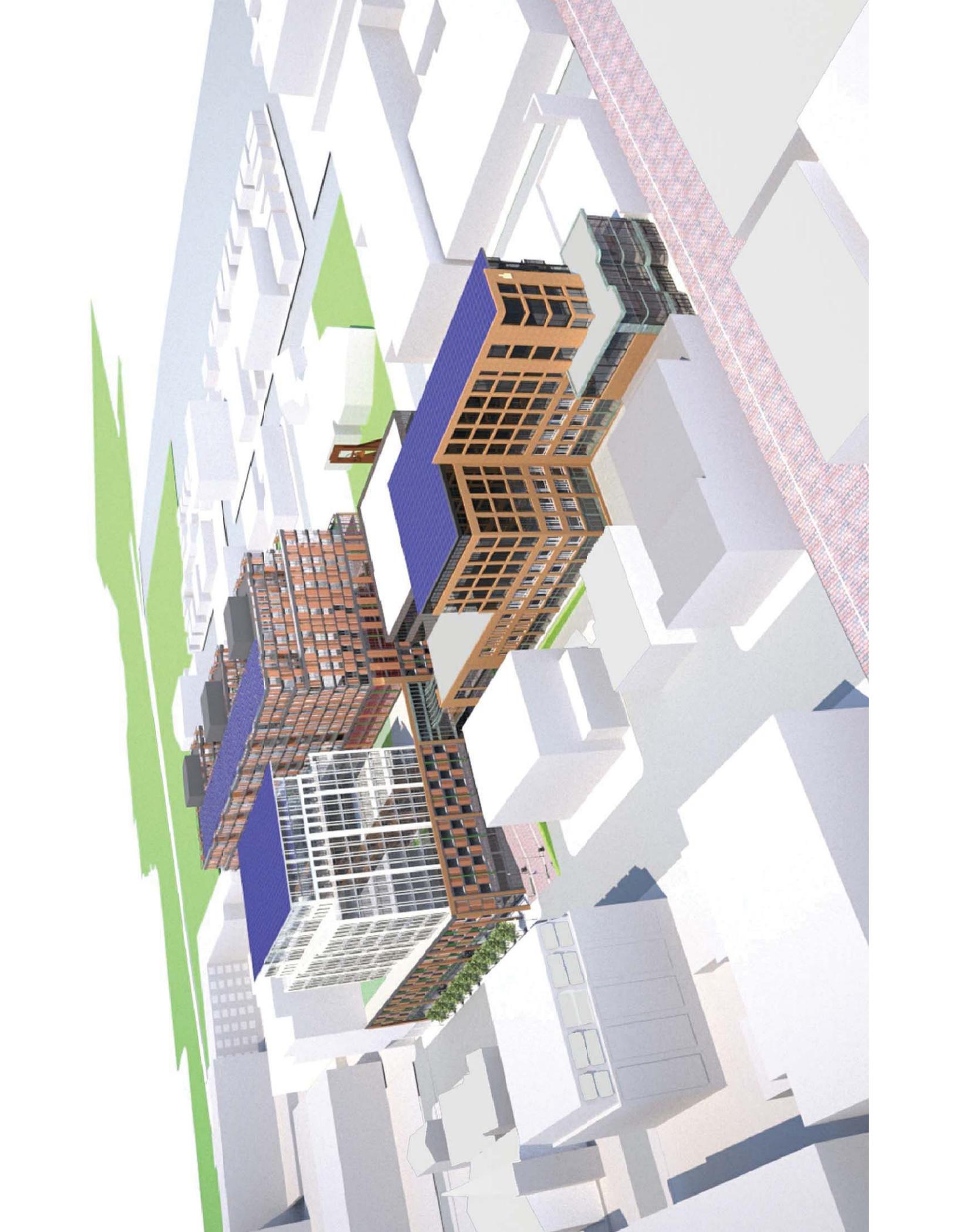
BAKERY

SUSHI BAR



VIEW 4 - BANK STREET LOOKING EAST







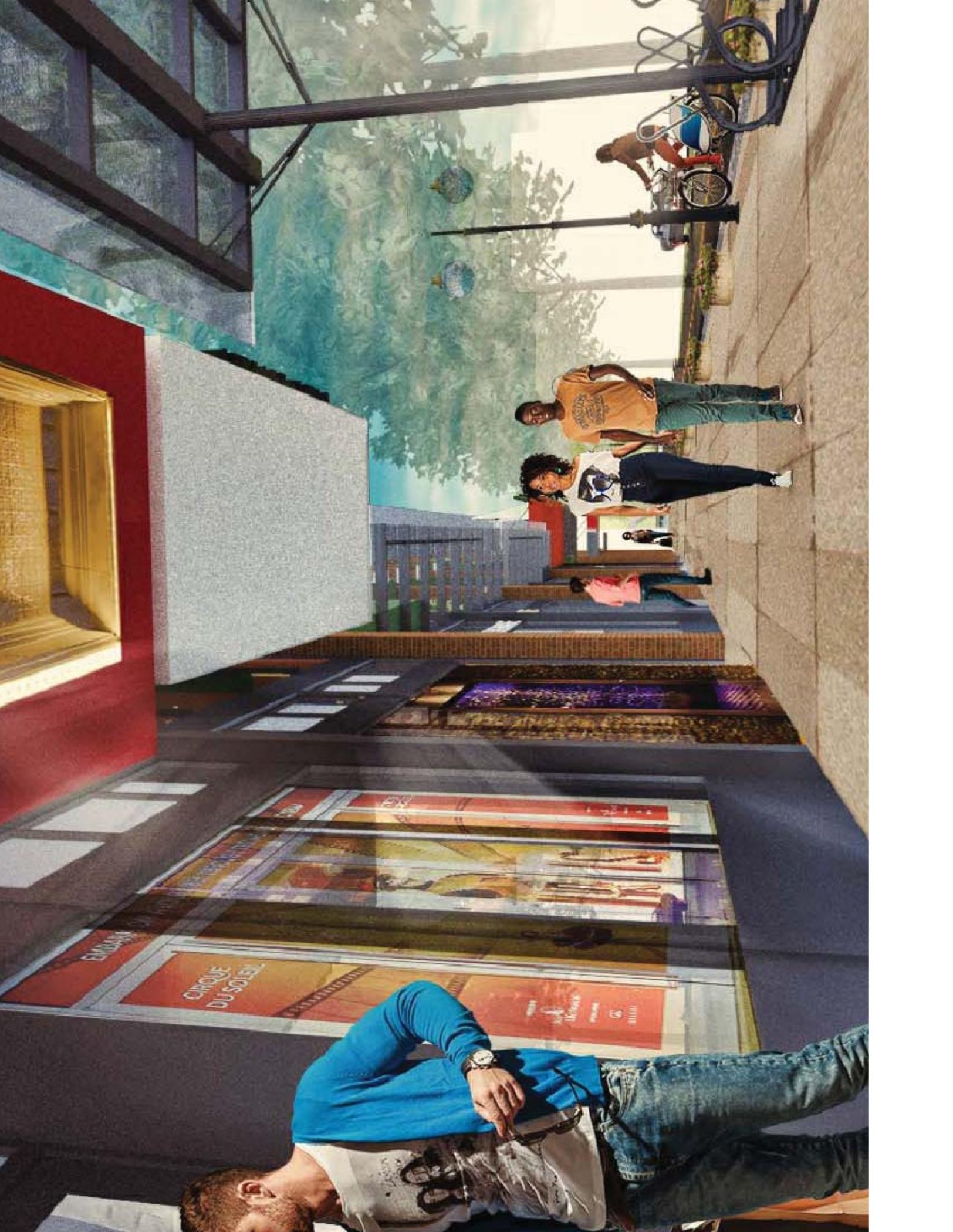


VIEW 8 - ST. PAUL'S STREET LOOK



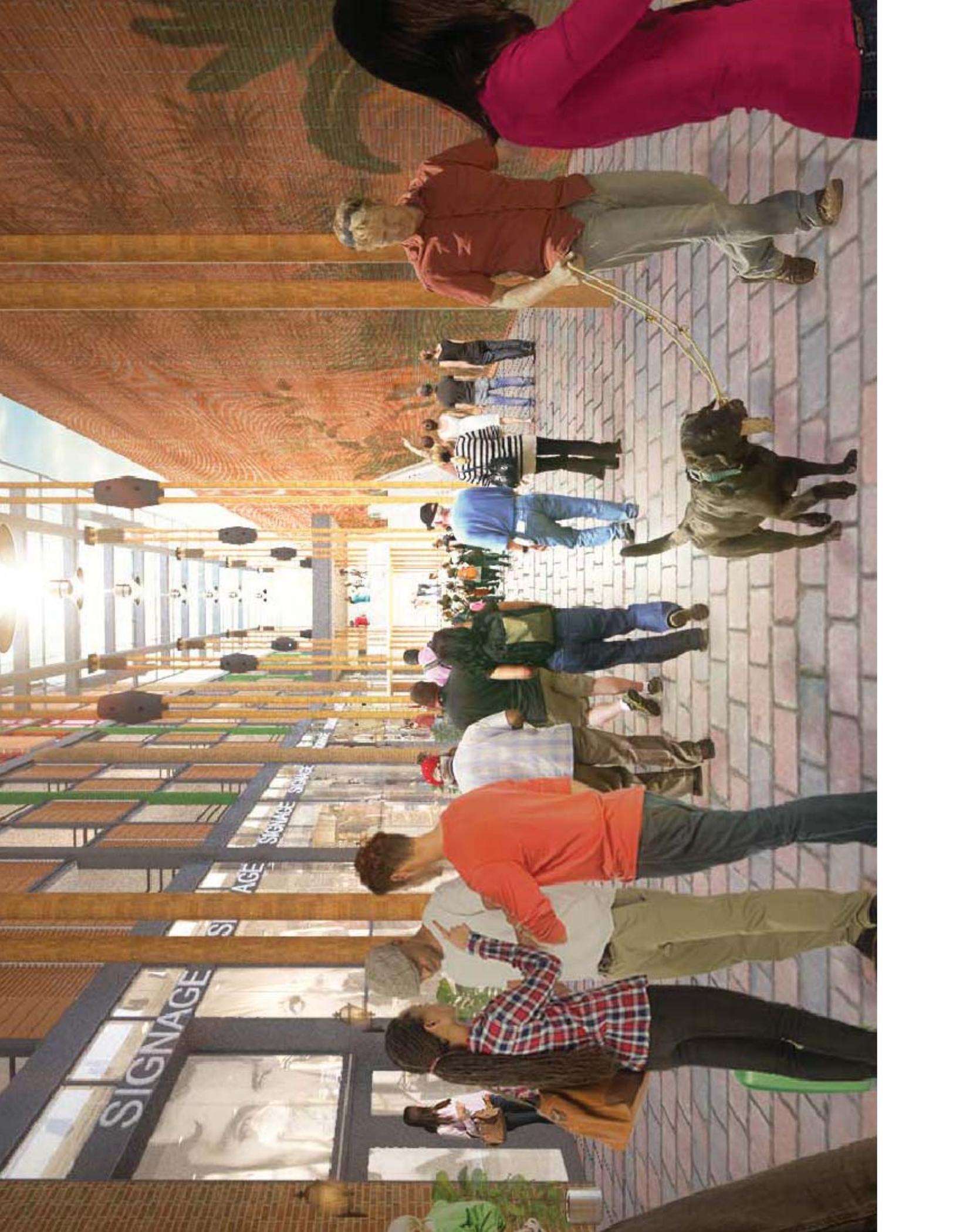


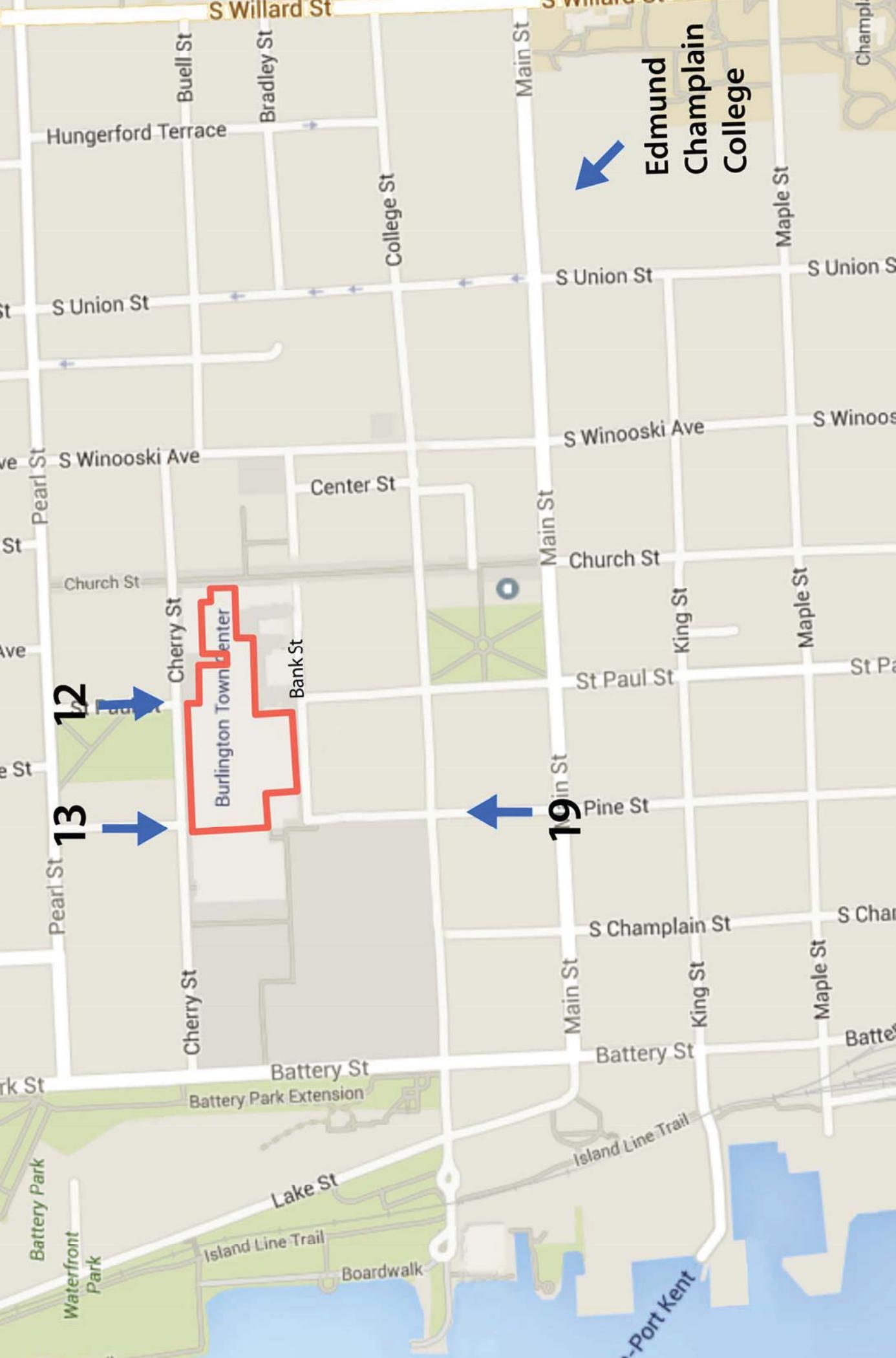
VIEW 10 - NW CORNER OF CHERRY & ...





VIEW 12 - PINE STREET ARCADE ENTRANCE





BEFORE & AFTER VIEWS



BEFORE: ST. DALLIS STREET



LEFT: ST. DALLAS STREET LOOKING



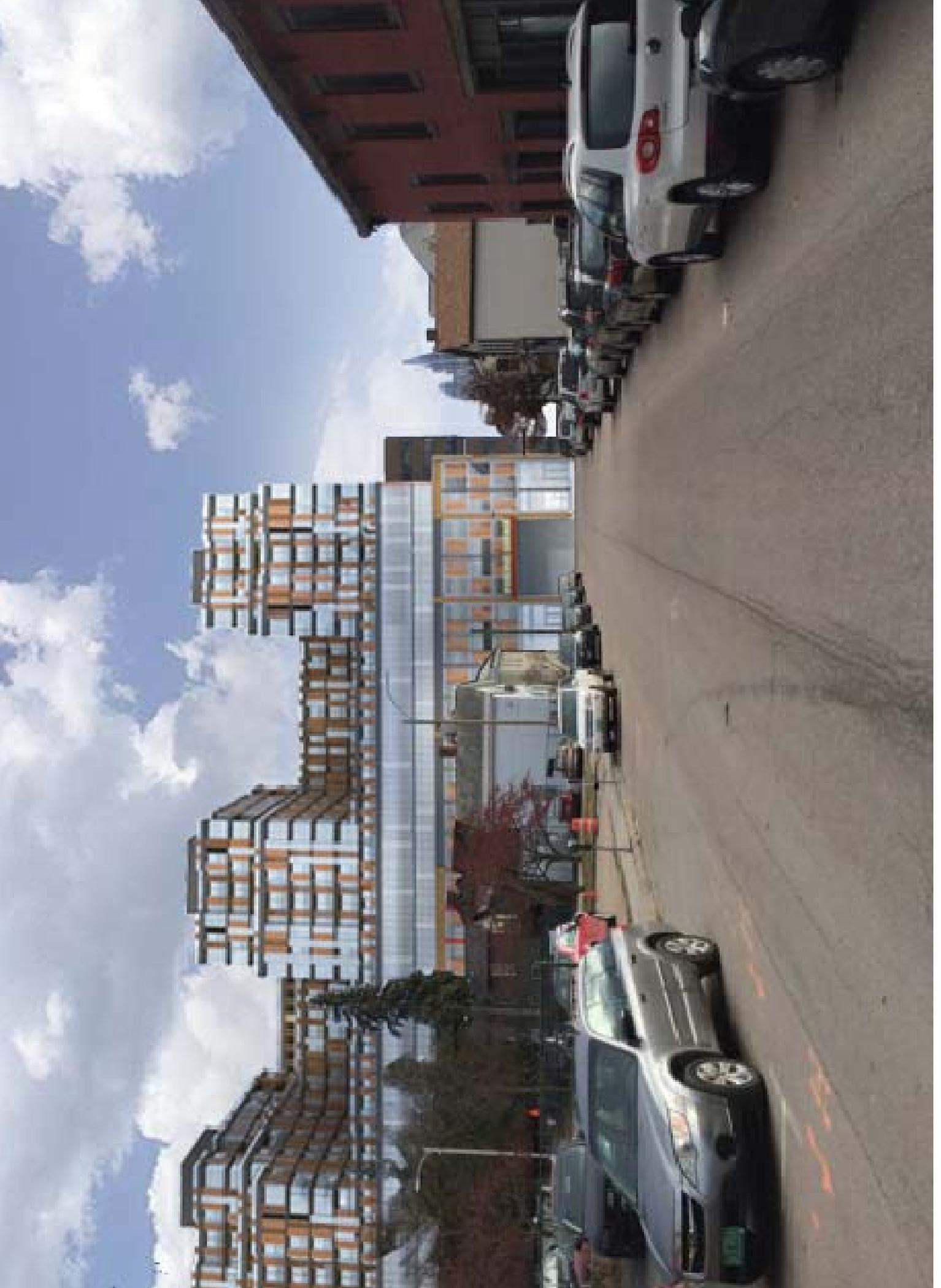
BEFORE: ST. DALLAS STREET



BEFORE: DINE STREET LOOKING



AFTER: DINE STREET LOOKING



DESIGNED: DINE STREET LOOKING



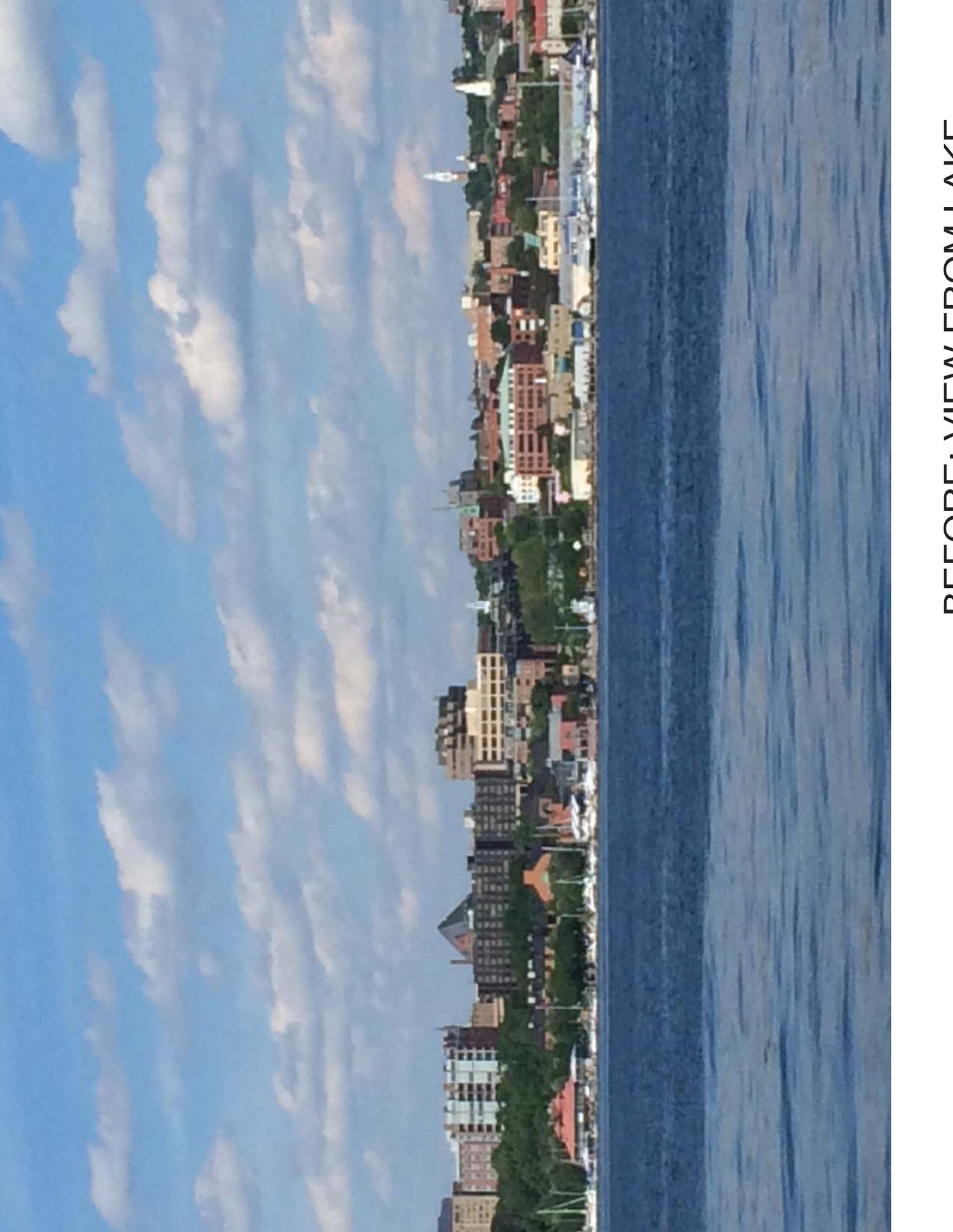
BEFORE: DINE STREET LOOKING



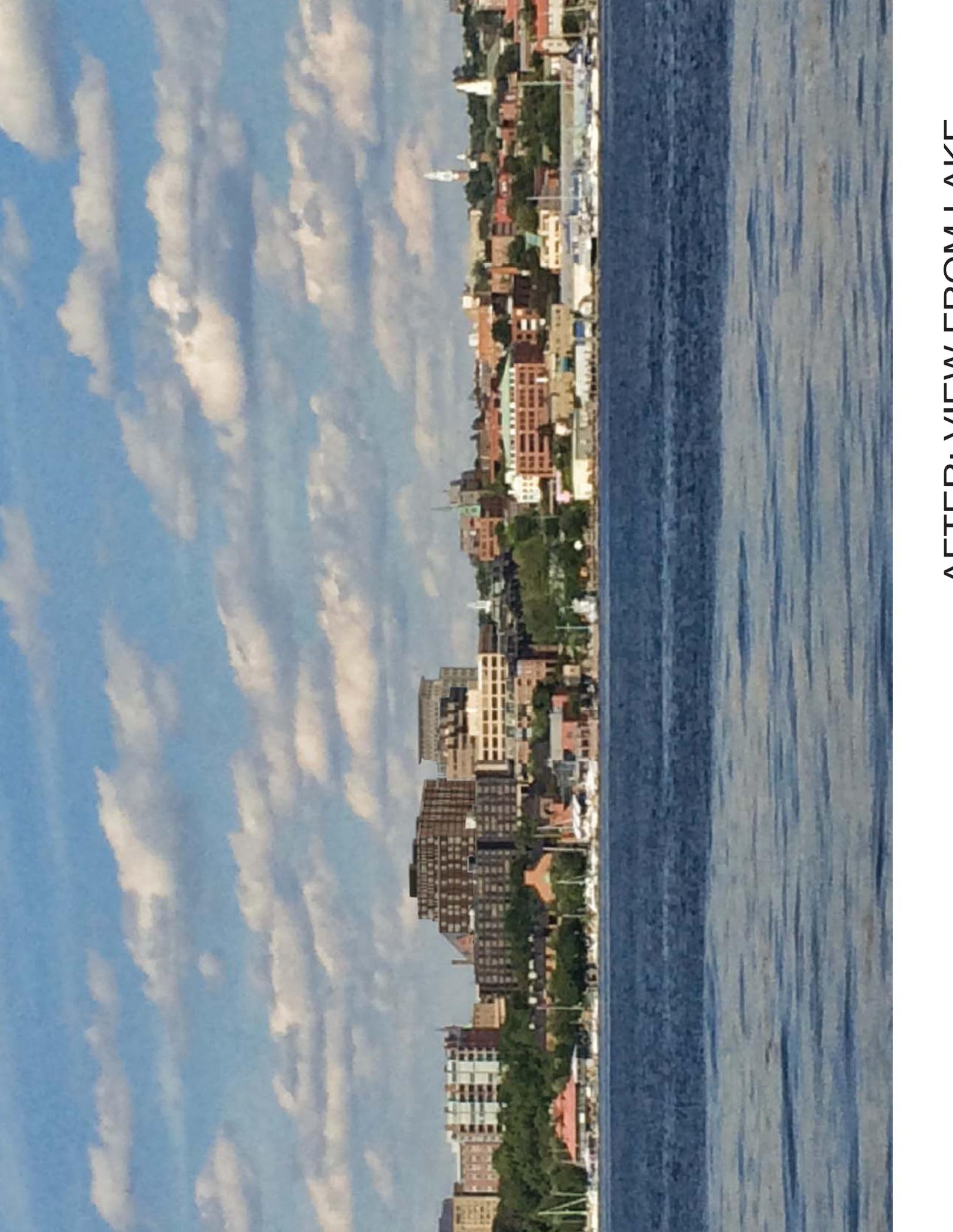
AFTER: DINE STREET LOOKING



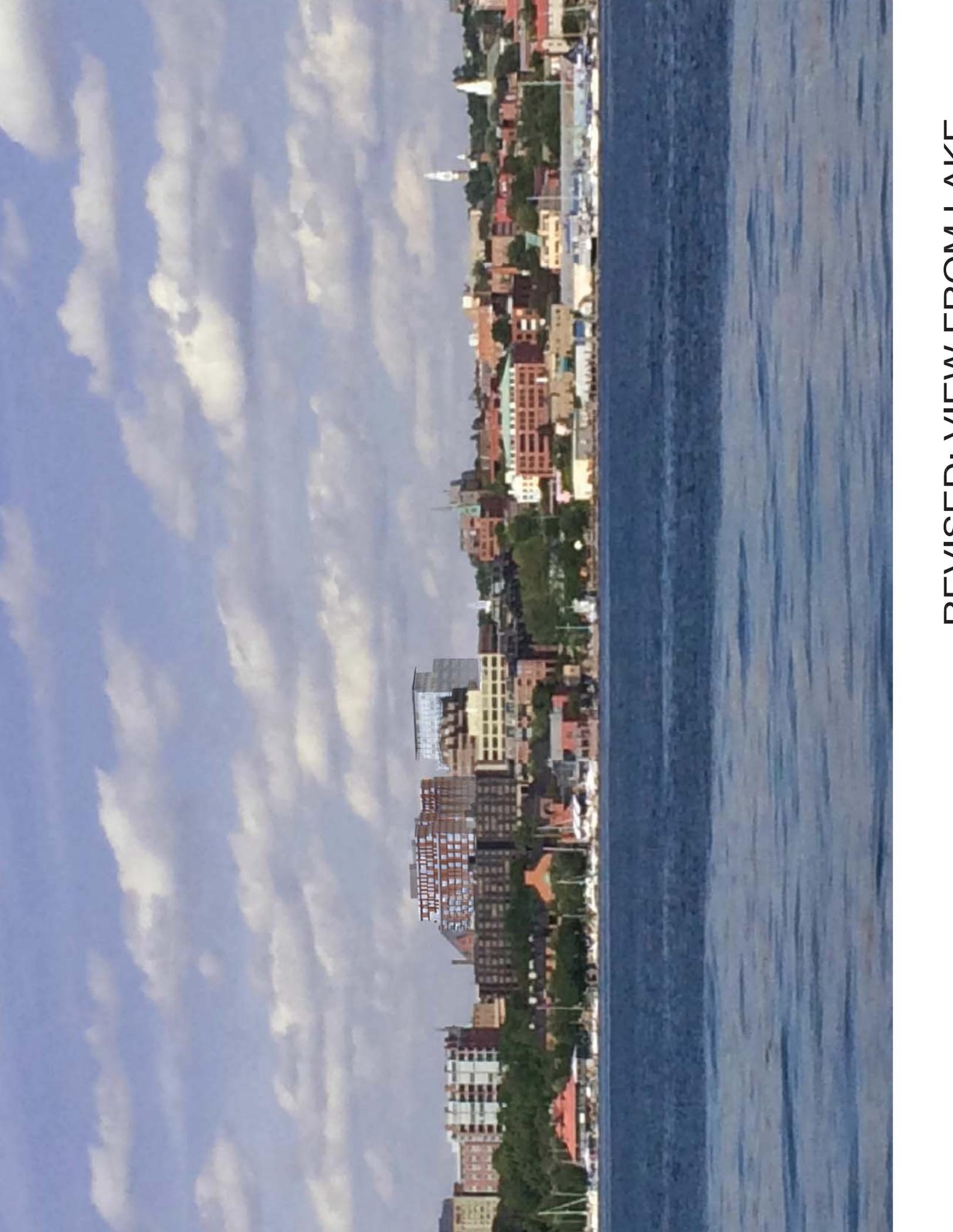
DEVICES: DINE STREET LOOKING



BEFORE: VIEW FROM LAKE



AFTER: VIEW FROM LAKE



REVISED: VIEW FROM LAKE



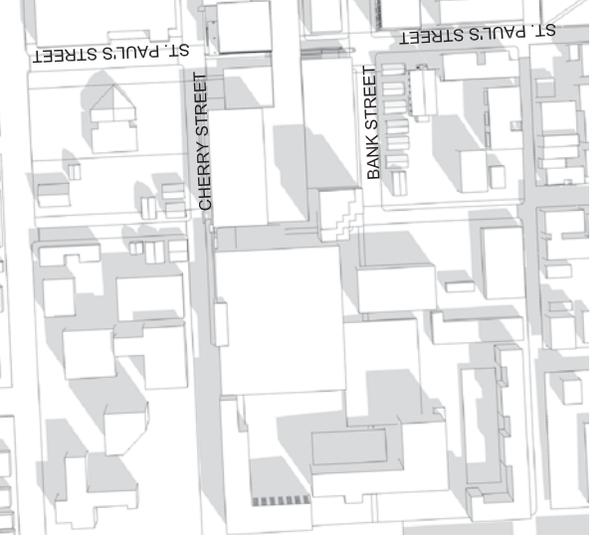
BEFORE: VIEW FROM EDMUNDS &



AFTER: VIEW FROM EDMUNDS &

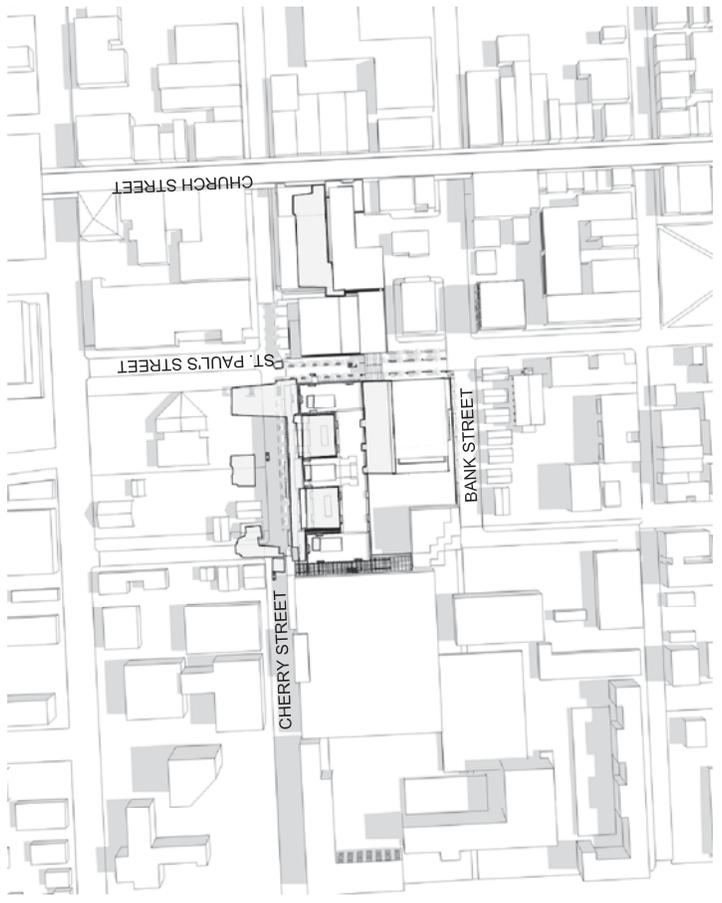
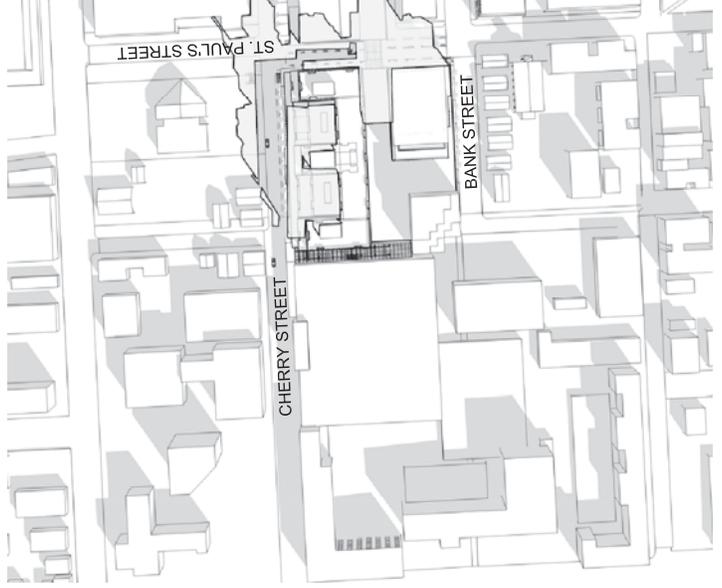


REVISOR: VIEW FROM EDMUNDS &



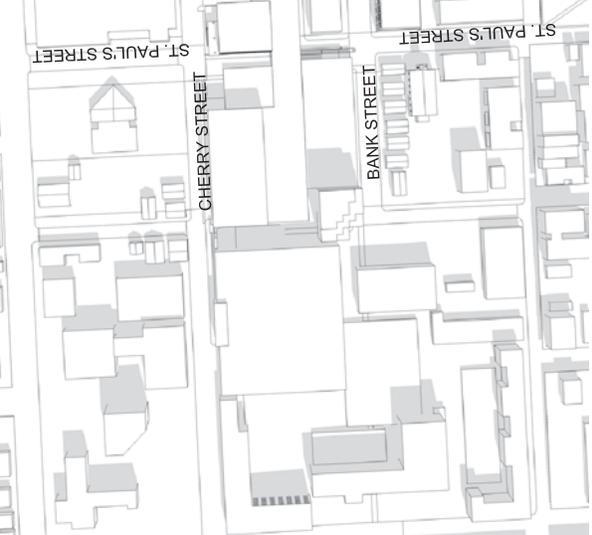
12:00 PM

9:00 AM

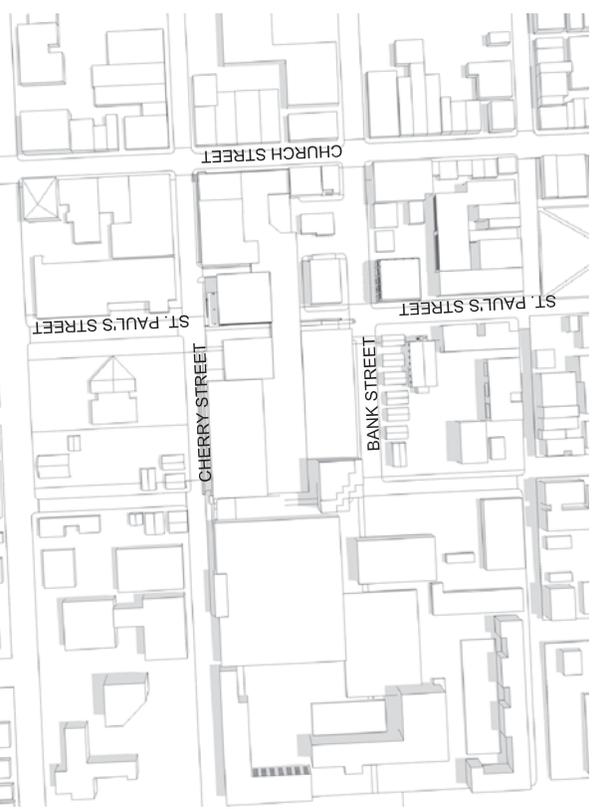


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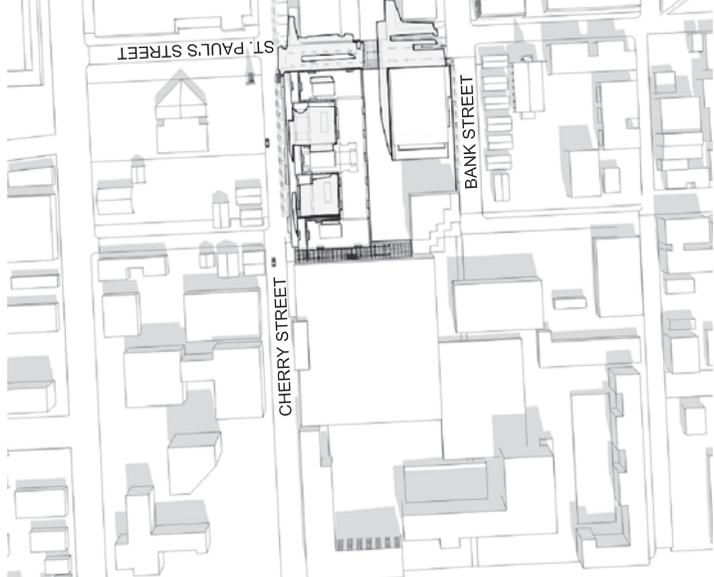
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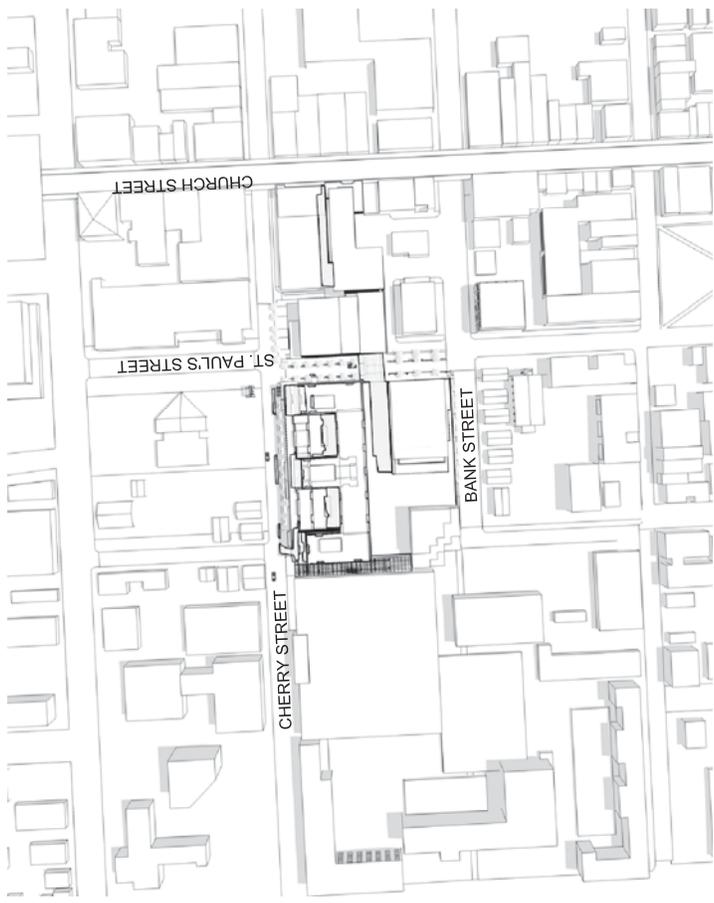
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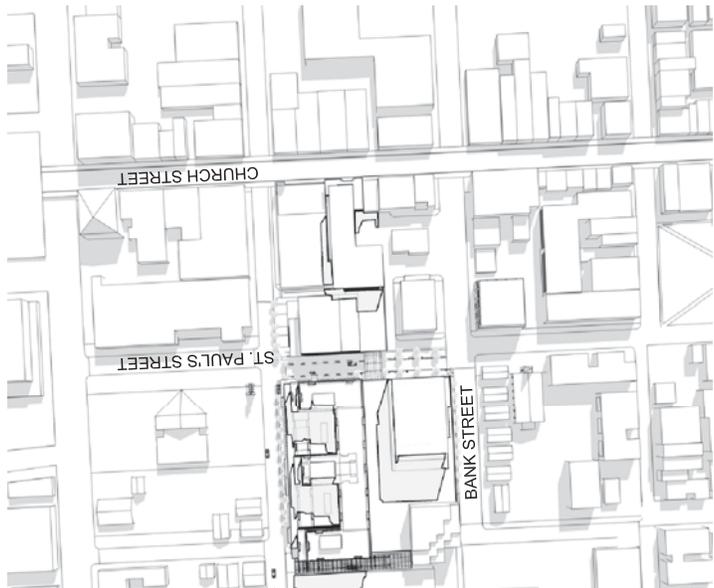
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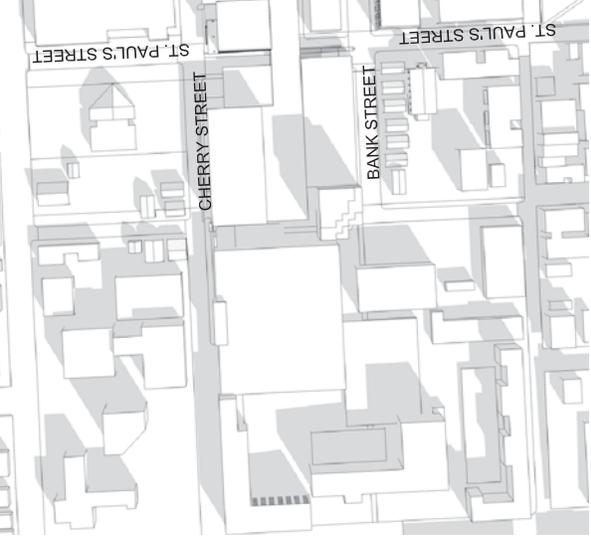


9:00 AM



12:00 PM

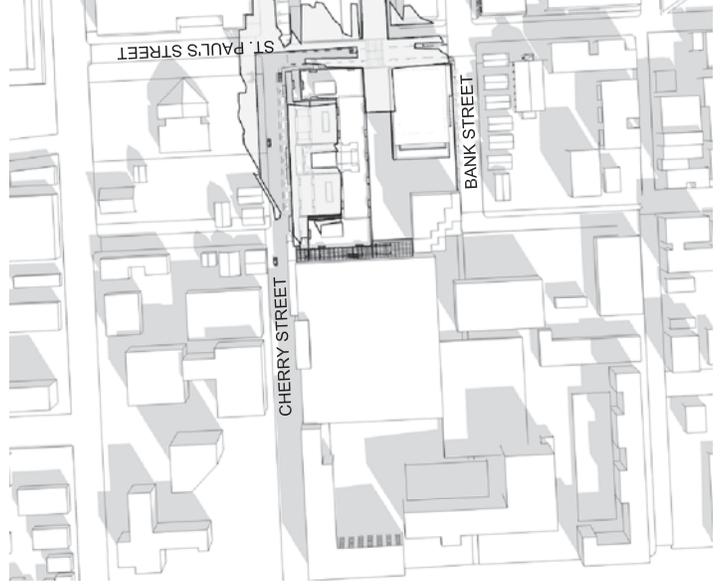




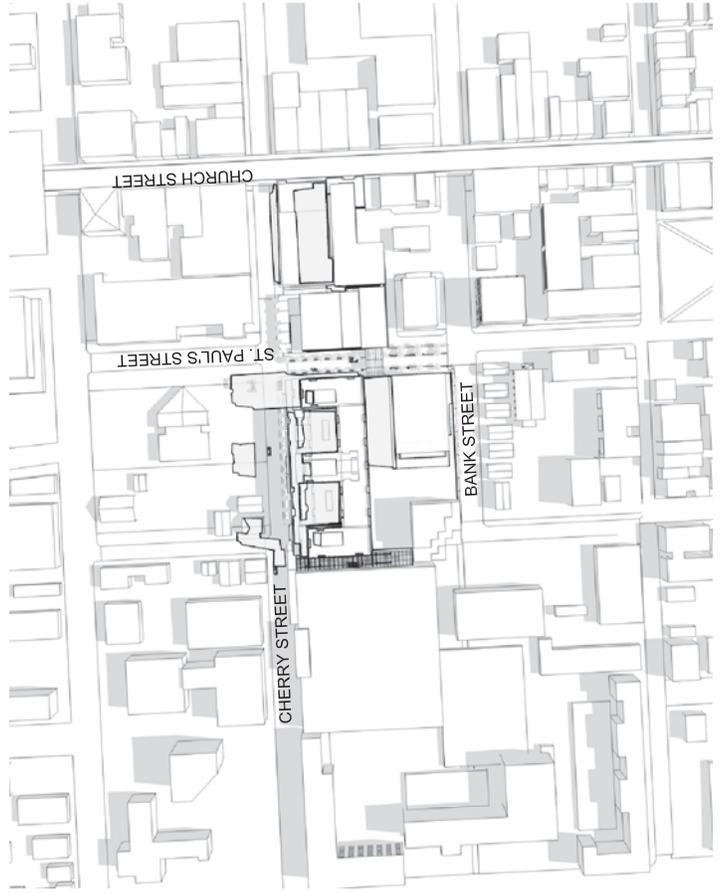
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12:00 PM



9:00 AM



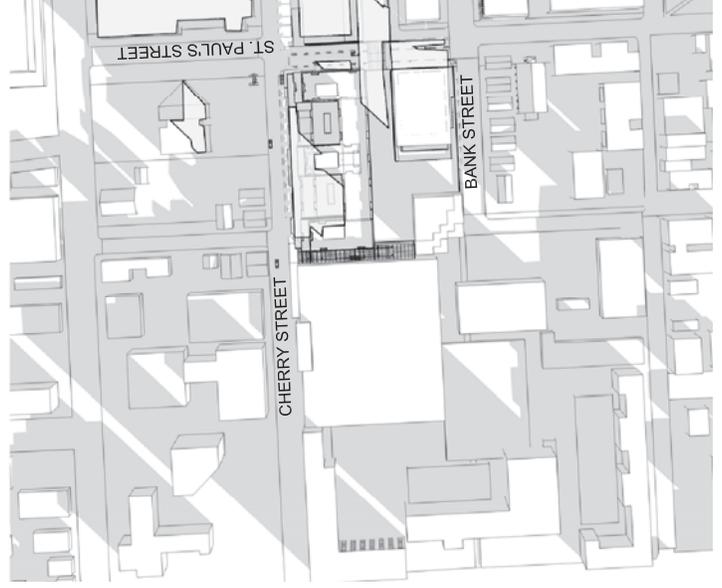
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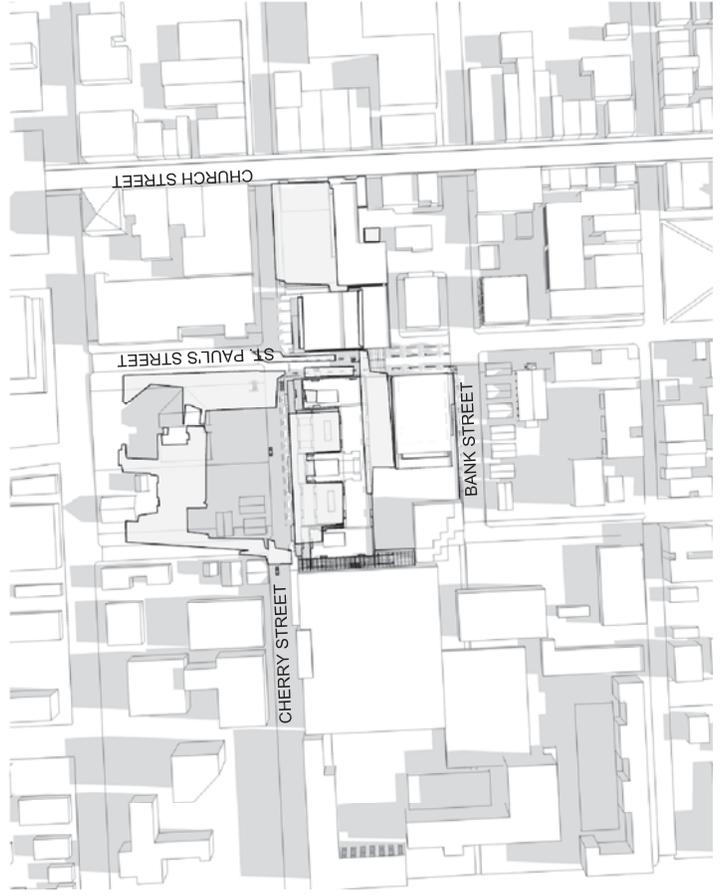
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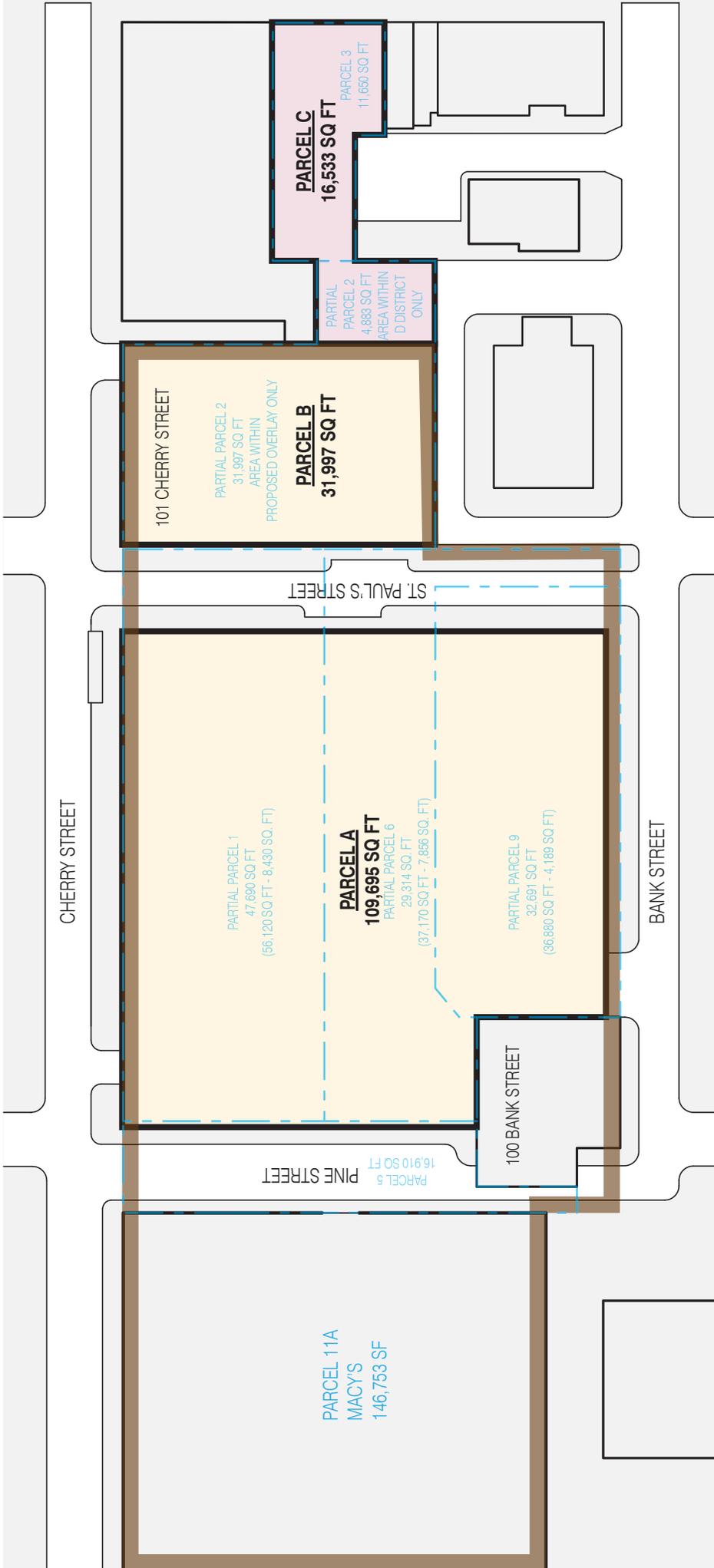
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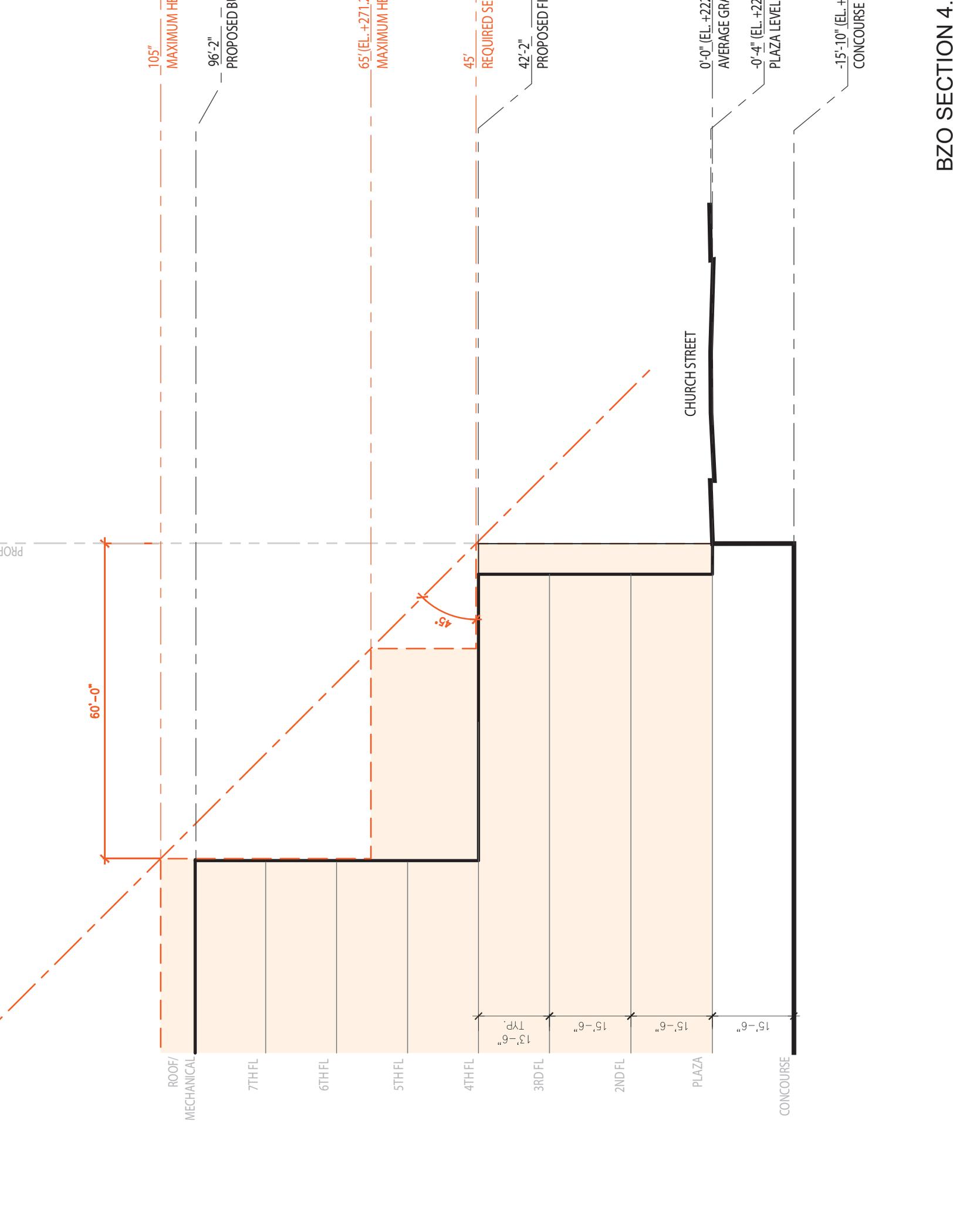
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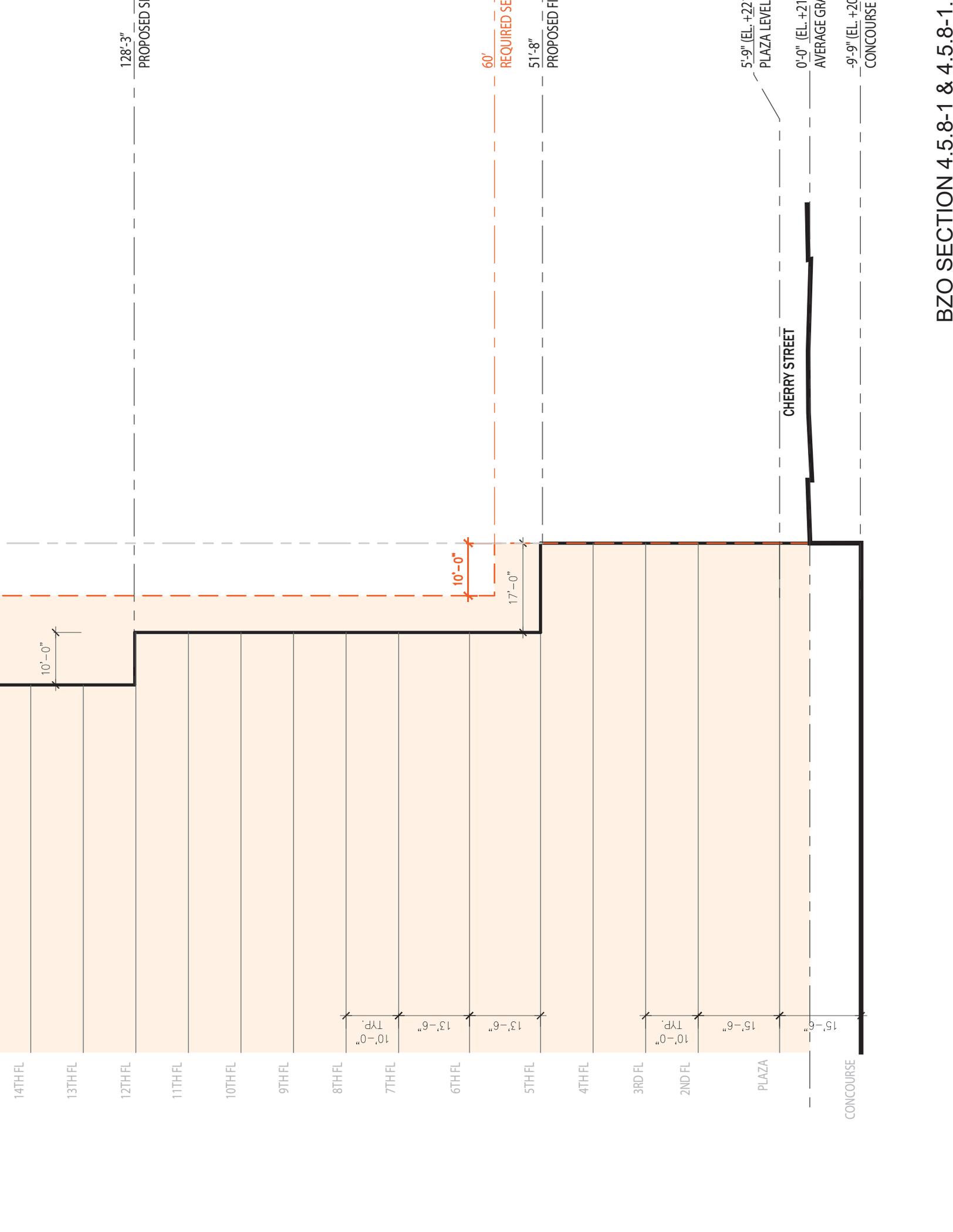
12:00 PM

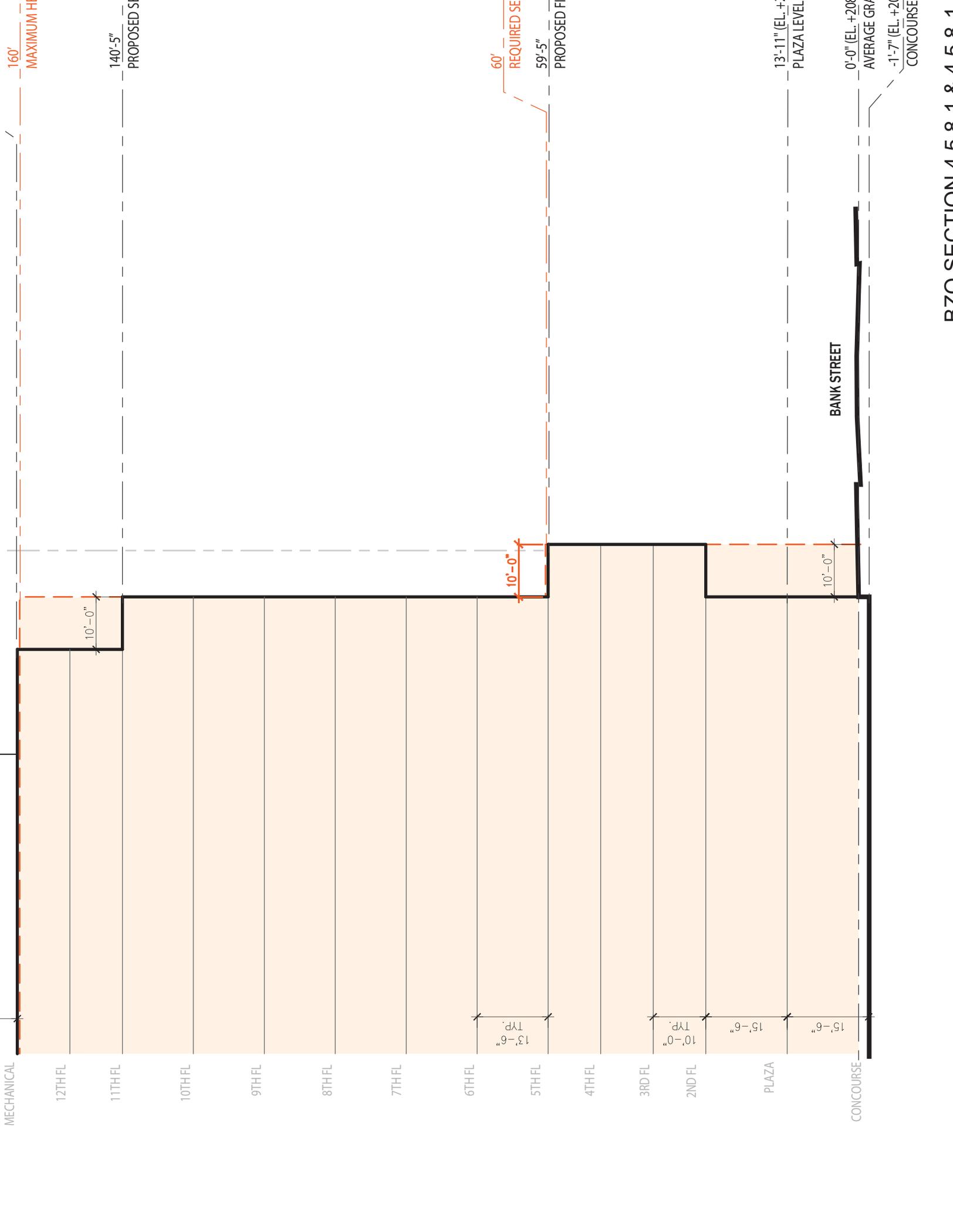


AREA FOOTPRINT	DISTRICT	FAR	ALLOWABLE FLOOR AREA
109,695 SQ FT	DMUC	9.5	1,042,102.5 SQ FT
31,997 SQ FT	DMUC	9.5	303,971.5 SQ FT
16,533 SQ FT	D	5.5	90,931.5 SQ FT
<b>158,225 SQ FT</b>			
<b>1,294,758 SQ FT</b>			<b>1,437,005.5 SQ FT</b>



BZO SECTION 4.





MECHANICAL

160'  
MAXIMUM HEIGHT

12TH FL

10'-0"

11TH FL

140'-5"  
PROPOSED SIGN

10TH FL

9TH FL

8TH FL

7TH FL

6TH FL

13'-6"  
TYP.

10'-0"

5TH FL

60'  
REQUIRED SE  
59'-5"  
PROPOSED F

4TH FL

3RD FL

2ND FL

10'-0"  
TYP.

15'-6"

PLAZA

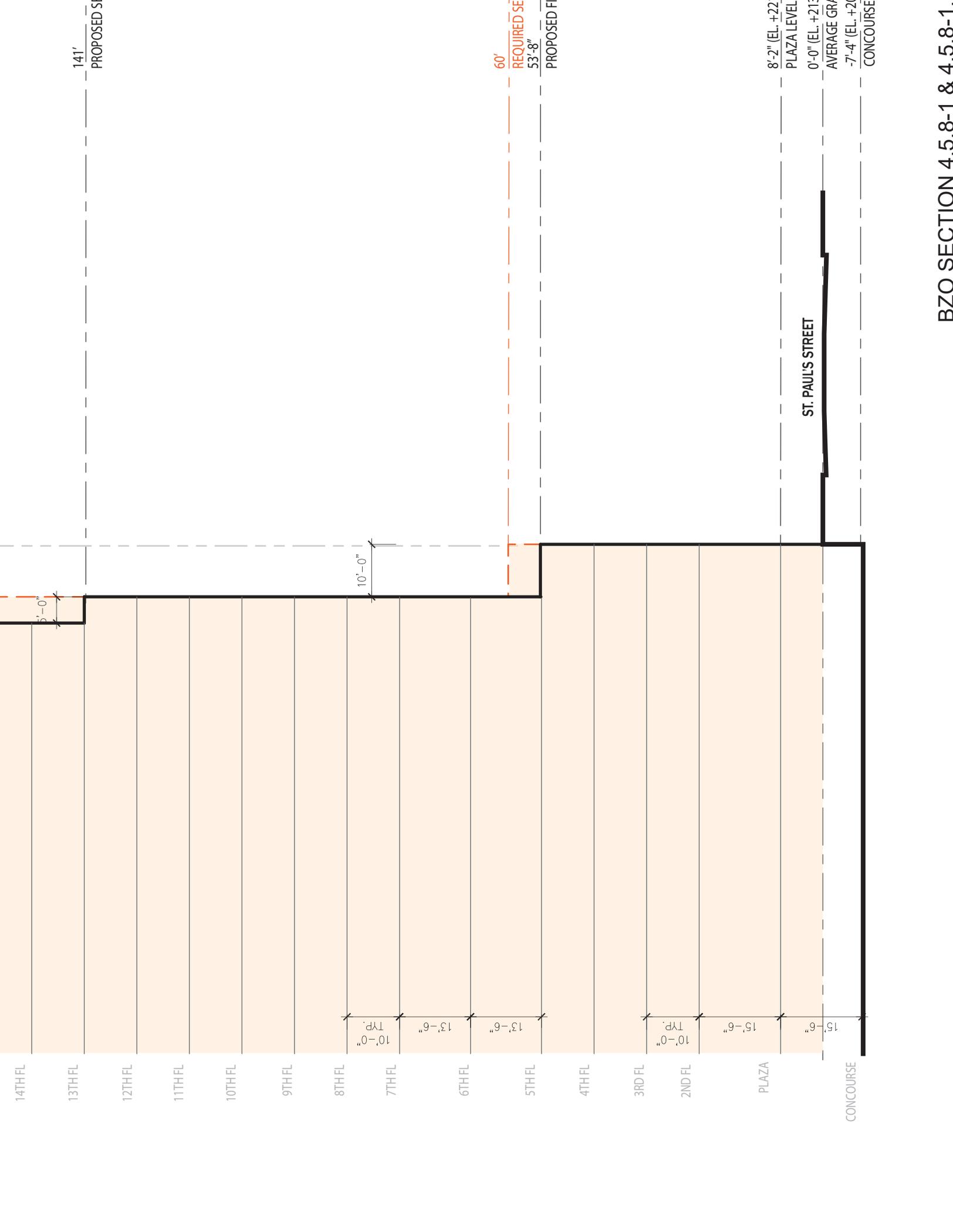
13'-11" (EL. +200)  
PLAZA LEVEL

BANK STREET

10'-0"

CONCOURSE

0'-0" (EL. +200)  
AVERAGE GRADE  
-1'-7" (EL. +200)  
CONCOURSE



14TH FL

13TH FL

12TH FL

11TH FL

10TH FL

9TH FL

8TH FL

7TH FL

6TH FL

5TH FL

4TH FL

3RD FL

2ND FL

PLAZA

CONCOURSE

5'-0"

10'-0"

10'-0"  
TYP.

13'-6"

13'-6"

10'-0"  
TYP.

15'-6"

15'-6"

141'

PROPOSED ST.

60'

REQUIRED SE  
53'-8"

PROPOSED FL.

8'-2" (EL. +22)

PLAZA LEVEL

0'-0" (EL. +21)

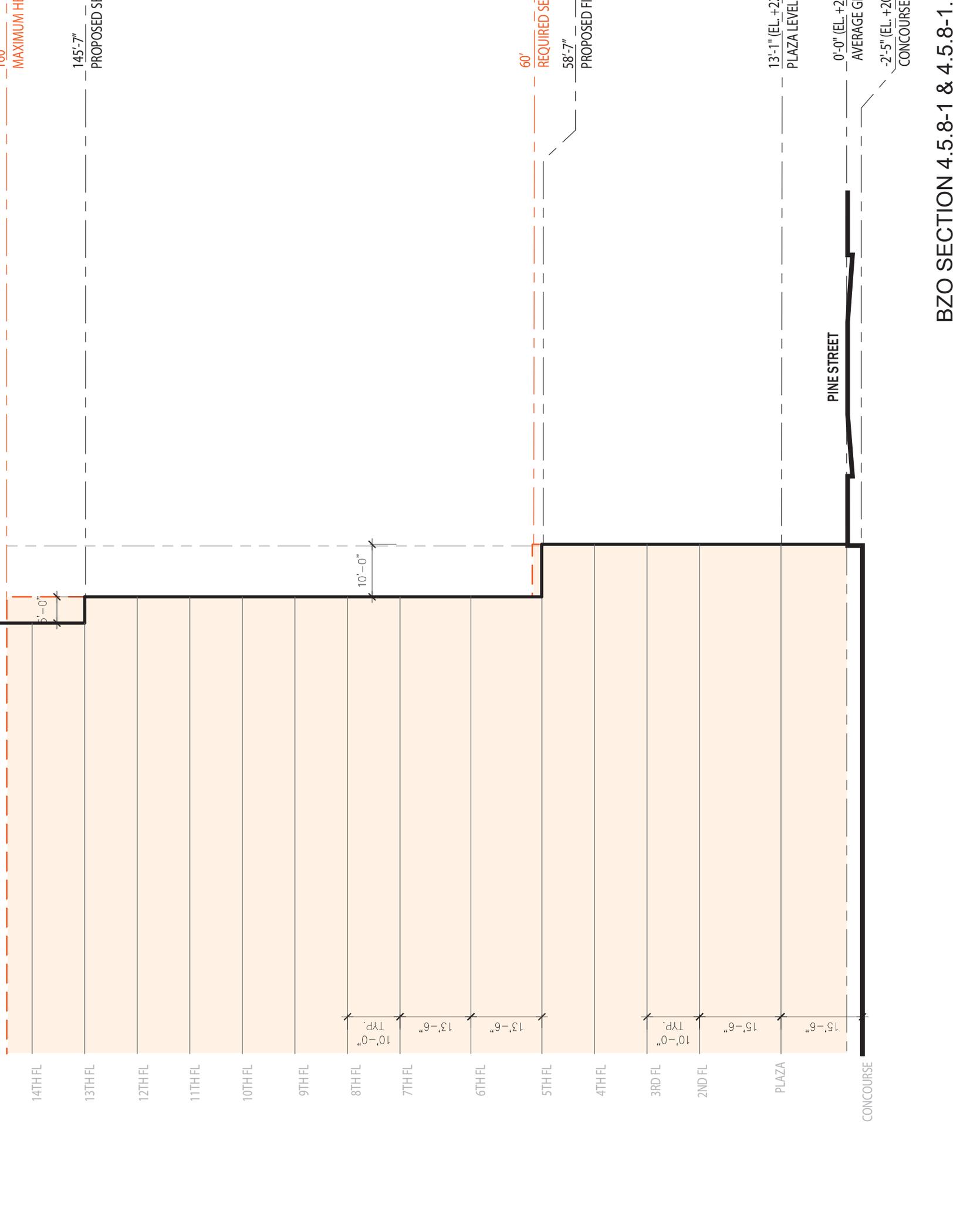
AVERAGE GRADE

-7'-4" (EL. +20)

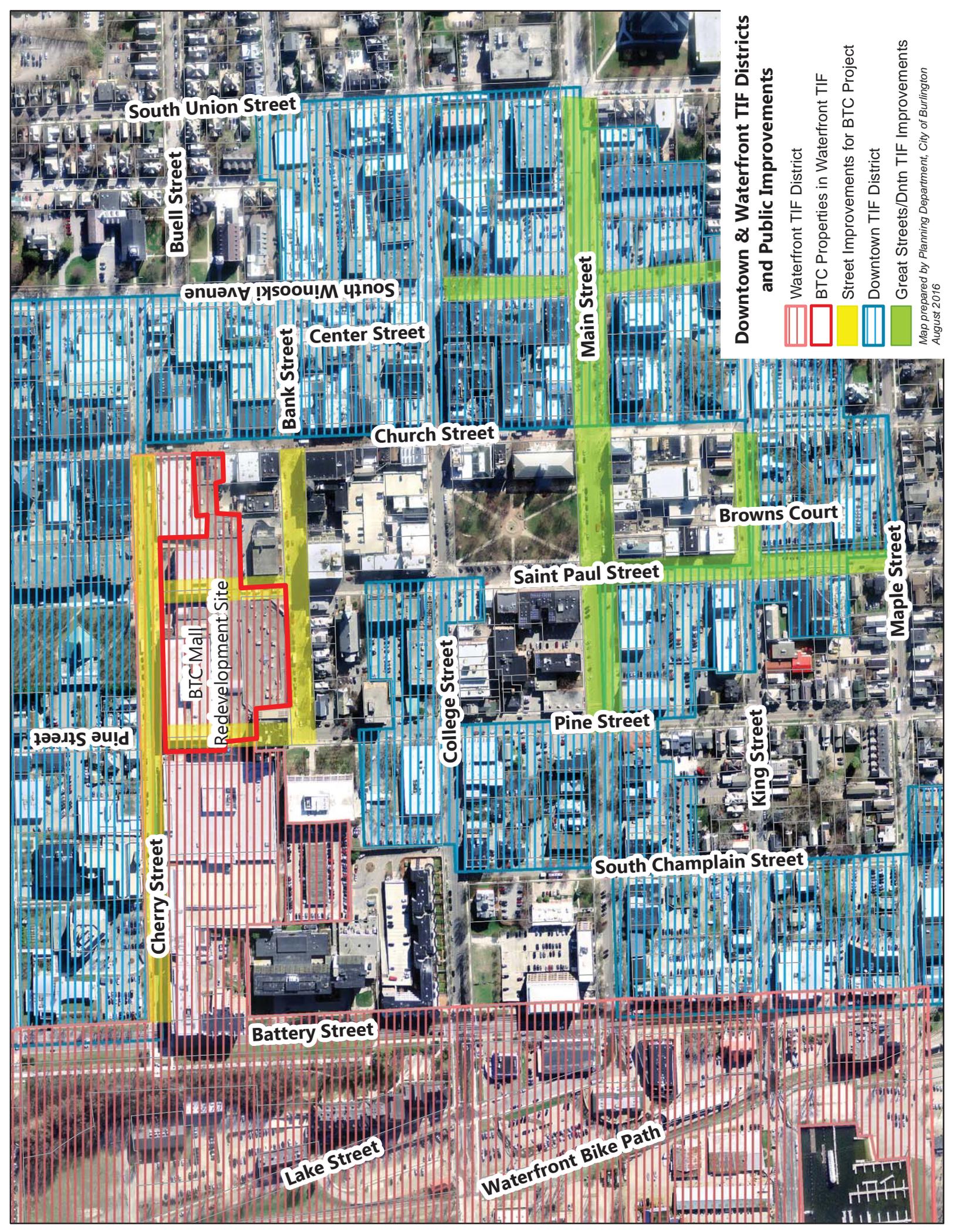
CONCOURSE

ST. PAUL'S STREET

BZO SECTION 4.5.8-1 & 4.5.8-1



BZO SECTION 4.5.8-1 & 4.5.8-1



South Union Street

Buell Street

South Winsoski Avenue

Center Street

Bank Street

Main Street

Church Street

Browns Court

Saint Paul Street

BTC Mall  
Redevelopment Site

College Street

Pine Street

Maple Street

King Street

Pine Street

Cherry Street

South Champlain Street

Battery Street

Lake Street

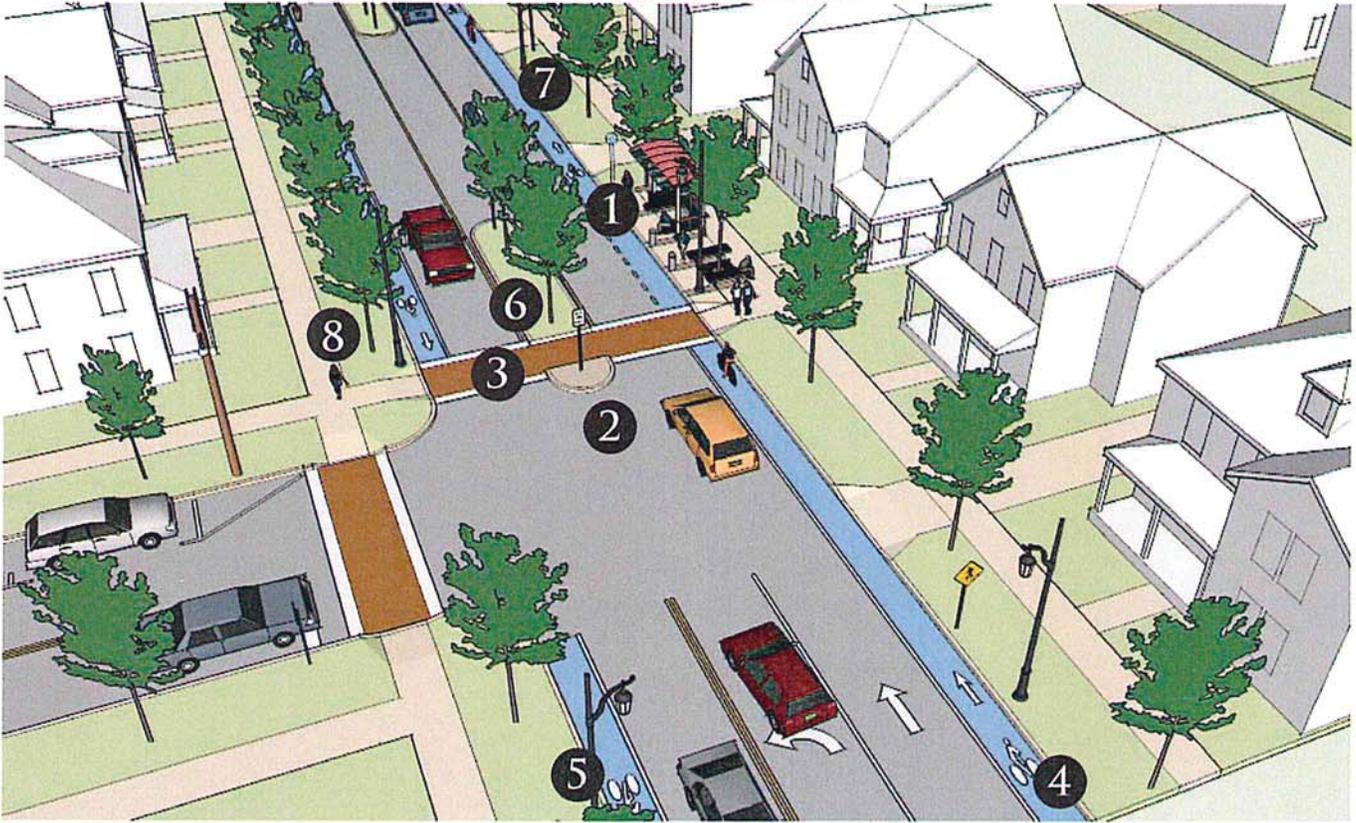
Waterfront Bike Path

### Downtown & Waterfront TIF Districts and Public Improvements

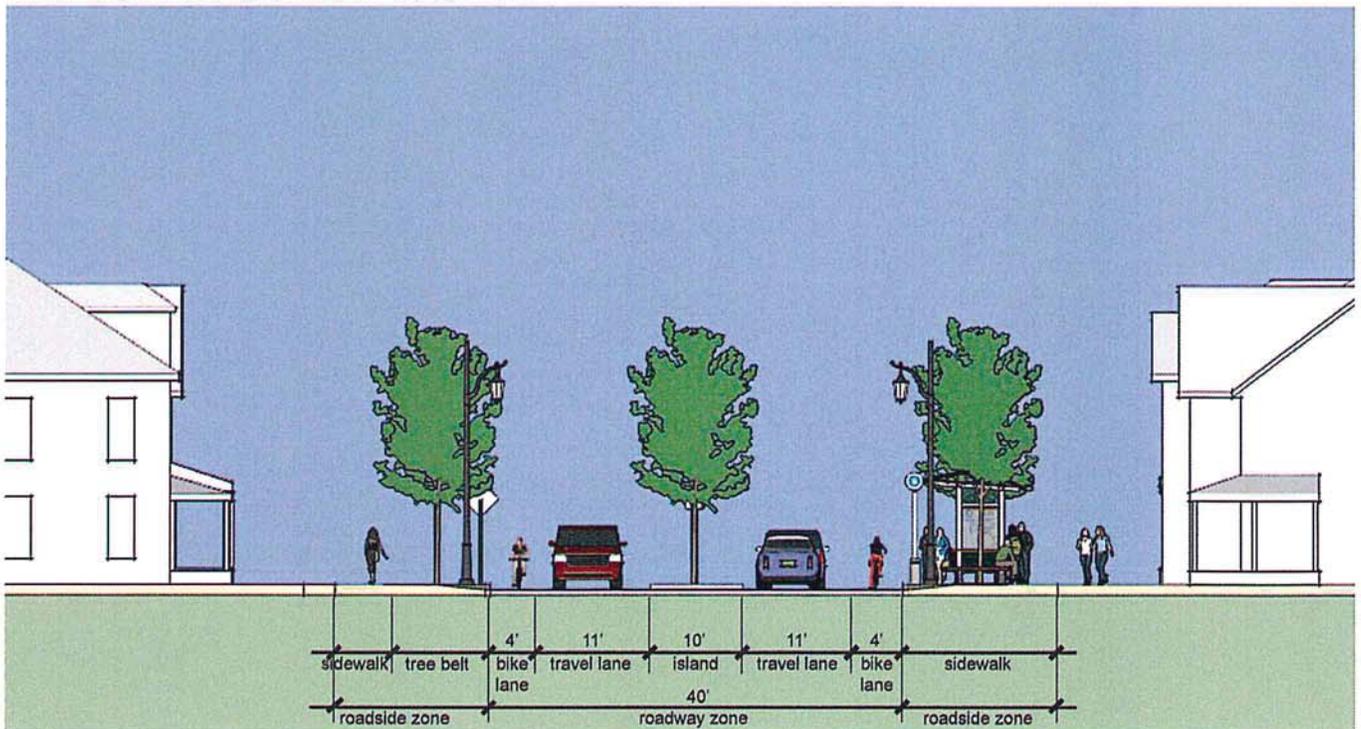
- Waterfront TIF District
- BTC Properties in Waterfront TIF
- Street Improvements for BTC Project
- Downtown TIF District
- Great Streets/Dntn TIF Improvements

Map prepared by Planning Department, City of Burlington  
August 2016

## THE COMPLETE STREET - PUTTING IT ALL TOGETHER



## THE COMPLETE STREET SECTION





**1A** CURBSIDE TRANSIT STOP

On the Complete Street, buses pull up to the curb. Stops employ a variety of complementary streetscape elements that enhance patron comfort and contribute to the ambience of the street.



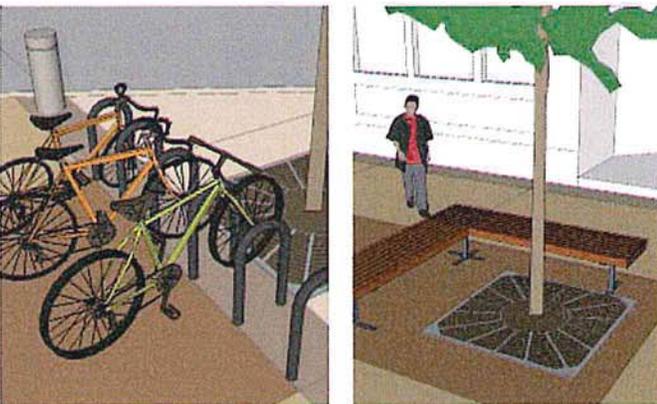
**1B** IMPROVED TRANSIT SHELTER

Transit shelters provide patrons with a comfortable place to wait for the bus, ideally displaying real time schedule information, and possibly including automatic ticketing machines.



**1C** IMPROVED TRANSIT IDENTITY

Clear route signage, system maps, and schedules facilitate the use of transit and enhance the visibility and awareness of transit along the corridor.



**1D** TRANSIT STOP FURNITURE

Distinctive street furniture at transit stop locations encourages transit use and contributes to improved identity. Bicycle racks and benches make it easier for a variety of users to benefit from transit.



## 2 TRAFFIC CALMING

By placing this road on a “diet”, one full lane of traffic has been eliminated and replaced with bike lanes and landscaped median islands. Textured crosswalks and enhanced street tree plantings contribute to slowing motorists.



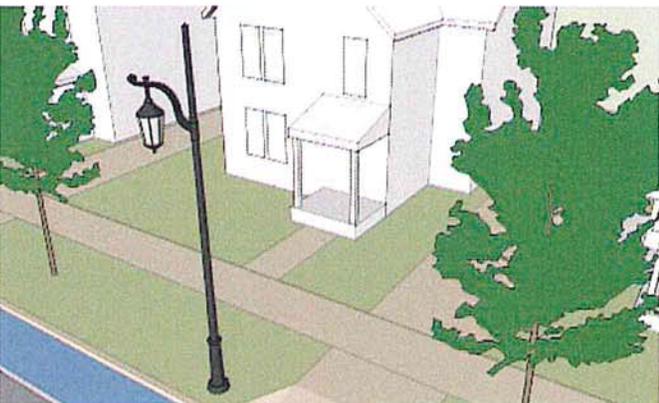
## 3 SHORT PEDESTRIAN CROSSINGS

Refuge islands allow pedestrians to cross the street one lane at a time, breaking what was once a 40’ four-lane crossing into two 15’ jaunts with a rest in between. See *Special Conditions - Midblock Crossings* for more design options.



## 4 BIKE LANES

Dedicated bike lanes move bicyclists off the sidewalk. High-visibility striping and lane painting make drivers aware that bikers are a part of the traffic mix and will improve safety and convenience for all.



## 5 UPDATED UTILITIES & LIGHTING

Utilities are placed underground, eliminating the need for unsightly poles and wires. Cobra head fixtures are replaced by ornamental luminaires and poles that cater to all users.



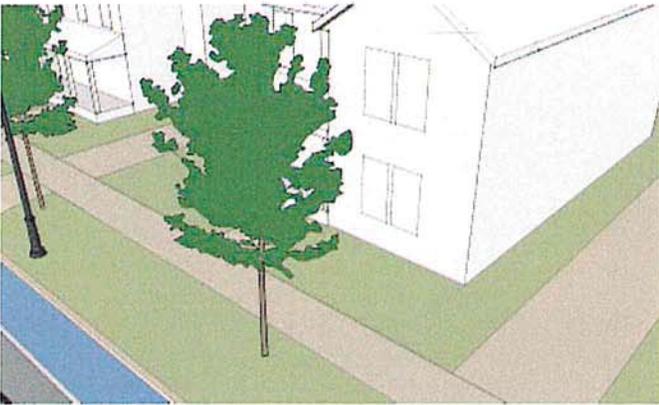
**6** LANDSCAPED MEDIAN ISLAND & TURN LANE

Landscaped islands can alternate with left turn lanes, where left turns are necessary. The benefits gained include increased greenery, shorter road crossings, reduced traffic speed, and predictable lane usage by vehicles.



**7** STORMWATER TREATMENT

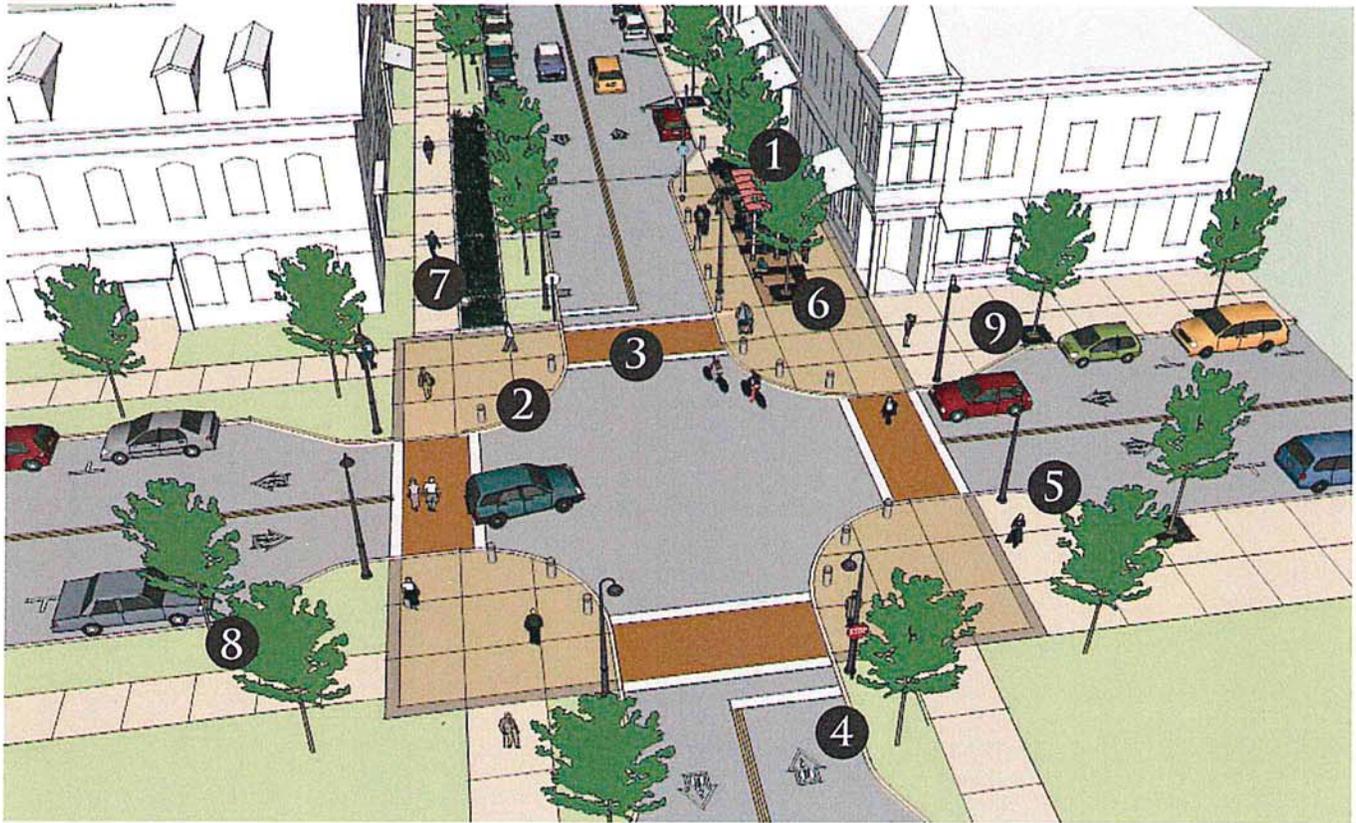
Stormwater planters collect runoff from roadway surfaces, using plants and soil to slow, absorb, and cleanse stormwater before it enters municipal storm sewers.



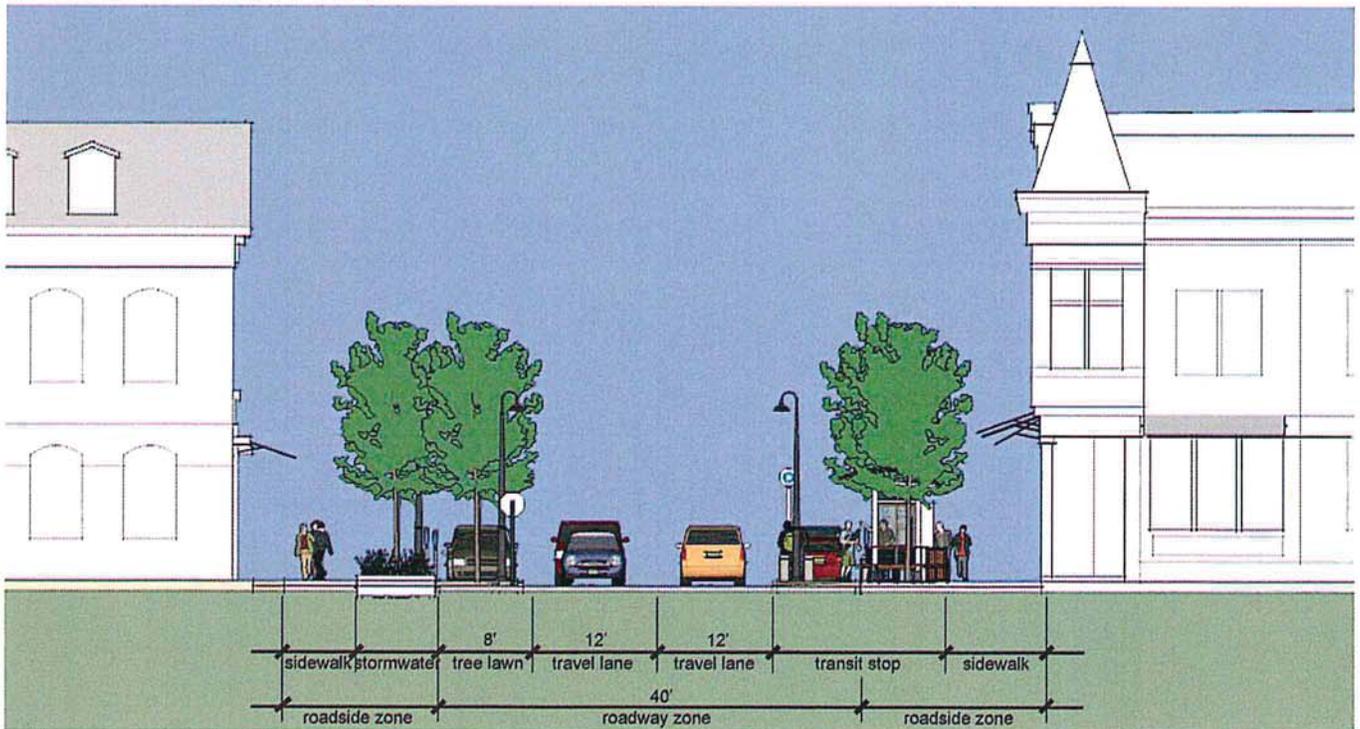
**8** TREE BELTS

Tree belts provide a buffer between cars and pedestrians, a visual amenity, snow storage, and a place for trees in the city.

## THE SLOW STREET



## THE SLOW STREET SECTION





**1A** BUS BULBS

Bus bulbs give additional space to patrons and amenities and are well suited for crowded urban conditions. They allow buses to continue along their route without the loss of time associated with merging back into traffic. Stops employ a variety of complementary streetscape elements that enhance patron comfort and contribute to the ambience of the street.



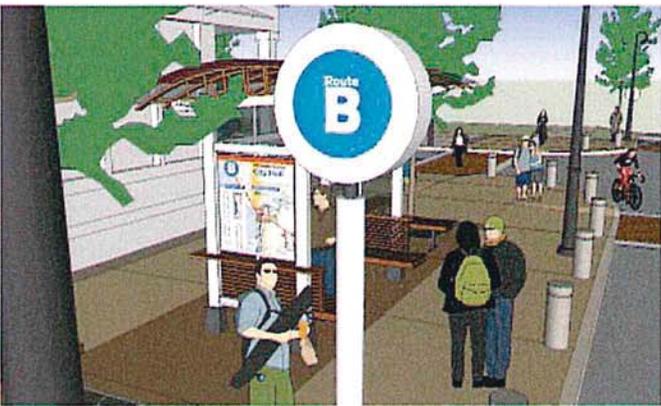
**1B** CURBSIDE TRANSIT STOP

Curbside transit stops require buses to pull into a dedicated idling zone, and are better suited for situations in which wide sidewalks are present, pedestrian and traffic congestion are low, and ridership is not as high.



**1C** IMPROVED TRANSIT SHELTER

Transit shelters provide patrons with a comfortable place to wait for the bus, display real time schedule information, and may include automatic ticketing machines.



**1D** IMPROVED TRANSIT IDENTITY

Clear route signage, system maps, and schedules facilitate the use of transit and enhance the visibility and awareness of transit along the corridor.



## 2 CURB EXTENSIONS

Curb extensions reallocate underutilized roadway space around street crossings to landscaping and widened sidewalks at corners. They also allow pedestrians to see and be seen around parked cars before leaving the curb. Through the use of a consistent configuration, surface treatment, and use of furnishings, they contribute to an intersection treatment that unifies the downtown pedestrian system.



## 3 SHORT PEDESTRIAN CROSSINGS

Curb extensions shorten pedestrian crossings from 40' to a more easily navigated 24'.



## 4 BIKE MARKINGS

Bicycle arrows within the traveled way indicate to bicyclists and motorists that the road is to be shared by both.



## 5 UPDATED STREET LIGHTING

Existing street lights are replaced with a luminaire and pole specific to slow streets.



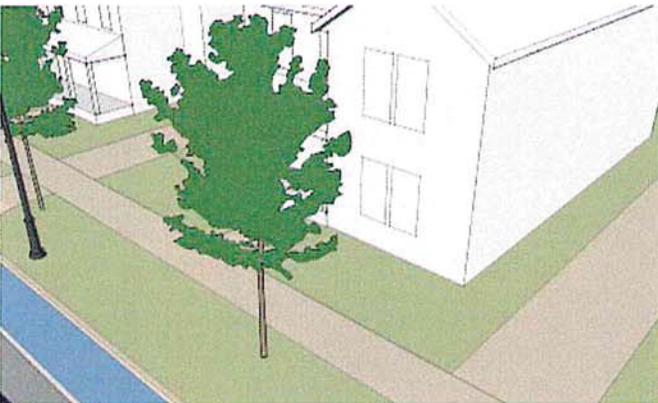
## 6 NEW STREET FURNITURE

Distinctive street furniture at transit stop and other key locations encourages transit use and contributes to improved identity. Bicycle racks and benches make it easier for a variety of users to benefit from transit.



## 7 STORMWATER TREATMENT

Stormwater planters collect runoff from roadway surfaces, using plants and soil to slow, absorb, and cleanse stormwater before it enters municipal storm sewers. Curb extensions are appropriate locations for stormwater facilities.



## 8 TREE BELTS

Tree belts provide a buffer between cars and pedestrians, a visual amenity, snow storage, and a place for trees in the city.



## 9 TREES & SIDEWALKS

By replacing sidewalk subbases with a special structural soil, street trees can be planted in paved environments.

BTC Redevelopment  
Preliminary Public Improvement/ TIF Budget  
April 8, 2016

	PUBLIC IMPROVEMENTS: Cherry & Bank Street Streetscape Improvements	St Paul Street Extension	Pine Street Extension	Comments
<b>COSTS:</b>				
Construction Costs:	\$ 4,200,229	\$ 4,649,745	\$ 5,579,694	Per Pizagalli Construction: Public Investment Cost Estimate, dated 12/10/15 As reviewed by Tom Barden 12/16/15 - with exception of Pine Street Vehicular Street Concept Interim Cost Estimate equal to cost of St. Paul Extension Reconstruction - plus a 20% design contingency
Bldg Permit:	TBD	TBD	TBD	
Real Property Interest (estimate):	\$ 168,009	\$ 958,678	\$ 958,678	To be appraised value - estimate based on \$2m/ac (4/8/16: increased Pine ROW)
Design Fees:	\$ 336,018	\$ 185,990	\$ 223,188	Not to exceed 4% Hard Costs
Other Soft Costs:	\$	\$ 371,980	\$ 446,376	Not to exceed 8% Hard Costs
Subtotal:	\$ 4,704,256	\$ 6,166,392	\$ 7,207,935	
CEDO Project Administration (5%):	\$ 903,929			
Project Contingency (15%):	\$ 2,847,377			4/6/16: Increased Contingency from 5 to 15% to cover possible Const Pricing Escalation, Title Issues, Environmental Assessment / Remediation, and Other Unforeseen Costs as approved by the City
<b>Total Development Cost - Public Improvements:</b>	<b>\$ 21,829,890</b>			

	A	B	D	E	F	H	R	X	Y	Z
9	<b>BTC Mall - Stand-Alone TIF Analysis</b>									
10										
11	Year	Projected Non-homestead Education Tax Rate	Projected Municipal Tax Rate	Projected "Effective" Municipal Tax Rate for TIF District for previous growth*	New Increment DTC Mall Equalized Property value* just phase 1	Total Revenues	75% of Total Education and Municipal Tax Revenues - Modified Projection	25% Municipal Increment - D*F*.01*25%	Total	
21										
22										
24		1% increase	.25% increase			100%	State & City 75% tax rate increase 1% and .25%			
25	2020	1.9280	0.8044	2.7324	87,744,295	2,397,525	1,798,144	176,454	1,974,598	
26	2021	1.9473	0.8064	2.7537	87,744,295	2,416,207	1,812,155	176,895	1,989,050	
27	2022	1.9668	0.8084	2.7752	87,744,295	2,435,062	1,826,296	177,337	2,003,634	
28	2023	1.9864	0.8104	2.7969	87,744,295	2,454,092	1,840,569	177,780	2,018,350	
29	2024	2.0063	0.8125	2.8188	87,744,295	2,473,300	1,854,975	178,225	2,033,200	
30	2025	2.0263	0.8145	2.8409	87,744,295	2,492,686	1,869,515	178,671	2,048,185	
31	2026	2.0466	0.8165	2.8632	87,744,295	2,512,253	1,884,190	179,117	2,063,307	
32	2027	2.0671	0.8186	2.8857	87,744,295	2,532,002	1,899,002	179,565	2,078,566	
33	2028	2.0877	0.8206	2.9084	87,744,295	2,551,935	1,913,951	180,014	2,093,965	
34	2029	2.1086	0.8227	2.9313	87,744,295	2,572,054	1,929,041	180,464	2,109,504	
35	2030	2.1297	0.8247	2.9544	87,744,295	2,592,361	1,944,270	180,915	2,125,186	
36	2031	2.1510	0.8268	2.9778	87,744,295	2,612,857	1,959,643	181,367	2,141,010	
37	2032	2.1725	0.8289	3.0014	87,744,295	2,633,544	1,975,158	181,821	2,156,979	
38	3033	2.1942	0.8309	3.0252	87,744,295	2,654,425	1,990,819	182,275	2,173,094	
39	2034	2.2162	0.8330	3.0492	87,744,295	2,675,501	2,006,626	182,731	2,189,357	
40	2035	2.2383	0.8351	3.0734	87,744,295	2,696,774	2,022,581	183,188	2,205,769	
41							30,526,934	\$ 2,876,819	33,403,753	
42										
43										
44				\$ 21,829,890	Bond payment p/y	Total	Revenue minus payment			
45		16 years		3.50%	\$ 1,805,001	\$ 28,880,012				
46				3.75%	\$ 1,839,005	\$ 29,424,885	\$ 1,102,049		\$ 3,978,868	
47				4%	\$ 1,908,156	\$ 29,975,058	\$ 551,876		\$ 3,428,695	
48				5%	\$ 2,014,242	\$ 32,227,872	\$ (1,700,938)		\$ 1,175,881	

Non-residential tax rate increase p/y 1%, and add in new revenue

**The Economic Impact  
of  
Burlington Town Center Mall Redevelopment**

Prepared by:

Kevin Chiang, Ph.D.  
Full Professor of Real Estate/Finance  
University of Vermont

March 2016

## Executive Summary

- The Burlington Town Center (BTC) Mall is planning a large-scale redevelopment. The redevelopment includes a variety of amenities that will further add to the City of Burlington. The redevelopment will add large anchor stores, branded and local restaurants, a cinema complex, residential housing, office space, and public amenities including newly restored St. Paul Street, a pedestrian corridor at Pine Street that may be used for a winter farmers' market, an observation deck open to the public overlooking Lake Champlain, more public parking, bike lockers, and more.
- The redevelopment construction direct spending is estimated to be \$249.00 million. The construction will create an additional \$165.61 million sales/output for the regional economy. The total output due to the construction is thus \$414.61 million.
- After the BTC redevelopment is completed, additional annual sales of \$147.70 million is expected for the BTC operations. These increased commerce activities will generate an additional \$46.39 million sales/output for the other stakeholders in the regional economy. In total, the redeveloped BTC is expected to introduce incremental output for the regional economy in the amount of \$194.09 million per year from commercial activity. This figure does not include any additional economic activity generated from the residential component of the project.
- The construction is expected to directly create approximately 547 new jobs during the construction phase. The secondary effects of the construction will generate an additional 394 jobs. In total, the BTC construction will support 941 jobs throughout the regional economy.
- The redeveloped BTC is expected to directly support approximately 957 additional permanent jobs from on-going operations. The secondary effects are expected to create 339 additional jobs throughout the regional economy. In total, 1,296 new jobs will be supported because of the BTC redevelopment.
- The present value over 30 years of direct tax revenues from the redeveloped BTC to the City is estimated to be \$46.82 million, whereas the present value of direct state tax is estimated to be \$186.10 million. These figures represent the additional amount expected to be paid by the owner and users of the project and do not take into account any municipal financing arrangements that may apply to the project.

# The Economic Impact of Burlington Town Center Mall Redevelopment

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III. Locational Attributes and Significance.....	7
IV. Methodology.....	9
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VII. Sensitivity Analysis and Discussion .....	18

## **I. Purpose**

The Burlington Town Center (BTC) Mall is located on Church Street in downtown Burlington. The BTC is in the planning phase for a large-scale, \$249.00 million redevelopment project. The redevelopment will include expanding and reconfiguring the retail space to include more entertainment-type venues, adding a large residential and office component, and providing enhanced public amenities. The purpose of this study is to examine and estimate the economic impact of the planned redevelopment on the City of Burlington, the regional area, and the State of Vermont. Like any economic modeling, this analysis is based upon the planned project program utilizing reasonable assumptions and publicly available metrics and statistics.

The BTC is an important revenue and job creator in the regional economy, but the economic impact of the BTC redevelopment go beyond the number of jobs and tax revenue at the BTC itself. In this study, the economic impact of the BTC redevelopment are estimated in terms of direct construction jobs, direct permanent jobs that are expected to be created within the BTC, the additional taxable sales revenue that can be generated for the City and the State, the increased property tax expected to be paid, and the overall secondary effects (i.e., multiplier effects) that will result from the proposed redevelopment project. The main underlying economic model used in the study is the input-output model developed by Nobel Prize laureate Wassily Leontief. The model is widely accepted among academia as the standard model for estimating the impact of potential performance of a regional economy in inter-industry transactions.

Our analysis is based on a carefully constructed economic model that quantifies the impact of the redevelopment on the City, the regional area, and the State. Such a systematic approach based on a well-established economic model is important because effective planning for private developments and community programs at the City and the State level requires comprehensive understandings of economic impact of developments and programs on the affected region. These understandings will help the City and the State in city planning and regional planning, respectively. The financial estimates from the study will also be useful to the City and the State in determining whether assistance should be provided to the proposed redevelopment project due to its economic impact.

This report was commissioned by Devonwood Investors, LLC, the new owner of the BTC. The research team consists of independent researcher Professor Kevin Chiang and his two graduate research assistants at the University of Vermont: Lauren Graves and Matthew Smith.

This report begins with a brief history of the BTC and a description of the proposed redevelopment. It follows with a discussion of the locational attributes and strategic importance of the BTC redevelopment to downtown Burlington. The report then turns to research methodology. We then estimate the direct impact of the redevelopment during its construction phase and the operation period. Next, we present our measures of the

total economic impact on sales, earnings, and employment to the regional economy. Finally, we conclude with a sensitivity analysis and put our findings into perspective.

## II. Burlington Town Center Mall Redevelopment

The BTC is located at 49 Church Street in Burlington, Vermont. The property has a gross leasable area of 217,160 square feet that is primarily allocated to retail business.<sup>1</sup> The previous owner, General Growth Properties, had difficulties to improve occupancy of the retail space. The current owner believes that the underperformance is largely due to the poor infrastructure of the BTC and the lack of foot traffic within the mall.

The current owner of the BTC is Devonwood Investors, LLC. After being founded in 1997, the company serves as a private investment firm and provides real estate advisory services. In 2009, the company launched the Devonwood Investment Property Fund I. This private closed-end fund was created for the investment of capital into undervalued real estate property in the office, hotel, and retail sectors. The company provides strategic market knowledge, creative and direct transaction sourcing, and operational and financial management for investors, partners, and clients.<sup>2</sup> The BTC was purchased by Devonwood in December of 2013.

The proposed redevelopment of the BTC is comprehensive and slated to benefit the City and the State in a fundamental way. The current plan being discussed with the City includes the following aspects:

- Adding several local and popular brand restaurants to the BTC along Cherry Street and Bank Street
- Adding a cinema complex with six to eight screens
- Adding a new large retail department store tenant to the BTC or alternatively three to four mini-anchor retail stores
- Adding 274 residential housing units suitable for a variety of tenants across the income spectrum and meeting Burlington's inclusionary zoning requirements
- Adding new office space that houses institutional tenants
- Adding a new multi-level garage structure on Cherry Street that will be integrated into the new building being developed on Cherry Street
- Adding additional retail space that will focus on entertainment and services to satisfy the growing Church Street demand (e.g., retail services for tenants, live entertainment venues, etc.)
- Adding public amenities including a newly restored St. Paul Street, a pedestrian or perhaps vehicular corridor at Pine Street that may be used for a winter farmers' market or similar community events, improved public streetscape on

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<sup>1</sup> [www.loopnet.com/Listing/17838109/49-Church-Street-Burlington-VT/](http://www.loopnet.com/Listing/17838109/49-Church-Street-Burlington-VT/)

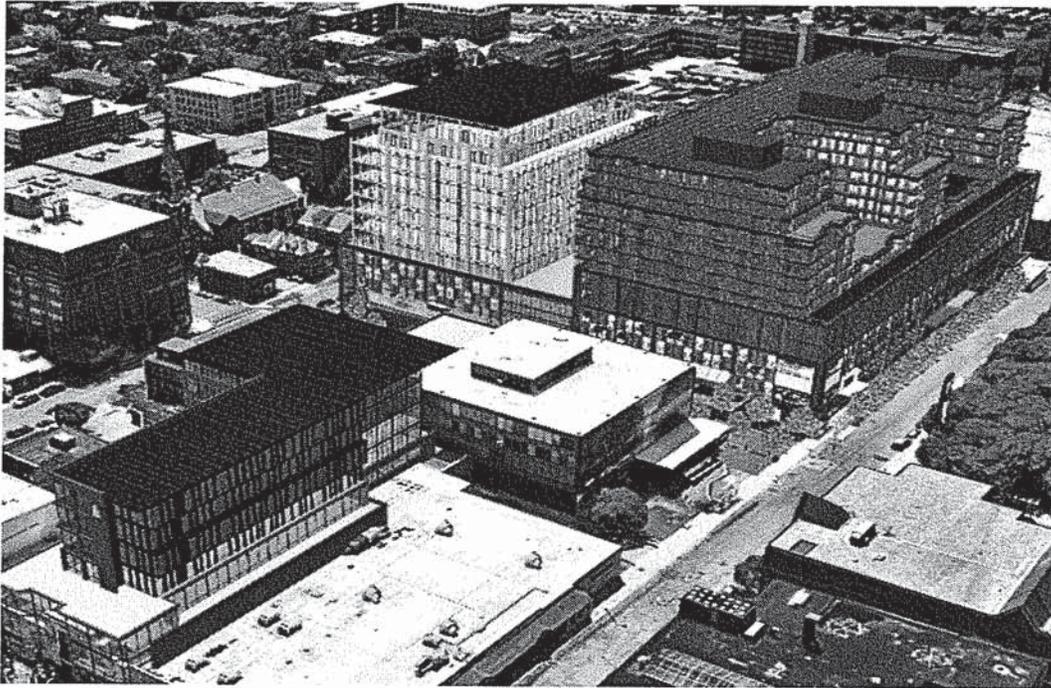
<sup>2</sup> "About Devonwood. An Operating Partner for opportunistic real estate transactions", Devonwood Investors, LLC, 2009.

Bank and Cherry Streets, an observation deck open to the public overlooking Lake Champlain, more public parking, bike lockers, and more

- Enhancing the BTC's frontage on Church Street and adding additional retail space on Church Street

The proposed redevelopment plan, which is expected to take approximately three years to complete, has an estimated construction spending of \$249.00 million.

### **The BTC Redevelopment Project Preliminary Rendering**



### III. Locational Attributes and Significance

The BTC is geographically located in the center of downtown Burlington, and is the largest retailing facility in the area. These locational attributes endow a redeveloped BTC a leading role in creating and maintaining livability, retail experience, and identity for the community.

Foremost, the critical mass and potential drawing power of the redeveloped BTC is strategically important to the ongoing growth of the Burlington downtown area. As a potentially vibrant marquee retailer, the redeveloped BTC magnifies downtown commerce activities; that is, trips to the redeveloped BTC are expected to induce patronage of other downtown businesses. As a community member, the redeveloped BTC also provides a richer set of shopping and entertainment opportunities. These opportunities enrich living quality and experiences for residents and visitors. Many urban economists today believe that the growth of city is not just about creating and growing businesses and employment. Consumption amenities offered in a city are also important determinants in defining the attractiveness and sustainability of a modern city.

In addition, the redeveloped BTC is an integral component of the Church Street renaissance that prompts the return of housing and permanent residents to downtown Burlington. This robust community significantly contributes to the local economy because local residents purchase local products and services year-round. It is well known that a permanent residential community is the engine that sustainably drives the creation of new businesses and tax base. It is important to note, however, that this study treats the residential component of this project conservatively and does not attempt to attribute additional economic impact from this component, even though residential tenants contribute to regional economy.

Furthermore, it has been extensively documented in real estate literature that the success of a shopping area such as downtown Burlington is determined by a set of factors that include (1) customer drawing power of marquee retailers, (2) design and social characteristics of the shopping area (e.g., outdoor shopping vs. enclosed shopping, layout, restaurants featuring local food, etc.), and (3) community condition variables such as employment, earnings, and population.<sup>3</sup> The quality of marquee retailers matters because retail activities are usually geographically clustered to satisfy consumers' desire for one-stop shopping. As a result, the economic significance of marquee retailers to the regional economy stems from their abilities to draw visitors and create foot traffic for the entire shopping area. In an economic equilibrium, retailers that are known traffic generators often receive rent discounts because they produce positive externalities to the community. For example, ABC 4 news in Salt Lake City reported that the Utah city offered five years free rent to its new Apple Retail Store.<sup>4</sup>

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<sup>3</sup> Sirmans and Guidry (1993, *Journal of Real Estate Research*), among many others.

<sup>4</sup> <http://www.cnet.com/news/heres-how-desperately-cities-want-apple-stores/>

The redeveloped BTC has the potential to be an effective marquee retailer that draws new visitors to downtown Burlington for several reasons. First, the redeveloped BTC has the critical size to draw visitors. The redeveloped retail space is approximately two times of the old space. A greater size economizes one-stop shopping and better attracts those visitors who value shopping comparison and convenience. In addition, a more complete list of retailing and entertainment offerings at the redeveloped BTC helps draw different groups of visitors that are currently underserved. For example, the L.L.Bean store is a destination retailer that attracts outdoor lovers. The cinema complex and the other entertainment venues at the BTC provide visiting families with a more complete selection of family activities.

#### **IV. Methodology**

The economic impact of the BTC redevelopment goes beyond sales, the number of jobs created, wages paid, and taxes paid to the local and State governments by the BTC itself. The total economic impact of the BTC redevelopment consists of direct economic impact and secondary economic effects. In the framework of the input-output model, there are two types of secondary effects: indirect effects and induced effects. Indirect effects are the incremental changes in sales, wages, jobs, and tax revenues within backward-linked businesses in the region (e.g., local food suppliers to BTC restaurants). Backward-linked businesses and local governments benefit indirectly from the expansion of the BTC because of increased sales and associated job creation among the backward-linked businesses, as well as increased tax revenues due to increased commerce activities. In contrast, induced effects are the incremental changes in sales, wages, jobs, and tax revenues resulting from household spending of income earned either directly or indirectly from the BTC redevelopment. For example, new employees of the redeveloped BTC spend their incomes and add to the local economy. This type of spending creates additional commerce activities that indirectly lead to new sales, jobs, and tax revenues.

The standard method for estimating secondary economic effects is to use multipliers that capture the propensity of businesses and households to purchase products and services, as well as the propensity of businesses in hiring employees from within the local economy. For this study, the research team acquired the Regional Input-Output Modeling System (RIMS II) multipliers from the U.S. Bureau of Economic Analysis (BEA) in Washington, D.C. The multiplier estimates from the BEA are well-established standards in academic literature and are widely used by public and private sectors throughout the country. For example, the Department of Defense uses BEA multipliers to estimate the regional economic impact of defense spending. The Florida Department of Transportation uses BEA multipliers to estimate the regional economic impact of initiating transportation projects. It is widely held that the use of these standard multipliers frees studies from the problem of data snooping.

This study uses BEA multipliers that are tailored by the BEA for the regional economy in Chittenden County, Vermont. Output multipliers, wage/earnings multipliers, and employment multipliers related to the following industries were retrieved from BEA multiplier tables: amusements, construction, food services and drinking places, real estate, and retail trade.

## V. Direct Economic Impact

The direct economic impact of a shopping center redevelopment has two components: short-term impact from construction spending and long-term impact from operations. The immediate, short-term impact is derived from the capital expenditures during the construction phase. The permanent, long-term impact is due to the incremental sales revenues that the redeveloped BTC is expected to generate. All of the commerce activities add directly to the regional economy and tax revenues.

### A. Planned Capital Spending

For purposes of this analysis, the construction phase is assumed to begin in 2017 and end in 2019. The total capital spending is estimated to be \$249.00 million. The following is a presentation of planned capital expenditures during the three-year construction phase based on a parsimonious, straight-line spending schedule.

	<b>% Capital Expenditure</b>	<b>Increase in Final Demand (\$million)</b>
2017	33.33%	83.00
2018	33.33%	83.00
2019	33.33%	83.00

According to the BEA statistics, the planned annual capital spending will directly create approximately 547 additional construction jobs for the regional economy with an average annual wage gain of \$22.12 million for each of the three construction years. Sales tax revenues to the City and the State during the construction period are expected to be \$1.56 million and \$9.34 million, respectively.

### B. Incremental Sales Revenues

Calendar year 2020 is expected to be the first full-operational year once construction concludes. The following is a presentation of the incremental sales revenues that are expected for calendar year 2020.

	<b>Category</b>	<b>Sales (\$million)</b>
Additional Retail	New Anchor or Mini-Anchors	20.00
	National Electronics Retailer	8.00
	L.L. Bean <sup>5</sup>	7.20
	Other New Retail	76.50
	Misc Sales (Kiosk etc.)	<u>3.50</u>
	<b>Total</b>	<b>115.20</b>
Restaurants		12.00
Office Rental		13.00
Entertainment	Movie Theater	4.50
	Others	<u>3.00</u>
	<b>Total</b>	<b>7.50</b>

The additional retail space created by the redevelopment is expected to generate annual sales in the amount of \$115.20 million. The office space is expected to have annual rental sales in the amount of \$13.00 million. The forecasted annual sales for new restaurants and entertainment venues are \$12.00 and \$7.50 million, respectively. Overall, the redevelopment is expected to increase BTC annual sales by a total of \$147.70 million. Note that these forecasted sales revenues are obtained based on fairly conservative estimates of sales per square foot and the sizes (# square feet) of additional retail, restaurants, office, and entertainment venues. The guiding principle for setting the estimates of sales per square foot is to use a value that is no higher than a regional or national average. For example, national electronics retailers achieved a range of annual sales of \$900-\$5,000 per square foot in 2015. In our sales forecast model, the proposed national electronics retailer in the redeveloped BTC is expected to achieve \$800 per square foot in 2020.

According to the BEA statistics, the BTC redevelopment is expected to directly create approximately 957 additional permanent jobs for the regional economy. These permanent jobs generate an annual wage gain in the amount of \$20.84 million.

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<sup>5</sup> L.L. Bean is already operational but was recruited to the development by the owner in connection with this redevelopment plan.

### C. Tax Revenues

The expansion of BTC commerce activities and property value creates additional recurring tax revenues to the City and the State. The vast majority of new tax revenues from the BTC redevelopment come in the form of sales tax, followed by property tax, meals tax, and utility tax. The following is a presentation of direct new taxes paid for calendar year 2020 when the redeveloped BTC enters its first year's full operation. Please note that this presentation does not model the effect of any municipal financing such as Tax Increment Financing.

	<b>Tax Base</b> (\$million)	<b>Tax, City Rate</b> (\$million)	<b>Tax, State Rate</b> (\$million)
Commercial Property <sup>6</sup>	124.00	0.99	2.17
Retail Sales <sup>7</sup>	115.20	0.77	4.63
Restaurant Sales	12.00	0.24	1.08
Entertainment Sales	7.50	0.08	0.45
Electricity <sup>8</sup>	1.90	<u>0.09</u>	<u>0.11</u>
<b>Total</b>		2.16	8.45

In total, the redeveloped BTC is expected to generate an additional \$2.16 million in tax revenue to the City in 2020. An additional \$8.45 million in taxes will be paid based upon State rates directly from the BTC in 2020.

Since these annual tax payments are expected to recur for decades, the total values of these taxes are calculated by summing up the present values of future expected tax receipts from the BTC. The usable life of the BTC after the redevelopment is assumed to be 30 years.<sup>9</sup> The nominal discount rate is assumed to be 4.5%. The BTC sales growth rate is approximated by expected inflation rate that is assumed to be 2%.<sup>10</sup> Based on these assumptions, the present value of 30 years of recurring tax payments attributable to the City upon completion of the redevelopment is estimated to be \$46.82 million, whereas the present value of recurring tax payments attributable to the State is estimated to be \$186.10 million.

<sup>6</sup> The tax base of \$124 million is based upon gross construction costs of \$249 million, minus all soft costs and amounts not paid by or on behalf of owner for direct construction.

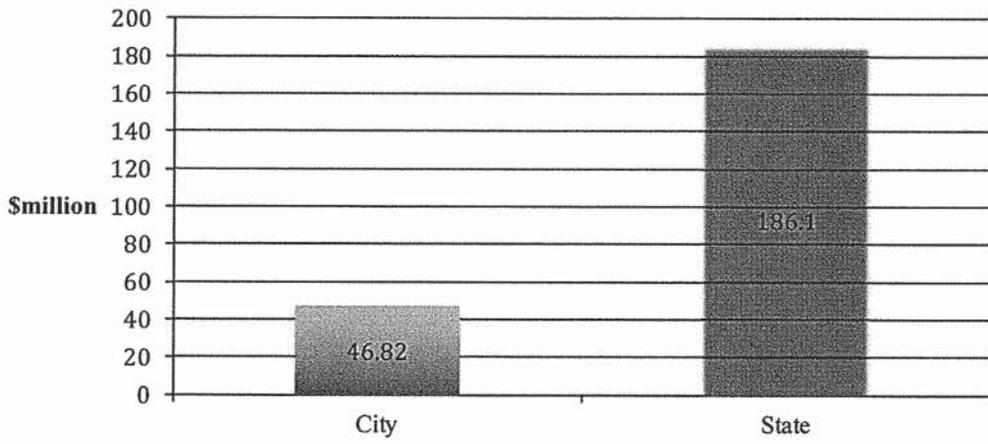
<sup>7</sup> Calculation assumes 67% of retail sales are taxable transactions.

<sup>8</sup> Electricity sales receipts do not assume any onsite electricity generation.

<sup>9</sup> The Internal Revenue Service uses a 39-year life for the depreciation of commercial properties. According to CoStar, a leading commercial real estate database provider, the average economic life among distressed shopping malls is approximately 30 years. The economic life of a shopping mall is generally longer (shorter) when the location of the shopping mall is more (less) desirable.

<sup>10</sup> U.S. retail growth rate, on average, has been higher than U.S. inflation rate.

**BTC Direct Impact  
Present Values of Recurring Tax Payments**

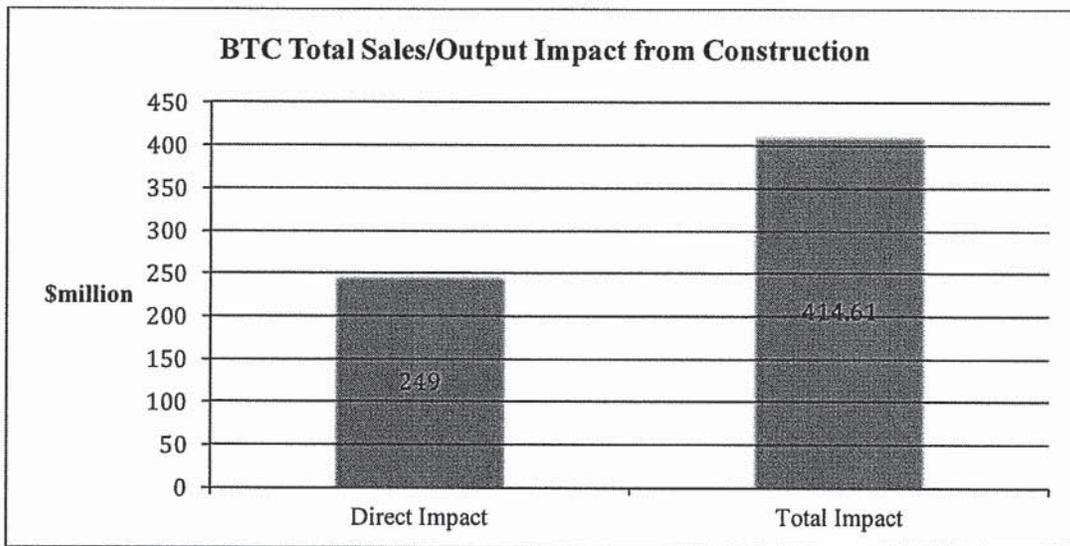


## VI. Total Economic Impact

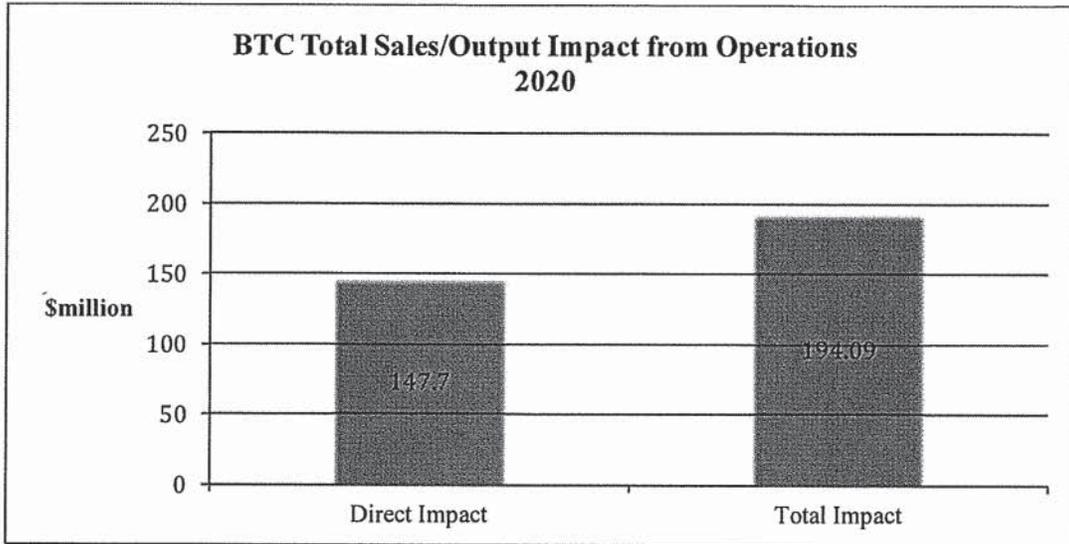
The BTC redevelopment has secondary economic effects. The redevelopment generates additional sales, earnings, and employment beyond the BTC because other stakeholders of the regional economy benefit from the redevelopment. Within the framework of the input-output model, the total economic impact of the BTC redevelopment is the sum of direct economic impact, indirect effects, and induced effects.

### A. Total Sales/Output Impact

As discussed in the previous section, the construction spending is expected to be \$249.00 million. Based on the construction industry output multiplier published by the BEA, we estimate that the construction will create an additional \$165.61 million sales for the Chittenden County. That is, the total sales due to the construction is expected to be \$414.61 million for the regional economy.

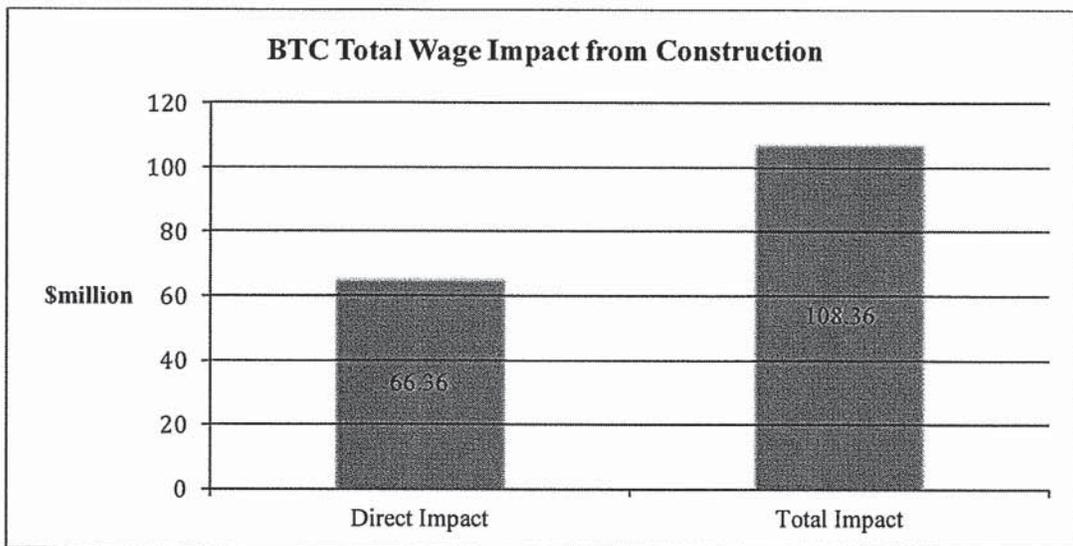


For the calendar year of 2020, the first year's full operation at BTC is expected to yield additional sales in the amount of \$147.70 million. Based on the output multipliers published by the BEA and an estimated retail share of 0.45, we estimate that these increased commerce activities will generate an additional \$46.39 million sales for the other stakeholders in the regional economy. In total, the redeveloped BTC is expected to introduce incremental sales for the regional economy in the amount of \$194.09 million per year.



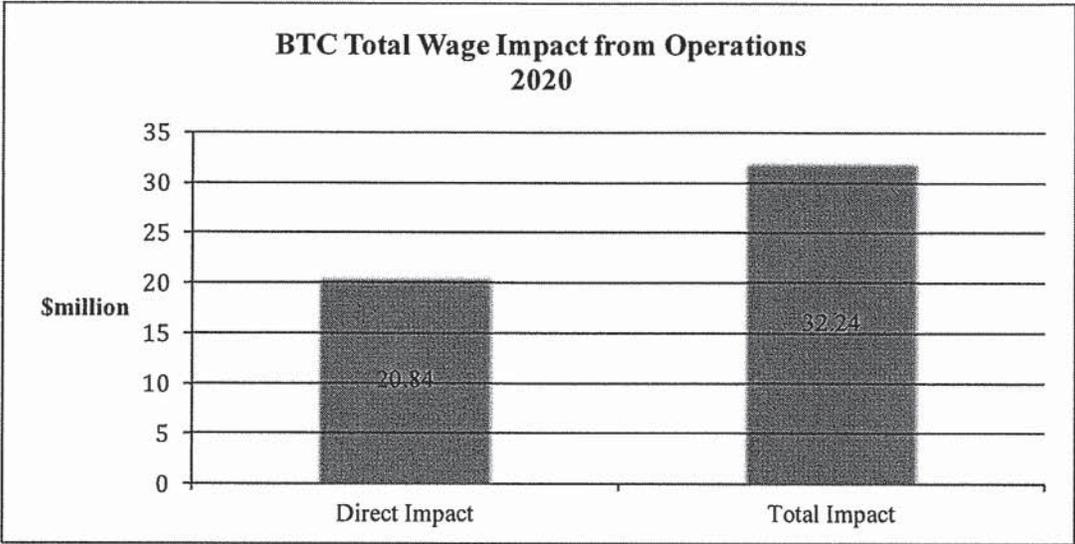
*B. Total Wage Impact*

It was shown in the previous section that the planned construction is expected to directly add to the regional economy with a total of wage gain in the amount of \$66.36 million. Based on BEA earnings multipliers, we estimate that the secondary effects are approximately \$42.00 million. As a result, the total wage gain due to construction is approximately \$108.36 million.



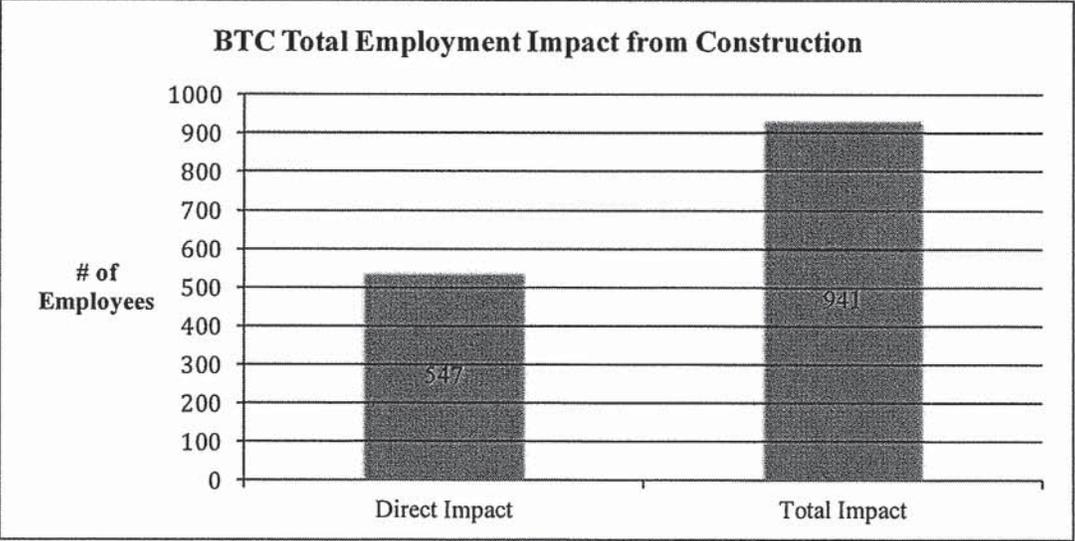
After the construction is completed, the operations in 2020 are expected to directly generate \$20.84 million wage gain. Based on BEA earnings multipliers, an additional \$11.40 million wage gain will be created in 2020 because of indirect effects and induced

effects. In total, the total wage gain in 2020 amounts to \$32.24 million, and the increase in earnings is expected to recur over the redeveloped BTC's usable life.



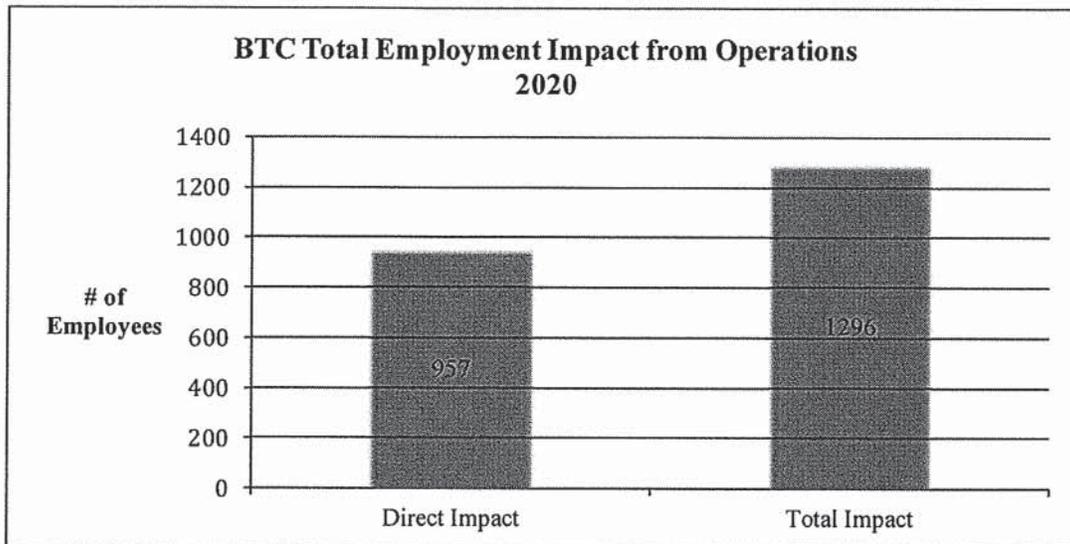
*C. Total Employment Impact*

The redevelopment construction is expected to directly create approximately 547 new jobs during the construction phase. According to BEA employment multipliers, the secondary effects of the construction will generate an additional 394 jobs. In total, the BTC construction supports 941 jobs throughout the regional economy.



The commercial component of the redeveloped BTC is expected to directly support 957 permanent jobs for the regional economy. According to BEA employment multipliers, the BTC employment will create 339 additional jobs throughout the Chittenden County.

In total, we estimate that 1,296 jobs will be supported because of the BTC redevelopment.



## VII. Sensitivity Analysis and Discussion

We used the input-output model to estimate the total economic impact of the proposed BTC redevelopment for the regional economy. We obtained multiplier estimates from the BEA, and the resulting baseline economic impact estimates were presented in the previous sections. This section now concludes our report with a sensitivity analysis and some perspectives.

### *A. Sensitivity Analysis*

It is important to acknowledge that the baseline analysis is based on a set of operational assumptions. For example, we took the view that the Chittenden County multipliers that are virtually industry average estimates by the BEA for the Chittenden County are good proxies for the true, unobservable multipliers of the BTC redevelopment.<sup>11</sup>

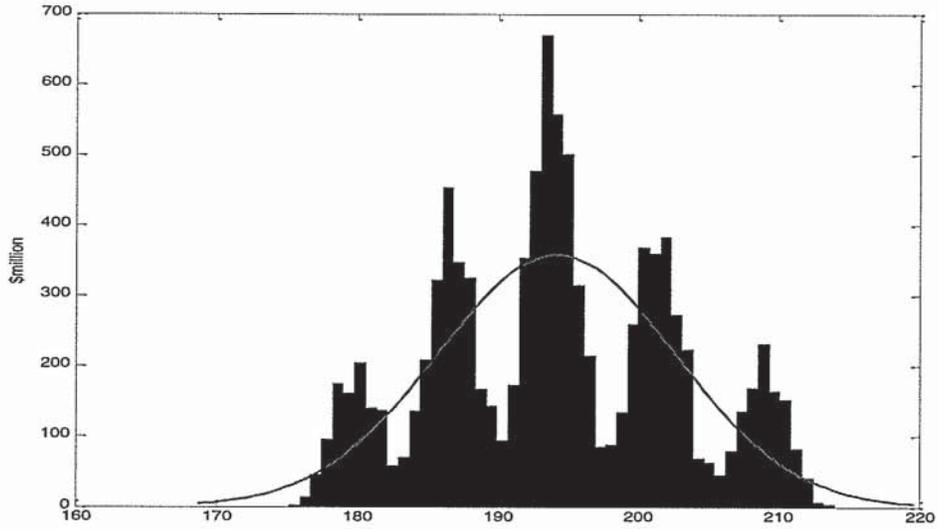
In light of these methodological limitations, we performed a sensitivity analysis for the BTC's operations in 2020 and ask the "what if" question. That is, we allow our retail, office, restaurant, and entertainment sales estimates and their multipliers to take on an additional two possible values in addition to their baseline value: one is higher than the baseline input by 5% and the other is lower by 5%. The inclusion of these two additional possible values reflects the best scenario and the worst scenario. We also assume that the probabilities for each of the three possible values are the same. We then perform a Monte Carlo simulation to generate a distribution of total economic impact. The simulation is repeated 10,000 times.

The following is a presentation of possible total sales/output impact from operations. The distribution suggests that there is a 95% probability that the total sales/output increase will be within the range of \$180 million and \$210 million in 2020.

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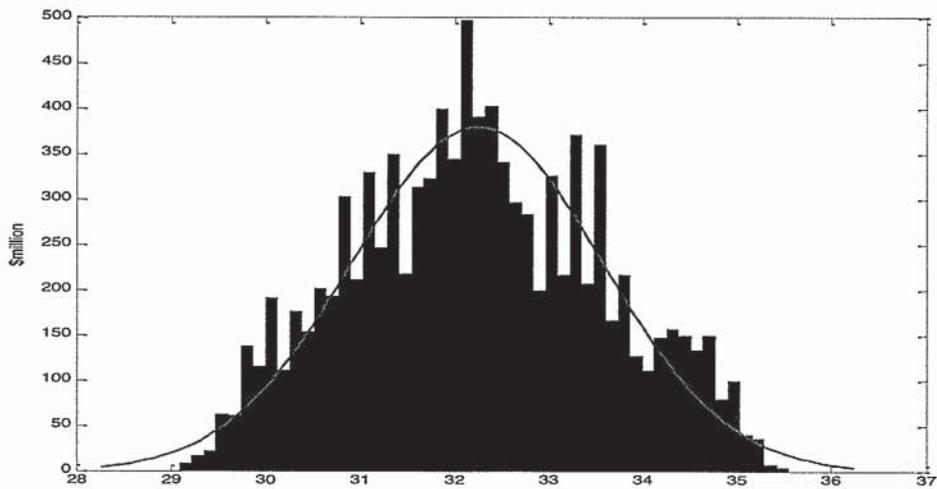
<sup>11</sup> The input-output model assumes industry homogeneity.

### Sensitivity Analysis of BTC Total Final Sales/Output Impact 2020



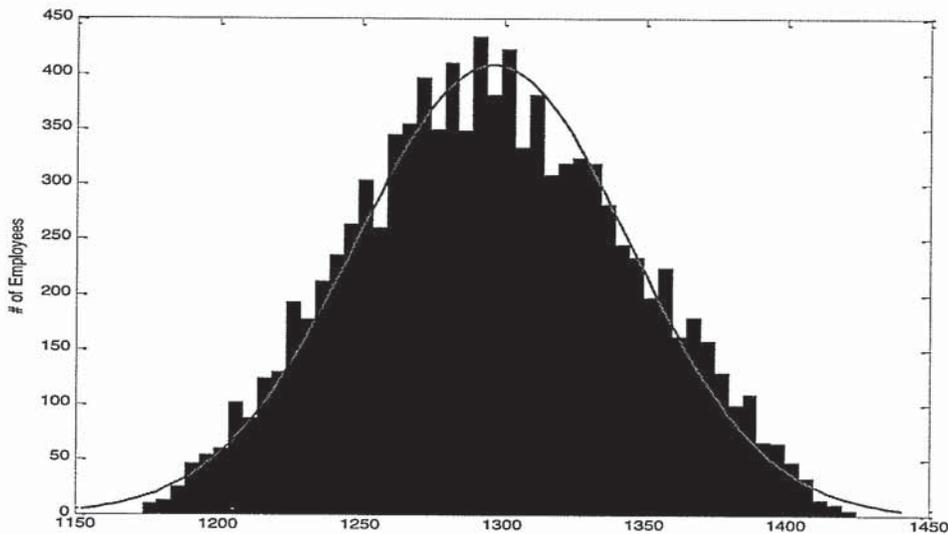
Using the same simulation procedure, the distribution in the following presentation suggests that there is a 95% probability that the total wage increase will be within the range of \$29 million and \$35 million.

### Sensitivity Analysis of BTC Total Wage Impact 2020



The following is a presentation of possible increase in employment within Chittenden County due to the redeveloped BTC's operations. The distribution suggests that there is a 95% probability that the total employment increase will be within the range of 1,200 jobs and 1,400 jobs in 2020.

### Sensitivity Analysis of BTC Total Employment Impact 2020



Through these simulations, we obtained a range of total economic impact. The results indicate that our baseline results are fairly robust. That is, the mostly likely estimates of the total economic impact are expected to retain their economic significance even when uncertainty is to some degree built into the underlying economic model.

#### *B. Perspectives*

The BEA multiplier measures the total economic impact for an average project. This average measure does not consider the scale economy of the project or whether it has marquee drawing power. Thus, if one believes that the redeveloped BTC will be an effective anchor that draws visitors to downtown Burlington, the true total sales/output, wage, and employment impact of the BTC redevelopment will be greater than those presented above.

Another limitation related to the use of the input-output model is that the BEA does not provide tax multipliers. Therefore, we are not able to use published, objective statistics to compute the secondary effects for the present value estimates of direct tax revenues: \$46.82 million to the City and \$186.10 million to the State. One circuitous way to gauge the secondary effects for the present values of tax revenues is to rely on output multipliers because the indirect effects of final demand produce sales tax revenues and the induced effects of final demand yield tax revenues through household consumption. However, an immediate problem is that the multipliers available from the BEA are

compiled for Chittenden County. The secondary effects for the City are by construction smaller than those for the County, whereas the secondary effects for the State are greater than those for the County. As a result, our following rough estimates should be taken with a grain of salt. We take the view that the present value of secondary tax revenues to the City may reach \$5 million and the present value of secondary tax revenues to the State may reach \$45 million. That is, the present value of total tax revenues to the City is approximately \$50 million and the present value of total tax revenues to the State should be greater than \$230 million. The combined present value of total tax revenues is thus estimated to be \$280 million. Again, this estimation did not consider whether the redeveloped BTC has marquee drawing power. If one believes that the redeveloped BTC will be an effective anchor that draws visitors to downtown Burlington, the true tax revenues impact of the BTC redevelopment will be greater than those presented above.

Finally, a fundamental limitation of the input-output model is that it ignores the improvement of living quality.<sup>12</sup> It is our view that the BTC redevelopment will lead to a better and improved use of the BTC site for the local community in terms of enhancing living quality. In addition, the planned redevelopment is consistent with recent policy emphasis on the notion of smart growth that promotes economic opportunities and encourages redevelopment in urban areas to avoid suburban sprawl.<sup>13</sup> These non-financial qualities are, in our views, important considerations to city, regional, and state planners.

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<sup>12</sup> *RIMS II: An essential tool for regional developers and planners*, Bureau of Economic Analysis, U.S. Department of Commerce.

<sup>13</sup> <http://www.epa.gov/smartgrowth/>

**Resolution Relating to**

APPROVAL AND CERTIFICATION OF DISTRICT  
RECONCILIATION AMENDMENT RE  
WATERFRONT TIF DISTRICT

**RESOLUTION** \_\_\_\_\_

Sponsor(s): Councilor Knodell

Introduced: \_\_\_\_\_

Referred to: \_\_\_\_\_

Action: \_\_\_\_\_

Date: \_\_\_\_\_

Signed by Mayor: \_\_\_\_\_

**CITY OF BURLINGTON**

In the year Two Thousand Sixteen .....

Resolved by the City Council of the City of Burlington, as follows:

1 That WHEREAS, in its 2016 legislative session, the Vermont legislature amended Act 80 of the 2013  
2 Vermont legislative session to permit the City of Burlington to extend the debt incurrence and debt retention  
3 periods for certain properties within the Waterfront TIF District so as to provide the City of Burlington with a  
4 feasible timeline for building and paying for public infrastructure in support of the proposed redevelopment of  
5 the Burlington Town Center; and (with amendment by Act 174 of 2014) requires that all Tax Increment  
6 Financing (TIF) Districts will be subject to Vermont Economic Progress Council (VEPC) oversight  
7 provisions; and

8 WHEREAS, TIF Districts which were created before 2006 and not previously subject to VEPC  
9 oversight became subject to VEPC oversight provisions under Act 80 of the 2013 Vermont legislative session  
10 (as amended by Act 174 of 2014); and

11 WHEREAS, the City of Burlington, whose Waterfront TIF District was created in 1996 was, as a  
12 result, required pursuant to Section 605 of Rule # 15-P04 (adopted May 6, 2015 in accordance with the  
13 Vermont Administrative Procedures Act), as per the requirements of ACT 80, to submit a District  
14 Reconciliation to the Vermont Economic Progress Council (VEPC) on December 16, 2015; and

15 WHEREAS the City of Burlington must now file an Amendment to its District Reconciliation for the  
16 Waterfront TIF District in order to update the previous filing and supplement same in light of the 2016  
17 legislative changes impacting the Waterfront TIF District; and

18 WHEREAS, the amendment narrative, supplemented by its attachments (hereafter “the Waterfront TIF  
19 District Reconciliation Amendment”), was prepared by Assistant City Attorney, Richard Haesler who, as the  
20 City’s designated TIF contact person in the administration of its TIF Districts, has represented that the  
21 attachments are a true and accurate compilation of materials necessary for submission of Burlington’s  
22 Waterfront TIF District Reconciliation Amendment;

23 NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby approve and certify,  
24 pursuant to statutory requirements referenced herein, the Waterfront TIF District Reconciliation Amendment  
25 with all attachments, including electronic filings referenced as supplemental to the filing, and further approves

APPROVAL AND CERTIFICATION OF DISTRICT RECONCILIATION  
AMENDMENT RE WATERFRONT TIF DISTRICT

26 and certifies such additional supplemental materials not inconsistent with the District Reconciliation  
27 Amendment as may be required by VEPC for the submission, subject to the review and approval of the City  
28 Attorney.

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lb/RWH/Resolutions 2016/CEDO – Waterfront TIF District – Approval and Certification of Reconciliation Amendment  
8/10/16

**Resolution Relating to**

**RESOLUTION 5.41**

APPROVAL AND CERTIFICATION OF DISTRICT  
RECONCILIATION AMENDMENT RE  
WATERFRONT TIF DISTRICT

Sponsor(s): Councilor Knodell  
Introduced: 08/15/16  
Referred to: \_\_\_\_\_  
Action: adopted  
Date: 08/15/16  
Signed by Mayor: 08/23/16

**CITY OF BURLINGTON**

In the year Two Thousand Sixteen .....

Resolved by the City Council of the City of Burlington, as follows:

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23 NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby approve and certify,  
24 pursuant to statutory requirements referenced herein, the Waterfront TIF District Reconciliation Amendment  
25 with all attachments, including electronic filings referenced as supplemental to the filing, and further approves

\* \* \* \* \*

ORIGINAL

**DISTRIBUTION:**

I hereby certify that this resolution has been sent to the following department(s) on

RESOLUTION RELATING TO

.....  
.....  
.....

Adopted by the City Council

....., 20.....

..... Clerk

Approved....., 20.....

..... Mayor

**Attest:**

Vol. .... Page .....

\* \* \* \* \*

26 and certifies such additional supplemental materials not inconsistent with the District Reconciliation  
27 Amendment as may be required by VEPC for the submission, subject to the review and approval of the City  
28 Attorney.

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ORIGINAL

**DISTRIBUTION:**

I hereby certify that this resolution has been sent to the following department(s) on

CEDO Director MacKay  
Assistant City Attorney Haesler

**RESOLUTION RELATING TO**

Approval and Certification of District Reconciliation Amendment re Waterfront TIF District

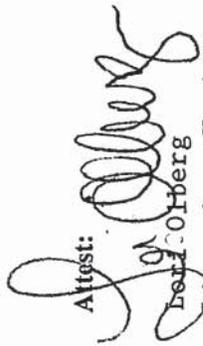
**Adopted by the City Council**

August 15, 2016

..... Clerk

Approved August 23, 2016

..... Mayor

Attest:  
  
Lori Orberg  
Licensing, Voting and Records Coordinator

Vol. .... Page .....

\* \* \* \* \*

## Burlington Waterfront TIF District Annual Education Property Tax Revenue With and Without Burlington Town Center Redevelopment

