
Proposed Tax
Increment
Financing
District South
Burlington,
Vermont

Adopted TIF District Plan

August 27, 2012



Proposed TIF District South Burlington, Vermont

Adopted City Center TIF District Plan¹

Adopted by the South Burlington City Council August 27, 2012

Additional information on TIF Districts in Vermont and the TIF District application process may be viewed online at

http://accd.vermont.gov/strong_communities/opportunities/funding/tif.

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¹ Includes minor edits made 8/24/2012 including corrections to and incorporation of additional map and tables beyond the statutory requirement.

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Introduction, Background and Project Summary

Since the 1980s, the City of South Burlington has been working to redevelop City Center. Market Street was the first piece to be constructed in 1989, and in 2003, Federal funding was obtained to reconstruct it. Since then the City has been working to obtain approval to reconstruct Market Street and address environmental issues required to reconstruct Market Street. The City and community have been very engaged in multiple concept plans, comprehensive plans, capital improvement plans, and most recently a charrette and subsequent public meeting to develop a form based zoning code for City Center.

The City Center vision is a downtown that provides the core identity for South Burlington. While this is the fiscally wise and appropriate course to take, the market cannot, on its own develop City Center. A downtown represents a substantial shift in the development pattern and does not exist as a real estate market in South Burlington. It is difficult for the private sector to invest in a mixed-use building product without a local comparable. This is not intended to be a big box shopping destination, or a neighborhood of apartments and condominiums surrounding shopping plazas, but tree lined shopping streets overlooked by residences and offices.

This initiative is also a departure for the City, as up until now, South Burlington has often deferred to the private sector to design and build the public realm. The City has bike paths which are extensive in some places and non-existent in others, ample shopping but limited sidewalks to reach it, parks for sports but no cozy parks in which to read a paper (or one's tablet).

After so much planning, City Center is envisioned to have all this and more. And it is conceived with the public realm amenities that sell homes, lease out offices and draw new businesses. But this level of amenities will require public investment. The local South Burlington private sector, on its own cannot make these investments upfront as the South Burlington real estate market does not yet support these types of improvements. It will be up the City to provide this public realm, and to ensure that the infrastructure is in place to facilitate the mixed-use buildings that create a vital downtown.

A TIF District is one of the few State programs to stimulate economic growth available directly to municipalities. This TIF District Plan, once adopted by the City, and approved by the Vermont Economic Progress Council (VPEC), clears the path to allow the District to retain 75% of the increases in education tax revenue generated within the boundaries over a twenty year period. After a positive vote by the legal voters of the City, these revenues may be used to finance the improvements discussed within this plan. These revenues also will be matched by 75% of the municipal tax increment (increase over current value) revenues in the district.

Over the twenty year period, this state and local increment revenue is held separately from the rest of the City's finances and may be used only to pay for public infrastructure related debt. The TIF District principle is that but for the investment in public infrastructure the area would not develop as desirable a way or would not develop at as high an assessed value or as quickly as it would occur with the public investment in infrastructure and improvements.

In December of 2010, the Vermont Economic Progress Council (VEPC), the State of Vermont council which approves new districts, accepted a Letter of Intent to submit a TIF District application from the City of South Burlington. This cleared the path for the City to proceed with developing a TIF District application.

This Plan proposes that the TIF District incremental revenues facilitate construction of environmental, circulation and placemaking improvements. These projects were required in the Market Street/City Center Environmental Assessment, included in prior capital improvement plans, designed in concept plans and studies, and recommended in the draft comprehensive plan or the result of public input. This Plan explains why these improvements are necessary to leverage private redevelopment of City Center as a downtown walkable core for South Burlington. It also includes cost estimates for all improvements, and designates what share of costs the TIF District revenues will cover.

This new mixed-use walkable downtown will support an estimated 10% increase in the City's housing stock – eight hundred to twelve hundred units – most of which will be considered more affordable than single family homes.

A vibrant South Burlington downtown will also attract new and growing businesses to locate in Vermont and in South Burlington. A sense of place will be developed through creative and thoughtful design to incorporate sustainability and quality in the development of parks, public buildings, and other public realm spaces. Attractive and comfortable public areas will draw residents and visitors throughout the day time and evening. The downtown will support events and other programming, provide respite and mental recharging areas, and comfortable places that support sociability.

The TIF District placemaking component will support a lifestyle which allows companies to attract employees that value working in a downtown environment. These might include technology focused companies, professional offices, and other businesses which rely heavily on face-to-face contact.

Currently the core of the area is considered to be isolated and abandoned. Children are bused or driven to the Marcotte School Central School because parents are afraid to allow them to walk.

This Plan proposes to reduce vehicle trips through complete walking, biking and transit facilities combined with centralized and managed parking to support sustainable incremental growth of a downtown over the next two decades. The purpose of using TIF funds to build circulation infrastructure which supports multiple modes of transportation. Modes such as walking and biking require a connected network in order to reap a transportation benefit and do not flourish if the system is constructed piecemeal.

The TIF District will provide for sufficient public investment to support development that otherwise would not be initially supported by the market. The TIF District is essential to the development of City center as the size of the public investment required exceeds the City's capacity to otherwise fund the proposed infrastructure projects.

Proposed South Burlington TIF District Boundary and Parcel List

The proposed boundary of the TIF District lies wholly within the Central Districts 1, 2, 3, and 4, a zoning designation adopted to support mixed-use redevelopment of City Center. The TIF District boundary excludes parcels that are not whole. It lies entirely within the designated South Burlington New Town Center.

Dorset Street and Hinesburg Road form the western and eastern edge of the TIF District. The remainder of the boundary is along property lines and includes all the properties that adjoin Market Street and San Remo Drive to the south, as well as the Rick Marcotte Central School and residential properties along Mary Street to the north.

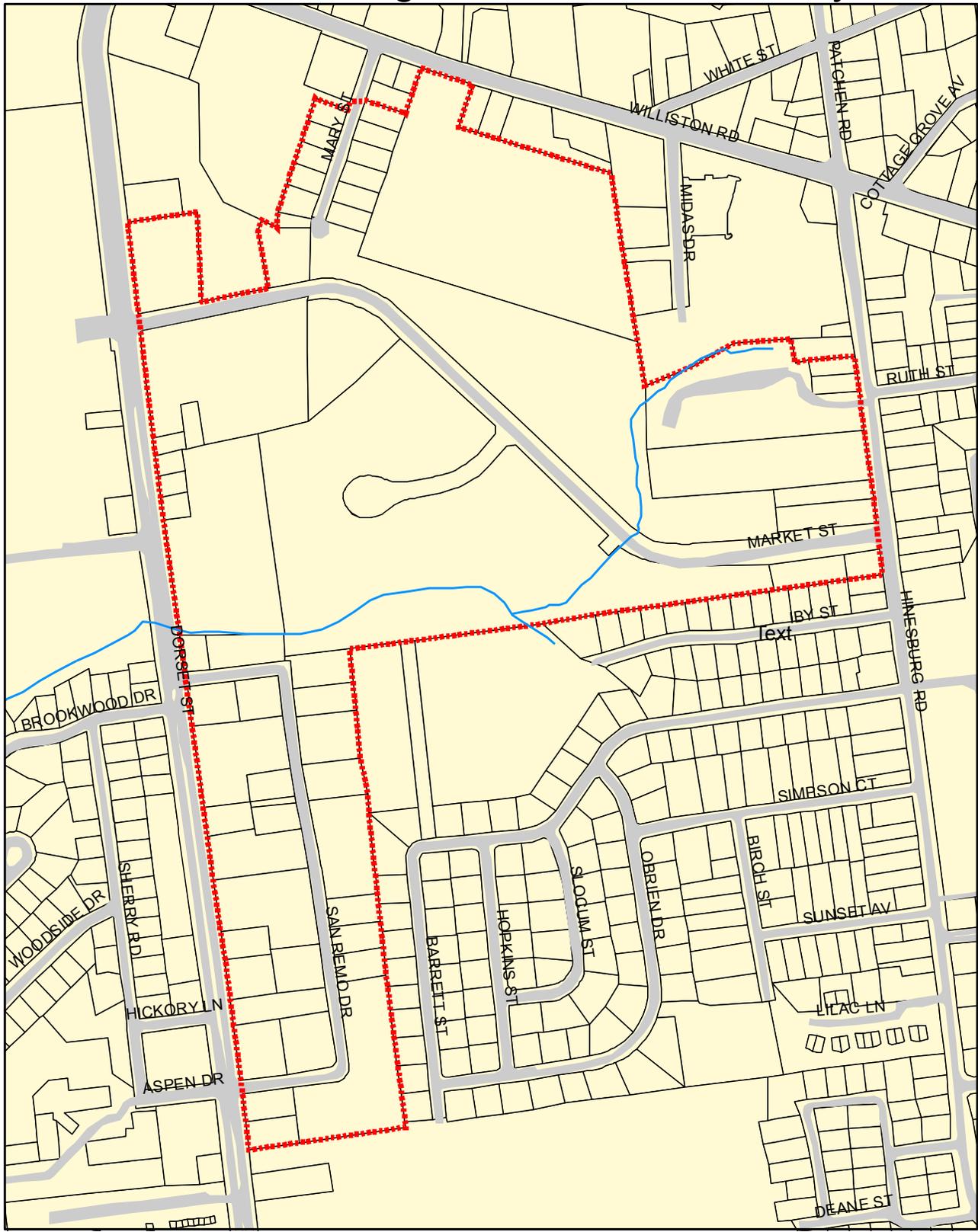
This includes the Anchorage Inn in the northwest corner of the district, the small property where the Vermont Department of Motor Vehicles is located, the residential properties located on Mary Street, and the property owned by the School District which houses the Central School. The boundary excludes a portion of the larger, separate, parcel related to the Barnes & Noble building which is included within the New Town Center but cannot be included in the TIF District as it is not a whole parcel. The Rick Marcotte Central School property is the only property within the TIF District which adjoins Williston Road.

The northeast corner of the TIF District and properties that compose the eastern boundary lie along Hinesburg Road. These properties are mainly owned by Chastenay Estates and Sunrise Partnership (Village Green apartments). A parcel owned by Peter Michaels makes up the southeast corner of the district on Hinesburg Road. Along the southern border is the largest parcel (South Burlington City Center), owned by South Burlington Realty. This parcel encompasses approximately 33 acres however much of it is occupied by Tributary 3 to the Potash Brook.

The western and southernmost portion of the TIF District includes all the smaller properties adjoining San Remo Drive and between San Remo Drive and Dorset Street. Along Dorset Street and opposite the University Mall (but excluding the mall) are the Malone properties on which Healthy Living is located and three rental houses. Further north along Dorset, one small, single family residential property separates the Malone properties from the Blue Mall, a large parcel which completes the boundary of the district across Market Street from the Anchorage Inn.

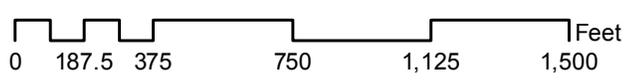
Tax Increment Financing District

South Burlington, Vermont Boundary



 TIF District

created August 10, 2012



TIF DISTRICT APPLICATION
TABLE 6G
ALL PARCELS WITHIN TIF DISTRICT

	A	B	C	D	E	F	G	H	I
1	Parcel ID	Span #	Property Owner(s) name(s)	911 Address		Comments/Clarifications	Assessed Value	Taxable Value	home stead?
2				Number	Street				Y/N
3	YEAR:	2012				Totals:	\$36,307,600	\$36,307,600	
4	0450-00000	600-188-14489	SOUTH BURLINGTON CITY CENTER, LLC	0	MARKET ST		\$2,440,000	\$ 2,440,000	N
5	0450-00004	600-188-11132	CENTURY PARTNERS LP	4	MARKET ST	Value previously noted with Parent Parcel	\$1,259,000	\$ 1,259,000	N
6	0450-00005	600-188-14367	POON TRUST LLC	5	MARKET ST		\$858,200	\$ 858,200	N
7	0450-00010	600-188-15838	SOUTH BURLINGTON SCHOOL DISTRICT	10	MARKET ST		\$0	\$ -	N
8	0570-00108	600-188-10018	DORSET STREET INVESTMENT GROUP LLC	108	DORSET ST		\$2,948,500	\$ 2,948,500	N
9	0570-00150	600-188-11818	DORSET SQUARE ASSOCIATES	150	DORSET ST		\$3,502,400	\$ 3,502,400	N
10	0570-00166	600-188-10214	DORSET SQUARE ASSOCIATES	166	DORSET ST		\$176,000	\$ 176,000	N
11	0570-00174	600-188-16672	WOOD RUTH E	174	DORSET ST		\$250,500	\$ 250,500	Y
12	0570-00192	600-188-15325	MALONE DORSET ST PROPERTIES LLC	192	DORSET ST		\$202,200	\$ 202,200	N
13	0570-00196	600-188-15167	MALONE DORSET ST PROPERTIES LLC	196	DORSET ST		\$188,700	\$ 188,700	N
14	0570-00200	600-188-14202	MALONE DORSET ST PROPERTIES LLC	200	DORSET ST		\$221,000	\$ 221,000	N
15	0570-00222	600-188-15168	MALONE DORSET ST PROPERTIES LLC	222	DORSET ST		\$3,703,100	\$ 3,703,100	N
16	0570-00330	600-188-11266	CHURCH OF CHRIST	330	DORSET ST		\$78,900	\$ 78,900	N
17	0570-00340	600-188-16478	WELCH EDGAR A SOLE TRUSTEE	340	DORSET ST		\$1,084,900	\$ 1,084,900	N
18	0570-00344	600-188-11719	DESARNO JANET M & C DAVID, TRUSTEES	344	DORSET ST		\$274,600	\$ 274,600	N
19	0570-00350	600-188-11988	DAWSON DORSET STREET PROPERTIES LLC	350	DORSET ST		\$582,800	\$ 582,800	N
20	0570-00354	600-188-11164	CHAMPLAIN OIL COMPANY INC	45	SAM REMO DR		\$1,883,100	\$ 1,883,100	N
21	0570-00358	600-188-16566	BESAW LLC	358	DORSET ST		\$423,700	\$ 423,700	N
22	0570-00364	600-188-14490	DORSET STREET REAL ESTATE HOLDINGS, LLC	360	DORSET ST		\$200,800	\$ 200,800	N
23	0570-00366	600-188-14491	DORSET STREET REAL ESTATE HOLDINGS, LLC	366	DORSET ST	364, 366, 368 DORSET ST	\$3,551,900	\$ 3,551,900	N
24	0570-00370	600-188-15587	SCHUMACHER ROBERT & BARBARA TRUST	370	DORSET ST		\$373,800	\$ 373,800	N
25	0570-00372	600-188-14477	DORSET COMMUNICATIONS LLC	372	DORSET ST		\$450,600	\$ 450,600	N
26	0860-00061	600-188-12277	FULLER JR JAMES R	61	HINESBURG RD		\$211,000	\$ 211,000	Y
27	0860-00071	600-188-14292	SONRISE PARTNERSHIP LLP	71	HINESBURG RD		\$204,000	\$ 204,000	N
28	0860-00097	600-188-14033	EDMOND CHASTENAY FAMILY TRUST	97	HINESBURG RD		\$310,200	\$ 310,200	Y
29	0860-00111	600-188-14034	CHASTENAY ESTATES INC	111	HINESBURG RD		\$169,900	\$ 169,900	N
30	0860-00113	600-188-13157	CHASTENAY ESTATES INC	113	HINESBURG RD		\$65,600	\$ 65,600	N
31	0860-00135	600-188-14965	PETERS MICHAEL A	135	HINESBURG RD		\$230,400	\$ 230,400	N

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TABLE 6G
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	A	B	C	D	E	F	G	H	I
1	Parcel ID	Span #	Property Owner(s) name(s)	911 Address		Comments/Clarifications	Assessed Value	Taxable Value	home stead?
2				Number	Street				Y/N
32	1120-00014	600-188-15472	RUSSELL JOHN A & LYNN A	14	MARY ST		\$224,800	\$ 224,800	N
33	1120-00018	600-188-10247	RED BEAR LLC	18	MARY ST		\$201,500	\$ 201,500	N
34	1120-00019	600-188-11009	CAMERLENGO NORBERT P & SUSAN C	19	MARY ST		\$231,400	\$ 231,400	Y
35	1120-00022	600-188-15993	MARY STREET LLC	22	MARY ST		\$197,700	\$ 197,700	N
36	1120-00023	600-188-15473	RUSSELL JOHN A & LYNN A	23	MARY ST		\$176,200	\$ 176,200	N
37	1120-00024	600-188-12581	LAWLER TIMOTHY	24	MARY ST		\$229,300	\$ 229,300	Y
38	1120-00026	600-188-15465	RUSSELL JOHN A & LYNN	26	MARY ST		\$212,800	\$ 212,800	N
39	1120-00027	600-188-11251	CHIU JEN-FU & LUCIA	27	MARY ST		\$213,000	\$ 213,000	N
40	1120-00028	600-188-11793	HUDSON DOUGLAS	28	MARY ST		\$200,400	\$ 200,400	Y
41	1120-00031	600-188-12785	HAYES GORDON & TRACY	31	MARY ST		\$222,100	\$ 222,100	Y
42	1120-00033	600-188-11700	THIRTY THREE MARY STREET LLC	33	MARY ST		\$235,000	\$ 235,000	N
43	1490-00002	600-188-10030	ABJ INC	2	SAN REMO DR		\$145,600	\$ 145,600	N
44	1490-00006	600-188-10201	AOS REALTY LLC	6	SAN REMO DR		\$867,100	\$ 867,100	N
45	1490-00016	600-188-10671	BOUCHARD SONS GARAGE INC	16	SAN REMO DR		\$379,000	\$ 379,000	N
46	1490-00020	600-188-13150	JB REALTY PARTNERSHIP	20	SAN REMO DR		\$280,400	\$ 280,400	N
47	1490-00023	600-188-12234	FOUR BOYS LLC	23	SAN REMO DR		\$521,200	\$ 521,200	N
48	1490-00024	600-188-16123	TIMBERLAKE ASSOCIATES	24	SAN REMO DR		\$435,700	\$ 435,700	N
49	1490-00027	600-188-16477	WELCH EDGAR A	27	SAN REMO DR	NOT SHOWN ON PARCEL MAP	\$45,700	\$ 45,700	N
50	1490-00031	600-188-10991	CAIRNS CHARLES A	31	SAN REMO DR		\$287,500	\$ 287,500	N
51	1490-00032	600-188-16124	TIMBERLAKE ASSOCIATES	32	SAN REMO DR		\$359,500	\$ 359,500	N
52	1490-00033	600-188-11718	DAWSON DORSET STREET PROPERTIES LLC	33	SAN REMO DR		\$16,800	\$ 16,800	N
53	1490-00035	600-188-11715	DAWSON DORSET STREET PROPERTIES LLC	35	SAN REMO DR		\$286,400	\$ 286,400	N
54	1490-00036	600-188-13753	TIMBERLAKE ASSOCIATES LLP	36	SAN REMO DR		\$446,500	\$ 446,500	N
55	1490-00040	600-188-14492	SOUTH BURLINGTON REALTY COMPANY, LLC	40	SAN REMO DR		\$251,100	\$ 251,100	N
56	1490-00050	600-188-14493	SOUTH BURLINGTON REALTY COMPANY, LLC	50	SAN REMO DR		\$373,200	\$ 373,200	N
57	1490-00055	600-188-16567	BESAW LLC	55	SAN REMO DR		\$392,400	\$ 392,400	N
58	1490-00060	600-188-14494	SOUTH BURLINGTON REALTY COMPANY, LLC	60	SAN REMO DR		\$271,800	\$ 271,800	N
59	1490-00072	600-188-15023	PC CONSTRUCTION	72	SAN REMO DR	66, 68, & 72 SAN REMO	\$857,000	\$ 857,000	N
60	1775-00075	600-188-16252	SONRISE PARTNERSHIP LLP	75	VILLAGE GREEN DR		\$1,900,700	\$ 1,900,700	N
61									
62									
63						Non-Homestead Sub Total:	\$34,652,700		
64						Homestead Sub Total:	\$1,654,900		
64						All Property Total:	\$36,307,600		

TIF District Public Improvements

Projects

The public infrastructure projects may be roughly divided into three categories – environmental, placemaking, and circulation.

Environmental Improvements

The planned environmental infrastructure projects are required to support the envisioned infill development. As part of the Federal Environmental Assessment for Market Street and City Center, the City has committed that these improvements will coincide with redevelopment of the area. This area is part of the Potash Brook watershed, which drains into Lake Champlain. The protection and enhancement of this watershed, which is currently an impaired waterway, is required to mitigate the development of the City Center.

The quality of the flora and stream bed are currently degraded which contribute to the poor quality of the water. In addition, as climate change continues, the City expects weather events to become more severe. The ability of the ecosystem to handle large storm events will be critical to the long term economic sustainability of the area, as is the improvement of Lake Champlain's water quality.

The proposed environmental projects include the development of a unified stormwater treatment system capable of handling excess waters from sites, the use of street and other public realm areas for infiltration during rain events, the restoration of the stream bed for Tributary 3, and onsite and off-site restoration of wetlands.

Furthermore, the City proposes to integrate stormwater treatment into passive recreational areas. To the greatest extent feasible, stormwater facilities will be designed as a downtown amenity to increase the value and attractiveness of the downtown.

These environmental infrastructure improvements will increase the development yield on individual properties through a unified system managed by the City of South Burlington Stormwater Utility. This infrastructure will improve the quality of the waters in the Lake Champlain Basin, and mitigate the impact of additional impervious surfaces. As this stormwater infrastructure allows for a more efficient land use, it will facilitate a higher development intensity close to transportation, housing and jobs, while preserving valuable environmental resources elsewhere in South Burlington. It is estimated that the combined stormwater system, stream restoration, and wetland mitigation will cost approximately 3.7 million dollars.

In order to design the stormwater infrastructure, this fall the City will be estimating the total treatment need for City Center as part of the City's Market Street reconstruction project. A conceptual plan will be developed from this figure that addresses the need of development and conceptually explores placemaking opportunities. This will occur in 2012-2013. As part of this project, the City will fully design any portion of stormwater and wetland mitigation required to complete the reconstruction of Market Street. In addition to the concept and design work as part of the Market Street Restoration project, the City has programmed \$744,450 into the adopted Capital Improvement Program for the Stormwater Utility to cover design, engineering permitting, and construction costs. The City intends to have engineering for the entire system complete by 2015 in order to fund construction and plan implementation by 2016-2017. The Stormwater Utility fee funded revenues will cover the portion of the project which relates to public infrastructure, and the TIF District revenue financed debt will be used to fund the development related portion.

Placemaking Improvements

An essential component of the public infrastructure envisioned is the creation of a place that residents, businesses and developers recognize as a successful downtown for South Burlington. This includes building out a central green, restoring the environmental integrity of natural areas such as Dumont Park and the area around Tributary 3, installing the nature trails and bikeways that connect City Center to adjoining neighborhoods, interpreting their importance through signage and wayfinding, and building civic structures that will anchor the downtown.

The central green was a very popular element in the most recent concept plan. Primarily green, this area at the heart of the downtown may also be designed to host a market structure to support farmer's markets, concerts and fairs. This green is intended to be surrounded on two sides by streets featuring higher quality pavers that may be closed off for festivals and other events. The central green may also be used for the storage and infiltration of stormwater and is estimated to cost \$2,715,244. Future development on at least one side of the central green is expected to be mixed-use with commercial uses on the ground floor. The green will host events on a regular basis to attract visitors.

The attraction of many people on foot will increase visibility of commercial spaces adjacent to the green and support the ability of property owners to build the ground floor for and lease the ground floor to restaurant and retail establishments.

The development of this green is expected to be contiguous with the design and installation of the stormwater infrastructure as it is one of the larger infiltration areas upland of Tributary 3.

The installation of Dumont Park area including the Tributary 3 trail network, restoration of flora and fauna and development of passive recreation spaces with interpretive signage along pathways will

support residential and commercial development in the area. As developable lots are expected to be relatively small with non-built land are used for circulation infrastructure such as sidewalks and parking, public parklands support the mental and physical well-being of future residents and employees. Restored and accessible natural areas along the Tributary 3 and within Dumont Park will ensure that every new structure is within walking distance of a park.

State recreational department researchers have found that well designed parks increase the value of adjacent properties as much as thirty percent. Tributary 3 bisects the district, providing the potential for views that will further enhance the value of adjacent developments.

These passive recreational areas will increase safe routes to nearby schools and neighborhoods. They will both knit surrounding communities with City Center (with trails and expanded access to shared natural areas) and buffer residents (through established forest) in adjacent established single-family neighborhoods. Well-constructed trails will also allow adjacent neighborhoods to visit and shop in City Center without using a car.

The development of this natural park system will be contiguous with the stream restoration and stormwater system design. It is estimated to cost \$1,839,975, including infrastructure for a pedestrian bridge to cross Tributary 3, interpretive signage, public art, and native landscaping. While considerably larger in land area than the central green, this park, as a primarily natural area, does not include lighting fixtures, as many hardscape paths or any structures which results in much lower costs.

The creation of civic infrastructure in the heart of City Center will include the design and construction of a city hall, library, and recreational facilities. These will be used to draw residents and visitors the core of the new town center. These facilities currently generate approximately 700 visitors each weekday. It is estimated that the amount of foot traffic these buildings generate will increase significantly due to additional residents and businesses, improved facilities and a more convenient location. Through excellence in design, the continued delivery of quality services, and the expansion of event offerings, non-City Center residents will become familiar with the new town center. In concentrating these civic resources in the new downtown, the TIF District benefits from the purchasing power of visitors who combine visits to city facilities with other errands.

As a result of these improvements, businesses that locate in City Center will need to spend less on advertising. Iconic civic structures will assist in branding the area and establish an identity, provide public information and public restrooms, and otherwise support the successful development of a downtown area. Appendix A contains additional information on why these buildings are essential to the creation of a vibrant downtown and mixed-use development, and how they directly contribute to the development value of the district.

The development of civic facility infrastructure expected to cost \$23,257,026 dollars. Existing studies will need to be updated, locations selected, land negotiated for, and the structure(s) designed by 2015. Updating the studies, site selection, and design are expected to bring down the figure. Current plans envision these facilities as separate structures. In addition, the study which generated the cost figures for the library contains a cost estimate per square foot of \$290. The civic buildings will be constructed in 2017. The City will need to secure funds for 50 – 57% of construction cost and 100% of design costs.

Circulation Improvements

The City will be using TIF District funds to finance the development of circulation infrastructure. This includes a street network built along complete street principles. The projects that the TIF District financing will contribute to are estimated to cost \$41,622,443 dollars when completed, of which costs the TIF District will contribute \$21,036,964, while the City is projected to contribute \$5,257,384, with the remainder provided by secured and unsecured grants.

The City intends to use TIF District financing to provide matching funds for the reconstruction of Market Street and Street A in 2017. Street A will start at Dorset Street at Healthy Living, cross Market Street at the Central Green and reconstruct Midas Drive to Williston Road. The White Street intersection will be reconfigured to meet Street A in order to improve traffic flow, safety and alternative mode access. Street B is a future conceptual street for which a bike path between San Remo Drive to Street A will likely be substituted.

Street B (between Street A and Market Street along the Blue Mall and between Market Street and Williston Road along Mary Street) will be built by the private sector as each parcel redevelops. A boulevard south of Williston Road running south to a central green is expected be constructed by the private sector should the Rick Marcotte Central School be relocated and the entire parcel sold. Counting these future developer contributions, the entire street network concept for City Center including both sides of Dorset and Williston Road represents a public and private investment in excess of \$71 million.

Parking garages will be essential to the ability of City Center properties to support development that is constructed with downtown type buildings – the most efficient use of this property. The total future need for structured parking is estimated to be in excess of 40 million dollars. The City intends to use TIF District debt to build one public parking structure of approximately 400 spaces, less than ¼ of the estimated future need. This will be constructed to coincide with and serve the parking needs of the civic structures. Parking in excess of the public need will also be available to lease to smaller properties which are unable to develop to the desired density or develop at all if they

are required to provide parking onsite. Due to recent construction related to parking garages in the vicinity, there is some certainty that this cost will not go down.

The TIF District contribution for circulation costs (as stated earlier) is \$21,036,964. The district will finance the construction of Street A, the streets adjoining the central green, a streetscape on Williston Road, and the proposed parking garage. The bulk of the City funds needed for this portion of the infrastructure are related to the Williston Road streetscape and the parking garage. The City would provide design and engineering and half the construction costs of the streetscape on Williston Road. Because parking garage buildings are so expensive, if the City is to cover design costs upfront, this share results in a considerable cost. Additional funds beyond impact fees will be needed to be put by. Unfortunately, beyond TIF revenues, there are no other sources to defray these costs.

A Transportation Demand Management District will be established to assist in building the remaining parking structures and otherwise manage parking, improvements in alternative transportation mode access, and other transportation needs within the City Center. These projects, including the additional parking garages, would be public/private partnerships and funded primarily by the private sector with no TIF District financing.

A bicycle/pedestrian bridge contained in the City of South Burlington Official Map is to be requested this year for an alignment study by the Chittenden County Regional Planning Commission. TIF District Funds will be used to finance the preliminary engineering while other funds will be secured to complete engineering and permitting and construct the project. Currently I-89 creates a barrier to pedestrians and bicyclists that are risk adverse, reducing the attractiveness of walking and biking between City Center and the two largest employers within a mile – Fletcher Allen Hospital and the University of Vermont.

City Center will add new traffic to an intersection which already has significant pressure. A connected street network and access management along Williston Road will increase the overall systems efficiency; however, some mode shifts will be necessary, at least for short trips such as between City Center and the UVM/Fletcher Allen Campuses.

The 2004-2009 American Community Survey showed that a significant percent of South Burlington residents bicycle to work, however, the percent was much higher among men, who are considered less risk adverse, than among woman, and there was a notable difference between the census tract on the west side of I-89 compared to the census tract on east side of I-89 (where City Center is located), in which few residents bicycled to work, and especially fewer woman. This infrastructure will improve the comfort level for prospective bicycle commuters between employers on the Burlington side of the bridge and City Center. In addition, this infrastructure increases the

viability of alternative mode use through one of the most congested intersection in Vermont: Dorset Street and Williston Road. Any mode shift to bicycles and walking through this intersection is desirable and beneficial to the development of City Center. Any mode shift to bicycle and walking will also reduce parking needs, which reduces development cost and increases yield per square foot of land.

Such a bridge is estimated to cost 10 million from design to construction. TIF funds will be used to complete the concept, any studies which are required to satisfy federal funding requirements and design, permitting and engineering. Additional funds will be secured for engineering completion and construction which would be expected in 2021 or 2022. As this bridge has regional importance and is in line with transportation and active living goals, the City is not likely to provide any significant funds to this project, and the bulk of funding for this project will be sought from the Federal Government and other partners.

Another important piece of circulation infrastructure to be financed through the TIF District is a streetscape on Williston Road. Estimated to cost \$3,716,604 including easement acquisition, access adjustments, sidewalk relocation, and street furniture and landscaping, this project will be completed by 2017. It will extend the identity of the new downtown to Williston Road. This section of roadway carries over 27,000 vehicles on average per day, and attractive improvements on Williston Road will signal that City Center has arrived and is a great place to be. Without these improvements, these drivers that do not now live or shop in South Burlington might only ever identify the area with strip commercial. Although they might hear about how great City Center is, if all they ever have seen of South Burlington is Williston Road, they might never choose to visit. Access management, as mentioned earlier, will also increase efficiency and capacity on Williston Road which is important to growth in City Center. Pedestrian and bicycle facilities will also facilitate access to the TIF District from existing strip commercial, hotels, and neighborhoods to the north.

South Burlington TIF District Development Financing Plan

The City expects to pay for costs related to improvements contained in the financing plan until 2017, at which point bonds to be financed by the South Burlington TIF District will be issued. The items that the City will pay for or secure additional funding for independent of the TIF District revenues are the feasibility studies and updates, design, and part to all of the engineering and permitting costs with the exception of the pedestrian/bicycle bridge over I-89. The City has, or will secure funds to participate in the construction costs as well on the following projects: Market Street (secured – Federal Grant), Williston Road Streetscape (not yet sought), Civic Buildings (not yet sought), bicycle/pedestrian bridge over I-89 (not yet sought, expected to be majority Federal

participation). The TIF District financing will carry 100% of the construction costs on all projects except Market Street (20%), Williston Road streetscape (50%), civic buildings (47%), and the pedestrian bike bridge over I-89 (0%).

The City agreed to several mitigation steps in the 2010 Market Street Environmental Assessment. Concepts for much of the infrastructure are being developed in order to complete the restoration of Market Street; these are also related to the environmental mitigation required for the development of City Center. The Concept for Market Street was approved by the City Council in Spring 2012, as well as and updates to a contract with an engineering firm already under contract to complete the preliminary engineering of Market Street. As part of this project, the development of a final stormwater concept for much of City Center will be to be undertaken this year and in 2013. Permits for Market Street will be submitted to the District 4 Commission for review in compliance with Act 250. Some of the wetlands mitigation has already been designed and land acquired.

The City will also request that the Chittenden County Regional Planning Commission study the alignment of the bicycle/pedestrian bridge over I-89.

This year (2012) the City is also developing the form based codes for City Center to update the zoning code. This project will better articulate the vision for City Center and may include standards for the design of streets, alleys and pathways and establish the location of the extended circulation network. Form based codes are expected to clarify design expectations regarding future development and reduce review time and costs. This is expected to be adopted by the City Council in 2013.

Once the new form based code is adopted, the City also anticipates submitting to a proposal to become a Vermont Neighborhood in order to reduce the development burden and incentivize affordable housing. The Vermont Neighborhoods program increases the threshold for development triggering Act 250 review, which will shorten review times and increase developer certainty for projects.

Funding from impact fees and general fund resources will need to be designated during the FY14 and 15 budget process to update studies, complete design work and conduct preliminary engineering and permitting for projects.

2013-2014 Market Street will be under review for Act 250 permitting, the private development that will house Trader Joe's will be under construction and hold a grand opening, and South Burlington Realty will be applying for a Master Plan permit for the South Burlington City Center parcel from the Act 250 District 4 Commission. The City's Stormwater Utility resources will be programmed to engineer a unified stormwater system for City Center and negotiate with property owners. A portion of Street A (Dorset to the end of the Healthy Living/Trader Joes' property) will be completed by the developer of the Trader Joe's building.

In 2014, the City will undertake studies and conceptual design with the South Burlington community related to parks and public facilities. Design competitions and other means may be used to maximize creativity. Local experts on climate and ecology will be consulted to ensure long term sustainability and reduce operational and maintenance costs. The City will lay the groundwork to establish, in partnership with property owners, a transportation demand management district. A feasibility study will be underway for bicycle/pedestrian bridge over I-89.

2014-2015, design and structural engineering will be undertaken for environmental improvements, streets (with related utilities and landscaping), pathways and bridges, the parking garage, public buildings and parks. This work will be used to update cost estimates, which, due to several factors which will be discussed later may be severely overstated in the case of public buildings. To the extent possible, this design and engineering work will be funded or financed from collected impact fees (streets, recreation paths and parks), grants (streets and recreation paths) and general funds (City facilities, parking garage). A market study will be conducted to re-evaluate figures submitted in the TIF District Application and ensure that the debt expected to be incurred is still appropriate given expected tax increments. The City will go to voters to request a debt ceiling. This vote will request authorization from the voters to borrow the total amount of debt that the district is estimated to be able to finance. Market Street Act 250 permits will be completed, pending appeals. Market Street will obtain wetland permits and construction documents will be 100% complete. Market Street will go out to bid. The City's Stormwater Utility will provide resources to design the stormwater improvements.

The City has 5.5 million dollars in Federal earmarks which are being used for the design, engineering and construction of Market Street. In part these funds will be matched with Road Improvement Impact Fees which have been collected for the development of a street network in City Center.

The City will use Road Improvement Impact Fees to finance the design, engineering and permitting of the initial circulation features. These include Street A and the Mary Street connection, any alleys required for access to buildings or parking structures, and the festival streets associated with the central green. It is anticipated that some TIF funds may be used to take projects through final engineering and 100% construction documents.

Each of these features will be in compliance with the State of Vermont's complete street act and will feature quality sidewalks, appropriate infrastructure for bicycles and transit accommodations. They will also include landscaping, lighting, street furniture and utility infrastructure to service adjacent lots.

As part of the Market Street design, the City is investigating the feasibility of incorporating green streets principles (stormwater infiltration) given the topography, soils and water table level. Any designs developed for Market Street will then be carried into other streets.

Recreation Impact Fees are also collected for parks infrastructure. The Dumont Park Recreation area is undeveloped and unimproved, partially belonging to the City and partially on the South Burlington City Center property, 65% in the district. Dumont Park proper adjoins the southern boundary of the TIF District. Tributary 3 bisects the southern and eastern portion of City Center. The City will be amending the impact fee ordinance and it is anticipated that additional recreation pathways within City Center will be specified.

The development of the central green will establish part of the 15 acre set aside as an upland wetland buffer for Tributary 3.

If by 2015, all environmental permits have been obtained, cost estimates finalized, projects put out to bid, than debt will be incurred. This schedule allows an additional two years to obtain approval on the debt ceiling and for delays in completion of the Act 250 permits given the unpredictability represented by the appeal process.

By this year, a Transportation Demand District will be established.

By 2016-2017 all the debt required would be raised from bonds to finance the construction of public improvements. By this time also, a business improvement association will be fully established and involved in branding and marketing City Center. Market Street will be completed.

The City will apply for transportation grants for the pedestrian/bicycle overpass over I-89 but is limited to \$300,000 per year if only Transportation Enhancement Grants are sought. It is expected that the TIF District financing will fund the required studies and engineering for this project but that additional construction and engineering funds will come from the Transportation Enhancement Program and other public and private sources due to the exceptional linkages it creates between the university/medical complex/convention center and City Center/University Mall/concentration of hotels.

In 2017 improvements will likely be constructed in the following order and should be completed within two years, but may not be completed through 2019 due to the uncertainty of the environmental review process: environmental improvements, Street A, parking structure, parks (central green, Tributary 3/Dumont Park areas) public buildings (City Hall, Library, and Recreation Center), Williston Road Streetscape.

By late 2018, programming would be occurring on a regular basis in the City building and on the adjacent or nearby central green.

By 2021, permits will be sought for the pedestrian/bicycle bridge over I-89. This is the last piece of infrastructure of which a piece is to be funded by the TIF District and has the longest time frame for implementation due to the federal review involved.

Individual developers (private funds) will be responsible for building many streets such as Mary Street, the street between Market Street and Street A next to the Blue Mall, the boulevard that connects the central green to Williston Road and any other streets that may be designated in the form based code.

Additional roadway infrastructure is expected to be developed by the private sector near the end or after the TIF District life. These include an extension of the boulevard across Williston Road to Jaycee Park, a parallel road to Williston Road north of Williston, and an extension of Mary Street across Williston Road.

TIF DISTRICT APPLICATION
TABLE 6I
INFRASTRUCTURE COSTS, BY TYPE

Major Infrastructure Categories	Infrastructure Subcategory (Project)	Total Cost	Cost Paid By TIF Revenue	Cost Paid by Other Revenue Sources
	Total Infrastructure Costs, Table 6H	\$72,856,375	\$37,748,609	\$58,896,517
	Total Infrastructure Costs, this table	\$72,865,375	\$37,656,836	\$35,208,539
Environmental		\$3,722,250	\$2,977,800	\$744,450
	Consolidated Stormwater control and quality treatment system including streambed and wetland restoration and mitigation	\$3,722,250	\$2,977,800	\$744,450
Placemaking		\$27,863,083	\$13,642,073	\$14,221,010
	City Center Park (Dumont & Tributary 3)	\$1,839,975	\$1,473,875	\$366,100
	Central Green	\$2,715,244	\$2,442,205	\$273,039
	City Hall	\$6,375,000	\$2,600,745	\$3,774,255
	Library	\$8,044,114	\$3,498,993	\$4,545,121
	Recreation Center	\$8,888,750	\$3,626,254	\$5,262,496
Circulation		\$41,280,043	\$21,036,964	\$20,243,079
	Central Green associated streets	\$2,826,616	\$2,396,101	\$430,515
	Market Street	\$6,523,000	\$892,435	\$5,630,565
	Street A between Dorset Street & Williston Road	\$5,453,822	\$4,623,163	\$830,659
	Williston Road Streetscape	\$3,716,604	\$1,692,957	\$2,023,647
	Parking Garage (400 spaces)	\$12,760,000	\$10,932,308	\$1,827,692
	Ped/Bike Bridge	\$10,000,000	\$500,000	\$9,500,000

**TIF APPLICATION
TABLE 6R
RELATED COSTS**

1	A Related Cost Name	B Related Cost Description	C Related Cost Amount	D Year Cost is Expected to be Incurred
2		Total:	\$ 54,019	
3	Consultant Fee	Fee charged by Consultant (Contract #123245) for TIF District development	\$ 7,000	2011
4	Application Deposit	Application deposit charged by VEPC for third party application analysis	\$ 5,000	2012
5	Application Fee	Total Application Fee charged by VEPC for third party application analysis	\$ 15,000	2012
6	Market Study 2012	Fee charged by Allen & Brooks for the Market Study	\$ 1,900	2012
7	Consumer Demand Study	Study anticipated to support real property development	\$ 30,000	2014
8	Market Study 2015	Study update anticipated to support bond debt	\$ 2,000	2015
9	Public Notice for Public Hearing	Other Paper fee	\$ 119	2012
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Expected Real Property Development and Resulting Revenues

In the near term the private sector is expected to develop primarily housing, with a smattering of commercial. Currently, the rental market is extremely tight, with a vacancy rate under 2%, and many projects are fully leased out upon or before completion.

A limited number of commercial structures will be built in response to national retailers that are interested in locating in South Burlington, e.g. the Trader Joe's that is currently in the design phase for a Dorset Street location. For the most part, commercial is not expected to be built on speculation in the near term. Property parcels in the vicinity of the proposed central green will mostly be built as an amenity to residential structures (small service type businesses), in response to zoning requirements (in the proposed form based codes such may be required adjacent to the central green where street vitality is desirable), or professional offices or businesses that choose to locate in the district and commission a new building or floor lease. It is possible that a new hotel or hotel expansion may also occur. As market strengthens, the additional demand for retail will result in more speculative spaces on the ground floor for retail/service and restaurant uses.

Rental properties may turn into condominiums or condominiums may be built at a later date. Currently weak market demand combined with federal financing requirements that set higher thresholds for condominiums reduce the likelihood that condominiums will be built in the near term.

Because of public sector improvements these structures are expected to be multiple-story, closer together, and to be built at a higher density. More of these buildings are expected to be mixed-use than they would otherwise. Smaller properties that would remain vacant or with single story or two story buildings occupying a fraction of the overall land at the rear of lots would be expected to redevelop into pedestrian-oriented structures lining the street.

There is expected to be a higher market demand for this area due to the planned placemaking improvements. This will result in buildings being built more quickly and at a higher quality than they would otherwise be built. The placemaking improvements proposed by the City will facilitate the location and growth of firms in City Center that thrive in areas with a high daytime population.

Market Viability

The City of South Burlington residential, retail and office markets are holding their own within the Chittenden County market. This was the main conclusion of a market study the City commissioned in 2012 from Allen & Brooks. Allen & Brooks is a well-respected South Burlington advisory firm known for comprehensive and in-depth knowledge of the local real estate market.

They produce a market report which many area firms rely on to develop forecasts and make investment decisions. They are also the go-to firm for difficult appraisals and objective and well-supported analysis. This Market Study may be accessed online from the City Center portion of the City of South Burlington website (<http://bit.ly/P4AQew>).

District Approach

One of the principle strategies that will be undertaken by the property owners involved in the City Center project is that the area will be built out incrementally. This assists the marketability of City Center in various ways, different from other local high density projects but consistent with national trends.

First, less real estate product is constructed each year. This allows developers to target the development amount closer to the estimated absorption ability of the market. Smaller incremental development also requires less financing up front and allows the developer to build on success and existing assets.

Second, as only a handful of different developers may build in any given year, a variety of units and price points be available, reducing over saturation of the market to facilitate faster absorption.

Third, developers will be able to learn over time, improve their product and increase or reduce supply in any given year in response to market demand.

Fourth, incremental development will improve the long-term economic viability and sustainability of the TIF District. Incremental building construction by the private sector will result in a unique and evolving built environment. City Center will grow more organically and similar to historic town centers where buildings may be in different styles depending upon the builder, age, or technique. This will assist in resolving the perceived sterility and “sameness” in new town centers that are designed and built in a short time frame.

Market Overview

Currently housing demand is highest for apartments. The TIF District projected development has a larger share of residential with an emphasis on rental housing. The market appetite for residential rental units is extremely high, with projects leased out prior to opening or within months of opening. The condominium market, due to a variety of factors, is languishing. Over time, demand for condominiums is expected to rise. This is due to the lower price point for homeowners, the attractiveness of new build to several segments of the market, and the low-maintenance requirements of condominium. With the rise of two-job and aging households, these low-maintenance ownership options are expected to become a stronger market segment over time.

The office market is currently in balance. While the market has grown significantly in the past and is expected to continue to do so, only higher end offices are expected to locate in City Center on a limited basis. They would do so to benefit from a competitive locational advantage if they choose to locate there in the first five year and quality of life advantage as the TIF District matures.

The retail market is also currently in balance. The areas just outside the TIF District are already retail destinations. Despite extensive retail development elsewhere in the County, South Burlington has held its share of regional square footage. As retail advantage may be defined by a variety of parameters such as quality, quantity, price, choice, location, and service, with appropriate design in City Center, the City's share and importance as a retail center is expected to continue. Within the district itself – given that the core features two-lane streets – smaller footprint boutique stores, restaurants and services would be expected to prevail over big box developments.

Office Absorption

Office market growth has been strong in the past, with 45,000 square feet on average built each year over the past 18 years and 34,000 of it absorbed in the same year it was built (a historical average of 76% absorption). This is about a mid-sized office building per year. As this applies to the entire City of South Burlington, the projection conservatively allocates development of office space in chunks of between 3,000 – 60,000 square feet of office in several years, with no office being built in most years.

The projection of office development in the TIF District recognizes that most South Burlington office construction is expected to continue in the City's office/mixed industrial zoned areas of Tech Park, Generation Drive (future connection between Tilley and Kimball Avenue), Meadowland Drive/Hillfarm, Airport – South End. Some areas of recent growth, such as Tilly Drive will be a capacity. Offices that choose to locate in City Center will be different from other suburban offices in that they will be specifically locating in a downtown as opposed to an office park. The main other location in South Burlington that would accommodate offices in a mixed-use location would be along Shelburne Road, but that is not expected to occur for some time due to many factors.

The TIF District real property development plan uses the figure of 7,000 square feet as a conservatively absorbable yearly amount. This is approximately a fifth of the City's total historical absorption of new office.

The City expects demand to continue to be fairly steady, given the location close to UVM, Fletcher Allen, hotels, I-89 and the airport. Historically, office supply has matched demand over the past 12 years with the vacancy rates above 6 percent only in 2003 and 2008, 2009, 2010 and 2011. Due to Green Mountain Coffee Roaster's relocation to South Burlington it is now down to 5% again.

Vacancies over the same period have been 2% on average lower than Chittenden County, with the

vacancy lower than in the county in all but two data points where vacancy was measured twice a year since June 2000 until December 2011. The City's historical vacancy rate average is 7.4%, while the current rate is 5.0%.

New build in City Center would be expected to be Class A space, which has a much lower vacancy rate of 5.5% in Chittenden County outside of downtown Burlington and 4 percent in downtown Burlington. Large new offices planned for 2012-2013 construction will have a combined area of 90,000 square feet, but this burst of development follows two years of no construction. It has also been noted by a real estate professional that most Class A space in our region is at the lower end of the Class A spectrum and that there is a deficit at the top end of the market.

This model foresees absorption in a variety of ways – for example 4,000 - 9,000 square feet of office could be built or rebuilt on smaller lots on San Remo Drive over the 20 years. One large company may commission a building on a Market Street or the central green. One company may request a floor of new building. Upper stories above a retail client may be built on spec with smaller companies moving in within one to two years.

As construction costs for new build result in rents averaging 17.50 per square foot, with triple net leases, a cap rate of 9.6, assessed value per square foot is set at \$182. Due to the higher costs related to new office construction, most office development is projected after the civic buildings and the central green are constructed. Before this time, the area will lack the ability to command premium rents from office tenants.

Retail Absorption

The South Burlington retail market occupies a significant share of the County's retail space, 1/3, more than any other community in Chittenden County. Highly diversified in price point, product and located mainly on Dorset Street/Williston Road and along Shelburne Road, sales have held steady through the recession although they dropped in Burlington, and increased in Colchester and Williston. Each of the latter two experienced an increase in square footage in big box stores specializing in competitively priced goods relative to their perceived value.

In Chittenden County tax receipts indicate that overall, retail sales are recovering from the recession. Retail vacancy is healthy – at 4.3% as of December 2011. Higher vacancy rates coincided with the development over a decade ago of big box in Williston, these rates stayed above or tracked with those of Chittenden County trending downwards until 2007. In 2007, vacancy rates in South Burlington continued on a downward trend while vacancy rates in the County overall increased.

During this period, the amount of retail space in South Burlington has been growing, on average by 28,000 square feet with 27,000 square feet absorbed per year or 93%. The county as a whole has

built 109,000 square feet and absorbed 101,000 square feet a year for the past 18 years. The City's existing dominant share of the County's retail square footage is likely the result of a much higher share of construction through the 1980s. This likely dropped to one third of the County's total retail square footage recently as the development of retail space picked up pace in other communities, given that the average development is not one third of the Counties but just over one quarter, it is possible that over time the City's share may hold steady or fall if the level of South Burlington's retail development continues to be one quarter that of regional development.

Existing retail managers have stated that they would prefer to have a larger share of County retail development in proximity to their South Burlington developments, as this will give existing retail a locational competitive advantage.

This is consistent with the retail market theory of agglomeration: stores clustered together will each have a larger market share than if distributed. One mechanism for the City is to maintain dominance in the regions shopping market is for local developers close to existing retail destinations to choose to develop retail space more aggressively relative to other County retail destinations.

A characteristic of the local retail market is that it is not a local market, but a regional market tied to Vermont, New York and southern Quebec. Currently stores in South Burlington carry goods that are not available elsewhere for more than 150 miles. In addition, Burlington/South Burlington has a large number of hotel rooms, and a common vacation/travel activity is shopping. Vacationers will spend more nights in hotels if there are more shopping destinations within a region.

The current retail market is unorganized, and if organized could be expected to attract more retailers and customers. Currently all property owners pursue tenant mixes independent of each other, businesses advertise independently, and there is no identifiable South Burlington effort to create a shopping destination identity or attract tenants.

Joint conception and implementation of a retail strategy will sustain or increase the current market share of sales.

Despite this lack of strategy and the declining regional share of retail development, individual property owners have continued to attract quality tenants in the past decade. South Burlington will have an opportunity to grow as a retail destination given the extensive opportunities for redevelopment and development in the Dorset/Williston City Center areas and Shelburne road.

New City Center development will create a new more shopping conducive environment. Outside of the University Mall, there is no continuous shopping experience or window shopping/extended browsing experience. City Center offers opportunities to create a new retail atmosphere; a place for cozy, comfortable, outdoor shopping. Currently there are no storefronts in South Burlington shaded

by trees or adjacent to extensive landscaping. This may be expected to draw new shoppers to City Center that value this experience.

An important component of the locational advantage is exposure to the heavy traffic generated by proximity to the I-89 interstate access. This represents potential pool of customers for whom it is convenient to shop in City Center.

City Center also has two suitable sites for large box development on the periphery adjacent to heavily trafficked roadways— however both of these would require the entire redevelopment of sites that are in productive use (the Blue Mall and the Rick Marcotte Central School). The South Burlington City Center property is sizable; however, as it lacks arterial street frontage, larger scale retail would not be naturally drawn to this site.

A contributing factor to the declining share of retail development is that few buildings are built on speculation and recently most retail has been built for specific tenants. If more retail development occurs in and around City Center this will bring more shoppers to the area. More shoppers and especially foot traffic will have a positive impact on both existing businesses and retail development opportunities. Most importantly, more retailers will seek to locate in City Center because the customers are already there. Smaller tenants often lease a space they can open within six months or less. As more retailers seek to locate in City Center as an identifiable place, this will enable more retail spaces to be built on speculation. These retail spaces are likely to be smaller specialty locations suitable for boutiques, restaurants, and some larger format destination retailers. Retail is likely to develop as the ground floor of a residential or office building, in the vicinity of 10-20,000 square feet per building.

Retail is most likely to be incorporated into buildings on Market Street at and west of the central green, Mary Street, and on Street A near Dorset Street. Some potential redevelopment or infill areas that are likely to include retail once a cozy shopping environment has been established include Street A in the vicinity of Midas Street/the Price Chopper and the Blue Mall property fronting on Dorset Street. Should the South Burlington School District choose to relocate the Rick Marcotte Central School and sell the property, the conceptually planned boulevard linking the central green and Williston Road would also be attractive to retailers.

The projected real property development allots most of the retail development that occurs for the next 10 years to be in the vicinity of the South Burlington TIF District and is in line with the average absorption rate of close to 25% of the regional share. Any additional development that occurs outside of City Center would be expected to expand the overall share of retail development for the City within the region, for example, large redevelopments in the vicinity of the K-mart on Shelburne Road. Infill redevelopment of City Center sites in and outside of the TIF District would

be likely to develop in the second decade of the TIF District in response to the establishment of an identity and the value of locating in proximity to many shoppers.

The TIF District real property development projection recognizes that new development would be premium suburban and thus command these higher rents. The calculation uses an average lease rate of \$20 per square foot, triple net, with a cap rate of 9.6. This results in an average assessment of \$208 per square foot. Because development would occur in small pieces over time, using existing popular destinations as anchors, such as Healthy Living or the City facilities, this is feasible.

Residential Absorption

Given 1) the historical vacancy rates in Chittenden County, tracking at 5 percentage points or more below than the national and the northeast for the past 18 years, 2) South Burlington's population growth, 3) proximity to jobs, and 4) locational advantage; City Center has an extremely high capacity to absorb new apartments. In the past year, new apartment units were leased within 1.5 months of opening if not prior to opening. While production of units has increased, given expected growth in the professional and retiree portion of the population, there is likely to be unmet demand for some time, as currently over 56% of Chittenden County residents have been paying over 1/3 of their income in rent.

Aside from pressures on the market, City Center apartments would be expected to be in demand due to walking proximity to grocery stores, high quality shopping, parks, schools, and recreational activities such as the library. City Center will be built on a topographically flat area, and offers easy walking and bicycle commutes to many places of employment.

Despite pent up demand, due to the financial resources of property owners and local appetite for risk, generally no more than three buildings would be expected to be constructed in any given year, and in most years only one.

The City projects that the bulk of initial development will be apartment housing. Based on recent apartment developments in the City, the assessment value is \$144,000 for 1,200 square feet (\$120 per square foot).

The City estimates that 48 residential units (condominium and apartment) on average may be absorbed per year over 20 years. As a point of comparison, the City of Winooksi's market has absorbed 100 units per year over the past 7 years.

The real property development schedule projects that in some years between 60 and 120 units would develop, while in other years no units would be built, and averages 32 units a year.

Recently the condominium market has been in a severe slump. Home sales overall have slowed considerably spurred by concerns regarding home ownership, access to financing both for developers

and prospective buyers, and the perception of value retention. In addition, the price of condominiums has dropped 10% from its peak in 2008. While this affects the numbers of condominiums that are built in City Center as a share of total development, condominiums are still expected to be built, just not in the near future. Condominiums are expected to be no more than 30% of the projected real property development. Their current assessed value in South Burlington is \$198,000 per unit with an average of 1200 square feet (\$165 per square foot).

If the City were to grow by a similar number of units as it has in the past decade (2000-2010) City Center would accommodate up to one quarter of these new units in each decade. Although the City of South Burlington's rate of growth has been declining over prior decades has been fairly steady. In addition, the type of development that is projected to be built in City Center has on average been more resilient in terms of value through the most recent recession than developments in less walkable environments with fewer amenities. Condominiums are expected to be more affordable than single-family homes in South Burlington, and thus offer a competitive alternative to purchasing houses. In addition, they offer a lower-maintenance home-ownership alternative for professionals that work long hours or retirees that are downsizing.

The Market has the Absorption Capacity to Match Projection

South Burlington has a steady market demand. Vacancy rates have tracked at or below the County in all markets, most notably during the recent recession. The projection matches an appropriate portion of what has historically been absorbed by the South Burlington real estate market on average over the past 18 years, with the assumption that no building occurs in some years.

The most difficult period historically was at the turn of the millennium when many retailers chose to vacate properties in South Burlington to move to Williston. South Burlington sees this as an example of market agglomeration and specialization and recognizes that the City will need to work with local businesses to strategically position this market in the region.

There is sufficient market demand to develop incrementally. By building only a selection of buildings in each year, which are diversified in terms of unit size and style to meet a strategic variety of uses, City Center growth will be absorbed more rapidly.

Expected Revenues

As the area will be built out incrementally, the revenue projection also grows incrementally. By not financing until 2017, as allowed under TIF statute, the City defers the initiation of the 20-year term during which the City may retain revenue. Each year of deferral gains just over three million dollars in TIF District education tax increment revenues that may be used to pay down debt. These revenues are based on the construction of 1.35 million square feet between 2013 and 2036. The

projection, based on the historical absorption rates and City capacity, includes 776 thousand square feet of residential, approximately 500 thousand square feet of commercial, and 75 thousand square feet of civic buildings which will generate no tax revenue at all.

The total projected incremental tax revenues are above the financing needed to cover interest costs on the bond. The tax rates used to generate these numbers include a yearly inflation of 1.74% in the municipal tax rate (the City average over the past 20 years), and 2% for the State education tax rate, as provided by the State.

City Center would not be Built *but for* Tax Increment Financing

The City of South Burlington City Center, but for the public investment in the Tax Increment Financing District (TIF District) would occur in a significantly different and less desirable manner, and the public infrastructure would not be built or improved unless financed with TIF District incremental municipal and state property tax revenues.

Circulation Infrastructure Will Create More Desirable Real Property Development

Less desirable new real property development and redevelopment would occur, but for the public development of circulation infrastructure.

City Center is currently primarily a suburban destination. In South Burlington overall, there is little opportunity for individuals or families in South Burlington to choose a car-free lifestyle or to live as a single-car household. If this option were available, that would greatly increase household disposable income thereby providing a boost to the local economy and quality of life. In addition, such an option would reduce pressure on local roadways, and increase development capacity. Connected and integrated circulation infrastructure would allow development to occur with a higher ratio of floor area to onsite parking, and with a public parking infrastructure, even less parking. This results in a more efficient use of land. Surface parking occupies the lion's share of a parcel in any suburban development, is the greatest creator of impervious surfaces, and while necessary, is an ancillary use of land to the building.

Without the development of a connected multimodal transportation infrastructure and structured parking, the need for parking will result in fewer and smaller buildings being built. If parking structures were built by the private sector, their cost would drive up the costs of these buildings to the point where they would not be supported by the existing market.

The existing suburban market will not support the high costs of developing structured parking. Recent parking structures in the vicinity have cost \$30,000 to develop per space.

Within and in the vicinity of the TIF District, the development pattern is auto oriented and low density. Commercial and residential uses are separated with strip commercial lining arterials, and single entrance medium density neighborhoods within blocks. Neighborhood streets connect to arterials with no interconnectivity surrounding residential neighborhoods. The car is the dominant and nearly exclusive mode of transportation. This is reinforced by a lack of consistent, safe or comfortable pedestrian and bicycle facilities. The lack of these facilities also reduces access to transit.

The land use pattern, dominance of the automobile and lack of safe and comfortable pedestrian facilities has resulted in some of the most congested intersections in Vermont, located to the north of

the district. This is despite the availability of bus service that is more frequent than other areas of the City, a regional carshare option, and the availability of off-road bicycle access along Dorset Street. These facilities, however, lacking a more urban land use pattern and having poor pedestrian connections to areas of employment or sufficient residential neighborhoods do little support urban or sustainable development.

Vast surface parking lots are the only economically feasible means of parking cars, and result in smaller buildings due to the space needed for parking vehicles. Lacking public structured parking or the connected infrastructure, major property owners have primarily expressed interest in low-rise, single-use buildings. Smaller properties are unlikely to redevelop as these parcels are too small to park the vehicles a larger development requires. Even for large parcels, the use of land to create surface parking inhibits the urban form. Larger property owners are limited to single-use buildings of two to three stories, with extensive parking, an undesirable outcome.

While multi-modal infrastructure does not exist, an interconnected system built piecemeal over time will not benefit early developers. There is no incentive for individual property owners to create such a network. Developers will build smaller buildings and surface parking.

The result will be a continuation of auto-oriented, low-rise development with extensive surface parking. With a connected multi-modal network around and through City Center, property owners will be able to defray higher development costs of developing urban style buildings rather than waiting for rent values to rise.

Street A, for example, has many portions which are unlikely to be improved by the private sector. This includes the White Street/Midas Drive improvements and the connection across Market Street to Dorset Street at Healthy Living. Portions of right-of-way are owned by the City. This is adjacent to properties which are less likely to redevelop. Other portions are under the ownership of multiple landowners.

There would be a great benefit to all landowners were this street to develop entirely of a piece. It would ensure that the roadway network carries vehicular traffic more efficiently and enabling them to undertake development projects sooner. Most importantly, this connection improves pedestrian, bicycle and transit access which reduces parking demand and lowers development costs. However, there is not sufficient benefit to an individual landowner to develop the entire roadway.

The City, as a public entity is positioned to provide the coordination and has the ability to require easements which individual property owners are not able to do.

The Environmental Assessment, completed in 2010 requires that transportation enhancements be implemented to mitigate traffic impacts of new development at City Center. In addition to traffic

improvements related to Market Street at Dorset Street and Hinesburg Road, the Federal Highway Administration, the Vermont Agency of Transportation, and the City of South Burlington have made the following commitments to mitigate the impacts of City Center development:

1. Realignment of White Street so that it intersects with Williston Road opposite Midas Drive and improvements to Williston Road.
2. Improvements to the Hinesburg Road/Williston Road intersection.

These improvements are part of Street A, and require land acquisition and as such are best implemented by a public entity.

The City, however, cannot implement this on its own. The City is building Market Street, but is only able to do so through the majority participation of the Federal Government. In the past, the City of South Burlington ran deficits year after year and failed even to raise sufficient taxes to cover operating costs. The City is currently on solid financial ground and meeting its obligations while planning for the future. However, the scope of the need is well beyond the City's capacity to cover all costs.

By using the TIF District financing, the City may ensure that sufficient circulation infrastructure is in place – Market Street, Street A, the Williston Road streetscape, as well as the upfront initial public structured parking and begin planning for the pedestrian bicycle bridge over I-89 – and thereby allow a more efficient and valuable use of land by property owners to occur, and to occur more quickly than it would otherwise.

Stormwater Infrastructure and Environmental Improvements Will Result in Downtown-Style Development

Less desirable new real property development and redevelopment and less development overall would occur, but for the installation of stormwater infrastructure and measures to improve the environment.

The Federal Highway Administration, and the Vermont Agency of Transportation (relative to street construction), and the City of South Burlington (relative to the City Center development), have made a commitment to avoid or mitigate possible impacts by providing stormwater infrastructure as necessary including hydrodynamic separators, wet ponds, extended detention ponds, shallow wetlands, and bioretention as needed, to the extent feasible will capture off-site run-off that currently passes through the site (underway), and will incorporate infiltration technology such as pervious pavement to allow stormwater to infiltrate back into the ground following treatment where appropriate.

Stormwater treatment is normally handled in stormwater ponds, a land intensive method of treatment. Underground storage of stormwater is prohibitively expensive, especially as City Center has a very high water table. Stormwater handling requirements make it very complicated and costly for smaller properties to do so as they will need to build sufficient square footage to offset these costs. However, there is currently no alternative, such as a public stormwater system or consolidated treatment for new developments.

Should smaller properties redevelop, without a district wide treatment system, the requirement that individual properties retain and treat water onsite would result in small low- to medium-density buildings or no redevelopment at all. Buildings would likely be spread farther apart due to the need to reserve land in which to store water. The area would lack the development of a “street wall” along sidewalks, a critical element of creating a sense of enclosure, or coziness in the town center.

Nearly 50 percent of the land area in City Center is small properties with most under four acres. These are mainly along the western edge of the site, next to Dorset Street and at Williston Road, along Mary and Market streets, and on Hinesburg Road.

This is not the only cost issue related stormwater. Most built-out properties in the TIF District were not required to provide stormwater treatment at the time of development, and this condition is grandfathered in. Once they redevelop, they will need to bring the entire property up to current standards. A property owner is less likely to redevelop one portion of their property if the costs to retrofit the remainder are cost prohibitive.

In order to obtain an urban development pattern, a consolidated stormwater system will be needed. This will enable smaller properties at the edges, such as the Mary Street properties or the Poon Trust to build and create a continuous downtown along City Center sidewalks. It will also allow properties on the periphery of the district which are currently low rise, low density structures adjacent to Dorset Street to redevelop with taller buildings that have a greater street presence, frame the sidewalk and create a street room.

Currently, stormwater treatment is individually addressed on each property or properties were developed so long ago, no treatment occurs. Comprehensive stormwater infrastructure for City Center could not be installed without the TIF District Financing, and were a comprehensive system not installed, would result in much less development and of a far less value. The City does not have the means to install stormwater infrastructure for all of City Center on its own, although if it were to do so it would be much less costly per square foot than for each private developer to do so.

The City has been able to undertake one project – to treat runoff from developed properties upstream that passes through the site – but only with a significant federal grant from the Army Corp

of Engineers. Without the participation of the Army Corp of Engineers, this ongoing project to treat upstream existing runoff would not be feasible.

The restoration of Tributary 3 and the mitigation of wetland impacts are also required by the Environmental Assessment. Most of these improvements would occur on one property owner's land. However; this property will develop only half the projected development, and owns just under 20% of the developable land in the TIF District. In addition, the degradation to Tributary 3 has occurred due to earlier developments in which this property owner had no part. This property owner will already need additional resources in order to develop mixed-use development and carry the cost of such development until the market demands it. They will need to offset costs related to structured parking and resolve subsoil related issues. There is little incentive for them to restore Tributary 3 or to provide wetland mitigation beyond their own need. In addition, these types of projects have a much greater impact if completed as a piece in one project.

If the property owner were required to provide all the restoration up front and manage the lands to ensure that invasive plants do not return and the waterway retains its capacity it is likely that development would occur at a reduced level.

But for the public participation in the restoration of the environment, resulting development would be less desirable, smaller, less valuable, and might not occur in any way that resembles compact urban development.

Less Tax Revenue, Fewer New Jobs, and No Mixed-Use Would Occur Without a Sense of Place

Less desirable new real property development and redevelopment would occur and would occur more slowly, but for the development of a place.

City Center is currently known as the place that never developed. The area has a theoretical regional advantage due to a geographic location near major interstate transportation hubs (highway and air), proximity to employment centers like downtown Burlington, the University of Vermont/Fletcher Allen complex and the City's office parks. It has a physical advantage in topography, being a very flat site.

The site faces many challenges to redevelopment – the lack of a market for mixed-use, environmentally challenging soils, and most of all, the absence of a sense of place with which to drive development, attract employers and residents. The face of South Burlington that that most people see every day is Williston Road, a place people drive through as quickly as possible.

Recently redeveloped and new town centers in the region which feature mixed use – Winooski, Taft Corners, Severance Corners – have had substantial sales in one market type, but minimal in a second

or “mixed” component such as residential, office, or retail. Local developers, those that control the land within the TIF District and are most likely to control it in the future, have watched these projects develop and consequently have no faith that businesses want to locate over stores or restaurants, or that families or professionals want to live above stores, or that businesses want to locate below offices or apartments. These recent developments have featured a generic public realm and limited street vitality. A main characteristic of these newer developments is that they are busy during events, but can appear to be deserted the rest of the time, while large big box developments (a less desirable outcome) thrive due to the volume of customers they generate independently. Eventually a sense of place will develop in these locations, but it will take time.

Experts in revitalizing and building town centers, such as the Urban Land Institute, Project for Public Spaces, and Congress for New Urbanism emphasize the development of a quality public realm and a civic presence. These organizations recognize that women are the main shoppers in most households, and while they will disregard appearance in order to obtain a bargain, for the most part they demand comfortable, cozy, attractive surroundings in which to leisure shop. Developing a quality public space and incorporating civic and institutional structures is key to a successful project that draws market interest early on.

Places that people like to tend to feature a relatively stronger market absorption rate. This early success is key to driving the market buzz that builds the remainder of the project, or project area. This buzz is essential to attract future partners, investors, lenders, and drive the leases and sales that allow continued incremental growth.

Federal Realty Investment Trust is a large national developer that depends on building unusually attractive and high quality public spaces to market retail and residential spaces. While all were built in the past few decades they were each instantly recognized as popular destinations and include Rockville Town Square, Bethesda Row, Pentagon Row, and Santana Row. New York City has a history of building parks to spur redevelopment and tax value – from Central Park to the High Line. Downtown Burlington has also used public space development, such as Church Street and the Waterfront, to revitalize areas.

One of the single characteristics of the suburban, sprawl style of development, as demonstrated in South Burlington, is the absence of a public realm. When people think of South Burlington’s built environment, they do not think of a single place, or identity. There is only one iconic landmark, Al’s French Fries, a beloved roadside short order restaurant and creemee stand.

There are no cozy shopping streets where acquaintances are casually bumped into, no places outdoors to sit and people watch for an afternoon, no festival spaces, no urban fabric. There is no village green for businesses to cluster around or parents to let their children (or pets) take a break and

run and play. There is no fountain at which to meet and no park bench to wait on. The only notable public art faces an arterial. The TIF District contains an elementary school, a shopping center, a grocery store, many small and mid-sized businesses ranging from a radio station to medical offices, a two star hotel, an apartment complex, and a small residential street, but lacks the urban form to make it walkable, vibrant or attractive. The existing stream, the most significant environmental feature is matter-of-factly named Tributary 3 to the Potash Brook.

City Center has destinations, but no place. In fact, within South Burlington – possibly unique within Vermont, a downtown sense of place is entirely missing. Despite the Burlington Airport, the University Mall, proximity to the University of Vermont and Fletcher Allen Hospital and access to northern and southern Vermont via Interstate 89, the area around City Center is known primarily for interior spaces, and has no public identity.

A sense of place draws people and supports local businesses, provides a high quality of life and attracts enterprises and investors. The identity a place lends allows the businesses, residents and others to construct their own identity around the public space. The sense of place that South Burlington plans to create in City Center is that of a vital downtown.

A vital downtown, as evidenced by recent large projects is not likely to be developed by the private sector, or if it is developed, achieved at a level to drive adjacent property development.

Vitality is the hallmark of a successful downtown. Vitality may be defined in this context as people on the street, businesses serving these people, people who live in the area frequenting the public spaces and going about their errands. It is mainly related to the presence of people.

A town center may have many populations – a day time population, if there are offices and retail, an evening population, if there are events, restaurants and bars, and a night/morning population of residents. Many town centers, however, lack one of the three, because they are not seen as commanding sufficient market demand.

Because Chittenden County has a rental vacancy rate of 1.2% in 2011 with rental rates increasing by 3% in the same year and pent up demand, it is certain that residential development will occur. While the residential development is important, the units projected for City Center (less than for a Vermont town) will not generate sufficient pedestrian traffic to support a downtown. Any retail uses will require daytime population such as office or shoppers that are drawn to the area. These complementary uses (office and retail) critical in a downtown will not be developed by property owners if there is no market demand.

Most retail businesses (department stores, grocery stores, big boxes, shopping center anchors and selected national chains being the exception) depend upon pedestrian foot traffic to stay in business, and will not open without a flow of people expected to walk by to find them the first time.

Many companies use downtowns to project an image of vitality and attract employees who see themselves as appreciating a downtown lifestyle. Companies that provide comparatively high salaries such as professional offices, technology, or more creative niche businesses, expect an active downtown with people on the street. This type of downtown is able to support a variety of small restaurants, cafes, service businesses and a minimum amount of retail.

The TIF District Plan will generate vitality through the development of 1) great landscaped streets and associated facilities which support cars and trucks as well as comfortable walking, biking and transit use 2) a public green and associated streets that supports festivals and other programming, 3) anchoring City Center with a recreation, library, and city services building(s) which will familiarize residents, businesses, visitors, and employees to the core of City Center during the daytime and evening hours and provide flexible community space drawing participants in sports, the arts, and civic activities; and 4) creatively designed parks and natural areas that knit neighboring communities, commercial areas and institutions to the City Center, draw residents out of their homes, and improve the quality of life for visitors to and residents and employees of the TIF District.

Without this sense of place the TIF District will lack the vitality needed to support markets for land uses beyond apartment rentals and will be dependent upon the overall regional market demand for sales.

Underlying the real quality of life issues, there is also an economic impact for the State and the City. Assessed values of buildings run in the following order of ascending value per square foot – apartment rental, condominium, office, retail – with the value of apartment units yielding the lowest value in tax revenue (but serving other benefits) and retail having the highest assessed value per square foot, and thus providing the highest tax revenue yield per square foot.

This area has proven its ability to serve as a retail destination. While it would be undesirable for the entire City Center to become retail or office, to include a healthy mix of retail and supporting office uses so that over an extended period of time Market Street and Street A create an axis anchored on one end by the University Mall and the other end by a walkable downtown City Center would be very desirable.

This public realm could not be developed by the private sector. Adopted land development regulations only require streets to be developed by the private sector, which are more efficiently built by the Public sector as was discussed in the prior section. The private sector will not build parks on the scale required to serve the public, and will not build public buildings at all.

As development will be built incrementally over time, infrastructure projects that will be financed by the TIF District are those that have an immediate benefit to the community, that create market buzz for the area by supporting visitors and events, projects that have an exponentially higher return on investment if constructed as a whole system across property lines (and as such are more easily designed and built by a public entity), and those that will immediately incentivize private development. Together these improvements will support a more rapid build-out and offset the higher costs related to mixed-use development.

Lacking a sense of place, City Center will only ever be able to attribute market demand to regional demand. Although City Center will always benefit from the regional market, with a sense of place, when the regional market improves, City Center will have the infrastructure in place to attract its share or more. More importantly, a unique and high quality public realm is a local market driver which can distinguish City Center on a national level due to the competitive advantage an attractive, walkable and sustainable identity provides businesses and retailers. This competitive advantage is independent of the regional market demand.

But for these improvements the City Center would not provide as a high a quality value of life, be a true downtown, develop as quickly or result in as high assessed values.

The City of South Burlington Cannot Build the Required Infrastructure without a TIF district

Public infrastructure and improvements would not be built unless financed with the incremental municipal property tax revenues and state education property tax revenues. The City has insufficient funds to implement these infrastructure improvements, and it is unlikely that a tax increase of the scale required would be acceptable to City residents.

The City of South Burlington has attempted to put incentives in place achieve City Center redevelopment and development for three decades. While the City has been successful at obtaining a Federal earmark to reconstruct Market Street, there is insufficient funding available to build the total amount of infrastructure required. Unfortunately, Federal earmarks are not likely to be available for additional projects, and existing federal programs are very competitive. The current Transportation Improvement Program for Chittenden County already has many projects on it and is fiscally constrained to the point that some projects may need to come off the plan. Traditional transportation funding sources have been dwindling and the need has been growing as the region grows, resulting in many projects which have not yet been funded, and pushing any opportunity for federal funding through the State transportation allocation in the distant future.

The City had had a capital improvement program in place since 1999. This program has included streets related to City Center, a City administrative building, a new library, and a recreation

building. Since that time, 13 years, the City has been unable to fund the development of these projects beyond Market Street. The scale of funding needed, \$70,000,000 is beyond the City's capacity to reserve or borrow. The City's rainy day fund and reserve funds are currently at less than \$200,000, and all of the funds within these accounts are designated for specific uses, the bulk of which is for the replacement of equipment on existing buildings that is expected to fail in the near term, not to accommodate or incentivize long term growth.

The City cannot provide these facilities on the scale required without the participation of TIF District, and but for the TIF District they would not develop. The City will need to secure future resources in order to provide 53% of public facilities development and 50% of the Williston Road streetscape. This will require substantial as yet undesignated resources that the City is willing to commit, with the participation of the TIF District.

The City has established impact fees and is collecting these fees. The impact fees anticipated to be collected for streets, while sufficient to undertake preliminary studies, or to partially match the Federal earmark and construct Market Street, have not been ample enough to carry these projects through the completion of engineering and the initiation of construction. Currently, the City anticipates that it will have approximately \$773,500 in transportation impact fees by 2015 that will be set aside for Market Street and will further create an additional reserve of \$590,000 to ensure that there will be sufficient funds to match the Federal funding received for Market Street. This reserve, as it is an increase in overall City spending, represents an increase in the tax rate of nearly a cent per year to match this need. If the City were to raise taxes on its own to provide the anticipated South Burlington TIF District increment tax revenues over 20 years, this would be a 10 cent increase. This is a 125 percent of the current tax rate.

The City has not increased the tax rate by more than 5% in any given year over 20 years, and averaged a 1.7% rate of inflation over prior years. Note that due to repeated deficit spending, the actual average need was likely 2%. A one year 25% inflation rate is not a tenable increase in the tax rate and the City would not be able to construct these improvements.

With TIF generated funds to pay for debt related to the construction of Market Street, the City will be able to use a combination of impact fees and reserve funds to conduct the preliminary concept plans and permitting required for the additional streets, for which these impact fees were also collected.

Similarly, rather than using park and recreational paths impact fees to complete one small project, these funds will be used to leverage the TIF district tax increments by financing the preliminary studies required for parks pathways. A small project will have minimal impact on the economic viability of City Center or the future urban form. Leveraging TIF district revenues with up front

planning will result in a significant increase in the quality of life, sense of place and transportation connections. This results in a greater market impact, stronger market absorption rate, higher value development and the construction of such development sooner than it would otherwise occur.

Even with the provision of the TIF district increment, the City will still need to fund considerable improvements from the local property tax revenues in order to build the needed improvements. These include 53% of the costs related to civic structures that establish City Center as a downtown and generate the foot traffic for day time and evening vitality. The City would not be able to undertake the construction of these Civic buildings within the TIF District without the supplementary financing provided by the state tax increment revenues.

The City will use enterprise funds, in the amount of \$744,500 from Stormwater Utility for the construction of stormwater treatment related to public buildings and streets. These funds however will only cover the public portion of the need and TIF district financing will be required to cover the remainder of the stormwater treatment infrastructure construction costs.

Summary but for Statement

But for the development of structured parking and offsetting future structured parking costs with the provision of a connected street network and other infrastructure improvements, larger properties would not be able to develop beyond two to three stories and smaller properties might not find it cost effective to develop at all.

But for the development of a complete street network to reduce parking need, development costs would be too high given structured parking and the higher cost of mixed use infrastructure. Development would be suburban in nature. It would not meet the vision for a downtown, and would be $\frac{1}{4}$ to $\frac{1}{3}$ the assessed value.

But for the development of a sense of place, there would be less market demand for retail and office. There would be less support for the premium lease rates. Primarily residential development would occur. This would result in a lower tax value, and no vitality to drive development in surrounding areas over time, or create the local and regional appreciation and pride inherent in a downtown that drives future values and supports future projects.

But for the development of a sense of place, it might be decades before office and retail seek to locate in City Center. In addition, it is possible that but for the TIF district revenues, over time, South Burlington will cease to grow significantly as a retail destination and that City Center will fail to support additional restaurants.

But for these office and retail uses, revenues would be less than projected. Retail square footage assessed at 70% more per square foot than rental properties and 26% more than condominiums.

Office floor area, although assessed at a less than retail, has a value greater than residential by almost \$20 per square foot.

But for the investment in a public realm using TIF district funds, the total projected retail and office development is not likely to occur. Within the district, less commercial development directly results in a yearly reduction of approximately 6% or more of revenue. However, the loss of vitality results in a reduction of assessed value for residential properties as well. There are also the indirect effects of the loss of this vitality on surrounding properties as these will develop more slowly without a real downtown to drive the market and attract development investment. Absorption rates for apartments and condominiums will be lower too as without the added vitality, less people will be attracted to live in the area.

But for the TIF district financed infrastructure, buildings would be one quarter to one half the square footage that they would otherwise be, and some parcels would never develop.

But for the TIF district financing, a greater portion of the development would be less likely to contain the office and business uses that generate new higher salaried jobs.

Other Public Infrastructure Funding Sources in Addition to the Tax Increment Financing

Circulation

The City has secured the bulk of the funding to reconstruct Market Street - \$5.5 million – in Federal earmarks. The City has planned to use impact fees and future as yet uncreated reserve funds to match the Federal funds and complete this project.

With the TIF district financing, the City will be able to reprogram the City's share of the construction funds to conduct studies and public outreach for the design of the circulation network as well as most of the engineering for these improvements. The street network proposed to be built with TIF district financing includes Street A, the festival streets associated with the central green, and the Williston Road streetscape. It is anticipated that some TIF funds may be used to take these projects through final engineering and 100% construction documents. The design and engineering for the reconstruction of Market Street will still be matched by City funds (impact fees and reserve funds).

The City will participate at a much higher level in the funding of the Williston Road Streetscape as the bulk of this project is located outside of the District. Transportation Enhancement Funds and other sidewalk and streetscape related funding will also be sought for this project.

In 2014-15, design and structural engineering will be undertaken for environmental improvements, streets (with related utilities and landscaping), pathways and bridges, the parking garage, public buildings and parks. This work will be used to update cost estimates. To the extent possible, this design and engineering work will be funded or financed from collected impact fees (streets, recreation paths and parks), grants (streets, Williston Road streetscape and recreation paths) and general funds (City facilities, Williston Road Streetscape, and parking garage). Some of the environmental mitigation work has already been designed and engineered; a small portion will be completed as part of the Market Street Reconstruction using Federal and City funds. The Stormwater Utility also will participate in the development of stormwater infrastructure.

To reduce future expenses related to the provision of parking and traffic mitigation, the City will work to establish, in partnership with property owners, a transportation demand management entity. This entity will participate in the construction and promotion of future structured parking facilities and multi-modal infrastructure and employ specialists with expertise in managing parking resources and multi-modal transportation.

Currently, just across the street from the TIF District at peak periods (holiday shopping) on the University Mall property there exist at least 250 excess parking spaces. During the same period, CCTA has reported that buses are over capacity and skip stops despite waiting passengers. This Transportation Demand District will ensure that parking is efficiently used throughout the district, demand is reduced, transit, bicycle and walking options are cultivated and promoted, and that as the district grows parking resources are appropriately developed to meet local and evolving need.

A portion of Street A (Dorset to the end of the Healthy Living/Trader Joes' property) will be completed by the developer of the Trader Joe's. Individual developers (private funds) will be responsible for building additional conceptual streets such as Mary Street, the street between Market and Street A next to the Blue Mall, the boulevard that connects the central green to Williston Road and any other streets, alleys and pathways that may be designated in the to-be-adopted form based code or the Official Map.

The City will apply for Transportation Enhancement grants for the pedestrian/bicycle overpass over I-89 but is limited to \$300,000 per year. This year, the City will request that the Chittenden County Regional Planning Commission conduct the preliminary studies. The TIF district financing will fund a minority portion of the costs, all related to planning and engineering for this project. Construction funds will come from the Transportation Enhancement Program and other public and private sources due to the exceptional linkages it creates between the UVM/Fletcher Allen medical complex, City Center/University Mall and the concentration of hotels.

Additional roadway infrastructure will be developed by the private sector near the end of the TIF District or after the expiration of the District. These include proposed network improvements north of Williston Road: an extension of the proposed central green boulevard to Jaycee Park, a road parallel to Williston Road, and an extension of Mary Street.

Placemaking

The City also proposes to fund parks and public facilities updates to studies and conceptual designs and accompanying community outreach to the South Burlington community. Funding from impact fees and general fund resources will need to be designated in 2013. Design competitions and other means may be used to maximize creativity, while local experts on climate and ecology will be consulted to ensure long term sustainability and reduce operational and maintenance costs.

The estimates that the City has for some placemaking projects, namely related to civic structures, are outdated and will need to be revisited. For example, excluding site costs, the Library is estimated to cost \$290 per square foot. This is quite high compared to other buildings. In additions, all current estimates are individual buildings that are treated separately. Future consideration of a more urban, combined facility format would help to reduce costs. Once this is determined, the City will need to develop a financing plan which results in the least disruption to the municipal tax rate.

Recreation Impact fees are collected for parks infrastructure. The City will need to designate these funds and other related funds on an as needed basis. The Dumont Park recreation area (proposed for the future City Center Park) is undeveloped and unimproved, partially belonging to the City and partially within the South Burlington City Center parcel. Dumont Park proper adjoins the southern boundary of the TIF District. Tributary 3 to the Potash Brook may be included in this area and lies within the District south of Market Street.

Environmental

As part of the preliminary engineering for Market Street, the development of a final stormwater concept for the entire City Center will be to be undertaken this year and in 2013. The City's Stormwater Utility Enterprise Fund has designated \$744,450 as part of the adopted Capital Improvement Program to fund the portion of the stormwater infrastructure that handles public realm related stormwater runoff. This may be used to engineer a unified stormwater system for City Center as long as it does not exceed the public realm portion.

The City will be amending the Impact Fee ordinance and additional recreation pathways within City Center may be specified.

Development that will Occur as a Result of the TIF District Projects

By 2016 property owners will have completed permitting for the construction of buildings – expected would be the companion building to the Trader Joes (expected to be permitted in 2012). The Trader Joes is the first expected redevelopment; in the permitting process now, the developer is seeking permission to construct in 2013. Many buildings along San Remo Drive are owner occupied or have small businesses that may be interested in expansion. It is expected that at least one would normally have chosen to build an addition by 2016 as well. During this year other developments, such as on Mary Street, LLC, the Poon Trust property, the Sonrise Partnership and the Chastenay Estates will have started the design and permitting stage of their projects in response to the projected availability of public parking, stormwater improvements, parks and streets.

South Burlington Realty, the owners of the South Burlington City Center property, upon obtaining District 4 (Act 250) approval for the Master Plan will begin building out their site with one or two buildings per year. It is estimated that in at least two years out of 20, no building will be completed. In most years, one building will be completed, while in good years, two may be completed. The first South Burlington Realty projects will most likely be built off of Street A stub close to Healthy Living and the proposed Trader Joes.

It is expected that as commercial space leases out much more slowly than residential, these types of developments will be built to accommodate one to four small businesses or as commissioned. This is due to lower market demand, higher rents required by new building construction costs, and the location of most new construction not only away from arterials but also foot traffic initially.

By 2019, three additional parcels may develop in addition to the South Burlington Realty development along Street A and the Trader Joe's. These include the Blue Mall, which currently has a parcel available for redevelopment. As this Blue Mall parcel is located along Market Street, with a reconstructed street, this site will be attractive to development. The property owned by the Poon Trust will be able to redevelop as residential and possibly retail on the ground floor as soon as the stormwater and parking infrastructure is in place. Several parcels on Mary Street are under the control of one company. Once parking and offsite stormwater infrastructure are available it will be feasible to redevelop them, most likely with residential. Sites that are approximately two acres in size are especially dependent upon the development of public parking and stormwater infrastructure in order to develop.

By this year (2019) the City facilities are expected also to have been constructed and programming would be occurring on a regular basis in the City building and on the adjacent or nearby green.

Once the City facilities and central green are constructed, it is expected that limited retail/restaurants will located on the green. The City facilities and events will drive traffic and create excitement in

this area sufficient to provide the customer base to support the first businesses and to prove City Center generates commercial success.

South Burlington Realty will begin construct buildings around the green at the same time or just after City buildings.

The Chastenays previously submitted a proposal to redevelop their property that was never pursued. Given favorable residential market conditions and the redevelopment of Market Street to facilitate access they would be reasonably expected to resubmit for permits.

Around this time, and by 2025, the Sunrise Partnership property may be developed with additional residential units in a more compact development pattern. The eastern legs of Market Street and Street A would be expected to develop in the second decade of the TIF District.

With the development of the new urban development pattern, the addition of parks, recreation trails, and activities, and more traffic on foot, periphery areas will become more popular. More companies would want to locate on Dorset Street and San Remo Drive. As property owners see the value of their property rise, or leasing rates rise, some with infill capacity will decide to redevelop, some businesses will decide to expand or build a new building, and others might be sold to companies looking to locate in the area and desiring a lot on which to place a larger or newly renovated building, such as Healthy Living did when it reconstructed the old Buick showroom.

If the Rick Marcotte Central School property, over 11 acres just south of Williston Road, were to redevelop as a complete parcel, the new owner would be required to build a boulevard that bisects the property and links the central green to Williston Road. As this would only occur once the local market would support this added development cost as part of the overall project and the school would have to want to move, it is not likely to occur until after the rest of the area around the green is built out and only if the school decides that it would prefer another location.

There is a small section of the Rick Marcotte Central School property that is currently undeveloped. If the Central School decides to stay, this smaller section would likely be sold in order to fund improvements once the land becomes more valuable. This would likely be redeveloped as or after the eastern portion of City Center is redeveloped.

TIF DISTRICT APPLICATION
TABLE 6K
INFRASTRUCTURE NEXUS INFORMATION

Project Name	Location (CW, PW, CO)	%	Project Description	Impact on TIF District Overall Purpose and Outcome	Impact on Real Property Developments	Reports, studies justifying project	Reports, studies justifying proportion	Explanation of Proportion	Other Revenue Sources/Status
Consolidated stormwater control and quality treatment system including stream and wetland restoration and mitigation	CW		Provide consolidated treatment for stormwater run off, restore and mitigate wetlands, and restore stream bed	Direct	This will impacts all properties within the district. Each property within City Center cannot be built with as much density or in new town center form without a consolidated stormwater system. The Environmental Assessment requires these improvements to mitigate development on the South Burlington City Center, Poon Trust, School District, and Mary Street properties.	Environmental Assessment 2010 See attachment	Environmental Assessment 2010	These improvements are required for 100% build-out.	Stormwater Utility funds will be used for the public portion.
				Essential					
				Major					
City Center Park (Dumont & Tributary 3)	PW	65%	Develop passive recreational infrastructure to build value into surrounding developments by providing adjacent greenery and natural area (woods and stream) park infrastructure	Direct	This will directly raise new development market values for properties owned by the South Burlington City Center, the Chastenay Estates, Peter Michaels, the Sonrise Apartments, the Central School District, the Pat Malone property, and the north east section of San Remo Drive. All properties will be within easy walking distance of the park. It will also create a direct link between City Center and the Middle School/High School complex.	Concept Plans, Comprehensive Plan, Ten Principles for Developing Successful Town Centers	http://www.planning.org/cityparks/briefingpapers/economicdevelopment.htm	Although 35% of the park will be outside of the boundary of the TIF District, the purpose and function of the entire park will be to serve the City Center development, mitigate impacts of the City Center development, and ensure that City Center develops more quickly than it would otherwise.	Impact Fees (has been in Impact Fee ordinance)/Transportation funding related to pathways, not yet applied for.
				Essential					
				Major					
Central Green	CW		Develop an urban structured green lawn park that supports passive and active recreational activities, especially programming such as weekly events and yearly festivals.	Direct	Will create gathering place to support events and other uses which drive foot traffic to adjoining businesses and create downtown vitality without which limited commercial development would be viable. Will increase viability of retail/commercial development on South Burlington City Center, the School District properties directly, and indirectly support the remaining properties values.	Concept Plan 2011, Ten Principles for Developing Successful Town Centers	Many successful commercially vibrant new town centers include a central programmable public space.	This green is entirely within the TIF District and will enable the district to develop with commercial uses in addition to residential, and to do so more quickly than would occur otherwise.	Impact Fees (Impact Fee ordinance will need to be updated).
				Essential					
				Major					
Central Green Associated Streets	CW		Develop two streets adjoining the central green which can support festival events. Adjacent hardscape plays an important role in supporting festivals and events.	Direct	Will create gathering place to support events and other uses which drive foot traffic to adjoining businesses and create downtown vitality without which limited commercial development would be viable. Will increase viability of retail/commercial development on South Burlington City Center, the School District properties directly, and indirectly support the remaining properties values.	Concept Plan 2011, Ten Principles for Developing Successful Town Centers	Central green spaces benefit from adjacent flexible streets which may be closed down to support festival events.	This green is entirely within the TIF District and will enable the district to develop with commercial uses in addition to residential, and to do so more quickly than would occur otherwise.	Impact Fees (City Center street network is currently designated in the impact fee ordinance)
				Essential					
				Major					
Market Street	CW		Reconstruct Market Street as a high quality downtown commercial street for half of the section and a complete street for the entire section	Direct	Impacts the Dorset Square, Poon Trust, South Burlington City Center and Chastenay Estates properties. As the first street it will establish an urban development pattern with a higher quality public realm and demonstrates that the public sector is moving forward with City Center and is a place, not just a concept. This will bolster private confidence in investing in the area overall.	Environmental Assessment 2010, Ten Principles for Developing Successful Town Centers	Environmental Assessment 2010	The reconstruction of Market Street will provide the public realm infrastructure in the heart of City Center which is required for mixed use development to occur.	Federal Earmarks, Impact Fees (City Center street network is in current impact fee ordinance)
				Essential					
				Major					
Street A between Dorset Street & Williston Road	PW	66%	Reconstruct White Street at Williston through Midas Drive as a complete street and build new streets across Market Street to connect with Dorset Street at Healthy Living	Direct	Directly impacts Pat Malone, South Burlington City Center, School District properties. Will enable additional development on the South Burlington City Center, Poon Trust, School District and Mary Street LLC properties as it will install traffic improvements at White Street and types of multi-modal streets required to mitigate City Center growth as required by the Environmental Assessment.	Environmental Assessment 2010, Concept Plan, Ten Principles for Developing Successful Town	Environmental Assessment 2010	The construction of Street A will provide the public realm infrastructure in the heart of City Center which is required to support the development of higher quality mixed-use development. Portions of the street which are outside the district are the portions required to mitigate impacts of City Center in the Environmental Assessment.	Impact Fees (City Center street network is in current impact fee ordinance)
				Essential					
				Major					
Williston Road Streetscape	PW	5%	Install a streetscape on Williston from Hinesburg to Dorset that implements complete street principles and brings the identity of City Center to Williston Road	Direct	Impacts Mary Street LLC and the School District properties directly. Supports commercial development on South Burlington Realty, Poon Trust, and Dorset Square properties within City Center as it will carry the City Center streetscape identity to Williston Road and create visibility. This connection from surrounding hotels, businesses, and residences supports commercial development. Studies show people do not walk if the accommodations are uncomfortable or non-existent.	Cars to People Study, Concept Plan, Ten Principles for Developing Successful Town	Improvements to City Center gateway area to enhance opportunities for retail and residential stability and growth.	This street adjacent to City Center is one of the most unfriendly and unattractive in the City and Chittenden County, yet has a high concentration of commuter traffic and hotels. After a Williston Road experience, few visitors would attend an event or explore a store in City Center. Extending the City Center identity to Williston Road is the best way to attract visitors. This streetscape, will also grow half the redevelopment potential outside the TIF District (50% proportion).	Will need to be designated or secured
				Essential					
				Major					

TIF DISTRICT APPLICATION
TABLE 6K
INFRASTRUCTURE NEXUS INFORMATION

Project Name	Location (CW, PW, CO)	%	Project Description	Impact on TIF District Overall Purpose and Outcome	Impact on Real Property Developments	Reports, studies justifying project	Reports, studies justifying proportion	Explanation of Proportion	Other Revenue Sources/Status
Parking Garage (400 spaces)	CW		Build a 400 space parking garage	Direct	Impacts Poon Trust and Mary Street LLC properties which could not build to any density and would not redevelop at all without additional parking resources. Will allow smaller properties to develop and relieve parking pressures on larger ones through public management via Transportation Demand District.	Concept Plans, Comprehensive Plan, Ten Principles for Developing Successful Town	2009 TIF District Market Study, Parking Management, Strategies, Evaluation and Planning (Litman)	100% within the District and directly benefits District real property development.	Will need to be designated or secured
				Essential					
				Major					
Pedestrian/Bicycle Bridge over I-89	CO		Build a bridge over I-89 avoiding four on and off ramps to the interstate and providing a more comfortable and safe route	Direct	Create an alternative link between City Center and the UVM/Fletcher Allen campuses. Walking or bicycling between the two areas is hazardous and unattractive. Alleviates the main traffic constraint in the vicinity of City Center. Alternative transportation mode options will facilitate City Center growth in out years/enable City Center to support sustainable lifestyles.	South Burlington Adopted Official Map	Uncomfortable and hazardous connections, as caused by interstate highways create a barrier to pedestrian and bicycle mobility among risk	5% is the bicycle commuter modal share for Portland, Oregon. Other northern urban communities have much larger modal splits for walking. A comfortable connection across I-89 will facilitate at least as much a reduction in parking in City Center once built.	Federal and other non-City sources will need to be secured
				Essential					
				Major					
City Hall	CW		Build a City Hall including an auditorium	Direct	Impacts South Burlington City Center, the School District, Poon Trust and Dorset Square properties as it will drive traffic to and past thier properties and create foot traffic. Will create gathering place to support events and other uses which drive foot traffic to adjoining businesses and create downtown vitality without which limited commercial development would be viable.	Capital Improvement Plans, Concept Plans, Comprehensive Plans	Appendix A to the Proposed Tax Increment Financing District South Burlington, Vermont.	While 100% within the district, a portion of this facility serves the rest of the City. The proportion of development benefit is set at 47% of costs. This represents the direct benefit as explained in Appendix A.	Funds will need to be designated
				Essential					
				Major					
Library	CW		Build a Library including reading and lecture rooms	Direct	Impacts South Burlington City Center, the School District, Poon Trust and Dorset Square properties as it will drive traffic to and past thier properties and create foot traffic. Will create gathering place to support events and other uses which drive foot traffic to adjoining businesses and create downtown vitality without which limited commercial development would be viable.	CIPs, Concept Plans, Comp Plans, South Burlington Community Library Phase II Feasibility Study 2006	Appendix A to the Proposed Tax Increment Financing District South Burlington, Vermont.	While 100% within the district, a portion of this facility serves the rest of the City. The proportion of development benefit is set at 47% of costs. This represents the direct benefit as explained in Appendix A.	Funds will need to be designated
				Essential					
				Major					
Recreation Center	CW		Build a recreation center including a one court gym, multi-purpose rooms, senior and teen rooms.	Direct	Impacts South Burlington City Center, School District, Poon Trust and Dorset Square properties as it will drive traffic to and past thier properties and create foot traffic. Will create gathering place to support events and other uses which drive foot traffic to adjoining businesses and create downtown vitality without which limited commercial development would be viable.	Concept Plans, Comprehensive Plans, Community Center and Indoor Aquatic Center (Option II-B without the aquatic portion).	Appendix A to the Proposed Tax Increment Financing District South Burlington, Vermont.	While 100% within the district, a portion of this facility serves the rest of the City. The proportion of development benefit is set at 47% of costs. This represents the direct benefit as explained in Appendix A.	Funds will need to be designated
				Essential					
				Major					

City Tax Increment to Be Pledged to Finance TIF District Projects

As per the following draft resolution proposed to be voted on August 27, the City of South Burlington proposes to use 75% of incremental education property tax to pay TIF District infrastructure debt and certifies that the level of incremental municipal property tax revenue utilized to pay the TIF District infrastructure debt will at a minimum be the same percentage, 75%.

DRAFT RESOLUTION

A RESOLUTION ESTABLISHING A TAX INCREMENT FINANCING (TIF) DISTRICT, REAFFIRMING A FINDING THAT ESTABLISHING THE DISTRICT AND INCURRING INDEBTEDNESS WILL SERVE THE PUBLIC PURPOSE OF A TIF DISTRICT, ADOPTING THE SOUTH BURLINGTON TIF DISTRICT PLAN, PLEDGING 75 PERCENT OF THE INCREMENTAL TAX REVENUE, AND AUTHORIZING AN APPLICATION TO VEPC

WHEREAS, since 1986 the City of South Burlington has expressed a strong interest in developing City Center into a mixed-use walkable core for the community; and,

WHEREAS, the City of South Burlington has undertaken significant steps to study and plan for redevelopment of City Center City including market studies (2009, 2012), concept plans, an Environmental Assessment (approved 2010), becoming a Vermont designated New Town Center (2010), holding a City-wide design charrette on City Center (Fall 2011), additional public meetings (2012), and ongoing consultations with property owners to evaluate the TIF District Plan financial feasibility and economic benefits; and,

WHEREAS, neither the City of South Burlington nor the development community are able to provide adequate financing to support the infrastructure required to support compact, mixed-use and walkable development; and,

WHEREAS, a tax increment financing district and related incurred indebtedness will provide revenues for improvements that will serve the district and related costs which will stimulate the redevelopment of City Center; and,

WHEREAS, City Center will provide long term economic vitality to the City of South Burlington, support transportation mode shifts to more sustainable alternatives, and increase the supply of affordable housing; and,

WHEREAS, on June 18, 2012, the City Council of South Burlington made the finding that establishing a South Burlington tax increment financing district and incurring indebtedness will serve the public purpose of tax increment financing districts, as stated in statute, to provide revenues for improvements that will serve the district and related costs, and these will stimulate redevelopment of the district, provide for employment opportunities, improve and broaden the tax base, and enhance the general economic vitality of the City of South Burlington, Chittenden County and the State of Vermont.

NOW, THEREFORE, BE IT RESOLVED that pursuant to 24 V.S.A. § 1898(a) the City Council hereby reaffirms the finding that establishing a tax increment financing district and incurring indebtedness will serve the public purpose of tax increment financing districts, as stated in statute, to provide revenues for proposed public improvements that that will serve the district and related costs, and these improvements will stimulate redevelopment of the district, provide for employment opportunities, improve and broaden the tax base, and enhance the general economic vitality of the City of South Burlington, Chittenden County and the State of Vermont;

BE IT FURTHER RESOLVED that the City Council of the City of South Burlington hereby creates the South Burlington Tax Increment Financing District, a district which includes properties along the east side of Dorset Street from south of San Remo Drive to north of Market Street, residential properties along Mary Street and

properties east to Hinesburg Road and south to Dumont Park with boundaries as shown on the map “Proposed Tax Increment Financing District South Burlington, Vermont Boundary” attached hereto as Exhibit A; and

BE IT FURTHER RESOLVED that the City Council, pursuant to 24 V.S.A. §1892(a) adopts the TIF district Plan “Proposed Tax Increment Financing District South Burlington, Vermont” which describes the boundaries of the TIF District and the properties therein as shown in the aforementioned Exhibit A;

BE IT FURTHER RESOLVED that the City Council pledges that a minimum of 75 percent of the incremental municipal property tax revenue received from properties within the South Burlington TIF District shall, during the legal life of the district, be allocated solely towards the retirement of debt incurred pursuant to the approved TIF district Plan in keeping with the provisions of 24 V.S.A. §1897(a); and

BE IT FURTHER RESOLVED that the City Council authorizes the City Manager to submit the full application for the South Burlington Tax Increment Financing District to the State of Vermont Economic Progress Council to consider the TIF District Plan for authorization to utilize incremental education property tax revenue for the TIF District purposes.

APPROVED this ____ day of _____, 2012.

SOUTH BURLINGTON CITY COUNCIL

Rosanne Greco, Chair

Helen Riehle, Vice Chair

Pam Mackenzie, Clerk

Sandra Dooley

Paul Engels

Compatibility with Approved Municipal and Regional Plans

This TIF District Plan is compatible with approved municipal and regional plans and has significance for local and regional employment, housing, and transportation improvements.

City of South Burlington Comprehensive Plan

The City of South Burlington adopted a comprehensive plan in 2011 in order to meet statutory requirements. The South Burlington Planning Commission is currently updating this plan in order to reflect recent planning efforts.

Comprehensive Plan 2011

The Draft Comprehensive Plan Update is compatible with the adopted Comprehensive Plan 2011:

It is a goal of this City to strive to establish a vital and dynamic focal point consisting of residential and commercial uses and public spaces in the Dorset Street area. This City Center will welcome travelers to the City and provide an exciting area for residents and visitors to live, work, shop and recreate.

- *City of South Burlington Comprehensive Plan Adopted March 9, 2011.*

Draft Comprehensive Plan March 2012

The proposed infrastructure improvements and the projected real property development and redevelopment are compatible with the City of South Burlington draft Comprehensive Plan, dated March 2012. The Draft Comprehensive Plan envisions a mixed-use downtown for South Burlington to be known as City Center. Included are new cross-streets, vertical and horizontal mix of housing, retail and office construction and opportunities for employment growth. This area is designated as a primary location for new and sustainable compact development for the City of South Burlington.

The Comprehensive plan recognizes the City Center's need for public space – ranging from programmable event areas to walking trails in Dumont Park. It also identifies the lack of stormwater treatment and the impaired waters of Potash Brook.

The Comprehensive Plan clearly encourages an active role for the City in the redevelopment of the area through capital investment in projects, ensuring that regulations meet the future land use pattern, moving City facilities to City Center, completing streets and pathways listed on the Official Map, the construction of public parking facilities, park development, and other initiatives. These

may be viewed on the attached excerpt from the Draft Comprehensive Plan Update, March 2012, Appendix B.

The proposed infrastructure improvements and the projected real property development and redevelopment have clear local significance for employment, housing, and transportation improvements as they implement the planning that the City has undertaken in these areas related to City Center and the Central District.

Chittenden County Regional Development Plan

The Proposed Tax Increment Financing District South Burlington, Vermont (South Burlington TIF District Plan) is compatible with and implements both the DRAFT Chittenden County Environment Community Opportunity Sustainability (ECOS) Plan – 7/25/2012 – a project that the region is working on together and which will become the adopted Regional Plan for Chittenden County – and the adopted 2006 Regional Plan.

The 2006 Regional Plan

The proposed infrastructure improvements and the projected development and redevelopment are compatible with the 2006 Regional Plan. City Center falls with the Planning Area termed Metropolitan Planning Area: “intended to be regional or subregional centers for jobs, housing, and community facilities and have an urbanized character.” The Regional Plan presents many policies (as follows) targeted for Metropolitan Areas, all of which the TIF District Plan is compatible with:

- Provide for land uses that serve the business, commercial, cultural, educational, employment, industrial, institutional, and recreational needs of the County and the multi-county region as well as land uses that serve the needs of local residents and employers;
- Contain the County’s largest buildings and highest residential and nonresidential densities and be regarded as a suitable location by employers and households having a wide range of needs;
- Have a high priority for ... for transportation investments (including nonmotorized modes) to support future development;
- Encourage appropriate infill development in suitable areas;
- Minimize adverse impacts on natural resources and ensure ecosystem health; and
- Be developed in accordance with local plans and bylaws that designate the best locations for land uses, manage development to ensure that land uses and activities are compatible, and promote the prosperity and well-being of the County.

The proposed infrastructure improvements and the projected development and redevelopment have clear regional significance for the employment improvements because it will support new businesses

to locate and existing businesses to grow into a town center for which there is no town center within which to do so now in South Burlington.

The proposed infrastructure improvements and the projected development and redevelopment have clear regional significance for the housing improvements because they will facilitate the expansion of more affordable housing opportunities, reduce the overall housing shortage, and place housing in places that will allow households to have more choices and control over their transportation spending.

The proposed infrastructure improvements and the projected development and redevelopment have clear regional significance for the transportation improvements because it invests in circulation infrastructure (traffic enhancements, complete streets, intersections, parking garages, and pathways) that better connect through and to City Center and provide transportation options.

DRAFT Chittenden County ECOS Plan

The proposed infrastructure improvements and the projected development and redevelopment are compatible with the broad goals of the ECOS Plan as follows:

1. Natural Systems – Design and maintain a strategically planned and managed green infrastructure network composed of natural lands, working landscapes, and open spaces that conserve ecosystem values and functions, and provide associated benefits to our community.

The TIF District will enhance existing open spaces associated with Dumont Park area (includes Tributary 3) as they improve water quality and provide health and recreational benefits to the surrounding community.

2. Social Community – Promote the skills, resources, and assurances needed for all community members to participate in the workforce and in their family, civic and cultural lives, within and among their neighborhoods, and in the larger community.

The Library and Recreation Center will increase access to classes, lectures and other learning opportunities, while a new central City Hall will place the building within walking distance of more community members and improve the comfort of residents engaged in civic activities.

3. Economic Infrastructure – Build the region’s capacity for shared and sustainable improvements in the economic well-being of the community through support of both local and globally competitive initiatives.

The New Town Center – City Center – will increase job and business opportunities and reduce costs of living for households.

4. Built Environment - Make public and private investments in the built environment to minimize environmental impact, maximize financial efficiency, optimize social equity and benefits, and improve public health.

The TIF District will facilitate public and private investments in the South Burlington public realm meet this goal.

The ECOS Draft plan also contains many subgoals, which the TIF District is compatible with:

Water Quality Goal: Conserve, protect and improve water quality and quantity in Chittenden County watersheds.

The TIF District will implement stormwater, stream restoration, and wetland restoration and protection that will meet this goal.

Scenic and Recreational Resources Goal: Conserve, protect and improve valued scenic and recreational resources and opportunities.

The planned improvements to the Dumont Park recreation area will implement this goal.

Education, Knowledge and Skills Goal: Lifelong learning opportunities are available to all.

The library and recreation center will provide lifelong learning opportunities to residents, employees and visitors.

Health Goal: All Chittenden County residents are healthy.

The improved public areas, parks, sidewalks, bicycle facilities and transit access will increase residents, employees and visitors ability to lead physically active lives and offer mental health benefits through access to the natural environment. In addition, the TIF District includes one grocery store and one planned one, and is adjacent to two other grocery stores, providing a variety of healthy food at various price points within walking distance of new residences and places of employment.

Public Safety, Criminal Justice Goal: Improve public safety.

This plan will facilitate the private development of building types and public active park areas that promote eyes on the street, sociability and will support public programs for youth including a teen center resulting in more resilient and productive adults.

Hazard Mitigation Goal: Reduce the loss of life and property from natural and manmade hazards.

This plan will facilitate private investment and redevelopment and over time, as properties within and surrounding the TIF District redevelop, will reduce impervious surfaces that cause flooding, increase the ability of the natural and built environment to absorb water, and bring buildings up to safety codes.

Social Connectedness Goal: Increase opportunities to engage in the social fabric and activities of the community.

This plan will build public spaces and civic buildings which bring people together and support sociability.

Civic Engagement and Governance Goal: Increase active individual and organizational participation in all levels of government by ensuring that government processes are open, transparent, and accessible.

This plan increase access to City government, services and facilities, and will improve their functional capacity, and the comfort in which public participation occurs.

The proposed infrastructure improvements and the projected development and redevelopment are compatible with the Economic Infrastructure goals, and have regional significance for the Economic Infrastructure goals:

1. The employment retention and support goal, as since development will be incremental, it will not drive existing businesses out of business, and will provide new locations for businesses to grow into.
2. The Employer Clusters Goal as City Center will provide a type of environment and a class of office space that is not readily available, and support desirable businesses that need to be in proximity to transportation and sociable places.
3. The Employment Development Location Goal, as City Center is a designated new town center.
4. The Household Financial Security Goal as most of the housing would be considered more affordable for South Burlington and Chittenden County residents, and the walkability of the area will allow households, should they choose to, to reduce transportation costs.

The proposed infrastructure improvements and the projected development and redevelopment are compatible with the regional development plan's section on the built environment as it is focusing density in a state designated center – a new town center (see Map 3A in Appendix 3) and would be considered a Center Planning Area. Center Planning Areas are to receive resources and public investment due to the housing, jobs and mobility options they support. City Center is an infill location. It will improve livability related infrastructure. The project has clear regional significance for creating more housing which is likely to be less expensive than the median household cost within South Burlington. City Center will also provide interconnected transportation systems that allow sustainable mobility.

The proposed infrastructure improvements and the projected development and redevelopment have regional significance for housing and transportation as it realizes goals within the regions draft plan including providing decent housing, and providing accessible safe, efficient, and interconnected mobility choices.

Appendices

Appendix A

The Nexus between Public Buildings (Public Improvements) and the TIF District

The City proposes to finance a portion of designing, engineering, acquiring the land for and building a City Hall, Library and Recreation Center in the center of the TIF District using TIF district financing. The economic development derived from funding City public building improvements in City Center cannot be underestimated. These facilities support the development of private sector commercial development by serving as an anchor in the heart of City Center. Today, in City Center no downtown market exists, there is limited vehicular traffic and only a minimal amount of pedestrians. The City estimates that 49% of the value of these facilities serve the TIF District and may be paid with incremental municipal and education property tax revenues.

Economic Benefit Due to Buzz Benefits of a Catalyst Project

As the City's facilities are intended to catalyze other development, they will be the first structures to be located in the heart of City Center. They will create an ongoing driver of visitors to the area that will notice street and park improvements. Residents visit civic buildings for unique services which are not available in any other location and over 50% of City households take advantage of library and recreational services.

The development benefits of these catalyst improvements include familiarizing residents and visitors with public realm infrastructure such as parks and streets so that visitors are more likely to come back for outdoor events and festivals.

As public spaces are programmed with events, users of public facilities will already be familiar with the area and "have their foot in the door", so to speak. In other words, as they already know City Center and have an understanding of it, it will be easier for them to make a decision to attend an event nearby.

City facilities, as civic structures, will be landmark buildings and assist in making the new downtown legible, and therefore more easily navigable by visitors and residents. The more familiar and used to visiting an area people are, and the more positive things they hear and positive associations they have with an area, the easier it is to envision opening a business or purchasing a home.

Catalyst projects serve more importantly to inspire economic confidence in an area. By proving that people will visit an area, they reduce the unpredictability and risk to investors on subsequent projects.

Catalyst projects are funded in many ways, but are always called catalyst projects in order to obtain outside funding. Governments often provide low or no interest loans for these projects to spur a

new market. This financing is provided with a reduction of interest rates of 2 to 8%, resulting in subsidies of 10 to 30% of development costs depending upon the financing terms.

Economic Benefit Due to Access to Knowledge

The DOT, HUD, and EPA interagency partnership for Sustainable Communities lists as one of their goals “Enhance economic competitiveness,” which is described as: “Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers as well as expanded business access to markets.” Libraries, recreation centers, and city services such as records, permitting, economic development and the provision of community space, programming, and educational resources fit into this category. The current economy is based on information where knowledge and access to knowledge creates a competitive advantage. Study after study has shown the importance of these services for the economic wellbeing of residents, workers and businesses.

By locating these services conveniently in the TIF District, they generate an economic development benefit.

Economic Benefit Due to Trip Reduction and Increase in Quality of Life and Disposable Income

Locating public services in proximity to housing, places of work, groceries and other common weekly shopping destinations also reduces overall trips attributed to each household. This reduction in trips translates to lower transportation costs for South Burlington residents and people who work within the TIF District.

This creates an economic benefit of increasing these households disposable income which may than be spent locally. Users of City services that combine trips also save time. This time saved, for many residents, businesses and other service users, translates into economic value.

Greer’s Cleaners provides a 15% discount every day to customers who take their dry cleaning directly to the shop attached to the processing plant on Pine Street in Burlington as it saves them the trips required to pick up and drop of the clothing at the storefront on Dorset Street. The two locations are approximately three miles apart. Homeowners and offices generally provide a 10 to 15 percent tip for food delivery personal, representing the value of the time and trip saved to the consumer.

Economic Benefit Due to Direct Service to TIF District Development

The number of additional housing units that will be built in the TIF District is projected to be 780 units. These will be built over 24 years. This is conservative based on the local property owner reported preferences.

Looking at the market study, if the TIF District is to absorb slightly more of the yearly share of growth in South Burlington (rather than in more ecologically sensitive and rural areas less served by public infrastructure), the TIF District should absorb 1200 units overall. Comparable markets, such as Winooski, have absorbed at least 100 units per year in a less than stellar economy. It is reasonable to project that 100 units built in 12 of 24 years would be absorbed by the market as rented or owned housing.

Using the more conservative projection, and using 2010 as a base year with total residential units at 8,429, the additional 780 units in the TIF District would increase housing capacity by approximately 9% within South Burlington. If these units in the TIF District represent one third of the growth of the City over the next thirty years, a conservative life span for the public facilities to be built, they would represent approximately 7% of the City's households. Thus, this portion of the public building infrastructure improvements that will be located in the TIF District are directly related to serving the new residential development expected in the TIF District.

Economic Benefit Due to Pedestrian Traffic Generation in the New Town Center

A portion of the benefit of the public building infrastructure improvements contained in the TIF District plan may be attributed to the economic value of pedestrian foot traffic. The importance of visitors to a downtown cannot be understated. The development of a new town center is premised upon a viable mix of uses. In any given market, retail, office, and residential demand fluctuate. While residential demand fluctuates often between owned and rented, given the expected local job market, demand is expected to be relatively stable. Commercial demand is currently in balance, but it is much weaker than residential demand.

Office and retail businesses that locate in downtowns (typified by higher development costs) pay a premium over locating in a strip commercial development or an industrial park – the greater portion of which is related to foot traffic (street vitality). To some extent a national retailer can generate vitality, however, until the Center is built out and has proven foot and vehicular traffic, retailers will choose to locate on the larger arterials located on the periphery of the site and not in the heart of City Center. In order to develop a local shopping base early on and support retailers in a newly built downtown where rents are higher than in existing older structures on the periphery, pedestrian traffic, and especially daytime pedestrian traffic is crucial.

A Virginia study found that “Youth and adult sports events are major contributors to local tourism visitation, as are nonsport special events and festivals often sponsored by local parks and recreation departments.”

In 2010, a North Carolina at Charlotte Urban Institute study found that “Library facilities continue to be a strong anchor for downtown and neighborhood development and public spaces that attract

foot traffic and civic activity.” Visitors to libraries were asked about activities that they combined with their trip to the library. 76.9 percent responded that they combined their trip with another activity, and of these visitors, the categories with the highest responses – shopping at 81.5%, restaurant at 13.6%, and coffee shop at 10.5%. Significantly, these are the types of businesses that require foot traffic in a downtown to survive.

Lacking adequate foot traffic, businesses spend more time on advertising. Without adequate foot traffic downtowns appear deserted, economically distressed and less attractive to businesses. It is also less attractive to condominium buyers who expect “eyes on the street” and the bustle that represents a safe environment in which to walk home and run errands.

The City of South Burlington TIF District Plan will locate three public facilities within the New Town Center – a City Hall, a Library, and a Recreation Center. Based on current visitation levels and pent up demand the number of average daily weekday visitors to the Town Center is expected to be 780 people.

The Clerk’s office expects to generate 19,200 visitors this year due to the presidential election. The largest share of visitors is individuals paying taxes, after those, researchers in land records files and after those, residents picking up, returning or using absentee ballots. A fair share of walk-in traffic is related to dog licenses and water bill payments. These visitors are all during the day. Given the fluctuation in elections, the model will reduce the overall number by 2,000 visitors.

The Tax Assessor’s office generates foot traffic which is low during non-peak – about 7 visitors per day, but is high during peak periods – averaging approximately 50 walk-ins per day. The longest peak is between January and April while residents are filing their income taxes. May and June, due to reappraisals are also busy. Other peaks are shorter, lasting approximately two weeks and are related to tax installments (three), delinquent tax notices (three), and tax sale. Taking the total number of visitors averaged across all days the office is open in the year and the Tax Assessor’s office contributes 26 people per day to average daily visitors.

The Planning and Zoning Department generates an average of 20 visitors a day, applying for permits, meeting with staff, or attending meetings. A meeting is scheduled in the evening at least once a week, averaging 25 people.

Visitors to the City Manager’s Office include officials and attorneys, visitors to the Human Resources, City Council meetings (estimated at 12 attendees per meeting, three meetings per month), and meetings regarding finances, special projects/task forces, and economic development. Apart from City Council meetings, total visitors to the City Manager’s Office are estimated to average two people per day, or five hundred individuals throughout the year. City Council meetings and some special project/task force meetings generate foot traffic which spills into the evening hours.

The Library is one of the highest generators of foot traffic. Library visitors are quite diverse in age, economic status and the times that they visit. The library also draws non-resident visitors from outside of the City. It is conveniently located for working commuters and Library hours, collection, and programming, are larger than the smaller Chittenden County libraries. In addition to commuters, many Burlington and Shelburne residents use the SBCL as their primary Library because of its convenience, easy parking, safety, and selection of materials. The Library offers a well-rounded collection, with an excellent large print, DVD, and CD collection. Computer availability, Wi-Fi and a wide variety of Library programs are additional draws. The Library features extensive programming for all ages from babies to senior citizens– including children’s story groups, book discussions, Sunday afternoon music performances, lectures, current event discussion groups, and technology workshops. The Library received an endowment in 1997 which is funding the non-fiction collection. The Library collection is quite comprehensive given capacity.

Library statistics from FY2000 to FY2010 show a substantial increase in usage in that ten year period. Circulation nearly doubled from 71,924 items per year in FY2000 to 131,297 items per year in FY2010. In the same time period, registered borrowers increased from 5500 to 8957 patrons. A patron counter was installed in January 2010. The Library averages 200 – 250 visitors per day, (not including the 900 students who also use the Library). The collection itself has more than doubled from 29,000 items to over 62,000 items. Attendance at programs has increased from 4688 in 2000 to 10,150 (2010). Library usage has continued to increase in the past two years, even with a significant cut in budget, staff, acquisitions, library hours, and the advent of e-books.

In a recent study, library patrons stated that they avoid visiting the existing Library during the school year as it is shared with high school students and they do not find the environment enjoyable. It is expected that a facility separated from the high school, with more space, services, and amenities geared towards the public will result in more visitors. In the current location, the entrance is also located on the side of the building and difficult to locate for new or non-resident users.

The other large generator of civic building patrons is the Recreation Department, which currently averages approximately 200 program attendees or walk-ins a day. This number reflects a department operating in constrained conditions with borrowed facilities. Activity space located in schools, for example, is unavailable during the day and on some evenings, a demand time for residents which are not school age. In addition, with no permanent activity space, the Recreation Department does not offer drop-in facilities, such as a teen room, senior room or gymnasium.

This department has over 50% participation from City household in the 420 programs currently scheduled. This participation rate is much higher than the national average of 32%. Currently 100% of the City’s programs are self-supporting – attesting to their popularity and growth potential. A full 10% of registered activity participants are non-residents, and with more visibility, higher

quality facilities and accessibility to City Center employees that live in other jurisdictions, this could increase slightly.

The new Recreation Department would generate more users than exist today. The feasibility studies that have been completed envision the addition of performance space, a gymnasium and additional activity rooms for classes and special events.

For generation of foot traffic, this estimate will use the quantity of 310. This is a conservative estimate based on pent up demand and a significant expansion of activity space. It does not reflect increases in visitors due to population growth or increased popularity. Areas of pent up demand include seniors and preschoolers who would normally be served while schools are in session and unavailable for use by the Recreation Department, as well as casual facility users that lack a gym or other facility for unstructured play.

Table A1: Yearly Visits and Daily Average Visitors to Planning TIF District City Facilities

Foot Traffic Driver	Total Visits Year	Daily Average	
Clerk's Office	17,200	69	(5 day wk)
Planning and Zoning	2,340	9	(5 day wk)
Tax Assessor	9,648	26	(5 day wk)
Council/City Manager's Office	1,364	5.5	(5 day wk)
Recreation Department	110,000	311	(7 day wk)
Library	74,600	250	(6 day wk)
Employees	13,135	45	(varies)
City Employees from other facilities	744	3	(5 day wk)
Contractors/Service Providers	496	2	(5 day wk)
Daily Average (over a year):		717 weekday; 558 Sat; 315 Sun	

The total daily number of employees in the new facilities is expected to be 45. This includes positions that are now contracted out but may be internal in the future, staff that would be required to run a new recreation facility, additional staff in the library (currently understaffed relative to the size of the collection and comparable sized city libraries nationwide), and an average number seasonal and part time staff such as recreation program counselors/teachers and office interns.

Additional visitors include City employees from other offsite departments such as Fire, Police, and Public Works. City Hall also generates a fair number of visitors providing services – from city attorneys to contracts related special projects.

South Burlington is the third largest City in the State and growing. It is anticipated that these public building improvements will result in a greater appreciation of City Center by residents and outside visitors. In order to provide a conservative estimate, this additional usage is not included in the total daily average number of visitors generated.

In discussions with real estate leasing agents and property owners it is clear that these improvements will be a big draw for City Center. There is no direct formula for calculating the value of foot traffic

that a tenant will generate. Experts rely on gut feeling and current need to determine how much of a break on a lease to give tenant with a large “draw”. To determine the proportionality of the economic impact, the City looked at the volume of average daily visitors compared to the University Mall.

The University Mall is a local shopping hub, the largest such mall in Vermont, and very established. It supports a great diversity of stores at various price points across the shoppers goods category. In order to develop a proportion, the City looks at how much foot traffic the City buildings attract and divides it by the combined effect of the “draw” of the stores in the University Mall to see what the value is to developers and future potential tenants and businesses in City Center.

The University Mall in South Burlington has a daily average of 5,000 visitors a day through their non-anchor entrances. The main doors access the portion of University Mall with the smaller footprint retail specialty and food service businesses, similar to what might be expected to develop in the core of City Center.

City services attract on average 717 visitors (existing users and pent up demand). Divide this number of daily visitors by 5,000, the average daily number of visitors to the University Mall, these visitors represent approximately 14% of the average number of the University Mall’s daily visitors. This is not insignificant.

Whole Value Exceeds the Sum of Parts (Synergistic & Resiliency Benefits)

In the Urban Land Institute’s Ten Principles for Developing Successful Centers the authors state that:

A mixed-use town center supports an environment that allows for a variety of activities, including working, living, shopping, entertainment, and leisure. The combination of residential, office, retail, and civic uses forms a neighborhood or district environment that will appeal to the public and be sustained by it. Although integrating a mix of uses comes with complications in terms of cost, financing, phasing, and parking, the result can be a development with a perceived value that exceeds the sum of its parts. When executed properly, a town center is a lasting development that holds its value and becomes an enduring asset to a community.

Civic institutions retain value through tough economic times and in good times complement success. Civic buildings, in a recession, often bring in more users than in boom times. These visitors may spend less money, but the overall greater volume may still support local businesses. The beginning years of the new town center may resemble a recession and many new town centers struggle to attract tenants, operating at a loss when local developers lack deep pockets. In new towns built by national developers, successes in other markets provide the upfront subsidies for anchor

tenants and to schedule event after event to draw in new customers and visitors unfamiliar with the area.

Civic buildings will bring the rich political, social, and literary culture of the citizens of South Burlington to the downtown in the City Center’s earliest days, when nothing else has been developed. Citizens will assist in building City Center’s identity from the ground up. They will support a more diverse and vital economy that includes retail and office uses that otherwise would overlook the locational advantages of this new downtown.

This benefit set at 10% of development costs as it is calculated as an exponential benefit not being a straight sum. It represents the essential elements of a downtown coming together earlier and with more momentum than would occur otherwise, resulting in a longer and more sustainable tax benefit over time. If these facilities were to locate elsewhere, such as in a business park or where they are currently located, the City Center would lose considerable value at the beginning and cumulatively over time.

Calculated Proportion of Economic Benefit the City Hall, Library and Recreation Center Provide to the TIF District

Benefit	Benefit Proportion of Estimated Cost
Catalyst Project	10 %
Access to Knowledge	1
Trip/Time saved - Increase in Disposable Income	5
Serve New TIF District Development	7
Pedestrian Traffic	14
District is Greater than Sum of Parts	10
Total Benefit Proportion	47%

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Appendix B

March 2012 Draft City of South Burlington Comprehensive Plan Excerpts

Section 3.2 Future Land Use

C. Land Use Planning Areas

Central District

Area Included. The Central District includes a diverse mix of commercial corridors, transportation systems, single and multi-family residential areas, schools, undeveloped land, and designated parks. It includes the Williston Road corridor from I-89 to Hinesburg Road, the Dorset Street corridor north of Kennedy Drive, and the Hinesburg Road corridor north of Kennedy Drive.

Current Land Use. The Central District includes an eclectic diversity of land uses that partially interact with one another. Developed as separate residential neighborhoods, commercial areas, and public facilities beginning in the 1940s, this area slowly evolved into a loose “core” of South Burlington. Today, this includes three schools and related grounds, the city’s offices, retail establishments along Williston Road and Dorset Street, the University Mall and Blue Mall, several mid-sized single-family residential neighborhoods, and a grouping of multi-family residential homes.

These distinct uses are connected together via the three principal arteries in the area and a pair of natural areas, but no secondary streets. These principal arteries serve both local and regional traffic. The result is a “core” to the community that is both closely linked via geography and transportation and also separated from itself in terms of pedestrian activity or shared sense of community.

This Central District is also home to a uniquely positioned, undeveloped piece of land at its very heart. This land, comprising approximately 40 acres north of the municipally-owned Dumont Park between Hinesburg Road and Dorset Street, has been used for multiple purposes over the years, including a small quarry and a race track. In the mid-1980s, citizens saw an opportunity to work with private land owners in this area to develop a mixed-use downtown for South Burlington, to be known as City Center.

Future Land Use. The vision for the Central District is to effectively blend existing neighborhoods, commercial areas, natural areas, underdeveloped properties, and undeveloped

lands into the true “downtown” of South Burlington. This “downtown” will provide increased connectivity through new cross-streets; support an integrated mix of housing, retail, and employment; and be a primary focal point for new mixed use development within the city.

At the heart of this District lies the City Center plan, a long-standing area of effort and energy for the community (see pull-out box). This area, planned to accommodate up to 1,200,000 square feet of development and over 15 acres of conserved land, is intended to not only create a focal point for the city that unifies the entire district, but also to support a significant portion of the local demand for commercial development and multi-family housing in a compact, sustainable manner.

City Center would support this objective by establishing a series of streets that would connect to the principal arteries in the area, providing opportunities for housing and employment in an area well-served by public transit and existing public utilities, and creating smooth transitions to existing neighborhoods and commercial areas.

The Williston Road and San Remo Drive sections of the Central District contain significant opportunities for redevelopment. Initially built as low-density, strip-type commercial development (and light industrial development along San Remo Drive), these areas have witnessed a slow transformation toward more compact uses. Zoning in the areas was adjusted in 2003 to allow for a mix of commercial and residential uses. Additional amendments will likely be needed to support the types of multi-modal, walkable environments that the community has begun to envision for this area. Eventually, historically strip-development will be replaced or filled in with additional development, making efficient use of this core area and supporting walkability from surrounding areas.

Much of the remainder of this District is built out. Residential neighborhoods along Dorset Street and Hinesburg Road include a handful of vacant lots available for infill development, but for the most part the focus of this Plan is to support the continued use of these areas for residential use, understanding that as the community’s demographics change, so do the needs of its citizens.

Similarly, the intent of this Plan is to support the ongoing use of the three schools in the area, the Rick Marcotte Central School, the Fred Tuttle Middle School, and the High School, and to promote interconnectivity and integration of these schools with surrounding areas. The conceptual plans for City Center do envision the development of a portion of the Central School, or potentially a future closure and redevelopment of the site as a whole. This concept, of closing the school, would be the subject of substantial discourse prior to any action being taken.

Traffic, Parking, Pedestrian Accessibility. Traffic along Williston Road and Dorset Street is generally heavy and can exceed the system’s capacity at peak hours. This is due to a number of factors, including the presence of I-89’s Exit 14 at the north end of Dorset Street, the arterial design of the roadway network that does not allow for any distribution of vehicles, and the heavy demands put forward by the University Mall and other retailers in the area at peak hours, all in a predominantly auto-dependent environment. These challenges are exacerbated by a built environment that has favored surface parking in front of buildings, improving convenience for drivers but discouraging all other modes of transport.

These challenges are being addressed incrementally by various partners and parties. In 2009, the Chittenden County Transportation Authority redesigned its bus service in the area, creating a new route that stays on Williston Road all of the way from Burlington to Williston (with the exception of the U Mall) and offers 15-minute headways at peak hours. Zoning in the area, meanwhile, is transitioning to encourage more pedestrian-friendly site design. Finally, planning for City Center includes efforts to establish a Tax Increment Finance District in the area to support needed infrastructure improvements, such as the redevelopment of Market Street and the construction of a parking garage.

Public Amenities and Open Space. The community vision for City Center calls for the establishments of one or more public amenities to serve as a focal point for the community. The lack of any such amenities – aside from walking trails through Dumont Park – is a missing link in the core of the city. Recreational facilities are available at the schools in the area, but there is no formal public gathering area save for the bandshell at Dorset Park, located nearly 1.5 miles south of the Dorset Street / Williston Road intersection.

Conceptual plans for City Center include a public square that would serve as a gathering place and public events locale, as well open space in the vicinity of Potash Brook and walking trails that would lead across the Brook to Dumont Park. In addition to these, gateway artwork and gathering point are envisioned for the area.

Further to the south, a significant open space area exists to the east of the high school. Maintenance of this natural area and walking trail system should be continued

Stormwater Treatment. Among the most significant challenges faced by the Central District is the lack of sufficient stormwater treatment. Much of the area was developed prior to the advent of sufficient treatment systems, and includes significant paved areas. Two watersheds – Centennial Brook and Potash Brook – cross through the area. Both are listed on the State’s Impaired Waters list for stormwater.

The state, city, and individual property owners have begun to work on these issues collectively. The city received a \$1.1 million grant from the Army Corps of Engineers to work with private property owners in the development of a stormwater system to treat run-off from the Williston Road area east of Hinesburg Road. In addition, individual property owners have begun re-designs of existing facilities to comply with rules established by the Vermont Agency of Natural Resources.

Housing Affordability. The Central District provides the community with the opportunity to meet a significant portion of the anticipated demand for housing in the coming years. The challenge with this will be in fostering the development of housing that is both affordable to a mix of households and also meets their needs as families. The compact nature of the area, combined with high land costs due to its location, indicates that multi-family housing is the most viable form of residential development for the area. Multi-family housing can be friendly to households of various types, but relies on the availability of public amenities such as safe and accessible parks and services nearby.

The city will likely need to continue to make use of incentives and regulatory tools to foster affordability in this area.

Focusing Development. The original vision for City Center included a goal of fostering development in this area in order to conserve open spaces, natural areas, and farmlands elsewhere in the city and the region. To some extent, the establishment of a mixed-use area will serve to meet this goal by creating conditions for development to take place in a compact, pedestrian-friendly environment. It is a greater challenge, however, to couple this with initiatives to conserve land elsewhere in the community.

The pattern of development in the city over the past 25 years or more has been a mix of some compact, “infill-style” development – such as at Farrell Street – together with substantial continued development on the fringes of the city, such as along Allen Road, Lime Kiln Road, and in the Southeast Quadrant.

The community will need to continue to explore tools to focus development in the core areas of the city, while continuing to meet objectives of affordability and family-friendliness.

General

Strive for the majority of all new development to occur within the Shelburne Road, Williston Road, and Kennedy Drive Corridors, and other areas within the Transit service area.

Encourage the majority of new development within the Williston and Shelburne Road corridors to be mixed use (residential/commercial) - vertically, within the site, or on complementary sites.

Central District

Create a diverse, dynamic and people-oriented South Burlington City Center and surrounding areas with an appropriate mix of residential and non-residential uses and public amenities.

Improve street and/or path interconnectivity throughout the Central District.

Establish public spaces, art and civic facilities in the Central District.

Reserve and establish open space areas for enjoyment and natural resource conservation, specifically including an area adjacent to the Potash Brook accessible to the public.

Complete master planning for City Center to evaluate opportunities for centralized and efficient systems for stormwater treatment, energy or heat production, and housing that is complimentary to adjacent neighborhoods.

Provide public street environments and development features in which pedestrians, vehicles, bicyclists, joggers and youth can coexist safely.

Conserve and protect existing residential areas and encourage new, high quality mixed-use residential development and redevelopment of low density, strip-type commercial development.

Maintain Dorset Street and Williston Road as local and regional thoroughfare corridors serving both local and regional traffic and foster ease and safety of pedestrian crossings.

Maintain Hinesburg Road from Market Street to Kennedy Drive as residential corridor.

Minimize overall demand for parking in the Central District through design that fosters pedestrian, bicycle, and transit use and provide efficient, aesthetically pleasing central parking options.

Promote interconnectivity and integration of schools with surrounding areas.

Strategies

In order to achieve the objectives set forth on pages 3-32 to 3-35 of this plan, the city should:

General

Encourage, through its zoning and subdivision regulations and capital investment policies, future development and redevelopment to occur in accordance with the general land use pattern depicted on Map 8, Future Land Use.

Direct a majority of development density and new development over the next 20 years to the core area of the city, defined as those areas lying north of I-89 and I-189, and lying west of Spear Street.

Maintain a stable and proportional tax for existing and future residents and businesses.

Impose phasing requirements on individual projects as needed to ensure that development occur only in conformance with the city's ability to provide services.

Participate in Act 250 reviews on both local and regional projects which affect the city, especially where local jurisdiction may be inadequate.

Continue to refine the city's Land Development Regulations to promote the Plan's goals and objectives.

Central District

Work to direct a substantial proportion of the City's future commercial development to occur in the designated City Center along Dorset Street, Williston Road, Market Street and San Remo Drive.

Conduct a study to design and evaluate a new government complex consisting of a new City Hall and/or a library, state offices, and/or a post office (i.e., retail portion only).

Promote through the zoning and subdivision regulations an appropriate level of density (coverage and building heights) to provide a "critical mass" of activity.

Pursue completion of streets and recreation paths as illustrated on the City's Official Map.

Seek funding and explore public-private partnerships to provide necessary public amenities (e.g. open space, sidewalks, trees, parking, lighting, parking, and public transit amenities).

Develop an efficient, convenient and attractive parking plan to serve the center area and explore funding and/or partnerships to acquire land and construct public parking facilities.

Create a well-defined central open space as a focus of a city center district. This should include development of Dumont Park into an accessible, usable passive park to enhance the City Center.

Use design review and/or form-based coding to promote the development of aesthetically pleasing, pedestrian-focused and highly functional environments

Explore such means as transfer of development rights, density bonus program, and parking trust fund to aid in implementing the City Center plan.

Explore the establishment of a non-profit South Burlington Community Development Corporation as recommended in the 1999 report entitled, “Establishing a Local Development Corporation in South Burlington”, to facilitate development in the City Center.

Work with existing landowners and developers to develop a stream alteration and wetland mitigation plan, and obtain necessary permits to implement such plan.

Refine Land Development Regulation standards to conserve existing residential areas and encourage new, mixed use residential development.

Review the parking requirements of the city’s Land Development Regulations, provide credit for presence of alternate means of transportation, and encourage sharing of parking facilities.

Assess and adopt incentives or requirements for the development of diverse and affordable housing types.

Foster infill development and integration of the built environments between City Center and adjacent commercial areas to the north and west.

Evaluate zoning along Hinesburg Road north of Market Street to foster a harmonious transition in land uses.

Complete Federal, State and local permitting for the Federally- funded Market Street Improvements

Complete and adopt streetscape, open space, and public realm plans for the City Center area, including provision of a central public square.

Establish a Tax Increment Finance District to support development of needed infrastructure improvements to serve the Central District.

Regularly update the City’s Official Map to include the most up-to-date plans for streets, parks, recreation paths, and utility infrastructure.

Update the city’s water and wastewater ordinance to ensure sufficient capacity is reserved for the City Center and Central District areas.

Pursue incentives or requirements for energy efficiency in the City Center area, including an evaluation of district heating.

Appendix C

The Draft ECOS Plan – A Sustainable Future for Chittenden County Excerpts

Environment. Community. Opportunity. Sustainability.

BROAD GOALS:

1. Natural Systems – Design and maintain a strategically planned and managed green infrastructure network composed of natural lands, working landscapes, and open spaces that conserve ecosystem values and functions, and provide associated benefits to our community.
2. Social Community – Promote the skills, resources, and assurances needed for all community members to participate in the workforce and in their family, civic and cultural lives, within and among their neighborhoods, and in the larger community.
3. Economic Infrastructure – Build the region’s capacity for shared and sustainable improvements in the economic well-being of the community through support of both local and globally competitive initiatives.
4. Built Environment - Make public and private investments in the built environment to minimize environmental impact, maximize financial efficiency, optimize social equity and benefits, and improve public health.

Subgoals:

Water Quality Goal: Conserve, protect and improve water quality and quantity in Chittenden County watersheds.

Scenic and Recreational Resources Goal: Conserve, protect and improve valued scenic and recreational resources and opportunities.

Education, Knowledge and Skills Goal: Lifelong learning opportunities are available to all.

Health Goal: All Chittenden County residents are healthy.

Public Safety, Criminal Justice Goal: Improve public safety.

Hazard Mitigation Goal: Reduce the loss of life and property from natural and manmade hazards.

Social Connectedness Goal: Increase opportunities to engage in the social fabric and activities of the community.

Civic Engagement and Governance Goal: Increase active individual and organizational participation in all levels of government by ensuring that government processes are open, transparent, and accessible.

ECONOMIC INFRASTRUCTURE

Broad Goal: Build the region’s capacity for shared and sustainable improvements in the economic well-being of the community through support of both local and globally competitive initiatives.

Employment Goal: Retain and support existing employers and jobs.

Employer Clusters Goal: Increase and support the development and recruitment of existing and new target sector employers and jobs.

Economic Development Location Goal: Provide land and building capacity for employment supported with adequate infrastructure in town centers, villages and other areas planned for development.

Household Financial Security Goal: Improve the financial security of households.

BUILT ENVIRONMENT

Broad Goal: Make public and private investments in the built environment to minimize environmental impact, maximize financial efficiency, optimize social equity and benefits, and improve public health.

INTRODUCTION: The built environment is the physical buildings of the County combined with supporting infrastructure necessary for travel, waste, water, and energy for living, working, and playing. Strategic investments to Chittenden County’s built environment and development centers is necessary for promoting a high quality of life that is hinged on economic development, affordability, and environmental stewardship. Significant regional planning for sidewalks, housing, transit choice, and cultural and recreational resources can make more homes and businesses in our centers the key to allowing growth to happen more sustainably.

Other vital infrastructure updates are also needed to support livability in these centers. Sewer capacity and water supply investments are necessary to accommodate new residents and employers. Renewable energy sources for buildings and alternatives to driving need to be planned for to reduce the consumption of fossil fuels and decrease carbon emissions.

This section focuses on the promotion of higher density, mixed use development in Center, Metro, Suburban, Enterprise, and Village Planning Areas. These actions would result in reduced energy for transportation and land use by promoting increased pedestrian/bicycle travel,

availability of transit, reduction in vehicle miles traveled, and the need for smaller homes that maximize efficiency. Consolidating households and employers in these Planning Areas also makes for providing other infrastructure more efficient. A description of the Planning Areas can be found in Chapter 3 on page 93.

Housing Goal: Increase the opportunities for safe, decent, energy efficient, affordable, accessible and fair housing for all types of households in diverse neighborhoods.

Transportation Goal: Provide accessible, safe, efficient, interconnected, secure, equitable and sustainable mobility choices for our region’s businesses, residents and visitors.

The 2008-2009 Scenario Planning Process undertaken by the Chittenden County Metropolitan Planning Organization resulted in a clear surveyed preference for future growth to be concentrated into higher density, mixed use centers – this preference is also demonstrated in the policy direction outlined in municipal plans and ordinances throughout the county. Directing transportation investments to serve mobility and accessibility in compact settlements will result in a more cost effective and efficient transportation system.

Stormwater Goal: Manage stormwater runoff affordably and effectively.

Communications Goal: Ensure equal access to appropriate and affordable communication services for all.

Waste Reduction Goal: Indicator report: Decrease materials consumption and increase the use of renewable resources, resource recovery and recycling.

Consumption Goal: Reduce energy consumption through energy conservation and efficiency.

Increasing the development density in the Center, Metro, Suburban, Village, and Enterprise Planning Areas will help the County to achieve many of the goals for the built environment.

Overall Chittenden County is moving in the right direction of developing policies that encourage more growth in these areas. Chittenden County contains 10 Villages, 2 Downtowns, 2 Growth Centers, 2 New Town Centers, and 1 New Neighborhood that are part of the State Designation Program that promotes smart growth principles. In addition, a recent public opinion survey indicates that people do want to live in more walkable compact areas. Additionally, higher density in these areas improves mobility, accessibility, affordability, and health.

We need higher density development areas to support continued use of transit, car sharing, walking, and bicycling. This type of development will help the County to continue to decrease vehicle miles traveled (VMT) per capita, increase non-single occupancy vehicle (SOV) modes,

and decrease greenhouse gas emissions. Shifting our mode from SOV to non-SOV will not decrease emissions alone. A major switch from fossil fueled vehicles to electric plug-ins is critical to meeting both state and regional climate action strategies.

Focusing growth in the appropriate planning areas is also a cost effective approach to increasing the supply of affordable housing and reducing energy consumption. Much of the recent housing in the Center Planning Areas has been built as multi-family units that are suited for a mix of income types. Multi-family housing also has characteristics that make it more energy efficient including smaller sizes per unit and less exterior exposure. Energy efficiency measures applied to all housing types have the benefit of providing all types of households with cost savings, which makes them less vulnerable to fluctuations in energy prices. Additionally, to achieve higher, mixed use densities it is essential that these areas are well served by wastewater treatment, stormwater treatment, solid waste disposal and recycling, and broadband technology.

The demand for more walkable neighborhoods and the policies that create them are beginning to change the built environment of Chittenden County. Decisions for how we create denser mixed use communities are primarily made at the local municipal level of government. Therefore, municipalities are encouraged to apply ECOS goals in their development decision making process. The more specific implementation of the ECOS goals will vary throughout the County as municipalities consider their own unique needs and relationship to the region as a whole.

PLANNING AREAS

The ECOS Plan uses the Planning Areas concept to identify places that share similar existing features and future planning goals. The basis for the future planning goals is municipal zoning. The Planning Areas aim to describe the appropriate type of future growth expected in each Planning Area. The Planning Areas also aim to illustrate a regional picture of future land use policies in the County necessary to promote a regional conversation about land use in Chittenden County municipalities. The six Planning Areas are depicted on the Built Environment Map (located at the front of the Built Environment Section). They are Center, Metro, Suburban, Village, Rural, and Enterprise.

Center Planning Areas are intended to be regional centers or traditional downtowns that serve the County and beyond and contain mix of jobs, housing, and community facilities. Center Planning Areas also contain the County's highest density and largest-scale developments. Center Planning Areas may contain a state designated New Town Center or Growth Center. Development in downtown centers primarily happens through infill development of underutilized vacant land and adaptive reuse of older structures. Whereas, development in

municipal Growth Centers occurs in targeted areas that will accommodate future anticipated growth. These land uses are locally planned and managed to coexist successfully with neighborhoods and natural areas. Places within Center Planning Areas typically are served by wastewater facilities, other infrastructure, and offer a variety of transportation options, including non-motorized modes.

Appendix D

Application Form Attachments (excludes those already in Plan):

Map indicating municipal boundaries in relation to the County, which also shows the major regional transportation routes (from Chittenden County draft Regional Plan)

Map showing the municipal, TIF District, and any other designated area boundaries.

Attachment 6I - Infrastructure projects and costs by type of infrastructure

Attachment 6J - Infrastructure costs by year of construction

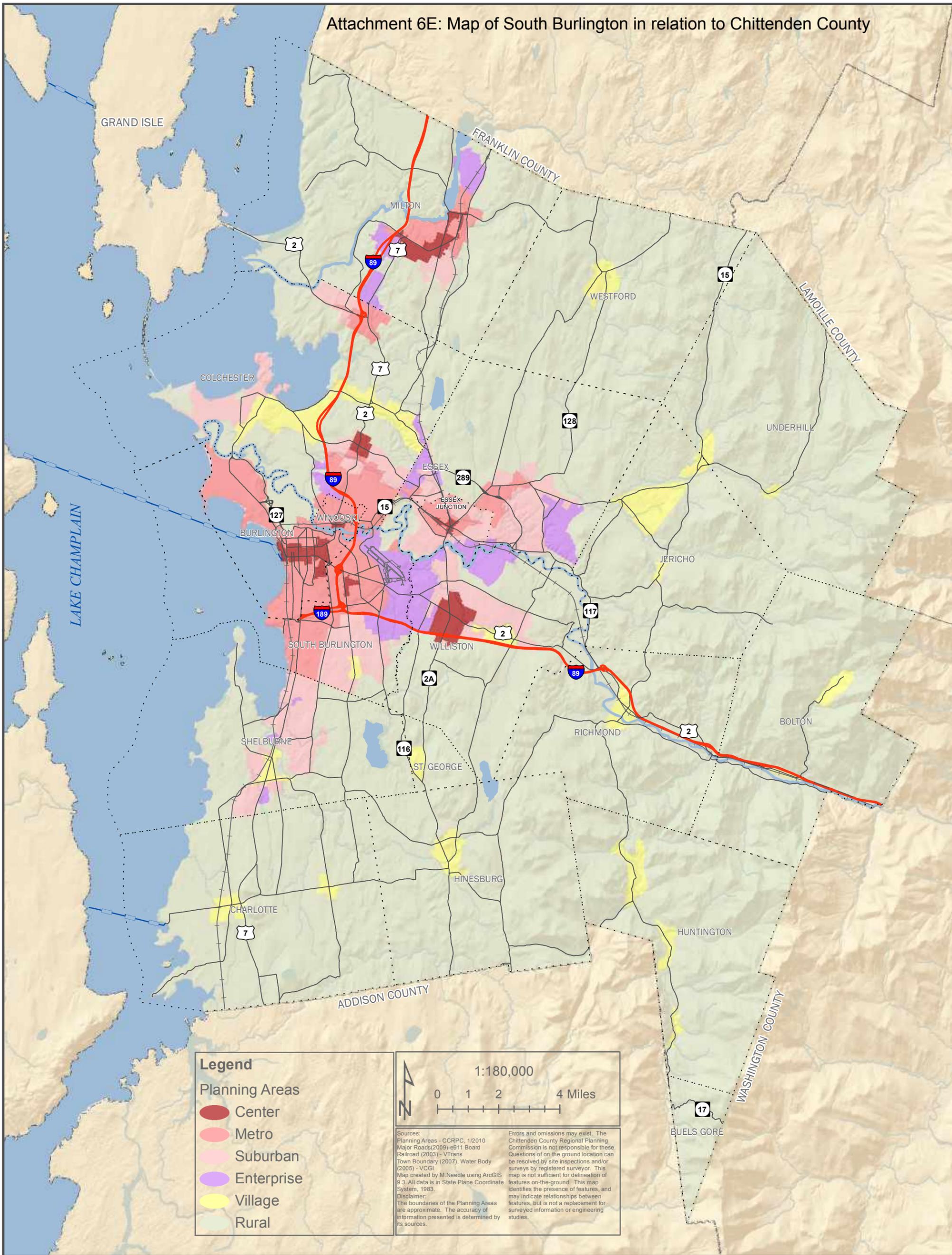
Attachment 6L - Expected real property developments

Attachment 6O - Expected revenue sources

Attachment 6P - Expected debt costs

Attachment 6Q - Income and debt expense by year

Attachment 6E: Map of South Burlington in relation to Chittenden County



Legend	
Planning Areas	
	Center
	Metro
	Suburban
	Enterprise
	Village
	Rural

 1:180,000 0 1 2 4 Miles	Sources: Planning Areas - CCRPC, 1/2010 Major Roads(2009)-e911 Board Railroad (2003) - VTrans Town Boundary (2007), Water Body (2005) - VCGI Map created by M.Needle using ArcGIS 9.3. All data is in State Plane Coordinate System, 1983. Disclaimer: The boundaries of the Planning Areas are approximate. The accuracy of information presented is determined by its sources.	Errors and omissions may exist. The Chittenden County Regional Planning Commission is not responsible for these. Questions of on the ground location can be resolved by site inspections and/or surveys by registered surveyor. This map is not sufficient for delineation of features on-the-ground. This map identifies the presence of features, and may indicate relationships between features, but is not a replacement for surveyed information or engineering studies.
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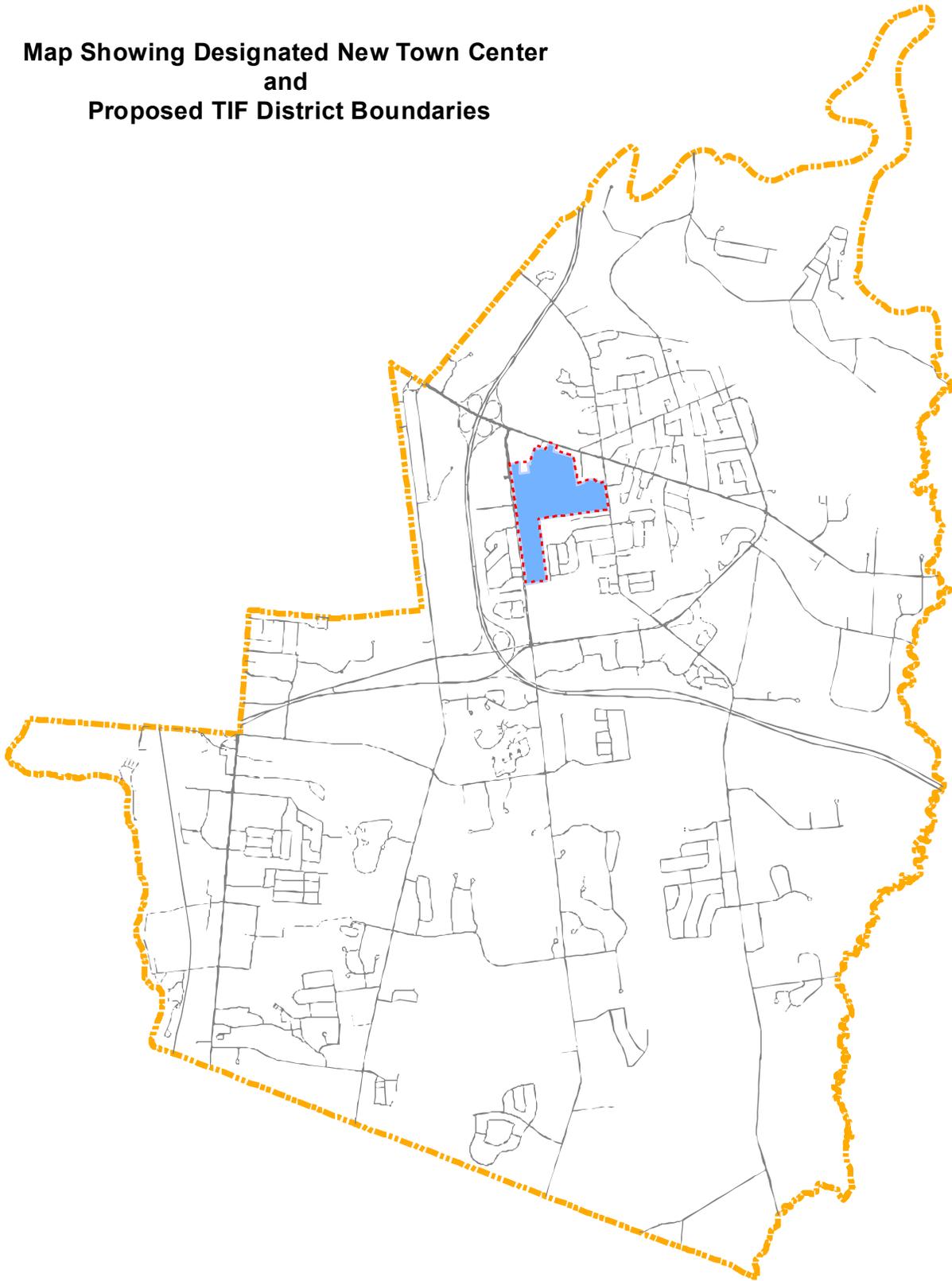
MAP 2-5
REGIONAL PLANNING AREAS: FUTURE LAND USE

Chittenden County, Vermont

DRAFT

2012 CHITTENDEN COUNTY REGIONAL PLAN

Map Showing Designated New Town Center and Proposed TIF District Boundaries



Designated New Town Center Boundary



Proposed Tax Increment Financing District South Burlington, Vermont



City of South Burlington Boundary



TIF DISTRICT APPLICATION
TABLE 6I
INFRASTRUCTURE COSTS, BY TYPE

Major Infrastructure Categories	Infrastructure Subcategory (Project)	Total Cost	Cost Paid By TIF Revenue	Cost Paid by Other Revenue Sources
	Total Infrastructure Costs, Table 6H	\$72,856,375	\$37,748,609	\$58,896,517
	Total Infrastructure Costs, this table	\$72,865,375	\$37,656,836	\$35,208,539
Environmental		\$3,722,250	\$2,977,800	\$744,450
	Consolidated Stormwater control and quality treatment system including streambed and wetland restoration and mitigation	\$3,722,250	\$2,977,800	\$744,450
Placemaking		\$27,863,083	\$13,642,073	\$14,221,010
	City Center Park (Dumont & Tributary 3)	\$1,839,975	\$1,473,875	\$366,100
	Central Green	\$2,715,244	\$2,442,205	\$273,039
	City Hall	\$6,375,000	\$2,600,745	\$3,774,255
	Library	\$8,044,114	\$3,498,993	\$4,545,121
	Recreation Center	\$8,888,750	\$3,626,254	\$5,262,496
Circulation		\$41,280,043	\$21,036,964	\$20,243,079
	Central Green associated streets	\$2,826,616	\$2,396,101	\$430,515
	Market Street	\$6,523,000	\$892,435	\$5,630,565
	Street A between Dorset Street & Williston Road	\$5,453,822	\$4,623,163	\$830,659
	Williston Road Streetscape	\$3,716,604	\$1,692,957	\$2,023,647
	Parking Garage (400 spaces)	\$12,760,000	\$10,932,308	\$1,827,692
	Ped/Bike Bridge	\$10,000,000	\$500,000	\$9,500,000

Projected Year of Construction	INFRASTRUCTURE COSTS, BY YEAR			
	Estimated Construction Costs of All Projects	Cost Paid By TIF Revenue	Cost Paid by Other Revenue Sources	
	Totals from Table 6H	\$72,856,375	\$37,748,609	\$58,896,517
2012	Totals from this Table	\$72,845,332	\$37,656,836	\$35,188,496
2012			\$0	
2013		\$500,000	\$0	\$500,000
2014	Stormwater/wetland mitigation, stream bed restoration, City Center Park, Central Green, Market Street, Street A, Central Green Streets, Williston Road Streetscape, Parking Garage, City Hall, Library, Recreation.	\$1,975,358	\$0	\$1,975,358
2015	City Center Park, Central Green, Market Street, Street A, Central Green Streets, Williston Road Streetscape, Parking Garage, City Hall, Library, Recreation.	\$4,172,032	\$0	\$4,172,032
2016	City Center Park, Central Green, Market Street, Street A, Central Green Streets, Williston Road Streetscape, Parking Garage, City Hall, Library, Recreation.	\$2,375,372	\$0	\$2,375,372
2017	Stormwater/wetland mitigation, stream bed restoration, City Center Park, Central Green, Market Street, Street A, Central Green Streets, Williston Road Streetscape, Parking Garage, City Hall, Library, Recreation, bicycle pedestrian bridge study.	\$43,353,047	\$29,372,332	\$13,980,715
2018	Stormwater/wetland mitigation, stream bed restoration, City Center Park, Central Green, Market Street, Street A, Central Green Streets, Williston Road Streetscape, Parking Garage, City Hall, Library, Recreation, bicycle pedestrian bridge study.	\$11,269,523	\$8,284,504	\$2,985,019
2019	Bicycle Pedestrian Bridge	\$700,000		\$700,000
2020	Bicycle Pedestrian Bridge	\$3,000,000		\$3,000,000
2021	Bicycle Pedestrian Bridge	\$5,500,000		\$5,500,000

TIF DISTRICT APPLICATION
TABLE 6L
REAL PROPERTY DEVELOPMENT PROJECTS - DESCRIPTION

Development or Redevelopment Project Name	Span #	Address or Location Description	Tax Map Identifying Information		Zoning District	Project Description	Project Characterization	Project Status	Project Findings	Public Infrastructure Impact
			Map #	Parcel # (s)						
South Burlington City Center	600-188-14489	0 Market Street	21	0450-00000	Central District 1, Central Distict 3	Approximately 800,000 square feet to be developed over 20 years. Conceptualized several years ago as 50% commercial, likely to be 75% residential, 25% commercial if built now. The 800,000 square feet may include 75,000 square feet of institutional development (non-taxable).	Permits obtained 1982, since then several concepts developed with City, awaiting feasibility	Property has been held up from redevelopment due to lack of infrastructure. Received initial Act 250 permit in the 1980s. May need to reapply.	Environmental Assessment - Attached; Appendix A to the TIF Plan, Ten Principles for Creating Town Centers (http://austin.uli.org/sitecore/content/ULI2Home/ResearchAndPublications/Reports/~/_media/Documents/ResearchAndPublications/Reports/TenPrinciples/TP_TownCenters.ashx)	Requires consolidated stormwater district, some public parking, wetland mitigation, stream restoration to redevelop. In order to create urban, downtown value, placemaking infrastructure in order to develop a quality public realm and sense of place will need to be built, and a complete street network to alleviate traffic and parking pressures.
Malone Properties (Trader Joes and Healthy Living)	600-188-15325, 600-188-15167, 600-188-14202, 600-188-15168	192, 196, 200 and 222 Dorset Street	21	0570-00192, 0570-00196, 0570-00200, 0570-00222	Central District 1	Malone Properties is obtaining permits to develop 7,000 square feet of retail for a Trader Joes and 14,000 square feet for retail and office tenements to be determined. Should market demand in the area increase and parking/stormwater be resolved there may be infill development.	Obtaining permits for 21,000 square feet - currently in development review.	Applied for permits - in DRB sketch plan process	Ten Principles for Creating Town Centers	Prior to contemplating additional development, will require accessible off-site parking and stormwater facilities, and a higher percentage of transportation via other modes (walking, biking, transit, etc.)
Dorset Square Associates (Blue Mall)	600-188-11818, 600-188-10214	150 Dorset Street	21	0570-00150, 0570-00166	Central Distict 1	A portion of the Dorset Square Associates is available for redevelopment on Dorset Street	Conceptual	Property on market for redevelopment	Appendix A to the TIF Plan, Ten Principles for Creating Town Centers	Will require stormwater management and Market Street. Will benefit from placemaking and a complete street network.
Mary Street LLC - Russell Properties Only	600-188-15472, 600-188-10247, 600-188-15993	14, 18, 22, and 26 Mary Street	21	1120-00014, 1120-00018, 1120-00022, 1120-00026	Central District 4	40,000 to 50,000 square feet to be developed as a hotel or residential housing.	Conceptual. All properties with the exception of two have been consolidated under one owner for the purposes of redevelopment.	Owner has been acquiring properties but is dependent on public infrastructure so cannot create a conceptual plan for redevelopment.	Environmental Assessment - attached, Ten Principles for Creating Town Centers	Requires consolidated stormwater treatment (offsite) and public parking (offsite) for project to be financially and physically feasible, Market Street and a Williston Road Streetscape.
Various San Remo Drive Properties	600-188-10030, 600-188-10201, 600-188-10671, 600-188-13150, 600-188-12234, 600-188-16123, 600-188-16477, 600-188-10991, 600-188-16124, 600-188-11718, 600-188-11715, 600-188-13753, 600-188-14492, 600-188-14493, 600-188-16567, 600-188-14494, 600-188-15023, 600-188-11164	2 San Remo Dr, 6 San Remo Dr, 16 San Remo Dr, 20 San Remo Dr, 23 San Remo Dr, 24 San Remo Dr, 27 San Remo Dr, 31 San Remo Dr, 32 San Remo Dr, 33 San Remo Dr, 35 San Remo Dr, 36 San Remo Dr, 40 San Remo Dr, 50 San Remo Dr, 55 San Remo Dr, 60 San Remo Dr, 72 San Remo Dr, 45 San Remo Dr	26	0570-00354, 1490-00002, 1490-00006, 1490-00016, 1490-00020, 1490-00023, 1490-00024, 1490-00027, 1490-00031, 1490-00032, 1490-00033, 1490-00035, 1490-00036, 1490-00040, 1490-00050, 1490-00055, 1490-00060, 1490-00072	Central District 4, Central District 2	120,000 square feet to be developed in multiple projects on non-designated San Remo Drive properties to meet existing business expansion needs or accommodate new businesses. Most would be 3,000-4,000 SF, with one or two full scale redevelopments on larger parcels such as owned by Champlain Oil, Champlain Farms or PC Construction	Conceptual	No actions to redevelop, but properties have been slowly renovating and redeveloping. With new City Center infrastructure resources more could be expected to do so over 20 years as there are many small properties with low density buildings.	Ten Principles for Creating Town Centers	Will require stormwater management and public parking, and the perceived value of the area improved through the development of City Center.
Poon Trust LLC	600-188-14367	5 Market Street	21	0450-00005	Central District 1	Approximateley 60,000 square feet to be development as residential, with commercial on the ground floor should the market support it.	Conceptual	Owner has met with City with investors and architect.	Environmental Assessment - attached, Ten Principles for Creating Town Centers	Will require offsite parking and stormwater to redevelop. Will be able to build commercial if placemaking, complete streets projects occur.
Sonrise Partnership	600-188-16252, 600-188-14292	61 and 71 Hinesburg Road and 75 Village Green	21	1775-00075, 0860-00071	Central Distict 2	Approximately 66,000 square feet of infill apartment development.	Conceptual	Project is in planning stage. No permits applied for.	Ten Principles for Creating Town Centers	Will require a City Center and park infrastructure to merit redeveloping a portion of the site and changing the overall design
Chastenay Estates	600-188-14033, 600-188-14034, 600-188-13157	97, 111 and 113 Hinesburg Road	21	0860-00097, 0860-00111, 0860-00113	Central District 2, Central District 3	Approximately 100,000 square feet of residential development is likely to occur on this parcel	Conceptual - plan submitted previously	Conceptual - prior plan was not resubmitted.	Ten Principles for Creating Town Centers	Will need Market Street, which is currently a dirt road.
South Burlington School District	600-188-15838	10 Market Street	21	0450-00010	Central District 1	There is sufficient land area on this site that an infill building of approximately 70,000 square feet could be located on this property	Conceptual	Would need Street A to be built to be viable.	Environmental Assessment - Attached	Will need higher property values in order for SBSD to consider selling the property to a developer in order to offset a new or remodelled school cost.

TIF Application
Table 60
SUMMARY OF ALL REVENUE SOURCES

Year	Annual TIF Increment: Municipal	Annual TIF Increment: Education	Grant Information	Grant Amount	Other Revenue Information	Other Revenue Amount	Total Revenue
Totals:	\$11,810,399	\$43,919,637		\$14,300,000		\$9,859,266	\$79,889,302
2012	:Base Year						
20XX	\$100,000	\$300,000	USDA/RD Sewer Grant	\$1,000,000	Water District Fees	\$300,000	\$1,700,000
2013	\$0	\$0			Impact Fees and Stormwater Utility	\$994,450	\$994,450
2014	\$0	\$0	Federal Grants	\$4,800,000	Impact Fees	\$257,500	\$5,057,500
2015	\$0	\$0			Impact Fees	\$265,225	\$265,225
2016	\$0	\$0			Impact Fees	\$273,182	\$273,182
2017	\$86,453	\$86,453			Impact Fees	\$281,377	\$454,284
2018	\$135,166	\$483,419	Transportation Grant	\$300,000	Impact Fees	\$289,819	\$1,208,404
2019	\$164,273	\$589,025			Impact Fees	\$298,513	\$1,051,812
2020	\$282,376	\$1,014,159	Transportation Grant	\$300,000	Impact Fees	\$307,468	\$1,904,004
2021	\$421,222	\$1,515,589			Impact Fees	\$316,693	\$2,253,503
2022	\$472,736	\$1,705,548	Transportation Grant	\$8,900,000	Impact Fees	\$326,193	\$11,404,477
2023	\$480,961	\$1,739,659			Impact Fees	\$335,979	\$2,556,599
2024	\$489,330	\$1,774,452			Impact Fees	\$346,058	\$2,609,840
2025	\$543,038	\$2,732,448			Impact Fees	\$356,440	\$3,631,926
2026	\$648,231	\$2,362,286			Impact Fees	\$367,133	\$3,377,650
2027	\$659,510	\$2,409,532			Impact Fees	\$378,147	\$3,447,189
2028	\$670,986	\$2,457,722			Impact Fees	\$389,492	\$3,518,200
2029	\$724,537	\$2,660,913			Impact Fees	\$401,177	\$3,786,627
2030	\$797,942	\$2,938,336			Impact Fees	\$413,212	\$4,149,489
2031	\$811,826	\$2,997,102			Impact Fees	\$425,608	\$4,234,537
2032	\$825,952	\$3,057,045			Impact Fees	\$438,377	\$4,321,373
2033	\$874,041	\$3,243,485			Impact Fees	\$451,528	\$4,569,054
2034	\$891,668	\$3,317,365			Impact Fees	\$465,074	\$4,674,107
2035	\$907,183	\$3,383,712			Impact Fees	\$479,026	\$4,769,922
2036	\$922,968	\$3,451,387			Impact Fees	\$493,397	\$4,867,752
2037	\$0	\$0			Impact Fees	\$508,199	\$508,199

**TIF APPLICATION
TABLE 6Q
CASH FLOW**

	A	B	C	D
1	Year	Total Revenue (from all sources)	Total TIF Debt Service	Surplus (Deficit)
2	2012	:Base Year		
3	2013	\$994,450	\$0	\$994,450
4	2014	\$5,057,500	\$0	\$5,057,500
5	2015	\$265,225	\$0	\$265,225
6	2016	\$273,182	\$0	\$273,182
7	2017	\$454,284	\$932,948	(\$478,664)
8	2018	\$1,208,404	\$2,989,256	(\$1,780,852)
9	2019	\$1,051,812	\$2,961,507	(\$1,909,695)
10	2020	\$1,904,004	\$2,930,743	(\$1,026,739)
11	2021	\$2,253,503	\$2,896,964	(\$643,461)
12	2022	\$11,404,477	\$2,859,895	\$8,544,582
13	2023	\$2,556,599	\$2,818,708	(\$262,109)
14	2024	\$2,609,840	\$2,772,849	(\$163,009)
15	2025	\$3,631,926	\$2,722,315	\$909,611
16	2026	\$3,377,650	\$2,667,116	\$710,534
17	2027	\$3,447,189	\$2,607,763	\$839,426
18	2028	\$3,518,200	\$2,545,779	\$972,421
19	2029	\$3,786,627	\$2,482,176	\$1,304,451
20	2030	\$4,149,489	\$2,416,956	\$1,732,533
21	2031	\$4,234,537	\$2,350,117	\$1,884,420
22	2032	\$4,321,373	\$2,281,723	\$2,039,650
23	2033	\$4,569,054	\$2,211,960	\$2,357,094
24	2034	\$4,674,107	\$2,140,955	\$2,533,152
25	2035	\$4,769,922	\$2,068,708	\$2,701,214
26	2036	\$4,867,752	\$1,995,216	\$2,872,536
27	2037	\$508,199	\$1,920,501	(\$1,412,302)
28	2038			\$0
29	2039			\$0
30	2040			\$0
31	2041			\$0
32	2042			\$0
33	2043			\$0