

Burlington Tax Increment Financing Downtown and Waterfront District Policies and Guidelines

TIF PURPOSE

Burlington Tax Increment Financing (TIF) is designed to stimulate economic growth and development in the City. The primary objectives of the Burlington Tax Increment Financing Program are to:

1. Revitalize and improve a significant downtown area;
2. Enhance employment opportunities within the City of Burlington and the surrounding region;
3. Stabilize business and growth incentives;
4. Preserve and enhance the tax base for the City of Burlington;
5. Develop high density housing in the commercial center;
6. Reduce pressure for commercial and residential development upon open lands in the region;
7. Reduce traffic congestion and protection of existing interstate exchanges;
8. Integrate into and be compatible with regional development, capital and municipal plans.

These guidelines are for Burlington's existing Downtown and Waterfront District (see attached map).

TIF GUIDELINES

Notwithstanding compliance with any or all of the guidelines, the utilization of TIF is a policy choice to be made by the Burlington City Council on a case-by-case basis. TIF is not a right under Vermont law or City Ordinance and meeting these guidelines does not create a right or entitlement for any applicant.

For TIF to be considered by the City of Burlington, the application must meet a majority of the following guidelines.

A. Threshold Guidelines:

1. The City's participation is economically necessary and involvement by the City is needed in order for the project to be undertaken. The Project must demonstrate that but for the tax incremental financing, the Project would not go forward. Justification for economic need and City involvement must be clearly demonstrated.
2. TIF funds will be utilized for the construction or rehabilitation of public infrastructure facilities such as traffic upgrades, public parking facilities, etc. that are needed within the TIF District;
3. The project creates significant new tax value equal to or greater than \$10,000 a year.
4. Financial capability to undertake project must be evidenced prior to review.
5. Compliance with all statutory and regulatory guidelines of the State of Vermont and the City of Burlington.

B. Guidelines to determine level of City Participation:

1. The project assists an established business in the City of Burlington, thus retaining existing employment;
2. The project creates long-term, permanent employment;
3. The Project pays a prevailing wage for construction and livable wages for jobs generated or saved.

4. The project improves a blighted area in need of redevelopment, or an area identified as a priority by the City of Burlington;
5. The project improves a blighted building in need of rehabilitation;
6. The project will create other public benefits, such as access to open spaces, community facilities, job training, supporting local contractors and suppliers, etc

TIF STRUCTURE

1. In order to minimize risk to the citizens of Burlington, tax increment financing will be provided via credit enhancement agreements only. The applicant must provide any and all other documentation that will protect the City's economic and financial position, and/or that conform both the letter and spirit of the underlying agreement between the applicant and the City.
2. The City prefers a financing structure that utilizes up to 75% of the incremental taxes, and whose term is less than 10 years.

TIF MANAGEMENT

The City's Community & Economic Development Department will act as a clearinghouse and coordinate all activity regarding tax increment financing proposals. Working with potential applicants, the Community & Economic Development Department will:

1. Provide information on tax increment financing;
2. Discuss project proposals and accept preliminary applications from applicants;
3. Review preliminary applications based on policy guidelines with the City Treasurer, City Attorney, City Tax Assessor, and other City Departments as appropriate;
4. Advise applicants on findings of City staff review;
5. Following a review and evaluation of an application, the Community & Economic Development Director will make a written determination whether to accept or reject the application. The Director's written decision approving an application and the application will be sent to the Mayor and the City Council where required for review and a recommendation. The Community & Economic Development Director will also send decisions rejecting an application to the same.
6. Provide assistance, if required, to the City Council.
7. Monitor on-going public and private investment in the development project.

Preliminary tax increment financing applications will be provided by the Community & Economic Development Department, City of Burlington, 149 Church Street, City Hall, Burlington, VT 05401

All applicants must pay a \$250 non-refundable application fee at the time of submission. If tax increment financing is approved, a one time annual administrative fee equal to 7.5% of the incremental taxes reallocated to the project will be charged.

All applicants will be required to sign a Legal Fee Consent form agreeing to reimburse the City of all legal costs incurred as a result of the tax increment financing proposal, whether or not tax increment financing is approved.

In addition, any out-of-pocket expenses incurred by the City in connection with the tax increment financing proposal will be reimbursed by the applicant, whether or not tax increment financing is approved.