



Board of Finance Meeting, Monday, October 25, 2021, 5:30 pm
****In-Person at Bushor Conference Room, Room 102, 1st Floor,**
City Hall OR remotely via ZOOM**
10/25/2021

BURLINGTON BOARD OF FINANCE

BUSHOR CONF. ROOM, 1ST FLOOR, CITY HALL

BURLINGTON, VERMONT

MINUTES OF MEETING

October 25, 2021

MEMBERS PRESENT: Max Tracy

Karen Paul

Ali Dieng

Zoraya Hightower

Miro Weinberger

OTHERS PRESENT: Katherine Schad

Rich Goodwin

Dan Richardson

Jordan Redell

Kara Alnasrawi

Brian Pine

David White

Laura Wheelock

Paul Dragon

1.0 CALL TO ORDER and AGENDA



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Mayor Weinberger called the Board of Finance meeting to order at 5:35 PM.

1.
 - i. Motion to amend/adopt agenda

MOTION by Councilor Paul, SECOND by City Council President Tracy, to adopt the agenda as amended, to include Communication 4.04.

VOTING: unanimous; motion carries.

2.0 PUBLIC FORUM (VERBAL)

2.01 Verbal Comments

3.0 CONSENT AGENDA

3.01 motion to adopt the consent agenda and take the actions indicated

3.02 October 18, 2021 Board of Finance, Minutes, Draft - approve the minutes.

3.03 December 7, 2021 - Special City Meeting Issuance Of General Obligations Bonds For Capital Projects - Revised - C/T - recommend that the City Council approve the attached resolution.

MOTION by Councilor Hightower, SECOND by Councilor Dieng, to approve the consent agenda and take the actions indicated for items 3.01-3.03.

VOTING: unanimous; motion carries.

4.0 FOR APPROVAL AND RECOMMENDATION TO CITY COUNCIL

4.01 Request For \$283,365 Of ARPA Funds To Address Ongoing Health Response And Assist Houseless Community Members – CAO

Executive Director Alnasrawi said that in response last winter to houselessness as a result of the pandemic, the City has opened a daytime warming station at the VFW, where guests could warm up, use the restroom, get coffee or lunch, charge their devices, and use a computer. She said that this was well-received by both guests and the community, and that there is a continuing need for it this winter. She noted that last winter it was funded through emergency funds, and that costs for this year would be \$40,000 per month for six months. She noted that the Fletcher Free Library also had some low-cost



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suggestions for helping the houseless population, including bins for storage of belongings and outdoor charging stations, which would be another \$20,000 in funding.

MOTION by Councilor Paul, SECOND by City Council President Tracy, to recommend that the City Council approve the attached resolution.

DISCUSSION:

- **Executive Director Alnasrawi provided an update on the community survey that was fielded to solicit feedback on the use of ARPA funds. She said that the survey has been out for under two weeks and the overwhelming response is to put funding toward houselessness.**
- **Councilor Dieng asked how much funding the City has put forth for shelters. Mayor Weinberger replied that houseless supports and social services are paid for overwhelmingly by the State and that the City's contribution has historically been modest. He said that the City has been increasing its funding, particularly for low-barrier warming shelters (at \$110,000 per year currently). He said that the City also has a Housing Trust Fund of approximately \$400,000, some of which would go directly towards homelessness.**

VOTING: unanimous; motion carries.

4.02 Use of ARPA Funds to replace revenue losses due to the Pandemic - CAO

Mayor Weinberger said that this item is returning to the Board of Finance for documentation purposes even though it had been previously approved, at the request of the City's auditors.

MOTION by Councilor Dieng, SECOND by Councilor Hightower, to approve and recommend to City Council the utilization of ARPA funds to the Parking and Traffic Division of Public Works for \$1.0 million to reimburse the Division for its revenue losses in Calendar Year 2020.

VOTING: unanimous; motion carries.

4.03 Substantial Change Request to VEPC - Downtown Tax Increment Financing - CEDO

Director Pine said that the Downtown TIF district was created about ten years ago. He said that this request does not relate to CityPlace or the bond on the ballot for consideration by the voters. He noted that the TIF mechanism was created in order to fund and invest in local infrastructure improvements without relying on taxpayers.

David White of White & Burke Real Estate Advisors explained the TIF concept and current status in more detail. He noted that Burlington has two TIF districts that operate under different rules. He outlined the Downtown TIF District, noting that it



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encompasses much of Pearl Street, Cherry Street, South Winooski Avenue, a portion of Main Street, and some properties west of City Hall. He explained the mechanics of tax increment financing. He noted that the municipality is only allowed to incur debt for 10 years, noting that the Downtown TIF District was established in 2011 but has received a two-year extension from the legislature to incur new debt until March of 2023. He outlined the previous infrastructure projects in the Downtown TIF District, including the St. Paul Street Great Streets project, Marketplace garage repairs, improvements to parking at Browns Court, and stormwater upgrades on Main Street adjacent to City Hall Park. He said that the original taxable value (OTV) of the district was \$170 million, and is now currently \$285 million (which means the incremental value is \$115 million). He noted that a portion of that is due to reappraisal and a portion is due to new projects. He noted that the voters have approved a total of \$10 million in debt, and that \$5.4 million has already been incurred. He noted that as of 7/1/21 the current TIF Fund balance is \$1,790,524 and that the projected annual TIF revenue will be around \$2,450,000.

Mr. White then provided more detail around the Substantial Change Request and process for approval. He noted that any substantial changes in scope or magnitude for the TIF District must be approved by the Vermont Economic Progress Council (VEPC). He outlined the steps in that process, including a number of public hearings and placing the bond question on the March 2021 ballot. He noted that in the Great Streets project, they are proposing changes to add the two lower blocks of Main Street, remove the two blocks of South Winooski, include subsurface utility upgrades, relocate the Ravine Sewer, and include \$1.5 million in related costs (through 2036), and a total debt limit of \$31.5 million. He outlined the private development anticipated to occur in the Downtown TIF District that is included in the assumptions for cash flow. He showed annual revenue projections for the Downtown TIF District. He said that they are currently projecting \$6,000,000 in cumulative surplus at the end of the life of the TIF District. He noted that this assumes a 0% tax increase (per VEPC requirements). He finally noted that they will likely come back to the Board of Finance in the next six months for approval for future projects.

Mayor Weinberger noted that approval tonight from the City Council would allow the City to submit the Change Request to VEPC for approval. Mr. White noted that if this is approved by VEPC and the voters, it does not obligate the City to spend the entirety of the approved funding.

Councilor Hightower asked about the assumption that taxes won't increase and how that interacts with the City's annual budget, which does assume tax increases going toward the General Fund. Mayor Weinberger replied that the base increment continues to flow to the City and the Education Fund. He said that with the Downtown TIF District, any new revenue increment is divided between the Education Fund (25%) and the TIF Fund. Mr. White added that any increase in tax rate will flow to the General Fund. [CA1] Mayor Weinberger noted that the conservative estimates set for the TIF District should not impact how the City is constructing its budget.

City Council President Tracy asked about the removal of the South Winooski component of the Great Streets Project and whether this is informed by a capacity issue. He stressed the importance of keeping up the positive momentum the City has seen in terms of improvements to South Winooski Avenue. Director Pine replied that South Winooski is being removed





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at this juncture but they anticipate adding it back in for a future VEPC change request.

MOTION by Councilor Paul, SECOND by Councilor Dieng, to approve the City's substantial change request to VEPC for its Downtown TIF District and authorize City Council President Max Tracy and Chief Administrative Officer Katherine Schad to execute the attached formal request letter.

VOTING: unanimous; motion carries.

4.04 Communication: Sears Lane Update

Mayor Weinberger began a discussion to update the Board of Finance on the Sears Lane issue.

City Attorney Richardson said that there was an emergency motion filed last week by two individuals occupying the Sears Lane site, seeking a temporary restraining order. He said that the court rejected it because it was not sufficient to establish a right for the relief they sought, so today there was a revised emergency motion filed by the same individuals seeking the same type of relief. He noted that the court notified the City and the City filed its response, and the court at 4:30 PM today issued a decision denying the new request, but that there is a preliminary injunction hearing on Thursday at 1:00 PM. He said that the court has refused to issue a restraining order or any legal jurisdiction that would affect the City's right to act upon its policy, and that until otherwise, there are no legal limitations on the City's right to enforce its policy.

Paul Dragon from the Champlain Valley Office of Economic Opportunity (CVOEO) provided an update on that organization's work to find better housing for all residents of Sears Lane. Mayor Weinberger said that the City has established a partnership with the State and CVOEO to work on this, that an emergency partnership granted by the State, and that progress is being made.

Councilor Dieng asked if this means that the City can evict residents from the site. City Attorney Richardson replied that they are not "evicting" people, since they are not tenants. He said that because these motions were denied, the City is allowed to take action as it sees fit, with regards to Sears Lane.

Paul Dragon CVOEO said that his organization has a street outreach team that has been conducting outreach to different encampments and serving people who are experiencing homelessness all around Chittenden County. He said that they have been regularly visiting Sears Lane and working with its residents. He said that since the Mayor's decision for removal, they have been trying to get residents into hotel rooms or campers or relocate if they have a housing plan. He said that they are working to do harm reduction. He said that 9 people have been confirmed to go to hotels, and that a total of 12 people will most likely secure hotel spots. He said that 2 people have said that they would like to relocate to another state because they have ties or can be connected to services there. He noted that a few people have requested campers, and some people are still looking at other options. He emphasized the fluidity of the situation.



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Councilor Dieng asked if CVOEO will provide support if residents want to stay. Mr. Dragon replied that that will continue to provide food and emergency services, but they will not manage the site (or any site).

City Council President Tracy asked when the arrangements for residents cited above had been made. He said that he had been at Sears Lane on the weekend and that none of the residents had any idea about what they were going to be doing come Tuesday (the day they would need to leave). Mr. Dragon replied that the team has been there providing food there and connecting with residents there every day and they have been helping residents to make arrangements. City Council President Tracy asked if hotel funding will dry up at the end of the year. Mr. Dragon replied that there is emergency short-term funding from the State for up to 30 days for hotels, and general assistance funding (also through the State) for longer-term hotel stays is available until the end of the year.

Councilor Freeman said that though there is an attempt to have a coordinated continuum of resources, it does not acknowledge the fact that houselessness will exist until there is universal access to low-barrier housing and a more housing-first model of the community. They said that there will always be a need to have housing on communal land.

Mayor Weinberger said that the City's order to vacate Sears Lane by 9:00 on October 26 is still in place. He said that any individuals still on the premises after that will face sanctions for trespassing, unless they are working in good faith with the City or CVOEO to find alternative housing.

5.0 ADJOURNMENT

5.01 Motion to Adjourn

With no further business and without objection the meeting was adjourned at 6:51 PM.

RScty: AACoonrad

[CA1]Could Rich or Katherine check this? I want to make sure it is accurate—the TIF revenue flow concept is nuanced and don't want to misstate.

