

system. The fiscal year 1986 budget appropriated \$248,000 of these funds for the street repaving program and \$126,000 for other capital improvement projects and needs of the City. The balance of \$625,000 of these funds is in the "Undesignated Funds" of the Fund Balance of the General Fund. In effect it is being held to meet future capital improvements needs of the City and to provide a reserve for the City in anticipation of funding problems in fiscal year 1987. Unfortunately, these funds, like the \$1.9 million surplus, should not be used for operating expenses except in case of an emergency. Sound fiscal management dictates that ongoing

expenses for operations should be financed with the ongoing revenues. In general, surplus and one time funds should be used for capital improvements projects and one time expenses. Thus, while the funds remaining from the cable television settlement are held in reserve for future needs, it is not an appropriate source of funds for operating costs of the City.

Finally, I would like to thank the staff of the Treasurer's Office, Sherri Mulleur, Lynda Kingsbury, Arlene Lothian, Charlene Greene, Barr Swennerfelt, Debra Levins and Jeanne Keller, for their dedication and commitment to serving the City.

Community and Economic Development Office

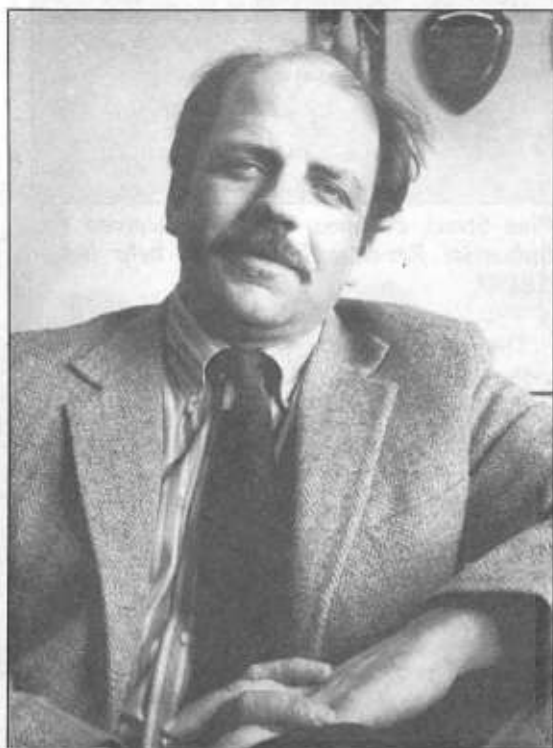
Peter Clavelle, Director

The Community and Economic Development Office (CEDO) is charged with the responsibility of implementing and administering programs in the areas of housing, community and economic development, waterfront development and citizen participation. CEDO ended its second year of existence on June 30, 1985.

Below are some of the highlights of the major projects and activities involving CEDO in Fiscal Year 1985 (July 1, 1984 — June 30, 1985).

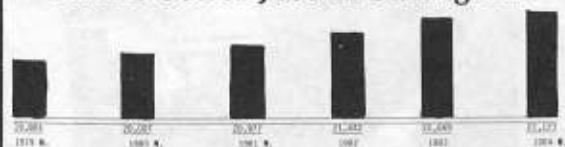
Economic Development

- Today there are more than 22,000 private sector jobs in the City of Burlington, an increase of 2,322 or 11.7% new jobs in the last five years. The City has played an active role in the creation of many of these jobs.



CHRIS GEE

Private Sector Jobs in Burlington



N. Figures are from second quarter reports.

SOURCE: Vermont Dept. of Employment & Training

Note: From 1980 through second quarter 1984 there have been 2,116 new Private Sector Jobs in Burlington, or a 10.6% increase in private sector jobs.

- Construction was initiated on the FM Burlington Project. This Project includes the expansion of the Radisson Hotel, a new parking garage, and expansion of retail space within the Burlington Square Mall.

This project will create over 500 permanent jobs, and was spurred by a \$4 million Urban Development Action Grant (UDAG)

received by the Department of Housing and Urban Development (HUD). Like most UDAG's, this grant was given to FM Burlington in the form of a loan, and will eventually be paid back to the City.

- A second UDAG project involved the restoration of the Maltex Building on Pine Street for industrial and commercial space. The so-called incubator space will stimulate small business start-ups and has led to the creation of 150 jobs. The UDAG, made in the form of a loan for \$675,000, will eventually be paid back to the City.



PETER LETZELTER-SMITH

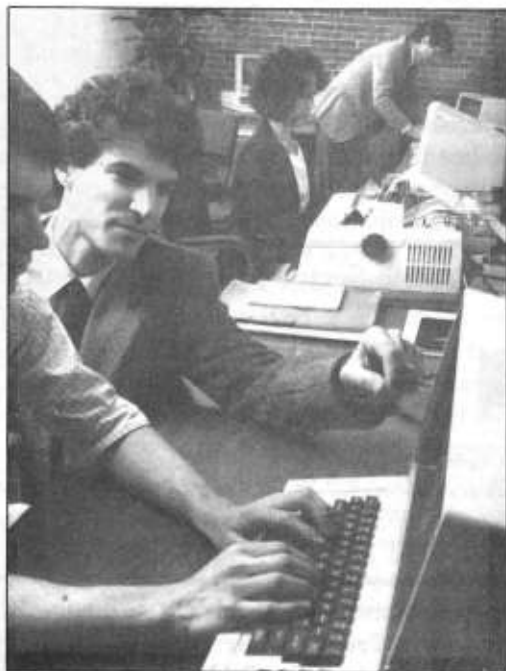
Pine Street Business Complex received an Industrial Revenue Bond with help from CEDO.

distress (high unemployment, etc.) very high. Since Burlington's unemployment rate is very low (May, 1985: 3.8%), it is unlikely we will receive an additional UDAG, unless the scoring system is changed.

Because of this, staff have been investigating alternative ways for the City to finance development. This has included Industrial Revenue Bonds (IRB's) and Tax Increment Financing (TIF). (See below)

- Pine Square Business Complex, 266 Pine Street, previously known as the "Old Coke Plant," has recently completed renovations and is the home of 13 businesses. With the coordination from CEDO, owner Phil George obtained an Industrial Revenue Bond which enabled him to purchase and renovate the plant.
- Groundbreaking for the long-awaited department store occurred in the spring of 1985. The Porteous Department Store is opening its doors in September of 1985 with 70,000 square feet of additional retail space for downtown Burlington.
- The Burlington Revolving Loan Program (BRLP) was created two (2) years ago to aid and support the City's small business sector. To date, ten (10) small business loans have been made. As a result, about 80 jobs have been created or retained.

- The second phase of the UDAG-funded Park Plaza Project (located on the corner of College and St. Paul streets) completed construction. This project led to the creation of 60 additional jobs. An agreement with the Park Plaza Partnership led to a \$350,000 loan payback settlement to the City (see *Perkins Pier Project* below).
- Besides the UDAG projects mentioned above, the City has successfully completed UDAG projects for the Wells Richardson Building (next to Bennington Potters) and the Holloway Block (on Battery Street).
- The City of Burlington will not be competitive for UDAG grants in the near future. UDAG grants are awarded to communities based upon a scoring system which rates



FRED HILL

Workers at Data Systems Inc. in Maltex Bldg. who received business loan from Burlington Revolving Loan Program.

- CEDO, with the support of the Small Business Development Center, provides technical assistance to local businesses, including: packaging, loan applications, developing business plans, identifying employee training resources; matching of business needs with available space, and the provision of general information and referrals. Hundreds of potential small business enterprises came through CEDO's doors last year asking for information and assistance.
- The North Street Revitalization Program continued its third year of operation with grants and loans made available for facade improvements of North Street's businesses and homes. Nine facade improvement loans have been made to date.
- Financial assistance was made to three (3) commercial property owners who provided access to services and jobs for the handicapped. (See *E-Z Access* below).
- Work continues in the development of a state-of-the-art supermarket for the downtown area. CEDO is currently negotiating a Pre-Development Agreement with Northshore Development, Inc.
- The Burlington Local Ownership Development Project is a special initiative by CEDO which is designed to start up locally-owned

and controlled businesses. This Project has published a major research document entitled *Jobs and People: A Strategic Analysis of the Greater Burlington Economy*, which was made possible with the assistance of the Industrial Cooperative Association (ICA). Job creation strategies will be specifically targeted to low income female heads of households and working class youth. CEDO is currently working with four businesses interested in conversion to employee-ownership.

This Project has spawned the Women's Economic Opportunity Project, which will assist women in the start-up and creation of their own businesses.

- The City of Burlington is participating with eight other northeast cities in the North East Development Project (NEDP). The nine cities share information and receive technical assistance from the Community Opportunities Group (COG) from Boston. A COG staff person is assisting CEDO in developing strategies that streamline the development review process, as well as developing methods that measure the impacts of a particular development on the City. To this end, a Technical Review Committee, made up of City Department Heads, meets regularly with developers to review their projects.



CEDO office staff (left to right): Jim Roistacher, Pat Hillinger, Bruce Seifer, David Weinstein, Michael Monte, Amy Wright, Denise Debois, Brenda Torpy, Cathy Longe.

CHRIS GEE

Citizen Participation — Neighborhood Planning Assemblies

- The Neighborhood Planning Assemblies (NPA's) were created in November 1982 as a mechanism by which the citizenry of Burlington could interact with City government, as well as establish and work towards completing local ward goals and activities. Throughout the past year, CEDO has continued its technical and staff support for the NPA's as part of its commitment to open government and citizen participation. Some of the activities the NPA's have been involved in include:
 - holding candidate and Board vote forums
 - organizing volunteer tree planting efforts
 - acting as an intermediary between the Vermont Reds and the neighborhood
 - reviewing various development and zoning change proposals
 - electing representatives to various Advisory Committees
 - organizing volunteer park improvement crews
 - organizing task forces on various neighborhood issues
 - discussing and making recommendations on traffic and parking problems
 - reviewing the commission form of government
 - discussing many other issues concerning neighborhoods and City government.
- In addition to electing a representative from each ward to sit on the Community Development Block Grant Advisory Committee, four of the six NPA's took the initiative to apply for CDBG funding for

various neighborhood-based development projects. Projects funded by or sponsored by the NPA's over the past year include:

Tree Planting (Ward 1) — To subsidize the sales of trees to be planted on private lots near streets.

Project HOME (Wards 1 & 2) — For general support of this project to provide housing through homesharing.

Community Park (Ward 2) — For continued support of a community park at H.O. Wheeler School.

Elderly and Handicapped Access (Ward 5) — To add curb cuts and repair, replace or add sidewalks in an area with a large percentage of elderly and handicapped persons.

South Park Improvement (Ward 5) — For continued support of capital improvements in this neighborhood park.

Schmanska Park Improvement (Ward 1) — For support of capital improvements in this neighborhood park.

Burlington Youth Employment Program (Ward 1) — For capital improvements of the paint project.

Burlington Area Community Gardens (Ward 1) — For additional supplies, security measures and beautification of two BACG plots in Ward 1.

Burlington Community Land Trust (Wards 1 & 2) — To help capitalize the BCLT's Revolving Loan Fund for Land Trust homeowners.

Hillside Terrace Tenants (Ward 1) — To re-open this project that allows Hillside Terrace tenants to purchase carpets with no-interest loans.



ROB SWANSON

Garden plot at Franklin Square Complex.

Community Development

- Project Self-Sufficiency (PSS), a CEDO initiated project, will assist 30 single mothers over the next year in childcare, counseling, job skill development, job placement, GED training, and other services. Twenty-five of the 30 single parents will receive Section 8 housing certificates which will help subsidize their housing costs. PSS is administered by Chittenden Community Action and is governed by a task force of local individuals, organizations and agencies.
- The Burlington Urban Design Study (BUDS) was a project which addressed a variety of urban design problems ranging from the development of the Intervale to neighborhood parks and community gardens. A book which highlights the Burlington Urban Design Study is available at CEDO.
- CEDO administers the Community Development Block Grant Program for the City of Burlington. The following programs and activities were allocated funds for FY 1986:

Project

Bolt, Latch & Lock
Literacy Campaign
Children's Program
Chittenden Emergency Food Shelf
Cooperative Garden Project
Operation Snowshovel
Burlington Women's Council
ONE Community Association
Parent Aide-Family Educator
Project Self-Sufficiency
Streetworker
Tenant Resource Center
Waystation
Youth Center
Community Parks
E-Z Access
Elderly/Handicapped Access
Family Apartment Revitalization
Housing Improvement Program
Lapidow Acquisition

Organization

O.N.E. Voice
Adult Basic Education
Women Helping Battered Women
Chittenden Community Action (CCA)
Burlington Youth Employment Program
Mayor's Youth Office
Burlington Women's Council
ONE Community Association
Visiting Nurse Association
PSS Task Force
Committee on Temporary Shelter
Vermont Tenants/CCA
Committee on Temporary Shelter
Mayor's Youth Office
Ward 2 NPA
CEDO
Ward 5 NPA
Burlington Housing Authority
CEDO
Burlington Community Land Trust

Improving and Expanding Housing

- The decades-old trend of families leaving the suburbs is being reversed. Residential development is occurring at a rate never before seen.
- South Meadow, a development in the South End funded in part by a \$3.8 million grant from HUD secured by CEDO for the City, should begin construction in the late fall. There will be 160 units of family housing at South Meadow and one quarter of them will be deeply subsidized for 20 years. An exciting aspect of this development will be the cooperative component offering many of the benefits of homeownership at very affordable prices.
- An additional 65 houses and apartments have been renovated, for a total of 240 since



the Home Improvement Program started in June of 1983. Seven more homes were made accessible through grants, usually matched with low interest loans. The Fire Department is continuing to install free smoke detectors in apartments and homes throughout the City, thanks to a housing grant of \$7,500. Over 45 families painted their homes with free paint this spring and summer. This last year, our rehab funds went fast. A new agreement with the Bank

Program (HELP) funds. Forty (40) Burlington homes qualified for these energy grants.

- Our new program, staffed by intern Heidi Abate and a consultant architect, will provide free architectural advice to non-profit organizations planning to make their buildings and services accessible to disabled individuals. The E-Z Access Program provides grant funds to help pay for modifications such as building ramps, widening doors, etc.



House renovated through Burlington Youth Employment Program.

of Vermont will provide more rehab money at an interest rate slightly higher than ours but 1% less than their normal rate. They will continue to provide services to CEDO and our borrowers in loan management, and investment of our revolving loan fund. This cooperative venture between the City and the Bank of Vermont means an additional \$750,000 has been set aside for revitalization of our target areas: the Old North End, the Chase Street, King Street and Lakeside neighborhoods. Emergency loans are still available throughout the City. This last year 13 families were immediately helped with such crises as broken-down furnaces, roof failures, wiring hazards and water/sewer problems.

- The CEDO rehab staff also helped homeowners throughout Burlington take advantage of the State Home Energy Loan

- The Burlington Community Land Trust has a lot to show for its first year of operation. In addition to the five families already housed, there are 11 additional homes that will be occupied by the fall of 1985. One duplex was renovated by the Burlington Youth Employment Program to create two family homes of two and three bedrooms respectively for less than \$35,000 each. Another key project was the acquisition of the former Lapidow Pharmacy site for the

Community Health Center. That property includes a home being renovated by BYEP. Through a combination of funding sources, a family will be able to purchase this home through a Section 8 subsidy.

- The Rental Rehab Program, developed through the cooperation of Burlington, South Burlington, Colchester and Winooski, is up and running. The \$420,000 of low interest rehab dollars and 88 Section 8 rent subsidies provided by HUD are administered through the Lake Champlain Housing Development Corporation whose Board is composed of representatives of all communities. To date LCHDC has undertaken nine projects, five of which are in Burlington.
- Howe Meadows, which involves the development of 38 affordable homes, will be underway by the fall of 1985. This new

neighborhood will include a site donated each to the Burlington Youth Employment Program, the Burlington Vocational Educational Program, and Habitat for Humanity, as well as nine sites to the Burlington Community Land Trust.

- The Affordable Housing Demonstration Project — CEDO and homebuilder William Hauke, Jr. are participating in this national Program sponsored by HUD and the National Association of Homebuilders. The project strives to build the most cost efficient housing through innovations in construction practices as well as local codes and procedures. This public and private cooperative venture will result in 46 affordable townhouses in Burlington's new North End.
- Fair Housing — The City of Burlington participated in a nationwide celebration of Fair Housing practices by doing public education around the City's new ordinance prohibiting discrimination on the basis of age, sex, sexual orientation, race, religion or handicap.
- Affordable Housing Task Force — As a result of a year-long examination of a proposed Inclusionary Zoning Ordinance which would have mandated affordable housing through zoning, the Board of Aldermen established an Affordable Housing Task Force. This Task Force, supported by CEDO, is examining a range of problems and solutions in the provision of Affordable Housing.

Waterfront Development

- Engineering design studies have been completed and construction will begin for the long-awaited Burlington Bike Path. By the end of this fall, Burlington residents will be able to walk, run and bike along the path from the mouth of the Winooski River to the Barge Canal. Plans continue to be developed to connect the path from the Barge Canal area to Oakledge Park.
- CEDO assisted in the development of Perkins Pier by financing the project through UDAG loan paybacks. Perkins Pier will be substantially improved and expanded with more pedestrian access and green space and more parking for cars and boat trailers. Boat moorings will also be provided.
- The City continues to work with the Alden

Waterfront Corporation to bring about an exciting people-oriented waterfront which will create some 1,500 new jobs. A \$17.5 million UDAG application was submitted in November 1984; unfortunately, the application was not funded. CEDO is presently using its best efforts to obtain funds to assist in the financing of parks, public improvements and infrastructure for the \$100 million project.

- The Board of Aldermen have established a Tax Increment Financing District which includes the 25 acres controlled by Alden. CEDO is currently negotiating a financial package with Alden. Voters will have the opportunity to act on any proposal for City participation in the financing of the project.
- Plans are proceeding to revitalize two currently vacant buildings on the waterfront. The Haigh Mill and McKenzie buildings will be rehabilitated for commercial and retail use.
- The most outstanding obstacle to achieving our shared vision for a revitalized waterfront is to structure a viable financing package. The challenge now before Alden and the City is to employ creative financing strategies which allow us to close the project's financing gap in a manner which does not impose a burden on Burlington's already overburdened homeowners.
- We continue to look forward to a spring 1986 groundbreaking for a revitalized waterfront.

