



September 9, 2020

**House Committee on Ways and Means
House Chamber
State of Vermont**

City of South Burlington Testimony on

TIF Districts Severely Affected by COVID-19

For the record, my name is Ilona Blanchard. I am the Community Development Director for the City of South Burlington. On behalf of the City, I thank you for this opportunity to speak to you regarding the dire challenges we face with implementing our tax increment financing district due to the COVID-19 Pandemic and the need to extend the period during which debt may be incurred for Vermont TIF districts. In April, the City Council unanimously passed a resolution asking for relief urging you to enact legislation that would realize an extension.

To date, we have achieved great steps forward within the South Burlington TIF District. We were able to complete Market Street, a project that finally opened to the public in 2019. City Center Park is a green woody oasis within our community, and the construction of a public library, city hall and senior center are underway. Yet critical elements of City Center remain incomplete, and are at great risk due to COVID-19.

COVID-19 shut down all work that could not be completed from home during the Spring. This included everything from surveys to construction. It ground to a halt all face-to-face meetings necessary to good partnerships. It has made it impossible to ask the private sector for commitments of building investments (that will fund improvements through future tax revenues). It has rearranged timelines for private projects that had been underway previously that would have provided funding for public projects.

The pandemic has dramatically raised uncertainty in the local economy. We are confident that downtowns, on the other side of the pandemic, will be as popular as ever. But none of us, this year, would say each and every market segment will come out the other side unchanged.

In order to complete projects and bring them to the public to vote, developers have to be willing to enter into agreements, to commit to invest. They need to have confidence they are building the right housing units, retail spaces and offices.

South Burlington has a lot of redevelopment opportunity. Our strip retail, along Williston Road and Dorset Street is legendary. As the gateway to Vermont from the airport we believe it can be better.

A more efficient and sustainable use of City Center that supports active lifestyles like walking, biking and taking the bus (the first two of which can still be talked about, the last of which is currently under threat

due to COVID) is just around the corner. However, conversations to advance these planning goals cannot occur in these conditions.

We know people are social, and appreciate downtown amenities. Right now, builders, businesses, small and large, households and individuals, are focused on getting through the pandemic to the other side.

What is under threat? South Burlington has yet to complete and vote on the **Garden Street project** that will connect Trader Joe's/Healthy Living to Al's French Fries. City Center has some of the most congested intersections in Vermont. These improvements are necessary to add transportation capacity for denser development.

Similarly, the streetscape improvements on **Williston Road** that will make this highway a place people would enjoy walking or biking and relieve strain on intersections during peak hours have yet to be voted on.

City Center Park is missing critical **path connections** to the City Center streets and sidewalks to make the park accessible to new and future residents – these linkages require agreement from the private sector.

Also requiring development agreements to advance would be a **parking garage, central green, and shared stormwater facilities**.

Lastly, the community has long envisioned a **pedestrian bicycle bridge** that connects the new town center to Staples plaza, our neighborhoods on the other side of the interstate, and the UVM and UVM Medical campus.

To date we have incurred less than a quarter of the TIF District debt planned to support new development.

There is a long ramp up to votes on debt: understanding the private investments likely to support the public debt, educating the public on the risks involved, and voting.

This is not an environment in which it is feasible to ask households or the private sector to take on risk. At the beginning of the pandemic, even the municipal bond market was frozen, and had we not had a project underway, we might have made a different decision to continue to obtain debt given the mixed signals we were receiving.

The South Burlington community has worked long and hard on this new town center. Residents have rezoned, workshopped, and spoken to Council about their desires, needs and interests.

The community is starting to see the center they have long dreamed of; however, COVID-19 has thrown a big wrench into the plan. The foundation is not yet complete.

We urge you to extend the time during which the City may incur debt due to lost time, uncertainty, and a precarious economy. Thank you.