



## Office of Mayor Miro Weinberger

**TO:** City Council  
**FROM:** Mayor Miro Weinberger  
**DATE:** January 28, 2018  
**RE:** University of Vermont & Champlain College Contribution to City's Capital Plan

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**The City has been in negotiations with the University of Vermont (UVM) and Champlain College (the College) regarding a new, additional payment by these institutions to the City to support the proper maintenance of City infrastructure.** While each institution already makes contributions to support the provision of City services in a variety of ways, this new payment (about 10 percent of the new investments identified in the City's 10-year capital plan) reflects the reality that these institutions both impact and value City infrastructure like roads and sidewalks. The City benefits tremendously from the educational, cultural, intellectual and professional opportunities provided by these institutions, and the institutions benefit from a safe and well-maintained City that affords students and staff the many opportunities that Burlington does.

**I respectfully recommend that the Council approve the agreements and a related ballot item for March.** The way the agreements are structured, UVM and Champlain College would contribute funding to pay off the debt authorized by a City-wide vote. Should voters reject the bond, the agreements will be void. The Council has been regularly updated in executive session on the progress toward these agreements, and the final agreements are consistent with prior discussions. The public will have more than a month to review and ask questions about the agreements before an up or down vote on Town Meeting Day.

I believe these agreements reflect a high degree of cooperation among the leadership teams of the City, UVM, and Champlain on a wide range of issues as well as a shared commitment to making Burlington a welcoming and accessible City.

### **Agreement Details**

Both agreements follow a similar structure and would provide new funds to the City to address infrastructure needs. The institutions agree to make a new annual contribution to the City for 20 years to maintain City infrastructure as part of the City's ten-year capital plan (for which nearly 76 percent of City voters in November, 2016 approved 5-years of bonding).

- **New revenue for the City:** The contribution each institution makes is proportionate to its relative size – UVM agrees to contribute an additional \$386,000 annually for 20 years and Champlain agrees to contribute an additional \$61,890 for the same timeframe for a total annual amount of \$447,890. The City would agree not to seek additional infrastructure payments from the institutions for the first 10 years of the agreement.
- **New revenue funds infrastructure needs and protects property taxpayers:** If approved by the voters, this money would be used as debt service to pay for a 20-year bond the City would take out to pay for infrastructure needs. The City would only bond for an amount that could be covered by the annual contribution from UVM and Champlain of \$447,890. While exact market conditions cannot be predicted, assuming that amount for debt service and a conservative 4 percent interest rate on a 20-year bond would allow the City to bond for about \$6 million, or

about 10 percent of the expanded capital infrastructure investment projected in the City's 10-year capital plan.

- **New revenues allow for changes in State tax law:** Should the State change tax laws that currently make much of the institutions' property exempt, different provisions in both agreements allow for corresponding reductions in these voluntary payments (as the City would receive new tax revenue from the institutions in that scenario to use toward the 10-year capital plan).

Each agreement also has some unique aspects. Those elements are summarized here.

**In the City and UVM agreement, the main element of interest is University Place (the road that runs between the University Green to the West and Ira Allen Chapel to the East),** which both sides agree could be improved. The road has substantial wear and tear, crosswalks are not clearly marked, and it acts as something of an unintended barrier between the Green and the rest of campus. In the proposed agreement, the City would commit to working with UVM and rebuilding the road either at (i) a basic redesign, which would include new sidewalks, crosswalks, curb, and repaving of the road or (ii) an enhanced redesign that would allow the University to invest substantially more money into design elements or amenities, provided they comport with relevant local, State, and Federal regulations.

- In the basic redesign, the City would commit \$360,000 to the project.
- In the enhanced redesign the City could commit up to \$630,000 (the City would invest the first \$130,000 to repave the road then match UVM dollar for dollar for the next \$500,000; anything beyond that amount would be borne by the University alone).
- The agreement includes multiple provisions designed to ensure that the University Place improvements are approved in a timely manner. The provisions outlining what happens if agreement is not reached should be understood as a remote possibility that is fully within the City's ability to avoid with diligent, good faith actions. From the University's perspective, getting the improvements done on University Place in a timely manner is a key benefit to the University in entering into this agreement.

Under either scenario, the end result would be an improved, safer street that is accessible to the public and helps connect the green to the campus and surrounding neighborhoods.

**The agreement with UVM explicitly defers housing issues to a separate discussion, with the City and UVM agreeing to begin that conversation by July 1, 2018.** These discussions would include Trinity campus, and would require separate City Council review and approval. The agreement also continues the Payment for Services Agreement that is currently in place through June. It also largely restates language from prior agreements around student conduct in an effort to consolidate the number of existent agreements between the City and University, and notes UVM is willing to explore additional land conservation questions with the City, particularly around Centennial Woods.

**The Champlain agreement also defers housing questions to a separate future discussion.** It does commit the City to engaging with Champlain to continue to advance the College's 2007 Master Plan in alignment with shared goals of the City and Champlain College. Such a discussion must begin by July 1, 2018, and would have to be reviewed by the City Council (as well as the Planning Commission and the Development Review Board, if they include any zoning changes).

Thank you.