

Resolution Relating to

MORAN – FRAME PROJECT:
ISSUANCE OF WATERFRONT TIF BONDS

RESOLUTION 5.04
Sponsor(s): Parks, Arts & Culture
Committee; Bd. of Finance
Introduced: 02/19/19
Referred to: _____
Action: amended; adopted
Date: 02/19/19
Signed by Mayor: 02/25/19

CITY OF BURLINGTON

In the year Two Thousand Nineteen

Resolved by the City Council of the City of Burlington, as follows:

1 That WHEREAS, the Moran Generating Plant was decommissioned in 1986 and over the years numerous
2 concepts for repurposing the building were conceived and, in varying degrees, considered for advancement,
3 none of which succeeded; and

4 WHEREAS, on March 4, 2014, the voters of Burlington authorized the City Council to pledge the
5 credit of the City to secure indebtedness or make direct payments for the purpose of funding one or more
6 public improvements and related costs attributable to Public Investment Action Plan (PIAP) projects serving
7 the Waterfront Tax Increment Financing (TIF) District; and

8 WHEREAS, that slate of approved PIAP projects specifically included the New Moran project, a
9 mixed-use redevelopment of the building with a focus on multi-purpose arts and events space, local foods, and
10 green energy innovation; and

11 WHEREAS, said project contemplated the City working with an entity known as New Moran, Inc.
12 under a development agreement to work on a project to redevelop the former Moran Generating Plant; and

13 WHEREAS, the March 4, 2014 ballot language approved by the voters pertaining to the PIAP
14 projects specifically included provisionary language that the TIF funding for the New Moran project was
15 approved “with the further understanding that in the event that, upon the recommendation of the Mayor, the
16 City Council determines that the proposed New Moran project cannot be reasonably accomplished, the City
17 Council shall be authorized to utilize tax increment funds from the Waterfront TIF District for payment of
18 indebtedness, direct or related costs of the demolition of the Moran building and site stabilization in
19 accordance with the public trust doctrine;” and

20 WHEREAS, after over three years of good faith efforts by both parties to advance the New Moran
21 project, the City, in the fall of 2017, determined that the project as contemplated was not feasible and the City
22 ended its efforts with New Moran, Inc. to fully redevelop the Moran Plant and site; and

23 WHEREAS, the Mayor directed the Community & Economic Development Office (CEDO) to prepare
24 the *Moran Municipal Generating Station Deconstruction and Demolition Study*, which was completed in
25 March 2017; and

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ORIGINAL

DISTRIBUTION:

I hereby certify that this resolution
has been sent to the following
department(s) on

RESOLUTION RELATING TO

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Adopted by the City Council

....., 20.....

..... Clerk

Approved....., 20.....

..... Mayor

Attest:

Vol. Page

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26 WHEREAS, the demolition study looked at four scenarios with varying amounts of demolition and
27 retention of the building and priced those options at final costs ranging from \$3,983,773 to \$10,716,661; and

28 WHEREAS, in September 2017, the Mayor tasked CEDO to create a Site Resolution Plan with the
29 goal of using the TIF funding held in reserve since the 2014 vote to secure the best possible outcome for the
30 public in a way that complements progress on the northern waterfront; and

31 WHEREAS, on December 10, 2018, CEDO presented to the City Council a new concept for the site
32 wherein a partial demolition and site stabilization of the remaining building and site could be accomplished
33 utilizing a still available budget of \$5.4 million of voter approved TIF borrowing capacity in a manner that
34 would achieve high function as a park facility and which would serve as a hub with connectivity to all of the
35 other various properties and uses which are developing on the City’s northern waterfront; and

36 WHEREAS, the City Council gave its initial support for the proposed partial demolition and site
37 stabilization plan, now identified as “Moran – FRAME” and referred the plan to the Parks, Arts and Culture
38 Committee (PACC) for further consideration; and

39 WHEREAS, while \$2.09 million of the TIF borrowing earmarked for the project are already fully
40 accessible by virtue of the City having executed a HUD Section 108 loan with City Council approval in 2014,
41 the balance of the project funding must be fully bonded (or otherwise incurred as debt) by December 31, 2019
42 under the existing deadlines for approved TIF project debt incurrence allowed by the State for this portion of
43 the City’s Waterfront TIF District; and

44 WHEREAS, on February 13, 2019, the PACC voted to advance the proposed demolition and site
45 stabilization plan and sponsor this resolution; and

46 **WHEREAS, a more detailed review of City Waterfront TIF finances has revealed that available**
47 **funds for the project are actually \$5.649 million and bond capacity is available for an amount not to**
48 **exceed \$3.559 million; and**

49 WHEREAS, on February 19, 2019, the Board of Finance voted to advance the proposed demolition
50 and site stabilization plan and recommended that the City Council adopt this resolution to advance the project;

51 NOW, THEREFORE, BE IT RESOLVED that the City Council has determined that it is necessary to
52 pledge the credit of the City in an amount not to exceed \$3,559,000 in the aggregate and to issue bonds in
53 connection therewith (the “Bonds”) to finance the proposed partial demolition and site stabilization plan,
54 identified as “Moran – FRAME” project; and

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..... Clerk

Approved....., 20.....

..... Mayor

Attest:

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55 BE IT FURTHER RESOLVED that such Bonds may be sold in a private placement, public offering, or
56 to the Vermont Municipal Bond Bank (the “Bond Bank”) and, if sold to the Bond Bank, the City may enter
57 into a loan agreement with the Bond Bank for such purpose; and

58 BE IT FURTHER RESOLVED that the pledging of the City's credit for such Bonds is hereby
59 authorized, with the amount of indebtedness and the form of the evidence of indebtedness to be issued, the
60 interest rates, and payment schedule, to be further determined by the Chief Administrative Officer, or the
61 Director of Financial Operations; provided that the true interest cost for the Bonds, as determined by the Chief
62 Administrative Officer, shall not exceed four and three-quarters percent (4.75%) per annum; and

63 BE IT FURTHER RESOLVED that in the event that the true interest cost of the Bonds as determined
64 by the Chief Administrative Officer would exceed four and three quarters percent (4.75%) per annum, the
65 prior approval of the City's Board of Finance shall be required; and

66 BE IT FURTHER RESOLVED that the Bonds, when issued and delivered, shall be valid and binding
67 general obligations of the City payable according to the terms and tenor thereof from tax increments from
68 properties within the Waterfront TIF District, which tax increments may be pledged to the payment of such
69 Bonds; and

70 BE IT FURTHER RESOLVED that the full faith and credit of the City shall be pledged to payment of
71 the Bonds in the event that the tax increments from properties within the Waterfront TIF District are not
72 sufficient to pay the principal and interest on the Bonds; and

73 BE IT FURTHER RESOLVED that the Mayor, the Chief Administrative Officer, and the Director of
74 Financial Operations are, and each one of them is, hereby authorized and directed to prepare an Official
75 Statement of the City as they deem necessary in the City's best interest. The Mayor, the Chief Administrative
76 Officer, and the Director of Financial Operations are, and each one of them is, hereby authorized to execute
77 and deliver a final Official Statement and to execute and deliver such agreements, including a bond purchase
78 agreement with any underwriter of the Bonds, or if issued to the Bond Bank, a loan agreement with the Bond
79 Bank, continuing disclosure certificates, certificates as to use of proceeds and all other documents, agreements
80 and instruments necessary or convenient in connection with the issuance of the Bonds; and

81 BE IT FURTHER RESOLVED that, if in the opinion of the Chief Administrative Officer, it is
82 desirable and in the City's best interest to obtain bond insurance for the Bonds, the Mayor, the Chief
83 Administrative Officer, and the Director of Financial Operations are, and each one of them is authorized to
84 enter into such agreements and instruments with the bond insurer in order to obtain bond insurance for the
85 Bonds; and

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Adopted by the City Council

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..... Clerk

Approved....., 20.....

..... Mayor

Attest:

Vol. Page

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MORAN – FRAME PROJECT:
ISSUANCE OF WATERFRONT TIF BONDS

86 BE IT FURTHER RESOLVED that it is the official intent of the City Council to reimburse the City's
87 General Fund for capital expenditures made for the improvements, in an amount not to exceed \$1,000,000,
88 with the proceeds of the Bonds, in accordance with Sec. 1.150-2 of the Internal Revenue Service tax
89 regulations; and

90 BE IT FURTHER RESOLVED that the City Council hereby authorizes the Chief Administrative
91 Officer to approve any necessary and appropriate financing (to include bonding for project funding consistent
92 with the voter's March 4, 2014 voter approval of funds for this project) as well as any budget amendments
93 needed to appropriate approved funds and advance the project and meet the TIF debt incurrence deadline of
94 December 31, 2019; and

95 BE IT FURTHER RESOLVED that CEDO shall provide periodic updates to the Parks, Arts and
96 Culture Committee and the full City Council at the request of the PACC Chair or Council President.

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DISTRIBUTION:

I hereby certify that this resolution has been sent to the following department(s) on

Linda Blanchard, City Attorney's Office
Assistant City Attorney Haesler
CEDO, Kirsten Merriman Shapiro
C/T Office, Darlene Kehoe

RESOLUTION RELATING TO

Moran - FRAME Project: Issuance of Waterfront TIF Bonds

As amended
Adopted by the City Council
February 19, 2019
[Signature] Clerk

Approved: *[Signature]* 2-25-2019 Mayor
[Signature] Page

Attest:
[Signature]
Kori Olberg
Licensing, Voting and Records Coordinator Vol.

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