



**STATE OF VERMONT  
SENATE CHAMBER  
115 STATE STREET  
MONTPELIER, VT  
05633-5201**

September 9, 2009

Representative Michael Obuchowski  
Chair, Legislative Joint Fiscal Committee  
72 Atkinson St.  
Bellows Falls, VT 05101-1321

Re: City of Burlington; Tax Increment Finance (TIF) District Within Existing TIF

Dear Obie:

We are writing in support of the City of Burlington's proposal to implement the provision included in Act 54 (H.313) that extends the city's authority to incur indebtedness in its existing Tax Increment Finance (TIF) district.

In the Senate version of H.313, the Senate Committee on Economic Development, Housing and General Affairs included numerous provisions we hope lay the groundwork for future job creation through a focused economic strategy.

One provision was granting the City of Burlington authority to apply to create a new TIF within an existing TIF. The committee was convinced that extending the city's authority to utilize this mechanism to finance infrastructure will be an important component of that effort.

For instance, according to the city's proposal, the first two projects for which the city intends to utilize TIF revenues to finance new infrastructure are estimated to create over 675 construction-related jobs (beginning next spring or sooner), leverage over \$18 million of other investment, have a \$49 million impact on the local economy, and create 60 to 80 permanent jobs.

You made clear during our meetings of the Committee of Conference that the State Education Fund revenues should be preserved at almost all cost. To this end, the compromise we reached in H.313 does just that.

Our understanding of Burlington's proposal to JFC is that it has honored the spirit of that compromise by proposing a mechanism to pay to the Education Fund an annual payment which approximates 25 percent of new incremental education property tax revenue created in the TIF District. The city projects these Education Fund payments will be worth over \$1.5 million over the life of the TIF District.

We request that the Joint Fiscal Committee approve this proposal at its September 10 meeting.

Thank you.

Sincerely,

*Vince Illuzzi de*  
Senator Vince Illuzzi, Chair  
H.313 Committee of Conference

*Senator Hinda Miller de*  
Senator Hinda Miller, Member  
H.313 Committee of Conference

*Senator Timothy Ashe de*  
Senator Timothy Ashe  
H.313 Committee of Conference