Hello, my name is Allan Walker, and I am submitting a public comment on the Substantial Change Request submitted by the Burlington City Council for the use of Downtown Burlington TIF Funds.

As I reviewed the documents, I do not believe this substantial change request meets the eligibility requirements that govern the use of TIF increment and investment earnings. Additionally, I became concerned that the district is treating TIF investment earnings as a fallback source to cover foreseeable and preventable planning decisions that resulted in closing one of the two main east–west entries to downtown for over a year. This request is a circumstance of asking for forgiveness rather than permission.

Under Rule 912, investment earnings must be treated exactly the same as increment. That means they may be used only for voter-approved debt and voter-approved related costs, as reaffirmed in Rules 714 and 718. The burden is on the City to demonstrate that the proposed spending meets those definitions.

The request seeks authorization for three expenditures:

- $600,000 in traffic mitigation
- $40,000 grant match
- Amenities previously removed from the project budget

None of these were approved by voters. None appeared in the financing plan. And none meet the definition of a necessary, voter-approved related cost.

To justify the $600,000 mitigation cost, the City relied on survey results (presented at City Council 6/23/2025) and the DPW's impact analysis. Rule 1003.3.3 requires evidence that the change is essential to delivering the approved improvement. That standard is not met - because DPW's own materials included a fully viable, clearly defined "Stay the Course" option.

That option would have allowed the project to proceed exactly as originally approved, with:

- no delay,
- no deviation from the District Plan, and
- no additional cost.

Under Rule 1003.3.3, if a no-cost, plan-compliant alternative exists, then the more expensive option cannot be considered "necessary." It cannot qualify as an eligible TIF cost. That alone is disqualifying.

The $600,000 also fails the nexus and proportionality requirements under Rules 803 and 704, which require that a TIF expenditure:

1. be directly caused by the improvement itself, and
2. be proportional to an impact created by that improvement.

Here, the cost does not stem from the project. It stems from the City's preference for a different mitigation approach when an existing, compliant, no-cost alternative was fully available. Preferences are not eligible TIF costs. Nexus requires necessity; proportionality requires inevitability. Neither is present.

It is also important to note that the $600,000 resulted in no meaningful capital improvements. There were no additional flaggers, no additional staff, and no materially different management of the closure. The only visible change was that trucks were parked on the side of the street during off-hours instead of in the middle. That is an operational adjustment, not an improvement — and Rule 705 is explicit that such costs are not related costs and were not approved by voters.

The traffic-mitigation survey used to support the recommendation was publicly disclosed, but included respondents such as realtors, employees, visitors, and others outside the district. Collecting broad input is fine, but under Rule 704, public sentiment cannot substitute for statutory eligibility or voter authorization.

Taken together, these issues conflict with the core purpose of the TIF program. The impacts the City is attempting to mitigate were foreseeable years in advance and should have been accounted for through planning obligations under Rules 706 and 1102. When foreseeable planning failures create new operational burdens, those costs cannot be shifted to increment or investment earnings.

There is also clear evidence the impacts were foreseeable and avoidable. The original construction proposal submitted by S.D. Ireland on 2/2/2024 (attached, pg. 30) included a traffic-management plan stating:

"If minimal disruptions are maintained… this corridor can remain open and prosperous throughout the three years of construction," and *"We propose to maintain two-way vehicular traffic on Main Street the majority of the time during working hours, and all of the time during non-working hours."*

This approach - which would have minimized impacts - was rejected by City project leadership. The same leadership has described publicly that this was a "generational project" and that "...disruptions are unavoidable with major street and subsurface utility reconstruction…" as stated in the substantial change request. The original contract proposal includes measures to avoid said disruptions, but that was declined and is now being remedied using increment TIF funding.

My goal is not to criticize Burlington. My goal is to strengthen future planning and reinforce the protections that keep the TIF program credible. If VEPC approves avoidable, non-necessary, non-voter-approved costs, it sets a precedent that TIF can be used in lieu of proper planning and project management. A denial here is protective.

As I read it, the only component of this request that fully meets statutory eligibility is the IRS arbitrage rebate. The $600,000 mitigation, the $40,000 match, and the reinstated amenities do not meet the requirements under Rules 704, 705, 714, 801, 909, 910, or 1003.3.3.

Finally, I encourage VEPC - under its authority, in Section 1002 - to consider requiring clearer documentation of anticipated community impacts and mitigation plans before construction begins on future TIF-funded projects.

I respectfully ask the Council to deny the substantial change request, approve only the IRS rebate, and uphold the standards that make TIF such an effective public-investment tool.

Thank you for your time and consideration.