



The Mission of the Church Street Marketplace District Commission is to  
Provide Responsible Management Leading to an Economically Successful Downtown  
Which Is Vibrant, Clean and Safe, for the Benefit of the Fee Payers Community  
Members and Visitors.

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CHURCH STREET MARKETPLACE DISTRICT COMMISSION

Wednesday, May 27, 2015, 8 - 10 AM

**Change of location for this meeting:  
Conference Room 12, Basement, City Hall**

- I. COME TO ORDER
- II. AGENDA
- III. MINUTES
- IV. PUBLIC FORUM
- V. PRESENTATION AND PUBLIC HEARING RE: FY 16 OPERATING BUDGET & COMMON AREA FEE
- VI. COMMISSION ADOPTION OF PROPOSED FY 16 OPERATING BUDGET AND PROPOSED COMMON AREA FEE
- VII. Chair's Reports
  - a. Parking Advisory Committee Update
  - b. Burlington Town Center project Update
- VIII. Executive Director's Report
  - a. Request to approve staff recommendations for Street Performer Rules & Regulations. Redmond, Morse.
- IX. Capital Improvements/Maintenance:
  - a. CSM WiFi system update
- X. Merchant & Marketing
- XI. Municipal Relations/Futures
- XII. ADJOURN

Non-Discrimination The City of Burlington will not tolerate unlawful harassment or discrimination on the basis of political or religious affiliation, race, color, national origin, place of birth, ancestry, age, sex, sexual orientation, gender identity, marital status, veteran status, disability, HIV positive status or genetic information. The City is also committed to providing proper access to services, facilities, and employment opportunities. For accessibility information or alternative formats, please contact Human Resources Department at 865-7145



May 18, 2015

TO: Our Esteemed Property and Business Owners  
FROM: Ron Redmond, Church Street Marketplace District, 802-238-5598, [redmond@burlingtonvt.gov](mailto:redmond@burlingtonvt.gov)  
cc: Marketplace Staff  
RE: FY 15 Financial Report

In February of this year, we learned of the passing of our friend, and long-time Marketplace property owner Rolf Eastman, owner of 14-16 Church (Crow Books and Halvorson's). We will miss his kind, gentle spirit on Church Street. We sent flowers to the Eastman family on behalf of the entire Church Street family.

We also welcomed Marc Sherman, owner of Outdoor Gear Exchange and new property owner of 37 Church (formerly owned by the Pomerleau Family). We're delighted to have Marc on board and look forward to his energy and leadership.

The Marketplace Department's finances have been front and center for the past three years. We are nearing the end of our plan to eliminate our negative fund balance with the City. We are on track to reduce the negative fund balance by \$75,000 in FY 15, and project we can pay it down completely at the conclusion of FY 16, with a small surplus which we'll apply to marketing.

TIMELINE FOR REDUCING OUR NEGATIVE FUND BALANCE WITH THE CITY

Negative Fund Balance, end of FY 13	(\$204,000)
PLUS FY 13 "true up"	<u>(\$ 32,000)</u>
Negative Fund Balance, end of FY 13	(\$236,000)
<b>FY 14 Budget Surplus</b>	<b>+ \$88,000</b>
Projected Negative Fund Balance, FY 15	(\$148,000)
<b>FY 15 Projected Surplus</b>	<b>+ \$75,000</b>
Projected Balance, end of FY 15	(\$73,000)
<b>FY 16 Projected Surplus</b>	<b>+ \$110,000</b>
Projected Balance, end of FY 16	+\$ 37,000

Our thanks to the Marketplace Commission, (in particular Chair Jeff Nick and Treasurer Buddy Singh) Mayor Weinberger and his Administration, the City's Chief Administrative Officer Bob Rusten, Assistant CAO Rich Goodwin, and the Marketplace Department's consultant/CPA Alice Astarita, for the support and guidance provided throughout this effort to stabilize our operating budget. The team supporting us through this process has been excellent.

OPERATING BUDGET FOR FY 16

OPERATING REVENUES FOR FY 16

Looking ahead to FY 16, the Commission is recommending:

**1. 1.5% INCREASE IN THE COMMON AREA FEE FOR FY 16, from \$2.80 PSF to \$2.84 PSF.**

	FY 15 Current	FY 16 Proposed
CAF (Common Area Fee) paid by CSM properties except Outdoor Gear, BTC	\$2.80	\$2.84

**2. PHASING OUT OF THE “ANCHOR EXEMPTION” BY FY 17 FOR “ANCHOR PROPERTIES,” which affects only Outdoor Gear Exchange and Burlington Town Center.**

BACKGROUND: In 1991, ten years after the establishment of common area fees, a Common Area Fee Committee composed of Marketplace property owners worked diligently to develop the current formula: that common area fees be allocated on the basis of total ground floor square footage of buildings within the Church Street Marketplace District.

In 1991, an exception (also known as the “anchor exception”) was made for:

- a. properties occupied by a single tenant that operate within the confines of a single retail enterprise, in excess of 20,000 square feet on the ground floor of the property, directly fronting Church Street Marketplace. (At the time, this included J.C. Penney, Magrams Department Store and Woolworth.)
- b. enclosed regional shopping malls, which have, within the confines of the Marketplace district or directly connected to it, total gross leaseable area in excess of 150,000 square feet. (Burlington Town Center).

The anchor exception was adopted in recognition of the advertising these particular “anchor” retail enterprises provided and benefits they conferred (“marketing dollars, parking and retail drawing power”). The committee decided to recommend an increase in fees for the anchors on the basis of their historic rates, rather than basing rates strictly on ground floor square footage measurement.

- For Burlington Town Center a decision was made to assess only the first 24,904 square feet of the mall. According to the City Assessor’s office, total leasable space on Town Center’s first floor is (from the Church Street entrance on the east to the border with Filene’s on the west ) is 72,552 square feet.
- For the Outdoor Gear Property, total first floor square footage is 24,013 square feet.

Beginning in 2004, the Commission began working with property owners of 37 Church and 49 Church to gradually increase their common area fee with the goal of reach parity with all other Church Street property owners.

	<b>37 Church St</b>	<b>49 Church St</b>	<b>All other CSM Properties</b>
<b>1994</b>	\$ .85	\$ 1.06	\$ 1.69
<b>2000</b>	\$ .89	\$ 1.10	\$ 1.75
<b>2003</b>	\$ .91	\$ 1.14	\$ 1.81
<b>2004</b>	\$ 1.18	\$ 1.47	\$ 2.03

<b>2005</b>	\$ 1.35	\$ 1.66	\$ 2.07
<b>2006</b>	\$ 1.50	\$ 1.71	\$ 2.14
<b>2006</b>	\$ 1.70	\$ 1.81	\$ 2.27
<b>2008</b>	\$ 1.91	\$ 1.91	\$ 2.39
<b>2009</b>	\$ 2.00	\$ 2.00	\$ 2.49
<b>2010</b>	\$ 2.05	\$ 2.05	\$ 2.56
<b>2011</b>	\$ 2.05	\$ 2.05	\$ 2.56
<b>2012</b>	\$ 2.08	\$ 2.08	\$ 2.60
<b>2013</b>	\$ 2.14	\$ 2.14	\$ 2.68
<b>2014</b>	\$ 2.20	\$ 2.20	\$ 2.75
<b>2015</b>	\$ 2.52	\$ 2.52	\$ 2.80
<b>2016</b>	\$ 2.70	\$ 2.70	\$ 2.84

Between FY 08 and FY 14, the common area fee for both 37 Church and 49 Church remained at 80% of the common area fee paid by all other property owners. In FY 15, the Commission increased common area fee rate for these two properties from 80% of the established common area fee, to 90%.

For FY 16, the Commission is recommending a 5% increase to 95% of the established common area fee for 37 Church and 49 Church.

The Commission’s goal is to have all properties paying the same common area fee by the beginning of FY 17

	<b>FY 15 Current</b>	<b>FY 16 Proposed</b>	<b>\$ Increase between FY 15-16</b>
Common Area Fee	\$2.80	\$2.84	
Outdoor Gear’s Common Area Fee	\$2.52 (90% of \$2.80)	\$2.70 (95% of \$2.84)	\$ 3,770.00
Burlington Town Ctr’s Common Area Fee	\$2.52 (90% of \$2.80)	\$2.70 (95% of \$2.84)	\$ 4,483.00

**3. No increase in sidewalk café fees through April 30, 2018.**