
MEMORANDUM

To: St. Albans City Voters
From: Dominic Cloud, City Manager
Re: Town Meeting Day Votes
Date: February 21, 2024

On Town Meeting Day, voters will consider two articles that are critical to the vitality of the City. The first is the City Budget, which requires an increase to the tax rate of 0.6%, less than a quarter of the rate of inflation. Nonetheless, the budget makes the following investments:

- Four new police officers for the expansion into the Town of St. Albans
- Two new detectives to increase proactive investigations into drug crime
- A new position focused on economic development and neighborhood stability
- A new position to help manage the Welden theatre
- Increased enforcement of public safety issues in the parking facilities

While news outlets have reported on the forecast of increasing school property taxes, this is not the case for the taxes that fund the City. City taxes are barely increasing while making substantial investments in police and economic vitality.

The second article is an \$11.4 million Tax Increment Finance bond. TIF bonds allow the City to issue bonds for public improvements and pay those off using the tax revenues from new development that results from the improvements. This is how the City has paid for the parking facilities, streetscape improvements, and brownfield cleanup in other projects without raising taxes to do so.

The \$11.4 million is divided into three projects. The largest is \$10 million for the Bellevue Redevelopment project. The City's role is to acquire the land, remediate the brownfields, and construct the parking for mixed use commercial and residential buildings on the land in back of City Hall. The second is \$1.2 million to construct new sidewalks on Federal Street and complete the design and permitting for the Federal Street connector. The third project is \$200,000 for brownfield remediation at the old courthouse on Kingman St.

Cost estimates for the Bellevue Redevelopment and sources of increment are attached.

The TIF program is authorized by the State of Vermont and it has a limited window. After March of 2024, the City can no longer use TIF to complete these high priority public improvements.

The City has a strong track record of similar transformational projects. Previous successes include:

- Ace Hardware (2014)
- Parking Garage / Hampton Inn / New State Office Building (2015)
- Congress and Main – commercial building and apartments (2017)
- Clean-up and redevelopment at the Former Fonda Site (2021)

All told, we have completed \$21 million in public improvements and generated \$70 million in new taxable values – yet we have never raised taxes to do so.

TIF is the most powerful economic development tool in the State. Let's use it one last time to complete projects that cannot be completed without it.



St. Albans - Bellevue Apartment Project - Total Project Budget

St. Albans, VT

Total Project Budget Worksheet

September 8, 2023

Rev #4

Schematic Design		
Construction Duration		5 Months starting in Fall of 2024
Garage Podium Building #1	10,972	sf
Garage Podium Building #2	8,578	sf
Paving, Walks, Pads & Pavers	40,993	sf
Removal of Contaminated Soils	8,017	cy
Professional Fees		
Architectural	N/A	
Corrective Action plan	\$ 10,000	VHB
Hazardous Building material	\$ 20,215	Claypoint Associates
Qualified Environmental	\$ 45,000	VHB
UST Closure	\$ 6,396	VHB
Structural - Podium #1 and #2	\$ 75,000	Cross Consulting Engineers (CCE)
Boundry Survey/Civil/Landscape/CA	\$ 250,000	CCE
Electrical /Fire Protection	\$ 13,842	Allowance
Professional Fees Subtotal	\$ 420,453	
Construction Cost		
Construction Cost	\$5,699,600	2023 costs (see below for escalation)
Escalation from 2023 to 2024	\$341,976	Based on 6.0%
Construction Escalation to 2024	\$ 6,041,576	
Owner Costs		
Reimbursable Expenses	\$ 5,000	Allowance
Hazardous Building Material Abatement	\$ 290,400	Clay Point Associates
Closure of Project Area Monititoring wells	\$ 5,000	VHB
UST Removal, Cleaning & HAZ waste disposal	\$ 7,035	VHB
Geotechnical Engineering	\$ 15,000	Allowance
Construction Testing	\$ 17,500	Allowance
Permits		
ACT 250	N/A	Part of Housing Project
City of St. Albans - Permits	N/A	Saint Albans to waive \$5/\$1000 fee
State of VT Building Permit	\$ 48,333	State of Vermont fees are \$8/1000
Builder's Risk Insurance	\$ 25,000	Allowance
Development Cost	\$ 275,000	City of Saint Albans
Loan closing cost	N/A	City of Saint Albans
Legal Fees	\$ 35,000	City of Saint Albans
Purchase properties	\$ 2,000,000	City of Saint Albans
Other	\$ 138,220	City of Saint Albans
Owner Contingency 10%	\$ 676,484	On Construction and Owner's Costs but not on land cost
Owner Cost Subtotal	\$ 3,537,972	
Total Project Budget	\$ 10,000,000	Includes Professional Fees, Construction Costs, Owner Costs

Table 5L -- Real Property Incremental Value

Development or Redevelopment Project Name	Current Fiscal Year Baseline Value	Estimated Year of Construction Start	Estimated Number of Years to Complete	Estimated Assessed Value After Development	Estimated Increase in Value from Baseline	Estimated % of New Construction - Homestead Rate	Estimated % of New Construction - Non-Homestead Rate	Total of K and L (Should be 100%)	Estimated Incremental Value - Homestead	Estimated Incremental Value -Non-Homestead
Base Year:	2022									
Totals:					\$96,591,726				\$0	\$96,591,726
FY 2021 Grand List Incremental Value (education)	\$0	2020	0	\$50,213,207	\$50,213,207		100%	100%	\$0	\$50,213,207
FY 2022 GL Value Increase (education)	\$0	2021	0	\$9,914,011	\$9,914,011		100%	100%	\$0	\$9,914,011
FY 2023 GL Value Decrease (education)	\$0	2022	0	(\$2,609,800)	(\$2,609,800)		100%	100%	\$0	(\$2,609,800)
FY 2024 GL Value Increase (education)	\$0	2023	0	\$449,900	\$449,900		100%	100%	\$0	\$449,900
Butterfield - 175 Lake St. (Handy Lake St)	\$133,500	2023	2	\$6,500,000	\$6,366,500		100%	100%	\$0	\$6,366,500
Butterfield - Lasalle (Handy Lake St.)	\$0	2025	2	\$0	\$0		100%	100%	\$0	\$0
Butterfield - 191 Lake St (Handy Lake St.)	\$628,900	2024	0	\$481,308	(\$147,592)		100%	100%	\$0	(\$147,592)
Fonda - Cathedral Square	\$0	2024	2	\$2,310,000	\$2,310,000		100%	100%	\$0	\$2,310,000
Fonda - workforce housing	\$0	2024	2	\$14,268,000	\$14,268,000		100%	100%	\$0	\$14,268,000
Site 4, 100-120 Federal Street	\$224,200	2023	0	\$224,200	\$0		100%	100%	\$0	\$0
Site 5, Main Street - Bellevue Project	\$122,900	2025	2	\$14,565,900	\$14,443,000		100%	100%	\$0	\$14,443,000
Site 6, 53 Federal Street (old court house)	\$81,500	2022	2	\$1,466,000	\$1,384,500		100%	100%	\$0	\$1,384,500
Note: In order to accurately calculate incremental increase in value from FY24 forward, OTV for future projects are shown at FY 24 GL value, NOT original OTV.										

This column shows the property value increases that have occurred and are projected to occur from private investment that is associated with City TIF projects. This is the tax increment.