

**House Ways and Means Committee
February 2, 2023
Town of Hartford Testimony**

H-107 – A Bill Related to Hartford’s Tax Increment Financing District

The Town of Hartford is requesting the Legislature extend the deadline for Hartford’s WRJ TIF District to incur debt and collect Increment by 2 years by three years.

Overview of Hartford’s TIF District

- Hartford’s TIF District approval was effective as of March 31, 2011, covering Downtown WRJ and the Pine Street and Prospect Street areas (see attached map).
- In Hartford, the TIF District retains 75% of the increased state and local tax revenue within the TIF District since its inception (referred to as “Increment”).
- The Town uses Increment to build needed public infrastructure to enable new private sector development.
- The approved TIF District Financial Plan for public infrastructure is \$13,000,000 plus financing.
- Currently \$1,130,400 of the TIF District’s budget is unobligated and could be used towards unfunded approved Hartford TIF projects.
- The Town had 10 years from the 2011 approval date to incur debt that would use TIF Increment to pay on the debt.
- The Town has 20 years from incurring its first debt to retain TIF Increment. Hartford’s first debt was in 2014.

Legislative Extension Requests

- In 2020 the VT Legislature extended the period to incur debt by 3 years to 2024 in response to the Great Recession which eliminated public and private sector redevelopment projects that were poised to occur in the first few years of the TIF District.
- During the past three years of COVID, the Town has diligently continued implementing and funding planned infrastructure projects.
- However, due to COVID restrictions, and related shortages in materials, supplies and labor the Town is 2-3 years behind schedule of where we thought we would be in 2020.
- Similar delays exist with the private sector development that would generate the new TIF Increment to support new Town debt.

In addition, there are two other major concerns:

- Staging improvements in the downtown is critical to keep businesses functioning, so we cannot construct all of the projects at the same time.
- Being fiscally responsible by not incurring debt before the funds are needed for the infrastructure improvements.

Conclusion

Extension of these deadlines does not increase the amount of increment being retained. It recognizes very extenuating circumstances which necessitate a longer period of time to fully implement Hartford’s TIF District Plan as approved by the State in 2011.

Your consideration of this request is greatly appreciated.

ATTACHMENT 6F
Hartford Proposed TIF District
April 5, 2011

