

Agency of Commerce and Community Development

Department of Economic Development

Vermont Economic Progress Council

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House Ways & Means Committee
Summary Testimony from Abbie Sherman
Executive Director of the Vermont Economic Progress Council
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Project-Based TIF:

- The State has already had what was essentially a project-based TIF. In 1997, Newport created a TIF District for an industrial park. The project installed a waterline at a cost of about \$300,000, which resulted in the construction of 3 industrial buildings at a taxable value of \$3 million. The District was created prior to Act 60, and prior to the current statutory requirements for creating a TIF District.
- The project-based TIF program is for smaller towns or towns who have just one project they need help to move forward. It is for towns with the capacity to manage and towns could receive some assistance from a coordinating agency. That assistance could be from a regional planning commission or a consultant. Towns frequently rely on these entities when applying for grants.
- Comparison to TIF Districts:
 - TIF Districts have multiple projects, multiple bond votes, multiple private developments over a long period of time. It's a lot to coordinate.
 - Project based TIF is one project, one bond, and one or a few private developments over a short period of time.
 - Under project based TIF, once the project is complete the town just tracks the increase in tax increment and the debt service payments. The increases in tax increment are automatically tracked in the Grand List module using the same method used with TIF Districts.
 - The town can hire a project manager to track and implement the project, or a coordinating agency.
- Changes in the legislation proposed this year versus prior years:
 - Partially based on requirements from the Community Recovery & Revitalization Program and partially based on feedback from towns.
 - Required to demonstrate leveraging of other sources of funding. Not a full reliance of tax increment.
 - Required to demonstrate an ability to manage the project.

- Required to have a plan for fiscal viability. VEPC staff will develop the form to assist with planning on that.
 - Continue with the list of towns with stagnant or declining grand list values as part of the review (see attached list).
 - Allows for a little more time for towns to incur debt (5 years instead of 3).
 - Process by VEPC would align with a Master TIF Determination where there is a “pre-approval” and before going to the voters, towns come back to VEPC for final approval.
 - Increased share of tax increment
 - Up to 80% of education, and to offset that is 100% of municipal tax increment. It is understood that the increment may not yield enough tax increment to fully provide for annual debt service payments, so allowing towns to retain a little more would allow for greater success.
 - Length of time to retain increment.
 - Aligns with length of debt instead of a set period of 20 years. This is so that towns don’t fall off a cliff 20 years into repayment.
- An alternative to TIF has been discussed for a number of years now. Two suggestions have been to offer a loan program or a grant. Neither of these options provides the benefits TIF can provide to the State or the town.
 - Loans still require the town to be able to make debt service payments. TIF provides revenues to make debt service payments on public improvements.
 - TIF requires that there be private development which gives the State a return on investment. With grants, there is less guarantee that will happen.
 - TIF requires the private developer to come to the table, which is not necessarily a requirement with grants.
 - TIF does not require the State to provide upfront funds.

TIF District Extensions – S.35 (Hartford) and S.94 (Barre):

- Both Districts are required to submit Phase Filings when they are ready to proceed with a project.
- If an extension is granted by the legislature, both Districts would be required to submit a substantial change request and at that time, VEPC would consider viability of the District.
- There is some precedence that has been set by the legislature in granting extensions.
- The requests from Hartford and Barre are fairly simple compared to other requests the legislature has previously approved.
- VEPC is required by statute and TIF Rule to perform a review of TIF Financing Plans. This is called the “adjustment of equal share” and allows VEPC an opportunity to determine if the share of education tax increment being retained can be reduced. This is a process that happens after all debt is incurred. At that point, the District knows what their debt service payments will be for the remainder of the District’s life.



FINAL ADJUSTED - GRAND LIST

	Total Excluding Util	2021 v 2011
Rank	TNAME	CAGR %
1	Essex Town	9.2%
2	Jericho	5.9%
3	Coventry	4.8%
4	Underhill	4.5%
5	St. George	4.3%
6	Winooski	3.8%
7	Baltimore	3.7%
8	South Burlington	3.4%
9	Burke	3.3%
10	Williston	3.3%
11	Burlington	3.3%
12	Stowe	3.3%
13	Colchester	3.3%
14	Georgia	3.2%
15	Elmore	3.1%
16	Fairfax	3.1%
17	St. Albans City	3.1%
18	Fairfield	3.0%
19	Milton	2.9%
20	Hinesburg	2.9%
21	Williamstown	2.8%
22	Salisbury	2.8%
23	Westford	2.7%
24	Middlesex	2.7%
25	Middlebury	2.7%
26	Montpelier	2.6%
27	Calais	2.6%
28	Shrewsbury	2.6%
29	Wilmington	2.6%
30	St. Albans Town	2.6%
31	Highgate	2.5%
32	Sheldon	2.5%
33	Monkton	2.5%
34	Swanton	2.4%
35	Duxbury	2.4%
36	New Haven	2.4%
37	Morristown	2.4%
38	Shelburne	2.4%
39	Woodstock	2.4%
40	Waterbury	2.3%
41	Waltham	2.3%
42	Bristol	2.3%

43	Richmond	2.3%
44	Vergennes	2.3%
45	Isle La Motte	2.3%
46	Fletcher	2.2%
47	Belvidere	2.2%
48	Lunenburg	2.1%
49	Hardwick	2.1%
50	Addison	2.1%
51	Glover	2.1%
52	Berlin	2.1%
53	Cornwall	2.1%
54	Cabot	2.1%
55	Sutton	2.1%
56	Ripton	2.0%
57	Danby	2.0%
58	Goshen	2.0%
59	Whiting	2.0%
60	Hyde Park	2.0%
61	Johnson	2.0%
62	Huntington	2.0%
63	Barre Town	2.0%
64	Ferrisburgh	1.9%
65	Waitsfield	1.9%
66	Shoreham	1.9%
67	Kirby	1.9%
68	Enosburgh	1.9%
69	Barton	1.9%
70	Brunswick	1.9%
71	Bakersfield	1.9%
72	Holland	1.9%
73	Grand Isle	1.9%
74	Warren	1.8%
75	Northfield	1.8%
76	Starksboro	1.8%
77	Stockbridge	1.7%
78	Randolph	1.7%
79	Chittenden	1.7%
80	Norwich	1.7%
81	Searsburg	1.7%
82	Plainfield	1.7%
83	East Haven	1.7%
84	Proctor	1.6%
85	Maidstone	1.6%
86	Craftsbury	1.6%
87	Bridport	1.6%
88	Hartland	1.6%
89	Greensboro	1.6%

90	Jay	1.6%
91	Newport City	1.6%
92	Stamford	1.6%
93	Fayston	1.5%
94	Jamaica	1.5%
95	Troy	1.5%
96	Fairlee	1.5%
97	Berkshire	1.5%
98	East Montpelier	1.5%
99	Stannard	1.5%
100	Bradford	1.5%
101	Wolcott	1.4%
102	Worcester	1.4%
103	Leicester	1.4%
104	Killington	1.4%
105	Moretown	1.4%
106	Mendon	1.4%
107	Woodbury	1.4%
108	Charleston	1.4%
109	Buels Gore	1.4%
110	Westminster	1.3%
111	Guildhall	1.3%
112	Panton	1.3%
113	Marshfield	1.3%
114	Orleans ID	1.3%
115	Dover	1.2%
116	Granville	1.2%
117	West Windsor	1.2%
118	Bolton	1.2%
119	Lyndon	1.2%
120	Dorset	1.2%
121	Orange	1.2%
122	Sharon	1.2%
123	Waterville	1.1%
124	West Rutland	1.1%
125	Topsham	1.1%
126	Granby	1.1%
127	Strafford	1.1%
128	Montgomery	1.1%
129	Newark	1.1%
130	Danville	1.1%
131	Sudbury	1.0%
132	Hartford	1.0%
133	Royalton	1.0%
134	Brandon	1.0%
135	Thetford	1.0%
136	Groton	1.0%

137	Washington	1.0%
138	Warners Grant	1.0%
139	Lewis	1.0%
140	Averys Gore	1.0%
141	Ferdinand	1.0%
142	Warren Gore	1.0%
143	Averill	1.0%
144	Rochester	1.0%
145	Pownal	1.0%
146	Barre City	1.0%
147	Vershire	0.9%
148	Brattleboro	0.9%
149	Wallingford	0.9%
150	Athens	0.9%
151	Brownington	0.9%
152	Irasburg	0.9%
153	Charlotte	0.9%
154	South Hero	0.9%
155	Wheelock	0.9%
156	Whitingham	0.8%
157	Brookfield	0.8%
158	North Hero	0.8%
159	Victory	0.8%
160	North Bennington	0.8%
161	Windsor	0.8%
162	Shaftsbury	0.8%
163	Westmore	0.8%
164	Albany	0.8%
165	Sheffield	0.8%
166	Derby	0.8%
167	Franklin	0.8%
168	Shaftsbury ID	0.7%
169	Corinth	0.7%
170	Wardsboro	0.7%
171	Lincoln	0.7%
172	Eden	0.7%
173	Bethel	0.7%
174	Orwell	0.7%
175	Weathersfield	0.7%
176	Westfield	0.7%
177	Rupert	0.7%
178	Pittsford	0.7%
179	Weybridge	0.6%
180	Windham	0.6%
181	Ludlow	0.6%
182	Castleton	0.6%
183	Barnet	0.6%

184	Benson	0.6%
185	Plymouth	0.6%
186	Pomfret	0.6%
187	Readsboro	0.6%
188	Pittsfield	0.5%
189	Braintree	0.5%
190	Londonderry	0.5%
191	Clarendon	0.5%
192	Morgan	0.5%
193	Vernon	0.5%
194	Hubbardton	0.4%
195	Sunderland	0.4%
196	Lemington	0.4%
197	Cambridge	0.4%
198	Mount Holly	0.4%
199	Manchester	0.4%
200	Sandgate	0.4%
201	Putney	0.4%
202	West Fairlee	0.4%
203	Guilford	0.4%
204	Lowell	0.4%
205	Dummerston	0.3%
206	Rutland Town	0.3%
207	Richford	0.3%
208	Alburgh	0.3%
209	Bennington	0.3%
210	Newport Town	0.3%
211	Winhall	0.3%
212	Chester	0.2%
213	Waterford	0.2%
214	Chelsea	0.2%
215	Cavendish	0.2%
216	Bridgewater	0.2%
217	Tinmouth	0.2%
218	Fair Haven	0.2%
219	Stratton	0.1%
220	Concord	0.1%
221	Middletown Springs	0.1%
222	Poultney	0.1%
223	Newbury	0.1%
224	Roxbury	0.1%
225	Andover	0.1%
226	Wells	0.1%
227	Weston	0.1%
228	Rockingham	0.1%
229	West Haven	0.1%
230	Brighton	0.1%

231	Peru	0.1%
232	Walden	0.0%
233	Newfane	0.0%
234	Ira	0.0%
235	Barnard	0.0%
236	Woodford	0.0%
237	Canaan	-0.1%
238	Tunbridge	-0.1%
239	Arlington	-0.1%
240	Hancock	-0.2%
241	Peacham	-0.2%
242	Mount Tabor	-0.2%
243	Rutland City	-0.2%
244	Halifax	-0.2%
245	Landgrove	-0.2%
246	Marlboro	-0.3%
247	Springfield	-0.3%
248	Ryegate	-0.4%
249	Reading	-0.4%
250	St. Johnsbury	-0.5%
251	Pawlet	-0.6%
252	Brookline	-0.6%
253	Grafton	-0.6%
254	Norton	-0.8%
255	Somerset	-0.8%
256	Wells River	-1.1%
257	Townshend	-1.2%
258	Bloomfield	-1.3%
259	Glastenbury	-1.9%