



# **Tax Increment Financing District Program**

## **Application Instructions**

Vermont Economic Progress Council  
National Life Office Building, 6th Floor  
1 National Life Drive  
Montpelier, VT 05620-0501  
(802) 828-5256

<http://www.dhca.state.vt.us/TIF/tif%20homepage.htm>

# Contact Us

Vermont Economic Progress Council staff is available to answer questions regarding this program and the preparation of your application. Municipal officials must contact VEPC staff and review all available material regarding the TIF District program well in advance of beginning the process to establish a TIF District and applying to VEPC for utilization of incremental education property tax revenue.

## **Program information:**

<http://www.dhca.state.vt.us/TIF/tif%20homepage.htm>

## **Contact Information:**

VERMONT ECONOMIC PROGRESS COUNCIL:

Fred Kenney, Executive Director

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# APPROVAL TO UTILIZE INCREMENTAL EDUCATION PROPERTY TAX REVENUE FOR TIF DISTRICT INFRASTRUCTURE DEBT

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## OVERVIEW

A municipality may create a TIF District without State involvement and utilize only incremental municipal property taxes to repay debt and related costs. However, in that case, one hundred percent (100%) of all Education Property Tax taxes based on original value and any incremental value generated within the TIF District, during the District development and after the District is dissolved, must be paid to the Education Fund. If the scope of a TIF District project is such that the municipality anticipates utilizing incremental Education Property Tax revenue to help service infrastructure debt, then the TIF District must meet certain statutory criteria and the municipality must take certain statutory process steps, including seeking approval by the Vermont Economic Progress Council to utilize up to 75% of the incremental Education Property Tax revenue to help finance the TIF District infrastructure debt.

## STATE APPLICATION PROCESS

To utilize any incremental Education Property Tax revenue to finance TIF District infrastructure debt, a TIF District Application, including a TIF District Plan, followed by a TIF District Financing Plan, must be considered and approved by the Vermont Economic Progress Council. The state approval process also requires that certain steps and approvals occur on the municipal level. The Vermont Economic Progress Council must determine if a TIF District application and plan meet statutory approval criteria based on need (But For), process, location, and project goals, and must confirm nexus and determine what proportion of infrastructure cost can be paid with incremental Education Property Tax Revenue generated by the TIF District.

Before applying, review the following information, available on our website:

- “Creating a TIF District in Vermont”
- “TIF District Statute”
- “TIF District Definitions”

# SUMMARY OF STEPS TO OBTAIN AUTHORIZATION TO UTILIZE EDUCATION FUND REVENUE FOR TIF DISTRICT INFRASTRUCTURE DEBT

## Step 1: Learn about the program:

Municipality reviews "[Creating a TIF District in Vermont](#)," "[TIF Definitions](#)," and the "[TIF Statute](#)" before contacting VEPC or filing an application.

## Step 2: Inform VEPC of municipal interest in program:

Municipality contacts VEPC to discuss project and potential application. Contact Fred Kenney at (802)828-5256 or [fred.kenney@state.vt.us](mailto:fred.kenney@state.vt.us).

## Step 3: Seek local approval of TIF Plan:

Municipality begins the process to create and obtain local approval of a TIF District Plan. A TIF District Plan (containing the elements required by Vermont statute) must be developed locally, public hearings on the plan held, and the TIF District Plan adopted by the municipal legislative body, creating the TIF District. For more detail, see "[TIF Statute](#)" and "[Creating a TIF District in Vermont](#)."

## Step 4: Seek state approval to utilize Education Property Tax Revenue:

**File Intent to Apply:** Municipality notifies VEPC of the municipality's intent to file a TIF District application. Prior to filing a TIF District application, a municipality must first file an "Intent to Apply for TIF District Approval" form and letter to the Vermont Economic Progress Council at least 60 days before a complete application is filed. Municipality must use the form available for this purpose. If VEPC staff has not yet met with municipal officials, staff will arrange for a briefing.

**File Application:** Utilizing the VEPC TIF Application Instructions and Forms, municipality files a "TIF District Application," including a "TIF District Plan." Municipality may also file a "TIF District *Financing* Plan" concurrent with the TIF District Plan, or the TIF District Financing Plan can be filed at a later date, but must be approved by VEPC before the municipality public vote on the TIF debt ceiling. A complete application must be filed by the due dates listed for scheduled VEPC meetings ([see VEPC meeting calendar](#)), but not prior to the expiration of the 60 day "Intent to Apply" period. If the application is found to be incomplete, the municipality will have until the next application due date to file a complete application.

(Process continues on next page...)

**Step 5: VEPC Considers Application:**

If the application is found to be administratively complete, VEPC will schedule consideration of the TIF District application during the next regular meeting of the Council (normally between 9:30 a.m. and 12:30 p.m. of the fourth Thursday of the month). Or, if time constraints and application volume will not allow such scheduling, the Council may schedule consideration of the TIF District application at an afternoon meeting on the same day a regular meeting is scheduled to occur, or will schedule a special meeting. To provide adequate time for application consideration, the Council may schedule only one TIF District application per meeting. Every effort will be made to begin consideration of TIF District applications within 60 days of the receipt of a complete application and finalize consideration within 120 days. VEPC consideration will follow this outline:

**Meeting 1:** Held in applying municipality. Council will tour municipality and TIF District. Municipality invited to give presentation of TIF Plan and Application. Public invited to offer comments on *only* the determinations VEPC must make regarding TIF District. Council begins consideration of application and Plan.

**Meeting 2:** Held in Montpelier. Council continues consideration of application and Plan.

**Meeting 3:** Held in Montpelier. Council continues consideration of application and Plan and makes determinations. Additional meeting may be required if determinations cannot be made after this meeting.

After a complete application is filed and between meetings, VEPC staff and third party contractors will analyze application data and information and provide VEPC Board with information upon which statutory determinations will be based.

**Step 6: Application Approval or Denial**

If approved by the Vermont Economic Progress Council, the Council will provide the municipality with an approval document including determinations regarding the statutory criteria and a document containing the requirements to maintain the authority to utilize incremental education tax revenue for TIF District financing. If not approved by the Vermont Economic Progress Council, the Council will provide the municipality with an explanation for the denial.

**Step 7: Seek Local and State Approval of TIF District *Financing* Plan:**

**State Approval:** If a TIF District Financing Plan was not submitted concurrent with the TIF District Plan and application, in accordance with the rules and procedures established by the Vermont Economic Progress Council, municipality provides the Council with all information related to the proposed TIF infrastructure debt in a TIF District Financing Plan. VEPC will schedule consideration of a TIF Financing Plan for the next scheduled VEPC meeting following receipt of a complete TIF Financing Plan.

**Local Approval:** Seek authorization by the legal voters of the municipality to pledge the credit of the municipality for the purposes of TIF District Debt.

**Step 8: Implement TIF District and file required annual reports.**

## FILING A TIF DISTRICT APPLICATION

- Do not file an application unless a Letter of Intent had previously been filed and was filed at least 60 days prior to the application date.
- Before applying, municipal officials must meet with VEPC staff and review all TIF District information available at: <http://www.dhca.state.vt.us/TIF/tif%20homepage.htm>. The meeting with VEPC staff can occur before or after a Letter of Intent to File is submitted.
- A complete application must be filed before 4:00 p.m. of the due date for the monthly meeting at which you would like the application consideration to begin. The VEPC monthly meetings are normally on the fourth Thursday of the month and the application due date is the preceding first Friday of the month. To be certain of VEPC meeting dates, which are subject to change, check VEPC's meeting calendar or contact VEPC staff: <http://economicdevelopment.vermont.gov/Programs/VEPC/VEPCMeetings/tabid/151/Default.aspx>
- If application volume warrants, VEPC may schedule a special meeting.
- Applications must be considered administratively complete by VEPC staff to be placed on the VEPC meeting agenda and in the application queue.
- **IMPORTANT:** With the exception of data spreadsheets, all application documents, including the Letter of Intent, and *any* documents submitted in relation to the application (i.e. correspondence, studies, reports, etc.) must be submitted both:
  - Electronically, on a CD, in .PDF format

*And,*

  - In hard copy (1 copy), by mail or hand delivery to:  
**Vermont Economic Progress Council  
National Life Building, 6<sup>th</sup> Floor  
1 National Life Drive  
Montpelier, VT 05620-0501**

**Submit data spreadsheets in MS Excel format in case we need to manipulate data. All application information will be posted on our website. We will translate spreadsheets into PDF format before posting.**

## **GENERAL INSTRUCTIONS:**

- The application forms are meant to be filed out on the computer, not by hand. We suggest you print out these instructions (double-sided of course, to save paper!) to follow as you prepare the application. Download the application forms to your computer, use “Tab” to move between fields and be sure to save the document to your computer when completed.
- The application includes 10 forms and many required attachments. For your convenience, the application includes a checklist (TIF Form 10) of all forms and required attachments. Review your completed application to ensure all forms and required attachments are included. The checklist includes space for you to list any additional attachments.
- For your convenience, a set of spreadsheet templates has been developed for any data attachments required by the application. You may use these templates or your own spreadsheets. If you use your own spreadsheets, they must contain all required data and information. All spreadsheets must be submitted in unlocked, MS Excel format in case we need to manipulate the data. Note that the Spreadsheet file available at: <http://www.dhca.state.vt.us/TIF/tif%20homepage.htm> has multiple tabs with one spreadsheet on each tab. The first tab contains the instructions for all the spreadsheet templates.
- All application information will be posted on our website. Spreadsheets will be converted to .pdf format before being posted.
- All spreadsheets or tables with columns and rows that generate totals *must* include the calculated totals. See instructions for specific details regarding required spreadsheets/tables.
- Label all attachments with the attachment name and number that corresponds with the application, and include the municipality name and date of application submission, such as:

“Town of Somewhere TIF Application October 25, 2009  
Attachment 4A: Statement of Purpose”

The municipal name and date can appear in a header or footer, the attachment number and label should be a page title.
- If the application refers to a study or report, and the report is *not* available on the Internet, include a copy of the entire study or report, *not just the section to which the application referred*. If the report or study is available on the Internet, provide just the URL, and indicate the page number for the information referenced.
- All maps must include a map label, date produced, key, scale, and compass, and be submitted in .pdf format. Also, indicate on TIF Form 1 the name and contact information for the person we can contact regarding any map issues. Any maps that include a boundary (municipal, TIF District, other designations) must be accompanied by a shapefile (.shp) or key markup language (.kml) format file of the boundary(ies). The Shapefile must contain the following attributes: Year, contact name, phone and email address.

## **SPECIAL INSTRUCTIONS REGARDING CALCULATIONS**

### **Calculating TIF revenue projections:**

Your calculation of future property tax revenue should include a factor to determine the increase or decrease in the tax rates for municipal property taxes and education property taxes. The municipality should estimate the tax rate for future years based on historic data and/or the advice of listers or assessors or consultants. The education property tax rate should be adjusted for each year forecasted based on the factors listed on the "Long-term Inflation Forecast" document posted on our website at: <http://www.dhca.state.vt.us/TIF/tif%20homepage.htm>.

To use the factors, start with the Education Property Tax rate for the last year for which an actual rate is known and apply the escalator rates annually and continuously. For example, if Education Property Tax rate for your municipality for 2009 is \$1.00, using the escalator rate document, the escalator for 2010 is -1.9. The formula is  $\$1 * (1+(-.019)) = \$0.981$ . For 2011, the formula would be  $\$.981 * (1+.004) = .985$ , and so on

### **Timelines and Deadlines:**

Take the following into account when preparing any revenue projections:

- The TIF District is created as of April 1 *of the year* voted by the municipal legislative body (24 VSA §1894(a)(1)). If the body votes to create the District on October 15, 2009, the TIF District exists as of April 1, 2009. If they vote on March 15, 2010, the TIF District exists as of April 1, 2010.
- A TIF District exists until all TIF District debt is retired (24 VSA § 1894(a)(3)).
- The "original taxable value" (OTV) or base value of the TIF District is determined by the value of the properties within the District on April 1 *of the first year* (VSA 24 §1895). If the District is created after April 1, 2009, the OTV is set on April 1, 2010, and the first year any increment is generated is the Grand List value as of April 1, 2011 (the increment being the difference between the Grand List value on April 1, 2011 and April 1, 2010).
- To avoid the need to have the TIF Plan re-approved by VEPC, the municipality must incur TIF District debt within five years after the District is created (24 VSA §1894(a)(2)). If the TIF District is created as of April 1, 2010, debt must be incurred before 12:01 a.m. on April 1, 2015. If no debt is incurred during this time, the municipality must resubmit a TIF District Plan and TIF Financing Plan for re-approval. Then the five-year period recommences. This will not be considered a new application or a new TIF District.

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## TIF APPLICATION INSTRUCTIONS (CONT.): GENERAL APPLICATION INSTRUCTIONS

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- The municipality can incur debt against anticipated property tax revenues of the TIF District any time for up to 20 years starting the April 1 that the TIF District is created (24 VSA §1894(a)). However, the period during which the incremental *education property tax* revenue can be retained to pay for TIF debt is limited and the debt against which incremental education property tax revenue can be used must be incurred during a limited period (24 VSA § 1894(b)). In effect, education property tax revenues can only be retained after the first incurrence of debt, TIF debt must be incurred within five years after creation of the TIF District, and education property tax revenues can only be retained for 20 years starting when the first debt is incurred.
- Any TIF debt incurred may be retired over any period authorized by the municipal legislative body (24 VSA §1894(a)(1)).
- *Only* debt incurred during the five year period after the creation of the TIF District can be financed using *education property tax* revenues retained and escrowed during the 20-year retention period that begins when the first debt is incurred (24 VSA §1894(b)). If TIF debt is incurred *after* the five-year period following the creation of the TIF District, it must be financed with only incremental municipal property taxes or by other means.
- In accordance with 24 VSA §1894(b), the 20 year retention period during which incremental education property tax revenues can be retained and escrowed to pay for TIF debt *cannot* begin until the initial date that the first TIF debt is incurred. The initial debt must be incurred within five years after the District is created by the municipality. Therefore, while there may be incremental education property taxes generated starting the Grand List year following the creation of the TIF District, 100% of the Education Tax revenues must continue to go to the Education Fund until the Grand List year following the year in which the first TIF debt is incurred.

### APPLICATION HINTS AND HELPS

Look for the following application hints and helps throughout the application instructions:

Statutory References:



Administrative Definitions of Terms:



Other Help:



**Line-by-Line-Instructions:**

**Line 1:** Enter the name of the applicant municipality.

**Line 2:** Enter the name of the municipal application contact person. This is the person who is working on and should be contacted with questions about this application. Include *all* requested contact information, including a *phone extension number* if required to reach the contact person.

**Line 3:** Answer “Yes” or “No” to the question, “Is the municipal application contact person the same person we should contact regarding the maps that are included with the application.” The contact person regarding maps should be the person who prepared them or the person with technical mapping expertise that we can contact if there are technical issues with the maps. If this is someone different than the application contact, fill in the contact information for that person.

**Line 4:** Enter the names and contact information for the two municipal officials who will authorize and certify the application information on TIF Form 2. See TIF Form 2 instructions for who must sign application.

**General Instructions:**

Two municipal officers must sign the application certifying that all information in the application, including the But For statement (if required), and all attached documents in support of this application are true, correct and complete to the best of their knowledge.

Signatories should include a municipal administrator such as the town manager or highest level administrator and an elected official, such as the mayor, chair of the select board or city council or another select board member or city council member.

If the municipality has a town manager or other official authorized by the municipality to enter into contracts on behalf of the municipality, that person should be the administrator signatory.

**Line-by-Line Instructions:**

Fill in date, name, and title electronically. Print out form and have administrative and elected municipal officials sign TIF Form 2. Submit the signed forms with the hard copy of your application. Also, scan in the forms for electronic submittal.

**General Instructions:**

The Vermont Economic Progress Council is required to consider several very technical and detailed issues and sets of data to make the TIF District determinations required by statute. The Council is authorized to engage third party experts and specialists to assist with the examination of the TIF District application data and information and charge the municipal applicant for these costs (Act 47 §6 H136 2009). The time and services required will vary depending on the location and project criteria the application is addressing, the level of proportionality analysis required, and other factors.

The full cost of the contractor time and services will be borne by the municipality. An application fee of \$5000.00, which serves as a deposit toward the total cost of these services, is due with the application. The municipality will be billed by the State for the balance of the total cost of services.

The application fee and the total cost of these contracted professional services are considered "related costs" as defined by 24 VSA, §1891(6). Therefore, an estimate of these costs should be included in the application's delineation of TIF District "related costs" (See Attachment 6R). The municipality may recover related costs from future TIF District tax revenues.

If however, the application is denied, or another approval required to retain incremental property tax revenue for TIF debt fails, or, there is a failure of the TIF District to generate incremental property tax revenues, the Application Fee and total costs paid to the State by the municipality for professional services related to the TIF District Application, are *not* refundable.

**Line-by Line-Instructions:****ATTACHMENT 3A: Application Fee:**

Check box and attach a check payable to "State of Vermont" in the amount of \$5000.00. In the check notation, state: "TIF Application Fee, [municipal name]".

**General Instructions:**

For a municipality to create a TIF District, Vermont statute requires that the municipal legislative body find that doing so will serve the public purposes of a TIF District as stated in statute:

*The purpose of tax increment financing districts is to provide revenues for improvements that serve the district and related costs, which will stimulate development or redevelopment within the district, provide for employment opportunities, improve and broaden the tax base, or enhance the general economic vitality of the municipality, the region, or the state. (24 VSA §1893)*

**Line-by Line-Instructions:**

**Attachment 4A: Statement of Purpose:** Check box and attach a narrative that explains how the creation of this TIF District will meet the statutory statement of purpose, including how real property development and redevelopment will be stimulated, how employment opportunities will be provided and expanded, how the tax base will be improved and broadened, and how the general economic vitality of the municipality, region, and/or state will be enhanced.

**Attachment 4B: Municipal Finding:** Check box and attach a copy of the finding adopted by the municipal legislative body, as required by 24 VSA §1892.

**Attachment 4C: Evidence of Vote:** Check box and attach evidence that the finding has been adopted by the municipal legislative body and that body voted to create the TIF District. This evidence can be in the form of:

- Copy of municipal legislative resolution; and/or
- Copy of meeting minutes, with vote.

**Attachment 4D: Employment:** Check box and attach table summarizing the employment within the TIF District at the time the District is created. You may use model table 4D for this purpose.

*Upon a finding that such action will serve the public purposes of this subchapter, the legislative body of any municipality may create within its jurisdiction, special district or districts to be known as tax increment financing districts. They shall describe the district by its boundaries and the properties therein and shall show the district boundary on a plan entitled "Proposed Tax Increment Financing District (municipal name), Vermont." The legislative body shall hold one or more public hearings, after public notice, on the proposed plan. (24 VSA §1892)*

**But For (Need) Criteria (32 VSA §5404a(h)(1)):****General Instructions:**

Unless the TIF District is located within a growth center designated under 24 VSA §2793c, VEPC must determine that the new real property development or redevelopment within the TIF District would not occur, or would occur in a significantly different and less desirable manner, but for the development or redevelopment of public infrastructure, and that the public infrastructure would not be built or improved unless financed with the incremental municipal property tax revenues and state education property tax revenues.

*VSA 32 §5404a(h)(1): Criteria for approval. To approve utilization of incremental revenues...the Vermont economic progress council shall...:*

*(1) Review each application to determine that the new real property development would not have occurred or would have occurred in a significantly different and less desirable manner but for the proposed utilization of the incremental tax revenues. A district created in a designated growth center under 24 V.S.A. § 2793c shall be deemed to have complied with this subdivision. The review shall take into account:*

*(A) The amount of additional time, if any, needed to complete the proposed development within the tax increment district and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing.*

*(B) How the proposed development components and size would differ, if at all, without education property tax increment financing.*

*(C) The amount of additional revenue expected to be generated as a result of the proposed development; the percentage of that revenue that shall be paid to the education fund; the percentage that shall be paid to the municipality; and the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for development of the tax increment financing district.*

(TIF Form 5 Instructions continue on next page...)

The But For review must take into account:

- The amount of additional time, if any, needed to complete the proposed development within the TIF District and the amount of additional cost that might be incurred if the project were to proceed without TIF District financing that includes the utilization of incremental education property tax revenues.
- How the proposed development components and size would differ, if at all, without TIF District financing that includes the utilization of incremental education property tax revenues.
- The amount of additional revenue expected to be generated as a result of the proposed development; the percentage of that revenue that will be paid into the education fund, the percentage that shall be paid to the municipality, and the percentage of that revenue paid to the municipality that will be set aside by the municipality to pay for financing debt incurred for the development of infrastructure serving the TIF District.

If the TIF District is located within a growth center designated under 24 VSA §2793c, it is deemed to have met the But For requirement. The entire TIF District must be located entirely within the boundaries of the approved Growth Center.

(TIF Form 5 Instructions continue on next page...)

**Line-by-Line Instructions:****Line 1: Growth Center Designation Approved:**

Insert an "X" in the box on **Line 1** of TIF Form 5 if the proposed TIF District is *within* a Growth Center designated under 24 VSA §2793c.

**Line 2: Growth Center Designation Applied For:**

Insert an "X" in the box on **Line 2** of TIF Form 5 if the proposed TIF District is within an area for which the municipality has filed an application for a Growth Center to be designated under 24 VSA §2793c. Then indicate the date that the application was submitted and the date by which designation is expected (i.e. date the Extended Downtown Board will consider the application).

**Line 3: TIF District is not Within a Designated Growth Center:**

Insert an "X" in the box on **Line 3** of TIF Form 5 if the proposed TIF District *is not or will not be* within an area which has been or will be designated as a Growth Center designated under 24 VSA §2793c.

**Attachment 5A: Growth Center Approval Document:** If you checked Line 1, check Attachment 5A and attach the "Decision to Approve" document issued by the Vermont Expanded Downtown Board.

**Attachment 5B: Municipal and Designated Areas Map:** If you checked Line 1 *or* 2, check Attachment 5B and attach a map that indicates in varying colored boundaries the entire municipality, the approved or proposed Designated Growth Center, and the TIF District.

(TIF Form 5 Instructions continue on next page...)

**Attachment 5C: But For Narrative:** If you checked Line 3, check Attachment 5C and attach a narrative explanation regarding why the new real property development or redevelopment within the TIF District would not occur or would occur in a significantly different and less desirable manner, but for the development or redevelopment of public infrastructure and why the public infrastructure would not be built or improved except for the proposed utilization of incremental municipal property tax revenue and state education property tax revenues.

The But For explanation **must** also provide information regarding:

- The amount of additional time, if any, that would be needed to complete the proposed infrastructure development and real property development within the District and the amount of additional cost that might be incurred if the infrastructure projects were to proceed without TIF financing; and
- How the proposed real property and infrastructure development components and size would differ, if at all, without TIF financing.

If the But For explanation is in regards to a project that would occur in a “significantly different and less desirable manner,” the explanation **must** include details on the significance of the difference and desirability.

**"significantly different and less desirable" = The expected real property development or redevelopment would occur in a manner that:**

- provides less positive impacts such as less net revenues to the State
- results in fewer new jobs;
- results in more undesirable growth or growth in an area that is less desirable;
- would require a longer time to accomplish the desired development or redevelopment;
- would require a longer time to encourage private investment;
- would result in more public than private investment;
- would result in the development of fewer public amenities;
- would result in an overall project that is smaller in scope; or
- results in another similar different and less desirable comparison to the desired development outcome.

(TIF Form 5 instructions continue on next page...)

**Attachment 5D: Municipal Budget Data:** If you checked Line 3, also check Attachment 5D and attach a table summarizing the municipality's annual operating budget for the previous ten years, the current budget year, and the next budget year, if that budget has been proposed as of the date of application.

**Attachment 5E: Capital Budget Data:** If you checked Line 3, also check Attachment 5E and attach a table summarizing the municipality's annual capital budget (if one exists) for the previous ten years, the current budget year, and the next budget year, if that budget has been proposed as of the date of application.

**Attachment 5F: Municipal Debt Load:** If you checked Line 3, also check Attachment 5F and attach a table summarizing all municipal debt (bond and other debt) for which the municipal voters are and were responsible for the previous ten years, the current budget year, and the next budget year, if that budget has been proposed as of the date of application. Break the debt down by type, such as "municipal," "school," etc., by kind of debt (bond or other debt), and provide total for each year (total taxpayer debt service load).

You may use the sample Tables 5D, 5E, and 5F available on our website or your own table or spreadsheet as long as it contains the required data. Sample tables are available at:  
<http://www.dhca.state.vt.us/TIF/tif%20homepage.htm>

**Attachment 5G: Other Data:** If you checked Line 3, check Attachment 5G and list and attach any other documents, tables, spreadsheets, or other information that you believe supports and reinforces your But For statement (optional).

**Process Criteria (VSA 32 §504a(h)(2)):****General Instructions:**

VEPC must determine that each applicant meets **ALL** four of the following requirements:

1. The municipality has held public hearings and established a TIF District in accordance with 24 VSA §§ 1891- 1900.
2. The municipality has developed a TIF District plan that includes:
  - Project description;
  - All information required for local approval (24 VSA §1892 and §1898(e));
  - A development financing plan (development of public infrastructure);
  - A pro forma projection of expected costs (including “related costs”);
  - A projection of revenues;
  - A statement and demonstration that the project meets the But For;
  - Evidence that the municipality is actively seeking or has obtained other sources of funding and investment in the project; and
  - A development schedule including a list, cost estimate, and schedule of public improvements and projected private development that will occur as a result of the TIF District improvements.
3. The municipality has approved or pledged incremental municipal tax revenues for TIF purposes in the same or a higher proportion as education tax revenues.
4. The proposed infrastructure improvements and the projected development or redevelopment are compatible with approved municipal and regional development plans and the project has clear local and regional significance for employment, housing, and transportation improvements.

The development and adoption of a TIF District Plan and other steps in the Process Criteria must be undertaken by the municipality regardless of whether the municipality will seek to utilize incremental Education Property Tax revenues to pay TIF debt. The content of a TIF District Plan for which only municipal tax revenue will be utilized is not described in statute. The content of a TIF District Plan for which approval is sought to utilize incremental education fund revenue must contain the elements required by these application instructions in order for VEPC to make the determinations required by statute.

Some of the information required in the TIF Plan (Attachments 6D-6Y) will also allow the Council to determine if there is nexus between the infrastructure projects and real property development and determine appropriate proportionality, as required by statute.

*The legislative body may pledge and appropriate in equal proportion any part or all of the state and municipal tax increments received from properties contained within the tax increment financing district for the financing for improvements and for related costs in the same proportion by which the infrastructure or related costs directly serve the district at the time of approval of the project financing by the council, and in the case of infrastructure essential to the development of the district that does not reasonably lend itself to a proportionality formula, the council shall apply a rough proportionality and rational nexus test. (24 VSA §1897(a))*

## **Nexus**

VEPC must determine that the public infrastructure improvements that will be financed with incremental municipal and education property tax revenue will serve the TIF District, regardless of where the infrastructure will be physically located. This means that the planned public infrastructure must have nexus with the real property development or redevelopment that is expected to occur within the confines of the TIF District boundaries and/or support the overall goals of the TIF District. Applicant municipalities are responsible for explaining and providing evidence (which is included in TIF Plan requirements) to support nexus (a connection or link) between the public infrastructure to be paid for by TIF District incremental revenue, the real property development that is expected to occur within the TIF District, the parcels that are included in the TIF District, and/or the overall goals of the District.

## **Proportionality**

VEPC must determine the proportion of the public infrastructure costs and related costs that can be paid with incremental municipal and education property tax revenues. The formula will be calculated using the total costs of the infrastructure and related costs and the data provided by the municipality indicating how the infrastructure and related costs serve the TIF District. The amount of the public infrastructure costs (or related costs) that can be financed with incremental municipal and education property tax revenues will be in direct proportion to the portion of the public infrastructure improvement which serve the TIF District. The information to allow VEPC to make this determination is included in the TIF District Plan requirements.

## **Line-by-Line Instructions:**

Enter an "X" for each item that is completed and attached to the application. If you cannot enter an "X" for an item under Process Criteria, your application will not meet the requirements to qualify for utilization of Education Property Tax revenue for the TIF district.

## Evidence that the municipality has held public hearings and established a TIF District in accordance with 24 VSA §§ 1891- 1900:

**Attachment 6A: Public Hearings:** Check box and attach copies of evidence that the municipal legislative body held properly warned public hearings regarding the TIF District Plan (24 VSA §1892), including:

- Public Hearing notices
- Meeting Agendas
- Meeting minutes
- Media accounts of public meetings (if they exist)

**Attachment 6B:** TIF Plan Recording Certification: Check box and attach a certification from town clerk or town lister or assessor that TIF District Plan was recorded after it was approved by the municipal legislative body. This can be in form of a letter signed by town clerk, lister, or assessor, or a form the town uses to record such actions by the municipal legislative body (resolution, etc.).

*When adopted by the act of the legislative body of that municipality, the plan shall be recorded with the municipal clerk and lister or assessor. (24 VSA §1892(b))*

**Attachment 6C:** Original Taxable Value Certification: If the TIF application is submitted after April 1 of the first year after the creation of the TIF District, check box and attach a copy of the certification by the town lister or assessor of the original taxable value (OTV) including the date and time established and certified (24 VSA §1895). If April 1 of the first year has not yet passed, submit a certification of the taxable value for the Grand List Year for the latest year available. Then the OTV certification must be submitted with the TIF Financing Plan and the TIF Financing Plan must include any revised data for the updated OTV. For example, if the TIF District was created on May 1, 2010, submit a certification for the Grand List Year that includes May 1, 2010. That would be the latest Grand List available at that time. Then, when the Grand List is established for the April 1 of the first year, the actual OTV must be submitted with the TIF Financing Plan.

*On or about 12:01 a.m., April 1, of the first year the lister or assessor for the municipality shall certify the assessed valuation of all taxable real property within the district as then most recently determined, which is referred to in this subchapter as the "original taxable value," and shall certify to the legislative body in each year thereafter during the life of the district the amount by which the original taxable value has increased or decreased, and the proportion which any such increase bears to the total assessed valuation of the real property for that year or the proportion which any such decrease bears to the original taxable value. (24 VSA §1895)*

**Evidence that the municipality has developed a TIF District Plan:**

**Attachment 6D: TIF District Overview:** Check the box and attach a narrative TIF District overview that includes:

- Statement of Purpose
- A narrative description of the TIF boundaries.
- A narrative explaining why a TIF District and public financing are required to accomplish the public infrastructure improvements and why the public infrastructure improvements are required to encourage the expected private development. This is required even if TIF District is within a Growth Center.
- A narrative description of the parcels encompassed by the District, giving amounts and percentages compared to the rest of the municipality, such as the total acreage, number of parcels, total assessed value, homestead vs. non-homestead, types of property use (residential, commercial, retail, industrial) and other relevant information that provides a factual perspective of the District compared to the rest of the municipality. Also include information regarding other designated areas of the municipality, such as zoning, water districts, sewer districts, or other areas, encompassed by the District.
- A narrative description of the public infrastructure projects planned, summarizing types of infrastructure, development timelines, cost estimates, and the municipality's perspective on why these projects are required to improve the District area and encourage real property development within the District.
- A narrative description of the private sector development that is expected to occur because of the public infrastructure improvements, including the types of development expected, and the municipality's perspective on how the expected development meets the statutory purpose of a TIF District.
- A narrative summary of the TIF District financing plan (preliminary) including an overview of the schedule for plan approvals, incurring debt, infrastructure development and real property development, a summary of types of debt instruments expected to be utilized, and summary of other potential sources of project revenue that have been obtained or sought (include fees, grants, private developer participation, etc.).
- A detailed narrative regarding the market viability of the real property development - residential, commercial, office, retail and/or industrial - expected to occur within the TIF District as a result of the public infrastructure improvements. The narrative should include detailed information on the potential for the properties to be developed, marketed and utilized as presented in the TIF Plan and on the schedule included in the TIF Plan. The narrative should refer to any credible, current supporting materials on market viability, including market studies undertaken by the municipality (i.e. housing needs studies) or market studies prepared by or for the real property developers, or development review board testimony, or any other evidence or testimony on market viability prepared by or for the property developers or the municipality.

**Attachment 6E: Region Map:** Check the box and attach a map that indicates the municipal boundaries in relation to the region (i.e. county) and major regional transportation routes.

**Attachment 6F: Municipal and Designated Areas Map:** Check box and attach a map indicating the municipal, TIF District, and any other designated area boundaries using varying colored boundaries. (If Attachment 5B is already included, that map will cover this requirement.)

**Attachment 6G: Parcel Listing:** Check box and attach a table listing all parcels encompassed by the TIF District boundaries, including an indication of the Grand List Year utilized for parcel values, and columns stating:

- Parcel ID# (if utilized by municipality)
- SPAN #
- Property Owner(s) name(s)
- 911 Address
- Any clarifications or comments required regarding the parcel
- Current assessed value of the parcel (including a column total that should match the total assessed value or Original Taxable Value for the TIF District as certified in Attachment 6B)

**Attachment 6H: Public Infrastructure Projects:** Check box and attach a table listing all public infrastructure projects planned that will serve the TIF District, with columns stating:

- Infrastructure project name
- Location: including address(es) of the project, and/or using a description of general area(s) to be impacted, such as by street, neighborhood, or by reference to any designated areas such as zoning, water, sewer or other districts.
- Estimated Year of Construction
- Estimated Total Construction Costs for Entire Project even if other revenue sources are involved (In current dollars)
- Estimated Construction Contingency Costs
- Estimated Soft Costs (engineering, administrative, legal, land acquisition, etc.)
- Total Project Cost (in current dollars)
- Total Project Cost in Year of Construction Dollars (indicate % increase assumed each year).
- Proposed Proportionality:
  - Level 1: Total Project proportioned between the applicant municipality and any other municipalities involved.
  - Level 2: Of costs attributed to applicant municipality, proportion of costs that can be attributed to the TIF District and costs that are attributed to other areas of the municipality or cannot be directly attributed to the TIF District.
  - Level 3: Of the costs attributed to the TIF District, proportion to be paid with TIF Revenues and proportion to be paid with other sources of revenue by the municipality.

The assignment of proportions will be reviewed by VEPC in detail. See Proportionality section of Application Instructions for more detail. You will provide a justification for these proportion in Attachment 6K.

**Attachment 6I: Public Infrastructure Projects, by Type:** Check box and attach a table summarizing the infrastructure costs listed in Attachment 6H, by type of infrastructure (i.e. water, sewer, transportation and subtotals for subcategories such as parking, lighting, sidewalks, under transportation), and with subtotals of costs to be paid with TIF revenue and costs to be paid by other sources of revenue.

**Attachment 6J: Public Infrastructure Project Costs, by Year:** Check box and attach a table summarizing the infrastructure costs listed in Attachment 6H, by year of construction.

**Attachment 6K: Public Infrastructure Projects, Impact and Nexus:** Check box and attach a table listing the same public infrastructure projects listed in Attachment 6H, with columns stating:

- Project Name (Use same names as Attachment 6H)
- Whether the project is located completely within (“CW”), partially within (“PW”), or completely outside (“CO”) the TIF District.
- If partially within, provide percentage that is within the TIF District boundaries.
- Description of project scope.
- Impact on the Overall TIF District Purpose and Outcome: For each project, characterize the impact of the infrastructure project **on the overall TIF District purpose and outcome**, as described by the Statement of Purpose included in Attachment 4A, using the following three sets of descriptors: “**Direct, Indirect, or None;**” “**Essential, Somewhat Essential, or Not Essential;**” “**Major, Minor, None.**”
- Impact on any expected real property developments: Provide a narrative that describes which expected real property developments will be impacted by the infrastructure project and describe the impact on that **real property development** using the following descriptors: “**Direct, Indirect, None;**” “**Essential, Somewhat Essential, Not Essential;**” “**Major, Minor, None.**” Indicate the impact descriptor in parenthesis and using abbreviations, after listing the real property development. For example: “(D, E, Ma)” indicating the infrastructure has a Direct and Major impact and is essential.
- List any studies, analysis, or reports supporting the need for **project or impact of project** (i.e. land-use, transportation study, etc.) and indicate if the report is attached or give URL if it is available on the Internet.
- List any studies, data, or other information supporting the **proportion** of infrastructure costs the municipality has attributed to TIF real property development (traffic studies, water flow studies, etc.) and indicate if the report is attached or give URL if it is available on the Internet.
- Provide a brief justification for the proportionality indicated by the municipality.
- List revenue source other than TIF revenue expected to pay for infrastructure and the status of that revenue source. Other revenue sources can include Federal or state earmarks or grants or other fees the municipality has in place or plans to enact, such as special assessments, water district fees, wastewater fees, etc.

**Attachment 6L: Real Property Development Projects Info:** Check box and attach a table listing all expected real property development, with columns stating:

- Project Name
- SPAN #
- Address(es) or description of location
- Tax Map# and Parcel#
- Zoning District
- Description of project (size, what will be developed, number and type of units, expected use, etc.)
- Characterization of Project: Indicate whether this is a known plan ("Known") or the projections in Attachment 6M are build out projections based on current allowed land use ("Current-") or future allowed land use ("Future-") and indicate the current or future allowed land use (i.e. "Current-Residential" or "Future-Commercial"). Use of "Future-" indicates that the municipality plans to change the existing land use zoning before the implementation of the TIF, which should be explained in the TIF Overview (Attachment 6D).
- Status of project construction, permitting, and any comments regarding why project has not proceeded to date.
- Summarize the findings of any studies, analysis, or reports on the need for project or impact of project (i.e. housing study; land-use, etc.) and indicate if the report is attached or give URL if it is available on the Internet.
- List the public infrastructure projects that will impact this project, describe the impact and provide a description of why the infrastructure project will encourage this project.

**Attachment 6M: Real Property Development Projects Data:** Check box and attach a table listing the same real property development projects included in Attachment 6L, with columns stating:

- Project Name (Use same names as Attachment 6L)
- Projected Residential Development (in Square Feet).
- Projected Commercial Development (in Square Feet).
- Projected Industrial Development (in Square Feet).
- Projected Total New Development (in Square Feet).
- Original Assessed/Baseline value of property (Indicate Base Year in column header)
- Estimated Year that development/redevelopment commences
- Estimated Assessed Value of property after new development/redevelopment is completed
- Estimated Increase in Value from Baseline
- For each project, provide a land use code from the following: Residential Homestead ("RH"), Residential Non-Homestead ("RN"), Commercial ("C"), Industrial ("I"). If mixed, enter the mix (i.e. RN,C)
- Estimated % of New construction – Homestead
- Estimated % New construction – Non-Homestead
- Estimated Incremental Value- Homestead
- Estimated Incremental Value – Non-Homestead
- Ensure that the data columns include totals

**Attachment 6N: Summary of Incremental Property Taxes:** Check box and attach a table summarizing the expected incremental property tax revenues to be generated each year (with years listed as rows), and with columns stating:

- Estimated municipal increment
- Estimated Homestead increment
- Estimated Non-homestead increment
- Estimated total increment
- Estimated Municipal Property Tax to General Fund (with percentage indicated)
- Estimated Municipal Property Tax to TIF Debt (with percentage indicated)
- Estimated Education Property Tax to Education Fund (with percentage indicated)
- Estimated Education Property Tax to TIF Debt (with percentage indicated)
- Estimated Total Municipal & Education Tax to TIF Debt

Table 6N should include at least 20 years of data, but will require more years to be included, depending on when the first debt is incurred, triggering the 20 retention period. For example, if the TIF District is created in 2010 and the first debt is incurred in 2014, the table would include at least 24 years of data.

Note that model Tables available include a Table 6AA, which will calculate annual incremental revenue and feed model Table 6N summarized data.

**Attachment 6O: Summary of All Revenue:** Check box and attach a table summarizing all expected revenue sources, by year, with columns stating:

- Year
- Amount of revenue
- Source (may require more than one column – i.e. Municipal Tax Revenue; Education Tax revenue; grant; Federal earmark, etc.)
- Total Revenue Expected

**Attachment 6P: Summary of Debt:** Check box and attach a table summarizing expected debt costs, with columns stating:

- Type of debt
- Debt amount (principal)
- Expected date debt incurred
- Interest rate
- Term
- Payment Period
- Amount Paid each Payment Period
- Total Interest
- Total Debt Cost

**Attachment 6Q: Cash Flow:** Check box and attach a table summarizing total revenue and debt service, by year, with columns stating:

- Year
- Total Revenue
- Total Debt Service
- Surplus/Deficit

**Attachment 6R:** Check box and attach a table listing expected “related costs,” with columns stating:

- Related cost name
- Related cost description
- Related cost amount
- Year cost expected to be incurred

*““Related costs” means expenses, exclusive of the actual cost of constructing and financing improvements that are directly related to creation of the tax increment financing district and reimbursement of sums previously advanced by the municipality for those purposes, and attaining the purposes and goals for which the tax increment financing district was created, as approved by the Vermont economic progress council.” 24 VSA§1891(6)*

Related costs does *not* mean the direct costs of public infrastructure construction or any financing or debt costs or costs related to financing, nor do related costs include any of the following:

- Acquisition of land (this is a statutorily allowed cost included under “Improvements” and therefore can be paid for with TIF revenues, but cannot be defined as a “related cost.”)
- Construction of, extension of, additions to, or remodeling of buildings.
- Furnishings, equipment, or apparatus.
- Capitalized interest, underwriter’s discounts, funding of reserves.
- Time or services provided by employees of the municipality in the normal course of their municipal duties.
- Consultant or other costs related to the planning or preparation for other state approval or designation processes, such as a Growth Center application.

Related costs can include, but are not limited to:

- Consulting, engineering, accounting, and legal fees specific to the TIF District.
- Other professional services specific to the TIF District.
- Administration fees charged by a coordinating agency designated by the municipality.
- Administrative and organizational costs such as appropriate studies and public notification directly related to the TIF District.
- Application fee charged by VEPC for third party application analysis

You may use the sample Tables 6G – 6R and 6AA, available on our website or your own tables or spreadsheets as long as they contain the required data. Sample tables are available at:

<http://www.dhca.state.vt.us/TIF/tif%20homepage.htm>

Evidence that the municipality has approved or pledged the utilization of incremental municipal tax revenues for purposes of the district in the same or greater proportion as the utilization of education property tax revenues for which approval is sought.

**Attachment 6S: Municipal Tax Increment Split Certification:** Check box and attach a statement from the municipality stating the percentage of incremental education property tax sought to be utilized to pay TIF District infrastructure debt (up to 75%), and certifying that the level of incremental municipal property tax revenue utilized to pay the TIF District infrastructure debt will be the same or a greater percentage, and state the percentage of incremental municipal property tax revenue to be utilized.

*...no more than 75 percent of the state property tax increment and no less than an equal percent of the municipal tax increment may be used to service this debt.... (VSA 24 §1897(a))*

Evidence that the proposed infrastructure improvements and the projected development or redevelopment are compatible with approved municipal and regional development plans, and the project has clear local and regional significance for employment, housing, and transportation improvements:

**Attachment 6T: Municipal Plan Compatibility:** Check box and attach a narrative from municipality stating whether and how the proposed infrastructure improvements and the projected real property development and/or redevelopment are compatible with the municipal plan, including citation of the relevant sections of the municipal development plan.

**Attachment 6U: Significance:** Check box and attach a narrative explanation from municipality describing if and how the proposed infrastructure improvements and the projected real property development and/or redevelopment projects have clear local significance for employment, housing, and transportation improvements.

**Attachment 6V: Permits:** Check box and attach a narrative explanation from municipality indicating whether any and which local or state permits will be required for the proposed infrastructure improvements, which permits have been applied for, and a timeline for approval of the permits.

**Attachment 6W: Municipal Plan Copy:** Check box and attach one copy of most recently approved municipal comprehensive plan. If the most recently approved municipal plan is available on the Internet, also indicate the Internet URL address. If the municipality is currently in the process of updating the comprehensive plan, include the latest version and indicate the date by which the updated comprehensive plan is expected to be completed.

**Attachment 6X: Regional Plan Compatibility:** Check box and attach a signed statement from the appropriate regional planning commission. The statement must address and include:

- Whether and how the proposed infrastructure improvements and the projected real property development and/or redevelopment are compatible with the approved regional plan, with citation of the relevant sections of the regional plan; and
- A description of how the project has clear regional significance for employment, housing, and transportation improvements.

**Attachment 6Y: Regional Plan Copy:** Check box and attach one copy of the most recently approved regional plan. If the most recently approved regional plan is available on the Internet, also indicate the Internet URL address. If the regional planning commission is currently in the process of updating the regional plan, include the latest version and indicate the date by which the updated regional plan is expected to be completed.

**Attachment 6Z: MPO Plan Compatibility:** If the TIF District is located in a municipality that is within the jurisdiction of the Chittenden County Metropolitan Planning Organization, check the box and attach a signed statement from the CCMPO. The statement must address and include:

- Whether and how any proposed transportation infrastructure improvements are compatible with the approved CCMPO plan, with citation of the relevant sections of the CCMPO plan; and
- A description of how the project has clear regional significance for transportation improvements.

**Attachment 6AA: Annual TIF Revenue Projections:** Check box and attach a table listing:

- Annual Projected tax rates (See General Instructions for information on calculating future tax rates.
- Annual Projected property tax revenue, by year

You may use the sample Table 6AA, available on our website or your own tables or spreadsheets as long as they contain the required data. Sample tables are available at: <http://www.dhca.state.vt.us/TIF/tif%20homepage.htm>

**Location Criteria (32 VSA §5404a(h)(3)):****General Instructions:**

VEPC must determine that each applicant meets **ONE** of the following requirements:

1. The development or redevelopment is compact, high density, and located in or near existing industrial areas;
2. The proposed District is within an approved growth center designated downtown, designated village center, or new town center; or
3. The development will occur in an area that is economically distressed, which means the area has experienced patterns of increasing unemployment, a drop in average wages, or a decline in real property values.

**Line by Line Instructions:**

The applicant must meet *one* of the three Location Criterion.

On TIF Form 7, enter an "X" next to criterion 1, 2 or 3 to indicate which criterion is being met and attach the required information, listed below, to show compliance with that criterion only.

**Location Criterion 1: "The expected real property development or redevelopment will be compact, high density, and located in or near existing industrial areas."**

**"compact, high density":** Refers to the individual development and redevelopment projects that are expected to occur, not the overall District. New construction is predominately vertical rather than horizontal, and configured to make efficient use of land and resources, is consistent with neighboring characteristics and scale and preserves green space. Densities are greater than existing and allowed densities in comparable areas of the municipality that are outside the TIF District, or, in cases of municipalities characterized predominately by areas of existing dense urban settlement, in-fill development and redevelopment of historic districts is encouraged.

**"in or near":** "In" means within the geographical limits of the existing industrial area. "Near" means contiguous to the existing industrial area. In situations where contiguity is precluded by natural or physical constraints, adjacent areas may include lands lying close to and not widely separated from the majority of the existing industrial area.

**"industrial":** The existing development is characterized by facilities and uses considered commercial or manufacturing in nature and is zoned for industrial purposes.

Note that the statute does not define the type of development or redevelopment that is to occur near the existing industrial area; the new development is not limited to industrial development.

**Attachment 7A: Industrial Area Map:** Check box and attach a map of the municipality, indicating the municipal boundaries, TIF District boundaries, municipal zoning areas, using varying boundary colors, and with the “existing industrial area” highlighted.

**Attachment 7B: Zoning Bylaws:** Check box and attach one copy of the most recent municipal zoning bylaws. If the most recently approved municipal zoning bylaws are available on the Internet, also indicate the Internet URL address. If the municipality is currently in the process of updating the zoning bylaws for any area within the municipality, indicate the geographic area under review and whether that area is within the TIF District and provide the date by which the updated zoning is expected to be completed.

**Attachment 7C: Compact and High Density:** Check box and attach a narrative description explaining how the development and/or redevelopment that is expected to occur within the TIF District meets the definition of “compact and of high density,” (see definition above) and is located in or near an existing industrial area.

**Location Criterion 2: “The proposed TIF District is within an approved growth center, designated downtown, designated village center or new town center.”**

**Attachment 7D: Map:** Check box and attach a map of the municipality, indicating the municipal boundaries, TIF District boundaries, and boundaries of the approved growth center, designated downtown, village center, or new town center, using varying colors.

**Attachment 7E: Approval Document:** Check box and attach a copy of the Designation Approval Document issued by the Vermont Downtown Board or Extended Downtown Board as appropriate, for designations under 24 VSA, Chapter 76A, §2793 (Designated Downtown), §2793a (Designated Village Center), §2793b (Designated New Town Center), or §2793c (Designated Growth Center).

Note: If TIF District is within a Growth Center and Attachments 5A and 5B are already included, those documents will cover requirement 7D and 7E.

**Location Criterion 3: “The development will occur in an area that is economically distressed.”**

*“...for the purposes of this subdivision, distressed means that the area has experienced patterns of increasing unemployment, a drop in average wages, or a decline in real property values.” 32 VSA §5404a(h)(3)(C).*

To meet this criterion, the TIF District must include or encompass an area that has experienced *patterns* of increasing unemployment, a drop in average wages, or a decline in real property values. The Council will examine Vermont Department of Labor and Department of Taxes (PVR) data for the municipality, county, and LMA at the level for which the most recent data are available for each indicator. A "pattern of increasing unemployment" will be indicated if the data shows a continual period or several periods of increasing unemployment over the past five years. A "drop in average wages" will be indicated if the data shows that the most current average wages are lower than the average wage five years earlier. A "decline in real property values" will be indicated if the average value of the real property for the area has declined over the past five years for which data are available.

If the area is “economically distressed” because of a five-year pattern of increasing unemployment, a drop in average wages, or a decline in real property values, check the box on TIF Form 7, Part 3, *and check the boxes for as many economic indicators as apply to this TIF District.*

VEPC will examine published Vermont Department of Labor and Department of Taxes (PVR) data for the municipality, county, and LMA at the level for which the most recent data are available for each indicator.

**Attachment 7F: Economic Distress Narrative:** Check box and attach a narrative supporting the claim that the TIF area is “economically distressed” as defined by statute and supported by published economic indicators listed in statute.

**Attachment 7G (optional): Economic Distress Data:** Check box and attach data supporting the claim that the TIF area is “economically distressed.” Include the sources of your data. VEPC will use published data to verify that indicators are met, but applicant may also provide any historic data the applicant believes will support this criterion.

The Council will also consider more recent data that may not be published, if that data indicates:

- A significant, recent, negative change in unemployment, average wages, or real property values when compared to the five-year data trend; or
- A significant, recent, negative change in unemployment, average wages, or real property values as a result of a more recent localized economic event such as a major plant closing or a catastrophic event.

If the applicant claims that there has been a recent economic or catastrophic event that may not be reflected in available economic data published by government entities, check the box on TIF Form 7 Part 3, and the box indicating that there has been a recent economic or catastrophic event that may not be reflected in available economic data published by government entities, and include the following attachments:

**Attachment 7H: Recent Event Narrative:** Check box and attach a narrative including information about the recent and/or catastrophic economic event and the impact on the TIF area.

**Attachment 7I: Recent Event Data:** Check box and attach data that supports the claim there has been a recent economic or catastrophic event that may not be reflected in available economic data published by government entities. Include the sources of your data.

**Project Criteria (32 VSA §5404a(h)(4)):****General Instructions:**

VEPC must determine that each applicant/application meets **THREE** of the following five requirements:

1. The development within the District clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures.
2. The development includes housing that is affordable to the majority of the residents living within the municipality and is developed at a higher density than at the time of application. "Affordable" has the same meaning as in 10 V.S.A. § 6001(29).
3. The project will affect the remediation and redevelopment of a Brownfield located within the District. "Brownfield" is defined as an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.
4. The development will include at least one entirely new business or business operation or expansion of an existing business within the District, and the business will provide new, quality, full-time jobs that meet or exceed the prevailing wage for the region as reported by the Vermont Department of Labor.
5. The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.

**Line by Line Instructions:**

The applicant must meet *three* of the five Project Criteria. On TIF Form 8, enter an "X" next to three of the numbers 1, 2, 3, 4, or 5 to indicate which three criteria are being met and include all the required information to show compliance with that criterion.

(TIF Form 8 Instructions continue on next page...)

**Project Criterion 1: “The development within the TIF District clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures.”**

**Attachment 8A:** Check box and attach a narrative explanation indicating why the municipality believes the TIF District requires public investment over and above the normal municipal operating or bonded debt expenditures and how that debt level is substantially over and above normal for that municipality.

**Attachment 8B:** Check box and attach a table summarizing municipal operating budgets for the previous ten years, the current budget year, and the next budget year, if proposed as of the date of application (includes all funds).

**Attachment 8C:** Check box and attach a table summarizing the municipality’s capital budget (if one exists) for the previous ten years, the current budget year, and the next budget year, if proposed as of the date of application.

**Attachment 8D:** Check box and attach a table of any bonds passed or other municipal debt incurred and the amount of annual bonded or other debt service for the previous ten years, the current budget year, and the next budget year, if proposed as of the date of application.

**If the proposed TIF District is *not* within a Designated Growth Center, the applicant should have included Attachments 5D, 5E, and 5F, which satisfy the requirements of Attachment 8B, C, and D.**

**Project Criterion 2: "The development includes new housing that is affordable to the majority of the residents living within the municipality and is developed at a higher density than at the time of application."**

*"Affordable has the same meaning as in 10 V.S.A. § 6001(29)." (32 VSA 5404a(4)(B))*

**10 V.S.A. § 6001(29):**

*"Affordable housing" means either of the following:*

*(A) Housing that is owned by its occupants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the United States Department of Housing and Urban Development, and the total annual cost of the housing, including principal, interest, taxes, insurance, and condominium association fees, is not more than 30 percent of the gross annual household income.*

*(B) Housing that is rented by the occupants whose gross annual household income does not exceed 80 percent of the county median income, or 80 percent of the standard metropolitan statistical area income if the municipality is located in such an area, as defined by the United States Department of Housing and Urban Development, and the total annual cost of the housing, including rent, utilities, and condominium association fees, is not more than 30 percent of the gross annual household income."*

**"new housing"** = Any housing units that are newly constructed or a substantial renovation of existing housing units that are resold after redevelopment.

**"higher density than at the time of application"** = There will be more overall units of housing within the TIF District boundaries after the development and redevelopment occurs than there were before the TIF District was established.

**Attachment 8E: Housing Data:** Check box and attach a table regarding existing and expected housing supply, including:

- Number, type, and market value of units available within the TIF District prior to TIF District creation.
- Number of net new housing units to be built or housing units to be redeveloped as part of the TIF District real property development, including the expected market value per unit for each new or redeveloped housing unit (including principal, interest, taxes, and insurance).
- Expected total number, type, and market value available after the development occurs.

**Attachment 8F: Housing Narrative:** Check box and attach a narrative explanation of how the housing that is expected to be developed in the TIF District will be affordable to the majority of the residents living within the municipality (utilizing the data included in Attachment 8E) and will be developed at a higher density than at the time of application. Include data explaining the expected gross annual household income of the expected occupants of the new housing units and the average gross annual household income of the county in which the TIF District is located.

**Project Criterion 3: “The project will affect the remediation and redevelopment of a Brownfield located within the TIF District.”**

*“brownfield” means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.”*  
VSA 32 §5404a(h)(4)(C)

**Attachment 8G: Map:** Check box and attach a map of the municipality, indicating the TIF District boundaries, and highlighting the location of the Brownfield site within the TIF District.

**Attachment 8H: Brownfield Narrative:** Check box and attach a detailed narrative description of the Brownfield site, which hazard is present or may be present (hazardous material, pollutant, contaminant), and how the presence of the hazard would complicate the expansion, development, redevelopment, or reuse of the property.

**Attachment 8I: Brownfield Certification:** Check box and attach a certification from the Vermont Agency of Natural Resources or documentation from an environmental engineering firm or environmental consulting firm documenting the presence or possible presence of a hazardous substance, pollutant, or contaminant within the brownfields site.

**Attachment 8J: Brownfield Remediation Plan:** Check box and attach a brownfield remediation plan that includes a timeline, costs, financing mechanisms, and information regarding any involvement of non-municipal entities to remediate the brownfield.

**Project Criterion 4: “The development will include at least one entirely new business or business operation or expansion of an existing business within the TIF District, and this business will provide new, quality full-time jobs that meet or exceed the prevailing wage for the region as reported by the department of labor.”**

**"new business or business operation"** = A business that does not operate in Vermont at the time the District infrastructure is developed and will not operate in Vermont until the infrastructure is provided within the TIF District, or a new operation of a business that exists within Vermont at the time the TIF District infrastructure is developed, or the addition of new jobs by a business that does operate within the TIF District prior to the infrastructure development. Moving an existing business from other locations in Vermont to the TIF District does not constitute a “new business.” Satisfaction of the criteria is reliant on the creation of new jobs whether by a new business to Vermont, a start-up, or the addition of a new division, subsidiary or location of an existing business without the reduction of employment at the business operations within Vermont at the time the infrastructure is developed.

**provide new, quality, full-time jobs"** = The new business or the expansion of the existing business will generate new jobs at which the employees work at least 37 hours per week and will not be temporary or seasonal.

**"prevailing wage for the region as reported by the department of labor"** = The wages for the full-time jobs created must meet or exceed the prevailing wage as reported by the Vermont Department of Labor in their QCEW data as the "Annual Average Wage" for the county in which the TIF District is located and for the NAICS code for the business involved.

**Attachment 8K: New Business Narrative:** Check box and attach a narrative regarding the new business(es) or business expansion(s) that will locate within or are located within (if expanding) the District.

- If a new business is involved, include the number of new, full-time jobs expected to be created and the average wage and benefits package to be offered for those jobs, including the percentage of health care insurance premium paid by the employer.
- If an existing business(es) is/are involved, indicate the number of full-time jobs that exist within the TIF District for each business at the time of application, and include the number of new, full-time jobs to be created and the average wage and benefits package to be offered for those jobs, including the percentage of health care insurance premium paid by the employer.

**Project Criterion 5: “The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.”**

"enhance transportation" = Activities that enhance transportation include: (1) enhancing and promoting the use of bicycles and walking as viable forms of transportation by providing safe public facilities, including multi-use trails, bicycle routes, bicycle lanes, and sidewalks; (2) enhance transportation options and provide facilities that allow passengers to transfer easily and safely from one mode of transportation to another (e.g., biking to bus service); (3) Provide affordable and accessible public transportation to important destinations among outlying nodes; or (4) promote a transportation system that supports nodal, compact development patterns and reduces negative environmental impacts. Enhancing transportation also includes any activity for which "Transportation Enhancement Grants" are available through the Vermont Agency of Transportation that will result in improved traffic patterns and flow or create or improve public transportation systems in the municipality in which the TIF District is located.

**Attachment 8L: Transportation Enhancements:** Check box and attach a narrative description of the transportation enhancements and resulting transportation improvements that will occur, including, but not limited to:

- Current traffic pattern and flow difficulties.
- How traffic patterns and flow will be improved.
- Public transportation system improvements.

**Attachment 8M: Studies:** Check box and list and attach copies of traffic studies, transportation studies, or any other documentary evidence supporting current transportation difficulties and/or proposed transportation solutions.

**Attachment 8N: Transportation Enhancement Grant:** If the municipality has applied, or will apply, to the Vermont Agency of Transportation for a "Transportation Enhancement Grant," check box and attach that information or a copy of the TEG application.

The following additional attachments are required to be included by all applicants:

**Attachment 9A: Zoning Map:** Check box and attach the most recent municipal zoning map, with TIF District boundaries indicated.

**Attachment 9B: Zoning Bylaws:** Check box and attach the most recent zoning bylaws. If the most recently approved municipal zoning bylaws are available on the Internet, indicate the Internet URL address. If the municipality is currently in the process of updating the zoning bylaws for any area within the municipality, indicate the geographic area under review and provide the date by which the updated zoning is expected to be completed.

If your application is addressing the Location Criteria using Location Criteria #1, the requirements of 9A and 9B are already met by Attachments 7A and 7B.

**Attachment 9C: Other maps:** Check box and attach maps and explanatory material of any other relevant municipal districts (such as water, fire, waste water). Indicate TIF District boundaries on any maps.

**Attachment 9D: Market Viability Evidence:** Check box and attach copies of any market studies undertaken by the municipality (i.e housing needs studies) or market studies prepared by or for the real property developers, or development review board testimony, or any other evidence or testimony on market viability prepared by the developers or the municipality. If the studies are available on the Internet, indicate the URL and any page references.

**Optional:**

**Attachment 9E: Other Attachments:** Check box, list and attach any studies or reports mentioned by your application that are not already listed elsewhere in the application, or any studies or reports you deem relevant to the application or useful to the determinations that VEPC must make. If the report is available on the Internet, list the name of the report and the URL and attach one copy.

To double check that you have included all required information and attachments, complete and include TIF Form 10, "Application Checklist by Type of Document." Make sure you have included all forms and attachments required from all applicants and those that are required for the criteria you are meeting in your application.

END OF INSTRUCTIONS