

Program Overview

The state's historic tax credit program sparks revitalization by supporting building and code improvements, and is one of the primary benefits of downtown and village center designation. Annually, applicants in these communities submit well over 30 rehabilitation and renovation project applications to support total investments that exceed \$40 million.

In July 2016, the downtown board allocated \$2.25 million in tax incentives for 21 projects, supporting over \$47 million in downtown and village center construction and rehabilitation projects and leveraging \$20 for each \$1 in credits awarded. Tax credits will support fit-up improvements for Trout River Brewing Co. in Springfield, major renovation of a blighted mixed-use building in downtown Newport, rehabilitation of the Waterbury Center Grange for a community arts center, and expansion of the South Royalton Memorial library to make this historic building ADA accessible. Other project highlights include rehabilitation of a former convent and school in Montpelier by the Center for Arts and Learning; renovation of the Clement Building in downtown Rutland to house students at Castleton University; and projects that will create safe, code compliant housing in Brattleboro, St. Albans, White River Junction and Winooski.

Website: <http://accd.vermont.gov/historic-preservation/funding/tax-credits>

By the Numbers [2011 - 2016]

156

projects awarded

54

communities served

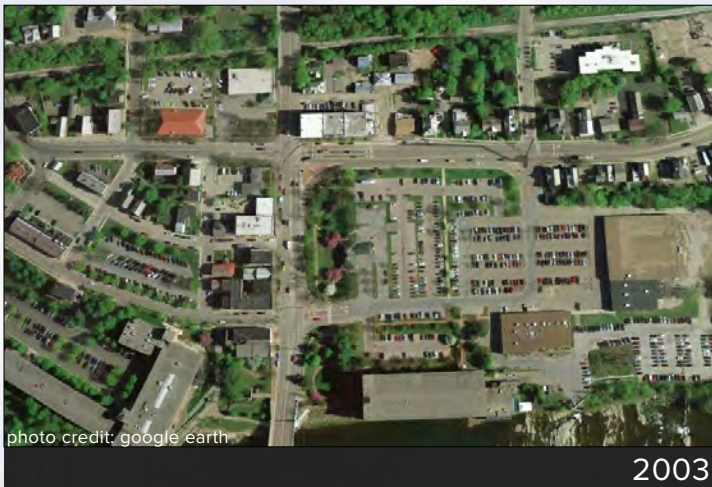
\$12.5

million awarded
tax credits

\$236

million in private
investment

Winooski - Public Investments Spark Revitalization



Across the river from Burlington, Winooski was an early center for wool processing and later a prosperous manufacturing town. However, when the mills were shuttered in the 1950s the city struggled for decades to reinvent itself. Following downtown designation in 2003, strong local leaders developed an inclusive vision and strategically used public funds to leverage private investment to transform the city. Several large tax credit projects including redevelopment of the Champlain Mill, the former Peking Duck Restaurant and the Winooski Block are attracting jobs, increasing local grand lists and improving the local housing stock. Winooski now bustles with excitement and activity, with hundreds of new housing units and downtown jobs, a popular farmer's market and thriving night life.

For more information, please contact:

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Return on Public Investment

An analysis of property values using local grand list data shows how public investment to improve buildings in designated village centers has increased property tax revenue. This investment not only revitalizes communities, it provides a permanent increase in tax revenue to support the education fund, creates jobs and housing.

Hancock General Store, Hancock

Total Project Cost: \$145,000; Tax Credits Awarded: \$19,850

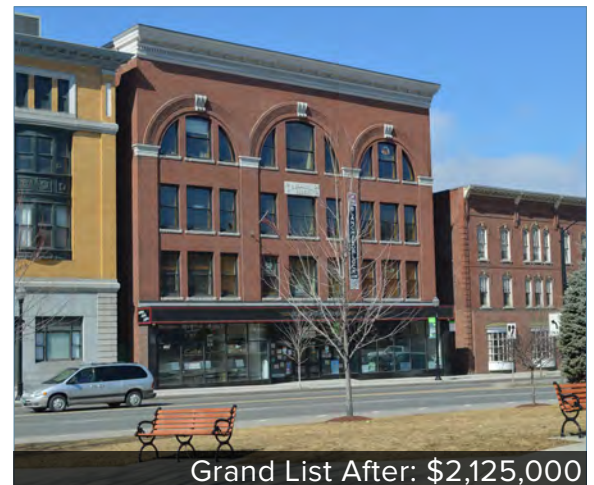
Hancock's General Store operated for over 100 years before closing in 2013. A major community hub in this small village, the loss of this business was devastating to residents. That's when new owners, locals from Hancock, stepped in to buy the building and revive this important community resource. The project required major investments to upgrade the building to meet code requirements and also included façade improvements. The store re-opened in 2016.



Blanchard Block, Barre

Total Project Cost: \$5,500,000 Tax Credits Awarded: \$287,500

Standing on a prominent downtown lot across from Barre's city hall park, the Blanchard Block (1904) was designed by prominent Vermont architect Lambert Packard. Largely vacant in 2012, tax credits provided incentive for new owners to install an elevator, sprinkler the building and complete major interior and exterior rehabilitation work. Now the five-story building provides 48,000 square feet of safe, accessible and modern commercial and office space. It is also one of several recent tax credit projects that have transformed downtown Barre.



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Overview

Across the river from Burlington, Winooski was an early center for wool processing and later a prosperous town where wool yarn and cloth were manufactured. For over a century, the textile mills fed a boom and bust local economy. At its height, the mills employed 3,000 people. However, when the mills were shuttered in the 1950s the city struggled for decades to reinvent itself. In the 1970s, well-intended urban renewal projects demolished two downtown city blocks for parking. In response to the late 70s energy crisis, local leaders seriously considered building a glass dome over downtown to reduce winter heating costs. By the 1980s, economic development efforts centered on conversion of the Champlain Mill into a shopping mall but by the early 2000s, the building was largely vacant and many viewed the city as Burlington’s poor cousin.

That’s not the case today. Winooski now bustles with excitement and activity, with hundreds of new housing units and downtown jobs, a popular farmer’s market and thriving night life.

The Challenge

After receiving state downtown designation in 2003, local officials reached out to residents to get involved and engaged in creating a new vision for Winooski. In 2004, the city set forth an action plan to create a place where people could walk to work and enjoy vibrant street life. The ambitious \$175 million “Winooski Downtown Redevelopment Project” aimed to infill and revitalize the fragmented downtown area with new multi-story, mixed-use buildings and a 1200-vehicle parking structure. The work to make it happen kicked off with financing offered by the Department of Housing and Community Development, funding from the Vermont Agency of Transportation, and the creation of a Tax Increment Financing (TIF) District to support building construction and major infrastructure improvements including new water, sewer, parking, sidewalks and streets. A new downtown in Winooski quickly emerged and its work won the city national recognition and a Smart Growth award in 2006.

The city’s close proximity to the University of Vermont and a Community College of Vermont satellite campus in the downtown spurred additional construction of new student housing and retail units. Another major local employer, the Vermont Student Assistance Corporation built a five-story office building. Mixed income apartments at Keen’s Crossing and the first of two Cascades condominium buildings rose along the riverbank. Then the recession hit. Newly constructed retail spaces remained empty and the market for condominiums dried up.

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The Solution

Undaunted, in November of 2010, the city supported negotiations between HallKeen and the Tarrant brothers to purchase the Champlain Mill for their growing software development company. “We love Winooski and we loved the historic Champlain Mill. It’s a wonderful historic building in a beautiful location,” said Brian Tarrant. “The federal and state tax credit programs were also instrumental in our decision to locate in the city, as without that financial support the project just wouldn’t have been possible.” In 2011, MyWebGrocer purchased the Mill and with the support of \$390,000 in federal and state tax credits, the rehabilitation of this major historic building was completed. Once occupied, MyWebGrocer brought over 200 jobs to Winooski and improvements to the Mill more than doubled its grand list value to over \$2 million.

More downtown housing is another big part of Winooski’s success, with 277 new units of housing since 2008. Recent tax credit projects include the rehabilitation of the former Peking Duck restaurant, originally built to house mill workers. Next up are plans to use tax credits to rehabilitate upper floor apartments at the Winooski Block — the City’s crown jewel.

By the Numbers [2006 - 2017]

\$15.2 M

awarded in VTrans
federal funding

\$1.2 M

awarded in
reallocated sales taxes

5

tax credit projects

\$29.6 M

awarded in HUD
Community Development
Block Grants and Loans

\$28.7 M

in new
construction

\$26 M

in private
investment

10%

increase in
grand list values

277

new housing units

\$1 M

awarded in tax credits

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The Results

An inclusive vision, strong local leadership and the strategic use of public funding to leverage private investment continues to pay dividends. A new downtown grocery is slated to open this fall and the city continues to pledge funding for infrastructure improvements which will be supported by the state’s sales tax reallocation program. These include a new Marriot hotel in the heart of Winooski and “The Strand,” a 1,500 seat performing arts center with retail and office space. In support of these projects, significant municipal improvements are planned. VTrans is currently working on a \$1 million project to improve the walkability of the traffic circle with narrowed vehicle lanes, improved signage, sidewalks and crosswalks. The city is also cleaning up a brownfield site and making improvements to the popular River Walk.

Winooski’s recent success is not the result of a single project or a single grant, and it didn’t happen overnight. The city’s ambitious growth plan was also not without its challenges, as the city and region continue to wrestle with the cost of housing. “The leaders and residents of Winooski had the courage and foresight to take risks in imagining what Winooski could become,” said Mayor Seth Leonard. “Our hard work is not finished, and their continued support will be needed as we build on the strong foundation that was established and work towards our bright future.”

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Overview

The City of St. Albans is flourishing, welcoming nearly 50 new businesses and 300 workers – including 140 state employees – to its historic downtown and commercial center over the past five years. This robust revitalization is no accident: businesses, property owners and municipal officials have worked together with the state to take advantage of tax incentives, grants and planning assistance through the State Designation Programs, administered by the Department of Housing and Community Development, support for transportation planning and implementation with grants administered through the Vermont Agency of Transportation and the designation of a Tax Increment Financing (TIF) District. As the city continues to move forward, the example of its recent accomplishments offers a roadmap that communities statewide can follow.

The Challenge

The success in St. Albans took time and didn't come without challenges. As with revitalization in any community, finding money to support infrastructure improvements and economic development was, for many years, an obstacle. Another challenge was determining what projects to tackle, where to invest and how best to leverage limited financial resources. "Without a plan that focused on goals supported by the community we could never have gotten the support to tackle the big projects" says Chip Sawyer, St. Albans Director of Planning and Development.

The Solution

A critical first step was a community visioning process to support their downtown which received state designation in 2004. This step was funded in part by two municipal planning grants (MPGs) – the initial \$10,500 grant was followed by a second of \$15,000 to create a downtown master plan in 2009. With downtown designation and a blueprint forward, the door opened to a number of funding sources that helped leverage taxpayer dollars and spurred private investment. Approval for a state Tax Increment Financing (TIF) District in 2012 provided yet another source of funds. "Downtown designation and support from the state, both technical and financial, were key to getting several of these projects out of the planning pages and into reality," says Sawyer.

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The Result

With a vision that city residents and city leadership could get behind, successful private/public partnerships and strategic use of public funds and taxpayer dollars, the list of recent public infrastructure and community development projects in St. Albans is impressive. These include:

- An ambitious three-year streetscape improvement project funded with the help of more than \$250,000 in state Downtown Transportation Funds and a number of grants funded through and administered by the Vermont Agency of Transportation. These included two federal TIGER grants – one for design and one for construction, Transportation Enhancement Program funds, Transportation Community and System Preservation Program funds and federal earmark funds totaling about \$2.5 million. The streetscape project included new traffic signals, sidewalks, lighting, landscaping, drainage, storm water treatment, paving, and signage.
- State tax credit projects, totaling \$1.1 million which sparked over \$7.5 million in private investment, including, the former Fishman's Department Store, the former Napoli Variety Building, and the historic St. Albans House a former hotel that had been empty for over 15 years before its recent rehabilitation.
- \$14 Million in TIF bonds to finance construction of a new parking garage, redevelopment of a brownfield site for a new downtown hardware store and construction of a new State Office Building.

The decade-long effort to revitalize St. Albans was recently capped by the announcement of a new 88-room downtown hotel to be completed in 2017. Also currently under construction and planned for the near future are additional streetscape enhancements along Main and Lake Streets to be funded with \$300,000 in Transportation Alternative Program funds and \$300,000 in Transportation Community and System Preservation Program funds. All this proves St. Albans is not resting on their past success, but continuing to create a vibrant community with a diverse economic base.

By the Numbers [2008 - 2017]

\$3.1 M

awarded in
VTrans federal funding

\$103k

awarded in
reallocated sales taxes

9

tax credit projects

\$125k

awarded in HUD
Community Development
Block Grants and Loans

\$11 M

in new
construction

\$40 M

in private
investment

\$125k

awarded in ANR Grant

\$14 M

in TIF and local bonds

\$1.1 M

million awarded in tax credits

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Overview

Several years ago, Hardwick’s Main Street was in a state of decline like many communities throughout Vermont. Buildings were run down, underused or even condemned. Adding to these issues, in 2005, a tragic fire gutted a prominent building in the heart of downtown. Rather than tearing it down to create a parking lot, the owner chose restoration and created space for new businesses and housing within the historic building. This key decision not only sparked a new direction for Hardwick, it also showed other small towns how saving one historic building can spur redevelopment of an entire community.

The Challenge

The expense to repair and bring historic downtown buildings up to code (especially costly items like sprinklers and elevators) often exceeds the value of a building. Rents in many of Vermont’s smaller downtowns and village centers are often low and may not generate significant capital to finance a major rehabilitation. With insufficient funding to fill the gap, banks are reluctant to make loans to upgrade buildings. As a result, buildings are not maintained and main street slowly closes down. Over time, property values decline along with the local economy.

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The Solution

Downtown and village center tax credits help close this financial gap, make projects economically viable, spark community revitalization, cement a sense of place, and bring buildings back onto the tax rolls.

The Result

Since 2005, six buildings in Hardwick have been rehabilitated with the help of tax credit-financing. Approximately \$625,000 in state tax credits have leveraged over \$7.5 million in outside investments to date, jumpstarting new businesses and creating jobs, developing quality housing, and bringing new vitality to the commercial district. An analysis of Hardwick's downtown property values (Grand List) is evidence that public investment to improve these buildings results in increased property tax revenue. By promoting reinvestment and encouraging projects that put dollars back into the local economy, tax credits spark economic revitalization for communities across the state.

“The amount of new activity, life and excitement on Main Street is unprecedented. It’s clear to me that strong communities need vital urban cores -- and with the help of the tax credits, we’ve made a great start in Hardwick.”

Michael Gohl, local architect
and tax credit recipient

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Tax Credits Leverage Private Investment

An analysis of property values using local grand list data shows how public investment to improve buildings in designated village centers has increased property tax revenue. This investment not only revitalizes communities, it provides a permanent increase in tax revenue to support the education fund, creates jobs and adds housing.

Bemis Block, Hardwick

Total Project Cost: \$2,500,000 Tax Credits Awarded: \$112,500

After suffering a damaging fire in November 2005, the second in the building's history, work to rehabilitate the historic Bemis Block became a catalyst for revitalization in the village of Hardwick. Supported by both federal and state tax credits, the building now houses four first-floor commercial spaces and 14 apartments on the two upper floors. The structure was brought into full code-compliance as part of the project, which included installation of an elevator.



Grand List Before: \$257,800

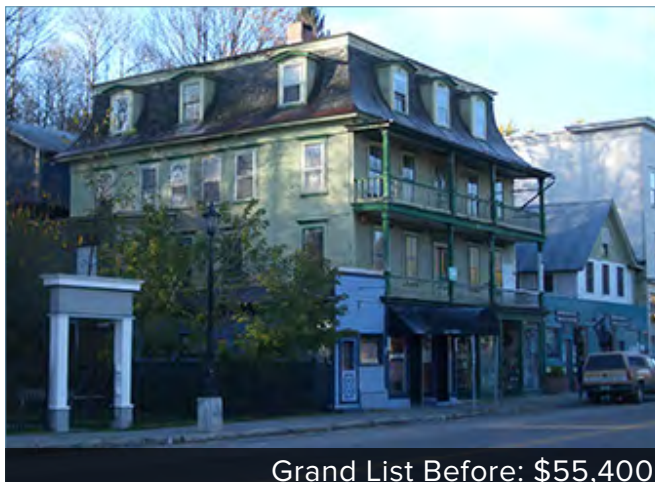


Grand List After: \$816,200

Hill Block, Hardwick

Total Project Cost: \$355,500 Tax Credits Awarded: \$75,816

Constructed in 1874, this former residence was raised to rest on top of a new ground-floor commercial storefront in the early 20th century. By 2005, the building was in disrepair. Rehabilitation of the building began in December and was completed in a little over a year. Work included repairs to the building's distinctive exterior architectural features as well as significant code-required upgrades to the interior. The building now provides space for three commercial businesses and six apartment units on the upper floors.



Grand List Before: \$55,400



Grand List After: \$350,000

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Hardwick Inn, Hardwick

Total Project Cost: \$1,225,000

Tax Credits Awarded: \$192,000

The Hardwick Inn at the intersection of South Main and Mill Street is in the heart of Hardwick's village center. The building was vacant when a local property owner decided to invest in restoring the building for mixed commercial and office space. This included installation of an elevator and sprinkler system and major code-required improvements while preserving the character of this important building. The project provides commercial space for a variety of tenants, attracting jobs and shoppers and substantially increasing the building's property value.



Grand List Before: \$147,800



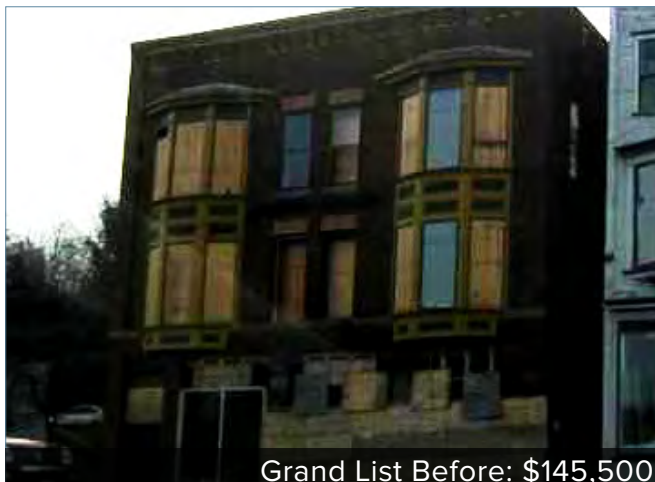
Grand List After: \$611,900

Marshall Block, Hardwick

Total Project Cost: \$1,900,000

Tax Credits Awarded: \$97,390

One of three 19th century brick commercial buildings in Hardwick's village center, the Marshall Block was empty and close to collapse by 2008 due to structural deficiencies. Its mechanical and electrical systems were also in disrepair. A local architect took on the challenge of bringing this building (along with its neighbor) back to its former glory, including restoration of the first floor storefront and vital structural and code improvements. The building now boasts a first-floor restaurant and six apartments.



Grand List Before: \$145,500



Grand List After: \$352,700

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Public Improvements Leverage Private Investment



Overview

Things are looking up in the Granite City. Since 2011, almost \$20M in public investment in the downtown spurred \$65M in private investment, and has drawn 25 new businesses, reduced vacancy rates by 8%, increased commercial rental rates by \$6-10 dollars a square foot, and attracted over 350 jobs. This investment also includes major streetscape and public infrastructure improvements, brownfield remediation, construction of City Place, a new state office building with commercial/retail spaces on the ground floor, and rehabilitation of several prominent downtown blocks with the help of federal and state tax credits. Support from multiple state agencies including the state designation programs administered by the Department of Housing and Community Development, the Agency of Transportation provided an important source of funding, and Tax Increment Financing (TIF) helping to leverage other public and private money to make this renaissance possible.

The Challenge

After multiple years of economic decline in downtown Barre, the city was struggling with empty store fronts, low commercial rents and declining property values. Turning things around took time and didn't come without challenges. The city had spent a decade investing heavily in the creative/tourist economy without results. According to Mike Miller, the city's former Director of Planning, "We needed to better understand our strengths and weaknesses. Barre is never going to be Stowe, but what Barre has is plenty of water and sewer capacity, industrial activity, highway access, and a great stock of historic buildings with affordable rental office space." With those things in mind, a group of municipal officials and stakeholders identified three major goals to help jump-start revitalization: bring 500 new workers to Barre over five years by improving the city's image with investments in public infrastructure and marketing; recruit businesses and services to meet the needs of local residents; and modernize Barre's existing industrial assets to attract entrepreneurs and new start-up businesses.

By the Numbers [2011 - 2017]

\$15.2

million awarded in
VTrans federal funding

\$65

million in public
and private investment

12

tax credit projects

\$3.3 M

awarded in HUD
Community Development
Block Grants

\$4.5

in private funds
leveraged with tax credits

\$793,895

awarded in tax credits

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The Solution

A designated downtown since 2000, Barre took advantage of a number of grant and tax incentive programs that give priority to projects in communities within the state designation program. Work began with updates to the city's municipal plan and zoning bylaws and the creation of downtown conceptual plan – all supported by the state's municipal planning grants. The next step was finding funding to implement the plan and make infrastructure improvements to support economic development. A combination of \$140,000 in downtown transportation grants and over \$15M in federal funding administered through the Agency of Transportation supported Barre's "Big Dig" – a multi-year effort to revitalize Main Street and City Hall Park. Finally, the city was able to relocate 200 state employees to a new office building in the heart of downtown. "Technical support through the state's designation program helped us plan projects, identify funding sources and leverage public investment," said Steve Mackenzie, Barre's City Manager. "We continue get great support from the Agency of Commerce including initiatives like the Vermont Downtown Action Team that helped us develop a downtown master plan and re-brand and market the community in the wake of the 2011 floods. The City is also working to make a number of changes to protect our infrastructure investments, economy and business from future floods with which was supported by the Vermont Economic Resiliency Initiative."

The Result

In just the past five years, the resume of accomplishments in Barre is impressive, including:

- Completion of the "Big Dig" which included the replacement of 100-year old water and sewer lines, plus sidewalk and lighting improvements and new paving, parking and signage. This effort was supported by a combination of federal, state and local funds.
- Construction of "City Place" a new 80,000 square foot building in the heart of downtown with state office space as well as ground floor commercial space for a new restaurant and commercial tenants.
- Secured state and federal tax credits to rehabilitate a dozen historic buildings on Barre's Main Street, including the 1904 Blanchard Block, which now houses 48,000 of mixed retail and office space, and the Aldrich Block, in danger of demolition following a fire in 2010, now home of the celebrated Cornerstone Restaurant.

Barre isn't content to rest after these successes. In 2015, the City completed a \$3.1M makeover of the blighted "Enterprise Aly," with the support of funding through the Vermont Community Development program, an EPA Brownfields Grant and the TIF district. The project remediated a brownfield site and transformed poorly configured parking with inadequate drainage into a pedestrian-friendly public space with new parking, storm water controls, sidewalks and landscaping; ADA accessible entrances to Main Street shops; a public plaza at the city's historic train depot and a long-planned bike path along the Stephens Branch of the Winooski River. Work to continue these improvements along Merchants Row will begin in 2017.

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Tax Credits Leverage Private Investment

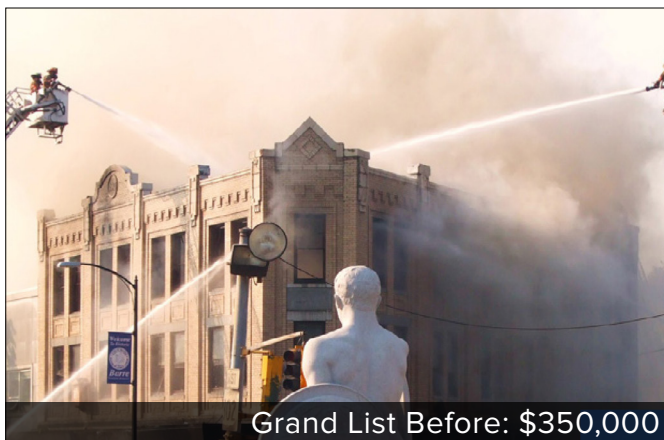
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Aldrich Block, Barre

Total Project Cost: \$1,160,000

Tax Credits Awarded: \$112,500

On Memorial Day 2011, residents of Barre watched as flames spread through the century-old Aldrich Block. The roof was destroyed, the interior of the 3rd floor was badly damaged by fire, and the rest of the building suffered significant smoke and water damage. The owner was granted a demolition permit. But for the tax credits, rehab of this anchor building was unlikely. Both federal and state tax credits supported installation of a fire alarm and sprinkler system to protect the building and the rest of the downtown from future tragedy. The building currently includes three apartment units, second-floor office space, and the aptly named Cornerstone Restaurant. This project created housing, attracted a new business, generated jobs and saved a historic anchor in the community.



Grand List Before: \$350,000



Grand List After: \$1,037,310

Blanchard Block, Barre

Total Project Cost: \$5,500,000

Tax Credits Awarded: \$287,500

Standing on a prominent downtown lot across from Barre's city hall park, the Blanchard Block (1904) was designed by prominent Vermont architect Lambert Packard. Largely vacant in 2012, tax credits provided incentives for new owners to install an elevator, sprinkler the building and complete major interior and exterior rehabilitation work. Now the five-story building provides 48,000 square feet of safe, accessible and modern commercial and office space. It is also one of several recent tax credit projects that have transformed downtown Barre.



Grand List Before: \$618,600



Grand List After: \$2,125,000

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