



2017 Annual Report on
Tax Increment Financing Districts
in Vermont

(July 1, 2015 – June 30, 2016)

Prepared in accordance with 32 VSA §5404a(i)
and submitted by the

Vermont Economic Progress Council
With Data Support Provided by the
Vermont Department of Taxes/PVR

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STATUTORY CHANGE

TITLE 32

Taxation and Finance

PART II

Property Taxation

CHAPTER 135. EDUCATION PROPERTY TAX

§ 5404a. Tax stabilization agreements; tax increment financing districts

- (i) The Vermont Economic Progress Council and the Department of Taxes shall make an annual report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development and on Ways and Means of the General Assembly on or before April 1. The report shall include, in regard to each existing tax increment financing district, the date of creation, a profile of the district, a map of the district, the original taxable value, the scope and value of projected and actual improvements and developments, projected and actual incremental revenue amounts and division of the increment revenue between district debt, the Education Fund, the special account required by 24 V.S.A. § 1896 and the municipal General Fund, projected and actual financing, and a set of performance indicators developed by the Vermont Economic Progress Council, which shall include the number of jobs created in the district, what sectors experienced job growth, and the amount of infrastructure work performed by Vermont firms.

INTRODUCTION

Tax Increment Financing (TIF) is a tested and proven method to finance public infrastructure to encourage or cause private development in a manner and location preferred by a municipality and the State.

TIF is a popular tool nationally to finance new infrastructure, make improvements and upgrades to, and increase the capacity of, existing infrastructure. The basic premise of TIF is to generate incremental tax revenues from within a designated area by making public improvements that will cause private development. The incremental revenues – those above and beyond the base revenues generated at the time of TIF designation – are utilized to finance public infrastructure costs. In theory, the incremental revenues are not being diverted from other uses because they are revenues that would not have been generated except for the investment in the infrastructure that caused or encouraged the new private development. Without the incentive provided by the subsidized public infrastructure, the private development would not occur and the incremental revenue would not be available.

TIF in Vermont

In Vermont, the authority for municipalities to create TIF Districts has been in [statute](#) since the 1980's. The TIF structure in Vermont has changed considerably over the years, most notably after Act 60 added a statewide education property tax and then by Act 184 in 2006, which requires that a state body approve utilization of incremental education property tax revenue to finance TIF District infrastructure.

Vermont's two-tiered property tax differentiates Vermont from most other states that utilize TIF, as does the limitation on use of only incremental property tax revenues and use of the revenue to finance only statutorily-defined public infrastructure.

The current approval process for TIF Districts also requires certain public good outcomes that align with state development priorities and provides an incentive for development in the state's designated areas. Five of the existing TIF Districts are within state-designated downtowns, two of which are also within state-designated growth centers. Another is within a state-designated new town center.

The controls in Vermont's current TIF District approval process include:

- A requirement that the infrastructure would not be built/improved (and therefore the private development would not occur) except for the use of TIF;
- The private development will only occur in certain areas, primarily state-designated areas such as downtowns, growth centers, or new town centers;
- TIF revenue may only be used for specified public infrastructure (not for developers' costs);
- Only incremental property tax revenue (municipal and State education) may be utilized for TIF debt;
- Debt must be incurred within ten years and incremental revenue retention is limited to 20 years.
- The state provides monitoring and oversight of TIF Districts with regular audits.

The infrastructure improvements made within Vermont's TIF Districts have or will result in mixed-use residential, commercial, and retail developments that include:

- An estimated 2500 units of new and rehabilitated housing;
- Business development including new and expanded businesses and new jobs;
- Redevelopment of upper floors for commercial and residential use;
- Mitigation and redevelopment of brownfields;
- Increased parking and improved transportation systems;

- Upgraded utilities including water, waste water, and storm water;
- Sidewalk and streetscapes for improved walkability; and
- Public amenities.

The infrastructure improvements and the resulting private development benefit not only the communities

in which they occur; they have positive regional impact and benefit the entire state. Additionally, the private development increases the property tax revenues flowing to the municipality and the state both during the TIF District retention period and especially after the retention period ends.

Figure 1: The TIF Concept

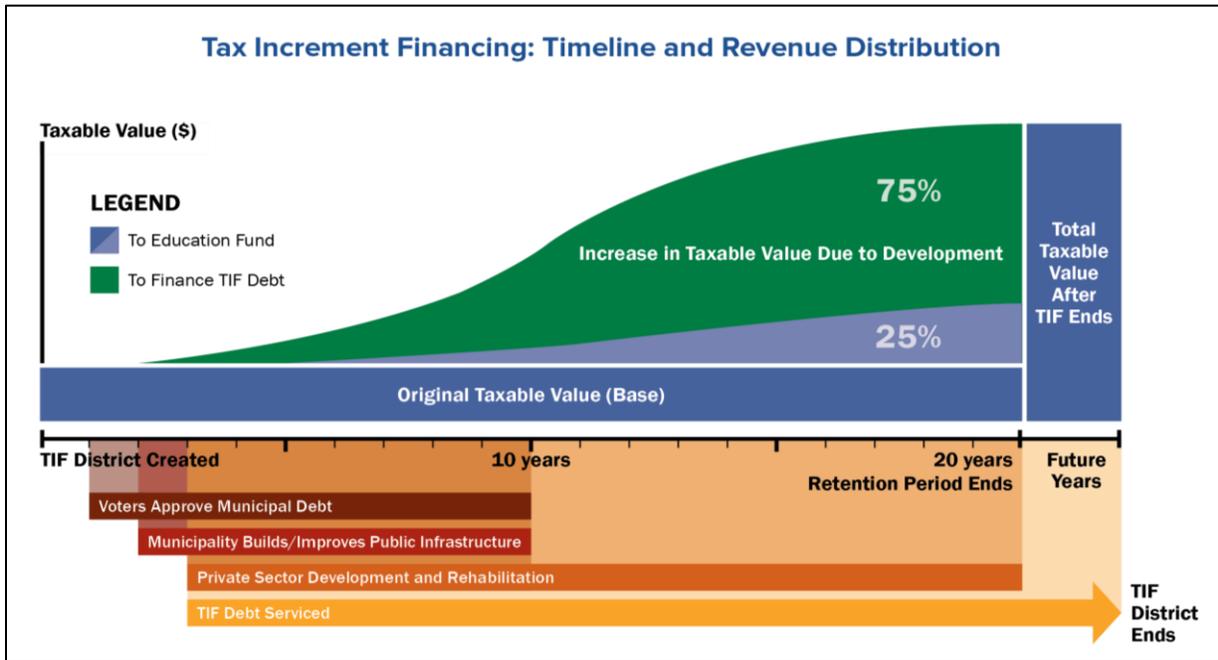
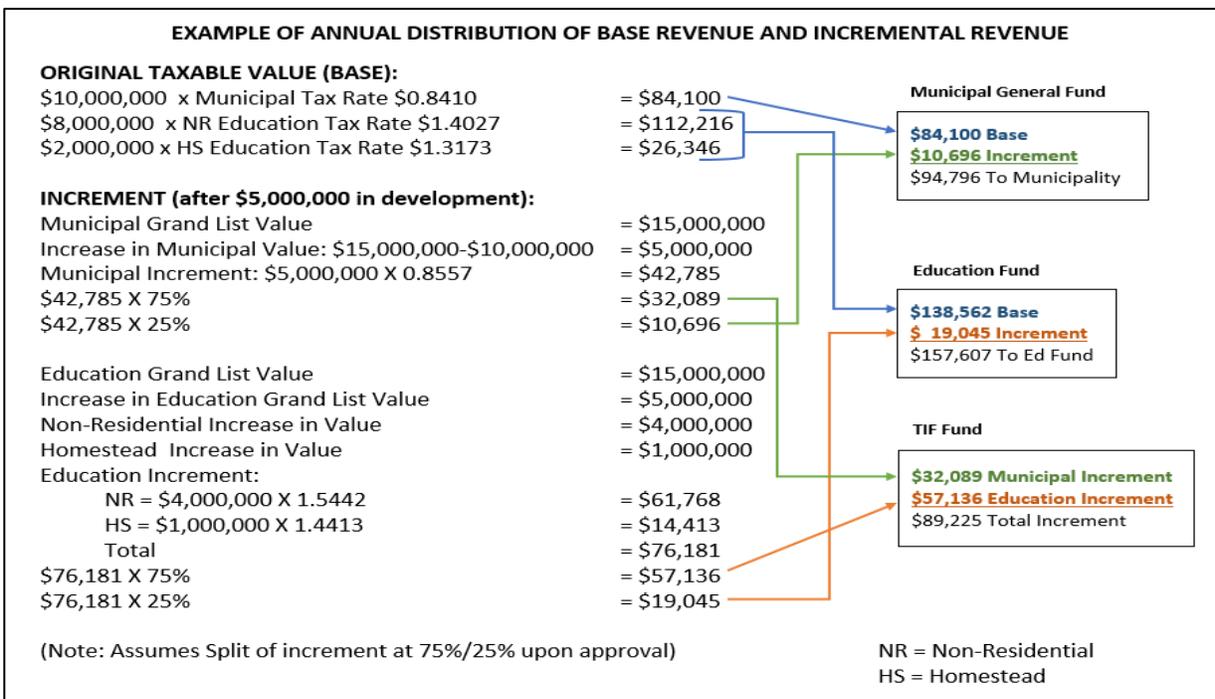


Figure 2: Example Distribution of Base and Incremental Revenue



EXISTING TIF DISTRICTS IN VERMONT

Currently, nine of the original eleven TIF Districts created in Vermont are active. Each applied to the Vermont Economic Progress Council (VEPC) or were approved directly by the General Assembly to utilize incremental education property tax revenue to help finance public infrastructure that will in turn cause private sector development or redevelopment to occur.

The Districts were approved as follows:

Grandfathered in by Act 60 (1998):

- Burlington Waterfront—Active
- Newport City—Retired

Created by Special Legislation (2000):

- Winooski—Active

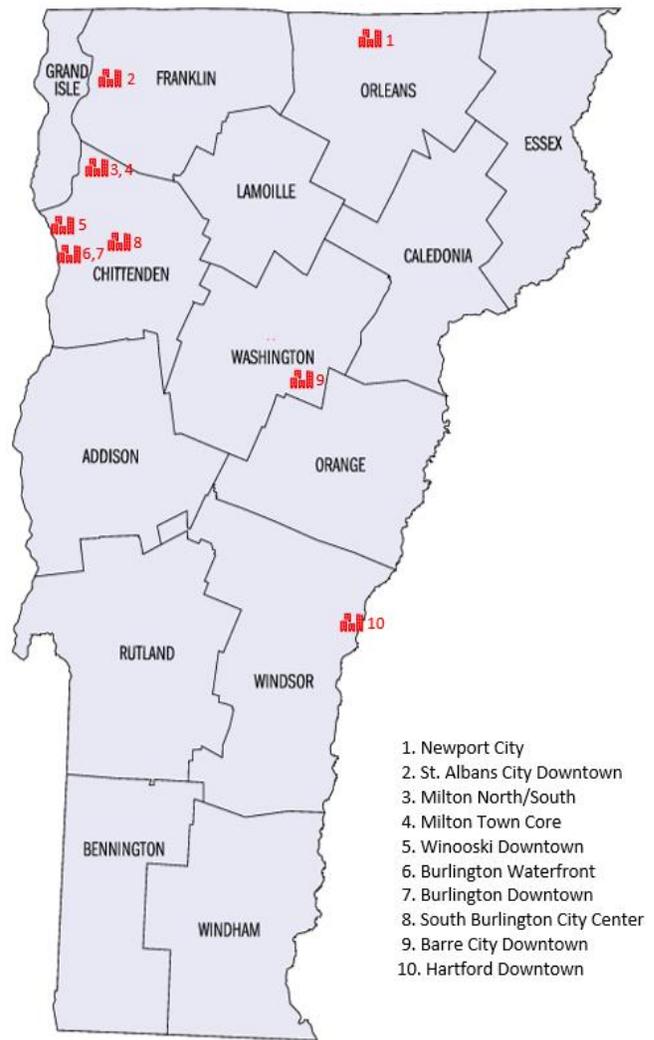
Approved by VEPC Under EATI Program (1998):

- Milton North/South—Active

Approved by VEPC under Act 184 (2006):

- Milton Town Core – Active
- Colchester Severance Corners—Dissolved
- Burlington Downtown—Active
- Hartford Downtown—Active
- Barre City Downtown—Active
- St Albans City Downtown—Active
- So. Burlington City Center—Active

Figure 3: Existing TIF Districts



1. Newport City
2. St. Albans City Downtown
3. Milton North/South
4. Milton Town Core
5. Winooski Downtown
6. Burlington Waterfront
7. Burlington Downtown
8. South Burlington City Center
9. Barre City Downtown
10. Hartford Downtown

[Click to access interactive map.](#)

Figure 4: TIF District Summary Information

VERMONT TIF DISTRICT SUMMARY INFORMATION (AS OF JUNE 30, 2016)									
DISTRICT	YEAR CREATED	TYPE	STATUS	DT, GC OR NTC*	DEBT PERIOD	RETENTION PERIOD	ACRES	PARCELS	OTV
Burlington Waterfront	1997	1	1	NA	1996-2020	1996-2020	74	93	\$ 42,412,900
Newport City	1998	1	3	NA	1997-2007	1997-2015	47	19	\$ 48,500
Milton North/South	1998	2	1	NA	1999-2019	1999-2019	1016	67	\$ 26,911,147
Winooski Downtown	2000	3	1	DT	2000-2005	2004-2024	139	147	\$ 24,822,900
Milton Town Core	2008	4	1	NA	2008-2018	2011-2031	814	743	\$ 124,186,560
Burlington Downtown	2011	4	1	DT	2011-2021	2016-2036	61	242	\$ 174,412,200
Hartford Downtown	2011	4	1	DT/GC	2011-2021	2014-2034	130	129	\$ 31,799,200
St. Albans Downtown	2012	4	1	DT/GC	2012-2022	2013-2033	205	449	\$ 107,909,150
Barre City Downtown	2012	4	1	DT	2012-2022	2015-2035	91	203	\$ 50,851,870
South Burlington New Town Center	2012	4	2	NTC	2012-2022	2017-2037	96	56	\$ 36,228,700
TOTALS							2672	2148	\$ 619,583,127

* DT = Designated Downtown; GC = Growth Center; and NTC = New Town Center

TYPE	STATUS
1. Pre Act 60; Use of Educ Property Tax grandfathered; No State approval	1. Active; debt incurred; improvements made/being made
2. Approval by VEPC as part of Economic Advancement Tax Incentive Program	2. TIF Plan and Finance Plan approved by VEPC; no debt incurred yet
3. Approved by General Assembly	3. Life of TIF ended
4. Approval by application to VEPC post Act 184 (2006)	

ACTIVITY TO DATE

This report covers activity through June 30, 2016, which is based on Grand Lists as of April 1, 2015 (GL 2015). Data is provided by the participating municipalities and the Division of Property Valuation and Review at the Vermont Department of Taxes.

Public Improvements

The nine active Districts plan to build or improve public infrastructure valued at over \$330 million. The public infrastructure improvements include roads, sidewalks, lighting, water systems, waste and storm water systems, utility improvements, parking facilities, public transit, civic facilities, and brownfield remediation. The approved municipalities are authorized to incur debt that will be repaid, in part, using the incremental municipal and education property tax revenues that will be generated by private sector development and redevelopment that will occur because the infrastructure is built or improved.

The approved municipalities plan to incur debt totaling approximately \$242 million. The remaining infrastructure costs will be covered by state and federal grants, fees, and other sources of revenue. To date, local votes have approved \$113.4 million, and municipalities have actually incurred \$88.3 million. Of the incurred debt, \$32.6 has been repaid to date and \$55.7 remains to be paid.

Private Development

These public improvements will encourage desired private sector development and redevelopment in these communities, primarily in designated downtowns and growth centers. After all public infrastructure is built and all redevelopment occurs, grand list values will increase by an estimated \$767 million. Through 2016, grand list values have increased by \$330 million.

Incremental Revenues

By the end of all existing TIFs, the increase in the grand list value will generate estimated **incremental** revenues totaling \$394 million (\$283 million education and \$111 million municipal), of which \$313 million (\$224 million education and \$89 million municipal) will go to the TIF Districts during the retention periods to finance infrastructure and \$80.8 million will go to the taxing authorities (\$58.6 million to the education fund and \$22.2 million to the municipal general funds). These incremental revenues are in addition to the revenues from the original taxable value which all goes to the taxing authorities.

Through 2016, the active Districts have generated about \$49.6 million in incremental property tax revenue, of which \$45.8 million (\$31 million education and \$14.8 million municipal) has gone to finance TIF District infrastructure and \$3.7 million has gone to the taxing authorities (\$2 million education and \$1.7 million municipal).

After the periods end during which the Districts can keep a portion of increment (retention period), the estimated amount of **additional** property tax revenue that will go to the education fund will increase by \$17 million annually.

During the periods that incremental revenue is split between the TIF District and the Education Fund and the TIF District and the Municipal General Fund, the tax revenue from the base (or original taxable value) continues to go to the Education Fund and Municipal General Fund.

During the life of all the TIF Districts, a total of \$257.5 million will go to the Education Fund from the base value. To date, \$58.9 million has gone to the Education Fund from the base value of the TIF Districts.

Figure 5: Annual Revenue Generation and Distribution

ANNUAL REVENUE GENERATION AND DISTRIBUTION, ALL TIFS								
YEAR	INCREMENTAL REVENUES GENERATED			INCREMENTAL REVENUES TO :		INCREMENTAL REVENUES TO TIF DISTRICT DEBT FROM:		
	MUNICIPAL	EDUCATION	TOTAL	MUNICIPAL GENERAL FUND	EDUCATION FUND	MUNICIPAL	EDUCATION	TOTAL
1998	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1999	\$123,694	\$237,572	\$361,266	\$0	\$0	\$123,694	\$237,572	\$361,266
2000	\$167,294	\$369,825	\$537,119	\$0	\$0	\$167,294	\$369,825	\$537,119
2001	\$167,814	\$401,505	\$569,320	\$0	\$0	\$167,814	\$401,505	\$569,320
2002	\$254,204	\$634,950	\$889,154	\$0	\$0	\$254,204	\$634,950	\$889,154
2003	\$358,884	\$929,970	\$1,288,854	\$0	\$0	\$358,884	\$929,970	\$1,288,854
2004	\$404,510	\$1,136,260	\$1,540,770	\$0	\$0	\$404,510	\$1,136,260	\$1,540,770
2005	\$537,345	\$1,333,445	\$1,870,790	\$0	\$0	\$537,345	\$1,333,445	\$1,870,790
2006	\$445,163	\$1,123,714	\$1,568,877	\$0	\$0	\$445,163	\$1,123,714	\$1,568,877
2007	\$522,797	\$1,157,810	\$1,680,607	\$0	\$0	\$522,797	\$1,157,810	\$1,680,607
2008	\$887,835	\$1,865,177	\$2,753,012	\$0	\$8,253	\$887,835	\$1,856,923	\$2,744,759
2009	\$967,103	\$2,052,115	\$3,019,218	\$36,850	\$129,642	\$930,253	\$1,922,473	\$2,852,726
2010	\$1,177,761	\$2,018,671	\$3,196,432	\$29,940	\$84,555	\$1,147,821	\$1,934,116	\$3,081,937
2011	\$1,246,482	\$2,423,192	\$3,669,674	\$181,643	\$123,751	\$1,064,838	\$2,299,441	\$3,364,279
2012	\$1,320,217	\$2,485,492	\$3,805,709	\$193,648	\$183,741	\$1,126,569	\$2,301,751	\$3,428,320
2013	\$1,501,890	\$2,919,159	\$4,421,050	\$224,758	\$273,236	\$1,277,132	\$2,645,923	\$3,923,056
2014	\$1,780,255	\$3,276,214	\$5,056,469	\$285,182	\$288,362	\$1,495,074	\$2,987,852	\$4,482,926
2015	\$2,393,639	\$3,912,126	\$6,305,765	\$414,142	\$393,116	\$1,979,497	\$3,519,010	\$5,498,507
2016	\$2,339,947	\$4,765,581	\$7,105,528	\$385,171	\$528,591	\$1,954,775	\$4,236,990	\$6,191,766
SUBTOTALS	\$16,596,835	\$33,042,778	\$49,639,613	\$1,751,334	\$2,013,247	\$14,845,501	\$31,029,531	\$45,875,032
2017	\$3,510,480	\$7,479,260	\$10,989,740	\$499,093	\$1,180,640	\$3,011,387	\$6,298,620	\$9,310,007
2018	\$4,083,533	\$8,917,792	\$13,001,325	\$642,356	\$1,540,273	\$3,441,177	\$7,377,519	\$10,818,696
2019	\$4,368,969	\$9,857,661	\$14,226,630	\$713,715	\$1,775,240	\$3,655,254	\$8,082,420	\$11,737,674
2020	\$4,947,015	\$11,687,484	\$16,634,500	\$858,226	\$2,232,696	\$4,088,789	\$9,454,788	\$13,543,577
2021	\$5,843,073	\$14,330,861	\$20,173,934	\$1,082,241	\$2,893,540	\$4,760,832	\$11,437,321	\$16,198,153
2022	\$6,064,743	\$14,912,530	\$20,977,273	\$1,137,658	\$3,038,958	\$4,927,084	\$11,873,573	\$16,800,657
2023	\$6,290,858	\$15,597,061	\$21,887,920	\$1,194,187	\$3,210,090	\$5,096,671	\$12,386,971	\$17,483,642
2024	\$6,563,769	\$16,400,867	\$22,964,636	\$1,262,415	\$3,411,042	\$5,301,354	\$12,989,825	\$18,291,179
2025	\$5,919,570	\$15,669,899	\$21,589,469	\$1,301,181	\$3,542,538	\$4,618,390	\$12,127,361	\$16,745,751
2026	\$5,350,070	\$14,297,764	\$19,647,834	\$1,337,517	\$3,574,441	\$4,012,552	\$10,723,323	\$14,735,876
2027	\$5,486,462	\$14,673,942	\$20,160,404	\$1,371,615	\$3,668,486	\$4,114,846	\$11,005,457	\$15,120,303
2028	\$5,629,130	\$15,062,060	\$20,691,190	\$1,407,283	\$3,765,515	\$4,221,848	\$11,296,545	\$15,518,393
2029	\$5,776,914	\$15,462,549	\$21,239,463	\$1,444,228	\$3,865,637	\$4,332,685	\$11,596,911	\$15,929,597
2030	\$5,930,037	\$15,875,854	\$21,805,890	\$1,482,509	\$3,968,963	\$4,447,528	\$11,906,890	\$16,354,418
2031	\$5,353,571	\$13,209,801	\$18,563,372	\$1,338,393	\$3,302,450	\$4,015,179	\$9,907,350	\$13,922,529
2032	\$5,503,299	\$13,530,323	\$19,033,622	\$1,375,825	\$3,382,581	\$4,127,474	\$10,147,742	\$14,275,216
2033	\$1,977,893	\$10,887,643	\$12,865,536	\$494,473	\$2,721,911	\$1,483,420	\$8,165,732	\$9,649,152
2034	\$1,973,373	\$7,230,114	\$9,203,487	\$493,343	\$1,807,529	\$1,480,030	\$5,422,586	\$6,902,615
2035	\$2,007,710	\$7,374,716	\$9,382,426	\$501,928	\$1,843,679	\$1,505,783	\$5,531,037	\$7,036,820
2036	\$2,042,644	\$7,522,211	\$9,564,855	\$510,661	\$1,880,553	\$1,531,983	\$5,641,658	\$7,173,641
SUBTOTALS	\$94,623,113	\$249,980,392	\$344,603,505	\$20,448,848	\$56,606,763	\$74,174,266	\$193,373,629	\$267,547,895
TOTALS	\$111,219,949	\$283,023,170	\$394,243,118	\$22,200,182	\$58,620,010	\$89,019,767	\$224,403,160	\$313,422,927

= Actual Data through June 30, 2016.
 = Projected data for all TIFs through life of TIFs

Figure 6: Taxable Value of All TIF Districts (At each point in time.)

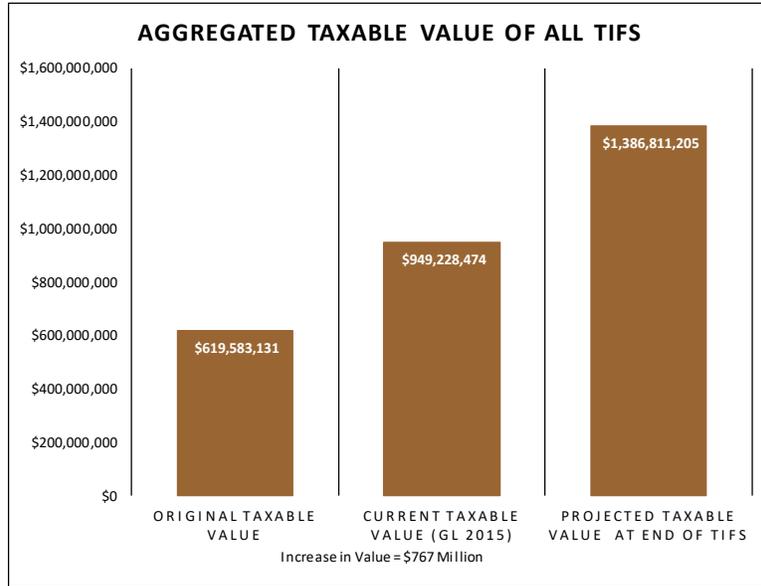


Figure 7: Revenue of All TIF Districts (At each point in time.)

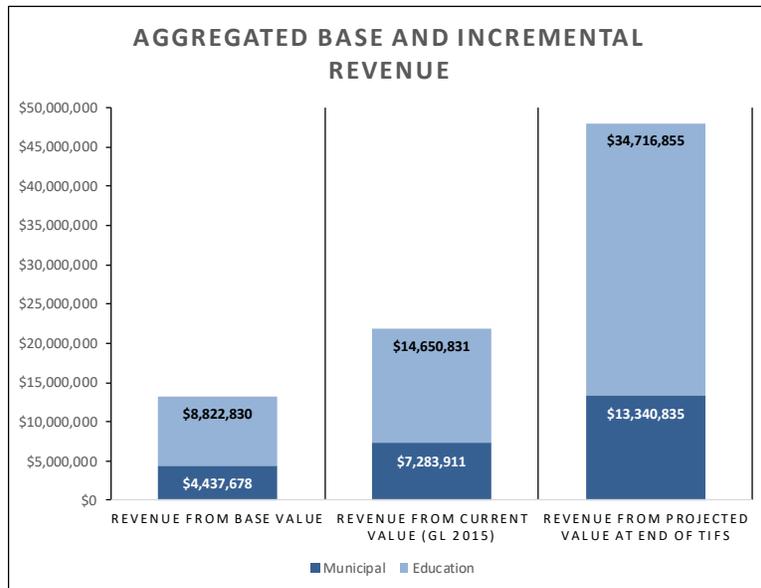


Figure 8: Aggregate Distribution through GL 2015

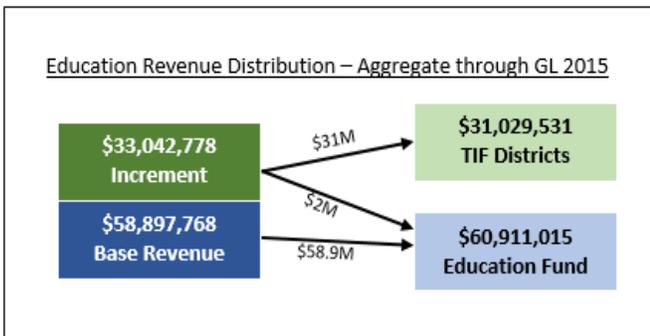


Figure 9: Projected Aggregate Distribution to End

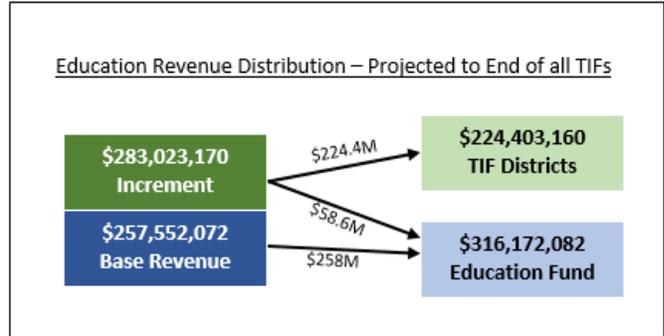
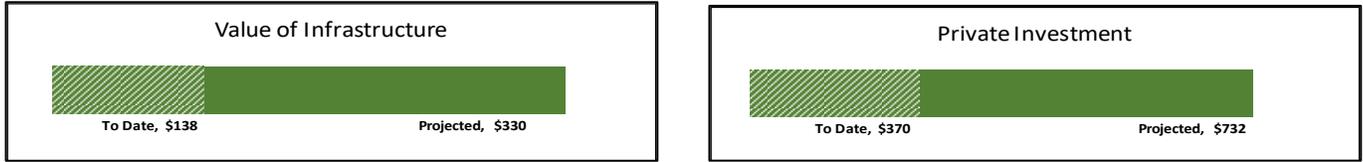
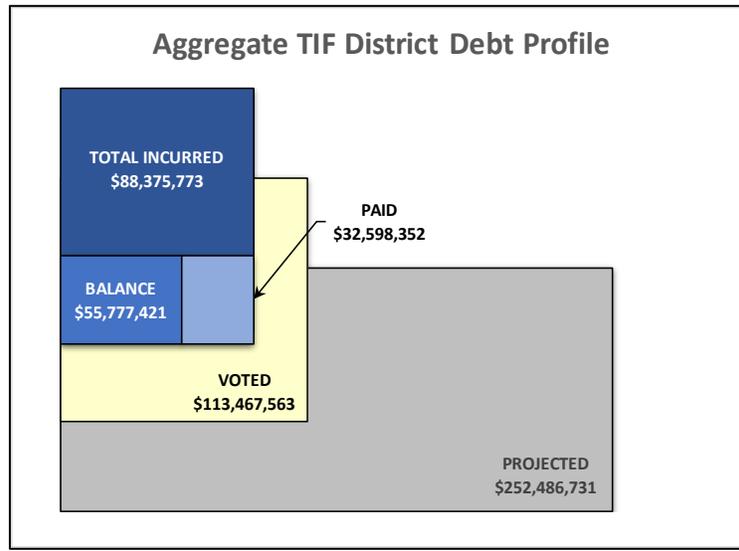


Figure 11: Aggregated Value for All TIF Districts



Current Ratio of Public Investment to Private Development: 1:2

Figure 10: Aggregated Debt for All TIF Districts



Vermont Jobs Created: 3,304*

Value of Work Performed by Vermont Firms: \$54,785,965 Million*

*Since reporting required in Act 80, effective 2013.
Jobs may not be new to Vermont.



TRANSFORMING ST. ALBANS: A COMMUNITY DEVELOPMENT CASE STUDY



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) to create a downtown master plan in 2009. With downtown designation and a blueprint

forward, the door opened to funding sources that helped leverage taxpayer dollars and spurred private investment. Approval of a Tax Increment Financing (TIF) District Plan in 2012 provided the primary source of funds for public infrastructure required to leverage private investment.

“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.

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, \$3 million, streetscape improvement project funded with TIF revenue and the help of more than \$2.5 million in state Downtown Transportation Funds and grants administered by the Vermont Agency of Transportation, including two federal TIGER grants – one for design and one for construction – and Transportation Enhancement Program funds. 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.

- \$16 million in voter-approved TIF bonds to finance construction of a new parking garage, streetscape improvements, redevelopment of a brownfield site for a new downtown hardware store, and more.
- Construction of a new State Office Building in the downtown.

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 early 2017. Also, currently under construction and planned for the near future are an additional \$3 million in streetscape enhancements along Lake, Catherine and Federal Streets to be funded with TIF revenues, \$300,000 in Transportation Alternative Program funds, \$300,000 in Transportation Community and System Preservation Program funds, and more than \$275,000 from the Downtown Transportation Fund and the Sales Tax Reallocation Program. All of this proves that St. Albans is not resting on their past success, but continuing to create a vibrant community with a diverse economic base.

Public investments in infrastructure totaling at least \$17 million (including \$14 million of TIF debt issued to date) is expected to leverage over \$90 million in private development. The base value of the District was about \$108 million upon creation, it was \$150 million in grand list year 2015 and the value when the TIF is fully developed is expected to be \$198 million, an increase in value of \$90 million. Before the TIF District, the properties sent about \$1.5 million a year to the Education Fund. When the TIF retention period ends, the properties will send more than \$2.8 million to the Education fund each year.

St. Albans TIF District Profile

Year Created: 2012

Type: TIF Plan approved by VEPC under TIF Authority 32 VSA 5404a(h)

Split of Increment: Education Fund = 75%/25% and Municipal General Fund = 75%/25%

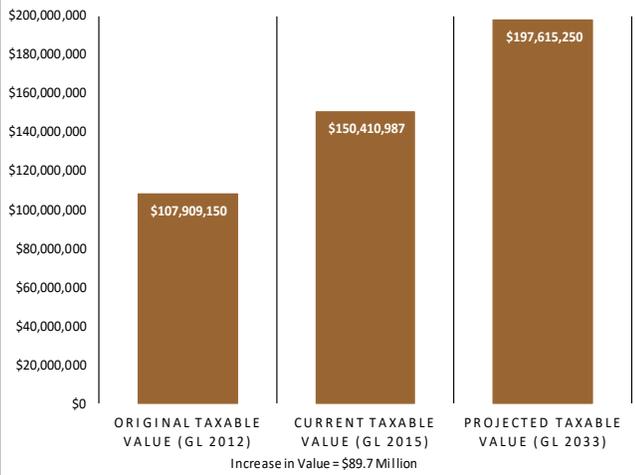
Debt Period



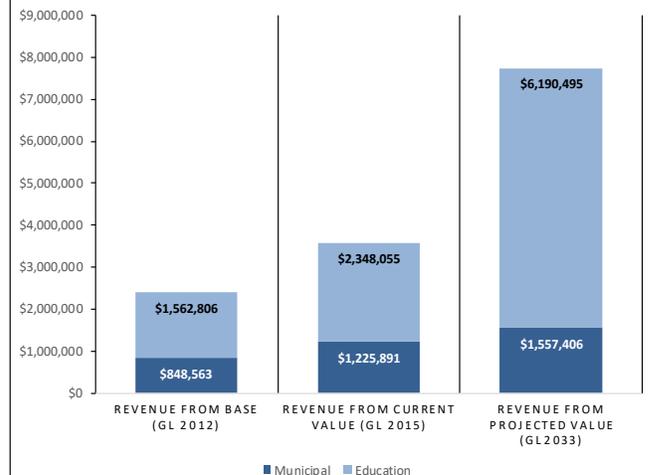
Retention Period



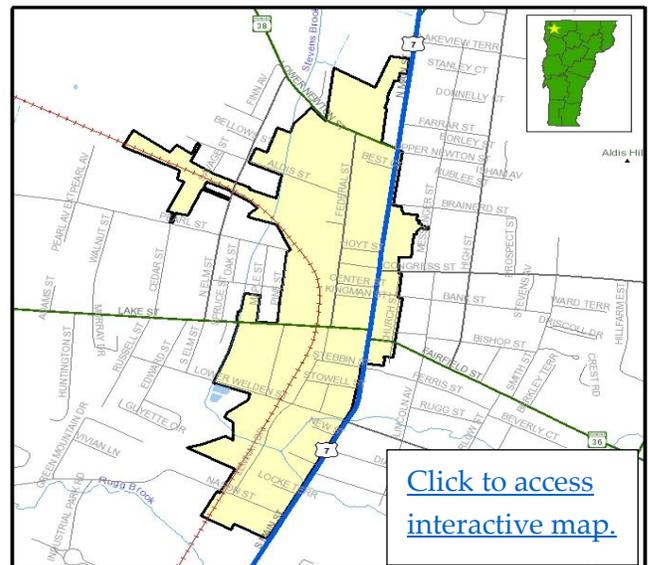
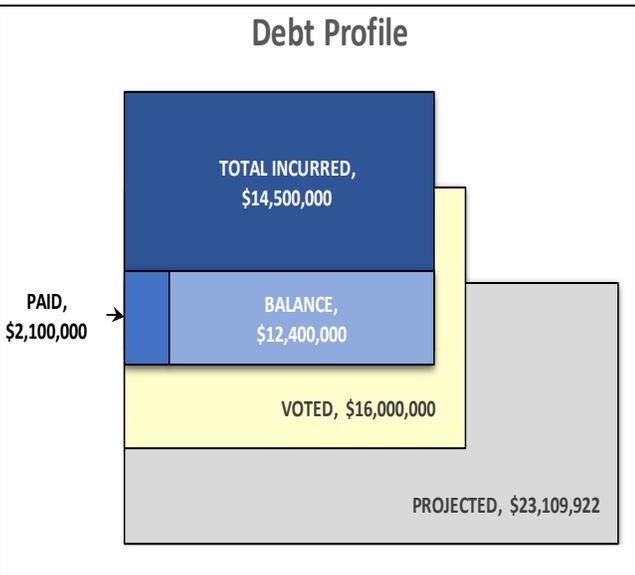
TAXABLE VALUE



BASE AND INCREMENTAL REVENUE



Debt Profile



Approximate Value of TIF Supported Infrastructure (to date): \$10,098,900

Approximate Value of Private Investment (to date): \$74,625,600

Ratio of Public Investment to Private Development: 1:7

RENAISSANCE IN BARRE CITY: A COMMUNITY DEVELOPMENT CASE STUDY

Overview

Things are looking up in the Granite City. Since 2011, almost \$20 million in public investment in the downtown has spurred \$65 million 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 four-story building with commercial/retail on the ground floor and office space on the upper floors, including the new home of the Vermont Agency of Education, 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, and Tax Increment Financing (TIF) helped 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. 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.

The Solution

A designated downtown since 2000, Barre took advantage 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 a 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 downtown transportation grants and over \$15 million in federal funding administered through the Agency of Transportation supported Barre's "Big Dig" – a multi-year effort to revitalize North Main Street and City Hall Park. Finally, the city received approval of a TIF District to finance brownfields mitigation and increase and improve parking in the downtown enabling the relocation of 200 state employees to a new office building in the heart of downtown.

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 North 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 with

commercial and residential space on the upper floors.

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 segment of the long-planned bike path along the Stephens Branch of the Winooski River. Work to continue these improvements along Merchants Row will begin in 2017.

During the TIF lifetime, public investments totaling over \$30 million (\$12.4 million from TIF) are expected to leverage over \$65 million in private development. The base value of the District was about \$51 million upon creation, it was \$54 million in grand list year 2015 and the value when the TIF is fully developed is expected to be \$74 million, an increase in value of \$23 million. Before the TIF District, the properties sent about \$748,000 a year to the Education Fund. When the TIF retention period ends, the properties will send more than \$1.2 million to the Education fund each year.

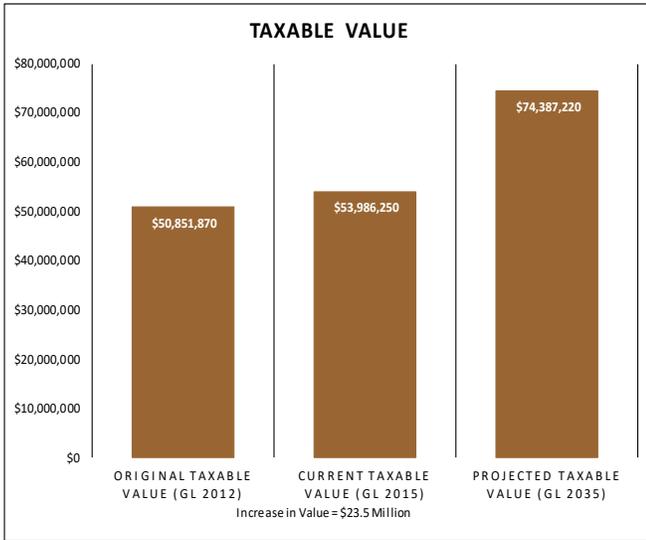
Barre TIF District Profile

Year Created: 2012

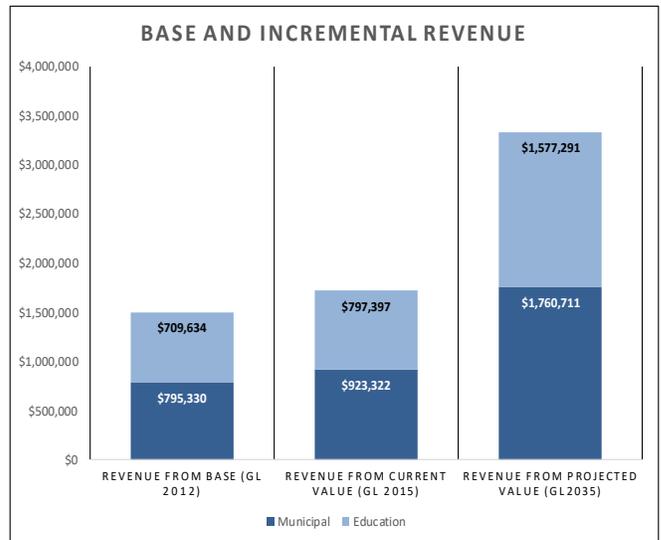
Type: TIF Plan Approved by VEPC under TIF Authority 32 VSA 5404a(h)

Split of Increment: Education Fund = 75%/25% and Municipal General Fund = 75%/25%

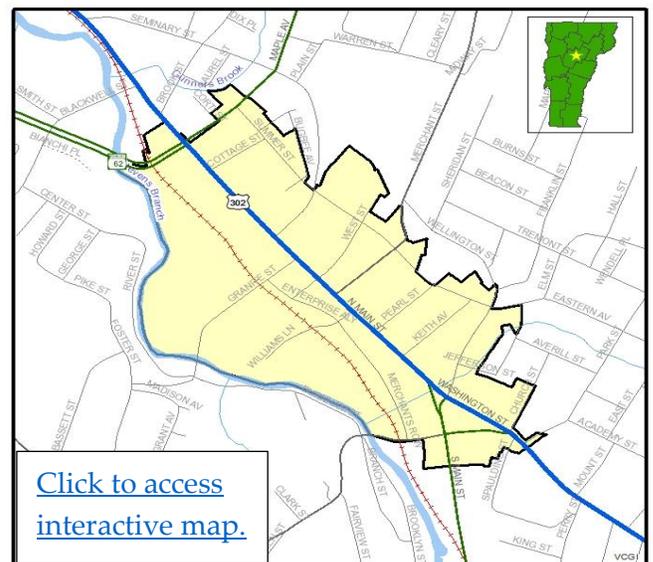
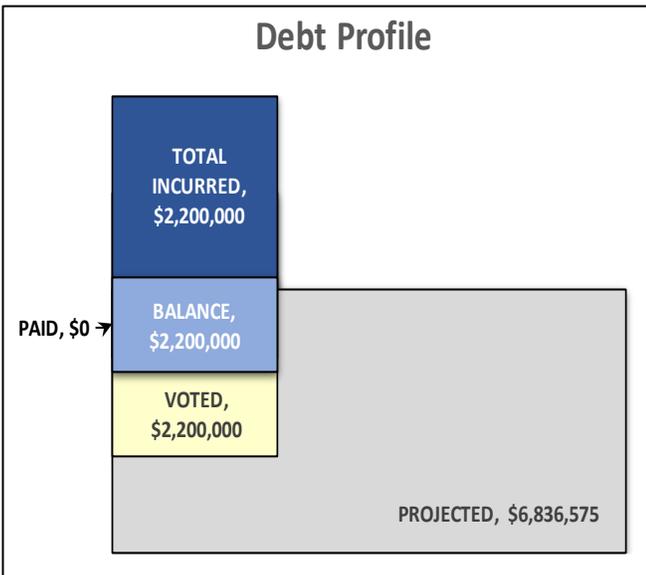
Debt Period



Retention Period



Debt Profile



Approximate Value of TIF Supported Infrastructure (to date): \$559,898

Approximate Value of Private Investment (to date): \$29,900,000

Ratio of Public Investment to Private Development: 1:53

WINOOSKI: "THE BROOKLYN OF BURLINGTON" A COMMUNITY DEVELOPMENT CASE STUDY



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 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.

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. In 2011, with the help of federal and state downtown and historic tax credit programs and Vermont's Employment Growth Incentive program, MyWebGrocer purchased the Mill and 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.

The Result

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. Additional private sector projects 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.

Public investments of \$47 million (\$29.6 in TIF) have leveraged \$94 million in private development. The base value of the District was about \$25 million upon creation in 2000. The current value as of Grand List 2015 was \$114.3 million, an increase in value of \$89.5 million. Before the TIF District, the properties sent about \$516,000 a year to the Education Fund. When the TIF debt is retired in a few years, the properties will send more than \$1.9 million to the Education fund each year.

Winooski TIF District Profile

Year Created: 2000

Type: Enacted Directly by General Assembly (Act 159 of 2000)

Split of Increment:

Original: Education Fund = 95%/5% and Municipal General Fund = 100%/0%

Beginning 2004: Education Fund = 98%/2% and Municipal General Fund = 100%/0%

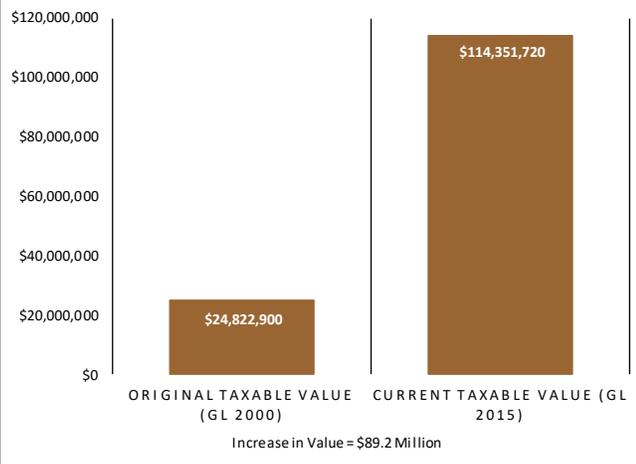
Debt Period



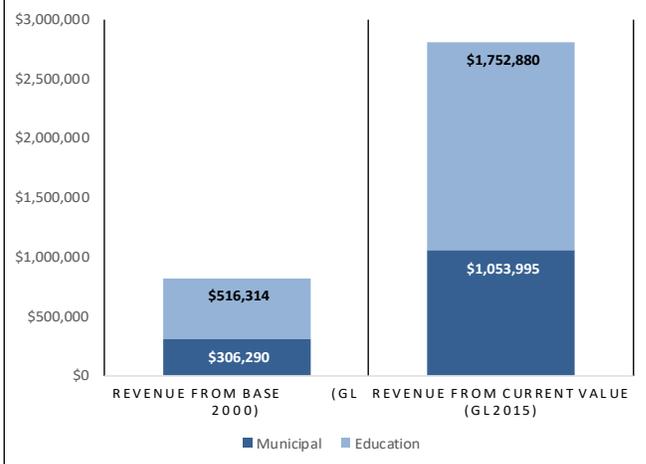
Retention Period



TAXABLE VALUE

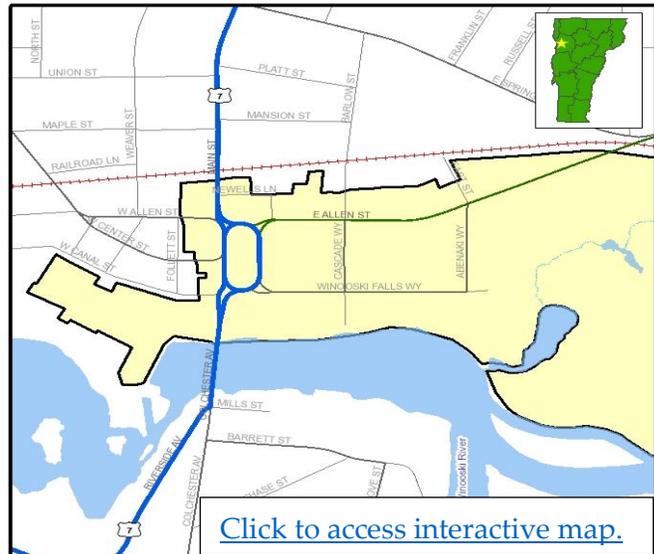


BASE AND INCREMENTAL REVENUE



Debt Profile

TOTAL INCURRED, \$29,998,000	
PAID, \$10,777,028	BALANCE, \$19,220,972
VOTED, \$30,000,000	
PROJECTED, \$30,000,000	



Approximate Value of TIF Supported Infrastructure (to date): \$52,145,991

Approximate Value of Private Investment (to date): \$89,200,000

Ratio of Public Investment to Private Development: 1:1.7

HARTFORD DOWNTOWN



In 2008, the Town of Hartford received a State Municipal Planning grant to develop the White River Junction Village Revitalization plan. The plan laid out a vision for the future which included increasing density in areas where infrastructure was already in place, and included an assessment of the village's existing infrastructure and utilities. To encourage greater density and increase housing options in and around White River Junction, an additional planning grant supported the creation of Hartford's Designated Growth Center in 2010 which opened the door for approval of a TIF District in 2011.

As with many communities around the State, while existing infrastructure in White River Junction made it a logical place to invest and grow, the existing infrastructure was old and in poor condition. Despite interest from developers and a wide selection of properties ripe for substantial redevelopment, the lack of

water, wastewater and storm water capacity was a barrier to development. Hartford was also faced with a gap between the deteriorating infrastructure conditions and the financial capacity to upgrade and build the infrastructure to a standard that would ensure successful development and provide the town and region with a vibrant downtown.

To bridge this gap, the Town of Hartford created a TIF District. TIF financing is, and will be used to complete a variety of infrastructure improvements totaling roughly \$13 million that are vital to leverage private investment in the downtown. The public improvements include:

- Extension, renovation, and upgrades to water, wastewater and storm water treatment;
- Resolution of conflicts between pedestrian and vehicle traffic, improvements to transit circulation and stops, and improvements to traffic circulation;
- Upgrades to sidewalks and utilities to support a walkable, safe, high-density

downtown environment, including streetscape enhancements including street trees and furniture, signage, and plantings;

- Construction of supplemental parking;
- Mitigation of brownfields; and
- Riparian improvements and public space construction.

Investments in public infrastructure in White River Junction have and will encourage redevelopment projects that are attracting businesses and jobs, creating new housing options, and transforming this community. Combined with other incentives through the Downtown Program, including State Downtown and Village Center tax credits, the list of completed and in progress projects is impressive and includes:

- Redevelopment of a deteriorated industrial site along the river into three new commercial buildings, including a new State Office Building and the Visiting Nurse and Hospice for VT and NH that will bring more than 100 new jobs to the downtown;
- Adaptive re-use of two old auto dealerships, one which will be an 80-unit assisted living facility and one which is the new home for Northern Stage Theater;

- Redevelopment of a hotel and office building to include new hospitality and commercial space, as well as new workforce housing;
- Consolidation and redevelopment of several parcels into new retail and mixed-use, including a renovated supermarket;
- Redevelopment of a vacant lot for commercial and retail space at street level with upper floor housing, including at least 16 units of affordable housing; and
- Conversion of an old warehouse, the former Legion Hall, and a former cleaners into commercial space and 64 units of housing.

Public investments in infrastructure totaling just under \$13 million is expected to leverage over \$60 million in private development. The base value of the District was about \$32 million upon creation, it was \$34.7 million in grand list year 2015 and the value when the TIF is fully developed is expected to be \$94.2 million, an increase in value of \$63 million. Before the TIF District, the properties sent about \$460,000 a year to the Education Fund. When the TIF retention period ends, the properties will send more than \$1.3 million to the Education fund each year.



Hartford TIF District Profile

Year Created: 2011

Type: TIF Plan Approved by VEPC under TIF Authority 32 VSA 5404a(h)

Split of Increment: Education Fund = 75%/25% and Municipal General Fund = 75%/25%

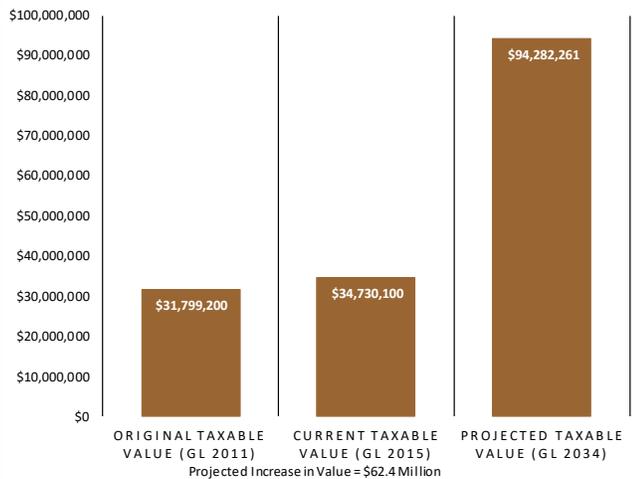
Debt Period



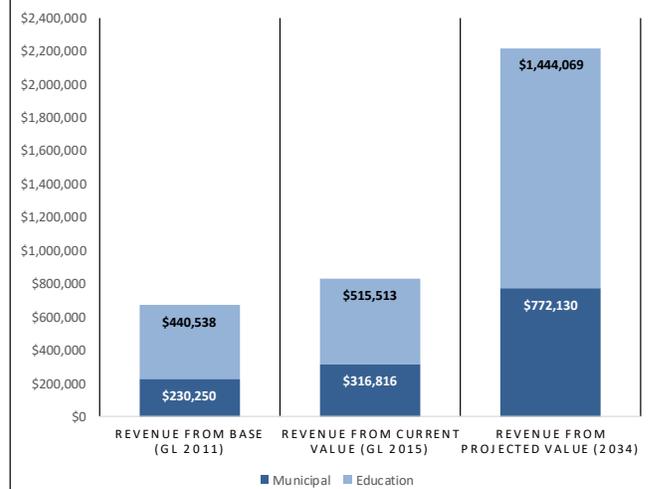
Retention Period



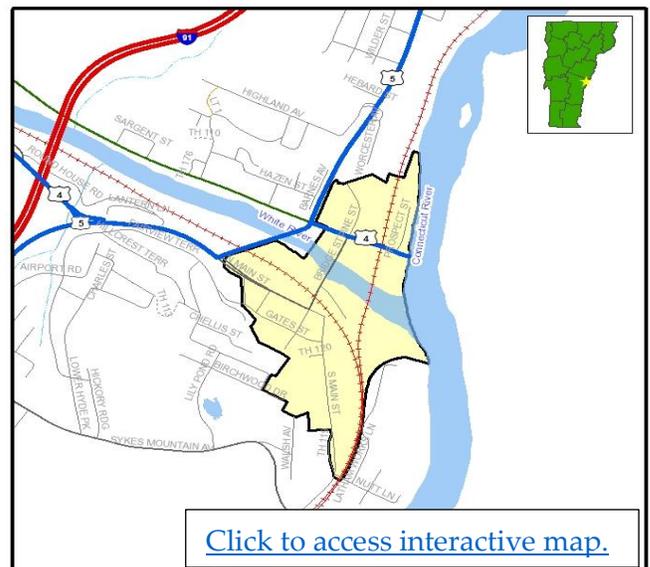
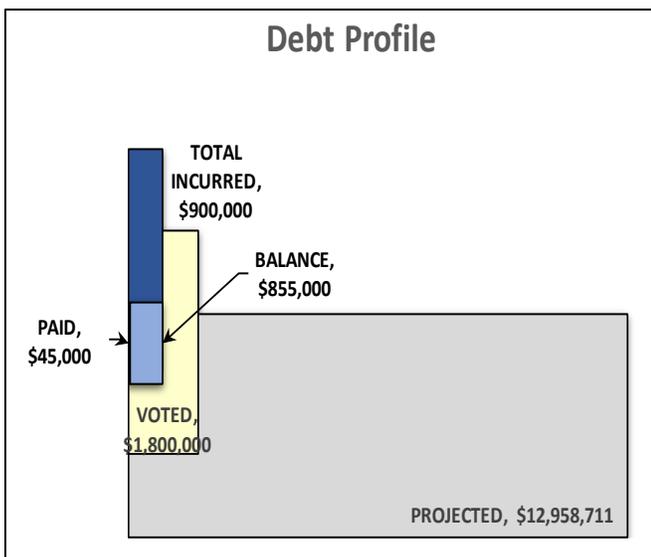
TAXABLE VALUE



BASE AND INCREMENTAL REVENUE



Debt Profile



Approximate Value of TIF Supported Infrastructure (to date): \$402,648

Approximate Value of Private Investment (to date): \$24,280,648

Ratio of Public Investment to Private Development: 1:60

BURLINGTON WATERFRONT



The Burlington Waterfront TIF District has transformed an economically depressed area that was divided from the City by a rail line into a vibrant waterfront location to work, play and live. Projects have connected the downtown to the waterfront, stimulating a market for commercial, retail and business office space as well as a market for downtown housing, and created a premier destination waterfront venue for activities and events accessible to all Vermonters.

In 1996, the City Council created a TIF District along the central and northern Burlington waterfront and then in 1997 expanded the district to include the Cherry Street spur between Battery Street and Bank Street. The Vermont legislature authorized use of education property tax increment and has extended the debt and retention periods for this District on several occasions.

The projects associated with the first ten-year debt period for the District totaled about \$17 million dollars, and included development or improvements to the Westlake, Lakeside and College Street Parking Garages as well as Lake Street reconstruction, the execution of a purchase option for Urban Reserve land, and development of the Waterfront fishing pier.

These public improvements encouraged substantial business growth. The 1999 construction of the Lakeview Parking Garage resulted in the construction of the then Filenes (now Macy's) as the anchor tenant for the Burlington Square Mall. Westlake and College Street Garage improvements resulted in construction of the Marriot Hotel and Hotel Vermont as well as the refurbishing of the hotel on Battery Street (now the Hilton).

Burlington voters have approved additional debt to pay for Burlington Bike Path improvements, the Waterfront Access North project, and public improvements to the City's northern waterfront in support of a slate of projects selected through a Public Investment Action Plan ([PIAP](#)).

To date, proceeds from the bonds have been used for:

- Renovating and enhancing the four sections of the Bike Path located in the Waterfront TIF District (essentially between Perkins Pier and the northern end of the Urban Reserve). Completed the first two sections and plans to complete a third section in FY 2017.
- Construction of the Waterfront Park Upgrades project including site improvements such as a new board walk, upgraded lighting and addressing contaminated soils. Construction began in FY 2015 and will continue through FY 2017.
- Construction the Waterfront Access North project which consists of site improvements, infrastructure and brownfield remediation that support the permanent home and new building for the Community Sailing Center. The Community Sailing Center began construction in 2013 and is still under construction and anticipates completion summer 2017.

To date, public investments of \$27 million have leveraged \$95 million in private development. The base value of the District was \$42 million upon creation in 1996. The

current value as of Grand List 2015 was \$137 million, an increase in value of \$94 million. Before the TIF District, the property sent about \$691,000 a year to the Education Fund. When the retention period ends, the properties will send more than \$1.7 million to the Education fund each year (not including the City Center project projections).

Act 134 of 2016 extended the period to incur indebtedness to June 2020 and the period to retain increment to June 2035 to accommodate the redevelopment of the Burlington Town Center. In November 2016 voters approved \$21.8 million in debt for infrastructure projects related to that project.

Some of the outcomes of the District include:

- 29 units of market rate housing at 200 and 216 Lake Street
- 40 units of mixed rate housing at 300 Lake Street
- Development and expansion of Burlington Bay Market
- 62,726 sf of commercial/office/retail at Lake & College Streets
- Leahy Center for Lake Champlain - ECHO Lake Aquarium and Science Center
- Public Boat Launch completed
- New Coast Guard facility completed
- Fishing Pier completed in 2002
- New Skate Park
- Improved Bike path
- Improved public transit access points
- New building for Community Sailing Center
- General improvements to Vermont's most-utilized public park and event area
- Over 80 businesses located in the District – some new and some expanded.

Burlington Waterfront TIF District Profile

Year Created: 1997

Type: Created Pre-Act 60; Use of Ed. Prop. Tax Grandfathered by Legislature (Act 60)

Split of Increment:

Original: Education Fund = 100%/0% and Municipal General Fund = 100%/0%

Beginning 2010: Education Fund = 75%/25% (Except 2 parcels which are at 100%/0%) and Municipal General Fund = 100%/0%

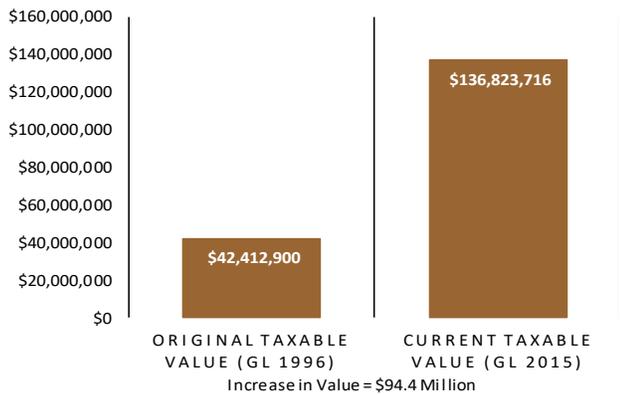
Debt Period



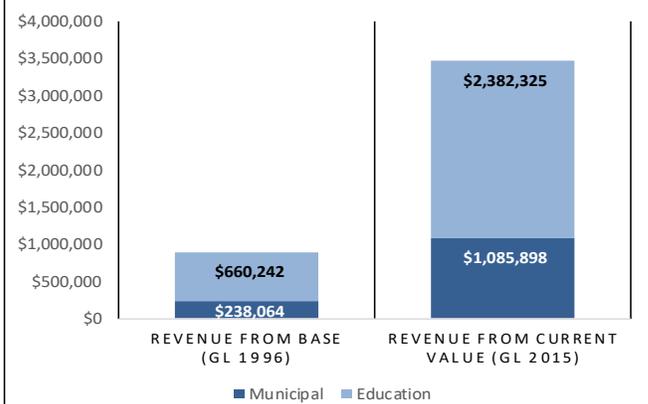
Retention Period



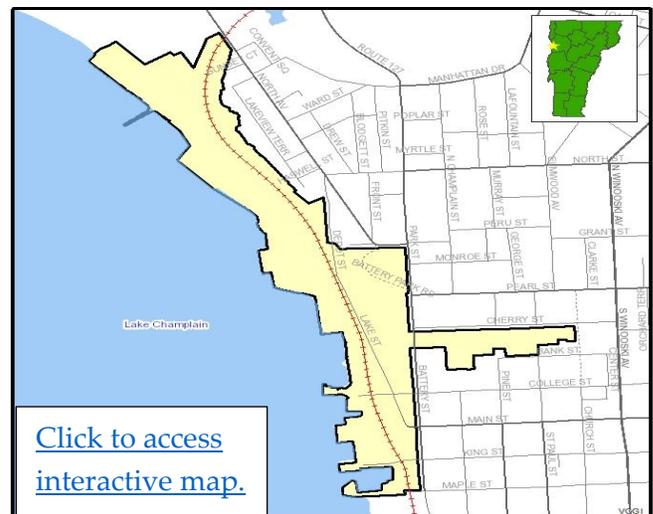
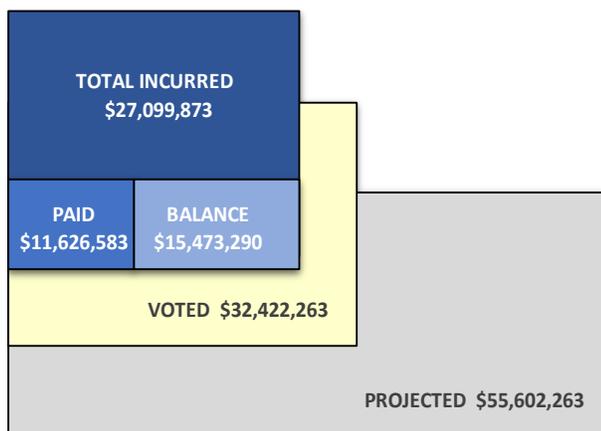
BURLINGTON WATERFRONT TAXABLE VALUE



BURLINGTON WATERFRONT INCREMENTAL REVENUE



Debt Profile



Approximate Value of TIF Supported Infrastructure (to date): \$27,099,873

Approximate Value of Private Investment (to date): \$94,478,470

Ratio of Public Investment to Private Development: 1:3

MILTON NORTH/SOUTH



The Milton North/South TIF Districts were the first and only Districts authorized for utilization of incremental education revenue by the Vermont Economic Progress Council (VEPC) as part of the Economic Advancement Tax Incentive (EATI) program (Act 71). Approved by the Milton select board in March 1998 and VEPC in November 1998, the Milton North/South TIF Districts actually represent two separate, non-contiguous areas: the Catamount TIF (South) was created around the existing Catamount Industrial Park with TIF financing intended to improve the infrastructure so that additional growth could take place within the industrial park; and the Husky TIF (North), created to encourage Husky Injection Molding Systems to develop a corporate campus at the north end of Milton. Since the creation of the Districts, the municipality has treated the Districts as one, and in 2011, the General Assembly enacted a retroactive provision that allowed Milton to

treat the two Districts as a single district for purposes of accounting and reporting requirements (§15b, Act 45, 2011).

The original plan for these TIF Districts anticipated public infrastructure totaling \$27.3 million, including \$9.5 million for wastewater treatment capacity and collection expansion, \$14 million in highway improvements, and \$3.8 million for water system and fire safety. The town anticipated that about \$12 million of the infrastructure costs would be financed with TIF revenues. The town planned to pursue state and federal grants and payments from Husky for the balance.

The town encountered numerous difficulties that delayed projects and increased costs, including demands for a wastewater plant rather than a smaller-impact decentralized system, increased wastewater connection fees, and permitting delays. Total cost for the

wastewater project alone grew to an estimated \$17.3 million. Because of these delays and the economic downturn that caused a smaller-than-planned build-out by Husky, infrastructure projects started very late, some infrastructure projects were cancelled, and expected increments were not realized.

Nearing the end of the original TIF revenue retention period, the wastewater treatment project was completed, but had over \$15 million in outstanding debt, the water connections were completed, some of the transportation projects were completed and about \$6 million in debt remained. All fire and safety improvements were made with no remaining debt.

The value of the properties within the TIF Districts had increased by only \$36 million compared to the \$100 million expected increase.

In 2006, the legislature enacted special provisions (§2j, Act 184, 2006; amended by §68, Act 190, 2008) allowing the Milton North/South TIF Districts to be extended for an additional ten years.

Among other changes, this legislation limited the utilization of education property taxes to 75% of the incremental revenues generated to finance improvements that serve the District and required that an equal or greater proportion of the municipal increment go to finance the TIF debt. The application was submitted on March 26, 2009, extending the ability for Milton to incur debt and retain incremental property tax revenue for the Milton North/South TIF Districts until March 31, 2019.

Public investments of \$9.3 million have leveraged \$36.5 million in private development. The base value of the District was about \$27 million upon creation in 1998. The current value as of Grand List 2015 was \$61.3 million, an increase in value of \$20.7 million. Before the TIF District, the properties sent about \$250,000 a year to the Education Fund. When the TIF debt is retired in a few years, the properties will send more than \$800,000 to the Education fund each year.



Milton North/South TIF District Profile

Year Created: 1998

Type: Education Property Tax Utilization Authorized by VEPC under EATI Program (32 VSA 5401(10)(E))

Split of Increment:

Original: Education Fund = 100%/0% and Municipal General Fund = 100%/0%

Beginning 2010: Education Fund = 75%/25% and Municipal General Fund = 75%/25%

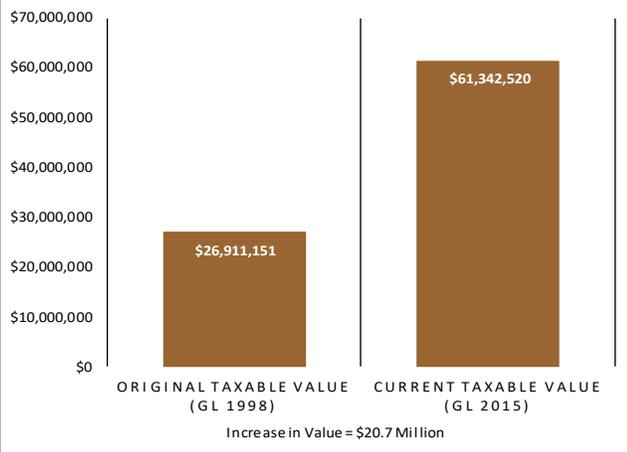
Debt Period



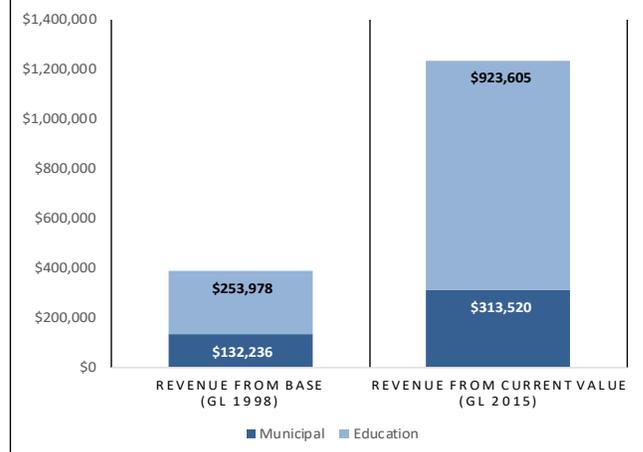
Retention Period



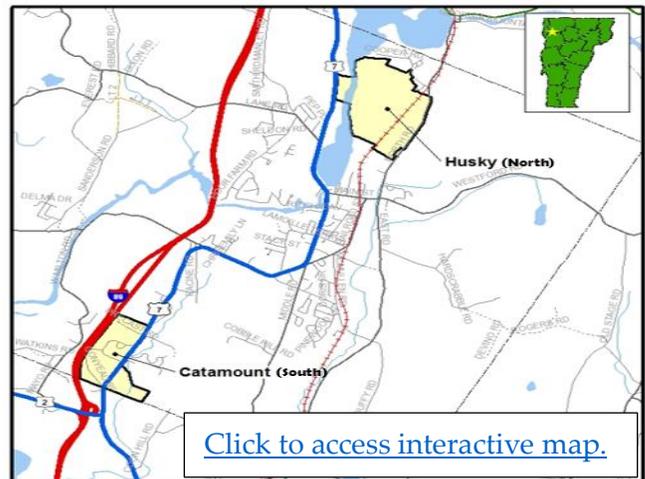
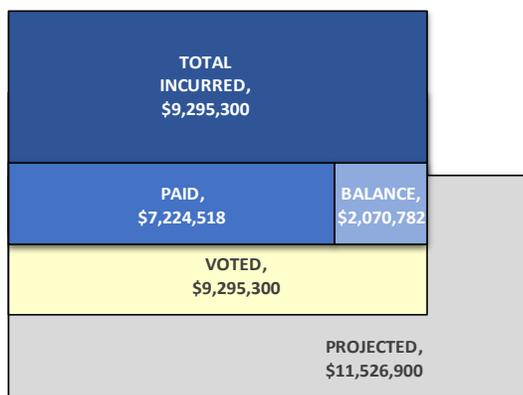
TAXABLE VALUE



BASE AND INCREMENTAL REVENUE



Debt Profile



Approximate Value of TIF Supported Infrastructure (to date): \$9,278,670

Approximate Value of Private Investment (to date): \$39,539,253

Ratio of Public Investment to Private Development: 1:4

MILTON TOWN CORE



In April 2008, the Town of Milton created the Milton Town Core TIF District that is essentially a corridor along Route 7 starting from the area east of the south end of Lake Arrowhead, west along Main Street, south along Route 7 through the downtown area, west along Route 7 to Interstate 89. The TIF is intended to improve infrastructure that would encourage development in the core area along Route 7 and better define the area as Milton's downtown.

In December 2008, Milton submitted the first application to the Vermont Economic Progress Council pursuant to the new statutory changes for TIF District approvals enacted in 2006 (Act 184). In April 2009, VEPC gave conditional approval to the Milton Town Core TIF District Plan.

In 2009, the General Assembly enacted several amendments to the TIF District statute that

applied to only the Milton Town Core TIF District (See §82 of Act 54, 2009). Under these provisions, this TIF district operates under slightly different rules than the other Districts created after 2006.

In March 2011 Milton submitted, and in April 2011 VEPC gave final approval to, the TIF District Plan, and approved a TIF Financing Plan, for the Milton Town Core TIF District.

The planned infrastructure improvements, started in 2011, were projected to total about \$23.7 million and include: the expansion of a wastewater collection system, a water system loop, and various transportation improvements, including new roads, intersection improvements, street reconstruction, new sidewalks, street lighting, and transportation improvements to enhance vehicular and pedestrian safety.

The projected real property development included mixed-use such as residential rehabilitation and new construction, including the development of affordable housing units, commercial development including retail storefronts, a small amount of light industrial.

Public investments in infrastructure totaling \$24 million are projected to leverage over \$126

million in private development. The base value of the District was about \$124 million when created, it was \$157 million in grand list year 2015 and the value when the TIF is fully developed is expected to be \$251 million. Before the TIF District, the properties sent about \$1.5 million a year to the Education Fund. When the TIF retention period ends, the properties will send more than \$3 million to the Education fund each year.



Milton Town Core TIF District Profile

Year Created: 2008

Type: TIF Plan Approved by VEPC under TIF Authority 32 VSA 5404a(h)

Split of Increment: Education Fund = 75%/25% and Municipal General Fund = 75%/25%

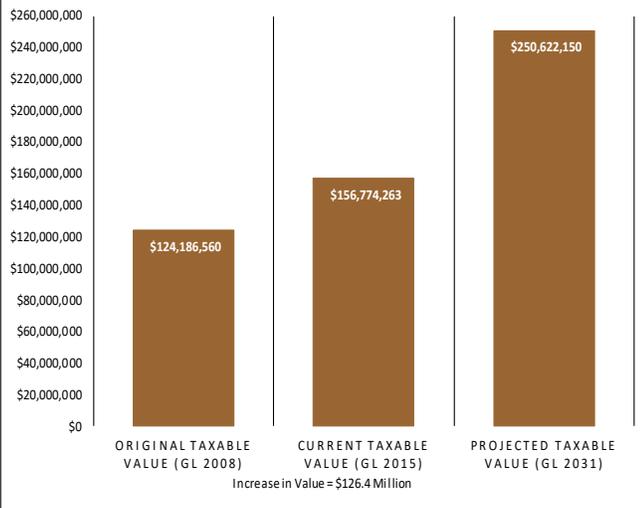
Debt Period



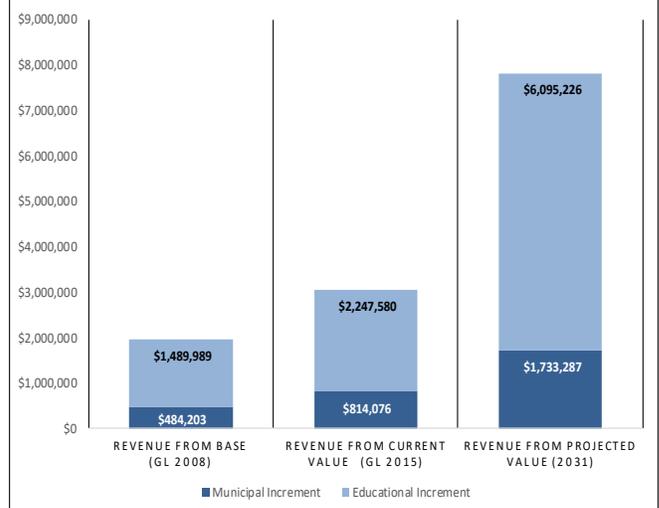
Retention Period



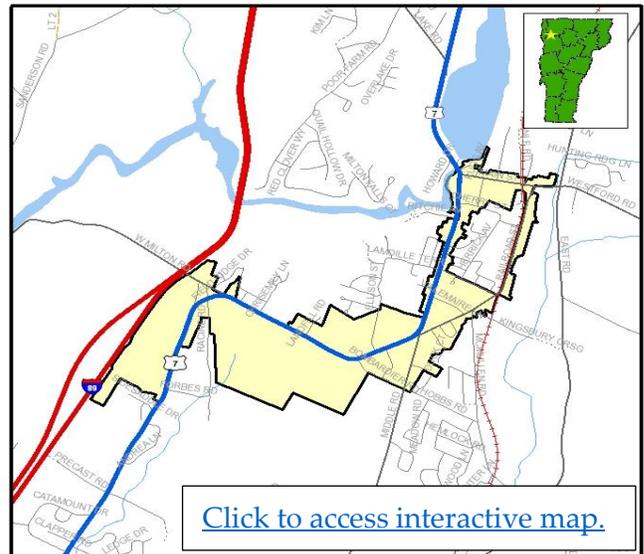
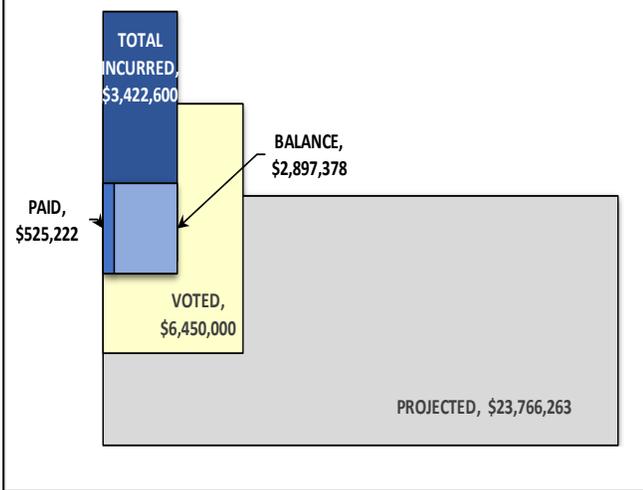
TAXABLE VALUE



BASE AND INCREMENTAL REVENUE



Debt Profile



Approximate Value of TIF Supported Infrastructure (to date): \$3,360,251

Approximate Value of Private Investment (to date): \$36,718,211

Ratio of Public Investment to Private Development: 1:10

BURLINGTON DOWNTOWN


In 2011 the City of Burlington created a TIF District that roughly corresponds to, and is completely within, the boundaries of their Designated Downtown that was originally approved by the State of Vermont in 1998. The TIF Plan was approved by VEPC for utilization of the incremental education revenue under the authority provided by Act 184 (2006).

The intent of the TIF is to support investments in public infrastructure that will enable implementation of the City’s adopted plans and goals by supporting downtown economic, housing, and community investments consistent with the vision of Burlington as articulated in the Burlington Legacy Project Action Plan:

Burlington is at the heart of a regional population and economic center that

offers meaningful jobs at livable wages; where a diverse housing stock serves all income levels; with a growth rate that balances jobs and housing; offering high quality arts, entertainment and recreational opportunities of interest and benefit to all residents; with concentrations of higher density, mixed-use development surrounded by residential neighborhoods and open space.

The purpose of the Burlington Downtown TIF District is to:

- Support the creation of high-density infill housing opportunities which enable the City and partners to provide housing affordable at varying income levels for the region;
- Support continued mixed-use development consistent with City and Regional plans and statewide objectives;

- Enable investments in structured parking consistent with the provision of higher density development, where public investment is necessary to facilitate higher densities; and
- Continue to implement the City's plans for the Designated Downtown.

The City plans to use the TIF tool to support public investments including the construction of structured parking, development of roadways and streetscape improvements, Brownfield remediation, utility relocation and reconstruction, and transit improvements.

The projected public infrastructure improvements that would serve the TIF District include structured parking, utility upgrades and renovations, side street improvements, and streetscape improvements. Total infrastructure costs were estimated at \$33.4 million and total debt was estimated at \$47M, including financing and related costs.

The base value of the properties in the TIF District was \$174.4 million. The estimated value after the infrastructure improvements and development is projected to be \$252.4 million, for an increase of \$78 million.

Burlington estimated the generation of \$62 million in incremental property taxes during the 20-year retention period.

The applicant proposed and VEPC approved a 75%/25% share of the incremental revenues, with allowance for use of up to 100% of municipal increment where approved by the municipal voters and legislative body. The 75/25 split will have \$11.8 million of the Education increment to go to the Education Fund and \$3.6 million of the municipal increment to go to the municipal general fund. A total of \$46.5 million would go to finance the TIF District debt (\$35.4 million from incremental education revenues and \$11.1 million from incremental municipal revenues).

During the TIF retention period, a total of \$64 million in education property tax revenue (from the base and 25% of the increment) will accrue to the Education Fund. At the end of the retention period, an estimated \$1.7 million in additional tax revenue will be generated each year because of the new development.

The City incurred first debt for the TIF District in 2016, so the District is just getting started at the time of this report.

Burlington Downtown TIF District Profile

Year Created: 2011

Type: TIF Plan Approved by VEPC under TIF Authority 32 VSA 5404a(h)

Split of Increment: Education Fund = 75%/25% and Municipal General Fund = 75%/25%

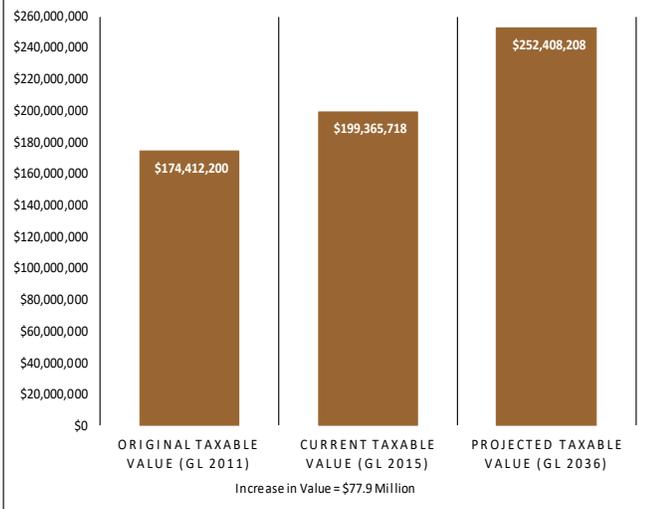
Debt Period



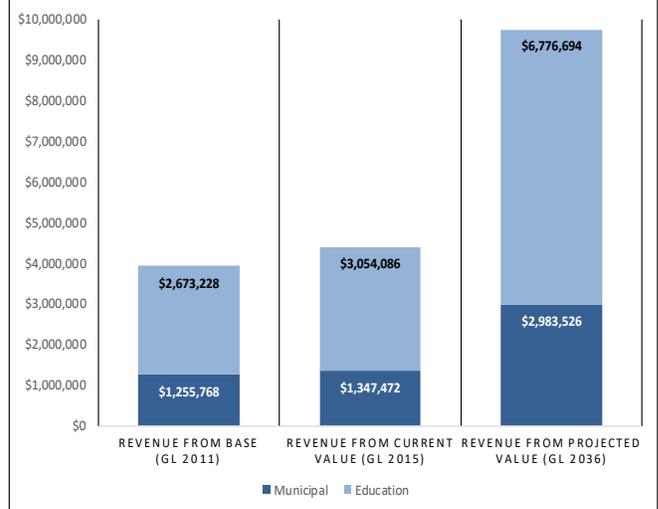
Retention Period



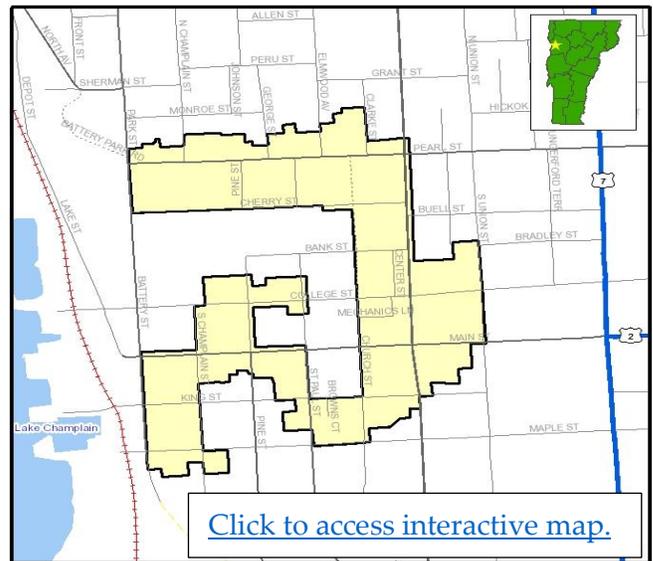
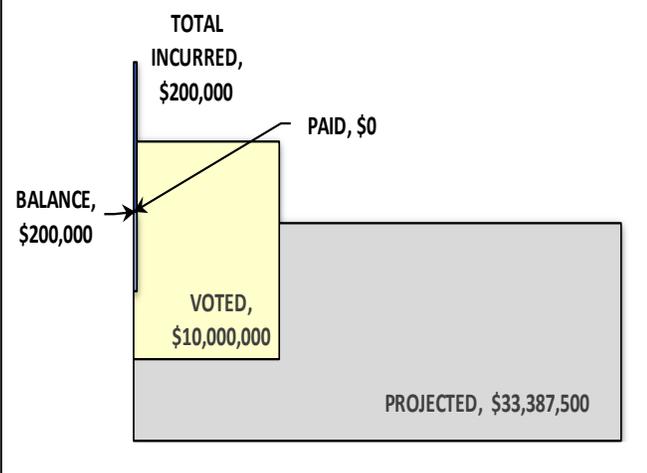
TAXABLE VALUE



BASE AND INCREMENTAL REVENUE



Debt Profile



Approximate Value of TIF Supported Infrastructure (to date): \$0

Approximate Value of Private Investment (to date): \$0

Ratio of Public Investment to Private Development: 0:0

SOUTH BURLINGTON CITY CENTER



The vision for South Burlington's City Center is to effectively blend existing neighborhoods, commercial areas, natural areas, underdeveloped properties, and undeveloped lands into the true downtown of South Burlington. The downtown will provide increased connectivity through new cross streets; support an integrated mix of housing, retail, and employment; and be a primary focus point for compact, walkable and bike-able development within the City.

South Burlington's City Center initiative supports this objective by establishing and enhancing public buildings and gathering spaces, building or reconstructing a series of streets that would connect to the principal corridors of the area, and investing in other public infrastructure to leverage private investment. Combined, these provide

opportunities for housing and employment in an area well served by public transit and existing public utilities, improve transportation efficiency, and create linkages to existing neighborhoods in the area.

This vision for South Burlington's downtown - City Center - has been a dominant feature of the City's adopted Comprehensive Plan as far back as 1985. For more than thirty years, the community has planned for and invested in the development of a downtown. That vision is now beginning to become a reality. The City has taken the following steps to implement the vision:

- Designation of a New Town Center
- Creation and approval of a TIF District
- Designation of a Neighborhood Development Area
- Adoption of a Comprehensive Plan

- Adoption of a form-based code within the land development regulations to streamline the development permitting process

The planned public infrastructure improvements that will serve the TIF District include:

- Environmental Improvements
- Place-making Improvements
- Circulation Improvements
- Transportation Improvements

These public investments are projected to encourage private investment in developments that would occur because of the infrastructure improvements. The base taxable value of the properties located within the TIF District is \$36.2 million. The estimated value after the infrastructure improvements and redevelopment is \$202 million, which would generate a \$165.8 million of incremental value. South Burlington estimates the generation of \$133.3 million in incremental property taxes during the 20-year retention period.

The applicant proposed, and VEPC approved, a 75%/25% share of the incremental revenues. This split will allow an estimated \$26.1 million of the increment to accrue to the education fund and \$7.2 million of the increment to go to the municipal general fund. An estimated total of \$99.9 million would go to finance the TIF District debt.

During the TIF retention period, an estimated total of \$47.6 million in education property tax revenue (from the base and 25% of the increment) will accrue to the Education Fund. At the end of the retention period, an estimated \$5.6 M in

additional tax revenue will be generated each year because of the new development.

This just in! The following are announcements indicating that the South Burlington City Center project got a great start in late 2016, after the reporting period included in this report. This information is included for update purposes, but the data related to these projects will be included in the next annual report.

TIF Debt Approved by Voters

On November 8, 2016, South Burlington voters approved a TIF supported \$5 million bond issue to upgrade Market Street (upgraded street, sidewalks, and utility infrastructure) and create City Center Park Phase 1 (the Dumont parcel). The City has secured Federal Highway Administration grant funding for the reconstruction of Market Street and has used City impact fees to support a portion of the design work for both projects.

First Housing Project Fully Occupied

The first housing project in City Center opened fully leased out. Blackbay Ventures VII includes 12 units which face onto Market Street. Geared towards young, single professionals, each two-bedroom unit features a front porch, 2.5 baths, a laundry, and a basement. This project will be fully on the Grand List in 2017. This was the first project initiated by a developer because of the TIF District.

Senior Housing Development Announced:

In 2017, Cathedral Square Corporation (CSC) will develop, in partnership with Snyder Braverman Development Company, LLC, 39 new units of service-enriched affordable

senior housing within the South Burlington TIF District. This will be a turn-key project, which means Snyder Braverman Development Company will develop and construct the project and the limited partnership formed by Cathedral Square will purchase the property once it is complete. The site is located on Market Street in City's new town center and the site is within the City's TIF District and Neighborhood Development Area.

The City's Form-Based Code zoning regulation ensure that the project's building permits receive a streamlined administrative review. The project will go through normal subdivision and environmental review and permitting processes.

CSC will be the management agent for the limited partnership, providing property management, resident service coordination, and wellness nursing services. The senior housing project has also received funding commitments from the HOME program, VHCB, South Burlington's Affordable Housing Trust Fund, and TD Charitable Foundation. Developers are seeking federal and state housing tax credits in April from VHFA.

The housing will be in the upper three floors of a four-story building, with parking and commercial space on the first floor facing Market Street. The housing development will be a SASH (Support and Services at Home) site and will be served by municipal sewer and water systems, sidewalks, and public transportation. A full array of goods and services are within walking distance of the site. The building will include many Universal Design features, underground parking, two elevators, living, dining, and wellness areas, an exercise room, a small conference room, a laundry room, two fully ADA accessible units, one audio-visual accessible unit, and 36 adaptable units. Rents will include all utilities and laundry (everything except cable and phone). The one and two bedroom units will be approximately 611-745 square feet and restricted to seniors aged 55 or more years. The building will exceed Residential Building Energy Standards and will achieve Enterprise Green Communities and Energy Star 3.0 certifications. Energy efficiency features include a natural gas fired hydronic system, energy efficient windows, Energy Star lighting and appliances, and low-flow water fixtures.

South Burlington TIF District Profile

Year Created: 2012

Type: TIF Plan Approved by VEPC under TIF Authority 32 VSA 5404a(h)

Split of Increment: Education Fund = 75%/25% and Municipal General Fund = 75%/25%

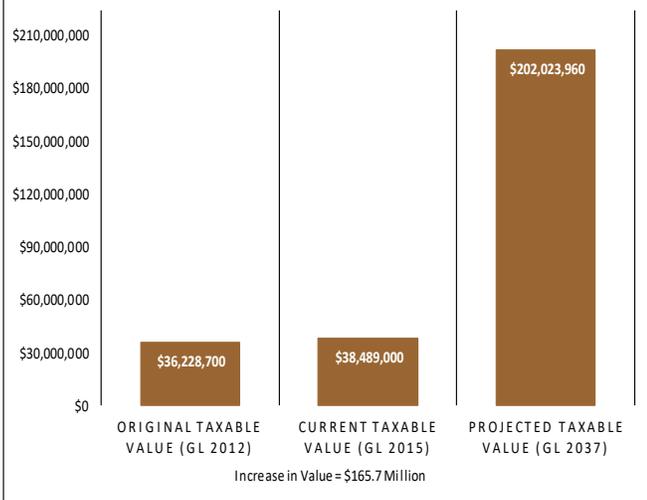
Debt Period



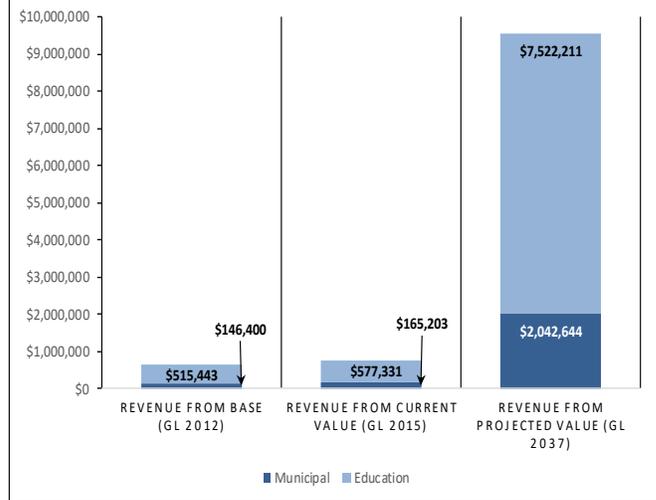
Retention Period



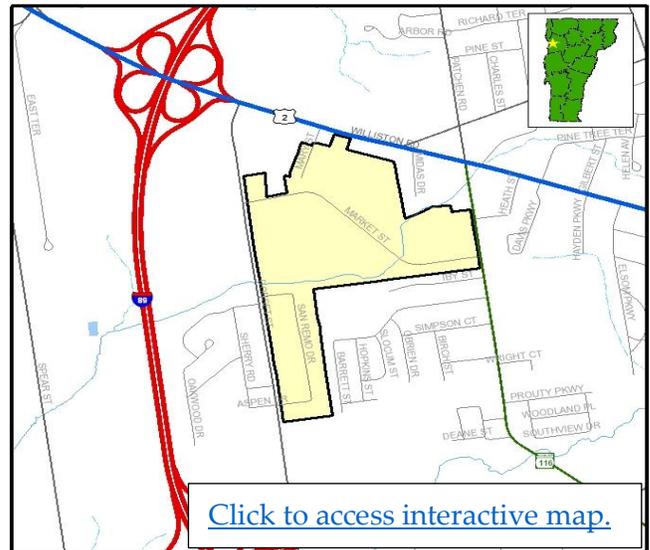
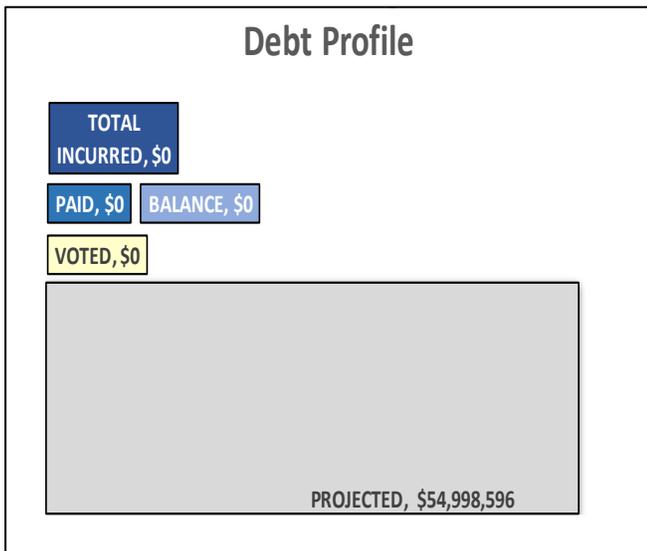
TAXABLE VALUE



BASE AND INCREMENTAL REVENUE



Debt Profile



Approximate Value of TIF Supported Infrastructure (to date): \$0

Approximate Value of Private Investment (to date): \$0

Ratio of Public Investment to Private Development: 0:0

NEWPORT CITY



The TIF District in Newport was created to allow for development of an industrial park. No development could take place without substantial investment in water, sewer, and access improvements to the property. The 47-acre area of undeveloped land was owned by a developer and zoned for commercial and industrial uses. The TIF District was created at a Newport City meeting in March 1997 and was grandfathered in for utilization of the State Education Property Tax by Act 60 (1997).

The City worked with the developer in making the necessary improvements with the goal of encouraging industrial development and creating jobs. The major work involved building a waterline connecting Newport's reservoir to Derby's waterline as the elevation of the properties within the industrial park was too high to be serviced by the Newport reservoir.

Since the TIF district was created and the new infrastructure completed, three industrial buildings have been constructed. The park now hosts Revision Military and Harvest Equipment, employing about 200 Vermonters.

The investment of \$300,000 in the water line by the TIF District leveraged almost \$3 million in private investment in the industrial park properties. The base value of the District started at \$48,500 and was \$2.954 million in 2015 when all the debt was retired and the life of the District ended, an increase in value of \$2.905 million. Before the TIF District, the property sent about \$800 a year to the Education Fund. Now the properties send more than \$51,000 to the Education fund each year.

Newport TIF District Profile

Year Created: 1998

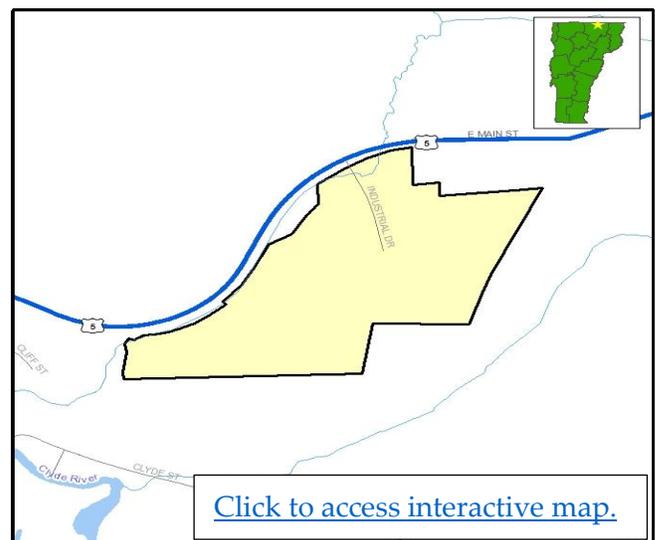
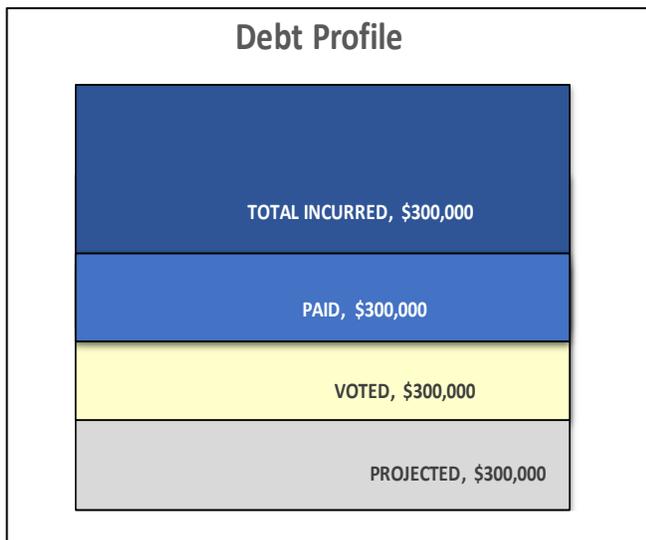
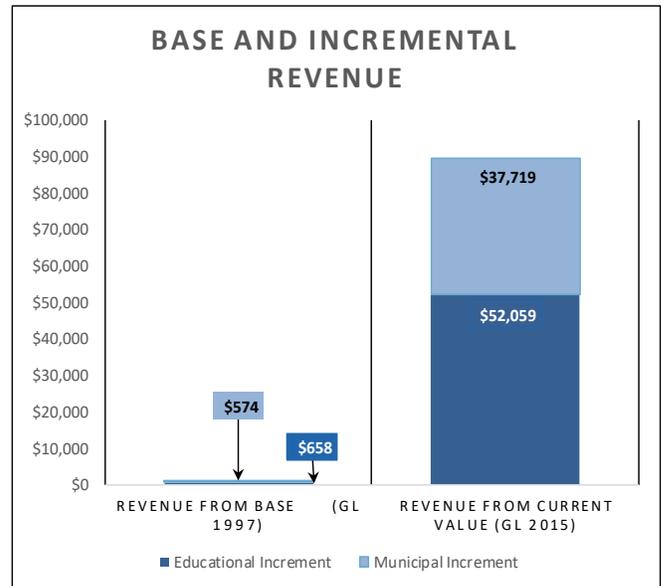
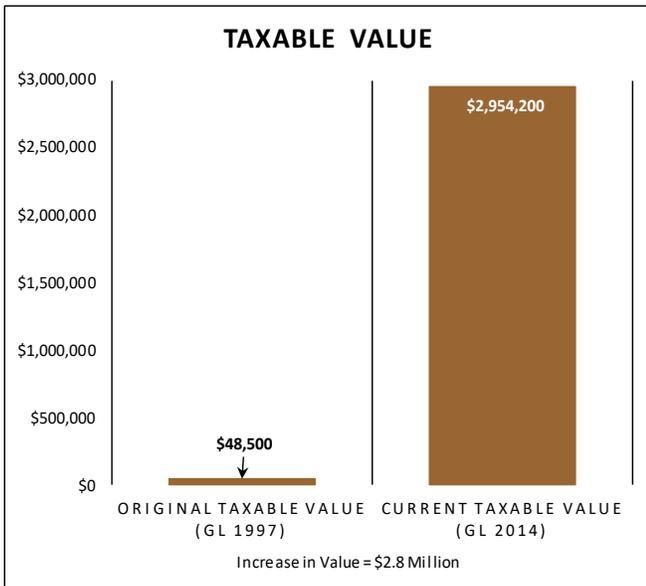
Type: Created Pre-Act 60; Use of Ed. Prop. Tax Grandfathered by Legislature (Act 60)

Split of Increment: Education Fund = 100%/0% and Municipal General Fund = 100%/0%

Debt Period



Retention Period



Approximate Value of TIF Supported Infrastructure (to date): \$300,000

Approximate Value of Private Investment (to date): \$3,000,000

Ratio of Public Investment to Private Development: 1:10

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Special thanks to the
Vermont Department of Housing and Community Development
for their help with the case studies and photographs.

Photographs (All projects within TIF Districts)

Cover: Housing Projects within TIF Districts- Counter Clockwise beginning in top right corner:

- Burlington: Waterfront Housing, a 40-unit complex including 10 projected-based units.
- Winooski: Mill House Redevelopment, 25 market rate apartments and 10 townhouses (Artist Rendering).
- Barre: Downstreet Apartments, includes office space, community space and 27 units of affordable housing.
- South Burlington: Cathedral Square Housing, commercial space and 39 units of service enriched affordable senior housing (Artist Rendering).

Page 8: Winooski: New housing and public amenity overlooking the river.

Page 9: St. Albans City: Downtown.

Page 12: Barre City: Downtown (Photo by Rue Landry).

Page 15: Winooski: Downtown.

Page 18: Hartford: 118 Prospect Place (New State Office Building).

Page 19: Hartford: New home for Northern Stage Theater and Barrette Center for the Arts.

Page 21: Burlington Waterfront: Skate Park; Waterfront Housing (Burlington Housing Authority).

Page 24: Milton: Waste water treatment facility.

Page 25: Milton: Catamount Industrial Park.

Page 27: Milton: Route 7 Corridor.

Page 28: Milton: Haydenberry Commons (Senior Independent Living).

Page 30: Burlington: Church Street Marketplace.

Page 33: South Burlington City Center (Artist Rendering).

Page 37: Newport: Revision Military, Industrial Park.