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City of Newport
222 Main Street
Newport, Vermont 05855

April 19, 2017

House Committee on Commerce and Economic Development Talking Points

1. Downtown development Issues facing Newport

- a. EB5 - Main Street Block was counting on EB5 resources to develop that block.
- b. Most developments, especially in Newport and the NEK, are not able to occur without tax credits, block grants, USDA funding, or some other type of incentive. One main reason is the cost to build in Newport is the same as in Chittenden County but one cannot get the same rents in Newport as in Burlington.
- c. Development Examples: UPS building where the owner used our designated downtown status to receive important tax credits to repair and modernize the building. The NEK Tasting Center used tax credits & grants to complete their projects. (\$600,000)
- d. We have seen two projects in the last 5 years (tasting & UPS?). Developers are not knocking on the door to develop in Newport. Reasons are costs and a lack of incentives? TIF would be another wise tool to help our community entice development.
- e. The city is working hard to develop strategies to strengthen our downtown development prospects. While we do not have specific plans at this time, TIF as an option could certainly help entice development by allowing the city to use the tool to help with major infrastructure costs such as parking, streetscape, traffic issues, etc.

The City of Newport used the TIF designation in the past to help spur development when we installed water and sewer at our our City Center Industrial park. The program worked well and a developer came in and built manufacturing facilities. We now have the Revision Helmet Factory which employs 125 people, and Harvest Equipment employing approximately 20 people, and they both pay their full tax rate. Without the TIF the developer would not have been able to afford to locate here.

When the infrastructure bond was repaid our TIF district was closed out. It worked as it was supposed to by helping with infrastructure costs which communities struggle with. I have heard concerns about the loss of education taxes. However if you look at the big picture TIF actually helps with the much needed development in our state thus helping with increased property tax revenues for the education fund.

Newport is the center hub of Orleans County. The success of the city will have an impact on the entire county's quality of life, appeal, and marketability. We strongly encourage the cap to be lifted on the number of TIFs.

Paul Monette, Mayor