

State Designation Programs

[downtown, village center and neighborhood development area, new town center, and growth center]



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Department of Housing and Community Development

February 21, 2017

Why Designate Centers ?

- heart and soul of Vermont
- define our identity and brand
- play a key role in our economy and quality of life

Investing centers:

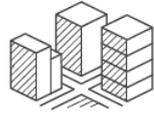
- supports state land use goals
- coordinates public investments
- gets more bang for the buck
- increases grand list
- protects the environment
- improves air and water quality
- creates healthy communities
- etc....

The Five Designations

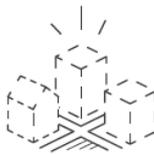
Core Designations



Village Centers (Est. 2003)



Downtowns (Est. 1998)



New Town Centers (Est. 2003)

Add-On Designations (must have a core designation to qualify):



Neighborhood Development Areas (Est. 2013)



Growth Centers (Est. 2006)

Number of State Designations: 159



Village Centers: 124



Downtowns: 24



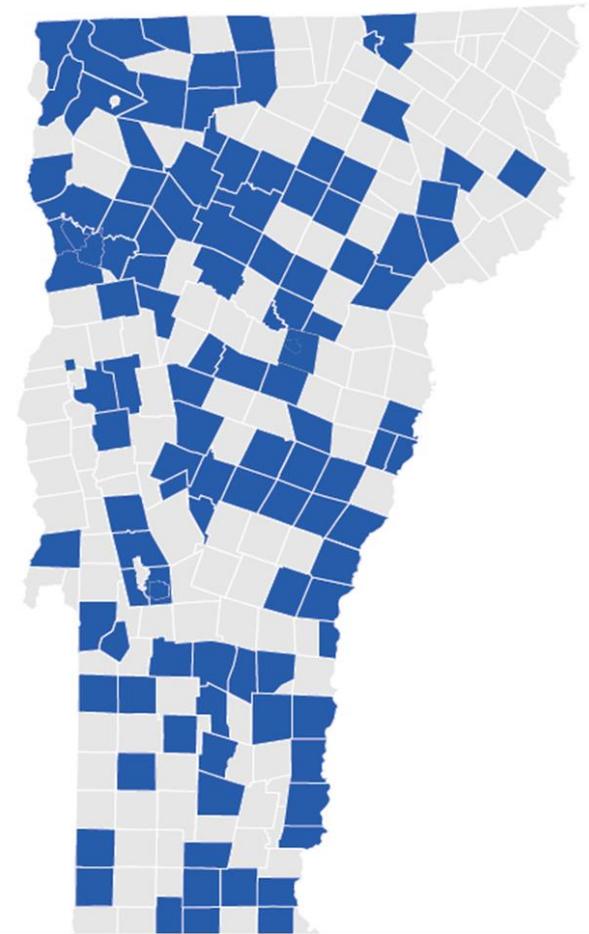
New Town Centers: 2



Neighborhood Development Areas: 5

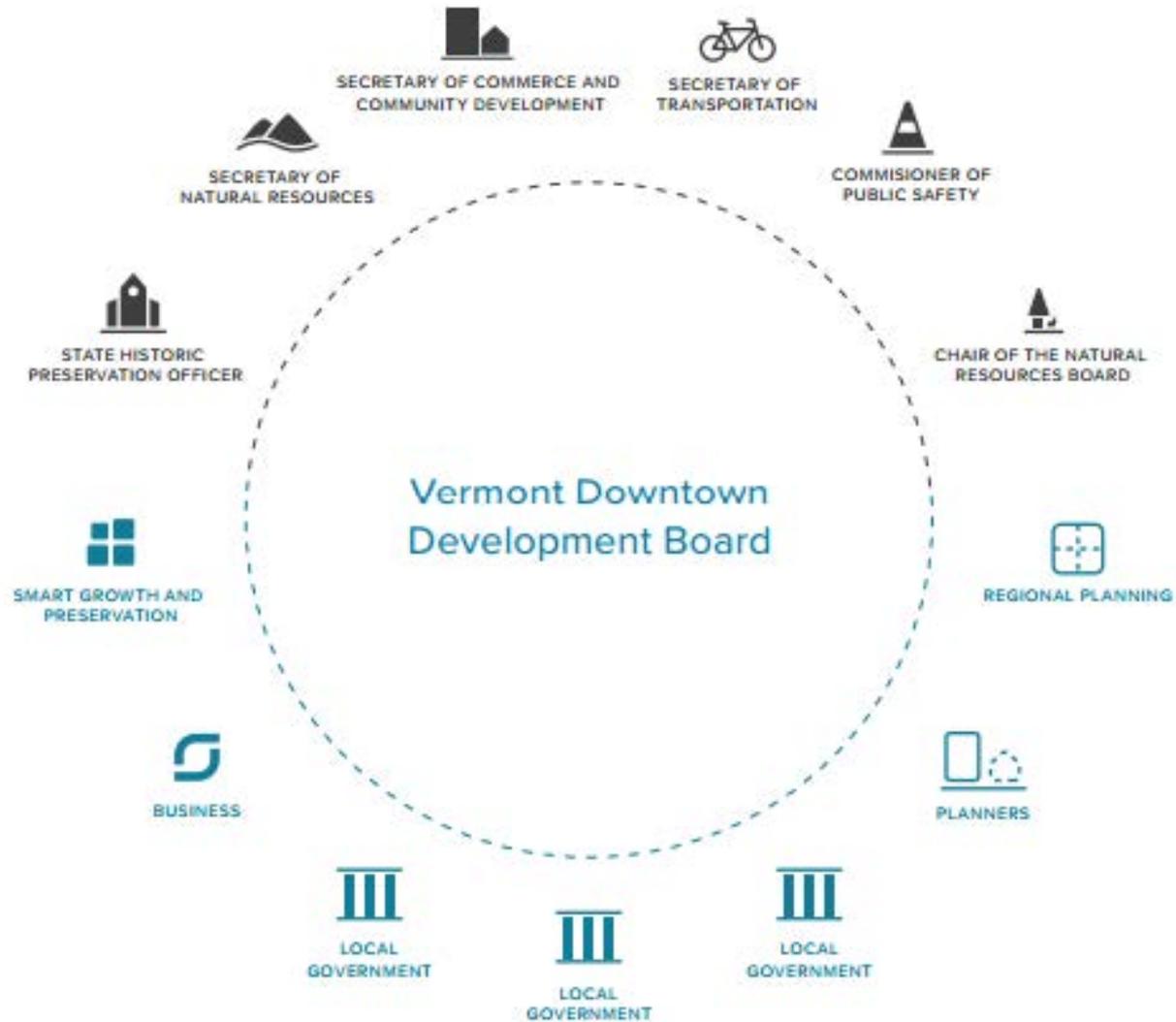


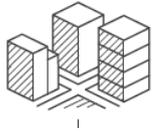
Growth Centers: 6



Municipalities with State Designated Centers

Downtown Board

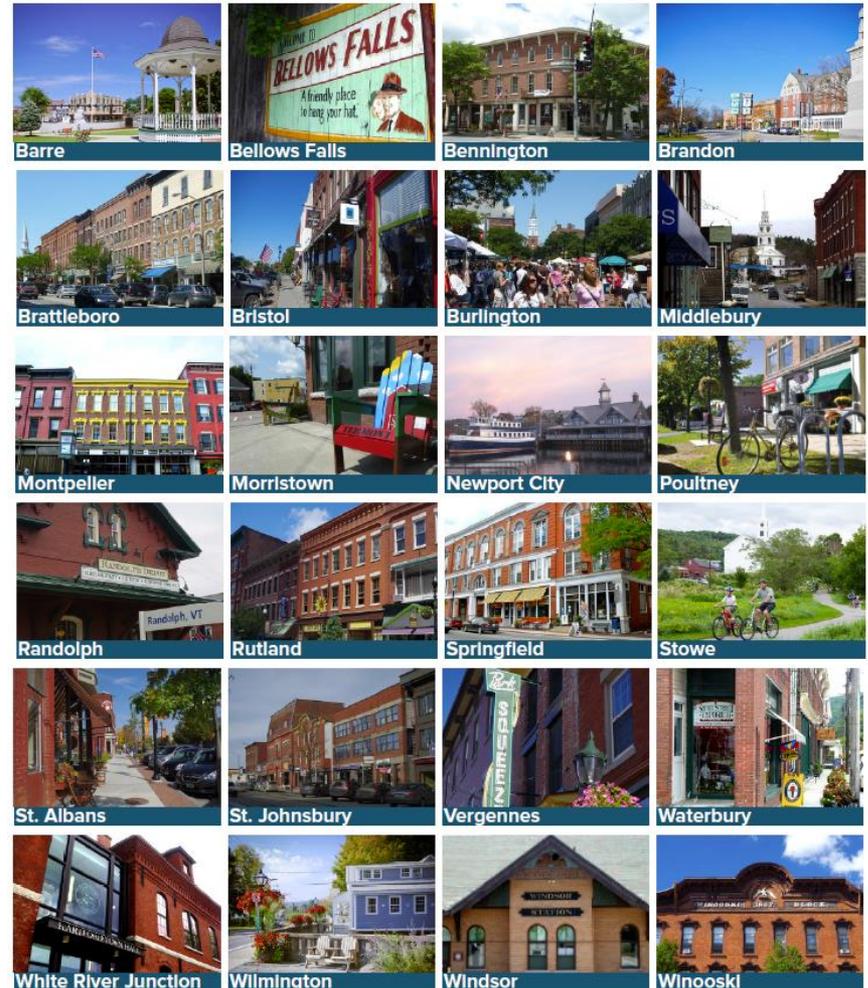


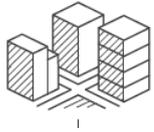


Downtown Designation Program

24 designated downtowns

This community revitalization program is designed to preserve the character and enhance the future of medium to large sized historic centers by incentivizing public and private investments, improving quality of life and encouraging economic development. Municipalities that receive designation collaborate with local non-profit downtown organizations supporting efforts through funding, staff, partnerships and volunteers.





Downtown Designation Program



Burlington



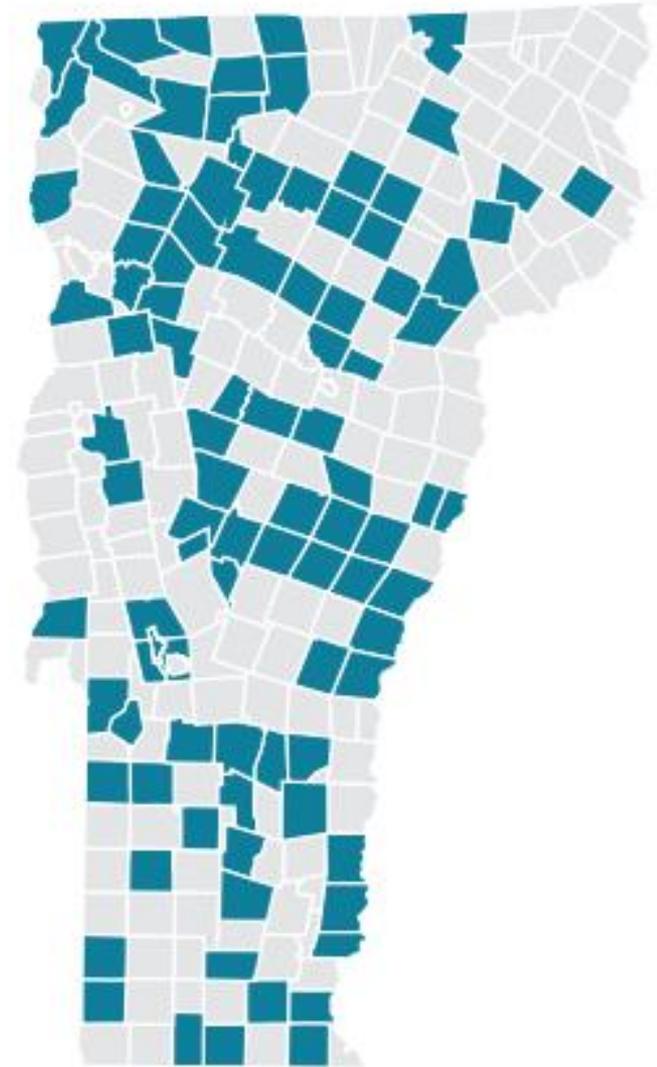
Bristol



Village Center Designation Program

124 designated village centers

This community revitalization program is aimed at small to medium-sized historic centers with existing civic and commercial buildings. The designation supports the historic center and targets training and financial incentives to bring additional public and private investment to spark village revitalization.





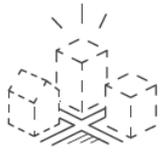
Village Center Designation Program



Richmond



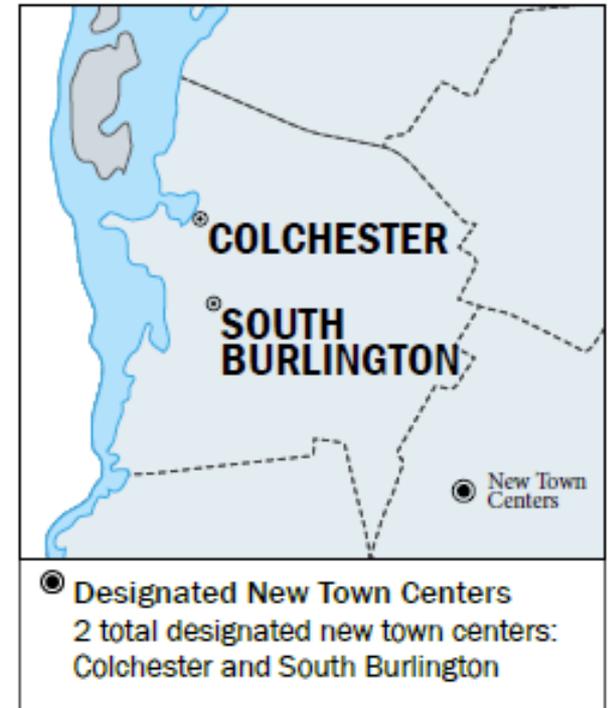
Westford



New Town Center Designation Program

2 designated new town centers

The New Town Center program provides a framework for creating compact, walkable, mixed-use centers for municipalities that have no designated Downtown or Village Center. Public buildings serve to anchor Town Centers with town halls, schools or libraries, attracting people and stimulating the kind of activity and mixed use development that bring character and vitality to a community. By creating a compact, walkable civic and commercial core area, New Town Centers provide a nucleus for future smart growth.

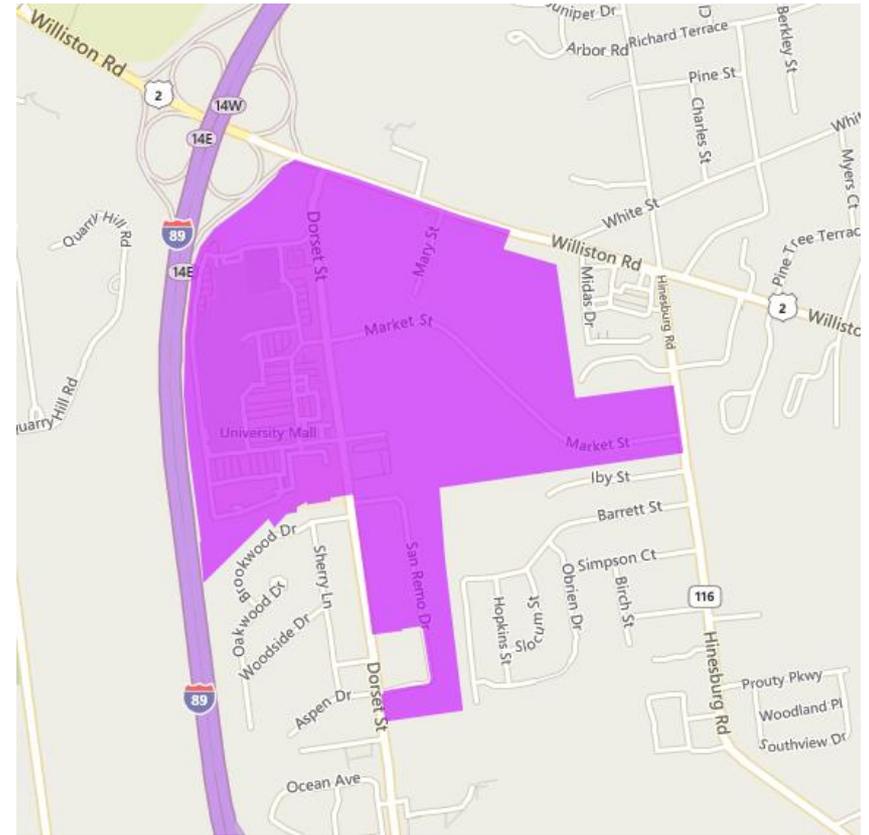




New Town Center Designation Program



Colchester



South Burlington



Growth Center Designation Program

6 designated growth centers

Designated Growth Centers encompass areas beyond the commercial center to shape the way a community develops over time. Once designated, infrastructure and building investments, both public and private, combined with a local framework of policies and regulations, ensure that 20 years of future development will enhance the vitality of the designated commercial center, while protecting farm and forest land outside the Growth Center.



- **Designated Growth Centers**
6 designated growth centers:
Bennington, Colchester, Hartford,
Montpelier, St. Albans, and Williston



Growth Center Designation Program



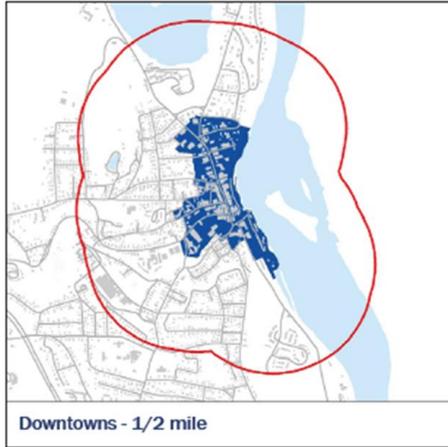
St. Albans



Bennington



Neighborhood Development Areas

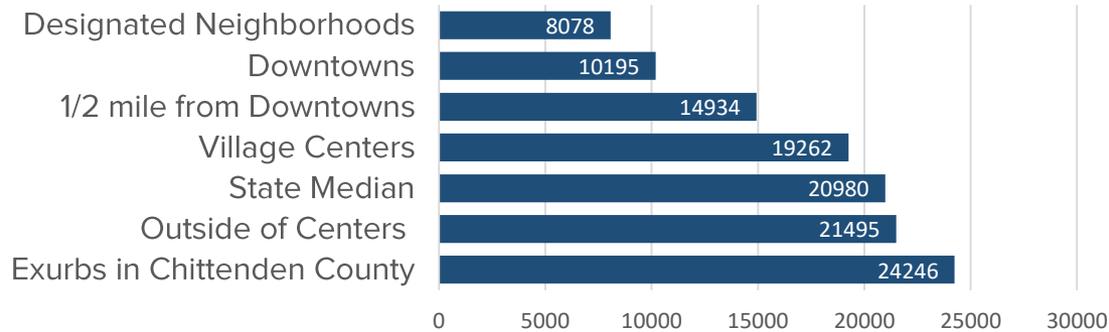


15 min walk



5-10 min walk

Median Household Annual Vehicle Miles Travelled by Area

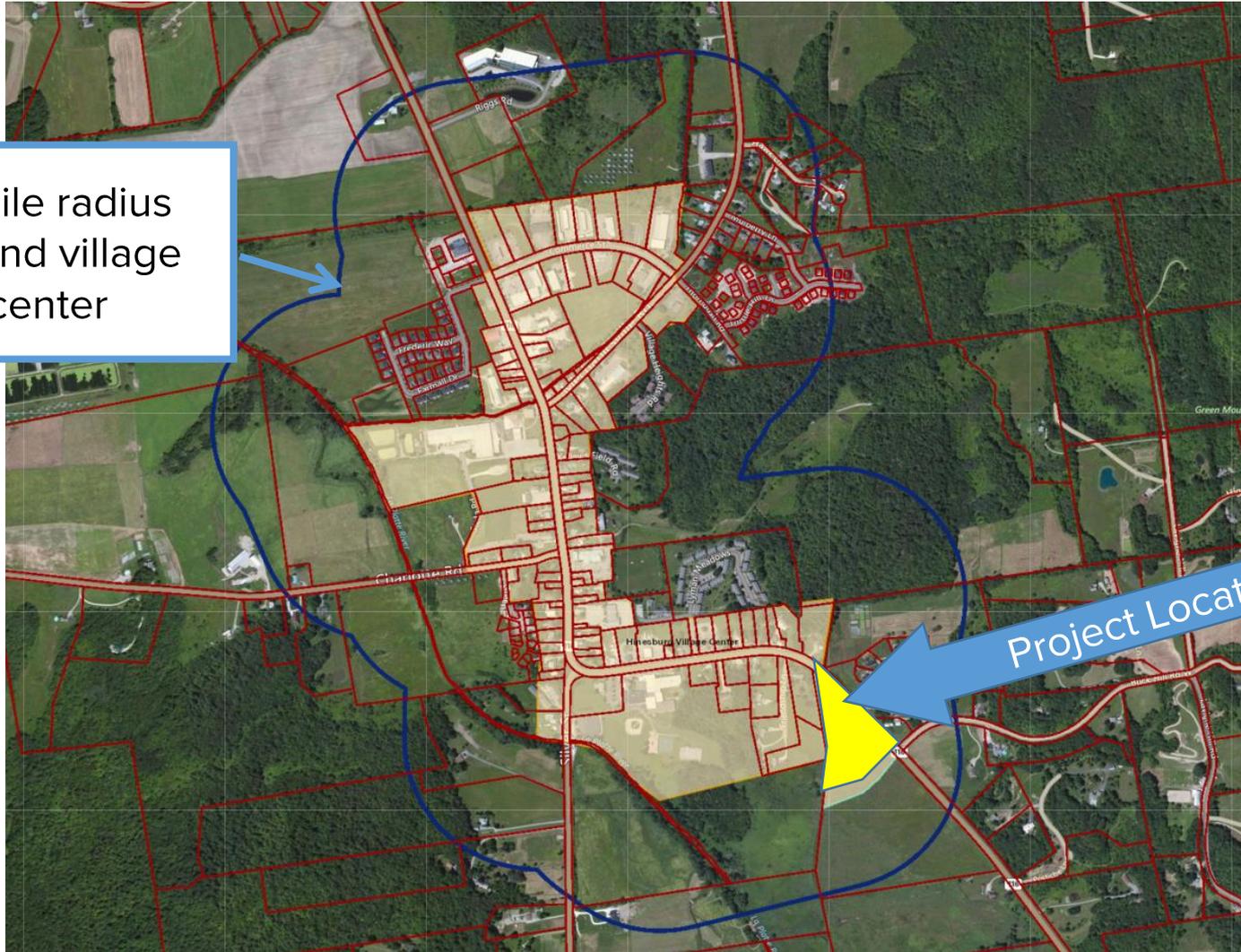




Neighborhood Development Areas

Hinesburg

1/4 mile radius
around village
center





Neighborhood Development Areas

1

Density

Minimum 4 DU/Acre

2

Building Design

Pedestrian Oriented

3

Transportation Network

Complete Streets

4

Natural Resources

No floodplains, avoid others



**Neighborhood
Development Area
Designation
Program**

**Application
Guidelines**



State Designation Programs
Community Planning + Revitalization
February 2016



Benefits of State Designation



Designation Benefits

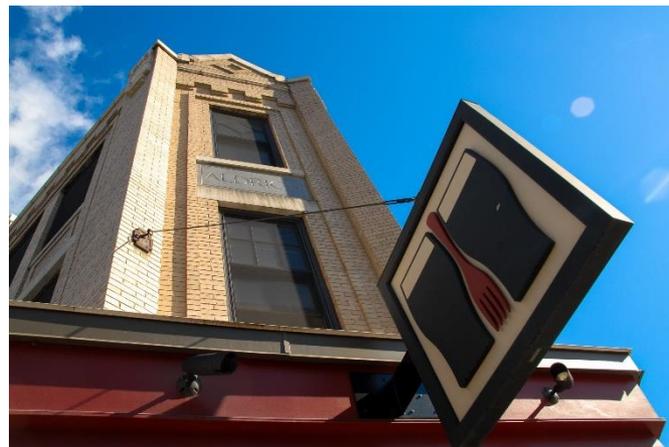
- Downtown and Village Center Tax Credits
- Downtown Transportation Fund
- State Grant Priority
- Sales Tax Reallocation
- Act 250 Exemptions for Priority Housing Projects
- Reduction of Fees
- Exemption of Land Gains Tax



Downtown & Village Center Tax Credits

Overview

- Goal to stimulate investment in commercial centers, large and small
- Award \$2.2 Million in credits annually
- Applications are competitive
- Project must be a Designated Downtown or Village Center
- 24 Designated Downtowns, 123 Designated Village Centers

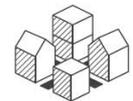


2010-2015



134

projects



51

communities



\$10.6M

awarded



\$190M

private investment

Downtown & Village Center Tax Credits

Support

- Façade Repairs – 25% credit up to \$25k
- Technology Improvements – 50% credit up to \$30k
- Code Improvements – 50% credit up to \$50k

Hardwick - Designation Sparks Revival

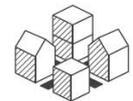


2010-2015



134

projects



51

communities



\$10.6M

awarded



\$190M

private investment



VC



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Downtown & Village Center Tax Credits

Blanchard Block, Barre

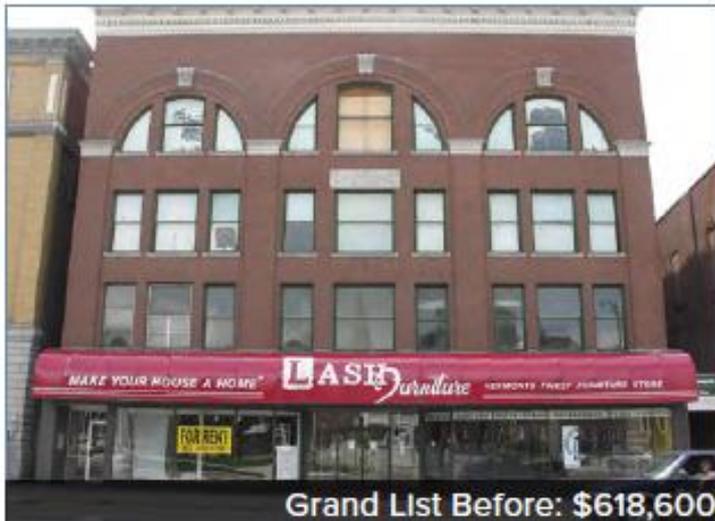
50% Code Credit

- Elevators \$50,000 max credit
- Lifts \$12,000 max credit
- Sprinklers \$50,000 max credit
- Other Code work \$50,000 max credit

\$3.2 M Rehabilitation Project

\$640K 20% Federal Tax Credit
\$162K 10% State Historic Credit
\$125K 50% State Code Credit

\$927K Total Tax Credits



Sales Tax Reallocation

Overview

- Joint application between a municipality and developer
- Qualified projects receive a reallocation of sales tax on construction materials
- Projects must be in a Designated Downtown and reallocated sales taxes must be used by the municipality to support the qualified project

Hilton Garden Inn - 151 St. Paul Street, Burlington

Total Project Cost: \$34,000,000 Sales Tax Reallocation: \$327,783



The City of Burlington used funding to support stormwater and utility improvements, and construction of new sidewalks in conjunction with construction of the Hilton Garden Inn. The project created 130 jobs and helped strengthen the connection between Church Street and Burlington's waterfront.

Hampton Inn - 43 Lake Street, St. Albans

Total Project Cost: \$11,000,000 Sales Tax Reallocation: \$103,492



In St. Albans, construction is underway to redevelop a former vacant brownfield site into an 84-room hotel in the heart of downtown. Reallocated sales taxes will support utility and stormwater improvements, paving, sidewalks, lighting and landscaping along Lake Street.

Downtown Transportation Fund

The Downtown Transportation Fund supports revitalization efforts in Designated Downtowns each year with over **\$300,000** in funding. Past projects include streetscape improvements, electric vehicle charging stations, parking facilities, rail or bus facilities, utility relocation, street lighting and wayfinding signage.



Brownfields + Area-Wide Planning and Redevelopment



Table 4.1: Conceptual Development Program: Alternative A

Renovation of Putnam Hotel, Winslow and Courthouse Buildings			
Putnam Hotel (3 Stories)			
Retail (Ground Level)	8,500	s.f.	
Office (Levels 2 and 3)	17,000	s.f.	
Subtotal Putnam Hotel	25,000	s.f.	
Winslow Building (3 Stories)			
Retail (Ground Level)	6,700	s.f.	
Office (Levels 2 and 3)	13,400	s.f.	
Subtotal Winslow Building	20,100	s.f.	
Courthouse Building (2 Stories)			
Restaurant/Event/Meeting	8,200	s.f.	
Subtotal Courthouse	8,200	s.f.	
Main Street Mixed-Use Building			
Retail (Ground Level)	12,000	s.f.	
Apartments (Levels 2 and 3)	24 units		
Washington Avenue			
Apartments (3 Levels)	48 units		
Creekside Park	1.5 acres		
Parking			
Parking Main Block	99 spaces		
Parking Covered	50 spaces		
Franklin Lane on-street	21 spaces		

Bennington AWP

- Supported by complimentary ACCD municipal planning grant
- Offers a comprehensive planning and redevelopment study
- Develops Implementation strategies and Identify further funding



Act 250 Criterion 9(L)



Act 250 Criterion 9(L)

①

Existing Settlement Determination

②

Efficient Use Requirement

③

Strip Development Evaluation

Pathway 1

Pathway 2



VC



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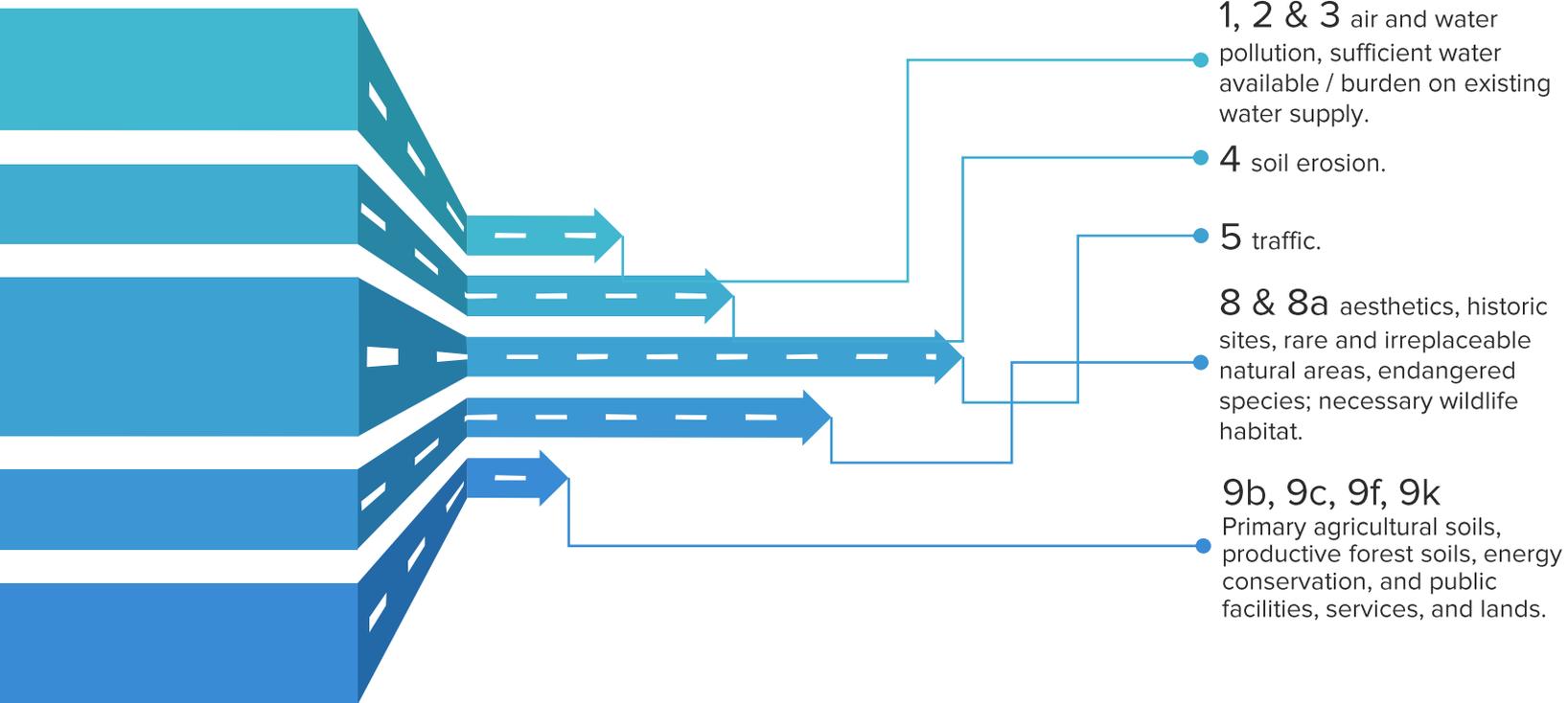


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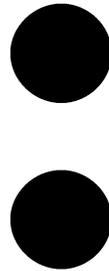
Act 250 'Off Ramp'

§ 6086b. Downtown development; findings

In lieu of obtaining a permit or permit amendment, a person may request findings and conclusions from the District Commission that the development will meet Act 250 Criteria:



'Prime Ag' Mitigation



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Character of the Area Appeals



Priority Housing Project

Burlington – Bright Street Cooperative



Project Details

- 42 Units (1BR to 4BR)
- Rents: \$650-\$1425 (Includes heat)
- Mixed Income
- 1.35 Acres (58% lot coverage)

Project Savings

Act 250 Savings \$51,000

+3 months time
+ risk of appeal

Wastewater Fee savings - \$2,950

Prime Ag Mitigation - None



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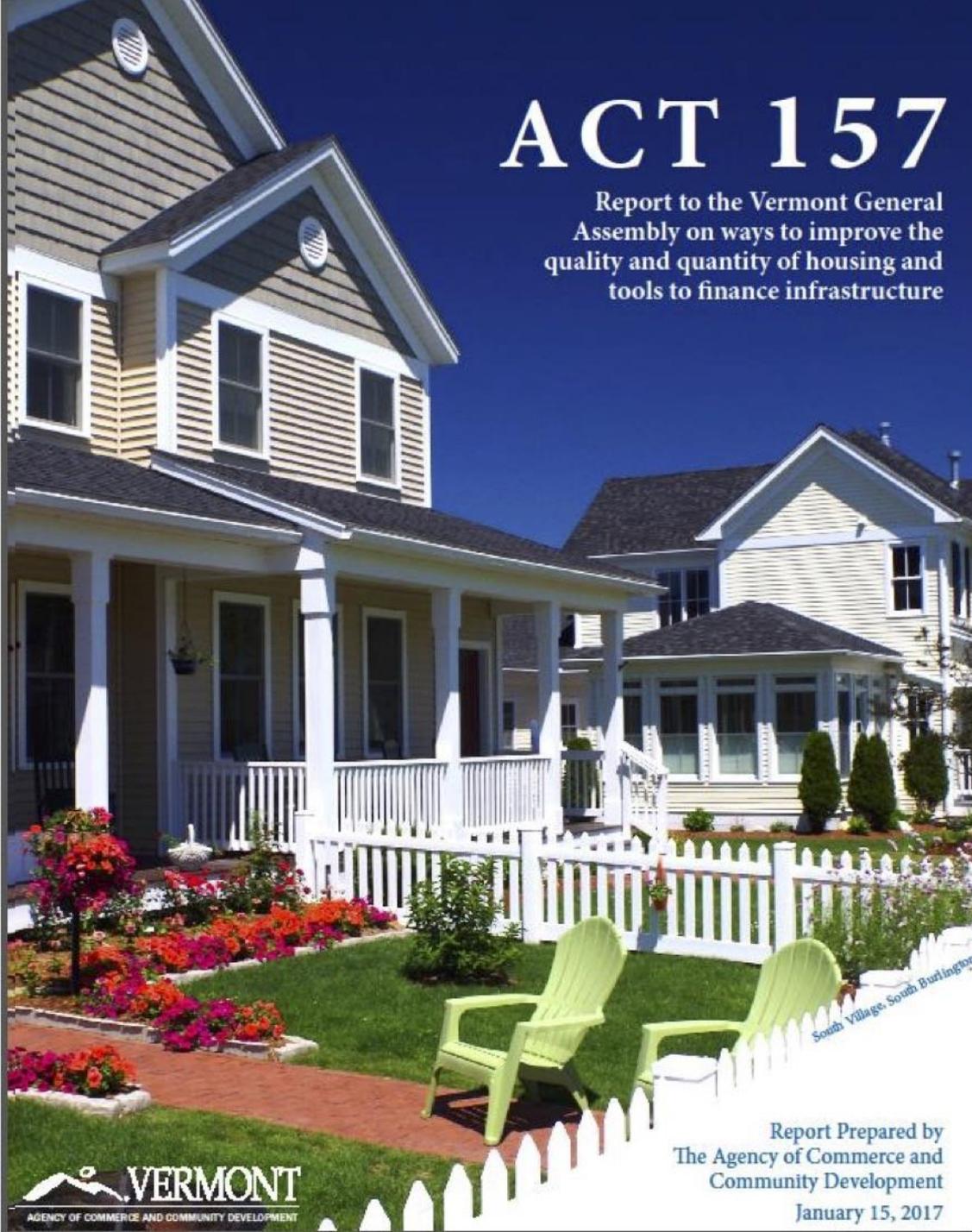
NDA



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ACT 157

Report to the Vermont General Assembly on ways to improve the quality and quantity of housing and tools to finance infrastructure



South Village, South Burlington

Act 157

PHP findings

- Supported the development of more than 200 housing units
- Saved more than \$250,000 in permit fees
- Reduced permit timelines by 6 months



Housing for All

A Plan to Strengthen the Economy

1

Support the \$35 Million Housing Bond

- Creates more housing in areas designated for growth and reinvestment.
- Encourages more mixed-income housing projects.
- Provides housing for the most vulnerable.

2

Increase the Number of Tax Increment Financing (TIF) Districts

- Brings this important infrastructure investment tool to other communities across the state.
- Enables new infrastructure investment to support new housing opportunities, grow jobs and strengthen communities.

3

Add \$200,000 to the Downtown and Village Center Tax Credit program

- Stimulates investment in older and historic buildings.
- Brings buildings up to code with fire sprinklers, elevators, accessibility and technology improvements.
- Targets co-working spaces that attract new entrepreneurs and business to Vermont's 24 designated downtowns and 124 village centers.

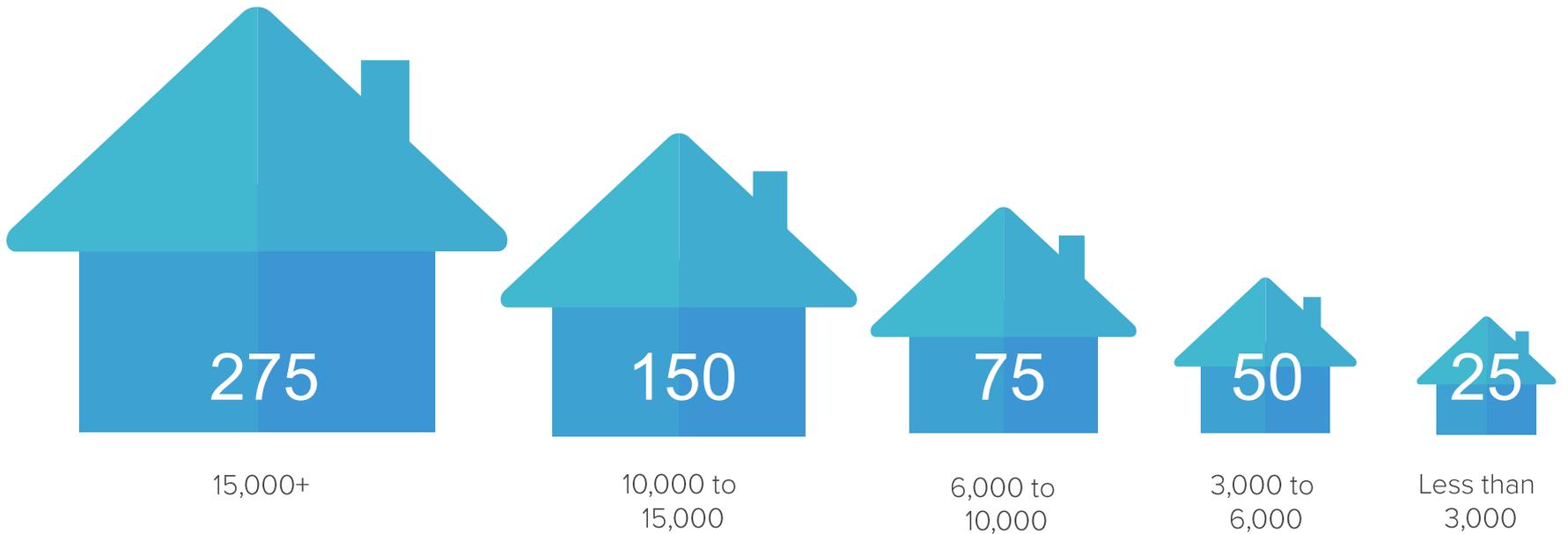
4

Expand the 'Priority Housing Project' (PHP) Exemption from Act 250

- Removes the cap on the number of housing units in a Priority Housing Project for communities with populations over 10,000.
- Adjusts the "affordable" rental compliance requirements to build more housing for all.
- Allows permitting benefits for new housing projects that have existing Act 250 permits.

Priority Housing Projects

Act 250 Threshold increase from 10 units to:



Population of Municipality



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H . 194 - Priority Housing Projects

Act 250 Threshold increase from 10 units to:



10,000 and above



6,000 to
10,000



3,000 to
6,000



Less than
3,000

Population of Municipality



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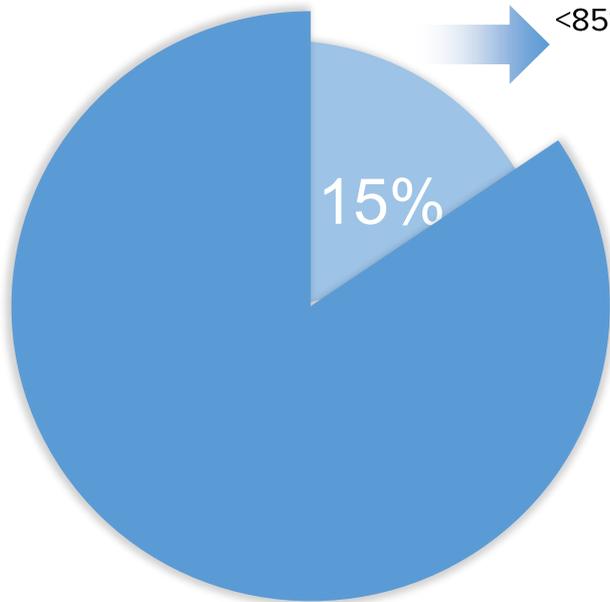


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Priority Housing Projects

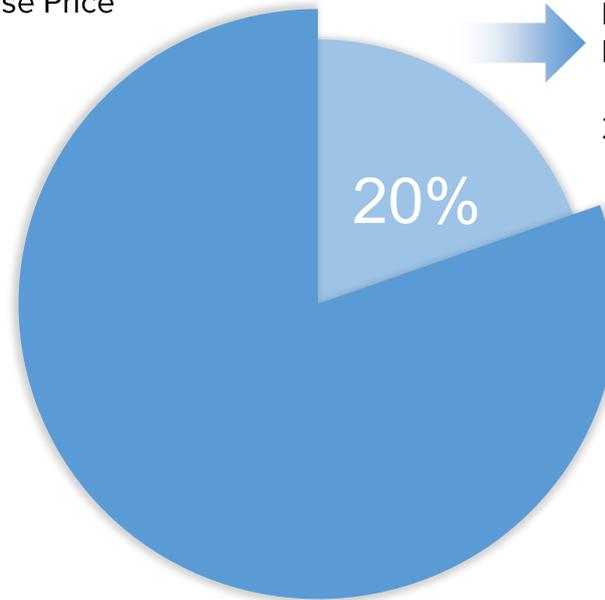
Act 250 “Mixed Income Housing Jurisdictional Threshold”

Ownership Units



<85%* VHFA Purchase Price

Rental Units



Household <80 %
Median County Income

20 years

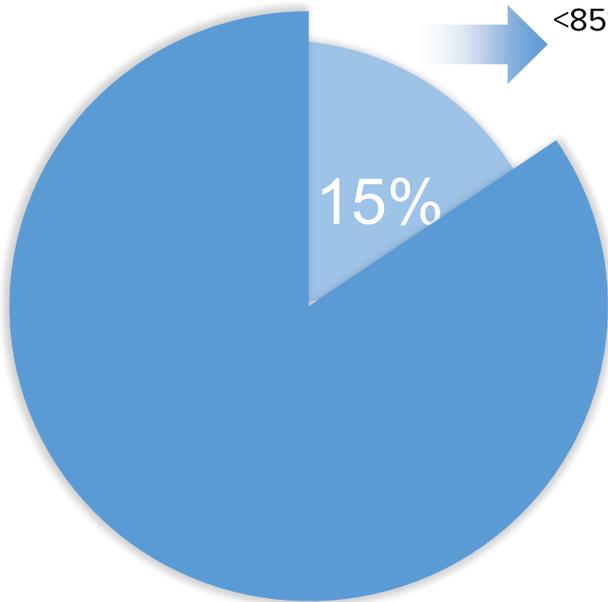
*or 20% of units at <90%

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-  NTC
-  NDA
-  GC

H. 194 - Priority Housing Projects

Act 250 “Mixed Income Housing Jurisdictional Threshold”

Ownership Units



<85%* VHFA Purchase Price

Rental Units



*or 20% of units at <90%



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Priority Housing Projects

Act 250 Permit Jurisdiction



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No permit or amendment needed



NTC

Permit or amendment required



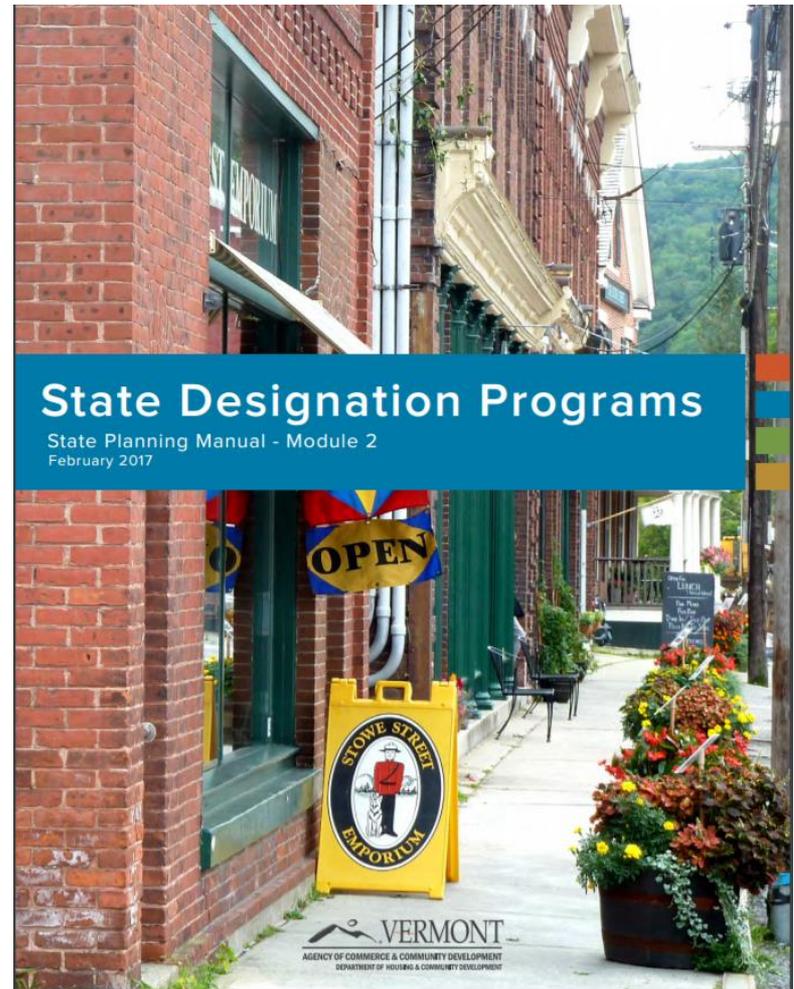
NDA

H. 194 – no amendment needed if
existing conditions are respected



GC

Learn More



Discussion



Burlington: BHA Community Home
Group home with caretaker apartment