

Program Overview

The Department of Housing and Community Development manages the state designation programs – downtowns, village centers, new town centers, growth centers and neighborhood development areas. These programs work together to provide incentives, align policies and give communities the technical assistance needed to encourage new development and redevelopment. The program incentives are for both the public and private sector within the designated area, including tax credits for historic building rehabilitations and code improvements, permitting benefits for new housing, funding for transportation-related public improvements and priority consideration for various state grant programs.

Website: <http://accd.vermont.gov/community-development/designation-programs>

By the Numbers

24

designated
downtowns



124

designated
village centers



2

new town
centers



5

neighborhood
development areas



6

growth
centers



Barre, VT



“Technical support through the State’s Designation Program helped us plan projects and access funding sources that leveraged private investment.”

Steve MacKenzie, City Manager of Barre

Program Overview

Downtown designation provides Vermont's larger communities with financial incentives, training and technical assistance to support local efforts to help communities thrive by restoring historic buildings, building new housing, and improving the streets and sidewalks that attract more visitors on foot, bike, car or bus.

Municipalities that receive designation collaborate with local non-profit downtown organizations that support revitalization efforts with staff and volunteers who provide marketing, promotion and business development services. Once designated, the community may apply for additional benefits to encourage new housing with the neighborhood development area designation or shape the next 20 years of compact development with the growth center designation.

Website: <http://accd.vermont.gov/community-development/designation-programs/downtowns>

By the Numbers [2011 - 2016]

24

designated downtowns

121

tax credit projects awarded

\$10.4 M

in tax credits awarded

\$1.9 M

in downtown transportation grants awarded

\$10.9 M

in local funds leveraged with downtown transportation funds

\$213.1 M

in private funds leveraged with tax credits

Bristol - Building a Walkable and Vibrant Downtown



VTrans funds the Downtown Transportation Fund (DTF) program that supports revitalization efforts in designated downtowns by making these areas more pedestrian, bike and transit friendly. Since 1999, the fund has invested \$9.7 million to support 109 projects leveraging over \$47 million for transportation improvements in designated downtowns. The Town of Bristol recently used a DTF grant to enhance the village green by adding lighting, benches and bike racks to strengthen the connection to downtown and the VTrans improved Main Street intersection. The Prince Lane reconstruction project, also funded by a DTF grant, added sidewalks, lighting and landscaping to improve access to local businesses and bring vitality to the downtown.

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Program Overview

Village center designation supports the revitalization efforts of medium-sized historic centers. The designation brings financial incentives, training and technical assistance needed to attract new business and vitality to Vermont's smaller communities. Once designated, the community may apply for the neighborhood development area designation that brings additional benefits to build new housing within walking distance to the village center.

Enhanced outreach efforts have led to an increase in designated village centers by 35% (93 to 124) in four years and a 200% increase in historic tax credit applications from village centers over the past two years. A record number of tax credits (14) were awarded to village centers in the past two years. This includes the revival of general stores that are the crucial economic and social foundations of Pawlett, Greensboro and Hancock. The iconic Craftsbury Inn, long a centerpiece in this small community, will be rehabilitated and re-opened as the Craftsbury Public House. In Jamaica, tax credits will support rehabilitation of a building that has long housed the local Post Office and in Putney, the Next Stage Performing Arts center is amid a multi-year rehabilitation.

Website: <http://accd.vermont.gov/community-development/designation-programs/village-centers>

By the Numbers [2011 - 2016]

124

designated village centers

41

tax credit projects

\$2.3 M

awarded in tax credits

116

municipal planning grants awarded

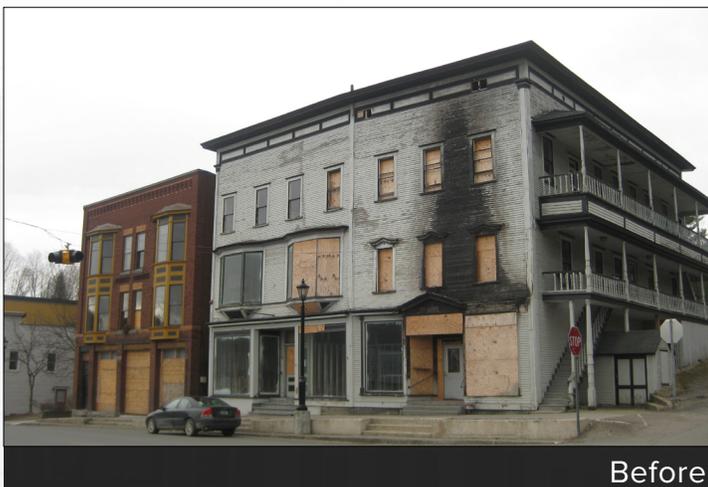
\$1.2 M

in municipal planning grants awarded

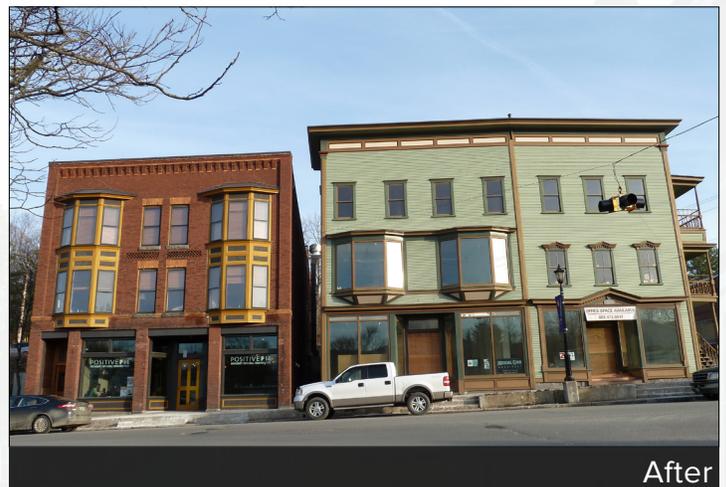
\$25.8 M

in private investment

Hardwick - Designation Sparks Revival



Before



After

Several years ago Hardwick's Main Street was in a state of decline like many communities throughout Vermont. Buildings were run down, underused or even condemned. In 2006, a tragic fire gutted the Bemis Block, a prominent building in the heart of downtown. Rather than tear it down to create a parking lot, the community chose restoration and created new businesses and housing within the historic building. This key decision not only sparked a new direction for Hardwick, it also showed other small towns how saving one historic building can spur redevelopment of an entire community. Village center designation provided tax credits to help close this financial gap, make projects economically viable, spark community revitalization, and bring buildings back onto the tax rolls.

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Program Overview

New town center designation creates a framework for compact, walkable, mixed-use centers for municipalities without a designated downtown or village center. Public buildings anchor new town centers with town halls, schools or libraries, attracting people and stimulating the kind of activity and mixed use development that brings character and vitality to a community. By defining a compact, walkable civic and commercial core area, new town centers provide a nucleus that attracts future growth.

Website: <http://accd.vermont.gov/community-development/designation-programs/new-town-centers>

New Town Center Designations

Colchester and South Burlington

Designation Benefits

Designation provides Act 250 benefits to developers and the municipality receives priority consideration for some state investments. Unlike Vermont's historic downtowns and village centers, new town centers have few existing public buildings, streets or sidewalks so access to infrastructure financing tools such as tax increment financing (TIF) is critical. A special assessment district may be created in a new town center to help fund both capital improvements and operating costs. New town center designation qualifies municipalities for additional benefits through neighborhood development area and growth center designations.

South Burlington - Designation Sets the Stage for a New Downtown



As part of South Burlington's effort to create a new downtown that will support vibrant civic life and build community pride and identity, the city sought and received a new town center designation in 2010. With designation and municipal planning grants, the door was opened for Tax Increment Financing (TIF) District approval and a neighborhood development area designation. State and regional planning grants and public infrastructure projects facilitated by the TIF District allow landowners and business owners to see the value of investing in a compact, walkable, transit friendly, and bikeable urban center. Since the new town center was designated, two high quality infill projects have been built, and one attractive 12 unit housing development is underway. In 2016 the new town center was expanded to integrate the University Mall property into the city's vision for a walkable, mixed use city center.

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Program Overview

This housing designation program helps reduce the time and cost of state permitting in areas within easy walking distance of commercial centers — whether its converting a barn or wing of a house into an apartment or developing an entirely new neighborhood. Municipalities or developers may use this designation to encourage the creation of new homes in development-ready locations near shops and services and to reduce pressure to develop on farm and forest land. Neighborhood development area designation goes to municipalities with an existing designation in place with adopted plans, policies and regulations that support housing and compact development.

Website: <http://accd.vermont.gov/community-development/designation-programs/neighborhood-development-areas>

Neighborhood Development Areas (NDA) Designations

Burlington, Essex Junction, Shelburne, South Burlington and Winooski.

By the Numbers [2011 - 2016]

5	213	6	\$33,000
designated NDAs	housing units qualified for NDA benefits	months average time saved in state permitting	average saved in state permit fees

Designation Benefits

Qualified housing projects within these designated areas receive a variety of benefits that reduce the cost of development such as exemption from Act 250 review, exemption from the land gains tax, and a state wastewater permit fee capped at \$50.

Burlington - Designation Lowers Housing Costs



Bright Street Co-op (proposed)



Bright Street Co-op (under construction)

Burlington has responded to these housing challenges with a housing action plan that highlights the use of the neighborhood development area designation to help lower the costs of building well-designed mixed-income housing that fits into Burlington's existing character. Since becoming designated, the city has plans for approximately 1,000 new units proposed to be built in the coming years. Among these projects is the Champlain Housing Trust's Bright Street Coop, a 42-unit mixed income infill housing project on 1.35 acres of land in Burlington's Old North End neighborhood. Located within Burlington's designated neighborhood development area, the project used the Priority Housing Project exemption to forgo Act 250 review - saving over \$50,000 in associated costs and an estimated three months of permitting time (out of an approximately \$6.5 million budget). Additionally, the project saved another \$3,000 in wastewater connection fees and eliminated the risk of a project appeal. Burlington's neighborhood development area designation is expected to continue to help the city address its housing shortage by lowering the cost of building new mixed-income development in and around the designated downtown.

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Program Overview

Designated growth centers encompass areas beyond the commercial center to shape the way a community develops over time. Once designated, public and private infrastructure and building investments, supported by a local framework of policies and regulations, ensure that 20 years of future development will enhance the vitality of the center, while protecting farm and forest land outside the growth center. Municipalities must have a state designated commercial center in place with adopted plans, policies and regulations that support walkable, compact, mixed-used development within the growth center. The designation lasts 20 years with 5-year check-ins to see how the program is working.

Website: <http://accd.vermont.gov/community-development/designation-programs/growth-centers>

Growth Center Designations

Bennington, Colchester, Hartford, Montpelier, St. Albans City, and Williston

By the Numbers [2011 - 2016]

6

growth centers
designated

70%

of residential development
occurring in the growth
center in the past 5 years

77%

of the commercial/industrial
development occurring in the
growth center in the past 5 years

Designation Benefits

Designation provides Act 250 benefits to developers and the municipality receives priority consideration for a wide range of state funding programs. Streamlined designation of neighborhood development areas, with additional benefits for housing developers is also available. Access to infrastructure financing tools like Tax Increment Financing (TIF) and additional state permitting benefits are needed to fuel growth in these centers.

St. Albans City - Designation Leverages Vitality



Streetscape Revitalization on Main Street



Downtown Hotel (under construction)

St. Albans obtained growth center designation in 2010, aiming to amplify the benefits of downtown designation and supporting redevelopment outside of but connected to its downtown area. Within five years, the city leveraged nearly \$1.3 million in grants and obtained state approval for a Tax Increment Finance District (TIF) that has helped attract \$33 million in private investment with \$12 million in public funds transforming the city, reversing decades of decline and stimulating hundreds of new public and private jobs. From streetscape reconstruction, a new parking garage, new and expanding businesses, to attracting a nationally branded hotel downtown, growth center designation is helping the city restore its role as the beautiful and prosperous center of northwestern Vermont.

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Designated Downtowns

The designated downtown program collects data from the 24 designated downtowns each January including information about public and private investment in new construction and rehabilitation, public improvement projects as well as new business and job growth, units of new housing, commercial vacancy rates, volunteer hours and other indicators of downtown economic health.

The 2015 numbers show that continued investment in downtown amenities and infrastructure leverages millions in private investment, attracts new business and jobs and brings new vitality and energy to community centers. Tax credits continue to be an important resource for investors. In 2015, the program supported 18 projects in 11 designated downtowns and leveraged \$20 in private investment for every \$1 awarded in tax credits.

Website: <http://accd.vermont.gov/community-development/designation-programs/downtowns>

FY2016 Tax Credits Awarded in Designated Downtowns

Barre (2), Bennington (2), Brandon (1), Montpelier (2), Randolph (1), St Johnsbury (2), Vergennes (1), Waterbury (1), Wilmington (2), Windsor (2) and Winooski (2).

By the Numbers [2015]

24

designated downtowns

65

net increase/expansion
in businesses

\$1.4 M

awarded in tax credits

\$25.4 M

in public investment

101

number of new
housing units

\$28.1 M

in private funds
leveraged with tax credits

\$32.6 M

in private investment

296

net new jobs created

32,670

volunteer hours valued at
\$715,800



Railroad Row, White River Junction

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Program Overview

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

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

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

By the Numbers [2011 - 2016]

156

projects awarded

54

communities served

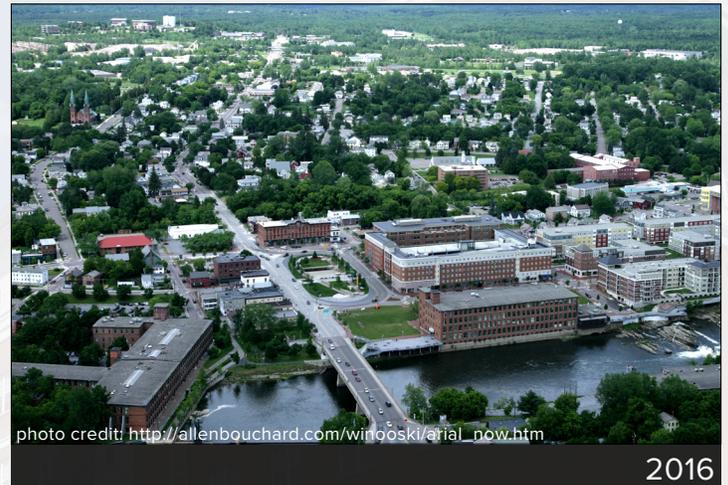
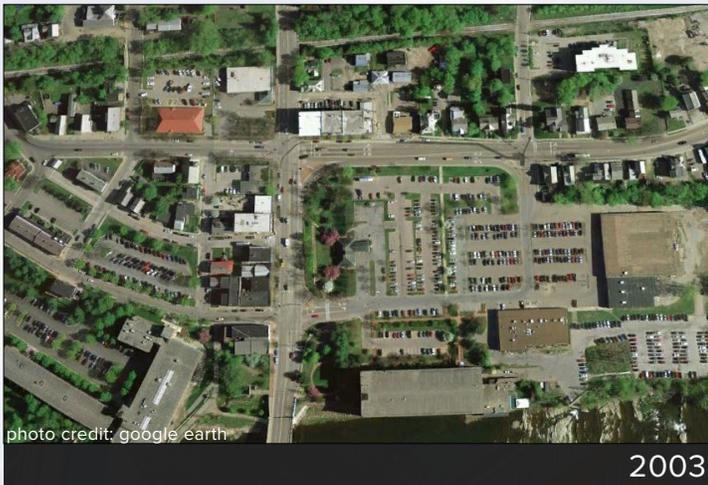
\$12.5

million awarded
tax credits

\$236

million in private
investment

Winooski - Public Investments Spark Revitalization



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

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Return on Public Investment

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

Hancock General Store, Hancock

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

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



Blanchard Block, Barre

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

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



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

Program Overview

The sales tax reallocation program provides tax incentives to encourage new construction projects in Vermont's 24 state designated downtowns. Municipalities and the developer of a qualified project jointly apply to the Downtown Board for a reallocation of sales taxes on construction materials. Qualified projects must spend over \$100,000 in materials and be located within a designated downtown district. The reallocated sales taxes are awarded to the municipality to support the qualified project. Typically, the program funds infrastructure improvements like expanded sewer and water service, new stormwater controls and sidewalks.

Website: <http://accd.vermont.gov/community-development/funding-incentives/sales-tax-reallocation>

By the Numbers [2011 - 2016]

5

projects awarded

4

communities served

\$1.2 M

awarded in
reallocated sales taxes

\$80 M

in private
investment

New Hotels Draw More Visitors Downtown

Five years ago, construction of new multi-story downtown buildings was limited. However, that all changed thanks to an improving economy and renewed public interest in the convenience and charm of Vermont's traditional main streets. Currently, five sales tax reallocation projects are complete or in the works, including two new hotels in Burlington and St. Albans. In Winooski, a new mixed use development and concert venue called 'The Strand' will bring more new business, jobs and vitality to the "Brooklyn of Burlington."

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.

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Return on Public Investment

The Downtown Transportation Fund supports revitalization efforts in designated downtowns with over \$300,000 in VTrans funding annually. Investment in infrastructure and public spaces stimulates private investment and creates a sense of identity and pride in downtowns across Vermont. The Downtown Transportation Fund is a financing tool that helps municipalities pay for transportation-related capital improvements within or serving a designated downtown. Past projects include streetscape improvements, electric vehicle charging stations, parking facilities, rail or bus facilities, utility relocation, street lighting and way-finding signage.

Since its inception in 1999, the program has invested \$9.7 million to support 109 projects in 21 different communities leveraging over \$47 million in local funding. Recently awarded projects include the Taylor Street reconstruction project in Montpelier, Center Street Marketplace lighting in Rutland, Kingman Streetscape project in St. Albans and sidewalk improvements in Poultney and Vergennes.

Website: <http://accd.vermont.gov/community-development/funding-incentives/downtown-transportation-fund>

By the Numbers [2011 - 2016]

33

downtown
transportation
grants awarded

17

communities
served

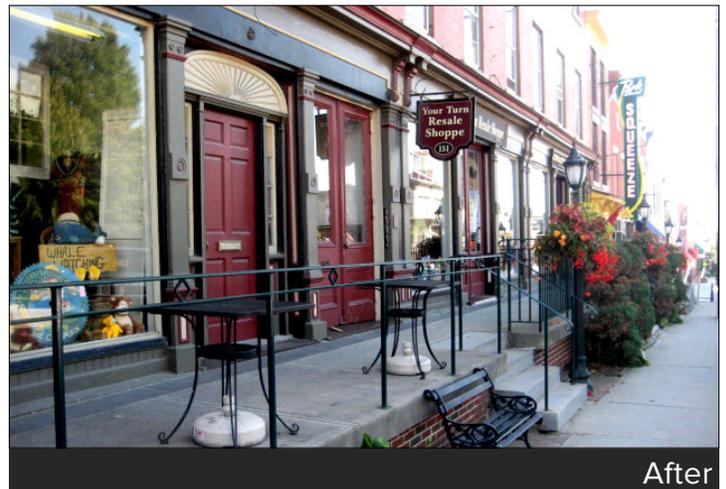
\$1.9 M

in downtown
transportation grants
awarded

\$10.9 M

leveraged with
downtown transportation
funds

Vergennes - Transportation Improvements Spark Revitalization Efforts



The Downtown Transportation Fund (DTF) program supports revitalization efforts in designated downtowns by making these areas more pedestrian, bike and transit friendly. Since 2003, Vergennes has utilized \$294,721 in Downtown Transportation Fund grants to support streetscape projects including ADA accessibility ramps to storefronts, sidewalk replacements, crosswalks and other beautification features. These revitalization efforts have made the downtown more attractive to visitors, improved pedestrian safety and restored the economic vitality and walkability of Vergennes.

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Program Overview

Awarded annually and administered by the Department of Housing and Community Development (DHCD), the program works to strengthen Vermont communities. Since 1998, the Municipal Planning Grant Program has provided over \$11 million to 234 cities and towns across Vermont to help breathe new life into communities, plan for future growth and development, and improve the quality of life.

This year's Municipal Planning Grants, range from \$3,159 to \$20,000 with total requests exceeding \$780,000. Competitively awarded, 69 total applications were reviewed with 38 recipients selected. Projects range from a proposal to redevelop an older shopping plaza to serve the needs of West Rutland residents and visitors to strengthening local regulations to better serve the farm and forest economies in Berkshire, a rural town on the Canadian border.

Website: <http://accd.vermont.gov/community-development/funding-incentives/municipal-planning-grant>

FY 2017 Grant Recipients

Barnet, Bennington, Benson, Berkshire, Bradford, Brattleboro, Cabot, Concord, Cornwall, Fairlee, Hardwick, Highgate, Irasburg, Jamaica, Jeffersonville Village, Manchester, Milton, Peacham, Putney, Randolph, Rutland City, Ryegate, St. Albans City, Springfield, Starksboro, Tunbridge, Vernon, Wallingford, Warren, Waterbury, Waterford, Waterville, Weathersfield, West Fairlee, West Rutland, Windsor, Winooski, and Wolcott.

By the Numbers [2011 - 2016]

\$4.1 M

in grant
funds requested

\$366,813

in local
match funds

253

municipal planning
grants awarded

\$2.7 M

in grant
funds awarded

19,578

people engaged
in the planning projects

99%

of [survey respondents](#) say
MPGs are important to achieve
planning goals



“Vermont’s Municipal Planning Grants make possible incremental steps toward healthy, safe and vital communities throughout Vermont. For Bennington, the grants have and continue to result in tangible and significant improvements to the community, particularly in our downtown. As our communities succeed, Vermont’s reputation as a great place to live and work is made all the more real.”

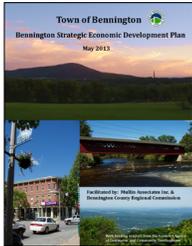
Michael McDonough, President of the Better Bennington Corporation

Results in Bennington

The foundation of any successful and strong community is built on robust collaboration among many types of entities – the state, municipalities, small and large businesses, non-profits, hospitals, higher education, residents and others. Bennington's 2009 MPG grant supported the interaction and conversations needed to foster creativity and build trust among the various stakeholders. The resulting town plan articulates a shared vision and work plan with specific tasks to strengthen its economy and community. Since then, MPGs have helped drive key projects in the work plan:

Strategic Economic Development Plan

Project Year: 2013 Grant Award: \$15,000

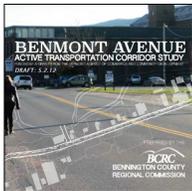


Rather than simply identifying needs and crafting potential solutions without concern for the ability of the community to accomplish them, the plan assigned groups a mix of short, mid, and long term projects to address workforce training needs, make infrastructure improvements, and leverage existing assets to support local business.

Final Plan: <http://www.benningtonplanningandpermits.com/includes/pdfs/Bennington-Strategic-Economic-Development-Plan-With-Appendices.pdf>

Benmont Avenue Active Transportation Plan

Project Year: 2014 Grant Award: \$7,950

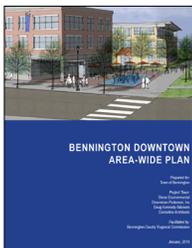


Benmont Avenue is a major thoroughfare for many motor vehicles, cyclists, and pedestrians, but as designed it was unsafe. The MPG helped the community identify simple and achievable changes to improve safety and make downtown businesses more accessible for everyone, regardless of whether they travel by bus, bike, foot or car.

Final Plan: <http://www.bcrvct.com/documents/BenmontStudy20150602.pdf>

Downtown Bennington Area-wide Plan

Project Year: 2015 Grant Award: \$20,000



MPG funding leveraged \$42,000 in federal brownfields funds to identify and revitalize vacant and underused sites in downtown. An innovative 'story map' was produced to communicate the opportunities and public and private investments needed to make it happen. A consortium of local business leaders, institutions and civic-minded investors are now implementing the plan to transform a block of historic downtown buildings into a vibrant, mixed-use downtown space with offices, in-town living, restaurants and shops.

Final Plan: <http://www.rpc.bennington.vt.us/documents/DowntownBenningtonAWPFinal.pdf>

“The Putnam Hotel and the surrounding block represent the most prominent location in downtown Bennington. The MPG helped local investors see that the redevelopment of the Putnam block was the transformative project that downtown and Bennington needed to reverse economic declines and create positive momentum.”

Jim Sullivan, Executive Director, Bennington County Regional Commission



Program Overview

The Better Connections Grant Program is a multiagency partnership that aligns state and local investments to increase transportation options, build resilience, and strengthen economic vitality in Vermont communities. The Better Connections Program is an annual planning grant program administered by the Vermont Agency of Transportation (VTrans) in partnership with the Vermont Agency of Commerce and Community Development (ACCD). Municipalities annually compete for approximately \$200,000 in projects funds. A 10% local cash match is required.

Website: <http://vtrans.vermont.gov/planning/projects-programs/better-connections>

By the Numbers [2014 - 2016]

\$967,415

in grant
funds requested

\$355,500

in grant
funds awarded

\$95,000

in local
match funds

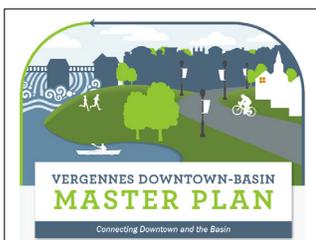
6

better connections
grants awarded

Grant Recipients

Warren/Waitsfield, Vergennes, West Rutland/Town of Rutland, Chester, Montpelier, and Springfield

Documenting Results - Vergennes Downtown Basin Master Plan



The City of Vergennes created an action-oriented plan to improve the biking and walking connections between the downtown and Basin Harbor. The plan recommended options to market the downtown, maximize recreational opportunities, connect community assets and stimulate the local economy.

Website: <http://vergennes.org/downtown-basin-master-plan/>

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Overview

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

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

The Challenge

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

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

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



The Solution

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

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

By the Numbers [2006 - 2017]

\$15.2 M

awarded in VTrans
federal funding

\$1.2 M

awarded in
reallocated sales taxes

5

tax credit projects

\$29.6 M

awarded in HUD
Community Development
Block Grants and Loans

\$28.7 M

in new
construction

\$26 M

in private
investment

10%

increase in
grand list values

277

new housing units

\$1 M

awarded in tax credits

For more information, please contact:

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The Results

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

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

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Overview

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

The Challenge

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

The Solution

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

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The Result

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

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

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

By the Numbers [2008 - 2017]

\$3.1 M

awarded in
VTrans federal funding

\$103k

awarded in
reallocated sales taxes

9

tax credit projects

\$125k

awarded in HUD
Community Development
Block Grants and Loans

\$11 M

in new
construction

\$40 M

in private
investment

\$125k

awarded in ANR Grant

\$14 M

in TIF and local bonds

\$1.1 M

million awarded in tax credits

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Public Improvements Leverage Private Investment



Photo credits: Rue Landry

Overview

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

The Challenge

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

By the Numbers [2011 - 2017]

\$15.2

million awarded in
VTrans federal funding

\$65

million in public
and private investment

12

tax credit projects

\$3.3 M

awarded in HUD
Community Development
Block Grants

\$4.5

in private funds
leveraged with tax credits

\$793,895

awarded in tax credits

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The Solution

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

The Result

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

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

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

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Overview

The damage in Wilmington resulting from 2011's Tropical Storm Irene was among the worst in the state with over 48 businesses flooded. Tucked in the mountains in southern Vermont, this classic skiing and recreation town is now a poster child for what can happen when people collaborate and unite around a shared goal to rebuild a devastated downtown economy. Thanks to the hard work of municipal leaders, local residents, a strong and dedicated group of second-homeowners, local foundations, businesses, private investors, and state policymakers, Wilmington's revival is now well on its way.

The Challenge

In 2011, the community was struggling economically with declining population and slowing tax revenue. Irene's flood destruction drove retail sales to new lows. Worse still, in the historic downtown, 80% of the buildings were damaged by flood waters, two were completely swept away by the raging waters, and every business was forced to close. Although some businesses began to re-open in the coming months, others closed for good. With so many vacant or severely damaged buildings the cost to rebuild was difficult to comprehend. In addition to structural problems and water damage, state building codes required owners to bring their historic buildings up to current codes. Even for building owners fortunate to have flood insurance, the cost of the flood repairs and code improvements often exceeded the value of the property.

The Solution

In response, an energetic organization, Wilmington Works was founded to champion and lead downtown's revival. Working alongside municipal staff, a major goal of the group was to foster economic development via a new partnership between the public and private sector. The downtown and village center tax credit program, along with the special flood provisions enacted by the legislature, played a critical role bridging the financial gap and attracting investors needed to restore the downtown to its former glory.

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Tax Credits Speed Wilmington's Recovery

2017

Tax Credits Leverage Private Investment



By the Numbers [2006 - 2017]

12

tax credit projects

\$6.5 M

in private investment

\$650k

awarded in tax credits

\$2.2 M

awarded in HUD Community Development Block Grants (CDBG and DR)

The Result

Since Irene, twelve projects in Wilmington have received state tax credits. The resulting reconstruction projects gave the community hope at a critical time and created the momentum needed to spark a larger revival. Today, iconic landmarks in Wilmington are back in business, including Dot's Restaurant and the Vermont House, and additional tax credit projects are in progress or nearing completion. Nearly \$650,000 in state tax credits leveraged over \$6.5 million in private investment. "Without this program, there are several projects in Wilmington that could not have happened or would have been a lot harder," says Adam Grinold, former Director of Wilmington Works. "We would still be looking at vacant storefronts instead of new businesses and ongoing construction." Now the local economy is on the upswing with receipts returning to their pre-Irene levels, jumping 22% between 2012 and 2013.

"This community really came together after Irene," says Grinold "but without the help of the tax credits, we wouldn't have been able to come back this quickly or strongly."

Adam Grinold, former Director of Wilmington Works

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Tax Credits Leverage Private Investment

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

Dots, Wilmington

Total Project Cost: \$802,000 Tax Credits Awarded: \$92,087

Dot's Restaurant was one of 48 businesses in Wilmington impacted by flooding during Tropical Storm Irene. Located at the intersection of Routes 9 and 100 in the heart of Wilmington's village center, it was nearly swept away by the raging Deerfield River. This local business quickly became a symbol of the devastation Irene wrought on businesses in Vermont, garnering national attention. It also became the poster-child for the recovery. Using both federal and state tax incentives, including a one-time allocation of refundable flood credits authorized by the Vermont Legislature in 2012, this local gathering spot was able to rebuild better than ever.



Grand List Before: \$75,000



Grand List After: \$390,000

The Village Roost, Wilmington

Total Project Cost: \$575,000 Tax Credits Awarded: \$41,764

The building at 20 West Main Street in Wilmington was virtually abandoned and left to deteriorate for two years following Tropical Storm Irene. New owners bought the property in 2013 with the goal of bringing it back to its glory as a vital piece of the historic downtown. This involved a major investment in both the building's structure and infrastructure as virtually all its systems (HVAC, electrical, and plumbing) were replaced. The building was also made ADA accessible, supported by the state's tax credits. Now the Village Roost Cafe and Marketplace, supports 10+ year round jobs. In addition, it has become a community gathering spot with ample seating and free wi-fi providing a comfortable place for meetings and gatherings for both locals and visitors.



Grand List Before: \$150,000



Grand List After: \$310,000

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