

## Rebecca Buck

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**From:** Paul Bruhn <paul@ptvermont.org>  
**Sent:** Saturday, April 14, 2018 4:17 PM  
**To:** janek45@hotmail.com; Rebecca Buck  
**Cc:** Adam Necrason; Rebecca Ramos; Jessica Oski  
**Subject:** Downtown and Village Center Tax Credits  
**Attachments:** 180124\_Downtown\_and\_Village\_Overview.pdf

Dear Chair Kitchel and members of the Senate Appropriations Committee,

I appreciate that putting together the budget is a challenging exercise again this year. That said, I hope you and your committee will consider supporting a \$250,000 increase in the Downtown and Village Center Tax Credit program. This increase was supported by both the Administration and the House's Misc. Tax Bill.

The program has an impressive track record in helping to build stronger downtowns and village centers throughout the state. Here are some of the benefits of this program:

- It builds Education Fund and municipal tax bases. The Centennial Block in Hardwick was assessed at \$150,000 before rehab and \$600,000 after!
- Every \$1 in tax credits has helped to leverage over \$17 in rehabilitation work.
- Developers of affordable housing agree that this program has been a critical piece of funding for their downtown projects: the French Block in Montpelier and Arthur's in Morrisville are examples. And, as I am sure you know, Housing Vermont is close to acquiring the New Avenue Hotel in St. Johnsbury and this program will be essential in their effort to rehabilitate it.
- Two of the most often used credits are focused on accessibility and life safety, and help downtown property owners better serve their communities.

Even with all this good work, each year many worthy projects go unfunded. Last year, there were over \$4 million in requests for \$2.4 in available credits. This \$250,000 increase will help us do more for our downtowns and communities.

I would be happy to provide more information about the Downtown and Village Center Tax Credit if that would be useful to you.

Thank you,

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# Downtown and Village Center Tax Credits Spark Revitalization

**Katie Buckley, Commissioner**  
VT Department of Housing and Community Development

January 24, 2018



# What is Downtown and Village Center Designation all about?

The Vermont Downtown and Village Center Designations **recognize and support local revitalization efforts** across the state **with dedicated staff and funding** to help municipalities build and foster strong communities.





# Designation Benefits

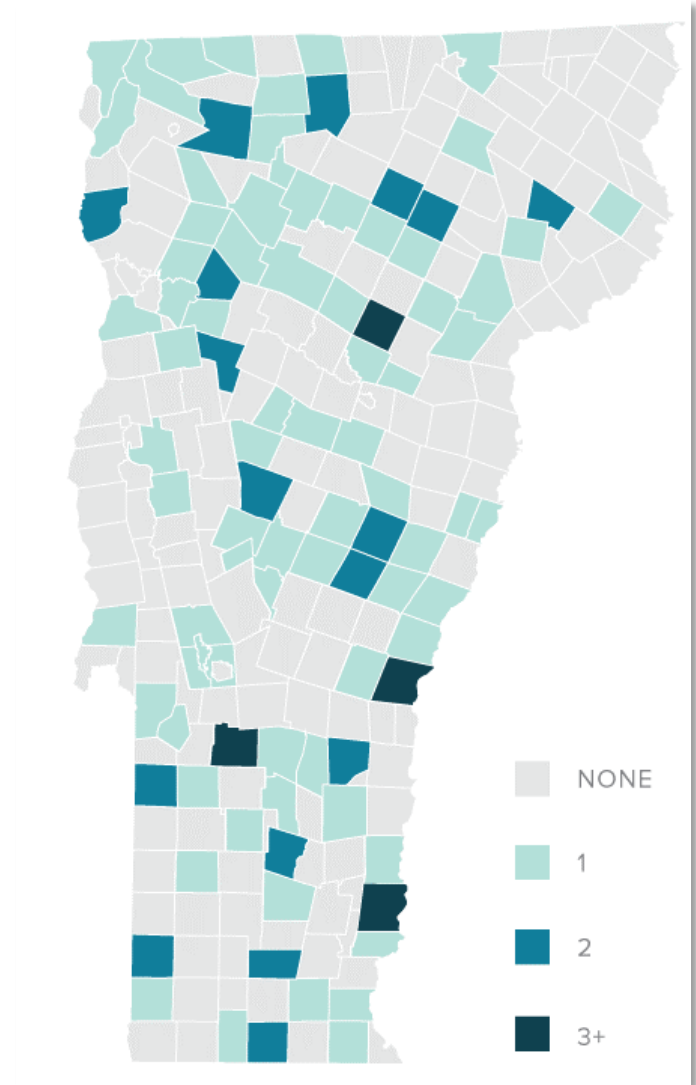
- Technical Assistance
- State Grants Priority
- State Buildings Priority
- Eligible for Neighborhood Development Area Designation
- **Downtown and Village Center Tax Credits**



# Downtown & Village Center Tax Credits

## The Basics

- Goal is to stimulate investment in commercial centers, large and small
- Awards \$2.4 Million in credits annually
- Applications are competitive
- Project must be located in a Designated Downtown or Village Center
- 23 Designated Downtowns, 139 Designated Village Centers





# Downtown & Village Center Tax Credits

## Tax Credit Tiers

- 10% credit for qualified rehabilitation with approved federal application
- 25% credit for façade repairs
- 50% credit for technology improvements such as data and network wiring
- 50% credit for code improvements including elevators and sprinkler systems



# Downtown & Village Center Tax Credits



## By the Numbers [2013-2017]

**141**

projects awarded

**52**

communities  
served

**\$12**

million awarded  
tax credits

**\$181.5**

million in private  
investment

# Downtown & Village Center Tax Credits



## Applicant Survey

80 Million Invested

56%

Spent on Labor

98% of materials  
purchased in Vermont

44%

Spent on Construction Materials

Businesses and Jobs Created

622

Permanent Jobs Created

754

Temporary Jobs Created

34

New Businesses

16

Expanded Businesses

N=59



# Downtown & Village Center Tax Credits



## Aldrich Block

Total Project Cost  
\$1,160,000

Tax Credits Awarded  
\$112,500



## Blanchard Block

Total Project Cost  
\$5,500,000

Tax Credits Awarded  
\$287,500

**Barre**

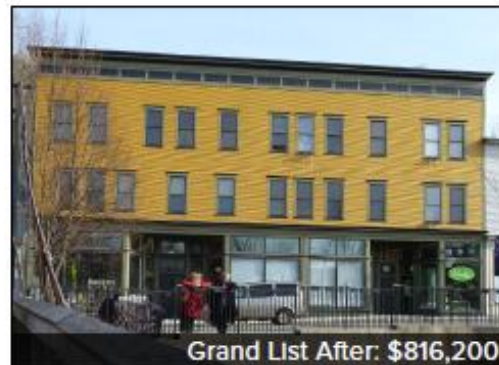
# Downtown & Village Center Tax Credits



## Hardwick Inn

Total Project Cost  
\$1,225,000

Tax Credits Awarded  
\$192,200



## Bemis Block

Total Project Cost  
\$2,500,000

Tax Credits Awarded  
\$112,500

**Hardwick**



# Downtown & Village Center Tax Credits



## Dot's Restaurant

Total Project Cost  
\$802,000

Tax Credits Awarded  
\$92,087



## The Village Roost

Total Project Cost  
\$575,000

Tax Credits Awarded  
\$41,764

**Wilmington**

# Downtown & Village Center Tax Credits



Grand List Before: \$107,700



Grand List After: \$132,700

Hancock General Store

**\$145,000 Project**

\$ 6,000 - 25% State Façade Credit

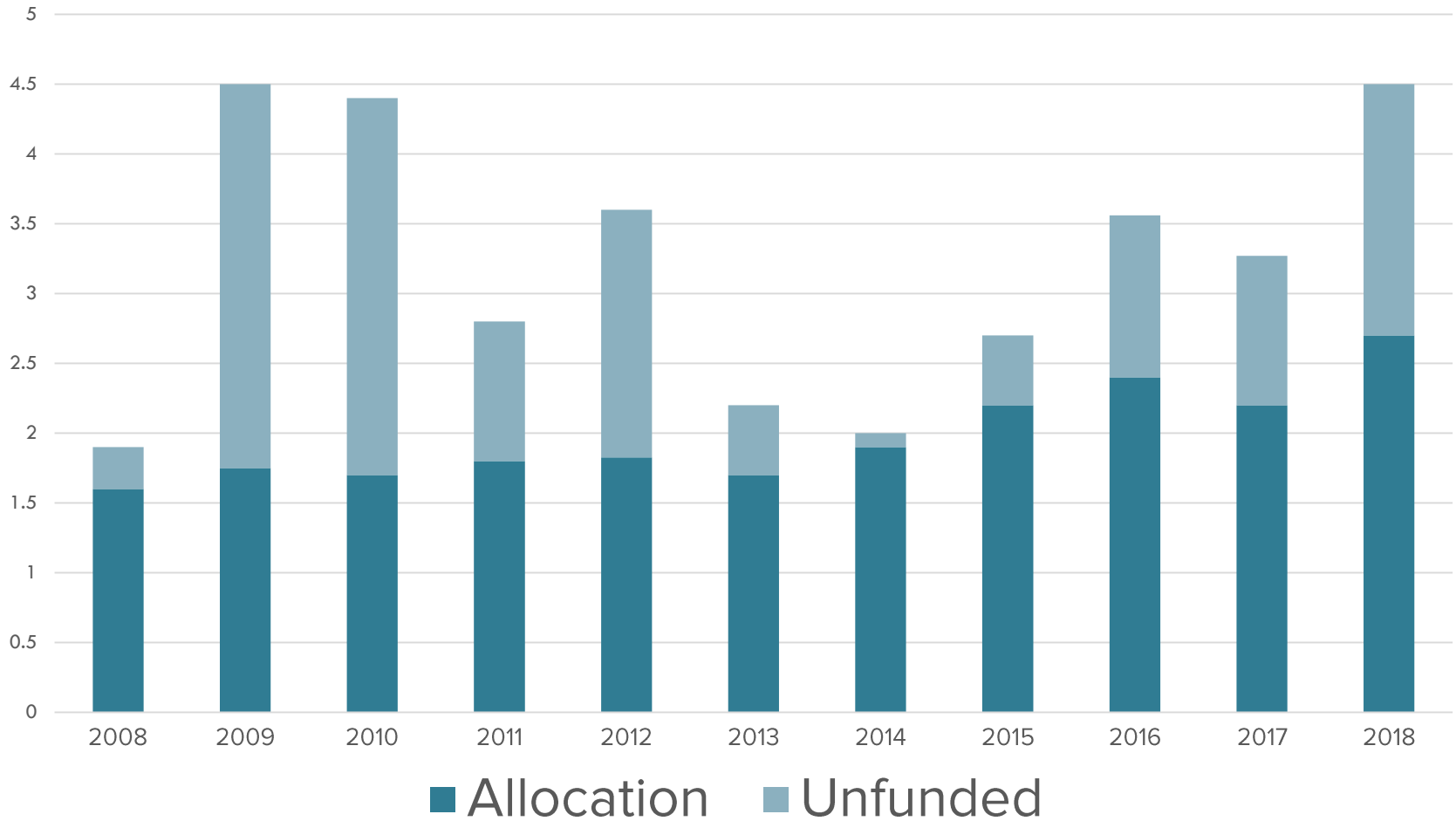
\$13,850 - 50% State Code Credit

**\$19,850 Total Tax Credits**



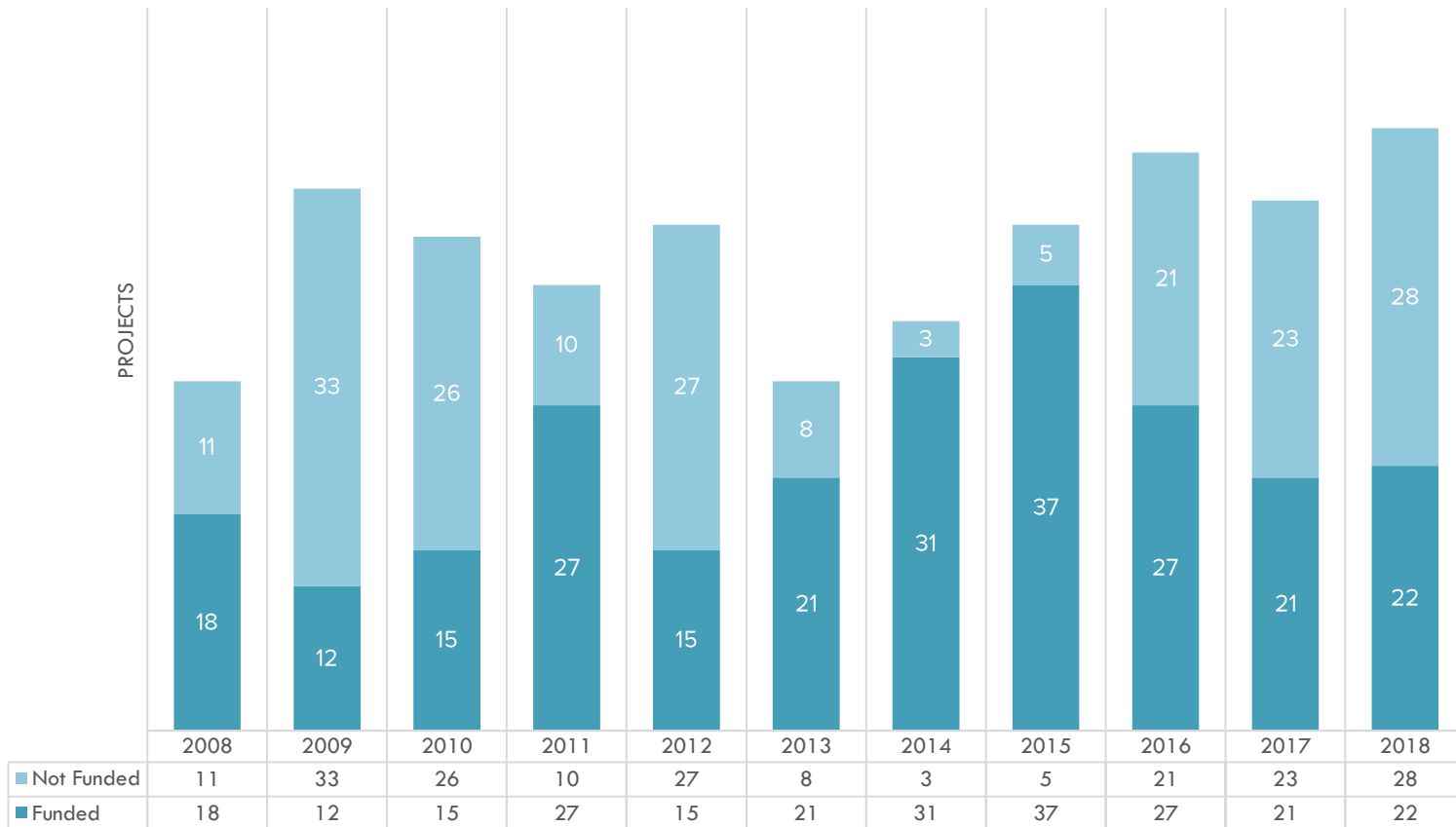
# Downtown & Village Center Tax Credits

## Funding Demand FY 2008-2018



# Downtown & Village Center Tax Credits

## Project Demand FY 2008-2018





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**Katie Buckley, Commissioner**

VT DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

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