



Memorandum

Date: August 27, 2020

To: Honorable Michael Sirotkin, Chair, Senate Economic Development, Housing and General Affairs

From: Karen Horn, Director, Public Policy and Advocacy

RE: Proposals for Downtown and Village Tax Credits, Better Places, Safer Spaces Program

I am writing to you on behalf of the 246 cities and towns in Vermont, all of whom are members of the Vermont League of Cities and Towns, to lend our strong support to two key proposals from the Agency of Commerce and Community Development (ACCD). ACCD is proposing an increase in the Downtown and Village Center Tax Credits to \$1.3 million, and creation of the *Better Places, Safer Spaces Program* to support continuity of business operations in our downtowns and villages through the fall and winter. Sustained investment in our historic downtown and village centers is essential to maintain and grow the livable, vibrant places that will help our economy and communities recover from the COVID-19 pandemic.

This July, the Downtown Board received a record breaking 51 applications (43 last year) requesting over \$5 million in funding. The Board funded 31 requests supporting a \$160 million investment in the long-term vitality of our downtowns and village centers. Projects ranged from village stores and small-scale rental housing rehabs to multi-million-dollar downtown redevelopments. The Board was unable to fund 21 projects requesting \$2 million, which would have leveraged an additional \$54 million in investment.

To support continuity of business operations this fall and winter, the administration's *Better Places, Safer Spaces* proposal supports planning and marketing of events to boost participation and would make the necessary changes to buildings, streets, and public spaces to meet social distancing requirements and sustain downtown and village commerce and community life.

Although the following proposals may not be in your committee, we also want you to know that we support the ACCD request of \$1.25 million to expand capacity at the 23 state designated downtown organizations, and \$5 million for municipal facilities grants to make health and safety improvements to key public buildings. Both were described in a memo to the Joint Fiscal Committee on August 19. As well, we welcome the Agency of Transportation proposals transportation funding for municipalities, especially flexible funding for Town Highway Aid.