

**Senate Finance Committee
February 8, 2023
Town of Hartford Testimony**

S.35 – A Bill Related to Hartford’s Tax Increment Financing District

The Town of Hartford is requesting the Legislature extend the deadline for Hartford’s WRJ TIF District to incur debt and collect Increment by 2 years.

Overview of Hartford’s TIF District

- Hartford’s TIF District approval was effective as of March 31, 2011, covering Downtown WRJ and the Pine Street and Prospect Street areas (see attached map).
- In Hartford, the TIF District retains 75% of the increased state and local tax revenue within the TIF District since its inception (referred to as “Increment”).
- The Town uses Increment to build needed public infrastructure to enable new private sector development.
- The approved TIF District Financial Plan for public infrastructure is \$13,000,000 plus financing.
- Currently \$1,130,400 of the TIF District’s budget is unobligated and could be used towards unfunded approved Hartford TIF District projects.
- The Town had 10 years from the 2011 approval date (March 2011) to incur debt that would use TIF Increment to pay on the debt.
- In 2020 the VT Legislature extended the period to incur debt by 3 years to 2024 in response to the Great Recession which eliminated public and private sector redevelopment projects that were poised to occur in the first few years of the TIF District.
- The Town also has 20 years from incurring its first debt in 2014 to retain TIF Increment. That end date is 2034.

Legislative Extension Requests

- During the past three years of COVID, the Town has diligently continued to implement and fund planned infrastructure projects

Examples

S Main, N Main, Gates Streets - Above and below ground reconstruction \$5.777 M
Improvements in core of downtown WRJ

- 2019 Voter approval.
- Loans pulled in 2020 for 2020 construction season in 2 phases.
- Just completed end of in 2022- took 3 construction seasons to complete.
- (People dining in streets)

Town Square Parking – Total reconstruction in core of downtown

- Voter approval in 2020.
- Delayed pulling loans until early 2021 due to COVID in anticipation of construction in 2021 thinking could be done on tall end of 2021 construction season following S Main St improvements completion in 2021
- Delay of above project had domino effect so now this is scheduled for construction end of 2023 or 2024.

S Main Street Parking Lot – Total reconstruction and increasing size.

- 2020 Voter approval for 2021 construction season.
- Loans pulled in 2022 with to construct in 2022.
- Domino effect of street improvements delayed until FY 2023 construction season.

- However, due to COVID shutdowns, restrictions, and related shortages in materials, supplies and labor the Town is 2-3 years behind schedule of where we thought we would be in 2020.
- Similar delays exist with the private sector development that would generate the new TIF Increment to support new Town debt.

In addition, there are two other major concerns:

- Staging improvements in the downtown is critical to keep businesses functioning, so we cannot construct all of the projects at the same time.
- Being fiscally responsible by not incurring debt before the funds are needed for the infrastructure improvements.

Conclusion

- Extension of these deadlines does not increase the amount of increment being retained.
- It recognizes the very extenuating circumstances of COVID which necessitate a longer period of time to fully implement Hartford's TIF District Plan as approved by the State in 2011.

Your consideration of this request is greatly appreciated.

ATTACHMENT 6F
Hartford Proposed TIF District
April 5, 2011

