

Downtown and Village Center Tax Credit Program



Caitlin Corkins, Tax Credits & Grants Coordinator
VT Department of Housing and Community Development

State Designation Program

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

24

designated
downtowns



235

designated
village centers



3

new town
centers



17

neighborhood
development
areas



6

growth
centers



Downtown & Village Center Tax Credits

By the Numbers [2020-2024]



175

projects awarded



77

communities
served



\$14.75 m

awarded tax
credits



\$298 m

in private
investment

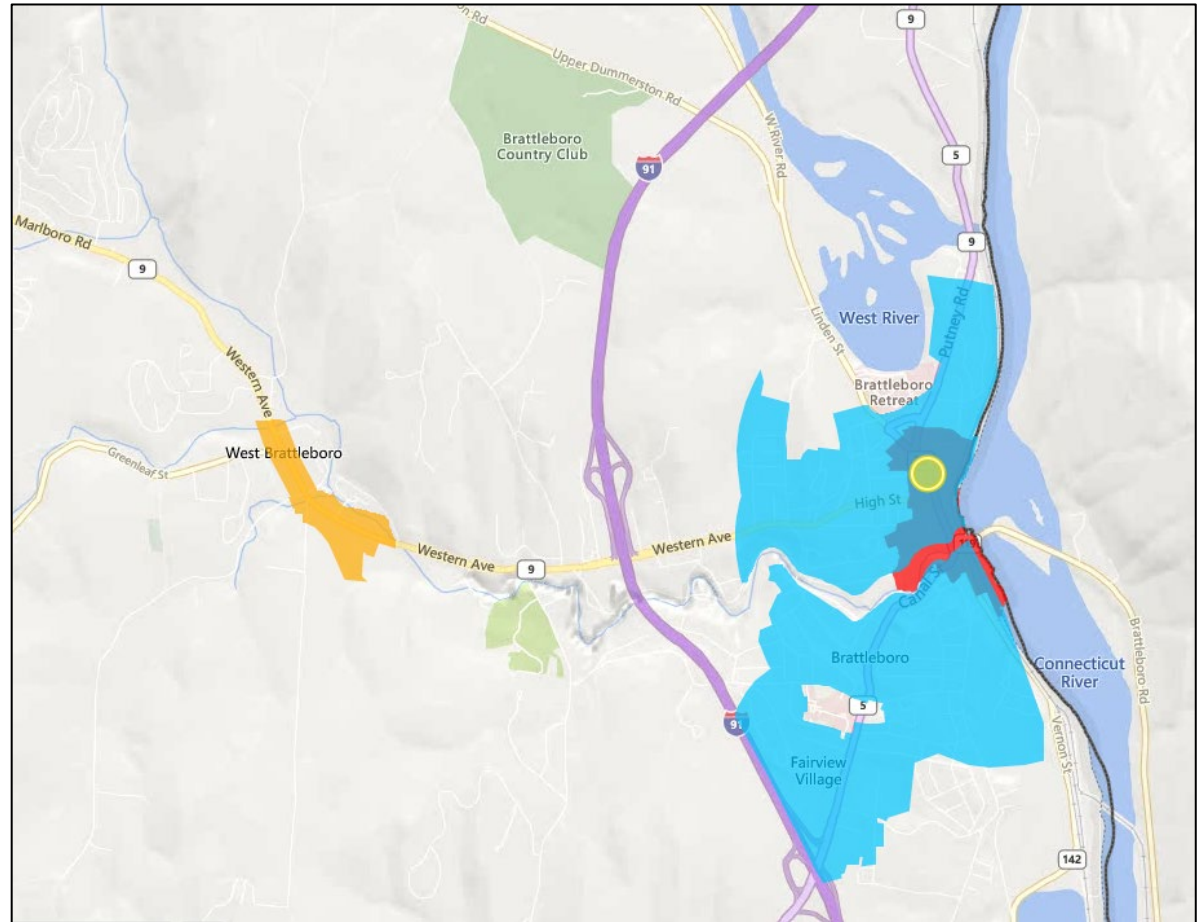
- Program was created in 1998
- Awards \$3 Million in credits annually
- Applications are competitive
- Building must be over 30 years old
- Must be located within a Designated Downtown or Village Center
- Applicants have 3 years from date of award to complete project

Neighborhood Development Area Pilot

For FY23 and 24 – Properties in NDAs are also eligible

- **Berlin**
- Brattleboro*
- Burlington*
- Essex Junction
- Hinesburg*
- Manchester
- **Middlebury**
- Montpelier
- Putney
- Randolph*
- **Rutland City**
- South Burlington*
- **St. Johnsbury**
- **Vergennes**
- Westford
- Winooski

* Expanded boundaries



Brattleboro

Neighborhood Development Area Pilot

- 6 New NDAs created in FY 23 and FY 24 and 4 existing NDA were expanded.
- 5 NDA applications in FY24 from 4 communities: Burlington, Middlebury, St. Johnsbury, and Vergennes
- 4 NDA applications funded in Burlington, Middlebury and Vergennes.
- 7 Communities are in our pipeline to designate or expand an NDA.



Seminary Street, Middlebury

Tax Credit Tiers

Historic Credit:

- Property must be listed in the National Register of Historic Places
- 10% credit for all exterior and interior work.
- Must have an approved federal RITC application

Smith Block, Brandon



Tax Credit Tiers



Façade Credit

- 25% credit for façade repairs
- Cap of \$25k in credit
- Work must meet preservation standards



*Wallingford Block &
Chapman's Store, Fairlee*

Tax Credit Tiers

Code Credit

- 50% credit for code improvements
- Elevators up to \$75K in credit
- Sprinkler systems up to \$50k in credit
- ***“Other code improvements” up to \$50K in credit***

*Craftsbury General Store &
Odd Fellows Building, Ludlow*



Tax Credit Tiers



Flood Mitigation Credit

- 50% credit for flood mitigation improvements
- ***Cap of up to \$75,000 in credit***
- ***Must be within a FEMA flood hazard area***

Dot's, Wilmington

Downtown & Village Center Tax Credits

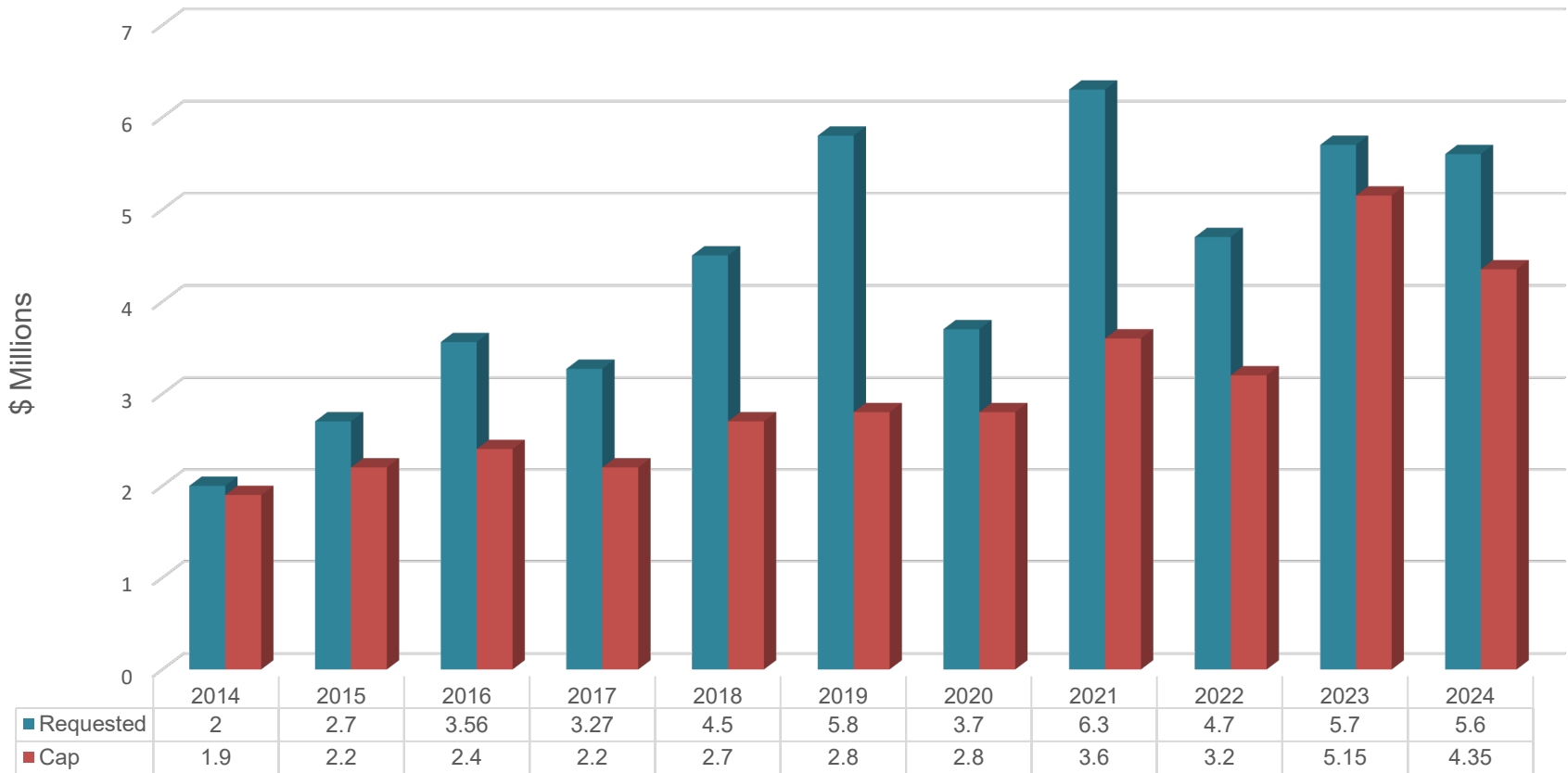
- Credits can be carried forward up to nine years
- Can be sold to banks or insurance companies for cash, debt reduction, or favorable loan terms
- Non-profits are eligible, but not municipalities or single-family homes

St. Johnsbury Distillery



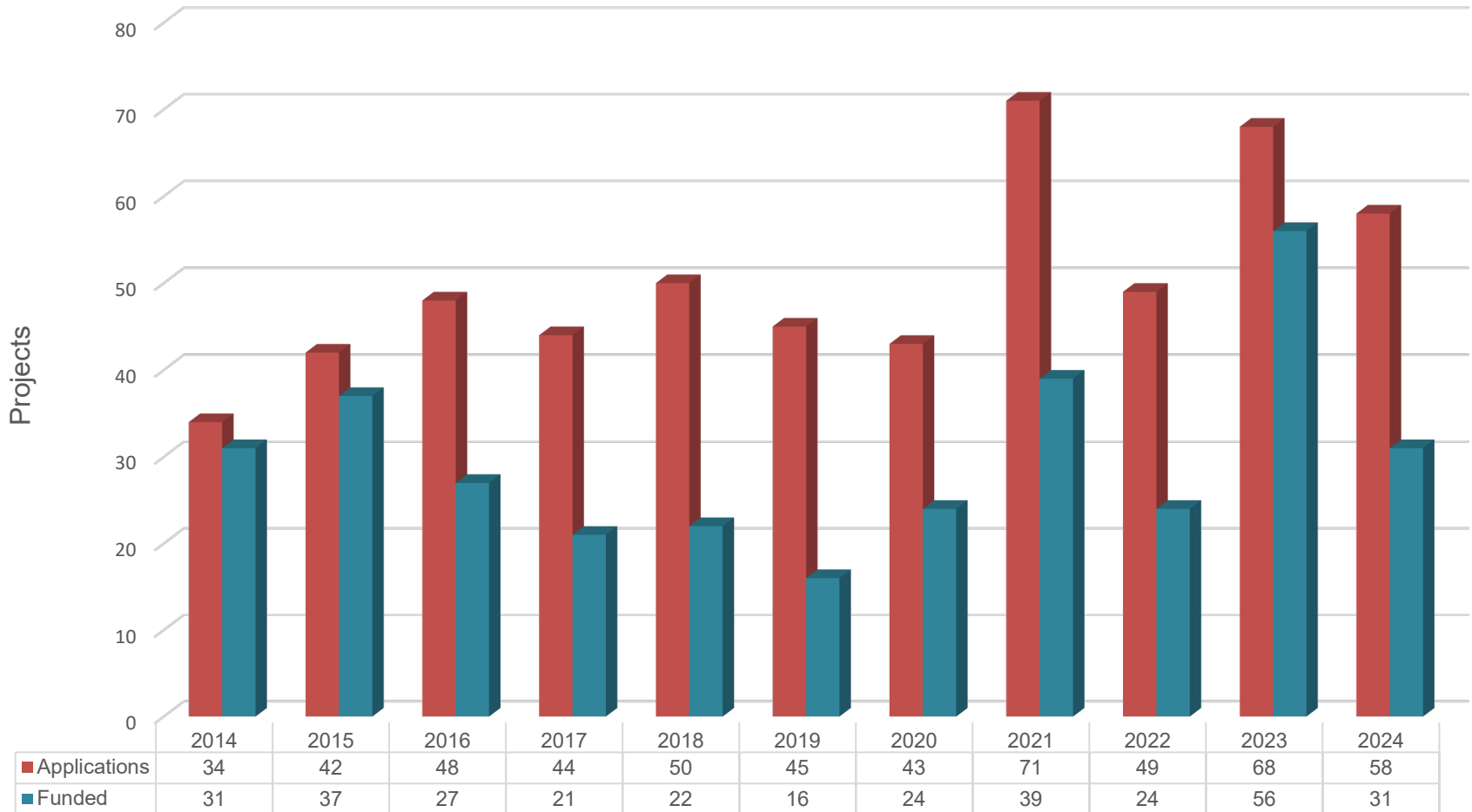
Program Demand

Oversubscription – Dollars
FY2014 – FY 2024



Program Demand

Oversubscription – Projects
FY 2014- FY 2024



Program Survey



Putnam Block, Bennington

By the Numbers – Survey Responses Tallied from 96 Respondents

894

Permanent Jobs
Retained/Created

754

Temporary
Jobs

34

New
Businesses

16

Expanded
Businesses

Legislative Proposal

- Increase base funding from \$3 Million to \$5 Million annually.
- Increase cap for code credit to \$100,000 to account for rising costs.
- Consolidation of designations from 5 to 3 will make expansion of program to Neighborhoods permanent.
- Technical Adjustments to Flood mitigation credit to allow for wider use with better guardrails.



Project Examples



Woolson Block, Springfield

\$8.2 Million Project

\$1.5 Million in Federal RITC funding
\$365,000 - 10% State Historic Credits

\$1.8 Million - Total Tax Credits

Project Examples



Albany General Store **\$800,000 Project**

\$5,125 - 25% State Façade Credit

\$78,220 - 50% State Code Credit

\$83,345 Total Tax Credits

Project Examples



Northfield Falls

\$125,000 Project

\$19,000.00 – 50% Sprinkler Code Credit

\$23,500.00 – 50% Other Code Credit

\$42,500 Total Tax Credits



Questions?

Caitlin Corkins

VT DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT

CAITLIN.CORKINS@VERMONT.GOV

(802) 828.3047