

### **STRATEGIC PROJECTS FOR ADVANCING RURAL COMMUNITIES (SPARC)**

SPARC is a municipal financing tool to help communities fund infrastructure, housing, and economic development projects. It drives strategic investment in critically needed projects throughout Vermont.

- This model allows for municipalities and investment partners to create partnerships via Community Agreements (CAs) to initiate projects identified by the municipality that address community needs such as infrastructure, housing, and economic development.
- CAs will be subject to approval and oversight by VEPC. VEPC will review the terms of CAs and verify their financial capacity and viability. VEPC will approve and monitor all projects and has the authority to allow the municipality to use increment to pay the developer for a portion of project costs.
- The debt incurred can be repaid pursuant to the terms of CAs which may allow for up to 100 percent of the educational and municipal increment to be used for related project costs and improvements. The investment partner assumes the risk associated with the project. Municipalities have five years to incur the debt upon VEPC's approval of the SPARC project.
- *Community Agreement Structure:* Municipalities in this model will negotiate with investment partners to return a portion up to 100 percent of incremental property taxes to offset eligible costs, as outlined in CAs. CAs are customizable, although it is anticipated that most agreements will range between 10-15 years, depending on project scope.