

Downtown and Village Center Tax Credits





Downtown and Village Center Designation

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

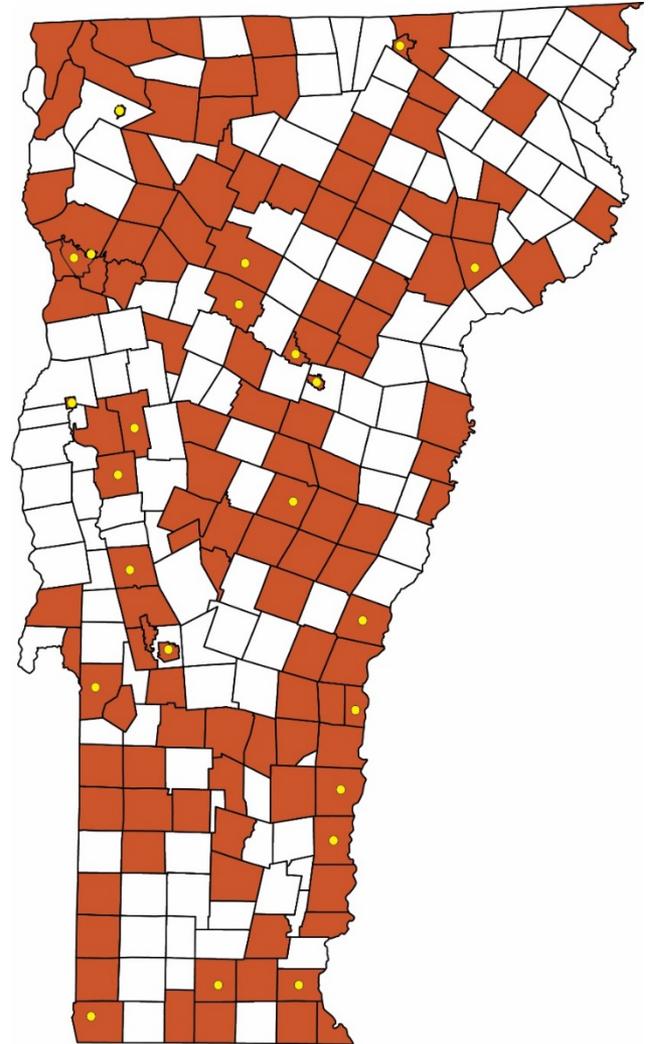
- Technical Assistance
- State Grants Priority
- State Buildings Priority
- Eligible for Neighborhood Development Area Designation
- Downtown and Village Center Tax Credits



Downtown and Village Center Tax Credits

The Basics

- Goal to stimulate investment in commercial centers, large and small
- Award \$2.4 Million in credits annually
- Applications are competitive
- Project must be a Designated Downtown or Village Center
- 23 Designated Downtowns, 157 Designated Village Centers



Towns with State Designated 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



Tax Credit Program Results



French Block, Montpelier

By the Numbers [2014 - 2018]

126

projects awarded

55

communities
served

\$11

million awarded
tax credits

\$152.8

million in private
investment

Program Survey Results

Putnam Block, Bennington



80 Million Invested

56% Spent on Labor

44% Spent on
Materials

*Customers reported
that 98% of
materials were
purchased in
Vermont.*

Case Studies



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

Case Studies



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

Case Studies



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

Case Studies



Grand List Before \$132,700



Grand List After \$175,700

Hancock General Store

\$145,000 Project

\$ 6,000 - 25% State Façade Credit

\$13,850 - 50% State Code Credit

\$19,850 Total Tax Credits

Case Studies



Maple Corners Store, Calais

Total Project Cost
\$92,712

Tax Credits Awarded
\$4,536



Lackey's Store, Stowe

Total Project Cost
\$1,003,706

Tax Credits Awarded
\$103,339

Albany Community Trust



Total Project Cost: \$600,000

Tax Credits Awarded: \$55,125

Village Center Designation

69%

Increase in designations in last 5 years

(93 to 157)

By the Numbers [2014-2018]

157

designated village centers

45

tax credit projects

\$2.8 M

awarded in tax credits

\$25.5M

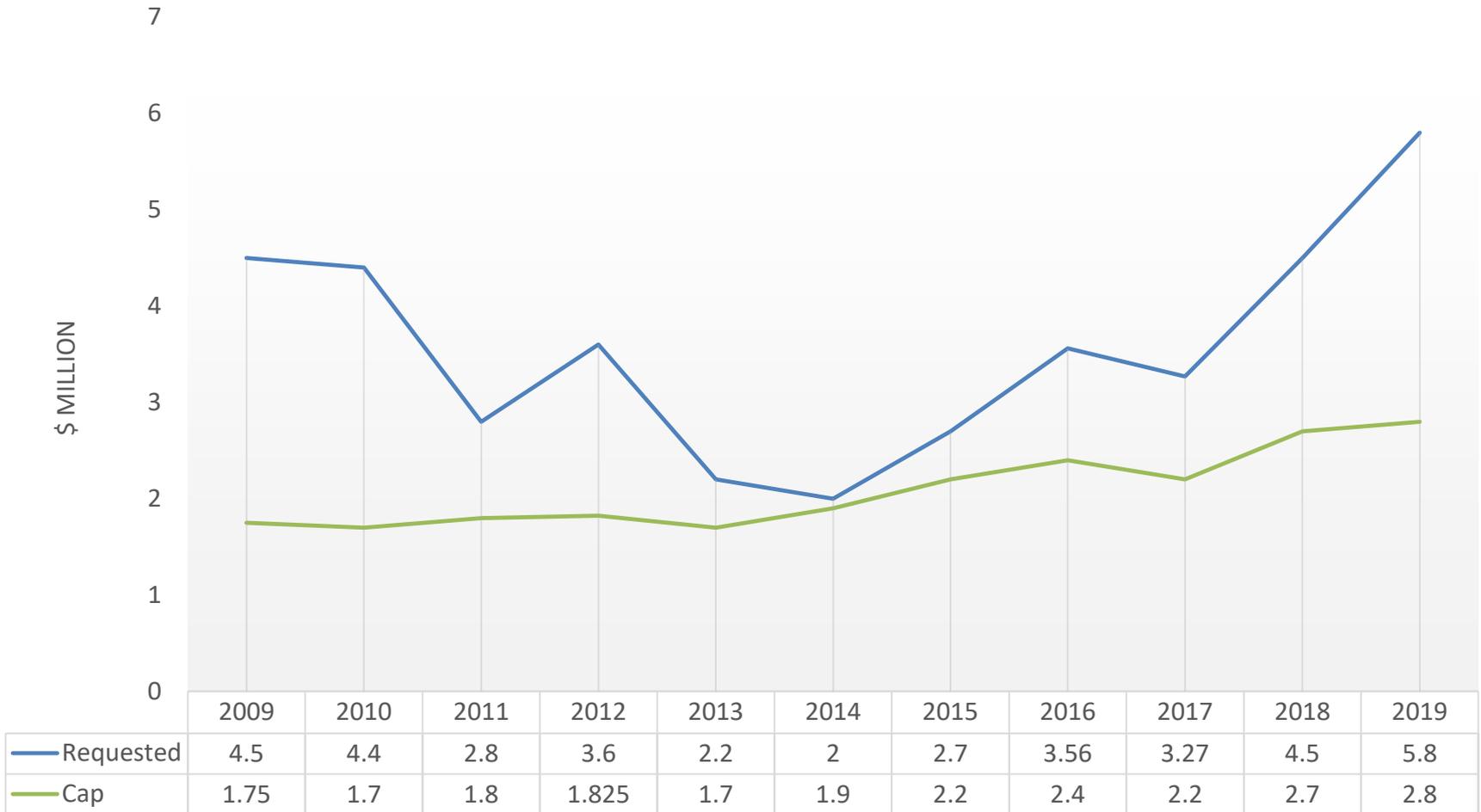
in private investment



Downtown & Village Center Tax Credits

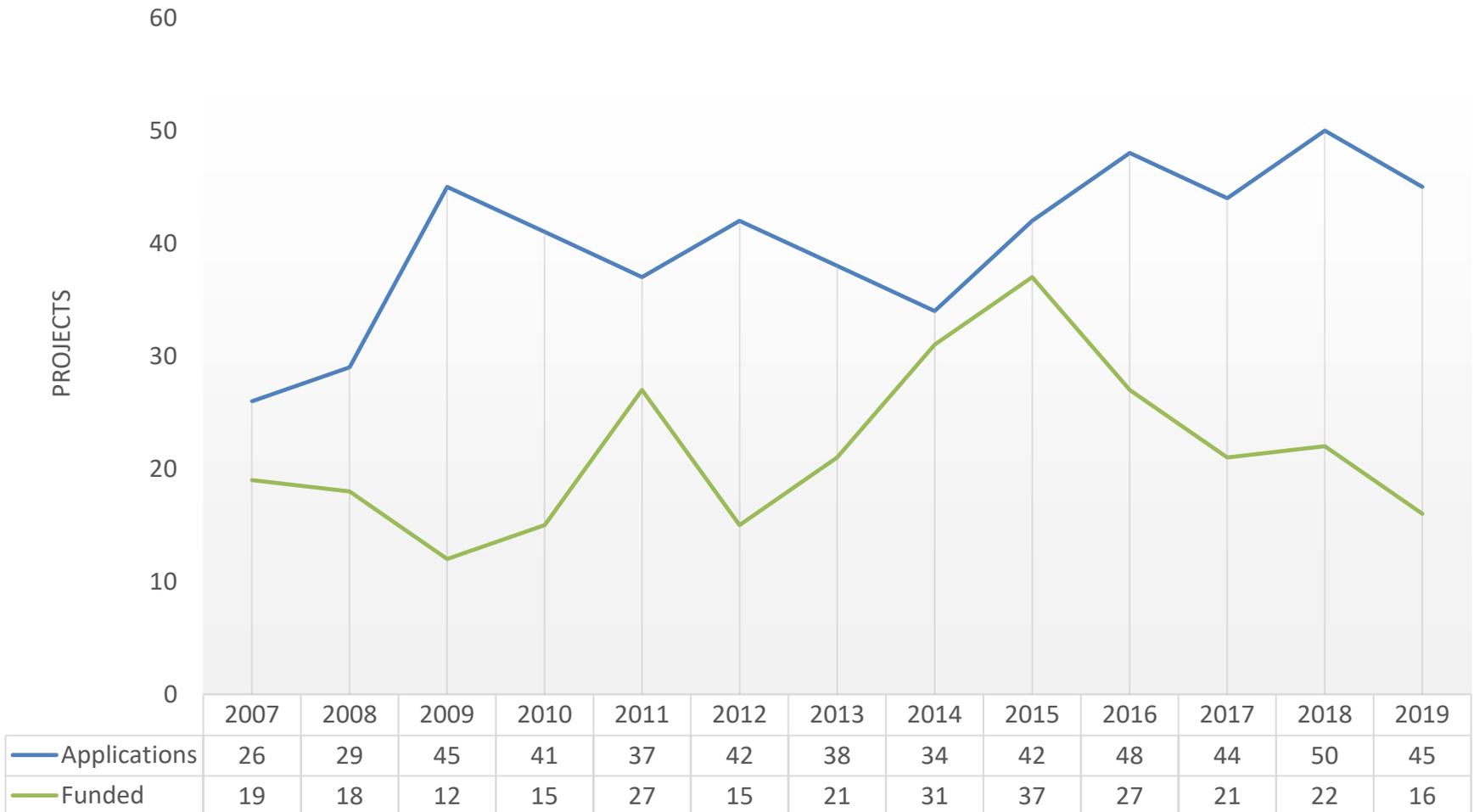
Funding Demand

FY 2009-2019



Downtown & Village Center Tax Credits

Project Demand
FY 2009-2019



Proposed Amendments

- Increase annual cap from \$2.4M to \$2.6M
- Respond to a Supreme Court First Amendment ruling on religious organization's access to public funds
- Reduce the time to complete a project from 5 to 2 years
- Increases the caps for the elevator credit to reflect market costs (\$50K to \$75K)
- Allow buildings 30 years or older to qualify (currently 1983)
- Repeal the technology credit that is little used



Thank You.



Department of Housing + Community Development

Community Planning + Revitalization