



Vermont Downtown Program

BENEFITS OF DOWNTOWN DESIGNATION

Congratulations! Your downtown district has been named a *designated downtown* by the Vermont Downtown Board. As a property owner or business person within the district, you are now eligible for a number of benefits. The entire downtown area also may benefit from a number of opportunities created for designated downtowns.

The designation is a result of the 1998 Downtown Development Act. Recognizing that vital downtowns are critical to the well-being of Vermont's communities, the legislation strengthens downtowns by providing incentives to community-led revitalization efforts. Your downtown was designated because a partnership of town officials, organizations, business and property owners, and volunteers has developed a comprehensive revitalization strategy. The strategy involves a long-term commitment to enriching economic opportunities, preserving historic buildings and using them to their fullest potential, improving infrastructure, and providing comfortable public spaces in the commercial district.

Benefits to property owners, business owners, lessees and the downtown at large are briefly described below with contact information for each. Complete instructions for applications to the *Downtown Transportation and Related Capital Improvement Fund*, *Rehabilitation of Certified Historic Buildings 5% Tax Credit*, *Older or Historic Buildings 25% Tax Credit* and *Reallocation of Sales Tax on Construction Materials*, which are awarded by the Vermont Downtown Development Board, are available from the Vermont Downtown Program.

BENEFITS FOR THE DOWNTOWN DISTRICT

Downtown Transportation and Related Capital Improvement Fund:

Your downtown is eligible to receive loans, loan guarantees, or grants for capital transportation and related capital improvement projects to support economic development. Grants may not exceed 25% of a project's cost. *Contact: Vermont Downtown Program, 802-828-3211.*

State Infrastructure Bank:

Your downtown has priority access to loans or loan guarantees for transportation projects under the State Infrastructure Bank. The bank assists the improvement, rehabilitation, expansion, and construction of transportation projects that provide economic benefits for Vermonters. *Contact: Vermont Economic Development Authority, 802-828-5627.*

Priority Consideration by State Agencies:

Your district will receive priority consideration by any state agency administering any state or federal assistance program providing funding or other aid to the municipal downtown area, with consideration given to such factors as the costs and benefits provided and the immediacy of those benefits. *Contact: the relevant state agency directly, or Vermont Downtown Program, 802-828-3211.*

Traffic Calming Options:

Your town has the authority to post speed limits of less than 25 mph to help calm traffic and make the downtown a more pedestrian-friendly environment. *Contact your Regional Planning Commission.*

New Signage Options:

Within a designated downtown district, alternative signs may now be posted by a municipality to help guide visitors to transportation centers, and unique educational, recreational, historic or cultural landmarks. The signs must be uniform within the district and be approved by the local legislative body and the state Travel Information Council. *Contact: Travel Information Council, 802-828-2651.*

Promotion Assistance and Hospitality Training:

The Department of Tourism and Marketing will include the promotion of the downtown district as part of their integrated marketing and promotion program. Hospitality training can also be arranged. *Contact: Vermont Department of Tourism and Marketing, 802-828-3237.*

(Benefits for Property Owners and Lessees on reverse)

BENEFITS FOR PROPERTY OWNERS AND LESSEES

Rehabilitation of Certified Historic Buildings Tax Credit:

A state tax credit of 5% for the costs of substantially rehabilitating a certified historic building is available as an “add-on” credit for projects that qualify for the 20% Federal Reinvestment Tax Credit (RITC). Projects qualifying for the 5% credit will thus receive a net 25% credit. The federal RITC is available to owners and lessees for projects costs that meet or exceed the adjusted basis of an income-producing building that is on or becomes listed on the National Register of Historic Places. The credits are for all costs involved in rehabilitating a building, including exterior and interior improvements, code compliance, plumbing, and electrical upgrades. Over 7,500 buildings in downtowns and villages throughout Vermont are pre-qualified for the credit, and many more can qualify. Projects in downtowns that are taking substantial actions to achieve downtown designation may be eligible for this credit prior to designation. *Contact: Division for Historic Preservation, 802-828-3047.*

Older or Historic Buildings Rehabilitation Tax Credit:

A state tax credit of 25% for owners or lessees of buildings built prior to 1983 that undertake projects that cannot qualify for the 20% Federal RITC and 5% State “add-on” credit above. Up to a maximum of \$25,000, this credit is for 25% of the costs of: bringing a building into compliance with accessibility, building, electrical, plumbing and life safety codes; abating and making safe lead paint conditions or other hazardous substances; developing previously unoccupied space in conjunction with any of these eligible activities. It may also be used for rehabilitating a building façade or storefront that contributes to the integrity of the designated downtown, or redeveloping a contaminated site. An applicant may request the tax credit allocation in the form of a mortgage credit certificate which a bank may accept in return for adjusting the rate or term of the applicant’s loan on the building. Projects in downtowns that are taking substantial actions to achieve downtown designation may be eligible for this credit prior to designation. *Contact: Division for Historic Preservation, 802-828-3047.*

Sprinkler System Rebate:

A rebate of up to \$2,000 of the permit fees paid to the Department of Labor and Industry for installation of a complete automatic fire sprinkler system, if your project qualifies for one of the state building rehabilitation tax credits listed above. *Contact: Vermont Department of Labor and Industry, 802-828-2106.*

Planning Grant for Contaminated Site Assessment:

Grants, not to exceed \$8,000 per site, are available for an initial site assessment of a suspected contaminated site that qualifies for the Community Development Block Grant program. *Contact: Community Development Program, 802-828-5219.*

Redevelopment of Contaminated Properties Program:

Innocent owners or prospective purchasers of a contaminated property in a designated downtown may apply for funding from the Redevelopment of Contaminated Properties program. *Contact: Redevelopment of Contaminated Properties Program, 802-241-3491.*

Reallocation of Sales Tax on Construction Materials:

Your town may receive a reallocation of sales taxes paid on construction materials used on qualified projects in the designated downtown, to be used in support of the qualified project. The benefit cannot be used on projects using either of the state building rehab tax credits (see above). *Contact: Vermont Downtown Program, 802-828-3211.*

Employee Training Tax Credit:

An employer can claim up to \$400 in tax credits (per employee per calendar year) for training economically disadvantaged employees if the employer does business in a designated downtown with the intent of providing permanent employment. The employer must pay annualized wages of at least \$14,000 plus benefits. *Contact: Vermont Department of Taxes, 802-828-2532.*

Technical Assistance:

The Vermont Downtown Program can help property owners develop a strategy for the rehabilitation or adaptive reuse of downtown buildings. *Contact: Vermont Downtown Program, 802-828-3211.* The Department of Labor and Industry can help property owners who are rehabilitating older and historic buildings develop solutions to comply with access, life and safety codes. *Contact: Vermont Department of Labor and Industry, 802-828-2106, or visit their website at www.state.vt.us/labind/*



The Vermont Downtown Program provides technical assistance and training to communities, helping them develop skills and strategies for their downtown revitalization efforts. *Contact: the Vermont Downtown Program, 802-828-3211.*

Vermont Downtown Program

Department of Housing and Community Affairs
National Life Building, Drawer 20 • Montpelier, Vermont 05620-0501
Phone 802-828-3211 • Fax 802-828-3206