

FACILITATING ECONOMIC DEVELOPMENT IN VILLAGES AND DOWNTOWNS



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FACILITATING ECONOMIC DEVELOPMENT IN VILLAGES AND DOWNTOWNS

1. What is economic development?
2. Why focus economic development efforts in villages and downtowns?
3. What are the components of economic development?
4. How do we start?
5. What are the resources?
6. APPENDIX: Examples of projects and resources

WHAT IS ECONOMIC DEVELOPMENT?

Section 1



DEFINITION

Economic development is the **sustained actions** of policy makers and communities that promote the standard of living and economic health of a community **in addition to economic growth.**



GOALS OF ECONOMIC DEVELOPMENT

- More and better-paying jobs
- Growing tax base
- Reduction of poverty
- More stable and diversified economic base
- Improved public services

ECONOMIC DEVELOPMENT SHOULD BE INTEGRATED WITH:

- Municipal Plan
- Land Use regulations
- Local Capital Improvements Program
- State Infrastructure investments
- Workforce Development



WHY FOCUS ECONOMIC DEVELOPMENT IN VILLAGES AND DOWNTOWNS?

Section 2



The Importance of Vermont's Downtowns and Village Centers



WHAT ARE THE BENEFITS OF DIRECTING ECONOMIC DEVELOPMENT TO DOWNTOWNS AND VILLAGE CENTERS?

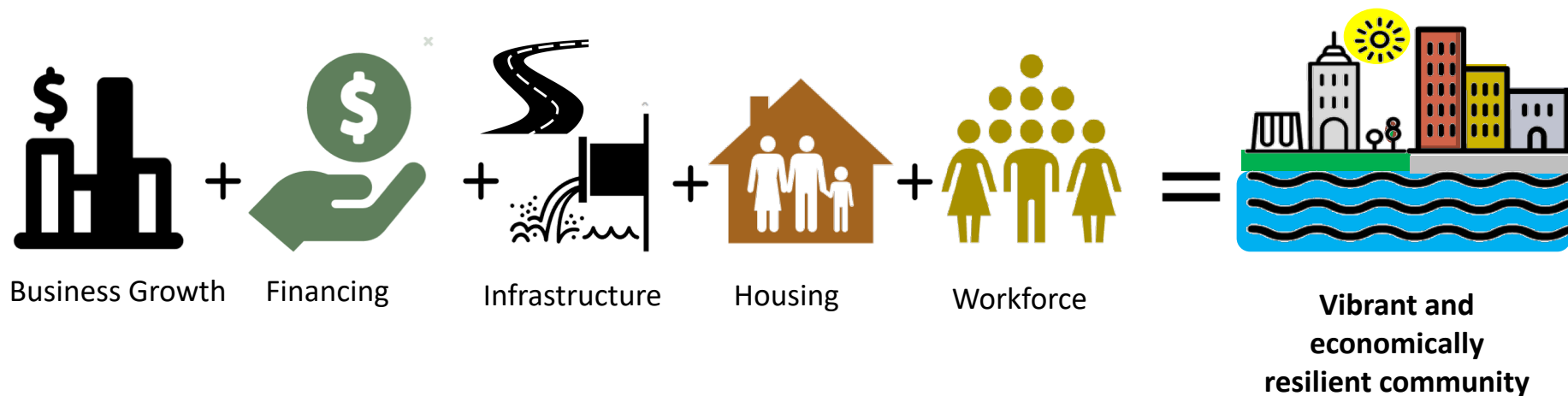
- Compact development creates **synergy** - a combined effect that is greater than the sum of each individual part
- Re-investment in downtowns and village centers **removes blight** and **adds value** to the Grand List.



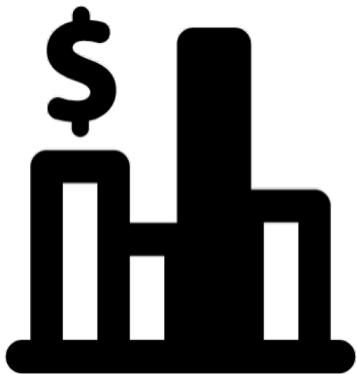
WHAT ARE THE COMPONENTS OF ECONOMIC DEVELOPMENT?

Section 3

WHAT IS NEEDED TO CREATE AND SUSTAIN A VIBRANT AND ECONOMICALLY RESILIENT COMMUNITY?



BUSINESS GROWTH CAN BE DONE IN SEVERAL WAYS:



- Retain & expand existing businesses
- Provide support for start-ups and entrepreneurs
- Recruit new businesses

VERMONT SUCCESS STORY: BUSINESS GROWTH



“The federal and state tax credit programs were instrumental in our decision to locate in the city, as without that financial support the project just wouldn’t have been possible.”

Downtown Winooski

In 2011, MyWebGrocer purchased the Mill and with the **support of \$390,000 in federal and state tax credits**, the rehabilitation of this major historic building was completed.

Once occupied, MyWebGrocer brought over **200 jobs** to Winooski and improvements to the Mill more than **doubled its grand list value to over \$2 million**.

A **TIF district** was an important tool that facilitated this and other developments in downtown Winooski.

VERMONT SUCCESS STORY: BUSINESS GROWTH



Catamount Arts, St. Johnsbury

First started in the 1970s, Catamount Arts settled in its permanent home in St. Johnsbury in 2005. Since then, it has steadily improved its physical space and expanded its programs.

This non-profit has had a major role in defining the image of downtown St. Johnsbury as a **destination for the arts.**

Funding has been provided over the years by:

USDA RD, Vermont Arts Council, Vermont Community Foundation, sale of Historic Preservation Tax Credits, VT Community Loan Foundation, Northern Borders Regional Commission, private foundations, community banks, and local residents.





FINANCING TOOLS

There are a range of financing tools for economic development projects. These include:

- **Municipal Bonds**
- **Targeted tools** — Tax Increment Financing (TIF), special assessment districts
- **Investment tools** — tax credits, angel investor funds
- **Access to Capital Lending Tools** — revolving loan funds, loan guarantees, microenterprise finance, Vermont Economic Development Authority (VEDA) programs
- **Support tools** — Vermont Community Development Program (VCDP) funds, State Brownfields Cleanup Revolving Loan Fund, local tax stabilization

VERMONT SUCCESS STORY: FINANCING



The key to making this project viable was community support, varied sources of capital, and creative financing.

-- M&S Development

Brooks House Redevelopment – Completed in 2014

After a devastating fire, this downtown Brattleboro property sat idle for two years until a group of five local citizens—who eventually formed project sponsor Mesabi, LLC— stepped forward, purchased the building, and organized a restoration plan.

The **\$23.6 million, 80,000 SF mixed use** project which includes upscale **market-rate rental units**, leveraged many sources of funding:

- New Market Tax Credits
- Tax Credits through the Vermont Downtown program
- Conventional financing
- VEDA financing
- VCDP grant
- Municipal funding (from CDBG program income)
- Individual investors
- Owner equity

Downtowns & Village Centers Tax Credits

Hancock General Store, Hancock

Total Project Cost: \$145,000; Tax Credits Awarded: \$19,850

Hancock's General Store operated for over 100 years before closing in 2013. A major community hub in this small village, the loss of this business was devastating to residents. That's when new owners, locals from Hancock, stepped in to buy the building and revive this important community resource. The project required major investments to upgrade the building to meet code requirements and also included façade improvements. The store re-opened in 2016.



Grand List Before: \$107,700



Grand List After: \$132,700



INFRASTRUCTURE

Investments in infrastructure lay the foundations for economic development and growth. Examples of infrastructure needs include:

- **Transportation** (*Roads, Bike Paths, Sidewalks, Rail, Aviation, Bridges*)
- **Energy** (*transmission and storage*)
- **Solid Waste** (*collection and management*)
- **Water Supply** (*maintenance and distribution*)
- **Wastewater** (*disposal and treatment*)
- **Information/Communication** (*storage and distribution*)
- **Human Infrastructure** (*the people, committees, and organizations that facilitate community development*)

VERMONT SUCCESS STORY: INFRASTRUCTURE

Downtown Winooski TIF: The Numbers

New Housing Units and Commercial Space

Assessed Values:

Original Taxable Value - OTV (FY2004): \$24,822,900

Current Assessment (FY2015): \$ 93,645,120

INCREMENTAL INCREASE (FY2004 – FY2015):

\$68,822,220

New Residential Space:

The Cascades: 70 units

Keen's Crossing (four buildings): 213 units

Riverhouse: 72 units

Spinner Place: 87 units

TOTAL: 442 units

New Commercial Space:

Spinner Place first floor: 16,613 sq. ft.

Keen's Crossing: 4,000 sq. ft.

VSAC Development: 122,000 sq. ft.

TOTAL: 142,613 sq. ft.

Upgraded Existing Commercial:

Champlain Mill: 150,000 sq. ft.



VERMONT SUCCESS STORY: INFRASTRUCTURE

The **Barre Big Dig** was a multi-year infrastructure overhaul to make functional and aesthetic improvements to the downtown area. It included the replacement of 100-year old water and sewer lines, plus sidewalk and lighting improvements and new paving, parking and signage.

A combination of **\$140,000 in downtown transportation grants and over \$15 million in federal funding** administered through the Agency of Transportation supported this effort. A new State office complex was also created in the heart of downtown where the city relocated 200 state employees.



Downtown Transportation Fund

- Grant approximately \$350,000 annually
- Maximum annual grant is \$100,000
- 50% match required – may use in kind as part of match

Projects may include:

- streetscape improvements
- electric vehicle charging stations
- parking facilities
- rail or bus facilities
- utility relocation
- way-finding signage
- street lighting
- ADA access improvements.



Downtown Transportation Fund

By the Numbers [2011 - 2016]

33

downtown
transportation
grants awarded

17

communities
served

\$1.9 M

in downtown
transportation grants
awarded

\$10.9 M

leveraged with
downtown transportation
funds

Vergennes - Transportation Improvements Spark Revitalization Efforts



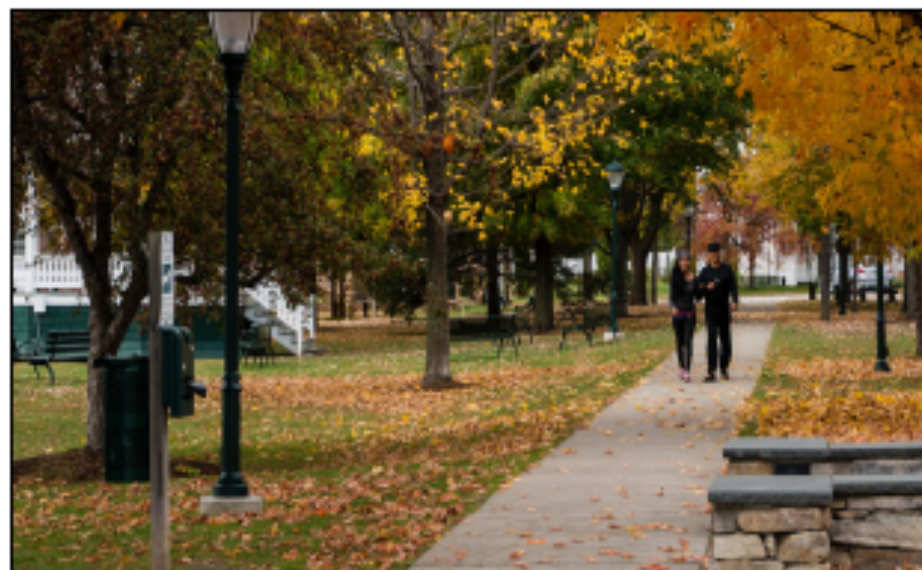
Before



After

Downtown Transportation Fund

Bristol - Building a Walkable and Vibrant Downtown



Village Green



Downtown

VTrans funds the Downtown Transportation Fund (DTF) program that supports revitalization efforts in designated downtowns by making these areas more pedestrian, bike and transit friendly. Since 1999, the fund has invested \$9.7 million to support 109 projects leveraging over \$47 million for transportation improvements in designated downtowns. The Town of Bristol recently used a DTF grant to enhance the village green by adding lighting, benches and bike racks to strengthen the connection to downtown and the VTrans Improved Main Street Intersection. The Prince Lane reconstruction project, also funded by a DTF grant, added sidewalks, lighting and landscaping to improve access to local businesses and bring vitality to the downtown.



HOUSING

A **mix** of housing options (of various types and price points) in or adjacent to a community's commercial/civic center creates a mutually-supporting relationship between residents and businesses.

- **Low and Moderate-income Housing** (*Available to households earning less than 80% of the area's median income, with rents or housing costs that don't exceed 30% of the household's income*)
- **Workforce Housing** (*Rented or owned housing that meets the affordability threshold – less than 30% of household income – for households making between 80% and 120% of the area's median income.*)
- **Market Rate Housing** (*Rented or owned housing, not restricted to any income level*)

VERMONT SUCCESS STORY: HOUSING



Bright Street Co-op (proposed)

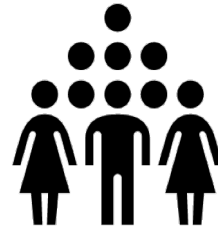


Bright Street Co-op (under construction)

The **Neighborhood Development Area** program provides incentives for municipalities or developers to create new homes in development-ready locations near shops and services.

Burlington has used the program to help lower the costs of building well-designed **mixed-income housing**. The Champlain Housing Trust's Bright Street Coop is a 42-unit mixed-income infill housing project on 1.35 acres of land in Burlington's Old North End neighborhood. Rents range from \$650-\$1425 including heat.

The Neighborhood Development Area program provided a savings of \$51,000, 3 months of time and eliminated the risk of appeal in the Act 250 process, and provided a wastewater fee savings of \$4,950.



WORKFORCE

Attracting and retaining business and industry in a community **requires that there is an educated and skilled workforce available.**

Plans for economic development at the local level should consider the availability of workforce development programs, usually undertaken at the State or regional levels.

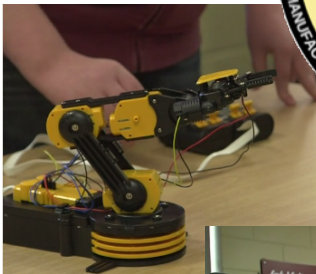
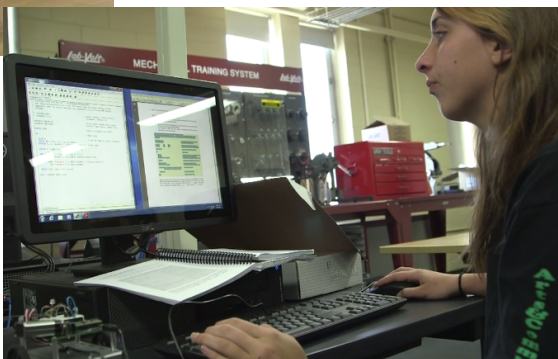
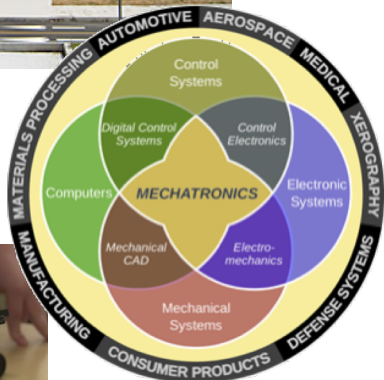
Good workforce development efforts seek to equip job-seekers and current workers with the skills that local employers need and also to assist workers to get the jobs requiring those skills.

VERMONT SUCCESS STORY: WORKFORCE DEVELOPMENT

The **North Country Career Center** in Newport provides high school students with an opportunity to develop academic, technical and social skills to prepare for career success.

The **STEM & Mechatronics Program** combines state-of-the-art training in electrical, mechanical and computer engineering that applies to the design process of creating functional and adaptable products for a wide range of fields using automation

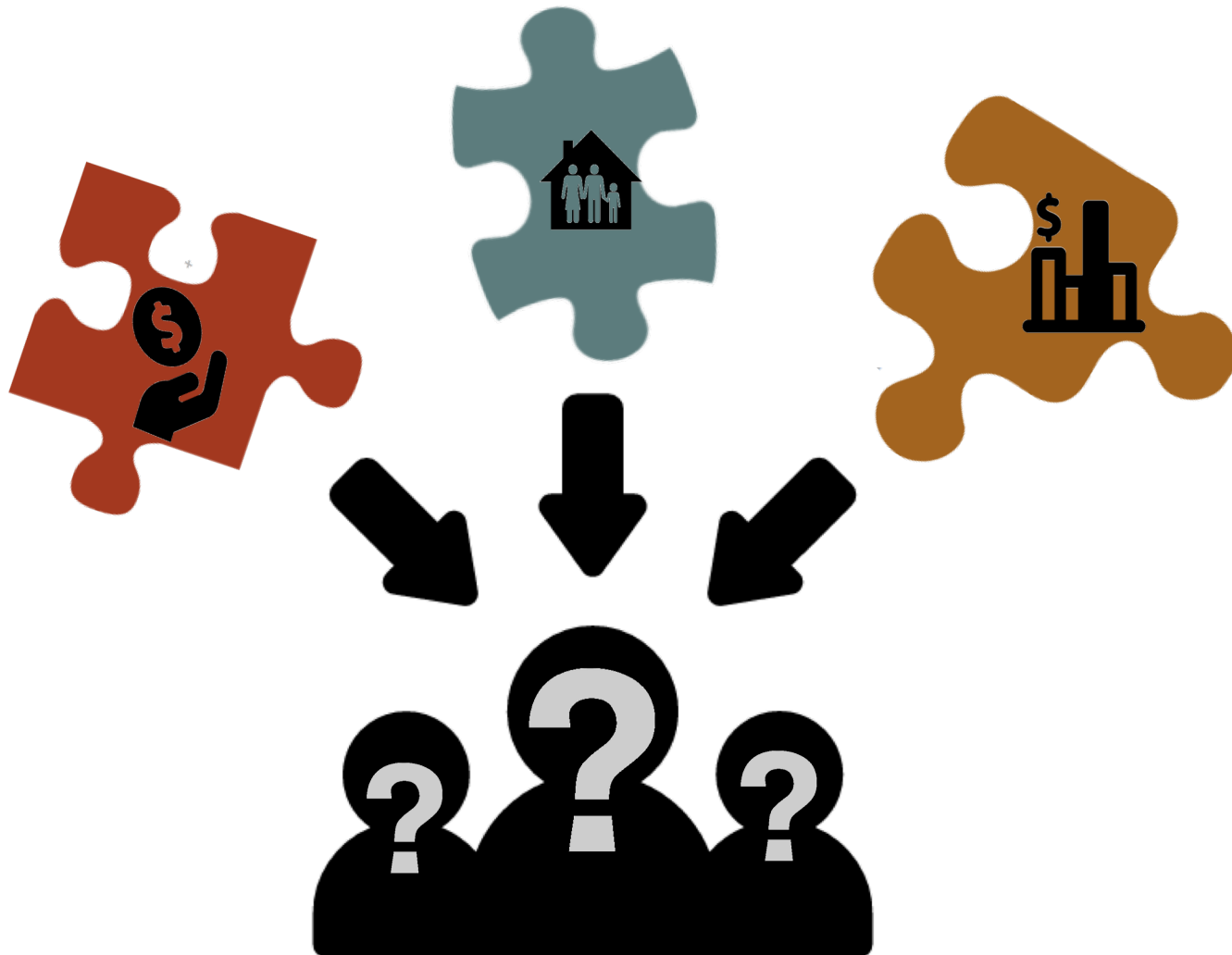
Students in year two of the program are eligible to receive the **Level I Siemens Mechatronics Systems Certification** which is a recognized, international industrial certification that provides opportunities for advancement on technician and engineering jobs in technology industries world-wide.



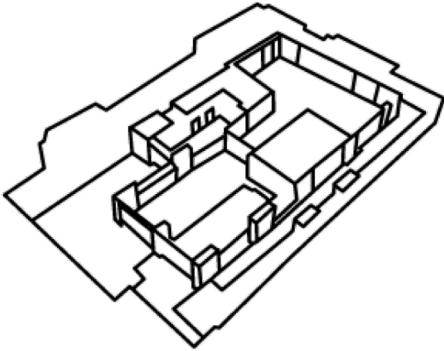
ECONOMIC DEVELOPMENT: HOW DO WE START?

Section 4

PUTTING THE PIECES TOGETHER



PLANNING TO PLAN



- Begin by **understanding what you already have**: review existing plans and studies, including the economic development section of the municipal and regional plans, and your region's Comprehensive Economic Development Strategy (CEDS).
- **Assess your community** for its assets, problems, opportunities, and capacity.



READY-SET-GO!

1. Do a Community Assessment
2. Develop a Shared Community Vision
3. Identify Community Goals and Objectives
4. Map out the Future
5. Identify Priority Action Items



FROM VISION TO REALITY: RESOURCES FOR PLANNING AND DEVELOPMENT

Section 5

VT Agency of Commerce and Community Development

The Municipal Planning Grant (MPG) program encourages and supports planning and revitalization for municipalities in Vermont. Awarded annually and administered by the Department of Housing and Community Development, the MPG program funds local planning initiatives that support statewide planning goals.

Recently awarded MPG projects related to economic development:

Cabot – Revitalizing the Village

Funds will support a detailed economic development plan with recommendations to bring new businesses, visitors, and vitality to the village.

Peacham – Guiding New Economic Development Opportunities

Funds will support a robust community conversation on revitalizing the village, encouraging housing, businesses and farming, addressing renewable energy, and more.

Rutland City – Aligning Policies to Support Downtown Revitalization

Funds will support the momentum of Rutland's downtown renaissance by crafting zoning updates aimed at improving housing opportunities, attracting new businesses, and encouraging infill construction.





COMMUNITY VISIT PROGRAM

Through its **Community Visit Program**, the Vermont Council on Rural Development provides local leaders with the resources they need to build capacity for their communities as they look to the future. The Community Visit program is a way for towns to:

- engage and bring together their residents,
- set common goals and directions in a neutral and facilitated structure,
- and access resources that will help them take action on those goals.

The Community Visit program, **provided at no cost to communities**, gets citizens engaged in working *for* their communities and connects them to the resources they need to be successful.

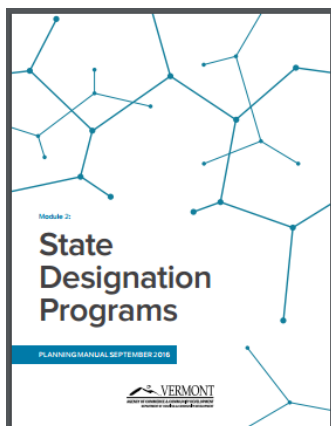
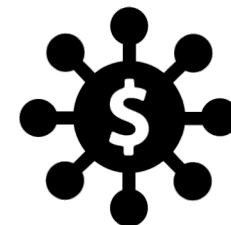
If your community would like more information about this program or is interested in hosting in a Community Visit, please contact VCRD at 802-223-6091 or info@vtrural.org.

<http://www.vtrural.org/programs/community-visits>



Vermont State Designation Programs

Agency of Commerce and Community Development



Vermont has established a unique framework of “designations” that recognize compact centers and provides incentives to encourage communities to maintain and augment them.

The five designation programs are: downtown, village center, new town center, neighborhood development area, and growth center designation.

Within the designation the program provides incentives for both the public and private sectors:

- | | |
|---|---|
| <ul style="list-style-type: none"> • Tax credits for historic building rehabilitation and code improvements • Permitting benefits for new housing | <ul style="list-style-type: none"> • Funding for transportation-related public improvements • Priority consideration for other state grants |
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For more information on how your community can participate in the Vermont State Designation Programs please contact

Chris.Cochran@vermont.gov

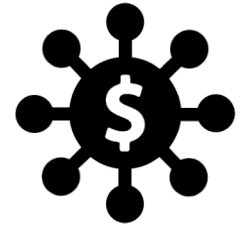
<http://accd.vermont.gov/community-development/designation-programs>



The Preservation Trust of Vermont

Continuing Support for Vermont Communities Since 1980

104 Church St., Burlington, VT 05401 • 802-658-6647 • www.ptvermont.org



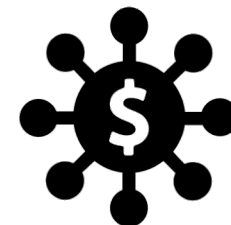
The Preservation Trust of Vermont (PTV) is a statewide non-profit organization which assists communities to save and use historic places. PTV works with communities to support local development initiatives and build capacity. PTV also **partners with the Vermont Downtown Program** to support revitalization efforts in designated downtowns and village centers.

In addition to numerous programs for preservation efforts, PTV provides project development and technical assistance grants, administers the Historic Places revolving fund, and provides major grants for preservation-related projects.

For more information on programs and financial resources from the Preservation Trust of Vermont to help develop your community please visit

<http://www.ptvermont.org/index.php#>

Vermont Community Development Program (VCDP)



The Vermont Community Development Program (VCDP) funds must primarily benefit persons of low and moderate income. VCDP assists communities on a competitive basis by providing funding and technical assistance to identify and address local needs in the areas of:

Economic Development	Public Facilities	Housing	Handicapped Accessibility Modifications	Public Services
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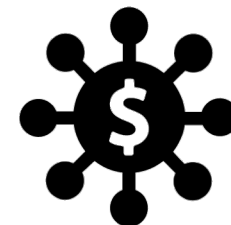
VCDP provides federal Community Development Block Grant (CDBG) funding for eligible activities through the following application types:

Planning Grants (PG) (Grant Range: \$3,000-\$40,000) - Examples: Conduct feasibility studies and marketing plans, produce architectural and engineering plans, etc. for IG projects.

Implementation Grants (IG) (Grant Range: \$50,000-\$1,000,000) - Examples: Assist businesses to create or retain jobs, create or rehabilitate housing units, build infrastructure, create or assist childcare and senior centers etc.

Accessibility Modification Grants (AM) (Grant Range: \$5,000-\$75,000) - Example: Bring municipally-owned buildings and libraries into compliance with state and federal accessibility requirements.

Scattered Site Grants (SS) (Grant Range: \$50,000-\$1,000,000) - Example: Rehabilitate scattered site housing projects.



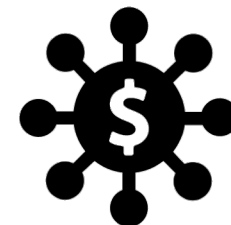
USDA Rural Development is committed to helping improve the economy and quality of life in rural America. USDA-RD offers a variety of programs of loans, grants, and loan guarantees to support essential services such as:

- | | |
|---|--|
| <ul style="list-style-type: none">• Economic Development• Health Care• Water, Electric, Communications Infrastructure | <ul style="list-style-type: none">• Housing• First-responder Services and Equipment |
|---|--|

USDA-RD also provides technical assistance to help communities undertake community development programs.

For more information on the programs provided by USDA-RD to assist your community please go to:

<https://www.rd.usda.gov/vt>



The Vermont Housing and Conservation Board (VHCB) works toward two goals of creating affordable housing for Vermonters, and conserving and protecting Vermont's agricultural land, forestland, historic properties, important natural areas, and recreational lands that are of primary importance to the economic vitality and quality of life of the State.

Through its **Housing Program**, VHCB makes deferred loans for the acquisition, rehabilitation and construction of affordable housing by nonprofit housing organizations.

Through its **Conservation Programs**, VHCB helps to preserve the state's rural landscape and character through conservation efforts on agricultural land, recreational land, natural areas, and historic properties. VHCB also works with towns, municipalities, non-profit conservation organizations and state agencies to provide public access to conserved land.

For more information on programs and financial resources from the Vermont Housing and Conservation Board to help develop your community please visit

<http://www.vhcb.org/index.html>

Economic Development and Revitalization

A community vision, a shared plan, funding and teamwork is a common element in revitalization – the State of Vermont and your Regional Planning Commission are committed to working with each other and with you to revitalize your village center or downtown.



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