



Downtown Historic Tax Credits

Hardwick's Revival

Overview

Several years ago Hardwick's Main Street was in a state of decline like many communities throughout Vermont. Buildings were run down, underused or even condemned. Adding to these issues, in 2006, a tragic fire gutted the Bemis Block, a prominent building in the heart of downtown. Rather than tearing it down to create a parking lot, the community chose restoration and created new business and housing within the historic building. This key decision not only sparked a new direction for Hardwick, it also showed other small towns how saving one historic building can spur redevelopment of an entire community.

Challenge

The expense to repair and bring historic downtown buildings up to code (especially costly items like sprinklers and elevators) often exceeds the value of the building. Rents in many of Vermont's smaller downtowns and village centers are often low and may not generate significant capital to finance a major rehabilitation. With insufficient funding to fill the gap, banks are reluctant to make loans to upgrade buildings. As a result, buildings are not maintained and Main Street slowly closes down. Over time, property values decline along with the local economy.

Solution

Downtown and Village Center tax credits help close this financial gap, make projects economically viable, spark community revitalization, cement a sense of place, and bring buildings back onto the tax rolls.

"The amount of new activity, life and excitement on Main Street is unprecedented. It's clear to me that strong communities need vital urban cores -- and with the help of the tax credits, we've made a great start in Hardwick."

Michael Gohl
Hardwick Architect

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The Result

In Hardwick, seven buildings have been rehabilitated with the help of tax credit-financing and another five are in progress, or near completion. Approximately \$820,000 in state tax credits have leveraged over \$5 million in outside investments to date, jumpstarting new businesses and creating jobs, developing quality housing, and bringing new vitality to the commercial district. An analysis of Hardwick's downtown property values (Grand List) is evidence that public investment to improve these buildings results in increased property tax revenue. By promoting reinvestment and encouraging projects that put dollars back into the local economy, tax credits are a critical factor in promoting economic vitality for communities that take advantage.

Bemis Block - 73 South Main Street



Grand List After
\$797,400

Grand List Before
\$257,800



Hill Block [1874] - 35 South Main Street



Grand List After
\$314,500

Grand List Before
\$55,400



Hardwick Inn - 1 North Main Street



Grand List After
\$583,300

Grand List Before
\$147,800



Marshall Block - 87 South Main Street



Grand List After
\$297,200

Grand List Before
\$145,500



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