



VERMONT

2012

Annual Report on  
Tax Increment Financing Districts  
In Vermont

Prepared in accordance with 32 VSA §5404a(i)  
and submitted by the  
Vermont Economic Progress Council  
and  
Vermont Department of Taxes

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## STATUTORY CHARGE

### TITLE 32

Taxation and Finance

### PART II

Property Taxation

### CHAPTER 135. EDUCATION PROPERTY TAX

§ 5404a. Tax stabilization agreements; tax increment financing districts

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- (i) The Vermont economic progress council and the department of taxes shall make an annual report to the senate committee on economic development, housing and general affairs, the senate committee on finance, the house committee on commerce and the house committee on ways and means of the general assembly on or before January 15. The report shall include, in regard to each existing tax increment financing district, the year of approval, the scope of the planned improvements and development, the equalized education grand list value of the district prior to the TIF approval, the original taxable property, the tax increment, and the annual amount of tax increments utilized.

### EXPLANATION OF DATA

**All data in this report is aggregated from annual property tax data self-reported by the municipalities involved. The aggregated data through 2011 are based on actual data reported by Burlington (Burlington Waterfront TIF), Newport, Winooski, and Milton (Milton North South TIFs). The aggregated data for after 2011 are based on projected impacts of those four TIF districts into future years and projections from the TIF District Plans and TIF Financing Plans (depending on status of approval) for the Milton Town Core TIF, Severance Corner TIF (Colchester), Burlington Downtown TIF, and the Hartford TIF.**

## Tax Increment Financing: Overview

Tax increment financing is sometimes referred to as a financing tool and sometimes as an economic development tool. It is both. Other types of financing are available to municipalities for infrastructure improvements, but cutbacks in federal and state infrastructure aid over the last two decades have increased the popularity of tax increment financing.

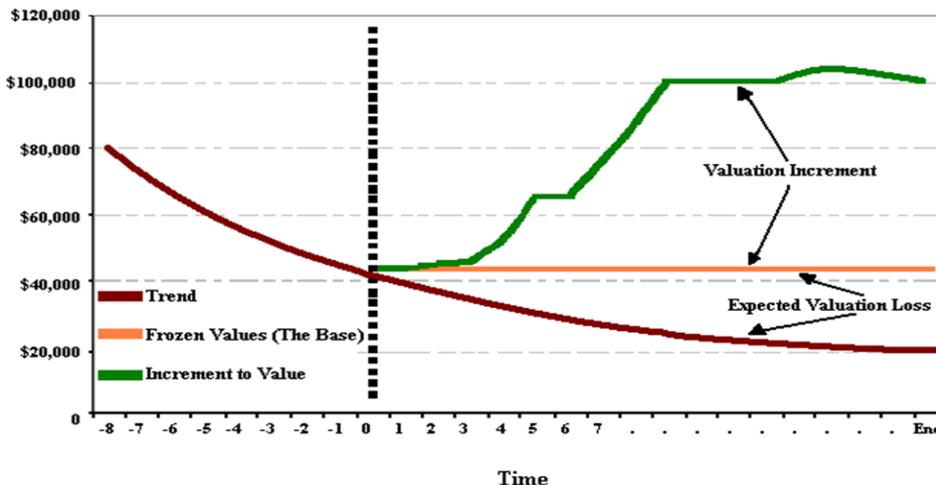
Tax increment financing has been around since the 1950s as an economic development tool. The theory and practice is, on its face, simple: an area that has been blighted or is otherwise in need of an economic boost is analyzed for its development potential and then designated by a municipality as a tax increment financing district, which is then targeted for publicly financed infrastructure investment. These improvements are commonly paid for through bonding and/or grants and loans from federal and state agencies. The infrastructure improvements stimulate development or redevelopment to occur in the district, generating incremental tax revenues. Some or all of the indebtedness incurred by the municipality for the infrastructure improvements is repaid by redirecting all or some of the incremental tax revenues to the infrastructure debt service. Which types of taxes are involved depends on the state

and local laws of the jurisdiction.

The taxable value of the district is frozen at the time of its creation, referred to as the original taxable value (OTV) or simply “base.” Tax revenues from the base value continue to go to the taxing entities. Infrastructure improvements to the district are undertaken by the municipality to prepare the area for development. As the TIF district matures and private sector development and redevelopment occurs because of the improvements, the municipality retains the incremental tax revenues generated above the base. The annual “tax increment” is used to pay the public expenditures on improvements in the district.

Typically, public infrastructure investments include water supply, sewer expansion and repair, storm water drainage, street and sidewalk construction, street lighting, park improvements, and parking structures. In addition, municipalities use TIF for land acquisition, demolition, utility improvements, and environmental remediation. These improvements are intended to encourage economic development by making the area more attractive for development and reducing infrastructure costs for private developers.

**Tax Increment Financing: The Concept**



## Tax Increment Financing: Districts in Vermont

Tax increment financing has existed as a development tool in Vermont since enabling legislation was passed in 1985, a time when federal aid to cities and towns for public infrastructure and economic development began a long decline. More than ten years elapsed after the passage of enabling legislation before a TIF district was created in the state.

In Vermont, only municipal real property taxes and state education property taxes can be utilized by TIF Districts. If a Vermont municipality had created a TIF district prior to 1997, any effects of foregone revenue would have been felt only by that community. This is similar to how TIF operates in most jurisdictions nationally.

With the passage of Act 60 that year, the two streams of property tax revenue—for education and municipal budgets—were separated into a statewide education property tax and local municipal taxes. Education funding moved to a statewide balance sheet, which accounted for all the education taxes collected and spent in communities across the state. The change meant that the revenue loss from diverting education property taxes in one community would affect the larger balance sheet. Because of this, the Legislature grandfathered preexisting TIF districts in Newport and Burlington, allowing the utilization of the new state education property tax, and provided a brief window for expansion of those districts.

In the following year, Act 71(1998) gave the Vermont Economic Progress Council (VEPC) authority to authorize additional TIF districts as part of a larger package of business tax incentives under the Economic Advancement Tax Incentive program. The Milton North/South TIF Districts were the only TIF Districts approved under that authorization. Those TIF Districts

encompass the Husky Campus (North) and the Catamount Industrial Park (South).

In 2000, the General Assembly directly authorized a TIF District in Winooski through special legislation (Act 159 of 2000) for redevelopment of the area including, and adjacent to, the Champlain Mill.

The TIF program continued to undergo changes with the passage of Act 68 in 2003, which split the grand list into homestead and nonresidential properties taxes at different rates, and both Act 184 in 2006 and Act 190 in 2008, which significantly modified the TIF enabling statutes in Titles 24 and 32.

These modifications recognized that once the state took responsibility for setting education tax rates and distributing the revenue to local school districts, TIF had statewide implications. Against that backdrop, the state has worked to establish a process that balances state policy objectives and local development needs.

Current TIF District law, modeled on the special legislation passed for Winooski, allows a municipality to create a TIF District and apply for utilization of the incremental education property tax revenues through application to the Vermont Economic Progress Council, who must determine if statutory criteria are met by the applicant and the proposed TIF District.

### **WHAT IS THE STATUTORY PURPOSE OF A TIF DISTRICT IN VERMONT?**

**“Provide incremental tax revenues for infrastructure improvements that serve the District and that will stimulate private sector development in the District that will provide employment opportunities, improve and broaden the tax base, or enhance the general economic vitality of the municipality, the region, or the state.” 24 VSA § 1893**

## **Tax Increment Financing Districts in Vermont: Current Law**

TIF Districts are created by a municipality. However, to utilize incremental education property tax revenue to finance the TIF debt, the municipality must also seek approval of a TIF Plan and TIF Financing Plan from the Vermont Economic Progress Council. To authorize a municipality to utilize incremental education property tax revenue for TIF District debt, the Council must determine:

- That the TIF District Plan meets the statutory purpose for TIF Districts.
  - That the new real property development would not have occurred or would have occurred in a significantly different and less desirable manner but for the proposed utilization of the incremental tax revenues. (This criterion is automatically met if the District is within a Designated Growth Center).
  - That the municipality has met four process requirements, including public hearings on the TIF plan.
  - That the location of the TIF District meets regional and state land-use objectives and policies, such as in designated downtowns, villages, or Growth Centers.
  - That the TIF District, the proposed public infrastructure, and/or the expected development meet three of five possible project criteria, including the development of affordable housing, mitigation and redevelopment of brownfields, business expansion or recruitment, and transportation system improvements.
  - That nexus exists between the proposed public infrastructure and the expected real property development and that only the proportion of the infrastructure costs that are related to the TIF will be financed with TIF revenues.
  - That the TIF Plan is financially viable.
- Under current statute (since Act 184 of 2006 and subsequent amendments), TIF Districts in Vermont generally operate as follows:
- A TIF District is created by a municipal legislative body who finds that a TIF District would serve the purposes stated in statute and votes to create a District, thereby establishing the boundaries, setting the original taxable value, and beginning the life of the District.
  - A TIF District life continues until all the TIF District debt is retired.
  - The municipality must seek approval of a TIF District Plan and a TIF District Financing Plan by the Vermont Economic Progress Council (VEPC) in order to utilize incremental education property tax revenue.
  - Before incurring any TIF District debt, the municipality must seek a popular vote on an overall debt ceiling.
  - The municipality may incur TIF infrastructure debt for up to 20 years after creation, and the term of such debt may be set by the municipal legislative body.
  - However, if no debt is incurred within five years after creation of the District, the municipality must seek re-approval by VEPC.
  - The municipality may retain incremental municipal property tax revenues starting the year after the TIF is created and until the TIF debt is retired.
  - If approved by VEPC, the municipality may retain incremental education property taxes to service TIF infrastructure debt for a period of 20 years following the grand list year in which the first TIF debt is incurred and may only utilize these retained education property tax revenues to service debt that is incurred during the first five years after the TIF District is created.
  - 100% of the property taxes generated by the original property value are remitted to the taxing municipality and the education fund.

- Up to 75% of the education property taxes generated by the incremental values created by resulting real property development and increased property values are set aside by the municipality in a special fund to service TIF District infrastructure debt and pay related costs.
- The municipality must pledge at least an equal percentage of the incremental municipal property tax revenues to service TIF debt.
- These percentages, up to 75%, are set during the VEPC application process and are determined by the percentage required to make the TIF financing plan viable.

[Note: some exceptions to these rules exist for certain municipalities due to subsequent amendments enacted]

### **Tax Increment Financing Districts in Vermont: Existing TIF Districts**

The existing TIF Districts in Vermont can generally be divided into four classifications:

- Districts created prior to Act 60 with the authority to utilize incremental education property tax revenues grandfathered in by that Act: **Burlington Waterfront and Newport**.
- Districts created by special act of the General Assembly: **Winooski**.
- Districts created and given the authority to utilize incremental education property tax revenue by VEPC through the EATI program: **Milton North/South**.
- Districts created under current TIF statute originally enacted by § 2h of Act 184 of 2006 (and subsequent amendments): **Milton Town Core, Severance Corners in Colchester, Burlington Downtown, and Hartford**, to date. Current statute allows the approval of two more Districts under this authority.

As previously mentioned, one of the criterion for approval for the last category of TIF Districts is the But For. This criterion is deemed to have been statutorily met, however, if the TIF District is located within a Designated Growth Center. Of the four TIF Districts approved after the passage of Act 184 (2006), Burlington Downtown and Milton Town Core had to meet the But For criterion. Colchester and Hartford are within Growth Centers and therefore automatically met the But For.

Of the TIFs approved under current law, only the Milton Town Core TIF, Burlington Downtown, and Hartford TIF Districts are fully approved by VEPC. Colchester must file a TIF Financing Plan for final approval.

At the time of this report, only the Milton Town Core TIF has the authority to incur debt. Burlington, Hartford, and Colchester (after approval of the Colchester TIF Financing Plan), must also seek a popular vote on a TIF District debt ceiling before any debt is incurred.

Following the aggregated TIF data contained in Tables 1 and 2 (on pages 9 and 10) are summary descriptions of each existing TIF District. More detailed information on the four TIF Districts approved by VEPC following the Act 184 changes in 2006, including application documentation, can be viewed by clicking on the hyperlink available in each summary.

All data and information in this report is as of December 31, 2011. All data through 2011 is actual data reported by the Burlington Waterfront, Newport, Winooski, and Milton North/South TIF Districts. All data beyond 2011 are projections for those Districts based on current data, and projected data from the applications submitted by the Milton Town Core, Colchester, Burlington Downtown, and Hartford TIF Districts.

**TIF Districts in Vermont: Summary of Value, Increment and Impact**

As indicated in Table 1, at the time that each of the eight existing TIF Districts were created by the respective municipalities, the aggregate value of the taxable property within the Districts (Original Taxable Value) was \$437.7M. The property tax revenues generated by these base values all are paid to the respective municipal general funds based on the respective municipal tax rates and to the Education Fund based on the respective Education Tax rates.

During the various lifetimes of the eight existing TIF Districts (which range from 1998 - 2032), the municipalities plan to finance public infrastructure improvements costing approximately \$170M (principal only). These improvements will, in turn, stimulate real property developments and improvements that will increase the property values within the Districts by an estimated \$422M.

The municipalities estimate that the various real property improvements will generate incremental revenues of about \$223M (\$61M municipal increment and \$162M education tax increment) over the various 20 year periods during which the increment can be retained.

Each of the four TIF Districts created prior to Act 184 (2006) have varying rules for how much of the increment can be retained to finance TIF infrastructure debt. The four new TIFs all operate under the Act 184 rules (with a few exceptions), which allow up to 75% of the increment to be retained.

Under the rules in place for respective Districts, approximately \$167M of the increment generated (\$120M education and \$46M municipal) will go to the TIF Districts to finance infrastructure. Approximately \$56M will go to the taxing authorities (\$14M to the municipal general funds and \$42M to the Education Fund).

Therefore, the combined base and incremental amount of tax revenue accruing to the Education Fund during the lives of the various TIF Districts will be about \$178 M.

Once the debt is repaid and the retention periods end, the amount of tax revenue to the Education Fund will increase by about \$8M a year compared to the level from the Districts prior to the TIF District creation.

This estimate does not include the additional benefits from other additional taxes such as sales , meals, rooms, income, corporate, etc. The estimate also does not include the social and community benefits gained from the new water, wastewater, telecommunications and other infrastructure, mitigated and redeveloped brown-field sites, new and expanded businesses, and improved transportation systems.

Table 1 (Page 9) is an aggregation of certain data for all eight existing TIF Districts with a breakdown as of 2011 and a projected total by the life end of all existing TIF Districts

Table 2 (Page 10) is an aggregation, by year, of the incremental tax revenues actually generated to date (through 2011) and which will be generated (2011 and on) by the existing TIF Districts, the incremental revenues that will go to the municipal general funds and the Education Fund during the TIF lives and the incremental revenues that will go to the TIF Districts.

# INTRODUCTION

TABLE 1

| SUMMARY TIF DISTRICT DATA   | Original       |                | Projected      |
|---|----------------|----------------|----------------|
|   | Taxable        | As of          | By End of      |
|   | Value          | 2011           | All TIFs       |
| Total Assessed Value of Taxable Property In TIF Districts                       | \$ 437,731,010 | \$ 603,192,749 | \$ 860,008,589 |
| Total Public Infrastructure Financed with TIF Revenue (Principal Only)          |                | \$ 93,498,350  | \$ 169,803,322 |
| Projected Increase in Assessed Value  |                | \$ 165,461,739 | \$ 422,277,579 |
| Incremental State Education Property Taxes Utilized for TIF Infrastructure Debt |                | \$ 14,929,064  | \$ 105,111,820 |
| Education Property Tax Revenue to Education Fund During TIFs (Base & Increment) |                | \$ 15,647,155  | \$ 178,062,720 |
| Increase in Annual State Education Property Tax Revenue After TIFs              |                | \$ 1,993,841   | \$ 8,078,505   |
| <b>Total Incremental Revenues Generated by TIF Districts</b>                    |                |                |                |
|   |                | \$ 22,087,858  | \$ 222,870,608 |
| Municipal   |                | \$ 6,240,659   | \$ 60,847,427  |
| Education   |                | \$ 15,847,198  | \$ 162,023,181 |
| <b>Distribution of Incremental Revenues:</b>                                    |                |                |                |
| <b>Total Incremental Revenues to Taxing Authorities:</b>                        |                | \$ 935,978     | \$ 56,254,736  |
| Municipal General Fund  |                | \$ 125,150     | \$ 14,379,746  |
| Education Fund  |                | \$ 810,828     | \$ 41,874,990  |
| <b>Total Incremental Revenues to TIF District:</b>                              |                | \$ 21,151,880  | \$ 166,615,872 |
| Municipal   |                | \$ 6,115,509   | \$ 46,467,681  |
| Education   |                | \$ 15,036,371  | \$ 120,148,191 |

## EXPLANATION OF DATA

All data in this report is aggregated from annual property tax data self-reported by the municipalities involved. The aggregated data through 2011 are based on actual data reported by Burlington (Burlington Waterfront TIF), Newport, Winooski, and Milton (Milton North South TIFs). The aggregated data for after 2011 are based on projected impacts of those four TIF districts into future years and projections from the TIF District Plans and TIF Financing Plans (depending on status of approval) for the Milton Town Core TIF, Severance Corner TIF (Colchester), Burlington Downtown TIF, and the Hartford TIF.

# INTRODUCTION

TABLE 2

| <b>ANNUAL REVENUE GENERATION AND DISTRIBUTION, ALL TIFS <sup>1</sup></b> |                                |                      |                      |                           |                     |   |                      |                      |
|--|--------------------------------|----------------------|----------------------|---------------------------|---------------------|---|----------------------|----------------------|
| YEAR   | INCREMENTAL REVENUES GENERATED |                      |                      | INCREMENTAL REVENUES TO : |                     | INCREMENTAL REVENUES TO TIF DISTRICT DEBT FROM: |                      |                      |
|  | MUNICIPAL                      | EDUCATION            | TOTAL                | MUNICIPAL GENERAL FUND    | EDUCATION FUND      | MUNICIPAL                                       | EDUCATION            | TOTAL                |
| 1998   | \$124,028                      | \$0                  | \$124,028            | \$0                       | \$0                 | \$124,028                                       | \$0                  | \$124,028            |
| 1999   | \$173,873                      | \$237,572            | \$411,445            | \$0                       | \$0                 | \$173,873                                       | \$237,572            | \$411,445            |
| 2000   | \$167,294                      | \$369,825            | \$537,119            | \$0                       | \$0                 | \$167,294                                       | \$369,825            | \$537,119            |
| 2001   | \$167,717                      | \$401,505            | \$569,222            | \$0                       | \$0                 | \$167,717                                       | \$401,505            | \$569,222            |
| 2002   | \$254,757                      | \$632,233            | \$886,991            | \$0                       | \$0                 | \$254,757                                       | \$632,233            | \$886,991            |
| 2003   | \$346,098                      | \$895,360            | \$1,241,458          | \$0                       | \$0                 | \$346,098                                       | \$895,360            | \$1,241,458          |
| 2004   | \$387,172                      | \$1,056,096          | \$1,443,269          | \$0                       | \$0                 | \$387,172                                       | \$1,056,096          | \$1,443,269          |
| 2005   | \$388,331                      | \$1,258,169          | \$1,646,499          | \$0                       | \$0                 | \$388,331                                       | \$1,258,169          | \$1,646,499          |
| 2006   | \$412,516                      | \$1,121,042          | \$1,533,558          | \$0                       | \$0                 | \$412,516                                       | \$1,121,042          | \$1,533,558          |
| 2007   | \$382,260                      | \$1,156,034          | \$1,538,294          | \$0                       | \$0                 | \$382,260                                       | \$1,156,034          | \$1,538,294          |
| 2008   | \$708,986                      | \$1,866,252          | \$2,575,238          | \$34,423                  | \$127,396           | \$674,563                                       | \$1,738,856          | \$2,413,419          |
| 2009   | \$754,827                      | \$2,055,138          | \$2,809,966          | \$30,400                  | \$129,691           | \$724,428                                       | \$1,925,447          | \$2,649,875          |
| 2010   | \$946,455                      | \$2,366,293          | \$3,312,748          | \$20,481                  | \$118,105           | \$925,974                                       | \$2,248,188          | \$3,174,162          |
| 2011   | \$1,026,344                    | \$2,431,678          | \$3,458,023          | \$39,846                  | \$435,635           | \$986,499                                       | \$1,996,044          | \$2,982,542          |
| <b>SUBTOTALS</b>   | <b>\$6,240,659</b>             | <b>\$15,847,198</b>  | <b>\$22,087,858</b>  | <b>\$125,150</b>          | <b>\$810,828</b>    | <b>\$6,115,509</b>                              | <b>\$15,036,371</b>  | <b>\$21,151,880</b>  |
| 2012   | \$1,112,825                    | \$2,674,060          | \$3,786,885          | \$81,736                  | \$534,175           | \$1,031,089                                     | \$2,139,885          | \$3,170,974          |
| 2013   | \$1,299,399                    | \$3,112,027          | \$4,411,426          | \$150,032                 | \$693,590           | \$1,149,367                                     | \$2,418,437          | \$3,567,804          |
| 2014   | \$1,676,060                    | \$3,992,860          | \$5,668,920          | \$261,382                 | \$952,709           | \$1,414,677                                     | \$3,040,152          | \$4,454,829          |
| 2015   | \$1,890,977                    | \$4,525,179          | \$6,416,156          | \$344,400                 | \$1,152,247         | \$1,546,577                                     | \$3,372,931          | \$4,919,509          |
| 2016   | \$2,225,799                    | \$5,118,613          | \$7,344,412          | \$449,397                 | \$1,349,353         | \$1,776,402                                     | \$3,769,260          | \$5,545,662          |
| 2017   | \$2,759,886                    | \$6,654,505          | \$9,414,390          | \$614,083                 | \$1,804,544         | \$2,145,803                                     | \$4,849,960          | \$6,995,763          |
| 2018   | \$2,901,932                    | \$7,088,524          | \$9,990,456          | \$661,964                 | \$1,942,871         | \$2,239,968                                     | \$5,145,653          | \$7,385,621          |
| 2019   | \$3,169,863                    | \$7,770,171          | \$10,940,033         | \$735,956                 | \$2,129,092         | \$2,433,907                                     | \$5,641,079          | \$8,074,985          |
| 2020   | \$2,865,671                    | \$6,752,201          | \$9,617,872          | \$757,637                 | \$1,897,868         | \$2,108,034                                     | \$4,854,333          | \$6,962,367          |
| 2021   | \$3,077,307                    | \$7,501,696          | \$10,579,003         | \$829,017                 | \$2,129,957         | \$2,248,290                                     | \$5,371,739          | \$7,620,028          |
| 2022   | \$3,150,728                    | \$7,845,935          | \$10,996,663         | \$851,065                 | \$2,224,557         | \$2,299,663                                     | \$5,621,378          | \$7,921,041          |
| 2023   | \$3,217,728                    | \$8,165,179          | \$11,382,907         | \$871,582                 | \$2,313,080         | \$2,346,146                                     | \$5,852,100          | \$8,198,246          |
| 2024   | \$3,286,488                    | \$8,499,646          | \$11,786,133         | \$892,613                 | \$2,405,581         | \$2,393,874                                     | \$6,094,064          | \$8,487,939          |
| 2025   | \$2,857,278                    | \$8,100,270          | \$10,957,549         | \$914,174                 | \$2,487,280         | \$1,943,105                                     | \$5,612,990          | \$7,556,095          |
| 2026   | \$2,929,702                    | \$8,470,360          | \$11,400,062         | \$936,277                 | \$2,589,047         | \$1,993,425                                     | \$5,881,313          | \$7,874,738          |
| 2027   | \$3,004,032                    | \$8,861,272          | \$11,865,304         | \$958,936                 | \$2,696,204         | \$2,045,096                                     | \$6,165,068          | \$8,210,164          |
| 2028   | \$3,080,321                    | \$9,274,370          | \$12,354,690         | \$982,167                 | \$2,809,096         | \$2,098,154                                     | \$6,465,274          | \$8,563,427          |
| 2029   | \$3,158,621                    | \$9,711,108          | \$12,869,729         | \$1,005,984               | \$2,928,090         | \$2,152,637                                     | \$6,783,017          | \$8,935,655          |
| 2030   | \$3,238,988                    | \$10,173,049         | \$13,412,037         | \$1,030,402               | \$3,053,582         | \$2,208,586                                     | \$7,119,467          | \$9,328,053          |
| 2031   | \$1,824,219                    | \$5,761,725          | \$7,585,943          | \$456,055                 | \$1,440,431         | \$1,368,164                                     | \$4,321,294          | \$5,689,458          |
| 2032   | \$1,878,945                    | \$6,123,235          | \$8,002,180          | \$469,736                 | \$1,530,809         | \$1,409,209                                     | \$4,592,426          | \$6,001,635          |
| <b>SUBTOTALS</b>   | <b>\$54,606,767</b>            | <b>\$146,175,983</b> | <b>\$200,782,750</b> | <b>\$14,254,595</b>       | <b>\$41,064,163</b> | <b>\$40,352,172</b>                             | <b>\$105,111,820</b> | <b>\$145,463,992</b> |
| <b>TOTALS</b>  | <b>\$60,847,427</b>            | <b>\$162,023,181</b> | <b>\$222,870,608</b> | <b>\$14,379,746</b>       | <b>\$41,874,990</b> | <b>\$46,467,681</b>                             | <b>\$120,148,191</b> | <b>\$166,615,872</b> |

**NOTES:**

- 1) Includes TIF Districts approved as of December 31, 2011: Burlington Waterfront, Newport, Winooski, Milton North/South, Milton Town Core, Colchester, Burlington, Hartford
- 2) Blue = Actual Data for Burlington Waterfront, Newport, Winooski, Milton North South.  
Red = Projected data for all TIFs

## Overview

The Burlington City Council created a Tax Increment Finance District along the central and northern end of the Burlington waterfront on January 22, 1996. The City Council authorized an expansion of the district in June 1997 with a finger of property extending along the south side of Cherry Street from Battery Street to Church Street, utilizing a special TIF grandfathering provision of Act 60 (1997). That Act also allowed 100% of the incremental state and municipal property tax revenues to be dedicated to paying off the TIF District debt incurred to finance development within the district.

Initially, the TIF was intended to rehabilitate the economically depressed Lake Street waterfront district. The development of a lakefront park required less intensive remediation than if the property had been developed for housing, but the ensuing infrastructure projects were geared to making the waterfront and downtown area more accessible and vibrant. The city engaged in infrastructure upgrades and parking garage additions to stimulate a market for commercial retail stores and business offices, as well as increasing the housing supply.

According to city officials, infrastructure improvements totaling about \$16.8M (principal only) have been made to Lake Street, Westlake Garage, the waterfront Fishing Pier, and the Lakeside Parking Garage.

These public improvements have encouraged substantial business growth. Private “anchor projects” include Macy’s (formerly Filene’s Department Store), the new Marriott Hotel, the new Hotel Vermont to be built in 2012, a new office and retail building on Lake Street, and 16 residential condos and 40 residential units of affordable housing, also along Lake Street. The District now includes 76 businesses.

The district also includes \$46.1M of exempt properties, and city officials emphasized the need to maintain a balance between public (and therefore nontaxable) property, such as parking garages and the Urban Reserve lakefront park, and commercial or residential property subject to taxation.

## Debt Financing

Under the version of 24 V.S.A. § 1894 in statute when this TIF was created, Burlington could incur indebtedness for a period of ten years following creation of the district, with the indebtedness retired over any period authorized by the municipality’s legislative body.

Although the statute referred only to bonded debt, Burlington financed these projects from several sources other than bonding, including a federal EDA grant, state funds such as transportation grants and sales tax reallocation through the Downtown Program, a one-time developer payment, a HUD Section 108 loan, and Certificates of Participation (COP) financing. These alternative forms of financing were retroactively approved by the General Assembly in §72 of No. 190 of the acts of 2008.

A provision enacted by the General Assembly in 2009 (§16 of No. 45) reopened the Burlington Waterfront TIF for debt purposes to be paid by 2014. The provision included rules specific to this TIF District, one of which requires that starting with the 2010 Grand List, the education property tax increment is to be split 75/25 between the TIF District and the education Fund.

## Incremental Revenues

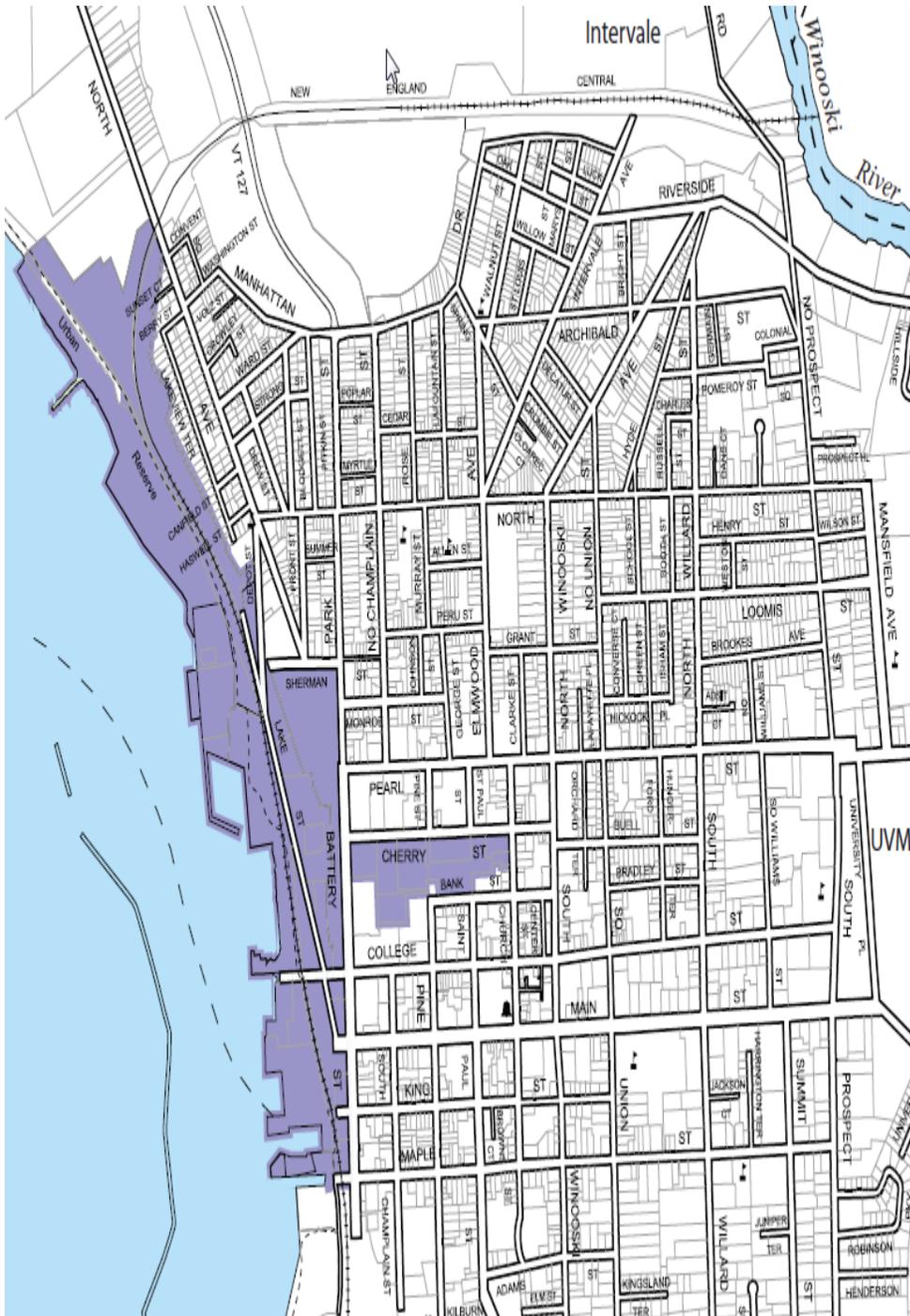
To date, the value of the TIF District has increased by \$80M, generating about \$9.5M in incremental revenues (\$7.2M education and \$2.2M municipal), of which \$9.2M has gone to the TIF District and \$0.3M to the Education Fund. For further detail, see Table 3 (Page 12).

# BURLINGTON WATERFRONT TIF DISTRICT

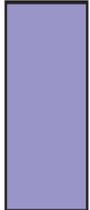
## TABLE 3

| <b>General Information:</b>                                     |   |                               |                   |
|---|---|-------------------------------|-------------------|
| Year Created:   | 1997  |                               |                   |
| Base (OTV) Year   | 1997  |                               |                   |
| Duration:   | Original: Until debt Paid. Extended by General Assembly to 2019 |                               |                   |
| Type:   | Use of Education Property Tax Grandfathered by Act 60           |                               |                   |
| Date of Initial Indebtedness:                                   | 1999  |                               |                   |
| First Year Increment Retained:                                  | 2002  |                               |                   |
| Split of Increment: TIF/Ed Fund (%):                            | Pre 2010  | 100/0                         |                   |
|   | 2010 on   | 75/25                         |                   |
|   | TIF   | Municipality                  | % of Municipality |
| Acres   | 69.4  | 7,058                         | 0.98%             |
| Parcels   | 50  | 10,070                        | 0.50%             |
| Base Taxable Value (OTV)  | \$42,587,400  | \$1,627,443,400               | 2.62%             |
| <b>Value, Revenue Generation and Distribution:</b>              |   |                               |                   |
|   | As<br>of<br>2011  | Estimated<br>At End of<br>TIF |                   |
| TIF District Taxable Value:                                     | \$ 122,308,400  | \$ 122,308,400                |                   |
| Total Incremental Revenues Generated:                           | \$ 9,483,353  | \$ 21,872,829                 |                   |
| Total Education Increment Generated:                            | \$ 7,210,058  | \$ 16,777,624                 |                   |
| Total Municipal Increment Generated:                            | \$ 2,273,295  | \$ 5,095,204                  |                   |
| Incremental Revenue to Education Fund:                          | \$ 298,986  | \$ 2,690,878                  |                   |
| Incremental Revenue to Municipal General Fund:                  | \$ -  | \$ -                          |                   |
| Total Incremental Revenue to TIF:                               | \$ 9,184,367  | \$ 19,181,951                 |                   |
| Incremental Education Revenue to TIF:                           | \$ 6,911,071  | \$ 14,086,746                 |                   |
| Incremental Municipal Revenue to TIF:                           | \$ 2,273,296  | \$ 5,095,205                  |                   |
| <b>Estimated Increase in Annual Revenues After Life of TIF:</b> |   |                               |                   |
| Total:  |   | \$ 1,548,684                  |                   |
| Municipal:  |   | \$ 352,739                    |                   |
| Education:  |   | \$ 1,195,946                  |                   |
| <b>Debt service:</b>  | Principal   | Interest                      | Total             |
| Lake Street Construction  | \$ 1,148,350  | \$ 657,812                    | \$ 1,806,162      |
| Lake Street Extension   | \$ 495,000  | \$ 382,797                    | \$ 877,797        |
| Urban Reserve Acquisition                                       | \$ 1,390,000  | \$ 758,242                    | \$ 2,148,242      |
| Lakeview Parking Garage   | \$ 5,500,000  | \$ 2,521,281                  | \$ 8,021,281      |
| Waterfront Fishing Pier   | \$ 407,000  | \$ 288,006                    | \$ 695,006        |
| Lakeview, College, Westlake Garage                              | \$ 7,870,000  | \$ 3,867,764                  | \$ 11,737,764     |
| Total Debt:   | \$ 16,810,350   | \$ 8,475,902                  | \$ 25,286,252     |

# BURLINGTON WATERFRONT TIF DISTRICT



Community and Economic  
Development Office  
Burlington, Vermont

 TIF District  
(Tax  
Increment  
Financing)

## Overview

The TIF District in Newport is more commonly known as the City Center Industrial Park, located on Route 5, approximately 2.0 miles from the center of the city. The industrial park was created prior to creation of the tax increment finance district, though no development could take place without substantial investment in water, sewer, and access improvements to the property. The 47-acre area of undeveloped land was owned by a developer and zoned for commercial and industrial uses. The TIF district was created at the Newport City meeting in March 1997 and was grandfathered in for utilization of the State Education Property Tax by Act 60 (1997).

The City worked with the developer in making the necessary improvements with the goal of encouraging industrial development and creating jobs. The major work involved building a waterline connecting Newport's reservoir to Derby's waterline as the elevation of the properties within the industrial park was too high to be serviced by the Newport reservoir. The sewer line was also extended to another industrial park, which is not part of the existing TIF district.

City officials cited the need to become more competitive with other towns in the region and the difficulty in encouraging development in small towns with high tax rates. Since the TIF district was created and the new infrastructure completed, three industrial buildings have been constructed and over 100 jobs have been created. Two businesses share one structure—MSA Gillette and Fastenal—and John Deere is located in a second building. One building is not yet occupied. MSA Gillette and John Deere were both new companies to Newport City following the creation of the TIF district.

## Debt Financing

At the annual town meeting in 1997, the voters authorized up to \$300,000 in bond financing for the necessary improvements in the TIF district. The statute in place at the time this District was created allowed for 100% of the increment to go toward financing TIF infrastructure debt. The amount of incremental municipal and education property incremental tax revenue raised has covered the bond payments on a 25-year bond in all except the first two years of the TIF (2000 and 2001) and the year of reappraisal (2004). In those years, the shortfall was paid for out of the city's sewer and water fund.

Newport has also pursued other forms of funding, including a federal EDA grant and working with the Economic Development Council to obtain CDBG financing.

## Incremental Revenues

The value of all of the property within the TIF district has increased from the \$48,500 in original taxable value in 1998 to \$2,954,200, an increase of \$2.9M. This increase has generated incremental revenues of \$619,967 (\$358,249 education and \$261,718 municipal), all of which go toward TIF infrastructure financing.

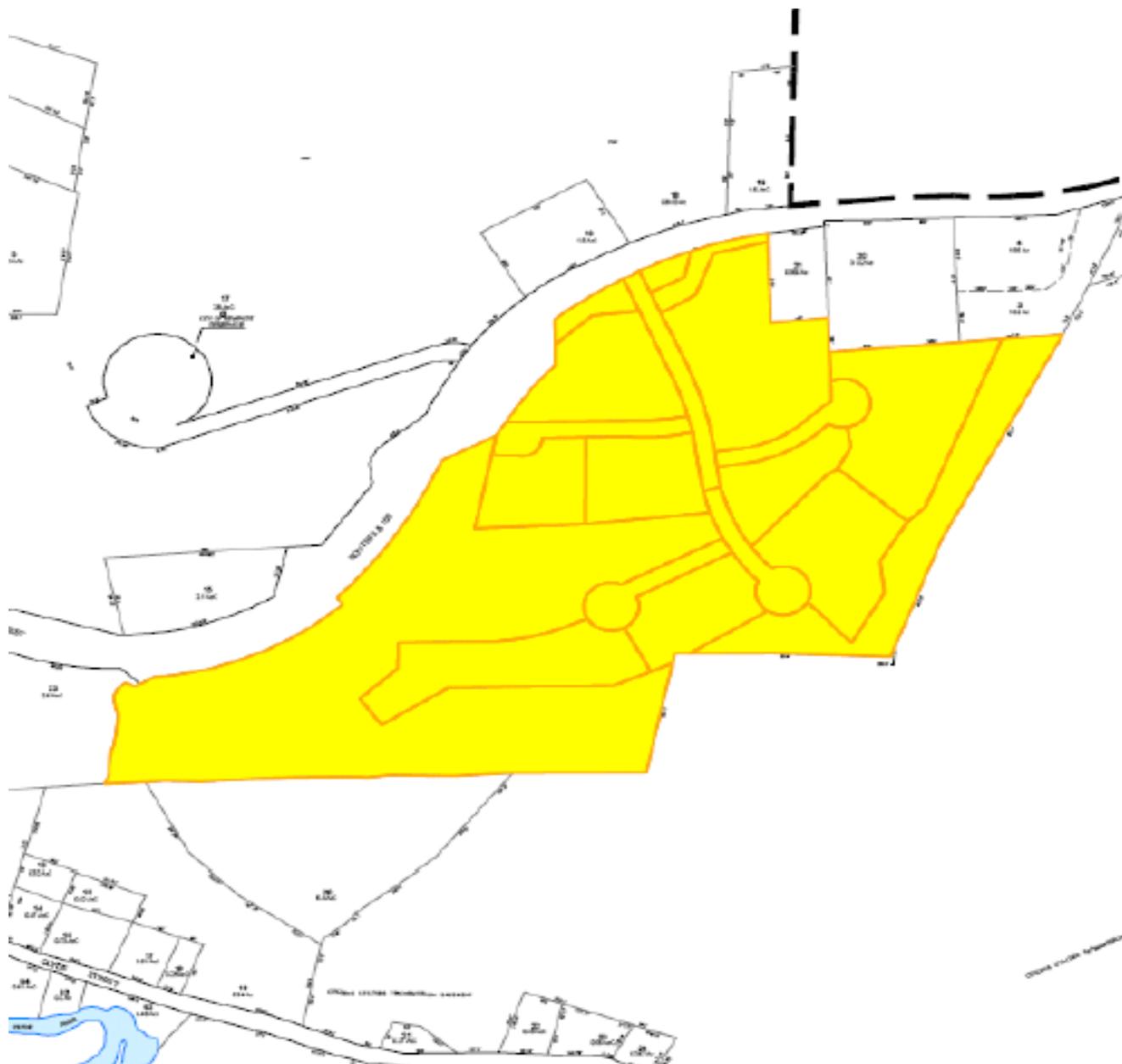
The bond payments began in 2000, at approximately \$33,500 and are declining over the remaining 14-year period. Therefore, the financing appears secure for the remainder of the life of the district. Further details are included in Table 4 (Page 15)



**NEWPORT CITY TIF DISTRICT**

**TABLE 4**

| <b>General Information:</b>                                     |   |  |                          |
|---|---|--|--------------------------|
| Year Created:   | 1998  |  |                          |
| Base (OTV) Year   | 1998  |  |                          |
| Duration:   | Until Debt Paid (Est. 2015)                           |  |                          |
| Type:   | Use of Education Property Tax Grandfathered by Act 60 |  |                          |
| Date of Initial Indebtedness:                                   | 1999  |  |                          |
| First Year Increment Retained:                                  | 2001  |  |                          |
| Split of Increment: TIF/Ed Fund (%):                            | 100/0   |  |                          |
|   | <b>TIF</b>  | <b>Municipality</b>                    | <b>% of Municipality</b> |
| Acres   | 47  | 38,400                                 | 0.12%                    |
| Parcels   | 19  | 1,973                                  | 0.96%                    |
| Base Taxable Value (OTV)  | \$92,500  | \$172,984,300                          | 0.053%                   |
| <b>Value, Revenue Generation and Distribution:</b>              |   |  |                          |
|   | <b>As<br/>of<br/>2011</b>                             | <b>Estimated<br/>At End of<br/>TIF</b> |                          |
| TIF District Taxable Value:                                     | \$ 2,954,200  | \$ 2,954,200                           |                          |
| Total Incremental Revenues Generated:                           | \$ 619,967  | \$ 619,967                             |                          |
| Total Education Increment Generated:                            | \$ 358,249  | \$ 358,249                             |                          |
| Total Municipal Increment Generated:                            | \$ 261,718  | \$ 261,718                             |                          |
| Incremental Revenue to Education Fund:                          | \$ -  | \$ -                                   |                          |
| Incremental Revenue to Municipal General Fund:                  | \$ -  | \$ -                                   |                          |
| Total Incremental Revenue to TIF:                               | \$ 619,967  | \$ 619,967                             |                          |
| Incremental Education Revenue to TIF:                           | \$ 358,249  | \$ 358,249                             |                          |
| Incremental Municipal Revenue to TIF:                           | \$ 261,718  | \$ 261,718                             |                          |
| <b>Estimated Increase in Annual Revenues After Life of TIF:</b> |   |  |                          |
| Total:  |   | \$ 83,115                              |                          |
| Municipal:  |   | \$ 35,130                              |                          |
| Education:  |   | \$ 47,985                              |                          |
| <b>Debt service:</b>  | <b>Principal</b>                                      | <b>Interest</b>                        | <b>Total To Date</b>     |
| Waterline Extension (25 Year Bond \$300,000)                    | \$ 220,000  | \$ 101,464                             | \$ 321,464               |



**Newport City TIF District - Industrial Drive**



This is copy of a portion of Newport City's Tax Maps.  
Newport City's Tax Maps were produced for Assessment Purposes Only.  
Newport City's Tax Maps are not valid for legal description or conveyance.

2/8/2007

## Overview

Winooski had worked on a variety of redevelopment plans, and in 1999, the city began to outline a downtown revitalization plan that envisioned mixed use development in the historic downtown area, which incorporated principles of “smart growth.” The Winooski TIF was authorized in special legislation, which deemed that the redevelopment and rehabilitation of the Champlain Mill area had significant public benefits and therefore should be granted the means to finance various improvements (Act 159, 2000).

Winooski voters approved the creation of the district in November 2000, but the entire project was delayed the following year by the events of 9/11, which made it difficult to find developers to partner with the project. Work did not begin in earnest until 2004, when the City began working with an out-of state developer.

In order to carry out its plans after receiving legislative authorization, the city, in partnership with Winooski Community Development Corporation, purchased some property and acquired other parcels through condemnation. Improvements were made both within the district and outside the area, including expansion of sewer and water, rebuilding roads and sidewalks, work on the electrical substation and removing all overhead wires, installing traffic control devices, and reconfiguring the Main Street/E. Allen Street intersection.

At the center of the downtown revitalization plan are several housing projects—Keen’s Crossing, The Cascades riverfront condominiums, and Spinner Place, which contains student housing leased by UVM and Champlain College. The repositioning of the Champlain Mill away from a retail focus to the new headquarters of digital solutions provider My-WebGrocer, is intended to spur new growth, and a new building for the Vermont Student Assistance Corporation, retained an important employer. In addition, a large municipal

parking garage was built, which also houses commercial and retail space. More than 100 acres of public open space are also retained. The results to-date have been modified significantly from what was originally envisioned because of the changing economic situation and the need for private developers to assist in a portion of the plan.

## Debt Financing

The legislation was quite specific in laying out the terms of debt, citing only bonding and the use of incremental education tax revenues for a maximum of 20 years. It also specified that 100% of municipal incremental taxes on parcels within the district be “pledged and appropriated solely for debt service on the bonds.” Another provision of Act 159 required that “5 percent of the education taxes imposed annually on the excess valuation of the residential property within the district” be paid to the Education Fund. The wording presented difficulties for the Property Valuation and Review Division in implementation and was amended in 2008 to be 2% of the total value.

Winooski has incurred TIF debt totaling \$30M (principal only) and began making debt service payments in 2006, when a HUD Section 108 loan for \$24.3M was retired through refinancing. About \$25 million in principal debt remains. The city also received state funds granted through the sales tax reallocation program administered by the Downtown Board, although not as much as initially anticipated.

## Incremental Revenues

To date, the value of the TIF District has increased by about \$56M to \$81M, generating an increment of \$4M (\$2.4M education and \$1.5M municipal), of which \$3.9M has gone to TIF District infrastructure debt and the remainder to the Education Fund. Further details are in Table 5.

**WINOOSKI TIF DISTRICT**

**TABLE 5**

| <b>General Information:</b>                                     |  |  |                          |
|---|--|--|--------------------------|
| Year Created:   | 2000   |  |                          |
| Base (OTV) Year   | 2000   |  |                          |
| Duration:   | 20 Years   |  |                          |
| Type:   | Enacted Directly by General Assembly (Act 159 of 2000) |  |                          |
| Date of Initial Indebtedness:                                   | 2004   |  |                          |
| First Year Increment Retained:                                  | 2008   |  |                          |
| Split of Increment: TIF/Ed Fund (%):                            | Original:  | 95/5                                   |                          |
|   | Current:   | 98/2                                   |                          |
|   | <b>TIF</b>   | <b>Municipality</b>                    | <b>% of Municipality</b> |
| Acres   | 176.31   | 978.24                                 | 18%                      |
| Parcels   | 58   | 1,645                                  | 4%                       |
| Base Taxable Value (OTV)  | \$24,822,900   | \$244,077,300                          | 10%                      |
| <b>Value, Revenue Generation and Distribution:</b>              |  |  |                          |
|   | <b>As<br/>of<br/>2011</b>                              | <b>Estimated<br/>At End of<br/>TIF</b> |                          |
| TIF District Taxable Value:                                     | \$ 80,908,200  | \$ 80,908,200                          |                          |
| Total Incremental Revenues Generated:                           | \$ 3,924,365   | \$ 20,170,286                          |                          |
| Total Education Increment Generated:                            | \$ 2,394,798   | \$ 12,143,630                          |                          |
| Total Municipal Increment Generated:                            | \$ 1,529,567   | \$ 8,026,656                           |                          |
| Incremental Revenue to Education Fund:                          | \$ 47,896  | \$ 242,873                             |                          |
| Incremental Revenue to Municipal General Fund:                  | \$ -   | \$ -                                   |                          |
| Total Incremental Revenue to TIF:                               | \$ 3,876,469   | \$ 19,927,413                          |                          |
| Incremental Education Revenue to TIF:                           | \$ 2,346,902   | \$ 11,900,757                          |                          |
| Incremental Municipal Revenue to TIF:                           | \$ 1,529,567   | \$ 8,026,656                           |                          |
| <b>Estimated Increase in Annual Revenues After Life of TIF:</b> |  |  |                          |
| Total:  |  | \$ 1,249,686                           |                          |
| Municipal:  |  | \$ 499,776                             |                          |
| Education:  |  | \$ 749,910                             |                          |
| <b>Debt service:</b>  | <b>Principal</b>                                       | <b>Interest</b>                        | <b>Total</b>             |
| Downtown Redevelopment  | \$ 24,250,000  | Paid                                   |                          |
| Downtown Redevelopment Refinancing                              | \$ 25,900,000  | To                                     |                          |
| Downtown Land Purchase  | \$ 3,000,000   | Date                                   |                          |
| Downtown Land Purchase  | \$ 1,098,000   |  |                          |
| Total Debt:   | \$ 54,248,000  | \$ 7,932,731                           | \$ 62,180,731            |



## Overview

The Milton North/South TIF Districts were the first and only Districts authorized by the Vermont Economic Progress Council (VEPC) as part of the Economic Advancement Tax Incentive (EATI) program (Act 71). Approved by the Milton select board in March 1998 and VEPC in November 1998, the Milton North/South TIF Districts actually represent two separate, non-contiguous areas: the Catamount TIF (South) was created around the existing Catamount Industrial Park with TIF financing intended to improve the infrastructure so that additional growth could take place within the industrial park; the Husky TIF (North) was created to encourage Husky Injection Molding Systems to develop a corporate campus at the north end of Milton. The two TIF Districts were approved through one application to VEPC. Since the creation of the Districts, the municipality has treated the Districts as one, and in 2011, the General Assembly enacted a provision that allowed Milton to treat the two Districts as a single district for purposes of accounting and reporting requirements (§15b, Act 45,, 2011; provision retroactive to July 1, 2008).

Concurrent to the TIF District creation in November 1998, Husky Injection Molding Systems was authorized for a package of tax incentives by VEPC under the EATI program that included payroll, R&D, and capital investment tax credits. The statute in force at the time allowed Milton to retain 100% of the incremental education tax revenues to pay for improvements for a period of ten years.

The goal of the EATI program in authorizing both tax credits and TIF financing was to create a partnership between the town and businesses wishing to locate or expand and provide state

incentives to both parties to foster economic development.

## Debt Financing

The original plan for these TIF Districts anticipated public infrastructure totaling \$27.3M, including \$9.5M for wastewater treatment capacity and collection expansion, \$14M in highway improvements, and \$3.8M for water system and fire safety. The town anticipated that about \$12M of the infrastructure costs would be financed with TIF revenues. The town planned to pursue state and federal grants and payments from Husky for the balance.

The town encountered a number of difficulties that delayed projects and increased costs, including demands for a wastewater plant rather than a smaller impact decentralized system, increased wastewater connection fees, and permitting delays. Total cost for the wastewater project alone grew to an estimated \$17.3M. Because of these delays and the economic downturn that caused a smaller than planned build-out by Husky, infrastructure projects started very late, some infrastructure projects were cancelled, and expected increments were not realized.

Nearing the end of the original TIF revenue retention period, the wastewater treatment project was completed but had over \$15M in outstanding debt, the water connections were completed, some of the transportation projects were completed and about \$6M in debt remained. All fire and safety improvements were made with no remaining debt.

The value of the properties within the TIF Districts had increased by only \$40M compared to the \$100M increase expected.

## MILTON NORTH/SOUTH TIF DISTRICTS

In 2006, the legislature enacted special provisions (§2j, Act 184, 2006; amended by §68, Act 190, 2008) allowing the Milton North/South TIF Districts to be extended for an additional ten years.

Among other changes, this legislation limited the utilization of education property taxes to 75% of the incremental revenues generated to finance improvements that serve the District and required that an equal or greater proportion of the municipal increment go to finance the TIF debt. The application was submitted on March 26, 2009, extending the ability for Milton to incur debt and retain incremental property tax revenue for the Milton North/South TIF Districts until March 31, 2019.

### Incremental Revenues

To date, the value of the TIF District has increased by about \$20M to \$48M, generating an increment of \$7.8M (\$5.7 education and \$2.1M municipal), of which \$7.3M has gone to TIF District infrastructure debt, \$412,000 to the Education Fund and \$105,000 to the municipal general fund. Note that a 75/25 split of incremental education property tax revenues and a requirement that a portion of municipal property tax increment go toward financing TIF District debt was only required since the amendment in 2010.

Further details are in Table 6 (Page 22).

### CATAMOUNT INDUSTRIAL PARK



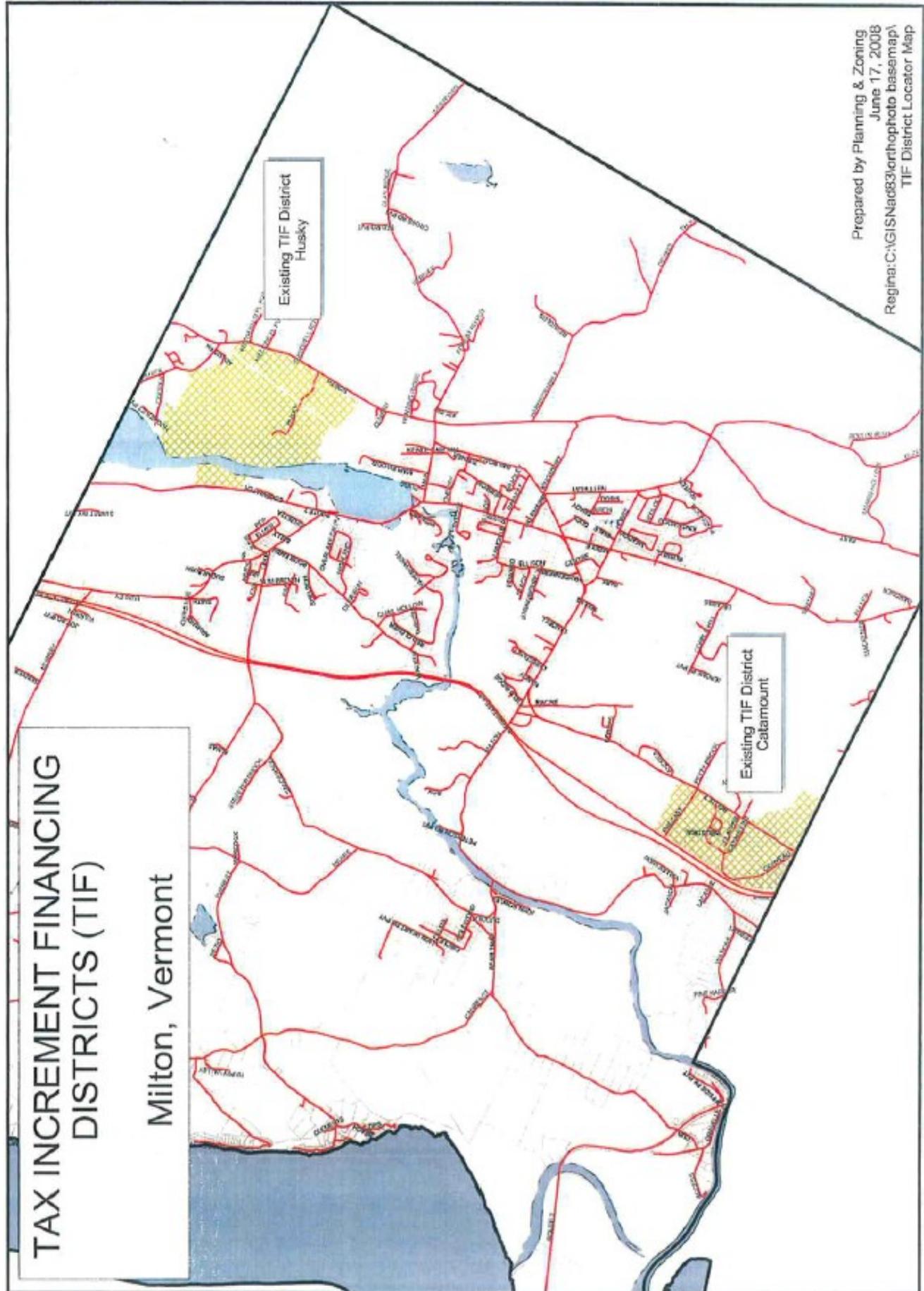
PLASTIC MONOFIL



MILTON NORTH/SOUTH TIF DISTRICTS

TABLE 6

| <b>General Information:</b>                                     |   |                                |                          |
|---|---|--------------------------------|--------------------------|
| Year Created By Municipality:                                   | 1998  |                                |                          |
| Base (OTV) Year   | 1998  |                                |                          |
| Duration:   | Original 10 Years (1999-2009); Extended by General Assembly to 20 Years (1999-2019)           |                                |                          |
| Type:   | Education Property Tax Utilization Authorized by VEPC under EATI Program (32 VSA 5401(10)(E)) |                                |                          |
| Date of Initial Indebtedness:                                   | 1999  |                                |                          |
| First Year Increment Retained:                                  | 1999  |                                |                          |
| Split of Increment: TIF/Ed Fund (%):                            | Original:   | 100/0                          |                          |
|   | As of 2010  | 75/25                          |                          |
|   | <b>TIF</b>  | <b>Municipality</b>            | <b>% of Municipality</b> |
| Acres   | 1,029   | 38,976                         | 2.640%                   |
| Parcels   | 63  | 3,788                          | 1.663%                   |
| Base Taxable Value (OTV)  | \$20,989,900  | \$441,647,484                  | 4.753%                   |
| Adjusted base value (after Reassessment)                        | \$26,911,151  |                                |                          |
| <b>Value, Revenue Generation and Distribution:</b>              |   |                                |                          |
|   | <b>As of 2011</b>   | <b>Estimated At End of TIF</b> |                          |
| TIF District Taxable Value:                                     | \$ 47,783,510   | \$ 47,783,510                  |                          |
| Total Incremental Revenues Generated:                           | \$ 7,843,462  | \$ 10,722,077                  |                          |
| Total Education Increment Generated:                            | \$ 5,724,764  | \$ 7,952,830                   |                          |
| Total Municipal Increment Generated:                            | \$ 2,118,698  | \$ 2,769,248                   |                          |
| Incremental Revenue to Education Fund:                          | \$ 411,922  | \$ 968,939                     |                          |
| Incremental Revenue to Municipal General Fund:                  | \$ 105,634  | \$ 268,271                     |                          |
| Total Incremental Revenue to TIF:                               | \$ 7,325,906  | \$ 9,484,867                   |                          |
| Incremental Education Revenue to TIF:                           | \$ 5,312,842  | \$ 6,983,891                   |                          |
| Incremental Municipal Revenue to TIF:                           | \$ 2,013,064  | \$ 2,500,976                   |                          |
| <b>Estimated Increase in Annual Revenues After Life of TIF:</b> |   |                                |                          |
| Total:  |   | \$ 359,827                     |                          |
| Municipal:  |   | \$ 81,319                      |                          |
| Education:  |   | \$ 278,508                     |                          |
| <b>Debt Service:</b>  |   |                                |                          |
|   | <b>Principal Only</b>   |                                |                          |
| Water and Fire Safety   | \$ 1,100,000  |                                |                          |
| Wastewater Treatment and Collection Capacity Expansion          | \$ 15,200,000   |                                |                          |
| Transportation Improvements                                     | \$ 5,920,000  |                                |                          |
| Total Debt:   | \$ 22,220,000   |                                |                          |



## Overview

In April 2008, the Town of Milton created a Tax Increment Financing District, known as the "Milton Town Core TIF District," that is essentially a corridor along Route 7 starting from the area east of the south end of Lake Arrowhead, west along Main Street, south along Route 7 through the downtown area, west along Route 7 to Interstate 89, to include an area between Route 7 and I89. In December 2008, Milton submitted the first application to the Vermont Economic Progress Council pursuant to the new statutory changes for TIF District approvals enacted in 2006 (Act 184). In April 2009, VEPC gave conditional approval to the TIF District Plan.

In 2009, the General Assembly enacted several amendments to the TIF District statute that applied to only the Milton Town Core TIF District (See §82 of Act 54, 2009). Under these provisions, this TIF district operates under slightly different rules than the other Districts created after 2006.

In March 2011 Milton submitted, and in April 2011 VEPC gave final approval to, the TIF District Plan, and approved a TIF Financing Plan, for the [Milton Town Core TIF District](#).

As given final approval, the District includes approximately 668 parcels (15.5% of Milton total) encompassing about 903 acres (2.3% of Milton total land acreage). The total base taxable value (OTV) of the District was \$124M. This value represents about 13% of the total municipal taxable value.

The infrastructure improvements, planned to start between 2011 and 2017, total about \$23.7M and include: the expansion of a wastewater collection system (\$3.7M); a water system loop (\$150,000); and various transportation improvements (\$20M), including new roads, intersection improvements, street reconstruction, new sidewalks, street lighting,

and transportation improvements to enhance vehicular and pedestrian safety.

Milton expects to secure about \$4M in federal highway grants. Because VEPC set the proportionality of certain transportation projects below 100%, the town will also need to find non-TIF revenue to cover about \$808,000 in infrastructure costs. Therefore, the total infrastructure costs to be financed by TIF revenue, including the cost of financing, is estimated to be \$32M.

The projected real property development includes all types of residential units, commercial development including an ice rink, retail storefronts, a small amount of light industrial, and some industrial development.

## Debt Financing

The base value of the properties expected to be improved as a result of the TIF is \$16M. The estimated assessed value after the infrastructure improvements and redevelopment is \$142M, for a \$126M incremental value. Milton estimates the generation of \$45.7M in incremental property taxes during the 20 year TIF District retention period (2011 -2030): \$10M in municipal property taxes, with \$2.5M (25%) going to the Milton municipal general fund and \$7.5M (75%) going to TIF debt; and \$35.8M in education property tax revenues, with \$9M (25%) going to the education fund and \$26.8M (75%) to the TIF debt. This raises an estimated total of \$34.3M in TIF revenues to retire the TIF debt.

During this period, a total of \$38.5M in education property tax revenue (from the base and 25% of the increment) will accrue to the Education Fund. At the end of the retention period, an estimated \$3.8M a year in additional tax revenue will be generated because of the new development.

## MILTON TOWN CORE TIF DISTRICT

Milton expects to finance the infrastructure using GO bonds and, for the sewer projects, State Revolving Loan Fund loans. A bond vote was passed on March 2, 2011 for the Village Core Sewer Expansion project and the Bombardier Water Line loop.

This bond represents the first incurrence of TIF debt, which triggers Grand List Year 2011 as the beginning of the 20 year education property tax retention period, ending in 2031. Milton plans to seek additional bond votes in 2013, 2015, and 2016. The town has until 2018

to incur any debt which can be financed with incremental education property tax revenue.

### **Incremental Revenues**

As no incremental revenues could be retained until the first debt was incurred, 2011 will be the first year that an increment is generated.

Table 7 (Page 26) includes detailed data for this TIF District. Note that all data represents prospective estimates based on the approved TIF District Plan and TIF Financing Plan.

LAKE ARROWHEAD,  
MILTON

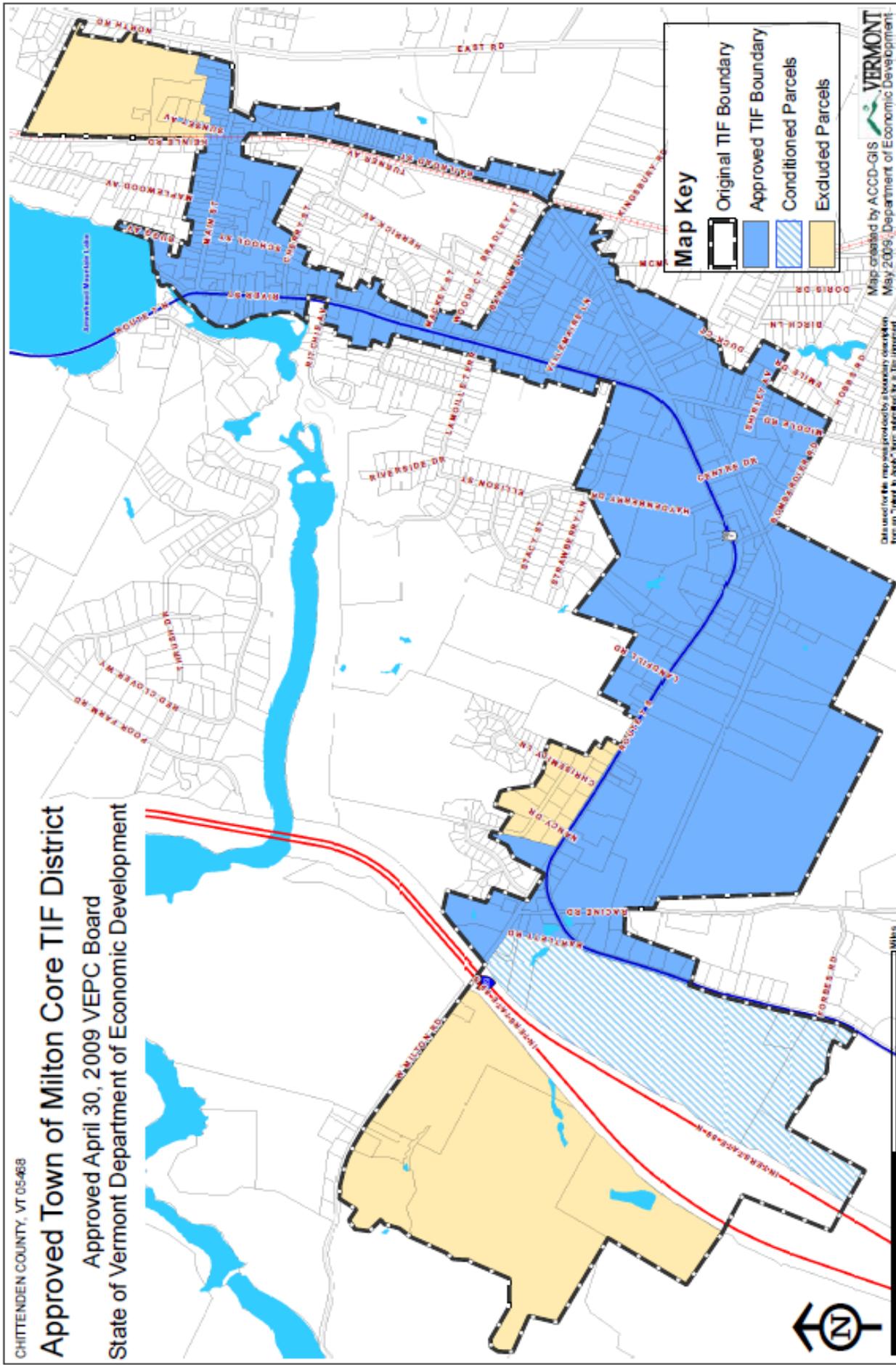


# MILTON TOWN CORE TIF DISTRICT

## TABLE 7

| <b>General Information:</b>                                    |  |                     |                  |
|--|--|---------------------|------------------|
| Date Created By Municipality:                                  | September 15, 2008   |                     |                  |
| Effective TIF District Creation Date:                          | April 1, 2008  |                     |                  |
| Base (OTV) Year:   | 2009   |                     |                  |
| Duration:  | Until All Debt Retired                                       |                     |                  |
| Type:  | VEPC under TIF Authority 32 VSA 3404a(h) Effective July 2006 |                     |                  |
| Date TIF District Plan Approved by VEPC                        | April 30, 2009   |                     |                  |
| Date TIF Financing Plan Approved by VEPC                       | May 25, 2011   |                     |                  |
| Date of Municipal Vote on Debt Ceiling                         | Not Required (Voters will vote on each bond issuance only)   |                     |                  |
| Date of Initial Indebtedness:                                  | March 2011   |                     |                  |
| First Year Increment Retained:                                 | 2011   |                     |                  |
| 20 Year Increment Retention Period                             | 2011-2031  |                     |                  |
| Split of Increment: TIF/Ed Fund (%):                           | 75/25  |                     |                  |
|  | <b>TIF</b>   | <b>Municipality</b> | <b>% of Muni</b> |
| Acres  | 903  | 38,976              | 2.32%            |
| Parcels  | 668  | 4,308               | 15.51%           |
| Base Taxable Value (OTV)                                       | \$124,186,860  | \$950,893,000       | 13.06%           |
| <b>Value, Revenue Generation and Distribution:</b>             |  |                     |                  |
| Base Assessed Value - Total (Original Taxable Value)           | \$ 124,186,860   |                     |                  |
| Homestead  |  | \$ 56,548,780       |                  |
| Non-Homestead  |  | \$ 67,638,080       |                  |
| Base Annual Revenues - Total (based on Original Taxable Value) | \$ 1,973,418   |                     |                  |
| Municipal  |  | \$ 482,963          |                  |
| Education Total  |  | \$ 1,490,455        |                  |
| Education - Homestead  |  |                     | \$ 570,577       |
| Education - Non-Homestead                                      |  |                     | \$ 919,878       |
| Estimated Incremental Revenue - Total                          | \$ 45,788,340  |                     |                  |
| Municipal Increment  |  | \$ 9,914,406        |                  |
| Education Increment - Total                                    |  | \$ 35,873,934       |                  |
| Education - Homestead  |  |                     | \$ 15,357,728    |
| Education - Non-Homestead                                      |  |                     | \$ 20,516,206    |
| Incremental Revenue Split                                      |  |                     |                  |
| Total Incremental Revenue to TIF                               | \$ 34,341,255  |                     |                  |
| Municipal to TIF (75%)   |  | \$ 7,435,805        |                  |
| Education Homestead Increment to TIF (75%)                     |  | \$ 11,518,296       |                  |
| Education Non-Homestead Increment to TIF (75%)                 |  | \$ 15,387,155       |                  |
| Municipal to Municipal General Fund (25%)                      | \$ 2,478,602   |                     |                  |
| Total Increment to Education Fund (25%)                        | \$ 8,968,484   |                     |                  |
| Education Homestead Increment to Education Fund (25%)          |  | \$ 3,839,432        |                  |
| Education Non-Homestead Increment to Education Fund (25%)      |  | \$ 5,129,052        |                  |
| Other Sources of Revenue                                       | \$ 4,039,319   |                     |                  |
| Total Revenue  | \$ 38,380,574  |                     |                  |
| Total Scheduled Debt Service                                   | \$ 36,958,005  |                     |                  |
| Potential Excess Revenue- Total                                | \$ 1,006,415   |                     |                  |
| Excess Returned to Municipality                                |  | \$ 205,037          |                  |
| Excess Returned to Education Fund                              |  | \$ 801,379          |                  |
| Total Revenue to Education Fund During TIF                     | \$ 38,777,585  |                     |                  |
| Total Education Fund Revenue Utilized by TIF During TIF        | \$ 26,104,072  |                     |                  |
| Projected Assessed Value After TIF                             | \$ 142,000,000   |                     |                  |
| Projected Increase in Assessed Value                           | \$ 17,813,140  |                     |                  |
| Projected Increase in Annual Tax Revenue After TIF - Total     | \$ 1,757,375   |                     |                  |
| Municipal  |  | \$ 258,323          |                  |
| Education Fund - Total   |  | \$ 1,499,052        |                  |
| Education - Homestead  |  |                     | \$ 745,898       |
| Education - Non-Homestead                                      |  |                     | \$ 753,154       |
| <b>ESTIMATED INFRASTRUCTURE COSTS</b>                          |  |                     |                  |
| Sewer/Wastewater   | \$ 3,690,000   |                     |                  |
| Water  | \$ 150,000   |                     |                  |
| Transportation   | \$ 19,119,100  |                     |                  |
| Intersections  |  | \$ 5,050,000        |                  |
| Road Reconstruction  |  | \$ 3,330,000        |                  |
| New Roads  |  | \$ 5,493,000        |                  |
| Sidewalks  |  | \$ 1,740,600        |                  |
| Lighting   |  | \$ 2,493,000        |                  |
| Multimodal   |  | \$ 1,012,500        |                  |
| Subtotal   | \$ 22,959,100  |                     |                  |
| Cost of Financing  | \$ 13,998,905  |                     |                  |
| Total Cost   | \$ 36,958,005  |                     |                  |
| Projected Non-TIF Revenue Sources                              | \$ 4,848,000   |                     |                  |
| Total TIF Financing Costs                                      | \$ 32,110,005  |                     |                  |

# MILTON TOWN CORE TIF DISTRICT



## Overview

On July 27, 2010, the Town of Colchester created a Tax Increment Financing District that exactly corresponds to the boundaries of a Growth Center that was designated by the State of Vermont on April 27, 2009 for the area known as Severance Corners. The TIF District encompasses the areas that are being developed and are planned for development in four quadrants around Severance Corners, at the intersection of Severance Road, Roosevelt Highway (US 2/US 7) and Blakely Road.

The TIF District is approximately 263 acres (1.1% of Colchester total land area), includes 120 parcels (1.7% of all Colchester parcels), and represents \$16,497,300 in taxable property value (1.2% of total taxable value).

On August 6, 2010 Colchester submitted and on September 23, 2010, VEPC approved a TIF District Plan for the [Severance Corners TIF District](#). The town has not yet submitted a TIF Financing Plan for consideration.

The planned public infrastructure improvements that serve the TIF District include:

- Major improvements to the intersection at the center of the District (Severance Road, Blakely Road, and US2/US7);
- Pedestrian improvements such as sidewalks, shared use paths, crosswalks, and on-road bicycle facilities; and
- Water storage improvements and expansion.

Total infrastructure costs are estimated to be \$7.8M. With the cost proportions approved by VEPC, total costs that can be financed with incremental TIF revenues total \$7.0M. Total debt is estimated at \$9.363M, including financing and related costs.

The real property development expected to occur because of the financed public infrastructure includes over 470 residential housing units including multifamily and condominium units, single family homes, duplex homes, and dormi-

tory housing for college students. Almost 200,000 square feet of commercial and retail space is also expected to be developed.

## Debt Financing

The base value of the properties in the TIF District is \$16.5M. The estimated assessed value after the infrastructure improvements and development is \$111.4M, for a \$96M incremental value (\$60.1M homestead and \$35.8M non-homestead). Colchester estimates the generation of \$31.3M in incremental property taxes during the 20-year retention period (2011-2030).

The applicant proposed and VEPC approved a 44%/56% split of the incremental revenues. This split will allow \$12.2M of the increment to accrue to the Education Fund and \$5.3M of the increment to go to the municipal general fund. A total of \$13.8M would go to finance the TIF District debt (\$9.5M from incremental education revenues and \$4.1M from incremental municipal revenues).

During the TIF retention period, a total of \$18.4M in education property tax revenue (from the base and 56% of the increment) will accrue to the Education Fund. At the end of the retention period, an estimated \$2.0M a year in additional tax revenue will be generated because of the new development.

## Incremental Revenues

Under the statute in effect for this TIF District, the town can only retain incremental tax revenues for 20 years beginning with the year in which the first TIF infrastructure debt is incurred. No debt can be incurred until a TIF Financing Plan is submitted and approved and a public vote on a total debt ceiling occurs. Since these steps have not yet occurred, no TIF District debt has been incurred, and therefore, to date, no incremental education property taxes have been retained by the town.

Table 8 (Page 29) indicates prospective estimates based on the approved TIF District Plan.

# SEVERENCE CORNERS TIF DISTRICT, COLCHESTER

## TABLE 8

| <b>General Information:</b>                                      |  |                     |                  |
|--|--|---------------------|------------------|
| Date Created By Municipality:                                    | July 27, 2010  |                     |                  |
| Effective TIF District Creation Date:                            | April 1, 2010  |                     |                  |
| Base (OTV) Year  | 2010   |                     |                  |
| Duration:  | Until All Debt Retired   |                     |                  |
| Type:  | VEPC under TIF Authority 32 VSA 5404a(h) Effective July 2006   |                     |                  |
| Date TIF District Plan Approved by VEPC                          | September 23, 2010   |                     |                  |
| Date TIF Financing Plan Approved by VEPC                         | Not Yet Filed (NOTE: All Data Included in This Summary Based on TIF District Plan Prior to Submittal and Approval of TIF Financing Plan) |                     |                  |
| Date of Municipal Vote on debt Ceiling                           | Not Yet Held   |                     |                  |
| Date of Initial Indebtedness:                                    | No Debt Yet Incurred   |                     |                  |
| First Year Increment Retained:                                   | No Increment Retained Until Debt Incurred  |                     |                  |
| 20 Year Increment Retention Period                               | Not Yet Determined   |                     |                  |
| Split of Increment: TIF/Municipal General Fund; TIF/Ed Fund (%): | 44/56  |                     |                  |
|  | <b>TIF</b>   | <b>Municipality</b> | <b>% of Muni</b> |
| Acres  | 263  | 23,779              | 1.11%            |
| Parcels  | 120  | 6,961               | 1.72%            |
| Base Assessed Taxable Value (OTV)                                | \$16,497,300   | \$1,388,449,647     | 1.19%            |
| <b>Value, Revenue Generation and Distribution:</b>               |  |                     |                  |
| Base Taxable Value - Total (Original Taxable Value)              | \$ 16,497,300  |                     |                  |
| Homestead  |  | \$ 3,708,500        |                  |
| Non-Homestead  |  | \$ 12,788,800       |                  |
| Base Annual Revenues - Total (based on Original Taxable Value)   | \$ 430,559   |                     |                  |
| Municipal  |  | \$ 122,459          |                  |
| Education Total  |  | \$ 308,099          |                  |
| Education - Homestead  |  |                     | \$ 59,395        |
| Education - Non-Homestead  |  |                     | \$ 248,704       |
| Estimated Incremental Revenue - Total                            | \$ 31,330,366  |                     |                  |
| Municipal Increment  |  | \$ 9,476,853        |                  |
| Education Increment - Total                                      |  | \$ 21,853,513       |                  |
| Education - Homestead  |  |                     | \$ 13,014,079    |
| Education - Non-Homestead  |  |                     | \$ 8,839,434     |
| Incremental Revenue Split  |  |                     |                  |
| Total Incremental Revenue to TIF                                 | \$ 13,785,361  |                     |                  |
| Municipal to TIF (44%)   |  | \$ 4,169,815        |                  |
| Education Homestead Increment to TIF (44%)                       |  | \$ 5,726,195        |                  |
| Education Non-Homestead Increment to TIF (44%)                   |  | \$ 3,889,351        |                  |
| Municipal to Municipal General Fund (56%)                        | \$ 5,307,038   |                     |                  |
| Total Increment to Education Fund (56%)                          | \$ 12,237,967  |                     |                  |
| Education Homestead Increment to Education Fund (56%)            |  | \$ 7,287,884        |                  |
| Education Non-Homestead Increment to Education Fund (56%)        |  | \$ 4,950,083        |                  |
| Total Scheduled Debt Service                                     | \$ 9,363,070   |                     |                  |
| Potential Excess Revenue- Total                                  | \$ 4,365,962   |                     |                  |
| Excess Returned to Municipality                                  |  | \$ 1,318,112        |                  |
| Excess Returned to Education Fund                                |  | \$ 3,047,850        |                  |
| Total Revenue to Education Fund During TIF                       | \$ 18,399,950  |                     |                  |
| Total Education Fund Revenue Utilized by TIF During TIF          | \$ 6,567,695   |                     |                  |
| Projected Assessed Value After TIF                               | \$ 111,400,000   |                     |                  |
| Projected Increase in Assessed Value                             | \$ 94,902,700  |                     |                  |
| Projected Increase in Annual Revenue After TIF - Total           | \$ 1,927,425   |                     |                  |
| Municipal  |  | \$ 589,331          |                  |
| Education Fund - Total   |  | \$ 1,338,094        |                  |
| Education - Homestead  |  |                     | \$ 895,452       |
| Education - Non-Homestead  |  |                     | \$ 442,642       |
| <b>Infrastructure</b>  |  |                     |                  |
| Transportation: Intersection                                     | \$ 1,984,619   |                     |                  |
| Transportation: Pedestrian                                       | \$ 4,064,310   |                     |                  |
| Water Storage  | \$ 950,732   |                     |                  |
| Subtotal   | \$ 6,999,661   |                     |                  |
| Interest and Related Costs                                       | \$ 2,363,409   |                     |                  |
| Total Cost of Infrastructure                                     | \$ 9,363,070   |                     |                  |



## Overview

On February 7, 2011, the City of Burlington created a Tax Increment Financing District that roughly corresponds to, and is completely within, the boundaries of a Designated Downtown that was approved by the State of Vermont in 1998 and renewed in 2007. The Burlington Downtown TIF District forms a rough U-shape around Cherry Street. It runs east along Pearl Street from Battery Street to North Winooski Avenue, then South from Pearl Street to King Street, and then West along King and Main Street to Battery Street again.

The TIF District is approximately 63 acres (0.9% of Burlington total), includes 245 parcels (2.27% of total Burlington parcels), and represents \$309,672,300 in total appraised value (2011), of which 204 parcels with a value of \$170,781,400 are taxable (about 9.5% of total Burlington taxable value).

On March 4, 2011 Burlington submitted and on June 23, 2011, VEPC approved a TIF District Plan and conditionally-approved a TIF Financing Plan for the [Burlington Downtown TIF District](#).

Depending on the timing of the expected private sector developments, the potential public infrastructure improvements that would serve the TIF District could include:

- **Structured Parking:** Development, expansion, or renovation of structured parking facilities for projects that will provide public parking spaces for the Downtown TIF district.
- **Utility Upgrades and Renovations:** Upgrades, renovations and relocations, including, but not limited to, sanitary sewer, water, and storm water management facilities.
- **Street Side Streets Project:** Transportation, traffic, pedestrian, bicycle and transit capacity improvements. The City may choose to use TIF-based financing for any or all of the future phases of the Church Street Side

Streets Project.

- **Streetscape Improvements:** Development of functional streetscapes and public spaces for pedestrians and bicyclists.

Total infrastructure costs are estimated to be \$33.4M. Total debt is estimated at \$47M, including financing and related costs.

The specific real property developments that are anticipated to occur within five years, and for which public investment is expected to be appropriate, are:

- Stratos Project: Condominium Housing on St Paul Street.
- #s 30-42 King Street: Burlington Housing Authority, 16 Units Affordable Housing.
- Redstone - TD Bank Block redevelopment: Hotel and compatible use in Armory Building with two decks of parking.
- #s 151-157 South Champlain Street - Burlington Housing Authority, 12 Units of Affordable Housing.
- Browns Court: 40+ Units Affordable Housing.
- Memorial Auditorium Block redevelopment ("Superblock"): Residential and commercial space/Parking structure.
- Hood Plant block redevelopment: Relocate sewer line and add parking.
- South Champlain St./Maple Street: Residential and parking development.
- Periwinkles site redevelopment : commercial/residential.
- VFW site redevelopment: commercial/residential



## BURLINGTON DOWNTOWN TIF DISTRICT

These projects, which are in varying stages of permitting, development, and conceptual design, address the core purposes of Burlington's TIF District Plan, and are consistent with and further the goals of City and regional plans. In addition to these anticipated projects there may be other projects yet to be identified that could be developed within the TIF District in the first five years of the TIF district's life that may also be appropriate for public financial participation.

### Debt Financing

The base value of the properties in the TIF District is \$176.1M. The estimated assessed value after the infrastructure improvements and development is \$252M, for an \$76M incremental value. Burlington estimates the generation of \$62M in incremental property taxes during the 20-year retention period.

The applicant proposed and VEPC approved a 75%/25% split of the incremental revenues. This split will allow \$11.8M of the increment to accrue to the Education Fund and \$3.6M of the increment to go to the municipal general fund. A total of \$46.5M would go to finance the TIF District debt (\$35.4M from incremental educa-

tion revenues and \$11.1M from incremental municipal revenues).

During the TIF retention period, a total of \$64.2M in education property tax revenue (from the base and 25% of the increment) will accrue to the Education Fund. At the end of the retention period, an estimated \$5.6M a year in additional tax revenue will be generated because of the new development.

### Incremental Revenues

Under the statute in effect for this TIF District, the City can only retain incremental tax revenues for 20 years beginning with the year in which the first TIF infrastructure debt is incurred. No debt can be incurred until a public vote on a total debt ceiling occurs. That vote is expected in March 2012. Since this step is yet to occur, no TIF District debt has been incurred, and therefore, to date, no incremental education property taxes have been retained by the city.

Table 9 (Page 33) indicates prospective estimates based on the approved TIF District Plan and conditionally-approved TIF District Financial Plan.

### CHURCH STREET MARKETPLACE BURLINGTON

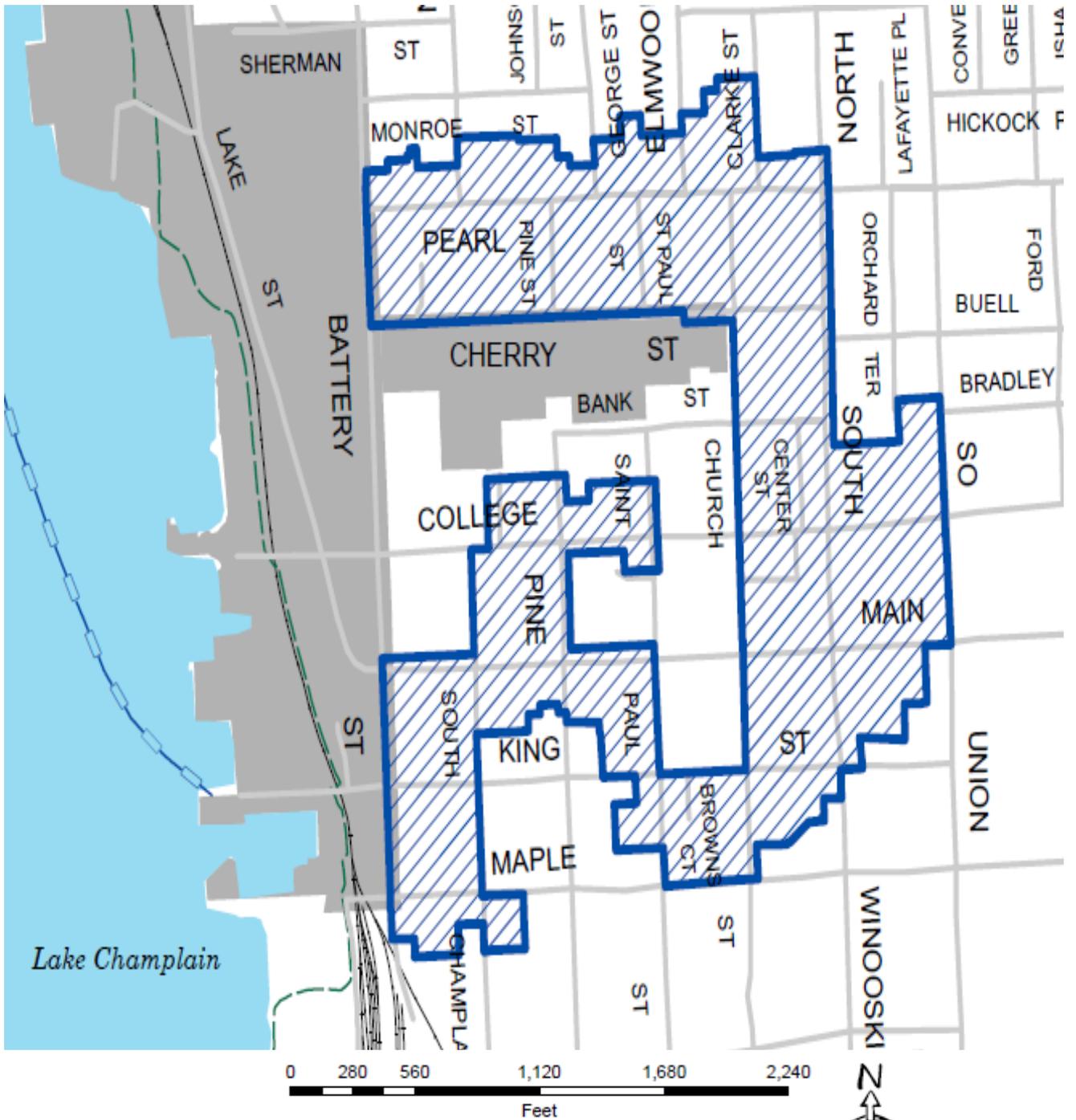


# BURLINGTON DOWNTOWN TIF DISTRICT

## TABLE 9

| <b>General Information:</b>                                      |  |                     |                  |
|--|--|---------------------|------------------|
| Date Created By Municipality:                                    | February 7, 2011   |                     |                  |
| Effective TIF District Creation Date:                            | April 1, 2011  |                     |                  |
| Base (OTV) Year  | 2011   |                     |                  |
| Duration:  | Until All Debt Retired                                       |                     |                  |
| Type:  | VEPC under TIF Authority 32 VSA 5404a(h) Effective July 2006 |                     |                  |
| Date TIF District Plan Approved by VEPC                          | June 23, 2011  |                     |                  |
| Date TIF Financing Plan Approved by VEPC                         | June 23, 2011  |                     |                  |
| Date of Municipal Vote on Debt Ceiling                           | Not Yet Held   |                     |                  |
| Date of Initial Indebtedness:                                    | No Debt Yet Incurred   |                     |                  |
| First Year Increment Retained:                                   | No Increment Retained Until Debt Incurred                    |                     |                  |
| 20 Year Increment Retention Period                               | Not Yet Determined   |                     |                  |
| Split of Increment: TIF/Municipal General Fund; TIF/Ed Fund (%): | 75/25  |                     |                  |
|  | <b>TIF</b>   | <b>Municipality</b> | <b>% of Muni</b> |
| Acres  | 263  | 23,779              | 1.11%            |
| Parcels  | 123  | 6,961               | 1.77%            |
| Base Taxable Value (OTV)   | \$176,127,850  | \$3,393,140,000     | 5.19%            |
| <b>Value, Revenue Generation and Distribution:</b>               |  |                     |                  |
| Base Assessed Value - Total (Original Taxable Value)             | \$ 176,127,850   |                     |                  |
| Homestead  |  | \$ 2,185,200        |                  |
| Non-Homestead  |  | \$ 173,942,650      |                  |
| Base Annual Revenues - Total (based on Original Taxable Value)   | \$ 3,973,112   |                     |                  |
| Municipal  |  | \$ 1,268,121        |                  |
| Education Total  |  | \$ 2,704,992        |                  |
| Education- Homestead   |  |                     | \$ 28,014        |
| Education - Non-Homestead  |  |                     | \$ 2,676,977     |
| Estimated Incremental Revenue - Total                            | \$ 61,977,734  |                     |                  |
| Municipal Increment  |  | \$ 14,724,458       |                  |
| Education Increment - Total                                      |  | \$ 47,253,276       |                  |
| Education - Homestead  |  |                     | \$ 34,658,677    |
| Education - Non-Homestead  |  |                     | \$ 12,594,599    |
| Incremental Revenue Split  |  |                     |                  |
| Total Incremental Revenue to TIF                                 | \$ 46,483,300  |                     |                  |
| Municipal to TIF (75%)   |  | \$ 11,043,343       |                  |
| Education Homestead Increment to TIF (75%)                       |  | \$ 25,994,008       |                  |
| Education Non-Homestead Increment to TIF (75%)                   |  | \$ 9,445,949        |                  |
| Municipal to Municipal General Fund (25%)                        | \$ 3,681,114   |                     |                  |
| Total Increment to Education Fund (25%)                          | \$ 11,813,319  |                     |                  |
| Education Homestead Increment to Education Fund (25%)            |  | \$ 8,664,669        |                  |
| Education Non-Homestead Increment to Education Fund (25%)        |  | \$ 3,148,650        |                  |
| Other Sources of Revenue   | \$ 12,400,000  |                     |                  |
| Total TIF Revenue  | \$ 58,883,300  |                     |                  |
| Total Scheduled Debt Service                                     | \$ 46,881,489  |                     |                  |
| Potential Excess Revenue- Total                                  | \$ 11,900,000  |                     |                  |
| Excess Returned to Municipality                                  |  | \$ 2,567,709        |                  |
| Excess Returned to Education Fund                                |  | \$ 9,332,291        |                  |
| Total Revenue to Education Fund During TIF                       | \$ 65,913,152  |                     |                  |
| Total Education Fund Revenue Utilized by TIF During TIF          | \$ 26,107,666  |                     |                  |
| Projected Assessed Value After TIF                               | \$ 257,727,850   |                     |                  |
| Projected Increase in Assessed Value                             | \$ 81,600,000  |                     |                  |
| Projected Increase in Annual Revenue After TIF - Total           | \$ 1,660,537   |                     |                  |
| Municipal  |  | \$ (206,645)        |                  |
| Education Fund - Total   |  | \$ 1,867,182        |                  |
| Education- Homestead   |  |                     | \$ 3,409,857     |
| Education - Non-Homestead  |  |                     | \$ (1,542,674)   |
| <b>Infrastructure</b>  |  |                     |                  |
| Structured Parking Projects                                      | \$ 18,800,000  |                     |                  |
| Streetscape Projects   | \$ 1,850,000   |                     |                  |
| Utility Upgrades (Including "Hood Plant")                        | \$ 2,125,000   |                     |                  |
| Storm Water Controls   | \$ 1,425,000   |                     |                  |
| Transportation – Side Street Project                             | \$ 7,150,000   |                     |                  |
| Transportation - Pedestrian/Transit                              | \$ 2,037,500   |                     |                  |
| Subtotal   | \$ 33,387,500  |                     |                  |
| Interest and Related Costs                                       | \$ 13,493,989  |                     |                  |
| Total Cost of Infrastructure                                     | \$ 46,881,489  |                     |                  |

# BURLINGTON DOWNTOWN TIF DISTRICT



**Legend**

-  PROPOSED TIF District
-  Existing TIF Districts

## Overview

On April 5, 2012, the Town of Hartford created a Tax Increment Financing District that is well within the boundaries of a Growth Center that was designated by the State of Vermont on April 29, 2010.

The TIF District also includes a Designated Downtown for the Village of White River Junction that was designated in 2006. The TIF District is located in the village of White River Junction and encompasses the areas that are planned for development and/or redevelopment along South Main Street, North Main Street, Bridge Street, and across the White River along Route 4 and on Prospect and Pine Streets. It includes most of the White River Junction downtown and includes all of the area within the White River Junction Designated Downtown. Also within the Designated Downtown is a National Register Historic District. The Growth Center is a much larger area, but the TIF District is completely within its boundaries.

The TIF District is approximately 114 acres (0.4% of Hartford's total land area), includes 129 parcels (2.37% of all Hartford parcels), and represents \$32.4M in taxable property value (2.3% of total taxable value).

On June 13, 2011, Hartford submitted and on December 8, 2011, VEPC approved a TIF District Plan and conditionally-approved a TIF Financing Plan for the [White River Junction Downtown TIF District, Hartford](#).

The planned public infrastructure improvements that would serve the TIF District include:

- **Utility and Infrastructure Improvements:** Significant upgrades to sewer, water, storm water and communication systems to be done in conjunction with street and sidewalk reconstruction.

- **Sidewalk and Streetscape Improvements:** Upgrades to sidewalk and streetscape in conjunction with street and utility reconstruction and upgrades, supporting a walkable, high-density downtown environment. This includes enhancements to street trees and furniture, signage, and plantings on reconstructed streets and parking areas in the downtown.
- **Parking and Roadway Improvements:** Reconstruction and expansion of an existing public parking lot into a 180 space parking deck on the Miller Auto/Legion site to provide parking capacity to serve higher densities in the downtown.

Total infrastructure costs are estimated to be \$13M. Total debt is estimated at \$18M, including financing and related costs.

Through Hartford's partnerships with landowners and developers, eight real property development/redevelopment initiatives have been outlined that are projected to be accomplished within the TIF period:

- **Prospect Place:** Redevelopment of deteriorated industrial sites into four, new mixed-use buildings with retail at street level, office on the second and third floors, and condo residential on fourth floor. The fifth building will be four stories, with 40 residential condos, include 50% of the units for workforce housing. Built in three phases, this project will include demolishing existing structures, cleaning-up of a documented brownfield site, correcting stormwater runoff into adjacent Connecticut River and reducing impact on river's riparian buffer, new public park and walkway along the river, relocation and extension of town road, and expansion, upgrading, and undergrounding utilities.

## WHITE RIVER JUNCTION DOWNTOWN TIF DISTRICT, HARTFORD

- **Northern Stage & Currier Street:** A new, 45,000 SF theater main stage with 320 seat capacity, 3/4 thrust stage educational theater that is 99 seat flexible black box, lobby with café/bar, theater classrooms, rehearsal halls and administration offices on site formerly referred to as Miller Auto (all nonprofit). Potential for an additional 79,100 SF for other general commercial space, and 36,650 SF for residential space in two phases in multiple buildings.
- **Northern Hospitality Limited Partnership & Gates-Briggs Partnership:** Complete redevelopment of existing hotel, theater, and mixed-use, three-story building that encompasses one complete city block on two adjoining properties. Phase 1 is a total renovation of existing retail/commercial building with 21,588 SF of basement and street level retail, 13,267 SF of office, eight townhouse-style condos, performing arts center on the second and third floors, and five loft-style condos on new fourth floor. Phase 2 redevelopment of hotel site with 23,808 SF of retail at street level, 24-room hotel on second and third floors, and 43 residential condos on the second, third and fourth floors (13 of the condos will be workforce housing).
- **Main Street Renaissance:** Redevelopment of former car dealership parking area into four-story, mixed-use building with 5,200 SF of retail at street level, 10,400 SF of residential on upper levels (Phase 1); 40 surface parking spaces and 25,775 SF of office space over parking (Phase 2).
- **Gates East & South Main Streets Redevelopment:** Consolidation and redevelopment of multiple parcels on Gates Street Extension and South Main Street with mixed-use residential and commercial development. Renovation of 23,600 SF of existing commercial (Lot 46-34), redevelopment of remaining lots into 18,217 SF of new commercial space at street level, and 13,052 SF of new residential on upper floors.
- **Pine Street Redevelopment:** Consolidation and redevelopment of parcels along Maple and Pine Streets in three phases with retail and other mixed-use development, including expanded supermarket to serve the downtown. Built in three phases, this project includes remediation of brownfield site. Phase 1 includes the renovation of 9,801 SF of existing commercial, 26,041 SF of new commercial, and 16,000 SF of new residential. Phase 2 includes the renovation of 16,252 SF of existing commercial, 5,550 SF of new commercial, and 4,500 SF of new residential (Block C). Phase 3 includes 9,801 SF of renovated commercial, 26,041 SF of new commercial, and 16,000 SF new residential (Block D).
- **Listen Development & Maple Street:** Extension of Prospect Street mixed-use development across the street along Maple Street and the Connecticut River, continuing the riverwalk park and incorporating residential and commercial uses. Redevelopment of existing commercial into 48,104 SF of new commercial and 17,000 SF of new residential.
- **Bridge & North Main Streets Gateway:** Phase 1 includes the renovation of 1,083 SF of existing retail and redevelopment of vacant site (former commercial/residential development destroyed in fire) into 10,000 SF of new commercial and 5,000 SF of new residential. Phase 2 will renovate 11,879 SF of existing commercial and 4,625 SF of existing residential, and add 25,274 SF of new residential in multiple mixed use buildings.

## Debt Financing

The base value of the properties in the TIF District is \$32.4M. The estimated assessed value after the infrastructure improvements and development is \$95M, for a \$62.5M incremental value. Hartford estimates the generation of \$30.4M in incremental property taxes during the 20-year retention period.

The applicant proposed and VEPC approved a 75%/25% split of the incremental revenues. This split will allow \$4.9M of the increment to accrue to the Education Fund and \$2.6M of the increment to go to the municipal general fund. A total of \$22.8M would go to finance the TIF District debt (\$14.8M from incremental education revenues and \$7.9M from incremental municipal revenues).

During the TIF retention period, a total of \$14M in education property tax revenue (from the base and 25% of the increment) will accrue to

the Education Fund. At the end of the retention period, an estimated \$2.3M a year in additional tax revenue will be generated because of the new development.

## Incremental Revenues

Under the statute in effect for this TIF District, the town can only retain incremental tax revenues for 20 years beginning with the year in which the first TIF infrastructure debt is incurred. No debt can be incurred until a public vote on a total debt ceiling occurs. That vote is expected to occur in March 2012. Since this step has not yet occurred, no TIF District debt has been incurred, and therefore, to date, no incremental education property taxes have been retained by the town.

Table 10 (Page 38) indicates prospective estimates based on the approved TIF District Plan and conditionally-approved TIF District Financial Plan.

## WHITE RIVER JUNCTION



# WHITE RIVER JUNCTION DOWNTOWN TIF DISTRICT, HARTFORD

## TABLE 10

| <b>General Information:</b>                                      |  |                     |                  |
|--|--|---------------------|------------------|
| Date Created By Municipality:                                    | April 5, 2011  |                     |                  |
| Effective TIF District Creation Date:                            | April 1, 2011  |                     |                  |
| Base (OTV) Year  | 2011   |                     |                  |
| Duration:  | Until All Debt Retired                                       |                     |                  |
| Type:  | VEPC under TIF Authority 32 VSA 5404a(h) Effective July 2006 |                     |                  |
| Date TIF District Plan Approved by VEPC                          | December 8, 2011   |                     |                  |
| Date TIF Financing Plan Approved by VEPC                         | December 8, 2011   |                     |                  |
| Date of Municipal Vote on Debt Ceiling                           | Not Yet Held   |                     |                  |
| Date of Initial Indebtedness:                                    | No Debt Yet Incurred   |                     |                  |
| First Year Increment Retained:                                   | No Increment Retained Until Debt Incurred                    |                     |                  |
| 20 Year Increment Retention Period                               | Not Yet Determined   |                     |                  |
| Split of Increment: TIF/Municipal General Fund; TIF/Ed Fund (%): | 75/25  |                     |                  |
|  | <b>TIF</b>   | <b>Municipality</b> | <b>% of Muni</b> |
| Acres  | 114  | 29,434              | 0.39%            |
| Parcels (Taxable)  | 96   | 5,449               | 1.76%            |
| Base Taxable Value (OTV)   | \$32,426,300   | \$1,381,367,300     | 2.35%            |
| <b>Value, Revenue Generation and Distribution:</b>               |  |                     |                  |
| Base Assessed Value - Total (Original Taxable Value)             | \$ 32,426,429  |                     |                  |
| Homestead  |  | \$ 220,500          |                  |
| Non-Homestead  |  | \$ 32,205,929       |                  |
| Base Annual Revenues - Total (based on Original Taxable Value)   | \$ 683,708   |                     |                  |
| Municipal  |  | \$ 234,476          |                  |
| Education Total  |  | \$ 449,233          |                  |
| Education - Homestead  |  |                     | \$ 2,794         |
| Education - Non-Homestead  |  |                     | \$ 446,439       |
| Estimated Incremental Revenue - Total                            | \$ 30,389,010  |                     |                  |
| Municipal Increment  |  | \$ 10,578,884       |                  |
| Education Increment - Total                                      |  | \$ 19,810,126       |                  |
| Education - Homestead  |  |                     | \$ 2,269,796     |
| Education - Non-Homestead  |  |                     | \$ 17,540,330    |
| Incremental Revenue Split  |  |                     |                  |
| Total Incremental Revenue to TIF                                 | \$ 22,791,758  |                     |                  |
| Municipal to TIF (75%)   |  | \$ 7,934,163        |                  |
| Education Homestead Increment to TIF (75%)                       |  | \$ 1,702,347        |                  |
| Education Non-Homestead Increment to TIF (75%)                   |  | \$ 13,155,248       |                  |
| Municipal to Municipal General Fund (25%)                        | \$ 2,644,721   |                     |                  |
| Total Increment to Education Fund (25%)                          | \$ 4,952,532   |                     |                  |
| Education Homestead Increment to Education Fund (25%)            |  | \$ 567,449          |                  |
| Education Non-Homestead Increment to Education Fund (25%)        |  | \$ 4,385,083        |                  |
| Other Sources of Revenue   | \$ 1,967,000   |                     |                  |
| Total Revenue  | \$ 24,758,758  |                     |                  |
| Total Scheduled Debt Service                                     | \$ 17,997,373  |                     |                  |
| Potential Excess Revenue- Total                                  | \$ 6,761,385   |                     |                  |
| Excess Returned to Municipality                                  |  | \$ 2,333,611        |                  |
| Excess Returned to Education Fund                                |  | \$ 4,427,774        |                  |
| Total Revenue to Education Fund During TIF                       | \$ 13,937,182  |                     |                  |
| Total Education Fund Revenue Utilized by TIF During TIF          | \$ 10,429,821  |                     |                  |
| Projected Assessed Value after TIF                               | \$ 94,926,429  |                     |                  |
| Projected Increase in Assessed Value                             | \$ 62,500,000  |                     |                  |
| Increase in Annual Revenue After TIF - Total                     | \$ 1,684,823   |                     |                  |
| Municipal  |  | \$ 582,994          |                  |
| Education Fund - Total   |  | \$ 1,101,828        |                  |
| Education - Homestead  |  |                     | \$ 167,950       |
| Education - Non-Homestead  |  |                     | \$ 933,878       |
| <b>Infrastructure</b>  |  |                     |                  |
| Streetscape  | \$ 119,572   |                     |                  |
| Sidewalk   | \$ 954,108   |                     |                  |
| Roadway/Parking  | \$ 6,792,644   |                     |                  |
| Water  | \$ 1,360,901   |                     |                  |
| Hardscape  | \$ 1,099,998   |                     |                  |
| Northern TIF District  | \$ 2,631,488   |                     |                  |
| Subtotal   | \$ 12,958,711  |                     |                  |
| Financing and Related Costs                                      | \$ 5,038,362   |                     |                  |
| Total Cost of Infrastructure                                     | \$ 17,997,073  |                     |                  |

# WHITE RIVER JUNCTION DOWNTOWN TIF DISTRICT, HARTFORD

Hartford Proposed TIF District

April 5, 2011

