

Program Overview

The sales tax reallocation program provides tax incentives to encourage new construction projects in Vermont's 23 state designated downtowns. Municipalities and the developer of a qualified project jointly apply to the Downtown Board for a reallocation of sales taxes on construction materials. Qualified projects must spend over \$100,000 in materials and be located within a designated downtown district. The reallocated sales taxes are awarded to the municipality to support the qualified project. Typically, the program funds infrastructure improvements like expanded sewer and water service, new stormwater controls, sidewalks, and other streetscape improvements.

Website: <http://accd.vermont.gov/community-development/funding-incentives/sales-tax-reallocation>

By the Numbers [2015-2019]

6

projects awarded

5

communities served

\$1.4 M

awarded in
reallocated sales taxes

\$339 M

in private
investment

New Hotels Draw More Visitors Downtown

Five years ago, construction of new multi-story downtown buildings was limited. However, that all changed thanks to an improving economy and renewed public interest in the convenience and charm of Vermont's traditional main streets. This includes recent construction of two new downtown hotels in Burlington and St. Albans. In White River Junction a sales tax reallocation award helped the community complete major infrastructure improvements in conjunction with a 80-unit senior living/memory care facility and in Montpelier a new transit center and mixed-income housing development recently opened thanks to support from the program.

Hilton Garden Inn - 151 St. Paul Street, Burlington

Total Project Cost: \$34,000,000 Sales Tax Reallocation: \$327,783



The City of Burlington used funding to support stormwater and utility improvements, and construction of new sidewalks in conjunction with construction of the Hilton Garden Inn. The project created 130 jobs and helped strengthen the connection between Church Street and Burlington's waterfront.

Hampton Inn - 43 Lake Street, St. Albans

Total Project Cost: \$11,000,000 Sales Tax Reallocation: \$103,492



In St. Albans, a former vacant brownfield site was redeveloped with the construction of an 84-room hotel in the heart of downtown. Reallocated sales taxes supported utility and storm water improvements, paving, sidewalks, lighting and landscaping in front of the hotel, part of a larger municipal infrastructure improvement project along Lake Street.

For more information, please contact:

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