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Good afternoon and thank you to the VEPC Board for making the trip to Bennington to begin consideration of the Town's application for a Tax Increment Financing (TIF) District; a much-needed tool to spur economic development in the community's urban core.

As you saw on your tour this morning, and as you will hear more this afternoon the private sector in the form of key local institutions and businesses as well as community-minded investors has stepped up to undertake the largest project in Bennington in decades. For this project to be successful and realize its full potential, public sector support will be a necessity. The Town of Bennington has already supported the Putnam Block Redevelopment by sponsoring a community development block grant and agreeing to lend to the project through the Town's revolving loan fund. For the project to be fully realized and bring to Bennington a long-desired downtown grocery store, additional market rate and affordable residential units, beautiful retail space and medical, office, educational and institutional occupancies, the public infrastructure proposed in the TIF application, including environmental remediation and public parking will be necessary.

Real estate development in rural communities like Bennington is a challenging undertaking. While costs of construction are similar to those in urban areas, the underlying leases that can be negotiated based upon market conditions in places such as Bennington result in a property valuation at project completion of around 1/3 the cost of construction. This is why private-public partnerships are required to bring about the type of development envisioned in Bennington's TIF application. The private sector brings investment, creativity, commitment and tenancies while the public sector supports the efforts through tax credits, grants, low-interest loans and other tools such as Tax Increment Financing to build supporting infrastructure.

In many recent successful downtown redevelopments in Vermont, the State of Vermont itself has often been the anchor tenant making the project viable. That is not a possibility with Bennington projects given the State's recent investment in new offices outside of downtown. This has placed an even greater burden on the private sector in Bennington and raised the level of importance of all available public sector tools which might be brought to bear on desirable redevelopment in downtown Bennington.

The economic and demographic conditions in and around downtown Bennington make redevelopment even more challenging. In the second oldest State in the country, Bennington County is older and aging more rapidly than the State as a whole. Bennington is also poorer than the State on average and has recovered from the economic downturn of 2007/2008 more slowly than other areas of Vermont¹. The census tract encompassing downtown Bennington is one of the three poorest census tracts in the entire State and in that census tract and the adjacent one covering northwestern Bennington, more than 30% of families are living in poverty and one out two children born in these areas is born into poverty².

The *Town of Bennington Housing Report* (2014) noted that there is a lack of quality housing in all price ranges. In part, this is due to the age of the housing stock in Bennington. 38.3% of housing units in Bennington were built before 1940. This compares to a figure of 28% across the State. The median year housing was built in Bennington is 1956, 16 years older than the median in Vermont (1972). This is why projects like the Putnam Block Redevelopment and others envisioned in the Town of Bennington's TIF application are so vital.

The market study for the Putnam project suggested demand for quality rental housing units in the downtown Bennington, with two age cohorts likely to generate most of the demand – 25-35 year old singles and couples and those over the age of 55. This appears to be bearing out in Phase 1 of the Putnam redevelopment as 25 of the 29 available residential units in that phase are already leased and there is a waiting list for one-bedroom units, despite occupancy of the units not anticipated until early-to-mid 2019.

In 2016, the Town of Bennington Completed the *Bennington Downtown Area-Wide Plan*. This planning study funded by Vermont Department of Environmental

Conservation and the Vermont Agency of Commerce and Community Development included numerous opportunities for public input. The Area-Wide Plan examined the historic uses of properties in downtown Bennington and noted the existing conditions of environmental and brownfields sites, infrastructure and the built environment. A market assessment was completed and conceptual redevelopment plans for key brownfield sites, including those now part of the Putnam Block Redevelopment, were created. In the Implementation section of the plan, it was specifically noted that the Town should “Present owners/developers with options for public grants and infrastructure that will support redevelopment of the site”. We believe the TIF proposal generated by the Town of Bennington is a significant step toward that goal.

The importance of downtown Bennington in the regional sense should not be overlooked. It serves as a center of employment, arts, culture, entertainment and government. A stronger, more vital downtown Bennington benefits not just those in the urban core but the Town as a whole and other neighboring and nearby communities whose residents travel here to access the jobs, goods, services and experiences offered.

As evidenced by the Putnam Block Redevelopment and recent acquisitions of other downtown Bennington properties, the private sector in this community is stepping up to lead investment in the urban core. Institutions, businesses and individuals are committing their money and time and calling upon their networks to spur economic growth. They recognize no one is coming in from outside to save Bennington. Bennington must act to better itself. With the private sector on board it is now up to the public sector to help move these developments forward. The Town of Bennington, through its application to develop a Tax Increment Financing District and other actions has exhibited its willingness to do so. It is our sincere hope that the Vermont Economic Progress Council will see fit to provide this community with a vital tool to improve itself.

Thank you.

¹Vermont Department of Labor, Vermont Agency of Commerce & Community Development, Vermont Department of Taxes.

²American Community Survey of Census Data, 2014.