

VEPC Presentation – Context and History

WELCOME

We thank you all for travelling to Bennington today to tour our Downtown and to hear our story. It is our hope that after today, you'll conclude with confidence and enthusiasm that Bennington is the absolute right place for the first TIF District that VEPC will authorize under the new TIF legislation. We believe that Bennington's TIF District will have a powerful beneficial impact on our downtown, Bennington as a whole, and all of Southwestern Vermont.

Given the importance of the opportunity to establish a TIF district for Bennington, we are focusing our opening remarks in three critical areas:

First – Why do we **need** TIF in Bennington?

Second – Is Bennington ready for TIF? Has Bennington done the **planning** and built the **capacity and leadership** necessary to effectively utilize TIF?

Finally – what are the current, realistic **opportunities** to utilize TIF?

NEED

As to need, Bennington's TIF Application documents our economic challenges: an aging population, stagnant population growth, significant poverty levels, job losses, difficulty attracting and retaining employees with 21st century skills, and so on, BUT we think the tour speaks most powerfully to the need for TIF as the tour reveals the physical manifestation of these challenges in our downtown.

You saw the Putnam Block, which block includes Bennington's most iconic National Register buildings, mostly vacant and suffering from decay and neglect. You saw BennHi, Catamount, Bennington Brush, the Tuttle's lot and the vacant lots on Main Street.

Vacant or underutilized for years, some for decades, all of these properties have had plans for re-development fail when the crushing reality of the cost to re-develop properties in Vermont's downtowns became apparent.

Especially dismaying are the failed efforts to re-develop the Putnam Hotel and Courthouse buildings, and the failed efforts (at least four in the past decade) to re-develop BennHi – where most Benningtonians went to High School or Middle School.

These buildings are poignant everyday reminders of the challenges we face in our downtown.

PLANNING/CAPACITY/LEADERSHIP

As to whether or not Bennington can effectively manage a TIF District if it is authorized in Bennington? Bennington is most definitely ready, willing and able to utilize TIF. We've done the planning, we've built the necessary capacity and capability, and, most importantly, we have visionary leadership in place in the Public, Private, and Non-profit sector.

With regard to **Planning** - we've done our homework and then some. Decades of planning efforts too numerous to mention recently culminated in the Bennington Downtown Area Wide Plan – an in-depth, thorough, and comprehensive plan for downtown Bennington.

As for **leadership and capacity**. Bennington has the strong and committed Public, Private, and Non-Profit sector leadership in place to effectively utilize TIF and other economic development tools to implement the vision of the Bennington Area-Wide Plan and the TIF Plan. The Town's Select Board,

led by Mr. Tom Jacobs, has provided unwavering leadership throughout the past few years as the Select Board has made economic development its primary focus. The Select Board is joined and supported in this effort by the town's economic development partners, – the regional planning commission, the regional development corporation, the downtown organization, the chamber, local legislators, and others.

Most notably and most exciting is the leadership of the Bennington Redevelopment Group, a group of prominent local institutions and individuals that is working to re-develop the Putnam Block.

OPPORTUNITY

Finally - What are the real opportunities to utilize TIF to leverage development? The most real and present opportunity is the re-development of the Putnam Block.

This effort is led by the Bennington Redevelopment Group, whose members, including Bennington College, Southwest Vermont Health Care, the Bank of Bennington, Southern Vermont College, Global Z International, and several individual investors have financed the pre-development efforts of this project, including property acquisition, design, permitting, and efforts to secure financing. BCIC (regional development corporation), underwritten by the Bennington Redevelopment Group, has recently purchased the block. Many of the members of the BRG will also be tenants of the re-developed block. Their efforts are an inspiring example of local institutions and individuals stepping up to improve their community.

The mixed-use project will encompass over 150,000 sq. ft. of renovated space and new construction, and will cost nearly \$52 Million. As you know, such an endeavor requires a public/private partnership with a dizzying array of funding and financing sources. Private investment, CDBG funds, Historic Preservation Tax Credits, and a loan commitment from the Town have already been obtained. Efforts to obtain additional and essential funding and financing sources, including TIF funds, are ongoing. TIF funds are essential to the project as they will be used to remediate contamination, construct a public parking lot, a public park, and streetscape improvements necessary to the success of the project.

Putnam is the catalyst for many other projects and is the centerpiece of the TIF Plan, but other opportunities are on the immediate horizon. The Tuttle's lot and Bennington Brush property will soon be sold to a local property owner and developer who intends to re-develop the property and two entities are interested in BennHi. These and other projects will require TIF funds to be viable.

Thank you once again for being here today.

Up next is W&B who will speak more specifically about Bennington's TIF Plan and Application.

VEPC Presentation – Additional Context – Managing TIF District

To close out the Town's presentation regarding our TIF Application, we'll discuss how the Town intends to manage and implement TIF in Bennington.

Based on the collective knowledge and experience of Town staff and the Town's economic development partners, the Town has identified in the TIF Application and Plan the infrastructure projects and private development projects that are anticipated over the next several years. Of course, we do not have a crystal ball. Some anticipated projects may not occur while unanticipated projects may materialize.

However, for each emerging private development project or group of projects that requires TIF funded infrastructure, the Town and its consultants will evaluate the feasibility and viability of such project or projects, determine the scope and cost of the infrastructure necessary to support the project or projects, and ensure that the projected additional tax revenue stream is sufficient to cover debt service over time.

If the Select Board is satisfied the project or projects are feasible and will generate sufficient additional tax revenue, the Select Board will authorize a bond vote requesting voter approval for the needed investment in public infrastructure. The Town understands that it is essential to communicate clearly to the voters the necessity of the infrastructure, the feasibility of the project, and the sufficiency of additional tax revenues to pay for the bond costs. We'll work hard to get this information out to our voters.

If a bond vote is successful, work on major infrastructure projects will not begin and TIF funds will not be expended until a development agreement is in place with the developer and/or bonded construction contracts are in place. In addition, construction of major infrastructure projects will not commence until the construction of the private development project leveraged by the infrastructure has begun. Thereby, risk to the taxpayer will be minimized.

We anticipate that the first private development project that will require infrastructure investment will be the Putnam Project. We intend to use the approach identified above. Of course, much of the necessary initial analysis of this project has already commenced with regard to this project. Our timeline is aggressive with a bond vote of March 2018 targeted.

For future projects, the Town and its economic development partners will work pro-actively to facilitate private development projects in the TIF District. We will follow the process outlined above for each bond vote and subsequent construction of infrastructure.