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**Vermont Economic Progress Council**

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**Agency of Commerce and  
Community Development**

December 16, 2011

Ms. Lori Hirshfield  
Director for Planning and Development  
Town of Hartford  
171 Bridge Street  
White River Junction, VT 05001

Dear Lori,

As you know, on December 8, 2011, the Vermont Economic Progress Council approved the TIF District Plan and the TIF District Financing Plan from the Town of Hartford, authorizing the Hartford TIF District to utilize incremental property taxes to finance infrastructure debt. Congratulations on a successful application.

An approval document containing the final Council determinations, exclusions and conditions, based on the Master TIF District Determination process, is enclosed for your information and review. Also enclosed is a document for the Town to certify and accept the TIF District approval, conditions, exclusions and obligations. Please review all documents, have the certification signed, and return it to us within 60 days of receipt.

VEPC is authorized to contract with a third party to provide analysis of financial and technical aspects of a TIF Application, with the costs being charged to the applicant municipality. VEPC exercised that option with the Hartford TIF District application and contracted with EPR, Inc. When the city files further documentation for each phase of development under the Master TIF District Determination process, the Council may further utilize this contractor and the costs for that analysis will be billed to the City.



*"Improve the economic vitality of Vermont and support a diverse, sustainable future for Vermonters"*

As a reminder, Vermont statute (24 VSA §1897(b)) requires that any pledge of credit for financing TIF District infrastructure must include a notice to the taxpayers that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, for whatever reason, including a decrease in the property value or repeal of state property tax source (unless determined otherwise by the General Assembly at the time of such repeal) the municipality shall remain liable for full payment of the principal and interest for the term of the indebtedness.

This notification requirement applies to the debt ceiling vote required by 24 VSA § 1897(a) and any subsequent public vote authorizing a municipal pledge of credit (such as a bond vote).

Please contact my office if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Fred Kenney".

Fred Kenney  
Executive Director

Enclosures

**VERMONT ECONOMIC PROGRESS COUNCIL (FY11-TIF-04)**

Application for Authorization to Utilize Incremental Municipal Property Tax and Incremental State Education Property Tax Revenue for a Tax Increment Financing District:

**TOWN OF HARTFORD:  
WHITE RIVER JUNCTION TIF DISTRICT  
MASTER TIF DISTRICT DETERMINATION, EXCLUSIONS, AND CONDITIONS**

**I. Master TIF District Determination:**

This TIF District application was considered and approved by the Vermont Economic Progress Council (VEPC or Council) utilizing the [Master TIF District Determination Policy and Procedure](#) developed by the Council. This policy and procedure allows for the approval of applications with complex TIF Plans that are expected to proceed in phases or have a great degree of implementation variability. In order for VEPC to consider a Master TIF Plan Determination, the applicant has filed a complete application in accordance with the established application requirements and procedures and provided evidence sufficient for the Council to make positive determinations, demonstrating at least *general* compliance with all approval criteria. Determinations regarding some criteria may be partial and not conclusive. Subsequently, the municipality must file information regarding phases as they are ready to proceed and the phase must be considered and approved, finalizing that portion of the application.

Any references to infrastructure projects, real property development, parcels, values, increments, etc. contained in this document are stated as represented in the Hartford TIF District application submitted on June 13, 2011 (and amended with subsequent filings), considered by the Council on June 23, July 28, and October 27, and which may be adjusted by the subsequent filing of project phases and/or substantial change.

## II. Project Summary:

### A. Description:

On April 5, 2011, the Town of Hartford created a Tax Increment Financing District that is completely within the much larger 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, includes 129 parcels, and represents \$42,519,029 in total original Grand List value (2011). Some parcels (33) are not taxable. The total original taxable value (2011) for the 96 taxable parcels is \$32,426,396. The following compares these figures to the totals for the entire Town of Hartford:

		TIF		Town		Percent of Town
Acres		114		29,434		0.387
Parcels -Total		129		5,449		2.37
Parcels - Taxable		96		5,449		1.76
GL Education Value	Total- Taxable	\$32,426,300	% of Ttl	\$1,381,367,300	% of Ttl	2.347
	Homestead	220,500	00.68	625,118,600	45.25	0.035
	Non-Homestead	32,205,929	99.32	756,248,700	54.75	4.258
	Non-Taxable	10,092,600				
Population		200		9,952		2.0

The majority of the District is zoned "Central Business (CB)," which allows only commercial development on the first floor street front portion buildings and has the following objective:

“To provide for intensive mixed-use development in an area that has been served as Hartford’s commercial center for more than a century. The area is particularly suited to compact development due to the availability of public parking, public water and sewer services, and public transportation. Approved uses should be consistent with the role of the district as an historic, pedestrian-friendly center for retail, business, and tourist activities, public services and high-density housing.”

The portion of the TIF District that is north of the river, along Prospect and Pine Streets is zoned “Central Business 2 (CB2),” has the following objective:

“To provide for intensive mixed-use development and taller buildings in an area that has served as Hartford’s commercial center for more than a century. The area is particularly suited to compact development due to the availability of public parking, public water and sewer services, and public transportation. Approved uses should be consistent with the role of the district as an historic, pedestrian friendly center for retail, business, and tourist activities, public services and high-density housing.”

Small portions of the TIF are zoned Residential 1 (R1) and Residential 2 (R2), which have the following objectives respectively:

(R1) “To encourage predominantly residential development at relatively high densities in established neighborhoods close to the village centers which have public water and sewer services, and are located within easy access to public transit.”

(R2) “To encourage moderately dense and predominantly residential development in established neighborhoods having good access to highways, public transit and public water and sewer services.”

The entire District is served by municipal water, sewer, and wastewater and communications systems are available. However, some of these infrastructure systems require upgrades, as outlined in the application.

**For further information, see:**

[Hartford Growth Center Approval Decision](#)

[Map 5B- Showing Region, Growth Center, Designated Downtown, National Register Historic District and TIF District](#)

[Revised TIF District Map- Approved July 28, 2011](#)

[Table 6G: Parcels in TIF District](#)

[Attachment 6D: TIF Narrative](#)

[Attachment 9A – Zoning Map](#)

[Hartford Zoning Regulations](#)

## B. Infrastructure Projects:

Generally, the infrastructure improvements, which would occur between 2012 and 2016, include:

- **Utility and Infrastructure Improvements:** Significant upgrades to sewer, water, storm water and communication systems are required 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. Unlike any other section of the Town, the Hartford Zoning Regulations delineates a parking zone where property owners can use public on-street and municipal parking lots to meet required parking for permitted commercial and residential uses. This was established in 2008 to facilitate redevelopment of WRJ. Therefore, reconfigured and new parking lots and improved roadways in other sections of the TIF district also will allow for better circulation and will improve the overall conditions of the area.

In brief, the specific improvements are:

1. **North Main Street Reconstruction:** Create sidewalks, pedestrian crosswalks and reduce travel lane width to slow traffic speeds and create additional landscaped areas; upgrade stormwater treatment; relocate and upgrade street lighting; and install street trees, plantings, and street furniture.
2. **South Main Street Reconstruction:** Reconstruct water main, replace deteriorated sidewalk and curbing, and install bus shelter, street trees, benches and lighting in dilapidated section of South Main Street.
3. **Gates Street West:** Replace deteriorated sidewalk and curbing, replace crosswalk striping, and install street trees, benches and lighting.
4. **Gates Street East:** Reconstruct Gates Street roadway base and surface, replace water line, construct new sidewalks and reinforce one-way circulation onto Gates Street.
5. **Currier Street:** Construct water main, reconstruct sidewalk to make handicapped-accessible, tie in roadway to new sidewalk, and add streetscape and trees.
6. **Currier Street Extension:** Construct water main and install plantings and street furniture.
7. **Downtown Park and Parking Lot Improvements:** Improve traffic flow, connectivity between transit, train and parking areas and improve utilization of parking lots with new sidewalk and curbing, curb bump-outs, plantings, traffic and pedestrian signage, lighting and plantings.

8. **Miller Auto/Legion Lot Parking Deck:** Develop three-story, 240-space public parking deck (in conjunction with private development of multi-story mixed-use building) to create retail promenade leading into center of downtown, with public pocket park space/open space also used for stormwater infiltration. Reconstruct stormwater, water and wastewater utilities, and install streetscape, landscaping and street furniture.
9. **Railroad Row Extension and Parking:** Construct turn-around at end of Railroad Row to facilitate train station drop off and pickups; add curbing and extend street to define existing parking spaces, add additional parking, install stormwater management, extend and reconstruct sidewalks, and install streetscape and landscaping
10. **Prospect Street:** In conjunction with developer, realign, reconstruct and extend Prospect Street; upgrade water, wastewater and stormwater systems; underground utilities; install streetscape, landscaping and street furniture; construct sidewalk, riverwalk, and park; and repair riparian buffer.
11. **Maple Street:** Intersection improvements at Prospect Street and Listen driveway to accommodate increased traffic from adjacent developments.
12. **Pine Street:** Reconstruct parking lot; upgrade streetscape, sidewalk, lighting and utilities including stormwater.

Total infrastructure costs, including inflation factors and soft costs are estimated to be \$12.9 million, as detailed below. The applicant estimates about \$2 million in non-TIF funding through a potential CDBG grant and private developer contributions to infrastructure. Related costs, as allowed by statute, are estimated at \$45,000. Total debt is estimated at \$17.9 million, including \$4.9 million in financing costs.

Summary of Infrastructure and Other Costs:

Category:	TIF Costs
Streetscapes	\$119,572
Sidewalks	\$954,108
Roadway/Parking	\$6,792,644
Water	\$1,360,901
Hardscape	\$1,099,998
Northern Area	\$2,631,488
Subtotal	\$12,958,711
Other Costs:	
Financing	\$4,993,362
Related	\$45,000
<b>Total Costs</b>	<b>\$17,997,073</b>

**For further information, see:**

[Attachment 6D – Narrative](#)

[Tables 6H \(Infrastructure\), 6K \(Nexus\), 6O \(Revenue Sources\), 6P \(Debt\), 6R \(Related costs\)](#)

### **C. Real Property Development/Redevelopment:**

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:

1. **Prospect Place:** Redevelopment of deteriorated industrial sites into a 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 run-off 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.
2. **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.
3. **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).
4. **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).
5. **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.

6. **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).
7. **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.
8. **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.

**For further information, see:**

[Attachment 6D: TIF Narrative](#)

[Tables 6K \(Nexus Descriptions\), 6L \(Real Property Developments\), 6CC \(Nexus Table\)](#)

#### **D. Base Grand List Value and Incremental Revenues:**

The base taxable value (OTV- 2011) of the properties expected to be improved because of the TIF is \$10.7 million. The estimated assessed value after the infrastructure improvements and redevelopment is \$73.3 million, for a \$62.5 million incremental value (\$7.4 million homestead and \$55.1 non-homestead). Hartford estimates the generation of \$30.4 million in incremental property taxes during the 20 year retention period (2012 -2032). The applicant is proposing that the maximum allowable 75% of the increment (both municipal and education property tax) go to the TIF District debt and costs, or a total of \$22.7 (\$7.9 million municipal and \$14.8 million EPT). Any amounts beyond what is required to service debt and pay related costs would be returned to the municipal general fund and the education fund. That

amount is estimated to be \$4.8 million. There will be excess revenue in later years because the 75% is required to cover the highest debt service years.

For further information, see:

[Tables 6M \(Incremental Value\)](#), [6N \(Revenue Projections\)](#), [6O \(Summary of Revenue Sources\)](#), [6P \(Summary of Annual Debt\)](#), [6Q \(Cash Flow\)](#)

### III. Summary of Base Value and Revenue:

<b>Base Assessed Value - Total (Original Taxable Value)</b>	<b>\$ 32,426,300</b>
Homestead	\$ (220,500)
Non-Homestead	\$ (32,205,800)
<b>Base Annual PT Revenues - Total (based on Original Taxable Value)</b>	<b>\$ 1,402,404</b>
Municipal	\$ (701,202)
Education Total	\$ (701,202)
Education- Homestead	\$ (4,655)
Education - Non-Homestead	\$ (696,547)

### Summary of Incremental Revenues:

<b>Estimated Incremental Property Tax Revenue – Total</b>	<b>\$ 30,389,010</b>
Municipal Increment	\$ (10,578,884)
Education Increment – Total	\$ (19,810,126)
Education – Homestead	\$ (2,269,796)
Education - Non-Homestead	\$ (17,540,330)
<b>Incremental Revenue Split</b>	
<b>Total Incremental Revenue to Service TIF Debt</b>	<b>\$ 22,791,758</b>
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)
<b>Total Municipal to Municipal General Fund (25%)</b>	<b>\$ 2,644,721</b>
<b>Total Increment to Education Fund</b>	<b>\$ 4,952,532</b>
Education Homestead Increment to Education Fund (25%)	\$ (567,449)
Education Non-Homestead Increment to Education Fund (25%)	\$ (4,385,083)
Infrastructure Costs	\$ 13,000,000
Cost of Financing (Interest)	\$ 5,000,000
<b>Total Debt Service Schedule</b>	<b>\$ 18,000,000</b>
<b>Potential Excess Revenue- Total</b>	<b>\$ 4,791,758</b>
Excess Returned to Municipality	\$ (1,725,032)
Excess Returned to Education Fund	\$ (3,066,726)
<b>Total Revenue to Education Fund During TIF (Base plus 25% of Increment)</b>	<b>\$ 18,976,572</b>
<b>Total Revenue "Lost" from Education Fund to TIF During 20Yr Retention Period (75% of Increment minus Excess)</b>	<b>\$ 11,790,869</b>
<b>Annual Property Tax Revenue After TIF – Total</b>	<b>\$ 2,368,529</b>
Municipal	\$ (817,469)
Education Fund	\$ (1,551,060)

FINAL DETERMINATION

#### **IV. Timeline:**

##### **A. Application Timeline:**

VEPC Staff meeting with Town Officials:	November 3, 2009
Municipal Notice of Intent to Apply Filed:	March 26, 2010
Earliest Date Application Could be Filed:	June 26, 2010
Municipal Notice of Hearing on TIF District Plan:	April 1, 2011
Municipal Hearing(s) on TIF District Creation and Plan:	April 5, 2011
Municipal Legislative Body Vote on TIF District Creation:	April 5, 2011
Municipal Legislative Body Vote on TIF District Plan:	April 5, 2011
TIF Plan Filed and Recorded with Town Clerk:	June 2, 2011
Assessed Values Certified by Town Assessor:	June 7, 2011
TIF District Application Filed with VEPC:	June 13, 2011
Application Certified as Administratively Complete:	June 15, 2011
Council Tour of Town and TIF District	June 23, 2011
Preliminary Review by VEPC	June 23, 2011
Public Comment	June 23, 2011
Continued Review of Application	July 28, 2011
Continued Review of Application	October 27, 2011
Final Determinations Approved by VEPC	December 8, 2011

##### **B. Power and Life of District Timeline:**

Date TIF District Created by Vote of Municipal Legislative Body:	April 5, 2011
Date TIF District Life Began: (12:01 a.m. on):	April 1, 2011
Deadline to Incur Any TIF District Debt (See below for Restriction on Debt to be Financed with Education Property Tax):	March 31, 2031
Deadline to Incur Debt Without Requirement for Re-approval Of TIF District Plan by VEPC:	March 31, 2016
Deadline to Incur Debt That Can be Paid with Incremental TIF District Education Fund Revenues:	March 31, 2016
Period During Which Any TIF Debt Must be Retired:	As Authorized by Select Board
Length of Debt Service for each Debt instrument :	As Authorized by Select Board
Twenty Year Period During Which Incremental Education Property Tax Revenues May be Retained to Finance TIF District Debt:	20 years from the year first TIF debt incurred
Twenty Year Period During Which Incremental Municipal Property Tax Revenues May be Retained to Finance TIF District Debt:	April 1, 2011 – March 31, 2031
Date TIF District Ends	Date/Hour all TIF debt is retired

## **V. TIF District Review Criteria - Summary of Determinations:**

**(For determination detail, see Section VI)**

- A. **Purpose:** The Council determines that the Hartford TIF District meets the statutory purpose of a TIF District as stated in 24 VSA §1893. The Council conditions this determination with a requirement that the annual reporting on this TIF District include job creation data with detailed information on the employers that locate within the TIF District, such as type of business, number of employees, and previous location.
- B. **But For Criteria:** The Council determines that the Hartford TIF District is within a Growth Center designated and approved under 24 V.S.A. § 2793c and, therefore, is deemed to have statutorily met the But For criterion in accordance with 32 VSA §5404a(h)(1).
- C. **Nexus:** The Council determines that for the Hartford TIF District nexus exists between all proposed public infrastructure projects, all parcels, and all expected private sector developments in the Hartford TIF District, as presented in the application. As subsequent phases are submitted, nexus will be reviewed only for any new infrastructure projects, parcels, or real property developments not included in the approved TIF District Plan.
- D. **Proportionality:** The Council determines that proportionality is set at 100% for each infrastructure project as presented in the TIF District application. However, as subsequent phases are submitted, proportionality will be re-examined, including third party technical analysis, if required, only for any new infrastructure projects not included in the approved TIF District Plan.
- E. **Process Criteria:** The Council determines that the Process Criteria as stated in 32 VSA §5404a(h)(2) for a TIF District have been met.
- F. **Location Criteria:** The Council, the Council determines that the Location Criterion as stated in 32 VSA §5404a(h)(3)(B) is met.
- G. **Project Criteria:** The Council determines that the “Need” Project Criterion as stated in 32 VSA §5404a(h)(4)(A), the “Affordable Housing” Project Criterion as stated in 32 VSA §5404a(h)(4)(B), and the “Transportation” Project Criterion as stated in 32 VSA §5404a(h)(4)(E), are met.
- H. **Viability:** The Council determines that the TIF District Plan and TIF Financing Plan, as presented, generally indicate fiscal and market viability.
- I. **TIF District Financing Plan:** The Council determines that the TIF Financing Plan is consistent with the TIF District Plan, as presented. However, this determination is considered partial and the viability and reasonableness of non-bonded debt will be determined as subsequent project phases are filed by the Town of Hartford.

## VI. TIF District Application Review Criteria: Criteria Detail

### A. Purpose (24 VSA §1893):

*“(a) Upon a finding that such action will serve the public purposes of this subchapter, the legislative body of any municipality may create within its jurisdiction, special district or districts to be known as tax increment financing districts. They shall describe the district by its boundaries and the properties therein and shall show the district boundary on a plan entitled “Proposed Tax Increment Financing District (municipal name), Vermont.” The legislative body shall hold one or more public hearings, after public notice, on the proposed plan.*

*(b) When adopted by the act of the legislative body of that municipality, the plan shall be recorded with the municipal clerk and lister or assessor.*

*(24 VSA §1892)*

*“...to provide revenues for improvements that serve the district and related costs, which will stimulate development or redevelopment within the district, provide for 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)*

#### **Evidence:**

[Attachment 4A: Statement of Purpose](#)

[Attachment 4B: Select Board Finding](#)

[Table 4D: Estimated Employment within TIF District at Application](#)

**“provide revenues:”** The municipality projects that during the 20 year retention period (estimated to be 2012-2032 because Hartford plans to incur first debt in 2012, which triggers the retention period), the development that is expected to occur will generate a total of \$30.4 million in incremental property tax revenues. The municipality proposes to split the incremental revenues with 75% going to service the TIF infrastructure debt and 25% going to the taxing authorities (municipality and the education fund). At this rate, and based on the projected build out schedule, \$22.7 million in incremental revenues would be generated to service TIF infrastructure debt and pay related costs during the 20-year retention period. The total debt service and related costs are estimated to be \$18 million.

[Tables 6M \(Incremental Value\), 6N \(Revenue Projections\), 6Q \(Cash Flow\)](#)

See also, summary of revenues on page 8 of this document.

**“improvements that serve the District:”** The public investments to be funded through the TIF represent an inter-related series of investments located entirely within the TIF District that Hartford states are necessary to enable the planned

developments within the TIF District. Therefore, all of the planned public investments – and 100% of the public investment cost contemplated in the TIF District Plan - are considered by the town to directly serve the WRJ TIF District. The Capital Improvement Plan in the [White River Junction Downtown Revitalization Plan](#), which is the foundation document for the TIF District Plan, contains detailed cost estimates for most of these improvements, and documents the relationships between these improvements and the planned development projects. Three private developments requiring municipal investment (see Prospect Place, Pine Street, and Listen Development/Maple Street projects in Attachment 6L) have worked with the Town of Hartford to identify the stumbling blocks to development in the northern portion of the TIF District.

[Attachment 6D](#) – Narrative, [Table 6K](#) (Nexus Descriptions), [Table 6L](#) (Real Property Developments), [Table 6CC](#) (Nexus Table)

**“stimulate development and redevelopment within the District:”** The projected development that is expected to occur within the TIF District includes mixed use development as allowed by zoning. The plans include the redevelopment of deteriorated industrial sites into mixed-use buildings with retail at street level, offices on second and third floors, and residential on fourth floors, a new 320 seat capacity, 45,000 sf theater, the redevelopment of a hotel, and several other commercial, retail, and residential projects. The application includes a cross-reference of the infrastructure that is required for each project and testimony was also provided at the June 23 hearing regarding the need for public infrastructure for these projects to occur.

[Attachment 6D](#) – Narrative, [Table 6K](#) (Nexus Descriptions), [Table 6L](#) (Real Property Developments), [Table 6CC](#) (Nexus Table), [Public Testimony of Developers](#) (See July 23 testimony)

**“provide for employment opportunities:”** Hartford currently has over 6,555 employees in 570 establishments (data was not available for 48 manufacturing and wholesale trade establishments within Hartford). This plan allows for the potential development of up to 550,000 SF of different types of new and renovated commercial space over the next 20 years. It is expected that these spaces will be filled by growing local businesses as well as new businesses moving into the area. In addition to providing these general office and retail opportunities, the TIF investments will directly enable development of the Northern Stage project, which will provide employment in arts administration and associated functions. Northern Stage Theater has been in downtown White River Junction for the past 10 years and been a force in recent revitalization efforts. In order for it to grow, it needed a new home and decided to buy their building to stay in WRJ. Northern Stage is part of an array of businesses and venues that have given White River Junction local and

regional recognition in recent years as a center for the arts. These include the Center For Cartoon Studies, Main Street Museum, galleries, print making, Felix's Costumes, artist studios, and yoga centers.

**Table 4D (Current Employment)**

**“improve and broaden the tax base and enhance general economic vitality of the municipality, the region, or the state.”** As a result of the implementation of the TIF District and the resultant development, the tax base will expand over the next twenty years and Hartford and the State will gain in new tax revenues. Prior to the TIF, the annual base of property tax revenue from the TIF District going to Hartford and the Education Fund is \$1.4 million per year. During the 20-year TIF retention period, because of the 75/25 share of the increment, an estimated \$2.6 million in total incremental property tax revenues will go to the municipality and \$4.9 million to the Education Fund. After the retention period, the annual property tax revenue to the municipality and the education fund will be approximately \$2.4 million (+1 million annually). The added commercial and retail activity will also provide additional state tax revenues through income, sales and use and payroll taxes. The White River Junction TIF District plan will strengthen the community's economic function as a hub of economic and cultural activity in the Town and the Upper Valley as a region. Making the investments in this TIF District Plan will enable redevelopment and repurposing of blocks of the downtown to support contemporary development, economic activity, and uses within the context of the historic downtown. The Northern Stage project, in particular, will expand on the current arts-based focus for the Town and region. Northern Stage anticipates Town and regional economic benefits of having a major regional facility in White River Junction.

**Tables 6M (Incremental Value), 6N (Revenue Projections), 6Q (Cash Flow)**

**Determination to be made:**

Does the TIF District meet the purpose defined by statute in that it will generate incremental revenues sufficient to finance public infrastructure that serves the District and which stimulates real property development that will add jobs, broaden the tax base, or enhance the general economic vitality of the municipality, region, or state?

**Determination:**

**Based on the Hartford TIF District Plan and TIF Financing Plan as presented, and testimony before the Council, the Council determines that the Hartford TIF District meets the statutory purpose of a TIF District as stated in 24 VSA §1893. The Council conditions this determination with a requirement that the annual reporting on this TIF District include job creation data with detailed information on the employers that locate within the TIF District, such as type of business, number of employees, and previous location.**

FINAL DETERMINATION

## TIF District Application Review Criteria: Criteria Detail (Cont.)

### **B. But For: (32 VSA §5404a(h)(1))**

*“Review each application to determine 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. A district created in a designated growth center under 24 V.S.A. § 2793c shall be deemed to have complied with this subdivision. The review shall take into account:*

*(A) The amount of additional time, if any, needed to complete the proposed development within the tax increment district and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing.*

*(B) How the proposed development components and size would differ, if at all, without education property tax increment financing.*

*(C) The amount of additional revenue expected to be generated as a result of the proposed development; the percentage of that revenue that shall be paid to the education fund; the percentage that shall be paid to the municipality; and the percentage of the revenue paid to the municipality that shall be used to pay the municipal tax increment bonds.”*

### **Evidence:**

[Growth Center Designation](#)

[Downtown Designation](#)

[Designations Map](#)

### **Determination to be made:**

Is the TIF District completely within a Designated and Approved Growth Center and, therefore, is statutorily deemed to have met the But For criterion?

### **Determination:**

**The Council determines that the Hartford TIF District is within a Growth Center designated and approved under 24 V.S.A. § 2793c and, therefore, is deemed to have statutorily met the But For criterion in accordance with 32 VSA §5404a(h)(1).**

## TIF District Application Review Criteria: Criteria Detail (Cont.)

### C. Nexus: (VSA 24 §1897)

*“ The legislative body may pledge and appropriate in equal proportion any part or all of the state and municipal tax increments received from properties contained within the tax increment financing district for the **financing for improvements and for related costs in the same proportion by which the infrastructure or related costs directly serve the district at the time of approval of the project financing by the council, and in the case of infrastructure essential to the development of the district that does not reasonably lend itself to a proportionality formula, the council shall apply a rough proportionality and rational nexus test...**”*

#### **Evidence:**

##### [TIF Nexus Map](#)

Table 6K: [Infrastructure Nexus Information](#)

Table 6L: [Real Property Development Projects](#)

Table 6CC: [Real Property Development Nexus](#)

#### **Determination to be made:**

Is there a connection, or nexus, between one or more of the public infrastructure projects proposed to be financed with TIF revenue and each of the expected real property developments that will generate the incremental revenue to pay for the infrastructure and between the public infrastructure projects proposed and the parcels included in the TIF District?

#### **Determination:**

All of the projected infrastructure projects are within the TIF District. Hartford has provided evidence ([Attachment 6D](#) , [Table 6K](#), [Table 6L](#) [Table 6CC](#)) of the relationships between the planned public infrastructure improvements and the expected real property development within the TIF District. They explain how the infrastructure is directly and indirectly linked to each real property development project, how it will serve the development, and is essential for the development to occur. The improvements are also required to achieve the overall goals of the TIF District as expressed in the [Purpose Statement](#).

Therefore, based on the Hartford TIF District Plan and TIF Financing Plan as presented, and testimony before the Council, the Council determines that nexus exists between all proposed public infrastructure projects, all parcels, and all expected private sector developments in the Hartford TIF District.

## TIF District Application Review Criteria: Criteria Detail (Cont.)

### **D. Proportionality (24 VSA §1897)**

“ The legislative body may pledge and appropriate in equal proportion any part or all of the state and municipal tax increments received from properties contained within the tax increment financing district for the *financing for improvements and for related costs in the same proportion by which the infrastructure or related costs directly serve the district at the time of approval of the project financing by the council, and in the case of infrastructure essential to the development of the district that does not reasonably lend itself to a proportionality formula, the council shall apply a rough proportionality and rational nexus test...*”

#### **Evidence:**

Table 6H: [Infrastructure Project Costs](#)

Table 6K: [Infrastructure Nexus Information](#)

Table 6L: [Real Property Development Projects](#)

Table 6M: [Real Property – Incremental Value](#)

#### **Determination to be made:**

What portion of infrastructure costs should be paid with TIF revenue?

#### **Determination:**

Hartford has proposed that 100% of all infrastructure project costs be covered by TIF revenue. The Town provided narrative evidence and data to support their position. Council analysis determined that each project is located within the District and will directly serve the District. Therefore, based on the Hartford TIF District Plan and TIF Financing Plan as presented, and testimony before the Council, the Council determines that proportionality is set at 100% for each infrastructure project as presented in the TIF District application. However, as subsequent phases are submitted, proportionality will be re-examined, including third party technical analysis, if required, only for any new infrastructure projects not included in the approved TIF District Plan.

In accordance with the [Proportionality Policy and Procedure](#) adopted by the Council, the Council expects that the Town of Hartford will utilize any and all non-TIF revenue funding to offset the total costs of the infrastructure costs and to continue to pursue any further non-TIF funding that may be available or become available during the life of the TIF. At the time of approval, the Town anticipated the utilization of a \$139,000 CDBG grant to offset the total costs of the Prospect Street project. Additionally, as project development progresses, the

Town anticipated negotiating a cost share with the private developers involved in the Prospect Street and Miller projects.

## TIF District Application Review Criteria: Criteria Detail (Cont.)

### **E. Process Criteria: (32 VSA §5404a(h)(2))**

*“Process requirements. Determine that each application meets all of the following four requirements:*

*(A) The municipality held public hearings and established a tax increment financing district in accordance with 24 V.S.A. §§ 1891-1900.*

*(B) The municipality has developed a tax increment financing district plan, including: a project description; a development financing plan; a pro forma projection of expected costs; a projection of revenues; a statement and demonstration that the project would not proceed without the allocation of a tax increment; evidence that the municipality is actively seeking or has obtained other sources of funding and investment; and a development schedule that includes a list, a cost estimate, and a schedule for public improvements and projected private development to occur as a result of the improvements.*

*(C) The municipality has approved or pledged the utilization of incremental municipal tax revenues for purposes of the district in the same proportion as the utilization of education property tax revenues approved by the Vermont economic progress council for the tax increment financing district.*

*(D) The proposed infrastructure improvements and the projected development or redevelopment are compatible with approved municipal and regional development plans, and the project has clear local and regional significance for employment, housing, and transportation improvements.”*

### **Evidence:**

Based on the evidence provided in the application, as indicated below with a checkmark, the Council has determined that all process criteria have been met. All required steps were taken prior to submitting this application. A public hearing was properly warned and held. The TIF District Plan includes all required elements. The municipality has certified that it is pledging the same ratio (75%) of incremental municipal property taxes as requested from incremental education property taxes. The municipality and regional planning commission certify, and the plans submitted support, that the proposed infrastructure improvements and the projected development are compatible with the approved municipal and regional development plans, and the project has clear local and regional significance for employment, housing, and transportation improvements.

- ✓ Copy of municipal [public hearing notice](#), [agenda](#), [minutes](#).
- ✓ Copy of [municipal finding of purpose](#).

- ✓ [Physical description](#) and a [map of TIF District](#), and [listing of properties within District](#).
- ✓ Copy of minutes of municipal legislative body meeting at which TIF District plan was adopted. See minutes above.
- ✓ [Copy of certification of original taxable value](#) including date and time established and certified.
- ✓ [Certification that plan was recorded including a copy of TIF District Plan](#), which must include:
  - ✓ A map of the municipality with the TIF District indicated.
  - ✓ A description of the district by its boundaries and properties located within the District.
  - ✓ Statement of costs and sources of revenue, including sources other than incremental tax revenues.
  - ✓ Estimates of assessed values within the District.
  - ✓ Estimated tax increments in each year.
  - ✓ Amount of bonded indebtedness to be incurred.
  - ✓ Duration of the plan.
  - ✓ Amount of additional revenue expected to be generated as a result of the proposed development, and:
    - The percentage of that revenue that will be paid to the education fund.
    - The percentage of that revenue that will be paid to the municipality.
    - The percentage of that revenue that will be paid to the municipality and used to pay the municipal tax increment bonds.
  - ✓ A general project overview.
  - ✓ A detailed project description, including:
    - Bonding and other debt instrument approval and financing schedules.
    - Infrastructure development schedule including description, costs, and build out schedule.
    - Development and redevelopment schedule including description, costs, and information on who will accomplish development.
  - ✓ Pro forma projection of related costs that will be paid for by incremental tax revenues including description and amounts. Should include any payments to a designated coordinating agency and any costs incurred prior to approval that will be recouped by the municipality.
  - ✓ Evidence that the municipality is seeking or has obtained other sources of funding and investment.
- ✓ [Written statement from top municipal official stating whether the projected development and/or redevelopment are compatible with municipal plan.](#)
- ✓ Copies of relevant sections of [municipal plan](#) with which project is compatible.
- ✓ A written explanation from top municipal official describing how the project has clear [local significance for employment, housing, and transportation improvements](#).
- ✓ Written [confirmation by appropriate regional planning commission](#) explaining how the projected development and/or redevelopment is compatible with approved regional plan and an explanation of how the project has clear regional significance for employment, housing and transportation improvements.
- ✓ Copies of relevant sections of the [regional plan](#).

- ✓ Written explanation from top municipal official indicating whether additional local or state [permits](#) will be required for the project, which permits will be required and a timeline for approval of the permits.

**Determination to be Made:**

Were all statutory steps taken by municipality to create a TIF plan and a TIF District, including public input? Are all required elements included in the TIF Plan? Has the municipality approved or pledged the utilization of incremental municipal tax revenues for purposes of the district in the same proportion as the utilization of education property tax revenues approved by the Council for the tax increment financing district? Are the proposed infrastructure improvements and the projected development or redevelopment compatible with approved municipal and regional development plans, and does the project have clear local and regional significance for employment, housing, and transportation improvements?

**Determination:**

**Based on the Hartford TIF District Plan and TIF Financing Plan as presented, and testimony before the Council, the Council determines that the Process Criteria as stated in 32 VSA §5404a(h)(2) for a TIF District have been met.**

## TIF District Application Review Criteria: Criteria Detail (Cont.)

### F. Location Criteria: (32 VSA §5404a(h)(3))

*"Location criteria. Determine that each application meets one of the following criteria:*

*(A) The development or redevelopment is compact, high density, and located in or near existing industrial areas.*

*(B) The proposed district is within an approved growth center, designated downtown, designated village center, or new town center.*

*(C) The development will occur in an area that is economically distressed, which for the purposes of this subdivision means that the area has experienced patterns of increasing unemployment, a drop in average wages, or a decline in real property values."*

### **Evidence:**

**Attachment 5A:** [Approval of Downtown Designation](#)

**Attachment 5B:** [Map showing Designated Downtown](#) boundaries and TIF District boundaries, which are the same.

**Attachment 6E:** [Map showing Designated Downtown, Growth Center and TIF Boundaries](#)

**Attachment 6F:** [Map showing TIF Boundaries Revised TIF District Map- Approved July 28, 2011](#)

### **Determination to be made:**

Does the TIF District meet one of the statutory location criteria?

### **Determination:**

The Council reviewed the Growth Center designation and the maps submitted with the application and requested a review of both boundaries by an ACCD GIS professional and confirmation by ACCD Vermont Downtown staff that boundaries are the same. Based on the Hartford TIF District Plan and TIF Financing Plan as presented, the Council determines that the Hartford TIF District is wholly within a Growth Center designated and approved under 24 V.S.A. § 2793c, and therefore the Location Criterion as stated in 32 VSA §5404a(h)(3)(B) is met.

## TIF District Application Review Criteria: Criteria Detail (Cont.)

### **G. Project Criteria: (32 VSA §5404a(h)(4))**

*“Project criteria. Determine that the proposed development within a tax incentive financing district will accomplish at least three of the following five criteria:*

*(A) The development within the tax increment financing district clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures.*

*(B) The development includes new housing that is affordable to the majority of the residents living within the municipality and is developed at a higher density than at the time of application. “Affordable” has the same meaning as in 10 V.S.A. § 6001(29).*

*(C) The project will affect the mitigation and redevelopment of a Brownfield located within the district. For the purposes of this section, “Brownfield” means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.*

*(D) The development will include at least one entirely new business or business operation or expansion of an existing business within the district, and this business will provide new, quality, full-time jobs that meet or exceed the prevailing wage for the region as reported by the department of labor.*

*(E) The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.”*

**The Hartford TIF District application addressed Project Criteria A, C, and E:**

**Project Criteria A:** *“The development within the tax increment financing district clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures.”*

#### **Evidence:**

Attachment 8A: [“Public Investment” narrative](#)

Tables [8B](#), [8C](#), and [8D](#): Municipal and Capital Budget and debt data

#### **Determination to be made:**

Does the infrastructure development require substantial public investment over and above the normal municipal or bonded debt expenditures of the town?

## **Determination:**

According to data published by the Department of Taxes, PVR, Hartford's 2010 Education Homestead effective tax rate (\$1.3149) is average for Windsor County. Their 2010 non-residential effective tax rate (\$1.366) is also average for Windsor County. Their municipal effective tax rate (.6971) is above average for the county and is among the four highest in Windsor County.

The current annual municipal budget (which includes general operating, school, and all other municipal budgets) is \$44.3 million and averaged \$37.7 million over the past ten years (See [Table 8B](#)). The current annual capital budget is \$225,000 and the ten year average is \$107,000 (See [Table 8C](#)). The current annual level of debt serviced by Hartford voters is \$1.4 million and has averaged \$1.5 million per year since 2002 (See [Table 8D](#)).

The total infrastructure costs in the application, including cost of financing, are \$18 million or about \$900,000 per year for 20 years. If the infrastructure costs outlined in the TIF application were added to the Town's capital plan or normal debt service, that would add another 2% to the Town's municipal budget, or a 65% increase to the capital budget, and would quadruple the current debt service annually.

The Council's third party technical analysts provided [further analysis](#) (See pages 9-17) of the Town's budget and debt load, including per capita comparisons to similar municipalities. They concluded:

"Overall, the data above generally support the Town's contention that these TIF District infrastructure expenditures are beyond the capacity of the Town to undertake without the TIF District tool. The data indicate the Town does have relatively high tax rates, expenditure burden levels, and debt levels and does not appear to be in a position to undertake investments of this scale without placing a very large additional fiscal burden on the Town's taxpayers. Considering those relatively high debt levels and high tax rate burdens, infrastructure development expenditures on this scale would in fact represent a substantial public investment over and above the normal municipal or bonded debt expenditures without approval of the Town's TIF District. Therefore, EPR finds that the Council could make a positive finding on the "need criterion" for this application."

**Therefore, based on the Hartford TIF District Plan and TIF Financing Plan as presented, and testimony before the Council, the Council determines that the Project Criterion as stated in 32 VSA §5404a(h)(4)(A) is met.**

**Project Criteria C:** *“The project will affect the remediation and redevelopment of a brownfield located within the District. For the purposes of this section, “brownfield” means an area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.”*

**Evidence:**

[Attachment 8H – Narrative](#)

[Brownfields Site Map](#)

[Brownfields Certification](#)

[Brownfields Phase II Supplemental Site Investigation](#)

**Determination to be made:**

Is there an area in the TIF District in which a hazardous substance, pollutant, or contaminant is or may be present that is likely to complicate the expansion, development, redevelopment, or reuse of the property, and will one of the proposed projects cause the remediation and redevelopment of that site?

**Determination:**

The Town has identified the Prospect Place project and the Pine Street Redevelopment project (designated as Development Areas A and E on the Brownfield Site Map) as potential brownfield sites. The application includes a certification from the Sites Management Section of the Vermont Department of Environmental Conservation (DEC) which states, “Environmental sampling has been conducted on the downgradient site which indicated that there was an indication of contaminated groundwater migrating onto the site from the Pine Street parcels. Historic information shows that petroleum above ground storage tanks were located on the Pine Street parcels upgradient of the area of groundwater contamination present at (the site).”

The application also includes a November 2010 Phase II Supplemental Site Investigation report by the Johnson Company, who was contracted by Vermont DEC to conduct an assessment of the area. The report indicates multiple contaminants in the area and recommends that a Corrective Action Feasibility Investigation and Corrective Action Plan be developed.

The Town and the regional development corporation have received a grant to develop a remediation plan for both sites. The Prospect Street redevelopment project included in the TIF District Plan includes remediation of these brownfields as part of the development of Prospect Street and Pine Street. The costs of actual remediation will likely be borne by the developers and is not included as an infrastructure cost.

**Therefore, based on the Hartford TIF District Plan and TIF Financing Plan as presented, and testimony before the Council, the Council determines that the Project Criterion as stated in 32 VSA §5404a(h)(4)(C) is met.**

**Project Criteria E:** *“The development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation systems.”*

**Evidence:**

**Attachment 8L:** [Transportation narrative](#)

**Attachment 8M:** [Transportation Grants History](#)  
[White River Revitalization Plan](#)

**Determination to be made:**

Will the public infrastructure projects and the overall TIF development create improved traffic patterns and flow or create improved public transportation systems?

**Determination:**

The TIF District Plan includes an array of transportation improvements designed to facilitate improved traffic, pedestrian, and bicycle access and movement in and through the Designated Downtown and Growth Center areas. The majority of these improvements are discussed in the [White River Junction Village Revitalization Plan](#), which includes a Parking Infrastructure and Mobility Assessment. The Street and Sidewalk Assessment in the Plan (see pages 24 to 35) and Parking Assessment (see pages 36 to 55) found specific circulation, parking and pedestrian issues that are limiting downtown mobility, traffic flow, and redevelopment opportunities. The improvements recommended are now part of the Town’s Capital Improvement Program and this TIF District Plan.

In addition to the Revitalization Plan, the developer of the Prospect Place project completed a traffic analysis for Maple Street, which concluded that a roundabout will be needed that will significantly increase circulation and the capacity of existing traffic and future growth related to the Prospect Place and the adjacent Listen site projects.

Extensive street reconstruction and streetscape enhancements, including new and improved sidewalks, are planned throughout the TIF District to connect redeveloped sites to each other and to key nodes within the downtown. The street improvements and parking expansions are intended to address long-standing demands from existing businesses and potential developers.

WRJ is also home to an active passenger rail station which serves the region for both Vermont and New Hampshire. Planned improvements along Railroad Row include a multi-model terminus linking rail with local bus service provided by Advance Transit

and long distance bus service provide by Greyhound. As more properties redevelop, bringing in more business, opportunities for ridership will increase and likely increase transit service.

The Council's [technical analysts further examined](#) whether the proposed transportation projects and the TIF will improve traffic patterns and flow or create improved public transportation systems (see pages 17-19). They concluded:

“...the transportation projects that would be funded with revenue generated by the TIF district would clearly enhance the transportation system within the TIF district. The assessment notes that the sidewalk, streetscape and crosswalk projects would enhance circulation for pedestrians between the mix of retail, office and residential uses in the TIF district. A well designed and continuous pedestrian network will also enhance multimodal access and circulation by making the public on and off-street parking supply more accessible and usable to businesses in the TIF district and by providing access to and from transit service. The roadway projects include reducing the width of excessively wide travel lanes to be consistent with State of Vermont roadway design standards within a downtown. These modifications will help reduce travel speeds and will therefore enhance safety for pedestrians and motorists. RSG also noted that the roadway projects also include “bulbouts” at several intersections which, in addition to reducing the crosswalk distance for pedestrians, improve corner sight distances for motorists and thereby improve pedestrian safety. As a result, the EPR Team recommends that the VEPC Board could make a fully-supported positive finding on this TIF District application criterion. The transportation, parking and related projects if executed as planned, will improve traffic patterns and flows within the TIF District, improve pedestrian safety, and will also potentially improve and possibly result in the expansion of existing transit systems in the area.”

**Therefore, based on the Hartford TIF District Plan and TIF Financing Plan as presented, and testimony before the Council, the Council determines that the Project Criterion as stated in 32 VSA §5404a(h)(4)(E) is met.**

## TIF District Application Review Criteria: Criteria Detail (Cont.)

### **H. Viability:**

While not a criterion explicitly required in statute to be met for TIF approval, determining if the TIF District has fiscal and market viability is an implied and prudent task for the Council.

### **Evidence:**

Tables [6N](#), [6O](#), [6P](#), and [6Q](#): Revenue Data

Attachment 6D Addendum: [Market Viability Statement](#)

[Testimony](#) (See June 23)

### **Determination to be made:**

Will the proposed private sector development generate sufficient tax revenues to cover the costs of infrastructure? What is the likelihood that the proposed development /redevelopment can occur at the scope and timeline presented?

### **Determination:**

As discussed in other sections, Hartford's projections - based on their assumptions regarding the scope and schedule of the real property development, tax rates, revenue split percentage (75/25%), infrastructure costs, and financing costs and terms - appear to generate incremental revenues sufficient to service the debt to be incurred to build the proposed infrastructure projects. Therefore, the application appears to be fiscally viable.

The Council heard several witnesses testify to the readiness and willingness of developers to begin and implement development and redevelopment projects in the District if the infrastructure is developed. However, with the exception of the theater project, the testimony does not speak to the marketability of the many proposed retail, commercial and residential projects.

The Council contracted with a third party analyst to review the data provided in the application and the assumptions made by the municipality to provide a recommendation to the Board regarding viability from both the fiscal and market viability perspectives. The analysts concluded:

"the... review team maintains that the development time line remains aggressive and that, while reasonable, the cost projections are still subject to considerable uncertainty, those concerns could in our opinion be effectively managed by utilizing the Master TIF review and approval process adopted by the VEPC Board at its May 20, 2011 Board meeting...that approach would enable the Board to receive additional and updated information and financial data for each infrastructure development component as each component comes closer to actual development. At that point, there is likely to be firmer and more accurate cost and expenditure information available for

review and analysis. Also at that point, the VEPC Board will also be able to get a better reading on Town-private sector cost sharing arrangements and selected method of financing (e.g. through the Bond Bank and/or other financing tools). This approach also seems to be the most prudent course in the aftermath of Tropical Storm Irene. Many of the variables that will impact both the cost and the revenue side of the TIF financial plan will likely be impacted for years as the state and many communities within the state recover from that devastating storm.”

**Therefore, based on the Hartford TIF District Plan and TIF Financing Plan as presented, and testimony before the Council, the Council determines that the TIF District Plan and TIF Financing Plan, as presented, and to the extent that a determination can be made, is fiscally viable and has reasonable market viability, generally indicates fiscal and market viability.**

# TIF District Application Review Criteria: Criteria Detail (Cont.)

## I. TIF Financing Plan (24 VSA §1894(c))

*“(c) Prior to requesting municipal approval to secure financing, the municipality shall provide the council with all information related to the proposed financing necessary for approval and to assure its consistency with the plan approved pursuant to 32 V.S.A. § 5404a(h). The council shall also assure the viability and reasonableness of any proposed financing other than bonding and least-cost financing.”*

### **Evidence:**

Tables [6N](#), [6O](#), [6P](#), and [6Q](#): Revenue Data

### **Determination to be made:**

Is the TIF Financing Plan is consistent with the TIF Plan.

Secondarily, if the municipality is using debt other than bonding, is the project financing viable and reasonable.

### **Determination:**

Hartford is requesting that the Council consider the TIF Plan and their TIF Financing Plan concurrently.

Hartford anticipates that debt will be incurred and funds begun to be expended under the TIF within five years. The financial plan currently indicates use of bonding for all of the identified infrastructure projects. The Town of Hartford does not bond directly but participates with the Vermont Bond Bank. According to the town, its bond rating, according to Fitch is AA, and according to Moody's is Aa3; both are considered "High Grade" in credit worthiness. Given that the Town currently has relatively low debt and it has attained national Comprehensive Annual Financial Reporting (CAFR) status, the Vermont Bond Bank Director has informed the Town that they are likely to be viewed in good standing. Thus, seeking bonds (at least initially) could be the best debt instruments for making the TIF investments.

Over the life of the TIF District, the Town estimates total payments of \$18 million to retire all of the debt incurred for all the projected TIF projects. The debt is expected to be retired by 2032 at the latest. The Town projects incremental revenues of approximately \$22.7 million over the 20-year collection period, providing a \$4.7 million surplus over what is required to retire the TIF project debt.

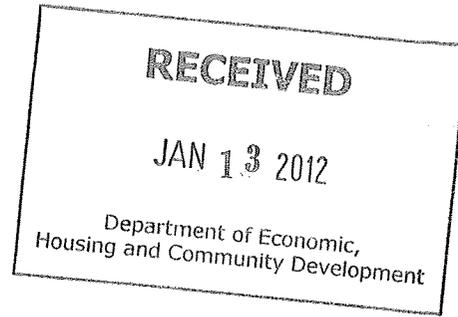
Based on the Hartford TIF District Plan and TIF Financing Plan as presented, and testimony before the Council, the Council determines that the Hartford TIF Financing Plan, as presented, is consistent with the Hartford TIF District Plan. However, because of the level of uncertainty in the Financial Plan, such as the types of debt instruments to be utilized, the Council considers this a partial determination and requires that the town file project phases under the Master TIF Determination procedure. The viability and reasonableness of non-bonded debt will be determined as subsequent project phases are filed by the Town of Hartford.

### **Approval of TIF District Plan and TIF Financing Plan Submitted by the Town of Hartford:**

*Therefore, in accordance with the [Master TIF Determination Policy and Procedure](#) adopted by the Council, on December 8, 2011 the Vermont Economic Progress Council voted 8-0-0 to approve the Hartford TIF District Plan and TIF District Financing Plan and authorized the TIF District to utilize incremental property tax revenues to finance public infrastructure debt incurred for the Hartford TIF District, as described and conditioned above and subject to the following:*

- *No request was made to approve any specific project development phases concurrently with the Master Determination and therefore, none have been approved.*
- *The Council has determined that the following approval criteria are met:*
  - *Statutory Purpose*
  - *But For Criteria*
  - *Nexus*
  - *Proportionality*
  - *Process Criteria*
  - *Location Criteria*
  - *Project Criteria: Need*
  - *Project Criteria: Brownfields*
  - *Project Criteria: Transportation Enhancements*
  - *Market Viability*
- *Each subsequent development phase must be consistent with the approved TIF District Plan and TIF Financing Plan and, if appropriate to the phase, address the following criteria which were partially approved:*
  - *Financial Plan*
- *Each subsequent development phase filing must include, at a minimum:*

- *Identification of the infrastructure project(s) included in the phase, including description, cost, construction schedule, and proportionality information;*
- *Identification of the real property development(s) included in the phase;*
- *Identification of the type and amount of debt that will be incurred for the phase, including financing costs;*
- *The anticipated schedule for a public vote on the debt for the phase; and*
- *Recalculation of the TIF debt and revenue spreadsheets to reflect the impact of the actual data from the phase (Tables 6M, 6N, 6O, 6P, 6Q, 6AA, and 6BB).*
- *If the phase information includes a substantial change from the approved TIF Plan/TIF Financing Plan, the municipality must also address that change by following the [Policy and Procedure for Substantial Change to an Approved TIF Plan](#).*
- *Based on the Hartford TIF District Plan and TIF Financing Plan as presented, the Council anticipates that in accordance with 24 VSA §1987(a), the Town of Hartford will seek a vote by the legal voters of the municipality to authorize the legislative body of the municipality to pledge the credit of the municipality up to a specified maximum dollar amount for all debt obligations to be financed with incremental property tax revenues, pursuant to this approval. Based on this approval, the dollar amount is expected to be approximately \$18,000,000, including the cost of debt financing. Further, in accordance with 24 VSA §1897(b), this pledge and any subsequent pledge of credit for financing TIF infrastructure shall include a notice that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, for whatever reason, including a decrease in property value or repeal of a state property tax source, unless determined otherwise at the time of such repeal, the municipality shall remain liable for full payment of the principal and interest for the term of indebtedness.*



**HARTFORD TAX INCREMENT FINANCING DISTRICT  
CERTIFICATION DOCUMENT**

**CERTIFICATION OF UNDERSTANDING:** We, the undersigned, have read the “Master TIF District Determination, Exclusions, and Conditions” document and the applicable Vermont statute and certify that we understand the determinations, conditions, and exclusions made by the Vermont Economic Progress Council pursuant to the “Master TIF District Determination Policy and Procedure,” and the requirements of Vermont statute contained in 32 VSA §5404a(h) and 24 VSA §§ 1891 – 1901 and 32 VSA §§ 5404a(f)-(j).

We hereby accept the determinations, conditions and exclusions upon which this authorization for the utilization of incremental property tax revenue to finance TIF District infrastructure are based, and assure that the Town of Hartford will abide by these conditions and exclusions, the applicable provisions of Vermont statute, and any current or future rules promulgated for the Tax Increment Financing District program by the Vermont Economic Progress Council, Vermont Department of Taxes, or other state agency or entity.

We further certify our understanding that in case any of the public officials of the municipality whose signatures appear on this certification and/or the TIF District application shall cease to be such officials before the end of the life of the TIF District, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such officials had remained in office.

**Signature 1:**

Signature of Elected Official:	X <i>Alex DeFelice</i>
Printed Name:	Alex DeFelice
Title:	Chairman, Board of Selectmen
Date:	1/4/12

**Signature 2:**

Signature of Town Officer:	X <i>Hunter J. Rieseberg</i>
Printed Name:	Hunter Rieseberg
Title:	Town Manager
Date:	1/4/12

**ASSIGNMENT OF REPORTING RESPONSIBILITY**

Please indicate below whom will be responsible for completing and filing the annual TIF District report required by 24 VSA §1901.

Name:	Lori Hirshfield
Title:	Director, Dept of Planning and Development Services
Mailing Address:	171 Bridge Street, White River Junction, VT 05089
Phone:	802-295-3075
Fax:	802-295-6382
Email:	lhirshfield@hartford-vt.org