

Program Overview

The sales tax reallocation program provides tax incentives to encourage new construction projects in Vermont's 24 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.

New Hotels and Housing Draw More Visitors Downtown

Constructing new buildings in Vermont's downtowns is not easy. The sales tax reallocation program often provides key funding to make these development projects pencil out while ensuring projects are compatible. This includes 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. In Montpelier, a new transit center and mixed-income housing development recently opened thanks to support from the program.

By the Numbers [2021 - 2025]

 **8** projects awarded

 **5** communities served

 **\$3.5m** awarded in reallocated sales tax

 **\$229m** in private investment



Hartford, Vermont
The Village at White River Junction

In White River Junction, infill development of a five-story, 80-unit senior living/memory care facility was recently completed. To support this project, the Town of Hartford completed major infrastructure improvements along Currier and Gates Streets, including utility upgrades, paving and sidewalks to improve vehicle and pedestrian safety, exterior lighting, landscaping, and storm water drainage.

Total Project Cost: \$27,000,000
Sales Tax Reallocation: \$305,642



St. Albans, Vermont
Hampton Inn

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.

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

For more information, please contact:
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