

## Program Overview

The Vermont Downtown Program is a Main Street America Coordinating Program that helps support community revitalization while preserving the historic character and enhancing the future of medium to large-sized historic centers. Since 1999, Downtown Designation has provided communities with financial incentives, training and technical assistance supporting local efforts to restore historic buildings, improve housing, design walkable communities, and encourage economic development by incentivizing public and private investments.

Municipalities that receive designation collaborate with local non-profit downtown organizations supporting efforts through funding, staff, partnerships and volunteers. As a Main Street America Coordinating Program, the Vermont Downtown Program helps to lead a powerful, grassroots network consisting of over 40 Coordinating Programs and over 2,000 neighborhoods and communities across the country committed to creating vibrant places and to building stronger communities through preservation-based economic development. It is a proven strategy that encourages communities to take steps to enact long term change, while also implementing short term, inexpensive activities that attract people to the downtown and create a sense of enthusiasm and momentum about their community.

Once a downtown is designated, DHCD staff provides training and resources to assist the municipality and the downtown organization to help familiarize managers, board members and local officials with the downtown program and how to best develop an action plan for downtown community revitalization.

## Program Benefits

Once designated, the community will be eligible for the following benefits:

### Downtown Vibrancy Fund

Eligible to receive grants up to \$25,000 to support designated downtown organizations' efforts to strengthen and improve economic sustainability and vibrancy of downtowns through increased access to resources and capacity.



## By the Numbers [2018-2023]



**24**  
Designated  
Downtowns



**94**  
tax credit projects  
awarded



**\$10.8 m**  
in tax credits  
awarded



**\$4.7 m**  
in downtown  
transportation  
grants  
awarded




**\$9.8 m**  
leveraged with  
downtown  
transportation  
funds



**\$268 m**  
in private funds  
leveraged with  
tax credits

## Program Benefits

The downtown designation program supports local revitalization efforts across the state by providing technical assistance and state funding to help designated municipalities build strong communities.

[DT Application Guide](#) 

## *Program Benefits (continued)*

### **Downtown and Village Center Tax Credits**

#### **10% Historic Tax Credits**

- Available as an add-on to approved Federal Historic Tax Credit projects.
- Eligible costs include interior and exterior improvements, code compliance, plumbing and electrical upgrades.

#### **25% Historic Tax Credits**

- Eligible facade work up to \$25,000

#### **50% Code Improvement Tax Credits**

- Available for up to \$50,000 each for sprinkler systems; up to \$75,000 for elevators; and \$12,000 for lifts.
- Eligible code work includes ADA modifications, electrical, fire safety, or plumbing up to \$50,000

#### **50% Flood Hazard Mitigation Tax Credits**

- Up to \$75,000 available for structural and non-structural upgrades to reduce or eliminate flood damage to a building or its contents for buildings in a FEMA flood hazard area.

### **Downtown Transportation Fund**

- Eligible to receive loans, loan guarantees, or grants up to \$200,000 for capital transportation and related capital improvement projects.
- Grants may not exceed 20% of a project's cost.

### **Priority Consideration for State Grants**

- Priority consideration for various ACCD, VTrans and ANR grants and incentives including, ACCD's Municipal Planning Grants, Better Places grants, State Historic Preservation grants, Vermont Community Development Program (VCDP) grants, VTrans Bike/Ped and Transportation Alternatives grants, Northern Border Regional Commission Grants, ANR Water and Wastewater subsidies and loans, and various other state grants and resources.

### **Traffic Calming and Signage Options**

- Authority to post speed limits of less than 25 mph to help calm traffic and make the downtown a more pedestrian-friendly environment.
- May erect and post informational signs to help guide visitors to downtown and to significant historical, educational, recreational or cultural landmarks.

### **Priority Consideration by State Building and General**

- Priority site consideration by the State Building and General Services (BGS) when leasing or constructing buildings.

### **Special Assessment Districts**

- May create a special assessment district (also known as business improvement district) to raise funds for both operating costs and capital expenses to support specific projects in the designated downtown.

### **Act 250**

- No permit fees and special downtown process with reduced criteria.
- Qualified mixed-use housing projects are exempt from review.

### **Neighborhood Development Area (NDA) Eligibility**

- Communities may also designate Neighborhood Development Areas within 1/2 mile from the designated downtown. Qualified projects are:
- Exempt from Act 250 regulations for Priority Housing Projects and projects not qualifying for the exemption receive a 50% discount on application fees.
- Exemption from the land gains tax for housing units sold.
- Eligible for reduced state permit fees.