Downtown designation provides Vermont’s larger communities with financial incentives, training, and technical assistance. The program supports local efforts, to help communities thrive by restoring historic buildings, building new housing, and improving the streets and sidewalks that attract visitors on foot, or by bike, car, or bus.

Municipalities that receive designation collaborate with local non-profit downtown organizations that support revitalization efforts with staff and volunteers who provide marketing, promotion, and business development services. Once designated, the community may apply for additional benefits to encourage new housing with the neighborhood development area designation, or shape the next 20 years of compact development with the growth center designation.

VTrans funds the Downtown Transportation Fund (DTF) program to support revitalization efforts in designated downtowns by making these areas more pedestrian, bike, and transit friendly. Since 1999, the fund has invested over $11 million to support 136 projects in 23 communities leveraging over $49 million for transportation improvements in designated downtowns. The Town of Bristol recently used a DTF grant to enhance their village green by adding lighting, benches, and bike racks to strengthen the connection to downtown and a VTrans improved Main Street intersection. The Prince Lane reconstruction project, also funded by a DTF grant, added sidewalks, lighting, and landscaping to improve access to local businesses and bring vitality to the downtown.

Program Benefits

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

**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

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Designated Downtowns

Program Benefits continued

**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

**Downtown Transportation Fund**
- Eligible to receive loans, loan guarantees, or grants up to $100,000 for capital transportation and related capital improvement projects.
- Grants may not exceed 50% 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.

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