

Hardwick - Revival Along Main Street

2013

Tax Credits Leverage Private Investment



Overview

Several years ago, Hardwick's Main Street was in a state of decline like many communities throughout Vermont. Buildings were run down, underused or even condemned. Adding to these issues, in 2005, a tragic fire gutted a prominent building in the heart of downtown. Rather than tearing it down to create a parking lot, the owner chose restoration and created space for new businesses and housing within the historic building. This key decision not only sparked a new direction for Hardwick, it also showed other small towns how saving one historic building can spur redevelopment of an entire community.

The Challenge

The expense to repair and bring historic downtown buildings up to code (especially costly items like sprinklers and elevators) often exceeds the value of a building. Rents in many of Vermont's smaller downtowns and village centers are often low and may not generate significant capital to finance a major rehabilitation. With insufficient funding to fill the gap, banks are reluctant to make loans to upgrade buildings. As a result, buildings are not maintained and main street slowly closes down. Over time, property values decline along with the local economy.

For more information, please contact:

Caitlin Corkins: caitlin.corkins@vermont.gov or 802.828.3047
or visit: <http://accd.vermont.gov/historic-preservation/funding/tax-credits>

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The Solution

Downtown and village center tax credits help close this financial gap, make projects economically viable, spark community revitalization, cement a sense of place, and bring buildings back onto the tax rolls.

The Result

Since 2005, six buildings in Hardwick have been rehabilitated with the help of tax credit-financing. Approximately \$625,000 in state tax credits have leveraged over \$7.5 million in outside investments to date, jumpstarting new businesses and creating jobs, developing quality housing, and bringing new vitality to the commercial district. An analysis of Hardwick's downtown property values (Grand List) is evidence that public investment to improve these buildings results in increased property tax revenue. By promoting reinvestment and encouraging projects that put dollars back into the local economy, tax credits spark economic revitalization for communities across the state.

“The amount of new activity, life and excitement on Main Street is unprecedented. It’s clear to me that strong communities need vital urban cores -- and with the help of the tax credits, we’ve made a great start in Hardwick.”

Michael Gohl, local architect
and tax credit recipient

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An analysis of property values using local grand list data shows how public investment to improve buildings in designated village centers has increased property tax revenue. This investment not only revitalizes communities, it provides a permanent increase in tax revenue to support the education fund, creates jobs, and adds housing.

Bemis Block, Hardwick

Total Project Cost: \$2,500,000

Tax Credits Awarded: \$112,500

After suffering a damaging fire in November 2005, the second in the building's history, work to rehabilitate the historic Bemis Block became a catalyst for revitalization in the village of Hardwick. Supported by both federal and state tax credits, the building now houses four first-floor commercial spaces and 14 apartments on the two upper floors. The structure was brought into full code-compliance as part of the project, which included installation of an elevator.



Grand List Before: \$257,800



Grand List After: \$816,200

Hill Block, Hardwick

Total Project Cost: \$355,500

Tax Credits Awarded: \$75,816

Constructed in 1874, this former residence was raised to rest on top of a new ground-floor commercial storefront in the early 20th century. By 2005, the building was in disrepair. Rehabilitation of the building began in December and was completed in a little over a year. Work included repairs to the building's distinctive exterior architectural features as well as significant code-required upgrades to the interior. The building now provides space for three commercial businesses and six apartment units on the upper floors.



Grand List Before: \$55,400



Grand List After: \$350,000

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Hardwick Inn, Hardwick

Total Project Cost: \$1,225,000

Tax Credits Awarded: \$192,000

The Hardwick Inn at the intersection of South Main and Mill Street is in the heart of Hardwick's village center. The building was vacant when a local property owner decided to invest in restoring the building for mixed commercial and office space. This included installation of an elevator and sprinkler system and major code-required improvements while preserving the character of this important building. The project provides commercial space for a variety of tenants, attracting jobs and shoppers and substantially increasing the building's property value.

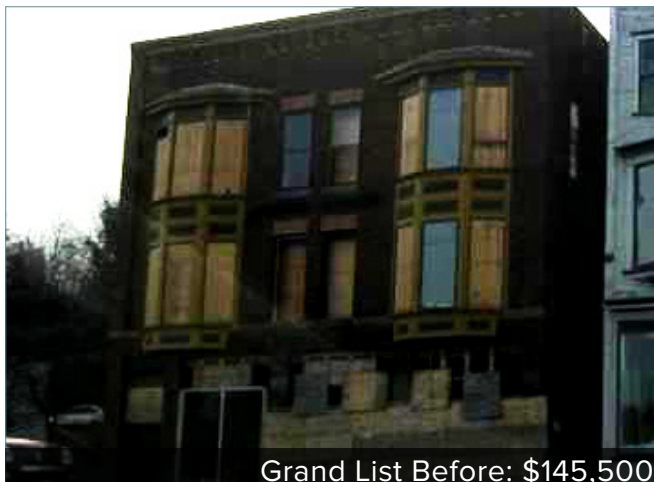


Marshall Block, Hardwick

Total Project Cost: \$1,900,000

Tax Credits Awarded: \$97,390

One of three 19th century brick commercial buildings in Hardwick's village center, the Marshall Block was empty and close to collapse by 2008 due to structural deficiencies. Its mechanical and electrical systems were also in disrepair. A local architect took on the challenge of bringing this building (along with its neighbor) back to its former glory, including restoration of the first floor storefront and vital structural and code improvements. The building now boasts a first-floor restaurant and six apartments.



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