Across the river from Burlington, Winooski was an early center for wool processing and later a prosperous town where wool yarn and cloth were manufactured. For over a century, the textile mills fed a boom and bust local economy. At its height, the mills employed 3,000 people. However, when the mills were shuttered in the 1950s the city struggled for decades to reinvent itself. In the 1970s, well-intended urban renewal projects demolished two downtown city blocks for parking. In response to the late 70s energy crisis, local leaders seriously considered building a glass dome over downtown to reduce winter heating costs. By the 1980s, economic development efforts centered on conversion of the Champlain Mill into a shopping mall but by the early 2000s, the building was largely vacant and many viewed the city as Burlington’s poor cousin.

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Overview

Across the river from Burlington, Winooski was an early center for wool processing and later a prosperous town where wool yarn and cloth were manufactured. For over a century, the textile mills fed a boom and bust local economy. At its height, the mills employed 3,000 people. However, when the mills were shuttered in the 1950s the city struggled for decades to reinvent itself. In the 1970s, well-intended urban renewal projects demolished two downtown city blocks for parking. In response to the late 70s energy crisis, local leaders seriously considered building a glass dome over downtown to reduce winter heating costs. By the 1980s, economic development efforts centered on conversion of the Champlain Mill into a shopping mall but by the early 2000s, the building was largely vacant and many viewed the city as Burlington’s poor cousin.

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The Challenge

After receiving state downtown designation in 2003, local officials reached out to residents to get involved and engaged in creating a new vision for Winooski. In 2004, the city set forth an action plan to create a place where people could walk to work and enjoy vibrant street life. The ambitious $175 million “Winooski Downtown Redevelopment Project” aimed to infill and revitalize the fragmented downtown area with new multi-story, mixed-use buildings and a 1200-vehicle parking structure. The work to make it happen kicked off with financing offered by the Department of Housing and Community Development, funding from the Vermont Agency of Transportation, and the creation of a Tax Increment Financing (TIF) District to support building construction and major infrastructure improvements including new water, sewer, parking, sidewalks and streets. A new downtown in Winooski quickly emerged and its work won the city national recognition and a Smart Growth award in 2006.

The city’s close proximity to the University of Vermont and a Community College of Vermont satellite campus in the downtown spurred additional construction of new student housing and retail units. Another major local employer, the Vermont Student Assistance Corporation built a five-story office building. Mixed income apartments at Keen’s Crossing and the first of two Cascades condominium buildings rose along the riverbank. Then the recession hit. Newly constructed retail spaces remained empty and the market for condominiums dried up.
Undaunted, in November of 2010, the city supported negotiations between HallKeen and the Tarrant brothers to purchase the Champlain Mill for their growing software development company. “We love Winooski and we loved the historic Champlain Mill. It’s a wonderful historic building in a beautiful location,” said Brian Tarrant. “The federal and state tax credit programs were also instrumental in our decision to locate in the city, as without that financial support the project just wouldn’t have been possible.” In 2011, MyWebGrocer purchased the Mill and with the support of $390,000 in federal and state tax credits, the rehabilitation of this major historic building was completed. Once occupied, MyWebGrocer brought over 200 jobs to Winooski and improvements to the Mill more than doubled its grand list value to over $2 million.

More downtown housing is another big part of Winooski’s success, with 277 new units of housing since 2008. Recent tax credit projects include the rehabilitation of the former Peking Duck restaurant, originally built to house mill workers. Next up are plans to use tax credits to rehabilitate upper floor apartments at the Winooski Block — the City’s crown jewel.

**By the Numbers [2006-2016]**

- **$15.2 M** awarded in VTrans federal funding
- **$29.6 M** awarded in HUD Community Development Block Grants and Loans
- **$1.2 M** awarded in reallocated sales taxes
- **$28.7 M** in new construction
- **$1 M** awarded in tax credits
- **5** tax credit projects
- **$26 M** in private investment
- **10%** increase in grand list values
- **277** new housing units

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An inclusive vision, strong local leadership and the strategic use of public funding to leverage private investment continues to pay dividends. A new downtown grocery is slated to open this fall and the city continues to pledge funding for infrastructure improvements which will be supported by the state’s sales tax reallocation program. These include a new Marriot hotel in the heart of Winooski and “The Strand,” a 1,500 seat performing arts center with retail and office space. In support of these projects, significant municipal improvements are planned. VTrans is currently working on a $1 million project to improve the walkability of the traffic circle with narrowed vehicle lanes, improved signage, sidewalks and crosswalks. The city is also cleaning up a brownfield site and making improvements to the popular River Walk.

Winooski’s recent success is not the result of a single project or a single grant, and it didn’t happen overnight. The city’s ambitious growth plan was also not without its challenges, as the city and region continue to wrestle with the cost of housing. “The leaders and residents of Winooski had the courage and foresight to take risks in imagining what Winooski could become,” said Mayor Seth Leonard. “Our hard work is not finished, and their continued support will be needed as we build on the strong foundation that was established and work towards our bright future.”

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