Vermont Downtown Program

OWNER LESSOR BENEFITS OF VILLAGE CENTER DESIGNATION

KEY BENEFITS FOR THE VILLAGE CENTER DISTRICT

Since its inception in 2002, the Vermont village center designation process recognizes and encourages local efforts to revitalize Vermont's traditional village centers. Village centers are the traditional center of the community, typically composed of a cohesive core of residential, civic, religious, and commercial buildings arranged along a main street and intersection streets.

Benefits to property owners, business owners, lessees and the village are briefly described below with contact information for each.

- **10% Tax Credit for Substantial Rehabilitation of Certified Historic Buildings:** A state income tax credit of 10% for the costs of substantially rehabilitating a certified historic building is available as an "add-on" credit for projects that qualify for the 20% Federal Rehabilitation Investment Tax Credit (RITC). Projects qualifying for the 10% credit will thus receive a net 30% credit. The federal RITC is available to owners and lessees for project costs that meet or exceed the adjusted basis of an income-producing building that is on or becomes listed on the National Register of Historic Places. The credits are for all costs involved in rehabilitating a building, including exterior and interior improvements, code compliance, plumbing, and electrical upgrades. An applicant may request the tax credit allocation in the form of a Bank Credit Certificate which a bank may accept in return for cash, or for adjusting the rate or term of the applicant's loan on the building. Maximum award is $50,000. Contact the Division for Historic Preservation, 802-828-3047.
- **25% Tax Credit for Façade Improvements:** A state income tax credit of 25% is available for owners or lessees of buildings built prior to 1983 that undertake projects to rehabilitate a building façade or storefront that contributes to the integrity of the designated downtown, but does not qualify for the 20% Federal RITC and 10% State "add-on" credit (above). An applicant may request the credit allocation in the form of a bank credit certificate Minimum expenditure is $5,000, and the credit maximum is $25,000. Contact: Division for Historic Preservation, 802-828-3047.
- **50% Tax Credit for Code Improvements:** A 50% state income tax credit is available to property owners and lessees for the costs of bringing a building into compliance with state building codes, to abate hazardous materials, or to redevelop a contaminated property. It includes a maximum award of $12,000 for a platform lift, $50,000 for sprinkler systems, $50,000 for elevators, and $25,000 for the combined costs of all other qualified code improvements, as well as costs for hazardous material abatement and contaminated sites redevelopment. This credit may be used in conjunction with the other two credits, as long as the applicant does not request credits more than once on an eligible expenditure (i.e., no double dipping). An applicant may request the credit allocation in the form of a bank credit certificate. Contact: Division for Historic Preservation, 802-828-304
- Designated village centers will be given priority consideration for all grants administered through the State's Municipal Planning Grant Program and the Consolidated Plan for HUD funding, including the Community Development Block Grant Program (CDBG).
- Designated village centers will be given consideration and priority by the State Building Department when leasing or constructing buildings, in consultation with the community.
- A special assessment district in a designated village may use funds for operating costs in addition to capital expenses.

For further information on state and federal tax credits for building rehabilitation contact:
Chris Cochran, 802-828-3047, chris.cochran@state.vt.us
or www.HistoricVermont.org