

## Application Guidelines for Downtown Designation

The Downtown Development Act (24 V.S.A. Chapter 76A) provides a variety of benefits to communities whose downtowns receive designation as Downtown Development Districts. These guidelines are intended to clarify the requirements for designation. Application for designation is made to the Downtown Development Board, which has 45 days to make a decision following receipt of a complete application. Designation is valid for 3 years, at which time the Board will review the community's designation. Applications for benefits to the Downtown Development Board can only be made after the downtown has been designated.

Downtown revitalization occurs with a comprehensive effort by the downtown's stakeholders across a variety of program areas and projects, rather than as a result of one or two big projects. It also depends on strong and sustained local leadership from both the public and private sectors. Through this Act, the state has chosen to allocate specific resources to those communities that demonstrate these characteristics because these are the communities most likely to succeed.

### *Application Schedule*

Fifteen (15) copies of the application to the Board are due no later than 4:30 p.m. on the first Monday of each month in order to be considered for that month's meeting. The Board meets on the fourth Monday of each month. The one exception is that the Board will not consider any designation application during the meeting(s) at which the Board considers applications to the Downtown Transportation Fund. Communities should call the Vermont Downtown Program for these dates.

### *Application Requirements*

Application is made by the municipality, and must be complete to be considered. It must contain the following elements:

A. **Cover Page:** the cover page must contain the following:

- ?? name of the municipality;
- ?? name, address and daytime phone of the primary contact person; and
- ?? signatures of a majority of the legislative body members, or minutes or municipal resolution showing that the application has been authorized by the municipality.

B. **Notification:** Evidence that the regional planning commission and regional development corporation have been notified of the municipality's intent to apply.

C. **Planning Commitment:** The municipality must meet one of the following to demonstrate its planning commitment:

- ?? adoption of a design control district, in accordance with 24 V.S.A. §4407(6);

- ?? adoption of a local historic district, in accordance with 24 V.S.A. §4407(15) (*please note that this is not the same as a National Register district*);
- ?? adoption of an urban renewal district, in accordance with 24 V.S.A. chapter 85; or
- ?? creation of a development review board authorized to undertake local Act 250 reviews, in accordance with 24 V.S.A. §4449.

The municipality shall certify that it currently is meeting one of these planning commitments, and the date that such district or process was created. In the case of a design review district, local historic district, or an urban renewal district, the boundaries of that district shall be indicated on the map submitted as part of the Community Reinvestment Agreement (see D(1) below) and included in the application. The boundary of any of these districts must contain, coincide with, or be *essentially the same as* the delineated downtown district.

**D. Community Reinvestment Agreement:** This agreement must be signed by representatives of municipal government, business and property owners within the district, the organization taking the lead on the revitalization effort (under D(3) below), and community groups with an articulated purpose of supporting downtown revitalization. This does not mean that every entity must be a signatory, rather the Agreement must show that a broad range of downtown interests is committed to their downtown revitalization program. Those who are signing the Agreement are demonstrating their commitment and willingness to participate. The Agreement must show that the following elements are in place:

1. An **accurate map** of the downtown area:

- a) The map must delineate the boundaries of the downtown district, clearly showing which buildings and properties are within the proposed downtown district. In most cases a property tax map is the desired base map. The downtown district must be consistent with the following statutory definition:

*“Downtown means the traditional central business district of a community, that has served as the center for socio-economic interaction in the community, characterized by a cohesive core of commercial and mixed use buildings, often interspersed with civic, religious, and residential buildings and public spaces, typically arranged along a main street and intersecting side streets and served by public infrastructure.”*

To help further define a downtown, the Downtown Development Board has developed a list of some common characteristics of a downtown:

- ??Multi-functional – shop, work, dine, live, worship, governmental services, entertainment, cultural activities, tourism;
- ??Primarily retail on first floor w/ large storefront windows for display of goods;
- ??Residential activity within the commercial streetscape;
- ??Multiple buildings with multiple ownership;
- ??Densely built up;
- ??Compact, walkable, pedestrian-oriented;
- ??Multi-story buildings;

- ??Storefronts and entrances face sidewalk and street with primary traffic from pedestrians;
  - ??Mixed use upper floors;
  - ??Mix of buildings, but in general commercial buildings create continuous “streetwall” of facades along sidewalk set close to street;
  - ??Unique character, evolved over time, reflecting community’s economic, social and cultural changes;
  - ??Distinctive architecture.
- b) The downtown district must contain or be a part of a **historic district that is listed or eligible for listing in the National Register of Historic Places** (please note that this is not the same as a local historic district created through the zoning bylaw), and the boundaries of this historic district must be shown on the map. It is not necessary for the downtown district and the National Register district to have identical boundaries. Appendix B includes the nearly 100 downtown or village center historic districts in Vermont that are already listed in the National Register of Historic Places, and others that have been determined to be eligible. There are additional areas that may be eligible, but have not requested a determination by the Vermont Advisory Council on Historic Preservation. Contact the National Register Program at the VT Division for Historic Preservation for more information (828-3046).
- c) The map must include the boundaries of the planning commitment, which must be essentially the same as the boundary of the designated downtown district, unless this commitment is met through a development review district.
2. A **capital improvement plan** to improve or preserve public infrastructure within the district. This shall include a five year plan, including cost estimates, a one year budget, and include at least the following elements: public transit; parking; pedestrian amenities; lighting; and public space. The Plan must be formally adopted by the legislative body of the municipality. A capital budget and program under 24 V.S.A. §4426 will also meet this requirement.
3. An **organizational structure** necessary to sustain a comprehensive long-term downtown revitalization effort. A comprehensive effort addresses 1) the long term enhancement of the downtown economic base, 2) the need for both public and private physical improvements, and 3) the need for marketing and promotional activities. A multi-year workplan and budget for the organization, or for the revitalization effort if other organizations play a significant role in revitalization effort, should be included in the application. The workplan and budget should demonstrate the ability – both structurally and financially – of undertaking both a long term and a comprehensive revitalization effort. It is strongly encouraged that the organization have a budget adequate to support part or full time staff.

The application must identify the designated organization, and provide its bylaws, articles of incorporation, mission statement or other relevant documents regarding its mission and purpose. Either a downtown development nonprofit corporation as defined in the Act, or

a locally appointed board may be designated by the municipality as the organization responsible for implementing the Agreement. In either case, the primary responsibility of the organization should be revitalization of the downtown district – where revitalization is a secondary mission of the organization, the necessary long term and comprehensive effort is unlikely to be maintained.

4. **Funding and resources** necessary to fulfill the Community Reinvestment Agreement. While a variety of funding sources to implement the Agreement are important, for the purposes of receiving designation the municipality is required to make a commitment to implement at least one of the following four options:
  - a) A special assessment district, in accordance with 24 V.S.A. Chapter 87;
  - b) A tax incremental financing district, in accordance with 24 V.S.A. Chapter 53. To meet this condition, the voters of the municipality must have approved the creation of a TIF district, and the legislative body must certify that it has sought or intends to seek a bond issue for improvements within the district;
  - c) Tax stabilization agreements, in accordance with 24 V.S.A. §2741 and 32 V.S.A. §5404a. To meet this condition, the voters of the municipality must have authorized the legislative body to execute tax stabilization contracts within the downtown district;
  - d) Other multiple-year financial commitments, subject to the approval of the Downtown Development Board. Sources could include, but are not limited to, municipal general funds (with statement of intent to continue in subsequent years), membership dues, multi-year donations or grants, sponsorships, event income, and the expenditures made by other organizations for activities that further downtown revitalization and redevelopment and are coordinated with the designated downtown organization.

Regardless of the source, funding should be adequate to fulfill the Agreement, as shown by the budget that accompanies this application. Applicants are encouraged to consult with the Vermont Downtown Program in advance of submitting their application if they have questions about the adequacy of their funding sources or resources.

5. Evidence that any private or public **sewage system**, or any private or public **water supply system** serving the proposed downtown district is in compliance with state requirements.
  - a) For Wastewater systems, the appropriate form in Appendix A should be filled out and sent to the ANR Wastewater Division before the designation application is filed, allowing time for them to respond on the status of compliance. The Division response should be included in the designation application.
  - b) For drinking water systems, instructions for requesting a compliance review are contained in Appendix A. The request should be made before the designation

application is filed, allowing time for them to respond on the status of compliance. The Division response should be included in the designation application.

The Community Reinvestment Agreement must also provide evidence that the municipality has dedicated a portion of any unallocated reserves for both the wastewater and drinking water systems, adequate to accommodate future growth in the downtown district.

- a) The municipality should provide a review of the anticipated growth for the downtown district, and base the allocation of reserves on that estimate.
- b) The dedication of reserves should be made by formal action by the legislative body of the municipality. Copies of these dedications should be included in the application for designation.
  - The municipality must request approval from the Wastewater Division for the wastewater system reserve. The Division's letter of approval must accompany the application for designation, so adequate time should be allowed for their response. No ANR approval is required for the drinking water system reserve.

If the downtown does not currently have water and sewage systems, the municipality must provide evidence of its commitment to construct such systems within 10 years, and in compliance with state regulations.

### ***Amendments to the District or the Agreement***

A community will remain designated for three years. Amendments to the boundaries of the district, the planning commitment, and other elements of the Community Reinvestment Agreement may be made upon approval of the Downtown Development Board, but this will not activate a new designation period unless a new and complete application is submitted. Requests for amendment shall be accompanied by appropriate information showing that the proposed changes are consistent with these Guidelines, and submitted by the municipality and the organizations and individuals responsible for the Community Reinvestment Agreement as required. When seeking to amend one element, it is important for an applicant to be sure that necessary changes are made at the same time to any other affected elements.

In order to retain designation after the 3 year approval period, the community must submit an application to retain designation which demonstrates that all of the criteria for designation continue to be met.

A municipality must inform the Board within 30 days of any of the following changes from their approved designation application:

- ?? change in contact person;
- ?? any formal action to the approved planning commitment that reduces compliance;
- ?? change in the designated organization;
- ?? budget changes over 20-25%, to the extent that it changes the community's ability to carry out the Community Reinvestment Agreement;

?? any change in the water or sewer systems' compliance or reserve allocation to the downtown district.

***Applications should be submitted to:***

**Vermont Downtown Program**

Department of Housing and Community Affairs

National Life Office Building, Drawer 20

Montpelier, VT 05620-0501

Phone: 800-622-4553 or 802-828-3211

**Vermont Downtown Program Coordinators**

Joss Besse

Phone: 802-828-5212

email: [jbesse@dca.state.vt.us](mailto:jbesse@dca.state.vt.us)

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## Criteria for Consideration for Competitive-Based Benefits

The Downtown Development Act provides the Downtown Development Board with criteria to use when applications for competitive based financial benefits exceed the funds available. While these criteria *will not be used when making decisions for designation*, there is some overlap between these criteria and the requirements for designation. Applicants may want to consider some of these criteria while working to complete the requirements for designation. The criteria are listed below:

- 30 Points max. 1. The effectiveness and impact of the project, including but not limited to:
- ~~☞~~ A demonstration that the project offers a reasonable solution to the identified opportunity or problem;
  - ~~☞~~ A demonstration that the project will have a significant and long lasting impact on the overall issues facing the downtown; or
  - ~~☞~~ Other pertinent considerations.
- 25 Points max. 2. The degree of the integration of the project within the existing district, and with any coordinated plan for the downtown district and surrounding area, including but not limited to:
- ~~☞~~ The extent to which the project best preserves features and character of the designated downtown, including especially the downtown historic resources and streetscape, in terms of materials, features, size, scale, proportion and massing of buildings;
  - ~~☞~~ The importance of the project to the revitalization effort, particularly as expressed in the Capital Improvement Plan, the downtown organization's strategic or master plan, or the municipal plan; or
  - ~~☞~~ Other demonstrations of compatibility and importance of the project.
- 25 points max. 3. Community Need factors, including but not limited to:
- ~~☞~~ Vulnerability of the downtown district to economic decline due to competing development in adjacent areas;
  - ~~☞~~ Degree of any deficiency in the downtown district of transportation infrastructure including parking facilities (not relevant to rehabilitation tax credit programs, may or may not be relevant to sales tax reallocation);
  - ~~☞~~ Desirability of prompt action to secure the benefits of the project for the downtown district;
  - ~~☞~~ Vacancy rate of downtown buildings, expressed as a percentage of the total available space;
  - ~~☞~~ Current or projected unemployment rate within the labor market area in which the municipality is located; or
  - ~~☞~~ Other community need factors.

- 15 Points max. 4. The extent to which the project is likely to begin construction within 18 months, including, but not limited to:
- ~~/~~ Status of funding necessary to complete the project;
  - ~~/~~ Status of permits necessary to construct the project;
  - ~~/~~ A realistic schedule that will lead to the construction of the project; or
  - ~~/~~ Other factors that give assurance that the project will be under construction within 18 months.
- 5 Points max. 5. The municipality has adopted ordinances or bylaws that support the preservation of the downtown's vitality, including but not limited to:
- ~~/~~ An ordinance or bylaw requiring that new construction in the downtown development district shall be compatible with the buildings that contribute to the integrity of the district, in terms of materials, features, size, scale and proportion, and massing of buildings, and that exterior rehabilitation shall respect the historic and architectural significance and its exterior features;
  - ~~/~~ A conditional use provision in a town zoning ordinance that supports adaptive reuse of historic properties; or
  - ~~/~~ Other pertinent provisions in the bylaws or ordinances.

The Board will also review the amount of investment from individual Vermont taxpayers that has been committed to projects in the downtown district. In considering this factor, the board shall recognize the value of individuals participating in downtown projects by giving preference to applications for incentives from individual Vermont taxpayers, and projects coordinated by developers who have encouraged the participation of such investors.