



Downtown Designation Program

Application Guidelines



Department of Housing
and Community Development
Community Planning + Revitalization
October 2019

 **VERMONT**
AGENCY OF COMMERCE & COMMUNITY DEVELOPMENT
DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT



Overview

Downtown designation recognizes and encourages local efforts to revitalize Vermont's traditional downtowns. Downtown revitalization is an ongoing process to improve a community's vitality and livability. Downtown designation is only one tool for revitalization and its focus is on supporting commercial activity in Vermont's downtowns.

These guidelines provide instructions for communities preparing new applications for Downtown designation. The statutory definition of Downtowns is:

"Downtown" means the traditional central business district of a community that has served as the focus of socio-economic interaction in the community, characterized by a cohesive core of commercial and mixed use buildings, some of which may contain mixed use spaces, often interspersed with civic, religious, residential, and industrial buildings and public spaces, typically arranged along a main street and intersecting side streets that are within walking distance for residents who live within and surrounding the core and that are served by public infrastructure such as sidewalks and public transit. Downtowns are typically larger in scale than village centers and are characterized by a development pattern that is consistent with smart growth principles.

24 V.S.A. §2791(3)

1

Contact DHCD to discuss the program and application process.

2

Schedule a pre-application meeting with DHCD in your downtown.

3

Build support for the designation by reaching out to local merchants, the chamber of commerce, regional planning commission, regional development corporation, municipal governing bodies (Selectboard, Planning Commission, etc.) and other allies needed to create the downtown organization.

4

Begin the written application. The regional planning commission can offer assistance.

5

Complete the application using the checklist to ensure all required materials are included ([see page 6-7](#)).

6

Submit application by email by the first Monday of the month.

7

DHCD will call or email the local contact to discuss the application review process.

8

Present the application to the Downtown Board the fourth Monday of the month.



Overview

To ensure a common understanding of the application requirements prior to submission, all applicants must schedule a pre-application meeting with the Department of Housing and Community Development (DHCD) to discuss the program requirements and the proposed district boundary. Applications are made by the municipality. The Vermont Downtown Board only reviews complete applications which must include all items listed on the application checklist (pages 6-7). Applications are due the first Monday of each month and the Downtown Board typically meets on the fourth Monday of each month to review and consider applications.

A community must be designated before the Board will consider any applications for benefits, including tax credits and state grants. A downtown is designated for eight years by the Downtown Board. An interim review of the designation is required every four years. DHCD will send a reminder memo outlining the review process and to schedule a meeting with the community 3 months prior to the review date. The community will provide an update to the Downtown Board at the four year mark. After the initial eight years, the municipality must renew the designation and update the Downtown Board on its progress and demonstrate that it continues to meet all of the program requirements.

Submission Requirements

Municipalities must submit one electronic copy of the application and all supporting documents. If the file is too large to email – applications may be submitted on a CD or uploaded to a file sharing service such as Dropbox. All maps and photos must be in color.

Board Meeting Presentation

The applicant is required to make a 10 minute presentation to the Downtown Board describing why the municipality is applying for downtown designation and how it will help them achieve their goals.

- **Overview** – explain why the municipality is applying for designation and provide a brief overview of recent revitalization efforts in downtown.
- **Future Plans** – brief overview of goals and implementation strategy for the next five years.
- **Challenges** – overview of key challenges facing the community and/or organization.
- **Assistance** – list the training and outreach needed that would help your community achieve its goals (e.g. strategic planning, board development, fundraising, etc.).

Training and Reporting Requirements

Designated downtown organizations are required to submit or participate in the following, demonstrating continued commitment to their designated downtown:

- Submit annual reinvestment statistics to DHCD.
- Regularly attend network meetings and annual conference.
- Submit annual work plan with a description of goals and objectives.
- Submit annual budget showing sources of income and expenditures.
- Attend Board, Executive Director and/or Program Coordinator and new manager trainings.
- Participate in program assessments.
- Assist with downtown designation four year review.
- Assist with the downtown renewal application every eight years.

Application materials must be submitted to:

Division for Community Planning and Revitalization
Department of Housing and Community Development (DHCD)
One National Life Drive, 6th Floor
Montpelier, VT 05620

Vermont Downtown Designation Program

Gary Holloway Phone: 802.522.2444 email: gary.holloway@vermont.gov

Applications are due on the first Monday of the month by 4:30 p.m. in electronic format.

The downtown designation program supports local revitalization efforts across the state by providing technical assistance and state funding to help designated municipalities build strong communities. 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.

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, 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 Services (BGS)

- 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.

1. Cover Letter, including:

- Name of the municipality.
- Name, address, daytime phone number and email address of the primary contact person for the application.
- Brief narrative of why you are seeking downtown designation and a description of previous and current revitalization activities.
- A list of documents included in the application.

2. Authorization and Notification

- Minutes, municipal resolution or signatures of the legislative body showing that the downtown designation application has been authorized by the municipality.
- Letters notifying the regional planning commission and regional development corporation of the application.
- Copy of a published notice to apply for designation in a local newspaper of general circulation within the municipality.

3. Confirmed Planning Process

- Letter from the regional planning commission, stating that the municipality's planning process is "confirmed" under 24 V.S.A. §4350.

4. The municipality must meet at least one of the following to demonstrate its planning commitment:

- Adoption of a design control district, in accordance with 24 V.S.A. §4414(1)(E);
- Adoption of a local historic district, in accordance with 24 V.S.A. §4414(1)(F) (please note that this is not the same as a National Register district);
- Adoption of regulations that adequately regulate the physical form and scale of development that the State Board determines substantially meet the historic preservation requirements in subdivision 24 V.S.A. §4414(1)(E) and (F);
- Creation of a development review board authorized to undertake local Act 250 reviews, in accordance with 24 V.S.A. §4420.

Has the community modified its zoning bylaws that demonstrate its planning commitment since the last renewal? [Yes / No](#)

Please describe how the bylaws continue to protect and enhance the historic character of the downtown and attach relevant sections of the zoning bylaws.

5. Community Reinvestment Agreement

- Provide a community reinvestment agreement that has been signed by authorized representatives of municipal government, board members of the downtown organization, business and property owners within the district, community groups and residents demonstrating a commitment to the downtown revitalization efforts. The agreement must demonstrate that a broad range of downtown interests are committed and willing to participate in downtown revitalization efforts. The agreement should include and clearly describe the designated boundary, capital improvement plan, funding and resources, organizational structure and the strategic plan.

6. Municipal Capital Budget and Program

- A capital budget and program showing a clear plan for providing public infrastructure within the downtown, including:
 - Drinking water
 - Public space
 - Wastewater
 - Lighting
 - Storm water
 - Transportation, including public transit, parking and pedestrian amenities
- Evidence that the plan has been formally adopted by the legislative body of the municipality and board of directors of the downtown organization.

7. Downtown Organization

- Five-year strategic plan with a description of goals/objectives, strategy for implementation and timeline for completion.
- An organizational structure meeting the requirements as outlined on page 8.

8. Water and Wastewater Compliance and Reserve Commitment

- Water and wastewater requirements are met as outlined on page 9.

9. Funding and Resources

- Evidence of the municipality's financial commitment demonstrated by a commitment by the municipality to implement at least one of the following:
 - A special assessment district created to provide funding to the downtown district.
 - Authority to enter into a tax stabilization agreement for the purposes of economic development in a downtown district.
 - Other multiple-year financial commitments among the parties subject to the approval of the Downtown Board.
- Proposed downtown organization budget with funding sources (see sample budget on page 10).
- Plans to pursue long term, sustainable funding strategies (e.g. business improvement district, local option tax, etc.).

10. Downtown Designation Boundary Map

- A color map must be included, delineating the boundary of the designated downtown district, clearly showing the buildings and properties that are within the district. Your Regional Planning Commission can help. See the map requirements on page 12 for complete details.
- Color pictures of key areas, boundaries and any areas where there may be questions about the consistency within the definition of downtown.
- 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 zoning bylaw). It is not necessary for the downtown district and the National Register district to have identical boundaries.

11. Other Required Information

- Zoning District Map and corresponding bylaw language should be included. Zoning boundaries and bylaws help explain the community's development and uses within the Downtown.
- National or State Register Historic District Boundaries should be included, but if not available, are not required.



Organization Structure

An organizational structure is necessary to sustain a comprehensive and long-term downtown revitalization effort. Either a downtown development nonprofit corporation or a municipally-created commission must be designated by the municipality as the organization responsible for implementing the reinvestment agreement. The primary responsibility of the organization should be the revitalization of the downtown district.

Organization Structure Requirements

- Description of current organization structure (501(c) (3) non-profit organization, municipal commission, downtown improvement district/tax assessment district, etc.).
- Copy of bylaws, articles of incorporation, mission statement and other relevant documents demonstrating the organizations primary commitment to downtown revitalization.
- Description of roles and responsibilities of board members, officers, executive director and/or program coordinator, committees should be clearly defined in the bylaws.
- Current list of board members and their affiliations.
- Five-year strategic plan with a description of goals/objectives, strategy for implementation and timeline for completion.



Municipal Water and Wastewater Requirements

- 1. Compliance** – The application must include evidence that any private or public sewage system and any private or public water supply system serving the proposed downtown district, is in compliance with state requirements. (Please note that you will need responses from two different Divisions within the Agency of Natural Resources (ANR) to demonstrate compliance, and should allow at least several weeks for them to conduct this review.)

Please complete and obtain ANR approval for the attached forms.

- Drinking water system compliance – Appendix A, [page 13](#).
- Wastewater system compliance – Appendix B, [page 14-15](#).

- 2. Reserve Commitment** – 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.

- The municipality must show they have reviewed the anticipated growth for the Downtown, and base the allocation of reserves on that estimate.
- The dedication of reserves must be made by formal action by the legislative body of the municipality. Evidence of these dedications must be included in the application for designation.

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, in compliance with state regulations.



Sample First Year Operating Budget

Income		Cash		
Downtown Improvement District		25,000		
Fundraising		8,500		
Sponsorships		11,000		
Membership Contributions		4,000		
Municipal Contributions		10,000		
Grants and Gifts		1,000		
Miscellaneous		550		
Total Income		60,050		
Personnel		Cash	In-Kind	Total
Executive Director (gross salary)		25,000		25,000
Benefits		1,200		1,200
Payroll Taxes		1,400		1,400
Clerical, Bookkeeping		450	300	750
Filing Fees, etc.		1,000		1,000
Total Personnel		29,050	300	29,350
Office				
Rent		3,200	2,600	5,800
Utilities		800		800
Telephone		900		900
Internet/Wireless		900		900
Office Supplies		600	250	850
Postage		650		650
Insurance		1,000		1,000
Equipment/Repair		500	1,500	2,000
Dues and Subscriptions		500		500
Total Office		9,050	4,350	1,340
Other				
Photography		200	150	350
Printing		1,000	1,000	2,000
Local Meetings		600		600
Workshops, Trainings and Travel		1,000	200	1,200
Public Relations		900		900
Advertising and Promotion		1,200	1,400	2,600
Technical Assistance		750		750
Committee Expenses		1,700	4,000	5,700
Incentives Program (façade improvements)		10,000	1,000	11,000
Miscellaneous		500		500
Total Other		17,850	7,750	25,600
Total Operating Expenses		55,950	12,400	68,350
Total Income		60,500		
Ending Cash Balance		4,100		

The boundary should be drawn around the center or core of the downtown including its traditional anchor points such as the post office, commercial buildings, town hall, churches and other public buildings that typically comprise the center of a downtown. The center core of the downtown will often be different and smaller than the downtown (municipal) boundary.

Note: 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 zoning bylaw). It is not necessary for the downtown district and the National Register district to have identical boundaries.

The boundary should follow the property lines. However, where a building that should be included in the downtown sits on a large parcel of land, the boundary should be drawn to exclude the excess open land by using a setback from the center of the road, or other means that make clear what land and which buildings are within the boundary. Large parcels of undeveloped land cannot be included in the downtown district. Your regional planning commission can help you with the application and mapping requirements.

The following list of common characteristics of downtowns is provided to further define a downtown for the purposes of designation. They are supplemental to the statutory definition, and intended to help communities draw appropriate boundaries. Contact Gary Holloway at (802) 522.2444 or at gary.holloway@vermont.gov to guide and assist you in creating the boundary around your downtown.

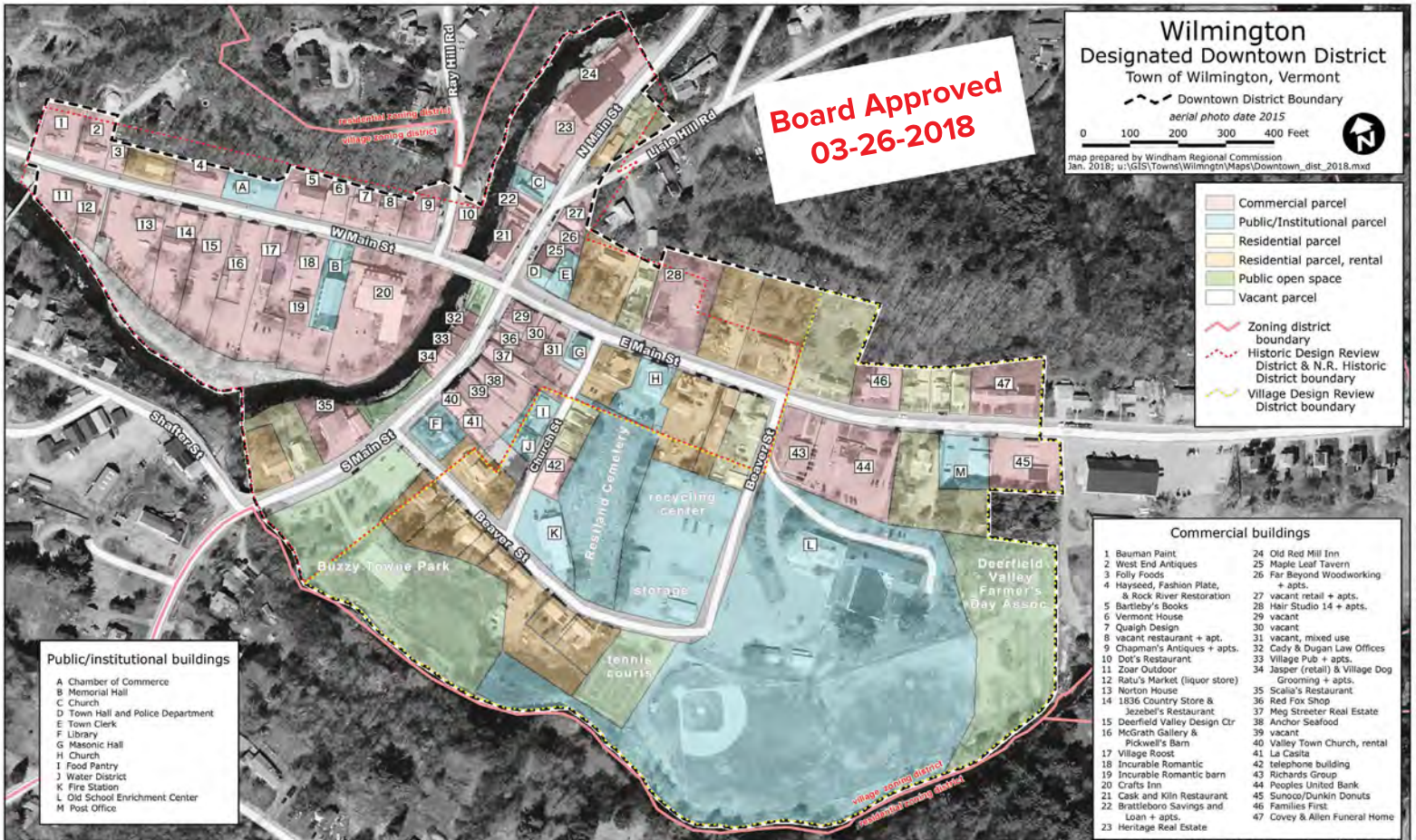
- A traditional center of socio-economic activity.
- Mixed use of buildings including retail, restaurants, government services, churches, entertainment, cultural activities, professional services and residential and office space.
- Development densities should be uninterrupted, although there may be some public space, like a park or green, within a downtown. Development density is consistently more compact than development outside the downtown.
- Pedestrian-oriented, rather than auto-oriented with building facades generally set close to the sidewalk.
- Commercial (and industrial, if it exists) activities should be within and part of the traditional development pattern not on the outskirts.
- Historic Multi-story buildings with primarily retail on first floor and mixed use upper floors.



Map Requirements

- A color map must be included, delineating the boundary of the designated downtown district, clearly showing the buildings and properties that are within the district. In most cases, an orthophoto should be used as the base map, with the information below superimposed over it:
 - Streets identified by name.
 - Significant buildings and all businesses indicated by number with a separate key identifying each number and name of the building/business – see example map.
 - Land/building use identified clearly with colors and symbols that will very clearly indicate the various land usages – see example map.
 - Photograph locations identified and keyed on the map.
 - North arrow, scale and current date.
 - Property lines should be shown, but if not available, are not required.
 - Zoning District Map (with corresponding bylaw language) should be included on the map or a separate map. Zoning boundaries and bylaws help explain the community’s development and uses within the Downtown.
 - National or State Register Historic District Boundaries should be included on the map or separate map, but if not available, are not required.

Sample Map



Vermont Drinking Water and Groundwater Protection Division
Downtown Designation Program
Checklist for Compliance Review of Community Water System

WSID #: _____

Public Water System (PWS) Permit to Operate Last Issued: _____

Capacity (Technical)

1. What is the authorized capacity for the PWS? _____gpd
[e.g., permitted rate(s) for the supply source(s) in gallons per minutes (gpm) multiplied by 1440 minutes/day equals the authored maximum daily capacity of supply sources in gallons per day (gpd). This is the permitted maximum daily withdrawal volume for the supply source(s) in gallons per day (gpd).]
2. What was the annual maximum water production rate (monthly high) provided by the water system for the previous 12 months? (Provide date range and monthly data.) _____gpd
3. What are the total unconnected water commitments/allocations for the water system? _____gpd
4. What is the uncommitted reserve capacity for the PWS?
Add together items 2 and 3 above, and subtract from item 1 _____gpd
5. What are the gallons of capacity planned for the designated area? _____gpd

Implementation Schedule

6. Does the operating permit contain an improvement schedule? _____ Yes _____ No
7. Is the PWS completing improvements in accordance with the permit schedule? _____ Yes _____ No
8. If not in compliance with the improvements schedule, what is the cause and length of the delay (provide detailed attachment as necessary)?

Owner or owner's authorized representative responsible for approving allocation of water to connections and maintaining technical capacity records for the PWS.

Name: _____ Date: _____

Title: _____ Phone: _____

E-mail: _____

The completed form must be submitted to the Agency of Natural Resources (ANR) at the address below. A complete designation application must include both a copy of the submitted form and written notice of approval from ANR.

Pat Smart, Operations Section Supervisor
pat.smart@vermont.gov or (802) 461-5661
Drinking Water and Groundwater Protection Division
Department of Environmental Conservation
One National Life Drive – Main 2
Montpelier, VT 05620-3522

Vermont Watershed Management Division
Downtown Designation Program
Checklist for Compliance Review by Community Wastewater System

Discharge Permit

Number: _____ Issued: _____ Expires: _____

Sludge and Septage Facility Certification or Approved Sludge Management Plan:

Number: _____ Issued: _____ Expires (certifications only): _____

Capacity

1. What is the design of your wastewater treatment facility? _____gpd
2. What was the annual average discharge flow from your facility for the previous 12 months of record? _____gpd
_____through_____.
3. What is the total of unconnected commitments/allocations to your facility? _____gpd
4. What is the uncommitted reserve hydraulic capacity of your facility? _____gpd
design flow – (commitments + annual average flow) = uncommitted reserve hydraulic capacity _____gpd
5. Gallons of capacity planned for designated area? _____gpd

Owner or owner's authorized representative responsible for approving allocation of wastewater to connections and maintaining technical capacity records for the wastewater system.

Name: _____ Date: _____

Title: _____ Phone: _____

E-mail: _____

Implementation Schedule

Are you required by an order issued under section 1272 of Chapter 47 or through permit conditions to implement facility modifications to reduce pollutants in your discharge? _____ Yes _____ No

If you are not in compliance with the schedule dates in that order, please explain the cause and length of the delay.

Are you required by an order issued under section 1272 of Chapter 47 or through permit conditions to eliminate combined sewer overflows? _____ Yes _____ No

If you are not in compliance with the schedule dates in that order, please explain the cause and length of the delay.

Vermont Watershed Management Division
Downtown Designation Program
Checklist for Compliance Review by Community Wastewater System
[continued]

Effluent Quality

Were limits for any of the following parameters exceeded during the past 12 months? If violations occurred, please discuss the cause and duration, remedial steps taken during the event and corrective action taken to prevent recurrence.

Biochemical Oxygen Demand (BOD): _____

Total Suspended Solids (TSS): _____

Phosphorus: _____

Ultimate Oxygen Demand (UOD): _____

Settleable Solids: _____

E. coli Bacteria: _____

Total Residual Chlorine: _____

Other: _____

Municipality

Authorized Representative

Date

Title

The completed form must be submitted to the Agency of Natural Resources (ANR) at the address below. A complete designation application must include both a copy of the submitted form and written notice of approval from ANR.

Ernie Kelley, Program Manager
Ernie.Kelley@vermont.gov or (802) 490-6187
Watershed Management Division
Department of Environmental Conservation
One National Life Drive – Main 2
Montpelier, VT 05620-3522