

# Town of Bennington TIF District Plan Update

March 2022



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## Executive Summary

Since the approval of the Bennington TIF District, the Town has been working diligently on economic development efforts, there has been some commercial activity, and a few key substantial projects have developed. However, the Town has also experienced the universal impacts of the pandemic. This update to the TIF District Plan reflects the Town's intentions and plans for the remaining seven years of its ability to incur debt. There are two near-term projects that have been stalled without critical infrastructure support and three conceptual projects that have good likelihood to occur in a few years. All five of these were identified in the original TIF District Plan. The two near-term projects are both considered Tier 1. The costs of the infrastructure investments, the scope of the private development, and the post-development values have changed since 2017, but these are both consistent with the goals, impact, and criteria set forth in the Final Determination. The other three projects are considered Tier 2 and 3 developments and only the timing of these has changed since 2017. With the momentum being generated by Federal funding and developers looking toward recovery, this is a critical time for the Town to leverage TIF and other funds to catalyze the development of significant properties in the community.

## Past Five Years

Although the Town has not yet incurred TIF debt, the planning efforts to develop the TIF District Plan honed the Town's vision and focused the Town's efforts. And, despite the challenges of the COVID19 Pandemic, the Town has continued to improve infrastructure with non-TIF revenue sources that will support and facilitate private development. The infrastructure improvements completed within the TIF District in the last five years include: construction of two new downtown park spaces and the extension of a portion of a water main extension in the Depot Street corridor. A splashpad, stage, restrooms, and fountain are among the amenities constructed within the new park spaces. The Town has also secured grant funding to improve a portion of Franklin Lane by constructing a "shared street" that creates a safe corridor for pedestrians, cyclists, and motor vehicle operators on the east end of the lane (additional improvements to Franklin Lane are planned when Putnam Phase 2 is constructed).

The Town has also continued its efforts to identify and nurture public-private partnerships. As with many other areas of the state and country, the pandemic has had a chilling effect on most private ventures. While some projects are coming to fruition using sources of funding

other than TIF debt, many remain elusive and will need TIF to be a part of the funding stack in order to proceed.

Of particular note, is the completion by the Bennington Redevelopment Group (BRG) of Phase 1 of the Putnam Block Redevelopment. Phase 1 included the gut rehabilitation and reuse of three historic properties in the heart of downtown Bennington, thereby cleaning and reutilizing a former Brownfield site. Redevelopment of the Hotel Putnam, the Courthouse, and Winslow Building resulted in a total of 74,000 SF of underutilized buildings being repurposed for residential, retail, and office uses. A total of thirty-one residential units ranging from efficiencies to two-bedrooms were created on the upper floors of the buildings. Key commercial tenants include The Bennington Bookshop, The Coffee Bar, Global Z International, Union South Restaurant, Bennington College, Southwestern Vermont Health Care and VNA and Hospice of the Southwest Region. The \$31,000,000+ project was led by a local group of investors made up of business and institutional leaders and community-minded individuals in the region. The BRG team and investors continue work on Putnam Phase 2 to complete the project and realize the shared vision of a fully developed Putnam Block.

Over the past five years, the Town has also continued its efforts to facilitate the re-development of the former Benn High building – working with the property owner to facilitate use by the YMCA of the former cafeteria space and adjacent classrooms, convening meetings with Shires Housing, and bringing other local partners to the table.

Although growth of the Grand List has been negligible, the Town is optimistic that the efforts of the Town and its private partners, buoyed by TIF in its toolbox, will emerge from the pandemic stronger than ever and realize its vision of a vibrant, diverse, and sustainable downtown.

	<b>OTV (2017)</b>	<b>Most Recent Grand List (2021)</b>	<b>% Growth</b>
Town-wide	\$1,020,531,525	\$1,028,025,325	0.3%
Within TIF District	\$41,905,900	\$42,034,900	0.7%

## Proposed Private Development Projects and Infrastructure

### Tier 1

As the pandemic (hopefully) winds down, the Town of Bennington is focusing its near-term TIF District economic development efforts on two projects: Benn High and Putnam Phase 2.

Although the details of the Benn High and Putnam Phase 2 projects vary from the details articulated in the original TIF Plan, the fundamentals for these projects remain the same.

Benn High remains primarily a housing project, and Putnam Phase 2 remains a mixed-use project with institutional uses, commercial uses, and housing units.

Both projects are now identified as Tier 1 projects and with TIF funding are likely to advance in the near term with owners and investors at the table.

- **Bennington High School (Benn High)**

**Location:** 650 Main Street

**Project Description:** The redevelopment of the vacant 100,000 sq. ft. historic Bennington High School (most recently the former Middle School). The redevelopment will include the creation of: a community center, including the relocation of the Bennington Senior Center into newly expanded and renovated space; a renovated gymnasium, locker rooms and rest rooms; and approximately 40 housing units, including senior/affordable housing, and market rate housing. Partners will likely include Shires Housing (senior/affordable housing), private investors, the Town's Senior Center, Meals on Wheels, Council on Aging, YMCA (to manage recreation programs), Bennington Farmers Market, and Vermont Arts Exchange.



**Project Status:** The Benn High building was purchased by a developer in 2020. Roof leaks were repaired, many old windows were repaired, and new utility services to the building were constructed. More recently, the building owner applied for and was granted local permits for a mixed-use renovation/redevelopment of a large portion of the property. The plans included several new market-rate apartments, maker spaces, offices, and a recreation use in the old gymnasium space and the old cafeteria space. Initial renovation of the cafeteria space and three nearby former classrooms has begun but the balance of the project has been stalled indefinitely.

Without the Town's investment in the community center, senior center, and gymnasium spaces, the re-development of the property in a way that provides significant benefit for the community (at least in the near and intermediate term) will not occur.

**Financing:** The Town's investment totals more than \$4.2 million and will be funded using a combination of sources. The Town plans to commit ARPA funding to this project, depending on what cannot be generated from other grants. The Town will pursue VCDP's Community Development Block Grant, a USDA Community Facilities Grant, and smaller grants from the Vermont Community Foundation and private donors interested in supporting the redevelopment of the community center.

**Comparison to 2017 Plan:** The scope of the private development is largely the same as the original TIF District Plan, although the post-development assessed value is projected to

have increased since the original estimates. The scope of the public investment is now much larger and focused on the civic and public facilities, however, instead of the parking and site improvements originally conceptualized. The investment of the Town in the facility itself as a tenant has a much more catalytic impact as a partner.

- **Putnam Phase 2**

**Location:** East of intersection of Washington Avenue and Main Street (adjacent to Putnam Phase 1) – western portion of Putnam Block.



**Project Description:** Mixed-use redevelopment (new multi-story building and site improvements) anchored by Southwestern Vermont Health Care (SVHC). The project would include clinical office space, small liner retail spaces on the first floor, and forty-nine units of housing. Municipal involvement funded by a TIF bond will include upgrades to Washington Avenue and West Main Street, on-site parking lot improvements and assumption of the entire parking lot as a municipal asset. In addition to direct benefit to the Putnam Block, the surrounding properties that front on Washington Avenue and Franklin Lane (included in the TIF District) will benefit from the streetscape improvements, and the entire TIF District will benefit from the increased parking stock.

**Project Status:** Planning and feasibility assessment is nearly complete. Immediate next steps involve the identification of funding sources, including New Market Tax Credits. As was the case with Putnam Phase 1, multiple funding sources will be necessary to make Putnam Phase 2 a reality. Without municipal involvement, including TIF funding for infrastructure improvements essential to Phase 2, the project will not proceed.

**Financing:** The Town's components will be just one of many partners and funding sources to bring this project to completion.

**Comparison to 2017 Plan:** The previous plans for Putnam 2 included two buildings, a few different anchor tenants, and forty-five housing units. The slight scaling down of this project results in a lower post-development value than originally estimated. The Town's infrastructure investments will include the same types of improvements as the original TIF District Plan, but at a slightly smaller scale as well.

## Tier 2

One of the Tier 1 projects from the original TIF District Plan has been recategorized as a Tier 2 project, given that there is not an active engagement with the property owner at the present time. There are no changes to the scope or cost estimates proposed at this time, given that this is at a more conceptual stage. Only the timing for this has been updated (called out in the highlights below).

- **Catamount School, North Street**



The historic 19<sup>th</sup> century former St. Francis Academy, a four-story former educational building most recently referred to as the Catamount School, stands prominently on North Street adjacent to the Walloomsac River. Plans call for 20 one- and two-bedroom market rate apartments. The project would include interior renovations, exterior restoration of the intact historic architecture, and site improvements. The building sits back from the street (the former playground), affording the opportunity for on-street downtown greenspace and parking for tenants.

Uses: New Rental Housing (20 Units) in Brookside (North Street) Building.

Current Assessment: \$385,900.

Post Development Assessment: \$1,280,200

Completion Date: 2026

**Public Infrastructure:** Acquisition of a portion of the property, construction of public parking lot, public park/green space, storm water improvements, and driveway, and installation of lighting.

Other Revenue/status: Possible Downtown Transportation Fund Grant

Estimated Cost: \$150,000

### Tier 3

Two of the projects identified in the 2017 TIF District Plan could still become real projects, especially with the development of the Tier 1 and 2 projects above. Because the Town is not in active engagement with these property owners and there are no known developers working on these yet, they are still considered Tier 3 projects.

- **Old Drysdale Building**



Renovation of this mostly vacant three story historic building at the corner of North and River Streets to accommodate upper story offices and/or apartments.

Uses: First Floor Retail or Office; 2<sup>nd</sup> and 3<sup>rd</sup> floor Apartments (6-8 units) (Building Currently mostly Vacant)

Current Assessment: \$257,200

Post Development Assessment: \$577,500

Completion Date: 2026

**Public Infrastructure:** See Catamount public parking and associated improvements above.

- **120 Depot Street**

Redevelopment of aging strip-mall property by demolishing existing structures and constructing a multi-story mixed use building.

Uses: Multi Story Mixed Use Buildings(s) - Currently Single-Story Plaza

Current Assessment: \$920,100.

Post Development Assessment: \$2,713,800

Completion Date: 2026

### **Public Infrastructure:**

120 Depot Street: Installation of new water main to serve new multi-story development (fire-flow for sprinklers). Reconstruction of Depot Street Bridge. Streetscape improvements between Main Street and River Street (planters, benches, trash/recycling barrels, trees/landscaping, wayfinding signs, accommodations for cyclists). Driveway/circulation improvements at 120 Depot.

Other Revenue/status: Possible Downtown Transportation Fund Grant, VTRANS Structures Grant (Bridge) - \$280,000 (80% of \$350,000 estimated to reconstruct Depot Street Bridge)

Estimated Cost: \$680,000

Bennington Station Parking Lot: Improvements to public parking lot (resurfacing, landscaping, lighting).

Other Revenue/status: Possible VTRANS Transportation Alternatives Grant, possible Downtown Transportation Fund Grant - \$75,000

Estimated Cost: \$290,000

## **Criteria**

### **o Nexus & Proportionality**

All public investments have direct nexus and 100% proportionality to the five private development projects identified in this update. The Tier 1 infrastructure pieces have been specifically designed in the public-private partnerships being developed with each property development team. Without these components from the Town, these projects would not be able to proceed or would be significantly less robust in their contributions to the community. The Tier 2 and 3 projects have been identified as the critical hurdle to these properties developing. This is consistent with the original TIF District Plan determination.

### **o Market Viability**

For the Tier 1 projects, all possible private partners are at the table with the Town in the planning and execution of these projects. The Town will continue to work throughout 2022 to form development agreements and begin permitting and design for infrastructure to be ready for a bond vote in 2023.

For the Tier 2 and 3 projects, the Town intends to use the momentum of the Tier 1 efforts and the support of the TIF program to generate conversations to kickstart these projects in a more expeditious manner.

### o **Project Criteria**

The projects identified in this update are consistent with all three project criteria in the original TIF District Determination.

- (A) The Town's ability to invest in these projects is substantially over and above the normal municipal operating or bonded debt expenditures.
- (B) At a minimum, the Benn High project will result in the addition of affordable housing.
- (C) The redevelopment of the Putnam Phase 2 project will include the mitigation and redevelopment of a brownfield.

## **Conclusion**

The Town of Bennington looks forward to emerging from the COVID19 pandemic stronger than ever. TIF will be an essential tool to facilitate the post-pandemic development of Bennington's downtown. This TIF District Plan Update provides a realistic roadmap for the Town of Bennington's targeted use of TIF debt to incentivize the development of critical properties that have languished for more than a decade (in some cases for over a generation).

To the extent possible, the Town has continued its efforts to construct necessary infrastructure projects using forms of funding other than TIF debt to create the vibrant environment needed to attract private investment. By extending Bennington's TIF District, VEPC will enable the Town to proactively pursue public-private partnerships that are essential to redeveloping long vacant and underutilized properties in Bennington's downtown necessary, realizing Bennington's vision of a vibrant, diverse, and sustainable downtown.

It is Bennington's ambition and expectation that that the projects outlined in this update will be successful and anticipate returning to VEPC with substantial changes within the seven-year period to incur debt to request approval for new and emerging projects.