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**Vermont Economic Progress Council  
Department of Economic Development**

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*Agency of Commerce and  
Community Development*

June 19, 2009

Mr. Sanford I. Miller  
Town Manager  
Town of Milton  
43 Bombardier Road  
Milton, VT 05468-3205

Dear Sandy,

As you know, on April 30, 2009, the Vermont Economic Progress Council conditionally approved the application from the Town of Milton, authorizing the Milton Town Core TIF District to utilize incremental property taxes to finance infrastructure debt.

Congratulations on a successful application. The Council and staff greatly appreciate the Town's patience and cooperation as we worked through the implementation of a new TIF District program and consideration of the first application under that program.

An approval document containing the final Council determinations, exclusions and conditions, is enclosed for your information and review. Also enclosed is a document for the Town to certify and accept the TIF District approval, conditions, exclusions and obligations. Please review all documents, sign the certification and return it to us within 60 days of receipt. Additionally, enclosed is a document that indicates the interpretation of 24 VSA §1894, in conjunction with the provisions contained in Section 84 of Act 54 (H.313, 2009 – 2010 Session) as amended by Section 10 of Act 3 (S.1, 2009 special Session). This interpretation has been agreed upon by representative staff of VEPC, the Vermont Department of Taxes, and the Legislative Counsel of the Vermont General Assembly.

Vermont statute (24 VSA §1894(c) and 32 VSA §5404a(j)) requires that the municipality submit to VEPC a TIF District Financing Plan prior to requesting municipal approval to secure financing pursuant to 24 VSA 1897(a). The Financing Plan must contain at least the following elements, updated to reflect the conditions and exclusions included in the Council's April 30, 2009 Final Determination on the TIF District Plan:

- An updated list of properties included within the TIF District, as approved by VEPC.
- The original assessed value of all properties within the TIF District as approved and an estimate of assessed values of all properties within the TIF District by year for the life of the TIF District.



- Election of either the grand list year associated with April 1, 2008 (the date the TIF District was created) or the grand list year associated with the date the first TIF District debt will be incurred as the trigger for the 20-year tax increment retention period.
- Estimated incremental tax revenues, broken out by municipal and education, expected to be generated each year. Estimates must be based on the retention period trigger date elected.
- A breakdown of all public infrastructure, as approved by VEPC, and the estimated costs, including a breakdown of the portion of the costs that will be financed with incremental property tax revenues and the portion that will not, according to the proportionality formulas approved by VEPC.
- A breakdown of all related costs including a breakdown of the portion of the costs that will be financed with incremental property tax revenues and the portion that will not, according to the proportionality formulas approved by VEPC.
- A breakdown of all other sources of revenue to pay for the public infrastructure.
- A specified maximum dollar amount of all debt obligations to finance the approved public infrastructure that will serve the TIF District.
- A breakdown of debt that will be incurred, including the type of debt instruments, expected date debt will be incurred, expected amount to be borrowed, term, principal and interest costs, and anticipated maturity date.
- If the parcels are to be included in the TIF District, the evidence required to remove the conditional exclusion of the parcels included in the I2 Zoning District west of Route 7 and east of Interstate 89.

Upon submission of the TIF Financing Plan, VEPC must assure the consistency of the TIF District Financing Plan with the approved TIF District Plan, and, if debt instruments other than bonding are included in the financing plan, assure the viability and reasonableness of that financing.

As a reminder, Vermont statute (24 VSA §1897(b)) requires that any pledge of credit for financing TIF District infrastructure must include a notice to the taxpayers that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, for whatever reason, including a decrease in the property value or repeal of state property tax source (unless determined otherwise at the time of such repeal) the municipality shall remain liable for full payment of the principal and interest for the term of the indebtedness.

Please contact my office if you have any questions.

Sincerely,

Fred Kenney  
Executive Director