

LOCAL IMPACT, INSTITUTIONAL NEWS

Work to Begin on Bennington's Putnam Block Project

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The Putnam Redevelopment Project, of which the College is a major partner, closed a deal on June 14. Construction has officially begun on phase one of the project.



From *VT Digger*.

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About 20 different lenders and other economic partners in the Putnam project closed on financing on Friday, said project leaders. A group in Bennington had worked for four years to put together the complex project, which involves buildings – some unoccupied for decades – on a four-acre site.

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Work to start this week on Bennington's \$56 million Putnam Block project

By [Anne Wallace Allen](#)

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The Putnam Hotel is the center of a large redevelopment project in Bennington. Photo by Anne Wallace Allen/VTDigger

BENNINGTON — Work is scheduled to start this week on a \$56 million redevelopment project at the Putnam Hotel in downtown Bennington.

About 20 different lenders and other economic partners in the Putnam project closed on financing on Friday, said project leaders. A group in Bennington had worked for four years to put together the complex project, which involves buildings – some unoccupied for decades – on a four-acre site.

Backers see the redevelopment as a catalyst for reviving Bennington's downtown area. Right now, the Putnam Block, as the project is known, "is an image of what a declining manufacturing downtown looks like" said

Dimitri Garder, an early funder of the project who plans to move his family's business, Global Z, into a 5,000-square-foot space in the building when the redevelopment is completed. The county has lost 2,000 people in the last decade, and that's reflected in the empty storefronts downtown. "It's the first thing you see when you drive into Bennington from the West," Garder said.

Jim Brown, the president of the Bank of Bennington, got the project started in 2015 when he pulled together a group of leaders from major institutions in town to talk about reversing the county's economic decline, said Tom Dee, CEO of the Southwestern Vermont Medical Center.

"There wasn't going to be any developer coming in, any federal or state bailout," said Dee. "We knew we had to do it ourselves. Pretty quickly, the consensus was to focus on the downtown area. That would be the centerpiece. If we could revitalize that, it could be the catalyst for other development projects."

In the first phase of the project, several old buildings will be demolished. About 55,000 square feet of space will be renovated into mixed use that ultimately includes 75 apartments, retail and office space. Investors said several companies have already made commitments to move in, including Visiting Nurses Association & Hospice of the Southwest Region, a grocery store and a 100-seat restaurant. Dee said Monday that 35 apartments will be built in the first phase, and 90 percent of those are already leased.

New construction is planned for the second phase, which is expected to start in a year. Garder said the investors are hoping to find a company that wants to build a hotel. The medical center – the area's largest employer, and Bennington College, both of which have been involved in planning the project, will have offices there.

The cost of the project will be covered by equity investments as well as a constellation of public and private loans and grants including \$3.1 million in federal, state and local money administered by the state. That \$3.1 million includes \$1.25 million from the Community Development Block Grant Program, a Downtown and Village Center Tax Credit Award of \$1.3 million, a \$150,000 Brownfields program grant, and \$430,000 from the Windham Regional Commission's Brownfields Revolving Loan Fund, according to Gov. Phil Scott's office. Some investors are also using the [New Markets Tax Credits program](#) through Mascoma Bank.

"Anyone who has done these type of transactions, they've said this may be the most complex one they have ever dealt with," said Dee. "These are old buildings that haven't been used for 30, 40 years. Once you're done with all the rehab, the value of the property is about half about what you put into it. We're not looking for a return on investment in real estate; we're looking for a return on investment in community development."

The project was led by Bennington County Industrial Corporation and the Bennington Redevelopment Group.

Bennington has struggled with a declining population and [other economic problems](#) in recent years. While there are several major manufacturers in the area, workers in Bennington earn less than their peers in many other areas of the state. The average wage in Vermont is \$46,186, but it's only around \$41,000 in the Bennington and Brattleboro labor market areas, according to the federal Bureau of Labor Statistics.

Garder said the business leaders wrote checks in the early days with no expectation of getting their money back.

“Even if the project succeeds, none of us believe we’re going to make a significant return on our investment in the near future,” he said, adding that the return will come in more slowly as other businesses gain confidence from the Putnam project and start making investments of their own. “We believe the project is necessary to change economic conditions downtown.”

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