

Montpelier Planning Commission
June 9, 2008
City Council Chambers

Subject to Review and Approval

Present: Mark Kaufman, Chair; David Borgendale, Vice Chair, Claire Benedict, Alan Goldman, and Karen Vogan. Youth Members Lucia Bragg. Staff: Gwendolyn Hallsmith, Planning & Community Development Director.

Call to Order:

Mark Kaufman, Chair, called the meeting of the Montpelier Planning Commission to order at 7:04 p.m.

Review of Minutes:

The minutes of May 12th were moved as submitted by Mrs. Benedict and seconded by Ms. Vogan. The minutes of the May 12, 2008 Planning Commission were approved 5-1-0, with Mr. Borgendale abstaining.

Growth Center Presentation

Mrs. Hallsmith gave a presentation about the Growth Center designation that has been prepared for the city with a planning grant from the State of Vermont. The content of the presentation is included in the attached article.

Questions were raised about the boundaries, about whether the city is ready to promote more growth, about the numbers that were used for the projections, about the links between housing and the local economy and about voter involvement. A videotape was made of the presentation with this discussion, it is available in the planning department.

New Neighborhoods Presentation

Karen Horn from the Vermont League of Cities and Towns gave a presentation about the New Neighborhoods legislation that passed the legislature this year, and described how it would interface with growth center designation. A description of her presentation is included in the attached outline.

Vote on Growth Center Designation

David Borgendale made a motion to recommend that the City Council adopt the Growth Center boundaries that were prepared, including all the areas shown with hatch marks with the exception of the boundaries around the North Branch Nature Center and North Branch Park. The motion was seconded by Alan Goldman.

Karen Vogan made a motion to amend the original motion to exclude the area that was hatched going north on Elm Street. The motion was seconded by Lucia Bragg. The motion failed 2 – 0 – 4.

Mark Kaufmann called the vote on the original motion. The motion passed 4 – 0 – 2.

Update on Capital City Challenge

Mrs. Hallsmith gave an update on the Capital City Challenge with the City of Olympia, Washington. Michael Mucha (pronounced Moocka), the Director of Public Works from the City of Olympia was here for a visit at the end of last week, and we had a very productive meeting on the challenge. It was decided that the cities would each set their own goals and the other city would serve as a coach/evaluator/witness to the progress that the other city made on meeting their targets and implementing their strategies.

Other Business

Mark Kaufmann made a request to receive a list of major strategic initiatives underway at the city, goals the City Council set, and investments the city was making in development projects.

Mark Kaufmann reminded commissioners that several terms were expiring, and that if people were interested in continuing to serve, they needed to write letters to the City Manager.

Mrs. Hallsmith reminded people that the Regional Plan had been circulated and that the CVRPC was looking for feedback on it.

Mr. Borgendale made a motion to adjourn. It was seconded by Ms. Vogan. The meeting adjourned at 9:50.

Property Tax Relief: How Growth Center Designation Can Help

The enVision Montpelier Infrastructure and Built Environment committee and the Planning Commission are currently considering a recommendation to the City Council that would designate most of the medium and high density zoned parts of the city as a “Growth Center.”

This designation was created by the Vermont Legislature in 2006 to enable cities to shape future development with incentives for infrastructure, reduced permitting obstacles, and favorable treatment by state agencies when it comes to municipal funding and permit requests.

In Montpelier, the area designated would more appropriately be called the ***Tax Financing District***, because one of the main advantages of achieving designation is that we will be able to use Tax Increment Financing (TIF) to pay for infrastructure and improvements within its boundaries.

What is Tax Increment Financing?

A city creates a tax increment financing district to support the construction of infrastructure to encourage the retention and creation of new jobs and housing. Within the district, the city is allowed to ‘freeze’ the value of the properties for state property tax purposes over an extended period of time. In other words, when we pay the education tax to the state over the next 20 years, the state will view the property values in the district as being ‘frozen’ at their 2008 level.

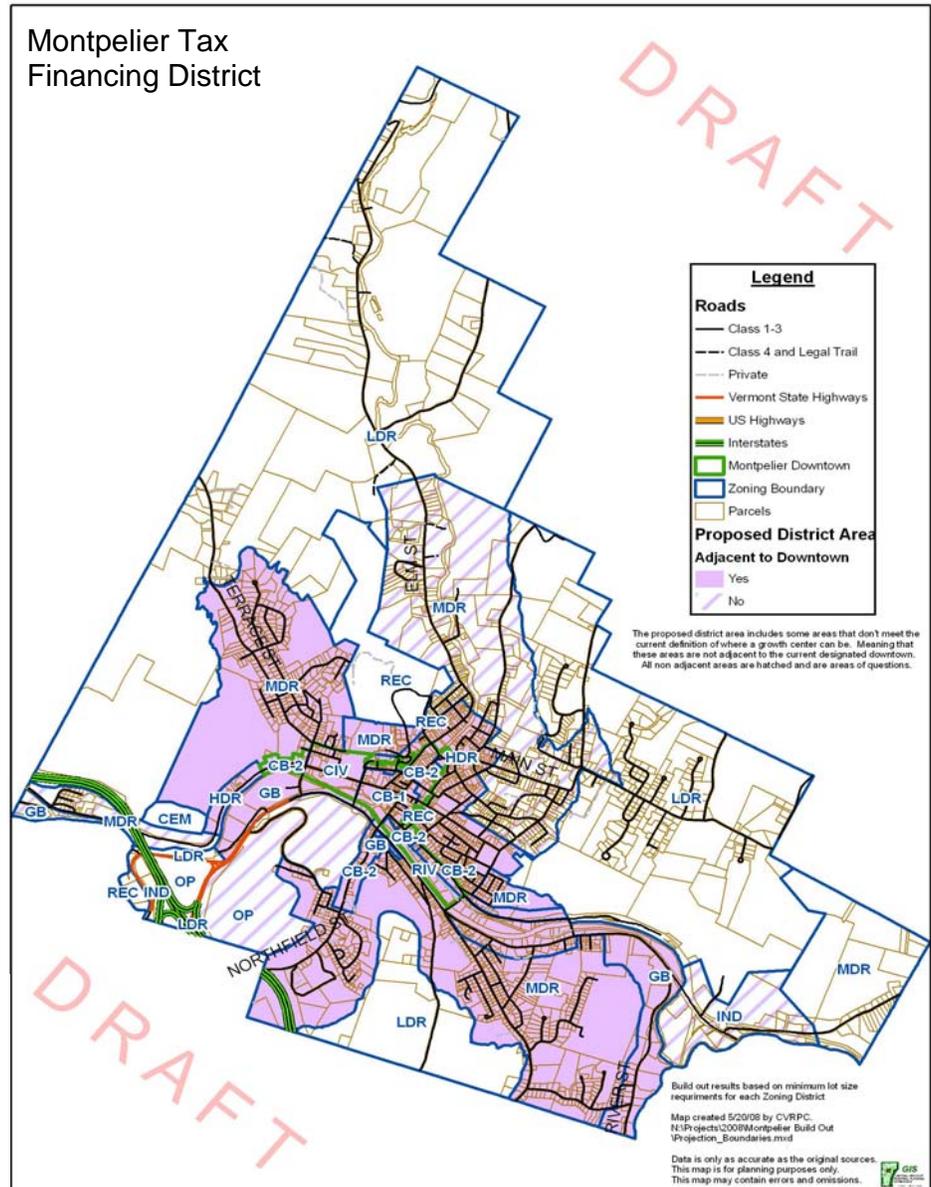
Meanwhile, the investment in new infrastructure and services will raise the value of the property and make some new development possible where it wasn’t before. The city is able to issue bonds for the construction of the infrastructure – which means they take out a low interest loan – and they can pay it back with the additional taxes they collect on the properties in the district. These *incremental* taxes, the difference between the frozen value and the actual value of the property in the district, are what give this financing plan its name.

How big will the district be?

We are planning a district that is as large as the area we will need to accommodate the new housing and job growth from now until the year 2030. It is to our benefit to have a large district, because the more properties are in the district, the better we are insulated against some properties losing value rather than gaining value. In Winooski they had a problem with their TIF because they only included the commercial properties in the downtown, and over the last few years commercial properties have been falling in value. So in their case, they had a bond to pay back for all the development they did in the downtown, **and** they also needed to make up the difference in taxes between the frozen values at higher rates and the new lower values. A double whammy, so to speak.

Right now, the district we are considering includes all of the High Density Residential (HDR), Medium Density Residential (MDR), Office Park (OP), General Business (GB) and Industrial zones that touch the designated downtown or – in a couple cases – the adjacent district. We are doing this to make sure that areas that can support some new development are included, and that the district is large and diverse enough to be protected from variable property values.

The proposed district area includes some zoning districts that are not adjacent to the current designated downtown. All of these areas are indicated with purple stripes, and are areas under consideration for the district, even though they are of secondary importance for that purpose.



Does this mean that we're opening ourselves up to lots of new development?

Growth Center designation does not circumvent the city's current zoning and subdivision regulations – all development proposed would still need to meet our standards. We are choosing to draw the lines around the areas that are already zoned for medium and high density – no new zoning is proposed. So we are not open for any more development than we are now.

The designation will increase the number of units proposed before Act 250 review is required, which means that some projects that now would be subject to Act 250 will not be if they are proposed within the Growth Center. The city already incorporates most of the issues addressed by Act 250 in our local review, however, and can hold local hearings on criteria 5 & 10 as part of the local review, which allows review of traffic impacts and any issue identified by the city master plan or regional plan. Any city resident can participate in the hearings; it is not necessary to meet the standards of an interested party under Act 250. The application for growth center designation also requires that we identify all the important natural resources, the historic resources, and the agricultural land that is within and outside the boundaries, so residents will have more data to use if they are interested in the potential impacts of a development.

The main benefit of growth center designation is that the housing that will be built can be made more affordable because the city will have the ability to build some of the infrastructure to support it, taking the burden of putting in streets, sidewalks, water and sewer, and other services off the individual development.

If we have more people to support the existing services we have – the schools, roads, water system, and sewer system, it will also help make all of it more affordable for everyone because there will be more people to pay the bills. Right now we have surplus capacity in most of our city services – our population has been declining over the last 20 years. So adding some more people will not force us to build new facilities. This is a good position to be in – the investment we make can really save us all money in the long run; most cities are struggling to catch up to the demands of a growing population.

What needs to be done to make the designation?

Applying for the designation will take a vote of City Council. At this point, we hope it will be on their agenda at the June 11th meeting, so we can move forward with the preliminary application to the state. It is a competitive process, and several other cities are also working on applications, so it is to our advantage to get it in sooner rather than later.

The Planning Commission will also be considering it at their June 9th meeting, so if you are interested in the process, please plan to attend either or both of these meetings. They are both at 7 pm, and are held in the City Council Chambers at City Hall on Main St. in Montpelier. Or for more information, call Gwendolyn Hallsmith, Director of Planning and Community Development at 802-223-9506.

VT Neighborhoods Program
Sections 2 – 24 of H. 863

Karen Horn, Director Public Policy & Advocacy, VLCT

Criteria:

A municipality is authorized to apply for designation of a ***VT Neighborhood*** if it has a duly adopted and approved plan and a planning process that is confirmed and that has adopted zoning bylaws and subdivision regulations.

A ***VT Neighborhood*** must be located in a designated downtown, village center, new town center or growth center --

Or contiguous to a designated downtown, village center or new town center – growth center not included in the contiguous language..

- May be 100% of total acreage of a designated downtown;
50% of total acreage of a village center; or
75% of total acreage of a new town center.
- Contiguous land must complement designated downtown, village center or new town center by integrating housing units with those areas and transportation networks and achieving consistency with smart growth principles.

A ***VT Neighborhood*** must

- Be served by municipal sewer infrastructure or a community or alternative wastewater system.
- Incorporate minimum residential densities of no fewer than four units of single family detached dwelling units per acre and higher densities for duplexes and multi-family units.
- Incorporate neighborhood design standards that promote compact pedestrian oriented development patterns and networks of sidewalks or paths for both pedestrians and bicycles that connect with adjacent development areas.

Designation:

If the proposed boundaries of the proposed ***VT Neighborhood*** are entirely within the boundaries of the designated downtown, village center, new neighborhood or growth center, the Downtown Board *shall* issue the designation.

If the boundaries of the proposed ***VT Neighborhood*** are not entirely within the boundaries of a designated area, the Downtown Board shall designate the ***VT***

Neighborhood if it determines that it meets the requirements of the program. That decision shall be rendered within 45 days of receiving a complete application. The board may reduce the size of a proposed **VT Neighborhood**, but may not increase it. There is no appeal from the board decision.

A designation is good for five years and thereafter is reviewed concurrently with the underlying designated downtown, village center, new town center or growth center. The board may review compliance with criteria more frequently.

Incentives:

- ANR may assess a fee for hookup to a municipal sewer system of no more than \$50.
- Act 250 fees shall be 50% of amount otherwise assessed. Of that amount, half is paid upon application and half within 30 days of issuance or denial of the permit.
- No land gains tax upon the first transfer of undeveloped land in a **VT Neighborhood** following original designation of the neighborhood.
- The number of units of mixed income housing units that trigger Act 250 jurisdiction is increased from current statute, based upon the population of the municipality hosting the **VT Neighborhood**, growth center or downtown development district. For a municipality with a population between 6,000 and 10,000, 49 mixed income housing units or a mixed use development with 49 housing units could be built without the number of housing units triggering Act 250.
- The demolition of historic buildings in and of itself will not trigger Act 250 if the Division of Historic Preservation as determined there will be no adverse effect or that effect will be mitigated.
- Housing units constructed by a person outside the **VT Neighborhood** shall not be counted toward his or her total within the neighborhood.
- If constructing units entirely within a downtown development district, growth center or **VT Neighborhood**, housing units constructed by the same person outside those areas but within a five mile radius in the last five years, *will not be counted toward the total as long as the development inside the designated area is part of a discrete project on a single tract or multiple contiguous tracts of land.*
- A determination by an appropriate municipal panel shall not be subject to appeal if the determination is that the proposed residential development in the designated downtown, designated growth center or **VT Neighborhood**

seeking conditional use approval will not result in an undue adverse impact on the character of the area affected.

A Smart Growth Study Committee is created to address other Act 250 criteria that were the subject of heated debate in the legislature over the last year.