

**Montpelier Planning Commission Meeting**  
**May 14, 2012**

*Subject to review and approval*

**Present:** Jesse Moorman, Jon Anderson, Alan Goldman, Eileen Simpson, Kim Cheney, Gwen Hallsmith, John Block, Tina Ruth, Clancy DeSmet.

**Audience:** Tim Heney

**Call to order:** No comments from the Chair.

**Election of a Secretary:** The bylaws state that the Secretary may or may not be a member of the commission. The difficulty of being scribe and participating in the meetings was discussed. A motion was made to elect the person hired to take minutes of the meetings as the Secretary. The motion passed unanimously.

**Appoint member of the Transportation Advisory Committee (TAC) to the Central Vermont Regional Planning Commission (CVRPC) and alternate to CVRPC:** Tina is the representative to the CVRPC and they have asked that an alternate be appointed, as well as a representative to the TAC. The alternate and the TAC rep can be the same person, but that limits the number of votes Montpelier has on the committee. A motion was made to appoint Eileen as the TAC representative and Kim as the alternate to CVRPC, pending his approval after attendance at their next meeting.

**Subcommittee Reports:**

Procedures: On the schedule for the next meeting on May 29<sup>th</sup> and would like a few more weeks to work further.

Standards: Tina gave an update. She has found them to be very well done, there have been a few grammatical corrections, but since most of it is legal, there have been very little additions and deletions. She would like to see a reformat that shows the hierarchy.

Definitions: Is ready to present a draft that Clancy is pulling together.

Updates have been done by strikeouts and new information in a different color.

**Replacement Housing Draft Ordinance:** Since there is an ebb and flow of housing to commercial and back, the housing ordinance would apply to certificates for commercial conversion outside the village. There is a need to carefully define the overlay to which the ordinance is applicable. Tim Heney asked that the committee be thoughtful in making the process less painful, less subjective, and more understandable. Other discussion involved if a housing ordinance was actually wanted and to what areas it would apply. A decision will be made at the next meeting after a map is provided. A framework of how the existing process flows will be presented at the next meeting, how the conversion from residential to commercial would work.

**Review Infill Incentives:** Gwen stated that there is not a lot of information out there on what other cities do. What they have discovered is the main way to promote infill is to fill density and dimensional requirements. The next meeting will have a map of housing replacement, a comparison map of the places that are changing densities.

**Future Agenda Items:** Flood hazard will have to be tabled until Clancy can attend. The standards reporting and definitions, if they are ready.

**Adjournment:**

Respectfully submitted,

Tami Furry  
Recording Secretary

(Memo from Kim Cheney to Planning Commission)

Memo: To Planning Commission

Re: My Motion to get School Subsidy Data last week.

Last year the Towne Street neighbors came to our meeting to protest higher density proposals for the district. David Putter read Bill Frazier's February 2011 Bridge article to support the neighbors contention that higher density would not reduce property taxes, and would "ruin" the neighborhood.

Both Frazier's 2011 article and his recent email say, essentially the same thing: Don't expect infill to have a dramatic effect on property taxes. Average Montpelier taxpayers might expect a property tax reduction of \$15.00 a year for ten years, or \$150.00 if the Grand List gained by \$75M - that is an 8 cent drop.

The issue of course, for me personally and my neighbors, is the possibility of Jeff Nick putting 26 units on the area adjacent to and below my house. That development would affect the entire neighborhood and of course, myself. I can't pretend this doesn't affect me, but on the other hand I want what's best for Montpelier.

I have no idea what opposition there will be to our finished product. The Barriers to housing Committee Report (11/9/2011) recognized the strong influence neighbors have on land use planning. It recommended, among other things, that the community "Educate members of regulatory bodies to properly play their adjudicatory roles" – that is not cave in to neighborly objections to projects or change. The City Council is not an adjudicatory body, and can be expected to gauge the desirability of a policy change by voter support for it – i.e. neighbors affected by change.

The winner of the recent District 2 election, supported by now Mayor Hollar, advocated a 3% reduction in the budget – which is really closer to 6% if inflation is included. This fact suggests that voters will be motivated by cost savings – real or imagined – rather than policy changes that don't hold out that promise.

At Jon Anderson's suggestion, fearing that a determined vocal opposition could undo all the hard work to make a new zoning ordinance, he and I met with neighbors to try to defuse the expected opposition to the new Zoning plan. There seemed to be agreement that half acre lots, rather than 1/3 acre lots would be acceptable, if such a large development was a conditional use. The full commission has yet to see this proposal.

So, I wondered if there would be a bonus based on increased State School Aid.

Clancy sent me the 2005 Crane report which Gwen said would show a property tax reduction from increasing the school age population. Unfortunately that report does not hold out such a possibility. The Crane Report, in scenario 2, hypothesizes 15% growth in Montpelier population over 10 years from 2005 to 2013. It does not propose any method to encourage that growth. The report projects if that growth rate occurred, 649 more housing units would exist (65 per year), Montpelier student population would increase by 167 equalized pupils (the basis for education aid) and the net cost to educate our kids would decline by about \$500,000 annually or .02%

Those projections do not support the proposition that growth will positively impact school costs, however it is achieved. Moreover, if the actual anticipated growth in housing units is 50 (rather than the 29 experienced last year) that would be about a 7% drop in the growth rate and would undoubtedly not result in any net gain to tax payers through state education aid.

A contemporary analysis of school revenues based on the current state aid formula rather than the 7 year old one used by Crane might produce a more hopeful picture. Which is why I asked for the figures. However, using our goal of 50 new housing units a year instead of 65, producing 155 equalized pupils instead of 167 over 10 ten years is unlikely to change the projections.

I am aware that the Master Plan calls for increased density to reverse the declining population trend of the City, and keep the schools alive. It projects a hopeful goal of 50 new units over 10 years. Nevertheless, I agree that having more people in town is a good idea.

Perhaps the Towne Street group will be mollified by Jon Anderson's proposed changes to the density in that area. However, I expect the Liberty Street residents to object strenuously to conversion of large houses on that street to office use, if the developer provides addition housing somewhere else.

Without a good "infill" map it is hard to tell where other opposition will come. Gwen's design competition is a good idea, and perhaps it will help us understand where infill might actually occur.

If increased density primarily affects Alan Goldman's land, Sabin's pasture, and the Towne Hill district which are the only areas where there is room for much of an increase, that are a much different practical and political issues.

Certainly increased density will have some advantages fiscal and otherwise, especially on increasing business in the downtown core. But I think incentives, such as discussed in Exhibit C, and mentioned by Nancy Sherman at our last meeting, will be more effective, and we should actively consider them.

(Response by Bill Fraser)

Hello All,

As the author of the article in question I thought it appropriate that I weigh in on this conversation. First, thank you for reading the articles and considering them as part of the public policy discussion. As I write these each month, I often wonder whether people really read them and think about them. Thank you, too, all for the hard work you are engaged in. Land Use policy is one of the most important roles of a municipal government and I sincerely appreciate the time and effort you are all investing to come up with a good plan for Montpelier.

The section of the article that is being discussed was part of a piece about the tax rate and the various components which drive the tax rate up or down. Each section was intended to quantify perspective and scale. What sort of budget cut is needed to reduce the tax rate by one cent or ten cents? What does that mean for services? What amount of property value growth is needed to reduce the tax rate? What does that dollar value of growth equate to on a scale that exists in our community today? The point of the entire article was that there was no one easy way to reduce our taxes significantly without experiencing some changes in community services, development patterns or revenue raising mechanisms.

The article was emphatically not an endorsement nor a condemnation of any particular development pattern, density requirement or any type of growth. It was not intended to render any value judgment on the desirability of any type of growth other than the numerical value of what was necessary to accomplish certain changes in the tax rate. I have included the relevant section of that article in its entirety below for reference.

Independent of this article, I believe new housing is a critical need for the community. One of the key factors in the affordability of the city is the price and availability of housing, particularly for working families. It's my professional opinion that up to 500 new housing units would result in a financial benefit to the community for the following reasons:

- 1) They will generate additional taxable income. If for, example, the average value of the each unit was \$150,000 (which is below our current average residential unit value) they would add \$75 Million to the grand list. On its own that could reduce the tax rate by 8 cents.
- 2) We have the capacity to serve more residential units without significant increases in service costs which I can discuss more thoroughly if you like. It would take nearly \$650,000 in additional taxable municipal expenditures before these properties cost more than they brought in. We believe we can serve them largely within our existing service structure.
- 3) The clear driver for the education tax rate is cost per pupil. Montpelier has seen significant decline in its school population over the years. Obviously the school system once served nearly 200-300 more students than it does today. 300 new students are only 23 per grade, K-12. There presently exist variances between grades of far more than 23 students. Additional students in the schools will help bring the school tax rate down and, perhaps, stabilize educational offering for all students. Note – I do not speak in any way for the school department. [Per pupil spending is \$16,220].