

**Montpelier Planning Commission**  
**February 9, 2009**  
**City Council Chambers, City Hall**

*Subject to Review and Approval*

**Present:** Karen Vogan, Chair; David Borgendale, Vice Chair; Claire Benedict, Anne Campbell, Matthew DeLorey, Alan Goldman, and Jesse Moorman. Also present was Lucia Bragg, Youth Member.  
Staff: Gwen Hallsmith, Director, Planning & Community Development.

**Call to Order:**

The Montpelier Planning Commission of February 9, 2009 was called to order by Chair Karen Vogan at 7:00 P.M.

**Public Hearing: Growth Center Application:**

Gwen Hallsmith made a slide presentation on Montpelier's application for a Growth Center Designation. She said they were present to talk about the application that has been advanced on a preliminary level to the state for a Growth Center Designation. They are now in the process of review and considering whether to make a final application to the state. There isn't a prescribed process for a growth center application except for the City Council needing to adopt it. In the spirit of making sure that everybody has a voice in the application process the Planning Commission is proceeding as if it were more like a zoning change and holding a public hearing tonight. The Planning Commission will make a decision about whether to make any changes or amendments to the application as it stands before they forward it on to the Council where it will be the Commission's recommendation to the City Council that they also hold a public hearing about the application and take a vote on whether to send it to the state.

Ms. Hallsmith said she was going to give a short presentation about how they came to the decisions they have come to and what the Growth Center Designation means to the city, at which point they will take comments and questions from the members of the public. This is a public hearing and they are really interested in hearing what they have to say about it.

The Growth Center legislation is a fairly recent piece of legislation and has not been used in many communities so there are not a lot of examples about how it is used elsewhere. Williston has adopted a Growth Center for their area around the Home Depot, the Big Box stores and the Williston Town Center area. Bennington has recently been approved as a Growth Center. There are not a lot of communities that have that status yet, so the city is in relatively new territory.

One of the ideas of a Growth Center is that the community is actually growing in population, and in Montpelier we have a slightly different circumstance. The top line of the graph depicts the total number of employees in Montpelier. The research shows there are about 11,000. The second line down is the city population which is a relatively flat line. We're not growing very fast in Montpelier. The third line down is the private sector employment, so you can see the difference between the numbers of public sector jobs in Montpelier. It does give a sense of the kind of employment impact that the state government has on the city. The very lowest line, hovering around 1,000, is student enrollment in our schools which you can also see, like our population, is relatively flat.

One of the primary questions they needed to ask themselves at the outset was is this the way we want to be in Montpelier. She thinks it is fair to say that if we are interested in reducing the sprawling development that has occurred in the communities surrounding us and interested in preserving Montpelier's place as a center for cultural, financial, economic and social interaction we do need to look a little differently about how we proceed.

Another concern from the perspective of population is our demographic distribution. This show the United States population distribution in 1950 and 2000 and Montpelier's distribution in 2000. The green bar to the left are the people who are between 0 and 19 years old; the second bar is showing people who are between 20 and 44 years old; the purple bar is between 45 and 64; the grey bar is between 65 and 84, and the darker blue bar are people

who are over 85? As of 2000 Montpelier had less than the national average in young people and a good deal more than the national average in older people. By next year 2010 more than 50 percent of Montpelier's population will be over the age of 50. This has serious implications for our schools and economic well being. Part of the reason we are seeing this demographic trend is because it is increasingly difficult for families to move into town with young children. The housing is expensive and young families often can't afford the kind of housing we have here in Montpelier. This is another trend that is in our best to turn around because part of the reason we pay relatively high property taxes is because of our flat or declining school enrollment. The way the property tax is currently structured the more students you have in the schools the more money you get from the state to support your schools and the lower taxes the residents pay. If you can attract more families with children and put more children in the schools we will be able to lower our taxes.

Montpelier isn't a unique circumstance insofar as we have surplus capacity in our schools. We also have surplus capacity in our water and sewer systems right now. That means that Montpelier, unlike a lot of communities, can afford to grow without it having an enormous impact on the infrastructure or tax structure. In fact, it would benefit people living here now to have more people in town to pay the rates and pay the taxes and put children in our schools.

There was another slide that showed the population growth figures from 1900 to 2000. The exponential growth line is the United States as a whole. The next line down, interestingly enough, is the growth in adjacent towns to Montpelier, which are East Montpelier, Middlesex and Berlin. The third line down is all of Vermont. You can see that Vermont tracks the United States trend relatively smoothly, although the growth in our surrounding communities has been accelerating at a greater rate than the United States' trend in population. Montpelier has not been keeping up with population growth with Washington County. Most of the growth is going to the surrounding communities. Part of the reason for that is because it is more expensive to develop in Montpelier. We have very protective zoning bylaws unlike some of the communities surrounding us. When you see the accelerating of population growth in surrounding communities that is growth going in sprawl form that both decreases our ability to attract new people and also has a fairly substantial impact on the environment. It reduces our available farmland for the region and increases the CO2 and other emissions that come from all of the commuting that occurs for most people coming into town.

If you look from 1960 to 2000, this is the percentage rate change of growth and you can see that Montpelier is actually below zero while the adjacent towns are on a rapid exponential growth. These are the metrics of sprawl. Sprawl is something that flies in the face of the smart growth principles that the whole growth center legislation was designed to address. It was the city's feeling when they started this project that Montpelier should be the growth center for the area and should attract more growth and residential development into our community to avert the sprawl that is occurring in the outlying areas.

We began the enVision Montpelier process a year and a half ago and this process was designed to engage the community process to update our Master Plan and to produce a plan that was further into the future, 30 to 100 years into the future, to try and determine what we wanted the community to look like in the long run. What kind of community would we want to leave to our children and grandchildren? This process has engaged over 300 people in active committee meetings. They have done surveys with over 1,000 people. The Infrastructure Committee of the enVision Montpelier process was the committee which shepherded forward the Growth Center application. They are the ones who ultimately forwarded

it to the Planning Commission with their recommendations. The Growth Center process has been a very public process from the outset. It's not something they are trying to do without the approval of the community.

The vision and goals that were adopted for enVision Montpelier included goals for social and human well being with governance, economic vitality, efficient services and infrastructure and environmental integrity. These are all really important areas to look at when you are trying to develop a sustainable city because it is the combination of all of these things that makes our city a healthy environment at this time. The attention to one without the attention to all of them means you are not going to achieve any of them. You have to look at all of these issues simultaneously in order to achieve sustainability.

There is a slightly different approach than they have taken in the past. The goals that were adopted by the City Council in August of last year that she felt related to this proposal as one of the goals for economic well being is that Montpelier, Barre and other adjacent communities cooperating as an economic, social and cultural center of the Central Vermont region and provide jobs, income, housing, social activities, recreation, health care and services to area residents. Another goal that also fits are work with the Growth Center application is largely due to the role that affordable housing and environmental protection need to go hand in hand. It is the goal around sustainability, that all economic activities in the city enhance the natural environment, celebrate the rivers and water sheds and build a natural, social, cultural, human, financial and institutional capital base for future generations.

City Council is also engaged in a bit of a contest with Olympia, Washington to become the first sustainable state capital, and both cities have adopted goals and targets in the area of carbon reduction and fossil fuel reductions as part of that. We really want Montpelier to be a model for the rest of the country and the rest of the states, and they want the kind of practices that they are introducing here to be inspiring for the communities.

The Growth Center legislation was designed to promote concentrated development. This language was taken right from the Legislature itself. It says “designated growth centers will serve to support the state’s downtowns, village centers and new town centers by encouraging new residential neighborhoods and compatible civic, commercial and industrial uses to locate within the proximity to historic community centers. As far as she is concerned, that goal of the Growth Center legislation maps very closely with the goal that we set here. We want to be a social and cultural center for the community and the greater Central Vermont region.

The benefits of the growth center and the reasons the city is applying for it is that having a growth center designation makes it possible for the city to access tax increment financing for infrastructure projects. Tax increment financing is a fairly complicated process. Basically, what it means is that the city can get back into the infrastructure business where the city decides where the roads, sewer and water lines are laid out. The city can bond to produce that infrastructure for new development. Then, the incremental difference between the value of the undeveloped land, like Sabin’s Pasture, and the value of the land with the infrastructure and new housing built on it is what actually pays off the bond. The state can use tax increment financing to freeze the value of the property at the level that it was before the city developed the infrastructure. From the state’s point of view for our education taxes for our schools Sabin’s Pasture stays a pasture for the next 20 years at that level of tax value. Meanwhile it has roads, sewer and water and housing on it and therefore taxed higher by the city. That incremental tax we are allowed to charge on that land is what then goes to pay off the bond.

Tax increment financing is not a panacea, but because the Sabin’s Pasture project is moving forward rapidly and because the Trust for Public Lands is looking to partner with the city to develop the project,

it seems to her to make a lot of sense to move forward with this Growth Center application at this point in time so we could serve that role in this development and others around the city. One of the advantages of the having the city play a role in laying the infrastructure is that the citizens can have a voice in where it should go.

There are other incentives that are built into the legislation. If we pass Growth Center designation we are on the high priority list for the state for incentives from the Vermont Economic Development Authority. We have priority for state infrastructure financing, and this is critical because right now tonight at 8:00 P.M. President Obama is going to be on television talking about the new economic stimulus package. The way that package is being presented to the country is that it is relatively rapid short term spending on infrastructure. We are about to see more money coming into the state for infrastructure construction than we have ever seen in our lifetime. If you divide up the amount that was passed by the House and the Senate per capita and allocated that per capita allocation to the City of Montpelier we would be ready to receive a check from the federal government for over \$22 million. That is a lot of infrastructure. It’s important that Montpelier be on the priority list because our infrastructure is in bad shape.

There are also other things in the legislation that would be useful to the city, including more technical assistance for brownfields cleanup. We do have a number of redevelopment sites that are contaminated with different types

of heavy metals. It turns out from the recent study done on the Carr Lot that the lead contamination was very high.

There is also priority for CDBG grants under the Growth Center and priority for historic preservation tax credits. These are the benefits of designating part of our community as a growth center. The growth center designation doesn't change the zoning. There is nothing about what they are proposing in the growth center that opens the door for any different kind of development in the community than is possible right now. If people have housing projects they are going to propose on a property, the Growth Center designation will not change their ability to propose that housing. All it does is gives incentives that might make an otherwise prohibitively expensive development possible. It helps build the infrastructure and some other considerations that bring higher levels of state and federal money to the city for that type of development.

The tax increment financing does allow the city to build infrastructure without raising taxes. The Growth Center designation doesn't instantly give us the ability to do that. We then have to draw the lines for a TIF. The city bonds for infrastructure construction. Again, the state freezes the value of the real estate and the incremental difference between the value and the improved area stays with the bond.

In Montpelier we have a number of different things that prevent some of this funding. We have a long term commitment to preserving and maintaining our valuable resources in the downtown. We have design control laws and laws against demolition of historic buildings, but they are expensive. Certainly, some of the building owners in the downtown could benefit from the infrastructure improvements when they are put in. For example, tax increment financing might help us put in the district energy plant we have been talking about and it is up for consideration by the City Council. If we could have a more reliable form of heat that is based on renewable energy that could heat the downtown buildings and is lower cost than the heat they are paying for now that would be a real benefit and would help maintain the valuable historic resources in the downtown.

Our parks are another area that needs continuous improvement and we are always looking to develop new ones. There are two new parks on the board right now, Turntable Park on Stone Cutters Way. Parks and recreation are an important part of the city's life.

Resource protection is another important issue when we are thinking about establishing a Growth Center. We have looked at the impact it would have on all of the different resources that we are trying to protect in the city. Basically, when they did the build out scenarios they took into account and calculated the values in the total area and they involved prime agricultural land. When they were trying to figure out how much road they were going to see in the district they had identified they subtracted out values for the types of resources that the city would protect. The city does currently have zoning in place that helps protect prime agricultural land. It is also protected by Act 250. The Growth Center legislation goes into a lot of detail about how to further protect agricultural land in growth center areas.

Steep slopes are another real concern and another serious development constraint in Montpelier. The steep slope areas are protected by the zoning, Act 250, storm water permitting at the state level. It is difficult and expensive to develop on the steep slopes. It's not prohibited, but it is very difficult.

Flood way is another part of the community that was subtracted out from what they would be building on. The floodplain also is included in the subtraction. Wetlands and buffer zones received a reduction. This is protected by the site protection and design provisions in the zoning ordinances. She showed a map depicting a lot of the wetlands in the community and said it assumes that as people present site plans for various developments that the Design Review Committee and Development Review Board will require them to attend to the wetlands.

A big part of the Growth Center is to protect and enhance our designated downtown. The city has a long and committed history of protecting its downtown. The city actually initiated a Montpelier Downtown Community Association and asked them to pursue activities for our downtown businesses for a long time. For the state owned land when they make a proposal they do come before the city zoning boards. It is very difficult and virtually impossible for the city to designate a Growth Center and take the state owned land into account in our development, so it is excluded from the build out as it really should be.

The Growth Center boundaries they have identified to date, when you starting to look at where you are going to designate a Growth Center in the community the first question needs to be, where is that type of growth already allowed. The city went through an extensive process two years ago to revise wetland zoning and that was adopted. Right now we are at the end of the whole zoning cycle.

The Growth Center does not change the zoning. It just makes it possible for people who are already considering developing within the zoning restraints we have.

She showed the Growth Center build out map which shows areas that are already fully built out. That means they are already built to the limits what the zoning will allow. That doesn't mean that they can't be redeveloped because you could tear down buildings and building new ones. That isn't possible in the designated downtown because there are very strict prohibitions downtown with the historic buildings. Within the designated downtown, which is right along the river, a vast majority of the property is considered built out. In fact, the analysis they did shows that 93 percent of the designated downtown is built out and therefore could not absorb any great amount of growth over the next 20 years.

The green areas are areas the computer model has restricted because of the other environmental constraints on the property, such as steep slopes, wetlands, etc. The yellow areas are areas where new development could occur.

In conclusion, part of the timing issue around the Growth Center is that we are right now in the moment in time with the economy the way it is more money for infrastructure will be coming forward. Being on the state priority list to get that money into Montpelier for our infrastructure is good. Having a Growth

Center designation will put us on the priority list. Another consideration is that one of the motivating factors for moving forward with a Growth Center designation is the timing with Sabin's Pasture. Sabin's Pasture can be facilitated with tax increment financing available through a growth center designation.

Finally, using boundaries the city defined as part of the zoning process is a very legitimate way of pursuing this. She would have a hard time drawing boundaries that are different than our zoning areas. Having a Growth Center in compliance with the zoning is actually important from a planning point of view.

At this point Ms. Hallsmith invited the public to come up and make their comments to the Planning Commission. Planning Commission members introduced themselves to the public.

**Jake Brown**, a resident of Liberty Street, said he wanted to recognize the time the Planning Commission spent putting the Growth Center application together. He said he wanted to speak for himself, although he does work for the Vermont Natural Resources Council which has views on this topic and was a supporter of the Growth Center legislation when it was passed in 2006. He urged the Planning Commission to move slowly as they look at the boundaries. They are not in all cases mirroring the growth center principles that are outlined in the Growth Center law. Smart growth principles, for example, to maintain historic development pattern, encourage choices in transportation or reflect a settlement pattern that is characterized by the scattered development outside of compact village centers. He has a copy of the smart growth principles that are a part of the Growth Center legislation. Linear development along well traveled roads and highways that lacks depth as measured from the highway, as he looks at the map it looks like there could be some changes to better reflect the goals of the law. He would be very happy to offer those suggestions. As a whole the growth center boundary makes sense, but there are areas, for example, around Routes 2 and 302, and out toward the Creamy Stand, where we are really getting away from the concentrated development concept and spreading out into areas where we have to have a car. We have to assume we couldn't use a bicycle and certainly couldn't walk. He would urge the Commission to look at those lines and not be necessarily bound by the notion of just going along the lines of the zoning because it may not necessarily reflect the long thinking the Legislature engaged in when it developed the Growth Center Law. It is important that Montpelier is in compliance with the essence of the current Growth Center Law. He thanked the Planning Commission for their good work.

**Jack McCullough**, a resident of Towne Street, said he is one of the two co-chairs of the Montpelier Housing Task Force. They have sent a letter to the Commission indicating their strong support for this proposal. He said

the presentation they just heard was very valuable and comprehensive. There are only a couple of things that strike him and other members of the Housing Task Force as they think about housing in Montpelier and the opportunities for housing in Montpelier. One is that in the work they have done in reviewing the Master Plan they have noted that although the population for the city of Montpelier has been essentially flat, or the number of residents has been flat, but the number of households has gone up over the years. The size of the households has gotten smaller and the number of households have gone up, and that is one of the things that is really driving the need for additional housing in Montpelier. The Growth Center designation is an opportunity to address that concern. Another point of opportunity is the population growth in the surrounding towns. What that tells us is that those are residents who could be living in Montpelier if there was some place for them to live. They could be paying taxes and contributing to the business climate in Montpelier. The third thing he wanted to add also relates to the work of the Montpelier Housing Task Force. Last year as part of the activities for Housing Awareness Week the Montpelier Housing Task Force did a survey downtown of people going in and out of businesses, working in the local businesses and one of the things they found is that

every day you go into the stores and the restaurants and you will be interacting with people who are working in downtown Montpelier and would love to live in Montpelier, and would live in Montpelier but either the housing isn't there or the housing isn't affordable for them to live there. The Growth Center designation is an opportunity to address and to provide housing for people who already are a part of the Montpelier community and could be contributing residents of the city of Montpelier.

**Gwen Hallsmith** said that unfortunately the representatives from the Regional Planning Commission couldn't attend tonight but she wanted to raise what they wrote in response to the Growth Center application because the Regional Planning Commission is responsible for commenting on it and making sure the Planning Commission is in compliance both with regional planning goals, state law and our own good standing in terms of the planning process they have engaged in. She recognizes that people have raised concerns about whether or not our Growth Center application meets the smart growth principles in the Growth Center legislation. It is important to hear from the Regional Planning Commission on this. They say:

*It is gratifying that here in Vermont we have come to the realization that sprawling patterns of growth are often unnecessarily consumptive of land and energy, taxing on public services, destructive of downtowns, inflationary for land and housing costs, and in conflict with our aesthetic character. This philosophy espoused by the 2008 Central Vermont Regional Plan in which the concept of encouraging the region's historic settlement patterns is a pervasive theme. Specifically, the plan endorses smart growth planning principles as embodied in the Growth Center concept supports the appropriate expansion of existing settlements, particularly where infrastructural capacity exists, as in the case with Montpelier, encourages infill redevelopment and supports and encourages revitalization efforts directed toward strengthening and improving villages and cities. We believe that the proposed Growth Center for Montpelier, if approved, would have great potential to further each of these goals through the benefits derived state designation, including tax increment financing, revised development review thresholds and priority eligibility for various funds and programs. Finally, for the purposes of your submittal, I will attest that the City of Montpelier is in good standing with regard to regional approval of its Master Plan and confirmation of its planning process as evidenced by the attached resolutions.*

*Signed by the Regional Planning Commission*

Ms. Hallsmith said she would like to enter that into the record.

**Eric Gilbertson**, a resident on Richardson Street and a resident of Montpelier for 32 years, posed a couple of questions on the Growth Center application. There is a definite difference between zoning, which is a permitted use of a piece of property, and the Growth Center which is encouraging a certain use of property for all of the reasons Gwen gave about tax increment financing. There is a material difference between preventing something and encouraging it. He also has a bit of a problem with the focus. He thinks the area is too large. He's not sure it meets the smart growth principles to encourage development along Route 302 and Route 2 out towards Walker Motors. There is quite a bit of developable land there and he isn't sure we want to increase the strip of that. He

also doesn't think if housing is the goal of this that there will be much housing put out there. The other issue he has is that he has 7 acres of land on Richardson Street that is zoned Medium Density Residential but is totally undevelopable. It would be stupid to develop anything there, yet it is included in the Growth Center. He realizes that every minute piece of land that is undevelopable in a parcel cannot be excluded from the Growth Center, but he thinks when they have a major parcel like 7 acres that it should not be included. It is an advantage to him if it is designated as a Growth Center because when he goes to sell the

development rights he is better off. From a personal standpoint it is fine. There is one other parcel on Elm Street that is about the same as his. Having major pieces of land that are undevelopable included within the Growth Center simply pollutes the focus of the Growth Center. It is his understanding of the Growth Center legislation is to focus development, and he doesn't think including undevelopable pieces of land that you would never get a permit to develop anyway. It is disingenuous of the process. He is more concerned about the entry ways to the city and encouraging development in that area of Routes 2 and 302 intersections because that would have a real negative impact on our downtown.

**Polly Nichol**, a resident of Lincoln Avenue, said she wanted to comment on the Growth Center concept in general. It is a really important opportunity for the city and one we should pursue for the reasons that Gwen outlined. Our population is flat, if not going down. We have capacity in water and sewer, and our rates are high. We need more people to help share those costs. Our school enrollment is declining and we have room in our schools. We need to attract more families, especially young families, and that is not possible with the high cost of housing in much of the city. We need more affordable housing and the Growth Center will provide that opportunity because we need younger families in the city. Because of the tax increment financing it is a really important opportunity for the city and she doesn't want to see it put on hold for so long that we miss those opportunities.

**Garth Genge**, a resident on Berlin Street and an employee of the Central Vermont Community Land Trust, said in support of the Growth Center as developers in the city it is very difficult in downtown to develop property that is affordable to anybody regardless of income levels. It would have some kind of infrastructure support which the tax increment financing method would provide for the city. Infill development, which is the smart growth direction that everybody wants to have happen, is extremely difficult to do. While we do have infrastructure in the city, we talk about having water and sewer capacity that is above what is necessary and can take an added population. The infrastructure that is in the ground in the city is not very new so if you are going to develop anywhere in the Growth Center it is going to be expensive not just for the developer but for the city to maintain the infrastructure that is there. Any access to funds that would support that which the Growth Center does would be very important to the city.

Ms. Vogan said she wanted to address one thing that hasn't been brought up with peoples' concerns about the Growth Center boundaries being extended to Routes 2 and 302. A lot of that land is also undevelopable, but it still has Montpelier residents at either end of it. Some of the abilities that are given to the city by the tax increment financing would be to serve the infrastructure that is on either sides of the city. This might possibly make River Street a more walkable district, which it currently is not at all, and connect the ends of our city to the center might be one of the possible benefits of extending this district out a little bit further than what appears to be smart growth.

**Nancy Sherman**, a resident of Montpelier, said a real opportunity that the Growth Center designation would have would deal with the buildings right across the street, the Dickey Block that is useful on the first floor but the second and third floors are totally unusable. There is a possibility that those buildings would fall down given there is no maintenance and no use or heat. Probably years ago people tried to put paper cats and curtains there to make it look habitable, but if those two floors could be rehabilitated and developed so they were useful in some way instead of just an empty façade we would be better off.

**George Malek**, with the Central Vermont Chamber of Commerce whose organization has 450 members operating from about 550 locations with 100 or more of those operating in Montpelier, appeared before the Planning Commission. He handed out materials to members of the Planning Commission which addressed the population

growth in the United States, Washington County and Montpelier. Chart 1 shows that between 1910 and 1960, in that 50-year period, either people didn't appreciate the wonders

of Vermont or hadn't discovered it because the U.S. was doubling in size Vermont were virtually unchanged with 10 percent growth. However, in 1960, things did change. Chart 2 addresses 1960 forward. There the United States and the state of Vermont have identical growth patterns with Washington County running just below the state of Vermont. Montpelier however was in decline while the adjacent towns were growing at a faster rate than the United States or the state of Vermont. Unfortunately, if you take everybody else out and just leave the City of Montpelier and the adjoining towns you get a varied growth pattern up to 1960, and then in 1960 the surrounding towns growing rapidly while Montpelier was declining rapidly. Obviously, in that 50-year period there was a lot of emphasis on dealing with growth. Unfortunately, there was far too much emphasis on trying to stop growth where you didn't want it and too little emphasis on encouraging growth where you do want it. They certainly applaud the Growth Center concept and the opportunity to attract development where it is desired. To simply have prevented growth in the surrounding areas, to simply pull that curve down would have been tremendously detrimental to the City of Montpelier. Declining population in Montpelier, and equally declining population in the surrounding towns, is not a recipe for economic success.

How much growth is reasonable and desirable, and what can the Growth Center do? On chart 4 you can see the trend line that housing has had in Montpelier as a percentage of the region, and with varying degrees of units per year what it takes just to halt sprawl given current circumstances. Projected growth for the next 20 years to level off Montpelier's percentage of housing is about 60 units per year, 600 per decade and 1,200 over the next 20 years. It sounds like a lot, and to some extent it certainly is. However, that would be 15 percent housing growth in the coming decade, and 13 percent in the decade following that. Those figures were exceeded in the 40's and exceeded again in the 70's. The number of housing units at 60 per year would be higher, but not remarkably higher, than the 70's when there were 46 housing units added each year.

Only 2 percent of Washington County has sewer; 98 percent does not. 2 out of every 3 new housing units are being built in towns that don't even have sewer much less on sewer systems, and we are moving rapidly to 3 out of every 4 being built in towns that don't have sewer systems. Zoned densities and sewer seldom exceed 1 unit per acre. Zoned densities often allow at least 4 units per acre. Unsewered houses require somewhere in the neighborhood of 3 acres per unit just to meet separation distances between sewer and water. Montpelier has the sewer capacity for thousands of additional homes and it has school capacity for several hundred students. It has hundreds of acres of undeveloped land or marginally developed land with access to sewer. Montpelier needs the 60 new homes. These homes would likely add 15 students a year to the school system. If they were multi-bedroom units, and if the Planning Commission and the city have an opportunity to provide incentives and work with developers it would certainly be good to see them develop something more than 2-bedroom units. That would add additional students.

Halting sprawl will not just happen. Simply designating the Growth Center doesn't change anything. The designation must be the beginning and not the end. The city will need to see tax increment financing, reduce the cost of development by installing infrastructure, encourage development of housing and commercial sites, create city/private sector partnerships, identify and designate the most desirable new neighborhood locations, and adopt an aggressive pro-housing strategies.

While the Central Vermont Regional Chamber of Commerce applauds the effort that has gone into the Growth Center and encourage the city to move forward as rapidly as possible for the reasons mentioned previously, they are disappointed that the National Life office park area is not included in the Growth Center. They think that is a serious mistake that hopefully could be rectified some time in the future. They also believe that frankly the entire city could have been designated as a Growth Center. That may

sound a little shocking, but a dozen years ago when the Regional Planning Commission first developed growth center criteria it was said in a joking manner, which was actually sought and applied for, the City of Barre as a complete city against the growth center criteria scored extremely well. He suspects that the City of Montpelier would do the same. At a minimum, they would encourage the city to consider including all land in the sewer service area. Again, only 2 percent of Washington County has sewer and sewer if not a requirement is certainly

an incredible inducement for higher density development. There is only 2 percent of the land in Washington County that can provide that. Isn't that the 2 percent they would like to see developed to have smart growth? The Chamber of Commerce urges the Planning Commission not to ignore the 1,200 acres that have sewer which are outside the Growth Center. That could make the Growth Center 50 percent larger and it could allow Montpelier to absorb 50 percent more of Washington County's growth in the Growth Center than it does with the current boundaries.

**Donna Bate** appeared and said she is initially going to talk with her hat on of the housing partners. In 2005, five organizations in Vermont created the Central Vermont Economic Collaboration, and it was the Central Vermont Chamber of Commerce, Green Mountain United Way, Central Vermont Economic Development Council, Central Vermont Community Action and the Central Vermont Regional Planning Commission. They identified five core issues they felt they would like to see if they could impact in a positive way, and number one that popped up was housing. In 2006 they sponsored a housing seminar at Capitol Plaza inviting everyone from the region to come. Out of that the Collaborative kept meeting and developed a Housing Task Force. The last three years various committees have met focusing on housing and they have developed 24 partnerships. Some are private businesses; some are organizations and people who are really concerned about affordable housing. In the back of their minds is also keeping the picture of Vermont. They, like everyone else, are here because they like the view. Smart growth and Growth Centers makes sense to them. A couple of points she was asked to bring to the Planning Commission was that they felt that the Montpelier Growth Center designation would be really positive not only for Vermont but for the area. They are concerned about sprawl and concerned about all of the commuting with hours, gas and roads. They also think that number one it will help housing. It will make the construction of housing and apartments easier and less expensive. It will attract working families with children. She, herself, when she moved here in 1967 couldn't afford to buy a house in Montpelier. It took her five years to finally enter the city doors, and it has gotten worse not better. Likewise, they feel the advantages to the infrastructure, taxation and future commerce development is really smart to be in alignment with your zoning. In all due respect she thinks zoning controls and it is good. It lays out goals; it lays out regulations. For her to put the Growth Center with the zoning says they have already spent a huge amount of time on the zoning. If there is anything she dislikes is doing a plan, putting it on the shelf and then not using it. All of that human power and time making the zoning has worked so far. It has been there for three years. Build the Growth Center on that. Keep reviewing it, and it can always be edited. The housing partner group is asking you to move forward on this and we wish you well.

Ms. Bate said once she got into Montpelier and became a resident she has owned four different houses and now lives in a condominium. She is barely by the skin of her teeth maintaining her condominium because the taxes are so high. She had the bold act of nearing retirement starting her own business, and it is hard. She loves Montpelier and she loves the vibration of it. She likes the culture center of it, but people are going to keep moving out of town. Not only taking their children and all their creative energy and their money – the school formula is based on how many kids are in the schools – and moving their businesses. Quite a few businesses have considered moving out of town. She hopes they do the Growth Center, and it is a very important revitalization for Montpelier as well as financially it makes sense.

**Cheryl Fischer**, a resident of Bailey Avenue, said she wanted to thank all of the Planning Commission for the hard work they have been doing. Having been a member of City Council a few years ago she knows what it is like to sit on city committees. She is pleased with all of the progress that we have been making through enVision Montpelier. Conceptually, she likes the idea and supports the whole Growth Center concept and has been an advocate for this kind of thinking for a very long time. She does come to this place in her life in part with some professional training in land use planning and community development. She did make an effort to update her own thinking about this over the weekend and she was one of the ones who went to the web site and could not read the report. While she may have some questions and concerns she may have to reserve those for the City Council because she wasn't able to be fully prepared tonight. She has for a long time espoused and advocated that we must join our neighboring communities and try to think in terms of the aggregate of what is going on in Central Vermont because our boundary goes out Route 302 will it touch up against Berlin's Growth Center designation. Logically, it makes sense to see the development not only as proposed on the map for Montpelier, but when you put it next to Berlin and look at Barre and some of the extensions into Middlesex we are going to have to think regionally. It is hard to comment on these boundary lines without knowing what our neighbors are thinking, but it

is nice that Montpelier wants to get out ahead of the pack and be one of the first municipalities in the state to go for the designation. She applauds all of the Planning Commission and the citizens for being leaders in doing this kind of work.

**Elizabeth Courtney** said she was at the Planning Commission meeting last week and made some comments. She said some members from the Smart Growth Collaborative met with Gwen and offered to give the Planning Commission an alternative designation boundary. There are some from the Vermont Smart Growth Collaborative who would be interested in having an extended dialogue with the Planning Commission. She realizes they want to make some progress and move this on to City Council, but it would be a worthwhile conversation for us to have. She hopes the Planning Commission would take that into consideration.

Ms. Hallsmith said she believes the map that shows the relationship of the Growth Center designation the city is considering and past growth centers that have been proposed not under the state legislation but under the former growth center idea that was promoted by the Regional Planning Commission is in their application. They did take that into consideration. One of the growth areas in Middlesex is directly adjacent to what they call Toy Town and the city has as yet unused but still valid agreement with Middlesex that if industrial development came into that area that we would extend sewer service to it and then the two cities would share revenues from the development moving forward. That's part of the reason they included the little stretch out to Toy Town in the Growth Center application. It looks linear from somebody who doesn't understand Montpelier's point of view because there is a little lollipop that heads out to the west. In fact, the linear aspect of it, the distance along Route 2, is virtually undevelopable. The river is on one side and a very steep embankment is on the other. They are doing that so they can include the Toy Town area which is right now a fairly good example of compact mixed use development and with development that could occur in adjacent Middlesex.

**Eric Gilbertson** said he is very supportive of the Growth Center concept. He just thinks it needs to be very particularized so we don't encourage the kind of growth we don't want. What is to prevent commercial development or a Big Box store from going into Middlesex in that area?

Ms. Hallsmith said she isn't familiar with Middlesex's zoning. It is zoned industrial, but she isn't sure it is zoned for commercial.

Mr. Gilbertson said there is nothing in the agreement that would prevent a Big Box store going in out there.

Ms. Hallsmith said she doesn't know the answer to that because she doesn't know Middlesex's zoning.

Mayor Hooper said she doesn't believe there are any limitations on development in Middlesex.

Mr. Gilbertson said his concern is if it is industrial area that is fine, but putting a Big Box store out there and drawing commercial space out of the downtown is not a good idea.

Ms. Hallsmith said that is a fair comment. They have all been very seriously concerned about Big Box stores and their impact on the downtown. For the city to extend infrastructure to that area it would still be a city decision to do that. It isn't an instant thing. Nothing with the Growth Center or tax increment financing would provide any incentives without the city making a decision to do that. The City Council would have to vote to extend the sewer line to support the development. The city voters if it is a bond, whether it is Sabin's Pasture or a Big Box store in Middlesex, would have to vote the bond through. The Growth Center in fact adds to the ability of the democratic process to shape the development that we want both in the city and anywhere that city services would be extended.

Ms. Campbell said two or three people spoke about concerns about development out on Route 302, and she wonders if they could elaborate on those concerns.

A member of the audience said he wanted to echo the last comment about Big Box stores. That is the sort of area where that kind of development might go and it would be a detriment to the downtown business vitality. He is thinking of the Grossman's location.

Ms. Campbell said she had a question for Elizabeth Courtney. It isn't clear to her what kind of support or consultation the Smart Growth Collaborative might have to offer the Planning Commission.

Ms. Courtney said they would help the Planning Commission take a look at redefining the boundaries of the Growth Center because they think it is too extensive and too large. There would be better opportunity to focus in closer to the downtown if there wasn't such a large Growth Center.

Ms. Campbell replied that in the interest of time could they give us the rationale of why they think it is too large. What are their specific concerns?

Ms. Courtney said they have a letter which is under construction which they will be sending to the Planning Commission shortly. Gwen has a copy of the rough draft. It isn't signed and only a rough draft. Some of the points are: #2, the area proposed Growth Center covers an excessive area of land. The Growth Center law states that the Growth Center shall not encompass "an excessive area of the land that would result in a scattered or low density pattern of development at the conclusion of the 20-year period." Rather than focusing on areas that might be in-filled or redeveloped in similar densities and patterns of development that replicate the existing downtown the Growth Center includes a sprawling strip development on the western part of the city along U.S. Routes 302 and 2. The application proposes no zoning changes, no areas targeted for high density residential, and no development of existing commercial strip development. What they would have in mind is to take a look at a Growth Center boundary that would not include what they consider to be strip development areas, namely those going out Route 302 and Route 2, and take a look at how they might concentrate this Growth Center more closely around the existing downtown designation. There are some other areas that Eric Gilbertson mentioned and seemed to them to be excessive. From the top of Terrace Street out to Walker Motors is quite a large area to be encompassing in a concentrated growth center area. She encouraged the Planning Commission to read the Smart Growth Collaborative's letter. She would like to enter that into the record.

Mr. DeLorey said maybe they could identify the timeline and when everything is due because it seems like a lot of proposals are coming in under the gun.

Ms. Hallsmith said she would clarify that. The short answer is that there is no timeline. There is no deadline they have to meet at the state. There is no deadline they have to meet in the city. There is no pressure on the Planning Commission from a legal point of view or a process point of view to get this done. The pressure comes instead from her point of view from the economic side because we have the opportunity to take more advantage of the infrastructure financing that is coming through the Economic Stimulus package and they are more likely to have access to that given the current configuration of state political divisions if they are on the growth center list than if they are not. With the Sabin's Pasture project moving forward those who are interested in that development proceeding has been assuming all along that the city would help with the infrastructure side to make it a more developable property. Again, the option that the Trust for Public Land has on that property is ending soon and they are submitting a master permit under Act 250 now and actively seeking a development partner to move forward with that. The tax increment financing application they will need to submit if they are to have some role in that project is a whole other process that actually is fairly time consuming. Looking at it, she wonders if the Planning Department can do it without additional support from a state grant or other sources because it takes in the same kind of number crunching they had to do on the Growth Center application but only from a tax, revenue and long term bonding point of view rather than from a development view. The earliest, even if they move forward at their next meeting and vote to send this on to City Council, they would have tax increment financing capability would probably not be until the beginning of 2010 and that is only with a consultant to help put that application together. There are no deadlines. They can pull back from this process and decide to do it later. They can decide to do it after they have gone through master planning and zoning and redraw the boundaries where the city considers ourselves eligible and appropriate for high density development. As she said earlier, she thinks they would be missing some important opportunities for the city if they choose to do that.

From a process point of view, from here the Planning Commission would take a vote to recommend either the current application or an amended version of the application to the City Council, and then the City Council would need to take a vote to send the application on to the state. Those are the only two procedural issues ahead of them at this point.

Another thing from an economic point of view that is worthy of consideration is that the state will not, and does not, have unlimited capacity to provide the funding for the tax increment financing process. Right now Colchester, Bennington and Williston are ahead of Montpelier in line for tax increment financing money. Colchester's final application has been filed at the state within the last week, so the longer we wait the less likely there will be additional state money for that type of infrastructure development as well.

A member of the audience said he thinks it is crucial to move forward on this. We are living in a crucial and very serious time with very serious people and serious positions willing to wage a whole lot of money towards our generation. This is a monumental time for us to make a change here in Montpelier. We have some amazing things afoot. There are a lot of other cities and towns that are taking up this issue and Montpelier can really lead the way.

Mr. Borgendale moved that the Planning Commission adopt the Growth Center Designation application as is and forward it to City Council with recommendation they submit it to the state.

Mr. Goldman seconded the motion.

Ms. Vogan said while she doesn't disagree with a lot of the concerns brought out at the hearing tonight and hopes the Planning Commission to operate under smart growth principles she feels they have had a very lengthy and inclusive process that started with enVision Montpelier. She has brought a lot of her questions about the application outside the room to people she feels are much more educated on the topic than she is as a citizen and is comfortable with the work that Gwen and the rest of the Planning Department have done on the application. She also feels reassured by the fact that none of these boundaries are built as if they were the Berlin Wall and they can always be amended and changed as we see fit and that the Growth Center designation does not overrule our zoning boundaries. The TIF district is also quite different from the Growth Center district. Matthew's comments are extremely timely and poignant and she also agrees they should move on.

Ms. Campbell said she would like to clarify from Gwen addressing Elizabeth Courtney's concern about strip development rather than development in the existing downtown. It is her understanding that there is nothing in this Growth Center designation that would allow or promote strip development that we don't already have in our zoning.

Ms. Hallsmith reiterated that the Growth Center does not change the zoning, so anything that can be proposed now can be proposed under the Growth Center designation, and things that are prohibited now will be prohibited under the Growth Center designation. What the Growth Center designation does do for areas of the town that are developed in ways in which none of us support, and we don't like strip development particularly and are not promoting it in Montpelier, but it does give us the opportunity to redevelop the area with some of the infrastructure money that is coming in and make it more pedestrian friendly and link into the downtown more effectively. If the city is to use incentives to promote anything, whether it is a Home Depot in Middlesex or Sabin's Pasture built in town as in-filled development the bonding for that support would go before the voters. In fact, the Growth Center designation gives the voters and citizens even more of a voice than it has now. The TIF District will give the citizens even more of a voice than they have now in the way development is shaped in the community because a bond for additional sewer capacity, a bond for a line extension, any of those things would come before the voters before they would be put in. It does not encourage strip development nor would it under the current zoning and current planning regime we have in Montpelier.

If you look at the development map the vast majority of the General Business District, which is the district in question, is already built out. It is already built at the capacity of the zoning we have. The yellow bits out at that end of town are actually in the Medium Density Residential District and not in the General Business District. Perhaps with the exception of the Grossman's site, which is a fairly significant contaminated brownfield, she doesn't see where people are concerned about more strip development out in that part of the community. She doesn't see the potential for it. In fact, they often get people in the Planning Department Office looking for places to develop new commercial or industrial enterprises, and frankly they have a hard time finding them any where to do it because all of the zones we have right now in Montpelier are fairly extensively developed.

Ms. Campbell said all of that same rationale would apply to concerns about Big Box stores. It would be no easier under this application and maybe harder because they would need a public support for it. She asked if Gwen could also speak to the potential for scattered low density development in 20 years.

Ms. Hallsmith said Medium Density Residential zoning does not require medium density development. Right now people could put up a few starter castles on the Sabin's Pasture project. That is the kind of thing they are trying to avoid and the kind of development they are trying to attract with Growth Center designation is more affordable high density housing, not the big box houses that have a propensity to proliferate in the absence of this sort of thing. Again, putting in the infrastructure for anything like that

would be expensive. If the city is in a position to put the infrastructure in we are in a position to make those houses more affordable. There is nothing that would stop those types of sprawling developments from being done right now.

Ms. Campbell said the concern about the Growth Center being too large from the top of Terrace Street to Walker Motors as she understands from the discussions and considerations they have had previously has to do with the extent of land that is totally undevelopable. There really is very little room to grow.

Ms. Hallsmith said there really is a lot of undevelopable land within the boundaries. As Eric said, they can't be cutting donut holes in a district. It's a large boundary that is drawn around areas that the city feels is more appropriate for medium density and higher density development which is largely dictated by the availability of water and sewer services. We prioritized in this application the areas of the community that were served both. There certainly are areas that go beyond the area we identified that are served by sewer only and not by water, and that is part of the reason it doesn't include the additional areas of the city that are served by sewer. It's true that it is a large area. Is it too large given the rate of growth we have seen in Montpelier over the last 20 years? She can't come to that conclusion. Time will tell and the maps in the Growth Center designation can come up for review as often as the city feels it is appropriate.

Ms. Campbell said looking at developable parcels throughout the city, there really are very few.

Ms. Hallsmith said they are identified on the map. The map is available now on line that shows where we are constrained by steep slopes and wetlands and other environmental constraints and where there are parcels that could be developed. She can't promise that the map is 100 percent accurate. There are some considerations in the computer program that might not apply as well to the smaller parcels as it does to the larger ones, but she has gone through and checked to make sure the Capital Heights and larger parcels that are already in the pipeline for housing developments are accurately reflected on the map. The computer looks at frontage, acreage, and already there. This is a fairly data intensive process. They have had to run numbers quite a bit to come to the conclusions they have been required to draw for the application by the state. The consultants were hired to do that to figure out what level of development they could afford and allowed in the city, and what type of constraints there were and to look carefully at how they were proposing the Growth Center so it did accommodate a minimum of 50 percent of the growth they are going to see in the next 20 years. Does it guarantee it? No. She doesn't think Growth Center designation guarantees that they won't see the same kind of development, but it gives us an additional tool to use as a city to try to encourage the kind of development we want. The Growth Center is not the end-all. It's not the ultimate answer but just a tool. The city's track record and current ethic around zoning and development will help insure that we continue in a model that is smart and sustainable. A hammer can be a weapon and it can be a helpful tool, and we are looking to use the Growth Center as a helpful tool.

Mr. DeLorey said he understands and resonates with the concerns that have been brought up, but he also sees what weighs in the balance which is district energy and something so vital. You just can't mess with that. District energy is a very important thing, and that is smart growth. Smart growth happens with energy. Smart growth happens with the management of our forests and our parks. These are the tools. He thanked the audience for their concerns, but he thinks this is a real positive model about to be adopted.

The motion to approve the Growth Center application and recommend it to City Council for submission to the state was unanimous on a 7 to 0 vote. Ms. Vogan said the Planning Commission has approved the current application for Growth Center designation to go to City Council.

Ms. Hallsmith and Ms. Vogan thanked everyone for attending the public hearing and providing input.

Upon motion by Ms. Campbell and Mr. Borgendale, the Planning Commission adjourned.

Respectfully submitted,

Gwen Hallsmith, Director  
Planning and Community Development

Transcribed by: Joan Clack