Growing Smarter in Vermont:
Linking Housing, Transportation and Development

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Division for Planning and Community Revitalization
Department of Economic, Housing and Community Development

UVM
10-21-09
WELCOME TO VERMONT
GREEN MOUNTAIN STATE

WELCOME CENTER
5 MILES
Investing in our Communities

- Downtown Development Act 1998
Livable, Healthy Communities

The Social Environment
Events, Marketing & Promotion

The Built Environment
& Physical Design
Amendments 2002 –

• Village Centers; New Town Centers
Designated Downtown and Village Centers

Brattleboro

Hinesburg
In 10 years, $7.5M in state tax credits yielded over $60M in construction activity
1st Generation Programs
Designates Downtowns / Villages
Target resources to fix what we have

2nd Generation Programs
Growth Center / Vermont Neighborhoods
Plan for compact growth in and adjacent to designated areas

Programs are intended to help . . .

- Preserve rural character and the working landscape
- Conserve natural and historic resources
- Support development in appropriate places
- Invest efficiently in public infrastructure
Growth Centers
Act 183 – 2006

An Act relating to the creation of Designated Growth Centers
Vision for the Growth Center Program

- The purpose of this program is to promote compact development over sprawl in municipalities that are facing development pressure.
- Growth centers must be within, include or be “adjacent” to a designated downtown, village, or new town center and
- Cannot detract from designated downtowns, village centers and new town centers
What are we planning for?

- Preserve farmland and forested working lands
- Avoid or mitigate impacts on Natural and Historic Resources
- Support development in appropriate places
- Provide public infrastructure to support growth
Planning for Infrastructure

- Roads
- Water
- Sewer
- Parking
- Fire/Police
- Other public services
Growth Center Designation

- Must meet detailed statutory standards
- Reinforce designated downtown, village center, or new town center,
- 50% of the growth in the next 20 years
- Final decision given to Downtown Board
Benefits of Designation

• Financial incentives
  – Tax Increment Financing
  – VEDA incentives

• Regulatory incentives
  – Expedited Act 250 review
    • Master plan permit
  – Relaxed threshold for affordable housing
  – 1:1 Mitigation for Ag soils
Bennington Growth Center
(2,000 acres)
Planned to accommodate 200% of future growth

Williston Growth Center
(600 acres)
Planned to accommodate 60-70% of future growth on 3% of land area
23 Downtowns
85 Villages
3 Growth Centers
Context sensitive design (variety of housing types)
Increased density (multi-story construction, town homes, condos)
Mixed income and mixed uses (walkable access to retail/commercial/amenities)
Pedestrian oriented (street grid, sidewalks, front porches)
- Municipal application
- Confirmed planning process
- Zoning and subdivision regulations (min. 4 units per acre)
- Warned public hearing
- Map of proposed neighborhood boundary

Mixed Income Housing:
- 20% of units sold at 90% VHFA price
- 15% of units sold at 85% VHFA price limit
- Rental units: 20% sold to people earning 60% median household income, for 30 years
ANR -- $50 max fee for wastewater applications

NRB -- ½ off Act 250 fee or exemption for qualified “mixed income” housing projects

250 review threshold increases from 10 units to 25-200, depending on population of community

Tax Dept. -- No land gains tax on the first transfer of the parcel following the original designation of the Vermont Neighborhood

Local DRB -- Local conditional use approval not appealable to the E-court based on “character of the area” criteria
Housing Meet Roads

Vermont’s Transportation Finance Dilemma
**Anemic Revenues**: Along with the economy, TFund revenue has plummeted since the summer of 2008.

Total Transportation Fund Rolling 12 Month Total Revenue

- **DMV fees generally increased effective July 1, 2002**
- **DMV fees generally increased effective July 1, 2006**
- **Jun 08 FY peak $223.1**
- **Jun 09 $203.6 off -$19.5 mill from peak = -8.7%**
- **DMV fees generally increased effective July 1, 2009**
**Rising material costs:** Transportation Fund revenue is primarily transaction based and thus tends to grow in line with population growth – disconnected from cost inflation. As a consequence, the real purchasing power of TFund revenue is continually eroded over time. As of Mar 2009, gasoline gallons sold was only 5% higher than in Jun 94 while highway construction costs were 75% higher.

![Highway Construction Costs vs Gasoline Consumption](chart.png)
48% of the total bridge deck area in the state is between 31 and 50 years old. The average useful life of a bridge deck is 40 years. To the extent these decks are not replaced before they start to crack and leak, repair costs will rise geometrically.

<table>
<thead>
<tr>
<th>Age since Recon</th>
<th>No</th>
<th>Pct Tot</th>
<th>Deck Area</th>
<th>Pct Tot</th>
</tr>
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<tbody>
<tr>
<td>1-10</td>
<td>307</td>
<td>11%</td>
<td>981,233</td>
<td>11%</td>
</tr>
<tr>
<td>11-20</td>
<td>348</td>
<td>13%</td>
<td>1,237,230</td>
<td>14%</td>
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<tr>
<td>21-30</td>
<td>364</td>
<td>14%</td>
<td>1,070,675</td>
<td>12%</td>
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<tr>
<td>31-40</td>
<td>571</td>
<td>21%</td>
<td>2,456,569</td>
<td>28%</td>
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<tr>
<td>41-50</td>
<td>360</td>
<td>13%</td>
<td>1,750,576</td>
<td>20%</td>
</tr>
<tr>
<td>51-60</td>
<td>190</td>
<td>7%</td>
<td>430,914</td>
<td>5%</td>
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<tr>
<td>61-70</td>
<td>184</td>
<td>7%</td>
<td>322,684</td>
<td>4%</td>
</tr>
<tr>
<td>71-80</td>
<td>222</td>
<td>8%</td>
<td>361,004</td>
<td>4%</td>
</tr>
<tr>
<td>81-90</td>
<td>94</td>
<td>3%</td>
<td>92,635</td>
<td>1%</td>
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<tr>
<td>&gt;90</td>
<td>46</td>
<td>2%</td>
<td>67,578</td>
<td>1%</td>
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<tr>
<td>Total</td>
<td>2,686</td>
<td>100%</td>
<td>8,771,098</td>
<td>100%</td>
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Aging Infrastructure: Estimating the funding gap II

In the 2008 session the legislature directed AOT to analyze (1) the costs of achieving the state’s targets regarding the proportion of Vermont’s bridges that are deemed to be “structurally deficient” under federal standards and (2) the cost of replacing all of Vermont’s bridges that are currently over 70 years old.

The agency released its report in Sep 2008. Combining the two analyses, if the state wanted to reach the structural deficiency targets and also replace all bridges over 70 years old, additional funding of approximately $110 million a year would be required according to AOT.

<table>
<thead>
<tr>
<th>Base line figures</th>
<th>Current 2008 dollars</th>
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<tr>
<td>Replacement cost of all bridges over 70 years old</td>
<td>$2,308,860,000</td>
</tr>
<tr>
<td>Replacement cost of “Structurally Deficient” bridges under 70 years old*</td>
<td>$856,260,000</td>
</tr>
<tr>
<td>Total replacement costs</td>
<td>$3,165,120,000</td>
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<tr>
<td>Annual cost of bridge preventive maintenance</td>
<td>$7,000,000</td>
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</table>

*Includes projection of bridges expected to become SD over next 20 years

<table>
<thead>
<tr>
<th>Scenario - spread replacement costs over 20 years</th>
<th></th>
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<tbody>
<tr>
<td>Replacement costs per year</td>
<td>$158,260,000</td>
</tr>
<tr>
<td>Annual cost of preventive maintenance</td>
<td>$7,000,000</td>
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<tr>
<td>Total annual program need</td>
<td>$165,260,000</td>
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<tr>
<td>FY-09 total bridge spending</td>
<td>-$55,800,000</td>
</tr>
<tr>
<td>Annual gap</td>
<td>$109,460,000</td>
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Aging Infrastructure: Vermont’s highways (Data AOT 2009)

The percentage of state highway system pavement rated in “very poor condition” has already climbed from 23% early in the decade to 36% in 2009 and is headed higher.

State Highway System Pavement Conditions - Percentage of lane miles projected to be rated in "Very Poor Condition" at different levels of annual spending on paving

- Current $66 mill a year
- $85 mill a year
- $100 mill a year

2001-2008 Average: 23%
Aging Infrastructure: Estimating the funding gap

- The Joint Fiscal Office estimates that just to maintain the existing infrastructure in serviceable condition would require spending $415 million a year for the next 30 years.
- Our current level of spending infrastructure preservation: $211 million
- Spending gap: $203 million
- Consequences: (1) deteriorating conditions and (2) higher repair costs in the future.

### Annual Infrastructure Preservation Costs

<table>
<thead>
<tr>
<th></th>
<th>IPC</th>
<th>FY08</th>
<th>Gap</th>
</tr>
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<tbody>
<tr>
<td>Maintenance</td>
<td>$63.6</td>
<td>$63.6</td>
<td>$0.0</td>
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<tr>
<td>Paving</td>
<td>$85.0</td>
<td>$56.4</td>
<td>-$28.6</td>
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<tr>
<td>Highway Reconstruction</td>
<td>$136.3</td>
<td>$38.5</td>
<td>-$97.8</td>
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<tr>
<td>Bridges</td>
<td>$109.8</td>
<td>$29.0</td>
<td>-$80.8</td>
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<tr>
<td>Town bridges</td>
<td>$19.4</td>
<td>$23.4</td>
<td>$4.0</td>
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<tr>
<td>Total</td>
<td>$414.1</td>
<td>$210.9</td>
<td>-$203.3</td>
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How's the shocks on this?

AUGUSTA TAX REFORM OR BUST!
Community Planning and Revitalization
Department of Economic Housing and Community Development

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