THE VERMONT SMART GROWTH COLLABORATIVE

The Vermont Smart Growth Collaborative is a cooperative effort among ten non-profit organizations to foster a culture that supports a vision of compact settlements, separated by rural countryside, with access for all Vermonters. The Collaborative, formed in 2001, advances state policy, public education and community strategies to reduce sprawl and achieve smart growth in Vermont.

Members of the Collaborative are:
- Association of Vermont Conservation Commissions
- Conservation Law Foundation
- Friends of the Earth
- Housing Vermont
- Preservation Trust of Vermont
- Vermont Bicycle Pedestrian Coalition
- Vermont Business for Social Responsibility
- Vermont Forum on Sprawl
- Vermont Natural Resources Council
- Vermont Public Interest Research Group

The Vermont Smart Growth Collaborative acknowledges the generous financial support by the following donors: for the research and report on state programs, the Ittleson Foundation and the John Merck Fund, and for the research and report on federal programs, the Jessie B. Cox Charitable Fund.

The Vermont Smart Growth Collaborative acknowledges the work of the following individuals in developing this report:

Project Coordinator & Principal Editor
Elizabeth Hammette, Executive Director, Vermont Forum on Sprawl

Authors & Research Directors
- Brian Dankel, Attorney for Friends of the Earth
- Elizabeth Hammette, Executive Director, Vermont Forum on Sprawl
- Sandy Levine, Staff Attorney, Conservation Law Foundation
- Curt McCormack, Director of Advocacy, Vermont Public Interest Research Group
- Brian Dunkiel, Attorney for Friends of the Earth

Collaborative that the evidence of the sprawl implications of projects and programs will lead to changes in those programs. The research was conducted by collecting information on state legislation, agency of natural resources, agency of commerce and community development, Vermont housing and conservation board, and regional groups. It will be presented at a national conference in Burlington, Vermont on October 9, 2003.

Nevertheless, it is the hope of the Vermont Smart Growth Collaborative that the evidence of the sprawl implications of projects and programs will lead to changes in those programs. Therefore, while a project or program may be identified as causing sprawl in this report, it may be that a full consideration of all the issues involved would show that the project or program is still worthwhile.

Table of Contents

1 PURPOSE

2 KEY FINDINGS AND RECOMMENDATIONS

3 VERMONT SMART GROWTH LAWS, POLICIES AND PROGRAMS

4 DEFINITIONS OF “SPRAWL” AND “SMART GROWTH”

5 SMART GROWTH PROGRAMS IN OTHER STATES

6 DESCRIPTION OF APPROACH

7 STATE AGENCY PROFILES

8 FEDERAL PROFILES

9 PUBLIC EDUCATION & CONFERENCE

10 RESEARCHERS

11 PROJECT COORDINATOR & PRINCIPAL EDITOR

12 AUTHORS & RESEARCH DIRECTORS

13 PUBLIC EDUCATION & CONFERENCE

14 PROJECT COORDINATOR & PRINCIPAL EDITOR

15 RESEARCHERS

16 PROJECT COORDINATOR & PRINCIPAL EDITOR

17 AUTHORS & RESEARCH DIRECTORS

18 PUBLIC EDUCATION & CONFERENCE

19 PROJECT COORDINATOR & PRINCIPAL EDITOR

20 RESEARCHERS

21 PROJECT COORDINATOR & PRINCIPAL EDITOR

22 AUTHORS & RESEARCH DIRECTORS

23 PUBLIC EDUCATION & CONFERENCE

24 PROJECT COORDINATOR & PRINCIPAL EDITOR

25 RESEARCHERS

26 PROJECT COORDINATOR & PRINCIPAL EDITOR

27 AUTHORS & RESEARCH DIRECTORS

28 PUBLIC EDUCATION & CONFERENCE

29 PROJECT COORDINATOR & PRINCIPAL EDITOR

30 RESEARCHERS

31 PROJECT COORDINATOR & PRINCIPAL EDITOR

32 AUTHORS & RESEARCH DIRECTORS

33 PUBLIC EDUCATION & CONFERENCE

34 PROJECT COORDINATOR & PRINCIPAL EDITOR

35 RESEARCHERS

36 PROJECT COORDINATOR & PRINCIPAL EDITOR

37 AUTHORS & RESEARCH DIRECTORS

38 PUBLIC EDUCATION & CONFERENCE

39 PROJECT COORDINATOR & PRINCIPAL EDITOR

40 RESEARCHERS

41 PROJECT COORDINATOR & PRINCIPAL EDITOR

42 AUTHORS & RESEARCH DIRECTORS

43 PUBLIC EDUCATION & CONFERENCE

44 PROJECT COORDINATOR & PRINCIPAL EDITOR

45 RESEARCHERS

46 PROJECT COORDINATOR & PRINCIPAL EDITOR

47 AUTHORS & RESEARCH DIRECTORS

48 PUBLIC EDUCATION & CONFERENCE

49 PROJECT COORDINATOR & PRINCIPAL EDITOR

50 RESEARCHERS

51 PROJECT COORDINATOR & PRINCIPAL EDITOR

52 AUTHORS & RESEARCH DIRECTORS

53 PUBLIC EDUCATION & CONFERENCE

54 PROJECT COORDINATOR & PRINCIPAL EDITOR

55 RESEARCHERS

56 PROJECT COORDINATOR & PRINCIPAL EDITOR

57 AUTHORS & RESEARCH DIRECTORS

58 PUBLIC EDUCATION & CONFERENCE

59 PROJECT COORDINATOR & PRINCIPAL EDITOR

60 RESEARCHERS

61 PROJECT COORDINATOR & PRINCIPAL EDITOR

62 AUTHORS & RESEARCH DIRECTORS

63 PUBLIC EDUCATION & CONFERENCE

64 PROJECT COORDINATOR & PRINCIPAL EDITOR

65 RESEARCHERS

66 PROJECT COORDINATOR & PRINCIPAL EDITOR

67 AUTHORS & RESEARCH DIRECTORS

68 PUBLIC EDUCATION & CONFERENCE

69 PROJECT COORDINATOR & PRINCIPAL EDITOR

70 RESEARCHERS

71 PROJECT COORDINATOR & PRINCIPAL EDITOR

72 AUTHORS & RESEARCH DIRECTORS

73 PUBLIC EDUCATION & CONFERENCE

74 PROJECT COORDINATOR & PRINCIPAL EDITOR

75 RESEARCHERS

76 PROJECT COORDINATOR & PRINCIPAL EDITOR

77 AUTHORS & RESEARCH DIRECTORS

78 PUBLIC EDUCATION & CONFERENCE

79 PROJECT COORDINATOR & PRINCIPAL EDITOR

80 RESEARCHERS

81 PROJECT COORDINATOR & PRINCIPAL EDITOR

82 AUTHORS & RESEARCH DIRECTORS

83 PUBLIC EDUCATION & CONFERENCE

84 PROJECT COORDINATOR & PRINCIPAL EDITOR

85 RESEARCHERS

86 PROJECT COORDINATOR & PRINCIPAL EDITOR

87 AUTHORS & RESEARCH DIRECTORS

88 PUBLIC EDUCATION & CONFERENCE

89 PROJECT COORDINATOR & PRINCIPAL EDITOR

90 RESEARCHERS

91 PROJECT COORDINATOR & PRINCIPAL EDITOR

92 AUTHORS & RESEARCH DIRECTORS

93 PUBLIC EDUCATION & CONFERENCE

94 PROJECT COORDINATOR & PRINCIPAL EDITOR

95 RESEARCHERS

96 PROJECT COORDINATOR & PRINCIPAL EDITOR

97 AUTHORS & RESEARCH DIRECTORS

98 PUBLIC EDUCATION & CONFERENCE

99 PROJECT COORDINATOR & PRINCIPAL EDITOR

100 RESEARCHERS

101 PROJECT COORDINATOR & PRINCIPAL EDITOR

102 AUTHORS & RESEARCH DIRECTORS

103 PUBLIC EDUCATION & CONFERENCE

104 PROJECT COORDINATOR & PRINCIPAL EDITOR

105 RESEARCHERS

106 PROJECT COORDINATOR & PRINCIPAL EDITOR

107 AUTHORS & RESEARCH DIRECTORS

108 PUBLIC EDUCATION & CONFERENCE

109 PROJECT COORDINATOR & PRINCIPAL EDITOR

110 RESEARCHERS

111 PROJECT COORDINATOR & PRINCIPAL EDITOR

112 AUTHORS & RESEARCH DIRECTORS

113 PUBLIC EDUCATION & CONFERENCE

114 PROJECT COORDINATOR & PRINCIPAL EDITOR

115 RESEARCHERS

116 PROJECT COORDINATOR & PRINCIPAL EDITOR

117 AUTHORS & RESEARCH DIRECTORS

118 PUBLIC EDUCATION & CONFERENCE

119 PROJECT COORDINATOR & PRINCIPAL EDITOR

120 RESEARCHERS

121 PROJECT COORDINATOR & PRINCIPAL EDITOR

122 AUTHORS & RESEARCH DIRECTORS

123 PUBLIC EDUCATION & CONFERENCE

124 PROJECT COORDINATOR & PRINCIPAL EDITOR

125 RESEARCHERS

126 PROJECT COORDINATOR & PRINCIPAL EDITOR

127 AUTHORS & RESEARCH DIRECTORS

128 PUBLIC EDUCATION & CONFERENCE

129 PROJECT COORDINATOR & PRINCIPAL EDITOR

130 RESEARCHERS

131 PROJECT COORDINATOR & PRINCIPAL EDITOR

132 AUTHORS & RESEARCH DIRECTORS

133 PUBLIC EDUCATION & CONFERENCE

134 PROJECT COORDINATOR & PRINCIPAL EDITOR

135 RESEARCHERS

136 PROJECT COORDINATOR & PRINCIPAL EDITOR

137 AUTHORS & RESEARCH DIRECTORS

138 PUBLIC EDUCATION & CONFERENCE

139 PROJECT COORDINATOR & PRINCIPAL EDITOR

140 RESEARCHERS

141 PROJECT COORDINATOR & PRINCIPAL EDITOR

142 AUTHORS & RESEARCH DIRECTORS

143 PUBLIC EDUCATION & CONFERENCE

144 PROJECT COORDINATOR & PRINCIPAL EDITOR

145 RESEARCHERS

146 PROJECT COORDINATOR & PRINCIPAL EDITOR

147 AUTHORS & RESEARCH DIRECTORS

148 PUBLIC EDUCATION & CONFERENCE

149 PROJECT COORDINATOR & PRINCIPAL EDITOR

150 RESEARCHERS

151 PROJECT COORDINATOR & PRINCIPAL EDITOR

152 AUTHORS & RESEARCH DIRECTORS

153 PUBLIC EDUCATION & CONFERENCE

154 PROJECT COORDINATOR & PRINCIPAL EDITOR

155 RESEARCHERS

156 PROJECT COORDINATOR & PRINCIPAL EDITOR

157 AUTHORS & RESEARCH DIRECTORS
KEY FINDINGS AND RECOMMENDATIONS

Findings

Compliance with Existing State Laws, Executive Orders and Rules:
1. Vermont has laws, executive orders and programs that require state agencies to follow principles that are consistent with smart growth. They include Vermont’s Growth Management Act (Act 200), the Development Cabinet law (Title 3, Section 2293), and several executive orders.
2. While several Vermont state agencies and departments make a concerted effort to follow smart growth principles when siting facilities or making investments (Department of Buildings and VHB), others are not attentive to these principles and are contributing to sprawl development (VEDA, VEC, VTrans). Other agencies or departments (Department of Education, ANR Water Loans) were not found to be causing sprawl, but don’t have good protections in place to avoid it in the future.
3. In spite of laws requiring these actions, there is a lack of overall planning and coordination of state expenditures and policies to insure that they are directed towards smart growth. The administration of Governor James H. Douglas will have to make a report to the Legislature in January, 2004 on the progress of the Development Cabinet. At that time we will be able to determine the new administration’s accomplishments.
4. State agencies that implement rules, guidelines and policies encouraging smart growth practices (VHB, Department of Education, ANR – Segal) have a better record in achieving smart growth investments.

Consistency of State Projects with State Agency Plans:
1. Act 200, which requires state agency plans to be developed and updated every two years, is not being implemented by state agencies or enforced. The enforcement entity for Act 200 compliance – the Council of Regional Commissions – has not met in years and does not have an appropriation to provide staff support.
2. Where state agency plans exist, expenditures are not always in alignment with the plans – contrary to state law. For example, VTrans expenditures are more heavily weighted towards roadway construction than is recommended in the Long Range Transportation Plan.

Fiscal Responsibility:
1. In many Vermont state agency programs the importance of reinvestment in existing infrastructure is recognized and supported. Such programs are both fiscally responsible and supportive of smart growth. For example, during the study period (FY98-FY02) the Department of Education spent 89% of state aid for school construction on maintenance and major renovations of existing buildings. However, there are other state agencies, such as VTrans, that appear to place more emphasis on new construction over fixing what we have.
2. The impact of individual state agency actions on funding demand for other state programs is not typically assessed. For example, the potential demand for state housing, water and sewer, and transportation funds from a major investment in economic development in a new growth area was not examined. Therefore, some state actions could have costly implications for state public investment.
3. Coordination of infrastructure investments, such as transportation, water, and sewer, with land use planning can protect the state investment in these resources over the long run as well as insure that state land use policies are adhered to. For example, as the geographical analysis of expenditures in transportation in Chittenden County shows, alternative transportation modes, including public transit, bicycle and pedestrian facilities, tend to serve growth centers while roadway construction projects tend to serve outlying areas.

Leadership in Smart Growth Movement Nationally:
1. While Vermont was once in the forefront nationally in state land use planning, the state has not kept up with the innovations in state smart growth that can be found across the country.
2. Vermont does have a good planning enabling statute (Title 24, Chapter 117) supportive of smart growth local and regional planning. If the Chapter 117 Task Force proposals, that have been approved for the most part in the Vermont Senate, are passed by the House, this statute will become even stronger.
3. With its Downtown Program, Housing and Conservation Board, Transportation Enhancements and Bicycle/Pedestrian Programs, and sewer funding rule, Vermont state government does have several excellent smart growth programs in place that are models for other states.
4. Vermont state government has not taken action to implement incentives for smart growth that are being tried in other parts of the country, such as Live Near Your Work programs, Safe Routes to School Programs, incentives for job creation in growth centers, greenbelt designation and protection, Fix It First transportation policies, state investments, including transportation, targeted to growth centers, and a workable brownfields redevelopment program.

Coordination with State Permitting
1. Some state investments, such as sewer expansion projects, have run into long, drawn-out battles when the grantees apply for their Act 250 permits. Often there is no coordination of state investments with Act 250 considerations, including consistency with local and regional plans.
2. When effective, up-front planning is done for projects benefiting from state investments, the state permit process has been found to work more smoothly.
3. Act 250 does not effectively address many forms of sprawl development although it has been effective in its review of large-scale developments and infrastructure investments.
4. The local permit process will continue to handle the majority of development applications in the state.

Federal Projects
1. Compliance with the National Environmental Policy Act (NEPA) and Clean Water Act is one effective way for Vermont to ensure that national programs are administered with strong consideration to smart growth. However, not all federal actions that can induce sprawl require an Environmental Impact Statement or an Environmental Assessment, and when these documents are prepared they frequently do not consider smart growth.

Recommendations

Compliance with Existing State Laws, Executive Orders and Rules:
1. The Governor’s Office should convene the Development Cabinet on a regular basis and staff the Cabinet in order to insure that state agencies consistently meet their responsibilities under Title 3, Section 2293.
2. Through the Development Cabinet all state agencies with programs that impact land use, including tax credit programs and loans for economic development, should be required to develop policies and procedures to comply with Title 3, Section 2293.
3. Through the Development Cabinet and the state agency planning requirements of Act 200 the state agency plan requirements should be reinvigorated and state investments should be made to comply with these plans.
4. The Agency of Natural Resources (ANR) should retain the sewer funding rule established by an inclusive stakeholder process and extend the same concept to water system funding.
5. The Environmental Board should insure that clear guidance is given to district environmental commissions administering Act 250 on how to address sprawl under existing criteria.
6. The Vermont Smart Growth Collaborative should periodically update this report and measure the progress of the state of Vermont in implementing smart growth practices.

Coordination Among State Agencies:
1. Through the Development Cabinet all economic development investments should be coordinated with affordable housing investments, water and sewer, and transportation investments to insure that all are well-connected and consistent with smart growth principles.
2. Through the Development Cabinet, interagency smart growth initiatives, such as a Safe Routes to School program between the Department of Education, Department of Health and VTrans, should be coordinated.

State Agency Planning:
1. A consistent state definition of growth centers as found in the ANR sewer fund guide and in the State Consolidated Plan should be used by all state agencies.

Overall Investments (percentages)

Fiscal Responsibility:
- VT Housing Conservation Board (FY 00-02): 42.7%
- State School Aid (FY 00-02): 59.3%
- Capital Construction (FY 00-01): 30.6%

Coordination with State Permitting:
- State Sewer Funding (FY 00-02): 40.2%
- Chittenden County Small Business Loans (FY 00-02): 74.0%
- VT Economic Development Authority (FY 00-02): 69.5%
- VT Economic Progress Council (FY 00-02): 35.1%
Through the Development Cabinet, the state should develop procedures to insure that growth centers are supported in investment decisions.

2. Citizen priorities, as established in valid statewide surveys, public discussions and stakeholders groups, and coordination with regional and local plans should be part of every state agency plan.

3. VTrans should recognize the important role of coordinated land use and transportation planning for achieving smart growth. For example, compact growth centers facilitate public transit use and pedestrian accessibility. Management of land uses along state highways can minimize the need for roadway expansions and signalization. Provision of more choice in how people and goods are moved in and through the state will help achieve smart growth goals.

Fiscal Responsibility

1. Where it is not economically feasible to reuse existing buildings or facilities in which the state has made an investment (schools, courthouses, etc.), and where the buildings are historic, the state agencies should work with the Vermont Division for Historic Preservation to explore alternatives to reuse and recycle these structures.

2. For state infrastructure and buildings, the Development Cabinet should develop a policy on “Fix It First” that is implemented by all relevant agencies.

Education and Training

1. The Agency of Commerce and Community Development should work with VEDA and VPEP to establish a pilot project to promote “new models for commercial and industrial development” along the lines of the Vermont Business Roundtable/Vermont Forum on Sprawl project. Potential grantees should be trained on these models.

2. The importance of connecting public investments with land use planning in order to protect public investments over the long run should be recognized and understood by all state agencies.

3. Training of local and regional planners and district environmental coordinators on the concept of growth centers and how to implement them should be supported by the Agency of Commerce and Community Development, regional planning commissions, Vermont Planners Association and the Vermont Smart Growth Collaborative.

New Initiatives

1. The Vermont Legislature should adopt the proposed amendments to Chapter 117 that the Vermont Senate passed in 2003 in order to support smart growth planning and regulation at the local and regional levels.

2. The Vermont Department of Education, the Department of Health and VTrans should work cooperatively on a statewide Safe Routes to School program.

3. VEDA should set aside a portion of its funds to support smart growth commercial and industrial projects. Alternatively, VEDA should offer more favorable financing for smart growth commercial and industrial projects.

4. The Vermont Legislature with the help of the Agency of Natural Resources should adopt legislation for a more effective brownfields redevelopment program that includes provisions to insure brownfields developments are integrated into plans for the surrounding areas of the community.

5. The Agency of Commerce and Community Development should explore a public-private partnership that would develop incentives for a Live Near Your Work program.

Federal Projects

1. The National Environmental Policy Act is under attack by Congress and the Administration of President Bush. There are efforts to limit NEPA's application, in particular when reviewing proposed transportation projects. These efforts should be opposed, and NEPA should be strengthened, not weakened.

2. The importance of connecting public investments with land use planning in order to protect public investments over the long run should be recognized and understood by all state agencies.

3. Training of local and regional planners and district environmental coordinators on the concept of growth centers and how to implement them should be supported by the Agency of Commerce and Community Development, regional planning commissions, Vermont Planners Association and the Vermont Smart Growth Collaborative.

Vermont is recognized as a leader in state growth management around the country. The state has adopted Act 250, the State Land Use and Development Control Law (1970), the State Land Capability and Development Plan (1973), Act 200, the State Growth Management Act (1988), and the Development Cabinet Law (2000) — all of which reinforce a state vision of compact settlements separated by rural countryside. In addition, Vermont has enacted other programs that help to accomplish this vision, including the Vermont Housing and Conservation Trust Fund (1987) and the Vermont Downtown Program (1998).

Recently the Downtown Program was expanded to include Village Centers and New Town Centers Programs (2002). Over the years, Vermont governors have adopted executive orders that also steer Vermont investments and programs towards the state vision. Each of these laws, programs and orders has come with requirements for state agencies to consider land use in their program investments and policies.

Act 250 (1970)

Act 250 was adopted in 1970 to “regulate and control the utilization and uses of lands and the environment to insure that, hereafter, the only uses which will be permitted are not unduly detrimental to the environment, will promote the general welfare through orderly growth and development and are suitable to the demands and needs of the people of this state…” Act 250 set forth 18 review criteria for major development and required several state plans, including a Capability and Development Plan and a State Land Use Plan. The review criteria are applied to development projects by citizen district environmental commissions in nine regions of the state. Appeals are made to the Vermont Environmental Board — also a citizen board with the exception of the Chair.

Act 250 was amended in 1973 through the adoption of the Capability and Development Plan which established a statement of intent and findings, “in order to provide general and uniform policies on land use and development to municipal, regional and state governmental agencies, for their guidance and consideration…” Act 250 was further amended in 1983 to eliminate the requirement for a state land use plan.

Executive Order #15 of Governor Madeleine Kunin: State Buildings (1985)

In preparation for the state centennial which provided an opportunity to confirm Vermont’s commitment to preserving its historic resources, in 1985 Governor Kunin adopted an executive order requiring the Department of State Buildings to give priority to locating state government activity in historic and other existing buildings. It also requires the Department to coordinate its efforts with local officials and the Vermont Division for Historic Preservation.

Act 200 (1988)

With the passage of Act 200, Vermont’s Growth Management Act, in 1988, all state agencies are required to develop plans that comply with the goals of Act 200 (and with approved local and regional plans.) All measures that implement state agency plans are required to be consistent with those goals: “A Council of Regional Commissions was established to review state agency plans and to hear disputes. In addition, the act requires the adoption of regional plans and sets forth requirements for municipalities that choose to adopt local plans.

Development Cabinet Law: 3 VSA Section 2293 (2000)

This law was passed to “establish a permanent and formal mechanism to assure collaboration and consultation among state agencies and departments, in order to support and encourage Vermont’s economic development, while at the same time conserve and promote Vermont’s traditional settlement patterns, its working and rural landscapes, and its healthy environment…” The law was preceded by an executive order by Governor Howard Dean specifying essentially the same requirements.

Footnotes and Declaration of intent, 1988, No. 235 (Adj. Sess.), effective April 4, 1970:

1. For the complete set of policies see, 10 VSA, Section 6042 under “History.” Among the policies were: provision should be made for the renovation of village and town centers for commercial and industrial use; the provision of more choice in how people and goods are moved in and through the state will help achieve smart growth goals.

2. Act 250 was further amended in 1983 to eliminate Federal Projects

3. The following goals are included: To plan development so as to maintain the historic settlement pattern of compact village and new community planning designed to economize on the costs of roads, utilities and land usage.


With the passage of Act 200, Vermont’s Growth Management Act, in 1988, all state agencies are required to develop plans that comply with the goals of Act 200 (and with approved local and regional plans.) All measures that implement state agency plans are required to be consistent with those goals: “A Council of Regional Commissions was established to review state agency plans and to hear disputes. In addition, the act requires the adoption of regional plans and sets forth requirements for municipalities that choose to adopt local plans.

Development Cabinet Law: 3 VSA Section 2293 (2000)

This law was passed to “establish a permanent and formal mechanism to assure collaboration and consultation among state agencies and departments, in order to support and encourage Vermont’s economic development, while at the same time conserve and promote Vermont’s traditional settlement patterns, its working and rural landscapes, and its healthy environment…” The law was preceded by an executive order by Governor Howard Dean specifying essentially the same requirements.

Footnotes and Declaration of intent, 1988, No. 235 (Adj. Sess.), effective April 4, 1970:

1. For the complete set of policies see, 10 VSA, Section 6042 under “History.” Among the policies were: provision should be made for the renovation of village and town centers for commercial and industrial use; the provision of more choice in how people and goods are moved in and through the state will help achieve smart growth goals.

2. Act 250 was further amended in 1983 to eliminate Federal Projects

3. The following goals are included: To plan development so as to maintain the historic settlement pattern of compact village and new community planning designed to economize on the costs of roads, utilities and land usage.


With the passage of Act 200, Vermont’s Growth Management Act, in 1988, all state agencies are required to develop plans that comply with the goals of Act 200 (and with approved local and regional plans.) All measures that implement state agency plans are required to be consistent with those goals: “A Council of Regional Commissions was established to review state agency plans and to hear disputes. In addition, the act requires the adoption of regional plans and sets forth requirements for municipalities that choose to adopt local plans.
Through the development cabinet, policies and procedures, including measurable benchmarks, are to be established by state agencies in order to ensure that the law’s goals are met, including to “encourage development in, and work to revitalize, land and buildings in existing urban and village centers.”

By contrast, smart growth in Vermont:

• Maintains the historic development pattern of compact villages and urban centers surrounded by rural countryside.
• Requires multi-use development and mixed-use zoning.
• Maintains historic building envelopes.
• Promotes pedestrian and bicycle access to transportation networks.
• Provides for housing that meets the needs of a diversity of social and income groups in each community.

We can find numerous examples of smart growth in Vermont in both our traditional urban and village centers and in new growth areas. Developers, architects, and local governments are adopting smart growth principles to keep Vermont the special place it is today.

The purpose of this report is to determine the extent to which the state of Vermont is investing in sprawl and smart growth. For this research, we require working definitions of sprawl and smart growth.

The definition of sprawl is based on research and polling conducted by the Vermont Forum on Sprawl. The basic definition of sprawl is: 

...low density development outside of compact urban and village centers along highways and in rural countryside.

In its report, Exploring Sprawl #2, What is Sprawl in Vermont?, the Forum explains the definition in terms of six patterns of sprawl development:
1. Scattered residential lots in outlying areas.
2. Housing developments in or near town centers, with a suburban pattern and comparatively large lots.
3. Multi-lot, planned housing developments on new access roads in outlying areas.
5. Other commercial and industrial areas with large lots and inefficient layouts.
6. Outlying locations of public buildings, such as schools, post offices, town halls, etc.

Most sprawl development also has these characteristics:
• Auto-dependency
• Fragmented open space with a scattered appearance and wide gaps between projects
• Separation of uses into distinct areas
• Lack of economic and social diversity in residential areas.
• Repetitive, “big box” buildings without distinctive character
• Large paved areas: wide roads, more roads, large parking areas.
• Large lots and low average densities

DEFINITIONS OF “SPRAWL” AND “SMART GROWTH”

The purpose of this report is to determine the extent to which the state of Vermont is investing in sprawl and smart growth. For this research, we require working definitions of sprawl and smart growth.

The definition of sprawl is based on research and polling conducted by the Vermont Forum on Sprawl. The basic definition of sprawl is: 

...low density development outside of compact urban and village centers along highways and in rural countryside.

In its report, Exploring Sprawl #2, What is Sprawl in Vermont?, the Forum explains the definition in terms of six patterns of sprawl development:
1. Scattered residential lots in outlying areas.
2. Housing developments in or near town centers, with a suburban pattern and comparatively large lots.
3. Multi-lot, planned housing developments on new access roads in outlying areas.
5. Other commercial and industrial areas with large lots and inefficient layouts.
6. Outlying locations of public buildings, such as schools, post offices, town halls, etc.

Most sprawl development also has these characteristics:
• Auto-dependency
• Fragmented open space with a scattered appearance and wide gaps between projects
• Separation of uses into distinct areas
• Lack of economic and social diversity in residential areas.
• Repetitive, “big box” buildings without distinctive character
• Large paved areas: wide roads, more roads, large parking areas.
• Large lots and low average densities

By contrast, smart growth in Vermont:

• Maintains the historic development pattern of compact village and urban centers separated by rural countryside.
• Develops compact mixed-use centers at a scale appropriate for community and region.
• Enables choice in modes of transportation, including walking.
• Protects the state’s important environmental, natural and historic features, including natural areas, water quality, scenic resources, historic sites and districts.
• Serves to strengthen agricultural and forest industries and minimizes conflicts of development with these industries.
• Balances growth with the availability of economic and efficient public utilities and services.
• Supports a diversity of viable businesses in downtowns and villages, including locally-owned businesses.
• Provides for housing that meets the needs of a diversity of social and income groups in each community.

We can find numerous examples of smart growth in Vermont in both our traditional urban and village centers and in new growth areas. Developers, architects, landscape architects, planners, and citizens are embracing this approach to development since smart growth in Vermont follows the traditional pattern of development that made Vermont the special place it is today.
**State Smart Growth Commission (Michigan): Governor Jennifer Granholm (D) has made smart growth a central focus of her administration. She has set up a Land Use Leadership Council which will be issuing a report in August of this year. The Leadership Council has been asked to:

1. Identify the trends, causes, and consequences of unmanaged growth and development.
2. Provide recommendations to the Governor and the Legislature designed to minimize the negative economic, environmental, and social impacts of current land use trends; promote urban revitalization and reinvestment; foster intergovernmental and public-private land use partnerships; identify new growth and development opportunities; and protect Michigan’s natural resources, including farmland and open space, and better manage the cost of public investments in infrastructure to support growth.

**State Smart Growth Commission (Utah):** The Utah Quality Growth Commission was established by the legislature in 1999 at the recommendation of Governor Mike Leavitt (R). The 13 member commission is responsible for providing planning assistance to communities, administering land conservation funds, and making recommendations to the Legislature on growth issues. The Commission is currently developing a program to utilize state infrastructure spending and other incentives to achieve quality growth in communities throughout the state.

**State Smart Growth Plan (New Jersey):** New Jersey has adopted a state policy plan that is overseen by the Office of Smart Growth, formerly the Office of State Planning, and a 17 member State Planning Commission composed of cabinet officers and public members appointed by the Governor and confirmed by the Senate. According to New Jersey Future, “The State Plan is not a regulation, but a policy guide to coordinate the planning and decision-making of State, regional and local agencies.” The plan divides the state up into five planning areas for which policy objectives are established. The plan also contains goals and policies for the environment, economic development, housing, public facilities, natural resources, and state planning. Since the plan was first adopted in 1992 all three Governors have signed Executive Orders seeking state agency compliance with the Plan’s policies. Estimates are that implementation of the New Jersey State Plan in the next 20 years could save $2.3 billion in capital costs for infrastructure.

**Mandatory Local Smart Growth Planning (Arizona):** While Arizona has had a rocky road trying to implement smart growth reforms, in 2000 the Arizona legislature passed a law that required “fast-growing communities to establish voter-approved general plans that include designated growth areas.” The bill also authorizes local governments to support independent development by designating infill districts and establishing infill incentive programs.

**Mandatory Local Smart Growth Planning (Wisconsin):** In 1999, Governor Tommy Thompson, in conjunction with Wisconsin passed landmark comprehensive planning legislation, also known as Smart Growth for Wisconsin (Act 9, Wisconsin Statute § 66.1027). Its major provision requires every Wisconsin city, village, town and county to have a comprehensive plan in place by 2010. The Smart Growth Law requires the largest communities around the state to adopt a Traditional Neighborhood Design (TND) ordinance in order to facilitate TND proposals. A model ordinance has been developed and adopted by the Legislature in 2001. The ordinance – or one similar to it – must be adopted by the communities.

**Curbing School Sprawl (South Carolina):** Governor Mark Sanford signed into law a neighborhood school bill that eliminates school acreage requirements and permits squarefoot waivers from school construction standards. In July 2003, the Governor signed a neighborhood school bill that eliminates school acreage requirements and permits small foot waives from school construction standards.

**Fix it First** Transportation Policies (Massachusetts): Newly elected Massachusetts Governor Mitt Romney (R) is focusing state resources on repairing and maintaining existing roads and bridges over new development and growth. His Chief of Commonwealth Development, Doug For (former President of the Conservation Law Foundation), who will be involved in developing the new plan, said, “In reinvesting in our existing roads and bridges, we are also reinvesting in our cities and towns where we want economic growth.” The Governor said that highway expansion will be based on using existing projects growth patterns not politics.

---

**Vermont is not the only state that has taken action to combat sprawl through smart growth. Many states have advanced this concept and implemented actions through executive orders, commissions, state policies and programs while other states currently have actions under development.** In the 2002 American Planning Association found that nearly one third of the states are “actively pursuing their first major statewide planning reforms for effective smart growth.” Here is an example of what some states have done:

### Smart Growth Samples from Other States

**Priority Funding Areas for State Capital Investments (Maryland):** Maryland is perhaps the best-known state for its work on Smart Growth. Under the administration of former Governor Parris Glendenning (D), Maryland developed programs to require state agencies to focus their resources in locally designated growth areas (Priority Funding Areas), promote Maryland’s rural legacy by protecting farmland and forestland, and stimulate older neighborhood revitalization. In addition, Glendenning established an Office of Smart Growth within the Executive Office of the Governor – which gave the Office a position above the Cabinet. As a result of the state’s actions on smart growth, there were dramatic shifts in state expenditures and a refocus of investments in downtowns and central business districts. While the current Governor, Robert Ehrlich, has not focused on smart growth and has eliminated the Office of Smart Growth, the basic components of the original program still remain.

**Planning Priorities for State Infrastructure Projects (California):** Governor Gray Davis (D) signed a law in 2002 that requires state infrastructure investments to meet three specific planning priorities of the state; requires state agencies to declare how the projects will conform to these priorities and establishes a mechanism for resolving conflicts. The planning priorities are: promote development and equity in under-served communities; protect environmental and agricultural resources, and encourage efficient development by ensuring new development benefits existing development. The Governor’s Office of Planning and Research implements the program.

There are many other smart growth actions that have been taken by states in addition to those mentioned above. The table below lists some of those actions and shows whether or not Vermont has a similar program. This is not a comprehensive list and should be used for illustrative purposes only. There may be more states that have these programs and other programs as well. One caution should be noted. While states have these programs, they may not be adequately funded or effectively in their implementation.

---

**How Vermont Ranks in Comparison to Other States:**

The American Planning Association through its Growing Smart project has invented legislation on smart growth around the country. The table below illustrates how Vermont compares to other states in terms of its role in smart growth planning in communities:

**Sample State Smart Growth Programs**

<table>
<thead>
<tr>
<th>Type of Program</th>
<th>Other States That Have Program</th>
<th>Vermont</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live Near Your Work Incentives</td>
<td>MD, MA, DE</td>
<td>NO</td>
</tr>
<tr>
<td>Affordable Housing Funding for Town Centers</td>
<td>CT, MN, WI</td>
<td>YES</td>
</tr>
<tr>
<td>Job Creation Tax Credits/Loans for Smart Growth Locations</td>
<td>CA, MD</td>
<td>NO</td>
</tr>
<tr>
<td>State Historic Preservation Incentive Tax Credits</td>
<td>CA, MD, WI, VA, IL, MI, GA</td>
<td>YES</td>
</tr>
<tr>
<td>Purchase of Development Rights for Farmland</td>
<td>MD, NJ, CA, MA, ME, PA, RI, SC</td>
<td>NO</td>
</tr>
<tr>
<td>Greenbelt Designation and Protection</td>
<td>PA, CA, MD, WI, MI</td>
<td>YES</td>
</tr>
<tr>
<td>State Infrastructure Investment Funded on Centers</td>
<td>MD, NJ</td>
<td>YES</td>
</tr>
<tr>
<td>Smart Growth Commission</td>
<td>MD, RI, FL, MD, NC, IL</td>
<td>NO</td>
</tr>
<tr>
<td>Municipal Planning Grants for Smart Growth</td>
<td>MD, CA, PA, RI, FL, NJ, IA, GA</td>
<td>NO</td>
</tr>
<tr>
<td>Brownfields Redevelopment Incentives</td>
<td>MD, CA, MI, PA, MN, WI, RI, IL, NC, VA, NJ</td>
<td>NO</td>
</tr>
<tr>
<td>Transportation Investments – Fix It First</td>
<td>MD, NJ, NY</td>
<td>NO</td>
</tr>
<tr>
<td>Transportation Investments – Target Growth Centers</td>
<td>MD, RI, NY</td>
<td>NO</td>
</tr>
<tr>
<td>Enhancement Dollars Commited for Smart Growth Projects</td>
<td>CA, MD</td>
<td>NO</td>
</tr>
<tr>
<td>State Incentives for TND, TND™</td>
<td>CA, MN</td>
<td>NO</td>
</tr>
<tr>
<td>Smart Growth Incentive Guidelines for Villages/Wonks Towns</td>
<td>CA, NJ</td>
<td>NO</td>
</tr>
<tr>
<td>Smart Growth Incentives</td>
<td>CA, MD, NC, IL</td>
<td>NO</td>
</tr>
<tr>
<td>Local Smart Growth Ordinances</td>
<td>AZ</td>
<td>NO</td>
</tr>
</tbody>
</table>

**Program**

---

**State of Vermont Smart Growth Progress Report 2008**

8 Vermont Smart Growth Collaborative

9 State of Vermont Smart Growth Progress Report 2008
DESCRIPTION OF APPROACH

T he Vermont Smart Growth Collaborative assembled a team of its members to manage the process of developing the state smart growth progress report. The Conservation Law Foundation, Friends of the Earth, Vermont Forum on Sprawl and Vermont Public Interest Research Group were responsible for the research and the report. The Vermont Natural Resources Council assisted on the conference and public education portions of the project. The Vermont Forum on Sprawl served as overall coordinator for the project and editor of the report.

The team developed a list of state agency programs that have policies, programs, and investments that are connected to sprawl and smart growth. Because it was not possible to inventory all of the related programs, the team prioritized them. Several programs that had been inventoried by Vermont Forum on Sprawl in 1998 were re-examined. The state agencies and programs that are included in the report are:

- Vermont Environmental Board – Act 250
- State Department of Education, School Construction Loans
- Vermont Agency of Natural Resources: Water and Sewer Grants and Loans
- Vermont Agency of Transportation – Enhancement Grants
- Vermont Agency of Transportation – Capital Budget
- Vermont Capital Construction Budget
- Vermont Economic Development Authority
- Vermont Economic Progress Council
- Vermont Housing and Conservation Board Affordable Housing
- Vermont Housing and Conservation Board Farmland Conservation

In addition, two federal programs were reviewed:

- U.S. Small Business Administration Loans
- U.S. Army Corps of Engineers Section 404 Permits

In addition, two federal programs were reviewed:

- U.S. Small Business Administration Loans
- U.S. Army Corps of Engineers Section 404 Permits

The team decided to collect data for the years 1998, 1999, 2000, and 2001. It was not always possible to find data for these years because some agencies had more up to date records than others. In general, we tried to obtain four years of the most recent data wherever possible. The Vermont Forum on Sprawl data from its 1998 study covered the years 1992-1997.

The Collaborative team hired several legal researchers to carry out the data collection and preliminary analysis in 2002. The research team met together several times over the summer to coordinate their work and its presentation. Team leaders – Collaborative members – notified state agencies about the project, introduced the researchers and requested their help in obtaining the information. The research team followed up personally with agency staff. Public information from agency sources was obtained to determine whether or not the investments or programs were smart growth or sprawl. (Definitions of “sprawl” and “smart growth” described in part 3 were used by the research team.) Where necessary, agency information was verified by on site investigation, phone conversation, maps, regional planning commissions or internet sources.

Each team leader compiled the research into a report. The reports are contained in Parts 7 and 8, State Agency Profiles and Federal Profiles.

Upon completion of the research, this report was prepared and circulated to peer reviewers around the country. The reviewers are experts in the field of state smart growth policy. They include:

- Barbara Lawrence, Executive Director, New Jersey Future
- Dru Schmidt-Perkins, Executive Director, 2000 Friends of Maryland
- Janet Milkman, Executive Director, 10,000 Friends of Pennsylvania
- Michele Sandler, Land Use Program Director, South Carolina Coastal Conservation League
- Jessica Cogan, Deputy Director, Smart Growth Leadership Institute
- David Hirsch, Director of Economic Programs, Friends of the Earth
- Rosemary Monohan, Smart Growth Coordinator, US EPA New England

After reviewing their comments, amendments were made to the report to reflect their advice.

In addition, the Vermont Forum on Sprawl notified all members of the Growth Management Leadership Alliance, an organization of 36 state and regional leaders for the United States and Canada that promote smart growth, to request their assistance in an inventory of state programs supporting smart growth. These programs and the states that are actively involved with them may be found in Part 4.

STATE AGENCY PROFILES

Vermont Agency of Administration: Capital Construction Budget

Capital Construction Budget: Expenditures by the State of Vermont on Smart Growth projects as defined by the General Appropriations Act, Budget Adjustment Act, Capital Construction Act and Transportation Capital Construction Act. The administration of the governor develops and proposes these budgets to the Legislature. Working with the administration (for information and advice), the Legislature makes changes, additions and reductions of existing budget items, deletes or adds new items to the budgets and eventually passes these budgets as legislation bills. The Governor signs the bills containing the budgets into law.

This report assesses how well the state has done in encourag- ing or contributing to smart growth through the Capital Construction Budgets for four consecutive years.

The Capital Construction Budget pays for the construction of state buildings (i.e. state office buildings, court houses, prizes, police facilities); the acquisition of land for conservation or recreation; primary, secondary and higher education school buildings (school construction is evaluated in the next section); state parks and selected municipal and nonprofit organizations’ buildings. The budget is capitalized mostly by the issuance of state bonds. The total amount, in terms of value, fluctuates from year to year depending on the state’s level of bonded indebtedness. The total amount of bonding in Fiscal Year (FY) 2000 was $380,000.

In addition to the Development Cabinet law and Act 200 mentioned in Part 2, the Vermont Agency of Administration is guided in its investment decisions by an executive order issued by Governor Madeleine Kunin in 1989 that requires that state buildings be located in downtowns and village centers, preferably within historic structures. This order has never been rescinded and has been reaffirmed by actions of subsequent Republican and Democrat governors alike.

Smart Growth Connection: The projects in the Capital Construction Budget that were used for this report card are directly related to smart growth or sprawl since they involve development. In some cases they are a part of larger complexes. In other cases, building blocks or larger downtown revitalization plans. Indeed, several of the projects are the centers or anchors of long-term smart growth projects. For example, the Bennington, Newport and Springfield state office building projects’ purpose is to consolidate state offices in these historic downtowns and help build their community’s economic vitality.

By locating state facilities in downtowns, state agencies can attract and generate economic activity. Employees shop in local stores and eat in local restaurants. People come to the agencies for services and stop to patronize other businesses while they are there. If these facilities were located out on highway strips, they would require use of an automobile for all trips and would contribute to low density, scattered development.

According to Tom Torti, Vermont’s Commissioner of the Department of Buildings and General Services, “There really is no need to go anywhere except downtown... No doubt about it, the policy helps to sustain downtown.”

**State Agency Locations, Smart Growth Tools for Main Street**

National Trust for Historic Preservation, State Agency Locations, Smart Growth Tools for Main Street, 2002, (p. 2).

**National Trust for Historic Preservation, State Agency Locations, Smart Growth Tools for Main Street, 2002, (p. 2).**

According to Tom Torti, Vermont’s Commissioner of the Department of Buildings and General Services, “There really is no need to go anywhere except downtown... No doubt about it, the policy helps to sustain downtown.”

**State Agency Locations, Smart Growth Tools for Main Street**

National Trust for Historic Preservation, State Agency Locations, Smart Growth Tools for Main Street, 2002, (p. 2).
Conclusions:
1. Overall, it appears that the Buildings Division of the Agency of Administration makes a concerted effort to follow smart growth principles in siting state buildings and facilities.
2. Certain types of state facilities, such as police barracks, require highly accessible sites which may not lend themselves to locations within a growth center.
3. Other types of state facilities, such as highway garages, may not be compatible with other uses in a growth center.

Recommendations:
1. The Buildings Division should continue its practice of adhering to state policies in the location of state buildings and facilities.
2. For projects requiring highly accessible sites, such as police barracks, the state should make every effort to be a model for good development and thoroughly investigate options for such facilities in growth centers.
3. Where state buildings or facilities are not appropriate in growth centers, they should be sited and screened in such a way as to minimize their impact.

Vermont Department of Education: School Construction Aid

School Construction Aid: 16 VSA Chapter 123 defines the school buildings projects eligible for state aid. Funding from the state for school projects may not exceed 30% of the total cost of construction. The rule implementing the aid program encourages “the use of existing infrastructure” in accordance with the State Board of Education policy on historic preservation. The policy says “... funding for renovations, including major repairs, and additions to existing school buildings shall be given preference over new school development...” The state will not give aid to schools for projects that are the result of deferred maintenance.

In addition to this policy there are other features of the rule that may help to minimize sprawl locations for school projects. Applications for approval for state school construction funds were spent for expansion of existing facilities and extensive alterations or renovations and 18% for construction of new facilities. The rule does favor school consolidation that can result in the closure of small, easily accessible schools and require more bussing of students.

Smart Growth Connection:
- Schools are a focal point for community activity. Not only are these sites where our children are educated, but also where community events are held and recreation activities enjoyed. Today, many communities that face decisions about expansion and/or renovation of historic schools are seriously examining the long term benefits that centrally located sites and existing structures can offer. A school located in an outlying area can divert community activity away from its town center. A school located in a central location reinforces that location as the core for community life and provides the added benefit of enabling kids to walk to school while saving on bus transportation costs. Often in-town schools are historic resources. With proper care in renovation these valuable assets can be given a new life while meeting a community need.

Due to national concerns about the lack of physical activity in youth and associated child obesity rates and other health problems, central school sites that enable walking to school are becoming more important to school districts. Sometimes guidelines and rules of state education agencies discourage new construction outside of town centers over rehabilitation and expansion of buildings in town centers. For example, large acreage requirements can make in-town locations impossible. Or cost-sharing that favors new construction over rehabilitation can discourage re-use of old buildings. Therefore, a review of the Department of Education data, must get beyond just numbers on rehabilitation vs. new construction and examine policies, guidelines and funding criteria.

State Aid for School Construction (percentage of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Smart Growth</th>
<th>Sprawl Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 1998</td>
<td>100%</td>
<td>55%</td>
</tr>
<tr>
<td>FY 1999</td>
<td>100%</td>
<td>45%</td>
</tr>
<tr>
<td>FY 2000</td>
<td>100%</td>
<td>50%</td>
</tr>
<tr>
<td>FY 2001</td>
<td>100%</td>
<td>50%</td>
</tr>
<tr>
<td>FY 2002</td>
<td>100%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Conclusions:
1. Between FY 98 and FY 02, the majority of state aid (89%) was spent on maintenance and major renovation of existing school buildings.
2. During that time 11% of state aid was spent on new construction for three new elementary schools. One was located in a sprawl site; two were located in villages.
3. Between FY 98 and FY 02, the total amount spent on smart growth sites was 93.1% and the total spent on sprawl sites was 6.9%. However, although a study period, a new school in Bennington was approved at a sprawl location.
4. Although two new elementary schools were located in villages, both resulted in the closing of other village schools in other parts of the town or in other towns as a result of a school consolidation. In one case, students have to travel six to nine miles to get to the new school. Due to consolidation the benefits of a village site in terms of savings on transportation were not realized.
5. While state aid appears to favor renovation over new construction based on the use of funds over the five year period, school consolidation is raising other smart growth concerns—closure of some village schools and increased travel times and transportation costs.
6. The state will not give aid to schools for projects that are the result of deferred maintenance. Thus, school districts cannot run down their existing schools in order to be eligible to construct a new school. State regulations on school aid for construction encourage reuse of historic structures. Rehabilitation must be examined first before new construction can be funded.

Recommendations:
1. The rule for funding school construction should specifically encourage the location of schools within town centers and support existing neighborhood and village schools.
2. The benefits of savings in school transportation costs and encouraging kids to walk to school should be investigated and provided to school districts.
3. The Department of Education should work with VTrans and the Vermont Department of Health on a Safe Routes to School program.
4. The construction of one new school caused the demolition of four older (>100 years) school buildings that had historic value. The Department of Education should work with the towns and the Vermont Division for Historic Preservation to find alternative uses for them to retain their historic value.
New Design for Pilgrim Industrial Park, Waterbury, VT

Agency of Commerce and Community Development: Vermont Economic Progress Council

Vermont Economic Progress Council: VEPC offers income tax credits, property tax-based incentives and a sales tax exemption on building materials in order to increase economic activity in the state of Vermont. The tax credits are based on investments in payroll, research and development, workforce development, export sales, new or renovated facilities and new machinery and equipment. The property tax incentives include stabilization of the statewide education property tax, reallocation of education fund revenues, construction in progress property tax exemption, brownfields property tax exemption and tax increment financing districts. To receive these credits, each applicant must address nine guidelines established by the Legislature, including:

- The enterprise should provide opportunities that increase income, reduce unemployment and reduce vacancy rates;
- The enterprise should create positive fiscal impacts on the state, the host municipality and region;
- The enterprise should conform to all appropriate town and regional plans and to all permit and approval requirements;
- The enterprise should protect or improve Vermont's natural, historical, and cultural resources and enhance Vermont's historic settlement patterns;
- It is desirable for the enterprise to make use of Vermont's resources;
- It is desirable for the enterprise to strengthen the quality of life in the host municipality and to foster cooperation within the region;
- It is desirable for the enterprise to use existing infrastructure or to locate in an existing downtown redevelopment project.

All applicants must also be qualified by demonstrating that "but for" the economic incentive to be offered, the proposed economic development would not occur or would occur in a significantly different and significantly less desirable manner. Finally, applicants are evaluated based on the fiscal impact of a project determined through a cost-benefit model. Credits are only obtained after the economic activity represented in applications has been realized.

Smart Growth Connection: Providing loans and other forms of financial assistance for commercial and industrial enterprises can have a direct link to smart growth. The connection between smart growth and commercial and industrial development is dependent in large part on the location of that development. Commercial and industrial development located within or adjacent to established downtowns, village centers and other growth centers can help to provide jobs to nearby residents, revitalize communities, support historic preservation, and enable a variety of modes of transportation to be utilized by employees, visitors and manufacturers. However, commercial and industrial development that is auto-dependent, separated from other uses and scattered in rural areas is not smart growth. The Vermont Forum on Sprawl identified several key impediments to developers to doing downtown development projects, including high land costs, title problems, more complex permitting, more restrictive zoning, difficult and costly site preparation, problems squeezing building requirements into small sites, and parking dilemmas. To arrive at an alternative, VOS worked in partnership with the Vermont Business Roundtable to develop new models for commercial and industrial development that reflect smart growth principles. These models use land efficiently, are financially viable, have a mixture of uses – including housing, use existing infrastructure and to the extent possible, are connected to existing or planned growth centers, represent good design that integrates into the community, recognize the importance of environmental quality and create attractive forms of transportation while minimizing vehicle trips and parking demand. Nationally, business leaders have identified several benefits of smart growth, including: economic efficiencies gained from using existing infrastructure, competitive advantages gained from activity in urban centers, workforce productivity, stronger connection between jobs and housing, lower direct business costs and taxes, and higher urban tax bases to pay for services.

EXAMPLE: AUTUMN HARP COMPANY: An income tax credit of $336,479 was awarded to this custom cosmetics company in December of 1999. AutumnHarp is a “smart growth project” located in a “smart growth area” in a rural/residential area on 44 acres of wetlands, woods and agricultural land. This project is classified as “sprawl.”

Other States’ Smart Growth School Policies and Practices:
1. Maryland involves a state level committee, including the secretary of planning, to approve all school sites. The state explicitly favors construction of new “in-town” schools.
2. Safe Routes To Schools programs: California requires 1/3 of Federal Hazard Elimination Funds be set aside to fund local safe routes to school programs. Oregon, Texas, Washington, Maryland, Pennsylvania also have programs.
3. North Carolina advises local school officials in how to best integrate smart growth into school facility planning.
4. Maine’s Office of State Planning and Dept. of Education produced a brochure called the ABC’s of School Site Selection that has basic guidelines, such as “Avoid Sprawl!”

5. The VEPC cost-benefit model does not take into account transportation infrastructure provided by municipalities. Unless access is limited, some of this infrastructure can contribute to sprawl development.

6. Some of the VEPC benefits help to support water, sewer and transportation infrastructure provided by municipalities. Unless access is limited, some of this infrastructure can contribute to sprawl development.

7. The VEPC cost-benefit model does not take into account transportation funds, water and sewer grants and loans or affordable housing money. Nor does it take into account local or regional fiscal costs. Therefore, potential sprawl costs of development are not factored in the cost-benefit model.
Recommendations:
1. VEPC should provide applicants with more specific information on how to meet the nine guidelines for receiving credits. For example, what is a historic settlement pattern? What is meant by “quality of life” or “cooperation within the region?”
2. VEPC should specifically encourage the development of pilot smart growth projects to provide models for other businesses and industries in future years.
3. To avoid permit issues with projects involving infrastructure, VEPC should require that sewer projects comply with ANR’s sewer funding rule and all projects obtain Act 250 permits, where applicable.
4. VEPC should consult VTans, VHCAR, ANR and other departments in the Agency of Commerce about potential impacts on other state housing, transportation, and infrastructure funds from projects it supports.
5. VEPC should provide incentives for applicants whose projects are within designated growth centers and, where applicable, in industrial parks that are compact, provide mixed uses and are served by transit.

Agency of Commerce and Community Development: Vermont Economic Development Authority

**Vermont Economic Development Authority: 10 VSA Chapter 12 establishes the Vermont Economic Development Authority (VEDA) to alleviate and prevent unemployment and underemployment and to raise the per capita income within the state. Among VEDA’s programs are: direct loans to businesses, mortgage insurance to commercial banks for loans for commercial purposes, loans to local development corporations, and industrial revenue bonds to support industry and commerce. The Vermont Agricultural Credit Corporation, also under VEDA auspices, provides credit to farmers. A State Infrastructure Bank assists with the improvement, rehabilitation, expansion and construction of transportation projects. A review of VEDA materials and their website showed no specific policy review criteria for these programs – other than statutory requirements. Examples of statutory requirements include:

1. The proposed site for the speculative building or small business incubator facilities will be located on adequate land owned or to be acquired by the local development corporation or leased by the local development corporation on terms satisfactory to the authority.
2. An adequate access road from a public highway is provided to the proposed site and that such utilities as water, sewer, and power facilities are available, or will be available when the speculative building or small business incubator facilities are completed.
3. The project plans comply with all applicable environmental, zoning, planning and sanitary laws and regulations of the municipality where it is to be located and of the state of Vermont.

However, there are no rules as to how to comply with certain statutory provisions, such as Title 3, Section 2293, the Development Cabinet law that requires state agencies to direct their spending programs towards existing downtowns and centers.

**Smart Growth Connection:** Providing loans and other forms of financial assistance for commercial enterprises, including farming, can have a detrimental effect on smart growth. By assisting farming, a key feature of rural community life is supported, open land remains open and rural sprawl can be minimized. The connection between smart growth and commercial and industrial development is dependent on the location of that development. Commercial and industrial development located within or adjacent to established downtowns, village centers and other growth centers can help to provide jobs to nearby residents, revitalize communities, support historic preservation, and enable a variety of modes of transportation to be utilized by employees, visitors and manufacturers. However, commercial and industrial development that is auto-dependent, separated from other uses and scattered in rural areas is not smart growth. The Vermont Forum on Sprawl identified several key impediments to developers to do smart growth projects, including: higher land costs, title problems, more complex permitting, more restrictive zoning, transportation and costly site preparation, problems squeezing building requirements into small sites, and parking dilemmas. To arrive at an alternative VFOC worked in partnership with the Vermont Business Roundtable to develop new models for commercial and industrial development that reflect smart growth principles. These models use land efficiently, are financially viable, have a mixture of uses, including housing, use existing infrastructure and structures to the fullest extent, are connected to existing or planned growth centers, represent good design that integrates into the community, recognize the importance of environmental quality, and enable alternative forms of transportation while minimizing vehicle trips and parking demand. Nationally, business leaders have identified several benefits to them of smart growth, including: economic efficiencies gained from using existing infrastructure, competitive advantages gained from activity in urban centers, workforce productivity, stronger connection between jobs and housing, lower direct business costs and taxes, and higher urban tax bases to pay for services.

**EXAMPLE: CHAPEL PLANE COMPANY, BURLINGTON: This business relocated from a site in 2001 to expand its business in a smart growth location – an older industrial area of Burlington. INTERSTATE TECHNOLOGY & AIRSPACE, INC. received a $150,000 loan in 2000 for its business located in Carteret Industrial Park in a sprawl location between an interstate interchange and the town center in Millinocket.**

Results of Analysis: This analysis focuses on the agricultural programs, Direct Loan Program, Local Development Cooperation Loans, Industrial Revenue Bonds and Mortgage Insurance Programs of VEDA under Subchapters 2, 3, 4 and 5 of the law. Between 1999 and 2000, VEDA invested $10.5 million in loans, debt stabilization and credit to farmers. These investments are considered to be smart growth. Under Subchapter 2 (mortgage insurance), $4.1 million was invested in smart growth projects. $4.5 million in ski area development and $6.2 million in sprawl projects. Under Subchapter 3 (local development corporation loans), loans were granted for $7.5 million in smart growth projects and $6.3 million in sprawl projects. Under Subchapter 4 (industrial revenue bonds), loans were granted for $50.5 million in smart growth projects, $3.5 million in ski area projects, and $12.1 million in sprawl projects. Under Subchapter 5 (direct loan program), loans were granted for $9.5 million in smart growth projects and $8.7 million in sprawl projects. There were $7.8 million in all categories that were not classified. Overall, $73.5 million, or 32.7%, was invested in smart growth and $139.3 million, or 60.5% in sprawl. The remainder of the projects was ski areas or projects for which information was not available. Ski areas were not classified as sprawl or smart growth because they could be either depending on the specific plan of development.

Conclusions:
1. Although VEDA has no specific policies or procedures that relate to smart growth and sprawl, about one third of all investments support smart growth. About 13% of the smart growth investments or 4.7% of all investments support agricultural smart growth.
2. A significant portion (60.5%) of these state funds is utilized in sprawl projects.
3. Some of the VEDA funds are given to regional economic development corporations for projects in state supported industrial parks that are in sprawl locations and designated in sprawl layout. While we recognize that some of these investments reflect years of prior investments in these locations, many other industrial parks are new.
4. About 3.5% of VEDA funds are invested in ski areas. These investments have not supported new ski areas but rather have reinvested in existing ones. It is not possible to tell what types of improvement projects these investments support. Therefore, these dollars cannot be classified as sprawl or smart growth.
5. It is not clear how VEDA can comply with Title 3, Section 2293 without policies and procedures related to the location and type of their investments.

Recommendations:
1. State and regional planning commissions should undertake education and training work with the economic development corporations to develop more infill and compact commercial and industrial development projects and reuse of historic structures.
2. VEDA should develop policies and procedures on how it will comply with Title 3, Section 2293, the Development Cabinet Law.
3. VEDA should set aside some of its resources specifically for pilot smart growth economic development projects to provide models for other businesses and industries in future years.
4. VEDA should consult VTans, VHCAR, ANR and other departments in the Agency of Commerce about potential impacts on other state housing, transportation, and infrastructure funds from projects it supports.
5. VEDA should provide incentives for applicants whose projects are within designated growth centers and, where applicable, in industrial parks that are compact, provide mixed uses and are served by transit.

**Other States’ Smart Growth Economic Development Policies and Practices: NEW JERSEY: Under a new program the Economic Development Authority, provides for businesses relocating in New Jersey a grant of up to 80% of payroll taxes for businesses that go to a “smart growth location” and only a 60% grant for those in other locations.**
Public Spending on Water and Sewer Projects: The Vermont Agency of Natural Resources and the Department of Environmental Conservation allocate both state and federal funds via the State Revolving Fund (SRF) program to aid municipalities with water and sewer projects. Funding is provided for engineering, planning and construction. Projects are chosen for funding through a priority system that ranks prospective projects. Factors considered include the public benefit from the project, the long-term costs, the existence of any immediate public health threat or emergency and the area and population to be served. With a revision to the Wastewater Funding Rule in 2002, funding is now targeted to projects that serve town centers and designated growth areas.

Smart Growth Connection: The existence of water and sewer facilities makes land more attractive for development. It allows both a higher density and intensity than would otherwise occur. Buildings can be closer together, and more intensive uses, such as industrial or large-scale commercial uses can be accommodated. The existence of water and sewer facilities is often a key factor for developers in determining where to build. As public water and sewer facilities are expensive to both build and operate, towns are often motivated to expand the tax base and/or to limit the service area to pay for the construction and maintenance of the facilities. This increases pressure to develop in previously undeveloped areas.

There are some minor exceptions to this rule to address immediate health problems and to serve industrial parks. However, special provisions must be made to limit sprawl along these lines.

EXAMPLE: STONE: In 1999, the Town of Stowe received funding to complete a four fold expansion of its sewer plant and extend sewer lines outside the Village of Stowe to serve the Stowe Mountain Resort ski area. The project would allow significant new development outside of town. Responding to concerns about uncontrolled growth outside of town, Stowe revised its zoning to target growth in particular areas. It also included new development from connecting to the sewer line in one outlying zoning district. There are no provisions however to allocate capacity by district or to limit expansion of sewer service area. The Department of Environmental Conservation’s new rule on the Municipal Pollution Control Priority System, the Town of Pownal... The new rules, public funding will only be used for sewer expansions that will serve designated growth centers. The Department has provided a guidebook for towns to help them implement this new rule. For example, the guidebook suggests that towns can use the regulations to restrict the use of new capacity to users in growth centers. This new funding rule will target public money to projects that encourage smart growth. It will also avoid the use of sewer anywhere in town, in a manner that would encourage sprawl.

EXAMPLE: POWNAL SEWAGE SYSTEM: Consistent with the Vermont Department of Environmental Conservation’s new rule on the Municipal Pollution Control Priority System, the Town of Pownal... For example, the guidebook suggests that towns can use the regulations to restrict the use of new capacity to users in growth centers. This new funding rule will target public money to projects that encourage smart growth. It will also avoid the use of sewer anywhere in town, in a manner that would encourage sprawl.

Agencies of Natural Resources: Water and Sewer Grants and Loans

STATE OF VERMONT SMART GROWTH PROGRESS REPORT VERMONT SMART GROWTH COLLABORATIVE

There are some minor exceptions to the rule to address immediate health problems and to serve industrial parks. However, special provisions must be made to limit sprawl along these lines.

Incomparable data was available for the FY 2002. Consequently, FY 1997 was used to keep consistent a complete five-year study period for comparison purposes.

Water and sewer projects foster smart growth when they are targeted to serve downtown areas or areas where compact development is encouraged. Here, they can support a variety of uses, including infill development, thus opening up land in town centers for development. Conversely, when water or sewer is provided to outlying areas, it is a recipe for sprawl.

Water and sewer projects foster smart growth when they are targeted to serve downtown areas or areas where compact development is encouraged. Here, they can support a variety of uses, including infill development, thus opening up land in town centers for development. Conversely, when water or sewer is provided to outlying areas, it is a recipe for sprawl.


due Diligence

The state funded 36 sewer projects totaling approximately $91 million dollars. About 70% of this was funded through state grants and loans. The projects varied in cost from $100,000 to upgrade treatment and replace old sewer lines in the Village of Orleans to $13 million dollars to expand the Stowe facility and extend the sewer lines.

Specific projects included installing new treatment to remove phosphorus, such as in Montpelier, Morrisville, Brandon and Fairfield. In general, these projects do not contribute to sprawl since they do not increase capacity in any meaningful way and do not extend service into new areas. Seventeen sewer projects, totaling approximately $40 million, upgraded treatment or refurbish existing systems.

Projects that have the potential to cause sprawl included treatment plant expansions in Barre, Stowe, Springfield, South Burlington and Shelburne. These projects varied in cost from approximately $50,000 dollars to $250,000 dollars to upgrade existing systems.

The state funded 36 sewer projects totaling approximately $91 million dollars. About 70% of this was funded through state grants and loans. The projects varied in cost from $100,000 to upgrade treatment and replace old sewer lines in the Village of Orleans to $13 million dollars to expand the Stowe facility and extend the sewer lines.

The largest and most expensive projects included increases in capacity and extending sewer lines that could lead to sprawl. (Stowe, Shelburne, So. Burlington). Zoning and local regulations address some sprawl impacts, but sewer is still provided to undeveloped areas outside of town.

EXAMPLE: STOWE: In 1999, the Town of Stowe received funding to complete a four fold expansion of its sewer plant and extend sewer lines outside the Village of Stowe to serve the Stowe Mountain Resort ski area. The new rules, public funding will only be used for sewer expansions that will serve designated growth centers. The Department has provided a guidebook for towns to help them implement this new rule. For example, the guidebook suggests that towns can use the regulations to restrict the use of new capacity to users in growth centers. This new funding rule will target public money to projects that encourage smart growth. It will also avoid the use of sewer anywhere in town, in a manner that would encourage sprawl.

EXAMPLE: STOWE: In 1999, the Town of Stowe received funding to complete a four fold expansion of its sewer plant and extend sewer lines outside the Village of Stowe to serve the Stowe Mountain Resort ski area. The project would allow significant new development outside of town. Responding to concerns about uncontrolled growth outside of town, Stowe revised its zoning to target growth in particular areas. It also included new development from connecting to the sewer line in one outlying zoning district. There are no provisions however to allocate capacity by district or to limit expansion of sewer service area. The Department of Environmental Conservation’s new rule on the Municipal Pollution Control Priority System, the Town of Pownal... For example, the guidebook suggests that towns can use the regulations to restrict the use of new capacity to users in growth centers. This new funding rule will target public money to projects that encourage smart growth. It will also avoid the use of sewer anywhere in town, in a manner that would encourage sprawl.

EXAMPLE: STOWE: In 1999, the Town of Stowe received funding to complete a four fold expansion of its sewer plant and extend sewer lines outside the Village of Stowe to serve the Stowe Mountain Resort ski area. The project would allow significant new development outside of town. Responding to concerns about uncontrolled growth outside of town, Stowe revised its zoning to target growth in particular areas. It also included new development from connecting to the sewer line in one outlying zoning district. There are no provisions however to allocate capacity by district or to limit expansion of sewer service area. The Department of Environmental Conservation’s new rule on the Municipal Pollution Control Priority System, the Town of Pownal... For example, the guidebook suggests that towns can use the regulations to restrict the use of new capacity to users in growth centers. This new funding rule will target public money to projects that encourage smart growth. It will also avoid the use of sewer anywhere in town, in a manner that would encourage sprawl.

EXAMPLE: STOWE: In 1999, the Town of Stowe received funding to complete a four fold expansion of its sewer plant and extend sewer lines outside the Village of Stowe to serve the Stowe Mountain Resort ski area. The project would allow significant new development outside of town. Responding to concerns about uncontrolled growth outside of town, Stowe revised its zoning to target growth in particular areas. It also included new development from connecting to the sewer line in one outlying zoning district. There are no provisions however to allocate capacity by district or to limit expansion of sewer service area. The Department of Environmental Conservation’s new rule on the Municipal Pollution Control Priority System, the Town of Pownal... For example, the guidebook suggests that towns can use the regulations to restrict the use of new capacity to users in growth centers. This new funding rule will target public money to projects that encourage smart growth. It will also avoid the use of sewer anywhere in town, in a manner that would encourage sprawl.
6. For two projects, Stowe and Milton. Act 250 addressed some of the growth and sprawl impacts from the sewer project. In Milton an expansion was denied a permit. In Stowe a permit was granted after zoning was changed to address impacts. If growth issues are not addressed early on, Act 250 can cause some significant delays for these projects.

7. The new rule on funding municipal wastewater projects should alleviate many of the sprawl impacts and target state funds for sewer projects to designated growth centers where they can foster smart growth.

8. Drinking water projects have less of an impact on sprawl as drinking water is more generally available and funding for drinking water projects is not available to serve future growth.

Recommendations:
1. The Vermont Department of Environmental Conservation should provide better tracking of how and where drinking water facilities are used. The Department should develop a rule to provide similar priorities for limiting the use of drinking water funds to growth centers, as are provided for wastewater funding.
2. Grant recipients should clearly define growth areas to be served by water and sewer projects. The Agency of Natural Resources has a helpful guide to designation of growth areas. Growth areas should be consistent with state land use goals as set forth in Act 250.
3. Grant applicants should define the sewer service areas and any limitations on areas to be served as part of the funding review. The sewer service areas should be clearly defined and enforceable and have clear boundaries between developed and rural areas. Line extensions should be limited to the sewer service areas.
4. Grantees should target sewer capacity to uses as well as to geographical areas; this insures that sufficient sewage capacity is available to promote a mixture of uses and housing types.
5. ANR should create further priorities for funding new water and sewer for town centers and downtown areas in high growth areas.
6. Industrial parks included as growth centers should have clear boundaries, encourage compact land use patterns, and not include undeveloped rural areas or valuable natural resource lands.

Agency of Transportation: Enhancement Grants

Transportation Enhancement Grants: As applied in Vermont to date, transportation enhancements are projects that tend to be relatively small in scope and cost and that enhance pedestrian access and scenic and historical assets of communities. Although, they are not required to be in town centers, by their nature, they tend to be. Under the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and its amended reauthorization, the Transportation Equity Act for the 21st Century (TEA-21), states are required to spend at least 10% of their Surface Transportation Program (STP) funds on enhancements. STP is the major source of funding from ISTEA and TEA-21 to the states. The federal share for the projects is 80%. In Vermont there is no state share. The town’s share is 20%.

The following is a list of activities that are eligible for enhancement grants under ISTEA and TEA-21:
1. Provision of pedestrian and bicycle facilities
2. Provision of safety and education activities for pedestrians and bicyclists
3. Acquisition of scenic easements and scenic or historical sites
4. Scenic or historic highway programs
5. Landscaping and scenic beautification
6. Historic preservation
7. Rehabilitation and operation of historic transportation buildings, structures or facilities
8. Preservation of abandoned railway corridors and conversion to rail-trails
9. Control and removal of outdoor advertising
10. Archaelogical planning and research
11. Environmental mitigation of highway runoff and provision of wildlife connectivity
12. Establishment of transportation museums

Smart Growth Connection: The Enhancements Program is designed to support projects that invest in infrastructure or other community attributes that already exist, such as historic transportation buildings, scenic vistas, downtown streetscapes (sidewalks, landscaping and lighting), and bicycle paths and lanes to improve accessibility in downtowns and village centers. These types of projects typically reflect smart growth principles. How a state administers its enhancement money is one way to assess a state’s commitment to smart growth. The 10% set aside is only a minimum. If states, including Vermont, have exceeded the required 10%. Over the past 11 years Vermont has used roughly twice that amount – 20% – of its STP funds on projects that may be counted as enhancement projects under the broad federal criteria. Another measure of a state’s commitment to smart growth is the extent to which they attach the enhancement funds to mainstream transportation projects, such as new construction of highways. Some states put most of their enhancement money into funding portions of highway projects, such as bicycle lanes or pull-outs for scenic vistas. Vermont has tended to fund stand-alone enhancement projects and has not required the funds to be limited to existing transportation projects (most of which are highway projects).

Results of Analysis: The table on page 22 compares and rates all of the states regarding how much has been “programmed,” “obligated,” and “reimbursed” to enhancement projects. The three terms are used to mark progress towards completion of projects. “Programmed” is the first step where the project is planned and committed to by the state but not yet by the Federal Highway Administration (FHWA) yet. “Obligated” funds have been committed to the project by FHWA.

“Reimbursed” funds refer to the final stage of funding where FHWA reimburses the state for funds actually spent on the construction of the project. The “programmed” column in the table is a measure of states’ stated commitment to the enhancement program. The “obligated” and “reimbursed” columns are both measures of how well the states work with the municipalities (the project applicants) and FHWA to move the projects to completion. These measures, it can be argued, are good indicators of states’ commitments to the program and therefore make good criteria with which to rank the states.

Vermont rates high for the following reasons:
- During the nine year period included in the table (Federal FY 92-FY 01), Vermont programmed more funds for enhancements than what was required – 128.7%. The national average was 94.1%. Between FY 92 and FY02, Vermont slipped a bit and programmed 114% of what was required.
- FHWA has set a goal of 75% of available funds to be obli- barged. The national average is 69.8% as of the end of FY 01. At that point Vermont had obligated 89.3% of available funds and ranked seventh (sixth in FY 02). Vermont’s slightly lower reimbursement rate ranking – ninth (tenth in FY 02), is perhaps a reflection of relative difficulties in siting.

Finally, it should be noted that several states, including Vermont, have established separate programs in addition to their enhancement program for projects that are enhance- ment grant eligible. By not being a part of the state’s enhancement program, these projects are not included in the calculations for the table below. Vermont has done this for the bicycle/pedestrian program and historic bridges program. Under this model, towns can apply for funding for a bike path or sidewalk in either program. If this data could be somehow accounted for in the table, Vermont might rate even higher than numbers seven and nine since most states do not have the separate programs.

More recently, the new administration of Governor Jim Douglas established a moratorium on all new enhancement projects because Vermont had exceeded its minimum require- ments for a number of years and states may average their partic- ipation over the six year life of the federal program (ISTEA and TEA-21). The 2003 Legislature did not agree with the moratori- um and it will be lifted after one year. The amount of money that will be devoted to the program was decreased compared with the past 11 years so that Vermont may not rank as high as it once did compared to other states. Vermont has maintained its separate programs for enhancements, bicycle/pedestrian projects and historic bridges.

EXAMPLES: The Town of BENNINGTON has received several enhancement grants as part of a larger comprehensive program to reinvigorate their downtown. The most recent grant was for the construction of sidewalks, curbing, street lighting and landscaping inside of the designated downtown. The total project cost was $212,000 with $215,000 coming from the enhancement grant. A grant was made for a scenic easement in the town of CHARLOTTE to preserve 100 acres that is part of a historic operating farm. The enhancement grant covered $223,000 of the total easement cost of $240,000 with the rest made up from other funding sources. The historic village of PLYMOUTH, site of the Calvin Coolidge home- stead, received an enhancement grant to preserve and renovate a “Wilder” horse carriage barn located in the village center.


**Recommendations:**

1. Vermont should continue to fund its enhancement program according to historic funding levels.
2. Vermont should continue to maintain both an enhancement program and a bicycle/pedestrian program.

**Conclusions:**

1. Vermont has an excellent performance, in comparison to other states, in the amount of funds obligated, programmed and reimbursed for enhancements projects.
2. Vermont has a program for pedestrian/bicycle and historic bridge projects that is separate from its enhancements program and, therefore, the total amount invested in enhancement-type projects is much higher than indicated in the above analysis.
3. Most enhancement projects tend to be smart growth projects as they often involve pedestrian improvements in downtowns and village centers, scenic easements, historic preservation and other smart growth actions.
4. Recently, the Vermont Enhancement program was threatened with elimination. There appears to be strong support in the Legislature for retaining this program.

**Smart Growth Connections:** By building more highways, agencies such as VTrans hope to make travel easier and more efficient by accommodating the cars on the road. This philosophy is based on the prediction that new highways will not result in increased use, new drivers, or in general a greater number of cars on the road. However, studies show that increased road capacity directly leads to more traffic, and with it more sprawl. Studies show that for every 1% of new highway constructed, there is a correlating 1% increase in traffic within five years.

**Vermont Agency of Transportation: Highway Construction**

**Highway Construction Program:** Vermont has 14,000 miles of roadways varying from local roads to the limited access interstate highway system. The roads service many types of vehicle, including passenger vehicles, freight, public transportation, bicycles and pedestrians. The state controls the design, operation and maintenance of the highways that are funded by state transportation funds. The state budget funds function and performance preservation, bridge preservation, and capacity expansion of roadways. The expansion of old highways and the construction of new highways, also referred to as Roadway Construction Projects by Vermont Agency of Transportation (VTrans), is intended to reduce congestion and increase convenience on Vermont's roads.

**Rankings of States in Transportation Enhancements, 1992-2001**

<table>
<thead>
<tr>
<th>BY PROGRAMMED RATE</th>
<th>APPOINTED</th>
<th>PROGRAMMED</th>
<th>OBLIGATED</th>
<th>REIMBURSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>140.3%</td>
<td>106.5%</td>
<td>160.5%</td>
<td>93.5%</td>
</tr>
<tr>
<td>Vermont</td>
<td>125.9%</td>
<td>125.9%</td>
<td>125.9%</td>
<td>125.9%</td>
</tr>
<tr>
<td>New Mexico</td>
<td>120.1%</td>
<td>120.1%</td>
<td>120.1%</td>
<td>120.1%</td>
</tr>
<tr>
<td>Maryland</td>
<td>116.8%</td>
<td>116.8%</td>
<td>116.8%</td>
<td>116.8%</td>
</tr>
<tr>
<td>Illinois</td>
<td>113.4%</td>
<td>113.4%</td>
<td>113.4%</td>
<td>113.4%</td>
</tr>
<tr>
<td>Arizona</td>
<td>110.3%</td>
<td>110.3%</td>
<td>110.3%</td>
<td>110.3%</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>108.9%</td>
<td>108.9%</td>
<td>108.9%</td>
<td>108.9%</td>
</tr>
<tr>
<td>Missouri</td>
<td>104.0%</td>
<td>104.0%</td>
<td>104.0%</td>
<td>104.0%</td>
</tr>
<tr>
<td>Michigan</td>
<td>100.6%</td>
<td>100.6%</td>
<td>100.6%</td>
<td>100.6%</td>
</tr>
<tr>
<td>Idaho</td>
<td>98.5%</td>
<td>98.5%</td>
<td>98.5%</td>
<td>98.5%</td>
</tr>
<tr>
<td>South Dakota</td>
<td>98.0%</td>
<td>98.0%</td>
<td>98.0%</td>
<td>98.0%</td>
</tr>
<tr>
<td>Wyoming</td>
<td>94.0%</td>
<td>94.0%</td>
<td>94.0%</td>
<td>94.0%</td>
</tr>
<tr>
<td>West Virginia</td>
<td>93.0%</td>
<td>93.0%</td>
<td>93.0%</td>
<td>93.0%</td>
</tr>
<tr>
<td>Kansas</td>
<td>92.7%</td>
<td>92.7%</td>
<td>92.7%</td>
<td>92.7%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>92.0%</td>
<td>92.0%</td>
<td>92.0%</td>
<td>92.0%</td>
</tr>
<tr>
<td>Nebraska</td>
<td>90.5%</td>
<td>90.5%</td>
<td>90.5%</td>
<td>90.5%</td>
</tr>
<tr>
<td>Utah</td>
<td>90.1%</td>
<td>90.1%</td>
<td>90.1%</td>
<td>90.1%</td>
</tr>
<tr>
<td>Texas</td>
<td>89.9%</td>
<td>89.9%</td>
<td>89.9%</td>
<td>89.9%</td>
</tr>
<tr>
<td>Alabama</td>
<td>89.7%</td>
<td>89.7%</td>
<td>89.7%</td>
<td>89.7%</td>
</tr>
<tr>
<td>Florida</td>
<td>89.5%</td>
<td>89.5%</td>
<td>89.5%</td>
<td>89.5%</td>
</tr>
<tr>
<td>Michigan</td>
<td>89.4%</td>
<td>89.4%</td>
<td>89.4%</td>
<td>89.4%</td>
</tr>
<tr>
<td>Arkansas</td>
<td>89.3%</td>
<td>89.3%</td>
<td>89.3%</td>
<td>89.3%</td>
</tr>
<tr>
<td>Montana</td>
<td>89.1%</td>
<td>89.1%</td>
<td>89.1%</td>
<td>89.1%</td>
</tr>
<tr>
<td>New York</td>
<td>88.5%</td>
<td>88.5%</td>
<td>88.5%</td>
<td>88.5%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>88.4%</td>
<td>88.4%</td>
<td>88.4%</td>
<td>88.4%</td>
</tr>
<tr>
<td>Kentucky</td>
<td>88.3%</td>
<td>88.3%</td>
<td>88.3%</td>
<td>88.3%</td>
</tr>
<tr>
<td>North Carolina</td>
<td>88.1%</td>
<td>88.1%</td>
<td>88.1%</td>
<td>88.1%</td>
</tr>
<tr>
<td>Alabama</td>
<td>87.9%</td>
<td>87.9%</td>
<td>87.9%</td>
<td>87.9%</td>
</tr>
<tr>
<td>Florida</td>
<td>87.8%</td>
<td>87.8%</td>
<td>87.8%</td>
<td>87.8%</td>
</tr>
<tr>
<td>Michigan</td>
<td>87.6%</td>
<td>87.6%</td>
<td>87.6%</td>
<td>87.6%</td>
</tr>
<tr>
<td>Arkansas</td>
<td>87.5%</td>
<td>87.5%</td>
<td>87.5%</td>
<td>87.5%</td>
</tr>
<tr>
<td>Montana</td>
<td>87.4%</td>
<td>87.4%</td>
<td>87.4%</td>
<td>87.4%</td>
</tr>
<tr>
<td>New York</td>
<td>87.3%</td>
<td>87.3%</td>
<td>87.3%</td>
<td>87.3%</td>
</tr>
<tr>
<td>Tennessee</td>
<td>87.2%</td>
<td>87.2%</td>
<td>87.2%</td>
<td>87.2%</td>
</tr>
<tr>
<td>Colorado</td>
<td>87.1%</td>
<td>87.1%</td>
<td>87.1%</td>
<td>87.1%</td>
</tr>
<tr>
<td>Texas</td>
<td>87.1%</td>
<td>87.1%</td>
<td>87.1%</td>
<td>87.1%</td>
</tr>
<tr>
<td>Louisiana</td>
<td>87.0%</td>
<td>87.0%</td>
<td>87.0%</td>
<td>87.0%</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>87.0%</td>
<td>87.0%</td>
<td>87.0%</td>
<td>87.0%</td>
</tr>
<tr>
<td>Kansas</td>
<td>86.9%</td>
<td>86.9%</td>
<td>86.9%</td>
<td>86.9%</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>86.9%</td>
<td>86.9%</td>
<td>86.9%</td>
<td>86.9%</td>
</tr>
<tr>
<td>Nebraska</td>
<td>86.8%</td>
<td>86.8%</td>
<td>86.8%</td>
<td>86.8%</td>
</tr>
<tr>
<td>Utah</td>
<td>86.6%</td>
<td>86.6%</td>
<td>86.6%</td>
<td>86.6%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>86.4%</td>
<td>86.4%</td>
<td>86.4%</td>
<td>86.4%</td>
</tr>
<tr>
<td>Hawaii</td>
<td>86.4%</td>
<td>86.4%</td>
<td>86.4%</td>
<td>86.4%</td>
</tr>
<tr>
<td>North Dakota</td>
<td>86.2%</td>
<td>86.2%</td>
<td>86.2%</td>
<td>86.2%</td>
</tr>
<tr>
<td>Ohio</td>
<td>86.2%</td>
<td>86.2%</td>
<td>86.2%</td>
<td>86.2%</td>
</tr>
<tr>
<td>Alaska</td>
<td>86.1%</td>
<td>86.1%</td>
<td>86.1%</td>
<td>86.1%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>86.0%</td>
<td>86.0%</td>
<td>86.0%</td>
<td>86.0%</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>85.8%</td>
<td>85.8%</td>
<td>85.8%</td>
<td>85.8%</td>
</tr>
<tr>
<td>South Dakota</td>
<td>85.6%</td>
<td>85.6%</td>
<td>85.6%</td>
<td>85.6%</td>
</tr>
<tr>
<td>Idaho</td>
<td>85.5%</td>
<td>85.5%</td>
<td>85.5%</td>
<td>85.5%</td>
</tr>
<tr>
<td>Oregon</td>
<td>85.5%</td>
<td>85.5%</td>
<td>85.5%</td>
<td>85.5%</td>
</tr>
<tr>
<td>South Carolina</td>
<td>85.4%</td>
<td>85.4%</td>
<td>85.4%</td>
<td>85.4%</td>
</tr>
<tr>
<td><strong>$5,238,140,678</strong></td>
<td><strong>$4,928,954,882</strong></td>
<td><strong>94.1%</strong></td>
<td><strong>$3,659,957,856</strong></td>
<td><strong>69.8%</strong></td>
</tr>
</tbody>
</table>
Public Transportation Ridership Continues to Grow

According to the survey conducted in the 2002 Vermont Long Range Transportation Plan, 31% of Vermonters favor an increased share of resources for public transit, 47% favor maintaining the current allocation, while 22% favor a lesser share. Data illustrate that the demand for public transportation exists, and, according to the American Public Transportation Association, there has been a 21% increase nationwide in public transportation ridership in recent years, suggesting that we won’t solve congestion problems without addressing land use patterns. The state and the MPO should prioritize their funding based on the status of the communities’ land use plans and concentrations to promote smart growth, including around transit stops, and lower density along highways where development could erode the public investment in these improvements.

Conclusions:

1. Neither state nor county funding of highway capacity expansion is being done in a manner promoting smart growth. The trends in state funding for new roadways is not reflective of the overall growth in the state. Between 1996 and 1999, TIP funds were appropriated to highway capacity projects. This number declined to 7.1% in 1998, then rose to 8.1% the following year. Funds allocated to new roadways as a percentage of total appropriated funds is rising dramatically, attributed to a new “Special Projects Unit” subcategory added in 2000, which raised roadway construction/expansion’s share of funds to 10.6% by 2001. In that year, 12.2% of funds were appropriated to highway capacity projects. This number declined to 7.1% in 1998, then rose to 8.1% the following year. Funds allocated to new roadways as a percentage of total appropriated funds is rising dramatically, attributed to a new “Special Projects Unit” subcategory added in 2000, which raised roadway construction/expansion’s share of funds to 10.6% that year. In 2001 that number was 12.2%, followed by 17.0% and 18.8% in 2002 and 2003, respectively. Clearly the trend in funding for highway capacity expansion is one of growth. Whereas in the past decade funding for new highway projects remained below 10%, current funds have exceeded the 15% mark. If the amount of growth in the past three years is any indication, that number will reach the 20% mark or higher in the coming years.

2. Chittenden County: In 1997, the Chittenden County Metropolitan Planning Organization (CCMPO) published a synopsis of their long-range transportation plan, titled A Twenty-Year Vision for Transportation in Chittenden County: One of the goals of the plan is to “make key highway capacity investments – for example, the Champlain Parkway, Shelburne Road, ... and Cincinnati Highway – whose need is not addressed by efficiency improvements.”

In this long-range Transportation Improvement Plan (TIP), CCMPO projected that 24% of annual fiscal funds would be used annually for highway capacity expansion. In 1999, a TIP for highway expansion was only 1.2% of total appropriations. That number then fluctuated dramatically to 41.2% in the adopted TIP the following year, then fell to 5.4% in 2001. Since then, the amount of funds allocated to highway capacity expansion, as identified in the adopted TIP, has risen steadily, rising to 19.0% in 2002, 33.6% in 2003, 68.9% in 2004, and 68.1% of total CCMPO funding projected for 2005.

In addition, based on an analysis of Project Types Funded FY02-FY04 in Chittenden County and their locations, it is evident that the vast majority of highway projects are located outside of the developed transportation corridors. Although some projects serve one growth area to another, and to the main metropolitan center, similar projects of links are located to rural or underdeveloped areas with no apparent destination. Likewise, a similar analysis of Dollars for Projects Funded FY02-FY04 shows that the most heavily funded projects are located on roads running through rural areas, especially to and from areas that have benefited from growth in the metropolitan areas. These are major projects (over $5.7 million) running to/from Charlotte, Williston, Colchester, and Winooksets. *(See map inside back cover.)*

Conclusions:

1. Neither state nor county funding of highway capacity expansion is being done in a manner promoting smart growth. The trends in state funding for new roadways is not reflective of the overall growth in the state. Between 1996 and 1999, TIP funds were appropriated to highway capacity projects. This number declined to 7.1% in 1998, then rose to 8.1% the following year. Funds allocated to new roadways as a percentage of total appropriated funds is rising dramatically, attributed to a new “Special Projects Unit” subcategory added in 2000, which raised roadway construction/expansion’s share of funds to 10.6% by 2001. In that year, 12.2% of funds were appropriated to highway capacity projects. This number declined to 7.1% in 1998, then rose to 8.1% the following year. Funds allocated to new roadways as a percentage of total appropriated funds is rising dramatically, attributed to a new “Special Projects Unit” subcategory added in 2000, which raised roadway construction/expansion’s share of funds to 10.6% that year. In 2001 that number was 12.2%, followed by 17.0% and 18.8% in 2002 and 2003, respectively. Clearly the trend in funding for highway capacity expansion is one of growth. Whereas in the past decade funding for new highway projects remained below 10%, current funds have exceeded the 15% mark. If the amount of growth in the past three years is any indication, that number will reach the 20% mark or higher in the coming years.

2. Chittenden County: In 1997, the Chittenden County Metropolitan Planning Organization (CCMPO) published a synopsis of their long-range transportation plan, titled A Twenty-Year Vision for Transportation in Chittenden County: One of the goals of the plan is to “make key highway capacity investments – for example, the Champlain Parkway, Shelburne Road, ... and Cincinnati Highway – whose need is not addressed by efficiency improvements.”

In this long-range Transportation Improvement Plan (TIP), CCMPO projected that 24% of annual fiscal funds would be used annually for highway capacity expansion. In 1999, a TIP for highway expansion was only 1.2% of total appropriations. That number then fluctuated dramatically to 41.2% in the adopted TIP the following year, then fell to 5.4% in 2001. Since then, the amount of funds allocated to highway capacity expansion, as identified in the adopted TIP, has risen steadily, rising to 19.0% in 2002, 33.6% in 2003, 68.9% in 2004, and 68.1% of total CCMPO funding projected for 2005.

In addition, based on an analysis of Project Types Funded FY02-FY04 in Chittenden County and their locations, it is evident that the vast majority of highway projects are located outside of the developed transportation corridors. Although some projects serve one growth area to another, and to the main metropolitan center, similar projects of links are located to rural or underdeveloped areas with no apparent destination. Likewise, a similar analysis of Dollars for Projects Funded FY02-FY04 shows that the most heavily funded projects are located on roads running through rural areas, especially to and from areas that have benefited from growth in the metropolitan areas. These are major projects (over $5.7 million) running to/from Charlotte, Williston, Colchester, and Winooksets. *(See map inside back cover.)*
existing share, and 15% favor a lesser share. When asked what issues the public saw as affecting transportation in their region, a need for more efficient and effective public transportation was among a number of concerns.

The connection between smart growth and public transit is also among the vision and goals of CCMPO’s twenty-year plan. The CCMPO states that their “plan supports dense community centers that mix residential and commercial development to facilitate mass transportation and offers basic services accessible by means other than private, single-occupancy vehicles.” Likewise, the goals of their long range plan include decreasing automobile and truck dependency by offering sustainable transportation alternatives.” Clearly increasing public transportation was an important issue when the twenty-year transportation plan was developed in 1997.

Results of Analysis:

1) State: In 1996, 3.1 % of funds were appropriated for to public transit, rising to 7.5% by 1998. Since then the appropriated funds for public transportation have declined, dropping as low as 3.6% in 2002 and rising slightly to the current 3.9% of total VTrans expenditures in 2003.

2) Chittenden County: In the 1997 Twenty Year Vision for Transportation in Chittenden County, the CCMPO projected that 11.0% of total funding would be appropriated to public transit annually. In 1999, that number was 32.7%, followed by 7.7% in 2000 and 31.0% in 2001. The increase in spending reflects costs associated with the operation of the Champlain Flyer, a commuter rail project, and federal funding received for projects dedicated to improving air quality. Since then, funding for public transit as appropriated in the TIP has continued to fluctuate, dropping to 17.1% for 2002, 18.6% for 2003, and closer to the projection at 13.4% for 2004. However, recent appropriations do not match the expansion interests of the twenty-year plan, and for 2005 public transit funding makes up only 5.3% of total CCMPO appropriations, less than half of the projected 11% outlined by the twenty-year plan.

In mapping the project types funded and their locations, we find that despite having over a dozen designated growth areas within Chittenden County, only two are currently connected to projects funded by CCMPO, both of which are on the Shelburne/Charlotte line. Some large designated growth centers such as those in Milton, Jericho, and Colchester received no public transit projects funded for FY02-FY04. According to CCMPO, Burlington comprises 61% of the Chittenden County Transportation Authority’s current route miles, while South Burlington makes up an additional 16% and Essex makes up 14%. Winoski and Shelburne comprise 6% and 3%, respectively. Burlington, Essex, South Burlington, Winoski and Shelburne are all CCTA members; Williston and Colchester which also have some CCTA services are not.

Colchester received no public transit projects funded for FY02-FY04. According to CCMPO, Burlington comprises 61% of the Chittenden County Transportation Authority’s current route miles, while South Burlington makes up an additional 16% and Essex makes up 14%. Winoski and Shelburne comprise 6% and 3%, respectively. Burlington, Essex, South Burlington, Winoski and Shelburne are all CCTA members; Williston and Colchester which also have some CCTA services are not.

Conclusions:

1. State funding of public transit has yet to address the possibility that increased public transportation will reinforce state land use goals for compact settlements separated by rural countryside and offer communities choices for alternatives to the automobile. While highway expansion funding continues to grow, state funding for public transit is remaining well below the amount necessary to stimulate public interest and promote smart growth. While new highway funding is increasing rapidly, funding for public transit has decreased substantially since 1998, from 7.5% to 3.9%, and has remained at or below the 4% mark since 1999. In fact, despite the public’s acknowledgment that public transportation is important to their transportation needs, as well as the growing use of public transportation across the country, Vermont has done little to answer this fact. In 2001, Governor Jim Douglas proposed the elimination of the Champlain Flyer commuter rail project, while increasing funding for highway expansion. His decision was supported in the Vermont legislature.

2. Within Chittenden County, although past years have seen promising increases of appropriated funds for public transit due to the Champlain Flyer, 2004 and 2005 do not look as promising. Whereas highway capacity expansion funding may reach nearly 78% in 2005, public transit will only receive 5% of appropriations. This vast discrepancy does not promote smart growth, nor does the lack of public transit access in neighboring and outlying communities. Colchester, which borders Burlington on the north, has little access to CCTA transportation into Burlington, not to mention further outlying areas such as Milton, Jericho, and Hinesburg. A significant barrier to expanding CCTA service to other communities is CCTA’s reliance on the local property tax for funding from its members.

Recommendations:

1. Public transportation projects can only help to promote public transit use, and must be maintained and expanded rather than eliminated. Intercity shuttles and rail systems, and the promotion of densely settled communities in developing areas, are all vital to increasing the use of public transportation.

2. Alternative funding mechanisms and greater support through state and federal dollars must promote the expansion of a public transit system in Chittenden County that links all designated growth areas around the county.

Vermont Agency of Transportation: Bicycle/Pedestrian Program

Vermont’s transportation program provides sidewalks and crosswalks for pedestrian, trails, multi-use paths, and accessibility for bicycles along roadways.

This program is funded separately from the transportation enhancements program mentioned above. The state allocates funding for bicycle/pedestrian system improvements and for education programs.

Smart Growth Connection: In addition to promoting healthy living, attention to bike and pedestrian facilities is a significant issue related to sprawl. Development over the past 30 years tends to be more spread out and designed with the car, rather than the pedestrian, in mind. Whereas older cities, such as Brattleboro or Montpelier, are reflective of a more walkable community, with sidewalks and bike paths abutting narrow, relatively safe roads, new communities in outlying areas tend to have wide, winding roads, no sidewalks, and high-speed travel. Dense communities make walking to work or the store a feasible option, sprawled communities characterizeistically separate residential, commercial, and business districts, isolating people from their daily tasks and forcing them to use a car when alternative choices are unavailable or not viable. "Smart growth means creating communities that concentrate housing, employment, goods, and services within the same area. Creating bikeways and sidewalks within the community, as well as between developments, promotes healthier and environmentally friendly lifestyles. Wide streets that are built to accommodate auto travel also promote travel at higher speeds and are inherently more dangerous to bicyclists and pedestrians. In these situations, traffic calming measures must be taken to ensure that new communities are safe for pedestrians and bicyclists.

Small measures to reduce sprawl can also have a significant effect on the pedestrian experience. By clustering commercial centers into pedestrian settings and by constructing them to be accessible by public transportation, people from their daily tasks and forcing them to use a car when alternative choices are unavailable or not viable. "Smart growth means creating communities that concentrate housing, employment, goods, and services within the area. Creating bikeways and sidewalks within the community, as well as between developments, promotes healthier and environmentally friendly lifestyles. Wide streets that are built to accommodate auto travel also promote travel at higher speeds and are inherently more dangerous to bicyclists and pedestrians. In these situations, traffic calming measures must be taken to ensure that new communities are safe for pedestrians and bicyclists. Small measures to reduce sprawl can also have a significant effect on the pedestrian experience. By clustering commercial centers into pedestrian settings and by constructing them to be accessible by public transportation,
and Wal-Mart. Each store has its own massive parking lot, placed at great distances from its neighboring buildings, requiring an automobile to move from one to the other. Concentrated shopping centers, such as Church Street in Burlington, are examples of pedestrian-friendly environments.

Results of Analysis:

1. State: The Bike and Pedestrian Plan, adopted in 1998 by the Vermont Agency of Transportation, is intended to encourage walking and bicycling in Vermont. The goals of the plan include providing a safe and efficient transportation system that encourages biking and walking, provides safe and convenient bicycle and walking facilities, integrates land use decisions to support human scale developments surrounded by rural areas, and provides use of public transportation corridors to all residents and visitors for bicycling and walking.  

In 1996, 0.2% of VTrans’ total funding was directed towards this use, followed by a rise to 0.8% in 1998 and 1999. Funding for bike and pedestrian purposes peaked at 1.7% in 2001. That number drops to 0.8% in 2004 and 2005. Despite the long-range plan goal of 5.4% of all funds, 2005 may be one of its victims, as it appears to be ready to fall well below the figure set out by the 1997 long-range plan.

2. Chittenden County: Like highway expansion and public transit, bicycle and pedestrian access was a goal addressed by CCMPO's twenty-year plan as well, intending to “provide facilities that will increasingly allow bicyclists and pedestrians safe and efficient movement.” According to the map of CCMPO's Twenty-year plan Synopsis, surface transportation policy project, page 2.  

3. In Chittenden County, the MPO should review the share of its budget for bicycle and pedestrian purposes and consider bringing it more in line with the regional transportation plan.  

4. The long-range plan projected that the needs of a diversity of social and income groups is a key principle of smart growth. Smart growth can help with the quality, affordability and distribution and supply of affordable housing. An adequate supply of safe, sanitary, and affordable housing is not only important to the quality of life of Vermont residents, but also to the state’s ability to attract new residents and to revitalize down-town and village centers. In Vermont, many affordable housing projects rehabilitate existing structures, which helps to protect and reuse historic properties and eliminates blight. Sprawl development is interfering with achieving affordable housing as it rais-

5. The Bike and Pedestrian Plan, adopted in 1998 by the Vermont Agency of Transportation, is intended to encourage walking and bicycling in Vermont. The goals of the plan include providing a safe and efficient transportation system that encourages biking and walking, provides safe and convenient bicycle and walking facilities, integrates land use decisions to support human scale developments surrounded by rural areas, and provides use of public transportation corridors to all residents and visitors for bicycling and walking.

In 1996, 0.2% of VTrans’ total funding was directed towards this use, followed by a rise to 0.8% in 1998 and 1999. Funding for bike and pedestrian purposes peaked at 1.7% in 2001. That number drops to 0.8% in 2004 and 2005. Despite the long-range plan goal of 5.4% of all funds, 2005 may be one of its victims, as it appears to be ready to fall well below the figure set out by the 1997 long-range plan.

Recommendations:

1. In order to increase bike/pedestrian facilities, developing communities must be proactive in creating smart growth communities that make bike and pedestrian travel feasible.

2. VTrans should be more responsive to public opinion and increase use for bicycle and pedestrian purposes.

In Chittenden County, the MPO should review the share of its budget for bicycle and pedestrian purposes and consider bringing it more in line with the regional transportation plan.
Results of Analysis: Between 1998 and 2002, VHCB invested about $30.8 million in affordable housing projects, of which $23.2 million was spent in downtown or existing growth centers on rehabilitation or new construction. An additional $3.6 million was spent on projects in locations that are considered to be sprawl. Consistent with its mission, the board also invested $4.6 million in existing mobile home parks. The investments during this period reflect a commitment to the board’s guidelines. Less than 10% of VHCB’s affordable housing projects were in locations classified as sprawl and even these projects were more compact and dense than the surrounding structures, lower density, and auto-dependent developments. During the five-year study period, VHCB also invested about $32 million in other smart growth projects, including $19.6 million for farmland preservation, $11.9 million for open space/natural areas/recreation projects, and $500,000 in historic preservation. Total VHCB funds invested for all types of projects was over $62 million; less than 5% of these funds went into projects that were in sprawl locations.

Conclusions:
1. VHCB has made a solid contribution to smart growth through its affordable housing program. About 75% of all funds during the study period were invested in smart growth locations while less than 10% were in locations classified as sprawl. The remainder of the affordable housing money was spent in existing mobile home parks. Of the projects that were in sprawl locations, most were higher density and more compact than the surrounding development.
2. VHCB’s policy on new construction for affordable housing minimizes sprawl development.
3. VHCB’s affordable housing program helps to meet other smart growth objectives including mixed use and mixed income development, downtown revitalization, historic preservation, accessible open space and parkland and provision of choice in modes of travel.

Recommendations:
1. VHCB should continue to implement its housing policies that minimize sprawl development and support public investment in housing in smart growth locations.

Other States’ Programs:
SMART COMMUTE INITIATIVE, DELAWARE: The Favorite Man Corporation has launched a smart commute initiative in the state of Delaware as well as other regions of the country through which eligible borrowers may add up to $200 to their monthly income estimates (or $250 for two-earner couples) if they purchase homes near to public transportation and limit the number of cars they own to two. With a higher monthly income, the borrowers may increase their maximum mortgage by about $15,000, subject to local lending practices.

Housing and Conservation Board: Farmland Conservation

Vermont Housing and Conservation Board: Farmland Conservation Program: 10 VSA Chapter 15 establishes the Vermont Housing and Conservation Board (VHCB) and defines projects eligible for state funds, including agricultural land. Funds for the program come primarily from the Property Transfer Tax. VHCB awards grants to non-profit conservation organizations, municipalities and qualified state agencies for the purchase of development rights on farmland. The Board also provides grants to build the capacity of organizations to do farmland conservation projects and to cost share for appraisals of development rights. Upon the purchase of development rights on farmland, a permanent conservation easement is placed on the land to insure that the land will not be developed. The easement does allow uses compatible with farming.

The Board has a policy on funding conservation of agricultural land that was most recently amended on May 17, 2002. The policy sets forth the following criteria for applications and full applications must meet to receive funding: 1) viability as a farm unit and 2) conformance with local and/or regional plans. Among the full application criteria are: 1) land resource of statewide significance; 2) location in a farming community with areas threatened by development receiving higher priority; and 3) other resources leveraged by the easement, such as historic preservation or wildlife habitat protection. VHCB discourages housing units associated with farm project except for reasonably required farm labor housing. There is a per acre cap of $1,400 on how much VHCB will pay for development rights.

Smart Growth Connection: Preservation of working farmland is a critical component of any smart growth strategy in Vermont. Farming and farm-related businesses represent 16-17% of the gross state product. Farming is a key not only to our economy and the rural way of life in our state but also to the beauty of our state, which attracts residents, businesses and visitors. Farmland also offers Vermonters recreational opportunities, including hunting, snowmobiling, and walking. Sprawl development is interfering with farming operations and taking land out of agriculture. Between 1982 and 1997, the growth in developed land in Vermont was over two times the growth in population. Vermonters are consuming land in a wasteful and inefficient pattern. New neighbors in farming areas are complaining about standard farm practices, such as spreading manure and running machinery at early and late hours. By purchasing development rights on farmland, the state can help to preserve an agricultural land base that will insure that farming will be possible for future generations. Preservation of farmland is good for the state because, keeping low income under Vermont’s competitive edge in quality products, and boosts state revenue for tourism.

EXAMPLE: FILLMORE FARMS, BENNINGTON, VERMONT: This family-owned, 413 acre farm was protected under VHCB’s Farmland Protection Program as a “gateway to both Bennington and Vermont” from the west, according to owner, Ed Holden. With income from the sale of development rights on their land, the Holdens were able to retire and move to a new fixed-cost home. Bob Holden, Ed’s son, is now running the farm and the Holdens hope it will stay in the family for generations.” This project demonstrates how the farmland protection program advances smart growth in the state. It protects a valuable land resource, prevents unsightly strip development along an important stretch of highway, and enables a family farm to stay in operation.

Results of Analysis: Between 1998 and 2002, VHCB spent $19,183,324 in state funds for the conservation of about 33,000 acres of land on 119 farms in Vermont. An additional $5.5 million in farm protection money was leveraged by the state investment. The vast majority of these funds went to farms in strong farming regions, such as Addison and Franklin Counties. While there are threats from development in many farming regions in the state, no particular area is more threatened than Chittenden County. Only 253 acres of farm land on 2 farms in Chittenden County were protected. This is the opposite of what is expected. Other criteria that funds from this area may also be low, it is still not clear that VHCB has grappled with the issue of farmland conservation in fast-growing areas.

Conclusions:
1. VHCB’s Farmland Protection Program is a significant smart growth program funded by the State of Vermont. Nearly $20 million was expended to protect about 33,000 acres of farm land on 119 farms during the five-year period. This investment will insure that land will be available for future generations to farm.
2. VHCB’s policy that farm land insures that the highest quality soils and the most viable farm units in the most viable farming regions of the state are protected. Thus, it is unlikely that there will be isolated pockets of protected farmland in areas where farming has died out.
3. Significant other state resources are protected through VHCB’s Farmland Protection Program, including historic farm buildings, archeological resources, trails, riparian areas, wildlife habitat and wetlands. Occasionally a farm project also provides land for affordable housing, such as in the case of Cobb Hill Co- Housing in Hartford and the Martin Farms in Hanover.
4. Where VHCB has been less effective is in protecting farm land in the most threatened area of the State of Vermont – Chittenden County. Only 253 acres (2 farms) were protected through this program during the five-year study period.

Recommendations:
1. VHCB should work with other partners to develop a fund for greenbelt protection, including protection of farmland, in the fastest developing regions of the state.
2. The State of Vermont should continue to fund VHCB at its statutory levels to protect farmland and provide for affordable housing for Vermonters.
3. VHCB should continue its policies on acquiring easements for greenbelt protection, including protection of farmland, in the fastest developing areas of the state.
4. Maryland has a Rural Legacy Program to preserve large contiguous areas of soil with significant farm, forest, historic and environmental resources. However, the funds only meet about one fourth of the costs required to protect these areas. The program has been criticized for not effectively combining resources to be protected, including farmland, forestland, natural areas and greenslacks.
5. The VHCB policies on housing on farmland conservation projects are designed to minimize the number of housing units in farm projects, which in turn helps to minimize sprawl in rural areas. There are restrictions on land that is excluded from farm projects that help to minimize sprawl, such as a provision that exclusions shall be “located… in a cluster, rather than in a linear pattern along a roadway or an important viewed…”

Other States’ Smart Growth Farmland Protection Policies and Practices:
1. Wisconsin has a Farmland Preservation Program to protect the environment and a high quality of life, however, prime agricultural land is still being developed at a rapid rate.
2. Maryland has a Rural Legacy Program to preserve large contiguous areas of land with significant farm, forest, historic and environmental resources. However, the funds only meet about one fourth of the demand. The first round $25.9 million in funds were approved out of $324.8 requested. The program has been effective in stimulating preservation planning and formation of partnerships. However, the program has been criticized for not effectively combining resources to be protected, including farmland, forestland, natural areas and greenslacks.

Davignon Farm, Brownington, VT
Before 1998, Act 250 cases addressed sprawl impacts through the impacts mentioned in Act 250. Sprawl impacts are addressed only as they fit into impacts reviewed under existing criteria. Absent specific criteria on sprawl there is little consistency in how sprawl is addressed in Act 250.

Act 250 called for developing a state land use plan, this portion of the Act was repealed in 1983. As a result, there is no statewide blueprint against which to measure a project’s impacts and most projects are reviewed in isolation.

Act 250 is not capable of addressing all sprawl development, though many of its decisions impact whether there will be sprawl development. Act 250 is limited to review of individual development projects and does not determine how projects fit into a larger development pattern. Nonetheless, Act 250 is a state land use permit, and is the only permit that specifically addresses compliance with local and regional land use plans. Act 250 specifically addresses sprawl, though many of its decisions impact whether there will be sprawl development.

Fostering redevelopment – In four cases the redevelopment of existing spur areas was encouraged particularly where the development they were serviced by existing infrastructure. These cases recognize the value of redevelopment as a means to remedy “suburban blight” and avoid new developments on open land.

Projects are evaluated based on ten criteria that address impacts on natural resources, public services, and transportation. The projects are evaluated based on these criteria, with each project awarded a “score.” These scores are then multiplied by the project’s total development potential to determine the project’s overall score.

5. “No Sprawl Zones” should be established and enforced through Act 250. Areas should be based on existing land uses and greater scrutiny for sprawl impacts should be provided in these areas.

6. Clear language in Town or Regional Plans that opposes sprawl and supports smart growth by promoting downtown and village center development, compact residential neighborhoods and protection of rural and important natural resources can be useful in Act 250 in stopping sprawl projects and promoting smart growth.
The Collaborative also reviewed SBAs compliance with NEPA for its loan activity in Chittenden County. NEPA is a federal law that requires all federal agencies to consider and analyze how activities and decisions impact the environment, and ways to mitigate those impacts. In some situations, NEPA requires an agency’s entire program to undergo environmental impact review. So for instance, all of SBAs loans during a period of time in Chittenden County might be reviewed for environmental impacts, and mitigation measures to avoid any adverse impacts. Unfortunately, the Collaborative discovered that the SBA had failed to satisfy any of its NEPA obligations, other site-specific or programmatic.

Conclusions:
1. Prospectively analyzing alternative ways to implement its lending activities in Chittenden County can shed light on the adverse environmental impacts of loans located in places not designated for growth, or to help direct loans to businesses more accessible by public transportation. Without this review, SBA does not know if its activities leveraging investment to promote smart growth, or subsidizing sprawl.
2. In August 2000, Friends of the Earth filed a lawsuit against the Small Business Administration seeking to compel compliance with NEPA. In July 2002, SBA entered into a settlement agreement providing for its site-specific and programmatic compliance with NEPA. The settlement agreement applied to SBAs activities in Vermont. SBA will be developing draft rules for its compliance with NEPA that will be subject to public comment.

Recommendations:
1. The Collaborative recommends that SBA comply with its legal duties under NEPA as worked out in the settlement agreement with Friends of the Earth.
2. The Collaborative and other smart growth organizations should review the SBAs draft rules for its compliance with NEPA and provide comments on the proposed rules.

U.S. Small Business Administration

The U.S. Environmental Protection Agency administers the Clean Water Act and authorizes the Department of the Army Corps of Engineers (Corps) to regulate discharges of dredged or fill material into waters of the United States, including many wetlands. Since 1997, the Corps has regulated these discharges following the § 404(b)(1) Guidelines of the Clean Water Act, Specification of Disposal Sites for Dredged or Fill Material (40 C.F.R. 230). These discharges require permits from the Corps, Section 404 authorizes two types of permits: general and individual permits. General permits are for discharges that are considered to be similar in nature and to cause only minimal adverse environmental effects when performed separately or cumulatively (40 C.F.R 230.), and receive little regulatory review. Individual permits are considered more significant, and undergo closer regulatory scrutiny.

Wetlands are identifiable by: (1) the presence of water at or near the land surface for some portion of the year, (2) distinctive soils that exist under saturated conditions, and (3) plants that are adapted to these conditions.

Smart Growth Connection: Wetlands provide habitat for diverse aquatic plant and animal communities, purify water, control erosion, protect against flooding, and allow for countless recreational opportunities. These functions become increasingly important in urban areas where development has increased the rate and volume of runoff. Perhaps the best known wetland function is providing fish and wildlife habitat. Waterfowl, shorebirds, and other wildlife reproduce and find shelter in wetlands. About one-quarter of the fish species, two-thirds of the birds, and three-quarters of the amphibians listed as federally threatened or endangered in the U.S. are associated with wetlands. Wetlands comprise only about five percent of the landmass in the continental United States. Wetlands also have economic value. A wetlands value index based on “services” it can provide, such as filtering chemicals from drinking water and protecting homes from flooding.

Sprawl development is often associated with water pollution runoff from previously undeveloped land that is converted to small, paved parking lots. Sprawl development also contributes to urbanization of wetlands with impermeable land uses such as parking lots and roadways. These paved surfaces result in increased stormwater runoff that needs to be treated or controlled to avoid harm to water quality.

The Clean Water Act requires the monitoring of surface waters to determine if designated uses, such as for swimming, fishing, or drinking water are being attained. In Vermont, the Agency of Natural Resources submits a list of all waters that are so polluted that they failed to attain designated water quality standards to the U.S. EPA. This list, known as a § 303(d) list, includes several rivers, streams, and segments of Lake Champlain located in Chittenden County. The pollution causing the poor water quality in Chittenden County is almost always associated with stormwater runoff due to sprawl.

Results of Analysis: The Collaborative has undertaken a multi-year investigation reviewing §404 permits issued by the Corps in Chittenden County. The investigation included mapping all development projects in Chittenden County requiring a §404 permit and completed over the past five years (542 projects). This is the first time a map of this type has been completed in Vermont. Of the 542 wetland projects reviewed, 167 projects occurred in watersheds with rivers and streams designated as impaired. Some of the worst polluted streams due to sprawl include Muddy Brook, Allen Brook, and Potash Brook. Muddy Brook faced 44 projects, Allen Brook faced 23 projects, and Potash Brook faced 33 projects that altered wetlands during the past five years.

Surprisingly, a comprehensive analysis of the cumulative impacts of these permits is not available for public review, even though it is required by law under the National Environmental Policy Act and the Clean Water Act. In November 2002, the Corps promulgated its new §404 General Permit for
In addition, the new §404 General Permit for the State of Vermont permits certain projects involving the release of dredge and fill material into wetlands to be approved even though the projects are located along rivers and streams listed on the Vermont §303(d) list. The Clean Water Act prohibits the release of pollution that would further degrade water quality into a river or stream on the list. It is not known with individual projects or the cumulative impact of projects altering wetlands under the general permit will further degrade these impaired waters.

**Conclusions:**

It is essential to understand the cumulative impacts of projects to be approved under the general permit. The piece-meal chipping away of wetlands by small projects that get little if any scrutiny is not understood, even though these impacts may pose a significant threat to water quality, habitat and flood control.

**Recommendations:**

The Collaborative recommends that the Corps satisfy its legal obligations and review the direct, indirect and cumulative impacts of its general permit. In addition, the Corps should not approve projects that impact wetlands located in watersheds designated as having impaired water quality under the General Permit without first confirmed that the project will not contribute to the further degradation of water quality in the watershed.