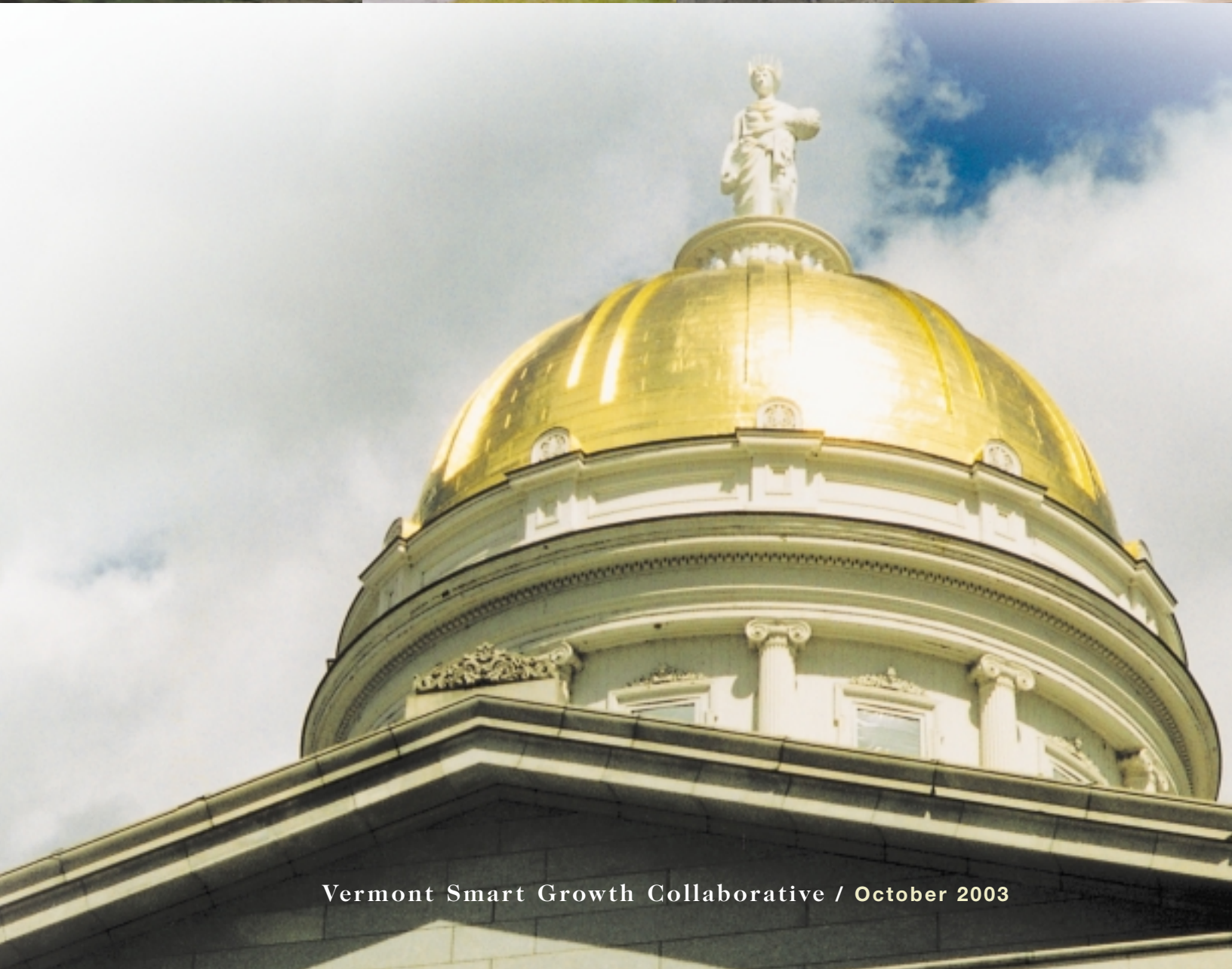
State of Vermont

SMART GROWTH

Progress Report



Vermont Smart Growth Collaborative / October 2003

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 Businesses for Social Responsibility
- Vermont Forum on Sprawl
- Vermont Natural Resources Council
- Vermont Public Interest Research Group

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

Project Coordinator & Principal Editor

Elizabeth Humstone, Executive Director, Vermont Forum on Sprawl

Authors & Research Directors

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

Public Education & Conference

Steve Holmes, Vermont Natural Resources Council

Researchers

Natalie Carmichael, Jeff Dickson, Stephen Duchamp, Susanne Fogt, Lance Gorham, James Murphy, John Nesbitt, David Pocius, Elizabeth Willhite

Peer Reviewers

Jessica Cogan, Deputy Director, Smart Growth Leadership Institute
David Hirsch, Director of Economic Programs, Friends of the Earth
Barbara Lawrence, Executive Director, New Jersey Future
Janet Milkman, President, 10,000 Friends of Pennsylvania
Rosemary Monahan, Smart Growth Coordinator, US EPA New England
Dru Schmidt-Perkins, Executive Director, 1000 Friends of Maryland
Michele Sinkler, Land Use Program Director, South Carolina Coastal Conservation League

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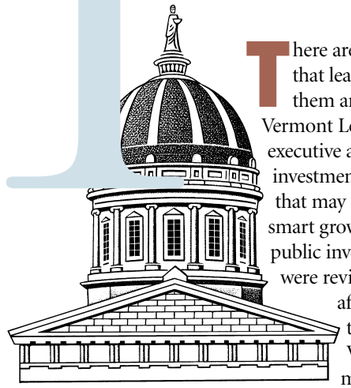
1 Purpose



There are thousands of decisions that lead to sprawl. Among them are decisions by the Vermont Legislature and Vermont executive agencies that result in investments, laws, and policies that may or may not encourage smart growth. In this report state public investments and policies were reviewed to determine their affect on sprawl. Since the early 1970's, Vermont has instituted many policies and programs that are designed to or have the effect of combating sprawl. However, some of the indirect effects of state actions and some projects funded with state grants or loans have led to sprawl or created conditions that could lead to sprawl. Furthermore, sprawl has hidden costs that have been subsidized through state programs that were not intended to have negative sprawl impacts.

State public investments are made for many reasons although all are primarily for the public health, safety and general welfare of the people of the state of Vermont. The state invests in transportation, water systems, sewer systems, schools, economic development, housing, farmland conservation, recreation and parks, historic preservation, downtowns, planning, and health and social service facilities. Often these investments are made without consideration of their land use implications. For example, the extension of a water line to correct a water supply problem at a housing subdivision could spur additional growth on nearby farmland. Or a new school may be located far from the town center, thus, shifting activities from the center to an outlying area.

In this report the Vermont Smart Growth Collaborative (VSGC) evaluates the state's progress in meeting its state smart growth policies through its public investments, policies and programs. The report builds on research conducted by the Vermont Forum on Sprawl in 1998 and published in the Forum's *Exploring Sprawl #4*, The Impact on Sprawl of State Investment and Policies.

VSGC members selected a sample of state programs that have major land use implications. The research was conducted by collecting information on state legislation, policies, plans, programs, and expenditures directly from state agencies, legislative documents, the Joint Fiscal Committee, or from state web sites on the Internet. This information was supplemented by interviews with state agency staff. Reports by authors outside state government were also obtained and reviewed for relevance to the subject. This report summarizes the results of the research and makes recommendations to bring state programs into compliance with laws and policies established by the Vermont legislature.

This report is not designed to balance all the issues that state and local officials must consider when determining how to allocate funds or when making policy. Rather, it is intended to determine the extent to which these decisions may cause sprawl either directly or indirectly. **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.**

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. Significant authority rests with the State of Vermont to determine how these investments, policies and programs will be made and how they will influence the course of development.

The report will be shared with state agencies, legislators, and regional groups. It will be presented at a national conference in Burlington, Vermont on October 9, 2003.

The Vermont Smart Growth Collaborative was formed in 2001 to foster decisions, policies and practices that support smart growth in Vermont – advancing a vision of compact settlements separated by rural countryside and working landscapes with equitable access for all Vermonters. The Collaborative accomplishes this goal through 3 principal strategies: 1) influencing public policy at the federal, state, regional and local levels; 2) building public awareness of the problems of sprawl and the opportunities for smart growth; and 3) supporting and advancing community-led strategies to promote and demonstrate smart growth.

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 VHCB*), others are not attentive to these principles and are contributing to sprawl development (*VEDA, VEPC, 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 (*VHCB, Department of Education, ANR – Sewers*) 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 insure 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 projects 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 plan 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.

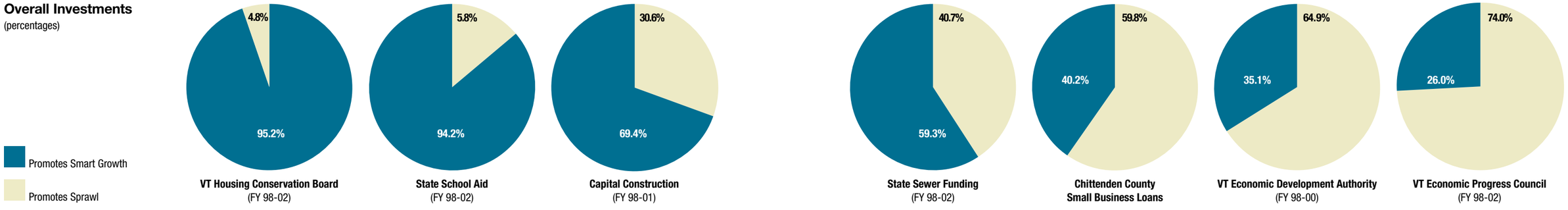
Coordination Among State Agencies:

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 rule guide and in the State Consolidated Plan should be used by all state agencies.

Overall Investments
(percentages)



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 involved 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 VEPC 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 particularly when reviewing proposed transportation projects. These efforts should be opposed, and NEPA should be strengthened, not weakened.

2 Vermont Smart Growth Laws, Policies and Programs

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 usages of lands and the environment to insure that, hereafter, the only usages 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…[1]" Act 250 set forth 10 review criteria for major developments 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,…[2]" 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 bicentennial 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.[3]

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.[4] 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 conservation and promoting Vermont's traditional settlement patterns, its working and rural landscape, its strong communities, and its healthy environment…" The law was preceded by an executive order by Governor Howard Dean specifying essentially the same requirements.

[1] Findings and Declaration of intent, 1969, No. 250 (Adj. Sess.), Section 1, effective April 4, 1970.

[2] 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 development, where feasible, and location of residential and other development off the main highways near the village center on land which is other than primary agricultural soil.…development…in areas which are not natural resources…should be permitted at reasonable population densities and reasonable rates of growth, with emphasis on cluster planning and new community planning designed to economize on the costs of roads, utilities and land usage.

[3] Governor Madeleine Kunin, *Executive Order #15*, September 6, 1985, Laws of Vermont, 1986.

[4] 3 V.S.A. Section 4021 and 24 V.S.A. Section 4302 (e)(2)(A). The following goals are included: To plan development so as to maintain the historic settlement pattern of compact village and urban centers separated by rural countryside.(1)(A) Intensive residential development should be encouraged primarily in areas related to community centers, and strip development along highways should be discouraged.(1)(B) Economic growth should be encouraged in locally designated growth areas, or employed to revitalize existing village and urban centers, or both. (1)(C) Public investment, including the construction or expansion of infrastructure, should reinforce the general character and planned growth patterns of the area.

Through the development cabinet, policies and procedures, including measurable benchmarks, are to be established by state agencies in order to insure 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…"

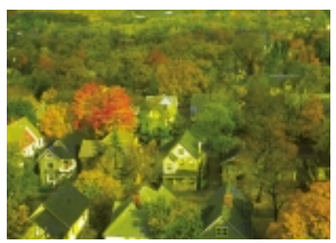

JULIE CAMPOLI

Vermont Housing and Conservation Board (1987)

VHCB was established to provide grants and loans to qualified non profits, municipalities and state agencies for affordable housing, land conservation and historic preservation. Since the Board was established over 95,000 acres of farmland and 235,000 acres of forestland and natural areas have been permanently protected and 6,700 units of perpetually-affordable housing have been provided.

Vermont Downtown Program (1998 and 2002)

The Vermont Downtown Program was first established in 1998 to provide technical assistance and training to communities and help them develop skills and strategies for their downtown revitalization efforts. The Program is an affiliate of the National Main Street Center. Legislation passed in 2002 gave further boost to downtown development by offering additional financial incentives, permit incentives and other opportunities for downtown development. In addition, a village center program and a new town center program were added. Today, there are 15 designated downtowns and 9 designated villages. Among the incentives under this program are requirements that state agencies give priority to designated downtowns in their subsidy programs.



Executive Order #01-07 of Governor Dean (2001): Interstate Interchanges

This executive order, adopted in 2001, requires state agencies and departments to "foster the conservation of land in and around interstate interchanges" and to ensure that the "historic settlement pattern of compact villages and urban centers surrounded by rural countryside is maintained." The order also requires individual state agencies, including the Agency of Transportation and Agency of Natural Resources, to take specific actions, such as access management measures and limits on sewer and water line extensions. The Agency of Commerce and Community Affairs is responsible for a planning process for inventorying and evaluating future potential uses of interstate lands that is to be done in conjunction with property owners, local and regional planning commissions and state agencies.[5]


ALEX S. MACLEAN @LANDSLIDES, BOSTON

ANR Smart Growth Sewer Rule 2002

After nearly two years of work with 50 stakeholders, the Agency of Natural Resources adopted a new rule on the priority system for state funding of sewage treatment projects. Under the new rule, state funding may only be used for sewer expansions that serve designated growth centers. Exceptions are made for immediate health problems and industrial parks with acceptable controls on sewer hook-ups.

[5] Governor Howard Dean, M.D., *Executive Order #01-07*, Montpelier, VT, September 13, 2001.
[6] For more information on the definition of sprawl, see Vermont Forum on Sprawl, *Exploring Sprawl #2, What is Sprawl in Vermont*, Burlington, Vermont, 1999.
[7] You can read more about these patterns in *Exploring Sprawl #2, What is Sprawl in Vermont?* by contacting the Vermont Forum on Sprawl or visiting their website on www.vtsprawl.org.

4 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.[6]

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.
4. Commercial highway strips.
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


JULIE CAMPOLI


JULIE CAMPOLI

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.

Smart Growth in Other States

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 programs under development.

In 2002 the American Planning Association found that nearly one third of the states are "actively pursuing their first major statewide planning reforms for effective smart growth."[8] Here is a sampling 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 Glendening (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, Glendening 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 other established growth centers. 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.

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.[9]

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."[10] 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.[11]

[8] American Planning Association, *Planning for Smart Growth, 2002 State of the States*, Chicago, 2002, p. 15.
[9] www.governor.state.ut.us/quality/update2002web.pdf
[10] www.njfuture.org/HTMLSrc/stateplan.html
[11] APA, p. 24.
[12] APA, p. 35.
[13] For more information, see www.1000friendsofwisconsin.com/new/tnd/intro.html#law.
[14] *Quality of Life Task Force Report*, Presented to Governor Mark Sanford, February 6, 2003, p. 5.
[15] Press Release of Governor Mitt Romney, *On Transportation, Romney Pledges to "Fix it First,"* January 14, 2003.
[16] S. 92, www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2004/bills/senate/S-092.HTM.
[17] In 2001 only.
[18] TDM=Transportation Demand Management, TSM = Transportation System Management
[19] Pilot program for limited number of cities.

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."[12] The bill also authorizes municipalities to support infill development by designating infill districts and establishing infill incentive programs.

Mandatory Local Smart Growth Planning (Wisconsin): In 1999, the state of 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 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.[13]

Curbing School Sprawl (South Carolina): Governor Mark Sanford (R) of South Carolina was only in office a short time when he made school sprawl a major issue for the state. He was concerned that large, isolated schools were not only depriving children of a quality education but also accelerating sprawl. The Governor said he would be directing state resources to schools that are more centrally-located, smaller and better planned. His Quality of Life Task Force made the following recommendations for community schools in its report to the Governor issued in February 2003:

1. Eliminate minimum acreage requirements; cap student populations for future facilities.
2. Require coordination among school boards and local governments to plan school sites and avoid conflicts.
3. Favor restoration and construction of community-based small schools over new construction of remote mega schools.[14]

In July 2003, the Governor signed a neighborhood school bill that eliminates school acreage requirements and permits square foot waivers 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 construction. His Chief of Commonwealth Development, Doug Foy (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."[15] The Governor said that highway expansion will be based on how it affects growth patterns not politics.

How Vermont Ranks in Comparison to Other States:

The American Planning Association through its Growing Smart project has inventoried 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:

Type of State Smart Growth Legislation	States with Program	States with No or Minimal	Where VT Stands
Substantially updated local planning law	11	39	YES
Mandated local land use planning	14	36	NO
Strong State Role in Local Planning	11	39	YES
State Policy Basis for Local Planning	12	38	YES
Consistency of Local Plan with Regulations	11	39	NO

Source: American Planning Association, Planning Communities for the 21st Century, December 1999

In the 2003 Vermont Legislative Session, there was a bill passed by the Senate[16] that would have required bylaws to be consistent with local plans. The bill contains many other smart growth provisions as well. A diverse task force worked for two years to develop the bill and it is expected that the bill will pass next year with many of the smart growth provisions in tact.

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 very effective in their implementation.*

Sample State Smart Growth Programs

Type of Program	Other States that Have Program	Vermont
Live Near Your Work Incentives	MN, IL, DE	NO
Affordable Housing Funding for Town Centers	OR, MN, MD	YES
Job Creation Tax Credits/Loans for Smart Growth Locations	MD	NO
State Historic Preservation Rehabilitation Tax Credits	RI, CA, MD, MI, VA, IL, NC, WI, GA	YES
Purchase of Development Rights for Farmland	WI, MD,NJ, CA, MI, PA, RI, SC	YES
Greenbelt Designation and Protection	CA, PA, MN, MD, RI	NO
State Infrastructure Investment Focused on Centers	MD, NJ	YES
State Smart Growth Commission	OR, WI, FL, MI, RI, MD, NC[17]	NO
Municipal Planning Grants for Smart Growth	ME, WI, PA, MN, RI, IL, NJ, GA	YES
Brownfields Redevelopment Incentives	MD, CA, MI, PA, MN, VA, RI, IL, NC, NJ, WI, GA	NO
Transportation Investments – Fix It First	MA, MI*, RI, NJ	NO
Transportation Investments – Target Growth Centers	MD, IL, NJ	NO
Enhancement Dollars Committed for Smart Growth Projects	CA, MD	YES
State Incentives for TDM, TSM[18]	CA, MN	NO
Special State Highway Design Guidelines for Villages/Town Centers	CA, MD, NC	YES
State School Construction Standards that Promote Smart Growth	CA, MD	NO
Smart Growth Building Codes	NJ, RI, MD, NC[19]	YES
State Building Location Policy	RI, CA, MA, MD, IN, OR, PA, NH, ME	YES
Mandatory Local Smart Growth Ordinances	AZ	NO

**Proposed*

Description of Approach

The 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 reexamined. 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

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, 1000 Friends of Maryland

Janet Milkman, Executive Director, 10,000 Friends of Pennsylvania

Michele Sinkler, 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 Monahan, 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 not for profits across 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 are authorized in four major acts: 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 encouraging 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, prisons, 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) 2003 was $39,000,000.

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 1988 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, downtown building blocks or larger long-term downtown revitalization plans. Indeed, several of the projects are the centerpieces 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 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.

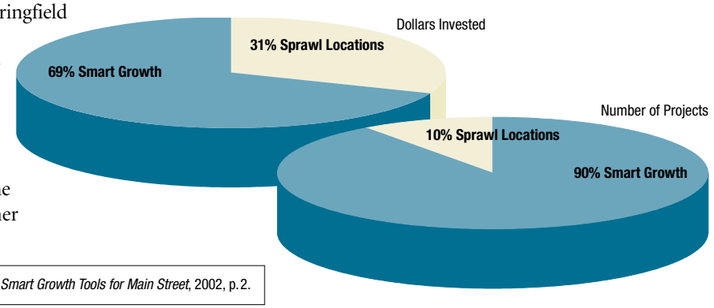
Results of Analysis: The projects were scored simply by where they were located. If they were located in a historic downtown or village or new town center, they received a "yes" – they encouraged smart growth. If they were not in town they received a "no". While location is certainly the most important criterion in determining smart versus not smart growth or sprawl, it is not the only consideration. Inappropriate activities, architecture, building size and type or lot use (i.e. large parking facilities, deep set-back or one story buildings) should be considered as well as location in a more in depth future analysis.

Of the 30 projects in the sample four year period (FY1998-FY2001), all but three appear to either encourage smart growth or are neutral. One project that encourages sprawl is a small day care center in an existing building two miles from downtown Montpelier. Another is a state police barracks, a facility that is on a highway strip and not in either Newport or Derby's town center. The third sprawl project is a new state highway garage that is located off Route 100 in the Town of Waitsfield outside the town center. Nevertheless, this garage, which was moved from a floodplain near a public swimming hole on the Mad River, is next to a recycling center and screened from the road.

More recently in 2003, a project of the Buildings Division – a state police barracks that was being moved from Middlebury to New Haven – was proposed in hay fields along US 7. The area was beginning to emerge as highway strip development in part due to the New Haven zoning laws. Despite concerted efforts of non profit organizations and some legislators to relocate the site at a nearby crossroads or to combine the project with extensive land conservation, the project was not changed. Officials in the town of New Haven approved the site and now the state will contribute to strip development in this area.

> 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."[20]

Capital Construction Budget



[20] 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 impacts.

Vermont Department of Education: School Construction Aid

School Construction Aid: 16 VSA Chapter 123 defines the school building 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…"[21] 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 shall supply a facilities analysis that considers the availability of classrooms or other accommodations in neighboring schools as a reasonable means of meeting the need for the funds. Further, applicants may use land not owned by a school district but convenient to the site if the land is suitable for daily school use and the school has permanent unrestricted access. There are no specific minimum space requirements for facilities, including playing fields.

There is nothing in the rule encouraging specific locations within the community and nothing in the rating system on location within the community or conformance with local planning. However, a guidance document recommends that local school boards meet with local planning officials and determine whether or not the school is located in a "designated growth center." The guidance document also states that schools should be located within growth centers.

The rule does favor school consolidation that can result in the closure of small, easily accessible schools and require more bussing of students.

A report by the National Trust for Historic Preservation recommends that state school policies and practices be examined according to the following factors:

- Responsible planning
- School site size standards
- Preservation and renovation of historic schools
- Funding for new construction vs. modernization
- Community use of school buildings and
- Maintenance of school buildings.

Source: Constance Beaumont, State Policies and School Facilities, How States Can Support or Undermine Neighborhood Schools and Community Preservation, National Trust for Historic Preservation, 2003, p. 7.

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 schools facilities 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 center 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 departments encourage 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.

Randolph Elementary School, Randolph, Vermont

[21] Vermont Board of Education, Policy on Historic Preservation, June 1997.

EXAMPLE: When it came to add school capacity, Newbury residents voted decisively to renovate their historic school and town hall, and to connect the two with an addition. Located on the village green, Newbury's school is well-positioned as a focus for both family and community life. "The vitality of a small community is its school," observed Marvin Harrison, a member of the Newbury School Board.

Results of Analysis: Between FY 98 and FY 02 the state invested about $41.0 million in maintenance and major renovations of existing school buildings. The construction varied from replacing boiler units and roofs to adding classrooms. During the same time, the state invested roughly $4.8 million in new construction. There were three new schools – Westshire Elementary ($.6 M), Randolph Elementary ($2.5 M) and Mettawee Community USD#47 ($1.7 M).

- The Westshire Elementary School is located in the village of West Fairlee – a smart growth location. However, the new school has resulted in closings of two other village schools in Vershire. Those students now commute six to nine miles to the new school.
- The new Randolph Elementary School is located about .8 miles outside the village of Randolph at the edge of a low density residential area. Across the street is the high school that relocated from the village to this area in the 1950s and expanded in the 1960s. This site is not a smart growth location.
- The Mettawee Community School serves the towns of Rupert and Pawlet and is located in West Pawlet village on the former site of four 100+ year old school buildings. This is a smart growth location. These buildings were demolished to make way for the new school. In addition, schools in Rupert and Pawlet were closed as a result of the consolidation. As was the case in Vershire, some students are now commuting more under this arrangement.

During the previous five year period, 1994-1998, 82% of school construction funds were spent for expansion of existing facilities and extensive alterations or renovations and 18% for construction of new facilities.

In FY 03, a new consolidated Middle School will be built in an open field in Bennington, approximately 2 miles from the downtown near a new interstate interchange along the Bennington Bypass. This is not a smart growth location. Virtually all the students will be bussed to school. The existing school, in an historic building in a downtown location, will be closed.

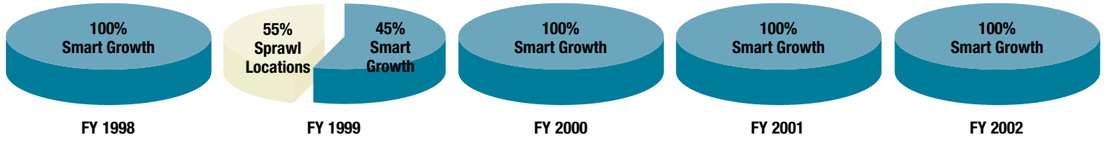
Conclusions:

1. Between FY98 and FY02, 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 FY98 and FY02, the total amount spent on smart growth sites was 93.1% and the total spent on sprawl sites was 6.1%. However, after the 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 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 considered.
7. There are no minimum acreage requirements for schools. Therefore, schools on small sites in village and urban centers are not at a disadvantage.

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 more kids to walk to schools 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 where these older buildings are abandoned to find alternative uses for them to retain their historic value.

State Aid for School Construction (percentage of dollars)



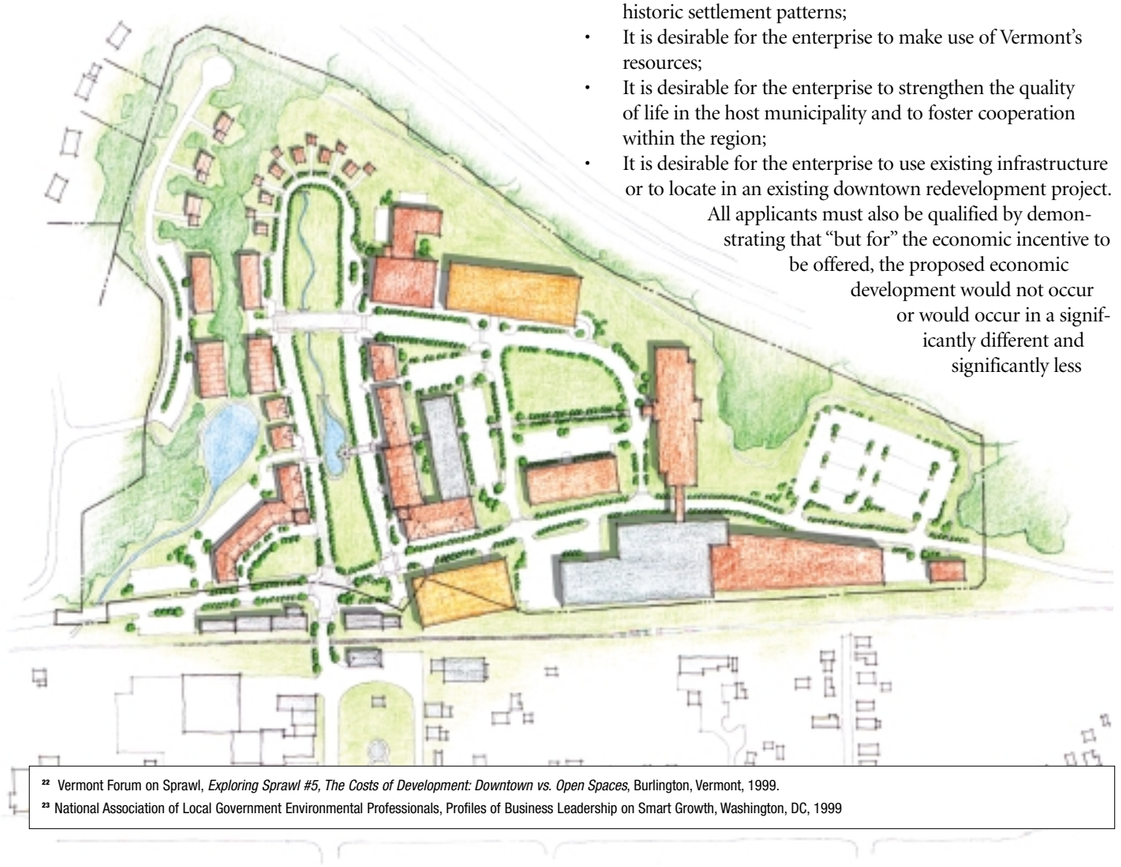
Other States' Smart Growth School Policies and Practices:

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!"

Other States' Sprawl School Policies and Practices:

1. Some states have minimum acreage requirements for schools patterned after guidelines established in the 1970s by the Council of Educational Facility Planners International.
2. Some states' funding formulas favor new construction over rehabilitation. Ex: If rehabilitation cost exceeds 60% of the replacement cost, rehabilitation will not be funded.

New Design for Pilgrim Industrial Park, Waterbury, VT



VERMONT FORUM ON SPRAWL / VERMONT BUSINESS ROUNDTABLE

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.

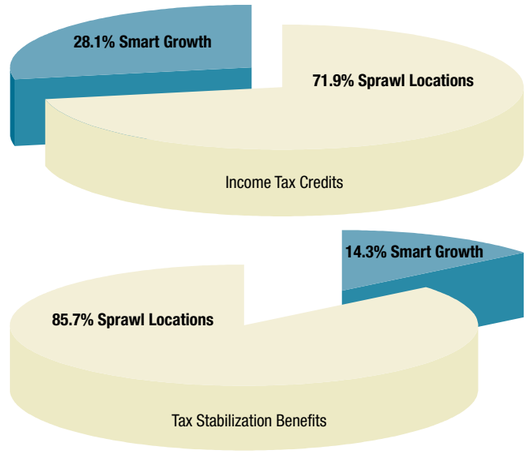
All applicants must also be qualified by demonstrating that "but for" the economic incentive to be offered, the proposed economic development would not occur or would occur in a significantly different and significantly less desirable manner. Finally, applicants are evaluated based on the fiscal impact 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.[22] To arrive at an alternative, VFOS 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 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.[23]

EXAMPLE: AUTUMN HARP COMPANY: An income tax credit of $336,479 was awarded to this custom cosmetics company in December of 1999. Autumn Harp is a "smart growth project" located in a renovated former furniture manufacturing facility in the Village of Bristol within walking distance of homes, shops and services. TANSITOR ELECTRONICS, INC. received an income tax credit of $679,515 in January, 2000. Located on "West Road" (rt. 9), 3 miles west of Bennington, this site is in an area zoned rural/residential and is located on 44 acres of wetlands, woods and agricultural land. This project is classified as "sprawl."

Expansion or renovation of existing facility:	Number	Percent
In industrial or commercial park	26	27%
In approved industrial or commercial zone	20	21%
Reuse of existing facility:		
In industrial or commercial park	11	12%
In approved industrial or commercial zone	6	6%
New Facility:		
In industrial or commercial park	11	12%
In approved industrial or commercial zone	6	6%
No New Facility or Expansion Planned:	15	16%
Total	**95**	**100%**

Vermont Economic Progress Council
(percentage of dollars invested between 1998 and 2002)



Results of Analysis: This analysis focuses on VEPC income tax credits and various property tax benefits, including property tax stabilization, reallocation of state education taxes and Tax Increment Financing districts. Between 1998 and 2002, VEPC provided $18.1 million in income tax credits for smart growth projects. During the same time period, VEPC provided these same incentives for $46.2 million in sprawl projects. Various tax stabilization benefits included $1.7 million for smart growth projects and $10.2 million for sprawl projects. An additional $712,284 could not be classified. Overall about 25.7% of VEPC benefits went for smart growth projects and 73.3% for sprawl projects while the remainder could not be classified. A further review of incentive authorizations shows the following:

Conclusions:

1. Although VEPC has specific guidelines that relate to smart growth and sprawl, only about one fourth of all investments support smart growth.
2. A significant portion (73.3%) of these state credits are utilized in sprawl projects.
3. Many of these sprawl projects are in industrial or commercial parks that are in sprawl locations and designed 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. 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.
5. The VEPC cost-benefit model does not take into account other potential fiscal costs to the state from these projects, such as 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.

[22] Vermont Forum on Sprawl, *Exploring Sprawl #5, The Costs of Development: Downtown vs. Open Spaces*, Burlington, Vermont, 1999.
[23] National Association of Local Government Environmental Professionals, Profiles of Business Leadership on Smart Growth, Washington, DC, 1999

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 VTrans, VHCB, 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.

Other States' Smart Growth Economic Development Policies and Practices:

MARYLAND: *Live Near Your Work* is a partnership between the State Department of Housing and Community Development, local government and participating businesses to provide a $3,000 grant to employees who purchase a home near their place of employment. These funds can be used for closing costs or a down payment on a home within targeted neighborhoods.

RHODE ISLAND: Through the Urban Initiative Program, Rhode Island has a number of incentive programs for urban centers, including a mill building program, enterprise zones, urban incubator program and the urban enterprise equity fund. For example, during 1999 the Rhode Island General Assembly passed legislation creating the *Rhode Island Urban Enterprise Equity Fund.* Established to foster small business in urban sectors, the fund is available to eligible applicants located within designated urban areas. Participation with a local financial institution is required.

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's 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 is 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 village centers.

Smart Growth Connection: Providing loans and other forms of financial assistance for commercial enterprises, including farming, can have a direct link to 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 doing smart growth projects, including: higher 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.[24] To arrive at an alternative VFOS 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 exising 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.[25]

208 Flynn Avenue, Burlington, VT

EXAMPLE: CHAMPLAIN CHOCOLATE COMPANY, BURLINGTON: This business received a $160,000 loan in 2001 to expand its business in a smart growth location – an older industrial area of Burlington. INTERSTATE TECHNOLOGY & AEROSPACE, INC. received a $150,000 loan in 2000 for its business located in Catamount Industrial Park in a sprawl location between an interstate interchange and the town center in Milton.

Results of Analysis: This analysis focuses on the agricultural programs, Direct Loan Program, Local Development Corporation Loans, Industrial Revenue Bonds and Mortgage Insurance Programs of VEDA under Subchapters 2, 3, 4 and 5 of the law. Between 1998 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 $2.6 million in sprawl projects. Under Subchapter 3 (local development corporation loans), loans were granted for $.7 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 $121.6 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 could not be classified. Overall, $75.3 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 agriculture.
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 designed 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 VTrans, VHCB, 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 50% grant for those in other locations.

[24] Vermont Forum on Sprawl, *Exploring Sprawl #5, The Costs of Development: Downtown vs. Open Spaces*, Burlington, Vermont, 1999.

[25] National Association of Local Government Environmental Professionals, Profiles of Business Leadership on Smart Growth, Washington, DC, 1999.

Agency of Natural Resources: Water and Sewer Grants and Loans

Public Spending on Sewer and Water 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.[26] With a revision to the Wastewater Funding Rule in 2002, funding is now targeted to projects that serve town centers and designated growth areas.

STONE ENVIRONMENTAL, INC.

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 or enlarge the service area to pay for the construction and maintenance of the facilities. This increases pressure to develop in previously undeveloped areas.

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. Development will follow the water or sewer line with no incentive to either cluster or focus development in particular areas, or to preserve existing open space. Confining sewer lines to specific sewer service areas and allocating capacity according to uses within those areas are valuable tools to use sewer service to support smart growth.

Older urban and village centers that have had sewer and water facilities for years need to continually reinvest in these facilities in order to serve existing as well as new development. State and federal funds can support aging infrastructure. An important smart growth principle is to fully utilize facilities and services where they exist prior to extending them to new service areas. By reinvesting in existing infrastructure, states can support this principle.

EXAMPLE: STOWE: In 1999, the Town of Stowe received funding to complete a four fold expansion of its sewer plant and extend sewer lines seven miles 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 excluded 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. Stowe has recently faced requests to extend sewer to undeveloped areas.

Results of Analysis: During a five-year period a total of $129 million dollars was spent on improving and expanding water and sewer facilities throughout the state. About $91 million (70%) was spent on sewer projects and about $37.5 million (30%) was spent on water projects. 75% of this total was from state or federal grants and loans and the rest was from local matches.

[26] 24 V.S.A. §4758(a).

[27] 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.

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

[29] Keep in mind that all Vermont land is divided into towns, villages or cities. Therefore, the towns are very large, often encompassing 25,000 to 30,000 acres. Population within these 4 towns can range from 200 to 3,500 people.

Sewer Projects:

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 Fairhaven. 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 refurbished 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 about $650,000 dollars in Barre to increase capacity to $13 million for the Stowe project. Overall, there were 19 projects that either extended sewer lines or increased capacity. The total cost of these projects was about $51 million dollars. Of these, four projects addressed specific pollution problems such as rebuilding a system for the Thetford School or extending a sewer line in Derby Center to serve a trailer park. The two largest projects, Shelburne ($10 million dollars) and Stowe ($13 million dollars) both extended sewer into previously undeveloped areas and expanded capacity. Both these Towns made efforts through zoning and sewer ordinances to target the sewer to specific growth areas and limit extensions outside those areas. The remaining 13 projects, totaling about $27.5 million dollars, provide for new developments both in growth areas and outside town centers. Without additional measures to address growth in the areas served by the sewer, sprawl may occur as it has along Route 7 in South Burlington.

In 2002 the Vermont Department of Environmental Conservation – through an extensive participatory process – revised the Environmental Protection Rules concerning the Municipal Pollution Control Priority System. Under the new rules, public funding will only be used for sewer expansions that will serve designated growth centers.[27] The Department has provided a guidebook for towns to help them implement this new rule. For example, the guidebook suggests that towns can use local 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 lead to 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 developed a smart growth approach to its sewer planning and as a result sailed through the Act 250 process for the project. The town needed to provide sewer service to three villages but didn't want to encourage sprawl in between them. Working with state planners and its engineering and planning consultants, the town devised a strategy that combined its local plan with regulations and a sewer service area to achieve the vision for the community.

Water Projects:

From FY97 to FY01[28], a total of 78 water projects received state funding. The projects varied in cost from $13,518 dollars for water treatment improvements for iron removal in Morristown Corners, to $4.8 million dollars for new treatment plant and line replacements and extensions in Stowe. (See Table 4). Under the U.S. Environmental Protection Agency's Drinking Water State Revolving Fund (DWSRF) projects that serve future growth are ineligible for funding. While this reduces the impact of state drinking water funds on sprawl development, many projects do expand water treatment capacity and extend service areas. For example, the Stowe water project increased the distribution, access and storage capacity enabling it to serve new areas. Stowe is a town that is experiencing growth and clearly some of this new capacity will be used to serve growth. The areas served by new facilities are not clearly identified, so it is difficult to determine whether or how much new growth or sprawl development will be served by improved water projects. Drinking water projects have the potential to promote sprawl in the same manner as sewer projects. In general, however, Vermont is fortunate to have a good supply of drinking water throughout the state and a lack of public drinking water facilities has been less of an impediment to development than the lack of wastewater facilities. For smaller towns providing a public drinking water supply to the town center can encourage smart growth since land in town that was protected as part of a wellhead protection zone can be developed allowing for infill development and higher densities in town.

Conclusions:

1. During a five year period, a majority of state monies for water and sewer (57 percent) was spent solely on rehabilitation and treatment upgrades.
2. 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.
3. Most projects (13 out of 19) that increased capacity or extended sewer lines included no measures to manage sprawl that could occur. Extensions were allowed anywhere in town.[29] (Barre, Springfield, Brattleboro)
4. Federal or state agency review of growth impacts was very limited. Most projects received funding and permits even though there was no limitation on where or how sewer could be used. For many projects no map of the service area was available and many towns have no sewer ordinance that identifies a service area. For water supply projects no information is provided on new areas to be served although the federal funds are not to be used to serve new growth.
5. There is no consideration of regional plans in funding decisions, although regional plans are considered as part of Act 250 review.

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.[30] 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 200
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.[31]
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. Archaeological planning and research
11. Environmental mitigation of highway runoff and provision of wildlife connectivity
12. Establishment of transportation museums

[30] The town of Milton reapplied for an Act 250 permit in 2003. Opponents settled with the town during the second Act 250 process. The town agreed to undertake a planning process to prevent sprawl along the route of a long sewer line extension from a growth center to an industrial park.

[31] Note the exceptions to the sewer funding rule mentioned in footnote 27.

[32] Full funding under the requirement would be 100%.

[33] Note that Vermont's funds came from its STP resources.

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. A number of 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 enhancements 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 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%.[32] The national average was 94.1%. Between FY 92 and FY02, Vermont slipped a bit and programmed 114% of what was required.[33]
- FHWA has set a goal of 75% of available funds to be obligated. 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 enhancement 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 requirements for a number of years and states may average their participation over the six year life of the federal program (ISTEA and TEA-21). The 2003 Legislature did not agree with the moratorium 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 $312,000 with $247,000 coming from the enhancement grant. A grant was made for a scenic easement in the town of CHARLOTTE to preserve 100 acres that are part of a historic operating farm. The enhancement grant covered $220,000 of the total easement cost of $343,000 with the rest made up from other funding sources. The historic village of PLYMOUTH, site of the Calvin Coolidge homestead, received an enhancement grant to preserve and renovate a "Wilder" horse carriage barn located in the village center.

VHCB

Nordic Farm, Charlotte, Vermont

Rankings of States in Transportation Enhancements, 1992-2001

BY PROGRAMMED RATE	APORTIONED	PROGRAMMED		OBLIGATED			REIMBURSED		
		AMOUNT	RATE	AMOUNT	RATE	RANK	AMOUNT	RATE	RANK
CALIFORNIA	$447,288,234	$717,872,000	160.5%	$321,868,779	72.0%	29	$176,760,615	39.5%	43
VERMONT	$26,732,559	$34,401,913	128.7%	$23,863,911	89.3%	7	$17,891,328	66.9%	9
NEW MEXICO	$61,423,249	$74,017,800	120.5%	$51,404,339	83.7%	11	$40,683,125	66.2%	10
MARYLAND	$78,212,967	$91,357,842	116.8%	$59,812,201	76.5%	22	$33,488,981	42.8%	39
ILLINOIS	$210,051,341	$240,119,452	114.3%	$143,399,234	68.3%	32	$116,565,269	55.5%	19
ARIZONA	$85,509,467	$96,586,329	113.0%	$47,663,892	55.7%	43	$35,435,106	41.4%	42
PENNSYLVANIA	$138,376,639	$151,918,234	109.8%	$73,356,212	53.0%	16	$38,420,861	27.8%	50
CONNECTICUT	$90,039,788	$98,528,330	109.4%	$78,883,841	87.6%	8	$63,096,344	70.1%	6
MISSISSIPPI	$66,014,753	$69,436,187	105.2%	$43,182,120	65.4%	36	$30,187,184	45.7%	33
MAINE	$30,541,905	$32,023,944	104.9%	$20,503,168	67.1%	35	$16,561,931	54.2%	24
MISSOURI	$104,903,804	$109,886,266	104.7%	$54,920,067	52.4%	47	$35,985,042	34.3%	46
D.C.	$23,402,174	$24,012,566	102.6%	$21,069,373	90.0%	5	$15,220,727	65.0%	11
WASHINGTON	$82,851,135	$87,199,338	102.0%	$69,257,180	83.6%	12	$55,495,664	67.0%	8
GEORGIA	$181,882,254	$184,488,216	101.4%	$138,556,081	76.2%	23	$77,378,777	42.5%	41
VIRGINIA	$114,797,048	$115,949,665	101.0%	$55,613,699	48.4%	48	$37,125,541	32.3%	47
PUERTO RICO	$15,520,839	$15,507,118	99.9%	$15,520,839	100.0%	1	$11,951,937	77.0%	4
WEST VIRGINIA	$41,772,826	$41,713,729	99.9%	$35,212,973	84.3%	10	$21,375,348	51.2%	26
WYOMING	$34,065,731	$33,935,433	99.6%	$36,008,807	105.7%	4	$29,133,800	85.5%	2
INDIANA	$136,436,188	$132,907,158	97.4%	$104,620,654	76.7%	21	$79,345,783	58.2%	17
NEVADA	$42,172,674	$39,949,891	94.7%	$26,117,056	61.9%	39	$23,131,501	54.8%	21
DELAWARE	$29,149,738	$27,296,607	93.6%	$19,837,461	68.1%	33	$17,346,869	59.5%	14
NEW HAMPSHIRE	$30,472,786	$28,218,255	92.6%	$24,244,217	79.6%	17	$17,819,697	58.5%	16
IOWA	$73,289,152	$66,763,543	91.4%	$43,296,612	59.1%	40	$31,552,835	43.1%	38
NEW JERSEY	$109,480,945	$99,015,422	90.4%	$86,201,723	78.7%	18	$59,894,693	54.7%	23
KENTUCKY	$90,374,058	$81,632,285	90.3%	$76,589,094	84.7%	9	$41,811,344	46.3%	32
NORTH CAROLINA	$152,132,223	$137,026,983	90.1%	$116,948,672	76.9%	20	$77,640,921	51.0%	27
ALABAMA	$106,129,120	$94,329,716	89.9%	$79,278,316	74.7%	26	$49,238,773	46.4%	31
FLORIDA	$267,388,309	$234,792,216	87.8%	$239,223,542	89.5%	6	$195,314,892	73.0%	5
MICHIGAN	$158,212,064	$138,459,072	87.5%	$98,031,926	62.0%	38	$59,381,225	37.5%	45
ARKANSAS	$69,348,322	$59,376,189	85.6%	$50,572,668	72.9%	27	$32,791,900	47.3%	30
MONTANA	$51,693,083	$43,848,989	84.8%	$41,820,489	80.9%	15	$28,479,663	55.1%	20
NEW YORK	$216,130,795	$180,455,702	83.5%	$180,143,628	83.3%	13	$98,149,577	45.4%	34
TENNESSEE	$110,236,686	$91,642,391	83.1%	$59,941,563	54.4%	44	$48,148,782	43.7%	35
COLORADO	$73,933,640	$60,054,805	81.2%	$55,918,358	75.6%	25	$43,958,224	59.5%	15
TEXAS	$409,240,274	$330,983,958	80.9%	$197,537,071	48.3%	49	$123,869,414	30.3%	49
LOUISIANA	$77,711,438	$62,281,319	80.1%	$34,130,195	43.9%	51	$23,543,270	30.3%	48
OKLAHOMA	$88,138,181	$70,294,839	79.8%	$72,108,307	81.8%	14	$42,494,650	48.2%	29
KANSAS	$68,322,485	$53,943,478	79.0%	$55,190,547	80.8%	16	$38,491,451	56.3%	18
MASSACHUSETTS	$97,502,103	$76,602,816	78.6%	$37,643,478	38.6%	52	$18,670,999	19.1%	52
NEBRASKA	$52,097,098	$40,090,399	77.0%	$36,848,998	70.7%	30	$22,581,847	43.3%	37
UTAH	$40,027,767	$28,861,554	72.1%	$29,030,889	72.5%	28	$25,386,242	63.4%	12
WISCONSIN	$126,353,711	$91,018,739	72.0%	$55,755,947	44.1%	50	$32,298,717	25.6%	51
HAWAII	$51,159,578	$35,186,841	68.8%	$38,903,336	76.0%	24	$28,011,214	54.8%	22
NORTH DAKOTA	$41,371,917	$27,358,953	66.1%	$32,290,367	78.0%	19	$28,412,679	68.7%	7
OHIO	$175,745,938	$113,448,173	64.6%	$120,554,937	68.6%	31	$104,922,472	59.7%	13
ALASKA	$94,867,560	$61,054,647	64.4%	$94,867,559	100.0%	2	$81,584,986	86.0%	1
MINNESOTA	$100,065,052	$63,949,453	63.9%	$100,061,775	100.0%	3	$78,285,517	78.2%	3
RHODE ISLAND	$27,133,782	$16,819,475	62.0%	$15,610,436	57.5%	42	$11,614,765	42.8%	40
SOUTH DAKOTA	$43,761,169	$27,033,107	61.8%	$23,524,196	53.8%	45	$22,997,938	52.6%	25
IDAHO	$43,971,007	$26,065,431	59.4%	$27,317,854	62.1%	37	$19,193,970	43.7%	36
OREGON	$62,141,804	$32,130,915	51.7%	$36,206,722	58.3%	41	$30,866,300	49.7%	28
SOUTH CAROLINA	$88,563,318	$37,107,199	41.9%	$59,492,547	67.2%	34	$34,178,272	38.6%	44
	$5,238,140,678	**$4,928,954,882**	**94.1%**	**$3,659,957,856**	**69.8%**		**$2,524,168,962**	**48.2%**	

Source: National Transportation Enhancements Clearinghouse Reports, May 2002

[34] Mark Hansen and Yuanlin Huang, *Road Supply and Traffic in California Urban Areas*, Transportation Research A, Vol. 31, No. 3, 1997, pp. 205-218.

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.

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.

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 transportation, 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.

Smart Growth Connection: 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 correlative 1% increase in traffic within five years.[34]

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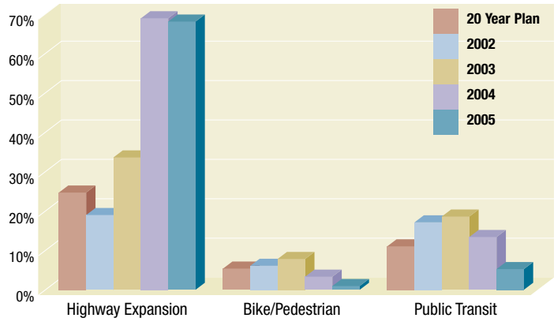
Likewise, studies show that rather than reduce congestion, new highways simply promote expansion outward from cities. As opposed to investments in transit, pedestrian and bicycle improvements that usually take place where people already live, construction of new highways tends to take place in undeveloped areas, and attracts new residents to those areas, increasing congestion and sprawl. According to the Transit Cooperative Research Program, "the interstate highway improved access to the developable land on the urban fringe, supporting dispersed, low-density development that is difficult to serve with local transit."[35] Highways provide new access to undeveloped land, while quicker travel time means people can live further away from their workplace without sacrificing the time it takes to get there. But even that quick travel time diminishes after traffic congestion builds up once again on the new roads.

Smart growth offers an alternative option for development that can help reduce the need for continued highway construction and make alternative modes more viable. Data illustrate the connection between sprawl and the increase in driving around the country. In spite of research showing that the number of persons per household has declined since 1969, since that date the number of vehicles per household has increased. In the last 30 years the vehicle miles driven per driver has growth by 60%.[36] Between 1983 and 1990, the average trip length for trips of all purposes rose from 8.68 to 9.45 miles. According to the US Department of Transportation, 38% of this increase is due to changes in development patterns.[37] Among the development patterns that cause growth in mileage is sprawl that separates people further and further apart from workplace, friends, shopping, schools, and services. Smart growth encourages compact, mixed use development which can facilitate transit, bicycling and pedestrian circulation.

Vermonters appear aware of smart growth issues in transportation planning and do not support more highway funding in general. In a survey of 1,200 Vermonters, conducted by VTrans for their 2002 Vermont Long Range Transportation Plan, 46% of Vermonters favored keeping the same share of resources for new roadway construction as was currently being used, which VTrans advertised as 15% in their survey. 28% of Vermonters surveyed favored an increased share of resources for new roadway construction, while 22% favored a lesser share.

In Chittenden County, the Metropolitan Planning Organization also recognizes the important role of land use in transportation planning. In the 1997 *Chittenden County Long Range Transportation Plan*, the MPO says that the most effective way to address transportation issues on a regional scale is to implement a "growth center" development pattern, for under this approach there would be less total travel, energy consumption and air pollution.

CCMPO Transportation Funding (as adopted)



	Highway Expansion	Bike/Pedestrian	Public Transit
20 Year Plan	24.7%	5.4%	11.0%
2002	19.0%	6.1%	17.1%
2003	33.6%	7.8%	18.6%
2004	68.9%	3.3%	13.4%
2005	68.1%	1.0%	5.3%

Results of Analysis:

1. **State**: In 1996, 9.8% of Agency of Transportation (VTrans) 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 have since risen dramatically, attributable 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 Circumferential Highway – whose need is not addressed by efficiency improvements."[38] In this long-range Transportation Improvement Plan (TIP), CCMPO projected that 24.7% of annual fiscal resources would be used annually for highway capacity expansion. In the 1999 adopted TIP, funding 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, funding for 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 designated growth areas. Although some connect one growth area to another, and to the main metropolitan center, similar numbers of projects lead into rural or undesignated areas with no apparent destination.[39] 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 are not designated growth centers. These include large projects ($4.7-$7.7 million) running to/from Charlotte, Williston, Colchester, and Winooski.[40] (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 trend in state funding for new roadways is not reflective of VTrans' survey results, which show that 68% of Vermonters do not support increasing the allocation of funds for highway expansion. Governor Jim Douglas's proposed Budget for FY04 is creating additional funding for new projects such as the Circumferential Highway, Bennington Bypass, and Mississquoi Bay Bridge which will further increase the allocation of dollars for highway expansion projects.[41]
2. Chittenden County's expenditures on highway capacity expansion are projected at nearly two-thirds of total annual expenditures by the year 2005, ignoring the long-range plan's appropriation of only one-quarter of total annual funding. Furthermore, Chittenden County is concentrating its construction projects in undeveloped areas, allowing for the development of residences and commerce along these new, rural, highway corridors rather than in designated growth areas. By allocating two-thirds of CCMPO funds to capacity expansion, funding for environmentally friendly projects such as bike/pedestrian and public transit expansion have withered to less than half of their projected share. Despite CCMPO's long-range goal of supporting "dense community centers…to facilitate mass transportation…", funding is being disproportionately balanced towards the use of single-occupancy vehicles and the dispersed development of rural areas.

Recommendations:

1. The state and the CCMPO should adopt a "fix it first" policy whereby VTrans would limit new projects for roads and bridges to no more than 10% of the total projects approved, with the rest of the highway money going to fixing and maintaining what already exists.
2. The state and the CCMPO should draw a much closer connection between land use and transportation, recognizing 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 regulations to promote density in growth centers, including around transit stops, and lower density along highways where development could erode the public investment in these improvements.

Vermont Agency of Transportation: Public Transit

Public Transit: In a rural state like Vermont public transportation options are limited. Nevertheless, in our urban areas and in other locations, such as ski resorts, there are bus systems. In addition, until recently there was a small commuter rail project. Another commuter rail project has been proposed between Burlington and Essex. VTrans manages state and federal funding of operation, capital, and technical assistance to transit districts, transit authorities, municipal transit systems, and non-profit public transit systems. Many of the transit providers are focused on services to Medicaid recipients and others in need of social services. Total state expenditures for transit were $5.1 million in FY 2000. In the State Long Range Transportation Plan these expenditures are expected to grow annually at a rate of inflation of 2.7%.

Smart Growth Connection: The lack of availability of public transportation options is a direct contributor to congestion, new highways, and sprawl. With little or no public transportation, people are forced to own and drive single-occupancy cars and trucks to conduct daily activities, like getting to work. This puts more cars on the road, more pollution in the air, and creates a demand for expanded highways in the hopes of reducing congestion. Rather than spending taxpayer dollars on new highways in order to reduce congestion, balanced funding between highways and public transportation could solve this problem, while at the same time addressing issues such as our diminishing natural environment, and increasing air pollution and energy consumption.

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 the last five years. With that increasing demand, however, comes a demand for increased government funding as well.[42] The system works in a vicious circle: lack of public transportation creates more traffic congestion, which leads to demand for more highways; more highways create sprawling communities and meandering subdivisions with no obvious center; this lack of a density prevents access to a convenient public transportation system, and thus reduces the demand for public transportation as well. According to studies done by the Surface Transportation Policy Project, metro areas that added the most roads have not been successful at easing congestion, while those with good transit services rank significantly lower on the Congestion Burden Index.[43]

Vermonters see the need for more resources for public transit. 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

[35] GAO Report, *Consequences of the Development of the Interstate Highway System for Transit*, National Research Council, Transportation Research Board, Research Results Digest No. 21 (Aug 1997).
[36] Federal Highway Administration and Bureau of Transportation Statistics, *National Household Travel Survey*, 2001.
[37] U.S. Department of Transportation, *Nationwide Personal Transportation Survey 1990*, Washington, D.C. Office of Highway Information Management; Federal Highway Administration, 1994.
[38] CCMPO, *A Twenty-Year Vision for Transportation in Chittenden County: A Synopsis of Chittenden County's 1997 Long Range Transportation Plan*
[39] Friends of the Earth, *TIP Project Types Funded FY02-FY04*, Chittenden County, Vermont
[40] Friends of the Earth, *TIP Dollars for Projects Funded FY02-FY04*, Chittenden County, Vermont
[41] Douglas, James D. *A Plan for Prosperity: Fiscal Year 2004 Executive Budget Recommendations*
[42] APTA, News Release, "*Public Transportation Ridership Continues to Grow.* www.apta.com/news/releases/rides1q2001.htm

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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."[44] 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.[45] 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%; Winooski and Shelburne comprise 6% and 3%, respectively.[46] Burlington, Essex, South Burlington, Winooski and Shelburne are all CCTA members; Williston and Colchester which also have some CCTA services are not.

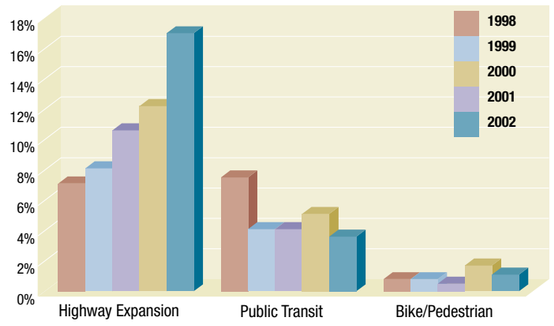
Conclusions:

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. In fact, Governor Jim Douglas proposed the elimination of the Champlain Flyer commuter rail project, while increasing funding for highway expansion.[47] 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 70% 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 Expenditures



Vermont Agency of Transportation: Bicycle/Pedestrian

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 50 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 characteristically 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.[48] 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 reduce congestion 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 share parking spaces, businesses can foster a more people friendly atmosphere, take advantage of synergies among the businesses, and reduce their customers' need to use cars to move from one store to the next. Prime examples of an unfriendly shopping atmosphere for pedestrians are large, bulk-retail stores such as the Home Depot

[43] STPP, *Easing the Burden: A Companion Analysis of the TTI's Congestion Study.* (2001) www.transact.org/report.asp?id=186
[44] CCMPO, *A Twenty-Year Vision for Transportation in Chittenden County: A Synopsis of Chittenden County's 1997 Long Range Transportation Plan*
[45] Friends of the Earth, *TIP Project Types Funded FY02-FY04*, Chittenden County, Vermont
[46] CCMPO, *Public Transit Operations Funding in Chittenden County: Current Conditions and Potential Opportunities (9/98)*
[47] Douglas, James D. *A Plan for Prosperity: Fiscal Year 2004 Executive Budget Recommendations*
[48] VT Forum on Sprawl, *Growing Smarter: Best Site Planning for Residential, Commercial, & Industrial Development*

and Wal-Mart. Each store has its own massive parking lot, placed at great distance from neighboring stores 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.[49]

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 reached 1.7% in 2001. That number dropped to 1.1% in 2002, but has climbed to 1.6% of total VTrans appropriations for 2003. Between 1998 and 2001, 2.2% of all federal surface transportation funds spent in Vermont was for pedestrian/bicycle projects.[50]

VTrans asked Vermonters in a survey whether more, the same, or fewer resources should be devoted to bike and pedestrian facilities in the future. 41% of those surveyed favored a greater share for bicycle and pedestrian paths, while 37% favored the same share and 17% favored a lesser share. Likewise, the same survey also showed that, in terms of issues affecting transportation in the respondents' regions, development of enhanced bike and pedestrian facilities was among the important issues. Like the funding for public transit, however, public interest in bicycle and pedestrian improvements is not reflected in VTrans' allocation of resources. While there has been a significant increase in funding for bike/pedestrian purposes relative to the 1996 baseline of 0.2%, the current allocation of 1.6%, as well as the lack of any increase whatsoever between 2001 and 2003, does not reflect Vermonters' interests in improving bicycle and pedestrian facilities.

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."[51] The long-range plan projected that 5.4% of total annual funds would be designated for bike/pedestrian uses in order to achieve this goal. As opposed to the other two categories, this figure has fluctuated very little (with the exception of 2001), but like funding for public transit, bicycle and pedestrian programs have seen no growth whatsoever as opposed to the substantial growth found in roadway funding. In fact, share of total appropriations for bike/pedestrian projects has dropped substantially from the 1997 projection. According to the MPO's adopted Transportation Improvement Plan (TIP), in 1999 the 5.4% had already fallen to 4.5%, followed by 4.4% in 2000, but hiccupped up to 15.5% in 2001. By 2002 that gain was lost as the share went back down to 6.1%, then rose to 7.8% in 2003, dropping to 3.3% for 2004 and 1.0% of total CCMPO funding uses for 2005.

In the Burlington Metro Area, 14.1% of all traffic deaths were pedestrians compared to 7% for the State as a whole.[52] This points to the need for increased attention to bicycle and pedestrian safety improvements.

According to the map of *Project Types Funded FY02-FY04*, however, bike/pedestrian projects have been funded in smart growth locations. Projects in growth centers, such as in Westford, Charlotte, Shelburne, Hinesburg, and Colchester, have received funding, as have connections between Essex, Winooski, and Colchester. However, there are still a large number of designated growth centers with no bike/pedestrian projects funded for FY02-FY04, including centers in Jericho, Milton, and Colchester, all of which could benefit from increased facilities.

Conclusions:

1. Bicycle and pedestrian funding by the state of Vermont has not seen any increase in the last few years. However, 41% of Vermonters surveyed by VTrans favored an increase in the current share of appropriated funds towards bike/pedestrian, while only 17% felt the current share should be decreased.
2. In Chittenden County funding for bike/pedestrian facilities will see a sharp decline in funding in 2004 and 2005. Despite the long-range plan goal of 5.4% of all funds, 2005 may see only 0.9% of funds. This is contrary to the public interest expressed in the plan. Several designated growth centers in the county could benefit from more bike and pedestrian connections within their community. While funding for highway expansion is growing rapidly, funding for bike/pedestrian facilities 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 funding for bicycle and pedestrian purposes.
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.

[49] VTrans, Bicycle and Pedestrian Plan, www.aot.state.vt.us/planning/bikeped.htm#contents
[50] Surface Transportation Policy Project, *Mean Streets* 2002, Pedestrian Safety and Spending in Vermont, 2000-2001.
[51] CCMPO, 1997 *Long Range Transportation Plan Synopsis*, page 2.
[52] Surface Transportation Policy Project, *Mean Streets*, 2002, State Data Sheet.
[53] VHCB web site, www.vhcb.org/housing.html
[54] Vermont Housing and Conservation Board, Annual Report, 2002, page 9.

Anderson Parkway, South Burlington, VT

VHCB

Housing and Conservation Board: Affordable Housing

Vermont Housing and Conservation Board: Affordable Housing Program. 10 VSA Chapter 15 establishes the Vermont Housing and Conservation Board (VHCB) and defines projects eligible for state funds, including affordable housing. Funds for the program come primarily from the Property Transfer Tax. VHCB awards grants to non-profit housing organizations and municipalities for new construction or rehabilitation of housing that is perpetually affordable. The housing must serve households below 100% of median income although the majority of VHCB projects serve households with incomes between 30 and 80% of median. A primary goal of VHCB is to encourage the rehabilitation of existing structures, wherever possible. "The renovation of historic buildings helps to reinforce Vermont's traditional settlement pattern, keeping economic activity in the small village centers and downtown areas, further supporting the mission of the Housing and Conservation Board to 'maintain for the benefit of future generations the essential characteristics of the Vermont countryside.'"[53] For circumstances where new construction is necessary and appropriate, the board has established guidelines. Among the factors considered are: location, site conditions, and design. Proximity to jobs, services, and open space; affordable transportation systems; and use of existing municipal infrastructure are all factors that are considered. The board also gives preference to projects that achieve multiple goals, such as housing and historic preservation or housing and open space preservation. In addition to these funds for affordable housing projects, the board supports non profit housing organizations with organizational capacity grants; runs a lead paint program, a single family assistance program, and a purchase subsidy program to assist low-income households with the purchase of mobile homes in nonprofit-owned mobile home parks; and makes grants for home building projects undertaken by Habitat for Humanity or vocational education programs.

Smart Growth Connection: Providing for housing that meets the needs of a diversity of social and income groups is a key principle of smart growth. Smart growth can help with the quality, 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 retain and attract jobs and the revitalization of downtown 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 raises costs for infrastructure, adds to household expenses for transportation, and isolates lower income households in older and often deteriorating downtowns and residential neighborhoods. Sprawl development uses excessive amounts of land, which can increase housing prices. Smart growth, on the other hand, revitalizes downtowns and existing neighborhoods, seeks efficiencies in the provision of services, provides for a range of transportation choices near to where people live, and mixes housing with other uses thus reducing distances between services and jobs. By assisting with the financing of affordable housing, the state can help to preserve the existing housing stock, while locating newly-built housing where it is needed and promote mixed uses and mixed income neighborhoods.

EXAMPLE: RED LION INN, RANDOLPH, VERMONT: At a key crossroads in this historic downtown lies a former inn that is now 20 new apartments for seniors on the upper floors and commercial uses on the ground floor. The project, funded by VHCB and other partners, is the "capstone" to the renewal of this village's downtown after devastating fires in the 1990s. Through the project, vacant upper floors were brought back to life and seniors have beautiful new homes conveniently located near shops and services. "I love the central location," says tenant Sally Milne of Randolph. "You can walk everywhere." Eleanor Currier expressed her pleasure at being part of the center of community life. "I tell people, I have a library; my library is down the street. I've got an opera house, I've got my favorite store – I've got the train, I've got the bus, and it's a nice place to go walking, Pleasant Street."[54]

VHCB

Red Lion Inn, Randolph, Vermont

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 $3.0 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 affordable housing projects were in locations classified as sprawl and even these projects were more compact and dense than the surrounding scattered, low 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 Fannie Mae 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-career 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 the maximum allowable mortgage by about $10,000, 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 position on funding conservation of agricultural land that was most recently amended on May 17, 2002. The policy sets forth the following criteria that pre-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 farming 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 jobs, keeps town property taxes low, maintains Vermont's competitive edge in quality products, and boosts state revenues for tourism.

[55] VHCB Annual Report, 2002, page 18.

EXAMPLE: FILLMORE FARMS, BENNINGTON, VERMONT: This family-owned, 413 acre dairy farm has over 3,500 feet of frontage on a state highway and serves 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 debt on a new freestall barn. Rob Holden, Ed's son, is now running the farm and the Holdens hope it will stay in the family for generations.[55] 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, perhaps no area is more threatened than Chittenden County. Only 253 acres of farmland on 2 farms in Chittenden County were protected between 1998 and 2002. While demand for 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 farmland 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 on farmland 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 Hartland and the Martin Farms in Hancock.
4. Where VHCB has been less effective is in protecting farmland 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.
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 viewshed;…"

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 on farmland in blocks in the most threatened areas and maintain its policies regarding housing and house lots on farmland that minimize sprawl.

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. In the first round $29.2 M in funds were approved out of $124.8 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 greenbelts.**

VHCB

Davignon Farm, Brownington, VT

Vermont's Land Use and Environmental Control Law: Act 250

Act 250: Act 250 is a state law that provides for review of large development projects. Projects are evaluated based on ten criteria that address impacts on natural resources, governmental services, growth and other issues of public interest. The focus and purpose of Act 250 is to ensure that the lands and environment of Vermont are devoted to uses that are not detrimental to the public welfare and interests. 10 V.S.A. Chap. 151. Act 250 provides for better-planned new development projects that are compatible with natural resources and will not strain public services.

Smart Growth Connection: Act 250 does not directly address sprawl, 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 regional development patterns. Nonetheless, Act 250 is a state land use permit, and is the only permit that specifically addresses compliance with local and regional plans, and, for large, regionally scaled projects, specifically addresses secondary impacts of growth that may be fostered by the project. Though imperfect, it is often the only permitting process where sprawl impacts will be considered at all.

Results of Analysis: Act 250 is not capable of addressing all sprawl impacts since significant limitations lie within the Act itself. Limitations include:

- Absence of a State Land Use Plan – Although the original 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.
- Cumulative Impacts of small projects – Much of the sprawl development we see is the result of many small projects that do not need an Act 250 permit. Act 250 does not review projects on less than 10 acres in towns with zoning and subdivision regulations, or projects on less than 1 acre if either zoning or subdivision regulations, but not both, are in place. As these projects add up, they can create sprawl and severe impacts from their cumulative growth.
- Project's viewed in isolation – Act 250 only reviews the impacts of individual projects seeking a permit. It does not address planning issues and is not able to view impacts from a more global perspective. It can only decide on specific impacts of specific projects before it. Thus, impacts from a series of individual projects are not addressed.
- No specific sprawl criteria – Sprawl is not specifically 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.

Before 1998, Act 250 cases addressed sprawl impacts through criteria on scattered development (9H), aesthetics (8), impacts on public investments (9K), fiscal impacts of growth (9A) and secondary impacts of larger projects.

- In St. Albans, a large Wal-Mart was denied a permit to build a store outside of town because of its negative impact on the town and the ability of the town to provide services. St *Albans Group and Wal-Mart Stores, Inc.*, #6F0471-EB(Altered)(6/27/95) aff'd 167 Vt. 75 (1997).
- In Waterbury, a shopping center along Route 100 was denied a permit because it characterized strip development and did not meet aesthetic criteria. *Waterbury Village Shopping Center, Inc.*, #5W1068-EB (7/19/91).
- In Stowe, an initial permit for a large sewer expansion project was denied because the Town had not shown how it would manage the growth that would occur outside of town after the sewer was built. *Town of Stowe*, #10035-9-EB (5/22/98).

Cases since 1998 have built on earlier decisions and in a piecemeal fashion have addressed some sprawl impacts. Cases have specifically addressed the following:

- Fostering redevelopment – In four cases the redevelopment of existing sites has been encouraged, particularly where they are 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.
  - *Home Depot*, #1R0048-12-EB (8/20/01); – redevelopment of existing mall outside of town
  - *Green Meadows Center*, #2W0694-1-EB (12/21/00); – redevelopment of former school into a multi-use community center
  - *Main Street Landing Co.* #4C1068-EB (11/20/01); – redevelopment of downtown area near Burlington's waterfront
  - Pittsford Enterprises, #1R0877 (12/5/01) – redevelopment of existing commercial building into a post office
- Defining Sprawl & Encouraging Mixed Uses – In one case, sprawl is defined and the development along the Killington Road is recognized as "sprawl." *Killington, Ltd (Master Plan) #1R0825-EB (6/20/00)*. A mix of uses and a compact settlement pattern is needed to avoid scattered development
- Protecting Undeveloped Areas – In three cases, undeveloped areas were protected from development that would lead to sprawl
  - *Southwestern Vermont Health Care Corp.*, #8B0537-EB (2/22/01) – large retirement facility denied permit in rural area with significant agricultural resources
  - *R.L. Vallee, Inc.*, #3W0798 (2/16/00) – large gas station and truck stop denied permit at undeveloped interstate interchange
  - *Central Vermont Public Service Corp.*, #2W1146 (10/30/02) – extension of electrical and phone lines into undeveloped area allowed with condition that all new development to hook up be reviewed under Act 250
- Impacts of Infrastructure Expansions – In two cases, the impacts of expanding infrastructure – sewer and utility lines – was addressed.
  - *Town of Milton*, #4C0046-5 (12/220/99) – Sewer expansion that included extension of sewer to undeveloped area outside of town denied permit because of impacts from secondary growth along the sewer line. With existing land use regulation, sprawl would occur and natural resources would not be protected.
  - *Central Vermont Public Service Corp.*, #2W1146 (10/30/02) – extension of electrical and phone lines into undeveloped area allowed with condition that all new development to hook up be reviewed under Act 250 to protect against impacts to wildlife and wetlands.

Many recent cases have allowed sprawl development or have either turned a blind eye to sprawl impacts or accepted very minimal mitigation with little concern for the broader impacts of the new development. Specific impacts that were not adequately addressed in recent Act 250 decisions include:

- Large ski area development – In two cases, ski area developments the size of entire towns, were allowed, although they were recognized as sprawl or scattered development.
  - In *Killington, Ltd.* (Master Plan) #1R0825-EB (6/20/00), the Board recognized that development along the Killington Road is sprawl but since the development included a mix of uses and a compact settlement pattern, it was determined to be an "existing settlement" rather than scattered development.
  - In *Stratton Corp.* (Master Application), #2W0519-EB (5/8/01) a development on over 2000 acres with over 1300 units of housing and other development was approved even though the project was not part of an existing settlement (it did not include significant year round housing) and revenue generated from the project would cover any public costs associated with the scattered development.
- Significant developments allowed outside of town – Three cases approved significant developments outside of town centers.
  - In *Home Depot*, #1R0048-12-EB (8/20/01); a large big box store was approved for a site 2 miles outside of town.
  - In *Mount Anthony Union High School District #14*, #8B0552 (6/6/02) a large new middle school was allowed to be built on an open farm field about 2 miles from downtown. All claims relating to sprawl were rejected.
  - In *Pittsford Enterprises*, #1R0877 (12/5/01) [ck Ebd decision & cite] the relocation of a post office to a site further away from town was allowed. Commission declined to consider claims about a change to traditional use patterns.
- Sprawl "Lite" – Two cases allowed developments requiring limited, and largely ineffective, mitigation to address sprawl impacts.
  - In *Van Sicklen Partnership*, #4C1013R-EB (3/8/02), a permit was granted for a new housing project in an outlying area of South Burlington. The project was previously denied a permit in Duppstadt, #4C1013-EB (4/30/99). The newer project included limited clustering, which was the only mitigation. Sewer was still extended through undeveloped lands to serve the project.
  - In *Mill Lane Development*, #2W0942-2-EB (12/17/99) a permit was granted for a 10-lot subdivision and improvements in an outlying area near Harriman Reservoir. Buffer zones were deemed adequate to preserve habitat and maintain the undeveloped quality of the area.

Conclusions:

1. Act 250 does not address sprawl impacts for most projects because:
   a. many projects that contribute to sprawl will not be reviewed under Act 250;
   b. for projects reviewed, only the impacts of the individual project will be considered, limiting any broader perspective that is needed to address sprawl;
   c. criteria relating to sprawl impacts have been inconsistently applied and in some cases sprawl impacts are not considered at all; and
   d. mitigation to address sprawl impacts has been limited and mostly ineffective.
2. Practices that help reduce sprawl, such as encouraging redevelopment and mixed uses and protecting undeveloped areas have been used by developers, or required by permits, to limit negative environmental and growth impacts of specific projects.
3. Act 250 is most effective in addressing impacts from projects, such as sewer and utility extensions, that can lead to sprawl by opening up new areas to development. There are clear connections to secondary impacts from these projects and a broader review of impacts can occur.

Recommendations:

1. To directly address sprawl, Act 250 criteria should include sprawl and a broader review of impacts should be allowed.
2. Clear guidance is needed on how District Environmental Commissions should address sprawl with existing criteria.
3. Impacts on land use and not simply fiscal impacts should be consistently considered under the growth criteria of Act 250.
4. District Commissions should have more opportunities for independent analysis of impacts. In many cases only information from the Applicant is reviewed and there is little opportunity or expertise afforded to the Commission for analysis of the impacts.
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.

U.S. Small Business Administration

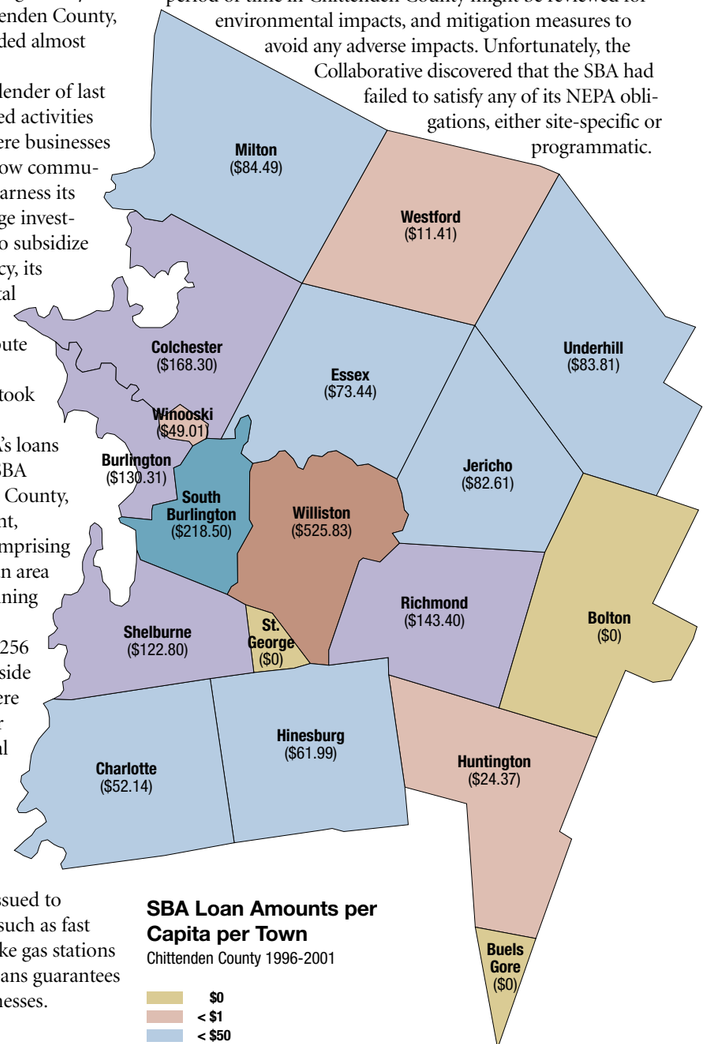
SBA Loan Guarantee Program: The 7(a) Loan Guaranty Program is one of SBA's primary lending programs. It provides loans to small businesses unable to secure financing on reasonable terms through normal lending channels. The program operates through private-sector lenders that provide loans that are, in turn, guaranteed by the SBA – the Agency has no funds for direct lending or grants. Effective December 22, 2000, a maximum loan amount of $2 million has been established for 7(a) loans. However, the maximum dollar amount the SBA can guaranty is generally $1 million. A study of SBA loans in Chittenden County, Vermont shows that between 1996-200, SBA provided almost $21 million in loan guarantees.

Smart Growth Connection: Because SBA is a lender of last resort, development associated with SBA supported activities would likely not occur without SBA support. Where businesses decide to locate can have important impacts on how communities grow and change. SBA has the capacity to harness its significant taxpayer supported resources to leverage investment in smart growth oriented development, or to subsidize sprawl. In addition, because SBA is a federal agency, its support is regulated by the National Environmental Policy Act (NEPA), so the agency is obligated to analyze how its decisions and investments contribute to sprawl, and to mitigate any adverse impacts.

Results of Analysis: The Collaborative undertook a comprehensive analysis of SBA's activities in Chittenden County between 1999-2001. All of SBA's loans were reviewed, and mapped. Between 1999-2001, SBA issued a total of 356 loan guarantees in Chittenden County, backing almost $21 million in loans. Of this amount, approximiately $8.5 million in loan guarantees (comprising of 100 loans) were issued to businesses located in an area identified by the Chittenden County Regional Planning Commission as a designated growth center.

Approximately $12.5 million (comprising of 256 loans) in loan guarantees were issued in areas outside designated growth centers. More than 50 loans were located in areas zoned for urban mixed use. Fewer than five loans were located in areas zoned as rural mixed use. Business located in the City of Burlington received the highest number of loans, 66, businesses in South Burlington received 45, and Williston received 31. However, Williston received the highest number of loans on a per capita basis. A significant number of loans were issued to businesses starting franchises of national chains (such as fast food restaurants), or auto-dependent businesses like gas stations and oil changing stations. However, many other loans guarantees went to what appear to be locally controlled businesses.

The Collaborative also reviewed SBA's 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 a site-specific analysis of environmental impacts. In the case of the SBA, this would involve consideration of how a specific loan guarantee might impact the environment. It other situations, NEPA requires an agency's entire program to undergo environmental impact review. So for instance, all of SBA's 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, either site-specific or programmatic.



Source: Small Business Administration, VT District Office, Montpelier, VT and U.S Census Bureau, Population Estimates, 2001

[56] Vermont General Permit Environmental Assessment at 13.

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 in locations accessible by public transportation. Without this review, SBA does not know if its activities re leveraging investment to promote smart growth, or ubsidizing 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 SBA's 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 SBA's draft rules for its compliance with NEPA and provide comments on the proposed rules.

U.S. Army Corps of Engineers: Section 404 Permits

§404 permits processed under the Vermont General Permit. 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 1972, 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 CFR 230.7), 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 is 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 buildings, parking lots, and roadways. When wetlands are in the path of these developments, and dredging or filling is required, the developer must seek a permit from the Corps. The §404 permit process, especially when associated with the development of undeveloped lands, can be a regulatory tool to promote smart growth, or can allow sprawl development to encroach upon open-space.

Sprawl development occasionally requires the conversion of wetlands to 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.

Number of Wetland Projects in Watersheds of Impaired Streams

Non-impared	375
Allen Brook	23
Bartlett Brook	7
Centennial Brook	5
Englesby Brook	0
Indian Brook	24
Morehouse Brook	1
Muddy Brook	44
Munroe Brook	10
McCabes Brook	5
Potash Brook	33
Sunderland Brook	15

Source: U.S. Army Corps of Engineers §404 permits

Surprisingly, a comprehensive analysis of the cumulative impacts of these projects 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

the State of Vermont. As part of that process, the Clean Water and NEPA require the direct, indirect, and cumulative impacts of the permit to be analyzed. However, the Corps analysis is wholly inadequate. Without reviewing the cumulative impacts of the projects already approved under the existing general permit, or reviewing the impacts of the reasonably foreseeable impacts of the projects likely to be approved under the new general permit, the Corps concluded, "Without reviewing the cumulative impacts of the projects already approved under the existing general permit, or reviewing the impacts of the reasonably foreseeable impacts of the projects likely to be approved under the new general permit, the Corps concluded that the General Permit is 'not a major federal action significantly affecting the quality of the human environment.'"[56]

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 piecemeal 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.

Resources & References

7. State Agency Profiles, page 11

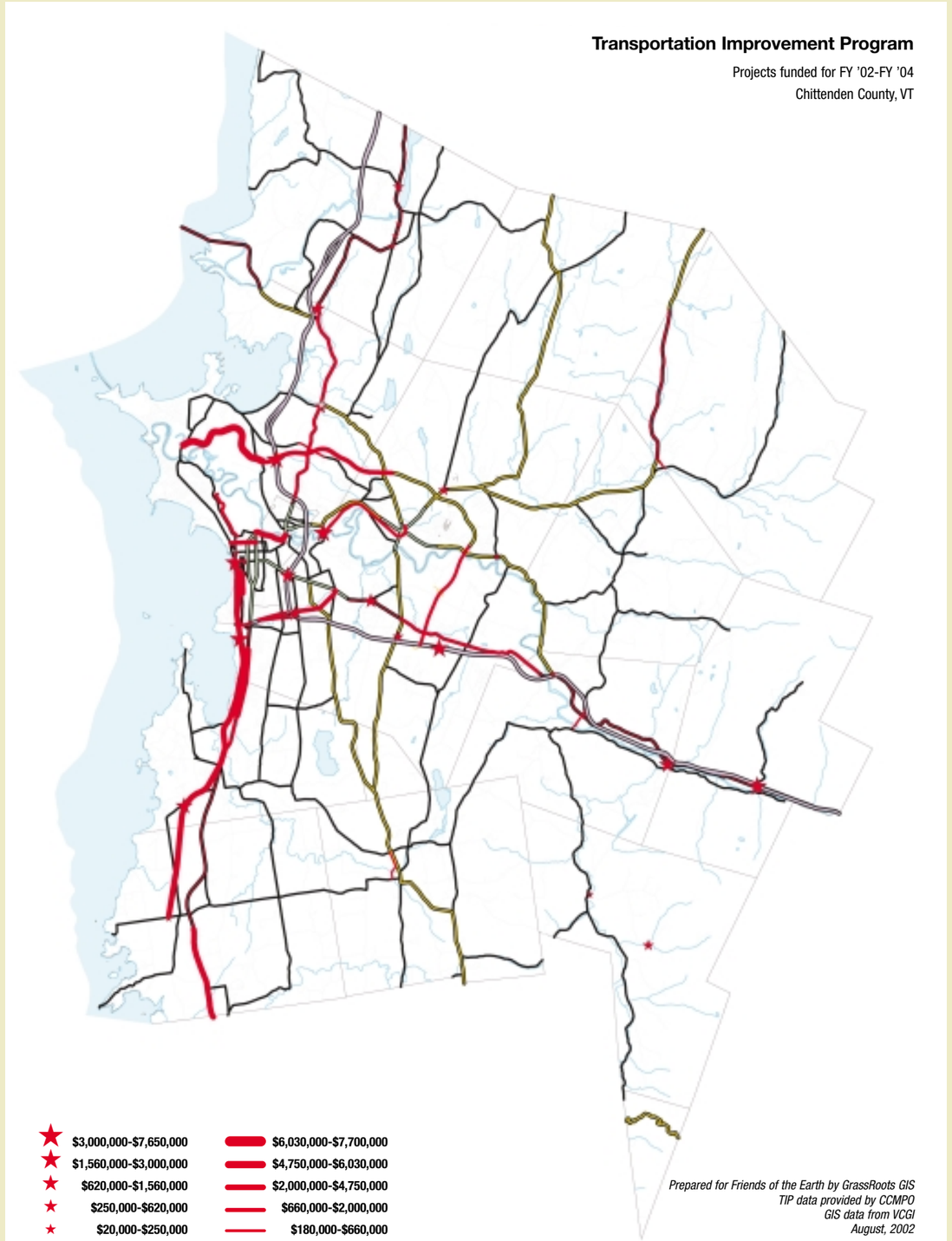
Agency of Commerce and Community Development: Vermont Economic Development Authority
1. Vermont Economic Development Authority Annual Reports, 1998-2001.
2. Title 10 VSA Chapter 12.

Agency of Transportation: Enhancement Grants
National Transportation Enhancement Clearinghouse Reports, May 2002 and June 2003.

Housing and Conservation Board: Affordable Housing
1. Vermont Housing and Conservation Board, Annual Reports, 1998-2002.
2. *Smart Growth and Affordable Housing: Making the Connection*, Smart Growth Network and National Neighborhood Coalition.

8. Federal Profiles, page 34

U.S. Army Corps of Engineers: Section 404 Permits
To locate wetlands in your community, the U.S. FWS has created National Wetland Inventory maps available at www.nwi.fws.gov.







VERMONT
SMART GROWTH
COLLABORATIVE

c/o Vermont Forum on Sprawl
110 Main Street
Burlington, Vermont 05401
1-800-SMGRWTH
www.vtsmartgrowth.org