

1 S.64

2 Introduced by Senator Lyons

3 Referred to Committee on Natural Resources & Energy

4 Date: February 6, 2009

5 Subject: Land use; historic downtown development; growth centers; appeals

6 Statement of purpose: This bill proposes to require that designated growth  
7 centers contain the characteristics specified by existing statute, rather than  
8 contain those characteristics substantially; to exclude from designated growth  
9 centers land that is unlikely to be developed within a 20-year period; and to  
10 provide for appeals of growth center designations to the environmental court.

11 An act relating to growth center designations and appeals of such  
12 designations

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 Sec. 1. 24 V.S.A. § 2791 is amended to read:

15 § 2791. DEFINITIONS

16 As used in this chapter:

17 \* \* \*

18 (12)(A) "Growth center" means an area of land that contains  
19 ~~substantially~~ the characteristics specified in subdivision (B) of this subdivision  
20 (12) and that is located in one or a combination of the following:

1 (i) A designated downtown, village center, or new town center;  
2 (ii) An area of land that is in or adjacent to a designated  
3 downtown, village center, or new town center, with clearly defined boundaries  
4 that have been approved by one or more municipalities in their municipal plans  
5 to accommodate a majority of growth anticipated by the municipality or  
6 municipalities over a 20-year period. Adjacent areas shall include those lands  
7 which are contiguous to the designated downtown, village center, or new town  
8 center. In situations where contiguity is precluded by natural or physical  
9 constraints to growth center development, adjacent areas may include lands  
10 lying close to and not widely separated from the majority of the lands within  
11 the designated growth center. Noncontiguous land included as part of a growth  
12 center must exhibit strong land use, economic, infrastructure, and  
13 transportation relationships to the designated downtown, village center, or new  
14 town center; be planned to function as a single, integrated growth center; and  
15 be essential to accommodate a majority of growth anticipated by the  
16 municipality or municipalities over a 20-year period.

17 (B) A growth center contains ~~substantially~~ the following  
18 characteristics:

19 (i) It incorporates a mix of uses that typically include or have the  
20 potential to include the following: retail, office, services, and other  
21 commercial, civic, recreational, industrial, and residential uses, including

1 affordable housing and new residential neighborhoods, within a densely  
2 developed, compact area;

3 (ii) It incorporates existing or planned public spaces that promote  
4 social interaction, such as public parks, civic buildings (e.g., post office,  
5 municipal offices), community gardens, and other formal and informal places  
6 to gather.

7 (iii) It is organized around one or more central places or focal  
8 points, such as prominent buildings of civic, cultural, or spiritual significance  
9 or a village green, common, or square.

10 (iv) It promotes densities of land development that are  
11 significantly greater than existing and allowable densities in parts of the  
12 municipality that are outside a designated downtown, village center, growth  
13 center, or new town center, or, in the case of municipalities characterized  
14 predominately by areas of existing dense urban settlement, it encourages in-fill  
15 development and redevelopment of historically developed land.

16 (v) It is supported by existing or planned investments in  
17 infrastructure and encompasses a circulation system that is conducive to  
18 pedestrian and other nonvehicular traffic and that incorporates, accommodates,  
19 and supports the use of public transit systems.

1 (vi) It results in compact concentrated areas of land development  
2 that are served by existing or planned infrastructure and are separated by rural  
3 countryside or working landscape.

4 (vii) It is planned in accordance with the planning and  
5 development goals under section 4302 of this title, and to conform to smart  
6 growth principles.

7 (viii) It is planned to reinforce the purposes of 10 V.S.A. chapter  
8 151.

9 Sec. 2. 24 V.S.A. § 2793c is amended to read:

10 § 2793c. DESIGNATION OF GROWTH CENTERS

11 \* \* \*

12 (d) Application and designation requirements. Any application for  
13 designation as a growth center shall be to the state board and shall include the  
14 following:

15 \* \* \*

16 (7) a build-out analysis and needs study that demonstrates that the  
17 growth center:

18 (A) is of an appropriate size sufficient to accommodate a majority of  
19 the projected population and development over a 20-year planning period in a  
20 manner that is consistent with the definition under subdivision 2791(12) of this  
21 title; and

1 ~~(B) does not encompass an excessive area of land that would involve~~  
2 the unnecessary extension of infrastructure to service low-density  
3 development, or result in a scattered or low-density pattern of development at  
4 the conclusion of the 20 year planning period; and

5 (C) is not sized to include an amount of residential, commercial, or  
6 industrial land development that, based on growth projections for the  
7 municipality, is unlikely to occur within the growth center over the 20-year  
8 planning period;

9 \* \* \*

10 (e) Designation decision.

11 (1) Within 90 days of the receipt of a completed application, after  
12 providing notice as required in the case of a proposed municipal plan or  
13 amendment under subsection 4384(e) of this title, and after providing an  
14 opportunity for the public to be heard, the state board formally shall designate  
15 a growth center if the state board finds, in a written decision:

16 \* \* \*

17 (F) that the growth center:

18 (i) is of an appropriate size sufficient to accommodate a majority  
19 of the projected population and development over a 20-year planning period in  
20 a manner that is consistent with the definition under subdivision 2791(12) of  
21 this title, and that the growth center;

1 ~~(ii) does not encompass an excessive area of land that would~~  
2 involve the unnecessary extension of infrastructure to service low-density  
3 development or result in a scattered or low-density pattern of development at  
4 the conclusion of the 20-year planning period; and

5 (iii) is not sized to include an amount of residential, commercial,  
6 or industrial land development that, based on growth projections for the  
7 municipality, is unlikely to occur within the growth center over the 20-year  
8 planning period;

9 \* \* \*

10 (5) Appeals of any act or decision of the state board under this  
11 subsection shall be made in accordance with chapter 220 of Title 10.

12 \* \* \*

13 Sec. 3. 10 V.S.A. § 8502 is amended to read:

14 § 8502. DEFINITIONS

15 As used in this chapter:

16 \* \* \*

17 (9) “Vermont downtown development board” means the Vermont  
18 downtown development board established under 24 V.S.A. § 2792.

19 Sec. 4. 10 V.S.A. § 8503 is amended to read:

20 § 8503. APPLICABILITY

21 \* \* \*

1 ~~(c) This chapter shall govern all appeals arising under 24 V.S.A. chapter~~  
2 ~~117, the planning and zoning chapter, and 24 V.S.A. § 2793c(e).~~

3 \* \* \*

4 Sec. 4. 10 V.S.A. § 8504 is amended to read:

5 § 8504. APPEALS TO THE ENVIRONMENTAL COURT

6 \* \* \*

7 (b) ~~Planning Appeals; planning and zoning chapter appeals; growth center~~  
8 ~~designation decisions.~~

9 (1) Within 30 days of the date of the act or decision, an interested  
10 person, as defined in 24 V.S.A. § 4465, who has participated as defined in  
11 24 V.S.A. § 4471 in the municipal regulatory proceeding under ~~that~~ 24 V.S.A.  
12 chapter 117 may appeal to the environmental court an act or decision made  
13 under that chapter by a board of adjustment, a planning commission, or a  
14 development review board; provided, however, that decisions of a  
15 development review board under 24 V.S.A. § 4420 with respect to local  
16 Act 250 review of municipal impacts are not subject to appeal but shall serve  
17 as presumptions under chapter 151 of this title.

18 (2) Notwithstanding subdivision (1) of this subsection, an interested  
19 person may appeal an act or decision under 24 V.S.A. chapter 117 if the  
20 environmental judge determines that:

1 ~~(A) there was a procedural defect which prevented the person from~~  
2 obtaining interested person status or participating in the proceeding;

3 (B) the decision being appealed is the grant or denial of interested  
4 person status; or

5 (C) some other condition exists which would result in manifest  
6 injustice if the person's right to appeal was disallowed.

7 (3) Within 30 days of the date of the act or decision, any person  
8 aggrieved by an act or decision of the Vermont downtown development board  
9 under 24 V.S.A. § 2793c(e) may appeal to the environmental court.

10 (c) Notice of the filing of an appeal.

11 \* \* \*

12 (4) In the case of an appeal from an act or decision of the Vermont  
13 downtown development board under 24 V.S.A. § 2793c(e), the appellant shall  
14 provide notice of the filing of an appeal to the following persons, if other than  
15 the appellant: the municipality the application of which for a growth center is  
16 the subject of the act or decision being appealed; the planning commission for  
17 that municipality; the regional planning commission in which that municipality  
18 is located; if the proposed growth center is located on a municipal boundary,  
19 any adjacent Vermont municipality and the municipal and regional planning  
20 commissions for that municipality; the Vermont downtown development  
21 board; and all persons on any mailing list of the Vermont downtown

1 ~~development board for the decision involved. The Vermont downtown~~  
2 ~~development board shall promptly notify each of its members of the filing of~~  
3 ~~the notice of appeal. In addition, the appellant shall publish notice not more~~  
4 ~~than 10 days after providing notice as required under this subdivision, at the~~  
5 ~~appellant's expense, in a newspaper of general circulation in the area of the~~  
6 ~~proposed growth center which is the subject of the decision.~~

7 \* \* \*

*Sec. 2. 24 V.S.A. § 2792 is amended to read:*

*§ 2792. VERMONT DOWNTOWN DEVELOPMENT BOARD; VERMONT  
GROWTH CENTER BOARD*

*(a) A "Vermont downtown development board," also referred to as the  
"state board," is created to administer the provisions of this chapter, except  
for those responsibilities assigned under section 2793c of this title to the  
Vermont growth center board. The state board shall be composed of the  
following members, or their designees:*

\* \* \*

*(c) ~~The state board shall elect its chair from among its membership. A  
"Vermont growth center board" also referred to as the "growth center board"  
is created to perform those tasks assigned by section 2793c of this title. The  
growth center board shall be composed of the following members:~~*

*(1) ~~The secretary of commerce and community development or, in the  
secretary's absence, the deputy secretary of commerce and community  
development, who shall serve as chair.~~*

*(2) ~~The secretary of transportation or, in the secretary's absence, the  
deputy secretary of transportation.~~*

*(3) ~~The secretary of natural resources or, in the secretary's absence, the  
deputy secretary of natural resources.~~*

*(4) ~~A member of the Vermont planners association (VPA) designated by  
the association.~~*

*(5) ~~A municipal officer designated by the Vermont League of Cities and  
Towns (VLCT) and an alternate municipal officer designated by VLCT to  
enable all applications to be considered by an officer from a municipality.~~*

~~other than the applicant municipality. The alternate municipal officer may vote only when the designated municipal officer does not vote.~~

~~(6) A representative of a regional planning commission designated by the Vermont association of regional planning and development agencies (VAPDA) and an alternate representative designated by VAPDA to enable all applications to be considered by a representative from a regional planning commission other than the one to which the applicant municipality is a member. The alternate designated by VAPDA may vote only when the designated representative does not vote.~~

~~(7) Three members of the public, appointed by the governor, each of whom has professional expertise in the fields of community and land use planning, smart growth, downtown revitalization, community development, architecture, urban design, or historic preservation. Prior to making an appointment under this subdivision, the governor shall solicit recommended appointees from groups with expertise in these fields, including the land use institute at the Vermont law school, Smart Growth Vermont, the Vermont natural resources council, the Vermont chapter of the American Society of Landscape Architects, and the Vermont chapter of the American Institute of Architects.~~

~~(d) The department of economic, housing, and community affairs development shall provide staff and administrative support to the state board and to the growth center board.~~

~~(e) On or before January 1, 1999, the state board shall report to the general assembly on the progress of the downtown development program.~~

~~(f) In situations in which the state board is considering applications for designation as a growth center, in addition to the permanent members of the state board, membership shall include as a full voting member a member of the Vermont planners association (VPA) designated by the association; the chair of the natural resources board or a representative of the land use panel of the natural resources board designated by the chair; and a representative of a regional planning commission designated by the Vermont association of regional planning and development agencies (VAPDA) and an alternate representative designated by VAPDA to enable all applications to be considered by a representative from a regional planning commission other than the one to which the applicant municipality is a member. The alternate designated by VAPDA may vote only when the designated representative does not vote. The state board shall elect its chair from among its membership.~~

Sec. 3. 24 V.S.A. § 2793c is amended to read:

§ 2793c. DESIGNATION OF GROWTH CENTERS

\* \* \*

*(b) Growth center designation application assistance.*

*(1) ~~By October 1, 2006, the~~ The chair of the land use panel of the natural resources board and the commissioner of economic, housing, and community affairs development jointly shall ~~constitute a planning coordination group which shall develop and maintain~~ a coordinated process to:*

*(A) ensure consistency between regions and municipalities regarding growth centers designation and related planning;*

*(B) provide municipalities with a preapplication review process ~~within the planning coordination group~~ early in the local planning process;*

*(C) coordinate state agency review on matters of agency interest; and*

*(D) provide the ~~state~~ growth center board with ongoing, coordinated staff support and expertise in land use, community planning, and natural resources protection.*

*(2) This ~~program~~ process shall include the following:*

*(A) The preparation of a "municipal growth centers planning manual and implementation checklist" to assist municipalities and regional planning commissions to plan for growth center designation. The implementation manual shall identify state resources available to assist municipalities and shall include a checklist indicating the issues that should be addressed by the municipality in planning for growth center designation. The manual shall address other relevant topics in appropriate detail, such as: methodologies for conducting growth projections and build-out analyses; defining appropriate boundaries that are not unduly expansive; enacting plan policies and implementation bylaws that accommodate reasonable densities, compact settlement patterns, and an appropriate mix of uses within growth centers; planning for infrastructure, transportation facilities, and open space; avoiding or mitigating impacts to important natural resources and historic resources; and strategies for maintaining the rural character and working landscape outside growth center boundaries.*

*(B) A preapplication review process ~~that allows~~ under which municipalities ~~to~~ shall submit a preliminary application to the ~~planning coordination group~~ growth center board, consisting of a draft growth center map and a brief explanation of planning and implementation policies ~~that the municipality anticipates enacting~~ it will enact prior to submission of an application under subsection (d) of this section in order to guide development inside the growth center and maintain the rural character of the surrounding area, to the extent that it exists. ~~Department~~ This preapplication review*

~~process shall be required prior to filing of an application under subsection (d) of this section. Supported by department and land use panel staff, the growth center board shall solicit comments from state agencies regarding areas of respective agency interest; evaluate the preliminary application for conformance with the requirements of this section; identify potential issues related to the growth center boundary and implementation tools; and provide recommendations for addressing those issues through adjustment to the growth centers boundary, revisions to planned implementation tools, or consideration of alternative implementation tools. Preliminary review shall be available to municipalities while they are engaged in the municipal planning process so that recommendations may be considered prior to the adoption of the municipal plan and associated implementation measures.~~

~~(C) Ongoing assistance to the ~~state~~ growth center board to review applications for growth center designation, including coordinating review by state agencies on matters of agency interest and evaluating applications and associated plan policies and implementation measures for conformance with the definition under subdivision 2791(12) of this title and any designation requirements established under subsection (e) of this section.~~

~~\*\*\*~~

~~(d) Application and designation requirements. Any application for designation as a growth center shall be to the ~~state~~ growth center board and shall include a specific demonstration that the proposed growth center meets each provision of subdivisions (e)(1)(A) through (J) of this section. In addition to those provisions, each of the following shall apply:~~

~~(1) a demonstration that the growth center proposal meets the definition of a growth center established in subdivision 2791(12) of this title; In the event that a proposed growth center lacks one or a portion of one of the characteristics listed in subdivision 2791(12)(B) of this title, the application shall contain an explanation of the unique circumstances that prevent the growth center from possessing that characteristic and why, in the absence of that characteristic, the proposed growth center will comply with the purposes of this chapter and all other requirements of this section.~~

~~(2) Any demonstration that an application complies with subdivision (e)(1)(C) of this section shall include an analysis, with respect to each existing designated downtown or village or new town center located within the applicant municipality, of current vacancy rates, opportunities to develop or redevelop existing undeveloped or underdeveloped properties and whether such opportunities are economically viable, and opportunities to revise zoning or other applicable bylaws in a manner that would permit future development that is at a higher density than existing development.~~

- ~~(2) a (3) A map and a conceptual plan for the growth center;~~
- ~~(3) identification of important natural resources and historic resources within the proposed growth center, the anticipated impacts on those resources, and any proposed mitigation;~~
- ~~(4) when the secretary of agriculture, food and markets has developed guidelines in compliance with 6 V.S.A. § 8, the applicant shall demonstrate that the approved municipal plan and the regional plan both have been updated during any five-year plan readoption that has taken place since the date the secretary of agriculture, food and markets developed those guidelines, have been used to identify areas proposed for agriculture, and have been designed so as to avoid the conversion of primary agricultural soils, wherever possible;~~
- ~~(5) a demonstration:~~
- ~~(A) that the applicant has a regionally confirmed planning process and an approved municipal plan, pursuant to section 4350 of this title;~~
- ~~(B) that the approved plan contains provisions that are appropriate to implement the designated growth center proposal;~~
- ~~(C) that the applicant has adopted bylaws in conformance with the municipal plan that implement the provisions in the plan that pertain to the designated growth center;~~
- ~~(D) that the approved plan and the implementing bylaws further the goal of retaining a more rural character in the area surrounding the growth center, to the extent that a more rural character exists, and provide reasonable protection for important natural resources and historic resources located outside the proposed growth center;~~
- ~~(6) a capital budget and program adopted in accordance with section 4426 of this title, together with a demonstration that existing and planned infrastructure is adequate to implement the growth center;~~
- ~~(7) a (4) A build-out analysis and needs study that demonstrates that the growth center:~~
- ~~(A) is of an appropriate size sufficient to accommodate a majority of the projected population and development over a 20 year planning period in a manner that is consistent with the definition under subdivision 279A(12) of this title; and~~
- ~~(B) does not encompass an excessive area of land that would involve the unnecessary extension of infrastructure to service low density development, or result in a scattered or low density pattern of development at the conclusion of the 20 year planning period;~~

~~(8) a demonstration:~~

~~(A) that the growth center will support and reinforce any existing designated downtown, village center, or new town center located in the municipality or adjacent municipality by accommodating concentrated residential neighborhoods and a mix and scale of commercial, civic, and industrial uses that is consistent with the anticipated demand for those uses within the municipality and region;~~

~~(B) that the proposed growth center growth cannot reasonably be achieved within an existing designated downtown, village center, or new town center located within the applicant municipality meets the provisions of subdivision (e)(1)(J) of this section.~~

~~(e) Designation decision.~~

~~(1) Within 90 days of the receipt of a completed application, after providing notice as required in the case of a proposed municipal plan or amendment under subsection 4384(e) of this title, and after providing an opportunity for the public to be heard, the ~~state~~ growth center board formally shall designate a growth center if the ~~state~~ growth center board finds, in a written decision, that the growth center proposal meets each of the following:~~

~~(A) ~~that the~~ The growth center proposal meets the definition of a growth center established in subdivision 2791(12) of this title, including planned land uses, densities, settlement patterns, infrastructure, and transportation within the center and transportation relationships to areas outside the center. In the event that a proposed growth center lacks one or a portion of one of the characteristics listed in subdivision 2791(12)(B) of this title, the growth center board shall not approve the growth center proposal unless it finds that the absence of that characteristic will not prevent the proposed growth center from complying with the purposes of this chapter and all other requirements of this section. This subdivision (A) does not confer authority to approve a growth center that lacks more than one characteristic listed in subdivision 2791(12)(B) of this title.~~

~~(B) The growth center will support and reinforce any existing designated downtown, village center, or new town center located in the municipality or adjacent municipality by accommodating concentrated residential neighborhoods and a mix and scale of commercial, civic, and industrial uses that are consistent with the anticipated demand for those uses within the municipality and region.~~

~~(C) The growth that is proposed to occur in the growth center cannot reasonably be achieved within an existing designated downtown, village center, or new town center located within the applicant municipality.~~

~~(D) In the case of a growth center that is associated with a designated new town center, the applicable municipal bylaws provide that areas within the growth center that will be zoned predominantly for retail and office development will be located within the new town center.~~

~~(E) In the case of a growth center that is associated with a designated downtown or village center, the applicable municipal bylaws provide that, with respect to those areas within the growth center that will be located outside the designated downtown or village center and will be zoned predominantly for retail and office development:~~

~~(i) The total acreage of all such areas will be less than or equal to the total acreage of the designated downtown or village center;~~

~~(ii) Such areas will serve as a logical expansion of the designated downtown or village center through such means as sharing of infrastructure and facilities and shared pedestrian accessibility; and~~

~~(iii) Such areas will be subject to enacted land use and development standards that will establish a development pattern that is compact, oriented to pedestrians, and consistent with smart growth principles.~~

~~(B) that the (F) The applicant has identified important natural resources and historic resources within the proposed growth center and the anticipated impacts on those resources, and has proposed mitigation;~~

~~(C) that the (G) The approved municipal plan and the regional plan both have been updated during any five-year plan readoption that has taken place since the date the secretary of agriculture, food and markets has developed guidelines in compliance with 6 V.S.A. § 8, have been used to identify areas proposed for agriculture, and have been designed so as to avoid the conversion of primary agricultural soils, wherever possible;~~

~~(D)(H)(i) that the The applicant has a regionally confirmed planning process and an approved municipal plan, pursuant to section 4350 of this title;~~

~~(ii) that the The approved plan contains provisions that are appropriate to implement the designated growth center proposal;~~

~~(iii) that the The applicant has adopted bylaws in conformance with the municipal plan that implement the provisions in the plan that pertain to the designated growth center, including:~~

~~(I) bylaw provisions that ensure that land development and use in the growth center will comply with smart growth principles; and~~

~~(II) with respect to residential development in the growth center, bylaw provisions that allow a residential development density that is:~~

~~(aa) at least four dwelling units per acre; and~~

~~(bb) a higher development density if necessary to conform with the historic densities and settlement patterns in residential neighborhoods located in close proximity to a designated downtown or village center which the growth center is within or to which the growth center is adjacent under subdivision 2791(12)(A)(i) or (ii) of this title; and~~

~~(iv) that the The approved plan and the implementing bylaws further the goal of retaining a more rural character in the areas surrounding the growth center, to the extent that a more rural character exists, and provide reasonable protection for important natural resources and historic resources located outside the proposed growth center;~~

~~(E) that the (I) The applicant has adopted a capital budget and program in accordance with section 4426 of this title, and that existing and planned infrastructure is adequate to implement the growth center;~~

~~(F) that the (J) The growth center:~~

~~(i) is of an appropriate size sufficient to accommodate a majority of the projected population and development over a 20-year planning period in a manner that is consistent with the definition under subdivision 2791(12) of this title, and that the growth center;~~

~~(ii) does not encompass an excessive area of land that would involve the unnecessary extension of infrastructure to service low-density development or result in a scattered or low-density pattern of development at the conclusion of the 20-year planning period; and~~

~~(iii) using a 20-year planning period commencing with the year of the application, is sized to accommodate each of the following:~~

~~(I) an amount of residential development that is no more than 150 percent of the projected residential growth in the municipality; and~~

~~(II) an amount of commercial or industrial development, or both, that does not exceed 100 percent of the projected commercial and industrial growth in the municipality.~~

~~(G)(i) that the growth center will support and reinforce any existing designated downtown, village center, or new town center located in the municipality or adjacent municipality by accommodating concentrated residential neighborhoods and a mix and scale of commercial, civic, and industrial uses consistent with the anticipated demand for those uses within the municipality and region;~~

~~(ii) that the proposed growth center growth cannot reasonably be achieved within an existing designated downtown, village center, or new town~~

~~center located within the applicant municipality.~~

~~(2) The growth center board, as a condition of growth center designation, may require certain regulatory changes prior to the effective date of designation. In addition, the growth center designation may be modified, suspended, or revoked if the applicant fails to achieve the required regulatory changes within a specified period of time. As an option, municipalities applying for growth center designation may make certain regulatory changes effective and contingent upon formal designation.~~

~~(3) Within 21 days of a growth center designation under subdivision (1) of this subsection, a person or entity that submitted written or oral comments to the growth center board during its consideration of the application for the designated growth center may request that the growth center board reconsider the designation. Any such request for reconsideration shall identify each specific finding of the growth center board for which reconsideration is requested and state the reasons why each such finding should be reconsidered. The filing of such a request shall stay the effectiveness of the designation until the growth center board renders its decision on the request. On receipt of such a request, the growth center board shall promptly notify the applicant municipality of the request if that municipality is not the requestor. The growth center board shall convene at the earliest feasible date to consider the request and shall render its decision on the request within 90 days of the date on which the request was filed.~~

~~(4) Except as otherwise provided in this section, growth center designation shall extend for a period of 20 years. The ~~state~~ growth center board shall review a growth center designation no less frequently than every five years, after providing notice as required in the case of a proposed municipal plan or amendment under subsection 4384(e) of this title, and after providing an opportunity for the public to be heard. For each applicant, the ~~state~~ growth center board may adjust the schedule of review under this subsection so as to coincide with the review of the related and underlying designation of a downtown, village center, or new town center. If, at the time of the review, the ~~state~~ growth center board determines that the growth center no longer meets the standards for designation established in this section, it may take any of the following actions:~~

~~(A) require corrective action;~~

~~(B) provide technical assistance through the coordinated assistance program; or~~

~~(C) remove the growth center's designation, with that removal not affecting any of the growth center's previously awarded benefits.~~

~~(4)(5) At any time a municipality shall be able to apply to the state growth center board for amendment of a designated growth center or any related conditions or other matters, according to the procedures that apply in the case of an original application.~~

~~(f) Review by land use panel and issuance of Act 250 findings of fact and conclusions of law. Subsequent to growth center designation by the state growth center board, an applicant municipality may submit a request for findings of fact and conclusions of law under specific criteria of 10 V.S.A. § 6086(a) to the land use panel of the natural resources board for consideration in accordance with the following:~~

~~\*\*\*~~

~~(6) The decision of the state growth center board pursuant to this section shall not be binding as to the criteria of 10 V.S.A. § 6086(a) in any proceeding before the panel or a district commission.~~

~~\*\*\*~~

~~(i) Benefits from designation. A growth center designated by the state growth center board pursuant to this section is eligible for the following development incentives and benefits:~~

~~(1) Financial incentives.~~

~~(A) A municipality may use tax increment financing for infrastructure and improvements in its designated growth center pursuant to the provisions of Title 24 and Title 32. A designated growth center under this section shall be presumed to have met any locational criteria established in Vermont statutes for tax increment financing. The state growth center board may consider project criteria established under those statutes and, as appropriate, may make recommendations as to whether any of those project criteria have been met.~~

~~\*\*\*~~

#### ~~Sec. 4. ENTERPRISE ZONE STUDY COMMITTEE~~

~~(a) Creation of committee. There is created an enterprise zone study committee (the committee) to evaluate the inclusion of industrial and business parks in enterprise zones that receive financial and permit review incentives that are the same as or similar to those provided to designated growth centers under 24 V.S.A. § 2793c.~~

~~(b) Membership. The committee shall be composed of the following members:~~

~~(1) The secretary of commerce and community development or designee, who shall be the chair.~~

~~(2) The chair of the natural resources board or designee, who shall be the vice chair.~~

~~(3) A representative from each of the following organizations:~~

~~(A) Lake Champlain Regional Chamber of Commerce, Inc.~~

~~(B) Vermont Planners Association.~~

~~(C) Vermont association of planning and development agencies.~~

~~(D) Smart Growth Vermont.~~

~~(E) Vermont Natural Resources Council, Inc.~~

~~(F) A person having expertise in real estate development jointly agreed upon by the governor, the speaker of the house, and the president pro tempore.~~

~~(G) Vermont League of Cities and Towns.~~

~~(H) A representative of a regional development corporation chosen by the 12 regional development corporations.~~

~~(I) Vermonters for a Clean Environment, Inc.~~

~~(c) Powers and duties.~~

~~(1) The committee shall study each of the following issues:~~

~~(A) The potential inclusion of industrial and business parks in the state into enterprise zones.~~

~~(B) The provision of financial benefits and funding priorities to those zones, including benefits and priorities that are the same as or similar to the financial benefits and funding priorities provided to a designated growth center under 24 V.S.A. § 2793c.~~

~~(C) The provision of expedited permit review processes to those zones, including processes that are the same as or similar to those provided to a designated growth center under 24 V.S.A. § 2793c.~~

~~(D) The relationship of those zones to designated downtowns, village centers, new town centers, growth centers, and Vermont neighborhoods under chapter 76A of Title 24.~~

~~(E) The relationship of those zones to lands outside areas designated under chapter 76A of Title 24.~~

~~(F) A process for assuring the compliance of enterprise zones with 24 V.S.A. § 4302 (purpose, goals of regional and municipal planning).~~

~~(G) How any planning or approval process for enterprise zones may relate to current planning and designation processes applicable to downtowns, village centers, new town centers, growth centers, and Vermont neighborhoods under chapters 76A and 117 of Title 24.~~

~~(H) The effect that passage of this act will have on the acreage of areas available for growth center designation under 24 V.S.A. § 2793c.~~

~~(I) The extent to which municipalities have used the processes for designating growth centers and Vermont neighborhoods under 24 V.S.A. §§ 2793c and 2793d.~~

~~(2) For purposes of its study of these issues, the committee shall have the assistance of the agencies of commerce and community development and of natural resources and the natural resources board.~~

~~(3) In performing its study of these issues, the committee:~~

~~(A) Shall review all prior reports and studies related to growth centers in Vermont.~~

~~(B) Shall inventory and map locations that are served by municipal wastewater and water supply services and that are otherwise suitable for infill development and redevelopment, giving due regard to the location of important natural resources and primary agricultural soils.~~

~~(C) Shall inventory and map all existing industrial parks as defined under 10 V.S.A. § 212(7), including all industrial parks described in 10 V.S.A. § 6093(a)(4)(A).~~

~~(D) Shall include the inventories and maps described in subdivisions (B) and (C) of this subdivision in the report presented under subsection (d) of this section. In creating these maps and inventories, the committee shall have the assistance of the regional planning commissions and regional development corporations of the state.~~

~~(d) Report. By November 15, 2010, the committee shall report to the house committees on commerce and economic development and on natural resources and energy and the senate committees on economic development, housing and general affairs and on natural resources and energy with its findings and any recommendations for legislative action.~~

~~(e) Number of meetings; term of committee; voting. The committee may meet as needed, and shall cease to exist on February 1, 2011. Meetings shall be at the call of the chair, the vice chair, or any four members of the committee, with at least one week's notice to all members. The committee shall make decisions by majority vote. The provisions of 1 V.S.A. § 172 shall apply.~~

~~Sec. 5. EFFECTIVE DATES; TRANSITION; APPLICATION~~

~~(a) This section and Sec. 4 of this act shall take effect on passage.~~

~~(b) No later than July 1, 2010, the Vermont planners association, the Vermont League of Cities and Towns, and the Vermont association of regional planning and development shall designate and the governor shall appoint the members of the Vermont growth center board described in Sec. 2 of this act, 24 V.S.A. § 2792(c)(4)–(7), that those provisions authorize them respectively to designate or appoint.~~

~~(c) Secs. 1 through 3 of this act shall take effect on September 1, 2010, and shall apply to applications for designation under 24 V.S.A. § 2793c that are filed and to reviews of designations under 24 V.S.A. § 2793c(e)(4) that are commenced on or after September 1, 2010. The Vermont downtown development board shall have jurisdiction in accordance with prior law to complete consideration of applications for and reviews of such designations that are pending as of September 1, 2010.~~

Sec. 2. 24 V.S.A. § 2792 is amended to read:

§ 2792. VERMONT DOWNTOWN DEVELOPMENT BOARD

(a) A “Vermont downtown development board,” also referred to as the “state board,” is created to administer the provisions of this chapter. The state board shall be composed of the following members, or their designees:

- (1) ~~The~~ the secretary of commerce and community development;
- (2) ~~The~~ the secretary of transportation;
- (3) ~~The~~ the secretary of natural resources;
- (4) the commissioner of public safety;
- (5) the state historic preservation officer;

(6) a person appointed by the governor from a list of three names submitted by the Vermont Natural Resources Council, the Preservation Trust of Vermont, and Smart Growth Vermont;

(7) a person appointed by the governor from a list of three names submitted by the Association of Chamber Executives; ~~and~~

(8) three public members representative of local government, one of whom shall be designated by the Vermont ~~league of cities and towns~~ League of Cities and Towns, and two shall be appointed by the governor;

(9) a member of the Vermont planners association (VPA) designated by the association;

(10) the chair of the natural resources board or a representative of the land use panel of the natural resources board designated by the chair; and

(11) a representative of a regional planning commission designated by the Vermont association of regional planning and development agencies (VAPDA) and an alternate representative designated by VAPDA to enable all applications to be considered by a representative from a regional planning commission other than the one of which the applicant municipality is a member. The alternate designated by VAPDA may vote only when the designated representative does not vote.

(b) In addition to the permanent members appointed pursuant to subsection (a) of this section, there shall also be two regional members from each region of the state on the downtown development board; one shall be designated by the regional development corporation of the region and one shall be designated by the regional planning commission of the region. Regional members shall be nonvoting members and shall serve during consideration by the board of applications from their respective regions. Regional members designated to serve on the downtown development board under this section, may also serve as regional members of the Vermont economic progress council established under 32 V.S.A. § 5930a.

(c) The state board shall elect its chair from among its membership.

(d) The department of economic, housing, and community affairs development shall provide staff and administrative support to the state board.

(e) On or before January 1, 1999, the state board shall report to the general assembly on the progress of the downtown development program.

~~(f) In situations in which the state board is considering applications for designation as a growth center, in addition to the permanent members of the state board, membership shall include as a full voting member a member of the Vermont planners association (VPA) designated by the association; the chair of the natural resources board or a representative of the land use panel of the natural resources board designated by the chair; and a representative of a regional planning commission designated by the Vermont association of regional planning and development agencies (VAPDA) and an alternate representative designated by VAPDA to enable all applications to be considered by a representative from a regional planning commission other than the one to which the applicant municipality is a member. The alternate designated by VAPDA may vote only when the designated representative does not vote.~~

Sec. 3. 24 V.S.A. § 2793c is amended to read:

§ 2793c. DESIGNATION OF GROWTH CENTERS

\* \* \*

*(b) Growth center designation application assistance.*

*(1) ~~By October 1, 2006, the chair of the land use panel of the natural resources board and the commissioner of housing and community affairs jointly shall constitute a planning coordination group which shall develop a coordinated process to:~~ A subcommittee of the state board, to be known as the growth center subcommittee, shall develop and maintain a coordinated preapplication review process in accordance with this subdivision (1). The members of the growth center subcommittee shall be the members of the state board described under subdivisions 2792(1), (6), (7), (9), and (10) of this title and the member designated by the Vermont League of Cities and Towns under subdivision 2792(8) of this title. The growth center subcommittee shall elect a chair from among its members. In carrying out its duties, the growth center subcommittee shall have the support of the staff of the department of economic, housing, and community development and of the natural resources board.*

*(A) The purpose of the growth center subcommittee is to:*

*(i) ensure consistency between regions and municipalities regarding growth centers designation and related planning;*

*~~(B)~~(ii) provide municipalities with a preapplication review process within the ~~planning coordination group~~ early in the local planning process;*

*~~(C)~~(iii) encourage coordination of state agency review on matters of agency interest; and*

*~~(D)~~(iv) provide the state board with ongoing, coordinated ~~staff~~ support and expertise in land use, community planning, and natural resources protection.*

*(B) Under the preapplication review process, a municipality shall submit a preliminary application to the growth center subcommittee, consisting of a draft growth center map and a brief explanation of planning and implementation policies that the municipality anticipates it will enact prior to submission of an application under subsection (d) of this section in order to guide development inside the growth center and maintain the rural character of the surrounding area, to the extent that it exists. This preapplication review process shall be required prior to filing of an application under subsection (d) of this section. The growth center subcommittee shall solicit comments from state agencies regarding areas of respective agency interest; evaluate the preliminary application for conformance with the requirements of this section; identify potential issues related to the growth center's boundary and implementation tools; and provide recommendations for addressing those issues through adjustment to the growth center's boundary, revisions to*

planned implementation tools, or consideration of alternative implementation tools. Preliminary review shall be available to municipalities while they are engaged in the municipal planning process so that recommendations may be considered prior to the adoption of the municipal plan and associated implementation measures.

(2) ~~This program shall include the following:~~

~~(A) The preparation of~~ After consultation with the growth center subcommittee and the land use panel of the natural resources board, the commissioner of economic, housing and community development or designee shall prepare a “municipal growth centers planning manual and implementation checklist” to assist municipalities and regional planning commissions to plan for growth center designation. The implementation manual shall identify state resources available to assist municipalities and shall include a checklist indicating the issues that should be addressed by the municipality in planning for growth center designation. The manual shall address other relevant topics in appropriate detail, such as: methodologies for conducting growth projections and build-out analyses; defining appropriate boundaries that are not unduly expansive; enacting plan policies and implementation bylaws that accommodate reasonable densities, compact settlement patterns, and an appropriate mix of uses within growth centers; planning for infrastructure, transportation facilities, and open space; avoiding or mitigating impacts to important natural resources and historic resources; and strategies for maintaining the rural character and working landscape outside growth center boundaries.

~~(B) A preapplication review process that allows municipalities to submit a preliminary application to the planning coordination group, consisting of a draft growth center map and a brief explanation of planning and implementation policies that the municipality anticipates enacting in order to guide development inside the growth center and maintain the rural character of the surrounding area, to the extent that it exists. Department and land use panel staff shall solicit comments from state agencies regarding areas of respective agency interest; evaluate the preliminary application for conformance with the requirements of this section; identify potential issues related to the growth center boundary and implementation tools; and provide recommendations for addressing those issues through adjustment to the growth centers boundary, revisions to planned implementation tools, or consideration of alternative implementation tools. Preliminary review shall be available to municipalities while they are engaged in the municipal planning process so that recommendations may be considered prior to the adoption of the municipal plan and associated implementation measures.~~

~~(C) Ongoing (3) In consultation with the growth center subcommittee, the commissioner of economic, housing and community development or designee shall provide ongoing assistance to the state board to review applications for growth center designation, including coordinating review by state agencies on matters of agency interest and evaluating applications and associated plan policies and implementation measures for conformance with the definition under subdivision 2791(12) of this title and any designation requirements established under subsection (e) of this section.~~

~~(D)(4) The Vermont municipal planning grant program shall make funding for activities associated with growth centers planning a priority funding activity, and the Vermont community development program shall make funding for activities associated with growth centers planning a priority funding activity under the planning grant program.~~

\* \* \*

~~(d) Application and designation requirements. Any application for designation as a growth center shall be to the state board and shall include a specific demonstration that the proposed growth center meets each provision of subdivisions (e)(1)(A) through (J) of this section. In addition to those provisions, each of the following shall apply:~~

~~(1) a demonstration that the growth center proposal meets the definition of a growth center established in subdivision 2791(12) of this title; In the event that a proposed growth center lacks one or a portion of one of the characteristics listed in subdivision 2791(12)(B) of this title, the application shall contain an explanation of the unique circumstances that prevent the growth center from possessing that characteristic and why, in the absence of that characteristic, the proposed growth center will comply with the purposes of this chapter and all other requirements of this section.~~

~~(2) Any demonstration that an application complies with subdivision (e)(1)(C) of this section shall include an analysis, with respect to each existing designated downtown or village or new town center located within the applicant municipality, of current vacancy rates, opportunities to develop or redevelop existing undeveloped or underdeveloped properties and whether such opportunities are economically viable, and opportunities to revise zoning or other applicable bylaws in a manner that would permit future development that is at a higher density than existing development.~~

~~(2)-a (3) A map and a conceptual plan for the growth center;~~

~~(3) identification of important natural resources and historic resources within the proposed growth center, the anticipated impacts on those resources, and any proposed mitigation;~~

~~(4) when the secretary of agriculture, food and markets has developed guidelines in compliance with 6 V.S.A. § 8, the applicant shall demonstrate that the approved municipal plan and the regional plan both have been updated during any five year plan readoption that has taken place since the date the secretary of agriculture, food and markets developed those guidelines, have been used to identify areas proposed for agriculture, and have been designed so as to avoid the conversion of primary agricultural soils, wherever possible;~~

~~(5) a demonstration:~~

~~(A) that the applicant has a regionally confirmed planning process and an approved municipal plan, pursuant to section 4350 of this title;~~

~~(B) that the approved plan contains provisions that are appropriate to implement the designated growth center proposal;~~

~~(C) that the applicant has adopted bylaws in conformance with the municipal plan that implement the provisions in the plan that pertain to the designated growth center;~~

~~(D) that the approved plan and the implementing bylaws further the goal of retaining a more rural character in the area surrounding the growth center, to the extent that a more rural character exists, and provide reasonable protection for important natural resources and historic resources located outside the proposed growth center;~~

~~(6) a capital budget and program adopted in accordance with section 4426 of this title, together with a demonstration that existing and planned infrastructure is adequate to implement the growth center;~~

~~(7) a (4) A build-out analysis and needs study that demonstrates that the growth center:~~

~~(A) is of an appropriate size sufficient to accommodate a majority of the projected population and development over a 20 year planning period in a manner that is consistent with the definition under subdivision 2791(12) of this title; and~~

~~(B) does not encompass an excessive area of land that would involve the unnecessary extension of infrastructure to service low density development, or result in a scattered or low density pattern of development at the conclusion of the 20 year planning period;~~

~~(8) a demonstration:~~

~~(A) that the growth center will support and reinforce any existing designated downtown, village center, or new town center located in the municipality or adjacent municipality by accommodating concentrated~~

~~residential neighborhoods and a mix and scale of commercial, civic, and industrial uses that is consistent with the anticipated demand for those uses within the municipality and region;~~

~~(B) that the proposed growth center growth cannot reasonably be achieved within an existing designated downtown, village center, or new town center located within the applicant municipality meets the provisions of subdivision (e)(1)(J) of this section.~~

~~(5) An explanation of all measures the applicant has undertaken to encourage a majority of growth in the municipality to take place within areas designated under this chapter. In the case of a growth center that is associated with a designated downtown or village center, the applicant shall also explain the manner in which the applicant's bylaws and policies will encourage growth to take place first in its designated downtown or village center and second in its proposed growth center.~~

~~(e) Designation decision.~~

~~(1) Within 90 days of the receipt of a completed application, after providing notice as required in the case of a proposed municipal plan or amendment under subsection 4384(e) of this title, and after providing an opportunity for the public to be heard, the state board formally shall designate a growth center if the state board finds, in a written decision, that the growth center proposal meets each of the following:~~

~~(A) ~~that the~~ The growth center proposal meets the definition of a growth center established in subdivision 2791(12) of this title, including planned land uses, densities, settlement patterns, infrastructure, and transportation within the center and transportation relationships to areas outside the center. In the event that a proposed growth center lacks one or a portion of one of the characteristics listed in subdivision 2791(12)(B) of this title, the state board shall not approve the growth center proposal unless it finds that the absence of that characteristic will not prevent the proposed growth center from complying with the purposes of this chapter and all other requirements of this section. This subdivision (A) does not confer authority to approve a growth center that lacks more than one characteristic listed in subdivision 2791(12)(B) of this title.~~

~~(B) The growth center will support and reinforce any existing designated downtown, village center, or new town center located in the municipality or adjacent municipality by accommodating concentrated residential neighborhoods and a mix and scale of commercial, civic, and industrial uses that are consistent with the anticipated demand for those uses within the municipality and region.~~

(C) The growth that is proposed to occur in the growth center cannot reasonably be achieved within an existing designated downtown, village center, or new town center located within the applicant municipality.

(D) In the case of a growth center that is associated with a designated new town center, the applicable municipal bylaws provide that areas within the growth center that will be zoned predominantly for retail and office development will be located within the new town center.

(E) In the case of a growth center that is associated with a designated downtown or village center:

(i) the applicant has taken all reasonable measures to ensure that growth is encouraged to take place first in the designated downtown or village center and second in the proposed growth center; and

(ii) the applicable municipal bylaws provide that, with respect to those areas within the growth center that will be located outside the designated downtown or village center and will be zoned predominantly for retail and office development:

(I) such areas will serve as a logical expansion of the designated downtown or village center through such means as sharing of infrastructure and facilities and shared pedestrian accessibility; and

(II) such areas will be subject to enacted land use and development standards that will establish a development pattern that is compact, oriented to pedestrians, and consistent with smart growth principles.

~~(B) that the~~ (F) The applicant has identified important natural resources and historic resources within the proposed growth center and the anticipated impacts on those resources, and has proposed mitigation;

~~(C) that the~~ (G) The approved municipal plan and the regional plan both have been updated during any five-year plan readoption that has taken place since the date the secretary of agriculture, food and markets has developed guidelines in compliance with 6 V.S.A. § 8, have been used to identify areas proposed for agriculture, and have been designed so as to avoid the conversion of primary agricultural soils, wherever possible;

~~(D)(H)(i) that the~~ The applicant has a regionally confirmed planning process and an approved municipal plan, pursuant to section 4350 of this title;

~~(ii) that the~~ The approved plan contains provisions that are appropriate to implement the designated growth center proposal;

~~(iii) that the~~ The applicant has adopted bylaws in conformance with the municipal plan that implement the provisions in the plan that pertain to the designated growth center; including:

(I) bylaw provisions that ensure that land development and use in the growth center will comply with smart growth principles; and

(II) with respect to residential development in the growth center, bylaw provisions that allow a residential development density that is:

(aa) at least four dwelling units per acre; and

(bb) a higher development density if necessary to conform with the historic densities and settlement patterns in residential neighborhoods located in close proximity to a designated downtown or village center which the growth center is within or to which the growth center is adjacent under subdivision 2791(12)(A)(i) or (ii) of this title; and

(iv) ~~that the~~ The approved plan and the implementing bylaws further the goal of retaining a more rural character in the areas surrounding the growth center, to the extent that a more rural character exists, and provide reasonable protection for important natural resources and historic resources located outside the proposed growth center;

~~(E) that the~~ (I) The applicant has adopted a capital budget and program in accordance with section 4426 of this title, and that existing and planned infrastructure is adequate to implement the growth center;

~~(F) that the~~ (J) The growth center:

(i) is of an appropriate size sufficient to accommodate a majority of the projected population and development over a 20-year planning period in a manner that is consistent with the definition under subdivision 2791(12) of this title, ~~and that the growth center;~~

(ii) does not encompass an excessive area of land that would involve the unnecessary extension of infrastructure to service low-density development or result in a scattered or low-density pattern of development at the conclusion of the 20-year planning period; and

(iii) using a 20-year planning period commencing with the year of the application, is sized to accommodate each of the following:

(I) an amount of residential development that is no more than 150 percent of the projected residential growth in the municipality; and

(II) an amount of commercial or industrial development, or both, that does not exceed 100 percent of the projected commercial and industrial growth in the municipality.

~~(G)(i) that the growth center will support and reinforce any existing designated downtown, village center, or new town center located in the municipality or adjacent municipality by accommodating concentrated~~

~~residential neighborhoods and a mix and scale of commercial, civic, and industrial uses consistent with the anticipated demand for those uses within the municipality and region;~~

~~(ii) that the proposed growth center growth cannot reasonably be achieved within an existing designated downtown, village center, or new town center located within the applicant municipality.~~

\* \* \*

(3) Within 21 days of a growth center designation under subdivision (1) of this subsection, a person or entity that submitted written or oral comments to the state board during its consideration of the application for the designated growth center may request that the state board reconsider the designation. Any such request for reconsideration shall identify each specific finding of the state board for which reconsideration is requested and state the reasons why each such finding should be reconsidered. The filing of such a request shall stay the effectiveness of the designation until the state board renders its decision on the request. On receipt of such a request, the state board shall promptly notify the applicant municipality of the request if that municipality is not the requestor. The state board shall convene at the earliest feasible date to consider the request and shall render its decision on the request within 90 days of the date on which the request was filed.

(4) Except as otherwise provided in this section, growth center designation shall extend for a period of 20 years. The state board shall review a growth center designation no less frequently than every five years, after providing notice as required in the case of a proposed municipal plan or amendment under subsection 4384(e) of this title, and after providing an opportunity for the public to be heard. For each applicant, the state board may adjust the schedule of review under this subsection so as to coincide with the review of the related and underlying designation of a downtown, village center, or new town center. If, at the time of the review, the state board determines that the growth center no longer meets the standards for designation ~~established in this section~~ in effect at the time the growth center initially was designated, it may take any of the following actions:

\* \* \*

(4)(5) At any time a municipality shall be able to apply to the state board for amendment of a designated growth center or any related conditions or other matters, according to the procedures that apply in the case of an original application.

\* \* \*

Sec. 4. 24 V.S.A. § 2793d is amended to read:

§ 2793d. DESIGNATION OF VERMONT NEIGHBORHOODS

(a) A municipality that has a duly adopted and approved plan and a planning process that is confirmed in accordance with section 4350 of this title, has adopted zoning bylaws and subdivision regulations in accordance with section 4442 of this title, and has a designated downtown district, a designated village center, a designated new town center, or a designated growth center served by municipal sewer infrastructure or a community or alternative wastewater system approved by the agency of natural resources, is authorized to apply for designation of a Vermont neighborhood. A municipal decision to apply for designation shall be made by the municipal legislative body after at least one duly warned public hearing. Designation is possible in two different situations:

\* \* \*

(2) Designation by ~~expanded~~ downtown board in towns without growth centers. If an application is submitted in compliance with this subsection by a municipality that does not have a designated growth center and proposes to create a Vermont neighborhood that has boundaries that include land that is not within its designated downtown, village center, or new town center, the ~~expanded~~ downtown board shall consider the application. This application may be for approval of one or more Vermont neighborhoods that are outside but contiguous to a designated downtown district, village center, or new town center. The application for designation shall include a map of the boundaries of the proposed Vermont neighborhood, including the property outside but contiguous to a designated downtown district, village center, or new town center and verification that the municipality has notified the regional planning commission and the regional development corporation of its application for this designation.

(b) Designation Process. Within 45 days of receipt of a completed application, the ~~expanded~~ downtown board, after opportunity for public comment, shall designate a Vermont neighborhood if the board determines the applicant has met the requirements of subsections (a) and (c) of this section. When designating a Vermont neighborhood, the board may change the boundaries that were contained in the application by reducing the size of the area proposed to be included in the designated neighborhood, but may not include in the designation land that was not included in the application for designation. A Vermont neighborhood decision made by the ~~expanded~~ board is not subject to appeal. Any Vermont neighborhood designation shall terminate when the underlying downtown, village center, new town center, or growth center designation terminates.

\* \* \*

*(e) Length of Designation. Initial designation of a Vermont neighborhood shall be for a period of five years, after which, the ~~expanded~~ state board shall review a Vermont neighborhood concurrently with the next periodic review conducted of the underlying designated downtown, village center, new town center or growth center, even if the underlying designated entity was originally designated by the downtown board and not by the ~~expanded~~ state board. However, the ~~expanded~~ board, on its motion, may review compliance with the designation requirements at more frequent intervals. If at any time the ~~expanded~~ state board determines that the designated Vermont neighborhood no longer meets the standards for designation established in this section, it may take any of the following actions:*

\* \* \*

*Sec. 5. PAYMENT FOR UTILITY BURIAL; DESIGNATED AREAS; WORKSHOP; REPORT*

*(a) On or before November 1, 2010, the public service board shall conduct a workshop and, following the workshop and no later December 15, 2010, the department of public service shall submit a report containing recommendations on the question of paying for the burial of utility facilities and apparatus that are located in a designated downtown development district, designated village center, designated new town center development district, designated growth center, or designated Vermont neighborhood under chapter 76A of Title 24. The workshop and report shall address, evaluate, and include recommendations on at least each of the following possibilities for payment for the burial of such facilities and apparatus:*

*(1) Payment by the utility.*

*(2) Payment by the customers of the utility located within the boundary of the municipality containing the designated area, through a surcharge on rates.*

*(3) Payment by the customers of the utility located within the boundary of the designated area, through a surcharge on rates.*

*(4) Shared payment by the utility and the municipality.*

*(5) Payment by the municipality.*

*(6) Other sources of and arrangements for payment.*

*(b) The department shall apply 24 V.S.A. § 2790 (historic downtown development; legislative policy and purpose) and 30 V.S.A. § 202a (state energy policy) in performing the evaluations and making the recommendations contained in the report.*

*(c) The board shall give at least 12 days' prior notice of the workshop to*

the Vermont downtown development board under 24 V.S.A. § 2792; the agencies of commerce and community development, of natural resources, and of transportation; the department of public service; the natural resources board; the state historic preservation officer; the Vermont Natural Resources Council; the Preservation Trust of Vermont; Smart Growth Vermont; the Association of Chamber Executives; the Vermont League of Cities and Towns; the Vermont Planners Association; the Vermont Association of Regional Planning and Development Agencies; the utilities that provide electric transmission or distribution, cable television, or local telephone exchange service in Vermont; and such other entities as have requested prior notice or whom the board determines should receive notice. A representative of the department of public service shall attend and participate in the workshop.

(d) The report shall be submitted to the house and senate committees on natural resource and energy.

(e) For the purpose of this section, "utility" means a person or entity producing, transmitting, or distributing communications, cable television, electricity, or other similar commodity that directly or indirectly serves the public.

**Sec. 6. EFFECTIVE DATES; DESIGNATIONS; APPLICATION**

(a) This section and Sec. 5 of this act shall take effect on passage.

(b) No later than July 1, 2010, the Vermont planners association and the Vermont association of regional planning and development shall designate the members of the Vermont downtown development board described in Sec. 2 of this act, 24 V.S.A. § 2792(a)(9) and (11), that those provisions authorize them respectively to designate.

(c) Secs. 1 through 4 of this act shall take effect on July 1, 2010, and shall apply to applications for designation under 24 V.S.A § 2793c that are filed and to reviews of designations under 24 V.S.A § 2793c(e)(4) that are commenced on or after July 1, 2010.