



TOWN OF MILTON, VERMONT 05468-3205

Town Manager's Office • 43 Bombardier Road • 802-893-6655 • FAX: 893-1005
bpalaia@town.milton.vt.us www.miltonvt.org

January 30, 2014

Senate Economic Development, Housing, and General Affairs Committee
Vermont State House
Montpelier, VT 05633

RE: Amendment to S.220 Introduced by Senator Baruth

Dear Senators:

I would like to reiterate my support for the amendment to S.220 which introduces a viable alternative to Tax Incremental Financing Districts by creating an Enterprise Zone program.

There is a limiting factor in Section 2(a)(1) that limits these zones to "*defined boundaries that are zoned or permitted for industrial or business use as of January 2010*". This clause would prevent communities from obtaining the benefits of an enterprise zone by creating defined boundaries after 2010 or in the future. Municipal comprehensive plans are required to be updated at least every six years and frequently these updates are the basis for zoning changes that allow communities to adapt to needs of the public and/or the economy. By limiting the program to a snapshot of zoning schemes in place during the recession, the success and flexibility of the program could be adversely affected in the future. Anticipating that the authors thought this clause would limit the secondary impacts of growth, I would suggest something like the following as an alternative: "*...has clearly defined boundaries that are zoned or permitted for industrial or business use following the adoption of a municipal comprehensive plan and regional comprehensive plan that recognizes the boundaries as appropriate for industrial and business uses and as appropriate for an Enterprise Zone designation that at minimum,...*". This revised provision should also ensure that zoning is not arbitrary and that any zone is ultimately consistent with municipal and regional growth plans.

I would also suggest a provision that provides for an increased incentive from the State where municipalities partner their resources to create an industrial or business park in an enterprise zone. I envision these to be inter-municipal parks where the municipalities share in the investment of building the park and then share in the municipal tax revenue generated from those who ultimately locate here on terms that are agreed prior to implementation. The actual zone could be inside one municipality or the other, or cross boundaries. By providing an increased incentive to inter-municipal zones, the State, by policy, will be further targeting growth and making more effective use of its resources by reducing pressure to have these zones in more communities.

Please let me know if I can provide you with further information.

Sincerely,

Brian M. Palaia
Town Manager