

**H.809, A Bill Related to the Designation Process for New Town Centers and  
Growth Centers**  
**Overview, Senate Economic Development, Housing and General Affairs, March 26, 2014**  
Hannah Smith, Office of Legislative Council

This bill proposes to revise the current statutes relating to the process for designating new town centers and growth centers.

2. **Background:** Land use planning has played an important role in the preservation of Vermont's rural character. Since the passage of Act 250 in 1970, Vermont has implemented five designation programs to encourage compact development in municipal centers:
  - Designated Downtowns (1998), (financial and technical resources for municipalities preserving and revitalizing their historic downtown center),
  - Designated village centers (2001), (tax credits for villages revitalizing the traditional village center),
  - Vermont neighborhood development areas (2007) (special permit and tax incentives for municipalities committed to building mixed income housing within or adjacent to the municipal center),
  - **New town centers** (2002), (regulatory tools for municipalities without a historic downtown center), and
  - **Growth centers** (2006), (incentives for developing within a designated area that encompasses or is adjacent to a downtown or village center)
  
3. **Rationale:** This bill proposes changes to the designation requirements and process for new towns centers and growth centers. The bill seeks to clarify and consolidate the requirements for growth center designation in one statutory section, and to integrate the growth center planning process into the municipal planning process. Additionally, the bill addresses concerns about costly build-out analysis that is required for designation under the current law. Changes to the new town center statute are intended to integrate the new town center planning process into the municipal planning process, and provide more flexibility in the type of regulations available to municipalities hoping to designate new town centers.
  
4. **Summary of the Bill:**
  - Section 1: Removes the existing definition of "growth center;" refers to new definition which now appears in section 2793c.
  - Section 2: Imposes new application requirements on municipalities applying for new town center designation.
  - Section 3: Reorganizes and consolidates the growth center application and designation requirements into a single statutory section; defines growth center; lists the required characteristics of a growth center; delineates the application and designation process.
  - Section 4: Encourages economic growth in designated centers, in accordance with smart growth principles.

- Section 5: Gives the Commissioner of Housing and Community Development authority over the preparation and maintenance of the planning manual.
- Section 6: Requires municipalities to state their intent to apply for designation under chapter 76A in the municipal plan.
- Section 7: Requires regional plans to indicate areas in the region that are likely candidates for designation as downtown centers, village centers, new town centers, or growth centers.
- Section 8: Allows municipalities to apply for state designation of planned growth centers, downtowns, village centers, new town centers, or neighborhood development areas.
- Section 9: Requires the Commissioner of Housing and Community Development to revise the planning manual by November 15, 2015.