



April 7, 2015

**Senate Committee on Finance  
Senate Chamber  
State of Vermont**

**City of South Burlington Testimony on**

**H.272 - An act related to current use and technical tax changes**

For the record, my name is Ilona Blanchard. I am the Project Director for the City of South Burlington. On behalf of the City, I thank you for this opportunity to provide you with some of our concerns regarding H.272 - An act related to current use and technical tax changes. We greatly appreciate the opportunity to speak to you here today regarding our great concern with this bill.

The City of South Burlington has invested considerable effort and resources both of the community and monetarily over the past few decades to establishing a downtown for our community. With your partnership we are now on the cusp of moving the city in a new direction - towards a compact, walkable community center.

This has been a long endeavor. We are not at the end yet. We have three capital improvement projects underway and four in the scoping stage. The City Council is developing a TIF District Partnership policy to ensure that public expenditures are on projects that meet community goals for walkable communities, design, energy efficiency and affordable housing and are for projects that would not otherwise be achievable without public support.

This is why we were greatly disappointed to see the proposals in H.272. We are looking down the road, not only at what it will take to build the downtown, but also to ensure that it is a successful downtown, complimentary to Chittenden County and the State of Vermont.

Part of this success will be cleanliness, beautification and parking. South Burlington's new downtown will depend on people, and their ability to access and enjoy the downtown.

Successful downtowns and Main Streets like Church Street Marketplace use special assessment districts to fund operating expenses above and beyond what is provided throughout the rest of the community through ordinary property tax revenues. These include additional sweeping, trash can emptying, washing bricks, watering landscaping, cleaning up all snow in a storm event, to name a few.

H. 272 limits the ability of South Burlington to create a Special Assessment District to maintain our capital investments in City Center at a level required for a successful downtown.

Burlington Vermont's special assessment that funds the Church Street Marketplace is established through their charter. Here is a picture of the Church Street Market Street staff cleaning spills on the

sidewalk. Unlike Burlington, we are only currently allowed to fund operating costs using a Chapter 87 special assessment district. This is allowed by 76A within our designated New Town Center, but the language in H. 272 removes this ability.

We respectfully urge you to either strike the language in H.272, page 16, lines 18-21, and page 17, lines 1-4, or insert the following clarifications that recognizing that special assessment district are limited in geographic area and are not general taxes like the property tax.

Sec. 12. 24 V.S.A. § 1896(c) is amended to read:

(c) Notwithstanding any charter provision or other provision, all property taxes assessed within a district shall be subject to the provision of subsection (a) of this section. Special assessments levied under chapters 87 or 76A of this title or a comparable provision of a municipal charter, the proceeds of which are dedicated to a specific bond or pledge for the repayment of a specific borrowing and are apportioned based on any method other than the grand list value of the affected properties shall not be considered property taxes for the purpose of this section.

Within New Town Centers (our TIF District), only those properties that benefit from elevated services should pay for these services. Without these changes, this tool will be taken away from the South Burlington community. Establishing an attractive downtown starts with the capital projects but is also strongly tied to the ability to keep public spaces clean and in good and safe condition.

*Parking.* The City of South Burlington also supports efforts to include language recognizing municipal structured parking as “used for municipal purposes” and therefore not subject to taxation as a public good when owned by the City even if for a portion of time parking spaces are leased. Structured parking is necessary to obtain higher densities desirable in walkable centers. Buildings in a compact downtown have no economic value without parking structure as people are unable to access the downtown.

The cost of building structured parking spaces in City Center will be \$25,000 per space at a minimum, and we expect operating costs to be considerable. Leasing is very likely to be part of the strategy used to offset the cost of developing and maintaining this parking which will be municipally owned. A community without public parking garages looks like our community now.

Thank you for this opportunity to comment on H.272 - An act related to current use and technical tax changes and to share how they would affect our community. Your committee’s consideration of how the language will impact our community is critical to achieve our smart growth and sustainability goals.