

# Act 181

# Transportation Support Study

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JANUARY 2025

VERMONT AGENCY OF TRANSPORTATION

# Act 181

*Approved by the Vermont Legislature  
in 2024*

- Makes changes to Vermont's planning framework for coordinating state, regional, and municipal land use
- Standardizes future land use mapping across the state
- Reforms Act 250 by amending jurisdictional thresholds in certain areas
- Goal to increase housing production and development in Vermont's downtowns and village areas and promote smart growth; maintain Vermont's historic settlement pattern of compact village and urban centers separated by rural countryside
- **Authorizes Transportation Support Study** to review the revenue and benefits received for transportation support through Act 250 and suggest ways to preserve those **revenues** and **benefits** in the future

# Study Process

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Revenue and  
Benefits of Act 145  
and Act 250 Review  
(Task 2)

Stakeholder  
Engagement  
(Task 3)

Findings: Reporting  
and Synthesis  
(Task 4)

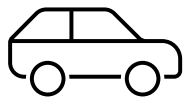
# Act 145 Statistics

## Statewide Transportation Impact Fee

- Designed to address “last-in” dilemma
- Provide a fair share contribution for larger projects that benefit multiple parties

## Example Act 145 Revenue:

- Colchester, Exit 16 Diverging Diamond Interchange = \$309K
- St. Albans Town, Exit 19 Roundabout = \$61K
- Hartford, US5/Sykes Ave Roundabout = \$56K



Act 145 fees are used for vehicle capacity as opposed to multimodal capacity



Total Program Collection Over 10 Years:  
Approximately \$1.6 Million



Average \$160,000 annually



156 Act 250 projects have been assessed  
Act 145 fees



34 Projects had a Designated Center  
Deduction



62 Projects had Transportation Demand  
Management Deductions

# Task 2: Revenue and Benefits

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- Act 145 Revenue is not substantial (nor was it designed to be).
  - Relative to cost of capital construction
  - Relative to physical mitigation
- Transit and TDM programs have not been funded with Act 145 fees.
- Transit and TDM programs have not been significantly affected by Act 250 permits or conditions.
- Key benefit of Act 145 was to provide a mechanism to enable the land use development to move ahead while recognizing their contribution to a larger mitigation effort.
- Addressed the “last-in” dilemma where the scale of the mitigation appeared to be beyond the scale of the level of impact.
- Agency review of land development allowed for assessing impact to state system, enabled mitigation where necessary, monitoring of impacts to key performance measures.

# Task 3: Stakeholder Engagement

- 13 meetings were held with representatives of these stakeholder groups.
- Wide range of input and opinions, but fundamentally aligned.

## Stakeholders

- AOT Staff: Land Development & Permitting
- Transit Operators
- Travel Demand Management representatives and service providers
- Developers
  - o Landowners and Residential Developers
  - o Civil and Transportation Engineering Firms
- Land Use Review Board (LURB)
- Financial Institutions
- Government:
  - o Vermont Association of Planning and Development Agencies (VAPDA) Leadership
  - o Tier 1A/1B Communities
  - o Communities – Interested in Tier 1

# Task 3 – Synthesis

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- The revenue benefit of Act 145 is not substantial – especially relative to cost of projects and overall Capital Program. Majority of projects are re-builds or minor expansion. Revenue was not the primary objective of Act 145.
- Projects have been focused within Chittenden County given land development activity and capacity expansion needs.
- Interest to preserve the fair-share concept, especially for developments near state highways with more expensive mitigation projects given the higher emphasis of *Mobility vs Accessibility*.
- Developers, Engineers, Communities are concerned that the “Last-In” scenario may arise, especially on larger and more costly roadways. Widespread agreement that the Act 145 and municipal impact fees have made the mitigation process smoother. Opportunities exist to strengthen local review process to address noted concerns of consistency, mitigation, and fair share.

# Task 3 – Synthesis

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- Most stakeholders are familiar with AOT traffic reviews in Act 250 and unsure how transportation impacts will be evaluated at the local level. Concern from communities (including those considering Tier 1 status), developers, and engineers as to what the standards are for transportation impact and mitigation.
- Consistency concerns are generally widespread. What standards should be used? How should transit and TDM be accounted for? Goal should be to minimize “emotion driven” analysis at local level. Widespread agreement of consistency and the value that state (AOT Act 250) review has had.
- Support for fees that support the land use development process. Act 145 and municipal impact fees are seen positively, as they pay for the adjacent improvements. Other fees are much more opaque as to how the values were derived and how they are used.
- Upfront Costs – project mitigation costs/ Act 145/ municipal impact fees / other fees – will be passed on to the tenants or owners. These fees can reduce the success rate of projects and slow development. How can public dollars facilitate desirable land use and economic development through proactive transportation investments?



# Task 4

Maintaining Revenue and the Benefits

# Insights & Takeaways

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- Municipal review would benefit from additional resources, technical, and legal, to adequately address review of transportation impacts.
- Considerations of impacts on state infrastructure is not well accounted for in the local review process. AOT can be “interested person” for appeal of local permit.
- Transit and TDM can be incorporated into the local process. Limited to no authority for AOT to impose financial obligations and contributions for these services at the local level.
- Estimated revenue loss from effects of implementing Act 181 is modest. However, it is a source of non-federal dollars.
- Impact of removing Act 145 as development impact strategy could be substantial, particularly around “last in” situations and land development occurring prior to full physical off-site mitigations are constructed. Impacts beyond municipal borders may not be accounted for in areas exempt in Act 181.
- AOT will have reduced oversight and jurisdiction on land use development in Tier 1A/1B areas which could negatively impact performance of the system and ability to pursue its mission.
- Using the Section 1111 permit process provides a partial solution to both impacts of lost revenue and fair share contribution to certain projects.

# Opportunities

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- Amend Section 1111 statute to enable collecting State Act 145 development fees.
- Provide guidance to local review boards on standards of service, mitigation thresholds, and when mitigation of adverse impacts can occur.
- Consider elevated role of RPC in guidance and reviews of project impacts.
- Improve Transit and TDM coordination in development review
- Strengthen role of RPCs in TDM coordination (with TMAs), services, and operations.
- Educate municipalities about transportation impact fees. Provide additional training and information.
- Re-evaluate the role and applicability of Transportation Improvement Districts
- Consider statute changes to enable AOT to participate at Municipal Level for impacts to state system. Currently, only authorized to appeal.
- Consider resources needed to have AOT participation at Municipal Level to improve opportunity to comply and meet Federal performance measures in pursuit of its mission.

Questions?