



February 6, 2015

The Honorable Janet Ancel, Chair  
House Committee on Ways and Means  
Vermont State House  
115 State Street , Room 34  
Montpelier, VT 05633-5301

Re: Draft: Administration Proposals – Non Revenue ver. 1/15/2015 2:32 PM

Dear Rep. Ancel,

The City of South Burlington greatly appreciates the House Committee on Ways and Mean's efforts to address the difficulty of providing structured parking in downtowns.

We support the clarification that public parking garages are "uses for a municipal purpose"; however, we have great concern with the use of the modifier "built" in the proposed language in the document you have before your Committee (Draft: Administration Proposals – Non Revenue, page 6 beginning at line 8).

Additionally, we strongly urge the Committee to strike, on page 8, lines 13 – 20 and preserve the ability of our community to establish a special assessment for the purpose of funding operating costs within our designated center.

*Structured Parking.* It is critical that structured parking owned by the City be identified as used for municipal purposes even if for part of the time it is leased. Structured parking is necessary to obtain higher densities desirable in walkable centers such as we are building with the private sector in City Center. Buildings in a compact downtown have no economic value without parking structures.

Unfortunately the development and operation of parking structures is more costly than can be supported by any one source. The ability to afford maintaining these structures relies on maximizing common use and access across multiple properties, while the value structured parking creates resides in the surrounding commercial or residential properties (which otherwise would produce substantially less income). Without legal access to parking, lenders will not finance development projects in an urban setting.

We recommend the language in the Administrative Proposals – Non Revenue be changed so that a municipality is not required to both build and own structured parking but only be required to own it as follows:

Strike "built" on page 6 line 10.

While structured parking for a municipal use must be owned by a municipality, it will likely be more effective and more efficient for the City to purchase the portion of a facility most accessible to the public and only own that parking in order to spread spaces throughout the designated center. As the remainder would be for private use, the entire parking structure would be built in private project with the intention that the ground floor condominium be purchased by the City to operate. It also is conceivable that at some time the City may purchase an existing parking garage within our community to be operated for a municipal purpose.

We also respectfully recommend that the phrase “public use” be changed to “use for municipal purposes” to mirror the wording on line 9.

*Special Assessments.* We strongly object to the inclusion on page 8 of line 13-20 in the “Draft: Administration Proposals – Non Revenue” and urge the committee to strike it from consideration.

It is unclear why special assessments are proposed to be categorized as a property tax. It is stated in Chapter 87 that they are for a “public improvement which is of benefit to a limited area of a municipality to be served by the improvement.” We find the proposed language to be overly broad to the extent that it prohibits allowed special assessments in a designated center to cover operating costs.

Chapters 87 and 76A are essential to our ability to equitably provide the elevated services required in a successful town center. Chapter 76A recognizes that designated centers have needs above and beyond the entire municipality and provides language that allows these operating costs to be carried collectively by the designated center. The special assessment district provided for in Chapter 87 is the tool to do so.

The language from lines 13-20 removes those special assessments which Chapter 76A specifically allows. A special assessment in new town center to support the operational costs of a downtown urban public park or even a public parking garage would consequently be for quadruple the estimated funds and thus unachievable.

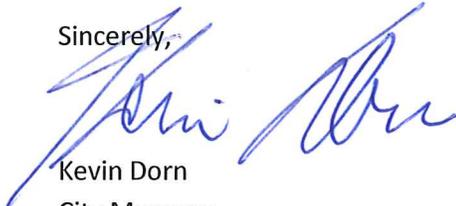
If the Committee cannot strike lines 13-20 on page 8 in their entirety, we would support this language which preserves the intent to use special assessments to ensure that designated centers have the tools needed to become and remain vibrant.

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.

Thank you for this opportunity to comment on the draft Administration Proposals – Non Revenue and to share how they would affect our community. Your committee’s consideration of how the language will impact our community is critical to successfully creating an economically viable, walkable, livable downtown.

Sincerely,



Kevin Dorn  
City Manager

CC: Rep. Ann Pugh  
Rep. Helen Head  
Rep. Maida Townsend  
Rep. Martin LaLonde