

Introduced by Brittny, Evan, Jeffrey, Jeremy, Lorri, Natalie, Marc

## Referred to Committee on

Date: 11-15-2015

Subject: Commerce and trade; economic development

Statement of purpose of bill as introduced: Encourage energy efficient development practice through downtown development initiatives.

An act relating to smart, centralized growth in Vermont urban centers; incentivizing through development fee reimbursement to bring business to downtown centers while safeguarding the environmental, communal, and aesthetic goals of 10 V.S.A. 151 § 6086 (Act 250).

It is hereby enacted by the General Assembly of the State of Vermont:

### Sec. 1. FINDINGS AND PURPOSE

#### (a) Findings. The General Assembly finds:

According to the U.S. Energy Information Administration, commercial buildings account for nearly 20% of U.S. energy consumption and 12% of the nation's greenhouse gas emissions.<sup>1</sup> Energy use is frequently either too high or too low for the number of people present.

The proposal process for development projects within the framework of current land use policies in Vermont is siloed and inefficient. This restricts economic development in Vermont by creating infill challenges and disincentivizes new development in downtown areas.

Development impact fees are an institutional mechanism for cities and municipalities to recapture funds from developers, and used in the public interest. This addendum to the 2015 Residential Building Energy Standards (RBES) and Commercial Building Energy Standards (CBES) outlined in 30 V.S.A. § 2 Subchapter 1 would further substantiate the goal to bring energy efficient development and smart growth to downtown centers in Vermont by providing to developers over the next 10 years a standardized mechanism to pass through Act 250 as well as partial refund of development impact fees.

Smart Growth plans, specifically under 24 V.S.A. Chapter 76A, encourage economic development and should operate in conjunction with RBES/CBES. While there are many different mechanisms to encourage smart downtown development, many of these incentives are drawn from limited funds and are competitive. The General Assembly finds that the State of Vermont should offer additional incentives to encourage energy efficient, environmentally conscious development within the designated Smart Growth Districts.

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<sup>1</sup> <http://news.mit.edu/2013/reducing-wasted-energy-in-commercial-buildings>

**Sec.1. 10 V.S.A. § 151. 6001 is amended to read:**

**§ 151. STATE LAND USE AND DEVELOPMENT PLANS**

(3)(d)(viii) the construction in designated downtowns, growth centers and neighborhood development centers, new town centers as defined in 24 V.S.A. § 76A. Contingent upon:

(aa) approval by the Public Service Board pursuant to powers granted in Act 248, construction that has been deemed by the PSB to align with the legislative intent of the 10 V.S.A. Ch. 151 § 6086.

(bb) if the construction building energy efficiency criteria are not met, building developer shall reapply for permitting through Title 10 Ch 151 § 6086

**30 V.S.A. § 2. 54 is amended to read:**

The legislature grants the PSB power to promulgate rules for a building sustainability standard under 30 V.S.A. § 2. 54(1), and pursuant to the legislative intent of 10 V.S.A. 151 § 6086, but only for construction within growth areas as defined by 10 V.S.A. Ch. 151 § 6001(3)(D)(viii).

**24 V.S.A. 131 § 5205 is amended to read:**

**(a): Impact Fee Reimbursement:**

Any designee that satisfies the requirements § 151(3(d)(viii)(aa) and is compliant with the requirements outlined in 30 V.S.A. § 2 Subchapter 1 may qualify for a discretionary reimbursement of any impact fees that are levied against the designee as a result of their qualifying development. This will be active for the next 10 years. Reimbursement of the impact fees shall be funded entirely by the municipality's portion of the impact fee.

**10 V.S.A. Ch. 151 § 6081 is amended to read:**

**(d)(6) Safe Harbor:**

So long as the construction satisfies the requirements of 10 VSA 151 §6001(D)(viii) the construction shall be deemed to not violate 10 VSA 151.