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South Burlington, VT: Mixed-Use Comes to O'Dell Parkway¹



A case from the library of “smart growth” leadership case studies prepared by the New England Environmental Finance Center and available at http://efc.muskie.usm.maine.edu/pages/case_study_library.html

Abstract. The proposed redevelopment of an underutilized property along major travel routes in South Burlington presents possibilities for infill development. The City of South Burlington, the developer, neighbors, and a variety of public and nonprofit financial partners work together to create a mixed-use residential/commercial development to meet a variety of housing and community needs. The case study describes the obstacles overcome to make redevelopment possible through zoning and regulatory changes, negotiation with local residents over traffic and other concerns, support from state and local housing advocates, and political leadership; as well as the development’s application of smart growth principles.

¹ Prepared by Ryan Neale with Brett Richardson for the New England Environmental Finance Center’s “Next Communities Initiative,” Richard Barringer, ed., Edmund S. Muskie School of Public Service, University of Southern Maine, Portland ME, June 2009. O’Dell Apartments photo by Meredith Birkett. Copyright © 2009 by the Muskie School of Public Service.

South Burlington. South Burlington is situated in northwestern Vermont on the shore of Lake Champlain, in the valley between the Adirondack Mountains of New York and the Green Mountains of Vermont. Settled in the years following the American Revolution, it is part of Chittenden County, the state's fastest growing region. Clearing of the forests made land available for farming, and the fertile Champlain Valley soil provided the agricultural mainstay of the local economy for many years.² Before the advent of the automobile, the lake served as a vital transportation route, providing access to Massachusetts, New York, and Quebec markets.

In the late 1700's, a village began to emerge with the construction of a courthouse and supporting businesses such as hotels, taverns, and offices. The region's population grew steadily through the first half of the 19th century, with an economy based on agriculture, lumber, and light manufacturing. A thriving textile industry supported local sheep farms, many of which later converted to dairy farming. In 1823, construction of the Champlain Canal linked the lake with the Hudson River, giving Burlington a competitive advantage over Boston in trade with New York City and opening new economic opportunities.³

By the Civil War era, downtown Burlington and the surrounding settlements had adopted differing economic and cultural paths. In 1864, following years of debate, the residents of Burlington voted to separate the densely populated village along the lake, with the waterfront as its focus, from the surrounding rural areas. The village was incorporated as the City of Burlington, and the adjacent areas to the east and south became the Town of South Burlington.⁴

Incorporated as a city in 1971, South Burlington occupies 19,788 acres (30.92 square miles), roughly twice the size of Burlington.⁵ Its population of some 16,500 ranks fifth among Vermont's 255 municipalities, and its population density of 511 persons per square mile, ninth. It serves as a regional center for the hospitality and retail sectors, and is known for the quality of its public schools, city services, parks, and recreational

² Ciuffo, Roger L., Willard Street Corridor: South Willard, College, and Maple Streets, University of Vermont, Burlington, 2003, p. 1.

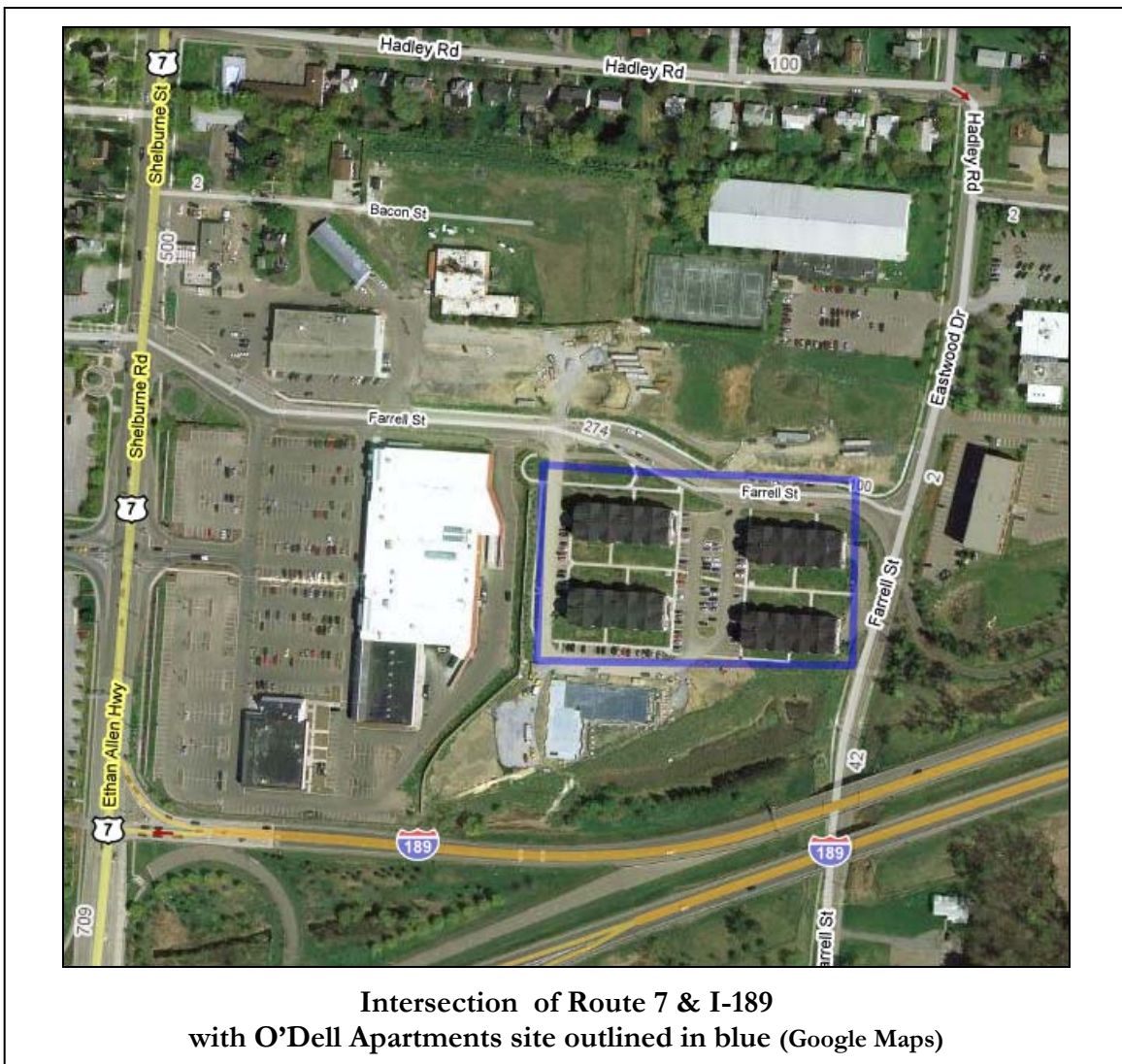
³ Ibid.

⁴ Ibid, p. 2.

⁵ www.virtualvermont.com.

opportunities.⁶ It saw virtually no growth in population or development in the 1970's and again in the 1980's.

Two major state highways, U.S. Route 7 from the south and U.S. Route 2 from the east, are the major access points to and from South Burlington, and their high volumes of traffic have led to significant strip development. Two distinct business districts have developed along these routes, and the city lacks a true downtown center. South Burlington also contains what is generally regarded as the busiest intersection in the state, the corner of Route 2 and Dorset Street, home to the state's largest shopping mall.⁷



⁶ www.south-burlington.com.

⁷ www.virtualvermont.com.

The O’Dell Parkway Neighborhood. Interstate 189 links Interstate 89, Vermont’s major north-south connector, to Route 7 just south of Burlington. The area that would become the O’Dell Parkway neighborhood lies adjacent to this intersection. In years past, the land was occupied by a golf course. Following the construction of Interstate 189, excess construction material, gravel, and fill were deposited on portions of the site.

Tom Dillon, formerly with Housing Vermont, characterizes it as having been essentially a “wasteland” and an “afterthought”, well off the radar of most residents of South Burlington. While some remediation was done, it was not an attractive property for redevelopment. The land was subdivided into separate parcels; while some were developed, many remained undeveloped, with wetlands and vegetation that quickly found a home on the vacant property.

The area abuts a residential neighborhood of many long-time residents who had grown accustomed to its vacant status and took advantage of the open space for casual recreation. According to local resident Tim Barrett, most residents realized that the land would not remain forever vacant, and some had suggested that it be developed as a park under the auspices of the Vermont Land Trust, an idea that never materialized.

By the 1990’s, the area stood as a vacant island surrounded by increasing, haphazard development. Zoned for mixed use, the property had the potential for infill development; and as an underutilized property in a rapidly growing region, it offered the chance to reduce the region’s outward expansion and bring investment to the more densely built-up area. According to principal developer Eric Farrell of F & M Real Estate, both the City of South Burlington and the State of Vermont were enthused about the opportunity for infill development on the property.

Also around this time, Acadia Realty Trust, a real estate investment company based in New York, purchased the property abutting Route 7, including a failed shopping plaza, and replaced it with a new, modernized shopping center that is now home to Shaw’s grocery store, Blockbuster Video, and Radio Shack. This helped set the stage for development of the O’Dell site behind the new shopping center. Acadia Realty proved a good neighbor for the future O’Dell development, being receptive to boundary changes and other adjustments.

Regional Affordable Housing Needs. The driving force behind redevelopment was the need for affordable housing in the Burlington region. In recent years, according to the Chittenden County Regional Planning Commission, the number of households in the county has grown far faster than the population, while the average size of households has decreased. In addition, the region's growth in housing supply has not kept pace with significant increases in employment and per capita income. As a result, Chittenden County as a whole faces a serious housing shortage.

Vermont law today requires that all municipal plans address local housing needs identified by the regional planning commission, which in turn must specify housing needs at all income levels within in the region. In 2006 the Chittenden County Regional Planning Commission designated targets for affordable, moderate income, and total housing units to be added between 2000 and 2010 for each of its nineteen member municipalities.⁸ Juli-Beth Hinds, City Planner at the time, believes that South Burlington is the only Vermont community now on track to meet its housing goals, due in part to the O'Dell project.

Vermont Act 60. South Burlington made this effort to address its housing needs, particularly affordable housing, as the result of social, economic, and political pressures coalescing in the late 1990's. In June 1997, the Vermont legislature passed the Equal Educational Opportunity Act, known as Act 60. This law intended to address concerns that the state's educational funding system had become inequitable and unconstitutional, by replacing scores of widely varying local tax rates with a single, statewide property tax. Prior to this, according to Hinds, South Burlington had enjoyed high quality schools and services at relatively low tax rates, as well as a quiet political climate. Then, controversy surrounding a school redistricting plan highlighted the issue of economic justice and integration within the community.

In addition, the City Council at the time included eight individuals who strongly believed in housing diversity and were unafraid of change. Cindy Reid, Senior Development Underwriter for the Vermont Housing Finance Authority (VHFA), worked on the financing for the O'Dell project; she notes South Burlington's active affordable

⁸ www.ccrpcvt.org.

housing efforts, and specifically points to Selectman Jim Condos and Planner Hinds as instrumental in making the issue a priority for the City.

According to Hinds, the City also made it a priority to provide housing options at *every* income level. With the support of an activist City Council, South Burlington partnered with local organizations like the Burlington Community Land Trust, Housing Vermont, and Cathedral Square Corporation to address housing issues. Typically, these organizations helped to leverage financing and handled the actual construction of new units, while the City used its authority to assist in the process whenever and wherever possible.

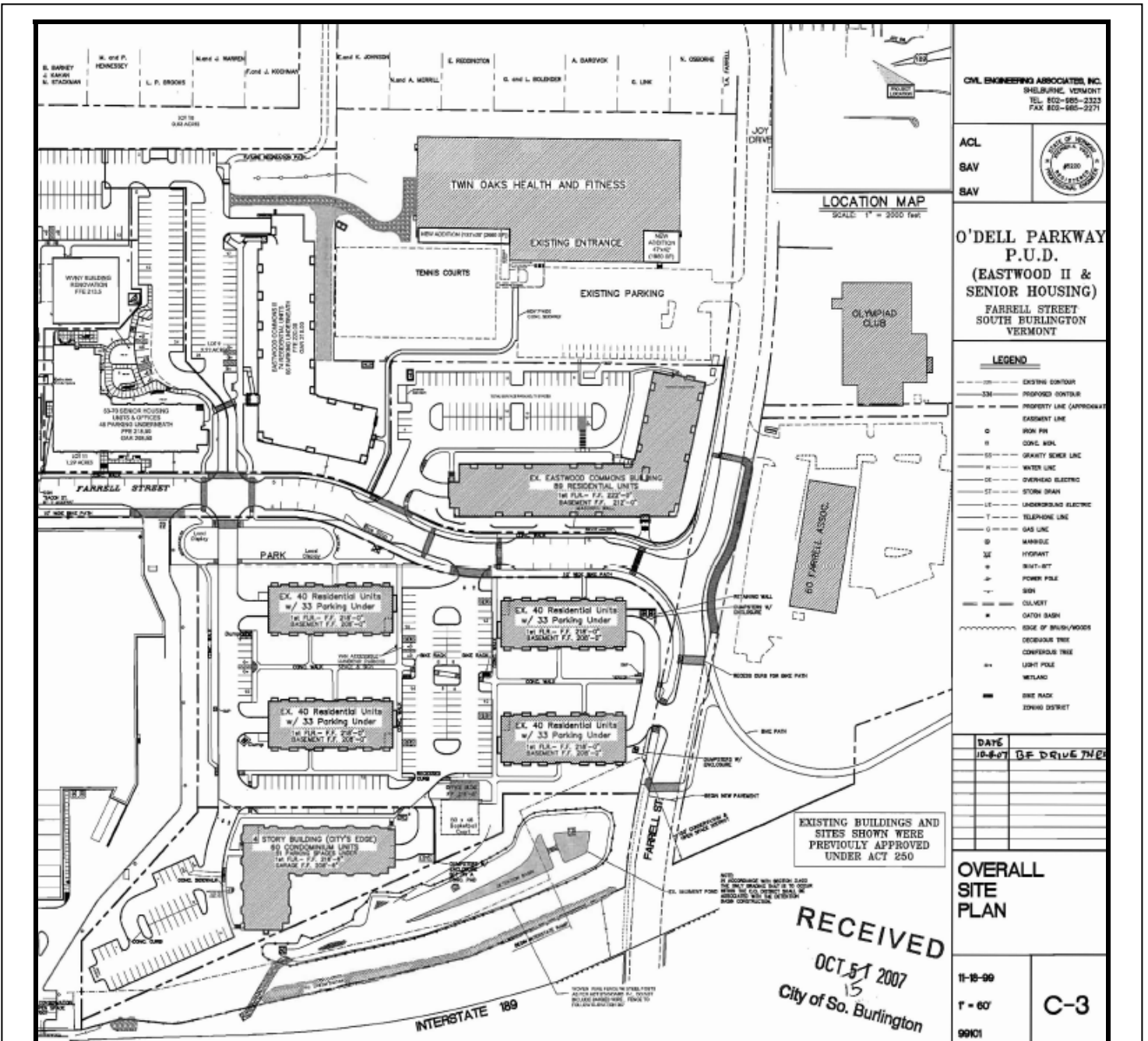
Partnerships Develop. In the late 1990s the Lake Champlain Housing Development Corporation, a local non-profit housing authority, approached F & M Real Estate with the idea of building up to 160 mixed-income housing units on the O’Dell property. According to Eric Farrell, the fact that South Burlington’s regulations allow subdivided parcels to be included in a single planned unit development was critical to making the redevelopment possible.

The process began in 1999 when Farrell, prior to applying to the City for permits, held a meeting attended by fifty or sixty local residents to review sketch plans for the project. Concerns focused mainly on the aesthetics and visual impact of the proposed development. The City’s initial review was completed in September of 2000. With the City’s approval of the sketch plan, Farrell was left to work out the details with the interested parties.

These discussions yielded changes to the design of the project and concessions on the part of the developer. South Burlington requires setbacks of just twenty-five feet, but in the final plan, buildings are set back 100 feet from existing neighborhood units. Farrell observes that such negotiations bring attention to issues that may have been overlooked by the developer and City officials, commenting that “You usually end up with a better plan when the neighbors are involved.”

Re-zoning and Up-scaling. In 2002, the City of South Burlington’s Planning Commission undertook a comprehensive re-zoning process, intending to capitalize on infill

opportunities and increase the potential for such development throughout the city. The allowed number of residential units per acre was increased from seven to fifteen, with an affordable housing bonus bringing the possible total up to twenty-two units per acre. The re-zoning also eliminated restrictions on the height of buildings, which for the O'Dell property ranged from 35 to 45 feet.



Approved Site Plan for O'Dell Parkway Redevelopment (Courtesy South Burlington Planning Dept.)

The re-zoning profoundly affected the type of development possible on the O'Dell property. In its initial stages, with the previous requirements in place, the development scenario called for approximately 150 housing units and substantial commercial space, including a hotel, office, and retail. With the density allowances more than doubled, the property could now accommodate some 500 housing units: and large-scale residential development became more economically attractive than commercial development. The increased residential density and character would place a large number of residents within easy walking distance of many services, particularly retail and public transportation, with a stop for the local bus line located in close proximity. This was particularly important, given the number of senior citizens and lower-income residents to be housed on the property.

Traffic concerns. Nearly everyone involved with the project recognized early on that traffic would be a significant concern. The junction of Route 7 and Interstate 189 was already overburdened; mitigating the project's additional impact on traffic flows and the residential neighborhood was essential. Drivers seeking to avoid the bottleneck on Route 7 frequently used Farrell Street and other routes through the local neighborhoods to access the Hill District of Burlington, where the University of Vermont, Champlain College, and Fletcher Allen Health Care are located.

According to Elise Guyette, a neighborhood resident of twenty-two years and involved in the process from the beginning, the amount of traffic on Farrell Street, mostly through-traffic, effectively cut the neighborhood in two, minimizing contact between residents on opposite sides of the street. Guyette and other neighbors requested that Farrell Street be closed off. The City Council declined, to maintain emergency access, but agreed to make the road one way, a move that, according to Hinds, has reduced traffic on Farrell Street by some 70 percent. Guyette believes that limiting the street to one-way traffic has been "tremendous," and that it has had an "amazing" impact on neighborhood traffic at all times of the day. She had talked to the City about the matter before, but believes that the change would not have been made without the redevelopment of the O'Dell property.

In its final form, the redevelopment also includes a re-routing of Farrell Street at its junction with Route 7. Hinds believes that the more residential character of the project resulting from the zoning changes also mitigated concerns about traffic impacts, since residential development generally requires significantly fewer trips than does commercial.

Negotiating with Neighbors. The City’s formal review of the project began in the fall of 2000, with the first phase approval issued in late 2001, when the developer was left to work out many of the details with local residents.⁹

Under Vermont’s Land Use and Development Law, commonly known as Act 250, development projects over ten acres must meet ten criteria to gain state approval. These include the project’s impact on the environment and quality of life in a number of respects – including air, water, and soil quality – traffic, local education and governmental services, natural beauty and aesthetics, historic sites and unique natural areas, and suitability to the state’s overall land use plan and to those of local governments and regional planning commissions.¹⁰

The O’Dell project received Act 250 approval in March 2001, and construction began immediately. Three local residents quickly filed a “Motion to Alter” the permit, temporarily halting construction; and the owners of Ben Franklin, an arts and crafts store adjacent to the O’Dell property, appealed the Act 250 permit on the grounds that the altered traffic pattern would negatively impact its business. Ben Franklin later dropped its appeal when an agreement was reached that provided additional parking spaces for the store. The appeal by the local residents was also dropped after agreement was reached for F & M Real Estate to provide \$22,000 for a “neighborhood improvement fund” that has been used for physical improvements like speed bumps, block parties, and other social events.

The developers also had to plan around South Burlington’s required allotment of parking spaces for residential units. The City’s regulations require a minimum of two parking spaces per multi-family housing unit; Farrell was able to demonstrate,

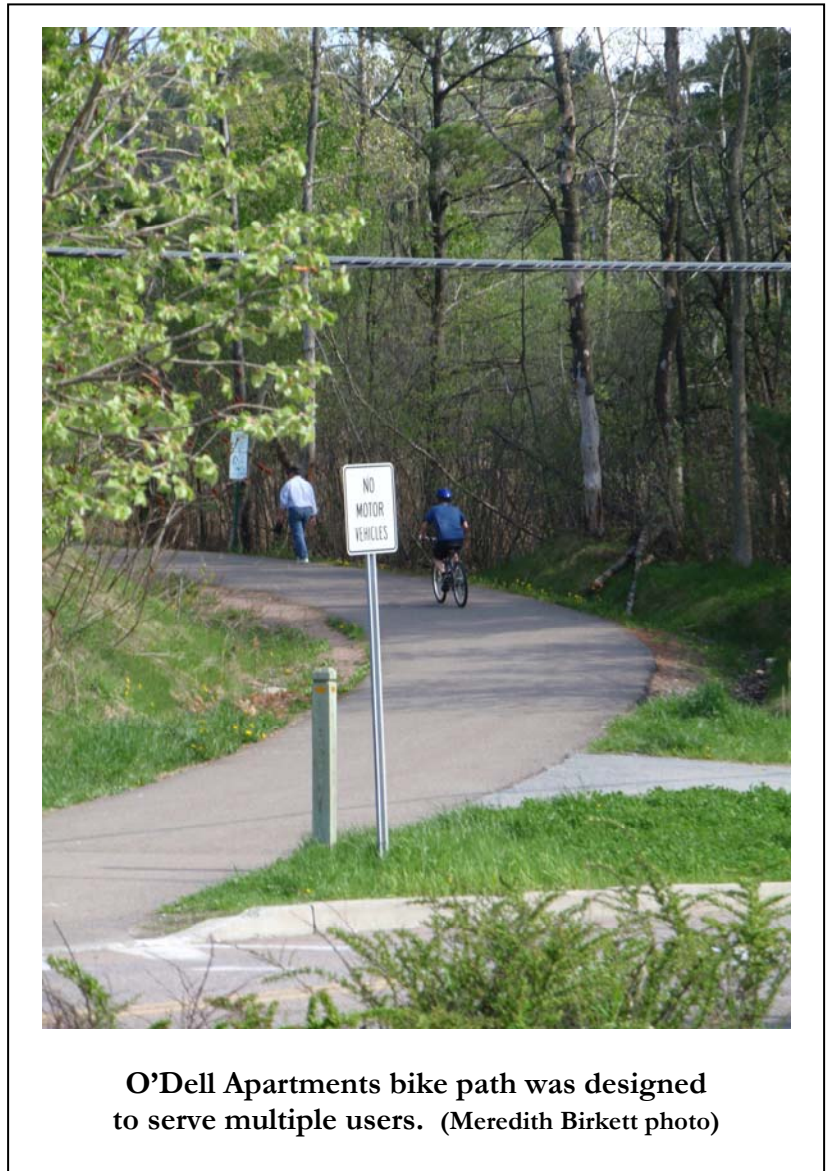
⁹ The review process continues today, undergoing amendments with the changes to the site’s development potential.

¹⁰ Lapping, M. and Furuseth, eds., Big Places, Big Plans: Large-Scale Regional Planning in North America, Ashgate Publishers, Aldershot UK, 2005, p. 12.

however, that this amount would not be required for the O’Dell property, and was granted a reduction to 1.5 spaces per unit. Combined with parking beneath the residential buildings, this substantially lowered the amount of space that had to be dedicated to surface parking, limited the amount of impervious surfacing, and freed up space for landscaping and other aesthetic improvements.

Guyette indicates that her primary concern was the failure to provide recreation facilities for the new buildings, commenting that “there is no safe place for kids to play,” and that little attention was paid to “the human dimension to the whole thing.”

Guyette had focused on legal requirements such as height limits and setbacks, but says she did so to trade for concessions on playground facilities. In fact, according to Guyette, she would not have opposed the project if a playground had been included in the original design. She notes that one member of the Review Board especially picked up on her interest in recreational facilities.



The Development Review Board felt, however, that a public park within a half-mile of the project was sufficient, along with Housing Vermont’s inclusion of a small on-site playground. In addition, redevelopment included the construction of a section of bikepath that affords residents access to the region’s extensive network. This filled a major gap in the regional network, linking existing biking trails from the Burlington

waterfront and local parks to the northern and southern limits of South Burlington, and bypassing a high-traffic stretch that had previously served as the connector.

Guyette today believes that the concessions came only as a result of the efforts of local residents. When asked if she is currently involved in the ongoing process, she replies she is not interested now because “the whole property has been ruined.” Further, she expresses lack of any feeling of empowerment and belief that she can effectively influence the process.

Another neighborhood resident, Tim Barrett, speaks more highly of the process and the project. Barrett observes that, in all, the project provides a number of benefits to the community. He believed that the property would not long remain undeveloped; and that, as it had been zoned for mixed use, the project that went forward was “certainly not the worst thing that could have happened.” In Barrett’s view, it was a good location for such a project, putting many services within walking distance of hundreds of residents and reducing the need for sprawling development elsewhere; the improvement fund has improved the neighborhood as a social community; and making Farrell Street one-way has greatly reduced the traffic passing through the neighborhood.

Financial Partners. The O’Dell Parkway project is the largest ever undertaken by VHFA and, according to Cindy Reid, required cooperation among a large number of parties and that they all be involved from the very beginning. It has received financial support from local and state housing associations, as well as federal sources.

Four buildings, collectively known as the O’Dell Apartments, provide a total of 160 rental units, half at market rates and half subsidized. Two buildings were constructed with taxable financing and 9% housing credits from the VHFA, and two with tax-exempt bond financing and 4% housing credits. Each is owned by a different limited partnership, both subsidiaries of Housing Vermont and the Lake Champlain Housing Development Corporation.

The project provides diverse housing options in the form of one, two, and three bedroom apartments for individuals at all income levels. Cindy Reid found the project especially attractive because unlike many affordable housing projects, it mixes individuals of different income levels throughout, with no division based on income levels and helping to foster a greater sense of community. As a condition of a loan provided by VHFA,

eighty units must remain affordable housing permanently, and the bonded units must remain so for 30 years. The financing assistance also requires that the buildings be well-maintained and -managed to assure that units are available only to income-eligible residents.

The O'Dell Parkway also provides home ownership opportunities for individuals with moderate incomes. According to Amy Demetrowitz, Director of Real Estate Development for Champlain Housing Trust (CHT), this allowed individuals from throughout the Burlington region to convert from rental to home ownership. Some financing came from the Vermont Community Development Program, which distributes federal Community Development Block Grant funds, through a request from the City of South Burlington. Under the federal requirements, half of the building's units must be owned by individuals earning less than 80% of the median income. CHT purchased the site, with the necessary permits and the building's foundation in place and a contract for the rest of the building, and was active in formulating the design specifications. Other financing for the O'Dell project came from State Housing Conservation Board funds and energy efficiency credits.

O'Dell and Smart Growth. The O'Dell Parkway project incorporates a number of smart growth principles and practices:

- It reinvests in the existing community and infrastructure.
- It strengthens the previously existing neighborhood by reducing traffic and providing funds for social activities.
- It mixes land uses effectively, combining mixed income housing with office, commercial, and retail space.
- Through adjacency to a number of services and amenities, as well as public transit, it provides residents with easy access to the larger regional community.
- It provides housing opportunities for a range of household types, family sizes, and incomes, and improves upon the standard arrangement by interspersing the different housing types, fostering a greater sense of community and inclusiveness for all.
- Its density means that less land is needed for the project and for housing elsewhere, preserving open space, farmland, and natural resources.
- Underground parking reduces the surface requirement and allows for improved landscaping and reduced surface parking.
- Landscaping and layout make for a walkable community, with many services and amenities within walking distance.

- Easy access to public transit and an extensive network of biking trails provides transportation alternatives.
- By providing housing within the existing urban confines, the project reduces the needs for continued outward expansion in Chittenden County.

Conclusion. While the process is not without its detractors, the relevant stakeholders were engaged in the early stages. Developer Eric Farrell met with local residents prior to applying to the City for sketch plan approval. Concessions were made to make the design and impact acceptable to local residents. The project was supported in concept by the City of South Burlington which, with its broader perspective, believed that the project's benefits to the community exceeded its costs. The process has also been continuous, with re-evaluations and assessments at each stage. Finally, public funds were leveraged by local interest groups and public entities for compact, efficient development, rather than to fund more random, piecemeal, low density strip development.



Farrell Office Building houses the United Way, Homeshare Vermont, and Cathedral Square (Meredith Birkett photo)

Teaching Notes: A number of lessons may be learned from the O'Dell Parkway project, including:

1. Meet a clear community objective. A project that meets a clear community need or needs is more likely to find the institutional and financial support it requires. This project furthered the housing objectives of the City of South Burlington and a number of local and regional housing organizations, and helped to alleviate the mounting housing burden on Burlington and the other communities in Chittenden County.
2. Involve all interested parties (stakeholders) from the outset. Neighbors were involved from the outset, resulting in important design and layout changes. While not all concerns were addressed, these early and continuing discussions allowed conflicts to be identified and addressed beforehand, rather than during construction or after completion.
3. Partnerships across sectors are necessary. A willing and creative developer, responsive and flexible public agencies, and competent and committed third sector actors – all are requisite to achieve change on the landscape.
4. Take advantage of funding assistance from a variety of sources. Funding sources for this project included private entities and state and federal funds, helping to spread the cost burden and make the project possible.
5. Be flexible with zoning and other regulations. The City of South Burlington's rezoning and adjustments to other regulations helped to make the project possible and changed the project's focus from commercial to residential development.
6. Public leadership matters. The efforts and initiatives of the City Council, Planning Commission, and City Planner were all integral to the redevelopment and necessary to facilitate matters, set in place appropriate policy measures, and make clear to neighbors that their best strategy was serious negotiation, not outright opposition.
7. Perceived need or crisis helps. The redevelopment was occasioned by a regional mandate to address the issue of affordable housing, as well as a felt injustice within the community.