



Essex Junction Independence Frequently Asked Questions for Businesses

What will happen to my business property taxes if Essex Junction becomes a city?

They will decrease slightly or remain about the same. No large increases are expected.

Right now, the commercial property tax rate in Essex Junction is significantly higher than in the Town of Essex outside of Essex Junction. This is because owners of commercial properties in Essex Junction currently pay taxes to the Essex Junction government *and* the Town of Essex government. After separation, Village businesses will pay taxes only to the Essex Junction government. The Town of Essex will stop taxing properties in Essex Junction.

The new Essex Junction city government will need to increase some expenditures to replace administrative and clerical services once provided by the Town of Essex. But this increase will be offset by the overall tax decrease from no longer paying taxes to the Town. The exact difference between increase and decrease can't be calculated at this time, but the net effect is projected to be a tax savings for Village commercial property owners.

I don't own a building but I rent space. What will happen to my rent?

No changes are expected. Changing Essex Junction's legal status from an incorporated village to an incorporated city will have no direct impact on commercial or residential rents.

Can I expect the same level of fire and police services?

Yes. The Essex Junction Fire Department will continue operating as usual, and the current mutual aid agreement with the Town of Essex Fire Department will remain in place. Currently the Town of Essex pays the full cost of Essex Rescue services for the entire Town including the Village. The new city would have to pay for those services on its own.

The Essex Junction Trustees and Town of Essex Selectboard have agreed to negotiate a contract to continue providing Essex Police services inside Essex Junction. Both sides are motivated to reach an agreement because of the considerable cost savings from a shared police department and because the Town of Essex police facility is located in Essex Junction.



Essex Junction Independence Frequently Asked Questions

Will I have to pay more for water/sewer?

No. Essex Junction's water/sewer services are financed and regulated separately from other municipal services such as fire, police, and street maintenance. Water/sewer bills are based on wholesale water charges from the Champlain Water District and the operating costs of the Essex Junction water treatment plant. None of this will be affected by changing Essex Junction's legal status from village to city.

Will separation change parking regulations? Is the Village going to add parking meters anywhere?

No and maybe. Essex Junction already has full legal authority over parking regulations within the Village's boundaries. Separation won't change this. The Essex Junction Trustees and staff could install parking meters in the Village downtown right now to prevent illegal long-term parking and free up more space. So far they have chosen not to do so but may reconsider the question if parking conditions worsen.

What will happen in terms of economic development if separation happens? How would separation affect Village Center growth?

Separation would channel more local resources into economic development and downtown revitalization.

Commercial property owners in Essex Junction currently support the Essex Junction community development office *and* the Town of Essex community development office. The two offices sometimes collaborate on overlapping areas of interest, but each is mainly concerned with promoting business growth in the areas within the jurisdiction of their respective governments. For Essex Junction, this means anywhere within the boundaries of the Village, with a primary focus on the Village downtown, the Pearl Street/Champlain Valley Expo corridor, and the Global Foundries Technology Park. For the Town of Essex, this means anywhere in the Town outside the Village, with a primary focus on the Susie Wilson Road corridor, the New Town Center at Lang Farm, and Saxon Hill.





Essex Junction Independence Frequently Asked Questions

With their tax dollars, Essex Junction commercial property owners also help pay for Essex Junction and Town of Essex capital infrastructure (streets, sidewalks, bridges, stormwater utilities, etc.) that provide the base for business development. However, commercial property owners in the Town of Essex outside Essex Junction only support the community development efforts of the Town outside of the Village, and only support capital infrastructure costs of the Town outside of the Village. They do not support community development or infrastructure improvement in the Village. Both the Essex Junction and Town of Essex governments offer tax incentives for commercial property improvements in the form of tax stabilization. This would not change with separation.

The unequal tax burden Village commercial property taxpayers bear and the unequal allocation of resources has the effect of prioritizing business growth in the Town at the expense of the Village. It is one of the main reasons the Essex Junction Trustees pursued merger to change the status quo relationship of the Village and Town, and is now one of the key reasons they support changing Essex Junction's legal status from village to city.

If Essex Junction becomes a city, commercial property owners in Essex Junction would no longer pay taxes to the Town of Essex. Municipal property taxes collected within Essex Junction would be directed entirely to supporting Essex Junction city services, business development, infrastructure improvement, and downtown revitalization.

I'm concerned that if we separate, Essex Junction will end up like Winooski, with no more space to develop, resulting in a shrinking revenue base. How would the Village deal with that?

Open, undeveloped space isn't necessary for growing a revenue base. Also, Winooski's financial situation is due to its bonded debt and not to its lack of open space.

If open space translated directly to economic growth, most towns across northern New England and New York would be wealthy, and not competing with each other for investment. Businesses seek to locate near population centers, where they can tap into the labor supply and have access to utilities and transportation.

Most Vermont cities and towns today are more concerned with preserving their open space than with developing it for commercial use. Most try to concentrate industrial growth in



Essex Junction Independence Frequently Asked Questions

designated areas—industrial zones—that have already been partially developed, have immediate access to utilities and transportation, concentrate growth away from areas designated as open space, and limit the impacts of development on areas of open space. The Global Foundries Technology Park in Essex Junction is considered Vermont’s premier industrial park, with excellent access to transportation and utilities, including the state’s only water treatment plant licensed for industrial use, and with many acres of available open space to accommodate growth for decades to come. It is set apart from the Village Center and its zoning prevents its expansion.

Essex Junction is one of the state’s leaders in revitalizing its historic downtown, with a focus on high quality, multi-story, mixed use (commercial and residential) buildings providing affordable living space for Chittenden County’s younger workforce. It has achieved these improvements and attracted investors without resorting to bonds or incurring substantial debt.

Since 2000, Essex Junction has gradually shifted its reliance away from IBM (now Global Foundries) to residential and other commercial properties, with a strategy of providing high quality cultural, educational, and recreational facilities, local walkability and connectivity, well maintained infrastructure, and other “quality of life” amenities that people are willing to support with their local tax dollars. Essex Junction is one of a handful of Vermont communities that has seen a steady increase in population of school-age children at a time when others are experiencing declining school populations.

The Essex Junction municipal government has among the highest and most stable tax bases relative to other Vermont communities of its size and, based on recent and past performance, it should see steady, sustainable growth for many years to come.

Will the Crescent Connector still happen if we separate?

Yes. The Crescent Connector—a new road slated for the Village Center that will allow traffic to bypass Five Corners—is an entirely local transportation improvement project supported by the Chittenden County Regional Planning Commission and funded by the Vermont Agency of Transportation. The Town of Essex has no involvement with the project and separation will not affect it.

Is a local option tax part of separation?





Essex Junction Independence Frequently Asked Questions

No. The State allows local communities to levy local sales taxes on goods and services to raise revenue to fund their municipal expenditures. The elected boards of Essex Junction and the Town of Essex have had ongoing discussions about jointly adopting a local option tax and sharing the revenue. Discussions could continue and an agreement could be reached regardless of Essex Junction's separation effort. But there is no direct link between separation and a local option tax.

Would I still have to go to the Town of Essex to get my liquor license if we separate? What if I want to sell cannabis products?

The new City of Essex Junction will take over the responsibility of approving liquor licenses for businesses within the city. State regulations about cannabis products aren't clear at present, but any local municipal oversight of cannabis sales would come under the jurisdiction of the Essex Junction city government.

Would we still use the Town for health inspections or code violations?

The Town of Essex' Health Officer (a statutorily required, appointed position) currently provides health and safety inspections in Essex Junction. This is one of the administrative services it provides in return for the tax revenue it collects from Essex Junction. This position might be one of the services the two governments share as a cost-savings/efficiency measure, after separation. If not, the Essex Junction government would have full authority to appoint its own Health Officer to perform health and safety inspections.

If separation happens, would the approval process for building a new building or adding on to a building change? Will permit requirements change and/or permit fees increase?

No and no. Essex Junction currently has full jurisdiction over all aspects of construction permitting and approval within the Village, including fee structures, building and development codes, and zoning regulations. The Town of Essex has no jurisdiction over any aspect of building, construction, zoning, fees, or permits within the Village boundaries. Separation would not change this, nor would separation require any kind of reorganizing or restructuring of Essex Junction's building/permitting/zoning regulations.



Essex Junction Independence Frequently Asked Questions

What will happen to Village land records if we separate? Would I still have to go to the Town Office for Village land records?

Land records relating to transactions prior to separation would remain in the Town of Essex vault. Land records relating to transactions occurring after separation would be stored in the Essex Junction vault at Lincoln Hall.

Will there be any changes regarding the Chittenden Solid Waste District that would affect my business' use of the Essex dump?

No. Chittenden County residents and businesses may use any CSWD facility.

How will separation impact capital projects like road and water line repairs?

No. Essex Junction currently handles all its own capital spending and this won't change with separation.

Essex Junction funds and manages all of its own capital projects. Essex Junction businesses contribute to these capital expenditures with their property tax dollars. The Town of Essex also taxes Essex Junction businesses to help pay for its capital projects located outside of Essex Junction. However, the Town of Essex provides no financial support for Essex Junction's capital projects.

After separation, the Town of Essex will no longer be allowed to levy taxes inside Essex Junction, and Essex Junction businesses will no longer be taxed by the Town to help pay for capital expenditures outside of Essex Junction. For this reason, Essex Junction businesses could see an overall reduction in their municipal property tax bill after separation.

Would the Village continue to levy an economic development tax (what is referred to as the "penny tax")? If so, what would be done with it to benefit Village businesses?

The Village currently uses the approximately \$120,000 raised by the economic development tax each year to help fund thoughtful growth and sustainable development in the Village Center.



Essex Junction Independence Frequently Asked Questions

Some recent investments include a small parcel at Five Corners which will become a pocket park/greenspace, and free public parking space for 30 vehicles. Essex Junction voters recently approved a 3-year extension of the tax, which will probably extend through the transition from village to city. The tax will sunset after 3 years unless it's re-approved by the voters.

Will the sidewalks in front of my business continue to be plowed?

Yes. The Essex Junction Public Works Department and all of its operating policies and schedules have always been under the jurisdiction of the Essex Junction government and Village Trustees. Transitioning from village to city will not change this.

Would there be any changes to the Green Mountain Transit bus routes or overall service we get from GMT?

No changes are anticipated with separation. Instead of contributing to GMT operations indirectly through its tax payment to the Town of Essex, Essex Junction would contribute to GMT directly. This would not change local GMT service. However, GMT continuously reviews and revises its bus routes to optimize its customer service, so bus routes can always change regardless of Essex Junction's status as a city or village.

If we separate, would the Village maintain its state Village Center Designation and Neighborhood Area Designation? As a developer/business, would I still be able to access the benefits of these programs?

This is unknown. Trustees and Village staff will be meeting with the state's Agency of Commerce & Community Development to learn how separation might affect those designations. This answer will be updated when more is learned.