

Agency of Commerce and Community Development

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November 7, 2018

Hon. Amy Sheldon, Chair
Commission on Act 250
Vermont State House
115 State Street
Montpelier, VT 05633-5301

Dear Chairperson Sheldon:

Thank you for this opportunity to provide the Commission an overview of the Agency of Commerce and Community Development’s (ACCD) working group recommendations to improve the permitting process for rural industrial parks as required by Act 194, Section 22.

Act 194 tasks several working groups to develop recommendations to reverse the trend of rural disinvestment that is disruptive to the health and resilience of people, businesses, and communities. In addition to recommendations that support outdoor recreation and farm and forest viability, the Act recognizes that industrial development is a critical factor in the strength of rural economies. The Act tasked ACCD with developing recommendations to designate parcels in rural areas¹ as industrial parks for the purposes of providing regulatory and permitting incentives to businesses sited in the industrial park.

As directed, ACCD convened a working group of stakeholders in June that includes representatives from the Department of Economic Development, Department of Housing and Community Development, the Vermont Natural Resources Council, the Natural Resources Board, the Agency of Natural Resources, the Regional Planning Commissions (RPCs), the Regional Development Corporations (RDCs), municipalities, and the Division of Fire Safety.

The group met five times to explore the challenges to industrial development and develop recommendations that to increase rural economic development opportunities. After consulting with the RPC and RDC Executive Directors by survey, we learned that the regions miss opportunities for industrial employment because of a lack of “turn-key” industrial buildings served by water, wastewater, and other infrastructure.

¹ Rural areas are defined by the law to include all Vermont counties except Chittenden.

To address this challenge, the working group identified the following package of changes to promote well-sited, well-served, and robustly reviewed industrial space subject to Act 250 review. The group recommends amendments to Act 250 statute and rules that would clarify fee reduction policy and incent front-loading loading master plan review, making subsequent build-out eligible for administrative review at a reduced rate. The proposal would make all master permit developments (not only industrial subdivisions) eligible for this benefit, a feature that makes this best practice available to all development, including housing (which is an integral component of our economic development strategy).

Specific recommendations include:

- Amending the Act 250 fee statute so that the fee for review of a master plan is only \$.10 per \$1000 of total estimated construction costs and the full charge of \$3.12 to \$7.40 per \$1000 is only assessed when the applicant seeks construction approval.
- Updating NRB Rule 21 (Master Plan and Partial Review) to state that if the District Commission has issued affirmative findings on all criteria in a master plan permit, and a subsequent phase remains within the impact budget and the time period specified by the master plan permit for build-out, then a permit amendment for construction approval will be processed as an administrative amendment.
- Modifying NRB Rule 21 (Master Plan and Partial Review) to state that an applicant may seek a master plan decision regarding future phases of a phased development even if some portion of the development has already been built, provided that the existing development complies with Act 250.
- Increasing funding to an existing Vermont Economic Development Authority revolving loan program to enable developers of qualified parks deferred loans to subsidize permit costs – to be paid back at time of construction if approved and built.

The working group will hold its final meeting on November 29, 2018. Their final report is due to General Assembly on December 15, 2018.

Sincerely,



Ted Brady, Deputy Secretary
Agency of Commerce and Community Development