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TO: House Committee on Commerce and Economic Development
FROM: Cynthia Stuart, Stuart Consulting
DATE: February 20, 2025
RE: Economic Development in the Northeast Kingdom: The Forest Sector

Thank you for the opportunity to speak with you today about economic development in the Northeast Kingdom, with a particular focus on the forest sector. As a local consultant, I have the privilege of working with nonprofits, municipalities, and businesses to support strategic initiatives, including organizational, municipal, and business planning. It is incredibly rewarding to help guide communities, organizations, and entrepreneurs through projects that shape their future.

The Importance of the Forest Sector in the Northeast Kingdom

The forest sector is a cornerstone of the Northeast Kingdom's economy and way of life. According to the Vermont Department of Forests, Parks, and Recreation, Vermont's forest products industry generates \$2.1 billion in annual economic output across forestry, logging, processing, construction, woodworking, and wood energy. Here in the Northeast Kingdom, forest-related businesses are abundant, and continued legislative understanding and support are essential to keeping them vibrant contributors to our economy.

A Local Success Story: Kirby Mulch Company

I want to highlight one of my clients, Kirby Mulch Company, a local business owned by Heath Bunnell, a successful logger and entrepreneur. Kirby Mulch Company, located in Kirby, Vermont, produces and sells a wide variety of mulch products, both retail and wholesale, for landscaping, farm support of plant growth for apple trees and blueberry bushes, mulch for erosion control, and even playground wood chip products. Additionally, Kirby Mulch processes, sells, and delivers both green and seasoned firewood. All materials used by Kirby Mulch Company are sourced from Vermont and New Hampshire forests and sold within a 50-mile radius of the business.

As a buyer of low-grade wood, Kirby Mulch Company plays a critical role in the forest and waste management supply chain, connecting various forestry stakeholders while also stimulating the local economy by creating livable-wage jobs. In 2025 alone, the company produced and sold 8,000 yards of locally produced mulch to more than 75 local landscapers, hardware stores, businesses, hospitals, schools, and homeowners, along with hundreds of retail customers. Additionally, it supplied over 500 cords of firewood to residents for home heating.

Challenges with Act 250 Permitting

Kirby Mulch Company opened in the spring of 2021, but the road to getting there was not easy. The journey began in 2018 when Heath purchased the 26-acre property. Previously, the land had been used for farming, and later, a brick manufacturing facility and welding shop—neither of which had the required Act 250 permits.

It took Heath three years to navigate the Act 250 permitting process. Had he chosen to start a farm instead, Act 250 would not have applied to his business. However, as a forestry-related operation, significant hurdles had to be overcome. Kirsten Sultan, the District 7 Coordinator, was exceptionally helpful throughout the process, but she noted early on that the property had numerous challenges that would complicate permitting.

Here are just some of the obstacles Kirby Mulch Company faced:

- Approval from the Vermont Division for Historic Preservation and the Vermont Advisory Council to remove a large, dilapidated, and unsafe barn.
- An environmental assessment to ensure barn removal would not disturb bat habitats.
- Extensive wetland delineation.
- Hiring a river scientist at a cost of \$6,500 to determine river corridor boundaries—only to have their findings rejected by the Agency of Natural Resources.
- Multiple floodplain assessments, site visits, and ongoing discussions.
- An engineering assessment to determine the line of sight for a proposed second driveway.
- An archaeological assessment of the fields, despite the land having been actively farmed for over 100 years.
- Payment of a premium for mitigation of primary agricultural soils.

Navigating multiple state agencies and requirements demanded significant time and financial resources. Originally, Heath planned to include compost production in his business model, but due to permitting challenges, he abandoned that aspect of the business. In total, the Act 250 process took 30 months, cost \$61,624, and required the assistance of four consultants. These costs significantly added to his business startup expenses.

Support for Working Lands Businesses

Despite these challenges, Kirby Mulch Company has thrived, in part due to the support of programs like the Working Lands Enterprise Initiative. A \$130,000 grant allowed Heath to purchase essential equipment, including live floor delivery trailers, giving his business the financial boost it needed to succeed.

As markets for forest products and wood byproducts evolve, it is critical to foster new opportunities for local businesses in the Northeast Kingdom. Supporting businesses like Kirby Mulch Company strengthens the local economy, preserves working forests, and discourages land fragmentation.

Innovative business models like this one create essential market connections within the forestry supply chain. Thanks to Kirby Mulch, local landscapers, hardware stores, and homeowners can access Vermont-harvested mulch and firewood, keeping dollars within the local economy and sustaining the working landscape that makes the Northeast Kingdom so special.

Policy Considerations Moving Forward

As you consider Act 250 reforms and programs to support the forest economy, I urge you to keep businesses like Kirby Mulch Company in mind. While regulatory oversight serves an important purpose, it must not become an insurmountable barrier to small businesses that contribute meaningfully to our economy and communities.

Thank you for your time today and for your commitment to supporting Vermont's forest sector in the Northeast Kingdom.

Respectfully,

A handwritten signature in black ink that reads "Cynthia Stuart". The script is fluid and cursive.

Cynthia Stuart

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The logo for Stuart Consulting. The word "Stuart" is written in a large, elegant, black cursive font. Below it, the word "CONSULTING" is written in a smaller, black, all-caps, sans-serif font with wide letter spacing.



Heath Bunnell, Owner Kirby Mulch Company, LLC

BUSINESS DETAILS

- Mulch & Firewood Producer - Wholesale & Retail
- Produced & Sold Over 8,000 Yards of Mulch in 2024
- Sold Over 500 Cords of Firewood in 2024
- Heath is a Master Logger with 25 Years' Experience
- Business Opened Spring 2021
- FY19 \$130,000 Working Lands Grant Recipient

ACT 250 / ADDITIONAL PERMITTING

- | | |
|------------------------|------------------------|
| • Historic Barn | • Wetland Buffers |
| • Ag Soil Requirements | • Stormwater Rules |
| • River Corridor | • Composting Rules |
| • Driveway Permit | • Archeological Review |

30 Months
Timeframe to Complete
ACT 250 Permitting

\$61,624
ACT 250 Permitting
Related Costs

Four
Number of
Consultants Hired
to Complete ACT
250 Permitting



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“Just like farming, forest-related businesses in Vermont utilize natural resources, add value to the local forest supply chain, and boost the state's economy by selling products within the region.” --- Heath Bunnell, Kirby Mulch Company

