Act 171 Forest Integrity Study Committee Meeting Minutes

November 18, 2016, 8:30am – 11:30am The ANR Catamount Room, National Life Building, Montpelier

- 1. The meeting commenced at 8:35am with introductions from the Study Committee and Interested Parties. ANR Commissioner Snyder outlined the meeting agenda and goals.
- 2. Diane Snelling moved to approve the minutes from the October 18, 2016 Act 171 Study Committee meeting. Lucy Leriche seconded this motion. The meeting minutes were unanimously approved with no further discussion.
- 3. Study Committee members received printed meeting materials that included the meeting agenda, Draft Tables of Potential Changes, and comments from Sam Lincoln, now included at the end of these minutes.
- 4. Jamey Fidel reviewed the minutes from the Forest Roundtable meeting focused on input for the Act 171 Forest Integrity Study Committee. Diane Snelling made a motion to accept the minutes from the Roundtable as part of the Study Committee's record. Lucy Leriche seconded this motion. The group unanimously approved the Forest Roundtable minutes as written. Jamey Fidel asked that the Study Committee review any changes from the Roundtable after he receive the Roundtable's approval.
- 5. The Study Committee then reviewed the accuracy of the Draft Tables of Potential Changes to Chapter 117, Potential Changes to Act 250, and Other Potential Land Use and Policy Changes sent to the Working Group on Wednesday, November 16. Joe Nelson noted that his potential changes were missing. Joanne Garton will revise the table to include these potential changes. Representatives from ACCD also wish to submit revisions in the coming week. The group also reviewed and accepted the Draft Table of Public Comment without any changes.
- 6. Commissioner Snyder stated the group's charge to review the impacts of all potential changes. After this review, the group will then choose recommendations, if any, to changes to Act 250, Chapter 117, or other changes. Diane Snelling expressed concern for time efficiency and stated that she would like the group to choose recommendations first, then evaluate the impacts of the chosen recommendations.
- Members of the Study Committee then clarified their proposed changes and evaluated the impacts of each. The clarifications and impacts were noted during the meeting and will be compiled into a spreadsheet to be distributed to the Study Committee along with these meeting minutes.
- 8. Commissioner Snyder reviewed next steps for the study committee: 1) Committee members will review the clarifications and potential impacts of proposed changes as recorded at the meeting. Any revisions should be submitted to Joanne Garton, <u>joanne.garton@vermont.gov</u>. 2) Study Committee members should consider which proposed changes should be put forward as recommendations to the legislature, noting that the group can submit majority and minority

opinions. 3) Study Committee members should come prepared to discuss the definitions in Act 171 (the 5th point of this legislative charge).

9. The meeting adjourned at 11:40 a.m.

Study committee members in attendance:

Steve Webstore for Put Blodgett, Vermont Woodlands Association Jamey Fidel, Vermont Natural Resources Council Lucy Leriche, Agency of Commerce & Community Development Jonathon Wood for Sam Lincoln, Vermont Forest Products Association Joe Nelson, Vermont Working Lands Enterprise Board Diane Snelling, Natural Resources Board Michael Snyder, Department of Forests, Parks & Recreation Bonnie Waninger, Vermont Association of Planning & Development Agencies Gwyn Zakov, Vermont League of Cities and Towns

Interested parties and State of Vermont Agency staff in attendance:

Gina Campoli, Agency of Transportation Chris Cochran, Department of Housing and Community Development Warren Coleman, MMR Billy Coster, Agency of Natural Resources Rebecca Ellis, Department of Environmental Conservation Joanne Garton, Department of Forests, Parks and Recreation Pete Gill, Natural Resources Board Jon Groveman, Vermont Natural Resources Council Matt McMahon, MMR Kim Royar, Vermont Fish & Wildlife Amy Sheldon, Legislator Stephanie Smith, Agency of Agriculture Eric Sorenson, Vermont Fish & Wildlife Hello all - Please accept these written comments and my apologies for not attending Friday's meeting.

I have listened intently to the discussion and presentations in this committee. Outside the committee, I have conversed with landowners and seasoned foresters who have an objective view on the ebb and flow of land ownership. These have combined to reinforce my position that adding or modifying land use and Act 250 regulation attempts to intercept forest fragmentation at the counter of the Town Clerk's office, rather than at the kitchen table of landowners, well after the decision to fragment has been made. The kitchen table is where the most substantial and sustainable gains could be made in keeping larger blocks of land intact. Without simultaneously and adequately addressing the loss of equity incurred from development prohibition or restrictions, changes to tax policy (property, transfer and land gains) and the looming decline in the ability to manage one's forestland through lost markets, I could not recommend these increased regulatory proposals be advanced as a standalone way to address fragmentation under the charge of the committee.

As a brief example, in 2007 I purchased a bare piece of land in a nearby town as an investment. I purchased it under the premise that development typical to the the property's history and the neighborhood could occur. In 2014, post-Irene, the town decided that there could no longer be a house site on the property, and thus the valuation was reduced by the assessed house site value, approximately one third. I subsequently had to reduce the value of that land on my balance sheet. I acknowledge that this isn't an exact apples to apples comparison but I suffered a loss in equity through a municipal regulation change with a corresponding reduction in property taxes so small that it will take approximately 80 years to recoup the equity value in today's dollars. Use Value Appraisal is a political football and isn't an adequate tool to permanently account for mandated changes in highest and best use from wide swaths of new zoning and it does not address a loss in equity.

My timber harvesting and farm operations would clearly benefit from a future with unbroken tracts of land and I value the need for quality wildlife habitat. However, my family and many like it, have shed blood, sweat and tears for generations to own land and build equity. This equity helps maintain the ability to borrow instead of selling off assets, such as house lots, in times of financial need. For many, the land is our greatest asset and one that we wish to pass on to another generation, intact and managed better than ever before. In my opinion, if equity or value is lost with the stroke of a regulatory pen, as described above, with no corresponding plan to address the ramifications, it would be a significant disincentive to invest in or hold forestland.

Regarding deregulation incentives to forest products based businesses, it is the recommendation of the VFPA that local land use planning and Act 250 and/or 248 offer conditional exemptions for small to moderate sized operations (firewood processors, chipping and screening operations for fuelwood chips, pellet mills, sawmills, community scale cogeneration plants for district power and heating, etc) that purchase, process and and otherwise utilize raw forest products. Reasonable standards and levels of noise, dust and truck traffic could be established that a business could operate at or below and be exempt from Act 250/248 review. Any business conceived or expanded to receive and process low grade timber in a reasonable setting should have all the support it can get as it will be a push back against the market forces driving land fragmentation of the future.

Respectfully submitted, Sam Lincoln