

## **Recommendations for Improving Vermont's Permitting System**

**Approved - November 19, 2014**

There continue to be opportunities to improve the permitting system in Vermont. In identifying these opportunities, we have grouped them into three categories of focus: smart growth improvements, economic development improvements, and process improvements. The following reflect statements of principles and ideas and not specific legislative proposals including all of the details necessary for statutory change.

### Smart Growth recommendations:

1. In general, the state permit process should encourage development in appropriately planned places and discourage development outside of those areas. If this recommendation would result in a more efficient and timely process in designated growth areas, it may be appropriate to develop more stringent standards and thresholds for development review in rural areas.
2. Continue to encourage infill development over sprawl pattern.
3. To encourage infill and redevelopment, consider expanding opportunities for delegation of Act 250 review to municipalities that have strong municipal bylaws and enforcement in state designated areas (downtown, neighborhood, new town center, growth center). Evaluate which criteria are better handled at the municipal level. If Act 250 exemptions or limitations are approved in these designated locations, those properties with previous Act 250 permits should be granted the same benefit.
4. Revise Energy code requirement in Act 250 Criterion 9f – The current requirement to conceptually model building design to document energy code compliance 10% better than code does not make sense. It is selectively targeting only the projects that go through Act 250 and creating a disincentive for going through Act 250 in smart growth locations.
5. When Act 250 evaluates traffic impacts, clarify how credit should be given for pre-existing development so as to encourage redevelopment.
6. Prime Agricultural soils on-site mitigation should not be required in areas targeted for development in municipal and regional plans.

### Community and Economic Development -

1. Target Infrastructure Planning Funds – Increase ANR funding and give priority to municipalities planning for water, wastewater, storm water, and other infrastructure to support designation/efficient land use/compact development.
2. Target, promote and install water/wastewater systems in villages/downtowns/growth centers and enterprise zones.
3. Authorize the opportunity for additional TIF districts.
4. Re-affirm support for local infrastructure financing in designated areas consistent with municipal and regional plans.
5. Create a new designation for Enterprise Zone.
  - a. Zones must be clearly identified in the adopted regional and municipal plans. With RDC, confirm that the site is needed for high wage, value-added employment. Consider having Downtown Board approve designation.
  - b. Expand the VEDA managed revolving loan fund for the creation or improvement of industrial parks in Enterprise Zones to include municipalities and private companies as eligible entities.
6. Have VEDA provide financing up to 50% of site planning, acquisition, and infrastructure costs for employment in any state designation. The State can either fund projects using grants, loans (to be recovered from initial lot sales) or a combination of both.
7. Authorize municipalities to put local options tax into place by a municipal vote only.

8. Expand the capacity of the bond bank to issue revenue bonds (not just general obligation) in revenue bond districts. Reduce interest rate for projects in state designations from the bond bank. Like VEDA, provide 1 % loans to be paid back with additional property taxes in the designated area until the loan is paid off; plus one additional year of the property tax revenue to mitigate risk in the pool.
9. Expand the State Treasurer’s municipal equipment loan fund for more eligible uses related to municipal infrastructure.

Permitting Process recommendations:

1. Electronic submissions –
  - a. Revise state statute to allow for electronic signatures and electronic file submission to be the official record.
  - b. Use technology to create a common application form with basic applicant and project information for use in all applications and link databases so that all permits/applications are accessible through one portal. This should include state agency (ANR, VTrans) and Act 250 applications.
2. Review times –
  - a. Consider a reasonable and timely deadline for review of applications. For major projects, consider a 15 day completeness review with a 30 to 60 day compliance review by state agencies except for Act 250. Applicants need clear guidelines as to what constitutes a complete and compliant application.
  - b. Improve the system to complete the reviews in the timeframes by increasing the use of certifications and 3rd party reviews.
3. Appeals-related -
  - a. There should be an option of an appeal at the administrative level first within agencies to resolve issues of consistency of review.
  - b. Given the numerous permits required to develop, when one permit is appealed that should by law pause the clock on other permits.
  - c. Work towards allowing an “on the record review” process at the state and District Environmental Commission levels at the choice and expense of the applicant. Then the Environmental Court can decide an appeal based on evidence developed before these review boards instead of having an entirely new trial.
4. Vesting -
  - a. Clarify statute for determining at which point an applicant is vested with regards to basic zoning (use and density) compliance prior to obtaining other local and state technical permits.
5. Master Planning –
  - a. Master plan permitting should rely more on conceptual plans and capacity analysis as opposed to engineer sealed plans with more detail. Master plan permit approval should include conditions of obtaining the other more detailed permits (stormwater, wastewater, etc.).
6. Integrating Municipal and State Permitting –
  - a. Provide a mechanism for municipalities to issue Wastewater System and Potable Water Supply Permits for connections to their municipal water and wastewater facilities without having to take responsibility for private water and on-site septic system permits as well.
  - b. If Act 250 is not engaged, municipal DRB approval should include conditions that any state permits required by a project review sheet be obtained prior to construction.
7. Municipal permitting
  - a. Modernize the notice requirements.
    - i. Revise the certified mail requirement to allow for other options.
    - ii. Develop consistent municipal notification requirements for site plan and conditional use review.