

Meeting Minutes

Addison County Regional Planning Commission

Wednesday, September 10, 2008

The ACRPC July meeting was held at ACRPC's office on September 10, 2008 with Fred Dunnington, Chair, presiding.

ROLL CALL:

Addison:

Orwell:

Bridport: Andrew Manning
Ed Payne
Mike Gamache
Mark Pumiglia

Panton: Michael Hermann
James Durragh

Ripton: Jeremy Grip
Ted Dunakin

Bristol: Peter Grant

Salisbury:

Cornwall: Mary Dodge
Ralph Teitscheid

Shoreham:

Ferrisburgh Bob McNary

Starksboro:

Goshen:

Waltham:

Leicester:

Weybridge:

Lincoln: Steve Revell
Dave D'Allienne

Whiting: Ellen Kurrelmeyer

Middlebury: Brian Bauer
Fred Dunnington

Vergennes: David Austin

Monkton: Thea Gaudette
Charles Huizenga

New Haven:

CITIZEN INTEREST REPRESENTATIVES:

Addison County Farm Bureau:

Kent Wright

Addison County Economic Development Corp:

Otter Creek Audubon Society:

Marcia Parker

Otter Creek Natural Resources:

Addison County Chamber of Commerce:

ACRPC EXECUTIVE BOARD

Chair: Fred Dunnington

Vice-Chair: Bob McNary

Secretary: William Sayre

Treasurer: Thea Gaudette

At Large: Jeremy Grip

Bruce Webster

Ellen Kurrelmeyer

STAFF

Executive Director: Adam Lougee

Assistant Director/GIS Manager: Kevin Behm

EMS/Senior Planner: Tim Bouton

Transportation/Senior Planner: Richard Kehne

Land Use Planner: Elizabeth Golden

Office Manager/Bookkeeper: Pauline Cousino

September 10, 2008 MEETING

Program: The Lodge at Otter Creek, Senior Living Community in Middlebury **Greg Beldock, Owner**

Adam thanked Greg for the Tour and dinner at the Lodge at Otter Creek, held prior to tonight's meeting.

Greg Beldock spoke about the economy, rather than how he got into senior housing in Vermont. The macroeconomic picture in Vermont will be affected, unlike in the 80's. He will talk about what has happened in the last several weeks, which will affect our children and their children. The debt crisis, the banking bail-out, is the single most important event in our economic history. The dollars involved are greater than in 1929. Greg believes we are only half-way through the economic cycle in America. We are in our eighth straight month of an economic downfall. We've become numb to statistics that we should be concerned about. The statistics tell us three months after the fact when we are in a recession. For example, in Japan in 1990, the real estate business went down 28% in a three year period, but their stock market didn't hit bottom until 1993. If our house prices are going through the floor now, when will our stock market hit bottom? We can absorb the losses better with our social service supports, but how we survive it in Addison County will be difficult.

Chapter one of our economic story is that between 2003-2007 we added two million units to our housing stock, while we need 1-1.4 million per year, therefore we overbuilt by 90%. These aren't manufactured goods, these are too many houses. The bubble in housing from 2001-2008 has turned back a little bit, but we are still 30% overbuilt. Greg predicted that housing prices will be going low, very low. Greg started in the real estate business with no money, with investors from Canada, and they barely talk to him now, because of the state of the U.S. economy.

Fred: People are coming from other states into Vermont. Isn't Vermont going to be a desirable place to come to?

Greg: Vermont is still desirable. It is the fastest ageing state. We don't have enough people, therefore the change is greater. We don't have the demand for senior housing from residents of Vermont. 60% of his potential customers are from out of state because their kids live here. Because we have such an out-migration of jobs and youth, will it affect the market for senior housing? The largest finance firms have not lent a dime in six months, as people are losing their jobs. However, the Merchants Bank, in Vermont is still loaning money. They are somewhat protected from the debt crisis. When banks realize the large percentage of the investments they have in Fannie Mae, they may stop loaning.

Dave D'Alleinne: What is a recession? Can you define it specifically?

Greg: A recession is defined as a downturn in your labor plus a negative GDP, for four quarters. We had three quarters of negative GDP, but there are other factors that contribute to what a recession really is. We've lost 70% of our real estate value.

Jeremy Grip: I don't think in Vermont we have seen the same % of losses in real estate value.

Greg: That's true. The average sales price was down 9% in Vermont over the past year, but we are going to be affected greater than we had before. The Fannie Mae bail-out will have a greater effect than the 9/11 disaster. I think the mistake was avoiding for four years the writing on the wall. Between today and 2010, the bail-out will save us \$10 billion a month. The world will ask: what were we concentrating on in the past 4 years? What does the rest of the world think when we sweep our market losses under the rug? Stan Davis, an economic guru, told me today that 6% of the world's population has an investment in either Fannie Mae or a similar housing finance agency. That's a large amount. Every day we have to act in anticipation, not be reactive, and stay optimistic to continue to invest in housing.

Greg went on to say that he got into the seniors business by accident when a project for which he was the independent contractor went bankrupt and he took it over. He learned as much as he could as fast as he could. The demographics support the need for elderly care. We are an ageing population, and aging fast. The assisted living market, not the independent senior market, is the market of need. Once you reach the level of needing an hour and a half of assistance a day, you are into assisted living.

Greg's project, The Lodge at Otter Creek, contains approximately 180 units, consisting of 61 independent living apartments, 23 assisted living apartments, and 16 memory-care apartments, as well as 40 cottages. They planned a total of 80 cottages once phase four is complete. Greg will be moving away from building more cottages, although twenty have deposits on them. The demand is greater for assisted living apartments, which are full, and the memory-care center. Therefore, he is considering a change from building additional cottages to building another assisted living apartment building attached to the existing one, to accommodate the demand for assisted living. Private hospitals don't charge by time of assistance, but they do. Frequently the sales price of the senior's house won't cover the cost for them to buy a condo. There are many buy-in developments for sale now, and Greg's company is buying them at 10 cents on a dollar.

Fred: So your units are mostly rental?

Greg: Yes, and we have a mix of income-level residents because they can afford to rent. The assisted living is filling faster than I had hoped, but the memory-care and independent units are filling slower than I had hoped.

Fred: You do not offer nursing care?

Greg: We have chosen not to provide nursing care. The medical business, if done properly, will thrive. His business is to provide rentals at a reasonable cost. He may come back in a year and say he couldn't get the investment money. He is worried about this. Local banks have a huge % of their investments ballooning in 30 years. In commercial markets, you have to refinance in 7 years. 65% of Vermont's commercial portfolio will come due between 2007 and 2012. U.S. banks will be extending balloons, because they cannot afford to call in the loans.

Ralph Teitsheid: We have a small amount of wealthy people owning a greater percentage of wealth. Is that what we had prior to The Great Depression?

Greg: Greg thinks 8% of our currently wealthy hold a greater percentage than prior to The Great Depression.

Fred: Relate this to Addison County.

Greg: We have to dig harder. He doesn't know what we should do. We have to dig our heels in and make the turnaround, not just talk about it. In Vermont we can change our future. We have to be careful about preserving our environment and not overbuilding. Greg has a lot of guilt about taking over a beautiful farm, but he justifies his existence by building a better project than another developer. He clustered the buildings and did a good job of preserving adjacent farmland. He was initially hired as a consultant to the farmer to develop an economic model for the 36 acres that were available. He then offered him the amount that the property was worth.

Business Meeting:

Call to Order: 8:39 p.m.

Fred Dunnington, Chair of ACRPC called the meeting to order. He welcomed all in attendance and moved quickly to the agenda.

Approval of Minutes: Thea Gaudette moved to approve the July minutes. Bob McNary seconded the motion. Steve Revell corrected his statements about septic regulations. Ellen Kurrelmeyer corrected the spelling of her name under Act 250. Ralph Teitsheid asked a question about septic regulations, which Steve answered. Mary Dodge noted that on page 2 under Trail Finder, she didn't understand the statement. It was corrected to read "Guided" hikes. The Minutes as amended passed unanimously.

The text of Steve Revell's comments at the last meeting were amended to read:

"Steve Revell answered questions from the commissioners about septic regulations. If you are on a small lot that qualifies for an in-ground or at-grade design, and don't have enough room for a primary and replacement area, you could look at the possibility of building a system capable of accommodating 150% of the design flow, and not need the replacement area. For old lots that were permitted for the old regulations with primary

and replacement mounds, the changes to the regulations may allow another subdivision opportunity, as one could use the old replacement area for a new lot. The project would need to be properly permitted through the State review process as well as the local process. Planning issues are under local control, but wastewater is under State control, which sometimes doesn't match up. PUD's could be affected by this change."

Executive Board Minutes: Fred noted that we have both the July and August Minutes. There were no questions.

Treasurer's Report:

Adam gave the Treasurer's Report. He noted that we are transferring money from our money market account to our account for expenses, which is normal. The monthly budget report is year-end. Adam believes that although it currently shows a deficit, we will still break even because he has three bills from the last fiscal year that are not reflected in the budget. It was a tight fiscal year last year.

Fred: DHCA sent a notice that our funding will be reduced 5%, totaling about \$12,000 for this year. What is your plan for this year?

Adam replied that Fred is correct. However, he noted that we have several programs in the works to replace the funds lost. We are negotiating with Vermont Emergency Management for an additional \$20,000 of new money. In that program, Tim Bouton will serve as a liaison for Vermont Emergency Management to reach out to other entities within this public safety district. There are very few other expenses associated with this. Tim will still be able to handle our Emergency Management work, but will cut back on other non-emergency related tasks. Adam noted that the budget made in May constitutes an estimate to use to operate the commission. Every year we make projections for the year ahead, but it's not unusual for our budget to change. It's something we have to balance each year.

Bob: The Energy Committee's activities are growing, as are expenses. Will this be a problem with the budget cuts?

Adam: The Energy Committee's expenses are not that significant. One of the advantages of the money we receive from DHCA is that it is flexible, as long as we use it toward a list of appropriate items.

Bob: This week our committee is going to discuss how we can raise some money for ourselves. We are a very active committee and we could bring in some money to cover our expenses. Is this reduction a one-time reduction?

Adam: I cannot answer that. The State has financial problems.

Fred: If State revenues take another dip, we will have to address that at that time. We are getting away from our agenda.

Charlie Huizenga moved we accept the Treasurer's Report. Ellen Kurrelmeyer seconds. The Treasurer's Report passed unanimously.

Committee Reports:

Act 250/Act 248: Ellen Kurrelmeyer reported that there is one new application. CVPS applied for a line relocation less than a mile in length in Bristol. The District 9 Environmental Commission will treat this as a minor request, unless an objection is made and none has been made at this time.

Ellen also noted the District 9 Environmental Commission issued a corrected permit to Raymond Danyow for a boundary line adjustment for a properly line in a subdivision in Vergennes.

Lastly, the District 9 Environmental Commission issued a jurisdictional permit regarding the Green Haven nursery. Adam noted the nursery constituted an agricultural operation and therefore it is exempt from Act 250 and doesn't require a review.

Brownfields: Jeremy Grip reported that Adam has reviewed the responses to the RFP for new projects from consultants and narrowed the field down from 12 to 6. Jeremy noted the committee needs to meet to review these. He requested that the members meet briefly at the end of this meeting to pick a meeting date. Adam noted that there is a listing of committee assignments in the packets given out tonight.

Energy: The Committee has been very active. The Bio-mass research project is underway and he expects significant progress in the near future. BERC was selected as the consultant. On July 24 the Committee presented a Solar Hot Water and Space Heating program. It was a well attended and information presentation. On August 1 the Committee visited Ron Vincent's off-grid property in Whiting. Ron has a small wind turbine and an eight panel solar array for power. He heats with wood. This seems to be a common combination for off-grid homes in this area. Ron said he had not used his generator in over four months. Bob thanked Kent Wright for setting up that site visit. On August 19 Charlie, Elizabeth and Bob attended an oilseed crop demonstration at a farm in Shoreham. It was interesting, but much research and development is needed to bring this forward. On August 28 the monthly program was on Weatherization by Fred Lugano and Elizabeth Chant from CVOEO – Champlain Valley Office of Economic Opportunity. CVOEO offers a free weatherization program for income eligible households. Fred is a home systems and weatherization specialist. Fred spoke on safety and habitability of homes and how weatherization projects affect the same. Fred is a fascinating and humorous guy. If you missed this presentation, you can get the video from Elizabeth Golden at cost for \$6.

On Friday, our Committee will visit Denecker Chevrolet's new green building in Ferrisburgh. And on September 25 our monthly program will be on Wood Supply. We also participated in the Middlebury Harvest Festival last Saturday and were well received

and complimented for our ongoing efforts. Moving forward our Committee will continue to educate itself and continue to bring much needed and sought after high quality information to the public through our monthly outreach programs and by working with local energy coordinators and committees. Bob would like to see the Committee engage the agricultural community to a higher degree. We are developing ideas in that arena. He assured us that regardless of the price of oil, the committee's resolve will not waver. To maintain an aggressive high quality schedule such as this demands a skilled level of commitment. Our success is largely due to the dedication and work ethic of our staff person Elizabeth Golden.

Local Government: Nothing to report at this time. Bristol submitted their draft new Town Plan. As you remember, there were areas that needed changing. Elizabeth has reviewed their new Plan.

Natural Resources: Marcia Parker reported that the Committee is working on the forestry section, but did not meet last month. Andrea sent a written report for Adam to read, as she has another commitment for this evening which is a mandatory meeting. The Natural Resources Committee is on track to complete the revisions to the Natural Resources Plan for re-adoption at our May 2009 meeting. The current make-up of the Committee, prior to adding new members, has a small but mighty core. The current and new members have to make a commitment to make the meetings so that we will continue to stay on track and have enough diverse input to create the best Plan for the County. She reported that it has been a pleasure to serve as Chair over the past year and that she looks forward to the coming year.

TAC: Thea reported that last month we funded all three of the proposed projects at the levels requested. The ACTR study was funded at its full amount. Lincoln's request for assistance was funded between \$7-8,000 for road inventory to help them with their road improvement budget. The third was Bristol with a traffic study at the entrance, and they were given \$18,000, as requested.

Adam noted that the funding totaled \$40,000, which is the amount we gave the TAC for funding transportation projects. Adam read Jeff Nelson's written report, as Jeff could not attend this evening, "A big accomplishment in 2007-8 was the completion of the update to the Regional Transportation Plan. At this point, Jeff sees the Committee's efforts focused on continuing to do whatever we can within the confines of funding and policy limitations to advance the Region's transportation priorities as enumerated in the Plan."

Ed Payne said he understood that Bridport did a culvert study and asked if a topographical study was done at that time. Adam replied that every Town in Addison County did a culvert study, locating every culvert using GPS and providing general information on the condition of the culverts. Ed asked if the data indicated that an appropriate size culvert was in place. Adam replied that we did not do an optimization study of all the culverts. He noted that we did measure sizes, but not in terms of optimization.

Announcement: Fred announced that Jamie Stewart, Executive Director of the ACEDC – Addison County Economic Development Corporation, is resigning after 12 years. He is moving on to take over Rutland County Economic Development, so Addison County is hiring another Executive Director. All wished Jamie well in his new position.

Delegate/Staff Recognition: none.

Old Business:

Committee Assignments: Adam reported that delegate and TAC assignments have been received from most towns. Fred said that the Committee Assignment lists are in the packets distributed this evening. Fred noted that the Executive Board endeavored to assign Commissioners to their first choice in Committees. He thanked the previous chairs for their hard work over the past year and the new Chairs for taking on the Committee work. Ellen had a question regarding the TAC assignment for the Town of Whiting. Adam replied that after Town Meeting, at the beginning of April, we send out packets to the Towns requesting information on assignments, boards, etc. and we use that information to create these lists. Ellen stated she was sure that the Whiting Selectboard selected someone else. Adam replied that he will check on that.

Middlebury Hydro-Power Project: Ed noted that Anders Holm hydro project had a write-up in Popular Mechanics this month. Fred responded that the property rights to develop new projects are only partially owned by Mr. Holm and that the Town of Middlebury and CVPS also have property rights. The parties are currently discussing how the project can move forward. Jeremy asked if CVPS is interested in doing a project on its own. Fred replied that they may be. There is only room for one hydro project on the falls, with consideration for aesthetics, flows, etc. The Holms' own a building that sits on top of the flume and have interest because of the flume. A question was asked whether the town could do anything without that property. Fred replied that it is unlikely any one entity will muscle out the others. Ralph asked if CVPS proposed a similar project years ago. Fred replied that was true, but it did not proceed. CVPS wants to support the project and green energy. Ralph asked if the construction of the facility would be on town property. Fred replied that the powerhouse would reside on town property. The flume that is constructed is perfectly workable. The Holms' are doing repairs on it and have deployed a temporary sluice gate.

Some one asked how good an idea it is to have private ownership for part of a public project such as this. Fred replied that in Winooski the City of Burlington leased the rights to a private owner who developed the power source and pays the town on the lease.

Orientation booklet: Adam distributed an Orientation booklet for Commissioners that includes the ACRPC's mission statement, overview of programs, expectations for Commission members, Committee assignments, list of delegates and alternates, Annual Work Plan and Budget, and the Commission's By-laws.

New Planner position: Adam noted that he has placed an ad for a new planner and has received several qualified resumes. He will be interviewing three prospective candidates. He will narrow it down to three soon and expects to hire someone shortly

New Business:

2007-2008 Year End Report:

Adam noted that the Year End Report ACRPC provided to the Agency of Commerce and Community Development was included in the package sent to each of the commissioners this month. The answers follow their questions. It includes the projects and other work product ACRPC produced. He provided it for your information. He welcomes your comments after you have had a chance to read it.

Thea noted that the Membership list comes and goes on the Agenda. Adam assured her that he will place it on the back of the Agenda.

Ellen asked a question on the Year-End Report. How do we stack up against other Regional planning commissions? Do you have any sense of that? Adam replied that when he goes to DHCA meetings he sees that we are doing many good things. He is confident in the staff and the committee work that we do. He has a pretty good feeling coming away from those meetings and from his conversations with other people, but there is no actual ranking of how each RPC is doing.

Fred responded that if you were in a position in the legislature, you would hear reports, and from that perspective, someone would have a better ability to respond. And there is another way of looking at this. The RPCs are like children in a family. They are all doing things at their own levels. Ellen asked if we were doing well in terms of activity levels. She noted that we are neither the biggest, nor the smallest in activity level. She asked how we are doing in terms of public presentations. Fred replied that we have more public presentations than every other RPC in the state. Our level of committee work is higher. Our level of town involvement is also higher, because we do more for towns, as there are few towns that have Planners on staff. We are doing different things than other people, but things that are appropriate to us.

Bob commented that we are doing more in terms of Energy than other counties. Adam agreed, but added that Windham County may have an Energy Committee. Ralph asked if the Commissioners tonight thought we were doing well. Ellen replied that there are more commissioners coming to our meetings every month, so that we don't have to wait to ratify something. There is more interest in committee activity and committee attendance.

Fred told us that the Executive Board was looking at Strategic Planning. We branched into Emergency Management and Energy a couple of years ago. Looking ahead, we are considering what we would move into now. He is interested in taking the time to see what we may do next. If you have any thoughts on that, he asked for your input. Also,

Adam noted that he is always interested in suggestions for programs you are interested in. He would like to get input.

Adjournment:

Charlie moves to adjourn. Bob seconds. Meeting adjourned at 9:34 p.m.

Respectfully submitted,
Elizabeth Golden