



Date: May 1<sup>st</sup>, 2019

Planning Commission  
Town of Richmond  
P.O. Box 285  
Richmond, VT 05477

Dear Planning Commissioners:

We wanted to provide some further details and information about discussions on the zoning regulations of the Village District in Richmond – explicitly discussions about residential density. We feel these details need to be highlighted and reviewed.

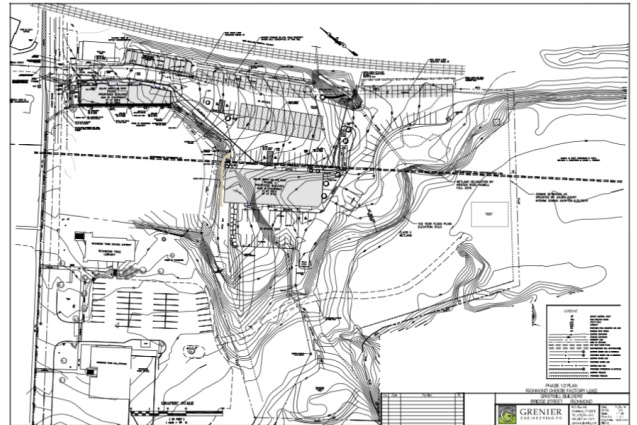
### **Act 250 Representative Discussions**

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This morning, we learned that a conversation with an Act 250 representative occurred last week that has now caused some confusion and insecurity. From what has been conveyed to us, that Act 250 representative implied that there could be some issues with the Jolina Court Development and that our current development plans were never provided. From our understanding, the primary concern was about 1) traffic impacts and 2) wetland impacts. We want to be sure that any decision is based on the facts that have been the basis of existing Act 250 discussions and permits.

We have had to submit three Act 250 permits for this development. With each an Act 250 Representative was closely involved and did site visits with the full plan. Our recent District Admin – Stephanie Monaghan – has been aware of the longterm plan / many phases and buildings of the development. Some examples below:

- July & August 2018 – Discussions about Building #2 with Act 250. On July 24, 2018, application for Building #2 based on existing footprint was discussed and it was indicated that Act 250 would likely be successful. She suggested we add the solar covered parking as Commissioners would like this and meet with the wetlands team to discuss wetlands buffer. Plan provided was the same footprint as today's.
- Act 250 Amendment to Building #1 to increase the residential from 10 units to 14 units in Jan 2019 was seen to have no impact and was considered an administrative amendment.
- In 2017, the Act 250 Permit for Building #1 was approved in 6 days (a record!) and that permit included the full scope of the plan including: Site plans and Traffic Study for several buildings. Please note that the total square footage of projected development was higher than current scope at 61,700 square feet. The estimates based on this larger mixed-use development did not trigger VTRANS requirements for mitigation.



Two other points of consideration:

- Act 250 jurisdiction is seen as separate and secondary to the Regional and Town Jurisdiction as most properties will not be required to look for this approval. Along with environmental factors (for which we have passed consistently and with speed), the Act 250 process 'requires development to conform to municipal and regional plans and Vermont's land use planning goals' not the reverse. Act 250 looks to insure any plans achieve the town and regional plans. Both, we would argue, strongly support and encourage the development.
- Interestingly, it's vital to note that due to the downtown designation of the site and the fact that it's was a brownfield, there is a plan to make properties like the Creamery exempt from Act 250 in the future. It was not achieved in this year's legislative session but in discussions with ANR and DEC, this is a high priority.

So in our opinion, using an individual's opinion from the Act 250 department that lacks fact or an application as a reason to change the Richmond Town Zoning is not advisable – especially as soon it might not even have jurisdiction over properties like Jolina Court.

The Planning Commission should make any decision based on the impact and adherence to publically approved for Town Plan.

### Alignment with Regional and Town Plans

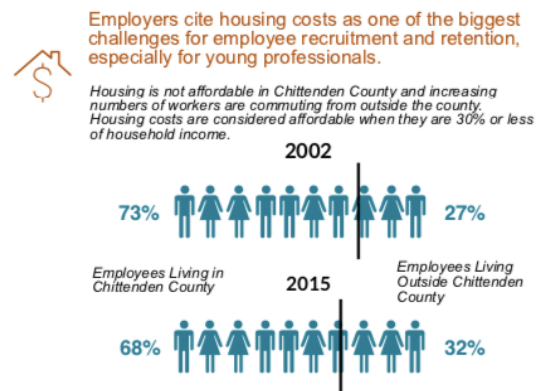
As a reminder, the Jolina Court development is fully aligned with the Richmond Town Plan includes:

- **HOUSING 'GOAL 1:** Strive to have a diverse, resilient, affordable and quality housing options for residents and potential residents from all walks of life throughout the town.'
- **ENERGY GOAL 1:** Decrease the amount of fossil fuels used for transportation by the town government, residents and businesses in Richmond through conservation and improved efficiency. Encourage walking and the use of bicycles and facilitating the substitution of electricity and renewable fuels for fossil fuels.
- **Community Development Goal #1:** Action#2: When updating zoning regulations, explore way to allow for non-traditional housing types, ways to encourage the creating of new business enterprise.
- **Economic Development Goal #5:** Action #2. Support efforts to increase the supply of affordable housing in Richmond.

And it the Planning Commissions role to “Adopt and maintain a zoning ordinance based on “smart growth” principles, with most development concentrated in the village, neighborhoods, downtown, gateway mixed use areas to reduce vehicle miles travelled from housing to shopping and to public transit options.”

Additionally, as outlined in the CCRPC Regional Plan (ECOS 2018), this project aligns to all the Top Actions and Goals:

- Strategy #2: Strive for 80% of new development in areas planned for growth (aka Downtown Development), which amounts to 15% of our land area.
- Top Action #1: Support and inform municipalities on setting the stage for smart, multi-modal development in our areas planned for growth, and protection of our rural planning area, through plan and bylaw assistance, participation in the Act 250 Next 50 Years Committee, brownfields assessments, etc.
- Housing Action Item: Support a campaign to build 3,500 new homes in Chittenden County by 2021 for people of all income, including 700 affordable homes, and strive for 75% of the Chittenden County workforce to live in the county.
- Support Smart Growth development to create and maintain livable communities that are appealing to businesses and residents.
- Attract and retain workforce members through sustained efforts to address housing affordability, childcare affordability, new job development, social connectivity and quality of life amenities, with a focus on recent in- and out-of-state college graduates.
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### Market Conditions and Financial Reality of Commercial and Residential

We want to share some market factors that impact the viability of the project in terms of commercial versus residential for the Jolina Court District. These factors play a vital role in any developer's success in obtaining institutional financing and / or reducing the personal risk to construction and development. Below provides some facts on commercial versus residential property in Vermont and in Chittenden County.

- There is good supply of available commercial property in Chittenden County and in Richmond today. With higher levels of supply, the rental price per square foot is pushed down.



- Whereas, Vermont is in a housing crisis with 1.7% vacancy rate (a healthy rate is 5% and national average is 4.7%). Despite significant statewide focus over the past few years, there are not enough housing options to provide existing residents... and less so to encourage new residents. The lack of housing is seen as a major factor for why individuals are leaving communities and Vermont overall. The gap in supply is worse in smaller, more affordable units.
- A recent appraisal on the Creamery demonstrates the difference in potential income on residential versus commercial. And quantifies why a financial institution or investor – based on current market conditions – will deem commercial as more risky than residential. Residential is valued at double the income of commercial.
  - Commercial - Average rental income per square foot = \$16.61
  - Residential – Average rental income per square foot = \$29.41
- Vermont is one of the most expensive places to build residential or commercial properties putting additional pressure on developers and those that provide funding.
- Final point, specific to this project: The cost burden of the brownfield clean up is also a factor requiring both us and any lenders to be focused on the return. We are carrying a ~\$500K burden of non-grant funded clean up costs in the pro forma.

Without additional residential units, future buildings will be hard to finance as the burden of commercial is seen as too risky. Additionally, we will have to revisit our plans on Solar as the costs to construct will force us to look for external investors for that element. The current business plan and budget cannot afford the solar element without additional profitable buildings.

We believe that the Planning Commissions role is about helping establish zoning regulations that achieve the

Sincerely,

[Your Name]  
[Your Title]