

Administrative Procedures – Economic Impact Statement

Instructions:

In completing the economic impact statement, an agency analyzes and evaluates the anticipated costs and benefits to be expected from adoption of the rule. This form must be completed for the following filings made during the rulemaking process:

- Proposed Rule Filing
- Final Proposed Filing
- Adopted Rule Filing
- Emergency Rule Filing

Rules affecting or regulating public education and public schools must include cost implications to local school districts and taxpayers in the impact statement (see 3 V.S.A. § 832b for details).

The economic impact statement also contains a section relating to the impact of the rule on greenhouse gases. Agencies are required to explain how the rule has been crafted to reduce the extent to which greenhouse gases are emitted (see 3 V.S.A. § 838(c)(4) for details).

All forms requiring a signature shall be original signatures of the appropriate adopting authority or authorized person.

Certification Statement: As the adopting Authority of this rule (see 3 V.S.A. § 801 (b) (11) for a definition), I conclude that this rule is the most appropriate method of achieving the regulatory purpose. In support of this conclusion I have attached all findings required by 3 V.S.A. §§ 832a, 832b, and 838(c) for the filing of the rule entitled:

Rule Title: Vermont Wetland Rules

 _____, on 12/21/17 _____.
(signature) (date)

Printed Name and Title:

Julie Moore, Secretary
Vermont Agency of Natural Resources

BE AS SPECIFIC AS POSSIBLE IN THE COMPLETION OF THIS FORM, GIVING FULL INFORMATION ON YOUR ASSUMPTIONS, DATABASES, AND ATTEMPTS TO GATHER OTHER INFORMATION ON THE NATURE OF THE COSTS AND BENEFITS INVOLVED. COSTS AND BENEFITS CAN INCLUDE ANY TANGIBLE OR INTANGIBLE ENTITIES OR FORCES WHICH WILL MAKE AN IMPACT ON LIFE WITHOUT THIS RULE.

1. TITLE OF RULE FILING:

Vermont Wetland Rules

2. ADOPTING AGENCY:

Agency of Natural Resources

3. CATEGORY OF AFFECTED PARTIES:

LIST CATEGORIES OF PEOPLE, ENTERPRISES, AND GOVERNMENTAL ENTITIES POTENTIALLY AFFECTED BY THE ADOPTION OF THIS RULE AND THE ESTIMATED COSTS AND BENEFITS ANTICIPATED:

Property owners intending to conduct activities that will impact the proposed Class I wetlands will be subject to a higher standard for demonstrating that the proposed activity is necessary and thus qualifies for a permit. Pursuant to the Vermont Wetland Rules, permits may only be issued authorizing activity in a Class I wetland if the activity meets a compelling public need to protect public health and safety. This may increase the costs of landowners' proposed project, if they are required to seek alternative sites or designs to limit the impact on the Class I wetlands and their buffers.

The additional protections afforded to the proposed Class I wetlands may have an overall positive economic impact, as those wetlands will continue to provide flood storage and water quality protection services to the general public.

4. IMPACT ON SCHOOLS:

INDICATE ANY IMPACT THAT THE RULE WILL HAVE ON PUBLIC EDUCATION, PUBLIC SCHOOLS, LOCAL SCHOOL DISTRICTS AND/OR TAXPAYERS:

Schools with property adjacent to the proposed Class I wetlands will be subject to a higher standard for demonstrating that the proposed activity is necessary and thus qualifies for a permit, and may be required to seek out alternative locations for proposed

projects. There currently are no public schools with property adjacent to the proposed Class I wetlands.

5. COMPARISON:

COMPARE THE ECONOMIC IMPACT OF THE RULE WITH THE ECONOMIC IMPACT OF OTHER ALTERNATIVES TO THE RULE, INCLUDING NO RULE ON THE SUBJECT OR A RULE HAVING SEPARATE REQUIREMENTS FOR SMALL BUSINESS:

The two proposed Class I wetlands are currently Class II wetlands and regulated by the Vermont Wetland Rules. The rule change will prevent development and other activities from occurring within these wetlands unless the activity is exempt from the rule, or the activity is necessary to meet a compelling public need to protect public health or safety. Without a rule change, these wetlands will retain their Class II status, and some development may occur in the wetlands, although Peacham Bog is located within a state forest, and the LaPlatte River Wetlands are primarily conserved land surrounded by some residential and transportation areas. The Class II status allows for some development of the wetland so long as impacts are mitigated. Since some of the functions of these proposed Class I wetlands are irreplaceable, it would be impossible to permit some activities within these wetlands if the losses could not be mitigated. Amending the rule to give these wetlands Class I status will provide developers with clear guidance regarding the development potential of certain properties, and which properties should not be purchased for development. The proposed rule will also provide current property owners with clarity regarding the development potential of those properties impacted by the new designations. Additionally, the proposed rule providing Class I protection to the two wetlands will guarantee that the wetlands continue to provide their irreplaceable functions and values into the future:

The LaPlatte River wetlands are a riverine wetland complex located along the banks of the LaPlatte River and McCabe's Brook. The complex comprises 267 acres, and is home to at least 21 natural community types. The wetland complex has been identified as being

"exceptional or irreplaceable" for nine out of ten protected functions and values identified in 10 V.S.A. 905b(18)(A). Furthermore, The Nature Conservancy has documented that the wetland provides habitat for 21 species of mammals, 60 species of birds, and 50 species of fish, reptiles, or amphibians.

Peacham Bog is an approximately 300-acre bog within Groton State Forest. The bog has been identified as being "exceptional or irreplaceable" for three of the ten protected functions and values identified in 10 V.S.A. 905b(18)(A). The wetland is home to at least six natural community types, including one of the largest Dwarf Shrub Bog communities in the state. A 500-foot buffer has been proposed around the Peacham Bog, as opposed to the default 100-foot buffer required by Section 4.2 of the Vermont Wetland Rules.

Although the functions and values provided by these wetlands are "free" ecosystem services, they are important to the economy of Vermont. A recent study from the Gund Institute at the University of Vermont found that large intact wetlands and floodplains prevented over 1.8 million dollars in damages to the town of Middlebury during tropical storm Irene, which is up to 78% of the potential damages. Hunting, fishing, hiking and sightseeing are all popular activities in the State which contribute to the quality of life of citizens and contributes considerably to tourism. A 2015 study conducted by Responsive Management for Vermont Fish and Wildlife found that a large majority of citizens surveyed believe it is very important that people have the opportunity to participate in wildlife related recreation in Vermont and a large majority (75%) disagree that economic development is more important than wildlife.

In the alternative, if the rule is not amended, there may be potential minimal economic benefit from expanded development into these wetlands. But this would occur at the expense of the protection of wetland resources, particularly those irreplaceable resources provided by the proposed new Class I wetlands.

6. FLEXIBILITY STATEMENT:

COMPARE THE BURDEN IMPOSED ON SMALL BUSINESS BY COMPLIANCE WITH THE RULE TO THE BURDEN WHICH WOULD BE IMPOSED BY ALTERNATIVES CONSIDERED IN 3 V.S.A. § 832a:

The proposed changes to the Vermont Wetland Rules do not change when a small business would be required to obtain a wetland permit. The Agency is not aware of any alternatives that would benefit a small business and conform with the requirements of 3 V.S.A. 832a(b) and 10 V.S.A. 913.

7. GREENHOUSE GAS IMPACT: EXPLAIN HOW THE RULE WAS CRAFTED TO REDUCE THE EXTENT TO WHICH GREENHOUSE GASES ARE EMITTED, EITHER DIRECTLY OR INDIRECTLY, FROM THE FOLLOWING SECTORS OF ACTIVITIES:

a. TRANSPORTATION —

IMPACTS BASED ON THE TRANSPORTATION OF PEOPLE OR PRODUCTS (e.g., "THE RULE HAS PROVISIONS FOR CONFERENCE CALLS INSTEAD OF TRAVEL TO MEETINGS" OR "LOCAL PRODUCTS ARE PREFERENTIALLY PURCHASED TO REDUCE SHIPPING DISTANCE."):

The proposed rule change prevents the construction of new roads within the Class I wetland unless the road is necessary to meet a compelling public need to protect health and safety. This restriction may prevent the construction of roads that would otherwise reduce travel times by cutting through wetlands.

b. LAND USE AND DEVELOPMENT —

IMPACTS BASED ON LAND USE AND DEVELOPMENT, FORESTRY, AGRICULTURE ETC. (e.g., "THE RULE WILL RESULT IN ENHANCED, HIGHER DENSITY DOWNTOWN DEVELOPMENT." OR "THE RULE MAINTAINS OPEN SPACE, FORESTED LAND AND /OR AGRICULTURAL LAND."):

The proposed rule will maintain and protect the existing functional wetland complexes, and promote the ecological systems those wetlands support. The proposed reclassification will prevent additional development in the Class I wetlands. The Class I designation will allow all existing structures to remain in place, and to be maintained. Forestry and silviculture activities may occur in the Class I wetlands as long as they are conducted in accordance with a plan approved by the Commissioner of Forests, Parks, and Recreation. The Rule will prevent the conversion of any protected wetland into farmland. The protected wetland complexes may provide carbon sequestration.

c. BUILDING INFRASTRUCTURE —

IMPACTS BASED ON THE HEATING, COOLING AND ELECTRICITY CONSUMPTION

NEEDS (e.g., "THE RULE PROMOTES WEATHERIZATION TO REDUCE BUILDING HEATING AND COOLING DEMANDS." OR "THE PURCHASE AND USE OF EFFICIENT ENERGY STAR APPLIANCES IS REQUIRED TO REDUCE ELECTRICITY CONSUMPTION."):

None

d. WASTE GENERATION / REDUCTION —

IMPACTS BASED ON THE GENERATION OF WASTE OR THE REDUCTION, REUSE, AND RECYCLING OPPORTUNITIES AVAILABLE (e.g., "THE RULE WILL RESULT IN REUSE OF PACKING MATERIALS." OR "AS A RESULT OF THE RULE, FOOD AND OTHER ORGANIC WASTE WILL BE COMPOSTED OR DIVERTED TO A 'METHANE TO ENERGY PROJECT'."):

None

e. OTHER —

IMPACTS BASED ON OTHER CRITERIA NOT PREVIOUSLY LISTED:

None