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COMMENTARY

# Linda Sullivan: Economic development — developing the will

By **Commentary**

Dec 28 2017 14 Comments



*Editor's note: This commentary is by Rep. Linda Joy Sullivan, a Democrat who represents the Bennington-Rutland District in the Vermont House of Representatives and is a member of the House Committee on Commerce and Economic Development. This is the last of a three-part commentary. [Part 1](#) was published Tuesday and [Part 2](#) on Wednesday.*

**E**arlier this year I began hearing well-produced radio ads on VPR extolling a lightly populated rural state — Iowa — as a thoroughly business-friendly environment that supports innovation and expansion. I wouldn't necessarily suggest that we do the same. Those sorts of broad-based media marketing campaign are expensive. However, it led me to wonder why we seemingly are doing very little to attract business to Vermont.

As I have written recently, beyond pursuing strategies to grow existing Vermont business lines “organically,” we’re going to need to figure out how best to attract external investments if we are going to have much chance of increasing economic opportunities for Vermonters, of achieving meaningful and sustainable increases in wages, of expanding revenue and tax bases so as to begin to lessen our reliance on property taxes, and of obtaining sorely needed transportation, housing, health care and communications infrastructure improvements. We are in a competition with other states for those investments — a competition in which we’re not competing in any significant way.

Marketing anything, even a whole state, begins with identifying “product differentiation” and then devising strategies designed to capitalize on existing competitive advantages. Vermont has, from time to time, made the effort to study the Vermont “brand.” In 2003 and 2010, consultants told us that we’re most associated with our physical beauty, our landscapes, our peacefulness and bucolic nature. All good and we should do nothing to upset that. However, no one has been working much on how we might better develop our brand that will make Vermont attractive to business beyond as a place for tired executives seeking a family respite.

This is a shame, as we can offer much to U.S. businesses that are today launching investment strategies to meet the unique challenges facing future generations. Vermont is already a leader in urban and environmental sustainability. All over the state we are working — albeit quietly — on green technologies and clean industries. Defining and better developing a brand around this work would be a natural for us — we’re already well-perceived around the country as thoroughly “green,” and the home of progressive and out-of-the-box thinkers and risk takers.

Yet, developing the right strategy to attract business while preserving all that’s good about Vermont will take some creativity and full engagement of important constituents. It will likely also require careful design of specifically tailored economic incentives (yes, even tax incentives). It’s hard work but work that needs to be started in earnest. A quick look at the websites of the economic development authorities in a couple of states, such as Colorado and Iowa, suggests that we lack the resolve to compete. We risk being left behind.

Beyond encouraging investment, however, we absolutely must in my opinion soften the existing perception that Vermont is anti-business. Much of that perception, as I have most recently addressed, comes from the lack of predictability and indeterminate delays occasioned by our unique land use legislative scheme, Act 250. That law, passed in the early 1970s in response to a worldwide environmental crisis, has been an important part of the regulatory fabric that has kept Vermont green. I’m far from being against Act 250. But it needs in my opinion to be overhauled, in part to reflect that since its passage both the feds and the state have adopted rigorous environmental protection schemes that serve many of the purposes of Act 250 and that many communities have since adopted robust land use plans. The fact that the Legislature has in recent years used Act 250 “exemptions” as an incentive to encourage favored forms of economic activity suggests to me that the Legislature recognizes both (a) that the current enhanced federal and state regulation and regional planning processes are today adequate to protect Vermont, and (b) that Act 250, left to itself, serves as an inhibitor of business investment.

If that is the case, it is imperative that we at a minimum reform the existing approval processes. Act 250 hearings are held before regional “citizens’

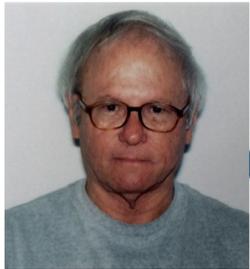
commissions” in off-the-record hearings at which persons who oppose projects are liberally allowed to intervene and become a party to the proceedings. They can take years to complete, particularly if either side appeals a decision, requiring everyone to start all over again in the courts as if no hearing had been held at all at before the regional commissions.

Act 250 defenders are quick to say that 98 percent of Act 250 applications are approved and thus the statute is not a real impediment to development — but these figures don’t account for voluntarily abandoned or scaled-back applications and, more troubling, applications that are never made at all. Businesses can live with robust regulation and delays, so long as the rules are known and delays are predictable. Investors hate process unpredictability and prolonged and uncertain delay to resolution.

Every 10 years or so the Legislature has focused on how to “fix” Act 250. Once again, this year a legislative commission has been empaneled and charged with studying Act 250. I have some very specific ideas about how we can improve the process so as to provide greater predictability. My biggest concern, however, is that the discussion of Act 250 does not seem to anticipate the critical need to incorporate a robust discussion of what we want to do with the Vermont economy. Vermont could determine to do nothing at all, to concede that we have no will for change and to shy away from economic development strategies entirely in the interest in keeping things as they are. Or we could begin work in earnest on developing strategies to increase economic opportunities to Vermonters. Either way, that decision — to stay the course or to grow and prosper — has to be part of the Act 250 calculus. The Act 250 discussion is every bit a discussion of business as it is a discussion of the environment. That larger discussion has to begin now.



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