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F.C. DeGroot  
Town Clerk

### The On-Farm Restaurant Amendment Furthers Woodstock's Town Plan Goals

No reasonable person could dispute that the On-Farm Restaurant Amendment furthers the goals of the Woodstock Town Plan (2016). The amendment allows a restaurant to open on a farm so long as it is featuring its own agricultural products on a daily basis. This allows for the development of an innovative agricultural enterprise that creates a more lucrative market to help sustain the agricultural operation.

The Woodstock Town Plan ("WTP" or "Plan") refers to such ventures as "agripreneurism, or diversification of on-farm business." WTP at 5. Not only does the Plan expressly call for the creation of an "an environment which encourages the establishment of new agripreneurial activity," but it unequivocally calls for the consideration of amendments to the "Town and Village zoning regulations to support sales of agricultural ... products or value-added products from Woodstock enterprises." WTP at 8 (Objective 4.1; Goal 3. Action 3.1.1). Even more specifically, the Plan calls upon such amendments to "[s]earch for opportunities to expand the allowed uses, in a wider selection of ... residential zones, for retail sales of Woodstock farm produced merchandise." WTP at 8 (Objective 3.1).

The On-Farm Restaurant Amendment does all of the above: (1) it expands the allowed uses in the Residential 5 Acre zone<sup>1</sup> through (2) an amendment to the town zoning regulations that will support the sale of agricultural products, and specifically value-added products, from Woodstock enterprises by (3) encouraging the establishment of new agripreneurial activity.

Accordingly, this is more than sufficient to support a finding that the proposed amendment "[c]onforms with or furthers the goals and policies contained in the municipal plan" pursuant to 24 V.S.A. §4441(c)(1). This is especially true because conformity with the town plan only requires that the proposed amendment either "makes progress toward attaining, or at least does not interfere with, the goals and policies contained in the municipal plan." 24 V.S.A. §4303(6)(a).

The On-Farm Restaurant Amendment is consistent with proposed future land uses in the plan (agripreneurism and on-farm business diversification), has no effect on densities, and does not call for the creation of any community facilities. It therefore satisfies all requirements of 24 V.S.A. §4441(c).

Indeed, the On-Farm Restaurant Amendment actually furthers all five of the agriculture related goals contained in the Plan: (1) Maintain a prominent presence for agriculture in the Woodstock community and landscape; (2) Create awareness, understanding, and support of farm, forestry and rural enterprise based within the Town; (3) Allow for and encourage greater farm related production, processing, and retailing operations; (4) Enhance the vitality of farming and on-farm activities; and (5) Minimize the difficulty in establishing new farming operations. WTP at 7-8.

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<sup>1</sup> The Residential 5 Acre zone is well-suited for such enterprises because it represents the heart of the working landscape that maintains Woodstock's rural character. WTP at 109. The historical land use pattern in these areas conveys "a rural quality that is consistent with small farming." WTP at 2. Such rural character is maintained by respect for the town's "agrarian heritage" that has "historically defined the unique attributes of Woodstock." WTP at 79.



The importance of promoting agriculture and, notably, “related agricultural ventures” to Woodstock is eloquently explained in the very first substantive paragraph of the Plan itself (after the Introduction):

Farming and all related agriculture ventures have played an important role in Woodstock’s history. This heritage and way of life will continue to be showcased, protected, and preserved with our directed effort and support. Indeed, the overall quality of life for all residents in Woodstock depends on maintaining a healthy working landscape and agricultural community within town borders. Agriculture and the continued use of the landscape is critically important to the overall image, vitality and character of Woodstock.

WTP at 4.

Accordingly, it is not surprising that a substantial number of Woodstock voters have recognized the value of embracing these Plan goals and signed the petition to advance the On-Farm Restaurant Amendment for prompt submission to the Selectboard. Respectfully, their sizeable collective judgment that the proposed amendment in its current form would further these important Plan goals should be given substantial deference by the six-person board comprising the Planning Commission.

Public debate and narratives on this issue have devolved into unfounded personal attacks, popularity contests, false narratives, and irrelevant warnings of hyperbolic parades of horrors. In an effort to re-direct public discussion of this issue into a rational evaluation of the merits and need for such agripreneurism in Woodstock, we also submit the following:

**Why pass the amendment when there is already an agricultural exemption under Act 250 and the newly enacted Act 143?**

These laws permit agricultural operations if the agricultural enterprise can establish certain sales in volume or weight. While well-intentioned, these laws would require a big four accounting firm to record and assess the competing weights or volumes of product produced on and off site in the restaurant context -- where each plate may contain a dozen or more ingredients from the farm and elsewhere and is sold for a single price. It is simply unworkable in a cost-effective manner, thwarting the development of innovative agricultural enterprises that Vermont law seeks to promote.

In addition, to obtain the Act 143 permit, there is an annual sales requirement, which obviously cannot be established before obtaining a permit to operate. Both permit applicants and the permitting authorities are left to sort out this conundrum which puts the cart before the horse. It is not surprising that the drafters of Act 143 acknowledged the limitations of their own law and expressly allowed municipalities to enact their own regulations to more readily facilitate the development of agripreneurism discussed in the Woodstock Town Plan. 24 V.S.A. § 4412(11)(E) (“A municipality may adopt a bylaw concerning accessory on-farm businesses that is less restrictive than the requirement of this subdivision (11).”).



Indeed, in the Vermont Agriculture and Food System Strategic Plan 2021-2030 (“Vermont Strategic Plan”) authorized by the Farm to Plate Investment Program (passed by the General Assembly with the support of Governor Scott), Vermont itself has recognized that the regulatory landscape is confusing and counterproductive to creative agricultural enterprises:

“Farmers often have questions about zoning, regulations, and permitting at the municipal, state, and federal levels; and creative enterprises may test boundaries. Answers can be difficult to find and vary from town to town.” Vermont Strategic Plan at 134.

The On-Farm Restaurant Amendment provides a simple and clear path to the development of on-farm dining enterprises without unworkable regulatory requirements that require extensive record keeping and analysis of sales and production.

### **Will the amendment lead to excessive development of on-farm restaurants throughout Woodstock?**

Perhaps the most disappointing aspect of public debate on this issue has been the exaggeration of the level of development that would follow from allowing such enterprises. Just as the laws creating a more favorable environment for the development of affordable housing have not led to a glut of affordable housing in Woodstock (or Vermont), this amendment will also have a limited effect on development in the town. Intellectual honesty is required for a fair assessment.

Like farming, the “restaurant market is highly competitive, with razor-thin margins and overall industry-wide staffing shortage both in Vermont and nationally.” Vermont Strategic Plan at 115. Developers understand the “razor-thin margins” and other challenges of the restaurant business and know that there are far more profitable and less challenging development options available for their capital. As a result, a genuine on-farm restaurant is likely to be a passion project resulting in significant economic sacrifice for the developer. Simplifying and easing the permitting requirements for agripreneurism is needed if Woodstock is serious about the objectives described in its Plan.

### **Why does the amendment focus only on restaurants instead of other forms of agripreneurism?**

One of the weaknesses of Act 143 is that it tried to apply a single set of standards to a great variety of businesses. It did not work and the standards will cause more confusion and be counterproductive to the development of on-farm accessory businesses.

In addition, restaurants are vital to supporting rural towns like Woodstock:

“From mom-and-pop diners to high-end establishments, restaurants play a key role in shaping the way consumers eat and think about food. They also play a role in the success of Vermont farms by featuring, and increasing the amount of, locally grown food that they purchase. Enhancing restaurant and farm partnerships is a win-win for the health of Vermont’s rural economy and the overall financial sustainability of rural communities.” Vermont Strategic Plan at 115.



### **Will this lead to insufficient regulatory protection for the public?**

There will be no shortage of regulatory oversight. In addition to a conditional use permit, there will be state regulation through Fire & Safety, Well & Wastewater, Act 250, Groundwater, public health licensing, and likely more oversight depending on the nature of the operation.

### **Is the scale of the On-Farm Restaurant too large?**

A rural on-farm restaurant requires a significant investment as it would not be able to take advantage of municipal services in its rural location. In addition, it would be competing with village and hamlet restaurants that are often walkable from commercial centers. As a result, it is not surprising that rural restaurants in the greater Woodstock area are often open on less nights per week than ones in town center locations.

In addition, to produce enough product cost-effectively to feature it on the menu on a daily basis will also require an appropriate scale of farming operations. If one wishes to ensure that the restaurants operate on genuine farming operations, the restaurant must be able to offer an adequately sized market to move the home-grown product at profitable levels.

Given the razor-thin margins in both restaurants and farming, it is important to allow a reasonable scale for the operation so that the significant investment required is capable of generating a sustainable return. Reasonable light, sound, and parking restrictions can be used to assure that the scale of the operation does not adversely affect the neighborhood.

### **How does an On-Farm Restaurant benefit anyone other than the owners and operators of the enterprise?**

As the Woodstock Town Plan emphasizes, on-farm business diversification, or agripreneurism, is a valuable tool to help preserve Woodstock's rural agricultural character. In addition to providing more dining options to the community, direct interaction between the On-Farm Restaurant and its customers will further Vermont's goal of improving agricultural literacy and promoting the Vermont agricultural brand to the major metropolitan markets that send so many visitors to Woodstock annually. Vermont Strategic Plan at 133 ("Agritourism enterprises allow farms to diversify their operations while preserving their core production model and the working landscape, retaining or creating additional jobs, and maintaining farming traditions. At the same time, the public becomes educated about the importance of agriculture to a community's economic base, quality of life, history, and culture") at 114 (recommending significant marketing investments to promote the quality and diversity of Vermont agricultural product to major metropolitan markets). Both of these objectives are critical to promoting Vermont's agricultural survival. As a town that depends on tourism, and has struggled to offer sufficient restaurant options to its visitors and locals alike, allowing for an On-Farm Restaurant will bolster the local economy and improve the daily lives of residents in Woodstock with additional dining offerings that help sustain the town's rural character and rural economy.