

November 2, 2011

An open letter to all residents of the Village of Jeffersonville and Town of Cambridge

On March 25, 2011 Union Bank filed an application with the Vermont Natural Resources Board for an Act 250 permit to construct a bank branch building on land we purchased in May 2009 that was a portion of the former Bell Gates Lumber yard. A public hearing was held on June 28 and subsequently all parties to the application had an opportunity to file supplemental submissions and rebuttals by the end of August 2011.

On October 22, 2011 the District Environmental Commission #5 completed its deliberations and issued its decision on October 26, 2011. As you may be aware, the application was denied by the District Environmental Commission. We would like to explain the findings of the Commission in simple terms and also tell you what our future plans are. Should you like to read the Commission's decision yourself, we have posted it on our website at www.unionbankvt.com or you may pick up a copy at our Jeffersonville Branch.

There are ten criteria under Act 250 which a project may be reviewed. Initially, the Commission ruled that our proposed project complied with all ten criteria and no hearing was necessary. After considering petitions by interested parties, the Commission determined that three of these ten criteria would merit review during a hearing. These were (1) (D) Floodways, (4) Soil Erosion and (10) Conformance with Local or Regional Plan. Portions of the Commission's findings are as follows.

- (D): Floodways: "Having considered the totality of the evidence presented to the Commission by both the applicant and the parties the Commission concludes that the design of the project will ensure that no significant increase in the peak discharge of the river will result. Similarly, the record before the District Commission supports a conclusion that the design of the *project will not endanger the public or riparian owners during flooding.*" *(Emphasis added)*
- (4) Soil Erosion: "Having reviewed the record in this matter and consistent with the conclusions stated above for criterion 1(D), the Commission concludes that the *project design will not cause a reduction in the capacity of the land to hold water so that a dangerous and unhealthy condition may result.*" *(Emphasis added)*
- (10) Conformance with Local or Regional Plan: "Based on the foregoing Findings of Fact, it is the conclusion of this District Environmental Commission that the project described in the application referred to above, if completed and maintained in conformance with all of the terms and conditions of that application, will cause or result in a detriment to health, safety or general welfare under criterion 10 described in V.S.A., section 6086(a).

The Commission found that our application for the project complied with Act 250 criteria regarding Floodways and Soil Erosion, but that the project did not conform to the Municipal Plan for the Village of Jeffersonville adopted in October 2009, five months after we purchased the property. These findings support Union Bank's long held position that the project will not cause harm to the community in a flood event. As we have stated throughout the hearing process, the site is designed to have a "net neutral" effect on the flooding characteristics of the area around our proposed branch location.

We believe that the Municipal Plan supports development of the subject parcel. On page 31 under the Economic Development section of the Municipal Plan the plan states, "The old Bell Gates Lumber site is an excellent area for some type of mixed use redevelopment." In addition, the plan clearly states: "Due to Jeffersonville's history of flooding, the Village has adopted flood hazard area regulations and participates in the National Flood Insurance Program (NFIP). These regulations control the use and construction of structures in the flood hazard areas." Three separate bodies, the Vermont Department of Environmental Conservation, the Jeffersonville Board of Adjustment (unanimously), and now the District Environmental Commission #5 have found that our plan conforms to the National Flood Insurance Program regulations. Because of these statements, we believe that the District Commission may have erred in finding that our project does not conform to the Municipal Plan. We therefore believe we have an obligation to further pursue this matter by filing a Motion to Alter the decision.

Union Bank has done its best to be a good corporate citizen in Jeffersonville and surrounding areas for over 80 years. As many of you have experienced, we have outgrown our current location, particularly with regards to parking. We took great pains to find a location within the Village limits that would be convenient for our customers. We have designed what we think is a handsome, traditional building that will complement the general area well and will not cause harm to our surrounding neighbors. We believe in general we have widespread support for our project and plan on continuing to make our case before the District Environmental Commission. It is likely that the project will now be delayed if we are unable to obtain the required permits for the new branch in a timely manner.

Sincerely,



Kenneth D. Gibbons
Chairman and Chief Executive Officer