

MEETING MINUTES
JANUARY 28, 2016
DEANE C. DAVIS BUILDING
1 NATIONAL LIFE DRIVE, MONTPELIER
CALVIN COOLIDGE CONFERENCE ROOM, 6TH FLOOR
9:30 A.M. TO 12:30 P.M.

Members Present: Michael Keane; Betsy Gentile; Warren Kitzmiller; Rachel Smith; Shawn Straffin; Emma Marvin; and John Davis

Members Present by Phone: Stephan Morse, Chair; and Mary Lintermann, Vice Chair

Members Absent: Tim Briglin and Kevin Mullin

Staff Present: Fred Kenney, Executive Director and Kimberly Baker, Grant Management Specialist

Others Present: Neil Doidge, Senior Project Manager and Terry Bane, Site Operations Manager, Imerys Talc; Bob Flint, Springfield Regional Development Corporation; Fred Lipfert, Vice President, LTK Consulting; Bob Haynes, Green Mountain Economic Development Corporation; Lori Hirshfield, Director of Planning and Development, Hartford; Orly Munzing, Owner/Founder and Martin Langeveld, Marketing Director, Strolling of the Heifers; and Paul Costello, Executive Director, Vermont Council on Rural Development

9:30 a.m. Roll Call and Agenda Review

Betsy Gentile called the meeting to order.

Betsy Gentile requested a roll call. Members present are noted above.

Betsy Gentile inquired as to any additions or deletions to the agenda. Fred Kenney noted if time allows would provide the Board with updates but no action is required. Betsy Gentile added these items to the Agenda.

9:31 a.m. Minutes – December 3, 2015

Betsy Gentile inquired as to any corrections or changes to the draft meeting minutes for December 3, 2015. Hearing none, requested a motion.

- ❖ At 9:31 am Michael Keane moved to approve the December 3, 2015, meeting minutes as presented. Warren Kitzmiller seconded the motion. Betsy Gentile requested a roll call for the vote, all voted in favor and the motion passed. 9-0-0.
 - Aye: Michael Keane; Betsy Gentile; Warren Kitzmiller; Rachel Smith; Shawn Straffin; Emma Marvin; John Davis; Stephan Morse; and Mary Lintermann
 - Nay: None
 - Abstain: None

9:31 a.m. Public Comment

Betsy Gentile inquired as to any members of the public present to provide public comment or announcements, hearing none, moved to the next Agenda item.

9:32 a.m. VEGI Applications

-Imerys Talc, Ludlow (Initial)

-LTK Consulting Services, White River Jct (Initial)

- ❖ At 9:34 a.m. Michael Keane moved to enter into Executive Session to discuss VEGI applications, citing 1 VSA, §313(a)(6). Rachel Smith seconded the motion. Betsy Gentile requested a roll call for the vote, all voted in favor and the motion passed. 9-0-0.
 - Aye: Michael Keane; Betsy Gentile; Warren Kitzmiller; Rachel Smith; Shawn Straffin; Emma Marvin; John Davis; Stephan Morse; and Mary Lintermann
 - Nay: None
 - Abstain: None

Members of the public departed the meeting

- ❖ At 11:21 a.m. Michael Keane moved to return to open session. Warren Kitzmiller seconded the motion. Betsy Gentile requested a roll call for the vote, all voted in favor and the motion passed. 9-0-0.
 - Aye: Michael Keane; Betsy Gentile; Warren Kitzmiller; Rachel Smith; Shawn Straffin; Emma Marvin; John Davis; Stephan Morse; and Mary Lintermann
 - Nay: None
 - Abstain: None
- ❖ At 11:24 a.m. Rachel Smith moved to approve the Initial Application from Imerys Talc Vermont, Inc., for a project in Ludlow, giving initial authorization of VEGI incentives of up to \$554,157 with an estimated incentive of \$479,071. Approval is based on application data, today's testimony supporting the But For, for activity to commence in calendar year 2016, and because the Board determined that the applicant met the But For, met or exceeded program guidelines, and the project generates a positive revenue benefit of \$325,845. Approval is subject to submittal and consideration of a Final VEGI Application before the end of calendar year 2016. Michael Keane seconded the motion. Betsy Gentile requested a roll call for the vote, and the motion passed. 6-1-2.
 - Aye: Michael Keane; Warren Kitzmiller; Rachel Smith; Shawn Straffin; John Davis; and Mary Lintermann
 - Nay: Emma Marvin
 - Abstain: Betsy Gentile and Stephan Morse
- ❖ At 11:25 a.m. Emma Marvin moved to approve the Initial Application from LTK Consulting Services, Inc., for a project in White River Junction, giving initial authorization of VEGI incentives of up to \$171,782 with an estimated incentive of \$166,056, based on application data, for activity to commence in calendar year 2016, because the Board determined that the applicant met the But For, met or exceeded

program guidelines, and the project generates a positive revenue benefit of \$71,844, subject to submittal and consideration of a Final VEGI Application before the end of the calendar year 2016. Warren Kitzmiller seconded the motion. Betsy Gentile requested a roll call for the vote, and the motion passed. 6-2-1.

- Aye: Michael Keane; Warren Kitzmiller; Rachel Smith; Shawn Straffin; Emma Marvin; and Mary Lintermann
- Nay: John Davis and Stephan Morse
- Abstain: Betsy Gentile

11:28 a.m. Lori Hirshfield, Hartford's Director of Planning and Development joined the meeting.

11:31 a.m. TIF District Phase Filing
-White River Junction Downtown TIF District, Hartford

Fred Kenney provide background information the Board noting that two TIF Districts were approved with the requirement that each Phase would require Council approval. The Council approved a master TIF plan that met the majority of the criteria with the understanding that they would return with Phase filings. Phase filings are reviewed to ensure the specific project(s) meet the criteria and are financially viable. This is Hartford's second Phase filing.

Fred Kenney stated that the Council approved the TIF District in 2011, approved the first Phase filing in 2014. The town will seek a public vote in March 2016 to request a 20-year, \$200,000 bond for Phase 1 parking lot and also a 20-year loan of \$700,000 through the EPA Revolving Loan Fund for storm and waste water projects. Both projects were included in the original TIF District Plan and Financing Plan and were approved at 100% proportionality. The Select Board approved both projects and bond warrant in January 2016. Debt service will be financed with the revenue received from private development projects that are expected to be on the grand list by April 1, 2016.

Lori Hirshfield reviewed the progress within the TIF District and reviewed the Phase 2 filing. Michael Keane inquired as to the completion date of the Number Four LLC. Lori Hirshfield stated that this project is complete and almost fully occupied.

Fred Kenney stated that the Council must determine if the Phase filing is consistent with the approved TIF District plan; if the Phase is financially viable and if new activity would need to consider proportionality.

- ❖ At 11:49 a.m. Warren Kitzmiller moved to approve the Phase Filing stating it is consistent with the approved TIF District Plan and that it is financially viable. Michael Keane seconded the motion. Betsy Gentile requested a roll call for the vote, and the motion passed. 8-0-1.
 - Aye: Michael Keane; Warren Kitzmiller; Rachel Smith; Shawn Straffin; Emma Marvin; John Davis; Stephan Morse; and Mary Lintermann
 - Nay: None
 - Abstain: Betsy Gentile

11:51 a.m. Shawn Straffin departed the meeting.

11:51 a.m. the Council took a break.

11:52 a.m. Orly Munzing and Martin Langeveld, Strolling of the Heifer's; and Paul Costello, Vermont Council on Rural Development joined the meeting.

11:56 a.m. WCEDP Competitive Grant Applications

Fred Kenney stated that the program was redesigned and there is now a local advisory board that must approve all Grant and Loan Letters of Intent to Apply before an application can be submitted. Grant applications are through a Request for Proposal process once per year and Loan applications are accepted on a continuous basis. The Council's role is to make recommendations to the Governor with regards to competitive grant applications.

Fred Kenney stated that the Council will hear presentations from the two WCEDP Grant Applicants and if time allows, will deliberate and vote on the applications. If there is not enough time, the Council will deliberate and vote at the February meeting.

Orly Munzing and Martin Langeveld with Strolling of the Heifer's presented the project and application for Windham Grows. The project will develop the most promising business opportunities in the food and agriculture sector in Windham County. In a systematic approach, the project, will seek out, evaluate, & provide development support for selected entrepreneurs. By providing entrepreneurs with the resources they need to gain high-value management skills, this project builds new dynamic businesses that create meaningful jobs, increase average wages in the food and agriculture sector.

Michael Keane inquired as to what could jeopardize the funding stream; what are the risks and with regard to involvement by Cairn Cross and Jim Verazino; how much of their time from each are you getting in the first year. Martin Langeveld responded that the budget currently has them at 100 hours per month during the 6 to 9-month cohort. There will also be a full-time, 30-hour per week coordinator, and the service providers. Martin Langeveld added that they will continue to seek grants, and, if necessary could scale back the program.

Michael Keane inquired as to the first two things that would be scaled back. Martin Langeveld responded that they would need to evaluate what size cohort could be supported and not hire the coordinator position until funding was available.

Emma Marvin inquired as to how this project fits in to the existing ecosystem; what are the synergies with existing technical service providers, where is there overlap and what are the opportunities that are different. Martin Langeveld responded stating they have met with the Food Venture Center and have begun reaching out to establish those partnerships. This is 6-9 months of "pressure cooker" environment where you are working on building your business plan, marketing plan and launching your business, which is different from what most providers offer. Emma Marvin also inquired as to the basis for the figures provided regarding job creation. Martin Langeveld responded that the figures are very conservative and are based on researching past competition winners' growth.

Betsy Gentile inquired as to sustainability of the program and if there will be a fee for participants at the time of entry or in the future. Martin Langeveld stated that the model submitted for this application and submitted for the EDA grants states that there will be a fee for services after the 18-month grant period. The ability to charge a fee for services will depend on how successful the program becomes in the first couple of years. Fred Kenney inquired as to any other models of similar projects that have a fee for service that have been successful. Martin Langeveld stated most models are for business/investor funded – looking for equity stakes in the business. Harder to accomplish in the farm/food sector. Orly Munzing stated that they are working on a legal agreement to create a fee for service.

Michael Keane inquired as to which model researched was the most successful or had the best practice. Orly Munzing stated they work closely with Valley Venture Mentors in Massachusetts which is completely supported by the State. Valley Venture's is very supportive of this program and is looking to refer people to our program.

Stephan Morse stated this program is about job creation, during your presentation stated would create 270 jobs in 5 years and 975 jobs in 10 years. Interested in understanding these projections when the project is for 18 months only. Martin Langeveld stated those projects assume that funding continues beyond the 18 months. Betsy Gentile stated that grant projects do not necessarily require direct job creation but can be for projects that help build economic development and infrastructure in the region.

Fred Kenney inquired as to the status of other grants or funding. Orly Munzing stated that they have received a request to submit a full application for Working Lands. They have submitted a Letter of Intent to USDA, UNFI and EDA. Fred Kenney asked if any of these organizations have provided a letter of commitment. Orly Munzing stated that they have not and they are waiting to for a commitment from WCEDP.

Fred Kenney noted that the potential for participant fees and equity participation was not mentioned in the application and addresses one of the concerns regarding sustainability. It is also important to note that if this application is approved it would be conditioned on receiving the other funding noted in the application. One of the reviewers mentioned the VHCB Farm Viability Program and the Vermont Agricultural Development program were not listed as partners on this application and they should pursue partnering with them as well.

Michael Keane inquired as to what would happen to these initiatives should either of you no longer be involved in this project. Orly stated that there are other people involved that would pick up the initiative and continue moving it forward.

Betsy Gentile inquired as to further questions, hearing none, moved to Paul Costello, Vermont Council on Rural Development.

Paul Costello, Executive Director, Vermont Council on Rural Development presented the project and application. Through the "Vernon Community Visit" project, VCRD will create a forum for community decisions that will drive action in Vernon over the next two years. VCRD's five-month process will unite residents of Vernon to examine issues before the community, prioritize actions to respond to challenges and opportunities, build local task forces and implementation

plans for community and economic development projects, and connect to human and financial resources to help them advance community goals.

Michael Keane stated there is a CEDS in region in that area, how would the community visit be aligned with that. Paul Costello stated we are in touch with the CEDS in Windham County and are constantly working with economic development officials to help drive and support projects.

Fred Kenney inquired as to when you go into a community does the potential for a huge project on the horizon in that community, how do you keep that project from becoming the focus of discussion and instead keep it broader. Paul Costello stated if that is one of the issues that people want in the report then it becomes one of the focal points but that would not be the only item. There may be five or six or nine issue areas and we would ensure expertise in all those areas.

Betsy Gentile inquired as to further questions, hearing none, the decision was made to deliberate and vote at the February meeting.

Betsy Gentile moved to the next item.

1:03 p.m. Stephan Morse departed the meeting.

1:03 p.m. Update

Fred Kenney provided an update regarding activity at the Legislature noting that there are three bills that have been introduced which include the VEGI program. Links to those bills have been sent to Board members. Fred Kenney provided an overview of the Bills.

Fred Kenney stated that the SharePoint site is migrating to a new platform. Michael Keane and Emma Marvin have agreed to do some testing on the site. The plan is to show the Council the new site at the February meeting and the site will be on-line for the March meeting.

Betsy Gentile noted that the next meeting is scheduled for February 25, 2016.

Betsy Gentile inquired as any other business, there being none requested a motion to adjourn.

- ❖ At 1:07 p.m. Michael Keane moved to adjourn the meeting. Rachel Smith seconded the motion. Betsy Gentile requested a roll call for the vote, and the motion passed. 6-0-1.
 - Aye: Michael Keane; Warren Kitzmiller; Rachel Smith; Emma Marvin; John Davis; and Mary Lintermann
 - Nay: None
 - Abstain: Betsy Gentile

Minutes taken by Kimberly Baker: January 28, 2016

Revised by Fred Kenney: February 11, 2016

Approved by the Board: March 3, 2016