



**MEETING MINUTES**

**MAY 5, 2016**

**DEANE C. DAVIS BUILDING, 1 NATIONAL LIFE DRIVE, MONTPELIER**

**CALVIN COOLIDGE CONFERENCE ROOM, 6<sup>TH</sup> FLOOR**

**9:30 ~ 11:00 A.M.**

**Members Present:** Chair Stephan Morse; Betsy Gentile; Rachel Smith; and Emma Marvin

**Members Present by Phone:** Vice Chair Mary Lintermann; Michael Keane; and Shawn Straffin

**Members Absent:** Kevin Mullin; Tim Briglin; Warren Kitzmiller and John Davis

**Staff Present:** Fred Kenney, Kimberly Baker

**Others Present:** Jeff Sands, Dorset Partners; Lawrence Schwoeri, AIAC; Albin Voegelé, Franklin County Regional Designee; Eodoin Murphy; David Snedeker, Northeastern Vermont Development Association; and Aliza Kenney

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**9:28 a.m. Roll Call and Agenda Review**

Chair Stephan Morse called the meeting to order.

Chair Stephan Morse requested a roll call. Members present are noted above.

Chair Stephan Morse inquired as to any additions or deletions to the agenda, hearing none, moved to the next Agenda item.

**9:29 a.m. Public Comment**

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

**9:29 a.m. Minutes – March 3, 2016**

Chair Stephan Morse inquired as to any corrections or changes to the draft meeting minutes for March 3, 2016. Hearing none, requested a motion.

- ❖ At 9:29 a.m. Michael Keane moved to accept the March 3, 2016 meeting minutes as presented. Emma Marvin seconded the motion. Chair Stephan Morse requested a roll call for the vote, all voted in favor and the motion passed. 6-0-0.
  - ◆ Aye: Stephan Morse, Betsy Gentile, Michael Keane, Rachel Smith, Emma Marvin and Shawn Straffin.
  - ◆ Nay: None
  - ◆ Abstain: None

**9:31 a.m. VEGI Application – AIAC (Vermont Aerospace)**

- ❖ At 9:32 a.m. Betsy Gentile moved to enter into Executive Session to discuss a VEGI application, citing 1 VSA, §313(a)(6). Rachel Smith seconded the motion. Chair Stephan Morse requested a roll call for the vote, all voted in favor and the motion passed. 6-0-0.
  - ♦ Aye: Stephan Morse, Betsy Gentile, Michael Keane, Rachel Smith, Emma Marvin and Shawn Straffin.
  - ♦ Nay: None
  - ♦ Abstain: None

9:37 a.m. Mary Lintermann joined the meeting.

10:18 a.m. Chair Stephan Morse exited the Executive Session.

- ❖ At 10:19 a.m. Betsy Gentile moved to approve the Initial application from AIAC (Vermont Aerospace) of Lyndon, giving initial authorization of VEGI incentives of up to \$359,327 with an estimated incentive of \$329,383, based on application data, for activity to commence in calendar year 2016, citing a determination that the applicant met the But For and met or exceeded program guidelines, subject to submittal and consideration of a Final VEGI Application before the end of calendar year 2016. Rachel Smith seconded the motion. Chair Stephan Morse requested a roll call for the vote, all voted in favor and the motion passed. 7-0-0.
  - ♦ Aye: Stephan Morse, Mary Lintermann, Betsy Gentile, Michael Keane, Rachel Smith, Emma Marvin and Shawn Straffin.
  - ♦ Nay: None
  - ♦ Abstain: None

10:20 The Board took a break.

**10:28 a.m. Updates:**

**- Legislative**

Chair Stephan Morse on behalf of the Vermont Economic Progress Council noted the hard work and dedication of Fred Kenney and thanked him for his work at the Legislature this session. Additionally, Chair Stephan Morse thanked Kimberly Baker for her work with the Board meetings and minutes.

Fred Kenney provided an update on the proposed changes to the VEGI program.

1. The program transitions to the VEGI “re-write” January 1, 2017 and Sunsets January 1, 2021.

2. Major Changes:

- Eliminates the VEGI Program Guidelines. Some of the Guidelines become Mandatory Criteria and some are moved into the program definitions. There are now 5 Mandatory Criteria. VEPC must “find”:
  - Positive Cost-Benefit
  - But For
  - Municipality wants the company/project
  - Project complies with local and regional plans
  - Incentives would not provide unfair advantage to a business operating in a limited/local market
- Changes the cap structure for the overall program cap and for the LMA Enhancement (Sub 5):
  - Cap for Initial Approvals is \$15M and \$1.5M for LMA Enhancement
  - Cap for Final Approvals is \$10M and \$1M for LMA Enhancement with the ability to request increase to \$15M and \$1.5M through the Governor to the Joint Fiscal Committee (instead of Emergency Board)
  - Joint Fiscal Committee cannot increase the caps above \$15M or \$1.5M for LMA Enhancement
  - Joint Fiscal Committee has to evaluate the request to increase the cap against the current fiscal situation and whether the request would create an opportunity for a return to the state.
- Eliminates the availability of education property tax stabilization as incentive.
- Evaluation Components:
  - A VEGI Technical Working Group (TWG) is activated to look at several cost-benefit issues and is required to report back to the Legislature by January 15, 2016.
  - VEPC must review eight policy issues and submit a report of its findings and conclusions to the Legislature by January 15, 2017.

3. Minor Changes:

- Struck paid sick days from the list of eligible benefits since those are now mandatory.
- Explicitly states that VEGI will be treated as a Tax Expenditure.
- Moves VEGI in statute to new sections in Chapter 105 of Title 32
- Includes a program purpose statement in statute

Chair Stephan Morse noted that the next meeting is scheduled for May 26, 2016. Fred Kenney stated that the Agenda for the May 26<sup>th</sup> meeting will include the Legislative work discussed and will require allocating substantial time to discuss implementation.

Chair Stephan Morse inquired as any other business, there being none requested a motion to adjourn.

- ❖ At 10:55 a.m Betsy Gentile moved to adjourn the meeting. Emma Marvin seconded the motion. Chair Stephan Morse requested a roll call for the vote, all voted in favor and the motion passed. 7-0-0.
  - ◆ Aye: Stephan Morse, Mary Lintermann, Betsy Gentile, Michael Keane, Rachel Smith, Emma Marvin and Shawn Straffin.
  - ◆ Nay: None
  - ◆ Abstain: None

*Minutes taken by Kimberly Baker: May 6, 2016*

*Revised by Fred Kenney: May 10, 2016*

*Approved by the Board: May 26, 2016*