



MEETING MINUTES
JUNE 23, 2016
DEANE C. DAVIS BUILDING
1 NATIONAL LIFE DRIVE, MONTPELIER
CALVIN COOLIDGE CONFERENCE ROOM, 6TH FLOOR
9:30 A.M. TO 1:00 P.M.

Members Present: Chair Stephan Morse, Kevin Mullin, Betsy Gentile, Tim Briglin, Warren Kitzmiller, Emma Marvin, and John Davis

Members Present by Phone: Shawn Straffin and Mary Lintermann

Members Absent: Michael Keane and Rachel Smith

Staff Present: Fred Kenney, and Kimberly Baker

Others Present: Bariatrix Nutrition Corp: Toni Poliderakis, General Manager, and Danielle Godin, Human Resources Generalist; Caledonia Spirits, Inc: Ryan Christiansen, President, and Aminta Conant, Chief Financial Officer (by phone); Chroma Technology Corp: Paul Millman, President, and Jill James, Accountant; Franklin County Industrial Development Corp: Tim Smith, Executive Director; Central Vermont Economic Development Corp: Jaime Stewart, Vice President; Brattleboro Development Credit Corp: Adam Grinold, Executive Director; Northwest Regional Planning Commission: Albin Voegele, Designee; Agency of Commerce and Community Development: Ken Jones, Economic Research Analyst and Kristen Ziter, Business Administrator; City of Montpelier, Michael Miller, Planning Director; Central Vermont Regional Planning Commission, Bonnie Waninger, Executive Director; Department of Economic Development: Joan Goldstein, Commissioner.

9:34 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.

9:35 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.

9:35 a.m. Minutes – May 26, 2016

Chair Stephan Morse inquired as to any corrections or changes to the draft meeting minutes for May 26, 2016. Hearing none, requested a motion.

- ❖ At 9:36 am Kevin Mullin moved to accept the May 26, 2016, meeting minutes as presented. Tim Briglin seconded the motion. Chair Stephan Morse requested a roll call for the vote, all voted in favor and the motion passed. 8-1-0.
 - ♦ Aye: Kevin Mullin, Betsy Gentile, Tim Briglin, Warren Kitzmiller, Mary Lintermann, Stephan Morse, Shawn Straffin, and John Davis
 - ♦ Nay: None
 - ♦ Abstain: Emma Marvin

9:37 a.m. Ken Jones joined the meeting.

9:38 a.m. VEGI Applications:

- **Bariatric Nutrition, Georgia (Initial)**
- **Caledonia Spirits, Montpelier (Initial)**
- **Chroma Technology, Bellows Falls (Initial)**
- **Revision Military, Essex (Termination)**

- ❖ At 9:48 a.m. Betsy Gentile moved to enter into Executive Session to discuss VEGI applications, citing 1 VSA, §313(a)(6). Kevin Mullin seconded the motion. Chair Stephan Morse requested a roll call for the vote, all voted in favor and the motion passed. 9-0-0.
 - ♦ Aye: Kevin Mullin, Betsy Gentile, Tim Briglin, Warren Kitzmiller, Mary Lintermann, Stephan Morse, Shawn Straffin, Emma Marvin and John Davis
 - ♦ Nay: None
 - ♦ Abstain: None

10:49 a.m. Tim Briglin departed the meeting and participated via conference call.

- ❖ At 11:47 a.m. Chair Stephan Morse exited Executive Session.
- ❖ At 11:48 a.m. Warren Kitzmiller moved to approve an Initial Application from **Bariatric Nutrition Corporation in Georgia**, giving initial authorization of VEGI incentives of up to \$126,593 with an estimated incentive of \$103,385, based on application data, for activity to commence July 25, 2016, because the Board has determined that the applicant met the But For, met or exceeded program guidelines, and that according to the cost-benefit analysis of the Initial Application the project will generate a minimum net revenue benefit of \$75,710, subject to submittal and consideration of a Final VEGI Application before the end of calendar year 2016; further, the Board determines that none of the new job and payroll creation after July 25, 2016 may be counted toward the maintenance of base employment and payroll or performance requirements for the VEGI authorization of May 24, 2011. John Davis seconded the motion. Chair Stephan Morse requested a roll call for the vote, all voted in favor and the motion passed. 9-0-0.

- ♦ Aye: Kevin Mullin, Betsy Gentile, Tim Briglin, Warren Kitzmiller, Mary Lintermann, Stephan Morse, Shawn Straffin, Emma Marvin and John Davis
- ♦ Nay: None
- ♦ Abstain: None

11:49 a.m. Joan Goldstein joined the meeting.

- ❖ At 11:50 a.m. Betsy Gentile moved to approve an Initial Application from **Caledonia Spirits, Inc./Lineage Realty. LLC for a project in Montpelier**, giving initial authorization of VEGI incentives of up to \$459,430 with an estimated incentive of \$390,233, based on application data, for activity to commence July 1, 2016, because the Board has determined that the applicant met the But For and met or exceeded program guidelines, and that according to the cost-benefit analysis of the Initial Application the project will generate a minimum net revenue benefit of \$207,805, subject to submittal and consideration of a Final VEGI Application before the end of calendar year 2016. Kevin Mullin seconded the motion. Chair Stephan Morse requested a roll call for the vote, all voted in favor and the motion passed. 9-0-0.

- ♦ Aye: Kevin Mullin, Betsy Gentile, Tim Briglin, Warren Kitzmiller, Mary Lintermann, Stephan Morse, Shawn Straffin, Emma Marvin and John Davis
- ♦ Nay: None
- ♦ Abstain: None

- ❖ At 11:51 a.m. Kevin Mullin move to approve an Initial Application from **Chroma Technology Corp, Bellows Falls and Brattleboro Credit Development Corporation (BDCC), Brattleboro** for a project in Bellows Falls, giving initial authorization of VEGI incentives of up to \$876,046 with an estimated incentive of \$774,111, based on application data, for activity to commence June 27, 2016, because the Board has determined that the applicant met the But For and met or exceeded program guidelines, and that according to the cost-benefit analysis of the Initial Application the project will generate a minimum net revenue benefit of \$689,046, subject to submittal and consideration of a Final VEGI Application before the end of calendar year 2016. Further, that capital investments for new real and personal property will be made by BDCC on behalf of Chroma during the project period, to be purchased by Chroma at a later date. These capital investments are counted toward the incentive benefit in the incentive calculation and shall be included the company's VEGI claims and counted toward the capital investment performance requirement. Betsy Gentile seconded the motion. Chair Stephan Morse requested a roll call for the vote, all voted in favor and the motion passed. 9-0-0.

- ♦ Aye: Kevin Mullin, Betsy Gentile, Tim Briglin, Warren Kitzmiller, Mary Lintermann, Stephan Morse, Shawn Straffin, Emma Marvin and John Davis
- ♦ Nay: None
- ♦ Abstain: None

11:52 a.m. the Board took a break.

11:52 a.m. Tim Briglin departed the conference call.

- ❖ At 12:02 p.m. Warren Kitzmiller moved to terminate incentives authorized for **Revision Military (originally revision Eyewear), Essex** to be earned in 2013 and 2014 under the authorization made on October 28, 2010. The remaining installments for the incentives earned in 2010-2012 may be paid if the company restores and maintain base employment and payroll and performance requirements for those years. Betsy Gentile seconded the motion. Chair Stephan Morse requested a roll call for the vote, all voted in favor and the motion passed. 8-0-0.
 - ◆ Aye: Kevin Mullin, Betsy Gentile, Warren Kitzmiller, Mary Lintermann, Stephan Morse, Shawn Straffin, Emma Marvin and John Davis
 - ◆ Nay: None
 - ◆ Abstain: None

- ❖ At 12:05 p.m. John Davis moved to amend the boundary of **the South Burlington TIF District** used for the Original Taxable Value, to include parcels with ID numbers 1120-00010 and 1810-001161, as these parcels are adjacent to and owned by the same owner as parcel #1120-00014, which was included in the TIF District OTV. Warren Kitzmiller seconded the motion. Chair Stephan Morse requested a roll call for the vote, all voted in favor and the motion passed. 8-0-0.
 - ◆ Aye: Kevin Mullin, Betsy Gentile, Warren Kitzmiller, Mary Lintermann, Stephan Morse, Shawn Straffin, Emma Marvin and John Davis
 - ◆ Nay: None
 - ◆ Abstain: None

12:06 p.m. Updates/Other Business

Chair Stephan Morse commended Executive Director Fred Kenney for a very well written op-ed regarding the Vermont Employment Growth Incentive (VEGI) program, which has been published in the Times Argus, Rutland Herald, and on VermontDigger.com.

12:08 p.m. H. 868 Policy Review Subcommittee Meetings

Fred Kenney stated that the Subcommittee meetings will take place immediately following this meeting.

Fred Kenney continued, stating the Joint Fiscal Committee will convene on July 25, 2016, to establish the VEGI Technical Working Group. The VEGI TWG is responsible for reviewing the following items:

1. whether the cost benefit model is effectively utilized;
2. whether the inputs to the cost benefit model should be adjusted for those applicants who assert that the But For the incentive the scale or timing of the project would change;
3. whether the Program can integrate the use of business specific background growth rates in addition to, or in place of industry-specific background growth rates, and if industry-specific

background growth rates are recommended, a methodology to review, calculate, and set those rates routinely; and

4. whether differential rates in annual average wages or annual average unemployment, defined by labor market area, are appropriate triggers for an incentive enhancement for projects located in, or lower wage threshold for jobs created in, qualifying labor market areas, and whether the margins of error in annual labor market area wage and unemployment rates are within an acceptable range of tolerance for this use.

The Working Group will be meeting in July and August. Ken Jones and Fred Kenney will be participating in these meetings.

Chair Stephan Morse noted that the next meeting is scheduled for July 28, 2016.

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

- ❖ At 12:10 p.m. Warren Kitzmiller moved to adjourn the meeting. Betsy Gentile seconded the motion. Chair Stephan Morse requested a roll call for the vote, all voted in favor and the motion passed. 8-0-0.
 - ◆ Aye: Kevin Mullin, Betsy Gentile, Warren Kitzmiller, Mary Lintermann, Stephan Morse, Shawn Straffin, Emma Marvin and John Davis
 - ◆ Nay: None
 - ◆ Abstain: None

Minutes taken by Kimberly Baker: June 27, 2016

Revised by Fred Kenney: June 28, 2016

Approved by the Board: July 28, 2016