

Draft Minutes Vermont Downtown Board 1/22/2018

Calvin Coolidge Conference Room, 6th Floor, National Life Bldg., Montpelier

Members Present (13):

- Katie Buckley (*chair*), designated by the Secretary of Commerce and Community Development
- Michele Boomhower (*vice-chair*), designated by the Secretary of Transportation
- Jen Mojo, designated by the Secretary of Natural Resources
- Robert Sponable, alternate designated by the Commissioner of Public Safety
- Laura Trieschmann, State Historic Preservation Officer (Left the meeting at 1:55pm)
- Patricia M. Sears, appointed by the Governor, representing the Vermont Natural Resources Council and the Preservation Trust of Vermont (via phone)
- Gabrielle Ciuffreda, designated by the Vermont League of Cities and Towns
- Michael McDonough, appointed by the governor, representing local government (via phone)
- Liz Gamache, appointed by the Governor, representing local government
- Chip Sawyer, designated by the Vermont Planners Association
- Donna Casey, designated by the Chair of the Natural Resources Board
- Tasha Wallis, designated by the Vermont Association of Planning and Development Agencies
- Tom Torti, appointed by the Governor, representing the Vermont Association of Chamber Executives (via phone)

Attending Community Planning and Revitalization (CP+R) Team Members (6): Chris Cochran, Richard Amore, Caitlin Corkins, Jacob Hemmerick, and Jenni Lavoie.

Guests (2): Annie McLean, Planning Director Town of Lyndon (via phone), Albert Voegle, Northwest Regional Planning Commission Representative.

Katie Buckley brought the meeting to order at 1:03 pm in the Calvin Coolidge Room, 6th floor of the National Life Building, Montpelier.

1. Additions or Deletions to Board Agenda

Dale Azaria, DHCD General Counsel, will join the meeting after the Town of Lyndon village center boundary amendment to discuss Executive Order No. 19-17 Code of Ethics and Conflict of Interest.

2. Approval of Minutes from November 17, 2017

Tasha Wallis made a motion to approve the November 17, 2017 minutes and Michele Boomhower seconded. A roll call vote was taken. Ayes: Chip Sawyer, Gabrielle Ciuffreda, Jen Mojo, Laura Trieschmann, Liz Gamache, Bob Sponable, Michael McDonough, Michele Boomhower, Tasha Wallis, Tom Torti, Trish Sears, and Katie Buckley. Donna Casey abstained.

3. Public Comment Period

Katie Buckley opened the meeting to public comment: there were no comments.

4. Village Center Designation – 7 – Richard Amore

Boundary Amendment (1)

Lyndonville Village Center

Richard presented the boundary amendment request for Lyndonville village center. The town is requesting a boundary amendment to include the six additional parcels along Broad Street and the railroad. The additional parcels are located within the village commercial zoning district. The town invited staff, local and state leaders to tour the “Bag Balm” building and discuss the boundary amendment and future co-working space. The boundary amendments were developed by the town in coordination with staff.

Annie McLean, Town of Lyndon Planning Director, joined the meeting by phone to inform board members of the current and proposed usage of the buildings and parcels to be added in the amendment.

Robert Sponable made a motion to approve the boundary amendment for Lyndonville village center and Liz Gamache seconded. A roll call vote was taken. Ayes: Chip Sawyer, Donna Casey, Gabrielle Cuiffreda, Jen Mojo, Laura Trieschmann, Liz Gamache, Bob Sponable, Michael McDonough, Michele Boomhower, Tasha Wallis, Tom Torti, Trish Sears, and Katie Buckley.

Renewal Applications (4)

Alburgh Village Center

Richard presented the complete renewal application for village center designation for Alburgh village center. The designated boundary was unchanged, and the map was updated to meet program requirements. The application was complete and met the program’s requirements.

Tom Torti made a motion to approve renewal of the village center designation for Alburgh village center and Tasha Wallis seconded. A roll call vote was taken. Ayes: Chip Sawyer, Donna Casey, Gabrielle Cuiffreda, Jen Mojo, Laura Trieschmann, Liz Gamache, Bob Sponable, Michael McDonough, Michele Boomhower, Tasha Wallis, Tom Torti, Trish Sears, and Katie Buckley.

Derby Line Village Center

Richard presented the complete renewal application for village center designation for Derby Line village center. The designated boundary was unchanged, and the map was updated to meet program requirements. The application was complete and met the program’s requirements.

Liz Gamache made a motion to approve renewal of village center designation for Derby village center and Robert Sponable seconded. A roll call vote was taken. Ayes: Chip Sawyer, Donna Casey, Gabrielle Cuiffreda, Jen Mojo, Laura Trieschmann, Liz Gamache, Bob Sponable, Michael McDonough, Michele Boomhower, Tasha Wallis, Tom Torti, Trish Sears, and Katie Buckley.

Franklin Village Center

Richard presented the complete renewal application for village center designation for Franklin village center. The designated boundary was unchanged, and the map was updated to meet program requirements. The application was complete and met the program’s requirements.

Michele Boomhower made a motion to approve renewal of village center designation for Franklin village center and Laura Trieschmann seconded. A roll call vote was taken. Ayes: Chip Sawyer, Donna Casey, Gabrielle Cuiffreda, Jen Mojo, Laura Trieschmann, Liz Gamache,

Bob Sponable, Michael McDonough, Michele Boomhower, Tasha Wallis, Tom Torti, Trish Sears, and Katie Buckley.

Whitingham Village Center

Richard presented the complete renewal application for village center designation for Whitingham village center. The designated boundary was unchanged, and the map was updated to meet program requirements. The application was complete and met the program's requirements.

Chip Sawyer made a motion to approve renewal of village center designation for Whitingham village center and Jen Mojo seconded. A roll call vote was taken. Ayes: Chip Sawyer, Donna Casey, Gabrielle Cuiffreda, Jen Mojo, Laura Trieschmann, Liz Gamache, Bob Sponable, Michael McDonough, Michele Boomhower, Tasha Wallis, Tom Torti, Trish Sears, and Katie Buckley.

De-Designation (2)

East Randolph Village Center

East Randolph's municipal plan does not currently meet statutory requirements and therefore a complete application for renewal of village center designation for East Randolph village center was not submitted. The town is working to update their municipal plan and intends to reapply for designation later this year. Staff recommends that the Board proceed with de-designation.

Board members inquired if East Randolph could reapply for designation at any point in the year, or if there were parameters. Richard advised they could reapply at any time.

Michele Boomhower made a motion to de-designate village center designation for East Randolph village center and Donna Casey seconded. A roll call vote was taken. Ayes: Chip Sawyer, Donna Casey, Gabrielle Cuiffreda, Jen Mojo, Laura Trieschmann, Liz Gamache, Bob Sponable, Michael McDonough, Michele Boomhower, Tasha Wallis, Tom Torti, Trish Sears, and Katie Buckley.

Waitsfield Village Center

Waitsfield's municipal plan does not currently meet statutory requirements and therefore an application for renewal of village center designation for Waitsfield village center was not submitted. The town is working to update their municipal plan and intends to reapply for designation later this year. Staff recommends that the Board proceed with de-designation.

Chip Sawyer made a motion to de-designate village center designation for Waitsfield village center and Liz Gamache seconded. A roll call vote was taken. Ayes: Chip Sawyer, Donna Casey, Gabrielle Cuiffreda, Jen Mojo, Laura Trieschmann, Liz Gamache, Bob Sponable, Michael McDonough, Michele Boomhower, Tasha Wallis, Tom Torti, Trish Sears, and Katie Buckley.

5. Downtown and Village Center Tax Incentives – Caitlin Corkins

At its September meeting the board provided suggestions to improve administration of the tax credit and sales tax reallocation program – specifically, changes to the *Scoring Criteria* and policies on breaking tie scores and recapturing allocations.

Scoring Criteria – Downtown and Village Center Tax Credits

Caitlin Corkins led a discussion with board members regarding the recommended changes to the "*scoring criteria*" including; increase the scoring range for cost effectiveness, community need and community impact, adding a decimal point to rank scores, and removing the technology bonus point.

Board members discussed whether recusal from voting on a project due to a conflict and if that could negatively impact specific project scores with the new ranking system, and voiced concerns over the ability to stay consistent when scoring with the greater range being proposed. Staff explained that analysis of previous scoring data has shown that 1 or 2 members not voting on a project does not alter the final outcomes. Also, the results of annual training on the scoring process has increased scoring consistency across projects. Following the next round of applications, staff and the board will re-visit and evaluate changes to the scoring criteria.

Donna Casey made a motion to adopt the downtown and village center tax incentive scoring criteria changes as discussed and Laura Trieschmann seconded. A roll call vote was taken. Ayes: Chip Sawyer, Donna Casey, Gabrielle Cuiffreda, Jen Mojo, Laura Trieschmann, Liz Gamache, Bob Sponable, Michael McDonough, Michele Boomhower, Tasha Wallis, Tom Torti, Trish Sears, and Katie Buckley.

Tie-Breaker Policy – Downtown and Village Center Tax Credits

Caitlin Corkins led a discussion with board members creating a new tie-breaker policy including; first awarding a bonus point for geographic distribution, if that fails to break the tie - awarding of a bonus point for a first-time recipient of tax credits, and finally dividing and prorating the remaining allocation between tied projects based on the amount of the requests.

Board members clarified that any bonus points assigned for geographic distribution would first go to counties without funded projects, followed by towns. Prior year funding would not be a consideration in geographic distribution bonus points.

Tasha Wallis made a motion to adopt the downtown and village center tax incentive tie-breaker policy as discussed and Tom Torti seconded. A roll call vote was taken. Ayes: Chip Sawyer, Donna Casey, Gabrielle Cuiffreda, Jen Mojo, Liz Gamache, Bob Sponable, Michael McDonough, Michele Boomhower, Tasha Wallis, Tom Torti, Trish Sears, and Katie Buckley.

Recapture Policy – Downtown and Village Center Tax Credits

Caitlin Corkins led a discussion with board members to formalize the recapture policy and procedures on the tax incentive programs. Board members inquired about how tax credits are recaptured, the rationale for not providing recaptured funds to projects completed with partial funding, and how tax credits are purchased by financial institutions.

Caitlin explained tax credit recapture occurs for several reasons including failure to complete projects, project cost coming in under budget, or a revised scope of work. Staff recommend that recaptured funds that become between a July funding round and the end of the same calendar year should be awarded to alternates named each July. Recaptured funds that become available after the end of each calendar year will be put into the pool for the next round of funding. Staff also recommended that partially funded projects which are successfully completed do not need further subsidy and therefore should not be awarded additional recaptured funding. She let the board know that most tax credit applicants sell their credits to local banks for a cash payment, to reduce the cost of their construction loan, or pay down their mortgage. She also noted that tax credits are not “earned” until a project or specified phase is complete.

Michele Boomhower made a motion to adopt the downtown and village center tax incentive recapture policy changes as discussed and Liz Gamache seconded. A roll call vote was taken. Ayes: Chip Sawyer, Donna Casey, Gabrielle Cuiffreda, Jen Mojo, Liz Gamache, Bob Sponable, Michael McDonough, Michele Boomhower, Tasha Wallis, Tom Torti, Trish Sears, and Katie Buckley.

Sales Tax Reallocation – Project Readiness and Recapture Policies

Caitlin Corkins led a discussion with board members regarding recommended policies for the sales tax reallocation program including; project readiness and recapture provisions. Staff recommend that applicants be required to provide documentation showing project

readiness. This will include supplying evidence of site control for both the private development and municipal project and securing all required permits before an application for funding is submitted. Staff also recommended implementing recapture policies for the sales tax reallocation program. This includes creating a three-year deadline for completion of projects after which funds will be recaptured and reallocated and creating a provision for the recapture of funds if a project is substantially altered. The board discussed whether a three-year deadline was adequate given the complex nature of a joint developer and municipal project.

Board members inquired if these stipulations apply to both the private and public projects, as some projects cannot have both portions completed simultaneously causing delays. Following further discussion, the board recommended revising this requirement to give applicants a three-year deadline with the option to apply for a waiver extending this deadline up to five-years with prior Board approval.

Chip Sawyer made a motion to adopt the downtown and village center tax incentive sales tax reallocation policy as discussed and Donna Casey seconded. A roll call vote was taken. Ayes: Chip Sawyer, Donna Casey, Gabrielle Cuiffreda, Jen Mojo, Liz Gamache, Bob Sponable, Michael McDonough, Michele Boomhower, Tasha Wallis, Tom Torti, Trish Sears, and Katie Buckley.

Board members engaged in discussion on creating a “rules of conduct” slide to outline the rules for public participation at future board meetings. Staff will compile recommendations based on this discussion to be revisited at a future meeting.

6. Code of Ethics and Conflict of Interest – Dale Azaria

In December Governor Scott enacted Executive Order No. 19-17, which updates the Executive Code of Ethics and Conflict of Interest provisions. Dale Azaria, DHCD’s General Counsel briefly summarized the recent changes to the executive code of ethics, and how these changes and additions might affect the board members in their roles on the Downtown Board. Attending board members signed formal acknowledgements of the Executive Order. Staff will collect signed documents from the three board members who attended the meeting via phone and forward the acknowledgements to the Governor’s Office.

7. Announcements

Chris Cochran announced that “Downtown Day” at the Statehouse is scheduled for March 13, 2018 and he encouraged board members to participate in this education and advocacy day.

He shared that the 2018 Downtown and Historic Preservation conference will be in Bristol on June 8, 2018.

He let the group know that the Governor is supporting several downtown-related initiatives in his budget address including an increase in the Downtown and Village Center Tax Incentives, a pilot to create a new Homeowner Tax Credit, and an increase in VHFA Homeowner Down Payment Assistance Program.

He shared that Newport’s downtown renewal application is expected on the February meeting agenda. He also anticipated an update from Colchester on their plans for public and civic buildings within their designated New Town Center.

8. Adjourn

Chip Sawyer made a motion to adjourn and Liz Gamache seconded. The motion passed unanimously. The Downtown Board meeting was adjourned at 2:34 p.m.

Respectfully submitted, Jenni Lavoie