

MEETING MINUTES
APRIL 27, 2017
DEANE C. DAVIS BUILDING
1 NATIONAL LIFE DRIVE, MONTPELIER

GRACE COOLIDGE CONFERENCE ROOM, 6TH FLOOR
9:30 A.M.

Members Present: None

Members Present by Phone: Chair Stephan Morse; Betsy Gentile; Michael Keane; Patricia Horn; Rachel Smith; Emma Marvin; Thad Richardson; and John Davis

Members Absent: Kevin Mullin

Staff Present: Fred Kenney, Executive Director and Kimberly Baker, Program Grants Manager

Others Present: Ken Jones, Policy Analyst, Vermont Agency of Commerce and Community Development

9:36 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.

9:37 a.m. Minutes – February 23, 2017

Chair Stephan Morse inquired as to any corrections or changes to the draft meeting minutes for February 23, 2017. Hearing none, requested a motion.

- ❖ At 9:37 a.m. Betsy Gentile moved to accept the February 23, 2017, meeting minutes as presented. Michael Keane seconded the motion. Chair Stephan Morse inquired as to further discussion, hearing none requested a roll call for the vote. All voted in favor and the motion passed. 8-0-0.
 - ◆ Aye: Chair Stephan Morse, Betsy Gentile, Michael Keane, Patricia Horn, Thad Richardson, Emma Marvin, Rachel Smith and John Davis
 - ◆ Nay: None
 - ◆ Abstain: None

9:39 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.

9:39 a.m. Vermont Employment Growth Incentive (VEGI):

- Autumn Harp, Essex (Amendment)
- Westminister Cracker, Rutland (Rescind)

Fred Kenney provided an overview regarding Autumn Harp's request for an amendment, stating the request to have Nate Packaging, LLC be added to the application as an affiliated company in the expansion project. The company had employees prior to the project and will add new employees as part of the expansion project. The employees at Nate were counted as part of the Autumn Harp base and the new employees were counted in the new employment of Autumn Harp.

Nate Packaging, LLC is a majority-owned subsidiary of Autumn Harp, and until December 2016, the employees received payroll via the Autumn Harp ADP system. However, starting in 2017, the employees will be paid under the Nate Packaging FEIN.

If approved by VEPC, Tax will be notified to count the employment of both companies in the base and new employment.

- ❖ At 9:40 a.m. Michael Keane moved to amend Autumn Harp, Essex, to include Nate Packaging, LLC, including the employment of both companies in the base and new employment data. John Davis seconded the motion. Chair Stephan Morse inquired as to further discussion, hearing none requested a roll call for the vote. All voted in favor and the motion passed. 8-0-0.
 - ◆ Aye: Chair Stephan Morse, Betsy Gentile, Michael Keane, Patricia Horn, Thad Richardson, Emma Marvin, Rachel Smith and John Davis
 - ◆ Nay: None
 - ◆ Abstain: None

Fred Kenney stated on January 19, 2017, an email was received from Westminister Cracker President and CEP Bob Abramowitz stating that the company would not utilize the VEGI incentives given initial approval on November 17, 2016.

The company still plans to move the acquired cookie company to Rutland, but the incentives are not enough to cover the cost of increasing wages to meet the VEGI Wage threshold, on top of moving costs and breaking the lease in Virginia.

- ❖ At 9:42 a.m. Betsy Gentile moved to rescind the Initial Authorization of VEGI incentives for Westminister Cracker, approved November 17, 2016. Emma Marvin

seconded the motion. Chair Stephan Morse inquired as to further discussion, hearing none requested a roll call for the vote. All voted in favor and the motion passed. 8-0-0.

- ♦ Aye: Chair Stephan Morse, Betsy Gentile, Michael Keane, Patricia Horn, Thad Richardson, Emma Marvin, Rachel Smith and John Davis
- ♦ Nay: None
- ♦ Abstain: None

9:45 a.m. Tax Increment Financing (TIF) Program Discussion

Fred Kenney provided an overview of the TIF program using a PowerPoint presentation.

Fred Kenney stated if the Legislature approves S.135 as passed by the Senate, there will be a limit of no more than 14 TIF Districts and no more than 2 in any one county. There is also a proposed option that if the maximum number of applications is received, a request can be presented to the Emergency Board to lift the cap.

Fred Kenney continued stating that should the TIF District cap be lifted, the timeline will be approximately three to four months to approve an application to provide this Council with the time necessary to complete due diligence.

Fred Kenney noted the nine active TIF Districts are: Burlington Waterfront, Milton North/South, Winooski Downtown, Milton Town Core, Burlington Downtown, Hartford Downtown, Barre City Downtown, St. Albans City Downtown, and South Burlington New Town Center. Also, included on the list were Newport which is now retired and Colchester which was dissolved by the local Select Board.

10:40 a.m. Updates

- **Legislature**
- **Council Appointments**
- **TIF Annual Report**

10:40 a.m. Council Appointments

Fred Kenney stated all Council appointments have been provided to the Governor. We anticipate receiving a decision shortly. Kevin Mullin remains on the Council as the Senate representative.

Chair Stephan Morse inquired as to the status of a House Representative to the Council. Fred Kenney responded that the Speaker has been notified in writing and through email that a new designee is required, but a new House designee has not yet been appointed.

10:57 a.m. John Davis departed the meeting.

10:59 a.m. TIF Annual Report

Fred Kenney stated that the TIF Annual Report was filed. Received praise from House Ways and Means on this report and the VEGI Report.

Michael Keane stated that a Legislator wrote a column April 18th that was published in the Bennington Banner regarding TIF. A response was appropriate and with Fred Kenney's support, Michael crafted the response that addressed, point-by-point, the misconceptions about TIFs in Vermont. The response has received 15 emails and three phone calls of thanks including from the Legislator who wrote the article.

11:02 a.m. Legislature

Fred Kenney stated that S.135 has passed the Senate with a 24-3 vote. There were some minor amendments to VEGI items and extensive amendments to the TIF program. The TIF amendments limit the number of districts that can be approved. The Bill has passed House Commerce and is now in House Ways and Means.

Fred Kenney continued that the Act 157 VEGI Study was filed and there have been no negative comments or repercussions to date. Three of the study responses required legislative language. The Senate version of S. 135 includes those provisions. They are:

- Good Standing/Self-Certification regarding compliance with clean air and water laws. The proposal is that the company/business just complete a self-certification sign-off at the time they certify the VEGI Application. This will require a certification for compliance with clean air and water laws. The Senate added a certification for compliance with all State laws.
- Purpose statements for the VEGI LMA and Green Enhancements.
- Revised VEGI confidentiality language.

Fred Kenney provided an overview of the Senate-passed changes to the TIF program:

- The 75/25% split. Currently municipalities can apply for up to 75% of the Education revenue increment and depending upon that determination, the municipality is required to pledge at least that percent on the municipal increment. The amendment is proposing that the municipal side be 5% more than the education revenue percentage approved.
- The next item includes the limitations on the number of TIF Districts that can be approved. This amendment states between the passage of the Bill and 2024, there can be up to 14 new TIF Districts, unless the Emergency Board approves an increase, with no more than 2 new TIF Districts per county. This does not count the preexisting Districts. Also added is that no new TIF Districts can be approved for Chittenden County until January 1, 2019.
- If an approved TIF District dissolves or decides to not proceed with debt, then VEPC can approve another.
- If two or more applications are received by VEPC for a county that already has one new TIF, the Council has the authority to determine which applications best meet the economic needs of the county and consider that application.
- Changes to the approval criteria are the change in the But For; two changes in the location criteria; and the changes to the project criteria.

Chair Stephan Morse noted that the next meeting is scheduled for May 25, 2017.

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

- ❖ At 11:18 a.m. Michael Keane 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. 7-0-0.
 - ◆ Aye: Chair Stephan Morse, Betsy Gentile, Michael Keane, Patricia Horn, Thad Richardson, Emma Marvin, and Rachel Smith
 - ◆ Nay: None
 - ◆ Abstain: None

Minutes taken by Kimberly Baker: May 2, 2017

Revised by Fred Kenney: May 2, 2017

Approved by the Council: June 1, 2017

FINAL