



VERMONT ECONOMIC PROGRESS COUNCIL

DRAFT – COUNCIL APPROVAL REQUIRED AT NEXT MEETING.

MEETING MINUTES

NOVEMBER 17, 2017

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: John Davis; Betsy Gentile; Michael Keane; Jean O’Sullivan; Rachel Smith; Thad Richardson; Emma Marvin; and Stephan Morse (arrived at 10:20 a.m.)

Members Present by Phone: Mark Nicholson; Patricia Horn

Staff Present: Fred Kenney, Executive Director; Abbie Sherman, Grants Program Manager; Casey Mock, Director of Strategic & Policy Initiatives, ACCD; and Ken Jones, Economic Research Analyst, ACCD; Joan Goldstein, Commissioner of Economic Development

Others Present: Dan Monks, Assistant Town Manager, Town of Bennington; Stephanie Hainley, White & Burke; Gail Henderson-King, White & Burke; Bill Colvin, Bennington County Industrial Corporation; Michael McDonough, Bennington resident.

9:34 a.m. Roll Call and Agenda Review

John Davis assumed the Chair due to absence of Stephan Morse and called the meeting to order.

Chair John Davis requested a roll call. Members present are noted above.

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

9:36 a.m. **Minutes – October 26, 2017**

Chair John Davis inquired as to any corrections or changes to the draft meeting minutes for October 26, 2017. Hearing none, requested a motion.

- ❖ At 9:37 a.m. Michael Keane moved to accept the October 26, 2017, meeting minutes as presented. Emma Marvin seconded the motion. Chair John Davis inquired as to further discussion, hearing none requested a roll call for the vote. All voted in favor and the motion passed. 9-0-0.
 - ♦ Aye: Chair John Davis; Betsy Gentile; Michael Keane; Patricia Horn; Jean O’Sullivan; Rachel Smith; Thad Richardson; Emma Marvin; and Mark Nicholson
 - ♦ Nay: None
 - ♦ Abstain: None

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9:39 a.m. Public Comment

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

9:40 a.m. TIF District Application: Town of Bennington

Fred Kenney summarized the staff review of Bennington's TIF District application, utilizing the following review criteria: purpose, "but for," nexus, proportionality, process, location, project, viability, and financial plan. The Vermont Agency of Natural Resources and the Vermont Agency of Transportation provided technical assistance on review of Bennington's infrastructure improvement projects. Ken Jones, ACCD's Economic Research Analyst, aided in review of the financial aspects of TIF District Application. Bennington is seeking 70 percent share of the increment education property tax revenue; the municipality having pledged 100 percent share of the increment municipal property tax revenue. Bennington met the location requirement with the district being entirely within the designated growth center and meeting all three economic distress criteria of median family income, average unemployment, and median sales price of residential properties.

Members of the Council discussed with Bennington representatives various aspects of their application. Bill Colvin noted that without the approval of the increment education property tax, much less desirable projects would occur and Phase 1 of the Putnam Block project would become much riskier. Bill also provided the Council with a summary of the historic preservation funding sources and permitting received to date. Dan Monks advised that the TIF District is in line with their Town Plan, last updated two years ago. Bennington has design criteria for their downtown, but does not control the types of chain retail or restaurants. Financing of infrastructure projects would not happen if the corresponding private project it was incentivizing wasn't going forward. Dan noted that Bennington has had three major bond votes in recent years with some of the increases in taxes and user rates just now occurring. He was not confident the voters would be in favor of another bond vote without the approval of the TIF financing tool.

Fred Kenney reminded those present that the TIF District approval process by the State enables the town to incur debt for economic development, but does not requiring the town to incur debt.

Regarding nexus, there are two areas in the TIF District Plan that Fred Kenney questioned as to why they were included since there does not appear to be any improvements occurring there in the Plan. Dan Monks advised that the property on Washington Ave will be developed and the southerly area of lot is also possible to develop. It is hoped that the TIF District will encourage improvement of the property located at 210 South Street to 100% capacity. These are "Tier 4" types of projects that are discussed in the TIF District Plan.

Dan Monks confirmed that there would not be any parking structures within parking lots. The lots would be entirely public, allowing Bennington to have more control over parking management. Dan does not anticipate there will be excess revenue from parking fees to use

towards the infrastructure improvement costs, it being rare that these fees even cover maintenance costs.

Fred Kenney advised the Board that Bennington is seeking 100 percent proportionality for all infrastructure projects. All projects are located within the TIF District and will serve the TIF District. Utilizing VEPC's scoring matrix, Fred Kenney recommended approval of the 100 percent proportionality but that the Council should encourage the town to also seek other revenues and report on those funds annually to VEPC. Dan Monks advised that Bennington has \$250,000 of unrestricted funds available in an economic development fund.

Fred Kenney confirmed that Bennington meets the project criteria for need, affordable housing, and brownfields. Mechanisms ensuring that developers meeting the requirements for affordable housing were discussed. The funding sources will ensure these requirements are met as they are federal funds. Dan Monks noted that the main shortage of housing was "market rate" housing. The impact on education system from the increase of students was noted, but there are other State agencies that address this matter. Fred Kenney noted that the State's education grant increases as the number of students increase, and is unrelated to the TIF District revenue.

Stephen Morse raised the question as to whether a member of the Board has any conflicts of interest regarding action on the application. Michael Keane noted that he is a resident of Bennington, but has no personal or professional conflicts of interest.

- ❖ At 11:05 a.m., Michael Keane moved that the Council determine that the Bennington TIF District Plan, TIF Financing Plan, and application meet all approval criteria required by 32 VSA §5404a(h) including the But For, Purpose, Process Criteria, Location Criteria B and C, and Project Criteria A, B and C. The Council also finds that there is Nexus between and among all private developments and infrastructure improvements and the Council approves 100% proportionality for all infrastructure improvements. The Council further finds that the District and Plan has market viability and is fiscally viable and that the Financial Plan is consistent with the TIF District Plan. The Council also approves the proposed 70% share of incremental education property tax increment towards the TIF District debt.

Therefore, the Council approves the TIF District Plan and TIF District Financial Plan as presented and authorizes the TIF District to utilize incremental property tax revenues to finance public infrastructure debt and related costs incurred for the Bennington TIF District in accordance with statute and rules, subject to the following:

- Annual reporting shall include job creation data with detailed information on employers such as type of business, number of employees, and previous location (if any), for tracking purposes only; and
- To alleviate the marginal viability of the District, Bennington shall seek any and all appropriate non-TIF revenue sources, such as state and federal grants, parking revenue mechanisms, impact fees, and other sources. Annual reporting shall include

notification to VEPC of all non-TIF sources of funding applied for, approved, and received.

Betsy Gentile seconded the motion. Chair John Davis inquired as to further discussion, hearing none requested a roll call for the vote. All voted in favor and the motion passed. 10-0-0.

- ♦ Aye: Vice Chair John Davis; Betsy Gentile; Michael Keane; Patricia Horn; Jean O’Sullivan; Rachel Smith; Thad Richardson; Emma Marvin; Mark Nicholson; and Stephan Morse.
- ♦ Nay: None
- ♦ Abstain: None

11:10 a.m. Other Business:

Fred Kenney advised the Board that he and Casey Mock will be meeting with representatives from the City of Montpelier regarding TIF District boundaries. Fred also noted that he has heard from the Town of Springfield regarding a possible TIF District application.

- ❖ At 11:15 a.m. Stephan Morse made the motion that the Board accept the following resolution in honor of Fred Kenney’s service to VEPC:

WHEREAS, Fred Kenney has faithfully served as Executive Director of the Vermont Economic Progress Council for sixteen years, and never missed a VEPC Board meeting, and

WHEREAS, during those sixteen years Fred has shepherded over 225 businesses through the incentive process and overseen 6 successful TIF applications, and

WHEREAS, he has served through several transitions from long-range economic planning to his current role as the administrator of some of Vermont’s most important economic and community development programs: Economic Advancement Tax Incentive (EATI), Vermont Employment Growth Incentive (VEGI), and Tax Increment Financing Districts (TIF), and

WHEREAS, Fred has assisted the Agency of Commerce and Community Development (ACCD) with business recruitment efforts and helped develop policy and programs such as the reinstatement of the R&D Tax Credit and the Vermont Enterprise Fund, and

WHEREAS, he was instrumental in planning and implementing the Windham County Economic Development Program, and

WHEREAS, he has diligently, faithfully, professionally served the VEPC Board of Directors and in the highest possible ethics, and

WHEREAS, he has through all his efforts improved the economic well- being of the State of Vermont and substantially increased the Vermont work force

NOW THEREFORE, BE IT RESOLVED, that the Vermont Economic Progress Council expresses its deep appreciation to Fred Kenney for dedicated leadership and recognizes him for his major contributions to improve the economy of the State of Vermont.

Members of the Board also expressed their gratitude towards Fred. Jean O’Sullivan seconded the motion. Chair John Davis requested a roll call for the vote, all voted in favor and the motion passed. 10-0-0.

- ♦ Aye: Chair John Davis; Betsy Gentile; Michael Keane; Patricia Horn; Jean O’Sullivan; Rachel Smith; Thad Richardson; Emma Marvin; Mark Nicholson; and Stephan Morse.
- ♦ Nay: None
- ♦ Abstain: None

Chair John Davis noted that the next meeting is scheduled for Thursday, December 14, 2017.

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

- ❖ At 11:20 a.m. Betsy Gentile moved to adjourn the meeting. Michael Keane seconded the motion. Chair John Davis requested a roll call for the vote, all voted in favor and the motion passed. 10-0-0.
 - ♦ Aye: Chair John Davis; Betsy Gentile; Michael Keane; Patricia Horn; Jean O’Sullivan; Rachel Smith; Thad Richardson; Emma Marvin; Mark Nicholson; and Stephan Morse
 - ♦ Nay: None
 - ♦ Abstain: None

Minutes taken by Abbie Sherman: November 17, 2017

Revised by Fred Kenney: November 22, 2017

Revised by Abbie Sherman: December 4, 2017

Approved by the Council: