



MEETING MINUTES
FEBRUARY 22, 2018
DEANE C. DAVIS BUILDING
1 NATIONAL LIFE DRIVE, MONTPELIER

CALVIN COOLIDGE CONFERENCE ROOM, 6TH FLOOR
9:30 A.M. TO 11:40 A.M.

Members Present: Chair John Davis; Michael Keane; Mark Nicholson; Rachel Smith; and Thad Richardson

Members Present by Phone: Betsy Gentile; Jean O'Sullivan; Patricia Horn; and Stephan Morse

Members Absent: Emma Marvin

Staff Present: Casey Mock, Executive Director; and Abbie Sherman, Grants Program Manager

Others Present: Ken Jones, Economic Research Analyst, ACCD; Brett Long, Deputy Commissioner of Economic Development, ACCD; John Kessler, General Counsel, ACCD; Dominic Cloud, City Manager, City of St. Albans; Jim Lilly, SVP Sales, Inntopia; Trish Buyer, SVP Finance, Inntopia; Pam MacKenzie, SVP Employee & Partner Engagement, Inntopia; and John Mandeville, Executive Director, Lamoille Economic Development Corporation.

9:32 a.m. Roll Call and Agenda Review

Chair John Davis 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.

9:33 a.m. **Minutes – December 14, 2017**

Chair John Davis inquired as to any corrections or changes to the draft meeting minutes for December 14, 2017. Hearing none, requested a motion.

❖ At **9:34 a.m.** Michael Keane moved to accept the December 14, 2017, meeting minutes as presented. Mark Nicholson 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. 8-0-0.

- ♦ Aye: Chair John Davis, Betsy Gentile, Michael Keane, Mark Nicholson, Thad Richardson, Jean O'Sullivan, Patricia Horn, and Stephan Morse
- ♦ Nay: None
- ♦ Abstain: None

Rachel Smith joined the meeting at 9:35 a.m.

9:35 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.

**9:36 a.m. Vermont Employment Growth Incentive (VEGI):
Inntopia, Stowe (Initial)**

- ❖ At **9:36 a.m.** Michael Keane moved to enter into Executive Session to discuss VEGI applications, citing 1 VSA, §313(a)(6). Mark Nicholson 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, Mark Nicholson, Rachel Smith, Thad Richardson, Jean O'Sullivan, Patricia Horn, and Stephan Morse
 - ♦ Nay: None
 - ♦ Abstain: None

- ❖ At **10:26 a.m.** the Council exited from the Executive Session.

- ❖ At **10:27 a.m.** Jean O'Sullivan made a motion regarding the Initial Application filed by Inntopia, for a project in Stowe, that the Council find that:
 - ♦ The new revenue the proposed project generates to the State exceeds the costs of the activity to the State by \$559,986;
 - ♦ The company is not a party to any State action, the host municipality welcomes the new business and the proposed economic activity will conform to applicable town and regional plans;
 - ♦ The applicant does not operate in a limited, local market, and the incentive would not give the business an unfair competitive advantage over other Vermont businesses in the same or similar line of business; and
 - ♦ As certified in their application and during testimony before the Council, company officers have provided compelling information and arguments that but for this incentive the proposed economic activity would not occur in Vermont or would occur in a significantly different and less desirable manner.

And therefore, the Council approve the Initial Application, giving initial authorization of VEGI incentives of up to \$184,560, with an estimated incentive of \$172,256 based on

application data, for activity to commence February 23, 2018, subject to submittal and consideration of a Final VEGI Application before the end of calendar year 2018. Michael Keane 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, Mark Nicholson, Rachel Smith, Thad Richardson, Jean O'Sullivan, Patricia Horn, and Stephan Morse
- ◆ Nay: None
- ◆ Abstain: None

10:30 a.m. Tax Increment Financing Districts (TIF):
St. Albans Bond Vote
Bennington Authorization Document Review

St. Albans City Manager Dominic Cloud was present to update the Council on the progress of their TIF District and to provide information regarding the next five years. Of the eight infrastructure projects identified in the TIF District Plan, two have been completed and two are in progress. The city will be asking voters to approve of a \$2.5 million bond in March to be utilized in brownfield clean-up and create parking that would facilitate a proposed \$20 million real property development. This development would bring CCV the downtown, provide for retail space on lower floor, and Northwest Medical Center on the upper floor. There are also plans to demolish and rebuild affordable housing on the property. These improvements could not be achieved without TIF. Dominic anticipates the projects starting in fall 2018 as there is a strong likelihood of voter approval for the bond. No action by the Council was required at this time.

Regarding the Bennington TIF District, Casey Mock had previously provided the Council copies of the Authorization Documents for the district as it was approved on November 17, 2017.

- ❖ At **10:46 a.m.** Michael Keane moved to approve the Bennington TIF District Authorization Document as written. Seconded by Rachel Smith. 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, Mark Nicholson, Rachel Smith, Thad Richardson, Jean O'Sullivan, Patricia Horn, and Stephan Morse
 - ◆ Nay: None
 - ◆ Abstain: None

10:47 a.m. Executive Director Updates:
JFO Report Response and Update
Legislative Update

Casey Mock summarized the status of the Joint Fiscal Office's (JFO) report on TIF Districts, released in January 2018. VEPC included a response to the report, finding that the report was problematic and biased, unfairly addressing issues. Casey has provided testimony several times

to the House Ways & Means, House Commerce & Economic Development, and Senate Finance. There does not seem to be any action forthcoming from the report, which is intended to be produced annually. Jean O'Sullivan provided feedback from the House Commerce & Economic Development Committee, they being in complete agreement with VEPC. Jean went on to advise that the committee was looking for the JFO to provide a quantitative means of gauging TIF Districts. The committee is still working with the JFO to get the metrics.

Casey Mock noted that there are two bills related to TIF; both were discussed yesterday in the House Commerce & Economic Development Committee. One of the bills is regarding the cap after six new districts are approved. The bill would make VEPC's approval of a TIF District be subject to legislature approval. Casey has not been asked to provide testimony on the bill but consensus within Economic Development's administration is that the bill is premature. The earliest a sixth district would be approved is the end of next year. Casey also noted that the bill would make VEPC's review and approval of TIF Districts redundant and eliminates independent review of process.

Casey Mock updated the Council on the "VEGI Modernization" bill, having spoken with Senate Economic Development, Senate Finance, and House Commerce & Economic Development. There seems to be general support in adding enhancements for small businesses and for benefit corporations. Casey noted that there is less excitement for the accelerated payout, allowing payment in one lump sum. Jean O'Sullivan added that it may take more than this session to move the accelerated payout through the legislature.

10:58 a.m. Conflict of Interest Refresher, ACCD General Counsel John Kessler

John Kessler provided the Council with copy of the Executive Code of Ethics and a summary of changes included in the 2017 update. John reviewed the provisions within the executive order and discussed avoiding conflicts of interest, advising the Council to err on side of caution particularly when public funding is involved. Clarification was also provided regarding various instances where a conflict could be perceived to exist. John covered Vermont statutes that parallel conflicts of interest, including public records over electronic devices and the "opening meeting law." John suggested Council members copy outgoing communications and forwarding received messages to VEPC staff for the State to fully comply with public information requests. Casey Mock reiterated the importance of providing notice prior to meetings regarding conflicts of interest and attendance in terms of ensuring there is a quorum for agenda items.

11:38 a.m. Other Business

Casey Mock advised the Council that there could be as many as five VEGI applicants for March meeting.

Chair John Davis noted that the next meeting is scheduled for March 29, 2018.

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

- ❖ At **11:40 a.m.** Michael Keane moved to adjourn the meeting. Rachel Smith seconded the motion. Chair John Davis 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, Mark Nicholson, Rachel Smith, Thad Richardson, Jean O'Sullivan, Patricia Horn, and Stephan Morse
 - ◆ Nay: None
 - ◆ Abstain: None

Minutes taken by Abbie Sherman: February 22, 2018

Revised by Casey Mock: February 23, 2018

Approved by the Council: March 29, 2018