



**MEETING MINUTES  
JUNE 28, 2018  
DEANE C. DAVIS BUILDING  
1 NATIONAL LIFE DRIVE, MONTPELIER**

**CALVIN COOLIDGE CONFERENCE ROOM, 6<sup>TH</sup> FLOOR  
9:30 A.M. TO 1:51 P.M.**

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

**Members Present by Phone:** None

**Members Absent:** Jean O'Sullivan

**Staff Present:** Abbie Sherman, VEPC Grant Programs Manager; Joan Goldstein, Commissioner, DED, ACCD; Brett Long, Deputy Commissioner, DED, ACCD; Kristen Ziter, Financial Manager, DED, ACCD; Ken Jones, Economic Research Analyst, ACCD; and Ted Brady, Deputy Secretary, ACCD

**Staff Present by Phone:** Casey Mock, Former VEPC Executive Director

**Others Present:** Richard Amore, Planning & Project Manager, DHCD; Gary Holloway, Downtown Program Coordinator, DHCD; Jacob Hemmerick, Planning & Policy Manager, DHCD; Faith Ingulsrud, Planning Coordinator, DHCD; Peter Asch, CEO, Twincraft; Douglas Lee, CFO, Twincraft; Curt Carter, Senior VP, GBIC; Anne Watson, Mayor, City of Montpelier; William Fraser, City Manager, Montpelier; Sue Allen, Assistant City Manager, Montpelier; Laura Gebhard, Executive Director, Montpelier Development Corporation; Stephanie Hainley, White & Burke; Gail Henderson-King, White & Burke; Lynnette Claudon, Chief Pollution Control Design Engineer, CWSRF Program, DEC; Joe Segale, Director, Policy, Planning & Research Bureau, VTrans; Chris D'Elia, President, Vermont Banker's Association; Bonnie Waninger, Executive Director, Central Vermont Regional Planning Commission; Joe Castellano; Eileen Peltier, Executive Director, Downstreet Housing; Fred Bashara, Capitol Plaza Hotel; Brian and Lilli Cain, Capital Plaza Hotel; Cari Clement, Montpelier Downsizing Group; Jay Ancel, Black River Design Architects; and Tom Golonka

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**9:30 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.

**9:32 a.m. Minutes – April 26, 2018**

Chair Stephan Morse inquired as to any corrections or changes to the draft meeting minutes for April 26, 2018. Hearing none, requested a motion.

- ❖ At **9:33 a.m.** Michael Keane moved to accept the April 26, 2018, meeting minutes as presented. Betsy Gentile seconded the motion. Chair Stephan Morse inquired as to further discussion, hearing none requested a vote. All voted in favor and the motion passed. 8-0-0.
  - ♦ Aye: Chair Stephan Morse; Betsy Gentile; Michael Keane; Mark Nicholson; Rachel Smith; Thad Richardson; Emma Marvin; and John Davis
  - ♦ Nay: None
  - ♦ Abstain: None

**9:34 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.

At **9:34 a.m.** Chair Stephan Morse requested an update from Economic Development Commissioner Joan Goldstein regarding the Executive Director vacancy. Joan noted the position is appointed by the Governor and she is close to providing a recommendation.

**9:35 a.m. Vermont Employment Growth Incentive (VEGI):  
Twincraft, Essex Junction (Initial)**

- ❖ At **9:35 a.m.** John Davis moved to enter into Executive Session to discuss VEGI applications, citing 1 VSA, §313(a)(6), and invited former Executive Director Casey Mock. Michael Keane seconded the motion. Chair Stephan Morse inquired as to further discussion, hearing none requested a vote. All voted in favor and the motion passed. 8-0-0.
  - ♦ Aye: Chair Stephan Morse; Betsy Gentile; Michael Keane; Mark Nicholson; Rachel Smith; Thad Richardson; Emma Marvin; and John Davis
  - ♦ Nay: None
  - ♦ Abstain: None

At **10:02 a.m.** the Council exited from the Executive Session. Patricia Horn arrived during Executive Session. It was noted that Twincraft has intended for the review to be for an Initial Application.

- ❖ At **10:03 a.m.** John Davis made a motion regarding the Initial Application filed by Twincraft, for a project in Essex Junction, 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 \$394,684;

- ♦ 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 \$180,746, with an estimated incentive of \$167,400 based on application data, for activity to commence November 1, 2018, subject to submittal and consideration of a Final VEGI Application before the end of calendar year 2018.

Michael Keane seconded the motion. Chair Stephan Morse inquired as to further discussion, hearing none requested a vote. All voted in favor and the motion passed. 9-0-0.

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

At **10:06 a.m.** the Council recessed, reconvening at **10: 15 a.m.**

**10:15 a.m. Tax Increment Financing Districts (TIF):**

Presentation by Montpelier Officials

VEPC Board Question & Answers

Stephanie Hainley and William Frasier provided an overview of Montpelier's Tax Increment Financing District. Stephanie noted that infrastructure projects are conservatively projected. Improvements to streetscape are needed to attract developers and to provide for accessibility. Stephanie also reiterated that the Capitol Plaza development project cannot proceed without the use of TIF to allow the City to build a parking garage on that site. William Fraser noted that the city has a small population, similar to Barre Town, and that the taxpayers pay for larger municipal services and amenities that support the large number of non-profit organizations. It is anticipated that the first bond will go out to the voters in November. There is a high demand for market-value housing within the district, but the development of affordable housing is also being planned. Other topics that were addressed during discussion included parking, commercial development and infrastructure updates. Stephanie requested guidance from the Council on the flexibility of the TIF district plans as there are a lot of developments and as they progress there could be changes. Patricia Horn inquired about the non-profit developers and William Fraser advised that their projects will all be taxable because they are commercial and housing. Sue Allen noted that the City would need to seek permission for transportation updates and would also

seek to utilize other funding sources available such as transportation and brownfield funding. Michael Keane inquired if the City had an alternative strategy to carry out their plans. William Fraser stated they would have to continue to carry out the developments on a case by case, such as they did with Caledonia Spirits, but a more comprehensive development plan is needed. Stephanie requested the Board provide the City with any lingering questions prior to final consideration of the application. Thad Richardson inquired on the physical size of the parking garage, it is currently planned at four levels; zoning bylaws allow a maximum of six levels. A higher capacity garage would likely have a larger footprint, rather than additional levels. Ken Jones noted that as the district plans change new cost estimates will need to be provided for analysis. The TIF district has many moving parts and as the developments are planned the information shall be made available for Ken Jones to analyze the information provided in the application and check the town's assumptions of property values and future tax generation. VEPC is also working with Agency of Natural Resources and Agency of Transportation to determine the reasonableness of the infrastructure cost assumptions outlined in Montpelier's application.

[Click here](#) for power point presentation.

At **11:15 a.m.** the Council recessed, reconvening at **11:30 a.m.**

**11:30 a.m. Celebration of VEPC's 25<sup>th</sup> Anniversary**

Chair Stephan Morse kicked off the celebration with a recognition of VEPC's achievements over the past 25 years including \$93 million in new tax revenue, the creation of nearly 12,000 new direct jobs, and the creation of 14 TIF districts. Stephan emphasized that the program has been worthwhile and has been a valuable tool.

Deputy Secretary Ted Brady congratulated the Board for the work they have done. Despite the controversy regarding the programs, the programs have touched almost 12,000 Vermont families for the better.

Commissioner Joan Goldstein expressed her appreciation of VEPC's efforts, thanking the VEPC Board, Executive Directors of the past, and staff for their hard work and dedication.

Christopher Delia, a former VEPC Executive Director, thanked the Board for their work and applauded their efforts.

At **12:00 p.m.** the Board recessed for lunch and a tour of the Montpelier TIF District. Emma Marvin and Patricia Horn departed the meeting.

**1:15 p.m. Public Comment: Montpelier TIF District, at Montpelier City Hall**

Chair Stephan Morse called the meeting to order and noted several members of the public were present to provide public comment.

Eileen Peltier, Executive Director of Downstreet Housing and a Montpelier resident, noted the benefits of TIF district for developers and communities. TIF entices private development, infrastructure improvements, and are a great way to entice development. Rural communities, Montpelier included, suffer from outdated infrastructure. The numbers need to work for private developers and because of the infrastructure costs, it most often does not. Downstreet Housing was able to benefit from the Barre TIF district mechanism by developing housing and commercial office space, creating over 200 new jobs in the City of Barre.

Joe Castellano, a Montpelier resident, reviewed Montpelier's TIF application and noted some things that VEPC should consider in the proposal. The district is large and based on opinion and he requested the City Council base the application on facts. He questioned the need for more affordable housing; there is no decline to support the need. The steep incline in housing is high, and the population is not increasing at proportional rates. The last increase in housing at such rate was in the early 1900's when the population grew a couple thousand. He is concerned about Sabin's pasture (quarry, wetlands, etc.) and is concerned about spot zoning.

Lilli Cain and Fred Bashara, Co-Owners of the Capitol Plaza, shared their commitment to the Montpelier community and their 100+ employees. The family plans to build an over \$15 million Hampton Inn but the cost of a parking garage would be in addition to that and they cannot do it without the TIF district. The hotel project works on its own, however the parking requires the collaboration of the municipality and the State.

Cari Clement, representing the Montpelier Downsizing Group, noted that the group was created in 2015, and represents residents primarily over 55 who wish to continue to reside in Montpelier as vital members of the community in single level smaller homes. Market rate housing to support said population will provide economic development in the city and attract younger family members. The group is looking to build 10-12 homes, create pocket neighborhoods, that could potentially serve as an example for future developments.

Jay Ancel, architect and Montpelier resident, noted his experience in working with clients looking for market rate housing that is unavailable. The cost of building in Montpelier is higher than in Chittenden County however the value is much less.

Tom Golonka, Bashara family and former Montpelier City Council member, noted that the TIF is an invaluable tool to aid with parking, economic development, and housing. These are all areas the City Council has struggled with previously. The City taxpayers pay for the amenities that serve a large population of non-profit organizations. The TIF could lower the tax burden for residents as they improve infrastructure and spur development.

[Click here](#) for audio and written testimony.

At **1:50 p.m.** Chair Stephan Morse asked if anyone else from the public would like to add comments. Hearing none, he closed public comment. Stephan advised that written public comments should also be provided.

Chair Stephan Morse thank those attending for their comments and advised that Montpelier will be providing another presentation later this summer which should address the concerns and issues raised. The VEPC Board hopes to come to a conclusion in time for voter approval of a bond later this year.

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

❖ At **1:51 p.m.** Michael Keane moved to adjourn the meeting. Betsy Gentile seconded the motion. Chair Stephan Morse requested a vote, all voted in favor and the motion passed. 7-0-0.

- ♦ Aye: Chair Stephan Morse; Betsy Gentile; Michael Keane; Mark Nicholson; Rachel Smith; Thad Richardson; and John Davis
- ♦ Nay: None
- ♦ Abstain: None

*Minutes taken by Kristen Ziter: June 28, 2018*

*Revised by Abbie Sherman: June 29, 2018*

*Approved by the Council: July 26, 2018*