



**MEETING MINUTES  
APRIL 30, 2020  
WEBEX VIRTUAL MEETING**

**9:39 A.M. TO 11:46 A.M.**

**Members Present by WebEx:** Chair John Davis; Mark Nicholson; Rachel Smith; Michael Keane; Thad Richardson; John Russell; Betsy Gentile; and Rep. Charlie Kimbell

**Members Present by Phone:** Betsy Gentile

**Members Absent:** Patricia Horn and Sen. Cheryl Hooker

**Staff Present by WebEx:** Megan Sullivan, Executive Director; Abbie Sherman, Grants Program Manager

**Others Present by WebEx:** Kenneth Jones, Economic Research Analyst, ACCD; Heather Florio, Desert Harvest; Jonathan Cooper, Bennington County Industrial Corporation; and William Colvin, Bennington County Industrial Corporation; Joan Goldstein, Commissioner, DED, ACCD; and Dan Monks, Assistant Town Manager, Town of Bennington.

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**9:39 a.m. Roll Call and Agenda Review**

Chair John Davis called the meeting to order and provided the guidelines for the meeting using WebEx.

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. Megan Sullivan advised that the review of BETA Technologies VEGI Application should be removed, and a name change review for a VEGI awardee should be added.

**9:45 a.m. Minutes – January 30, 2020**

Chair John Davis inquired as to any corrections or changes to the draft meeting minutes for January 30, 2020. Hearing none, requested a motion.

- ❖ At **9:45 a.m.** Michael Keane moved to accept the January 30, 2020 meeting minutes as presented. 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. 8-0-0.
  - ♦ Aye: Chair John Davis; Mark Nicholson; Rachel Smith; Thad Richardson; Michael Keane; John Russell; Betsy Gentile; and Rep. Charlie Kimbell

- ◆ Nay: None
- ◆ Abstain: None

**9:46 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.

**9:46 a.m. Vermont Employment Growth Incentive (VEGI):**  
Desert Harvest, Manchester (Initial)

- ❖ At **9:46 a.m.** Thad Richardson moved to enter into Executive Session to discuss VEGI applications, citing 1 VSA, §313(a)(6). Michael Keane seconded the motion. Chair John Davis inquired as to further discussion, hearing none requested a vote. All voted in favor and the motion passed. 8-0-0.
  - ◆ Aye: Chair John Davis; Mark Nicholson; Rachel Smith; Thad Richardson; Michael Keane; John Russell; Betsy Gentile; and Rep. Charlie Kimbell
  - ◆ Nay: None
  - ◆ Abstain: None

At **10:57 a.m.** the Council exited from the Executive Session. Joan Goldstein joined the meeting during Executive Session.

- ❖ At **10:58 a.m.** Michael Keane made a motion regarding the Initial Application filed by Desert Harvest, for a project in Manchester, 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 \$53,077 prior to consideration of the LMA Enhancement;
  - ◆ 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 \$113,323, with an estimated incentive of \$103,912 based on application data, for activity to commence July 1, 2020, subject to submittal and consideration of a Final VEGI Application before the end of calendar year 2020.

Thad Richardson seconded the motion. Chair John Davis inquired as to further discussion, hearing none requested a roll call for the vote. The motion passed. 7-0.

- ◆ Aye: Chair John Davis; Mark Nicholson; Rachel Smith; Thad Richardson; Michael Keane; John Russell; and Rep. Charlie Kimbell
- ◆ Nay: None
- ◆ Abstain: None

Due to technical difficulties Betsy Gentile did not have audio for this vote but rejoined the meeting with audio at 11:01 a.m.

- ❖ **At 11:02 a.m.** Michael Keane made a motion to utilize the authority given by 32 VSA §3334 to approve an increased incentive level for businesses locating in a qualified LMA, such as Manchester, using 100% of the available net revenue benefit, with a maximum incentive of up to \$173,590 and an estimated incentive of \$159,175, thereby reducing the estimated net revenue benefit to \$0. 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. 8-0-0.
  - ◆ Aye: Chair John Davis; Mark Nicholson; Rachel Smith; Thad Richardson; Michael Keane; John Russell; Betsy Gentile; and Rep. Charlie Kimbell
  - ◆ Nay: None
  - ◆ Abstain: None

Michael Keane noted that the Desert Harvest application was the most compelling of applications in the most compelling of times. The Council recessed at 11:06 a.m., reconvening at 11:13 a.m.

**11:13 a.m. Tax Increment Financing Districts (TIF):**  
Bennington TIF District Substantial Change Request

Megan Sullivan provided the Council with an introduction of Bennington's Substantial Change Request. The request was being made due to a property line adjustment that affected the boundary line of the TIF District. Total amount to be removed is 0.14 acres. Submitting a Substantial Change Request is mandatory due to TIF Rule 905.7 which states "a boundary adjustment affecting one or more parcels wholly within a District, which also affects the boundaries of a District is considered a Substantial Change." Megan Sullivan advised that Bennington has submitted the relevant information to the Council for consideration. She also noted that Bennington has not incurred first debt, and was approved by VEPC in November 2017.

Dan Monks stated that the boundary line adjustment did not change the assessed value for the parcel that adjusted the TIF District boundary. It also does not change the OTV for the District. He noted the reason for the adjustment between the two parcels was due the discovery of a driveway encroachment.

Abbie Sherman provided a summary of the VEPC staff review. The change does not violate any of the approval criteria or fiscal viability. It does not require any additional Education property tax revenue or cause it to increase. It does not impact financial viability or put at risk the

achievement of District objectives. In addition, the change does not affect the total assessed value of the TIF District. VEPC staff recommended approval of the Bennington Substantial Change Request.

- ❖ At **11:19 a.m.** Michael Keane move that the Council approve the boundary adjustment and for VEPC staff to provide notice of the change to the Department of Taxes, Property Valuation and Review (PVR). Rachel Smith 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; Mark Nicholson; Rachel Smith; Thad Richardson; Michael Keane; John Russell; Betsy Gentile; and Rep. Charlie Kimbell
  - ◆ Nay: None
  - ◆ Abstain: None

### **11:22 a.m. VEGI Participant Name Change**

Megan Sullivan advised the Board that she had received notification of a name change for a VEGI participant. Revision Military has changed their name to Galvion. The change is due to a split between Revision Eyewear and the helmet manufacturer to distinguish them as a separate company. The change does not require action by the Council. Megan Sullivan advised that it is not automatic that an incentive is carried through, but this is a name change for branding purposes. The Council did not offer any questions or concerns.

### **10:37 a.m. Executive Director Updates:**

- VEGI Updates:

Megan Sullivan provided the Board with a summary of the VEGI Cap, which included the application from Desert Harvest. This is the only 2020 Application. The balance for the VEGI Cap, after including Desert Harvest, is \$9,886,677.

Sullivan also discussed the VEGI claims for 2019 which were due to the Department of Tax that day. Sullivan advised that VEGI Claims from 2018 are still being processed. She discussed with the Council possible impacts of COVID19 on VEGI participants and plans to reach out to companies in the coming month.

- TIF District Updates:
  - St. Albans Payment to Education Fund: Megan Sullivan advised the Council that the base value for a parcel was missing from the TIF District's OTV which caused an error in the calculation of tax increment in previous years. PVR established the amount due to the Education Fund and St. Albans has made payment to the Education Fund in the amount of \$9,325.58.

- Retirement of Milton North/South TIF District: The Town of Milton has distributed a check to the Education Fund in the amount of \$131,087.27 as part of the closing of their TIF Fund. PVR and Education have been notified of the payment. Beginning with fiscal year 2020, the Education Fund will receive an estimated additional \$781,000 from the TIF District.
- 2020 TIF Annual Report: The Council was sent a copy of the report via email, and it was also sent to the legislature and posted on the ACCD website. Megan Sullivan noted that Abbie Sherman has made a few changes in the report this year, adding more information. Sullivan praised the work that Abbie Sherman did in creating a report that is clear and provides a transparent representation of how the TIF program is working, on an aggregate level and district by district level. Sullivan summarized some key points of the report, noting that taxable values have increased by \$379 million since the program began, \$10 million in tax increment was generated for FY'19 with \$8.7 million of that going to the TIF Districts and \$935,000 to the Education Fund. Since 2013, when VEPC began tracking the data, \$71.4 million of work in the TIF Districts has been performed by Vermont companies and 4,095 jobs have been added.
- Spring Monitoring Visits: Megan Sullivan noted that VEPC staff has an obligation to perform semi-annual monitoring visits to each TIF District. In-person visits will not happen this spring. Instead, Abbie Sherman will request documents that can be sent electronically.
- Impacts from COVID19: Megan Sullivan has been communicating with TIF Districts about the impacts of COVID19 and noted concerns around incurring debt on the timeline that is laid out in TIF plans.
- Changes on VEPC: Megan Sullivan noted the resignation of Council member Emma Marvin from Lamoille County due to increased responsibilities at her family business and other boards on which she serves. Council members appreciated Emma's service, noting that she always brought great questions and points to the conversation. The Governor's Office is aware of the available seat.
- Staff update: Megan Sullivan and Abbie Sherman are both working remotely from home and able to continue working effectively. Sullivan noted that Abbie has been working with the Department of Economic Development on specific business responses for COVID19. Megan Sullivan has been chosen as a fellow in the Council of Development Finance Agencies Franzini Fellowship program which is a year-long opportunity for education and mentorship. Sullivan is 1 of 4 women picked from around the nation to participate in the program. This will be a great opportunity for her to see what others are doing in development finance especially in the wake of COVID19.

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

- ❖ At **11:46 a.m.** Michael Keane moved to adjourn the meeting. Betsy Gentile seconded the motion. Chair John Davis requested a vote, all voted in favor and the motion passed. 8-0-0.
  - ◆ Aye: Chair John Davis; Mark Nicholson; Rachel Smith; Thad Richardson; Michael Keane; John Russell; Betsy Gentile; and Rep. Charlie Kimbell.
  - ◆ Nay: None
  - ◆ Abstain: None

*Minutes taken by Abbie Sherman: April 30, 2020*

*Revised by Megan Sullivan: May, 1,2020*

*Approved by the Council: June 25, 2020*