



**MEETING MINUTES
OCTOBER 29, 2020
WEBEX VIRTUAL MEETING**

9:30 A.M. TO 12:05 P.M.

Members Present: Chair John Davis; Mark Nicholson; Rachel Smith; Michael Keane; John Russell; and Rep. Charlie Kimbell

Members Absent: Thad Richardson; and Sen. Cheryl Hooker

Staff Present: Megan Sullivan, Executive Director; Abbie Sherman, Grant Programs Manager;

Others Present: Jessica Chappel, Finance Manager, NuHarbor Security; Justin Fimlaid, CEO, NuHarbor Security; Kathie Cheney, Human Resources Director, NuHarbor Security; Curt Carter, Senior Vice President, Greater Burlington Industrial Corporation; Grace Ciffo, Assistant Director, CEDO, City of Burlington; Katherine Schad, Chief Administrative Officer, City of Burlington; Richard Haesler, City of Burlington; Ken Jones, ACCD Economic Research Analyst; John Kessler, ACCD General Counsel; Joan Goldstein, Commissioner, Department of Economic Development.

9:38 a.m. Roll Call and Agenda Review

Chair John Davis called the meeting to order.

Chair John Davis requested an introduction of those present. 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.

9:42 a.m. Minutes – September 29, 2020

Chair John Davis inquired as to any corrections or changes to the draft meeting minutes for September 29, 2020. Hearing none, requested a motion.

- ❖ At **9:43 a.m.** Michael Keane moved to accept the September 29, 2020 meeting minutes as presented. Charlie Kimball 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. 6-0-0.
 - ♦ Aye: Chair John Davis; Mark Nicholson; Rachel Smith; Michael Keane; John Russell; and Rep. Charlie Kimbell
 - ♦ Nay: None
 - ♦ Abstain: None

9:44 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.

9:45 a.m. Vermont Employment Growth Incentive (VEGI):
NuHarbor Security, Colchester (Initial Application Continuation)

Chair John Davis summarized that this agenda item is a continuation of the Thursday, September 29, 2020 meeting where NUHarbor Security presented an initial application to the VEGI program for consideration by the VEPC board members. A majority vote decision of the Board could not be made at that meeting, so this is an opportunity for those members who did not attend to hear the application details and ask any questions.

- ❖ At 9:45 a.m. Charlie Kimbell 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. 6-0-0.
 - ♦ Aye: Chair John Davis; Mark Nicholson; Rachel Smith; Michael Keane; John Russell; and Rep. Charlie Kimbell
 - ♦ Nay: None
 - ♦ Abstain:
- ❖ At 10:19 a.m. the Council exited from the Executive Session.
- ❖ At 10:20 a.m. Michael Keane read the motion regarding the Initial Application filed by NU Harbor Security, for a project in Colchester, that the Council find that:
 - ♦ The new revenue of the proposed project generates to the State exceeds the costs of the activity to the state by \$638,943.
 - ♦ 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 \$277,129 with an estimated incentive of \$230,941 based on application data, for activity to commence October 1, 2020, subject to submittal and consideration of a Final VEGI Application before the end of calendar year 2020.

The motion was seconded by John Russell at the September 29, 2020 meeting. Chair John Davis inquired as to further discussion, hearing none requested a roll call for the vote for members to cast a first vote, reaffirm their previous vote or, to change a vote if they so choose. As the vote has remained open, for any members who voted at the September 29 meeting are not in attendance at this meeting, their previously vote cast will stand. The motion passed 6-2-0.

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

10:24 a.m. Review of VEGI Participant Change in Ownership

Megan Sullivan advised the Council that GW Plastics is now a subsidiary of Nolato AB. Megan provided the letter in the Sharepoint site for Council members, which contains additional details of the acquisition. She noted that in the letter the company commits to following through on VEGI reward and to keep jobs and management in Vermont. No action was required by Council since no details of the incentive will change.

10:31 a.m. Tax Increment Financing Districts (TIF): Burlington Downtown TIF District Substantial Change Request

Burlington City Staff Richard Haesler and Grace Ciffo summarized for the Council the request for substantial change to the Burlington Downtown TIF District. Following the City's presentation, Abbie Sherman summarized for the Council the VEPC staff review of the City's request. Abbie's presentation provided additional information on the Development Agreement with Champlain College, a review of the standard questions for a substantial change, and information from the reviews made by Ken Jones of the revised TIF Financing Plan and John Kessler of the Development Agreement.

Following the presentations, discussion of the request ensued. The Council has 60 days to make determination on the request and no action was taken at this time. The Council will give further consideration of the request at their November 20 meeting. Burlington City staff then exited the meeting.

Mark Nicholson exited the meeting at 11:45 a.m.

11:45 a.m. Executive Director Updates:

Megan Sullivan provided the following Executive Director updates:

- The 2021 VEPC meeting schedule has been published online and is available in the Sharepoint site. Megan stressed the importance of member attendance at meetings due to vacancies, as well as the expertise of each Board member. With regard to the vacancies,

she noted that appointments to the Council are being made and the Council will be at full status soon.

- The next two VEPC meetings occur on Fridays as publicly advertised. The November meeting may include VEGI and/or further discussion on the Burlington Downtown TIF District Substantial Change Request.
- The Fall Monitoring Visits are being scheduled and will be held virtually this year. Information for Council members to attend was also provided. Spring Monitoring Visit reports were uploaded to Sharepoint. Megan recommended Council members review those reports if they plan to attend the Fall Monitoring Visits.
- The 2020 VEGI Annual Report came out in September. Information contained in the report was summarized. The actual economic impact shows 7,465 new qualifying jobs and \$427,317,778 new qualifying payroll. The average wage decreased slightly in part due to the increase in jobs located LMAs. There has been \$962,826,861 in new qualifying capital investments and \$27,739,868 total incentives paid. This year's report included a few new tables as suggested in discussion from House Committee on Commerce & Economic Development. Those include a Summary of Activity by County and a table for Demographics which includes type of project, type of expansion, business size, Vermont domicile.
- Megan provided the Council with a pipeline overview for VEGI over the past month which showed 15 inquiries, 5 new user accounts, 2 pre-apps, 1 initial application started. From the inquiries, a number of businesses did not qualify for the program due to issues such as being in a local, limited market or only looking to add capital investments and not jobs.

Rachel Smith and John Russell exited the meeting at 12:00 p.m.

The remaining Council members then discussed possible next steps for review of the Burlington Downtown TIF District Substantial Change Request review and the possibility of forming a sub-committee.

❖ At **12:05 p.m.** the meeting adjourned.

Minutes taken by Abbie Sherman: October 29, 2020

Revised by Megan Sullivan: November 3, 2020

Approved by the Council: November 20, 2020