



VERMONT ECONOMIC PROGRESS COUNCIL

DRAFT – COUNCIL APPROVAL REQUIRED AT NEXT MEETING.

MEETING MINUTES

JANUARY 27, 2022

VIRTUALLY VIA TEAMS

9:30 A.M. TO 2:39 P.M.

Members Present: Chair John Davis, John Russell, Mark Nicholson, Heather Chase, Michael Keane, Rachel Smith, Mike Donohue, Thad Richardson, Rep. Charlie Kimbell

Members Absent: Sen. Cheryl Hooker

Staff Present: Abbie Sherman, Executive Director; Natalie Elvidge, Business Relations Manager; Cherie Yaeger, Economic Development Specialist

Others Present: Sam Anderson (GBIC), Whitney Coombs (GBIC), Phyo Aung Kyaw (Resonant Link), Chet Hagenbarth (Town of Killington); Jennifer Iannantuoni (Planning Commission Killington), Lucrecia Wonsor (Killington Town Clerk), Jim Haff (Killington Selectboard), Chris Karr (Killington Selectboard), Steve Finneron (Killington Selectboard), Steve Selbo (SP Land Company), Gail Henderson-King (White & Burke), Polly Mikula (Mountain Times), Stephanie Clarke (White & Burke), Mark Decota, Peggy Neisner (Killington Assistant Town Clerk), Lisa Davis Lewis (Town of Killington); Ken Jones, (Economic Analyst, DED), Jeff Carr (Economic and Policy Resources), Matt Cooper (Economic and Policy Resources), Rick Bowers, Art Malatzky, Michael Solimano, Lyle Jepson (Chamber of the Rutland Region), Tyler Richardson (Chamber of the Rutland Region), Mary Guggenberger (Killington Elementary School), Gerrie Russell, Wayne Elliott (Aldrich & Elliott), Joan Goldstein (DED Commissioner), Graham Campbell (Joint Fiscal Office).

9:30 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.

9:36 a.m. Minutes – December 17, 2021

Chair John Davis inquired as to any corrections or changes to the draft meeting minutes for December 17, 2021. Hearing none, requested a motion.

- ❖ At **9:36 a.m.** Mike Donahue moved to accept the December 17, 2021 meeting minutes as presented. 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.

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- ♦ Aye: Chair John Davis, John Russell, Mark Nicholson, Heather Chase, Michael Keane, Rachel Smith, Mike Donohue, Thad Richardson, Rep. Charlie Kimbell
- ♦ Nay: None
- ♦ Abstain: None

9:37 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.

**9:38 a.m. Vermont Employment Growth Incentive (VEGI):
Resonant Link, South Burlington (Initial)**

- ❖ At 9:38 a.m. John_Russell 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 vote. All voted in favor and the motion passed. 9-0-0.
 - ♦ Aye: Chair John Davis, John Russell, Mark Nicholson, Heather Chase, Michael Keane, Rachel Smith, Mike Donohue, Thad Richardson, Rep. Charlie Kimbell
 - ♦ Nay: None
 - ♦ Abstain: None
- ❖ At 10:29 a.m. the Council exited from the Executive Session.
- ❖ At 10:32a.m. Michael Donahue made a motion regarding the Initial Application filed by Resonant Link, for a project located in South Burlington, 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 \$176,366 with the Green VEGI Enhancement;
 - The company is not a party to any State action;
 - 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 \$764,982 with an estimated incentive of \$713,982 based on application data, for activity to commence February 1, 2022, subject to the host municipality welcoming the new business, the proposed economic activity conforming to applicable town and regional plans, and submittal of a Final VEGI Application by November 18, 2022. 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; Mark Nicholson; Rachel Smith; Thad Richardson; Michael Keane; John Russell; Heather Chase, Mike Donohue; Rep. Charlie Kimbell
- ◆ Nay: None
- ◆ Abstain: None

10:36 a.m. Tax Increment Financing Districts (TIF):
Killington TIF District:

Executive Director Abbie Sherman confirmed with Killington members present that they had a quorum to hold their meeting. Killington confirmed and their selectboard meeting is open. Chair John Davis asked for introductions for the Killington staff present. Chair John Davis asked for a roll call of council members and staff.

10:45 a.m. Presentation & Virtual Tour of TIF District by Killington Officials

Stephanie Clarke of White and Burke presented an overview of the proposed District and the geography. The District is a long, linear district that has topography that limits expansion, the District containing the town center and the base of Killington Mountain. The town's goals for the TIF district are to catalyze a vibrant village (Six Peaks Killington) and in conjunction with that development, add market rate and affordable housing, a connected corridor, and improve water quality and water systems. The proposal includes three private development projects spanning eight years, consisting of:

- Six Peaks Killington (Mountain village)
- Housing Project A: housing and water service near the bottom of Killington Road.
- Housing Project B: housing and water service housing off Route 4

Infrastructure projects will address water and road needs. Currently, there are wells that would be conveyed to the town as well as the transmission lines. The water project would have distribution along Killington Road and then to Route 4. Proposed road reconstruction of Killington Road includes addition of bus pull offs, intersections, lighting, landscaping, sidewalks, pedestrian crosswalks, and a grade/ elevation reduction at the beginning of Killington Road.

At **11:00 a.m.** Town Manager Chet Hagenbarth lead the virtual tour of the proposed developments. The virtual tour provided an overview of the project phases 1-4, beginning with the development of a water transmission line, development of the Six Peaks Killington village, road redevelopment, and housing development.

At **11:20 a.m.** the virtual tour concluded, and Stephanie Clark provided a recap of the aerial view. Gail Henderson-King resumed the presentation with a financing plan overview highlighting that the infrastructure totals would be \$66.5 million over 8 years and the first time the TIF funds would be cash positive would be in year 3. The value created will be about \$300 million in increased property value, with 70% of increased state property tax revenue going to the TIF fund, 30% to the Education Fund. Although some sections of the water project are not

geographically included in the TIF district, the costs are eligible since they are being installed to serve the District.

Jennifer Iannantuoni, speaking on behalf of the Killington Planning Commission, emphasized the importance of the TIF District to expand the growth of the town. She indicated that the lack of public water has always hindered growth. Steve Selbo provided a quick history of efforts to create a village at the ski resort since the late 1970s. More recent planning has encompassed the Snowshed and Ramshead lots. There is Act 250 approval for Phase A-C development including units, commercial space, new ski lodge, and Ramshead development including single family and duplex lots. Chris Carr described the difficulties of recruiting employees, noting that housing is a major barrier. Chet Hagenbarth spoke to the town's ability to manage the project. The proposed TIF district will add significant workforce from both the private side and the public side. Lisa Davis Lewis noted that Killington is focused on catalyzing development and dense development on the road and that growth is directly tied to the ski resort. The town has received a bylaw modernization grant to assist in updating their zoning bylaws to encourage more mixed-use development.

11:52 a.m.: Chair John Davis opened the meeting up for questions. Questions from the Vermont Economic Progress Council covered anticipated risks, water supply, the possibility of less development than planned, designating a new town center, and the status of development agreements. At 12:15, the Council broke for lunch, reconvening at 1:00 p.m.

1:01 p.m. Killington TIF District: Public Comment

At 1:01 p.m., the Council received public comment on Killington's TIF District application.

Art Malatzky (resident, Killington, VT):

Art requested that ask that the VEPC either request that the Town withdraw its application or that the VEPC deny it in its entirety. Art discussed the posting of the meeting, feeling that it was not properly publicized to encourage comments from the Town residents and taxpayers. Art noted his concerns that he had about the application. He stated that White & Burke consults for both the Town and SP Land and feels that it is a conflict of interest. He suggested that the timeline is unrealistic to assume a 2 year build out for each phase. Art referred to the website of E2M Partners, the backer of SP Land, and mentioned E2M partners is apparently winding down its business. Art voiced concerns that the TIF will be successful due to the lack of concrete development plans for the multiple phases and the revenues will not be able to pay for bonds until phase 3 is complete. He mentioned that the application indicates the Town will likely return to VEPC with modifications and resubmit when and if better information and plans are available.

Michael Solimano (President & General Manager of Killington/Pico Ski Resort Partners, LLC):

Michael indicated has been in business for 21 years when the Killington village was supposed to be built. He has seen the ups and downs and thinks that the TIF district will be the catalyst to build and grow the resort. The mountain is continuing to invest a lot into the mountain, and

they are they also investing employee housing, however that impacts rooming beds for visitors from the market. Michael feels that this project is important for employee housing, water and from his standpoint, thinks the TIF district is needed to bring about this change. He mentioned that he the plan is very well thought out.

Lyle Jepson (Executive Director, Rutland Region Chamber & Economic Development):

Lyle discussed that there is a housing need from an employer perspective. People are visiting and they want to stay, but there is nowhere to live as Killington Road does not support the growing expansion and Rutland County needs additional housing stock. Housing is older than the statewide average and short-term rentals have been rising, impacting the long-term rental market. Lyle feels that “but for” the TIF, people will move elsewhere, but the Rutland Regional Chamber and Economic Development wants them to come to Rutland County and they need to grow housing stock. The housing stock is older than the statewide average and many residents are paying a disproportionate amount of income on housing. Issues with the quality of the housing impacts retention. Lyle felt that TIF is a transformative tool and that he supports it.

Mary Guggenberger (Principal, Killington Elementary School):

Mary noted the quality of life year-round in Killington is sought after by many young families and feels that with expanded opportunities to settle here, everyone benefits. Mary suggested that community engagement will thrive if there is attractive employment and a livable wage. Mary indicated a challenge recruiting professionals who cannot find affordable housing within driving distance to the school. Enrollment has increased since the pandemic since more people can work remotely and live here permanently. This project will contribute to connectedness, ease of getting around, progression of Killington for young families, marketable wages, and a thriving school.

Gerrie Russell (Killington homeowner)

Gerrie discussed how Killington has a highly rated elementary school, library circulation is up, a new fire house was built and there are 4 new businesses opened in the last 6 months. As the director of the active seniors, she is seeing interest in more recreation. She supports the TIF proposal and feels this is a good step in attracting development and the access road redesign will give residents and visitors a place to walk and shop. She would like senior housing to be considered and wants to be mindful of taxes and doesn't want higher taxes as a fixed income senior. She urged the town to apply for additional grant funds to seek buried power lines.

At **1:26 p.m.** Chair John Davis asked if anyone else that would like to speak, to which there was no response. Wayne Elliott of Aldrich & Elliott then provided additional details on the proposed public water system. The State drinking water regulators have been involved, providing source approval permits and construction permits for SP Land that would be transferred to the town. The State signs off on capacity, requirements of which include a budget, official contact form, issuance of permit to operate. There is the potential to connect a lot of new customers to this water system. The State's primary interest is the water quality concerns and this project would allow the properties with troublesome water, future property developments, and the elementary school to connect. The town has an existing wastewater system, with

management that is similar to a water system. For maintenance and operation there would likely be a contractor. The budget is comprehensive to include utilities, testing, permits, insurance, staff, maintenance, with the objective of utilizing customer fees, and not exclusively taxes. Budget development is underway, and Wayne indicated a lot of money is available currently through ARPA for water infrastructure so the timing aligns very well.

1:36 pm: Overview of Killington Next Steps

Abbie Sherman provided the Council with an outline of the approval criteria for review of Killington's TIF District Application. She noted the areas to be addressed include the statutory purpose, the "but for" requirement, nexus and proportionality, and process criteria. Additionally, Killington must meet 2 out of 3 location criteria and are proposing to meet this as a compact and high density development, as well as being an economically distressed area. Killington must meet 3 out of 5 project criteria, and are proposing to meet the Need, Affordable Housing, and Transportation requirements. She noted that Economic & Policy Resources has been engaged to multiple portions of the application and financing plan, and the review of the application will also include input from other State agencies: Tax, VTrans, ANR, and DHCD. Abbie suggested that the District be reviewed for a Master Determination, requiring the District to submit Phase Filings as they are ready to proceed with projects. It is anticipated that an update on the review will be provided at VEPC's March 3 meeting, with a possible determination at the March 31 meeting.

1:51 p.m. Review of Joint Fiscal Office TIF Report

Abbie Sherman noted that the Joint Fiscal Office's (JFO) TIF Report had been provided to the General Assembly and a copy would be posted on the JFO's website. She noted that she was provided a copy of the report on December 23, 2021, but due to the limited 2-week period allowed for response, she made a few comments on areas that she felt needed further consideration. It was not possible to hold a VEPC with the holidays. She noted that there were some positive statements regarding TIF and some areas that there were some misunderstandings that could be resolved with more collaboration with VEPC earlier on. Abbie highlighted areas that need further clarification and analysis and asked for comments from the Council. VEPC is not asked or required to take action.

Graham Campbell provided input into the report and indicated he did point out some issue in the draft and to the best of their ability, they addressed them. Chair John Davis indicated that since the Council meets only once a month, so it is hard to get Council feedback, and as a Council they couldn't respond with the timeline. Abbie will draft up some additional comments indicating where there is clarification needed. Graham Campbell indicated that they are happy to include a response from VEPC. Commissioner Joan Goldstein requested that in the future there be a more amenable timeline and partnership so that all the information is available and accurate. Graham agreed that there could be improvements to the timeline.

2:30 p.m. Executive Director Updates:

Abbie Sherman provided the following updates to the Council:

- VEGI Cap Watch: With the approval of Resonant Link, about \$3.38 million in incentives have been approved for 2022. There have been 9 new inquiries to the VEGI program, 2 preapplications are in process, and 2 more that will start soon. It is anticipated that there will be an initial application at the March 3 meeting.
- VEPC staff received notification that Bedford Systems has close. They were a 2018 VEGI applicant that had received some incentives which will be recaptured by the Tax Department.
- The 2021 VEGI Claims have been initiated. The 33 claims must be filed with the Tax Department by April 30.
- Draft of TIF Annual Reporting forms have been submitted by all Districts and are currently being reviewed for completeness by Natalie Elvidge.
- Abbie noted that with the anticipated departure of Ken Jones, Economic & Policy Resources has been contracted to carry on with future analysis of the VEGI and TIF programs.
- Abbie announced that Angela Farrington-Russo has been hired as the new Grant Programs Manager, joining on February 14. Abbie expressed her appreciation for all the assistance she has received from Natalie Elvidge and Cherie Yeager, thanking them for helping to carry some of the workload of the Grants Program Manager position during this transition.

Joan Goldstein updated the Council on various legislative items including project-based TIF, the Capital Investment Program, changes to the new worker and relocation worker program, and a proposal for VEDA to provide a forgivable loan program with ARPA funds.

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

- ❖ At **2:39 p.m.** Michael Keane moved to adjourn the meeting. Michael Donahue 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, John Russell, Mark Nicholson, Heather Chase, Michael Keane, Rachel Smith, Mike Donohue, Thad Richardson, Rep. Charlie Kimbell
 - ♦ Nay: None
 - ♦ Abstain: None

Minutes taken by Natalie Elvidge: January 27, 2022

Revised by Abbie Sherman: February 1, 2022

Approved by the Council: