



**MEETING MINUTES**  
**NOVEMBER 17, 2021**  
**DEWEY BUILDING, CONFERENCE ROOM 208, MONTPELIER**  
**1:00 P.M. TO 4:00 P.M.**

**Members Present:** Chair John Davis; Rachel Smith; Michael Keane; John Russell; Heather Chase; Mike Donohue; Thad Richardson; Sen. Cheryl Hooker; and Rep. Charlie Kimbell

**Members Absent:** Mark Nicholson

**Staff Present:** Megan Sullivan, Executive Director; and Abbie Sherman, Grant Programs Manager; and Natalie Elvidge, Business Relations Manager, ACCD

**Others Present:** Joan Goldstein, DED Commissioner; Ken Jones, Economic Analyst, ACCD; Jessica Damon, OnLogic; Justin McCabe, OnLogic; Curt Carter, GBIC; Richard Haesler, Projects & Policies Specialist, City of Burlington; Brian Pine, City of Burlington, CEDO Office; and David White, White & Burke

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**1:01 p.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.

**1:03 p.m. Minutes – July 29, 2021 and September 22, 2021**

Chair John Davis inquired as to any corrections or changes to the draft meeting minutes for July 29, 2021 and September 22, 2021. Hearing none, requested a motion.

- ❖ At **1:03 p.m.** Michael Keane moved to accept the July 29, 2021 meeting minutes as presented. John Russell seconded the motion. Chair John Davis inquired as to further discussion, hearing none requested a voice vote. All voted in favor and the motion passed. 7-0-0.
  - ◆ Aye: Chair John Davis; Rachel Smith; Michael Keane; John Russell; Heather Chase; Thad Richardson; and Sen. Cheryl Hooker
  - ◆ Nay: None
  - ◆ Abstain: None

- ❖ At **1:03 p.m.** Michael Keane moved to accept the September 22, 2021 meeting minutes as presented. Heather Chase seconded the motion. Chair John Davis inquired as to further discussion, hearing none requested a voice vote. All voted in favor and the motion passed. 5-0-2.
  - ♦ Aye: Chair John Davis; Rachel Smith; Michael Keane; Thad Richardson; and Sen. Cheryl Hooker
  - ♦ Nay: None
  - ♦ Abstain: John Russell and Heather Chase

**1:04 p.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.

**1:04 p.m. Vermont Employment Growth Incentive (VEGI):  
OnLogic, South Burlington (Final Application)**

- ❖ At **1:04 p.m.** Cheryl Hooker moved to enter into Executive Session to discuss VEGI applications, citing 1 VSA, §313(a)(6). Thad Richardson seconded the motion. Chair John Davis inquired as to further discussion, hearing none requested a voice vote. All voted in favor and the motion passed. 7-0-0.
  - ♦ Aye: Chair John Davis; Rachel Smith; Michael Keane; John Russell; Heather Chase; Thad Richardson; and Sen. Cheryl Hooker
  - ♦ Nay: None
  - ♦ Abstain: None

Mike Donohue arrived at 1:08 p.m. during Executive Session.

- ❖ At **1:23 p.m.** the Council exited from the Executive Session.
- ❖ At **1:23 p.m.** Mike Donohue made a motion to approve the Final Application, filed by OnLogic, for a project in South Burlington, that the Council give final authorization of VEGI incentives of up to \$2,506,884 with an estimated incentive of \$2,281,817, and an estimated net return to the State of \$1,350,419 for activity commencing in 2021 as approved by the Board in May 2021, when the Board determined that the applicant met the But For and other Approval Criteria. John Russell 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; Rachel Smith; Michael Keane; John Russell; Heather Chase; Mike Donohue; Thad Richardson; and Sen. Cheryl Hooker

- ◆ Nay: None
- ◆ Abstain: None

**1:45 p.m. Burlington Downtown TIF District, Substantial Change Request**

Chair John Davis requested introductions of everyone present.

Megan Sullivan provided the Council with information regarding the set-up of TIF District. The District is required to file phase filings as they are ready to proceed with a project and are presenting a substantial change request to their first phase filing. The Council has 60 days to review request and has the option to make a determination today or to defer if questions remain.

Brian Pine summarized the importance of TIF to their community and Chittenden County. He noted the assistance TIF provides in alleviating the cost replace aging infrastructure, adding that downtown development is the best place to invest and cause the tax base to grow, along with other multiplier benefits such as rooms and meals tax.

Rep. Charlie Kimbell arrived at 1:48 p.m.

David White presented the Council with a summary of the city's request. He noted that the District's period to retain increment lasts until 2036, with the period to incur debt ending in 2023. David provided a summary of infrastructure projects completed today and the status of private improvements completed and in process or permitted. He added that the amounts provided in the Financing Plan are conservative, recognizing that additional development projects may happen but are not included in financial projections. David provided the Council with information on the District's streetscape improvements, to include stormwater, bike lanes, and subsurface utility improvements. The summary included an overview of completed the St. Paul Street improvements and the resulting private developments. David explained the potential private improvements that will benefit from the public improvements on the two additional blocks of Main Street, one of which is anticipated to include senior housing. Details were provided of improvements needed to the ravine sewer line. A portion of that line runs through a vacant site (parking lot), crossing Main Street, and is a significant barrier to redevelopment. The city proposes to relocate the line to follow College Street and South Winooski Avenue. David noted that the replacement of the ravine sewer line is not in the city's 10-year capital plan, and the need to relocate the line is being driven by the potential to redevelop the site within the TIF District.

Abbie Sherman summarized the VEPC staff write up, noting that the city had provided a new workbook the evening before. The revised workbook eliminated concerns regarding related costs. Additionally, the city's presentation provided details that staff were not previously made privy to and answered concerns regarding proportionality of the two additional blocks of Main Street and the ravine sewer line. Abbie noted the City's request requires an increase in the debt ceiling from \$33.3 million to \$35.9 million, but that the Champlain College Development Fee would now be used toward TIF debt service. A review of the revised Financing Plan by Ken Jones shows that the TIF District continues to be viable with an anticipated surplus of \$6.1 million at the end of the life of the District. A portion of this surplus would be return to the Education Fund, in accordance with TIF Rule 912 Distribution.

While reviewing the District's request, Abbie Sherman noted that they are within their 10<sup>th</sup> year anniversary. TIF Rule 715 requires a TIF District to submit an updated Financing Plan during their 10<sup>th</sup> year and allows for the Council to make a review to determine whether the shares of education and municipal tax increment should be adjusted. This review assumes that the TIF District has incurred all of its debt. However, due to two legislative extensions, the District's period to incur debt has been extended to March 31, 2023. The city has met the requirement of submitting an updated Financing Plan in the 10<sup>th</sup> year, but it would be impractical for the Council to review the shares of increment since additional debt will be incurred.

The Council discussed the amendments with representatives from the city, inquiring further about the need and the cost associated with relocating the ravine sewer line.

- ❖ At 2:36 p.m. Rachel Smith made a motion that the Council approve the City of Burlington's Substantial Change Request for the Downtown TIF District finding that the amendments meet the criteria for approval and that the documents provided shows the District continues to be fiscally and financially viable, and raising the debt ceiling to \$35,920,000. Mike Donohue seconded the motion. Chair John Davis inquired as to further discussion. Rep. Charlie Kimbell inquired whether the request lengthens the term for retaining tax increment; Megan Sullivan responded that the Downtown TIF District's period to retain tax increment remains the same. 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; Rachel Smith; Michael Keane; John Russell; Heather Chase; Mike Donohue; Thad Richardson; Sen. Cheryl Hooker; and Rep. Charlie Kimbell
  - ◆ Nay: None
  - ◆ Abstain: None

- ❖ At 2:37 p.m. Rachel Smith made a motion that Council allow the current shares of education and municipal tax increment to remain in place until such time that the Downtown District's period to incur TIF District debt ends and with the requirement that the District submit an updated financing plan to the Council during that calendar year for review of adjustment of equal share. Sen. Cheryl Hooker 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; Rachel Smith; Michael Keane; John Russell; Heather Chase; Mike Donohue; Thad Richardson; Sen. Cheryl Hooker; and Rep. Charlie Kimbell
  - ◆ Nay: None
  - ◆ Abstain: None

Richard Haesler thanked Megan Sullivan for her support for the TIF Districts and wished her best in her future endeavors.

At 2:39 p.m., the Council recessed, reconvening at 2:52 p.m.

### **2:52 p.m. Fall TIF Monitoring Visit Review**

Megan Sullivan noted that the Fall TIF Monitoring visits have been completed. Michael Keane and Rachel Smith attended many of the visits and shared their observations. Abbie Sherman provided an update on the status of the Montpelier and Bennington TIF Districts and their approaching deadlines to incur first debt.

Megan Sullivan advised that some Districts will be coming to VEPC with substantial change requests to adjust their TIF Plans and TIF Financing Plans.

While discussing possible legislative changes that could be introduced, Joan Goldstein noted that many towns have decreasing Grand List values. ACCD is discussing ideas for legislation to encourage private property developments.

### **3:19 p.m. VEPC 2021 Summer Retreat Follow-up**

Megan Sullivan reviewed with the Council key points from the VEPC Retreat. For the VEGI program questions regarding the effort to have a business account for factors outside of its control, such as housing, were discussed. Philosophical topics such as the cultural impact of business, and whether the business will be a good employer were also discussed. The Council would like to maintain or increase dialogue with RDCs to keep a consistent pulse of the business and economic needs in each region of the state. For the

TIF program, the Council discussed whether to require new TIF Districts to file phase filings, rather than issuing master determinations. The Council would also like more opportunities to visit the TIF Districts.

The Council discussed holding meetings around the State and the challenges involved for planning alternative meeting locations. The Council spoke of the benefits of holding retreats and intent to continue with holding a retreat every two years.

**3:30 p.m. Executive Director Updates:**

Megan Sullivan provided the following updates to the Council:

- VEGI Cap Watch: Final VEGI applications are due on Friday. It is not anticipated that East Baking will be submitting a Final Application and it is expected that the VEGI approvals will be within the cap.
- Staff have received a letter of intent from Killington to apply for VEPC approval of a TIF District. It is anticipated the town will submit their application for the January VEPC meeting. If received by the application deadline, the meeting will be held in Killington with a public hearing.
- The JFO Report is due January 15, 2022. A draft of the report is expected to be available for VEPC review in early December and VEPC will likely have an opportunity to provide a response.
- The 2022 VEPC meeting calendar was provided. The meeting location for each date is not yet determined due to the restrictions of public meetings in the Davis Building at National Life.
- It is anticipated that the agenda for the December meeting will include 3 Final VEGI applications, 1 Initial VEGI application for 2022, and 1 TIF District Substantial Change Request.
- Megan summarized for the Council her transition as she has accepted a new position outside of ACCD.
- It is anticipated that the revised TIF Rule will be brought to the Council for review in early 2022.

The Council expressed their gratitude and appreciation for Megan Sullivan, highlighting the exemplary work she performed during her tenure as Executive Director.

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

- ❖ At 3:58 p.m. Michael Keane moved to adjourn the meeting. Mike Donohue seconded the motion. Chair John Davis requested a voice vote, all voted in favor and the motion passed. 9-0-0.
  - ◆ Aye: Chair John Davis; Rachel Smith; Michael Keane; John Russell; Heather Chase; Mike Donohue; Thad Richardson; Sen. Cheryl Hooker; and Rep. Charlie Kimbell
  - ◆ Nay: None
  - ◆ Abstain: None

*Minutes taken by Abbie Sherman: November 17, 2021*

*Revised by Megan Sullivan: November 22, 2021*

*Approved by the Council: December 17, 2021*