



**VERMONT ECONOMIC PROGRESS COUNCIL**

**DRAFT – COUNCIL APPROVAL REQUIRED AT NEXT MEETING.**

**MEETING MINUTES**

**APRIL 28TH, 2022**

**VIRTUALLY VIA TEAMS**

**9:30 A.M. TO 12:07 P.M.**

**Members Present:** Chair John Davis, Mark Nicholson, Michael Keane, Rachel Smith, Mike Donohue, Thad Richardson, Heather Chase

**Members Absent:** Sen. Cheryl Hooker, Rep. Charlie Kimbell, John Russell

**Staff Present:** Abbie Sherman, Executive Director; Angie Farrington, VEPC Programs Manager; Randall Szott, Economic Development Specialist

**Others Present:** Stuart Hurd, Stephanie Clarke, William Colvin, Jeffrey Sachse, Ted Brady, Jeff Carr, Matthew Cooper, Tanya Morehouse, John Kessler, Joan Goldstein, Judith Barbera

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**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 – March 3<sup>rd</sup>, 2022**

Chair John Davis inquired as to any corrections or changes to the draft meeting minutes for March 3<sup>rd</sup>, 2022. Hearing none, requested a motion.

- ❖ At **9:38 a.m.** Michael Keane moved to accept the March 3<sup>rd</sup>, 2022, meeting minutes as presented. Mike Donohue 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. 6-0-1.
  - ❖ Aye: Chair John Davis, Mark Nicholson, Michael Keane, Rachel Smith, Mike Donohue, Thad Richardson.
  - ❖ Nay: None
  - ❖ Abstain: Heather Chase

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**9:38 a.m. Public Comment**

Chair John Davis inquired as to any members of the public present to provide public comment or announcements.

The Council received public comment from Tanya Morehouse from the State Auditor's Office in respects to the Vermont League of Cities & Towns (VLCT) TIF Project Report. Tanya noted that the report published by VLCT may include incorrect reporting of the TIF District data and suggested whether the report shall be updated.

At 9:43 a.m. Chair John Davis asked if anyone else that would like to speak, to which there was no response

**9:44 a.m. Tax Increment Financing Districts (TIF):  
Bennington Sustainable Change Request for 5-year Extension to Incur Debt.**

After an introduction of Bennington's members present, Abbie Sherman provided an overview of Bennington's original TIF district approval timeline, the procedure for extension of the 5-year requirement to incur first debt per TIF Rule 708 and requirements for a substantial change request. Abbie outlined that the primary purpose of today's meeting was to start the 60-day clock in which the council shall provide a determination within an estimated 60 days. It is anticipated that a possible determination will be made at the June 30<sup>th</sup> meeting. VEPC staff and Economic & Policy Resources (EPR) are currently reviewing revised documents that were submitted by Bennington on March 6<sup>th</sup>, 2022. However, for VEPC to make a determination on the request within 60 days, Bennington must submit the documents approved by their Selectboard no later than June 10<sup>th</sup>, 2022. Once those documents are submitted, VEPC staff will compare documents and finalize the staff write-up.

Following Abbie's presentation, Stephanie Clarke of White and Burke, summarized Bennington's original request and updated that it has been narrowed to a smaller number of projects. Clarke noted that several original projects were able to be implemented outside of TIF. Opportunity Zones, private donations, grant funds, and town labor were all means to realize projects outside TIF. Clarke made note of the impact of the pandemic on their TIF timeline. TIF is still needed due to the sunseting of Opportunity Zones and limitations of town funds. Clarke gave an overview of five remaining projects. Two near term - Benn High (housing) and Putnam Phase 2 (mixed used). Three longer term - Catamount School (20 units of housing), Old Drysdale Building (retail street level, housing above), 120 Depot Street (mixed-use development).

Michael Keane asked about planning for voter education around future bond votes. Clarke noted voter education started months ago and that a full campaign will begin in the Fall. Stuart Hurd said greater clarity on the details of the project (Benn High) will be available within 60 days and outreach can commence in earnest then. Bill Colvin noted there is wide and deep community support for development and that Putnam 2 feasibility is well aligned with Benn High. Lining up bond votes for both projects would be ideal. Keane followed up asking whether there might be other bond votes outside of TIF that might compete. Hurd made note of a wastewater bond vote

but said that there may be a path for that project via the state revolving loan fund. Keane inquired as to an envisioned end date. Hurd estimated three to five years to finish Benn High completely. Colvin notes the idealized timeline for Putnam 2 would be summer 2024.

Hurd noted, the senior center will move into Benn High. Chair John Davis asked about the ownership arrangement for the town. Hurd explained that the partner (Shire) must own their portion of the project in order to access funds. Clarke said negotiations are ongoing, but the TIF projections would likely not change because the improvement costs are static. Hurd and Clarke clarified that Shire is dedicated to the project and have a good local track record. Davis inquired as to the other three projects and their likeliness of moving forward. Hurd said that 120 Depot is most likely to be first out of the gate, that there is active interest in Catamount, but Drysdale has minimal activity. Clarke noted moving forward with Catamount would be a driver for Drysdale, making it more attractive to developers.

#### **10:45:am TIF Annual Report Overview**

Angie Farrington provided an overview of the TIF Annual Report.

The report concluded that through FY21, Grand List values for the TIF Districts grew by \$353.7 million, generating \$84.9 million in incremental property tax revenue through FY21 with \$6 million of that going to the Education Fund. To date, local votes have approved \$168.7 million of debt, of which \$117.8 million has been incurred. Of that \$117.8 million, \$53.7 million has been repaid. TIF Districts reported an aggregate of \$110.1 million in the amount of work that has been performed by Vermont firms, an increase of \$19.1 million since FY20.

While there was an increase in job growth as restriction eased, the pandemic continued to impact growth as some businesses were not able to reopen and permanently closed while others remained open but had to make significant investments for the workplace to remain safe for employees. The pandemic also continued to significantly impact the progress of TIF District infrastructure improvement projects, as many reported projects continued to be delayed for reasons such as labor and supply shortages and increased construction costs. Districts that received an extension from the legislature to incur the last of their TIF District debt reported that they believe they will be able to get their projects back on schedule for completion.

A brief overview of each of the 10 active TIF District activities that occurred in FY21 was presented as well as activities that have occurred during FY22 between 07/01/2021-03/31/2022.

2022 TIF Annual Report and PowerPoint Presentation can be accessed by navigating to the VEPC website following the link: [Website](#)

#### **11:00 a.m. Vermont League of Cities & Towns TIF Project Report**

Ted Brady explained the motivation for soliciting an independent TIF analysis. He noted their member survey laid out the top issues for VLCT's constituency. TIF could be a major factor in addressing those issues, so it solicited the study from Rural Innovation Strategies and University of Wisconsin Oshkosh. Brady provided an overview of the 10 findings outlined in the report.

Jeffery Sachse from the University of Wisconsin Oshkosh shared his background and noted 25 years of work studying TIF. He said Vermont TIF statute is unique in minimizing risk and he emphasized the role of TIF as a planning process rather than just spurring development. Sachse solicited questions.

Joan Goldstein asked how much minimizing risk might inhibit development. Sachse noted that VT requires public input, one of only ten states where an entity must approve a plan independent of a municipality. He also said Vermont is one of six states to restrict TIF to a community wide application which creates the ability for communities to think holistically but does limit private development. The twenty-year time span is on the shorter side and the extra ten years for debt repayment is helpful. Sachse also made note of two complexities of Vermont's statute – policy intent and community orientation.

John Davis asked about ARPA's impact on TIF. Sachse noted the spending guidelines (3 years) make it too quick to be used by most projects, a question of timelines vs. reality. Davis asked for other suggestions for rural communities. Sachse said other states allow communities to look at other revenue streams and allow bonding with local utilities. Some states have carved out that allow non-contiguous properties – decoupling geographic restrictions from economic drivers. Brady added that the report suggests providing technical assistance to towns, building a centralized resource, and building a network of financial managers with TIF experience to build capacity. Davis also asked about dissemination strategy for the findings. Brady noted the report will be used in discussion of pending legislation and will be part of VLCT policy guidance documents moving forward.

Goldstein asked about VLCT's role in implementing recommendations, and VLCT's members thoughts about using TIF as a tool in small rural communities that need help with growing the Grand List. Brady noted that members are excited but wary.

Abbie Sherman expressed that small towns should not be underestimated with regards to capacity in managing TIF and asked if the bigger picture of the value of TIF be communicated to towns? Brady outlined that planning and vision are key to moving towns forward. Sachse emphasized that community based TIF brings complication to the process over project based TIF. Conversations around TIF often parallel broader development discussions around rural development generally. Goldstein wondered if regionalization might help rural communities share services and expertise.

Jeffery Sachse outlined that the potential differences in the data provided in the report would be merely an error of omission, and they will work with the appropriate parties to update the data where it may be needed.

**11:45am Executive Director Updates:**

Abbie Sherman provided the following updates to the council:

- Since March 3<sup>rd</sup> there has been 15 VEGI inquiries, 1 VEGI preapplication in process, 8 VEGI inquiries who may submit preapplications and no VEGI applications in process.
- Abbie Sherman provided a VEGI/Gears Refresher to the RDC's on April 11<sup>th</sup> and 12<sup>th</sup>.
- VEGI claims were due April 30<sup>th</sup>, at which such time 9 claims were still needing to be submitted, Abbie Sherman contacted the appropriate companies letting them know about the upcoming deadline.
- The council was updated on various legislative items including, VEGI sunset date, project based TIF and TIF Clarification.
- Abbie requested that the council consider reviews be completed at the following months meeting as the current 20-day deadline is not a sufficient amount of time when also taking into consideration Economic & Policy Resources reviews.
- ❖ At 11:48am Michael Keane made a motion regarding the TIF Application Deadline that outlines TIF applications shall be submitted by the published monthly deadlines and will be presented to the Council at the following month's meeting to allow VEPC staff time to review and prepare recommendations. Mark Nicholson 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. 7-0-0.
  - ❖ Aye: Chair John Davis, Mark Nicholson, Michael Keane, Rachel Smith, Mike Donohue, Thad Richardson, and Heather Chase.
  - ❖ Nay: None
  - ❖ Abstain: None
- Angie Farrington provided the following updates to the council:
- Angie presented a brief overview of a memo that was provided to the council outlining a request for the council to consider allowing applicable TIF Districts who received extensions to incur debt to satisfy the adjustment of equal share requirement during the year in which the District's period to incur all TIF debt expires.
- ❖ At 11:54am Michael Keane made a motion regarding the Adjustment of Equal Share allowing Districts to satisfy the adjustment of equal share requirements in 24 VSA § 1894(g) and TIF Rule 715 by submitting an updated District Financing Plan during the year in which the District's period to incur all TIF debt expires. 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. 7-0-0.
  - ❖ Aye: Chair John Davis, Mark Nicholson, Michael Keane, Rachel Smith, Mike Donohue, Thad Richardson and Heather Chase.
  - ❖ Nay: None
  - ❖ Abstain: None

- TIF spring monitoring visits have been scheduled and preparation for those visits is currently in process.
- Angie inquired the council about returning to in person board meetings for the May 26<sup>th</sup>, and June 30<sup>th</sup> meeting. It was requested that a survey be sent to the council, Angie Farrington indicated she would develop a survey.

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

- ❖ At **12:07 a.m.** Chair John Davis moved to adjourn the meeting. Michael Donohue seconded the motion. Chair John Davis requested a roll call for the vote, all voted in favor and the motion passed. 7-0-0.
- ❖ Aye: Chair John Davis, Mark Nicholson, Michael Keane, Rachel Smith, Mike Donohue, Thad Richardson and Heather Chase.
- ❖ Nay: None
- ❖ Abstain: None

*Minutes taken by Randall Szott: April 28<sup>th</sup>, 2022*

*Revised by Angie Farrington: May 2<sup>nd</sup>, 2022*

*Approved by the Council:*