



**MEETING MINUTES
MAY 26TH, 2022
KILLINGTON PUBLIC SAFETY BUILDING
9:30 A.M. TO 1:00 P.M.**

Members Attending In Person: Chair John Davis; Michael Keane; Rep. Charlie Kimbell; John Russell; Sen. Cheryl Hooker

Members Attending by Phone: Mike Donohue; Rachel Smith; Mark Nicholson; Thad Richardson; Heather Chase

Members Absent: None

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

Others Present: Stephanie Clarke, Chet Hagenbarth, Lisa Davis, Chris Karr, Jim Haff, Jeff Carr, Matthew Cooper, Michael Sneyd, Ed Fowler, Jennifer Iannantoni, Steve Selbo, Lyle Jepson, Polly Mikula, Eli Kirschner, Judy Barbera, William J. Dubanevich, Art Malatzky

9:39 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.

9:49 a.m. Minutes – April 28, 2022

Chair John Davis inquired as to any corrections or changes to the draft meeting minutes for April 28, 2022. Hearing none, requested a motion.

- ❖ At 9:49 a.m. Michael Keane moved to accept the April 28, 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. The motion passed. 7-0-3
 - ❖ Aye: Chair John Davis; Mark Nicholson; Rachel Smith; Thad Richardson; Michael Keane; Mike Donohue; Heather Chase
 - ❖ Nay: None
 - ❖ Abstain: John Russell; Rep. Charlie Kimbell; Sen. Cheryl Hooker

9:51 a.m. Public Comment

Chair John Davis inquired as to any members of the public present wish to provide public comment or announcements, hearing none, moved to the next Agenda item.

**9:51 a.m. Tax Increment Financing Districts
Killington TIF District Application**

Stephanie Clarke presented a timeline of the application to date and made the distinction between the town's Killington Forward plan and the TIF plan. The vision piece is Killington Forward and it has not changed. TIF is one funding source in the stack needed to support these efforts. Changes to the Killington are the boundary, narrowed down the public infrastructure projects, private development project phases used to fund the projects, and the financing plan. Feedback was that the original proposal was too large and was pared down to a District size that represents 0.46% of total town acreage from 2.72%. Phase 1 of the water system improvement project and phases 1-4 of the road construction project are proposed to be funded by TIF in the amount of \$62.3 million. The Six Peaks Killington private development projects will provide an estimated \$285 million in increase in Grand List value. Killington is working toward a bond vote in the Fall.

Michael Sneyd of Great Gulf presented an overview of the of the private development projects. He laid out his experience and the scope of projects for his company. Act 250 approval has been secured, but the road and water service need to be improved. The private development is dependent on TIF and the public improvements in order to move forward.

Chair John Davis opened for questions. Michael Keane asked about the project timeline. Stephanie Clarke indicated April is probably the latest they can break ground. Michael Keane asked about traffic during the construction phase. Chet Hagenbarth said there would be little impact other than the lower part of the mountain road which is just 1000 feet and that it can be managed. Jim Haff noted West Hill Rd will function as an alternative at the time. Michael Keane asked for risk assessment in terms of Town risk. Stephanie Clarke noted that public/private partnerships are inherently a higher risk, and also noted interest rates and construction costs as ongoing challenges to any project anywhere. There are creative ways for towns to address these challenges to reduce the project risks.

Sen. Cheryl Hooker inquired whether there were any alternatives to TIF. Haff said they have been living the alternative since the 1950s. Sen. Cheryl Hooker also asked where the water will come from. Stephanie Clarke noted the valley well field has been tested and has long term sustainability according to hydrologists and she emphasized the importance of a municipal water system.

John Russell asked about when the development agreement would be signed, and subsequent pre-sales would occur. Stephanie Clarke noted it will be in place before the phased filing.

Michael Keane asked about voter education efforts and what the overall sentiment in town seems to be. Chet Hagenbarth discussed information provided to and communication with voters. Stephanie Clarke noted the high success rate with previous bond votes. Jennifer Iannantoni noted the consistent support of voters for school budgets and that there is a high level of trust in Killington public officials. Chris Karr noted the persistent transparency of the Selectboard in dealing with TIF.

Chair John Davis revisited the water quality issue and asked Jim Haff about the impact on the project and what would state funding liability be moving forward. Jim Haff relayed ongoing water contamination issues in the section of town along Killington Road and emphasized the project would greatly enhance overall water delivery and quality. Chris Karr discussed the burden the State has in helping property and business owners finance their individual water systems.

Abbie Sherman provided the staff summary for review of the revised TIF proposal, noting that Economic & Policy Resources are assisting with review of the revised application and that it is anticipated that a final review will be presented to the Council at the June 30, 2022 meeting.

Stephanie Clarke asked the Council about whether there is any certainty on some of the criteria so that the town may move forward with some permitting. Chair John Davis was not prepared to give an answer at this time on any of the criteria.

Sen. Cheryl Hooker asked about how housing will be addressed relative to the TIF. Stephanie Clarke noted the water piece is crucial for any affordable housing development. Lisa Davis laid out the work being done to help reduce barriers from the planning/zoning side of things. Chris Karr emphasized that public feedback has supported increased housing.

10:51 a.m . Public Comment (Killington TIF Application)

Art Malatzky relayed various concerns about the TIF He believes SP Land and its investors should be responsible for the cost and financial risk of bringing water to their privately owned development and the town should be responsible for the incremental cost and risk required to provide incremental water supply for any of its future needs. He identified two risks for taxpayers of significant concern. One, the risk of developer default after the town issues bonds; and two, the risk built into the phased development process. He inquired how many residential and/or commercial units must be built and sold in order to provide the town the tax revenue required to repay both interest and principal on the bonds issued and when will these units be built. He then suggested a delay in approval until more information is available and requiring financial guarantees from SP Land and its investors.

Lyle Jepson from Chamber and Economic Development of the Rutland Region (CEDRR) spoke in favor of TIF and addressed the housing piece by saying that improving the water supply will bring housing development. He said the construction of housing associated with the project would free up housing availability elsewhere in the area and that this was much needed. He cited the decline of available housing stock and the increased use of short-term rentals as

putting pressure on the rental market and driving up costs. He noted CEDRR consistently hears housing being named as a priority issue from area employers and families interested in relocating. He emphasized that approval of this TIF proposal would increase housing supply and be a boon to the area.

Ed Fowler shared comments about TIF. He wanted to have assurances that the tax revenues generated by the development would meet the costs incurred. He expressed concern about the available water supply. He was particularly concerned about affordable housing and the impact on property taxes for current property owners.

Eli Kirschner expressed concerns about the alpine pipeline and sewer capacity. He wondered whether rates for current users of the pipeline would increase.

11:25 a.m. Break

11:42 a.m. Executive Director Updates

Abbie Sherman provided the following updates to the Council:

- A notification has been received from the State Auditor's Office that they are conducting a preliminary review for a risk assessment for an audit of the TIF Application Review process.
- The VEGI Extension is contained in S.269 which would provide retroactive approval of applications approved after January 1, 2021 and an extension of the program until January 1, 2024. The bill is waiting for the Governor's signature.
- S.33, the TIF District Clarification bill, died in Senate Finance. VEPC staff will try to provide clarification where they can in the revised TIF Rule.
- The project-based TIF program did not make it through the legislative session, but in S.11 the Capital Investment Program has been changed to the Community Recover and Revitalization Grant program which has been extended to include municipalities and has components that are similar to TIF, for example the project must support new business development, affordable housing, or transportation improvements. The bill is waiting for the Governor's signature.
- H.738 includes language that would allow the Montpelier TIF District to restart of their OTV at April 1, 2023. The language also provides Montpelier with additional time to submit to VEPC an extension request to incur the TIF District's first debt. The bill has not yet been signed by the Governor.
- Since the April 28 meeting, VEPC has received 3 new inquires, there is 1 pre-application in process, and it is possible that there will be a VEGI application at the June meeting.
- The June 30 meeting will be held in Montpelier in the Calvin Coolidge room at the Davis Building at National Life. It is anticipated that this meeting will include final review and determination of Bennington's TIF District request and the Killington TIF District application.

11:49 a.m. Break

12:00 p.m. The Council, Killington representatives, VEPC staff, and a member of the public received a bus tour of the revised TIF District.

The meeting adjourned at **1:15 p.m.**

Minutes taken by Randall Szott: May 26, 2022

Revised by Abbie Sherman: May 30, 2022

Approved by the Council: June 30, 2022