



MEETING MINUTES
SEPTEMBER 29, 2022
SOUTH BURLINGTON CITY HALL, ROOM 301
180 MARKET STREET, SOUTH BURLINGTON, VT
9:33 A.M. TO 12:15 P.M.

Members Attending In-Person: Chair John Davis; Heather Chase; John Russell; Mark Nicholson; Rachel Smith; and Rep. Charlie Kimbell

Members Attending Virtually: Michael Keane; Mike Donohue; and Sen. Cheryl Hooker

Members Absent: Thad Richardson

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

Others Present: Elisabeth Nance (FCIDC), Jeff Carr (Economic and Policy Resources), Al Voegele (NWRPC), Ilona Blanchard (City of South Burlington), Andrew Bolduc (City of South Burlington), Martha Machar (City of South Burlington), Katie Riegelman (Austin Consulting), Brandon Talbert (Austin Consulting), Todd Anderson (Plumrose - Swift Foods), and Joe Machetta (Plumrose - Swift Foods)

9:33 a.m. Roll Call and Agenda Review

Chair John Davis called the meeting to order. Members present are noted above. Chair John Davis inquired as to any additions or deletions to the agenda. Charlie Kimbell requested discussion of MTX. As the information to be discussed would be proprietary or confidential in nature, Abbie Sherman noted that discussion would need to occur during executive session.

9:37 a.m. Minutes – June 30, 2022

Chair John Davis inquired as to any corrections or changes to the draft meeting minutes for June 30, 2022. Hearing none, requested a motion.

- ❖ At **9:38 a.m.** John Russell moved to accept the June 30, 2022, meeting minutes as presented. Mark Nicholson seconded the motion. Chair John Davis inquired as to further discussion, hearing none requested a roll call for the vote. The motion passed. 8-0-1
 - ❖ Aye: Chair John Davis, John Russell, Mark Nicholson, Mike Donohue, Rep. Charlie Kimbell, Sen. Cheryl Hooker, Heather Chase, and Michael Keane
 - ❖ Nay: None
 - ❖ Abstain: Rachel Smith

9:38 a.m. Public Comment

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

**9:39 a.m. Vermont Employment Growth Incentive (VEGI):
Plumrose USA, Inc., Swanton (Final Application)**

At **9:39 a.m.** John Russell moved to enter Executive Session to discuss VEGI applications, citing 1 VSA, §313(a)(6). Rachel Smith 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, Rachel Smith, Mike Donohue, Rep. Charlie Kimbell, Sen. Cheryl Hooker, Heather Chase, and Michael Keane
- ❖ Nay: None
- ❖ Abstain: None

At **10:29 a.m.** the Council exited from the Executive Session.

At **10:29 a.m.** Rachel Smith made a motion regarding the Final Application filed by Plumrose USA, Inc. for a project located in Swanton, 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 \$328,290.
- ◆ 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 Final Application, giving initial authorization of VEGI incentives of up to \$231,729 with an estimated incentive of \$205,702 based on application data, for activity to commence October 1, 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, John Russell, Mark Nicholson, Rachel Smith, Mike Donohue, Rep. Charlie Kimbell, Sen. Cheryl Hooker, Heather Chase, and Michael Keane
- ❖ Nay: None

❖ Abstain: None

Charlie Kimbell noted for the record that, although he voted in the affirmative, he had doubts about the company's need for the incentive.

Rachel Smith commented on the strong community support for the company and said that it is important for the Council show support for Plumrose's expansion and their community partnerships.

10:32 a.m. Break

10:39 a.m. Executive Director Updates

Abbie Sherman provided the following updates to the Council:

- ♦ VEGI Cap Watch: an increase was requested from the Joint Fiscal Committee for the full amount available (\$500,000) and Sherman anticipates a decision in time for the November VEPC meeting. She suggested the Council might want to revisit LMA criteria. She doesn't anticipate any further Initial Applications for 2022.
- ♦ CRRP program got the green light from the Joint Fiscal Office and should be ready to roll out by November. For municipal applications, questions regarding affordable housing and business development are very similar to TIF questions. The program is reserved for water and wastewater projects only due to ARPA requirements.
- ♦ For legislative proposals, the administration seek to remove or extend the VEGI sunset.
- ♦ A copy of the VEPC 2023 Meeting Schedule was provided.
- ♦ A copy of the proposed schedule to finalize the TIF Rule revisions was provided, anticipating approval of the draft Rule by Council in January 2023 before initiating the formal rule adoption process.
- ♦ The City of Burlington intends to submit documentation regarding the Champlain College payment by October 28 for consideration at the December 15 VEPC meeting following the issue resolution process.

Angie Farrington provided the following updates to the Council:

- ♦ Farrington explained the nature of the Fall Monitoring Visits, which are informal discussions with municipal staff about substantial changes, challenges, and are an opportunity to connect and to get a better understanding of the status of the TIF Districts. The TIF Districts have expressed appreciation for Council member visits and support.
- ♦ The TIF Annual Reporting forms are due from the TIF Districts in January. Farrington took steps to streamline reporting by establishing a specific email address to send information. TIF Districts will provide current fiscal year activity to give a clearer understanding of what is happening in the moment.
- ♦ Farrington and Sherman are in conversation with the Auditor's office and the Tax Department regarding the Agreed Upon Procedures to ensure the increment will be accurately calculated and make auditing and monitoring simpler.

Charlie Kimbell inquired on the status of the Killington TIF District. Sherman noted they are currently working on submitting a phase filing, which may come before the end of the year.

Jeff Carr provided an update on the cost-benefit analysis revision for the VEGI program. He noted that the background growth rate requires continued work. The volatile economy has been a challenge and the traditional timing of producing a forecast was out of sync by about 60 days since the Education Fund forecast would be out of date by the time things were approved. JFO agrees that the process should change. The majority of the mechanics of the model will be complete by late November and delaying the calculation will keep data in sync. This change would avoid having to make spot updates and then subsequently explaining the changes to applicants.

11:01 a.m. South Burlington TIF District Update and Tour

Illona Blanchard provided a summary of the TIF District's activity over the past ten years. The deadline to incur all TIF debt is March 31, 2024, and the District has incurred about half of the available amount. With the debt that has been incurred to date, the city has begun to build a new town center and have added \$30 million to the tax base. Blanchard highlighted an area that still has a lot of potential for development. There are currently 171 new housing units that are occupied, and 120 housing units are permitted or under construction. Nearly 30,000 sq ft of commercial space has been added with a likely addition of at least 30,000 more sq ft. In addition, 49,000 sq ft of new public building space has been built. The completed TIF projects thus far are Market Street, City Center Park, and the Public Library, City Hall, and the Senior Center. Blanchard noted that five infrastructure projects are in progress – Garden Street Phase I and II, Williston Rd Streetscape, City Center Park Phase II, East-West Crossing Walk Bike Bridge. The city will be seeking voter approval for another bond in March for the remaining projects (around \$15 million).

Michael Keane noted he and Rachel Smith were on the Council when the South Burlington TIF was approved. He noted he was impressed by everything the District has accomplished. Chair John Davis asked what percentage of development will be residential vs. commercial. Blanchard indicated it weighs toward housing. Kimbell asked about how form based code affects things. Blanchard said that the new town center designation makes Act 250 process easier by largely exempting development from it. It provides certainty to developers. Following the update of the South Burlington TIF District, Blanchard provided Council members with a tour of completed and prospective projects. Council members attending virtually exited the meeting at 11:15 a.m.

At **12:15 p.m.** Rachel Smith moved to adjourn the meeting. Mark Nicholson seconded the motion. Chair John Davis requested a roll call for the vote, all voted in favor and the motion passed. 6-0-0.

- ❖ Aye: Chair John Davis, John Russell, Mark Nicholson, Rachel Smith, Rep. Charlie Kimbell, and Heather Chase.
- ❖ Nay: None
- ❖ Abstain: None

Minutes taken by Randall Szott: September 29, 2022

Revised by Abbie Sherman: October 3, 2022

Approved by the Council: December 15, 2022