



VERMONT ECONOMIC PROGRESS COUNCIL

MEETING MINUTES

~VEPC Retreat~

October 26, 2023

Langevin House, Randolph Center, Vermont

8:52 A.M. TO 1:47 P.M.

Members Attending In-person: Chair John Russell; Mark Nicholson; Kim Gobeille; Rachel Smith; Sen. Thomas Chittenden; Heather Chase; Jamie Stewart; Thad Richardson; and Rep. Emilie Kornheiser

Members Absent: Michael Keane; Mike Donohue

Staff Present: Abbie Sherman, Executive Director; Angie Farrington, VEPC Program Manager

Others Present: Kelly Chambers, DED Administrative Services Coordinator III; Brian Remer, Center for Achievement in Public Service; Kevin Chu, Vermont Futures Project; John Kessler, ACCD General Counsel; Secretary Lindsay Kurrle, Bob Flint, SRDC; Fred Kenney, ACEDC; Alex Demoly, GBIC; Jeff Carr, EPR

8:52 a.m. Call to Order

Chair John Russell called the meeting to order. Members present are noted above. Chair John Russell inquired as to any additions or deletions to the agenda, hearing none, moved on to the next agenda item.

8:52 a.m. Public Comment

Chair John Russell 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.

8:55 a.m. VEPC Retreat

Brian Remer then facilitated an ice breaker exercise which occurred in groups. The individual groups reconvened to the full group and discussed the icebreaker and how it relates to the discussion for the day.

9:07 a.m. Vermont Futures Project Presentation

Kevin Chu of the Vermont Futures Project made a presentation to attendees about their work with partners around the state to develop a statewide economic action plan.

Jaime Stewart said that 20 years ago they started asking the question, how to change or get off the hamster wheel, what do we have to do differently and make concrete steps to do things differently. Kevin Chu said this is an attempt to have discussions that

are quantifiable and to make progress toward goals. Fred Kenney commented that we have made progress within the past 20 years, noting new housing projects in Addison County. Thad Richardson wondered when the state takes responsibility for the framework of the regulations, as they need to change to allow progress. Secretary Lindsay Kurrle, states that we are seeing progress but without real policy change we are sunk, we can't buy our way out of it. Putting these numbers up is helpful because we need everyone to see that we need to change, and more housing each year. John Russell asked how the rate breaks down from affordable housing to market housing. Kevin Chu said they haven't broken down rates as we need more housing stock instead of breaking down what kind of housing. Rep. Emilie Kornheiser asked about what jobs we want to create that help the housing market, and how do we shape this future. Kevin Chu added that we need to ask what the future is we want to build in Vermont. If we can name what it is, then we can work on the strategy to get there.

10:04 a.m. Vermont Employment Growth Incentive (VEGI) Working Session

Abbie Sherman summarized the goal of the working session which is to provide some insight on the "but for" requirement of the VEGI program and the discussion that takes place in the executive session. Attendees were divided into groups, with each reviewing the but for statements of an example VEGI application which had been scrubbed of identifying information.

Attendees then regrouped and discussed the outcomes of their work.

Group one discussed: The but for seems to in part encourage businesses to look at incentives out of state to meet the requirement. Why are we incentivizing businesses to go elsewhere? It was noted that some businesses are not willing to take the risk to apply to VEGI because of the but for and the message that could send to their communities and employees. The but for is not helpful to business retention who started here, grew here want to grow here. It is counterintuitive as an existing Vermont business may need to demonstrate that they want to leave. The group discussed that maybe the incentive should be a hybrid approach with some payment upfront and the remaining earned. Another thought was whether to prioritize sectors via advice from ACCD on those sectors that the State wants to see grow.

Group Two discussed: Talked about the pros and cons of the but for, noting that they should look at ways to defend the but for in open session. The incentive is not ideal for smaller businesses and they discussed changing the application. They noted that the but for seems to conflict with state objectives noting that businesses talk about Vermont's quality of life as a reason to want to move here. The but for is subjective, it opens risk, and is not a tangible data point. They wondered how VEGI is keeping up with the current times. They also discussed there not being enough infrastructure in Vermont and investing in that could bring more businesses here.

Group Three discussed: Kevin Chu's presentation, workforce issues, housing issues, and how can we optimize the program to fix some of those problems. They discussed

how do we optimize some of those problems, ensuring there are jobs for different income levels, job creation vs job retention. They discussed the background growth in the modeling which is part of the but for. The usefulness of the program is not just about the dollars, it's about what Vermont will do for the companies. The group noted that 75% of applications are expansion projects, which is important to the but for. The group also talked about how to make the program accessible to smaller companies.

Discussion also included incentivizing or providing an enhancement for housing, childcare support, and priority sectors. The consensus was that more programs are needed as an alternative to adding more layers to VEGI.

At 12:00 p.m., the meeting adjourned for lunch, reconvening at 1:00 p.m.

For the afternoon session, discussion was on the distinction between public and private information. There was consensus that information remain confidential until the incentive is earned. Council members could explain their position on an application when they come out of executive session as long as application information remains confidential. There was also discussion about how to be more inclusive with legislators and understanding that the Council's role is to administer the program and not to drive policy. It was noted that this could include RDCs arranging business visits and the VEPC Board visiting the statehouse during the legislative session.

At **1:47 p.m.** Thad Richardson moved to adjourn the meeting. Rep. Emilie Kornheiser seconded. Chair John Russell requested a voice vote. All voted in favor and the motion passed.

Minutes taken by Kelly Chambers: 10/26/2023

Revised by Abbie Sherman: 10/27/2023

Approved by the Council: 11/16/2023