



**VERMONT ECONOMIC PROGRESS COUNCIL**  
**DRAFT – COUNCIL APPROVAL REQUIRED AT NEXT MEETING**

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**DRAFT - MEETING MINUTES**  
**APRIL 24, 2025**  
**HYBRID**  
**9:30 A.M. TO 12:00 P.M.**

**Members Attending In-person:** Chair John Russell; Rep. Abbey Duke; Michael Keane; Jamie Stewart

**Members Attending Virtually:** Rachel Smith, Kim Gobeille; Thad Richardson; Heather Chase; Mark Nicholson

**Members Absent:** Sen. Wendy Harrison, Mike Donohue

**Staff Present:** Jessica Hartleben, Executive Director; Ellie Beckett, Program Manager; Jeff Carr, Executive Branch Economist/EPR

**Others Present:** Ed Bove, Rutland Planning Director; Stephanie Clarke, White + Burke; Lyle Jepson, Executive Director, Chamber & Economic Development of the Rutland Region; Barbara Murphy, Northwest Regional Planning Commission; Alexandra Lunt, Board Chair, Vermont Packinghouse; Will Mitchell, Vermont Packinghouse; John Hommeyer, Vermont Packinghouse; Bob Flint, Springfield Regional Development Corporation; Anson Tebbetts, Secretary of VT Agency of Agriculture Farm & Markets

**9:30 a.m. Roll Call and Agenda Review**

Chair John Russell called the meeting to order. Members attending and present in person or virtually 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.

**9:32 a.m. Minutes – March 27, 2025**

Chair John Russell inquired as to any corrections or changes to the draft meeting minutes for the March 27, 2025 meeting. Hearing none, requested a motion. Michael Keane moved to accept the minutes of the March 27, 2025, Regular Meeting. Jamie Stewart seconded the motion. Chair John Russell inquired as to further discussion, hearing none requested a vote. The motion passed unanimously. 9-0-0.

**9:33 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, the Council moved to the next agenda item.

**9:38 a.m. Rutland Tax Increment Financing District Application**

At the conclusion of the March meeting, the City of Rutland needed to go to the Board of Alderman with the updated map/plan to remove the parcel under development. The updated documentation has since been received and reviewed by VEPC.

Jamie moved that the Council accept the updated Financing Plan and District Plan certified by the Town Assessor and Approved by the Board of Alderman that removes the parcel currently in development, as received by VEPC on April 23, 2025 AND that the Council approve the issuance of the final determination letter, approving the Master TIF District. Abbey Duke seconded the motion.

A roll call vote was held, all members voted in favor of the motion. It passed 9-0-0.

Jamie asked for clarification that with the approval of this District, no more districts can be approved in Rutland County due to the 2-per-county cap in statute. Jessica confirmed that this was correct.

**9:40 a.m. Vermont Packinghouse – VEGI Initial Application**

Before moving into Executive Session, Secretary Anson Tebbetts voiced his strong support for Vermont Packinghouse. He stated that as one of our state's most important and essential meatpacking operations. It plays a critical role supporting farmers in Vermont and regionally. He had the opportunity to visit, and believes it's an impressive facility dedicated to producing high quality meats for farmers and businesses. The demand is there, and with strategic investments the facility can grow to serve even more farms across the region. Without local processing options, farmers are forced to send animals far away from home and out of Vermont. When animals can't be processed locally, the ripple effect is real. Livestock will leave our landscape, farmland will go unused, and our agriculture heritage is threatened. Farmers will lose vital income, and communities lose an essential link in their local food system. Vermont Packinghouse takes pride in its work and are deeply connected and committed to the community and focused on quality, like our dairy and maple industries they are exploring new value-added products, which will build long term sustainability. Too many of our cull cows that are no longer milking are sent out of state, with the right investment, Vermont Packinghouse can capture some of that market and keep that work in Vermont rather than shipping animals to Pennsylvania. A number of Vermont animals go to Pennsylvania for processing. With investments in Vermont Packinghouse, that can change.

At 9:43, Jamie Stewart moved to enter Executive Session under 1 VSA § 313(a)(6) to discuss a VEGI application and its related trade secrets concerning confidential business planning and prospective investment records and information protected from public disclosure under 32 VSA § 3341 and 1 VSA 317(c)(9). Rachel Smith seconded the motion. The motion passed unanimously.

At 11:20 the Council returned from executive session.

Regarding the Initial Application filed by Vermont Packinghouse for a project located in Springfield, Michael Keane moved 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 \$648,991 prior to consideration of the LMA Enhancement;
- The company is not a party to any State action;
- 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 Initial Application of Vermont Packinghouse. giving an initial authorization of VEGI incentives of up to \$532,845 with an estimated incentive of \$461,495 based on the application data, for activity to commence May 1, 2025, subject to the host municipality welcoming the new business, the proposed economic activity conforming to applicable town and regional plans; and submittal of a Final VEGI Application.

Jamie Stewart seconded the motion. A roll call vote was held, the motion passed unanimously 9-0-0.

Michael Keane moved that the Council utilize the authority given by 32 VSA §3334 to approve an increased incentive level for businesses located in a qualified LMA, such as Springfield, using an estimated 100% of the available net revenue benefit, with a maximum incentive of up to \$666,103 and an estimated incentive of \$576,909 thereby reducing the estimated net revenue benefit to \$524,926. Jamie Stewart seconded the motion. A roll call vote was held, the motion passed unanimously 9-0-0.

### **11:30 a.m. Executive Director Updates**

- **Legislative Updates: TIF & CHIP**

Jessica began her updates with a shout out to Rep. Abbey Duke and a thank you for the work she has been doing with her colleagues to make some shifts in policy around strategic investments in infrastructure that could help solve our housing crisis.

Additionally, Abbey is trying to update some small pieces of the big TIF statute.

At the beginning of the session, the Administration made a proposal with changes to the TIF statute, which included one around bond anticipation notes (BANS) and their allowance for usage as a last incurrence of debt. Hartford suggested an alternative based on the calendar of when municipalities can go to the bond bank. The alternative is to allow for BANS as last debt as long as they were subsumed into a long-term debt instrument within 6 months.

Abbey stated that she's putting together amendments with just a few suggested changes. Knowing the board supports these changes is helpful.

One change would be to mirror proposed language for the start of the life of the TIF district to align with the CHIP bill, so that the debt incurrence period starts with VEPC approval rather than municipal approval. This prevents a municipality from losing several months due to the long nature of the VEPC approval process.

John Russell brought up the master TIF process and how submitting phased filings also loses Districts some time and was supportive of these changes.

The amendments also explicitly include flood mitigation and brownfield mitigation as eligible improvements.

John Russel brought up concern about the unintended consequences of a long list, in case it is read as exhaustive instead of illustrative, precluding things that we would want to support.

The proposed amendments would also allow TIF Districts to use debt proceeds to pay interest for 4 years rather than 2 years.

Abbey will send language to Jessica, and VEPC will send it out. Members are invited return comments.

After discussing the "big TIF" amendments, the discussion turned to the Community Housing Infrastructure Program (CHIP). It's fluid process that has been constantly evolving.

Abbey says there's lot of excitement and broad support, she's optimistic it will get through in some form. A lot of her colleagues seem feel positive about it.

The bill is now in the House Committee on Commerce and Economic Development. It was passed out of the Senate with a healthy majority and voted out of committees unanimously. The current iteration is a project based TIF model relating to the creation of primary housing and that the increments would be used to pay for debt for infrastructure necessary for development of primary housing. The hope is to leave it broad because municipalities know best what will work in their communities and meet local needs. There are currently requirements related to where it can be created. As of

the date of the VEPC meeting, the bill allows CHIP projects in the areas that will be Tiers 1A and 1B, or areas currently subject to the Act 250 interim exemptions. The bill may allow Tier 2 areas with support of the Regional Planning Commission – but this location criteria is being heavily discussed and may be modified. If it was limited to only Tier 1, much of the state would be ineligible for the program.

Abbey noted that after today there should be an updated draft. A few pieces are getting looked at hard, especially the land use planning side. The committee talked about an alternative to Tier 2, that would allow areas with clustered developments. Other pieces being weighed are trying to figure out what, if any, guardrails should be on the bill regarding affordability.

Jessica explained that initially when it was presented as HIT/SPARC there were floors – at least 50% of floor plan would have to be dedicated to housing. This was removed but may be added back in. Testimony from VHFA was informative to say this is not a housing bill, it's an infrastructure bill. Its purpose is to create a tool for infrastructure and the private development is the housing. From an administrative perspective, where Ellie and Jessica would have to administer the program, VHFA was clear that if the legislature wants affordability guardrails it should put into performance measures to report back, that monitoring/enforcement would be beyond VEPC staff's realistic capacity.

Abbey asked the council for the data points they would like to see – how do we set reporting up so that we know in a year or two what's working and if the projects are what we want to incentivize?

Jessica reiterated that VEPC staff would welcome Council's input on what type of performance measures would be beneficial because the Council will be reviewing the application and Jeff doing the feasibility. The desire for guardrails and concern about unintended consequences are understood – we don't want this tool to build ski chalets and second homes. However, those might be the ones that pencil out initially to alleviate the supply issue and people would move out of modest homes and the ladder continues – all housing is helpful.

Jamie noted that one of the concerns around affordability is that for housing projects to pencil out they'll need a mix of market and affordable. In the application or proposal description, the sponsor could say "we're doing X housing managed by [group] who will certify that folks are qualified income."

John noted that it's VEPC's job to ask if the proposed increment can cover debt. We don't want to get too far off that purpose. John shared a story about how CHIP could have been helpful for a project his company completed, his family built a private water line to several places and then the municipality took it over. As a developer they had to build the water line to do the condo project and senior living. There was no program like this. CHIP could be used in this instance. In that instance, the city took over the water

line because it's servicing a portion of Rutland. That line is now servicing a lot more than the projects it was built for.

Jessica continued, the "but for" has been removed from CHIP, as it's acknowledged that we're in a housing crisis, and the "but for" is assumed. She asked, from a council perspective, what do you want to know in an application? In the development agreement, what do you want included? From a monitoring standpoint, we need to know what's being created so we can report back to the legislature for each year and the 10-year summary. We'll need to look at what was originally submitted in the application, and then see what was actually built.

Abbey questioned is intention language enough? The intent is for the tool to be used primarily for primary houses that are affordable or workforce. How is the reporting done in a way that's not a huge burden but provides information that gives the legislature an ability to understand how it's working. If it's not, they can go in and make fixes.

Jessica stated that would be helpful to VEPC staff to have some statutory support "the intent of this program is..." So, if a town applied and said they would build a single-family unit of housing and then create a 100,000sf industrial building, that the staff and council know that that's clearly not the intent. We would hope that the council would understand that 1 unit of housing with increment dollars isn't in the spirit. If there was a significant divergence from the project submitted, would that change need to be preapproved? Would the town be in jeopardy of losing it's ability to use increment?

A current built-in guardrail is that prior to VEPC approval, it would go to municipal legislative body for approval. We could also require RPC to provide a letter for every application. Jessica explained that Minnesota did a workforce housing TIF program, and they require a municipality to get a letter from a business saying they cannot hire due to lack of housing. That's an example of an additional guardrails that could be done. From a staff perspective, VEPC's worried about guardrails that make it impossible to manage or monitor. If we're looking at units created, we can do that. If it's taken further, it could become a problem.

Jamie opined that projects will report how the money was used for the infrastructure. Then, we look at grand list change, which will be the increment, and if it's occurring it's meeting the goal. But who is in what units? Are we determining or verifying that?

John noted that municipalities differ in what's needed for housing. For example, Rutland Regional Medical Center says that attracting doctors is hard. Workforce housing for that level is difficult too. Some people may say that building housing for doctors is luxurious, but it's something we need in that region.

Jeff Carr noted three things: 1) that we don't have a lot of expertise in housing as a group. It puts us in an area to gain expertise, any plan has to have some of that. 2) It strikes him that since there's no "but for" there's no easy scorekeeping on the impact on

education fund. There may be some accountability we need to think through. If we're going to freeze some property values and divert from education fund for a time, we'll need to devise a system like we do for regular TIF. 3) it seems to him that you're going to have two important sets of information; the plan to review and say go ahead and do this and then a checkback on the plan and how they did in comparison to the original. It's like immigration law, and "sham marriages," the process would need something in 2-3 years a check in to compare actual to original plan to make sure diversion was properly done. May have resource requirement needs for VEPC. We may need to bring in a VHFA or someone who can help us understand the difference between the costs associated with building a unit of affordable versus market housing.

Jessica closed this part of the conversation by expressing that she really appreciates the conversation and she's testifying tomorrow in House Commerce. If anyone has comments or suggestions about performance-based measures, she's grateful for those and not unaware of the fact that if this takes off it may require additional staffing or expertise. Additional staff is not something the administration would put in the budget for this year; we'd need the summer to iron out details. Hopefully the program would roll out by January 1 and we can provide information in the fall so municipalities can start collecting information. Some projects are already in the work and could jump right in, other projects may take some time to organize a full application.

- **TIF Monitoring Visits**

TIF monitoring visits will start to be scheduled soon. We anticipate they will occur in May and June.

**At 12:26 a.m.** Jamie Stewart moved to adjourn the meeting. Abbey Duke seconded the motion. The meeting adjourned at 12:26pm.

*Minutes taken by Ellie Beckett: April 24, 2025*  
*Revised by Jessica Hartleben: April 28, 2025*  
*Approved by the Council:*