

VERMONT ECONOMIC PROGRESS COUNCIL

April 30, 2009

9:30 – 12:30 p.m.

Calvin Coolidge Conference Room, 6th Floor

Montpelier, VT

Members Present: Rachel Smith, Carl Rosenquist, Karen Marshall, Nancy Port, Mary Lintermann, Stephan Morse, Mark Young, Betsy Gentile

Attending By Phone: None

Members absent: Chris Keyser

Staff: Fred Kenney, Jayna Jones

Others Present: Mathew Barewicz, EPRI; Sanford (Sandy) Miller, Manager, Town of Milton; Joss Besse, Department of Housing & Community Affairs; John Kessler, ACCD General Counsel

9:38 a.m. Karen Marshall called the meeting to order and asked if there was any public comment. Hearing none, she proceeded to the next item.

9:40 a.m. Carl Rosenquist suggested an amendment to the March 26 meeting minutes and made a motion to approve the minutes as amended. Betsy Gentile seconded and the motion carried 8-0-0.

9:42 a.m. Mark Young made a motion to enter Executive Session to discuss a VEGI application and EATI Performance Expectation Review, citing Title 1, section 313, and subsection 6. Stephan Morse seconded and the motion carried 8-0-0.

9:50 a.m. Mary Lintermann made a motion to exit from executive session. Betsy Gentile seconded and the motion carried 8-0-0.

9:50 a.m. Project Graphics, Final Application, South Burlington

Betsy Gentile moved to approve the Final Application from Project Graphics giving authorization of a maximum of \$230,414 in VEGI incentives, with an estimated amount of \$213,781 based on application data for activity beginning February 1, 2009. Nancy Port seconded and the motion carried 8-0-0.

9:52 a.m. TSL Snowshoes, LLC

Tax Years reviewed 2007-06 and 2008-06

Authorized October 27, 2005 for October 1, 2005 – June 30, 2010

Carl Rosenquist made a motion to recommend to the Commissioner of Taxes that the credits earned for 2007 and 2008 be allowed in full. The company's ability to apply credits in carry-forward in future years will be subject to review of employment. Stephan Morse seconded and the motion carried 8-0-0.

9:54 a.m. The Council continued consideration of an application submitted by the Town of Milton for utilization of incremental education property tax revenue for the Milton Town Core TIF District.

Fred Kenney reviewed materials distributed to the Board and the status of the application determinations. Remaining issues are proportionality, nexus and location. All other determinations were finalized at the March meeting.

Fred went over the revised proportionality matrix and reviewed the matrix results. According to the matrix results and based on other considerations given to proportionality for the thirteen different infrastructure projects, the Board would concur with the 100% proportionality presented by the application for the following:

- Village Core Sewer Expansion
- Bombardier Water Line Loop
- Hourglass Intersection
- New Roads – Town Center
- New Roads – Route 7 parallel
- Rebecca Lander Intersection
- Main Street reconstruction

The Board also concurs with the 75% proportionality as presented in the application for the following projects:

- Park and Ride
- Multimodal

The Board reduces from 100% to 90% proportionality, the following projects:

- All sidewalk projects in the TIF District application
- All lighting projects in the TIF District application
- All municipal parking projects in the TIF District Application

Fred outlined the issues for discussion related to nexus and location and presented evidence to the Board to support the exclusions staff is recommending. The Board discussed the nexus and location criteria and the parcels at issue.

Sanford (Sandy) Miller provided clarifications on the parcels, the proposed infrastructure, and the conditions on development relative to the Act 250 permit for the sewer line that follows Route 7, which impacts some of the parcels under consideration for exclusion. He stated that the Town believes they have completed all the planning processes required to get that condition lifted and has applied to the Act 250 commission to get the condition lifted given that they have satisfied all the requirements. If the condition is removed, Town would be in position to apply for more connections to that sewer main.

Sandy pointed out that had the town proposed any wastewater infrastructure projects in the parcels in question in their TIF application, they may have triggered a violation of the Act 250 condition. Without having the ability to propose infrastructure within those parcels, the TIF plan could not propose any definitive real property developments on those parcels. Town believes the parcels will be developed fairly quickly once the condition is lifted.

Sandy asked whether the TIF plan can be amended in the future to allow inclusion of proposed parcels, additional infrastructure projects, and additional real property that meet the criteria? If the process is inviolate after the approval, that seems to frustrate the intention of the statute and the Board to create job opportunities, affordable housing and other objectives of TIF. Town thinks these parcels (I2 parcels between Route 7 and I-89) should be included.

The Board discussed the amendment issue. Stephan proposed that as much as can be included under the law should be to avoid having the Town come back and the Board having to make further determinations. Perhaps approval conditioned on satisfying the Act 250 condition.

Karen Marshall asked whether exclusion of all the I2 parcels will have a negative impact on the revenue projections for the TIF. Sandy could not be sure. The Town has to review the financial data. He pointed out that this is a good reason to require that the TIF Financing Plan be filed and considered after the Council completes deliberation on the TIF District Plan.

Mark Young expressed concern that the parcels under discussion may not meet the But For because the development that might occur there is a result of their ability to tie in to the sewer main, not because of the TIF District. Sandy commented that if this area is not included in the TIF it is highly unlikely that a municipal infrastructure project would occur in this area which will result in the type of development that is desired and is the goal of the TIF. The value of the parcel may well go up based on the availability of the sewer main, but the municipal infrastructure that could be developed within the parcels because of the TIF would really provide the value increase, and generate a greater level of incremental property tax revenue for the state and town. It's very similar to the Catamount TIF District, which had empty lots and had to use septic until it could tie into the sewer main and the TIF revenues allowed municipal infrastructure to be put in, resulting in more compact, clustered development, more dense development, and more jobs.

The Council discussed the differences and issues involved with amendments, conditions, and additional TIF Districts.

Karen Marshall and Mary Lintermann discussed the issues from the larger perspective of the region, the growth that is occurring in northwest Vermont, and whether this TIF approval ensures that it occurs where we want it and in manner that is desirable.

Mark Young expressed concern that the TIF Plan is not totally defined and will rely on consideration of the TIF Financing Plan, which may in turn change the TIF District Plan. The Board concluded that all approvals are conditional until both plans are presented and approved. Further, there is no way to know exactly what will occur or that the TUIF will execute exactly as planned.

Karen Marshall pointed out that the Board's responsibility is to try to create the best possible set of financing circumstances for orderly and desirable growth within the TIF District which works in concert with the zoning and the local and regional planning.

The Board concluded that the parcels (the I2 parcels between Route 7 and I89) could be conditionally included if the Act 250 condition is satisfied and infrastructure projects be identified that would foster desirable clustered development within that area.

Mark Young asked about the impact of further traffic in and around Milton if these parcels are developed and jobs added. The TIF is attempting to fix some traffic issues along Route 7. Does this reverse those mitigations?

Sandy explained what is likely to happen if a cluster of jobs are created in this area. West Milton Road will become an alternate route; the new parallel road will take traffic off Route 7; the new sidewalks and multiuse paths will allow alternate travel; and the Town has joined CCTA and the project includes park and ride and a Multimodal, which will reduce traffic.

The Board discussed the location criteria issue related to I2 parcels west of I-89, particularly the density issue. After discussion, the Board agreed that those parcels should be excluded.

The Board discussed the timeline under which a TIF District Financing Plan must be filed and considered. The Board concluded that no requirements, other than those imposed by statute, are required.

11:27 a.m.

Mark Young moved to authorize the Town of Milton to utilize incremental property tax revenue for the Milton Town Core TIF District, as presented in the application submitted to the Council on December 5, 2008, subject to the following exclusions and conditions:

- The following parcels are excluded for lack of nexus:
 - The nineteen (19) parcels included on the TIF District map that are in the area known as Checkerberry Square, specifically: Four (4) parcels on the north side of Ethan Allen Highway between the corner of Chrisemily Lane and Bert's Mobile Home Park; Three (3) parcels on east side of Chrisemily Lane; Six (6) parcels between Ethan Allan Highway and Checkerberry Square Road; Five (5) parcels on north side of Checkerberry Square Road; and one (1) parcel west of Nancy Court and south of Checkerberry Square Road. These parcels are within Sewer Service Area #6 and have wastewater service and are already developed.
 - The eight (8) parcels included in the Zoning area known as Light Industrial (I1) located north of Main Street and west of North Road.
- The following parcels and the related infrastructure project are excluded because they do not meet the Location Criteria under which the application was filed:
 - The three (3) parcels included in the zoning area known as General Industrial (I2) and the two (2) parcels making up the Interstate Commercial (C1) zoning area, both located west of Interstate 89 and south of West Milton Road, and the sewer extension project listed in the TIF District application as "wastewater collection to industrial area."
- The nine (9) parcels which are located in the General Industrial (I2) zoning area west of the Ethan Allen Highway (Route 7), east of Interstate 89, and south of West Milton Road, are included in the Milton Town Core TIF District, subject to the fulfillment of all of the following conditions:
 - The Town of Milton satisfies condition #30 included in the Act 250 land use permit amendment #4C0046-7A issued on December 1, 2003 and the District #4 Environmental Commission issues

an amended permit that becomes final, which allows for access to the municipal wastewater system from these parcels;

- Public infrastructure projects with nexus to these parcels, including but not limited to, connection to the municipal wastewater system, are included in the Milton Town Core TIF District Financing Plan and such infrastructure encourages industrial development on these parcels that is compact and high density and complies with the applicable zoning requirements; and
- The Town of Milton presents evidence to the Council on the first two conditions, the Council determines that the first two conditions are met, and the Council approves the Milton Town Core TIF District Financing Plan.
- If these conditions are not met and/or the TIF District Financing Plan is not approved, the parcels are excluded.
- The following proportionality shall be applied when allocating TIF District revenue to the cost of only the portions of the following infrastructure projects which are located within the TIF District:
 - Village Core Sewer Expansion, 100%
 - Bombardier Water Line Loop, 100%
 - Hourglass Intersection , 100%
 - New Roads – Town Center, 100%
 - New Roads – Route 7 parallel, 100%
 - Rebecca Lander Intersection, 100%
 - Main Street Reconstruction, 100%
 - Park and Ride, 75%
 - Multimodal, 75%
 - Sidewalk projects, 90%
 - Lighting projects, 90%
 - Municipal parking projects, 90%
 - Wastewater Collection Extension to Industrial Area, 0% (Note; excluded)
- A TIF District Financing Plan is submitted to the Council by the Town of Milton and is considered and approved by the Council.

Stephan Morse seconded, and the motion carried 8-0-0

11:33 a.m.

Fred Kenney updated the Council on legislative issues and pending VEGI Applications.

Minutes taken by Jayna Jones: April 30, 2009

Revised by Fred Kenney: May 20, 2009

Approved by the Board: May 28, 2009