

1 **BENNINGTON SELECT BOARD MEETING**

2 **BENNINGTON FIRE FACILITY**

3 **130 RIVER STREET**

4 **BENNINGTON, VERMONT 05201**

5 **JANUARY 23, 2017**

6 **MINUTES**

7 **BOARD MEMBERS PRESENT:** Thomas Jacobs-Chair; Michael Keane-Vice Chair; Justin Corcoran; Jim Carroll;  
8 Jeanne Conner; Jeannie Jenkins and Donald Campbell.

9 **BOARD MEMBERS ABSENT:** Michael Keane left at 7:00pm.

10 **ALSO PRESENT:** Stuart Hurd-Town Manager; Dan Monks-Zoning Administrator & Assistant Town Manager;  
11 Michael Harrington-Economic & Community Development Director; Fred Kenney-Executive Director-Vermont  
12 Economic Progress Council; Daniel Walton; Forest Weyen-Executive Director-Bennington Rescue Squad; Brian  
13 Murphy, Peter Lawrence and 4 other Board Members-Bennington Rescue Squad; Bill Colvin-Bennington  
14 County Regional Commission; Keith Whitcomb-Bennington Banner; 6 citizens; and Nancy Lively-Secretary.

15 1. **SITE VISIT TO 78 BOWEN ROAD**

16 Board visited 78 Bowen Road as a potential location for the Department of Public Works prior to the  
17 Open Meeting.

18  
19 At 6:00 PM, Chairman Tom Jacobs called the meeting to order.

20  
21 **2. PLEDGE OF ALLEGIANCE**

22 Recited by all present.

23  
24 **3. CONSENT AGENDA**

25 **A. MINUTES – JANUARY 9, 2017**

26 **MINUTES – JANUARY 14, 2017**

27 **B. WARRANTS**

28 *Jim Carroll moved and Jeanne Conner seconded to accept the Consent Agenda as submitted.*

29 *The motion carried with Jeanne Conner abstaining from the Minutes of January 14, 2017.*

30 **4. VERMONT ECONOMIC PROGRESS COUNCIL-TIF DISCUSSION**

31 Mr. Keane introduced Fred Kenney, Executive Director of the Vermont Economic Progress Council  
32 (VEPC).

33 Mr. Kenney did a presentation for the Board on the VEPC Tax Increment Financing (TIF) with the  
34 following highlights:

- 35 • VEPC is a legislatively created body with citizens from around the State with the main function  
36 to approve or deny various incentive programs around the State – one of which is Tax  
37 Increment Financing (TIF).
- 38 • Currently, VEPC cannot approve any more TIF applications. The ones on the books now have  
39 been capped by the legislature and that cap would have to be removed for other TIF districts to

40 be able to apply. The cap came to be due to the fact that some of the earlier TIF districts did  
41 not have as many of the controls in place as there are now and some bad audits causing some  
42 legislators to feel that it should be capped.

- 43 • There are presently 9 districts. If one district “terms out” it cannot automatically be filled with  
44 a new district.
- 45 • TIF District Acronyms are:
  - 46 EPT – Education Property Tax
  - 47 MLB – Municipal Legislative Body
  - 48 Designated DT, VC, NTC, GC – Downtown, Village Center, New Town Center, Growth  
49 Center
  - 50 GLY – Grand List Year
- 51 • A TIF District Financially is a financing tool to build public infrastructure required to encourage  
52 private development, which generates the revenue to service the infrastructure debt.
- 53 • A TIF District Geographically is a district, designated by a municipality, where the municipality  
54 wants to encourage private sector development, and public infrastructure is required for the  
55 private investment to occur.
- 56 • The purpose of a TIF District is to provide revenue, beyond normal municipal budgets, to  
57 develop public infrastructure that will encourage private sector development and/or  
58 redevelopment.
- 59 • The statute further requires that the development must provide employment opportunities,  
60 improve and broaden the tax base, and enhance economic vitality of the municipality, region or  
61 state.
- 62 • The TIF District Concept is to increase the value of properties so as to generate more revenue at  
63 the end of the project.
- 64 • During the time of the TIF District some of the revenue goes to pay the debt that was incurred  
65 and can only be retained for 20 years.
- 66 • However, the TIF District ends when the debt is paid off – usually the length of a bond. All debt  
67 must be incurred within 10 years.
- 68 • Inflation would go back into the TIF District and deflation would probably curtail the project.
- 69 • A TIF District is created with Pre-Plan Activities; Municipality develops TIF District Plan and  
70 Finance Plan; MLB adopts Plan through local process of public hearings, finding of purpose, vote  
71 to adopt and create District, pledge of Municipal Increment in equal or great percentage than  
72 State EPT – usually 75/25, and Plan recorded by Town Clerk. A coordinating agency may be  
73 designated if desired and Plan Adoption starts the TIF clock to incur first debt within 5 years.
- 74 • All TIF District plans can be found online.
- 75 • To get approved by the State the Town must meet with VEPC staff, submit Letter of Intent to  
76 file (60 days), file application by the first Friday of the month. The Application and Financing  
77 Plan are usually considered by VEPC within 60 days.
- 78 • VEPC is considering to authorize municipality to utilize incremental EPT to finance TIF District  
79 debt, District/application must meet certain public good criteria (But For, Location, Process,  
80 Project), must be financially viable (revenue to debt ratio), and nexus confirmed and  
81 proportionality set.
- 82 • TIF District Approval Criteria:

83 Need/But For – development would have occurred in a less desirable manner but for  
84 the incremented tax revenues  
85 Process – Plan and District created, municipal revenues, compatibility with local and  
86 regional plan  
87 Location (one of three) – in/near existing industrial area, within GC, DDT, DVC, NTC, or in  
88 economically distressed area  
89 Project (three of five) – need, affordable housing, “Brownfields”, at least one new  
90 business or expansion, or enhance transportation  
91 Nexus – must link real property development on the projected public infrastructure  
92 Proportionality and Financial Plan

- 93 • TIF District Miscellaneous:

- 94 OTV and 75/25

- 95 Impacts on Increment – developing non-taxable properties and temporarily eliminating  
96 taxable property

- 97 Distribution of excess revenue

- 98 Related costs

- 99 Application Fee – Third Party Analysis

- 100 Coordinating Agency

- 101 Reporting

- 102 Debt Instruments Allowed

- 103 Cap and Queue

104 Mr. Kenney reviewed a tax revenue split example and explained that approval consideration depends  
105 on the town’s situation.

106 Mr. Jacobs asked if a District can be amended, and Mr. Kenney answered that TIF Districts can be  
107 amended if there is a “substantial change”.

108 Mr. Keane mentioned sustainability over the several years a District is in place and have there been any  
109 TIF District failures. Mr. Kenney stated that thorough documentation takes place throughout the process, and  
110 that there are a couple of districts that are not generating as much revenue as planned – but still enough to  
111 make payments. No failures in his eyes.

112 Mr. Campbell asked about paying for a consultant, and Mr. Kenney reiterated that is considered a  
113 “related cost” reimbursable by the incremented tax.

114 Ms. Conner inquired as to the available of VEPC throughout the years, and Mr. Kenney noted that they  
115 are always available as needed.

## 116 5. PUBLIC HEARING – CDBG PUTNAM REDEVELOPMENT GROUP

117 Bill Colvin stated that the purpose this evening is to have the Town apply for a \$1.25M multi-year VCDP  
118 block grant for the development of the Putnam Block in two phases - \$700,000 to be applied to  
119 property acquisition, clearance and environmental mitigation activities and \$550,000 to go toward  
120 renovating three historic buildings to improve and expand retail and office space for area businesses.  
121 The Putnam Block site encompasses the Hotel Putnam, Old Courthouse, Winslow Building and the  
122 buildings encompassing the defunct Greenberg Lumber business. It is anticipated that 45 direct new

123 jobs will be created in retail and services in these buildings, with at least 30 of these jobs benefiting low  
124 to moderate income persons.

125 Plans for the project include the creation of residential units on the upper floors of the Hotel Putnam  
126 and Winslow Building, additional retail and office space to all of the buildings, an anchor hardware  
127 store in the Winslow Building and a 75-seat restaurant in the Hotel Putnam. Other planned activities  
128 include the demolition of various storage buildings on Main Street and Washington Avenue and new  
129 construction of two mixed use retail/office/residential buildings. Anchor businesses in these two new  
130 buildings would include an 8,000 SF grocery store, 12,000+ SF Southwestern Vermont Health Care's  
131 express care, dialysis, and wound care programming and 8,000+ SF for the Southwest region Visiting  
132 Nurses and Hospice program.

133 The application needs to be to VCDP by February 7, 2017. If approved at the April 2017 meeting,  
134 renovations would begin this fall and last for 12-15 months with new construction to begin a year after  
135 that.

136 All totaled, the project will encompass 66,000+ SF of renovations for the \$1.25M, and 94,000 SF of new  
137 construction, and will cost \$54M.

138 There was no further public comment.

139 ***Don Campbell moved and Jim Carroll seconded for the Town of Bennington to support the***  
140 ***\$1.25 million VCDP Implementation Grant Application for the Putnam Block Redevelopment Project.***  
141 ***The motion carried with Michael Keane absent.***

142 Mr. Hurd circulated the Resolution for the Board signatures.

## 144 6. CITIZENS

146 Daniel Walton would propose that an Ordinance be written to require financials when a private, non-  
147 profit entity goes on the ballot and is approved by the voters, where the Select Board can intervene if  
148 the dollar amount is over a certain number.

149 Mr. Jacobs explained that, if the voters have indicated that they want X-number of dollars used for a  
150 certain purpose, the Select Board must function at the will of the people.

151 Mr. Hurd added that an agency seeking more than \$7,500 must petition every year and are not  
152 required to supply their financials. The agencies that the Board puts on the ballot for less than \$7,500  
153 supply their financials to the Town every year. The Bennington Rescue Squad petition for \$207,000 –  
154 which is the one that Mr. Walton is referring to – have also given the Town three years of audited  
155 financials and their 2016 and 2017 budgets. Even though it's not a mandate, generally the Board will  
156 ask for the financials of anyone new that is asking to be on the ballot.

157 Forest Weyen, Executive Director of the Bennington Rescue Squad (BRS), stated that he thought they  
158 were part of an ongoing discussion with the Town on their request for funds. It was noted in the  
159 Minutes of the January 14, 2017 Budget Meeting that the Rescue Squad discussion was tabled until the  
160 Select Board meeting on January 23, 2017. Mr. Weyen also noted that the Rescue Squad was hoping  
161 that discussion with the Select Board "would make that petition go away but now we're stuck in the

162 middle of this round about which is sort of odd.” The request for \$207,459 could be withdrawn but the  
163 Rescue Squad Board decided to stay with that amount so as not to “send mixed messages”. Two other  
164 towns have supported us within their budgets and it would be unfair to them if we pulled our petition  
165 and “Bennington gets a free ride”. All of the BRS meetings are open to the public the third Wednesday  
166 of the month at 6:00pm, and all of the financials are online.

167 Mr. Weyen asked if the Select Board can amend the amount that the petition is for to be more in the  
168 area of the \$33,000 motion from the January 14<sup>th</sup> meeting.

169 Mr. Hurd answered that the BRS could withdraw the petition because they are the sponsors, however,  
170 this may upset the 500+ people who have signed it for \$207,459. Or, the BRS could get enough people  
171 to withdraw their signatures to bring it below the required 435, thus making it invalid. Mr. Hurd added  
172 that the Board may recognize the signatures and lower the amount that goes on the ballot, or they  
173 may put an amount in as a line item of the budget. Either of those has not been the policy but is not  
174 illegal. “It’s all possible. You have not signed the Warning.”

175 Mr. Carroll asked about the \$175K on the financials, and Mr. Murphy, CFO of Bennington College and a  
176 Board Member of the BRS, explained that that is a temporarily restricted asset that the BRS only gets a  
177 few thousand dollars a year from that shows under investment revenue. Mr. Murphy also noted the  
178 endowment is a cash reserve that is being depleted for operating costs at a rapid rate. Mr. Carroll  
179 recommended that the BRS bill the 25% of the calls that are non-billable or don’t provide the service.

180 Mr. Campbell added that the Williamstown Rescue Squad has been doing that very same thing and has  
181 advised their financial board that they will be out of business in six months. “That is the type of thing  
182 that we need to get ahead of.”

183 Mr. Lawrence, Board Member of the BRS, noted that the BRS provides a service to the community,  
184 and, if that was not provided, then the Town would have to provide the service “at a cost exponentially  
185 higher than what we’re asking.”

186 There will be a special meeting on January 30, 2017 at 5:00pm in the Town Office Conference Room to  
187 discuss the BRS financial request.

188  
189 **7. SIGN ANNUAL TOWN WARNING**

190 This will be postponed until after the January 30, 2017 meeting.  
191

192 **8. 2017 LIQUOR LICENSE APPLICATIONS**

193 The following 2017 Liquor License Renewal Applications were circulated for Board signatures:

194 *1<sup>st</sup> Class Renewals – 1. American Legion Post 13*

195 *2. Kevin’s*

196  
197 *2<sup>nd</sup> Class Renewals – 1. Beverage Den, Inc.*

198 *2. North Bennington Variety*  
199  
200

201 **9. MANAGER’S REPORT**

202 The Certificate of Highway Mileage, now increased to 127.761 miles of roadway, was circulated for  
203 Board signatures.

204  
205 The Waste Water Treatment Plant loan agreement was circulated for Board signatures.

206  
207 Mr. Hurd stated that the option to purchase 78 Bowen Road has been signed and we are in our due  
208 diligence phase. The roof is in good shape and the preliminary environmental review has shown good  
209 results. This will be a bond issue on the ballot.

210  
211 Mr. Hurd noted that we have signed the agreement to join the consortium to lobby for lifting or  
212 eliminating the cap on TIF's. Springfield, Rutland City, and Montpelier have signed, as well. St.  
213 Johnsbury, Newport, and Brattleboro have not yet committed.

214  
215 **10. OTHER BUSINESS**

216 Mr. Campbell extended kudos to the Town staff for their tour of 78 Bowen Road, and it was "striking  
217 how much value for the money that we might be getting there".

218  
219 **11. EXECUTIVE SESSION**

220 **A. Contracts**

221 *At 7:40 PM, Don Campbell moved and Justin Corcoran seconded finding that an Executive*  
222 *Session be held on Contracts as premature general public knowledge would place a person involved*  
223 *in the subject matter at a substantial disadvantage. The motion carried unanimously.*

224  
225  
226  
227 Respectfully submitted,

228  
229 Nancy H. Lively  
230 Secretary