VERMONT

VERMONT ECONOMIC PROGRESS COUNCIL

MEETING MINUTES
APRIL 24, 2014
DEANE C. DAVIS BUILDING
1 NATIONAL LIFE DR., MONTPELIER, VT
CALVIN COOLIDGE CONFERENCE ROOM, 6TH FLOOR
9:30 A.M. TO 12:00 P.M.

Members Present: Stephan Morse, Chair and Bryon Quatrini

Members Present by Phone: Michael Keane; Emma Marvin; Mary Lintermann; and Nancy Port. Tim Briglin and Rachel Smith joined the meeting at 9:40 a.m.

Members Absent: Betsy Gentile; Christopher Bray; and Warren Kitzmiller

Staff Present: Fred Kenney, Kimberly Woolaver

Others Present: None

Council convened and Chair Stephan Morse called the meeting to order.

9:30 a.m. **Public Comment**

Chair Stephan Morse asked if there was any public comment or announcements, hearing none, moved to the next Agenda item.

9:30 a.m. **Minutes - March 19, 2014**
Legislative Update

Chair Stephan Morse requested Council approval of the March 19, 2014, meeting minutes.

- Nancy Port motioned to approve the meeting minutes as presented. Bryon Quatrini seconded the motion, all voted in favor and the motion passed 6-0-0.

Fred Kenney provided an update on VEGI claims, noting that all of the 2012 claims have been processed by the Vermont Department of Taxes. Checks have been mailed to eligible companies or the claim has been placed in "Claim Delayed."

Tim Briglin and ~~Mary Lintermann~~ Rachel Smith joined the meeting via conference call at 9:40.

Fred Kenney continued regarding VEGI claims: The 2013 claims they are due by Wednesday, April 30th. Currently 11 out of 32 claims have been filed; 13 claims have been started; and 8 have not started the claim. For those that have not started the claims process, we have been in contact with them encouraging them to get the claim filed. We anticipate that all claims will be filed by the April 30th deadline. Staff will provide a detailed update on both the 2012 and 2013 claims at the May meeting.

Fred Kenney gave a legislative update: The Miscellaneous Tax Bill has passed the House and is being considered in the Senate Finance Committee this week. This Bill includes the TIF Technical Corrections which was voted out of the House as a free standing Bill. However, the Senate Finance Committee is wrapping this into the Miscellaneous Tax Bill without any changes. There is also one minor VEGI technical amendment which was proposed by the Tax Department.

Fred Kenney stated that there is a major economic development bill, S220. A summary will provided to the Board at the May meeting once it has passed. This Bill includes the Governor's proposal for the Vermont Enterprise Fund. This Fund is for the Governor to use in situations where just a little is needed to get have a company come to Vermont, remain in Vermont or prevent closure. Chair Stephan Morse inquired as to the amount of funds. Fred Kenney responded that this is a $5 Million appropriation first in line for any 2014 surplus. $500,000 is earmarked for VEDA for their Entrepreneur lending fund and they also received $1 Million from the federal government for this fund. That leaves $4.5 Million for the Vermont Enterprise Fund.

Fred Kenney stated that Senator Bray will be spearheading the Senate Confirmation process for Michael Keane, Betsy Gentile and Fred. This is for those folks who were re-appointed by the Governor, not the newest Board members who filled vacated seats.

Fred Kenney stated that the TIF Rulemaking Committee is scheduled to meet May 7th and again on May 22nd. The expectation is the wrap up this process by the May 22nd meeting. Chair Stephan Morse inquired as to the next steps in this process. Fred Kenney stated the Draft Rule will come before this Board, then submitted to ICAR and LCAR.

Fred Kenney noted that Lawrence Miller is moving from ACCD secretary to head health care and Pat Moulton will be returning as Secretary of the agency. The transition will be effective June 1, 2014.

Fred Kenney continued stating that the State of Vermont will be receiving a settlement from Vermont Yankee. This settlement will be for $10 Million spread over five years in a fund for economic development in Windham County. The Agency of Commerce and Community Development is responsible for the application process and vetting applications. Currently, the Vermont Economic Progress Council is being asked to be the body that will determine which of the proposals will be funded and make a recommendation to the Governor. Anticipating that this would be a once or twice a year

process. There will also need to be post approval and monitoring/oversight process. Currently the concerns are capacity and the legal authority. John Kessler is going to provide an opinion on the legal authority piece. Chair Stephan Morse inquired if there is an opportunity to obtain authority through the legislative process prior to the end of the session. Fred Kenney stated that the Administration is not willing to take action at this time. Chair Stephan Morse disclosed that he has worked on economic development strategies in Windham County and worked on a report should Vermont Yankee close, but he will work with this Board to determine what his role should be.

Chair Stephan Morse moved the next agenda item.

9:40 a.m. **Vermont Employment Growth Incentive (VEGI) Applications**
-Keurig Green Mountain (Final)

- Nancy Port moved to approve the Final Application subject to rerunning the cost benefit model at a minimum of 116 qualifying positions, to obtain a final incentive number and net return for the State. Michael Keane seconded the motion, all voted in favor and the motion passed 8-0-0.

9:56 a.m. **Tax Increment Finance (TIF) Districts:**
-St Albans Downtown TIF: OTV Amendment

Fred Kenney stated that the town of St. Albans discovered one of the parcels in the Mylan complex was erroneously left out of the original parcel listing. The City assumed the parcel was part of the Mylan property included on the list, but it should have been listed separately. Also, three other properties were in tax grievance appeal at the time of the application. All three were awarded adjustments by the court. The reductions in the value of the three appeals and the addition of the Mylan property result in a net increase to the non-residential values of $237,100. The City requests that the OTV be officially adjusted accordingly.

The corrected original taxable value of the TIF District, are as follows:

	ORIGINAL OTV	ADJUSTED OTV
Total Assesed Value	$110,670,800	$110,907,900
Taxable Value	$107,672,050	$107,909,150
Homestead	$18,590,200	$18,590,200
Non-Homestead	$89,081,850	$89,318,950
Non-Taxable Value	$2,998,750	$2,998,750

- Michael Keane moved to approve the amendment to adjust the Original Taxable Value for St. Albans TIF District to $107,909,150, as restated in Table 6G. Bryon Quatrini seconded the motion, all voted in favor and the motion passed 8-0-0.

10:00 a.m. Closing Business

Chair Stephan Morse stated the next meeting is scheduled for Thursday, May 22, 2014.

Chair Stephan Morse inquired as to other business. Fred Kenney noted that the May Agenda will include at least one TIF presentation, one VEGI application, and materials for the Vermont Yankee Fund.

- Bryon Quatrini motioned to adjourn the meeting at 10:10 a.m. Nancy Port seconded the motion, all voted in favor and the motion passed 8-0-0.

Minutes taken by Kimberly Woolaver: April 24, 2014
Revised by Fred Kenney: April 29, 2014
Approved by the Board: June 26, 2014

VERMONT

VERMONT ECONOMIC PROGRESS COUNCIL

MEETING MINUTES
MARCH 19, 2014
DEANE C. DAVIS BUILDING
1 NATIONAL LIFE DR., MONTPELIER, VT
CALVIN COOLIDGE CONFERENCE ROOM, 6TH FLOOR
9:30 A.M. TO 12:00 P.M.

Members Present: Betsy Gentile; Michael Keane; Tim Briglin; Stephan Morse, Chair; & Emma Marvin

Members Present by Phone: Mary Lintermann; Nancy Port; Bryon Quatrini

Members Absent: Rachel Smith; Christopher Bray; Warren Kitzmiller

Staff Present: Fred Kenney, Kimberly Woolaver

Others Present: Frank Cioffi & Seth Bowden, Greater Burlington Industrial Corporation; Marge McDonnell & Steve Gibbs, Keurig Green Mountain; and Dan Coolbeth & Erica Havers, GS Blodgett Company

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Council convened and Chair Stephan Morse called the meeting to order.

9:33 a.m. Public Comment
Legislative Update
Draft TIF Annual Report

Chair Stephan Morse welcomed Emma Marvin and asked each member to introduce themselves.

Fred Kenney provided a Legislative update including the status of the TIF District technical changes, which passed House Ways and Means Committee, economic development bills, and a proposed cap on the R&D tax credit.

Fred Kenney updated the Board on the TIF Annual Report. This report is due April 1, 2014. Staff are working on the final tables and once completed, the draft report will be emailed to the Board for their review. Chair Stephan Morse asked the Board to review the report, and if there are any issues, to let Fred know as soon as possible. If necessary the report will not be submitted until after the April meeting.

Fred Kenney updated the Board on the progress of the TIF Administrative Rule. The next meeting is scheduled for March 19th at 1:00 p.m. Currently working with the Department of Taxes, Property Valuation and Review on language concerning special circumstances. Once the Rule is in Final Draft form, it will be presented to this Board for approval and then will be submitted to the Interagency Committee on Administrative Rules (ICAR) and then the Legislative Committee on Administrative Rules (LCAR).

Fred Kenney updated the Board regarding the submission to the PEW Charitable Trust for the Business Incentive Policy and Practice Initiative Request for Proposal (RFP). This was an 18-month program to engage forward-thinking teams of economic development policymakers and practitioners from six states to work on three specific goals. Vermont's response was submitted on January 31, 2014 and we received notification on March 17, 2014 that Vermont was not selected. Fred Kenney noted that he will be following up with this organization regarding the outcome.

Chair Stephan Morse asked if there was any public comment or announcements, hearing none, moved to the next Agenda item.

9: 40 a.m. Minutes-January 22, 2014

Chair Stephan Morse requested Council approval of the January 22, 2014, meeting minutes.

- Michael Keane motioned to approve the meeting minutes as presented. Tim Briglin seconded the motion, all voted in favor and the motion passed 8-0-0.

9:42 a.m. Vermont Employment Growth Incentive (VEGI) Applications

- Betsy Gentle motioned to enter into Executive Session to discuss VEGI applications, citing Title 1, Section 313, Subsection (a)(6). Michael Keane seconded, all voted in favor and the motion passed 8-0-0.

Marge McDonnell & Steve Gibbs, Keurig Green Mountain; and Dan Coolbeth & Erica Havers, GS Blodgett departed from the meeting.

- **GS Blodgett Company (Initial)**

Dan Coolbeth & Erica Havers, GS Blodgett, came into the meeting at 10:04 a.m and departed at 10:20 a.m.

- Betsy Gentile moved to enter back into regular session at 10:24 a.m. Michael Keane seconded the motion, all voted in favor and the motion passed 8-0-0.

Dan Coolbeth & Erica Havers, GS Blodgett, returned at 10:24 a.m.

- Michael Keane moved to approve an Initial Application from GS Blodgett Company, giving initial authorization of VEGI incentives of up to $335,582, with an estimated incentive of $306,431, based on application data, for activity to commence in calendar year 2014, citing a determination that the applicant met the But For and program guidelines, subject to submittal and consideration of a Final VEGI Application before the end of calendar 2014. Betsy Gentile seconded the motion, all voted in favor and the motion passed 8-0-0.

Dan Coolbeth & Erica Havers, GS Blodgett, departed at 10:25 a.m.

- **Keurig Green Mountain (Initial)**

- Betsy Gentle motioned to enter into Executive Session to discuss VEGI applications, citing Title 1, Section 313, Subsection (a)(6). Nancy Port seconded, all voted in favor and the motion passed 8-0-0.

Marge McDonnell & Steve Gibbs, Keurig Green Mountain, came into the meeting at 10:54 a.m

- Michael Keane moved to exit Executive Session 11:16 a.m. Tim Briglin seconded the motion, all voted in favor and the motion passed 8-0-0.

- Tim Briglin moved to approve an Initial Application from Keurig Green Mountain, giving initial authorization of VEGI incentives of up to $980,339, with an estimated incentive of $859,839, based on application data, for activity to commence in calendar year 2014, citing a determination that the applicant met the But For and program guidelines, subject to submittal and consideration of a Final VEGI Application before the end of calendar 2014. This approval is conditioned as follows:

  - The company must provide with the Final Application a separate, signed statement certifying that none of the new qualifying or non-qualifying employees will come from the existing KGM employment or positions in Vermont, unless those positions are backfilled.
  - The same signed statement must acknowledge that the company understands the following: The Final Application must include an accurate accounting of qualifying, non-qualifying, and part-time employment and annualized payroll as of the Activity Commencement Date and that the full-time qualifying employment levels and payroll must be maintained for the new, qualifying employment payroll and headcount to be considered incremental and generate an incentive.

Michael Keane seconded the motion, all voted in favor and the motion passed 8-0-0.

11:20 a.m. Closing Business

Chair Stephan Morse stated the next meeting is scheduled for Thursday, April 24, 2014.

Chair Stephan Morse inquired as to other business, there being none requested a motion to adjourn.

- Tim Briglin motioned to adjourn the meeting at 11:25 a.m. Michael Keane seconded the motion, all voted in favor and the motion passed 8-0-0.

Minutes taken by Kimberly Woolaver: March 24, 2014
Revised by Fred Kenney: March 24, 2014
Approved by the Board: April 24, 2014

FINAL

VERMONT ECONOMIC PROGRESS COUNCIL

MEETING MINUTES

DECEMBER 8, 2011

NATIONAL LIFE BUILDING, 6TH FLOOR

MONTPELIER, VT

9:30 A.M. TO 12:30 P.M.

Members Present: Gordon Bristol, Betsy Gentile, Chris Keyser, Warren Kitzmiller, Mary Lintermann, Stephan Morse, Rachel Smith, Mark Young.

Members Absent: Nancy Port, Bryon Quatrini

Staff Present: Fred Kenney; Alice Cloud

Others Present: Jeff Carr, EPRI; Matt Cooper, EPRI; Sam Andersen, CVEDC; Curt Carter, GBIC; Marge McDonnell, GMCR Tax Director.

Present by Phone: Linda Conrad, Plasan VP; Perry Allen, Plasan Finance Manager; Peter Odierna, BCIC.

9:38 a.m.: Stephan Morse called the meeting to order.

Stephan asked if there was any public comment. Hearing none, Stephan requested Council approval of the October 27, 2011 meeting minutes.

9:39 a.m.: Betsey Gentile motioned to approve the October 27, 2011 meeting minutes as presented. Mary Lintermann seconded and the motion carried unanimously.

9:41 a.m.: Mary Lintermann motioned to enter into Executive Session and Betsy Gentile seconded. The motion carried 8-0-0.

10:15 a.m.: Stephan Morse moved the Board out of Executive Session and into public session.

10:17 a.m.: <u>Plasan Carbon Composites - Bennington (Initial)</u>
Mary Lintermann made a motion to approve an Initial Application from Plasan Carbon Composites, giving initial authorization of "Green VEGI" incentives with a maximum of up to $516,395, with an estimated incentive of $499,182, based on application data for

activity to commence in calendar year 2012, citing a determination that the applicant met the But For and program guidelines subject to submittal and consideration of a Final Application before December 31, 2012. Betsy Gentile seconded and the motion carried 8-0-0.

10:20 a.m.: **Green Mountain Coffee Roasters, Inc - Essex (Final)**
Gordon Bristol made a motion to approve a Final Application from Green Mountain Coffee Roasters, Inc., giving final authorization of maximum incentives of up to $4,696,809, with an estimated incentive of $4,223,845 based on application data, citing a determination that the applicant met the But For and program guidelines when the Initial Application was approved in July 2011 and that the project will generate a minimum net revenue benefit of $6,297,553. Mark Young seconded and the motion carried 7-0-1 with Mary Lintermann abstaining.

10:25 a.m.: **Carbon Harvest Energy LLC/Brattleboro Carbon Harvest LLC - Burlington/Brattleboro (Final)**
Betsey Gentile made a motion to approve a Final Application from Carbon Harvest Energy LLC/Brattleboro Carbon Harvest LLC, giving final authorization of Green VEGI maximum incentives of up to $568,913, with an estimated incentive of $509,260 based on application data, citing a determination that the applicant met the But For and program guidelines when the Initial Application was approved in March 2011 and that the project will generate a minimum net revenue benefit of $141,097. Warren Kitzmiller seconded and the motion carried 8-0-0.

10:30 a.m.: **Concepts ETI, Inc. - Wilder (Final)**
Betsy Gentile made a motion to approve a Final Application from Concepts ETI, Inc. (dba Concepts NREC), giving final authorization of Green VEGI maximum incentives of up to $290,335, with an estimated incentive of $272,325 based on application data, citing a determination that the applicant met the But For and program guidelines when the Initial Application was approved in May 2011 and that the project will generate a minimum net revenue benefit of $117,880. Chris Keyser seconded and the motion carried 8-0-0.

10:35 a.m.: **Ellison Surface Technologies, Inc - No. Clarendon (Final)**
Chris Keyser made a motion to approve a Final Application from Ellison Surface Technologies, Inc., giving final authorization of maximum incentives of up to $688,462, with an estimated incentive of $624,260 based on application data, citing a determination that the applicant met the But For and program guidelines when the Initial Application was approved in August 2010 and that the project will generate a

minimum net revenue benefit of $289,406. Warren Kitzmiller seconded and the motion carried 8-0-0.

10:40 a.m.: **SOH Wind Engineering LLC - Williston (Final)**
Betsy Gentile made a motion to approve a Final Application from SOH Wind Engineering LLC, giving final authorization of Green VEGI maximum incentives of up to $153,995, with an estimated incentive of $125,762 based on application data, citing a determination that the applicant met the But For and program guidelines when the Initial Application was approved in May 2011 and that the project will generate a minimum net revenue benefit of $41,793. Gordon Bristol seconded and the motion carried 8-0-0.

10:45 a.m.: **VEGI Applications - Delay Requests**
Chris Keyser motioned to approve the requests by Hayward Tyler, Inc. and Transcend Quality Manufacturing, Inc. to delay their project Activity Commencement Dates to 2012. Warren Kitzmiller seconded and the motion carried 8-0-0

10:50 a.m.: **VEGI Terminations:**
Mary Lintermann made a motion to terminate VEGI incentives authorized on October 25, 2007 for New England High Purity, Inc. and on May 27, 2010 for The Original Vermont Wood Products, Inc. Betsey Gentile seconded and the motion carried 8-0-0.

10:55 a.m.: **VEGI Rescission:**
Mark Young made a motion to rescind the January 28, 2010 Initial Approval of VEGI incentives for Skypoint Solar, Inc. Warren Kitzmiller seconded and the motion carried 8-0-0.

11:00 a.m.: Mary Lintermann made a motion to approve the Master TIF District Determination for the Hartford TIF District. Warren Kitzmiller seconded and the motion carried 8-0-0.

Fred Kenney reviewed the VEPC 2012 legislative priorities, known at this time, and the 2011 VEGI authorization levels.

11:32 a.m.: The meeting was adjourned.

Minutes taken by Alice Cloud: December 8, 2011
Revised by Fred Kenney: December 13, 2011
Approved by the Board: January 26, 2012

VERMONT ECONOMIC PROGRESS COUNCIL

MEETING MINUTES

JULY 28, 2011

NATIONAL LIFE BUILDING, 6TH FLOOR
MONTPELIER, VT
9:30 A.M. TO 12:30 P.M.

Members Present: Gordon Bristol, Betsy Gentile, Chris Keyser, Warren Kitzmiller, Mary Lintermann, Stephan Morse, Nancy Port, Bryon Quatrini, Rachel Smith, Mark Young.

Staff Present: Fred Kenney; Alice Cloud

Others Present: Jeff Carr, EPRI; Lori Hirshfield, Hartford DPDS; Sam Andersen, CVEDC; Frank Cioffi, Seth Bowden, GBIC; Peter Odienra, BCIC; John Wilkinson, WCW President, Jean Wilkinson, WCW Vice-president, Bill Layman, CFO, WCW; Marge McDonnell, Tax Director, Paul Comey, VP Environmental Affairs, Tina Bissonette, VP Finance, Adam Sigrist, Capital Financial Analysis Manager, GMCR.

9:30 a.m.: Stephan Morse, appointed as Chair by the Governor on July 14, assumed the Chair and called the meeting to order and asked everyone to introduce themselves.

Stephan welcomed the two new members and Nancy for reappointment. Stephan thanked Chris Keyser for his service as Interim Chair.

9:31 a.m.: Stephan asked the Council if they would like to continue the practice of electing a vice-chair. In response, Betsey Gentile made a motion to nominate Mary Lintermann as Vice-Chair. Warren Kitzmiller seconded and the motion carried unanimously.

9:34 a.m.: Stephan asked if there was any public comment. Nancy asked that the Council send a letter to Carl Rosenquist for his service to the Council. Stephan agreed and stated his thanks, on behalf of the Council for all the years and hard work Carl contributed to the work of the Council and in economic development over the years.

9:36 a.m.: Nancy Port motioned to approve the June 25, 2011 meeting minutes as presented. Mark Young seconded and the motion carried 10-0-0.

9:37 a.m.: Betsy Gentile motioned to enter into Executive Session and Bryon Quatrini seconded. The motion carried 10-0-0.

10:33 a.m.: Mark Young motioned to exit Executive Session and Warren Kitzmiller seconded. The motion carried 10-0-0.

10:33 a.m.: <u>Green Mountain Coffee Roasters, Inc. - Essex (Initial)</u>
Nancy Port made a motion to approve an Initial Application from Green Mountain Coffee Roasters, Inc., giving initial authorization of incentives with a maximum of up to $4,072,790. with an estimated incentive of $3,703,778. based on application data, for activity to commence in calendar year 2011, citing a determination that the applicant met the But For and program guidelines and that the project will generate a minimum net revenue benefit of $3,629,501., subject to submittal and consideration of a Final Application before December 31, 2011. Betsy Gentile seconded and the motion carried 10-0-0.

10:35 a.m.: Mark Young motioned to enter into Executive Session and Mary Lintermann seconded. The motion carried 10-0-0.

11:07 a.m.: Mark Young motioned to exit Executive Session and Warren Kitzmiller seconded. The motion carried 10-0-0.

11:10 a.m.: <u>WCW, Inc. - Bennington Area (Initial)</u>
Betsy Gentile made a motion to approve an Initial Application from WCW, Inc., giving initial authorization of incentives with a maximum of up to $522,484., with an estimated incentive of $502,340., based on application data for activity to commence in calendar year 2011, citing a determination that the applicant met the But For and program guidelines and that the project will generate a minimum net revenue benefit of $208,438., subject to submittal and consideration of a Final Application before December 31, 2011. Mark Young seconded and the motion carried 10-0-0.

11:11 a.m.: The Council took a short break.

11:19 a.m.: The Council continued deliberation on the Hartford TIF District application.

Lori Hirshfield, Town of Hartford, requested that the Council consider an amendment to the TIF District boundary that was proposed by the original Plan and application. In two locations, the boundary was drawn on one side of the street when it should have been drawn to include the street because infrastructure will likely be developed on that

street. The locations in question are South Main Street at the southern-most end of the TIF District and at the intersection of Hartford Avenue and North Main Street. The Hartford Select Board voted to approve the change on July 26.

11:25 a.m.: Nancy Port moved to approve an amendment to the Hartford TIF District Plan and application to alter the boundary as proposed by the Town of Hartford and approved by the Hartford Select Board on July 26, subject to the receipt of a copy of the Agenda and Minutes of the July 26 Hartford Select Board meeting. Betsy Gentile seconded and the motion carried 10-0-0.

Jeff Carr gave an overview of the technical analysis performed by EPR and subcontractors of the Hartford TIF Plan and application. He confirmed that, in the opinion of the analysts, most aspects of the TIF District meet the criteria and the analysts recommend positive findings for:

- Project Criteria A: Infrastructure expenditures represent a substantial public investment over and above normal municipal or bonded debt.

- Project Criteria E: The transportation infrastructure clearly improves flow, safety and use of public transit.

The analysts expressed concern regarding the request for 100% proportionality on all infrastructure projects, primarily due to utilization of the various infrastructure projects, which will go well beyond utilization by the populations (employees, residents, etc) generated by the new developments. The analysts suggested that if the Council requires more analysis on utilization, further data, information and time would be required. Jeff felt that the council may want the additional information but that it would really just confirm the staff review for proportionality. The analysts also require more information to make any conclusions or recommendation in regards to fiscal and market viability of the Plan due to the ambitiousness of the development calendar and infrastructure plan.

Link to Preliminary Technical Analysis Report

Lori Hirshfield responded to the analyst's concerns, describing the process they went through to determine costs of the infrastructure, the Growth Center approval process, and the development of the White River Revitalization Plan. She also provided further insights on marketability and market absorption rates in White River as to occupancy rates being quite low and that new commercial space being 100% occupied. The town also recognized the due diligence by the owners and developers for marketability of

development. She also addressed proportionality and argued that all the projects have direct benefits to the TIF District.

The Council also asked Lori to provide further explanation for the boundaries of the District, specifically regarding the parcels on which no known, current development or redevelopment projects were planned. She explained the nexus between the parcels in question and the proposed infrastructure projects. There was an opportunity of the big picture for the downtown. The possible anticipation for development potential in areas that were not specifically noted in the TIF District were not to be excluded but not developmentally included either. There is viability of the whole area but the town wanted to look at TIF District in a financially conservative manner.

12:17 p.m.: Mary Lintermann made a motion that the Council find that the Hartford TIF District and application meet the purpose of a TIF District as stated by statute, but the Council conditions approval on annual reporting that includes job creation data with detailed information on the employers such as type of business, number of employees, and previous location (if any), for tracking purposes. Chris Keyser seconded and the motion carried 10-0-0.

12:18 p.m.: Chris Keyser made a motion that the Council find that the Process Criteria are met by the Hartford TIF District Plan and application. Warren Kitzmiller seconded and the motion carried 10-0-0.

12:19 p.m.: Betsy Gentile made a motion that the Council find that the infrastructure development proposed by the Hartford TIF District Plan requires substantial public investment over and above the normal municipal or bonded debt expenditures of the town, and therefore Project Criterion A (Need), is met. Mary Lintermann seconded and the motion carried 10-0-0.

12:19 p.m.: Chris Keyser made a motion that the Council find that there is an area in the Hartford TIF District in which a hazardous substance, pollutant, or contaminant is or may be present that is likely to complicate the expansion, development, redevelopment, or reuse of the property, and that one of the proposed projects will cause the remediation and redevelopment of that site, and therefore, Project Criterion C (Brownfield remediation), is met. Nancy Port seconded and the motion carried 10-0-0.

12:20 p.m.: Warren Kitzmiller made a motion that the Council find that that the transportation infrastructure proposed by the Hartford TIF District Plan will enhance transportation by creating improved traffic patterns and flow or creating or improving

public transportation systems, and therefore, Project Criterion E (Transportation), is met. Betsy Gentile seconded and the motion carried 10-0-0.

12:21 p.m.: Mary Lintermann made a motion that the Council approve the Hartford TIF District proposal of 100% proportionality for all infrastructure projects. Nancy Port seconded and the motion carried 9-1-0 with Mark Young opposed.

12:24 p.m.: Nancy Port left the meeting.

12:26 p.m.: Betsy Gentile made a motion that the Council find that nexus has been established between the proposed infrastructure projects, the expected real property developments, and all parcels included in the Hartford TIF District. Warren Kitzmiller seconded and the motion carried 9-0-0.

12:28 p.m.: Chris Keyser made a motion that the Council table the issue of Viability and the financing plan until the next meeting. Mark Young seconded and the motion carried 9-0-0.

12:29 p.m.: Fred Kenney updated the members on his appearance and testimony at the Joint Fiscal Committee and the Emergency Board on July 21. The JFC asked for testimony on the annual update to the VEGI cost-benefit model and they voted to approve the model. The Emergency Board considered the Council's request to exceed the VEGI Cap for calendar 2011 and approved the request with a new cap of $18,000,000. Also there has been feedback from companies regarding the lack of communication from the Tax Department about claim submissions for the VEGI program.

12:33 p.m.: Mark Young made a motion for staff to draft a letter from the Council chair to the Tax Department encouraging more timely examination of VEGI claims and incentive payments, if earned, and to better communicate the status of the claims with the claimants. Gordon Bristol seconded and the motion carried 9-0-0.

12:40 p.m.: The meeting was adjourned.

*Minutes taken by Alice Cloud: **July 28, 2011***
*Revised by Fred Kenney: **July 29, 2011***
*Approved by the Board: **October 27, 2011***

VERMONT ECONOMIC PROGRESS COUNCIL

MEETING MINUTES

JANUARY 28, 2010

NATIONAL LIFE BUILDING, 6TH FLOOR

MONTPELIER, VT

9:30 A.M. TO 1:00 P.M.

Members Present: Karen Marshall, Janet Ancel, Mark Young, Chris Keyser, Rachel Smith, John Campbell (9:45), Mary Lintermann, Nancy Port, Betsy Gentile

Members Absent: Carl Rosenquist, Stephan Morse

Staff Present: Fred Kenney, Raegan Pembroke, Jayna Jones

Others: Frank Cioffi, Seth Bowden, Curt Carter, GBIC; Vince Conte, Paul Laderoute, Hayward Tyler; Mike Lane, Deb Richwien, David Stetson, Dealer.com; Ian Wyatt, Business Financial Publishing; John Tuttle, Michael Olsen, Skypoint Solar; Brennan Duffy, DEHCD; John Kessler (attended intermittently at request of the Board), General Counsel, ACCD; Mathew Barewicz, EPRI

9:34 a.m. Karen Marshall called the meeting to order. Karen welcomed Janet Ancel and John Campbell, the newest members of the Council appointed by the Speaker of the House and Senate Committee on Committees respectively.

Karen asked if there was any public comment. Hearing none, Karen inquired on the Council's pleasure regarding the December 17, 2009 meeting minutes.

9:40 a.m. Chris Keyser made a motion to approve the December 17, 2009 meeting minutes. Nancy Port seconded and the motion carried 8-0-0.

9:40 a.m. Betsy Gentile made a motion to enter Executive Session to discuss VEGI applications, citing Title 1, Section 313, and Subsection 6. Mary Lintermann seconded and the motion carried 8-0-0.

9:45 a.m. John Campbell joined the meeting.

12:43 p.m. Nancy Port made a motion to exit executive session. John Campbell seconded and the motion carried 9-0-0.

12:45 p.m.

Hayward Tyler, Initial Application, Chittenden County

Mark Young made a motion to approve an Initial Application from Hayward Tyler, giving initial authorization of maximum incentives of up to $1,103,117, with an estimated incentive of $1,066,347 based on application data, citing a determination that the applicant met the But For and program guidelines and that the project will generate a minimum net revenue benefit of $579,415, subject to submittal and consideration of a Final Application before December 31, 2010. Betsy Gentile seconded and the motion carried 9-0-0.

12:50 p.m.

Dealer.Com, Initial Application, Burlington

Nancy Port made a motion to approve an Initial Application from Dealer.Com, giving initial authorization of maximum incentives of up to $3,553,369, with an estimated incentive of $3,257,255 based on application data, citing a determination that the applicant met the But For and program guidelines and that the project will generate a minimum net revenue benefit of $2,004,707, subject to submittal and consideration of a Final Application before December 31, 2010. Betsy Gentile seconded and the motion carried 9-0-0.

12:55 p.m.

Business Financial Publishing, Initial Application, Burlington

Mary Lintermann made a motion to approve an Initial Application from Business Financial Publishing, giving initial authorization of maximum incentives of up to $162,473, with an estimated incentive of $148,934 based on application data, citing a determination that the applicant met the program guidelines and that the project will generate a minimum net revenue benefit of $71,360. Rachel Smith seconded and the motion failed 1-8-0, due to a determination by a majority of the Council that the application did not meet the But For.

12:57 p.m.

Skypoint Solar, Initial, Burlington

Chris Keyser made a motion to approve an Initial "Green VEGI" Application from Skypoint Solar, giving initial authorization of maximum incentives of up to $7,900,114, with an estimated incentive of $6,793,765 based on application data, citing a determination that the applicant met the But For and program guidelines and that the project will generate a minimum net revenue benefit of $2,286,537, subject to submittal and consideration of a Final Application before December 31, 2010. John Campbell seconded and the motion carried 8-1-0.

12:58 p.m.

Meeting Adjourned.

*Minutes taken by Jayna Jones & Raegan Pembroke: **January 28, 2010***
*Revised by Fred Kenney: **February 1, 2010***
*Approved by the Board: **March 25, 2010***

VERMONT ECONOMIC PROGRESS COUNCIL

MEETING MINUTES

DECEMBER 17, 2009

NATIONAL LIFE BUILDING, 6TH FLOOR

MONTPELIER, VT

9:00 A.M. TO 12:30 P.M.

Members Present: Karen Marshall, Chris Keyser, Betsy Gentile, Stephan Morse, Mary Lintermann (left at 10:30 a.m.), Rachel Smith (arrived 9:20 a.m.)

Members Present by Phone: Mark Young, Carl Rosenquist

Members Absent: Nancy Port

Staff: Fred Kenney, Jayna Jones

Others: Curt Carter, GBIC; Greg Maguire, Deb Royce, Revision Eyewear; Sam Matthews, CVEDC; Brad Gordon, SBE, Inc.

9:02 a.m. Karen Marshall called the meeting to order, noted for the record that the General Assembly has not yet designated members to the Council as required by Section 12 of Act 184 (2005; Effective April 1, 2009) and asked if there was any public comment.

Hearing none, Karen inquired on the Council's pleasure regarding the October 22, 2009 meeting minutes.

9:03 a.m. Stephan Morse made a motion to approve the October 22, 2009 meeting minutes. Betsy Gentile seconded and the motion carried 7-0-0.

9:03 a.m. Mary Lintermann made a motion to enter Executive Session to discuss VEGI applications, citing Title 1, Section 313, and Subsection 6. Stephan Morse seconded and the motion carried 7-0-0.

9:38 a.m. Mary Lintermann made a motion to exit executive session. Stephan Morse seconded and the motion carried 8-0-0.

9:39 a.m.

Revision Eyewear, Initial Application, Chittenden County

Stephan Morse made a motion to approve an Initial Application from Revision Eyewear, giving initial authorization of maximum incentives of up to $933,206, with an estimated incentive of $855,438 based on application data, citing a determination that the applicant met the But For and program guidelines and that the project will generate a minimum net revenue benefit of $724,515, subject to submittal and consideration of a Final Application before December 31, 2010. Chris Keyser seconded and the motion carried 8-0-0.

9:41 a.m. Stephan Morse made a motion to enter Executive Session to discuss VEGI applications, citing Title 1, Section 313, and Subsection 6. Betsy Gentile seconded and the motion carried 8-0-0.

9:53 a.m. Stephan Morse made a motion to exit executive session. Betsy Gentile seconded and the motion carried 8-0-0.

9:54 a.m.

SBE, Inc., Final Application, Barre.

Mary Lintermann made a motion to approve a Final "Green VEGI" Application from SBE, Inc., giving final authorization of maximum incentives of up to $3,048,671, with an estimated incentive of $2,729,151 based on application data, citing a determination that the applicant met the But For and program guidelines and that the project will generate a minimum net revenue benefit of $817,673. Betsy Gentile seconded and the motion carried 8-0-0.

9:56 a.m. Stephan Morse made a motion to enter Executive Session to discuss VEGI applications, citing Title 1, Section 313, and Subsection 6. Betsy Gentile seconded and the motion carried 8-0-0.

10:20 a.m. Mary Lintermann made a motion to exit executive session. Betsy Gentile seconded and the motion carried 8-0-0.

10:21 a.m.

Green Mountain Coffee Roasters, Final Application, Chittenden County

Betsy Gentile made a motion to approve a Final Application from Green Mountain Coffee Roasters, giving final authorization of maximum incentives of up to $292,307, with an estimated incentive of $271,704 based on application data, citing a determination that the applicant met the But For and program guidelines and that the project will generate a minimum net revenue benefit of $1,736,611. Carl Rosenquist seconded and the motion carried 8-0-0.

10:21 a.m.

Northern Power Systems, Final Application, Barre

Chris Keyser made a motion to approve a Final "Green VEGI" Application from Northern Power Systems, giving final authorization of maximum incentives of up to $808,104, with an estimated incentive of $724,592 based on application data, citing a determination that the applicant met the But For and program guidelines and that the project will generate a minimum net revenue benefit of $235,796. Betsy Gentile seconded and the motion carried 8-0-0.

10:22 a.m.

Seldon Technologies, Final Application, Windsor

Betsy Gentile made a motion to approve a Final "Green VEGI" Application from Seldon Technologies, giving final authorization of maximum incentives of up to $478,396, with an estimated incentive of $443,502 based on application data, citing a determination that the applicant met the But For and program guidelines and that the project will generate a minimum net revenue benefit of $136,972. Stephan Morse seconded and the motion carried 8-0-0.

9:54 a.m.

Maple Mountain Woodworks, Final Application, Richford

Carl Rosenquist made a motion to approve a Final Application from Maple Mountain Woodworks, giving final authorization of maximum incentives of up to $143,323, with an estimated incentive of $136,918 based on application data, citing a determination that the applicant met the But For and program guidelines and that the project will generate

a minimum net revenue benefit of $59,955. Mary Lintermann seconded and the motion carried 8-0-0.

Stephan Morse made a motion to approve an enhanced incentive amount using the authority of VSA 32 §5930b(b)5 authorizing a maximum incentive of up to $209,980, with an estimated incentive of $200,590 with a minimum net revenue benefit of $28. Rachel Smith seconded and the motion was defeated 3-5-0.

10:24 a.m. Mary Lintermann made a motion to enter Executive Session to discuss VEGI applications, citing Title 1, Section 313, and Subsection 6. Betsy Gentile seconded and the motion carried 7-0-1. Karen Marshall recused from this session, leaving Chris Keyser as acting Chair.

10:25 a.m. Mary Lintermann made a motion to exit executive session. Betsy Gentile seconded and the motion carried 7-0-1.

10:25 a.m.
Terry Bicycles, Final Application, Burlington
Betsy Gentile made a motion to approve an Final Application from Terry Bicycles, giving final authorization of maximum incentives of up to $126,296, with an estimated incentive of $119,173 based on application data, citing a determination that the applicant met the But For and program guidelines and that the project will generate a minimum net revenue benefit of $53,440. Mary Lintermann seconded and the motion carried 7-0-1.

10:26 a.m.
Karen Marshall rejoined the meeting and resumed duties as Chair.

Mary Lintermann updated the Council on the Commission for the Future of Economic Development process.

10:30 a.m.
Mary Lintermann left the meeting.

Fred reviewed the VEGI Authorization summary and the need to apply to the Emergency Board to authorize exceeding the $10 million cap for 2010.

10:37 a.m.
Stephan Morse made a motion to authorize an application to the Emergency Board and authorize the Chair and staff to request that the Emergency Board consider increasing the 2010 cap to a minimum of $25M, as required by applications already approved for 2010, applications in the queue, and applications not yet known. The volume of applications and the volume of potential activity in the applications to be considered at the January 2010 meeting will clearly exceed the $10M cap if authorized, leaving the state with no incentive program for the remainder of 2010. Leaving the state with no tool to recruit and encourage potential growth within Vermont beyond the 1st Quarter of 2010 during the current economic situation is clearly an emergency that justifies application to the Emergency Board as required by §11 of Act 184 (S.165-2006). Mark Young seconded, and the motion carried 7-0-0.

Fred Kenney updated the council on other applicant related activities and noted that Jayna will be moving into the Administration Division of the Agency of Commerce and a new employee will be providing Council and other divisions support beginning January 4. He also notified the Council that another TIF Letter of Intent to Apply has been submitted by the Town of Colchester.

10:48 a.m.
Meeting Adjourned.

Minutes taken by Jayna Jones: December 17, 2009
Revised by Fred Kenney: December 18, 2009
Approved by the Board: January 28, 2010

VERMONT ECONOMIC PROGRESS COUNCIL

MEETING MINUTES

JULY 23, 2009

NATIONAL LIFE BUILDING, 6TH FLOOR

MONTPELIER, VT

9:30 A.M. TO 12:30 P.M.

Members Present: Chris Keyser, Mary Lintermann, Karen Marshall, Stephan Morse, Nancy Port, Carl Rosenquist, Rachel Smith

Members by Phone: Mark Young

Members absent: Betsy Gentile

Staff: Fred Kenney, Jayna Jones

Others: Mathew Barewicz, EPRI; Sam Mathews, Jennifer Surat CVEDC; Frank Cioffi, GBIC; Seth Bowden, GBIC; Fran Rathke, Margaret McDonald, Paul Comey, GMCR; Jim Shay, Northern Power Systems.

9:45a.m. Karen Marshall called the meeting to order.

9:46 a.m. Stephan Morse made a motion to approve the May 28, 2009 meeting minutes. Nancy Port seconded and the motion carried 8-0-0.

Karen noted for the record that the General Assembly has not yet designated members to the Council as required by Section 12 of Act 184 (2005; Effective April 1, 2009) and asked if there was any public comment.

Fran Rathke requested to discuss a general concern about both the EATI and VEGI incentive programs. Benefits to the company, once earned, are taxable by the state and federal governments. She mentioned it seemed counter-intuitive, especially that the federal government receives 36% of the state incentive dollars that are being earned by the company. She asked the Council what GMCR could do to raise this issue.

The Council informed Fran of the legislative summer committee that is meeting this summer and recommended that she speak with that committee, her local legislators, chairs of the tax committees, and the federal delegation.

9:50 a.m. Stephan Morse made a motion for Fred to raise the taxation of incentives issue with state and local legislators. Nancy Port seconded and the motion carried 8-0-0.

9:53 a.m. Mary Lintermann made a motion to enter Executive Session to discuss VEGI applications, citing Title 1, Section 313, and Subsection 6. Carl Rosenquist seconded and the motion carried 8-0-0.

10:42a.m. Mary Lintermann made a motion to exit executive session. Stephan Morse seconded and the motion carried 8-0-0.

10:43a.m.

Green Mountain Coffee Roasters, Waterbury, Initial Application

Stephan Morse made a motion to approve an Initial Application from Green Mountain Coffee Roasters, giving initial authorization of maximum incentives of up to $297,403 in incentives, with an estimated incentive of $276,441 based on a determination that the applicant met the But For and program guidelines and that the project will generate a minimum net revenue benefit of $1,766,887, pending receipt and approval of a Final Application. Mark Young seconded and the motion carried 8-0-0.

10:46 a.m. Nancy Port made a motion to enter executive session. Stephan Morse seconded and the motion carried 8-0-0.

11:26 a.m. Carl Rosenquist made a motion to exit executive session. Mary Lintermann seconded and the motion carried 8-0-0.

11:27 a.m.

Northern Power Systems, Barre, Initial Application

Carl Rosenquist made a motion to approve an Initial Application from Northern Power Systems, Inc., giving initial authorization of up to $826,014 in incentives, with an estimated incentive of $740,650 based on a minimum positive cost-benefit result of $243,188, analysis and review of guideline responses, and the application having met the But For, pending receipt and approval of a Final Application. Nancy Port seconded and the motion carried 8-0-0.

11:34 a.m. Meeting adjourned.

Minutes taken by Jayna Jones: July 23, 2009
Revised by Fred Kenney: August 12, 2009
Approved by the Board: August 27, 2009

VERMONT ECONOMIC PROGRESS COUNCIL
Minutes of Board Meeting
October 25, 2007
9:30 a.m. – 12:30 p.m.
6th Floor Conference Room
National Life Bldg.
Montpelier, VT

Members Present: Chris Keyser, Mary Lintermann, Nancy Port, Betsy Gentile, Karen Marshall

By Phone: Carl Rosenquist, Mark Young, Vincent Fusca

Members Absent: Minty Conant

Staff: Fred Kenney, Jayna Guilford

Others Present: Megan Rodriguez, Department of Economic Development; Sam Mathews, Central VT Economic Development Corp.; Frank Cioffi, Seth Bowden, Greater Burlington Industrial Corporation; Mat Barewicz, EPRI; Jason King, Michael Thompson, Jonathon McNamara, Green Mountain Coffee Roasters; Joanne Donahue, David Hogsett, Mascoma Corporation; Robin Morris, NEHP

9:37 a.m.
Karen Marshall called the meeting to order. Karen thanked everyone for joining us and then asked for any public comment. There was no public comment.

9:40 a.m.
Karen Marshall asked if there were any changes that needed to be made to the September 6, 2007 minutes. Nancy Port made a motion to approve the September 6 minutes as written. Chris Keyser seconded and the motion carried 8-0-0.

Fred distributed a letter from the Two Rivers Ottauquechee Regional Commission regarding the Mascoma application, which was received after the board packet was mailed.

Fred explained the new format of the application write-ups which will now list a maximum level of incentives that can be earned and an estimated level of incentives based on the application data. Because the statute requires the first installment of incentives to be adjusted to account for part-year hiring for the first year new qualified employees are employed, there will be a maximum amount of incentive, or ceiling, that represents that maximum of incentive that could possibly be

earned if all new qualified employees were hired on January 1. The estimated level reflects the adjustment to the first installment and is based on the estimated hiring schedule during the first year that each new group of new qualifying employees is hired. The applicant estimated during which quarter of the year the majority of the new hires will be hired. The actual amount will be calculated based on the actual month each new employee is hired. Therefore the actual first installment will be based on the total actual payroll for the first year, but the total incentive can never exceed the maximum amount.

9:40 a.m.
Chris Keyser made a motion to enter Executive Session to discuss the applications, citing Title 1, Section 313, Subsection 6. Mary Lintermann seconded and the motion carried unanimously.

11:10 a.m.
Betsy Gentile made a motion to exit Executive Session. Nancy Port seconded and the motion carried unanimously.

The council considered the following VEGI applications:

11:12 a.m
Applejack Art Partners, Manchester:
In May, the Council approved VEGI incentives for Applejack Art Partners for jobs and investment planned due to the acquisition of the Lieberman's Gallery in Massachusetts and transfer of the gallery and the jobs to Vermont. On September 24, the Council was notified that just prior to closing on the acquisition, Lieberman's demanded a change in the structure of the deal which was unacceptable to Applejack, therefore, the project will not proceed as planned.

Mary Lintermann made a motion to rescind the $85,539 in VEGI incentives approved for Applejack Art Partners on May 3, 2007. Carl Rosenquist seconded and the motion carried 8-0-0.

11:13 a.m.
Green Mountain Coffee Roasters, Waterbury/Essex, Final Application:
Initial Approval of incentives was authorized by the Council on May 24, 2007. Because of the incentives, GMCR decided to expand in Vermont. There are no changes in the Final Application or the project circumstances that necessitate reconsideration of the But For or Guidelines. The applicant and project still meets or exceeds all Guidelines. Following Initial Approval, GMCR has decided on a site in Essex Junction. Initial Approval allowed GMCR to project production assets and packaging capacity for both the Waterbury and the new location, which are submitted in this Final Application. The company would place new packaging lines and relocate pre-existing packaging lines in the Essex Junction facility, as well as transfer all non-coffee products to this site.

Nancy Port made a motion to approve Green Mountain Coffee Roaster's final application authorizing a maximum of up to $1,786,828 in VEGI incentives, with an estimated incentive of $1,548,584 based on application data. Chris Keyser seconded and the motion carried 8-0-0.

11:14 a.m

NEHP, Inc., (Formerly New England High Purity), Williston, Final Application

Initial Approval of incentives was authorized by the Council in February, 2007. Because of the incentives, NEHP received external financing and made the decision to fully invest in R&D and add more new jobs over the next five years than they would have without the incentive. There are no changes in the Final Application or the project circumstances that necessitate reconsideration of the But For or Guidelines. The applicant and project still meet or exceed all Guidelines.

Mary Lintermann made a motion to approve the final application from NEHP, Inc., authorizing a maximum of up to $182,396 in VEGI incentives, with an estimated incentive of $159,341 based on application data. Carl Rosenquist seconded and the motion carried 8-0-0.

11:15 a.m.

Mascoma Corporation, Upper Valley Location TBD, Initial Application

Nancy Port made a motion to approve Mascoma Corporation's Initial Application, giving Initial Authorization of a maximum of up to $1,942,989 in VEGI incentives, with an estimated incentive of $1,683,924 based on application data, for activity to take place during 2008 -2012 with the following conditions: (1) Final incentive amount and targets are subject to submission and approval of a final application, including identification of a site; (2) Submission of letter from municipality; and (3) Submission of new letters from regional organizations if project located in a region other than Windsor County/Upper Valley. Betsy Gentile seconded, and the motion carried 7-0-1. Mary Lintermann recused from consideration of the application and abstained from voting.

The Council conducted the following EATI Performance Expectation reviews pursuant to Title 32 Section 5930a(l)(1)(B):

11:18 a.m.

Sonnax Industries, Inc./Neil Joseph, LLC, Bellows Falls

Tax Year under review: September 2006

Authorized October 24, 2002 for October 1, 2002 – September 30, 2007

Nancy Port made a motion that the $71,211 in earned/carry-forward credits for Sonnax Industries, Inc. remain available to be applied in tax year ending September 2006 and any subsequent years, as liability allows, through the end of the carry-forward period, and the remaining $380,309 in unearned credits, including the $146,243 in Export Credits claimed as earned in tax year ending September 2006, should be disallowed in full, due to a failure to met overall expectations and the potential to generate a net negative revenue cost. For Neil Joseph, LLC it is understood that $71,999 has been earned and $28,571 has been applied with $43,428 in carry-forward. However, the

carry-forward is deemed to be $0 because the asset that generated the credit has been sold. Therefore, none of the remaining earned credit can be applied. The Council recommends that the $43,428 in credits in carry-forward be disallowed and the $160,559 in remaining unearned credits be disallowed in full. Besty Gentile seconded and the motion carried 8-0-0.

11:19 a.m.
BK Fellows Services Group, Springfield
Tax Year under review: December 2006
Authorized July 25, 2002 for January 1, 2002 – December 31, 2006
Mary Lintermann made a motion that the credits claimed for 2006 ($411) be allowed in full and all credits earned to date ($43,769) remain available to be applied in 2006 and through the carry-forward period, as liability allows. Carl Rosenquist seconded, and the motion carried 8-0-0.

11:20 a.m.
Verilux, Inc., Waitsfield
Tax Year under review: December 2005 and December 2006
Authorized June 26, 2003 for January 1, 2003 – December 31, 2007
Betsy Gentile made a motion that the credits in carry-forward remain available through the carry-forward period and the credits earned in 2005 and 2006 be allowed in full because the credits earned are commensurate with the activity that has occurred and the net revenue benefit remains positive. Mary Lintermann seconded and the motion carried 8-0-0.

11:21 a.m.
Fred Kenney updated the Council on the year to date authorizations, reviewed the handouts and requested Council input on the 2008 draft meeting schedule. The Council approved the meeting schedule as presented.

11:30 p.m.
Karen Marshall adjourned the meeting.

Minutes taken by Jayna Guilford: October 25, 2007
Revised by Fred Kenney: November 2, 2007
Approved by the Board: 12/6/2007

VERMONT ECONOMIC PROGRESS COUNCIL
Minutes of Board Meeting
May 24, 2007
9:30 – 12:30 p.m.
6th Floor Conference Room
National Life Bldg.
Montpelier, VT

Members Present: Betsy Gentile, Chris Keyser, Karen Marshall, Mary Lintermann, Nancy Port, Mark Young, Vincent Fusca

By Phone: Carl Rosenquist, Minty Conant (both left the meeting at 11:15 am)

Members Absent: None

Staff: Fred Kenney, Jayna Guilford

Others Present: Mathew Barewicz, Economic & Policy Resources, Inc.; Frank Cioffi, Dan Smith, Greater Burlington Industrial Corporation; Sam Matthews, Central Vermont Economic Development Corporation; Fran Rathke, CFO, Michael Thompson, Jason King, Director of Facilities and Engineering, Jon Wettstein, VP Supply Chain Operations, and John Holtman, Corporate Controller, Green Mountain Coffee Roasters

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9:35 a.m.
Karen Marshall called the meeting to order. Karen Marshall thanked everyone for joining us and then asked for any public comment. There was no public comment.

Fred reviewed the handouts and press articles since the last meeting.

9:40 a.m.
Karen Marshall asked if there were any changes that needed to be made to the May 3, 2007 minutes. Nancy Port made a motion to approve the May 3rd minutes as presented. Betsy Gentile seconded and the motion carried unanimously.

9:40 a.m.
Betsy Gentile made a motion to enter Executive Session to discuss the applications, citing Title 1, Section 313, Subsection 6. Mary Lintermann seconded and the motion carried unanimously.

10:39 a.m.
Mary Lintermann made a motion to exit Executive Session. Nancy Port seconded and the motion carried unanimously.

The Council considered the following applications:

Green Mountain Coffee Roasters, Waterbury: Initial Application
Green Mountain Coffee Roasters (GMCR) has been a Vermont employer for 25 years, growing from a small retail shop established in 1981, they are now a $225 million company employing over 800 employees company-wide. GMCR roasts, packages and distributes coffee from their Waterbury, Vermont headquarters and owns Kuerig, Incorporated located in Wakefield, Massachusetts, which manufactures the K-Cup , single-brew coffee system. The company currently employs 567 employees in Vermont, 554 full-time.

GMCR anticipates continued historical double-digit growth through 2010, which will result in exceeding the capacity of their primary manufacturing facility in Waterbury. In early 2006, they formulated a plan to expand the existing Waterbury manufacturing site. The plan would have provide them with the additional manufacturing and office space needed to keep pace with the production pounds being forecast in both the traditional and K-Cup coffee markets over the coming years.

Green Mountain Coffee Roasters states that they are at a critical point in deciding how to accomplish their next phase of growth. They must have a second manufacturing/packing site operational by mid September of this year. Their preference would be to remain in Vermont. But due to economic factors and an imperative to meet a growing sales demand, they are investigating all options. A VEGI incentive would help Green Mountain Coffee Roasters to offset any competitive disadvantages that Vermont may have versus other options being considered. The company states that a VEGI incentive is "critically important the help GMCR justify making investments and creating new jobs here in Vermont versus outsourcing this opportunity to areas outside" Vermont. "Timing and incentives are critical" to their decision.

10:40 a.m.
Mary Lintermann made a motion to authorize Green Mountain Coffee Roasters, Inc. to earn up to $1,563,848 in Vermont Employment Growth Incentives, beginning May 24, 2007 subject to the following conditions:

- Final incentive amount and targets are subject to submission and approval of a final application, including identification of a site.
- None of the capital investments for the 2007 and 2008 capital investment targets can be met through expenditures that were represented on the 2004 EATI authorization approved for GMCR.

Betsy Gentile seconded and the motion carried 9-0-0.

10:41 a.m. Policy Discussions:

VEPC Mission, Goal:
Karen Marshall presented her thoughts on a new VEPC goal and mission statement.

Mission Statement: Improve the economic vitality of Vermont and support a sustainable future for our citizens.

Goal: Support the economy and citizens of the State of Vermont through the administration of state economic incentive programs designed to create employment growth and infrastructure investments, and to grow state revenues.

The Council will review the proposed mission statement and goal and will vote on the final version at the June 28, 2007 meeting.

Mary Lintermann and Fred Kenney presented the outcomes of the last Commission on the Future of Economic Development meeting.

Fred Kenney anticipates that the authorizations by the Council will come up against the statutory cap on incentives by October. He met with Jim Reardon on May 23rd to discuss the option of going before the Emergency Board, as allowed by statute, to get the cap increased. The Emergency Board will meet in July. Fred would like to have Council members and others who can show support for the program be present to testify if necessary.

The Council discussed several VEGI policies and procedures. The board agreed to the language regarding local, limited markets and authorized staff to include the language in the marketing materials and instructions for the VEGI program. The Board also supports the procedure

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regarding "standing" with the Tax Department and requested that the requirement and information be included in the program materials.

11:30 a.m.

Betsy Gentile made a motion to adjourn. Minty Conant seconded and the motion carried unanimously.

Minutes taken by Jayna Guilford: May 24, 2007
Revised by Fred Kenney: May 29, 2007
Approved by the Board:

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