

Entergy Settlement Funds Working Group
Thursday, July 24, 2014—2:00PM
Planning Services Department, Municipal Center

Present: Kate O'Connor, Kim Ellison, Russell Rice, Rod Francis

Public: Tom Appel (BDCC/SeVEDS)

Apologies: Elizabeth McLoughlin

1. Meeting called to Order

Mr. Francis called the meeting to order at 2:04PM. He welcomed people to the new Working Group explained how and why it came about and asked those present to review the charge for the Working Group as provided by the Selectboard.

2. Approve Minutes

None

3. Public Comment

Mr. Appel introduced himself as the Interim Project Manager for BDCC. He informed the Group that he has attended some of the meetings convened by Agency of Commerce and Community Development (ACCD) on these funds. In the absence of Stephan Morse and Laura Sibia he came to offer any useful information he might have and to be a resource.

4. New Open Meeting Law

Mr. Francis outlined the responsibilities of Open Meeting Law which require the meetings of the Working Group being warned in three specified public places, and notice provided on the Town webpage. These tasks have been done for this meeting. The draft minutes of any meeting must be available through the Town website within five (5) days of the meeting.

5. Organizational Discussion

Mr. Francis linked the prerequisite for a Clerk of the Working Group to the Open Meeting Law. He described the task of Clerk as ensuring that the meetings were correctly warned and that minutes of the meetings will be prepared, circulated and made available to the public via the Town webpage. Mr. Francis offered to do take on the role of Clerk. He was appointed unanimously by voice ascent by Working Group members.

6. Scope for comment proposed Vermont Agency of Commerce and Community Development (ACCD) Rules

Mr. Francis introduced the item, gave background on the rule setting approach adopted by ACCD which sought feedback from interested parties and the public through a series of meetings. He also referenced the ACCD website <http://accd.vermont.gov/business/WCGP>

Mr. Francis said that the period for formal comment on the rules has closed, but that ACCD accepts that given this is a new process adjustments may need to be made along the way. It is expected that there will be two rounds of applications for the first year. Because the program is new there is no way of judging how much competition there will be for the funds.

Mr. Francis clarified the role of the Town in reviewing any application for the funds that would be located in Brattleboro: **any application for a Revolving Loan Fund (RLF) or grant will require a letter**

of support from the Town ‘hosting’ the proposed project. This is standard procedure for access to other state programs such as Vermont Community Development Program (VCDP) funds. In this manner the Town Plan will act as a guidance document—conformance with the Town Plan will be required for a project to obtain a letter of support. The Selectboard will provide the letter based on review of the Town Plan by the Planning Commission and the Planning Services Department.

Mr. Rice circulated a copy of the Comprehensive Economic Development Strategy (CEDS) Review Sheet, which scored an application according to certain criteria. The first such criteria was ‘regionality’. Discussion ensued about the best way to understand such a criterion.

Ms. O’Connor suggested that the purpose of this group was to support “Brattleboro” rather than measure “regional” benefit.

Mr. Rice suggested that this could be viewed as a measure of what a Brattleboro located project offered the wider region (as a form of economic activity). It was agreed that a similar scoring model could be adapted to Brattleboro’s needs and that local impact was a key criterion.

Ms. Ellison asked when the application forms (including explicit guidance) would likely be available. Ms. O’Connor suggested that it was imminent but nobody was sure. Once the Notice of Funding Availability (NOFA) and the application form is made public there will be a sixty (60) day period in which to apply.

7. 2013 Town Plan as Guidance Document

Mr. Francis circulated copies of the Economic Development chapter of the 2013 Town Plan. He explained that the policies and action steps of the chapter give guidance on the type of project that would be supported. However, because any economic activity can have *negative* and *positive* impacts associated with it review of other chapters such as Natural Resources may also be required, to ensure there are any conflicts with the proposed project are fully understood.

Mr. Francis explained that the Economic Development chapter is descriptive and provides useful background material but is (somewhat like the CEDS Report) general in nature and thus can only give broad guidance. But Mr. Francis suggested that the Economic Development chapter could be the basis for ‘scoring system’ similar to the CEDS project worksheet (see item 6 [above]).

- a. Possible criteria for project review. In response to a question from Ms. Ellison Mr. Francis observed that there is overlap between the Town Plan and the CEDS report, and no obvious conflicts. The CEDS report tends to recommend more feasibility reports and studies than sector specific guidance compared to the Economic Development Chapter.

Mr. Francis circulated pages from the CEDS report which will act as a “threshold criteria” for any application. For a project to be considered by ACCD it must meet these goals and objectives. It was concluded that the very general nature of these objectives were not likely to provide much useful direction for ranking the importance of any one proposed project.

8. Entergy Clean Energy Development Fund Monies

Mr. Francis circulated materials describing the commitment to projects in Windham County for the Clean Energy Development Fund (\$2.6million from Entergy to spend in or benefit Windham County). Members discussed how to maximize the potential benefit of these funds in conjunction with the

Entergy Settlement Funds and other sources. It was noted that the priorities of this program are challenging to match to the existing industry base in Brattleboro.

In response to questions from Mr. Appel the group discussed the strategy of treating applicants for these funds separately from the Entergy Settlement Funds as opposed to 'maximizing' resources by loading up an applicant eligible under the CEDF program with funds from Entergy Settlement.

9. Existing Economic Development Tools

- a. SBAP: is a Revolving Loan Program (RLF) program operated by the Town using 'program funds' (see b. below). It currently has a lending limit of \$40,000.00 per application, repaid over five (5) years and at an interest rate of half prime or 3% whichever is the **lower**. Ms. Ellison explained that is usually accessed by firms to meet funding shortfalls for equipment. Pat Moulton (former BDCC Ex. Director, now Sec. of ACCD) among others has suggested that \$40,000.00 may be too low. This program is supported by (b) below and could benefit from revised rules, including a higher cap. **Staff to review and provide suggested revisions.** It is possible that one grant opportunity would be 'top-up' this fund from the ACCD program. The group discussed the idea of changing the existing program guidelines versus developing a sub-program that could focus on ENVY related projects and then re-capitalize the SBAP RLF using Entergy Settlement Funds
- b. (Other) Program Funds: originate when the Town acts a loan manager for VCDP loans to large development projects (both for profit and non-profit). Ms. Ellison told the Working Group the program fund has a balance of approximately \$414,000. For the past five years there have been one or two SBAP loans using this fund. Ms. Ellison spoke of loans to Commonwealth Dairy which will start to be repaid in November. Mr. Francis asked if a projection of future loan repayments was possible, Ms. Ellison undertook to prepare Fund Income Projections. The Rental Housing Improvement Program (RHIP) and Apartment in Homes Program (AHP) also draw funds from Program Funds. The group discussed ways to ensure that we could maximize access to the Program Funds while ensuring commitments these other programs can continue.
- c. Tax Stabilization: is a program for encouraging business investment consistent with existing Town policies. Mr. Rice explained that the program is biased towards large capital investments (equipment and buildings) and new FTE jobs and as such is suited to an industrial economy (not the economy we have now). The tax 'stabilized' is **only** a percentage of the municipal portion of the taxes (business personal property and property). Frequently, this turns out not to be a tool that is not well suited to businesses that do **not** create a large number of FTE positions. It is of no use for not-for-profit entities because they are already exempt from municipal taxes.
- d. New Market Tax Credits (NMTC): Mr. Francis explained the Census Tract Area that is eligible to receive NMTCs the area effected is from the Guilford Town border north along Guilford Street until Western Avenue and then along High Street until Oak and then East down Grove, across Main Street to Harris Place and the Eastern boundary is the Connecticut River. The Group discussed the potential for commercial and industrial development in this area, and the challenges for locating large-scale businesses in this area.

10. Adjournment

3:20PM

Respectfully submitted: R Francis