

Town of Middlebury
Economic Health Committee
Draft Minutes of Meeting
October 11, 2018

Present: Fred Kenney, Ben Calvi, Farhad Khan, Mike Capra, Becky Dayton, John Freidin, Mary Cullinane, Scott Gemignani and Karen Duguay via phone.

Absent: Steve Boyce

Also Present: Ex Officio Member Jennifer Murray (arrived later), Amey Ryan and Nancy Malcolm of Neighbors Together and Beth Dow, Town Staff/note taker

Call to Order: The meeting began at 12:00 p.m. in the Town Offices Large Conference Room.

Minutes: Approval of the September 27, 2018 minutes was deferred until the next meeting.

Neighbors Together Parking Analysis

Amey Ryan and Nancy Malcolm joined the Committee to discuss their work on the Neighbors Together parking analysis done as part of their continued efforts to improve the downtown. Kenney said that parking is one of the issues that keeps coming up in discussions by this Committee, it might be included as part of their recommendation to the Selectboard, the Committee wanted to hear what work Neighbors Together had been doing so as not to replicate what they'd done.

Ryan said it was not really an analysis, since there had been a Parking Study done in 2012. She said that study identified key parking areas within the town, underutilized parking areas and parking areas that were at capacity at peak periods. She said some of the numbers from this study have changed as there have been some shifts in public/private parking spaces, but the numbers can be used as a reference point.

She said Neighbors Together has been looking at parking as it relates to people who come to town to shop, dine and recreate in relation to the construction. They are also looking at the signage directing people to parking and also having conversations with business owners and employees and apartment owners on where they are supposed to park in the downtown. She said some business owners have been directing employees to park in the lower lot behind the library, which she said is probably one of the most visible lots and the one with the best signage, so having employees parking in this prime lot is not the best use of space.

Ryan said she is always able to find a parking spot, but she knows where to go to find underutilized spaces. She said better signage can help direct people to these areas, but there also needs to be some public outreach and educating of businesses. Ryan said Malcolm had suggested reaching out to property owners in the area that have lots that might not be used during the peak hours of 10:00-2:00, and they've reached out to some local churches to see if there's some opportunity to use these lots for employee parking, but have met with some resistance.

43 Ryan said an inventory of signs directing people to parking was done and she has suggestions to submit to the
44 Town's Public Works Department on how to improve directional signs to the parking areas so they aren't lost in
45 all the other traffic signs. She said they are also looking into creating an app of some sort that people can view
46 on their phones to tell them where parking areas are located. Malcolm said they are also looking at having maps
47 on the new Experience Middlebury website that will identify parking lots.

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49 Ryan said it has to be determined what the community wants for parking vs. what we really need. She said as
50 long as she's lived here she's heard we need a parking garage, which is great if it can be kept full, but if not, then
51 you're just creating infrastructure for the sake of creating infrastructure. She said there has been talk about
52 creating additional parking as part of other projects in the lot behind the library, but doesn't think we have the
53 downtown to support that kind of structure. She said the Mill Street parking lot is not accessible to some people
54 and it's a dirty lot and dark in the winter, so suggests that lot be fixed so it's more appealing to shoppers.
55 Malcolm said one of the things identified in the 2016 forums was accessibility.

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57 (Jennifer Murray joins the meeting.)

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59 Ryan said they'd talked to Police Chief Hanley about the citation process and the seasonality of that position.
60 Ryan said it's a double-edged sword, and do you want to penalize someone who has come to town to shop and
61 dine. She said we have the opportunity for additional funding which should be utilized and we should poise
62 ourselves to be prepared so when 2020 arrives we have a really good system in place. She said there's a lot of
63 transition in town right now, so take this time to try something new out.

64
65 Calvi asked Ryan if she thought there was enough parking capacity in the downtown for our needs, and Ryan
66 said she thought there was. She said in her opinion there are enough parking spaces to accommodate the
67 number of people who visit Middlebury on a daily basis. She went on to say in a perfect world no employees or
68 employers would park in the premium spaces and signs would point others to these spots, and she thinks we
69 can get there. Cullinane suggested guilt signs targeted at employees parking in these lots. Malcolm said there
70 are also non-commercial establishments downtown whose employees are parking in these spaces also, such as
71 the Counseling Service. She said there are also women who work in establishments who get done after dark
72 who want to park closer to where they work.

73
74 Freidin said he's very concerned about the cost of a parking structure, and there's plenty of available parking at
75 the VFW out on Exchange Street that is almost always empty. Malcolm said they are already in discussions with
76 these property owners. Freidin discussed the enforcement process and feels it's inefficient and asked if they
77 had discussed this with Chief Hanley. Malcolm said that is micro-managing and she isn't getting into Chief
78 Hanley's procedures.

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80 Kenney asked what the most useful thing the Economic Health Committee could do that would help their
81 efforts. Ryan said to just keep the lines of communication open, and each group try to help each other and
82 share the information. She said there are a lot of moving parts and overlap in this town, which is fine as long as
83 things aren't being duplicated. She thinks they'll have something a little more concrete to suggest in a couple of
84 months.

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86 Freidin said if he understood correctly, what they are saying is that the parking problem is not a big deal. Ryan
87 and Malcolm both said that wasn't accurate, it is a big deal. Ryan said she just doesn't feel more parking needs
88 to be constructed and that people just need to be educated. Freidin said the Town could establish parking time
89 limits in areas that aren't limited now, and then enforce them. He also said busses could run to VFW and
90 Hannafords so employees could park in these areas. Malcolm said they had to come up with solutions that are
91 workable, and the bus to parking was tried with incentives last year and it wasn't utilized. Parking meters were
92 discussed briefly, but Ryan feels it would take a very long time to recoup the cost to install them.

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94 Data Sources

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96 Kenney said he had sent the Committee a list of data sources he'd been working on that he has been using for
97 his Board's work on the Regional Economic Development Plan, and he thought it would be helpful to this
98 Committee as well. He went over the specific and general data and reports that are available at the Federal,
99 State, County and some town level. He will also create an acronym chart to help understand the meaning of all
100 the government abbreviations. He said any of the Committee members could add data sources they may have,
101 or if they want something that isn't on the list, to let him know and he'll see if it's available.

102 Kenney said the ACDEC group working on the Regional Plan looked at economic drivers, and he was surprised to
103 learn that retirees are the largest driver in Addison County. He said that helps them know of the need to focus
104 their time on businesses and services for the elderly population. He said other drivers for Addison County were
105 commuters, manufacturing, educational services, health care and social assistance.

106 Financial Options

107 Kenney went over the three handouts he'd brought for the Committee. He said one is just a list of financial
108 resources for businesses and non-profits in Vermont. He said ACEDC works with a business with a project and
109 bring the correct lenders to the table, and it's usually a combination of a commercial lenders and their revolving
110 loan fund (gap financing). He said their revolving loan fund is financed through the USDA Rural Development
111 Intermediary Relending Program. He said they loan ACEDC these funds as a long-term, low interest loan, and
112 then EDC re-loans the money out to businesses in the area. He said this is gap financing and usually partnered
113 with a commercial lender, and is a higher risk because they are positioned behind other lenders. He said their
114 interest rate is 7% and went over the details of the loans and the limitations and restrictions, such as no loans to
115 agricultural businesses and nothing over \$100,000. Kenney said since this loan is already available, he doesn't
116 see any reason for the Town to also have a revolving loan fund. He said the Town usually ends up the lender of
117 last resort, so they have to take a higher risk. He said some businesses they've loaned to in the past are
118 AquaVitae, Stonecutter and Danforth.

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120 Khan asked if ACEDC reached out to businesses about this program, such as the Ben Franklin that recently
121 closed, and if it was available to everyone. Kenney said these funds were not available to all types of business,
122 and not to retail. He said also if a business is struggling, they won't have the balance sheet needed to approve
123 the loan. He said that's the kind of situation where the remaining Middlebury Business Development Funds
124 could be used to set up some kind of tools to react to those types of situations.

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Tax Increment Finance District (TIF)

Kenney said TIFs are a public-private partnership and a municipal tool to finance public infrastructure that the town feels is required to get some private investment in real estate. He says the town draws the borders of what will be the tax district, and the tax base available in that district continues to pay municipal taxes to the town, and the education taxes in that district continue to go to the education fund, so in that respect nothing changes. He went over the timeline to create a TIF, and said while the debt incurred happens over 10 years, the additional revenues happen over 20 years and go towards paying off the debt. He said as values increase on properties in this district, 70% of the municipal and education tax goes towards paying the TIF debt, and the municipality and education fund each get the remaining 30%, which is over and above what they continue to get for taxes on the property values prior to the TIF creation. At the end of the 20 years, hopefully the area is developed and at this point all revenues go to the municipality and education fund. He said the theory is that without this improvement the development wouldn't have happened, so the increase in values wouldn't have happened. He said the town has to show that the development won't happen without the expansion and creation of municipal infrastructure.

Kenney said the Legislature put a limit to the creation of new TIFs to six, and two have already been approved, so there are four remaining. He said this is appropriate when development wants to happen but needs the infrastructure to happen first, so the towns have to make sure the development will happen so they aren't liable for paying back these loans without the development, as they would have to do so without the education portion of the taxes.

Kenney went over the process towns have to go through to create a district. He said towns submit the applications to the State, and have to meet certain criteria to be approved by the State, and then ultimately the voters have to approve the bonds to pay for the project. Freidin asked if having a TIF impacts the towns bond ratings, and Kenney said it can effect bond ratings and that impact towns when they go to the bond bank.

Kenney said the criteria for State approval include:

- Purpose – does it meet the purpose expressed in the Statute.
- “But for” criteria – municipality has to show that the development won't happen except for the infrastructure applied for.
- Location – there are three and they have to meet two.
 - Economic distress
 - Within designated downtown or village center
 - That the development is compact and high density and in or near existing industry.

Kenney said there are five project criteria, and three must be met:

- affordable house component
- Brownfield project (expansion, reuse or renovation of an existing property with real or potential hazardous substance/pollutant).
- New business development or expansion

- 166 • Enhance transportation
167 • Has to be a need.

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169 Cullinane asked about the types of uses for the development in a TIF. Kenney said you can't have just housing or
170 just retail, but successful ones are mixed-use infill. Freidin asked about the risk the town takes in regards to the
171 appraised value of the development, and Kenney said there is risk in a TIF, but that is up to the town to evaluate
172 prior to applying and to look at ways to mitigate the risks.

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174 Dayton asked if the infrastructure projects have to be on the same location as the development, and Kenney
175 said it could be anywhere provided it will serve the potential development. He said if the infrastructure will
176 serve the whole town, and only 10% will serve the TIF development then only 10% of the construction cost can
177 be funded with TIF funds. Cullinane asked how long it is from when the decision is made to apply for a TIF and
178 the shovel goes in the ground, and Kenney said two to three years.

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180 The Committee had some additional questions for Kenney on various aspects of TIFs and the development
181 associated with them.

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183 Murray said there are other ways of funding for downtown infrastructure that might be more appropriate for a
184 town of our size, such as the Downtown Transportation Funding that comes up every year.

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186 Kenney said Town Manager Ramsay and Jennifer Murray will be at the next Committee meeting on October 25th
187 to go over what the Town's role is.

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189 The meeting adjourned at 1:40 p.m.

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191 Respectfully submitted,
192 Beth Dow