

Community and Economic Development Committee

Date: May 12, 2025

Topics: TIF District Phase 1 Filing

Downtown Hotel and Living Space Development Agreement

The Community and Economic Development Committee of the Rutland City Board of Aldermen met on Monday, May 12th at 5:30 P.M. in Chambers at City Hall.

All committee members were present including Chair Donahue, Vice Chair Davis, Alderwoman McClure, Alderman Gillam and Alderman Whitcomb. A quorum was present and voting.

Also in attendance: Aldermanic Board President Allaire, Alderman Talbott, Alderwoman Tadio, Alderman Cupoli and Alderman Clifford.

Other City officials attending included: Mayor Doenges, City Attorney LaChance, City Planner Bove and City Treasurer Markowski.

Members of the public included: Consultant Stephanie Clark of White & Burke, Property developer Kent Belden, developer's consultant Elisabeth Kulas, and CEDRR Executive Director Lyle Jepson.

Additional members from the public included John Sabataso, and Peter Fagan.

Members of the press included: Gordon Dritschilo; City Hall Reporter at the Rutland Herald.

Chair Donahue opened the meeting at 5:31 P.M. Let the record note that Alderman Whitcomb joined by phone at 5:30 P.M. arriving in person at 5:46 P.M.

Specifically, being considered were:

- 1) The Rutland City TIF District First Phase Filing submission to VEPC of the Downtown Hotel and Living Project targeting VEPC's July meeting.
- 2) The Development Agreement between the City of Rutland and Center and Wales, LLC. regarding the Hotel and Living Project.

Regarding item 1) Chair Donahue turned the presentation over to Stephanie Clark who gave a detailed presentation including the Tax Increment Financing cash flow details, development details and supporting infrastructure including the streetscape construction, the utility upgrades, the water and sewer system upgrades and other details.

Regarding item 2) Elisabeth Kulas reviewed the 15-page Development Agreement line by line focusing on the Developer Commitments and the City Commitments.

The committee noted that the Property Tax Stabilization can affect only the Municipal Tax Assessment (not the State Education taxation portion) and that the stabilization would include the special benefit district tax for the developer property at the April 1st, 2025, property assessment value. Accordingly, the City will fix and maintain the (municipal) valuation in the grand list of the parcel, and development at 27 Wales St. at \$616,100.00 for a period of 10 years commencing two fiscal years following the Mutual Project Commencement Confirmation (i.e. after the construction period). The stabilization authority granted by Chapter 75 Economic Development; cited as Vermont State Statute 24 V.S.A. ss/2741 Letter A, Number 1).

The intent is to be on the VEPC Board's July agenda with the aim of having a special election on the TIF debt in the fall. Following a successful bond vote, the City would commence construction of the infrastructure in Spring of 2026 concurrently with the development of the hotel project set to open its doors in Fall 2027.

After Q & A with the developer and others and a robust committee discussion Alderman Gillam moved to recommend to the full Board of Aldermen, seconded by Alderwoman McClure, the following:

- 1) Approve the Development Agreement (authorizing the Mayor to sign).
- 2) Approval of the Phase Filing Financial Workbook.
- 3) Approve signing and dating the VEPC letter to apply (authorizing the Mayor and Aldermanic Board President to sign).

Chair Donahue called for further discussion. Hearing none the motion was approved unanimously by the committee (5 Yes, 0 No).

Vice Chair Davis moved to adjourn, seconded by Alderman Gillam. Motion passed and the meeting concluded at 6:51 P.M.

Respectfully submitted:

Alderman Tom Donahue, C&ED Committee Chair