**NEWPORT CITY COUNCIL MINUTES**
**October 3, 2022**

A duly warned meeting of the Newport City Council was held on Monday, October 3, 2022, in the Council Room in the Newport City Municipal Building. Present were: Mayor Paul Monette, Council President John Wilson, Council Members Kevin Charboneau (by phone), Melissa Pettersson, and Christopher Vachon, City Manager Laura Dolgin, Assistant City Clerk/Treasurer Stacey Therrien, Fire Chief John Harlamert, and members of the press and public.

Mayor Monette called the meeting to order at 6:30 p.m.

**Approval of Minutes**

Mr. Wilson moved to approve the minutes of September 19, 2022. Seconded by Mr. Charboneau, motion carried unanimously.

**Comments by the Public**

None.

**Tax Stabilization Request for Approval:** Richard Isabelle, Vice-President of Northeast Kingdom Development Corp (NEKDC); Mike Desmaris, Track Inc.; Dave Snedeker, Executive Director of NVDA & a NEKDC Board Member.

Dave Snedeker stated that NEKDC closed on the Bogner Building last week from the EB-5 receivership. They will rehabilitate the long neglected vacant facility. Due to the conditions of the building, they are seeking to use the City of Newport's Industrial and Commercial Tax Stabilization Policy until the renovations and fit-up are complete. Once completed they will lease the building to Track Inc., a snow grooming equipment business. They estimate 22 jobs in year one with a total of 80 jobs by year five.

Motion made by Mr. Vachon to allow the use of the City's Tax Stabilization policy, seconded by Mr. Wilson. Motion approved with Mr. Charboneau abstaining.

**Proclamation for Childhood Cancer Awareness Week.**

The City of Newport proclaim October 23 through October 29, 2022, as Childhood Awareness week. Motion made by Mr. Vachon to accept the proclamation. Seconded by Mr. Charboneau, motion carried unanimously.

**New Business**

None.

**Old Business**

Compliments to the Parks & Recreation department for the Chilifest, compliments to the Public Works department for the Parklet.

**Next Meeting**

October 17, 2022

**Adjournment**

Mr. Charboneau moved to adjourn at 6:45 pm. Seconded by Ms. Petterson, motion carried unanimously.

**Attested**_____**This**__17th__**Day of October 2022.**

_____**Mayor**

City Manager..... (802) 334-5136
City Clerk/Treasurer ..... 334-2112
Public Works/Parks ..... 334-2124
Zoning Adm./Assessor .... 334-6992
Recreation ..... 334-6345
Fax..... 334-5632

City of Newport
222 Main Street
Newport, Vermont 05855
www.newportvermont.org

# Newport City Council Meeting

## Regular Meeting Agenda

**Monday, October 3, 2022, beginning at 6:30 p.m.**

**Newport City Council Room**

**Google Meet joining info**

**Video call link: https://meet.google.com/zpb-eigg-iib**

**Or dial: (US) +1 219-401-0761 PIN: 658 707 799#**

City Council: Paul Monette, Mayor
John Wilson, Council President
Melissa Pettersson
Kevin Charboneau
Chris Vachon

---

Laura Dolgin, City Manager
James D. Johnson, City Clerk/Treasurer

1. Call the Regular Council Meeting to Order
2. Approve Minutes of September 19, 2022
3. Comments by Members of the Public
4. Tax Stabilization Request for Approval: Richard Isabelle, Vice-President of Northeast Kingdom Development Corp (NEKDC); Mike Desmaris, Track, Inc.; Dave Snedeker, Executive Director of NVDA & NEKDC Board Member; VOTE
5. Proclamation for Childhood Cancer Awareness Week, VOTE
6. New Business
7. Old Business
8. Set next meeting: Regularly Scheduled Council Meeting: October 17, 2022 @ 6:30pm
9. Adjourn

Non-confidential materials pertaining to this agenda are available for inspection at the City Clerk's office commencing at 9:00 a.m., the morning of the meeting.

Newport City Council Meeting Participation Guidelines

Newport City Council meetings are for the purpose of allowing Council members to conduct City business. Distinct from public hearings or town meetings, City Council meetings are held in public, but are not meetings of the public. City Council meetings are the only time the City Council members have to discuss, deliberate and decide upon City matters. In an effort to conduct orderly and efficient meetings, the Mayor kindly requests your cooperation and compliance with the following guidelines:

1. Please be respectful of each other, Council members, city staff, and the public.
2. Please raise your hand to be recognized by the Mayor. Once recognized, please state your name and address or affiliation.
3. Please address only the Mayor and not members of the public, staff, or presenters.
4. Please abide by any time limits. Time limits will be used to ensure everyone is heard and that there is sufficient time for the Council to complete their agenda within a reasonable timeframe.
5. The Mayor will make a reasonable effort to allow everyone to speak once before speakers address the Council a second time per the limited 2 minute timeline adopted on January 23, 2017.
6. Once public comment has been heard, discussion will be limited to the City Council members.
7. Please do not interrupt or mock other speakers or otherwise exhibit disruptive behavior during the City Council meeting.
8. Please do not repeat the points made by others, except to indicate agreement or disagreement with other views.
9. Please use the hallway for side conversations. It is difficult to hear speaker remarks when side conversations are occurring in the Council Chamber.
10. Presentations to the Council are not open to public comment. However, per the policy adopted on December 21, 2015, matters on the agenda requiring a vote are open to public comment immediately prior to the Council vote.
11. Individuals who do not abide by these procedures will be asked to leave the Council Chamber.

September 28, 2022

MEMORANDUM

From: Richard Isabelle, Vice-President, NEKDC

To: Laura Dolgin, Newport City Manager

RE: NEKDC Request for Municipal Tax Stabilization

Dear Ms. Dolgin:

The Northeast Kingdom Development Corporation (NEKDC), a 501c3 non-profit development corporation, is requesting to utilize the City of Newport's adopted Industrial and Commercial Tax Stabilization Policy. As the new owner of 172 Bogner Drive, a 25-acre parcel with a vacant 43,875 sq. ft. former manufacturing facility, NEKDC is planning to rehabilitate and fit-up the long-vacant building for an expanding business in the area. Due to the condition of the property, NEKDC is requesting municipal tax stabilization as we are unable to rent the facility until renovations and fit-up are complete.

NEKDC has a $2.06M renovation budget for the project. When renovations are completed to existing building, the facility will be leased to Track, Inc. a snow grooming equipment business currently located in Newport Center. Track, Inc. estimates that 22 jobs will be created and retained in Year 1, with 80 total jobs expected by Year 5. The project will improve the aesthetics of the 25-acre parcel and remedy the long-neglected building.

The project will not negatively impact municipal infrastructure or public safety. The project does meet all current local zoning requirements and will be applying for the appropriate local and state permits. NEKDC is in good standing with the City of Newport and State of Vermont with respect to taxes.

Included with this memorandum is a worksheet that follows the scoring criteria of the City's adopted policy. Also included is a project budget that identifies Sources and Uses and project expenses. Thank you very much for your consideration.

Sincerely,

Richard Isabelle
Vice-President, NEKDC

**City of Newport – Industrial and Commercial Tax Stabilization Policy**

**3. Eligibility** - all criteria a - f will be met by this project.

**4. Gen. Criteria & Eligibility -**
a. Renovations won't begin until after City Council meeting

b. No additions planned until after renovation of existing building but will likely happen in year 2 or so.

c. Increase in assessment will be likely after renovations are completed. NEKDC does have a 2021 appraisal that indicates value is less than the current assessment for the property.

d. Scoring:
1) Size = @43,875 sf (per appraisal report) = 3 + 4.5 + 4 = 11.5 points

2) Cost = $2.06M renovation budget = 3 + 10 + 2 = 15 points

3) Machinery & Equipment - Tenant fit-up costs will easily exceed $100,000 just for the new lifts/hoists and support structure that they will need = 4 points

4) Jobs – Year 1 (22) by Year 5 (80) = 66 points (Year 1) or 240 points (Year 5)

5) Diversification – The business /industry will employ less than 5% of the covered workforce in Orleans County. This would diversify the industrial employment base. = 5 points

6) Municipal Impacts - None expected. The building will be connected to the City's municipal water and wastewater systems. Bogner Drive does connect to Lake Road, so coordinating with the City of Newport for upgrading the road will be necessary.

7) Environmental Impacts – None.

8) Exclusionary Criteria – N/A

9) Historic Structures or Designated Downtown – 0 points

**5. Tax Stabilization Agreement structure** – The project would qualify for a five-year tax stabilization.

**6. Application and Approval** – NEKDC is appreciative of the City Council's consideration.

## Sources and Uses Revise 9-7-22

| | CIP | Newport Development Grant | VEDA Loan | NCIC Loan | RCDI | TOTAL |
|---|---|---|---|---|---|---|
| Acquisition | | $ 916,000 | | | | $ 916,000 |
| Environmental Remediation | | | $ 70,000 | | | $ 70,000 |
| Engineering | | $ 113,000 | $ 122,000 | | $ 15,000 | $ 250,000 |
| Roof | | | | $ 250,000 | | $ 250,000 |
| Landscaping | | | $ 15,000 | | | $ 15,000 |
| Floors | | | | $ 170,000 | | $ 170,000 |
| Ceiling and Paint | | | $ 85,000 | | | $ 85,000 |
| Heating and Cooling | $ 232,468 | | $ 59,532 | | | $ 292,000 |
| Doors and Windows | | | $ 60,000 | | | $ 60,000 |
| Electrical | | | $ 50,000 | | | $ 50,000 |
| Equipment Removal | | | $ 23,000 | | | $ 23,000 |
| Contingency | | | $ 441,468 | | | $ 441,468 |
| Legal, Construction Management, Accounting, Interest, Taxes | | | $ 339,532 | | $ 10,468 | $ 350,000 |
| **Total Costs** | **$ 232,468** | **$ 1,029,000** | **$ 1,265,532** | **$ 420,000** | **$ 25,468** | **$ 2,972,468** |

42

City Manager ..... (802) 334-5136
334-3891
City Clerk/Treasure ..... 334-2112
334-3892
Public Works ..... 334-2124
Zoning Adm./Assessor ..... 334-6992
Recreation/Parks ..... 334-6345
Fax ..... 334-5632

CITY OF NEWPORT, VERMONT
Lady of the Lake
1867 - 1917
ORGANIZED MARCH 5, 1918

COPY

City of Newport
222 Main Street
Newport, Vermont 05855

RECEIVED & RECORDED
On 12/29/10
At 2:30 P.M
Book 15 Page 23-27
James D Johnson
City Clerk, City of Newport, VT

**City of Newport, Vermont**
**Industrial and Commercial Tax Stabilization Policy**
**December 20, 2010**

1. Statement of Purpose

One of the major objectives of the Newport City Council is to promote and encourage commercial and industrial development with the City of Newport. Tax stabilization is an incentive for businesses and or developers considering locating, relocating developing and expanding within the City of Newport or for business owners to aid new businesses moving into their building.

2. Authority to Grant Tax Stabilization

The authority to grant tax stabilization falls under Vermont State Statute 24 V.S.A. § 2741. Municipal corporations; property values fixed by contract. No tax stabilization agreement can be for more than 10 years as per statute and may only include the municipal portion of the taxes. If the commercial/industrial business wishes to have the state education tax stabilized it must apply for stabilization with the Vermont Economic Progress Council (VEPC).

3. Criteria and Eligibility for Tax Stabilization

In order for a project to qualify for tax stabilization it must meet the following criteria.

a) Create new jobs.

b) Create new commercial/industrial establishments or modify existing spaces.

c) Improve aesthetics or eliminate blight on the exterior of an existing structure.

d) Does not have a negative impact on municipal, public safety or infrastructure.

e) Meets all current local zoning by-laws and pertinent state regulations.

f) Applicant must be in good standing with the City of Newport, State of Vermont and the Internal Revenue Service with respect to all taxes and not under indictment, incarceration or parole.

4. General Criteria and Eligibility

The following general and specific criteria shall be used by the City Council in making determinations on eligibility and application.

a) All applications for tax stabilization shall be presented to the City Council prior to the commencement of construction (which shall include renovations, remodeling repairs, etc. in case of existing buildings).

b) All additions to stabilized or non-stabilized buildings for which stabilization applications are received, shall be handled as new construction with only the addition considered.

c) Owners of properly zoned existing buildings may seek stabilization of the increase in assessment of the building(s) resulting from repairs, renovations, or remodeling.

d) In addition, the City Council must find that the project proposal shall receive a minimum score of 20 points based upon an evaluation by the City Council in accordance with the following scoring system:

1) Size:

| | |
|---|---|
| 1000 sq. ft minimum | 3 points |
| For each additional 1000 sq. ft. up to 10,000 sq. ft.<br>.5 points per 1000 sq. ft. | 4.5 points max |
| Over 10,000 sq. ft. – 1 point per 10,000 sq. ft. | 20 points max |

2) Cost:

| | |
|---|---|
| For new construction (building or addition) | |
| $300,000 minimum construction cost<br>(excluding land/utilities/site) | 5 points |
| For each full $100,000 additional up to $1,000,000 add | 1 point |
| Over $1,000,000 add .5 points per million | 20 points max |
| For renovations | |
| $100,000 minimum cost<br>(excluding utility and site work) | 3 points |
| For each full $100,000 additional up to $1,000,000 add | 1 point |
| Over $1,000,000 add 1 point for every $500,000 | 1 point |

3) Machinery and Equipment:

| | |
|---|---|
| Minimum cost new - $100,000 | 4 points |
| For each full $100,000 add | 1 point |

4) Jobs:

| | |
|---|---|
| For each new permanent (excluding construction) job created (including retained jobs only if applicant certifies that jobs would be lost immediately if project is not completed). | 3 points / job |
| For each job created which is 2 times the minimum wage prevailing in the state of Vermont add | 2 points / job |

5) Diversification:

| | |
|---|---|
| If industrial start would, in the opinion of the City Council, diversify the industrial employment base* **OR** new or expanded industry would create markets for or be a significant supplier to existing Orleans County area industries **OR** industry is identified as a "target industry" in the Newport City Municipal Plan add | 5 points |

**Generally, the diversification test is met if the proposed industry type currently employs less than 5% of the covered workforce in the Orleans County.*

6) Impacts – Municipal

| | |
|---|---|
| If the project will, over the long run, demand unusual, excessive, or unreasonable burdens on City services for police, fire, water, sewer, traffic, or roadways, and no plan for compensation or mitigation is made between the developer and City deduct | <6 points> |

7) Impacts - Environmental:

| | |
|---|---|
| If the project will cause degradation to the physical and natural environment of the City through discharges to the air, water, or groundwater, or by emission of noise, dust, vibration, radio interferences, threat of chemical or biological release deduct | <2-8 points> |

8) Exclusionary Criteria:

If the project is offensive to the public values or is contrary to the ordinances and by-laws of the City of Newport, is incompatible with the City Plan, or would create an un-reasonable nuisance or disturbance to neighboring landowners, no tax stabilization shall be granted.
Under normal circumstances retail trade will be allowed unless

it is a clear public nuisance.

9) Historic Structures or Designated Downtown

Projects involving the preservation of historic structures and or are located in the designated downtown will be awarded an additional 10 points.

5. Tax Stabilization Agreements may be structured as follows:

a) Three year tax stabilization agreement for new or existing projects under $1,000,000 based solely on the increase in assessed valuation due to the project:

Year 1: Taxed at 25% of the current assessed value of the real property
Year 2: Taxed at 50% of the current assessed value of the real property
Year 3: Taxed at 75% of the current assessed value of the real property
Year 4: Taxed at 100% of the current assessed value of the real property

b) Five year tax stabilization agreement for new or existing projects between $1,000,000 and $10,000,000 based solely on the increase in assessed valuation due to the project:

Year 1: Taxed at 10% of the current assessed value of the real property
Year 2: Taxed at 20% of the current assessed value of the real property
Year 3: Taxed at 40% of the current assessed value of the real property
Year 4: Taxed at 60% of the current assessed value of the real property
Year 5: Taxed at 80% of the current assessed value of the real property
Year 6: Taxed at 100% of the current assessed value of the real property

c) Ten year tax stabilization agreement for new or existing projects greater than $10,000,000 based solely on the increase in assessed valuation due to the project:

Year 1: Taxed at 10% of the current assessed value of the real property
Year 2: Taxed at 20% of the current assessed value of the real property
Year 3: Taxed at 30% of the current assessed value of the real property
Year 4: Taxed at 40% of the current assessed value of the real property
Year 5: Taxed at 50% of the current assessed value of the real property
Year 6: Taxed at 60% of the current assessed value of the real property
Year 7: Taxed at 70% of the current assessed value of the real property
Year 8: Taxed at 80% of the current assessed value of the real property
Year 9: Taxed at 90% of the current assessed value of the real property
Year 10: Taxed at 100% of the current assessed value of the real property

6. Application and Approval

a) The applicant shall submit a letter of interest to the City Manager, prior to the start of the project and/or issuance of a zoning permit. The letter of interest must include project location, plans, estimated project cost, projected employment data and any other information that demonstrates the need for tax stabilization.

b) Applicants for tax stabilization agreements will be invited to meet with the City Council to discuss any type of agreement before the applicant undertakes the construction of a new facility or the expansion of an existing facility. No retroactive agreements will be considered; however, applicants who commence construction of a new facility or the expansion or renovation of an existing facility during a given tax year shall be entitled to apply for stabilization prior to the start of the next tax year.

c) The City Council shall be responsible for approving tax stabilization. All projects shall be required to obtain all applicable federal, state and local project permits.

7. Cancellation of Agreement

If prior to the termination of the stabilization agreement the property is used for other than commercial or industrial purposes the City shall have the right to cancel the agreement.

If all or part of the real property is transferred to a new owner, and that owner uses the property for other than commercial/industrial uses or there is a loss of jobs, the City shall have the right to cancel the agreement.

Such cancellations may result in the City seeking repayment of the full taxes which would have been billed without stabilization, less the amount actually paid during the actual period of stabilization, or imposing other remedies as described under the terms of the contract or by operation of law.

Approved this 20th day of December 2010 by the Newport City Council

Paul L. Monette, Mayor

John Wilson

Richard Baraw

Timothy Delabruere

Denis Chenette

Attest by James Johnson City Clerk

**Childhood Cancer Awareness Week**

**WHEREAS,** the American Cancer Fund for Children and Kids Cancer Connection report cancer is the leading cause of death by disease among U.S. children between infancy and age 15. This tragic disease is detected in more than 16,000 of our country's young people each and every year; and

**WHEREAS**, one in five of our nation's children loses his or her battle with cancer. Many infants, children and teens will suffer from long-term effects of comprehensive treatment, including secondary cancers. An estimated 400,000 children and adolescents are diagnosed with cancer globally each and every year; and

**WHEREAS,** founded nearly thirty years ago by Steven Firestein, a member of the philanthropic branch of the Max Factor cosmetics family, the American Cancer Fund for Children, Inc. and Kids Cancer Connection, Inc. along with Lions Clubs International are dedicated to helping these children and their families; and

**WHEREAS**, the American Cancer Fund for Children and Kids Cancer Connection provide a variety of vital patient psychosocial services to children undergoing cancer treatment at the Children's Hospital at UVM Medical Center in Burlington, the Children's Hospital at Dartmouth-Hitchcock in Lebanon NH, as well as participating hospitals throughout the country, thereby enhancing the quality of life for these children and their families; and

**WHEREAS**, the American Cancer Fund for Children and Kids Cancer Connection also sponsor toy distributions, Laughternoon - Laughter is Healing, positive appearance programs, pet-assisted therapy, family sailing programs, KCC Supercar Experience, educational programs and hospital celebrations in honor of a child's determination and bravery to fight the battle against childhood cancer.

**NOW THEREFORE** be it resolved, the city council of the City of Newport, Vermont, hereby authorizes and votes to proclaim October 23 through October 29, 2022, as Childhood Cancer Awareness Week in Newport.

**DATED** this 3rd day of October, 2022.

Paul L. Monette, Mayor

John A. Wilson, Council President

Kevin Charboneau

Melissa Pettersson

Chris Vachon

## Childhood Cancer Awareness Week

**WHEREAS,** the American Cancer Fund for Children and Kids Cancer Connection report cancer is the leading cause of death by disease among U.S. children between infancy and age 15. This tragic disease is detected in more than 16,000 of our country's young people each and every year; and

**WHEREAS**, one in five of our nation's children loses his or her battle with cancer. Many infants, children and teens will suffer from long-term effects of comprehensive treatment, including secondary cancers. An estimated 400,000 children and adolescents are diagnosed with cancer globally each and every year; and

**WHEREAS,** founded nearly thirty years ago by Steven Firestein, a member of the philanthropic branch of the Max Factor cosmetics family, the American Cancer Fund for Children, Inc. and Kids Cancer Connection, Inc. along with Lions Clubs International are dedicated to helping these children and their families; and

**WHEREAS**, the American Cancer Fund for Children and Kids Cancer Connection provide a variety of vital patient psychosocial services to children undergoing cancer treatment at the Children's Hospital at UVM Medical Center in Burlington, the Children's Hospital at Dartmouth-Hitchcock in Lebanon NH, as well as participating hospitals throughout the country, thereby enhancing the quality of life for these children and their families; and

**WHEREAS**, the American Cancer Fund for Children and Kids Cancer Connection also sponsor toy distributions, Laughternoon - Laughter is Healing, positive appearance programs, pet-assisted therapy, family sailing programs, KCC Supercar Experience, educational programs and hospital celebrations in honor of a child's determination and bravery to fight the battle against childhood cancer.

**NOW THEREFORE** be it resolved, the city council of the City of Newport, Vermont, hereby authorizes and votes to proclaim October 23 through October 29, 2022, as Childhood Cancer Awareness Week in Newport.

**DATED** this ___ day of October, 2022.

| | |
|---|---|
| _____ | _____ |
| Paul L. Monette, Mayor | John A. Wilson, Council President |
| _____ | _____ |
| Kevin Charboneau | Melissa Pettersson |
| _____ | |
| Chris Vachon | |