

VERMONT ECONOMIC PROGRESS COUNCIL
Minutes of Board Meeting
June 26, 2008
9:30 – 12:00 p.m.
National Life Bldg. Room M2D
Montpelier, VT

Members Present: Karen Marshall, Chris Keyser, Rachel Smith, Stephan Morse, Mark Young, Betsy Gentile, Nancy Port

Attending By Phone: Carl Rosenquist

Members absent: Mary Lintermann

Staff: Fred Kenney, Jayna Guilford

Others: Mathew Barewicz, EPRI; Brennan Duffy, DED; Art Sanborn, LEDC; Jeff Lewis, BDCC; Neal Fox, GMEDC; Ben Johnson, Commonwealth Yogurt; Ehud Sperling and Pat Harvey, Inner Traditions.

9:42 a.m.

Karen Marshall called the meeting to order and welcomed Stephan Morse as a new board member.

9:50 a.m.

Karen asked if there were any changes that needed to be made to the May 3rd minutes. Nancy Port made a motion to approve the May 3, 2008 minutes. Mark Young seconded and the motion carried unanimously.

9:53 a.m.

Chris Keyser made a motion to enter Executive Session to discuss new VEGI applications and EATI Performance Reviews, citing Title 1, Section 313, and Subsection 6. Nancy Port seconded and the motion carried unanimously.

11:50 a.m.

Betsy Gentile made a motion to exit Executive Session. Mark Young seconded and the motion carried unanimously.

11:51 a.m.

Commonwealth Yogurt, Inc., Initial, Location TBD

Betsy Gentile made a motion to approve an Initial Application from Commonwealth Yogurt, Inc./Commonwealth Yogurt Investment Trust, LLC, giving initial authorization of up to \$1,159,923 in incentives, with an estimated incentive of \$1,089,346 based on application data, for activity to occur between November 1, 2008 and December 31, 2012, subject to the submittal and approval of a Final Application. Chris Keyser seconded and the motion carried 8-0-0.

11:52 a.m.

Inner Traditions International, Initial, Randolph

Carl Rosenquist made a motion to approve an Initial Application from Inner Traditions International, giving initial authorization of a 10-Year Education Property Tax Stabilization with an estimated value of \$227,218 and VEGI incentives up to \$71,174, with an estimated incentive of \$68,801 based on application data, for activity to occur between January 1, 2009 and December 31, 2013. Nancy Port seconded and the motion tied with a 4-4-0 vote.

11:54 a.m.

Isovolta, Inc., Final, Rutland

Initial Application Approved March, 2008

Chris Keyser made a motion to approve a Final Application from Isovolta, Inc., authorizing up to \$568,330 in incentives, with an estimated \$520,969 based on application data, for activity to occur between June 1, 2008 and December 31, 2012. Betsy Gentile seconded and the motion carried 8-0-0.

11:54 a.m.

Utility Risk Management Corporation, Initial, Stowe

Nancy Port made a motion to approve an Initial Application from Utility Risk Management Corporation, giving initial authorization of up to \$140,004 in incentives, with an estimated incentive of \$125,345 based on application data, for activity to occur between July 1, 2008 and December 31, 2012 subject to the submittal and approval of a Final Application. The Council also encourages the applicant to review their projected benefits prior to submitting a Final Application and maximize the potential benefits to be offered to new employees. Betsy Gentile seconded, and the motion carried 5-3-0.

11:55 a.m.

Battenkill Technologies, Inc.

Mark Young made a motion to rescind the June 28, 2007 approval of a Final Application, authorizing up to \$66,885 for Battenkill Technologies, because the company did not file a 2007 VEGI claim by the statutorily defined February 28 deadline. Betsy Gentile seconded and the motion carried 8-0-0.

Mascoma Corporation

Betsy Gentile made a motion to rescind the October 25, 2007 approval of an Initial Application, authorizing up to \$1,942,989 for Mascoma Corporation, because the company has stated that they have decided to locate the project in another state. Mark Young seconded and the motion carried 8-0-0.

Mylan Labs, Inc. & Subsidiaries

Tax Year Under Review: FY ending March 31, 2007

Authorized: May 3, 2003 for April 1, 2003 – March 31, 2008

\$2, 388,652 Payroll, R&D, and Capital Investment Tax Credits

Nancy Port made a motion to recommend to the Commissioner of Taxes that the capital investment credits earned in fiscal year 2007 be allowed in full because the company is well ahead of payroll projections, has exceeded aggregate research and development and capital investment expectations, and the cost-benefit model indicates a much greater net revenue benefit than anticipated. Carl Rosenquist seconded and the motion carried 8-0-0.

11:57 a.m.

Karen Marshall discussed the July meeting and it was decided that if there are no applications, we will not hold a meeting. Board Members will be advised at least one week in advance if the meeting is cancelled.

Fred Kenney discussed the overall budget situation for the Agency of Commerce. The agency and VEPC budgets are extremely tight. Exempt pay has been frozen and there will not be any Pay Act funds for classified pay increases, which means the increases have to be absorbed by the budget. Estimates for board and staff travel costs have been increased to reflect the increase in the travel reimbursement. We have cut staff travel so there will be no out-of-state conferences attended and limited in-state travel. Office supplies are cut to the minimum and no new professional development or office equipment or software is planned. The other budget item that could be adjusted is the cost of food for meetings. The board agreed to eliminate the purchase of lunch unless the meeting is planned to go into the afternoon.

12:03 p.m.

Meeting adjourned

Minutes taken by Jayna Guilford: 6/26/2008

Revised by Fred Kenney: 6/30/2008

Approved by the Board: 7/24/2008