

Senate Committee on Economic Development, Housing, and General Affairs Meeting Notes
Week of 1/28/2022 to 2/3/2022

Friday 1/28/2022

There were no relevant meetings today.

Tuesday 2/1/2022

Omnibus Economic Development

Heather Pelham, Commissioner, Department of Tourism & Marketing

- Administration is requesting 8.46M for 3-year Regional Relocation Network Proposal [CD1]
- Chairman Sirotkin mentions that while dealing with economic recovery grants, he doesn't know the state of tourism businesses going into the next year. Commissioner Pelham states it's difficult to conceptualize the losses and gains for tourism. She resounds that tourism is still recovering.
- Sen. Clarkson asks how negotiations with congressional delegations are going regarding expanding H2V visas[CD2] Commissioner Pelham states they're working on raising this issue, but it is not a priority for Tourism and Marketing.
- Chairman Sirotkin asks if there's any coordination between programs – he asks if money is being combined, and Commissioner Pelham clarifies that that hasn't come up
- Chairman Sirotkin asks about the breakdown of the budget – Commissioner Pelham states there is a staff of 12, historically their budget was \$3.5 M, has received one-time funds through CRF of \$6.5 M for destination marketing and consumer stimulus, and last session there was an additional \$2 M for destination marketing campaign and grants
- Chairman Sirotkin asks if they are receiving more for their base budget – Commissioner Pelham states they are not because VT is receiving grant from EDA through ARPA Travel Tourism Outdoor Recreational Program non-competitive grant – amount of grant proportional with loss – VT will receive \$10.4 M – can't be for for-profit orgs
 - Committee is excited by this opportunity
- Chairman Sirotkin asks if there are any metrics for how many people have been in contact with the Stay-to-Stay program
 - Commissioner Pelham will send data on Stay-to-Stay program
- Sen. Balint asks when referring to regional partners who are you specifically referring to – Commissioner Pelham states it depends – every region will decide who works best because all regions are different
- Sen. Balint states it is obvious the state needs more workers – she asks to what extent do you know there is available housing capacity and how does that match with open jobs
 - Commissioner Pelham states that she agrees this is a big issue – she states that folks of the local market know this best and
- Sen. Clarkson states that the data collection with EDA money is critical
 - Commissioner Pelham states to ensure good data collection there will be one-on-one local reporting and program support
- Chairman Sirotkin feels one-on-one connections, rather than television commercials are a more effective way to convince people to move to VT

- Chairman Sirotkin is confused with one-time funding spread throughout three-years – he asks if this is base building – Commissioner Pelham responds and states that this work requires time

Omnibus Economic Development

Fred Kenney, Executive Director, Addison County Economic Development Corporation

Betsy Bishop, President, Vermont Chamber of Commerce

Frank Cioffi, President, Greater Burlington Industrial Corporation

Austin Davis, Government Affairs Manager, Lake Champlain Regional Chamber of Commerce

- Chairman Sirotkin began the meeting by stating the committee is looking to get this bill out to other committees by Vermont Town Meeting Day.

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- Betsy Bishop states that businesses are not yet at the recovery stage.
 - Bishop suggests solutions for the Bridge Grant Program – the elimination of two factors – the tax loss and three months fixed expenses. Instead of using the three-month fixed expenses as a limiting factor, Bishop suggests the use of an unmet need calculation.
 - Bishop states focus is on promise to small businesses – argues that money should stay in the grant program and should not move to Capital Investment.
 - Chairman Sirotkin’s biggest concern is that it is too simplistic – it seems the administration wants to use the VEDA program. Bishop states that they’re willing to have more debate about this.
 - Bishop mentions the Commissioner is able to use business grant funding for the Capital Investment program on their own. She does not agree that the Commissioner should have this ability and Chairman Sirotkin agrees – he argues he doesn’t believe the Commissioner has the authority to move this money around.
 - Chairman Sirotkin asks if businesses that are currently suffering can get some of these funds. Bishop states that they are more focused on those who were suffering.
 - Bishop wants to find a way to fund the Capital Investment program without use of the \$26 M and she doesn’t see a need for the VEDA program.
 - Bishop finds the capacity building structure that Commissioner Pelham put together to be really great.

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- Frank Cioffi has seen the impact of the PPP program in his community, yet people are still struggling.
 - Cioffi has interest in VEDA Affordable Loan Program and project based TIF
 - Chairman Sirotkin states that the Senate committee has lost some interest in the project based TIF program since the infrastructure bill can cover its projects.
 - Cioffi states he is ‘excited’ by the administration’s focus on workforce development

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- Fred Kenney states that RDCs support the Omnibus bill because it aligns with their legislative priorities.

- Chairman Sirotkin asks that where would RDCs focus be – businesses that are struggling now or were a year ago, and Kenny responds that the focus would be on those struggling now.
- Kenney disagrees with Bishop – argues instead to put ARPA funds into programs with focus on fixing the criteria as you go
- Kenny supports project-based TIF and Grand List Enhancement Program – emphasizes that ERG has filled gaps of PPP program in a great way.

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- Committee ran out of time for Austin Davis.

Wednesday 2/2/2022

Accessory Dwelling Units

- The committee watched a webinar hosted by the White House regarding the benefits of ADUs and the need for states, municipalities, and businesses to support their expansion.
- Of note, one of the speakers was Mayor Miro Weinberger of Burlington, who advocated for municipalities to add ADU development to their agendas.
- After the webinar, the committee met to discuss their thoughts.
 - Sens. Sirotkin and Clarkson were both very energized by the webinar and ready to address ADUs as soon as they can.
- Sen. Sirotkin would like to know the state of current laws related to ADUs in Vermont so he can see what can be fixed and expanded.
 - He advocated for a state program that guides property owners interested in having an ADU through the process.
- Sen. Clarkson advocated for investments in marketing and education on the benefits of ADUs. She suggested perhaps leveraging weatherization assistance for property owners to build an ADU.
- The main debate was over whether or not to eliminate the requirement that property owners occupy a unit on a property that has an ADU.
 - Sens. Clarkson and Sirotkin were hesitant to do so, but noted that the White House webinar participants were supportive of doing so.
 - Sen. Brock seemed in favor of elimination on the basis of reducing government micromanagement of properties.
- Chris Cochran of ACCD pushed back on Sen. Sirotkin’s state guidance program, saying it would likely be better for the state to support guidance from local officials.
- The committee is committed to reworking laws as best they can so as to jumpstart ADU development. Though there is not a clear path or timeline, they seem most interested in the question of owner occupancy.

Thursday 2/3/2022

Omnibus Economic Development Bill

Proposed Capital Investment; Relocated Worker Statutory Language Changes

Joan Goldstein, Commissioner, Department of Economic Development

Doug Farnham, Deputy Secretary, Agency of Administration

David Hall, Legislative Counsel, Office of Legislative Counsel

Cassie Polhemus, Chief Executive Officer, Vermont Economic Development Authority

- Chairman Sirotkin doesn't understand how it couldn't be simpler to change parameters and Goldstein states that it is not that simple – changing the formula means that it's a new program
- Polhemus states VEDA has an interest in blending the best of ideas from the SBA PPP and the Grants program – look at the net operating income of businesses and provide aid depending on that
- Chairman Sirotkin asks why does VEDA criteria have to go out as a loan – Goldstein explains that loan structure ensures proper spending and more considered use
- Sen. Balint voices the desire to help businesses that weren't previously helped – concern about clarity and timeline between FY2019 and FY2021 instead of maybe October 2020 to May 2020
- Sen. Balint asks Goldstein not to have the capacity to do this job the best way. Goldstein sees what Sen. Balint is saying – she doesn't think it's not just a capacity problem, it's a design problem
- Chairman Sirotkin asks Polhemus how many PPP loans were forgiven - of 1,000 loans, 200 have not applied for forgiveness yet. By far majority are going through the process for forgiveness – Polhemus assures this is a non-onerous process
- Michael Sirotkin asks what the administration's proposal is for the \$26 M – intention was to “help businesses” – Goldstein states that they thought forward language in Act 9 enabled them to transfer residual funds into another program and the Senate disagreed with that – as a result, the Executive branch is not doing anything – the funds will stay idle and will not be used for Capital Investment
- Goldstein asks committee if would they'd rather have it sit idle or put it into a program that is oversubscribed
- Sirotkin does not want to leave it idle - if it is abandoned, and the VEDA program is set up, it wouldn't make sense to leave it open
- Goldstein restates that Governor's budget proposal - \$50 M for Capital Investment, \$30 M for Grand List Enhancement and \$20 M for Forgivable Loan Grants and didn't do anything with residual
- Senate lawyers think that the Executive branch should not be moving money around without legislative approval
- Chairman Sirotkin states that spending the money before the Capital Investment Budget bill passes cuts the legislature out of the process
- Goldstein asks for the committee's interpretation of language and Chairman Sirotkin states that it lacks practical effect and intent

- Goldstein states that it seems the committee does not find the Capital Investment Grants an Economic Recovery program and so the JFO will not fund the Capital Investment program if the money stays idle. Chairman Sirotkin remarks that they could use it if the committee gave the administration more money
- Chairman Sirotkin ends the conversation because it is “getting confusing” – he concludes that the \$26 M must have legislative approval to move at all