

Montpelier Economic Development Advisory Committee

c/o Planning and Community Development Department

City of Montpelier
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July 8, 2002

City Council Members
Mayor Chuck Karparis
City Manager Bill Fraser
City of Montpelier
c/o City Hall, 39 Main Street
Montpelier, VT 05602

Subject: Recommendations of Montpelier Economic Development Advisory Committee

Dear City Council Members, Mayor Karparis, and City Manager Fraser:

On behalf of the members of the Montpelier Economic Development Advisory Committee (the "Committee"), thank you for the opportunity to serve on the Committee.

We hereby recommend the formation of the Montpelier Economic Development Corporation (MEDC) to assist the City of Montpelier and the Montpelier Downtown Community Association, Inc. in facilitating and promoting city-wide economic development.

1. Work Plan: Chapter 9, Economic Development, City of Montpelier Master Plan; with an emphasis on assisting existing businesses and prospective businesses in their efforts to retain and create jobs, and to increase investment in the development/redevelopment of underutilized properties resulting in a larger Grand List and a more vibrant, prosperous community.

Corporate Structure: 501 c 6 non-profit corporation.

3 Board of Directors:

- A. Two (2) non-voting members to be appointed by the City Council who are to be elected or appointed officials of the City of Montpelier.
- B. One (1) voting member to be appointed by the Montpelier Downtown Community Association, Inc. (MDCA) who is to be a member of MDCA's Board of Directors with this member to have the same voting rights as the MEDC Board Member who we are requesting be asked to serve on MDCA's Board of Directors.
- C. One (1) at-large voting member who is required to be a resident of the City of Montpelier.
- D. Five (5)-Six (6) voting members who are to be owners of businesses or owners of property located within the City of Montpelier.

Note: The six (6)-seven (7) members of the Board of Directors cited under 3.C. and 3.D. above are to be nominated by the current MEDAC Committee Members and appointed by the City Council. Election of Directors in the future will be by vote of the MEDC Board of Directors. If the reciprocal MEDC/MDCA Board Members are voting members, there shall be 5 members who are business/property owners. If the reciprocal MEDC/MDCA Board Members are non-voting members, there shall be 6 members who are business/property owners.

4 Staff:

- A. Full-time Executive Director
- B. Part-time Assistant

5. Office Space: City Hall, adjoining MDCA offices, or comparable downtown space

6. Annual Budget: \$75,000-100,000.

Note: Assuming real property taxes with the local portion being \$2.00/\$100.00 of assessed value, new private economic development projects valued at \$5,000,000.00 would yield \$100,000.00/year. In the interim, on a worst case basis, an investment of \$100,000.00 per year is equal to an increase of approximately 2.5¢ in the tax rate. Of course, we understand that you would want to explore the other possible sources of funding listed below to possibly finance a portion of this budget.

7 Possible Sources of Funding:

- A. City Budget
- B. Local Option Sales Tax
- C. Business Improvement District
- D. Grants

We are hopeful that the City Council will agree that the creation and funding of the Montpelier Economic Development Corporation will be a very prudent and wise investment. Following your lead, we seek to put in place the capacity to better serve existing businesses and prospective new businesses.

Thank you again for the opportunity to work with you on this important endeavor.

Sincerely,



William Ricker
Chairman
Montpelier Economic Development Advisory Committee

cc: Anita Bird
Chair
Montpelier Downtown Community Association, Inc.

Mary Hooper
Executive Director
Montpelier Downtown Community Association, Inc.

Valerie Capels
Director
Planning and Community Development Department
City of Montpelier

Montpelier Economic Development Advisory Committee Membership:

William Ricker, Chairman
Fred Connor III
Thomas Greene
Timothy Heney
Alan Lendway
William Patno
Gerald Tarrant
Beth Wagner-Boutin