

Ballot Article 8 Tax Stabilization



Ballot Language



Shall the voters authorize the Richmond Selectboard to negotiate and enter a Tax Stabilization Agreement for Economic Development purposes, for the properties commonly known as the Creamery, pursuant to 24 V.S.A. 2741, for a term not to exceed ten years?

Richmond Creamery



The former Richmond Creamery was a milk processing factory in Richmond village. More recently it was owned by Jolina Foods, which closed the factory in 1999. The site was bought in 2002 by a small investment company called Casing Development, LLC. The company's principal is a Vermonter now living out of state. The site has sat unused since it closed and many in town want to see the site turned into a productive site once again.

Why the need for action?



- The property is ideally situated in the village with access to utilities and high-speed internet access, making it an attractive site for development
- There are, however, some things that seem to be barriers to development:
 - The property does have some environmental issues that could cost a substantial amount of money to remediate
 - The site is also located next to the river and has some floodplain restrictions so a little under three acres is developable

What else have we done?



- Early in 2014 the Selectboard appointed a committee to study zoning changes for the property that would make the site more attractive to redevelopers. In May of last year, the committee provided the Selectboard with their recommendations, which the Selectboard has adopted as an Interim Zoning measure.
- Since the land remains privately owned, the Selectboard must wait for private interests to put together a development plan for the property for the town to review. It seems like an agonizing wait at times, but we are hopeful that this year someone will take an interest in the property.

What is tax stabilization?



- Tax stabilization would allow the Selectboard to fix the municipal taxes at a set rate over the next ten years that would be less than the full rate once the property is redeveloped
- The property is valued at \$351,400
- Once it is fully redeveloped, the value could potentially be more than \$1 million
- The town could reduce the tax burden through a stabilization agreement which would be a huge financial incentive for a redeveloper
- This is a short-term tax incentive and is one more tool that the town can use to make the site more attractive
- It should be understood that the town is unable to stabilize the education taxes on this property at this time

§ 2741. Municipal corporations; property values fixed by contract



- (b) A municipal corporation, by vote of a majority of those present and voting at an annual or special meeting warned for that purpose for a contract relating to agricultural or forest property, open space land, or to alternate-energy generating plants, **or by a vote of two-thirds of those present and voting at annual or special meeting warned for that purpose for a contract relating to commercial or industrial property**, may either:
 - (1) provide general authority to its legislative branch to enter into such contracts as application is made; or
 - (2) provide limited authority to its legislative branch to negotiate contracts which shall be effective upon ratification by a majority of those present and voting at an annual or special meeting warned for that purpose.

§ 2741. Municipal corporations; property values fixed by contract



- (c) Any contract entered into pursuant to this section:
- (1) shall not be for a period in excess of ten years except for a contract to stabilize taxes for an alternate-energy generating plant in which case the term shall not exceed the term of any license, permit or other approval required to operate such a plant;

Costs and Benefits



- The town stands to lose a dangerous and dilapidated building, and gain a productive new development on existing ground in the village, creating additional jobs, homes and economic benefits
- The water system stands to gain an expanded customer base
- The positive news generated by new development would be attract people to come to our town for the right reasons
- The town would lose out on some additional municipal tax revenue generated by higher GL values

Questions?

