

Date: May 30th, 2019

Selectboard
Town of Richmond
P.O. Box 285
Richmond, VT 05477

Dear Selectboard members -

In the March 2015 Town Meeting, Richmond voters approved a tax stabilization incentive for economic development on the Creamery parcel. This, along with Interim Zoning, was an incentive designed to motivate a developer to take the risk of purchasing & cleaning up the property. Prior to these approved policies, the Creamery site had been abandoned and unviable for redevelopment for nearly 20 years. This incentive was a vital decision-factor for our acquisition of the property and has often been discussed over the 4-year partnership – although it has not been necessary to finalize the incentive until the site was clean and able to be redeveloped. Please see the below as our proposal.

Please refer to attachments:

- 'Tax stabilization presentation draft 12-26-2015'. Presented by Town Manager prior to town vote.
- 'Minutes pertaining to Tax Stabilization from 2015 Town Meeting'

Proposal:

We would like to request the maximum tax relief allowed by the approved ballot to be provided. That would stabilize the municipal taxes (exclude education and state taxes) for 10 years starting July 2019 until July 2029. It would entail the base value on the tax bill would be frozen at **PRE-developed** grand list value at (\$125,000 from 2017/2018 tax bill). Specifically:

- Municipal & Highway Tax Rate - $.6759 \times \$125,000 = \84.49

A few points of consideration:

Why are we requesting now? Its often been a point of discussion but until the site was clean and the value to be increased, we did not need to have the discussion. The incentive was always part and parcel of our partnership to clean up and redevelop the property. In August 2018, the site was deemed 'clean' and open for redevelopment. In September 2018, we met with the Town Manager and he recommended bringing up Spring 2019 before tax bills and property assessment.

Why are we asking for 2017/2018 Grand List value (instead of 2018/2019)? The increased value in 2018 was unfair (in our opinion) as at the point of assessment of property value, it was still a Brownfield and would have been valued as such. The site was not 'clean' and open to redevelopment until August 2018. Please note we noticed the increase in grand list value too late to appeal in 2018 and discussed with Town Manager (Geoff) and he suggested we highlight in this proposal.

Why are we asking for maximum tax stabilization? The incentive was successful in motivating a developer - us. We have delivered on our commitment and cleaned up the property. The redevelopment has benefitted the town, tax base, water use, economic development and overall the safety of the community. In our opinion, there is no reason **not** to provide the maximum benefit and to continue the support of the partnership.

Please note in our opinion this is part and parcel of the long-term partnership between ourselves and the Town of Richmond and the State of Vermont to clean up the Creamery parcel. We are just requesting it is enacted as the town approved in 2015.

Sincerely,

Josi Kytly and Brendan O'Reilly
Buttermilk LLC