

**Special Meeting of the Barre City Council
Held December 13, 2012**

The Special Meeting of the Barre City Council was called to order at 7:00 PM by Mayor Lauzon. In attendance were: From Ward I, Councilors Charles Dindo and Paul Poirier; from Ward II, Councilors Michael Boutin and Michael Smith (arrived 7:23 PM); and from Ward III, Councilors Anita Chadderton and Lucas Herring.

Old Business –

1) City Place

- a. 9 Merchant St. and 213, 219, 225 No. Main St.**
 - i. Authorization to Execute a Lease/Purchase Agreement.**
 - ii. Authorization to Execute Tax Stabilization Agreement**
- b. Approval of Revised Semprebon Fund Promissory Note.**

Mayor Lauzon began with a review of the draft tax stabilization agreement and a chart showing the proposed assessment increases and taxes generated over the life of the agreement.

Councilor Poirier made the motion to authorize Mayor Lauzon, Manager Mackenzie and City Attorney Twombly to execute a Tax Stabilization Agreement related to City Place, seconded by Councilor Boutin.

The Clerk recommended including language in the rollback clause that requires the taxpayer to remain current with tax payments over the life of the agreement. Council concurred. There was discussion about the stabilization of education taxes and the impact of the TIF district on the local agreement rate.

Council voted the motion. **Motion carried with Councilor Boutin voting against.**

Mayor Lauzon reviewed the terms and conditions of the promissory note, which calls for the City to borrow up to \$625,000 from the Semprebon Fund at an interest rate of 3.25%. Payback is due by November 1, 2013. There was discussion about where the interest earned will be allocated, and Councilor Poirier said it is his intent to have the interest credited to the bike path. Mayor Lauzon said when the promissory note is paid off the Clerk will report on the amount of interest earned and Council can allocate the funds at that time.

Councilor Herring made the motion to approve a promissory note up to \$625,000, and authorize the Manager to sign on behalf of the City, seconded by Councilor Dindo. **Motion carried.**

Mayor Lauzon reviewed the lease/purchase agreement, which is titled a ground lease agreement. The Mayor said the final amount of the rents listed in the document will be adjusted based on closing costs.

Councilor Smith arrived at this point in the meeting.

There was discussion about language related to the mechanisms in place to allow the City and the developer, DEW, to take advantage of contamination mitigation funds available through VTANR. Manager Mackenzie said remediation is expected to be complete by July 1, 2013 at the latest. Mayor Lauzon said the closing for the City's purchase of the property and execution of the ground lease is scheduled for December 17, 2012, and the absolute last date for the title to pass from the City to DEW is January 1, 2014

Mayor Lauzon said the principals of DEW are personally guaranteeing the document. The Mayor reviewed the schedule and method of payments as outlined in the document.

To be approved at 12-18-12 Barre City Council Meeting

Councilor Herring made the motion to authorize execution of a ground lease, contingent upon there being no substantive changes that would increase the final dollar amount above \$625,000, and to authorize the Manager to sign on behalf of the City. The motion was seconded by Councilor Poirier. **Motion carried.**

Council adjourned at 7:36 PM on motion of Councilor Herring, seconded by Councilor Boutin. **Motion carried.**

An audio transcript of part of the meeting is available through the Clerk's Office. The recorder was started 14 minutes into the meeting.

Respectfully submitted,

Carolyn S. Dawes, City Clerk

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