

Essex Economic Development Commission (EDC)

Special Local Options Tax Meeting

9-10am Monday, February 22nd, 2021

COVID-19 UPDATE: Due to the COVID-19 / coronavirus pandemic, this meeting will be held remotely via Microsoft Teams. Available options to join the meeting:

- Join via Microsoft Teams: <https://www.essexvt.org/887/5673/Join-Teams-Meeting-Essex-EDC>. Depending on your browser, you may need to call in for audio (below).
- Join via conference call (audio only): [\(802\) 377-3784](tel:8023773784) | Conference ID: 626 758 56#
- Public wifi is available at the Essex municipal offices, libraries, and hotspots listed here: <https://publicservice.vermont.gov/content/public-wifi-hotspots-vermont>

Note that for the purpose of recording minutes, you will be asked to provide your first and last name and your address.

When listening to the meeting, please keep your phone or computer on “mute” to prevent interruptions. For agenda items when it is appropriate for the public to speak, please unmute your phone or computer and introduce yourself before requesting the floor from the Chair.

AGENDA

Commission Members: Annie Cooper, Chair; Brian Shelden, Vice Chair; Botur Kosimi, Clerk; Jeff Benjamin; Greg Morgan (On Leave)

Staff: Evan Teich / Greg Duggan; Owiso Makuku; Darren Schibler; Robin Pierce, Deana Stoneback

1. Call to Order
2. Public to Be Heard
3. Changes to Agenda
4. Short presentation by Greg Duggan about local options tax
5. Discussion of next steps, with possibilities including but not limited to survey and outreach to nearby communities, businesses, and governing bodies in municipalities with local options tax; and survey and outreach for Essex businesses
6. Discussion to finalize action plan items and deadlines
7. Meeting Adjournment: (9:15 AM)

Memorandum

To: Economic Development Commission
Cc: Evan Teich, Unified Manager; Owiso Makuku, Community Development Director; Darren Schibler, Town Planner
From: Greg Duggan, Deputy Manager
Re: Outreach about local options tax
Date: February 19, 2021

Issue

The issue is for the Economic Development Commission (EDC) to discuss the role it can play in reaching out to nearby communities, businesses, and residents to gather their input on the possibility of implementing a local options tax in Essex.

Discussion

The bulk of this memo was included in a November 4, 2020 and January 7, 2021 memos to the EDC. Updates are included as track changes.

Staff is asking the EDC to help gather information about a possible local options tax in Essex by reaching out with outreach to governing bodies of nearby communities with local options taxes, businesses, and residents on the local options tax. Information about a local options tax is included below, along with potential questions for businesses, and possible businesses and segments to reach out to.

The Town of Essex and Village of Essex Junction are considering whether or not to ask voters to approve a local options tax. The 1 percent tax, if approved, would apply to any or all of the following sales:

- Sales
- Meals
- Alcoholic Beverages
- Rooms

The local option tax applies if a transaction is subject to Vermont sales, meals, rooms, or alcoholic beverage tax. The tax applies on the location where the buyer takes possession of the item, or where it is delivered.

If Essex were to collect all local options taxes, the State of Vermont estimates that the taxes would generate approximately \$1.2 million between the Town of Essex and Village of Essex Junction. If the local option taxes are implemented, the Town and Village would most likely use the revenue to fund capital projects.

Burlington, Colchester, South Burlington, Williston, and Winooski all have local options taxes for sales, meals, alcoholic beverages, and rooms.

Before deciding whether or not to approach voters with a question about the local options taxes, the Town and Village governments want to hear from area businesses about their thoughts on the taxes. We want to understand their perspectives, hear any thoughts and concerns, and answer questions in order to make an informed decision about whether and how to pursue local option tax(es).

Staff has drafted several questions (see below), and identified several businesses to contact (see below). Staff welcomes feedback on the questions and the list of businesses, and would welcome EDC member(s) to help with the business outreach.

The EDC has also discussed reaching out to residents and nearby communities to gather more input on a local options tax, both how it would be received in Essex and how it is working in other communities. Outreach strategies may include surveys, with options for respondents to have further discussion.

The EDC may wish to create working groups or identify members who can help with the outreach efforts.

Questions for businesses

- First off, do you mind if we share your feedback with the Selectboard and Trustees – which will become public record?
- First impression/reaction?
- Do you think the local options tax(es) would affect your business? Any of the specific taxes more than the others?
- Would you feel differently knowing that most of our neighbors (Burlington, Colchester, South Burlington, Williston, and Winooski) all have the local options taxes?
- We want business owners and voters to be as knowledgeable as possible about the tax if it goes to vote. Are there any questions we can answer for you?
- (regardless of how you feel now, for or against a tax) Are there any details that would make you change your mind?

Economic segments, and businesses to possibly approach

Staff does not recommend reaching out to every single business on this list, and instead suggests choosing two to four businesses from each segment to gain a sense of the issues, questions, and concerns that businesses may have about the local option tax.

- Light manufacturing
 - GlobalFoundries
 - Revision
 - Blodgett
 - IBM
 - Twincraft
 - Autumn Harp
- Retail
 - Lowe's
 - Hannaford
 - Price Chopper
 - Mac's Market
 - Peter Edelman/Essex Experience shops
- Entertainment
 - Essex Cinemas
 - Peter Edelman/Essex Experience
- Eating/drinking establishments
 - Martone's

- Firebird/Nest
- McGillicuddy's
- Pearl St. Pub
- Park Place Tavern
- Cody's
- Mimmo's
- Quality Bake Shop
- Nepali Kitchen
- Sherpa Dahal
- Joyce's Noodle House
- Jules on the Green
- Mad Taco
- 1st Republic
- Black Flannel
- Lodging
 - The Essex
- Others?

To put it on the radar of the EDC, other topics for future discussion around the local options tax include the following:

- How sales taxes are tracked now and figures we have
- Examples of how the tax would be administered
- The process: Town-wide vote
- Potential use of the funds: economic development, promotion of the community?

Cost

N/a

Recommendation

Staff welcomes feedback and discussion on the topic. Additionally, it is recommended that the Economic Development Commission identify member(s) who can help with ~~business~~ outreach.