

# **CABOT COMMUNITY INVESTMENT PLAN 2024**

## **INTRODUCTION**

The Cabot Community Investment Fund (formerly Urban Development Action Grant, or UDAG) has been in existence since 1991. It consists of funds granted to the Town of Cabot in 1986 by the U.S. Government in the amount of \$2 million, on condition the funds be lent by the Town to the Cabot Farmers' Co-Operative Creamery at a discounted rate of 4% to help finance its expansion. The Creamery would repay that loan over a period of ten years. The final payment was received in 1996.

In 1992, Town Meeting approved the first UDAG Plan, to be overseen and administered by a committee of five. Under this Plan and successive revisions, two separate investment accounts were established, a CCIF (UDAG) Fund to make grants and loans for large public projects (among them Cabot Commons, Willey Building restoration, Cabot School Performing Arts Center, Cabot Municipal Wastewater System) and also for small businesses, local organizations and non-profits. A separate Scholarship Fund made small grants for continuing education to qualifying Cabot adults and Cabot School seniors.

Over the last decade, it seems that the two funds, CCIF and Scholarship, have been underutilized and, from time to time, uncertainly managed. In the aftermath of our catastrophic floods, the need has become clear for more focused investment in housing, commerce and municipal infrastructure. About \$1 million remains in two funds, but the value of that asset diminishes with inflation. In order to support a more active municipal investment strategy, a new CCIF Plan is hereby proposed.

## **THE PROPOSED CCIF PLAN OF 2024**

All previous plans are hereby revoked.

### **THE TWO FUNDS SHALL BE COMBINED INTO ONE**

All CCIF assets shall be merged into a single brokerage account, which shall be managed according to this plan. Henceforth, the CCIF shall consist of single fund, to be deployed in furtherance of the **CCIF INVESTMENT PROGRAM (CIP)** as described in this plan.

### **THE CABOT COMMUNITY INVESTMENT PROGRAM (CIP)**

The objective of the CIP is to promote economic development in the Town of Cabot. "Economic development", as used in this plan, shall be understood to mean any one or combination of the following:

- 1) Creation of new commercial enterprise;
- 2) Expansion of existing commercial enterprise;

- 3) Job creation;
- 4) Development of property for commercial use;
- 5) Development of multi-family housing;
- 6) Enhancement of municipal infrastructure to support the above.

## SUPPORT FOR CAPITAL PROJECTS ONLY

The CIP will support only capital expenditures and projects and only within the Town of Cabot, subject to the approval of Town Meeting. All CCIF funds are hereby allocated and appropriated for the CIP, and, with the exception of such monies as are necessary to pay administrative expenses and to meet outstanding obligations, no use may be made of these funds other than to carry out the CIP in accordance with the terms of this plan.

The CIP shall consist of grants or loans for capital projects that promote economic development in the Town of Cabot. “Capital Project”, as used in this plan, shall be understood to mean:

- 1) Any project, by a private or public entity, involving the purchase, construction, improvement, renovation or expansion of a commercial premise or facility, that promotes economic development as defined above;
- 2) Repurposing, by a private or public entity, of existing infrastructure for commercial enterprise that promotes economic development;
- 3) Purchase, construction, improvement, renovation or expansion of a municipal premise or facility to support or sustain commercial activity therein or thereby.

Only Capital Projects within the Town of Cabot shall be eligible for funding from the CIP. Such funding may take the form of grants, loans or ownership investments, and such funding may provide matches towards grants obtained from other sources.

## THE ROLE OF THE SELECTBOARD

The Selectboard shall carry out the CIP by choosing from time to time appropriate opportunities and projects for disbursement, lending or investment of CCIF funds within the Town of Cabot, in accordance with the criteria in this plan. Any proposal for such disbursement or investment, beyond CCIF administrative expenses or payment of outstanding CCIF obligations, must be approved by an Australian Ballot vote at a regular or special Town Meeting. Any project proposed for CIP funding must be presented and discussed at two public hearings at least 30 days apart, the second of which must take place no less than two weeks before the vote. CIP hearings may be concurrent with Selectboard meetings.

A description of any project to be brought before Town Meeting for a vote must be made public in writing, posted in three public locations, published on the Town of Cabot website, posted to Front Porch Forum and Cabot Connects or comparable and moderated social media, made available at the Town Office, and published in whole or summary in the Cabot Chronicle or other

print media in general circulation in the Town of Cabot no later than two weeks before the first public hearing.

The project description must include the following:

- 1) All relevant municipal permits, including such maps and images as are required for such permits under Town of Cabot codes and ordinances or state or federal law, though permit applications do not need to be obtained before a project is approved;
- 2) Estimated costs, including grant writing and application fees, projected legal fees, interest payments, and any other foreseeable expenses;
- 3) Estimated construction time and completion date;
- 4) Funding design, including all potential grants and loans other than CCIF loans and grants, though such other grants or loans do not need to be applied for or obligated before a project is approved;
- 5) Any maintenance or other costs going forward for which the Town may be obligated, but such obligations may not incur expenditures of CCIF funds;
- 6) Consistency with the Town Plan;
- 7) Consistency with the CCIF goal of “economic development” as described in this plan;
- 8) Consistency with definition of “capitol project” as described in this plan.

The Selectboard shall have final authority over the management of CCIF funds, notwithstanding the role of the CCIF Committee (see below), and, once a CIP project is approved by voters, over its execution.

Any warned Town Meeting article to approve a CIP proposal must be worded to “authorize the Selectboard to spent up to” a specified amount of CCIF funds on the project in question; and to “spend such grant funds as may be applied for and received” in support of the project in question and; to “authorize the Selectboard to borrow up to” a specified amount from lending institutions, should such borrowing be part of the funding design in the project description.

## **THE CCIF COMMITTEE**

The Selectboard shall appoint a CCIF Committee to consist of four members, one of whom shall be the Town Treasurer ex officio. The Committee:

- 1) Shall establish any brokerage and bank accounts, including checking accounts, it deems necessary to fulfill the purposes of this plan;
- 2) Shall have responsibility for managing the CCIF investment portfolio and ensuring that the portfolio has a cash component for paying current obligations, administrative costs and disbursements for CIP projects or is linked to a cash or bank account for such purposes;
- 3) Shall have the authority to instruct the CCIF account manager to buy or sell holdings in the CCIF investment portfolio;

- 4) Shall have the authority to make payments from the CCIF cash account on outstanding obligations and for administrative costs;
- 5) Shall arrange for the disbursement of funds to carry out CIP projects upon and according to instructions from the Selectboard;
- 6) Shall report to the Selectboard quarterly, in person or in writing, on the status of the fund, any changes made in the investment account, and any recommendations for action by the Selectboard.

CCIF Committee members need not be residents of the Town of Cabot. They shall serve at their own pleasure and at the pleasure of the Selectboard. The CCIF Committee shall organize itself according to its best judgement and shall meet at its own pleasure.

The signatures of the Town Treasurer, as a member of the CCIF Committee, and the chair of the Selectboard shall have signing authority for any checks issued against CCIF funds.

### **RULES FOR EXECUTING THE CCIF PLAN**

The Selectboard, in consultation with the Planning Commission, the Listers and the Zoning Administrator, shall devise the rules and procedures for carrying out this plan and any CIP projects approved by the Town Meeting. These rules and procedures shall be printed out and made available at the Town Office and posted on the municipal website, as shall any changes to the rules and procedures. Such rules and procedures may be submitted to the Town attorney for review and advice, at the discretion of the Selectboard; and upon advice of counsel the Selectboard shall have the authority to make changes in the rules and procedures without further consultation; but such changes shall be made public as per the above.