

**Town of Royalton
Informational Hearing
February 23, 2016 7:00pm
Royalton Academy Building**

Royalton Selectboard: Larry Trottier, Phil Gates, Peggy Ainsworth, Sandy Conrad, Joan Goldstein

GW Plastics President Brenan Riehl

Public Present: See sign in sheet

Informational Hearing Opened at 7pm

Joan Goldstein introduced Brenan Riehl President of GW Plastics Inc. GW Plastics Inc. is a medical equipment manufacturing company with a facility located in Royalton. Brenan began his presentation by discussing why GW Plastics is asking for a tax stabilization agreement. Alison Gravel asked where the ballot was on the warning. She was told it was by Australian ballot.

Brenan discussed the products GW Plastics manufactures. They employ 350 people in Vermont. Overall they have 1000 employees. They are the 3rd largest manufacturer in state. They have experienced significant employee growth in Vermont. GW Plastics has invested \$29 million in their Vermont facilities in the past 10 years. They currently have no customers in Vermont. They are building an expansion at Waterman Road location. GW Plastics has considered other locations to expand and decided to expand in Royalton Vermont. The expansion will add \$20 million in capital and 70 new jobs at this location. Brenan discussed the school tech and scholarship programs they offer to students. Majority of employees are from Orange and Windsor County. Many are long time employees. Brenan presented a slide that showed the business climate comparison between Vermont, Texas and Arizona. Higher costs are associated with manufacturing in Vermont. He calls it the Vermont disadvantage.

GW Plastics is in a business environment that is very competitive. They constantly negotiate with their customers who would like product costs to decrease. Property taxes in Royalton have doubled. Brenan saying that growth may be less expensive in other locations. Brenan says that GW wants to stay in Royalton. They need a bit of help. And explained why they are asking for a tax stabilization agreement from the town. Not easy to get incentives in Vermont.

Tim Dreisbach inquired as to what exchange is GW stock traded. Brenan replied stock is privately held and the major shareholders are family. Majority of ownership is in Vermont and their intent it to not move somewhere else.

Jeff Barcelow asked about the value added to the buildings. Jeff asked if GW Plastics was only asking Royalton and not other towns for a tax stabilization. Brenan said only Royalton. Delbert Thurston asked about moving jobs over to the facility in China. Brenan responded that when they built over in China they actually added jobs to the Vermont facilities. The China facility was built to handle the

customers they had over in that part of the world. It made them appear more competitive. Very unlikely expansion would cause jobs to be lost in Vermont.

Rhonda Tuttle asked about why they are asking for a ten year stabilization and not a shorter time frame. She asked how residents can be guaranteed they do not move out of the area. Brenan said that they are succeeding in Vermont and would like to stay here. Jeff asked about another project in the works and would this stabilization apply to any future improvements. Brenan stated further capital improvements will be made. No matter what they do to the building over the next 10 years falls under the stabilization agreement.

Eunice Gavin mentioned Green Mountain Coffee received benefits from the state of Vermont and they sold out to another company. Brenan said they could be sold someday but this was not their intention. GW received funds from the state enterprise fund. It was a message from the state to try and keep GW Plastics here in Vermont.

Tim Dreisbach asked about if other land was purchased and other facilities were built would they be part of the stabilization agreement. The details of the agreement will not be discussed until after the vote.

Tim Murphy mentioned that the town should think about the youth. Having these types of jobs in town so the youth will not have to leave town to find better jobs. Brenan said GW Plastics has an entire program that starts with students in high school and he would like to work with South Royalton School to develop this plan. Young GW Plastics Associates (in collaboration with VTC) have classes paid for. When they graduate from the technical leadership program they get a job and a raise.

Ernie Amsden asked about their current property tax bill. Brenan responded in 2010 it was \$32,769 in 2015 it was around 70K. The town portion was \$21,000.00. GW Plastics is asking that amount does not increase for 10 years.

Informational Hearing Adjourned. 7:55pm

Respectfully Submitted,

Rose Hemond

Royalton Administration and Finance Manager