

Agency of Commerce and Community Development

Report on Financing and Networking Events

In Response to Act 199, Sec. 7, Networking Initiatives

January 15, 2015

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I INTRODUCTION

In 2014, the Vermont State Legislature passed Act 199. One area of focus of this important act was how to better connect Vermont's emerging businesses and entrepreneurs with the financing they need. Among many other things, Act 199 provides new tools for financing, including the Entrepreneurial Lending Fund and the Vermont Small Business Offering Exemption (VSBOE). It asks for the Department of Financial Regulation to examine crowdsourcing and to report on events held to educate the public about the VSBOE. And it tasks the Agency of Commerce and Community Development to work with its partners to improve the outreach and communication around these new tools and, via its partners, to support networking both between and among capital providers, investors and entrepreneurs.

Specifically:

** * * Connecting Capital Providers and Entrepreneurs * * **

Sec. 7. NETWORKING INITIATIVES

(a) The Agency of Commerce and Community Development shall support networking events offered by one or more regional economic development providers designed to connect capital providers with one another or with Vermont entrepreneurs, or both, and shall take steps to facilitate outreach and matchmaking opportunities between investors and entrepreneurs.

(b) The Agency shall submit to the House Committee on Commerce and Economic Development and to the Senate Committee on Economic Development, Housing and General Affairs a report on or before January 15, 2015 concerning the structure of

networking initiatives, the relevant provisions of governing performance contracts, the benchmarks and measures of performance, and the outcomes of and further recommendations for the program.

The following is a report on the activities that have been undertaken in the last six months since the act was passed and recommendations for going forward.

II SITUATION

Vermont is a state that is known for its entrepreneurial activity. The 2012 Kauffman Index for Entrepreneurial Activity ranked Vermont fifth among all states, with “520 per 100,000 adults creating jobs each month.” According to the JOBSIMPACT Small Business Crowdfunding Index, Vermont is among the top 3 states for crowdfunding, behind Washington, DC and New York, and ahead of Oregon, California, and Colorado. This past year saw Slow Money, the organization that promotes investing in local and sustainable enterprises, open a chapter in Vermont. And in December 2014, *Inc. Magazine* put Burlington-based social media start-up Ello on a list next to Uber as one of the 9 Most Significant Venture Deals of 2014.

Some of the state’s largest and fastest-growing businesses today — Keurig Green Mountain Coffee, Dealer.com, MyWebGrocer, Vermont Teddy Bear, Mack Molding, Against the Grain Gourmet, Vermont Hard Cider – were started here by visionary entrepreneurs. These businesses have grown to employ thousands. And as they have grown, the number of new small businesses and start-ups has grown too. Today, according to the Department of Labor, 78% of Vermont’s 22,751 establishments employ fewer than 10 people, accounting for 20% of the workforce.

The state recognizes the critical importance of these small businesses, and the resilience and vitality they bring to both our economic and social environment. It has sought to support them in numerous ways, most critically to ensure that they have access to the three key factors that determine the growth or death of an early stage company:

- Advice and mentoring
- Financing and capital
- Talent – in the workforce and in leadership

To provide any one of these three alone without the others is like providing water, but neither air nor soil for a plant to grow. All three are available but in limited supply. If anything, in Vermont the financing is the most easily accessible element: in general, there is supply. Yet, like water, financing can drown a company if it is not carefully applied and calibrated to their needs. Or, without care, it can evaporate within a matter of weeks. In Vermont 2020, the first statewide Comprehensive Economic Development Strategy, the first of four key action areas identified is providing better access to “Finance and Capital” with a target of bringing in more than \$200 million in new investment instruments to the state by 2020.

While this report focuses on networking events that help connect entrepreneurs with investors and capital, it will also take into account the technical assistance and mentoring many organizations provide.

III THE CHALLENGE

“I have a great idea but I can’t get financing.”

That’s the cry that set in motion this report and a push to find ways to provide better access to capital. It also prompted the Department of Economic Development to conduct an informal survey to better understand why. After speaking with start-ups, technical assistance providers, venture capital firms, individual investors, banks and lending institutions, a number of recurring answers surfaced. The most frequently heard comments were:

- The business was a viable idea but did not have a good business plan
- The business was not a viable idea, and probably should not be financed or encouraged
- The business owner did not have a strong track record as an entrepreneur
- The business did not have enough fixed assets to serve as collateral
- The business did not know whom to ask for what type of financing
- The business was not scalable.

As one partner of the Department of Economic Development put it, “by saying ‘no’ to an entrepreneur who is truly not prepared, we are saving mortgages and marriages.” In other words, if the business idea does not have legs, it is in everyone’s best interests to encourage the prospective business entrepreneur to reformulate his or her plan.

Yet, to breed a higher rate of success, Vermont also has to create a higher tolerance for risk and failure. The challenge is to educate entrepreneurs on how to write and present better business plans and learn whom to ask for what. The challenge is also to help traditional lenders understand new and unconventional businesses. Historically, Vermont has a track record of being good at this. After all, two self-proclaimed hippies started an ice cream company (Ben & Jerry's) that is now worth millions. And one gentleman with a background building EZ-Wider rolling papers created a highly successful coffee roasting company (see Bob Stiller, Keurig Green Mountain). Yet today we also need to better educate financial lending institutions on how to gauge the success of new "digital economy" ventures that often have no fixed assets, few employees and often work in a virtual market that can go viral or go bust in minutes.

It is those efforts to not only physically better connect the entrepreneur and "investor" but to help the two entities better understand each others' needs and situation that the Department of Economic Development sets out to foster and will report on here.

IV SUMMARY OF ACTIVITY

Since the end of the legislative session, the Agency of Commerce and Community Development and partners {including the Vermont Center for Emerging Technologies (VCET), the Regional Development Corporations (RDCs), the Vermont Small Business Development Center (SBDC), the Small Business Administration (SBA), the Vermont Sustainable Jobs Fund (VSJF), the Vermont Economic Development Administration (VEDA) and others} supported more than 25 networking events around the state focused on connecting investors and entrepreneurs. The events reached more than 700 businesses and entrepreneurs (*see Appendix 1: FY15 Calendar of Events*) and helped educate them as to the opportunities available for financing, the types of financing and capital available, and how to best access it.

In 2014, the Agency of Commerce and Community Development strengthened requirements in its performance contracts with the Regional Development Corporations (*Appendix 2: Example: Mid-Year Report from Addison County Economic Development Corporation*). For FY 2015, contracts include provisions that the RDC must host a networking event focused on access to financing and capital. The current benchmark is participation with the goal of increasing participation from year to year.

This is the first year the requirement is in place and this report only reflects the first six months of the year-long contract. The Agency has requested reports on progress and outcomes based on these events. While there have been some direct results, financing is not something that happens overnight and results may not be apparent for some time. As is noted in Vermont Center for Emerging Technology (VCET) annual report:

“The investment process from initial screening to closing can range from 8 weeks to 2 years, depending on the readiness of the business proposition, team, coinvestors required for a sufficient round of finance and signals of market traction/demand for its products or services. The process averages about 35 months from start to closing.”

Outside of pitch events where financing or prize money is directly tied to the outcome of the event, it is difficult to directly attribute a measurable outcomes. Yet, we will do our best to paint an aggregate picture.

V. PRIMARY PARTNERS

While there are numerous lending partners throughout the state, included here are the key partners the Agency of Commerce works directly with or supports via grants and/ or sponsorship.

A. VCET/Vermont Seed Capital Fund

In 2010, the Vermont Seed Capital Fund, LP (“Fund”) was created to provide early stage, high risk technology companies with risk capital in the form of equity or convertible debt to start, create wealth and grow next generation employment opportunities. Since then, the fund’s administrator, the Vermont Center for Emerging Technology has assisted more than 900 entrepreneurs and now has 43 firms in its portfolio. The companies in VCET’s technical assistance and capital portfolio have generated \$72 million in revenue, \$54 million in payroll and \$76 million in capital. In 2013, VCET was named the 11th best college or university-based incubator in the world by the Stockholm University Based Incubator Index.

“Start-ups Wanted” reads the home page of VCET’s web site. Among the 18 start-ups VCET has financed are Pwnie Express, the cyber security firm; BityBean child carriers, Faraday (which just won a Department of Energy \$1 million grant), mobile app Yonder (which also received a \$1M investment from Monster.com) and many others.

VCET’s outreach and networking events called “Techs@s” take place at its new office space in Burlington’s Fairpoint building, its Middlebury co-working space and in outposts around the state, ranging from Bennington College to Montpelier’s Local64 co-working space to White River Junction’s Tip Top Cafe. In the past 12 months, VCET has held approximately 7 networking events attended by more than 400 and met with more than 212 entrepreneurs and start-ups.

The \$2.8 million VCET has invested has attracted more than \$35 million in additional financing. Each dollar invested by the fund has seen a 4.7X capital leverage at initial investment and nearly 13x investment in subsequent rounds.

VCET Director David Bradbury shares the following observations about the entrepreneurial scene in Vermont:

- *“Never has there been more venture or high risk financing in the U.S. and in Vermont than in recent years. The data shows that more teams get funding and that these fundings are growing in size. This certainly reflects our experience at the Vermont Seed Capital Fund and my personal experiences*
- *Vermont start-ups have record, unfettered and multiple points of access to people, networks, angel groups, accelerators, incubators, Econ Dev professionals around financing and for financing both in Vermont and regionally than ever before.*
- *We find that the 1:1 counseling for entrepreneurs around financing (let alone other aspects) is the most effective and impactful. The large event or panel forums are fine but generally a teaser to someone requiring a more substantive discussion with experts.*
- *With the rise in entrepreneurship and start-up interest following 2008-09 recession, more teams, ideas and efforts have begun. Consequently, more teams and start-ups are funded and many more go not funded. This is just math.*

- *Angel investors are more limited and aging. Our state needs a greater number and a greater diversity of high net-worth people who want to gamble on start-ups and early stage teams. That is the limitation in the family, friends and angel investors.”*

Increasingly, and with full support of the Department of Economic Development, VCET is reaching outside of Chittenden County to explore new partnerships. The Department worked with VCET to support its grant application this past fall to the federal Economic Development Authority Innovation Grants to engage in more outreach and investing around the state, and identified this project as a top priority in our Vermont 2020 Statewide Comprehensive Economic Development Strategy (CEDS).

Bradbury outlines the two following challenges for VCET moving forward:

1) “We need more professionally-managed seed capital to invest in ready, prepared teams with high potential for success. While the Fund is still making new investments, the pace and amount will be less as we work with the current portfolio to grow, succeed and then return capital to the fund for reinvestment.

2) Our region lacks a professional investor able to consistently fund \$750k - \$1.5M investments per transaction to lead syndicates in the \$3M-\$10M range. This impacts high tech firms and manufacturers that require more capital and longer time horizons.

B. Small Business Administration

The U.S. Small Business Administration guarantees loans made by banks and credit unions so that they can make loans to small businesses whose loan requests fall outside the bank or credit union’s normal lending policy, for example with respect to collateral or term needed. Nearly every bank and the larger credit unions in the state use SBA.

Vermont’s SBA also lends money to microlenders such as Community Capital of Vermont (CCofVT), Vermont Community Loan Fund (VCLF) and Northern Community Investment Corporation (NCIC) who make SBA microloans up to a maximum of \$50,000 each. Microloans are particularly important to the Vermont economy because they fund many of the start-ups that banks and credit unions are not able to fund due to lack of collateral or limited track record or credit history.

The Vermont Economic Development Authority and NCIC are both important partners to SBA. They offer SBA 504 loans which are for equipment and real estate and allow a low equity injection of only 10%. NCIC is also an SBA Community Advantage lender and microlender. The Vermont Economic Development Authority (VEDA) was just approved by SBA to offer another SBA loan program, a loan guarantee wherein VEDA can apply an SBA guarantee on loans up to \$250,000 such as those they approve under their entrepreneurial loan program.

In the past six months, the Small Business Administration hosted or participated in more than 14 events around the state, often in partnership with the regional economic development corporations (RDCs). A list of these and other events is attached in *Appendix 1: FY 15 Calendar of Events*.

Both 2013 and 2014 were record years in the number of microloans made. Many went to agribusinesses and to a younger demographic of entrepreneurs. In 2014, the Vermont SBA office approved 272 small business loans for a total of \$39,200,154. This is a 30.14% increase in the number of SBA small business loans over 2013, and a 25.38% increase in the dollar amount of total small business SBA loans approved. In 2013, VT SBA approved a total of 209 loans for \$31,263,057. Please see the attached chart *Appendix 2: SBA Lenders*, for the intermediaries who made these SBA loans.

Next year, Vermont hopes to put in place the US SBA Emerging Leaders program (US SBA has made a commitment for this) which is an intensive entrepreneurial training program focused on growth for businesses that have revenues of at least \$400,000 and have been in business 3 years. It is a 7-month program for 15 to 20 businesses, two sessions per month and with CEO mentoring and business networking via a national network. This program will not have a fee and the state does not have to provide any match. Emerging Leaders has been operated across the country since 2008 in large cities. It will be very significant for Vermont to provide this intensive entrepreneurial training at no cost to the businesses. It has been a proven program for job creation as well as revenue growth.

C. The Vermont Economic Development Authority

The Vermont Economic Development Authority (VEDA) has typically provided low-interest loans and financing to many of Vermont's growing businesses, businesses ranging from Logic Supply and Clarendon Solar Farm to Black River Produce and Freedom Foods to Graham Farms Partnership and Green Mountain Distillers. This year VEDA was armed with the new Entrepreneurial Loan Program which was created in 2014 under Act 199 as a means to provide new and growing Vermont businesses access to working capital and capital-asset financing. The program is aimed at businesses in seed, start-up or early growth stage that do not meet the underwriting criteria of other public and private entrepreneurial financing source.

To qualify, businesses should have innovative products or services that have the potential for long-term organic growth and must demonstrate potential to create/retain employment opportunities for Vermonters. The proceeds may be used to purchase capital assets and/or for working capital or to refinance existing company debt in early stage companies, in certain cases. The term of the low-interest loan is based on assets being financed. Preference may be given to:

- *Businesses that create jobs in strategic sectors, such as the knowledge-based economy, renewable energy, advanced manufacturing, wood products manufacturing, and value-added agriculture.*
- *Businesses located in a designated downtown, village center, growth center, industrial park or other significant geographic location recognized by the State.*
- *Businesses that adopt energy and thermal efficiency practices in their operations or otherwise operate in a way that reflects a commitment to green energy principles.*
- *Businesses that will create jobs that pay a livable wage and significant benefits.*

VEDA, the Agency of Commerce and its partners have worked to publicize this new loan program. In the first half of FY15, VEDA used this new tool to provide \$1,305,000 in loans to 8 businesses. In addition, during this same period VEDA has provided \$5,832,788 in financing to more than 30 small businesses. Six months into FY15, VEDA has nearly matched the dollar volume (\$6,841,875) of loans to small businesses it did for the entire 12 months of FY14.

VEDA DIRECT COMMERCIAL LOAN APPROVALS						
	FY 2013		FY 2014		FY 2015 (HALF YR)	
	#	TOTAL	#	TOTAL	#	TOTAL
TOTAL APPROVALS	80	\$28,010,422	84	\$31,088,989	71	\$16,584,227
BY PROGRAM:						
COMMERCIAL	28	\$20,279,949	15	\$17,028,584	18	\$6,391,423
SMALL BUSINESS	48	\$6,729,495	55	\$6,841,875	30	\$5,832,788
ENERGY	4	\$1,000,978	14	\$7,218,530	15	\$3,055,016
ENTREPRENEUR ^A	2	\$375,000	0	\$0	8	\$1,305,000

^AThe VEDA "Technology Loan Program" ended in FY 2013; VEDA started it's "Entrepreneurial Loan Program" in FY 2015.

D. Vermont Sustainable Jobs Fund and Flex Capital Fund

The Vermont Sustainable Jobs Fund's Flexible Capital Fund offers a new kind of flexible risk capital that brings with it instant access to Peer-to-Peer networks, mentorship and technical assistance to sustainable businesses. The Flex Fund provides growth stage financing for value-added agriculture, forestry and clean technology businesses. It is the only licensed lender in Vermont that offers innovative royalty (or revenue-share) financing that allows for income and upside to investors while preserving ownership and mission for Vermont's founder entrepreneurs. The Flex Fund raised \$3.7 million in private capital (equity) and an additional \$600,000 in US Treasury Funds to invest in Vermont's growing working lands businesses. Since 2012, the Fund has invested over \$1.5 million in 6 growth stage businesses who have since then created or maintained over 79 jobs and leveraged over \$15 million in additional financing.

The Flex Fund and VSJF participate in numerous outreach efforts including the Peer to Peer Collaborative, a CEO advisory program that pairs three proven Peer Advisors (at the CEO, COO and CFO level) with businesses for a 12 to 18 month period to help them accelerate growth and navigate financing and other growth challenges. The Agency of Commerce is currently working with the VSJF to map a continuum of technical and financial assistance available to small businesses. The VSJF's initial work can be seen in *Appendix 4: VSJF Capital Continuum*.

E. Technical Assistance Partners

The Agency of Commerce works most closely with the 12 Regional Development Corporations and the regional counselors of the Small Business Development Center to provide technical

assistance and outreach to businesses around the state. Their role is to help connect businesses with the appropriate financial partner and raise awareness of financing opportunities. RDCs may also act as lenders.

1. Vermont Small Business Development Center

The Vermont SBDCs operate in tandem with the Regional Development Corporations (RDCs) to assist small businesses, especially start-ups, in all aspects of growth. Since June, 2014, the SBDC counselors have held 14 “Starting Your Own Business Workshops” and reached more than 80 entrepreneurs. Two of the events were held this year at Community National Bank, and put lenders directly in touch with entrepreneurs. Each workshop is four hours and includes one hour devoted to all the financing aspects of a start-up.

2. Regional Development Corporations (RDCs)

The Regional Development Corporations often work as regional lenders or as connections to lenders. The Agency of Commerce and Community Development has performance contracts with the Regional Development Corporation and for FY 2015, has included provisions that the RDC must host at least one networking event focused on access to financing and capital. *Appendix 1: FY15 Calendar of Networking and Financing Events* details what events each RDC participated in, often in conjunction with the SBA, SBDC and other partners. The current benchmark is participation with the goal of increasing entrepreneur participation from year to year.

One notable event that was deemed highly successful by participants was the Financing the Working Landscape event put on by the Addison County Economic Development Corporation in November. (*Appendix 5: Financing the Working Landscape Agenda*). This event, geared to businesses at various stages, drew more than 100 participants and allowed entrepreneurs to present the challenges they face and receive coaching. This event will be repeated next year in the Northeast Kingdom region and rotated around the state.

Another example of indirect, yet positive outcomes, of these events: During a Lamoille County financing and networking event, Morrisville retailer Power Play Sports learned of an opportunity to pursue a government contract. With help from the Department of Economic Development' Procurement Technical Center, Power Play won the \$46,000 contract to supply lacrosse gear to the Coast Guard.

Moving forward, the Agency has requested that RDCs and the Small Business Development Centers (SBDCs) begin work now to identify and help prospective entrepreneurs prepare business pitches for upcoming FY 16 pitch contests such as Road Pitch, Peak Pitch, Launch VT, StartUp Vermont, Slow Money Vermont and others.

What is not documented here are the many smaller and more targeted organizations and lenders that provide financing opportunities and events focused on certain smaller sectors such as agriculture, clean energy and forestry.

It should be noted as well that the Vermont Investors Forum, an annual forum that for 15 years matched entrepreneurs and equity investors, is no longer being organized and that is a gap here. The Agency will work with partners over the next six months to determine how to best address this.

G. Business Plan and Pitch Contests

Pitch contests have become an increasingly valuable way for entrepreneurs to connect with investors, to perfect their business pitches and to learn from and connect with each other. In 2014, the Agency of Commerce and Community Development encouraged and/or supported the following events:

1. LaunchVT

This business plan competition pairs entrepreneurs with mentors and investors over a series of seminars that help them prepare for a pitch "finals." There, the winner collects \$25,000 in cash and an additional \$45,000 in in-kind donations from businesses that can offer legal, marketing, accounting and other expertise. In 2014 LaunchVT was invited to present at the Massachusetts Sandbox Summit as an innovative way Vermont is

connecting entrepreneurs and investors. While the program began under the auspices of the Lake Champlain Chamber of Commerce, it has attracted businesses from around the state. The 2014 winner, IrisVR, is a developer of a virtual reality tool that allows architects and others to view their designs in three dimensions. It was started by two 23-year-olds from Middlebury College. Among the six other finalists are notable new businesses that have gained from the exposure this contest brought them to attract additional investment from individuals and organizations, including BityBean, Notabli, Localvore, Recess, Wintersmith, and Airshark. The Agency of Commerce has been the lead sponsor of this event, contributing nearly half the prize money. Three seminars are organized between now and the final competition to be held on May 7 in Burlington.

2. Peak Pitch/Road Pitch

The Agency has also been a lead sponsor in Peak Pitch, an annual event held in March at Sugarbush Resort and organized by Fresh Tracks Capital. Peak Pitch directly pairs entrepreneurs with investors by giving them the opportunity to ride up on a chairlift with the investor and make the pitch. The investors then rate the best pitches that are presented to the group. Now in its ninth year, the 2014 Peak Pitch attracted more than 60 investors and advisors. Finalists included Bitybean child carriers, Rocket Listing, Waterotor Energy Technologies, Faraday, For My Odds and the American Continuing Education Institute. Since then, Middlebury-based Faraday has gone on to secure a \$1 million grant from the Department of Energy and is seeking to hire 6 new employees.

As a summer follow-up to Peak Pitch, Fresh Tracks Capital's Cairn Cross organized an innovative motorcycle tour around the state dubbed Road Pitch in August, 2014. The tour of venture capitalists and investors, RDC representatives and entrepreneurs went through 11 of Vermont's 13 counties and heard pitches from more than 40 entrepreneurs at seven stops along the way. The Agency has asked RDCs and SBDCs to help the Road Pitch team organize pitches and pitch locations in each of their regions for the 2015 summer event.

VI CONCLUSION AND NEXT STEPS

The Department of Economic Development will be working with all its partners to assess what gaps and challenges remain in the system. It is also working with the Vermont Sustainable Jobs

Fund to further map the spectrum of technical assistance that is available to small businesses and financing opportunities, including grants, loans, crowdsourcing and others. The Agency of Commerce is currently in the process of upgrading its web site and when completed, will present the findings online and work with partners to raise awareness.

In addition, the Agency will be working with its partners to better educate entrepreneurs on what lenders are looking for and to better understand the valuation of their businesses. It will also work to educate lenders on how to better assess the risk of investing in knowledge-based businesses.

APPENDICES

Appendix 1: FY15 Calendar of Networking and Financing Events

Appendix 2: Sample Mid-Year RDC Report from Addison County Economic Development Corporation

Appendix 3: SBA Lenders

Appendix 4: VSJF's Capital Continuum Map

Appendix 5: Agenda for the Financing the Working Lands Conference

FINANCING AND NETWORKING REPORT APPENDIX 1: FY15 Networking & Financing Events

REGION	DATE	TOPIC	LOCATION	PRESENTERS	ATTENDESS	HOST
		GENERAL FINANCING EVENTS				
Lamoille	4/15/14	Business Assistance Forum	Green Mountain Tech	LEDC	25	LEDC
Addison	6/11/14	Financing Resources	Ilsley Library	SBA, Nat Bank Midd, VEDA, VCLF, CCV, ACEDC, USDA RD, OCU, 2 private investors	18	ACEDC/SBDC/SBA
Rutland	6/26/14	Financing Roundtable	Family Credit Union	SBA, VEDA, VTCLF, CCoVT, USDA	16	SBA/REDC
Waterbury	7/8/14	Disaster Relief Funding Opportunities	CVEDC	CVEDC	14	CVEDC
Chittenden	8/6/14	Burlington Business Fair	Burlington City Hall	SBA, VEDA, microlenders	100	SBA/CEDO/MDBP
Springfield	8/7/14	Disaster Relief Funding Opportunities	Springfield	SRDC/SBDC Staff	4	SRDC/SBDC
Bennington	8/16/14	Financing Roundtable	CCV Bennington	SBA, VEDA, VTCLF, CCoVT, USDA, Town of B. RLF	18	SBA/BCIC
Essex/Orleans	8/21/14	Vermont Small Business Offering Exempt.	NVDA	Mike Pieciak, DFR	12	NVDA
Franklin	8/28/14	Lender Roundtable	FCIDC	SBA, SBDC, FCIDC	13	SBA/FCIC
Addison	8/28/14	Energy EfficiencyFinancing Workshop	Nat Bank Midd (NBM)	NBM, VEDA, Efficiency VT, SEC	25	ACEDC/Bank
Lamoille	9/17/14	Financing Options	NVDA	Jon Freeman/NCIC	16	LEDC
Chittenden	10/28/14	Economic Development Summit	UVM	Venture, Banks, VSJF	200	ACCD
Addison	11/6/14	Financing the Working Landscape	American Legion, Middlebury	See Appendix 5: Agenda	100	ACEDC
Washington	12/2/14	SBA Loan Program Update	Capitol Plaza	Fed Reserve Bank of Boston, SBA	100	SBA
Essex/Orleans	12/16/14	Business Financing	NVDA	SBA, VEDA, VTCLF, CCoVT USDA	N/A	SBA/NVDA
Champlain Islands	2/19/15	Lender Matchmaker	TBD	Banks/Businesses		SBA/LCIC
White River Junction	3/5/2015	Financing Roundtable	GMEDC	Banks/SBA/USDA/		SBA/ GMEDC
				TOTAL	636	

		START YOUR OWN BUSINESS				
Brattleboro	8/18/14	Starting Your Own Business	BDCC	Brattleboro	3	VtSBDC
Burlington	8/21/14	Starting Your Own Business	VTC Williston Campus	Williston	6	VtSBDC
Central	9/16/14	Starting Your Own Business	Community National Bank	Barre	4	VtSBDC
Chittenden	9/24/14	Starting Your Own Business	VTC Williston Campus	Williston	10	VtSBDC
Rutland	9/18/14	Starting Your Own Business	REDC	Rutland	3	VtSBDC
Chittenden	10/29/14	Starting Your Own Business	VTC Williston Campus	Williston	12	VtSBDC
Lake Champlain	10/21/14	Starting Your Own Business	Lake Champlain Islands	North Hero	8	VtSBDC
Addison	10/3/14	Starting Your Own Business	ACEDC	Middlebury	4	VtSBDC
Grn Mtn	11/13/14	Starting Your Own Business	GMEDC	White River	4	VtSBDC
Lamoille	11/10/14	Starting Your Own Business	Community College	Morrisville	4	VtSBDC
Chittenden	11/17/14	Starting Your Own Business	VTC Williston Campus	Williston	6	VtSBDC
				TOTAL	64	

ACEDC – Addison County Economic Development Corporation (RDC)
 BCIC – Bennington County Industrial Corporation (RDC)
 BDCC – Brattleboro Economic Development Corporation (RDC)
 CEDO – Community Economic Development Office, Burlington
 CCV or CCoVT – Community Capital of Vermont (lender)
 FCIDC – Franklin County Industrial Development Corporation (RDC)
 GBIC – Greater Burlington Industrial Corporation (RDC)
 GMEDC – Green Mountain Economic Development Corporation (RDC)
 LCIC – Lake Champlain and Islands Economic Development Corporation
 LEDC – Lamoille Economic Development Corporation (RDC)
 NVDA – Northern Vermont Development Association (RDC)
 NCIC – Northern Community Investment Corporation
 REDC – Rutland Economic Development Corporation (RDC)
 SRDC – Springfield Regional Development Corporation (RDC)
 VEDA – Vermont Economic Development Authority
 VtCLF – Vermont Community Loan Foundation
 VtSBDC – Vermont Small Business Development Center

A Sample of Events:

* Rutland, June 26

The Small Business Administration (SBA) and Rutland Economic Development Corporation (REDC) organized a roundtable which took place at Heritage Family Credit Union in Rutland. There were 16 attendees. The panel of capital providers included REDC, SBA, VEDA, VT Community Loan Fund, Community Capital of Vermont and USDA Rural Development. The panelists described their capital programs, announced upcoming related events and took questions from the attendees which were businesses from that county and some local lending institutions.

* Burlington, August 6

SBA, CEDO and MBDP organized the Burlington Business Fair at Contois Auditorium in Burlington City Hal with approximately 100 attendees. This was a resource fair of lenders (including microlenders, SBA, VEDA) and technical assistance providers including the Small Business Development Center, MBDP and State of VT and City of Burlington services. There were two workshops offered as well. One was on exploring business ownership, the other was on marketing. New and existing businesses were able to learn who could provide them one-on-one assistance and the continuum of lenders serving startups and existing businesses.

* Bennington, August 18

SBA and Bennington County Industrial Corporation (BCIC) organized a financing roundtable which was held at CCV Bennington. There were 18 attendees. The panelists included BCIC, SBA, VEDA, VT Community Loan Fund, Community Capital of Vermont, USDA Rural Development, Town of Bennington Revolving Loan Fund.

* St. Albans, August 28

Franklin County Industrial Corporation organized a lender roundtable with SBA as a speaker on small business loan programs with a special focus on agricultural businesses. SBDC was present and provided an overview of their services. There were 13 attendees. The lenders were pleased to know that they can more extensively use SBA loan programs for ag-related businesses in Franklin County.

* Burlington, October 28, 2014

The Department of Economic Development hosted a day-long economic development summit for more than 200 businesses. There were two simultaneous tracks of speakers, with one track focused on entrepreneurs, start-ups and financing. The day included sessions on Creative Capital with speakers Cairn Cross of Fresh Tracks Capital, Mike Pieciak speaking on the Vermont Small Business Offering Exemption, Janice St. Onge of the VSJF Flexible Capital Fund, speaking on royalty financing and Rob Miller of the Vermont State Employees

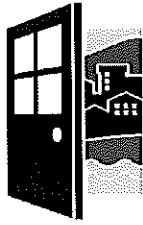
Credit Union. A special invitation was sent to members of the StartUp Vermont and LaunchVT communities to attend and more than 50 did. Representatives from the RDCs, SBDCs, SBA and other technical assistance providers were present as well.

* Montpelier, December 2, 2014.

SBA held an annual lender meeting in Montpelier to update on SBA loan programs. The Federal Reserve Bank of Boston provided an update on the regional state of credit. There were 100 attendees representing 29 lending institutions.

* December 16, 2014.

SBA organized financing roundtable with Northern Vermont Development Authority (NVDA) in St Johnsbury.



ADDISON COUNTY

Economic Development Corporation
Great starts here.

January 14, 2015

ACEDC FY 2015 Mid-year Report Narrative

The first half of FY2014 felt like a marathon at sprint speed. The work we did was primarily devoted to programs to support businesses. We've had more loan requests in the past six months than we have had in the past 3 years. We held numerous events and workshops. We also celebrated five decades of economic development in Addison County at our Annual Meeting. Specifically, I'd like to highlight the following:

1. Financing the Working Landscape Conference

I was the lead person for our fourth annual conference. *(Copy of agenda attached.)* ACEDC and ACORN created this conference four years ago to help entrepreneurs in the ag and forest/wood products sectors get connected to both financing and TA resources. We have now run it for 4 consecutive years. It's been extremely well-received, not just by participants, but a number of state folks, including the Agency of Ag and VHC, who every year say how much they love the event and wouldn't it be great if it could be replicated around the state?

It became clear to us after this year's conference that we've pretty much tapped out the businesses in our area, at least for a little while. We still had about 100 people attend, but it has been getting harder and harder to achieve this number. We believe that, rather than trying to hold a similar event in multiple locations each year, it would be more effective to have the conference itself move around the state, hosted each year by different regional partners, and coming back to Addison County every 3-4 years.

I have been in contact with Dave Snedeker of NVDA and Sarah Waring of the Center for a Sustainable Ag Economy in Hardwick and they have agreed to host the 5th annual event. We really view this conference as something that started here in Addison County but should now be a statewide event...it's bigger than just us and we're thrilled about that!

2. Joint workshops with SBDC and others

In August, we co-hosted with the National Bank of Middlebury a panel discussion on energy efficiency for businesses and related financing. VEDA, Efficiency Vermont and a builder made up the rest of the panel.

Working closely with our SBDC staff, we offered the following workshops this fall:

- Creating Your Own YouTube Channel
- Disaster Preparedness for Your Business
- How to Commercialize Your Business Idea

Additional programs are planned monthly January - May 2014.

3. Legislative Forum

Working with Paul Ralston of Vision to Action VT (V2AVT), ACEDC hosted a legislative forum for all candidates at the Vergennes Opera House in October 13 of 14 candidates participated and nearly 50 people were in attendance. The forum was filmed by MCTV and was available to all online.

4. ACEDC Annual Meeting: Celebrating Five Decades of Economic Development in Addison County.

On December 5, nearly 90 people attended our Annual Meeting. We put together a timeline of notable events from 1972 – 2014, had a slide show, and a speaker from every decade to talk about economic development and/or how ACEDC helped their business succeed. It was a labor of love to put this together! I am still hearing from people about how much they enjoyed the meeting.

5. Loans:

We approved 5 loans totaling \$312,000. There are an additional 4 loans in the pipeline. This is the most loan activity I've seen in the 6+ years I've worked here and is testament to the turnaround in the economy.

CEDS Buckets

- a. **Business Environment:** We work closely with state and local partners and officials. We have our own brochure and info folder that I give out to businesses but we are still waiting on the "recruitment package" from ACCD.
- b. **Workforce Development:** We completed a number of phone surveys to business about workforce though I have yet to receive the detailed information from the two people who made the calls. Separately, I organized a "Working Bridges" presentation for our HR roundtable group. Working Bridges is a program for employers dedicated to improving workplace productivity, retention, advancement and financial stability for employees. We have one or two larger employers who have agreed to participate in this program.
- c. **Physical Infrastructure:** Not a whole lot going on here, although I have been involved in some meetings and conversation about the Middlebury airport and a roundabout at the Rte7 and Exchange St intersection. Adam Lougee of Regional Planning has been very good about keeping me informed.
- d. **Innovation and Finance:** Our Financing the Working Landscape Conference drew 100 people to network and learn more about finance options. Mike Pieciak from Dept of Financial Regulation was our keynote speaker – he spoke about the new VSBOE regs. Entrepreneurs also had the opportunity to make business pitches.

We held another workshop related to Efficiency Vermont to discuss energy efficiency and financing options for businesses.

I've been working with Lloyd Komesar by connecting him with businesses that might support his new Middlebury Film Festival. One introduction, to Vermont Hard Cider, resulted in that company being the lead sponsor of the festival.

Challenges:

The most obvious challenge is related to resources. We do a lot of things in this small office with 2 FTE – much more than one would think possible given the size of the organization. It's working so far, but burnout definitely becomes a possibility. I'm trying to streamline where I can and assess the projects we undertake to see if they are worth the effort. Moving the Financing the Working Landscape Conference elsewhere in the state this year, for example, will allow me to take on some other projects that I haven't had time for.

In addition, there is an upper limit to what I can fundraise for the organization. I've doubled membership dollars and number of members over the past couple of years but there isn't an endless supply of potential new members in Addison County. We have good relationships with a number of statewide organizations (lenders, Efficiency Vermont, etc.) and have a plan to solicit them for membership. Efficiency Vermont has already become a member.

Other issues are more related to businesses. The cost of doing business in Vermont and the uncertainty of what the legislature will do next has been very frustrating for many businesses. There is some hope that this year the legislature will actually focus on the economy and taxes. The "Economy Pitches" on the first day of the legislature was a good way to set the tone for the session.

Longer Term Goals:

I'd like to update the brochure we currently use to promote our loan funds and work with the SBDC. First I'd like to see the state's package to the two integrate with each other.

There's even more we can do with our website. I'd like to have a "reference library" section for example. We have filmed many of our workshops and conferences and I'd like our businesses to have easy access to the material. We also have lots of books to recommend to businesses. And we could add other information. We could have a private list-serve or email chat room where businesses could ask questions and get support from one another.

I'd like to hire someone, perhaps on a contract basis, to take over coordinating events so I wouldn't have to do this and we could do more of them. This could even mean giving more hours to one of my part-timers.

All of these ideas cost money, of course. And time. Two are one-time events and we could find the funding to do those, but paying people is a riskier, long term prospect and I wouldn't use any savings we have to cover payroll.

Other:

I am the **Working Lands Enterprise Board**, the entity that is responsible for making the Working Lands Enterprise Fund investment decisions.

I am on the **Vermont Sustainable Jobs Fund Board** and chair of the finance committee.

I have a standing monthly meeting with the business development director for the Town of Middlebury and we are working together on one business project. We have expanded the group to include Steve Paddock from the SBDC and the Chamber President.

Our **website** has now been up and running for 18 months so we are beginning to have year to year comparisons via Google analytics. From July-December 2013, there were nearly 7400 page views (excluding staff). For the same period in 2014, we had 10,152 page views, a **37.3% increase in traffic**.

Given that we are not a commerce site and have fewer than 100 members, this seems like a good amount of activity. Our Jobs, Member Directory, and Properties pages were the most popular. (*See Overview report attached.*)

The Addison County Development Cabinet, which ACEDC started four years ago, continues to be an excellent place for information sharing and collaboration. We have been working to develop metrics for measuring the improvement in people's lives in Addison County, and have begun collaborating with the folks from Opportunity Nation. Opportunity Nation (ON) is the national organization that produces the Opportunity Index, which has ranked Vermont #1 the past two years. In September, we had someone from ON come to our Cabinet meeting to discuss their data in more detail and talk about how we might use this information to improve lives here. As a result, we decided to focus initially on one key metric called "Disconnected youth" defined as people between the ages of 16-14 who are not in school and not working. This measure has the highest correlation with poverty, unemployment, etc.

We are holding a much larger stakeholder meeting in January to bring together the people who work with this age group and otherwise have some impact on this group, to talk about what's working well now, what the barriers are for this group, and how can we as a community make an even better impact?

In addition to ACEDC, ACDC Members include:

ACRPC

Addison County Chamber

SBDC

ACTR

Better Middlebury Partnership

Community College of Vermont

Bristol Downtown Partnership

United Way

Vergennes Downtown Partnership

Department of Labor

Hannaford Career Center

It was a busy and productive six months!



Robin Scheu
Executive Director

RDC Work Plan

RDC ACEDC

FY 2015 – Mid-year Report, December 31, 2014

The mission of ACEDC is to be the resource for navigating the opportunities and challenges of doing business in Addison County.

GOAL I: BUSINESS SUPPORT

Develop and maintain strong relationships with key employers and businesses. Also, provide services that add value and support the strengthening and growth of new and existing businesses.

Activities:

I. Programs—Required by State Contract

- a. Business Visitation | Please complete the attached Visit Log for 6 month and annual report.

Measure	Target Date	Status
<i>BEST:</i> 50+ visits per year <i>BETTER:</i> 25-50 visits per year <i>NEEDS IMPROVEMENT:</i> Less than 25 per year	Ongoing	30 business visits

b. Site Selection & Property Tour

Measure	Target Date	Status
<i>BEST:</i> Inventory on both RDC and State database <i>BETTER:</i> Inventory on State database <i>NEEDS IMPROVEMENT:</i> No inventory or only on RDC database	Ongoing	Inventory (such as it is) is on both state and ACEDC websites.
Property tours arranged as needed	Ongoing	Arranged 3 property tours.

c. **Event/Program** | RDC hosts events or programs during the year. (See details below, d-g)

Measure	Target Date	Status
<i>BEST:</i> 4 or more per year <i>BETTER:</i> 2 per year <i>NEEDS IMPROVEMENT:</i> none	Within one year	NOTE: The 4 events should cover a variety of activities and must include at least one finance-related and one workforce-related activity.

Event/Program #1: Financing/Capital Education Workshop

Measure		Target Date	Status
Please indicate attendance for current and past year. <i>BEST:</i> Grow participation <i>BETTER:</i> Maintain participation	90-100 people each year	One per year	Financing the Working Landscape Conference – includes entrepreneur pitches

Event/Program #2: Job Fair or Career/Workforce event

Measure		Target Date	Status
Please indicate attendance for current and past year. <i>BEST:</i> Grow participation <i>BETTER:</i> Maintain participation	HR leaders from the county's largest employers	One per year	Working Bridges event with the United Way of Addison County

Event/Program #3 | Energy Efficiency and Financing Workshop

Measure	Target Date	Status
Approximately 17 businesses in attendance	August 28, 2014	Panel with Efficiency VT, NBM, VEDA, and SEC to discuss energy efficiency and financing options

Event/Program #4 | Creating Your Own You Tube Channel

Measure	Target Date	Status
33 people signed up; 20-25 showed up	October 29, 2014	We videoed this event so it can be accessed online by businesses.

Event/Program #5 | Disaster Preparedness for Your Business

Measure	Target Date	Status
9 people attended	November 19, 2014	Completed as planned

Event/Program #6 | How to Commercialize Your Business

Measure	Target Date	Status
10 people attended	December 9, 2014	Completed as planned

II. CEDS Buckets

What are you doing in each area? What is the appropriate role for your RDC? Who do you or might you collaborate with in each area? Please use a separate sheet to explain in a narrative form what you are doing, who your partners are and any major accomplishment.

a. Business Environment

Measure	Target Date	Status
<p><i>BEST:</i> RDC is working closely with SBDC, financial partners, PTAC, RPCS and town officials. Has completed recruitment package, meets regularly with partners.</p> <p><i>BETTER:</i> RDC is working closely with SBDC, financial partners, PTAC, RPCS and town officials</p>	Ongoing	<p><i>[Please report in narrative]</i></p> <p>NOTE: "Recruitment package" will be the template from ACCD (to come)</p> <p>WAITING ON RECRUITMENT PACKAGE FROM ACCD</p>

b. Workforce Development

Measure	Target Date	Status
<p><i>BEST:</i> RDC is leading a workforce effort and holds annual job fairs.</p> <p><i>BETTER:</i> RDC is on a board or committee of a workforce effort.</p> <p>Needs improve: No engagement with workforce efforts.</p>	Ongoing	<p><i>[Please report in narrative]</i></p> <p>~Working Bridges meeting for HR leaders</p> <p>~Workforce phone surveys</p>

c. Physical Infrastructure

Measure	Target Date	Status
<p><i>BEST:</i> RDC works closely with RPC and other partners to improve infrastructure that will benefit business growth.</p> <p><i>BETTER:</i> RDC is working with partners to improve infrastructure</p>	Ongoing	<p><i>[Please report in narrative]</i></p> <p>~Middlebury Airport</p> <p>~Rte 7/Exchange St intersection</p>

d. Innovation & Finance

Measure	Target Date	Status
<p><i>BEST:</i> Active in promoting incubators, accelerators or other start-up initiatives and creative economy events. Involved with at least one networking or start-up event a year.</p> <p><i>BETTER:</i> Participates in regional creative economy efforts. Helps establish connection between business needs and financing.</p>	Ongoing	<p><i>[Please report in narrative]</i></p> <p>NOTE: events will be reported as part of Section 1.c. – Events/Programs</p> <p>~Working with Lloyd Komesar who is bringing a Film Festival to Middlebury</p> <p>~Entrepreneur pitches at FWL conference</p>

III. Challenges

What is not working well and potential next steps

Measure	Target Date	Status
<p><i>BEST:</i> Reported on semi-annually</p> <p><i>BETTER:</i> Reported annually</p> <p><i>NEEDS IMPROVEMENT:</i> unreported</p>		<p><i>[Please report in narrative]</i></p> <p>~9L -</p> <p>~ Cost of doing business; uncertainty of legislative actions that could harm businesses</p>

IV. Longer-term Goals

What would you like to do but can't right now? What would you need in order to accomplish each goal?

Measure	Target Date	Status
<p><i>BEST:</i> Reported on semi-annually</p> <p><i>BETTER:</i> Reported annually</p> <p><i>NEEDS IMPROVEMENT:</i> No report</p>	<p><i>The need in all cases is time and/or money</i></p>	<p><i>[Please report in narrative]</i></p> <p>~updated brochure</p> <p>~reference library on website</p> <p>~hiring someone who could really take over events so we could do more</p>

V. Referrals—Required by State Contract

Referrals as appropriate to all programs and areas. Areas include but are not limited to:

- a. State Programs
- b. Federal Programs
- c. Lenders
- d. SBDC
- e. VMEC
- f. B2B

REFERRALS

Measure	Target Date	Status
<p><i>BEST:</i> Frequent referrals to a spectrum of resources and partners</p> <p><i>BETTER:</i> Regular referrals but limited to a few programs or partners.</p> <p><i>NEEDS IMPROVEMENT:</i> Fewer than 5 referrals, limited use of programs w/o explanation.</p>	Ongoing	29 referrals, including 11 to SBDC, 4 to lenders, 6 to various state programs, 1 federal program, and several B2B and VMEC
Maintain personal tracking system for referrals	Ongoing	I have a system in place that I've used for several years

Other Regionally Specific Activity

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GOAL II: COMMUNICATIONS

Businesses, as well as state and local officials, know who we are and what we do. Also, RDC is able to learn from businesses what they need.

Activities:

I. Required by State Contract

a. WebCats

Measure	Target Date	Status
<p><i>BEST:</i> Current within one week of business visit with complete data.</p> <p><i>BETTER:</i> Used and current w/in one month.</p> <p><i>NEEDS IMPROVEMENT:</i> Infrequent or incomplete updating. Older than one month.</p>	Ongoing	<p>NOTE: This may be replaced by another system</p> <p>All appropriate business visits have been entered into WebCats and business info updated as needed</p>

b. Outreach and PR

Measure	Target Date	Status
<p><i>BEST:</i> Maintains and distributes 4x or more newsletter to all constituents or partners. Web site is up to date. Social media or other outreach is frequent.</p> <p><i>BETTER:</i> Less than twice per year communications to all partners.</p> <p><i>NEEDS IMPROVEMENT:</i> No regular written communication.</p>		<p>ACEDC sent out 28 emails highlighting various statewide and local workshops and events.</p> <p>We regularly use Twitter and Facebook in addition to Constant Contact.</p> <p>Our website is updated frequently with news, events, jobs, properties, etc. See attached dashboard for analytics.</p>

c. Special Meetings/Events with Legislators

Measure	Target Date	Status
<p><i>BEST:</i> One special meeting with legislators on ED activities and outcomes per year early in session</p> <p><i>BETTER:</i> Limited contact with legislators</p> <p><i>NEEDS IMPROVEMENT:</i> No contact with legislators</p>	Fall – held October 15, 2014	ACEDC co-hosted a legislative forum for all candidates at the Vergennes Opera House. 13 of 14 candidates participated and 40-50 people were in attendance. We also had MCTV video the event.

d. Meet with Town Officials of Key Municipalities

Measure	Target Date	Status
<p><i>BEST:</i> Two face to face meetings per year with governance body of key municipalities.</p> <p><i>BETTER:</i> One face to face mtg. w/ gov. body of key municipalities</p>	Ongoing	The city or town managers of our three key employment centers (Bristol, Middlebury, Vergennes) are on my board so I see them monthly.

<i>NEEDS IMPROVEMENT:</i> No face to face meetings		
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e. "Leave behind" for business visits that explain state programs

Measure	Target Date	Status
<i>BEST:</i> Business visits include "leave behind." <i>NEEDS IMPROVEMENT:</i> No leave behind on visits.	Ongoing	<i>WAITING FOR STATE TEMPLATE/PACKAGE</i>

f. Joint business visits with Agency staff

Measure	Target Date	Status
<i>BEST:</i> 9 biz visits w/ state personnel/yr. <i>BETTER:</i> 6 biz visits w/ state personnel/yr. <i>NEEDS IMPROVEMENT:</i> 3 biz visit w/ state personnel/yr.	Ongoing	Jared Duval and I met with 3 businesses this past fall and will be doing more in 2015. (He's great to work with!)

g. Recruiting package describes regional opportunities for businesses and region's selling points

Measure	Target Date	Status
<i>BEST:</i> Recruiting package documents regions key assets, quality of life, schools, core business strengths, site availability and dovetails with ACCD template.		NOTE: This is a repeat of Section II. CEDS Buckets, part a. Business Environment ~Much of this is on our website <i>WAITING FOR STATE TEMPLATE/PACKAGE</i>

h. Monthly reports of regional activity

Measure	Target Date	Status
<i>BEST:</i> Reports in by end of month to include business names, personnel, and metrics where possible (jobs, growth, investment); positives and negatives in the aggregate. Also include events, projects, and other regionally specific activity.	Monthly by the end of the month	I have not been as consistent as I'd like on this one. My New Year's resolution is to do better! However, I don't hesitate to call ACCD if there is any sort of business 'emergency' in my area.

<p><i>BETTER:</i> Reports in by end of month, limited or insufficient info. <i>NEEDS IMPROVEMENT:</i> Few or no reports/no activity</p>		
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GOAL III: RELATIONSHIPS

RDC maintains strong, collaborative relationships with all partners locally, regionally, and statewide.

Activities:

I. State

Attend monthly meetings with ACCD and support of ACCD priorities

Measure	Target Date	Status
<p><i>BEST:</i> Attends all meetings in person (weather permitting). <i>BETTER:</i> Attends 80% of meetings in person or via phone (weather permitting) <i>NEEDS IMPROVEMENT:</i> Attends 50% or less of meetings in person or via phone.</p>	<p>Ongoing</p>	<p>I have attended all scheduled meetings with one exception due to a family commitment. Any other meetings missed were due to the fact that the dates were changed and I had previous business appointments on those days.</p>

II. Local Partners

Continue to work collaboratively; joint projects as applicable.

Measure	Target Date	Status
<p>Engaged in emergency response for business as needed. Works on other critical projects for the region.</p>	<p>Ongoing</p>	<p>I work closely with Adam Lougee of Regional Planning, both through the Development Cabinet as infrastructure projects as needed. ~Held one workshop on <i>Disaster Preparedness for Your Business</i> ~ACEDC runs a monthly Safety Roundtable with safety managers of larger employers</p>

III. Collaboration

SBDC and/or PTAC as feasible

Measure	Target Date	Status
<p><i>BEST:</i> RDC and SBDC/ PTAC are co-located, as appropriate given staff levels and collaboration is on frequent basis.</p> <p><i>BETTER:</i> RDC and SBDC/PTAC are co-located as appropriate given staffing levels. Collaboration on a regular basis.</p> <p><i>NEEDS IMPROVEMENT:</i> no co-location, no state waiver, communication is infrequent.</p>	Ongoing	SBDC is located in our office. PTAC has been using our conference room for meetings as needed.

GOAL IV: BOARD GOVERNANCE

The board is engaged and committed to the RDC mission and it reflects the business diversity of the county.

Activities:

I. Required by State—Bylaws

Measure	Target Date	Status
<p><i>BEST:</i> Bylaws are current and contain:</p> <ul style="list-style-type: none"> • Board member term limits • Diversity of members, including age, gender, business sector, community • Meeting attendance requirements <p><i>BETTER:</i> Bylaws current but lack:</p> <ul style="list-style-type: none"> • Board Member term limits. • Lack of diversity in 2 or more areas (age, gender, sector, community). <p><i>NEEDS IMPROVEMENT:</i> Bylaws are outdated and lack:</p> <ul style="list-style-type: none"> • Term limits • Diversity in 2 or more areas. 		Completed September 2012

II. Financial Reporting

Measure	Target Date	Status
<p><i>RDC will submit an accounting report to ACCD describing financial viability and activities.</i></p> <p><i>BEST:</i> Report shows solvency, and/or financial improvement over previous year growth.</p> <p><i>BETTER:</i> Report shows financial solvency or steps toward it.</p> <p><i>NEEDS IMPROVEMENT:</i> No report or report does not show financial growth or plan for solvency.</p>		<p>Audit completed and sent to ACCD in early November 2014. ACEDC is on a strong financial footing.</p>

GOAL V: ADMINISTRATION

Internal systems are accurate, efficient, and effective.

I. Reporting

Grant administration: RBEGs | SBDC | State

Measure	Target Date	Status
<p>Reports are completed accurately and on a timely basis.</p> <p>USDA, SBDC, ACCD</p>	<p>Ongoing: quarterly and semi-annual</p>	<p>Reports are completed accurately and on time</p>

II. Audit

Measure	Target Date	Status
<p>A clean opinion 990 filed. Controls and procedures in place and followed</p>	<p>Annually within 180 days of FYE</p>	<p>Clean opinion issued (they didn't even write a management letter because there was nothing to say!)</p>

III. Other Regionally Specific Activity

Measure	Target Date	Status
<p>Board/staff strategic planning</p>	<p>Ongoing</p>	<p>Board and staff have an annual planning session and 2 review sessions each year to flesh out and short and long term goals for ACEDC.</p>

Overview

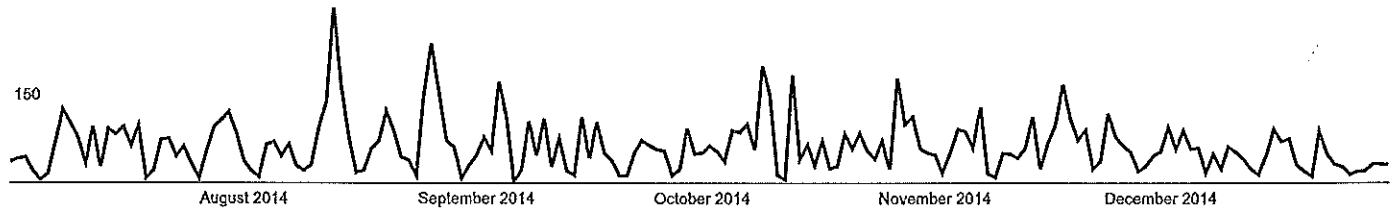
Jul 1, 2014 - Dec 31, 2014

All Sessions
100.00%

+ Add Segment

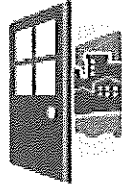
Overview

Pageviews
300



Pageviews 10,152	Unique Pageviews 7,723	Avg. Time on Page 00:01:06	Bounce Rate 60.74%	% Exit 36.41%
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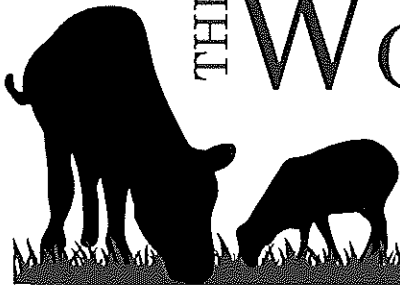
Page	Pageviews	% Pageviews
1. /	1,455	14.33%
2. /members/directory	676	6.66%
3. /properties	666	6.56%
4. /jobs	615	6.06%
5. /jobs/employment-opportunities-with-vermont-hard-cider-company-llc	466	4.59%
6. /about	312	3.07%
7. /about/staff	278	2.74%
8. /members/directory/town-of-shoreham	272	2.68%
9. /members	253	2.49%
10. /services/events/free-energy-efficiency-workshop-for-local-businesses	239	2.35%



ADDISON COUNTY
Economic Development Corporation
Great starts here.

Are Proud to Present the 4th Annual

**FINANCING
THE WORKING
LANDSCAPE**



8:30 - 2:30 PM
November 6, 2014
American Legion Post 27
Middlebury, VT

Thank you for joining us for a day of networking, discussion and education for Vermont's food, farm and forestry businesses; regional capital and service providers and students

Thank you as well to our generous sponsors.



**Vermont Farm Viability
Enhancement Program**



FWL AGENDA – November 6, 2014

American Legion, Middlebury, VT

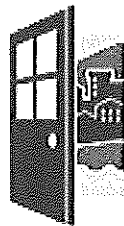
8:30 – 9:00 AM	Registration	
9:00 – 9:20 AM	Welcome and Introductions	Robin Scheu, ACEDC
9:20 – 10:15 AM	Break-out Session	
	Businesses needing microloans to \$50,000	Panelists: Sam Buckley – Vermont Community Loan Fund David Girard – USDA Farm Service Agency Greg Huysman – Opportunities Credit Union Josh Jerome – Community Capital of Vermont Caitlin Jenness – Slow Money Vermont Jamison Kimberly – VEDA
	Businesses needing >\$50,000	Panelists: Ken Button – Yankee Farm Credit Michael Corbett – People’s United Bank Alan Curler – VEDA/VT Ag Credit Corp Janice St. Onge – VSJF Flexible Capital Fund Tim Storrow – Castanea Foundation
10:15 – 10:45 AM	Networking (<i>and break</i>) <i>Opportunity to get individual questions answered</i>	
10:45 – 12:00 PM	Challenge Presentations	Seven-minute presentations of a particular obstacle that an entrepreneur is facing, followed by coaching and suggested approaches from a panel of experts
	Panelists:	David Bradbury, VT Center for Emerging Technologies (VCET) Francie Caccavo, Olivia’s Croutons Charlene Lewey, Lodestar Sales & Revenue Management LLC Ken Perine, National Bank of Middlebury

Entrepreneurs:	Caroline's Dream Middlebury Foods Storytime Foods, Inc Vermont Chevron	Susan Shashok Harry Zieve Cohen Pearl Teague Shirley Richardson
12:00 – 12:45 PM	Local Foods Lunch	Hannaford Career Center Glass Onion Restaurant
12:45 – 1:30 PM	Keynote Speaker	Michael Pieciak – Deputy Commissioner, Vermont Department of Financial Regulation
1:30 – 2:00 PM	Entrepreneur Showcase	Five-minute pitches from selected entrepreneurs with questions from the audience
Presenters:	Vermont Bean Crafters La Gavotte Vermont Farm Table	Joseph Bossen Louis LeGall Dustin Glasscoe
2:00 – 2:30 PM	Case Studies – A success story: How I did it	Calley Hastings, Fat Toad Farm
2:30 PM	Adjourn	

Thank you for coming today!

**Look for footage of the conference on the MCTV website
(<http://middleburycommunitytv.org/>) later this month.**

This conference has been presented by:



ADDISON COUNTY
Economic Development Corporation
Great starts here.



Addison County Economic Dev. Corporation (ACEDC) Counseling Sessions

Counseling Session Views: All Counseling Sessions Report E-mail New Counseling Subset

Viewing Data: From 7/1/2014 to 12/30/2014, Reportable Only, Funding Sources: State

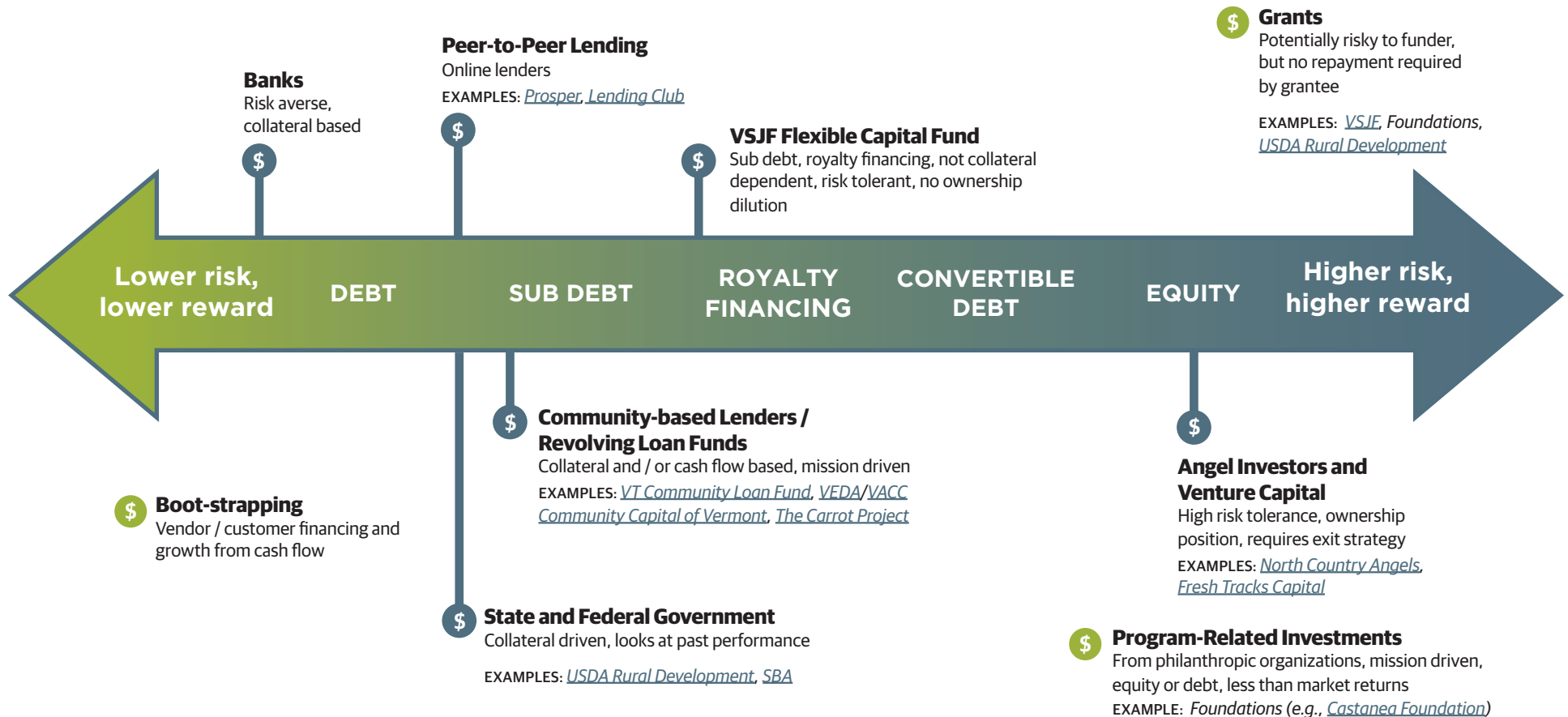
Date	Client ID	Company	Counselor	Type	Contact Type	Couns. Area	Add'l Area	Client Hours
12/30/2014	ACED0104	Aqua Vitea, LLC	Scheu, Robin	Follow-up	Center	Finance	Expand	2
12/29/2014	VTPTAC.A028	MAPLE LANDMARK INC	Scheu, Robin	Follow-up	Client	CustRel	Expand	1.25
12/22/2014	ACED0146	Full Sun Oil	Scheu, Robin	Follow-up	Center	Undefined	Undefined	1
12/18/2014	ACED0169	Swift House Inn	Scheu, Robin	Initial	Client	CustRel	Undefined	1.5
12/11/2014	ACED0161	Northlands Job Corps Center	Scheu, Robin	Follow-up	Client	CustRel	Undefined	2.5
11/24/2014	ACED0164	Stonecutter Spirits	Scheu, Robin	Follow-up	Client	Finance	Undefined	1.75
10/30/2014	VTPTAC.00025	NATHANIEL GROUP INC	Fu, Becky	Follow-up	E-mail	Accting	Undefined	0.5
10/23/2014	VTPTAC.00025	NATHANIEL GROUP INC	Scheu, Robin	Follow-up	Client	Undefined	Undefined	10
10/20/2014	ACED0143	Vermont Livestock Slaughter and Proce...	Scheu, Robin	Follow-up	Center	Undefined	Undefined	3
10/9/2014	VTPTAC.A028	MAPLE LANDMARK INC	Scheu, Robin	Follow-up	Client	Finance	Expand	2.5
9/9/2014	ACED0015	Vermont Coffee Company	Scheu, Robin	Follow-up	Client	CustRel	Undefined	1.75
9/8/2014	VTPTAC.00025	NATHANIEL GROUP INC	Scheu, Robin	Follow-up	Client	Undefined	Undefined	3.5
9/2/2014	ACED0168	Vermont Farm Table	Scheu, Robin	Follow-up	Client	Finance	Undefined	2.25
8/28/2014	VTPTAC.A025	DANFORTH PEWTERS, LTD	Scheu, Robin	Follow-up	Client	Undefined	Undefined	5.5
8/28/2014	ACED0041	Beau Ties, Ltd.	Scheu, Robin	Follow-up	Client	Undefined	Undefined	0.75
8/26/2014	VTPTAC.00929	CONNOR HOMES	Scheu, Robin	Follow-up	Client	Undefined	Undefined	1.6
8/13/2014	VTPTAC.A028	MAPLE LANDMARK INC	Scheu, Robin	Follow-up	Client	Undefined	Undefined	1.25
8/13/2014	DED.DED0568	Lathrop's Maple Supply and Excluserl...	Duval, Jared	Initial	Client	Undefined	Undefined	3
8/6/2014	ACED0095	Vermont Hard Cider Company, LLC	Scheu, Robin	Follow-up	Client	Undefined	Undefined	1.75
8/4/2014	ACED0166	Agrisolar Insect Solution L.L.C.	Scheu, Robin	Initial	Phone	Undefined	Undefined	2
7/29/2014	ACED0095	Vermont Hard Cider Company, LLC	Scheu, Robin	Follow-up	Other	Undefined	Undefined	1.25
7/24/2014	ACED0167	RAD-Innovations	Scheu, Robin	Initial	Center	Undefined	Undefined	1.5
7/18/2014	ACED0164	Stonecutter Spirits	Scheu, Robin	Follow-up	Client	Undefined	Undefined	1.25
7/18/2014	ACED0168	Vermont Farm Table	Scheu, Robin	Initial	Client	Undefined	Undefined	1.75
7/9/2014	ACED0138	Appalachian Gap Distillery	Scheu, Robin	Follow-up	Client	Undefined	Undefined	1.25

25 counseling sessions matching criteria (18 distinct clients); total client hours: 56.35


+ 6 not on webcats for specific reasons (see log)

Calendar 2013 vs. 2014 - SBA VOLUME COMPARISON SNAPSHOT- 7(a), 504 , & Microloan Program					
PROGRAM	January - December 2013		vs.	January - December 2014	
	# Loans	Dollars		# Loans	Dollars
7(a) Loan Guarantee	154	\$ 25,213,900		217	\$ 31,339,800
504 Loans	12	\$ 5,296,000		9	\$ 7,076,000
Microloan	43	\$ 753,157		46	\$ 784,354
Calendar 2013 vs. 2014 - SBA VOLUME COMPARISON CHART- VT Lending Institutions					
7(a) Loans	January - December 2013		vs.	January - December 2014	
	# Loans	Dollars		# Loans	Dollars
Bank of Bennington	0	\$ -		1	\$ 85,000
Berkshire Bank	0	\$ -		10	\$ 780,300
Brattleboro Savings & Loan	3	\$ 400,000		0	\$ -
Certus Bank	1	\$ 1,382,000		1	\$ 2,956,000
Citizens Bank	2	\$ 125,000		6	\$ 460,000
Claremont Savings Bank	3	\$ 293,700		1	\$ 340,000
Community National Bank	14	\$ 2,845,600		17	\$ 4,107,800
First Colbrook Bank	1	\$ 65,700		0	\$ -
Golden Pacific Bank	0	\$ -		1	\$ 100,000
Heritage Family Credit Union	5	\$ 508,000		3	\$ 649,300
KeyBank, N.A.	5	\$ 925,000		6	\$ 523,900
Lake Sunapee	4	\$ 585,000		8	\$ 640,400
Ledyard National Bank	0	\$ -		1	\$ 600,000
Live Oak Banking Co.	2	\$ 1,010,000		1	\$ 300,000
Mascoma Savings Bank	4	\$ 830,400		5	\$ 237,500
Merchants Bank	2	\$ 400,000		2	\$ 515,000
National Bank of Middlebury	11	\$ 698,500		18	\$ 972,500
NBT Bank	3	\$ 643,800		3	\$ 2,230,000
Newtek	1	\$ 1,425,000		0	\$ -
NorthCountry Federal Credit U	7	\$ 211,900		13	\$ 752,600
Opportunities Credit Union	10	\$ 561,200		17	\$ 1,650,100
Passumpsic Savings Bank	8	\$ 651,800		5	\$ 842,700
Peoples Trust Company	7	\$ 351,000		23	\$ 1,144,800
Peoples United	19	\$ 3,655,500		32	\$ 6,089,600
Radius Bank	0	\$ -		1	\$ 750,000
Square 1 Bank	1	\$ 1,186,000		0	\$ -
TD Bank	11	\$ 3,379,000		15	\$ 1,505,800
The Adirondack Trust Co	0	\$ -		1	\$ 52,500
Union Bank	9	\$ 1,905,500		9	\$ 1,922,000
Vermont Federal Credit Union	9	\$ 413,000		4	\$ 214,000
VSECU	8	\$ 673,300		11	\$ 471,100
Woodsville Guaranty Savings Bank	4	\$ 88,000		2	\$ 446,900
Totals	154	\$ 25,213,900		217	\$ 31,339,800
504 Loans					
504 Loans	January - December 2013		vs.	January - December 2014	
	# Loans	Dollars		# Loans	Dollars
Granite State Development	9	\$ 4,183,000		4	\$ 1,791,000
New England Certified	1	\$ 493,000		0	\$ -
Northern Community Investment	1	\$ 414,000		0	\$ -
VT 504 (VEDA)	1	\$ 206,000		5	\$ 5,285,000
Totals	12	\$ 5,296,000		9	\$ 7,076,000
Microloans					
Microloans	January - December 2013		vs.	January - December 2014	
	# Loans	Dollars		# Loans	Dollars
Community Capital of Vermont	19	\$ 109,500		30	\$ 458,229
Northern Community Investment	5	\$ 193,556		2	\$ 22,839
VT Community Loan Fund	19	\$ 450,101		14	\$ 303,286
Totals	43	\$ 753,157		46	\$ 784,354

Capital Continuum




TOOLS + NETWORKS

 **Investment Clubs + Networks**
Group of individuals who meet regularly to pool money and invest, equity or debt
EXAMPLES: [No Small Potatoes \(Maine\)](#)

 **Vermont Small Business Offering Exemption**
[Exemption](#) allows companies to raise capital directly from Vermont investors.

 **Slow Money Vermont Network**
[Network](#) connecting food entrepreneurs with Main Street investors.

 **Friends, Family, Fools**
Higher risk, may never see a return

DEFINITIONS:

- ✔ **Debt:** Amount of money borrowed by one party from another. A debt arrangement gives the borrowing party permission to borrow money under the condition that it is to be paid back at a later date, usually with interest.
- ✔ **Subordinated Debt:** A loan (or security) that ranks below other loans (or securities) with regard to claims on assets or earnings. In the case of default, creditors with subordinated debt wouldn't get paid out until after the senior debt holders were paid in full. Therefore, subordinated debt is more risky than unsubordinated debt.
- ✔ **Royalty Financing:** Is not readily available in Vermont. It is based on a company selling a piece of gross revenue instead of selling ownership—hence it's often called "near equity." In exchange for a loan, the company gives the investor a percentage of sales until the investor has received back principal plus additional interest negotiated with the investor.
- ✔ **Convertible Debt:** Instruments that are essentially asset-backed loans that can require the business owner to give up some future equity (ownership) in the business if the lender wishes to convert the debt to an equity position in the company.
- ✔ **Equity Financing:** The act of raising money for company activities by selling common or preferred stock to individual or institutional investors. In return for the money paid, shareholders receive ownership interests in the corporation.
- ✔ **Grants:** Contribution, gift, or subsidy (in cash or kind) bestowed by a government or other organization for specified purposes to an eligible recipient. Grants are usually conditional upon certain qualifications as to the use, maintenance of specified standards, or a proportional contribution by the grantee or other grantor(s).
- ✔ **Investment Clubs and Networks:** A formal investment club is a group of people who pool their money to make investments. Usually, investment clubs are organized as partnerships and, after the members study different investments, the group decides to buy or sell based on a majority vote of the members. Club meetings may be educational and each member may actively participate in investment decisions. For the SEC definition, visit www.sec.gov/investor/pubs/invclub.htm. There are also informal investment networks that can organize around making connections between entrepreneurs and investors.
- ✔ **Peer-to-Peer Lending:** The practice of lending money to unrelated individuals, or "peers," without going through a traditional financial intermediary such as a bank or other traditional financial institution. This lending takes place online on peer-to-peer lending companies' websites using various different lending platforms and credit checking tools. Two recent peer-to-peer lending portals have been approved in the State of Vermont for small business loans up to \$35,000: Prosper (www.prosper.com) and Lending Club (www.lendingclub.com).
- ✔ **Program Related Investments (PRIs):** Investments made by foundations to support charitable activities that involve the potential return of capital within an established time frame. PRIs include financing methods such as loans, loan guarantees, and even equity investments in charitable organizations or in commercial ventures for charitable purposes.
- ✔ **Vermont Small Business Offering Exemption (VSBOE):** VSBOE is an securities registration exemption for small businesses in Vermont that can help facilitate raising capital from Vermonters. As of summer of 2014, VSBOE now allows Vermont businesses and start-up companies to raise up to \$2 million in capital from in-state investors. Participating businesses will need to be registered with the Vermont Department of Financial Regulation (DFR). VSBOE allows individual Vermont investors to invest up to \$10,000 in a single Vermont business. VSBOE also allows certain high net-worth individuals to invest an unlimited amount of capital. There are guidelines for small business owners concerning the type of information and disclosures that should be provided to prospective investors under a VSBOE offering. To learn more, contact the DFR at (802) 828-3420 or visit the Department's website at www.dfr.vermont.gov.

FWL AGENDA – November 6, 2014

American Legion, Middlebury, VT

8:30 – 9:00 AM Registration

9:00 – 9:20 AM Welcome and Introductions Robin Scheu, ACEDC

9:20 – 10:15 AM Break-out Session
Businesses needing microloans to \$50,000

Panelists:
Sam Buckley – Vermont Community Loan Fund
David Girard – USDA Farm Service Agency
Greg Huysman – Opportunities Credit Union
Josh Jerome – Community Capital of Vermont
Caitlin Jenness – Slow Money Vermont
Jamison Kimberly – VEDA
Isabelle Moody – Mt. Abe Environmental Action Group; Indiegogo

Businesses needing >\$50,000

Panelists:
Ken Button – Yankee Farm Credit
Michael Corbett – People’s United Bank
Alan Curler – VEDA/VT Ag Credit Corp
Janice St. Onge – VSJF Flexible Capital Fund
Tim Storrow – Castanea Foundation

10:15 – 10:45 AM Networking (*and break*)
Opportunity to get individual questions answered

10:45 – 12:00 PM Challenge Presentations Seven-minute presentations of a particular obstacle that an entrepreneur is facing, followed by coaching and suggested approaches from a panel of experts

Panelists: David Bradbury, VT Center for Emerging Technologies (VCET)

Francie Caccavo, Olivia’s Croutons

Charlene Lewey, Lodestar Sales & Revenue Management LLC

Ken Perine, National Bank of Middlebury

Entrepreneurs:	Caroline's Dream Middlebury Foods Storytime Foods, Inc Vermont Chevron	Susan Shashok Harry Zieve Cohen Pearl Teague Shirley Richardson
12:00 – 12:45 PM	Local Foods Lunch	Hannaford Career Center Glass Onion Restaurant
12:45 – 1:30 PM	Keynote Speaker	Michael Pieciak – Deputy Commissioner, Vermont Department of Financial Regulation
1:30 – 2:00 PM	Entrepreneur Showcase	Five-minute pitches from selected entrepreneurs with questions from the audience
Presenters:	Vermont Bean Crafters La Gavotte Vermont Farm Table	Joseph Bossen Louis LeGall Dustin Glasscoe
2:00 – 2:30 PM	Case Studies – A success story: How I did it	Calley Hastings, Fat Toad Farm
2:30 PM	Adjourn	

Thank you for coming today!

**Look for footage of the conference on the MCTV website
(<http://middleburycommunitytv.org/>) later this month.**

This conference has been presented by:



ADDISON COUNTY
Economic Development Corporation
Great starts here.

