



# Vermont Employment Growth Incentive Program

Annual Report  
2016

**VERMONT ECONOMIC PROGRESS COUNCIL**

**VERMONT DEPARTMENT OF TAXES**



## VEGI Program Impact Summary

### ACTUAL ECONOMIC IMPACT TO DATE

(January 1, 2007 - December 31, 2014)

New Qualifying Jobs Created .....	4750
Total New Jobs (Direct & Indirect) .....	7193
New Qualifying Payroll Created .....	\$ 293,543,214
New Qualifying Capital Investments .....	\$ 682,684,662
Incentives Paid .....	\$ 14,738,558
Estimated Net Revenue Benefit .....	\$ 37,599,000

### APPLICATION VOLUME

(January 1, 2007–December 31, 2015)

	<u># of Applications</u>	<u>Incentive Value</u>
Applications Considered .....	96	\$ 70,723,407
Applications Denied.....	5	\$ 2,198,190
Applications Rescinded/Terminated .....	48	\$ 31,890,784
Net Approved-Active Applications.....	43	\$ 36,634,433

### Vermont Statute (32 V.S.A. §5930(b)(e) Reporting:

“By September 1 each year, the Council and the Department of Taxes shall file a joint report on the employment growth incentives authorized by this section with the Chairs of the House Committee on Ways and Means, the House Committee on Commerce and Economic Development, the Senate Committee on Finance, the Senate Committee on Economic Development, Housing and General Affairs, the House and Senate Committees on Appropriations, and the Joint Fiscal Committee of the General Assembly and provide notice of the report to the members of those committees. The joint report shall contain the total amount of incentives authorized during the preceding year and, with respect to each recipient, the date and amount of authorization, the calendar year or years in which the authorization is expected to be exercised, whether the authorization is active, and the date the authorization will expire. The joint report shall also include the following aggregate information: total number of claims and total incentive payments made in the current and prior claim years, the balance of credits not yet allocated, the number of qualifying new jobs created

and qualifying payroll of those jobs, and qualifying new capital investments. The Council and Department shall use measures to protect proprietary financial information, such as reporting information in an aggregate form. Data and information in the joint report shall be presented in a searchable format.”

The table in which each requirement is addressed in this report is noted below:

1. Total authorized amount of incentives during preceding year (Table 3)
2. Date and amount of each authorization (Table 1)
3. Expected years in which the authorization will be exercised (Table 1)
4. Whether the authorization is currently active (Table 1)
5. Date the authorization will expire (Table 1)
6. Aggregate number claims and incentives paid (Table 6)
7. The balance of incentives not allocated (Table 3)
8. Aggregate qualifying jobs created (Table 6)
9. Aggregate qualifying payroll created (Table 6)
10. Aggregate capital investments (Table 6)

## Success Story



### Commonwealth Dairy

Jackie Valazquez of Vernon was hired in October of 2013 as a temporary employee. Due to her work ethic, positive attitude and attention to detail, after three months she was promoted to a full time Lab Technician in Quality Assurance where she continues to work today. Commonwealth Dairy was authorized for VEGI in 2012.

To read more success stories click [here](#).

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## Introduction

In January 2007, the Vermont Employment Growth Incentive (VEGI) program began offering incentives for business recruitment, growth and expansion in Vermont. The VEGI program provides cash payments paid from the incremental tax revenues generated by the incremental economic activity occurring because the incentives were authorized, only after the incremental jobs are actually created and investments made. To be authorized, a company must apply to the Vermont Economic Progress Council (VEPC), a citizen board that determines:

- Whether the economic activity would not occur or would occur in a significantly different and/or less desirable manner except for the incentive (But For);
- Whether the economic activity will generate more incremental tax revenue for the state than is foregone through the incentive (cost-benefit modeling); and
- Whether the company and economic activity are consistent with a set of nine program guidelines.

VEGI incentives are earned over a period of up to five years and paid out over a period of up to nine years. The incentives are earned only if payroll, employment, and capital investment performance requirements are met by the company each year. If the company earns the incentive by meeting performance requirements in a particular year, the incentive earned that year is then paid out in five annual installments, if the new jobs and payroll are maintained. Claims for VEGI incentive installments are examined annually by the Vermont Department of Taxes.

In early 2012, [Good Jobs First](#), a national policy resource center for grassroots groups and public officials that promotes corporate and government accountability in economic development, rated Vermont’s VEGI program as the best in the United States for enforcement, safeguarding the taxpayer, and ensuring good job creation.

This 2016 annual report on the VEGI program presents information on all applications considered by VEPC through December 2015, the economic activity *projected* by the active projects from the start of the program on Jan-

uary 1, 2007 through December 31, 2019, and the actual economic activity that has occurred from January 2007 through December 31, 2014, as reported on claims filed and examined by the Tax Department.

Further information on VEPC and the VEGI program is available at: [acd.vermont.gov/business/start/vegi](http://acd.vermont.gov/business/start/vegi). Further information on the Department of Taxes is available at: <http://tax.vermont.gov/>. Statutory information on the program is contained in [32 V.S.A. 5930a and 5930b](#).

## Success Story



### Bariatric Nutrition Corp

Kris Richards was hired as a Production Supervisor in 2013, responsible for the operation of the line that produces protein shakes and smoothies, including supervision of four Machine Operators. Increases in production allowed Bariatric to hire additional employees in the Packaging Department, supporting the need for a supervisor. Due to Kris’ dedication to building cohesive teams, he was promoted to Operations Supervisor in 2015, now with the oversight of seventeen employees.

To read more success stories click [here](#).

## Section 1: Program Pipeline Data

**Section 1** provides an overview of the VEGI program’s pipeline of activity for the life of the program from inquiries, to pre-application estimates, actual applications, incentives authorized, incentives terminated and the remaining active incentives.

**Chart 1** shows the progression of the program pipeline from inquiries to active incentives. The total universe of incentives that *could* have been authorized since the beginning of the program totals \$128 million (See Table 3 for detail on annual program cap). About half of the companies that inquired about the program actually proceeded to the next stage and asked for an estimate of incentives (Pre-Application) and half of those actually filed formal applications. Therefore, 105 (30%) of all contacts resulted in an actual application being filed. This represents a high contact to application ratio for an economic development program.

The 105 applications filed and considered by VEPC represent the potential for authorizing incentives totaling \$72.7 million, based on the activity projected in those applications. However, about 20% of the applications filed were either denied (5%), withdrawn by the applicant (7%) or rescinded (9%). Rescinded means an Initial Application was filed, but for some reason the company did not file a Final Application (see Table 4 for details) and therefore, no incentives were authorized.

Of the 105 applications filed, 83 (79%) were authorized to earn incentives totaling \$54.6 million if performance requirements are met and maintained over a period from 2007 to 2024. Of the 83 projects authorized, 38 (46%) have been terminated (see Table 4 for detail). That leaves 45 (54%) of the authorized applications active with total potential incentives of \$37.4 million to be earned between 2007 and 2024. *Therefore, less than half of the incentives potentially available under the program were actually authorized and about 30% remain active.* The contact to project percentage of 12% is still fairly high for an economic development program.

**Chart 2** illustrates the mix of inquiries, various application statuses, and active incentives by calendar year. One note of interest is the decrease in terminated incentives (blue) as the economic recovery progresses.

**Chart 3** tracks projects from all inquiries through active incentives by type of project. The data clearly shows that the primary focus of the program is on Vermont companies (domestic expansions) versus recruitment. Vermont companies represent 47% of all inquiries versus 34% of recruitment relocation or expansion situations. Of the active incentives, Vermont companies represent 71% versus 11% recruitment.

**Chart 4** tracks projects from all inquiries through active incentives by potential location (county) of the project, including inquires/applications which did not identify a specific location. The data shows that interest in project location is spread throughout the state.

**Chart 5** illustrates applicant origin by US Domestic (61%) and foreign (39%) and then further breaks out US domestic origin by US state and foreign origin by Canada and other. It is not surprising that the majority (88%) of the foreign projects originate in Canada, primary Quebec. Also, it is not surprising that the majority (55%) of the projects originating from other US states come from neighboring Massachusetts, New York, and New Hampshire.

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### QUICK DATA FACT #1

HOW MUCH ESTIMATED NET TAX REVENUE HAS THE VEGI PROGRAM GENERATED FOR VERMONT TO DATE?

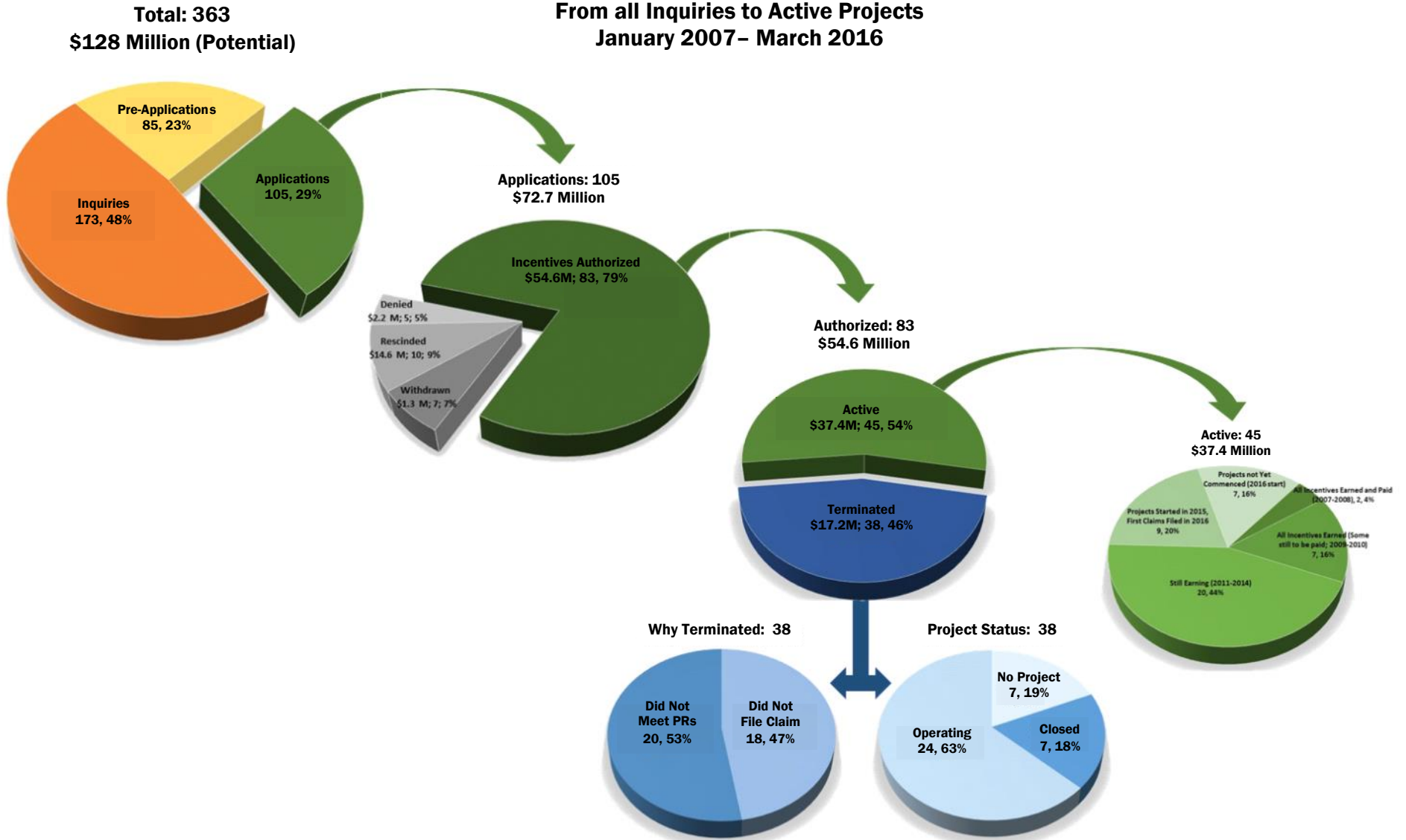
**\$ 37,599,000**

(Estimated for 2007–2014, After Cost of Incentives Paid)

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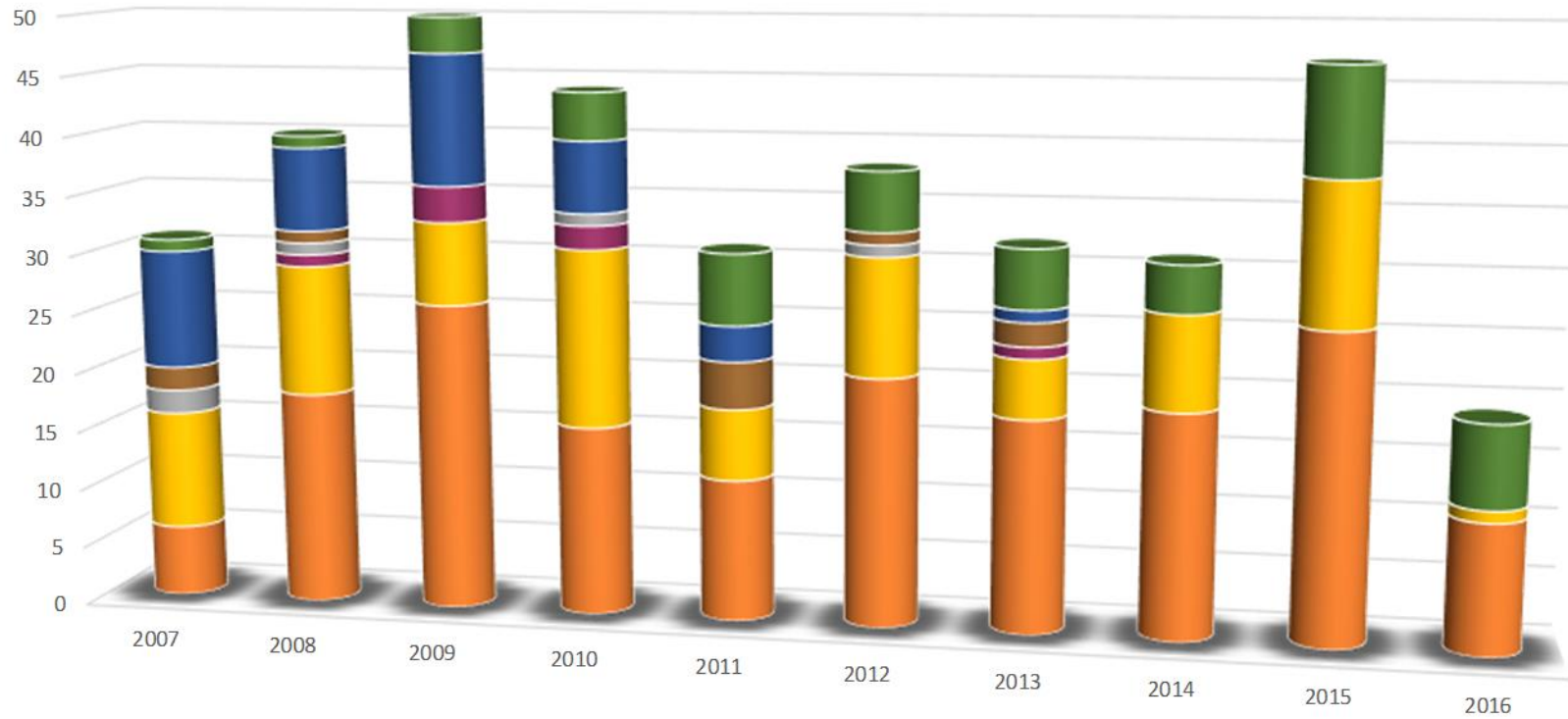
**Section 1: Program Pipeline Data - Continued**

**Chart 1: Application Pipeline Data  
From all Inquiries to Active Projects  
January 2007– March 2016**





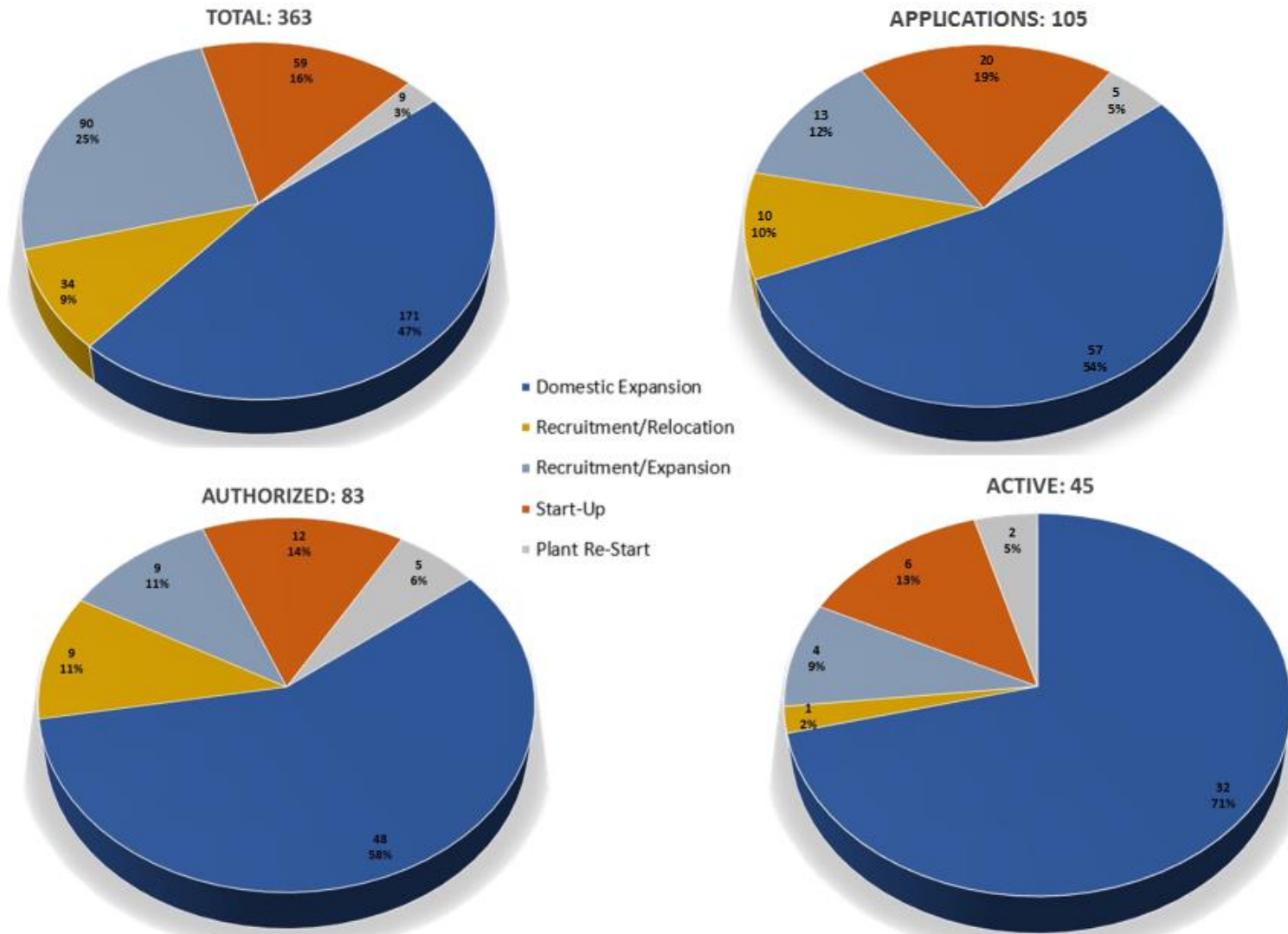
**Chart 2: By Calendar Year  
From all Inquiries to Active Projects**



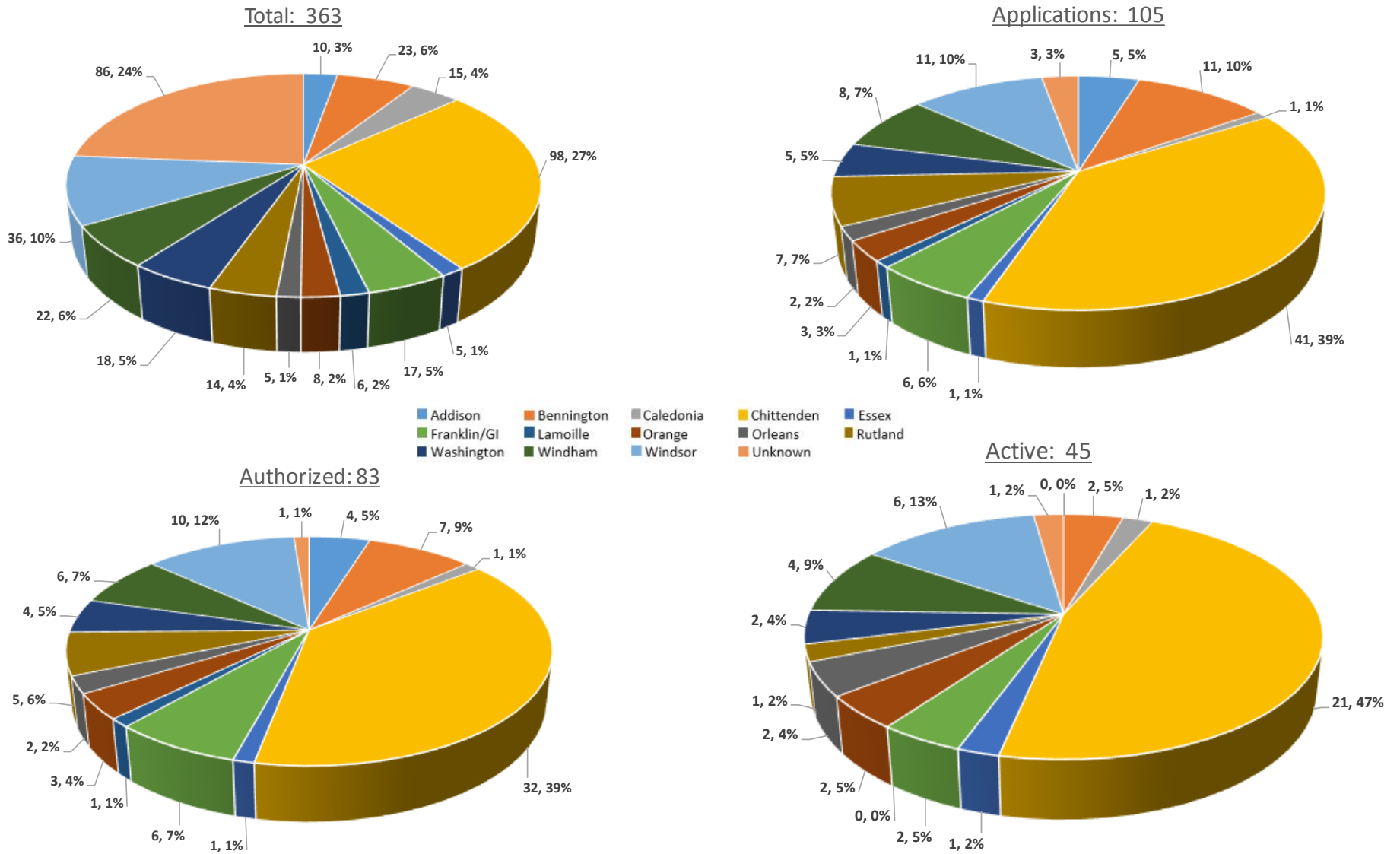
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Total
Active	1	1	3	4	6	5	5	4	9	7	45
Terminated	10	7	11	6	3	0	1	0	0	0	38
Rescinded	2	1	0	0	4	1	2	0	0	0	10
Denied	2	1	0	1	0	1	0	0	0	0	5
Withdrawn	0	1	3	2	0	0	1	0	0	0	7
Pre-Application	10	11	7	15	6	10	5	8	12	1	85
Inquiry	6	18	26	16	12	21	18	19	26	11	173
<b>TOTAL</b>	<b>31</b>	<b>40</b>	<b>50</b>	<b>44</b>	<b>31</b>	<b>38</b>	<b>32</b>	<b>31</b>	<b>47</b>	<b>19</b>	<b>363</b>



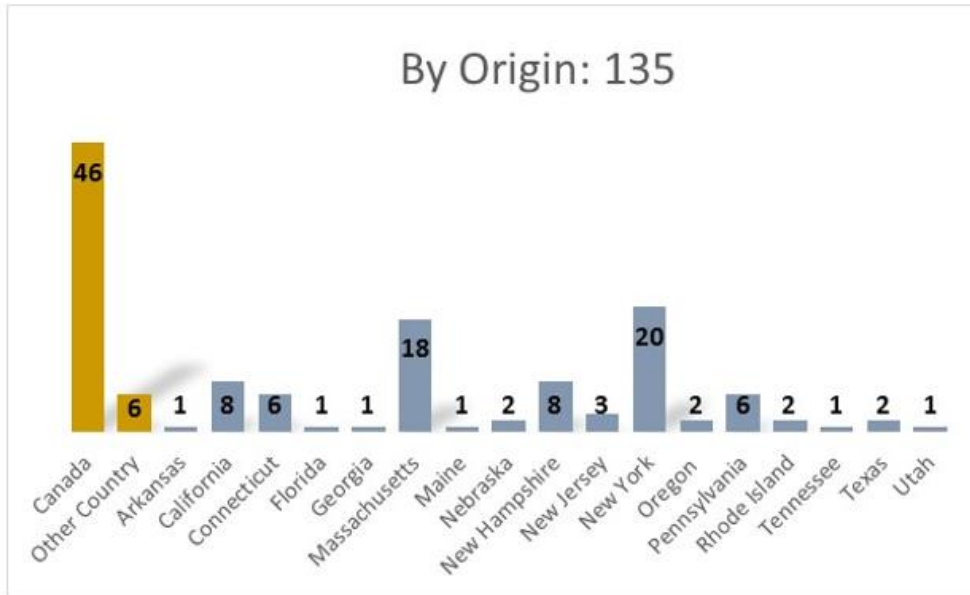
**Chart 3: By Type of Project  
From all Inquiries to Active Projects**



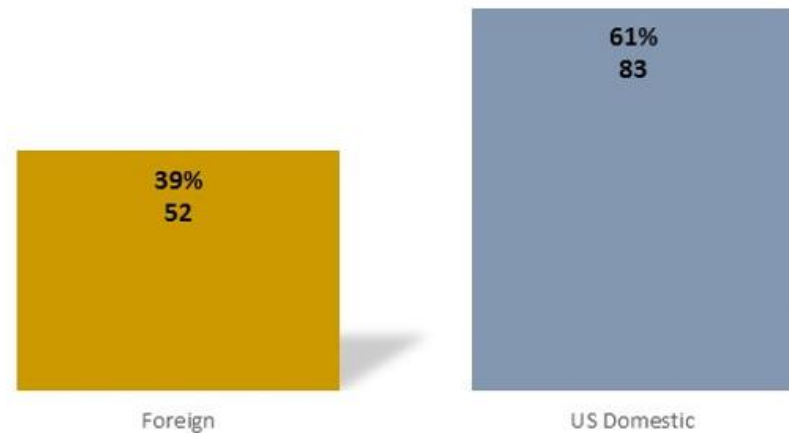
**Chart 4: By Vermont Region  
From all Inquiries to Active Projects**



**Chart 5: Non Vermont Origin Profile  
From all Inquiries to Active Projects**



By Foreign or US Domestic: 135



## Section 2: Application Activity

**Section 2** provides information on application activity for January 2007 to December 2015.

**Table 1** shows every project that has been considered by the Vermont Economic Progress Council (VEPC) since the January 1, 2007 inception of the Vermont Employment Growth Incentive (VEGI) program. It includes the name of the applicant company, the date the Final Application was considered (or the date the Initial Application was considered if a Final Application has not yet been filed), the authorization (or earning) period, the status of the authorization as of December 31, 2015 and a number indicating one of five reasons for the status (see Endnote 2 for explanation of each number), a “Yes” or “No” indicating whether the project has been paid any incentives, the maximum level of incentives considered, the minimum amount of estimated net revenue that will be generated to the State by the project, any statutory enhancement authorized, the location of the project by county, and the type of economic development project.

The application consideration date listed is the date a Final Application was considered if the company filed both an Initial and Final Application. If a Final Application has not yet been filed, the applicant’s status is listed as “Active-Initial.” Incentives are not considered authorized until a Final Application has been approved. However, the amount of incentives listed when an application has received Initial Approval is booked against the cap for the calendar year in which the project commences.

The maximum incentive amount considered is the maximum level of incentives the company could possibly earn if the project occurs. If the project status indicates a rescission or termination, the maximum incentive amount is listed for reference only in this report but the total incentive is no longer available to the company.

**Table 2** summarizes, as of December 31, 2015, the application volume, application status, the total amount of incentives considered and author-

ized, and the total amount and impact of incentive enhancements. It also shows the aggregate direct and indirect fiscal and economic impacts estimated by the VEGI cost-benefit model for all the economic activity projected to be undertaken by the authorized projects between 2007-2019 and the estimated incentive payments from 2008-2024.

In 2007, the General Assembly approved an enhancement to the VEGI program for companies that will create jobs in certain environmental technology sectors. Since its passage, 19 applications (20%) have been considered for the “Green VEGI” enhancement, 5 of which remain active. Due to this enhancement, incentives authorized were \$0.670 million higher and the estimated net return to the State was decreased by \$0.623 million.

Statute also allows an enhancement for projects that will occur in areas of the State, defined by Labor Market Areas (LMAs) that have above average unemployment and lower than average incomes. The Council has utilized this authority for 15 applications, 11 of which are active. This enhancement has increased incentives by \$2.7 million and reduced the estimated net return by \$2.4 million, but each authorization still had a positive net return to the State.

As the summary data in Table 2 show, the net (not including denied and rescinded/terminated) incentives authorized through December 2015 total just over \$36.6 million. These incentives can be earned by 43 projects planned to occur between 2007 and 2019 only if payroll, employment and capital investment performance requirements are met. Incentives are not paid out on a pro-rata basis if annual performance requirements are not met.

As **Table 2** indicates, the projects approved through December 2015 are projected to create 3,249 *new, direct, qualifying jobs* (full-time, permanent, paying over 140% of Vermont minimum wage), over *\$147 million in new qualifying payroll* (above and beyond “background growth” payroll), and *over \$687 million in capital investments* in machinery and equipment and building construction and renovation. The new jobs to be created are pro-

## Section 2: Application Activity - Continued

jected to have a weighted average wage of \$45,101 and *average total compensation of \$55,242* (including benefits). This economic activity, scheduled to occur between 2007 and 2019, is the basis for the incentives calculated and the incremental revenue projected to be generated.

The incentives will be paid out between 2008 and 2024, only if performance requirements are met and maintained. The dollars to pay these incentives come from the incremental tax revenue these companies generate to the state when the economic activity summarized in Table 2 occurs. Each company was approved only after a determination was made that the activity would not occur, or would occur in a materially different and less desirable manner, unless the incentive was authorized (But For). Therefore, the tax revenue to pay the incentive to the companies are generated by the authorized companies and are revenues that would never have occurred, except for the incentive being approved.

In addition to the But For criteria, application consideration includes an extensive and detailed modeling of the economic and estimated fiscal (revenue) benefits and costs to the State of Vermont. Net new revenues are generated primarily by payroll withholding taxes. But new revenues are also generated from new personal and corporate income taxes, sales and use taxes on machinery and equipment and building materials, transportation fees, property taxes, and other fees and taxes paid by the company, employees, contractors and their employees, and other companies involved in the project. The model also accounts for economic and fiscal costs to the State such as the costs of new students attending school and other additional state services that will be required.

As **Table 2** summarizes, the projects that have been authorized for incentives will generate estimated new revenues to the State totaling \$94 million, and the revenue costs, including the incentive payments are estimated to be about \$68 million. In addition to the new jobs, payroll and capital investments, the State of Vermont will realize estimated net new tax revenues totaling **\$26.2 million**. The VEGI program is a net revenue producer for the State of Vermont.

The fiscal estimates included in this report cover only the five-year earning period (revenue benefits, job creation, payroll generation, capital investments) and the nine year incentive payment period (revenue costs, incentive costs) that are included in the cost-benefit model. New revenues will continue to be generated to the State after this modeling period and jobs may continue to be created that are not accounted for in the modeling.

**Table 2** also includes summary data on related and indirect economic activity that is projected to occur because of the incentives. The VEGI program is not a job retention program. However, the expansion projects authorized will also result in the retention of an estimated 5,535 existing jobs. The projects will also create about 687 “non-qualifying” full-time jobs (pay below the program Wage Threshold) and over 3,900 indirect jobs throughout the state.

The projects will also generate \$43 million in new payroll that is considered “background” or “organic” growth payroll. The calculation of the incentive for *all* applications includes the discounting of a certain level of the new payroll that will be generated. This is considered background growth payroll or payroll that would have occurred anyway. This is done even for applications from new or start-up companies and companies that are being recruited to Vermont, neither of which ever had payroll in Vermont before the application date.

In addition to the But For and cost-benefit criteria for approval, applications are also considered against a set of nine program guidelines. One of the guidelines (Guideline 7) involves the interaction of the applicant with other Vermont companies in customer, supplier, and vendor relationships. The greater these interactions, the more indirect economic impact the incentives will have. Table 2 shows that the expected business-to-business relationships of applicants is estimated at over \$167 million each year.

Also summarized in **Table 2** is the median level of employee health care costs that are paid by the employers approved for VEGI incentives, at 73%.

## Section 2: Application Activity - Continued

Further detail on this and other data related to the Program Guidelines are contained in Charts 11-21.

**Table 3** summarizes the amount authorized each year against the annual program cap. It also shows the level of utilization of the authority given to the VEPC Board to increase incentive levels under 32 V.S.A. 5930b(b)(5), known as the LMA Enhancement, which is also capped annually.

**Table 4** provides an analysis of application status and a breakdown of reasons for rescission and termination. VEPC has considered over 180 applications (Initial and Final) since the inception of the VEGI program in January 2007, an average of 18 per year. The 96 applications summarized in this report are the Final Applications submitted and considered by each company (unless a Final application has not yet been submitted).

As of December 31, 2015, of the 96 projects considered, 43 (45%) are complete (2) or active (41), 48 (50%) have been rescinded/terminated, and 5

(5%) were denied. The rescissions and terminations are due primarily to projects not going forward because of the economic downturn between 2008 and 2010.

As the data in **Table 4** shows, 41 (68%) of the 60 projects authorized to begin in 2007-2011 have been terminated or rescinded. But only 7 (19%) of the 38 projects authorized between 2012-2016 have been rescinded or terminated. An indication that the economy is improving and more projects are progressing, successfully hiring Vermonters, and making capital investments in Vermont

**Table 5** provides a breakdown of the wage levels of the 3,249 projected new qualifying jobs to be created by the authorized projects. This data is also shown graphically in Chart 11. Table 5 also provides a breakdown of the benefits offered by authorized companies and the amount of the benefit cost covered by the employer.

### Success Story



#### Commonwealth Dairy

Sam Garland joined Commonwealth Dairy in the summer of 2011 with significant management experience in the food distribution industry. Wanting to be part of our company, Sam accepted a full time position as a packer. Within 2 weeks was helping to organize workflow and duty assignments for other packers. Shortly thereafter he was moved to our warehouse and within a matter of a few months Sam's hopes were realized and he moved into the role of Supply Chain Manager. Today Sam continues to play a vital role in the success of our company.

To read more success stories click [here](#).



## Section 2: Application Activity - Continued

**TABLE 1: VERMONT EMPLOYMENT GROWTH INCENTIVE**  
Applications Through December 31, 2015

Company Name	Date Considered <sup>1</sup>	Authorization Period	Status	Term. Reason <sup>2</sup>	Incentive Earned Y/N	Maximum Incentive Considered	Minimum Net Revenue Benefit	Enhancement <sup>3</sup>	Location	Type of Project
Ink Jet Machinery of Vermont	25-Jan-07	n/a	Terminated Jan 24, 2008	4	N	\$ 336,055	\$ -	n/a	Dorset	Startup
Olympic Precision, Inc/WIC/Town of Windsor	25-Jan-07	n/a	Terminated Sept 6, 2007	4	N	\$ 474,428	\$ -	n/a	Windsor	Recruitment
Monahan SFI, LLC	15-Feb-07	n/a	Term.-Recap. Sept 28, 2009	3	Y	\$ 791,277	\$ -	n/a	Middlebury	Plant Restart
Qimonda North America Corp.	15-Feb-07	n/a	Rescinded Mar 27, 2008	1	N	\$ 229,672	\$ -	n/a	So. Burl	Ret./Expansion
Rehab Gym, Inc.	22-Mar-07	n/a	Denied	5	N	\$ 255,439	\$ -	n/a	Colchester	Ret./Expansion
Applejack Art Partners	3-May-07	n/a	Terminated Oct 25, 2007	4	N	\$ 85,539	\$ -	n/a	Manchester	Recruitment
Omni Measurement Systems	3-May-07	n/a	Terminated Mar 25, 2010	4	Y	\$ 677,944	\$ -	n/a	Milton	Ret./Expansion
Vermont Timber Frames	3-May-07	n/a	Terminated Jan 16, 2013	2	Y	\$ 156,126	\$ -	n/a	Bennington	Recruitment/Exp.
Battenkill Technologies, Inc.	28-Jun-07	n/a	Terminated Jun 26, 2008	4	N	\$ 79,054	\$ -	n/a	Manchester	Recruitment
Burton Corporation	28-Jun-07	n/a	Terminated Mar 25, 2010	4	N	\$ 1,653,965	\$ -	n/a	Burlington	Ret./Expansion
Energizer Battery Manufacturing, Inc.	26-Jul-07	n/a	Terminated May 28, 2009	4	N	\$ 607,347	\$ -	n/a	St Albans	Ret./Expansion
NEHP, Inc.	25-Oct-07	n/a	Terminated Dec 8, 2011	2	N	\$ 182,396	\$ -	n/a	Williston	Ret./Expansion
Green Mountain Coffee Roasters, Inc.	25-Oct-07	2007-2011	Complete	N/A	Y	\$ 1,786,828	\$ 2,129,672	n/a	Waterbury/Essex	Ret./Expansion
Know Your Source, LLC	6-Dec-07	n/a	Denied	5	N	\$ 71,302	\$ -	n/a	Burlington	Start-up
Mascoma Corporation	25-Oct-07	n/a	Rescinded Jun 26, 2008	1	N	\$ 1,942,989	\$ -	Green	WRJ	Recruitment/Exp.
CNC North, Inc.	6-Mar-08	n/a	Terminated Mar 25, 2010	4	N	\$ 70,533	\$ -	n/a	Springfield	Ret./Expansion
Vermont College of Fine Arts	27-Mar-08	2008-2012	Complete	N/A	Y	\$ 206,737	\$ 126,260	n/a	Montpelier	Start-up
Isovolta, Inc.	26-Jun-08	n/a	Terminated May 28, 2009	4	N	\$ 568,330	\$ -	n/a	Rutland	Ret./Expansion
Vermont Castings Holding Company	18-Sep-08	n/a	Terminated May 28, 2009	4	N	\$ 488,000	\$ -	Green	Bethel	Ret./Expansion
New England Precision, Inc./Clifford Properties, Inc.	18-Sep-08	n/a	Terminated April 28, 2011	2	N	\$ 241,236	\$ -	n/a	Randolph	Ret./Expansion
Utility Risk Management Corp	23-Oct-08	n/a	Term - Recap November 25, 2013	3	Y	\$ 377,371	\$ -	n/a	Stowe	Recruitment/Relocation
Helix Global Solutions, Inc.	4-Dec-08	n/a	Rescinded Dec 4, 2008	1	N	\$ 53,739	\$ -	n/a	Burlington Area	Recruitment/Exp.
Vermont Wood Energy Corp	4-Dec-08	n/a	Denied	5	N	\$ 293,967	\$ -	Green	Rutland	Start-up
Tata's Natural Alchemy	4-Dec-08	n/a	Terminated Mar 25, 2010	4	N	\$ 231,531	\$ -	n/a	Whiting/Shoreham	Start-up
BioTek Instruments, Inc./Lionheart Technologies, Inc.	4-Dec-08	n/a	Terminated Dec 17, 2014	2	Y	\$ 692,854	\$ -	n/a	Winooski	Ret./Expansion
Dominion Diagnostics, LLC	22-Jan-09	n/a	Terminated April 28, 2011	2	N	\$ 103,300	\$ -	n/a	Williston	Recruitment/Exp.
Albany College of Pharmacy	22-Jan-09	2009-2013	Active-Final	N/A	Y	\$ 630,859	\$ 345,717	n/a	Colchester	Recruitment/Exp.
ASK-intTag, LLC	26-Mar-09	n/a	Terminated December 5, 2013	2	Y	\$ 553,722	\$ -	n/a	Essex	Recruitment/Start-up
Vermont Transformers, Inc.	26-Mar-09	n/a	Terminated May 25, 2011	3	N	\$ 267,569	\$ -	Green	St. Albans	Recruitment/Exp.
Project Graphics, Inc.	30-Apr-09	n/a	Terminated May 24, 2012	2	N	\$ 230,414	\$ -	n/a	So. Burlington	Recruitment
Durasol Awnings, Inc.	28-May-09	n/a	Terminated Mar 25, 2010	4	N	\$ 245,795	\$ -	n/a	Middlebury	Ret./Expansion
Commonwealth Yogurt, Inc.	25-Jun-09	2009-2013	Active-Final	N/A	Y	\$ 1,201,154	\$ 614,505	n/a	Brattleboro	Recruitment/Start-up
AirBoss Defense USA, Inc.	24-Sep-09	n/a	Terminated July 24, 2014	2	Y	\$ 243,279	\$ -	n/a	Milton	Recruitment/Exp.
Maple Mountain Woodworks, LLC	17-Dec-09	n/a	Term- Recap February 15, 2013	3	Y	\$ 143,436	\$ -	n/a	Richford	Start-up
Terry Precision Bicycles for Women, Inc.	17-Dec-09	n/a	Terminated December 5, 2013	2	Y	\$ 126,296	\$ -	n/a	Burlington	Recruitment/Relocation
Northern Power Systems, Inc.	17-Dec-09	n/a	Terminated December 17, 2014	2	Y	\$ 808,104	\$ -	Green	Barre	Ret./Expansion
Green Mountain Coffee Roasters, Inc.	17-Dec-09	2009-2013	Active-Final	N/A	Y	\$ 292,307	\$ 1,736,611	n/a	Chittenden County	Ret./Expansion
MyWebGrocer, Inc	22-Oct-09	2010-2014	Active-Final	N/A	Y	\$ 453,475	\$ 286,567	n/a	Colchester	Ret./Expansion
SBE, Inc.	17-Dec-09	n/a	Terminated Dec 17, 2014	2	Y	\$ 3,048,671	\$ -	Green	Barre	Ret./Expansion
Seldon Technologies, Inc.	17-Dec-09	n/a	Terminated June 27, 2013	2	N	\$ 478,396	\$ -	Green	Windsor	Ret./Expansion
Business Financial Publishing, Inc.	28-Jan-10	n/a	Denied	5	N	\$ 162,473	\$ -	n/a	Burlington	Start-up
New England Supply, Inc.	25-Mar-10	2010-2014	Active-Final	N/A	Y	\$ 67,953	\$ 36,088	n/a	Williston	Start-up
The Original Vermont Wood Products, Inc.	27-May-10	n/a	Terminated Dec 8, 2011	3	N	\$ 100,604	\$ -	LMA	Pittsfield	Start-up/Plant Restart
Westminster Cracker Company, Inc.	22-Jul-10	n/a	Terminated Jan 22, 2014	2	N	\$ 236,246	\$ -	n/a	Rutland	Ret./Expansion
Revision Eyewear, Ltd.	28-Oct-10	2010-2014	Active-Final	N/A	Y	\$ 552,193	\$ 449,056	n/a	Essex	Ret./Expansion
Organic Trade Association	28-Oct-10	n/a	Terminated May 24, 2012	4	N	\$ 75,569	\$ -	n/a	Brattleboro	Recruitment/Relocation



## Section 2: Application Activity - Continued

**TABLE 1: VERMONT EMPLOYMENT GROWTH INCENTIVE**  
Applications Through December 31, 2015

Company Name	Date Considered <sup>1</sup>	Authorization Period	Status	Term. Reason <sup>2</sup>	Incentive Earned Y/N	Maximum Incentive Considered	Minimum Net Revenue Benefit	Enhancement <sup>3</sup>	Location	Type of Project
Dealer.com, Inc.	16-Dec-10	2010-2014	Active-Final	N/A	Y	\$ 4,929,487	\$ 2,644,928	n/a	Burlington	Ret./Expansion
Pinnacle Sales Accelerators, LLC	16-Dec-10	n/a	Term.-Recap. Jan 16, 2013	3	Y	\$ 111,635	\$ -	n/a	Burlington	Recruitment/Start-up
Swan Valley Cheese Company of Vermont	16-Dec-10	n/a	Terminated December 17, 2014	2	Y	\$ 305,830	\$ -	LMA	Swanton	Plant Restart/Start-up
Alpla, Inc.	16-Dec-10	n/a	Terminated Jul 24, 2014	4	N	\$ 654,438	\$ -	Green	Essex	Recruitment/Exp.
Bariatrx Nutrition Corp	27-Jan-11	2011-2015	Active-Final	N/A	Y	\$ 135,653	\$ 92,251	n/a	Georgia	Ret./Expansion
eCorporate English, Ltd.	25-May-11	n/a	Terminated Sept 27, 2012	3	N	\$ 464,731	\$ -	n/a	Middlebury	Recruitment/Exp.
WCW, Inc.	27-Oct-11	n/a	Terminated Oct 22, 2015	2	N	\$ 512,449	\$ -	n/a	Manchester	Recruitment/Relocation
VSC Holdings, Inc.	27-Oct-11	2011-2015	Active-Final	N/A	Y	\$ 156,913	\$ 86,727	n/a	Hinesburg	Ret./Expansion
Carbon Harvest Energy, LLC/Brattleboro Carbon Harvest, LLC	8-Dec-11	n/a	Terminated Dec 13, 2012	3	N	\$ 568,913	\$ -	Green	Burl/Brattleboro	Ret./Expansion
Concepts ETI, Inc	8-Dec-11	2011-2015	Active-Final	N/A	Y	\$ 290,335	\$ 117,880	Green/LBW	Wildier	Ret./Expansion
SOH Wind Engineering, LLC	8-Dec-11	2011-2015	Active-Final	N/A	Y	\$ 153,994	\$ 41,793	Green	Williston	Recruitment/Start-up
Green Mountain Coffee Roasters, Inc.	8-Dec-11	2011-2015	Active-Final	N/A	Y	\$ 4,696,809	\$ 6,297,553	n/a	Essex	Ret./Expansion
Ellison Surface Technologies, Inc.	8-Dec-11	2011-2015	Active-Final	N/A	Y	\$ 688,462	\$ 289,406	LMA	Rutland	Ret./Expansion
Skypoint Solar	8-Dec-11	n/a	Rescinded Dec 8, 2011	1	N	\$ 7,900,114	\$ -	Green	Burlington	Recruitment/Start-up
Transcend Quality Manufacturing, Inc.	8-Dec-11	n/a	Rescinded Dec 6, 2012	1	N	\$ 246,941	\$ -	LMA/Green	TBD	Recruitment/Start-up
Plasan Carbon Composites, Inc.	8-Dec-11	n/a	Rescinded Aug 30, 2012	1	N	\$ 516,395	\$ -	Green	Bennington	Ret./Expansion
Vermont Hard Cider Company, LLC	26-Jan-12	n/a	Rescinded Dec 6, 2012	1	N	\$ 260,176	\$ -	n/a	Middlebury	Ret./Expansion
Commonwealth Dairy, LLC	25-May-12	2012-2016	Active-Final	N/A	Y	\$ 303,004	\$ 277,714	n/a	Brattleboro	Ret./Expansion
Performa Limited, LLC	25-Oct-12	2012-2016	Active-Final	N/A	Y	\$ 133,617	\$ 62,088	n/a	Burlington	Ret./Expansion
Dynapower	13-Dec-12	n/a	Denied	5	N	\$ 1,415,009	\$ -	Green	So. Burlington	Ret./Expansion
Mylan Technologies, Inc	13-Dec-12	2012-2016	Active-Final	N/A	Y	\$ 5,733,506	\$ 2,786,740	n/a	St. Albans	Ret./Expansion
Revision Ballistics	13-Dec-12	2012-2016	Active-Final	N/A	Y	\$ 734,081	\$ -	LMA	Newport	Plant Restart/Start-up
Seventh Generation	13-Dec-12	2012-2016	Active-Final	N/A	Y	\$ 454,728	\$ 233,150	Green	Burlington	Ret./Expansion
AFCCell Medical	24-Mar-11	n/a	Rescinded Dec 5, 2013	1	N	\$ 1,338,444	\$ -	n/a	TBD	Recruitment/Start-up
Freedom Foods	24-Oct-13	2013-2017	Active-Final	N/A	Y	\$ 267,762	\$ 128,639	Educ Tax Stabil	Randolph	Ret./Expansion
Logic Supply, Inc.	24-Oct-13	2013-2017	Active-Final	N/A	Y	\$ 352,912	\$ 219,038	n/a	South Burlington	Ret./Expansion
BioTek Instruments, Inc./Lionheart Technologies, Inc.	5-Dec-13	2013-2017	Active-Final	N/A	Y	\$ 325,111	\$ 675,788	n/a	Winooski	Ret./Expansion
Dealer.com II	5-Dec-13	2013-2017	Active-Final	N/A	Y	\$ 1,201,850	\$ 1,970,120	n/a	Burlington	Ret./Expansion
Farmer Mold & Machine	5-Dec-13	n/a	Terminated Jun 23, 2015	4	N	\$ 258,518	\$ -	LMA	No. Clarendon	Recruitment/Relocation
JBM Sherman Carmel	5-Dec-13	2013-2017	Active-Final	N/A	Y	\$ 136,744	\$ 15,938	LMA	Bennington	Ret./Expansion
Keurig Green Mountain	24-Apr-14	2014-2018	Active-Final	N/A	Y	\$ 971,028	\$ 451,047	n/a	Williston	Ret./Expansion
Cambridge Valley Machining, Inc.	28-Mar-13	n/a	Rescinded Dec 17, 2014	1	N	\$ 140,049	\$ -	n/a	Bennington	Recruitment/Expansion
AGrown (AEG Holdings, LLC)	26-Sep-13	n/a	Rescinded Dec 17, 2014	1	N	\$ 2,010,364	\$ -	Green	TBD	Recruitment/Start-up
Vermont Packinghouse	17-Dec-14	2014-2018	Active-Final	N/A	Y	\$ 233,252	\$ -	LMA	Springfield	Recruitment/Start-up
G.S. Blodgett Corp.	17-Dec-14	2014-2018	Active-Final	N/A	Y	\$ 754,104	\$ 410,685	n/a	Essex	Ret./Expansion
Twincraft, Inc	17-Dec-14	2014-2018	Active-Final	N/A	Y	\$ 532,584	\$ 512,840	LBW	Essex	Ret./Expansion
Cabot Hosiery Mills, Inc	17-Dec-14	2015-2019	Active-Final	N/A		\$ 1,336,191	\$ 543,355	n/a	Northfield	Ret./Expansion
Flex-A-Seal, Inc	17-Dec-14	2015-2019	Active-Final	N/A		\$ 144,998	\$ 208,891	n/a	Essex Jct	Ret./Expansion
National Hanger Company, Inc	17-Dec-14	2015-2019	Active-Final	N/A		\$ 272,369	\$ 41,557	LMA	N. Bennington	Ret./Expansion
Precyse Solutions, LLC	17-Dec-14	2015-2019	Active-Final	N/A		\$ 378,703	\$ 212,590	n/a	Statewide	Recruitment/Expansion
Revision Military, LTD	26-Mar-15	2015-2019	Active-Final	N/A		\$ 167,295	\$ 57,308	n/a	Essex	Ret./Expansion
Vermed	24-Apr-15	2015-2019	Active-Final	N/A		\$ 292,421	\$ -	LMA	Bellevue Falls	Ret./Expansion
Maponics, LLC	28-May-15	2015-2019	Active-Final	N/A		\$ 156,490	\$ 269,165	n/a	White River Jct	Ret./Expansion
Revision Ballistics, LTD	28-May-15	2015-2019	Active-Final	N/A		\$ 619,007	\$ -	LMA	Newport	Ret./Expansion
GW Plastics, Inc.	23-Jul-15	2015-2019	Active-Final	N/A		\$ 977,364	\$ 349,171	LMA	Bethel	Ret./Expansion
Triad Design Services, Inc.	26-Feb-15	2016-2020	Active-Initial	N/A		\$ 968,657	\$ 501,081	n/a	Williston	Ret./Expansion
GS Precision, Inc.	23-Jun-15	2016-2020	Active-Initial	N/A		\$ 1,063,378	\$ 842,064	LMA	Brattleboro	Ret./Expansion
Composites BHS	22-Oct-15	2016-2020	Active-Initial	N/A		\$ 694,711	\$ -	LMA	St. Johnsbury	Recruitment/Expansion
Britton Lumber Company, Inc.	3-Dec-15	2016-2020	Active-Initial	N/A		\$ 784,862	\$ 169,862	Green	Fairlee	Plant Reopen
Kingdom Pellets, LLC	3-Dec-15	2016-2020	Active-Initial	N/A		\$ 400,545	\$ -	LMA/Green	Lunenburg	Recruitment/Start-up

Section2: Application Activity - Continued

**TABLE 2: SUMMARY OF INCENTIVE AUTHORIZATION DATA  
FOR ALL APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2015  
TOTAL PROJECTED ECONOMIC ACTIVITY, 2007 - 2020**

Application Count	Total Considered	Approved - Complete and Active <sup>4</sup>	Rescinded/ Terminated <sup>5</sup>	Denied
<b>Total Applications Considered:<sup>6</sup></b>	<b>96</b>	<b>43</b>	<b>48</b>	<b>5</b>
Percent of Total Applications	N/A	45%	50%	5%
Regular VEGI Applications:	77	38	36	3
"Green VEGI" Applications: <sup>7</sup>	19	5	12	2
LMA Enhanced Applications:	15	11	4	0
Lookback Waived Applications:	2	2	0	0
<b>Authorization Summary:</b>		<b>Direct Estimated Economic Impact:</b>		
Total Incentives Considered To Date:	\$ 70,723,407	New Qualifying FT Jobs Projected:	3,249	
Total Incentives Denied To Date:	\$ 2,198,190	New Qualifying FT Payroll Projected:	\$ 147,229,984	
Total Incentives Rescinded/Terminated to Date:	\$ 31,890,784	Weighted Average Wage of New Qualifying Jobs:	\$ 45,101	
<b>Net Incentives Authorized to Date:</b>	<b>\$ 36,634,433</b>	Average Total Compensation for New Qualifying Jobs:	\$ 55,242	
<b>Incentive Enhancements:</b>		New Qualified Capital Investment Projected:	\$ 687,434,934	
<b>Increase in Incentives Due to Enhancements:</b>		<b>Related Estimated Economic Activity:</b>		
Green VEGI	\$ 669,221	Retained Full-time Jobs: <sup>8</sup>	5,535	
LMA Enhancement	\$ 2,779,201	Full-time Non-Qualifying Job Creation: <sup>9</sup>	687	
Total	\$ 3,448,422	Indirect Job Creation: <sup>10</sup>	3,906	
<b>Decrease in Net Revenue Return Due to Enhancements:</b>		Total Full-time Job Creation:	7,842	
Green VEGI	\$ 623,046	New Payroll Considered Background Growth: <sup>11</sup>	\$ 42,922,984	
LMA Enhancement	\$ 2,421,443	Average Health Care Premium Paid by Employer: <sup>12</sup>	73%	
Total	\$ 3,044,489	Approximate Value of VT Biz-to-Biz Interactions: <sup>13</sup>	\$ 167,392,048	
		<b>Direct Estimated Fiscal Impact<sup>14</sup></b>		
		Total Revenue Benefits to the State:	\$ 93,902,284	
		Total Revenue Costs to the State, Including Incentives:	\$ 67,668,521	
		Net Fiscal Return to the State:	\$ 26,233,763	

## Section 2: Application Activity - Continued

**TABLE 3: ANNUAL AUTHORIZATION AND LMA ENHANCEMENT CAPS  
FOR APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2015  
TOTAL PROJECTED INCENTIVE PAYMENTS, 2007 - 2025**

Annual Incentives/Caps: <sup>15</sup>		%	Annual LMA Enhancement Cap: <sup>16</sup>		%
2007 Cap	\$ 10,000,000		2007 Cap	\$ 1,000,000	
Approvals	\$ 9,797,457	98%	Approvals	\$ -	0%
Cap Balance	\$ 202,543	2%	Cap Balance	\$ 1,000,000	100%
Active	\$ 1,786,828	18%	Active	\$ -	0%
Net Cap Balance	\$ 8,213,172	82%	Net Cap Balance	\$ 1,000,000	100%
2008 Cap	\$ 10,000,000		2008 Cap	\$ 1,000,000	
Approvals	\$ 4,545,735	45%	Approvals	\$ -	0%
Cap Balance	\$ 5,454,265	55%	Cap Balance	\$ 1,000,000	100%
Active	\$ 206,737	2%	Active	\$ -	0%
Net Cap Balance	\$ 9,793,263	98%	Net Cap Balance	\$ 1,000,000	100%
2009 Cap	\$ 10,000,000		2009 Cap	\$ 1,000,000	
Approvals	\$ 5,539,089	55%	Approvals	\$ -	0%
Cap Balance	\$ 4,460,911	45%	Cap Balance	\$ 1,000,000	100%
Active	\$ 2,124,320	21%	Active	\$ -	0%
Net Cap Balance	\$ 7,875,680	79%	Net Cap Balance	\$ 1,000,000	100%
2010 Cap	\$ 23,000,000		2010 Cap	\$ 1,000,000	
Approvals	\$ 10,522,532	46%	Approvals	\$ 228,454	23%
Cap Balance	\$ 12,477,468	54%	Cap Balance	\$ 771,546	77%
Active	\$ 6,003,108	26%	Active	\$ -	0%
Net Cap Balance	\$ 16,996,892	74%	Net Cap Balance	\$ 1,000,000	100%
2011 Cap	\$ 18,000,000		2011 Cap	\$ 1,000,000	
Approvals	\$ 16,222,811	90%	Approvals	\$ 322,655	32%
Cap Balance	\$ 1,777,189	10%	Cap Balance	\$ 677,345	68%
Active	\$ 6,122,166	34%	Active	\$ 322,655	32%
Net Cap Balance	\$ 11,877,834	66%	Net Cap Balance	\$ 677,345	68%
2012 Cap	\$ 12,000,000		2012 Cap	\$ 1,000,000	
Approvals	\$ 9,797,457	82%	Approvals	\$ 247,632	25%
Cap Balance	\$ 2,202,543	18%	Cap Balance	\$ 752,368	75%
Active	\$ 7,358,936	61%	Active	\$ 247,632	25%
Net Cap Balance	\$ 4,641,064	39%	Net Cap Balance	\$ 752,368	75%
2013 Cap	\$ 10,000,000		2013 Cap	\$ 1,000,000	
Approvals	\$ 3,881,341	39%	Approvals	\$ 134,039	13%
Cap Balance	\$ 6,118,659	61%	Cap Balance	\$ 865,961	87%
Active	\$ 2,284,379	23%	Active	\$ 57,074	6%
Net Cap Balance	\$ 7,715,621	77%	Net Cap Balance	\$ 942,926	94%
2014 Cap	\$ 10,000,000		2014 Cap	\$ 1,000,000	
Approvals	\$ 4,641,381	46%	Approvals	\$ 90,833	9%
Cap Balance	\$ 5,358,619	54%	Cap Balance	\$ 909,167	91%
Active	\$ 2,490,968	25%	Active	\$ 90,833	9%
Net Cap Balance	\$ 7,509,032	75%	Net Cap Balance	\$ 909,167	91%
2015 Cap	\$ 15,000,000		2015 Cap	\$ 1,200,000	
Approvals	\$ 4,344,838	29%	Approvals	\$ 946,733	79%
Cap Balance	\$ 10,655,162	71%	Cap Balance	\$ 253,267	21%
Active	\$ 4,344,838	29%	Active	\$ 946,733	79%
Net Cap Balance	\$ 10,655,162	71%	Net Cap Balance	\$ 253,267	21%
2016 Cap	\$ 10,000,000		2016 Cap	\$ 1,500,000	
Approvals	\$ 3,912,153	39%	Approvals	\$ 1,114,274	74%
Cap Balance	\$ 6,087,847	61%	Cap Balance	\$ 385,726	26%
Active	\$ 3,511,608	35%	Active	\$ 1,114,274	74%
Net Cap Balance	\$ 6,488,392	65%	Net Cap Balance	\$ 385,726	26%

## Section 2: Application Activity - Continued

**TABLE 4: APPLICATION STATUS DETAIL**  
FOR ALL APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2015

APPLICATION STATUS:				
TOTAL FINAL APPLICATIONS CONSIDERED:		91		
AVERAGE FINAL APPLICATIONS PER YEAR:		10		
Annual Breakdown:		Active	Terminated/ Rescinded	Denied
2007	13	1	11	1
2008	11	1	8	2
2009	13	3	10	0
2010	12	4	7	1
2011	11	6	5	0
<b>Five Year Sub Total:</b>	<b>60</b>	<b>15</b>	<b>41</b>	<b>4</b>
		<b>25%</b>	<b>68%</b>	<b>7%</b>
2012	9	5	3	1
2013	7	5	2	0
2014	6	4	2	0
2015	9	9	0	0
2016	5	5	0	0
<b>Five Year Subtotal:</b>	<b>36</b>	<b>23</b>	<b>7</b>	<b>1</b>
		<b>64%</b>	<b>19%</b>	<b>3%</b>
<b>Total:</b>		38	48	5
<b>Total:</b>		42%	53%	5%

REASONS FOR TERMINATION/RESCISSION:	
Number	Reason
10	No Final Application submitted. Initial application rescinded. No incentives authorized.
15	Project commenced, but for a certain year, Performance Requirements were never met. Incentives terminated.
8	Project commenced, but company closed or reduced employment below 90%. Incentives terminated.
15	Project commenced, but in a subsequent year company failed to file a VEGI claim. Incentives terminated.
<b>48</b>	<b>Total</b>
<b>Detail of Rescissions:</b>	
4	Project occurred in another state
1	Project did not occur at all
3	Project could not find capital
2	No Final Application, but project started in Vermont anyway
<b>10</b>	<b>Subtotal</b>
<b>Detail of Terminations:</b>	
19	Did not meet Performance Requirements by end of grace period
9	Earned Partial Incentives
10	No Incentives earned
5	Closure of Business
0	Earned Partial Incentives
4	Recapture of Incentives Required
1	No Incentives earned
14	Failed to file claim
0	Earned Incentives
14	No Incentives earned
<b>38</b>	<b>Subtotal</b>

### QUICK DATA FACT #2

HOW MUCH HAS ACTUALLY BEEN PAID BACK TO COMPANIES  
IN VEGI INCENTIVES TO DATE (2007-2014)?

**\$14,738,558**

**TABLE 5: PROJECTED WAGES AND BENEFITS**  
FOR ALL ACTIVE APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2015

NOTE: ALL DATA IN THIS TABLE BASED ON 38 ACTIVE COMPANIES ONLY.									
Wage Levels: (In \$000's)	Total	\$25-\$29	\$30-\$39	\$40-\$49	\$50-\$59	\$60-\$69	\$70-\$79	\$80-\$89	\$90+
Number of Jobs	3249	1003	714	485	325	314	147	200	61
Percentage of Total Jobs	100%	31%	22%	15%	10%	10%	5%	6%	2%
Benefits Paid by Employers:	Number Offering Benefit	Percentage Offering Benefit	Average Percentage of Benefit Paid by Employers						
Medical Premium	44	100%	73%		NOTE: BENEFITS AS REPORTED BY APPLICANT. IN SOME CASES, A BENEFIT MAY BE OFFERED BUT APPLICANT DID NOT REPORT IT.				
Dental Premium	33	75%	66%						
Vision Premium	25	57%	64%						
Life Insurance	29	66%	92%						
Short-Term/Long-Term Disability Ins.	28	64%	86%						
Accidental Death/Dismemberment Ins.	12	27%	92%						
Retirement Contribution	30	68%	41%						
Paid Leave	32	73%	54%						
Other	25	57%	100%						

**QUICK DATA FACT #3**  
HOW MANY NEW JOBS HAVE VEGI COMPANIES ACTUALLY CREATED TO DATE? (2007-2014)

Direct and Indirect New Jobs:	7,193
New Qualifying Jobs:	4,750

## Section 3: Projected and Actual Economic Activity

**Section 3** provides data on the projected and actual economic activity between January 1, 2007 and December 31, 2014 and the incentives expected to be paid and actually paid during that period.

**Table 6** aggregates, by calendar year, the number of claims expected and actually filed, the disposition of the claims, the projected *and actual* qualifying job creation, qualifying payroll generation, capital investments, and incentive payments, and the estimated net revenue benefit for the State for activity that has actually occurred between January 1, 2007 and December 31, 2014.

VEGI claims must be filed each year for the economic activity that occurred during the previous calendar year. For example, claims for activity in 2014 were filed in April 2015 and examined by the Tax Department during 2015. Incentive payments, if earned, were paid in late 2015. Therefore, there is a one year delay before the claim and actual activity data is available. This is why this report includes application data through December 2015, but actual earning and economic activity for 2007–2014.

The following details the number of claims filed for each year and the number of claims approved or delayed:

	Filed	Approved	Delayed
2007	7	4 (57%)	3 (43%)
2008	10	4 (40%)	6 (60%)
2009	18	12 (67%)	6 (33%)
2010	23	16 (70%)	7 (30%)
2011	28	19 (68%)	9 (32%)
2012	30	21 (70%)	9 (30%)
2013	33	20 (61%)	13 (39%)
2014	33	19 (58%)	14 (42%)

Only the companies that met performance requirements for the year being examined and maintained requirements for previous years were

paid the \$3.7 million incentive payments for 2014 shown in **Table 6**. But the projected and actual economic activity data detailed in **Table 6** are for the companies that both met and did not meet targets. Data for companies are not included once their incentives are rescinded or terminated in subsequent years. Data for companies that did not meet performance requirements are included because a company is not removed from the program if they do not meet their requirements by the due date (December 31 of each year). These companies created jobs, generated payroll, and made capital investments, but not to the extent that met the performance measures. No incentive is paid to such a company until and unless the requirements are met. This economic activity, however, must be counted and is included in the calculation of the estimated net revenue benefit to the State. If a company does not meet performance requirements within the required period after the target date, no incentive for that year can be earned or paid and any future incentives are terminated.

As **Table 6** and **Charts 6-10** indicate, actual new job creation, payroll creation and capital investments have outpaced projections in each year. As a result, the projected net revenue benefit to the State from economic activity through December 2014 is much higher than projected. The net revenue benefit was estimated at about \$18.2 million. The economic activity that has actually occurred, and the incentives installments actually paid were re-modeled using the same cost-benefit model used for the application approval process. The model estimates a **net revenue benefit to the State of \$37,599,000** for the activity that has actually occurred between 2007-2014. This means that the State has made \$7,916 in new tax revenue for each new qualifying job created by the projects in the VEGI program.

It should be noted that once a company is rescinded or terminated their economic activity is no longer included in the modeling of the revenue impact, but those companies may have contributed jobs and investments during this period. For example, a company was authorized for incentives to move from another state to Vermont and create more jobs. The

## Section 3: Projected and Actual Economic Activity - Continued

move occurred, jobs were created, but not at a level that met performance requirements to earn the incentive. The company would be removed from the program but still operates in Vermont. Therefore, economic activity occurred and new tax revenues were generated to the State, but no incentives were ever paid. There are about 20 such companies that had levels of economic activity insufficient to meet performance requirements but still generating tax revenues to the state.

**Charts 6 through 10** graphically compare projected program economic activity and economic impact and the actual activity and impact.

**Chart 6** illustrates the projected and actual new qualifying job creation between 2007 and 2014, showing that the authorized projects have created 2,408, or 103% *more* new jobs than projected for this period. These are all full-time, non-owner, jobs paying above the VEGI Wage Threshold and providing benefits including an average 73% of the

medical premium paid by the employer.

**Chart 7** illustrates the difference between the projected and actual payroll created for these full-time, qualifying jobs. The actual payroll created is \$185 million or 171% *more* than projected.

Similarly, **Chart 8** indicates that the same companies invested \$118 million or 21% *more* in machinery and equipment and facilities in Vermont than projected. As **Chart 16** shows, most of the facility investment (73%) was in renovations to a company's existing facility or for reuse of existing under- or unutilized building stock in Vermont.

**Chart 9** compares the level of incentives projected and actually paid out between 2007 and 2014 and **Chart 10** shows the difference between the projected estimate of net revenue gain for the state versus the actual estimate net gain, which is \$37.6 million or 106% higher than projected.

**TABLE 6: PROJECTED AND ACTUAL ACTIVITY - SUMMARY**  
FOR APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2015

<b>Claim Activity:</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	
Claims Expected:	7	14	22	29	34	32	34	36	
Incomplete Claims/Did not file/Closed:	0	0	0	4	6	2	1	3	
<b>Net Claims Included in Projected and Actual Data:</b>	<b>7</b>	<b>10</b>	<b>18</b>	<b>23</b>	<b>28</b>	<b>30</b>	<b>33</b>	<b>33</b>	

<b>Projected Activity:</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>TOTALS</b>
New Qualifying Employees:	101	213	64	234	370	576	446	338	2342
New Qualifying Payroll:	\$ 3,438,000	\$ 6,942,837	\$ 3,849,800	\$ 13,795,330	\$ 17,177,026	\$ 27,816,894	\$ 20,612,583	\$ 14,842,251	\$ 108,474,721
New Qualifying Capital Investments:	\$ 13,677,077	\$ 11,786,270	\$ 14,171,000	\$ 21,590,556	\$ 66,292,599	\$ 171,303,840	\$ 136,437,344	\$ 129,193,320	\$ 564,452,006
Est. Incentive Installments to be Paid:	\$ 123,711	\$ 398,712	\$ 497,036	\$ 1,065,896	\$ 1,634,200	\$ 3,107,382	\$ 4,282,948	\$ 4,731,140	\$ 15,841,025
<b>Net Revenue Benefit:</b>	<b>\$ 88,344</b>	<b>\$ 336,199</b>	<b>\$ 812,772</b>	<b>\$ 1,231,639</b>	<b>\$ 2,054,218</b>	<b>\$ 3,376,426</b>	<b>\$ 5,456,741</b>	<b>\$ 4,926,989</b>	<b>\$ 18,283,327</b>

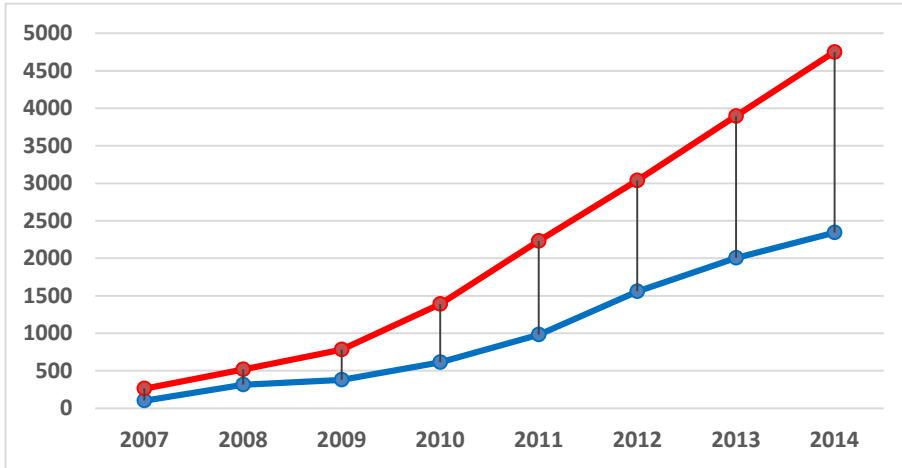
<b>Actual Activity:</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>TOTALS</b>
New Qualifying Employees:	262	255	265	606	844	806	859	853	4750
New Qualifying Payroll:	\$ 10,621,976	\$ 9,214,052	\$ 16,137,468	\$ 34,555,726	\$ 54,269,760	\$ 62,298,865	\$ 55,490,232	\$ 50,955,135	\$ 293,543,214
New Qualifying Capital Investments:	\$ 22,546,350	\$ 13,388,586	\$ 28,100,875	\$ 47,475,449	\$ 121,412,913	\$ 262,489,273	\$ 128,030,075	\$ 59,241,141	\$ 682,684,662
Incentives Paid to Companies:	\$ 208,653	\$ 544,110	\$ 654,370	\$ 1,249,733	\$ 1,852,263	\$ 2,903,935	\$ 3,633,822	\$ 3,691,672	\$ 14,738,558
<b>Net Revenue Benefit:</b>	<b>\$ 107,660</b>	<b>\$ 215,320</b>	<b>\$ 753,620</b>	<b>\$ 1,643,100</b>	<b>\$ 2,580,700</b>	<b>\$ 5,322,900</b>	<b>\$ 10,091,000</b>	<b>\$ 16,884,700</b>	<b>\$ 37,599,000</b>



Section 3: Projected and Actual Economic Activity - Continued

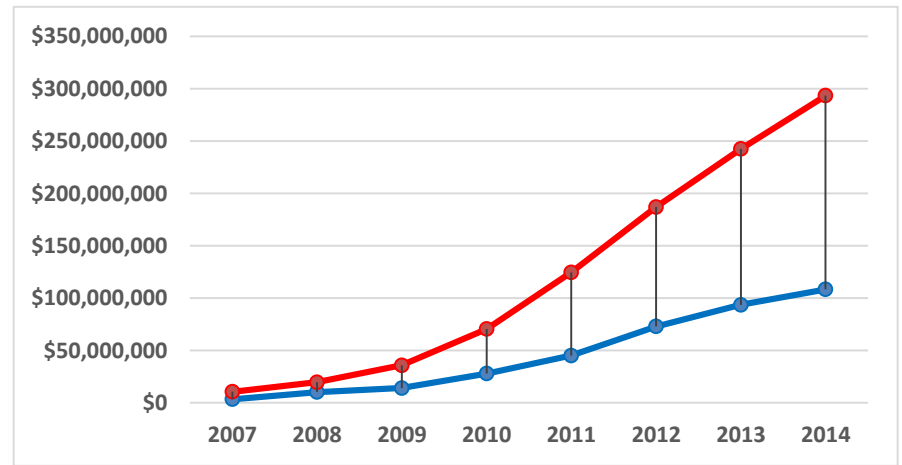
**Chart 6: NEW QUALIFYING JOBS**

Through 2014  
 PROJECTED 2342  
 ACTUAL 4750  
 103% MORE JOBS



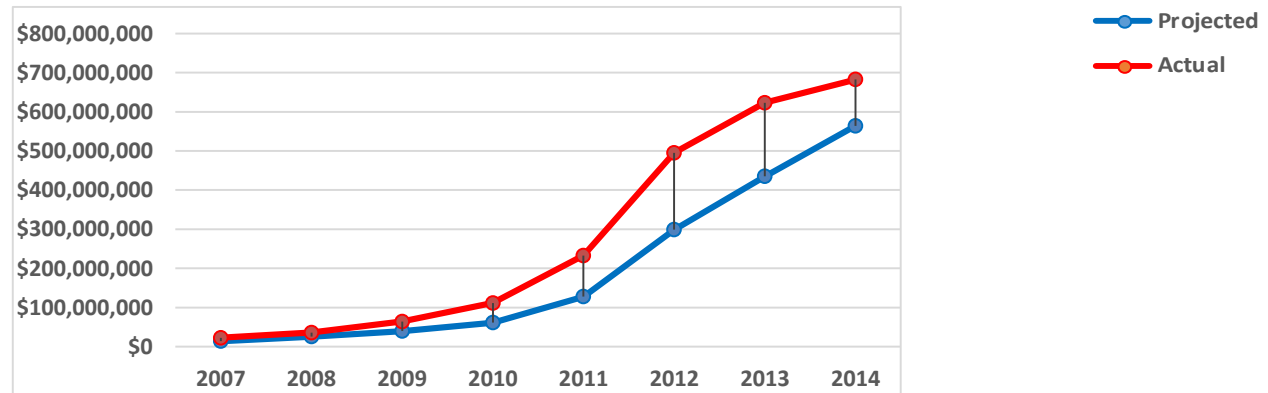
**Chart 7: NEW QUALIFYING PAYROLL**

Through 2014  
 PROJECTED \$ 108,474,721  
 ACTUAL \$ 293,543,214  
 171% MORE PAYROLL



**Chart 8: NEW QUALIFYING CAPITAL INVESTMENTS**

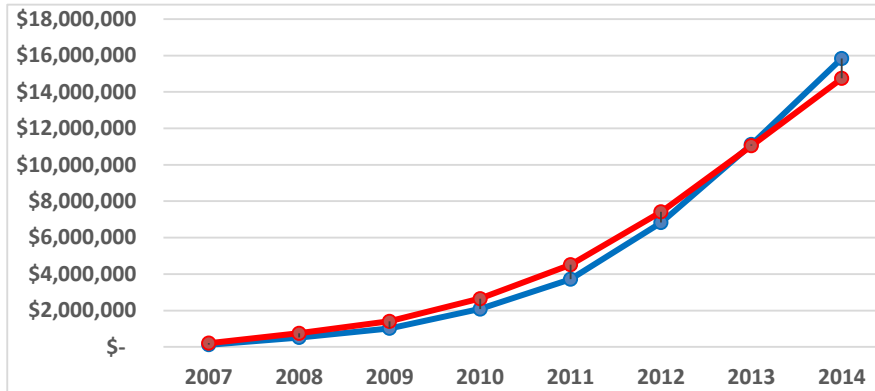
Through 2014  
 PROJECTED \$564,452,006  
 ACTUAL \$682,684,662  
 21% MORE CAPEX



## Section 3: Projected and Actual Economic Activity - Continued

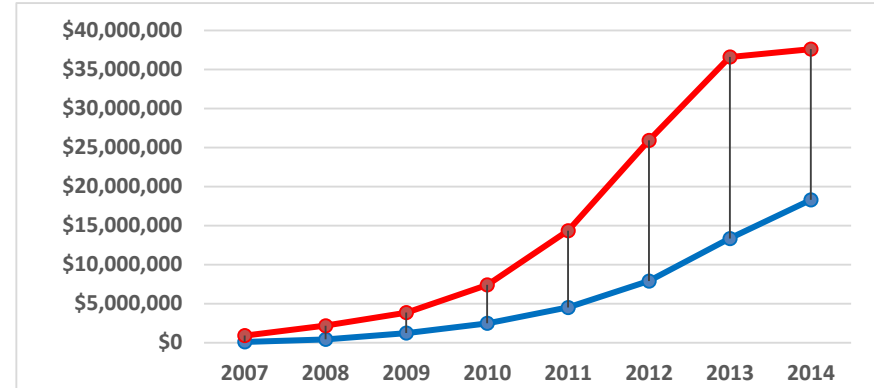
**Chart 9: INCENTIVE PAYMENTS**

	PROJECTED	ACTUAL
Through 2014	\$ 15,841,026	\$ 14,738,558



**Chart 10: NET REVENUE TO THE STATE**

	PROJECTED	ACTUAL	
Through 2014	\$18,283,327	\$37,599,100	106% MORE REVENUE



— Projected  
— Actual

**EMPLOYMENT MULTIPLIER = 2.2 JOBS**

**FOR EVERY JOB A VEGI COMPANY CREATES 2.2 JOBS ARE CREATED IN THE VERMONT ECONOMY**

**ECONOMIC MULTIPLIER = \$167 MILLION/YEAR**

**VEGI COMPANIES SPEND \$178 MILLION EACH YEAR WITH OTHER VERMONT COMPANIES**

## Section 4: Supplemental Data

**Section 4** illustrates several interesting data points about the 43 active projects in the program. Note that the data presented in charts 11-16 and 19-21 are generated *only* by the 43 approved-active applications (not all applications ever considered) and are based on the application projections.

**Charts 11 - 16** cover issues related to the program guidelines and show data that counters some assumptions that are often made about the program applicants and the projects that are approved. **Charts 17 - 21** are related to regional distribution of incentives and jobs.

**Chart 11** shows the wage ranges of the 3,249 new, qualifying jobs projected to be created between 2007 and 2019, in \$10,000 increments. This data relates to Guideline 2, regarding wages and benefits. While the largest segment of jobs, at 31% of total, are in the \$25,000 - \$29,000 range, the chart shows that 47% of the jobs will pay above \$40,000 per year. This data shows that the applicants to this program are creating very well-paying jobs, the majority of which far exceed the VEGI Wage Threshold. None of the applicants projected the creation of any jobs at or even near the Vermont minimum wage.

**Chart 12** shows the breakdown of jobs projected to be created by various job categories. Predictably, the largest category of jobs is production, at 54% of the total. Other jobs are about equally divided between management, IT, R&D, engineering, and administration/support.

**Chart 13** illustrates one aspect of the fringe benefits that are and/or will be offered by the applicant companies (related to Guideline 2). The average of the benefits ratios (benefits as percentage of total compensation) for applicants is 22%. This means that the projected weighted average wage, \$45,101, is supplemented by an average benefits package valued at \$10,141 for a total compensation of \$55,242. All approved applicant companies in the VEGI program pay some portion of employee health care costs. The majority of the companies (60%) cover 76% or more of health care costs for their employees.

**Chart 14** shows the size of the company, by number of full-time employees, at the time of application. As the chart illustrates, the majority of the applicant companies are small- to medium-size companies, by Vermont standards. In fact, 26 (56%) of the companies had under 100 employees at the time of application, with 12 (or 28%) of those companies actually having under 20 employees. Only five applicants had 500 or more employees at the time of application. Seventy percent of the applicants are Vermont-based/owned companies. These are companies that were started by, and are owned by Vermonters and their families.

**Chart 15** illustrates the types of economic development projects applying for incentives. It shows 14% of companies are recruitment types that are starting, expanding into or relocating to Vermont. Of these recruitments, 3 were start-ups, 3 was an expansions and 0 were relocations. Seventy-four percent of all projects were retention/expansion of existing Vermont companies or divisions. Another 5% were start-ups by Vermont entrepreneurs and 7% were re-starts of previously closed companies by new owners. This data, when viewed together with **Chart 14**, indicates that the VEGI program focuses on the retention and expansion of small, Vermont companies rather than the recruitment of companies to Vermont.

**Chart 16** summarizes the type of facility expansions occurring because of the incentives. As the data shows, the program has been very successful in providing incentives for the acquisition and/or reuse of existing buildings in Vermont that are un- or under-utilized. This type of project represents 49% of the active projects. Another 16% did not involve any facility expansion and 23% will expand the facility they currently occupy. A total of 84% of the projects will *not* involve building new facilities. Most will involve substantial investment in renovations to facilities, having a very positive impact on Vermont's construction industry. Five companies (12%) proposed projects that will involve new construction, but all of them will occur within existing industrial or commercial parks or within sites zoned for that purpose.

## Section 4: Supplemental Data - Continued

**Charts 17 and 18** show the distribution of population and personal income tax by county in Vermont. These charts are included to provide some perspective to the county distribution of incentives and jobs data shown in **Charts 4 and 19 - 21**.

**Charts 19 and 20** show the regional distribution, by county, of the projects and the authorized incentives. There are active projects in every region of the state except Addison and Lamoille Counties. The largest number of applications are from Chittenden County, which is expected as it is the economic engine of the state, the current location of most applicants, and the desired location for most companies recruited to Vermont. VEPC staff makes every effort to educate all regional economic development practitioners about the VEGI program. VEPC staff visits all regions regularly and VEGI informational seminars were conducted in every region at the start of the program. Additionally, in accordance with Program Guideline 1, applications from outside Chittenden County can be authorized for additional incentives.

However, the Council and staff have no control over where existing Vermont companies (who represent the largest pool of applicants) are

located, where new companies want to locate, or from which regions applications are submitted. Additionally, regional boundaries are meaningless to employment at a company. While most employees will come from the immediate area, many Vermonters cross county and regional borders for employment. The extensive business-to-business relationships, exceeding \$167 million in value each year, also occur regardless of regional boundaries.

**Chart 21** shows the regional distribution of the projected direct, new, qualifying jobs to be created according to project location. As with Charts 19 and 20, there is direct impact in all regions except for Addison and Lamoille Counties. However, Vermonters from all counties will fill these jobs and all regions will benefit from the job creation and capital investments. The projects that have been authorized for incentives will generate an estimated 3,906 indirect jobs all around the State and the companies estimate over \$167 million in annual business-to-business (vendor, supplier, customer, and client) interactions with other Vermont companies in all regions of the State.

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### QUICK DATA FACT #4

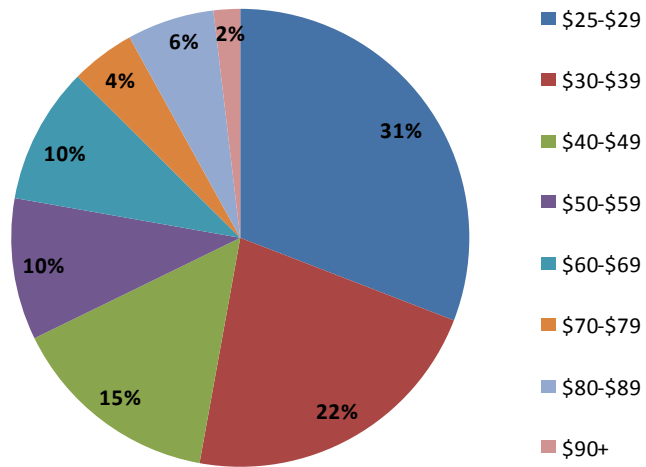
#### HOW MUCH HAVE VEGI COMPANIES INVESTED IN VERMONT TO DATE? (2007 - 2014)

New Qualifying Payroll:	<b>\$293.5 Million</b>
New Qualifying Capital Investments:	<b>\$682.6 Million</b>

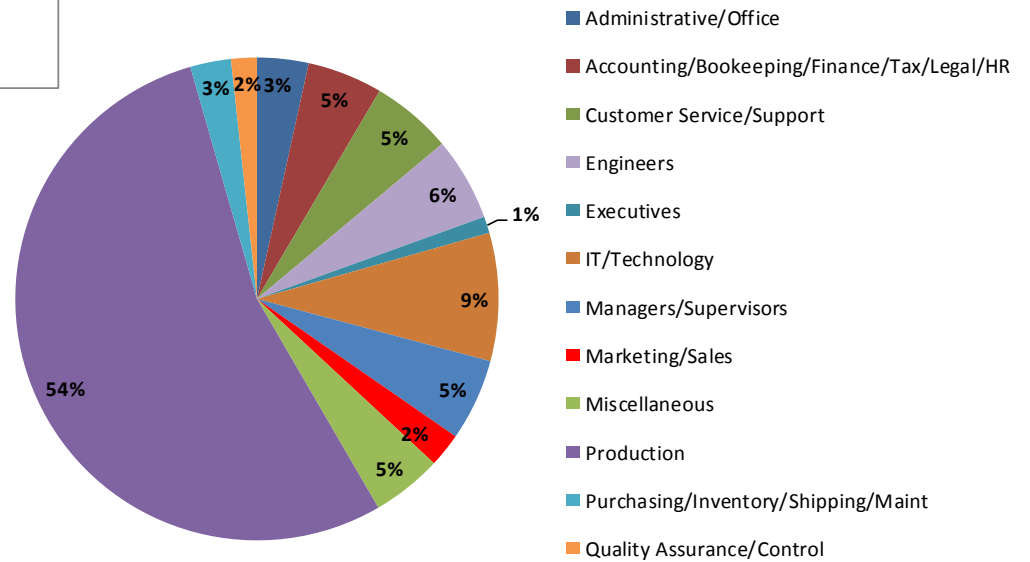
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**Section 4: Supplemental Data - Continued**

**Chart 11**  
**Wage Levels for Projected Jobs**  
(Wage Ranges in 000's)



**Chart 12**  
**Projected Job Types**

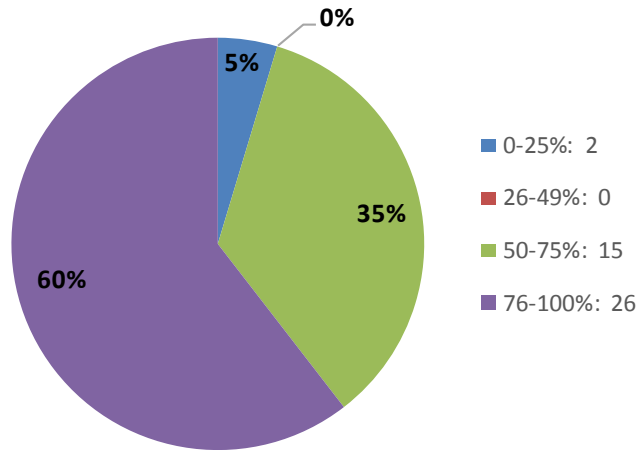


Data includes 43 Approved, Active applications only.

**Section 4: Supplemental Data - Continued**

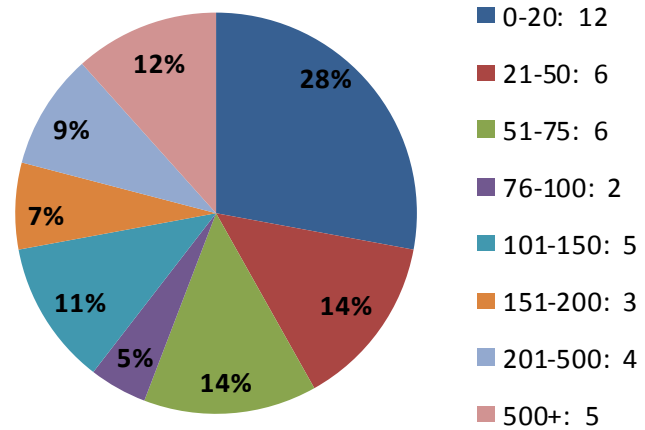
**CHART 13**

**Percent of Health Care Premium Paid by Employer  
(By Percent of Total Companies in Each Range)**



**Chart 14  
Size of Business**

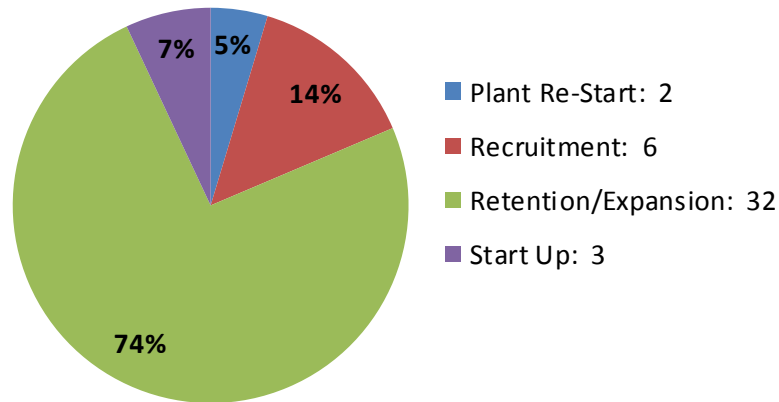
**(By # of FT Employees at Time of Application)**



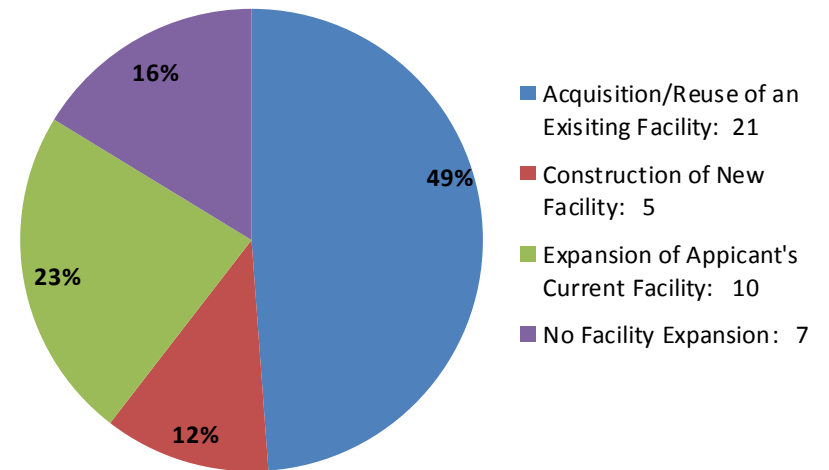
Data includes 43 Approved, Active applications only.

**Section 4: Supplemental Data - Continued**

**Chart 15**  
**Type of Economic Development Project**  
(Percentage of Total Number of Projects)



**Chart 16**  
**Type of Facility Expansion**  
(Percentage of Total Number of Projects)

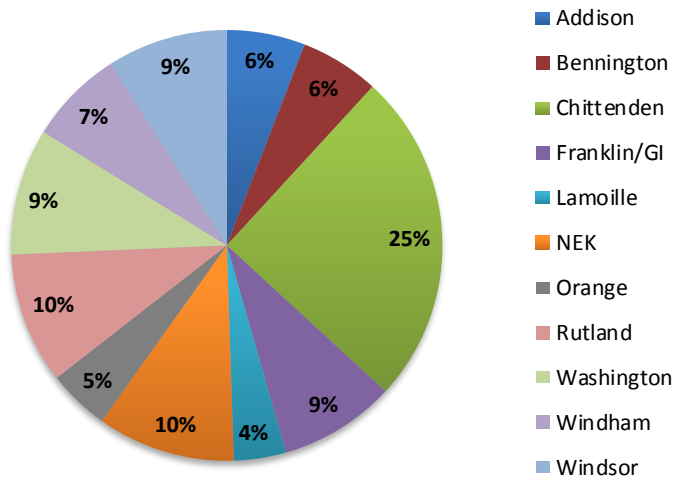


Data includes 43 Approved, Active applications only.

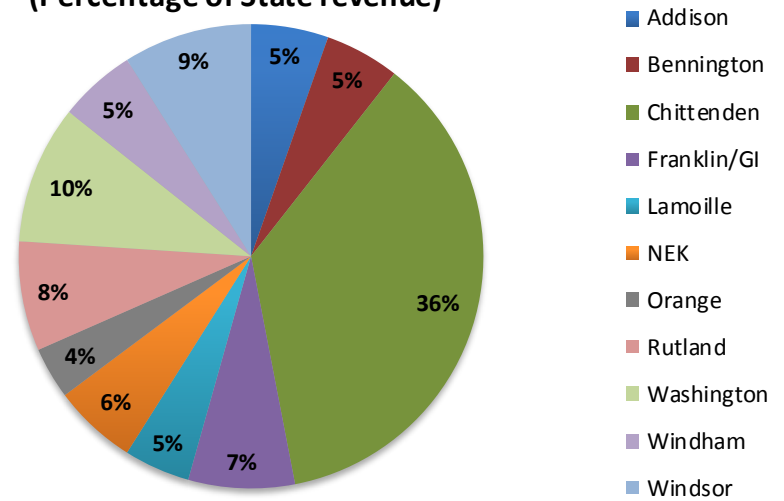


Section 4: Supplemental Data - Continued

**Chart 17**  
**2010 Population Census Data**

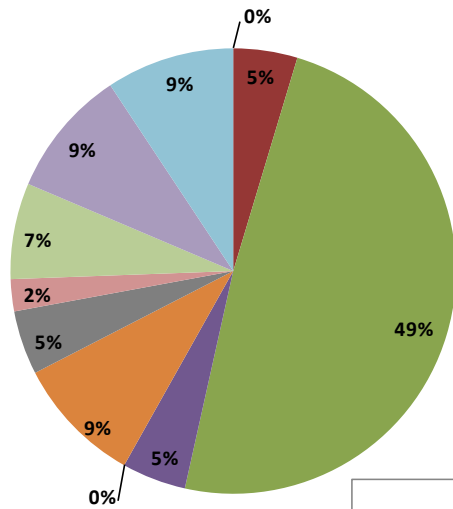


**Chart 18**  
**2013 Personal Income Tax**  
**(Percentage of State revenue)**

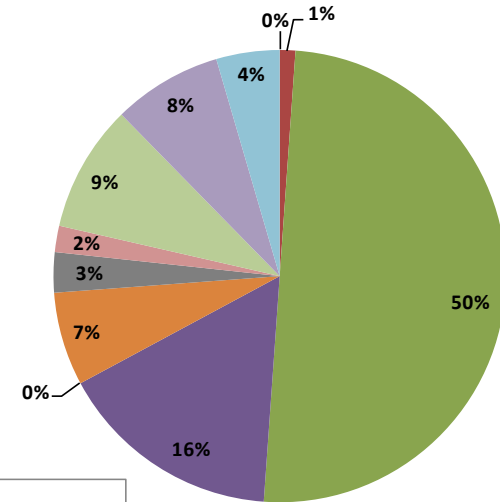


**Section 4: Supplemental Data - Continued**

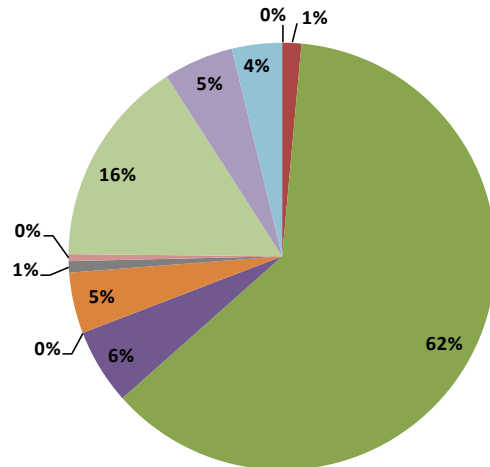
**Chart 19**  
**Regional Distribution of Incentives**  
(By Number of Applications)



**Chart 20**  
**Regional Distribution of Incentives**  
(By Dollar Value of Incentives Authorized)



**Chart 21**  
**Regional Distribution of Jobs**  
(By Percentage of Total Jobs Created per Region)



Data includes 43 Approved, Active applications only.

## Section 5: Performance Measures

AS OF DECEMBER 31, 2015	2012		2013		2014		2015		2016	
	Benchmark	Actual	Benchmark	Actual	Benchmark	Actual	Benchmark	Actual <sup>17</sup>	Benchmark	Actual <sup>17</sup>
<b>OUTCOME:</b>										
<b>For Incentive Level of:</b>	\$ 3,107,382	\$ 2,903,935	\$ 4,282,948	\$ 3,633,822	\$ 4,731,140	\$ 3,691,672	\$ 4,758,885		\$ 4,738,727	
<b>New Qualifying Employees (NQE):</b>	576	806	446	859	338	853	287		188	
<b>New Qualifying Payroll:</b>	\$ 27,816,894	\$ 62,298,865	\$ 20,612,583	\$ 55,490,232	\$ 14,842,251	\$ 50,955,135	\$ 13,672,683		\$ 8,043,889	
<b>New Qualifying Capital Investments</b>	\$ 171,303,840	\$ 262,489,273	\$ 136,437,344	\$ 128,030,075	\$ 129,193,320	\$ 59,241,141	\$ 28,711,664		\$ 41,734,864	
<b>Net New Revenues to State</b>	\$ 3,376,426	\$ 5,322,900	\$ 5,456,741	\$ 10,091,000	\$ 4,926,989	\$ 16,884,700	\$ 3,527,676		\$ 2,001,195	
<b>OUTPUT:</b>										
<b>Net Revenue Generated Per NQE</b>	\$ 5,862	\$ 6,604	\$ 12,235	\$ 11,747	\$ 14,577	\$ 19,794	\$ 12,292		\$ 10,645	
<b>Number of Applications Considered</b>	30	9	32	9	33	8	34	10	25	
<b>EFFICIENCY:</b>										
<b>Budgetary Cost Per NQE</b>	\$ 422	\$ 223	\$ 425	\$ 210	\$ 350	\$ 211	\$ 425		\$ 425	
<b>Contact to Application Percentage</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30%	35%	
<b>Contact to Project Percentage</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12%	15%	

## NATIONAL ACCOLADES FOR VEGI PROGRAM

### GOOD JOBS FIRST

Independent studies: “Money For Something” and “Money-Back Guarantees for Taxpayers,” ranked the VEGI program #1 in US for enforcement, safeguards and job creation and job quality standards.

ENDNOTES	
1	The date indicated is the date the Final Application was considered OR THE Initial Application if a Final Application has not yet been filed. An Initial Application may have been considered at an earlier date.
2	1=No final application was submitted, the initial application was rescinded and no incentives were authorized. 2=Project commenced, but for a certain year, performance requirements were never met and incentives were terminated for that and future years. Some incentives may have been earned and paid out. 3=Project commenced, but company closed or reduced employment below 90% and incentives were terminated. 4=Project commenced, but in a subsequent year company failed to file a VEGI claim and incentives were terminated. 5=Project denied and no incentives were authorized.
3	"Green" indicates incentive enhancement for environmental technology companies. See 32 VSA 5930b(g). <b>LMA Enhancement</b> indicates incentive enhancement for projects in high unemployment, low economic activity areas. See 32 VSA 5930b(b)(5). <b>LBW</b> or Look Back Waived indicates a waiver was approved of incentive reduction due to drop in employment just prior to approval date. See 32 VSA 5930a(c)(1). <b>Ed Tax Stabil</b> indicates applicant chose stabilization of incremental Education Property Tax as incentive instead of, or in addition to, cash payments.
4	Includes Initial and Final Applications.
5	<b>Rescinded:</b> Initial Application approval was rescinded; no Final Application filed. No incentives ever authorized, earned or paid. <b>Terminated:</b> Authority to earn authorized incentives has been revoked. Incentives may have been earned.
6	Breakdown by Green VEGI, Subsection 5 and Lookback Waived categories may not equal Total Applications Considered because applications may fit into more than one category.
7	"Green VEGI" authorizations are those approved for environmental technology companies in accordance with 32 VSA Section 5930b(g).
8	The VEGI program cannot provide incentives for job retention. However, if a Vermont company receives incentives to expand in Vermont, an additional benefit to the State is the retention of current employment.
9	VEGI incentives can only be authorized for new jobs that exceed a statutory wage threshold (160% or 140% of Vermont Minimum Wage, depending on the location). This number represents the new full-time jobs projected which will pay a wage at or under the VEGI wage threshold. The jobs occur because of the incentive, but cannot be counted toward the incentive calculation.
10	Indirect jobs are estimated by the VEGI cost-benefit model according to a multiplier factor for the particular region and sector of the project. These are the jobs created at other businesses in Vermont because of the project receiving the incentive.

ENDNOTES	
<b>11</b>	All new payroll projected as new to Vermont due to the incentive, including for companies recruited to Vermont, is subject to a background growth calculation. This calculation discounts a portion of the new payroll that will be generated because of the incentive according to a factor for each business sector, thereby reducing the level of new payroll that is used to calculate the amount of incentive the applicant can earn. This payroll is considered "background" or "organic" or payroll that would have been created anyway. This number represents the amount of new payroll projected to be created in Vermont because of the incentive program, but for which no incentive will be earned or paid.
<b>12</b>	See Chart 3 for more detail on the level of health care premium paid by employers. This number represents the average percentage of the employee health care premium paid by the applicant companies.
<b>13</b>	This represents an estimate of the level of interaction by applicant companies with other Vermont companies as vendors, suppliers, and customers.
<b>14</b>	Fiscal benefits and costs are estimated by an economic model. Majority of costs and benefits occur during the first five years of each project. The costs include not only the cost of the incentive, but also other revenue costs to the state such as new students in school and other services incurred by adding new people and buildings. Cost to pay incentive, if earned, continues for four years after the incentives are earned. Therefore, State of Vermont receives the benefit of each project before all incentive costs are incurred. The revenue benefits of the new jobs and payroll continue to accrue to the state after the five year earning period, but that benefit is not accounted for in the modeling. Therefore, the net revenue benefit is conservative.
<b>15</b>	Program cap is \$10,000,000 for each calendar year, unless increased by a vote of the Emergency Board. Cap balances do not carry forward to the next year. Emergency Board voted to increase the program Cap in 2010, 2011, 2012 and 2015.
<b>16</b>	LMA Enhancement cap is \$1,000,000 for each calendar year, unless increased by a vote of the Emergency Board. Cap balances do not carry forward to the next year. Emergency Board voted to increase the LMA Enhancement Cap in 2015 and 2016.
<b>17</b>	Some data not available until next year.

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## Success Story



### Vermont Smoke and Cure

Prior to being employed at Vermont Smoke and Cure, Lauren Whitney of Bristol was struggling to make ends meet and apprehensive to lay roots in Vermont due to job security. Hired in January 2013 as a production worker and quickly moving up to QA technician, Lauren states “The future looks promising for Vermont Smoke and Cure and I feel comfortable and confident that my job is secure.” Vermont Smoke and Cure was authorized for VEGI in 2011.

To read more success stories click [here](#).

*Report Produced in-house by the staff of the  
Vermont Economic Progress Council  
and Vermont Department of Taxes  
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