



# Agency of Commerce and Community Development

PROGRAM REVIEW

HOUSE COMMITTEE ON COMMERCE AND ECONOMIC  
DEVELOPMENT





# Department of Economic Development



# DED PROGRAM OVERVIEW

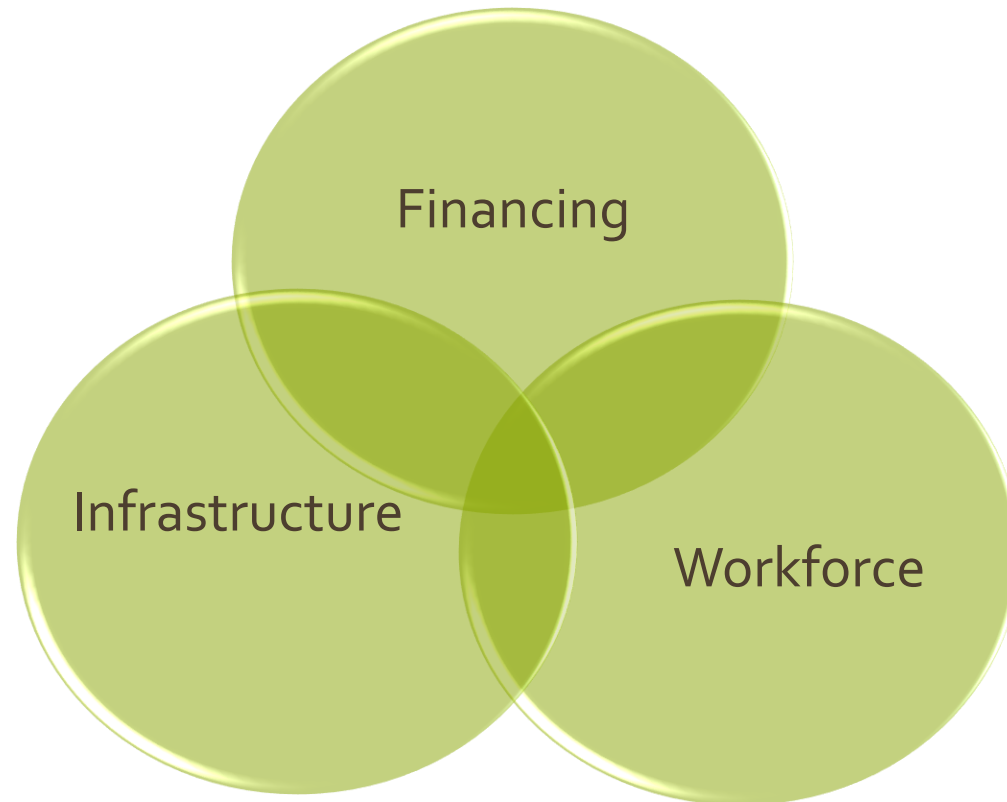
Mission and Challenges

Programs and Tools to meet the challenges

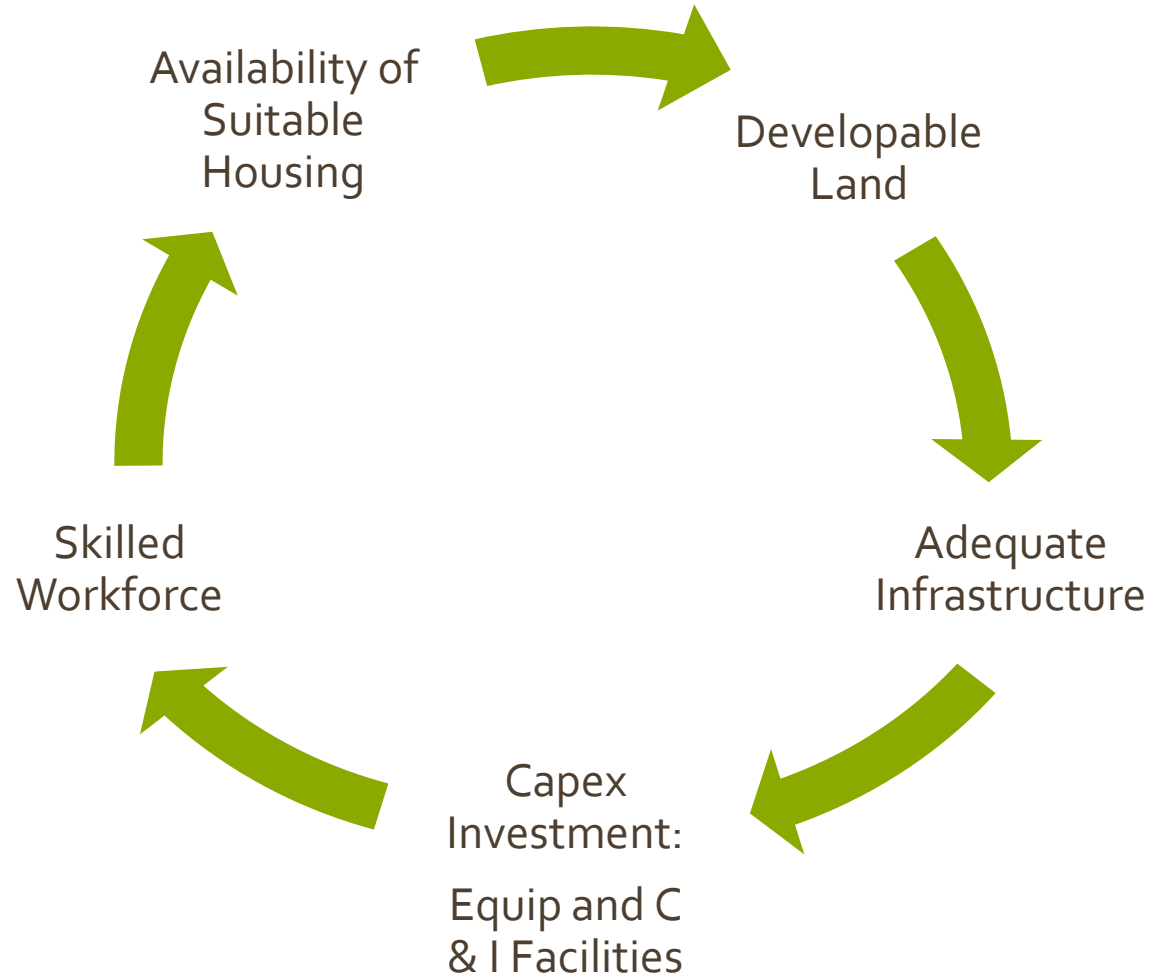
Funds Available to the DED

Outcomes

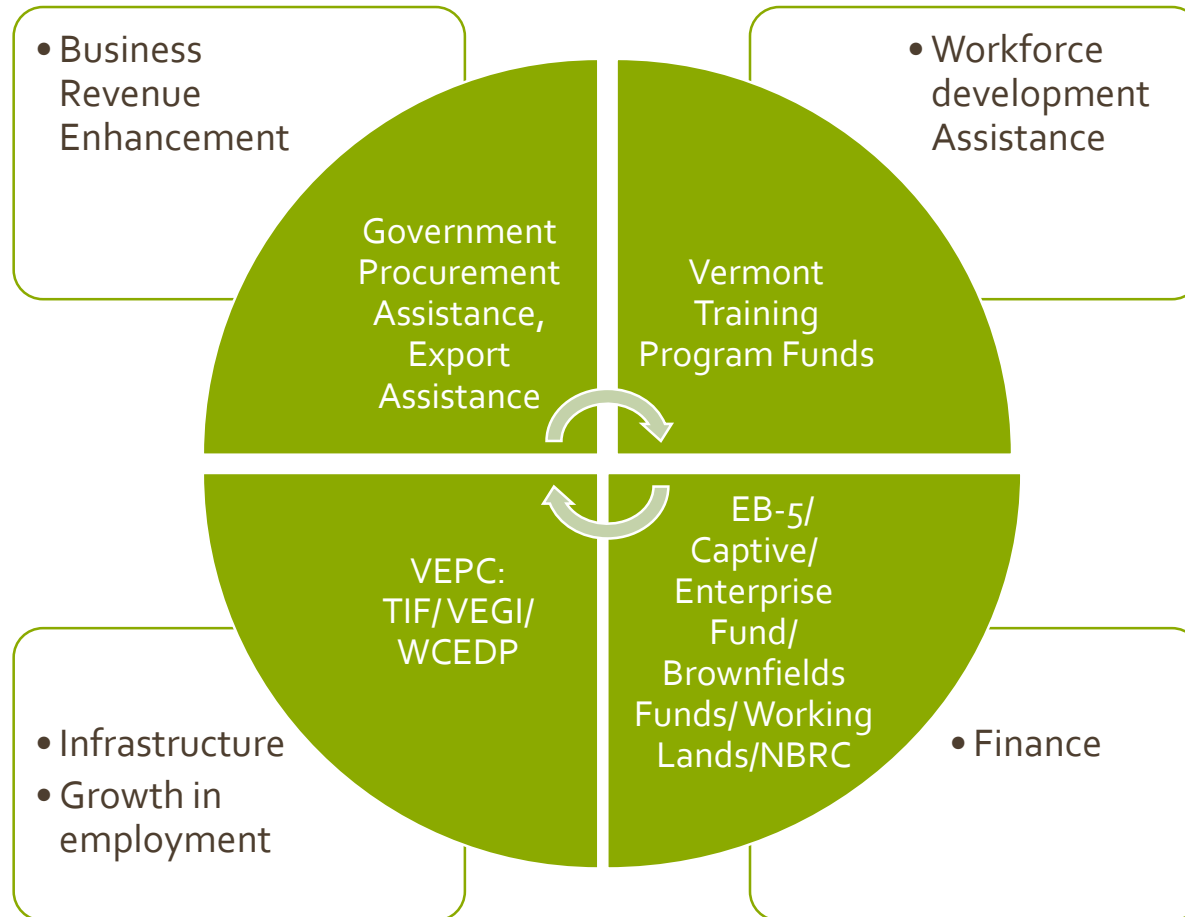
# Comprehensive Economic Development Strategy: Create an environment where businesses can flourish



# Challenges to retention and growth



# Department of Economic Development: TOOLS



# Department of Economic Development: ASSETS

## BUSINESS SUPPORT:

Calling effort in conjunction with Regional Development Corporations to understand the issues, gaps, and ideas.

Referrals to appropriate programs and partners.

## PROGRAMS:

- Vermont Training Program
- Vermont Employment Growth Incentive
- Government Procurement Technical Assistance
- International Trade Assistance
- EB-5 Regional Center
- Captive Insurance

Facilitate with other Agencies/  
State and Federal Partners:

- Working Lands
- Northern Border Regional Commission

## Funds: Appropriations and Special and Federal Funds

	BAA FY2015	FY2016
General Fund	4,603,913	4,563,634
Special Fund	730,350	929,650
Federal Fund	661,000	738,238



# Outcomes: Enterprise Fund

Started Fiscal year with \$2,124,025

Canadian Prospect: \$200k awarded

GW Plastics: \$500k awarded

Projected 148 new jobs with Capex of \$14.8 million

A few more prospects will come before the e-board.

Meant to augment retention and recruitment efforts: with or without VEGI.

# Outcomes: Vermont Training Program

STAFF OF 1.5

## EMPLOYEES

Over 3200 Vermont workers were trained under the program through both on-site training as well as classroom

Trade skills in HVAC, welding and electrical repair were requested either through a training provider or an individual business application

The median quarterly wage increased by 15.3% between the second quarter of 2013 to the third quarter of 2015. On an annualized basis, the analysis shows a median wage increase from \$51,802 to \$59,738 between second quarter 2013 and third quarter 2015.

## EMPLOYERS

272 companies served, 92 of them have 49 employees or less.

Leadership training was a popular training request as businesses continue to adjust to workforce needs and challenges..

Software and IT training were requested as more businesses are continuing to streamline their processes with the support of various software. Businesses continue to train internally as the number of incumbent employees trained is a majority of the applications for both skill upgrades as well as advancement in position.

## TRAINING PROVIDERS

Fourteen training providers were awarded grants and they served 244 businesses across the State.

Advanced manufacturing skills such as Lean Technology was the most sought after but CAD and CNC were also popular requests. CNC skills were trained in traditional metal fabricators but were also needed in wood prefabrication companies.

# Outcomes: PTAC

STAFF OF 6, REGIONALLY LOCATED

## CONTRACTS

566 Total Contracts awarded to VT businesses in 2015

443 Federal Contracts (249 DoD, 194 Other federal Agencies)

123 State and Local ( 107 State, 16 local)

## DOLLAR VALUE

\$105 Million

Increased by \$2million from fy2014

## NUMBER OF BUSINESSES

94 business awarded

PTAC works with 719 businesses, this year 130 were new businesses.

# Outcomes: International Trade and Investment (VGTP)

STAFF OF 2

## EXPORT ASSISTANCE

Federal SBA (STEP IV) grant. The \$174,000 grant will allow VGTP to continue some of the work that was started with the STEP III grant. This work will include business export training and participation in international trade shows such as MEDICA – the world’s largest medical trade show – in Germany; Aero Montreal where companies will have access to Quebec’s \$13.8 billion aerospace cluster; and Hannover Messe, which the United States is this year’s partner country.

Assisted five eligible Vermont small businesses to attend Arab Health in Dubai joining the Best of New England booth. (This was the first time VGTP had a presence at this trade show, resulting in an expected 3.5 million dollars.

## EB-5

As of December 30, 2015, approximately \$563,000,000 has been invested in projects via the Vermont EB-5 Regional Center. We calculate some 2,385 direct, indirect and induced jobs are being supported via EB-5 investment in the State of Vermont.

Projects to date include Country Home Products, Mount Snow, SouthFace Village at Okemo, Stowe Aviation, Sugarbush Resort, Trapp Family Lodge and several Jay Peak projects. Anticipated new and follow-on projects for 2016 include: Quechee Lakes and Mount Snow Phase II

## FDI

Attended select usa Event in Toronto which has generated leads.

The Vermont Quebec Initiative commenced this past year with several events in VT and Montreal.

Will Participate in Hannover Messe this year and will participate in the FDI component.

# Outcomes: Captive Insurance

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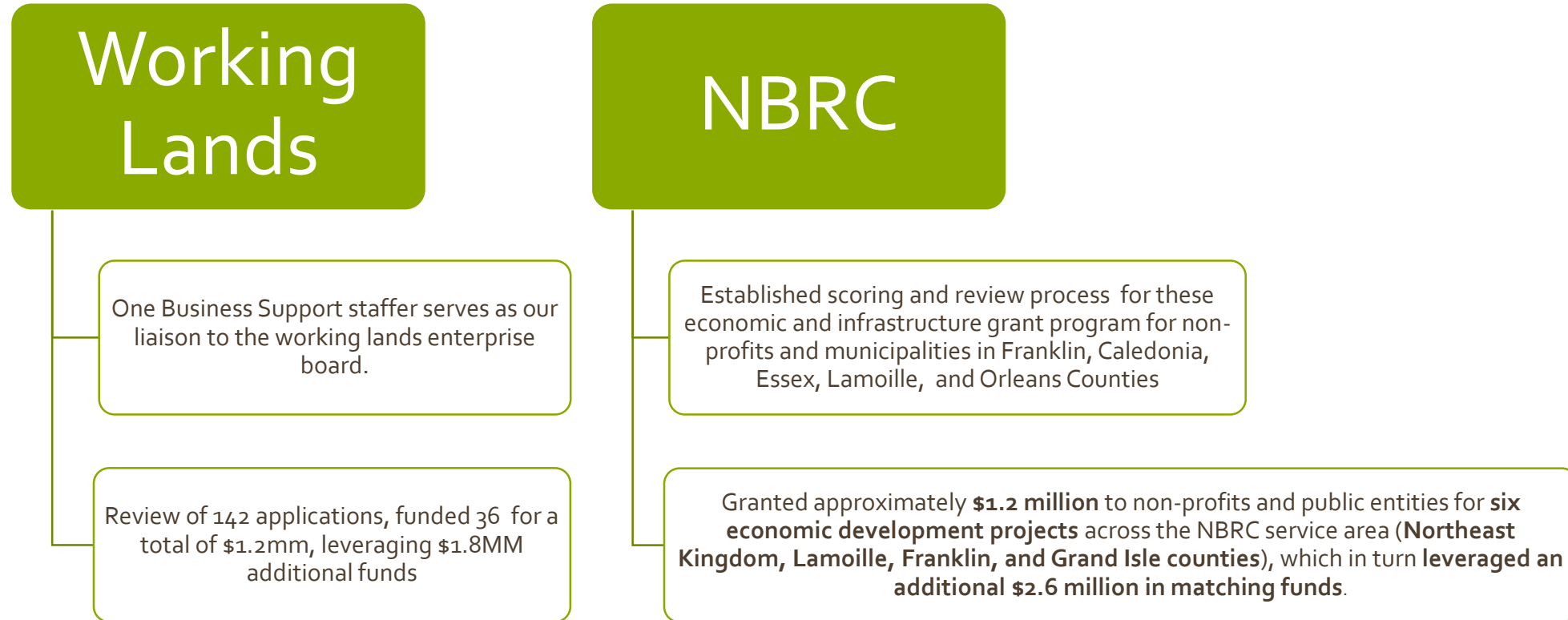
Approx. \$27 million in revenue to the state from premium taxes and fees.

Vermont is the Gold Standard in Captives.  
Top expertise in the world:  
DFR Deputy Commissioner is ranked #1  
Vermont DED - Dan Towle is ranked #19

Over 1062 licensed Captives.  
600 are active.  
During 2015:  
33 new captives vs. 14 in 2014

# Outcomes: Working Lands and Northern Border Regional Commission

1 STAFF PERSON



# Outcomes: Brownfields Redevelopment

## FUNDED PROJECTS

Franklin (subgrant - Downtown Core remediation)

Windsor (Loan - 100 River Street/Beer Shapers)

Bennington (both loans - Vermont Tissue redevelopment and Alcaro Motors)

Washington (subgrant - 22 Keith Street)

Chittenden (all loans - 28 Archibald, 247 Pearl and 237 North Winooski) counties in 2015



We also identified new BERA (Brownfield Economic Revitalization Alliance) projects: Richmond Creamery redevelopment, Robertson Paper Mill Project in Bellows Falls and J&L Plant One in Springfield

To date, we have provided funding to every region in Vermont with the exception of Grand Isle and the Northeast Kingdom, but we are working on a couple of possible projects in the NEK at this time.

In 2015, three projects supported new housing development.

One, 28 Archibald in Burlington, allowed the City to create a community garden in the North End.

Two, Bennington, the Vermont Tissue project created space for a distillery and the developers were also able to restart a long-idled hydro facility.

Three, Also in Bennington, we funded the redevelopment of the Alcaro Motors site, which is now the site of a furniture store.

St. Albans, we were able to provided funding to the City to assist with the downtown core project; which allowed for the construction of a new State Office building and the expansion of Mylan Technologies.

## Outcomes: RDC Network

Business relationship  
management and  
Referrals to State and  
partner Programs

Redevelopment of  
Brownfields: SRDC,  
GMEDC

Permit, Build, Own and  
manage industrial  
space: BDCC, GBIC,  
SRDC, FCIDC, NVDA

Manage Revolving  
Loan Funds: ACEDC,  
REDC,

Business Assistance  
Workshops

Facilitate Workforce  
Development  
Programming



# Outcomes: VEPC

STAFF OF 2

## TIF

For the 7 active TIFs, selected activity for FY14:

Public Infrastructure Investment:  
\$5.7 million

Private Sector Investment:  
\$53 million

Vermont Contractors:  
\$13.5 million

## VEGI

Approved nine business projects that will contribute an additional \$1.7 million in net new tax revenue (after the cost of the incentive) over the next five years. The businesses will create 332 new jobs with an average compensation of \$48,250, generating \$13.5 million in new, qualifying payroll.

For 2007 to 2013 we invested \$10 million to leverage investments of \$866 million by the private sector recipients.

## WCEDP

During FY15, \$3.144 million has been committed for projects that will result in the creation of 142 direct jobs.

Leverages \$16.2 million of private investment.

