



# Vermont Sustainable Jobs Fund

*Accelerating the Development of Vermont's Green Economy*

**FY2014 Annual Report**

[www.vsjf.org](http://www.vsjf.org)

# VSJF WAS CREATED BY THE LEGISLATURE IN 1995 TO ACCELERATE THE DEVELOPMENT OF VERMONT'S GREEN ECONOMY.



VSJF **coordinates** the Farm to Plate Network in order to maximize the collective impact of the Farm to Plate Strategic Plan. We developed the Farm to Plate website and we keep track of population indicators and performance measurements for Vermont's food system.



Since 2003, VSJF has deployed VBI **grants** for biodiesel production and distribution for heating and transportation, oilseed crops for on-farm biodiesel and feed, grass for heating, and algae for biofuels and wastewater management. VBI supports research, technical assistance, and infrastructure development in bioenergy.



VSJF's Vermont Agriculture Development Program (VADP) supports the growth and long-term success of value-added agricultural and forestry enterprises based in Vermont. The program provides **enterprise coaching** and **technical assistance** to strengthen the capacity of businesses in order to serve an expanding market for Vermont food and forest products. VADP partners with the **Vermont Farm and Forest Viability Program** on this effort.



VSJF's Flexible Capital Fund, L3C is a \$4 million, mission-based investment fund that provides 'equity-like' financing in the form of **royalty (or revenue-sharing) loans** and **subordinated debt** to growth companies in value-added agriculture, forest products, and clean technology.

 **Click on graphics and images in the document for more information!**

## Dear Governor Peter Shumlin and Members of the Vermont General Assembly

The Vermont Sustainable Jobs Fund (VSJF) has always believed that the best way to meet [Act 186](#) (2014) and ensure that Vermont has a prosperous economy, clean and sustainable environment, safe and supportive communities, and healthy citizens is to invest in the development of sustainably produced goods and services.

VSJF's four program areas deploy grants, loans, technical assistance, and build networks to amplify the work of Vermont's entrepreneurial food system, forest product, and renewable energy businesses.

VSJF's nine staff members are dedicated to continuing our mission to solidify Vermont's long-term sustainability and are grateful for your continued support.



**Ellen Kahler,**  
EXECUTIVE DIRECTOR



**Janice St. Onge,**  
PRESIDENT, VSJF FLEXIBLE  
CAPITAL FUND, L3C



**John Ryan, VADP**  
DIRECTOR



**Erica Campbell,**  
FARM TO PLATE  
PROGRAM DIRECTOR



**Scott Sawyer,**  
RESEARCH AND ANALYSIS



**Jake Claro, FARM**  
TO PLATE PROGRAM  
MANAGER



**Rachel Carter,**  
COMMUNICATIONS  
DIRECTOR



**Anthony Mennona,**  
FINANCE & ADMINISTRATION  
DIRECTOR



**Stephanie Smith,**  
FARM TO PLATE  
NETWORK ASSISTANT

Sarah Galbraith, WAS OUR BIOENERGY PROGRAMS MANAGER FOR MOST OF 2014.

## Flexible Capital Fund: Performance Measurements

**\$3,660,000 + \$600,000 = \$4,260,000**

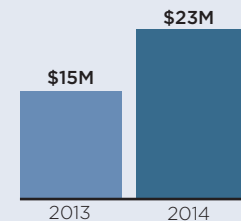
37 accredited & socially  
responsible investors

U.S. Treasury's Community  
Development Financial  
Institution program

to invest in growing renewable  
energy, food system, and  
forest products businesses!

**TO DATE** **>\$1.5 million** invested in **6 companies**

Combined, our portfolio companies had  
revenues of over **\$23 million in 2014**, up  
from **\$15 million in 2013**.



**Since the fund's inception, our borrowers have paid on time and as agreed.**

We continue to remain the only Vermont Licensed Lender (and CDFI certified lender) with a focus on royalty lending for growing businesses.

## Vermont Agriculture Development Program: Performance Measurements

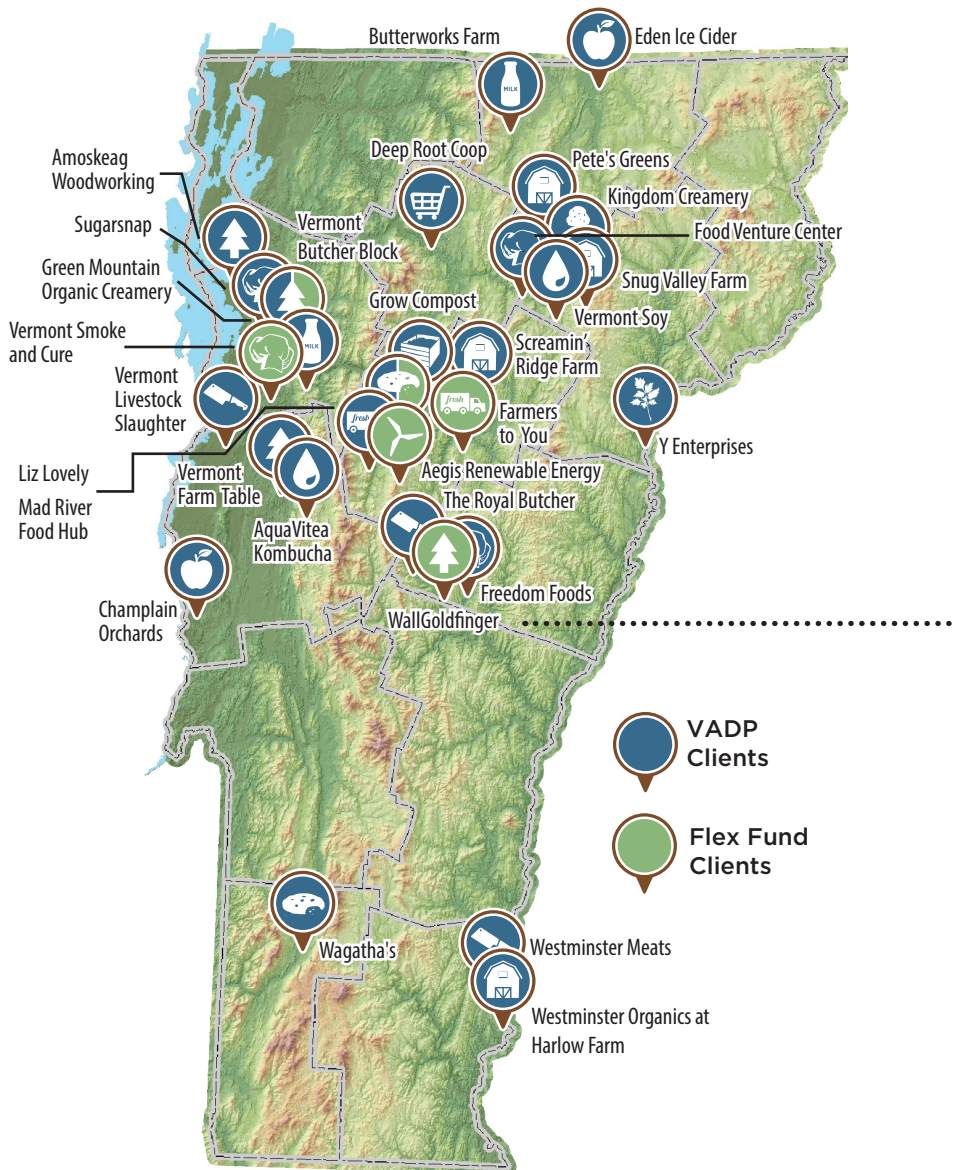
Sixteen of the 18 post-program businesses provided VADP with their 2014 financial data, six from each of the three cohort years. Compared to the baseline year that they enrolled in the program:

15 / 16 **↑ SALES**    13 / 16 **↑ NET OPERATING INCOME**  
13 / 16 **↑ JOBS**    16 / 16 **↑ TOTAL & AVERAGE WAGES**

## Change Per Participating Business (average annual for each business)

	Revenue	Net Income	Jobs	Wages
2 Years Prior to VADP	10.3%	\$15,300	0.6 FTE	7.7%
<b>Post VADP (Up to 3 Years)</b>	<b>15.3%</b>	<b>\$25,300</b>	<b>2.0 FTE</b>	<b>19.6%</b>

The **Flexible Capital Fund** provides financial support and the **Vermont Agriculture Development Program (VADP)** provides technical assistance to accelerate the growth and long-term success of food system, forest products, and renewable energy businesses.



## WALLGOLDFINGER

Randolph, Vermont • [www.wallgoldfinger.com](http://www.wallgoldfinger.com) • \$250,000

WallGoldfinger, in operation for more than 40 years, has evolved from a small, local woodworking shop, to a nationally known designer and builder of high-end custom corporate furniture. WallGoldfinger designs and creates corporate furniture (large boardroom tables, reception desks, and more) for businesses that include Fortune 500 corporations, financial, law and insurance institutions, universities, and government agencies.

WallGoldfinger suffered an economic downturn due to the 2009 recession, and weathered the devastation of Tropical Storm Irene in 2011, which completely destroyed the main floor of the WallGoldfinger factory in Northfield. With the help of multiple financial partners and sound management of cash flow, WallGoldfinger was able to relocate and expand into a state-of-the-art facility in Randolph.

The Flex Fund provided WallGoldfinger a \$250,000 royalty loan for permanent working capital to help accelerate activities already underway: to diversify its one-of-a-kind, custom work with a complementary line of standard multi-purpose conference tables, support its New York City showroom, and provide permanent working capital to grow.



Photo Credit: WallGoldfinger.

*"The Flex Fund is a very important partner as we grow into the capacity of our new facility. WallGoldfinger survived the Great Recession and the Irene flood and is now poised for growth. The Flex Fund is providing financial help and resources at a critical point in our development."*

— John Wall, President & CEO



## Vermont Agriculture Development Program: 2014 Highlights



Kevin Hastings came to the VADP at a time when Amoskeag Woodworking was facing a loss in revenue from its commercial millwork division. So far the project has focused on cost control and financial systems, building revenue in existing operations, exploring new ways to utilize the company's substantially underutilized manufacturing infrastructure, and preparing refinancing options and new financing proposals.



*"The program has helped us put metrics in place and work with these to get more tangible data to confirm our intuitions. It has also helped me more confidently prioritize my business activities, time, and attention."*

— Kevin Hastings, President



In 2013, established organic farmer Paul Harlow purchased a large farm-property in Putney with the goal of expanding his business sufficiently to support the long-term interests of four young managers all of whom hope to continue Harlow's legacy for another generation. VADP spent a year working with the management team to begin that transition process by focusing on how Paul can share his vast knowledge of how to operate a diversified organic vegetable farm, and on getting these young farmers to better define their role, improve their communications, and increase their responsibility commensurate with their goals.



*"I am now able to delegate more, able to recognize when I need to let people go, and to see that I need more time off. We also now have new practices and tools for how we analyze ventures."*

— Paul Harlow, Owner



Cheryl and JD DeVos opened their new creamery in 2012 with financial help from VEDA, private investors, and a grant from the USDA. By the summer of 2013, they were looking for someone to serve as a regular sounding board and advisor on the myriad of marketing, cost management, human resource, and financing decisions that come with any growing enterprise. VADP's engagement focused on helping them get to break-even as rapidly as possible and to build systems to stay focused on understanding and maintaining their margins as they expanded their products and sales channels.



*"No one thinks as well alone as they do when thinking with others. Better business decisions came from talking through options with John Ryan."*

— Cheryl DeVos, Owner



Following a health crisis in the summer 2013, the Lazor family engaged the VADP to help develop the capacity of the next generation of family and managers to build professional systems and assume greater responsibility for the growth of this iconic Vermont brand. Working with two generations in a group setting, the program is helping the management team build clearer lines of communication, organize their planning and future marketing directions, and focus on greater utilization of financial indicators for business decisions.



*"John has helped us develop a cohesive team relationship and vision. The process has continued to keep the lines of communication open for all members of the management team."*

— Jack and Anne Lazor, Owners



For an in-depth summary of Farm to Plate activities in FY2014, please [click here](#).

In 2014, the Farm to Plate Network developed a series of resources to strengthen Vermont's food system:

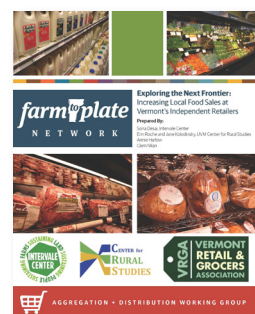


### » Energy Success Stories:

This report showcases eight farms, businesses, vendors, installers, and technical assistance providers that have made energy efficiency savings and renewable energy production (e.g., solar photovoltaics, digesters, wind turbines, and biomass).

### » Land Use Planning:

Five modules were developed to provide clear guidance to local planners and town officials on improving the long-term vitality of agriculture in their communities by addressing important issues like farmland conservation, farmland and taxes, and land use regulations.

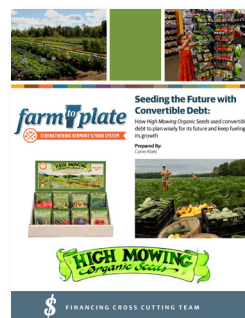


### » Independent Retail Study:

A statewide survey of independent retail stores and an in-depth local food assessments with six stores found that a large percentage of independent retailers already carry local dairy, bakery, grocery, produce, beer, wine, and coffee products; and 95% stated they would like to source more local food.

### » Financing Case Studies:

Panels were convened that illuminated financing options that food system businesses have used and then a series of case studies were written to exemplify how these businesses have found the right match of capital to meet their business expansion needs.



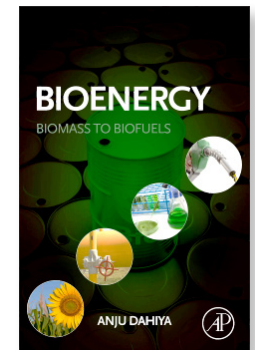
### Grass Energy in Vermont and the Northeast

In 2014, VBI released *Grass Energy in Vermont and the Northeast*, a report that evaluated grass biomass energy as a potential heating fuel. The report summarizes current research on the agronomy and usage potential of grass as a biofuel, and points to next steps for the region to fully commercialize this opportunity. Perennial grass stands are currently planted at the University of Vermont Horticulture Farm in Burlington and Vermont Tech, and on several private farms.



### Bioenergy: Biomass to Biofuels

In 2009, VBI made a \$20,000 grant to Dr. Dahiya to develop a Biomass to Biofuels course at the University of Vermont, including the development of course materials and addressing issues of policy, sustainability, and economic analysis. In 2014, Dr. Dahiya released a *Bioenergy textbook*, with contributions from many other Vermont researchers and professors including Dr. Heather Darby, Dr. Sid Bosworth, Chris Callahan, and Dr. Chris Dutton.



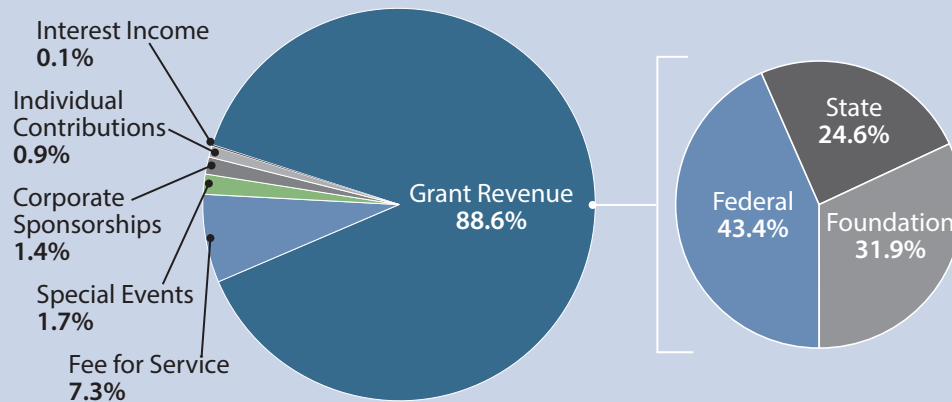
### Business Energy Action Program

VBI provided a **\$50,000 grant** to VT Businesses for Social Responsibility in 2011 to develop the Business Energy Action program (implemented in 2013-2014). The main goal was to challenge Vermont businesses to reduce their energy usage by 5% per year. The program was successful in engaging businesses in energy efficiency action and educating the public at large about available resources and opportunities. **85 businesses participated in the program and most participants exceeded the 5% savings goal.**



## FY14 VSJF Revenues by Sources

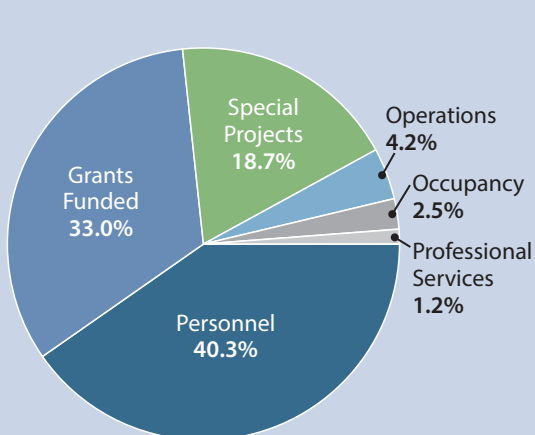
Total = \$1,786,087



**Note 1:** Federal Grant Revenue Sources include HUD-EDI, US Department of Energy, and Economic Development Authority funds for various programs. Foundation grants represent private philanthropic foundation funds received in FY13 or FY14 but expensed in FY14.

## FY14 Expenses by Category

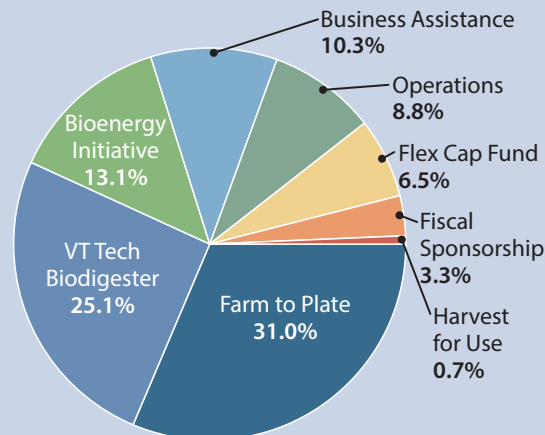
Total = \$1,756,732



**Note 2:** Special Projects are expenses related to specific market development initiatives and/or are connected to specific grantee support services. Professional Services include accounting, audit, and legal expenses.

## FY14 Expenses by Initiative

Total = \$1,756,732



## Board of Directors

**David Lane (Chair)**, YANKEE FARM CREDIT

**Edward J. Kiniry (Vice-Chair)**, RETIRED

**David Marvin (Secretary / Treasurer)**, BUTTERNUT MOUNTAIN FARM\*

**Cairn Cross**, FRESH TRACKS CAPITAL

**Pete Johnson**, PETE'S GREENS\*

**Kelly Launder**, DEPARTMENT OF PUBLIC SERVICE

**Patricia Moulton**, AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT

**William Murray**, BERKELEY & VELLER GREENWOOD COUNTRY REALTORS

**Chuck Ross**, AGENCY OF AGRICULTURE, FOOD AND MARKETS

**Robin Scheu**, ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION

**Meg Smith**, VERMONT WOMENS' FUND

\* left the board at the end of FY14; **Nick Richardson** (VERMONT LAND TRUST) and **Will Stevens** (GOLDEN RUSSET FARM) JOINED THE BOARD IN FY15.

## VSJF could not continue without the generous support of our many funding partners including:

Canada Family Charitable Trust • Castanea Foundation • Henry P. Kendall Foundation • High Meadows Fund • Jane's Trust Foundation • John Merck Fund • Keurig Green Mountain • Sandy River Charitable Trust • US Department of Energy • US Department of Housing & Urban Development • Vermont Agency of Agriculture, Food and Markets • Vermont Agency of Commerce • Vermont Community Foundation • Vermont Department of Public Service • Vermont State General Fund • Anonymous (1)

VSJF ALSO PROVIDED FISCAL SPONSORSHIP SERVICES FOR THE VERMONT TECH BIODIGESTER, ENERGY ACTION NETWORK, THE FOOD HUB MANAGEMENT PROGRAM, DAIRYVISION, AND THE HUNGER MOUNTAIN FOOD COOP FUND.