

Vermont Employment Growth Incentive Program

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About the Vermont Employment Growth Incentive Program

The Vermont Economic Growth Incentive (VEGI) program provides incentives from the State of Vermont to businesses to encourage prospective economic activity in Vermont that is beyond an applicant's "organic" or background growth. The incentive is provided for growth that would not occur, would not occur in Vermont, or would occur in a significantly different and less desirable manner, except for the incentive provided. The economic activity can be generated by a Vermont company or a Vermont division adding new qualifying employees, a company that is considering Vermont to locate a new business or division, or start-up business activity. Once authorized, the incentives are earned and installments paid when performance requirements are met and maintained.

The Vermont Economic Progress Council serves as the approval and authorization body for the VEGI program.

Further information on VEPC and the VEGI program is available at:
<http://accd.vermont.gov/economic-development/funding-incentives/vegi>.

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REPORTING REQUIREMENT

Vermont Statute (32 V.S.A. §3340):

“(a) On or before September 1 of each year, the Vermont Economic Progress Council and the Department of Taxes shall submit a joint report on the incentives authorized in this subchapter to the House Committees on Ways and Means, on Commerce and Economic Development, and on Appropriations, to the Senate Committees on Finance, on Economic Development, Housing and General Affairs, and on Appropriations, and to the Joint Fiscal Committee.

(b) The Council and the Department shall include in the joint report:

- (1) the total amount of incentives authorized during the preceding year;
- (2) with respect to each business with an approved application:
 - (A) the date and amount of authorization;
 - (B) the calendar year or years in which the authorization is expected to be exercised;
 - (C) whether the authorization is active; and
 - (D) the date the authorization will expire; and
- (3) the following aggregate information:
 - (A) the number of claims and total incentive payments made in the current and prior claim years;
 - (B) the number of qualifying jobs; and
 - (C) the amount of new payroll and capital investments.

(c) The Council and Department shall present data and information in the joint report in a searchable format.

(d) Notwithstanding any provisions of law to the contrary, an incentive awarded pursuant to this subchapter shall be treated as a tax expenditure for purposes of chapter 5 of this title.”

The required information may be found in this report in the following tables:

- (1) The total amount of incentives authorized (Tables 2A-2C)
- (2) Date and amount of each authorization (Tables 1A-1E)
- (3) Expected years in which the authorization will be exercised (Tables 1A-1E)
- (4) Whether the authorization is currently active (Tables 1A-1E)
- (5) Date the authorization will expire (Tables 1A-1E)
- (6) Aggregate number claims and incentives paid (Tables 4A-4B)
- (7) Aggregate jobs, payroll and capital investment (Tables 4A-4B)

VEGI PROGRAM IMPACT SUMMARY

Actual Economic Impact to Date

(January 1, 2007 – December 31, 2016)

New Qualifying Jobs Created	6216
Total New Jobs (Direct & Indirect)	8855
New Qualifying Payroll Created	\$368,897,380
Average Wage	\$59,346
New Qualifying Capital Investments	\$829,862,708
Incentives Paid	\$22,632,132
Estimated Net Revenue Benefit to State	\$38,866,762

SUCCESS STORY

G.S. Precision, Brattleboro

G.S. Precision, Inc. (GSP), is a manufacturer of high-precision components primarily for the aerospace and defense industries. When it became known that GSP was considering a move to expand in another state, Brattleboro Development Credit Corp. (BDCC) and state agencies assembled a package of incentives, including a critical VEGI award, to enable the company to expand two industrial buildings in Brattleboro and purchase new equipment.



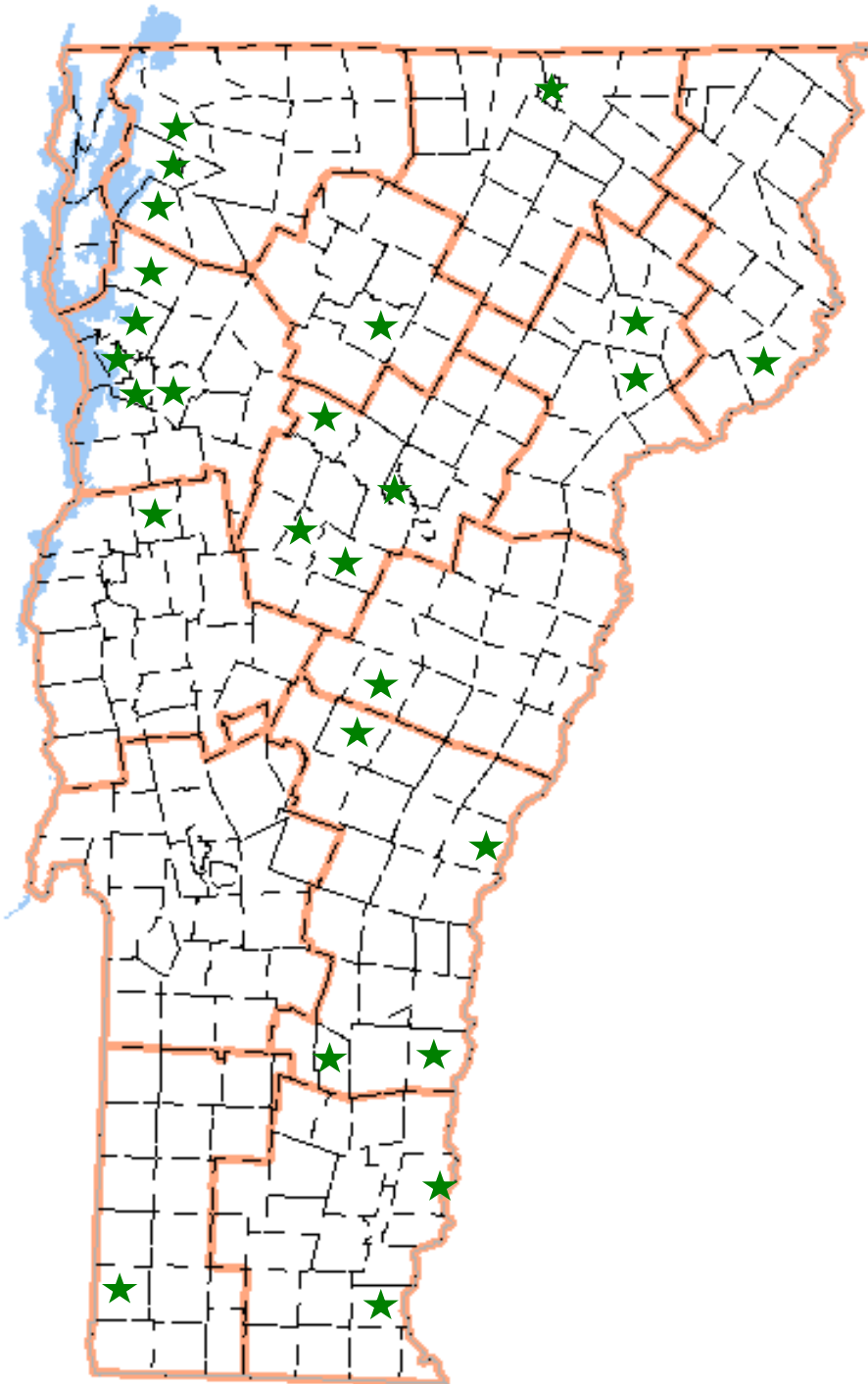
The project came at a crucial time for Brattleboro and Windham County which has experienced slow economic decline from 2000 - 2010, and between 2010 - 2015. Additionally, the region was faced with absorbing the closure of the Vermont Yankee Nuclear Power Plant which shut down in 2014, eventually shedding over 600 high paying positions.

According to John Hanley, GSP Chief Financial Officer, "G.S. Precision is in the midst of a major growth phase that requires significantly more equity capital than GSP could access on its own. The VEGI program was the single largest financial incentive to support our direct operations over the 7-year project period. This incentive was critical in our ability to move forward with expanding here in VT."

"This project allowed for the retention of 340 high paying, quality precision manufacturing jobs and the creation of up to 100 new jobs here in Brattleboro. The expansion will help offset the impacts from the closure of Vermont Yankee Nuclear Power Plant," summed up Adam Grinold, the executive director of BDCC. "Everyone is able to stand up a little taller," he said of the venture, which won [Project of the Year](#) from the Northeastern Economic Developers Association.

LOCATION MAP OF ACTIVE APPLICATIONS

The map depicts the locations of the active applications for which a VEGI Incentive has been approved. The number of applications in each location is listed in the table at right. Active applications include those with initial approval, final approval, and those that have completed the VEGI program and maintained their targets for follow-up years. For more detail on individual applications, refer to Tables 1A (Approved and Active) and 1B (Complete) on page 9.



Town	Active Applications
Bellows Falls	1
Bennington	2
Bethel	1
Brattleboro	5
Burlington	3
Colchester	3
Essex	6
Georgia	1
Hinesburg	1
Ludlow	1
Lunenburg	1
Lyndon	1
Montpelier	2
Morristown	1
Newport	3
Northfield	1
Randolph	2
South Burlington	2
Springfield	1
St. Albans	1
St. Johnsbury	1
Swanton	2
Waitsfield	1
Waterbury	1
White River Junction	2
Williston	3

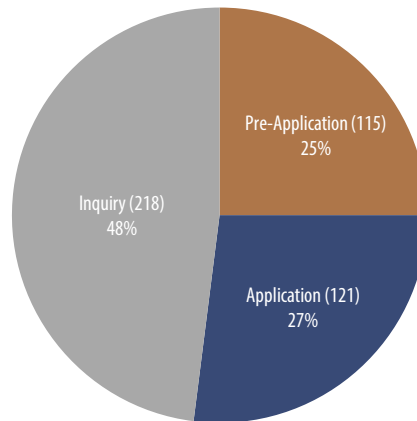
SUMMARY

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 a cash incentive paid from the incremental tax revenues generated to the State by the new economic activity occurring. A company must apply to the Vermont Economic Progress Council (VEPC), a citizen board which, for each application, determines:

- Whether the economic activity would not occur at all or would occur in a significantly different and/or less desirable manner except for the incentive (“But For” requirement);
- 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 host municipality welcomes the company and project, the proposed activity conforms to applicable town and regional plans, and the company does not operate in a limited, local market.

Application Pipeline

From All Inquiries to Active Projects
January 2007-June 2018
Total: 454



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 from payroll income taxes. But new revenues are also generated from new business 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.

The calculation of the incentive for all applications includes the discounting of a certain level of the new payroll that will be generated, 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.

VEPC also considers the applicant and project interaction with other Vermont companies in customer, supplier, and vendor relationships. The greater these interactions, the more indirect economic impact the incentives will have.

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, 20 applications (17%) have been considered for the “Green VEGI” enhancement, 3 of which remain active as of December 31, 2017.

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. VEPC has utilized this authority for 23 applications, 15 of which are active as of December 31, 2017.

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. Claims for VEGI incentive installments are submitted and examined annually by the Vermont Department of Taxes.

VEGI claims must be filed each year for the economic activity that occurred during the previous calendar year. For example, claims for activity in 2016 were filed in April 2017 and examined by the Tax Department during 2017. Incentive payments, if earned, were paid in late 2017. Therefore, there is a one year delay before the claim and actual activity data is available. Incentives are not paid out on a pro-rata basis if annual performance requirements are not met and maintained.

Companies that do not meet performance requirements by the due date (December 31 of each year) are allowed a “grace period” as defined by Statute¹. The company is not immediately removed from the program if they do not meet their requirements. These companies may have created jobs, generated payroll, and made capital investments, but not to the extent that met the performance measures. However, no incentive is paid to such a company until and unless the requirements are met. A company that does not meet performance requirements by the end of the grace period does not earn incentives for that performance year and any future incentives are terminated.

¹ Refer to 32 VSA § 3337, Earning an incentive.

TABLES 1A-1E presents information on all applications considered by VEPC through December 31, 2017.

For Active Applications, if a Final Application has not yet been filed, the applicant's status is listed as "Active-Initial." If a Final Application has been approved, the applicant's status is listed as "Active-Final." Initial approval of incentives provides applicants with enough information to determine if they could commence the project.

Incentives are not authorized until a Final Application has been submitted by the applicant and approved by VEPC.

The incentive 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 incentive considered is listed for reference only in this report, but the total incentive is no longer available to be earned by the company.

If an authorization has been terminated and the "Incentive Earned" column contains a "Y" meaning "Yes, incentives have been earned." The code in the terminated column indicates whether the earned incentives were recaptured or were partially paid. Statute provides for recapture under certain specific circumstances. In some cases, an incentive authorization can be terminated, usually due to not meeting performance requirements for a particular year, but incentives earned by activity in previous years is earned and paid if the performance requirements are maintained.

SUCCESS STORY

Logic Supply, South Burlington

Logic Supply applied for their first VEGI incentive in 2013, being faced with the dilemma of needing to expand operations to gain market share and wanting to create those new jobs in Vermont. Specializing in fanless industrial computers that are meant to withstand harsh environments, the company also has operations located in the Netherlands and Taiwan. Both locations would provide the company with a greater return on investment and had been the preferred locations for expansion in prior years. To make Vermont a viable option for expansion at a pace that would meet the company's needs would require award of the VEGI incentive. With the incentive, Logic Supply was able to more than double their facilities to accommodate their growth.

Logic Supply returned to VEPC with a second VEGI application in 2017 to expand into new markets, requiring significantly more manufacturing and fulfillment capacity. Expansion in their European operations was again the more feasible option and would allow the company to maintain their current operations in Vermont. Without award of the 2017 VEGI incentive, expansion in Vermont would have been cost prohibitive.

In a February 2018 article published by Vermont Public Radio, Logic Supply's general counsel Mark Heyman is quoted as saying "Without the VEGI awards, would we be located here? Probably. Would we have created as many jobs here, would the pace of growth and the job creation really happen here in Vermont the way it has and the way we plan? Absolutely not."

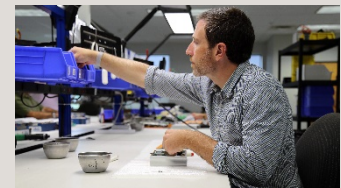


TABLE 1A

Applications Approved and Active

Company Name	Date Initial Application Considered	Date Final Application Considered ²	Authorization Period	Status	Date of Status Change	Term. Reason ³	Incentive Earned Yes/No	Incentive Considered	Minimum Net Revenue Benefit	Ed Tax Stabiliz ⁴	Green ⁵	Labor Market Areas (LMA) ⁶	Look Back Waiver (LBW) ⁷
Bedford Systems	12/14/17	N/A	2018–2022	Active-Initial		—	N	\$1,265,397	\$659,434				
DSD International	12/14/17	N/A	2018–2022	Active-Initial		—	N	\$63,215	\$33,518				
MSI	12/14/17	N/A	2018–2022	Active-Initial		—	N	\$1,190,871	\$-			•	
Project Xanadu	12/14/17	N/A	2018–2022	Active-Initial		—	N	\$1,377,752	\$-			•	
LED Dynamics, Inc./Green Mtn. Econom. Devel. Corp.	10/26/17	N/A	2018–2022	Active-Initial		—	N	\$459,437	\$-		•	•	
Soya Canfralia	6/1/17	N/A	2018–2022	Active-Initial		—	N	\$580,995	\$46,214			•	
Winooski, LLC/DealerPolicy, LLC	8/31/17	12/14/17	2017–2021	Active-Final		—	N	\$92,529	\$45,881				
Lawson's Finest Liquids	2/23/17	12/14/17	2017–2021	Active-Final		—	N	\$1,420,630	\$-			•	
Commonwealth Dairy, LLC	12/8/16	12/14/17	2017–2021	Active-Final		—	N	\$307,407	\$660,140				
Vermont Precision Tool	11/3/16	12/14/17	2017–2021	Active-Final		—	N	\$333,263	\$279,254				
Kingdom Pellets, LLC	12/3/15	12/14/17	2017–2021	Active-Final		—	N	\$276,290	\$-		•	•	
Logic Supply, Inc./Greenfield Capital, LLC	8/31/17	10/26/17	2017–2021	Active-Final		—	N	\$757,684	\$365,913				
GS Blodgett Corp	6/19/17	10/26/17	2017–2021	Active-Final		—	N	\$643,469	\$875,060				
Bariatric Nutrition Corp II	6/23/16	12/8/16	2016–2020	Active-Final		—	Y	\$152,843	\$83,813				
Caledonia Spirits/Lineage Realty	6/23/16	12/8/16	2016–2020	Active-Final		—	Y	\$402,673	\$191,953				
Chroma Technology Corp	6/23/16	12/8/16	2016–2020	Active-Final		—	Y	\$596,297	\$612,342				
Vermont Aerospace-AIAC	5/5/16	12/8/16	2016–2020	Active-Final		—	Y	\$328,841	\$29,592			•	
Imerys Talc Vermont, Inc.	1/28/16	11/3/16	2016–2020	Active-Final		—	N	\$696,332	\$398,820				
LTK Consulting Services, Inc.	1/28/16	11/3/16	2016–2020	Active-Final		—	Y	\$184,683	\$76,325				
Composites BHS, Inc.	10/22/15	11/3/16	2016–2020	Active-Final		—	N	\$512,145	\$-			•	
GS Precision, Inc.	6/23/15	11/3/16	2016–2020	Active-Final		—	Y	\$1,154,702	\$-			•	
Autumn Harp	N/A	5/26/16	2016–2020	Active-Final		—	Y	\$570,225	\$525,444				
GW Plastics, Inc.	7/23/15	12/3/15	2015–2019	Active-Final		—	Y	\$977,364	\$349,170			•	
Maponics, LLC	5/28/15	12/3/15	2015–2019	Active-Final		—	Y	\$156,490	\$269,165				
Cabot Hosiery Mills, Inc	12/17/14	12/3/15	2015–2019	Active-Final		—	Y	\$1,336,191	\$543,354				
Flex-A-Seal, Inc	12/17/14	12/3/15	2015–2019	Active-Final		—	Y	\$144,998	\$208,891				
Revision Ballistics, LTD	5/28/15	10/27/15	2015–2019	Active-Final		—	Y	\$619,007	\$-			•	
Revision Military, LTD	4/6/15	10/27/15	2015–2019	Active-Final		—	Y	\$167,295	\$57,308				
National Hanger Company, Inc	12/17/14	9/22/15	2015–2019	Active-Final		—	Y	\$272,369	\$41,557			•	
G.S. Blodgett Corp.	3/19/14	12/17/14	2014–2018	Active-Final		—	Y	\$754,104	\$410,685				
Vermont Packinghouse	7/25/13	12/17/14	2014–2018	Active-Final		—	Y	\$233,252	\$-			•	
Twincraft, Inc	7/24/13	12/17/14	2014–2018	Active-Final		—	Y	\$532,584	\$512,840			•	
JBM Sherman Carmel	8/22/13	12/5/13	2013–2017	Active-Final		—	Y	\$136,744	\$15,938			•	
Dealer.com II	4/25/13	12/5/13	2013–2017	Active-Final		—	Y	\$1,201,850	\$1,970,120				
Logic Supply, Inc.	4/25/13	10/24/13	2013–2017	Active-Final		—	Y	\$352,912	\$219,038				
Freedom Foods	12/13/12	10/24/13	2013–2017	Active-Final		—	Y	\$267,762	\$128,639			•	
Seventh Generation	4/26/12	12/13/12	2012–2016	Active-Final		—	Y	\$454,728	\$233,150			•	
Mylan Technologies, Inc	1/26/12	12/13/12	2012–2016	Active-Final		—	Y	\$5,733,506	\$2,786,740				
Commonwealth Dairy, LLC	1/26/12	5/25/12	2012–2016	Active-Final		—	Y	\$303,004	\$277,714				
VSC Holdings, Inc.	2/24/11	10/27/11	2011–2015	Active-Final		—	Y	\$156,913	\$86,727				
New England Supply, Inc.	N/A	3/25/10	2010–2014	Active-Final		—	Y	\$67,953	\$36,088				
MyWebGrocer, Inc	N/A	10/22/09	2010–2014	Active-Final		—	Y	\$453,475	\$286,567				
Commonwealth Yogurt, Inc.	6/26/08	6/25/09	2009–2013	Active-Final		—	Y	\$1,201,154	\$614,505				

TABLE 1B

Applications Complete

Company Name	Date Initial Application Considered	Date Final Application Considered ²	Authorization Period	Status	Date of Status Change	Term. Reason ³	Incentive Earned Yes/No	Incentive Considered	Minimum Net Revenue Benefit	Ed Tax Stabiliz ⁴	Green ⁵	Labor Market Areas (LMA) ⁶	Look Back Waiver (LBW) ⁷
Revision Ballistics	4/18/12	12/13/12	2012–2016	Complete		—	Y	\$734,081	\$-			•	
Dealer.com, Inc.	1/28/10	12/16/10	2010–2014	Complete		—	Y	\$4,929,487	\$2,644,928				
Green Mountain Coffee Roasters, Inc.	7/23/09	12/17/09	2009–2013	Complete		—	Y	\$292,307	\$1,736,611				
Albany College of Pharmacy	12/6/07	1/22/09	2009–2013	Complete		—	Y	\$630,859	\$345,717				
Vermont College of Fine Arts	N/A	3/27/08	2008–2012	Complete		—	Y	\$206,737	\$126,260				
Green Mountain Coffee Roasters, Inc.	5/24/07	10/25/07	2007–2011	Complete		—	Y	\$1,786,828	\$2,129,672				

TABLE 1C

Applications Reviewed and Denied

Company Name	Date Initial Application Considered	Date Final Application Considered ²	Authorization Period	Status	Date of Status Change	Term. Reason ³	Incentive Earned Yes/No	Incentive Considered	Minimum Net Revenue Benefit	Ed Tax Stabil ⁴	Green ⁵	Labor Market Areas (LMA) ⁴	Look Back Waiver (LBW) ⁴
Business Financial Publishing, Inc.	1/28/10	N/A	—	Denied		5	N	\$162,473	\$-				
Know Your Source, LLC	12/6/07	N/A	—	Denied		5	N	\$71,302	\$-				
Dynapower	3/22/12	12/13/12	—	Denied		5	N	\$1,415,009	\$-	•			
Vermont Wood Energy Corp	7/24/08	12/4/08	—	Denied		5	N	\$293,967	\$-	•			
Rehab Gym, Inc.	N/A	3/22/07	—	Denied		5	N	\$255,439	\$-				

TABLE 1D

Applications Approved and Rescinded

Company Name	Date Initial Application Considered	Date Final Application Considered ²	Authorization Period	Status	Date of Status Change	Term. Reason ³	Incentive Earned Yes/No	Incentive Considered	Minimum Net Revenue Benefit	Ed Tax Stabil ⁴	Green ⁵	Labor Market Areas (LMA) ⁴	Look Back Waiver (LBW) ⁴
Westminster Cracker Company	11/17/16	N/A	—	Rescinded	4/27/17	1	N	\$194,485	\$-				
Britton Lumber Company, Inc.	12/3/15	N/A	—	Rescinded	5/26/16	1	N	\$784,862	\$-	•			
Triad Design Services, Inc.	2/26/15	N/A	—	Rescinded	9/22/16	1	N	\$968,657	\$-				
AGrown (AEG Holdings, LLC)	9/26/13	N/A	—	Rescinded	12/17/14	1	N	\$2,010,364	\$-	•			
Cambridge Valley Machining, Inc.	3/28/13	N/A	—	Rescinded	12/17/14	1	N	\$140,049	\$-				
Vermont Hard Cider Company, LLC	1/26/12	N/A	—	Rescinded	12/6/12	1	N	\$260,176	\$-				
Plasan Carbon Composites, Inc.	12/8/11	N/A	—	Rescinded	8/30/12	1	N	\$516,395	\$-	•			
Transcend Quality Manufacturing, Inc.	10/27/11	N/A	—	Rescinded	12/6/12	1	N	\$246,941	\$-	•	•		
AFCell Medical	3/24/11	N/A	—	Rescinded	12/5/13	1	N	\$1,338,444	\$-				
Skypoint Solar	12/16/10	N/A	—	Rescinded	12/8/11	1	N	\$7,900,114	\$-	•			
Helix Global Solutions, Inc.	3/6/08	N/A	—	Rescinded	12/4/08	1	N	\$53,739	\$-				
Mascoma Corporation	10/25/07	N/A	—	Rescinded	6/26/08	1	N	\$1,942,989	\$-	•			

TABLE 1E

Applications Approved and Terminated

Company Name	Date Initial Application Considered	Date Final Application Considered ²	Authorization Period	Status	Date of Status Change	Term. Reason ³	Incentive Earned Yes/No	Incentive Considered	Minimum Net Revenue Benefit	Ed Tax Stabil ⁴	Green ⁵	Labor Market Areas (LMA) ⁴	Look Back Waiver (LBW) ⁴
Vermed	4/26/15	12/3/15	—	Terminated	5/1/17	4	N	\$292,421	\$-				
Precyse Solutions, LLC	12/17/14	12/3/15	—	Terminated	5/1/17	4	N	\$378,703	\$-				
Keurig Green Mountain	3/19/14	4/24/14	—	Terminated	2/26/18	2	N	\$971,028	\$-				
Farmer Mold & Machine	7/25/13	12/5/13	—	Terminated	6/23/15	4	N	\$258,518	\$-			•	
BioTek Instruments, Inc./Lionheart Technologies	3/28/13	12/5/13	—	Terminated	11/20/17	2	Y	\$325,111	\$-				
Performa Limited, LLC	N/A	10/25/12	—	Terminated	9/8/17	2	Y	\$133,617	\$-				
Green Mountain Coffee Roasters, Inc.	7/28/11	12/8/11	—	Terminated	6/12/18	3	Y	\$4,696,809	\$-				
Concepts ETI, Inc	5/25/11	12/8/11	—	Terminated	9/1/16	2	Y	\$290,335	\$-	•	•		
SOH Wind Engineering, LLC	5/25/11	12/8/11	—	Terminated	9/22/16	2	Y	\$153,994	\$-	•			
Carbon Harvest Energy/Brattleboro Carbon Harvest	3/24/11	12/8/11	—	Terminated	12/13/12	3	N	\$568,913	\$-	•			
Ellison Surface Technologies, Inc.	8/26/10	12/8/11	—	Terminated	9/22/16	2	Y	\$688,462	\$-			•	
WCW, Inc.	7/28/11	10/27/11	—	Terminated	10/22/15	2	N	\$512,449	\$-				
eCorporate English, Ltd.	8/26/10	5/25/11	—	Terminated	9/27/12	3	N	\$464,731	\$-				
Bariatrx Nutrition Corp	1/27/11	3/24/11	—	Terminated	9/22/16	2	Y	\$135,653	\$-				
Alpla, Inc.	12/16/10	3/24/11	—	Terminated	7/24/14	4	N	\$654,438	\$-	•			
Swan Valley Cheese Company of Vermont	7/22/10	12/16/10	—	Terminated	12/17/14	2	Y	\$305,830	\$-			•	
Pinnacle Sales Accelerators, LLC	5/27/10	12/16/10	—	Term-Recap	1/16/13	3	Y	\$111,635	\$-				
Organic Trade Association	7/27/10	10/28/10	—	Terminated	5/24/12	4	N	\$75,569	\$-				
Revision Eyewear, Ltd.	N/A	10/28/10	—	Terminated	6/23/16	2	Y	\$552,193	\$-				
Westminster Cracker Company, Inc.	N/A	7/22/10	—	Terminated	1/22/14	2	N	\$236,246	\$-			•	
The Original Vermont Wood Products, Inc.	N/A	5/27/10	—	Terminated	12/8/11	3	N	\$100,604	\$-			•	
Seldon Technologies, Inc.	8/27/09	12/17/09	—	Terminated	6/27/13	2	N	\$478,396	\$-	•			
Northern Power Systems, Inc.	7/23/09	12/17/09	—	Terminated	12/17/14	2	Y	\$808,104	\$-	•			
SBE, Inc.	6/25/09	12/17/09	—	Terminated	12/17/14	2	Y	\$3,048,671	\$-	•			
Terry Precision Bicycles for Women, Inc.	6/25/09	12/17/09	—	Terminated	12/5/13	2	Y	\$126,296	\$-				
Maple Mountain Woodworks, LLC	2/26/09	12/17/09	—	Term-Recap	2/15/13	3	Y	\$143,436	\$-				

TABLE 1 E

Applications Approved and Terminated - continued

Company Name	Date Initial Application Considered	Date Final Application Considered ²	Authorization Period	Status	Date of Status Change	Term. Reason ³	Incentive Earned Yes/No	Incentive Considered	Minimum Net Revenue Benefit	Ed Tax Stabil ⁴	Green ⁴	Labor Market Areas (LMA) ⁴	Look Back Waiver (LBW) ⁴
AirBoss Defense USA, Inc.	5/28/09	9/24/09	—	Terminated	7/24/14	2	Y	\$243,279	\$-				
Durasol Awnings, Inc.	3/26/09	5/28/09	—	Terminated	3/25/10	4	N	\$245,795	\$-				
Project Graphics, Inc.	1/22/09	4/23/09	—	Terminated	5/24/12	2	N	\$230,414	\$-				
ASK-intTag, LLC	12/4/08	3/26/09	—	Terminated	12/5/13	2	Y	\$553,722	\$-				
Vermont Transformers, Inc.	12/4/08	3/26/09	—	Terminated	5/25/11	3	N	\$267,569	\$-				
Dominion Diagnostics, LLC	10/23/08	1/22/09	—	Terminated	4/28/11	2	N	\$103,300	\$-				
Tata's Natural Alchemy	12/6/07	12/4/08	—	Terminated	3/25/10	4	N	\$231,531	\$-				
BioTek Instruments, Inc./Lionheart Technologies	N/A	12/4/08	—	Terminated	12/17/14	2	Y	\$692,854	\$-				
Utility Risk Management Corp	6/26/08	10/23/08	—	Term-Recap	11/25/13	3	Y	\$377,371	\$-				
New England Precision, Inc./Clifford Properties, Inc.	N/A	9/18/08	—	Terminated	4/28/11	2	N	\$241,236	\$-				
Vermont Castings Holding Company	N/A	9/18/08	—	Terminated	5/28/09	4	N	\$488,000	\$-				
Isovolta, Inc.	3/27/08	6/26/08	—	Terminated	5/28/09	4	N	\$568,330	\$-				
CNC North, Inc.	1/24/08	3/6/08	—	Terminated	3/25/10	4	N	\$70,533	\$-				
NEHP, Inc.	2/15/07	10/25/07	—	Terminated	12/8/11	2	N	\$182,396	\$-				
Energizer Battery Manufacturing, Inc.	N/A	7/26/07	—	Terminated	5/28/09	4	N	\$607,347	\$-				
Burton Corporation	2/15/07	6/28/07	—	Terminated	3/25/10	4	N	\$1,653,965	\$-				
Battenkill Technologies, Inc.	N/A	6/28/07	—	Terminated	6/26/08	4	N	\$79,054	\$-				
Applejack Art Partners	N/A	5/3/07	—	Terminated	10/25/07	4	N	\$85,539	\$-				
Omni Measurement Systems	N/A	5/3/07	—	Terminated	3/25/10	4	Y	\$677,944	\$-				
Vermont Timber Frames	N/A	5/3/07	—	Terminated	1/16/13	2	Y	\$156,126	\$-				
Monahan SFI, LLC	1/25/07	2/15/07	—	Term-Recap	9/28/09	3	Y	\$791,277	\$-				
Qimonda North America Corp.	N/A	2/15/07	—	Rescinded	3/27/08	4	N	\$229,672	\$-				
Ink Jet Machinery of Vermont	N/A	1/25/07	—	Terminated	1/24/08	4	N	\$336,055	\$-				
Olympic Precision, Inc/WIC/Town of Windsor	N/A	1/25/07	—	Terminated	9/6/07	4	N	\$474,428	\$-				

² 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.

³ **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.

⁴ **Green** indicates incentive enhancement for environmental technology companies. See 32 VSA 5930b(g). **LMA Enhancement** indicates incentive enhancement for projects in high unemployment, low economic activity areas. See 32 VSA 5930b(b)(5). **LBW** 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). **Ed Tax Stabil** indicates applicant chose stabilization of incremental Education Property Tax as incentive instead of, or in addition to, cash payments.

TABLES 2A-2B summarize, as of December 31, 2017, the application volume, application status, the total amount of incentives considered and authorized, and the total amount and impact of incentive enhancements.

TABLE 2 A

Summary of Incentive Authorization Data

For All Applications Considered Through December 31, 2017
Total Projected Economic Activity, 2007 - 2022

	TOTAL	VEGI	Green VEGI ⁵	LMA Enhanced	Lookback Waived
Applications Considered ⁶	116	96	20	23	2
Approved (Complete and Active) ⁷	49 (42%)	46	3	15	1
Rescinded/Terminated ⁸	62 (53%)	47	15	8	1
Denied	5 (5%)	3	2	0	0

TABLE 2 B

Authorization Summary

For All Applications Considered Through December 31, 2017
Total Projected Economic Activity, 2007 - 2022

Incentives	
Total Incentives Considered	\$82,126,938
Incentives Denied	\$2,198,190
Incentives Rescinded	\$16,357,215
Incentives Forfeited by Terminated Applicants	\$5,297,497
Incentives Paid or Available to Terminated Applicants	\$20,802,402
Net Incentives Authorized (Active or Complete Applicants)	\$37,471,634
Incentive Enhancements – Active Applicants	
INCREASE IN INCENTIVES DUE TO ENHANCEMENTS	
Green VEGI	\$3,459,154
LMA Enhancement	\$5,294,507
Total	\$8,753,661
DECREASE IN NET REVENUE RETURN DUE TO ENHANCEMENTS	
Green VEGI	\$2,882,943
LMA Enhancement	\$4,616,635
Total	\$7,499,578

⁵ "Green VEGI" authorizations are those approved for environmental technology companies in accordance with 32 VSA Section 5930b(g).

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 Includes Initial and Final Applications.

⁸ **Rescinded:** Initial Application approval was rescinded; no Final Application filed. No incentives ever authorized, earned or paid. **Terminated:** Authority to earn authorized incentives has been revoked. Incentives may have been earned.

TABLE 3 summarizes the amount of incentives authorized each year by VEPC against the annual program cap. It also shows the level of utilization of the authority given to VEPC to increase incentive levels under 32 V.S.A. §3334, known as the LMA Enhancement, which is also capped annually.

TABLE 3

Annual Authorization and LMA Enhancement Caps

For All Applications Considered Through December 31, 2017
Total Projected Economic Activity, 2007 - 2022

Annual Incentives/Caps ⁹			Annual LMA Enhancement Cap ¹⁰		
		%			%
2007 Cap	\$10,000,000		2007 Cap	\$1,000,000	
Final Approvals	\$6,830,959	68%	Final Approvals	\$-	0%
Net Cap Balance	\$3,169,041	32%	Net Cap Balance	\$1,000,000	100%
2008 Cap	\$10,000,000		2008 Cap	\$1,000,000	
Final Approvals	\$2,183,738	22%	Final Approvals	\$-	0%
Net Cap Balance	\$7,816,262	78%	Net Cap Balance	\$1,000,000	100%
2009 Cap	\$10,000,000		2009 Cap	\$1,000,000	
Final Approvals	\$5,539,089	55%	Final Approvals	\$-	0%
Net Cap Balance	\$4,460,911	45%	Net Cap Balance	\$1,000,000	100%
2010 Cap ⁹	\$23,000,000		2010 Cap	\$1,000,000	
Final Approvals	\$10,360,059	45%	Final Approvals	\$228,459	23%
Net Cap Balance	\$12,639,941	55%	Net Cap Balance	\$771,541	77%
2011 Cap ⁹	\$18,000,000		2011 Cap	\$1,000,000	
Final Approvals	\$5,542,184	31%	Final Approvals	\$322,655	32%
Net Cap Balance	\$12,457,816	69%	Net Cap Balance	\$677,345	68%
2012 Cap ⁹	\$12,000,000		2012 Cap	\$1,000,000	
Final Approvals	\$7,358,936	61%	Final Approvals	\$313,144	31%
Net Cap Balance	\$4,641,064	39%	Net Cap Balance	\$686,856	69%
2013 Cap	\$10,000,000		2013 Cap	\$1,000,000	
Final Approvals	\$2,284,379	23%	Final Approvals	\$133,606	13%
Net Cap Balance	\$7,715,621	77%	Net Cap Balance	\$866,394	87%
2014 Cap	\$10,000,000		2014 Cap	\$1,000,000	
Final Approvals	\$2,490,968	25%	Final Approvals	\$90,833	9%
Net Cap Balance	\$7,509,032	75%	Net Cap Balance	\$909,167	91%
2015 Cap ⁹	\$15,000,000		2015 Cap ¹⁰	\$1,200,000	
Final Approvals	\$3,673,714	24%	Final Approvals	\$946,733	79%
Net Cap Balance	\$11,326,286	76%	Net Cap Balance	\$253,267	21%
2016 Cap	\$10,000,000		2016 Cap ¹⁰	\$1,500,000	
Final Approvals	\$4,598,741	46%	Final Approvals	\$1,359,763	91%
Net Cap Balance	\$5,401,259	54%	Net Cap Balance	\$140,237	9%
2017 Cap	\$10,000,000		2017 Cap	\$1,000,000	
Final Approvals	\$3,831,272	38%	Final Approvals	\$566,851	57%
Net Cap Balance	\$6,168,728	62%	Net Cap Balance	\$433,149	43%
2018 Initial Approvals Cap	\$15,000,000		2018 Initial Approvals Cap	\$1,500,000	
Initial Approvals	\$4,937,667	33%	Initial Approvals	\$1,262,119	84%
Net Initial Approvals Cap Balance	\$10,062,333	67%	Net Initial Approvals Cap Balance	\$237,881	16%
2018 Final Approvals Cap	\$10,000,000		2018 Final Approvals Cap	\$1,000,000	
Final Approvals	\$-	0%	Final Approvals	\$-	0%
Net Final Approvals Cap Balance	\$10,000,000	100%	Net Final Approvals Cap Balance	\$1,000,000	100%

⁹ Program cap is \$15,000,000 for aggregate initial approvals and \$10,000,000 for aggregate final approvals for each calendar year, unless increased by a vote of the Joint Fiscal Committee (increase requests were previously reviewed by 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.

¹⁰ LMA Enhancement cap is \$1,500,000 for aggregate initial approvals and \$1,000,000 for aggregate final approvals for each calendar year, unless increased by a vote of the Joint Fiscal Committee (increase requests were previously reviewed by 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.

TABLES 4A-4B aggregates the number of claims expected to be filed, the disposition of claims, and the actual qualifying job creation, qualifying payroll generation, capital investments, incentive payments, and the net revenue benefit for the State for activity that has actually occurred between January 1, 2007 and December 31, 2016.

The \$3.2 million in incentive payments for 2016 shown in Table 4B were paid because the 36 out of the 41 companies that filed a claim met the performance requirements for 2016 and were paid one-fifth of the earned incentive for that year and/or maintained performance from previous years and were paid the next one-fifth installment for an incentive earned in a previous year

TABLE 4 A

Claims Filed Summary

For All Claims Processed As Of December 31, 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Claims Expected	7	14	22	28	34	32	34	36	39	43
Incomplete Claims/Did not file/Closed	0	4	4	5	6	2	1	3	1	2
Net Claims Included in Actual Data	7	10	18	23	28	30	33	33	38	41
Review Status of Claims:										
Approved	4	4	12	16	19	21	23	25	33	33
Delayed	0	0	0	0	0	0	0	0	0	5
Rescinded	3	6	6	7	9	9	10	8	5	3

TABLE 4 B

Activity Summary

For All Claims Processed As Of December 31, 2016

Claim Activity	New Qualifying Employees	New Qualifying Payroll	Average Wage	New Qualifying Capital Investments	Incentives Paid to Companies	Net Revenue Benefit
2016	693	\$35,876,896	\$51,770	\$58,231,156	\$3,209,517	\$4,182,689
2015	773	\$39,477,270	\$51,070	\$88,946,890	\$3,978,440	\$6,546,164
2014	853	\$50,955,135	\$59,736	\$59,241,141	\$4,279,383	\$7,769,527
2013	859	\$55,490,232	\$64,599	\$128,030,075	\$3,751,728	\$8,785,291
2012	806	\$62,298,865	\$77,294	\$262,489,273	\$2,903,935	\$6,282,691
2011	844	\$54,269,760	\$64,301	\$121,412,913	\$1,852,263	\$2,580,700
2010	606	\$34,555,726	\$57,023	\$47,475,449	\$1,249,733	\$1,643,100
2009	265	\$16,137,468	\$60,896	\$28,100,875	\$654,370	\$753,620
2008	255	\$9,214,052	\$36,134	\$13,388,586	\$544,110	\$215,320
2007	262	\$10,621,976	\$40,542	\$22,546,350	\$208,653	\$107,660
Summary Total	6216	\$368,897,380	\$59,346	\$829,862,708	\$22,632,132	\$38,866,762

TABLE 5 aggregates the benefits reported by claimants who are in their first 5 claim years. These benefits are were offered to new qualifying employees during the claim year ending December 31, 2016. The total number of claims in years 1 through 5 is 30.

TABLE 5

Summary of Benefits Offered

For All Claims In Years 1 Through 5 As Of December 31, 2016

Benefit Type	Number of Claimants Offering Benefit	Percent of Claimants Offering Benefit	Average Percent Paid By Employer
Health Care	24	80%	73% ¹¹
Dental	19	63%	
Vision	5	17%	
Life Insurance	21	70%	
Short-Term/Long-Term Disability Insurance	17	57%	
Accidental Death/Dismemberment Insurance	7	23%	
Retirement Contribution	16	53%	
Tuition Assistance	10	33%	
Paid Leave (Vacation, Holiday)	21	70%	
Other (see details below)	18	60%	

Other Types of Benefits Offered by Claimants:

- Employee Assistance Program
- Employee Discounts
- Free Product
- Fuel Aid
- Gym Reimbursement
- Health Reimbursement Account
- Incentive Compensation
- Professional Organization Dues
- Profit Sharing
- Public Transit
- Safety Gear
- Wellness Program

SUCCESS STORY

Revision, Newport

In 2012, MSA was on the brink of closing their doors at its Newport helmet manufacturing plant, leaving highly skilled factory workers unemployed. Revision had been considering expanding into the helmet market since 2010, advancing plans at locations in other states. Revision was encouraged to look at the MSA operations for their expansion. It was through the award of the VEGI incentive that they were able to make the cost justification to their investors for acquisition of the Vermont factory.

After approval of their VEGI application, the company proceeded with the purchase, improvement, and expansion of the operation in Newport. At the time of acquisition, the plant served a North American military helmet market and had 25 workers. According to Revision’s Director of Legal & Governmental Affairs Greg Maguire, “Through our investment we were able to create a worldwide market for the helmets and with the help of VEGI ramp up employment to 150 workers to support this growth.”



¹¹ 32 VSA § 3331(9)(C)(i) For an employer to count health care as a benefit for a qualifying job, employer must pay 50% or more of the premium.