

Department of Economic Development

COMMISSIONER

Joan Goldstein

DEPUTY COMMISSIONER

Brett Long

STAFF: 22 (FY 2020)



Summary of FY 2019 Impacts

371
NEW VERMONTERS

\$28.1 M
VEGI QUALIFYING DIRECT NEW PAYROLL, TOTAL

\$8.9 M
TIF GENERATED INCREMENTAL REVENUE

1,638
VERMONT EMPLOYEES APPROVED FOR TRAINING

FY 2019 Major Department Highlights

Remote Worker Grant Program (2019)

The Remote Worker Grant Program provides an incentive to individuals who move to Vermont and work remotely for their employers. Reimbursable expenses include moving costs and job-related expenses such as connectivity costs and specialized tools and equipment.



371

New Vermonters (140 remote workers; 231 family members)



\$3,571

Average Grant Amount



68

Vermont towns from 39 states and the UK



5,165

Total Application Downloads (plus 5,344 FAQ downloads)

Vermont Economic Progress Council

Independent council of citizens and legislators that serves as an approval and authorization body for the Vermont Employment Growth Incentive (VEGI) program and the Tax Increment Financing (TIF) District program.



\$28.1 M

Qualifying Direct New Payroll, Total (VEGI 2017)



579

Qualifying Direct New Jobs, Total (VEGI 2017)



\$8.9 M

Total Incremental Revenue (TIF 2018)



\$6.3 M

Public Infrastructure Investment (TIF 2018)

Vermont Training Program (VTP)

Funding available to employers to defray a portion of the expenses of training personnel. Can be vendor training or on the job.

* Statewide median wage 6.2%



\$1.2 M

General Fund Appropriation



60

Total Businesses Served



1,638

Vermont Employees Approved for Training



10.4%

Median Wage Increase from FY18 to FY19 *

Procurement Technical Assistance Center (PTAC)

Team of 7 located throughout the state to help businesses secure contracts from local, state, and federal government.



\$840,278

Federal Award and General Fund Match



\$168 M

Total Dollar Value of Contracts Assisted



2,304

Hours of Counseling Time for Client Support



3,503

Number of Contracts Won

Captive Insurance

Market to global businesses to domicile their captive insurance company in Vermont.



\$530,350

Special Funds (FY19)



\$26.13 M

Taxes and Fees Generated (2018)



22

Captives Licensed (2019)



560

Number of Active Captives

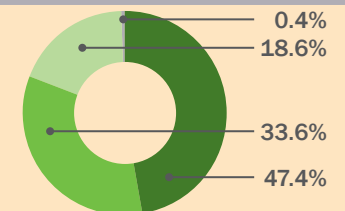
FY 2021

PROPOSED GENERAL FUND APPROPRIATION:

\$5 M

BUDGET **\$10,467,280**

| | |
|-------------------|-------------|
| ● General Funds | \$4,958,161 |
| ● Federal Funds | \$3,518,769 |
| ● Special Funds | \$1,945,350 |
| ● All Other Funds | \$45,000 |



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**EXECUTIVE DIRECTOR,
VERMONT ECONOMIC
PROGRESS COUNCIL**

Megan Sullivan

STAFF: 2 (FY 2020)



The Vermont Economic Progress Council is an independent council of citizens and legislators that serves as an approval and authorization body for the Vermont Employment Growth Incentive (VEGI) program and the Tax Increment Financing (TIF) program.

VEGI: Performance-based cash incentive (not a tax credit) paid to approved companies for job and payroll creation in any region of the state and in almost any sector.

TIF is a public infrastructure financing tool for municipalities to stimulate public and private real property development or redevelopment, causing growth in taxable values and new property tax revenue.

| Vermont Economic Progress Council (VEPC) | | | | | |
|---|--|--|---|--|---|
| VERMONT EMPLOYMENT GROWTH INCENTIVE (VEGI) | | | | | |
| Highlights \$58,427 AVERAGE WAGE \$3,769 COST PER JOB CREATED 72% ACTIVE/COMPLETED BUSINESSES HAVE FEWER THAN 100 EMPLOYEES | Pipeline (2019) 54 INQUIRIES 17 PRE-APPLICATIONS 7 FINAL APPROVALS | 2017 Activity Actual data from calendar year 2017 * Data is reported on a 2-year lag, so claims for 2017 were filed with tax in April 2018 and reported to VEPC in 2019. Later in 2020, we will have access to 2018 data. | \$28.1 M Qualifying Direct New Payroll, Total | 579 Qualifying Direct New Jobs, Total | |
| | | \$66.8 M Qualifying Direct Capital Investment, Total | 41 Net Claims Included in Actual Data | | |
| | | Totals Since Program Inception (2007-2017) | \$397 M Qualifying Direct New Payroll, Total | 6,795 Qualifying Direct New Jobs, Total | |
| | | \$896.7 M Qualifying Direct Capital Investment, Total | \$25.6 M Disbursements | | |
| TAX INCREMENT FINANCING (TIF) | | | | | |
| Highlights 11 TIF DISTRICTS \$346.7 M INCREASE IN TAXABLE VALUE \$61.7 M TOTAL WORK PERFORMED BY VT FIRMS | 2018 Activity Figures for all TIFs for fiscal year 2018 (July 1, 2017-June 30, 2018) ** Data is reported to VEPC annually by February 15. Fiscal year 2019 data will be reported to the Legislature by April 1, 2020. | \$8.9 M Total Incremental Revenue | \$816,000 New Incremental Revenue to Education Fund | \$6.3 M Public Infrastructure Investment | \$9 M Increase in Property Values |
| | Projections Figures for all TIFs from FY2019 through FY2038. Data includes newly approved TIF districts in Bennington and Montpelier. | \$306 M Total Incremental Revenue | \$49.6 M New Incremental Revenue to Education Fund | \$202.5 M Public Infrastructure Investment | \$612.5 M Increase in Property Values |

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Joan Goldstein

DIRECTOR OF FINANCIAL SERVICES

Ian Davis

STAFF: 1 (FY 2020)



Summary of FY 2019 Impacts

22
CAPTIVES
LICENSED

\$26.13 M
TAXES & FEES
GENERATED
(2018)

560
ACTIVE
CAPTIVES

| Captive Insurance (2019 Highlights) | | | | |
|--|---|--|--|--|
| <p>“The Gold Standard”</p> <p>Since 1981, when Vermont was one of the first states to adopt captive enabling legislation, the state has been at the forefront of the captive insurance industry.</p> | <p>39 Year-History of Captive Insurance</p> | <p>1,159 Captives Licensed (since 1981)</p> | <p>\$533.2 M Taxes and Fees Generated (since 1981)</p> | <p>#1 U.S. Domicile</p> |
| <p>Vermont’s Captive Industry</p> <p>Vermont’s extensive network of captive management firms and service providers are significant positive contributors to the state’s economy.</p> | <p>936 Direct and Indirect Jobs (2018)</p> | <p>\$91,552 Average Annual Wage (2018)</p> | <p>\$66.9 M Contribution to State Labor Income (2018)</p> | <p>\$158.4 M Contribution to State GDP (2018)</p> |
| <p>Vermont’s Captives by the Numbers</p> <p>Vermont’s sophisticated regulatory framework and professional approach continues to attract the highest quality companies, including many of the nation’s well-known Fortune 500.</p> | <p>\$194 B Assets Under Management</p> | <p>\$21.7 B Gross Written Premium</p> | <p>48 of the Fortune 100</p> | <p>18 of the Dow 30</p> |
| <p>Marketing and Business Development Activities</p> <p>The captive insurance marketplace is highly competitive and a variety of approaches are employed to ensure Vermont maintains its top-level status.</p> | <p>25+ National and International Speaking Engagements</p> | <p>6,000+ VT Captive Subscribers</p> | <p>1.5 M Targeted Digital Marketing Impressions</p> | <p>1 M+ Reach of Vermont Report (2018)</p> |

Financial Services (Captive Insurance): Promotes Vermont’s leading position as the top U.S. domicile for captive insurance and seeks out new and diversified opportunities in complimentary financial services industries. Strategies include the development and implementation of marketing plans, providing policy recommendations to state and federal policymakers to assure a beneficial business environment for expansion and relocation within the state, and acting as a spokesperson on behalf of Vermont to the global captive insurance industry.

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Joan Goldstein

DIRECTOR, WORKFORCE DEVELOPMENT PROGRAMS

John Young

STAFF: 1.5 (FY 2020)



Summary of FY 2019 Impacts

- 60** TOTAL BUSINESSES SERVED
- \$2.2 M** TOTAL TRAINING GRANTS AWARDED
- 1,638** VERMONT EMPLOYEES APPROVED FOR TRAINING

Vermont Training Program (VTP): VTP partners with employers and training providers to train Vermont's employees for the jobs of tomorrow. VTP provides performance based workforce grants for pre-employment training, training for new hires and incumbent workers. Training can either be on-site or through a training provider/vendor. Grants may cover up to 50% of the training cost.

Vermont Training Program (FY 2019 Highlights)

| PART OF BUSINESS SUPPORT UNIT | | | | | |
|--|---|--|--|---|---|
| FY19 Overview * Statewide median wage 6.2% | <p>\$1.2 M General Fund Appropriation</p> | <p>60 Total Businesses Served</p> | <p>1,638 Vermont Employees Approved for Training</p> | <p>10.4% Median Wage Increase from FY18 to FY19 *</p> | <p>\$1,375 Average Cost Per Employee</p> |
| Vermont Regions Served: TOTAL GRANT DOLLARS | <p>\$1,282,053 Northwest</p> | <p>\$173,942 Northeast</p> | <p>\$421,996 Central</p> | <p>\$242,012 Southwest</p> | <p>\$132,483 Southeast</p> |
| Vermont Regions Served: NUMBER OF EMPLOYEES APPROVED FOR TRAINING | <p>841 Northwest</p> | <p>197 Northeast</p> | <p>215 Central</p> | <p>163 Southwest</p> | <p>222 Southeast</p> |
| Employer Size Served | <p>15 Employers Served with 0-19 Employees</p> | <p>7 Employers Served with 20-49 Employees</p> | <p>11 Employers Served with 50-99 Employees</p> | <p>27 Employers Served with 100+ Employees</p> | <p>37% Employers Served with 0-49 Employees</p> |
| % of Funds Employee Size | <p>13% Employers Served with 0-19 Employees</p> | <p>13% Employers Served with 20-49 Employees</p> | <p>10% Employers Served with 50-99 Employees</p> | <p>64% Employers Served with 100+ Employees</p> | <p>26% Employers Served with 0-49 Employees</p> |
| Average Cost Per Employee | <p>\$2,549.25 Employers Served with 0-19 Employees</p> | <p>\$2,106.40 Employers Served with 20-49 Employees</p> | <p>\$1,231.99 Employers Served with 50-99 Employees</p> | <p>\$1,204.51 Employers Served with 100+ Employees</p> | <p>\$2,308.34 Employers Served with 0-49 Employees</p> |

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Representative Successes

WCEDP

The recent expansions of Whitney Blake Company and WW Building Supply advanced with funding from WCEDP.

Brownfields Initiative

Two ribbon cuttings occurred in 2019 to celebrate remediated sites: Robertson Paper Mill and Richmond Creamery.

NBRC

52% of projects funded critical infrastructure such as wastewater/water.

PTAC

Assisted Vermont contractors with a new VTrans contract vehicle, resulting in 85 successfully awarded JOC contracts.

Business Support (FY 2019 Highlights)

| | | | | |
|--|--|--|---|--|
| <p>Windham County Economic Development Program (WCEDP)</p> <p>Grants, loans, and incentives using 5-year funding provided through the Entergy/State MOU to promote economic development in Windham County.</p> | <p>\$8.7 M Program Dollars Invested to Date (Since 2014)*</p> | <p>\$625,000 Loans, Grants, and Incentives Obligated (2019)</p> | <p>33 Jobs Created (2019)</p> | <p>3 Businesses and Nonprofits Directly Impacted (2019)</p> |
| <p>Office of Economic Adjustment (OEA)</p> <p>Funding awarded by Department of Defense to help defense-related businesses develop accelerated growth and innovation in the Defense Industry Supply Chain.</p> | <p>\$2.0 M Federal Awards (to date)</p> | <p>3 Awards Secured</p> | <p>\$115,344 Funds Expended on Capability Enhancements</p> | <p>22 Businesses Served</p> |
| <p>State Trade Expansion Program (STEP)</p> <p>Funding awarded by Small Business Administration to help businesses win more opportunities to export.</p> | <p>\$477,289 Federal Award (FY 2019)</p> | <p>50 Businesses Assisted</p> | <p>\$1.85 M Export Sales Reported</p> | <p>\$12.2 M Export Sales Projected</p> |
| <p>Northern Border Regional Commission (NBRC)</p> <p>Quasi-federal 4 state partnership availing grant funds to non-profits and municipalities statewide.</p> | <p>146 Jobs Created or Retained</p> | <p>\$8.5 M Federal Dollars Invested</p> | <p>\$29.6 M Private Dollars Invested</p> | <p>16 Community Projects Served</p> |
| <p>Brownfields Initiative</p> <p>Funding awarded by the Environmental Protection Agency to support redevelopment of brownfields into productive community assets. Funds are provided as grants to non-profits or low-interest loans to for-profit entities. (Since Program origination in 2009)</p> | <p>\$5.75 M Federal Awards (to date)</p> | <p>\$4.98 M Funds Awarded to Redevelopments (to date)</p> | <p>\$70.6 M Redevelopment Dollars Leveraged (to date)</p> | <p>32 Property Clean-ups Complete</p> |

Federal grant programs bring various resources to foster economic development around the state.

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| Business Support (FY 2019 Highlights) | | | | | |
|---|---|---|--|---|-------------------------------------|
| <p>Regional Development Corporations (RDC)</p> <p>Twelve Regional Development Corporations partner with the State to provide technical assistance, access to state programs and resources, and local expertise.</p> | <p>\$1.3 M General Fund Appropriation Grants</p> | <p>41 Business Creations</p> | <p>94 Business Expansions</p> | <p>1,591 Jobs Impacted (created and retained)</p> | |
| <p>Vermont Center for Emerging Technologies</p> <p>Funding provides entrepreneurs and emerging growth firms with substantive mentoring, technical assistance, co-working facilities and management of the Vermont Seed Capital Fund.</p> | <p>\$100,000 Funds Awarded</p> | <p>259 Start-ups, Entrepreneurs and Expanding Firms Served</p> | <p>220 Co-Working Memberships Sustained</p> | <p>36 Businesses Served with Co-Working Memberships</p> | |
| <p>Vermont Employee Ownership Center</p> <p>Funding supports guidance and referrals to owners and employees interested in forming employee-owned businesses.</p> | <p>\$69,660 Funds Awarded</p> | <p>5 Intro to Ownership Succession Seminars</p> | <p>241 Attendees at the Vermont Employee Ownership Conference</p> | <p>49 Businesses Served with Repeated Technical Assistance</p> | |
| <p>Vermont Small Business Development Center</p> <p>Funding strengthens the ability of Vermont small businesses to: create jobs, secure capital, build wealth, use technology to improve efficiency, assist with continuity of operations planning and make connections. (Federal fiscal year)</p> | <p>\$357,400 Funds Awarded</p> | <p>\$31.17 M New Capital Formation</p> | <p>52 New Businesses Started</p> | <p>147 Jobs Created</p> | <p>406 Jobs Retained</p> |
| <p>UVM Office of Technology Commercialization</p> <p>Funding promotes an innovation ecosystem that supports economic development in Vermont by stewarding UVM discoveries through the commercialization process.</p> | <p>\$100,000 Funds Awarded</p> | <p>3 Venture Fund Grants Committed</p> | <p>1 New Patent Application Submitted</p> | <p>1 Accepted into Multi-State Incubator Program</p> | |

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Vermont 2019 Northern Border Regional Commission Grant Details

| | PROJECT COST | AMOUNT AWARDED | LOCATION |
|--|---------------------|--------------------|------------------|
| ECONOMIC & INFRASTRUCTURE DEVELOPMENT PROGRAM | | | |
| City of St. Albans: Build basic public infrastructure to redevelop the former Fonda/solo manufacturing site. | \$887,912 | \$443,956 | St. Albans |
| Vermont Community Loan Fund: Funding to launch a new lower-interest revolving loan fund to support capital needed for Vermont's working lands, forestry and outdoor recreation sector entrepreneurs. | \$830,006 | \$250,000 | Montpelier |
| City of Winooski: Install 0.75 miles of new municipally-owned underground infrastructure (ducting) to house electric power transmission lines and telecommunications equipment. | \$5,346,200 | \$450,000 | Winooski |
| Burke Fire District #1: Replace/install 2.4 miles of water mains, services, a new well, storage tank and water meters to allow continued growth in this busy recreational area. | \$3,580,000 | \$185,000 | Lyndonville |
| Northeastern Vermont Development Association: Identified NEK as OR trails destination in order to attract new businesses, create new jobs and increase the activity at local businesses. | \$343,290 | \$250,000 | St. Johnsbury |
| Let's Grow Kids: The Make Way for Kids (MWFK) project supports job retention by enabling parents with children 0-5 to stay in/return to the workforce. | \$836,231 | \$250,000 | Burlington |
| Alburgh School District: Build childcare center, thus creating related onsite childcare jobs and allowing families with young children to enter the workforce. | \$1,000,000 | \$250,000 | St. Albans |
| City of Newport: Improve pedestrian and motorist safety at Newport's downtown gateway by updating traffic signals. | \$613,500 | \$250,000 | Newport |
| Vermont Business Roundtable: Support for Vermont Talent Pipeline Management to provide new jobs and train employees; overcome workforce shortage. \$40k to OREC/VOBA development. | \$384,615 | \$250,000 | South Burlington |
| Town of Randolph: Replace North Reservoir water tank to improve water quality and allow for additional water allocations to further economic development. | \$1,925,000 | \$450,000 | Randolph |
| Vermont Council on Rural Development (VCRD): VCRD's Community Visits and Strategic Economic Interventions will advance local democracy and spur economic vitality of communities. | \$192,000 | \$122,000 | Montpelier |
| Southern Windsor County Incubator: Support construction of the Black River Innovation Campus (BRIC) in Springfield, VT. BRIC will bring new economic vitality to Springfield through scalable entrepreneurship-based digital economy jobs, creating at least 6 tech-based startup companies and 60 coding jobs by year 3. | \$250,000 | \$235,162 | Hartland |
| College of St. Joseph: To create a business plan and ecosystem map to build a center for innovation towards reinventing the use of the Rutland campus. | \$50,000 | \$50,000 | Rutland |
| Town of Bristol: Sewer and wastewater expansion. | \$14,179,000 | \$250,000 | Bristol |
| Northeast Kingdom Development Corporation: Build-out electrical infrastructure and power distribution at the Gilman Paper Mill site to enable on-site commercial usage. | \$836,809 | \$319,000 | Gilman |
| TOTAL | \$31,254,563 | \$4,005,118 | |
| REGIONAL FOREST PARTNERSHIP PROGRAM | | | |
| Brattleboro Development Credit Corporation: Design and permit a biomass combined heat and power energy plant at Long Falls Paperboard. | \$2,012,550 | \$1,000,000 | Brattleboro |
| Vermont Technical College: Create educational pathways to train and educate a skilled workforce in the forestry field. | \$1,300,000 | \$1,000,000 | Statewide Impact |
| Vermont Housing and Conservation Board: Advance the agricultural economy by launching the Northeast Agricultural Business Assistance Network. | \$960,092 | \$624,060 | Statewide Impact |
| Preservation Trust of Vermont*: Establish the Northern Heritage Economy Program in Vermont (and ME, NH, NY). | \$1,515,153 | \$1,000,000 | Statewide Impact |
| Northern Forest Center*: Launch the Northern Forest Rural Destination Development Initiative in Vermont (and ME, NH, NY). | \$1,135,346 | \$908,277 | Statewide Impact |
| TOTAL | \$6,923,151 | \$4,532,337 | |

* Allocation from a 4 state award.