

January 24, 2020

Representative Michael Marcotte, Chair
Representative Jean O'Sullivan, Vice-Chair
House Committee on Commerce and Economic Development
Room 35, 115 State Street, Montpelier, VT 05641

RE: Creation of the Vermont Coworking Fund

Dear Representatives Marcotte and O'Sullivan:

My name is Evan Carlson, Entrepreneur-in-Residence at Do North Coworking in Lyndonville, and I am writing on behalf of coworking spaces throughout Vermont, 17 of which signed below (there are currently a total of 32). Over the past year, we have formed a collaborative network which meets quarterly and actively shares updates, advice, challenges and success stories and even members. Many of our spaces have been partnering with other organizations (e.g. Center for Women & Enterprise, LaunchVT, Vermont Center for Emerging Technologies (VCET)) to bring business development and support programming to Vermonters throughout the state.

Together, we would like to propose the creation of a fund to support coworking spaces and innovation centers that facilitate the growing remote workforce and scaling businesses in rural Vermont.

We know people are moving to rural Vermont for the lifestyle, not the jobs, but without some core elements in place that move can be difficult. The ThinkVT initiative is hinged on the belief that attracting a more youthful population to the state, who work remotely, will lead to a larger tax base and a more resilient rural economy. To repopulate rural areas, we need to provide broadband access, vibrant village centers and a community to plug in to. Most hub towns struggle to provide this today, but coworking spaces are helping. Our spaces are multi-faceted facilities that provide:

- Soft landings - A built-in community of workers to connect with
- High speed internet - Business level speeds not accessible outside the village centers
- Entrepreneurial support - On-ramp for entrepreneurs to connect with business resources
- Collaboration - Natural opportunities for networking and building a sense of community

Every space in Vermont has a slightly different business model and funding strategy, with many relying on grants, donations, sponsorship or just bootstrapping. I am fortunate enough to have my role at Do North Coworking grant funded through 2021, though few other spaces in the state have paid staff and many are operated by volunteers working other full-time jobs.

While there is proof that rural coworking space can sustain themselves, the initial space fit up paired with operating expense can make the business model challenging. For instance, at Do

North Coworking, our 100mbps Spectrum internet service with a 30% discount is \$640/m, while in Burlington the same service can be purchased for \$55/m from Burlington Telecom. Next to staffing and rent, internet service is our highest expense which is a necessity for remote working.

For some spaces broadband is the major expense, for others it is entrepreneurship programming, fit up or initial operating capital. Most of our spaces are still in their infancy, but many have already made a sizable impact on our community; please see the Do North Coworking & Vermont Center for Emerging Technologies 2019 Impact Report.

Other states in our region have developed state funds to support coworking and anecdotally it has made a positive impact. What other programs exist?

- Massachusetts - Transformative Development Initiative/MassDev
 - Seed grant up to \$25,000
 - Fit up grants up to \$250,000 for new space builds
- Maine - Coworking Development Fund
 - Grants up to \$20,000 per space, per year - supports operations & programming


We hope that the House Committee on Commerce and Economic Development will further explore the development of a similar coworking fund in Vermont. When appropriate, the representatives from each of the coworking spaces signed below would welcome the opportunity to offer testimony to this committee.

Thank you for your consideration.

Sincerely,

Evan Carlson

Evan Carlson
Entrepreneur in Residence
Do North Coworking, Lyndonville
Northern Vermont University


Monique Priestley (Jan 23, 2020)
Monique Priestley
Executive Director
The Space On Main, Bradford

Sam Roach-Gerber

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Sam Roach-Gerber
Vermont Center For Emerging Technologies,
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Samantha Sheehan (Jan 24, 2020)

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David Bradbury

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Rick Woodward
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Mark Naud

Mark Naud (Jan 24, 2020)

Mark Naud
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Vermont Innovation Commons, Burlington

Joelle S. Greenland

Joelle S. Greenland (Jan 23, 2020)

Joelle Greenland
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The Lightning Jar, Bennington

Jake Lester

Jake Lester (Jan 23, 2020)

Jake Lester
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Spark!/Wonder Arts, Greensboro

AJ

AJ Rossman (Jan 24, 2020)

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12-22 North Co-working

Lylee Rauch-Kacenski

Lylee Rauch-Kacenski (Jan 24, 2020)

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Co-Owner/Marketing Director
Arnold Block, Bethel


Trevor Barlow

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Lindley Brainard (Jan 23, 2020)

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Deniz Sehovic (Jan 23, 2020)

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Hilary DelRoss (Jan 23, 2020)

Hilary DelRoss
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Launch Loft Coworking, Waterbury


Heather Fromkin (Jan 24, 2020)

Heather Fromkin
Founder
2Creative Community, Winooski


Michael Metz (Jan 24, 2020)

Michael Metz
Board Member
Generator, Burlington