



Vermont Employment Growth Incentive Program

Annual Report
2017



VEGI Program Impact Summary

ACTUAL ECONOMIC IMPACT TO DATE

(January 1, 2007 - December 31, 2015)

New Qualifying Jobs Created	5523
Total New Jobs (Direct & Indirect)	9162
New Qualifying Payroll Created	\$ 332,720,484
Average Wage.....	\$56,801
New Qualifying Capital Investments	\$ 771,631,552
Incentives Paid	\$ 18,855,465
Estimated Net Revenue Benefit to State	\$ 34,684,073

APPLICATION/INCENTIVE VOLUME

(January 1, 2007–December 31, 2016)

	<u># of Applications</u>	<u>Incentive Value</u>
Total Applications Considered.....	106	\$ 74,930,599
Denied Applications.....	5	\$ 2,198,190
Rescinded Initial Approvals.....	12	\$ 16,392,402
Terminated Incentives.....	41	\$ 16,731,978
Net Incentives Available	48	\$ 39,608,029
Incentives Paid to Date.....		\$ 18,855,465

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 approve 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 (Table 2)
2. Date and amount of each authorization (Table 1)
3. Expected years in which the authorization will be exercised (Table 1)
4. Whether the authorization is currently active (Table 1)
5. Date the authorization will expire (Table 1)
6. Aggregate number claims and incentives paid (Table 6)
7. Aggregate jobs, payroll and capital investment (Table 6)

Success Story



Commonwealth Dairy

Jackie Valazquez of Vernon was hired in October of 2013 as a temporary employee. Due to her work ethic, positive attitude and attention to detail, after three months she was promoted to a full time Lab Technician in Quality Assurance. Commonwealth Dairy was authorized for VEGI as a start-up in 2009 and then for a major expansion in 2012.

To read more success stories click [here](#).

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Introduction

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 because the incentives were authorized, only after the annual payroll, job and capital investment performance requirements are met and maintained. To be authorized, a company must apply to the Vermont Economic Progress Council (VEPC), a citizen board that must determine:

- Whether the economic activity would not occur or would occur in a significantly different and/or less desirable manner except for the incentive (But For);
- 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.

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. If the company earns the incentive by meeting performance requirements in a particular year, the incentive earned that year is then paid out in five annual installments, if the new jobs and payroll are maintained. Claims for VEGI incentive installments are examined annually by the Vermont Department of Taxes.

In early 2012, *Good Jobs First*, a national policy resource center for grassroots groups and public officials that promotes corporate and government accountability in economic development, rated Vermont's VEGI program as the best in the United States for enforcement, safeguarding the taxpayer, and ensuring good job creation.

This 2017 annual report on the VEGI program presents information on all applications considered by VEPC through December 2016, the economic activity *projected* by the active projects from the start of the program on January 1, 2007 through December 31, 2020, and the actual economic activity that has occurred from January 2007 through December 31, 2015, as reported on claims filed and examined by the Tax Department.

Further information on VEPC and the VEGI program is available at: <http://accd.vermont.gov/economic-development/funding-incentives/vegi>. Further information on the Department of Taxes is available at: <http://tax.vermont.gov/>. Statutory information on the program is contained in 32 V.S.A. §§3330-3342.

Success Story



Bariatric Nutrition Corp

Kris Richards was hired as a Production Supervisor in 2013, responsible for the operation of the line that produces protein shakes and smoothies, including supervision of four Machine Operators. Increases in production allowed Bariatric to hire additional employees in the Packaging Department, supporting the need for a supervisor. Due to Kris' dedication to building cohesive teams, he was promoted to Operations Supervisor in 2015, now with the oversight of seventeen employees.

To read more success stories click [here](#).

Section 1: Program Pipeline Data

Section 1 of this report provides an overview of the VEGI program’s pipeline of activity for the life of the program from inquiries, to pre-application estimates, actual applications, incentives authorized, incentives terminated and the remaining active incentives.

Chart 1 shows the progression of the program pipeline from inquiries to active incentives. The total universe of incentives that *could* have been authorized since the beginning of the program totals \$133 million (See Table 3 for detail on annual program cap). About half of the companies that inquired about the program proceeded to the next stage and asked for an estimate of incentives (Pre-Application) and half of those actually filed formal applications. Therefore, 113 (27%) of all contacts resulted in an actual application being filed. This represents a relatively high contact to application ratio for an economic development program.

The 113 applications filed and considered by VEPC represent the potential for authorizing incentives totaling \$76.2 million, based on the activity projected in those applications. However, about 21% of the applications filed were either denied (4%), withdrawn by the applicant (6%) or rescinded (11%). Rescinded means an Initial Application was filed, but for some reason the company did not file a Final Application (see Table 4 for details) and therefore, no incentives were authorized.

Of the 113 applications filed, 89 (79%) were authorized to earn incentives totaling \$56.3 million if performance requirements are met and maintained over a period from 2007 to 2024. Of the 89 projects authorized, 41 (46%) have been terminated (see Table 4 for detail). That leaves 48 (54%) of the authorized applications active with total potential incentives of \$39.6 million to be earned between 2007 and 2020. *Therefore, about half of the incentives the program was authorized to offer were actually approved and about 30% remain active.* The contact to project percentage of 21% is still fairly high for an economic development program.

Chart 2 illustrates the mix of inquiries, various application statuses, and active incentives by calendar year. One note of interest is the decrease in terminated incentives (blue) as the economic recovery progresses.

Chart 3 tracks projects from all inquiries through active incentives by type of project. The data clearly shows that the primary focus of the program is on Vermont companies (domestic expansions and start-ups) versus recruitment. Vermont companies represent 65% of all inquiries versus 33% of recruitment relocation or expansion situations. Of the active incentives, Vermont companies and start-ups represent 85% versus 10% recruitment.

Chart 4 tracks projects from all inquiries through active incentives by potential location (county) of the project, including inquires/applications which could not yet identify a specific location. The data shows that interest in project location is spread throughout the state.

Chart 5 illustrates inquiry origin by US Domestic (57%) and foreign (64%) and then further breaks out US domestic origin by US state and foreign origin by Canada and other. It is not surprising that the majority (37%) of the foreign inquiries originate in Canada, primarily Quebec. Also, it is not surprising that the majority of the projects originating from other US states come from neighboring Massachusetts, New York, and New Hampshire.

QUICK DATA FACT #1

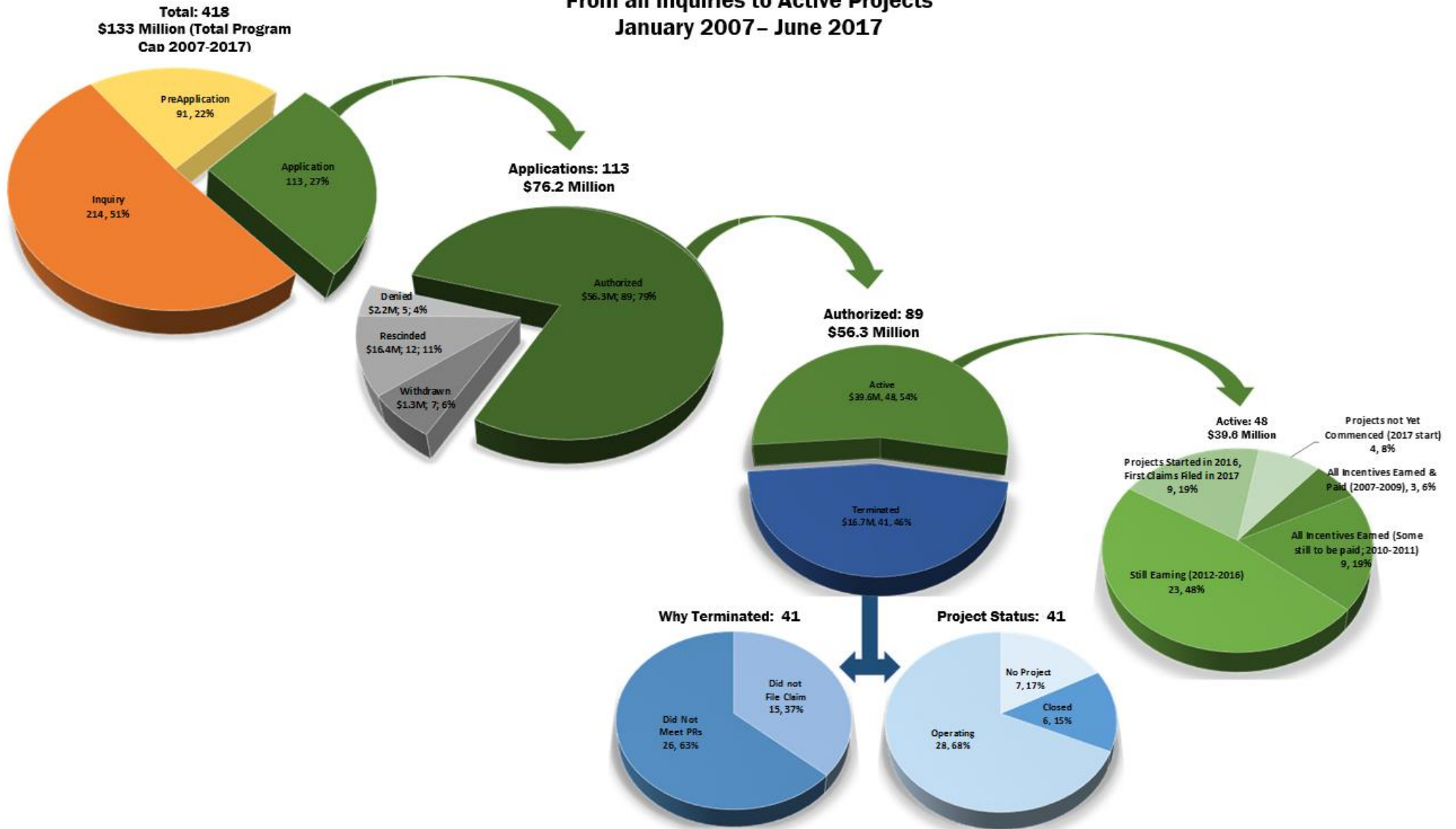
HOW MUCH ESTIMATED NET TAX REVENUE HAS THE VEGI PROGRAM GENERATED FOR VERMONT TO DATE?

\$ 34,684,073

(Estimated for 2007–2015, After Cost of Incentives Paid)

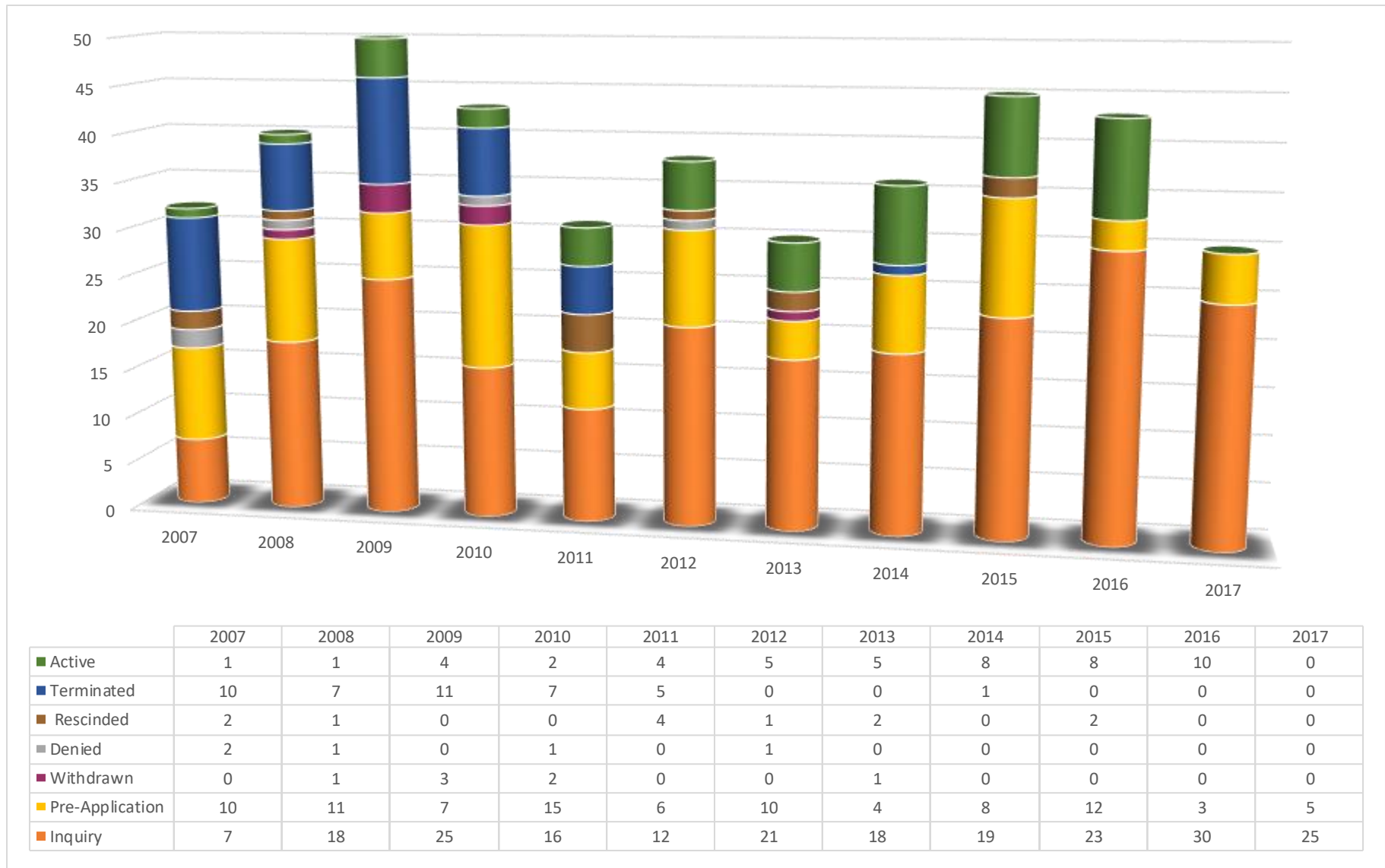
Section 1: Program Pipeline Data - Continued

Chart 1: Application Pipeline Data
From all Inquiries to Active Projects
January 2007 – June 2017



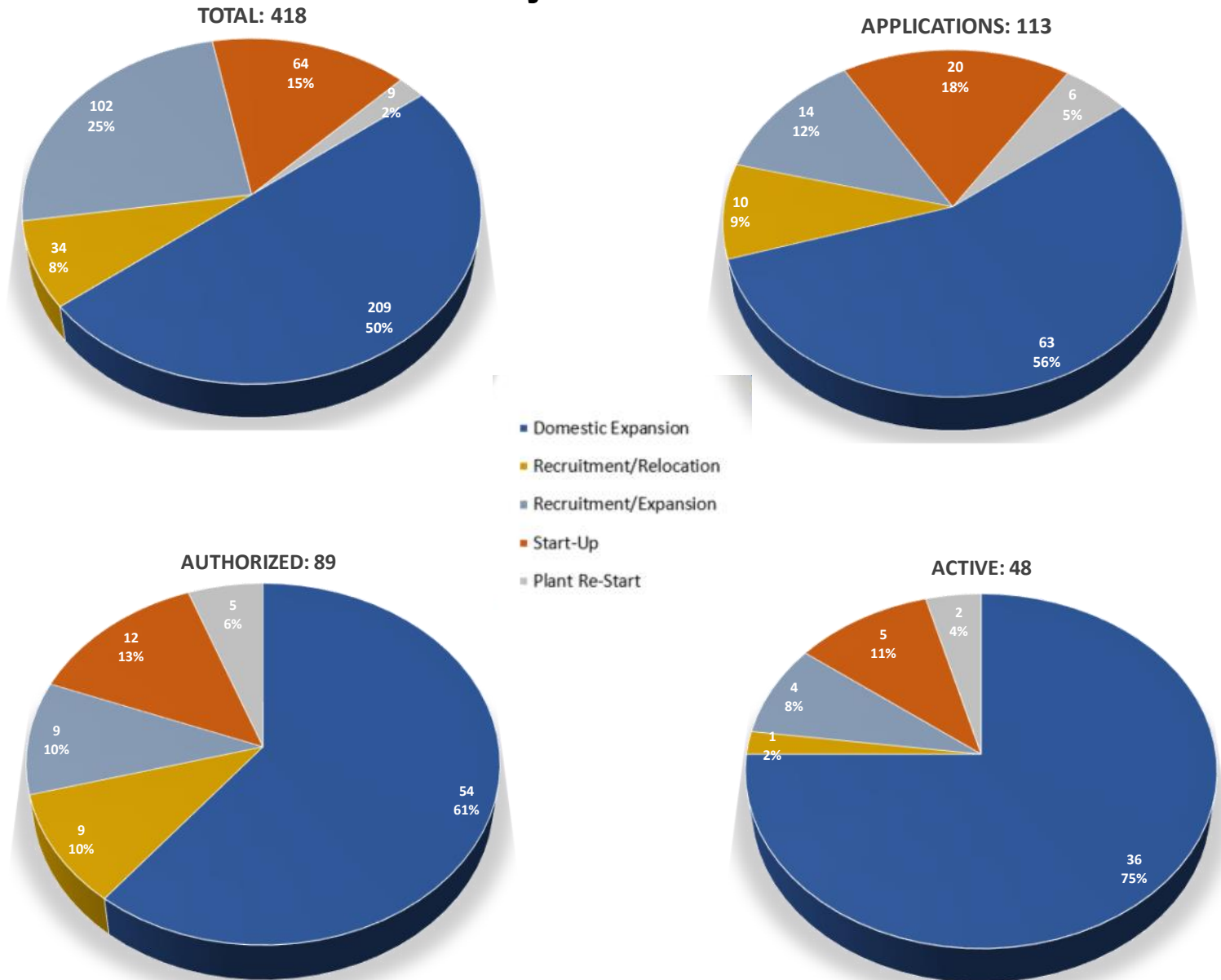
Section 1: Program Pipeline Data - Continued

**Chart 2: By Calendar Year
From all Inquiries to Active Projects
January 2007 - June 2017**



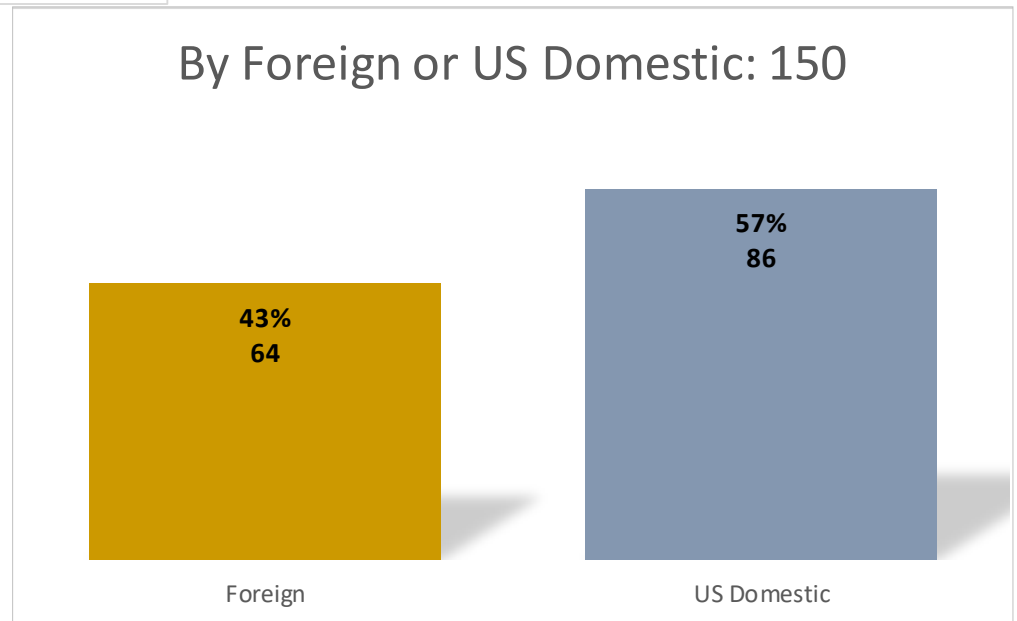
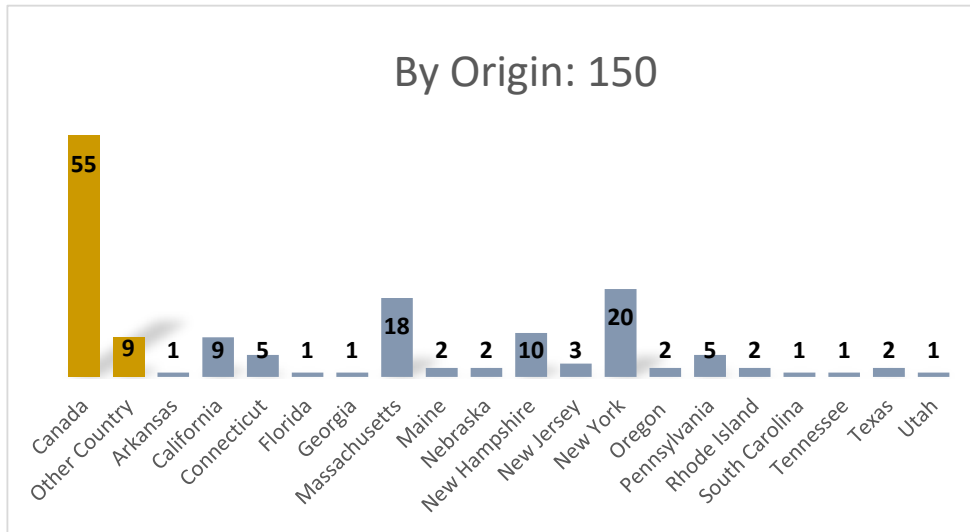
Section 1: Program Pipeline Data - Continued

Chart 3: By Type of Project
From all Inquiries to Active Projects
January 2007 - June 2017



Section 1: Program Pipeline Data - Continued

**Chart 5: Non Vermont Origin Profile
From all Inquiries to Active Projects
January 2007 - June 2017**



Section 2: Application Activity

Section 2 of this report provides information on application activity for January 2007 to December 2016.

Table 1 shows every application considered by the Vermont Economic Progress Council (VEPC) since the January 1, 2007 inception of the Vermont Employment Growth Incentive (VEGI) program. It includes the name of the applicant company, the date the Initial and/or Final Application was considered, the authorization (or earning) period, the status of the authorization as of December 31, 2016 and a number indicating one of five reasons for a rescinded or terminated status (see Endnote 2 for explanation of each number), a “Yes” or “No” indicating whether the project has been paid any incentives, the maximum level of incentives considered, the minimum amount of estimated net revenue that could be generated to the State by the project, any statutory enhancement authorized, the location of the project by county, and the type of economic development project.

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.” Incentives are not authorized until a Final Application has been approved. However, the amount of incentives listed when an application has received Initial Approval is booked against the cap for the calendar year in which the project commences.

The maximum incentive amount 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 maximum incentive amount 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 column also indicated that the earned incentives were recaptured or were partially paid. Statute authorizes 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.

Table 2 summarizes, as of December 31, 2016, the application volume, application status, the total amount of incentives considered and authorized, and the total amount and impact of incentive enhancements. It also shows the aggregate direct and indirect fiscal and economic impacts estimated by the VEGI cost-benefit model for all the economic activity projected to be undertaken by the authorized projects between 2007-2020 and the estimated incentive payments from 2008-2024.

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, 19 applications (18%) have been considered for the “Green VEGI” enhancement, 5 of which remain active. Due to this enhancement, incentives authorized were \$3.3 million higher and the estimated net return to the State was decreased by \$2.7 million.

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 18 applications, 11 of which are active. This enhancement has increased incentives by \$3.5 million and reduced the estimated net return by \$3.2 million, but each authorization still had a positive net return to the State.

As the summary data in Table 2 show, the net (not including denied and rescinded/terminated) incentives authorized through December 2016 total about \$40 million. These incentives can be earned by 48 projects planned to occur between 2007 and 2020 only if payroll, employment and capital investment performance requirements are met. Incentives are not paid out on a pro-rata basis if annual performance requirements are not met and maintained.

Section 2: Application Activity - Continued

As **Table 2** indicates, the projects approved through December 2016 are projected to create 3,302 *new, direct, qualifying jobs* (full-time, permanent, paying over the VEGI wage Threshold), over **\$148 million in new qualifying payroll** (above and beyond “background growth” payroll), and over **\$763 million in capital investments** in machinery and equipment and building construction and renovation. The new jobs to be created are projected to have a weighted average wage of \$44,932 and *average total compensation of \$55,677* (including benefits). This economic activity, scheduled to occur between 2007 and 2020, is the basis for the incentives calculated and the incremental revenue projected to be generated.

The incentives will be paid out between 2008 and 2024, only if performance requirements are met and maintained. The dollars to pay these incentives come from the incremental tax revenue these companies generate to the state when the economic activity summarized in Table 2 occurs. Each company was approved only after a determination was made that the activity would not occur, or would occur in a materially different and less desirable manner, unless the incentive was authorized (But For). Therefore, the tax revenue to pay the incentive to the companies are generated by the authorized companies and are revenues that would never have occurred, except for the incentive being approved.

In addition to the But For criteria, 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 by payroll withholding taxes. But new revenues are also generated from new personal 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.

As **Table 2** summarizes, the projects that have been authorized for incen-

tives will generate estimated new revenues to the State totaling over \$100.5 million, and the revenue costs, including the incentive payments are estimated to be about \$73.3 million. In addition to the new jobs, payroll and capital investments, the State of Vermont will realize estimated net new tax revenues totaling **\$27.2 million**. The VEGI program is a net revenue producer for the State of Vermont.

The fiscal estimates included in this report cover only the five-year earning period (revenue benefits, job creation, payroll generation, capital investments) and the nine year incentive payment period (revenue costs, incentive costs) that are included in the cost-benefit model. New revenues will continue to be generated to the State after this modeling period and jobs may continue to be created that are not accounted for in the modeling.

Table 2 also includes summary data on related and indirect economic activity that is projected to occur because of the incentives. The VEGI program is not a job retention program. However, the expansion projects authorized will also result in the retention of an estimated 6,046 existing jobs. The projects will also create about 802 “non-qualifying” full-time jobs (pay below the VEGI Wage Threshold) and over 3,700 indirect jobs throughout the state.

The projects will also generate \$45.7 million in new payroll that is considered “background” or “organic” growth payroll. The calculation of the incentive for *all* applications includes the discounting of a certain level of the new payroll that will be generated. This is 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.

In addition to the But For and cost-benefit criteria for approval, 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.

Section 2: Application Activity - Continued

Table 2 shows that the expected business-to-business relationships of applicants is estimated at over \$180 million each year.

Also summarized in **Table 2** is the median level of employee health care costs that are paid by the employers approved for VEGI incentives, at 71%. Further detail on employee wages and benefits is contained in Table 5 and Charts 11-21.

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.

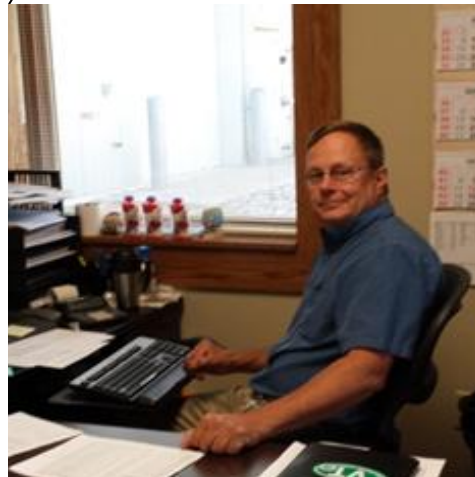
Table 4 provides an analysis of application status and a breakdown of incentive values for each status. VEPC has considered over 220 applications (Initial and Final) since the inception of the VEGI program in January 2007, an average of 20 per year. As of December 31, 2016, of the 113 projects submitted for consideration, 7 were withdrawn (6%).

Of the 106 Applications that were considered, 5 were denied (4%), 12 were rescinded (11%), 41 were terminated (39%), and 48 are active or complete (45%). The rescissions and terminations are due primarily to projects not going forward because of the economic downturn between 2008 and 2010.

As the data in **Table 4** shows, 44 (73%) of the 60 projects authorized to begin in 2007-2011 were terminated or rescinded. But only 9 (20%) of the 46 projects authorized between 2012-2016 have been rescinded or terminated. An indication that the economy is improving and more projects are progressing, successfully hiring Vermonters, and making capital investments in Vermont. For more detail on the reasons for rescissions and terminations, see Table 4.

Table 5 provides a breakdown of the wage levels of the 3,302 projected new qualifying jobs to be created by the authorized projects. This data is also shown graphically in Chart 11. Table 5 also provides a breakdown of the benefits offered by authorized companies and the amount of the benefit cost covered by the employer.

Success Story



Commonwealth Dairy

Sam Garland joined Commonwealth Dairy in the summer of 2011 with significant management experience in the food distribution industry. Wanting to be part of the company, Sam accepted a full time position as a packer. Within 2 weeks was helping to organize workflow and duty assignments for other packers. Shortly thereafter he was moved to our warehouse and within a matter of a few months Sam's hopes were realized and he moved into the role of Supply Chain Manager.

To read more success stories click [here](#).

Section 2: Application Activity - Continued

TABLE 1: VERMONT EMPLOYMENT GROWTH INCENTIVE
Applications Through December 31, 2016

Company Name	Date Initial Application Considered	Date Final Application Considered ¹	Authorization Period	Status	Term. Reason ²	Incentive Earned Yes/No	Maximum Incentive Considered	Minimum Net Revenue Benefit	Enhancement ³	Location	Type of Project
Ink Jet Machinery of Vermont	N/A	25-Jan-07	N/A	Terminated Jan 24, 2008	4	N	\$ 336,055	\$ -	N/A	Dorset	Startup
Olympic Precision, Inc./WIC/Town of Windsor	N/A	25-Jan-07	N/A	Terminated Sept 6, 2007	4	N	\$ 474,428	\$ -	N/A	Windsor	Recruitment
Monahan SFI, LLC	25-Jan-07	15-Feb-07	N/A	Term.-Recap. Sept 28, 2009	3	Y-Recaptured	\$ 791,277	\$ -	N/A	Middlebury	Plant Restart
Qimonda North America Corp.	N/A	15-Feb-07	N/A	Rescinded Mar 27, 2008	1	N	\$ 229,672	\$ -	N/A	So. Burl	Ret./Expansion
Rehab Gym, Inc.	N/A	22-Mar-07	N/A	Denied	5	N	\$ 255,439	\$ -	N/A	Colchester	Ret./Expansion
Applejack Art Partners	N/A	3-May-07	N/A	Terminated Oct 25, 2007	4	N	\$ 85,539	\$ -	N/A	Manchester	Recruitment
Omni Measurement Systems	N/A	3-May-07	N/A	Terminated Mar 25, 2010	4	Y-Partial	\$ 677,944	\$ -	N/A	Milton	Ret./Expansion
Vermont Timber Frames	N/A	3-May-07	N/A	Terminated Jan 16, 2013	2	Y-Partial	\$ 156,126	\$ -	N/A	Bennington	Recruitment/Exp.
Battenkill Technologies, Inc.	N/A	28-Jun-07	N/A	Terminated Jun 26, 2008	4	N	\$ 79,054	\$ -	N/A	Manchester	Recruitment
Burton Corporation	15-Feb-07	28-Jun-07	N/A	Terminated Mar 25, 2010	4	N	\$ 1,653,965	\$ -	N/A	Burlington	Ret./Expansion
Energizer Battery Manufacturing, Inc.	N/A	26-Jul-07	N/A	Terminated May 28, 2009	4	N	\$ 607,347	\$ -	N/A	St Albans	Ret./Expansion
NEHP, Inc.	15-Feb-07	25-Oct-07	N/A	Terminated Dec 8, 2011	2	N	\$ 182,396	\$ -	N/A	Williston	Ret./Expansion
Green Mountain Coffee Roasters, Inc.	24-May-07	25-Oct-07	2007-2011	Complete	N/A	Y	\$ 1,786,828	\$ 2,129,672	N/A	Waterbury/Essex	Ret./Expansion
Know Your Source, LLC	12/6/207	N/A	N/A	Denied	5	N	\$ 71,302	\$ -	N/A	Burlington	Startup
Mascoma Corporation	25-Oct-07	N/A	N/A	Rescinded Jun 26, 2008	1	N	\$ 1,942,989	\$ -	Green	WRJ	Recruitment/Exp.
CNC North, Inc.	24-Jan-08	6-Mar-08	N/A	Terminated Mar 25, 2010	4	N	\$ 70,533	\$ -	N/A	Springfield	Ret./Expansion
Vermont College of Fine Arts	N/A	27-Mar-08	2008-2012	Complete	N/A	Y	\$ 206,737	\$ 126,260	N/A	Montpelier	Startup
Isovolta, Inc.	27-Mar-08	26-Jun-08	N/A	Terminated May 28, 2009	4	N	\$ 568,330	\$ -	N/A	Rutland	Ret./Expansion
Vermont Castings Holding Company	N/A	18-Sep-08	N/A	Terminated May 28, 2009	4	N	\$ 488,000	\$ -	Green	Bethel	Ret./Expansion
New England Precision, Inc./Clifford Properties, Inc.	N/A	18-Sep-08	N/A	Terminated April 28, 2011	2	N	\$ 241,236	\$ -	N/A	Randolph	Ret./Expansion
Utility Risk Management Corp	26-Jun-08	23-Oct-08	N/A	Term-Recap November 25, 2013	3	Y-Recaptured	\$ 377,371	\$ -	N/A	Stowe	Recruitment/Relocation
Helix Global Solutions, Inc.	6-Mar-08	N/A	N/A	Rescinded Dec 4, 2008	1	N	\$ 53,739	\$ -	N/A	Burlington Area	Recruitment/Exp.
Vermont Wood Energy Corp	24-Jul-08	4-Dec-08	N/A	Denied	5	N	\$ 293,967	\$ -	Green	Rutland	Startup
Tata's Natural Alchemy	6-Dec-07	4-Dec-08	N/A	Terminated Mar 25, 2010	4	N	\$ 231,531	\$ -	N/A	Whiting/Shoreham	Startup
BioTek Instruments, Inc./Lionheart Technologies, Inc.	N/A	4-Dec-08	N/A	Terminated Dec 17, 2014	2	Y-Partial	\$ 692,854	\$ -	N/A	Winooski	Ret./Expansion
Dominion Diagnostics, LLC	23-Oct-08	22-Jan-09	N/A	Terminated April 28, 2011	2	N	\$ 103,300	\$ -	N/A	Williston	Recruitment/Exp.
Albany College of Pharmacy	6-Dec-07	22-Jan-09	2009-2013	Complete	N/A	Y	\$ 630,859	\$ 345,717	N/A	Colchester	Recruitment/Exp.
ASK-intag, LLC	4-Dec-08	26-Mar-09	N/A	Terminated December 5, 2013	2	Y-Partial	\$ 553,722	\$ -	N/A	Essex	Recruitment/Startup
Vermont Transformers, Inc.	4-Dec-08	26-Mar-09	N/A	Terminated May 25, 2011	3	N	\$ 267,569	\$ -	Green	St. Albans	Recruitment/Exp.
Project Graphics, Inc.	22-Jan-09	23-Apr-09	N/A	Terminated May 24, 2012	2	N	\$ 230,414	\$ -	N/A	So. Burlington	Recruitment
Durasol Awings, Inc.	26-Mar-09	28-May-09	N/A	Terminated Mar 25, 2010	4	N	\$ 245,795	\$ -	N/A	Middlebury	Ret./Expansion
Commonwealth Yogurt, Inc.	26-Jun-08	25-Jun-09	2009-2013	Active-Final	N/A	Y	\$ 1,201,154	\$ 614,505	N/A	Brattleboro	Recruitment/Startup
AirBoss Defense USA, Inc.	28-May-09	24-Sep-09	N/A	Terminated July 24, 2014	2	Y-Partial	\$ 243,279	\$ -	N/A	Milton	Recruitment/Exp.
Maple Mountain Woodworks, LLC	26-Feb-09	17-Dec-09	N/A	Term-Recap February 15, 2013	3	Y-Recaptured	\$ 143,436	\$ -	N/A	Richford	Startup
Terry Precision Bicycles for Women, Inc.	25-Jun-09	17-Dec-09	N/A	Terminated December 5, 2013	2	Y-Partial	\$ 126,296	\$ -	N/A	Burlington	Recruitment/Relocation
Northern Power Systems, Inc.	23-Jul-09	17-Dec-09	N/A	Terminated December 17, 2014	2	Y-Partial	\$ 808,104	\$ -	Green	Barre	Ret./Expansion
Green Mountain Coffee Roasters, Inc.	23-Jul-09	17-Dec-09	2009-2013	Complete	N/A	Y	\$ 292,307	\$ 1,736,611	N/A	Chittenden County	Ret./Expansion
MyWebGrocer, Inc	N/A	22-Oct-09	2010-2014	Active-Final	N/A	Y	\$ 453,475	\$ 286,567	N/A	Colchester	Ret./Expansion
SBE, Inc.	25-Jun-09	17-Dec-09	N/A	Terminated Dec 17, 2014	2	Y-Partial	\$ 3,048,671	\$ -	Green	Barre	Ret./Expansion
Seldon Technologies, Inc.	27-Aug-09	17-Dec-09	N/A	Terminated June 27, 2013	2	N	\$ 478,396	\$ -	Green	Windsor	Ret./Expansion
Business Financial Publishing, Inc.	28-Jan-10	N/A	N/A	Denied	5	N	\$ 162,473	\$ -	N/A	Burlington	Startup
New England Supply, Inc.	N/A	25-Mar-10	2010-2014	Active-Final	N/A	Y	\$ 67,953	\$ 36,088	N/A	Williston	Startup
The Original Vermont Wood Products, Inc.	N/A	27-May-10	N/A	Terminated Dec 8, 2011	3	N	\$ 100,604	\$ -	LMA	Pittsfield	Startup/Plant Restart
Westminster Cracker Company, Inc.	N/A	22-Jul-10	N/A	Terminated Jan 22, 2014	2	N	\$ 236,246	\$ -	LMA	Rutland	Ret./Expansion
Revision Eyewear, Ltd.	N/A	28-Oct-10	N/A	Terminated June 23, 2016	2	Y-Partial	\$ 552,193	\$ -	N/A	Essex	Ret./Expansion
Organic Trade Association	27-Jul-10	28-Oct-10	N/A	Terminated May 24, 2012	4	N	\$ 75,569	\$ -	N/A	Brattleboro	Recruitment/Relocation
Dealer.com, Inc.	28-Jan-10	16-Dec-10	2010-2014	Active-Final	N/A	Y	\$ 4,929,487	\$ 2,644,928	N/A	Burlington	Ret./Expansion
Pinnacle Sales Accelerators, LLC	27-May-10	16-Dec-10	N/A	Term-Recap. Jan 16, 2013	3	Y-Recaptured	\$ 111,635	\$ -	N/A	Burlington	Recruitment/Startup
Swan Valley Cheese Company of Vermont	22-Jul-10	16-Dec-10	N/A	Terminated Dec 17, 2014	2	Y-Partial	\$ 305,830	\$ -	LMA	Swanton	Plant Restart/Startup
Alpa, Inc.	16/2010	24-Mar-11	N/A	Terminated Jul 24, 2014	4	N	\$ 654,438	\$ -	Green	Essex	Recruitment/Exp.
Bariatix Nutrition Corp	27-Jan-11	24-Mar-11	N/A	Terminated Sept 22, 2016	2	Y-Partial	\$ 135,653	\$ -	N/A	Georgia	Ret./Expansion
eCorporate English, Ltd.	26-Aug-10	25-May-11	N/A	Terminated Sept 27, 2012	3	N	\$ 464,731	\$ -	N/A	Middlebury	Recruitment/Exp.
WCW, Inc.	28-Jul-11	27-Oct-11	N/A	Terminated Oct 22, 2015	2	N	\$ 512,449	\$ -	N/A	Manchester	Recruitment/Relocation

Section 2: Application Activity - Continued

**TABLE 1: VERMONT EMPLOYMENT GROWTH INCENTIVE
Applications Through December 31, 2016**

Company Name	Date Initial Application Considered	Date Considered ¹	Authorization Period	Status	Term. Reason ²	Incentive Earned Y/N	Maximum Incentive Considered	Minimum Net Revenue Benefit	Enhancement ³	Location	Type of Project
VSC Holdings, Inc.	24-Feb-11	27-Oct-11	2011-2015	Active-Final	N/A	Y	\$ 156,913	\$ 86,727	N/A	Hinesburg	Ret./Expansion
Carbon Harvest Energy, LLC/Brattleboro Carbon Harvest, LLC	24-Mar-11	8-Dec-11	N/A	Terminated Dec 13, 2012	3	N	\$ 568,913	\$ -	Green	Burl/Brattleboro	Ret./Expansion
Concepts ETI, Inc	25-May-11	8-Dec-11	2011-2015	Active-Final	N/A	Y	\$ 290,335	\$ 117,880	Green/LBW	Wilder	Ret./Expansion
SOH Wind Engineering, LLC	25-May-11	8-Dec-11	N/A	Terminated Sept 22, 2016	2	Y-Partial	\$ 153,994	\$ -	Green	Williston	Recruitment/Start-up
Green Mountain Coffee Roasters, Inc.	28-Jul-11	8-Dec-11	2011-2015	Active-Final	N/A	Y	\$ 4,696,809	\$ 6,297,553	N/A	Essex	Ret./Expansion
Ellison Surface Technologies, Inc.	26-Aug-10	8-Dec-11	2011-2015	Complete	N/A	Y	\$ 688,462	\$ 289,406	LMA	Rutland	Ret./Expansion
Skypoint Solar	16-Dec-10	N/A	N/A	Rescinded Dec 8, 2011	1	N	\$ 7,900,114	\$ -	Green	Burlington	Recruitment/Start-up
Transcend Quality Manufacturing, Inc.	27-Oct-11	N/A	N/A	Rescinded Dec 6, 2012	1	N	\$ 246,941	\$ -	LMA/Green	TBD	Recruitment/Start-up
Plasan Carbon Composites, Inc.	8-Dec-11	N/A	N/A	Rescinded Aug 30, 2012	1	N	\$ 516,395	\$ -	Green	Bennington	Ret./Expansion
Vermont Hard Cider Company, LLC	26-Jan-12	N/A	N/A	Rescinded Dec 6, 2012	1	N	\$ 260,176	\$ -	N/A	Middlebury	Ret./Expansion
Commonwealth Dairy, LLC	26-Jan-12	25-May-12	2012-2016	Active-Final	N/A	Y	\$ 303,004	\$ 277,714	N/A	Brattleboro	Ret./Expansion
Performa Limited, LLC	N/A	25-Oct-12	2012-2016	Active-Final	N/A	Y	\$ 133,617	\$ 62,088	N/A	Burlington	Ret./Expansion
Dynapower	22-Mar-12	13-Dec-12	N/A	Denied	5	N	\$ 1,415,009	\$ -	Green	So. Burlington	Ret./Expansion
Mylan Technologies, Inc	26-Jan-12	13-Dec-12	2012-2016	Active-Final	N/A	Y	\$ 5,733,506	\$ 2,786,740	N/A	St. Albans	Ret./Expansion
Revision Ballistics	18-Apr-12	13-Dec-12	2012-2016	Active-Final	N/A	Y	\$ 734,081	\$ -	LMA	Newport	Plant Restart/Start-up
Seventh Generation	26-Apr-12	13-Dec-12	2012-2016	Active-Final	N/A	Y	\$ 454,728	\$ 233,150	Green	Burlington	Ret./Expansion
AFCell Medical	24-Mar-11	N/A	N/A	Rescinded Dec 5, 2013	1	N	\$ 1,338,444	\$ -	N/A	TBD	Recruitment/Start-up
Freedom Foods	13-Dec-12	24-Oct-13	2013-2017	Active-Final	N/A	Y	\$ 267,762	\$ 128,639	Educ Tax Stabil	Randolph	Ret./Expansion
Logic Supply, Inc.	25-Apr-13	24-Oct-13	2013-2017	Active-Final	N/A	Y	\$ 352,912	\$ 219,038	N/A	South Burlington	Ret./Expansion
BioTek Instruments, Inc./Lionheart Technologies, Inc.	28-Mar-13	5-Dec-13	2013-2017	Active-Final	N/A	Y	\$ 325,111	\$ 675,788	N/A	Winooski	Ret./Expansion
Dealer.com II	25-Apr-13	5-Dec-13	2013-2017	Active-Final	N/A	Y	\$ 1,201,850	\$ 1,970,120	N/A	Burlington	Ret./Expansion
Farmer Mold & Machine	25-Jul-13	5-Dec-13	N/A	Terminated Jun 23, 2015	4	N	\$ 258,518	\$ -	LMA	No. Clarendon	Recruitment/Relocation
JBM Sherman Carmel	22-Aug-13	5-Dec-13	2013-2017	Active-Final	N/A	Y	\$ 136,744	\$ 15,938	LMA	Bennington	Ret./Expansion
Keurig Green Mountain	19-Mar-14	24-Apr-14	2014-2018	Active-Final	N/A	Y	\$ 971,028	\$ 451,047	N/A	Williston	Ret./Expansion
Cambridge Valley Machining, Inc.	28-Mar-13	N/A	N/A	Rescinded Dec 17, 2014	1	N	\$ 140,049	\$ -	N/A	Bennington	Recruitment/Expansion
AGrown (AEG Holdings, LLC)	26-Sep-13	N/A	N/A	Rescinded Dec 17, 2014	1	N	\$ 2,010,364	\$ -	Green	TBD	Recruitment/Start-up
Vermont Packinghouse	25-Jul-13	17-Dec-14	2014-2018	Active-Final	N/A	Y	\$ 233,252	\$ -	LMA	Springfield	Recruitment/Start-up
G. S. Blodgett Corp.	19-Mar-14	17-Dec-14	2014-2018	Active-Final	N/A	Y	\$ 754,104	\$ 410,685	N/A	Essex	Ret./Expansion
Twincraft, Inc	24-Jul-13	17-Dec-14	2014-2018	Active-Final	N/A	Y	\$ 532,584	\$ 512,840	LBW	Essex	Ret./Expansion
Cabot Hosiery Mills, Inc	17-Dec-14	3-Dec-15	2015-2019	Active-Final	N/A	N	\$ 1,336,191	\$ 543,355	N/A	Northfield	Ret./Expansion
Flex-A-Seal, Inc	17-Dec-14	3-Dec-15	2015-2019	Active-Final	N/A	Y	\$ 144,998	\$ 208,891	N/A	Essex Jct	Ret./Expansion
National Hanger Company, Inc	17-Dec-14	22-Sep-15	2015-2019	Active-Final	N/A	Y	\$ 272,369	\$ 41,557	LMA	N. Bennington	Ret./Expansion
Precyse Solutions, LLC	17-Dec-14	3-Dec-15	2015-2019	Active-Final	N/A	N	\$ 378,703	\$ 212,590	N/A	Statewide	Recruitment/Expansion
Revision Military, LTD	6-Apr-15	27-Oct-15	2015-2019	Active-Final	N/A	Y	\$ 167,295	\$ 57,308	N/A	Essex	Ret./Expansion
Vermed	26-Apr-15	3-Dec-15	2015-2019	Active-Final	N/A	N	\$ 292,421	\$ -	LMA	Bellows Falls	Ret./Expansion
Maponics, LLC	28-May-15	3-Dec-15	2015-2019	Active-Final	N/A	N	\$ 156,490	\$ 269,165	N/A	White River Jct	Ret./Expansion
Revision Ballistics, LTD	28-May-15	27-Oct-15	2015-2019	Active-Final	N/A	Y	\$ 619,007	\$ -	LMA	Newport	Ret./Expansion
GW Plastics, Inc.	23-Jul-15	3-Dec-15	2015-2019	Active-Final	N/A	Y	\$ 977,364	\$ 349,171	LMA	Bethel	Ret./Expansion
Triad Design Services, Inc.	26-Feb-15	N/A	N/A	Rescinded Sept 22, 2016	1	N	\$ 968,657	\$ -	N/A	Williston	Ret./Expansion
GS Precision, Inc.	23-Jun-15	3-Nov-16	2016-2020	Active-Final	N/A	N	\$ 1,154,702	\$ -	LMA	Brattleboro	Ret./Expansion
Composites BHS, Inc.	22-Oct-15	3-Nov-16	2016-2020	Active-Final	N/A	N	\$ 512,145	\$ -	LMA	St. Johnsbury	Recruitment/Expansion
Britton Lumber Company, Inc.	3-Dec-15	N/A	N/A	Rescinded May 26, 2016	1	N	\$ 784,862	\$ -	Green	Fairlee	Plant Restart
Imerys Talc Vermont, Inc.	28-Jan-16	3-Nov-16	2016-2020	Active-Final	N/A	N	\$ 696,332	\$ 398,821	N/A	Ludlow	Ret./Expansion
LTK Consulting Services, Inc.	28-Jan-16	3-Nov-16	2016-2020	Active-Final	N/A	N	\$ 184,683	\$ 76,325	N/A	White River Jct	Recruitment/Relocation
Vermont Aerospace-AIAC	5-May-16	8-Dec-16	2016-2020	Active-Final	N/A	N	\$ 328,841	\$ 29,592	LMA	Lyndon	Plant Restart
Autumn Harp	N/A	26-May-16	2016-2020	Active-Final	N/A	N	\$ 570,225	\$ 525,444	N/A	Essex	Ret./Expansion
Bariatrx Nutrition Corp II	23-Jun-16	8-Dec-16	2016-2020	Active-Final	N/A	N	\$ 152,843	\$ 83,813	N/A	Georgja	Ret./Expansion
Caledonia Spirits/Lineage Realty	23-Jun-16	8-Dec-16	2016-2020	Active-Final	N/A	N	\$ 684,035	\$ 302,215	N/A	Montpelier	Ret./Expansion
Chroma Technology Corp	23-Jun-16	8-Dec-16	2016-2020	Active-Final	N/A	N	\$ 596,297	\$ 612,342	N/A	Bellows Falls	Ret./Expansion
Vermont Precision Tool	3-Nov-16	N/A	2017-2021	Active-Initial	N/A	N	\$ 304,997	\$ 259,498	N/A	Swanton	Ret./Expansion
Westminster Cracker Company	17-Nov-16	N/A	2017-2021	Active-Initial	N/A	N	\$ 194,485	\$ (48,296)	LMA	Rutland	Ret./Expansion
Kingdom Pellets, LLC	3-Dec-15	N/A	2017-2021	Active-Initial	N/A	N	\$ 337,914	\$ 58,977	LMA/Green	Lunenburg	Start-up
Commonwealth Dairy, LLC	8-Dec-16	N/A	2017-2021	Active-Initial	N/A	N	\$ 648,327	\$ 788,524	N/A	Brattleboro	Ret./Expansion

**TABLE 2: SUMMARY OF INCENTIVE AUTHORIZATION DATA
FOR ALL APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2016
TOTAL PROJECTED ECONOMIC ACTIVITY, 2007 - 2021**

Application Count	Total Considered	Approved - Complete and Active ⁴	Rescinded/ Terminated ⁵	Denied
Total Applications Considered:⁶	106	48	53	5
Percent of Total Applications	N/A	45%	50%	5%
Regular VEGI Applications:	87	43	41	3
"Green VEGI" Applications: ⁷	19	5	12	2
LMA Enhanced Applications:	18	11	4	0
Lookback Waived Applications:	2	2	0	0
Authorization Summary:		Direct Estimated Economic Impact:		
Total Incentives Considered To Date:	\$ 74,930,599	New Qualifying FT Jobs Projected:		3,302
Total Incentives Denied To Date:	\$ 2,198,190	New Qualifying FT Payroll Projected:		\$ 148,485,288
Total Incentives Rescinded/Terminated to Date:	\$ 33,124,380	Weighted Average Wage of New Qualifying Jobs:		\$ 44,932
Net Incentives Authorized to Date:	\$ 39,608,029	Average Total Compensation for New Qualifying Jobs:		\$ 55,677
Incentive Enhancements:		New Qualified Capital Investment Projected:		
Increase in Incentives Due to Enhancements:		Related Estimated Economic Activity:		
Green VEGI	\$ 3,316,594	Retained Full-time Jobs: ⁸		6,046
LMA Enhancement	\$ 3,561,517	Full-time Non-Qualifying Job Creation: ⁹		802
Total	\$ 6,878,111	Indirect Job Creation: ¹⁰		3,732
Decrease in Net Revenue Return Due to Enhancements:		Total Full-time Job Creation:		7,836
Green VEGI	\$ 2,760,291	New Payroll Considered Background Growth: ¹¹		\$ 45,729,925
LMA Enhancement	\$ 3,198,043	Average Health Care Premium Paid by Employer: ¹²		71%
Total	\$ 5,958,334	Approximate Value of VT Biz-to-Biz Interactions: ¹³		\$ 180,055,648
		Direct Estimated Fiscal Impact¹⁴		
		Total Revenue Benefits to the State:		\$ 100,554,875
		Total Revenue Costs to the State, Including Incentives:		\$ 73,329,963
		Net Fiscal Return to the State:		\$ 27,224,912

**TABLE 3: ANNUAL AUTHORIZATION AND LMA ENHANCEMENT CAPS
FOR APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2016
TOTAL PROJECTED INCENTIVE PAYMENTS, 2007 - 2026**

Annual Incentives/Caps: ¹⁵		%
2007 Cap	\$ 10,000,000	
Initial Approvals	\$ 4,078,156	41%
Final Approvals	\$ 6,830,959	68%
Active as of 12/31/2016	\$ 1,786,828	18%
Net Cap Balance	\$ 8,213,172	82%
2008 Cap	\$ 10,000,000	
Initial Approvals	\$ 4,809,164	48%
Final Approvals	\$ 2,183,738	22%
Active as of 11/03/2016	\$ 206,737	2%
Net Cap Balance	\$ 9,793,263	98%
2009 Cap	\$ 10,000,000	
Initial Approvals	\$ 5,425,247	54%
Final Approvals	\$ 5,539,089	55%
Active as of 12/31/2016	\$ 2,124,320	21%
Net Cap Balance	\$ 7,875,680	79%
2010 Cap1	\$ 23,000,000	
Initial Approvals	\$ 8,566,823	37%
Final Approvals	\$ 10,360,059	45%
Active as of 12/31/2016	\$ 5,450,915	24%
Net Cap Balance	\$ 17,549,085	76%
2011 Cap2	\$ 18,000,000	
Initial Approvals	\$ 14,532,959	81%
Final Approvals	\$ 8,322,697	46%
Active as of 12/31/2016	\$ 5,832,519	32%
Net Cap Balance	\$ 12,167,481	68%
2012 Cap3	\$ 12,000,000	
Initial Approvals	\$ 8,127,120	68%
Final Approvals	\$ 7,358,936	61%
Active as of 12/31/2016	\$ 7,358,936	61%
Net Cap Balance	\$ 4,641,064	39%
2013 Cap	\$ 10,000,000	
Initial Approvals	\$ 4,391,060	44%
Final Approvals	\$ 2,542,897	25%
Active as of 12/31/2016	\$ 2,284,379	23%
Net Cap Balance	\$ 7,715,621	77%
2014 Cap	\$ 10,000,000	
Initial Approvals	\$ 4,381,342	44%
Final Approvals	\$ 2,490,968	25%
Active as of 12/31/2016	\$ 2,490,968	25%
Net Cap Balance	\$ 7,509,032	75%
2015 Cap4	\$ 15,000,000	
Initial Approvals	\$ 4,331,442	29%
Final Approvals	\$ 4,344,838	29%
Active as of 12/31/2016	\$ 4,344,838	29%
Net Cap Balance	\$ 10,655,162	71%
2016 Cap	\$ 10,000,000	
Initial Approvals	\$ 6,058,943	61%
Final Approvals	\$ 4,880,102	49%
Active as of 12/31/2016	\$ 4,880,103	49%
Net Cap Balance	\$ 5,119,897	51%
2017 Cap	\$ 10,000,000	
Initial Approvals	\$ 1,485,723	15%
Final Approvals	\$ -	0%
Active as of 12/31/2016	\$ 1,485,723	15%
Net Cap Balance	\$ 8,514,277	85%

Annual LMA Enhancement Cap: ¹⁶		%
2007 Cap	\$ 1,000,000	
Approvals	\$ -	0%
Cap Balance	\$ 1,000,000	100%
Active	\$ -	0%
Net Cap Balance	\$ 1,000,000	100%
2008 Cap	\$ 1,000,000	
Approvals	\$ -	0%
Cap Balance	\$ 1,000,000	100%
Active	\$ -	0%
Net Cap Balance	\$ 1,000,000	100%
2009 Cap	\$ 1,000,000	
Approvals	\$ -	0%
Cap Balance	\$ 1,000,000	100%
Active	\$ -	0%
Net Cap Balance	\$ 1,000,000	100%
2010 Cap	\$ 1,000,000	
Approvals	\$ 228,459	23%
Cap Balance	\$ 771,541	77%
Active	\$ -	0%
Net Cap Balance	\$ 1,000,000	100%
2011 Cap	\$ 1,000,000	
Approvals	\$ 322,655	32%
Cap Balance	\$ 677,345	68%
Active	\$ 322,655	32%
Net Cap Balance	\$ 677,345	68%
2012 Cap	\$ 1,000,000	
Approvals	\$ 313,144	31%
Cap Balance	\$ 686,856	69%
Active	\$ 247,632	25%
Net Cap Balance	\$ 752,368	75%
2013 Cap	\$ 1,000,000	
Approvals	\$ 133,606	13%
Cap Balance	\$ 866,394	87%
Active	\$ 57,074	6%
Net Cap Balance	\$ 942,926	94%
2014 Cap	\$ 1,000,000	
Approvals	\$ 90,833	9%
Cap Balance	\$ 909,167	91%
Active	\$ 90,833	9%
Net Cap Balance	\$ 909,167	91%
2015 Cap5	\$ 1,200,000	
Approvals	\$ 946,733	79%
Cap Balance	\$ 253,267	21%
Active	\$ 946,733	79%
Net Cap Balance	\$ 253,267	21%
2016 Cap6	\$ 1,500,000	
Approvals	\$ 1,359,763	91%
Cap Balance	\$ 140,237	9%
Active	\$ 1,359,763	91%
Net Cap Balance	\$ 140,237	9%
2017 Cap	\$ 1,000,000	
Approvals	\$ 166,324	17%
Cap Balance	\$ 833,676	83%
Active	\$ 166,324	17%
Net Cap Balance	\$ 833,676	83%

Section 2: Application Activity - Continued

TABLE 4: APPLICATION STATUS DETAIL
FOR ALL APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2016

APPLICATION STATUS:				
TOTAL FINAL APPLICATIONS CONSIDERED:				106
AVERAGE FINAL APPLICATIONS PER YEAR:				10
Annual Breakdown:		Active	Terminated/ Rescinded	Denied
2007	13	1	11	1
2008	11	1	8	2
2009	13	3	10	0
2010	12	3	8	1
2011	11	4	7	0
Five Year Sub Total:	60	12	44	4
		20%	73%	7%
2012	9	5	3	1
2013	7	5	2	0
2014	6	4	2	0
2015	9	9	0	0
2016	11	9	2	0
2017	4	4	0	0
Five Year Subtotal:	46	36	9	1
		78%	20%	2%
Total:		48	53	5
Total:		45%	50%	5%

SUMMARY OF APPLICATION STATUS/INCENTIVE LEVELS			
STATUS	NUMBER	PERCENT	VALUE
All Applications Submitted	113	100%	\$76,226,978
Withdrawn	7	6%	\$1,296,379
All Applications Considered	106	94%	\$74,930,599
Denied	5	5%	\$2,198,190
Rescinded	12	11%	\$16,392,402
Net Incentives Authorized	89	84%	\$56,340,007
Terminated Incentives	41	39%	\$16,731,978
Net Incentives Available	48	45%	\$39,608,029

REASONS FOR TERMINATION/RESCISSION:	
Number	Reason
12	No Final Application submitted. Initial application rescinded. No incentives authorized.
18	Project commenced, but for a certain year, Performance Requirements were never met. Incentives terminated.
8	Project commenced, but company closed or reduced employment below 90%. Incentives terminated.
15	Project commenced, but in a subsequent year company failed to file a VEGI claim. Incentives terminated.
53	Total
	Detail of Rescissions:
5	Project occurred in another state
2	Project did not occur at all
3	Project could not find capital
2	No Final Application, but project started in Vermont anyway
12	Subtotal
	Detail of Terminations:
21	Did not meet Performance Requirements by end of grace period
10	Earned Partial Incentives
11	No Incentives earned
6	Closure of Business
0	Earned Partial Incentives
5	Recapture of Incentives Required
1	No Incentives earned
14	Failed to file claim
0	Earned Incentives
14	No Incentives earned
41	Subtotal

QUICK DATA FACT #2

HOW MUCH HAS ACTUALLY BEEN PAID BACK TO COMPANIES
IN VEGI INCENTIVES TO DATE (2007-2015)?

\$18,855,465

TABLE 5: PROJECTED WAGES AND BENEFITS
FOR ALL ACTIVE APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2016

NOTE: ALL DATA IN THIS TABLE BASED ON 48 ACTIVE COMPANIES ONLY.									
Wage Levels: (In \$000's)	Total	\$25-\$29	\$30-\$39	\$40-\$49	\$50-\$59	\$60-\$69	\$70-\$79	\$80-\$89	\$90+
Number of Jobs	3302	1007	779	498	308	278	153	209	70
Percentage of Total Jobs	100%	30%	24%	15%	9%	8%	5%	6%	2%
Benefits Paid by Employers:	Number Offering Benefit	Percentage Offering Benefit	Average Percentage of Benefit Paid by Employers						
Medical Premium	47	98%	98%			NOTE: BENEFITS AS REPORTED BY APPLICANT. IN SOME CASES, A BENEFIT MAY BE OFFERED BUT APPLICANT DID NOT REPORT IT.			
Dental Premium	37	77%	77%						
Vision Premium	28	58%	58%						
Life Insurance	36	75%	75%						
Short-Term/Long-Term Disability Ins.	33	69%	69%						
Accidental Death/Dismemberment Ins.	11	23%	100%						
Retirement Contribution	35	73%	73%						
Paid Leave	41	85%	75%						
Other	19	40%	65%						

QUICK DATA FACT #3
HOW MANY NEW JOBS HAVE VEGI COMPANIES ACTUALLY CREATED TO DATE? (2007-2015)

Direct and Indirect New Jobs: 9,162
 New Qualifying Jobs: 5,523

Section 3: Projected and Actual Economic Activity

Section 3 of this report provides data on the projected and actual economic activity between January 1, 2007 and December 31, 2015.

Table 6 aggregates, by calendar year, the number of claims expected to be filed, the disposition of claims, and the projected *and actual* qualifying job creation, qualifying payroll generation, capital investments, incentive payments, and the estimated net revenue benefit for the State for activity that has actually occurred between January 1, 2007 and December 31, 2015.

VEGI claims must be filed each year for the economic activity that occurred during the previous calendar year. For example, claims for activity in 2015 were filed in April 2016 and examined by the Tax Department during 2016. Incentive payments, if earned, were paid in late 2016. Therefore, there is a one year delay before the claim and actual activity data is available. This is why this report includes application data through December 2016, but actual earning and economic activity for 2007–2015.

Only the companies that met performance requirements for the year being examined earned the incentives for that year. The \$3.4 million in incentive payments for 2015 shown in **Table 6** were paid because the 38 companies met the performance requirements for 2015 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.

The projected and actual economic activity data detailed in **Table 6** are for the companies that met performance requirements and may include data for companies that have not yet met performance requirements. Data for companies that did not meet performance requirements, but are still within the “grace period” are included because a company is not removed from the program if they do not meet their requirements by the due date (December 31 of each year). These companies created jobs, generated payroll, and made capital investments, but not to the extent that

met the performance measures. No incentive is paid to such a company until and unless the requirements are met. This economic activity, however, must be counted and is included in the calculation of the estimated net revenue benefit to the State. If a company does not meet performance requirements within the required period after the performance requirement date (within two years of the target date), no incentive for that year can be earned or paid and any future incentives are terminated.

As **Table 6** and **Charts 6-10** indicate, actual new job creation, payroll creation and capital investments have outpaced projections in each year. As a result, the projected net revenue benefit to the State from economic activity through December 2015 is much higher than projected. The net revenue benefit was estimated at about \$25 million. The economic activity that has actually occurred, and the incentives installments actually paid were re-modeled using the same cost-benefit model used for the application approval process. The model estimates a **net revenue benefit to the State of \$34,684,073** for the activity that has actually occurred between 2007 and 2015. This means a return of \$6,280 in new tax revenue to the State for each new qualifying job created by the projects in the VEGI program.

It should be noted that once a company is rescinded or terminated their economic activity is no longer included in the modeling of the revenue impact, but those companies may have contributed jobs and investments during this period. For example, a company was authorized for incentives to move from another state to Vermont and create more jobs. The move occurred, jobs were created, but not at a level that met performance requirements to earn the incentive. The company would be removed from the program but still operates in Vermont. Therefore, economic activity occurred and new tax revenues were generated to the State, but no incentives were ever paid. There are about 20 such companies that had levels of economic activity insufficient to meet performance requirements but still generating tax revenues to the state.

Charts 6 through 10 graphically compare projected program economic activity and economic impact and the actual activity and impact.

Chart 6 illustrates the projected and actual new qualifying job creation between 2007 and 2015, showing that the authorized projects have created 5,523, or 119% *more* new jobs than projected for this period. These are all full-time, non-owner, jobs paying above the VEGI Wage Threshold and providing benefits including an average 71% of the medical premium paid by the employer.

Chart 7 illustrates the difference between the projected and actual payroll created for these full-time, qualifying jobs. The actual payroll created is \$332 million or 172% *more* than projected.

Similarly, **Chart 8** indicates that the same companies invested \$771 million or 15% *more* in machinery and equipment and facilities in Vermont than projected. As **Chart 16** shows, most of the facility investment (71%) was in renovations to a company's existing facility or for reuse of existing under- or unutilized building stock in Vermont.

Chart 9 compares the level of incentives projected and actually paid out between 2007 and 2015 and **Chart 10** shows the difference between the projected estimate of net revenue gain (ROI) for the state versus the actual estimate net gain, which is \$34 million, or 25% higher than projected.

Success Story



Vermont Smoke and Cure

Prior to being employed at Vermont Smoke and Cure, Lauren Whitney of Bristol was struggling to make ends meet and apprehensive to lay roots in Vermont due to job security. Hired in January 2013 as a production worker and quickly moving up to QA technician, Lauren states "The future looks promising for Vermont Smoke and Cure and I feel comfortable and confident that my job is secure." Vermont Smoke and Cure was authorized for VEGI in 2011.

Section 3: Projected and Actual Economic Activity - Continued

TABLE 6: PROJECTED AND ACTUAL ACTIVITY - SUMMARY
FOR APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2016

Claim Activity:	2007	2008	2009	2010	2011	2012	2013	2014	2015
Claims Expected:	7	14	22	28	34	32	34	36	39
Incomplete Claims/Did not file/Closed:	0	4	4	6	6	2	1	3	1
Net Claims Included in Projected and Actual Data:	7	10	18	22	28	30	33	33	38

Projected Activity:	2007	2008	2009	2010	2011	2012	2013	2014	2015	TOTALS
New Qualifying Employees:	101	213	64	220	361	548	414	327	278	2526
New Qualifying Payroll:	\$ 3,438,000	\$ 6,942,837	\$ 3,849,800	\$ 12,703,748	\$ 16,659,450	\$ 26,325,908	\$ 18,791,423	\$ 14,482,251	\$ 13,372,683	\$ 116,566,100
Average Wage:	\$ 34,040	\$ 32,595	\$ 60,153	\$ 57,744	\$ 46,148	\$ 48,040	\$ 45,390	\$ 44,288	\$ 48,103	\$ 46,278
New Qualifying Capital Investments:	\$ 13,677,077	\$ 11,786,270	\$ 14,171,000	\$ 20,763,000	\$ 63,192,599	\$ 166,153,840	\$ 133,237,344	\$ 128,593,320	\$ 28,611,664	\$ 580,186,114
Est. Incentive Installments to be Paid:	\$ 123,712	\$ 398,712	\$ 497,036	\$ 1,031,380	\$ 1,590,096	\$ 3,016,479	\$ 4,137,980	\$ 4,573,359	\$ 4,625,032	\$ 19,993,787
Net Revenue Benefit:	\$ 365,422	\$ 871,615	\$ 1,349,256	\$ 2,122,358	\$ 3,456,468	\$ 5,575,627	\$ 5,034,123	\$ 3,814,928	\$ 2,441,259	\$ 25,031,055

Actual Activity:	2007	2008	2009	2010	2011	2012	2013	2014	2015	TOTALS
New Qualifying Employees:	262	255	265	606	844	806	859	853	773	5523
New Qualifying Payroll:	\$ 10,621,976	\$ 9,214,052	\$ 16,137,468	\$ 34,555,726	\$ 54,269,760	\$ 62,298,865	\$ 55,490,232	\$ 50,955,135	\$ 39,177,270	\$ 332,720,484
Average Wage:	\$ 40,542	\$ 36,134	\$ 60,896	\$ 57,023	\$ 64,301	\$ 77,294	\$ 64,599	\$ 59,736	\$ 50,682	\$ 56,801
New Qualifying Capital Investments:	\$ 22,546,350	\$ 13,388,586	\$ 28,100,875	\$ 47,475,449	\$ 121,412,913	\$ 262,489,273	\$ 128,030,075	\$ 59,241,141	\$ 88,946,890	\$ 771,631,552
Incentives Paid to Companies:	\$ 208,653	\$ 544,110	\$ 654,370	\$ 1,249,733	\$ 1,852,263	\$ 2,903,935	\$ 3,751,728	\$ 4,217,057	\$ 3,473,616	\$ 18,855,465
Net Revenue Benefit:	\$ 107,660	\$ 215,320	\$ 753,620	\$ 1,643,100	\$ 2,580,700	\$ 6,282,691	\$ 8,785,291	\$ 7,769,527	\$ 6,546,164	\$ 34,684,073

VEGI PROGRAM PROJECTED vs. ACTUAL ECONOMIC ACTIVITY 2007-2015

Chart 6: NEW QUALIFYING JOBS

Through 2015 PROJECTED ACTUAL 119%
2526 5523 MORE JOBS

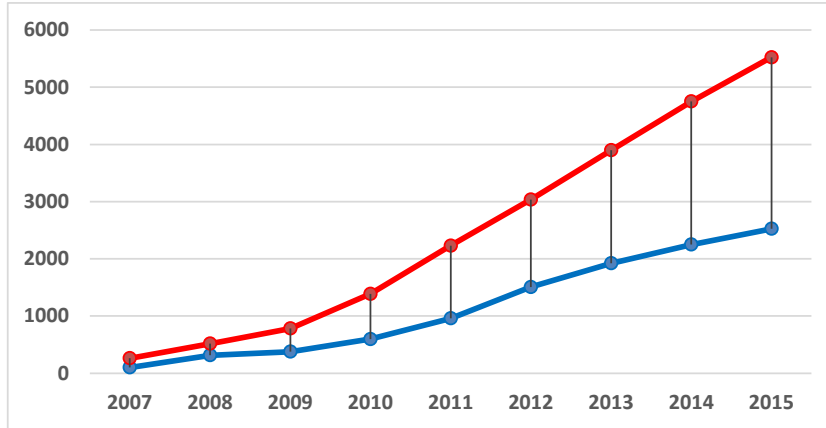


Chart 7: NEW QUALIFYING PAYROLL

Through 2015 PROJECTED ACTUAL 185%
\$ 116,566,100 \$ 332,720,484 MORE PAYROLL

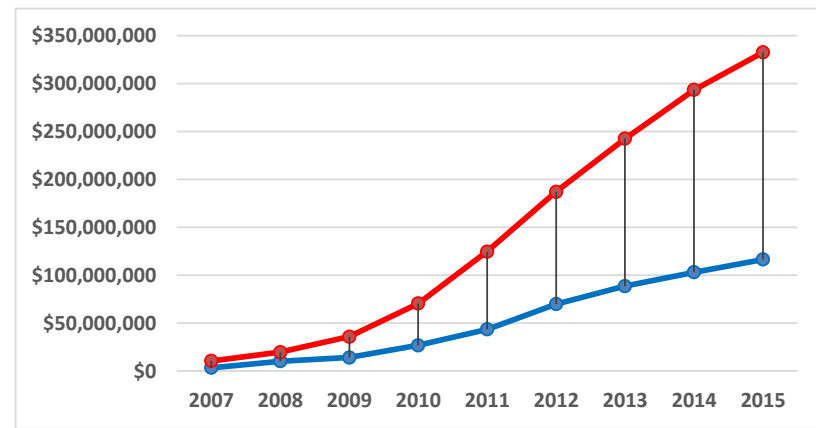
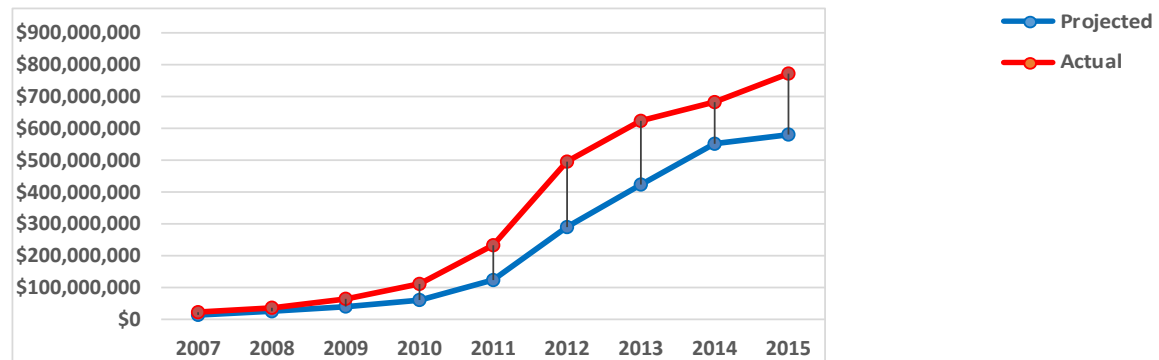


Chart 8: NEW QUALIFYING CAPITAL INVESTMENTS

Through 2015 PROJECTED ACTUAL 15%
\$580,186,114 \$771,631,552 MORE CAPEX



Section 3: Projected and Actual Economic Activity - Continued

Chart 9: INCENTIVE PAYMENTS

	PROJECTED	ACTUAL	6%
Through 2015 \$	19,993,787	\$ 18,855,465	LESS

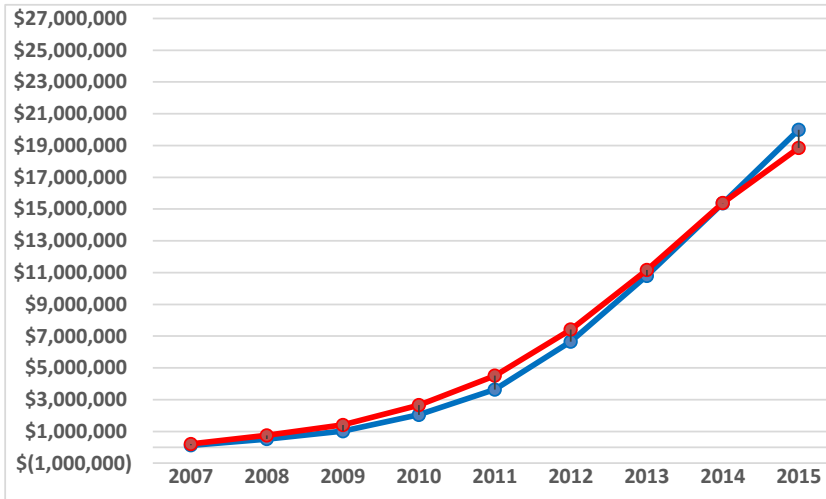
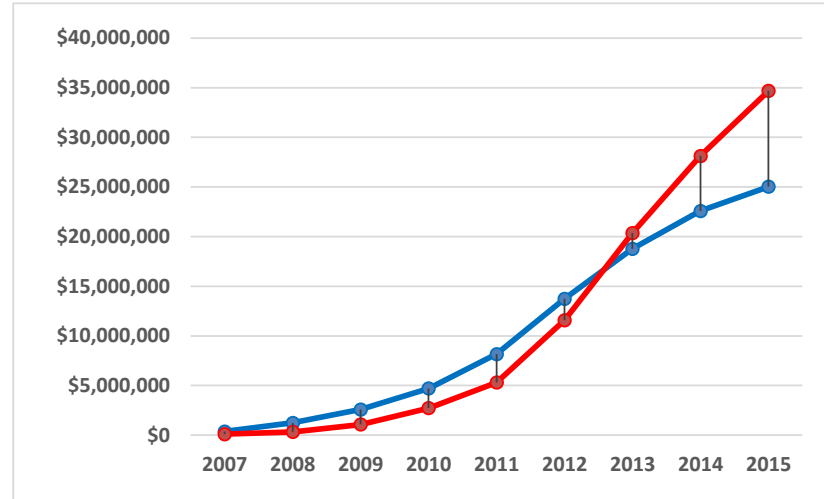


Chart 10: NET REVENUE TO THE STATE

	PROJECTED	ACTUAL	25%
Through 2015	\$25,031,055	\$34,684,073	MORE REVENUE



EMPLOYMENT MULTIPLIER = 2.2 JOBS
FOR EVERY JOB A VEGI COMPANY CREATES 2.2 JOBS ARE CREATED IN THE VERMONT ECONOMY

ECONOMIC MULTIPLIER = \$180 MILLION/YEAR
VEGI COMPANIES SPEND \$180 MILLION EACH YEAR WITH OTHER VERMONT COMPANIES

Section 4: Supplemental Data

Section 4 of this report illustrates several interesting data points about the 48 active projects in the program. Note that the data presented in charts 11-16 and 19-21 are generated *only* by the 48 approved-active applications (not all applications ever considered) and are based on the application projections.

Charts 11 - 16 show data that counters some assumptions that are often made about the program applicants and the projects that are approved. **Charts 17 - 21** are related to regional distribution of incentives and jobs.

Chart 11 shows the wage ranges of the new, qualifying jobs projected to be created between 2007 and 2020, in \$10,000 increments. While the largest segment of jobs, at 30% of total, are in the \$25,000 - \$29,000 range, the chart shows that 46% of the jobs will pay above \$40,000 per year. This data shows that the applicants to this program are creating very well-paying jobs, the majority of which far exceed the VEGI Wage Threshold. None of the applicants projected the creation of any jobs at or even near the Vermont minimum wage.

Chart 12 shows the breakdown of jobs projected to be created by various job categories. Predictably, the largest category of jobs is production, at 55% of the total. Other jobs are about equally divided between management, IT, R&D, engineering, and administration/support.

Chart 13 illustrates one aspect of the fringe benefits that are and/or will be offered by the applicant companies. The average of the benefits ratio (benefits as percentage of total compensation) for applicants is 24%. This means that the projected average wage of \$44,932, is supplemented by an average benefits package valued at \$10,745 for a total compensation of \$55,677. All approved applicant companies in the VEGI program pay some portion of employee health care costs. The majority of the companies (62%) cover 76% or more of health care costs for their employees.

Chart 14 shows the size of the company, by number of full-time employees, at the time of application. As the chart illustrates, the majority of

the applicant companies are small- to medium-size companies, by Vermont standards. In fact, 28 (58%) of the companies had under 100 employees at the time of application, with 12 (or 25%) of those companies actually having under 20 employees. Only five applicants had 500 or more employees at the time of application. Also, 36 (75%) of the applicants are Vermont-based/owned companies. These are companies that were started by, and are owned by Vermonters and their families.

Chart 15 illustrates the types of economic development projects applying for incentives. It shows 13% of companies are recruitment types that are starting, expanding into or relocating to Vermont. Of these recruitments, 2 were start-ups, 3 were expansions and 1 was a relocation. Seventy-seven percent of all projects were retention/expansion of existing Vermont companies or divisions. Another 6% were start-ups by Vermont entrepreneurs and 4% were re-starts of previously closed companies by new owners. This data, when viewed together with **Chart 14**, indicates that the VEGI program focuses on the retention and expansion of small, Vermont companies rather than the recruitment of large companies to Vermont.

Chart 16 summarizes the type of facility expansions occurring because of the incentives. As the data shows, the program has been very successful in providing incentives for the acquisition and/or reuse of existing buildings in Vermont that are un- or under-utilized. This type of project represents 42% of the active projects. Another 15% did not involve any facility expansion and 29% will expand the facility they currently occupy. A total of 85% of the projects will *not* involve building new facilities. Most will involve substantial investment in renovations to facilities, having a very positive impact on Vermont's construction industry. Seven projects (15%) proposed projects that will involve new construction, but all of them will occur within existing industrial or commercial parks or within sites zoned for that purpose.

Section 4: Supplemental Data - Continued

Charts 17 and 18 show the distribution of population and personal income tax by county in Vermont. These charts are included to provide context for the county distribution of incentives and jobs data shown in **Charts 4 and 19 - 21**.

Charts 19 and 20 show the regional distribution, by county, of the projects and the authorized incentives. There are active projects in every region of the state except Addison and Lamoille Counties. The largest number of applications are from Chittenden County, which is expected as it is the economic engine of the state, the current location of most applicants, and the desired location for most companies recruited to Vermont. VEPC staff makes every effort to educate all regional economic development practitioners about the VEGI program. VEPC staff visits all regions regularly and VEGI informational seminars were conducted in every region at the start of the program.

However, VEPC has no control over where existing Vermont companies (who represent the largest pool of applicants) are located, where new companies want to locate, or from which regions applications are submitted. Additionally, regional boundaries are meaningless to employment at a company. While most employees will come from

the immediate area, many Vermonters cross county and regional borders for employment. The extensive business-to-business relationships, exceeding \$180 million in value each year, also occur regardless of regional boundaries.

Chart 21 shows the regional distribution of the projected direct, new, qualifying jobs to be created according to project location. As with Charts 19 and 20, there is direct impact in all regions except for Addison and Lamoille Counties. However, Vermonters from all counties will fill these jobs and all regions will benefit from the job creation and capital investments. The projects that have been authorized for incentives will generate an estimated 3,732 indirect jobs all around the State and the companies estimate over \$167 million in annual business-to-business (vendor, supplier, customer, and client) interactions with other Vermont companies in all regions of the State.

QUICK DATA FACT #4

HOW MUCH HAVE VEGI COMPANIES INVESTED IN VERMONT TO DATE? (2007 - 2015)

New Qualifying Payroll:	\$332.7 Million
New Qualifying Capital Investments:	\$771.6 Million

QUICK DATA FACT #5

Percent of Applicant Companies:

Under 20 Employees:	25%
Under 50 Employees:	40%
Under 100 Employees:	58%

Section 4: Supplemental Data - Continued

Chart 11
Wage Levels for Projected Jobs
(Wage Ranges in 000's)

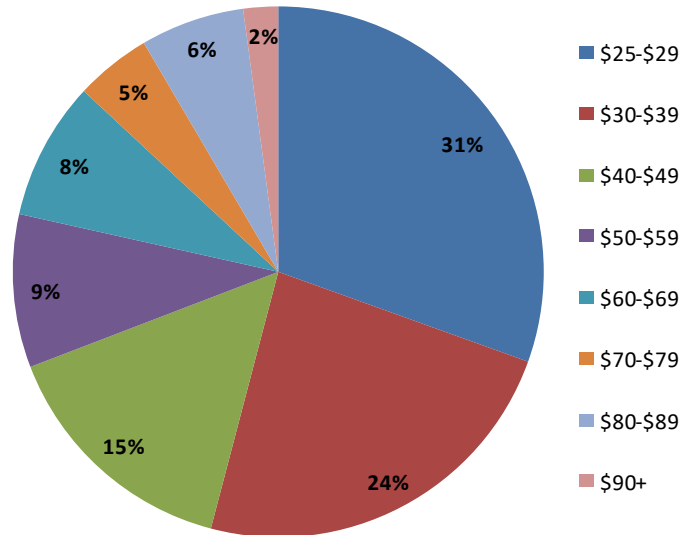
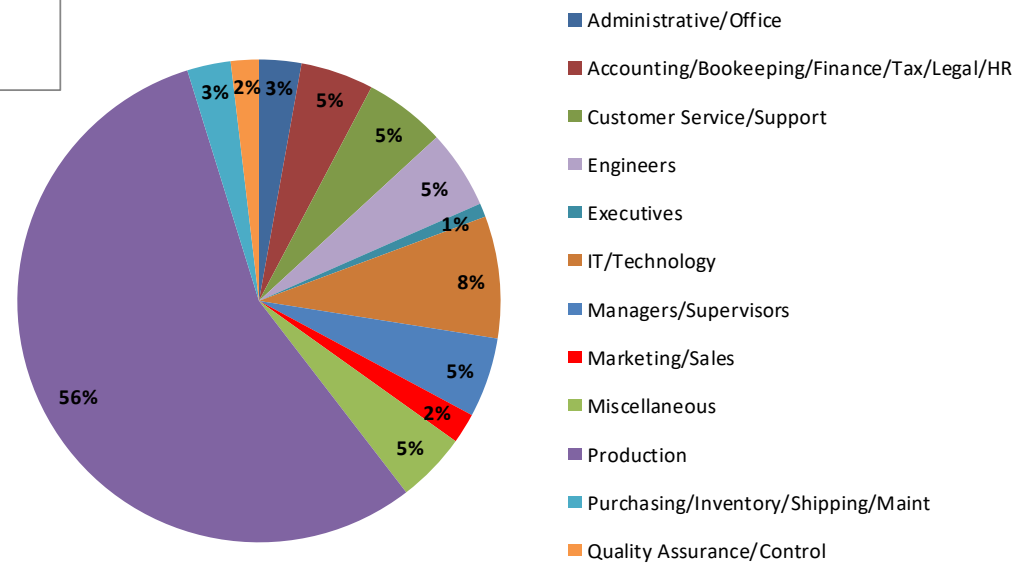


Chart 12
Projected Job Types

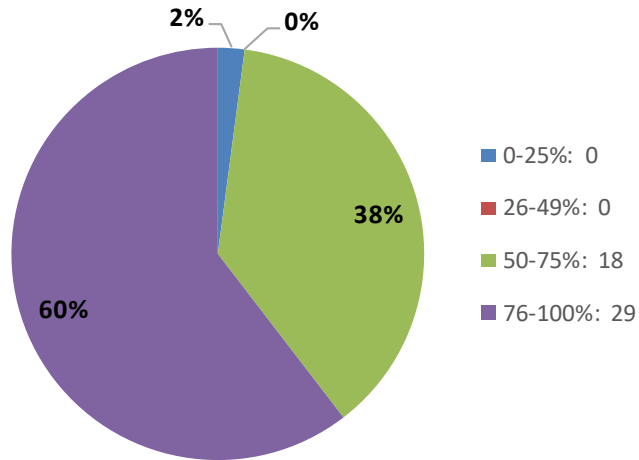


Data includes 48 Approved, Active applications only.

Section 4: Supplemental Data - Continued

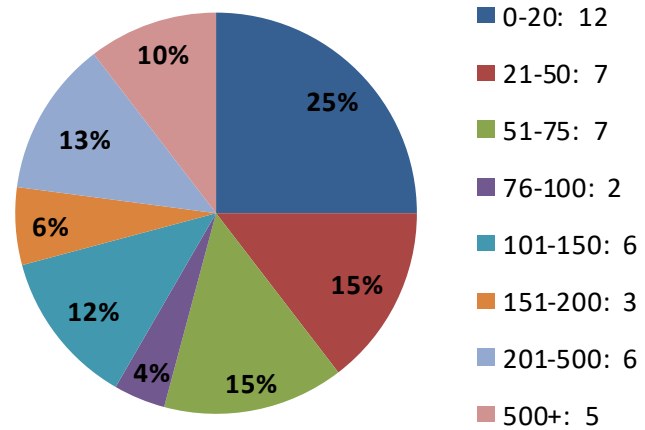
CHART 13

**Percent of Health Care Premium Paid by Employer
(By Percent of Total Companies in Each Range)**



**Chart 14
Size of Business**

(By # of FT Employees at Time of Application)



Data includes 48 Approved, Active applications only.

Section 4: Supplemental Data - Continued

Chart 15
Type of Economic Development Project
(Percentage of Total Number of Projects)

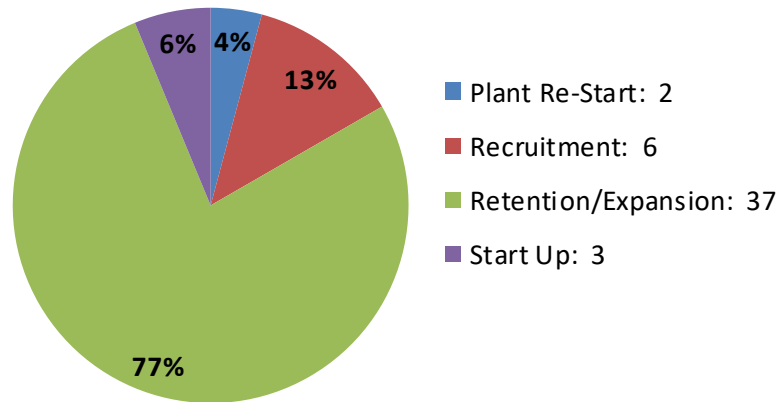
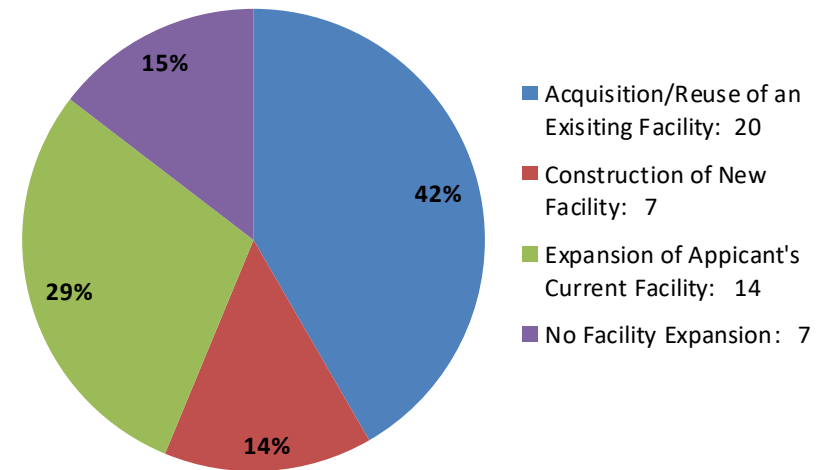


Chart 16
Type of Facility Expansion
(Percentage of Total Number of Projects)



Data includes 48 Approved, Active applications only.

Section 4: Supplemental Data - Continued

Chart 17
2010 Population Census Data

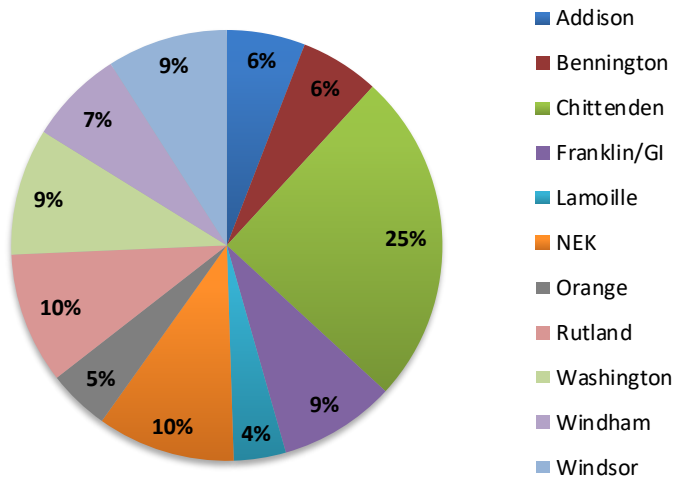
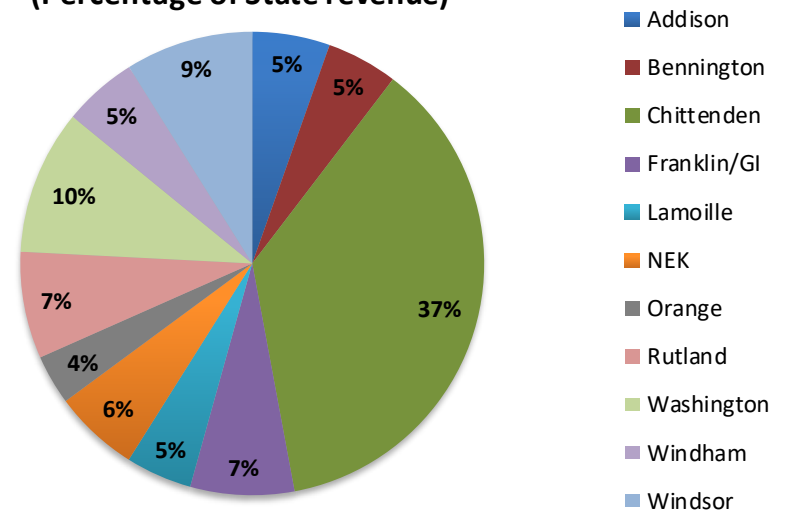


Chart 18
2014 Personal Income Tax
(Percentage of State revenue)



Section 4: Supplemental Data - Continued

Chart 19
Regional Distribution of Incentives
(By Number of Applications)

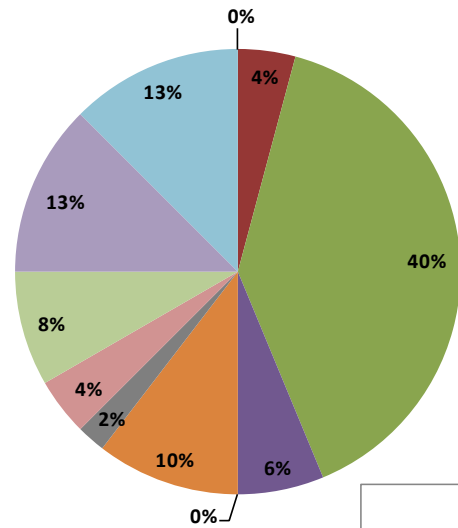


Chart 20
Regional Distribution of Incentives
(By Dollar Value of Incentives Authorized)

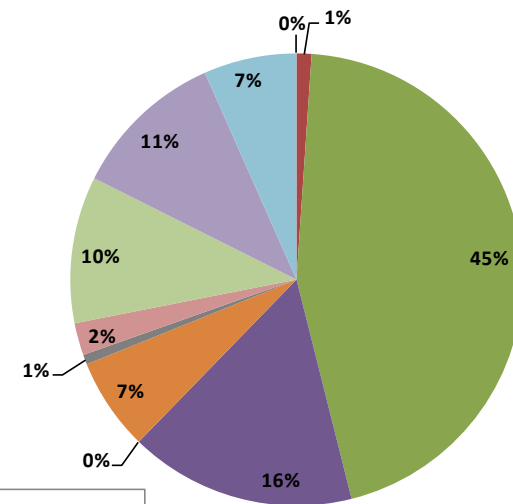
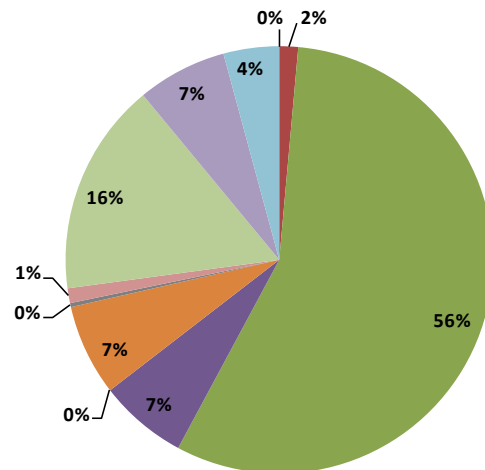


Chart 21
Regional Distribution of Jobs
(By Percentage of Total Jobs Created per Region)



Data includes 48 Approved, Active applications only.

Section 5: Performance Measures

AS OF DECEMBER 31, 2016	2013		2014		2015		2016		2017	
	Benchmark	Actual	Benchmark	Actual	Benchmark	Actual	Benchmark	Actual ¹⁷	Benchmark	Actual ¹⁷
OUTCOME:										
For Incentive Level of:	\$ 4,137,980	\$ 3,751,728	\$ 4,573,359	\$ 4,217,057	\$ 4,625,032	\$ 3,473,616	\$ 4,665,663		\$ 3,773,150	
New Qualifying Employees (NQE):	414	859	327	853	278	773	195		193	
New Qualifying Payroll:	\$ 18,791,423	\$ 55,490,232	\$ 14,482,251	\$ 50,955,135	\$ 13,672,683	\$ 39,177,270	\$ 9,422,086		\$ 8,415,275	
New Qualifying Capital Investments	\$ 133,237,344	\$ 128,030,075	\$ 128,593,320	\$ 59,241,141	\$ 28,711,664	\$ 88,946,890	\$ 51,885,184		\$ 50,214,260	
Net New Revenues to State	\$ 5,034,123	\$ 8,785,291	\$ 3,814,928	\$ 7,769,527	\$ 2,441,259	\$ 6,546,164	\$ 2,026,857		\$ 2,180,285	
OUTPUT:										
Net Revenue Generated Per NQE	\$ 12,160	\$ 10,227	\$ 11,666	\$ 9,108	\$ 8,782	\$ 8,469	\$ 10,394		\$ 11,297	
Number of Applications Considered	32	9	33	8	34	10	25	11	20	
EFFICIENCY:										
Budgetary Cost Per NQE	\$ 425	\$ 210	\$ 350	\$ 211	\$ 425	\$ 233	\$ 425		\$ 425	
Contact to Application Percentage	N/A	N/A	N/A	N/A	N/A	30%	35%	27%		
Contact to Project Percentage	N/A	N/A	N/A	N/A	N/A	12%	15%	12%		

NATIONAL ACCOLADES FOR VEGI PROGRAM

GOOD JOBS FIRST

Independent studies: “Money For Something” and “Money-Back Guarantees for Taxpayers,” ranked the VEGI program #1 in US for enforcement, safeguards and job creation and job quality standards.

ENDNOTES	
1	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.
2	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.
3	"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.
4	Includes Initial and Final Applications.
5	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.
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	"Green VEGI" authorizations are those approved for environmental technology companies in accordance with 32 VSA Section 5930b(g).
8	The VEGI program cannot provide incentives for job retention. However, if a Vermont company receives incentives to expand in Vermont, an additional benefit to the State is the retention of current employment.
9	VEGI incentives can only be authorized for new jobs that exceed a statutory wage threshold (160% or 140% of Vermont Minimum Wage, depending on the location). This number represents the new full-time jobs projected which will pay a wage at or under the VEGI wage threshold. The jobs occur because of the incentive, but cannot be counted toward the incentive calculation.
10	Indirect jobs are estimated by the VEGI cost-benefit model according to a multiplier factor for the particular region and sector of the project. These are the jobs created at other businesses in Vermont because of the project receiving the incentive.

ENDNOTES	
11	All new payroll projected as new to Vermont due to the incentive, including for companies recruited to Vermont, is subject to a background growth calculation. This calculation discounts a portion of the new payroll that will be generated because of the incentive according to a factor for each business sector, thereby reducing the level of new payroll that is used to calculate the amount of incentive the applicant can earn. This payroll is considered "background" or "organic" or payroll that would have been created anyway. This number represents the amount of new payroll projected to be created in Vermont because of the incentive program, but for which no incentive will be earned or paid.
12	See Chart 3 for more detail on the level of health care premium paid by employers. This number represents the average percentage of the employee health care premium paid by the applicant companies.
13	This represents an estimate of the level of interaction by applicant companies with other Vermont companies as vendors, suppliers, and customers.
14	Fiscal benefits and costs are estimated by an economic model. Majority of costs and benefits occur during the first five years of each project. The costs include not only the cost of the incentive, but also other revenue costs to the state such as new students in school and other services incurred by adding new people and buildings. Cost to pay incentive, if earned, continues for four years after the incentives are earned. Therefore, State of Vermont receives the benefit of each project before all incentive costs are incurred. The revenue benefits of the new jobs and payroll continue to accrue to the state after the five year earning period, but that benefit is not accounted for in the modeling. Therefore, the net revenue benefit is conservative.
15	Program cap is \$10,000,000 for each calendar year, unless increased by a vote of 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.
16	LMA Enhancement cap is \$1,000,000 for each calendar year, unless increased by a vote of 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.
17	Some data not available until next year.

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Vermont Department of Taxes*

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