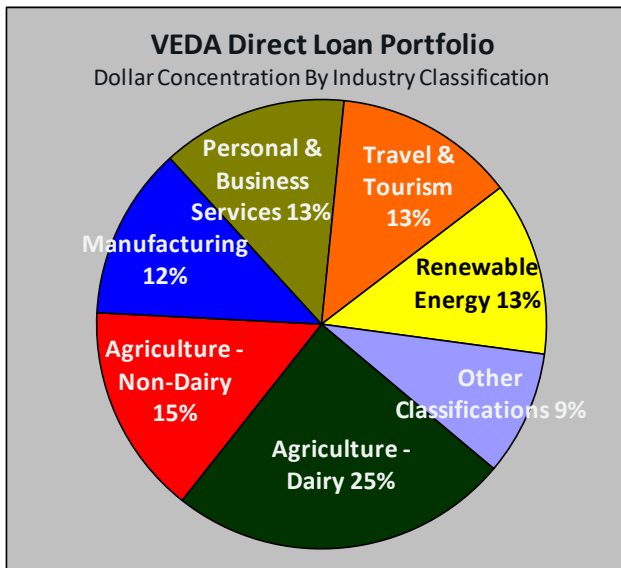


Vermont Economic Development Authority

About VEDA

- The Vermont Economic Development Authority (“VEDA” or the “Authority”) was formed in 1974.
- VEDA is the State’s economic development financing authority, a quasi-public entity, not a State agency.
- The Authority is governed by a board of fifteen members. Five are ex-officio including the State Treasurer, Secretary of Commerce and Community Development, Secretary of Agriculture Food and Markets, Commissioner of Forest, Parks and Recreation and the Commissioner of Public Service. The remaining ten members are appointed by the Governor with advice and consent of the Senate.
- VEDA has a staff of 48 finance professionals, administrative and support staff.
- VEDA has over \$300 million in assets and more than \$277 million in loans. The Authority also operates loan programs for the State totaling more than \$20 million.
- The Authority services \$115 million of agriculture loans.
- VEDA’s remaining programs include loans for small businesses, renewable energy projects and for entrepreneurs seeking capital in addition to loans for regional development corporations and many of Vermont’s larger commercial enterprises.
- The Authority funds its lending operations by borrowing from banks and issuing bonds.
- The Authority utilizes \$175 million of State Moral Obligation to enhance VEDA’s credit.
- State appropriations have been used for special State priorities and programs, and then, only for interest-rate subsidies and loan loss reserves - not for lending.



As of December 31, 2018	# Loans	\$ \$ in Millions
Agriculture - Dairy	591	\$68.0
Agriculture - Non-Dairy	372	\$42.0
Manufacturing	148	\$34.4
Personal & Business Services	172	\$37.1
Travel & Tourism	144	\$36.1
Renewable Energy	81	\$34.7
Other Classifications	149	\$24.9
Total of All Loans	1,657	\$277.2



Vermont Economic Development Authority

“VEDA by the Numbers”

Lending, Jobs Impact and Industry Classification Analysis

Fiscal Years 2014 - 2018

(With Long-Term Profitability Analysis)



VEDA by the Numbers, 2014-2018

“To contribute to the creation and retention of quality jobs in Vermont by providing loans and other financial support to eligible and qualified Vermont industrial, commercial and agricultural enterprises.”

Job creation has been VEDA’s primary mission related metric since its inception in 1974. **TABLE-1** below shows five years of financing volume and the related jobs impacted¹ from VEDA financing. On the following page there is an analysis of the accuracy of our borrower projections at the time of application and a more detailed overview of the quality of the commercial jobs impacted.

TABLE 1 - VEDA EMPLOYMENT ANALYSIS 2014 - 2018 *Includes all VEDA Direct and Off-balance Sheet Financings*

VEDA COMBINED FINANCINGS CLOSED	2014	2015	2016	2017	2018	TOTALS
# BORROWERS BY YEAR	200	199	252	230	187	1,068
# FINANCINGS BY YEAR	267	254	347	300	257	1,425
\$ CLOSINGS BY YEAR ('000)	\$62,867	\$78,312	\$89,033	\$71,113	\$167,765	\$469,090
# JOBS IMPACTED ¹	4,189	4,281	3,948	3,063	4,777	20,259
COMMERCIAL FINANCINGS CLOSED	2014	2015	2016	2017	2018	TOTALS
# BORROWERS RECEIVING FINANCING	82	90	91	88	80	431
# FINANCINGS CLOSED	93	115	116	109	99	532
\$ OF FINANCINGS CLOSED ('000)	\$41,499	\$62,567	\$60,627	\$45,294	\$145,308	\$355,295
# JOBS IMPACTED	2,605	3,222	2,032	1,683	1,807	11,350
AGRICULTURAL (VACC) LOANS CLOSED	2014	2015	2016	2017	2018	TOTALS
# BORROWERS RECEIVING A LOAN	118	109	161	142	107	637
# LOANS CLOSED	174	139	231	191	158	893
\$ OF LOANS CLOSED ('000)	\$21,368	\$15,745	\$28,406	\$25,819	\$22,457	\$113,795
# JOBS IMPACTED	393	342	571	508	459	2,273
INDIRECT CONSTRUCTION JOBS³	2014	2015	2016	2017	2018	TOTALS
\$ PROJECT COSTS FOR CONSTRUCTION ('000)	\$49,613	\$29,837	\$56,012	\$36,306	\$104,605	\$276,372
TOTAL INDIRECT CONSTRUCTION JOBS IMPACTED	1,191	717	1,345	872	2,511	6,636

¹Jobs Impacted include full-time equivalents (FTE) working for the borrower (commercial and agricultural) at the time of application. Also, for commercial loans only, the actual jobs added based on the latest borrower survey or, if survey results are not available, 75% of the jobs projected to be created within three years.

²For every \$100,000 of construction dollars spent, an estimated 2.4 FTE construction jobs are created for 1 year [Bureau of Labor Statistics].



VEDA by the Numbers, 2014-2018

TABLE-4 below shows the detailed employment data that VEDA collects on its commercial and small business borrowers. In 2017 and 2018, there was a significant increase in the average hourly wage, with and without benefits. The number of companies with an average wage before benefits greater than \$30 per hour are shown in **TABLE-5** below.

TABLE 4 - Employment & Wage Data for Commercial Financings

(Includes Subchapters 2, 3, 4, 5, SBA504, and VSBLP)

VEDA DIRECT COMMERCIAL JOBS IMPACTED	2014	2015	2016	2017	2018	TOTALS
# JOBS IMPACTED^a	2,606	3,222	2,032	1,683	1,807	11,350
AVERAGE WAGE OF JOBS IMPACTED	\$19.20	\$19.99	\$18.90	\$23.49	\$23.43	\$20.68
AVERAGE WAGE WITH BENEFITS	\$22.16	\$22.69	\$20.16	\$28.37	\$27.43	\$23.71
# HOURLY JOBS IMPACTED	1,434	2,235	1,560	1,298	1,328	7,855
AVG WAGE OF HOURLY JOBS IMPACTED	\$14.30	\$16.13	\$15.41	\$18.44	\$17.40	\$16.25
# SALARY JOBS IMPACTED	1,172	987	472	385	479	3,495
AVG SALARY OF JOBS IMPACTED	\$25.19	\$28.72	\$30.45	\$40.51	\$40.14	\$30.64

^aJobs Impacted include full-time equivalents (FTE) working for the borrower at the time of application, plus actual jobs added from the latest borrower survey or, if survey results are not available for a borrower, 75% of the jobs projected to be created within a three year period.

TABLE-5 Average Wage >= \$30.00/hour	2014	2015	2016	2017	2018	TOTAL
# Companies w/average wage >=\$30.00/hr	3	9	6	7	11	36
# Jobs at the companies with >=\$30/hr wages	315	283	88	446	514	1,646
Average Wage at the Companies	\$45.42	\$40.64	\$33.58	\$39.67	\$37.60	\$39.96
Average Wage with Benefits at the Companies	\$49.25	\$47.20	\$36.44	\$50.82	\$45.14	\$47.35

TABLE-5 shows that the number of jobs at companies with average wages greater than \$30.00 per hour (before benefits) soared in 2017 and 2018. These included companies like Chroma Technologies and Flex-a-Seal and non-profits like Bennington College and Copley Professional Services.



VEDA by the Numbers, 2014-2018

The chart to the right shows VEDA’s traditional commercial projects that included bank participation. VEDA’s financing share of these projects was \$122.3 million, or 24%. Note that borrowers contributed 14% of the total project costs, indicating that remaining 86% of the project costs were financed by VEDA and the participating lender. Financing 86% of project costs is well above the level generally accepted by banks.

VEDA partners with other financial institutions on most of the larger projects in which it participates. Industrial Revenue Bonds (IRBs) are often placed with a participating lender. In the 2014-2018 period, VEDA issued 24 IRBs for 16 different projects totaling \$209 million. For the 2014-2018 period, VEDA participated in 1,068 projects for a total of \$953,422. **TABLE-6**, below, shows the private leveraged capital in commercial projects both with and without IRBs.

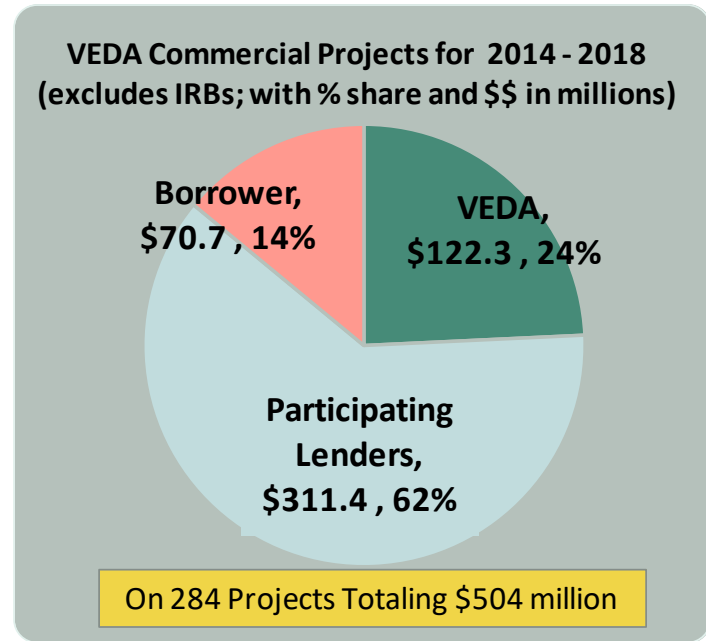


TABLE - 6: PRIVATE LEVERAGED CAPITAL 2014-2018

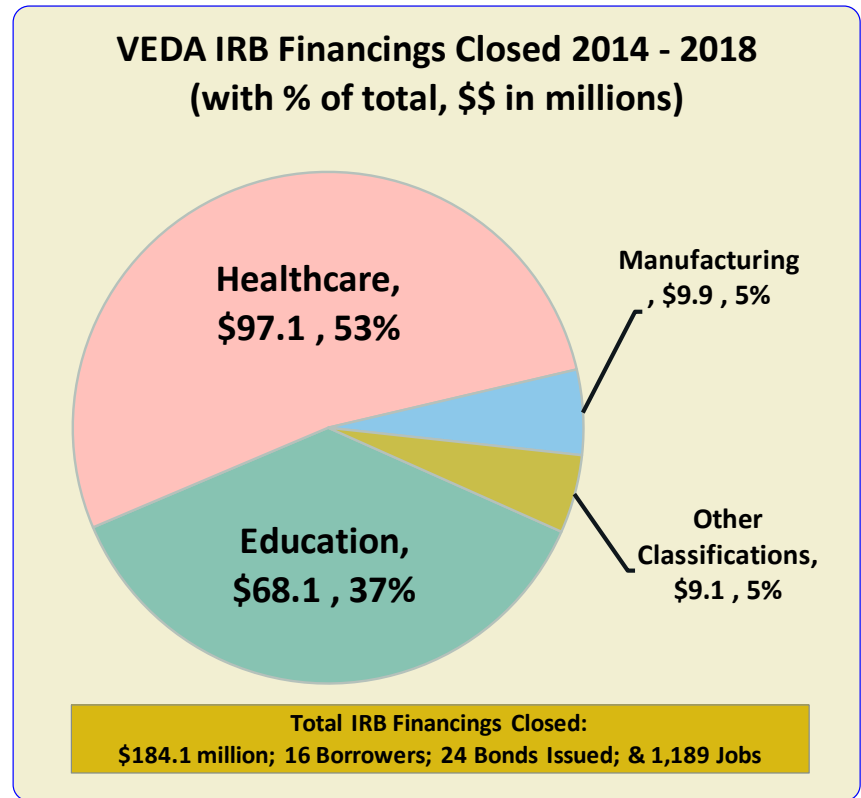
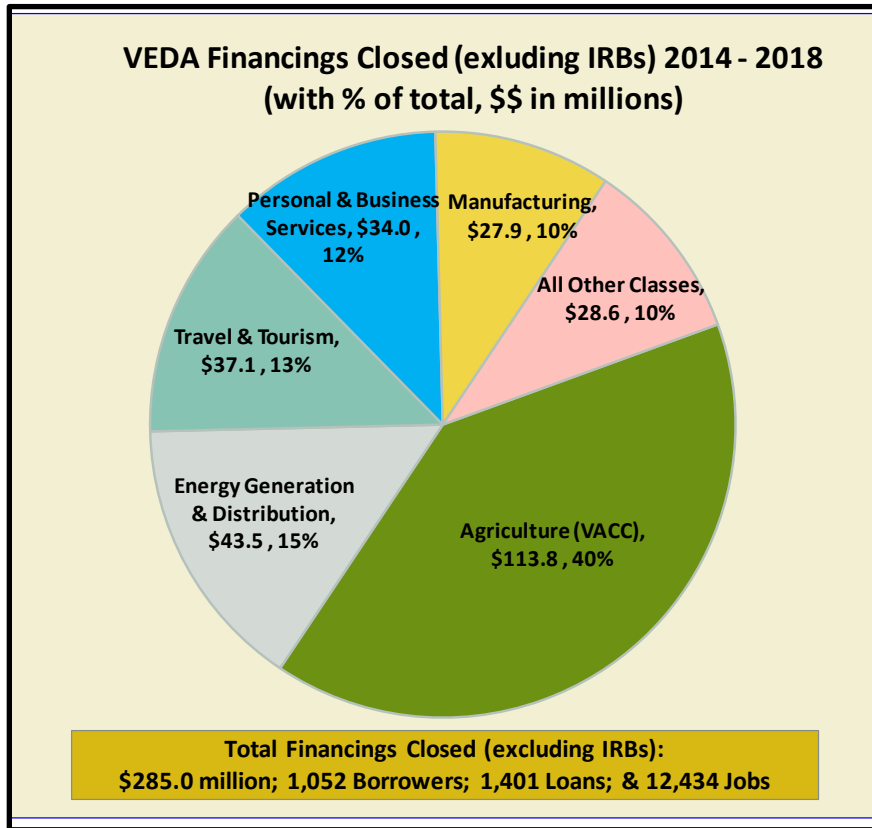
Includes Subchapters 3, 4, 5, SBA504, and VSBLP

All Commercial Projects (\$ in '000)	2014	2015	2016	2017	2018	TOTAL
VEDA AMOUNT FINANCED	\$41,499	\$62,567	\$60,627	\$45,294	\$145,308	\$355,295
PRIVATE LEVERAGED CAPITAL	\$78,421	\$89,809	\$131,730	\$74,801	\$90,143	\$464,904
TOTAL AMOUNT OF VEDA PROJECTS	\$119,920	\$152,376	\$192,357	\$120,095	\$235,451	\$820,199
PRIVATE CAPITAL RATIO	1.9 to 1	1.4 to 1	2.2 to 1	1.7 to 1	0.6 to 1	1.3 to 1

Direct Loan (Commercial) Projects (exclude OBS)	2014	2015	2016	2017	2018	TOTAL
VEDA AMOUNT FINANCED	\$26,210	\$32,751	\$41,808	\$30,411	\$28,631	\$159,810
PRIVATE LEVERAGED CAPITAL	\$76,035	\$80,456	\$118,805	\$73,275	\$76,106	\$424,678
TOTAL AMOUNT OF VEDA DIRECT LOAN PROJECTS	\$102,245	\$113,207	\$160,613	\$103,686	\$104,737	\$584,488
PRIVATE CAPITAL RATIO	2.9 to 1	2.5 to 1	2.8 to 1	2.4 to 1	2.7 to 1	2.7 to 1



VEDA by the Numbers, 2014-2018



VEDA Financings Closed (excluding IRBs) Closed 2014-2018

\$\$ in Millions	ACCTS	LOANS	\$ AMOUNT	JOBS	% TOTAL	AVG WAGE
Agriculture (VACC)	637	893	\$113.8	2,273	40%	
Energy Generation	62	81	\$43.5	N/A	15%	
Travel & Tourism	84	100	\$37.1	2,216	13%	\$16.66
Pers. & Bus Services	101	116	\$34.0	2,295	12%	\$27.37
Manufacturing	87	110	\$27.9	3,898	10%	\$26.54
All Other Classes	81	101	\$28.6	1,752	10%	\$22.23
Totals	1,052	1,401	\$285.0	12,434	100%	\$22.92

Industrial Revenue Bonds (IRB) Closed 2014-2018

\$\$ in Millions	# ACCTS	# LOANS	\$ AMOUNT	JOBS	% TOTAL	AVG WAGE
Healthcare	4	9	\$97.1	421	53%	\$26.47
Education	6	7	\$68.1	357	37%	\$46.01
Manufacturing	2	4	\$9.9	354	5%	\$28.93
Other Classes	4	4	\$9.1	57	5%	\$19.18
TOTAL for IRBs	16	24	\$184.1	1,189	100%	\$32.72



VEDA by the Numbers, 2014-2018

The largest major industry classification group of VEDA financing in fiscal years 2014-2018 was the \$199.1 million to 116 companies in *Personal and Business Services* group. Most of the financing in this sector was Conduit Revenue Bonds (\$184.1 million), mostly in *Healthcare* and *Education* (Wake Robin and various schools and colleges). The *Finance, Insurance, R/E* category is primarily loans to development corporations or loans to developers of commercial real estate.

The chart to the right shows the composition of the agricultural loan volume by industry classification. The new volume was heavily concentrated in *Dairy Cattle and Milk Production* at 62%. The second largest industry classification is *Crop Farming* (22%). Together, these two categories total 84% of all agriculture loans.

Manufacturing financings from 2014-2018 were diversified in more than 8 major industry classifications as seen in the chart to the right. *Food and Beverage* manufacturing comprised 38% of all the projects with 47, totaling \$14.5 million. Of the *Food and Beverage* category, 22 projects totaling \$3.9 million were in the burgeoning craft breweries and distilleries. Bakeries, flour and desserts make up another 8 projects totaling \$5.0 million, or 34% of the total Food and Beverages category.

Personal & Business Services FY 2014 - 2018

Industry Classification	# Accts	# Loans	\$ VEDA	%	# Jobs	Wage
Healthcare	28	36	\$101.8	52%	714	\$29.96
Education	24	31	\$79.6	40%	1,221	\$32.20
Finance, Insurance, R/E	25	28	\$11.6	6%	383	\$23.73
Professional Services	25	27	\$4.6	2%	621	\$23.52
Information & Media	5	5	\$0.7	0%	97	\$55.91
Water Supply Systems	4	5	\$0.8	0%	37	\$15.34
TOTAL SERVICES	111	132	\$199.1	100%	3,073	\$29.42

Agricultural Loan Volume FY 2014 - 2018

Industry Classification	# Accts	# Loans	\$ VEDA	%
Dairy Cattle and Milk Production	353	555	\$70.9	62%
Crop Farming	158	206	\$25.1	22%
Non-Dairy Animal Production	49	60	\$7.7	7%
Misc Agriculture	77	72	\$10.1	9%
Total VACC Financings	637	893	\$113.8	100%

Manufacturing Loans FY 2014 - 2018

Industry Classification	# Accts	# Loans	\$ VEDA	%	# Jobs	Wage
Food & Beverages	47	56	\$14.5	38%	1,426	\$24.87
Rubber, Plastic, Leather, Stone	2	4	\$7.0	19%	18	\$14.52
Machinery, Equipment, & Parts	9	13	\$6.1	16%	686	\$32.29
Miscellaneous Manufacturing	14	16	\$3.5	9%	640	\$20.57
Apparel & Textile	6	8	\$3.0	8%	663	\$20.99
Primary & Fabricated Metal	7	11	\$3.0	8%	601	\$23.55
Lumber, Wood & Furniture	3	5	\$0.7	2%	212	\$19.61
Paper & Printing Related	1	1	\$0.1	0%	6	\$33.85
TOTAL MANUFACTURING	89	114	\$37.8	100%	4,252	\$24.33

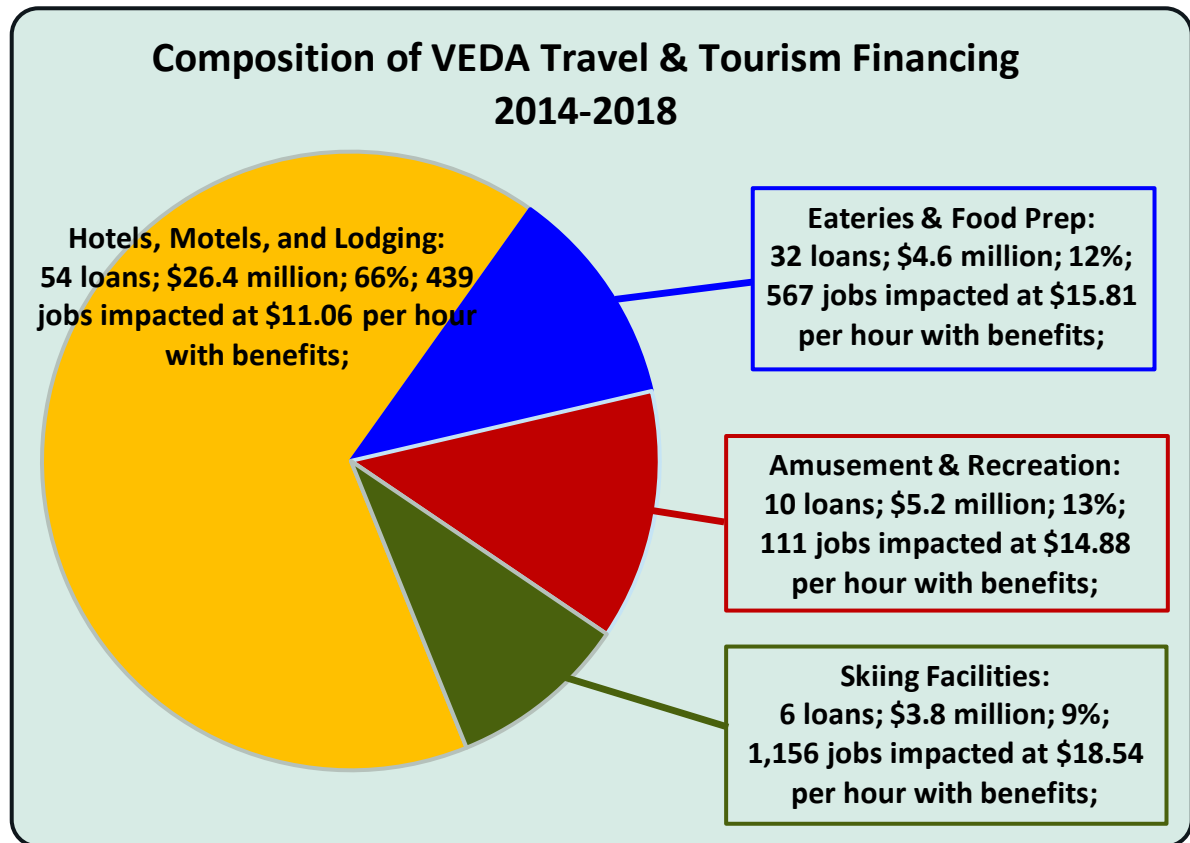


VEDA by the Numbers, 2014-2018

The *Energy Generation & Distribution* sector accounted for \$49.7 million, or 11% of the financings in the 2014-2018 period. Of the 61 energy projects, 59 totaling \$46.8 million, or 94% of all renewable energy loans were in solar energy generation.



Travel and Tourism represents another critical sector of the Vermont economy. *Travel and Tourism* accounted for 9% of all new loan volume in the 2014-2018 period. Of the 86, T&T projects totaling \$39.9 million, loans, 54 projects totaling \$26.4 million or 66% were in the *Hotel, Motel and Lodging* sector. Of these, 38 projects, totaling \$21.9 million were in identifiable “tourist” towns like Stowe, Killington, Manchester, or Woodstock.





VEDA by the Numbers, 2014-2018

VEDA Equity and Earnings From FY 1999 (Before Subsidy Programs Began) to FY 2018

