

Testimony from Bob Flint – Executive Director, Springfield Regional Development Corporation, on behalf of the Regional Development Corporations of Vermont

The RDC's of Vermont support the proposed initiatives within H.641 and appreciate the efforts of ACCD to bring these forward for consideration.

Specifically, we are supportive of:

PROPOSED CHANGES TO VEGI PROGRAM –

- As Pat Moulton would say, it's about having "more tools in the tool box"!
- The RDC's participated in a retreat last summer with the VEPC Board, and discussed ways to encourage more companies, particularly smaller ones, to potentially utilize the VEGI incentive to stimulate their growth.
- This option could be very useful for smaller companies, who could more immediately benefit from a VEGI award during their time of growth, when they need capital. (Sharing example from a business in FCIDC region – letter submitted)
- The RDC's already serve as regional guides in the VEGI process and would continue to work with potential applicants on exploring their options and on preparing a strong application.
- It would seem to be likely that a project resulting in a VEGI application would also have a financing component that VEDA would be involved with, so it wouldn't result in an additional burden.
- The shorter performance period would potentially ease administrative burden on these companies.
- It's important that this would be an additional option as the traditional VEGI program may still make more sense for companies to consider as well.
- The proposal also allows for greater flexibility – focusing on capital investment or payroll growth. Depending on a company's particular situation at a moment in time, their strategic objectives might be different and investment in either form is a net positive for the state.
- The RDC's understand there still are details to this that need to be worked out and we look forward to working with ACCD and VEDA to make this a usable option, or "tool", for the businesses in our regions.

THINK VERMONT INITIATIVE –

- The two sections of the bill do cross-relate and speak to looking forward.
- As we see in Springfield with the BRIC project, many new enterprises are focused more on intellectual property than traditional physical assets.
- This makes financing somewhat challenging on occasion, yet tech businesses are still capital importers.
- There used to be additional technical support available for SBIR-type applications (e.g. Mark Blanchard/SBA).
- BRIC has been successful with EDA's i-6 program as well as receiving an SBIR Grant, but we have had unique access to professionals with background in preparing an application.

- Support for preparing applications as well as the matching grant proposal and EPSCOR pass-through grant are exciting ways to help expand access to resources for Vermont companies.

OTHER BUDGET COMMENTS –

- support ACCD Package
- RDC appropriation-ACCD Budget
- BGS Regional Economic Development Grants