

## Senate Economic Development Notes

### Agency of Commerce and Community Development

#### **Building Fund (New Program)**

- Asking for \$10 million.
- Acknowledgment that there are not enough sites that are ready for build-out for the industry.
  - When there are existing businesses that need to grow there are not enough existing buildings to show.
    - Key for bringing Canadian businesses as their timeline is often not able to accommodate constructing new buildings.
- The idea is to work with the RDC network to buy property, bring infrastructure to it, and begin the buildout of a basic industrial shell so the State is ready to receive growth of businesses, incoming businesses, and new business starts.
- When the RDCs ultimately sell a property, the investment would be returned and the Agency would be able to continue to have this fund available.
  - Ideally, it would be a revolving fund with the acknowledgment that it takes time.
- \$10 million was requested, and the house budget allocated \$5 million.
- The Agency wants to spread this funding around the state and not concentrate it in any particular area.

#### **Brownfield remediation fund**

- Asking for \$10 million.
- The Federal program through EPA has a \$500,000 maximum for a particular site.
  - State funds are invaluable in funding cleaning efforts for contaminated sites.
- \$10 million will allow the agency to continue this effort and go above the EPA limit to clean these sites faster.
  - Asked for \$10 million, House allocated \$8 million.

#### **Vermont Training Program**

- One-time ask of \$5 million.
- Will allow the Agency to fulfill its obligation to help create and expand semiconductor manufacturing under the CHIPS Act.
  - For manufacturers to apply for CHIPS money, the State must show some obligation of funds that will support this application to the feds.
- It could be upwards of half a billion dollars coming to the State from this CHIPS money.

#### **New Worker Incentive**

- Asked for 4 million to bring people and workforce into the state.
  - This was not funded in the House budget.
- The program has been utilized by 1,281 Vermonters.
  - Not all of these are grantees but also family members.
- The Agency wants to change the language so that the applicant must apply for the incentive before they move to Vermont.

## **The Vermont Employment Growth Incentive**

- The Program is scheduled to sunset in January 2024.
  - The agency's biggest ask is to not sunset this program.
- The agency also wants to explore simplifying the program.
- The agency proposed ideas for simplification are:
  - Change the formula and simplify the calculation to pay a dollar amount per job.
    - Remove the LMA and Green enhancements with this simplification.
  - If the applicant were to be doing a capital investment and not job creation, they would be eligible for an award.
    - Currently, companies that are only making capital investments cannot access the program.
      - This is meant to incentivize companies to invest in facilities in Vermont.
      - The pay-out would be 20% up to a million dollars.
      - Sen. Ram-Himsdale wants to add housing to the list of capital expenses a business could use the program for.
  - Increase transparency by allowing individual business claims reported which aggregates the data done in the annual report.
  - Shorten the award pay-out to over up to 5 years.
    - The Agency has also suggested reducing the award years to three award years and paying out each award year in three installments.