



OVERVIEW

House Committee on Commerce and
Economic Development

January 2023

Cassie Polhemus, CEO

MISSION:

To contribute to Vermont's economic vitality by providing a broad array of financing programs to eligible businesses that create jobs and help advance Vermont's public policy goals.

QUICK FACTS:

- Formed in 1974 as an instrumentality of the state.
- Governed by 15-member board. Five are ex-officio and 10 are appointed by the Governor. Ex-officio members are:
 - State Treasurer
 - Secretary of ACCD
 - Secretary of VAFFM
 - Commissioner of Public Service
 - Commissioner of Forests, Parks & Recreation
- Staff of 43 finance and administrative professionals

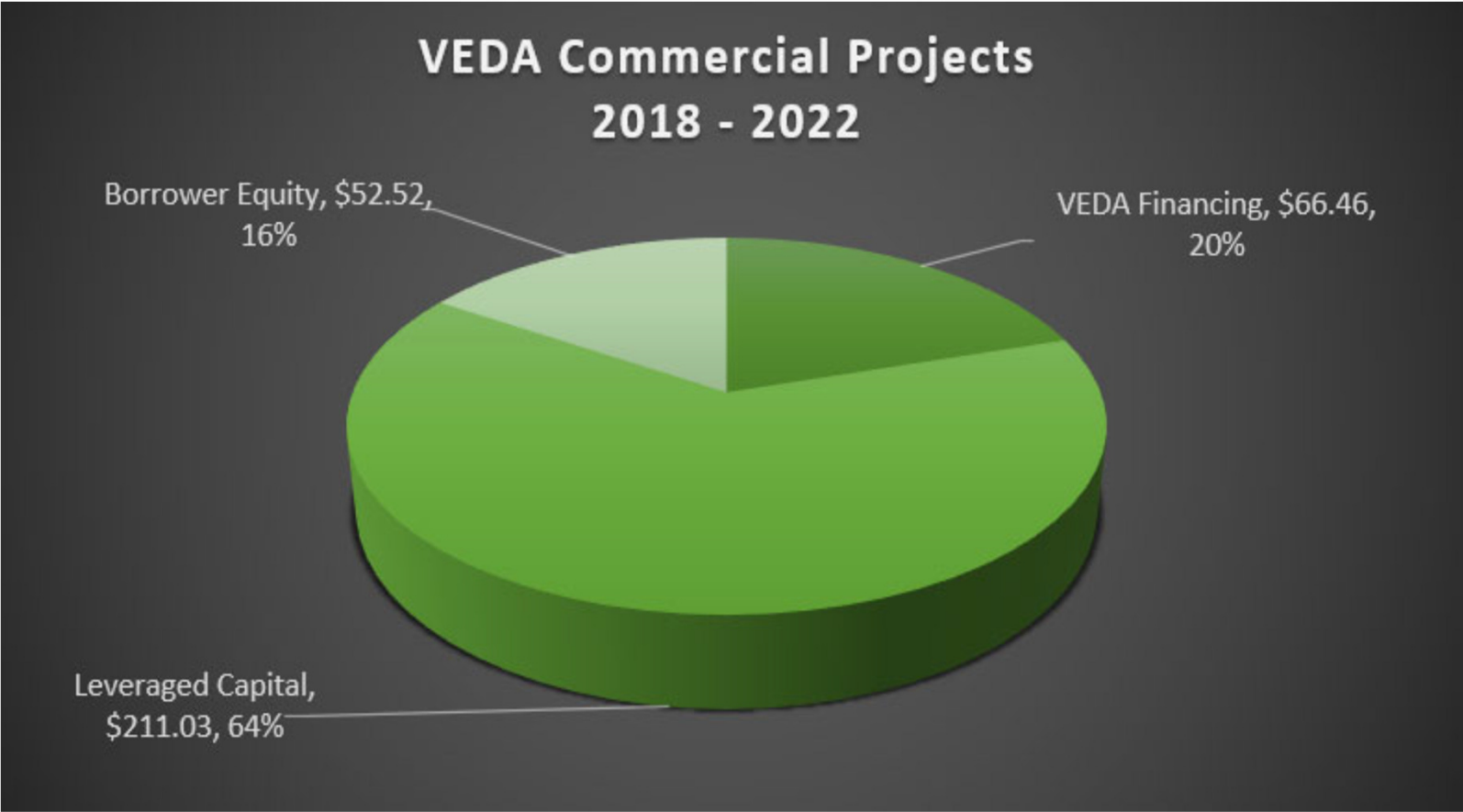
QUICK FACTS:

- Main office: 58 East State Street, Montpelier



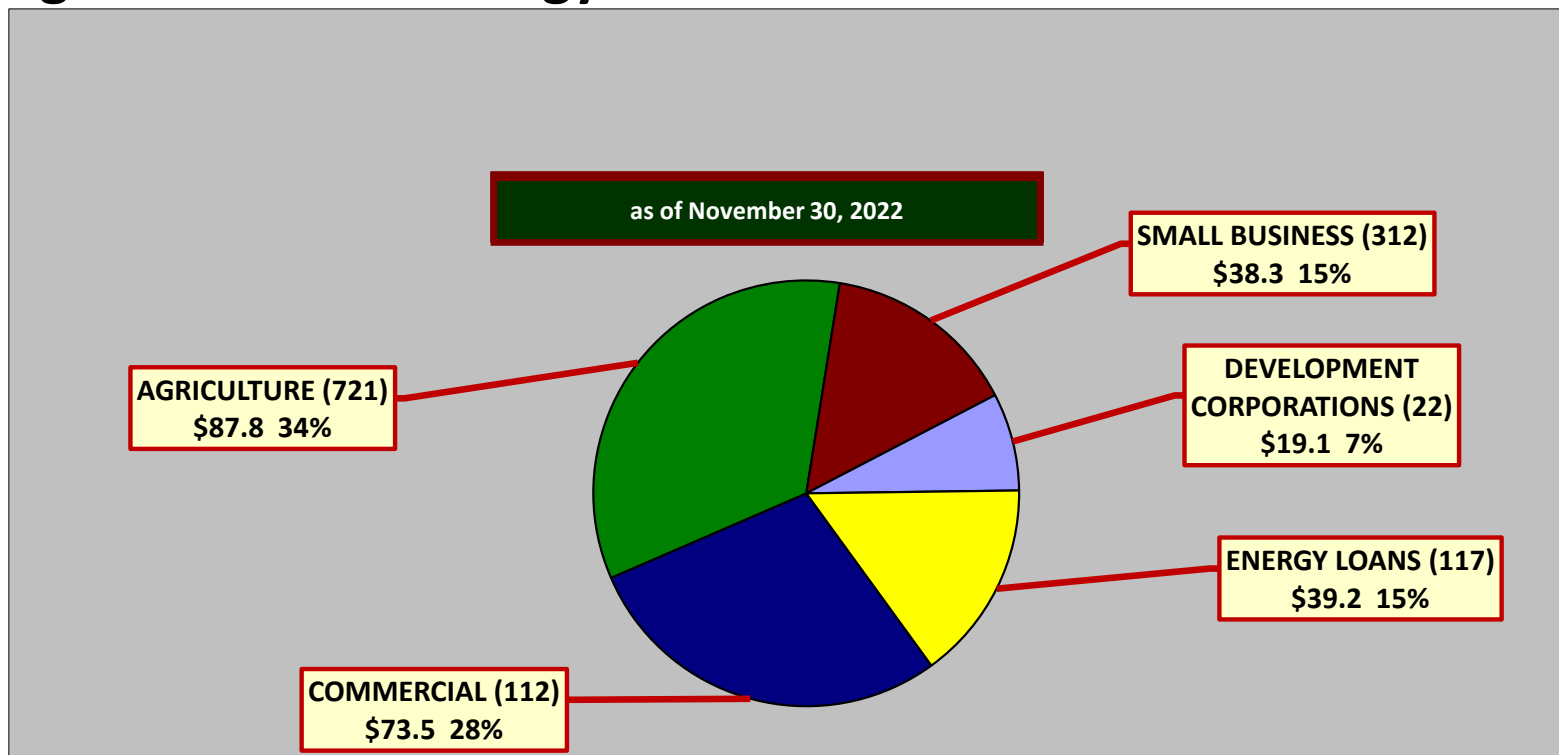
- Satellite offices: Burlington, Middlebury & St. Johnsbury
- Total Assets of \$300 million, of which \$250 million are loans

VEDA LEVERAGES PRIVATE CAPITAL

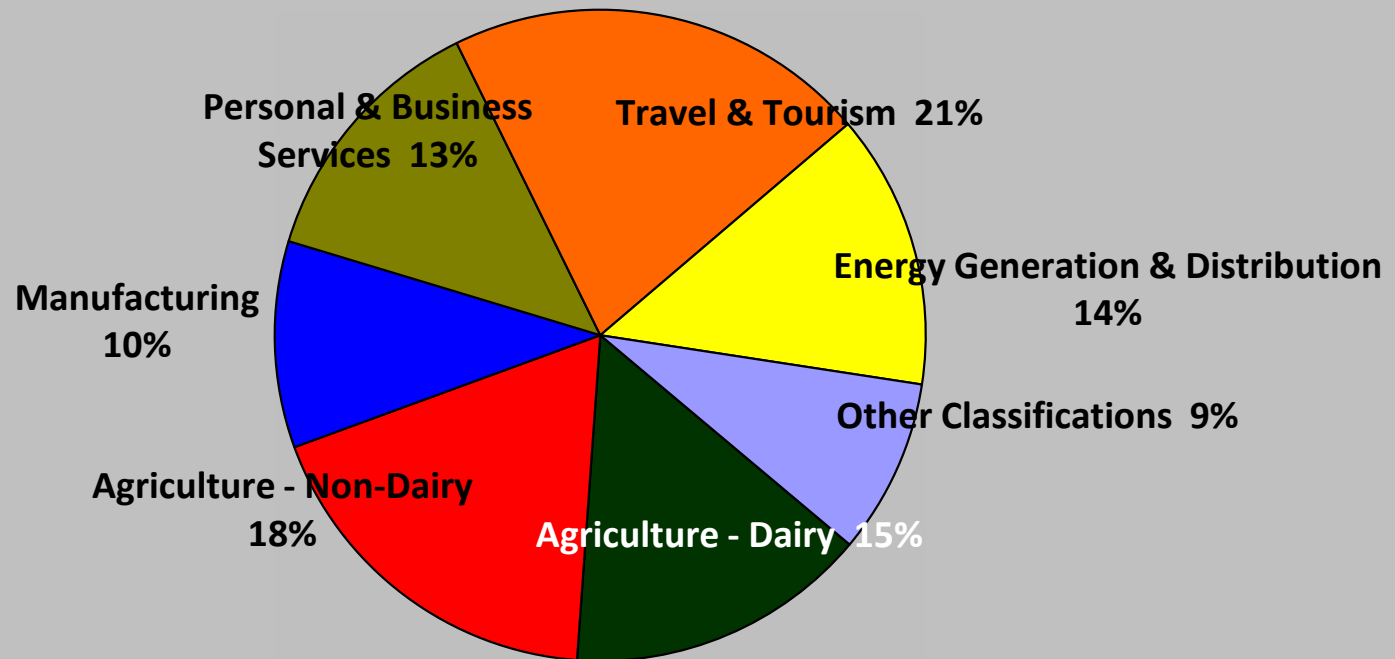


LOAN PROGRAMS:

- Operate over a dozen loan programs serving the commercial, agricultural and energy sectors.



INDUSTRY CONCENTRATIONS: as of 11/30/22



JOBS DATA:

	2018	2019	2020	2021	2022	5 YR Aggregate
# Borrowers	172	178	396	779	112	1,637
# Financings	223	218	408	845	127	1,821
\$ Closings	\$99.5 million	\$55.0 million	\$42.0 million	\$66.6 million	\$78.2 million	\$342.4 million
# Jobs	3,940	2,909	3,605	5,992	2,176	18,623

WAGE & BENEFIT DATA:

	2018	2019	2020	2021	2022	5 Year Agg. or Avg.
BLS National Avg. Wage (w/o Benefits)	\$27.22	\$28.16	\$29.47	\$30.73	\$32.36	\$29.59
Jobs Impacted	2,338	1,824	1,131	1,259	1,769	8,321
Average Wage (w/o Benefits)	\$37.45	\$33.16	\$31.25	\$37.65	\$27.63	\$33.43
Average Benefits (% of Payroll)	15%	15%	10%	14%	18%	14%
Average Wage (w/Benefits)	\$43.07	\$38.13	\$34.38	\$42.92	\$32.49	\$38.20

CAPITAL SOURCES:

- **VEDA funds its lending activities by issuing commercial paper and borrowing from banks and other lenders.**
- **The State of Vermont provides its Moral Obligation (MO) to VEDA's private lenders as credit enhancement, enabling VEDA to obtain better interest rates on its debt.**
- **The State has authorized \$181 million in MO to VEDA to pledge to its private lenders.**
- **VEDA also borrows from USDA /RD under its Intermediary Relending Program (IRP).**

Other Programs (Affiliate and Off Balance Sheet):

- **Conduit bond issuer of tax-exempt private activity and 501(c)(3) revenue bonds.**
- **SBA 504 lender via VEDA's SBA Certified Development Corporation (CDC) Vermont 504 Corporation (loans sold on secondary market).**
- **Administer and service several loan programs for the State with combined assets under management of \$44 million.**
 - **Drinking Water State Revolving Fund (ANR)**
 - **Clean Energy Development Fund (DPS)**
 - **State Infrastructure Bank (AoT)**
 - **Brownfield Revitalization Fund (ACCD)**
 - **Clean Water State Revolving Loan Fund (DEC)**

VEDA's PANDEMIC RESPONSES:

- **Full and partial payment deferrals.**
- **SBA PPP Lender: 990 PPP loans totaling \$45 million.**
- **VEDA Short Term Forgivable Loan Program: as of 1/9/23 – 144 FLP loans totaling \$13.5 million. Funded by \$19 million appropriation from Vermont's federal ARPA funds.**

STATE SMALL BUSINESS CREDIT INITIATIVE (SSBCI): Funding from US Treasury

- **VEDA is VT's implementing entity for up to \$58.9 million in SSBCI funding under ARPA.**
- **VEDA will use 50% (up to \$29 million) to subsidize interest rates on its direct loan programs for SSBCI eligible projects.**
- **The remaining 50% will be used for venture capital investments to be managed by 4 third party VC fund managers (selected through an RFP process).**
- **Funds are disbursed in 3 tranches; must obligate 80% of 1st tranche to apply for next tranche.**

ADDITIONAL RESOURCES:

- **VEDA's Website:** <https://www.veda.org/>
- **VEDA's Annual Reports:** <https://www.veda.org/about-veda/annual-reports/>
- **VEDA Borrowers' Stories:** <https://www.veda.org/borrower-stories/>
- **VEDA's Statute:** <https://legislature.vermont.gov/statutes/chapter/10/012>

THANK YOU!

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