



DEPARTMENT OF ECONOMIC DEVELOPMENT

Introductions

House Committee on Commerce and Economic Development

January 16, 2025

Department
Overview
**Economic
Development**

Commissioner

Joan Goldstein

Deputy Commissioner

Brett Long



Staff: 28

Department Mission

Economic Development

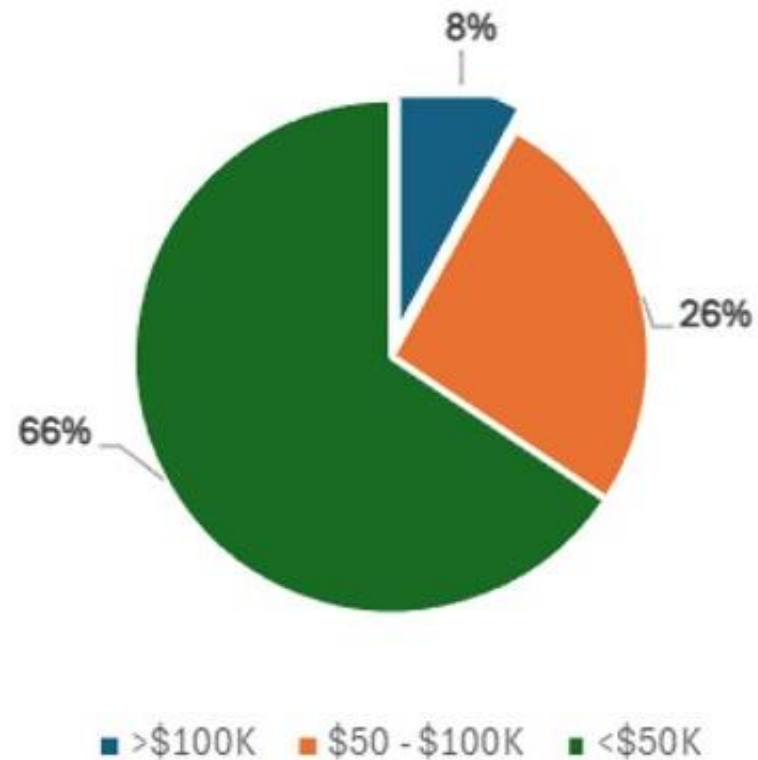
Mission

To improve the economic well-being of Vermonters by fostering growth, opportunity, and innovation. Our work connects businesses and organizations to critical resources including financing, workforce development, and market expansion, with the goal of cultivating high-quality jobs and expanding the state tax base.

Economic Development: The Core of Affordability

66% of Vermonters Earn Less Than \$50k

[Vermont Department of Taxes 2023 W2 Data]



Grand List Expansion and Catalyzing Business Growth are the Keys to Affordability

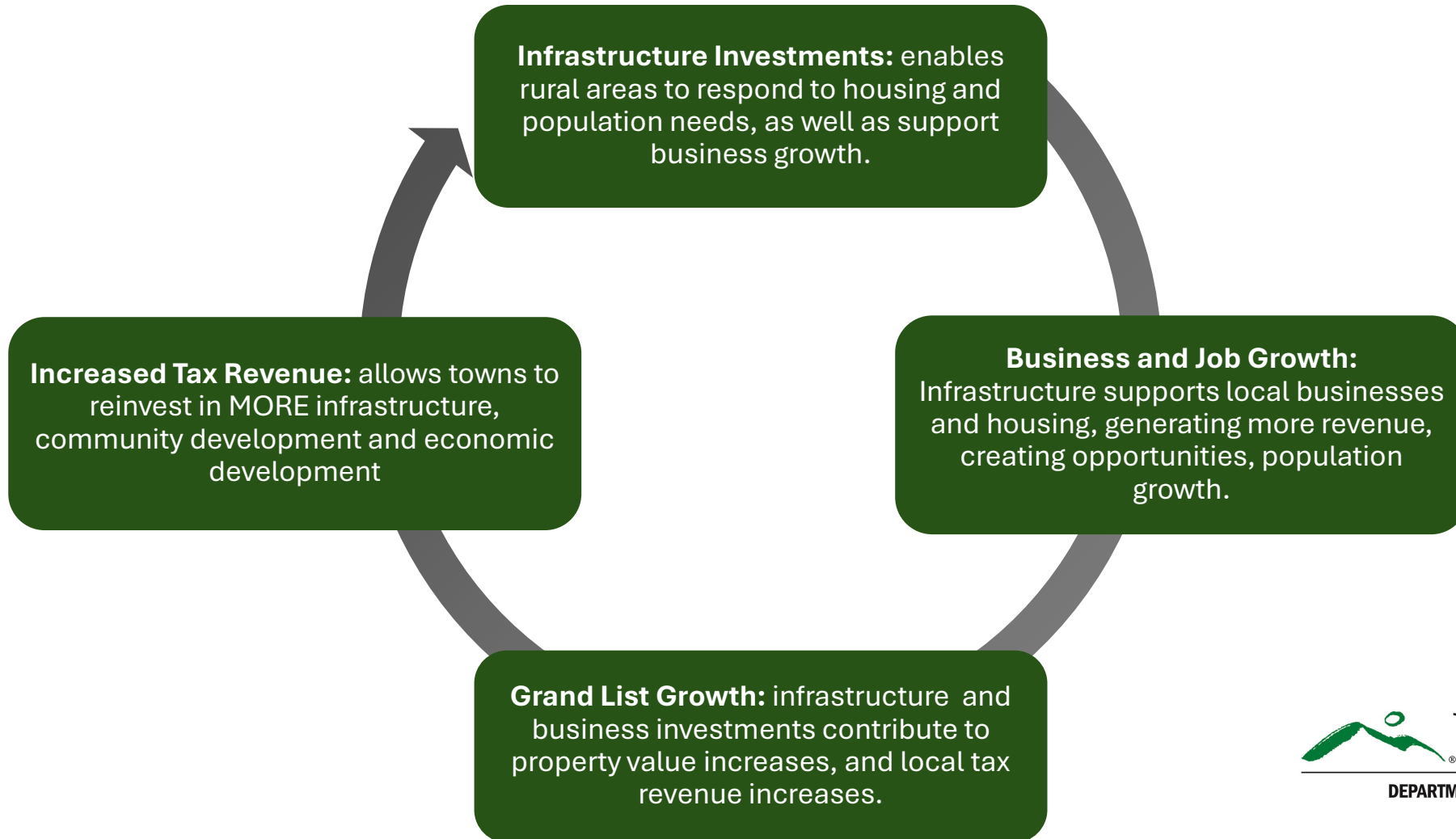
Grand List Growth

Grand list growth increases the property tax base, generating more revenue without raising tax rates, funding essential public services like public safety and infrastructure. It helps maintain affordability by spreading the tax burden, benefiting residents and making Vermont more attractive for businesses and families. The additional revenue supports housing initiatives, facilitating the development of affordable housing and addressing shortages. Expanding the grand list signals a healthy economy, encouraging further investment and job creation.

Business Growth

Business growth drives job creation, boosting employment opportunities and wages, which supports overall economic health. It increases the tax base, contributing to higher state and local revenue that funds public safety, infrastructure, and social programs. A thriving business environment attracts and retains talent, addressing workforce shortages and enhancing community stability. Business expansion stimulates innovation and investment, promoting economic resilience and competitiveness.

Building Prosperity: How Strategic Investments and Growth Drive Tax Revenue & Affordability



Department Buzzwords Economic Development

Buzzwords

- Economic Development
- “VEPC”, “TIF”, “VEGI”
- Business Growth
- Business Incentives
- Employee Training
- Community Development
- International Trade
- “Tech Commercialization”
- Entrepreneurship

Department Partners Economic Development

Major Partners

- Regional Development Corporations
- Regional Planning Commissions and Local Chambers of Commerce
- Vermont Economic Development Authority (VEDA)
- Small Business Administration (SBA)
- Small Business Development Center (SBDC)
- Northern Border Regional Commission (NBRC)
- Federal EDA (Economic Dev. Authority)

Common Committee Interactions

- House Commerce and Economic Dev.
- House Ways and Means
- Senate Commerce, Housing & Gen. Affairs
- Senate Finance
- House/Senate Appropriations



DEPARTMENT OF ECONOMIC DEVELOPMENT

**Vermont Economic Progress Council
(VEPC)**

Background

The Vermont Economic Progress Council (VEPC) is an independent board of Vermont citizens, nine appointed by the Governor and two appointed by the General Assembly. Additionally, there are two non-voting representatives from each region, one designated by the regional development corporation and one by the regional planning commission. The regional representatives serve in an advisory and advocacy role.

VEPC serves as an approval and authorization body for the Vermont Employment Growth Incentive (VEGI) program and the Tax Increment Financing (TIF) District program.

Vermont Economic Progress Council (VEPC)

Vermont Economic Growth Incentive: The State's ONLY economic incentive for businesses that incentivizes recruitment, growth, and business expansion. Provides incentives to encourage prospective economic activity in Vermont that is beyond a business's organic growth.

Tax Increment Financing: Tax Increment Financing (TIF) is a tool that municipalities use to finance improvements for public infrastructure like streets, sidewalks, and stormwater management systems.

Vermont Employment Growth Incentive (VEGI)

The State of Vermont offers an economic incentive for business recruitment, growth and expansion. The VEGI program provides compensation (a refund of the awardee withholding tax) to businesses that meet performance requirements.

VEPC determines the eligibility of a business and authorizes the amount a business is eligible to earn. Eligible businesses include export-based manufacturing and is best suited for medium to large businesses.

The Department of Taxes verifies and distributes the payment, IF targets are met. If the targets are not met, the payment is not earned by the business.

The amount of the yearly payment depends on how much money the new jobs, worker pay, and business investments bring back to the State.

Tax Increment Financing (TIF)

TIF is a tool that municipalities use to ease the taxpayer burden associated with necessary infrastructure improvements.

Towns can pay for building or improving public infrastructure like streets, sidewalks, and drainage systems in a specific area called a TIF District.

This also helps attract private investments in housing, stores, offices, and more to create jobs and grow the economy.

TIF Districts

Barre City Downtown

Burlington Downtown

Burlington Waterfront

Hartford Downtown

Killington

Milton Town Core

South Burlington City Center

St. Albans City Downtown

Winooski Downtown

Milton North/South (Retired)

Newport City (Retired)

How TIF Works

- 1) A town decides to create a TIF District and gets approval from VEPC.
- 2) Local voters agree to borrow money to pay for the infrastructure projects (like fixing roads or utilities).
- 3) The improvements make the area more attractive for businesses and developers to invest in.
- 4) As more people and businesses move in, the value of the properties in the TIF District (and neighboring areas) increases. This brings in more property tax money.
- 5) While the town is paying back the borrowed money, all the original property tax money from the area continues to go to the state's Education Fund.
- 6) During this time, a portion of the extra property tax money from the increased property value (up to 70%) is kept by the town to repay the cost of the improvements. At least 30% goes to the Education Fund.
- 7) After 20 years, when the debt is paid off, all of the property taxes from the TIF District (including the increased amount from housing and private development investments) will go to the Education Fund, helping schools and communities for many years to come.

Tax Increment Financing (TIF) Districts

District	Year Created	Original Taxable Value (OTV)	Taxable Value FY23	Change	Notes
Burlington Waterfront	1996	\$ 42,412,900	\$ 151,534,832	\$ 109,121,932	
Newport City	1998	\$ 48,500	\$ 2,954,200	\$ 2,905,700	Value on 2014 GL (end of district)
Milton North/South	1998	\$ 26,911,147	\$ 75,495,119	\$ 48,583,972	Value for 2021
Winooski Downtown	2000	\$ 25,065,900	\$ 104,305,700	\$ 79,239,800	
Milton Town Core	2008	\$ 124,186,560	\$ 231,863,630	\$ 107,677,070	
Burlington Downtown	2011	\$ 170,006,600	\$ 284,908,309	\$ 114,901,709	
Hartford Downtown	2011	\$ 33,514,500	\$ 68,689,200	\$ 35,174,700	
St. Albans Downtown	2012	\$ 123,049,450	\$ 180,566,868	\$ 57,517,418	
Barre City Downtown	2012	\$ 51,046,870	\$ 60,871,055	\$ 9,824,185	
So. Burlington Town Center	2012	\$ 35,387,700	\$ 67,229,280	\$ 31,841,580	
Killington	2022	\$ 12,989,730	\$ 12,989,730	N/A	
TOTAL		\$ 644,619,857	\$ 1,241,407,923	\$ 596,788,066	

Keep in Touch!

Vermont Economic Progress Council (VEPC)

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VERMONT

DEPARTMENT OF ECONOMIC DEVELOPMENT

International Trade & Business Recruitment

Exports, Imports, and Foreign Direct Investment

Exports to Top Vermont Markets (\$M)

	Goods 2023	Goods Change 2022-23
Canada	\$683	-\$98
Taiwan	\$218	-\$247
China	\$150	-\$60
Germany	\$112	-\$6
South Korea	\$87	-\$58

Top Vermont Services Exports



TRAVEL SERVICES

\$198M in 2023 | 2022-23 Change \$38M



OTHER BUSINESS SERVICES

\$133M in 2023 | 2022-23 Change \$6M



TELECOMMUNICATIONS, COMPUTER SERVICES

\$113M in 2023 | 2022-23 Change \$14M



GOVERNMENT GOODS & SERVICES

\$97M in 2023 | 2022-23 Change \$3M



PERSONAL, CULTURAL & RECREATIONAL SERVICES

\$70M in 2023 | 2022-23 Change -\$7M

GOODS

Top Vermont Goods Exports



ELECTRIC MACHINERY

\$647M in 2023 | 2022-23 Change \$540M



INDUSTRIAL MACHINERY

\$200M in 2023 | 2022-23 Change \$10M



OPTIC, PHOTO, MEDIC OR SURGICAL INSTRUMENTS

\$171M in 2023 | 2022-23 Change \$11M



PAPER, PAPERBOARD & ARTICLES

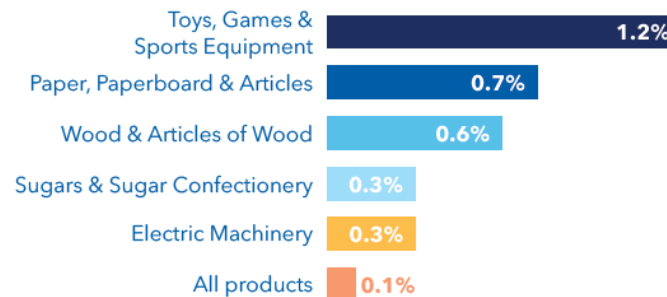
\$114M in 2023 | 2022-23 Change \$2M



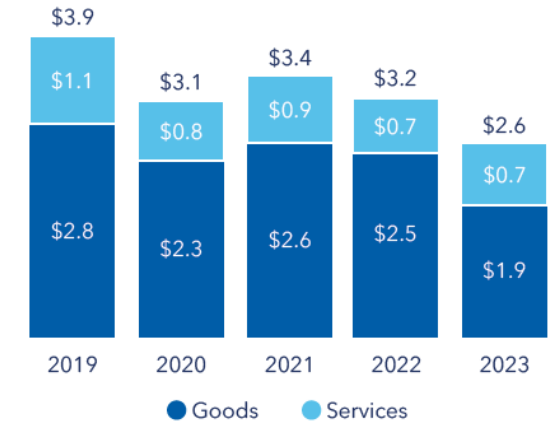
TOYS, GAMES & SPORTS EQUIPMENT

\$88M in 2023 | 2022-23 Change \$14M

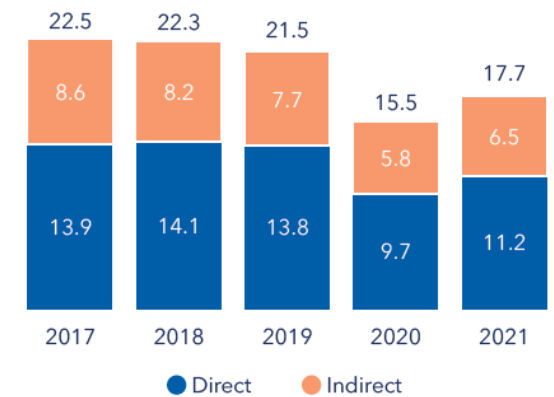
Vermont Share of Select US Goods Exports, 2023



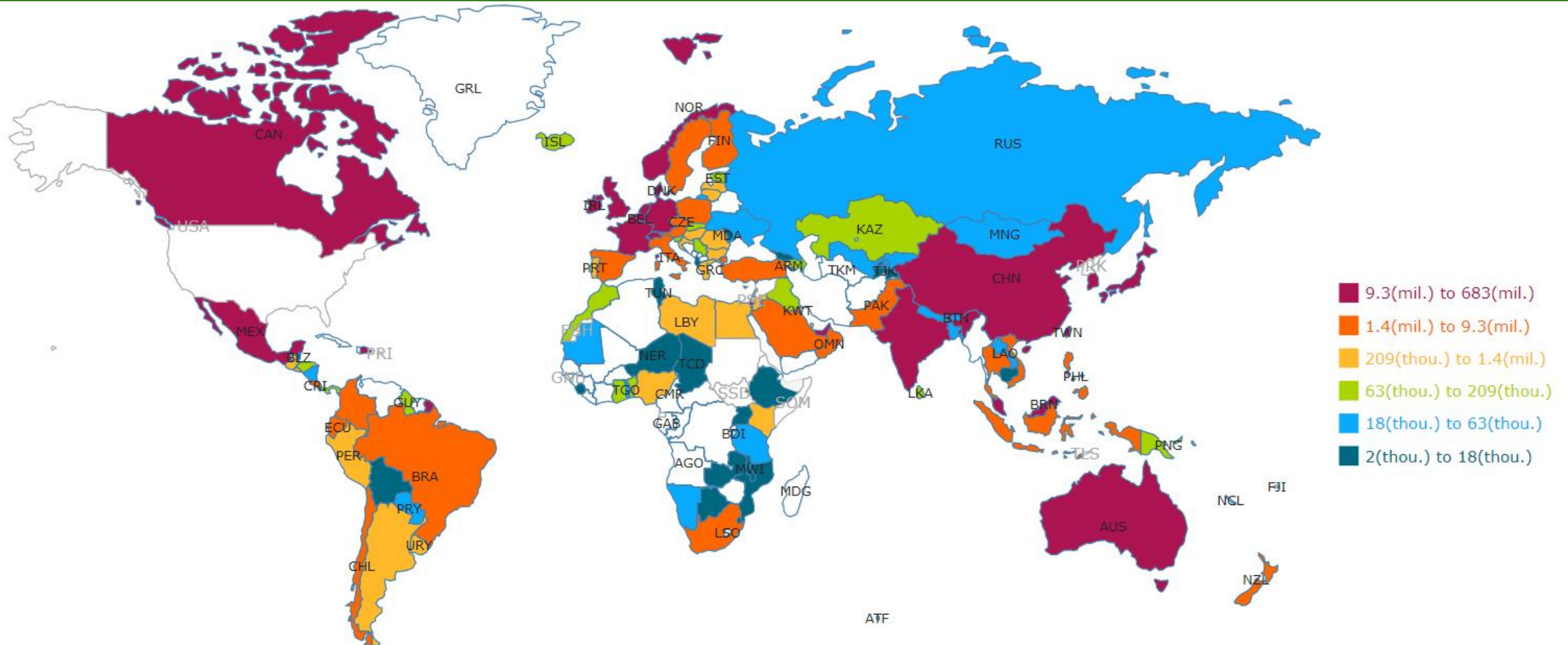
Vermont Exports to World (\$B)



Jobs Supported by Vermont Exports to World (thousands)



Vermont Exports to the World



State Trade Expansion Program (STEP)

The State Trade Expansion Program (STEP) is a program to assist Vermont exporters with establishing new international markets, providing compliance and training.

The Department of Economic Development (DED) applies every year to Small Business Administration for funds. DED is currently deploying the 12th iteration of the \$249,000 award. The program is fully subscribed.

The majority of funds directly reimburse small to medium-sized companies to attend trade shows, conduct market research, satisfy compliance, and enhance digital reach and e-commerce.

DED leads delegations and creates trade pavilions for trade shows including AeroMontreal, Medica in Germany, and Outdoor Retailer in Utah.

Foreign Direct Investment

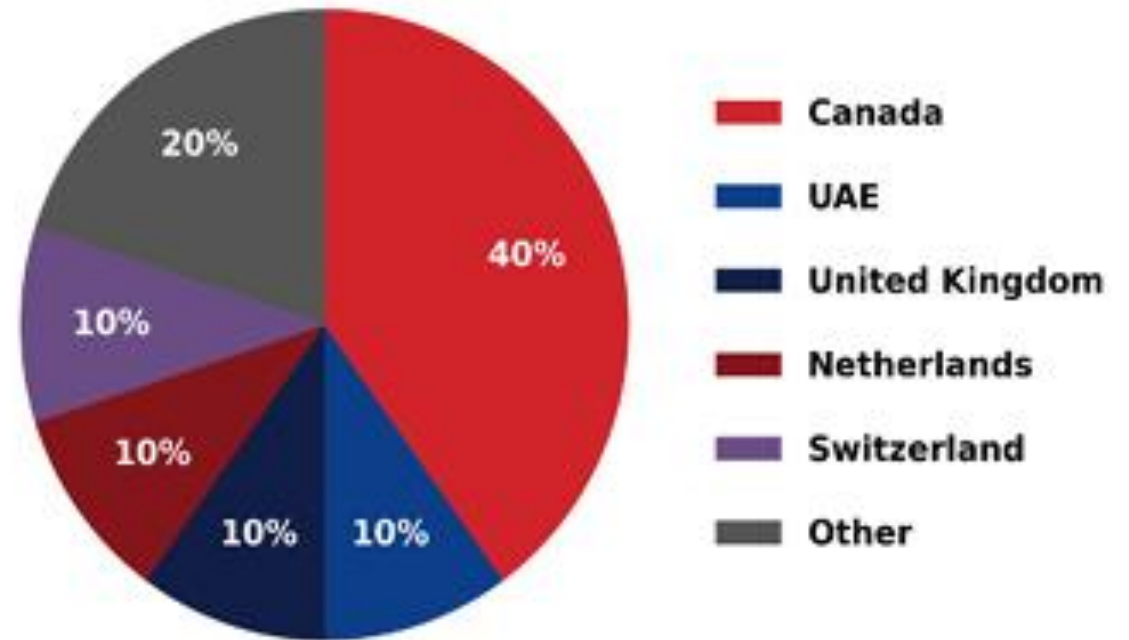


U.S. jobs directly supported by majority foreign-owned affiliates

14,200

Top Sources of FDI in Vermont

(10 Total Announced Greenfield Projects)



Canada In-Market Representative



Contracted with experienced Montreal-based recruitment and lead generation firm CIDEP.

Funded through a legislative appropriation of \$300,000 in FY 21 and additional \$150,000 in FY24.

The contract started in October 2021 and is now extended to November 2026.

CIDEP exclusively provides recruitment services for foreign direct investment for Vermont in the New England region. They also represent Vermont at trade shows and assist Vermont businesses in Canadian markets.

YEAR 3 PIPELINE

STAGE DEFINITION

Stage 1: Interest for region, project to expand in Vermont in 12-24 months, requested info and/or follow-up

Stage 2: Stage 1 + requested meeting face to face and/or a conference call

Stage 3: Stage 2 + requested formal proposal with expansion scenarios

Stage 4: Stage 3 + Site visit

CONVERSION RESULTS

Companies that we were able to move up the pipeline through follow-up and nurturing efforts

Since 2022:

- 15 companies have reached Stage 4
- 4 companies have expanded into Vermont
- 3 companies chose other states





DEPARTMENT OF ECONOMIC DEVELOPMENT

Rural Industrial Development Program

BIPOC and Cannabis Social Equity

Rural Industrial Development Program

ACT 78, A Rural Industry Development Grant Program, was created within ACCD to provide grant funding through local development corporations for business relocation and expansion efforts, including purchasing, demolishing, and renovating property for industrial use. \$5M was legislatively appropriated.

Application, guidelines and procedures were established in fall of 2023. Eight applications were received from Regional Development Corporations in February 2024.

After conducting review and site visits, four projects were granted in Brattleboro, Wilmington, Clarendon, and Colchester that will share \$2.3M to develop move-in ready sites for new employers and help existing businesses expand.

The second round of applications is due in March 2025.



VERMONT

DEPARTMENT OF ECONOMIC DEVELOPMENT

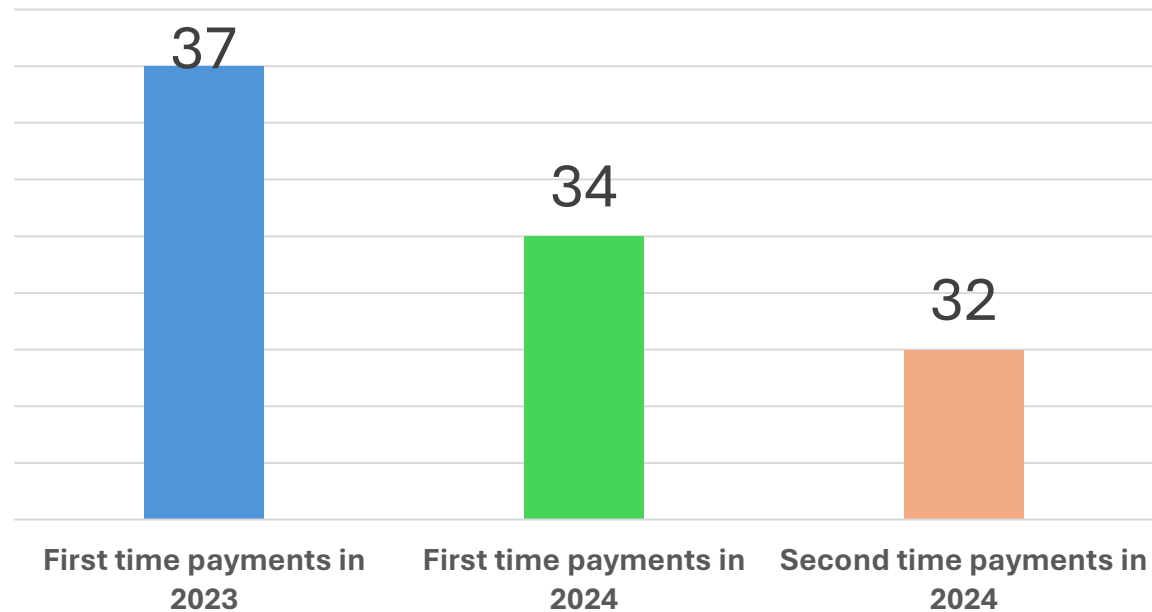
Business Support Programs

BIPOC and Cannabis Social Equity

Cannabis Business Development Funding

To provide funding to social equity applicants to pay for ordinary and necessary expenses to start and operate a licensed cannabis establishment.

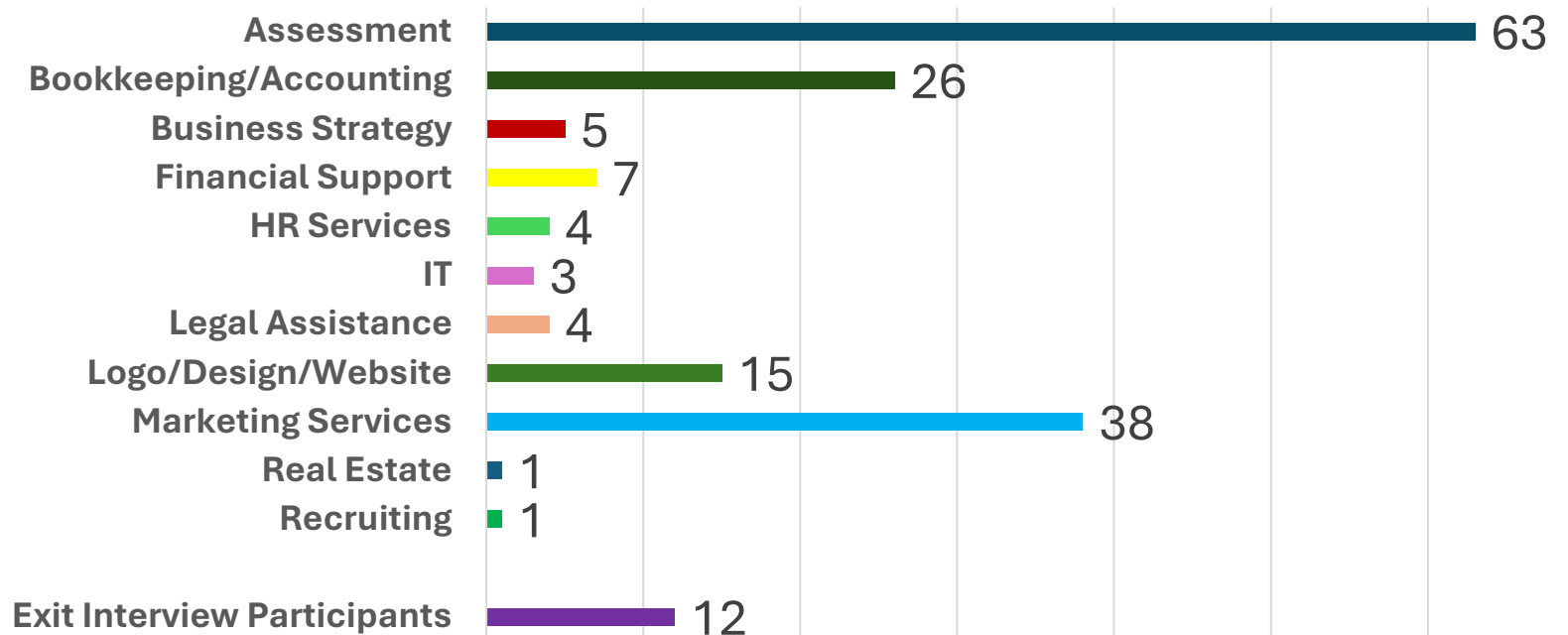
74 applicants have received beneficiary payments, and 103 payments have been issued.



Cannabis Business Development Business Assistance

ACCD contracts with Roads Consulting Group to provide technical assistance to eligible social equity applicants.

89 applicants have received consulting services over 1202.5 hours. (Average 13.51 per recipient.)



Black, Indigenous & Persons of Color Business Development Funding



ACCD was requested to create and maintain a performance-based contract to provide statewide delivery of business coaching and other forms of training to Black, Indigenous, and Persons of Color (BIPOC) business owners, networking and special convenings, and career fairs, workshops and paid internships, career guidance, and other support for BIPOC workers across the State.

In the Winter of 2022, DED worked with the Vermont Office of Racial Equity to develop and distribute a Request for Proposal to select a contractor that could provide these services to this community. In the Spring of 2023, the Vermont Professionals of Colors Network was chosen for a multi-year \$250,000 contract.



The Vermont Professionals of Color Network

Professional Career Development/Support

Drafting job applications, assisting job search(es), professional mentorship, etc...

Business Technical Assistance

Drafting grant/loan applications, business planning, branding and marketing, insurance benefit opportunities, etc...

Networking/Outreach Events

Several events VT PoC hosted or promoted attendance for VT PoC participants.

Activity	Count To Date (since May 2023)	Location(s)	Industries/Details
Professional career development /support	15 total 3 this period	Addison Chittenden Orange Washington Windsor	Financial management Food service Public Health Health/medicine Nonprofit Arts and Creative Sector
Business technical assistance	65 total 46 active/ongoing 29 closed	Counties: Bennington Caledonia Chittenden Lamoille Orange Orleans Rutland Washington Windham Windsor	Nonprofit (2) Retail Food/beverage Creative Health/wellness Agriculture Arts Tech Outdoor/Recreation Cultural Heritage Fitness Kids/Youth Retail
Networking/ outreach events	42 total 7 during this reporting period	4 Counties: Caledonia Chittenden Washington Windsor Virtual	NEK Businesses Meet up Health and Wellness Youth Empowerment Legal Webinar Focus groups

Keep in Touch!

International Trade & Business Recruitment

Tim Tierney, Director of Business Recruitment and International Trade

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Disaster Recovery Programs

Community Recovery and Revitalization Program: This ARPA-funded program is for projects that spur economic recovery and revitalization in communities across the state. More information [here](#).

Business Emergency Gap Assistance Program: BEGAP is for businesses and nonprofits that suffered physical damages from flooding events. This includes farms and landlords. Funding is for property damaged in the 2023 and/or 2024 floods. Eligibility and grant calculations differ depending on several factors.

Department Programs Economic Development

Brownfields Revitalization Fund: The Brownfields Revitalization Fund (BRF) promotes the productive reuse of sites that are currently abandoned or not fully utilized due to contamination on the site by providing financial assistance for clean-up.

Vermont Training Program (VTP): VTP provides up to 50% of the training cost for pre-employment, new hire, and/or incumbent employee training. It is a strategic workforce development program to enhance the skills of the Vermont workforce and increase the productivity of Vermont employers.

Department Programs Economic Development

International Trade Assistance (STEP): STEP funding assistance is available to eligible small business exporters to support entry into foreign markets or expand international export activity through trade shows, trade missions, market research, e-commerce, and export education.

APEX Accelerator: The mission of APEX Accelerator is to increase the percentage of federal contracts awarded to Vermont businesses, particularly contracts awarded to small businesses. Federal spending flows to Vermont businesses through both direct contract recipients and through their subcontractors.

Department Programs Economic Development

Northern Border Regional Commission (NBRC): The Northern Border Regional Commission (NBRC) invests in economic and infrastructure projects in all of Vermont's 14 counties. Depending on the level of economic and demographic distress, NBRC-funded projects can be eligible for up to an 80% matching grant.

BIPOC Business and Career Assistance Program: ACCD has contracted with the Vermont Professional of Colors Network to provide statewide delivery of business coaching and other forms of training, at no cost to businesses and individuals.

Cannabis Business Development Funding: To provide funding to social equity applicants to pay for ordinary and necessary expenses to start and operate a licensed cannabis establishment.

Department Highlights

Economic Development



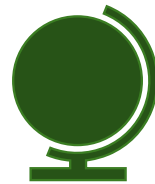
155

CRRP/CIP awards granted to businesses, not for profits, and municipalities statewide to fund community and economic revitalization projects.



\$389M

Total redevelopment funding leveraged by \$19.2M of state Brownfields Revitalization (BRF) funding.



\$16.2B

Total Vermont global exports from 2019-2023.



\$1.1B

New Qualifying Capital Investments made from 2007-2022 via the Vermont Employment Growth Incentive (VEGI) program.

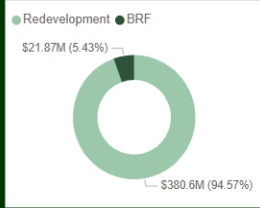


14,775

Workers trained via the Vermont Training Program (VTP) since FY17.

Brownfields Revitalization Fund - State Program

Note: This includes applications that are under review.
Updated January 14, 2025



TOTAL PROJECT AWARDS
\$21,867,747

PROJECTS
42

TOTAL REDEVELOPMENT FUNDING LEVERAGED
\$380,596,328

JOBS CREATED
831

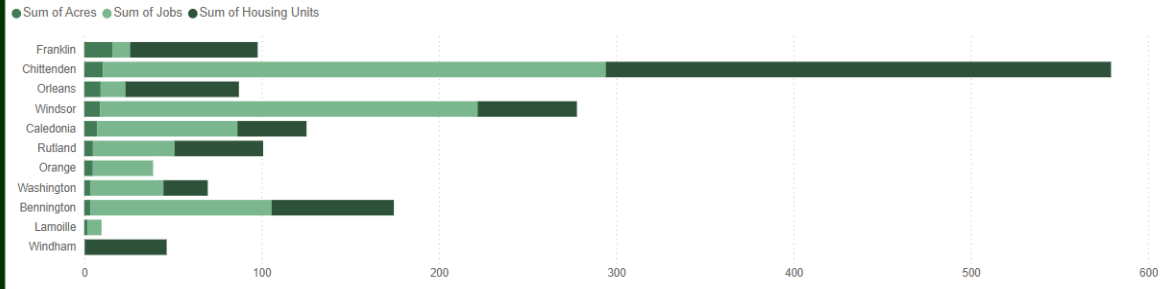
NEW HOUSING UNITS
706

INVESTMENT PER HOUSING UNIT
\$30.97K

ACRES CLEANED
71.45

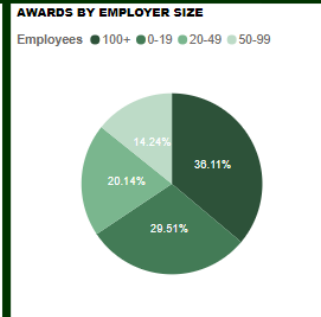
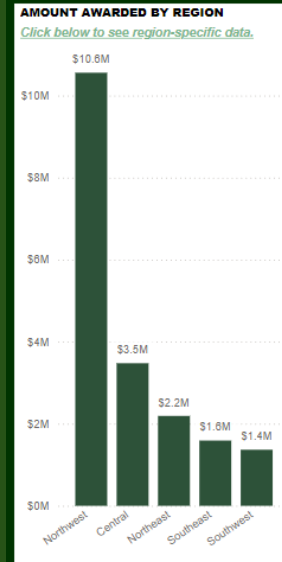
HOUSING UNITS, ACRES, AND JOBS BY COUNTY

Click on each county below to see location-specific data.



Vermont Training Program

[Note: Data is FY17 - October 2024]
Learn More
Updated December 12, 2024



WORKERS TRAINED
14775

AWARDS
288

TOTAL AWARDED
\$19,183,486

AVERAGE AWARD PER EMPLOYEE
\$1,298

WAGE CHANGE

(Quarterly Median)

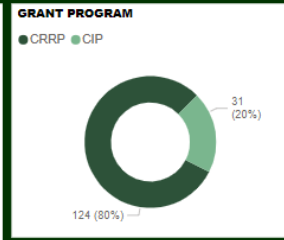
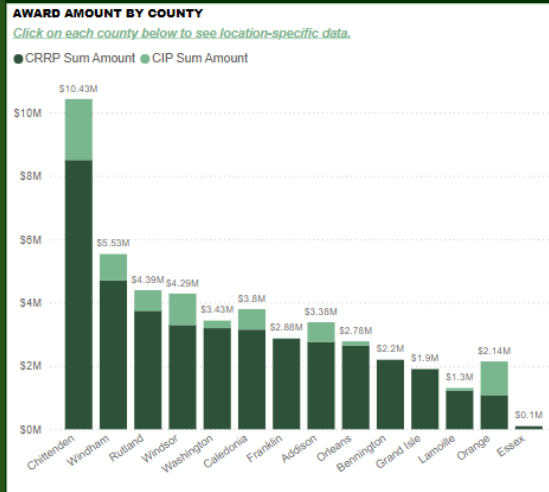
Fiscal Year	VTP Recipients	Statewide
2019	10.4%	6.2%
2020	3.1%	-6.7%
2021	16.2%	6.1%
2022	23.4%	11.2%
2023	4.1%	2.7%
2024	8.9%	1.9%
Average	11.0%	3.6%

WAGE CHANGE (Six-Year Average)
11.02%



Community Recovery and Revitalization Program (CRRP) & Capital Investment Program (CIP)

Note: As of December 3, 2024



AWARDS
155

TOTAL AWARDED
\$48,543,509

AVERAGE AWARD
\$313,184

AWARDED APPLICANTS

Scroll down to see complete list.

Applicant	Grant	Town/City	Total Award
Applesed Development LLC	CIP	Fairlee	\$100,000
Boys & Girls Club of Brattleboro Inc	CIP	Brattleboro	\$32,699
Burlington City Arts Foundation, Inc.	CIP	Burlington	\$500,000
Central Vermont Habitat for Humanity	CIP	Montpelier	\$39,475
Champlain College Inc	CIP	Burlington	\$304,255
Fairbanks Museum & Planetarium	CIP	St. Johnsbury	\$413,921
Fisher Brothers Farm LLC	CIP	Burlington	\$18,030
Greater Rockingham Area	CIP	Rockingham	\$72,504
Haystack Catering, LLC	CIP	Pawlet	\$10,653
High Street & Green LLC	CIP	Brattleboro	\$113,000
Total			\$48,543,508.59

Keep in Touch!

Economic Development

Leadership

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DED Deputy Commissioner, Brett Long

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