

# Department of Economic Development

*Lyle Jepson, Commissioner*

*Nick Grimley, Deputy Commissioner*

# Background

- **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
- **Staff:** 26
- **Major Partners:** Regional Development Corporations, Regional Planning Commissions, 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)

# Vermont Economic Progress Council

- 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, Tax Increment Financing (TIF) Districts, and the Community and Housing Infrastructure Program (CHIP).
- Executive Director, Jessica Hartleben | [Jessica.Hartleben@vermont.gov](mailto:Jessica.Hartleben@vermont.gov)

# Vermont Employment 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.
- 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 business 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.
- \$1.2 billion - Capital investments made by businesses to date as a result of the Vermont Employment Growth Incentive (and 10,000 new jobs have been created)

# 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.
- Municipalities use it 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.

# Community & Housing Infrastructure Program

- A statewide tax increment financing tool designed to help Vermont communities unlock housing opportunities by investing in critical infrastructure.
- \$2 billion can be invested between now and 2035, one of the largest investments in infrastructure in Vermont history.
- The target launch date is January 2026.

## Additional Information

- [accd.vermont.gov/economic-development/vepc/chip](http://accd.vermont.gov/economic-development/vepc/chip)
- [ACCD.CHIP@vermont.gov](mailto:ACCD.CHIP@vermont.gov)

# International Trade & Business Recruitment

- Provides businesses with valuable information, such as assistance navigating Foreign Trade Zone Agreements, business market expansion and relocation assistance associated with foreign direct investment. Including:
  - Market sourcing and lead generation;
  - Market research;
  - Trade counseling and advice;
  - Grant funding assistance for education, trade show participation, foreign trade missions, website localization, and technical assistance;
  - Educational seminars from an extensive network of partners on international business topics, such as ExporTech.

# State Trade Expansion Program

- 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.
  - ACCD applied for 13<sup>th</sup> iteration of STEP funding (\$249,000) in July 2025 – currently no states have been notified of their STEP award.
- The majority of funds directly reimburse small to medium-sized companies (less than 500 employees) 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.
- Since STEP 9 which began on September 30th, 2025 Vermont businesses have actualized over \$15,136,700 in export sales across the globe through a variety of export-related activities.
- ROI is 1:14 - for each grant dollar distributed, Vermont businesses have actualized over \$14 in export sales since STEP 9
- Future of the STEP program seems to be tentative.

# 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.

# 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.
- A total value of \$1,130,023 has been provided via beneficiary payments and technical assistance to eligible social equity licensed cannabis business owners.
- 83 applicants have received beneficiary payments, and 183 payments have been issued.
- ACCD contracts with Roads Consulting Group to provide technical assistance to eligible social equity applicants.
- 89 applicants have received consulting services over 1520 hours. (Average 17.08 hours per recipient.)

# BIPOC 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.

# 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.
- Funding to date:



- Anticipated Outcomes:



# Brownfields Revitalization Fund

## Key Takeaways:

- 1) Since 2021 launch, BRF state has delivered faster, more impressive outcomes than BRF federal has over the life of the program.
- 2) BRF state incentivizes housing projects through interagency coordination and targeted investment.
- 3) Brownfield projects require extensive braiding of multiple funding sources.
- 4) Federal funding availability beyond FY26 remains uncertain.

Project	County	CAP Est	Housing units	Jobs	Acres
Monument Place	Bennington	\$4,500,000	100	10	9
True Temper	Caledonia	\$2,700,000	34	0	7.8
453 Pine	Chittenden	\$500,000	172	0	4
Gilman Middle School	Essex	\$500,000	4	8	3.4
Bradford Veneer Mill	Orange	\$500,000	50	5	3
Bayview Motel	Orleans	\$300,000	14	0	2
Lynda Lee	Rutland	\$3,000,000	60	0	1.7
Country Club Rd/Elks Club	Washington	\$1,500,000	300	10	16
9 Heaton Street	Washington	\$500,000	25	0	2.36
Seminary Street	Washington	\$300,000	31	0	0.6
87 State Street/Federal Bldg	Washington	\$1,500,000	90	0	1.6
100 River Street/5 Pearl	Windsor	\$2,000,000	93	50	10
<b>Total</b>	N/A	<b>\$17,800,000</b>	<b>973</b>	<b>83</b>	<b>61.46</b>

# Vermont Training Program

- 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.
- 15,000 - Workers trained via the Vermont Training Program since FY17

# 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.
- \$299 million - Total value of State and Federal contracts facilitated for Vermont businesses by Vermont APEX Accelerator in its most recent fiscal year

# Captive Insurance

- Captive insurance is a form of self-insurance in which a business owns and operates its own insurance company to manage risk more effectively and cost-efficiently.
- Vermont is the #1 domicile worldwide, offering unmatched regulatory expertise and long-term stability.
- Vermont has licensed a total of 1,413 captive insurance companies to date (since 1981), and licensed 35 new captives in 2025 (as of 6/30/2025).
- There are 710 captives currently licensed (679 active and 31 dormant).
- In addition to licensing and oversight responsibilities, the Department of Financial Regulation implements and enforces Vermont's captive insurance laws and regulations—continually refining policies and procedures to ensure they remain effective, practical, and aligned with the unique purposes captives serve.

# Questions?

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