

Brattleboro Development Credit Corporation
-AND-
Southeastern Vermont Economic Development Strategies

2018

A N N U A L R E P O R T

INVESTING IN OUR REGION



Photo by Kelly Fletcher



2018 BDCC Founders Award winners,
Nancy and Tom Cain from
Against the Grain



\$17 million expansion; BDCC helped
G.S. Precision
hire 100 new workers



Summer intern working in human resources at
Brattleboro Retreat
through BDCC's Paid Internship Program



BDCC's Fast Tracks to Success brought
Twin Valley High School
students to visit the Vermont State House

COVER STORY: Chroma Expands

*BDCC managed the **New Market Tax Credit** project to expand Chroma Technology Corp in Bellows Falls, a \$22.1 million project to update and expand the facility, slated to add 25 new jobs. Chroma is an employee-owned "ESOP" that designs and manufactures optical filters.*

Investing in Regional Economic Growth

Dear Friends,

Economic Development is about investing in our region.

BDCC & SeVEDS's impact can be measured in dollars, but it's really about people accessing great opportunities, businesses succeeding, and our communities thriving. An essential ingredient to increase impact is capital, hence BDCC's new MELP small business loan program, recent US Treasury's CDFI certification of BDCC, and our federally funded New Market Tax projects. It's also why we are so excited about Windham's two new federally designated Opportunity Zones, which will help attract new capital from the public and private sectors. These new dollars, for instance, helped local businesses like Hermit Thrush and Mocha Joe's leverage their own dollars to grow here in Windham.

We must continue to invest in the future by investing in the people and projects that power the Windham Economy.

Bob Stevens

BDCC Board President

Meg Streeter

SeVEDS Board Chair

The SoVermont Economic Development Summit

In May the second annual summit drew 200 people to a gathering at Mount Snow to focus on envisioning the region's economic future in a day of "optimism and partnerships." The event culminated with a celebration of 24 Emerging Leaders from Bennington and Windham Counties.



BACK COVER: *Hermit Thrush Brewery is using BDCC Microentrepreneur Loan Program (MELP) funds to expand and invest in its sustainable production and to increase its workforce.*

Message from the Executive Director

Fiscal Year '18 began with the culmination of our largest real estate project yet. Governor Scott joined us for a ribbon cutting at G. S. Precision's \$17.4 million expansion, which kept 315 jobs in Brattleboro and added 111 new positions. Another important development that promises to create major impact came in June when the BDCC became a US Treasury-approved Community Development Financial Institution (CDFI). This will attract larger investments to the region. Whether it's a construction project or new financial structures, we are working to build a vibrant economy. No matter how large or small, from scale-up or startup, BDCC has a way to help.



Strategic planning guides all of this work. With the award-winning Windham Comprehensive Economic Development Strategy (CEDS) due for renewal, we partnered with Bennington County to create the new Southern Vermont CEDS. Rural regional economic development requires these kinds of special partnerships.

We build programs and projects, but we also facilitate connections and fight to secure the resources our region needs to thrive. Efforts emblematic of this approach won recognition this year, with international best-practices awards for the SoVermont Economic Development Summit and for the BDCC & SeVEDS FY17 Annual Report.

Perhaps most exciting is our new workforce educational partnership with the region's high schools and all four supervisory districts. After years of planning and working to raise \$500,000 to fund the program for five years, with the support of the Vermont Department of Labor, the Vermont Community Foundation, and the McClure Foundation, Pathways and Pipelines got off the ground this fall! The BDCC is providing a full-time educator to build new connections between classroom and work-based learning for every student. Stay tuned for more on this innovative pilot program.

We serve 27 Windham communities, from regional economic hubs to resort towns and sleepy villages. We connect your high schoolers with career opportunities and help small businesses adapt and scale. We pay special attention to young adults and entrepreneurs working to build a life here, and work every day to increase investment and opportunities so every Windham resident can thrive here.

By increasing our impact and organizational capacity, from expertise to financial tools, BDCC & SeVEDS serve as catalysts for critically important economic opportunities that help people and communities, businesses, and the Windham region as a whole. Thank you for the support, partnerships, and investment that make it all possible.

Adam Grinold

Helping Businesses to Grow Here

In FY18 we helped 58 companies stay, start, or grow here, managing two large expansions at G. S. Precision and Chroma Technology Corp. We also bid farewell to Incubator tenants Mondo Mediaworks and Vermont Photonics as they outgrew the Cotton Mill and BookPress! Below are a few highlights from the past year:

BDCC's Microentrepreneur Loan Program closed the first two loans in 2018. The new USDA-backed MELP is already helping a new entrepreneur buy and upgrade a local fitness business (and helping the founder to retire!). MELP helped Hermit Thrush Brewery, pictured on the back cover, expand capacity for its sustainable production and add staff. The BDCC works with businesses of all sizes to secure financing and technical assistance.



Tavernier Chocolates Grows at the Cotton Mill

BDCC tenant Tavernier Chocolates is expanding with help and financing from the BDCC, Windham Grows, and Vermont Economic Development Authority (VEDA) so owners Dar and John can keep meeting demand for their delicious products.

With over 500,000 square feet of commercial and industrial space, we host 75 businesses with over 450 employees. Many are being "incubated" with help from BDCC's INSTIG8 and partners like the Vermont Small Business Development Corporation (VtSBDC).

Mocha Joe's Expands Operations in Brattleboro

Known for delicious coffee and a lively Brattleboro café, Mocha Joe's is also a roaster and importer with over 100 employees in the US and abroad. The BDCC helped Mocha Joe's owners Pierre and Ellen Capy connect with an opportunity to "relocalize" operations in downtown Brattleboro. They purchased a new space with partial funding from the Windham County Economic Development Program (WCEDP) that will also house two other growing local companies. BDCC is always seeking opportunities to help companies stay and grow here.

Without the expertise of BDCC we could not have expanded our warehouse and roasting operations in Brattleboro.

Pierre Capy, Mocha Joe's



Increasing the Size and Quality of the Workforce

Our Workforce Center of Excellence has been developing programs aimed at all levels of workforce. With two new SeVEDS-led initiatives we aim to support employers that need specialized talent today, and are deepening our work with tomorrow's talented workforce.

New Pipelines and Pathways will Connect Kids to Careers

Nearly five years in the making, the BDCC prepared to launch Pipelines and Pathways based on SeVEDS's strategic vision for regional workforce systems. With the help of key funding partners the Vermont Department of Labor, the Vermont Training Program, the Agency of Commerce and Community Development, the McClure Foundation, and the Vermont Community Foundation, the BDCC will invest \$500,000 over five years to place a full-time curriculum specialist in the four regional high schools to leverage Act 77 and personalized learning plans and build connections between career opportunities and local students.

I can't imagine having this career or working with the amazing company that I do if it wasn't for the opportunities the BDCC internship program afforded me.

Gloria Anderson, WW Building Supply

BDCC Paid Internships Become Career Pathways

The BDCC Paid College Internship Program is in its fourth year. One of the most exciting outcomes is when placements lead to a permanent position, which 25% do. This year WW Building Supply hired its own intern full time. Gloria's design background and the training she gained at WW created a great fit that's helping this growing, family-owned local company meet new staffing needs.

New Program Helps Companies Recruit and Retain Talent

In FY18 BDCC launched a new initiative aimed at expanding the size and quality of the workforce by helping companies hire for specialized positions. Targeted Expertise Recruitment and Retention (TERR) is helping employers to find and attract talent and to welcome new professionals and their families to the region. Nine local companies are testing out new recruitment services. Twenty-five companies and organizations have signed on to participate in the collaborative SoVermont Marketing and Recruitment campaign to attract more people to the region.



Below: The new TERR program welcomes newcomers at a recent networking event.

BUILDING A VIBRANT REGIONAL ECONOMY: FY18 IMPACT DATA



\$47,606,957

Economic Impact in the Windham Region

\$687,232

in VEGI (Vermont Economic Growth Incentive) funds

\$786,058

in WCEDP (Windham County Economic Development Program)

\$821,355

Federal Funds (USDA, EDA, CDBG)

\$40.89 Million

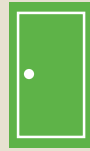
invested into **BDCC development projects**

\$125,000

Vermont Training Program (VTP)

\$400,000

MELP fund (**BDCC Microentrepreneur Loan Fund**), \$118k lent



1,054

Workers Connected to New Opportunities

119

Employers participating in **Workforce Center of Excellence** visits and events

603

Job seekers helped through Career Expo and Rapid Response events

11

Vermont Training Program visits, 2 awards, \$125k to train 120 workers

331

College students connected with **BDCC Paid Internships**



300

Local Businesses & Employers Assisted

58

Companies directly helped to stay, start, or grow here

93

Helped to find, train, and retain talent

227

Entrepreneurs and “wantrapreneurs” attended trainings & workshops

4

Paid interns turned into full-time employees

729

Entrepreneurs receiving **INSTIG8 small business and startup** training and access to resources through workshops, events, and one-on-one technical assistance

1,203

Students Connected to Career Pathways

4 High school and **16** college partners

16 Career skill-building and resume trainings

138 Employers hosting, hiring, and engaging students

48 campus and college events to promote Paid Internships

865 High schoolers at **Sophomore Summit, Career Expo, Fast Tracks** visits

the people & partnerships that create
IMPACT

4,599

number of people who took part in BDCC & SeVEDS projects, programs, events, and trainings



51 town leaders who took part in **24 Southern Vermont Economy Project** webinars, workshops, and the Broadband, Housing, and SoVermont Economic Summits



28 Board Members representing **13 towns** in Windham County

186

Number of **partner organizations**



75% of Windham residents who fund the work of SeVEDS through **12 town budgets**

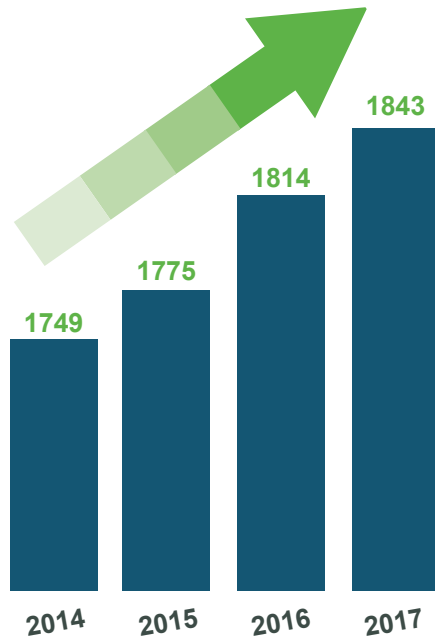


681 Vermont Young Professionals creating a vibrant community here at **14 SoVTYP** events including the annual gala with over **300 attendees**

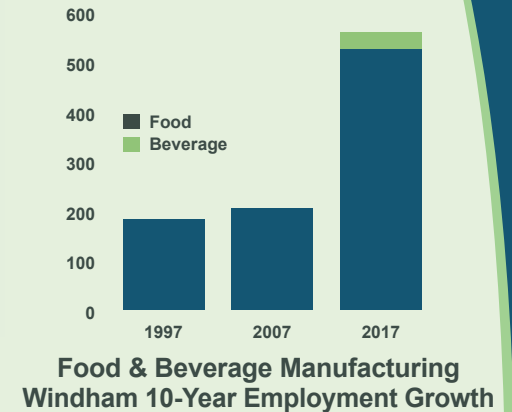
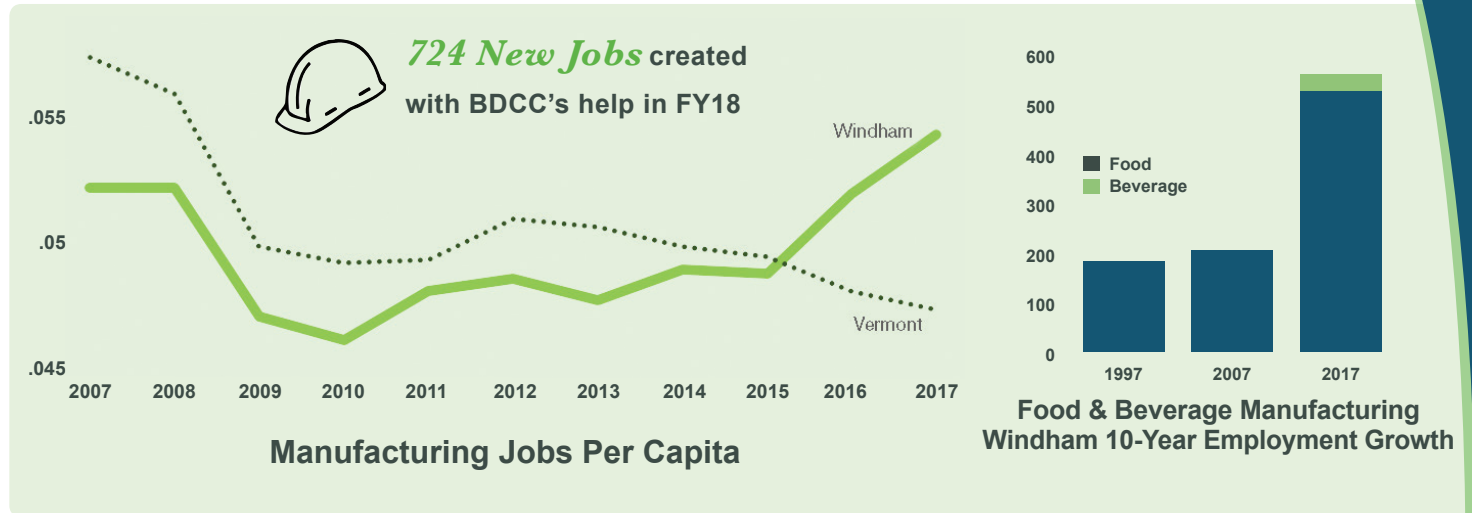
WHY ECONOMIC DEVELOPMENT MATTERS



1,843 Businesses
in Windham – highest
point since the recession



44 companies grew;
14 more stayed, started, or
located to Windham
with BDCC assistance.



1,627 Jobs retained with
BDCC's help in FY18

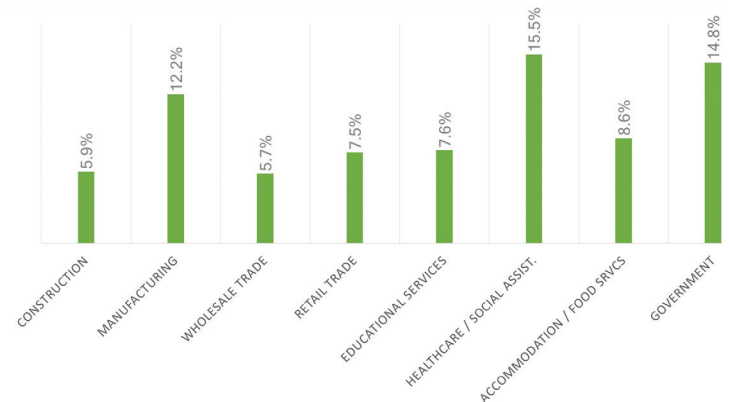
through BDCC workforce programs, business
support services and development projects.

\$8.3 Million Growth in Wages

in 2017, after \$50M VY wage drop in 2016

Last year overall wage growth got back on track for the region, with help from the manufacturing sector, after layoffs at Vermont Yankee dramatically reduced utility sector wages (source Vt DOL). 8 sectors account for nearly 80% of our county's growth in compensation (wages + benefits) (BLS 2016).

Sectors Driving Compensation Gains



strategic investments
to **GROW** the
region's economy

**\$1.35
million**

in federal & state grants
managed in Fiscal Year 2018

231

CEDS Project
submissions over 5 years

**\$3.58
million**

BDCC reinvested to fund FY18
projects and programs

The Windham Comprehensive Economic Development Strategies (CEDS) has informed BDCC & SeVEDS work with its core objectives: acting regionally; mitigating Vermont Yankee closure impacts; supporting entrepreneurs and business growth; increasing wages; and increasing the size and quality of the workforce. Since 2014 the Windham CEDS has gathered over 230 submissions and vital projects, reflecting a full range of economic activities, from municipal infrastructure projects and major commercial construction to workforce programs and cultural nonprofit initiatives. Since 2014 the CEDS has helped to bring \$6 million in grant funding to the Windham region.

In FY18 BDCC secured funding along with our Bennington partner agencies to conduct a 2019 CEDS update encompassing both Bennington and Windham counties. The new joint CEDS will incorporate input from dozens of public meetings and new economic research, and create a set of goals and strategies to guide our work for the next five years. For more information on the CEDS, visit the BDCC website.

Windham County Economic Development Program Estimated investment impact as of July 2018

473 Jobs retained

182 Jobs created (direct)

149 Jobs created (indirect)

\$38,365,469 Payroll in Windham County

The WCEDP program provides grants and loans, technical assistance, and support to aid recovery from the closure of Vermont Yankee Nuclear Power and the resulting loss of jobs, spending, and giving.

The BDCC provides Economic Development Programs and Projects in four core areas:

Business Growth, Attraction, & Retention:

- Site location & development services
- Complete project including New Market Tax Credits management
- Advocacy for Windham communities and businesses
- Business support
- Liaison with state programs and financing & incentives

Startups & Entrepreneurial Support:

- Cotton Mill, Book Press Business Park, & Exit One tenant space
- Incubator services
- INSTIG8 trainings & technical assistance for entrepreneurs
- Microentrepreneur Loan Fund
- Small business “ecosystem” referral network
- Scale-up support

Workforce Training, Recruitment, & Retention:

- Fast Tracks, Sophomore Summit, & the new Pipelines and Pathways
- Paid Internships
- SoVermont Young Professionals
- Targeted expertise recruitment & retention
- Talent pipeline management & hiring needs assessment
- Career Expo

Strategic Planning & Financial Management:

- Grants administration & technical assistance to municipalities & businesses
- CEDS Strategic Plan & Projects
- Southern VT Economy Project
- SoVermont Economic Summit
- Federal Programs Admin: New Market Tax Credits, Community Development Block Grants, & as a certified Community Development Financial Institution



BDCC & SeVEDS Staff

“The BDCC has been a great partner and helped extend our capacity to expose students to work-based learning. The Pipelines and Pathways project, and the hiring of a dedicated educational professional, is a thoughtful and strategic way to expand our work together.”

Bill Anton, Superintendent of Windham Central Supervisory Union

The BDCC provides capacity to help businesses, communities, and individuals access state and federal resources.

The BDCC is currently assisting Bellows Falls Area Development Corporation in managing cleanup and redevelopment for the Island Project, which received \$1.0 million in funding this year. The BDCC is the eyes, ears, and boots on the ground for

the Vermont Agency of Commerce and Community Development, but we also partner across state government from Working Lands to Tourism, the Department of Labor to Agency of Education.

The BDCC is a private, nonprofit economic development organization serving Southeastern Vermont, including Windham County and the towns of Readsboro, Searsburg,

Weston, and Winhall. As one of Vermont's 12 Regional Development Corporations (RDCs), we provide a full range of economic development services to the 27 towns in the Windham region to create a vibrant economy. SeVEDS, the Southeastern Vermont Economic Development Strategies group, was formed to take a strategic approach to the region's long-term economic conditions.

BDCC BOARD

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Susan McMahon, Associate Director, Windham Regional Commission

Drew Richards, Vice President, The Richards Group

Avery Schwenk, Vice President & Founder, Hermit Thrush Brewery

Luke Stafford, Owner & Chief, Mondo Mediaworks

Fiscal Year 2018 Income Statements

Unaudited as of June 30, 2018

BDCC REVENUE		SeVEDS REVENUE	
		ACCD	25,000
		DED	25,000
Rent	2,515,198	BDCC	52,579
<u>Other</u>	<u>1,751,044</u>	<u>Other</u>	<u>78,864</u>
Total Revenue	4,266,242	Total Revenue	181,443
EXPENSES		EXPENSES	
Operating	3,025,475	Contracted Services	198,537
Interest	413,222	<u>Other</u>	<u>17,568</u>
<u>Depreciation</u>	<u>351,949</u>	Total Expenses	216,105
Total Expenses	3,790,646		
Revenue over Expenses	475,596	Revenue over Expenses	(34,662)



College of St. Joseph students spent a day with six local employers. The Bridge to Brattleboro event was organized by the Community Equity Collaborative Diverse Workforce Development, which BDCC co-chairs.

“The Town of Brattleboro was proud to co-sponsor the first Bridge to Brattleboro event with the BDCC. The cross section of public and private organizations supporting this work will make an important positive impact in both the short and long term.”

Peter Elwell, Brattleboro Town Manager

SeVEDS Leads with Strategy and Insight. BDCC Builds Projects and Programs.

\$158,000
*State Funding
to the BDCC &
SeVEDS*

26X
*New Investment
Leveraged in
FY18*

724
*New Jobs
Created*

1,203
*Students
Connected to
Careers*

300
*Employers &
Entrepreneurs
Assisted*

\$47.6 M
*FY18
Total Impact*



Photo: Benjamin Zeman

- We help people create new businesses, jobs, and opportunities.
- We connect people with opportunity in the Windham region.
- We connect towns, nonprofits, and businesses with resources to grow.
- We help great initiatives, organizations, and businesses grow here.
- We help employers find and develop the talent they need to succeed.

**Brattleboro Development Credit Corporation &
Southeastern Vermont Economic Development Strategies**

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SeVEDS
Advancing Southern Vermont