



REPORT



Windham County Economic Development Program Annual Report 2019

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Project Name: Windham County Regional Partner Grant

Grant Number: 07100-WCPG-16-0125

Period Covered: July 1, 2018 - June 30, 2019



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Executive Summary

The Windham County Economic Development Program (WCEDP) was developed to promote economic development in Windham County by providing funds to stimulate job creation through business start-up, expansion, or relocation, encourage entrepreneurial activity, and strengthen the economic development infrastructure to ensure a strong foundation for transformational economic activity. The primary focus of the program is private sector job creation and retention, and direct support of entrepreneurial activities, followed by support of systems and activities that encourage an entrepreneurial, innovation and business start-up environment and culture.

The program's funds are made available through direct low-interest loans administered and underwritten by VEDA, competitive grants to organizations responding to an annual Request for Proposals, and non-competitive grants and incentives. For-profit businesses must apply for loans. Non-profits and municipalities may apply for loans or competitive grants.

This year, Three loans were distributed: 1.) Saxton's River Distillery's expansion project located at 155 Chickering Drive in Brattleboro, 2.) WW Building Supply's expansion in Newfane on Route 30, and 3.) a loan to the BDCC to procure the building formerly home to Neenah Paper and on behalf of Long Falls Paperboard, LLC. The BDCC, Windham region's regional development corporation, is able to acquire property in order to facilitate funding for environmental mitigation. Once that work is complete, the Long Falls Paperboard will purchase the building from the BDCC and those funds will be returned to the program.

It should be noted that the formulas used to calculate indirect and induced jobs changed for the overall projections. In previous reports, data was used that was difficult to access due to licensing. This report uses publicly available tools and information. Overall, the most significant change is to projections related to indirect and induced new job creation and the associated wages. This information is found in the "Impact" section of this report.

The Windham County Economic Development Program Advisory Council was formed by the regional partners to provide local and regional input and advice to the Windham County Economic Development Program. The Council is involved in program development and marketing and is responsible for reviewing Letters of Intent to Apply. Incentive projects are developed in partnership between the Council, local, regional and state partners. The Council will also provide annual program reviews and suggest ways to improve and redirect the program. The Council consists of state-funded regional partners and towns with designated downtowns, plus Vernon, as follows:

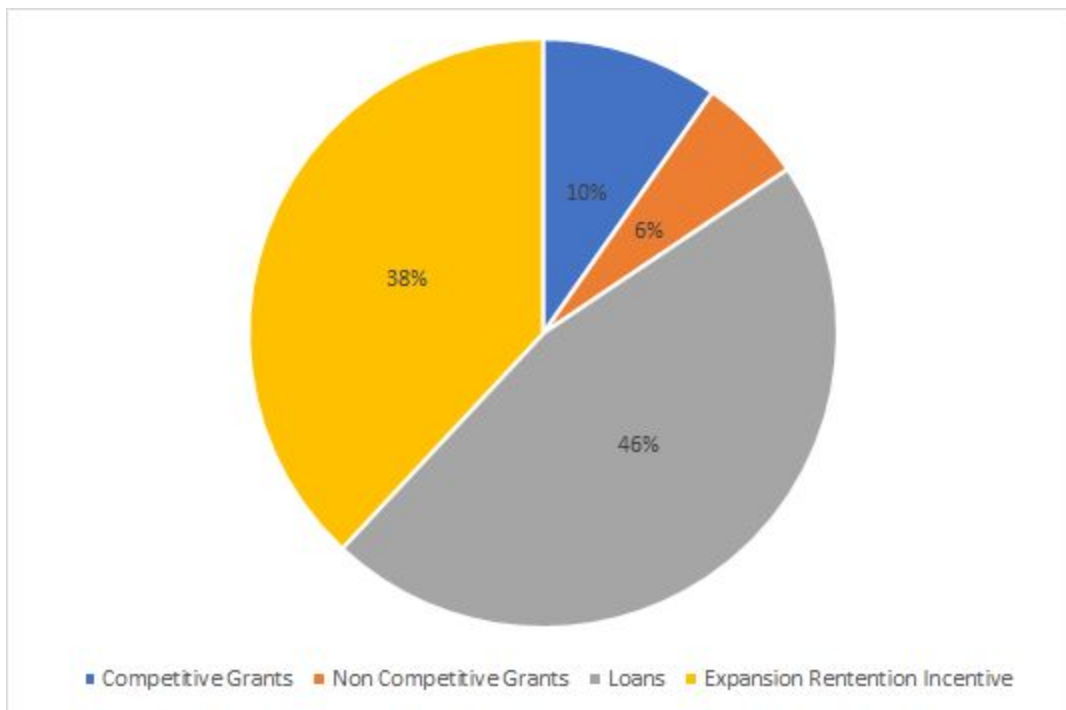
- Adam Grinold, Executive Director, Brattleboro Development Credit Corporation (BDCC), Chair
- Chris Campany, Executive Director, Windham Regional Commission (WRC), Vice Chair
- Laura Sibilia, Director, Southeastern Vermont Economic Development Strategy (SeVEDS)
- Peter Yost, Board Member, SeVEDS
- Peter Elwell, Town Manager, Town of Brattleboro
- Gretchen Havreluk, Economic Development, Town of Wilmington
- Bronna Zlochiver, Selectboard Appointee, Town of Vernon
- Brett Long, ACCD, Deputy Commissioner
- Kristie Farnham, ACCD, Director, Business Support

The strategy for implementation of WCEDP is a holistic economic development approach. Focusing on components related to business creation, attraction, retention, and expansion will leverage the funds for the greatest overall impact. The program combined with the Southeastern Vermont Economic Development Strategies (SeVEDS) EDA approved Comprehensive Economic Development Strategy (CEDS) for the region has provided the region with the tools necessary to leverage other funding dollars and generate economic vitality in the region.

Utilization

Through June 2019, the fund's utilization was dispersed between competitive grants, non-competitive grants, loans, incentives, and a very small percentage set-aside for potential legal contingencies from servicing loans.

2019



Categories Explained

- Competitive Grants - Projects submitted in response to the annual Request for Proposals that contribute to the general economic development infrastructure.
- Non-Competitive Grants - Funds distributed to entities to help market and administer the program.
- Loans - Funds distributed to projects that help businesses expand and add economic vitality to the region. As loans are repaid, the proceeds are deposited in a Revolving Loan Fund that will continue to benefit the region well beyond the life of the program.
- Incentives - Funds that contribute to private sector job retention and creation projects in the region that have significant economic impact
- Other - Funds to cover potential legal contingencies for loan servicing.

It should be noted that 84% of the funds have gone to private sector entities that are investing in the region through jobs retention, job creation and capital improvements. To date 16% of the program's funds have gone to non-profits to strengthen the region's economic development infrastructure.

The table below illustrates the various industries that have accessed the program in some form using the categories referenced above. Diversification is an element to economic development and impact which leads to a more robust regional economy. Supported projects have included the industry segments of precision manufacturing, economic infrastructure, software development, and the green economy.

NAICS Code	Description
236115	New Single-Family Housing Construction
311920	Coffee and Tea Manufacturing
312120	Breweries
312140	Distilleries
322130	Paperboard Mills

333314	Optical Instrument and Lens Manufacturing
335931	Current-Carrying Wiring Device Manufacturing
336412	Aircraft Engine and Engine Parts Manufacturing
444190	Other Building Material Dealers

Fund Balance

As of June, 2019, most of the fund has been distributed within the region to various projects. In July, the local Advisory Council recommended that any remaining funds should be reserved for potential future retention and expansion projects because the overall regional impact is greatest.

Transaction	Credit (\$)	Debit (\$)	Fund Balance (\$)
VY Payments Received	10,000,000		
Payments to Grantees, Borrowers, and Incentive Recipients-As of 6/30/2019		\$8,368,015	\$1,631,985
Loan Applications Approved, (2020 fiscal year)		350,000	\$1,281,985
Remaining Balance: Retention / Expansion Projects			\$1,281,985

Making a Difference - Impact

\$8,368,015 has been committed this far from the fund to help grow the economy and offset the jobs lost due to the closure of Entergy's Vermont Yankee (VY) power plant.

IMPORTANT: *It must be noted that the data below are projections based on the job creation submitted for each project by the project owners using five year projections. Also, the jobs referenced in this section are working to replace the jobs that have left the region due to VY's closure. These are not new net jobs at this point.*

Of the projects currently active and approved for funding, 679¹ jobs will be retained. 261 new jobs will be added to firms' payrolls. Indirect and induced jobs are those that are created as a result of expansion of a project such as a supplier or other jobs related to the support of a firm in a base industry. 825 indirect jobs are projected for the current active projects. The total projected employment impact is 1,629 with a total annual payroll impact of \$64,244,745.²

	2016	2017	2018	2019
Retained Jobs	480	482	473	679
New Jobs	170	169	182	261
Indirect & induced Jobs	158	157	149	825
Total Projected Annual Payroll Impact	\$38,151,000	\$38,556,353	\$38,365,479	\$64,244,745

2016 - 2019 projected impact comparison

Next Steps

The Windham County Economic Development Program has been well accessed for a variety of purposes. As stated above, the local Advisory Council has made the recommendation to reserve any remaining funds for potential retention and expansion projects.

¹ As noted above in the summary, a more accessible model has been applied to indirect, induced, and associated wage projections.

² This report now uses data that is publicly available and derived from the Bureau of Labor Statistics (U.S. Department of Labor) and the Bureau of Economic Analysis (BEA). Modeling done for 2019 has been applied to projects in previous fiscal years. 2016-2018 data in the table above reflects the same figures reported in those years.



Contact

It is important that the funds for the Windham County Economic Development Program continue to be distributed to quality projects that help to create, attract, retain, and expand businesses throughout Windham County. Identification of quality projects that fit the program's eligibility criteria is paramount. Please use the contact information below to communicate and share a potential project.