

Commonwealth Dairy: A Vermont Start-Up Success Story

Profile/Introduction—Commonwealth Dairy was just a dream in 2007. A dream with a lofty goal—to one day become the premier private label producer of yogurt in the United States. In 2008, Commonwealth’s principals approached the Town of Brattleboro and the State of Vermont to discuss locating the business in Brattleboro.

The Challenge—Starting a new Class II dairy processing facility is a significant financial investment. Commonwealth Dairy assessed a number of locations in the Northeast, evaluating the best combination of incentives, credits, workforce, raw material supply and proximity to customers. Vermont competed against New York, New Hampshire, Maine, Connecticut and Massachusetts, which offered an impressive package of incentives through various public and private economic development authorities.

The Solution—Working together, state and local officials put together a package that convinced Commonwealth that Vermont was the optimal location for their business. The [Vermont Economic Progress Council](#) offered [Vermont Employment Growth Incentives \(VEGI\)](#), and approved a maximum incentive of just over \$1,200,000. The [Vermont Community Development Program](#) approved a \$639,920 community development block grant to the town of Brattleboro to loan to Commonwealth for fit-up costs. The [Vermont Economic Development Authority](#) approved a \$1.3 million loan to Commonwealth as part of a \$26.3 million financing package utilizing the U.S. Treasury Department’s New Market Tax Credits to provide a portion of the equity funding. The Brattleboro Development Credit Corporation (BDCC) employed a federal grant to complete a \$1.15 million public-private partnership to build a water line to the development where Commonwealth would locate. In addition, the [Vermont Training Program](#) made available up to \$101,600 to help Commonwealth with on-the-job training for 40 new employees.



Scott Geno of Guilford, Dairy Processing Machine Operator at Commonwealth Dairy, Brattleboro.

The Result— Groundbreaking on the new processing facility occurred in spring 2010, and the first cups of yogurt came off the line in late March 2011. "With the help of state and local programs, we were able to construct a state-of-the-art Class II dairy facility in Brattleboro and hire 30 employees who met the VEGI wage threshold in our first year alone," said Thomas Moffitt, CEO. "We are well positioned to achieve our goal to become the premier private label producer of yogurt and other dairy-based products in the United States."

"The Town of Brattleboro, the State of Vermont, and the Brattleboro Development Credit Corporation have facilitated a great opportunity for Brattleboro and all of Vermont—additional value-added dairy processing capabilities in Vermont, which means jobs in the processing plant and more demand for Vermont milk," said Vermont Senator Patrick Leahy, a veteran member of the Senate Agriculture Committee and the Senate Appropriations Committee.

It was initially expected that Commonwealth would employ 40 people by the end of five years, yet today’s workforce exceeds 100 people, with an output of 50,000 cases of yogurt per week. The company purchases an average of 80 tankers of milk per month from area coops, directly benefiting other Vermont businesses and farmers.

When Commonwealth isn’t busy winning awards—not just a first place, but first *and* second place in the World Dairy Expo Dairy Product Championship Contest (August 2012) for their Green Mountain Creamery Vanilla and Pineapple Greek yogurts, they are actively planning expansions.

For more information about Commonwealth Dairy, visit their website at: http://www.commonwealthdairy.com/home_page.htm

Dealer.Com: Easing Growing Pains

Profile\Introduction

Dealer.com is a global leader in digital marketing solutions for the automotive industry. In 2010 they were experiencing rapid growth and had several options for expansion, ranging from relocation to expansion of current operations.

The Challenge\Problem

Founded in Vermont, the company faced a difficult decision. Several states had contacted Dealer.com with very attractive incentive proposals to lure them from Vermont. There were major space constraints, and perhaps the biggest challenge was to attract the skilled workers they needed to meet the market growth they were experiencing.



Matt Keller and Tim Cornish of Dealer.com, Burlington

The Solution

The Agency of Commerce, working closely with the Greater Burlington Industrial Corporation and the Community Economic Development Office of the City of Burlington, made a plan to address the company's key issues. The company needed to expand their building, which is certified as a Leadership in Energy and Environmental Design (LEED) designed facility. With the cooperation of their neighbor, Lake Champlain Chocolates, growth plans were developed which included the physical expansion of 47,360 sq. ft., taking over the former packaging and distribution facility of the Lake Champlain Chocolates factory, also a LEED-certified building.

The Vermont Economic Progress Council authorized \$3.5 million in VEGI incentives for new employment and capital investments projected by Dealer.com. In 2010 and 2011, VEDA, Vermont's state bank, loaned over \$15 million for the expansion – and the Agency's Vermont Training Program awarded \$300,000 for workforce training to assist the company.

The Result

Quoting Dealer.com's founder and former CEO Mark Bonfigli, "From the beginning, we set out to create an innovative, fun and enterprising culture in order to develop and attract the best and brightest talent in the industry. Dealer.com's emphasis on culture, employee wellness programs, training and career initiatives, and advanced technology have made Dealer.com a driving economic force in the industry as well as Vermont."

Headquartered in Burlington, VT, Dealer.com utilizes a 63,000-square-foot revitalized building. Employees enjoy an on-site organic cafe, a sports complex that features an indoor tennis and basketball court, full gym with cardio and strength training equipment, and even ping-pong tables.

Winner of several worksite wellness programs, as well as creative awards for premiere Website design, the Dealer.com culture is one that emphasizes responsibility for the health and wellness of its employees as well as the community. Dealer.com's new digs are complete with the total anticipated investment: \$9 million and hundreds of new employees.

Learn More

For more information on Dealer.com: <http://www.dealer.com>

LOGIC SUPPLY NEEDED TO RESPOND TO MARKET GROWTH

Profile/Introduction

Logic Supply, headquartered in South Burlington, has found a niche in the micro-processing sector: small, rugged computers, designed to withstand extremes and perform specific tasks. The company's computers are used by State Police to allow troopers to fire up sirens with a voice command; in the back of taxis handling customers' credit card transactions; and in slaughterhouses where they get sprayed down at the end of the day. The mini-computers have also been used in voting machines and to monitor traffic in harbors along the East and West coasts. Since 2004, Logic Supply world-wide revenues have grown at an annually compounded growth rate of 24%, with a corresponding increase in employees.



ERICA AUSTIN OF SOUTH BURLINGTON WORKING AT LOGIC SUPPLY

The Challenge

Logic Supply's current facility in South Burlington was at capacity and limiting the company's ability to service existing markets and take on expanding global markets. Logic Supply has an office in Taiwan which could be expanded by adding technical and engineering expertise, and a rapidly expanding division in the Netherlands, serving the 27 nation European Union (EU) market. Europe's revenues are scaling quickly -- for example, from 2011 to 2012 EU revenues grew over 200%. Given this growth rate, the EU offers a compelling arena for investment. The Logic Supply management team calls Vermont home and is emotionally committed to expanding its operations in the state. However, they also methodically evaluate where to best allocate limited resources as they plan for continued growth on a global scale. The challenge for Logic Supply was to create a strong business case for continued Vermont expansion.

The Solution

To ensure Vermont remained a viable choice for the company, the State of Vermont offered a performance-based cash incentive of just over \$352,000 through the Vermont Employment Growth Incentive program. "The State of Vermont has been an incredible resource to Logic Supply and assisted our growth over the years. We are thrilled to be approved for VEGI incentives as we continue to add new high tech jobs and contribute to Vermont's overall economic expansion" said Logic Supply's Co-Founder and COO, Lisa Groeneveld. Logic Supply was also approved for a training grant of \$41,000 from the Vermont Training Program to help train new employees and provide cross-training and upgrade training for existing employees. Logic Supply is also reviewing options through VEDA for future financing.

The Result

Logic Supply broke ground in 2014 on a \$2.6 million expansion to their existing facility in South Burlington, Vermont, growing from 15,000 to approximately 30,000 square feet. The expansion will provide Logic Supply with increased production and warehouse capacity and an engineering lab to drive production development. This expansion is anticipated to create 30 new, direct, full-time jobs which will also result in at least another 25 indirect jobs over the next 5 years. The capital investments and new jobs will generate income, payroll, property and other tax revenues to the State of Vermont that otherwise would not have occurred, totaling over \$320,000 in net new tax revenue to the State, after the costs of the expected incentive payments. A ribbon-cutting of the new Logic Supply facility will occur in the summer of 2015.

For more information about Logic Supply, visit their website at <http://www.logicsupply.com/>.

New England Chimney Supply: Incentives Convince Entrepreneur to Start Vermont Business

Profile/Introduction

Pierre Simard was at a crossroads: take a partnership position in an existing chimney supply company based out of Chicago, or start his own chimney supply and manufacturing business. Pierre wanted to stay in Vermont, but starting his own manufacturing and supply business involved much higher risk.

The Challenge

While investigating the option of starting his own business, Pierre encountered a host of decisions, where to locate the business being chief among them. As his wife was from Peru, NY, Pierre knew the area was eager for new businesses to locate in the area. Yet Vermont was where Pierre wanted to base his business, so he approached the State of Vermont to explore programs available to launch New England Chimney Supply (NECS) in Vermont.

The Solution

The [Vermont Economic Progress Council](#), offering incentives in the form of [Vermont Employment Growth Incentives \(VEGI\)](#), was instrumental in cementing the deal for NECS to start-up in Vermont. The State approved a maximum incentive of \$67,953. These incentives are earned when headcount, payroll and capital investments are met and maintained over the incentive period. Start-up capital assistance came from the [Vermont Economic Development Authority \(VEDA\)](#), who approved a \$380,000 loan as part of a \$1.255 million to launch New England Chimney Supply.

The Result

NECS located in Williston, renovating existing space and making capital investments in machinery and equipment to get the business up and running. In the first year, NECS hired eight qualified new employees. "With the help of the VEGI program, we were not only able to start our business locally, but have been able to hire quality Vermont employees. With the team we have assembled we have exceeded all our projections and are well on our way to achieving our goals! We are grateful to be a recipient of the VEGI incentives," stated Pierre Simard, CEO, New England Chimney Supply.

Additionally, all of New England Chimney Supply's chimney liner systems are fully listed with UL - Underwriters Laboratories—which serves as a testament to the quality of their products.

For more information about NECS, visit their website at <http://www.newenglandchimneysupply.com/>



Heidi Wood of Williston, Assembler at New England Supply, Williston.

Revision Military: Saving and Creating Jobs in Vermont's Northeast Kingdom

Profile/Introduction

Revision Military Ltd., located in Essex Junction, VT, develops and delivers protective equipment for military use worldwide. The company, which began with eyewear, expanded to face and head protection and continues to develop their capabilities for integrated, performance-enhancing soldier protective systems. Revision Military recently created a new subsidiary, Revision Ballistics, to focus on the Advanced Combat Helmet (ACH) market.



Jonathan Blanshay (Revision Military, CEO), presented Senator Patrick Leahy and Governor Peter Shumlin with personalized Advanced Combat Helmets signed by employees at Revision Military in Newport, VT.

The Challenge

MSA, a Pennsylvania-based company that owned a Newport, VT manufacturing location announced in March 2012, that it was leaving the military ballistic helmet market at the end of its current contract. The Newport manufacturing facility would close and 44 employees would be laid off. Concurrently, the U.S. military announced its intention to solicit bids for the design of the next generation of ACH. Revision was eager to bid on the new helmet system, yet did not have a place to manufacture the new product. Based on their interest in the ACH market, Revision had been investigating manufacturing facilities throughout the U.S. since early 2010, with a focus on Rhode Island, Virginia, Florida and Mississippi. With MSA's closure announcement, Revision decided to begin negotiations with MSA to purchase their Newport facility. Purchasing MSA's assets represented the only viable opportunity for Revision to locate the new manufacturing in Vermont. Even with a potential deal with MSA, a Vermont location was handicapped by higher operating expenses.

The Solution

The State led an effort that utilized several programs of the Agency of Commerce and Community Development (ACCD). Hours of technical assistance were provided by ACCD, and the Vermont Economic Progress Council made an initial authorization of up to \$743,000 in Vermont Employment Growth Incentives (VEGI). The Vermont Economic Development Authority (VEDA) extended \$1.16 million in loans for equipment, machinery and inventory. In addition, Senator Leahy supplied critical help to the project by supporting Revision through their Department of Defense (DOD) contract bids.

The Result

Revision purchased MSA's combat helmet division, saving over 40 jobs at the Newport manufacturing facility. Revision Military CEO Jonathan Blanshay said: "Integration of the Newport facility into Revision is going very well and the plant is extremely busy ramping up manufacturing of the helmets to fulfill this contract. It is rewarding to see the plant fully operational with additional employees who are making top quality helmets to help keep our soldiers safe. We appreciate all the Senator's office and the State have done to help us accomplish this in a very short time frame."

At a press conference announcing the new contract and jobs, Governor Shumlin said: "This is more great news for Newport. Our team worked closely with Revision, Senator Leahy's office and the City to ensure that this project would be successful, and now nearly 40 jobs are being kept and another 40 will be created. This is further proof that Vermont is a great place to do business."

For more information on Revision Military, visit their website at <http://www.revisionmilitary.com>

WCW, Inc.: Recruitment Ends in Sweet Dreams

Profile/Introduction

WCW, Inc., founded in 1985, manufactures and distributes sleep systems to the medical, consumer, and hospitality markets throughout the United States and globally. The company offers electric adjustable beds, latex beds, foam beds, airbeds, memory foam beds and pillows, memory foam toppers, pillows, cotton sheets, wheel chair and seat cushions, bed frames and foundations, custom foam mattress, and foam pet beds.



Jamie Eaton of Arlington and Christine Griffin of Dorset, RF Assemblers at WCW, Inc. in Manchester

The Challenge

Due to continual growth, manufacturing processes had spread to three separate facilities in Hoosick Falls, NY. For cost control and efficiency, WCW wanted to consolidate all manufacturing into one facility. An additional goal of relocation was to have a facility that would enhance corporate image and enable future growth. WCW explored options for new facilities in New York, Massachusetts, and Vermont. New York offered property tax relief in the form of PILOT programs, low interest financing through economic development entities, training and hiring cost funding, Empire zone investment and utility cost incentives. Massachusetts extended an eight point incentive program including property tax stabilization, state income tax credits, low cost project financing, training cost relief, and ongoing equipment investment tax credits.

The Solution

With site selection assistance from the Bennington County Industrial Corporation, the State put together a package that convinced WCW to move their entire manufacturing process to Manchester, VT. The [Vermont Economic Development Authority](#) assisted with a \$1.2 million loan to help defray the costs of acquiring the needed property. [The Vermont Economic Progress Council](#) authorized up to \$512,499 in [Vermont Employment Growth Incentives \(VEGI\)](#)—which are payable when predetermined employment, payroll and capital expenditures are met and maintained.

The Result

WCW moved and consolidated their entire manufacturing operations to Manchester, bringing with them 100 jobs and the potential for future expansion. "Vermont's efforts to attract businesses to the State were very attractive to WCW Natural Form. VEGI incentives aligned with our business goals for growth and revenue. WCW has hired 16 new employees in Vermont. As outlooks and projections show favorable growth potential from our long term care and consumer sales segments, estimates anticipate employment growth at the beginning of 2013," said Sue Johnson, Director of Human Resources for WCW. Currently, WCW is considering moving a sewing line from New York to the Vermont operations, adding even more new jobs.

For more information on WCW, visit their website at <http://www.emattress.com/>