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NOTE: Blue underlined text are hyperlinks. Click for additional information.

LOAN PROGRAM INFORMATION

PROGRAM OVERVIEW

In a Memorandum of Understanding between the State of Vermont and Entergy, the owner of the Vermont Yankee plant in Windham County, the company agreed to provide \$10 million to the State of Vermont “to promote economic development in Windham County.” According to the terms of the MOU, the State of Vermont will receive \$2 million per year for five years, starting April 1, 2014. These funds are administered by the Agency of Commerce and Community Development (ACCD), in cooperation with the Windham County Economic Development Program Advisory Council ([Advisory Council](#)), through the Windham County Economic Development Program (WCEDP).

For more information on the WCEDP, or to be added to the Program’s email list, contact R.T. Brown, Project Manager at (802)257-7731 X 221 or email rbrown@brattleborodevelopment.com.

WCEDP PROGRAM OBJECTIVES

The WCEDP promotes 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 economic development systems and activities that encourage an entrepreneurial, innovation, and business start-up environment and culture.

ACCD works with regional partners such as the Brattleboro Development Credit Corporation, the Windham Regional Commission, the Small Business Development Center, municipalities in the region, and others to market and administer the program. A regional advisory council was formed to review letters of intent to apply and provide annual feedback on program objectives and goals. A WCEDP Project Manager was hired provide day-to-day and local program administration, undertake marketing activities, work with potential applicants and approved projects, and ensure the program is meeting goals and objectives in the region.

WCEDP GENERAL PROGRAM ELIGIBILITY REQUIREMENTS

All funded projects are required to promote economic development in Windham County. Specifically, the project or proposal must:

- Occur in, or directly benefit, Windham County; and
- Advance the goals and objectives of the region’s [comprehensive economic development strategy](#); and
- Retain employment, create new jobs, result in entrepreneurial activity, business start-ups, business expansions, business relocations; or
- Improve the region’s economic development infrastructure or stimulate indirect and induced job creation in the region through economic activity that is transformative for the economy in relation to the size of the grant or loan request; and
- Maximize partnerships, collaborations, and/or coordination in and among entities and programs in the region; and
- Leverage other funds to maximize program impact.

WCEDP LOAN PROGRAM GENERAL INFORMATION

- Loans through the WCEDP are underwritten and administered by the Vermont Economic Development Authority (VEDA).
- Proceeds (repaid principal and interest) from WCEDP loans are deposited into a WCEDP Revolving Loan Fund, which is also maintained by VEDA. This RLF will be available to continue funding economic development projects in Windham County, even after the initial dispersal of all WCEDP funds.

LOAN ELIGIBILITY, RATES AND TERMS, CONDITIONS, FEES

Eligible borrowers:

Eligible borrowers include corporations, limited liability companies, L3C, B Corps, partnerships, sole proprietorships and non-profits located in, or doing business in, Windham County that will create new jobs in Windham County and have an approved LOI.

Eligible Uses of Proceeds:

- Purchase of land and buildings;
- New construction or renovation to existing property;
- Purchase and installation of machinery and equipment, furniture and fixtures; and/or
- Working capital.

Loan Rates and Terms:

- Interest Rate: 2.0% fixed for the term of the loan.
- Minimum Loan Amount: \$25,000
- Maximum Loan Amount: \$350,000
- Percent of Project to be Financed:
 - Project eligible under the [Small Business Loan Program](#): Up to 60% WCEDP loan; 30% any other source(s); and at least 10% owner equity in the form of cash or assets.
 - Projects eligible under the [Entrepreneurial Loan Fund definition](#): Up to 90% WCEDP Loan; at least 10% owner equity in the form of cash or assets.
- Term:
 - Real Estate Loans: 10-year term, generally amortized on a 15-year basis.
 - Machinery and Equipment Loans: maximum 7-year term generally amortized on a 7-year basis.
 - Working Capital Loans: maximum 5-year term generally amortized on a 5-year basis.
- Collateral:
 - Loans will be adequately secured by real estate, business assets, personal assets, or a combination thereof, or such other collateral as may be available.
 - VEDA will consider both tangible and intangible assets in determining and valuing collateral.
 - Loans will generally be personally/corporately guaranteed by the owners of 20% or more of the borrowing company.
 - The WCEDP loan will be subordinate to any other lending by VEDA and potentially other project lenders as well.
- Fees and other Costs (paid at closing):
 - No commitment fee or application fee.
 - \$50 credit report fee.
 - \$18 flood insurance certification (if required).
 - Document recording/discharge fees as they apply.
 - Reimbursement to VEDA for any out-of-pocket costs (such as appraisals or environmentals)

WCEDP LOAN LETTER OF INTENT TO APPLY PROCESS AND INFORMATION

Loan Letter of Intent to Apply Process:

- Potential WCEDP Loan applicants must contact and work with the [WCEDP Project Manager](#) to complete and submit a [Loan LOI](#) for review.
- The WCEDP Project Manager will ensure that the potential borrower understands that a WCEDP loan offers great terms, but like any other debt financing it is a loan that must be repaid and will require a personal guarantee and sufficient collateral.
- The WCEDP Program manager will also determine if the potential applicant should file under the [Small Business Loan Program](#) or is eligible for the [Entrepreneurial Loan Program](#).
- When the LOI is completed, it is submitted via email to the [WCEDP Project Manager](#).
- LOIs will be reviewed by the WCEDP Advisory Council and ACCD. This review is to determine if the project meets program eligibility requirements **only**. The LOI review does not provide underwriting, determine project viability, or determine whether the applicant and project are “lendable.”
- Loan LOIs will be reviewed for:
 - Consistency with program objectives;
 - Advancement of the goals and objectives of the regional CEDS;
 - Appropriate use of WCEDP funds.
 - Capacity and experience of applicant to execute project;
 - Implementation plan with measurable outcomes;
 - Job creation and retention;
 - Quality of jobs and benefits; and
 - Impact of the project in relation to the size of the loan.
- The Advisory Council will provide a copy of the LOI and a recommendation to ACCD, who will approve or deny the LOI.
- If the LOI receives a positive review by the Advisory Council and ACCD approves the LOI, approval emails will be sent to the applicant by the Advisory Council and ACCD. The approval emails may include advice on points to improve in the loan application.
- If the LOI is not supported by the Advisory Council or is denied by ACCD, the Windham County Advisory Council may suggest that the applicant seek further assistance from regional technical providers, suggest that the LOI be withdrawn, and/or suggest other sources of funding or financing for the project.
- If the LOI is approved, the applicant is then **required** to contact the Vermont Small Business Development Center (VtSBDC) advisors in the region (See [Technical Assistance Providers](#)) for counseling and technical assistance with WCEDP loan application preparation.

Loan Letter of Intent to Apply Requirements:

Potential applicants should use the [Loan LOI Form](#) available on the WCEDP website. The LOI must include:

- Name of applicant entity.
- Applicant entity mailing address and website URL.
- Contact person information for applicant, including name, title, phone (including extension) and email address. Please provide an email address that will be checked often and respond to requests for information in a timely manner;
- Tax filing status and NAICS (and DUNS if non-profit);
- Physical location of project;
- Total project funding requirement (if large project with several phases, summary and funding should pertain to the funding requested in this potential loan application);
- Loan amount requested;
- Sources and uses of all funding;
- Status of non-WCEDP loan funding sources.

- Job creation and retention and the wages and benefits of jobs to be retained and created;
- An Executive Summary of project, including:
 - Brief description of project: A clear, concise summary that includes a timeline, purpose of the request, and any positive and transformative goals outcomes expected;
 - Project timeline and brief description of implementation plan and goals;
 - Description of how project advances the goals and objectives of the SeVEDS [CEDS](#);
 - Description of how the project will result in entrepreneurial activity, a business start-up, or a business expansion in Windham County, or business relocation to Windham County;
 - Description of the applicant's capacity and experience to undertake the proposed activity; and
 - A discussion of the impact on the region relative to the size of the loan.

WCEDP LOAN APPLICATION PROCESS AND INFORMATION

Loan Application Process:

- Only after a Loan LOI is approved, applicants **must** contact the Vermont Small Business Development Center (VtSBDC) advisors in the region (See [Technical Assistance Providers](#)) for counseling and technical assistance with application preparation.
- Applicants should also contact VEDA (802-828-5627) and speak with a commercial loan officer before proceeding with a WCEDP loan application.
- Once prepared, WCEDP Loan Applications are filed directly with VEDA via email to a commercial loan officer. The commercial loan officer will contact the applicant regarding any further information or documentation required.
- Once filed with VEDA, loan applications will undergo underwriting by VEDA commercial loan officers, who will make a recommendation to the ACCD Secretary regarding whether an applicant/project should be loaned WCEDP funds.
- The ACCD Secretary makes final decisions on lending from the WCEDP.
- If approved, the applicant will receive a Letter of Lending Commitment from VEDA which will contain loan terms and any conditions that must be met to close on the loan.
- Once the conditions are met, VEDA and the borrower close on the loan. In addition to the terms, conditions, and covenants required by VEDA, the closing document will also include Performance Measures and reporting requirements provided by ACCD to comply with the WCEDP.

Loan Application Requirements:

WCEDP Loan Applications must include the loan application ([Small Business Loan Program](#) or [Entrepreneurial Loan Program](#)) and other information required by VEDA, including:

- A business plan.
- Business financial information, including: financial statements (income statement and balance sheets) and tax returns for at least the last three years; current interim income statement and balance sheet for this year-to-date; projected income statements and balance sheets for at least two years; cash flow projections for at least one year; schedule of liabilities; schedule of contingent liabilities.
- Personal financial information, including: current signed personal financial statement for each principal who owns at least 20% of the business; individual tax returns from each of these individuals for the last year; a resume of business experience from each principal.
- Employment projections including employee compensation and benefits.
- Insurance coverage information.

TECHNICAL ASSISTANCE

Prospective applicants are strongly advised to utilize available technical assistance to learn more about the application process and program requirements. Applicants must work with the WCEDP Project Manager to file an LOI and receive technical assistance from the VtSBDC business counselors in order to file an application.

Small Business Development Center

One-on-one, confidential, no-cost advising for businesses and non-profit organizations.

Debra Boudrieau or Steve Paddock, Area Business Advisors

dboudrieau@vtsbdc.org or spaddock@vtsbdc.org

76 Cotton Mill Hill, C-1

Brattleboro, VT 05301

(802) 257-7731

Brattleboro Development Credit Corporation

One-on-one, confidential, no-cost advising for businesses and non-profit organizations.

R.T. Brown, WCEDP Project Manager

rbrown@brattleborodevelopment.com

76 Cotton Mill Hill

Brattleboro, VT, 05301

(802) 257-7731

Windham Regional Commission

Application assistance for municipalities, including public infrastructure investment projects; assistance with town response to applications.

Susan McMahon, Associate Director

susan@windhamregional.org

139 Main Street, Suite 505

Brattleboro, VT 05301

(802) 257-4547 X114

Vermont Agency of Commerce and Community Development

Assistance to all applicants regarding the application process, requirements, timeline, approvals, monitoring and reporting.

Kimberly Baker, Grants Management Specialist

kimberly.baker@vermont.gov

Deane C. Davis State Office Building, 6th Floor, 1 National Life Drive

Montpelier, VT 05620-0501

(802) 828-3230

Vermont Economic Development Authority

Assistance to loan applicants regarding the application process and information requirements.

Tom Porter, Director of Commercial Lending

tporter@veda.org

58 East State Street, Suite 5

Montpelier, Vermont 05602

(802) 828-5627

WINDHAM COUNTY ADVISORY COUNCIL

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. 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 Company, Executive Director, Windham Regional Commission (WRC), Vice Chair
- Laura Sibia, 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
- Emmett Dunbar, Town of Rockingham
- Bronna Zlochiver, Town of Vernon
- Fred Kenney, Executive Director, Vermont Economic Progress Council
- Debra Boudrieau, Regional Advisor, Vermont Small Business Development Center (Non-Voting)

Advisory Council Staff:

R.T. Brown, WCEDP Project Manager
rbrown@brattleborodevelopment.com
76 Cotton Mill Hill
Brattleboro, VT, 05301
(802) 257-7731 X221 (o) (802) 451-0442 (c)

Note: Individuals representing each organization are subject to change and delegates may send designees to attend meetings.