Vermont Employment Growth Incentive Program

Annual Report
2015

VERMONT ECONOMIC PROGRESS COUNCIL

VERMONT DEPARTMENT OF TAXES

VEGI Program Summary

ACTUAL ECONOMIC IMPACT TO DATE
(January 1, 2007 - December 31, 2013)

New Qualifying Jobs Created	3897
Total New Jobs (Direct & Indirect)	5373
New Qualifying Payroll Created	$ 242,588,079
New Qualifying Capital Investments	$ 623,443,521
Incentives Paid	$ 10,406,930
Estimated Net Revenue Benefit	$ 36,592,000

APPLICATION VOLUME
(January 1, 2007—December 31, 2014)

	# of Applications	Incentive Value
Applications Considered	86	$ 64,737,876
Applications Denied	5	$ 2,198,190
Applications Rescinded/Terminated	44	$ 30,005,883
Net Approved-Active Applications	37	$ 32,533,803

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Introduction

In January 2007, the Vermont Employment Growth Incentive (VEGI) program began offering incentives for business recruitment, growth and expansion in Vermont. The VEGI program provides cash payments paid from the incremental tax revenues generated by the incremental economic activity occurring because the incentives were authorized, only after the incremental jobs are actually created and investments made. To be authorized, a company must apply to the Vermont Economic Progress Council (VEPC), a citizen board that determines:

- Whether the economic activity would not occur or would occur in a significantly different and/or less desirable manner except for the incentive (But For);
- Whether the economic activity will generate more incremental tax revenue for the state than is foregone through the incentive (cost-benefit modeling); and
- Whether the company and economic activity are consistent with a set of nine program guidelines.

VEGI incentives are earned over a period of up to five years and paid out over a period of up to nine years. The incentives are earned only if payroll, employment, and capital investment performance requirements are met by the company each year. If the company earns the incentive by meeting performance requirements in a particular year, the incentive earned that year is then paid out in five annual installments, if the new jobs and payroll are maintained. Once authorized by VEPC, claims for VEGI incentive installments are examined annually by the Vermont Department of Taxes.

In early 2012, ***Good Jobs First***, a national policy resource center for grassroots groups and public officials that promotes corporate and government accountability in economic development, rated Vermont's VEGI program as the best in the United States for enforcement, safeguarding the taxpayer, and ensuring good job creation.

This 2015 annual report on the VEGI program presents information on all applications considered by VEPC through December 2014, the economic activity ***projected*** by the active projects from the start of the program on January 1, 2007 through December 31, 2019, and the actual economic activity that has occurred from January 2007 through December 31, 2013, as reported on claims filed and examined by the Tax Department.

Further information on VEPC and the VEGI program is available at: accd.vermont.gov/business/start/vegi. Further information on the Department of Taxes is available at: www.state.vt.us/tax. Statutory information on the program is contained in 32 V.S.A. 5930a and 5930b.

Vermont Statute (32 V.S.A. §5930(b)(e) requires the following information about the program to be reported annually. The table in which each requirement is addressed in this report is noted below:

1. Total authorized amount of incentives during preceding year (Table 3)
2. Date and amount of each authorization (Table 1)
3. Expected years in which the authorization will be exercised (Table 1)
4. Whether the authorization is currently active (Table 1)
5. Date the authorization will expire (Table 1)
6. Aggregate number claims and incentives paid (Table 6)
7. The balance of incentives not allocated (Table 3)
8. Aggregate qualifying jobs created (Table 6)
9. Aggregate qualifying payroll created (Table 6)
10. Aggregate capital investments (Table 6)

Application Activity

Table 1 shows every application that has been considered by the Vermont Economic Progress Council (VEPC) since the January 1, 2007 inception of the Vermont Employment Growth Incentive (VEGI) program. It includes the name of the applicant company, the date the Final Application was considered (or the date the Initial Application was considered if a Final Application has not yet been filed), the authorization (or earning) period, the status of the authorization as of December 31, 2014 and a number indicating one of four reasons for the status (see Endnote 2 for explanation of each number), the maximum level of incentives considered, the estimated minimum amount of net revenues that will be generated to the State of Vermont, the location of the project, the type of economic development project, and any statutory enhancement considered for the application.

The application consideration date listed is the date a Final Application was considered if the company filed both an Initial and Final Application. If a Final Application has not yet been filed, the applicant's status is listed as "Active-Initial." Incentives are not considered authorized until a Final Application has been approved. However, the amount of incentives listed when an application has received Initial Approval is booked against the cap for the calendar year in which the project commences.

The maximum incentive amount considered is the maximum level of incentives the company could possibly earn if the project occurs. If the project status indicates a rescission or termination, the maximum incentive amount is listed for reference only in this report but the total incentive is no longer available to the company.

Table 2 summarizes the application volume, application status, the total amount of incentives considered and authorized, and the total amount and impact of incentive enhancements. It also shows the direct and indirect fiscal and economic impacts estimated by the VEGI cost-benefit model for all the economic activity projected to be undertaken by the authorized projects between 2007-2019 and the estimated incentive payments from 2008-2024.

In 2007, the General Assembly approved an enhancement to the VEGI program for companies that will create jobs in certain environmental technology sectors. Since its passage, 17 applications have been considered for the "Green VEGI" enhancement, 5 of which remain active. Due to this enhancement, incentives authorized were $0.651 million higher and the net

SUCCESS PROFILE

In February 2013, Shannon Woodworth of Franklin began a new journey by accepting a position at Mylan Technologies, Inc after being laid off at Energizer. Mylan was authorized for VEGI incentives in 2012.

At Mylan Shannon has received education assistance to pursue her Industrial Mechanical Technician certification from Vermont Technical College, allowing advancement to senior operator.

To read Shannon's full profile click here.

Application Activity

return to the State was decreased by $0.594 million.

Statute also allows an enhancement for projects that will occur in areas of the State that have above average unemployment and lower than average incomes. The Council has utilized this authority for nine applications, seven of which are active. This enhancement has increased incentives by $1 million and reduced the net return by $0.902 million, but each authorization still had a positive net return to the State.

As the summary data in Table 2 show, the net (not including denied and rescinded/terminated) incentives authorized through December 2014 total just over $32.5 million. These incentives can be earned by 33 companies for 37 projects planned to occur between 2007 and 2019 only if payroll, employment and capital investment performance requirements are met. Incentives are not paid out on a pro-rata basis if annual performance requirements are not met.

As **Table 2** indicates, the projects approved through December 2014 are projected to create 2,994 ***new, direct, qualifying jobs*** (full-time, permanent, paying over 160% of Vermont minimum wage), over ***$136 million in new qualifying payroll*** (above and beyond "background growth" payroll), and ***over $631 million in capital investments*** in machinery and equipment and building construction and renovation. The new jobs to be created are projected to have a weighted average wage of $45,702 and ***average total compensation of $55,835*** (including benefits). This economic activity, scheduled to occur between 2007 and 2019, is the basis for the incentives calculated and the incremental revenue projected to be generated.

QUICK DATA FACT #1

HOW MUCH NET TAX REVENUE HAS THE VEGI PROGRAM GENERATED FOR VERMONT TO DATE?

$ 36,592,000

(Estimated for 2007–2013, After Cost of Incentives Paid)

The incentives will be paid out between 2008 and 2024, only if performance requirements are met and maintained. The dollars to pay these incentives come from the incremental tax revenue these companies generate to the state when the economic activity summarized in Table 2 occurs. Each company was approved only because a determination was made that the activity would not occur, or would occur in a materially different and less desirable manner, unless the incentive was authorized (But For). Therefore, the tax revenue to pay the incentive to the companies are generated by the authorized companies and are revenues that would never have occurred, except for the incentive being approved.

In addition to the But For criteria, application consideration includes an extensive and detailed modeling of the economic and fiscal (revenue) benefits and costs to the State of Vermont. Net new revenues are generated primarily by payroll withholding taxes. But new revenues are also generated from new personal and corporate income taxes, sales and use taxes on machinery and equipment and building materials, transportation fees, property taxes, and other fees and taxes paid by the company, employees, contractors and their employees, and other companies involved in the project. The model also accounts for economic and fiscal costs to the State such as the costs of new students attending school and other additional state services that will be required.

As **Table 2** summarizes, the projects that have been approved will generate estimated new revenues to the State totaling $83.1 million, and the revenue costs, including the incentive payments will be about $58.6 million. In addition to the new jobs, payroll and capital investments, the State of Vermont will realize net new tax revenues totaling ***$24.5 million***. The VEGI program is a net revenue producer for the State of Vermont.

The fiscal estimates included in this report cover only the five-year earning period (revenue benefits, job creation, payroll generation, capital investments) and the nine year incentive payment period (revenue costs, incentive costs) that are included in the cost-benefit model. New revenues will continue to be generated to the State after this modeling period and jobs may continue to be created that are not accounted for in the modeling.

Application Activity

Table 2 also includes summary data on related and indirect economic activity that is projected to occur because of the incentives. The VEGI program is not a job retention program. However, the expansion projects approved will mean that an estimated 4,934 existing jobs will be retained. The projects will also create about 472 "non-qualifying" full-time jobs (pay below 160% of Vermont minimum wage) and over 3,094 indirect jobs throughout the state.

The projects will also generate $38.8 million in new payroll that is considered "background" or "organic" growth payroll. The calculation of the incentive for ***all*** applications includes the discounting of a certain level of the new payroll that will be generated. This is considered background growth payroll or payroll that would have occurred anyway. This is done even for applications from new or start-up companies and companies that are being recruited to Vermont, neither of which ever had payroll in Vermont before the application date.

In addition to the But For and cost-benefit criteria for approval, applications are also considered against a set of nine program guidelines. One of the guidelines (Guideline 7) involves the interaction of the applicant with other Vermont companies in customer, supplier, and vendor relationships. The greater these interactions, the more indirect economic impact the incentives will have. Table 2 shows that the expected business-to-business relationships of applicants is estimated at over $177 million each year.

Also summarized in **Table 2** is the median level of employee health care costs that are paid by the employers approved for VEGI incentives, at 75%. Further detail on this and other data related to the Program Guidelines are contained in Charts 6-16.

Table 3 summarizes the amount authorized each year against the annual program cap. It also shows the level of utilization of the authority given to the VEPC Board to increase incentive levels under 32 V.S.A. 5930b(b)(5), known as Subsection 5, which is also capped annually.

Table 4 provides an analysis of application status and a breakdown of reasons for rescission and termination. VEPC has considered 172 applications (Initial and Final) since the inception of the VEGI program in January 2007, an average of 22 per year. The 86 applications summarized in this report are the Final Applications submitted and considered by each company (unless a Final application has not yet been submitted).

As of December 31, 2014, of the 86 projects considered, 37 (43%) are complete (2) or active (35), 44 (51%) have been rescinded/terminated, and 5 (6%) were denied. The rescissions and terminations are due primarily to projects not going forward because of the economic downturn between 2008 and 2010.

As the data in **Table 4** shows, 34 of the 49 projects authorized to begin in 2007-2010 (69%) have been terminated or rescinded. But only 10 of the 37 projects authorized between 2011-2014 (27%) have been rescinded or terminated. An indication that the economy is improving and more projects are progressing.

Table 5 provides a breakdown of the wage levels of the 2,994 projected jobs to be created by the authorized companies. This data is also shown graphically in **Chart 6**. Table 5 also provides a breakdown of the benefits offered by authorized companies and the amount of the benefit cost covered by the employer.

QUICK DATA FACT #2

HOW MANY NEW JOBS HAVE VEGI COMPANIES ACTUALLY CREATED TO DATE? (2007-2013)

Direct and Indirect New Jobs:	5,373
New Qualifying Jobs:	3,897

Application Activity

TABLE 1: All INCENTIVE APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2014									
Company Name	Date Application Considered[1]	Authorization (Earning) Period	Status	Reason[2]	Maximum Incentive Considered	Minimum Net Revenue Benefit	Green, Subsection 5 Lookback Waived[3]	Location	Type of Project
Ink Jet Machinery of Vermont	25-Jan-07	n/a	Terminated Jan 24, 2008	4	$ 336,055	$ -	n/a	Dorset	Startup
Olympic Precision, Inc/WIC/Town of Windsor	25-Jan-07	n/a	Terminated Sept 6, 2007	4	$ 474,428	$ -	n/a	Windsor	Recruitment
Monahan SFI, LLC	15-Feb-07	n/a	Term.-Recap. Sept 28, 2009	3	$ 791,277	$ -	n/a	Middlebury	Plant Restart
Qimonda North America Corp.	15-Feb-07	n/a	Rescinded Mar 27, 2008	1	$ 229,672	$ -	n/a	So. Burl	Ret./Expansion
Rehab Gym, Inc.	22-Mar-07	n/a	Denied	5	$ 255,439	$ -	n/a	Colchester	Ret./Expansion
Applejack Art Partners	3-May-07	n/a	Terminated Oct 25, 2007	4	$ 85,539	$ -	n/a	Manchester	Recruitment
Omni Measurement Systems	3-May-07	n/a	Terminated Mar 25, 2010	4	$ 677,944	$ -	n/a	Milton	Ret./Expansion
Vermont Timber Frames	3-May-07	n/a	Terminated Jan 16, 2013	2	$ 156,126	$ -	n/a	Bennington	Recruitment/Exp.
Battenkill Technologies, Inc.	28-Jun-07	n/a	Terminated Jun 26, 2008	4	$ 79,054	$ -	n/a	Manchester	Recruitment
Burton Corporation	28-Jun-07	n/a	Terminated Mar 25, 2010	4	$ 1,653,965	$ -	n/a	Burlington	Ret./Expansion
Energizer Battery Manufacturing, Inc.	26-Jul-07	n/a	Terminated May 28, 2009	4	$ 607,347	$ -	n/a	St Albans	Ret./Expansion
NEHP, Inc.	25-Oct-07	n/a	Terminated Dec 8, 2011	2	$ 182,396	$ -	n/a	Williston	Ret./Expansion
Green Mountain Coffee Roasters, Inc.	25-Oct-07	2007 - 2011	Completed	N/A	$ 1,786,828	$ 2,129,672	n/a	Waterbury/Essex	Ret./Expansion
Know Your Source, LLC	6-Dec-07	n/a	Denied	5	$ 71,302	$ -	n/a	Burlington	Start-up
Mascoma Corporation	25-Oct-07	n/a	Rescinded Jun 26, 2008	1	$ 1,942,989	$ -	Green	WRJ	Recruitment/Exp.
CNC North, Inc.	6-Mar-08	n/a	Terminated Mar 25, 2010	4	$ 70,533	$ -	n/a	Springfield	Ret./Expansion
Vermont College of Fine Arts	27-Mar-08	2008-2012	Completed	N/A	$ 206,737	$ 126,260	n/a	Montpelier	Start-up
Isovolta, Inc.	26-Jun-08	n/a	Terminated May 28, 2009	4	$ 568,330	$ -	n/a	Rutland	Ret./Expansion
Vermont Castings Holding Company	18-Sep-08	n/a	Terminated May 28, 2009	4	$ 488,000	$ -	Green	Bethel	Ret./Expansion
New England Precision, Inc./Clifford Properties, Inc.	18-Sep-08	n/a	Terminated April 28, 2011	2	$ 241,236	$ -	n/a	Randolph	Ret./Expansion
Utility Risk Management Corp	23-Oct-08	n/a	Term - Recap November 25, 2013	3	$ 377,371	$ -	n/a	Stowe	Recruitment/Relocation
Helix Global Solutions, Inc.	4-Dec-08	n/a	Rescinded Dec 4, 2008	1	$ 53,739	$ -	n/a	Burlington Area	Recruitment/Exp.
Vermont Wood Energy Corp	4-Dec-08	n/a	Denied	5	$ 293,967	$ -	Green	Rutland	Start-up
Tata's Natural Alchemy	4-Dec-08	n/a	Terminated Mar 25, 2010	4	$ 231,531	$ -	n/a	Whiting/Shoreham	Start-up
BioTek Instruments, Inc./Lionheart Technologies, Inc.	4-Dec-08	n/a	Terminated Dec 17, 2014	2	$ 692,854	$ -	n/a	Winooski	Ret./Expansion
Dominion Diagnostics, LLC	22-Jan-09	n/a	Terminated April 28, 2011	2	$ 103,300	$ -	n/a	Williston	Recruitment/Exp.
Albany College of Pharmacy	22-Jan-09	2009-2013	Active-Final	N/A	$ 630,859	$ 345,717	n/a	Colchester	Recruitment/Exp.
ASK-intTag, LLC	26-Mar-09	n/a	Terminated December 5, 2013	2	$ 553,722	$ -	n/a	Essex	Recruitment/Start-up
Vermont Transformers, Inc.	26-Mar-09	n/a	Terminated May 25, 2011	3	$ 267,569	$ -	Green	St. Albans	Recruitment/Exp.
Project Graphics, Inc.	30-Apr-09	n/a	Terminated May 24, 2012	2	$ 230,414	$ -	n/a	So. Burlington	Recruitment
Durasol Awnings, Inc.	28-May-09	n/a	Terminated Mar 25, 2010	4	$ 245,795	$ -	n/a	Middlebury	Ret./Expansion
Commonwealth Yogurt, Inc.	25-Jun-09	2009-2013	Active-Final	N/A	$ 1,201,154	$ 614,505	n/a	Brattleboro	Recruitment/Start-up
AirBoss Defense USA, Inc.	24-Sep-09	2009 -2013	Terminated July 24, 2014	2	$ 243,279	$ -	n/a	Milton	Recruitment/Exp.
Maple Mountain Woodworks. LLC	17-Dec-09	n/a	Term- Recap February 15, 2013	3	$ 143,436	$ -	n/a	Richford	Start-up
Terry Precision Bicycles for Women, Inc.	17-Dec-09	n/a	Terminated December 5, 2013	2	$ 126,296	$ -	n/a	Burlington	Recruitment/Relocation
Northern Power Systems, Inc.	17-Dec-09	2009-2013	Active-Final	N/A	$ 808,104	$ 235,796	Green	Barre	Ret./Expansion
Green Mountain Coffee Roasters, Inc.	17-Dec-09	2009-2013	Active-Final	N/A	$ 292,307	$ 1,736,611	n/a	Chittenden County	Ret./Expansion
MyWebGrocer, Inc	22-Oct-09	2010-2014	Active-Final	N/A	$ 453,475	$ 286,567	n/a	Colchester	Ret./Expansion
SBE, Inc.	17-Dec-09	n/a	Terminated Dec 17, 2014	2	$ 3,048,671	$ -	Green	Barre	Ret./Expansion
Seldon Technologies, Inc.	17-Dec-09	n/a	Terminated June 27, 2013	2	$ 478,396	$ -	Green	Windsor	Ret./Expansion
Business Financial Publishing, Inc.	28-Jan-10	n/a	Denied	5	$ 162,473	$ -	n/a	Burlington	Start-up
New England Supply, Inc.	25-Mar-10	2010-2014	Active-Final	N/A	$ 67,953	$ 36,088	n/a	Williston	Start-up
The Original Vermont Wood Products, Inc.	27-May-10	n/a	Terminated Dec 8, 2011	3	$ 100,604	$ -	Sub 5	Pittsfield	Start-upU/Plant Restart
Westminster Cracker Company, Inc.	22-Jul-10	2010-2014	Terminated Jan 22, 2014	2	$ 236,246	$ -	n/a	Rutland	Ret./Expansion
Revision Eyewear, Ltd.	28-Oct-10	2010-2014	Active-Final	N/A	$ 552,193	$ 449,056	n/a	Essex	Ret./Expansion
Organic Trade Association	28-Oct-10	n/a	Terminated May 24, 2012	4	$ 75,569	$ -	n/a	Brattleboro	Recruitment/Relocation
Dealer.com, Inc.	16-Dec-10	2010-2014	Active-Final	N/A	$ 4,929,487	$ 2,644,928	n/a	Burlington	Ret./Expansion
Pinnacle Sales Accelerators, LLC	16-Dec-10	2010-2014	Term.-Recap. Jan 16, 2013	3	$ 111,635	$ -	n/a	Burlington	Recruitment/Start-up
Swan Valley Cheese Company of Vermont	16-Dec-10	2010-2014	Active-Final	N/A	$ 305,830	$ -	Sub 5	Swanton	Plant Restart/Start-up
Alpla, Inc.	16-Dec-10	n/a	Terminated Jul 24, 2014	4	$ 654,438	$ -	Green	Essex	Recruitment/Exp.

TABLE 1 Continued: ALL INCENTIVE APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2014									
Company Name	Date Application Considered[1]	Authorization (Earning) Period	Status	Reason[2]	Maximum Incentive Considered	Minimum Net Revenue Benefit	Green, Subsection 5 Lookback Waived[3]	Location	Type of Project
Bariatrix Nutrition Corp	27-Jan-11	2011-2015	Active-Final	N/A	$ 135,653	$ 92,251	n/a	Georgia	Ret./Expansion
eCorporate English, Ltd.	25-May-11	n/a	Terminated Sept 27, 2012	3	$ 464,731	$ -	n/a	Middlebury	Recruitment/Exp.
WCW, Inc.	27-Oct-11	2011-2015	Active-Final	N/A	$ 512,449	$ 202,024	n/a	Manchester	Recruitment/Relocation
VSC Holdings, Inc.	27-Oct-11	2011-2015	Active-Final	N/A	$ 156,913	$ 86,727	n/a	Hinesburg	Ret./Expansion
Carbon Harvest Energy, LLC/Brattleboro Carbon Harvest, LLC	8-Dec-11	n/a	Terminated Dec 13, 2012	3	$ 568,913	$ -	Green	Burl/Brattleboro	Ret./Expansion
Concepts ETI, Inc	8-Dec-11	2011-2015	Active-Final	N/A	$ 290,335	$ 117,880	Green/LBW	Wilder	Ret./Expansion
SOH Wind Engineering, LLC	8-Dec-11	2011-2015	Active-Final	N/A	$ 153,994	$ 41,793	Green	Williston	Recruitment/Start-up
Green Mountain Coffee Roasters, Inc.	8-Dec-11	2011-2015	Active-Final	N/A	$ 4,696,809	$ 6,297,553	n/a	Essex	Ret./Expansion
Ellison Surface Technologies, Inc.	8-Dec-11	2011-2015	Active-Final	N/A	$ 688,462	$ 289,406	Sub 5	Rutland	Ret./Expansion
Skypoint Solar	8-Dec-11	n/a	Rescinded Dec 8, 2011	1	$ 7,900,114	$ -	Green	Burlington	Recruitment/Start-up
Transcend Quality Manufacturing, Inc.	8-Dec-11	n/a	Rescinded Dec 6, 2012	1	$ 246,941	$ -	Sub 5/Green	TBD	Recruitment/Start-up
Plasan Carbon Composites, Inc.	8-Dec-11	n/a	Rescinded Aug 30, 2012	1	$ 516,395	$ -	Green	Bennington	Ret./Expansion
Vermont Hard Cider Company, LLC	26-Jan-12	n/a	Rescinded Dec 6, 2012	1	$ 260,176	$ -	n/a	Middlebury	Ret./Expansion
Commonwealth Dairy, LLC II	25-May-12	2012-2016	Active-Final	N/A	$ 303,004	$ 277,714	n/a	Brattleboro	Ret./Expansion
Performa Limited, LLC	25-Oct-12	2012-2016	Active-Final	N/A	$ 133,617	$ 62,088	n/a	Burlington	Ret./Expansion
Dynapower	13-Dec-12	n/a	Denied	5	$ 1,415,009		Green	So. Burlington	Ret./Expansion
Mylan Technologies, Inc	13-Dec-12	2012-2016	Active-Final	N/A	$ 5,733,506	$ 2,786,740	n/a	St. Albans	Ret./Expansion
Revision Ballistics	13-Dec-12	2012-2016	Active-Final	N/A	$ 734,081	$ -	Sub 5	Newport	Plant Restart/Start-up
Seventh Generation	13-Dec-12	2012-2016	Active-Final	N/A	$ 454,728	$ 233,150	Green	Burlington	Ret./Expansion
AFCell Medical	24-Mar-11	n/a	Rescinded Dec 5, 2013	1	$ 1,338,444	$ -	n/a	TBD	Recruitment/Start-up
Freedom Foods	24-Oct-13	2013-2017	Active-Final	N/A	$ 267,762	$ 128,639.00	Educ Tax Stabil	Randolph	Ret./Expansion
Logic Supply, Inc.	24-Oct-13	2013-2017	Active-Final	N/A	$ 352,912	$ 219,038	n/a	South Burlington	Ret./Expansion
BioTek Instruments, Inc./Lionheart Technologies, Inc.	5-Dec-13	2013-2017	Active-Final	N/A	$ 325,111	$ 675,788	n/a	Winooski	Ret./Expansion
Dealer.com	5-Dec-13	2013-2017	Active-Final	N/A	$ 1,201,850	$ 1,970,120	n/a	Burlington	Ret./Expansion
Farmer Mold & Machine	5-Dec-13	2013-2017	Active-Final	N/A	$ 258,518	$ -	Sub 5	No. Clarendon	Recruitment/Relocation
JBM Sherman Carmel	5-Dec-13	2013-2017	Active-Final	N/A	$ 136,744	$ 15,938	Sub 5	Bennington	Ret./Expansion
Vermont Packinghouse	17-Dec-14	2014-2018	Active-Final	N/A	$ 233,252	$ -	Sub 5	Springfield	Recruitment/Start-up
Cambridge Valley Machining, Inc.	28-Mar-13	2014-2018	Rescinded Dec 17, 2014	1	$ 140,049	$ -	n/a	Bennington	Recruitment/Expansion
AGrown (AEG Holdings, LLC)	26-Sep-13	2014-2018	Rescinded Dec 17, 2014	1	$ 2,010,364	$ -	Green	TBD	Recruitement/Start-up
G.S. Blodget Corp.	17-Dec-14	2014-2018	Active-Final	N/A	$ 754,104	$ 410,685	n/a	Burlington	Ret./Expansion
Keurig Green Mountain	24-Apr-14	2014-2018	Active-Final	N/A	$ 971,028	$ 847,004	n/a	Williston	Ret./Expansion
Twincraft, Inc	17-Dec-14	2014-2018	Active-Final	N/A	$ 532,584	$ 512,840	LBW	Essex	Ret./Expansion
Cabot Hosiery Mills. Inc	17-Dec-14	2015-2019	Active-Initial	N/A	$ 1,505,192	$ 662,165	n/a	Northfield	Ret./Expansion
Flex-A-Seal, Inc	17-Dec-14	2015-2019	Active-Initial	N/A	$ 188,858	$ 226,131	n/a	Essex Jct	Ret./Expansion
National Hanger Company, Inc	17-Dec-14	2015-2019	Active-Initial	N/A	$ 227,668	$ -	Sub 5	N. Bennington	Ret./Expansion
Precyse Solutions	17-Dec-14	2015-2019	Active-Initial	N/A	$ 349,742	$ 131,119	n/a	Statewide	Recruitement/Start-up

TABLE 2: SUMMARY OF INCENTIVE AUTHORIZATION DATA FOR ALL APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2014 TOTAL PROJECTED ECONOMIC ACTIVITY, 2007 - 2019				
Application Count	**Total Considered**	**Approved - Complete and Active[4]**	**Rescinded/ Terminated[5]**	**Denied**
Total Applications Considered:[6]	**86**	**37**	**44**	**5**
Percent of Total Applications	N/A	43%	51%	6%
Regular VEGI Applications:	69	32	34	3
"Green VEGI" Applications:[7]	17	5	10	2
Subsection 5 Applications:	9	7	2	0
Lookback Waived Applications:	2	2	0	0

Authorization Summary:	
Total Incentives Considered To Date:	$ 64,737,876
Total Incenitves Denied To Date:	$ 2,198,190
Total Incentives Rescinded/Terminated to Date:	$ 30,005,883
Net Incentives Authorized to Date:	$ 32,533,803
Incentive Enhancements:	
Increase in Incentives Due to Enhancements:	
Green VEGI	$ 650,677
Subsection 5	$ 1,090,004
Total	$ 1,740,681
Decrease in Net Revenue Return Due to Enhancements:	
Green VEGI	$ 594,331
Subsection 5	$ 901,534
Total	$ 1,495,865

Direct Estimated Economic Impact:	
New Qualifying FT Jobs Projected:	2,994
New Qualifying FT Payroll Projected:	$136,536,684
Weighted Average Wage of New Qualifying Jobs:	$ 45,702
Average Total Compensation for New Qualifying Jobs:	$ 55,835
New Qualified Capital Investment Projected:	$630,721,841
Related Estimated Economic Activity:	
Retained Full-time Jobs:[8]	4,934
Full-time Non-Qualifying Job Creation:[9]	472
Indirect Job Creation:[10]	3,094
Total Full-time Job Creation:	6,560
New Payroll Considered Background Growth: [11]	$ 38,814,964
Average Health Care Premium Paid by Employer:[12]	75%
Approximate Value of VT Biz-to-Biz Interactions:[13]	$177,959,848
Direct Estimated Fiscal Impact[14]	
Total Revenue Benefits to the State:	$ 83,119,422
Total Revenue Costs to the State, Including Incentives:	$ 58,623,386
Net Fiscal Return to the State:	$ 24,496,036

TABLE 3: ANNUAL AUTHORIZATION AND SUBSECTION 5 CAPS
FOR APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2014
TOTAL PROJECTED INCENTIVE PAYMENTS, 2008 - 2024

Authorizations, by Year/Cap Balances[15]:			
2007	Cap	$	10,000,000
	Authorizations (Earned 2007 - 2011; Paid out 2008 - 2016)	$	1,786,828
	Cap Balance	**$**	**8,213,172**
2008	Cap	$	10,000,000
	Authorizations (Earned 2008 - 2012; Paid out 2009 - 2017)	$	206,737
	Cap Balance	**$**	**9,793,263**
2009	Cap	$	10,000,000
	Authorizations (Earned 2009 - 2013; Paid out 2010 - 2018)	$	2,932,424
	Cap Balance	**$**	**7,067,576**
2010	Cap	$	23,000,000
	Authorizations (Earned 2010 - 2014; Paid out 2011 - 2019)	$	6,308,938
	Cap Balance	**$**	**16,691,062**
2011	Cap	$	18,000,000
	Authorizations (Earned 2011 - 2015; Paid out 2012 - 2020)	$	6,634,615
	Cap Balance	**$**	**11,365,385**
2012	Cap	$	12,000,000
	Authorizations (Earned 2012 - 2016; Paid out 2013 - 2021)	$	7,358,936
	Cap Balance	**$**	**4,641,064**
2013	Cap	$	10,000,000
	Authorizations (Earned 2013-2017; Paid out 2014-2022)	$	2,542,897
	Cap Balance	**$**	**7,457,103**
2014	Cap	$	10,000,000
	Authorizations (Earned 2014-2018; Paid out 2015-2023)	$	2,490,968
	Cap Balance	**$**	**7,509,032**
2015	Cap	$	15,000,000
	Authorizations (Earned 2015-2019; Paid out 2016-2024)	$	2,271,460
	Cap Balance	**$**	**12,728,540**

Annual SubSection 5 Cap:			
2007	Cap Per Year	$	1,000,000
	SubSection 5 Utilization	$	-
	Cap Balance	**$**	**1,000,000**
2008	Cap Per Year	$	1,000,000
	SubSection 5 Utilization	$	-
	Cap Balance	**$**	**1,000,000**
2009	Cap Per Year	$	1,000,000
	SubSection 5 Utilization	$	-
	Cap Balance	**$**	**1,000,000**
2010	Cap	$	1,000,000
	SubSection 5 Utilization	$	92,104
	Cap Balance	**$**	**907,896**
2011	Cap	$	1,000,000
	SubSection 5 Utilization	$	322,655
	Cap Balance	**$**	**677,345**
2012	Cap	$	1,000,000
	SubSection 5 Utilization	$	247,632
	Cap Balance	**$**	**752,368**
2013	Cap	$	1,000,000
	SubSection 5 Utilization	$	139,822
	Cap Balance	**$**	**860,178**
2014	Cap	$	1,000,000
	SubSection 5 Utilization	$	90,833
	Cap Balance	**$**	**909,167**
2015	Cap	$	1,000,000
	SubSection 5 Utilization	$	196,958
	Cap Balance	**$**	**803,042**

TABLE 4: APPLICATION STATUS DETAIL

FOR ALL APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2014

APPLICATION STATUS:				
TOTAL FINAL APPLICATIONS CONSIDERED:			86	
AVERAGE FINAL APPLICATIONS PER YEAR:			11	
Annual Breakdown:		Active	Terminated/ Rescinded	Denied
2007	13	1	11	1
2008	11	1	8	2
2009	13	4	9	0
2010	12	5	6	1
Four Year Sub Total:	**49**	**11**	**34**	**4**
		22%	**69%**	**8%**
2011	11	7	4	0
2012	9	5	3	1
2013	7	6	1	0
2014	10	8	2	0
Four Year Subtotal:	**37**	**26**	**10**	**1**
		70%	**27%**	**3%**
	Total:	37	44	5
	Total:	43%	51%	6%

REASONS FOR TERMINATION/RESCISSION:	
Number	**Reason**
10	No Final Application submitted. Initial application rescinded. No incentives authorized.
12	Project commenced, but for a certain year, Performance Requirements were never met. Incentives terminated.
8	Project commenced, but company closed or reduced employment below 90%. Incentives terminated.
14	Project commenced, but in a subsequent year company failed to file a VEGI claim. Incentives terminated.
44	**Total**
	Detail of Rescissions:
3	Project occurred in another state
1	Project did not occur at all
2	Project could not find capital
2	No Final Application, but project started in Vermont anyway
8	**Subtotal**
	Detail of Terminations:
11	Did not meet Performance Requirements by end of grace period
	4 Earned Partial Incentives
	7 No Incentives earned
13	Closure of Business
	4 Earned Partial Incentives
	4 Recapture of Incentives Required
	5 No Incentives earned
12	Failed to file claim
	0 Earned Incentives
	12 No Incentives earned
36	**Subtotal**

TABLE 5: PROJECTED WAGES AND BENEFITS

FOR ALL ACTIVE APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2014

NOTE: ALL DATA IN THIS TABLE BASED ON 37 ACTIVE COMPANIES ONLY.

Wage Levels: (In $000's)	Total	25-29	30-39	40-49	50-59	60-69	70-79	80-89	90+
Number of Jobs	2994	1111	485	389	301	276	140	223	69
Percentage of Total Jobs	100%	37%	16%	13%	10%	9%	5%	7%	2%

Benefits Paid by Employers:	Number Offering Benefit	Percentage Offering Benefit	Average Percentage of Benefit Paid by	
Medical Premium	37	100%	75%	NOTE: BENEFITS AS REPORTED BY APPLICANT. IN SOME CASES, A BENEFIT MAY BE OFFERED BUT APPLICANT DID NOT REPORT IT.
Dental Premium	27	73%	63%	
Vision Premium	20	54%	67%	
Life Insurance	24	65%	96%	
Short-Term/Long-Term Disability Ins.	20	54%	87%	
Accidental Death/Dismemberment Ins.	8	22%	100%	
Retirement Contribution	25	68%	48%	
Paid Leave	22	57%	100%	
Other	21	56%	100%	

Actual Economic Activity

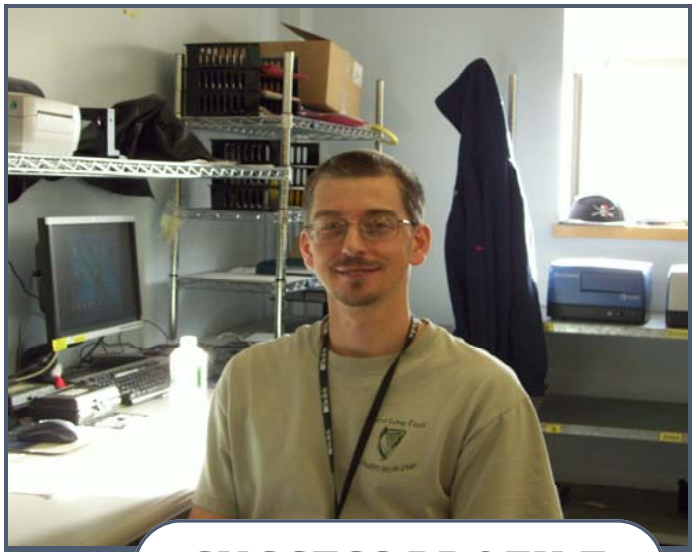
Table 6 summarizes, by calendar year, the number of claims expected and filed, the disposition of each claim. the projected ***and actual*** qualifying job creation, qualifying payroll generation, capital investments made, incentive payments made, and the actual net revenue benefit for the State for activity that has actually occurred between January 1, 2007 and December 31, 2013.

VEGI claims must be filed each year for the economic activity that occurred during the previous calendar year. For example, claims for activity in 2013 were filed in April 2014 and examined by the Tax Department during 2014 and incentive payments, if earned, were paid in late 2014. Therefore, there is a one year delay before the claim and actual activity data is available. This is why this report includes application data through December 2014, but actual earning and economic activity for 2007—2013.

The following details the number of claims filed for each year and the number of claims approved or delayed:

	Filed	Approved	Delayed
2007	7	4 (57%)	3 (43%)
2008	10	4 (40%)	6 (60%)
2009	18	12 (66%)	6 (44%)
2010	23	16 (70%)	7 (30%)
2011	28	19 (57%)	9 (43%)
2012	30	20 (66%)	8 (27%)
2013	33	18 (55%)	8 (24%)

Only the companies that met performance requirements were paid the $10.4 million incentive payments shown in **Table 6**. But the projected and actual economic activity data detailed in **Table 6** are for the companies that both met and did not meet targets. Data for companies are not included once their incentives are rescinded or terminated in subsequent years. Data for companies that did not meet performance requirements are included because a company is not removed from the program if they do not meet their requirements by the due date (December 31 of each year). These companies created jobs, generated payroll, and made capital investments, but not to the extent that met the performance measures. No incentive is paid to such a company until and unless the requirements are met. This economic activity, however, must be counted and is included in the calculation of the actual net revenue benefit to the State. If a company does not meet performance requirements within the required period after the target date, no incentive for that year can be earned or paid and any future incentives are terminated.



SUCCESS PROFILE

Mark Weidmann of Westford was hired in January 2013 by BioTek as an Assembler, after Biotek was authorized for VEGI incentives. Mark was quick to learn and came up to speed very quickly on BioTek's processes and assemblies and is now one of the "go-to" individuals to train new employees.

To read Mark's full profile, click here.

Actual Economic Activity

As **Table 6** and **Charts 1-5** indicate, actual new job creation, payroll creation and capital investments have outpaced projections in each year. As a result, the projected net revenue benefit to the State from economic activity through December 2013 is much higher than projected. The net revenue benefit was estimated at about $14.6 million. The economic activity that has actually occurred, and the incentives installments actually paid were re-modeled using the same cost-benefit model used for the application approval process. The model estimates a **net revenue benefit to the State of $36,592,000** for the activity that has actually occurred between 2007-2013. This means that the State has made $9,390 in new tax revenue for each new qualifying job created by the VEGI program.

It should be noted that once a company is rescinded or terminated their economic activity is no longer included in the modeling of the revenue impact, but those companies may have contributed jobs and investments during this period. For example, a company was authorized for incentives to move from another state to Vermont and create more jobs. The move occurred, jobs were created, but not at a level that met performance requirements to earn the incentive resulting in the company being removed from the program. Therefore, economic activity occurred and new tax revenues were generated to the State, but no incentives were ever paid. There are 11 such companies that had levels of economic activity insufficient to meet performance requirements but still generating tax revenues to the state.

Charts 1 through 5 graphically display the differences between the projected program economic activity and economic impact and the actual activity and impact.

Chart 1 illustrates the projected and actual new qualifying job creation between 2007 and 2013, showing that the authorized companies have created 1,731, or 80% more new jobs than projected for this period. These are all full-time, non-owner, jobs paying above 160% of the minimum wage and providing benefits including an average 75% of the medical premium paid by the employer.

Chart 2 illustrates the difference between the projected and actual payroll created for these full-time, qualifying jobs. The actual payroll created is $142 million or 141% more than projected.

Similarly, **Chart 3** indicates that the same companies invested $180 million or 40% more in machinery and equipment and facilities in Vermont than projected. As **Chart 11** shows, most of the facility investment was in renovations to a company's existing facility or for reuse of existing under- or unutilized building stock in Vermont.

Chart 4 illustrates the level of incentives projected and actually paid out between 2007 and 2013 and **Chart 5** shows the difference between the projected net revenue gain for the state versus the actual net gain, which is 150% higher than projected.

QUICK DATA FACT #3

HOW MUCH HAVE VEGI COMPANIES INVESTED IN VERMONT TO DATE? (2007 – 2013)

New Qualifying Payroll:	**$242.6 Million**
New Qualifying Capital Investments:	**$623.4 Million**

QUICK DATA FACT #4

WHAT IS THE PROJECTED AND ACTUAL AVERAGE WAGE OF THE JOBS CREATED BY VEGI COMPANIES THROUGH 2013?

Projected Average Wage:	**$45,702**
Actual Average Wage:	**$56,030**

TABLE 6: PROJECTED AND ACTUAL ACTIVITY - SUMMARY

FOR APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2014

Claim Activity:	2007	2008	2009	2010	2011	2012	2013
Claims Expected:	7	14	22	29	34	32	34
Completed Claims Filed:	7	10	18	23	28	30	33
Incomplete Claims:	0	0	0	2	6	2	1
Claims Approved:	4	4	12	16	19	20	18
Claims Delayed:	3	6	6	7	9	8	8
Removed from Program:	0	4	4	5	7	3	1
Net Claims Included in Projected and Actual Data:	**7**	**10**	**18**	**23**	**28**	**30**	**33**

Projected Activity:	2007	2008	2009	2010	2011	2012	2013	TOTALS
New Qualifying Employees:	101	213	76	253	405	646	472	2166
New Qualifying Payroll:	$ 3,438,000	$ 6,942,837	$ 4,569,800	$ 14,750,930	$ 18,566,786	$ 30,761,224	$ 21,733,673	$100,763,250
New Qualifying Capital Investments:	$ 13,677,077	$ 11,786,270	$ 14,646,000	$ 23,756,656	$ 71,204,499	$ 171,853,840	$ 136,912,490	$443,836,832
Est. Incentive Installments to be Paid:	$ 123,712	$ 398,712	$ 529,377	$ 1,139,759	$ 1,767,159	$ 3,375,349	$ 4,600,744	$11,934,813
Net Revenue Benefit:	$ 90,889	$ 349,201	$ 840,056	$ 1,370,074	$ 2,313,133	$ 3,752,862	$ 5,954,380	**$ 14,670,594**

Actual Activity:	2007	2008	2009	2010	2011	2012	2013	TOTALS
New Qualifying Employees:	262	255	265	606	844	806	859	3897
New Qualifying Payroll:	$ 10,621,976	$ 9,214,052	$ 16,137,468	$ 34,555,726	$ 54,269,760	$ 62,298,865	$ 55,490,232	$242,588,079
New Qualifying Capital Investments:	$ 22,546,350	$ 13,388,586	$ 28,100,875	$ 47,475,449	$ 121,412,913	$ 262,489,273	$ 128,030,075	$623,443,521
Incentives Paid to Companies:	$ 208,653	$ 544,110	$ 654,370	$ 1,249,733	$ 1,852,263	$ 2,795,776	$ 3,102,025	$ 10,406,930
Net Revenue Benefit:	$ 912,900	$ 1,263,700	$ 1,676,700	$ 3,539,900	$ 6,964,900	$ 11,578,800	$ 10,655,100	**$ 36,592,000**

Actual Economic Activity

Chart 1: NEW QUALIFYING JOBS

	PROJECTED	ACTUAL	80%
Through 2013	2166	3897	MORE JOBS

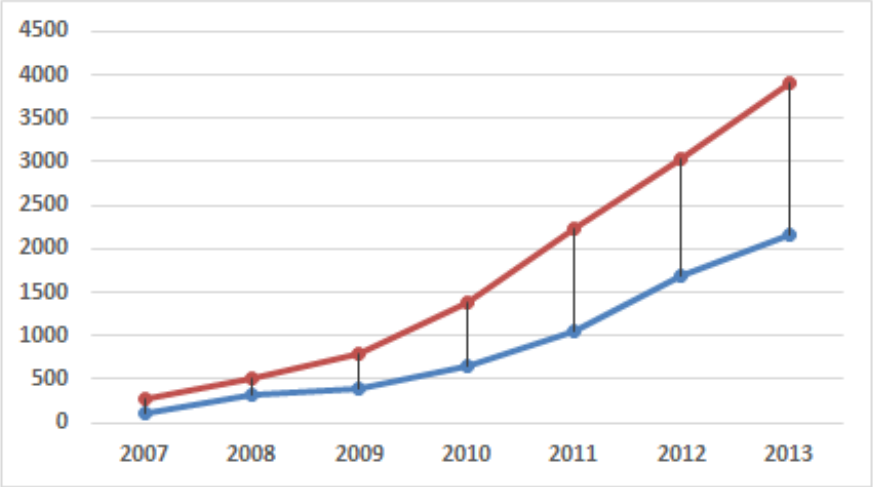


Chart 2: NEW QUALIFYING PAYROLL

	PROJECTED	ACTUAL	141%
Through 2013	$ 100,763,250	$ 242,588,079	MORE PAYROLL

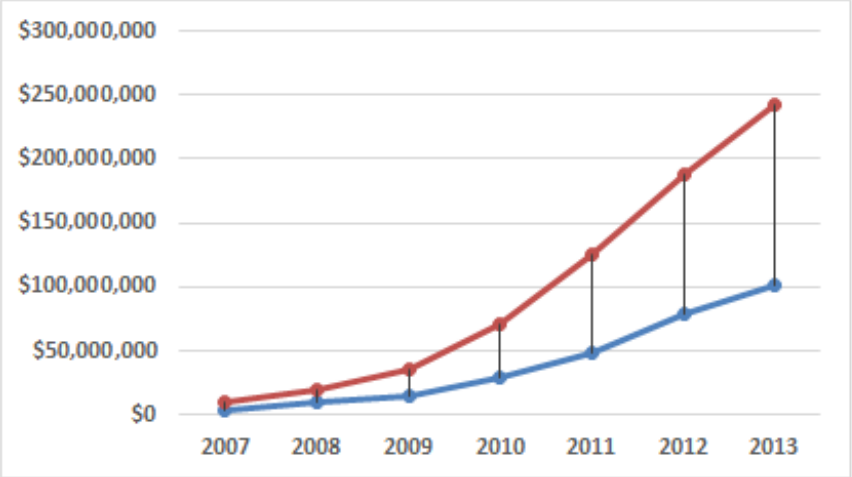
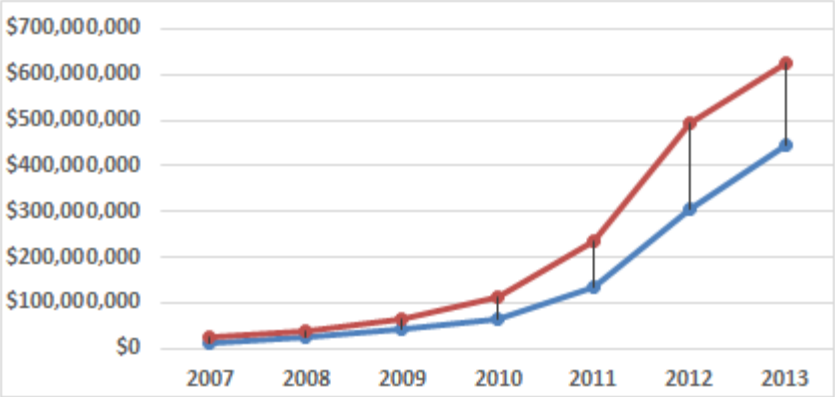


Chart 3: NEW QUALIFYING CAPITAL INVESTMENTS

	PROJECTED	ACTUAL	40%
Through 2013	$443,836,832	$623,443,521	MORE CAPEX



Projected
Actual

Actual Economic Activity

Chart 4: INCENTIVE PAYMENTS

	PROJECTED	ACTUAL
Through 2013	$ 11,934,813	$ 10,406,930

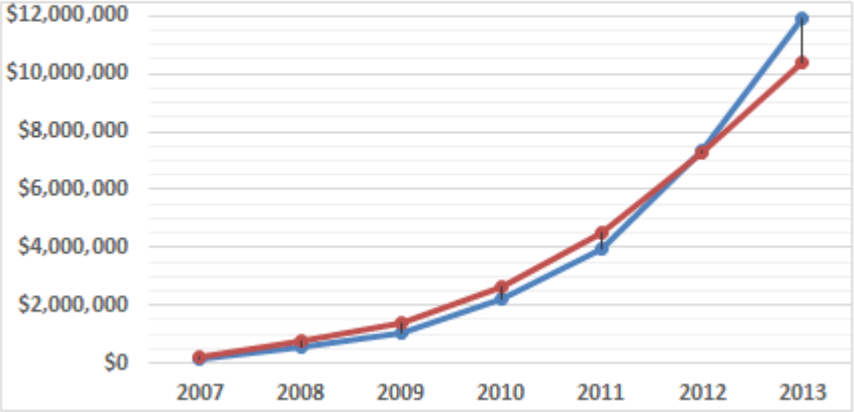
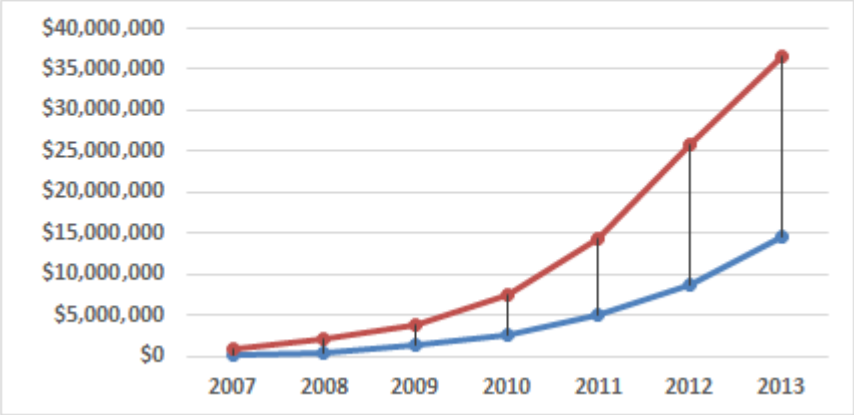


Chart 5: NET REVENUE TO THE STATE

	PROJECTED	ACTUAL	149%
Through 2013	$14,670,594	$36,592,000	MORE REVENUE



Projected
Actual

EMPLOYMENT MULTIPLIER = 2.2 JOBS
FOR EVERY JOB A VEGI COMPANY CREATES 2.2 JOBS ARE CREATED IN THE VERMONT ECONOMY

ECONOMIC MULTIPLIER = $178 MILLION/YEAR
VEGI COMPANIES SPEND $178 MILLION EACH YEAR WITH OTHER VERMONT COMPANIES

Supplemental Data: Active Applications

Charts 6 through 16 illustrate several interesting data points about the 37 active projects in the program. Note that the data presented in charts 6-11 and 14-16 are generated ***only*** by the 37 approved-active applications (not all applications ever considered) and are based on the application projections.

Charts 6 - 8 cover issues related to the program guidelines. **Charts 9 - 12** show data that counters some assumptions that are often made about the program applicants and the projects that are approved. **Charts 13 - 16** are related to regional distribution of incentives and jobs.

Chart 6 shows the wage ranges of the projected 2,994 new, qualifying jobs projected to be created between 2007 and 2019, in $10,000 increments. This data relates to Guideline 2, regarding wages and benefits. While the largest segment of jobs, at 37% of total, are in the $25,000 - $29,000 range, the chart shows that half of the jobs will pay above $40,000 per year. Additionally, the companies project creating only 472 jobs that will pay wages at or below the VEGI Wage Threshold (160% of Vermont minimum wage). These jobs cannot be used to calculate the VEGI incentive. This data shows that the applicants to this program are creating very well-paying jobs, the majority of which far exceed the VEGI Wage Threshold. None of the applicants projected the creation of jobs at or even near the Vermont minimum wage.

Chart 7 shows the breakdown of jobs projected to be created by various job categories. Predictably, the largest category of jobs is production, at 52% of the total. Other jobs are about equally divided between management, IT, R&D, engineering, and administration/support.

Chart 8 illustrates one aspect of the fringe benefits that are and/or will be offered by the applicant companies (related to Guideline 2). The average of the benefits ratios (benefits as percentage of total compensation) for applicants is 22%. This means that the weighted average wage paid, $45,702, is supplemented by an average benefits package valued at $10,133 for a total compensation of $55,835. All approved applicant companies in the VEGI program pay some portion of employee health care costs. Only one company offered less than 50% coverage by the employer at the time of application. All other companies offer 50% or more coverage. The majority of the companies (59%) cover 76% or more of health care costs for their employees.

Chart 9 shows the size of the company, by number of full-time employees, at the time of application. As the chart illustrates, the majority of the applicant companies are small- to medium-size companies, by Vermont standards. In fact, 23 (62%) of the companies had under 100 employees at the time of application, with 14 (or 38%) of those companies actually having under 20 employees. Only five applicants had 500 or more employees at the time of application. Seventy-three percent of the applicants are Vermont-based/owned companies. These are companies that were started by, and are owned by Vermonters and their families.

Chart 10 illustrates the types of economic development projects applying for incentives. It shows 16% of companies are recruitment types that are starting, expanding into or relocating to Vermont. Of these recruitments, 3 were start-ups, 1 was an expansion and 2 were relocations. Seventy percent of all projects were retention/expansion of existing Vermont companies or divisions. Another 8% were start-ups by Vermont entrepreneurs and 5% were re-starts of previously closed companies. This data, when viewed together with **Chart 9**, indicates that the VEGI program provides far more incentive percentages to the retention and expansion of small, Vermont companies as to the recruitment of small and medium-size companies to Vermont.

Chart 11 summarizes the type of facility expansions occurring because of the incentives. As the data shows, the program has been very successful in providing incentives for the acquisition and/or reuse of existing buildings in Vermont that are un- or under-utilized. This type of project represents 57% of the active projects. Another 16% did not involve any facility expansion and 22% will expand the

facility they currently occupy. A total of 95% of the projects will ***not*** involve building new facilities. Most will involve substantial investment in renovations to facilities, having a very positive impact on local construction companies. Two companies (5%) proposed projects that will involve new construction, but all of them will occur within existing industrial or commercial parks or within sites zoned for that purpose.

Charts 12 and 13 show the distribution of population and personal income tax by county in Vermont. These charts are included to provide some prospective to the data shown in **Charts 14 -16**, which show the regional distribution of the incentives by the number of active-approved applications per region **(Chart 14)** and by incentive dollars per region **(Chart 15)**. There are active projects in every region of the state except Addison and Lamoille Counties. The largest number of applications are from Chittenden County, which is expected as this is the economic engine of the state, the current location of most applicants, and the desired location for most companies recruited to Vermont. VEPC staff makes every effort to educate all regional economic development practitioners about the VEGI program. VEPC staff visits all regions regularly and VEGI informational seminars were conducted in every region at the start of the program. Additionally, in accordance with Program Guideline 1, applications from outside Chittenden County can be authorized for additional incentives. However, the Council and staff have no control over where existing Vermont companies (who represent the largest pool of applicants) are located, where new companies want to locate, or from which regions applications are submitted. Additionally, regional boundaries are meaningless to employment at a company. While most employees will come from the immediate area, many Vermonters cross county and regional borders for employment. The extensive business-to-business relationships, exceeding $178 million in value each year, also occur regardless of regional boundaries.

Chart 16 shows the regional distribution of the direct, new, qualifying jobs that are projected to be created. As with Charts 14 and 15, there is direct impact in all regions except for Addison and Lamoille Counties. However, Vermonters from all regions will fill these jobs and all regions will benefit from the job creation and capital investments. The projects that have been authorized for incentives will generate an estimated 5,373 indirect jobs all around the State and the companies estimate over $178 million in annual business-to-business (vendor, supplier, customer, and client) interactions with other Vermont companies in all regions of the State.

QUICK DATA FACT #5

HOW MUCH HAS ACTUALLY BEEN PAID BACK TO COMPANIES IN VEGI INCENTIVES TO DATE (2007-2013)?

$10,406,930

SUCCESS PROFILE

Prior to being employed at Vermont Smoke and Cure, Lauren Whitney of Bristol was struggling to make ends meet and apprehensive to lay roots in Vermont due to job security. Hired in January 2013 as a production worker and quickly moving up to QA technician, Lauren states "The future looks promising for Vermont Smoke and Cure and I feel comfortable and confident that my job is secure." Vermont Smoke and Cure was authorized for VEGI in 2011.

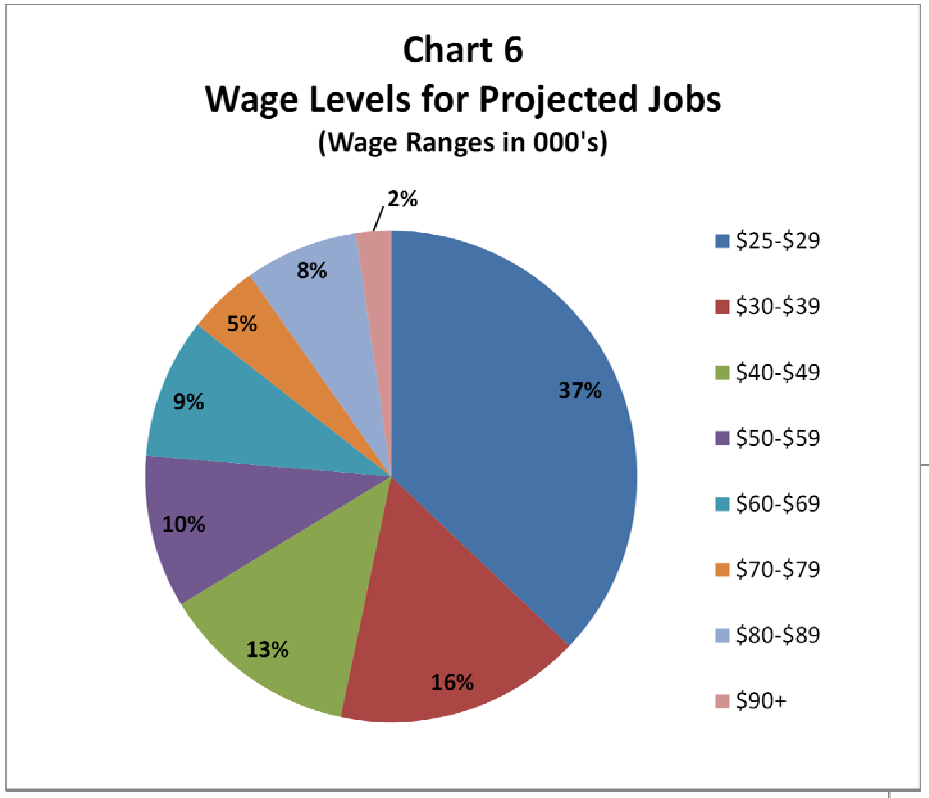
To read Lauren's full profile, click here.

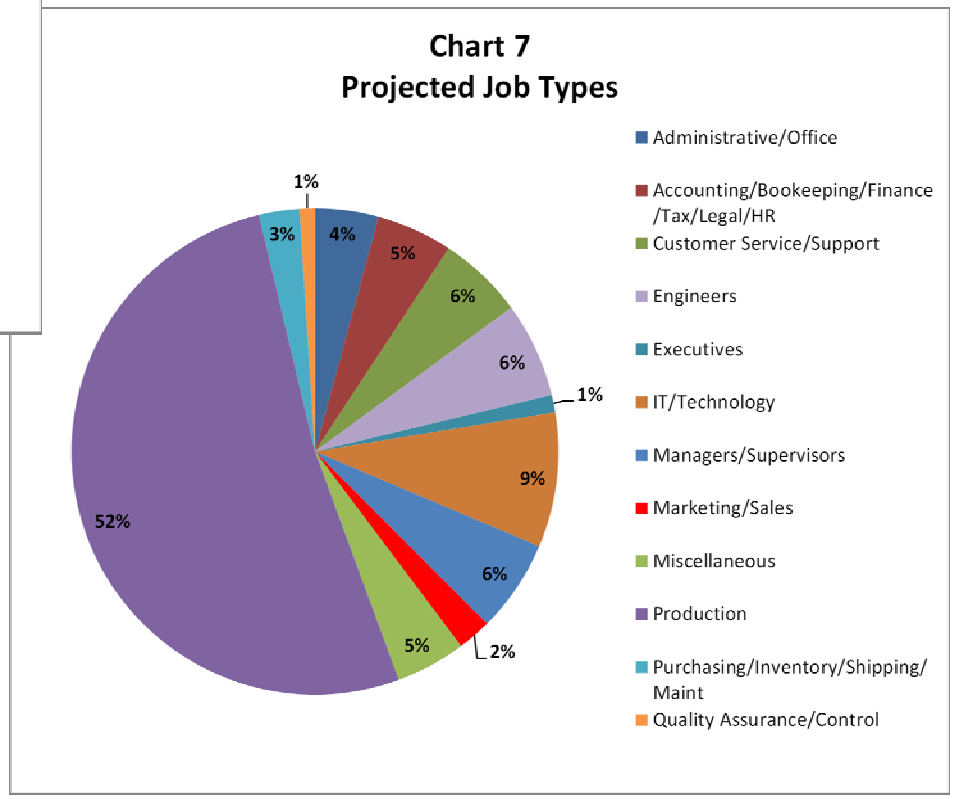
SUCCESS PROFILE

Jackie Valazquez of Vernon was hired by Commonwealth Dairy in October of 2013 as a temporary employee. Due to her work ethic, positive attitude and attention to detail, after three months she was promoted to a full time Lab Technician in Quality Assurance where she continues to work today. Commonwealth Dairy was authorized for VEGI in 2012.

To read Jackie's full profile, click here.

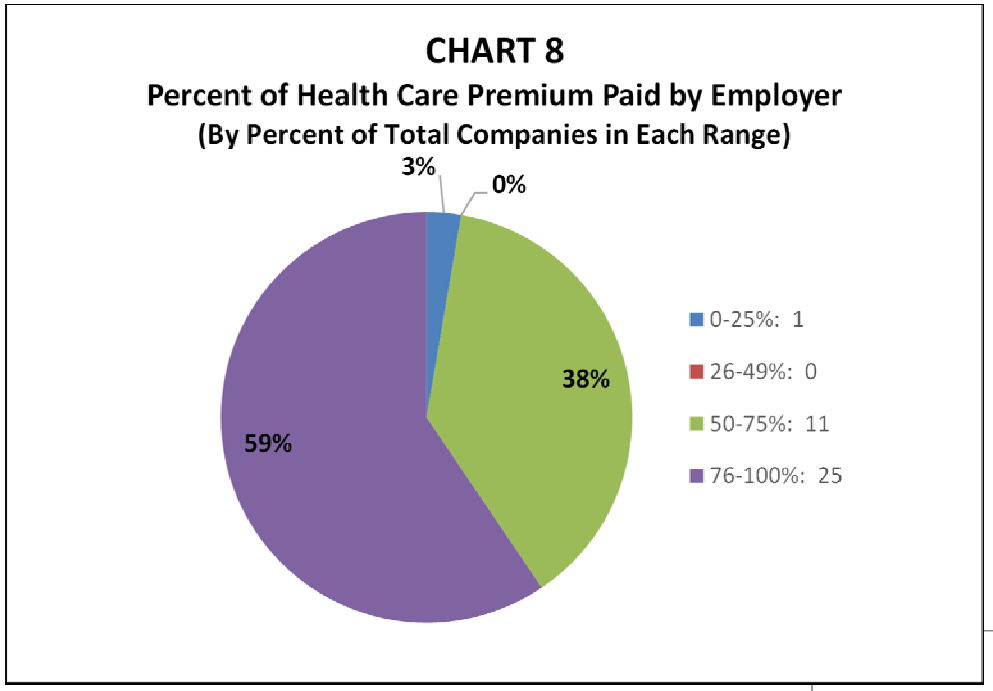
Supplemental Data: Active Applications

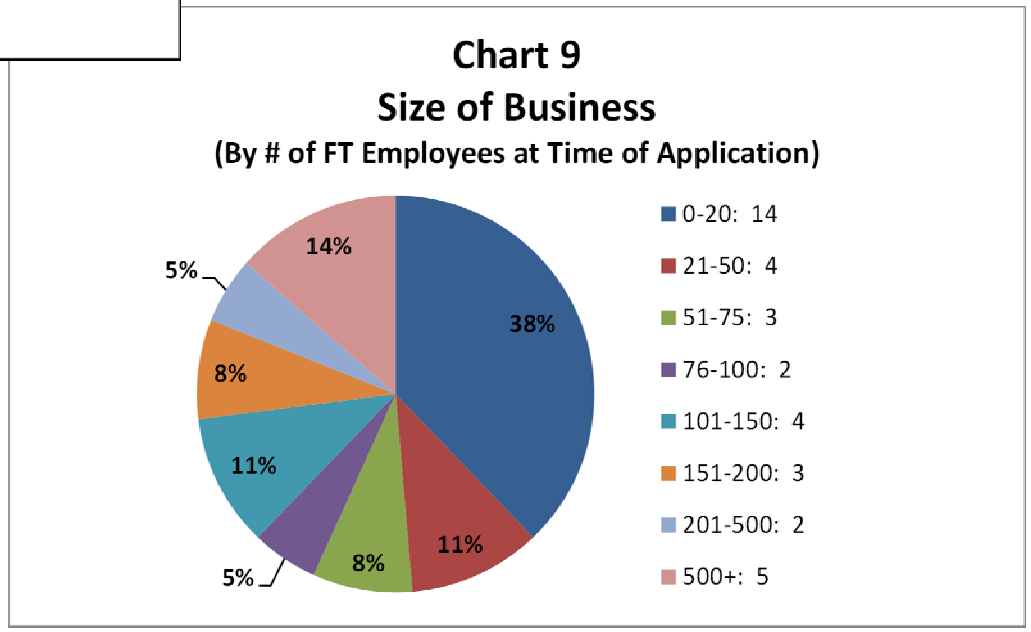




Data includes 37 Approved, Active applications only.

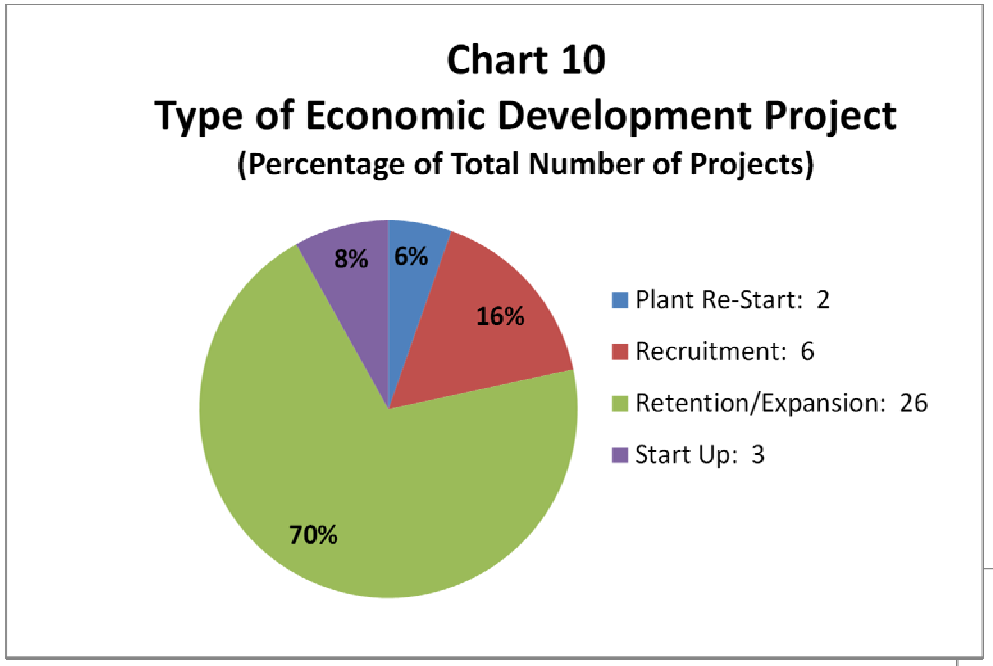
Supplemental Data: Active Applications

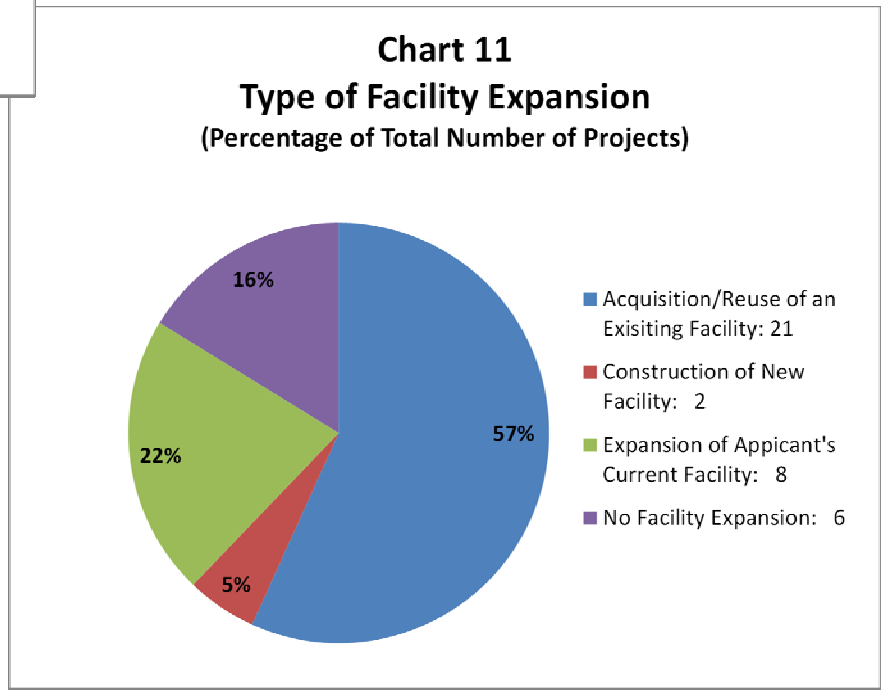




Data includes 37 Approved, Active applications only.

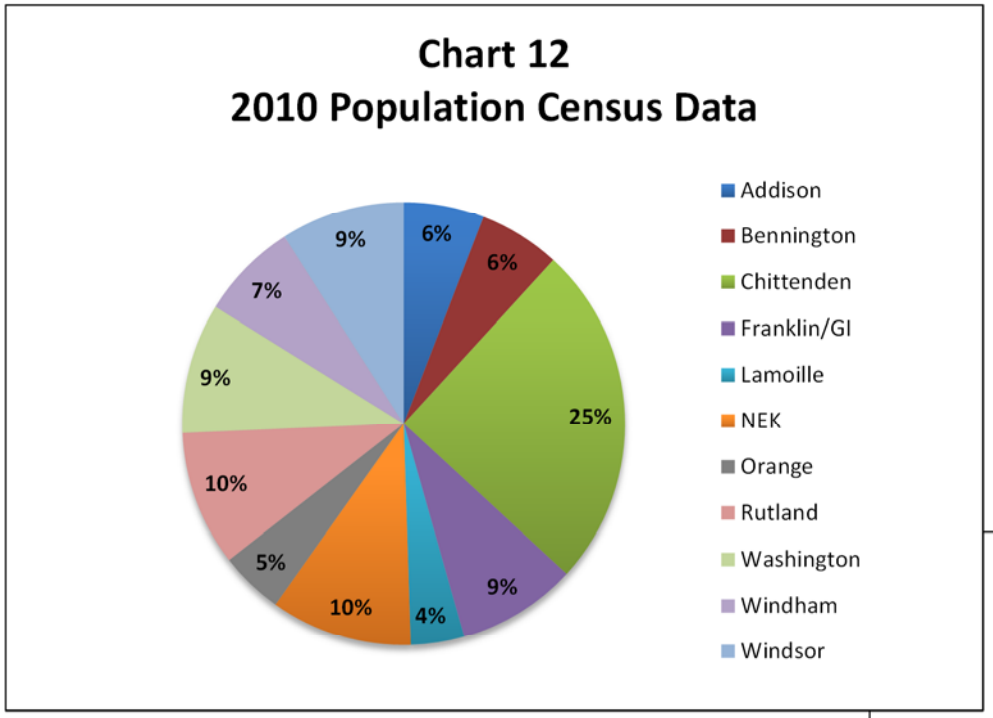
Supplemental Data: Active Applications

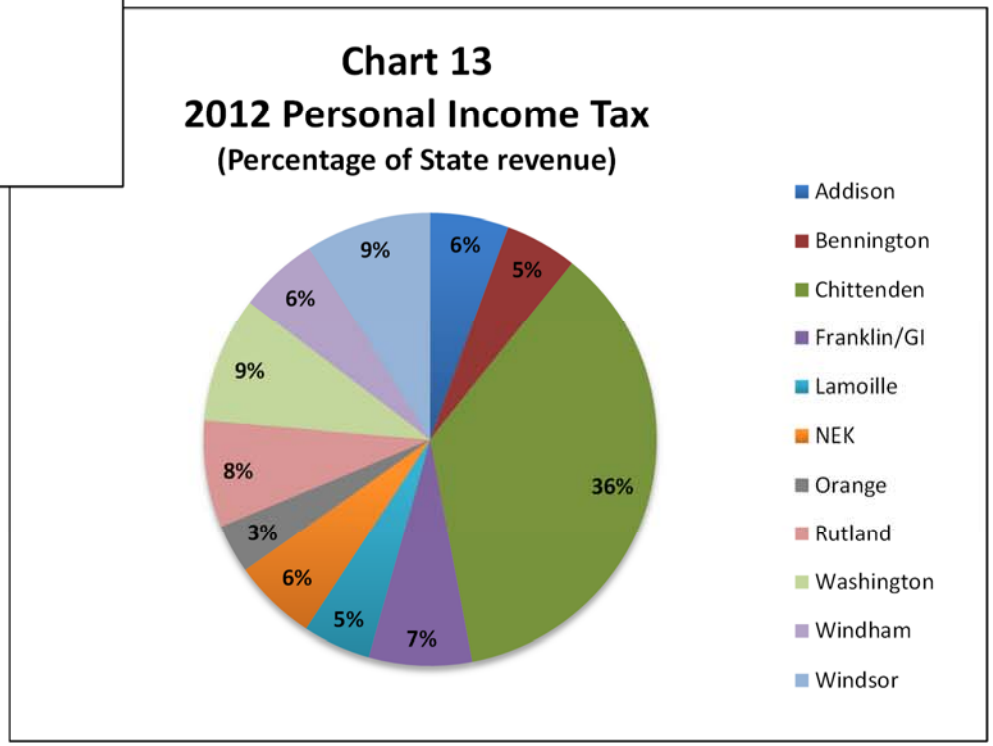




Data includes 37 Approved, Active applications only.

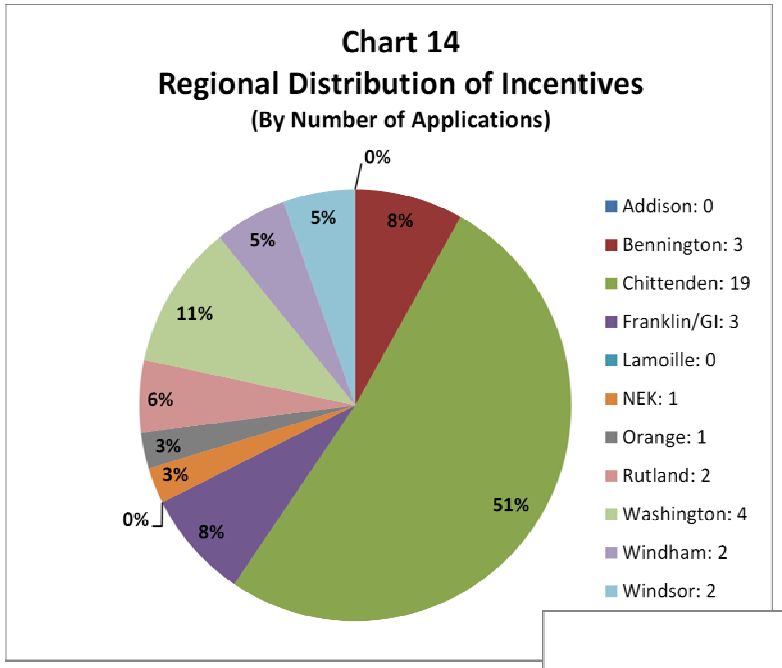
Supplemental Data: Active Applications

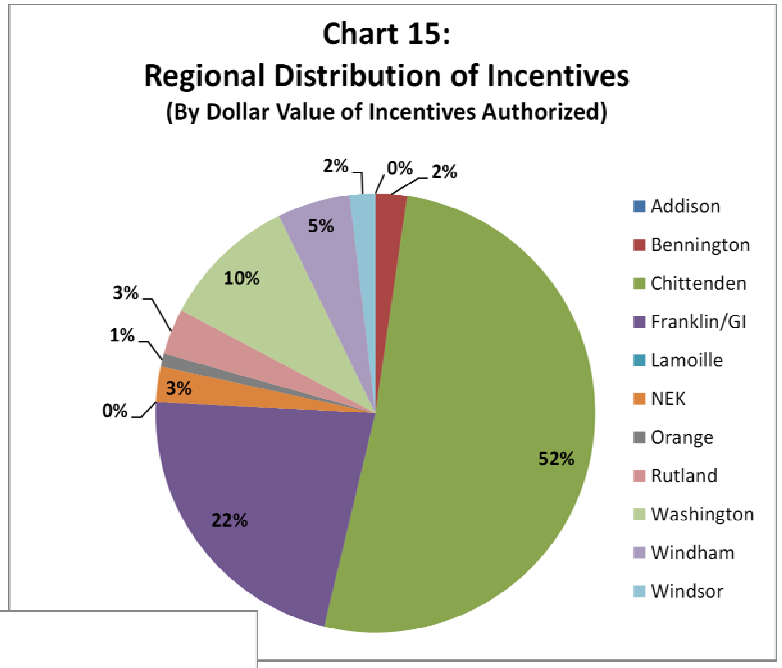


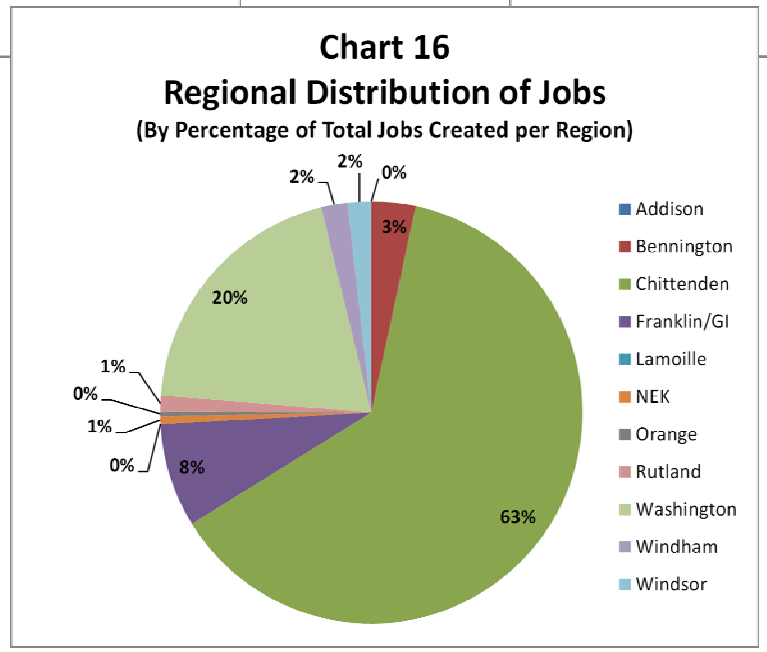


Data includes 37 Approved, Active applications only.

Supplemental Data: Active Applications







Data includes 37 Approved, Active applications only.

Performance Measures

AS OF DECEMBER 31, 2014	2011		2012		2013		2014		2015	
	Benchmark	Actual	Benchmark	Actual	Benchmark	Actual	Benchmark	Actual[16]	Benchmark	Actual[16]
OUTCOME:										
For Incentive Level of:	$ 1,767,159	$ 1,852,263	$ 3,375,349	$ 2,795,776	$ 4,600,744	$ 3,102,025	$ 2,490,970		$ 2,271,460	
New Qualifying Employees (NQE):	405	844	646	806	472	859	356		228	
New Qualifying Payroll:	$ 18,566,786	$ 54,269,760	$ 30,761,224	$ 62,298,865	$ 21,733,673	$ 55,490,232	$ 15,656,651		$ 10,897,491	
New Qualifying Capital Investments	$ 71,204,499	$ 121,412,913	$ 171,853,840	$ 262,489,273	$ 136,912,490	$ 128,030,075	$ 130,673,320		$ 25,011,689	
Net New Revenues to State	$ 2,313,133	$ 6,964,900	$ 3,752,862	$ 11,578,800	$ 5,954,380	$ 10,655,100	$ 5,133,882		$ 3,659,996	
OUTPUT:										
Net Revenue Generated Per NQE	$ 5,711	$ 8,252	$ 5,809	$ 14,366	$ 12,615	$ 12,404	$ 14,421		$ 16,053	
Number of Applications Considered	25	22	30	9	32	9	33	8	34	
EFFICIENCY:										
Modeling Cost Per Application (FY)	$ 350	$ 620	$ 325	$ 1,086	$ 325	$ 400	$ 325	$ 400		
Budgetary Cost Per NQE	$ 476	$ 213	$ 422	$ 223	$ 425	$ 210	$ 350		$ 425	

NATIONAL ACCOLADES FOR VEGI PROGRAM

GOOD JOBS FIRST

Independent studies: "Money For Something" and "Money-Back Guarantees for Taxpayers," ranked the VEGI program #1 in US for enforcement, safe-guards and job creation and job quality standards.

Endnotes

1	The date indicated is the date the Final Application was considered OR THE Initial Application if a Final Application has not yet been filed. An Initial Application may have been considered at an earlier date.
2	**1**=No final application was submitted, the initial application was rescinded and no incentives were authorized. **2**=Project commenced, but for a certain year, performance requirements were never met and incentives were terminated for that and future years. Some incenitves may have been earned andpaid out. **3**=Project commenced, but company closed or reduced employment below 90% and incentives were terminated. **4**=Project commenced, but in a subsequent year company failed to file a VEGI claim and incentives were terminated. **5**=Project denied and no incentives were authorized.
3	**"Green"** indicates incentive enhancement for environmental technology companies. See 32 VSA 5930b(g). **Sub.5** indicates incentive enhancement for projects in high unemployment, low economic activity areas. See 32 VSA 5930b(b)(5). **LBW** or Look Back Waived indicates a waiver was approved of incentive reduction due to drop in employment just prior to approval date. See 32 VSA 5930a(c)(1). **Ed Tax Stabil** indicates applicant chose stabilization of incremental Education Property Tax as incentive instead of, or in addition to, cash payments.
4	Includes Initial and Final Applications.
5	**Rescinded:** Initial Application approval was rescinded; no Final Application filed. No incentives ever authorized, earned or paid. **Terminated:** Authority to earn authorized incentives has been revoked. Incentives may have been earned.
6	Breakdown by Green VEGI, Subsection 5 and Lookback Waived categories may not equal Total Applications Considered because applications may fit into more than one category.
7	"Green VEGI" authorizations are those approved for environmental technology companies in accordance with 32 VSA Section 5930b(g).
8	The VEGI program cannot provide incentives for job retention. However, if a Vermont company receives incentives to expand in Vermont, an additional benefit to the State is the retention of current employment.
9	VEGI incentives can only be authorized for new jobs that exceed a statutory wage threshold (160% or 140% of Vermont Minimum Wage, depending on the location). This number represents the new full-time jobs projected which will pay a wage at or under the VEGI wage threshold. The jobs occur because of the incentive, but cannot be counted toward the incentive calculation.
10	Indirect jobs are estimated by the VEGI cost-benefit model according to a multiplier factor for the particular region and sector of the project. These are the jobs created at other businesses in Vermont because of the project receiving the incentive.

11	All new payroll projected as new to Vermont due to the incentive, including for companies recruited to Vermont, is subject to a background growth calculation. This calculation discounts a portion of the new payroll that will be generated because of the incentive according to a factor for each business sector, thereby reducing the level of new payroll that is used to calculate the amount of incentive the applicant can earn. This payroll is considered "background" or "organic" or payroll that would have been created anyway. This number represents the amount of new payroll projected to be created in Vermont because of the incentive program, but for which no incentive will be earned or paid.
12	See Chart 3 for more detail on the level of health care premium paid by employers. This number represents the average percentage of the employee health care premium paid by the applicant companies.
13	This represents an estimate of the level of interaction by applicant companies with other Vermont companies as vendors, suppliers, and customers.
14	Fiscal benefits and costs are estimated by an economic model. Majority of costs and benefits occur during the first five years of each project. The costs include not only the cost of the incentive, but also other revenue costs to the state such as new students in school and other services incurred by adding new people and buildings. Cost to pay incentive, if earned, continues for four years after the incentives are earned. Therefore, State of Vermont receives the benefit of each project before all incentive costs are incurred. The revenue benefits of the new jobs and payroll continue to accrue to the state after the five year earning period, but that benefit is not accounted for in the modeling. Therefore, the net revenue benefit is conservative.
15	Cap is $10,000,000 for each calendar year, unless increased by a vote of the Emergency Board. Cap balances do not carry forward to the next year.
16	Most data not available until next year.

Contact Us

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VEPC Board receives tour of Vermed as expansion project begins.
Pictured are (left to right): Fred Kenney, VEPC Executive Director; VEPC Board Members Betsy Gentile, Brattleboro; Warren Kitzmiller, Montpelier; Stephan Morse, Newfane; Shawn Straffin, West Burke; Emma Marvin, Morrisville; Al Voegele, St. Albans; and Dave Bacon, Vice President, Vermed.

Report Produced in-house by the staff of the
Vermont Economic Progress Council
and Vermont Department of Taxes
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