

Vermont Employment Growth Incentive Program

1

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About the Vermont Employment Growth Incentive Program

The Vermont Economic Growth Incentive (VEGI) program provides incentives from the State of Vermont to businesses to encourage prospective economic activity in Vermont that is beyond an applicant's "organic" or background growth. The incentive is provided for growth that would not occur, would not occur in Vermont, or would occur in a significantly different and less desirable manner, except for the incentive provided. The economic activity can be generated by a Vermont company or a Vermont division adding new qualifying employees, a company that is considering Vermont to locate a new business or division, or start-up business activity. Once authorized, the incentives are earned and installments paid when performance requirements are met and maintained.

The Vermont Economic Progress Council serves as the approval and authorization body for the VEGI program. The Department of Tax receives, and audits Incentive Claims made by participants in the VEGI program and issues any earned incentive payments.

Further information on VEPC and the VEGI program is available at:
<http://accd.vermont.gov/economic-development/funding-incentives/vegi>.

CONTENTS

Reporting Requirement	3
VEGI Program Impact Summary.....	4
NEW VERMONT EMPLOYEE STORY	4
Location Map of Active Applications.....	5
Summary	6
Tables 1A–1E: Applications Reviewed	8
NEW VERMONT EMPLOYEE STORY	8
Tables 2A–2B: Summary of Incentives Authorization Data	12
Table 3: Annual Authorization and LMA Enhancement Caps.....	13
Tables 4A-4B: Claims and Actual Activity Summary	14
Table 5: Summary of Benefits Offered	15

REPORTING REQUIREMENT

Vermont Statute (32 V.S.A. §3340):

“(a) On or before September 1 of each year, the Vermont Economic Progress Council and the Department of Taxes shall submit a joint report on the incentives authorized in this subchapter to the House Committees on Ways and Means, on Commerce and Economic Development, and on Appropriations, to the Senate Committees on Finance, on Economic Development, Housing and General Affairs, and on Appropriations, and to the Joint Fiscal Committee.

(b) The Council and the Department shall include in the joint report:

- (1) the total amount of incentives authorized during the preceding year;
- (2) with respect to each business with an approved application:
 - (A) the date and amount of authorization;
 - (B) the calendar year or years in which the authorization is expected to be exercised;
 - (C) whether the authorization is active; and
 - (D) the date the authorization will expire; and
- (3) the following aggregate information:
 - (A) the number of claims and total incentive payments made in the current and prior claim years;
 - (B) the number of qualifying jobs; and
 - (C) the amount of new payroll and capital investments.

(c) The Council and Department shall present data and information in the joint report in a searchable format.

(d) Notwithstanding any provisions of law to the contrary, an incentive awarded pursuant to this subchapter shall be treated as a tax expenditure for purposes of chapter 5 of this title.”

The required information may be found in this report in the following tables:

- (1) The total amount of incentives authorized (Tables 2A-2C)
- (2) Date and amount of each authorization (Tables 1A-1E)
- (3) Expected years in which the authorization will be exercised (Tables 1A-1E)
- (4) Whether the authorization is currently active (Tables 1A-1E)
- (5) Date the authorization will expire (Tables 1A-1E)
- (6) Aggregate number claims and incentives paid (Tables 4A-4B)
- (7) Aggregate jobs, payroll and capital investment (Tables 4A-4B)

VEGI PROGRAM IMPACT SUMMARY

Actual Economic Impact to Date

(January 1, 2007 – December 31, 2017)

New Qualifying Jobs Created	6,795
New Qualifying Payroll Created	\$397,015,360
Average Wage	\$58,427
New Qualifying Capital Investments	\$896,741,057
Incentives Paid	\$25,614,424

NEW VERMONT EMPLOYEE Commonwealth Dairy, Brattleboro

Started in 2009 with the help of the Vermont Employment Growth Incentive Program, Commonwealth employs about 150 to 160 people in Brattleboro. CEO Darcy Zbinovec says the company's rapid success is due to a "scrappy, can-do, hard-working" team but also to their origins in Vermont.



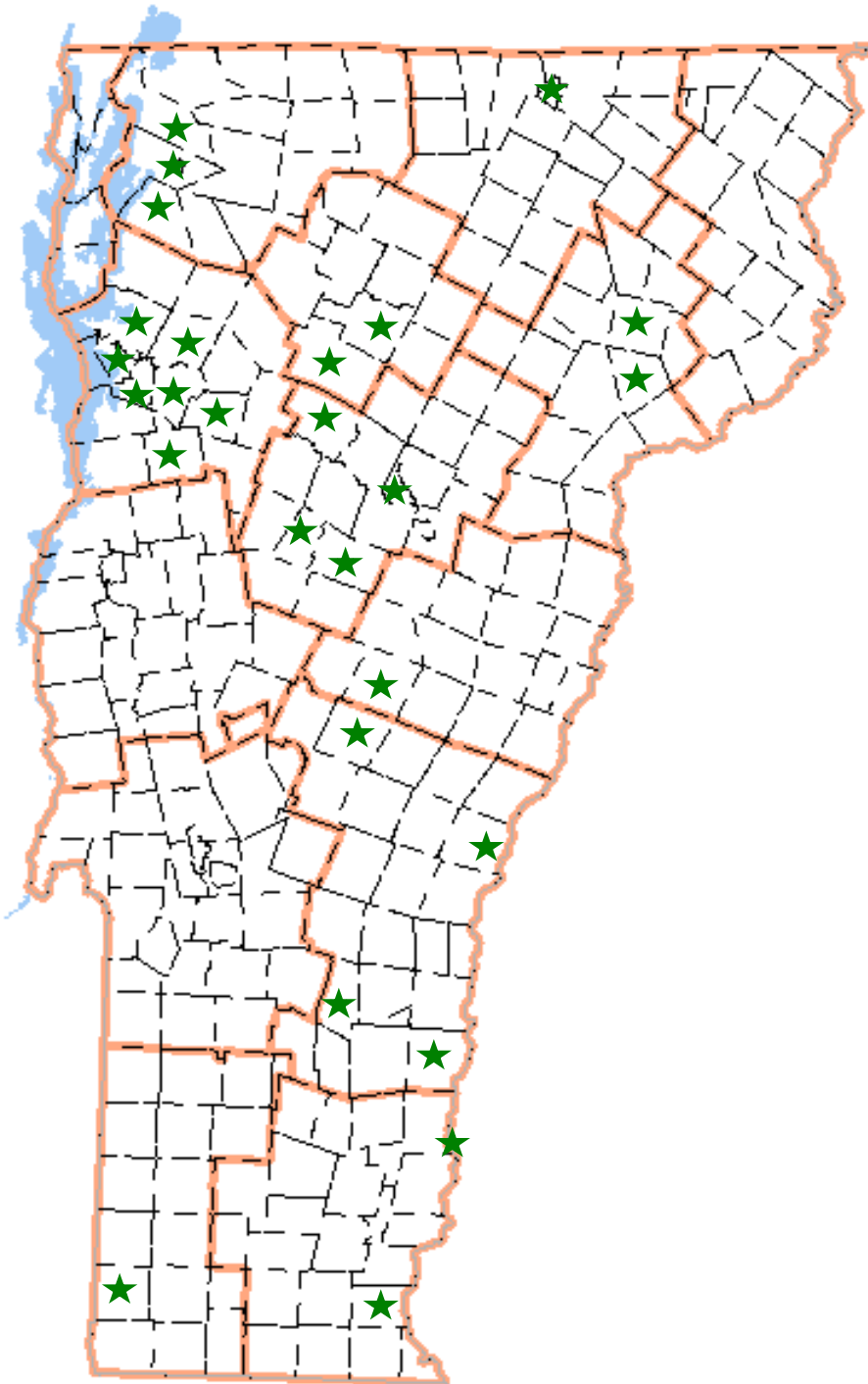
With the approval to earn VEGI payments, a 2017 expansion brought new HR Director Stephanie Castine, a yogurt connoisseur who is as passionate about Vermont's success as she is about the company's. "I don't think we get enough exposure about what a great place this is to live, work, and raise kids," she says. As for Commonwealth? "We're all working toward the same thing – building this company that has this fantastic product. We all want to see it flourish."

Born in Brattleboro, Castine had left the area years before, holding several human resources positions across New England. After seven years at The Timken Company in Keene, New Hampshire, she was excited to move to a smaller, younger organization – one where a position as HR Director would mean building the department from the ground up and helping to shape future policies and procedures.

Castine finds the job fulfilling not just because she's passionate about the product but also because she loves Vermont. Castine appreciates the opportunity to work with the Brattleboro Area Chamber of Commerce on initiatives to attract more workers to the area.

LOCATION MAP OF ACTIVE APPLICATIONS

The map depicts the locations of the active applications for which a VEGI Incentive has been approved. The number of applications in each location is listed in the table at right. Active applications include those with initial approval, final approval, and those that have completed the VEGI program and maintained their targets for follow-up years. For more detail on individual applications, refer to Tables 1A (Approved and Active) and 1B (Complete) on page 9.



Town	Active Applications
Bellows Falls	1
Bennington	1
Bethel	1
Brattleboro	6
Burlington	3
Colchester	3
Essex	9
Georgia	1
Hinesburg	1
Ludlow	1
Lyndon	1
Montpelier	2
Morristown	1
Newport	2
Northfield	1
Randolph	1
Richmond	1
South Burlington	2
Springfield	1
St. Albans	2
St. Johnsbury	1
Stowe	1
Swanton	2
Waitsfield	1
Waterbury	1
White River Junction	1
Williston	3

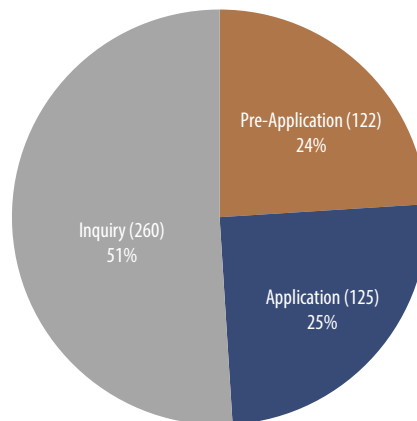
SUMMARY

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 a cash incentive paid from the incremental tax revenues generated to the State by the new economic activity occurring. A company must apply to the Vermont Economic Progress Council (VEPC), a citizen board which, for each application, determines:

- Whether the economic activity would not occur at all or would occur in a significantly different and/or less desirable manner except for the incentive (“But For” requirement);
- 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 host municipality welcomes the company and project, the proposed activity conforms to applicable town and regional plans, and the company does not operate in a limited, local market.

Application Pipeline

From All Inquiries to Active Projects
January 2007-June 2019
Total: 507



Application consideration includes an extensive and detailed modeling of the economic and estimated fiscal (revenue) benefits and costs to the State of Vermont. Net new revenues are generated primarily from payroll income taxes. But new revenues are also generated from new business 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.

The calculation of the incentive for all applications includes the discounting of a certain level of the new payroll that will be generated, considered background growth payroll or payroll assumed to grow at same level in projected years. 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.

VEPC also considers the applicant and project interaction with other Vermont companies in customer, supplier, and vendor relationships. The greater these interactions, the more indirect economic impact the incentives will have.

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, 21 applications have been considered for the “Green VEGI” enhancement, 3 of which remain active as of December 31, 2018.

Statute also allows an enhancement for projects that will occur in areas of the State, defined by Labor Market Areas (LMAs) that have above average unemployment and lower than average incomes. VEPC has utilized this authority for 25 applications, 13 of which are active as of December 31, 2018.

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. Claims for VEGI incentive installments are submitted and examined annually by the Vermont Department of Taxes.

VEGI claims must be filed each year for the economic activity that occurred during the previous calendar year. For example, claims for activity in 2017 were filed in April 2018 and examined by the Tax Department during 2018 and 2019. Incentive payments, if earned, were paid after examination. Therefore, there is a one year delay before the claim and actual activity data is available. Incentives are not paid out on a pro-rata basis if annual performance requirements are not met and maintained.

Companies that do not meet performance requirements by the due date (December 31 of each year) are allowed a “grace period” as defined by Statute¹. The company is not immediately removed from the program if they do not meet their requirements. These companies may have created jobs, generated payroll, and made capital investments, but not to the extent that met the performance measures. However, no incentive is paid to such a company until and unless the requirements are met. A company that does not meet performance requirements by the end of the grace period does not earn incentives for that performance year and any future incentives are terminated.

¹ Refer to 32 VSA § 3337, Earning an incentive.

TABLES 1A-1E presents information on all applications considered by VEPC through December 31, 2018.

For Active Applications, if a Final Application has not yet been filed, the applicant's status is listed as "Active-Initial." If a Final Application has been approved, the applicant's status is listed as "Active-Final." Initial approval of incentives provides applicants with enough information to determine if they could commence the project.

Incentives are not authorized until a Final Application has been submitted by the applicant and approved by VEPC.

The incentive 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 incentive considered is listed for reference only in this report, but the total incentive is no longer available to be earned by the company.

If an authorization has been terminated and the "Incentive Earned" column contains a "Y" meaning "Yes, incentives have been earned." The code in the terminated column indicates whether the earned incentives were recaptured or were partially paid. Statute provides for recapture under certain specific circumstances. In some cases, an incentive authorization can be terminated, usually due to not meeting performance requirements for a particular year, but incentives earned by activity in previous years is earned and paid if the performance requirements are maintained.

NEW EMPLOYEE STORY

Dealer Policy, Winooski

Dealer Policy was approved for a VEGI award in 2017 to create an auto insurance search engine company in Vermont. The company partners with Vermont HiTec, a workforce training group, to recruit and train the workforce they need to fill the positions. One of these recruits that became a licensed Insurance broker and has begun her fulltime career with DealerPolicy shared her story.

"For a long time, I didn't think much of myself. I am 38 years old and a single mom of 3 kids. During the past couple of years, I have been in between jobs, living at my parent's house, helping my dad take care of my mom who has dementia and MS. All I want in life is to be able to give my kids the life they deserve and be someone they can be proud of.

I signed up for updates from the DOL and received an email about HiTec's program. After the first orientation I knew I wanted this opportunity. I worked hard to make it through and cried after I received the call saying I was chosen. I didn't have experience. I would never have dreamed of being able to work in insurance without this chance.

I will continue to work hard to do well and succeed at this job. This is a life changing opportunity for me, and I won't waste this chance I was given. I am proud of how far I have come. I finally see myself for how strong, smart, and determined I am. I would never have made it this far without everyone believing in me even when I had a hard time believing in myself."

TABLE 1A

Applications Approved and Active

Company Name	Date Initial Application Considered	Date Final Application Considered ²	Authorization Period	Status	Date of Status Change	Term. Reason ³	Incentive Earned Yes/No	Incentive Considered	Minimum Net Revenue Benefit	Ed Tax Stabiliz ⁴	Green ⁵	Labor Market Areas (LMA) ⁶	Look Back Waiver (LBW) ⁷
NuHarbor Security	4/26/18	N/A	2019–2023	Active-Initial		—	N	\$202,644	\$147,232				
GLAVEL	4/26/18	N/A	2019–2023	Active-Initial		—	N	\$313,556	\$56,372	•			
Twincraft	6/28/18	N/A	2019–2023	Active-Initial		—	N	\$180,746	\$239,956				
DSD International	12/14/17	N/A	2019–2023	Active-Initial		—	N	\$63,215	\$33,518				
Culturemade (Project Xanadu)	12/14/17	N/A	2019–2023	Active-Initial		—	N	\$1,377,752	\$-			•	
Long Falls Paperboard	N/A	12/14/18	2018–2022	Active-Final		—	N	\$1,148,098	\$-			•	
Greensea Systems, Inc.	7/26/18	12/14/18	2018–2022	Active Final		—	N	\$103,505	\$51,957				
Gordini USA	3/29/18	12/14/18	2018–2022	Active-Final		—	N	\$228,922	\$288,073				
Inntopia	2/22/18	12/14/18	2018–2022	Active-Final		—	N	\$221,168	\$678,749				
MSI	12/14/17	12/14/18	2018–2022	Active-Final		—	N	\$928,824	\$-			•	
Bedford	12/14/17	12/14/18	2018–2022	Active-Final		—	N	\$1,422,679	\$914,521				
LED Dynamics, Inc./Green Mtn. Econom. Devel. Corp.	10/26/17	12/14/18	2018–2022	Active-Final		—	N	\$614,917	\$-	•	•		
Winooski, LLC/DealerPolicy, LLC	8/31/17	12/14/17	2017–2021	Active-Final		—	N	\$92,529	\$45,881				
Lawson's Finest Liquids	2/23/17	12/14/17	2017–2021	Active-Final		—	N	\$1,420,630	\$-			•	
Commonwealth Dairy, LLC	12/8/16	12/14/17	2017–2021	Active-Final		—	Y	\$307,407	\$660,140				
Vermont Precision Tool	11/3/16	12/14/17	2017–2021	Active-Final		—	N	\$333,263	\$279,254				
Logic Supply, Inc./Greenfield Capital, LLC	8/31/17	10/26/17	2017–2021	Active-Final		—	N	\$757,684	\$365,913				
GS Blodgett Corp	6/19/17	10/26/17	2017–2021	Active-Final		—	Y	\$643,469	\$875,060				
Bariatrx Nutrition Corp II	6/23/16	12/8/16	2016–2020	Active-Final		—	Y	\$152,843	\$83,813				
Caledonia Spirits/Lineage Realty	6/23/16	12/8/16	2016–2020	Active-Final		—	Y	\$402,673	\$191,953				
Chroma Technology Corp	6/23/16	12/8/16	2016–2020	Active-Final		—	Y	\$596,297	\$612,342				
Vermont Aerospace-AIAC	5/5/16	12/8/16	2016–2020	Active-Final		—	Y	\$328,841	\$29,592			•	
Imerys Talc Vermont, Inc.	1/28/16	11/3/16	2016–2020	Active-Final		—	Y	\$696,332	\$398,820				
LTK Consulting Services, Inc.	1/28/16	11/3/16	2016–2020	Active-Final		—	Y	\$184,683	\$76,325				
Composites BHS, Inc.	10/22/15	11/3/16	2016–2020	Active-Final		—	N	\$512,145	\$-			•	
GS Precision, Inc.	6/23/15	11/3/16	2016–2020	Active-Final		—	Y	\$1,154,702	\$-			•	
Autumn Harp	N/A	5/26/16	2016–2020	Active-Final		—	Y	\$570,225	\$525,444				
GW Plastics, Inc.	7/23/15	12/3/15	2015–2019	Active-Final		—	Y	\$977,364	\$349,170			•	
Cabot Hosiery Mills, Inc	12/17/14	12/3/15	2015–2019	Active-Final		—	Y	\$1,336,191	\$543,354				
Flex-A-Seal, Inc	12/17/14	12/3/15	2015–2019	Active-Final		—	Y	\$144,998	\$208,891				
Revision Ballistics, LTD	5/28/15	10/27/15	2015–2019	Active-Final		—	Y	\$619,007	\$-			•	
Revision Military, LTD	4/6/15	10/27/15	2015–2019	Active-Final		—	Y	\$167,295	\$57,308				
National Hanger Company, Inc	12/17/14	9/22/15	2015–2019	Active-Final		—	Y	\$272,369	\$41,557			•	
G.S. Blodget Corp.	3/19/14	12/17/14	2014–2018	Active-Final		—	Y	\$754,104	\$410,685				
Vermont Packinghouse	7/25/13	12/17/14	2014–2018	Active-Final		—	Y	\$233,252	\$-			•	
Twincraft, Inc	7/24/13	12/17/14	2014–2018	Active-Final		—	Y	\$532,584	\$512,840				•
Dealer.com II	4/25/13	12/5/13	2013–2017	Active-Final		—	Y	\$1,201,850	\$1,970,120				
Logic Supply, Inc.	4/25/13	10/24/13	2013–2017	Active-Final		—	Y	\$352,912	\$219,038				
Seventh Generation	4/26/12	12/13/12	2012–2016	Active-Final		—	Y	\$454,728	\$233,150			•	
Commonwealth Dairy, LLC	1/26/12	5/25/12	2012–2016	Active-Final		—	Y	\$303,004	\$277,714				
VSC Holdings, Inc.	2/24/11	10/27/11	2011–2015	Active-Final		—	Y	\$156,913	\$86,727				
New England Supply, Inc.	N/A	3/25/10	2010–2014	Active-Final		—	Y	\$67,953	\$36,088				
MyWebGrocer, Inc	N/A	10/22/09	2010–2014	Active-Final		—	Y	\$453,475	\$286,567				

TABLE 1B

Applications Complete

Company Name	Date Initial Application Considered	Date Final Application Considered ²	Authorization Period	Status	Date of Status Change	Term. Reason ³	Incentive Earned Yes/No	Incentive Considered	Minimum Net Revenue Benefit	Ed Tax Stabiliz ⁴	Green ⁵	Labor Market Areas (LMA) ⁶	Look Back Waiver (LBW) ⁷
Mylan Technologies	1/26/12	12/13/12	2012–2016	Complete		—	Y	\$5,733,506	\$2,786,740				
Revision Ballistics	4/18/12	12/13/12	2012–2016	Complete		—	Y	\$734,081	\$-			•	
Dealer.com, Inc.	1/28/10	12/16/10	2010–2014	Complete		—	Y	\$4,929,487	\$2,644,928				
Green Mountain Coffee Roasters, Inc.	7/23/09	12/17/09	2009–2013	Complete		—	Y	\$292,307	\$1,736,611				
Commonwealth Yogurt, Inc.	6/26/08	6/25/09	2009–2013	Complete		—	Y	\$1,201,154	\$614,505				
Albany College of Pharmacy	12/6/07	1/22/09	2009–2013	Complete		—	Y	\$630,859	\$345,717				

TABLE 1 B

Applications Complete

Company Name	Date Initial Application Considered	Date Final Application Considered ²	Authorization Period	Status	Date of Status Change	Term. Reason ³	Incentive Earned Yes/No	Incentive Considered	Minimum Net Revenue Benefit	Ed Tax Stabiliz ⁴	Green ⁵	Labor Market Areas (LMA) ⁴	Look Back Waiver (LBW) ⁴
Vermont College of Fine Arts	N/A	3/27/08	2008–2012	Complete		—	Y	\$206,737	\$126,260				
Green Mountain Coffee Roasters, Inc.	5/24/07	10/25/07	2007–2011	Complete		—	Y	\$1,786,828	\$2,129,672				

TABLE 1 C

Applications Reviewed and Denied

Company Name	Date Initial Application Considered	Date Final Application Considered ²	Authorization Period	Status	Date of Status Change	Term. Reason ³	Incentive Earned Yes/No	Incentive Considered	Minimum Net Revenue Benefit	Ed Tax Stabiliz ⁴	Green ⁵	Labor Market Areas (LMA) ⁴	Look Back Waiver (LBW) ⁴
Business Financial Publishing, Inc.	1/28/10	N/A	—	Denied		5	N	\$162,473	\$-				
Know Your Source, LLC	12/6/07	N/A	—	Denied		5	N	\$71,302	\$-				
Dynapower	3/22/12	12/13/12	—	Denied		5	N	\$1,415,009	\$-				
Vermont Wood Energy Corp	7/24/08	12/4/08	—	Denied		5	N	\$293,967	\$-				
Rehab Gym, Inc.	N/A	3/22/07	—	Denied		5	N	\$255,439	\$-				

TABLE 1 D

Applications Approved and Rescinded

Company Name	Date Initial Application Considered	Date Final Application Considered ²	Authorization Period	Status	Date of Status Change	Term. Reason ³	Incentive Earned Yes/No	Incentive Considered	Minimum Net Revenue Benefit	Ed Tax Stabiliz ⁴	Green ⁵	Labor Market Areas (LMA) ⁴	Look Back Waiver (LBW) ⁴
Carlson Management Consulting	10/25/18	N/A	—	Rescinded	12/13/18	1	N	\$316,602	\$-				
Soya Canfralia	6/1/17	N/A	—	Rescinded	8/13/18	1	N	\$580,995	\$-				
Westminster Cracker Company	11/17/16	N/A	—	Rescinded	4/27/17	1	N	\$194,485	\$-				
Britton Lumber Company, Inc.	12/3/15	N/A	—	Rescinded	5/26/16	1	N	\$784,862	\$-				
Triad Design Services, Inc.	2/26/15	N/A	—	Rescinded	9/22/16	1	N	\$968,657	\$-				
AGrown (AEG Holdings, LLC)	9/26/13	N/A	—	Rescinded	12/17/14	1	N	\$2,010,364	\$-				
Cambridge Valley Machining, Inc.	3/28/13	N/A	—	Rescinded	12/17/14	1	N	\$140,049	\$-				
Vermont Hard Cider Company, LLC	1/26/12	N/A	—	Rescinded	12/6/12	1	N	\$260,176	\$-				
Plasan Carbon Composites, Inc.	12/8/11	N/A	—	Rescinded	8/30/12	1	N	\$516,395	\$-				
Transcend Quality Manufacturing, Inc.	10/27/11	N/A	—	Rescinded	12/6/12	1	N	\$246,941	\$-				
AFCell Medical	3/24/11	N/A	—	Rescinded	12/5/13	1	N	\$1,338,444	\$-				
Skypoint Solar	12/16/10	N/A	—	Rescinded	12/8/11	1	N	\$7,900,114	\$-				
Helix Global Solutions, Inc.	3/6/08	N/A	—	Rescinded	12/4/08	1	N	\$53,739	\$-				
Mascoma Corporation	10/25/07	N/A	—	Rescinded	6/26/08	1	N	\$1,942,989	\$-				

TABLE 1 E

Applications Approved and Terminated

Company Name	Date Initial Application Considered	Date Final Application Considered ²	Authorization Period	Status	Date of Status Change	Term. Reason ³	Incentive Earned Yes/No	Incentive Considered	Minimum Net Revenue Benefit	Ed Tax Stabiliz ⁴	Green ⁵	Labor Market Areas (LMA) ⁴	Look Back Waiver (LBW) ⁴
Kingdom Pellets, LLC	12/3/15	12/14/17	—	Terminated	4/30/18	2	N	\$276,290	\$-				
Maponics, LLC	5/28/15	12/3/15	—	Term-Recap	5/8/19	4	Y	\$156,490	\$-				
Versed	4/26/15	12/3/15	—	Terminated	5/1/17	4	N	\$292,421	\$-				
Precyse Solutions, LLC	12/17/14	12/3/15	—	Terminated	5/1/17	4	N	\$378,703	\$-				
Keurig Green Mountain	3/19/14	4/24/14	—	Terminated	2/26/18	2	N	\$971,028	\$-				
Farmer Mold & Machine	7/25/13	12/5/13	—	Terminated	6/23/15	4	N	\$258,518	\$-				
JBM Sherman Carmel	8/22/13	12/5/13	—	Terminated	5/29/19	2	Y	\$136,744	\$-				
Freedom Foods	12/13/12	10/24/13	—	Terminated	5/18/18	2	Y	\$267,762	\$-				
BioTek Instruments, Inc./Lionheart Technologies	3/28/13	12/5/13	—	Terminated	11/20/17	2	Y	\$325,111	\$-				
Performa Limited, LLC	N/A	10/25/12	—	Terminated	9/8/17	2	Y	\$133,617	\$-				
Green Mountain Coffee Roasters, Inc.	7/28/11	12/8/11	—	Terminated	6/12/18	3	Y	\$4,696,809	\$-				
Concepts ETI, Inc	5/25/11	12/8/11	—	Terminated	9/1/16	2	Y	\$290,335	\$-				

TABLE 1 E

Applications Approved and Terminated - continued

Company Name	Date Initial Application Considered	Date Final Application Considered ²	Authorization Period	Status	Date of Status Change	Term. Reason ³	Incentive Earned Yes/No	Incentive Considered	Minimum Net Revenue Benefit	Ed Tax Stabil ⁴	Green ⁴	Labor Market Areas (LMA) ⁴	Look Back Waiver (LBW) ⁴
SOH Wind Engineering, LLC	5/25/11	12/8/11	—	Terminated	9/22/16	2	Y	\$153,994	\$-	•			
Carbon Harvest Energy/Brattleboro Carbon Harvest	3/24/11	12/8/11	—	Terminated	12/13/12	3	N	\$568,913	\$-	•			
Ellison Surface Technologies, Inc.	8/26/10	12/8/11	—	Terminated	9/22/16	2	Y	\$688,462	\$-		•		
WCW, Inc.	7/28/11	10/27/11	—	Terminated	10/22/15	2	N	\$512,449	\$-				
eCorporate English, Ltd.	8/26/10	5/25/11	—	Terminated	9/27/12	3	N	\$464,731	\$-				
Bariatix Nutrition Corp	1/27/11	3/24/11	—	Terminated	9/22/16	2	Y	\$135,653	\$-				
Alpla, Inc.	12/16/10	3/24/11	—	Terminated	7/24/14	4	N	\$654,438	\$-	•			
Swan Valley Cheese Company of Vermont	7/22/10	12/16/10	—	Terminated	12/17/14	2	Y	\$305,830	\$-		•		
Pinnacle Sales Accelerators, LLC	5/27/10	12/16/10	—	Term-Recap	1/16/13	3	Y	\$111,635	\$-				
Organic Trade Association	7/27/10	10/28/10	—	Terminated	5/24/12	4	N	\$75,569	\$-				
Revision Eyewear, Ltd.	N/A	10/28/10	—	Terminated	6/23/16	2	Y	\$552,193	\$-				
Westminster Cracker Company, Inc.	N/A	7/22/10	—	Terminated	1/22/14	2	N	\$236,246	\$-		•		
The Original Vermont Wood Products, Inc.	N/A	5/27/10	—	Terminated	12/8/11	3	N	\$100,604	\$-		•		
Seldon Technologies, Inc.	8/27/09	12/17/09	—	Terminated	6/27/13	2	N	\$478,396	\$-	•			
Northern Power Systems, Inc.	7/23/09	12/17/09	—	Terminated	12/17/14	2	Y	\$808,104	\$-	•			
SBE, Inc.	6/25/09	12/17/09	—	Terminated	12/17/14	2	Y	\$3,048,671	\$-	•			
TERRY Precision Bicycles for Women, Inc.	6/25/09	12/17/09	—	Terminated	12/5/13	2	Y	\$126,296	\$-				
Maple Mountain Woodworks, LLC	2/26/09	12/17/09	—	Term-Recap	2/15/13	3	Y	\$143,436	\$-				
AirBoss Defense USA, Inc.	5/28/09	9/24/09	—	Terminated	7/24/14	2	Y	\$243,279	\$-				
Durasol Awnings, Inc.	3/26/09	5/28/09	—	Terminated	3/25/10	4	N	\$245,795	\$-				
Project Graphics, Inc.	1/22/09	4/23/09	—	Terminated	5/24/12	2	N	\$230,414	\$-				
ASK-intTag, LLC	12/4/08	3/26/09	—	Terminated	12/5/13	2	Y	\$553,722	\$-				
Vermont Transformers, Inc.	12/4/08	3/26/09	—	Terminated	5/25/11	3	N	\$267,569	\$-	•			
Dominion Diagnostics, LLC	10/23/08	1/22/09	—	Terminated	4/28/11	2	N	\$103,300	\$-				
Tata's Natural Alchemy	12/6/07	12/4/08	—	Terminated	3/25/10	4	N	\$231,531	\$-				
BioTek Instruments, Inc./Lionheart Technologies	N/A	12/4/08	—	Terminated	12/17/14	2	Y	\$692,854	\$-				
Utility Risk Management Corp	6/26/08	10/23/08	—	Term-Recap	11/25/13	3	Y	\$377,371	\$-				
New England Precision, Inc./Clifford Properties, Inc.	N/A	9/18/08	—	Terminated	4/28/11	2	N	\$241,236	\$-				
Vermont Castings Holding Company	N/A	9/18/08	—	Terminated	5/28/09	4	N	\$488,000	\$-	•			
Isovolta, Inc.	3/27/08	6/26/08	—	Terminated	5/28/09	4	N	\$568,330	\$-				
CNC North, Inc.	1/24/08	3/6/08	—	Terminated	3/25/10	4	N	\$70,533	\$-				
NEHP, Inc.	2/15/07	10/25/07	—	Terminated	12/8/11	2	N	\$182,396	\$-				
Energizer Battery Manufacturing, Inc.	N/A	7/26/07	—	Terminated	5/28/09	4	N	\$607,347	\$-				
Burton Corporation	2/15/07	6/28/07	—	Terminated	3/25/10	4	N	\$1,653,965	\$-				
Battenkill Technologies, Inc.	N/A	6/28/07	—	Terminated	6/26/08	4	N	\$79,054	\$-				
Applejack Art Partners	N/A	5/3/07	—	Terminated	10/25/07	4	N	\$85,539	\$-				
Omni Measurement Systems	N/A	5/3/07	—	Terminated	3/25/10	4	Y	\$677,944	\$-				
Vermont Timber Frames	N/A	5/3/07	—	Terminated	1/16/13	2	Y	\$156,126	\$-				
Monahan SFI, LLC	1/25/07	2/15/07	—	Term-Recap	9/28/09	3	Y	\$791,277	\$-				
Qimonda North America Corp.	N/A	2/15/07	—	Terminated	3/27/08	4	N	\$229,672	\$-				
Ink Jet Machinery of Vermont	N/A	1/25/07	—	Terminated	1/24/08	4	N	\$336,055	\$-				
Olympic Precision, Inc/WIC/Town of Windsor	N/A	1/25/07	—	Terminated	9/6/07	4	N	\$474,428	\$-				

² 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.

³ **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 incentives may have been earned and paid 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.

⁴ **Green** indicates incentive enhancement for environmental technology companies. See 32 VSA 5930b(g). **LMA Enhancement** 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.

TABLES 2A-2B summarize, as of December 31, 2018, the application volume, application status, the total amount of incentives considered and authorized, and the total amount and impact of incentive enhancements.

TABLE 2 A

Summary of Incentive Authorization Data

For All Applications Considered Through December 31, 2018
Total Projected Economic Activity, 2007 – 2023

	TOTAL	VEGI	Green VEGI ⁵	LMA Enhanced	Lookback Waived
Applications Considered ⁶	124	80	21	25	2
Approved (Complete and Active) ⁷	51 (41%)	35	3	13	1
Rescinded/Terminated ⁸	68 (55%)	42	16	12	1
Denied	5 (4%)	3	2	0	0

TABLE 2 B

Authorization Summary

For All Applications Considered Through December 31, 2018
Total Projected Economic Activity, 2007 – 2023

Incentives	
Total Incentives Considered	\$84,892,894
Incentives Denied	\$2,198,190
Incentives Rescinded	\$17,484,484
Incentives Forfeited by Terminated Applicants	\$17,678,360
Incentives Paid or Available to Terminated Applicants	\$9,029,153
Net Incentives Authorized (Active or Complete Applicants)	\$38,502,707
Incentive Enhancements – Active Applicants	
INCREASE IN INCENTIVES DUE TO ENHANCEMENTS	
Green VEGI	\$464,452
LMA Enhancement	\$4,298,023
Total	\$4,762,475
DECREASE IN NET REVENUE RETURN DUE TO ENHANCEMENTS	
Green VEGI	\$438,966
LMA Enhancement	\$3,837,124
Total	\$4,276,090

⁵ "Green VEGI" authorizations are those approved for environmental technology companies in accordance with 32 VSA Section 5930b(g).

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 Includes Initial and Final Applications.

⁸ **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.

TABLE 3 summarizes the amount of incentives authorized each year by VEPC against the annual program cap. It also shows the level of utilization of the authority given to VEPC to increase incentive levels under 32 V.S.A. §3334, known as the LMA Enhancement, which is also capped annually.

TABLE 3

Annual Authorization and LMA Enhancement Caps

For All Applications Considered Through December 31, 2018
Total Projected Economic Activity, 2007 - 2023

Annual Incentives/Caps ⁹			Annual LMA Enhancement Cap ¹⁰		
		%			%
2007 Cap	\$10,000,000		2007 Cap	\$1,000,000	
Final Approvals	\$6,830,959	68%	Final Approvals	\$-	0%
Net Cap Balance	\$3,169,041	32%	Net Cap Balance	\$1,000,000	100%
2008 Cap	\$10,000,000		2008 Cap	\$1,000,000	
Final Approvals	\$2,183,738	22%	Final Approvals	\$-	0%
Net Cap Balance	\$7,816,262	78%	Net Cap Balance	\$1,000,000	100%
2009 Cap	\$10,000,000		2009 Cap	\$1,000,000	
Final Approvals	\$5,539,089	55%	Final Approvals	\$-	0%
Net Cap Balance	\$4,460,911	45%	Net Cap Balance	\$1,000,000	100%
2010 Cap ⁹	\$23,000,000		2010 Cap	\$1,000,000	
Final Approvals	\$10,360,059	45%	Final Approvals	\$228,459	23%
Net Cap Balance	\$12,639,941	55%	Net Cap Balance	\$771,541	77%
2011 Cap ⁹	\$18,000,000		2011 Cap	\$1,000,000	
Final Approvals	\$8,322,697	46%	Final Approvals	\$322,655	32%
Net Cap Balance	\$9,677,303	54%	Net Cap Balance	\$677,345	68%
2012 Cap ⁹	\$12,000,000		2012 Cap	\$1,000,000	
Final Approvals	\$7,358,936	61%	Final Approvals	\$313,144	31%
Net Cap Balance	\$4,641,064	39%	Net Cap Balance	\$686,856	69%
2013 Cap	\$10,000,000		2013 Cap	\$1,000,000	
Final Approvals	\$2,542,897	25%	Final Approvals	\$133,606	13%
Net Cap Balance	\$7,457,103	75%	Net Cap Balance	\$866,394	87%
2014 Cap	\$10,000,000		2014 Cap	\$1,000,000	
Final Approvals	\$2,490,968	25%	Final Approvals	\$90,833	9%
Net Cap Balance	\$7,509,032	75%	Net Cap Balance	\$909,167	91%
2015 Cap ⁹	\$15,000,000		2015 Cap ¹⁰	\$1,200,000	
Final Approvals	\$4,344,838	29%	Final Approvals	\$946,733	79%
Net Cap Balance	\$10,655,162	71%	Net Cap Balance	\$253,267	21%
2016 Cap	\$10,000,000		2016 Cap ¹⁰	\$1,500,000	
Final Approvals	\$4,598,741	46%	Final Approvals	\$1,359,763	91%
Net Cap Balance	\$5,401,259	54%	Net Cap Balance	\$140,237	9%
2017 Cap	\$10,000,000		2017 Cap	\$1,000,000	
Final Approvals	\$3,831,272	38%	Final Approvals	\$566,851	57%
Net Cap Balance	\$6,168,728	62%	Net Cap Balance	\$433,149	43%
2018 Cap	\$10,000,000		2018 Cap	\$1,000,000	
Final Approvals	\$4,668,113	47%	Final Approvals	\$793,829	79%
Net Cap Balance	\$5,331,887	53%	Net Cap Balance	\$206,171	21%
2019 Initial Approvals Cap	\$15,000,000		2019 Initial Approvals Cap	\$1,500,000	
Initial Approvals	\$2,173,935	14%	Initial Approvals	\$535,825	36%
Net Initial Approvals Cap Balance	\$12,826,065	86%	Net Initial Approvals Cap Balance	\$964,175	64%

⁹ Program cap is \$15,000,000 for aggregate initial approvals and \$10,000,000 for aggregate final approvals for each calendar year, unless increased by a vote of the Joint Fiscal Committee (increase requests were previously reviewed by the Emergency Board). Cap balances do not carry forward to the next year. Emergency Board voted to increase the program Cap in 2010, 2011, 2012 and 2015.

¹⁰ LMA Enhancement cap is \$1,500,000 for aggregate initial approvals and \$1,000,000 for aggregate final approvals for each calendar year, unless increased by a vote of the Joint Fiscal Committee (increase requests were previously reviewed by the Emergency Board). Cap balances do not carry forward to the next year. Emergency Board voted to increase the LMA Enhancement Cap in 2015 and 2016.

TABLES 4A-4B aggregates the number of claims expected to be filed, the disposition of claims, and the actual qualifying job creation, qualifying payroll generation, capital investments, and incentive payments that have actually occurred between January 1, 2007 and December 31, 2017.

The \$2.9 million in incentive payments for 2017 shown in Table 4B were paid to the companies that filed a claim and met the performance requirements for 2017 and were paid one-fifth of the earned incentive for that year and/or maintained performance from previous years and were paid the next one-fifth installment for an incentive earned in a previous year

TABLE 4 A

Claims Filed Summary

For All Claims Processed As Of December 31, 2017

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Claims Expected	7	14	22	28	34	32	34	36	39	43	41
Incomplete Claims/Did not file/Closed	0	4	4	5	6	2	1	3	1	2	0
Net Claims Included in Actual Data	7	10	18	23	28	30	33	33	38	41	41
Review Status of Claims:											
Approved	4	4	12	16	19	21	23	25	33	34	30
Delayed	0	0	0	0	0	0	0	0	0	2	8
Rescinded	3	6	6	7	9	9	10	8	5	5	3

TABLE 4 B

Activity Summary

For All Claims Processed As Of December 31, 2017

Claim Activity	New Qualifying Employees	New Qualifying Payroll	Average Wage	New Qualifying Capital Investments	Incentives Paid to Companies
2017	579	\$28,117,980	\$48,563	\$66,878,349	\$2,982,292
2016	693	\$35,876,896	\$51,770	\$58,231,156	\$3,740,601
2015	773	\$39,477,270	\$51,070	\$88,946,890	\$3,999,767
2014	853	\$50,955,135	\$59,736	\$59,241,141	\$4,279,383
2013	859	\$55,490,232	\$64,599	\$128,030,075	\$3,751,728
2012	806	\$62,298,865	\$77,294	\$262,489,273	\$2,903,935
2011	844	\$54,269,760	\$64,301	\$121,412,913	\$1,852,263
2010	606	\$34,555,726	\$57,023	\$47,475,449	\$1,249,733
2009	265	\$16,137,468	\$60,896	\$28,100,875	\$654,370
2008	255	\$9,214,052	\$36,134	\$13,388,586	\$544,110
2007	262	\$10,621,976	\$40,542	\$22,546,350	\$208,653
Summary Total	6,795	\$397,015,360	\$58,427	\$896,741,057	\$25,614,424

TABLE 5 aggregates the benefits reported by claimants who are in their first 5 claim years. These benefits were offered to new qualifying employees during the claim year ending December 31, 2017. The total number of claims in years 1 through 5 is 29.

TABLE 5

Summary of Benefits Offered

For All Claims In Years 1 Through 5 As Of December 31, 2017

Benefit Type	Number of Claimants Offering Benefit	Percent of Claimants Offering Benefit	Average Percent Paid By Employer
Health Care	27	93%	76% ¹¹
Dental	20	69%	
Vision	14	48%	
Life Insurance	21	72%	
Short-Term/Long-Term Disability Insurance	20	69%	
Profit Sharing	11	38%	
Retirement Contribution	22	76%	
Tuition Assistance	10	34%	
Paid Leave (Vacation, Holiday)	29	100%	
Other (see details below)	12	41%	

Other Types of Benefits Offered by Claimants:

- Employee Discounts
- Gym Reimbursement
- Incentive Compensation
- Parental Leave
- Bonus
- Civic Leave
- Bereavement Leave
- Professional Organization Dues
- Safety Gear
- Wellness Program
- Public Transit

¹¹ 32 VSA § 3331(9)(C)(i) For an employer to count health care as a benefit for a qualifying job, employer must pay 50% or more of the premium.