

PHILIP B. SCOTT
GOVERNOR



State of Vermont
OFFICE OF THE GOVERNOR

September 12, 2022

The Honorable Mary S. Hooper, Chair
The Honorable Jane Kitchel, Vice Chair
Joint Fiscal Committee
115 State Street
Montpelier, VT 05633

Dear Committee Members:

In accordance with 32 V.S.A. § 3334, I am hereby requesting approval of the Joint Fiscal Committee for the Vermont Economic Progress Council (VEPC) to exceed the calendar year 2022 Labor Market Area (LMA) Enhancement incentive cap of \$1,000,000, for final approvals of two Vermont Employment Growth Initiative (VEGI) projects, by up to \$500,000. The two projects with preliminary approval are located in the Town of Waterbury in the Morristown-Waterbury LMA and in the Town of Windsor in the Lebanon NH-VT Micro NECTA (White River Junction) LMA. Together, these projects are expected to create 121 full-time jobs.

Eligible projects are located in labor market areas in which (1) the average annual unemployment rate is greater than the average annual unemployment rate for the State; or (2) the average annual wage is less than the average annual wage for the State. Areas eligible for the enhancement were determined based on data as of December 31, 2020, provided by the Vermont Department of Labor, and was applicable to applications received between July 1, 2021 through June 30, 2022. The LMAs of both projects VEPC is forwarding meet one, or both, of these criteria.

While the projects have not yet received final VEPC approvals, these are anticipated on or before December 15, 2022, and are expected to exceed the cap by about \$160,000. I am requesting the full amount of the allowable cap increase to account for the possibility the final approvals could demonstrate additional increase in economic activity over the cap. VEPC also has knowledge of one other potential eligible applicant for the funds.

Areas eligible for the enhancement for applications received between July 1, 2022 and June 30, 2023 will be based on data as of December 31, 2021, as provided by the Vermont Department of Labor.

Please refer to the attached memorandum for additional information about the projects and the businesses. In accordance with 32 V.S.A. § 3334(e), VEPC shall provide the Committee with

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any additional testimony, documentation, company-specific data, and other information requested by the Committee to demonstrate that increasing the cap will create an opportunity for return on investment to the State.

I appreciate your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip B. Scott", with a long horizontal line extending to the right.

Philip B. Scott
Governor

PBS/kp