



Joint Fiscal Committee
1 Baldwin Street
Montpelier, VT 05602

September 19, 2022

Re: VEGI LMA Enhancement Cap Request

To the Committee:

At the end of last year CVEDC spent time with the team at Ivy Computer to discuss what was possible for support from the State in a proposed significant expansion of their business. As a relatively small company based in Vermont, the limited access to capital was a significant barrier to their being able to move forward with a project of this scope and size. The availability of the VEGI grant with the LMA Enhancement gave them the confidence to take on the added risk associated with this development.

While the enhancement does in the case of out of state entities make us more competitive, and helps to drive activity to those areas most in need of quality job creation, it is significantly more important for those smaller Vermont based companies that want to expand in Vermont. The additional barriers caused by labor pool issues, increased costs for construction, housing, and more makes it impossible for many to move forward. Ivy's decision to take the leap was based on the award presented, and any reduction to those numbers will have a significant impact on the final project's viability. They have already made a six-figure investment for this project based on their understanding of their award calculation.

Ivy Computer is somewhat unique in this sector. While most tech heavy entities only look at hiring people with advanced degrees in computer science, Ivy routinely hires individuals with a high school diploma, and then takes the time to train them for meaningful high wage jobs. As a result they find the majority of their staff from the Central Vermont region. This puts less pressure on the housing market, while creating opportunities for employees that lost work with the closure of Keurig/Green Mountain Coffee in Waterbury, as well as the economic impacts of the loss of so many State jobs in the community following the flooding of the State campus.

This company, in part based on their understanding of the available award, has included significant environmental improvements to their new facility. Utilizing solar and geothermal energy systems, they will have a minimal impact on their environment. Their progressive policies for their employees ensures a great workplace (which is why this small company is the #3 rated business for Best Employers in Vermont). Their commitment to developing a world class business, while being the best employer they can be, and a strong contributor to the community where they are based, is key to their continued success. But these are the things they can control, and access to the capital to make this significant development possible is critical to the project reaching its goals. CVEDC continues to strongly support this project, the jobs that will be created, and the LMA Enhancement award they received.

Regards,

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