



**State of Vermont**  
**Agency of Administration**  
**Office of the Secretary**  
Pavilion Office Building  
109 State Street  
Montpelier, VT 05609-0201  
[www.adm.state.vt.us](http://www.adm.state.vt.us)

[phone] 802-828-3322  
[fax] 802-828-3320

*Jeb Spaulding, Secretary*

## MEMORANDUM

**TO:** Emergency Board Members  
**FROM:** Jeb Spaulding, Secretary of Administration  
**DATE:** July 12, 2012  
**SUBJECT:** Next Emergency Board Meeting

A handwritten signature in black ink that reads "Jeb Spaulding".

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There will be an Emergency Board meeting on Friday, July 20, 2012, 1:00 p.m., 5<sup>th</sup> Floor Conference Room, Pavilion Office Building, 109 State Street, Montpelier.

The agenda items are as follows:

1. Vermont Economic Progress Council: Request to Exceed \$10 Million in Employment Growth Incentives for Calendar Year 2012 (2006 Act 184 Sec 11(c)).
2. Re-allocation of Calendar Year 2012 Private Activity Bond Ceiling; Delegation to Governor (32 VSA Sec 992(b)).
3. Presentation of the Administration's and Joint Fiscal Office's Revenue Estimates and Medicaid Year End Report (32 VSA Sec. 305a).

Materials for items #1 and #2 are enclosed. Materials for item #3 will be distributed at the meeting.

Attachments

cc: Steve Klein, Joint Fiscal Office  
Other interested parties

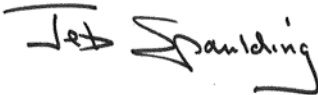


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*Jeb Spaulding, Secretary*

## MEMORANDUM

To: Emergency Board  
From: Jeb Spaulding, Secretary of Administration   
Date: July 12, 2012  
Subject: Vermont Economic Progress Council: Request to Exceed \$10 Million in Employment Growth Incentives for Calendar Year 2012 (2006 Act 184 Sec 11(c))

In accordance with 2006 Act 184 Sec. 11(c), we are submitting for your approval a request from the Vermont Economic Progress Council (VEPC) for authorization to exceed the \$10 Million maximum amount in employment growth incentives (VEGI) for calendar year 2012. The \$10 million limit applies to projects that will commence in calendar year 2012.

The Emergency board increased the cap for the VEGI program for calendar 2010 and calendar 2011 to accommodate applications that would have caused the cap to be exceeded had the applications been approved. The applications received Initial Approval. However, one of the projects had delays in obtaining capital, pushing the potential project commencement date to 2011. The Initial Approval was for \$7.9 million in total incentives. That project failed to obtain capital to commence the project. The Initial Approval has been rescinded and the increase in the 2011 cap was not utilized.

However, as of the June 28 VEPC Board meeting, projects totaling \$10,598,645 received Initial or Final Approval. Applications are expected to be filed for consideration later in the year that will impact the 2012 cap. If all applicants file Final Applications during calendar 2012, the \$10 million cap will be exceeded by almost \$600,000. This does not include any applications that might be filed during the remainder of the calendar year.

The proposed motion raises the 2012 cap to accommodate potential incentives for economic activity that would commence in 2012 and continue to add quality jobs and capital investment in subsequent years.

VEGI incentives have been successful in ensuring the growth of Vermont businesses and bringing jobs and capital investment to Vermont. The inability to finalize the incentives if the \$10 million cap is not increased could result in companies choosing not to expand, scaling back their growth, or in taking their business elsewhere. The VEGI program is a critical tool in the State's economic development efforts and the creation of good jobs for Vermonters.

**PROPOSED MOTION  
EMERGENCY BOARD JULY 20, 2012**

**VERMONT ECONOMIC PROGRESS COUNCIL REQUEST TO EXCEED \$10 MILLION IN  
EMPLOYMENT GROWTH INCENTIVES FOR CALENDAR YEAR 2012 (2006 ACT 184 SEC. 11(c))**

In accordance with 2006 Act 184 Sec. 11(c), the Emergency Board hereby authorizes the Vermont Economic Progress Council to exceed the \$10 million cap on Vermont employment growth incentive authorizations for calendar year 2012 by an additional \$2,000,000.

The Emergency Board further commits to expeditiously consider further increases to the cap if the Administration so proposes later in 2012.



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**Vermont Economic Progress Council**

1 National Life Drive  
Montpelier, VT 05620-0501  
Fred.Kenney@state.vt.us  
[www.thinkvermont.com/vepc](http://www.thinkvermont.com/vepc)

[phone] 802-828-5256  
[mobile] 802-777-8192

**Agency of Commerce and  
Community Development**

June 21, 2012

Jeb Spaulding, Secretary  
Agency of Administration  
109 State Street  
Montpelier, Vermont 05609

Dear Secretary Spaulding:

The Vermont Economic Progress Council (VEPC) is responsible for the application and authorization process for the Vermont Employment Growth Incentive (VEGI) program, which became law in 2006 with the signing of Act 184.

Section 11(c) of Act 184 contains a \$10,000,000 cap on the total amount of VEGI incentives that VEPC can authorize for any calendar year. The cap may be exceeded by VEPC upon application to and approval by the Emergency Board. A copy of the cap language is enclosed for your reference. In 2010 and 2011, due to deal flow that would have caused the cap to be exceeded, VEPC petitioned the Emergency Board to increase the cap for those calendar years. The Emergency Board raised the cap to \$23,000,000 for calendar 2010 and \$18,000,000 for calendar 2011.

Enclosed for your information is a summary of the applications to the VEGI program which have been considered and authorized by VEPC through June 2012. The enclosed data shows that the following net amounts have been authorized each year (net after any subsequent incentive rescissions), with the following percentages of the annual cap utilized:

<u>Year:</u>	<u>Cap:</u>	<u>Net Incentives Authorized:</u>	<u>Percent of Cap Utilized:</u>
2007	\$10,000,000	\$ 1,942,954	19.4%
2008	\$10,000,000	\$ 584,108	5.8%
2009	\$10,000,000	\$ 4,922,426	49.2%
2010	\$23,000,000	\$ 10,259,455	44.6%
2011	\$18,000,000	\$ 8,322,698	46.2%
2012	\$10,000,000	\$ 10,598,645 (as of 6/28/12)	106%



The primary reason for the request to increase the cap in 2010 and 2011 was an application from a particular company that projected the creation of over 400 jobs in Vermont in the environmental technology sector. The Initial Application for this company alone resulted in total incentives of \$7.9 million. However, because of an inability to obtain the required levels of capital, that project did not materialize and the application was rescinded.

In accordance with the methodology for accounting for VEGI incentives mutually agreed upon by VEPC and the Agency of Administration, the incentive amount is booked against the cap for the calendar year in which the project commences when an Initial Application is approved. That is why, when the company in question failed to obtain capital for the project and therefore did not file a Final Application, the total net incentives authorized in 2010 and 2011 ended up below the increased cap levels.

Although there is no guarantee that all the applicants will file Final Applications, the applications that have received Initial Approval for calendar 2012 total \$10.6 million. Additional applications are expected to be considered during the second half of 2012 which could add another \$1 million in 2012 authorizations. Additional applications could be filed for projects which are not known to us at this time.

Therefore, in accordance with §11(c) of Act 184, the Council respectfully requests that you consider this letter VEPC's required application for consideration by the Emergency Board at its next meeting to allow VEPC to exceed the annual maximum amount of incentives that can be authorized under 32 VSA §5930b and 32 VSA §5404a(a)(2).

I have been directed by the Council to work with you and your staff on the details of this request, including the level of the request to exceed the cap and to provide appropriate support materials for the Emergency Board meeting.

If you have any questions, please feel free to contact me. Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in cursive script that reads "Fred Kenney".

Fred Kenney  
Executive Director

cc: Jim Reardon, Stephan Morse, Lawrence Miller

Enclosures

**Contact Information:**

Stephan Morse, Chair, VEPC  
PO Box 218  
Newfane, VT 05345  
(802) 365-4255  
(802) 282-8590  
[Stephan@sover.net](mailto:Stephan@sover.net)

Fred Kenney, Executive Director, VEPC  
National Life Building  
Montpelier, VT 05620-0501  
(802)828-5256  
[fred.kenney@state.vt.us](mailto:fred.kenney@state.vt.us)

# VERMONT EMPLOYMENT GROWTH INCENTIVE PROGRAM

## FACTS

### THROUGH June 28, 2012

- Since its inception in 2007, through June 28, 2012, there have been 70 applications to the VEGI program. Forty-four are active, 4 were denied, and 22 have been rescinded or terminated.
- The 44 active projects were authorized for maximum incentives totaling \$36.6 million, which can be earned between 2007 and 2016 if performance measures are met, and paid out between 2008 and 2021, if performance measures are maintained.
- These 44 projects are estimated to generate the following benefits to Vermont between 2007 and 2016:
  - 3,499 direct, full-time, qualifying jobs
  - 3,516 indirect jobs
  - 4,307 jobs retained
  - \$164 million in new qualifying payroll
  - \$57,055 in average total compensation
  - \$567 million in new qualifying capital investments
- The 44 projects will also generate **net new tax revenues of \$24.5 million** for the State of Vermont, after the cost of the incentives.
- The Administration is requesting that the Emergency Board authorize VEPC to exceed the \$10 million cap for calendar 2012.
- Projects which have been given initial or final approval, through June 28, 2012, for activity that commences in calendar 2012, and therefore count toward the 2012 cap, total \$10,598,645.
- It is likely that at least one company will not file a Final Application. However, more applications with 2012 commencement dates will likely be filed by the end of the calendar year.
- To ensure program capacity throughout the remainder of 2012, the Administration is requesting that the cap be increased to \$12 million for calendar 2012.

**VERMONT EMPLOYMENT GROWTH INCENTIVE PROGRAM  
CAP SUMMARY**

<u>Year:</u>	<u>Cap:</u>	<u>Net Incentives Authorized:</u>	<u>Percent of Cap Utilized:</u>
2007	\$10,000,000	\$ 1,942,954	19.4%
2008	\$10,000,000	\$ 584,108	5.8%
2009	\$10,000,000	\$ 4,922,426	49.2%
2010	\$23,000,000	\$10,259,455	44.6%
2011	\$18,000,000	\$ 8,322,698	46.2%

**STATUS OF 2012 CAP**

Initial Applications Approved to Date, 2012	\$10,598,645
Value of Applications Not Likely to File Final in 2012	<u>-\$ 516,395</u>
Net 2012 Authorizations to Date	\$10,082,250
Estimated Value of Known Future 2012 Applications	\$ 1,000,000
Potential Unknown Applications	<u>\$ 1,000,000</u>
Estimated Total Authorizations for 2012	\$12,082,250



**VERMONT EMPLOYMENT GROWTH INCENTIVE - AUTHORIZATION SUMMARY**

Company Name	Date Considered	Authorization Period	Status	Maximum Incentive Considered	Minimum Net Revenue Benefit	Green Subsection 5 Lookback Waived	Location	Type of Project
Ink Jet Machinery of Vermont	25-Jan-07	n/a	Terminated Jan 24, 2008	\$ 336,055	\$ -	n/a	Dorset	Startup
Olympic Precision, Inc/WIC/Town of Windsor	25-Jan-07	n/a	Terminated Sept 6, 2007	\$ 474,428	\$ -	n/a	Windsor	Recruitment
Monahan SFI, LLC	15-Feb-07	n/a	Term.-Recap. Sept 28, 2009	\$ 791,277	\$ -	n/a	Middlebury	Plant Restart
Qimonda North America Corp.	15-Feb-07	n/a	Rescinded Mar 27, 2008	\$ 229,672	\$ -	n/a	So. Burl	Ret./Expansion
Rehab Gym, Inc.	22-Mar-07	n/a	Denied	\$ 255,439	\$ -	n/a	Colchester	Ret./Expansion
Applejack Art Partners	3-May-07	n/a	Terminated Oct 25, 2007	\$ 85,539	\$ -	n/a	Manchester	Recruitment
Omni Measurement Systems	3-May-07	n/a	Terminated Mar 25, 2010	\$ 677,944	\$ -	n/a	Milton	Ret./Expansion
Vermont Timber Frames	3-May-07	2007 - 2011	Active-Final	\$ 156,126	\$ 70,611	n/a	Bennington	Recruitment/Exp.
Battenkill Technologies, Inc.	28-Jun-07	n/a	Terminated Jun 26, 2008	\$ 79,054	\$ -	n/a	Manchester	Recruitment
Burton Corporation	28-Jun-07	n/a	Terminated Mar 25, 2010	\$ 1,653,965	\$ -	n/a	Burlington	Ret./Expansion
Energizer Battery Manufacturing, Inc.	26-Jul-07	n/a	Terminated May 28, 2009	\$ 607,347	\$ -	n/a	St Albans	Ret./Expansion
NEHP, Inc.	25-Oct-07	n/a	Terminated Dec 8, 2011	\$ 182,396	\$ -	n/a	Williston	Ret./Expansion
Green Mountain Coffee Roasters, Inc.	25-Oct-07	2007 - 2011	Active-Final	\$ 1,786,828	\$ 2,129,672	n/a	Waterbury/Essex	Ret./Expansion
Know Your Source, LLC	6-Dec-07	n/a	Denied	\$ 71,302	\$ -	n/a	Burlington	Start-up
Mascosa Corporation	25-Oct-07	n/a	Rescinded Jun 26, 2008	\$ 1,942,989	\$ -	Green	WRJ	Recruitment/Exp.
CNC North, Inc.	6-Mar-08	n/a	Terminated Mar 25, 2010	\$ 70,533	\$ -	n/a	Springfield	Ret./Expansion
Vermont College of Fine Arts	27-Mar-08	2008-2012	Active-Final	\$ 206,737	\$ 126,260	n/a	Montpelier	Start-up
Isovolta, Inc.	26-Jun-08	n/a	Terminated May 28, 2009	\$ 568,330	\$ -	n/a	Rutland	Ret./Expansion
Vermont Castings Holding Company	18-Sep-08	n/a	Terminated May 28, 2009	\$ 488,000	\$ -	Green	Bethel	Ret./Expansion
New England Precision, Inc./Clifford Properties, Inc.	18-Sep-08	n/a	Terminated April 28, 2011	\$ 241,236	\$ -	n/a	Randolph	Ret./Expansion
Utility Risk Management Corp	23-Oct-08	2008-2012	Active-Final	\$ 377,371	\$ 185,973	n/a	Stowe	Recruitment
Helix Global Solutions, Inc.	4-Dec-08	n/a	Rescinded Dec 4, 2008	\$ 53,739	\$ -	n/a	Burlington Area	Recruitment/Exp.
Vermont Wood Energy Corp	4-Dec-08	n/a	Denied	\$ 293,967	\$ -	Green	Rutland	Start-up
Tata's Natural Alchemy	4-Dec-08	n/a	Terminated Mar 25, 2010	\$ 231,531	\$ -	n/a	Whiting/Shoreham	Start-up
BioTek Instruments, Inc./Lionheart Technologies, Inc.	4-Dec-08	2009-2013	Active-Final	\$ 692,854	\$ 1,059,543	n/a	Winooski	Ret./Expansion
Dominion Diagnostics, LLC	22-Jan-09	n/a	Terminated April 28, 2011	\$ 103,300	\$ -	n/a	Williston	Recruitment/Exp.
Albany College of Pharmacy	22-Jan-09	2009-2013	Active-Final	\$ 630,859	\$ 345,716	n/a	Colchester	Recruitment/Exp.
ASK-intTag, LLC	26-Mar-09	2009-2013	Active-Final	\$ 553,722	\$ 263,998	n/a	Essex	Recruitment/SU
Vermont Transformers, Inc.	26-Mar-09	n/a	Terminated May 25, 2011	\$ 267,569	\$ -	Green	St. Albans	Recruitment/Exp.
Project Graphics, Inc.	30-Apr-09	2009-2013	Active-Final	\$ 230,414	\$ 112,162	n/a	So. Burlington	Recruitment
Durasol Awnings, Inc.	28-May-09	n/a	Terminated Mar 25, 2010	\$ 245,795	\$ -	n/a	Middlebury	Ret./Expansion
Commonwealth Yogurt, Inc.	25-Jun-09	2009-2013	Active-Final	\$ 1,201,154	\$ 614,505	n/a	Brattleboro	Start-up/Recruit
AirBoss Defense USA, Inc.	24-Sep-09	2009 - 2013	Active-Final	\$ 243,280	\$ 116,725	n/a	Milton	Recruitment/Exp.
Maple Mountain Woodworks, LLC	17-Dec-09	2009-2013	Active-Final	\$ 143,436	\$ 59,857	n/a	Richford	Start-up
Terry Precision Bicycles for Women, Inc.	17-Dec-09	2009-2013	Active-Final	\$ 126,296	\$ 53,440	n/a	Burlington	Recruitment
Northern Power Systems, Inc.	17-Dec-09	2009-2013	Active-Final	\$ 808,104	\$ 235,796	Green	Barre	Ret./Expansion
Green Mountain Coffee Roasters, Inc.	17-Dec-09	2009-2013	Active-Final	\$ 292,307	\$ 1,736,611	n/a	Chittenden County	Ret./Expansion
MyWebGrocer, Inc	22-Oct-09	2010-2014	Active-Final	\$ 453,475	\$ 286,567	n/a	Colchester	Ret./Expansion
SBE, Inc.	17-Dec-09	2010-2014	Active-Final	\$ 3,048,671	\$ 817,673	Green	Barre	Ret./Expansion
Seldon Technologies, Inc.	17-Dec-09	2010-2014	Active-Final	\$ 478,396	\$ 136,972	Green	Windsor	Ret./Expansion
Business Financial Publishing, Inc.	28-Jan-10	n/a	Denied	\$ 162,473	\$ -	n/a	Burlington	Recruitment
New England Supply, Inc.	25-Mar-10	2010-2014	Active-Final	\$ 67,953	\$ 36,088	n/a	Williston	Start-up
The Original Vermont Wood Products, Inc.	27-May-10	n/a	Terminated Dec 8, 2011	\$ 100,604	\$ -	Sub 5	Pittsfield	SU/Plant Restart
Westminster Cracker Company, Inc.	22-Jul-10	2010-2014	Active-Final	\$ 236,246	\$ 96,360	Sub 5	Rutland	Ret./Expansion
Revision Eyewear, Ltd.	28-Oct-10	2010-2014	Active-Final	\$ 552,193	\$ 449,055	n/a	Essex	Ret./Expansion
Organic Trade Association	28-Oct-10	2010-2014	Active-Final	\$ 75,569	\$ 35,795	n/a	Brattleboro	Recruitment
Dealer.com, Inc.	16-Dec-10	2010-2014	Active-Final	\$ 4,929,487	\$ 2,644,946	n/a	Burlington	Ret./Expansion
Pinnacle Sales Accelerators, LLC	16-Dec-10	2010-2014	Active-Final	\$ 111,635	\$ 53,490	n/a	Burlington	Start-up/Recruit
Swan Valley Cheese Company of Vermont	16-Dec-10	2010-2014	Active-Final	\$ 305,830	\$ -	Sub 5	Swanton	SU/Plant Restart
Alpla, Inc.	16-Dec-10	2011-2015	Active-Final	\$ 654,438	\$ 181,570	Green	Essex	Recruitment/Exp.
Bariatix Nutrition Corp	27-Jan-11	2011-2015	Active-Final	\$ 135,653	\$ 92,251	n/a	Georgia	Ret./Expansion
eCorporate English, Ltd.	25-May-11	2011-2015	Active-Final	\$ 464,731	\$ 242,600	n/a	Middlebury	Recruitment/Exp.
WCW, Inc.	27-Oct-11	2011-2015	Active-Final	\$ 512,449	\$ 202,024	n/a	Manchester	recruitment
VSC Holdings, Inc.	27-Oct-11	2011-2015	Active-Final	\$ 156,913	\$ 86,727	n/a	Hinesburg	Ret./Expansion
Carbon Harvest Energy, LLC/Brattleboro Carbon Harvest, LLC	8-Dec-11	2011-2015	Active-Final	\$ 568,913	\$ 141,097	Green	Burl/Brattleboro	Ret./Expansion
Concepts ETI, Inc	8-Dec-11	2011-2015	Active-Final	\$ 290,335	\$ 117,880	Green/LBW	Wilder	Ret./Expansion
SOH Wind Engineering, LLC	8-Dec-11	2011-2015	Active-Final	\$ 153,995	\$ 41,793	n/a	Williston	Start-up/Recruit
Green Mountain Coffee Roasters, Inc.	8-Dec-11	2011-2015	Active-Final	\$ 4,696,809	\$ 6,297,553	n/a	Essex	Ret./Expansion
Elison Surface Technologies, Inc.	8-Dec-11	2011-2015	Active-Final	\$ 688,462	\$ 289,406	Sub 5	Rutland	Ret./Expansion
Skypoint Solar	8-Dec-11	na	Rescinded Dec. 8, 2011	\$ 7,900,114	\$ -	Green	Burlington	Start-up/Recruit
AFCell Medical	24-Mar-11	2012-2016	Active-Initial	\$ 1,338,444	\$ 640,057	n/a	TBD	Start-up/Recruit
Hayward Tyler, Inc.	8-Dec-11	2012-2016	Active-Initial	\$ 1,103,117	\$ 579,415	n/a	Milton	Ret./Expansion
Transcend Quality Manufacturing, Inc.	8-Dec-11	2012-2016	Active-Initial	\$ 246,941	\$ -	Sub 5/Green	TBD	Start-up/recruitment
Plasan Carbon Composites, Inc.	8-Dec-11	2012-2016	Active-Initial	\$ 516,395	\$ -	Green	Bennington	Ret./Expansion
Mylan Technologies, Inc	26-Jan-12	2012-2016	Active-Initial	\$ 4,228,373	\$ 2,315,081	n/a	St. Albans	Ret./Expansion
Vermont Hard Cider Company, LLC	26-Jan-12	2012-2016	Active-Initial	\$ 260,176	\$ 749,285	n/a	Middlebury	Ret./Expansion
Commonwealth Dairy, LLC II	26-Jan-12	2012-2016	Active-Final	\$ 303,002	\$ 277,714	n/a	Brattleboro	Ret./Expansion
Dynapower	22-Mar-12	2012-2016	Active-Initial	\$ 1,415,009	\$ 397,688	Green	So. Burlington	Ret./Expansion
Revision NEWCO	18-Apr-12	2012-2016	Active-Initial	\$ 743,447	\$ -	Sub 5	Newport	Start-up/Ret.
Seventh Generation	26-Apr-12	2012-2016	Active-Initial	\$ 443,741	\$ 307,625	Green	Burlington	Ret./Expansion

Application Count	Total Considered	Authorized-Active	Terminated/Rescinded	Denied
<b>Total Applications:</b>	<b>70</b>	<b>44</b>	<b>22</b>	<b>4</b>
<b>Green VEGI Applications:</b>	<b>16</b>	<b>11</b>	<b>4</b>	<b>1</b>
<b>Subsection 5 Applications:</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>0</b>

Total Incentives:	Estimated Direct Economic Impact:
Total Incentives Considered To Date	\$ 54,744,884
Total Incentives Denied To Date	\$ 783,181
Total Incentives Rescinded/Revoked to Date	\$ 17,331,417
Net Incentives Authorized to Date	\$ 36,630,286
	New Qualifying FT Jobs Projected (Created between 2007 - 2016)
	\$ 3,499
	New Qualifying FT Payroll Projected (Created between 2007 - 2016)
	\$ 163,514,466
	Weighted Average Wage of New Qualifying Jobs
	\$ 46,292
	Average Total Compensation for New Qualifying Jobs
	\$ 57,055
	Qualified Capital Investment Projected (Invested between 2007 - 2016)
	\$ 567,202,183

Annual Incentives/Caps:	Estimated Direct Fiscal Impact:
2007 Cap	\$ 10,000,000
2007 Authorizations (Earned 2007 - 2011; Paid out 2008 - 2016)	\$ 1,942,954
2007 Cap Balance	\$ 8,057,046
2008 Cap	\$ 10,000,000
2008 Authorizations (Earned 2008 - 2012; Paid out 2009 - 2017)	\$ 584,108
2008 Cap Balance	\$ 9,415,892
2009 Cap	\$ 10,000,000
2009 Authorizations (Earned 2009 - 2013; Paid out 2010 - 2018)	\$ 4,922,426
2009 Cap Balance	\$ 5,077,574
2010 Cap	\$ 23,000,000
2010 Authorizations (Earned 2010 - 2014; Paid out 2011 - 2019)	\$ 10,259,455
2010 Cap Balance	\$ 12,740,545
2011 Cap	\$ 18,000,000
2011 Authorizations (Earned 2011 - 2015; Paid out 2012 - 2020)	\$ 8,322,698
2011 Cap Balance	\$ 9,677,302
2012 Cap	\$ 10,000,000
2012 Authorizations (Earned 2012 - 2016; Paid out 2013 - 2021)	\$ 10,598,645
2012 Cap Balance	\$ (598,645)

Annual SubSection 5 Cap:	Estimated Related Economic Activity:
2007 - 2009 Cap Per Year	\$ 1,000,000
2007 - 2009 SubSection 5 Utilization	\$ -
2007 - 2009 Cap Balance Per Year	\$ 1,000,000
2010 Cap	\$ 1,000,000
2010 SubSection 5 Utilization	\$ 198,805
2010 Cap Balance	\$ 801,195
2011 Cap	\$ 1,000,000
2011 SubSection 5 Utilization	\$ 322,655
2011 Cap Balance	\$ 677,345
2012 Cap	\$ 1,000,000
2012 SubSection 5 Utilization	\$ 293,887
2012 Cap Balance	\$ 706,113

DEFINITIONS OF TERMS USED IN THIS SPREADSHEET:	Demographics:
<b>Rescinded:</b> Initial Approval is rescinded. No Final Application Filed. No incentives ever earned or paid.	<b>Type of Project:</b>
<b>Terminated:</b> Authority to earn additional incentives revoked. <b>Term/Recap</b> - Any incentives paid are recaptured.	Start Up
<b>Active-Initial:</b> Initial Application approved; Incentives not yet authorized. Must file Final Application by end of calendar year.	Plant Re-Start
<b>Active-Final:</b> Final Application approved. Incentives authorized.	Recruitment
<b>Green VEGI:</b> Incentive enhancement for environmental technology companies. See 32 VSA 5930b(a)	Retention/Expansion
<b>Sub 5:</b> Incentive enhancement for projects in high unemployment, low economic activity areas. See 32 VSA 5930b(b)(5).	Expansion of Current, Existing Facility
<b>LBW or Look Back Waived:</b> Waiver of adjustment due to drop in employment. See 32 VSA 5930a(c)(1).	Acquisition/Reuse of Existing Facility
	Construction of New Facility
	<b>Vermont vs. Non-Vermont owned:</b>
	Vermont-based
	Non Vermont-Based

Incentive Enhancements:	Increase in Incentives Due to Enhancements:	Decrease in Net Revenue Return Due to Enhancements:
<b>Green VEGI</b>	\$ 1,896,360	\$ 1,530,537
<b>Subsection 5</b>	\$ 815,347	\$ 736,951
<b>Totals</b>	\$ 2,711,707	\$ 2,267,488

ACT 184

(2006)

Sec. 11. VEGI; ANNUAL CALENDAR YEAR CAPS

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(c) Overall gross cap on total employment growth incentive and education tax incentive authorizations. For any calendar year, the total amount of employment growth incentives the Vermont economic progress council or the economic incentive review board is authorized to approve under 32 V.S.A. § 5930b and property tax stabilizations and allocations under 32 V.S.A. § 5404a(a) and (e) shall not exceed \$10,000,000.00 from the general fund and education fund combined each year. This maximum annual amount may be exceeded by the Vermont economic progress council upon application to and approval by the Emergency Board.

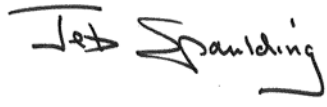


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 Agency of Administration  
 Office of the Secretary  
 Pavilion Office Building  
 109 State Street  
 Montpelier, VT 05609-0201  
[www.adm.state.vt.us](http://www.adm.state.vt.us)

[phone] 802-828-3322  
 [fax] 802-828-3320

Jeb Spaulding, Secretary

**MEMORANDUM**

To: Emergency Board  
 From: Jeb Spaulding, Secretary of Administration   
 Date: July 12, 2012  
 Subject: Re-allocation of Calendar Year 2012 Private Activity Bond Ceiling; Delegation to Governor

At its January 18, 2012 meeting, the Emergency Board took the following action regarding Vermont's calendar year 2012 private activity bond allocation:

*Item 1: Allocation of the calendar year 2012 Private Activity Bond Ceiling (32 V.S.A. Sec. 992(b)).*

*Governor Shumlin introduced the proposed allocation of the Calendar Year 2012 private activity bond ceiling pursuant to 32 V.S.A. Sec. 992(b), as recommended by the Private Activity Bond Advisory Committee (PABAC), provided in accordance with Executive Order No.14-11.*

*State Treasurer and Chair of the Private Activity Bond Advisory Committee Beth Pearce presented the proposed 2012 private activity bond allocation.*

*Following discussion, Representative Heath made the following motion, seconded by Senator Kitchel:*

*Motion is made to allocate Vermont's private activity bond allocation of \$284,560,000 for calendar year 2012 as follows:*

<i>Vermont Economic Development Authority</i>	<i>\$ 25,000,000</i>
<i>Vermont Municipal Bond Bank</i>	<i>\$ 25,000,000</i>
<i>Hinesburg Sewer Project</i>	<i>\$ 300,000</i>
<i>Contingency</i>	<i>\$234,260,000</i>
	<hr/>
	<i>\$284,560,000</i>

*It is further moved that discussion of the allocations, including the contingency, and delegation of reallocation authority to the Governor, as provided for in 32 V.S.A. Sec. 992(b), be placed on the July, 2012 Emergency Board meeting agenda.*

*The motion was passed unanimously.*

The rationale for bringing this issue to the Emergency Board for consideration in July was the unusually large contingency which was not needed in January by the various issuing authorities.

The Vermont Student Assistance Corporation (VSAC) now anticipates a potential to use \$117,130,000 (that is, half the contingency). If not used in calendar year 2012, VSAC will be able to carry its amount forward to 2013. The Private Activity Bond Advisory Committee (PABAC), as established in 32 V.S.A. Sec 993 (enacted in Act 110 of the 2012 legislative session), met on June 27, 2012 and recommends that the Emergency Board re-allocate \$117,130,000 from the contingency for use by VSAC. For reference, the PABAC recommendation is attached, and the Administration supports the PABAC recommendation.

This re-allocation still leaves a sizable (\$117,130,000) contingency. If the contingency remains unallocated at the end of calendar year 2012, this large amount of private activity bond authorization will be lost to the State; whereas if allocated to the issuing authorities, the authorization may be used over the course of the next three years. While any additional needs of the issuing authorities are not known at this time, they may be better defined later this year. Therefore, on the basis of expediency, the Administration is requesting that the Emergency Board delegate to the Governor, as it has every year, the power to reallocate any unused portion of the allocation for calendar year 2012 as provided in 32 V.S.A. Sec. 992(b), among current recipients of the cap allocation. The statute provides that the Governor's reallocation authority, if conferred, extends from December 21 through December 31. The PABAC will provide its recommendations for calendar year 2012 reallocations as part of its December 1 report required by statute. Reallocations beyond the current recipients at that time will require Emergency Board approval.

Thank you for your consideration.

Attachment

cc: Beth Pearce, State Treasurer, Chair of PABAC  
Sarah E. Carpenter, VHFA  
Jo Bradley, VEDA  
Robert Giroux, Vermont Municipal Bond Bank  
J. Paul Giuliani, Esq.  
Donald Vickers, VSAC

**PROPOSED MOTION  
EMERGENCY BOARD JULY 20, 2012**

**2012 PRIVATE ACTIVITY BOND RE-ALLOCATION; DELEGATION TO THE GOVERNOR**

Motion is made to re-allocate Vermont's private activity bond allocation of \$284,560,000 for calendar year 2012 as follows:

Vermont Economic Development Authority	\$ 25,000,000
Vermont Municipal Bond Bank	\$ 25,000,000
Vermont Student Assistance Corporation	\$117,130,000
Hinesburg Sewer Project	\$ 300,000
Contingency	<u>\$117,130,000</u>
	\$284,560,000

It is further moved that that the Emergency Board hereby delegate to the Governor the power and authority to assign or reallocate unused portions of Vermont's calendar year 2012 private activity bond ceiling as provided in 32 V.S.A. Sec. 992(b). However, that authority only extends to assignment or reallocation between and among current recipients of the cap apportionment.

ELIZABETH A. PEARCE  
STATE TREASURER



UNCLAIMED PROPERTY DIVISION  
TEL: (802) 828-2407

RETIREMENT DIVISION  
TEL: (802) 828-2305  
FAX: (802) 828-5182

ACCOUNTING DIVISION  
TEL: (802) 828-2301  
FAX: (802) 828-2884

STATE OF VERMONT  
OFFICE OF THE STATE TREASURER

**TO:** Emergency Board  
**FROM:** Beth Pearce, State Treasurer  
**DATE:** July 12, 2012  
**RE:** Private Activity Bond Advisory Committee Recommendations

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Pursuant to No. 110 of the Acts of 2012, this memorandum provides the Private Activity Bond Advisory Committee's recommendations, on its own initiative, to the Emergency Board regarding reallocations of unused portion of private activity bond ceiling subsequent to the Board's initial allocation in a given year (32 V.S.A. §933(b)(5)).

The Committee met on June 27, 2012 to review information provided from a survey of the constituted and eligible issuing authorities, and unanimously passed the following two motions for the Board to consider at its July 20 meeting:

1. To recommend that the Board reallocate \$117.13 million, or one-half of the 2012 private activity bond contingency amount, to the Vermont Student Assistance Corporation (VSAC), to provide VSAC sufficient capacity to execute a refinancing and/or restructuring of up to \$900 million of federal loan-backed debt, if market conditions and/or strategic considerations warrant doing so.
2. To recommend that the Board delegate authority, as per 32 V.S.A. §992(b), to the Governor for any assignments or reallocations of any unused portion of the ceiling made after December 20, 2012.

Please contact me at [beth.pearce@state.vt.us](mailto:beth.pearce@state.vt.us) or 828-1452, or my Deputy, Steve Wisloski, at [stephen.wisloski@state.vt.us](mailto:stephen.wisloski@state.vt.us) or 828-5197 with any questions regarding this memorandum.

cc: Jeb Spaulding, Secretary of Administration  
Lawrence Miller, Secretary of Commerce and Community Development  
Susan "Sam" Andersen, Governor's Appointee  
Douglas Hoffer, Governor's Appointee