

Economic Development Partners

Helping your business Start, Grow, Succeed



WORKING WITH PARTNERS TO HELP VERMONT BUSINESSES CREATE JOBS

by Jo Bradley, CEO

Vermont Economic Development Authority (VEDA)

Working every day in creative and productive partnerships with Vermont banks, regional development officials, state and federal agencies, and others, the Vermont Economic Development Authority (VEDA) puts its low-interest programs to work to help meet the financing needs of Vermont businesses and farms.

VEDA's work would not be possible without the collaborative efforts of Vermont's commercial banking community. The Authority's Direct Loan program requires that VEDA partner with a bank or other independent and responsible lender in every project we finance, but our work together goes beyond that. Many of the loans in VEDA's portfolio are the result of a bank contacting the Authority on a borrower's behalf, seeking VEDA's participation in order to provide the "glue" to hold a complex and multi-faceted loan package together. With VEDA sharing in the risk of a particular project by insuring a portion of a loan, banks are able to be more flexible and responsive to the financing needs of their local businesses.

Vermont's twelve Regional Development Corporations (RDCs) also play a key role in the work VEDA does. As the economic development coordinators for each geographic area of Vermont, RDCs provide the local impetus, regional knowledge, and understanding of state and federal financing opportunities about which a local business may not be aware. RDCs often personally accompany a business to the table with VEDA and other potential project partners, helping to identify and develop a customized financing solution that will help make the project happen. Whether assisting a value-added agricultural venture in the Northeast Kingdom of Vermont with a low-interest loan, or financing a business incubator startup in Brattleboro, VEDA relies on the local and trusted expertise of the RDCs to maintain close working relationships in all

corners of the state.

VEDA's many state and federal agency partnerships are vital to the Authority's ability to remain flexible and innovative in developing and implementing loan programs to fit the needs of Vermont's changing economic development landscape. Whether in the form of grants, guarantees, other financing assistance, or technical knowledge, state and federal agencies help assure that the most advantageous financing is made available through VEDA to Vermont's businesses and farms.

VEDA works on an almost daily basis with the Vermont Agency of Commerce and Community Development, and the Authority enjoys a similarly close and vital working relationship with the Agency of Agriculture. (The Secretaries of Commerce and Agriculture both sit on VEDA's Board, as does the State Treasurer.) Together, VEDA and its state agency partners routinely develop customized packages of assistance to Vermont businesses, or those thinking of coming to Vermont.

VEDA also works in close partnership with the Governor's Office and the General Assembly. The Vermont Legislature has been extremely supportive, providing interest rate subsidy funding in the last several years to allow the Authority to lower its interest rates. On the day after Tropical Storm Irene struck a heavy blow to businesses and farms throughout the state, VEDA was working with Governor Peter Shumlin and his staff to craft and immediately deploy an emergency low-interest loan program to help those who suffered crippling damages. In the ten weeks following the storm, VEDA processed almost \$15 million in emergency financing requests, helping approximately 300 businesses and farms rebound and rebuild. Average loan approval time for these emergency loans was just under six days.

Other state and federal agencies partnering

with VEDA on a regular basis:

- The Vermont Agency of Natural Resources advises VEDA on the feasibility of financing brownfields economic development remediation projects;
- VTTrans and the Federal Highway Administration work with VEDA to make loans for municipal transportation projects that create economic development benefits;
- Efficiency Vermont advises VEDA on financing for business projects designed to achieve energy efficiency and conservation.
- The U.S. Small Business Administration (SBA) approves loans to eligible and qualified borrowers through VEDA's Vermont 504 Corporation, a qualified SBA lender;
- The U.S. Farm Service Agency (FSA) guarantees a large portion of VEDA's agricultural loans through the Vermont Agricultural Credit Corporation (VACC), enabling VACC to offer the most advantageous farm interest rates and loan terms;
- USDA Rural Development authorizes the Authority as a certified lender to utilize RD's Guarantee Program in conjunction with its banking partners; and
- The United States Export-Import (Ex-Im) Bank authorizes VEDA as its City/State Partner to provide one-stop service for export finance programs in Vermont.

VEDA's list of contributing partnerships also includes the many non-profit organizations in Vermont whose missions complement and strengthen that of the Authority, including, among others, the Vermont Bankers Association, the Vermont League of Cities and Towns, the Vermont Chamber of Commerce, Lake Champlain Chamber of Commerce, and other chambers. The list of partners – those already formed, and those which VEDA continually works to cultivate and strengthen -- is long and varied, including partners who work directly with or provide information to commercial business audiences, women-owned business audiences, farmers, technology business audiences, and more.

The efficiency, effectiveness and breadth of VEDA's work are all enriched by the Authority's working partnerships. The goal we all share is a vital Vermont economy, and through our ongoing and innovative collaborations, Vermonters are better served.



Jo Bradley, CEO, VEDA