



WHAT ARE RDCS AND WHAT DO THEY DO?

- There are 12 regional development corporations (RDCs) throughout VT, each covering regions that approximate a county or more (See map on reverse).
- The RDCs are independent non-profit corporations. They were started by local individuals for different reasons at different times and developed organically to address unique economic development issues in each region.
- In 2017, the RDCs became eligible to receive State performance grants through the Agency of Commerce (24 VSA, Chapter 76, Sections 2781-2787). These grants represent a fraction of RDC operating budgets and are used to leverage other funding sources. Under the grant agreements, the RDCs serve as the coordinators of economic and community development in each region – sort of the eyes and ears, hands and feet on the ground to implement State economic and community development goals.
- Each RDC delivers basic business and economic development services including:
 - Direct one-on-one assistance to businesses of all types and sizes;
 - Project development;
 - Business education and training;
 - Business and project consulting, mentoring, and referrals to programs and services;
 - Collaboration and coordination to advance economic development in areas such as workforce development, workforce housing, childcare, and broadband.
- Some RDCs also offer other services such as property ownership/management, facility acquisition and construction, and operation of revolving loan funds.
- The RDCs are regional one-stop shops for economic development and business services. In addition to RDC staff, other business services such as the Small Business Development Center, Vt Manufacturing Extension Ctr, and the Procurement Technical Assistance Ctr are co-located with the RDCs.
- The RDCs operate largely through collaboration and coordination in partnerships with Federal and State agencies, programs and services, statewide organizations such as the Small Business Development Center and VMEC, and regional organizations such as Chambers of Commerce and regional planning commissions.
- As an association, the RDCs of Vermont often collaborate to implement state policy or deliver state services at the regional level. Recent examples include the 2018 and 2019 regional workforce development summits and the delivery of technical assistance to over 400 small businesses through the RDC's Restart Vermont Technical Assistance program.

Senate Institutions Committee
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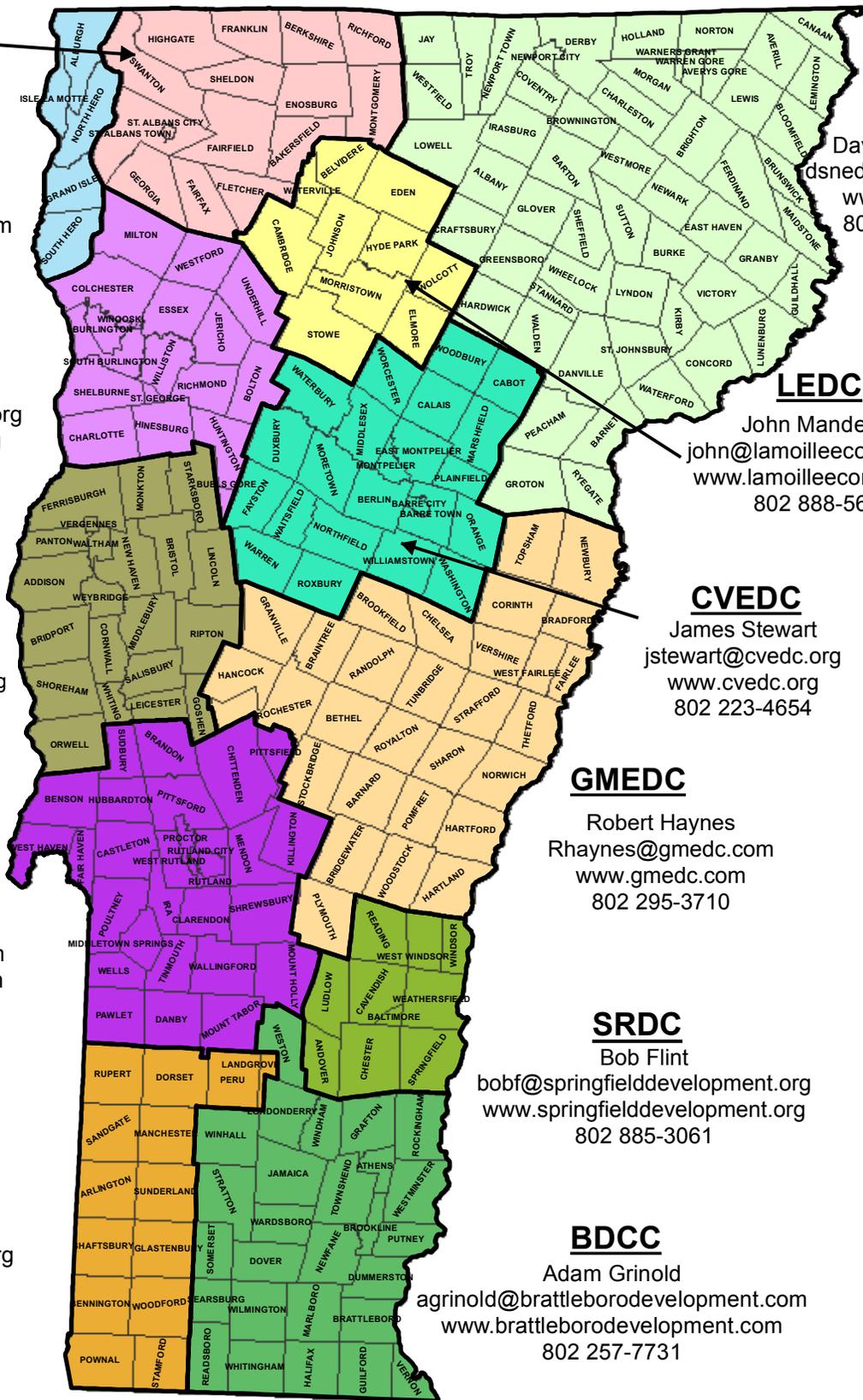
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SENATE COMMITTEE ON INSTITUTIONS
BGS BUILDING COMMUNITY ECONOMIC DEVELOPMENT GRANTS
FEBRUARY 24, 2021

The Regional Development Corporations of Vermont (RDCs of VT) appreciate the opportunity to review what we do and how the BGS Building Communities program helps advance economic and community development.

The RDCs of VT strongly support the BGS Building Community program and we support the Governor's request to increase funding for these grant programs in FY22 and 23

These grants, awarded to support capital investment in education, human services, recreation, and economic development facilities, are relatively small, but they are incredibly impactful.

As you likely know, the economic development grants are awarded to businesses, but the RDCs apply on behalf of businesses in their regions.

We have four primary points about the Building Community program:

- The program is **targeted**: The grants are for capital costs (not operations) that will create and retain jobs. Projects must require gap funding, be shovel-ready and have strong local support.
- The program is **fair and equitable**: Grants are disbursed all across the state to projects that have a demonstrated need.
- The program is **easy to use and the opposite of bureaucratic**. RDCs apply to many state and federal programs and this is by far the simplest. That is not to say the administrators and reviewers don't enforce the rules of the program; they certainly do. But the application is to the point and you can get clarification with a quick call to BGS. Also, there is no bloated bureaucracy involved, keeping the admin costs of the program to a minimum.
- Finally, and most important: the grants have a **huge ROI**. We can only speak to the Economic Development grants. As you know, the way the program is structured a dollar-for-dollar match is required. So, each year when \$200,000 is invested in the job growth, expansion, and competitiveness of 20-25 businesses around Vermont, that actually means that - at a minimum - \$400,000 is invested, a 2 to 1 ROI. But the reality is that almost all of these projects involve investments by the recipient businesses that are much higher than the match required.
 - Using Senator Benning and Senator Ingalls region as an example: Four companies received a total of \$90,000 for projects that leveraged investments totaling about \$800,000- a greater than 8-fold ROI, created 19 new jobs and helped retain 11 jobs.
 - There are also less tangible, but important benefits. An example from Addison County: The program helped a cabinet maker move his business from his garage to a facility that was a target for vandals. Now it contains a beautiful wood shop, supports new jobs and the building is cleaned up and back on the tax rolls!
- Building Communities provides one of the few **grant** programs supporting small business capital investment.
- Your RDCs all utilize this program to benefit their regions and respectfully request your continued support for the program and your support of the funding increase.