

## VERMONT ENTERPRISE INVESTMENT FUND (VEIF)

- The **purpose** of the VEIF is to enhance existing economic incentive programs by providing a flexible mechanism to create a supplemental incentive package.
- The **target**: high value research and development production businesses, with the potential for a substantial statewide or regional economic impact.
- The **timing**: it will be used in competitive situations where the package would make the difference in a business location decision.
- The Governor is authorized to offer an incentive package to a business or businesses, not to exceed a total cumulative value of \$4,500,000 , contingent upon approval by the Emergency Board, in extraordinary circumstances that can have a significant impact on jobs and our economy, such as:
  - A business is considering Vermont for relocation or expansion.
  - A business is considering the acquisition of an existing business in Vermont.
  - An existing business in Vermont with significant employment is acquired and the Vermont operation or a portion of the operation could be closed or relocated outside Vermont resulting in the loss of employment in Vermont.
  - An existing business in Vermont, which is a division or subsidiary of a multistate or multinational company, may be closed or employment could be significantly reduced.
- To be eligible for utilization of the Fund, a business must have:
  - A substantial statewide or regional economic or employment impact;
  - Investigated, been approved for, or have the potential to be approved for other state programs and incentives (VEIF is supplemental).
- The Governor must gain approval of an incentive package by the Emergency Board, with the chairpersons of the Senate and House economic development committees in an advisory capacity. A presentation to the Emergency Board must include:
  - Information on the company
  - The circumstances initiating the incentive offer
  - A summary of the economic activity proposed or that would be foregone
  - Other state programs offered or involved
  - Details of the incentive package offered by Governor's Enterprise Investment Fund and the estimated cost
  - Employment, investment, and economic impact of the project, including a fiscal cost/benefit analysis
  - Terms and conditions of the incentive offer, including:
    - The amount of the incentive
    - The form of the incentive
    - Employment retention and/or creation and capital investment performance requirements
    - Disallowance and recapture provisions.
- Information provided to the Governor by the company and to the Emergency Board by the Governor is confidential and not subject to public disclosure, but is available for review by the Joint Fiscal Office. The Board may meet in executive session to consider an incentive package. The vote to approve or disapprove shall be in public session.