



# VSJF

## FY 2009 ANNUAL REPORT



[www.vsjf.org](http://www.vsjf.org)



# Vermont Sustainable Jobs Fund

## Accelerating

VSJF uses **early stage grant funding** and **technical assistance** to catalyze and accelerate the development of markets for sustainably produced goods and services.

## the Development of

We meet critical **market development needs** for these goods and services by deploying resources for: research, technology & infrastructure, technical assistance, financing, network development, education & outreach, workforce development, sales & distribution, regulatory & public policy.

## Vermont's Green Economy

The products and services we support drive the green economy by **reducing the use of fossil fuels, relocating production** (including food production, manufacturing, & the sustainable use of local resources), & **building resilience** against challenges such as peak oil & climate change.



### VSJF Staff

Ellen Kahler, *Executive Director*  
Janice St. Onge, *Deputy Director*  
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Vermont Sustainable Jobs Fund | 3 Pitkin Court Suite 301E | Montpelier, VT 05602 | [www.vsjf.org](http://www.vsjf.org)

On the cover, clockwise: Taylor and Nick Meyer at North Hardwick Dairy; Redstart Forestry replants trees at Marsh-Billings-Rockefeller State Park; Dr. Sid Bosworth discusses switchgrass at a field day on Borderview Farm (Alburgh); apples in the processing facility at Sunrise Orchards.

## Dear Governor James Douglas and Members of the General Assembly:

Through strategically targeted grant making and technical assistance, the VSJF has invested significant resources over the past 13 years in the organizations, farms, and businesses that are helping to shape a new, greener economy in Vermont.

Building a sustainable economy and green jobs will take **new models for enterprise and market development** and it will take time. That's why the VSJF has developed three core **local production-for-local use** market development initiatives, offers CEO leadership training to growth stage companies, and will be launching two new tools to support the deployment of growth-stage capital and renewable energy generation in the state.

### Market Development Model: Local Production for Local Use

- ▶ **Farm to Plate Initiative** – is developing a 10 year strategic plan to further develop Vermont's robust food system with the goal of strengthening farms and rural communities, creating jobs, & improving access to healthy, affordable, local food. (See pages 2-3).
- ▶ **Vermont Biofuels Initiative** – is developing a biomass-to-biofuels industry in the state to locally produce a portion of our transportation and heating energy needs. In 2009, VSJF awarded 18 grants totaling \$564,000 (See pages 4-5).
- ▶ **Harvest for Use Initiative** – is working with over two dozen landowners and businesses along the forest products supply chain to aggregate VT-grown, certified wood, and capture a premium in the marketplace. (See pages 6-7).

### Business Assistance: Local Business Development

- ▶ **Peer to Peer Collaborative** – is providing CEO leadership development for growth stage companies through peer mentoring and strategic planning. (See two examples, pages 8-9).

### New Tools: Local Investing and Local Energy Planning

- ▶ **Flexible Capital Fund** – when launched in 2010, this new Fund will provide \$4million in near-equity financing to growth stage companies in Vermont. (See pages 10-11).
- ▶ **Renewable Energy Atlas of Vermont** – will provide a state-of-the-art tool for developing new renewable energy generation in the state. (See pages 12-13).

Collectively, our grantees and Peer to Peer client companies are helping to build the green economy in Vermont, from local food systems to sustainable forestry, from renewable energy to green technologies. Their combined efforts create local jobs, preserve resilient ecosystems, and fill special niches in the global economy.

Sincerely,



Ellen Kahler  
Executive Director



Nancy Wood  
Chair, Board of Directors



# Farm to Plate Investment Program

## HOW CAN VERMONT STRENGTHEN ITS LOCAL FOOD SYSTEM AND STIMULATE DEVELOPMENT IN THE FARM AND FOOD SECTOR?

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**VERMONT HAS A RICH AGRICULTURAL HISTORY.** Yet there are both historic and recent threats to the future of agriculture in the state, including the worst dairy crisis in recent memory, rising energy and feed costs, the volatility of commodity markets, and global competition. At the same time, there are also many signs of expansion and opportunity, especially for diversified farm operations and organic dairies.

The explosion of interest in local food and the hundreds of organizations, programs, and volunteer driven activities which now exist, has led many to call for a coordinated statewide plan for making new, strategic investments in our farm and food sector. Many believe that farming and food production are already a vital and growing part of the state's economy, with even greater potential for expansion through local production for local / regional consumption. In fact, our preliminary analysis indicates that jobs throughout the entire food system represent 20% (or 54,334) of all private sector jobs and represent 31% (or 9,166) of all private establishments.<sup>1</sup>

Building on what Agriculture Secretary Roger Allbee calls a "renaissance in Vermont agriculture," the Farm to Plate Investment Program (F2P) will create a 'soil-to-soil' **strategic plan** to achieve the overarching goals of strengthening our local food system and stimulating economic development. This will in turn **create jobs** in the farm and food economy, **improve access to healthy local foods**, and **expand local and regional markets** for Vermont products. A key component of F2P is to identify infrastructure investments and public policy recommendations to support new and existing agricultural enterprises that increase local resiliency in today's changing economic and global times.

The primary deliverable for this program will be a comprehensive 10-year Strategic Plan for Agricultural Economic Development in Vermont which will contain, at a minimum, the following components:

### **Baseline/Existing Conditions, SWOT Analysis, Trends**

- ▶ An inventory of Vermont's food system infrastructure by gathering existing data, studies, and analysis
- ▶ In-depth research to identify gaps in the infrastructure & distribution systems and ways to address these gaps – e.g. food aggregation facilities, light processing, storage & new distribution models
- ▶ In-depth research to identify opportunities for increasing food security and local food access for low-income Vermonters
- ▶ Identification of all the organizations & their programs which serve the farm and food sector in Vermont.

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<sup>1</sup> Vermont Department of Labor (2007 QCEW) and the 2007 Census of Agriculture.

## Blueprint for the Next 10 Years

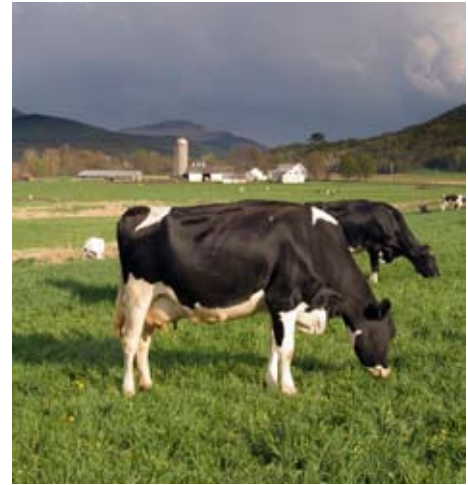
- ▶ Goals, objectives, and strategies for strengthening VT's farm & food system over the next 10 years
- ▶ A prioritized list of investments that, if made, would help implement goals and substantially strengthen VT's food system
- ▶ A list of policy changes needed to support the growth and development of Vermont's food system
- ▶ Suggestions for how to improve coordination and collaboration among stakeholder organizations
- ▶ GIS based maps that visually depict basic demographic, land & related resource data, the elements of the food system & the opportunities for infrastructure investment
- ▶ A local food expansion plan (i.e., identify ways to further expand the availability of locally produced, affordable food).

## Potential Impacts of Implementing This Plan and How to Measure Progress Over Time

- ▶ An economic impact analysis (using the REMI model) of the anticipated increase in the number of jobs and revenue that would result from fully implementing the strategic plan
- ▶ A plan for how the Strategic Plan for Agricultural Economic Development in Vermont will be monitored and evaluated over time, including indicators and other metrics and identification of organizations who will be responsible for the on-going monitoring and evaluation.

Over the next 12 months, the staff and Strategic Plan Process Team will be **writing and vetting the draft and final plan** with stakeholders, will be **building support for the plan's recommendations and investment priorities**, and will share all the information gathered with our partners.

**Funding to date has generously been provided by:** Vermont Legislature, Act 54, ARRA – State Stimulus Funds, VT Agency of Agriculture, Food & Markets, VT Community Foundation, High Meadows Fund, John Merck Fund, Growald Family Fund, Eagleridge Fund, Jane B. Cook 1983 Charitable Trust, Anonymous (3).



## Farm to Plate *by the Numbers.\**

**8** Local Food Summits with **727** participants have been held.

Lengthy interviews with **105** people representing **45** organizations. An additional **35** people will be interviewed in the next month.

Staff attended **10** key organizational meetings with groups such as the VT Farm Bureau and Rural Vermont.

**18** focus groups in **6** regions on **3** different topics with **146** participants have been conducted.

Conversations held with **93** farmers to date.

**337** unique organizations have had some amount of contact with the Farm to Plate Process.

**863** unique organizations in the farm & food database have been assembled.

Lengthy interviews with **70** farms and businesses (including **17** out of state) re: distribution, processing, and storage issues.

\*6 month total

**Strategic Plan Process Team** members include: **Roger Allbee** (Agency of Agriculture, Food & Markets); **Marie Audet** (Blue Spruce Farm); **Stacy Burnstein** (Castanea Foundation); **Megan Camp** (VT-FEED); **Guy Choiniere** (Choiniere Family Farm); **Eric Clifford** (Clifford Dairy Farm); **Paul Costello** (VT Council on Rural Development); **Brian Dunkiel** (Shems Dunkiel Kassel & Saunders); **Amanda Ellis-Thurber** (Lilac Ridge Farm); **Bill Schubart** (Worth Mountain Consulting); **Will Stevens** (Golden Russet Farm); **Ryan Torres** (VT Community Foundation); **Steve Voigt** (King Arthur Flour); **Tom Vogelmann** (UVM College of Agriculture & Life Sciences); **Enid Wonnacott** (NOFA-Vermont).

# Vermont Biofuels Initiative

## HOW CAN VERMONT REDUCE ITS DEPENDENCE ON NON-RENEWABLE FOSSIL FUELS?

**VSJF IS ADDRESSING THE CHALLENGES** posed by fossil fuel dependency, peak oil, energy price volatility, and climate change by working with our partners and grantees to create an in-state biomass-to-biofuels market. In 2009, over **220** farmers, researchers, engineers, entrepreneurs, educators, GIS consultants, fuel dealers and their employees benefitted from **\$620,000** allocated for on-farm energy production, cutting edge developments in algae production, course development at the University of Vermont and Vermont Technical College, grants to fuel dealers to increase biodiesel blending and distribution, and the Renewable Energy Atlas of Vermont.

The Vermont Biofuels Initiative (VBI) is a **local production for local use** alternative to industrial scale biofuels production that strategically deploys resources to develop the supply chain—from feedstock to end user—for three biomass-to-biofuels pathways:

- ▶ **Oilseed crops to biodiesel:** grants and technical assistance have been used to develop expertise for growing and harvesting sunflowers, canola, soybeans and other oilseeds and turning them into biodiesel and meal (for livestock feed) for **on-farm and local diesel replacement and meal import substitution**.
- ▶ **Algae to biodiesel:** grants are being used for research and development for growing & harvesting algae for eventual **large-scale diesel replacement**.
- ▶ **Perennial grasses to pellets:** grants and technical assistance have been deployed to explore the potential of using perennial grasses (e.g., switchgrass and big bluestem) to augment our biomass supply for **commercial thermal applications**.

“This is the kind of practical help with the ways and means of production and of marketing that can open the doors to new markets and to greater value for farmers. This initiative fits squarely at the intersection of fuel security, economic development, agricultural diversification and self-reliance. **It’s a good step here in Vermont, and it could also benefit other rural communities across the country.**”

– U.S. Senator Patrick Leahy

**Funding to date has been generously provided by:** U.S. Senator Patrick Leahy, the U.S. Department of Energy, the High Meadows Fund, Green Mountain Coffee Roasters, the Vermont Community Foundation, and VSJF’s General Fund Appropriation.

## Oilseed Crops:

Continued funding of Dr. Heather Darby's (UVM Extension) research & technical assistance team is enabling farmers across the state to learn more about oilseed crop production, including four new grantees: Clearbrook Farm (Shaftsbury), North Hardwick Dairy (Hardwick), Ekolott Farm (Newbury), and Woods Market Garden (Brandon).

A \$65,000 grant to Rainbow Valley Farm (Brandon) has helped the Mordasky family develop an on-farm, commercial biodiesel production facility for West-Central Vermont.



U.S. Senator Patrick Leahy joins VSJF staff and many VBI grantees at North Hardwick Dairy.

## Algae to Energy:

Three algal biofuels R&D projects received funding to advance this emerging technology in northern climates.

**Algepower Inc.** (Montpelier) received \$20,000 to demonstrate increased lipid (oil) production using their prototype Algeponics® system. **General Systems Research** (Burlington) will use a \$20,000 grant to address challenges in developing native algae feedstocks for oil production and to integrate algae production with the treatment of effluent, such as farm manure wastewater. The third \$20,000 algae grant was awarded to **Carbon Harvest Energy** (Burlington) to support early stage research of the algae culture-to-biofuel component of its larger effort to develop aquaculture and energy generation at closed landfills.



Large image: algae growing in trays at Algepower. Inset: Algae growing in jugs at Dr. Anju Dahiya's UVM lab.

## Grass Energy:

**UVM Plant & Soil Science Professor, Dr. Sid Bosworth**, received a \$58,500 grant to establish perennial grass trials to evaluate different varieties and begin to develop best practices for the cultivation and processing of high yield biomass crops. Additionally, the **Vermont Grass Energy Partnership**, comprised of VSJF, Biomass Energy Resource Center and Dr. Bosworth is implementing a "field-to-flue" research project that is analyzing grass varieties, pellet formulations using grass and wood (pelletized at **Vermont Wood Pellet, LLC**, Clarendon) and conducting test burns to study combustion & emission at **All Souls Interfaith Gathering** in Shelburne.

## Commercial Fuel Dealers:

Three commercial fuel dealers received funding for the expansion and/or diversification of their facilities for increased biodiesel distribution in Vermont. **Bourne's Energy** (Morrisville) was awarded \$45,000 to renovate a tank farm for biodiesel storage and to purchase biodiesel injection blending equipment that will allow custom blending in any requested percentage (e.g., B20). **Champlain Oil Company** (S. Burlington) was awarded \$32,500 to convert an existing off-road diesel tank into a split tank to make B5 biodiesel available at their fleet fueling facility in Williston. **D&C Transportation** (Orleans) was awarded \$32,500 for a new biodiesel storage tank and blending equipment.

# Harvest for Use Initiative

## HOW CAN VERMONTERS ADD VALUE TO OUR NATURAL RESOURCES & CONTINUE OUR LEGACY OF STEWARDSHIP?

**CONSUMERS ARE INCREASINGLY ASKING QUESTIONS** about where the forest products they buy come from and how they are made. Many Vermont wood products companies are shifting their practices to take advantage of this emerging demand for sustainably managed products from sustainably harvested forests. At the same time, land ownership patterns in Vermont create challenges for aggregating a lumber supply for wood manufacturers that meets their needs for species, volumes, lead times, and consistency.

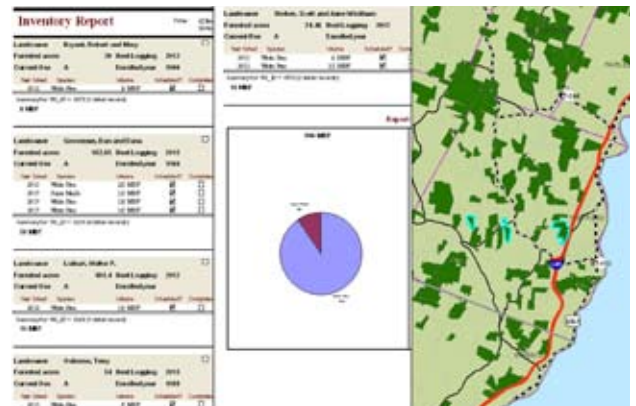
That's where the Harvest for Use<sup>2</sup> Initiative comes in. In 2009, three consulting foresters, nine loggers, a mill operator, a wood broker, and a furniture manufacturer participated in the Harvest for Use Initiative – a market development effort aimed at aggregating and shepherding Vermont-grown, Forest Stewardship Council (FSC) certified logs through the supply chain all the way to finished product.

### How it Works:

**1. Market Demand: Copeland Furniture** (Bradford) needs FSC-certified sugar and red maple for their Harbor Island and other furniture lines.

**2. Aggregate Supply:** With this market signal from furniture makers such as Copeland, FSC-certified consulting forestry firms such as **Redstart Forestry** (Corinth) can begin to aggregate the supply of certified wood harvested from “small-holders” under their management. Redstart uses a GIS-based Harvest Forecasting System developed through a previous VSJF grant to pinpoint available supply and accurate harvest timing.

**3. Connect the Links in the Supply Chain:** Premiums paid by **Allard Lumber** (Brattleboro) for logs are split between the loggers and landowners. FSC lumber is sold through a broker to Copeland Furniture at a higher price. The chain of custody of the wood is maintained throughout the process.



<sup>2</sup> Harvest for Use describes a set of forestry and industry practices which are aimed at utilizing every tree that is harvested for its highest and best use. It involves actively managing the flow of logs through the entire supply chain from the log landing through manufacturing and ultimately, to its end user.



**4. Craft the Story:** Copeland crafted a story to explain where and how the forests were managed, how harvested logs supported good jobs in the industry - for loggers, truckers, mill operators, and furniture makers - and how Vermont craftsmanship all lead to a high quality, sustainably produced bedroom set for the customer. Ultimately, the premium paid by the end consumer supports the premiums paid at each point in the supply chain.

**5. Win Awards!:** Copeland recently won the American Home Furnishings Alliance (AHFA) *Sage Award* for excellence in the home furnishings and bedding industries through sustainable business practices, social responsibility and profitable growth. According to AHFA, Copeland was singled out among this year's entries for its "exceptionally focused" approach to sustainable business operations.

**6. Move from Pilot to Replication:** In 2010, VSJF, Redstart Forestry and its many partners will work to replicate and expand on lessons learned during the pilot phase. In addition, a manufacturers demand database will be developed by the **VT Wood Manufacturing Association** and a dual certification pilot project will be conducted with the **VT Woodlands Association**.

## Harvest for Use

*by the Numbers.\**

**310,000** board feet of VT-grown, FSC-certified wood mobilized via **12** landowner harvests by **3** consulting forestry firms using **9** loggers.

**40** jobs at Allard Lumber and **75** jobs at Copeland Furniture benefitted from this project.

**1 MAJOR AWARD!**

sage  
AWARD  
earth. wise.



Boards from Allard Lumber at Copeland Furniture



Worker at Copeland Furniture



Harbor Island Bedroom Set

"The recognition will help to increase the visibility of our products, especially the maple products, and hopefully spur increased growth. **It was nice to see that a little company from Vermont like ours could win the Sage award**, especially when the other finalists were all very, very large corporations. It might not have seemed innovative when we started, but it is not something other are able to do."

– Mark Burzynski, *Copeland Furniture*

The **Harvest for Use Initiative** is a collaboration between Consulting Foresters; VSJF; Vermont Department of Forests, Parks, and Recreation; Vermont Land Trust; Atlas Timber Partnership; Copeland Furniture; Allard Lumber; & Champlain Hardwoods. New partners will join this effort in 2010. **Funding to date has been generously provided by:** USDA Rural Development; USDA Forest Service; Vermont Department of Forests, Parks, and Recreation; VSJF; U.S. Senator Leahy; High Meadows Fund; Tillotson Foundation; and the John Merck Fund.

# Peer to Peer Collaborative

## HOW CAN VERMONT CEOs SUCCESSFULLY NAVIGATE THROUGH THE GROWTH STAGE OF THEIR COMPANIES, INCREASE PROFITABILITY AND PAY LIVABLE WAGES?

### From tie-dye to aromatherapy, the evolution of an air care company...



FOUNDER: JIM ROSSITER

GENERAL MANAGER: ANNA BARRETT

LOCATION: MORRISVILLE, LAMOILLE COUNTY

# OF EMPLOYEES: 14

PEER ADVISORS: KEVIN HARPER, FOUNDER & FORMER CEO OF AUTUMN HARP

DEBRA HOWARD, DEBRA HOWARD CONSULTING

VICTOR MORRISON, PRESIDENT, AMERICAN FLATBREAD

**WAY OUT WAX** (WOW) founder Jim Rossiter began making tie-dyed pattern candles at Syracuse University in 1992, selling them at events, on the road, and then in a store in Burlington before moving the company to Morrisville in 1996. Along the way, Jim realized that many of the colors and scents he used in making the products were toxic. He made a conscious decision to use all-natural materials in his candles going forward. These days, the hallmarks of WOW's high quality products – non-toxic, 100% natural essential oil and soy-based ingredients, made in Vermont – differentiate WOW from its competitors, and offer tremendous opportunity for growth.

WOW's "Clean Air" all-natural, odor removal candles and sprays have proven to offer one of the greatest chances for expansion – with many applications and markets yet untapped. With the addition of General Manager Anna Barrett, the business is at an inflection point for another round of growth, profitability, and maturity.

Jim didn't have an advisory team, but felt that WOW could benefit from having experienced business-people help him move the company in the right direction. Jim and Anna engaged the Peer to Peer Collaborative in July 2009 with a vision of growing the company in a profitable way through new product offerings, improved margins, and operational efficiencies. Peer to Peer put an experienced team of advisors together for Jim and Anna, offering industry knowledge, professional networks, operational expertise, marketing savvy and organizational know-how. Now, the Peer to Peer advisor team is working with Jim and Anna to help them narrow their focus from a broad menu of opportunities; create financial systems that will improve decision making; identify operational efficiencies; grow their leadership skills; and, gain clarity on roles and responsibilities as the business moves to the next stage of growth.



Wicking candles at Way Out Wax

[www.wayoutwax.com](http://www.wayoutwax.com)

"We really appreciate having an **honest and constructively critical sounding board**. We were/are at a make-it-or-break-it point and making decisions alone can be scary." – Anna Barrett, *Way Out Wax*

## Growing prosperity, from one generation to the next...

**APPLE ORCHARDS HAVE BEEN PART OF THE ECONOMIC FABRIC** of Addison County since the early part of the 20th century. A family-owned and run agricultural business since 1974, Sunrise Orchards harvests 175 acres of apples annually. Barney Jr. and Christiana Hodges have recently taken over the business from Barney's father and have transitioned over the past decade from only growing fruit to vertical integration (they do almost everything from growing, picking, packing, storing, to shipping to wholesale & retail outlets). They've recently even started producing their own apple cider as a value added product.

Barney Jr. contacted P2P in April 2008 and a group of Peer Advisors was assembled to work with all 4 family members/owners. Since the business and family-home share the same property, work / life balance issues were an early focus of P2P meetings with the Hodges'. As work sessions progressed however, it became clear that foundational issues to be addressed consisted of the intergenerational transfer of the farm and business, management team development, facility improvements planning, and strategic and contingency planning.

"Peer to Peer helped us figure out that succession planning was most important and that it needed to be figured out before everything else. The **deep questioning** and **thorough process of self-evaluation** that Peer to Peer was able to facilitate with our family team was valuable and gave us a method and process for moving forward in areas of succession planning, financial and organizational planning and the beginning stages of strategic planning."

– Christiana Hodges, *Sunrise Orchards*



OWNERS: BARNEY & CHRISTIANA HODGES  
LOCATION: CORNWALL, ADDISON COUNTY  
# OF EMPLOYEES: 6 FT & 52 AT HARVEST  
PEER ADVISORS: MARLENE DAILEY  
PRINCIPAL, CORNERSTONE CONSULTING  
PETER COLE, PRINCIPAL, COLE CONSULTING, LLC  
VICTOR MORRISON, PRESIDENT, AMERICAN  
FLATBREAD



Barney Hodges, Jr. at the Sunrise packing facility

<http://sunriseorchardsvt.com>

### About the Peer to Peer Collaborative

**THE PEER TO PEER COLLABORATIVE** was created in 2003 to provide strategic advisory services to growth stage companies in Vermont. By providing critical leadership development to the entrepreneurs of companies with \$1 – 15million in sales, these entrepreneurs should see increased company profitability - thereby providing an opportunity for improving employee wages and benefits.

P2P matches accomplished Peer Advisors (CEOs, COOs, and CFOs) in teams of three with CEOs of growing companies over a 12 to 18 month period. Peer advisors encourage entrepreneurial learning by sharing experiences, triumphs and failures, and offering our clients an outside perspective on growth challenges. Drawing on the talents of Advisors who have "walked in your shoes" has helped accelerate the growth of these companies. Our P2P clients come out of the program with a plan to build stronger operations, improve profitability and support livable wages for their Vermont employees.

Funding for P2P comes from client fees for service and the *VT Training Program* at the *VT Department of Economic Development*.



# Flexible Capital Fund

## HOW CAN VERMONTERS INVEST IN BUSINESSES AND MARKETS THAT REFLECT THEIR VALUES?

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### Local food, local wood, local fuel. Why not local money?

**IN A TIME WHEN CREDIT IS TIGHT**, global markets are in chaos, and bailouts abound, there still lies great opportunity to invest in the future. There is a strong case for the benefits of “going local” with our investments, as well as our food and energy consumption. Over the last year, the VSJF has moved closer to the launch of the VSJF Flexible Capital Fund, a \$4.0 million near equity fund that will provide flexible risk capital to Vermont’s growing natural resource and green businesses.

Companies in rural areas like Vermont tend to be smaller and often cannot generate a return on investment that attracts traditional equity or venture capital. Many of these companies need a different form of “equity” to fuel their growth. That’s why the VSJF Flexible Capital Fund, when launched, will balance equity features and returns with the reality of small growing businesses in Vermont; offering flexible risk capital and technical assistance to fit Vermont’s early and growth stage companies’ needs.

### What’s the Fund’s Value Added Proposition?

- ▶ Uniquely targets investments in Vermont’s growing natural resource and clean energy enterprises who are moving us towards a low carbon economy and a healthy food system;
- ▶ Includes a technical assistance component through VSJF’s Peer to Peer Collaborative;
- ▶ Leverages VSJF’s expertise and networks in Vermont’s natural resource markets;
- ▶ Focuses on opportunities that enhance supply chains and nurtures long term relationships;
- ▶ Offers portfolio companies a flexible, higher risk debt instrument through royalty financing that won’t force an exit strategy for the companies we invest in;
- ▶ Offers investors a tangible way to help build a sustainable food system, nurture healthy communities, preserve working landscapes and promote sustainable growth in Vermont.

### Total Fund Capitalization Needs

To date, the VSJF has raised **\$500,000** in capital for investment into the Fund company, and is seeking an additional \$3.5 million in equity from foundation, organizational and private investors, as well as \$250,000 in additional grant funding for loan loss reserves. We have already raised \$205,000 in grant funding to support start up costs, legal fees and early year operating losses. When we reach \$1.0 million in capitalization, we will formally launch the Fund and begin investing in Vermont growth companies – while continuing to fund raise until we reach our **\$4.0 million goal**.

## Partners and Supporters

The VSJF Flexible Capital Fund is fortunate to already have a broad base of support from a core group of funders who recognize the value of investing in companies that are helping move Vermont and the region towards clean energy development, healthy food systems and stronger communities. They include:

- ▶ Vermont State Legislature, Act 54 - ARRA - State Stimulus Funds
- ▶ Vermont Community Foundation, including the VCF Sustainable Communities Fund, and the Sustainable Future Fund
- ▶ High Meadows Fund
- ▶ Castanea Foundation
- ▶ Northfield Savings Bank
- ▶ John Merck Fund
- ▶ Peoples United Foundation

Additionally, we would like to thank our federal partners who have provided support for both start-up costs and capitalization:

- ▶ Office of U.S. Senator Patrick Leahy through the U.S. Department of Housing and Urban Development EDI Program
- ▶ American Recovery and Reinvestment Act (State Stimulus Funds) – U.S. Department of Education

To learn more about the VSJF Flexible Capital Fund,  
**contact Janice St. Onge, Deputy Director, at [janice@vsjf.org](mailto:janice@vsjf.org).**

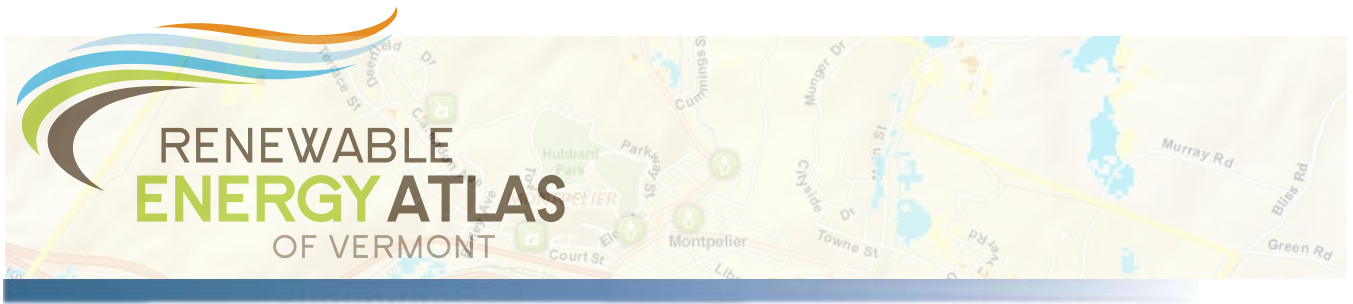
## Additional Activities

During FY09, VSJF continued to serve as the fiscal agent for the **Central Vermont Recovered Biomass Facility** project, a proposed energy-generating facility at Vermont Technical College that will be powered by manure from the College's herd of 150 cows and source-separated food scraps collected by Central Vermont Solid Waste Management District from institutional sources within 30 miles of the campus.

VSJF staff worked with the **Composting Association of Vermont** to begin a market development plan for compost in Vermont.

VSJF staff are active on the governance bodies of the following organizations:

- ▶ Clean Energy Development Fund, Board of Directors
- ▶ Vermont 25 x '25 Initiative
- ▶ Vermont Small Business Development Council, Advisory Board
- ▶ Vermont Investors Forum
- ▶ Slow Money Alliance
- ▶ Dairy Stewardship Alliance
- ▶ Sustainable Ag Council, member
- ▶ Sustainable Forest Futures, Board of Directors
- ▶ Biomass Crop Assistance Program, Advisory Board
- ▶ Biofuels EPSCoR grant Advisory Board
- ▶ Greening Up Your Bottom Line conference, organizing committee



## HOW CAN VERMONTERS ASSESS THE RENEWABLE ENERGY & EFFICIENCY POSSIBILITIES IN THEIR COMMUNITIES?

**VSJF KICKS OFF 2010** with the release of the state-of-the-art Renewable Energy Atlas of Vermont—a user-friendly GIS-based website that identifies, analyzes, and visualizes existing and promising locations for renewable energy projects. The Atlas is the **first tool of its kind** in the United States that enables end users to select their town (or several towns or county/counties) and browse from a thorough suite of renewable energy options: biomass, efficiency, geothermal, hydroelectric, solar, and wind.

### How it Works:

1. Enter your address or Select by County, Town or User Defined area
2. Select your Energy Option: Biomass, Efficiency, Geothermal, Hydro, Solar, and Wind
3. Map it! A map and analysis will appear on the screen to be viewed, saved or printed.

**MONTPELIER Biomass » Biodiesel**

**OILSEED** BACKGROUND METHODOLOGY NEXT STEP

Data Results

Total Area: 6,506 acres  
 Total Suitable Area: 100 acres

Energy Units: Gallons

| Suitability Ranking | % Suitability | Sunflower (acres) | 128 | Canola (acres) | 128 | Soybean (acres) | 128 |
|---------------------|---------------|-------------------|-----|----------------|-----|-----------------|-----|
| Prime               | 17.9          | 92.8 Gallons      |     | 89.8 Gallons   |     | 81.2 Gallons    |     |
| Suitable            | 36.3          | 187.7 Gallons     |     | 140.7 Gallons  |     | 164.2 Gallons   |     |
| Marginal            | 45.8          | 236.7 Gallons     |     | 177.5 Gallons  |     | 207.1 Gallons   |     |

Oilseed Farmers  
 Additional Information

With the proliferation of energy committees in over 90 towns and cities, it's clear that Vermonters want a renewable energy and efficiency based economy. To support such efforts, a variety of new programs and funding sources have become available, including the Clean Energy Development Fund, VT Community Climate Change Grant Program and Community Energy Efficiency & Conservation Block Grants. Two additional opportunities — the state's new feed-in tariff program and the enablement of 'clean energy assessment districts' — will also result in the development of new renewable energy projects in the state.

Despite these opportunities, Vermonters struggle with how to best navigate the process of moving projects from concept to reality. How, for example, can we assess the renewable energy and efficiency possibilities in our communities? How much local renewable energy generation is theoretically possible? How can Vermonters influence local energy planning and the decision making process?

As **the most comprehensive web application of its kind in the United States**, the Renewable Energy Atlas of Vermont will complement and inform the strongly voiced desire of Vermonters for locally produced, renewable energy, and energy efficiency.

The Atlas will assist town energy committees, the Clean Energy Development Fund and other funders, educators, planners, policy-makers, investors, and businesses in making informed decisions about the planning and implementation of renewable energy in their communities – decisions that will ultimately lead to successful projects, greater energy security, a cleaner and healthier environment, and a better quality of life across the state.


The **Atlas** is a collaboration between VSJF, Vermont Center for Geographic Information (Waterbury), Fountains Spatial (Montpelier), and many helpful experts. Major funding was provided by the U.S. Department of Energy through U.S. Senator Patrick Leahy, Green Mountain Coffee Roasters, and the Vermont Community Foundation.

## ENERGY ATLAS OPTIONS



### BIOMASS

|   |  |
|---|--|
|  | Existing & Potential Algal Biodiesel Sites                           |
|  | Oilseed Crop Producers & Potential Ag Soils                          |
|  | Biodiesel Production Sites / Biodiesel Suppliers                     |
|  | Potential Waste Vegetable Oil Sites                                  |
|  | Perennial Grasses Crop Trial Locations & Potential Ag Soils          |
|  | Landfill Methane Sites   |
|  | Existing & Potential Methane Digester Sites                          |
|  | Existing Woody Biomass Electric Sites & Net Available Low Grade Wood |
|  | Existing Woody Biomass Thermal Sites & Net Available Low Grade Wood  |
|  | Existing Wood Chip / Pellet Manufacturer Sites                       |



### EFFICIENCY

|   |                  |
|---|------------------|
|  | Efficiency Sites |
|---|------------------|




### GEOTHERMAL

|   |                                       |
|---|---------------------------------------|
|  | Existing & Potential Geothermal Sites |
|  | Geothermal Installers                 |



### HYDROELECTRIC

|   |                             |
|---|-----------------------------|
|  | Existing Hydroelectric Dams |
|  | Hydroelectric Consultants   |

### SOLAR

|   |   |
|---|---|
|  | Existing Solar PV Sites & Net Power Production by Potential Site      |
|  | Existing Solar Thermal Sites & Net Power Production by Potential Site |
|  | Existing Solar PV & Thermal Installers                                |

### WIND

|   |  |
|---|--|
|  | Existing Wind Sites & Net Power Production by Potential Site |
|  | Wind Installers  |

# VSJF Financial Statement

## Balance Sheet \*

|   | FY 09<br>June 2009<br>(audited) | YTD FY 10<br>Dec. 31, 2009<br>(un-audited) |
|---|---------------------------------|--|
| <b>ASSETS</b>                                 |                                 |  |
| Cash and Cash Equivalents                     | \$ 116,646                      | \$ 92,712 <sup>3</sup>                     |
| Prepaid Expenses                              | \$ 0                            | \$ 0                                       |
| Grants Receivable                             | \$ 71,979                       | \$ 96,915                                  |
| Other Assets                                  | \$ 8,637                        | \$ 10,299                                  |
| Security Deposit                              | \$ 1,000                        | \$ 1,000                                   |
| <b>TOTAL ASSETS</b>                           | <b>\$ 198,262</b>               | <b>\$ 200,925</b>                          |
| <b>LIABILITIES &amp; FUND EQUITY</b>          |                                 |  |
| Accounts Payable and Accrued Expenses         | \$ 42,651                       | \$ 15,076                                  |
| Deferred Grant Revenue <sup>4</sup>           | \$ 90,474                       | \$ 64,858                                  |
| <b>TOTAL LIABILITIES</b>                      | <b>\$ 133,125</b>               | <b>\$ 79,934</b>                           |
| Net Investment in Property, Plant & Equipment | \$ 8,637                        | \$ 10,299                                  |
| Unrestricted Net Assets                       | \$ 56,500                       | \$ 110,692                                 |
| <b>TOTAL FUND EQUITY</b>                      | <b>\$ 65,137</b>                | <b>\$ 120,991</b>                          |
| <b>TOTAL LIABILITIES &amp; FUND EQUITY</b>    | <b>\$ 198,262</b>               | <b>\$ 200,925</b>                          |

At the close of FY09, the VSJF had \$198,262 in total assets with \$116,646 held in cash or as cash equivalents. Liabilities included \$90,474 in deferred (restricted) grant revenue from private sources to be used for future activities and grant making. VSJF's closing Fund Balance for FY09 was \$65,137, an increase of \$18,537 (+39.78%) over FY08.

Year to date FY10 un-audited assets and liabilities reflect receipt of a General Fund Appropriation of \$116,945 out of the \$233,890 approved in the State's FY10 Budget (level funded from FY09). The VSJF serves as fiscal agent for other non-profit organizations and is currently managing \$3,095 in fiscal agency funds. We are also in receipt of \$61,763 in restricted foundation funds that will be expensed over FY10 for specific projects. VSJF's fund balance at the end of the first half of FY10 compared with the first half of FY09 has decreased by \$32,603 (-21.2%).

\* Copies of the VSJF Audited Financial Statement are available upon request.

<sup>3</sup> For the first time, the VSJF is receiving its General Fund Appropriation in quarterly installments, rather than one lump sum, from the Agency of Commerce and Community Development.

<sup>4</sup> Deferred grant revenue represent funds held for other entities that the VSJF serves as fiscal agent for and restricted foundation revenue that the VSJF has received for specific programmatic or grant making projects.



# Statement of Revenue, Expenses & Changes in Net Assets

|                                       | FY 09<br>June 2009<br>(audited) | YTD FY 10<br>Dec. 31, 2009<br>(un-audited) |
|---------------------------------------|---------------------------------|--|
| <b><u>OPERATING REVENUE</u></b>       |                                 |  |
| Contributions                         | \$ 140,733                      | \$ 113,316                                 |
| Federal and State Grants              | \$ 396,333                      | \$ 580,026                                 |
| Fees for Service                      | \$ 15,697                       | \$ 9,840                                   |
| Miscellaneous Income                  | \$ 1,380                        | \$ 0                                       |
| <b>TOTAL OPERATING REVENUES</b>       | <b>\$ 554,143</b>               | <b>\$ 690,642</b>                          |
| <b><u>NON-OPERATING REVENUE</u></b>   |                                 |  |
| State of Vermont Appropriations       | \$ 233,890                      | \$ 116,945                                 |
| Interest Income                       | \$ 5,102                        | \$ 1,221                                   |
| <b>TOTAL NON-OPERATING REVENUE</b>    | <b>\$ 238,992</b>               | <b>\$ 118,166</b>                          |
| <b><u>OPERATING EXPENSES</u></b>      |                                 |  |
| Grants & Project Expenses             | \$ 394,697                      | \$ 533,704                                 |
| Staff Salaries, Benefits and Expenses | \$ 295,495                      | \$ 166,739                                 |
| Board Expenses                        | \$ 2,038                        | \$ 1,341                                   |
| Professional Fees                     | \$ 18,906                       | \$ 35,948                                  |
| Other Office Expenses                 | \$ 63,462                       | \$ 27,764                                  |
| <b>TOTAL OPERATING EXPENSES</b>       | <b>\$ 774,598</b>               | <b>\$ 765,495</b>                          |
| <b>CHANGE IN NET ASSETS</b>           | <b>\$ 18,537</b>                | <b>\$ 55,854</b>                           |
| <b>NET ASSETS – BEGINNING OF YEAR</b> | <b>\$ 46,600</b>                | <b>\$ 65,137</b>                           |
| <b>NET ASSETS – END OF YEAR</b>       | <b>\$ 65,137</b>                | <b>\$ 120,991</b>                          |

In FY09, the VSJF continued its efforts to build new markets in its core sectors and to provide technical assistance to growth stage companies by securing an additional \$554,143 from a variety of sources to augment its General Fund Appropriation of \$233,890. Total revenue for FY09 increased by 50.9% while total expenses increased by 45.5%, largely due to additional grant making activity. This leaves Net Assets (unrestricted fund balance) of \$65,137 compared with \$46,600 from the previous year (an increase of 39.78%).

Total Income for the first half of FY10 was 102% higher than during the first half of FY09, largely due to significant new grant making that occurred in calendar year 2009 and the launch of the Farm to Plate Investment Program. At the same time, expenses have increased by 155% due to the addition of new staff and increased grant making activity. The result is a 48% decrease in Net Income compared with last fiscal year at this time. VSJF was awarded additional US Department of Energy funding and will be making a number of new on-farm energy related grants throughout 2010.

**Continued General Fund support of the VSJF in the FY11 budget will be critical if we are to maintain our momentum in funding innovative on-farm energy projects, helping to grow Vermont's food system, supporting entrepreneurs and businesses within our designated market sectors, and being part of the economic recovery of our state.**





# Vermont Sustainable Jobs Fund

*Accelerating the Development of Vermont's Green Economy*



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