

# New Markets Tax Credit

# VERMONT

## NMTC ALLOCATEES

### **Vermont Rural Ventures**

Burlington, VT

Beth Boutin 802.863.8424

### **CEI Capital Management LLC\***

Portland, ME

Charlie Spies 207.535.2932

\*An affiliate of Coastal Enterprises, Inc.

### **Massachusetts Housing Investment Corporation**

Boston, MA

Andrea Daskalakis 617.850.1033

## COMMUNITY PROFILE

- Brattleboro, VT
- Non-Metropolitan County
- Locally-designated economic development zone
- Federally declared disaster area

## PROJECT HIGHLIGHTS

- Dairy processing facility
- Total Project Cost: \$43 million
- Total NMTC: \$40 million
- Investor: U.S. Bancorp Community Development Corporation
- Jobs: 150 construction, 101 permanent



## Commonwealth Dairy

Dairy farms have always been a major part of Vermont's culture and economy, but recent economic conditions have led to a significant decrease in the number of dairy farms in the state. In addition, a dwindling number of local dairy processors have made the environment even harsher for Vermont dairy farmers.

In 2008, Commonwealth Dairy, a start-up enterprise seeking to manufacture private label, co-pack and branded yogurt products, approached the Town of Brattleboro and the State of Vermont about locating their Class II dairy processing facility in the community. Brattleboro was eager to welcome Commonwealth Dairy. However, starting a new Class II dairy processing facility requires a significant financial investment, and state and local funds proved to be insufficient to attract the private capital needed to make the project feasible. Utilizing New Markets Tax Credits, CEI Capital Management, LLC and Massachusetts Housing Investment Corporation assembled \$27.8 million to finance construction and make the new Class II dairy processing facility operational.

The 39,000 square foot plant opened in March 2010, and after just one year of operation, it exceeded its five year sales, milk use, and employment projections and was operating at 90% capacity. Less than three years after breaking ground, Commonwealth needed to expand its facility. In October 2012, Vermont Rural Ventures, along with Massachusetts Housing Investment Corporation, again utilized the New Markets Tax Credits and provided \$12.2 million in financing, allowing Commonwealth to expand its warehouse and storage space, hire more workers, and acquire specialized equipment to improve operating efficiencies, control costs, and keep the company competitive within the marketplace. Today, Commonwealth Dairy produces 50,000 cases of yogurt per week and creates an estimated \$778,000 in local and state revenue annually.



Top: Commonwealth Dairy's Class II processing facility in Brattleboro, VT

Bottom: Commonwealth Dairy utilizes state-of-the-art technology to ensure the quality of its product

The impact of Commonwealth on Brattleboro and the state of Vermont has been invaluable. Its workforce stands at over 100 and demand for Vermont milk and its underutilized skim milk has soared, bringing higher net prices to Vermont farmers. This project also has several additional benefits for the local community, including scholarships for students studying to enter the dairy industry.