

NoteWorthy

VERMONT COMMUNITY LOAN FUND

Winter 2011-12

Northfield's Gray Building Offers Shelter from the Storm

The Gray Building in Northfield has had many 'lives,' serving many purposes and people over the course of its 130-year-plus history. Today, that legacy continues on as the Gray Building assists community members hurt by last summer's Tropical Storm Irene.

It's a special story for Northfield, a town whose residents have come together to support each other in the face of a devastating crisis. It's a special story for VCLF too, an opportunity for our borrowers and investors, quite literally, to work together to make their community stronger.

The Many Lives of the Gray Building

Constructed in 1877 as a multiple classroom schoolhouse, the Gray Building operated continuously as the Northfield Graded and High School building until 1994. But after closing its doors as a public school, the building fell into disrepair. That is — until a team of dedicated volunteers and donors came together to restore the landmark as a community center and home for local businesses and organizations. The nonprofit Gray Building Coalition was founded; it purchased the building in 2003.

Not surprisingly, a nearly 130-year-old building that had been vacant for the better part of a decade and was being re-imagined with a completely new purpose in mind, needed some help to begin this new life. Planning for preservation,

remediation and renovation would involve developers, engineers, architects and contractors, so a capital campaign to support the Gray Building's rebirth was launched.

That's when VCLF got involved. Our first loan to the Gray Building Coalition helped them fund early planning and construction costs, meaning that the project could move forward well before the campaign reached its fundraising goal. With restoration completed in 2004, the historic structure was made handicapped accessible along with a host of other retrofits, structural repairs and more.



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From the Executive Director

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Dear Friends,

Like so many towns and villages in every corner of the state, my own hometown of Waterbury was hit hard by Tropical Storm Irene. Before August, I couldn't have imagined water running over Route 2, running through folks' living rooms, devastating our infrastructure, our local businesses, our lives and livelihoods.

It's the same with the recovery. It would've been difficult (though definitely not surprising in retrospect!) to imagine how Vermont and Vermonters would pull together in Irene's wake.

Still, the recovery in Waterbury and in so many other Vermont communities, is both fast and slow in coming.

It's been fast in terms of the many dedicated community members who responded in the immediate aftermath, providing hours of labor, materials and money, much in the form of generous donations, to help us rebuild and recover. And by "community members," I mean folks from a much, much larger community. Folks from all over Vermont, from all over the Northeast, found their way to Waterbury. They brought cups of hot coffee and sandwiches to volunteers shoveling tons of muck out of their neighbors' basements. They helped us relocate our local food shelf out of the flood plain and they donated the food our community so desperately and suddenly needed. During and immediately after the flood, Waterbury's community was suddenly much larger, and that has made all the difference.

But some of the recovery continues to be slow. Less than six months later, many households are still getting back on their feet...and for many it will take much longer to recover from the financial and emotional after-effects.

While restoration and recovery is Vermont's immediate challenge, our long-term challenge remains: not just how to recover, but how, truly, to revitalize Vermont's communities.

I believe that the Vermont Community Loan Fund is key to that revitalization. VCLF has invested \$70 million in stronger, healthier, more vital communities. We've helped build the affordable homes, create the jobs, child care slots and vital community services that Vermont needs now more than ever.

Our challenge, as always, is to innovate, and to look for new opportunities for our capital to have the greatest possible effect. In 2012, we'll be celebrating our 25th year (more on that soon!), but really, we're already looking ahead to the next 25 years. Are we doing all that we can? Who needs our help? How do we create social and economic justice, and communities that are even healthier, stronger, more vital than we found them?

Like recovery, the effects of our work come both quickly and slowly. But, like recovery, they're always coming.

Very truly yours,

A handwritten signature in blue ink that reads "Will Belongia".

Will Belongia, *Executive Director*



Will Belongia
Executive Director

Our long-term challenge remains: not just how to recover, but how, truly, to revitalize Vermont's communities.

The Loan Fund at Work

June 1 - October 31, 2011

Small Business Lending

Cavendish Game Birds, Springfield

Cavendish raises and markets game birds for the food service industry, and also utilizes local contract growers to build their inventory. CGB, which helps preserve the Vermont working landscape, will use a VCLF loan for working capital.
www.vermontquail.com

Encore Redevelopment, Burlington

Encore Redevelopment, a developer of alternative energy sources, received a VCLF loan to construct solar photovoltaic panels on various Burlington school roofs. Additional partners include the Burlington Electric Company, the Renewable Energy Resource Center and the Clean Energy Development Fund.
www.encoredevelopment.com

The Great Outdoors of Vermont, Newport, Enosburg Falls, Morrisville

This retailer of sports and outdoor gear will use a VCLF line of credit to purchase inventory for the upcoming ski season. The business provides jobs for 15 full-time and 10 part-time staffers in-season.
www.greatoutdoorsvermont.com

Knight Industries, North Clarendon

This designer and manufacturer of high-end custom cabinetry will use a loan from VCLF for working capital, allowing them to rehire ten employees laid off last year due to the recession. Not only will this loan lead to reinstatement of jobs, it will help put this in-demand business back on track, as orders have been backlogged due to the lay-offs.
www.knightkitchens.com

Mad River Rocket Company, Warren

Mad River Rocket creates high-quality sleds and promotes an affordable form of healthy, outdoor winter activity for families. A loan from VCLF will pay for part-time consulting fees that may lead to an expansion of the business and new hires for the following season.
www.madriverrocket.com

Outdoor Gear Exchange, Burlington

This retail outdoor gear and apparel store will use a new loan from VCLF for working capital. OGE has long been dedicated to improving employee compensation through profit sharing and stock ownership. OGE also participates in Project Hire, a program run by Howard Community Services, the area's largest human services provider, which offers employment opportunities for developmentally disabled adults in Chittenden County.
www.gearx.com

Trans-Care Ambulance Service, Essex Junction

Trans-Care, a start-up business that provides non-emergency ambulance transportation, was begun in response to insufficient emergency ambulance transportation servicing this large local population. The business has grown rapidly and will use a VCLF line of credit for working capital, as well as a loan to purchase an additional wheelchair van.
www.transcareamb.com

Turkey Hill Farm, Randolph Center

This working farm and micro-dairy will use a loan from VCLF for equipment and working capital. Turkey Hill has recently started selling yogurt on-farm as well as to area food co-ops, and needs to purchase a walk-in cooler to store product. This cooler also will give them storage space to develop new products.
www.turkeyhillfarmvt.com

Vermont Compost Company, Montpelier

VCC makes and sells organic compost. VCC's mission is to participate in enhancing local organic food production, to educate the public about soil health and ethics and to operate as sustainably as possible. They will extend an existing VCLF loan and refinance a small mortgage held with another bank. VCC supports Vermont's working landscape, utilizes recycled materials, is environmentally conscious and committed to paying its employees a livable wage.
www.vermontcompost.com

Child Care Lending

ABC's Childcare Center, St. Johnsbury

This child care center will use a loan from VCLF to purchase equipment for their facility. ABC CC provides 20 child care slots and jobs for four Vermonters. Twenty percent of ABC's child care slots are utilized by families receiving state subsidy.

Community Kids Preschool Center, Fair Haven

Community Kids Preschool Center will use their VCLF loan to purchase a new fire alarm system for their facility, which serves 50 children and their families.

Little Feet Children's Center, East Thetford

Little Feet Children's Center is using a loan from VCLF to purchase a new home for their program, across the street from its previous location. The opening of this new child care center will create 28 new child care slots, as well as seven new staff jobs. Fifty percent of the slots are held by families receiving state subsidy.

Housing Lending

Champlain Housing Trust, Burlington

CHT will use a VCLF loan to rehab an existing 4-unit apartment building into a 16-bed group home for severely mentally ill adults. The facility will be managed by the Howard Center, Chittenden County's largest and most diverse human services provider.
www.champlainhousingtrust.org

Southview Housing Limited Partnership, Springfield

SHLP will use their VCLF loan to complete the final phase of their affordable housing project. SHLP will provide 69 units of housing, with 60 units serving households with incomes at or below 80% of the area median income. Energy improvements will include attic and wall insulation, new windows and doors and the installation of solar hot water systems.

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Staff News & Notes

In April, the Loan Fund welcomed **Dan Winslow** as our new Loan Coordinator for Business Programs. Dan, a lifelong Vermonter, came to us from the Vermont Student Assistance Corporation (VSAC) where he was a Senior Loan Analyst. Dan majored in business at St. Michael's College, and lives in Essex.

Linda Markin joined the Loan Fund in May as Director of Finance and Administration. Linda grew up in Rochester, New York, and after graduating from Dartmouth in 1977, came to Vermont to stay. Linda, who was on the VCLF Board of Directors from 1994 - 2000, was most recently the Chief Financial Officer at Concept2, a position she held for 22 years. She's also worked as a bicycle tour leader, an apple picker, and Controller at WallGoldfinger. Linda lives in Hardwick with her partner, artist/teacher/chocolatier Marie LaPre Grabon, and their five birds.

Ryan Humke stepped in as VCLF's new Senior Accountant in July. Ryan, who grew up in Chicago, brings almost 15 years of financial experience to the Loan Fund. He and his wife Carly live in Worcester with their sons Basil, 10, and Kayl, 7. Ryan enjoys hiking, playing guitar, and traveling; he tells us his favorite city of all is Kathmandu.

Susan Hood joined the Loan Fund in October as our new Investment and Grant Coordinator. Susan was born in Kansas, grew up in New Jersey, came to Vermont for college and never left. She's worked in human resources, as a paralegal, and as Deputy City Clerk of South Burlington. She and her husband John live in Williston. Their grown children Emily (newly married!) and Andrew live in nearby Essex. Susan is proud of the fact that her grandfather was a native Vermonter. ■

Annual Board & Staff Retreat Focuses on Opportunities

Even as we prepare to celebrate our 25th anniversary in 2012, VCLF's next 25 years were the focus of discussion at the Loan Fund's annual board/staff retreat at Burlington's Bishop Booth Conference Center, in October. Moderated by Anne E. Peyton of Yellow Brick Road Consulting, the day began with a panel of special guests ruminating on the subject of new opportunities and challenges facing VCLF and Vermont in the coming years.

The guest roster included Vermont luminaries from public and private sectors, some of whom are former VCLF board members: Hal Cohen of the Central Vermont Community Action Council, Ellen Kahler of the Vermont Sustainable Jobs Fund, Dave Lane of the Vermont Economic Development Authority, Chuck Ross of the Vermont Agency of Agriculture, Nancy Owens of Housing Vermont, Ernie Pomerleau of Pomerleau Real Estate, Gaye Symington of the High Meadows Fund, and Stephanie Wernhoff of People's United Bank.

The panel's ideas and opinions were then expanded upon by board and staff members in the afternoon's group sessions and presentations.

With so many goals and projects in discussion, the upcoming year — and the upcoming 25 years — promise to be very busy and productive! Thanks to all who attended and assisted in this successful retreat. ■



Northfield's Gray Building Offers Shelter from the Storm *Continued from Cover*

"We're a long-term rental space, but it has always been our goal to serve the local community whenever we can."

– Annie Gould



The Gray Building's flagpole dedication by the local Boy Scouts.

Since the building's restoration, long-term tenants have included the Northfield Boys & Girls Club and the Women's Health & Fitness Center — both still tenants. Additionally, the local HeadStart child development and family services program used the space, as did an alternative middle school and a youth dance studio, among others.

"We're a long-term rental space, but it has always been our goal to serve the local community whenever we can," says Annie Gould, treasurer and board member of the Gray Building Coalition.

It's that philosophy that has continued to create another new life for the Gray Building in the aftermath of Tropical Storm Irene.

Irene and Beyond

When Irene pounded much of downtown Northfield in August and various businesses and community

organizations were suddenly left homeless as a consequence, the Gray Building Coalition again extended itself to local community businesses and organizations, large and small.

When corporate furniture manufacturer (and past VCLF investor) WallGoldfinger needed temporary space for its 20-plus office staff, the Gray Building was there for them. Moving right into available space, WallGoldfinger was fully operational again within 48 hours after the storm. Amazingly, they didn't miss a single production or delivery deadline, and, thanks in part to the Gray Building, continue to manufacture the highest-quality product.

Because of Irene, Northfield-based quilters group Vermont Quiltsearch was displaced from the space they were to use for their important annual quilt appraisals. Gould and her team made room for them at the Gray Building. "The Gray Building was restored so

it could be a community space," says Gould, which is precisely how it has functioned in the wake of Irene. "The Gray Building has turned into a great place for the community to come together," she adds. "But none of this could have happened without VCLF."

To learn more about the Gray Building, visit www.graybuilding.org. To learn more about WallGoldfinger, visit www.wallgoldfinger.com. ■



WallGoldfinger office staff temporarily relocate to the Gray Building.

VCLF Partnership Yields New Loan Fund for Farmers

This spring, VCLF entered into a partnership with the **Carrot Project** to create a new loan fund for Vermont farms. The new fund allows eligible Vermont farmers to apply for loans of up to \$35,000 to help finance capital investments and meet operating costs.

A Massachusetts-based nonprofit, the Carrot Project works collaboratively with lenders, private investors and farm support organizations to help provide stability to local farmers, with long-term goals of increasing production of healthy foods, aiding the environment and local economies.

"Vermont is known for its vibrant agricultural sector, which has been experiencing an important renaissance in the last several years," said the Loan Fund's Executive Director Will Belongia. "Supporting Vermont's farmers has always been an important part of our mission at VCLF. Now, the Carrot Project Small Loan Fund, alongside the Loan Fund's other farm programs, further enhances our capacity to do so," he said.



"We are very happy to offer these loans to Vermont farmers and build upon the work we started with Strolling of the Heifers," said Dorothy Suput, executive director of the Carrot Project. "In response to farmers' requests, we are happy to offer a higher loan amount of \$35,000, and terms up to six years. As with our other loan programs, it will be open to beginning farmers and more mature businesses."

To be eligible for the program, farmers must either own or lease farms in Vermont, report annual revenues of less than \$499,999, use or be moving toward the use of sustainable or organic growing methods, and market at least a portion of their product locally. VCLF and The Carrot Project will administer the program jointly.

For a prequalification questionnaire, visit www.thecarrotproject.org. For more information, e-mail info@thecarrotproject.org or call 617-666-9637. ■



PHOTOS: ELIZABETH FERRY



The Loan Fund at Work

Continued from page 3

Community Facilities Lending

Lake Champlain Community Sailing Center, Burlington

LCCSC, a nonprofit organization offering educational and recreational opportunities to more than a thousand residents of the Burlington community, will use a line of credit from VCLF to purchase equipment. LCCSC programs utilize Lake Champlain and the sport of sailing as a platform for self-

discovery, to bring community together, to introduce this and other lake-based recreation to youth and adults, and to encourage stewardship of Lake Champlain.

www.communitysailingcenter.org

Rutland County Parent Child Center, Rutland

The Rutland County Parent Child Center, which provides job-training and parenting education classes for young, expectant mothers, will use a loan from VCLF to purchase a transitional housing facility to serve at-risk youth and young mothers. www.rcpcc.org ■

Total Lending June 1-October 31, 2011

Small Business Lending:

10 loans \$1,377,685

Child Care Lending:

3 loans \$282,764

Housing Lending:

2 loans \$1,285,000

Community Facilities Lending:

2 loans \$174,500

Total Loans:

17 loans \$3,119,949

Investor Profile

When it comes to carefully stewarding their important funds, at least two Vermont public libraries are 'on the same page' as to what makes for a sound investment. Recently, both the **Greensboro Free Library** and the **Whiting Library** in



Chester became investors with VCLF.

When the Greensboro Free Library (GFL) in Caledonia County was looking for an investment that was low-risk as

well as compatible with their broader goals for benefitting Vermonters, they put their research skills to work. Stephanie Herrick, who is both treasurer of the library's board of trustees (shown above) and chair of its finance committee, saw numerous advantages to investing with VCLF.

While the GFL board didn't want to take on much risk, they also hoped for a reasonable rate of return on their investment dollars. "I felt the Loan Fund was really the best of both worlds," says Herrick. "It's socially responsible and you get good returns, compared to CDs."

Herrick would know: she is also a retired CPA, founder and president of her own accounting firm. Upon reading further about VCLF in newsletters and on the website, it was clear to the entire finance committee that they'd found the right place for the library's money. "We were impressed with VCLF," says Herrick. "We looked at the management. We read everything. (VCLF) has a very good record."

Thus, she can report back happily and confidently to the many, many stakeholders of the library she serves. "We're a very active community," Herrick says. "We have a devoted following of over 500 supporters. And, during

our three year renovation campaign of the library's Cuthbertson House, more than 400 people contributed to that effort. In the winter time, Greensboro has about 700-800 residents, but in the summer that goes up to 3,000," says Herrick.

Like their counterparts in Greensboro, the board of the Whiting Library (shown below) in Chester also takes its fiscal responsibilities most seriously. So when Bruce Parks, chair of Whiting's board

of trustees, opened a piece of mail recently to discover an unexpected, large donation toward the library's endowment, he went in search of the best possible investment. Coincidentally, also in the mail that very same day, Parks received a copy

of the Vermont Community Loan Fund's newsletter. He paged through it, and was impressed that the State of Vermont was a VCLF investor, among other high-profile and financially savvy names he found on the roster. "I looked at (the Loan Fund's) history; I saw they'd been around for a long time. I saw that they knew what they were doing, and didn't lend out money they couldn't cover."

Doing his due diligence with the rest of the library's trustees, Parks investigated traditional bank CDs, rates and returns, across a variety of investment options. "The rates weren't great. And I've become soured on some traditional banks."

The library's board was impressed enough to invest the majority of their windfall with VCLF. Parks also says the trustees really liked VCLF's mission, "helping farmers and small businesses all around the state." It meant the library could feel good about its investment, while it earned a financial return for its endowment fund at the same time.

Parks even has some words of advice for other Vermont public libraries. "In Vermont, the trustees control the finances of the public libraries," he says. He thinks they "could really do well" to look into investing with the Loan Fund, too. ■



Join the Legacy Investors Circle!

The Loan Fund offers three opportunities for you to make a planned gift that will support our work forever: **Legacy Investments**. 100% of your Legacy Investment will support our Permanent Capital Fund, which will be dedicated strictly to loan capital in perpetuity. Your gift will be the foundation on which VCLF is able to both make more loans and raise additional capital. How you can help:

1. **Make a bequest.** Consider including a gift to VCLF in your will.
2. **Bequest your investment.** If you're already an investor in the Loan Fund, you can bequest your investment to VCLF. Your investment will continue functioning normally, and you'll be able to continue choosing your rates and terms over time. At the end

of your life, your investment will become permanent loan capital and continue working to transform Vermonters' lives forever.

3. **Make a Charitable Gift Annuity.** In exchange for your gift, you and/or your designee will receive interest payments for life, while the capital you've provided to the Loan Fund is loaned out to create opportunities throughout Vermont. At the end of your life, your CGA will become a part of our Permanent Capital Fund, to be loaned and re-loaned in perpetuity. A CGA allows you to make an immediate gift to the Loan Fund with permanent effects.

For more information about Legacy Investing, please contact Jake Ide, Director of Development, at (802) 223-4423 or jake@vclf.org. ■





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Invest in VCLF – Invest in Vermont

In every corner of our state, VCLF investors strengthen Vermont. They create and preserve jobs for themselves and their neighbors, ensure that single adults, seniors and families have homes that are both safe and affordable, provide critical community services, preserve our working landscape, and provide quality child care, creating healthy beginnings for Vermont's youngest citizens.

It's easy to help. VCLF offers a variety of investment options to accommodate your social and financial goals.

Current Investment Rates*

Social Investment Term Account

1-2 Years	3-4 Years	5-9 Years	10+ Years
1.0%	1.5%	2.5%	3.0%

Social Investment Cash Account

No term, Withdrawals on Demand
0.5%

** Rates as of December 1, 2011. Lower interest rates allow us to keep financing affordable to borrowers, increasing the impact your investment has in Vermont communities. Rates are subject to change.*

For more information, contact Susan Hood at (802) 223-4426 or susan@vclf.org

