

**TOWN OF NORTHFIELD, VERMONT
ECONOMIC DEVELOPMENT SUBCOMMITTEE**

Minutes of August 23, 2024

Full meeting recording is available at

<https://youtu.be/NbMepjRU1W4>

I. ROLL CALL

- a. Jeff Schulz, Town Manager, Lydia Petty and Charlie Morse, Select Board Members, Tom Davis, Economic Development Director

II. PUBLIC PARTICIPATION (SCHEDULED): None

III. APPROVAL OF MINUTES

The minutes from the last meeting were approved unanimously.

IV. DISCUSSION

- a. Revolving Loan Fund Structure Update – The committee was provided with a summary of services offered by Community Capital of Vermont (provided below). CCV provides turnkey services for community loan funds as outlined.
- b. Next Steps on Loan Fund – Set date for CCV director, Alex Rob, to appear before the Select Board to answer questions about services, structure and costs. Date is set for September 24, 2024.
- c. Other Matters - None

V. PUBLIC PARTICIPATION (UNSCHEDULED) None

VI. ADJOURNMENT

The meeting was adjourned at 1:41 pm.

COMMUNITY CAPITAL OF VT - AUGUST 23, 2024

Community Capital of Vermont Overview

- Vermont's smallest CDFI
- Manages revolving loan funds
- Originated from Capital Community Action
- SBA and USDA funding sources
- 25 years in operation

Past Engagement with Northfield

- Northfield involved historically but no capital provided
- Previous attempts at establishing funds in 2002 and 2019
- Challenges with select board's role in scrutinizing loans
- Lack of internal capacity to manage loans

Proposed Loan Fund Structure

- Use \$50,000 to \$100,000 ARPA funds as equity base
- Borrow additional funds from SBA at 3-4%
- Charge 8% interest on loans
- Focus on loans less than \$15,000, startups, and credit card debt consolidation
- Offer lines of credit up to \$25,000

Potential Benefits and Flexibility

- Match energy of entrepreneurs, quick underwriting (4-5 days)
- Offer technical assistance, including bookkeeping and lease negotiations
- Report on credit to build credit history for businesses
- Explore additional funding sources, e.g., Vermont Community Foundation
- Potential community engagement through contests or meetings

Next Steps

- Schedule a meeting with Alex from Community Capital of Vermont with the Select Board
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