REGIONAL PRIORITY PROJECT PRIORITIZATION PROCESS

PROJECT INFORMATION FORM

IF ADDITIONAL SPACE IS REQUIRED FOR ANY RESPONSE OR YOU WANT TO SUBMIT ADDITION DOCUMENTS , CLEARLY IDENTIFY THE DOCUMENTS WITH THE PROJECT NAME AND EMAIL THEM TO FKENNEY@ADDISONCOUNTYEDC.ORG.

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PROJECT NAME:

Modernization and Revitalization of Vermont Livestock Slaughter & Processing

TYPE OF PROJECT:

- ☐ Infrastructure:
  - ☐ Water
  - ☐ Wastewater
  - ☐ Broadband
  - ☐ Transportation
  - ☐ Public Facility
  - ☐ Other
- ☐ General Development:
  - ☐ Industrial
  - ☐ Commercial
  - ☐ Residential
  - ☐ Mixed
- ☑ Site/Facility Development for Specific Business
- ☑ Workforce Development
- ☐ Business Development
- ☐ Other:

PROJECT SPONSOR:

Organization Name	Vermont Livestock Slaughter & Processing
Organization Mailing Address	76 Depot Rd.
Organization Email	vermontmeat@gmail.com
Organization Phone	(802) 877-3421

Contact info for the person submitting project information:

Name	Sarah Wilson
Title	Project Development Assistant
Mailing Address	3264 Larimer St. Unit D, Denver, CO 80205
Email	swilson@biologicalcapital.com
Phone	(907) 980-2526

PROJECT PRINCIPAL(S) (if different than above):

Person 1:

Name	Carl Cushing
Title	General Manager/Owner
Organization	Vermont Livestock Slaughter & Processing
Mailing Address	76 Depot Rd.
Email	vermontmeat@gmail.com
Phone	(802) 877-3421

Person 2:

Name	
Title	
Organization	
Mailing Address	
Email	
Phone	

PROJECT DESCRIPTION (5000 Characters):

With 50 years in business, Vermont Livestock Slaughter & Processing (VLSP) connects hundreds of farmers in Vermont and the Northeast with the individuals, families, schools, and businesses they supply. Demand for high-quality, sustainable, humanely-raised meat rises year over year, but regional processing continues to bottleneck the agricultural economy. While demand for our services rises, we are limited by aging equipment and facilities. Meanwhile, new equipment and processing tools enable small- and medium-sized processors to operate more safely, efficiently, and humanely – increasing throughput and quality substantially.

After decades of service, our facility and equipment schedule are reaching the end of their functional lifespan. The oldest portion of our facility was built in the 1800's as an ice house to provide refrigeration for dairy products on the railroad to Boston. 130 years later, the ice house and attached building are in dire need of a structural upgrade, and the majority of our processing equipment requires near constant, costly repair. These conditions have handicapped our efficiency, and reduced throughput to a point where our once thriving business – one of the longest tenured, most experienced of Vermont's processing businesses – is narrowly breaking even.

We have now begun to revitalize and modernize our multi-species red meat facility, tripling our throughput from 36 animals to 108 on-average per week. This project includes renovating the existing facility within the building footprint, preserving the historic integrity of the ice house, upgrading the equipment schedule with modern, more energy-efficient replacements, and installing on-site solar to offset electrical use and stabilize long-term operating costs. The phases of construction in this application begin October 2022 with construction completed in April 2023. At the end of 2022 we will begin recruiting, hiring and training additional staff and leadership to support the expanded throughput and services.

As we are one of only eight USDA-inspected facilities in Vermont, the producers we serve have few other avenues for slaughter and processing. To prevent any gap in our services, a phased construction plan enables us to continue slaughter and processing throughout renovation, and we selected and contracted a leading construction firm with depth of experience in food processing and manufacturing to ensure the plan is completed smoothly and cost-effectively.

With financing secured in February 2022, zoning approved in April, statewide support from customers and the public sector, and ground-breaking in August 2022, we are poised to expand our range of value-added processing, improve production efficiency, and increase the facility's throughput three-fold on our existing site. Working with a leading design and build team, this structural renovation, facility overhaul, and modern equipment upgrade will allow us to achieve these impacts while operating our production line. Beyond benefit to our customers and the regional economy, the renovation positions our business for decades of further service by improving cost effectiveness, allowing for additional hiring, training and professional development, and enhancing the work environment for our employees, customers, and the animals we process.

PROJECT LOCATION (3000 characters):

Provide the physical location of the project and/or the area to be served by the project

Vermont Livestock Slaughter & Processing (VLSP) is located on ~33 acres of property in Ferrisburgh that is primarily undeveloped woods and wetlands. The facility consists of two attached buildings, including an historic ice barn. The history of this building provides sawdust insulation to the barn walls, and the original nature of the property, to provide ice to trains transporting dairy, places the facility near the railroad. Since at least 1939, the property has been used for agricultural purposes. For a period of time, the property had crop fields growing hay, and orchards. Our renovation designs have received concurrence from the State Historic Preservation Office and have been deemed to be an improvement in preservation of the facility's historic integrity.

VLSP has served small scale farms within Vermont, and as a USDA-inspected facility, VLSP is also able to serve clients from out of state and has fostered strong relationships with clients from New York and New Hampshire supporting the greater New England sustainable food system while maintaining a strong

PROJECT PURPOSE AND BENEFITS (3000 Characters):

Describe the purpose and benefits to the region of the project. Describe if/how the project builds capacity within the region for improved regional development/economic development/ community development, including: advancing workforce development; expanding entrepreneurship efforts; supporting or enhancing existing business clusters, or other economic impacts within the region.

VLSP has a strong customer base, serving farmers across Vermont, New York, and New Hampshire. The reach of products from VLSP is even larger, feeding populations in Massachusetts, Connecticut, New Hampshire, New Jersey, and New York. With a growing local and national demand for sustainable and ethical meats, VLSP has room to expand.

Grant funding will help VLSP lead the industry towards more sustainable practices. As it stands, the project outlined in this application will have transformative impacts on the network of small farms in New England, forward-thinking hospitality markets, Ferrisburgh and Addison County communities, and will create long-term employment opportunities while also retaining current employees. The new facility design, once executed, will be an example for small and large slaughter facilities alike. Through this project, VLSP strives to have numerous benefits on the local economy all focused on strengthening the industry of small farm businesses.

VLSP's strategic planning for this project considers several initiatives that seek to benefit communities and small farm businesses in Vermont, improve sustainability to confront climate change, grow the local workforce, improve employee working conditions, and advance professional development. The facility renovations will directly increase throughput threefold, spurring company growth and increasing the number of farmers we can serve. There is high demand for livestock processing in Addison County where, according to the USDA 2017 Census, Addison County farms produced 22% of Vermont's agricultural sales, 85% of which were derived from livestock and poultry production. The same census shows that 70% of the farms in Addison County are less than 180 acres, indicating the need to accommodate these farms with small-farm oriented livestock processing facilities.

PROJECT TIMELINE, MILESTONES, AND STATUS (3000 Characters):

Describe the project timeline, the current status of the project, and impediments to proceeding. Include factors such as site control, engineering and design, financing/funding identification and commitment, and permitting. Clearly identify where the project is in the timeline and what work remains.

Throughout 2022 we have made significant progress and the project is fully underway. After a few delays due to cost-increases and supply chain challenges we completed our permitting, planning, and design process and broke ground in August 2022. Necessary permits including the Building Permit, Vermont Life Safety Permit, and Wastewater and Potable Water permit, have been secured, and we have completed the NEPA environmental and cultural review process for Federal funding. We have secured an impact-focused loan for the project, as well as two grants (totaling over $600,000) to relieve dependence on the loan.

The main facility construction is underway and has temporarily reduced our throughput until completion. We will begin installing a 230,000kWh solar array this fall to completely offset our facility's energy consumption with renewable energy. We expect the array to be installed by the end of the year, and the main facility renovation to be completed in early summer 2023. We have begun hiring a few positions, and will continue to through the end of the construction project ahead of our increased throughput.

PROJECT PRINCIPAL EXPERIENCE/PARTNERSHIPS (3000 Characters):

Describe project principal(s) experience, ability to complete the project, and describe any projects partnership(s) and how the partnership(s) will help ensure success.

Carl Cushing is the owner of Vermont Livestock Slaughter and Processing (VLSP) and is the principal manager of this project. With the small-scale slaughter and processing industry being a handshake enterprise, he plays a critical role in the company's success through his relationships with livestock producers in the state and greater New England region. Prior to operating VLSP, he served for 32 years with the Vermont Agency of Agriculture, Food and Markets Division. He began as a Meat Inspector in 1975 and ended his tenure as Director of Meat Inspection Services from 2001 – 2007. Carl Cushing comes from a family of meat cutters and brings over 40 years of experience in meat processing and meat inspection to the business.

VLSP has partnered with Bio-Logical Capital (BLC) to reinvest in the existing VLSP plant, expand volume and services for Vermont livestock producers, and support the operating and management transition to the next generation. BLC is headquartered in Denver, Colorado and brings together business and conservation professionals with over 200 years of cumulative experience in finance, land planning, design and management, environmental conservation, real estate, agriculture, and food business operations. Some of BLC's relevant projects include Hana Ranch and Maui Cattle Company in Maui county, Hawaii, Philo Ridge Farm in Charlotte, Vermont, and co-leading a national NRCS Conservation Innovation Grant to support grass-fed livestock producers in Vermont with the University of Vermont and Vermont Land Trust. Specific to meat processing,

PROJECT SUPPORT AND REGIONAL NEED (4000 Characters):

Describe how the project is consistent with identified local and regional goals, advances regional needs identified in plans, reports or public forums, and describe the community support and engagement. Include reference and link to the municipal and/or regional plan, report, or forum identified. Also describe how the project leverages regional human, social, financial, cultural, and/or physical capital, and supports, compliments, or enhances existing efforts.

The vast majority of meat in the United States is raised in a highly mechanized system. Most often, cattle are held in congested conditions, quickly fattened on grain and related byproducts, and fed into inhumane slaughter facilities. Animals may travel many miles across the country at risk of excessive stress and injury. Corporate slaughterhouse facilities take a large fee and farmers and ranchers see little growth in profits.

This process is the embodiment of our industrialized food system. It relies on the supply of cheap grain which are grown in extractive monoculture systems requiring intensive chemical application. In fact, the industrial livestock industry is the single largest driver of corn plantings in the United States, consuming more than 40% of national production. Raising meat in this fashion is a significant contributor to national greenhouse gas emissions. Agricultural production emits roughly 10% of emissions nationally, the majority of that originating in the livestock industry. Manure management and feed production alone account for over 50% of the livestock sector's emissions, both of which are significantly mitigated in small, locally distributed systems.

As a keystone business in New England's food system, VLSP has a direct impact on hospitality businesses across Vermont. As our national awareness of the environmental, animal, and human toll of the industrial meat system grows, so does the demand for meat from small, sustainable farms. Many forward-looking markets and restaurants have begun to stock their meat counters and kitchens with meat from smaller, sustainable farms that challenge the industrialized food system. In Vermont, the demand for sustainable food has more than doubled the amount spent on locally grown and raised food in the past ten years (see: Vermont Agriculture and Food System Strategic Plan: 2021-2030). While this trend bodes well for small farms, it puts considerable capital demands on slaughter and processing facilities. Adding value for these farm businesses requires specialized packaging, processing, and unique presentation of their meat products, and these demands can only be met if the facility owns or acquires costly equipment, and is operated by highly skilled meat cutters. Small farms are limited to working with similarly small slaughterhouses, since large corporate facilities often cannot or will not accommodate them.

New England's hospitality industry is comparable to national trends where there is a large demand for locally-raised meats, including beef, pork, lamb, and goat. Vermont's agricultural history began when European settlers operated small diversified farms to serve the local population. Today, small farm industries like these continue, and Vermont is well-known for its artisan cheeses, maple syrup, and creameries. With that, many farms in Vermont are already meeting these demands by raising livestock humanely and on pasture-based systems. Without smaller slaughter and processing facilities like VLSP, these farms, and their

PROJECT COST, IDENTIFIED AND COMMITED FUNDS/FINANCING, AND FUNDING GAP:

Provide the total project cost and complete the simple sources and uses chart.

Total Project Cost: $ 8,672,035

Sources:

Source	Amount
Private Loan	$ 7,000,000
Working Lands Enterprise Fund	$ 100,000
REAP Grant	$ 77,753
MPPEP (Applied for - Pending)	
CIP (Applied for - Pendind)	
Total Sources:	$ 7,177,753

Uses:

Use	Amount
Equipment and Supplies	$ 1,996,288
Construction	$ 5,309,138
Operational and Contractual	$ 687,903
Other (Soft Costs, Etc.)	$ 678,706
Total Uses:	$ 8,672,035

Funding Gap: **$ 1,494,282**

Note: Uses must exceed sources or there is no funding gap

Budget Narrative (3000 Characters):

Describe the amount of funds/financing that have been identified and include a clear status of the funds (Received, committed, applied for, identified, etc.) including the dates of receipt, commitment, application, expected distribution, etc. Clearly identify any funding gap.

We have secured a $7,000,000 impact-focused loan that will be paid back based on our revenue. This arrangement allows for fluctuations in overall performance before reaching operational stability and provides the best possible chance for achieving long-term financial health. We plan quarterly draws from this loan based on our projected cash flow. Additionally, we have secured two State grants and one Federal grant. The first State grant (Vermont Working Lands Enterprise Fund) was secured in Spring 2022 for $100,000 and will be distributed throughout the project on a reimbursement basis. We are in the agreement negotiation process for a second State grant for $464,938; we expect this to also be distributed throughout the construction project on a reimbursement basis. After installation -or near the end- of the solar array project, we will receive a $77,753 reimbursement from the Federal Rural Energy for America Program. We have mapped out our reporting needs and will be ensuring due diligence for these grants long after the construction is complete.

For our overall project, including Operational and hiring-related costs, we currently have a funding gap of $1,494,282, not including the pending State grant. We have the opportunity to potentially increase our loan amount, and are also waiting for a decision on one additional Federal grant (Meat and Poultry Processing and Expansion Program) where we have applied for $1,096,655 with support of the Vermont Agency of Agriculture Food and Markets, the Addison County Economic Development Corporation, and our clients. Should this grant be successful, we will have a much smaller funding gap, but we are continuing to explore additional funding to provide funds for in-direct project costs like hiring and training costs.

JOB CREATION (4000 Characters):

Provide the number of full-time jobs to be created and/or retained by the project, a description of the benefits package to be offered to the majority of the new/retained jobs, and the average wage of the jobs to be created/retained.

The project when completed will allow us to expand and increase the profitability of the business. By offering better benefits and more formal professional development in tune with each individual, we hope to entice applicants while being competitive with larger processing facilities. We will be able to retain all 9 current employees and hire 12 new employees while upgrading our facility and modernizing equipment. Of 21 total employees, six will be part time and 15 will be full time. We anticipate hiring a range of employees including trainees, production staff, and an Assistant General Manager. Immediately we are hiring for team members in our Slaughter, Sanitation, and Processing departments, as well as an Assistant General Manager. We will offer health insurance benefits, a retirement plan, a meat benefit, paid holidays, and training opportunities. The average full time wage at VLSP will increase to $54,836 per year as production scales with capacity. Team staff will see annual wages from $37,000 to $52,000 depending on experience, with at least a 4% increase per year.

Technical training opportunities will be available for current and new employees. In addition to improving the throughput capacity, the upgraded facilities and new equipment will require all employees to receive specialized training. Equipment manufactures will be on site to provide training to all operators prior to new equipment being put in use. Beyond this initial training, trained operators will mentor other employees before they can use the machines alone. We will address safety first while training employees with a focus on diversifying their skill set so that an employee can fill any position on any workday. We will focus on responsible management to evaluate each employee to recognize their qualities.

It is our intention to create an apprenticeship program for both slaughter and processing teams within our facility. This will be accomplished by pairing incoming staff members with senior employees based on their background, skills, and responsibilities. The regular training is conducted daily and it takes approximately 4,000 to 8,000 hours to accomplish full proficiency. The HACCP specialist training is approximately 20 hours. Individuals will be exposed to the responsibilities of this position by working with certified trained HACCP employees presently accomplishing the work.

The on boarding process of the new general manager will be led by Mr. Cushing and strategically supported by Bio-Logical Capital. All of Mr. Cushing's present roles and responsibilities will be transferred to the new general manager over the course of the training period until business stabilization (1-year expectation). The goal is to secure the new General Manager as the primary source of VLSP's operating processes, client relationships, and industry partnerships during that process.

A summary of our team roles and average wages are listed below:
General Manager/Owner (1) - $32/hour
Office Administrator (1) - $15/hr
Master Meat Cutter (1) - $27.75/hour
Production/Slaughter Manager and AWA Coordinator (1) - $25/hour
Senior Meat Cutter and Facility Manager (1) - $25/hour
Senior Meat Cutter (2) - $22/hour
Slaughter Technician (1) - $18/hr
Sanitation Technician (1) - $15/hr

Roles we seek to hire:
Assistant General Manager (1) - $25/hour
Senior Meat Cutter (2) - $22/hour
Junior/Trainee Meat Cutter (2) - $18/hour

CLEAR FORM PRINT FORM SUBMIT PROJECT