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.

DOWNLOAD AND SAVE THIS DOCUMENT TO YOUR COMPUTER, COMPLETE THE FORM, THEN CLICK THE SUBMIT BUTTON.

PROJECT NAME:

Aqua ViTea Beverage Hub Incubcator/Capital Investment Project

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	Aqua ViTea
Organization Mailing Address	153 Pond Lane Middlebury Vermont
Organization Email	jeff@aquavitea.com
Organization Phone	(802) 453-8590

Contact info for the person submitting project information:

Name	Jeff Weaber
Title	Founder and CEO
Mailing Address	153 Pond Lane Middlebury, Vermont 05753
Email	jeff@aquavitea.com
Phone	(802) 453-8590

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

Person 1:

Name	Chip Nolin
Title	Chief Operating Officer
Organization	Aqua ViTea
Mailing Address	153 Pond Lane Middlebury, Vermont 05753
Email	chip@aquavitea.com
Phone	(802) 453-8590

Person 2:

Name	
Title	
Organization	
Mailing Address	
Email	
Phone	

PROJECT DESCRIPTION (5000 Characters):

Aqua ViTea seeks to be a hub for incubation of beverage startups in Vermont. We currently have partnerships with beverage startups in Vermont in which we provide a host of services to launch their business including sales and marketing, distribution, lab analysis, product formulation/development, and manufacturing. Aqua ViTea seeks to increase our efforts in startup incubation and production by making the necessary capital equipment purchases and leasehold improvements to upgrade our facility and support in-house production while maintaining best-in-class food safety as outlined in the Food Safety Modernization Act (FSMA).

Currently, our production of canned products is outsourced to an out-of-state firm who provides canning services at our facility with their own equipment. The project will require purchasing our own canning line as well as other equipment and leasehold improvements to expand and support production capacity such as beverage analysis tools, centrifuge, expanded cooler space for product storage, clean room, tray former, shrink wrap machine, and freezer.

Canned beverage products will be the majority of our business going forward and will be the product format for most of our beverage incubation projects. Therefore, it is essential that we bring this production in-house. The feedback from our partners is that they love working with us, but one obstacle to further expansion with them is our pricing model. Since Aqua ViTea outsources canning production, we face an obstacle of being able to provide competitive pricing in the market. However, our partners report that the services we provide are nonetheless hard to find. Investing in a canning line and related capital equipment and leasehold improvements opens the door for us to bring our prices down and offer competitive pricing with our partners. In addition, these capital improvements will attract additional companies to want to partner with us. This solidifies our plan of bringing additional jobs and business opportunities to the State of Vermont. Further, this project will lower the barrier to entry for beverage startups and allow them to gain additional traction in the market.

The second component of the project includes workforce training to operate the new canning line and additional production equipment. We are creating a workforce training program with the Vermont Training Program to properly carry this out. Training will include in-person instruction from the equipment supplier and from our Operations Team listed above on how to properly operate the equipment.

PROJECT LOCATION (3000 characters):

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

Physical location of the project: 153 Pond Lane Middlebury, Vermont 05753

Area to be served by the project: Addison County, Greater Vermont area, New England/Northeast, and around the United States.

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.

This project will solidify Vermont's position as a hub and ecosystem for beverage innovation. Aqua ViTea has a vision for building an enduring business where startup companies can come to ideate and develop their business. Indeed, Aqua ViTea is already working on these projects today but lacks the necessary infrastructure to take these partnerships to the next level and increase production while maintaining safety standards.

Aqua ViTea plans to purchase a canning line from next door business neighbor, Woodchuck Cider. As part of this purchase, Aqua ViTea seeks to collaborate with Woodchuck Cider on startup business incubation in the beverage industry. Woodchuck Cider has a larger facility that can support significant production capabilities. Aqua ViTea plans to help startup businesses develop their product and support manufacturing at the early stages. Once partner companies have outgrown our production capacities, we intend to refer business partners to Woodchuck Cider or encourage them to open up facilities in Vermont. We have begun work on a business model with Woodchuck Cider that will "graduate" partner companies from our program and transition them to Woodchuck Cider for larger production capacity. In this way, Aqua ViTea believes that the project would be essential for providing stability throughout the region in beverage production and incubation.

This project will strengthen Vermont's supply chain for healthy beverages. Currently, Aqua ViTea is reliant on a third-party from out-of-state with its own equipment. Bringing production capabilities in-house with full-time employees will help stabilize our supply chain. In turn, this will stabilize the supply chain for our partners who rely on us for producing their beverages through manufacturing partnerships and business incubation. Many of our partners are located in Vermont, which would further strengthen supply chains in the region. Our partners will benefit from the project with increased production capacity, safety, and revenue, and thus further job creation. With that comes stability to their businesses and the beverage industry as a whole.

Another area in which will be beneficial is in the form of workforce development and training. The project will equip new and existing employees with additional skill sets through paid training and learning opportunities. In conjunction with the Vermont Training Program, Aqua ViTea will provide employees with the training needed to operate the new equipment. Once employees have completed the training, they will have added skillets that will strengthen their overall employability and future job prospects. In addition, as part of this project, Aqua ViTea has made plans to invest in food safety efforts.as outlined in the Food Safety Modernization Act (FSMA).This includes both leasehold improvements that seek to reduce the risk of food-born pathogens and employee training opportunities around food safety that will be transferable across the industry.

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.

Project timeline:

Anticipated Project Start Date: 1/1/2022

Anticipated Project End Date: 1/1/2027

Impediments to proceeding: Application submitted for funding (half of the project) from Vermont Capital Investment Grant.

Current Status of project: We have $970,000 committed through Community National Bank for equipment financing. A $7,000 deposit has been made on the canning line in order to secure the right of first refusal. Our goal was to ensure that we would not lose the ability to make this vital equipment purchase with funding. We plan to fund the additional amount for the project with equity investment and cash flow from the business. We are in the middle of an equity round in which we have raised $1.1M and have an additional $900k in stock authorized by our Board to raise. With grant funding, we are forecasted to generate free cash flow in 2023.

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.

Aqua ViTea has full capacity to manage the project over both the short and long term. Chip Nolin, our Chief Operating Officer, is overseeing the project. Chip has additional assistance from the Operations Team including Noelle Rose, Operations Manager, Chris Kelly, Director of Brewery Operations, and Peter White, Manager of Brewery and Innovation, and the rest of the Production Team. All of these individuals are full-time employees and devote 100% of their time to production efforts. Jeff Weaber, CEO and founder of Aqua ViTea, is also overseeing the project and devoting significant time and resources to the strategic direction.

Jeff Weaber, Chip Nolin, and the Production Team are currently working with several partner companies in which they have ideated, formulated product, scaled recipes, and delivered product for partner companies. Thus, the Team has a track record of successfully providing these services albeit at lower production volumes than we intend to have in the future.

Two partnerships in specific will help ensure success for the project. Aqua ViTea is currently working on a joint project with Vermont-based WhistlePig to develop a kids kombucha product. The project has backing from both Aqua ViTea and WhistlePig; AquaViTea will be procuring ingredients, producing the product, and working on sales, marketing, and distribution. WhistlePig will be providing capital and expertise throughout the project. In addition, Aqua ViTea continues to partner with Woodchuck Cider on its plan to purchase the canning line and on partnership opportunities for production and startup incubation. Woodchuck Cider will be sharing partnership opportunities that require lower production requirements and are therefore more suitable projects for Aqua ViTea. We will be sharing partnership opportunities with larger production requirements and/or graduating partners to their facility. Aqua ViTea also intends to work with Woodchuck Cider on startup investment opportunities.

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 project is consistent with the need to bring more jobs with good pay, benefits, and a social mission to Addison County and Vermont. Specifically, the project is consistent with the ACRPC's economic development goals found in its Regional Plan at: https://acrpc.org/regional-programs/economic-development/.

The Addison Region will be an attractive place to live, work, vacation and conduct business.

The capital project Aqua ViTea is undertaking will sustain and provide new full-time jobs that pay a minimum of $15 per hour, and in many cases more. The canning line allows us to increase our production by roughly 2.5x the current rate. As a result, we will also be able to take on additional startup projects and increase production which will require additional labor. In all, we could hire over 50 new employees and retain over 30 existing employees over the next 5 years as a result of this project. Aqua ViTea chooses to pay above the Vermont State minimum wage of $11.75 per hour and above the Vermont livable wage of $13.39 per hour as defined by the Vermont Legislative Joint Fiscal Office. We provide a starting wage of at least $15 per hour because we believe in investing in our employees and keeping jobs local.

Aqua ViTea will create direct full-time jobs from this project in manufacturing (outlined above) and other business development roles such as Sales, Marketing, Finance, and Operations. However, significant near-direct job creation will come from partner companies who will also see job growth as a result of this project, particularly in managerial and strategy-level positions that will support the founding of these startups. We intend to work with 6-10 partner companies at all times over the course of this project. If companies graduate to larger production volumes or move elsewhere, we intend to take on additional partners. Thus, many of these jobs would not be created but for this project. In this way, we believe that both direct and indirect/near-direct job growth should be taken into consideration as part of net economic/fiscal/social impact modeling that may be analyzed for this project.

The economy of the Addison Region is and should continue to be primarily comprised of small- to medium-sized, locally-owned businesses, which can be created and grow without placing undue strain on local services, schools and property taxes.

Aqua ViTea is a small- to medium-sized business which is locally owned and invests heavily in the community through job creation, buying local goods & services, and making donations.

The Addison Region will provide adequate infrastructure and services to support a strong and diverse economy.

This project enforces the need to provide infrastructure and business incubation services in the Region to support a strong and diverse economy.

Lastly, the project addresses significant social need in the community. Aqua ViTea was founded on the idea of providing a healthy alternative to sodas in our community. Our kombucha is USDA Certified Organic and contains probiotics and antioxidants that promote a healthy gut/microbiome, relieve digestion, kill harmful bacteria, and reduce the risk of disease.

Aqua ViTea is focused on environmental considerations when developing our product lines. We forgo one-use plastic containers and use glass and aluminum cans as our major product formats. We hope to continually improve our environmental footprint over time by buying locally within our supply chain and finding manufacturing processes to reduce carbon emissions. Thus, Aqua ViTea has a triple bottom line of both profit, purpose to promote health outcomes in the community, and environmental responsibility.

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: $ 3,072,000

Sources:

Source	Amount
Community National Bank	$ 970,000
Aqua ViTea cash flow/Equity	$ 602,000
Total Sources:	$ 1,572,000

Uses:

Use	Amount
Capital Equipment	$ 2,172,000
Leasehold Improvements	$ 900,000
Total Uses:	$ 3,072,000

Funding Gap: **$ 1,500,000**

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.

Aqua ViTea has $970,000.00 committed through Community National Bank for equipment financing. A $7,000 deposit has been made on the canning line in order to secure the right of first refusal. Our goal was to ensure that we would not lose the ability to make this vital equipment purchase with funding. We plan to fund the additional amount for the project with equity investment and cash flow from the business. We are in the middle of an equity round in which we have raised $1.1M and have an additional $900k in stock authorized by our Board to raise. With grant funding, we are forecasted to generate free cash flow in 2023.

Our current funding gap is $1,500,000 which we have applied for with the Vermont Capital Investment Project. We submitted our application on November 5 and the Stage II application deadline is December 27. Funding is expected to be awarded to successful applicants in January 2022 which is in line with our project start date.

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.

If project is funded with Capital Investment Project funds, these are estimates of the number of jobs to be created/retained:
Year one: 43
Year Two: 54
Year Three: 65
Year Four: 73
Year Five: 85

Description of benefits package:
• Hourly rate is starting at $15
• We offer medical benefits (employer contribution more than 50%)
• Dental and Vision (employee paid)
• Unlimited vacation time
• 40 hours sick time
• Paid holidays
• 401k (no match)

Average wage of the jobs to be created/retained: $27.78

CLEAR FORM PRINT FORM SUBMIT PROJECT