



**LYNDON, VT
OPPORTUNITY ZONE
PROSPECTUS**

EXECUTIVE SUMMARY

The Town of Lyndon, is located in Caledonia County, within the beautiful region of Vermont called the Northeast Kingdom. The town contains one incorporated village, Lyndonville, and three unincorporated villages: Lyndon, Lyndon Center, and East Lyndon. Lyndon is 36 square miles with 230 people per square mile for a population of 5,981 residents (2010 census). Lyndon is surrounded by some of Vermont's most gorgeous natural beauty with Lyndon Institute, Northern Vermont University, and the Burke Mountain Ski Area all nearby.

- Lyndon is an inclusive community with a strong commitment to education, workforce development, equity, and inclusion.
- Lyndon's diversified economy, is built on business services, manufacturing, healthcare, food and beverage services, tourism and outdoor recreation.
- Lyndon has a strong partnership with Northern Vermont University, an anchor institution serving as an educational and cultural center for the region and the state.
- Lyndon is engaged in downtown revitalization by creating opportunity for business growth. The new *Do North Coworking* space is 2,000-square-feet of rentable office facilities created for entrepreneurs and remote workers.
- Lyndon's Opportunity Zone was chosen to maximize the impact of Opportunity Zone investment, reinforcing multiple growth hubs in the Northeast Kingdom of Vermont.

THE RURAL & REGIONAL INVESTMENT PROSPECTUS:

PURPOSE



**Assist Lyndon
to Market its
Opportunity Zones
to Local, Regional, and
National Investors**

**Assist Lyndon
to Organize its
Assets to have
Maximum Economic
and Social Impact**

**Assist Lyndon
to Organize its
Stakeholders around
a Unified Vision of
Inclusive Growth**

HOW DO OPPORTUNITY ZONES WORK?

What are the incentives for investors?

- **Temporary Deferral:** An investor can defer capital gains taxes until 2026 by rolling their gains directly over into an Opportunity Fund
- **Reduction:** The deferred capital gains liability is effectively reduced by 10% if the investment in the Opportunity Fund is held for 5 years and another 5% if held for 7 years
- **An Exemption:** Any capital gains on subsequent investments made through an Opportunity Fund accrue tax-free as long as the investor stays invested in the fund for at least 10 years.

What are the major components?

- **Investments:** Opportunity Funds make equity investments in businesses and business property in Opportunity Zones.
- **Funds:** Opportunity funds are investment vehicles organized as corporations or partnerships for the specific purpose of investing in qualified Opportunity Zones
- **Zones:** States and territories designate 25 percent of their eligible low-income census tracts as Opportunity Zones.

INVESTING IN AN OPPORTUNITY ZONE

Who can invest?

Investors can be anyone who

- has capital gains and
- has filed form 8949 with the IRS to set up an Opportunity Fund and
- complies with the deployment timing rules

What can they invest in?

(1) Qualified Opportunity Zone **Operating Businesses**

which must have at least 50% of

- Employees,
- Sales or
- Property in Opportunity Zones

(2) Qualified Opportunity Zone **Property**

which must have been

- sold or leased after **December 2017**
- and be located within the zone.

* Details on: <https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions>

AUDIENCE FOR THIS PROSPECTUS

This document is a review of key projects in Lyndon's Opportunity Zone. It is intended for those interested in taking advantage of the federal legislation or looking for places to put their money.

 **Local individuals with capital gains:** These individuals who just sold a company or a piece of property and have a smaller amount of capital gains that they would rather invest in the local economy than pay federal taxes on. This document shows what's happening in their back yard and what they can do to support it.

 **Philanthropies and individuals with a regional interest:** These institutions and individuals care about the future of the region and may be interested in supporting projects through donations, grants, or low-return capital that create a meaningful investment aligned with their vision. This document shows where they can have the biggest bang for their buck.

 **Opportunity Fund Managers:** These are the national, local, and regional actors with market-rate and socially impact-oriented capital that they're seeking to responsibly invest in Opportunity Zones. This document shows them a menu of local projects in Opportunity Zones and who to contact for more information them.

 **Real Estate Investors and Developers:** Real estate investors and developers have an opportunity to reinvest their capital gains into such communities and projects while receiving tax benefits for doing so. Although many developments use multiple streams of financing, developers must understand that only qualified capital can be used to gain access to the tax benefits.

An aerial photograph of a farmstead. In the center is a large, two-story red barn with a white cupola on top. To the left of the barn is a modern, two-story house with a dark roof and light-colored siding. To the right is another modern house with a grey metal roof. A paved parking lot with several cars is situated in front of the barn. The background consists of rolling green hills and dense trees. The text "MARKET CONTEXT" is overlaid in the center of the image, underlined.

MARKET CONTEXT

LYNDON MARKET CONTEXT

140 miles to Montreal, Quebec

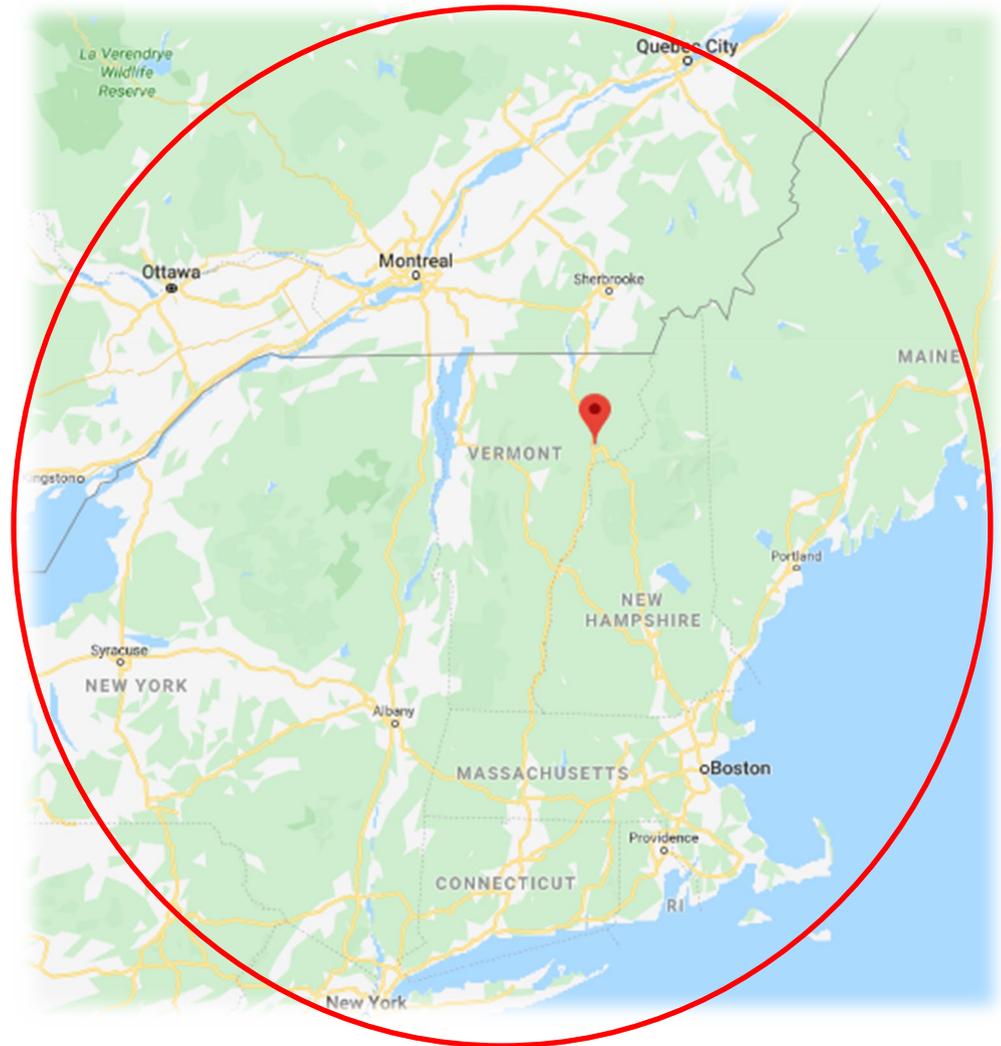
215 miles to Quebec City, Quebec

260 miles to Ottawa, Ontario

132 miles to Manchester, NH

182 miles to Boston, MA

329 miles to New York, NY





TOWN OF LYNDON BY THE NUMBERS

(Statistics provided by American FactFinder American Community Survey & ESRI Business Analytics)



Population 5,981



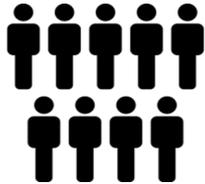
Median Age



Median Household Income
\$41,461



Total Housing Units 2,518
Occupied Housing Units 2,213
• Owner Occupied 1,316
• Renter Occupied 897



*Total civilian Employed
Population 16 years & older 2,617*



499 Companies



Unemployment Rate

Civilian Employed Population 16 years and older	2,617
Industry	
Agriculture, Forestry, Fishing, Hunting, Mining	64
Construction	174
Manufacturing/Wholesale Trade	239
Retail Trade	454
Transportation, Warehousing, Utilities	52
Information	7
Finance, Insurance, Real Estate	131
Professional Services	135
Educational Services, Health Care, Social Assistance	762
Arts, Entertainment, Recreation, Accommodation, Food Services	331
Other Services	113
Public Administration	155



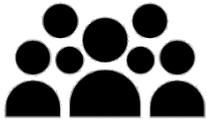
91.8%
High School Degree



23%
College Degree



7.1%
Graduate Degree



LYNDON EMPLOYERS & BUSINESSES

The Lyndon area has a diverse economy built around a number of sectors. Most current employment opportunities are in manufacturing, education and health care services. Logging and wood processing also contribute substantially to the economy.

Key Employers & Local Businesses

Precision Composites of Vermont - an industry-leading manufacturer of formed composite and plastic solutions that create cost-effective, high-performance products

Northern Vermont University - an educational and cultural center providing experiential hands-on education to 1,200 students

Lyndon Institute - an independent and comprehensive high school for grades 9 – 12, offering a 150-course curriculum specializing in core and honors academics, fine and performing arts, and technical and career programs on a 130-acre campus

Lyndon Furniture - a producer of fine hardwood furniture for over 40 years, supplying a full line of Lyndon-designed create-your-own (CYO), custom, and hardwood furniture from composites to solid materials, to markets across the nation.

Local Business Profile

Business Sector	Number of Employees
Manufacturing	304
Accommodation and food services	258
Health care and social assistance	237
Transportation and warehousing(104)	58
Finance and insurance	53
Other services (except public administration)	38
Real estate and rental and leasing	29
Other services (except public administration)	38
Professional, scientific, and technical services	19
Administrative and support and waste management and remediation services	11

MARKET STRENGTHS

LOCATION:

Market proximity to Canada (1 hour) via Interstate 91 (just over 2 hours to Montreal) and Boston (3 hours) via Interstate 91 and 93. Proximity to Caledonia County Airport.

EDUCATION & INNOVATION:

Northern Vermont University is a key community partner investing in work spaces and programs to support business and workforce development and revitalize the downtown.

PARTNERSHIPS and DEVELOPMENT TOOLS:

Strong partnerships with Federal Programs (NBRC, USDA), State (Village Center Designation Program, Tax Credits, Planning Grants) and Regional Development. Association (site development, planning and technical services, regulatory issues etc.).

LIFESTYLE:

Proximity to 4-season outdoor recreation (Kingdom Trails, Burke Mt., etc.). An engaged community with strong local leadership,

DEVELOPMENT OPPORTUNITIES:

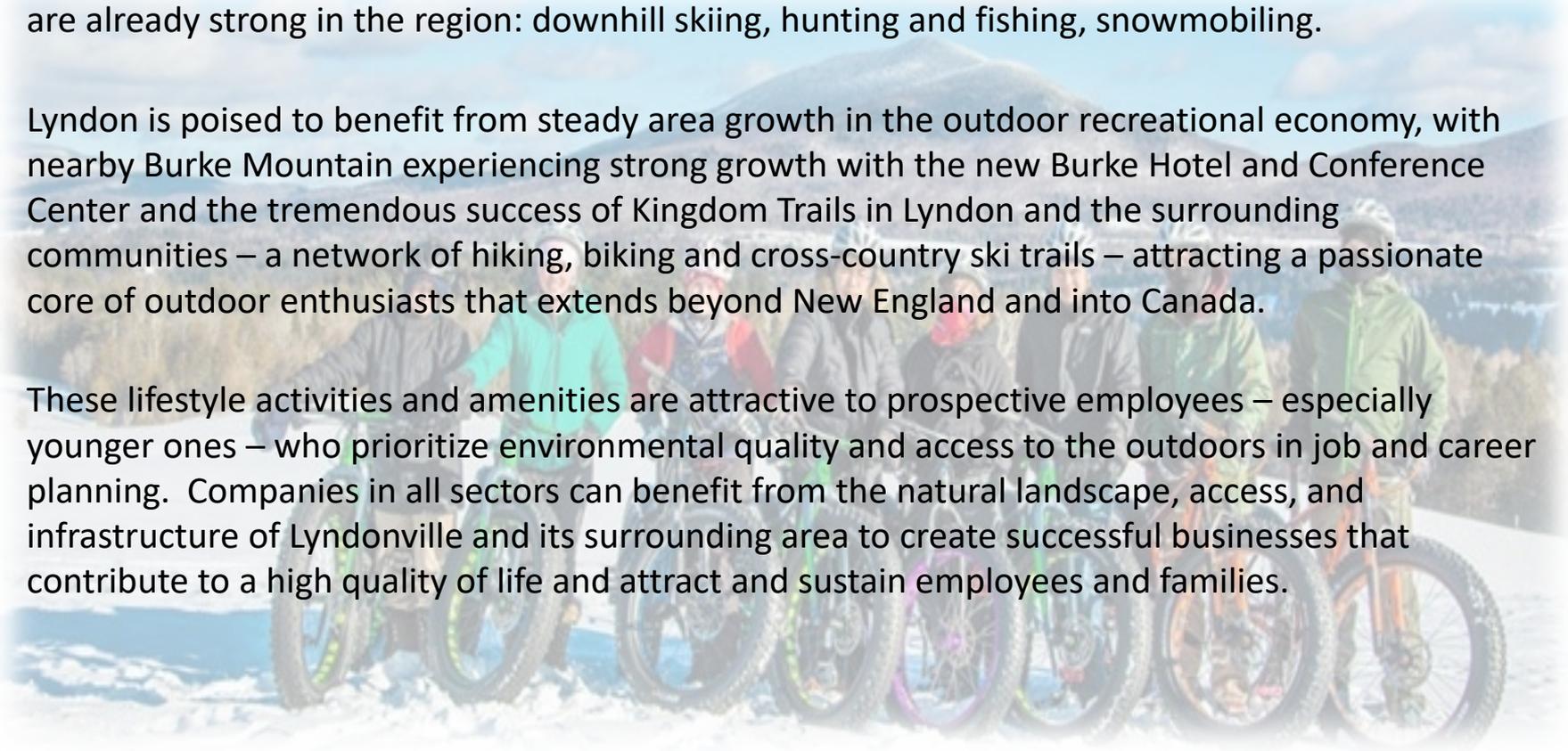
Strong demand for affordable housing and available development opportunities;

MARKET MOMENTUM

In Vermont, outdoor recreation accounts for 34,000 direct jobs and \$2.5 billion in consumer spending. Outdoor participation by residents and visitors is growing, especially in trail running, adventure racing, mountain biking and backcountry skiing. -- building on traditional sectors that are already strong in the region: downhill skiing, hunting and fishing, snowmobiling.

Lyndon is poised to benefit from steady area growth in the outdoor recreational economy, with nearby Burke Mountain experiencing strong growth with the new Burke Hotel and Conference Center and the tremendous success of Kingdom Trails in Lyndon and the surrounding communities – a network of hiking, biking and cross-country ski trails – attracting a passionate core of outdoor enthusiasts that extends beyond New England and into Canada.

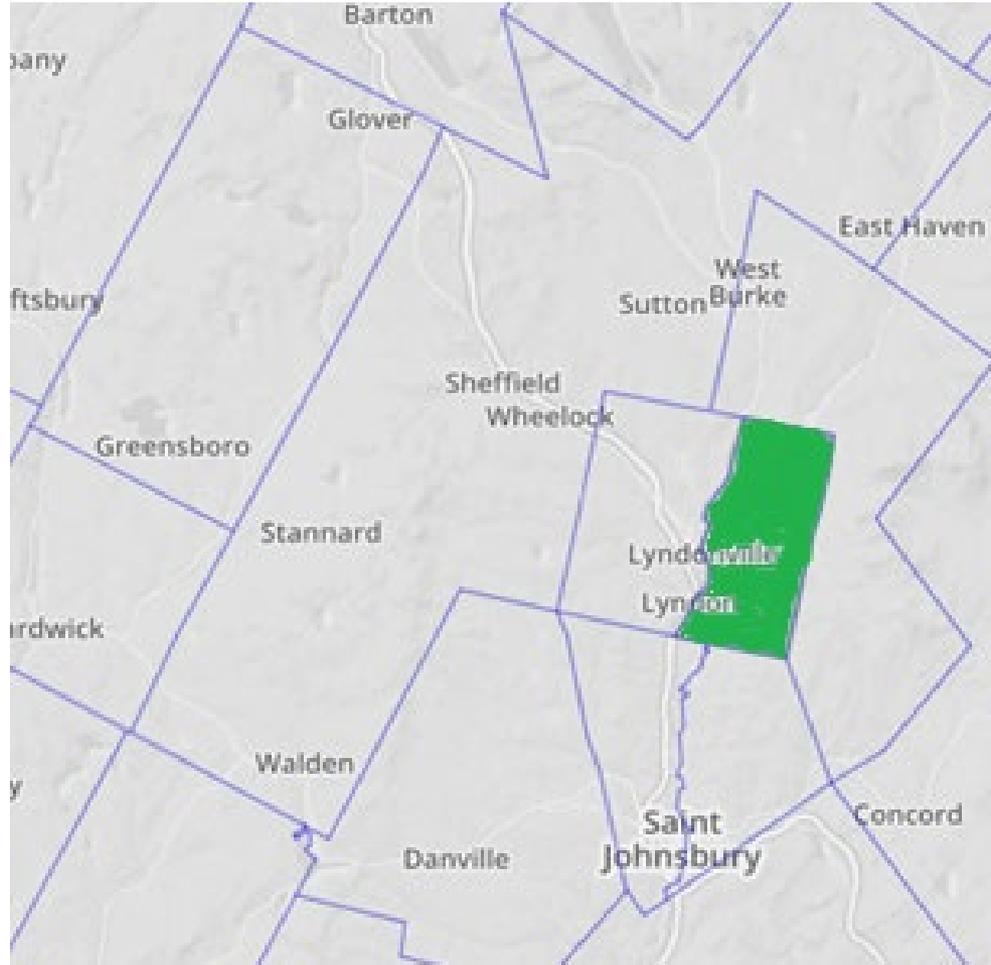
These lifestyle activities and amenities are attractive to prospective employees – especially younger ones – who prioritize environmental quality and access to the outdoors in job and career planning. Companies in all sectors can benefit from the natural landscape, access, and infrastructure of Lyndonville and its surrounding area to create successful businesses that contribute to a high quality of life and attract and sustain employees and families.





LYNDON OPPORTUNITY ZONE

Lyndon has one opportunity zone - Census Tract 9572





BUSINESS INCENTIVES IN THE OPPORTUNITY ZONE

- REAP Zone – Priority consideration for federal grants
- New Market Tax Credits (Census tract 9572)
- Vermont Designated Village Center Tax Credits
- Vermont Employment Growth Incentive (VEGI)
- Vermont Training Program (VTP)



REAP ZONE

Rural Economic Area Partnership Zones (REAP Zone)

- The Northeast Kingdom of Vermont (NEK) - highlighted in light green in the upper right corner of the map - is one of five REAP zones in the U.S., identified because of its rural isolation and lack of local capital.
- Priority consideration is given for REAP Zone applications submitted for funding through USDA Rural Development
- \$68 Million of investments have been made possible by REAP Zone designation





New Market Tax Credits (Census Tract 9575)

- The U.S. Treasury's New Markets Tax Credit program (NMTC), which began in 2000, is designed to spur economic development activity in economically disadvantaged communities throughout the country.
- These low-income communities often have good, viable business and economic development opportunities, but have no access to capital.
- The NMTC addresses this capital gap by providing the incentive of a Federal tax credit to individuals or corporations that invest in a Community Development Entity (CDE).

For more information go to: <http://vermontruralventures.com/>



Designated Village Center Benefits

Tax Credits

10% Historic Tax Credits:

- Available as an add-on to approved Federal Historic Tax Credit projects.
- Eligible costs include interior and exterior improvements, code compliance, plumbing and electrical upgrades.

25% Historic Tax Credits:

- Eligible facade work up to \$25,000

50% Code Improvement Tax Credits:

- Available for up to \$50,000 for sprinkler systems; up to \$75,000 for elevators; and \$12,000 for lifts.
- Eligible code work includes ADA modifications, electrical or plumbing up to \$50,000.

Priority consideration for state grants

- Priority consideration for various ACCD, VTrans and ANR grants and incentives

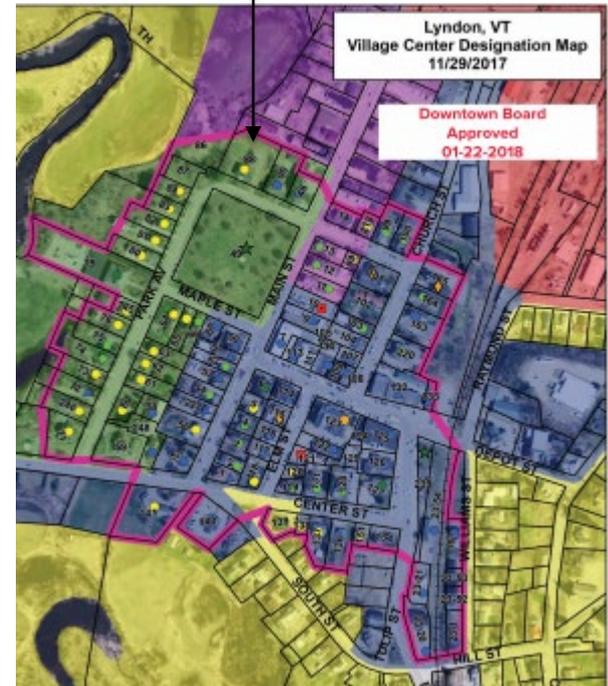
Priority consideration by State Building and General Services

- Priority site consideration by the State Building and General Services (BGS) when leasing or constructing buildings.

Neighborhood Development Area

- Exempt from Act 250 regulations for Priority Housing Projects projects not qualifying for the exemption receive a 50% discount on application fees.
- Exemption from the land gains tax for housing units sold. ■ Eligible for reduced state permit fees.

*The red border depicts
Lyndon's Designated Village Center*



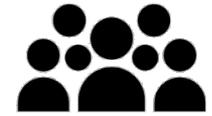


Vermont Employee Growth Incentive (VEGI)

The Vermont Employment Growth Incentive (VEGI) program provides cash payments to businesses that have been authorized to earn the incentive and who then meet performance requirements. The value of each payment is based on the revenue return generated to the State by prospective qualifying jobs, payroll creation, and capital investments.

For more information go to:

<https://accd.vermont.gov/economic-development/funding-incentives/vegi>



Vermont Training Program (VTP)

The Vermont Training Partnership (VTP) partners with employers and training providers to prepare Vermont's employees for the jobs of tomorrow. VTP provides performance-based workforce grants for pre-employment training, training for new hires, and training for incumbent workers. This training can either be on-site or offered through an outside provider. VTP grants may cover up to 50% of the training cost.

For more information go to:

<https://accd.vermont.gov/economic-development/funding-incentives/vtp>



OPPORTUNITY ZONE PROJECTS

Real Estate Opportunity A: 378 Main Street

Description Summary:

Former Kennametal Manufacturing Facility

- 87,000+/- SF on 4.05 acres
- Mix of office, manufacturing, and storage space
- 3 Drive-in doors
- 2 Docks

Ample on-site parking

Project Contacts:

David Snedeker,

Northeastern Vermont Development Association

Telephone (office): (802) 748-8303

Telephone (cell) : (802) 535-1241

Email: dsnedeker@nvda.net

Justin Smith, Municipal Administrator

Town of Lyndon and The Village of Lyndonville

Telephone: 802-626-5834

Email: justin@lyndonvt.org.

Public supports: Commercial, industrial, and agricultural businesses may apply to the Town for tax stabilization agreements. Loan funds (Town, NVDA, NCIC, etc.)

The property is available for investment.



Real Estate Opportunity B: Industrial Park

Description Summary:

Lyndon-St. Johnsbury Industrial Park

In Lyndon there are 20 acres of land of ready to build commercial/industrial lots – (lots 9, 10, 17, and 18).

Details:

- **Zoning District:** Industrial
- **Water & sewer:** Municipal water and sewer connection available
- **Electricity:** 3 phase power
- **Location:** Located just of I-91 Exit 23

Join existing community of businesses in the industrial park including, UPS, Lyndon Furniture, Vermont Aerospace, NSA Industries, Northeast Kingdom Processing, and a 5 Star-rated Day Care.

Contact:

David Snedeker,
Northeastern Vermont Development Association
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DISCLAIMER

The use of the word “prospectus” for the purpose of the work contained herein is not to advertise about, endorse or in any other way to promote or offer specific investment opportunities. The rural investment prospectus is a template designed to help unify local leaders around a plan, to show what might occur in a region and to use as a tool to promote the region and its plans. The prospectus has been prepared for discussion purposes only and not to induce anyone to enter into any agreement or transaction. For the avoidance of any doubt, the distribution of this prospectus does not constitute an offer to sell or a solicitation of an offer to buy any assets or equity securities or any investment of any kind.



CONTACT US

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