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Evernorth and MHIC to redevelop Yellow Barn Business Accelerator with \$11.4m in NMTC funding

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Hardwick, VT Evernorth Rural Ventures (Evernorth) and Massachusetts Housing Investment Corporation (MHIC) have closed on an \$11.4 million in New Markets Tax Credit (NMTC) allocation for the redevelopment of the iconic “Yellow Barn.” The NMTC funding supports the construction of a new 25,137 s/f food business accelerator building and the adaptive reuse of the vacant, historic 4,762 s/f yellow dairy barn for use as a retail shop, collectively called the Yellow Barn Business Accelerator.

The project is an innovative public/private partnership, the culmination of a six-year effort spearheaded by the town, the Northeast Kingdom Development Corp., and the Northeast Vermont Development Association. Situated on 4.7 acres of land in the Northeast Kingdom (NEK), the accelerator project aims to be a catalyst for innovation, sparking growth of the region’s farms,

small-scale and larger food manufacturing, and job creation in one of Vermont's historically poorest regions. The business accelerator is scheduled to open in spring 2024.

Capital One is investing in NMTC equity to help finance the expansion. The complex financing package includes the Vermont Economic Development Authority, the U.S. Economic Development Association, the Northern Borders Regional Commission, Vermont Agency of Commerce and Community Development, the U.S. Small Business Administration, Vermont Agency of Environmental Conservation, Vermont Community Foundation, and Preservation Trust of Vermont.

The project will preserve and renovate the historic Yellow Barn and construct a new building next door with two anchor tenants – the local nonprofit Center for an Agricultural Economy (CAE) and Greensboro cheesemaker, the Cellars at Jasper Hill. CAE will operate much-needed community cold storage for local farmers and food producers, while scaling up Farm Connex, a delivery service for small and medium farms and food businesses that would otherwise not have a way to get their products to market. The Cellars at Jasper Hill will centralize order fulfillment and storage from multiple locations, improving efficiency and setting the company up for continued growth. Once renovated, the historic barn will become a retail destination operated by Cabot Creamery for its signature dairy products and to showcase other local agricultural products. The overarching vision of this agricultural-economic campus is to create a place where food businesses can grow and a point of interest where visitors can learn about Vermont's agricultural products, which will be enhanced by its location on the Lamoille Valley Rail Trail.

"We are proud to be a part of this project that supports farmers, agriculturally based businesses, and food processing to create economies of scale and reach markets outside of the NEK and Vermont," said Beth Boutin, vice president of Evernorth Rural Ventures. "This investment not only supports the individuals who will work here and their families, but the entire community and beyond."

"MHIC appreciates the opportunity to work with Evernorth and the community leaders who shaped this project over many years to meet the region's needs, creating the conditions for lasting growth in the agricultural and tourism sectors, adding jobs and preserving the working landscape," said Deborah Favreau, chief development officer of MHIC. "Additionally, we are pleased to fill a gap in the financing structure with a \$4.85 million bridge loan that includes participation by Evernorth Loan Fund and Vermont Community Loan Fund.

The Northeast Kingdom Development Corporation is a non-profit 501 (c)(3) that serves as a catalyst for economic development efforts in the NEK, especially those built on public-private partnerships such as the Yellow Barn. They are the primary entity to secure bridge financing during the development of the project and the construction period.

"It is with great excitement that we witness the start of construction at the Yellow Barn project site," said Eric Remick, chair of the Town of Hardwick select board. "Yellow Barn will add much needed commercial and retail space, providing a very positive impact in our rural town. We are fortunate to have so many dedicated partners whose steadfast support have helped bring this project to fruition."

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 limited 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) like MHIC and Evernorth Rural Ventures.

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