

3. ECONOMIC DEVELOPMENT

3.1 Introduction

“Economic Development” – an Essex Definition

Economic development is traditionally defined as, “the process of creating wealth through the mobilization of human, financial, natural resources, physical resources, and capital to generate marketable goods and services.”

The mission of local economic development is broader than that. The ultimate goal is the creation of a local economy that is diverse, vibrant and sustainable. Initiatives must happen in coordination with the goals and desires of the community, with one eye always firmly affixed to the assurance of balance and harmony with the myriad dreams and realities of all residents of Essex.

A local economy that is diverse, sustainable, balanced and harmonic provides the quality of life the people of Essex have come to expect in a way that also inspires confidence in the community’s present and future.

Existing Studies

Several relevant studies and plans already have been prepared for Essex and the Chittenden County region. These include the following:

- Essex Economic Development Vision and Plan – 2010.
- VT Route 15 Corridor Study – 2009.
- Essex Open Space Plan – 2008.
- Town Center and Susie Wilson Road Committee Reports – 2004.
- Chittenden County Strategic Economic Development Plan – June 2004.
- Susie Wilson Road Transit Oriented Development Plan – March 2006.
- Village of Essex Junction Comprehensive Plan – 2002 and 2007.
- Essex Town Plan – 2006.
- Master Plan & Economic Development Strategy for Essex Junction by RKG Associates – 2001.
- EBPA Board Retreat Summary of Findings – 2001.
- Burlington to Essex Rail Corridor Studies – 2001-2002.
- Lake Champlain Technical Academy Committee – October 2001.
- Toward a Clear Vision for the Future by Economic & Policy Resources, Inc. – 2001.
- Tree Farm Master Plan Study – 1999.
- CVE Master Plan and Regional Convention Center Studies – 1997.
- Local Development Corporation Study Committee Report – 1995.
- Assessment Report for Essex Junction by National Main Street Center – 1995.
- Essex Community Economic Development Planning Retreat to Develop a Blueprint for Action – 1993.
- Town Center Master Plan – 1991.

Business and Industry Inventory

Employment levels have had peaks and lulls from 10,719 employees in 1980 to 13,295 in 1990, a peak of 16,100 in 2001 and a decline to 13,269 employees in 2003. Belden Wire & Cable, with 175 employees, recently announced closure of their Essex plant. A list of the eight largest employers in Town in both 2004 and 2010 is presented in Table 3-1.

Table 3-1 EIGHT LARGEST EMPLOYERS IN ESSEX AND ESSEX JUNCTION, 2004		
Employer	Product	Approximate Employees
1. IBM International Business Machines	Comp. Components	6,000
2. Essex Junction School District	Education	664
3. Essex Community Education Center	Education	350
4. Essex Town School District	Education	300
5. Hannaford Superstores	Grocery	178
6. U.S. Mail Processing Dist. Center	Mail	161
7. Huber & Suhner, Inc.	Wire and Cable	130
8. Belden Wire & Cable Company	Wire and Cable	123
EIGHT LARGEST EMPLOYERS IN ESSEX AND ESSEX JUNCTION, 2010		
Employer	Product	Approximate Employees
1. IBM International Business Machines	Comp Components	5,300
2. Essex Community Education Center	Education	358
3. Essex Town School District	Education	215
3. Essex Jct. School District	Education	215
4. Hannaford Superstores	Grocery	172
6. Autumn Harp	Cosmetics Packaging	160
7. Revision Eyewear	Eyewear Manufacturing	150
7. Sports and Fitness Edge	Fitness	150
Source: Data provided by each employer		

Organizational Structures Working on Economic Development

There are many organizational structures working on economic development issues affecting the community. These organizations include:

- Essex Business and Professional Association (inactive at this time except to organize the Memorial Day Parade and as otherwise needed).
- Essex Economic Development Commission.
- Essex Community Enhancement Corporation.

- Village Downtown Steering Committee.
- Essex municipal staffs and legislative bodies.
- Champlain Valley Exposition Board of Directors.
- Greater Burlington Industrial Corporation.
- Lake Champlain Regional Chamber of Commerce.
- Vermont Convention Bureau.
- The Partnership Fund – Revolving Loan Fund.
- Tree Farm Management Group.
- Essex Energy Committee.

In the past there was the Essex Economic Development Network (consisting of representatives from the Village and the Town outside the Village, the Village Community Development Committee, and the Local Development Corporation Study Committee) and the Town employed an Economic Development Coordinator for two years.

3.2 The 2010 Economic Development and Vision Plan

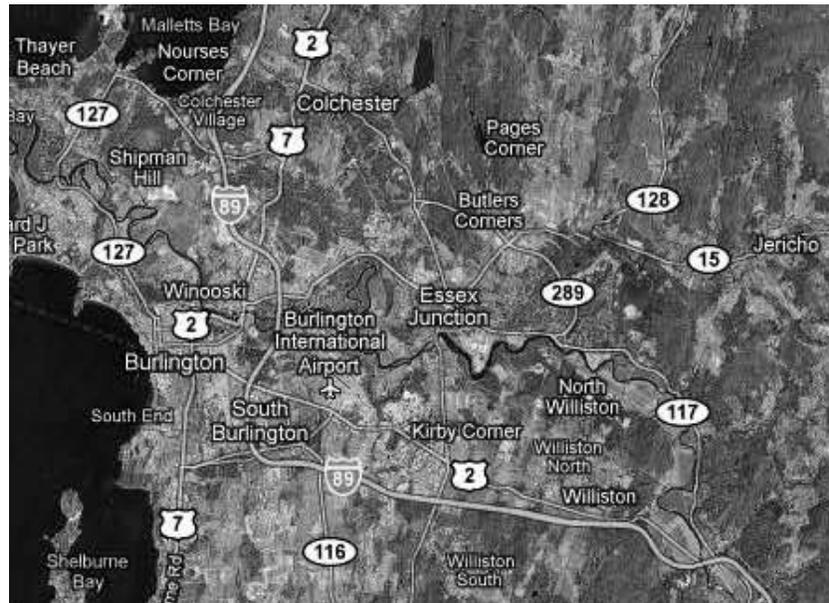
Background

In 2009, the Town retained BBP & Associates, LLC and VHB Pioneer to prepare a new economic development plan. The previous economic development plan formed the basis for all of this chapter. The full 2010 Economic Development Vision and Plan is incorporated into the 2010 Town Plan by reference. This chapter now integrates much of the new research, conclusions and recommendations.

Essex offers a unique set of economic strengths as well as challenges. The Town boasts an excellent school system and recently opened county-wide vocational/technical center. Although IBM has long provided a large share of area employment, Essex also features thriving smaller businesses, particularly in the VT Route 15/Susie Wilson Road growth areas.

Some of the key challenges Essex has faced over the years include the need to further diversify industry and move away from an economy dominated by a single industry, as well as the desire to achieve transportation investments viewed as critical to future economic expansion (most notably, the Circumferential Highway, which was partially constructed but never completed).

It is important to the citizens of Essex to have an economic development vision supported by the community along with a clear path to achieve that vision. The development of this vision and action plan is timely given the current state of Vermont's economy, and the need to further diversify local industries in order to help Essex's economy stay resilient in an increasingly global marketplace. The Economic Development and Vision Plan identifies which industries to target for such diversification, and how to support their creation, expansion, and longevity in the community.

Figure 3-1 Essex and Vicinity

Source: 2010 Economic Development Vision and Plan

Study Purpose

Key goals of the study were to gain broad citizen support for the vision for Essex's economic future and identify a set of strategies to achieve that vision.

The study geographically encompasses both the Town of Essex and Village of Essex Junction, with the recognition that the economies of these communities are intertwined.

Study Tasks

To complete the Economic Development Vision and Plan, the consultant team undertook a series of key tasks which included technical analyses and public outreach to understand the local economy and potential opportunities.

These tasks included:

- Project Mobilization and Site Visit
- Communications and Public Participation Plan Strategy
- Economic Cluster Analysis
- Implementation Plan
- Final Report

These tasks resulted in the identification of a vision for economic development informed by the community, and a series of action items to work towards achieving this vision. Action items were developed in four topic areas: 1) Business Retention, Expansion and Attraction;

2) Land Use and Regulations; 3) Sites and Buildings for Economic Development; and 4) Transportation Investments.

The action plan includes identification of key strategies and approaches for economic development, including preliminary identification of success measures and benchmarks, milestones and deadlines, orders of magnitude cost of implementation, potential funding sources, and implementing entities.

Stakeholder Interviews and Community Outreach

The involvement of individual stakeholders and the community at large has been an important element of the process to complete the Economic Development Vision and Plan. In order to gain insight into the local economy, a series of individual stakeholder interviews was undertaken, along with a visioning workshop and survey open to the community.

Stakeholder interviews were undertaken with representatives of the following groups:

- Autumn Harp
- Bartlett Weaver & Associates
- Boston Consulting Group
- Champlain Regional Chamber of Commerce
- Champlain Valley Exposition
- EuroWest Companies (Essex Shoppes + Cinema, The Essex Resort and Spa)
- High Point Realty
- IBM
- Links at Lang Farm and Nursery
- Neagley & Chase Construction Company
- REM Development
- Saxon Hill Business Park
- Town of Essex Economic Development Committee
- Town of Essex
- University of Vermont College of Medicine
- Village of Essex Junction
- White and Burke Real Estate Advisors

A community visioning workshop was held in mid-November of 2009. More than 75 residents and others with businesses in the Town and Village participated in the workshop, and provided their thoughts on Essex's possible economic future.

In addition to the community workshop, an online survey on the Town's website allowed a number of residents of the Town and Village to provide insight into their "economic experience" in the community – in other words, their experience, perceptions, and hopes for living and working in and around Essex. More than 100 residents completed the online survey, with responses roughly evenly split between Town and Village residents.

3.3 Economic and Demographic Profile

Population

From an employer's perspective, the presence of a growing population is generally an asset. A population that is growing often brings with it an expanding labor force and, depending

on the type of business, an expanding base of customers. Essex has experienced positive trends in population in recent years.

- Essex added nearly 1,200 new residents from 2000 to 2009, increasing the total population from over more than 18,600 to nearly 19,800 residents (an average annual increase of 0.7 percent).

	2000	2009*	Net Change 2000-2009	Annual Growth Rate
Essex	18,626	19,779	1,153	0.7%
Chittenden County	146,571	153,791	7,220	0.5%
Vermont	608,827	631,968	23,141	0.4%
* Estimate based on U.S. Census Data Source: U.S. Census Bureau				

Essex has surpassed surrounding areas in the rate of its growth in recent years, but like other areas of Vermont, has not experienced the same rates of growth as other areas of the nation.

- Essex has grown at an annual rate of 0.7 percent from 2000 to 2009, higher than that of surrounding Chittenden County (0.5 percent) and the state of Vermont (0.4 percent).
- Over the same time period, the nation as a whole experienced a growth rate of 1.1 percent, higher than the rate of growth in Essex.

Households

Essex has been adding households at a faster rate than it has been adding population.

- From 2000 to 2009, Essex added nearly 700 new households, increasing the total number of households from more than 7,000 to more than 7,700. The average annual rate of growth was 1.1 percent, higher than the 0.7 percent growth rate for population.
- Chittenden County also added households more rapidly than population (0.9 percent annual household growth compared to 0.5 percent annual population growth), adding more than 4,600 households from 2000 to 2009.
- Vermont added more than 18,000 households from 2000 to 2009 for an annual growth rate of 0.8 percent (higher than the population growth rate for the state of 0.4 percent over the same time period).

	2000	2009*	Net Change 2000-2009	Annual Growth Rate
Essex	7,013	7,710	697	1.1%
Chittenden County	56,452	61,072	4,620	0.9%
Vermont	240,634	258,698	4,604	0.8%
* Estimate based on U.S. Census Data Source: U.S. Census Bureau				

Essex has not only added households at a faster rate than population, but also added households at a faster rate than household growth in surrounding areas.

- Essex added households at a rate of 1.1 percent from 2000 to 2009, higher than that of surrounding Chittenden County (0.9 percent) and the state of Vermont (0.8 percent).
- While Essex lagged behind the nation in its rate of population growth, Essex added households at the same rate as the nation (1.1 percent).

Age Distribution

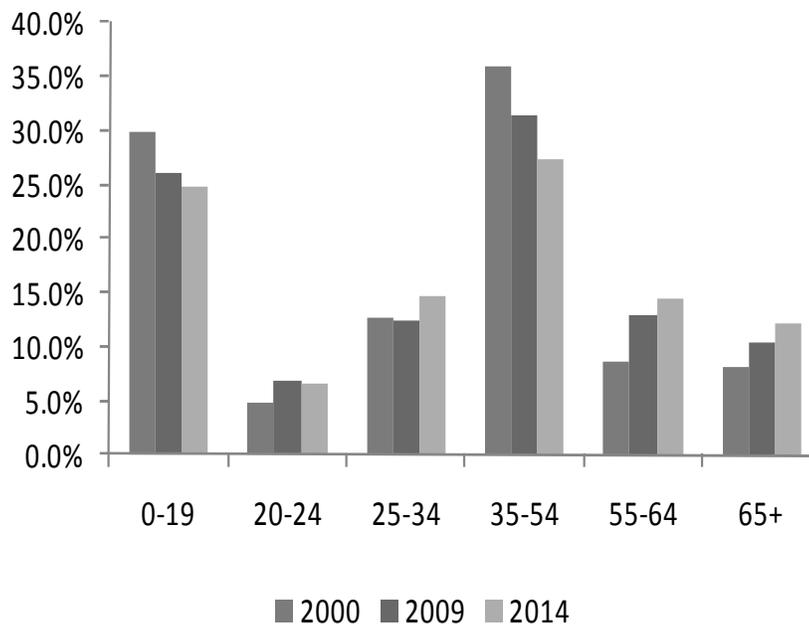
Trends in age distribution are an important aspect of population growth for economic development purposes. Employers are generally more interested in areas with growth in residents in their working years – typically 20 to 55. However, growth of non-working residents (children and teenagers, retirees and seniors) may be important to service and retail businesses that cater to specific demographics (such as health care providers).

In Essex, from 2000 to 2014, the following forecasted trends in age distribution are observed:

- Children and teenagers are decreasing.
- The proportion of younger residents in the 20-34 year age bracket is generally stable (neither decreasing nor increasing).
- Middle-age residents are decreasing, as fewer residents in the 35-54 year age-range are projected to live in Essex over the next five years.
- Retirees, empty nesters and seniors are increasing.

Overall, the population in Essex is aging, consistent with trends in the state of Vermont, and presenting an issue with respect to how the labor force will be sustained in the future.

Figure 3-2
Population by Age Group, 2000-2014



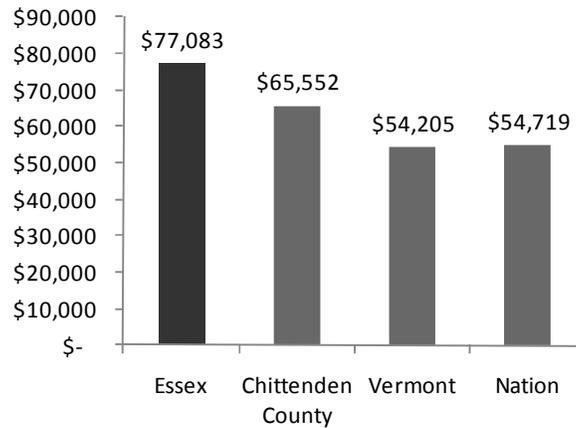
Source: U.S. Census Bureau

Income

Essex households, on average, earn more than those in the county, state and nation.

- In 2009, the median household income in Essex was approximately \$77,000; more than \$10,000 higher than the median of \$65,000 in the county and more than \$20,000 higher than the state and national medians.
- From an economic development perspective, relatively higher incomes in Essex could signal opportunities for expanded services that respond to area purchasing power.
- Retail establishments, restaurants, beauty and fitness providers, investment and financial advisors, and health care professionals are just a few of the many service-type establishments that often accompany higher-income populations.

**Figure 3-3
Median Income: 2009**



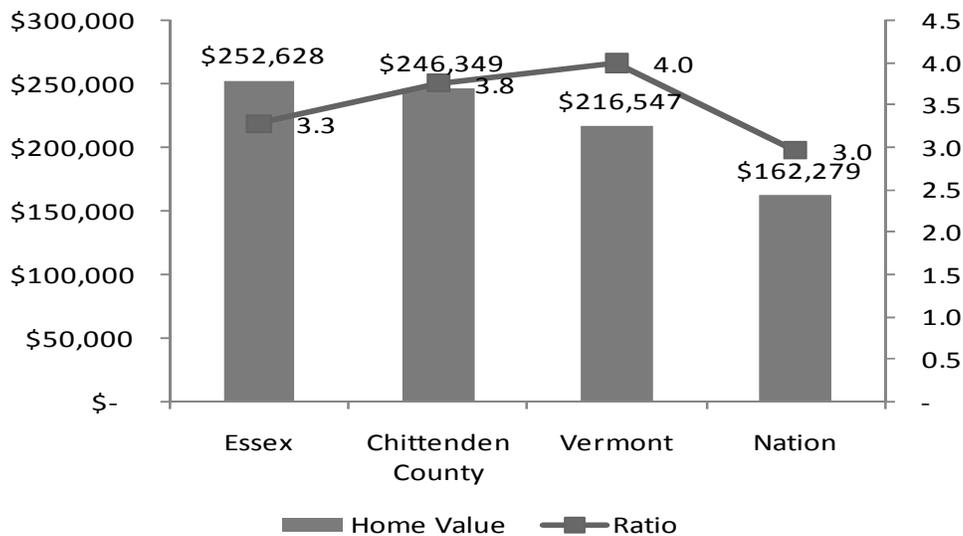
Source: U.S. Census Bureau

Cost of Living

Housing in Essex, though more expensive than homes in the county and state, on average is also slightly more affordable compared to incomes. In Essex, the average home assessed value in 2009 was approximately \$250,000, or 3.3 times the median income. Housing was 3.8 and 4 times median income in the county and state, respectively.

However, compared to the nation, housing in Essex is slightly less affordable than the national average home – for which the housing value of \$160,000 was 3 times median income.

**Figure 3-4
Average Home Value and Ratio of Home Value to Income: 2009**

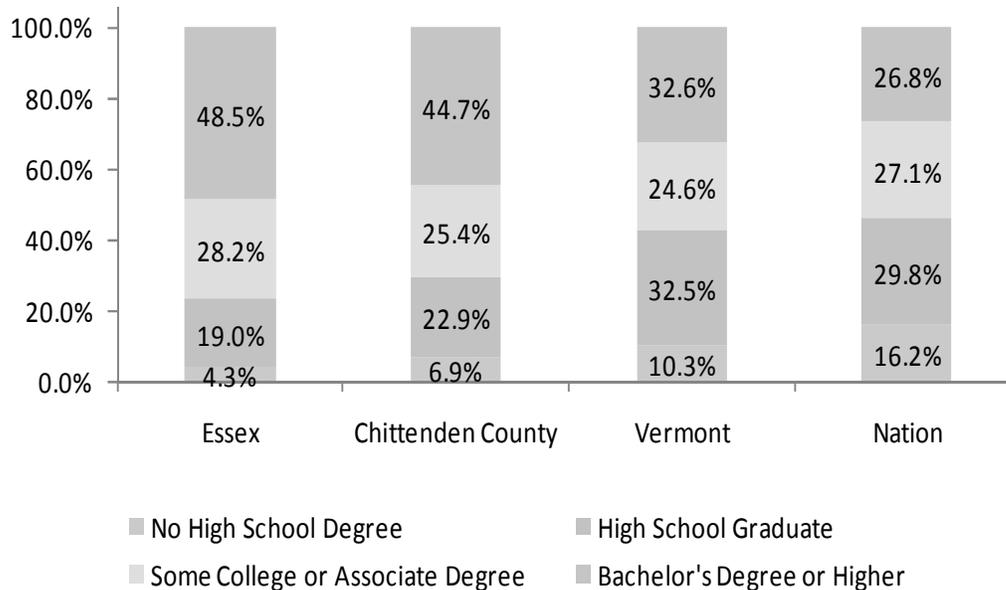


Source: U.S. Census Bureau

Educational Attainment

Essex residents are generally more educated than other residents in Chittenden County, Vermont and the nation. Nearly half of Essex residents hold a bachelor's degree or higher. Chittenden County's educational attainment is slightly lower, with 45 percent of residents holding a degree from a higher education institution. In contrast, approximately one-third of Vermont residents hold such degrees, while slightly more than a quarter of residents nationwide have obtained a bachelor's degree or higher.

Figure 3-5
Educational Attainment: 2009



Source: U.S. Census Bureau

The high educational attainment in Essex can likely be attributed, in part, to the presence of IBM, which has employed individuals with advanced degrees. Many of these highly-educated individuals – whether still working at IBM, employed elsewhere, or retired – reside in the community and present a unique competitive asset for economic development.

Employment

Trends in the growth of establishments and employment in Essex speak to the transformation of the local economy over time.

- In Essex, establishments grew over the past five years at a rate of 1.4 percent – slightly higher than in Chittenden County (1.3 percent) and double the growth rate in the state (0.7 percent).
- At the same time, employment decreased more rapidly in Essex, at an annual rate of 2.7 percent compared to a 0.1 percent annual decrease in the county and state.
- These trends, though counterintuitive, make sense when seen in light of the economic shift in Essex from an economy with a few large employers to one with more firms that employ fewer people per firm.

- This latter type of economy is more characteristic of the “new economy” often cited as the next frontier in economic development – an economy that relies more on small entrepreneurial activity than large, single employers.

Figure 3-6
Establishments and Employment: 2004-2009



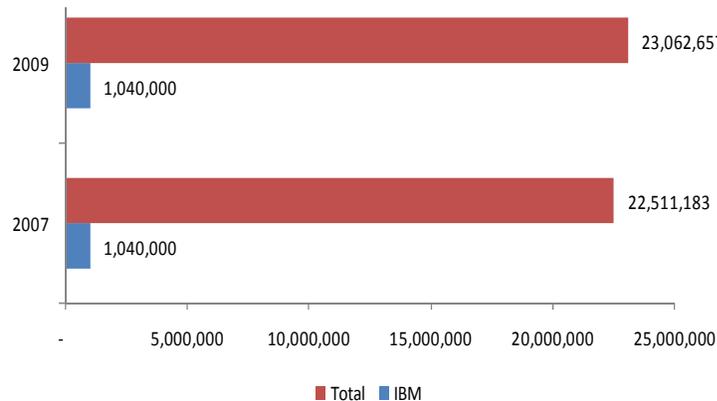
Source: Vermont Department of Labor

As a result of these trends, Essex’s employers now include a mix of large manufacturers and smaller firms, in a variety of industries. The top manufacturers in Essex in 2010 include firms involved in everything from electronic equipment to industrial machinery to specialized software. These top firms include:

- IBM – electrical/electronic equipment
- Offset House – printing and publishing
- Lamell Lumber – lumber and wood products
- Foodscience Corporation – chemicals and allied products
- Flex-A-Seal, Inc. – industrial machinery
- Vermont Systems – recreation and parks software
- Sherwin Electric – electrical contractors
- Green Mountain Coffee Roasters
- Ask-intTAG – technology manufacturing
- Huber + Suhner – fiberoptics
- Napoli Group – McDonald’s headquarters
- Haematologic Technologies – biomedical manufacturing
- Morse Hardwoods and Millwork – hardwood manufacturer
- Revision Eyewear – defense equipment
- Stewart Construction
- Vermont Systems – parks and recreation software
- Harmony Information Systems – medical software
- Autumn Harp – cosmetics manufacturing

Given the importance of IBM to Essex’s economy over the past several decades, it is worthwhile to provide a brief overview of the role IBM now plays in Essex’s grand list and overall employment mix. In 2009, IBM comprised less than 5 percent of the total combined grand list for Essex, and that figure shrinks as the Essex economy grows with other activities.

Figure 3-7
Grand List* for Essex: Total and IBM, 2007-2009

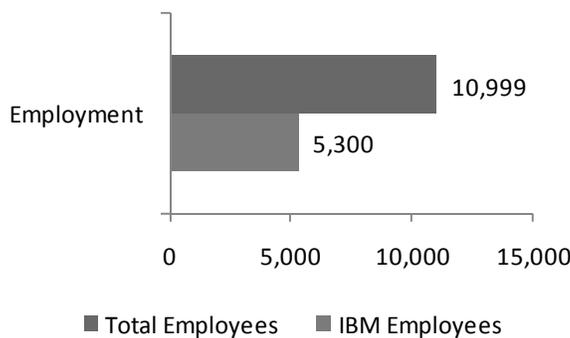


**The Grand List is a measure of real property value in Vermont*

Source: Town of Essex, 2007-2009

While IBM’s proportion of the grand list is relatively small, IBM’s share of employment in Essex is large; in 2009, IBM represented roughly half of all employment in Essex.

Figure 3-8



Source: Vermont Department of Labor, Vermont Public Radio, First Quarter 2009

Laborshed

While Essex residents primarily work in Essex, Burlington, and surrounding towns, those who work in Essex but reside outside its boundaries come from much farther distances, extending into numerous counties in Vermont. This relatively larger ‘laborshed’ highlights Essex’s importance as an economic contributor to the state’s economy.

Community Workshop

The community workshop in November 2009 highlighted some of the very difficult issues and choices that the Town faces in developing zoning, budgets, grant projects, and policies around economic development. The results of this workshop are contained in the full Economic Development and Vision Plan.

Survey Results

Following the community workshop, additional ways to boost public participation in the creation of the economic development report were sought. An unscientific survey, created and administered entirely online via a free web-based survey application, was the instrument eventually chosen. The survey asked residents of the Town and Village to answer questions related to their “economic experience” in Essex. The anonymous survey serves as an informational tool, but the limited number of responses does not serve as a complete representation of community attitudes and impressions of the Essex “economic experience.”

Economic Development: Strengths and Weaknesses

Essex contains both assets for economic development as well as challenges toward achieving economic objectives. The perceived strengths and weaknesses were brought out in the Economic Development Vision and Plan development through a stakeholder interview process, through a community workshop, and through the community survey. They also were informed by the extensive description of assets and liabilities provided in Essex’s Phase I: Economic Development Assets and Liabilities Review. Often-cited strengths and weaknesses are summarized in Table 3-4.

Strengths	Weaknesses
Great Place to Live	Permitting Process
Great Place for Families	Transportation Access
Top-Notch Schools	Restrictive Zoning
Educated Labor Pool	Lack of Vision for Economic Development
Innovators (Patents)	Region is not Unified
Cachet of IBM	Retiring Population = Fewer Workers
Recreational Opportunities	Cost of Living is Expensive
Sewer & Water Capacity	Taxes are High
Available/Affordable Comm. Space	Power is Expensive
Civic Minded Population	Lack of \$ Resources/Incentive Toolbox
Source: 2010 Economic Vision and Development Plan	

3.5 Industry Cluster Analysis

Overview

Given the broader economic downturn and uncertainty regarding the future mix of employment in Essex, there is a need to assess Essex's industry structure and consider how diversification of industries and employment may occur. Industry cluster analysis is an analytical method to help understand such opportunities. Such evaluation helps to bring stronger insight into industries that are already strong, those that are emerging, those that may be facing some challenges but are important retention targets, and those that may face limited prospects overall.

From the results of these evaluations, the performance of industries may be classified into four categories: strong performers; lagging performers; constrained performers; and poor performers. Then, industries can be further classified based on their potential as local targets, with five potential categories: current strengths; high priority retention targets; lower priority retention targets; emerging strengths; and prospects limited.

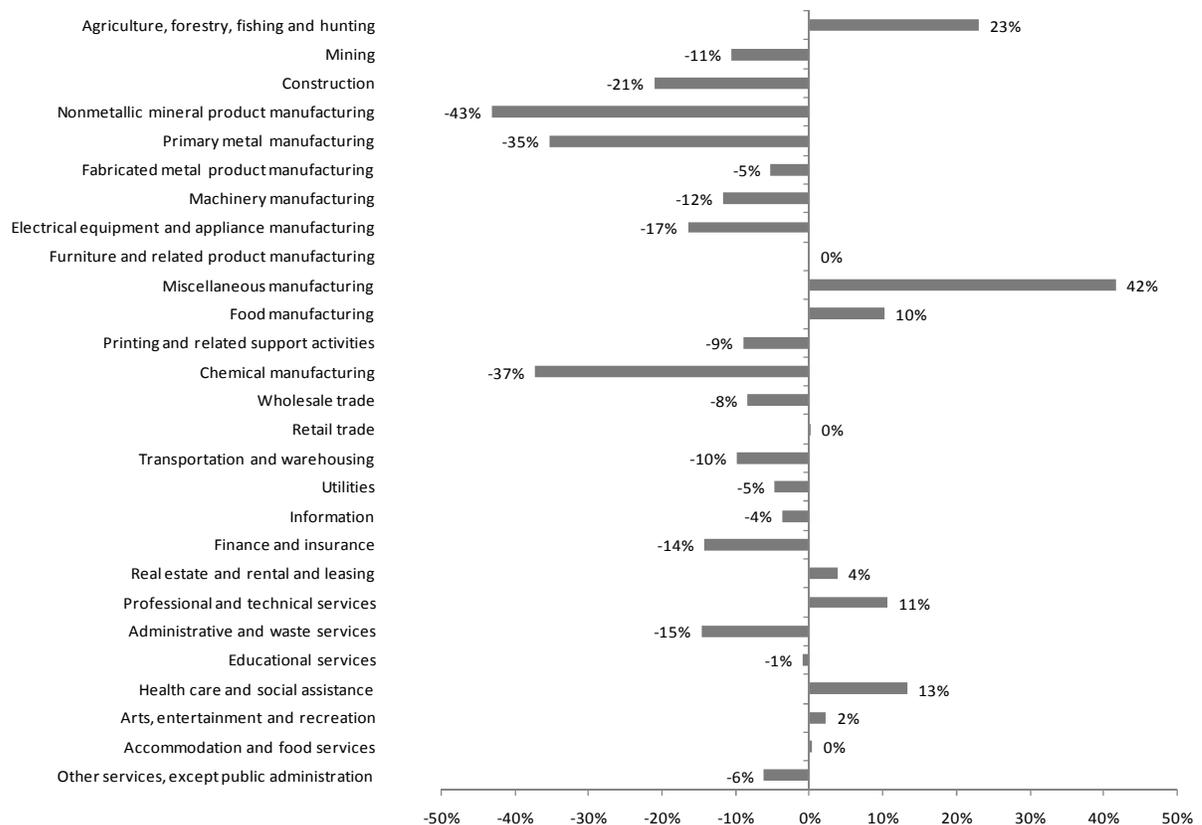
Industry Cluster	Essex	Chittenden County
Miscellaneous manufacturing	3.29	2.28
Retail Trade	1.04	1.19
Other services, except public administration	0.80	0.88
Professional and technical services	0.73	1.18
Accommodation and food services	0.62	0.89
Construction	0.55	0.89
Arts, entertainment and recreation	0.50	1.04
Real estate and rental and leasing	0.36	0.82
Finance and insurance	0.35	0.79
Wholesale trade	0.35	0.78
Source: 2010 Economic Vision and Development Plan *Local degree of specialization expressed by location quotients **Location quotients calculated based on employment in subject area compared to national employment ***Location quotients calculated using data from the Vermont Department of Labor ****Data was not available for all industries, as indicated by the "-"symbol		

Industries adding jobs in the county include:

- Agriculture, forestry, fishing and hunting;
- Miscellaneous manufacturing;
- Food manufacturing;
- Real estate and rental and leasing activities;
- Professional and technical services;
- Health care and social assistance; and
- Arts, entertainment and recreation.

Further, a few industries are neither losing nor adding jobs; these include furniture and related product manufacturing, retail trade, and accommodation and food services.

Figure 3-9
Percentage Job Growth by Industry Cluster, Chittenden County, 2009

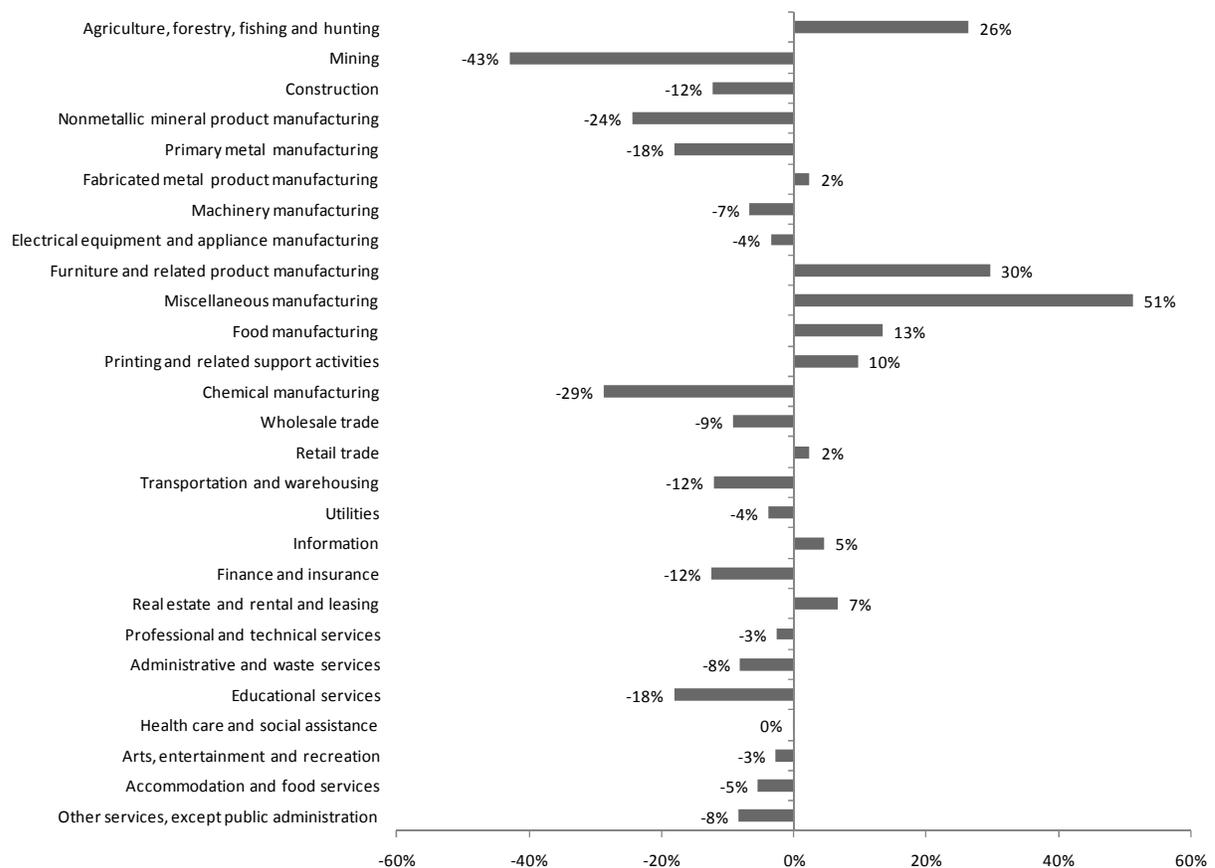


Source: Vermont Department of Labor, 2009

The following industries in Chittenden County are gaining competitive share relative to the nation:

- Agriculture, forestry, fishing and hunting;
- Fabricated metal product manufacturing;
- Furniture and related product manufacturing;
- Miscellaneous manufacturing;
- Food manufacturing;
- Printing and related support services;
- Retail trade;
- Information; and
- Real estate and rental and leasing.

Figure 3-10
Percentage Employment Change of Industry
Above Industry Employment Change in Nation



Source: Vermont Department of Labor, 2009

Mega-Clusters

Further grouping the clusters based on common themes – in essence, turning the clusters into mega-clusters is useful. The mega-clusters identified below include all of the potential targets listed above, as well as these other industries not covered for lack of data, yet considered potential targets.

- **Specialty manufacturers** include a variety of light manufacturers that span many fields, from niche consumer goods to those for business and for defense. Areas noted as potential opportunities for Essex in the Phase I Assets and Liabilities report, green enterprise and wood-product manufacturing, are included in this category.
- **High value-added professional services** include those services that cater to a customer base beyond Essex and Chittenden County (and are therefore dollar-importing industries). Many knowledge-based and design-oriented fields are included in this category.
- **Tourism, cultural heritage, agriculture and leisure** encompasses those industries that could draw travelers to the community, including agricultural resources, retailers and restaurants, and arts/entertainment/recreational amenities.
- **Community-related services** are those industries that support the local population and add to the area's overall livability. These industries may not necessarily have the dollar-importing characteristics of high value-added professional services, but provide services that enhance options and the quality of living in Essex. They also overlap in some cases with tourism and professional service industries, with a distinction made that some businesses within an industry are more locally serving (and therefore community-related services) while others serve clients and customers beyond local residents.

Top Strengths/Assets for Economic Development

- **Quality of Life:** Essex is a desirable place to live, particularly for families given the strong reputation of the local school system and area recreational opportunities. The community is also diverse socio-economically and civic-minded. Altogether, the quality of life in Essex is an important selling point for a business leader or entrepreneur looking to live near the workplace.
- **Human Capital:** The educational credentials of Essex residents are strong, not only in terms of degrees obtained but also in terms of patents. The education and innovation of local residents could provide the ingredients for entrepreneurial development.
- **Name Recognition of Existing Employers:** The presence of IBM gives Essex a certain cachet that enforces the perception that Essex can be home to a major employer. It also hints at the tremendous human capital available in Essex in terms of educated and innovative residents.
- **Capacity of Sewer and Water System and Commercial Space:** Compared to surrounding communities, Essex has a competitive advantage in terms of the capacity of the sewer and water system as well as commercial space, which is relatively more

affordable and available. This advantage will become more apparent as other communities approach build out limits.

Weaknesses/Constraints for Economic Development

- **Permitting and Zoning:** New development of industrial and commercial uses in Essex has been constrained by the difficulty of obtaining permits and of re-zoning (as few undeveloped properties are zoned for industrial and commercial activities).
- **Transportation Network:** Essex is at a disadvantage, with its distance to major highways such as I-89, though the rail network could offer an opportunity for expansion for freight-based industry.
- **High-Cost Area:** Essex is not an inexpensive place to do business or to live, with relatively high property and business taxes and power costs.
- **Aging of Population:** With many residents nearing retirement age, the replacement of workers to sustain the local labor force could be cause for concern for prospective employers.
- **Limited Economic Development Organization and Resources:** Essex has not historically had strong organization or resources for economic development. There has been a lack of financial resources and incentive programs available at the state level, and the Chittenden County region has not been unified in local efforts for economic development.

Based on this understanding of Essex's competitive situation, categorized as primary or secondary targets as illustrated in Table 3-6, which is followed by an explanation of how industries were categorized as either primary or secondary targets.

Table 3-6 INDUSTRY TARGETS FOR ESSEX		
Industry	Primary	Secondary
Specialty Manufacturing		
Fabricated metal product manufacturing		✓
Machinery manufacturing		✓
Electrical equipment and appliance manufacturing		✓
Engineered electronics and electronic components		✓
Connector and insulated wire manufacturing		✓
Furniture and related product manufacturing	✓	
Miscellaneous manufacturing/niche consumer goods	✓	
Printing and related support activities	✓	
Food manufacturing	✓	
Specialty plastics		✓
Instrumentation/homeland security/defense	✓	
Green enterprise/research and development	✓	
Forestry-based manufacturing		✓
High Value-Added Professional Services		
Information	✓	
Finance and insurance	✓	
Professional and technical services	✓	
Software and gaming	✓	
Primary medical-biotechnology and other research	✓	
Specialized medical treatment services	✓	
Tourism, Cultural Heritage, Agriculture and Culinary Tourism		
Agriculture, forestry, fishing and hunting	✓	
Retail trade	✓	
Arts, entertainment and recreation	✓	
Community-Related Services		
Agriculture, forestry, fishing and hunting	✓	
Retail trade	✓	
Real estate, rental and leasing		✓
Educational services		✓
Health care and social assistance	✓	
Arts, entertainment and recreation	✓	
Source: 2010 Economic Vision and Development Plan		

Community vision and goals for economic development must be taken into account when refining targets, since ultimately, the community – including key stakeholders in government, the private sector, and nonprofits – will be responsible for facilitating economic development. The community’s vision for economic development includes the following:

- Green enterprise/research and development;
- Technology;
- Restaurants and culinary activities;
- Agriculture;
- Transportation;
- Professional services;
- Retail businesses;
- Manufacturing – small and medium-sized manufacturers;
- Tourism;
- Arts, entertainment and recreation – including outdoor art, artists and artisans (including writers), an enclosed concert hall or venue, continuing the fairgrounds, and bike lanes throughout town; and
- Accommodations.

In addition to the types of industries desired, the community has expressed the following goals related to economic development:

- Environmental conservation – clear skies, nature, and clean water.
- Government services – continued post offices in Essex Center and the Village.
- Housing – keeping and enhancing the mix and range of housing options.
- Civic engagement – enhancing community participation.
- Transportation – increasing the vitality and presence of the train station.
- Education – maintaining school quality.

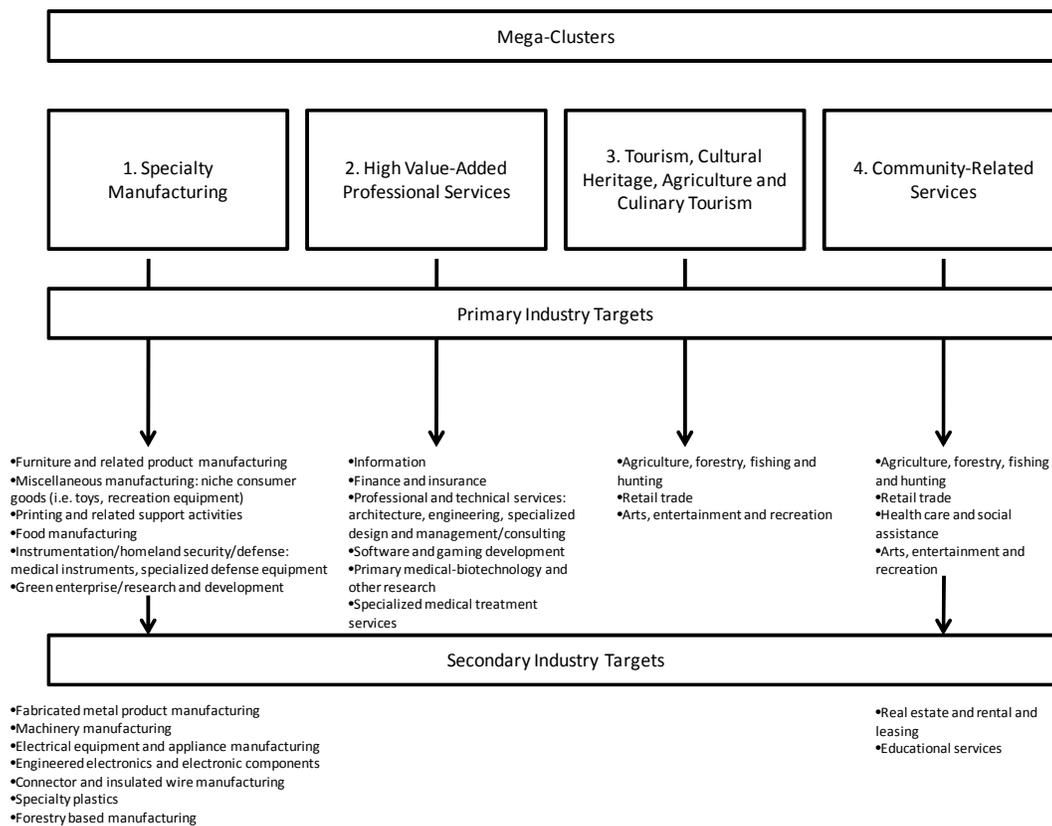
The primary and secondary industry targets that have been identified complement the community’s vision and goals, with the caveat that for specialty manufacturers, small to medium-sized operations will suit the community better than large plants.

In a planning process separate from the Economic Development and Vision Plan, community members emphasized the desire to see “green” industries locate in Essex. The Town was encouraged to work with the Lake Champlain Chamber of Commerce/GBIC and others on ways to encourage affordable and renewable sources of energy. The link between land use, energy use and transportation should be recognized. The need for clean and renewable sources of energy for both business and residences has been stressed. The Essex Energy Committee is one of the organizations working on these issues for the Town.

Recommended Industry Targets

To summarize the results of the industry evaluation, the following primary and secondary industry targets are recommended for Essex, grouped by mega cluster, as seen in Figure 3-11.

Figure 3-11
Mega-Clusters and Industry Targets for Essex



Source: 2010 Economic Vision and Development Plan

The Essex Selectboard asked the Economic Development Committee (EDC) to review the Economic Development and Vision Plan: Essex, Vermont prepared by BBP and Associates, with a focus on the 13 implementation strategies. Many of the strategy recommendations are resource expansive and intertwined, and as a result, were prioritized by the EDC with the goal of maximizing the potential effectiveness of strategies within the human and fiscal resources available.

The following list shows the strategies ranked in priority order, from highest to lowest, as summarized and/or amended by the EDC:

1. **Major Roadway Improvements** – The Town is encouraged to engage actively in infrastructure improvement projects, such as completion of the Circ Highway, VT Route 15 corridor improvements, and VT Route 117 improvements, along with the Crescent Connector, (in the Village).
2. **Strategic Industrial Park Evaluation** – The evaluation, with regards to the Town’s two industrial parks, should enable a better understanding of what is working, what is not, and what is next.
3. **Government Service Retention and Expansion** – The focus would be on the retention of current government services and the attraction and expansion of Federal and State

government services, along with the development and submittal of projects that may not be feasible without appropriations from other governmental sources.

4. **Regional Multi-Modal Improvements** – Multi-modal projects can improve both the economic climate and the quality of life in Essex, with a focus on local projects.
5. **Marketing Program** – A marketing program should define an Essex brand, modes to present that brand, and identify niches the Town seeks to occupy (such as outdoor recreation, “green businesses,” food commerce, and technology).
6. **IBM Site Initiative** – Communications should be established and maintained with IBM that better enable local government and the community to understand site opportunities and future plans and challenges.
7. **Infill Development** – Infill should be facilitated where appropriate, with care taken to preserve the character of neighborhoods and surrounding areas.
8. **Business Visit/Assistance Team** – A pilot program should be established to test the value of reaching out to existing Town businesses on a regular basis.
9. **Business Development Data Center** – Collecting and updating data on business status and infrastructure is resource intensive, with the costs outweighing potential benefits.
10. **Freight Rail Service Expansion** – Further investments in freight rail infrastructure can have a positive effect the Town’s ability to attract business, as well as providing opportunities for expanded passenger rail access and service.
11. **Local Education Resource Promotion** – Promoting the high caliber local school system should be incorporated into a marketing program.
12. **Transit-Oriented Development (TOD)** – The Town should remain vigilant in its search for TOD opportunities and flexible in its response.
13. **Green Entrepreneurial Center** – A low priority, given the estimated price (\$5.3 million) to build a green incubator space.

The EDC believes housing, particularly affordable housing, is a critical component of an economic development strategy, though it was not included in or attached to any of the 13 implementation strategies identified by BBP and Associates.

3.6 Goals, Objectives, Strategies

Overview

The Essex Economic Development Implementation Plan is comprised of a series of short- and long-term strategies, grouped under key topic areas, meant to enhance prospects for industries locally. A series of high-priority action items related to this vision have been developed. They include several strategies from the 2006 Essex Town Plan that are still valid for implementation.

Goal 3.1: To promote sustainable, balanced economic development and job creation/retention for the benefit of the entire community.

Objective 3.1.1: Decide how economic development initiatives can be delivered most effectively for the Town.

Strategy 3.1.1.1: Identify an economic development entity for the Town and Village, recommended to be fulfilled through creation of a full-time staff position.

Objective 3.1.2: Develop and implement a program that is coordinated with other local, regional and state marketing efforts to raise awareness of Essex as a good business location.

Strategy 3.1.2.1: Establish a stronger working relationship with the state and regional economic groups, including the VT Economic Development Department and the Greater Burlington Industrial Corporation (GBIC), to enhance Essex's participation in state and regional marketing efforts. Ensure that state and regional representatives are aware of Essex's economic industry targets and key economic development initiatives underway.

Strategy 3.1.2.2: Create a local marketing committee to develop innovative marketing strategies that are coordinated with state and regional marketing efforts.

Strategy 3.1.2.3: Implement a variety of marketing strategies, including but not necessarily limited to: printed material, the Internet (website, facebook page, weblinks on other related websites), ad campaigns, etc. Potential marketing themes will build upon the assets identified in this plan and consider the target industries as marketing audiences.

Strategy 3.1.2.4: Advocate for the creation of a regional marketing and economic development district (similar to New York's Empire District) with special taxing authority for economic development. The region could be defined as Chittenden County or broader to include Northwestern Vermont.

Objective 3.1.3: Work with existing manufacturers to identify and address common needs to help them implement new technologies and attract suppliers and services for increased efficiency.

Strategy 3.1.3.1: Target suppliers of existing manufacturers as part of business recruitment. Include testimonials from business retention and expansion visits to manufacturers as part of target recruitment campaigns.

Strategy 3.1.3.2: Target suppliers of existing manufacturers as part of business recruitment. Include testimonials from business retention and expansion visits to manufacturers as part of target recruitment campaigns.

Strategy 3.1.3.3: Establish and maintain a recording system to track business prospects as part of business recruitment. Collect information on: space requirements (building square feet, land acreage), number of employees, and reasons for choosing or not choosing Essex once site selection decisions have been made.

Strategy 3.1.3.4: Ensure that the needs and issues facing existing manufacturers in Essex are represented and addressed in regional economic development efforts by participating in the development of regional comprehensive economic development strategies (CEDS) as they are updated over time.

Objective 3.1.4: Work with all economic sectors and capitalize on our assets to diversify the Essex economy and promote Essex as a destination, using the target industry analysis provided in this plan as a guide.

- Strategy 3.1.4.1:** Incorporate the train station in tourism efforts, including targeting train users/visitors in tourism marketing efforts, and considering construction of a new train station that would serve as a gateway to the community.
- Strategy 3.1.4.2:** Support agriculturally-based tourism by ensuring local regulations allow for the development of wineries, agriculturally-related bed and breakfasts, and other agricultural operations.
- Strategy 3.1.4.3:** Given the community's interest in expanding the retail and restaurant sector, conduct a retail and restaurant market study that analyzes local spending patterns, retail sales leakage, and existing retail and restaurant businesses to determine the potential for new retail establishments and restaurants in Essex.
- Strategy 3.1.4.4:** As the number of retail and restaurant establishments in Essex grows, develop outdoor dining design guidelines and regulations.
- Strategy 3.1.4.5:** Develop a comprehensive biking and walking trail system that supports building Essex's image as a haven for wellness and healthy living.
- Strategy 3.1.4.6:** Retain government services that enhance quality of life and serve as employment anchors. Work with USPS to maintain a post office near Essex Shoppes and Cinema.
- Strategy 3.1.4.7:** Develop itineraries for visitors by themes and include as part of a marketing campaign. Potential themes could include but are not limited to: history; agriculture; wellness/health living; and the arts. Where feasible, prepare self-guided walking and/or biking tours for visitors.
- Strategy 3.1.4.8:** Maintain and enhance the role of the Expo in attracting visitors. Make sure that as Essex adds potential tourist stops, tourism itineraries are developed with consideration of visitors to the Expo (such as motorcycle and RV enthusiasts who visit the Expo).
- Strategy 3.1.4.9:** Build upon Essex's regional soccer facility by developing customized itineraries for tournament participants.
- Objective 3.1.5:** Build upon Essex's position as a multi-modal transportation center to improve and expand economic centers within the community.
- Strategy 3.1.5.1:** Support state and regional efforts to develop transportation links between Burlington, St. Albans, and Montpelier.
- Strategy 3.1.5.2:** Continue to develop transportation paths, including biking and walking trails.
- Strategy 3.1.5.3:** Explore a shuttle system between Village and Town centers (and public transportation linkages).
- Strategy 3.1.5.4:** Recognize that land use and transportation are linked. Remove any obstacles that might impede transit-oriented development (TOD) and explore alternative transit systems.
- Strategy 3.1.5.5:** Evaluate feasibility of rail system for shipping of finished products to support manufacturers (including green manufacturers) with links to existing underutilized manufacturing plants (spur rails already exist).

Objective 3.1.6: Foster a local environment that encourages the large number of talented individuals within the community to start their own businesses.

Strategy 3.1.6.1: Build partnerships with entrepreneurially-related groups in region to form an entrepreneur's support network, including, but not limited to: University of Vermont (including Office of Technology Commercialization and Vermont Experimental Program to Stimulate Competitive Research, or Vermont EPSCoR), Vermont Center for Emerging Technologies (a technology business incubator and provider of early stage company development), Fresh Tracks (venture capitalists), Vermont Technology Council, and Champlain College (Bring Your Own Business program). Use these partnerships to introduce Essex to entrepreneurially-minded groups and help them understand the types of industries Essex is targeting.

Strategy 3.1.6.2: Support the creation of a green entrepreneurial center, potentially to be housed at Saxon Hill Industrial Park.

Strategy 3.1.6.3: Encourage the development of a green energy source to help power the entrepreneurial center described under Strategy 3.1.6.2 (i.e. powered by biomass or solar).

Strategy 3.1.6.4: Encourage the use of green building features in the new entrepreneurial center.

Strategy 3.1.6.5: Focus on recruiting companies for the center that fall within the primary industries identified in the target industry analysis contained in this plan.

Strategy 3.1.6.6: Prepare case studies of successful entrepreneurial businesses in the community as well as in neighboring communities, and incorporate in marketing efforts to get prospective business owners thinking about their possibilities.

Strategy 3.1.6.7: Consider development of an arts and culture incubator (as a complement to, but different in focus to the green entrepreneurial center, which would focus on manufacturing and professional services) to attract more artists and artisans (including writers) to Essex.

Strategy 3.1.6.8: Support green and locally-owned businesses with a governmental green and local purchasing preference.

Objective 3.1.7: Promote workforce training.

Strategy 3.1.7.1: Support ongoing review and upgrade of the region's technical education system.

Strategy 3.1.7.2: Ensure that our Town's interests are represented on the regional Workforce Investment Board (WIB).

Strategy 3.1.7.3: Encourage coordination/cooperation with initiatives undertaken by the University of Vermont and other higher education institutions.

Strategy 3.1.7.4: Promote the Essex Community Education Center and the Center for Technology, Essex to prospective employers and businesses.

Strategy 3.1.7.5: Undertake a workforce training study to better understand: existing providers and programs; future workforce needs given target industries defined in

this plan; identification of gaps in programs as well as redundancy in programs; and recommendations for a more coordinated workforce training system.

Strategy 3.1.7.6: Support the creation of a young entrepreneur network.

Strategy 3.1.7.7: Form a public education advisory group that will serve as an advocate for the K-12 system in Essex.

Strategy 3.1.7.8: Build partnerships with local and regional workforce training providers, and convey the workforce needs of target industries to those groups.

Objective 3.1.8: Promote infrastructure readiness.

Strategy 3.1.8.1: Construct the Circumferential Highway and improvements to the VT Route 15 corridor.

Strategy 3.1.8.2: Evaluate Saxon Hill Industrial Park and Leo/Whitcomb Industrial Properties. Much of this industrially zoned property remains available for development. The Town should seek a better understanding as to what obstacles remain for this area to become more attractive to industrial users. Issues that should be examined further include: whether access to the Circumferential Highway via Allen Martin Parkway remains critical for future development and marketing of this area, whether the telecommunications infrastructure is adequate, and whether there are zoning and other regulatory issues that need to be resolved.

Strategy 3.1.8.3: Prepare an inventory of business related support infrastructure.

Strategy 3.1.8.4: Work with area real estate brokers and property managers to inventory business space, including occupied space as well as available space and vacant and underutilized sites. Publicize these sites through a site database, and incorporate in marketing efforts.

Strategy 3.1.8.5: Support further development of Essex's Town Center through infill development to accommodate office and retail space.

Strategy 3.1.8.6: Support further development of infill office and light commercial uses in the Susie Wilson Road corridor with transportation network improvements to manage traffic (funded through a special impact fee for the area).

Objective 3.1.9: Facilitate efficient state and local development review processes.

Strategy 3.1.9.1: Encourage staff participation in a development process facilitation task force to be convened by GBIC. As part of this process, consider the pros and cons of initiating a master-plan approval process for the Town's industrial sites as a means of expediting the approval process.

Strategy 3.1.9.2: Work with regional and state officials to provide proper training of local officials in the development review process.

Strategy 3.1.9.3: Identify developer concerns with regulations and address these issues while protecting the Town residents' interests.

Strategy 3.1.9.4: Consider simplifying the process of development in the Town of Essex by introducing a form-based code. Such a code would eliminate the current code requirements of minimum lot sizes and minimum setbacks.

Strategy 3.1.9.5: Consider offering special fast-track permit review and/or reducing requirements for selected industries, such as green and locally-owned businesses.

Strategy 3.1.9.6: Consider the creation of a Development Review Board.

Objective 3.1.10: Expand access to affordable capital.

Strategy 3.1.10.1: Continue to participate in The Partnership Fund – a revolving loan fund established to provide start up and working capital for businesses.

Strategy 3.1.10.2: Increase businesses' awareness of available capital by publicizing information on state financial incentives. Such publication should include, but not be limited to, descriptions of tax credits available from the Vermont Economic Progress Council, financing programs available from the Vermont Economic Development Authority, and angel investment programs available through both Fresh Tracks Capital, LP and the Vermont Venture Network.

Objective 3.1.11: Support business development and retention programs.

Strategy 3.1.11.1: Cooperate with others locally and integrate local efforts with those of the region and state, recognizing that we are not competing with one another but rather with the global market and thus must work together to attract and retain businesses in the region. Local officials that could have a role in business development and retention efforts include the Town Manager, Assistant Town Manager, Selectboard members, and/or Economic Development Commission members.

Strategy 3.1.11.2: Coordinate with GBIC on a program to visit Essex businesses. Create a quick action response team to handle issues raised by existing and prospective businesses.

Strategy 3.1.12.3: Work with existing businesses on zoning and subdivision bylaw changes that strive to enhance competitiveness.

Strategy 3.1.11.4: Work with GBIC on attracting new businesses to the region and to Essex in particular by staying involved in economic development planning efforts and ensuring Essex representation on the GBIC Board.

Strategy 3.1.11.5: If GBIC obtains US EDA approval of the Comprehensive Economic Development Strategy (CEDS), try to obtain funding from US EDA to undertake any other needed infrastructure improvements.

Strategy 3.1.11.6: Work with the Lake Champlain Regional Chamber of Commerce/GBIC and others on legislative and regulatory efforts to make the state more business friendly. Among the issues that need to be addressed include stormwater permitting issues, land use permit reform, and additional legislation to encourage growth center development and redevelopment.

Strategy 3.1.11.7: Work with area businesses and regional entities to develop marketing materials on Essex and create an ambassador program to promote the Essex area and the region.

Objective 3.1.12: Inventory and enhance Essex's tools for economic development.

Strategy 3.1.12.1: Ensure that the Town has an up-to-date tax stabilization policy.

- Strategy 3.1.12.2:** Promote The Partnership Fund (i.e., the fund’s existing purpose along with examining ways to enhance the fund).
- Strategy 3.1.12.3:** Work with GBIC and private developers to ensure pre-permitted sites exist for economic development in Essex.
- Strategy 3.1.12.4:** Work to complete construction of the Circumferential Highway and VT Route 15 corridor improvements and to ensure that other infrastructure needed for economic development is adequate.
- Strategy 3.1.12.5:** Work with the Lake Champlain Regional Chamber of Commerce/GBIC and others on legislative and regulatory improvement efforts to make the state more business friendly.
- Strategy 3.1.12.6:** Investigate the feasibility of creating a tax increment financing district to support the development of a green entrepreneurial center.
- Strategy 3.1.12.7:** Establish a job creation and attraction incentive program tied to business recruitment and expansion efforts.
- Strategy 3.1.12.8:** Prepare an inventory of available local, regional and state tools for economic development, and incorporate in marketing efforts (including websites). Provide area realtors and brokers with information on the toolbox.