

# 2014

## ECONOMIC DEVELOPMENT COMMISSION

- Commission Members:** Barbara Higgins (Recording Secretary), Robin Lane  
Greg Morgan (Chair), Betty Poulin, and Chris Riani
- Commission Advisors:** Greg Duggan, Essex Town Planner; Robin Pierce, Essex Junction  
Planning Director; and Curt Carter, Vice-President, Greater Burlington  
Industrial Corp. (GBIC)
- Ex-Officio:** Michael Plageman, Selectboard Member, Town of Essex; and  
Lori Houghton, Trustee, Village of Essex Junction

**Town Revenues and Addition Commercial/Industrial Properties to the Grand List:** Adding commercial and industrial to the Town's Grand List is one way Essex Town can keep property taxes under control. For every new \$1 million structure (that's the equivalent of \$10,000 added to the Grand List), the Town collects \$4,800 in tax revenue that does not have to be collected from residents, based on a tax rate of \$0.48.

**Game Changing Transition: IBM to GlobalFoundries:** Throughout the year, Vermont and Essex were gripped by rumors about the possible purchase of IBM's Microelectronics Division, including the Champlain Valley Innovation and Technology Park in Essex Junction, to GlobalFoundries, a California company with plans to become the world's leading producer of silicon chips. Well before the deal was announced, Essex Town and Essex Junction worked with IBM on site related issues and have emerged as important collaborators with the State of Vermont as the transfer of ownership is completed.

At a press conference on October 20, 2014 called by Governor Shumlin to react to news of the transfer of assets, Essex Selectboard Chair Max Levy stressed the gravity of the situation for employees and impacts on Essex: "There have been rumors going around for a long time — and that uncertainty is rough on the workers at IBM," and he called Essex "ground zero to this deal." Village President George Tyler expressed cautious optimism about the future of the plant in Essex Junction: "It's excellent news that GlobalFoundries intend to keep the plant open. Nevertheless, it is a seismic shift for our community. We have been an IBM community for half a century ... Although it's sad to see IBM leave, we look forward to the opportunity being presented to us by GlobalFoundries." For several years, the EDC has promoted active involvement of Essex officials in economic development issues that impact the Town. The Town's proactive approach to this corporate transition is serving Essex residents well.

### **Business News – Additions, Subtractions and the Top Employers:**

- **Blodgett Oven Company / Market Forge Brand:** Space opened up at the former Huber+Suhner building on Thompson Drive, just as Middleby Corporation (Blodgett's parent company) was purchasing Market Forge of Everett, MA. In July, Middleby moved proprietary Market Forge steam equipment manufacturing, sales and engineering operations into 100,000 sf at the Thompson Drive complex as part of its Blodgett Oven Division.
- In May **United States Department of Homeland Security (USCIS)** opened a 54,000 sf state-of-the-art facility where the Vermont Service Center handles family-based petitions, requests for humanitarian visas, and petitions for entertainers, athletes, and specialty occupations. This remarkable complex was built and is owned by Pizzagalli Properties for USCIS, and thus pays property taxes.
- **Reinhardt Food Services** completed construction on a 137,000 sf building on Thompson Drive. From this specially designed food distribution facility, product is delivered to restaurants across Vermont.

- On the site of “Building 617”, formerly owned by the State of Vermont, **REM Development** has completed construction on 180,000 sf of warehouse / flexible space which is now ready for tenant fit up. Because the building on this site is no longer owned by the State, property taxes are now being paid.
- The former Masonic Temple on Main Street was purchased by **EarthLogic**, a Vermont-based web-design company formerly located in Fort Ethan Allen. Their major rehab of this building has turned a vacant structure into offices for a business that will bring about 10 tech workers into the Village Center.
- **Top Employers in Essex - 2014:** Essex-based companies with more than 60 employees include: IBM Microelectronics (4,000 employees); Green Mountain Coffee Roasters (800); US Citizenship and Immigration Services (USCIS) (700); Autumn Harp (248); Revision Military (170); FoodScience of Vermont (155); The Essex Resort & Spa (100); Catamount Color (85); Vermont Systems (85); Harmony Information Systems (80); and Flex-a-Seal (76). These large companies provide employment to over 6,400 Vermonters.

**Business Start-Ups and Entrepreneurs:** In June, Essex Town, through its EDC, co-sponsored a StartUp Essex gathering that attracted almost 100 enthusiastic supporters of growing entrepreneurial activity in Essex. Attendees heard from leaders in creating local business and in building Vermont’s capacity: Giles Willey (Vermont Systems, the original Essex tech startup), Emir Heco (Heco Engineering), Pam Cowen (Start Up VT), and Lars Torres (Vermont Office of Creative Economy). In September, Caleb Guziak, the Essex High School junior who received a privately funded scholarship that sends an Essex student to the Governor’s Institutes of Vermont’s Entrepreneurship Institute, reported on his week-long experience on the VTC campus. The future of homegrown businesses is bright with several emerging start-ups, including Dodge Ski Boots (carbon-fiber ski boots), Rex’s Outrageous (8 flavors of Road Crew Crunch), The Orange Owl (skin care products) and Heco Engineering (education, prototyping and parts fabrication). And more are in the wings.

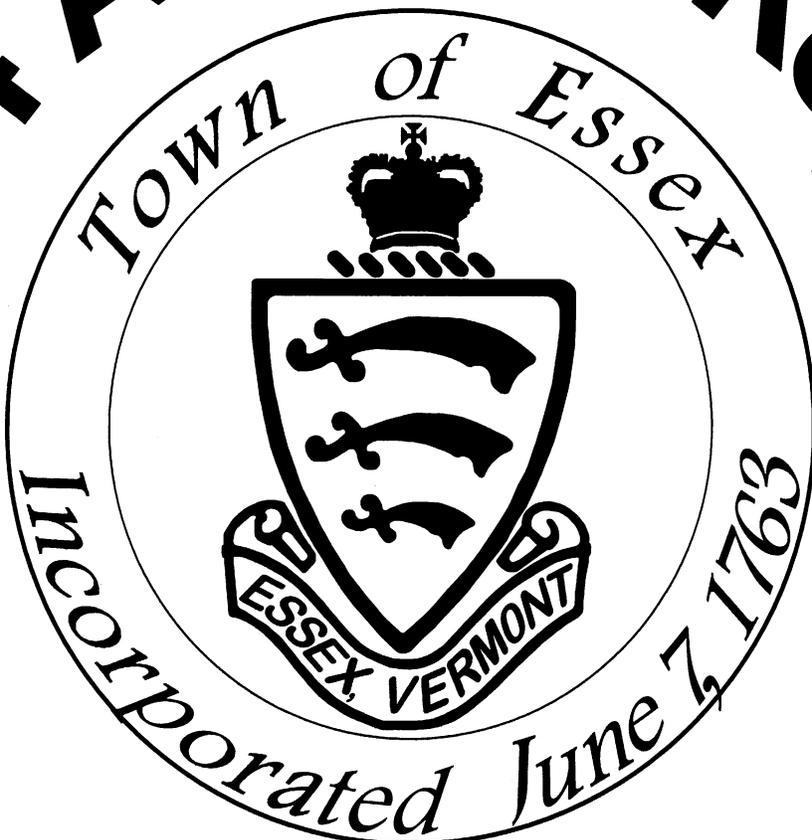
**Technology Education Expands in Essex:** In response to identified needs of the Vermont economy, Essex High School and the Center for Technology-Essex are expanding programs to encourage preparation for technology and high-tech manufacturing careers and potential entrepreneurial activity. This year Essex High School created its STEM Academy (Science, Technology, Engineering, and Mathematics) to promote science and technology career choices. At CTE, advanced manufacturing is an emerging focus with exciting announcements coming in 2015. Both EHS and CTE now host maker spaces, places where teams of students can develop an idea and build a prototype using the latest technology, including 3-D printers.

**Town Plan Revision:** The EDC spent several months late in the year crafting five year goals and a sharpened list of Action Priorities to guide economic development activity over the next 5 years. EDC recommends Essex pursue the following four broad goals: #1 – Increase and Diversify Tax Base; #2 – Improve and Invest in Infrastructure; #3 – Foster Enterprises that Create Jobs; #4 – Expand Communication and Outreach. These recommended goals, associated objectives, and action steps will be reviewed as part of Town Plan development in 2015 and are posted on the Town website ([essex.org](http://essex.org) – click on *Doing Business Here / EDC / Resources & Publications*). The EDC welcomes comments and insights.

**New Faces, Changes and Continuity at the EDC:** In July, the EDC took a double hit. Jerry Firkey, a long-time member of the Commission and former Essex Town Zoning Administrator stepped down to meet family obligations. Jerry provided unique and valuable historic insights that often kept the Commission informed and on track. At the same time, the Commission’s primary staffer and Assistant Town Manager, Trevor Lashua, accepted the Town Administrator position in Hinesburg. The EDC wishes him well, but will miss greatly his guidance, support and depth of knowledge. Essex Junction resident Chris Riani volunteered to serve and was approved by the Selectboard mid-year to fill the

vacancy on the EDC. Chris provides information technology support to the Vermont Air National Guard and hopes to contribute to a vital local economy for his growing young family. Selectman Mike Plageman and Trustee Lori Houghton continue to provide the EDC with direct liaison to the two Boards and Curt Carter, GBIC's Vice President, gives Essex a regular relationship with the Greater Burlington Industrial Corporation.

# 2014 Annual Report



Town of Essex  
Incorporated June 7, 1763

Fiscal Year Ending June 30, 2014