

**Report of the Essex Town Economic Development Committee
Submitted to the Essex Selectboard
September 30, 2010**

Economic Development Committee (EDC) members:

- Jerry Firkey
- Barbara Higgins
- Greg Morgan, Chair
- Betty Poulin
- Jonathan Guy

Staff

- Trevor Lashua, Staff to EDC and Assistant Town Manager
- Robin Pierce, Development Director, Essex Junction

Former Committee member who contributed to the discussion during the RFP/Consultant selection:

- Rob Levine (left committee in June 2010 and his position as Executive Director of the VT/NH Red Cross to accept a position in Florida for the American Red Cross)

Introduction

On May 17th, the Essex Selectboard was presented with the completed version of the *Economic Development and Vision Plan: Essex, Vermont*. The report, prepared for the Town by BBP and Associates, came into being after years of discussions about the need to develop an economic development strategy rather than continuing to chase opportunities as they may arise. The discussion about creating a strategy intensified during the review and adoption of the 2006 Town Plan, carrying forward to the identification of a pair of goals in 2009 just before the selection of a consultant. The goals identified were: 1) the need for a diverse and sustainable local economy; and 2) an economic development action plan to achieve that diversity and sustainability.

The Town appropriated \$50,000 in capital funds, created an RFP and a scope of services, and began soliciting outside consultants to perform the work. More than 20 proposals were received and reviewed before BBP and Associates of Annapolis, Maryland – working in partnership with VHB Pioneer of North Ferrisburgh, VT – was selected.

The report contains four major sections: Economic and Demographic Profile, Community Vision, Industry Cluster Analysis, and Implementation Strategies.

Following the May 2010 presentation of the report, the Essex Selectboard asked the Economic Development Committee (EDC) to review and comment on the report. The EDC met throughout the summer and fall to discuss the report and review, translate, and prioritize the 13 implementation strategies recommended by BBPA.

The strategies are split across four categories: Business Retention, Expansion, and Attraction; Land Use and Regulations; Sites and Buildings for Economic Development; and Transportation Investments. The section that follows this introduction provides the results of the numerical ranking system used to evaluate the implementation strategies, as well as the salient pieces of the discussions that accompanied the rankings. The appendix includes the pair of spreadsheets used throughout the review process.

The Selectboard also asked staff to solicit feedback from the Energy, Trails, and Conservation Committees. The Trails and Conservation Committees discussed the report with staff at a joint meeting in June, but provided no written feedback. A draft copy of the Energy Committee's written feedback is included as an appendix to this report.

In reviewing BBPA's report, the EDC came to the conclusion that many of the recommendations for implementation strategies are resource expansive and intertwined. The breadth and depth of the strategies also led to the need to prioritize them in order to maximize their effectiveness within the resources (human and fiscal) available. In some areas the EDC indicates where strategies or strategy elements can and should be combined.

The numerical ratings are based on the opinions of five committee members, the Assistant Town Manager, and the Village Development Director. Strategies were ranked on a scale ranging from "0" (not a priority item) to "5" (highest priority item).

**EDC analysis of BBP Action Plan (Section 5.2 beginning at page 45)
strategies, listed by topic area:**

Business Retention, Expansion & Attraction:

1. **Strategy Recommendation:** Implement a marketing program consisting of a variety of media.

EDC Analysis: The EDC recommends that the Town pursue the development of a marketing program that defines an Essex brand and presents that brand through a variety of public channels, including some of the following: economic development website, social media (i.e. Facebook, etc), newsletters, welcome kit and other tools (as otherwise determined or outlined in the BBPA report).

Furthermore, the EDC recommends that the marketing plan identify niches the Town seeks to occupy. These niches might include outdoor recreation, “green businesses,” food commerce, and technology. The EDC feels that a “green” perspective should be explored as part of the Essex brand. The EDC also feels that the Town should explore becoming active in the promotion of industrial space. The marketing program should be developed by a local firm and designed so that it may be updated and maintained by Town staff.

The time for implementation is relatively short, as the effort can follow the adoption of the Town Plan in March.

Rating/Average/Overall Rank: 24 / 3.4 // #5

2. **Strategy Recommendation:** Create a data center for business development in Essex.

EDC Analysis: Collecting and updating data on business status and infrastructure is complex and labor intensive. While useful, the EDC feels that the resources needed to build and maintain a full data center outweigh the cost. The EDC recommends a scaled down version of the Data Center as described in the report and making this effort a reduced priority.

Rating/Average/Overall Rank: 19 / 2.7 // #9

- 3. Strategy Recommendation:** Promote educational resources in Essex to prospective employers and businesses, including the Essex Community Education Center and the Center for Technology, Essex.

EDC Analysis: The EDC recommends that the promotion of local educational resources be rolled into the comprehensive marketing effort. Those ranking the strategy agreed on the combination, with even the single “zero” rating delivered with the caveat this strategy be rolled into the marketing initiative.

Rating/Average/Overall Rank: 17 / 2.4 // #11

- 4. Strategy Recommendation:** Retain government services that enhance quality of life and serve as employment anchors.

EDC Analysis: The high rankings for this strategy reflect the EDC’s recommendation to shift the focus away from the simple retention of current government services in favor of a focus on attraction and expansion of Federal and State government services. This modification is timely given the seniority of Vermont’s congressional delegation. A corresponding strategy is the development and submittal of projects that may not be feasible without appropriations from other governmental sources. The combinatory strategy outlined above could begin immediately with existing staff and committee resources.

Rating/Average/Overall Rank: 27 / 3.9 // #3

- 5. Strategy Recommendation:** Establish a business assistance team that visits with current and prospective employers, participates in site visits, acts as an “action response team” when necessary, and generally tries to foster a closer relationship between business and local government.

EDC Analysis: The EDC recommends a pilot program to test the value of reaching out to existing Town businesses on a regular basis. Using interested

EDC members, staff and other volunteers, the team would visit three businesses to test the value of the visits to the businesses and to the Town. The pilot program would subsequently be reviewed to gauge its efficacy and appropriateness. If deemed successful, the program may be expanded. Similar programs are in place in neighboring communities, and the State of Vermont uses a similar vehicle to make and maintain contact with current and prospective employers.

Rating/Average/Overall Rank: 21 / 3.0 // #8

Land Use & Regulations:

- 6. Strategy Recommendation:** Support infill development of office and retail uses in Essex's Town Center and the Susie Wilson Road corridor and in many cases the spaces in between.

EDC Analysis: The EDC endorses the concept of infill development throughout the Town and not only in the two areas outlined in the report (Town Center and Susie Wilson Road corridor). When undertaking infill projects, care should be taken to preserve the character of neighborhoods and surrounding areas. The EDC supports a review of current zoning regulations to ensure that infill development can be facilitated where appropriate.

Rating/Average/Overall Rank: 22 / 3.1 // #7

- 7. Strategy Recommendation:** Continue to recognize that land use and transportation are linked, and remove any obstacles that might impede transit-oriented development (TOD) and explore alternative transit systems.

EDC Analysis: The EDC supports TOD as a concept, but is not recommending changes that anticipate development projects. The Town should remain vigilant in its search for TOD opportunities and flexible in response. This strategy generated a relatively low score due to the EDC's sense that these opportunities are less likely to materialize in the near future and are being incorporated into much of the planning process currently ongoing in Town.

Rating/Average/Overall Rank: 16 / 2.3 // #12

[Link to Multi-Model Strategy](#)

Sites & Buildings for Economic Development:

- 8. Strategy Recommendation:** Evaluate Saxon Hill Industrial Park and Leo/Whitcomb Industrial Properties in terms of obstacles remaining for industrial development, including those related to transportation access, telecommunications infrastructure, and zoning/regulatory issues. In response to the results of this evaluation, consider potential investments to overcome obstacles.

EDC Analysis: The ranking reflects a desire to better understand, with regards to the Town's two industrial parks, what is working, what is not, and what is next. Part of the evaluation will be exploring what obstacles to occupancy and development exist – if they are determined to exist. The Town may also consider playing a role in the promotion of existing industrial properties. The review should include a look at the ways other municipalities promote commercial properties, what owners have done to advertise properties, collaboration with commercial realtors, and other avenues for raising visibility and encouraging occupancy. Additionally, this strategy could be linked to the creation of a marketing plan (Strategy #1).

Rating/Average/Overall Rank: 28 / 4.0 // #2

[Link to Marketing Plan strategy](#)

- 9. Strategy Recommendation:** Support the creation of a green entrepreneurial center (incubator), potentially to be housed at Saxon Hill Industrial Park.

EDC Analysis: The EDC has rated this initiative as a low priority because it does not support investing \$5.3 million for the creation of a green incubator building.

At the same time, the Committee supports consideration of a “green” focus as part of the marketing and branding process. Step one should be the establishment of a clear community definition of “green.” If a green focus is adopted, the EDC recommends a review of planning and zoning regulations for compatibility.

Feedback provided by the Essex Energy Committee highlights a number of initiatives that could be incorporated into the strategies as they are implemented. To the extent feasible, particularly with municipal buildings, energy efficiency and environmentally friendly design methods and materials should be considered during renovations or new construction. Part of the “green” strategy is the support of other initiatives, such as the local food movement. The EDC supports this sentiment, and notes the recently created Five Corners Farmers Market is a positive step in this direction, as it directly spurs the buying of local agricultural goods and other products.

Rating/Average/Overall Rank: 11 / 1.6 // #13

Link to Marketing Plan strategy

- 10. Strategy Recommendation:** Develop an “IBM Site Initiative” that will work to support IBM or other entities using space at the IBM plant to remain or expand.

EDC Analysis: The EDC encourages the establishment and maintenance of communications with IBM that better enable local government and the community to foster a good working relationship and better understand site opportunities and future plans and challenges. The dual purpose is to work with IBM where possible to retain them as a presence in Essex and help fill underutilized space. If possible, the efforts of Town and Village administration in carrying out the initiative should involve the Business Assistance Team.

Rating/Average/Overall Rank: 23 / 3.3 // #6

Transportation Investments:

- 11. Strategy Recommendation:** Work to complete construction of the Circ Highway, Route 15 corridor improvements, and Route 117 improvements, along with the Crescent Connector (and its corresponding impact on the Five Corners).

EDC Analysis: The EDC rates major roadway improvements as the highest economic development priority, meaning that in the view of the EDC transportation access to the Town as well as movement throughout the Town

are important economic development factors. The Town is encouraged to engage actively in the pursuit of Federal and State funds to address road improvements, which links this strategy to the federal retention strategy. Local resources should also be devoted, where feasible and appropriate, to the projects identified by BBPA and others that may arise.

Rating/Average/Overall Rank: 34 / 4.4 // #1

Link to Government Retention Strategy

- 12. Strategy Recommendation:** Evaluate the feasibility of freight rail service to underutilized manufacturing plants.

EDC Analysis: The rationale for a study to expand freight rail is lacking at this time. However, the EDC encourages the Town to stay informed on the status of regional rail investments and to engage with the appropriate entities and individuals. The EDC believes that further investments in freight rail infrastructure can have a positive effect the Town's ability to attract business. A \$50 million investment in rail infrastructure discussed for the Vermont rail corridor may offer such an opportunity, as well as enhancing passenger and commuter rail access opportunities.

Rating/Average/Overall Rank: 18 / 2.6 // #10

Link to Regional Multi-Modal Improvements

- 13. Strategy Recommendation:** Support state and regional efforts to develop transportation links between St. Albans and Montpelier.

EDC Analysis: The EDC supports the idea of making multi-modal improvements, in order to improve both the economic climate and the quality of life in Essex. Improvements should focus first on local projects, before extending to those of greater regional interest.

Rating/Average/Overall Rank: 26 / 3.7 // #4

Link to Major Roadway Improvements & Freight Rail Service Expansion

Additional EDC Comments/Suggestions

Housing: The BBPA report contains a number of details regarding the 13 initiatives, but it does not specifically mention housing as a component of an economic development strategy.

The Vermont Housing Finance Authority (VHFA), in an issue paper titled, “Housing and the Vermont Economy,” noted that, “Vermont’s employers have come to see the rapid rise in housing costs as an economic concern, particularly in regards to the negative impact those costs have on companies’ ability to hire and retain employees and on employee performance.”

The VHFA report later illuminates the economic impact the construction of 25 “modest single family homes” can have: \$6.3 million in additional business income, more than \$2 million in employee wages, and 61 jobs for Vermonters.

The EDC believes housing, particularly affordable housing, is a critical component of an economic development strategy. A Town-wide review detailing what types of housing are available – as well as where there may be deficiencies – should be a part of future efforts.

Staffing: The EDC also notes that, should Essex truly want to become serious about economic development, it needs to consider increasing Town resources dedicated to the effort. In particular, additional human capacity – more so than financial resources – was identified by the committee as a primary need. Discussions included the consideration of contracting with a professional or qualified firm, or creating a position devoted solely to economic development efforts.