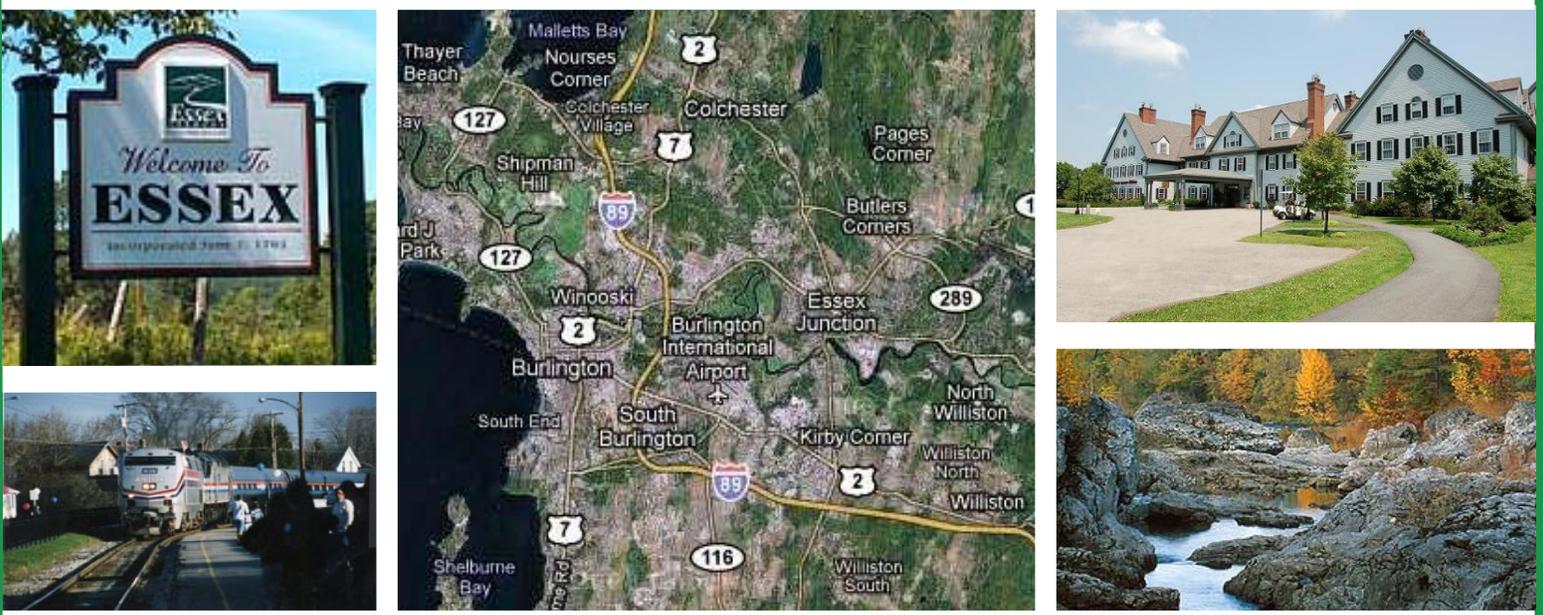


# Final Report

## Economic Development Vision and Plan

### Essex, Vermont



PREPARED FOR:  
The Town of Essex, VT  
April 2010

PREPARED BY:



BBP & Associates, LLC  
111 Annapolis Street  
Annapolis, MD 21401

In Association With:



VHB Pioneer  
7056 US Route 7, PO Box 12  
North Ferrisburgh, VT 05473



## Acknowledgements

The *Economic Development Vision and Plan* was prepared with assistance from a number of individuals. Key to this assistance has been the project working group, comprised of both staff and volunteers from the Town of Essex and Village of Essex Junction. A number of individual stakeholders from area institutions, businesses, and groups involved in economic development provided valuable insight into the local economy. Finally, those community members who participated in the visioning workshop and survey conducted as part of this plan were of great help in understanding community perceptions and vision for economic development.

### Project Working Group

Dana Farley, Town of Essex

Trevor Lashua, Town of Essex

Pat Scheidel, Town of Essex

Katherine Sonnicks, Town of Essex

Dave Crawford, Village of Essex Junction

Robin Pierce, Village of Essex Junction

Greg Morgan, Barbara Higgins, Jerry Firkey, Rob Levine, Betty Poulin, Economic Development Committee

### Entities Represented in Stakeholder Interviewed

Autumn Harp

Bartlett Weaver & Associates

Boston Consulting Group

Champlain Regional Chamber of Commerce

Champlain Valley Exposition

EuroWest Companies

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

### Consultant Team

*BBP & Associates, LLC*

James L. Prost

David Starnes

Kate Bolinger

*VHB Pioneer*

Juli Beth Hinds

Geoffrey Morrison-Logan



## Executive Summary

In Essex, Vermont, selected industries have long dominated the employment mix, prompting the Town to envision a more diversified economy that will achieve sustainable, balanced economic development and job creation, as noted in the 2006 Town Plan. The plan further emphasized the need for a community-supported economic development vision and action plan for achieving that vision. The purpose of the *Economic Development Vision and Plan* is to address both of these key elements for economic development.

With this charge, the Town of Essex engaged a consultant team headed by BBP & Associates, LLC (BBP LLC), an economic development and real estate development advisory firm located in Annapolis, Maryland, with community outreach assistance from VHB Pioneer, a transportation engineering and planning firm located in Essex. The consultant team developed technical economic analyses and community-inspired strategies for implementation. The plan is meant to trigger the implementation of high-priority action items identified in past efforts (the 2006 Town Plan) as well as initiate new ideas for action.

One important component of the project was the identification of industry targets that the Town should focus upon to diversify Essex's economy. These industry targets, identified as a result of both quantitative analysis and community and stakeholder suggestions, include:

- **Specialty manufacturers:** light manufacturers spanning many fields, notably including green enterprise
- **High value-added professional services:** service businesses catering to customers beyond Essex and Chittenden County, including, but not limited to, technology-oriented businesses
- **Tourism, cultural heritage, agriculture and leisure:** establishments that could draw travelers to the community, whether they focus on agricultural products, unique retail and restaurant offerings, arts and culture, or other unique draws
- **Community-related services:** businesses that support the local population and enhance overall livability, including, but not limited to, retail and restaurant offerings, professional services, etc.

In order to support the development, growth, and retention of these industries in Essex, the implementation plan contains a set of high-priority strategies grouped into four categories as listed below.

- **Business Retention, Expansion and Attraction:** marketing program; business development data center; local educational resources promotion; government service retention; and business assistance team.
- **Land Use and Regulations:** infill development; transit-oriented development; and zoning and subdivision bylaws revision.
- **Sites and Buildings for Economic Development:** strategic industrial parks evaluation; green entrepreneurial center; and IBM site initiative.
- **Transportation Investments:** major roadway improvements; freight service expansion; and regional multi-modal improvements.

The implementation plan includes for each strategy a detailed approach, success measures and benchmarks, milestones and deadlines, order of magnitude cost of implementation, potential funding sources, and implementing entities in order to offer a clear path for action.



---

## TABLE OF CONTENTS

Acknowledgements .....	i
Executive Summary .....	ii
1.0 Introduction .....	1
2.0 Economic and Demographic Profile .....	4
3.0 Community Vision .....	18
4.0 Industry Cluster Analysis .....	30
5.0 Implementation Strategies .....	44
Appendix A: Stakeholder Interview Notes.....	63
Appendix B: Survey Responses .....	69
Appendix C: Full List of Implementation Strategies Considered..	70



## 1.0 Introduction

### 1.1 Background

Essex, Vermont, situated east of Burlington in northwestern Vermont (see Exhibit 1.1), offers a unique set of economic strengths as well as challenges. The Town boasts an excellent school system and a countywide vocational/technical center. Although IBM has long provided a large share of area employment, Essex also features thriving smaller businesses, particularly in the Route 15/Susie Wilson Road growth centers.

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 (Circ) Highway, which was partially constructed but never completed).

Essex's Town Plan, last updated in 2006, stresses the importance of having 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. Which industries to target for such diversification, and how to support their creation, expansion, and longevity in the community, are key questions to be addressed before the completion of Essex's 2011 update to the Town Plan.

Exhibit 1.1: Essex and Vicinity





## 1.2 Study Purpose

In order to develop a vision and implementation plan for economic development in Essex, the Town engaged BBP & Associates, LLC (BBP LLC), in association with VHB Pioneer, to develop an *Economic Development Vision and Plan*. Key goals of the study have been 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.

## 1.3 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. *These details are offered as a general guide but are not set in stone; rather, the strategies are meant to be tailored over time to respond to changing needs and conditions.*

## 1.4 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.

# Economic Development Vision and Plan

Town of Essex, Vermont



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 compilation of stakeholder interview results is provided in the appendix, with comments grouped by topic area rather than by interviewee to protect the confidentiality of responses. Common themes conveyed by interviewees were used in part to inform the identification of target industries as well as to develop strategies for implementation.

The community visioning workshop, held in mid-November of 2009, generated a fruitful discussion regarding economic development in Essex. 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 hosted 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.



## 2.0 Economic and Demographic Profile

### 2.1 Overview

Essex offers a unique set of economic strengths as well as challenges. The Town boasts an excellent school system, a highly-educated population, a high quality of life, and an economy that includes both large well-known employers and thriving smaller businesses. Although Essex has begun to diversify its employment base, it remains heavily reliant on selected large employers. Given the broader economic downturn and uncertainty regarding the future of such employers, it is critically important to investigate how Essex may further diversify its local economy.

Characteristics of the population, labor force, and economy in Essex will serve as either assets or obstacles to achieving a diversified economy. An overview of key economic and demographic conditions and trends is therefore warranted to better understand the community's strengths and weaknesses from an economic development perspective.

### 2.2 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 more than 18,600 to nearly 19,800 residents (an average annual increase of 0.7 percent).
- Over the same time period, Chittenden County added more than 7,200 residents (an average annual increase of 0.5 percent), bringing the total number of County residents from nearly 146,600 to nearly 153,800 residents.
- Vermont added more than 23,100 new residents from 2000 to 2009, growing from more than 608,800 residents in 2000 to nearly 632,000 residents in 2009 (an average annual rate of growth of 0.4 percent).

**Exhibit 2.1: Population in Comparison**

	2000	2009 (1/)	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%

*1/ Estimate based on U.S. Census data*

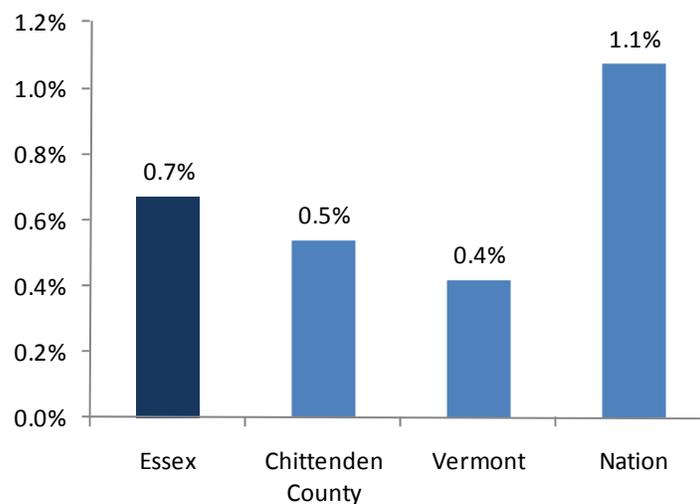
*Source: ESRI Business Solutions, U.S. Census Bureau*



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.

**Exhibit 2.2: Annual Population Growth Rate: 2000-2009**



Source: ESRI Business Solutions, U.S. Census Bureau

## 2.3 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).



**Exhibit 2.3: Households in Comparison**

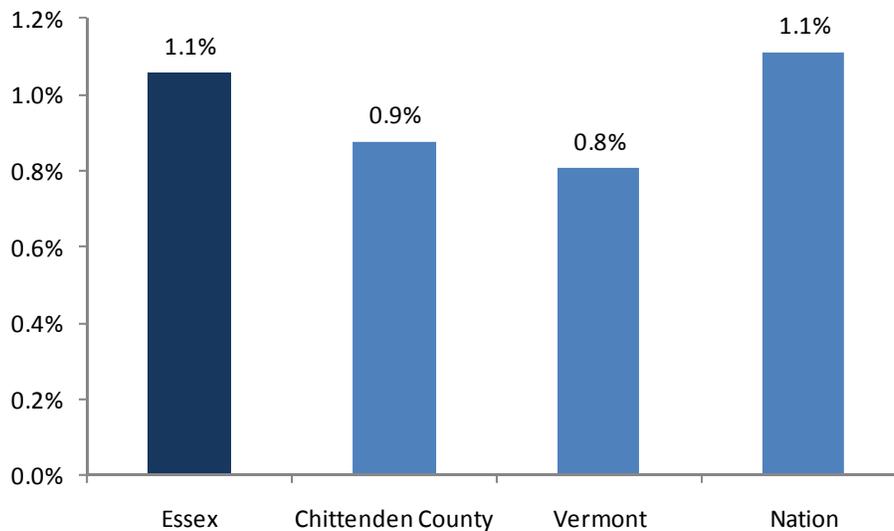
	2000	2009 (1/)	Net Change 2000-2009	Annual Growth Rate
Essex	7,013	7,710	697	1.1%
Chittenden County	56,452	61,072	4,620	0.9%
Vermont	240,634	258,698	18,064	0.8%

*1/ Estimate based on U.S. Census data*  
*Source: ESRI Business Solutions, 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).

**Exhibit 2.4: Annual Household Growth Rate: 2000-2009**



*Source: ESRI Business Solutions, U.S. Census Bureau*



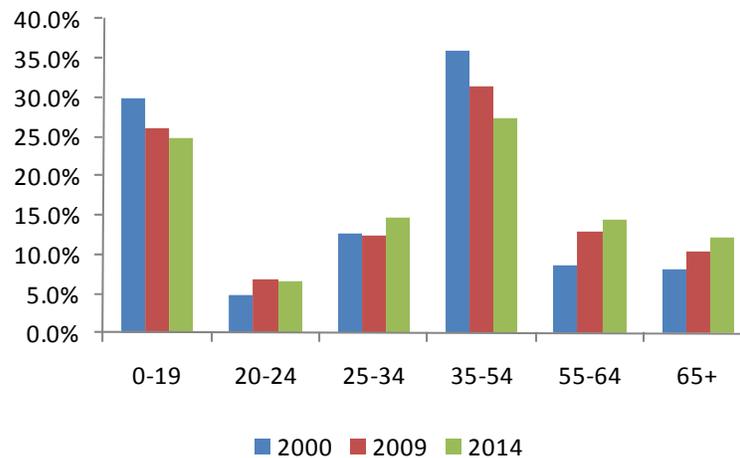
## 2.4 Age Distribution

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.

Exhibit 2.5: Population by Age Group: 2000-2014



Source: ESRI Business Solutions, U.S. Census Bureau

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.

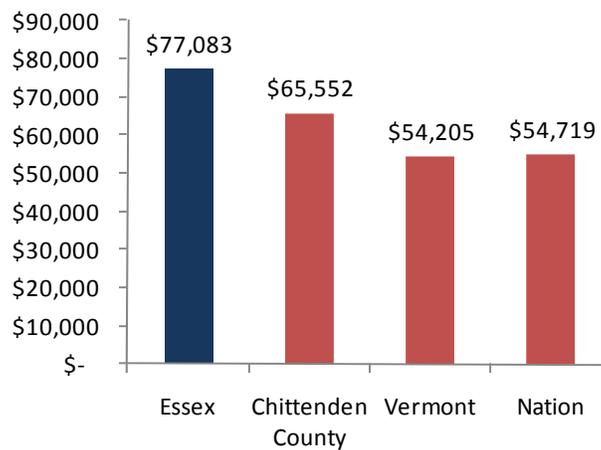


## 2.6 Income

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.

Exhibit 2.6: Median Income: 2009



Source: ESRI Business Solutions, U.S. Census Bureau

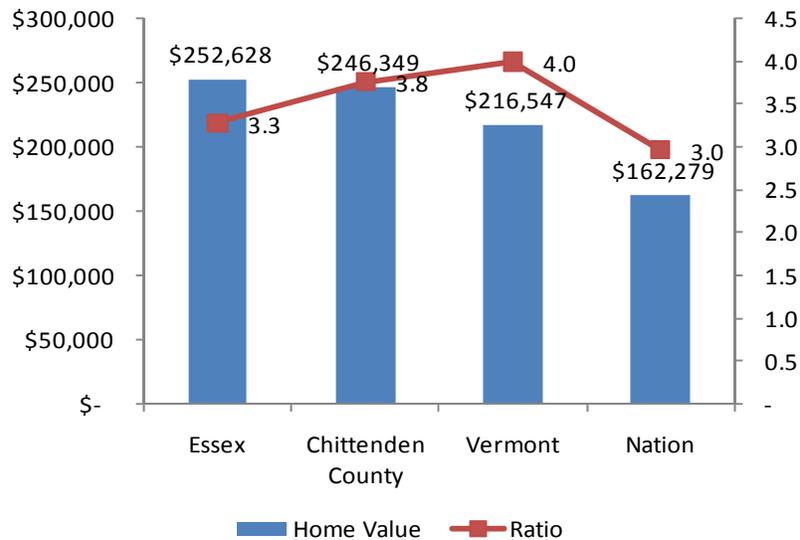
## 2.7 Cost of Living

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 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.



Exhibit 2.7: Average Home Value and Ratio of Home Value to Income: 2009

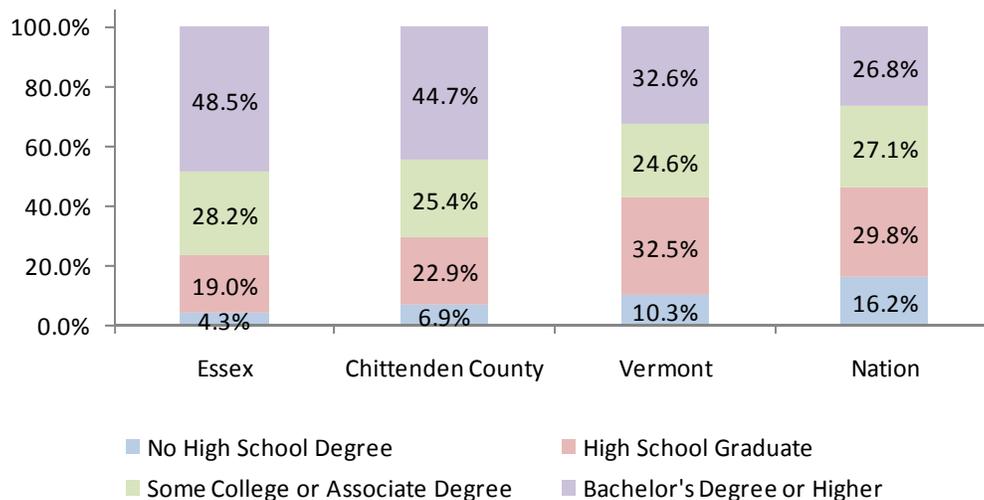


Source: ESRI Business Solutions, U.S. Census Bureau

## 2.8 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.

Exhibit 2.8: Educational Attainment: 2009



Source: ESRI Business Solutions, U.S. Census Bureau



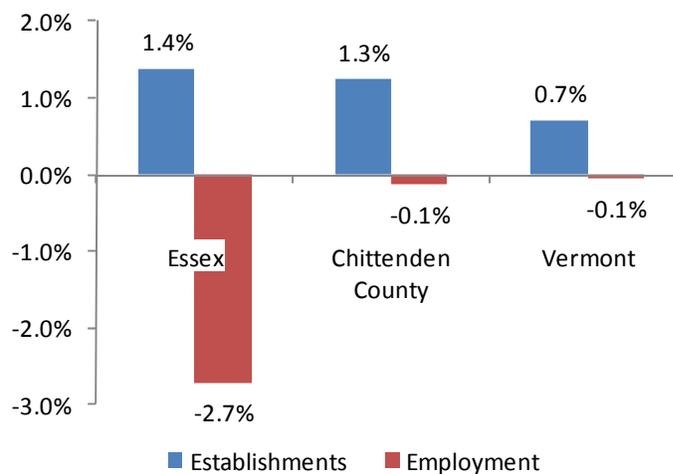
The high educational attainment in Essex can likely be attributed, in part, to the presence of IBM, which has employed individuals with advanced degrees. Many of these highly-educated individuals – whether still working at IBM, employed elsewhere, or retired – reside in the community and present a unique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

## 2.5 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.

Exhibit 2.9: Establishments and Employment: 2004-2009



Source: Vermont Department of Labor

# Economic Development Vision and Plan

Town of Essex, Vermont

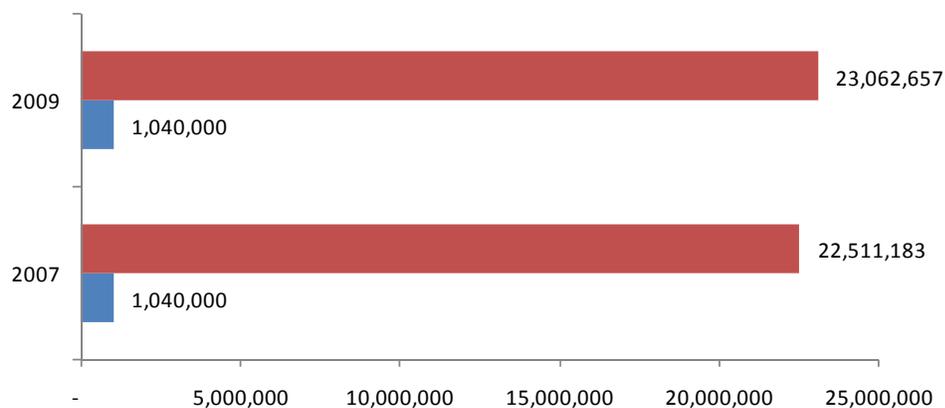


As a result of these trends, Essex's employers now include a mix of large manufacturers and smaller firms in a variety of industries. The top manufacturers in Essex in 2010 include firms involved in everything from electronic equipment to industrial machinery to specialized software. These top firms 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
- 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 grand list for Essex, and that figure shrinks as the economy grows with other activities.

**Exhibit 2.10: Grand List\* for Essex: Total and IBM, 2007-2009**



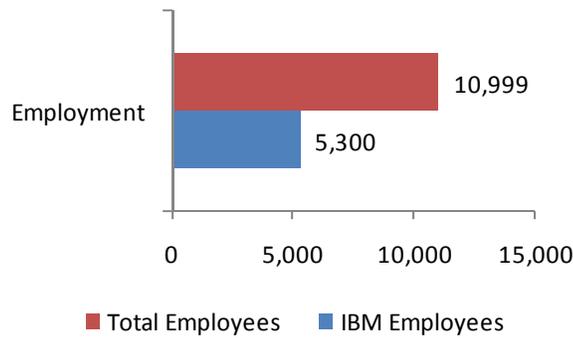
*\*The Grand List is a measure of real property value in Vermont*

*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.

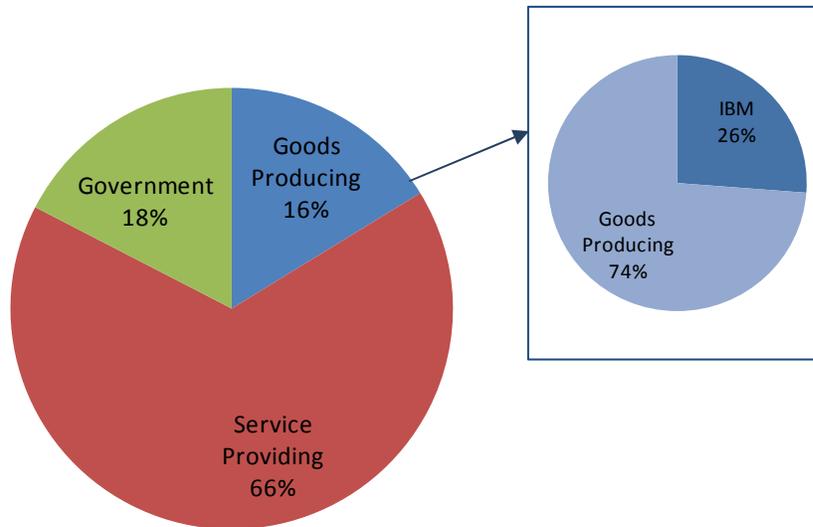
Exhibit 2.11: Essex Employment: Total and IBM,



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

At the County level, the employment provided by IBM is a smaller proportion of total County employment, yet IBM is still a major part of the economy, representing more than one-quarter of all goods-producing employment. Traditionally, goods-producing industries (particularly those that import dollars to the community) are those that have the highest economic spin-offs.

Exhibit 2.12: Employment by Type: Chittenden County, 2009



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



Types of employment in the County are further broken out by industry in Exhibit 2.13 (such data is not available for all industry types in Essex in order to protect the confidentiality of employers). Industries with the highest levels of employment in the County include: government (17 percent); health care and social assistance (15.3 percent); retail trade (13.3 percent); and manufacturing (12 percent).

**Exhibit 2.13: Chittenden County Employment by Industry, 2009**

Industry	Number	Percent
Agriculture, forestry, fishing and hunting	67	0.1%
Mining	34	0.0%
Construction	3,776	4.1%
Manufacturing	11,051	12.0%
Wholesale trade	3,140	3.4%
Retail trade	12,209	13.3%
Transportation and warehousing	2,193	2.4%
Utilities	244	0.3%
Information	2,367	2.6%
Finance and insurance	3,181	3.5%
Real estate and rental and leasing	1,156	1.3%
Professional and Business Services	9,342	10.2%
Educational services	2,173	2.4%
Health care and social assistance	14,047	15.3%
Arts, entertainment, and recreation	1,309	1.4%
Accommodation and food services	6,923	7.5%
Other services, except public administration	2,746	3.0%
Government	16,000	17.4%
<b>TOTAL</b>	<b>91,958</b>	<b>100%</b>

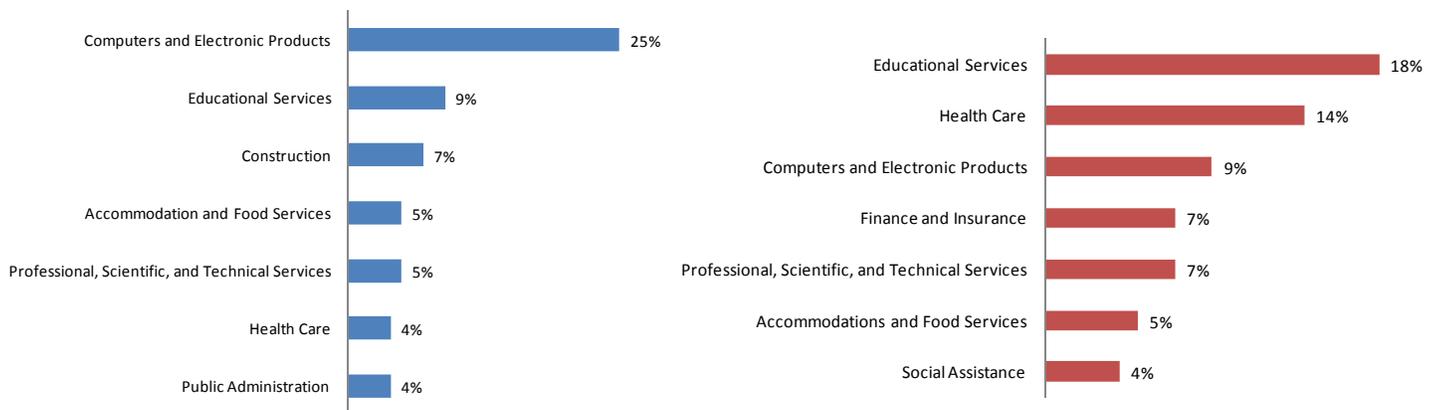
*Source: Vermont Department of Labor; First Quarter 2009*



Though confidentiality issues preclude a listing of Essex's employment by industry, data is available regarding the most common industries for males and females in Essex.

- Computers and electronic products dominated male employment, as 25 percent of employed males in Essex worked in this industry. In contrast, 9 percent of females worked in computers and electronic products.
- The top industry for female employment (18 percent) was the educational services industry; this industry was also the second most common industry for males at 9 percent of total male employment.
- Health care was another common industry for both males and females, representing 4 percent of male employment and 14 percent of female employment.
- Accommodation and food services appeared in the top seven most common industries for both males and females, representing 5 percent of both male and female employment.
- Professional, scientific and technical services was another popular field, with 5 percent of male employment and 7 percent of female employment.
- Other industries that appeared in the top seven most common industries for males (but not females) included construction (7 percent of total employment) and public administration (4 percent of total employment).
- Other industries that appeared in the top seven most common industries for females (but not males) included finance and insurance (7 percent of total employment) and social assistance (4 percent of total employment).

**Exhibit 2.14: Most Common Industries for Males and Females, 2008**



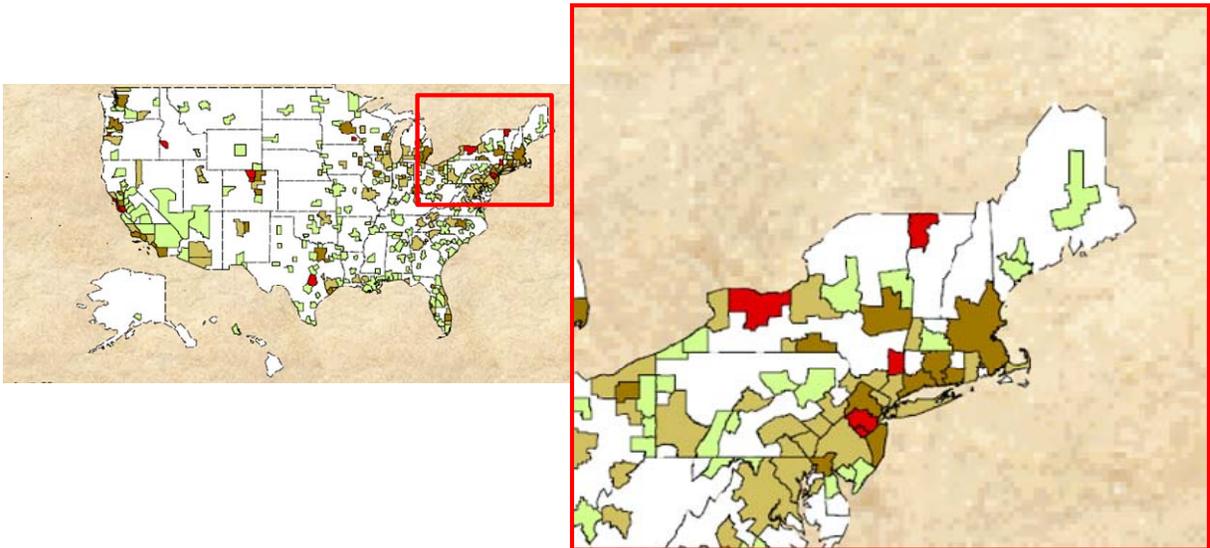
Source: Phase I: Economic Development Assets and Liabilities Review for the Town of Essex



## 2.9 Patents Per Capita

The presence of major employers like IBM and highly educated individuals has made Essex and the surrounding region a national hotspot for patent production; the Burlington region ranked eighth highest nationwide for patents per capita.

**Exhibit 2.15: Patents per 100,000 Population, By Metropolitan Area, 1998**



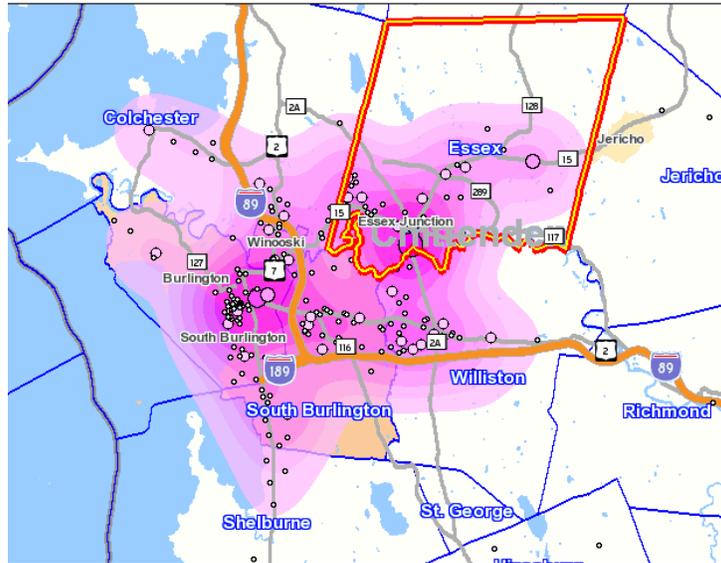
*Source: United States Patent and Trademark Office*

Among regions in the Northeast, only Rochester surpassed the Burlington region in terms of patent volumes per capita (attributable to the employers such as Eastman Kodak). Dutchess County, New York (home to GE and IBM) and the Trenton, New Jersey region (which includes Princeton University and major pharmaceutical companies) rounded out the group of top four regions in the northeast.

## 2.10 Commuteshed

The commuting patterns of Essex residents indicates that many are employed in Essex, Burlington, or in nearby towns, providing a relatively favorable commuting distance. The opportunity to live in Essex and work nearby is a quality of life asset important to economic development.

Exhibit 2.16: Commuted: Workplace Locations of Essex Residents, 2006

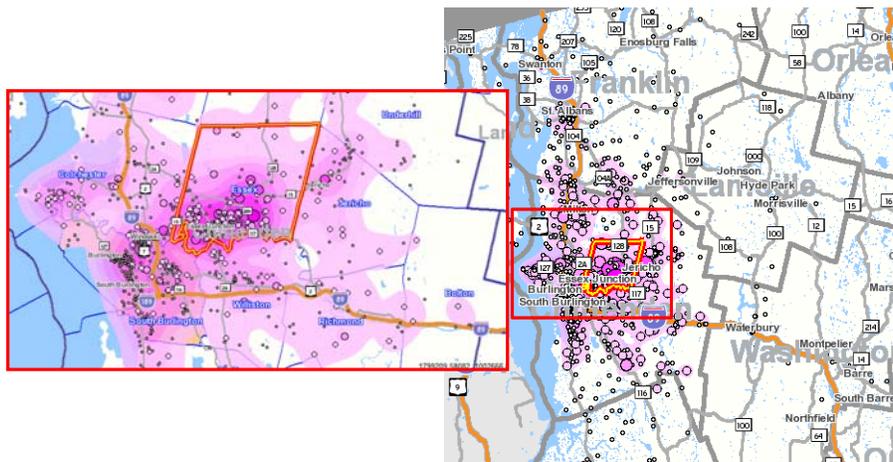


Source: U.S. Census Bureau

## 2.11 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..

Exhibit 2.17: Laborshed: Residence Locations of Essex Workers, 2006



Source: U.S. Census Bureau



## 3.0 Community Vision

### 3.1 Overview

An important element of the process to develop the Economic Development Vision and Plan has been the involvement of the community. In order to understand their perceptions of, desires for, and vision for economic development in Essex, a community workshop was held, an online survey conducted, and a series of stakeholder interviews undertaken.

Participants in these efforts expressed the desire for a diverse economy. This diversification would particularly include the expansion of green enterprises and technology-oriented businesses; it also would include community-related services (especially retail and restaurant establishments), small to medium scale manufacturers, tourism, agriculture, and the arts.

### 3.2 Community Workshop

In mid-November of 2009, the Town of Essex held a community workshop at Essex High School to generate dialogue regarding economic development in Essex. More than 75 residents and business owners attended the workshop to provide an initial overview of the community's economic future.

The meeting also highlighted some of the very difficult issues and choices that the community faces in developing zoning, budgets, grant projects, and policies around economic development. Key questions posed during the session are listed below, followed by responses grouped by question.

1. WHO is Economic Development?
2. Who do you INTERACT with economically in Essex?
3. What's MISSING in Essex?
4. What Vision do you have for SAXON HILL and MANUFACTURING?
5. What VISION do you have for Essex?



## WHO is Economic Development?

- IBM, and IBM's subcontractors
- Small specialty services/destination in the Village: bridal, sewing, skate/dance, tack
- Hospitality providers – The Essex
- Local foods: Sweet Clover Market, Paul Mazza's farm
- Revision Eyewear
- Regional post office
- Hardware stores/home improvement
- The Tree Farm soccer facility
- A mix of different people or actors: small and large retail, and industry
- Small offices
- Developers – the people who are building, and those who support them (e.g. engineers, consultants, etc.)
- Employees and subcontractors
- Stores and commercial establishments
- Schools
- Property managers

## Who do you INTERACT with economically in Essex?

- Supermarkets, gas stations
- Employees and subcontractors
- Stores and commercial establishments
- Schools
- Property managers
- Dog kennel
- Sports & fitness providers
- Medical professionals – Essex Pediatrics, Given Medical
- Town offices
- Post office
- Library
- School
- Teen center
- Recreation department (swimming lessons, Indian Brook)
- Second-hand clothing stores
- District commission – permits
- Waste Drop-off Center



## What's MISSING in Essex?

- Retail –inadequate diversity overall
- Certain items, certain stores, for some people
- Not enough going on in the Village within walking distance
- Empty storefronts
- Vitality in the Village
- Attractive train station
- Lodging, other than at The Essex Resort
- Sit-down restaurants
- Family restaurant or brew pub
- Artists & artisans
- A grain company
- Large animal vet
- General/department store style retail
- More restaurants and diversity of restaurants

## What Vision do you have for SAXON HILL and for MANUFACTURING?

- Small and medium-sized manufacturing, both in existing space and new space

## What VISION do you have for Essex?

- Northeast section – open space and farming; agriculture; wineries; support for local farming activities
- Clear skies, nature, and clean water
- A mix of industry on the Saxon Hill property
- Continued industry and technology
- Two post offices
- Outdoor eating and a brew pub
- Bike lanes throughout town
- Keep and enhance the mix and range of housing options
- Enhance tourism
- Enhance community participation
- Clean energy in Town – biomass, wind turbines; a wind farm or solar farm
- Increase the vitality and presence of the train station
- Maintain school quality
- Vitality in the Village: dining; art outdoors; a visitor's center; an enclosed concert hall or venue; a nice hotel
- Continue activity at the fairgrounds

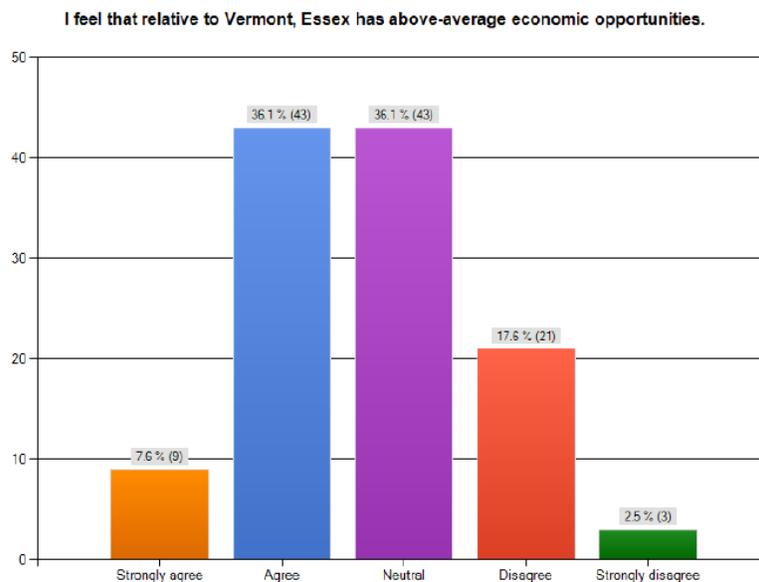


## 3.3 Survey Results

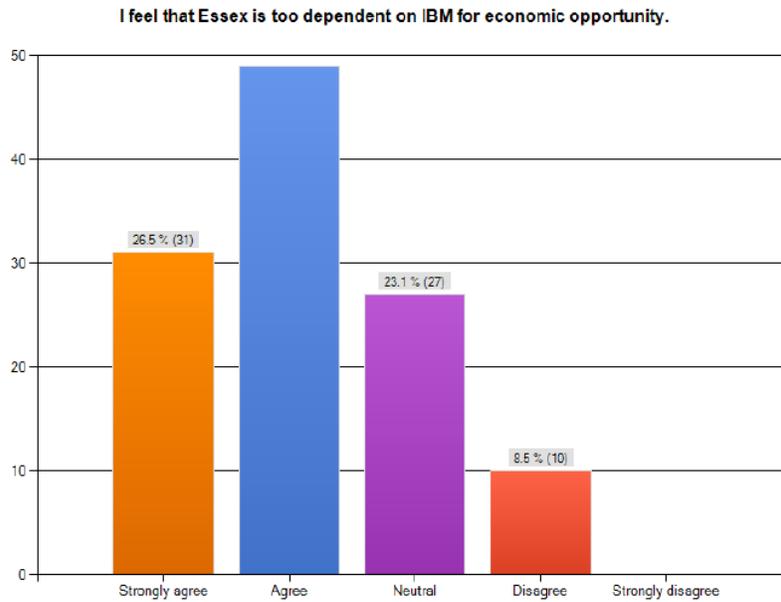
In addition to the community workshop, the residents of the Town and Village were asked to participate in a brief online survey about their “economic experience” (i.e. their experience, perceptions, and hopes for living and working in and around Essex). The anonymous survey was undertaken to offer the Selectboard, Planning Commission, and Economic Development Committee at least some public feedback and direction for developing a new economic development vision and plan for Essex. The survey is useful as an informational tool, but necessarily designed to serve a role beyond that.

More than 100 residents completed the online survey, including more than 50 Town residents and 60 Village residents. They answered roughly two-dozen questions about their background (place of residence, age, workforce and education status, volunteer status, place of work and commuting time), perceptions about Essex’s economy, perceived needed improvements to advance economic development in Essex, and desired industries.

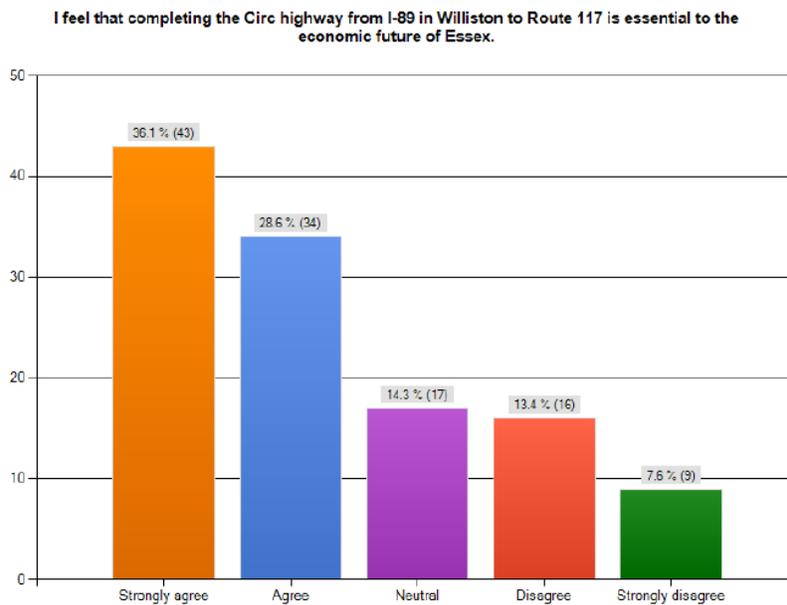
While the appendix provides a full depiction of survey results, including breakdowns showing residents living Outside the Village (OTV) and Inside the Village (ITV), a selected description of some of the key questions/statements and responses pertaining to perceptions and desires for economic development are provided below.



By and large, survey respondents either agreed with the above statement or felt neutral (potentially indicating they feel Essex’s opportunities are on par with those provided in Vermont as a whole).



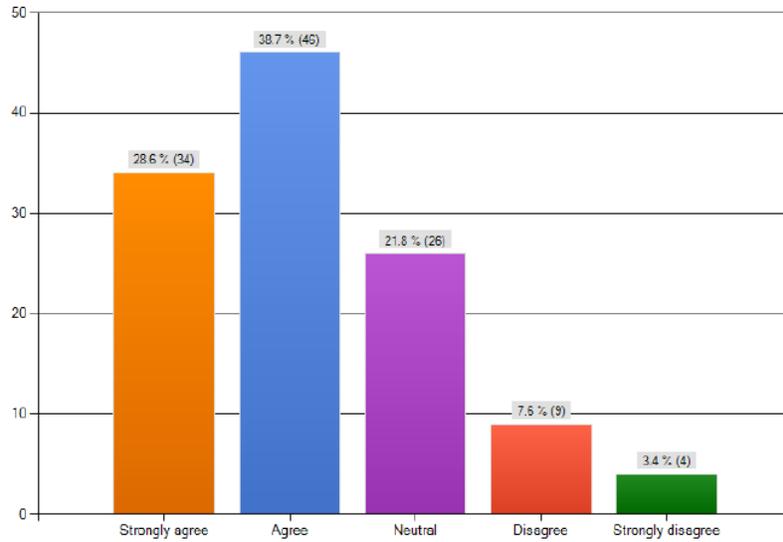
Most survey respondents agreed that Essex is too dependent on IBM for economic opportunity, supporting the need for diversification of industry in the community.



Many survey respondents strongly agreed that completing the Circ is key to Essex's economic future.

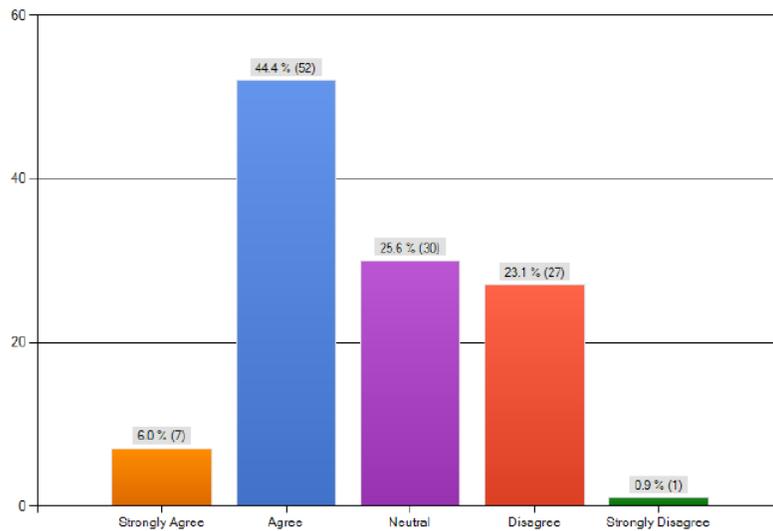


I feel that improving passenger and freight rail service in and through Essex Junction is important for the economic future of the Community.

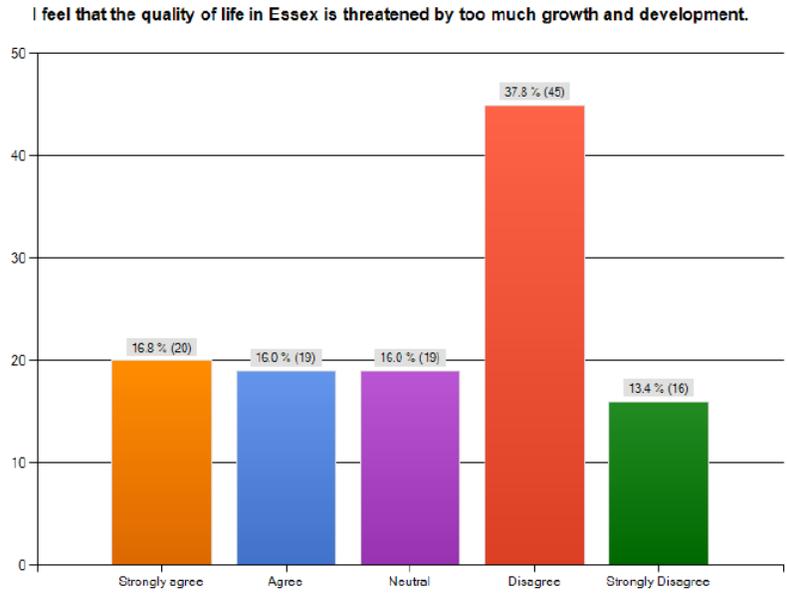


In addition to supporting the Circ, many survey respondents agreed that improving passenger and freight rail service is important to Essex's future economic opportunities.

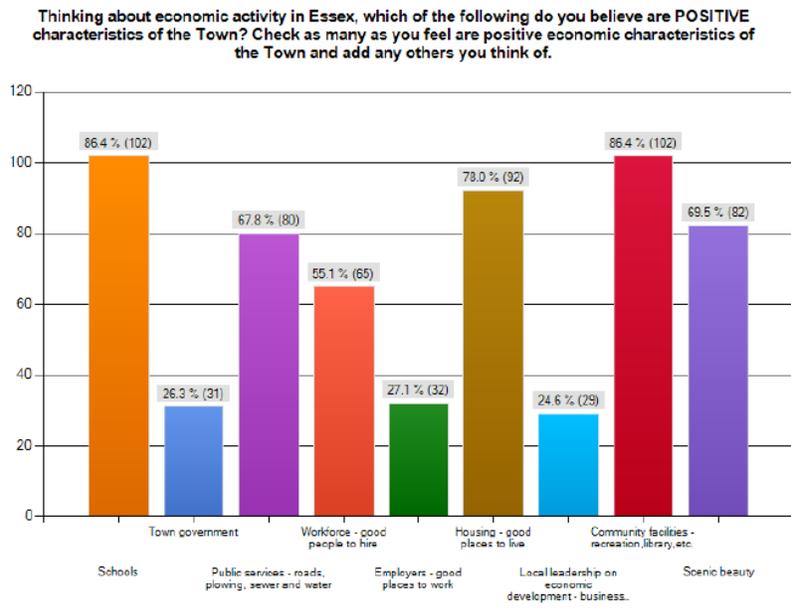
I feel the Town of Essex has good a balance between economic development and quality of life.



While nearly half of respondents felt Essex does have a good balance of economic development and quality of life, more than half of respondents were either neutral or disagreed.



Many survey respondents do not feel that growth and development is a threat to quality of life in Essex. However, a sizable minority feels that growth and development is a threat.



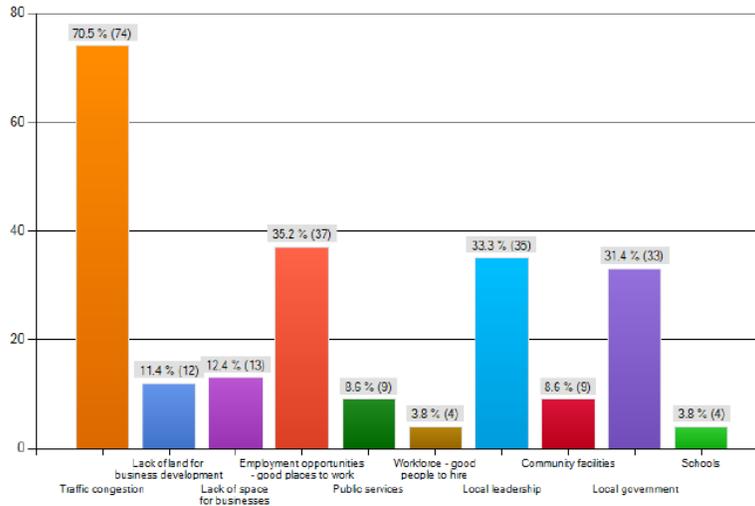
The most often-cited positive features were: schools, community facilities (recreation, libraries, etc.), housing, and public services (roads, plowing, sewer and water).

# Economic Development Vision and Plan

Town of Essex, Vermont

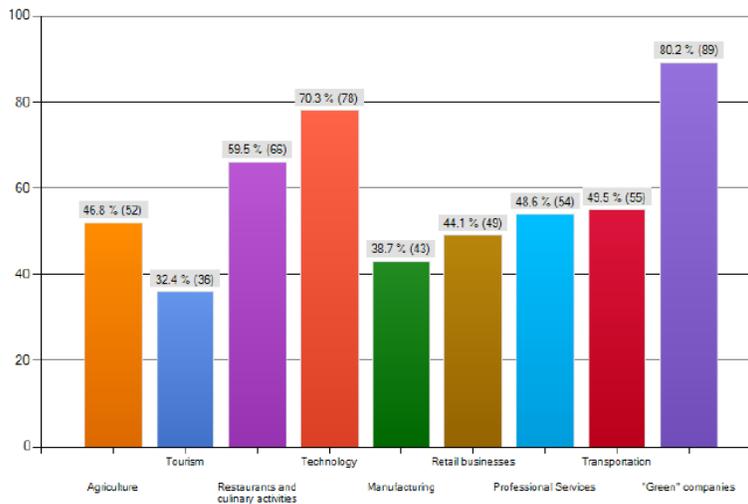


Thinking about economic activity in Essex, what do you think are **NEGATIVE** attributes of economic activity in the Town? Check as many as you feel are negative economic attributes, and add any others you think of.



Survey respondents overwhelmingly identified traffic congestion as the primary negative attribute of economic activity.

Thinking about Essex in the future, which businesses or economic areas, if any, do you feel should receive support from the Town and others involved in supporting economic opportunities?



Green companies were the top choice of all residents as the type of businesses that should receive economic development support. Technology was also a popular choice.



## 3.5 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 Exhibit 3.1.

**Exhibit 3.1: Strengths and Weaknesses**

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

These strengths and weaknesses are further described below:



## Strengths

- **Great place to live** – Essex is often noted as a great place to live as a result of a combination of strengths (many of which are called out separately because of the frequency with which they were noted in interviews). These include area recreational opportunities, history/arts and culture, scenic qualities, beautiful homes, sense of community, school system and safety.
- **Great place for families** – Many of the reasons people describe Essex as a great place to live are also factors that make it a great place for families, notably the school system, the safety of the community, and recreational opportunities that allow families to stay active. Some interviewees further noted that the socioeconomic diversity of the community is an asset for attracting parents that want their children to grow up in a diverse setting.
- **Top-notch schools** – The local school system is among the best in the state. Elementary and secondary schools in Essex receive top marks for small class sizes, dedicated teachers, test scores, college acceptance rates and job placements.

The Center for Technology-Essex provides technical training to prepare high school students and adults with skills needed in applied science and technology, health and human services/public services, business information technology, and applied arts. More specifically, training in these fields is provided for specialty areas that include:

- **Applied science and technology** – automotive technology, building technology, engineering and architectural design, and natural resources and agriscience technology;
  - **Health and human services/public services** – child care and human services, cosmetology, dental assisting, professional foods and ophthalmic medical assisting;
  - **Business information technology** – business technology, computer systems technology, and health informatics; and
  - **Applied arts** – computer animation/web page design, and graphic design and digital publishing. The Center for Technology-Essex's partners include the National Center for Telecommunications Technology, Vermont Technical College, Champlain College, and the Community College of Vermont.
- **Educated labor pool** – While the local school system is preparing the next generation to make economic contributions, the current labor pool of working-age residents is highly educated and gives Essex a competitive edge in terms of human capital. As noted previously, nearly half of Essex residents hold a bachelor's degree or higher, and they are on average more educated than their peers in Chittenden County, Vermont and the nation.
  - **Innovators (patents)** – One strong outgrowth of Essex's highly-educated labor pool is the presence of local innovators. The Burlington region is among a handful of regions nationwide with the most patents per capita, thanks in large part to the presence of IBM in Essex Junction.

# Economic Development Vision and Plan

Town of Essex, Vermont



- **Caché of IBM** – In addition to bringing a highly educated labor force to Essex and contributing to a strong local school system, IBM has also lent Essex a certain caché as a potential location for a major company.
- **Recreational opportunities** – Essex residents can access many recreational destinations, including local parks and Indian Brook Reservoir, along with regional ski trails and Lake Champlain.
- **Sewer and water capacity** – Available water and sewer service is an important consideration for many businesses considering relocation or expansion. The Town's municipal water and sewer system has reserve capacity of 485,000 gallons per day, though nearly one-third of this capacity could be used by industrial connections and buildings that have yet to connect to the system.
- **Available and affordable commercial space** – Area commercial brokers noted that Essex, relative to other communities in the region, has more available commercial and industrial space, which may certainly prove a competitive advantage as surrounding communities like Williston and others reach full occupancy. The commercial and industrial supply of space is also relatively more affordable than in these other communities.
- **Civic-minded population** – Stakeholders noted that many Essex residents are engaged in local community groups and activities. One measure of this engagement is voting participation; in the 2008 general election, more than 70 percent of residents voted, consistent with participation across Vermont but some 10 percentage points higher than participation at the national level.

## Weaknesses

- **Permitting process** – In so far as economic development may require the development of new buildings in Essex, several stakeholders interviewed suggested that permits are difficult to obtain for development in Essex. Requirements associated with the permitting process – including impact fees, open space dedication, and tree plantings – were described as burdensome. Impact fees for sewer and water service were also noted by some of the stakeholders as expensive.
- **Transportation access** – The ability to access markets, whether those markets be comprised of consumers, natural resources, suppliers, or labor, is an important factor related to the types of industries an area may attract. In Essex, access to these markets is constrained, as Essex is located farther than surrounding communities to highway interchanges. While the Circ Highway was partially constructed to enhance access, it has not been completed and in fact may never be built. The lack of highway access may limit Essex's ability to attract industries that require immediate highway access, such as truck-based distributors. Although road access is constrained, rail access is available and could be expanded to accommodate freight-based industry.

# Economic Development Vision and Plan

Town of Essex, Vermont



- **Restrictive zoning** – Real estate development is limited in Essex due to a lack of land zoned for industry and commercial activities OTV, and a lack of land available for development ITV (which is further constrained by many small lots and multiple property owners).
- **Lack of a vision for economic development** – Essex has not yet delineated a clear vision for economic development, though the community outreach undertaken as part of this study is intended to help provide such a vision.
- **Region is not unified for economic development** – With many small municipalities in Chittenden County, regional coordination could help to leverage limited dollars for economic development efforts. However, many stakeholders interviewed suggested the region's communities are not coordinated in economic efforts, including the Town and Village. Some suggested the lack of advertising/marketing at the regional level, with multiple communities brought to the radar of business decision makers, is a specific limitation.
- **Retiring population** – The population in Essex is aging, and as more residents enter retirement or semi-retirement and the labor pool shrinks, causing concern as to how the labor force will be sustained in the future.
- **Cost of living is expensive** – Relative to other states, the cost of living is expensive in Vermont, as permitting requirements and limited land together raise the cost of new housing in particular. Residential property taxes also add to the cost of living; the total property tax rates (which include both municipal and education taxes) per \$100 of assessed value were 1.7625 in the Town and 1.9102 in the Village in 2009.
- **Taxes are high** – According to recent studies, businesses and households in Vermont face among the highest combined state and local tax burdens across the nation. In addition to high property taxes, income, sales and estate taxes are relatively high. It is important to note that Essex has been responsive to the needs of major employers and taxes: Essex worked with IBM to eliminate the Machinery and Equipment (M&E) tax in Vermont in order to reduce IBM's tax liability and support the company's continued existence in the community.
- **Cost of power is uncertain** – The future cost of power is uncertain and could potentially rise in Vermont, with the future of utilities in a state of flux. Vermont utilities recently agreed with Hydro Quebec on an extension of the power purchase agreement well beyond the previous expiration date of 2012. The agreement, still to be finalized, is projected to keep the cost of electricity provided by Hydro Quebec relatively constant through 2038. . Entergy (which owns the Vermont Yankee nuclear power plant in Vernon, VT) is seeking relicensure to allow for its operation to continue beyond 2012. A state Senate vote against relicensure, and Entergy's series of leaks, equipment failures, and disclosure failures, puts relicensure in doubt. Where the power would come from to replace what is provided by Vermont Yankee – and what it would cost – are also unknowns.



- **Lack of financial resources/incentive toolbox** – There is a lack of monetary resources to implement all the economic development activities desired, according to key stakeholders interviewed. This issue is compounded by the lack of a robust incentive toolbox (described in further detail below), as well as a lack of capacity for all the technical education and training demanded (while the Center for Technology-Essex boasts a strong program, CTE is reported to turn away approximately 100 students annually).

Several interviewees noted that Vermont lacks a robust economic development toolkit. Though Vermont does offer many financial assistance and tax incentive programs for industry, there are some notable gaps in the state’s toolkit when compared to other states across the nation. Further compounding the problem for local government in Vermont is the fact that the state is a Dillon’s Rule state – meaning that innovation solutions created by communities too often need the approval of the state Legislature. Another challenge is the state’s Education Fund, and its reliance on statewide property taxes. Due to the reluctance of many in the legislature, economic development tools – tax increment financing districts serve as a prime example—often never get off the ground because of concerns in Montpelier that state Education Fund dollars may not immediately finding their way into the school funding construct. These gaps include the following common types of tools for economic development. These are in addition to the lack of a state sales tax for tourism. For each of the tools listed below, the number of total states nationwide offering each tool is presented for reference, as is an indication of whether Vermont’s neighbors, New York and New Hampshire, offer the tool.

**Exhibit 3.2: State Economic Development Tools in Comparison**

Tool	No. of States Using Tool	Used in Vermont?	Used in New York?	Used in New Hampshire?
State sponsored industrial development authority	42	✓		
State authority or agency revenue bond financing	45	✓		
State authority or agency general obligation bond financing	24		✓	
State loans for building construction	41	✓		
State loan guarantees for building construction	30	✓		
State loan guarantees for equipment, machinery	31	✓		
City and/or county loan guarantees for building construction	18			✓
City and/or county loan guarantees for equipment, machinery	18			✓
State incentives for establishing industrial plants in areas of high unemployment	43		✓	
City and/or county incentives for establishing industrial plants in areas of high unemployment	38		✓	
Corporate income tax exemption	41		✓	
Personal income tax exemption	37		✓	✓
Tax exemption or moratorium on land, capital improvements	40		✓	
Tax credits for use of specified state products	8			
Tax exemption to encourage research and development	42		✓	
Tax incentive for creation of jobs	45	✓	✓	

Source: Site Selection, November 2009



## 4.0 Industry Cluster Analysis

### 4.1 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.

### 4.2 Method of Analysis

The method of analysis to assess industries includes both quantitative and qualitative evaluations. Location quotient and shift-share analyses are key quantitative methods employed to initially understand industries, while stakeholder interviews and public meetings are used to obtain qualitative insight into local strengths and preferences. Based on these methods, a multi-step process of industry assessment and prioritization is conducted. This multi-step process used for Essex is illustrated briefly in the following exhibit.

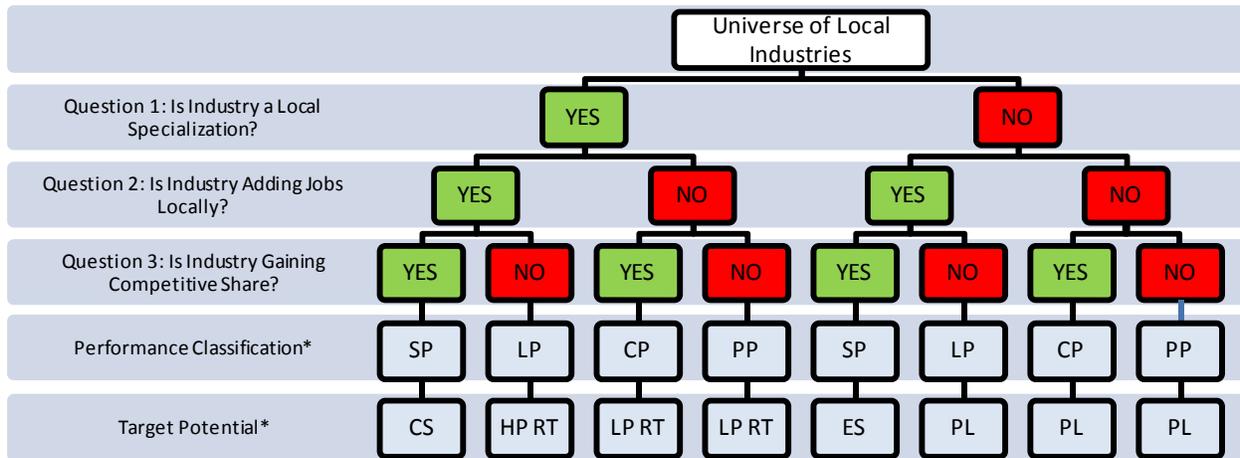
Exhibit 4.1: Multi-Step Industry Cluster Process



A more detailed illustration of the quantitative processes (which addresses the first three steps in the above illustrated process) is provided in the following 'Decision Tree' diagram.



Exhibit 4.2: Industry Cluster Analysis Decision Tree



\*Performance Classification Codes: SP = Strong Performer; LP = Lagging Performer; CP = Constrained Performer; PP = Poor Performer

\*Target Potential Codes: CS = Current Strength; HP RT = Higher Priority Retention Target; LP RT = Lower Priority Retention Target; ES = Emerging Strength; PL = Prospects Limited

Source: Institute for Urban Economic Development

To begin the industry-targeting decision process, the universe of local industries is defined and employment data for the current year and a baseline year (usually five years prior) collected for both the local economy and a reference economy (often the nation). Next, location quotients are calculated to determine if an industry is a local specialization (Question 1). Then, employment-change between the current year and baseline year is calculated to determine if the industry is adding jobs locally (Question 2). The rate of employment-change locally compared to the nation is then calculated to determine if an industry is gaining competitive share relative to the nation (Question 3).

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; higher priority retention targets; lower priority retention targets; emerging strengths; and prospects limited.



## 4.3 Previously Identified Clusters and Focus Areas

Before describing the results of the analyses conducted on industry clusters in Essex, it is important to note the industries that have been identified in prior reports as potential targets for Essex and the broader Chittenden County region. The 2008 *Economic Development Assets and Liabilities Review* for the Town noted that while 12 industries have been identified as possible targets for the region, three special areas held promise for further research and planning in Essex:

1. Green Enterprise Zone/Research and Development
2. Tourism and Cultural Heritage
3. Agriculture and Forest-Based Manufacturing

For reference, the 12 industry targets for the region (which were originally identified in the Chittenden County Regional Economic Development Strategy) include:

1. High Value-Added Professional, Scientific and Technical Services
2. Specialized Medical Services
3. Niche Consumer Goods
4. Connector and Insulated Wire Manufacturing
5. Instrumentation/Homeland Security/Defense
6. Specialty Plastics
7. Specialty Commercial/Industrial Machinery Manufacturing
8. Engineered Electronics and Electronic Components
9. Specialty Metal Fabricated Products
10. Educational Services
11. Primary Medical-Biotechnology and Other Research
12. Travel and Tourism/Creative Arts

These 12 industries, including the three special focus areas, have been included along with other industries as the universe of local industries for cluster evaluation.



## 4.4 Step by Step Analysis

With the universe of local industries for analysis established, the multi-step process of industry cluster evaluation was performed. The step-by-step findings are presented below.

*Step 1: Determine which industry clusters represent local specializations*

To identify whether or not an industry cluster represents a local specialization, location quotient (LQ) analysis was conducted. Location quotients compare the proportion of *local* employment in an industry to the proportion of *national* employment in an industry. Those industries with a proportionately more local employment relative to the nation are local specializations (LQ > 1.0). Exhibit 4.3 provides the location quotients for industries evaluated in both Chittenden County and Essex relative to national employment. Note that for some industries, location quotients could not be calculated for a lack of available data (the Vermont Department of Labor suppresses data when an industry has so few firms that to reveal employment by industry would in essence reveal confidential data about those firms). One example is the computer and electronic product manufacturing industry, which is locally dominated by IBM and clearly a local specialization. Industries with location quotients greater than 1.0 in Essex and/or Chittenden County are highlighted in the table, and include:

- Fabricated metal product manufacturing;
- Machinery manufacturing;
- Electrical equipment and appliance manufacturing;
- Miscellaneous manufacturing;
- Printing and related support activities;
- Retail trade;
- Information;
- Professional and technical services;
- Educational services;
- Health care and social assistance; and
- Arts, entertainment and recreation.

Exhibit 4.3: Local Degree of Specialization by Industry, 2009

Industry Cluster	Essex	Chittenden County
Agriculture, forestry, fishing and hunting	-	0.09
Mining	-	0.07
Construction	0.55	0.89
Wood product manufacturing	-	-
Nonmetallic mineral product manufacturing	-	0.47
Primary metal manufacturing	-	0.60
Fabricated metal product manufacturing	-	1.21
Machinery manufacturing	-	1.05
Computer and electronic product manufacturing	-	-
Electrical equipment and appliance manufacturing	-	1.08
Transportation equipment manufacturing	-	-
Furniture and related product manufacturing	-	0.41
Miscellaneous manufacturing	3.29	2.28
Food manufacturing	-	0.62
Beverage and tobacco product manufacturing	-	-
Textile mills	-	-
Textile product mills	-	-
Apparel manufacturing	-	-
Paper manufacturing	-	-
Printing and related support activities	-	1.77
Chemical manufacturing	-	0.54
Wholesale trade	0.35	0.78
Retail trade	1.04	1.19
Transportation and warehousing	0.32	0.76
Utilities	-	0.61
Information	-	1.16
Finance and insurance	0.35	0.79
Real estate and rental and leasing	0.36	0.82
Professional and technical services	0.73	1.18
Management of companies and enterprises	-	-
Administrative and waste services	-	0.50
Educational services	0.02	1.23
Health care and social assistance	-	1.25
Arts, entertainment and recreation	0.50	1.04
Accommodation and food services	0.62	0.89
Other services, except public administration	0.80	0.88

1/ Local degree of specialization expressed by location quotients

2/ Location quotients calculated based on employment in subject area compared to national employment

3/ Location quotients calculated using data from the Vermont Department of Labor

4/ Data was not available for all industries, as indicated by the "-" symbol



**Step 2: Determine whether or not the industry is adding jobs locally.**

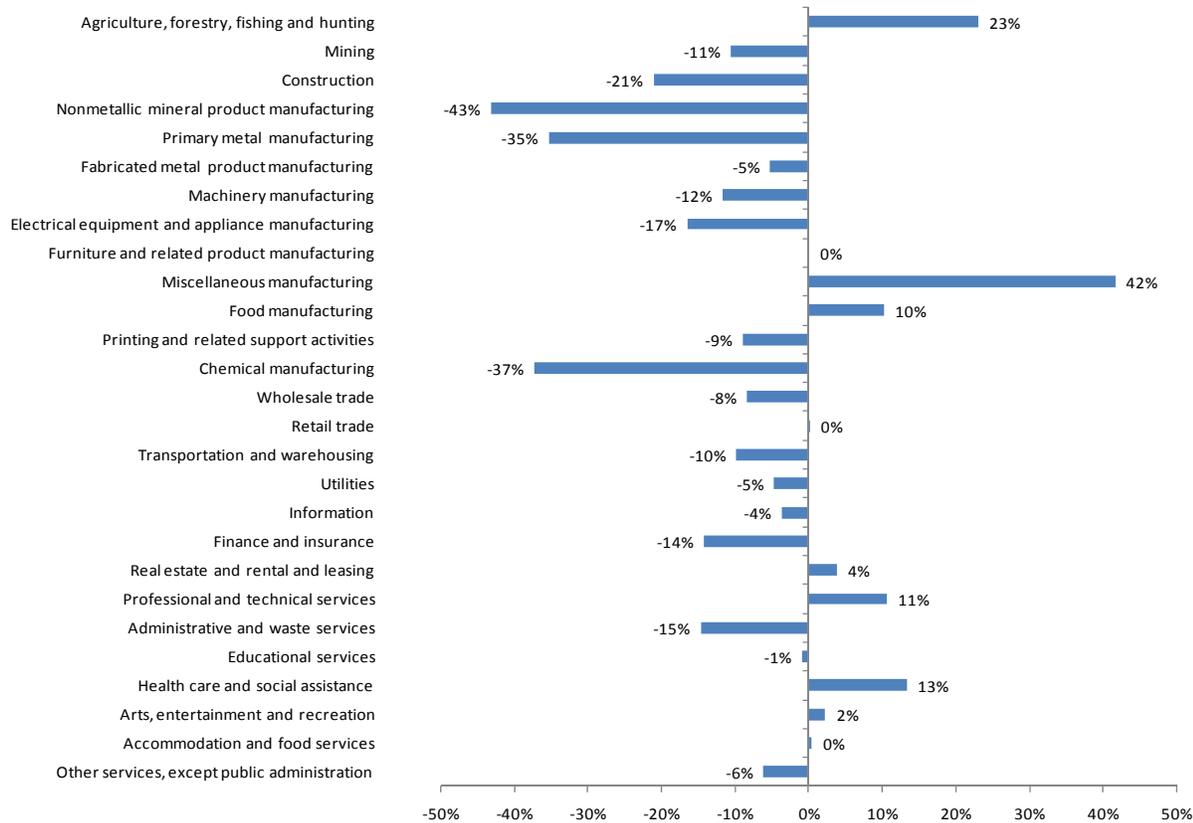
Local job growth or job loss is another important dimension of industry cluster evaluation. Trends in employment help to identify which local specializations are doubly strong as growing fields, and these trends also help identify industries that may not be local specializations yet, but are nevertheless adding local jobs and could therefore serve as emerging economic engines. Exhibit 4.4 illustrates percentage job growth by industry cluster in Chittenden County in 2009 (for which substantially more data was available than in Essex, given data suppression issues as described under Step 1).

As shown in Exhibit 4.4, industries adding jobs in the County include:

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

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

**Exhibit 4.4: Percentage Job Growth by Industry Cluster, Chittenden County, 2009**



Source: Vermont Department of Labor, 2009

# Economic Development Vision and Plan

Town of Essex, Vermont



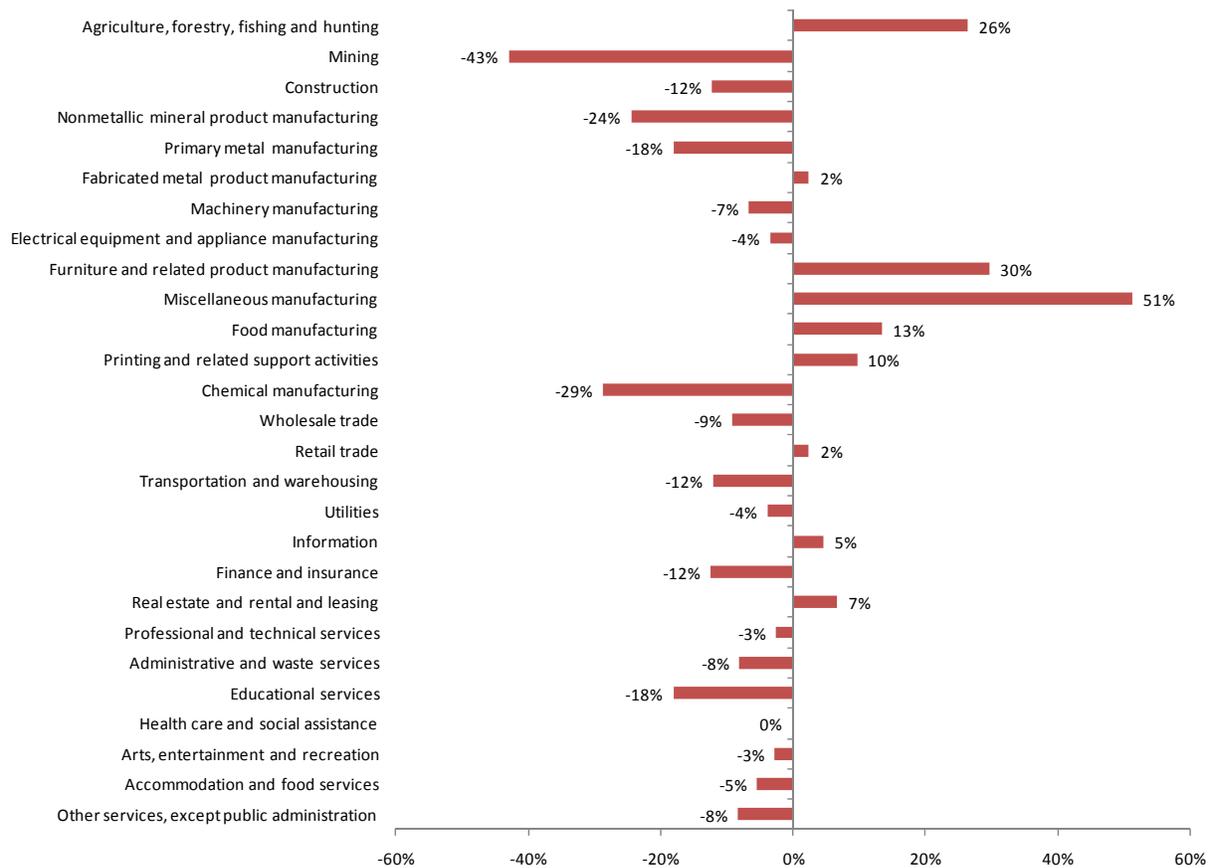
*Step 3: Determine if the industry is gaining competitive share relative to the nation.*

An industry that is locally gaining competitive share is defined as one that is either adding jobs faster locally than in other parts of the nation, or that is losing jobs less rapidly locally than in other parts of the nation.

Exhibit 4.5 indicates the percentage of employment change (growth or loss) of industries above that of the industry's employment changes in the nation. As illustrated in the exhibit, 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.

**Exhibit 4.5: Percentage Employment Change of Industry Above Industry Employment Change in Nation**



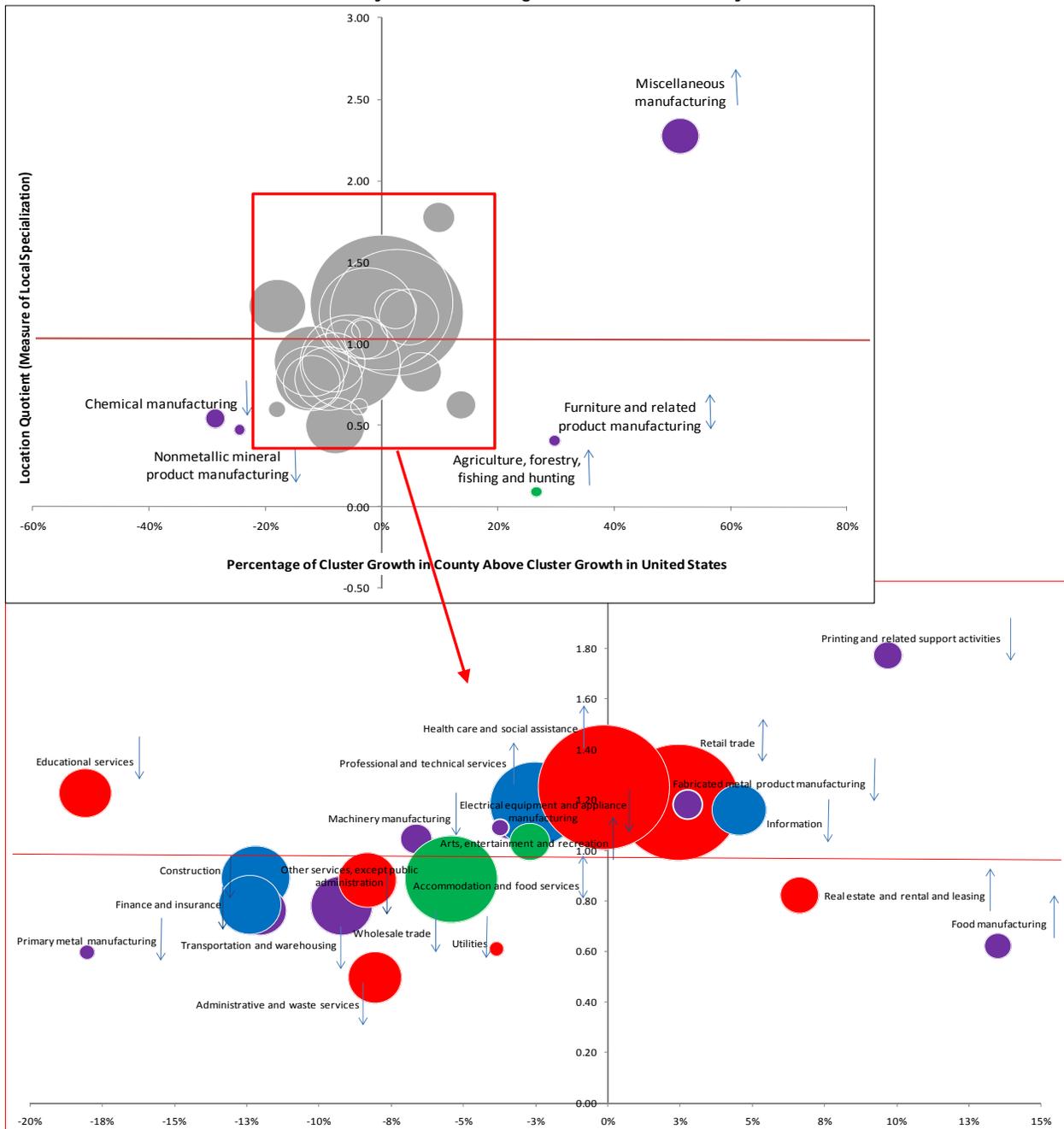
Source: Vermont Department of Labor, 2009



*Step 4: Classify industries based on quantitative evaluations performed above.*

Once the location quotient, employment change, and competitive share analyses have been completed, the industry clusters may be categorized based on the results of those three quantitative evaluations as: 1) current strengths; 2) higher priority retention targets; 3) lower priority retention targets; and 4) emerging strengths. Exhibit 4.6 illustrates the findings by industry, with location quotients plotted on the y-axis, competitive share on the x-axis, and employment change indicated by an arrow (total existing employment as of 2009 also is depicted by the size of the bubble representing each industry).

**Exhibit 4.6: Industry Cluster Strength, Chittenden County**





The industries are classified as follows:

## Current Strengths (Local Specialization, Adding Jobs, Gaining Competitive Share)

- Miscellaneous manufacturing (includes toys, recreation products, etc.)
- Retail trade (although job growth is virtually flat)

## Higher Priority Retention Targets (Local Specialization, Adding Jobs, Losing Competitive Share)

- Health care and social assistance
- Professional and technical services
- Arts, entertainment and recreation

## Lower Priority Retention Targets (Local Specialization, Losing Jobs, Gaining or Losing Competitive Share)

- Fabricated metal product manufacturing
- Machinery manufacturing
- Electrical equipment and appliance manufacturing
- Printing and related support activities
- Information
- Educational services

## Emerging Strengths (Not a Local Specialization, Adding Jobs, Gaining Competitive Share)

- Agriculture, forestry, fishing and hunting
- Furniture and related product manufacturing (although job growth is virtually flat)
- Food manufacturing
- Real estate and rental and leasing activities

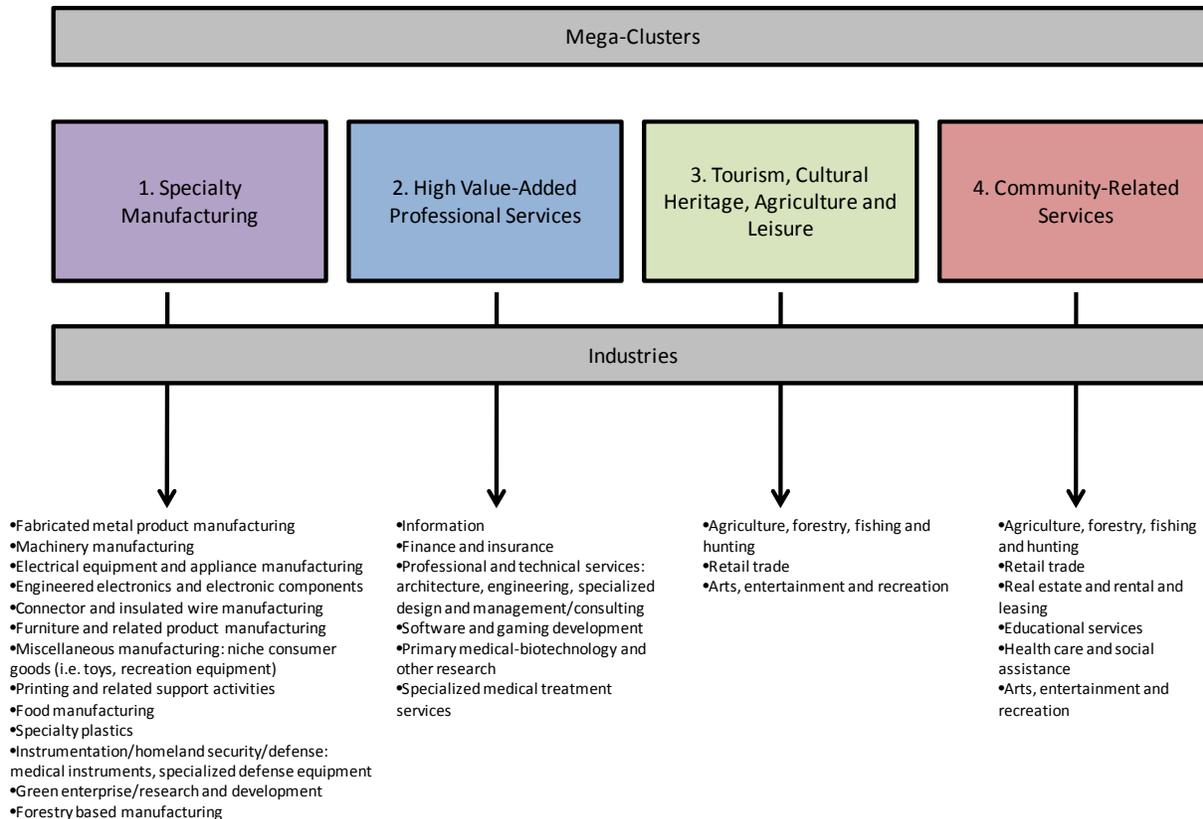
The remaining industries analyzed through the quantitative evaluations are considered to have limited prospects and fall into three categories: 1) industries that are not a local specialization, adding jobs locally but losing competitive share; 2) industries that are not a local specialization, losing jobs locally but gaining competitive share; and 3) industries that are not a local specialization, losing jobs locally and losing competitive share.

Before shifting from the quantitative analysis to a qualitative evaluation of Essex's strengths and community goals in relation to these industry clusters, it is helpful to further group the clusters based on common themes – in essence, turning the clusters into mega-clusters. This step further allows the opportunity to add industries that may not have been identified as potential targets through the quantitative analysis for lack of data, yet nevertheless have thematic ties to the other industries that have been identified as potential targets, have been identified as areas of opportunity in prior studies, and/or have been noted by stakeholders as areas of interest. These mega-clusters include all of the potential targets listed above as well as these other industries not covered for lack of data yet considered potential targets.

Exhibit 4.7 summarizes this further grouping of industries into mega-clusters.



Exhibit 4.7: Mega-Clusters



**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** encompass 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.



*Step 5: Determine whether the industry cluster makes sense given local strengths.*

All of the industries listed under the mega-clusters above have passed quantitative tests and hold promise in the region as a current strength, emerging strength, or retention target. Therefore, they all are potential targets for Essex, though some will be stronger than others based on local strengths. The industries therefore can be described as primary or secondary targets for Essex. These strengths were described previously as part of the economic and demographic profile, along with constraints that may hinder the attraction and expansion of some industries. A summary of the top strengths as well as weaknesses is provided below (with some strengths and weaknesses grouped for simplicity sake):

### 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 socioeconomically 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 caché 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.
- **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. The local legislative bodies need to redefine the vision for economic development to guide future efforts (which this study will address). Further, there has been a lack of financial resources and incentive programs available at the State level.



Based on this understanding of Essex’s competitive situation, we recommend that these industries be categorized as primary or secondary targets as illustrated in Exhibit 4.8, which is followed by an explanation of how industries were categorized as either primary or secondary targets.

**Exhibit 4.8: Industry Targets for Essex**

Industry	Primary Target	Secondary Target
<b>Specialty Manufacturing</b>		
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		✓
<b>High Value-Added Professional Services</b>		
Information	✓	
Finance and insurance	✓	
Professional and technical services	✓	
Software and gaming	✓	
Primary medical-biotechnology and other research	✓	
Specialized medical treatment services	✓	
<b>Tourism, Cultural Heritage, Agriculture and Leisure</b>		
Agriculture, forestry, fishing and hunting	✓	
Retail trade	✓	
Arts, entertainment and recreation	✓	
<b>Community-Related Services</b>		
Agriculture, forestry, fishing and hunting	✓	
Retail trade	✓	
Real estate, rental and leasing		✓
Educational services		✓
Health care and social assistance	✓	
Arts, entertainment and recreation	✓	



- **Specialty Manufacturing:** the variety of specialty manufacturing industries that were identified as current strengths, emerging strengths, or retention targets have been separated into primary and secondary targets as described below.

Primary targets include: instrumentation/homeland security/defense; green enterprise/research and development; and consumer-driven manufacturing (i.e. furniture and related product manufacturing, niche consumer goods, printing and related support activities, and food manufacturing).

- The **instrumentation/homeland security/defense** industry is a primary target for Essex given the presence of Revision, a Canadian-based equipment manufacturer, which provides a case study from which to build upon. Defense is also a solid bet given the current national economy, and can build upon Essex's educated and technically-skilled labor base. Canadian firms that need to locate in the United States to meet "Made in America" contracting requirements are strong targets.
- **Green enterprise/research and development** is a primary target for Essex because of state incentives for green development, Vermont's image as a "green" state, and the innovative and entrepreneurial capacity of Essex residents. Locating a green power source in Essex would also support other industries' development by enhancing Essex's image and brand as a progressive place to do business. That image could help attract defense-related industry as well as other specialty manufacturers and high value-added professional service firms.
- **Consumer-driven manufacturing** is a primary target for Essex that can build upon the presence of: existing niche consumer good companies such as Autumn Harp (which conducts R&D and manufactures cosmetics, personal care products and OTC products) and Earth Toy; printers such as Offset House; and food manufacturers (such as Green Mountain Coffee Roasters). Furniture manufacturing would complement these existing companies. Consumer-driven manufacturers could also tie into a tourism strategy for Essex in that some manufacturers, depending on the type of good produced, may be able to offer tours, gift shops, and tasting rooms. Such destinations would help build an itinerary for tourism.

Secondary targets in the specialty manufacturing mega cluster include: fabricated metal product manufacturing, machinery manufacturing, electrical equipment and appliance manufacturing, engineered electronics and electronic components, connector and insulated wire manufacturing, specialty plastics, and forestry-based manufacturing.

- **Fabricated metal product and machinery manufacturing** are not primary targets because these industries are more likely to require stronger road transportation access than currently available in Essex.
- **Forestry-based manufacturing**, which more specifically includes wood product manufacturing as identified in the Phase I Assets and Liabilities report for Essex, is a secondary target because of Essex's distance from the resource base and current lack of demand for products in this industry.
- **IBM supportive industries** – electrical equipment and appliance, engineered electronics and electronic components, connector and insulated wire, and specialty plastics manufacturing – all have relationships with IBM, and are supportive industries rather than those that could promote more economic diversification in Essex away from a single-industry model.



- **High Value-Added Professional Services:** all of the industries in this mega cluster are primary targets for Essex because of the high quality of life and human capital available in the community. Information, finance and insurance, professional and technical services, and software and gaming development are complementary focus areas given the highly educated, innovative, and entrepreneurial characteristics of residents. Medical research and specialized medical treatment services could build upon activities at the University of Vermont and would be complementary uses to other research activities targeted for Essex as part of an overall research and development strategy. Specialized medical treatment services, when extended to include specialized wellness, lifestyle and fitness training, would also be complementary to tourism strategies that build upon organic and local food as well as recreation.
- **Tourism, Cultural Heritage, Agriculture and Leisure:** agriculture, retail (including restaurants), and arts/entertainment/recreation together are primary targets for Essex. They will be part of an overall tourism strategy that will build an itinerary of reasons to visit Essex. These industries will all complement the existing success of The Essex, and will also further enhance quality of life in the community (which in turn supports the attraction of high value-added professional services).
- **Community Related Services:** agriculture, retail, health care, and arts/entertainment/recreation from a community service perspective are primary targets for Essex because these industries are also primary targets under the mega clusters of high value-added professional services and tourism. The stronger the critical mass of agricultural offerings, retail and restaurant establishments, specialized medical treatment providers, and arts/entertainment/recreation destinations, the stronger the pull that Essex will offer visitors. Real estate, rental and leasing and educational services are really functions of population growth and are more appropriately defined as secondary targets.

*Step 6: Determine whether the industry cluster makes sense given goals of the community.*

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. As a result of our community outreach process, we have heard that 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
- Accommodations



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

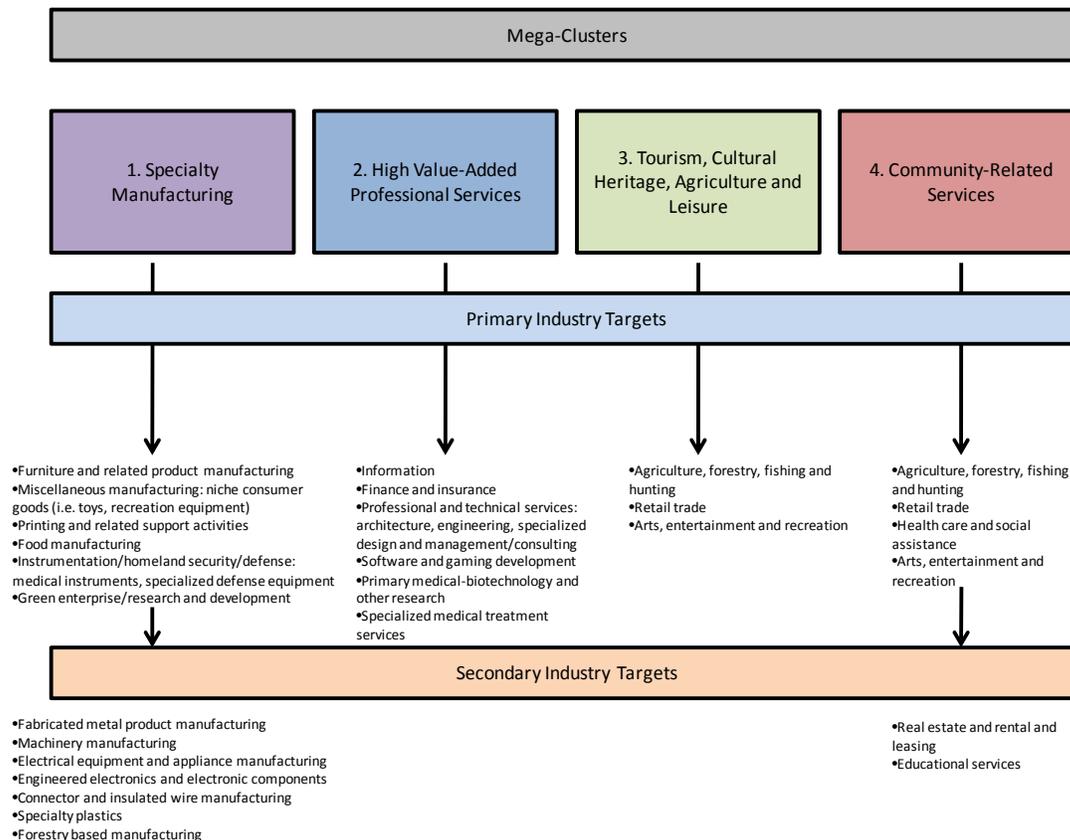
- Environmental conservation – clear skies, nature, and clean water
- Government services – continued post offices in Essex Center and Village
- Housing – keeping and enhancing the mix and range of housing options
- Civic engagement – enhancing community participation
- Transportation – increasing the 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 over large plants.

## 4.5 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.

Exhibit 4.9: Mega-Clusters and Industry Targets for Essex





## 5.0 Implementation Strategies

### 5.1 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. These strategies are built upon the community's vision for economic development, as ascertained through a community outreach effort that consisted of formal and informal discussions (i.e. in meetings that ranged from informal individual interviews to a community workshop open to the public). They are also informed by strategies outlined in the 2006 Town Plan.

From these discussions emerged the desire for a diverse economy that includes agriculture, technology, small to medium scale manufacturers, retail and restaurant establishments, tourism attractions, the arts, lodging, and green enterprise.

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. The strategies have been organized into four broad categories:

1. Business Retention, Expansion and Attraction	2. Land Use and Regulations
3. Sites and Buildings for Economic Development	4. Transportation Investments

Associated implementation details have been provided, which include preliminary identification of:

- Description of recommended action;
- Approaches to implementing the action;
- Success measures and benchmarks for future monitoring of performance;
- Milestones and deadlines, as appropriate;
- Order of magnitude cost to implement the action, or number of anticipated hours (for approaches in which the use of staff or volunteers is proposed); and
- Potential funding sources for the action.

Included in the implementation strategy are selected examples of "Best Practices," or case studies of economic development strategies from other communities nationwide. These examples are provided to offer additional insight into how peer communities are implementing these types of efforts.



## 5.2 Action Plan

Descriptions and detailed approaches for implementation are provided for the high-priority strategies by topic area below. These high-priority strategies were selected from a longer list of strategies which combined new ideas for addressing economic development goals as well as older strategies from the 2006 Essex Town Plan. This longer list is provided in the appendix.

### BUSINESS RETENTION, EXPANSION AND ATTRACTION

#### 1. Marketing Program

**Description:** Implement a marketing program consisting of a variety of media.

**Purpose:** To spread the word about opportunities for business growth in Essex.

**Approach:**

- Engage a website design and marketing firm to prepare a set of coordinated, appealing marketing materials, including a printed and electronic marketing brochure, a website, and ad campaigns.
- To develop an economic development website, outline a series of web pages that provide graphic, appealing and easy-to-navigate content. Coordinate with the development of web content outlined in other strategies (i.e. data center and promoting Essex's educational resources) in order to create one comprehensive website for economic development in Essex. Web content should also include information on life in Essex (housing, healthcare, cost of living, recreational offerings, and other quality of life factors); information on the community's demographic and economic characteristics; the community's vision for economic development and descriptions of target industries based on the *Economic Development Vision and Plan*; site selection information; business related support networks; and educational resources.
- Identify a series of web links to be incorporated into the website, including area educational institutions, commercial real estate brokers, business related support programs, and points of interest (such as recreational offerings).
- Purchase web publishing software for future in-house editing of site content.
- Develop a Facebook page for Economic Development in Essex with links to the economic development website, photos of the community, a description of the purpose of the Facebook site, and postings of upcoming economic development related events and news articles. Encourage individuals to be part of economic development in Essex by becoming fans and followers on Facebook.

# Economic Development Vision and Plan

Town of Essex, Vermont



- Write quarterly newsletters on economic development happenings, and post on both the website and provide links via Facebook or other social networking media.
- Enhance and expand relationships with local and regional media contacts at newspapers and trade publications.
- Prepare press releases on economic development happenings and send to media contacts. Suggested initial press releases include: article describing the completion of the *Economic Development Vision and Plan*, with major findings highlighted, and an article describing the rollout of the Essex Economic Development website, when completed.
- Conduct an annual economic development survey similar to that conducted as part of the *Economic Development Vision and Plan* process to gauge community goals regarding economic development over time. Include links to the survey through Facebook and the website, and post results once the survey is closed and compiled.
- Conduct periodic updates to website content.
- Enhance partnerships with the Greater Burlington Industrial Corporation in order to coordinate marketing with this regional economic development partner.
- Once Essex has developed a strong set of marketing materials and partnerships, consider joining industry associations and participating in industry conferences/trade shows to build awareness of the community among member businesses. Potential targets include the industries identified in this plan. Coordinate with the Vermont Department of Economic Development to jointly participate in conferences and shows. Focus on trade shows where companies are looking for new locations (such as the Bio International Convention, the annual conference of the Biotechnology Industry Organization) that will allow Essex representatives to network and provide marketing materials to prospective businesses.
- To aid in networking as part of industry conference participation, create a welcome kit for prospective business owners to include the marketing brochure for economic development and a gift with the community's logo included (such as a coffee mug, mouse pad, bumper sticker, key chain, etc.).
- Also once Essex has developed a strong set of marketing materials and partnerships, consider preparing customized advertisements for target industries. For example, an advertising campaign could focus on Canadian defense firms that require a United States address and be placed in Canadian media publications.



- Given the community's strong interest in green entrepreneurship, as another longer-term action for the Marketing Program (e.g., once the basic set of marketing materials and partnerships are established), develop a web element devoted to showcasing green entrepreneurial resources. The element could be termed a "virtual entrepreneurial center" as an alternative to a brick-and-mortar facility (for the latter option, see Strategy #10)

**Success Measures/Benchmarks:** Quality of marketing content; number of website users; number of Facebook fans and followers; number and quality of articles prepared as a result of press releases; number of survey participants.

**Milestones and Deadlines:** Aim to launch website within first year of project initiation (coordinated with content developed for the Business Development Data Center and with content developed to market area educational institutions).

**Order of Magnitude Cost of Implementation:** \$14,000 to \$35,000 (includes \$10,000 to \$20,000 for website, web hosting, print brochure and web publishing software; \$3,000 to \$5,000 per person for industry conference attendance including registration, an exhibition booth, and travel related expenses; and \$1,000 to \$5,000 for the development of specialized ad campaigns).

**Potential Funding Sources:** Town of Essex

## 2. Business Development Data Center

**Description:** Create a data center for business development in Essex.

**Purpose:** To expand knowledge and awareness, both on the part of the public and private sectors, regarding business relocation decisions, business related support infrastructure, and available sites in the community.

**Approach:**

- Identify a data center manager, likely through a new role for an existing position to serve as the point person for brokers and businesses and to ensure data is current.
- Create a database to record information on business prospects as part of business recruitment. This database, will allow for the input of 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.



- Building upon the insight obtained from tracking business prospects, identify the key data/building and site characteristics most frequently requested by relocation and expansion clients, which could include: building class, available space, floor plate and column spacing, rent, rent type (triple net, gross, etc.), average utilities, address, special features, parking, security, etc. Identify which characteristics to openly publicize online and which to keep hidden to encourage potential prospects to contact the Town for more information.
- Create a database based on the criteria established in the prior step that includes a listing of sites based initially on the Town's knowledge of available sites, and include internet access to the database for brokers to send data update requests.
- Build a database of available business related support networks (i.e. available incentive and assistance programs provided through local, regional, state, non-profit and private sources) that includes a search field with identification of relevant target industries.
- Make sure to highlight the contact information of a designated point person with the Town that will be responsible for business recruitment conversations.
- As part of website design (as described under Strategy #1), provide an information request form along with contact information to allow businesses to send requests for additional assistance understanding programs.
- Market the sites directly to site selection consultants and regional commercial brokers via the web in order to enhance potential for recruitment.
- Perform monthly updates to the business prospect tracking database and site selection database, and perform bi-annual updates to the inventory of business support program content.

**Success Measures/Benchmarks:** number of website users; number of requests for additional information; quality of information provided; ease of website use.

**Milestones and Deadlines:** Within one year of project initiation, launch a fully functional website with initial databases completed.

**Order of Magnitude Cost of Implementation:** \$5,000 to \$10,000 for outside design of fully functional databases for website.

**Potential Funding Sources:** Town of Essex



### 3. Local Educational Resources Promotion

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

**Purpose:** To increase awareness among potential business prospects regarding one of Essex's top community assets – its educational resources.

**Approach:**

- Concurrent with the development of the data center and website (with information on business related support networks and site selection information), develop web content highlighting the Essex Community Education Center and the Center for Technology, Essex.
- Incorporate technical educational programs in the listing of business related support networks on the website.
- Partner with educational institutions to discuss Essex's economic development plans, including marketing goals related to spreading the word about educational resources, and gather information and anecdotes about success stories through these resources.
- Be mindful of opportunities for the business assistance team to refer companies' employees to the Center for Technology for training programs.

**Success Measures/Benchmarks:** number of website visitors; quality of information provided; number of business referrals; quality of programs developed.

**Milestones and Deadlines:** develop web contact concurrently with development of the business development data center and marketing materials.

**Order of Magnitude Cost of Implementation:** N/A – 16-24 hours of staff time preparing information for website and to discuss plans with educational institutions.

**Potential Funding Sources:** N/A

### 4. Government Service Retention

**Description:** Retain government services that enhance quality of life and serve as employment anchors.

**Purpose:** To retain government services that generate customer traffic (thereby supporting economic opportunities for surrounding businesses) and provide helpful community services.



## Approach:

- Develop an inventory of all government services (including local, state and federal) in the community.
- Build relationships with the operations managers of facilities to keep abreast of potential changes (expansions, closures, etc.).
- Include the post offices in the initial round of business retention visits by the business assistance team.
- Work with citizens, as well as congressional leaders to advocate for maintaining a post office in the geographic center of Town, as well as one in the Village business district..

**Success Measures/Benchmarks:** Retention of both post offices.

**Milestones and Deadlines:** Meet with post office as part of initial business retention visit program (e.g. within first year of program).

**Order of Magnitude Cost of Implementation:** N/A – estimated hours of staff time: 4 to 6

**Potential Funding Sources:** N/A

## 5. Business Assistance Team

**Description:** 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.

**Purpose:** To support the retention, expansion, and attraction of employers in Essex.

## Approach:

- Form a business assistance team comprised of individuals involved in economic development (including the Economic Development Committee).
- Recruit a group of Business Liaisons (interviewers), to include members of the Economic Development Committee, residents and / or business owners interested in economic development.



- Develop a protocol for retention and expansion site visits to be conducted by the Business Liaisons. The protocol should include a standard set of questions and informational packet about economic development in Essex (including the marketing brochure and information on business related support networks from the website, as developed per Strategy #1). These visits should result in a dialogue that allows business leaders to better understand available economic development resources, as well as to offer Essex the chance to understand the individual business' concerns and plans.
- Establish a protocol for funneling referrals that result from interviews through the business assistance team to municipal staff and other business support service providers, as appropriate to the issue at hand, for rapid response.
- Coordinate with economic development leaders from the state and region, including the Vermont Department of Economic Development (including, but not limited to, the Economic Response Team and Vermont Training Program) and the Greater Burlington Industrial Corporation. As a first step in coordination, invite key staff members to meet with Essex's business assistance team.
- Establish a protocol for handling prospective businesses (including their potential site selection representatives) whether these leads emerge through the website/data center (See Strategy #2), regional economic development partners such as the Greater Burlington Industrial Corporation, or other sources. Identify a point person to handle calls and serve as a source of referrals to business related support networks, Town agencies, area commercial real estate brokers, etc. Ensure that the protocol includes a standardized system for recording information on site requirements (consistent with the data center strategy described in Strategy #2).
- Highlight successful businesses/entrepreneurs with case studies informed by business retention visits. Include these case studies in quarterly newsletters prepared as part of the Marketing Program (see Strategy #1).

**Success Measures/Benchmarks:** Number of site visits conducted; number of referrals from site visits; effectiveness of protocols.

**Milestones and Deadlines:** Recruit an initial group of business liaisons; establish protocols; and conduct initial round of site visits within first year of plan implementation.

**Order of Magnitude Cost of Implementation:** N/A – estimated hours of staff and volunteer time: 80 to 120 in first year

**Potential Funding Sources:** N/A



## Best Practices in Business Retention, Expansion and Attraction

### *The Lehigh Valley Economic Development Corporation's Business Development Data Center*

*Population: 635,000*

The Lehigh Valley Economic Development Corporation, which serves Lehigh and Northampton Counties in Pennsylvania, offers a model online building and site selector tool comprised of available properties for economic development (similar to the database described for Essex's Business Development Data Center). The database allows users to search by geographic area, sale or lease, property type (i.e. industrial, office, retail, mixed use and land), available square feet, total acreage, and property address and name.

Output from online queries provides the site selection professional with a property summary and company contact for further inquiries into a possible sale or lease. The organization also offers online interactive mapping of existing points of interest for site selection professionals, including existing business and industrial parks, arts and cultural facilities, higher education facilities, and more.

<http://www.lehighvalley.org>

### *McKinney, Texas's Marketing Program*

*Population: 125,000*

Marketing for economic development in McKinney, Texas (a growing community 30 miles north of Dallas) consists of many elements similar to those proposed for Essex. The website of the economic development corporation serves as a 'how-to' model for economic development websites, with a wealth of information in an appealing, easy to navigate format. The web content provides information on doing business in the community; living in the community; top industries and businesses; demographics; and more.

In addition to the website, the economic development corporation prepares a monthly newsletter of economic development happenings as well as a Facebook page for economic development (the City has its own page as well). Key successful attributes of these marketing materials are the ease of navigation, consistency and appeal graphic representation (including a recognizable logo which is coordinated with the City's logo in design), and quality of information provided.

<http://www.mckinneyedc.com>

### *York County, Pennsylvania's Business Assistance Team*

*Population: 400,000*

The York County Economic Development Corporation (YCEDC), through its Business Liaisons (interviewers) conducts more than 150 retention and expansion visits annually with businesses in target industry clusters. The dialogue that results from these visits allows business leaders to better understand available County, State and Federal economic development resources, as well as to offer YCEDC the chance to understand the individual business' concerns and business trends. Interviews often result in referrals to YCEDC staff or other service providers which can counsel businesses with respect to issues.

<http://www.ycedc.org>



## LAND USE AND REGULATIONS

### 6. Infill Development

**Description:** 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.

**Purpose:** To accommodate future office and retail uses in existing growth areas.

**Approach:**

- Evaluate the remaining capacity for development of office and retail uses in existing growth areas given current zoning and potential limitations to development (such as transportation network).
- Assess whether the remaining capacity for development will achieve the type of infill development of office and retail uses desired.
- Based on the above assessment, consider changes to overcome obstacles to achieving desired infill development as appropriate. Such changes may include enacting changes to zoning or transportation network improvements to manage traffic (likely needed in the Susie Wilson Road corridor).
- If transportation network improvements are identified as necessary changes, investigate potential funding mechanisms for such improvements such as special impact fees for specific areas like the Susie Wilson Road corridor.

**Success Measures/Benchmarks:** Level of office and retail development achieved; transportation network improvements achieved.

**Milestones and Deadlines:** Evaluation of remaining capacity for development and suggested changes to zoning should be prepared concurrently with and as inputs to the comprehensive re-write of the Town's zoning and subdivision bylaws.

**Order of Magnitude Cost of Implementation:** Much of the cost involved in supporting infill development of office and retail uses will relate to the opportunity cost of staff time being involved in assessment of capacity for development and transportation network needs. An estimate of the total number of staff hours needed to investigate these issues is: 80 to 120 hours of staff time.

**Potential Funding Sources:** N/A



## 7. Transit-Oriented Development

**Description:** 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.

**Purpose:** To facilitate development that will support transit ridership and offer residents and businesses expanded choices in the types of housing and commercial spaces available.

### Approach:

- Continue to support infill development in growth centers (see Strategy #6), particularly infill development that is transit oriented (e.g. moderate to high-density, featuring a mix of uses, of walkable scale, and within one-quarter mile of public transportation).
- As part of the investigation into obstacles toward development in existing business parks (see Strategy #9), consider opportunities for transit-oriented development in these parks and investigate obstacles to achieving transit-oriented development.
- Support increased densities in the Village of Essex Junction consistent with the Village's Comprehensive Plan.
- Provide expedited permitting for transit-oriented development.
- Support the implementation of the Crescent Connector in the Five Corners as a means of rationalizing traffic and supporting increased densities in the Village.
- Support streetscape enhancements in downtown Essex Junction as a means to increasing the appeal of higher density development in the Village.

**Success Measures/Benchmarks:** Level of transit-oriented development achieved; level of densities achieved; realization of Crescent Connector improvements; construction of streetscape enhancements.

**Milestones and Deadlines:** Support for transit-oriented development in terms of potential zoning and subdivision regulation changes.

**Order of Magnitude Cost of Implementation:** Defer to Village's Crescent Connector study for associated implementation costs; the cost of streetscape improvements will depend on the type of improvements to be made.

**Potential Funding Sources:** Chittenden County Metropolitan Planning Organization (as a conduit for federal and state transportation funding for transportation improvements); Village of Essex Junction



## SITES AND BUILDINGS FOR ECONOMIC DEVELOPMENT

### 8. Strategic Industrial Parks Evaluation

**Description:** 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.

**Purpose:** To bolster Essex's inventory of sites that can accommodate the types of industrial expansion envisioned for economic development by systematically evaluating obstacles to industrial development at Saxon Hill Industrial Park and Leo/Whitcomb Industrial Properties.

**Approach:**

- Determine whether or not the assessment will be undertaken through in-house municipal staff or through the use of an outside consultant
- Assess existing conditions at the Saxon Hill Industrial Park and Leo/Whitcomb Industrial Properties in terms of: access to interstates, arterial roadways, and other modes of transportation/freight; availability of telecommunications infrastructure; and current zoning and land use regulations at the local and state levels.
- Strategically identify specific obstacles to development given existing conditions.
- Evaluate potential public sector actions that may be taken to address these obstacles and support development.
- Prepare a list of action items to implement these public sector actions.

**Success Measures/Benchmarks:** quality of the completed assessment.

**Milestones and Deadlines:** an estimated timeframe to complete the assessment is four months (including time for consultant selection and negotiations, if a consultant is to be engaged).

**Order of Magnitude Cost of Implementation:** If prepared by an outside consultant, \$25,000 to \$35,000; if prepared by in-house Town staff, an estimated 60 to 100 hours of staff time to undertake the assessment.

**Potential Funding Sources:** Town of Essex



## 9. Green Entrepreneurial Center

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

**Purpose:** To establish a facility that will bring together entrepreneurs and researchers with a common interest in green enterprise, and support the growth of these businesses and commercialization of research.

**Approach:**

- Form an exploratory committee comprised of individuals interested in serving as champions for the center, with the recognition that establishing such centers typically requires political assistance from state leaders and funding from federal sources.
- Investigate the role such a center could play vis-à-vis existing support centers for entrepreneurs and researchers such as the Vermont Center for Emerging Technologies with the goal of identifying a role that will leverage and complement existing resources.
- Define the types of activities to occur in the center, including definition of a 'green' enterprise. This definition should include businesses engaged in the research, development and production of alternative energies as well as businesses with sustainable products and/or practices. The inclusion of scientific and technology-oriented fields will enable the facility to apply for National Science Foundation funding.
- Determine other eligibility requirements for locating in the center, such as commitments to locate in the community upon graduating from the center.
- Conduct an assessment of the types of space to be included in the facility as well as potential installation of alternative sources of energy. Most such centers include tenant space, shared space, common areas and shared administrative functions and equipment. The precise types of equipment and facilities required will hinge upon the types of companies and research activities to occur at the center. Such a facility usually requires approximately 25,000 square feet (comparable in size to the Vermont Center for Emerging Technologies' office facility in Colchester).
- Consider zoning changes that may be required to allow for the type of facility envisioned, including the installation of alternative sources of energy.
- Identify the staffing needs of the facility, likely to include a full-time manager, administrative staff, and potentially a lab manager if the facility provides wet lab space for research activities.
- Delineate potential funding streams to support the facility, building upon the potential funding sources included in this plan.



- Identify a site to house the center.
- Assemble the necessary resources and players and submit an application to the National Science Foundation for a Science and Technology Center project.
- Achieve commitments for funding, anchor leasing and other participation.
- Enter into negotiations to lease or purchase the site.
- Decide on the development approach, and if necessary, issue developer RFQ/RFPs.

**Success Measures/Benchmarks:** Achieving commitments for funding; achieving commitments for anchor leasing; number of businesses participating in the facility; number of businesses that graduate from the facility and locate within the community; number of jobs created from such businesses.

**Milestones and Deadlines:** Once a site is obtained and funding commitments secured, a fast-track construction timetable could result in a new facility in the next 3 to 5 year mid-term timeframe.

**Order of Magnitude Cost of Implementation:** Assuming a construction cost of ~\$210 per square foot (average cost for such facilities) and a facility in the realm of 25,000 square feet, the facility cost would be approximately \$5.3 million.

**Potential Funding Sources:** National Science Foundation (NSF); Vermont Congressional Delegation (earmarks); SBA Small Business Innovation Research and Small Business Technology Transfer; Department of Energy Loan Guarantee Program; Vermont Economic Development Authority.

## 10. IBM Site Initiative

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

**Purpose:** To actively support the retention and expansion of IBM or other entities using space at the IBM plant.



## Approach:

- Once the business assistance team is established, and protocols are in place for site visits and action responses to issues, a retention site visit should be made to the IBM plant as a priority initial visit in the program. In addition to asking standard questions of IBM per site visit protocol (see Strategy #5), attention should be paid to meeting with and understanding the needs of other entities using space at the IBM plant, and to sharing information on economic development initiatives underway (including transportation improvement plans).
- The IBM plant should be included every year as part of an annual retention site visit program given the plant's size and importance to the local economy.
- The business assistance team should coordinate with local, regional, and state business related support networks to rapidly address issues (acting as the action response team) as they are uncovered.

**Success Measures/Benchmarks:** Annual site visits achieved; effectiveness of action responses as needed over time.

**Milestones and Deadlines:** Conduct initial site visit within first year of plan implementation.

**Order of Magnitude Cost of Implementation:** N/A – estimated hours of staff and volunteer time: 20 to 40 hours in first year.

**Potential Funding Sources:** N/A



## Best Practice in Sites and Buildings for Economic Development

### *Saratoga Technology and Energy Park*

When exploring the opportunity to create a green entrepreneurial center in Essex, it is useful to consider the example of the nation's first industrial park dedicated to renewable energy technologies, the Saratoga Technology and Energy Park (STEP) in Malta, New York (though recognizing that this 280-acre master planned park is substantially larger than the type of facility envisioned for Essex).

STEP is owned by the New York State Energy Research and Development Authority (NYSERDA) and was an initiative of the State, which acquired the property from the federal government. The park offers facilities, programs, and services geared to supporting clean-energy and environmental companies. Amenities offered at the park include: a tenant liaison; a speaker series; marketing, counseling in marketing, business expansion, identifying sources of capital, financial strategies, business growth strategies, and market research; internship programs through area colleges; and facilitated collaboration with research universities, workforce trainers, and potential funding partners at the federal, state and local levels.

To participate in the park, companies must be engaged in clean energy and environmental technology-related activities. They also must participate in NYSERDA's research and development or New York Energy Smart Program.

NYSERDA offers funding opportunities to STEP companies, including: an incentive program for renewable, clean energy, and energy efficiency product manufacturing; incentives for new construction; funding for clean energy business growth and development; funding for industrial process and product innovation; and incentives for equipment and fit-up.

Consistent with the park's green focus, all facilities were constructed to LEED standards and the park features nature trails, bike paths and a gazebo. Facilities include: a 23,000 square foot business center (office, wet and dry lab, and light industrial space); a 105,000 square foot research, development and light industrial center; and a 43,000 square foot training center operated by Hudson Valley Community College.

<http://step.nyserda.org>



## TRANSPORTATION INVESTMENTS

### 11. Major Roadway Improvements

**Description:** 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).

**Purpose:** To ensure that infrastructure needed for economic development is adequate over time, with the recognition that some improvements will be more readily achieved than others.

**Approach:**

- Continue to work with congressional leaders to advocate for the completion of the Circ Highway, emphasizing the support of local residents. The majority of Town and Village residents who participated in the Economic Development Vision and Plan survey effort either strongly agreed or agreed to the following statement: "I feel that completing the Circ Highway from I-89 in Williston to Route 117 is essential to the economic future of Essex."
- Work with the Chittenden County Metropolitan Planning Organization to investigate improvements to Route 117 to enhance access for economic development and serve as a more feasible near-term alternative to completing the Circ Highway.
- Support the implementation of improvements to the Route 15 corridor and the Susie Wilson Road corridor as described in the Chittenden County Metropolitan Planning Organization's Route 15 Corridor Study (2008).

Support the implementation of the Crescent Connector in the Five Corners as a means of rationalizing traffic and improving the flow of people, goods, and services.

**Success Measures/Benchmarks:** Completion of planning and feasibility assessments; receipt of funding commitments; and realization of on-the-ground improvements.

**Milestones and Deadlines:** Completion of the Circ Highway has been a long-term proposition and is likely to remain so as the project remains stuck in legal proceedings. Coordinating with congressional leaders should be an ongoing activity over the short- and long-term futures. Work to investigate improvements on Route 117 should be a near-term work item, as should support for implementing the Susie Wilson Road corridor.

**Order of Magnitude Cost of Implementation:** Depends on the type of transportation investments to be made; an estimated cost for a consultant-led transportation planning study for Route 117 would be \$100,000 to \$200,000.

**Potential Funding Sources:** Chittenden County Metropolitan Planning Organization (as a conduit for federal and state funding for transportation planning studies and transportation improvements)



## 12. Freight Rail Service Expansion

**Description:** Evaluate the feasibility of freight rail service to underutilized manufacturing plants.

**Purpose:** To support manufacturers (including green manufacturers) and shipments of finished products via freight rail, and to support the use of existing underutilized manufacturing plants where spur rails already exist.

**Approach:**

- Define the geographic area to be evaluated. This area could be confined to Essex or potentially part of a larger, regional study (if the surrounding county or local communities have similar interests in understanding the availability of freight rail). Such partnering is recommended to leverage resources.
- Identify the scope of services to be conducted as part of this evaluation. The work scope should include: collection of base freight data to inventory existing freight infrastructure and networks, including description of current conditions; assessment of existing commodity flow; analysis of system deficiencies; and recommendations for short-term, medium-term, and long-term improvements (with descriptions of specific strategies and cost estimates).
- Secure funding for the feasibility study.
- Engage a consultant to prepare the feasibility evaluation through a request for proposals process.

**Success Measures/Benchmarks:** receipt of funds for study; quality of feasibility evaluation prepared; practicality of recommendations included in the final report.

**Milestones and Deadlines:** seek funding for the study and prepare RFP within first year of plan implementation.

**Order of Magnitude Cost of Implementation:** cost of study will depend on complexity of analysis requested and geographic area to be evaluated; an estimate of the cost for the study to cover the geographic area is \$25,000 to \$75,000.

**Potential Funding Sources:** Chittenden County Metropolitan Planning Organization; The Town and/or Village of Essex Junction



## 13. Regional Multi-Modal Improvements

**Description:** Support state and regional efforts to develop transportation links between St. Albans and Montpelier.

**Purpose:** To expand multi-modal transportation options and enhance Essex's connectivity to centers of commerce in Vermont.

**Approach:**

- Support the implementation of the multimodal transportation improvements contained in the Route 15 Corridor Study by the Chittenden County Metropolitan Planning Organization (CCMPO), which includes recommended highway improvements, transit service improvements (expanded bus service, capital improvements, and bus rapid transit), and bicycle and pedestrian enhancements. Bus rapid transit is noted as a long-term recommendation in the study, with an estimated capital cost of more than \$3 million and annual operating cost of nearly \$800,000.
- Review zoning along the VT 15 corridor and Susie Wilson corridor to develop design standards for mixed-use development consistent with the corridor vision established in the Route 15 Corridor Study. Incorporate access management strategies as part of zoning regulations as recommended in the Route 15 Corridor Study.
- Support higher density, transit oriented development in growth centers throughout Essex by allowing for density bonuses in exchange for community improvements (e.g. landscaping, pedestrian amenities, etc.).
- Explore innovative funding mechanisms to facilitate improvements, such as infrastructure impact fees, special improvement districts and tax increment financing.
- Work with congressional leaders to advocate for expanded multimodal transportation improvements in the region.

**Success Measures/Benchmarks:** Dedication of funding sources; realization of improvements.

**Milestones and Deadlines:** Review of zoning and development of design standards should be coordinated with the comprehensive re-write of the Town's zoning and subdivision bylaws.

**Order of Magnitude Cost of Implementation:** Varies per improvements to be undertaken (refer to the Route 15 Corridor Study for a list of estimated costs).

**Potential Funding Sources:** Chittenden County Metropolitan Planning Organization, Vermont Agency of Transportation (VTrans)



## Appendix A: Stakeholder Interview Notes

### VISION, IMAGE AND DEFINITION OF ECONOMIC DEVELOPMENT

- Agricultural community
- Leisure destination
- Technology
- Smaller enterprises that use technology
- Start-up businesses and consultants that would benefit from proximity to IBM
- Biomedical science
- Wellness/health center
- Railroad
- Locally sourced, sustainable products
- Services
  - Local Services
- Retail
  - Casual yet quality restaurants
  - Clothing stores (smaller niche stores)
  - Differentiated node in Village (linked to surrounding shopping centers), that is positioned as distinctive from other areas
  - Restaurant with a railroad motif in the Village
- Entrepreneurial businesses
- Higher-wage jobs
- Mix of industrial and residential
- Tourism niche, if it can be built
- Quality of life
- Less reliance on a single industry/employer
- Creation of wealth
- Facilitate business development and expansion
- Improving what we already have (taking advantage of existing development)
- Growing a community center
- Vibrant and diverse economy
- Economy that takes advantage of talented labor pool
- Incentivizing development or expansion and recruitment of firms
- Answering businesses' questions
- Coordination and cooperation with surrounding communities/Chittenden County



## INDUSTRIES TO TARGET

- Green Enterprise Zone – Including Research and Development
  - Include wind energy (including wind turbine manufacturing), solar panel manufacturing, wood pellet manufacturing, biomass
  - Politically makes sense (topic of interest to select board)
  - Part of Vermont's image is being green
  - Future is green
  - Saxon Hill should develop with green enterprise zone, and also with company housing
  - Essex Shoppes & Cinema is already a green retail center (only one in Vermont)
  - Build from educated labor force for research
  - Village would like to be an integral part of
  - Solar (semi-conductors, technology related)
  
- Tourism/Cultural Heritage
  - Grow the Farm to Table movement
  - Cheese manufacturing
  - Microbrews
  - Ecotourism
  - Business meetings from nation (and Canada) could serve as high-end market
  - Inn at Essex is great, and packages (such as fall foliage with culinary classes) should be expanded
  - Hands-on demonstrations that bring together a variety of Vermont products at the Inn (cheese, cider, ham, ice cream, coffee)
  - Pick-your-own herbs (at the Inn – greenhouses)
  - Interest in developing the connection between NECI and the Town and Village
  - Niche/heritage tourism
    - Trains
  - Build upon locavore and CSA movements
  - Farmer's market
  - More restaurants in the Village
  - Arts and culture
    - Writing-based cluster
    - Glass blowing
    - Other artistic pursuits
  
- Agriculture and Forest-Based Industry – Including Wood Pellet Manufacturing
  - Small niche agricultural operations (i.e. apple orchards, hydroponic indoor tomatoes etc.)
  - Town has a few conserved farms from which to build
  - Add CSAs to take advantage of their popularity
  - Agriculture to provide food for local restaurants and farmers markets is appropriate and should be encouraged, but it will add to quality of life and not serve as a foundation for economic growth
  - Wood stove manufacturers
  - Wood pellets
    - Pellet plant
    - Use rail access to bring in natural resources and finished product, building upon fact that a train supplying wood chips from central Vermont for the McNeil power plant in Burlington passes through Essex Junction twice daily, and building upon spur rails that lead to empty former manufacturing plants in the Village
  - Woodchip generation
  - Furniture made with Vermont wood

# Economic Development Vision and Plan

Town of Essex, Vermont



- Defense Contracting
  - Canadian manufacturers with "Made-in-America" needs
- Gaming development (including simulation)
  - Building upon activities in region but also in Montreal
  - Market affordability of area vis-à-vis Northern California
- High End Electronic Manufacturing
  - Building upon the labor pool at IBM
  - May be less sensitive to costs of doing business as some other manufacturing fields
- Biomedical Research
  - Building upon UVM medical school's research and coordination with hospital (Fletcher Allen)
- Professional Services, including Finance and Insurance
  - Insurance, accountants, hair salons, janitorial, physical therapists
  - Captive insurance as a Vermont specialization given uniqueness of the tax code
  - Internet-based services with entrepreneurs that value quality of life and can operate without consideration of immediate transportation access

## WHERE TO GROW

- Make use of existing industrial/commercial buildings (subdivide to smaller offices if needed)
- Adaptive reuse of barns and sheds
- Redevelopment and adaptive reuse in the Village
  - Along 2A in particular, south of the Five Corners
  - Renovated space could serve as office space and business incubator space for consultants and start-up businesses benefiting from proximity to IBM
- Facility of a larger scale than an incubator, with space for manufacturing and testing of patents
- Rebuild within IBM if seeking large industrial park development
- Within underdeveloped parks such as Saxon Hill Business Park
- Area near Sandhill Road
- Definable Town Center outside of Village
- Industry that requires large trucks should be at margins of Village
- Industry that uses freight focused along rail line
- Within already designated growth areas
- Recognize image of open space/green that brings people to Vermont and plan accordingly
  - Recognize that the State has prioritized the need to conserve historic settlements and protect rural landscapes, making greenfield development less palatable
- Regardless of where – encourage higher quality of design/character, and consider development impact fees



## DEVELOPMENT TRENDS

- Senior housing and apartments are doing well
- Residential condominiums are doing well, with people moving in from the gamut of divorcees and empty nesters (one bedroom units) to families (three bedroom units), many of whom move to Essex for school system
- Commercial condominiums are doing well
- Restaurants could expand, though retail is oversaturated
- Essex is not a retail hot spot
- Essex is not a destination for warehousing or distribution-related industry
- Local/made-in-Vermont retail doing well
- Hospitality is expanding (Inn at Essex adding 17 rooms)
- Entertainment is expanding (600-seat locally-serving performing arts center)

## ECONOMIC DEVELOPMENT TOOLBOX – DESIRED ADDITIONS

- More active role for Town in facilitating economic development
  - Keep an open mind
  - Try to see big picture for economic development (try not to get too wrapped up in details and politics)
- Town should take steps to address weaknesses/constraints to economic development
- Local option tax for tourism
- Town has authority to do business zones and tax incentives
- Workforce development to train the labor force to participate in target industries
  - Coordinate with area higher education institutions to train people as scientists, technicians and other occupations as necessary.
  - Build from existing labor pool.
  - Focus on training workers to participate in emerging technologies.
- Look at the field of environmental economics to see if there are opportunities there.
- Tax increment financing for investment in infrastructure/heavy equipment
- Tax stabilization
- Incentives that include selection criteria/priorities and conditional requirements to enhance benefit to the Town over time, such as a sound business plan
- Consider prioritizing incentives to green businesses and local businesses
- Seek federal funds
- Create a regional economic development advocate to work with State
- Create a regional district similar to New York's Empire District with special taxing authority for economic development
  - Could be equivalent to Chittenden County
  - Could be broader to include northwestern Vermont counties
- Point to success stories nearby to get community thinking about possibilities
- Work with state politicians to grow industries through national and international marketing
- Link successful area business people with state to aid in marketing (success stories)
- Align industry targets with state
- Provide area realtors/brokers with information on available governmental incentives
- Market Essex as a socially responsible location to start a business (housing is available at affordable levels for the full spectrum of your workforce, and the community is safe)
- Consider streamlining permit process/reducing requirements for target industries/types of businesses, including small and locally-owned businesses



- Enhance communication between the Town and local businesses with monthly meetings
- Develop a strong business retention, expansion and recruitment program
- Evaluation of current fiscal expenditures of Town to determine opportunities to re-focus funds for economic development
- Support investment in quality of life
- Streetscape and facade enhancements in Village are worthwhile for quality of life/pride of community (not necessarily an economic development strategy, but a community development strategy)
- Design guidelines, to possibly include historic regulations for the Village (but much discussions are needed surrounding this topic to work out potential issues)
- Rail system enhancements to develop an economic link between the Junction and Montreal
- Commuter rail service to Burlington
- Enhance Essex Junction's Amtrak station/explore possibility of creating a new train station that would be more welcoming for tourists from instate and out of state
- Pedestrian multi-use recreational path along the railroad (to high school)
- Get a seat at the table when VTrans speaks with the USACE and EPA re: the Circ
- Pursue the Crescent Connector as a way to rationalize the traffic that moves through Five Corners and open up underutilized properties for economic development
- Include green, clean and Made in Vermont in marketing efforts to tie into state's image
- Introduce Essex to the "movers and shakers" at UVM to build partnerships
- Need to acknowledge quality/world class work force in and around Essex
- Establish partnership with VCET (Vermont Center for Emerging Technologies) as a technology business incubator and provider of early stage company development
- Balance economic development with conservation (make sure the conservation committee is an important player for the Town alongside the economic development committee)
- Target green enterprise by marketing defining aspects of the community attractive to green entrepreneurs: interesting downtown, quality schools, transportation access, proximity to University of Vermont and IBM

## CHALLENGES TO IMPLEMENTING ECONOMIC DEVELOPMENT

- Town can hope to attract the right mix of industries, but can't force it
- Permits are difficult to obtain
  - Requirements/requests can be burdensome in terms of impact fees, open space dedication, tree plantings
- Access is lacking with Circ not completed and distance to highways
  - Constrains to locally-serving rather than regionally-serving service businesses
  - Would be a game-changer if built
- Perception that Village is difficult to move through due to Five Corners
- Distance to resource base for forestry based manufacturing
- Zoning is restrictive; lack of land zoned for industry/commercial activities
- Village lacks land for development and has many small lots, conflicting boundary lines, aging buildings in need of renovation and multiple property owners with different business needs
- Lack of a clear Town vision for economic development
- Chittenden County is not a unified region for economic development efforts
- Historic lack of coordination for economic development between the Town and Village
- Lack of monetary resources to implement all the economic development activities desired
- Toolbox for economic development is lacking (particularly lack of incentives at state and local levels, lack of state sales tax revenues dedicated to tourism, and lack of advertising at regional level (including bringing companies to Essex's properties))
- Perception that some Town officials have not made a concerted effort on economic development, and that some individual officials do not care about tourism as an economic opportunity
- Aging population

# Economic Development Vision and Plan

Town of Essex, Vermont



- Brain drain
- Cost of living is high
- Lack of housing for moderate incomes
- Impact fees for sewer and water are expensive
- Property taxes are high
- Businesses in Essex Junction are required to pay taxes to two municipal governments, the Town and Village, putting Essex Junction at a disadvantage
- Property tax revenues are not distributed to local communities in relation to economic growth, which has created apathy toward economic development
  - State equalization education formula, which redistributes tax revenues to school districts, has merit from a social standpoint but seems to create apathy on the part of elected officials about economic development
- State taxes are high (income, sales, and estate)
- State fiscal realities of the present (including unemployment insurance deficit)
- Anti-big business mentality prevents some citizens from supporting economic development activities
- Power costs are relatively high compared to New York, and projected to rise when Yankee Power closes its nuclear plant in 2012
- Lack of many attractions/destinations for tourism
- Hotel room supply in Essex is small
- Few farms in Essex to support Farm to Table
- Lack of smaller spaces to incubate businesses

## COMPETITIVE POSITION FOR ESSEX VIS-À-VIS THE REGION

- Great place to live/quality of life
- Great place to raise a family
- Top-notch school system
- Highly educated labor pool
  - Including retired and semi-retired individuals with patents
- Cache of IBM
- Beautiful homes
- Diversity of community in terms of socioeconomics
- Safe place to live
- Recreational opportunities to residents
  - Access to water recreation
  - Proximity to ski trails
  - Parks
  - Indian Brook Reservoir
- Sewer, water and gas capacity
- Building capacity (available space, particularly as Williston and other towns reach full occupancy)
- Relatively affordable commercial/industrial space
- Tourism
- Civic-minded population
- Does not necessarily need its own brand; it is part of a region that will prosper as a whole
- Railroad
  - Freight-based industry
  - Success of Brattleboro-Essex Junction discounted travel pilot program during fall foliage
- Smaller manufacturers and entrepreneurs that do not require immediate highway access

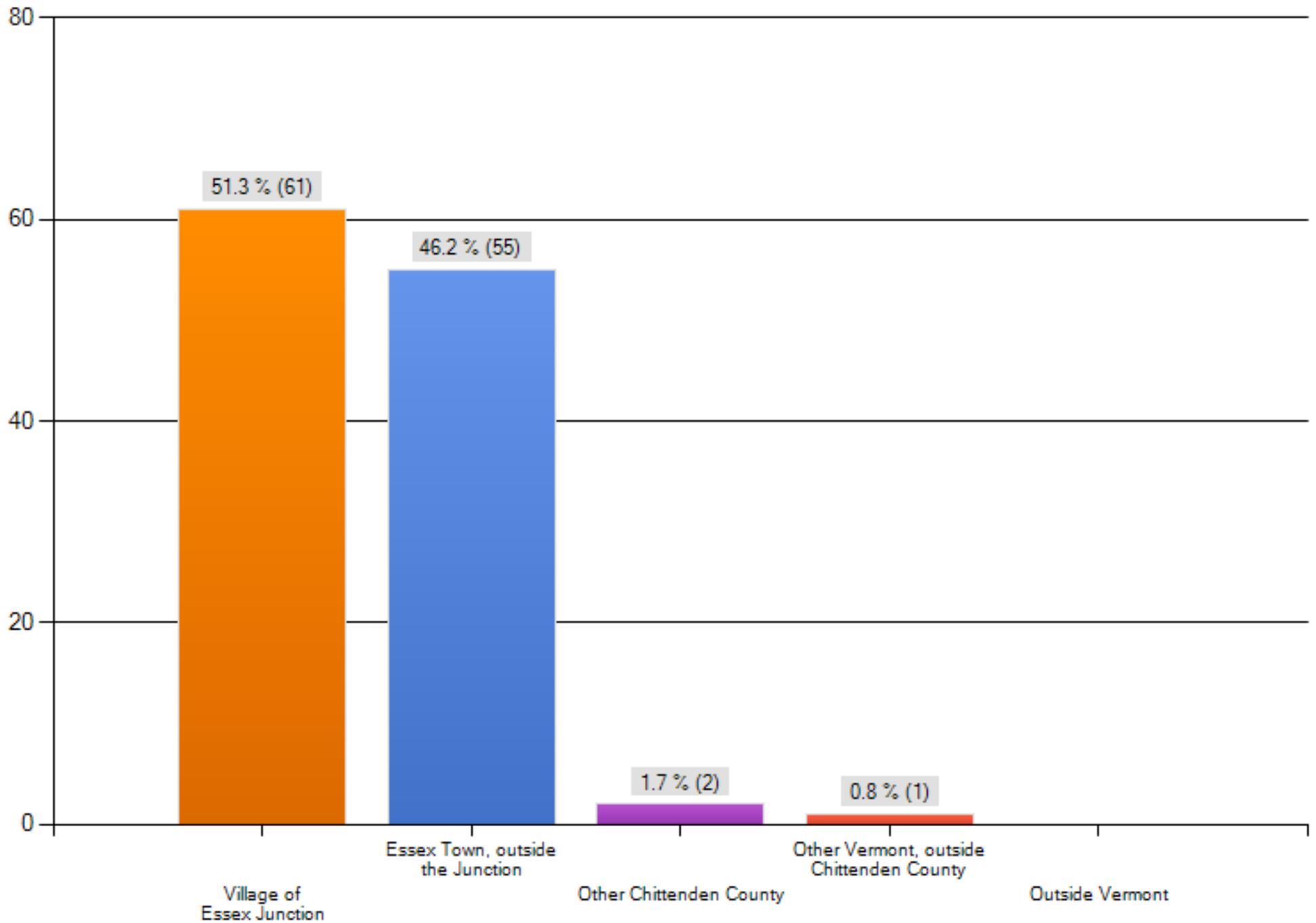


---

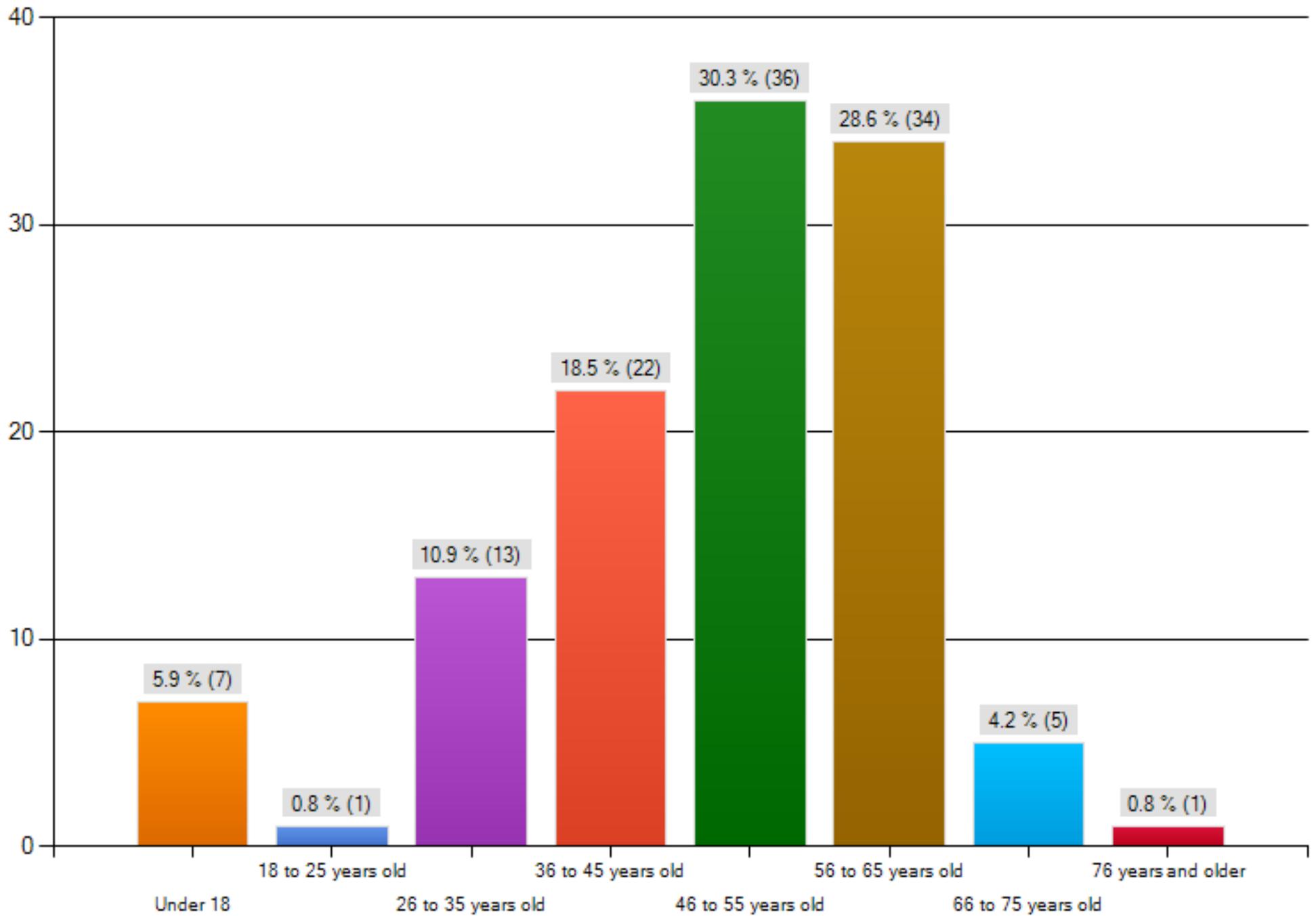
## Appendix B: Survey Responses

The following pages provide detailed responses on the survey.

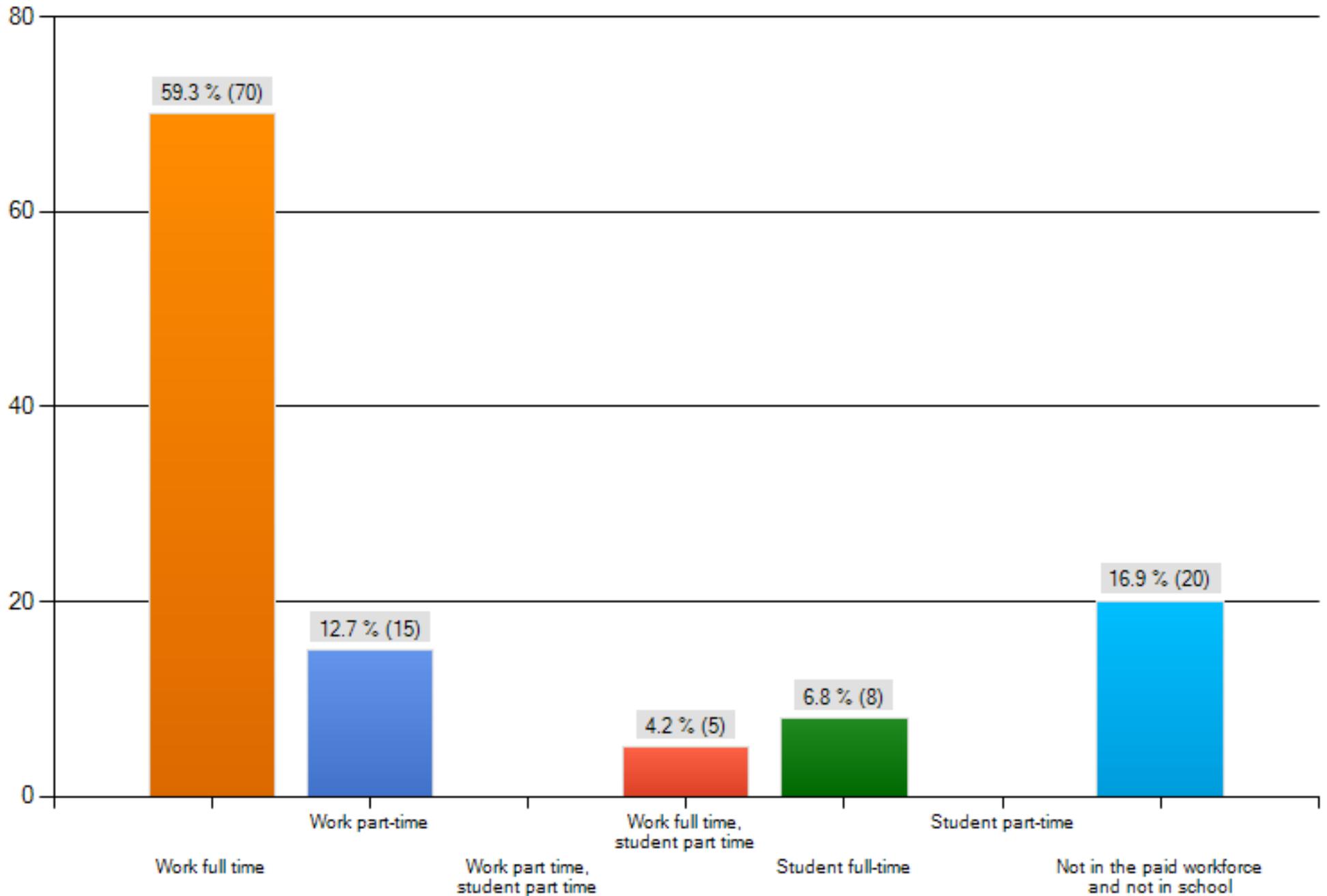
## Please tell us where you live.



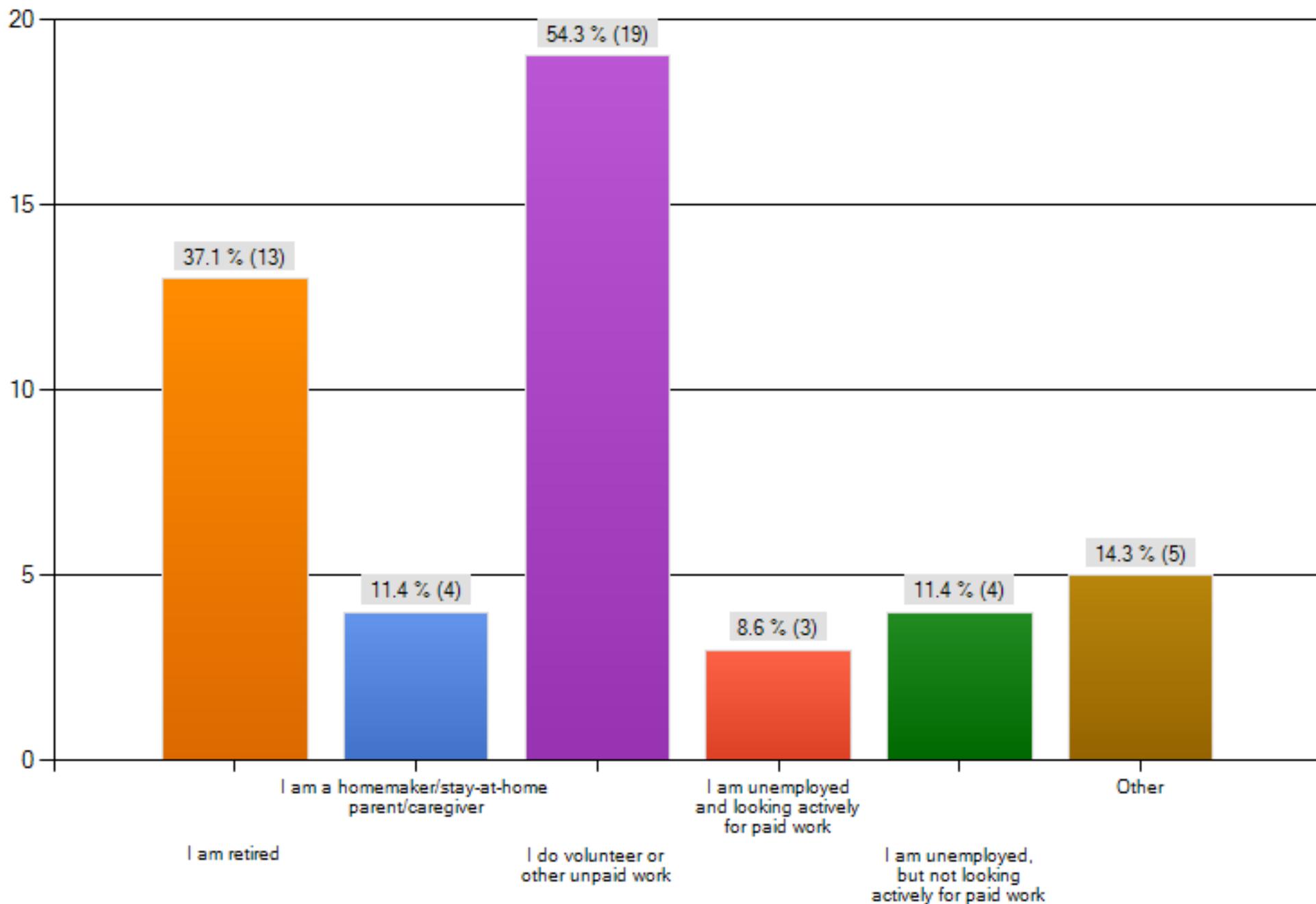
### Please tell us what age range you fall within.



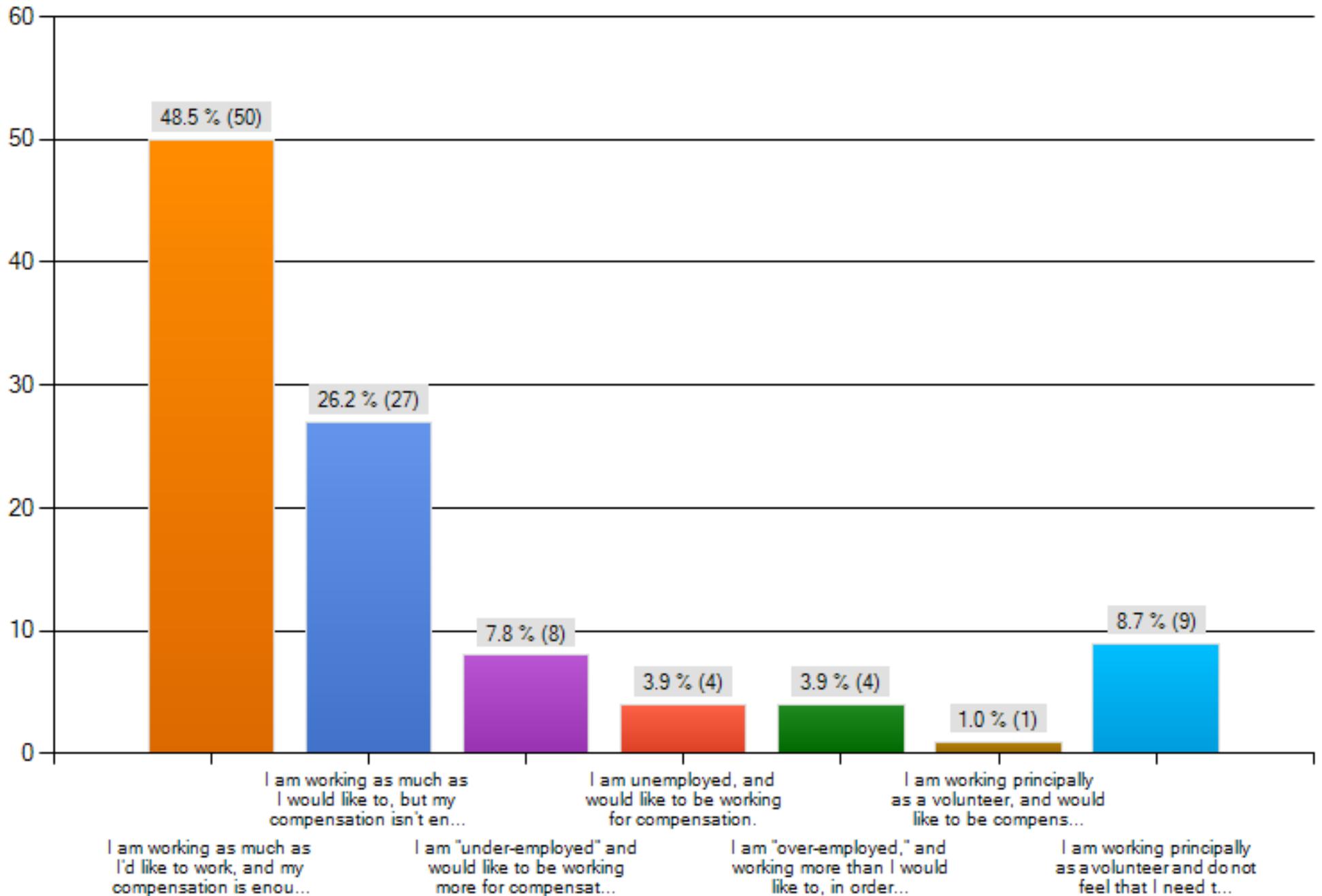
**What is your workforce and education status? Please check the option that applies best to your situation.**



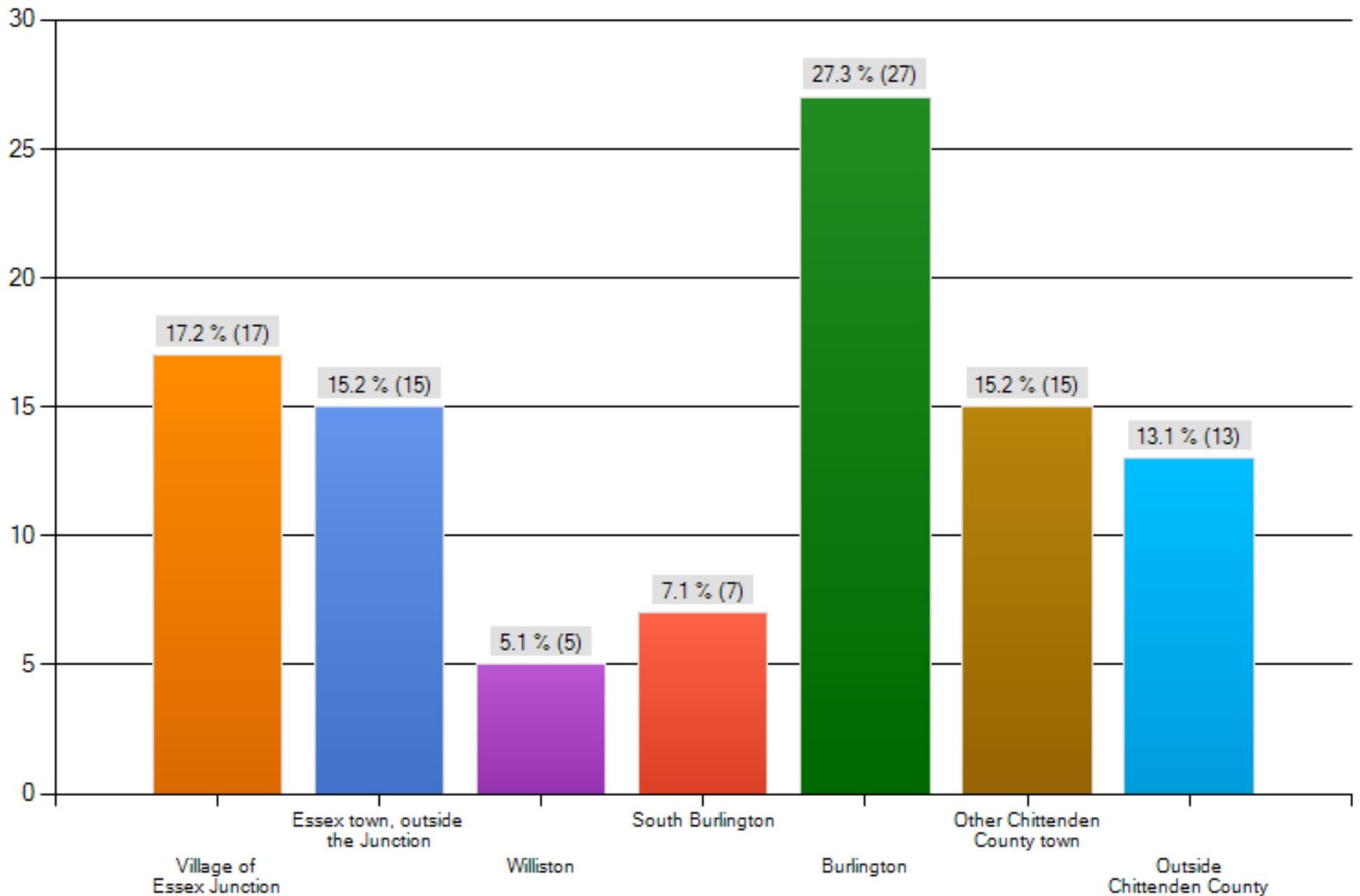
**If you are not currently part of the paid workforce, please tell us about your work, volunteer or other status. Check as many answers as apply to you.**



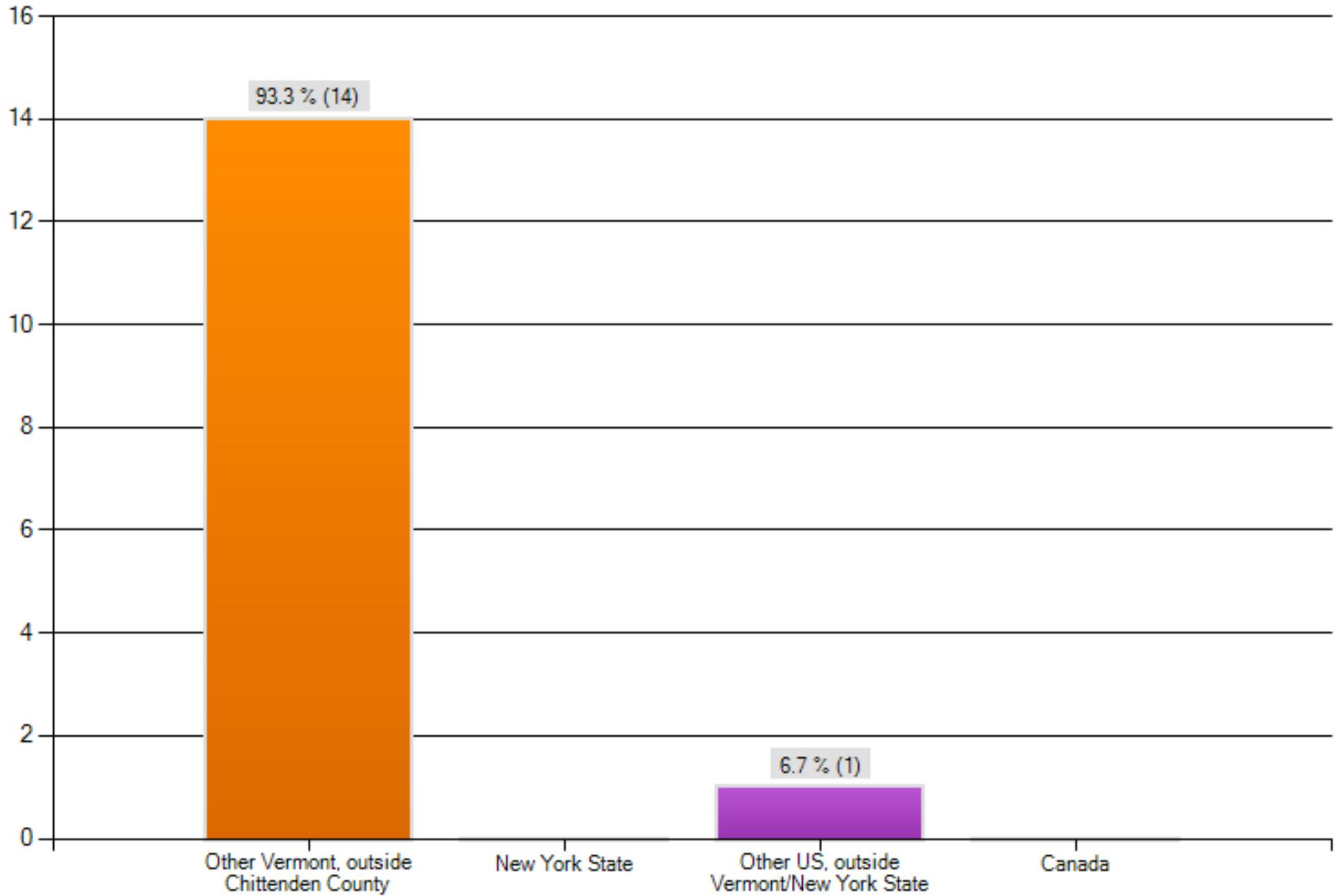
**How do you feel about your status in the paid or volunteer workforce, and what you earn or do there? Please choose the response that best represents how you feel about your status.**



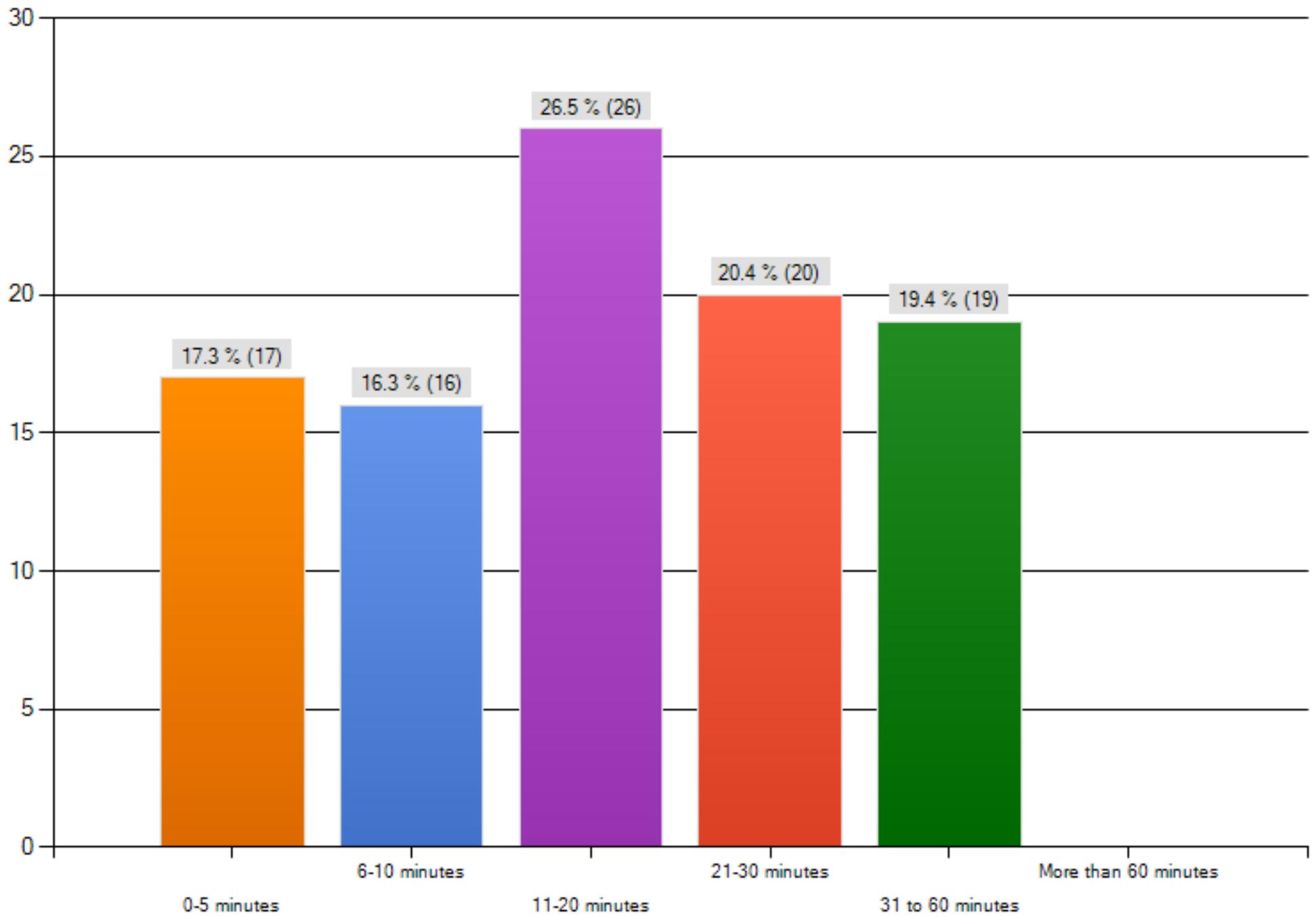
Thinking about your PAID work, where is your PRIMARY workplace - the location where you spend the largest share of your working time? Please check the response that is closest to where you spend most of your paid working time.



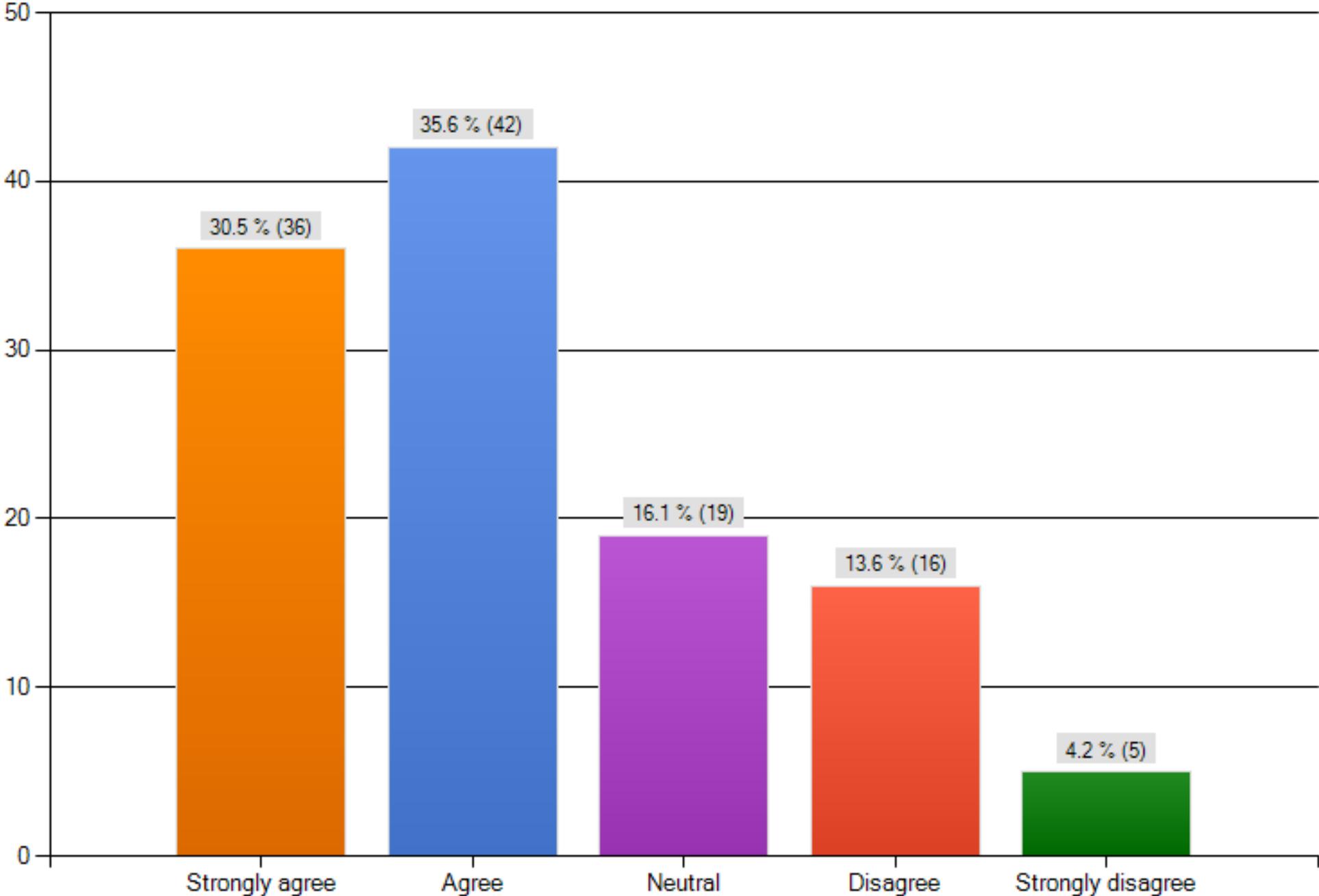
# If you work outside Chittenden County, which of the following best describes where you work?



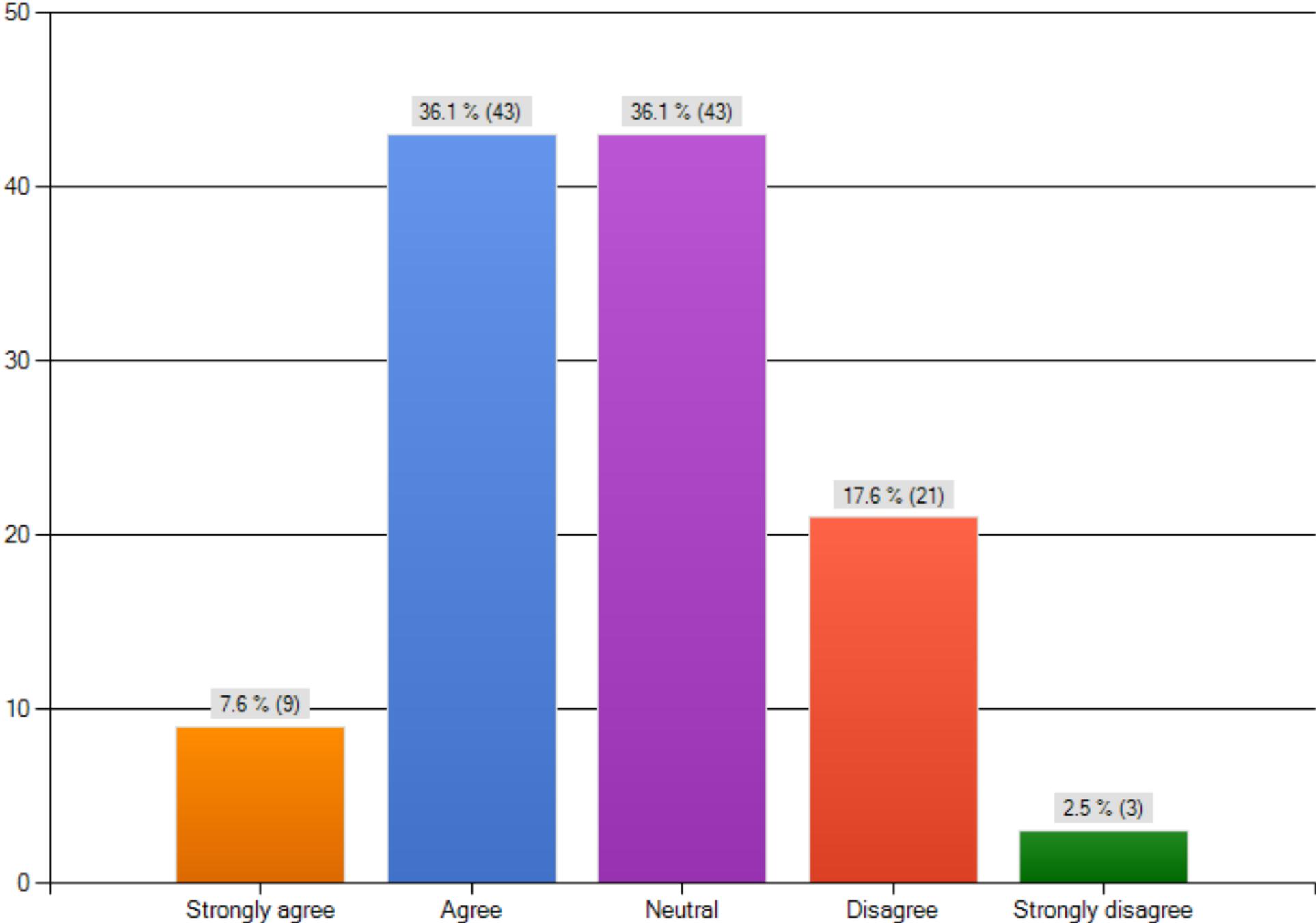
## How long does it take you to get to your primary place of work?



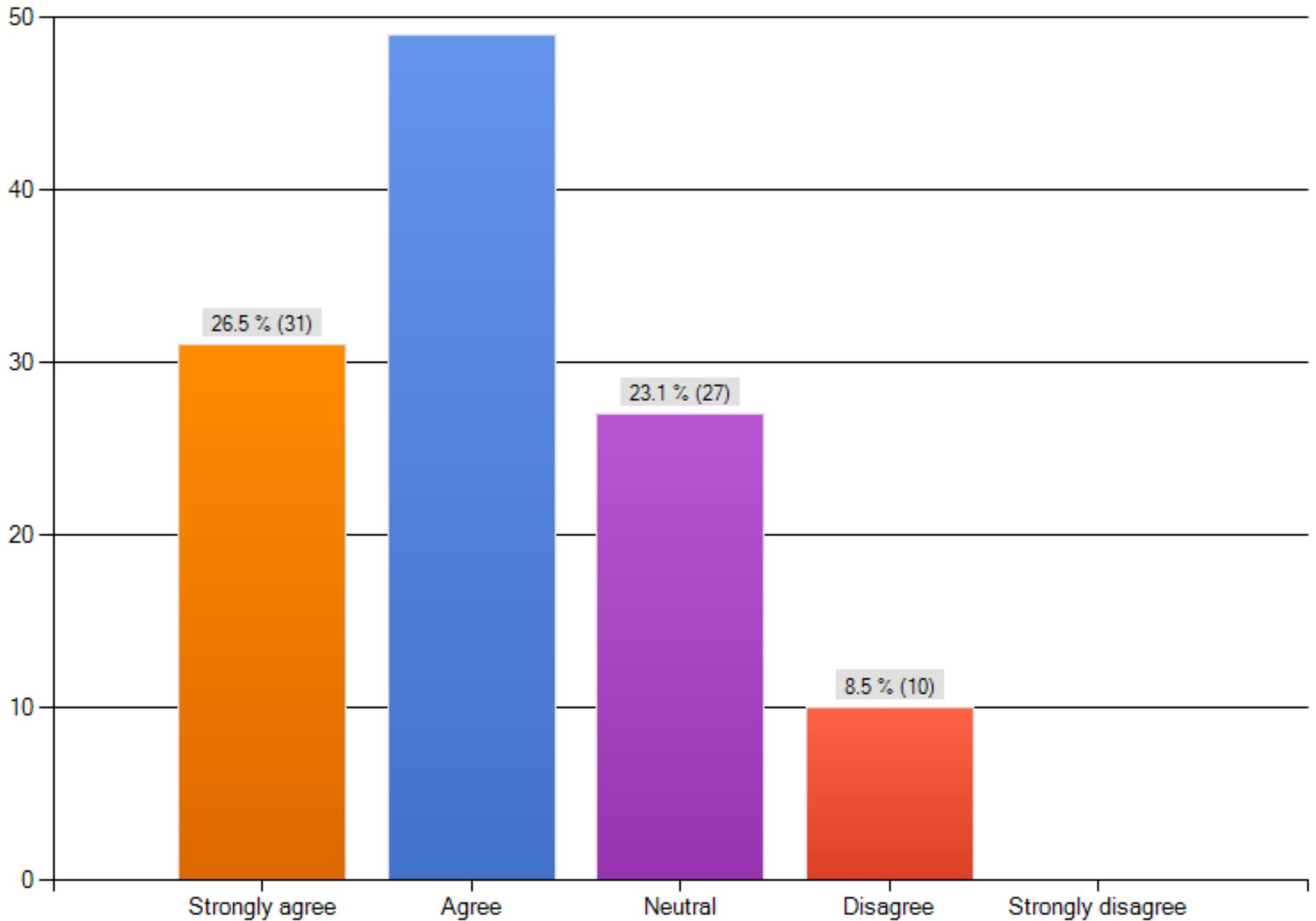
Please tell us whether you agree or disagree with the following statements. I feel that there is a tradeoff between doing well financially and living in Vermont.



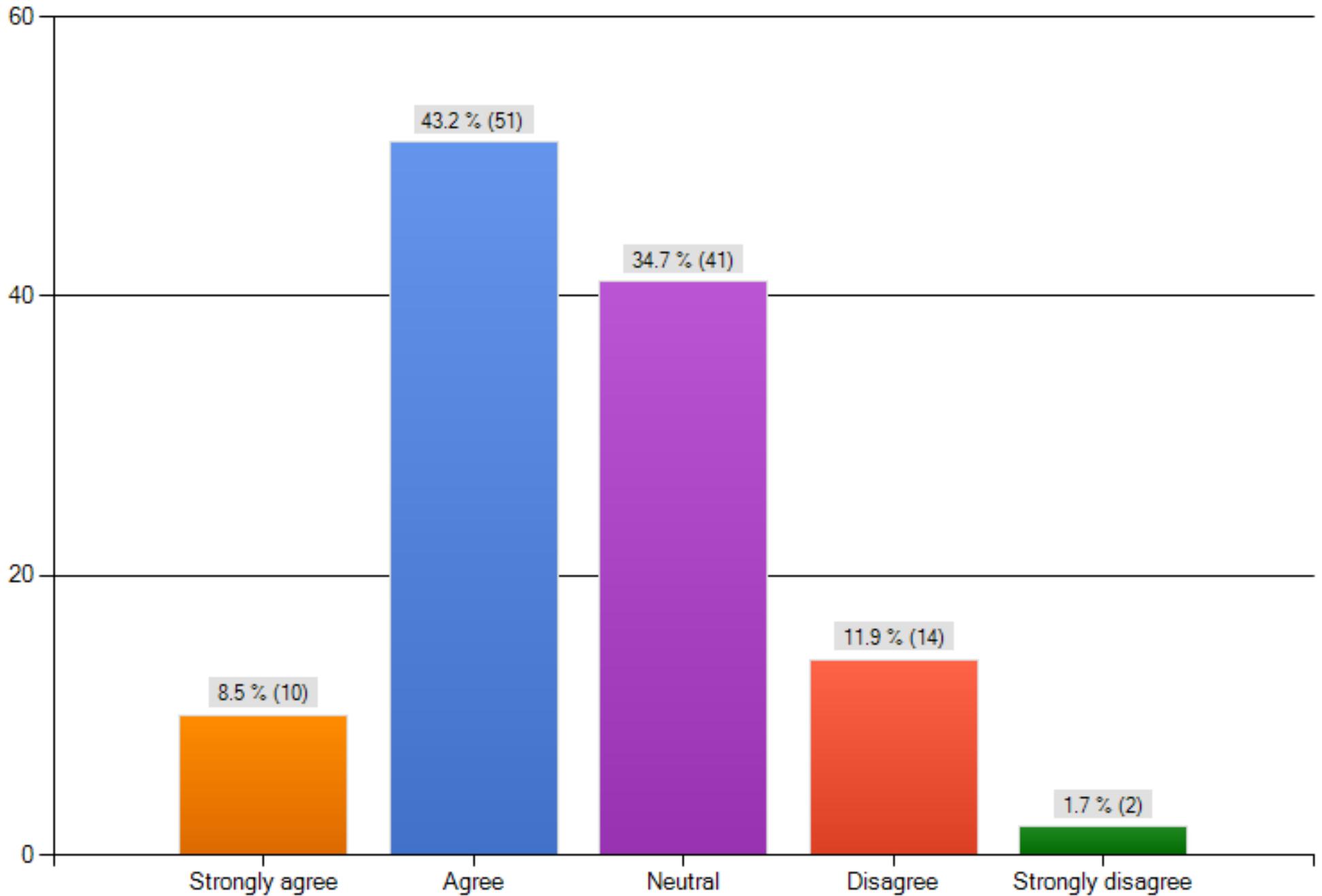
**I feel that relative to Vermont, Essex has above-average economic opportunities.**



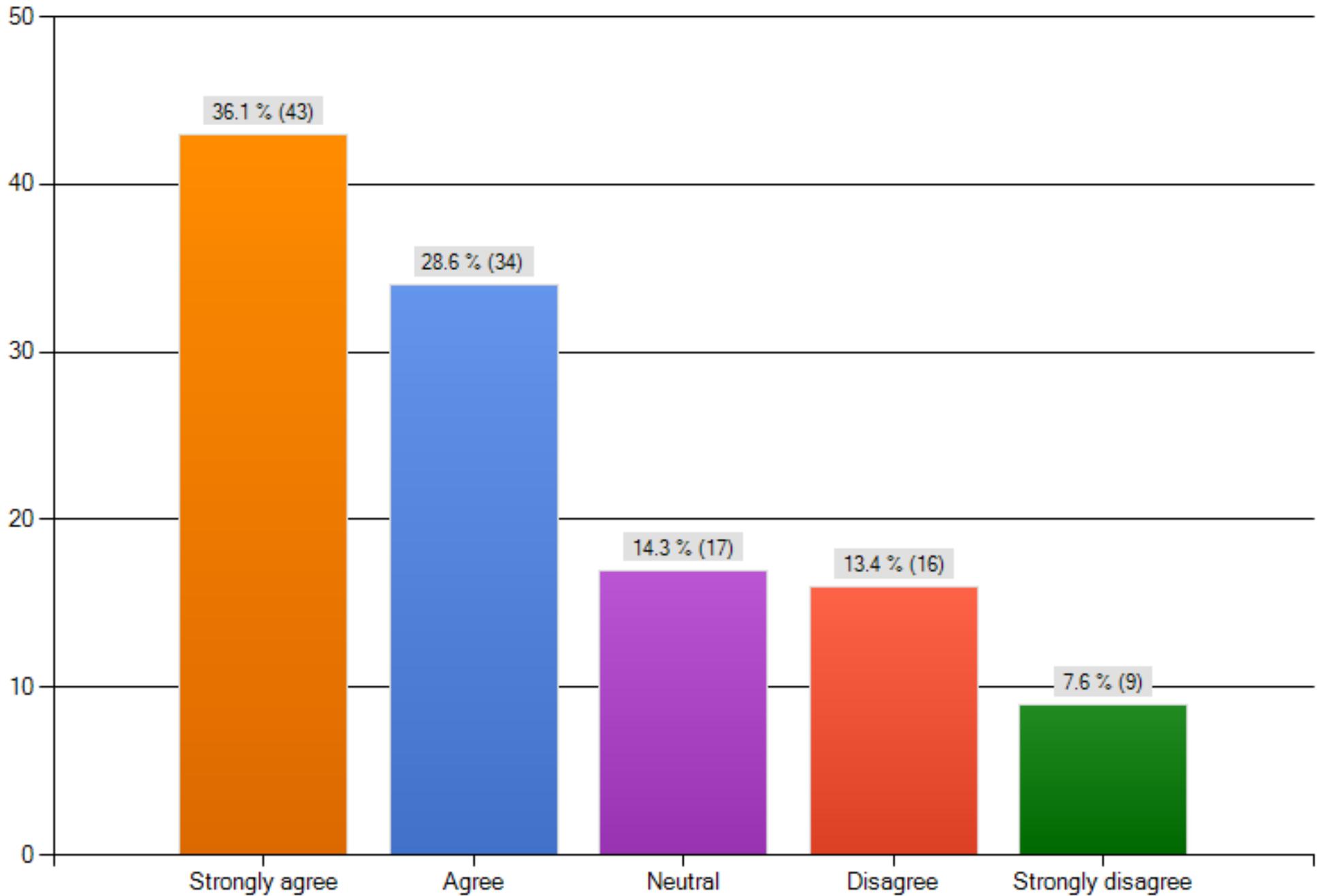
# I feel that Essex is too dependent on IBM for economic opportunity.



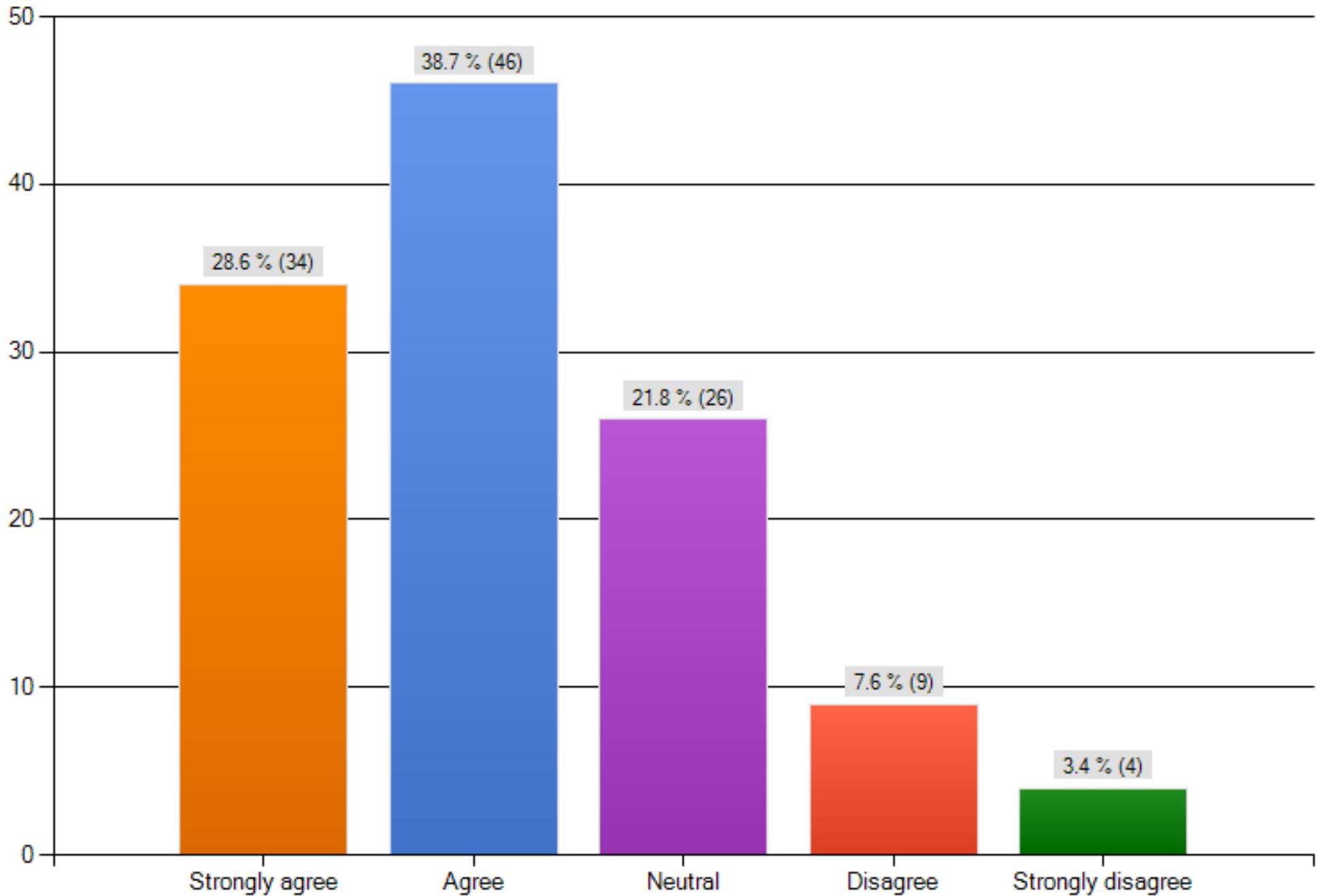
**I feel the Town of Essex and Vermont agencies should work harder to provide opportunities for people who don't have college or advanced degrees.**



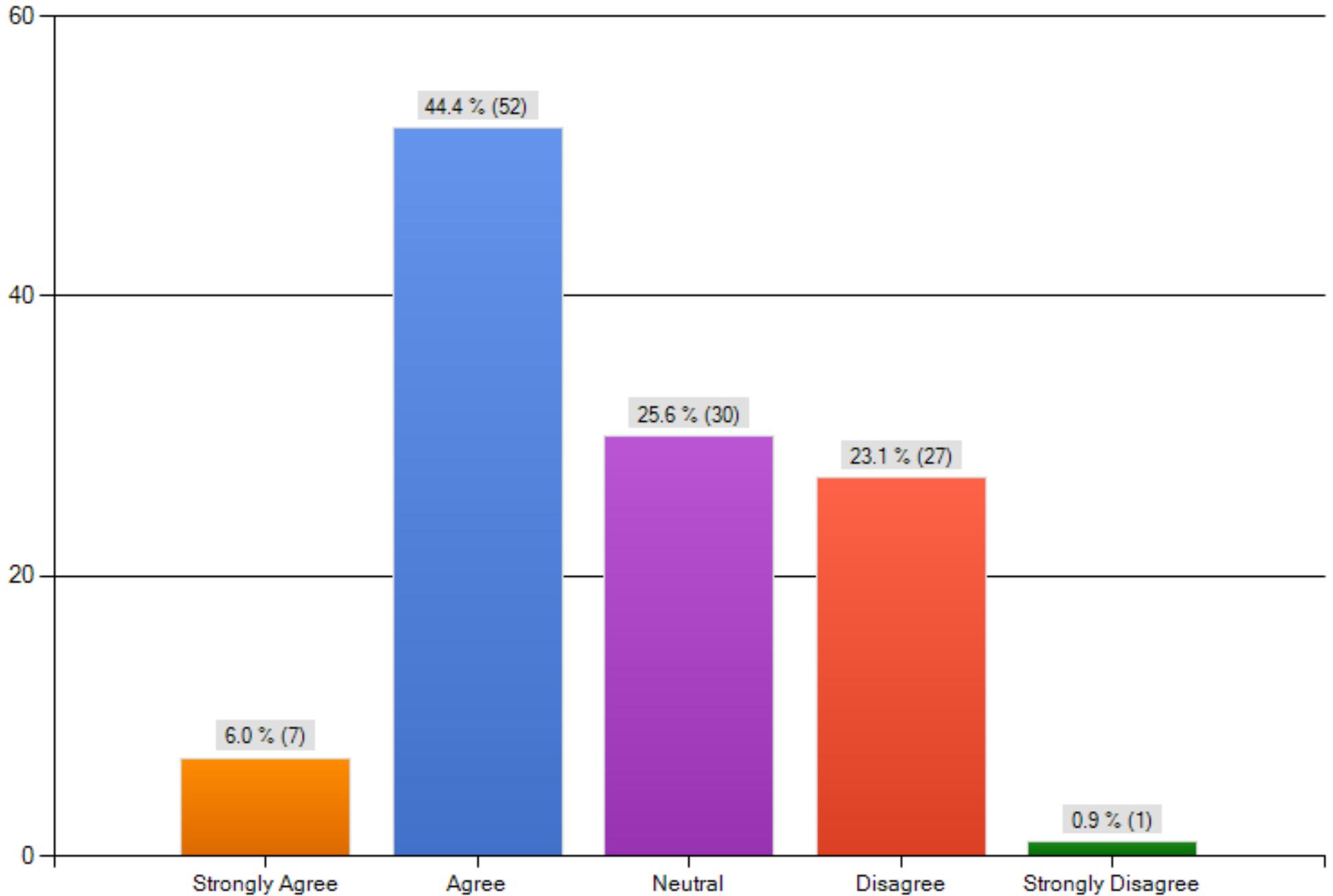
**I feel that completing the Circ highway from I-89 in Williston to Route 117 is essential to the economic future of Essex.**



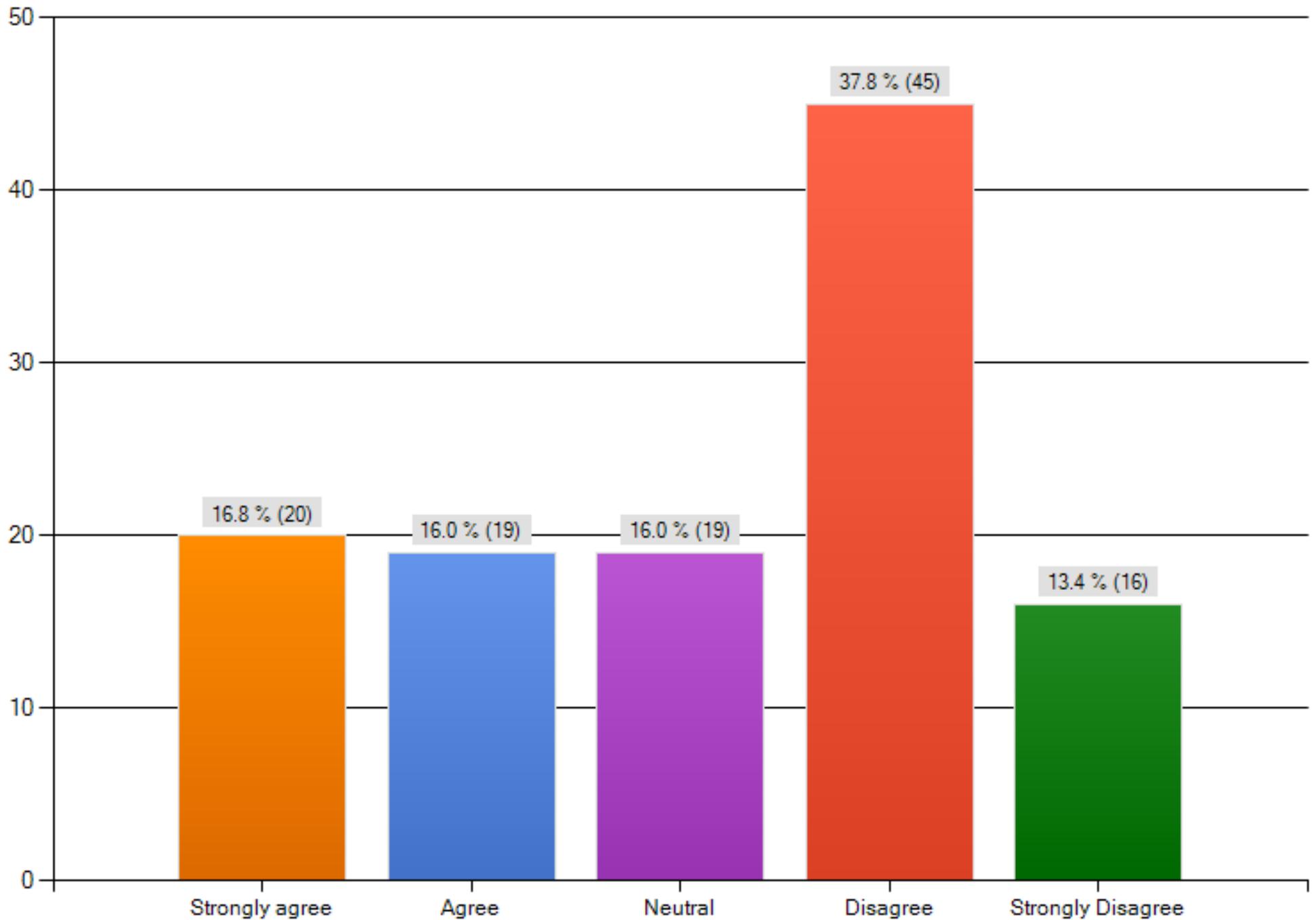
**I feel that improving passenger and freight rail service in and through Essex Junction is important for the economic future of the Community.**



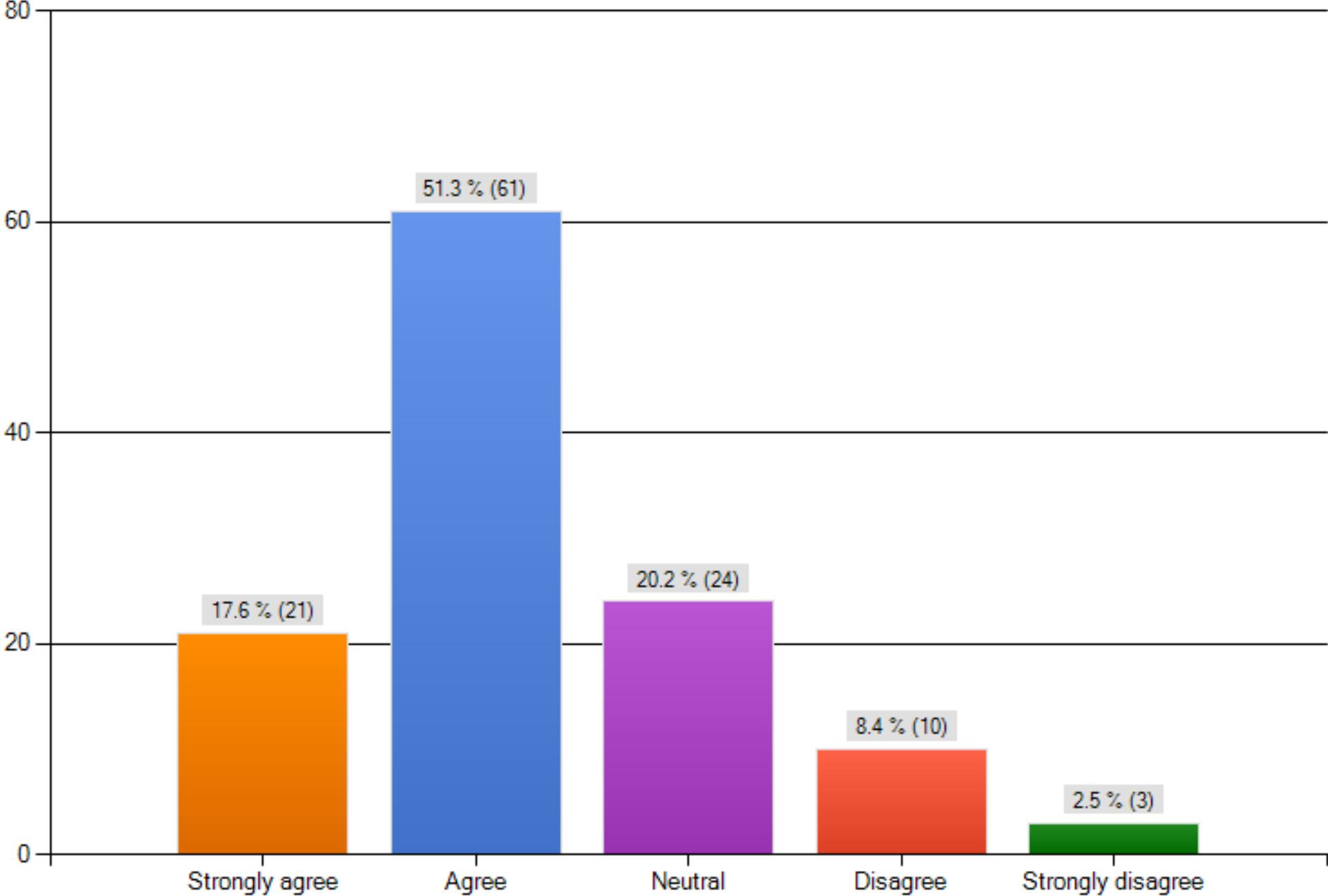
# I feel the Town of Essex has good a balance between economic development and quality of life.



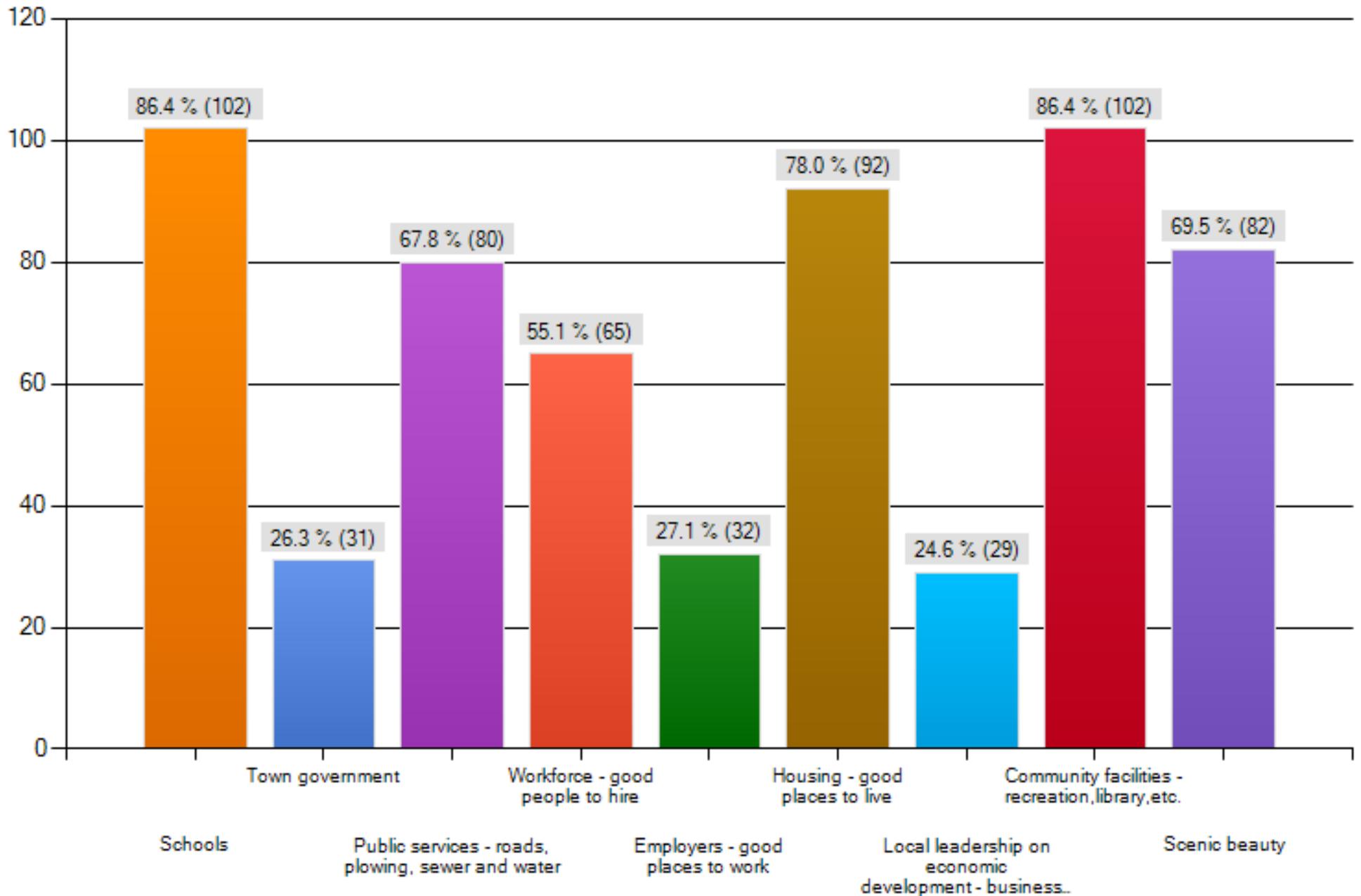
# I feel that the quality of life in Essex is threatened by too much growth and development.



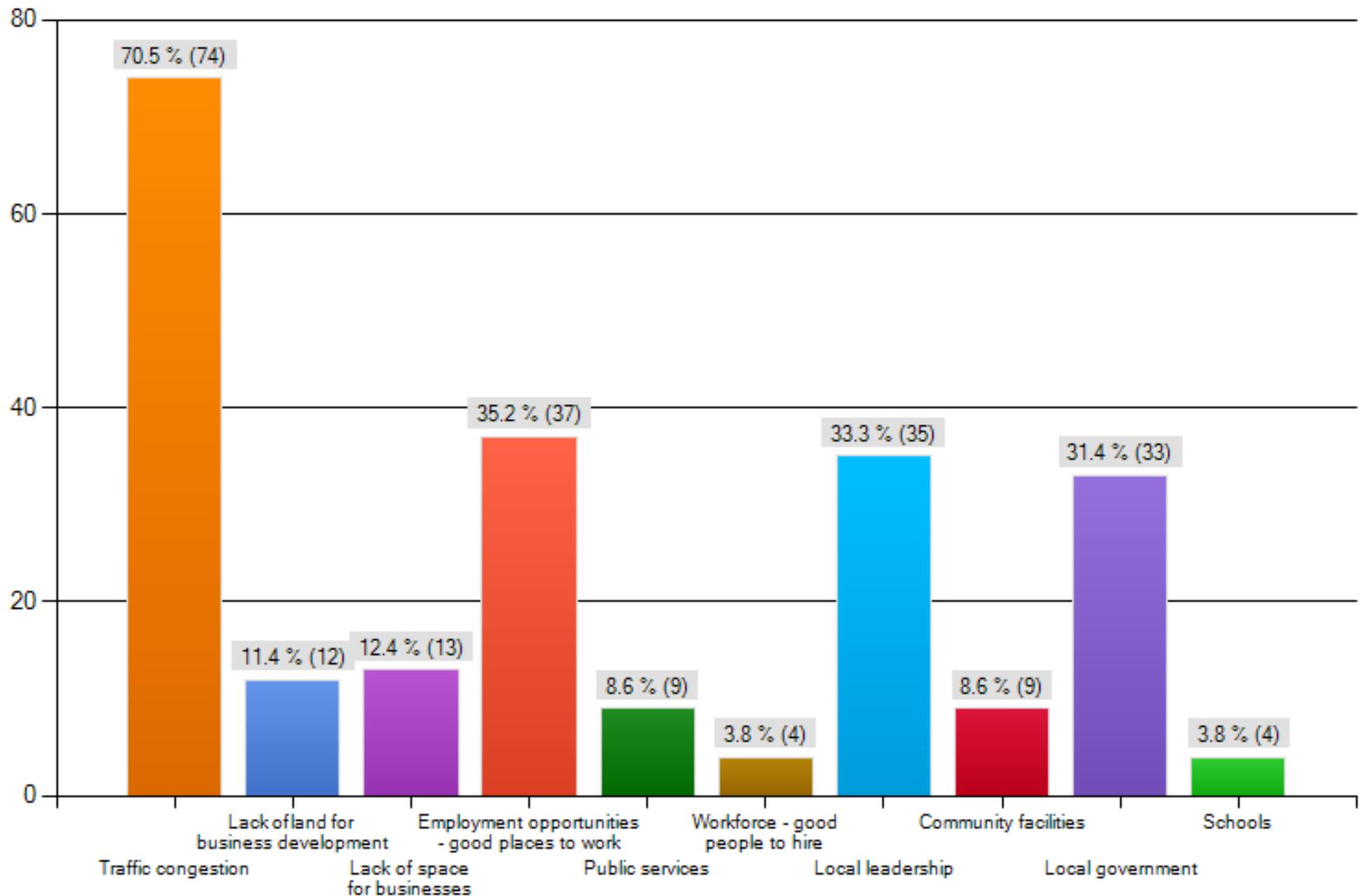
**I feel that the quality of life in Essex is threatened by a loss of job and economic opportunities.**



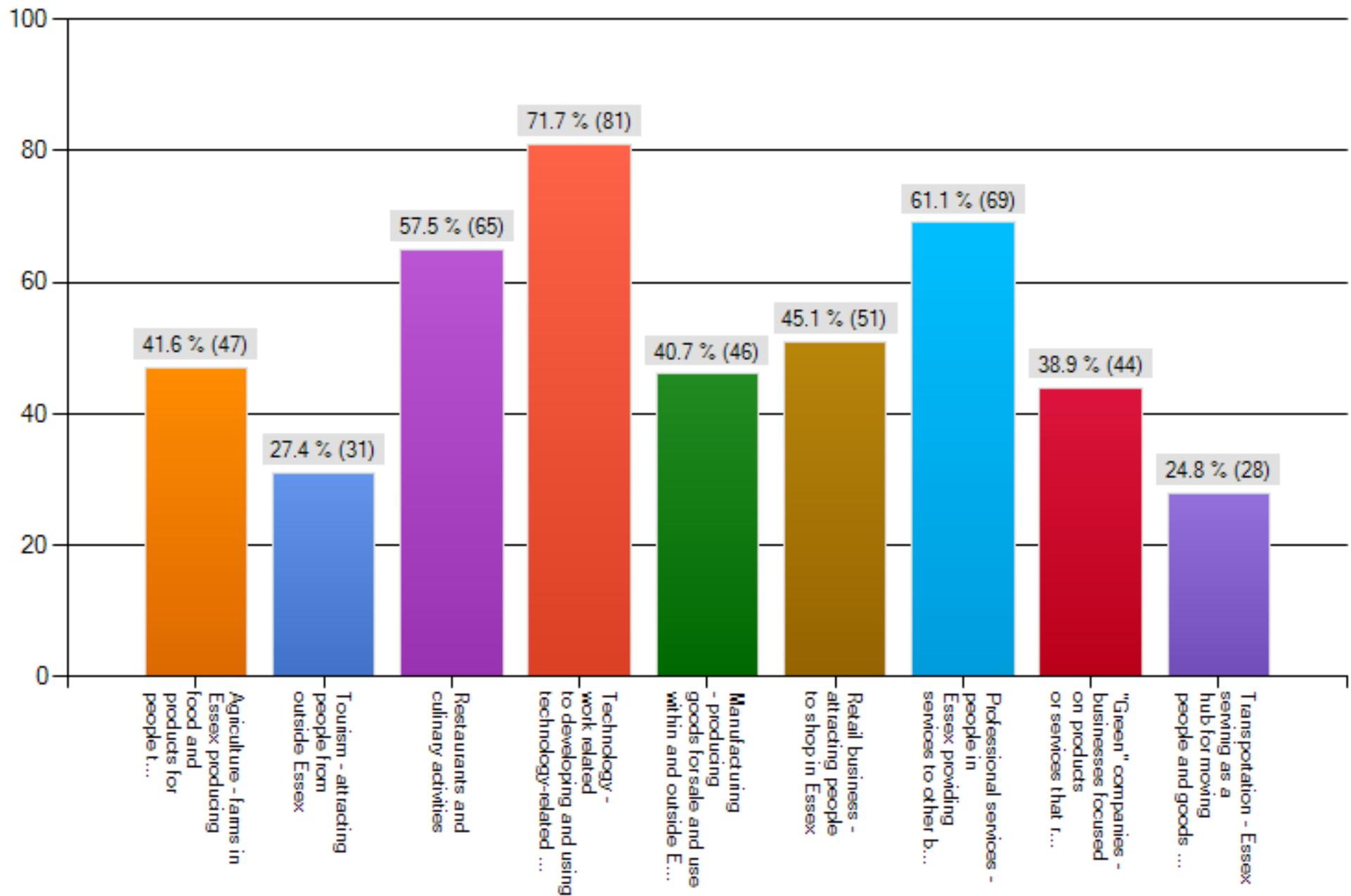
**Thinking about economic activity in Essex, which of the following do you believe are POSITIVE characteristics of the Town? Check as many as you feel are positive economic characteristics of the Town and add any others you think of.**



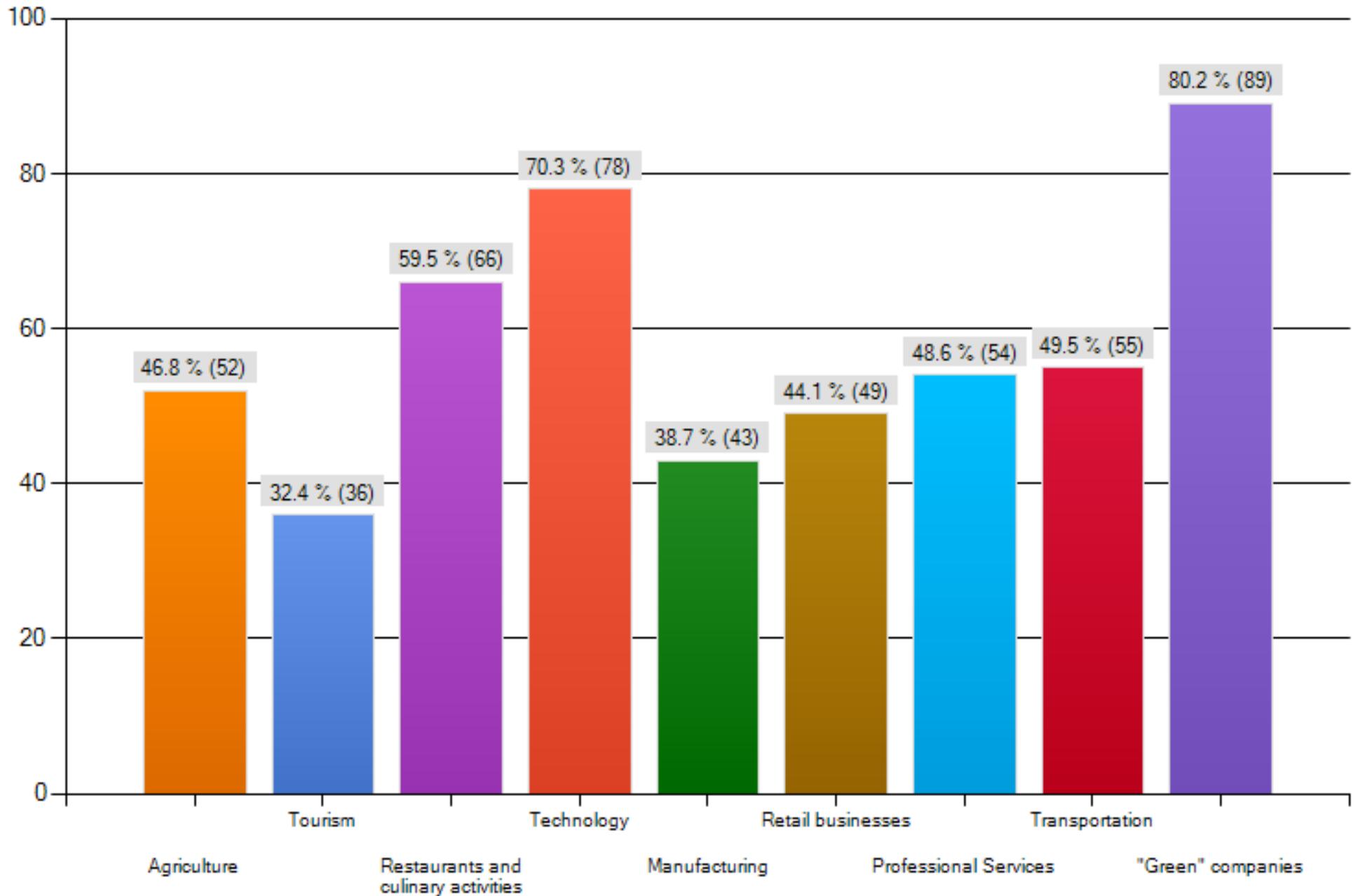
Thinking about economic activity in Essex, what do you think are **NEGATIVE** attributes of economic activity in the Town? Check as many as you feel are negative economic attributes, and add any others you think of.



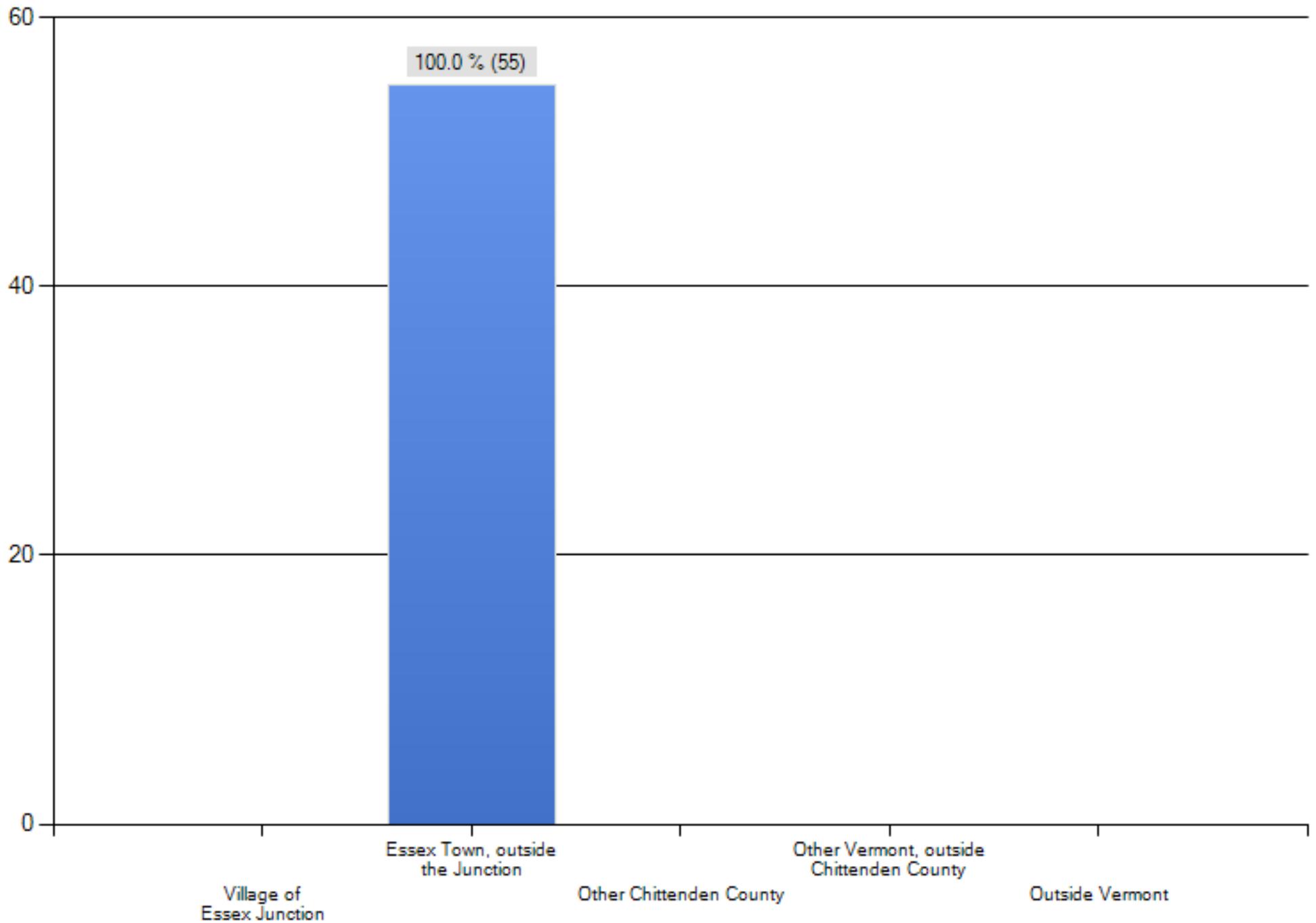
Thinking about the businesses operating in Essex Town today, which of the following do you perceive as being strong or positive economic activities within Essex? Please check as many as you agree with, and add any that others that you see as strong/positive economic activities within Essex.



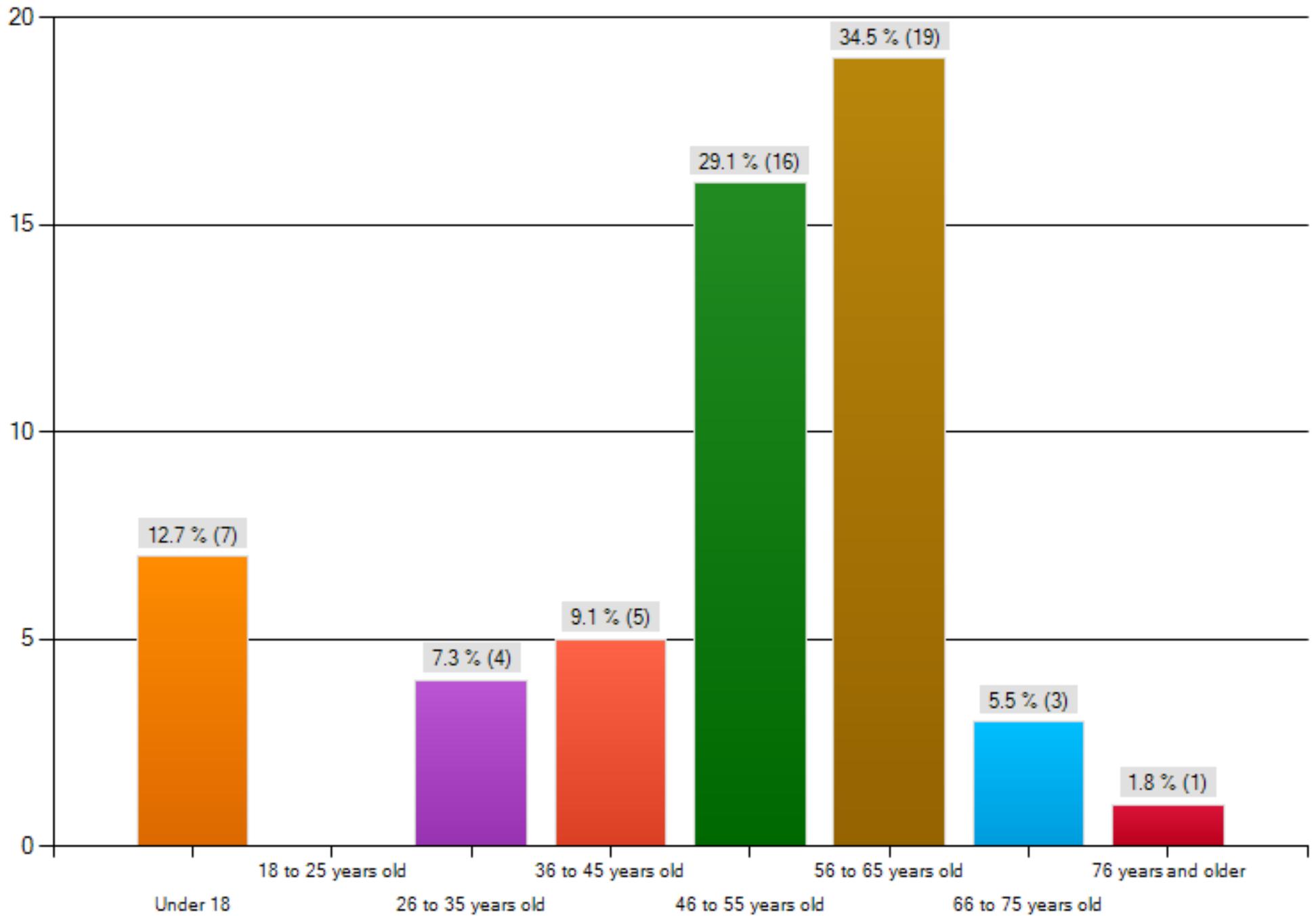
**Thinking about Essex in the future, which businesses or economic areas, if any, do you feel should receive support from the Town and others involved in supporting economic opportunities?**



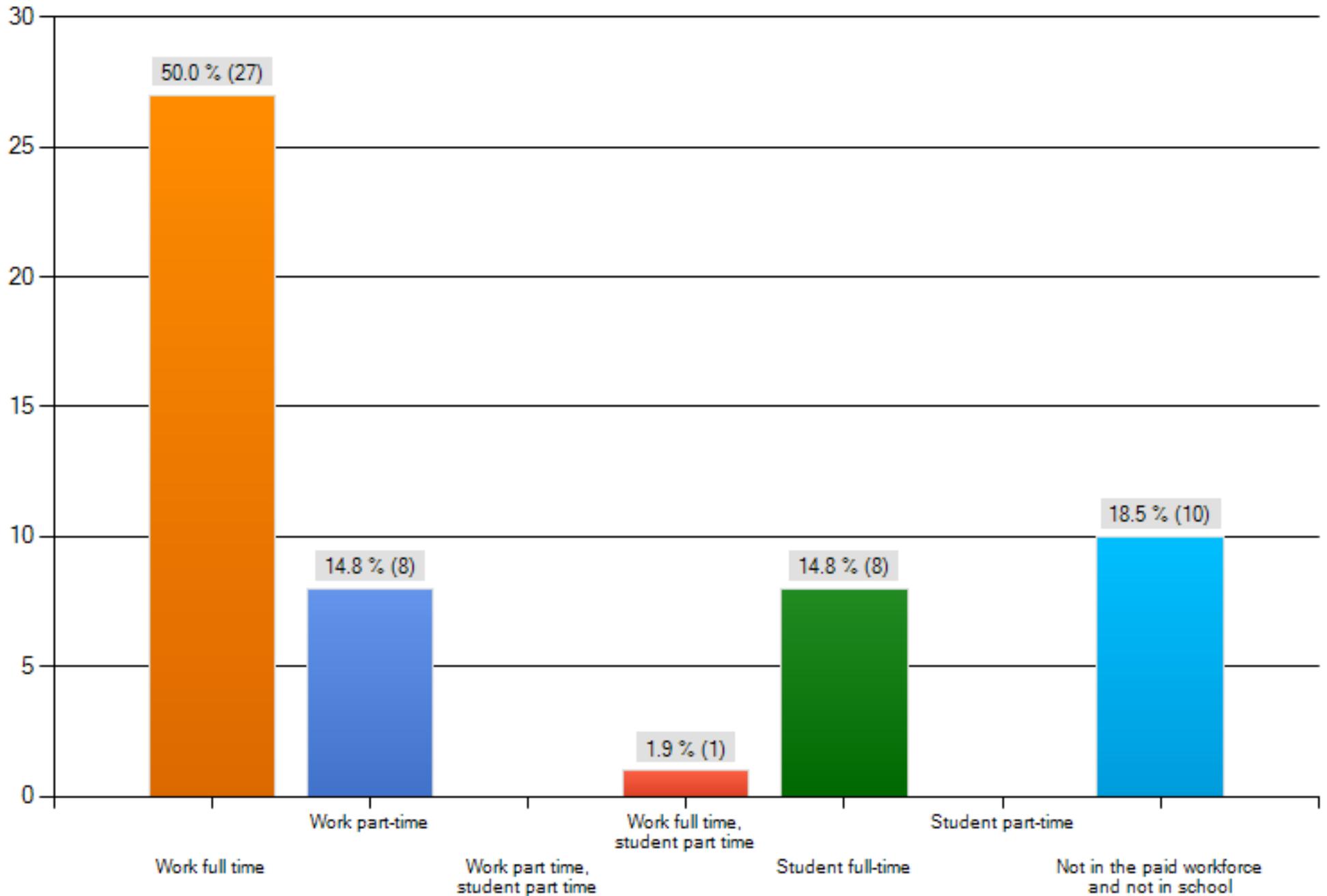
# Please tell us where you live.



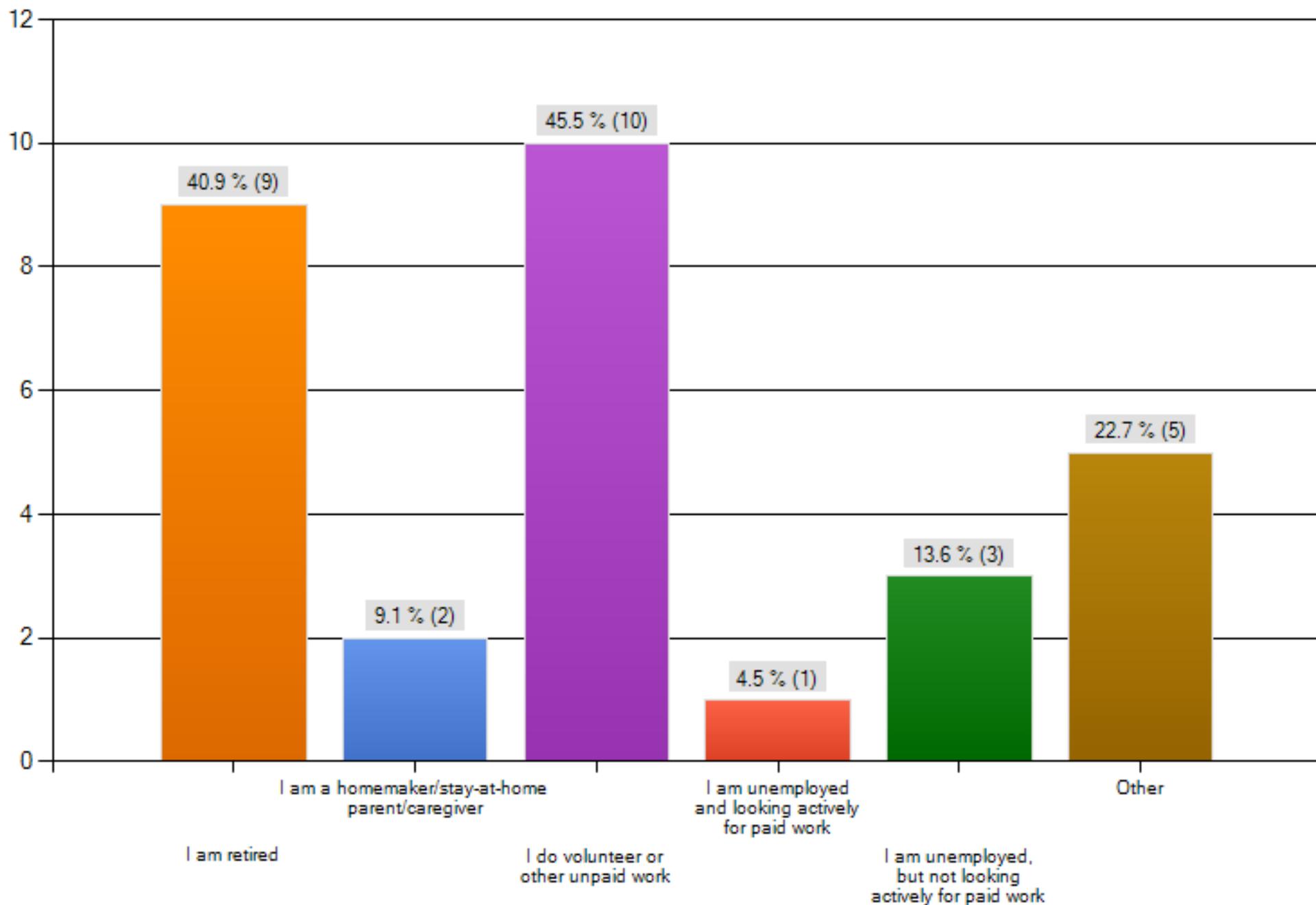
### Please tell us what age range you fall within.



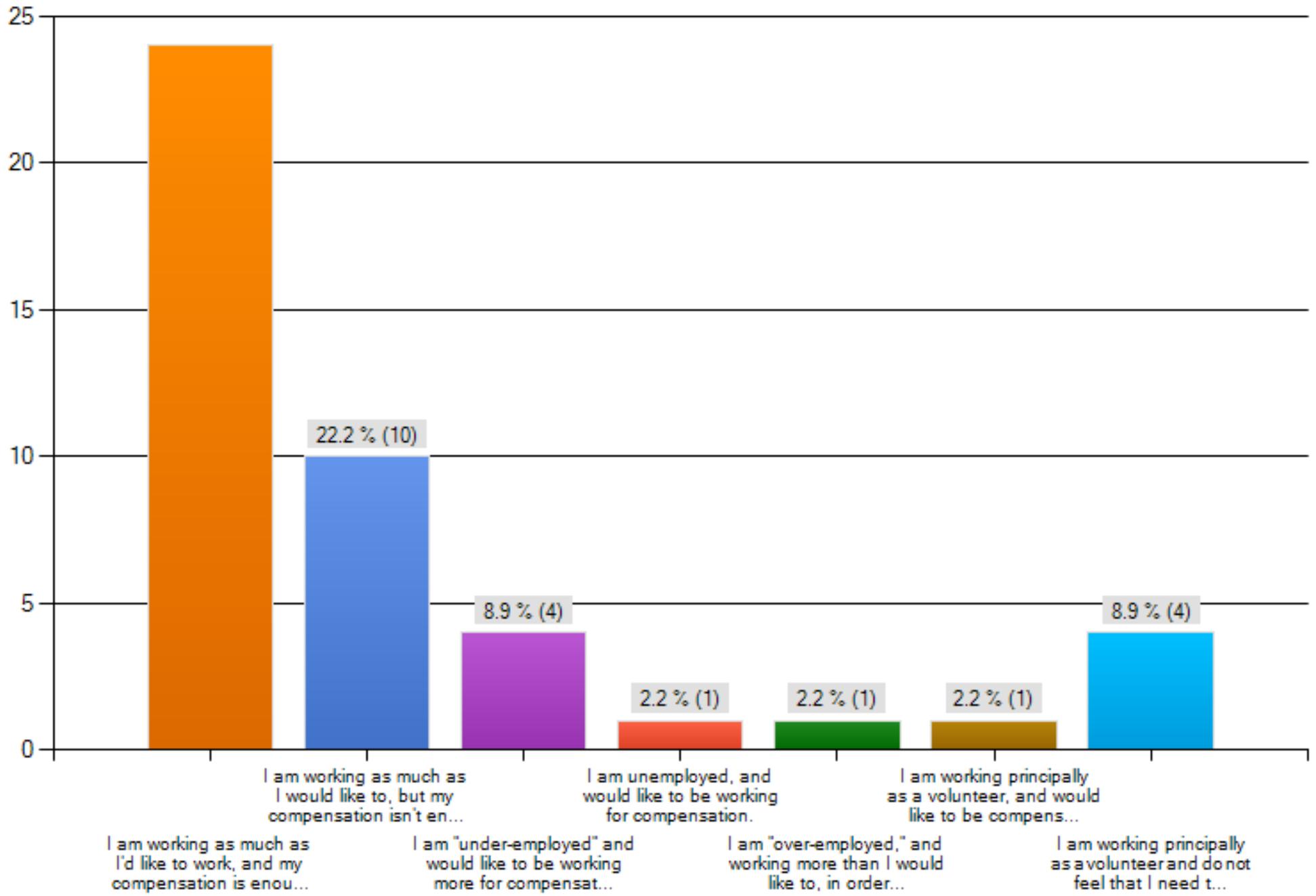
# What is your workforce and education status? Please check the option that applies best to your situation.



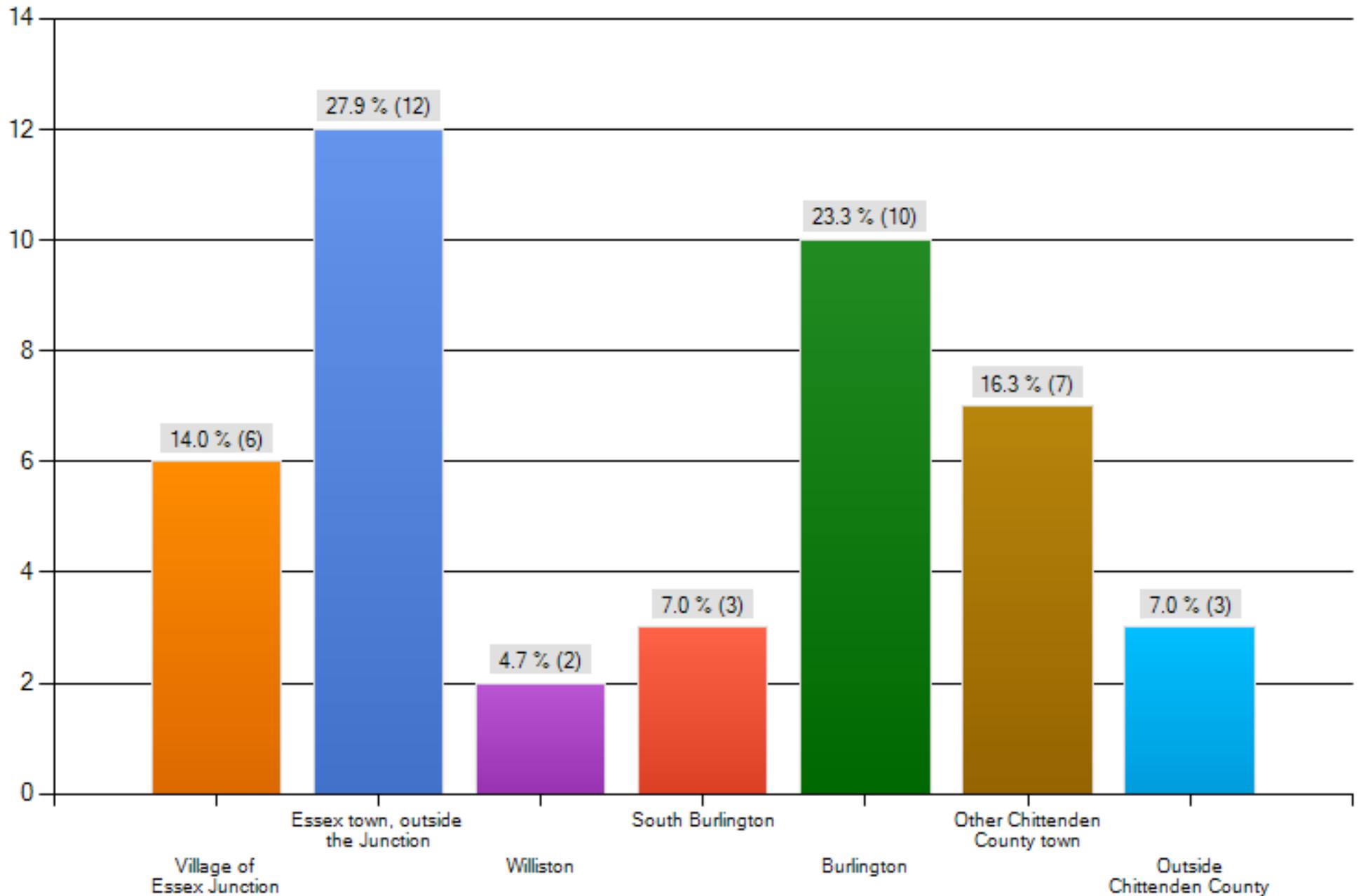
**If you are not currently part of the paid workforce, please tell us about your work, volunteer or other status. Check as many answers as apply to you.**



**How do you feel about your status in the paid or volunteer workforce, and what you earn or do there? Please choose the response that best represents how you feel about your status.**

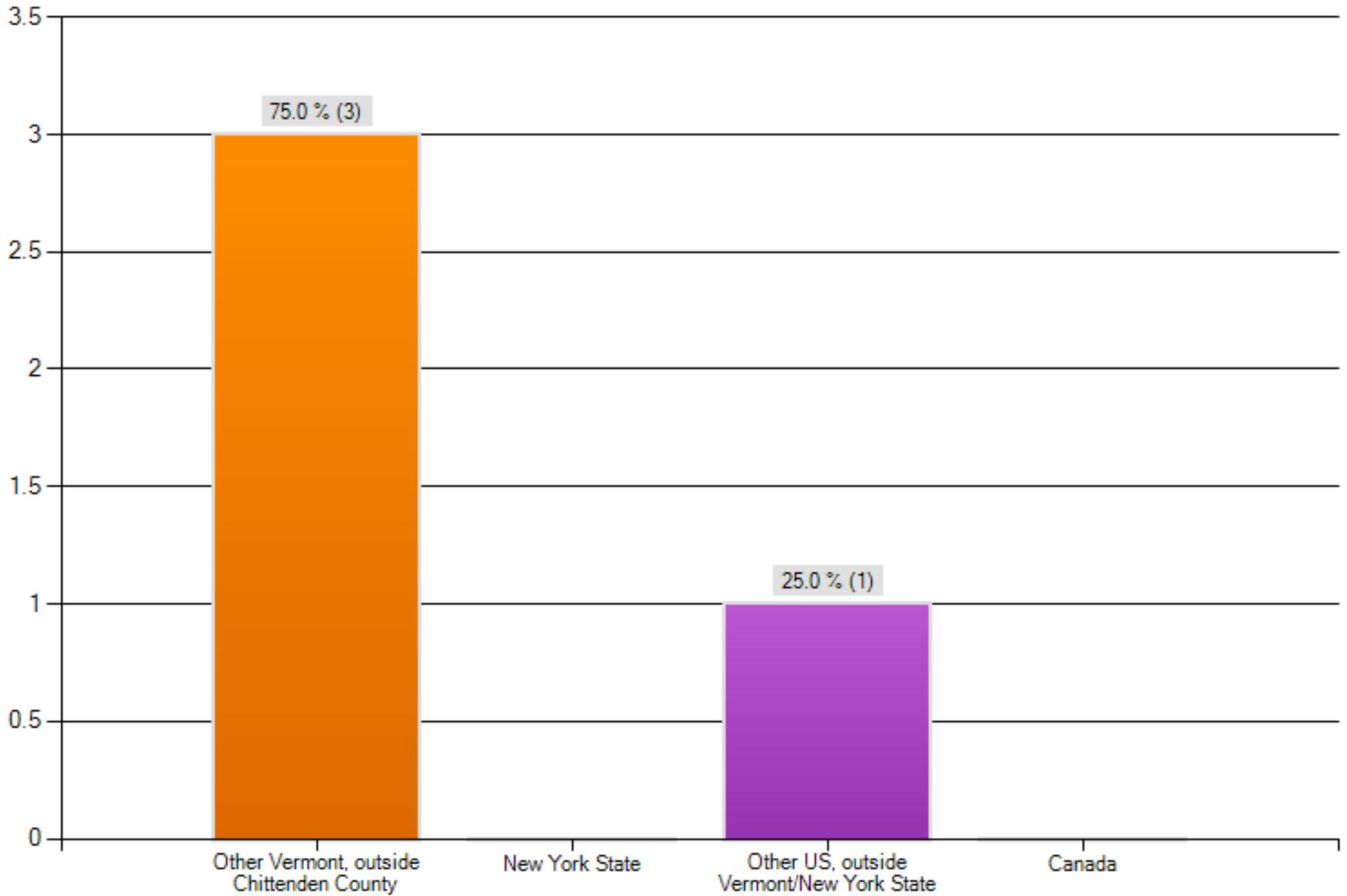


Thinking about your PAID work, where is your PRIMARY workplace - the location where you spend the largest share of your working time? Please check the response that is closest to where you spend most of your paid working time.

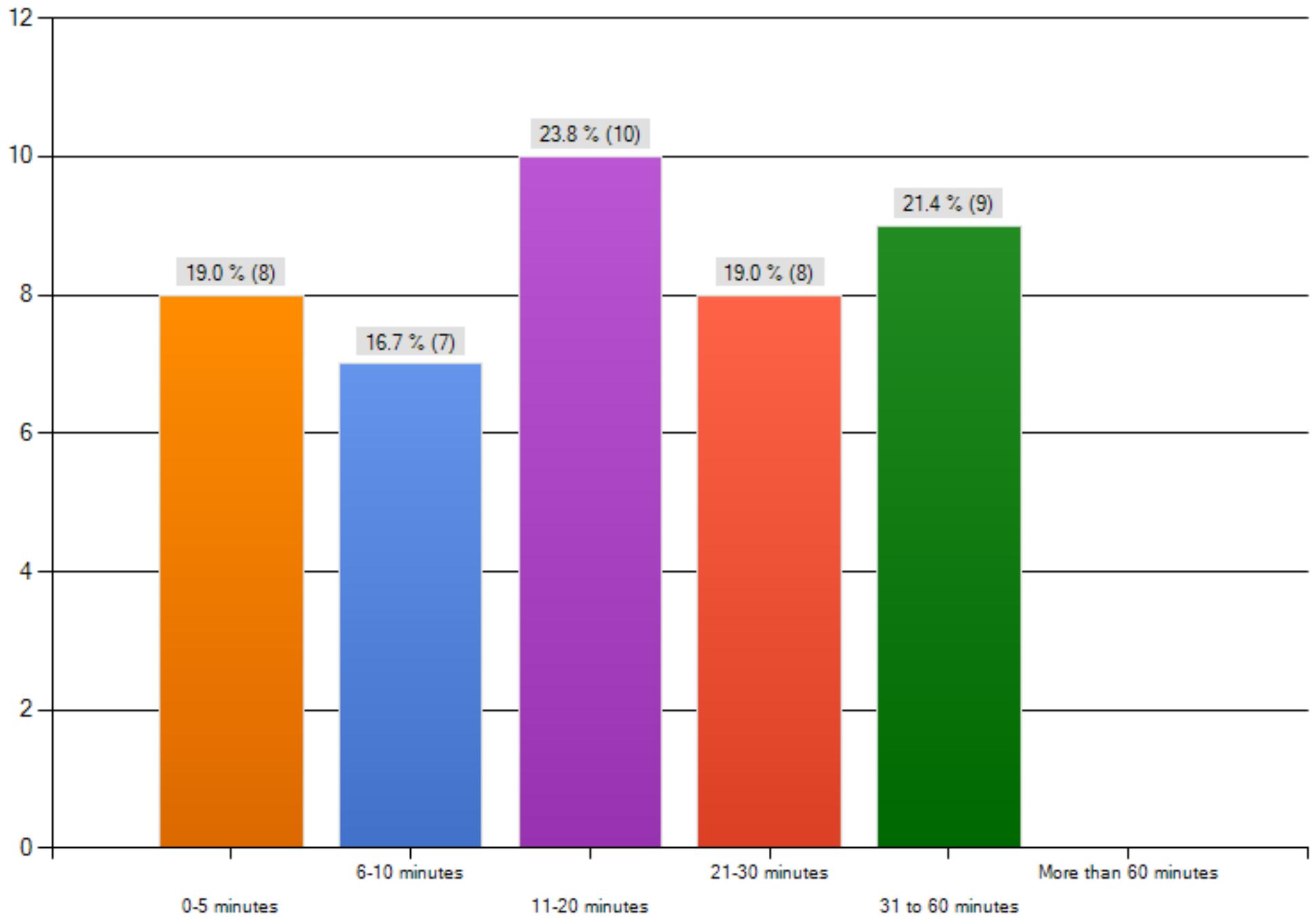


Town Responses Only

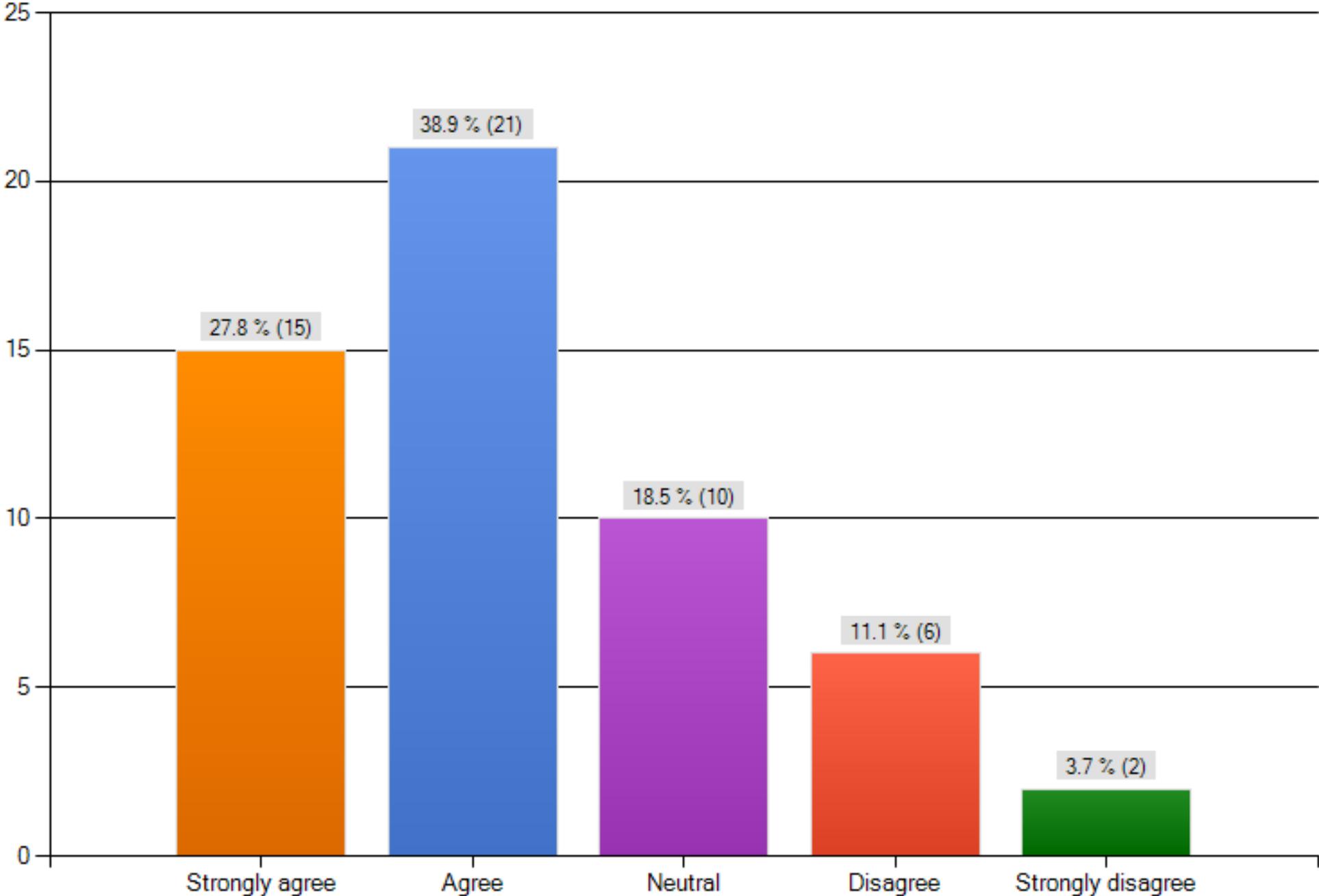
# If you work outside Chittenden County, which of the following best describes where you work?



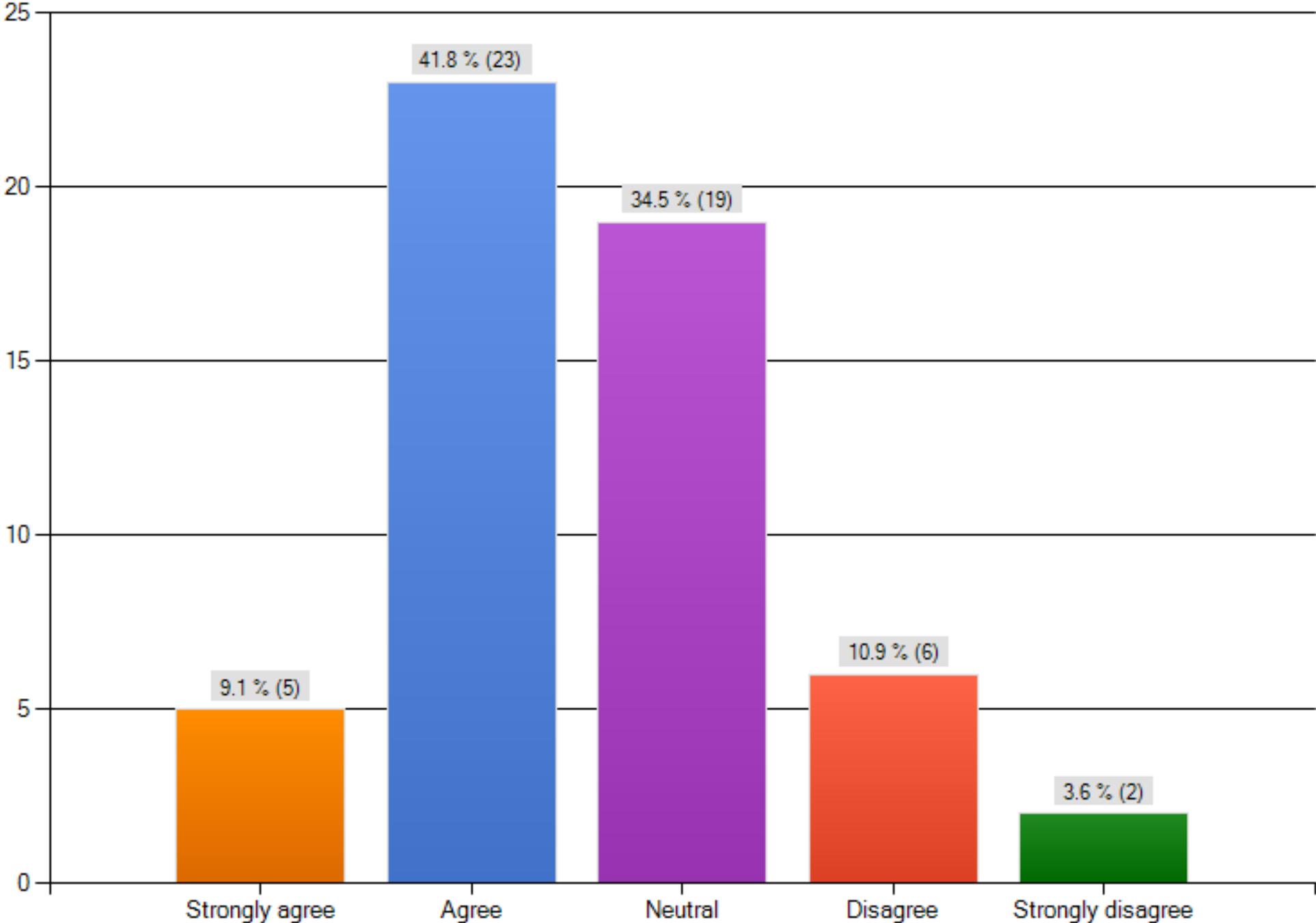
## How long does it take you to get to your primary place of work?



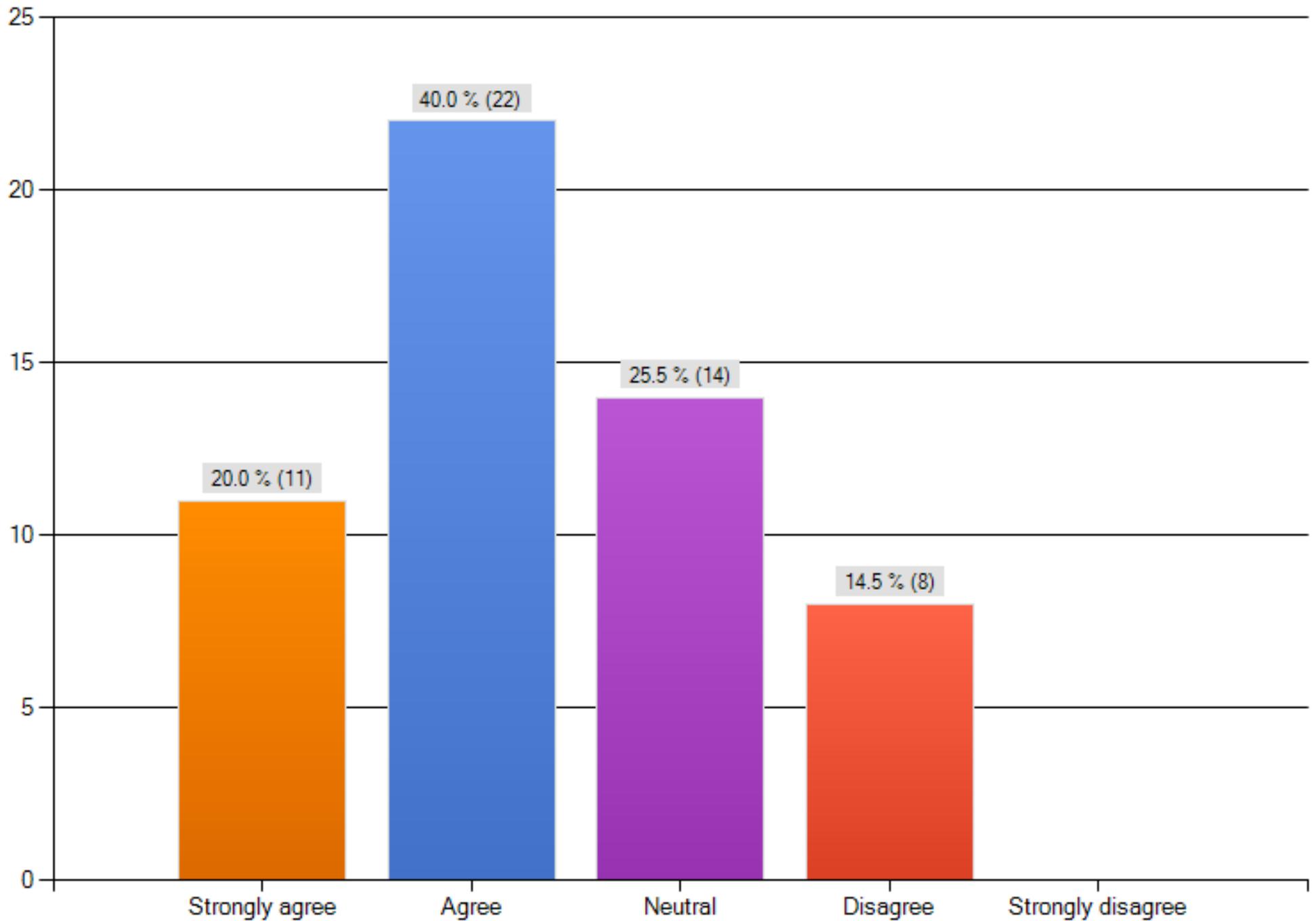
**Please tell us whether you agree or disagree with the following statements. I feel that there is a tradeoff between doing well financially and living in Vermont.**



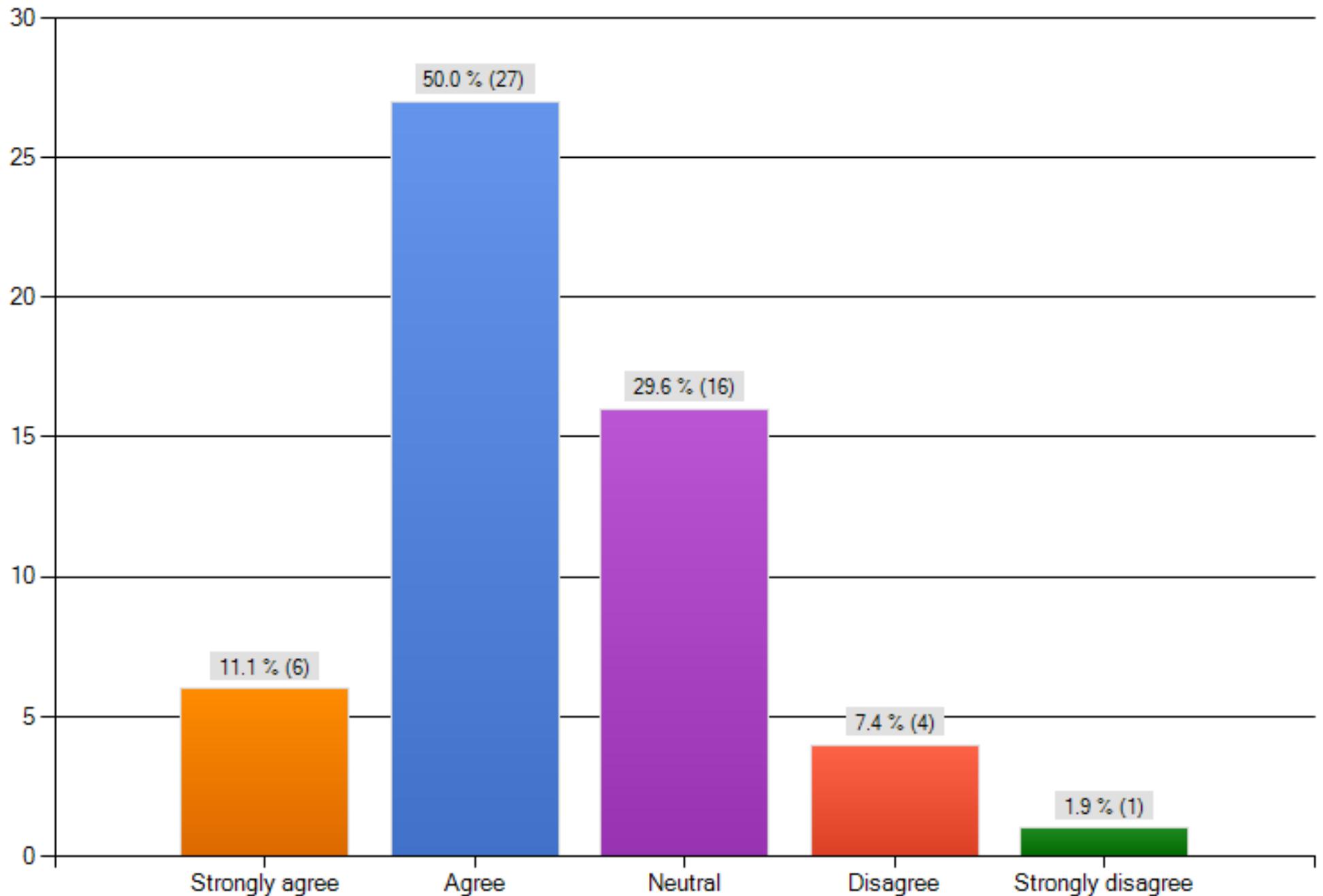
**I feel that relative to Vermont, Essex has above-average economic opportunities.**



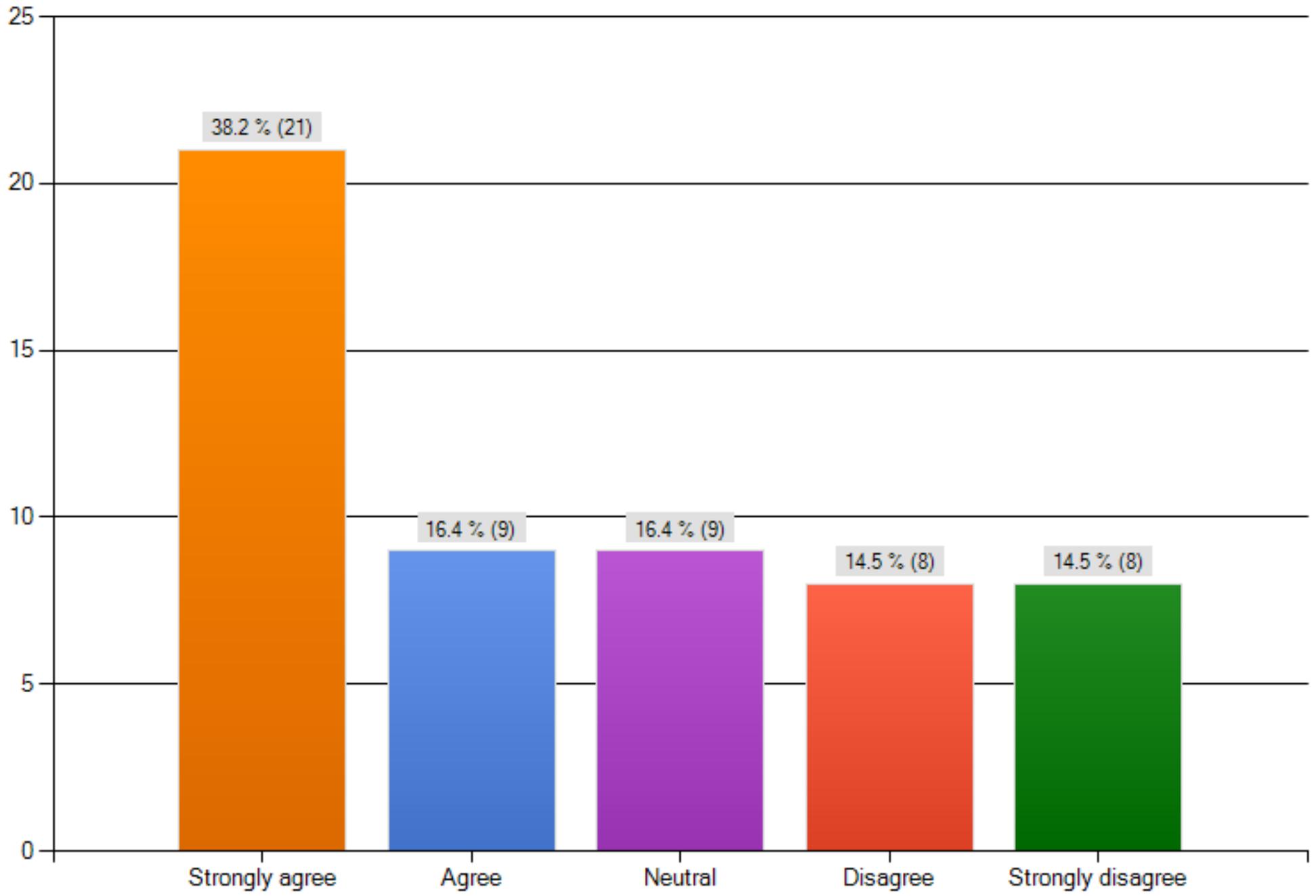
# I feel that Essex is too dependent on IBM for economic opportunity.



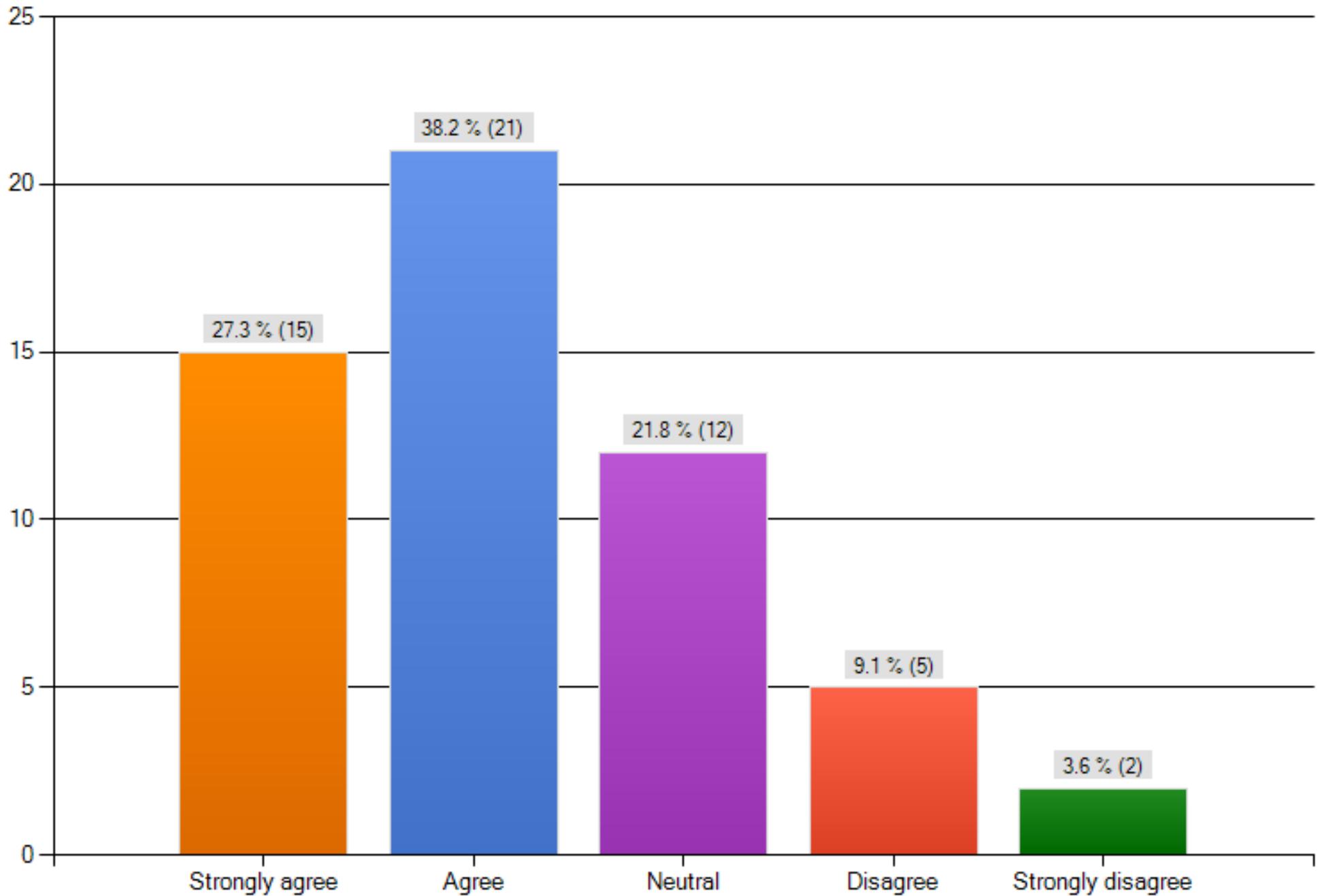
**I feel the Town of Essex and Vermont agencies should work harder to provide opportunities for people who don't have college or advanced degrees.**



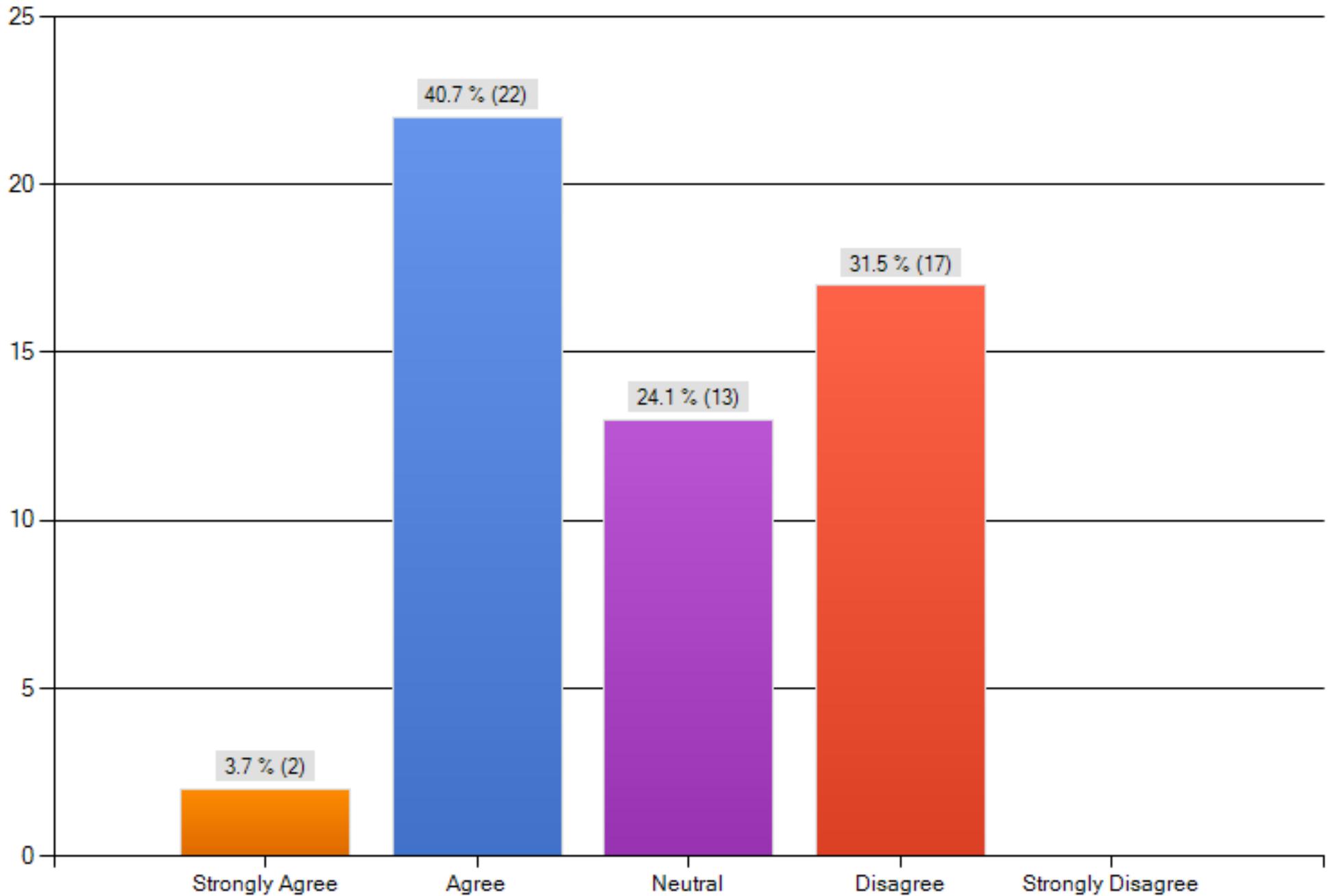
**I feel that completing the Circ highway from I-89 in Williston to Route 117 is essential to the economic future of Essex.**



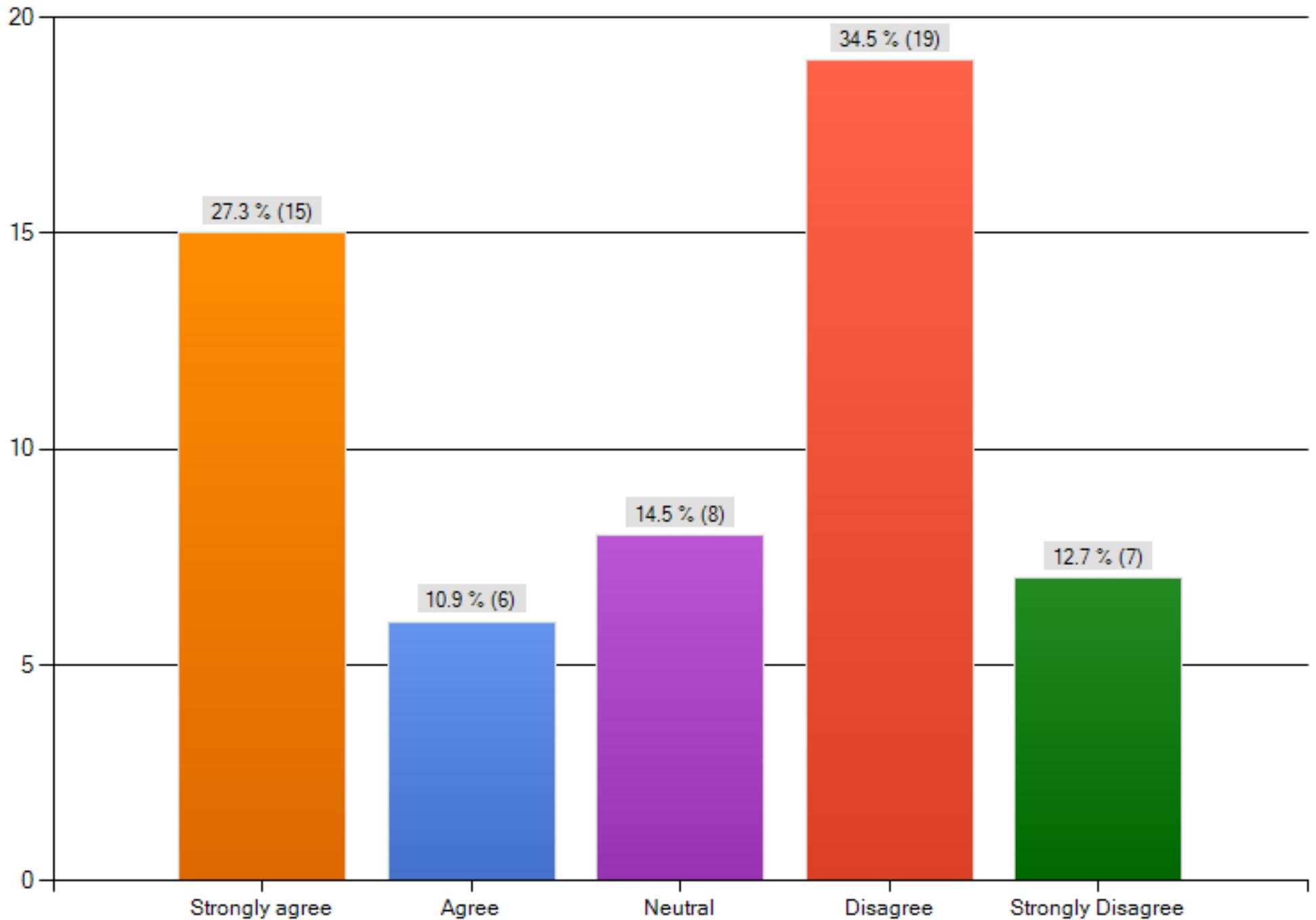
**I feel that improving passenger and freight rail service in and through Essex Junction is important for the economic future of the Community.**



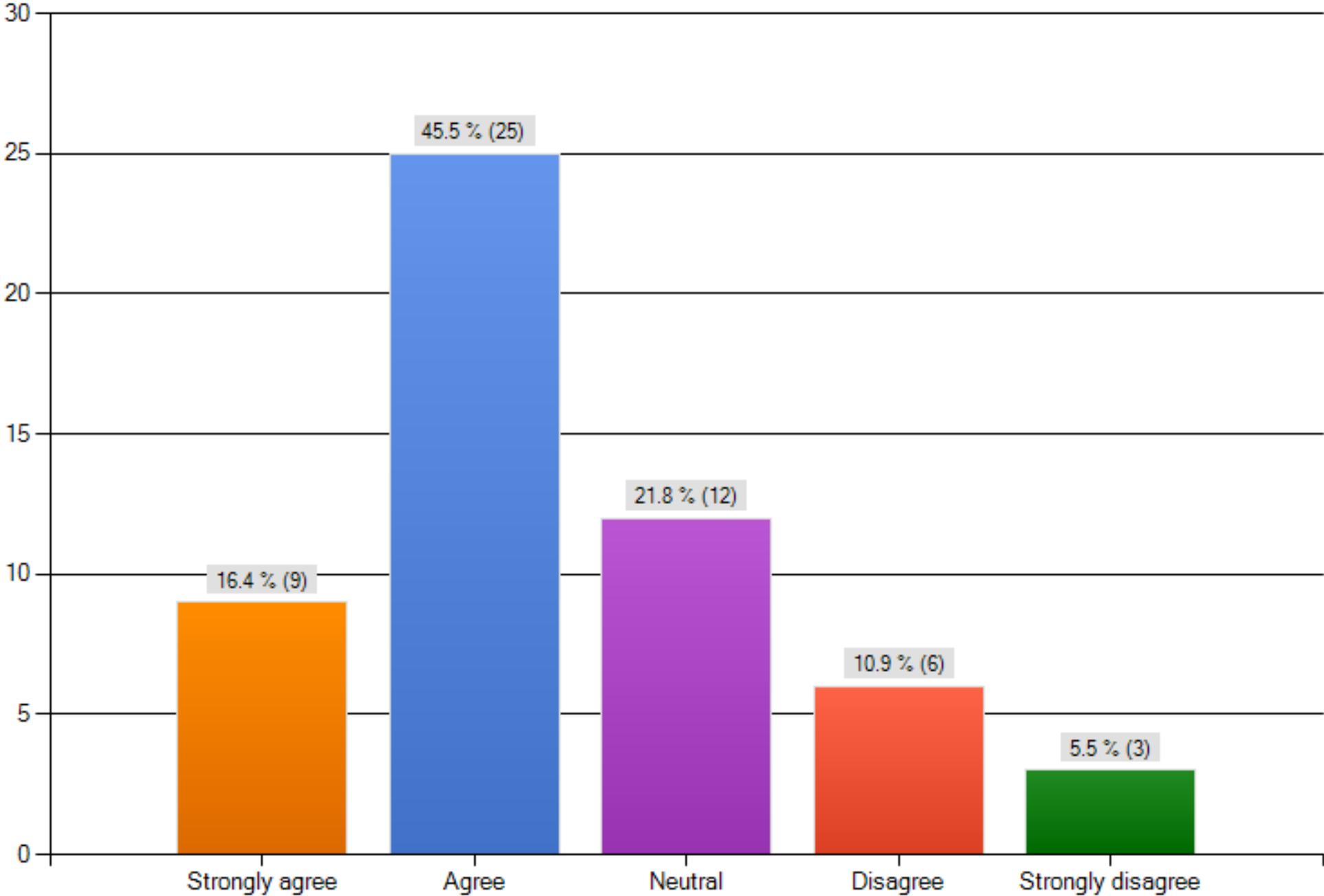
# I feel the Town of Essex has good a balance between economic development and quality of life.



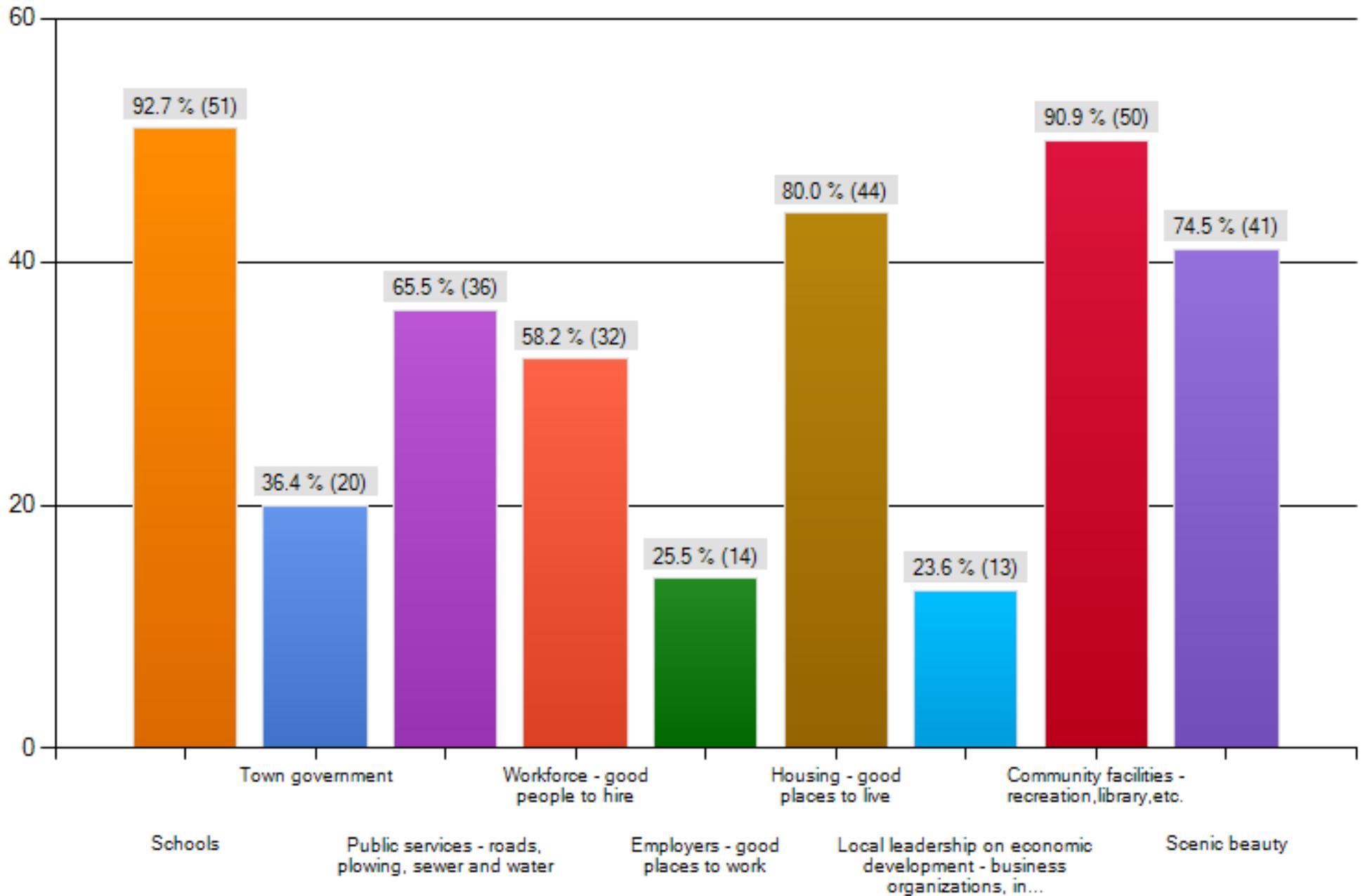
# I feel that the quality of life in Essex is threatened by too much growth and development.



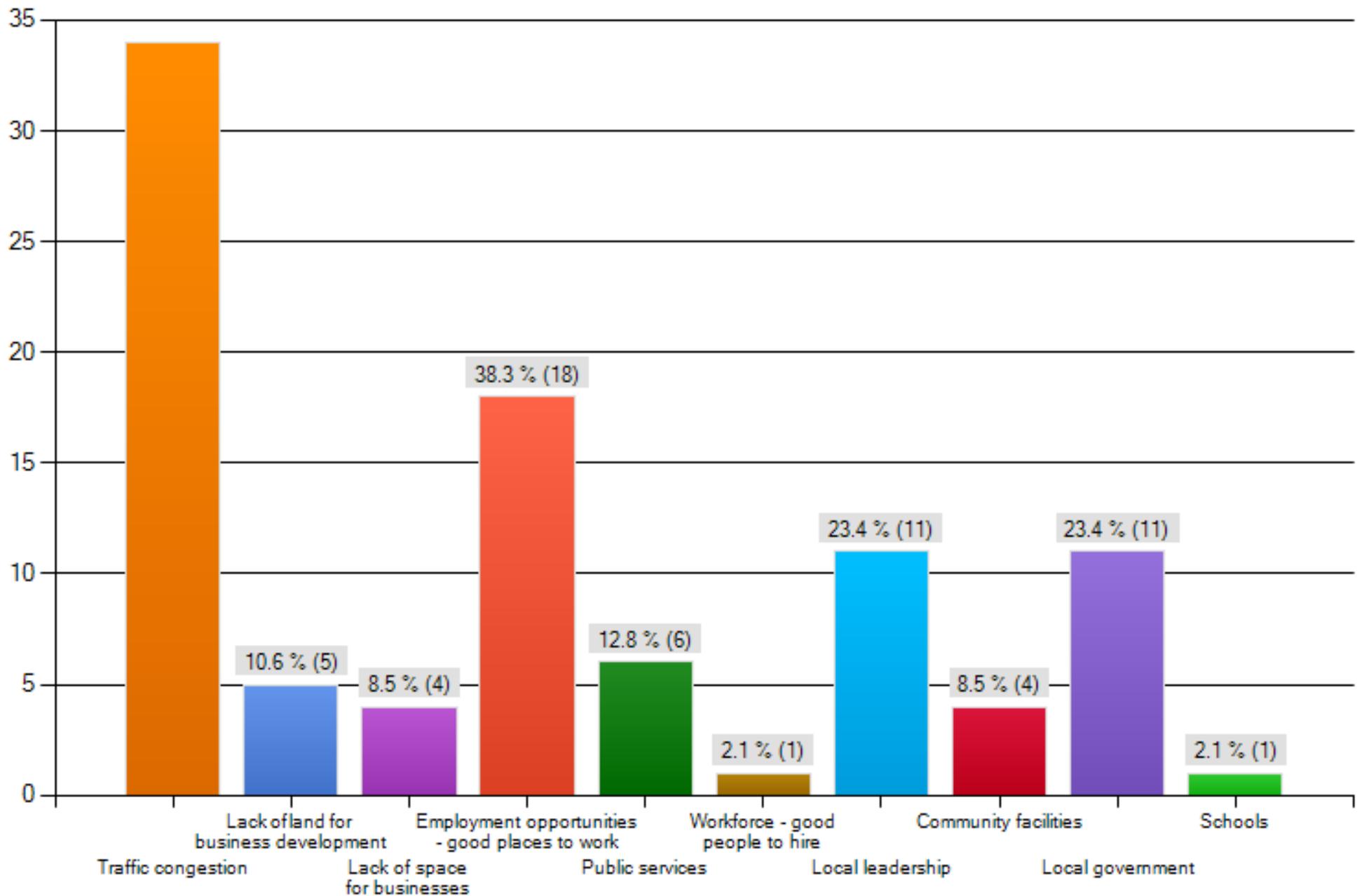
**I feel that the quality of life in Essex is threatened by a loss of job and economic opportunities.**



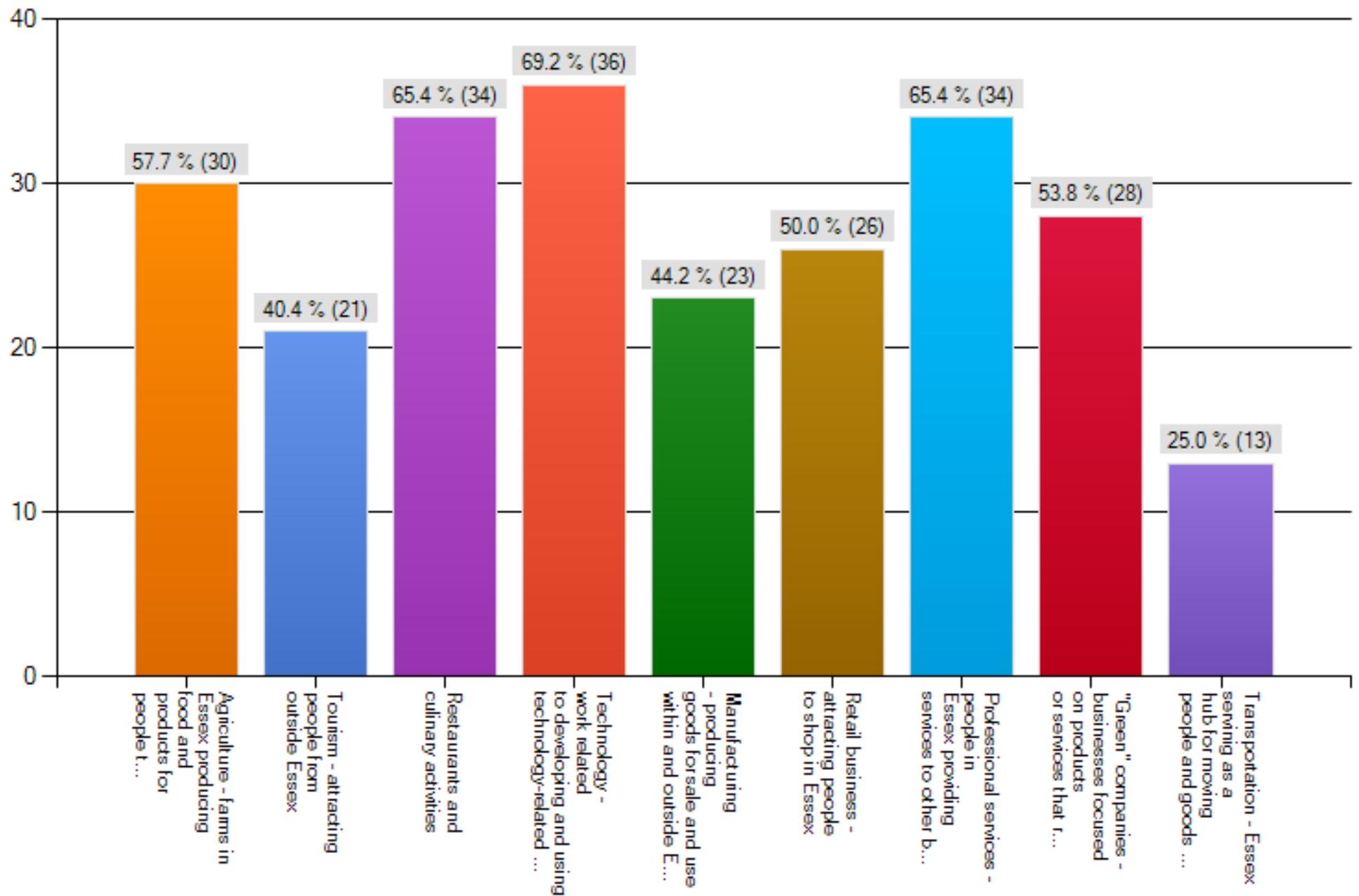
**Thinking about economic activity in Essex, which of the following do you believe are POSITIVE characteristics of the Town? Check as many as you feel are positive economic characteristics of the Town and add any others you think of.**



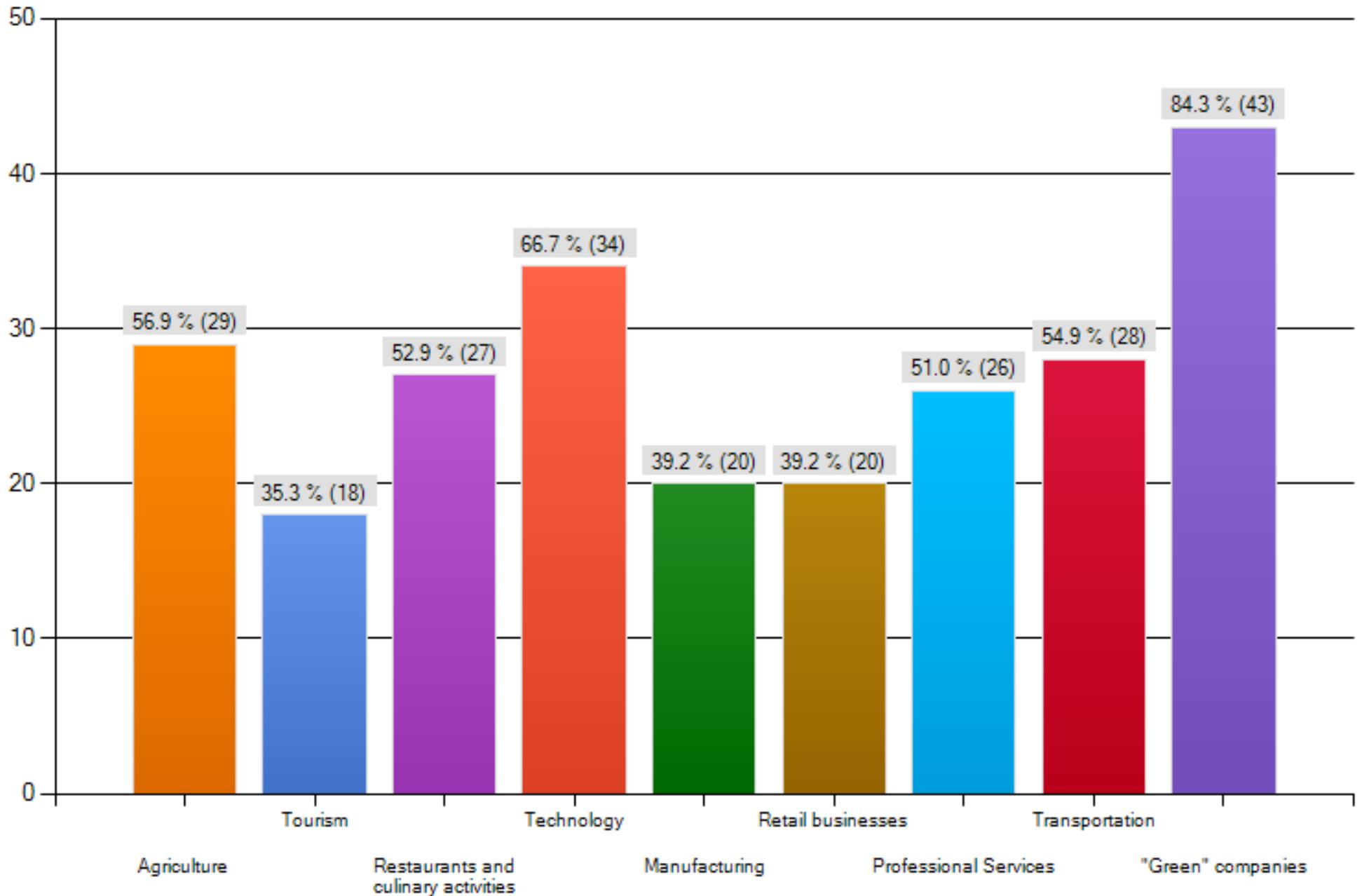
Thinking about economic activity in Essex, what do you think are **NEGATIVE** attributes of economic activity in the Town? Check as many as you feel are negative economic attributes, and add any others you think of.



Thinking about the businesses operating in Essex Town today, which of the following do you perceive as being strong or positive economic activities within Essex? Please check as many as you agree with, and add any that others that you see as strong/positive economic activities within Essex.



**Thinking about Essex in the future, which businesses or economic areas, if any, do you feel should receive support from the Town and others involved in supporting economic opportunities?**





## Appendix C: Full List of Implementation Strategies Considered

The following matrix provides a full listing of implementation strategies considered as part of the process to create the *Economic Development Vision and Plan*. This list includes both new strategies and older strategies from the 2006 Essex Town Plan; all strategies are grouped by objectives from the 2006 Town Plan. The client group identified high-priority strategies from the list, which were then detailed in the implementation section of this plan.

<b>Full List of Suggested Strategies</b>
<b>Objective 1: Decide how economic development initiatives can be delivered most effectively for the Town.</b>
Strategy 1.1: Identify an economic development entity for the Town and Village, recommended to be fulfilled through creation of a full-time staff position.
<b>Objective 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.</b>
Strategy 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 2.2: Create a local marketing committee to develop innovative marketing strategies that are coordinated with state and regional marketing efforts.
Strategy 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 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.

# Economic Development Vision and Plan

Town of Essex, Vermont



**Objective 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: 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 3.2: 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 3.3: 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 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 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 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 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 4.4: As the number of retail and restaurant establishments in Essex downtown area grows, develop outdoor dining design guidelines and regulations.

Strategy 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 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 4.7: Develop itineraries for visitors by themes and include as part of the marketing campaign described under Objective 2. 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 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 4.9: Build upon Essex's regional soccer facility by developing customized itineraries for tournament participants.



**Objective 5: Build upon Essex's position as a multi-modal transportation center to improve and expand economic centers within the community.**

Strategy 5.1: Support state and regional efforts to develop transportation links between Burlington, St. Albans, and Montpelier. *[From 2006 Town Plan.]*

Strategy 5.2: Continue to develop transportation paths, including biking and walking trails. *[Modified from 2006 Town Plan.]*

Strategy 5.3: Explore a shuttle system between Village and Town Centers (and public transportation linkages). *[Modified from 2006 Town Plan.]*

Strategy 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. *[From 2006 Town Plan.]*

Strategy 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 in the Village (spur rails already exist).

Strategy 5.6: Support renovation or construction of a new train station in Essex Junction that would provide an aesthetically appealing, clean and safe welcome to visitors from in and out of state.

**Objective 6: Foster a local environment that encourages the large number of talented individuals within the community to start their own businesses.**

Strategy 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 6.2: Support the creation of a green entrepreneurial center, potentially to be housed at Saxon Hill Industrial Park.

Strategy 6.3: Encourage the development of a green energy source to help power the entrepreneurial center described under Strategy 6.2 (i.e. powered by biomass or solar).

Strategy 6.4: Encourage the use of green building features in the new entrepreneurial center.

Strategy 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 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.



<p>Strategy 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.</p>
<p>Strategy 6.8: Support green and locally-owned businesses with a governmental green and local purchasing preference.</p>
<p><b>Objective 7: Promote workforce training.</b></p>
<p>Strategy 7.1: Support ongoing review and upgrade of the region's technical education system. <i>[From 2006 Town Plan.]</i></p>
<p>Strategy 7.2: Ensure that Essex's interests are represented on the regional Workforce Investment Board (WIB). <i>[From 2006 Town Plan.]</i></p>
<p>Strategy 7.3: Encourage coordination/cooperation with initiatives undertaken by the University of Vermont and other higher education institutions. <i>[From 2006 Town Plan.]</i></p>
<p>Strategy 7.4: Promote the Essex Community Education Center and the Center for Technology, Essex to prospective employers and businesses. <i>[From 2006 Town Plan.]</i></p>
<p>Strategy 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.</p>
<p>Strategy 7.6: Support the creation of a young entrepreneur network.</p>
<p>Strategy 7.7: Form a public education advisory group that will serve as an advocate for the K-12 system in Essex.</p>
<p>Strategy 7.8 Build partnerships with local and regional workforce training providers, and convey the workforce needs of target industries to those groups.</p>
<p><b>Objective 8: Promote infrastructure readiness.</b></p>
<p>Strategy 8.1: Construct the Circ Highway and improvements to the Route 15 corridor. <i>[From 2006 Town Plan.]</i></p>
<p>Strategy 8.2: In the Village, continue to explore the Crescent Connector as a means of rationalizing traffic through Essex Junction.</p>
<p>Strategy 8.3: 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 Circ 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. <i>[From 2006 Town Plan.]</i></p>
<p>Strategy 8.4: Prepare an inventory of business related support infrastructure. <i>[From 2006 Town Plan.]</i></p>
<p>Strategy 8.5: 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.</p>



Strategy 8.6: Strengthen the Village’s historic downtown as a location for office and retail space, first by investigating the feasibility of designating the Village as historic, and considering the funding and financing incentives that may accompany such designation.

Strategy 8.7: Support further development of Essex’s Town Center through infill development to accommodate office and retail space.

Strategy 8.8: 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 9: Facilitate efficient state and local development review processes.**

Strategy 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. *[From 2006 Town Plan.]*

Strategy 9.2: Work with regional and state officials to provide proper training of local officials in the development review process. *[From 2006 Town Plan.]*

Strategy 9.3: Undertake a comprehensive re-write of the Town’s zoning and subdivision bylaws. Consider including public works specifications, rural road standards, etc. into a unified development bylaw. *[From 2006 Town Plan.]*

Strategy 9.4: Identify developer concerns with regulations and address these issues while protecting the Town residents’ interests. *[From 2006 Town Plan.]*

Strategy 9.5: Simplify the process of development in the Village of Essex Junction by introducing a form-based code. Such a code would eliminate the current code requirements of minimum lot sizes and minimum setbacks.

Strategy 9.6: Consider offering special fast-track permit review and/or reducing requirements for selected industries, such as green and locally-owned businesses.

**Objective 10: Expand access to affordable capital.**

Strategy 10.1: Continue to participate in The Partnership Fund – a revolving loan fund established to provide start up and working capital for businesses. *[From 2006 Town Plan.]*

Strategy 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 11: Support business development and retention programs.**

Strategy 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. *[From 2006 Town Plan.]*



<p>Strategy 11.2: Establish a local business retention and expansion visit program. Economic development staff should recruit and direct a set of Business Liaisons (volunteer interviewers) to conduct retention and expansion visits annually with businesses in target industry clusters.</p>
<p>Strategy 11.3: 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. <i>[From 2006 Town Plan.]</i></p>
<p>Strategy 11.4: Work with existing businesses on reasonable zoning and subdivision bylaw changes that strive to enhance competitiveness. <i>[From 2006 Town Plan.]</i></p>
<p>Strategy 11.5: 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. <i>[From 2006 Town Plan.]</i></p>
<p>Strategy 11.6: Participate in future updates of the Comprehensive Economic Development Strategy (CEDS) for the region, and upon approval by the US EDA of the CEDS, try to obtain funding from US EDA for further development of an industrial park in Saxon Hill or some other location and to undertake any other needed infrastructure improvements. <i>[Modified from 2006 Town Plan.]</i></p>
<p>Strategy 11.7: 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 storm water permitting issues, land use permit reform, and additional legislation to encourage growth center development and redevelopment. <i>[From 2006 Town Plan.]</i></p>
<p><b>Objective 12: Inventory and enhance Essex's tools for economic development.</b></p>
<p>Strategy 12.1: Ensure that the Town has an up-to-date tax stabilization policy. <i>[From 2006 Town Plan.]</i></p>
<p>Strategy 12.2: Promote The Partnership Fund (i.e., the fund's existing purpose along with examining ways to enhance the fund). <i>[From 2006 Town Plan.]</i></p>
<p>Strategy 12.3: Work with GBIC and private developers to ensure pre-permitted sites exist for economic development in Essex. <i>[From 2006 Town Plan.]</i></p>
<p>Strategy 12.4: Work to complete construction of the Circ Highway and Route 15 corridor improvements and to ensure that other infrastructure needed for economic development is adequate. <i>[From 2006 Town Plan.]</i></p>
<p>Strategy 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. <i>[From 2006 Town Plan.]</i></p>
<p>Strategy 12.6: Consider the possibility of a local option tax to support tourism.</p>
<p>Strategy 12.7: Investigate the feasibility of creating a tax increment financing district to support the development of a green entrepreneurial center.</p>
<p>Strategy 12.8: Establish a job creation and attraction incentive program tied to business recruitment and expansion efforts.</p>
<p>Strategy 12.9: 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.</p>