

Rural Vermont Inventory of Dependent Communities



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VERMONT SUSTAINABLE JOBS FUND

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Date: May 31, 2005

To: Community and Economic Development Partners

From: Wayne Fawbush
Executive Director
Vermont Sustainable Jobs Fund, Inc.

Kevin Harper
Chairman of the Board of Directors
Vermont Sustainable Jobs Fund, Inc.

The enclosed document is the result of over 60 interviews conducted in January and early February, 2005, the purpose of which was to discover which small, rural communities are dependent upon a few large employers. The need for this inventory was first brought to our attention by Secretary of Commerce Kevin Dorn in the fall of 2004.

As you know, Vermont is a study in contrasts, with many innovative businesses and dynamic communities juxtaposed with struggling communities and at-risk businesses. This report both corroborates and adds new insights to work currently being conducted by the Agency of Commerce and Community Development and by its economic and community development partners around the state. The data is intended to aid in any efforts aimed at anticipating problems early enough to help businesses and communities survive and prosper.

Ellen Kahler from Peer to Peer Collaborative and Scott Sawyer from our staff assembled the lists of dependent communities found in this report. They conducted in-depth interviews with more than 60 knowledgeable Vermonters, reviewed the current literature on community dependency, and analyzed a variety of data sources to compile and verify two lists: communities dependent on a small number of employers; and communities with new opportunities and potential for development. A draft of this document was then reviewed and commented on by Secretary Kevin Dorn, Commissioner Mike Quinn, Business Development Specialist Kiersten Bourgeois, and Commissioner John Hall prior to being presented to Governor Jim Douglas on May 17, 2005. We are now able to provide this document for your review and look forward to your feedback and collaboration.

There are a few caveats to this document. First, the dependent community list is not prioritized. We wanted to subject this work to a wider review before assuming we had sufficient information to actually elevate one community over another. Second, this is not a definitive work but rather a collection of the best information from experts in the field that we could find at this time. It is reflective of what we learned from our extensive interviews with practitioners in the field.

Based on our findings, this project provides a summary of possible areas for concern, as well as budding opportunities. The difficult—and exciting—part follows as all interested parties cooperate to bring the necessary resources to bear in the most cost effective and efficient way to produce a significant impact for these communities.

The Jobs Fund is eager to use the resources we have to assist in this worthwhile effort.



Wayne Fawbush
Executive Director
Vermont Sustainable Jobs Fund



Kevin Harper
Chairman of the Board of Directors
Vermont Sustainable Jobs Fund

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I. Executive Summary

This report, *Rural Vermont Inventory of Dependent Communities*, is aimed at anticipating problems that arise from dependency early enough to help businesses and communities survive and prosper. After conducting interviews with 61 community and economic development practitioners in every rural county in the state¹, as well as analyzing data from other sources, we have assembled two tables for consideration by economic and community development professionals.

Table 1 presents those rural Vermont communities identified as being dependent upon a small number of large, mainly manufacturing employers or dominated by one economic sector. During the course of our interviews, we learned that many rural communities were experiencing renewed community and economic development activity and were ‘on the move.’ **Table 2** lists ‘communities with opportunities’. These are communities where additional resources could leverage even greater and timelier results because of new community and economic development activities and opportunities that are underway.

We have not assigned a rank or priority ordering to the communities found in these tables. Rather, after the extensive interview process, we have honed in on **36 dependent rural communities** that were mentioned as needing further community and economic development assistance. In many cases, several interviewees cited the same communities found in Tables 1 and 2. Supplementary comments on each community listed in Table 1 as well as ‘County Briefs’ that cover trends, issues, and opportunities for each rural county are supplied in the Appendix.²

The creation of each of these two tables was informed by a set of consistently mentioned trends or issues impacting large numbers of communities, counties and/or companies in Vermont. They are:

- **The location of ownership of Vermont’s significant corporations:** The biggest job and/or business losses in recent history have come from corporations owned outside of Vermont. The most ‘at-risk’ businesses in the state today are also owned outside of Vermont. Conversely, many of Vermont’s thriving businesses are locally owned.
- **Inadequate telecommunications and physical infrastructure such as broadband, cell phone coverage, sewer and roads:** The lack of adequate telecommunications and physical infrastructure in many rural communities is impacting Vermont’s ability to retain, expand and attract businesses. The communities with the most opportunities in the state are those that have more or less solved their infrastructure needs.

¹ Because this project was focused on rural communities in Vermont, we did not conduct interviews or analysis on Chittenden County.

² Doug Hoffer, a Burlington-based policy analyst, produced a number of the tables and charts contained in the County Briefs. Data for these tables and charts came primarily from VT Department of Employment and Training (DET) and Census 2000 reports.

- **The cost of doing business, including the cost of electricity, the cost of health insurance premiums and worker’s comp for businesses³:** Businesses with out-of-state ownership have the option to move to lower cost environments due to the cost of doing business in Vermont. Border towns especially feel the pressure of competing with New Hampshire, New York, and Massachusetts.
- **Inadequate housing stock at all price levels:** Most interviewees explained that their communities have housing issues. Many face a lack of affordable and mid-range housing stock and most are facing rising housing prices due, in part, to an influx of second homebuyers from outside Vermont. Many interviewees explained that a lack of available housing is detrimental to the state’s ability to attract new, highly skilled employees.
- **Workforce issues:** Work ethic, a lack of qualified workers, Vermont’s aging workforce, and workplace readiness issues came up in every county and were frequently cited as risk factors that impact business decisions to expand, leave or locate in Vermont.
- **The challenges of international competition:** International competition, mainly from China, is putting a variety of sectors (e.g., granite, wood products, and plastics) and the communities that are dependent on these sectors at risk.

These trends—and how they are impacting Vermont’s rural communities and businesses— informed a set of broad recommendations for action that we offer as a launching point for further discussion with community and economic development practitioners (see page 13). These recommendations reflect both the information gathered from our interviewees and our interpretation of realistic opportunities to counter these trends. The next section briefly describes the methodology employed in developing these tables.

³ Regulations/permitting issues (e.g., Act 250) and the perception that Vermont is not ‘business friendly’ were less frequently mentioned.

II. Research Methodology

Identifying Dependent Communities

To inform the creation of an inventory of communities dependent on a small number of relatively large businesses, VSJF staff first had to understand how others have conceptualized ‘dependent communities’. VSJF staff performed a community development literature review and asked fifteen rural sociologists for their insights on how to conceptualize dependent communities. From the literature review and these conversations, we discovered that community dependency could be described and measured in well over a dozen ways. For the purposes of this report, we chose two relatively straightforward methods or premises for understanding and measuring community dependency:

- **Community dependency can exist if an economic sector makes up a larger percentage of the local economy than found in the national economy.** “Location quotients” are one way to describe this relationship. Location quotients are snapshots showing either a gap in the local economy or an over-reliance on a particular sector (Hustedde et al., 1993). A table of location quotients for manufacturing, service occupations, and an aggregation of agriculture, forestry, hunting, fishing, and mining occupations for every Vermont county (except Chittenden) is displayed on page 21. This aggregated snapshot reveals that Lamoille County is underrepresented in the manufacturing sector but over-represented in the service sector. Although the actual number of people employed in agriculture, forestry, hunting, fishing, and mining jobs is small, Vermont—except Bennington County—is over-represented in this sector compared to the national average. Essex, Franklin, and Orleans counties are over-represented in manufacturing compared to the national average. While Vermont’s position in any of these sectors can be viewed positively (e.g., more tourism or more exports), changes due to global economic trends (e.g., Chinese competition in forest products or granite) can cause dislocations in communities that are overly dependent on the fates of particular sectors. Additional data, trends, and dominant sectors were analyzed from various data sources and can be found in the County Briefs section beginning on page 31. Drilling down to specific job categories for each county or community could enhance this approach, but we decided to focus our attention on conducting personal interviews with knowledgeable people in each county.
- **Community dependency can exist if a business is a large percentage of the local economy.** An analysis was performed to identify towns in which manufacturing businesses make up a large percentage of the local economy (see page 22). This analysis provides a general sense of which communities are most dependent on manufacturing jobs. However, numbers do not tell the whole story. We also conducted face-to-face interviews with more than 60 Vermonters⁴ (each interview was 45-90 minutes in length), including all the executive directors of the Regional Development Corporations (RDC), some Community Investment Corporations, various town managers, local business

⁴ Interviews were conducted by Ellen Kahler (Director of the Peer to Peer Collaborative) and Scott Sawyer (VSJF staff) primarily during the month of January 2005. The list of interviewees can be found on page 18.

leaders, and economic development practitioners, as well as individuals who have a particular statewide vantage point. Our intent was to get their firsthand assessment of dependent communities around the state. The interviews were then transcribed in full. Interviewees were assured of confidentiality and no quotes are attributed to specific individuals.

We recognize that some large employers are important because they serve an entire region (e.g., hospitals, universities, ski resorts) and many smaller businesses are dependent upon their existence. In every county—except Franklin and Essex—data from the 2000 United States Census show that educational institutions (e.g., Middlebury College, K-12 education), health services (e.g., Southwestern Vermont Medical Center), and social service (e.g., Washington County Mental Health Services) jobs are, in fact, the largest employers within their county. However, in analyzing the data we collected, **our primary focus was on those communities that were identified as being dependent on a small number of large, mainly manufacturing businesses.**

Businesses in Dependent Communities

With these conceptualizations of community dependency in mind, we then looked at where the biggest job or business losses have happened in recent history to inform our understanding of the factors impacting businesses that are significant employers in a given community. Certain sectors (e.g., manufacturing) and certain kinds of businesses (e.g., those with out-of-state ownership) tend to be most ‘at-risk’ of leaving the state or going out of business. More broadly, it became apparent during the course of this research that the trends identified above—the location of ownership, inadequate telecommunications and physical infrastructure, the cost of doing business, inadequate housing stock at all price levels, workforce issues, and the challenges of international competition—impact decision making about the future of businesses in Vermont.

We then developed two tables for this report: *Communities Dependent on a Small Number of Large Employers* and *Communities with Opportunities*. Finally, we spoke to RDC directors again to verify our placement of communities and businesses in these two tables.

III. Findings

A. Communities Dependent on a Small Number of Large Employers

Table 1 lists those communities that were identified by the interviewees as having some level of dependence on a small number of large employers or on one economic sector. The businesses listed below are, in most cases, the largest employers within the community. For each business, we have also included information on their economic sector, number of full time employees and product niche. **Supplemental Comments for every community listed here can be found starting on page 25.**

Table 1: Communities Dependent on a Small Number of Large Employers

Communities	Pop. ⁵	Businesses	Sector ⁶	FTE ⁷	Specialty
Addison Co.					
Bristol	3,788	Autumn Harp	M	125	Cosmetics & skin care
		A Johnson Lumber Company	M	59	Sawmill & lumber
		Claire Lathrop Band Mill	M	25	Lumber
		Tom Lathrop Lumber	M	No data	Lumber
Granville	303	Vermont Bowl	M	No data	Wooden bowls & clapboard siding
Hancock	382	Vermont Plywood	M	40	Paneling & plywood
Vergennes	2,741	Goodrich Corp	M	645	Aircraft components
		Country Home Products	M	170	Power equipment
		Feed Commodities International, LLC	W	45	Feed sales
		Nathaniel Group	M	35	Medical equipment
Bennington Co.					
Arlington	2,397	Mack Group Inc	M	700	Plastics
Shaftsbury ⁸	3,767	Bernstein Display	M	See footnote	Mannequins
		William E. Dailey	C	No data	Concrete
Caledonia Co.					
<i>None Identified</i>					
Essex Co.					
Beecher Falls / Canaan	>1,078	Ethan Allen, Inc	M	1,150	Furniture maker
Brighton	1,260	Island Pond Woodworkers	M	23	Furniture maker

⁵ US Census, 2000.

⁶ Sectors: M = Manufacturing; W = Wholesale; P = Publishing; E = Education; R = Retail; S = Services; T = Transportation; T&T = Travel & Tourism; C = Construction.

⁷ Vermont Business Magazine Infobank; self-reported by company; may or may not be fully up to date.

⁸ Shaftsbury will once again become a dependent community. Bernstein Display plans to hire 125 employees in March 2005 and plans to ramp up to 190 employees within 3 years, according to one interviewee.

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Communities	Pop.	Businesses	Sector	FTE	Specialty
Lunenburg / Gilman	1,328	Dirigo Paper Company / Gilman Paper Mill	M	No data	Paper
		Stinehour Press	P	23	Books
Franklin Co.					
Enosburg	2,788	Franklin Foods Inc	M	78	Cream Cheese
Richford	2,321	Blue Seal Feeds, Inc	M	120	Animal, livestock & pet food
		Kaytec	M	75	Siding for buildings
Sheldon	1,990	Rock-Tenn Missisquoi Mill	M	150	Recycled paper board
Grand Isle Co.					
<i>None Identified</i>					
Lamoille Co.					
<i>None Identified</i>					
		The Ski Industry	T&T		
Orange Co.					
Bradford	2,619	Bradford Oil Company	W	96	Petroleum products
		Copeland Furniture	M	95	Furniture
		Stephens Precision	M	20	Machine tool
Chelsea	1,250	HEB Manufacturing	M	52	Wire forms & stampings
Thetford	2,617	Pompanoosuc Mills Corporation	M	100	Furniture
Tunbridge	1,309	Anichini, Inc	W	56	Linen, Textiles
Orleans Co.					
Barton-Orleans	>2,780	Ethan Allen, Inc	M	1,150	Furniture maker
Rutland Co.					
Castleton	4,367	Castleton State College	E	218	Education
		Hubbardton Forge Corporation	M	155	Lighting fixtures
Danby	1,292	Vermont Store Fixtures	M	60	Wood products
Pittsford	3,140	Omya Industries Inc	M	300	Calcium carbonate
Wallingford	2,274	Ames/True Temper	M	21	Ash dowels
Washington Co.					
Barre City Barre Town	16,893	The Granite Industry			
Cabot	1,213	Cabot Creamery Cooperative Inc	M	500	Dairy
		Zutano, Inc	M	20	Clothing
Waterbury	4,915	Green Mountain Coffee Roasters	M	440	Gourmet coffee
		Ben & Jerry's / Unilever	M	250	Ice Cream
		Suss MicroTec	M	114	Semi-conductors
Windham Co.					
Putney	2,634	Landmark College	E	230	Education
		Basketville Inc	W	180	Baskets
		Putney Paper	M	160	Paper

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Communities	Pop.	Businesses	Sector	FTE	Specialty
Windsor Co.					
Bethel	1,968	Vermont Castings	M	275	Woodstoves
		GW Plastics Inc	M	250	Precision molded components
		Bethel Mills Inc	R	60-65	Building materials & lumber
		Ultramotive Corp	M	36	Pressurized aerosol
Cavendish	1,470	Mack Group Inc	M	700	Plastics
Chester	3,044	Newsbank, Inc	P	285	Publishing & Digitizing
		Drew's All Natural	M	No data	Dressings & salsas
		Putney Pasta Company	M	20	Pasta
Ludlow	2,449	Okemo Mountain Resort	T&T	133	Ski Resort
		Jeld-Wen, Inc. / Doorcraft of VT	M	77	Windows and Doors
		D&T Spinning	M	40	Institutional blankets
		Luzenac America	Mining	34	Talc mineral extractor
Stockbridge	674	Stanley Tools	M	47	Wooden handles
Weathersfield	1,470	VT Soapstone Company	M	18	Custom soapstone
Windsor	3,756	Simon Pearce	M	250	Blown glass
		Harpoon Brewery	M	18	Beer & tourism
		Seldon Laboratories, LLC	M	15	Water purification, nanotechnology

B. Communities with Opportunities

During the course of our interviews, we learned that many rural communities were experiencing renewed community and economic development activity and were ‘on the move.’ In Table 2 we have highlighted those communities where community and economic development professionals may want to leverage additional resources and further assist this local activity. We have also identified those communities that have not yet recovered from significant job losses that occurred over the last ten years, but have new opportunities. More often than not, a number of ‘indicators’ are present in the communities listed here. Most notably, these communities have strong, active and capable local leadership providing the ‘spark’ needed to make things happen. Many of these communities have a number of mid-sized, Vermont owned manufacturers that attract innovative, highly skilled workers and whose owners are active corporate citizens. Some have developed strong partnerships with the college or university located in their community. In many cases, the process of receiving Downtown Designation or a community visit by the Vermont Council for Rural Development (VCRD) created the momentum for renewed local community and economic development activity. And in every case, we noted a palpable sense of hope and optimism for the future of the community from those we interviewed. The communities listed in Table 2 are differentiated according to whether the community is ‘well on their way’, are ‘up and coming’, or whether they are still early in the revitalization process.

Table 2: Degrees of Opportunity

Communities	Pop.	Opportunities
Lots of ‘buzz’ – well on their way		
Bennington	15,737	Revitalized downtown; diversified economy; the VT Country Store call center will be a big boost; has adequate infrastructure including broadband and cell; Micro-technology Center is new focal point of activity and hope for future; good connection with higher education institutions in Albany, NY as well as synergy with Albany’s technology focus.
Northfield	5,791	Norwich University is the local economic engine; a few other mid-sized manufacturers provide good jobs; recent improvements made to sewer and water systems; municipally owned electric supply; good telecommunications infrastructure; on rail line and easy I-89 access; the Center for Counter-Terrorism and Cyber-Crime is a new opportunity; have available zoned industrial land for new businesses.
Lyndonville	5,448	Many good sized manufacturers; proximity to St. Johnsbury; downtown would be improved by re-routing traffic (especially large trucks); retail not diverse enough – local daily needs are not being met with existing stores; Lyndon State College a major plus; needs financing for broadband and cell coverage.

Communities	Pop.	Opportunities
Lots of 'buzz' – well on their way		
Brandon	3,917	Many mid-sized manufacturers; downtown is vibrant; water and sewer in good shape; traffic improvements in the works; lots of community activity and pride; Downtown designation has generated focus for their economic development activities; needs 100-150 more jobs and are facing declining school enrollment; tele-communications infrastructure improvements in the works; opportunity for more commercial space if State would sell two buildings it owns in the Park Village Complex.
Bellows Falls	3,165	Poster child for 'creative economy' movement; diverse economy with a number of growing manufacturers; clear town identity; strong community leadership; needs a small hotel; has adequate infrastructure; even though they are a border town and face the challenges posed by NH tax structure, they have successfully focused on being an 'attractive' place to live with a high quality of life and lots of community engagement.
Vergennes	2,741	Downtown went through a transformation w/ renovation of Opera House and local merchants fixing up Main Street; has a number of mid-sized manufacturers that are good employers; Designated Downtown status and the renovations being made there are part of the stimulus for revitalized retail sector.
Waitsfield	1,659	Diverse, strong businesses; many innovative mid-sized manufacturers; an incubator community for environmentally oriented, entrepreneurial companies; top rate communications infrastructure; retail supports ski industry; affordable housing is a concern; needs \$2.5m for sewer project.
Up and Coming		
Hartford (w/ its 5 incorporated villages)	10,367	Recent fire in one of their downtown blocks – top priority will be rebuilding; lack of downtown parking, including a park-and-ride at juncture of I-89 and I-91, is a critical issue and if not resolved will thwart local efforts for revitalization that are underway; need more funds for Bridge St. underpass renovation; recent creative economy activity is making the area a happening place; 2 new hotels built in last 3 years; high tech and health services spillover opportunities from Dartmouth College and the Medical Center; very low unemployment makes it difficult for employers to expand; overall housing shortage is an even bigger issue for employers; VA hospital is a critical employer -- are often threatened with closing or moving.
Morristown / Morrisville	7,148	Recently got Designated Downtown status; a new industrial park in the works; a new commercial business park getting started; badly needs truck bypass; possible new tenants in old Ames store; new town administrator and some new select board leadership; local developers talking about new building projects; optimism exists. They are working on resolving sewer expansion issue with village.

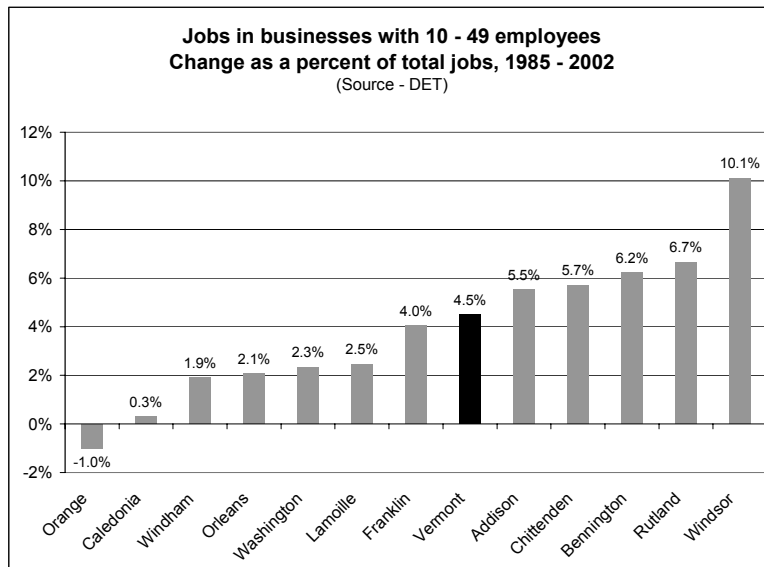
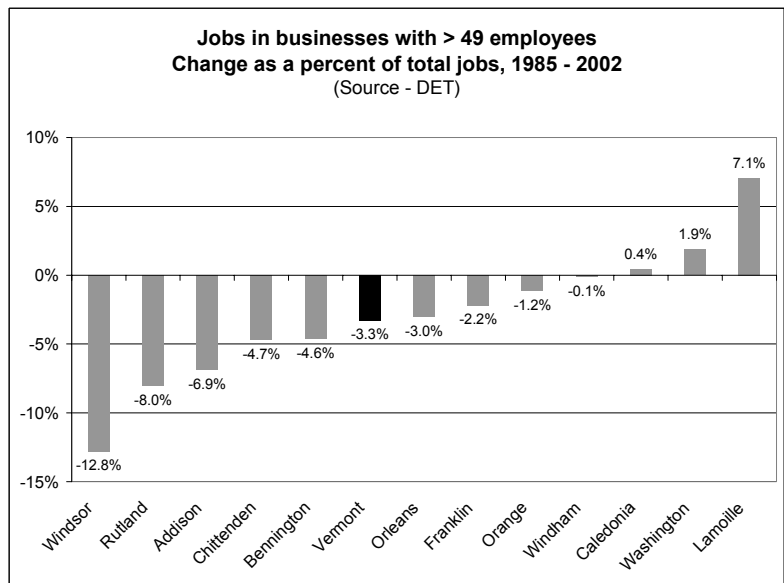
Communities	Pop.	Opportunities
Up and Coming		
Bristol	3,788	VCRD visit in October, 2004 has led to new activity level within the town; needs more space for manufacturers; needs access, water and sewer improvements in order to build-out a zoned commercial / industrial site; downtown has seen steady improvement over the past five years.
Poultney	3,633	Had a VCRD visit and has a Designated Downtown; links to Green Mountain College could be improved; quarry industry still strong though lost opportunity around the manufacture of finished goods; working to win siting of Slate Discovery Center; on-going Main Street improvements; retail needs improvement; looking to attract environmental technology businesses – Green Valley connection w/ Lt. Governor.
Hardwick	3,174	No vacancies in downtown; 3 businesses in industrial park – more being contemplated with focus on natural foods products; geographical constraints exist; broadband and cell towers are big community issues; residents feel good about their town; have been successful at getting grants for affordable housing.
Johnson	3,274	Next potential poster child for the ‘creative economy’; Johnson State College and Vermont Studio Center are center-pieces; had a VCRD visit in 2004; focusing on revitalizing Main Street (recently got \$2m grant via Senator Leahy); active local leadership; want to make town more pedestrian friendly; Rails to Trails project; not much manufacturing.
Clarendon	2,811	Has a strong, full, diversified industrial park – phase 1 fully built-out; working on phase 2 but need additional water system; inadequate income is an issue for residents; no real center to the community – residents go to Rutland for necessities; town works with businesses on tax stabilization; environmentally aware citizenry.
Barton	2,780	Two women have recently opened up businesses and bought buildings and are providing a lot of momentum and new enthusiasm in town.
Bradford	2,619	A number of good wood products manufacturers; some vacant store fronts; recent new investments in incubator space by a business owner may be signal that things are starting to happen there; spill-over effects from Hanover/Lebanon housing and business space shortages may be an opportunity; the library is creating a lot of local energy; downtown seems to be working; the locally owned Department Store seems to be holding on and is an important community anchor; the local school got a big investment a few years back.

Communities	Pop.	Opportunities
New opportunities exist after recent setbacks		
Springfield	9,078	Many efforts underway to redevelop/reuse large manufacturing space made vacant by plant closures of the '90s; downtown retail is picking up, spurred by local art gallery; new recreation facility approaching development; needs more 5-10,000 sq. ft business space; Southern Windsor Co. Incubator getting off the ground; new region-wide marketing strategy, logo and brand is about to be unveiled; if they can finish renovations on J&L building and get new tenants in, it will have a large, positive impact on self-perception and renewed optimism about the future.
Windsor	3,756	Redevelopment project near waterfront is centerpiece of community activity; brownfields issue is big impediment to moving further, faster; optimism exists; has potential to really improve if adequate financial resources can be found.
Pownal	3,560	Racetrack redevelopment; strong local leadership and a lot of visioning activity happening around options for the redevelopment site; talking to a potential major anchor store; wants to include housing in the project; has been successful in raising grant funds.
Alburg	1,952	A Revitalization Committee came together and successfully cleaned up many properties, arranged to tow away abandoned cars in town, convinced several property owners to remove abandoned mobile homes, and spearheaded the passing of three community ordinances having to do with town aesthetics. The Heritage Festival/Fourth of July celebration is now a large community wide event; a three-season farmers market is being planned; and at least eight new businesses are open.
Brighton	1,260	Brighton Community Forum facilitates community and economic development projects. Community members hung welcome banners throughout the center of town. Another group produced a recreation map of the region's natural resources and trails. A committee to develop the broadband infrastructure in Island Pond was formed but has subsequently emerged as the project of one individual businessman. A sewer study looking at the houses and septic systems surrounding the lake was completed. They are also planning a Welcome Center that can orient visitors to the assets of the Nulhegan region while showcasing some of its arts and crafts.
Chelsea	1,250	VCRD visit 3/05 – may stimulate new activity and vision for the town; community may not have fully recovered from Zantoff murders; HEB Manufacturing is key employer.
Readsboro	809	Bennington County Industrial Corporation is currently working with 2 new employers who are trying to find space in town (an auctioneer and a snow shoe manufacturer); a new group has formed—Readsboro Redevelopment Organization—and is starting to raise funds for renovations needed on the Masonic Hall; intend to use this as a springboard for revitalizing their downtown; have some empty warehouse space that needs to be redeveloped but has potential.

IV. Recommendations

Based on our analysis of the interviews and additional data, the following broad recommendations are submitted for consideration. We present them as a point of departure in the on-going conversations between ACCD and its partners about how to strengthen community and economic development activity at every level in Vermont.

- Alter the perception that manufacturing in Vermont is dead.** While Vermont may have lost many of its largest employers over the past decade, we are home to hundreds of innovative, niche manufacturers who employ less than 100 employees, are quite profitable and have opportunities to grow and expand as time goes on. Mid-sized manufacturers are more nimble and can more easily adapt to rapidly changing global economic trends. In addition, a healthy, diverse mix of businesses in all economic sectors (and varying sizes) within a given community will provide the greatest chance of weathering the vagaries of economic cycles and global competition. In fact, over the past 25 years the number of medium-sized businesses grew while the number of large businesses declined. This suggests that mid-size businesses are better suited for Vermont's rural communities because they match the scale of their community's existing infrastructure.



- **Support the incremental expansion of locally owned businesses.** The majority of businesses that are ‘at-risk’ in Vermont are owned by out-of-state entities with little or no loyalty to their host community. Indeed, the vast majority of large-scale job losses during the 90’s were largely due to decisions made in corporate headquarters outside of the State. The vast majority of growing companies (especially manufacturers with 40-100 employees) are owned by entrepreneurs who live in Vermont and have purposefully located their company here for a variety of reasons (e.g., our high quality of life). A broad economic development strategy that includes both technical assistance to businesses as well as working to continually improve Vermont’s quality of life (e.g., broadband, cell coverage, strong downtowns) will assist in the retention and further expansion of these locally owned companies.
- **Promote a dialogue on ‘exit strategy’ options for entrepreneurs/CEOs.** Vermont is home to many entrepreneurial businesses that began 25-30 years ago. Many of these entrepreneurs or CEOs are nearing retirement age and are (or should be) starting to consider options for ‘exiting’ their business. A dialogue around the options that exist—selling it to another Vermont owner or someone with strong ties to the state, employee ownership, passing it on to a family member—should be encouraged which may then lead to the business remaining in its host community and maintaining or growing its employment base over the long-term. In St. Johnsbury, for instance, eight or nine of the major employers who employ a combined total of 800-900 employees in that community have local owners who will likely retire in the next five to ten years.

Two recent examples illustrate this point. In the case of **Autumn Harp** in Bristol, founder Kevin Harper intentionally sought a buyer who would make a commitment to remaining in that town and who had the ability to grow the company. Three years after its sale, revenue and FTEs have almost doubled. On the opposite end of the spectrum, the founders of **Green Mountain Gringo** in Chester recently sold their company to a North Carolina firm that will continue manufacturing salsa and chips under the existing name, but will do so from a home facility in North Carolina. Thus, 15 good paying jobs were lost in this small community.

- **More is needed to get young people into the trades. Additional support for apprenticeship programs is needed.** Those interviewed for this project routinely commented on workforce issues facing the state. While our existing workforce in many parts of the state is of high quality, there are pockets where there is a lack of a strong work ethic. In addition, many interviewees were concerned due to the average age of the workforce, especially in manufacturing firms, since few young people are opting for factory work or entering the trades. In particular, many employers we spoke with mentioned the need for more workers already trained in Computer and Numeric Controls (CNC). Finally, many noted a lack of work readiness among new comers to the workforce (e.g., getting to work on time, appropriate dress, computer literacy, and basic communication skills). Efforts should be targeted at both onsite and offsite workforce training.
- **Continued focus and attention needed for key industry sectors if they are to survive.** Five industry sectors were mentioned as needing constant ACCD focus and attention: the ski industry (as a whole); the granite industry, the plastics industry; the machine tool industry;

and the wood products industry. Plastics, machine tools and wood products are particularly vulnerable to global competition, and have high electricity and workers comp costs. The companies in these industries usually employ 40-100 workers and are often located in dependent communities. Each sector would benefit from assistance in developing new markets. At the same time, budding industries such as specialty foods, also need help developing markets for their products.

- **Actively promote Vermont as the place for innovative, niche oriented business development.** Experience suggests that individual businesses are more likely to succeed when they have strategically decided ‘what business they are in’ and stay focused on their core strengths and abilities. Similarly, those Vermont communities that are currently thriving have achieved these results largely from strategically developing (usually through a community vision process and/or going through the process of becoming a Designated Downtown) a strong self-identity built on their natural and social capital. With the current mix of businesses and attractive communities, Vermont has the potential to become *the* place for innovative, niche oriented businesses to start and expand. Focusing on creating a supportive environment within which these kinds of businesses can thrive is a prudent use of limited economic development resources.
- **Investment in developing broadband infrastructure is critical for business retention, expansion and recruitment.** For example, the Economic Development Council of Northern Vermont has secured partial funding for an \$8.7 million project to build a broadband backbone across northern Vermont (Northlink), a critical piece of the telecommunication infrastructure to serve the six northern counties. Although selected areas are being ‘wired’ by existing telecommunications cable and wireless providers, these providers will not have the economic incentives to extend services to the very rural, sparsely populated parts of the region. If the existing businesses in the state are to remain competitive, they must have access to broadband and cell coverage. In this case, two opportunities are worth exploring: Support the broadband backbone to be constructed by Northlink via direct investment or long-term contracts with the state. Or, provide financial support for the build out of last mile solutions—wireless, fiber or, most likely, a hybrid solution—to deliver broadband to end users, perhaps through regional economic development partners.
- **Invest in those communities where local leadership and sparks exist.** One of the distinguishing characteristics of communities with opportunities is the presence of dynamic local leadership. By leveraging the local investment and leadership already in the works in communities that are already helping themselves, a ‘little extra support’ from various sources could make a big—and quick—difference. At the same time investment in jump-starting community visioning projects (e.g., through VCRD and VSJF) in those communities that seem to be struggling could lead to new community and economic development activity. In some cases, a grant of \$5,000 or \$10,000 from state sources, when leveraged with local and or private funds, could mean the difference between going forward or not.

During the course of our interviews, a successful community development strategy began to emerge: First, encourage a community visioning session to get people talking, building social capital, and thinking about their future; second, follow this up with a training and leadership

development program that will help communities organize and carryout community development projects; finally, coordinate a network of service providers from the state, and other non-profits that could then be brought in to fill in the gaps in services and training that the community might need to enhance revitalization and development efforts. Healthy communities with proactive citizens are more attractive to businesses and fertile ground for the development of new businesses.

- **Promote a statewide conversation on the costs and benefits of the increasing phenomena of second homes being purchased by out of state residents.** A snapshot of the percentage of homes owned by local residents within ski/resort towns in Vermont provides some insight into this issue.

Percent of Ski Towns Owned by Local Residents

Towns	Resort	% Homes Owned by Local Residents
Burke	Burke Mountain Resort	55.08
Dover	Mt. Snow	14.15
Fayston	Mad River Glen	49.54
Jay	Jay Peak	25.11
Jeffersonville	Smugglers' Notch	No data
Killington	Killington/Pico Mountain Resort	17.51
Ludlow	Okemo Mountain Resort	19.24
Manchester	Bromley Mountain Resort	49.23
Mendon	Killington/Pico Mountain Resort	54.23
Montgomery Center	Jay Peak	57.18
Mount Ascutney	Ascutney Mountain Resort	No data
Peru	Bromley Mountain Ski Resort	20.77
Stowe	Stowe Mountain Resort	43.66
Stratton	Stratton Mountain	4.00
Warren	Sugarbush Resort	38.43
Woodstock	Suicide Six	50.39

Source: www.state.vt.us/tax/pdf.word.excel/pvr/reports/2005/ResidentOwnership_TownsByCounty.pdf

Vermont's ski towns are dealing with many of the same trends that are impacting communities which rely primarily on manufacturing employers. For example, ski resorts are typically high consumers of electricity and are impacted by the cost of power. The cost of health insurance premiums and worker's comp for ski resorts are escalating. Ski resorts also need to invest in snowmaking equipment, lifts, multi-seasonal activities (we were told that summer activities at Smugglers' Notch draw in more visitors than winter activities), and real estate and other features that turn them into full-fledged, year-round resorts. Real estate development presents its own challenges, as wealthier out-of-staters buy up property in ski towns and surrounding areas, effectively forcing the lower income workers/residents to move further out. At the same time, resorts will eventually run out of space to expand upon and will need strategies to invest the proceeds from their development back into the resort in a way that creates a long-term flow of customers.

This issue was raised in the vast majority of the interviews we conducted. Obviously the state derives a great benefit from out-of-state residents (e.g., property tax dollars collected, no impact on local school enrollment, renovations or new home construction provide jobs, etc.). However, we may be reaching a ‘tipping point’ that if not addressed may have long-term negative impacts on some of our communities, especially those that are already dependent on one economic sector or employer. For instance, if the vast majority of homes are owned by out-of-state residents and housing prices have risen so high that ‘locals’ can no longer afford to live in the town, there may not be enough children left in the town to support a school, volunteers to run the fire department may be in short supply, local town committees may not have enough volunteer leadership, a community may ‘feel’ dead because so few people actually live there year round, to name but a few of the potential consequences. Extreme care must be taken not to paint the second homeowners as ‘bad people.’ The issue is complex and can touch off much emotion and politically charged opinions. However, we suggest that an effort be made to consider how best to promote a dialogue on this issue before it is too late (perhaps through a Windham Conference or the Snelling Center for Government).

V. Appendices

A. List of Interviewees

Addison County

Jamie Stewart, Executive Director, Addison County Economic Development Corporation
Renny Perry, Town Manager of Vergennes
Bob Hall, Town Administrator of Bristol

Bennington County

Peter Odierna, Bennington County Industrial Corporation
Bill Colvin, Economic Development Director, Town of Bennington
Harvey Yorke, CEO, Southwest Vermont Medical Center
Aaron Chrostowsky, Town Administrator of Shaftsbury
Nelson Brownell, Selectboard Chair, Town of Pownal

Franklin County / Grand Isle County

Jane Greenwood, Executive Director - Cold Hollow Career Center (Enosburg)
and President of Richford Economic Activities Council
Pat Travers, Small Business Development Corporation Advisor
Connie Stanley-Little, Executive Director, & Bill Farr, Technical Assistance Specialist,
Economic Development Council of Northern Vermont
Tim Smith & Connie Burns, Franklin County Industrial Development Corporation
Ruth Wallman, Executive Director, Lake Champlain Islands Chamber of Commerce

Lamoille County

Bill Stritzler, President of Smugglers' Notch Resort
Karen Lynch, Executive Director, Lamoille Economic Development Corporation
Heidi Krantz, Morristown Community Development Coordinator
Lea Kilvadyova, Johnson Community & Economic Development Coordinator
Ken Gibbons, President & CEO of Union Bank
David Silverman, Senior Vice President, Union Bank
Howard Manosh, CEO, Manosh Industries

Northeast Kingdom (Essex, Orleans and Caledonia Counties)

Paul Denton, Northern Community Investment Corporation
Steve Patterson, Northeastern Vermont Development Association
Mary Paull, Northeastern Vermont Development Association, Newport
Art Sanborn, Town Manager of Lyndonville
Dan Hill, Town Manager of Hardwick

Rutland County

Bill McGrath, Executive Director, Rutland County Regional Development Corporation
Keith Arlund, Town Manager of Brandon
Buzz Racine, Economic Development Director, Town of Brandon
Jonas Rothenthal, Town Manager of Poultney
Linda Trombley, Town Administrator of Clarendon

Upper Valley (Orange County and northern Windsor County)

Neal Fox, Executive Director, Green Mountain Regional Development Corporation
Richard Schnaedter, Town Manager of Randolph
Ed Childs, VP Corporate Banking Division, Merchants Bank, Bradford
Lori Hirshfield, Director of the Department of Planning and Development Services, Town of Hartford

Washington County

Richard Angney, Executive Director, Central Vermont Regional Development Corporation
Charles Morse, Municipal Manager of Northfield
Bill Bryant, Town Manager of Waitsfield
Bill Shepeluk, Town Manager of Waterbury
Stephen Lotspeich, Community Planner, Waterbury

Windham County

Kurt Isaacson, Executive Director, Brattleboro Development Credit Corporation
Richard Ewald, Community Development Director, Bellows Falls
Joanne Fiore, Dover Chamber of Commerce
John Redd, Broker Owner, Ski Home Realty

Windsor County (the southern part of the county)

Carol Lighthall, former Executive Director, Springfield Regional Development Corporation
Frank Heald, Municipal Manager of Ludlow
Bill Lindsay, Selectboard Chair, Town of Chester
Jill Michaels, Principal, Community Investments
Steve Christy, President, Mascoma Bank

Statewide Perspective

Paul Bruhn, Executive Director, Preservation Trust of Vermont
Paul Costello, Executive Director, Vermont Council on Rural Development
Lisa Henderson, Assistant Director, Vermont Manufacturing Extension Center (VMEC)
Steve Jeffrey, Executive Director, Vermont League of Cities & Towns
Neal Joseph, President, Sonnax Industries
Bob Justis, Economic Development Director at Central Vermont Public Service Corp.
Brenda Kelly, Professional Manufacturing Advisors, VMEC
Lisa Lorimer, President, Vermont Bread Company
Paul Millman, CEO, Chroma Technology
Dick Morse, Professional Manufacturing Advisors, VMEC
Ken Walker, Professional Manufacturing Advisors, VMEC

B. Data Sources

Agriculture information:

National Agriculture Statistics Service

www.nass.usda.gov

Housing wage information:

Between a Rock and a Hard Place: Housing and Wages in Vermont

www.housingawareness.org

Location quotient information:

Hustedde, Ronald J., Ron Shaffer and Glen Pulver. 1993. *Community Economic Analysis: A How to Manual*. North Central Regional Center for Rural Development. Iowa State University. US Census 2000; www.census.gov.

Specific company information:

Vermont Business Magazine On-line InfoBank. www.vermontbiz.com

Who Owns Vermont information:

Data obtained from VT Tax Department, Property Valuation Annual Report, 2005. Data is current through 2004.

www.state.vt.us/tax/pdf.word.excel/pvr/reports/2005/ResidentOwnership_TownsByCounty.pdf

Wage and Jobs Data:

VT Department of Employment and Training; US Census, www.census.gov.

County Commuting Patterns:

Vermont County Series: An Economic-Demographic Profile of Vermont. 2004.
Vermont Department of Employment and Training.

C. Location Quotients of Selected Industries for Vermont Counties

Location	% Manufacturing	Location Quotient	% Service	Location Quotient	% Ag., Forest., Hunt., Fish., Mining	Location Quotient
United States	14.1		14.9		1.9	
Addison	14.3	1.01	14.7	.99	6.9	3.63
Bennington	16.9	1.20	16.2	1.09	1.6	.84
Caledonia	15.5	1.10	15.1	1.01	5.0	2.63
Essex	29.8	2.11	14.9	1.00	6.2	3.26
Franklin	23.2	1.65	12.7	.85	5.9	3.11
Grand Isle	15.0	1.06	12.0	.81	4.5	2.37
Lamoille	11.0	.78	18.2	1.22	3.5	1.84
Orange	14.5	1.03	14.5	.97	4.8	2.53
Orleans	18.3	1.30	15.1	1.01	8.3	4.37
Rutland	14.3	1.01	15.9	1.07	2.7	1.42
Washington	10.3	.73	14.8	.99	2.1	1.11
Windham	11.1	.79	16.3	1.09	2.6	1.37
Windsor	13.4	.95	15.3	1.03	2.5	1.32

Source: United States 2000 Census. www.census.gov

Location quotients also show potential shortcomings in sectors or industries. Lamoille, Washington, Windham, and Windsor counties are underrepresented with regards to manufacturing compared to the national average, while Addison, Franklin, Grand Isle, Orange, and Washington counties are underrepresented when it comes to service occupations.

Formula:

Location Quotient = % of Local Employment in Activity X divided by % of National Employment in Activity X.

“A location quotient greater than 1 indicates the sector is an export activity and is an important link to the outside economy (but it probably needs to exceed 1.25). A location quotient less than 1 means that a particular sector is not meeting local needs. Each community need not be completely self-sufficient in all sectors. However, if the location quotient is less than 1 in a trade or service activity it suggests there may be a gap in the local economy, because most trade and service activities are expected to be present in most cities and villages” (Hustedde et al., 1993).

D. Percentage of Manufacturing Employees as a Percentage of Total Employees

This table demonstrates which communities are overly dependent on a few manufacturing businesses as a percentage of all businesses in the community. In many cases, those towns listed below are also found on Table 1 in this report. Column one lists towns, column two lists the town's populations; column three lists the number of manufacturing businesses within the town; column four lists the number of manufacturing jobs supported by the businesses in column three; column five lists manufacturing businesses as a percentage of all businesses in the community; column six lists manufacturing jobs as a percentage of all jobs in the community (highlighted); column seven identifies the average salary per job; and column eight lists the average number of jobs per business.

The table is sorted in descending order with the 'most dependent' community (according to this data set) at the top, and the least dependent communities cut off at the 1% mark. For example, the four manufacturing businesses in Georgia account for 53% of all jobs in the community, while the seven manufacturing businesses in Woodstock only account for 1% of the jobs in the community (see column 6). This table does not indicate whether any of these communities are at risk, but it is meant to give a general sense of which communities are most dependent on manufacturing jobs. This table could obviously be expanded to include other economic sectors. Interviews with knowledgeable economic and community development professionals helped to flesh out this table.

Percentage of Manufacturing Employees as a Percentage of Total Employees

Town	Population	# Mfg. Businesses	# Mfg. Jobs	Mfg. Biz as % of Tot Biz	Mfg. Jobs as % of Tot Jobs	Avg Wage	Avg Jobs per Biz
Georgia town	4375	4	340	7%	53%	\$47,926	85.0
Arlington town	2397	10	352	9%	42%	\$39,181	35.2
Bethel town	1968	7	374	8%	40%	\$34,961	53.4
Rutland town	4038	13	1425	8%	39%	\$45,964	109.6
Calais town	1529	6	32	19%	35%	\$39,190	5.3
Swanton town	6203	20	516	12%	33%	\$32,203	25.8
Brandon town	3917	12	431	10%	29%	\$29,556	35.9
Bridgewater	980	5	87	10%	29%	\$36,241	17.4
Ryegate town	1150	3	26	15%	29%	\$26,527	8.7
Pawlet town	1394	4	86	8%	28%	\$24,314	21.5
Winooski city	6561	15	728	8%	28%	\$37,636	48.5
Milton town	9479	15	667	7%	27%	\$54,200	44.5
Richford town	2321	3	183	7%	27%	\$32,424	61.0
Lyndon town	5448	18	741	10%	26%	\$32,044	41.2
St. Albans town	5086	4	295	4%	22%	\$38,261	73.8
Barre town	7602	21	402	14%	21%	\$41,776	19.1
Rockingham	5309	14	489	7%	20%	\$32,613	34.9
Shaftsbury town	3767	5	79	9%	20%	\$42,069	15.8
Whitingham	1298	5	56	13%	20%	\$18,468	11.2

Rural Vermont Inventory of Dependent Communities

Town	Population	# Mfg. Businesses	# Mfg. Jobs	Mfg. Biz as % of Tot Biz	Mfg. Jobs as % of Tot Jobs	Avg Wage	Avg Jobs per Biz
Chelsea town	1250	3	66	6%	19%	\$30,312	22.0
Clarendon town	2811	5	207	6%	19%	\$45,222	41.4
Poultney town	3633	13	185	13%	19%	\$32,437	14.2
Hartland town	3223	8	78	11%	18%	\$37,509	9.8
Bristol town	3788	9	207	8%	17%	\$32,246	23.0
Glover town	966	4	27	17%	17%	\$27,268	6.8
Newport city	5005	16	709	5%	17%	\$41,360	44.3
West Rutland	2535	9	99	13%	17%	\$28,565	11.0
Bennington	15737	38	1700	6%	16%	\$36,645	44.7
Barre city	9291	51	729	12%	15%	\$36,945	14.3
Fair Haven town	2928	7	150	7%	15%	\$31,360	21.4
Springfield town	9078	24	643	7%	15%	\$42,010	26.8
Westminster	3210	8	106	11%	15%	\$28,512	13.3
Fairfax town	3765	6	93	7%	14%	\$31,557	15.5
Ferrisburgh	2657	4	52	5%	14%	\$32,540	13.0
Putney town	2634	15	171	14%	14%	\$30,221	11.4
St. Johnsbury	7571	21	813	5%	14%	\$32,669	38.7
Brattleboro	12005	42	1412	6%	13%	\$46,454	33.6
Middlebury	8183	21	992	4%	13%	\$37,051	47.2
Randolph town	4853	15	352	8%	13%	\$32,794	23.5
Rochester town	1171	4	51	6%	13%	\$38,138	12.8
Bradford town	2619	7	167	6%	12%	\$25,960	23.9
Concord town	1196	4	23	16%	12%	\$22,854	5.8
Hinesburg town	4340	9	111	8%	12%	\$43,523	12.3
Hyde Park town	2847	5	83	6%	12%	\$24,759	16.6
Northfield town	5791	7	225	5%	12%	\$28,389	32.1
St. Albans city	7650	14	954	3%	12%	\$40,930	68.1
Waterbury town	4915	12	454	5%	12%	\$38,211	37.8
Windsor town	3756	16	184	11%	12%	\$32,146	11.5
Dorset town	2036	8	79	8%	11%	\$31,282	9.9
Pownal town	3560	4	23	12%	11%	\$38,721	5.8
Royalton town	2603	8	97	9%	11%	\$37,995	12.1
Manchester	4180	18	430	4%	10%	\$39,227	23.9
Morristown	5139	17	340	6%	10%	\$35,902	20.0
Williamstown	3225	5	49	9%	10%	\$34,120	9.8
Shelburne town	6944	12	278	4%	9%	\$37,545	23.2
Chester town	3044	9	82	7%	8%	\$32,700	9.1
Newbury town	1955	5	50	8%	8%	\$21,177	10.0
Guilford town	2046	7	12	15%	7%	\$16,136	1.7
Johnson town	3274	6	58	7%	7%	\$26,588	9.7
Ludlow town	2449	4	123	2%	7%	\$27,605	30.8
S. Burlington	15814	38	1157	4%	7%	\$35,945	30.4

Rural Vermont Inventory of Dependent Communities

Town	Population	# Mfg. Businesses	# Mfg. Jobs	Mfg. Biz as % of Tot Biz	Mfg. Jobs as % of Tot Jobs	Avg Wage	Avg Jobs per Biz
Underhill town	2980	3	23	5%	7%	\$32,514	7.7
Williston town	7650	29	699	4%	7%	\$38,027	24.1
Burlington city	38889	50	1898	3%	6%	\$58,193	38.0
Highgate town	3397	3	41	6%	6%	\$34,572	13.7
Rutland city	17292	32	723	3%	6%	\$48,207	22.6
Berlin town	2864	10	242	5%	5%	\$38,610	24.2
Colchester town	16986	22	464	4%	5%	\$46,198	21.1
New Haven	1666	6	31	9%	5%	\$33,256	5.2
Londonderry	1709	3	16	3%	3%	\$21,037	5.3
Hardwick town	3174	4	16	4%	2%	\$19,908	4.0
Montpelier city	8035	15	170	2%	2%	\$33,642	11.3
Cambridge town	3186	5	14	4%	1%	\$42,644	2.8
Woodstock	3232	7	31	2%	1%	\$28,064	4.4

Source: DET - U.I. Covered Employment and Wages (ES 202).⁹

⁹ Table produced from DET Data by Doug Hoffer, December, 2004.

E. Communities Dependent on a Small Number of Large Employers: Supplementary Comments *(From Table 1)*

Addison County

Bristol (3,788): The town does not have adequate space for their main employers to expand, nor for other small manufacturers to get started. A zoned commercial / industrial site exists (Stony Hill, 30 acres) but access to the property and water and sewer infrastructure issues must be addressed first. Bristol does have a village water district with plenty of capacity but will eventually need to build a sewage plant. Bristol's downtown has seen steady improvement over the past five years. Bristol has three major manufacturing employers (Autumn Harp, Claire Lathrop Band Mill, and A. Johnson Company) and a few smaller companies (i.e., Synex and Chiptec) that pull in employees from throughout Addison and Chittenden Counties, and New York. The town-business relationship was generally described as good, although there is much debate over a possible gravel pit expansion and its impact on quality of life in the town.

Granville (303): Vermont Bowl recently re-opened after a family leadership transition occurred.

Hancock (382): One interviewee explained that the state did an "incredible job" assisting Vermont Plywood's start-up and that Hancock would be a "ghost town" without them. 80% of the land base around Hancock is national forest. Hancock has a general store, garage, small engine repair shop, a B&B, a hotel, and a junkyard. Vermont Plywood LLC is by far the largest employer, with 40 employees. The relationship between the town and business are good, as employees spend money at the store and garage (the town has even drafted the CEO onto the fire department).

Vergennes (2,741): Vergennes has experienced a transformation of its downtown from empty storefronts and a number of drinking establishments to virtually no vacant storefronts and one bar left. The money Vergennes received through being a Designated Downtown and the renovations they have been able to make has been part of the stimulus for why their retail sector is now healthy. These renovations had a ripple effect as other downtown businesses and residences started improving their appearances. Town government officials stay in close contact with downtown merchants because downtowns are so fragile. Vergennes is not a one-industry town but "that doesn't mean there wouldn't be a substantial impact" if its major employers—Goodrich Corp, Country Home Products, and Feed Commodities International, LLC—went out of business. One interviewee explained "The fact that you have CHP and BF Goodrich making up a large portion of the total employment out of Vergennes and the surrounding area, then there's a dependent community based on those two businesses." Lack of housing is a huge issue for a company like a Goodrich.

Bennington County

Arlington (2,397): There is "Not a whole lot going on in Arlington" other than Mack Group Inc. Mack Group is not "doing as well as they were in the late 90s but their business is picking up...they're hiring people again."

Shaftsbury (3,767): Shaftsbury is basically a ‘bedroom community’ for Bennington and Manchester. They still have not recovered from losing Stanley Tools but there is a mannequin company (Bernstein Display) that will be moving into the old Stanley facility. This will create a number of jobs and may help some of the retail problems the community has faced. The community does not have the tax base to pay for services; they want to grow but they do not have the resources. Any assistance the state could provide would be welcomed.

Essex County

Beecher Falls/Canaan (1,078): A range of interviewees expressed concern about Ethan Allen Inc. One person said “We’re all still scared that they may leave.” Averill, Canaan and Beecher Falls could “really have problems” because they are “way up in the middle of nowhere. It’s hard to get to.”

Brighton (1,260): Brighton and Island Pond are starting to turn around: “There’s just a can-do attitude there.” A community visioning session was held there and they have formed an organization (the Brighton Community Forum) that is working on a number of town improvements. Island Pond Woodworkers is the only manufacturing business and the rest is small retail (Simon the Tanner shoe store is a real draw).

Lunenburg/Gilman (1,328): Comments about Gilman, an incorporated village within Lunenburg, all indicated cause for concern. Dirigo Paper Company is basically the only opportunity in Gilman and the town would be hard hit if they ever left. The owner has put a lot of effort into the business, they have strong management, a loyal workforce, and top rate staff. A suggestion was made to provide the owner with some workforce training money. Lunenburg also has Stinehour Press, a “world class [facility]” that does printing of museum books and art books. “They’ve got JFK’s notes to Jackie in the safe there. You drive up to it and it’s all these little wooden buildings that have been added to when they need another room. It’s unbelievable. But it’s in the middle of nowhere and they provide wonderful jobs.”

Franklin County

Enosburg (2,788): The town was described as healthy, with a full downtown, four banks, a new high school expansion, and a tech center. But Enosburg recently had a fire that destroyed a building with several businesses in it. Enosburg’s main manufacturing employer is Franklin Foods Inc, a 100-year-old company dedicated to making cream cheese. The ownership is local -- they are very important employers and do a great job. It is a business that could have a tremendous future and also could be the keystone in a business development strategy for Enosburg that directly connects with their identity historically and culturally, in terms of it being the “Milk Bowl” and the center of a dairy processing industry. “They are a model employer for a small town and should be congratulated.” Enosburg’s industrial park has the necessary infrastructure but is totally empty.

Richford (2,321): Richford has seen its share of problems over the years but they have an active community development organization (Richford Economic Activities Council) that is engaged in clean-up activities as well as trying to recruit businesses. Richford needs a grocery store, a drug

store and a hardware store as well as broadband if they are going to attract businesses. REAC is very involved with Rails to Trails project and wants to renovate the old Train Station. The problem is that Richford is “so far away from anything. We’re not anywhere near the interstate.” Richford sees more than 50% of its workforce going out in the morning. Blue Seal Feeds, Inc. is the primary manufacturing employer. They have been in the location for 60-70 years but it is not ideal since they are a quarter mile away from the Canadian border yet ship all of their products to the US. Kay Tec, a Canadian owned siding manufacturing, is the only tenant in Richford’s industrial park and is looking for more qualified workers.

Sheldon (1,990): Rock-Tenn Missisquoi Mill should be a focus of attention because it is such a significant employer.

Lamoille County

No single manufacturer dominates Lamoille County, and no single community in Lamoille County is dependent on a particular manufacturer. On the other hand, the entire county is dependent on the ebb and flow of the ski and resort industry. Ski towns are, by definition, dependent communities. Likewise, many of the communities surrounding ski towns depend on them for employment and are impacted by their relative strength. We were told that two-thirds of the economy in Lamoille County is dependent on destination tourism. Stowe Mountain Resort and Smugglers’ Notch Resort are the two major year-round employers. Neither Smuggler’s Notch nor Stowe need direct help (e.g., Stowe Mountain Resort is about to embark on a ten-year, \$300 million expansion) but they would like to see marketing and other assistance provided to the bed and breakfasts and other vertically integrated support businesses in surrounding areas. The combination of service sector wages and the influx of second homebuyers exacerbate an already tight housing market for average Lamoille county residents.

Orange County

Bradford (2,619): Bradford as a whole struggles to bring in new businesses. They have a few vacant storefronts but it was described as “not a big problem.” A developer has been purchasing buildings and renovating them recently and this may signal new opportunities for the town. The Bradford Community Development Corp is looking into housing issues, waterfront issues and extending the sewer line south of town. The industrial park is quite a distance from town and they have no water or sewer lines. Extending lines out to the industrial park would cost about \$1.5 million.

Chelsea (1,250): HEB Manufacturing Co. was described as a “stellar employer” and a well run/well capitalized business, employing about 60 people. If Chelsea lost this company it would have an impact.

Thetford (2,617): Pompanoosuc Mills Corporation was described as doing well, and is a “well financed and well run” business, but it may be hurting a bit due to international competition.

Tunbridge (1,309): Anichini, Inc. is a Vermont owned company that has been looking into new retail outlet sites to complement their stores in West Lebanon, NH and Manchester, VT. “If Anichini goes from Tunbridge, what’s going to go in its place?”

Orleans County

Barton-Orleans (2,780): Barton-Orleans is on the interstate so they are in a little less of a precarious position than Canaan or Beecher Falls if something were to happen to Ethan Allen. Barton does have an industrial park, but it is in a hilly location that is not appropriate for large buildings. What Barton has that a lot of towns do not have is a couple of women who have decided to “take the bull by the horns and they’re changing that town. They’ve made a huge difference.” One has a small pharmacy and bought the block that dominates the whole downtown and the other is in business as well. One interviewee said “If we could only clone them none of us would have any work to do here.”

Rutland County

Castleton (4,367): Castleton State College and Hubbardton Forge Corporation are the two major employers in Castleton. Hubbardton Forge is “doing very well.” They have big issues with Chinese knock-offs, but they were described as adaptive, flexible and creative.

Danby (1,292): Vermont Store Fixtures is coming off three hard years. They are “doing well now but in wood products industry things can change fast.” They are locally owned and committed to the area.

Pittsford (3,140): Omya Industries Inc. is the major employer in Pittsford. They did want to expand but because of Act 250 and environmental laws they have “put \$100 million worth of expansion that was scheduled here to their other places.” If they leave “there will be some people hurting all over the county.”

Wallingford (2,274): Ames/True Temper is an important local employer, especially for the tax base and has been in Wallingford for over 150 years. They were recently sold to an out of state investment firm.

Washington County

Barre City/Barre Town: Several interviewees expressed concern about Barre City and the differences between the city and town. Neither are dependent on any specific business but the granite industry as a whole dominates the area. The granite industry was described as being both in “crisis” and “pretty stable.” There have been consolidations and the industry is not going to add a lot of jobs. On the other hand, “there are points of real prosperity and real sophistication” with Rock of Ages and Swenson Granite. The danger is that “any business in the 21st century that’s working with commodities that can be produced in a commodity market in the global sense are fighting against 40 cent an hour labor in China.” Barre is already shipping granite to China and having it come back polished. The Chinese are finding granite and variations of granite that have a gray tone and could be considered the best substitution for Barre granite and it

is easier for them to cut it and polish it and send it here than it is for Rock of Ages to get a chunk out of the ground. There are probably 30 leading sheds left in Barre. Finally, “downtown retail has its ups and downs...but they’ve got a good mix of local merchants. They’re working really hard at being competitive.”

Cabot (1,213): With the opening of the new distribution facility in Montpelier, there will probably some increase in manufacturing in Cabot at Cabot Creamery Cooperative Inc. The chances are very remote that they would ever close their manufacturing facility in Cabot, but we did hear that they were struggling a bit under their decision to sell their cheese to Wal-Mart. Zutano, Inc. has their headquarters in Cabot but due to the need for better truck access year round they moved their distribution to East Montpelier.

Waterbury (4,915): Waterbury is a growing community, situated at the crossroads of Stowe, Montpelier, and Burlington. The State of Vermont and Green Mountain Coffee Roasters are the major employers. Green Mountain Coffee Roasters has seen their business change dramatically with more automation and consequently the loss of some distribution jobs. With the completion of their distribution facility they may have reached the limits of their expansion in Waterbury. GMCR is a publicly traded company. Like the Ben & Jerry’s sale to Unilever, this could put the long-term prospects of GMCR being in Vermont into question. Ben & Jerry’s and Suss Microtec are also significant employers in the town.

Windham County

Putney (2,634): The concern with Putney Paper is that they have other plants throughout the Northeast and New York and they could decide to consolidate their operations. Basketville, Inc. changed from being a manufacturer to importer of baskets, but they are doing okay.

Windsor County

Bethel (1,968): One interviewee explained: “I worry about towns like Bethel where they’ve got two strong industrial manufacturers—Vermont Castings and GW Plastics...Is Vermont Castings going to be in a position to ride the wave of international competition when it happens? Another interviewee commented that Vermont Castings, Inc. has been impacted by rising steel prices. GW Plastics, Inc. is a VT owned company that has four plants in a highly competitive industry. Bethel Mills, Inc. is the oldest business in Vermont. Ultramotive Corporation has been through bankruptcy but seems to be stable now.

Cavendish (1,470): Cavendish mostly serves tourists, but Mac Molding is located there as well. The General Manager has been proactive in addressing workers comp issues.

Chester (3,044): Chester has municipal sewer and water, but they need \$3 million for a new sewer plant. Chester recently lost Green Mountain Gringo. Putney Pasta Company was hit hard by the low-carb diet fad but seems to be doing okay now. Newsbank, Inc is a Florida based company. Newsbank owns a large number of buildings and helps provide housing for their employees and they have a conference center that they allow community groups to use. They are the economic engine of Chester but they have done some outsourcing to India. Drew’s

All Natural is expanding. The town recently held a 'creative economy' forum and are exploring various options for expanding their economic activity.

Ludlow (2,449): The "soul of the community" is changing as so many of the 'locals' do not actually live in town anymore. This fact impacts the local volunteer base for things like community groups and fire/ambulance services. They are the only town at the base of a ski resort. Okemo Mountain Resort is the economic engine for Ludlow and surrounding areas. Real estate at the base and ski-able terrain is expanding. The owners are very committed to Vermont and Ludlow and are good corporate citizens. Of the manufacturers in Ludlow, Luzenac America, Inc. makes a high-grade product and has many years left in the quarry. D&T Spinning Yarn has their yarn in every major league baseball, but the assembly takes place in Costa Rica. Jeld-Wenn Inc/Doorcraft of Vermont has a hard time finding employees and would hire more if they could find the workers. They recently had some discussions with the SRDC about how to jump-start the Dean Brown Industrial Park.

Stockbridge (674): Stanley Tools is the backbone of the town. The corporate owners are in Connecticut and they are a very bottom line driven company.

Weathersfield/Perkinsville (2,788): Vermont Soapstone Company recently got a VEPC tax credit. They purchased property in Windsor and will be moving into a 50,000 square foot building with a show room. They are adding jobs. Most of their soapstone comes from Brazil.

Windsor (3,756): Housing is a big issue in Windsor and they are geographically challenged to get more. Brownfields and the cost of clean-up are a huge impediment to redevelopment efforts. Seldon Laboratories, LLC is going into new space in Windsor and has expansion plans; they are a major player in the town's redevelopment initiative. Workers comp is a big issue for Simon Pearce.

F. County Briefs

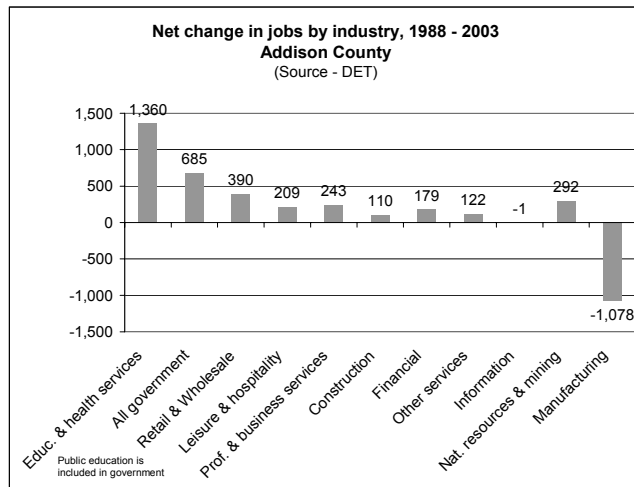
The following county briefs reflect some of the important community and business issues that were mentioned during the interviews conducted for this report. They provide a snapshot of county characteristics, promising prospects, and the trends and issues that are impacting each county.¹⁰

Addison County¹¹

County Characteristics

Addison County has approximately 36,000 residents (5.9% of Vermont's population). About 6,700, or 30%, of Addison County residents over the age of 25 have a bachelor's degree or higher (tied for third highest). Most Addison County residents work in the county (70.6% or 13,070); the next highest percentage (21.5%, or 4,000 people) commute to Chittenden County. Addison County residents spend an average of 23 minutes on the road from home to work. Most economic activity occurs in the Middlebury-Bristol-Vergennes triangle. Addison County lost about 1,000 manufacturing jobs with the downsizing of Simmonds Precision in 1989¹² However, Addison County's December 2004 unemployment rate, the lowest it has been since December 2000, is below the state rate (3.4%) and well below the national average (5.4%). Of a labor force of 20,700 people, 20,050 are employed.¹³

Net Changes in Jobs by Industry



Agriculture is the only dominant sector in Addison County's economy. According to the 2002 Census of Agriculture conducted by the National Agriculture Statistics Service, Addison County ranks second in the state in the total value of agricultural products (mostly dairy) sold. However there has been a real change in agriculture in the county due to farm consolidations. Since 1997 the number of farms has decreased by 14%, the acreage of land in farms has decreased by 8%, the average size of farms has increased by 7%, and the average market value of production per farm has increased by 8%.¹⁴

¹⁰ All data sources are referenced in the Addison County Brief. All County Briefs thereafter use the same data sources, though references are not provided in order to limit the number of repetitive footnotes in this section.

¹¹ Interviews in Addison County took place on January 6th, 2005. Interviewees included Jamie Stewart, Executive Director of Addison County Economic Development Corporation; Bob Hall, Town Administrator of Bristol; and Renny Perry, Town Manager of Vergennes. Paul Bruhn, Executive Director of Preservation Trust of Vermont; Paul Costello, Executive Director of Vermont Council on Rural Development; Steve Jeffrey of Vermont League of Cities and Towns; Bob Justis, Economic Development Director for Central Vermont Public Service and VMEC staff also supplied comments.

¹² *Addison County Comprehensive Development Strategy*. 2003: 5.

¹³ *Vermont Department of Employment & Training: The Vermont Labor Market*. January 2005: 5.

¹⁴ 2002 Census of Agriculture. National Agriculture Statistics Service.

Beyond agriculture, Addison County has three de facto growth centers—Middlebury, Bristol, and Vergennes. Additional growth center development is limited due to the fact that 80% of the county has non-conforming soils for septic systems. On the whole these three towns have a diverse base of manufacturing, with no one particular sector that is significantly stronger than another.

Middlebury College is the county’s top employer and educational, health and social services make up the largest industry sector in Addison County (28.5% or 5,385 people, according to the 2000 Census). Middlebury has “got an incredibly diverse economy” and employs twice the number of people as Bristol. Bristol and Vergennes have each recently improved their downtowns and are home to a number of successful mid-sized manufacturers (e.g., Autumn Harp and Nathaniel Electronics). ‘Bedroom communities’ make up most of the towns outside of these three communities. Addison County’s “greatest strength” from a manufacturing point of view is that they have a couple of large employers, but most of the manufacturers have 25 to 45 employees, are locally owned and have “every intention of making and continuing their lives here.” The county would lose them only if they failed.

Addison County’s Largest Private Employers

Business	Town	Sector	Employees
Middlebury College	Middlebury	Education	1,177
Goodrich Corp	Vergennes	Manufacturing	645
Porter Medical Center, Inc	Middlebury	Health	357
Basin Harbor Club	Vergennes	Resort	300
Barr & Barr, Inc	Middlebury	Construction	200
Country Home Products	Vergennes	Manufacturing	170
Specialty Filaments	Middlebury	Manufacturing	160
Bread Loaf Corporation	Middlebury	Construction	100
CPC of Vermont, Inc	Middlebury	Manufacturing	93
Retail Vision	Middlebury	Wholesale	84
Autumn Harp Inc	Bristol	Manufacturing	80
National Bank of Middlebury	Middlebury	Financial	71
Cooperative Insurance Companies	Middlebury	Insurance	63
Foster Motors	Middlebury	Retail	60
A. Johnson Company Co.	Bristol	Manufacturing	59
Langrock Sperry & Wool, LLP	Middlebury	Lawyers	50
VT Plywood LLC	Hancock	Manufacturing	50
Feed Commodities International, LLC	Vergennes	Retail	45
Geiger of Austria, Inc	Middlebury	Manufacturing	44
Vemas Corp	Middlebury	Manufacturing	44
G Stone Motors, Inc	Middlebury	Retail	42
Radio Vermont Group	Waterbury	Communic.	42
William P Holdman, Inc	Middlebury	Transportation	40
Danforth Pewterers, Ltd	Middlebury	Manufacturing	39
Nathaniel Group Inc	Vergennes	Technology	35
Champlain Valley Equipment Inc	Middlebury	Retail	34
Otter Creek Brewing Inc	Middlebury	Manufacturing	33
Monument Farms, Inc	Weybridge	Manufacturing	31
Vermont Bowl	Granville	Manufacturing	30

Business	Town	Sector	Employees
Maple Landmark Woodcraft	Middlebury	Manufacturing	30
Champlain Construction Co, Inc	Middlebury	Construction	25
Claire Lathrop Band Mill Inc	Bristol	Lumber	25
Dock Doctors	Ferrisburgh	Manufacturing	25
JW & DE Ryan, Inc	Vergennes	Construction	25
Beau Ties Ltd of Vermont	Middlebury	Manufacturing	23
Denecker Chevrolet, Inc	Vergennes	Retail	23
Viviane's Sewing Shop	Middlebury	Apparel	21
Brownwood Products	Middlebury	Manufacturing	20
Hendy Brothers, Inc	Middlebury	Wholesale	20
MacIntyre Services	Middlebury	Construction	20
Middlebury Agway Farm Center	Middlebury	Retail	20

Source: Vermont Business Magazine Infobank, 2005

Addison County’s Comprehensive Economic Development Strategy identified three emerging sectors in the region. First, the personal products sector is doing well (Autumn Harp in Bristol and Vermont Soapstone in Middlebury) and produces a high return per job created. Second, with Middlebury College’s emphasis on the field of Economics, a fair number of financial services workers already spend part of their week in Addison County. With the flight of businesses from New York City after 9/11, efforts are being made to recruit and nurture the financial services sector. Finally, since “the timber industry’s got its issues because it’s not getting a great enough value out of the product,” efforts are underway to promote sustainably harvested wood products through existing lumber mills (Johnson Lumber and Claire Lathrop Band Mill) and to possibly recruit hardwood flooring manufacturers.

Trends in Addison County

Broadband and Cell Coverage — Broadband and cell coverage are “pretty good” in parts of the county and unavailable in other areas. Investing in telecommunications infrastructure is needed, especially for nurturing and attracting the financial services sector.

Infrastructure — “We have lousy roads, we need infrastructure upgrades throughout the county. For development occurring outside of the growth centers it really can’t occur because we can’t do the waste treatment.” The three growth centers have adequate waters supplies and Middlebury and Vergennes have available capacity in their wastewater treatment systems.

Business Environment — Addison County’s companies “reflect the national economy pretty well.” “There’s not been a lot of strong activity anywhere; it’s really been fairly anemic for a couple of years in economic development around here.” Most concern was expressed with regards to the larger businesses that are being impacted by power costs and Chinese competition. The issues facing plastics manufacturers (Specialty Filaments and CPC of Vermont), in particular, were stressed: “They are the ones that are at greater risk and that’s a process that requires significant power and so when you’ve got your competition hammering you on labor costs and everything else and then to also have your infrastructure costs,

“I’m always going to feel a lot safer if I know the guy lives here and has his kids in school here and has a real tie to the community. Because it’s a lot harder for them to leave and it’s a lot harder for them to eliminate jobs because when they’re eliminating jobs it’s people they know.”

such as power, water, sewer, just going through the roof here in Middlebury, they have to be real specialized and really right on top of their game. They're filling a niche in a smaller-run world."

Workforce — “The biggest issue that we hear continually from people is around human resource issues: Lack of qualified employees. There’s a general lack of qualified new hires available.”

Housing Costs & Second Home Owners — Lack of housing is a huge issue for a company like Goodrich. “When they’re hiring in an engineer that they’re going to pay \$45,000 to \$50,000 a year and that guy goes to look for a house, he can really afford a \$150,000 house: it doesn’t exist! It’s not there. Or it’s priced at \$250k because there’s so little on the market that that’s what people are charging for houses. So there’s no housing stock now in the low end because it’s been eaten up and it will never be there again. So you look at ‘low-end, affordable, entry-level housing’ - it’s gone. So basically that middle market went first, the lower market went after it, and the reason you’re seeing the McMansions being built is that’s the only thing where people have enough money to buy what the contractors can build and make a profit on.”

Average Wage and the Cost of Housing

Addison County	Number	Percentage	VT Rank
Average Annual Wage	\$30,576	95% of State Average	4 th out of 14
Housing Wage (2004) ¹⁶	\$12.50	91% of State Average	7 th out of 14
Median Single Family Home Price (2004)	\$175,900	102% of State Average	2 nd out of 14

Percent of Homes Owned by Local Residents ¹⁵		
Town	Population	%
Addison	1,393	74.35
Bridport	1,235	77.29
Bristol	3,788	79.63
Cornwall	1,136	83.82
Ferrisburg	2,657	72.43
Goshen	227	56.33
Granville	303	39.39
Hancock	382	64.67
Leicester	974	57.12
Lincoln	1,214	74.94
Middlebury	8,183	65.70
Monkton	1,855	86.17
New Haven	1,666	77.21
Orwell	1,185	76.29
Panton	682	67.53
Ripton	556	69.39
Salisbury	1,090	63.54
Shoreham	1,222	72.36
Starksboro	1,898	78.61
Vergennes	2,741	64.73
Waltham	479	87.24
Weybridge	824	69.44
Whiting	375	83.11
County Ave		72.38

An analysis of Department of Employment & Training (DET) and Vermont Housing Finance Agency (VHFA) data comparing inflation adjusted changes in median single-family home prices and wages between 1988 and 2003 reveals that **the price of housing in Addison County exceeded wage growth by 18.8%**. Addison County’s “housing wage”—“the income necessary to afford the Fair Market Rent while working 40 hours a week and paying no more than 30 percent of household income for rent and utilities”¹⁷—is only 91% of the state average. Most towns in the county are agricultural or ‘bedroom communities’ with high percentages of out-of-staters owning property.

¹⁵ 2004 data, VT Department of Taxes, Resident Ownership by County, Annual Report 2005.

www.state.vt.us/tax/pdf.word.excel/pvr/reports/2005/ResidentOwnership_TownsByCounty.pdf

¹⁶ *Between a Rock and a Hard Place: Housing and Wages in Vermont*, www.housingawareness.org

¹⁷ *Between a Rock and Hard Place*, 2004: 2.

Dependency Summary

Although Bristol and Vergennes are dependent communities, they both have a number of opportunities. Granville, on the other hand, has minimal significant economic activity. The view that the County needs more growth center designations and incentives to develop within those growth centers was expressed. Additionally, a desire for clarification of the restrictions and regulations applying to centralized farming operations was requested.

Bennington County¹⁸

County Characteristics

Bennington County has approximately 37,000 residents (6.1% of Vermont’s population). Approximately 6,900, or 27%, of Bennington County’s residents have a bachelor’s degree or higher (which ranks 4th out of Vermont’s fourteen counties). Most of Bennington County workforce works in the county (15,125, or 82.6%); the next highest percentage (6.7% or 1,231 people) commutes to Massachusetts. Bennington County residents spend an average of 19 minutes on the road from home to work. The Route 7 corridor—Manchester, Sunderland, Arlington, Shaftsbury, Bennington, and Pownal—is where most economic activity in the county is located and where 90% of the population lives. Despite job and business losses over the years, Bennington County’s December 2004 unemployment rate is the lowest it has been since 2000 and is only slightly above the state rate (3.4%) but below the national average (5.4%). Of a labor force of 21,400 people, 20,650 are employed. Southwestern Vermont Medical Center is the County’s largest single employer and educational, health and social services make up the largest industry sector (23.7% or 4,428 people, according to the 2000 Census). However, the manufacturing sector still constitutes the majority of large employers.

Bennington County’s Largest Private Employers

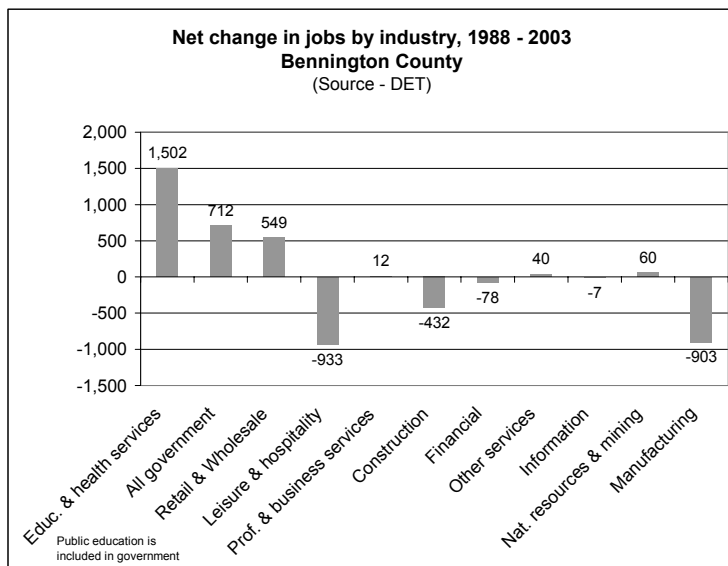
Business	Town	Sector	Employees
Southwestern Vermont Medical Center	Bennington	Service	877
Mack Group Inc	Arlington	Manufacturing	700
Vermont Country Store	Manchester	Retail	623
NSK Steering Systems America	Bennington	Manufacturing	500
Orvis Company Inc	Manchester	Retail	426
Bennington College	Bennington	Education	277
Energizer Battery Co	Bennington	Manufacturing	240
Equinox	Manchester	Resort	235
Tansitor Electronics, Inc	Bennington	Manufacturing	160
National Hanger Co, Inc	N. Bennington	Manufacturing	140
Vermont Composites, Inc	Bennington	Manufacturing	123
RK Miles, Inc	Manchester	Retail	115
Hemmings Motor News	Bennington	Publishing	100
Porta-Brace Inc	N. Bennington	Manufacturing	100
Wallace Computer Services, Inc	Manchester	Publishing	90

¹⁸ Interviews in Bennington County took place on January 28, 2005. Interviewees included Nelson Brownell, Selectboard Chair for the Town of Pownal; Aaron Chrostowsky, Town Administrator for the Town of Shaftsbury; William B. Colvin, Director of Economic and Community Development, Town of Bennington; Peter Odierna, Executive Director of Bennington County Industrial Corporation; and Harvey Yorke, President and CEO of Southwestern Vermont Medical Center. Paul Bruhn, Executive Director of Preservation Trust of Vermont; Paul Costello, Executive Director of Vermont Council on Rural Development; Steve Jeffrey of Vermont League of Cities and Towns; Bob Justis, Economic Development Director for Central Vermont Public Service and VMEC staff also supplied comments.

Business	Town	Sector	Employees
US Tsubaki, Inc	Bennington	Manufacturing	75
Bijur Lubricating Corp	Bennington	Manufacturing	64
Business Air, Inc	Bennington	Transportation	60
Factory Point National Bank	Manchester	Financial	58
Bromley Mountain Ski Resort	Manchester	Resort	55
JK Adams Co, Inc	Dorset	Manufacturing	55
Bank of Bennington	Bennington	Financial	52
Abacus Automation, Inc.	Bennington	Manufacturing	50
Bennington Banner	Bennington	Publishing	50
CTC Corporation	Bennington	Photography	50
McGill Airflow Corp	Bennington	Manufacturing	50
NBC Solid Surfaces, Inc	Springfield	Construction	50
Bennington Potters, Inc	Bennington	Manufacturing	51
Applejack Art Partners	Manchester	Wholesale	47
Bennington Iron Works Inc	Bennington	Construction	47
Southern Vermont College	Bennington	Education	47
H Greenberg & Sons Inc	Bennington	Retail	40
Morrison Sales & Service, Inc	Bennington	Retail	38
Krone Optical Systems, Inc	N. Bennington	Manufacturing	33
Arlington Industries Inc	Arlington	Manufacturing	31
Whitman's Feed Store	N. Bennington	Retail	26
Vermont Container	Bennington	Manufacturing	25
Mace Security International, Inc	Bennington	Manufacturing	12 to 25
Homestead Landscaping	Bondville	Service	23
Catamount Glassware, Inc	Bennington	Retail	22
MacDonald-Secor Associates, Inc	Bennington	Construction	20
Pennysaver Press	Bennington	Publishing	20

Source: Vermont Business Magazine Infobank, 2005

Net Changes in Jobs by Industry



Like most other communities throughout the country, Bennington County has received a number of “body blows” directly related to globalization. Over the past 25 years, Bennington County lost good jobs and businesses in the hospitality and leisure, construction, and manufacturing industries. Of the manufacturing jobs and businesses lost recently, all had ownership located outside of Vermont and the United States. Stanley Tools in Shaftsbury had a long history in Bennington County before closing about four years ago. US Tsubaki, a

Japanese-owned sprocket manufacturer closed last year. And Moore-Wallace, a printing company in Manchester closed recently. However, while the “nature of manufacturing” means that “there is going to be another casualty” at some point, communities in Bennington County are

not overly dependent on any one business, industry or sector. If anything, **the county as a whole is dependent on the only real growth center in southwestern Vermont: the Town of Bennington.**

Fortunately, in the words of our interviewees, Bennington Town seems to be “a community on the rise,” “is really on the move,” and “things are pointing in the right direction on a community-wide basis.” Interviewees expressed “a good comfort level with what we have here.” The *diversity* of manufacturing, retail, and tourism means that Bennington Town is well equipped to “survive bumps and bruises.” Development momentum in the town has also been sparked by downtown investments by a local businessperson.

Bennington Town also “has the good fortune to be near Albany, New York.” In Albany they are making an aggressive push to create a semiconductor research and development presence and the state of New York is investing millions in this initiative. With the recent launch of the Bennington Microtechnology Center—the regions highest profile economic development platform—Bennington Town and County are trying to leverage these efforts and expand “the circle of prosperity.” The Center is focusing on the assembly and packaging of micro and nano systems. The vision is that these well paid, large multiplier effect, relatively clean jobs, will be transformational for Bennington County communities and help to advance the argument that Bennington County is an emerging location for technology development.

“Really that’s the platform, the organic platform, that we have developed so when we do reach out to these technology companies and we say ‘We’ve got a great quality of life’ and they say ‘What else do you have?’, we’re able to respond that we have this cutting edge research and development boutique called the Bennington Microtechnology Center.”

Trends in Bennington County

Broadband and Cell Coverage — Bennington has an abundance of fiber flowing through the community. From a cellular or wireless point of view “it’s not as good as it should be but it’s not that bad.” On the other hand, coverage in places like Pownal and Manchester are weak. But if you look at Bennington as really being the business presence of the community “it’s functional” and the industrial parks are wired.

Infrastructure — Sewer and water is not a problem in Bennington. But neighboring communities such as Pownal and Shaftsbury are looking to increase their sewer and public water infrastructure. Pownal has firm plans to build out the sewer and public water line while Shaftsbury is probably a year or two behind them.

Business Environment — Companies that have closed in Bennington County have gone to “lower cost environments,” either offshore or down South. Out of state ownership, the cost of electricity, Chinese competition, the cost of health care, the cost of worker’s comp, workforce issues, and regulations/permitting issues have all factored in decisions to leave. The feeling is that additional increases in medical costs and electricity prices will particularly influence out of state owned manufacturers to stay or leave. On the other hand, Bennington County has a number of manufacturers and other types of businesses (e.g., Vermont Country Stores is locating a call center in downtown Bennington) that are doing well.

Workforce — According to one interviewee “It’s good and it’s bad.” “The good is there’s a lot of very talented hardworking people in the community. Those people have jobs. Most of those jobs are good jobs. The bad part is, if you look at what our unemployment rate is, and it’s around 3.2-3.5%, it’s below the state level and it’s below the national level, and there are around 800 unemployed people in the Bennington area. Most of those people are unemployable. They’ve got problems with soft skills, they’ve got problems with drug testing compliance and all that other stuff.”

Housing Costs & Second Home Owners — Housing is a critical element in economic development. There is an affordable housing shortage throughout the State of Vermont, including Bennington County. A comparison of inflation adjusted changes in median single-family home prices and wages between 1988 and 2003 reveals that **Bennington County wage growth has not kept up with the price of housing** (it is 5% less than the state average).

Average Wage and the Cost of Housing

Bennington County	Number	Percentage	Vermont Rank
Average Annual Wage	\$28,704	89% of State Average	8 th out of 14
Housing Wage (2004)	\$13.04	95% of State Average	4 th out of 14
Median Single Family Home Price (2004)	\$156,000	91% of State Average	7 th out of 14

Percent of Homes Owned by Local Residents		
Town	Population	%
Arlington	2,397	63.68
Bennington	15,737	64.82
Dorset	2,036	55.05
Glastenbury	16	15.41
Landgrove	144	36.95
Manchester	4,180	49.23
Peru	416	20.77
Pownal	3,560	81.39
Readsboro	809	56.28
Rupert	704	66.44
Sandgate	353	54.27
Searsburg	96	15.34
Shaftsbury	3,767	81.43
Stamford	813	74.09
Sunderland	850	57.32
Winhall	702	12.56
Woodford	414	49.26
County Average		52.16

Many towns in the county are ‘bedroom communities’ with high percentages of out-of-staters owning property (e.g., Dorset, Readsboro, Peru). However, one interviewee talked about developers looking at ways to increase the amount of residential units in the area: “And if we can see additional supply of residential units coming on line then that’s a concern that I’m not going to worry about as much as I do now.”

Dependency Summary

The Town of Bennington is really the employment engine for the whole county. Our interviews revealed that Arlington is the only community in Bennington County that is currently dependent on a manufacturer (Mack Group Inc). Overall, the county has a mix of manufacturing and other businesses that appear stable and the Town of Bennington is perceived to be a rising star. The relationship between Albany and Bennington was identified as the top opportunity looking forward in the region.

Two communities in Bennington County were identified as needing focused attention from the State. These communities are not dependent on particular businesses; rather they both have suffered employment losses over the years and need some assistance to realize new opportunities on the horizon.

Pownal (population 3,560) lost around 800 FTE and 1,500 PTE jobs with the closing of General Cable/Warren Wire, Green Mountain Park (race track), and the Tannery. Cleaning up the Tannery site and improving Pownal's wastewater infrastructure has required significant resources but the town now sees an opportunity for redeveloping the former race track property in a multi-purpose site (including housing in one scenario).

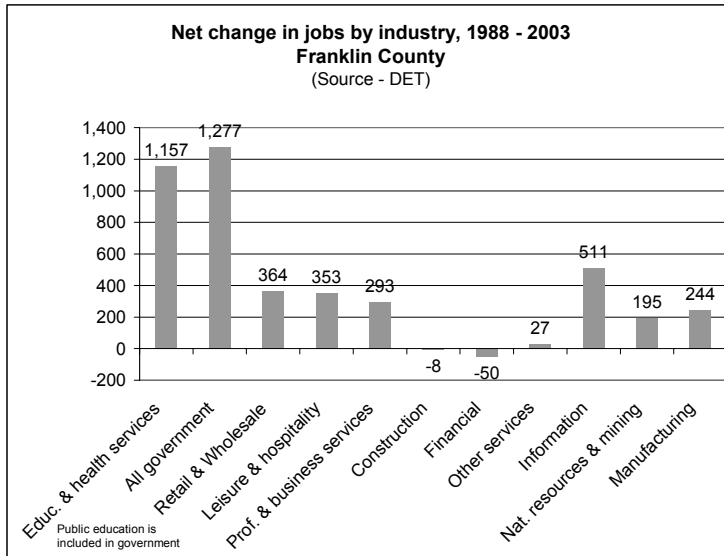
Shaftsbury (population 3,767) is basically a 'bedroom community' for Bennington and Manchester that is starting to deal with an influx of out-of-state homebuyers. Shaftsbury lost Stanley Tools but plans are underway for a mannequin maker (Bernstein Display) to move into that property and potentially add 190 jobs over the next 3 years.

Franklin County¹⁹

County Characteristics

Franklin County has approximately 46,000 residents (7.5% of Vermont’s population). Approximately 4,900, or 17%, of Franklin County’s residents have a bachelor’s degree or higher (which ranks 7th out of Vermont’s fourteen counties). Most of Franklin County’s workforce (14,420 or 63.9%) works in the county; about 7,300 (32.3%) work in Chittenden County. Franklin County residents spend an average of 26 minutes commuting. In the words of one interviewee: “Too many residents commute out of town.” The I-89 corridor—Swanton, Highgate, Georgia, and St. Albans—is where most economic activity (i.e., manufacturing) in the county is located. Although Solo Cup Company in St. Albans (the fourth largest private employer) and Vermont Fasteners Manufacturing in Swanton recently closed, Franklin County is the only one of two rural counties that saw a net gain in manufacturing employment over the past 15 years.

Net Changes in Jobs by Industry



Franklin County’s December 2004 unemployment rate (4.0%) is the lowest it has been since December 2001. The county came out of the 2002 recession with a net increase in jobs. Franklin County has a strong mix of agriculture, manufacturing, and health service related jobs. The total value of agricultural products sold (e.g. through St. Albans Cooperative Creamery) in Franklin County ranks number one in Vermont. There have been farm consolidations in Franklin County but the average market value of production per farm is up 26% since 1997. At the same time, government payments to

Franklin County farmers are up significantly, 1,031% since 1997.²⁰

Northwestern Medical Center is the County’s largest single employer but manufacturing is the largest industry sector (23.2% or 5,362 people, according to the 2000 Census). Manufacturers in Franklin County break the mold in the sense that many of their manufacturing employers are

¹⁹ Interviews in Franklin County took place on December 4, 2004; January 7, 2005; and January 20, 2005. Interviewees included Jane Greenwood, Executive Director of Cold Hollow Career Center; Pat Travers SBDC Advisor; Connie Stanley-Little, Executive Director, and Bill Farr, Technical Assistance Specialist, Economic Development Council of Northern Vermont; Tim Smith, Executive Director, and Connie Burns, Franklin County Industrial Development Corporation. Paul Bruhn, Executive Director of Preservation Trust of Vermont; Paul Costello, Executive Director of Vermont Council on Rural Development; Steve Jeffrey of Vermont League of Cities and Towns; Bob Justis, Economic Development Director for Central Vermont Public Service and VMEC staff also supplied comments.

²⁰ 2002 Census of Agriculture. National Agriculture Statistics Service.

Canadian-owned, but are not ‘at risk.’ The major employers in St. Albans City, St. Albans Town, Swanton, and Highgate were all described as doing well.

Franklin County’s Largest Private Employers

Business	Town	Sector	Employees
Northwestern Medical Center, Inc	St. Albans	Health Services	600
Mylan Technologies, Inc	St. Albans	Manufacturing	319
Wyeth Nutrition	Georgia	Manufacturing	250
Barry Callebaut USA Inc	St. Albans	Manufacturing	216
Energizer - St. Albans Plant	St. Albans	Manufacturing	155
Rock-Tenn Missisquoi Mill	Sheldon Springs	Manufacturing	150
Vermont Gage	Swanton	Manufacturing	140
AN Deringer, Inc	St. Albans	Transportation	130
Peerless Clothing	St. Albans	Clothing	130
Blue Seal Feeds, Inc	Richford	Manufacturing	120
Superior Technical Ceramics Corp	St. Albans	Manufacturing	95
Lucille Farm of Vermont Inc	Swanton	Manufacturing	80
People's Trust Company	St. Albans	Financial	80
Franklin Foods Inc	Enosburg Falls	Manufacturing	78
Sticks and Stuff	St. Albans	Retail	75
MED Associates, Inc	St. Albans	Technology	70
St. Albans Cooperative Creamery Inc	St. Albans	Manufacturing	67
RailAmerica Inc	St. Albans	Transportation	60
Yankee Corporation	Fairfax	Manufacturing	60
Bertek Systems, Inc	Swanton	Manufacturing	55
SB Collins Inc	St. Albans	Wholesale	52
Buyer's Digest	Fairfax	Publishing	40
Vestshell Vermont, Inc	St. Albans	Manufacturing	38
QST Inc	St. Albans	Manufacturing	35
Richford Health Center, Inc	Richford	Health Services	35
St. Albans Messenger	St. Albans	Publishing	30
Swanton Village Electric Dept	Swanton	Utility	30
Office Quarters Inc	St. Albans	Retail	27
Leader Evaporator Co Inc	St. Albans	Manufacturing	26
Swanton Lumber Co, Inc	Swanton	Retail	21
Hodgdon Brothers Recycling	Swanton	Wholesale	20
New England Container Co	Swanton	Manufacturing	20
Ray's Extrusion Dies & Tubing Co	St. Albans	Manufacturing	20
Winco, Inc	Swanton	Construction	20

Source: Vermont Business Magazine Infobank, 2005

Trends in Franklin County

Broadband and Cell Coverage — A 400 mile fiber optic line that stretches from New York to New Hampshire is in the works. Cell coverage is limited.

Infrastructure — There are real differences between the east side and west side of Franklin County: “If you look at the west side of the county along the I-89 corridor you have very limited land with municipal water and sewer that you could construct a building on. If our phone rang today and someone said ‘We’ve done our research, we want to locate a 100,000 square foot plant in Franklin County,’ there is no place that they could build. You have no infrastructure. You could remodel the Vermont Fasteners building, but if someone wanted a 100,000 square foot building we don’t have one. If someone wanted land to build on we don’t have it.” The east side has land but has issues with inadequate roads and/or non-existent gas lines and other infrastructure.

Business Environment — The cost of electricity also came up in Franklin County, especially in relation to lower cost sources across the lake in New York. Another concern was raised over the fact that approximately 7,300 people leave the county each day to work in Chittenden County. And despite the fact that many businesses in the county are doing well, one interviewee said “I don’t think there’s any increased confidence right now. I think a lot of people are still concerned about what’s going on outside Franklin County. I don’t think people are as convinced that we’re in a recovery as we keep hearing in the paper. I think there’s a lot of apprehension, there’s a lot of curiosity.”

Workforce — “It’s an issue from top to bottom.” Businesses can’t fulfill machine technician positions: “There seems to be some kind of failure in workforce development as far as getting the people who aren’t going to college to get the necessary skills to do in the trades ... Because you’re finding what happens when someone sets up a new business in town and has some manufacturing jobs or warehousing work available, instead of having this brand new pool of workers you’ll notice they’re leaving Ben & Jerrys or they’re leaving Barry Callebaut and then those guys are looking for hires. This small pool gets sucked back and forth. And so there needs to be more trained people with skills.”

Housing Costs & Second Home Owners — “There’s no housing in Franklin County. It’s very limited. So although you try to create jobs and bring people in here there’s no housing for them.”

Average Wage and the Cost of Housing

Franklin County	Number	Percentage	Vermont Rank
Average Private Sector Wage	\$30,102	94% of State Average	5 th out of 14
Housing Wage (2004)	\$12.37	90% of State Average	8 th out of 14
Median Single Family Home Price (2004)	\$155,000	90% of State Average	9 th out of 14

An analysis of Department of Employment & Training (DET) and Vermont Housing Finance Agency (VHFA) data comparing inflation adjusted changes in median single-family home prices and wages between 1988 and 2003 reveals that **the price of housing**

in Franklin County exceeded wage growth by 18%. Franklin County’s housing wage is only 90% of the state average. Except for Montgomery, a gateway town to Jay Peak, Franklin County is not being bought up by out-of-staters to the same degree as other counties.

Dependency Summary

The overall health of Franklin County was described as “excellent.” Enosburg, Richford, and Sheldon are prime examples of dependent communities with no real identifiable opportunities on the horizon. For example, Enosburg has an industrial park site that is totally empty (a recent fire in Enosburg also damaged several retail businesses). However, the businesses in these three communities were described as currently stable, as were the other manufacturing businesses in Franklin County. One concern expressed was where Ben & Jerry’s would look for another source of milk when they need to expand. Economic development professionals expressed frustration at the permitting process and the feeling that they did not have the flexibility to deal with pressing issues in a timely manner. Richford area residents have been active in recent years but continue to struggle with a lack of basic necessities such as a grocery, hardware, and drug stores. While ‘Richford Means Business’ is their motto, the community continues to have difficulty in growing or attracting new businesses in town.

Percent of Homes Owned by Local Residents		
Town	Population	%
Bakersfield	1,215	76.70
Berkshire	1,388	76.00
Enosburg	2,788	69.76
Fairfax	3,765	84.03
Fairfield	1,800	84.49
Fletcher	1,179	80.62
Franklin	1,268	73.38
Georgia	4,375	72.55
Highgate	3,397	68.86
Montgomery	992	57.18
Richford	2,321	63.22
Sheldon	1,990	68.50
St Albans City	7,650	62.81
St Albans Town	5,086	60.26
Swanton	6,203	73.86
County Average		69.94

Grand Isle County²¹

County Characteristics

The towns in Grand Isle are basically ‘bedroom communities’, but small agriculture²² and tourism related businesses are also present on the islands. Grand Isle is the fastest growing county in Vermont, largely due to pre-retirement age people wanting a place to live on Lake Champlain. According to the 2000 Census, 2,776 households are in the county. Most Grand Isle County residents work in Chittenden County (1,714 or 49.5%). Grand Isle County has an aging population, with 35 to 64 year olds representing the fastest growing group.

Percent of Homes Owned by Local Residents		
Town	Population	%
Alburg	1,952	63.98
Grand Isle	1,955	71.29
Isle La Motte	488	46.01
North Hero	810	43.27
South Hero	1,696	64.87
County Average		60.27

There is no high school in Grand Isle County so high school students have to commute on and off the islands. Satellite and broadband technology for the general community and for high school students was placed in the three elementary schools in the 1990s but the perception is that it is under-utilized. Taxes are a big problem (high rates plus home communities have to send their school tax money ‘out’ to the various high schools attended by their young people).

Deteriorating septic systems are a barrier to growth. The county supports the Governor’s Clean and Clear Initiative, but some feel “it doesn’t go far enough.” Another big issue is the amount of truck traffic on Route 2.

A new, privately funded industrial park near the Ferry to NY—with DSL access—will house Island Excavating and Vermont Nut Free Chocolates. The park has two additional spaces waiting to be built. A third smaller space is also vacant.

After little activity for decades, Alburg looks to be on the rebound. A VSJF grant helped facilitate a community visioning session. As a result, a Revitalization Committee came together and successfully cleaned up many properties, arranged to tow away abandoned cars in town, convinced several property owners to remove abandoned mobile homes, and spearheaded the passing of three community ordinances having to do with town aesthetics. Other results of VSJF’s commitment of resources over three years are: The Heritage Festival/Fourth of July celebration is now a large community wide event, a three season farmers market is being planned, and at least eight new businesses are open.

²¹ Ruth Wallman, Executive Director, Lake Champlain Islands Chamber of Commerce, and Pat Travers, Small Business Development Corporation Advisor were interviewed.

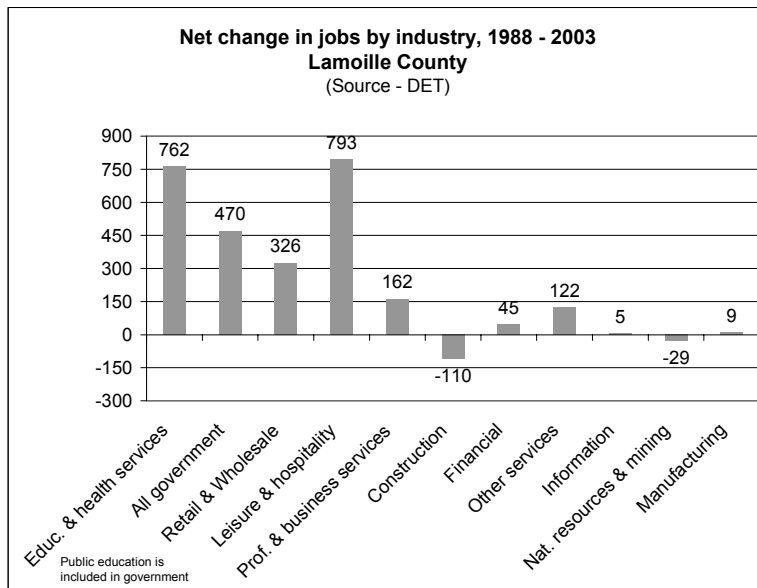
²² The number of farms in Grand Isle County has declined by 25% since 1997; the acreage devoted to agriculture has decreased by 26%; but the average market value of production per farm has gone up 30%. 2002 Census of Agriculture. National Agriculture Statistics Service.

Lamoille County²³

County Characteristics

The total population of Lamoille County is approximately 23,233 (3.8% of Vermont’s population). About 4,774, or 31%, of Lamoille County residents over the age of 25 have a bachelor’s degree or higher (second in the state). Most of Lamoille County’s workforce is employed in the county (8,669 people or 71.4%) with another 1,764 (14.5%) workers commuting to Chittenden County. The average commute time for Lamoille County residents is 26 minutes. Despite recently losing Quality Controlled Stitching and Tubbs Snowshoe, as of December 2004 the unemployment rate in Lamoille County was 4.7%, the lowest it has been since 2001. Lamoille County has three main population and employment centers: Morrisville, Johnson and Stowe.

Net Changes in Jobs By Industry



Lamoille County, and much of the fortunes of its smaller travel and tourism-based businesses, depends upon the relative success of its two largest employers: Stowe Mountain Resort and Smugglers’ Notch Resort. According to the Lamoille County Regional Strategic Economic Development Plan, 74.3% (6,741 jobs) of all private employment in 2000 was found in the retail and services sectors.²⁴ Those we spoke with indicated more attention should be paid to “the business of tourism.”

The County’s key dollar-importing industries include: consumer durables manufacturing; recreational equipment; specialized textile products and services; high value-added professional; scientific and technical services; natural resource based manufacturing; and destination family resort and recreation.²⁵

²³ County interviews took place on January 13, 2005. Interviews were conducted with Karen Lynch, Executive Director of Lamoille Economic Development Corporation; Ken Gibbons, President & CEO of Union Bank; Leah Kilvadyova, Community & Economic Development Coordinator, Town of Johnson; Heidi Krantz, Community Development Coordinator, Town of Morristown; Howard Manosh, CEO of Manosh Industries; David Silverman, Senior Vice President, Union Bank; and Bill Stritzler, President of Smugglers’ Notch. Paul Bruhn, Executive Director of Preservation Trust of Vermont; Paul Costello, Executive Director of Vermont Council on Rural Development; Steve Jeffrey of Vermont League of Cities and Towns; Bob Justis, Economic Development Director for Central Vermont Public Service and VMEC staff also supplied comments.

²⁴ *Lamoille County Regional Strategic Economic Development Plan*, March, 2004: 19.

²⁵ *Ibid*, pg. 39

Lamoille County has a varied economic base. Major regional anchors include Copley Hospital and Johnson State College. Manufacturing businesses vary in size up to 200 employees, with the majority employing 20-50 workers. There were 644 manufacturing jobs in the county in 2003, representing 7% of all private sector employment. This is in contrast to 50% of all private sector jobs being in the retail and wholesale trade, leisure and hospitality industries. Many of the largest manufacturers are in the wood products industry.

Lamoille County’s Largest Private Employers

Business	Town	Sector	Employees
Stowe Mountain Resort	Stowe	Resort	650
Smuggler's Notch Resort	Smugglers' Notch	Resort	300
Copley Hospital, Inc	Morrisville	Service	275
Johnson State College	Johnson	Education	205
Springer-Miller Systems	Stowe	Software	200
Trapp Family Lodge	Stowe	Resort	155
Union Bank	Morrisville	Financial	125
HA Monash Corp	Morrisville	Construction	85
MJ Wood Products Inc	Morrisville	Manufacturing	65
Turtle Fur Company	Morrisville	Manufacturing	60
Vermont Electric Cooperative, Inc	Johnson	Retail	55
Concept2, Inc	Morrisville	Manufacturing	51
Hearthstone Quality Home Heating Products, Inc	Morrisville	Manufacturing	50
Manufacturing Solutions, Inc	Hyde Park	Manufacturing	50
Stoweflake Mountain Resort and Spa	Stowe	Resort	50
Vermont Precision Woodworks	Morrisville	Manufacturing	50
Farming (Journal)	Saint Johnsbury	Publishing	40
Walker Construction, Inc	Stowe	Construction	40
Parker & Stearns, Inc	Johnson	Manufacturing	33
CCS Constructors LLC	Morrisville	Construction	30
Johnson Woolen Mills, LLC	Johnson	Manufacturing	29
Butternut Mountain Farm	Morrisville	Wholesale	27
Jack F Corse Inc	Cambridge	Retail	26
Commodores Inn	Stowe	Retail	25
Dale E Percy Inc	Stowe	Construction	25
Manchester Lumber,	Johnson	Manufacturing	25
Patterson & Smith Construction, Inc	Moscow	Construction	21
Tatro Bros Concrete	Hyde Park	Construction	20

Source: Vermont Business Magazine Infobank, 2005

Trends in Lamoille County

Broadband and Cell Coverage — “With a limited industrial base, limited land for expansion of industrial parks, and hilly terrain, broadband is a fundamental building block to creating jobs in Lamoille County.” The Economic Development Council of Northern Vermont has secured partial funding for an \$8.7 million project to build a broadband backbone across northern

Vermont (Northlink), a critical piece of the telecommunication infrastructure to serve the six northern counties. The Lamoille Economic Development Corporation (LEDC) has estimated that it will cost an additional \$10-12 million to wire the county with fiber-to-the-premises infrastructure.

Although selected areas are being "wired" by existing telecom cable and wireless providers (e.g. Verizon), these providers will not have the economic incentives to extend services to the very rural, sparsely populated parts of the county, including all of Eden, Belvidere, Waterville, Wolcott, and Elmore; significant portions of Hyde Park and Johnson; and portions of Morrisville, Cambridge and Stowe. But if the existing businesses in the county are to remain competitive, they must have access to broadband and cell coverage. Broadband providers either need to be given an incentive to provide these critical telecommunications services, or LEDC or the state should make the investment in the infrastructure and contract with content providers to provide services to businesses and residents.

Infrastructure — In Morrisville, the existing industrial park is served largely by septic systems. The pending agreement between Town and Village (facilitated, in part, with assistance from VSJF) will support extension of the sewer line into the industrial park, allowing existing businesses to expand or to subdivide their 2-acre lots. Within a few years, they will need to consider expanding processing capacity at the Village plant. The industrial parks in Cambridge and in Hyde Park are served by septic systems, limiting the size and type of businesses that can locate there. Looking forward ten years, they see a need to add sewer capacity in North Hyde Park—where many homes on the Gihon River lack even leach fields—and in Wolcott.

Business Environment — Once again, the companies that were of most concern to those we interviewed were those with out-of-state owners. As with other counties in Vermont that are heavily dependent on year-round resort related businesses, Lamoille County is in need of additional high-wage employers.

Workforce — Because of the seasonality of many of the jobs that exist in the County (due to heavy dependence on travel and tourism related businesses) and accompanying low wages, many Lamoille County residents have more than one job. As the resorts become four-season establishments, there is greater opportunity for workers to be employed year round, though necessarily doing different jobs at different times of the year. Employers report that both workforce supply and readiness are issues in the county. Basic readiness, including computer skills, reading, writing, the ability to follow directions, and the ability to manage personal finances and personal relationships, remain areas in need of improvement.

Housing Prices & Second Home Owners — Lamoille County's average annual wages are 20% below the statewide average, while their median single-family home prices are at the statewide average. However, when comparing median single-family home prices and average wages between 1988 and 2003, these **home prices have outstripped wage gains by 32%** (the worst discrepancy in the state).

Average Wage and the Cost of Housing

Lamoille County	Number	Percentage	VT Rank
Average Annual Wage	\$25,421	79% of state ave	13 th out of 14
Housing Wage (2004)	\$11.79 /hr	86% of state ave	10 th out of 14
Median Single Family Home Price (2004)	\$171,500	99%	3 rd out of 14

The phased expansion of the Stowe Mountain Resort over the next 5–10 years will likely exacerbate the already tight housing market in the County.

Median house prices are on the rise in all communities bordering Stowe, as most people who work in Stowe can no longer afford to live there. This is putting a lot of pressure on Morrisville/Morristown in particular.

Percent of Homes Owned by Local Residents		
Town	Population	%
Belvidere	294	53.37
Cambridge	3186	50.51
Eden	1152	53.39
Elmore	849	64.16
Hyde Park	2,847	78.92
Johnson	3274	70.14
Morristown	5139	65.53
Stowe	4339	43.66
Waterville	697	81.91
Wolcott	1456	72.25
County Average		55.45

Dependency Summary

Of the communities located in Lamoille County, only four — Morristown, Johnson, Cambridge, and Hyde Park—are home to some sort of manufacturing, but none of these were described as dependent communities. If anything, **the county as a whole is dependent on the travel and tourism industry.**

While the resorts themselves may not require direct help, the ancillary services (e.g., bed and breakfasts) provided by small businesses could benefit from some marketing assistance. Morrisville and Johnson were both described as up and coming communities.

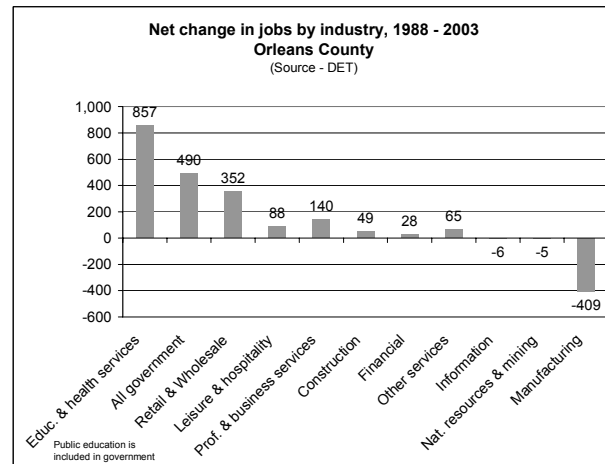
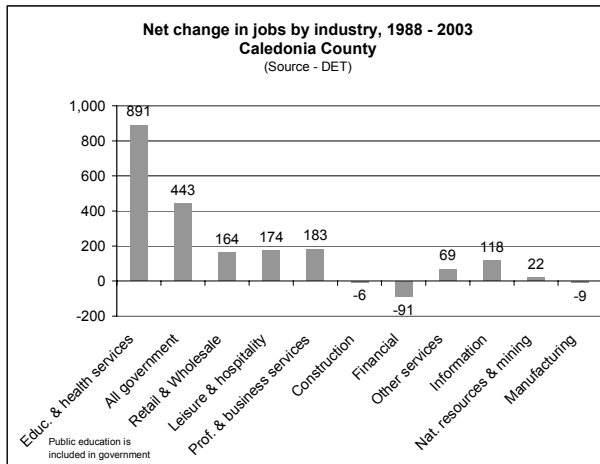
Opportunities in Morrisville include rehabbing the vacant floors in the old Arthur’s Department store building, utilizing their recent Designated Downtown status to improve the quality of their downtown. Opportunities in Johnson include using Johnson State College as a site for a NECI type school for the travel and tourism industry. With the synergies created by the Vermont Studio Center, a Community and Economic Development coordinator, a Rails to Trails recreation path, Main Street redevelopment, and a recent VCRD community visit, Johnson could become the next ‘Creative Economy’ poster child.

Northeast Kingdom²⁶

County Characteristics

The Northeast Kingdom (NEK) is composed of three counties: Caledonia, Essex, and Orleans. Caledonia has approximately 30,000 inhabitants (4.9% of Vermont); Essex has about 6,500 residents (1.1% of Vermont); and Orleans has over 26,000 people (4.3% of Vermont). 23% of Caledonia County residents have a bachelor's degree or higher (tied with Rutland); Essex and Orleans have the lowest percentages of residents with bachelor's degree or higher, 11% and 16% respectively. Most of Caledonia County's workforce resides in the county (10,671 people or 74.8%); the next highest percentage (7.1% or 1,016 people) travel to New Hampshire for work. About 1,200 (41.3%) Essex County residents work in the county; the next highest percentage (32.9% or 957 people) travels to New Hampshire. The majority of Orleans County residents work in the county (10,008 people or 84.5%); the next highest percentage (5% or 589 people) drive to Caledonia County. Caledonia, Essex, and Orleans are all tied for the fourth longest commute time at 22 minutes apiece. The unemployment rates in December 2004 for Caledonia, Essex, and Orleans are higher than the state average at 4.6%, 5.4%, and 6.2% respectively, but they are the lowest they have been since 2000. Education, health, and social services jobs make up the largest industry sector in Caledonia County (approximately 25%; e.g. Northeastern Vermont Regional Hospital) and Orleans County (21%; e.g. North Country Health System), while manufacturing (30%) is dominant in Essex County.

Net Changes in Jobs By Industry



²⁶ Interviews in the Northeast Kingdom took place on 12/3/2004, 12/4/2004, and 1/11/2005. Steve Patterson, Executive Director of Northeastern Vermont Development Association; Mary Paull, Economic Development Coordinator for Northeastern Vermont Development Association; Art Sanborn, Town Manager of Lyndonville; Dan Hill, Town Manager of Hardwick; and Paul Denton, President of Northern Community Investment Corporation were interviewed. Paul Bruhn, Executive Director of Preservation Trust of Vermont; Paul Costello, Executive Director of Vermont Council on Rural Development; Steve Jeffrey of Vermont League of Cities and Towns; Bob Justis, Economic Development Director for Central Vermont Public Service and VMEC staff also supplied comments.

St. Johnsbury, Newport, Lyndonville, and Hardwick are the main employment centers in the NEK. Ethan Allen Inc is the NEK’s largest single employer, and the economy of the region is closely tied to wood-based manufacturing with Columbia Forest Products, Inc, Lyndon Woodworking, Newport Furniture Parts, Newport Panels, and Island Pond Woodworkers employing a large number of people. As a result, the NEK is impacted by the rise and fall of durable goods and has suffered long-term bouts of poverty, population decline, and job deterioration. The NEK also has a number of other manufacturers, particularly in St. Johnsbury and Lyndonville that are impacted by “factors that are external to anything that is happening in Vermont.” Most of the employment in smaller communities comes from individual woodworkers, small logging operations, specialty foods manufacturers, etc.

For a variety of reasons, “the NEK is just always painted as gray and morose” but interviewees stressed positive changes and new opportunities. In particular, in the aftermath of 9/11 the time required to get products across the border—where the market is—has increased. Consequently, an upswing in Canadian businesses interested in relocating to Vermont has been seen. Economic development officials are encouraging this trend by, for example, supporting Quebecois language lessons locally.

Largest Private Employers in the Northeast Kingdom

Business	Town	Sector	Employees
Ethan Allen, Inc	Barton/Orleans	Manufacturing	1,150
North Country Health System	Newport	Health	400
Columbia Forest Products, Inc	Newport	Manufacturing	350
NSA Industries Inc	Lyndonville	Manufacturing	300
Kennametal	Lyndonville	Manufacturing	260
EHV Weidmann Industries	St. Johnsbury	Manufacturing	215
Northeastern Vermont Regional Hospital	St. Johnsbury	Health	200
Lyndon State College	Lyndonville	Education	180
Tivoly, Inc	Derby Line	Manufacturing	170
VT Aerospace	Lyndonville	Manufacturing	130
Passumpsic Savings Bank	St. Johnsbury	Financial	126
Maple Grove Farms of Vermont, Inc	St. Johnsbury	Manufacturing	125
Fairbanks Scale Inc	St. Johnsbury	Manufacturing	110
Carroll Concrete	St. Johnsbury	Manufacturing	100
Lydall Thermal/Acoustical	St. Johnsbury	Manufacturing	100
Community National Bank	Derby	Financial	94
SCI Group	Newport	Real Estate	90
Lyndon Woodworking Inc	Lyndon	Manufacturing	84
Fairbanks Credit Union	St. Johnsbury	Financial	81
Bogner of America, Inc	Newport	Manufacturing	77
Poulin Grain, Inc	Newport	Manufacturing	69
Lyndonville Savings Bank & Trust Co	Lyndonville	Financial	65
Newport Furniture Parts Corp	Newport	Manufacturing	60
Vermont Electric Co-op	Newport	Retail	53
Louis Garneau USA, Inc	Newport	Manufacturing	52
Caledonian-Record	St. Johnsbury	Publishing	50
Citizens Savings Bank & Trust	St. Johnsbury	Financial	50

Business	Town	Sector	Employees
Jay Peak Ski Resort	Jay	Resort	50
North East Precision, Inc	St. Johnsbury	Manufacturing	50
Rodd Roofing	St. Johnsbury	Construction	50
Poulin Lumber, Inc	Derby	Retail	48
Mulkin Corporation	Newport	Retail	40
Common Voice	Craftsbury Common	Publishing	30
Gosselin Water Well Inc	Derby	Construction	30
Metal Flex Welded Bellows	Newport	Manufacturing	30
MicroData GIS, Inc	St. Johnsbury	Biz Service	30
North Country Engineering	Derby	Manufacturing	30
Sterling College	Craftsbury Common	Education	30
Weidmann Systems International, Inc	St. Johnsbury	Manufacturing	30
WWLR-FM	Lyndonville	Radio	30
Lamoille Valley Ford	Hardwick	Retail	28
Gilmour Ford-Chrysler, Inc	St. Johnsbury	Retail	27
Calkins Sand & Gravel, Inc	Lyndonville	Manufacturing	25
Newport Panels Corp	N. Troy	Manufacturing	25
Rozelle Cosmetics	Westfield	Manufacturing	25
Mobile Medical International Corporation	St. Johnsbury	Manufacturing	23
Island Pond Woodworkers Inc	Island Pond	Manufacturing	23
Stinehour Press	Lunenburg	Publishing	23
Shop & Save Food Markets	Derby	Retail	20
Spates Construction, Inc	Derby	Construction	20

Source: Vermont Business Magazine Infobank, 2005

Trends in the NEK

Broadband and Cell Coverage — “Cell coverage up here is awful. Broadband support is spotty at best.” One interviewee suggested that “Once we get broadband and cell tower coverage up here this place will explode, no two ways about it. But that takes time, it takes money. We don’t have the money.”

Business Environment — The high cost of power continues to be a challenge. The price of both health care and worker’s comp “will eventually close businesses.” Chinese competition has also really hurt NEK businesses. The NEK also suffers from underemployment: “If you look at the employment figures in the Northeast Kingdom recently, they aren’t bad compared to historic trends, but the underemployment continues to be a major challenge.” The quality of business skills in the area was also mentioned as needing more attention, especially around the ability to create and implement a marketing plan.

Workforce — Workforce training is always a big issue here: “We’ve talked about this, we’ve had workshops but everybody realizes it’s a societal issue and where do you start? No one ever told me that I had to go to work every day and be on time. I just do it. But it’s a problem. And it’s not just the young people.”

Housing Costs & Second Home Owners — The trend of housing costs exceeding wage increases, a trend so prevalent in other counties in VT, is not an issue in at least in two NEK counties. Workers tend to make less money but housing also tends to be cheaper than other parts of the state.

The average annual wages in Caledonia, Essex, and Orleans are some of the lowest in Vermont, (only Grand Isle County and Lamoille County are lower). Although the housing wages for NEK counties are the lowest in the state, an analysis of DET and VHFA data comparing inflation adjusted changes in median single-family home prices and wages between 1988 and 2003 reveals that **growth in wages exceeded the cost of housing in Essex (by 11%) and Orleans (by 4.2%), while the price of housing in Caledonia County exceeded wage growth by 1.2%.**

In addition, there is a significant influx of out of state housing owners which could threaten to price out the local population in some areas. There is a huge amount of money coming in to buy property. Local officials are not yet talking about the issue in any formal way.

Average Wage and the Cost of Housing

Caledonia County	Number	Percentage	VT Rank
Average Annual Wage	\$26,272	82% of State Average	10 th out of 14
Housing Wage (2004)	\$11.31	82% of State Average	12 th out of 14
Median Single Family Home Price (2004)	\$104,750	61% of State Average	12 th out of 14
Essex County	Number	Percentage	VT Rank
Average Annual Wage	\$25,500	79% of State Average	12 th out of 14
Housing Wage (2004)	\$11.02	80% of State Average	13 th out of 14
Median Single Family Home Price (2004)	\$74,000	43% of State Average	14 th out of 14
Orleans County	Number	Percentage	VT Rank
Average Annual Wage	\$26,114	81% of State Average	11 th out of 14
Housing Wage (2004)	\$10.21	74% of State Average	14 th out of 14
Median Single Family Home Price (2004)	\$100,000	58% of State Average	13 th out of 14

Percent of Homes Owned by Local Residents -- Caledonia Co.		
Town	Population	%
Barnet	1,734	50.32
Burke	1,571	55.08
Danville	2,211	70.01
Groton	883	57.91
Hardwick	3,174	79.41
Kirby	456	70.09
Lyndon	5,448	63.73
Newark	489	47.75
Peacham	665	57.87
Ryegate	1,150	47.00
Sheffield	766	61.22
St. Johnsbury	7,571	50.63
Stannard	195	61.49
Sutton	1,001	68.15
Walden	782	64.53
Waterford	1,121	60.00
Wheelock	621	62.83
County Average		58.27

Percent of Homes Owned by Local Residents -- Essex County		
Town	Population	%
Averill	8	1.76
Avery's Gore	0	0
Bloomfield	261	39.27
Brighton	1,260	53.71
Brunswick	107	40.21
Canaan	1,078	66.30
Concord	1,196	46.88
E. Haven	307	43.20
Ferdinand	33	7.84
Granby	86	14.74
Guildhall	273	55.04
Lemington	107	49.12
Lewis	0	0
Lunenburg	1,328	61.03
Maidstone	105	22.03
Norton	215	31.62
Victory	97	25.25
Warner's Grant	0	0
Warren Gore	10	0
County Average		43.77

Dependency Summary

The NEK needs serious and sustained attention from the rural economic development community and from within the communities of the region. A string of communities in northeastern Essex County—Averill, Beecher Falls, and Canaan were all identified as dependent on Ethan Allen. The Barton-Orleans area in Orleans County was likewise described as dependent on Ethan Allen. Brighton and Lunenburg are also dependent on a small number of employers.

Hardwick and Lyndonville were described as communities with opportunities. Coventry was identified as a community that should be watched in the future, especially with regard to the long-term impact of the landfill on the community.

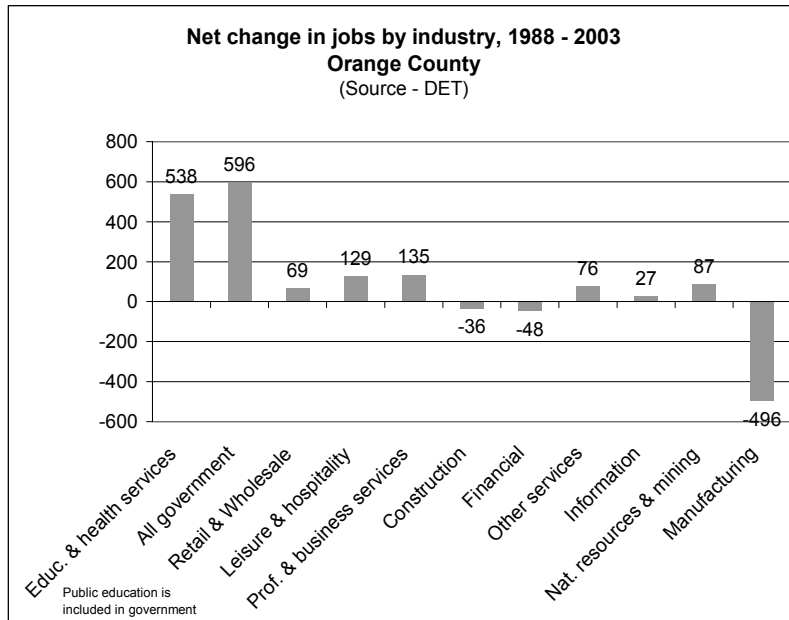
Percent of Homes Owned by Local Residents -- Orleans Co.		
Town	Population	%
Albany	840	70.75
Barton Town	2,780	63.77
Brownington	885	66.64
Charleston	895	59.22
Coventry	1014	67.78
Craftsbury	1136	72.13
Derby	4,647	69.01
Glover	966	58.55
Greensboro	770	30.09
Holland	588	61.64
Irasburg	1077	70.44
Jay	426	25.11
Lowell	769	59.28
Morgan	698	41.25
Newport City	5,005	46.05
Newport Town	1,547	69.51
Troy	1,564	66.13
Westfield	515	56.38
Westmore	315	31.46
County Average		55.03

Orange County²⁷

County Characteristics

Orange County has over 28,000 residents (4.6% of Vermont’s population). About 4,500, or 24%, of Orange County residents over the age of 25 have a bachelor’s degree or higher (fifth highest). Over 6,700 (46.7%) of Orange County residents work in the county with the next highest percentage commuting to Washington County (19.2% or 2,776 people). Orange County residents spend an average of 25 minutes on the road from home to work. Randolph and Bradford are the two hubs for economic activity. The county lost Ethan Allen and Waterbury Plastics over the past 25 years. The December 2004 unemployment rate (2.8%) is the lowest it has been since December 2001, and is below the state rate (3.4%) and well below the national average (5.4%). Orange County was described as “extremely under-populated.”

Net Changes in Jobs by Industry



Orange County is home to only a few large employers: Vermont Technical College (Randolph), Gifford Medical Center (Randolph), and Pompanoosuc Mills (East Thetford). Educational, health and social service jobs account for the largest percentage of jobs in the county (26.2% or about 3,900 people). Access to I-91 and I-89 means that local businesses have good access to Northeast markets. The Upper Valley area is considered to have exceptional arts and cultural resources.²⁸

Orange County’s Largest Private Employers

Business	Town	Sector	Employees
Vermont Technical College	Randolph	Education	185
Gifford Medical Center	Randolph	Service	140
Pompanoosuc Mills Corporation	E. Thetford	Manufacturing	100

²⁷ Interviews in Orange County took place on January 18, 2005. Neal Fox, Executive Director of Green Mountain Regional Development Corporation; Ed Childs, Vice-president of Corporate Banking Division, Merchants Bank; and Richard Schnaedter, Town Manager of Randolph. Paul Bruhn, Executive Director of Preservation Trust of Vermont; Paul Costello, Executive Director of Vermont Council on Rural Development; Steve Jeffrey of Vermont League of Cities and Towns; Bob Justis, Economic Development Director for Central Vermont Public Service and VMEC staff also supplied comments.

²⁸ Central-East Vermont CEDS Area strategic plan, May 2004.

Business	Town	Sector	Employees
Bradford Oil Company	Bradford	Wholesale	96
Copeland Furniture	Bradford	Manufacturing	95
DuBois & King, Inc.	Randolph	Service	92
Vermont Pure Holdings, Ltd	Randolph	Wholesale	85
Waterbury Companies	Randolph	Manufacturing	80
Britton Lumber Company Inc.	Fairlee	Wholesale	56
New England Precision	Randolph	Manufacturing	55
HEB Manufacturing Co	Chelsea	Manufacturing	52
ARC Mechanical Contractors	Bradford	Construction	50
Randolph National Bank	Randolph	Financial	48
Oakes Brothers, Inc	Bradford	Manufacturing	46
Wells River Savings Bank	Wells River	Financial	42
Cole Electric, Inc.	E. Thetford	Construction	37
Anichini, Inc.	Tunbridge	Wholesale	34
Lacillade Lumber Co.	Williamstown	Retail	33
Burrell Roofing Company, Inc.	Williamstown	Construction	23
Farmway, Inc.	Bradford	Retail	22
J.E.I. Inc	Tunbridge	Construction	22
JKL Slate Inc	Wells	Stone Prod.	22
Ware Construction, Inc	E. Thetford	Construction	20
Stephens Precision	Bradford	Manufacturing	20

Source: Vermont Business Magazine Infobank, 2005

Trends in Orange County

Broadband and Cell Coverage — Cell coverage has improved in the area but gaps in service still exist (I-91 is still spotty; I-89 corridor has coverage except through the Sharon area; rural areas have very limited coverage). There appears to be increased interest among business owners in the Bradford area to access broadband services; broadband does not appear to be an issue in Randolph due in part to VTC’s presence.

Infrastructure — The two hubs in Orange County are located on major interstates (Randolph is on I- 89 and Bradford is on I- 91). The planned upgrade on the Berlin Branch rail track between Wells River and White River Junction is seen as important improvement.²⁹ Randolph had a large downtown fire in 1994 but the community rallied with major downtown rebuilding projects over the past decade. Expectations are that Randolph will receive the necessary funding for the Main Street Bridge project and they are hoping that improvements on the Chelsea Mountain Road will move forward. The industrial park in Bradford is quite a distance from town and has no water or sewer lines. Extending lines out to the Pierson Industrial Park is estimated to cost about \$1.5 million.

²⁹ Table 18: East-Central Vermont CEDS Project Priority List, May 2004: 6.

Business Environment — The county could benefit from a couple of additional large employers. At a recent town hall meeting with the Governor, the ‘hot topics’ raised by members of the business community in the area were primarily focused on the state sales tax and its impact on retail businesses on the Vermont side of the Connecticut River and the cost of employee benefits, in particular health insurance. New building development in the Pierson Industrial Park in Bradford will hopefully attract new tenants, thus adding some new jobs in the area.

Workforce — Many residents in the Randolph area commute to work in Lebanon, NH or to the Dartmouth-Hitchcock Medical Center. It is considered a manageable commute and housing tends to be more affordable than in the Upper Valley. Many Bradford residents commute to Woodstock, White River Junction, or Lebanon, NH for work. “Most available jobs are service oriented and pay low wages.” “The state could play a role, by attracting industry into Bradford, where the employee base is; bring new businesses to the bedroom communities in the area.” Workers are looking for better employment opportunities closer to home especially with rising gasoline prices taking more out of their paychecks.

Housing Costs & Second Home Owners — Housing prices are on the rise as people employed with the hospital or the college can afford higher end homes. This has started to inflate housing prices at all levels and is putting upward pressure on the overall housing market which negatively impacts those with less income. Interviewees said that many long-time residents are finding it harder to afford to live in the area.

Average Wage and the Cost of Housing

Orange County	Number	Percent	VT Rank
Average Private Sector Wage	\$26,479	83% of State Average	9 th out of 14
Housing Wage (2004)	\$11.94	87% of State Average	9 th out of 14
Median Single Family Home Price (2004)	\$145,000	84% of State Average	10 th out of 14

An analysis of DET and VHFA data comparing inflation adjusted changes in median single-family home prices and wages between 1988 and 2003 reveals that the **price of housing in Orange County exceeded wage growth by 13.7%**. Orange County’s “housing wage”—“the income necessary to afford the Fair Market Rent while working 40 hours a week and paying no more than 30 percent of household income for rent and utilities”³⁰ — is only 87% of the state average.

Percent of Homes Owned by Local Residents		
Town	Pop.	%
Bradford	2,619	69.18
Braintree	1,194	68.84
Brookfield	1,222	65.97
Chelsea	1,250	71.04
Corinth	1,461	64.99
Fairlee	967	49.19
Newbury	1,955	68.04
Orange	978	73.95
Randolph	4,853	66.71
Strafford	1,045	68.06
Thetford	2,617	81.28
Topsham	1,142	67.51
Tunbridge	1,309	65.08
Vershire	629	58.89
Washington	1,047	68.68
Wells River	556	66.92
West Fairlee	726	57.22
Williamstown	3,225	77.00
County Average		67.83

³⁰ *Between a Rock and Hard Place*, 2004: 2.

Dependency Summary

The relatively small town of Randolph is considered by many as a prosperous community and is able to offer a variety of cultural amenities (e.g., Chandler Cultural Arts Center, lectures at VTC), due in large part to the presence of Gifford Medical Center and Vermont Technical College. Both organizations generate good revenue, income, and local employment. The town has benefited from an active citizenry with high rates of volunteerism, including a very active local Chamber of Commerce. The local library is well used. Local planning and zoning efforts in Randolph are focused on planned development around Exit 4. The largest land owner is working with the town and has been an active and community minded businessman for many years. In addition, the relationship between VTC and the town is strong. There are no vacant store fronts in the downtown and the local Chamber is always trying to expand services and recruit other companies.

Bradford was identified as a dependent community. The constant struggle in Bradford has been trying to bring in new business (e.g., to provide employment closer to home to reduce commute time). They have a few vacant storefronts but it was described as “not a big problem.” A developer has been purchasing buildings and renovating them recently and this may signal new opportunities for the town. The locally owned Department Store seems to be holding on and is an important community anchor. The Bradford Community Development Corp is looking into housing and waterfront issues and extending the sewer line south of town. In addition, the library is creating a lot of local energy and local schools benefited recently from some big investments. Finally, the spill-over effects caused by the Hanover/Lebanon housing and business space shortages may be an opportunity

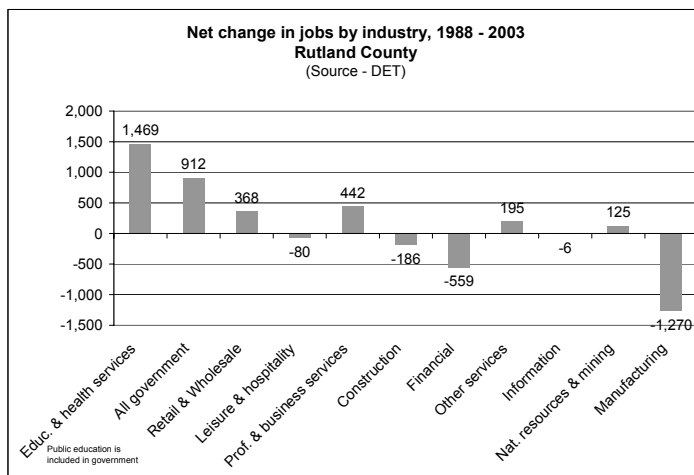
Chelsea, Thetford, and Tunbridge were also described as dependent communities.

Rutland County³¹

County Characteristics

Rutland County has approximately 63,400 residents (10.4% of Vermont's population). Approximately 10,044, or 23%, of Rutland County's residents have a bachelor's degree or higher (which is tied for 6th with Caledonia County). Most (26,832 people, or 86.4%) Rutland County residents work in the county; the next highest percentage (3.3% or 1,020 people) travel to Bennington County. Rutland County residents spend an average of 21 minutes on the road from home to work. Rutland, Brandon, the industrial park in Clarendon, and Killington (Killington/Pico Mountain Resort) are the major employment centers for the county. Rutland County has lost approximately 1,300 manufacturing jobs over the past 15 years.

Net Changes in Jobs by Industry



Rutland County's December 2004 unemployment rate (3.6%, or 1,100 people) is the lowest it has been since 2000 and is only slightly above the state rate (3.4%), but below the national average (5.4%). GE Aircraft Engines is the County's largest private employer. Educational (e.g., Castleton State College, Green Mountain College), health (e.g., Rutland Regional Medical Center) and social services make up the largest industry sector in Rutland County, employing over 7,000, or 22.2% of the population according to the 2000 Census.

Rutland County's Largest Private Employers

Business	Town	Sector	Employees
GE Aircraft Engines	Rutland	Manufacturing	1,300
Rutland Regional Medical Center	Rutland	Health	1,300
Killington/Pico Mountain Resort	Killington	Resort	570
Casella Waste Systems Inc	Rutland	Solid Waste	525
Community Care Network	Rutland	Health	374
Omya Industries Inc	Proctor	Mining	300
Experian Corp	Rutland	Business Services	250
Castleton State College	Castleton	Education	218

³¹ Interviews in Rutland County took place on January 21, and January 26, 2005. Interviewees included Bill McGrath, Executive Director of Rutland Regional Development Corporation; Keith Arlund, Town Manager of Brandon; Buzz Racine, Economic Development Director of Brandon; Jonas Rothenthal, Town Manager of Poultney; and Linda Trombley, Town Administrator of Clarendon. Paul Bruhn, Executive Director of Preservation Trust of Vermont; Paul Costello, Executive Director of Vermont Council on Rural Development; Steve Jeffrey of Vermont League of Cities and Towns; Bob Justis, Economic Development Director for Central Vermont Public Service and VMEC staff also supplied comments.

Business	Town	Sector	Employees
Hubbardton Forge Corporation	Castleton	Manufacturing	155
Earth Brothers Ltd (Black River Produce)	Proctorsville	Wholesale Food	135
Rutland Herald	Rutland	Publishing	130
Russel Construction Services	Rutland	Construction	125
Rutland Plywood Corp	Rutland	Wood Products	125
New England Woodcraft, Inc	Forest Dale	Manufacturing	120
Joseph P Carrara & Sons, Inc	N. Clarendon	Concrete	112
Green Mountain College	Poultney	Education	101
Carris Reels, Inc	Rutland	Manufacturing	100
All Lines Communications	S. Burlington	Business Services	100
Vermont Tubbs, LLC	Brandon	Manufacturing	100
Vermont Electric Power Company	Rutland	Business Services	94
Skyline Corporation	Fair Haven	Manufacturing	90
Midway Oil Corp & Affiliates	Rutland	Retail	77
Nexus Custom Electronics	Brandon	Manufacturing	75
Questech Metals	Rutland	Manufacturing	75
McKernon Group, Inc	Brandon	Construction	70
Alderman's Chevrolet	Rutland	Retail	60
Killington's Wood Products, Inc	Rutland	Wood Products	60
Mill River Lumber Ltd	N. Clarendon	Wood Products	60
Tuttle Law Print, Ltd	Rutland	Business Services	60
Vermont Store Fixture Corporation	Danby	Wood Products	60
Kinney Motors LTD	Rutland	Retail	58
Naylor & Breen Builders Inc	Brandon	Construction	58
Tuttle Printing & Engraving	Rutland	Business Services	58
Kinney Pike Insurance, Inc	Rutland	Financial	53
Deter Security Inc	Rutland	Business Services	50
Giancola Construction Corp	Rutland	Construction	50
Heritage Family Credit Union	Rutland	Financial	50
Wright Construction Co, Inc	Mt Holly	Construction	50

Source: Vermont Business Magazine Infobank, 2005

Trends in Rutland County

Broadband and Cell Coverage – Telecommunications infrastructure is “hit or miss” in Rutland County. For example, Poultney has no broadband coverage but they do have cell service; most of the large manufacturers have broadband but complain about the quality of cell service.

Infrastructure – Sewer and water systems are in good shape and have adequate capacity in Brandon. Sewer and water is currently not an issue for businesses locating in Clarendon’s industrial park. The quality of Route 7 and the overall transportation infrastructure is a big issue for the area. A Route 7 upgrade is planned to begin in 2007 in Brandon, which will also greatly improve the availability of much needed parking. The cost of infrastructure is “an unbelievable thing” for many communities. For example, they have been working on a bridge in Clarendon for 21 years.

Business Environment – Out-of-state ownership, Chinese knock-offs, size constraints, worker’s comp and health care are big issues in Rutland County. “Livable wages are hard to come by.” A key to Clarendon’s success has been a conscious effort to recruit small, diverse businesses to its industrial park: Knight Industries, Ellison Technologies, Wollack LLC (Kalow), Vermont Country Store, Schwan’s Distributors, FedEx, and Amerigas Propane.

Workforce – The lack of qualified employees is a big issue facing companies in Rutland County. The number of students going to college has increased. Rutland County has the resources and infrastructure to provide training but “we just can’t get the kids to do it.”

Housing Costs & Second Home Owners – Rutland County has some large construction firms but they are primarily focused on building condos for the ski areas (where the percentage of towns owned by out-of-staters is large) or high-end home buyers rather than on single-family homes in the low to mid-range. A California-based developer does have plans for a 125-acre subdivision of \$200-300,000 priced homes as well as some multi-family affordable housing and some commercial space just north of the Brandon.

A comparison of inflation adjusted changes in median single-family home prices and wages between 1988 and 2003 reveals that **Rutland County wage growth has stayed ahead of the price of housing**. The median price of a house in Rutland County is relatively low and the County’s housing wage is fifth highest in the state.

Average Wage and the Cost of Housing

Rutland County	Number	Percentage	Vermont Rank
Average Annual Wage	\$30,074	94% of State Average	7 th out of 14
Housing Wage (2004)	\$12.88	93% of State Average	5 th out of 14
Median Single Family Home Price (2004)	\$137,500	80% of State Average	11 th out of 14

Percent of Homes Owned by Local Residents		
Town	Population	%
Benson	1,039	63.69
Brandon	3,917	85.28
Castleton	4,367	55.04
Chittenden	1,182	65.69
Clarendon	2,811	78.85
Danby	1,292	58.38
Fair Haven	2,928	69.77
Hubbardton	752	48.84
Ira	455	72.79
Killington	1,095	17.51
Mendon	1,028	54.23
Middletown Springs	823	71.51
Mt. Holly	1,241	50.93
Mt. Tabor	203	62.28
Pawlet	1,394	64.96
Pittsfield	427	49.77
Pittsford	3,140	61.42
Poultney	3,633	63.75
Proctor	1,877	78.93
Rutland City	17,292	62.63
Rutland Town	4,038	57.55
Shrewsbury	1,108	66.66
Sudbury	583	62.38
Tinmouth	567	61.32
Wallingford	2,274	72.74
Wells	1,121	47.38
West Haven	278	62.37
W. Rutland	2,535	70.86
County Average		57.02

Dependency Summary

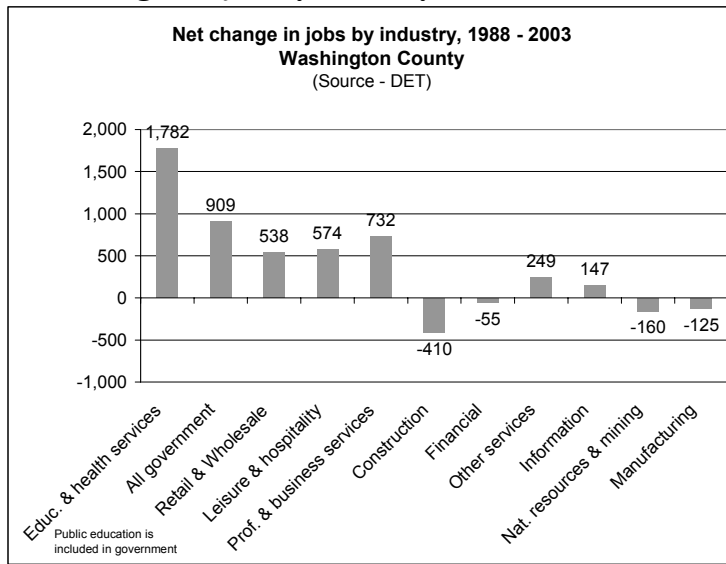
Castleton, Danby, Pittsford, and Wallingford were identified as dependent communities in Rutland County. Rutland County also has a large number of small businesses (e.g., in the specialty foods sector) that would benefit from financing and marketing assistance.

Washington County³²

County Characteristics

Washington County has over 58,000 residents (9.5% of Vermont’s population). Over 12,600, or 32%, of Washington County residents have a bachelor’s degree or higher (which ranks 1st out of Vermont’s fourteen counties). The majority of Washington County residents (25,345 or 82.1%) work in the county; the next highest percentage (9.1% or 2,821 people) travels to Chittenden County. Washington County residents spend an average of 22 minutes commuting. Economic activity is spread out across Montpelier, Barre City, Barre Town, Waterbury, Waitsfield, and Northfield. Washington County’s December 2004 unemployment rate is the lowest it has been since 2000. However, Barre City’s unemployment rate continues to be quite high (6.2%).

Net Changes in Job by Industry



National Life is the county’s largest single employer while educational, health and social service jobs make up the largest industry sector (about 7,300 people, or 23.3%). Washington County has a very diverse economy, with large, medium, and small organizations in the financial services, granite industry, state and local government, manufacturing, travel and tourism, and education sectors.

Washington County’s Largest Private Employers

Business	Town	Sector	Employees
National Life of Vermont	Montpelier	Financial	1,000
Rock of Ages Corporation	Barre	Manuf., Whole	980
Vermont State College	Waterbury	Education	935
Washington County Mental Health Services	Berlin	Social Services	600
Cabot Creamery Cooperative, Inc	Montpelier	Manufacturing	500
New England Culinary Institute	Montpelier	Education	500
Green Mountain Coffee, Inc	Waterbury	Manufacturing	440

³² Interviews in Washington County took place on January 19, 2005. Interviewees included Richard Angeny, Executive Director of Central Vermont Regional Development Corporation; Bill Bryant, Town Manager of Waitsfield; Charles Morse, Municipal Manager of Northfield; Stephen Lotspeich, Community Planner, Waterbury; and Bill Shepeluk, Town Manager of Waterbury. Paul Bruhn, Executive Director of Preservation Trust of Vermont; Paul Costello, Executive Director of Vermont Council on Rural Development; Steve Jeffrey of Vermont League of Cities and Towns; Bob Justis, Economic Development Director for Central Vermont Public Service and VMEC staff also supplied comments.

Rural Vermont Inventory of Dependent Communities

Business	Town	Sector	Employees
Norwich University	Northfield	Education	344
Blue Cross/Blue Shield	Montpelier	Financial	340
Capital City Press Inc	Berlin	Publishing	270
Pike Industries, Inc	Websterville	Construction	220
Bond Auto Parts Inc	Barre	Retail	190
Vermont Mutual Insurance Group	Montpelier	Financial	185
Community College of Vermont	Waterbury	Education	140
Summit Ventures NE LLC	Warren	Resort	140
Sugarbush Resort	Warren	Resort	129
Northfield Savings Bank	Northfield	Financial	126
EF Wall and Associates	Barre	Construction	125
Vermont State Employees Credit Union	Montpelier	Financial	120
International Stone Products, Inc	Barre	Manufacturing	117
Union Institute & University Vermont College	Montpelier	Education	117
Suss Microtec Inc	Waterbury	Manufacturing	114
Booth Brothers Dairy, Inc	Barre	Wholesale	108
Northern Power Systems	Waitsfield	Manufacturing	100
Champlain Valley Telecom	Waitsfield	Communications	100
Times Argus	Barre	Publishing	100
Waitsfield & Champlain Valley Telecom	Waitsfield	Communications	92
Union Mutual of Vermont Companies	Montpelier	Financial	86
Huntington Homes, Inc	E. Montpelier	Manufacturing	85
Walker Motors	Montpelier	Retail	83
Cabot Hosiery Mills Inc	Northfield	Manufacturing	80
Goddard College	Plainfield	Education	76
Controlled Energy Corp	Waitsfield	Wholesale	61
Bates & Murray Inc	Barre	Construction	60
Adams Granite Co Inc	Barre	Manufacturing	55
Granite Industries of Vermont	Barre	Manufacturing	54
Granite Importers, Inc	Barre	Manufacturing	50
FGB Corporation	Montpelier	Biz Service	45
Stone Environmental Inc	Montpelier	Engineers	42
WDEV-AM & FM	Waterbury	Radio	42
American Flatbread Co	Waitsfield	Manufacturing	40
SBE, Inc	Barre	Manufacturing	40
Vermont Land Trust	Montpelier	Conservation	40
Wall/Goldfinger, Inc	Northfield	Manufacturing	40
Washington Electric Cooperative	E. Montpelier	Utility	37
Equity Services Inc	Montpelier	Financial	35
L Brown & Sons Printing, Inc	Barre	Printing	35
Level 9	Barre	Biz Service	35
Mad River Glen Ski Area	Waitsfield	Resort	35
Northfield Wood Products Co, Inc	Northfield	Manufacturing	35
Lamberton Electric	Montpelier	Construction	34
Barry T. Chouinard	Northfield	Wholesale	33
Norway & Sons, Inc	Barre	Construction	33

Business	Town	Sector	Employees
North Barre Granite, Inc	Barre	Manufacturing	32
Reynold & Sons Inc	S. Barre	Wholesale	32
Brothers Building Co	Waitsfield	Construction	30
Primmer & Piper PC	Montpelier	Lawyers	30
Small Dog Electronics	Waitsfield	Retail	28
Real Good Toys	Barre	Manufacturing	26
L&D Safety Markings Corporation	Barre	Construction	25
Nantucket Post Cap Company, Inc	Randolph	Manufacturing	25
Northfield Electric Dept	Northfield	Utility	25
Design Machine & Fabrication	Barre	Manufacturing	24
Kenco, Inc	Barre	Biz Service	23
Leahy Press, Inc	Montpelier	Printing	22
Milne Travel American Express	Barre	Travel Agents	22
Vermont Connections	Montpelier	Chamber	22
Black River Design Architects	Montpelier	Architects	21
Cad Cut Inc	Montpelier	Biz Service	20
DuBois Construction Inc	Middlesex	Construction	20
Everett J. Prescott, Inc	Barre	Construction	20
Pepin Granite Company, Inc	Barre	Manufacturing	20
Trow and Holden Co, Inc	Barre	Manufacturing	20
WNCS-FM	Montpelier	Radio	20
Zutano, Inc	Cabot	Manufacturing	20

Source: Vermont Business Magazine Infobank, 2005

Trends in Washington County

Broadband and Cell Coverage – The communications infrastructure is very good in most parts of Washington County. The Mad River Valley, in particular, benefits from the presence of Waitsfield and Champlain Valley Telecom, while parts of Montpelier have access to wireless Internet service, and we heard that Northfield also has good broadband and cell coverage.

Infrastructure – Waitsfield needs \$2.5 million for a sewer project. Northfield has recently made significant improvements to its infrastructure. Water and sewer is not a limiting factor in Waterbury. A limiting factor in several communities is the availability of land for expansion or development. Transportation is generally good with I-89 cutting through many of Washington County’s communities.

Business Environment – The cost of electricity and Chinese competition are problems for some of the manufacturers in Washington County, particularly employers in Northfield.

Workforce – Several businesses are having trouble finding people at all levels. For example, most of Northern Power Systems employees are coming from outside the area because of the need for highly trained engineers.

Housing Costs & Second Home Owners – Apart from Fayston (Mad River Glen) and Warren (Sugarbush), Washington County does not seem to have as many second home purchases, as compared to other counties.

Average Wage and the Cost of Housing

Washington County	Number	Percentage	Vermont Rank
Average Private Sector Wage	\$31,902	99% of State Average	2 nd out of 14
Housing Wage (2004)	\$12.81	93% of State Average	6 th out of 14
Median Single Family Home Price (2004)	\$155,700	102% of State Average	8 th out of 14

An analysis of DET and VHFA data comparing inflation adjusted changes in median single-family home prices and wages between 1988 and 2003 reveals that the **price of housing in Washington County exceeded wage growth by**

11%. Washington County’s housing wage”—“the income necessary to afford the Fair Market Rent while working 40 hours a week and paying no more than 30 percent of household income for rent and utilities”³³—is only 93% of the state average.

Dependency Summary

Four dependent communities were identified in Washington County: Barre City and Barre Town, Cabot, and Waterbury.

Washington County is also home to an abundance of cutting edge businesses and organizations—the Center for Counter-terrorism and Cyber-crime in Northfield, Northern Power Systems, Diffraction, American Flatbread, Champlain Valley Telecom, and Controlled Energy in Waitsfield—that provide a template for effective economic and community development.

Percent of Homes Owned by Local Residents		
Town	Population	%
Barre City	9,291	48.55
Barre Town	7,602	70.45
Berlin	2,864	49.36
Cabot	1,213	70.45
Calais	1,529	78.58
Duxbury	1,289	73.53
E. Montpelier	2,578	83.78
Fayston	1,141	49.54
Marshfield	1,496	81.24
Middlesex	1,729	75.05
Montpelier	8,035	73.93
Moretown	1,653	69.91
Northfield	5,791	74.42
Plainfield	1,286	78.50
Roxbury	576	60.55
Waitsfield	1,659	56.89
Warren	1,681	38.43
Waterbury	4,915	73.74
Woodbury	809	52.46
Worcester	902	79.75
County Average		64.99

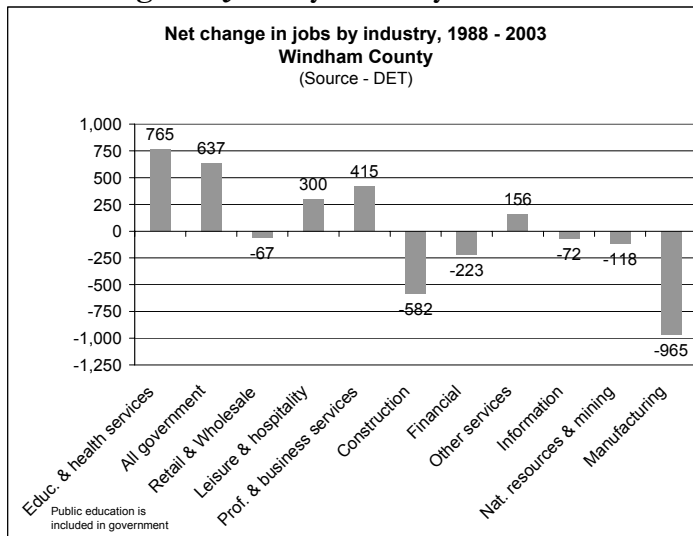
³³ *Between a Rock and Hard Place*, 2004: 2.

Windham County³⁴

County Characteristics

Windham County has over 44,000 residents (7.3% of Vermont’s population). Over 9,300, or 31%, of Windham County’s residents have a bachelor’s degree or higher (which ties for second with Lamoille County). The majority (18,833 people or 82.3%) of Windham County’s workforce works in the county; the next highest percentage (6% or 1,373 people) travels to New Hampshire. Windham County residents spend an average of 21 minutes commuting. Brattleboro and Rockingham/Bellows Falls are the two engines driving Windham County’s economy. Windham County has experienced a number of job and business losses over the years, starting with the Book Press (approximately 240 jobs) moving out in 2000. C&S announced that they are moving their headquarters to Keene, New Hampshire (about 200 jobs). In June 2003 Northeast Cooperatives merged with a company in New Hampshire and closed their plant in Brattleboro (220 jobs). The tissue manufacturer, SCA, also closed down in 2003 and eliminated 240 jobs. Finally, Janos Technology is leaving Townsend for New Hampshire. With all of these job losses, the unemployment rate in Windham County did experience some short-term increases but it is now back to 2.5%, a testament to the diversity of the County’s economy and its ability to rebound even after significant employment loss.

Net Changes in Jobs by Industry



C&S Wholesale Grocers, Inc. is still the County’s largest single employer. Educational, health and social services make up the largest industry sector in Windham County (over 5,700 people, or 24.4%, according to the 2000 Census). There are a number of strong manufacturers in the Brattleboro and Bellows Falls area. Windham County has seen what one interviewee described as “relentless incrementalism”: Several of the employers are adding a few jobs per year. “It’s a lot of small to medium sized businesses that are adding a few jobs a year that are driving job creation

in the area right now. I don’t ever expect anyone to come in and purchase a large property and construct a building that’s going to house 200 plus employees.”

³⁴ Interviews in Windham County took place on January 27, 2005. Interviewees included Kurt Isaacson, Executive Director of Brattleboro Development Credit Corporation; Richard Ewald, Community Development Director, Bellows Falls; Joanne Fiore, Dover Chamber of Commerce; Paul Millman, CEO, Chroma Technology; Neal Joseph, President, Sonnax Industries; and Lisa Lorimer, President of Vermont Bread Company. Paul Bruhn, Executive Director of Preservation Trust of Vermont; Paul Costello, Executive Director of Vermont Council on Rural Development; Steve Jeffrey of Vermont League of Cities and Towns; Bob Justis, Economic Development Director for Central Vermont Public Service and VMEC staff also supplied comments.

Bellows Falls is widely regarded for taking a holistic approach to community development that creates an environment where businesses want to stay and grow. Looking at the businesses in Bellows Falls, one interviewee explained: “When you look at these companies, what you see in every single one of these cases is a local entrepreneur... They’re all home grown.”

Windham County’s Largest Private Employers

Business	Town	Sector	Employees
C&S Wholesale Grocers Inc	Brattleboro	Wholesale	1200
Brattleboro Memorial Hospital	Brattleboro	Health	450
Entergy Nuclear Vermont Yankee LLC	Brattleboro	Utility	450
Retreat Healthcare	Brattleboro	Health	331
Stratton Mountain Resort	Stratton Mt	Resort	300
FiberMark, Inc	Brattleboro	Manufacturing	250
World Learning	Brattleboro	Education	242
Cersosimo Lumber	Brattleboro	Manufacturing	230
GS Precision, Inc	Brattleboro	Manufacturing	230
Landmark College	Putney	Education	230
Basketville, Inc	Putney	Manufacturing	180
Sonnax Industries	Bellows Falls	Manufacturing	177
Mount Snow Resort	W. Dover	Resort	175
Leonard & Zarr, Inc	Brattleboro	Transportation	160
Putney Paper Company	Putney	Manufacturing	160
Grace Cottage Hospital	Townshend	Service	150
Marlboro College	Marlboro	Education	150
Omega Optical, Inc	Brattleboro	Manufacturing	120
Fleming Oil Company	Brattleboro	Retail	115
First Vermont Bank & Trust Company	Brattleboro	Financial	100
Holstein Association USA	Brattleboro	Service	99
Leader Distribution Systems, Inc	Brattleboro	Wholesale	93
Vermont Bread Company	Brattleboro	Manufacturing	92
Auto Mall, Inc	Brattleboro	Retail	90
Vermont Circuits, Inc	Brattleboro	Manufacturing	90
Melsur Corporation	Bellows Falls	Manufacturing	80
Vermont Medical Inc	Bellows Falls	Manufacturing	80
Interstate Brands	Brattleboro	Manufacturing	75
Janos Technology Inc	Townshend	Manufacturing	75
SoVerNet	Bellows Falls	Technology	75
Whitney Blake Company	Bellows Falls	Manufacturing	75
Brattleboro Reformer	Brattleboro	Publishing	70
Chroma Technology, Inc	Rockingham	Technology	65
B-D-R Transport, Inc	Westminster	Transportation	59
CE Bradley Laboratories, Inc	N. Brattleboro	Manufacturing	55
g.housens co, inc	Brattleboro	Wholesale	50
MM Premium Corp	Townshend	Wholesale	50
Rountree Ford-Mercury	Brattleboro	Retail	50
Brattleboro Savings and Loan Association	Brattleboro	Financial	46
Brattleboro Chrysler Plymouth Dodge	N. Brattleboro	Retail	40

Business	Town	Sector	Employees
Communication Industries Corp	Grafton	Retail	40
ROV Technologies, Inc	Vernon	Manufacturing	40
Chamberlain Machine, Inc	Bellows Falls	Manufacturing	38
Allard Lumber Co	Brattleboro	Lumber	35
Cersosimo Industries, Inc	Brattleboro	Service	35
Mary Meyer Corporation	Townshend	Manufacturing	35
Town Crier	Brattleboro	Publishing	35
Bradford Machine Co, Inc	Brattleboro	Manufacturing	30
Leader Home Centers Inc	W. Brattleboro	Retail	30
WW Building Supplies Inc	Newfane	Retail	30
Stratford Publishing Services Inc	Brattleboro	Publishing	28
Mailrite, Inc	Putney	Biz Service	25
McLeod, John Ltd	Wilmington	Manufacturing	25
Pieciak & Company, PC	Brattleboro	Accountants	25
Sawyer Bentwood, Inc	Whitingham	Manufacturing	25
Woodlan Tool & Machine Company, Inc	Bellows Falls	Manufacturing	25
Grafton Village Cheese Co, LLC	Grafton	Manufacturing	25
River Valley Credit Union	Brattleboro	Financial	24
Vermont Graphics, Inc	Bellows Falls	Publishing	24
Catamount Environmental Inc	Wilmington	Construction	23
Bazin Brothers Trucking Inc	Westminster	Construction	22
AngioLaz	Bellows Falls	Manufacturing	20
Brattleboro Town Crier	Brattleboro	Publishing	20
Jack Tarmy Lumber Company, Inc	Brattleboro	Lumber	20
Retail Hardware Associates, Inc	Brattleboro	Retail	20

Source: Vermont Business Magazine Infobank, 2005

Trends in Windham County

Broadband and Cell Coverage — Cell coverage is limited and is impacting the County’s ability to have people work there. One interviewee noted that when customers arrive from out of state to visit their facility, they get very frustrated with not being able to communicate with their home office.

Infrastructure — Many believe there is insufficient transportation infrastructure to support increased manufacturing in the region. Brattleboro has a fair amount of big space available for business expansion. Bellows Falls has some space available, but Putney and Dover do not.

Business Environment — “There’s a number of issues that you hear most often and that is that the worker’s comp structure is out of control; that utility rates are too high; that the infrastructure for telecommunications, cell phones, broadband, is not sufficient; and you know this isn’t a VT issue necessarily but health care premiums are on everybody’s mind.”

Workforce — With the unemployment rate at 2.5%, getting qualified and motivated employees is beginning to be a concern. Strong businesses like Vermont Medical, Sonnax, and Omega Optical struggle to attract high school graduates who they would train for months in order to prepare them for the job they need them to do. Windham Regional Career Center does specific training programs for local employers (e.g., it has a warehousing program and career track programs for auto repair, masonry, construction), yet the perception is that there is not enough training or knowledge at the vocational level. One interviewee worried that “All Vermont manufacturers are getting into more and more trouble because manufacturing is not sexy and non-desirable. Young people are not going into it...Kids don’t want to get their hands dirty anymore and they don’t have the math skills or patience to learn the job.”

Housing Costs & Second Home Owners — One interviewee said, “we think that there is probably enough affordable housing. What we don’t think there is enough of is the next tier and the higher end tier. The next tier includes the people that went into affordable housing a number of years ago and are now making more money and they can afford the next level of house but they can’t find it because it’s not in the housing stock. So they’re kind of stuck in that house or apartment – which means they’re not freeing up that affordable housing for somebody who really needs it. More than half of the people that live in Brattleboro rent, which is a higher number than the national average.” Windham County, along with Rutland County, was the only place where we were told there was a lack of higher end executive housing. An influx of second homeowners, particularly in Dover (Mt. Snow) and Stratton (Stratton Mountain) can be seen below.

Average Wage and the Cost of Housing

Windham County	Number	Percent	VT Rank
Average Private Sector Wage	\$31,883	99% of State Average	3 rd out of 14
Housing Wage (2004)	\$13.54	98% of State Average	2 nd out of 14
Median Single Family Home Price (2004)	\$167,875	98% of State Average	4 th out of 14

An analysis of DET and VHFA data comparing inflation adjusted changes in median single-family home prices and wages between 1988 and 2003 reveals that **wage growth kept up with the price of housing in Windham County**. Windham County’s housing wage is 98% of the state average, second only to Chittenden County.

Percent of Homes Owned by Local Residents		
Town	Pop.	%
Athens	340	64.03
Brattleboro	12,005	50.23
Brookline	467	65.08
Dover	1,410	14.15
Dummerston	1,915	77.49
Grafton	649	44.81
Guilford	2,046	79.43
Halifax	782	51.78
Jamaica	946	34.80
Londonderry	1,709	43.41
Marlboro	978	59.35
Newfane	1,680	63.04
Putney	2,634	75.11
Rockingham	5,309	42.28
Somerset	5	0.00
Stratton	136	4.00
Townshend	1,149	63.84
Vernon	2,141	31.27
Wardsboro	854	39.75
Westminster	3,210	74.14
Whitingham	1,298	42.46
Wilmington	2,225	32.58
Windham	328	33.23
County Average		39.82

Dependency Summary

Overall, Windham County is doing very well, with many strong, locally owned businesses. Putney was the only community identified as being dependent on a small number of large businesses.

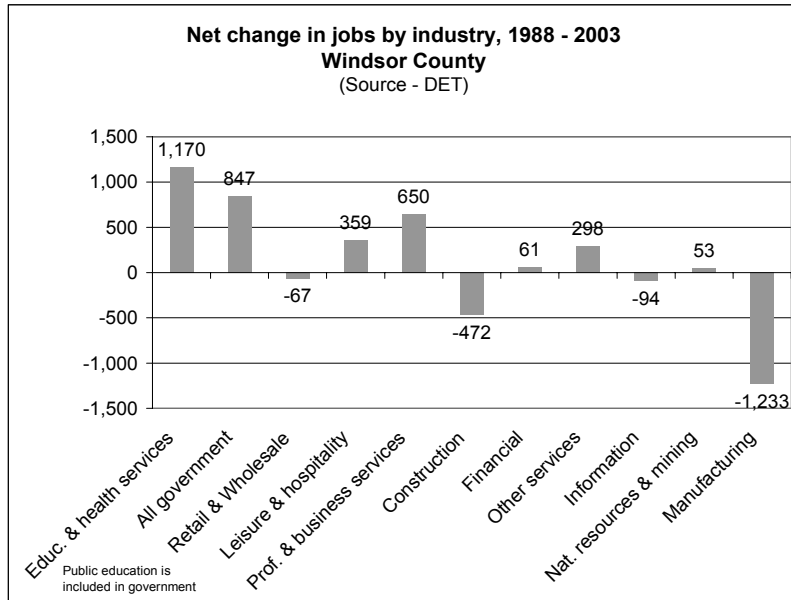
Economic development professionals in Windham County tend not to hear that businesses need help from government. Rather, they tend to hear, ‘get out of our way and let us do our job and we’ll create jobs.’ The issues that impact these businesses are things like worker’s comp and a tax structure that makes them relatively less competitive to other states.

Windsor County³⁵

County Characteristics

Windsor County has over 57,400 residents (9.4% of Vermont’s population). Over 12,000, or 30%, of Windsor County residents have a bachelor’s degree or higher (which ties for 3rd with Addison County). A majority of Windsor County residents (18,829 or 65.2%) work in the county; another 23.5% (6,798 people) work in New Hampshire. Windsor County residents spend an average of 22 minutes commuting. Most economic activity takes place along the I-91 corridor in Springfield, Windsor and Hartford, the I-89 corridor up to Bethel, and in the Ludlow area. Windsor county has experienced job losses in the tool and dye industry over the years and has lost over 1,200 manufacturing job. Green Mountain Gringo was recently sold and operations are being moved from Chester to North Carolina.

Net Changes in Jobs by Industry



Despite job and business losses over the years, Windsor County’s December 2004 unemployment rate (2.5%) is the lowest it has been since 2000 and is below both the state (3.4%) and national average (5.4%). The top three employers in Windsor County are health service providers: VA Medical and Regional Office Center, Springfield Hospital, and Mt Ascutney Hospital and Health Center. Educational, health and social services make up the largest industry sector in Windsor County (26.2% or

7,678 people, according to the 2000 Census). However, Springfield and Windsor still have remnants of traditional manufacturing. An opportunity being pursued is the development of a sustainable technology incubator in Springfield as well as renovations to the J&L site and a new recreation facility. If existing brownfields issues can be addressed and enough funds raised, the Windsor Riverfront Redevelopment Plan intends to create a 70 acre mix-use district directly linked with the existing Main Street commercial core.

³⁵ Interviews in Windsor County took place on 12/2/2004, 1/26/2005, 1/31/2005, and 2/1/2005. Carol Lighthall, Executive Director of Springfield Regional Development Corporation; Frank Heald, Municipal Manager of Ludlow; Bill Lindsay, Selectboard chair for the town of Chester; Jill Michaels, President of Community Investments; and Steve Christy, President of Mascoma Bank were interviewed. Paul Bruhn, Executive Director of Preservation Trust of Vermont; Paul Costello, Executive Director of Vermont Council on Rural Development; Steve Jeffrey of Vermont League of Cities and Towns; Bob Justis, Economic Development Director for Central Vermont Public Service and VMEC staff also supplied comments.

Windsor County's Largest Private Employers

Business	Town	Sector	Employees
VA Medical and Regional Office Center	White River Junction	Health	600
Springfield Hospital	Springfield	Health	450
Mt Ascutney Hospital & Health Center	Windsor	Health	375
Newsbank, Inc	Chester	Publishing	285
Vermont Castings, Inc	Bethel	Manufacturing	275
GW Plastics Inc	Bethel	Manufacturing	250
Simon Pearce (US) Inc	Quechee	Manufacturing	250
Dufresne-Henry, Inc	Springfield	Engineers	150
King Arthur Flour Company	Norwich	Manufacturing	140
Okemo Mountain Resort	Ludlow	Resort	133
Okemo Limited Liability Company	Ludlow	Ski related	128
Vermont Law School	S. Royalton	Education	120
Ledyard National Bank	Norwich	Financial	85
Doorcraft of VT	Ludlow	Manufacturing	77
Lovejoy Tool Co, Inc	Springfield	Manufacturing	75
Ascutney Mountain Resort	Brownsville	Resort	72
Precision Contract Manufacturing, Inc	Springfield	Manufacturing	72
Hancor, Inc	N. Springfield	Manufacturing	70
Vermont Telephone Co, Inc	Springfield	Communic.	65
NBC Solid Surfaces, Inc	Springfield	Construction	60
Concepts NREC	White River Junction	Engineers	57
Clifford of Vermont Inc	Bethel	Wholesale	56
Vermont Machine Tool Corp	Springfield	Manufacturing	52
Advanced Illumination, Inc	Rochester	Manufacturing	50
Bethel Mills Inc	Bethel	Retail	50
Bryant Grinder	Springfield	Manufacturing	50
Goldman Industrial Group	Springfield	Holding Co	50
Springfield Printing Corporation	N. Springfield	Printer	50
Vermont Log Building Inc	Hartland	Manufacturing	50
Wild Apple Graphics	Woodstock	Manufacturing	47
Stanley Tools	Stockbridge	Manufacturing	47
Ivek Corporation	N. Springfield	Manufacturing	46
AM Peisch & Company LLP	White River Junction	Accountants	45
White River Paper Co	White River Junction	Wholesale	44
D&T Spinning Inc	Ludlow	Manufacturing	40
Inner Traditions International/Bear Co Publishing	Rochester	Publishing	40
North Hartland Tool Corp	N. Hartland	Manufacturing	40
Northeast Waste Services, Ltd	White River Junction	Waste	37
Acrylic Designs Inc	Springfield	Manufacturing	36
Ultramotive Corp	Bethel	Manufacturing	36

Rural Vermont Inventory of Dependent Communities

Business	Town	Sector	Employees
Nortrax	Springfield	Wholesale	35
Resource Systems Group	White River Junction	Laboratory	35
Vermont Country Foods	Springfield	Manufacturing	35
Luzenac America, Inc	Ludlow	Mining	34
Richard Electric, Inc	Wilder	Construction	32
WNNE-TV	White River Junction	Television	32
Advanced Animations	Stockbridge	Manufacturing	30
Charles Shackleton Furniture	Bridgewater	Manufacturing	30
Gemstone Press	Woodstock	Publishing	30
Gurney Brothers Construction	N. Springfield	Construction	30
Hawks Mountain Ironworks & Springfield Fence Co.	N. Springfield	Construction, Manufacturing	30
Jewish Lights Publishing	Woodstock	Publishing	30
Moseley Associates, Ltd	White River Junction	Real Estate	30
Neil H. Daniels, Inc.	Ascutney	Construction	30
SkyLight Paths Publishing	Woodstock	Publishing	30
Trafalgar Square Publishing	N. Pomfret	Publishing	30
First Community Bank	Woodstock	Financial	28
Chippers	Woodstock	Landscape	26
Datamann, Inc	Wilder	Biz Service	25
Miller Construction	Windsor	Construction	25
Savelberg Construction Co.	Woodstock	Construction	25
Stebbins, Bradley, Harvey & Miller, PA	Norwich	Lawyers	24
Stave Puzzles, Inc	Norwich	Manufacturing	23
Lucas Industries	Springfield	Manufacturing	22
All Seasons Construction Corp	Springfield	Construction	20
Green Mountain Container Corp	Sharon	Manufacturing	20
Lance International	Windsor	Manufacturing	20
Putney Pasta Company	Chester	Manufacturing	20
Springfield Fence Co, Inc	N. Springfield	Retail, Manu.	20
Valley Motor Sales, Inc	Bethel	Retail	20
Vermont Dhia	White River Junction	Dairy Manag.	20
WRJT-FM	White River Junction	Radio	20

Source: Vermont Business Magazine Infobank, 2005

Trends in Windsor County

Broadband and Cell Coverage — Cell service is spotty along I-91 and is very limited in the more rural areas of the county. Coverage has improved around the I-91 / I-89 interchange area. The Hartford / White River Junction area is home to a major telecommunications portal which is currently underutilized.³⁶

Infrastructure — While Springfield is blessed with a lot of available manufacturing space, the size of that space, generally, does not fit the need. What is needed is the redevelopment of these large spaces into smaller, more up-to-date, flexible facilities. SRDC is currently working to redevelop the J&L building (120,000 sq ft) which “is such a defining building” for the community. Precision Valley Development Corp owns and manages one of the Old Fellows Buildings providing space for 10 or 11 small businesses, but is faced with some building maintenance and management issues at the moment. Another Fellows Gear Shaper Building (371,580 sq ft) is currently on the market and could be used to house several smaller businesses in the future. In addition, Springfield is working to create the Southern Windsor County Incubator for Sustainable Technology. While it is ‘virtual incubator’ at the moment, the intent is to eventually have a facility with shared services for a variety of high tech firms (nanotechnology, solar cells, etc.)

Brownfields are a big issue in Windsor and are currently slowing progress on their planned Riverfront Redevelopment Plan. The Windsor Improvement Corporation is actively working on a new mixed use district that will include retail, restaurants, artisan studio spaces, residential units a hotel / conference center, and a 12 acre riverfront park – all linked to their existing Main Street commercial district.

The Hartford area has a number of road improvement projects that are in need of funding (e.g., Bridge St. underpass renovation) as well as projects to increase available parking (e.g., Park & Ride at junction of I-91 and I-89; parking lot near railroad off Rail Road Row). Having adequate parking is considered a critical piece of their plans to renovate and revitalize the downtown. Local roads are also impacted by the housing shortage in the area – as workers are commuting into the area from farther distances. The planned sewer line expansion (new sewer system needed) for the I-89 rest area is critical to the redevelopment of several parcels on Route 5.

Chester has municipal water and sewer. They need to rebuild/refurbish their 30 year old sewer treatment plant (\$3 million project) but they are in need of outside funds as there are only 500 household users at this time and it is considered too costly a project for only the users of the system to pay for. Desired commercial district expansion is geographically constrained and would require expansion of the current water / sewer service area.

Business Environment — A number of businesses are experiencing difficulty due to international competition, space issues, and a tight housing market. Retail is still a problem in Springfield. According to one interviewee, ‘retail is the thermometer’ of how people perceive a town’s vitality and Springfield still hasn’t fully recovered psychologically from the plant closings of the 1990s. Windsor’s retail businesses face similar issues as other Vermont towns

³⁶ East-Central Vermont CEDS plan, May 2004: 55.

along the Connecticut River. There was a lot of enthusiasm expressed for ‘spill-over’ business opportunities created by the proximity of Dartmouth College and the Dartmouth Hitchcock Medical Center.

Workforce — Labor supply is not an issue at the moment, but the quality of labor is. Globalization is hitting home: workers in the area do not have the necessary technical skills. The age of the workforce is a problem with younger people moving away. There is the perception that manufacturing is a dying animal and younger people are not considering staying in their own backyard. Many of the jobs that are available are low skilled and pay low wages and underutilize an existing workforce that is better suited for the manufacturing jobs that no longer exist. There are new high tech job opportunities on the horizon but one challenge is to prepare workers for these jobs. There is a skills gap in the county and there may be “in excess of 400 positions in the skilled machinist and metal working categories that will be available in the next 5-7 years as that workforce retires.”³⁷

Housing Costs & Second Home Owners — Housing is an issue, particularly in Ludlow. Since so little of property is owned by local residents and because of how education is paid for, the “local residents are being taxed out of existence.” For people making between \$40,000-60,000 it is a real challenge. Ludlow lost 20 children out of the school system last fall because their families could not afford the rentals in town.

Percent of Homes Owned by Local Residents		
Town	Pop.	%
Andover	496	50.28
Baltimore	250	85.75
Barnard	3,788	49.75
Bethel	1,968	74.15
Bridgewater	980	44.60
Cavendish	1,470	47.45
Chester	3,044	60.44
Hartford	10,367	51.29
Hartland	3,223	77.80
Ludlow	1,214	19.24
Norwich	3,544	76.84
Plymouth	555	20.71
Pomfret	997	84.04
Reading	707	51.64
Rochester	1,171	56.99
Royalton	2,603	76.55
Sharon	1,411	67.54
Springfield	9,078	73.11
Stockbridge	1,898	43.05
Weathersfield	2,788	77.76
W. Windsor	1,067	46.84
Weston	824	43.21
Windsor	3,756	74.44
Woodstock	3,232	50.39
County Average		54.57

Average Wage and Cost of Housing

Windsor County	Number	Percentage	VT Rank
Average Private Sector Wage	\$30,083	94% of State Average	6 th out of 14
Housing Wage (2004)	\$13.42	97% of State Average	3 rd out of 14
Median Single Family Home Price (2004)	\$165,000	96% of State Average	5 th out of 14

An analysis of Department of Employment & Training (DET) and Vermont Housing Finance Agency (VHFA) data comparing inflation adjusted changes in median single-family home prices and wages between 1988 and 2003 reveals that **the price of housing in Windsor County barely exceeded wage growth (.8%)**. Windsor County’s housing wage is almost even with the state average.

³⁷ East-Central Vermont CEDS plan, May 2004: 56.

Dependency Summary

A large number of communities in Windsor County were described as dependent on a small number of large employers: Bethel, Cavendish, Chester, Stockbridge, Ludlow, and Windsor.

A number of Windsor County's opportunities lie with existing companies. The workforce at NewsBank (in Chester) is highly skilled and is a good example of what Vermont businesses could look like. Springfield and Windsor have new opportunities (e.g., J&L building renovations in Springfield, Seldon Laboratories in Windsor) after recent setbacks. Many old buildings are being redeveloped in Springfield (for new commercial and industrial business space as well as a community recreational facility). Windsor has a similar profile to Northfield in Washington County: amenities are close, a world class medical center is nearby, they have I-91 access, rail service and air service are available, the sewer and water infrastructure is in place, and they have a lot of cultural activity going on in the overall Upper Valley region. But brownfields are the main impediment at this time. Finally, a new region-wide marketing strategy, logo and brand (to promote the precision valley's unique history) are about to be unveiled with localized marketing efforts to complement to the larger strategy.