

Comprehensive Economic Development Strategy Evaluation FY16

EVALUATION CRITERIA

The East Central Vermont Economic Development's (ECVEDD) Comprehensive Economic Development Strategy (CEDS) is evaluated annually to assist the ECVEDD Board and the Economic Development Administration (EDA) in understanding the effectiveness of the CEDS itself and our efforts to implement it, while achieving our priorities and goals. The vision of the ECVEDD CEDS is:

"A diverse base of locally successful and globally competitive businesses that contribute to a vibrant quality of life and place for people of all ages."

Staff from the ECVEDD's partner organizations¹ conduct this evaluation annually by using the Measures of Success listed below to assess the ECVEDD's progress on the list of Performance Outcomes that follows. We report on the evaluation qualitatively and in quantitative terms whenever possible. Various state, federal and regional data sources are used, together with input from each of the ECVEDD partners.

MEASURES OF SUCCESS

The District staff use these quantitative and qualitative measures to evaluate development and implementation of our CEDS against the Regional Performance Outcomes listed below, adjusting the CEDS each year as appropriate.

A RESILIENT REGION

- 1. Emergency Relief & Assistance Fund progress
- 2. Number of Organizations and People engaged in Emergency Relief and Assistance Fund

AN INNOVATIVE BUSINESS ENVIRONMENT

- Trade Name Registrations
- Number of Businesses Engaged
- 5. Commercial Square Footage in Region

A ROBUST AND READY WORKFORCE

- 6. Companies Receiving Training Assistance
- 7. Enrollment in Adult Education Programs

¹ Green Mountain Economic Development Corporation (GMEDC), Springfield Regional Development Corporation (SRDC), Southern Windsor County Regional Planning Commission, and Two Rivers-Ottauquechee Regional Corporation (TRORC).

INFRASTRUCTURE FOR GROWTH

8. Regional Infrastructure Investments

GROWING PROPERTY VALUES

- 9. Grand List of ECVEDD Region
- 10. Participants in Affordable Housing Projects
- 11. House Purchase Prices

QUALITY OF LIFE AND PLACE

- 12. Per Capita Income for ECVEDD Region
- 13. Percentage of Residents in ECVEDD Region Below Poverty Level
- 14. Unemployment Rate in ECVEDD Region

Regional Performance Outcomes

- 1. Number of Jobs Created/Retained After Implementation of the CEDS
- 2. Number and Types of Public Sector Investments Undertaken in the Region
- 3. Private Sector Investment in the Region After Implementation of the CEDS
- 4. Action Plan Accomplishments

FY2016 EAST CENTRAL VERMONT CEDS EVALUATION

The CEDS annual evaluation assists the ECVEDD Board and EDA to better understand the effectiveness of the CEDS process in achieving the highest economic priorities of the Area. The staff for the ECVEDD uses performance measures to complete an annual evaluation of the process. This evaluation is the result of an area-wide analysis of the Region in terms of employment, housing, infrastructure and economic diversity. It measures the most important development goals of the Region, as expressed in the CEDS, in both qualitative and quantitative terms. Various data sources were combined with our local understanding of regional economic interactions to evaluate how well the ECVEDD CEDS priority goals and objectives are being met. Information was examined in terms of its change relative to the CEDS goals and improvements in the performance measures were credited to the CEDS process. The interactions of the ECVEDD partners in contributing to the success were also investigated.

Other influences affect the implementation of the CEDS and it is sometimes difficult to differentiate the results of the CEDS from other factors. We have assumed in this report that progress is primarily attributed to the CEDS, believing that as education and participation increase, the influence of the CEDS expands correspondingly.

This is our fifteenth evaluation study using our performance measures. Some data and information remain unavailable for prior years for comparison, especially since this is the first

year of evaluating the most recent CEDS, adopted in January of 2016. Analysis and evaluation will be completed when such data become available to us.

A RESILIENT REGION: MEASURES OF SUCCESS ACHIEVED

1. Emergency Relief & Assistance Fund Progress

ERAF is the Emergency Relief and Assistance Fund. This fund supplies state dollars that supplement the usual required 25% non-federal match during presidentially declared disasters. Under ERAF, the state match can vary from 7.5-17.5%, leaving the towns with the balance of the 25% to cover with town funds. The approved ECVEDD CEDS identifies progress assisting our towns with improving their eligibility for ERAF resources as a priority, and improving the resilience of our region.

Towns will always get at least the 7.5%. To get 12.5% they need to have done four things – adopted a Local Emergency Operations Plan (LEOP), have local flood regulations and participate in the National Flood Insurance Program (NFIP), have a Local Hazard Mitigation Plan (LHMP) and have adopted codes and standards established by the Vermont Agency of Transportation for roads and bridges.

In the ECVEDD, all of the towns have adopted LEOPs. All of the communities were engaged with this process during the past year. Twenty-seven towns have FEMA approved LHMPs. Some of these were completed prior to the last fiscal year, while in other cases, work was done to assist communities completing their plans; others are still in the drafting phase at this point.

To get the highest match (17.5%), towns must either join FEMA's Community Rating System (CRS) or regulate River Corridors. None of towns in the ECVEDD are in the CRS. Ten towns regulate River Corridors – Baltimore, Barnard, Bradford, Braintree, Corinth, Fairlee, Granville, Plymouth, Sharon and Thetford.

2. Number of Organizations and People Engaged in Emergency Relief and Assistance Fund

All of the towns in the ECVEDD were involved in some aspect related to planning to improve eligibility for Emergency Relief and Assistance funds. Close to 500 people were engaged in one of the activities in improving the resilience of our communities in preparing for a potential ERAF need in the future.

TABLE 1: TOWNS IMPROVING ELIGIBILITY FOR EMERGENCY RELIEF AND ASSISTNACE FUNDS			
Activity	# Towns in FY16	# People Engaged	
Local Emergency Operations Plans (LEOP)	40	135	
National Flood Insurance Program (NFIP)	40	43	
Local Hazard Mitigation Plan (LHMP)	26	145	
Road & Bridge Standards	40	165	

Source: Southern Windsor Regional Planning Commission and Two Rivers-Ottauquechee Regional Commission

AN INNOVATIVE BUSINESS ENVIRONMENT: MEASURES OF SUCCESS ACHIEVED

3. Trade Name Registrations

Trade Name Registrations can serve as an indication of the level of interest in new business activities. Presumably, the more registrations, the larger the number of new startups in a particular year as a new business would be setting up their name during the process of creating their company.

For 2015, the number of Trade Name Registrations for the ECVEDD decreased slightly, from 430 to 425. However, this is still the second highest total of registrations during the ten years that the ECVEDD has been tracking this statistic.

The northern portion of the ECVEDD saw an 6% increase in registrations, with the towns of Hartford and Hartland showing the greatest increase. In the southern part of the region, trade names were down by 12.7%, with Ludlow and Chester seeing small increases.

4. Number of Business Engaged

In the ECVEDD, SRDC and GMEDC combined to make 151 visits to businesses during the year. The nature of the meetings, duration and participation of other partners varied widely in response to the needs of the individual businesses that were being served. The topics included business, succession, project planning, financing, state and federal grant applications, real estate tax abatement, Brownfield remediation, employee recruiting, assistance with permit approvals, job training, energy conservation and IT needs, qualifying for US Department of Defense contracts and other assorted requests.

In support of RDC staff, assistance came from numerous departments of the Vermont Agency of Commerce and Community Development, the US Small Business Administration, USDA Rural Development and the US Department of Defense.

5. Commercial Square Footage in Region

The available square footage of commercial space (for sale and leasable) in the ECVEDD actually declined during the past year to an estimated level of 265,000 square feet, which

varied district wide. The southern towns like Springfield continue to remediate and redevelop older manufacturing and warehouse properties but most locations in the northern sections have very few large vacant spaces.

The demand in the towns closer to employment hubs like Hartford and Randolph have little available space and the cost of new construction to meet existing demand is challenged by the high costs of permitting and construction. As a result, it is often difficult to justify the investment required for a new facility since appraised values may not support the effort. None-the-less, both of the RDCs in the ECVEDD are busy with proposed build-to-suit studies in response to requests from qualified tenants for leasable space and the market continues to improve, albeit somewhat slowly.

A ROBUST AND READY WORKFORCE: MEASURES OF SUCCESS ACHIEVED

6. Companies Receiving Training Assistance

Training assistance was provided to 270 employees at several manufacturers and engineering companies in the ECVEDD, including apprentice programs that begin in high school. Several of these are earning high praise and are being modeled for replication within the District and elsewhere in Vermont.

The Vermont Jobs Program is well known for designing custom curricula with feedback and assistance provided by VMEC (Vermont Manufacturing Extension Center), Vermont Community College System and VTC (Vermont Technical College). Additional programs and seminars are provided by SBDC.

Credentials developed by employee/students range from certification for technical skills and trades to credits for university degrees for engineering, nursing and other professions.

A growing awareness is present that education and training are critical sustaining for a strong work force, which is essentially for true economic development. The RDCs, on behalf of ECVEDD, have active involvement with the 4 Regional Technical Centers (high school students) in the District and are planning a Career Planning event to be held at VTC in the fall of '16 to further stimulate the efforts above.

7. Enrollment in Adult Education Programs

There were 111 adults enrolled in training and certification programs last year at high schools and vocational centers in the ECVEDD. This included apprenticeship programs for the skilled trades, plumbing and electrical, as well as areas where is high job demand such as nursing. In many cases, these programs are developed and operated in partnership with the Vermont Department of Labor and Vermont Technical College.

In addition, the Workforce Investment Boards in the ECVEDD continue to work with partners, such as Creative Workforce Solutions, to try to identify barriers to the workforce and create programs can assist those who are either unemployed or underemployed.

INFRASTRUCTURE FOR GROWTH: MEASURES OF SUCCESS ACHIEVED

8. Regional Infrastructure Investments

Two substantial projects were completed this year in the ECVEDD.

The first involved redesign, replacement and major upgrading of the two 45-year-old interchange bridges at Interstate 91 and Exit 11 where it crosses VT Route 5 in Hartford. The project came in at \$12.5M (\$1M engineering costs and \$11.5M for construction).

The second was a three-year project to replace the aging and undersized RT14/CT River bridge from Hartford to West Lebanon, NH at a cost of \$10.7M.

Both of these public improvements significantly improved safety, visibility and aesthetics in the surrounding area and together they increased interest from distributors, manufacturers and service providers to sites in the District. Related additional improvements to roadways and adjacent commercial properties are underway or planned for construction this year or in 2017, with strong local support from the States of both Vermont and New Hampshire and the RPCs.

The Town of Hartford also opened the Maxfield Athletic Complex on Route 5 South with several playing fields and a beautiful baseball park, home to the newly founded summer collegiate baseball team, the Upper Valley Night Hawks.

GROWING PROPERTY VALUES: MEASURES OF SUCCESS ACHIEVED

Grand List of ECVEDD Region.

The total property values, for the purposes of establishing the State of Vermont's Education Grand List, increased slightly in the ECVEDD in 2016.

The Grand List for the 40 towns in the ECVEDD increased \$201,892 in 2016, or 0.17%, compared to an increase in Vermont, as a whole, of 1.22%. This was driven by an actual decrease in the Grand List of the communities in the southern half of the ECVEDD this past year.

TABLE 4. EDUCATION GRAND LIST					
Region	2016	2015	\$Change	%Change	
ECVEDD	\$116,447,576	\$116,245,684	\$201,892	0.17%	
VT	\$800,696,138	\$791,027,600	\$9,668,538	1.22%	

Source: Vermont Department of Taxes. Grand List totals prior to CLA or any other adjustments

10. Participants in Affordable Housing Projects

Providing sufficient housing to meet the demand for both assisted living units and affordable housing is a critical element to supporting and enhancing the District's workforce development efforts. We have four active, financially stable and professional organizations to head the task, namely: Randolph Area Community Development Corporation (RACDC), Twin Pines Housing Trust (TPHT), Upper Valley Housing Coalition (UVHC) and Windham & Windsor Housing Trust (WWHT). They collaborate freely with each other and with the Vermont Housing Finance Agency, our state and federal legislators as well as the Regional Development Corporations and Regional Planning Commissions.

All of our non-profit developers are in the process of portfolio enhancement in the form of new acquisitions, new construction, renovation, energy and weatherization upgrading, refinancing and pursuit of grants to enable staff enhancement, expansion of social services, the acquisition of office assets and other improvements.

Significant progress was made on all fronts in 2015. Thirty-eight new units were occupied and several new projects totaling approximately 150 units are moving through the planning process currently; anticipated construction is in 2016 and 2017.

The need for more housing of this type is well recognized and deemed important by the public. Through our collective efforts, it receives strong support at local and state permit hearings.

11. House Purchase Prices

Activity was brisk in the ECVEDD housing market during 2015 as there were 89 additional sales, representing a just over an 11% increase compared to 2014. That amount is the highest in the ECVEDD since 2005.

While the number of housing sales was higher, the average per home sale price was slightly lower than the previous year, at just less than half a percent. There was a distinction between the prices of homes in the northern and southern portions of the ECVEDD. The average sales price in the northern area increased by 3.6%. But, there was a steep decline in the south, with an 8.4% drop in the value of the average sale.

Communities that saw a particularly large increase in the numbers of sales during 2015 included Ludlow, Norwich, Randolph and Springfield. The places that had a significant jump in the average sales price included Pomfret, Randolph, Thetford and Tunbridge.

TABLE 5: EDD HOUSING DATA					
Indicator	2014	2015	% Change		
Number of Sales	803	892	11.08%		
Total Value of Sales	\$218,094,789	\$241,440,643	10.70%		
Average Sales Price	\$271,600	\$270,673	-0.34%		

Source: New England Real Estate Network

QUALITY OF LIFE AND PLACE: MEASURES OF SUCCESS ACHIEVED

12. Per Capita Income for ECVEDD Region

Per Capita Income increased for the two counties that make up the bulk of the ECVEDD in 2014, the most recent year that data is available.

Windsor County has a higher per capita income than the state average and is the 4th highest out of the 14 counties in Vermont. While income increased in Orange County as well, at a rate higher than the state or national average, it is still one of the lowest in Vermont, ranking 11th.

TABLE 6: PER CAPITA INCOME				
Indicator	2014	1 Year Change	Change from 2010	
US	\$46,049	3.6%	14.3%	
Vermont	\$46,428	3.5%	15.9%	
Orange County	\$40,861	4.9%	14.2%	
Windsor County	\$49,010	3.9%	13.5%	

Source: Vermont Department of Labor

13. Percentage of Residents in ECVEDD Region Below Poverty Level

As incomes are increasing in the ECVEDD, the number of households on state public assistance programs is decreasing. This is good news.

In January of 2016, 5,323 households, representing just over 15% of those in the region, were enrolled in Vermont's cash assistance programs, to assist those below recognized income levels. The communities that have the highest percentage of households that receive benefits are Springfield, Windsor, Hancock, Bradford and Corinth. Each of those towns has more than 20% of their households involved in public assistance programs.

There is also a dichotomy between the northern and southern portions of the ECVEDD in this area. While the overall ECVEDD percentage is 15.2%, the total is 19.5% in the

communities in the south, more than 6% higher than the towns in the northern part of the District.

14. Unemployment Rate in ECVEDD Region

The unemployment rate for the ECVEDD decreased in the first year of the new CEDS, from 3.5% to 3.0%. There were 200 less people listed as unemployed in 2016 and the total labor force declined very slightly.

The only Labor Market Area that saw an increase in the number of unemployed was Woodstock, where the rate jumped to 4.8%, compounded by a corresponding decrease in the total labor force. The Newbury and Hartford LMA's saw the largest decrease in their unemployment rates this past year.

Unfortunately, the ECVEDD is not keeping pace with the reduction in unemployment in Vermont. The State added to its labor force total and saw the overall unemployment rate drop from 3.7% to 2.8%.

TABLE 7: ECVEDD UNEMPLOYMENT BY LABOR MARKET AREA					
	2016 Annual	2015 Annual	2015-2016 % Change	2014 Annual	2014-2015 % Change
Newbury					
Labor Force	2,850	2,850	0.0%	2,850	0.0%
Unemployment	100	100	0.0%	150	-33.3%
Rate	2.8%	4.0%	-30%	4.8%	-16.6%
Employment	2,750	2,700	1.8%	2,750	-1.8%
Hartford					1
Labor Force	19,600	19,650	-0.2%	20,100	-2.2%
Unemployment	400	550	-27.2%	650	-15.3%
Rate	2.1%	2.9%	-27.5%	3.3%	-12.1%
Employment	19,200	19,050	0.7%	19,450	-2.0%
Randolph					
Labor Force	7,400	7,450	-0.6%	7,600	-1.9%
Unemployment	250	300	-27.5%	350	-15.3%
Rate	3.1%	3.8%	-27.5%	4.4%	-12.1%
Employment	7,150	7,150	0.7%	7,300	-2.0%
Springfield					

TABLE 7: ECVEDD UNEMPLOYMENT BY LABOR MARKET AREA					
	2016 Annual	2015 Annual	2015-2016 % Change	2014 Annual	2014-2015 % Change
Labor Force	10,550	10,900	-3.2%	11,350	-3.9%
Unemployment	350	400	-12.5%	500	-20%
Rate	3.4%	3.8%	-10.5%	4.4%	-13.6%
Employment	10,150	10,450	-2.8%	10,850	-3.6%
Woodstock					
Labor Force	3,750	4,050	-7.4%	4,100	-1.2%
Unemployment	200	150	33.3%	200	-25%
Rate	4.8%	4.1%	17.0%	4.4%	-6.8%
Employment	3,600	3,900	-7.6%	3,950	-1.2%
ECVEDD Total					
Labor Force	44,150	44,900	-1.7%	46,000	-2.4%
Unemployment	1,300	1,500	-15.4%	1,850	-23.3%
Rate	3.0%	3.5%	-16.7%	4.4%	-25.7%
Employment	42,850	43,250	-0.1%	44,300	-2.4%
Vermont					
Labor Force	343,150	344,400	-0.3%	348,850	-1.2%
Unemployment	9,550	12,600	-24.2%	14,300	-11.8%
Rate	2.8%	3.7%	-24.3%	4.1%	-9.7%
Employment	333,600	331,800	0.5%	334,550	-0.8%

Source: Vermont Department of Labor

Regional Performance Outcomes

1. Number of Jobs Created/Retained After Implementation of the CEDS

Despite negative growth in other parts of the state and some variation among towns in the ECVEDD, the total employment ("Covered Employment & Wages) in the region rose from 32,084 to 32,219. This represents an increase of 135 jobs or 0.4%.

TABLE 8: ECVEDD COVERED EMPLOYMENT BY LABOR MARKET AREA					
	2015	2014	2014-2015	2013	2013-2014
	Annual	Annual	% Change	Annual	% Change
Newbury					
Covered Emp.	772	734	5.2%	748	-1.9%
Av'g Wage	\$36,755	\$36,062	1.9%	\$35,218	2.4%
Hartford					
Covered Emp.	13,600	13,603	0.0%	13,363	1.8%
Av'g Wage	\$44,370	\$43,091	3.0%	\$41,605	3.6%
Randolph					
Covered Emp.	4,902	4,865	0.8%	4,974	-2.2%
Av'g Wage	\$38,828	\$38,012	2.1%	\$37,164	2.3%
Springfield				T	
Covered Emp.	8,196	8,242	-0.6%	8,210	0.4%
Av'g Wage	\$38,947	\$38,122	2.2%	\$37,144	2.6%
Woodstock			1	1	1
Covered Emp.	4,749	4,640	2.3%	4,530	2.4%
Av'g Wage	\$32,830	\$31,638	3.8%	\$30,946	2.2%
ECVEDD Total		1		T	
Covered Emp.	32,219	32,804	0.4%	31,825	0.8%
Av'g Wage	\$40,264	\$39,228	2.6%	\$38,092	2.9%
Vermont					
Covered Emp.	307,114	304,554	0.8%	301,614	1.0%
Av'g Wage	\$44,223	\$43,017	2.8%	\$42,039	2.3%

Source: Vermont Department of Labor

While showing an increase, the growth in jobs and wages in the ECVEDD did not keep pace with the increase in Vermont as a whole. The Newbury and Woodstock Labor Market Areas had higher than average growth, while the Springfield Labor Market Area showed a decrease in jobs compared to 2014.

2. Number and Types of Public Sector Investments Undertaken in the Region

Public improvements (road, water, sewer and utilities) were provided at Prospect Street in Hartford, launching Phase 1 of their TIF district. \$2.1M for Phase 2 was approved and will be implemented in 2017 on Gates Street to support the now thriving downtown district.

The Towns of Chester, Bradford, and Newbury (two villages within Newbury: Newbury Village and Wells River Village) received Village Center designation in 2015/16. The Village Center designation process recognizes and encourages local efforts to revitalize Vermont's traditional villages. Once designated, the community receives priority consideration for state grants and other resources. Commercial property owners are also eligible for tax credits to support building and code improvements.

3. Private Sector Investment in the Region After Implementation of the CEDS

A large project broke ground in this past year in the ECVEDD as a planned \$200M condo and housing development began, adjacent to Okemo Mountain in Ludlow, demonstrating renewed strength in the resort and vacation sector. The Southface Development is utilizing private sector funding as well as investment through the Federal EB-5 program.

With regard to cultural and entertainment development, Northern Stage proudly opened its beautiful new \$4M Theater in White River Junction in September. It was immediately rewarded with designation as a Regional Theatre, one of a few nationally in rural areas. In conjunction with Dartmouth College's Theatre Department, it will serve as a national hub for acting, writing and theatre production, in addition to performances.

A \$12M – 46,000 square foot - 4 story Class A office complex was completed at Prospect Street in Hartford on the banks of the Connecticut River at a Brownfield site adjacent to the new bridge to NH. A 30k sf office building is underway (50% complete) at the site and will be finished in the fall. A third building will be started once the leases have been secured.

Several manufacturing, housing and research projects are currently working through the planning stages at various locations throughout the District.

4. Action Plan Accomplishments

The partners in the ECVEDD completed twelve Action Plan projects in FY16. These covered five Strategies under four Goals in the approved CEDS for the ECVEDD.

The completed projects ranged from engaging businesses to determine the climate for sustainability and growth to researching opportunities to increase the impact of the creative economy² in the ECVEDD. Workforce development, improving the region's resilience and

² Creative economy describes the total employment in creative industries and in creative occupations within the regional economy.

proactively identifying opportunities for commercial development were among the other completed actions.

1. CEDS Implementation				
Goal 1, Strategy 1.1: Develop a region-wide understanding of what resilience is and what we can do to				
make our region more resilient.				
Action: Assess the region's resilience	Completed Tasks: Resilience report card & action plan			
via available tools and public outreach.	improvement			
Goal 1, Strategy 1.2: Identify entities' roles on the	resilience continuum based on regional capacity as			
determined in the above tasks (i.e. what does the e	ntity do and when should a concerned party make			
contact).				
Action: Develop and distribute graphic	Completed Task: Infographic showing entities, roles			
continuum	and contact information			
Goal 2, Strategy 2.1: Build upon existing capacity f	or cultivating businesses, supporting new			
entrepreneurial ventures, and adding new busines	ses.			
Action: Conduct employer interviews to	Completed Task: Opportunities & barriers report			
determine regional needs to attract,				
support, and expand businesses.				
Action: Strengthen recognition of the	Completed Task: Economic impact report including			
economic impact of and support for the	action plan for driving growth in the "creative			
"creative economy".	economy".			
Goal 3, Strategy 3.1: Gain a better understanding of region-wide workforce issues				
Action: Conduct an in-depth, region-	Completed Task: Region-wide workforce report			
wide workforce study building upon				
existing and previous reports				
Goal 4, Strategy 4.1: Promote infill and developme				
inventory (e.g., downtowns, industrial parks, empty buildings) as a first priority for business development.				
Action: Create a comprehensive picture	Completed Tasks: Commercial/Industrial inventory			
of the existing status of infrastructure,	and Establishing Priority Project List and Developing			
including age and capacity, in those	Bylaw/Land Use recommendations and creating			
areas.	technical support/fundraising fact sheet			
2. Dashboard/Metrics				
Ongoing support for region-wide metrics dashboard				
Action: Enhance Dashboard	Completed Task: Updated dashboard to better			
	illustrate economic metrics in ECVEDD			
3. Capacity Building				
Regional development corporations will invigorate their economic development planning capacity by				
investing in their local organizations and training				
Action: Capacity Building	Completed Task: Staff training and development			