

ECONOMIC DEVELOPMENT
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NORTHSHIRE ECONOMIC DEVELOPMENT STRATEGY

DORSET | MANCHESTER | MANCHESTER VILLAGE



FUNDED BY A MUNICIPAL PLANNING GRANT FROM
THE VERMONT AGENCY OF COMMERCE
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WITH LOCAL MATCHING FUNDS FROM
DORSET, MANCHESTER, AND MANCHESTER VILLAGE



FEBRUARY 2016

TABLE OF CONTENTS

| | |
|---|-----------|
| EXECUTIVE SUMMARY..... | 3 |
| SECTION I ANECDOTAL INFORMATION | 10 |
| SECTION II DEMOGRAPHIC ANALYSIS | 20 |
| SECTION III MARKET ANALYSIS..... | 29 |
| Market Analysis Table of Contents..... | 30 |
| SECTION IV ACTION PLAN MATRIX | 77 |
| APPENDIX ADDITIONAL ACTION ITEMS | 78 |

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NORTHSHIRE ECONOMIC DEVELOPMENT STRATEGY

Executive Summary

The *Northshire Economic Development Strategy* (NEDS) was a collaborative effort among the Town of Manchester, the Village of Manchester, and the Town of Dorset designed to improve the overall economic conditions in the three municipalities. While there are some signs of new economic vitality within the study area, there is general consensus that the Northshire economy is not as diverse as it could be and that it does not provide enough of the types of jobs that allow people to both live and work in the three communities.

To address these challenges the Town of Manchester and the Town of Dorset applied for a Municipal Planning Grant through the Vermont Agency of Commerce and Community Development (ACCD). The Village of Manchester later joined this effort by agreeing to provide a share of the required local match. With these funds the municipality hired the Bennington County Regional Commission (BCRC) to facilitate the project, and a project Steering Committee made up of representatives from each municipality was appointed. Camoin Associates of Saratoga Springs, NY, a nationally-known economic development consulting firm, was secured as the project consulted.

Guiding Principles

The underlying principles utilized in developing the *Northshire Economic Development Strategy* are those taken from the theory of Economic Gardening. This process, developed in Littleton, Colorado in the late 1980's and built off research done by David Birch at MIT, is unlike more traditional incentive-based economic development efforts, often referred to as Economic Hunting. Economic Gardening looks to grow a regional economy from within by focusing upon the region's unique assets and creating an attractive entrepreneurial environment to support successful companies in their efforts to start, stay and expand in the area. A key first step in this process is the development of a regional SWOT (Strengths-Weaknesses-Opportunities-Threats) Analysis and the listing of unique Indigenous Assets which might be leveraged. This work was done early in the project and is detailed later in this report.

Project Vision Statement

The first responsibility for the Steering Committee and project team was to create an overarching vision for the project. This statement would help guide decision making throughout the development of the plan. The primary goal of the *Northshire Economic Development Strategy* is to:

“Create a vibrant environment that encourages people to both live and work in the Northshire.”

Project Team

Steering Committee

Brooks Addington
Derek Boothby
Seth Bongartz
Michael Connors
Malcolm Cooper
Tom Deck
Rob Gaiotti
Dina Janis

Berta Maginniss
Joe Miles
Pauline Moore
Todd Nebraska
John O’Keefe
Jed Pellerin
Gay Squire

Project Consultant: *Camoin Associates*

Camoin Associates is a nationally-known firm with offices in Saratoga Springs, NY, Scarborough, ME, and Brattleboro, VT. With its wide range of experiences working on community economic development plans in twenty-one states around the country, Camoin was able to bring big-picture thinking to the group and help shape local opportunities within the framework of best practices from other successful communities.

www.camoinassociates.com

Facilitated by: *Bennington County Regional Commission*

The Bennington County Regional Commission (BCRC) is southwestern Vermont’s Regional Planning Commission (RPC). BCRC was created by the seventeen towns and villages it serves. BCRC works with and on behalf of those municipalities to build strong, resilient, and sustainable communities, to foster economic prosperity, and to promote a high quality of life for residents of the region.

www.bcrcvt.org

Anecdotal Information

SWOT ANALYSIS

The Steering Committee and project team went through a SWOT (Strengths, Weaknesses, Opportunities, and Threats) Analysis process to develop a list of the Northshire economy's strengths, weaknesses, opportunities and threats.

Strengths

Strengths are positive, internally-controlled factors within a regional economy. For Manchester, Manchester Village and Dorset some of the key strengths included:

| | |
|----------------------|-------------------------------|
| Strong local schools | Engaged citizenry |
| Outdoor recreation | Proximity to major metro area |
| Philanthropic bent | Clean air and water |

Weaknesses

Weaknesses are negative, internally-controlled factors within the regional economy. For the Northshire some of those included:

| | |
|--------------------------------|--|
| Lack of affordable housing | Lack of shovel-ready industrial space |
| Lack of diversity in workforce | No higher education institutions |
| Lack of local vision | Challenging/lengthy permitting process |

Opportunities

Opportunities are areas ripe for positive outcomes recognizing that some of the conditions for realizing gains come from outside the region. Some opportunities noted in the Northshire SWOT were:

| | |
|---|--------------------------------|
| Telecommuting | Natural resource development |
| Creating a vision for economic development with this new plan | Additional hospitality/tourism |

Threats

Threats are externally-controlled, negative influences which may impact the economies of Manchester, Manchester Village and Dorset. Some examples were:

| | |
|--|-----------------------|
| Lack of public interest in private development | Aging population |
| Economic dependence on the service sector | Changing demographics |

INDIGENOUS ASSETS

Indigenous Assets are things unique and inherent to a region and which may be leveraged to build additional economic vitality in the area. Indigenous Assets are categorized into eight different areas:

| | |
|----------------------|------------------|
| Financial Assets | Human Capital |
| Physical Assets | Cultural Assets |
| Natural Assets | Social Capital |
| Institutional Assets | Political Assets |

A full list the assets identified during the process is found in later in this report.

FOCUS GROUPS AND INTERVIEWS

Following the SWOT and Indigenous Assets analyses, the project team convened a series of stakeholder interviews and focus group meetings to solicit information from local residents with specific areas of expertise and experience. Details on the participants and key findings are found later in this report. Interviews and focus groups included representatives from:

| | |
|-----------------------|-------------|
| Tourism & Hospitality | Real Estate |
| Arts & Culture | Business |
| Young Professionals | Government |
| Education | Nonprofits |

Some of the issues raised included:

| | |
|---|---|
| Marketing/Branding | Workforce Housing |
| Millenials | Entertainment |
| Workforce | Heavy Retail Focus in the Local Economy |
| Opportunities for Regional Cooperation | |

Economic and Demographic Overview

In order to generate a fundamental understanding of the major economic and demographic factors at play in the region, as well as the recent and likely future trends, the NEDS project team conducted an analysis of demographic and economic data. The analysis considered the following three general areas of information:

People

- The population of the study area (Manchester—including the Village—and Dorset) is likely to stagnate or decline in the coming decades.
- The population of the study area is also likely to grow older (and is already older than Vermont and US averages).
- The study area is generally very well educated, which is both a positive note and a concern, in that, combined with other factors, an over-educated workforce might pose economic challenges.

Housing

- The housing market in the study has very high value residential real estate.
- Sales declined significantly during the recession, but have since risen.
- Vacation homes continue to represent a significant percentage of the residential real estate market in the Northshire.

Employment

- Both the number of employees and businesses in the region dipped sharply during the recession and is largely yet to recover to pre-recession levels. Furthermore, due to other factors, significant growth in workforce is unlikely in the near future.
- The large majority of employed people who either live or work in the study area do not *both live and work* in the study area, as demonstrated by the graphic below.



Graphic: Data from US Census Bureau, LEHD Origin-Destination Employment Statistics (LODES). Data refer only to primary jobs in 2013 in the Study Area (Manchester and Dorset).

Market Analysis

As part of its project work, Camoin Associates undertook an extensive market study of the Northshire economy. Utilizing both publicly available and proprietary data sources, this analysis looked at three general areas of the regional economy – Retail, Housing and Commercial/Industrial. The complete market analysis is found later in this study. Highlights from each area included:

Retail

- Even though the study area is already known as a retail destination, potential for new retail development still exists, particularly in the areas of general merchandise stores and food and drinking establishments.
- Within the regional context there is additional potential to support new or expanded retail establishments of up to 70,000 square feet provided sales currently “leaking” from the region can be captured. Specific retail categories ripe for additional space include general merchandise, food and dining, sporting goods/hobby.

Housing

- The housing market has traditionally been driven by vacation and second-home ownership of single-family homes; however, this market has slowed down and new residential development is currently very minor.
- There is an undersupply of single-family homes in the sub-\$300,000 price range due to high land prices, high building costs, and infrastructure constraints. Many middle-class workers employed in the study area cannot afford housing in the study area as a result.
- The study area is undergoing a subtle shift in preferences towards smaller homes in closer proximity or walking distance to amenities such as shopping locations. This contrasts with past patterns where large single-family homes away from community centers were in the highest demand.
- There will likely be some future demand for rental units from young professionals and some service workers. Increased demand from a younger population would be expected if there were new amenities and nightlife downtown. Some additional demand may come from empty nesters that would like to be within walking distance of amenities. The market may be constrained by the costs to develop new rental units, which would dictate relatively high rental prices.

Commercial/Industrial

- Over the past ten years there have been several specific industries with strong growth in the region. These include: Financial Investment Activity; Plastic Products Manufacturing; Furniture-Related Manufacturing; and Tourism-related sectors. These historically strong performers are expected to continue to be strong over the next 10 years along with Specialized Design Services, Lessors of Real Estate, and Cement and Concrete Product Manufacturing.

- The region has a strong competitive advantage in Furniture Related Product Manufacturing, Other Financial Investment Activities, Specialized Design Services, Plastics Product Manufacturing, and Management of Companies and Enterprises.
- There are some small-scale and niche manufacturers in the study area and region that will likely produce demand for new or expanded space as they grow; however, there are limited opportunities for these companies to expand in the Study Area because of a lack of industrial development sites served by infrastructure.
- Office space demand is likely to be modest in the future as the growth of office space-utilizing industry sectors is not expected to be substantial. Future office demand is likely to come primarily from businesses in the Financial Investment Activities sector with some growth also in Professional, Scientific, and Technical Services and Real Estate and Rental and Leasing.

Goals and Strategies

Utilizing all of prior project work elements, including the Anecdotal Information, Demographic Analysis, and Market Analysis, the Steering Committee and project team developed a wide variety of strategies and action items designed to further the overall project vision of creating a vibrant environment that allows people to both live and work in the Northshire. The strategies and action items were divided into four goal areas:

- 1. Improve the Economic Development Environment of the Northshire**
- 2. Cultivate the Northshire's Tourism, Food and Arts and Culture Industries**
- 3. Support Entrepreneurship and Business Development**
- 4. Enhance High Quality of Life for Northshire Residents and Workers**

Action Plan Matrix

After a series of brainstorming discussions, the Steering Committee and project team prioritized a final list of strategies, which was then incorporated into the NEDS Action Plan Matrix found in Section IV of this report. In the matrix, all strategies and action items are listed along with potential collaborators, priority level, time frame, and performance measures for each. Additional action plans which were not incorporated into the final matrix can be found in the following appendix.

Implementation/Next Steps

An economic development plan, at the end of the day, is only as good as its implementation. While each strategy and action item within the *Northshire Economic Development Strategy* includes a list of potential organizations or entities that might be involved in its implementation, additional work needs to be done to see that the *Northshire Economic Development Strategy* is enacted and the communities benefit from the hard work and good thinking that went into the plan.

It is recommended that the *Northshire Economic Development Strategy* Steering Committee remain in place to help coordinate implementation activities. While the Steering Committee would have no authority to require any town, village or organization to undertake any specific work plan, the Committee is well positioned, given its constitution with representatives from each participating municipality and with its history of exposure to each strategy and action item as they were developed, to encourage action by appropriate parties.

While there are numerous potential groups and organizations that could be involved, the obvious key players in implementing the *Northshire Economic Development Strategy* are the three municipalities and the Manchester and the Mountains Chamber of Commerce/The Partnership¹. The Steering Committee could serve a valuable role as the convener of these entities with the goal of getting the parties to agree to take the lead role in appropriate strategies and action items and to incorporate those efforts into their respective annual work plans.

1. The Partnership is the new name of the Manchester and the Mountains Chamber of Commerce, effective as of July 2016. Later in this report, the organization will be referred to as "The Partnership."

SECTION I **ANECDOTAL INFORMATION**

SECTION I ANECDOTAL INFORMATION

The *Northshire Economic Development Strategy* project team conducted a series of focus groups and stakeholder interviews in order to gather additional information in addition to the various data considered through the demographic analysis and market study. The details of each of those efforts are listed in the following section.

SWOT Analysis

The Steering Committee and project team went through a SWOT (Strengths, Weaknesses, Opportunities, and Threats) Analysis process to develop a list of the Northshire economy's strengths, weaknesses, opportunities and threats. The following responses were recorded at a Steering Committee meeting in March, 2015.

NORTHSHIRE STRENGTHS

Strengths are positive, internally-controlled factors within a regional economy.

- Great Schools
- Arts and Culture
- Outdoor Recreation (skiing!)
- Hospitality and Tourism
- Proximity to Major Metro Areas
- Clean Air/Water
- Health Care
- Local Food
- Safety and Security
- School Choice/Options
- Natural/Scenic Resources
- Commercial Assets (available and existing)
- Philanthropy
- Second Home Owners
- State/Fed Government Access
- Engaged Citizenry (and local organizations)
- Socially Responsible People
- Infrastructure (Telecom)
- Human Intellect/Education
- Municipal/Institutional (e.g. Library)

NORTHSHIRE WEAKNESSES

Weaknesses are negative, internally-controlled factors within a regional economy.

- Affordable Housing (Lack of!)
- Regional/Local Transportation
- Proximity to Metro Areas
- Challenging/Lengthy Permitting Process
- Fear of Change
- Lack of Nightlife
- Infrastructure (Transportation/Utilities)
- Taxes
- Cost of Energy
- N-I-M-B-Y mentality
- Lack of Sustainable Jobs (considering compensation relative to living expenses)
- Lack of Shovel-Ready Industrial Space
- Distance to Hospital
- Lack of Diversity in Workforce

- Little Affordable Commercial Property
- Lack of Higher Ed. (no institutions)
- Aging Population
- One-way Culture: Insularity
- Lack of Vocational Training/Continuing Education Opportunities
- Lack of Political Clout at State
- High Cost of Living
- Lack of New Generation Home-buyers
- Lack of Entry-level Career Job Opportunities
- Lack of Vision/Tendency to Blame Others

NORTHSHIRE OPPORTUNITIES

Opportunities are positive, externally-influenced factors within a regional economy.

- NEDS Plan and Regional Economic Efforts—creation of new direction/identity for region
- Hospitality/Tourism
- Convention Businesses
- “Aspen of the East”
- Connections with “Valley Towns”
- Telecommuting
- Enhancing/Expanding Existing Amenities
- Promoting K-12 Ed (independent schools)
- Improving connection between those dependent on local economy and others (second homeowners, independently wealthy)
- Natural Resources (e.g. water)
- Financial, Economic Network
- Opportunities from Existing Tourist Base
- Vibrant Downtown/Urban Area
- Female-Owned Business Development (FBOM)

NORTHSHIRE THREATS

Threats are negative, externally-influenced factors within a regional economy.

- Lack of Public Interest in Private Development
- State Tax Reallocation
- State Regulation/Influence
- Lack of Vision from State
- Changing Demographics (wants/needs of next generation)
- Aging Population with NIMBY Complex
- Renewable Energy Development Debates
- Outside Perception (no recognition of issues)
- Economic Dependence on Service Sector (e.g. Retail)

Indigenous Assets

Indigenous Assets are things unique and inherent to a region and which may be leveraged to build additional economic vitality in the area. Indigenous Assets are categorized into eight different areas:

Financial Assets
Physical Assets
Natural Assets
Institutional Assets

Human Capital
Cultural Assets
Social Capital
Political Assets

A list of each of these types of assets was developed during the *Northshire Economic Development Strategy* process, and is included in the following section. This list was originally created at a public meeting in Manchester in May 2015.

FINANCIAL ASSETS

- Investment Firms and Banks
- VEDA
- SCORE
- Personal Wealth
- Property Values
- PACE
- Philanthropy
- Private investment in economic development

PHYSICAL ASSETS

- Appalachian Trail/Long Trail
- Major resorts
- Roads, regional transportation network
- Vast recreational resources,
- Municipal water and sewer
- Regional airport (ALB)
- Library
- Internet/Fiber
- Established land-use management

NATURAL ASSETS

- Green Mountain National Forest
- Mt. Equinox, Ridges, Wilderness
- Year-round outdoor recreation
- Scenic Views
- Batten Kill
- Dorset Quarry
- Otter Creek
- Equinox Land Preserve
- Delaware Hudson Rail Trail
- Conserved agricultural land and rural landscape
- Emerald Lake
- Trail Networks (e.g., SVAC)
- Hildene
- Merck Forest

INSTITUTIONAL ASSETS

- Manchester Community Library
- GNAT, Journal, and other press
- BBA, MEMS, Dorset, and other schools
- Long Trail School
- Maple St. School
- Private Schools
- Green Mountain Academy of Lifelong Learning
- The Collaborative
- Hildene
- Marble House Project
- SVHC, Northshire Medical Center
- Southern Vermont Arts Center
- Northshire Bookstore

HUMAN CAPITAL

- Innovative people
- Artists
- Creative Professionals
- Entrepreneurs
- Farmers and gardeners
- Local “Foodies”
- Craftspeople and artisans
- Retired volunteers
- Diverse imports and transplants

CULTURAL ASSETS

- Vibrant arts community, HillsAlive
- Manchester and Dorset Historical Societies
- Galleries
- Artisans
- Dorset Playhouse/Theater Festival
- Weston Playhouse
- Authors
- Creative class
- Horse show
- First Wednesdays
- Farmers' markets
- School of Falconry
- Churches and religious institutions
- Fraternal Organizations
- Arts organizations
- Youth sports clubs and recreation groups
- Garden club
- Cultural Institution (e.g., Hildene)
- Experiential components of Marble House
- Ski Mountains
- Hunter Park
- Museum/School of Fly Fishing

SOCIAL CAPITAL

- Involved citizenry
- Philanthropy
- Community Loyalty
- Service clubs
- Churches and religious institutions
- Chamber of Commerce/The Partnership
- Northshire Young Professionals
- Service Learning at BBA
- Female Business Owners of Manchester (FBOM)
- Restaurants
- Farmers' Markets
- Northshire Bookstore
- Southern Vermont Arts Center
- Country Clubs
- Street fairs and public events
- Inns and Motels
- Music and dance groups/events
- Equinox Spa
- Green Mountain Club
- Race for the Cure
- Ski patrols

POLITICAL ASSETS

- Functional town governments
- Access to State Representatives and leaders
- Vocal/Participatory citizenry
- GNAT/Manchester Journal/other press—local political coverage
- VT Digger and other state news

Focus Groups and Interviews

In addition to activities like the SWOT Analysis and Indigenous Assets, the project team sought out input from local experts. Early in the *Northshire Economic Development Strategy* process, project team members met with various people in the community to discuss local issues and brainstorm ideas. This included several interviews and two Focus Groups. The main takeaways from those discussions (along with the participants) are listed below:

Arts and Culture Focus Group

Joe Wagner | Bike Task Force/CPA in Town
Derek Boothby | Manchester Music Festival
Chris Morrow | Northshire Bookstore
Laine Dunham | Hildene
Gloria Palmer | Green Mountain Academy
Katy McNab | Town DRB member
Frank Hanes | The Inn at Manchester
Ari Rudiakov | Manchester Music Festival
Jen Weinstein | Southern Vermont Art Center
Dina Janis | Dorset Theatre Festival
Beth Whitaker | Restaurant Owner
Berta Maginniss | Manchester Chamber of Commerce

Notes:

- Arts organizations need new types of support as they face a decrease in large donations. The decline in tourism has further exasperated fundraising issues.
- Branding needs to be cohesive. Outward messaging should relay the area's assets—of which there are many—in a cohesive way.
- Arts and Culture organizations in the area need to get ahead of future trends in entertainment and marketing.
- Generally, arts organizations simply need more funding.
- Arts businesses also suffer from a lack of workforce housing for lower-income employees (especially seasonal employees supporting arts events).

Hospitality and Tourism Focus Group

Bill Drunsic | Business Person

Ed Morrow | Northshire Bookstore

Frank Hanes | Inn at Manchester

Liz Ruffa | Northshire Grows

Beth Whitaker | Restaurant Owner

Linda Benway | Motel/Curling Club

Ron Mancini | Mother Myricks

Karen Walla | Business Owner

Berta Maginniss | Manchester Chamber of Commerce

Notes:

- There are lots of audiences that could be receptive to improved marketing efforts. These include: day-trippers from major metro areas, group events, skiers, vacationers, second home buyers, and millennials looking to settle down.
- A lack of high-paying jobs in the area keeps some millennials away in favor of urban areas, but this is less of an issue for entrepreneurs and remote working professionals.
- How the area brands itself relative to the outlets (i.e., what role outlets play within the externally broadcast image of the Manchester and the Northshire) is a critical marketing issue that needs to be resolved.
- Regional marketing efforts should operate with maximum synergy between various communities in and around the Northshire, as well as surrounding regions.
- Strengthening the connections to nearby ski resorts (e.g., Stratton), which have recently been weakened, would be one avenue towards increasing tourism.
- There should be more tourist-focused activities in public spaces include a range of opportunities, such as: hiking, historical tours, events, and more.

Interviews

The Northshire Young Professionals

Mark H. Tashjian | Burr and Burton Academy

Joe Miles | RK Miles

Peter Keelan | The Keelan Company

Carol O'Connor | Four Seasons Sotheby's International Realty

Pauline Moore | Town of Manchester

Berta Maginniss | Manchester Chamber of Commerce

Notes:

- The area has a significant lack of affordable/workforce housing due primarily to high land and building costs and lack of sites with needed infrastructure to achieve housing densities that would create more affordable housing. However, there is substantial demand for this type of housing if it were available.
- There is a lack of clients for professional services, which poses challenges for small businesses providing them.
- The lack of workforce housing makes it difficult to attract employees and young people, which is then a constraint to the commercial/industrial market as it makes it more difficult to start, expand, or sustain a business.
- The market for second homes is in decline with more inventory on the market and decreasing prices compared to historical levels. The area is seeing less interest in large, expensive homes far away from community centers. This is due to changing housing preferences and the high tax burden of those homes.
- There is demand for rental units but difficult financially from a developer perspective because of limitations on building heights restricts density and therefore reduces financial feasibility of developing. Under existing conditions, downtown housing development would therefore result in rental units that would not be affordable by those with workforce-level incomes. Redevelopment of existing hotel properties may be an opportunity to add rental units and there are a few infill site potentials for residential development.
- There is no significant demand for independent or senior living housing in the near-term as existing facilities have been satisfying demand and a preference of aging residents to remain in their homes or "age in place."

- Zoning is seen as over-restricted and existing zoning regulations need to be revisited to support development. More density should be allowed by zoning, especially for residential.
- Major retail needs include businesses that cater towards the local population especially home goods retailers and others providing basic necessities. Current retail is geared towards the outlet market consisting mostly of women's clothing. There is likely a market for additional limited-service restaurants.
- There is a lack of entertainment options that are targeted towards an under-40 demographic. This includes a lack of "nightlife" options.
- Industrial market is somewhat constrained by a lack of "shovel-ready" sites that are served by infrastructure. Some companies have been unable to expand locally because of the lack of suitable sites.
- There is little demand for professional office space and there is likely no market opportunity for this. Existing lease rates are relatively low as an indication of this.
- In the tourism market there is an opportunity to capitalize on the existing sports facilities, especially the world-class soccer field. There is also a need for more family-friendly tourist activities.
- Tourism target markets:
 - There is an opportunity to capitalize on hotel development underway. There is a new target market of business travelers including retreats and conferences.
 - The area can do a better job of attracting skiers from nearby resorts into town for shopping, entertainment, and lodging.
 - There are many outdoor recreation amenities that the area can do a better job of marketing. There is great potential to grow the outdoor recreation tourism market.
 - Horse show is an important event and it is important to maintain into the future.

SECTION II **DEMOGRAPHIC ANALYSIS**

SECTION II DEMOGRAPHIC ANALYSIS

The *Northshire Economic Development Strategy* (NEDS) Demographic Analysis was conducted by the project team in March of 2015, and the figures were subsequently updated where possible for the production of the final report in early 2016. The purpose of the Demographic Analysis is to better understand the major underlying factors that impact the Northshire related to demographic and economic conditions at a macro scale. The Market Analysis, Section IV of this report, includes a far more in depth look at specific conditions and data; but the scope and direction of that later analysis was informed by trends identified in the preceding Demographic Analysis, which is summarized in the following section.

Overview

The following summary of the Demographic Analysis of the Northshire contains three general categories of analysis: people, housing, and employment. These data, along with others, were presented in draft form to the NEDS Steering Committee and then publicly in Manchester in May of 2015. Comments were incorporated into the analysis, which was then revised by the project team. The following sections display the data that and findings that were deemed most influential based on discussion among the Steering Committee and public input.

The analysis conducted by the project team involved various additional explorations from those listed here, some of which were incorporated into the public presentation and others of which were not. Elements of the study that were deemed redundant or superfluous to the focus of the *Northshire Economic Development Strategy* (NEDS) have not been included in the final summary. Anyone interested in a more robust study of demography and economic conditions in the Northshire should examine the data sources that were used to compile this analysis—each of which is public and accessible online.

The Data

The data that are displayed in the following sections come from a variety of sources, each of which is publicly available and maintained by US or state government agencies. Some of these data sources are updated regularly, and while the data displayed here reflect the most current versions that were available when the report was compiled, those data may have since been updated. The source of each chart or dataset is listed below at the bottom of the following sections. Generally, the primary sources from which data were gathered are:

- The US Census Bureau
- The US Bureau of Labor Statistics
- The Vermont Department of Labor
- Vermont Department of Taxes

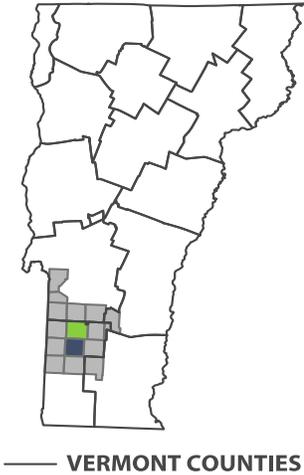
Geography

The following Demographic Analysis presents data related to a few different geographical areas. Instead of using a rigid definition of the “Northshire,” it displays certain data (generally, demographic data) only in the **Study Area** (i.e., Manchester, including Manchester Village, and Dorset), and other data (particularly economic data) for a larger geographical area—acknowledging the study area is a regional economic hub for several surrounding communities, and that economic activity in the region is important to the economic vitality of the study area. In most cases, the regional economic area used was the **Manchester Labor Market Area (LMA)**, shown in the diagram in figure 1.

FIGURE 1:

MANCHESTER LABOR MARKET AREA

- ARLINGTON
- DANBY
- DORSET**
- LANDGROVE
- LONDONDERRY
- MANCHESTER**
- MOUNT TABOR
- PAWLET
- PERU
- POULTNEY
- RUPERT
- SANDGATE
- STRATTON
- SUNDERLAND
- WELLS
- WESTON
- WINHALL



People

Population | 1840 to 2010 + Projections | Figure 2

The populations of Manchester and Dorset saw significant increases following the 1960’s, with the total population of the area increasing by more than a third between 1970 and 1990. By 2010, however, population growth had leveled off in both communities. According to population projections conducted in 2012 by the Vermont Agency for Commerce and Community Development (shown as the dotted portion of the graph below), the populations of Manchester and Dorset are likely to see minimal growth (or possibly slight decline) between 2015 and 2030, which poses a challenge related to economic development. Recent Census estimates (2010-2014) generally reinforce ACCD’s 2012 projections; although, according to those Census estimates, Manchester has actually seen a small population decrease since 2010, whereas Dorset has seen a slight increase—demonstrating a slightly inverse trend in either community. Nonetheless, it remains unlikely that there will be any significant population growth in the study area in the next 20 years.

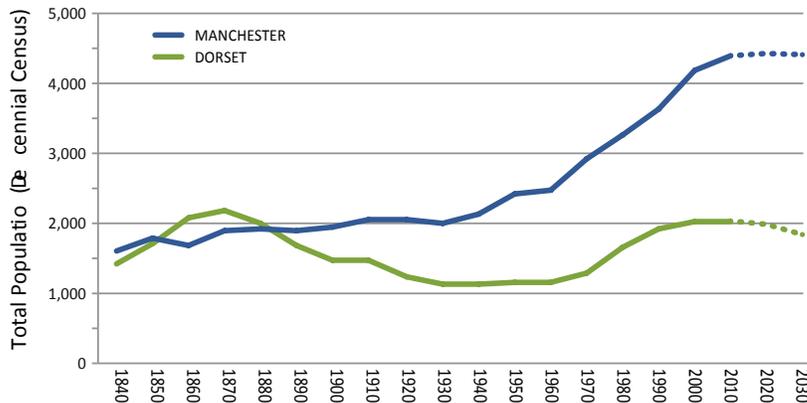
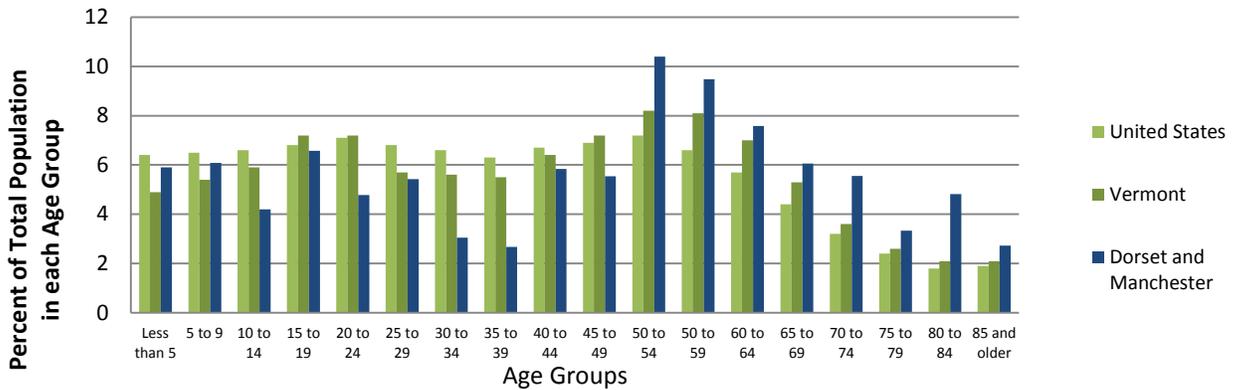


Figure 2 Data: US Decennial Censuses: 1840 – 2010; ACCD Population Projections shown with dots. Projection data refer to “Scenario B,” which, according to current population estimates, (Census) ACS 2104, has most nearly mirrored actual growth.

Age Distribution | 2014 | *Figure 3*

Further compounding the demographic issues that are facing the Study Area in terms of total population decline is an age distribution curve that is significantly concentrated in the 50 to 64 year-old age brackets. Seen in Figure 3 below: Dorset and Manchester have significantly more people in the 50 to 64 year-old age brackets than in all other age brackets, with a concentration that far exceeds that of the state of Vermont or the US as a whole. The concentration of baby boomer (i.e., generally, aged 50 – 70 in 2014) population is even more concerning when considered alongside the fact that the study area has an under-50 population that is smaller and over-65 population that is larger than state and national averages. It is obvious from this chart how much strain the next fifteen years of retirement, and corresponding lack of young people, will put on the local workforce in the Northshire, raising the percentage of the area’s population that is not workforce age dramatically.



Educational Attainment | 2014 | *Figure 4*

The population of the study area is significantly more educated than the general population. This is not surprising considering the relative affluence of the area. However, while the high percentage of college degrees is certainly an asset to the region in many ways, it also poses workforce challenges—especially when combined with a high cost of living and housing.

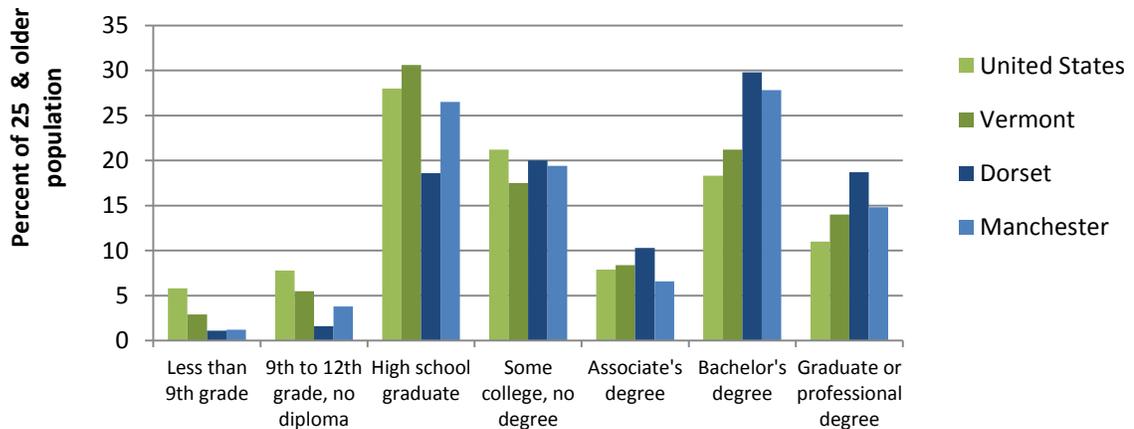
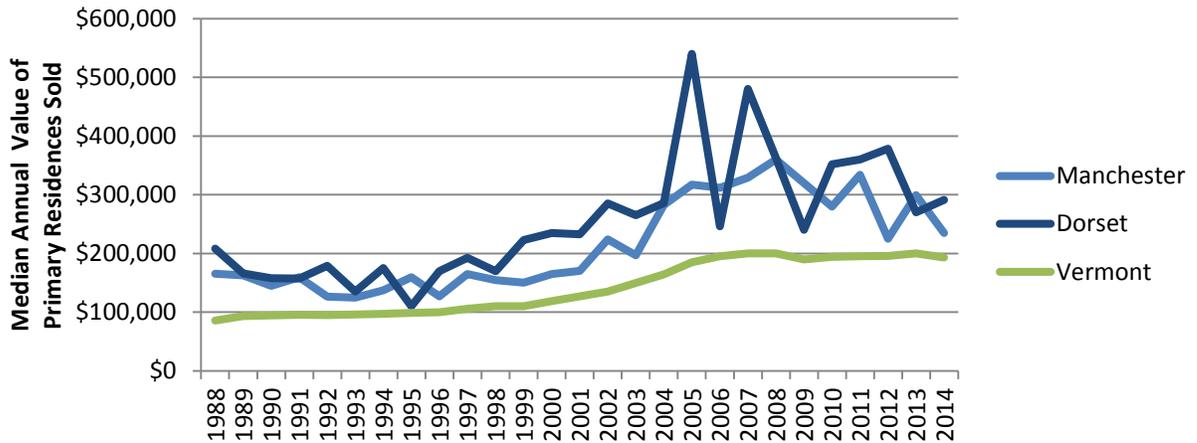


Figure 3 and Figure 4 Data: US Census Bureau, American Communities Survey (ACS) estimates, 2014.

Housing

Primary Home Sales | 1988 – 2014 | Figure 5

The housing market of the study area suffered a significant loss in value following the “bursting” of the national housing bubble, which led to the US recession of 2007-2009. Values have now returned to pre-2004 levels. The graph below refers to actual dollars and does not adjust for inflation. Although sale values have generally dropped since the recession, housing sales in the area remain much higher than the state of Vermont on average. The graph below uses median annual values, as opposed to average annual values, so that extremely high value real estate in the area does not distort the annual data. These data only reflect the sales of primary residences.



Secondary Home Sales | 1988 – 2014 | Figure 6

In contrast to the previous figure, these data include only secondary home sales and refer to the median annual value. Both Dorset and Manchester have significant concentrations of high-value vacation homes, and in both the vacation home markets dropped in 2014, after a decade of volatility beginning with the peak of the national housing bubble.

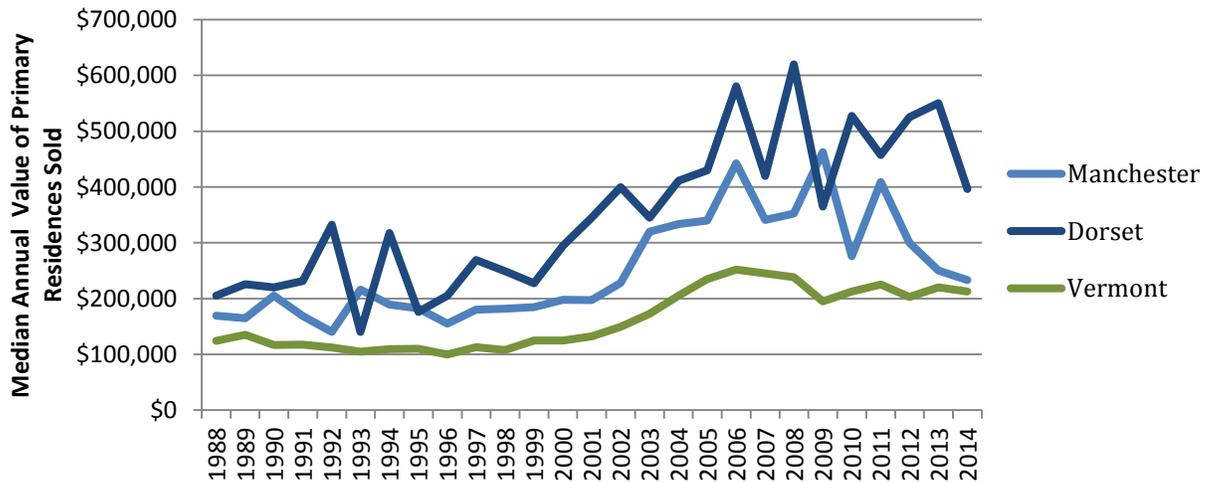
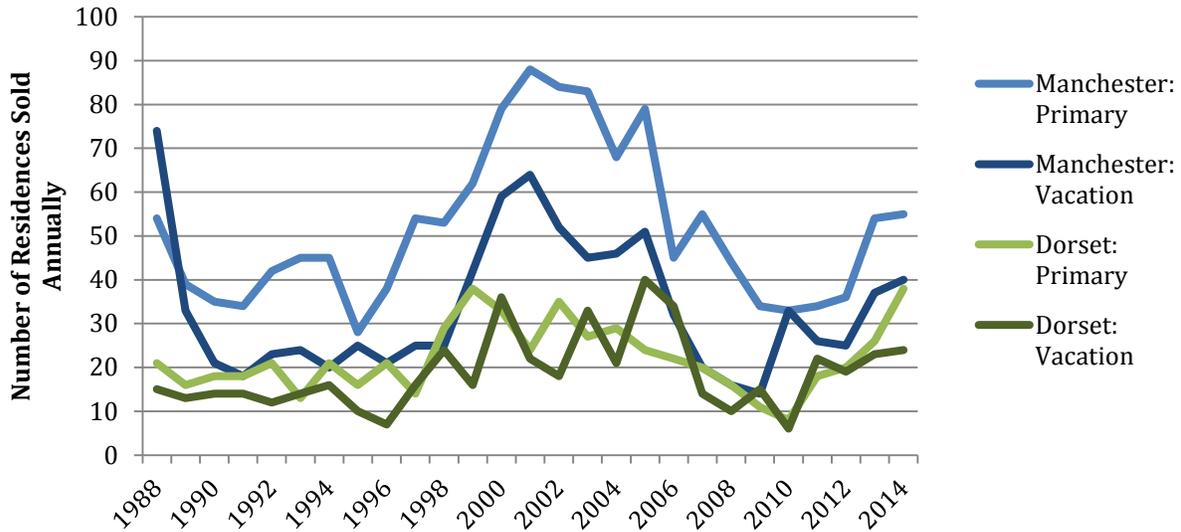


Figure 5 and Figure 6 Data: Vermont Department of Taxes; aggregated by Vermont Housing and Finance Agency. www.housingdata.org

Housing Sale Numbers | 1988 – 2014 | *Figure 7*

While the median value of housing sales in the study area did not dip that significantly following the recession, the number of sales did. By 2010, residential sales of all types in both Manchester and Dorset were less than half of what they were in 2006. Dorset had recovered to pre-recession annual sales numbers by 2014, but Manchester, despite showing signs of recovery, still had fewer residential sales than it had in the early 2000's.



Residential Permit Numbers | 1988 – 2014 | *Figure 8*

Even more dramatic than the decline in housing sales since the recession has been the decline in residential construction in the Northshire. This is expected in an area with a declining and aging population, but it represents another layer among the current challenges facing the housing market.

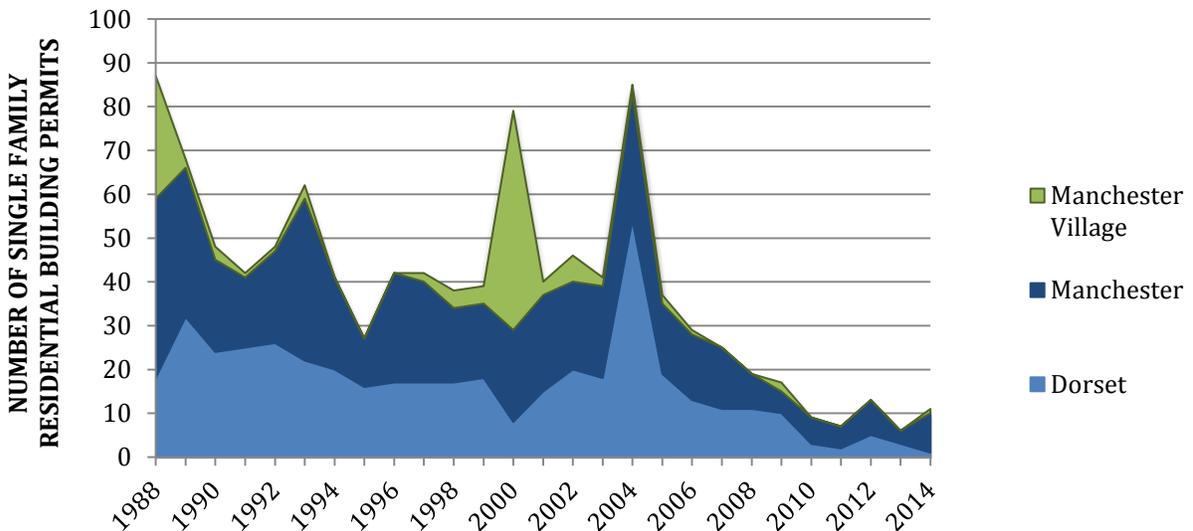


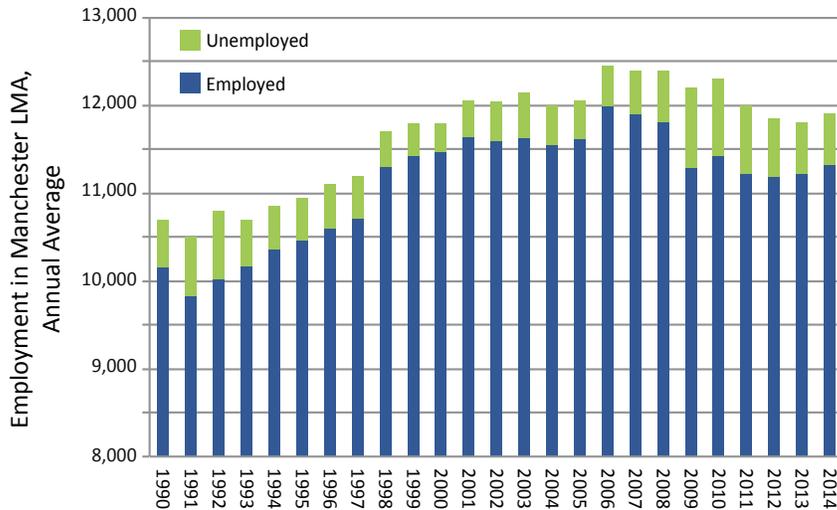
Figure 7 Data: Vermont Department of Taxes; aggregated by Vermont Housing and Finance Agency. www.housingdata.org

Figure 8 Data: Housing and Urban Development building permit database.

Employment

Employment and Workforce Living in LMA | 1990 – 2014 | *Figure 9*

Employment among those living in the Manchester Labor Market Area (LMA) increased steadily between 1990 and the early 2000's. During the national recession, employment dropped, and unemployment within the labor force increased. Since 2010, unemployment (within the workforce) has decreased, but employment has generally stagnated, despite a slight rise in 2014. This occurred because the total number of people in the labor force has declined; and, due to population aging and decline, labor force decline is likely to continue.



Employment by Age in Study Area | 2014 | *Figure 10*

The study area has a significant amount of people approaching or already past retirement age who are still actively participants in the labor force. Under current conditions, the existing younger population approaching entry into the workforce in the area will not be able to accommodate the demand that is vacated by those likely to leave the workforce in the near future.

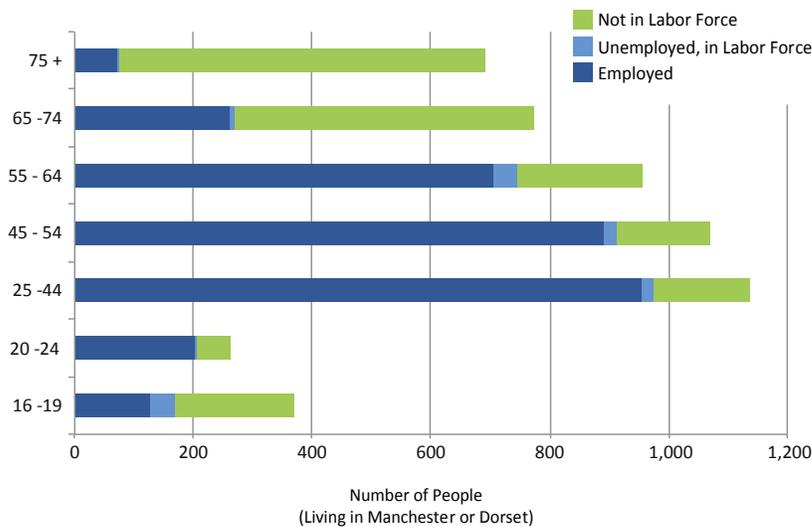
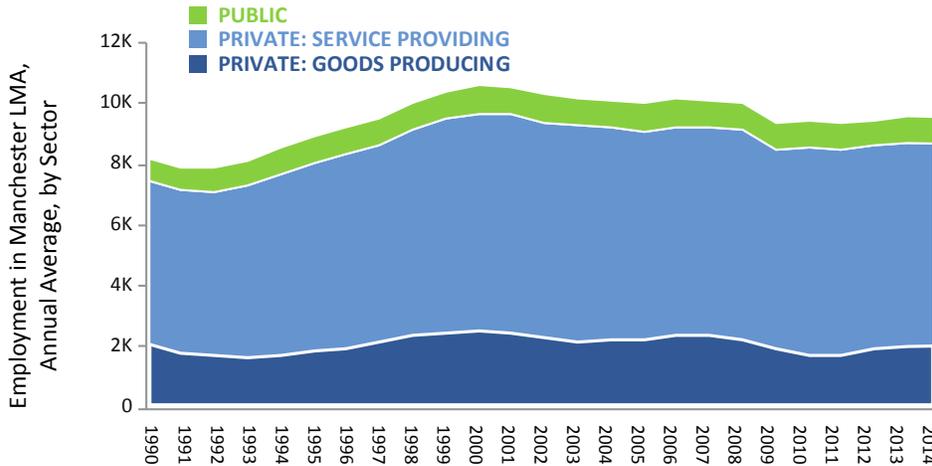


Figure 9 Data: Accessed through Vermont Department of Labor from Bureau of Labor Statistics Local Area. Data refer to residents of Manchester LMA (as opposed to people working within LMA).

Figure 10 Data: Accessed through Vermont Department of Labor from Bureau of Labor Statistics; data refer to study area.

LMA Employment by Sectors | 1989 – 2014 | *Figure 11*

Employment in the Manchester LMA dropped significantly during the recession and has yet to recover to pre-recession levels. (This is different than figure 7 in that it tracks the population employed in the LMA, as opposed to the population living in the LMA, and comes from an employer-based survey.) Employment has not yet recovered to pre-recession levels.



LMA Establishments by Sectors | 1989 – 2014 | *Figure 12*

Similar to employment, the number of businesses in the LMA, which had previously seen steady gain, dropped significantly during the recession and is yet to recover.

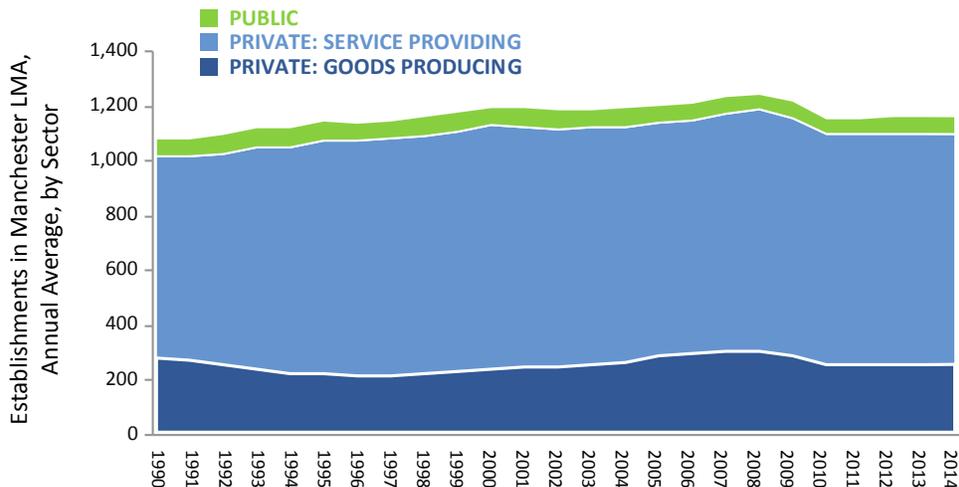


Figure 11 and Figure 12 Data: Accessed through Vermont Department of Labor from Bureau of Labor Statistics Local Area. Data refer to residents of Manchester LMA (as opposed to people working within LMA).

Workforce Inflow/Outflow | 2013 | Figure 13

The coming years pose a variety of economic and demographic challenges for the Study Area and surrounding communities. There remains, however, much opportunity to generate more sustainable employment conditions. Recruiting new workers and residents, especially in the younger age brackets, will be critical to future economic vitality. And while some of that may be accomplished by more distant marketing and recruitment efforts, much of it can be achieved close to home, for there are over 4,000 people who either live or work (but not both!) in the study area. Increasing opportunities for those who work here to live here, and visa versa, will be a key goal of many of the actions suggested by this study.

The figure below demonstrates the overlap of people who live in the Study Area and those who work in the study area. Expanding the number in the overlapping part of the diagram shown in green is central to the *Northshire Economic Development Strategy's* main vision.



Figure 13 Data: US Census Bureau, LEHD Origin-Destination Employment Statistics (LODES). Data refer only to primary jobs in 2013 in the Study Area (Manchester and Dorset).

SECTION III **MARKET ANALYSIS**

SECTION III MARKET ANALYSIS

Market Analysis Table of Contents

| | |
|---|-----------|
| Market Analysis Summary | 31 |
| Retail Market Analysis | 33 |
| Takeaway Findings | 33 |
| Introduction | 33 |
| Regional Trade Area | 43 |
| Study Area Retail Development Potential | 51 |
| Housing | 52 |
| Takeaway Findings | 52 |
| Introduction | 53 |
| Study Areas | 53 |
| Housing Stock Trends & Conditions | 54 |
| Residential Values | 58 |
| Affordability | 59 |
| Rental Market | 63 |
| Housing Market Trends | 64 |
| Commercial/Industrial | 65 |
| Takeaway Findings | 65 |
| Study Areas | 66 |
| Fastest Growing Industries 2004-2014 | 67 |
| Projected Industry Growth 2014-2024 | 69 |
| Concentrated Industries: Location Quotient Analysis | 70 |
| Competitive Industries: Shift Share Analysis..... | 72 |
| Industrial Constraints..... | 74 |
| Commercial Office..... | 75 |

Market Analysis Summary

As part of the *Northshire Economic Development Strategy* (NEDS), Camoin Associates completed a market analysis of the Northshire Study Area and surrounding region. Key findings of the market analysis are as follows:

Key Findings

Retail

- The Study Area is a retail destination, and several retail sectors are highly concentrated in the Study Area; however, there is potential for new businesses in some retail sectors where residents currently leave the area to purchase. The two most significant of these are general merchandise stores and food and drinking establishments.
- When the region is considered, there is additional potential to support several new stores and/or the expansion of existing establishments. The amount of new retail development is dependent on the ability to capture sales that are “leaking” out of the region. If a portion of that leakage is recaptured, then nearly 70,000 square feet of new retail development could be feasible. Specific retail categories with potential for new development or expansion include general merchandise stores; food and drinking establishments; shoe stores; and sporting goods/hobby/musical instrument stores.

Housing

- The housing market has traditionally been driven by vacation and second-home ownership of single-family homes; however, this market has slowed down and new residential development is currently very minor.
- There is an undersupply of single-family homes in the sub-\$300,000 price range due to high land prices, high building costs, and infrastructure constraints. Many middle-class workers employed in the Study Area cannot afford housing in the Study Area as a result.
- The Study Area is undergoing a subtle shift in preferences towards smaller homes in closer proximity or walking distance to amenities such as shopping locations. This contrasts with past patterns where large single-family homes away from community centers were in the highest demand.
- There will likely be some future demand for rental units from young professionals and some service workers. Increased demand from a younger population would be expected if there were new amenities and nightlife downtown. Some additional demand may come from empty nesters that would like to be within walking distance of amenities. The market may be constrained by the costs to develop new rental units, which would dictate relatively high rental price points.

Commercial/Industrial

- Over the past ten years there have been several industries with strong growth in the region. These include: Financial Investment Activity; Plastic Products Manufacturing; Furniture-Related Manufacturing; and Tourism-related sectors. These historically strong performers are expected to continue to be strong over the

- next 10 years along with Specialized Design Services, Lessors of Real Estate, and Cement and Concrete Product Manufacturing.
- The region has a strong competitive advantage in Furniture Related Product Manufacturing, Other Financial Investment Activities, Specialized Design Services, Plastics Product Manufacturing, and Management of Companies and Enterprises.
 - There are some small-scale and niche manufacturers in the Study Area and region that will likely produce demand for new or expanded space as they grow; however, there are limited opportunities for these companies to expand in the Study Area because of a lack of industrial development sites served by infrastructure.
 - Office space demand is likely to be modest in the future as the growth of office space-utilizing industry sectors is not expected to be substantial. Future office demand is likely to come primarily from businesses in the Financial Investment Activities sector with some growth also in Professional, Scientific, and Technical Services and Real Estate and Rental and Leasing.

Introduction

The following market analysis describes the current and future demand for housing, retail, industrial and commercial uses in the Northshire Study Area (including the Town of Manchester, Village of Manchester, and the Town of Dorset). The relevant geographies that were analyzed are described in each of the three market analysis sections.

The market analysis consists of the following sections:

- Retail Market Analysis
- Residential Market Analysis
- Commercial/Industrial Market Analysis

Data Sources

Much of the data in this report were purchased from ESRI Business Analyst Online (ESRI) and Economic Modeling Specialists Intl. (EMSI). ESRI's base data is the 2000 and 2010 Census. It uses proprietary statistical models and updated data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to project current statistics and future trends. ESRI data is often used for economic development, marketing, site selection, and strategic decision making. For more information, visit www.esri.com.

EMSI data are compiled from several sources, including the U.S. Census Bureau and U.S. Departments of Health and Labor, using specialized proprietary processes and models to estimate current statistics and predict future trends. Visit www.economicmodeling.com for additional information.

In addition to gathering statistical data, Camoin Associates spoke with local business owners, economic development officials, local realtors, and other stakeholders to gain information on the trends occurring within the region.

Retail Market Analysis

Takeaway Findings

- The Study Area (Town of Manchester, Village of Manchester, and Town of Dorset) and the Regional Trade Area (60-minute drive time from the Study Area) are experiencing sales leakage in several retail sectors, which means that for those types of retail residents are leaving the area to purchase goods and services.
- Opportunities exist for the Northshire Study Area to recapture some of those sales in appropriate retail sectors. These include general merchandise stores; food and drinking establishments; clothing stores; and sporting goods, hobby, book and music stores.¹
- There is potential for the Study Area to absorb nearly 70,000 square feet of retail development based on recapturing a portion of the leakage from both the Study Area and Regional Trade Area.
- The Northshire Study Area has a number of sectors performing exceptionally well. There is a concentrated cluster of Clothing Stores; Book, Periodical & Music Stores; and Special Food Services.
- Much of the retail is geared towards the tourist market as evidenced by the numerous high-end outlet locations. Interviews with local stakeholders found that the Study Area lacks retail geared towards residents including home goods, men's clothing, and youth-oriented retail.
- New national chains may be attracted to the area due to new national-brand hotel development and the anticipated arrival of Starbucks, which may act as an attractor of other chains.
- Research on the topic of retail trends in the United States suggests that there will be more use of shopping areas 24/7 – increased usage beyond traditional retail to include amenities, wireless, fitness and entertainment, food and restaurants, medical facilities.

Introduction

The following Retail Market Analysis provides a brief overview of the existing retail sales in the Study Area and the Regional Retail Trade Area (defined as a 60-minute drive time from the center of the Study Area). The goal of the retail market analysis is to look at the supply and demand for goods and services within the region. The market analysis outlines consumer spending habits with the region, estimates retail demand, identifies household characteristics of potential consumers, and can help areas identify business opportunities or niche markets that are not being met by the current market.

¹ Note that the “sporting goods, hobby, book and music stores” sector, while showing additional opportunity to capture sales, is currently performing well in the Study Area.

Northshire Study Area

A focus on what is occurring within the boundaries of the Study Area provides insight into the overall health of the economy and what factors are driving business decisions in and around the three communities. Analysis of a trade area at this scale can help identify whether demands of resident consumers are being met by existing businesses.

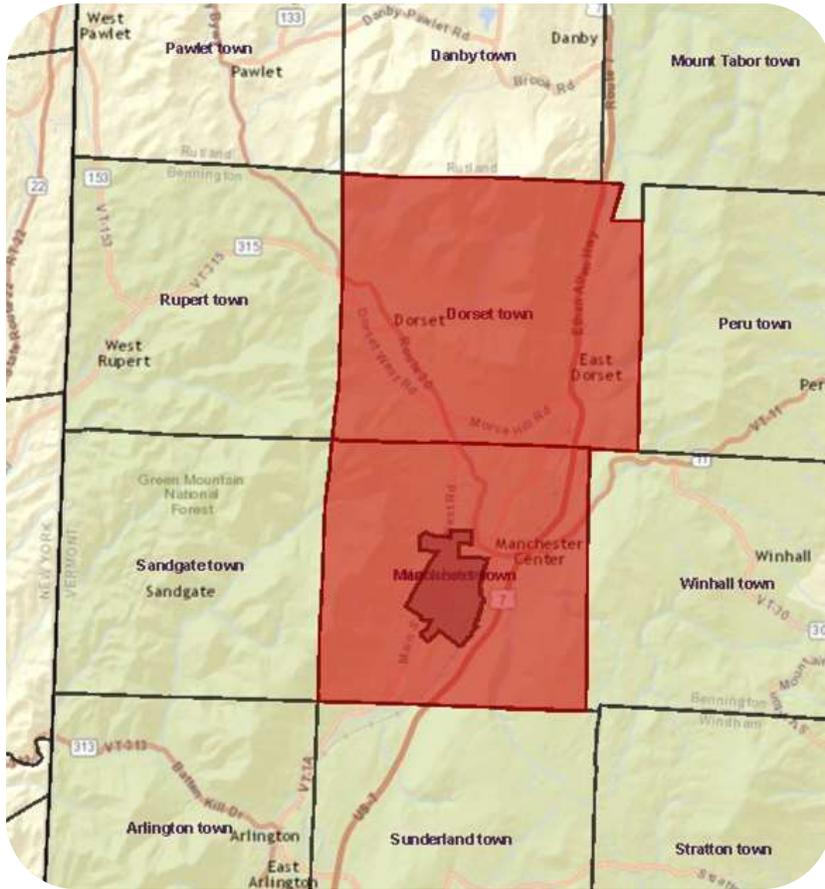


Figure 1. Northshire Study Area

Regional Trade Area

The Regional Trade Area is defined as a 60-minute drive time from the commercial center of the Study Area. It is important to consider this greater regional footprint because a significant amount of spending in the Study Area comes from residents living outside of the Study Area boundaries. That is, the Study Area is a regional shopping destination. This means there may be opportunities for retail offerings in the Study Area that meet regional needs.

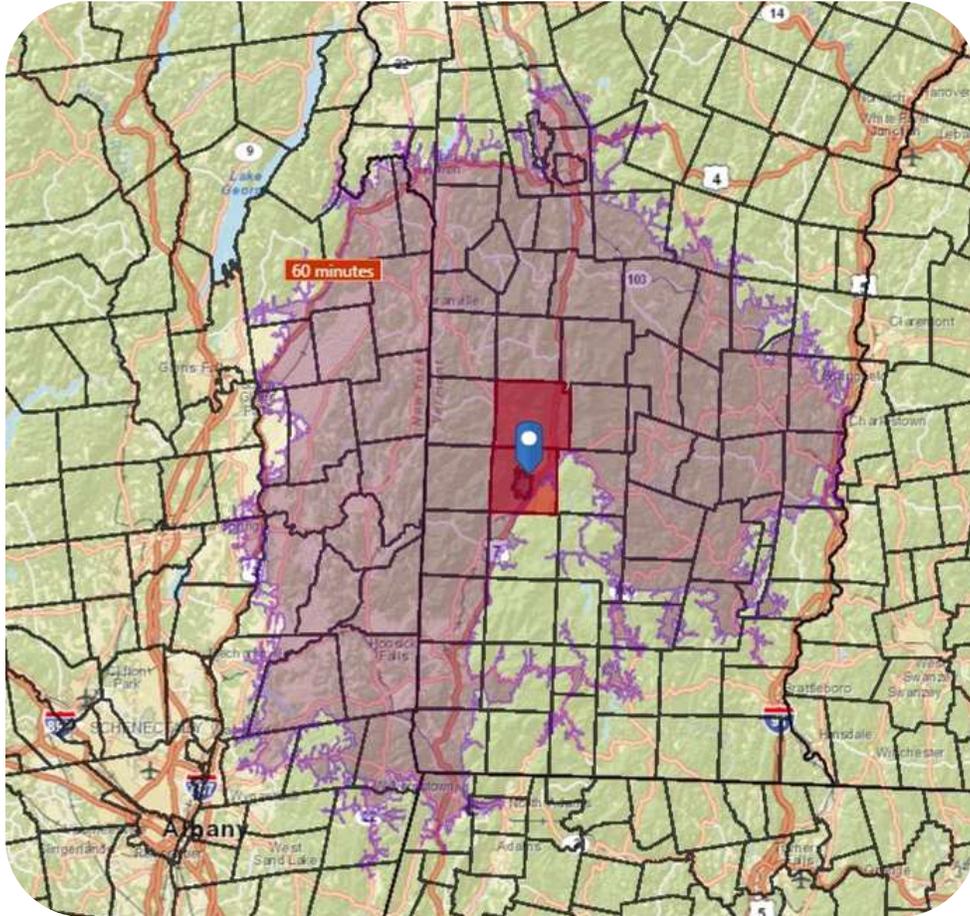


Figure 2. Regional Trade Area extending into New York's Washington and Rensselaer Counties, into the northwest corner of Massachusetts, and eastward to I-91.

Retail Leakage/Surplus

The following table shows existing retail sales (“supply”) in the Study Area compared to retail potential (“demand”). The difference between the retail sales demand and supply is referred to as the retail gap.

The demand for goods and services that is not being met locally is referred to as sales leakage, shown in the following table as a positive retail gap. The leakage occurs because consumers make purchases at establishments located outside the defined trade area. For example, there was approximately \$360,000 in retail sales in the ‘Shoe Stores’ category in the Study Area. However, residents of the Study Area spend approximately \$1.2 million on these goods. Therefore, residents spent about \$820,000 outside of the Study Area on shoes; this amount is considered sales leakage.

Sales leakage is normally viewed as an opportunity to capture unmet demand in a trade area by opening new or expanding existing businesses. However, not all retail categories that exhibit leakage within a particular trade area are a good fit for that region. The retail categories experiencing the greatest leakage from the Study Area include:

- General Merchandise Stores
- Department Stores
- Other General Merchandise Stores
- Motor Vehicle & Parts Dealers
- Food Services & Drinking Places
- Limited-Service Eating Places

The retail potential for additional stores within the Study Area is analyzed later in this report and identifies which retail categories have enough sales leakage to potentially support additional retail establishments.

Conversely to retail leakage, if the supply of goods sold exceeds trade area demand, it is assumed that non-residents are coming into the trade area to spend money, creating a sales surplus. A sales surplus is shown as a negative retail gap in the following table. There are two likely reasons a sales surplus condition typically exists. First, a cluster of competing businesses offering a similar good or product may be located within the trade area, creating a specialty cluster that draws in spending by households from outside the trade area. Second, a sales surplus may indicate a saturated retail market, where supply exceeds demand.

The data show numerous retail categories with a sales surplus within the Study Area, indicating that many people travel to the Study Area for its retail offerings. This is expected given the strong tourism market and abundant retail offerings available in the Study Area.

Retail categories with leakage can be good markets to pursue because residents are currently going outside of the trade area to make purchases. A new business or an expansion by an existing business could potentially capture some of the spending by those residents. Alternatively, a retail sector with a surplus could indicate a niche market that the area could build on and create an identity around.

The table below shows the estimated annual spending by Study Area residents in each industry (the “Demand” column). The “Supply” column indicates the actual sales in those industries that occur within the Study Area. As discussed above, a positive retail gap (demand – supply) represented in green, indicates sales leakage outside of the Study Area and an opportunity to recapture a portion of those sales. A negative retail gap, indicated in red, means that sales are higher than what is generated by local demand because people outside of the Study Area are visiting to shop in those categories.

| Study Area Retail Surplus and Leakage | | | | |
|---|------------------------------|--------------------------|---------------|-------------------------|
| Industry Group | Demand (Retail Potential) | Supply (Retail Sales) | Retail Gap | Number of Businesses |
| Motor Vehicle & Parts Dealers | \$22,738,531 | \$20,099,831 | \$2,638,700 | 5 |
| Automobile Dealers | \$19,237,927 | \$17,937,336 | \$1,300,591 | 2 |
| Other Motor Vehicle Dealers | \$1,563,550 | \$979,058 | \$584,492 | 1 |
| Auto Parts, Accessories & Tire Stores | \$1,937,054 | \$1,183,437 | \$753,617 | 2 |
| Furniture & Home Furnishings Stores | \$3,173,506 | \$3,197,889 | -\$24,383 | 13 |
| Furniture Stores | \$1,396,470 | \$2,084,369 | -\$687,899 | 6 |
| Home Furnishings Stores | \$1,777,036 | \$1,113,520 | \$663,516 | 7 |
| Electronics & Appliance Stores | \$2,852,302 | \$4,561,606 | -\$1,709,304 | 7 |
| Bldg Materials, Garden Equip. & Supply Stores | \$4,913,602 | \$4,921,897 | -\$8,295 | 11 |
| Bldg Material & Supplies Dealers | \$3,365,436 | \$2,141,543 | \$1,223,893 | 9 |
| Lawn & Garden Equip & Supply Stores | \$1,548,166 | \$2,780,354 | -\$1,232,188 | 2 |
| Food & Beverage Stores | \$20,524,685 | \$47,273,383 | -\$26,748,698 | 15 |
| Grocery Stores | \$19,383,860 | \$43,779,318 | -\$24,395,458 | 10 |
| Specialty Food Stores | \$500,860 | \$856,918 | -\$356,058 | 3 |
| Beer, Wine & Liquor Stores | \$639,965 | \$2,637,147 | -\$1,997,182 | 2 |
| Health & Personal Care Stores | \$9,174,444 | \$7,774,981 | \$1,399,463 | 8 |
| Gasoline Stations | \$11,962,824 | \$51,726,327 | -\$39,763,503 | 2 |
| Clothing & Clothing Accessories Stores | \$8,920,156 | \$31,687,623 | -\$22,767,467 | 26 |
| Clothing Stores | \$6,673,200 | \$28,169,772 | -\$21,496,572 | 19 |
| Shoe Stores | \$1,182,230 | \$361,435 | \$820,795 | 1 |
| Jewelry, Luggage & Leather Goods Stores | \$1,064,726 | \$3,156,416 | -\$2,091,690 | 6 |
| Sporting Goods, Hobby, Book & Music Stores | \$3,434,584 | \$4,406,483 | -\$971,899 | 10 |
| Sporting Goods/Hobby/Musical Instr Stores | \$2,838,898 | \$2,128,241 | \$710,657 | 9 |
| Book, Periodical & Music Stores | \$595,686 | \$2,278,242 | -\$1,682,556 | 1 |
| General Merchandise Stores | \$9,982,541 | \$976,048 | \$9,006,493 | 6 |
| Department Stores Excluding Leased Depts. | \$4,855,412 | \$257,734 | \$4,597,678 | 2 |
| Other General Merchandise Stores | \$5,127,129 | \$718,314 | \$4,408,815 | 4 |
| Miscellaneous Store Retailers | \$2,831,628 | \$4,658,724 | -\$1,827,096 | 29 |
| Florists | \$157,352 | \$243,677 | -\$86,325 | 2 |
| Office Supplies, Stationery & Gift Stores | \$1,036,564 | \$1,438,473 | -\$401,909 | 6 |
| Used Merchandise Stores | \$487,895 | \$568,505 | -\$80,610 | 6 |
| Other Miscellaneous Store Retailers | \$1,149,817 | \$2,408,069 | -\$1,258,252 | 15 |
| Nonstore Retailers | \$9,268,668 | \$34,173,043 | -\$24,904,375 | 6 |
| Electronic Shopping & Mail-Order Houses | \$6,601,874 | \$10,224,446 | -\$3,622,572 | 2 |
| Vending Machine Operators | \$200,303 | \$0 | \$200,303 | 0 |
| Direct Selling Establishments | \$2,466,491 | \$23,948,597 | -\$21,482,106 | 4 |
| Food Services & Drinking Places | \$11,749,987 | \$9,136,755 | \$2,613,232 | 15 |
| Full-Service Restaurants | \$6,749,245 | \$5,459,183 | \$1,290,062 | 8 |
| Limited-Service Eating Places | \$4,268,929 | \$2,376,139 | \$1,892,790 | 3 |
| Special Food Services | \$423,876 | \$1,121,948 | -\$698,072 | 3 |
| Drinking Places - Alcoholic Beverages | \$307,937 | \$179,485 | \$128,452 | 1 |

Green = Residents of Northshire are meeting shopping needs outside of the Study Area

Red = Businesses are being patronized from people living outside the Study Area

Source: ESRI

Retail Use Feasibility

Although the table in the previous section identifies a number of industry sectors that are experiencing leakage, it does not necessarily mean that new businesses locating in the area would be successful. The following section identifies which of the industries with leakage may have enough sales to warrant opening a new store or expanding existing stores. This analysis will help the region to target businesses that will be successful in capturing a large enough portion of the current sales leakage to be profitable. The analysis assumes that 25% of the existing leakage in each category can potentially be recaptured by new businesses. The actual recapture rate for each category will vary and depends on existing amenities, commuting patterns, price competitiveness of online offerings and consumer affinity towards certain stores or brands. Online shopping especially has made some categories more prone to sales competition, such as electronics, making leakage more prevalent and harder to capture with a brick and mortar retail model.

The table below identifies the industry groups that are experiencing sales leakage from the Study Area and the number of new businesses that could be theoretically supported in each category if 25% of the sales leakage is recaptured and the new businesses have similar annual sales as the State of Vermont average for stores in each category.

| Study Area Retail Leakage and Recapture Potential: Industry Groups | | | | |
|--|--------------------|--------------------|---------------------|--------------------------------|
| Industry Group | Retail Gap | 25% Recapture Rate | Average Sales in VT | Number of Potential Businesses |
| General Merchandise Stores | \$9,006,493 | \$2,251,623 | \$2,820,132 | 0.8 |
| Motor Vehicle & Parts Dealers | \$2,638,700 | \$659,675 | \$3,142,975 | 0.2 |
| Food Services & Drinking Places | \$2,613,232 | \$653,308 | \$581,557 | 1.1 |
| Health & Personal Care Stores | \$1,399,463 | \$349,866 | \$2,190,220 | 0.2 |

Source: ESRI

Legend:

Retail Gap: Sales leakage in Study Area

25% Recapture Rate: Equals 25% of the Retail Gap

Average Sales in VT: Equals average sales per store of indicated type in Vermont

of Potential Businesses: Potential recapture divided by VT Average Sales

Of the four industry groups with sales leakage, Food Services and Drinking Places has the most potential for new businesses followed by General Merchandise Stores.

Note that the above table shows industry groups, while the following table shows a more detailed breakdown of individual industry sub-categories.

| Study Area Retail Leakage and Recapture Potential: Industry Sub-Categories | | | | |
|--|-------------|--------------------|---------------------|--------------------------------|
| Industry Sub-Category | Retail Gap | 25% Recapture Rate | Average Sales in VT | Number of Potential Businesses |
| Department Stores Excluding Leased Depts. | \$4,597,678 | \$1,149,420 | \$3,731,139 | 0.3 |
| Other General Merchandise Stores | \$4,408,815 | \$1,102,204 | \$2,384,150 | 0.5 |
| Limited-Service Eating Places | \$1,892,790 | \$473,198 | \$666,743 | 0.7 |
| Automobile Dealers | \$1,300,591 | \$325,148 | \$5,973,273 | 0.1 |
| Full-Service Restaurants | \$1,290,062 | \$322,516 | \$694,736 | 0.5 |
| Bldg Material & Supplies Dealers | \$1,223,893 | \$305,973 | \$723,033 | 0.4 |
| Shoe Stores | \$820,795 | \$205,199 | \$924,462 | 0.2 |
| Auto Parts, Accessories & Tire Stores | \$753,617 | \$188,404 | \$867,872 | 0.2 |
| Sporting Goods/Hobby/Musical Instr Stores | \$710,657 | \$177,664 | \$400,560 | 0.4 |
| Home Furnishings Stores | \$663,516 | \$165,879 | \$517,094 | 0.3 |
| Other Motor Vehicle Dealers | \$584,492 | \$146,123 | \$882,815 | 0.2 |
| Vending Machine Operators | \$200,303 | \$50,076 | \$651,267 | 0.1 |
| Drinking Places - Alcoholic Beverages | \$128,452 | \$32,113 | \$127,942 | 0.3 |

Source: ESRI

Legend:

Retail Gap: Sales leakage in Study Area

25% Recapture Rate: Equals 25% of the Retail Gap

Average Sales in VT: Equals average sales per store of indicated type in Vermont

of Potential Businesses: Potential recapture divided by VT Average Sales

Based on the existing sales leakage, industry sub-categories that pose the greatest opportunity for new or expanded businesses in the Study Area include:

- Limited-Service Eating Places
- Full-Service Restaurants
- Other General Merchandise Stores

In general, the Study Area sales leakage analysis shows few strong opportunities for *new* retail establishments with only one retail category (Food Services & Drinking Places) having enough leakage to support a new establishment with sales equal to the statewide average. Where the number of potential businesses is less than 1, there may still be opportunities for existing businesses in those sectors to expand. The Regional Trade Area analysis later in this section shows that the Study Area may be able to support additional new retail establishments based on the analysis of the regional sales leakage.

Consumer Spending Patterns

Expenditures on goods and services are used to evaluate the spending patterns of residents in the Study Area. This section of the report looks at spending by local residents but does not show where these expenditures were made. The analysis presents the purchasing power of the households within the Study Area.

The following table shows spending by Study Area residents on selected retail goods and services. Variables shown include the average annual spending per household on a particular good or service, the Study Area total spending on that good, and the spending potential index (SPI). The SPI represents household expenditures on a product or service relative to a national average of 100. An SPI greater than 100 indicates that on average households within the Study Area spend more on that particular good than the average U.S. household.

A very high SPI can mean a number of things:

- Costs of goods and services within that particular spending category are much higher locally within the trade area than they are nationally
- Residents within a trade area may be wealthier than the national average
- Population characteristics can drive up SPI in certain categories. For example, a trade area with a large retired population will likely spend more on healthcare and Medicare.

The SPI is a good preliminary measure used to identify market characteristics that may necessitate additional attention within an analysis.

The following are the five spending categories with the highest SPI:

- Travel (137)
- Miscellaneous (136)
- Support Payments/Cash Contributions/Gifts (136)
- Life/Other Insurance (134)
- Household Operations (133)

Overall in the Study Area, residents typically spend significantly more on retail items than their national counterparts. The Study Area SPI for retail is 127. Study Area households are spending more than the national average on every type of spending category included in the analysis. As discussed in the following section, the primary reason for the high SPI is because the Study Area households are wealthier relative to national averages.

| Study Area Spending by Category | | | |
|--|------------|------------------------------------|----------------------|
| Category | SPI | Average Amount Spent by Households | Total Amount Spent |
| Travel | 137 | \$2,685 | \$8,607,216 |
| Miscellaneous (1) | 136 | \$1,485 | \$4,761,639 |
| Support Payments/Cash Contribution/Gifts | 136 | \$3,392 | \$10,875,780 |
| Life/Other Insurance | 134 | \$617 | \$1,976,681 |
| Household Operations | 133 | \$2,447 | \$7,844,373 |
| Education | 131 | \$1,993 | \$6,389,479 |
| Alcoholic Beverages | 130 | \$720 | \$2,307,879 |
| Health Care | 130 | \$6,188 | \$19,839,381 |
| Shelter | 129 | \$21,141 | \$67,776,665 |
| Personal Care Products & Services | 129 | \$1,013 | \$3,246,595 |
| Pensions and Social Security | 129 | \$9,130 | \$29,270,724 |
| Entertainment and Recreation | 128 | \$4,249 | \$13,623,246 |
| Total Expenditures | 127 | \$91,181 | \$292,325,602 |
| Housing | 127 | \$27,345 | \$87,666,934 |
| Household Furnishings and Equipment | 127 | \$2,330 | \$7,469,335 |
| Housekeeping Supplies | 125 | \$904 | \$2,897,604 |
| Food Away from Home | 124 | \$4,078 | \$13,073,674 |
| Food | 123 | \$10,451 | \$33,506,747 |
| Utilities, Fuel and Public Services | 123 | \$6,204 | \$19,890,269 |
| Apparel and Services | 123 | \$2,842 | \$9,110,000 |
| Food at Home | 122 | \$6,373 | \$20,433,073 |
| Transportation | 122 | \$12,885 | \$41,307,976 |
| Smoking Products | 109 | \$507 | \$1,624,014 |

Source: ESRI

Market Segmentation

In addition to basic demographic data analysis, another useful tool in determining the characteristics of a particular trade area is market segmentation, which is defined as the classification of consumers according to demographic, socioeconomic, housing, and lifestyle characteristics. Market segmentation is based on the concept that people with similar demographic characteristics, purchasing habits, and media preferences naturally gravitate toward each other and into the communities in which they live. Businesses utilize market segmentation analysis to identify their best markets, measure the potential demand for new products or services, and reach their markets more effectively. Market segmentation data for the Study Area were obtained from ESRI’s ‘Community Tapestry’ segmentation model.

It is important to recognize that the classifications and labels for defined market segments are generalizations. The descriptions of each segment are based on comparisons with the U.S. as a whole and reflect the propensity of households within that segment to exhibit certain demographic, lifestyle, and consumer characteristics relative to the overall population. Nevertheless, market segmentation analysis can provide a useful perspective in understanding existing and potential customers residing within a defined area.

The table below shows the four largest tapestry segmentations as identified by ESRI in the Study Area, followed by a brief description of each segment. As shown, these four tapestry segments make up essentially the entire population of the Study Area, providing a nearly complete window into local consumer characteristics and preferences.

| Study Area Tapestry Segmentation | | |
|----------------------------------|----------------------------------|--------------------------|
| Tapestry Segment | Percent of Study Area Households | Percent of US Households |
| Exurbanites | 34.5% | 2.0% |
| Golden Years | 30.8% | 1.3% |
| In Style | 17.5% | 2.3% |
| The Great Outdoors | 17.1% | 1.6% |

Source: ESRI

The following Tapestry Segment definitions and market profiles are provided by ESRI.

Exurbanites (34.5%): *Exurbanites residents are now approaching retirement but showing few signs of slowing down. They are active in their communities, generous in their donations, and seasoned travelers. They take advantage of their proximity to large metropolitan centers to support the arts, but prefer a more expansive home style in less crowded neighborhoods. They have cultivated a lifestyle that is both affluent and urbane.*

Market Profile:

- Exurbanite residents’ preferred vehicles are late model luxury cars or SUVs.
- They are active supporters of the arts and public television/radio.
- Attentive to ingredients, they prefer natural or organic products.
- Gardening and home improvement are priorities, but they also use a number of services, from home care and maintenance to personal care.
- Financially active with wide-ranging investments, these investors rely on financial planners, extensive reading, and the Internet to handle their money.

Golden Years (30.8%): *Independent, active seniors nearing the end of their careers or already in retirement best describes Golden Years residents. This market is primarily singles living alone or empty nesters. Those still active in the labor force are employed in professional occupations; however, these consumers are actively pursuing a variety of leisure interests—travel, sports, dining out, museums, and concerts. They are involved, focused on physical fitness, and enjoying their lives. This market is smaller, but growing, and financially secure.*

Market Profile:

- Avid readers, they regularly read daily newspapers, particularly the Sunday edition.
- They subscribe to cable TV; news and sports programs are popular as well as on-demand movies.
- They use professional services to maintain their homes inside and out and minimize their chores.
- Leisure time is spent on sports (tennis, golf, boating, and fishing) or simple exercise like walking.
- Good health is a priority; they believe in healthy eating, coupled with vitamins and dietary supplements.
- Active social lives include travel, especially abroad, plus going to concerts and museums.

- Residents maintain actively managed financial portfolios that include a range of instruments such as common stock and certificates of deposit (more than six months).

In Style (17.5%): *In Style denizens embrace an urbane lifestyle that includes support of the arts, travel, and extensive reading. They are connected and make full use of the advantages of mobile devices. Professional couples or single households without children, they have the time to focus on their homes and their interests. The population is slightly older and already planning for their retirement.*

Market Profile:

- Partial to late model SUVs or trucks.
- Homes integral part of their style; invest in home remodeling/maintenance, DIY or contractors; housekeeping hired.
- Prefer organic foods, including growing their own vegetables.
- Financially active, from a variety of investments to home equity lines of credit.
- Meticulous planners, both well insured and well invested in retirement savings.
- Generous with support of various charities and causes.
- Actively support the arts, theater, concerts, and museums.

The Great Outdoors (17.1%): *These neighborhoods are found in pastoral settings throughout the United States. Consumers are educated empty nesters living an active but modest lifestyle. Their focus is land. They are more likely to invest in real estate or a vacation home than stocks. They are active gardeners and partial to homegrown and home-cooked meals. Although retirement beckons, most of these residents still work, with incomes slightly above the U.S. level.*

Market Profile:

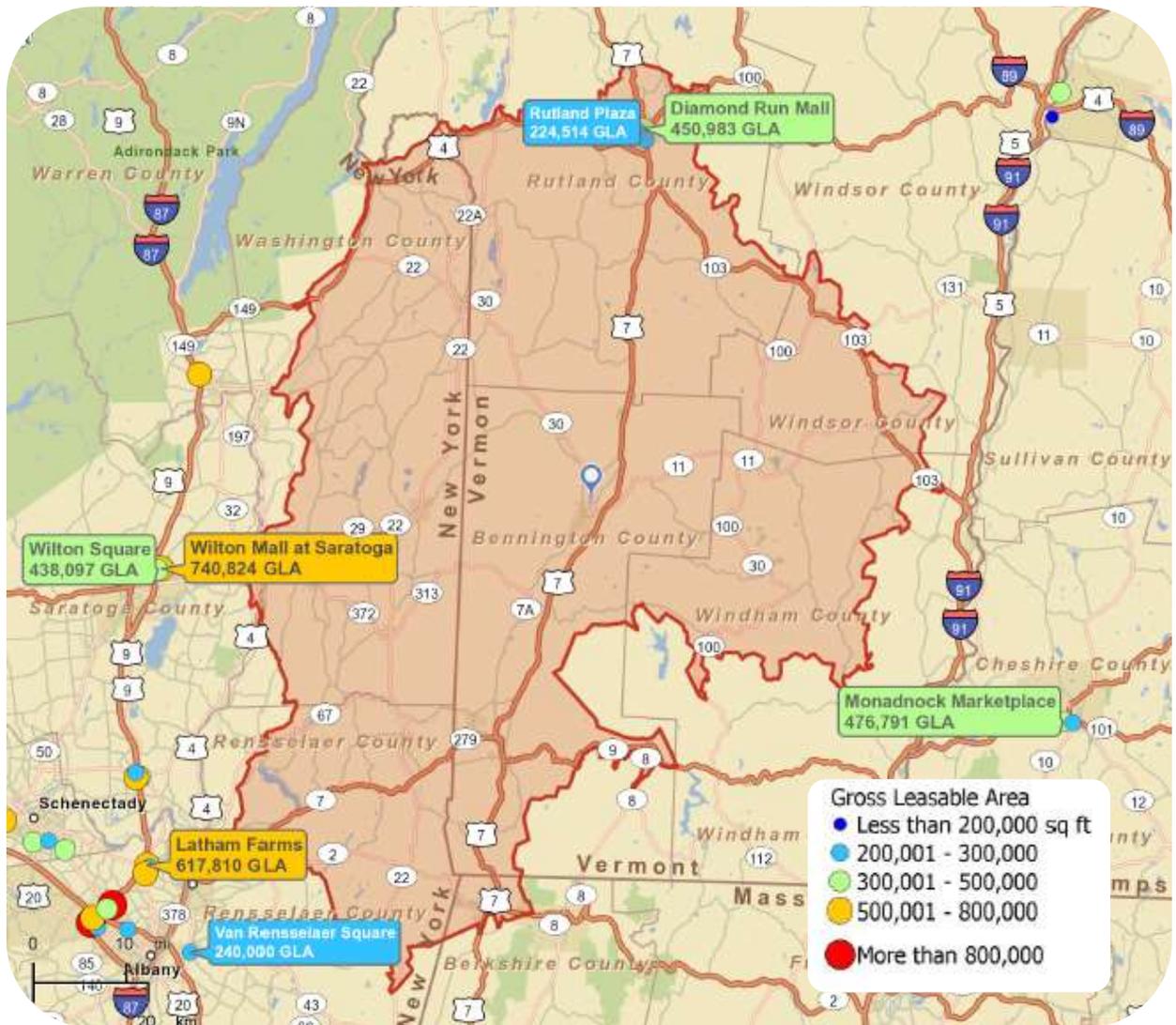
- Satellite dishes and riding lawn mowers are familiar sights in these rural settings, along with multiple vehicles; four-wheel drive trucks are popular, too.
- Residents are members of AARP and veterans' clubs and support various civic causes.
- Technology is not central in their lives: light use of Internet connectivity for shopping and entertainment.
- Most households have pets—dogs or cats.
- Television channels such as CMT, History, and Fox News are popular.
- They enjoy outdoor activities such as hiking, hunting, fishing, and boating

Regional Trade Area

The Regional Trade Area is defined as a 60-minute drive time from the commercial center of the Study Area. It is important to consider this greater regional footprint because a significant amount of spending in the Study Area comes from residents living outside of the Study Area boundaries. That is, the Study Area is a regional shopping destination. This means there may be opportunities for retail offerings in the Study Area that meet regional needs.

Regional Retail Competition

When considering the retail potential for the Study Area it is important to take into account the retail destination centers in the region. The map below shows the major shopping centers in the region. Note that the outlets in Manchester do not show up on the map as a major shopping center in ESRI because they are not all part of the same mall complex. The map shows clearly that the major shopping destinations are at the periphery of the 60-minute drive-time from the center of the Study Area. This means that the Study Area is in a relatively strong competitive position because there are no major shopping centers within a close distance.



Source: ESRI

Retail Share Analysis

The retail share analysis compares the Study Area's retail sales to that of the overall region to identify if there are any underperforming retail sectors or if there are any that are performing well. Underperforming sectors represent potential opportunities for new or expanded businesses (or may highlight a weakness or barrier). Well-performing industries represent an opportunity to build or expand a cluster of related businesses that share a particular customer base or strength.

The Study Area represents 9.3% of all retail sales within the larger regional trade area. Anything well below that mark means the retail sector is lacking in supply. On the other hand, anything well above that mark means that the sector has a concentration within the region and draws spending from throughout the region.

The analysis shows there are a number of sectors performing exceptionally well. Clothing Stores have the greatest concentration representing over 50% of all sales within the larger region. Book, Periodical & Music stores (35.5%), Special Food Services (25.3%) and Jewelry, Luggage & Leather Goods Stores (24.3%) also have a regional concentration in the Study Area. Note that the industry groups and industry sub-categories in the table below are sorted from highest share to least, and as such, industry sub-sectors are not necessarily shown under the proper Industry Group.

| Retail Share Analysis | | | |
|---|----------------------|------------------------|-------------|
| Industry Group | Sales | | Share (%) |
| | Study Area | Region | |
| Clothing Stores | \$28,169,772 | \$53,947,637 | 52.2% |
| Clothing & Clothing Accessories Stores | \$31,687,623 | \$70,701,825 | 44.8% |
| Book, Periodical & Music Stores | \$2,278,242 | \$6,421,351 | 35.5% |
| Special Food Services | \$1,121,948 | \$4,435,570 | 25.3% |
| Jewelry, Luggage & Leather Goods Stores | \$3,156,416 | \$12,989,203 | 24.3% |
| Gasoline Stations | \$51,726,327 | \$268,120,251 | 19.3% |
| Electronics & Appliance Stores | \$4,561,606 | \$26,997,996 | 16.9% |
| Direct Selling Establishments | \$23,948,597 | \$156,468,188 | 15.3% |
| Beer, Wine & Liquor Stores | \$2,637,147 | \$17,696,954 | 14.9% |
| Furniture Stores | \$2,084,369 | \$16,888,150 | 12.3% |
| Specialty Food Stores | \$856,918 | \$7,499,392 | 11.4% |
| Sporting Goods, Hobby, Book & Music Stores | \$4,406,483 | \$40,992,117 | 10.7% |
| Nonstore Retailers | \$34,173,043 | \$337,660,228 | 10.1% |
| Food & Beverage Stores | \$47,273,383 | \$485,085,092 | 9.7% |
| Shoe Stores | \$361,435 | \$3,764,985 | 9.6% |
| Lawn & Garden Equip & Supply Stores | \$2,780,354 | \$29,194,596 | 9.5% |
| Grocery Stores | \$43,779,318 | \$459,888,747 | 9.5% |
| Furniture & Home Furnishings Stores | \$3,197,889 | \$40,450,406 | 7.9% |
| Office Supplies, Stationery & Gift Stores | \$1,438,473 | \$20,386,290 | 7.1% |
| Florists | \$243,677 | \$3,668,865 | 6.6% |
| Sporting Goods/Hobby/Musical Instr Stores | \$2,128,241 | \$34,570,766 | 6.2% |
| Full-Service Restaurants | \$5,459,183 | \$89,311,559 | 6.1% |
| Miscellaneous Store Retailers | \$4,658,724 | \$79,651,957 | 5.8% |
| Food Services & Drinking Places | \$9,136,755 | \$158,672,753 | 5.8% |
| Electronic Shopping & Mail-Order Houses | \$10,224,446 | \$178,076,263 | 5.7% |
| Other Miscellaneous Store Retailers | \$2,408,069 | \$43,425,025 | 5.5% |
| Automobile Dealers | \$17,937,336 | \$334,219,030 | 5.4% |
| Motor Vehicle & Parts Dealers | \$20,099,831 | \$399,498,723 | 5.0% |
| Home Furnishings Stores | \$1,113,520 | \$23,562,256 | 4.7% |
| Used Merchandise Stores | \$568,505 | \$12,171,776 | 4.7% |
| Limited-Service Eating Places | \$2,376,139 | \$57,375,441 | 4.1% |
| Bldg Materials, Garden Equip. & Supply Stores | \$4,921,897 | \$120,345,794 | 4.1% |
| Other Motor Vehicle Dealers | \$979,058 | \$24,993,674 | 3.9% |
| Auto Parts, Accessories & Tire Stores | \$1,183,437 | \$40,286,019 | 2.9% |
| Health & Personal Care Stores | \$7,774,981 | \$265,681,785 | 2.9% |
| Drinking Places - Alcoholic Beverages | \$179,485 | \$7,550,182 | 2.4% |
| Bldg Material & Supplies Dealers | \$2,141,543 | \$91,151,199 | 2.3% |
| Other General Merchandise Stores | \$718,314 | \$34,356,021 | 2.1% |
| General Merchandise Stores | \$976,048 | \$130,814,511 | 0.7% |
| Department Stores Excluding Leased Depts. | \$257,734 | \$96,458,489 | 0.3% |
| Vending Machine Operators | \$0 | \$3,115,778 | 0.0% |
| Total | \$224,594,590 | \$2,424,673,437 | 9.3% |

Retail Leakage/Surplus

The Regional Trade Area retail leakage analysis shows several retail sectors where demand is greater than supply (residents are leaving the region to shop for goods in these categories). The following are the sectors with the largest retail gaps:

- Clothing & Clothing Accessories Stores
- Other General Merchandise Stores
- General Merchandise Stores
- Clothing Stores
- Food Services & Drinking Places

These sectors also had the largest retail gaps in the Study Area with the exception of 'Clothing & Clothing Accessories Stores' and 'Clothing Stores' (a sub-category of former).

The leakage analysis also shows the regional retail sectors in the region where residents from outside of the region are spending their money. The most significant of these are:

- Non-store Retailers
- Grocery Stores
- Direct Selling Establishments
- Food & Beverage Stores
- Health & Personal Care Stores

| Regional Trade Area Retail Surplus and Leakage | | | | |
|--|------------------------------|--------------------------|----------------|-------------------------|
| Industry Group | Demand (Retail Potential) | Supply (Retail Sales) | Retail Gap | Number of Businesses |
| Motor Vehicle & Parts Dealers | \$410,043,790 | \$399,498,723 | \$10,545,067 | 150 |
| Automobile Dealers | \$354,390,476 | \$334,219,030 | \$20,171,446 | 71 |
| Other Motor Vehicle Dealers | \$26,195,050 | \$24,993,674 | \$1,201,376 | 36 |
| Auto Parts, Accessories & Tire Stores | \$29,458,264 | \$40,286,019 | -\$10,827,755 | 44 |
| Furniture & Home Furnishings Stores | \$50,378,183 | \$40,450,406 | \$9,927,777 | 99 |
| Furniture Stores | \$23,324,773 | \$16,888,150 | \$6,436,623 | 39 |
| Home Furnishings Stores | \$27,053,410 | \$23,562,256 | \$3,491,154 | 60 |
| Electronics & Appliance Stores | \$54,480,615 | \$26,997,996 | \$27,482,619 | 61 |
| Bldg Materials, Garden Equip. & Supply Stores | \$75,053,136 | \$120,345,794 | -\$45,292,658 | 147 |
| Bldg Material & Supplies Dealers | \$53,190,961 | \$91,151,199 | -\$37,960,238 | 119 |
| Lawn & Garden Equip & Supply Stores | \$21,862,175 | \$29,194,596 | -\$7,332,421 | 27 |
| Food & Beverage Stores | \$372,130,785 | \$485,085,092 | -\$112,954,307 | 239 |
| Grocery Stores | \$341,270,878 | \$459,888,747 | -\$118,617,869 | 161 |
| Specialty Food Stores | \$12,411,189 | \$7,499,392 | \$4,911,797 | 58 |
| Beer, Wine & Liquor Stores | \$18,448,718 | \$17,696,954 | \$751,764 | 20 |
| Health & Personal Care Stores | \$164,945,327 | \$265,681,785 | -\$100,736,458 | 90 |
| Gasoline Stations | \$206,692,606 | \$268,120,251 | -\$61,427,645 | 52 |
| Clothing & Clothing Accessories Stores | \$144,980,730 | \$70,701,825 | \$74,278,905 | 123 |
| Clothing Stores | \$108,201,437 | \$53,947,637 | \$54,253,800 | 83 |
| Shoe Stores | \$19,903,047 | \$3,764,985 | \$16,138,062 | 9 |
| Jewelry, Luggage & Leather Goods Stores | \$16,876,246 | \$12,989,203 | \$3,887,043 | 31 |
| Sporting Goods, Hobby, Book & Music Stores | \$54,163,029 | \$40,992,117 | \$13,170,912 | 167 |
| Sporting Goods/Hobby/Musical Instr Stores | \$45,708,902 | \$34,570,766 | \$11,138,136 | 137 |
| Book, Periodical & Music Stores | \$8,454,127 | \$6,421,351 | \$2,032,776 | 30 |
| General Merchandise Stores | \$190,625,905 | \$130,814,511 | \$59,811,394 | 75 |
| Department Stores Excluding Leased Depts. | \$86,447,249 | \$96,458,489 | -\$10,011,240 | 30 |
| Other General Merchandise Stores | \$104,178,656 | \$34,356,021 | \$69,822,635 | 45 |
| Miscellaneous Store Retailers | \$54,162,660 | \$79,651,957 | -\$25,489,297 | 375 |
| Florists | \$3,450,692 | \$3,668,865 | -\$218,173 | 36 |
| Office Supplies, Stationery & Gift Stores | \$15,991,384 | \$20,386,290 | -\$4,394,906 | 75 |
| Used Merchandise Stores | \$7,630,110 | \$12,171,776 | -\$4,541,666 | 92 |
| Other Miscellaneous Store Retailers | \$27,090,474 | \$43,425,025 | -\$16,334,551 | 172 |
| Nonstore Retailers | \$185,840,963 | \$337,660,228 | -\$151,819,265 | 95 |
| Electronic Shopping & Mail-Order Houses | \$140,670,832 | \$178,076,263 | -\$37,405,431 | 19 |
| Vending Machine Operators | \$3,589,529 | \$3,115,778 | \$473,751 | 7 |
| Direct Selling Establishments | \$41,580,602 | \$156,468,188 | -\$114,887,586 | 68 |
| Food Services & Drinking Places | \$200,615,740 | \$158,672,753 | \$41,942,987 | 312 |
| Full-Service Restaurants | \$109,540,330 | \$89,311,559 | \$20,228,771 | 141 |
| Limited-Service Eating Places | \$75,084,334 | \$57,375,441 | \$17,708,893 | 102 |
| Special Food Services | \$10,300,730 | \$4,435,570 | \$5,865,160 | 16 |
| Drinking Places - Alcoholic Beverages | \$5,690,346 | \$7,550,182 | -\$1,859,836 | 53 |

Green = Residents of Northshire are meeting shopping needs outside of the Regional Trade Area

Red = Businesses are being patronized from people living outside the Regional Trade Area

Source: ESRI

Retail Use Feasibility

Similar to the Study Area analysis, this section identifies which of the industries with leakage in the Regional Trade Area may have enough sales to warrant opening a new store or expanding existing stores. The table below shows the detailed breakdown of regional retail opportunities. The retail capture rate is 5% for the region compared to 25% for the study area. This reflects the fact that it is more difficult to capture leakage out of the region in the Study Area because there is more competition for retail spending on a regional-scale.

The table shows the Industry Groups with leakage, the amount of that leakage that could be recaptured in the Study Area, and the number of potential new businesses that could be supported. The Industry Groups with the greatest potential to support new or expanded businesses are²:

- Clothing & Clothing Accessories Stores
- Food Services & Drinking Places
- Sporting Goods, Hobby, Book & Music Stores

| Regional Trade Area Retail Opportunities: Industry Groups | | | | |
|---|--------------|---------------------|-------------------|--------------------------------|
| Industry Group | Retail Gap | Average Sales in VT | 5% Recapture Rate | Number of Potential Businesses |
| Clothing & Clothing Accessories Stores | \$74,278,905 | \$858,198 | \$3,713,945 | 4.3 |
| General Merchandise Stores | \$59,811,394 | \$2,820,132 | \$2,990,570 | 1.1 |
| Food Services & Drinking Places | \$41,942,987 | \$581,557 | \$2,097,149 | 3.6 |
| Electronics & Appliance Stores | \$27,482,619 | \$630,928 | \$1,374,131 | 2.2 |
| Sporting Goods, Hobby, Book & Music Stores | \$13,170,912 | \$400,560 | \$658,546 | 1.6 |
| Motor Vehicle & Parts Dealers | \$10,545,067 | \$3,142,975 | \$527,253 | 0.2 |
| Furniture & Home Furnishings Stores | \$9,927,777 | \$578,447 | \$496,389 | 0.9 |

Source: ESRI

Legend:

Retail Gap: Sales leakage in the Regional Trade Area by industry group

5% Recapture Rate: Equals 5% of the Retail Gap

Average Sales in VT: Equals average sales per store of indicated type in Vermont

of Potential Businesses: Potential recapture divided by VT Average Sales

The following table shows a similar analysis for industry sub-categories, which are more specific than the industry groups above. The specific industry sub-categories with the greatest potential include:

- Clothing Stores
- Other General Merchandise Stores
- Specialty Food Stores
- Full-Service Restaurants
- Limited-Service Eating Places

² Electronics and Appliance Stores show retail potential in the data analysis, however, it is very difficult to capture these sales through new brick and mortar retail locations. It is very difficult for Electronics stores to compete with online offerings and Appliance stores require high volumes that would be difficult to achieve in a more rural setting such as Manchester.

| Regional Trade Area Retail Opportunities: Industry Sub-Category | | | | |
|---|--------------|---------------------|-------------------|--------------------------------|
| Industry Group | Retail Gap | Average Sales in VT | 5% Recapture Rate | Number of Potential Businesses |
| Other General Merchandise Stores | \$69,822,635 | \$2,384,150 | \$3,491,132 | 1.5 |
| Clothing Stores | \$54,253,800 | \$954,305 | \$2,712,690 | 2.8 |
| Full-Service Restaurants | \$20,228,771 | \$694,736 | \$1,011,439 | 1.5 |
| Automobile Dealers | \$20,171,446 | \$5,973,273 | \$1,008,572 | 0.2 |
| Limited-Service Eating Places | \$17,708,893 | \$666,743 | \$885,445 | 1.3 |
| Shoe Stores | \$16,138,062 | \$924,462 | \$806,903 | 0.9 |
| Sporting Goods/Hobby/Musical Instr Stores | \$11,138,136 | \$403,485 | \$556,907 | 1.4 |
| Furniture Stores | \$6,436,623 | \$656,650 | \$321,831 | 0.5 |
| Special Food Services | \$5,865,160 | \$360,639 | \$293,258 | 0.8 |
| Specialty Food Stores | \$4,911,797 | \$179,530 | \$245,590 | 1.4 |
| Jewelry, Luggage & Leather Goods Stores | \$3,887,043 | \$492,904 | \$194,352 | 0.4 |
| Home Furnishings Stores | \$3,491,154 | \$517,094 | \$174,558 | 0.3 |
| Book, Periodical & Music Stores | \$2,032,776 | \$388,322 | \$101,639 | 0.3 |
| Other Motor Vehicle Dealers | \$1,201,376 | \$882,815 | \$60,069 | 0.1 |
| Beer, Wine & Liquor Stores | \$751,764 | \$985,601 | \$37,588 | 0.0 |
| Vending Machine Operators | \$473,751 | \$651,267 | \$23,688 | 0.0 |

Source: ESRI

Legend:

Retail Gap: Sales leakage in the Regional Trade Area by industry sub-category

5% Recapture Rate: Equals 5% of the Retail Gap

Average Sales in VT: Equals average sales per store of indicated type in Vermont

of Potential Businesses: Potential recapture divided by VT Average Sales

| Regional Trade Area Retail Opportunities: Industry Sub-Category | | | | |
|---|--------------|---------------------|-------------------|--------------------------------|
| Industry Group | Retail Gap | Average Sales in VT | 5% Recapture Rate | Number of Potential Businesses |
| Other General Merchandise Stores | \$69,822,635 | \$2,384,150 | \$3,491,132 | 1 |
| Clothing Stores | \$54,253,800 | \$954,305 | \$2,712,690 | 3 |
| Full-Service Restaurants | \$20,228,771 | \$694,736 | \$1,011,439 | 1 |
| Automobile Dealers | \$20,171,446 | \$5,973,273 | \$1,008,572 | 0 |
| Limited-Service Eating Places | \$17,708,893 | \$666,743 | \$885,445 | 1 |
| Shoe Stores | \$16,138,062 | \$924,462 | \$806,903 | 1 |
| Sporting Goods/Hobby/Musical Instr Stores | \$11,138,136 | \$403,485 | \$556,907 | 1 |
| Furniture Stores | \$6,436,623 | \$656,650 | \$321,831 | 0 |
| Special Food Services | \$5,865,160 | \$360,639 | \$293,258 | 1 |
| Specialty Food Stores | \$4,911,797 | \$179,530 | \$245,590 | 1 |
| Jewelry, Luggage & Leather Goods Stores | \$3,887,043 | \$492,904 | \$194,352 | 0 |
| Home Furnishings Stores | \$3,491,154 | \$517,094 | \$174,558 | 0 |
| Book, Periodical & Music Stores | \$2,032,776 | \$388,322 | \$101,639 | 0 |
| Other Motor Vehicle Dealers | \$1,201,376 | \$882,815 | \$60,069 | 0 |
| Beer, Wine & Liquor Stores | \$751,764 | \$985,601 | \$37,588 | 0 |
| Vending Machine Operators | \$473,751 | \$651,267 | \$23,688 | 0 |

Source: ESRI

Legend:

Retail Gap: Sales leakage in the Regional Trade Area by industry sub-category

5% Recapture Rate: Equals 5% of the Retail Gap

Average Sales in VT: Equals average sales per store of indicated type in Vermont

of Potential Businesses: Potential recapture divided by VT Average Sales

Study Area Retail Development Potential

Another way of looking at retail potential in the Study Area is to estimate the potential in terms of square feet – either of new building or expansion of existing. The following tables shows the potential capture of the Study Area leakage and Regional leakage. Potential recapture includes the local leakage and regional leakage because there is both an opportunity to capture leakage from the study area captured in the region, and to capture leakage from the region currently being captured outside of the region.

The development potential is calculated based on standard sales per square foot for the different retail sectors. The analysis shows that about 70,000 square feet of retail development is feasible within the Study Area. “Other General Merchandise Stores” comprise the largest proportion of this potential (nearly half) followed by “Limited-Service Eating Places,” “Full-Service Restaurants,” and “Shoe Stores.”

| Study Area Retail Leakage Recapture and Development Potential | | | | | |
|---|---------------------------|------------------------|-------------------|-----------------------|-------------------------------------|
| Select Retail Categories | 25% of Study Area Leakage | 5% of Regional Leakage | Potential Capture | Sales per Square Foot | Development Potential (Square Feet) |
| Furniture Stores | \$ (171,975) | \$ 321,831 | \$ 149,856 | \$146 | 1,025 |
| Home Furnishings Stores | \$ 165,879 | \$ 174,558 | \$ 340,437 | \$173 | 1,968 |
| Electronics & Appliance Stores | \$ (427,326) | \$ 1,374,131 | \$ 946,805 | \$233 | 4,058 |
| Shoe Stores | \$ 205,199 | \$ 806,903 | \$ 1,012,102 | \$164 | 6,181 |
| Sporting Goods/Hobby/Musical Instr Stores | \$ 177,664 | \$ 556,907 | \$ 734,571 | \$158 | 4,643 |
| Department Stores Excluding Leased Depts. | \$ 1,149,420 | \$ (500,562) | \$ 648,858 | \$138 | 4,700 |
| Other General Merchandise Stores | \$ 1,102,204 | \$ 3,491,132 | \$ 4,593,336 | \$138 | 33,273 |
| Full-Service Restaurants | \$ 322,516 | \$ 1,011,439 | \$ 1,333,954 | \$208 | 6,417 |
| Limited-Service Eating Places | \$ 473,198 | \$ 885,445 | \$ 1,358,642 | \$208 | 6,536 |
| Special Food Services | \$ (174,518) | \$ 293,258 | \$ 118,740 | \$208 | 571 |
| Total | | | | | 69,372 |

Source: ESRI; ULI, Dollars & Cents of Shopping Centers; Camoin Associates

Housing

Takeaway Findings

The significant findings of the residential market analysis include:

- The housing market is driven by second homeowners, which has increased housing values beyond the reach of most middle-income earners who are unable to afford homes within the Study Area. As such, there is unmet demand for homes in the \$200,000 to \$300,000 price range.
- The market is unable to deliver adequate new single-family housing supply in the sub-\$300,000 price range due to local constraints including land costs, building costs, zoning, and infrastructure availability. The lack of middle-class housing is a hindrance to economic and population growth because of the difficulty in attracting workers and their families.
- Based on an analysis of non-residents that commute to the Study Area, it is expected that there may be demand for between 212 and 424 workforce housing units in the Study Area. While adding this number of units may or may not be feasible or appropriate, this demonstrates that there is strong demand for more middle class housing.
- Although the private market is not delivering “workforce” housing, there may be opportunities for public- and non-profit sector involvement, especially working in partnership with private developers. The Northshire may be able to leverage the expertise and capacity of existing organizations such as Shires Housing, a regional affordable housing corporation.
- The second-home market is showing signs of softening with relatively higher inventory of top tier homes relative to historic levels. There is an expected shift in demand towards smaller homes closer to the center of communities.
- The housing market is strong overall with low vacancy rates, however, there is little new residential development due to both market dynamics and development constraints.
- There will likely be some future demand for rental units from young professionals and some service workers. Increased demand from a younger population would be expected with new amenities and nightlife downtown. Some additional demand may come from empty nesters that would like to be within walking distance of amenities. The market may be constrained by the costs to develop new rental units, which would dictate relatively high rental price points.
- National housing trends are showing that Gen Y and Millennials want to work and live in more urban spaces where there is increased walkability and more non-car oriented options. They want everything nearby. Interestingly, as Baby Boomers age, they also want similar amenities, which can present an opportunity for the Northshire.

Introduction

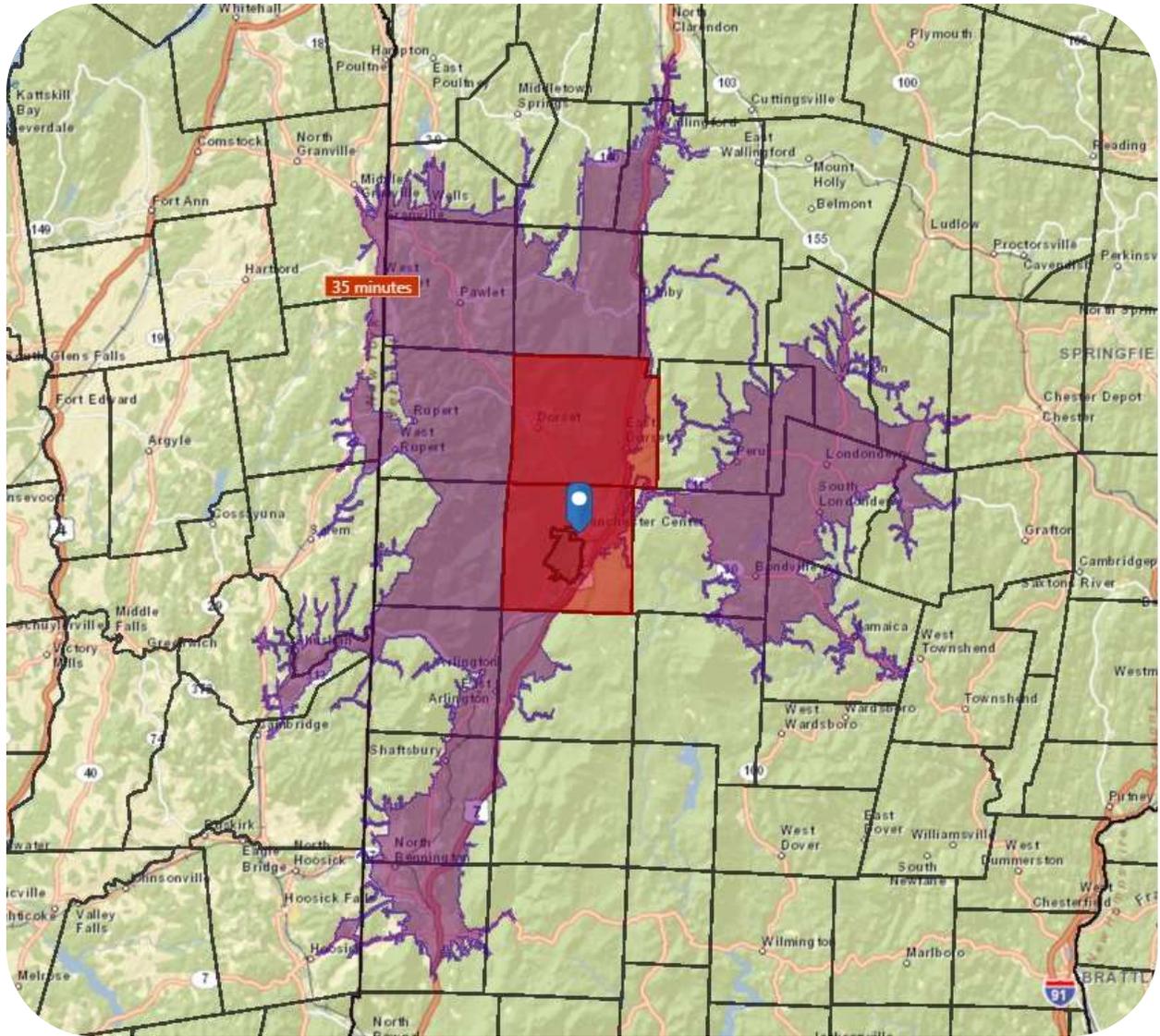
The following Housing Market Analysis provides a brief overview of the existing housing stock and trends in the residential market in the Study Area and in the “Commuter Shed” of the Study Area. The purpose of the housing market analysis is to examine the supply and demand for housing and to identify what the future demand for housing is likely to be.

Study Areas

The residential market analysis considers two study areas:

- **Northshire Study Area** – The three-municipality study area (Town of Manchester, Village of Manchester, and Town of Dorset).
- **Commuter Shed Area** – Census data indicates that the majority of those working in the Study Area live within approximately 35 minutes of the center of the Study Area. Therefore, it is important to consider the housing market within this drive-time radius.

The map below shows the Northshire Study Area in red and grey and the Commuter Shed Area in purple.



Housing Stock Trends & Conditions

Population Growth

The Study Area population experienced very little growth between 2000 and 2010 with a 0.3% average annual increase. That annual rate increased to 1.4% between 2000 and 2015 but is expected to decline to a rate of 0.9% between 2015 and 2020. In general, the Study Area is not expected to experience meaningful population growth in the near future based on current projections.

| Study Area Population Trends | | | | |
|------------------------------|-------|-------|-------|-------|
| | 2000 | 2010 | 2015 | 2020 |
| Population | 6,216 | 6,422 | 6,872 | 7,184 |

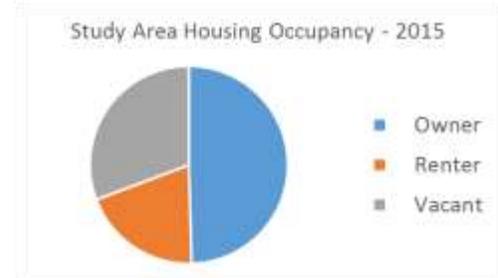
Source: ESRI

Occupancy & Vacancy Rates

The graph below outlines the status and trends of housing units in the Study Area. As of 2015 there are approximately 4,630 total housing units in the Study Area. Nearly 50% of housing units are owner occupied. Renter occupied units make up just under 20% with the remaining 30% of housing units classified as vacant (which includes seasonal and recreational-use properties).

| Study Area Occupancy Trends | | | |
|-----------------------------|-------|-------|-------|
| | 2010 | 2015 | 2020 |
| Total Housing Units | 4,314 | 4,628 | 4,807 |
| Occupied | 2,945 | 3,206 | 3,373 |
| Owner | 2,124 | 2,294 | 2,430 |
| Renter | 821 | 912 | 943 |
| Vacant | 1,369 | 1,422 | 1,434 |

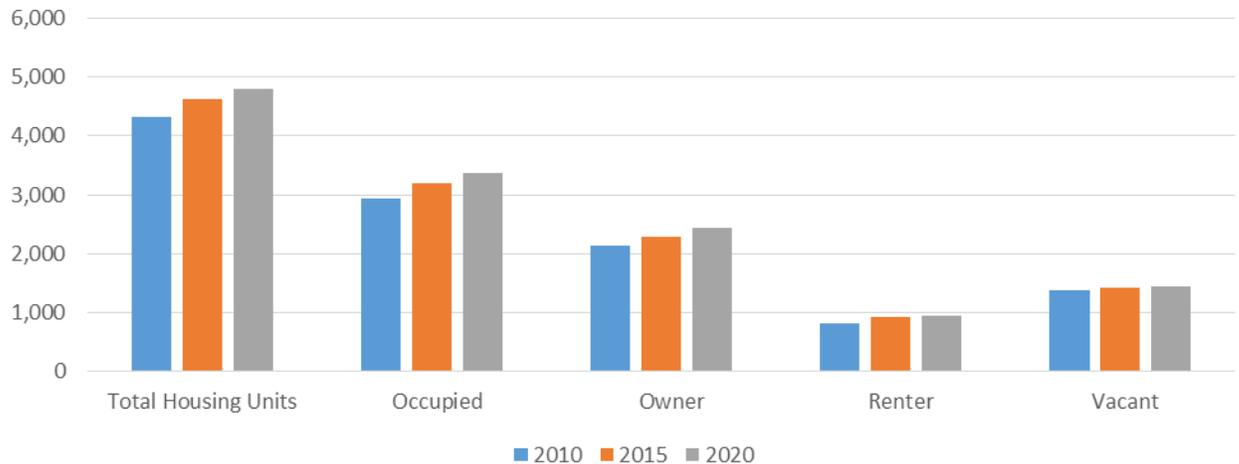
Source: ESRI



The Study Area added 314 housing units between 2010 and 2015, but is projected to add only 179 over the next five years (a 57% rate decrease). The majority of housing units added over the past five years were owner-occupied units (170 units). A net total of 91 rental units and 53 “vacant” units were added during the same period. Looking ahead over the next five years, projections show a net increase of 136 owner-occupied units, 31 rental units, and 12 vacant units. In considering these projections it is important to note that they are largely based on recent trends. This means that the projections are based on the “status quo” and do not necessarily reflect potential changes to supply or demand. That is, projections should not be viewed as limits to growth as adopted strategies may spur demand for housing or increase the supply of housing units to satisfy unmet demand.

Note that, as per the above table, “Occupied” and “Vacant” are subsets of “Total Housing Units.” “Owner” and “Renter” are subsets of “Occupied.”

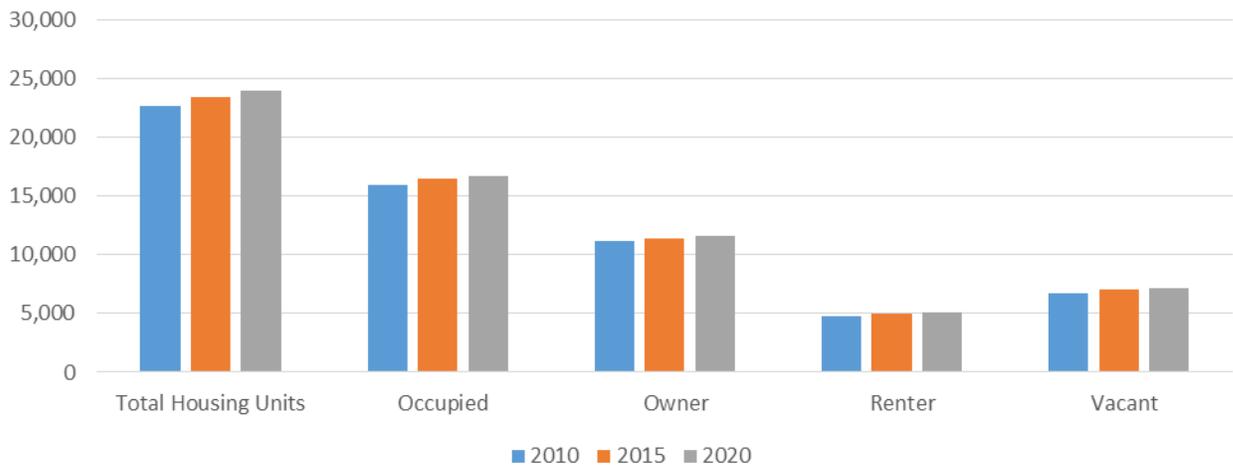
Study Area Housing Occupancy Trends



The graph below outlines the status and trends of housing units in the Commuter Shed, which had a total of 23,400 housing units in 2015. The proportion of owner-occupied, renter-occupied, and vacant housing is very similar to that of the Study Area. The number of total housing units is expected to increase by 2.2% over the next five years compared to a 3.9% increase in the Study Area. The 2.2% growth rate is slower than that of the previous five-year period of 3.5% in the Commuter Shed.

Rental unit growth in the Commuter Shed is anticipated to be about 1.6% (82 new units) compared to the 3.9% growth (31 new units) in the Study Area. Rental unit growth will be slower than owner-occupied (2.1%) and vacant (2.7%) unit growth.

Commuter-Shed Housing Occupancy Trends



Source: ESRI

As discussed previously, “vacant” units comprise a significant portion of the housing stock of both the Study Area (31%) and the Commuter Shed (30%). The table below shows the breakdown of the vacant units in the Study Area, Commuter Shed, and the State of Vermont. The majority (79%) of vacant units in the Study Area are classified as “For Seasonal/Recreational Use.” This reflects the fact that the Northshire Study Area is a prominent second-home location.

| Residential Vacancy Status (2010): Comparison | | | |
|---|------------|---------------|-------|
| | Study Area | Commuter Shed | State |
| Total Vacant | 100% | 100% | 100% |
| For Rent | 6% | 6% | 9% |
| Rented, not Occupied | 1% | 1% | 1% |
| For Sale Only | 5% | 4% | 5% |
| Sold, not Occupied | 1% | 1% | 1% |
| For Seasonal/Recreational Use | 79% | 81% | 76% |
| For Migrant Workers | 0% | 0% | 0% |
| Other Vacant | 9% | 8% | 8% |

Source: ESRI

In 2010, the latest year for which data is available, the rental vacancy rate was 9.8%. Vacancy rates in this range are generally considered to reflect a healthy rental market. Overall, rental units make up only 6% of vacant units in the Study Area.

Age of the Housing Stock

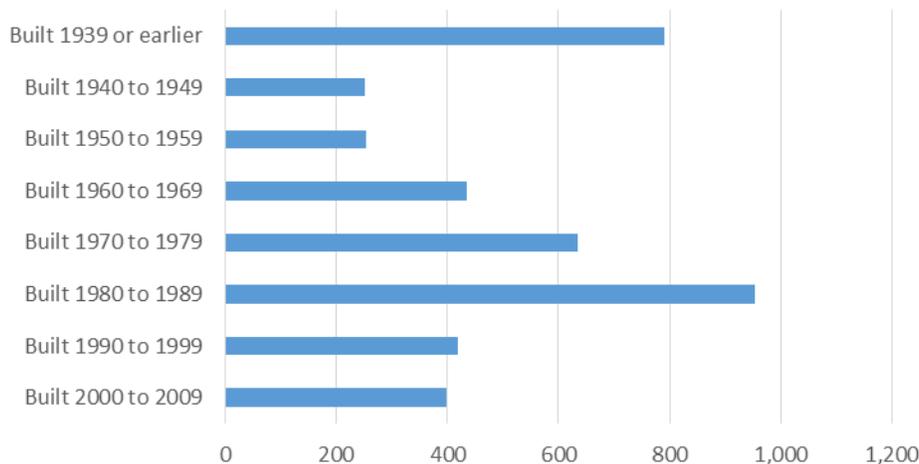
The age of an area’s housing stock is an important indicator because it can provide a high-level estimate of the quality of the housing stock. Although well-maintained older homes can contribute to the preservation of an area’s local history and community character, older houses also tend to be more costly to maintain and have more structural and environmental concerns. As in many communities throughout the Northeast, substandard older housing is often occupied by those residents that are least able to afford the regular maintenance that an older home requires.

In communities and regions such as the Northshire it is important to also consider that well-kept historic homes are prevalent and that the age of the housing stock should be viewed with this in mind and in conjunction with other housing data such as home values and other quality indicators.

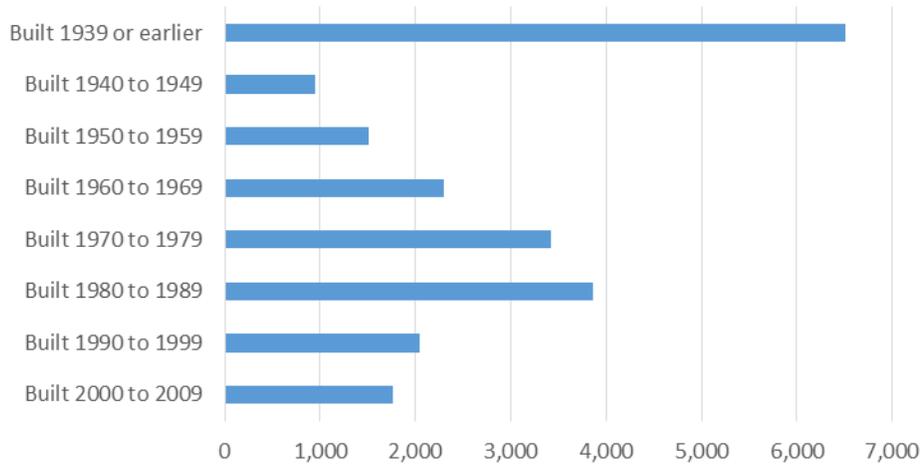
According to data collected from the 2009-2013 American Community Survey, 23% of the Study Area’s housing stock was constructed between 1980 and 1989, the decade that experienced the greatest increase in new housing units. Approximately 19% of the housing stock was built in 1939 or earlier, the second greatest period of housing growth. In the most recent timeframe for which data is available, between 2000 and 2010, about 10% of the area’s housing stock was constructed.

In the Commuter Shed the proportion of homes built before 1939 is significantly larger (29%) indicating an overall older housing stock compared with the Study Area. The median year built for the Commuter Shed is 1970; for the Study Area the median is 1975. The difference is largely attributable to a building boom in the Study Area during the 1980s.

Study Area - Age of Housing Units



Commuter Shed - Age of Housing Units



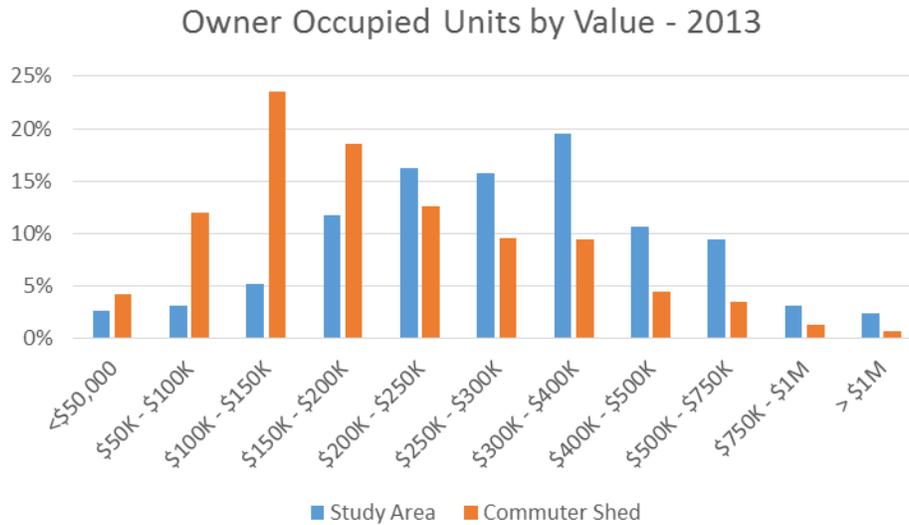
Residential Values

The median value of owner-occupied homes in the Study Area is \$284,500, compared to the Commuter Shed where the median value is a significantly lower \$178,000. Similarly, the average home value in the Study Area (\$342,000) is well above that of the Commuter Shed (\$223,000). This indicates a relatively large concentration of expensive homes within the Study Area. Home values are expected to rise at a faster pace in the Commuter Shed than in the Study Area over the next five years, but the gap in home values between the two geographies will still be significant in 2020.

| Owner-Occupied Home Value Comparison (2013) | | | | | | |
|---|------------|-----------|----------|---------------|-----------|----------|
| | Study Area | | | Commuter Shed | | |
| | 2015 | 2020 | % Change | 2015 | 2020 | % Change |
| Median Value | \$284,488 | \$320,329 | 13% | \$177,724 | \$217,804 | 23% |
| Average Value | \$342,044 | \$402,068 | 18% | 222,773 | \$269,388 | 21% |

Source: ESRI

The following table presents a more detailed look at housing values. The graph shows clearly that there is a high concentration of housing units in the lower value ranges for the Commuter Shed compared to the Study Area, which skews towards the higher end ranges. The range with the greatest proportion of units for the Commuter Shed is the \$100,000 to \$150,000 range (23%); for the Study Area it is the \$300,000 to \$400,000 range (20%).



Source: ESRI

Affordability

Relatively high home values in the Study Area mean that some households will be priced out of the housing market. The following table shows the age and income characteristics of individuals working in the Town of Manchester, which is used as a proxy for the Northshire in this case to understand the characteristics of Northshire workers. The data is divided between jobs in Manchester that are filled by workers living outside of Manchester, and jobs in Manchester that are filled by residents.

The age of workers is skewed younger for jobs filled by outside of workers, while workers living and working in the region tend to be relatively older. That is, it is more common for younger works to live outside of the region and commute to work in the region rather than both live and work in the region. Data on the income of workers reveals that a greater proportion of workers commuting to the region have incomes in the middle bracket of \$1,251 to \$3,333 per month (about \$15,000 to \$40,000 per year) compared to residents of the region working in town. There is a corresponding lower proportion of commuting workers in the highest income bracket compared to resident workers. In other words, lower income workers in the region are more likely to live outside of the region.

| Worker Characteristics | | | | |
|--|--------------------------------|-----|--------------------------|-----|
| | Jobs Filled by Outside Workers | | Jobs Filled by Residents | |
| | # | % | # | % |
| Age of Workers | | | | |
| Workers Aged 29 or Younger | 772 | 24% | 194 | 17% |
| Workers Aged 30 to 54 | 1,686 | 52% | 610 | 53% |
| Workers Aged 55 or Older | 767 | 24% | 354 | 31% |
| Income of Workers | | | | |
| Workers Earning \$1,250 per month or less | 1,026 | 32% | 356 | 31% |
| Workers Earning \$1,251 to \$3,333 per month | 1,363 | 42% | 414 | 36% |
| Workers Earning More than \$3,333 per Month | 836 | 26% | 388 | 34% |

Sourc: LEHD OnTheMap (2012 data Town of Manchester and Town of Dorset)

The following table shows how much a household would need to earn to be able to afford a house with the median value in the Study Area. For this calculation, a 10% down payment and 30-year fixed mortgage with a 4% interest rate is assumed. Using the industry standard of 28% of gross annual income, the household income threshold to afford payments on a \$285,000 house in the Study Area is \$52,600. For the Commuter Shed the household income threshold is only \$33,800 to be able to afford a median priced home.

| Estimated Mortgage Payment | | |
|--------------------------------------|------------|---------------|
| | Study Area | Commuter Shed |
| Median Price | \$ 285,500 | \$ 178,000 |
| Down Payment @ 10% | \$ 28,550 | \$ 17,800 |
| Loan Amount | \$ 256,950 | \$ 160,200 |
| Average Mtg Payment 30 years @ 4% | \$ 1,227 | \$ 765 |
| HH Income Threshold | \$ 52,586 | \$ 32,786 |

Based on the 2012 OnTheMap data in the “Worker Characteristics” chart, about 74% of workers (approximately 2,400) commuting into the Study Area make less than \$40,000 annually. If we assume 1.3 earners per household based on the U.S. average, then of those 2,400 workers it is possible to estimate that roughly 1,670 are the sole earners of their household. These workers and their households are unable to afford a typical home in the Study Area.

Furthermore, the other workers that commute into the Study Area for work, but live in households with another earner, may still not be able to afford a median priced home if their total household income is less than the \$52,600 threshold. Some of the workers in the top earning bracket of \$40,000-plus will also not be able to afford a typical home in the Study Area. Overall, the data on workers in the Study Area suggests that very few workers that commute into the Study Area are currently able to afford a home in the Study Area.

Taking a broader look at the Commuter Shed, the data shows that a large percentage of households within a 35 minute drive of the center of the Study Area are not able to afford a median priced home in the Study Area. The following table shows the distribution of households in the Commuter Shed by household income. There are approximately 8,200 households in the Commuter Shed with incomes below \$50,000 that cannot afford to purchase a house with the median home value in the Study Area. That represents 50% of all households in the Commuter Shed. In reality, it is expected that even more households would not be able to afford a typical home in the Study Area as lending requirements have become stricter and because not all households above the income threshold would be able to afford the down payment on a home.

| Household Income Range: Commuter-Shed | | |
|---------------------------------------|-------|-------|
| Household Income Range | Pct. | # |
| <\$15,000 | 13.4% | 2,201 |
| \$15,000 - \$24,999 | 10.5% | 1,724 |
| \$25,000 - \$34,999 | 13.1% | 2,151 |
| \$35,000 - \$49,999 | 13.0% | 2,135 |
| \$50,000 - \$74,999 | 19.2% | 3,153 |
| \$75,000 - \$99,999 | 12.8% | 2,102 |
| \$100,000 - \$149,999 | 9.1% | 1,494 |
| \$150,000 - \$199,999 | 5.6% | 911 |
| \$200,000+ | 3.4% | 558 |

Source: ESRI

Households currently residing in rental units are of particular interest because they represent a source of potential demand for owner occupied housing in the Study Area. Although data showing the distribution of renters and owner occupants by income range isn't available, the median household income provides insights into the ability of renters in the Commuter Shed to purchase homes in the Study Area. Owner-occupied households have a median household income of about \$58,000 compared to only \$35,000 for renter-occupied households. This means that well under half of renter-occupied households in the Commuter Shed can afford to purchase a typical house in the Study Area.

While the median home price in the Study Area is approximately \$285,000, it was reported in interviews that it is nearly impossible to find a home in the \$200,000 to \$300,000 range that is in reasonably decent condition. As indicated in interviews, there is strong demand for homes in this range. The market, however, is not delivering this product type for several reasons including high land and building prices. The cost to build is estimated to be in the \$200 to \$300 per square foot range.

Additionally, there are infrastructure constraints that limit housing density. To produce homes in the sub-\$300,000 range, relatively higher housing densities would be required from a financial feasibility perspective. That is, to make building homes in this range attractive to a developer, a certain density level would be required because of high land and building costs. Otherwise there would be too few houses built on a given site to reach a \$300,000 or under price point. To reach required density levels; however, sewer extensions to available development sites would be necessary. Therefore, the most appropriate place for future workforce housing is in downtown areas in infill sites or sites adjacent to developed areas served by infrastructure.

Potential Demand for Workforce Housing

The potential demand for workforce housing in the Study Area is strong, with 3,225 individuals working in the Study Area while commuting from other communities. That represents approximately 74% of jobs in the Study Area being filled by commuters (non-residents). Additionally, there are several major hotel projects underway that will generate a substantial number of new service jobs. This is expected to generate increased demand for workforce housing.

The following table provides a rough estimate for the demand potential for workforce housing in the Study Area. The calculation assumes that without the current of workforce housing supply constraint, more non-residents commuting to work in the Study Area would choose to live in the Study Area. For the purposes of this analysis, the ratio of non-resident commuting workers of the Town of Bennington is applied to the Study Area as an example of what kind of ratio may be realistic without the severe housing supply constraints found in the Study Area.

| Potential Workforce Housing Demand | |
|---|-------|
| A. Jobs in the Study Area | 4,383 |
| B. Commuters as Percent of All Workers | 74% |
| C. Number of Study Area Commuters (non-residents working in Study Area) (A*B) | 3,225 |
| D. Typical Commuter Percentage* | 61% |
| E. Number of Study Area Commuters Expected without Workforce Housing Constraints (based on Typical Commuter Percentage) (A*D) | 2,674 |
| F. Potential Demand for Workforce Housing (number of workers) (C-E) | 551 |
| Potential Demand for Workforce housing (number of households**) - High | 424 |
| Potential Demand for Workforce housing (number of households**) - Low | 212 |

*Typical commuter percentage based on the Town of Bennington

**Assumes 1.3 workers per household

Source: OnTheMap; Camoin Associates.

The analysis shows that there may be demand for between 212 and 424 workforce housing units. The low estimate (representing 50% of the high estimate) reflects the fact that some commuters may choose not to move to the Study Area despite the presence of new workforce housing. For example, some workers may have partners working elsewhere have chosen a housing location that considers the commute of both earners.

The results do not suggest that it is necessarily appropriate to add up to 424 new workforce housing units in the Study Area. Rather the purpose of the analysis is to demonstrate that there is substantial demand that is adequate to support the development of new workforce housing units.

Rental Market

As discussed previously, approximately 20% of housing units are renter-occupied in the Study Area. The table below outlines the contract rent of the units, that is, the monthly rent agreed to or contracted for, regardless of any furnishings, utilities, fees, meals or services that may be included. For the Study Area, the median contract rent is \$819 and for the Commuter Shed it is \$704. Most of the renters pay extra (on top of the contract rent) for one or more utilities. Only 35% of rental units are below the \$700 per month rental rate in the Study Area compared to 49% in the Commuter Shed, which provides an indication of the difference in affordability.

| Renter Occupied Housing Units by Contract Rent (2013) | | | | |
|---|--------------|---------|---------------|---------|
| Household Income Range: Contract Rent | Study Area | | Commuter-Shed | |
| | Number | Percent | Number | Percent |
| Less than \$100 | 13 | 2% | 26 | 1% |
| \$100 to \$149 | 0 | 0% | 20 | 0% |
| \$150 to \$199 | 0 | 0% | 31 | 1% |
| \$200 to \$249 | 7 | 1% | 214 | 5% |
| \$250 to \$299 | 7 | 1% | 166 | 4% |
| \$300 to \$349 | 26 | 3% | 132 | 3% |
| \$350 to \$399 | 0 | 0% | 57 | 1% |
| \$400 to \$449 | 9 | 1% | 126 | 3% |
| \$450 to \$499 | 3 | 0% | 117 | 3% |
| \$500 to \$549 | 50 | 7% | 306 | 7% |
| \$550 to \$599 | 23 | 3% | 302 | 7% |
| \$600 to \$649 | 7 | 1% | 332 | 7% |
| \$650 to \$699 | 120 | 16% | 450 | 10% |
| \$700 to \$749 | 67 | 9% | 397 | 9% |
| \$750 to \$799 | 17 | 2% | 349 | 8% |
| \$800 to \$899 | 132 | 18% | 644 | 14% |
| \$900 to \$999 | 0 | 0% | 295 | 6% |
| \$1,000 to \$1,249 | 152 | 20% | 444 | 10% |
| \$1,250 to \$1,499 | 61 | 8% | 141 | 3% |
| \$1,500 to \$1,999 | 32 | 4% | 51 | 1% |
| \$2,000 or more | 23 | 3% | 26 | 1% |
| Median Contract Rent | \$819 | | \$704 | |

Source: ESRI

Based on the interviews conducted as part of the market study, there is likely only a limited market for new rental units. Younger demographics typically represent the greatest demand for rental units; however, there is currently a lack of amenities and employment opportunities that would draw significant numbers of new young people to the area. New hotel development in the pipeline and the retail development that is likely to be catalyzed as a result means that there will likely be some demand for local rental units from new workers.

While there may be some future demand for rental units, it is unlikely that new supply of rental units would come on the market under current conditions. Following national trends, most rental unit demand is for units within walking distance to town centers. In the Study Area, however, high land and building prices in central locations means that rental unit price points would exceed what many potential renters would be able to afford. For example, building apartments over retail along main commercial corridors is generally infeasible based on interviews because of high building costs and the necessity for unrealistic density levels to make this kind of development financially feasible. One recent project added residential units over first floor retail; however these units were ultimately sold as upscale condo units.

Housing Market Trends

Over the past several decades the area has been a prime location for seasonal, vacation, and second home ownership with strong demand pushing single-family home values well above average values elsewhere in Vermont. These types of homes have driven the housing market over the past several decades, but there is evidence that the market is shifting away from expensive large single-family vacation homes towards smaller homes closer to community centers.

According to interviews this shift is occurring as a result of several factors including an aging population, the high property tax burden associated with such homes, and an overall nationwide change in preferences for homes being within walking distance or close proximity of amenities and shopping. This trend presents an opportunity for the downtown areas in the Northshire to build units that are attractive to the types of tenants who want to be close to the downtown including young professionals, empty nesters, telecommuters, etc.

Commercial/Industrial

Takeaway Findings

- Over the past ten years there have been several industries with strong growth in the region. These include: Financial Investment Activity; Plastic Products Manufacturing, Furniture-Related Manufacturing; and Tourism-related sectors.
- These historically strong performers are expected to continue to be strong over the next 10 years along with Specialized Design Services, Lessors of Real Estate, and Cement and Concrete Product Manufacturing.
- There is a significant concentration of employment within the travel accommodation industry indicating potential demand for space by businesses within the tourism industry including restaurants, shopping, and entertainment attractions. As well as support operations for these businesses such as outdoor outfitters and excursion providers, marketing/advertising agencies, vacation rental brokers, linen services, etc.
- There may also be potential opportunities to build niche clusters as evidenced by the concentration in Furniture Related Product Manufacturing, Electrical Equipment and Component Manufacturing, and Lighting Equipment Manufacturing.
- The data analysis shows that the region has a competitive advantage in Furniture Related Product Manufacturing, Other Financial Investment Activities, Specialized Design Services, Plastics Product Manufacturing, and Management of Companies and Enterprises.
- Based on the industries identified with the highest potential, there will likely be demand for light industrial space into the future. Individual company space demands may be low to start, but opportunities to expand will be key to retaining companies in the Study Area as they grow. Availability of expansion space is already an issue for some existing industrial businesses.
- Office space demand is likely to be modest in the future, as office space-utilizing industries are not expected to experience significant growth. Future office demand is likely to come primarily from businesses in the Financial Investment Activities sector.
- Trends in office space needs are also changing as more people are able to work remotely. The Northshire has a great opportunity to capture telecommuters who may be looking to move their family to an improved quality of life but still need to be able to work easily. Access to high speed internet and cell service is key to being attractive to telecommuters as well as the ability to choose from a variety of “office” options, ranging from working from the home, small rentable office space, co-working space, coffee shops, etc.

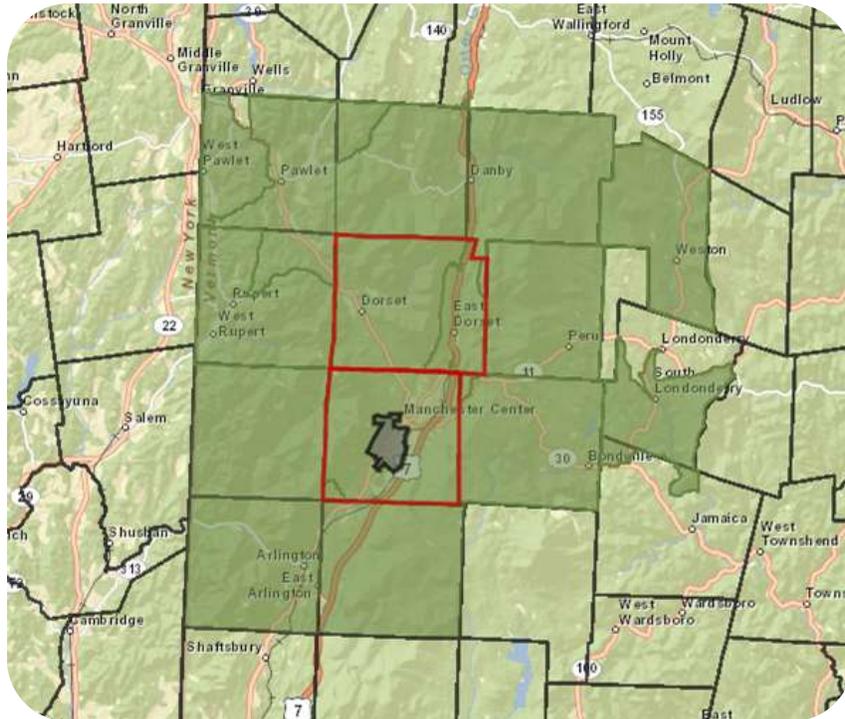
Study Areas

The Commercial/Industrial Market Analysis considers the Northshire Zip Code Study Area and a greater regional perspective that includes surrounding areas referred to as the “Industry Trade Area.” It is important to consider regional industry trends because regional industry dynamics have an impact on the industrial and commercial market within the Study Area.

The Industry Trade Area is defined by the following zip codes:

| | | |
|----------------------------|------------------------|-------------------------|
| 05255 – Manchester | 05250 – Sandgate | 05161 – Weston |
| 05254 – Manchester Village | 05776 – Rupert | 05739 – Danby/Mt. Tabor |
| 05252 – Sunderland | 05340 – Winhall | 05761 – Pawlet |
| 05251 – Dorset | 05155 – Stratton | 05775 – West Pawlet |
| 05253 – East Dorset | 05152 – Peru/Landgrove | |

The Industry Trade Area is also shown on the map below:



Fastest Growing Industries 2004-2014

Looking at past changes in employment by industry helps to identify which industries have experienced significant growth or decline. This information can be used to detect industries that are thriving and which may have demand for new space in the future. Conversely, those industries in decline may mean that the space businesses in those industries currently occupy may become available for reuse in the future or that the type of space used in that industry is generally in less demand.

The data below shows historic job growth over the ten year period between 2004 and 2014 for industries at the 4-digit NAICS level within the Study Area. Management of Companies and Enterprises, Lessors of Real Estate, and Other Financial Investments have seen the greatest job growth over the past 10 years. Specialized Design Services has also seen significant job growth as measured by percent growth over this period.

| Historic Job Growth: Top 20 Sectors - Study Area | | | | | |
|--|--|-----------|-----------|--------|----------|
| NAICS | Industry | 2004 Jobs | 2014 Jobs | Growth | % Growth |
| 5511 | Management of Companies and Enterprises | 0 | 169 | 169 | |
| 5311 | Lessors of Real Estate | 98 | 229 | 131 | 134% |
| 5239 | Other Financial Investment Activities | 73 | 200 | 127 | 174% |
| 7139 | Other Amusement and Recreation Industries | 106 | 181 | 75 | 71% |
| 3379 | Other Furniture Related Product Manufacturing | 0 | 64 | 64 | |
| 6111 | Elementary and Secondary Schools | 302 | 352 | 50 | 17% |
| 5414 | Specialized Design Services | 57 | 104 | 47 | 82% |
| 5416 | Management, Scientific, and Technical Consulting Services | 81 | 125 | 44 | 54% |
| 5617 | Services to Buildings and Dwellings | 157 | 198 | 41 | 26% |
| 3372 | Office Furniture (including Fixtures) Manufacturing | 0 | 36 | 36 | |
| 4539 | Other Miscellaneous Store Retailers | 97 | 131 | 34 | 35% |
| 3273 | Cement and Concrete Product Manufacturing | 31 | 53 | 22 | 71% |
| 5415 | Computer Systems Design and Related Services | 60 | 77 | 17 | 28% |
| 6239 | Other Residential Care Facilities | 58 | 75 | 17 | 29% |
| 1141 | Fishing | 0 | 15 | 15 | |
| 3262 | Rubber Product Manufacturing | 0 | 14 | 14 | |
| 4512 | Book Stores and News Dealers | 44 | 58 | 14 | 32% |
| 5242 | Agencies, Brokerages, and Other Insurance Related Activities | 57 | 70 | 13 | 23% |
| 4239 | Miscellaneous Durable Goods Merchant Wholesalers | 19 | 31 | 12 | 63% |
| 9036 | Education and Hospitals (Local Government) | 85 | 96 | 11 | 13% |

Source: EMSI

The table below shows the historic job growth in the Industry Trade Area. The data show that Plastics Product Manufacturing has seen the greatest number of new jobs in the past ten years, adding 152 jobs during the period. Management of Companies and Enterprises has also increased significantly by 143 jobs. Of note, Traveler Accommodation grew by only 26 jobs (a 1% increase), but with new hotel development in the pipeline, the growth rate is expected to increase.

| Historic Job Growth: Top 20 Sectors - Industry Trade Area | | | | | |
|---|---|-----------|-----------|--------|----------|
| NAICS | Industry | 2004 Jobs | 2014 Jobs | Growth | % Growth |
| 3261 | Plastics Product Manufacturing | 54 | 206 | 152 | 281% |
| 5511 | Management of Companies and Enterprises | 26 | 169 | 143 | 542% |
| 5239 | Other Financial Investment Activities | 93 | 230 | 137 | 146% |
| 5311 | Lessors of Real Estate | 120 | 254 | 133 | 111% |
| 7139 | Other Amusement and Recreation Industries | 276 | 395 | 118 | 43% |
| 5617 | Services to Buildings and Dwellings | 469 | 555 | 86 | 18% |
| 3379 | Other Furniture Related Product Manufacturing | 0 | 64 | 64 | |
| 6111 | Elementary and Secondary Schools | 398 | 453 | 54 | 14% |
| 5416 | Management, Scientific, and Technical Consulting Services | 123 | 174 | 51 | 42% |
| 3372 | Office Furniture (including Fixtures) Manufacturing | 0 | 48 | 48 | |
| 5414 | Specialized Design Services | 58 | 104 | 47 | 81% |
| 5313 | Activities Related to Real Estate | 281 | 320 | 40 | 14% |
| 4539 | Other Miscellaneous Store Retailers | 98 | 131 | 34 | 34% |
| 3273 | Cement and Concrete Product Manufacturing | 42 | 69 | 27 | 64% |
| 5415 | Computer Systems Design and Related Services | 72 | 98 | 26 | 36% |
| 7211 | Traveler Accommodation | 2,054 | 2,079 | 26 | 1% |
| 3115 | Dairy Product Manufacturing | 11 | 35 | 24 | 220% |
| 9036 | Education and Hospitals (Local Government) | 313 | 336 | 23 | 7% |
| 6239 | Other Residential Care Facilities | 75 | 97 | 22 | 30% |
| 3335 | Metalworking Machinery Manufacturing | 16 | 32 | 16 | 96% |

Source: EMSI

Projected Industry Growth 2014-2024

Projected changes in employment from 2014 to 2024 are presented in the following tables. In the Study Area, “Other Financial Investment Activities” is expected to see the greatest job growth with 141 new jobs over 10 years. “Other Furniture Related Product Manufacturing” and “Lessors of Real Estate” rank second and third in projected job growth with 96 and 89 new jobs, respectively.

| Future Job Growth: Top 20 Sectors - Study Area | | | | | |
|--|--|-----------|-----------|--------|----------|
| NAICS | Industry | 2014 Jobs | 2024 Jobs | Growth | % Growth |
| 5239 | Other Financial Investment Activities | 200 | 341 | 141 | 71% |
| 3379 | Other Furniture Related Product Manufacturing | 64 | 160 | 96 | 150% |
| 5311 | Lessors of Real Estate | 229 | 318 | 89 | 39% |
| 5414 | Specialized Design Services | 104 | 175 | 71 | 68% |
| 3273 | Cement and Concrete Product Manufacturing | 53 | 100 | 47 | 89% |
| 5416 | Management, Scientific, and Technical Consulting Services | 125 | 165 | 40 | 32% |
| 5415 | Computer Systems Design and Related Services | 77 | 112 | 35 | 45% |
| 7139 | Other Amusement and Recreation Industries | 181 | 215 | 34 | 19% |
| 5511 | Management of Companies and Enterprises | 169 | 200 | 31 | 18% |
| 4539 | Other Miscellaneous Store Retailers | 131 | 162 | 31 | 24% |
| 3345 | Navigational, Measuring, Electromedical, and Control Instruments Manufacturing | 25 | 54 | 29 | 116% |
| 5617 | Services to Buildings and Dwellings | 198 | 223 | 25 | 13% |
| 8121 | Personal Care Services | 86 | 110 | 24 | 28% |
| 6111 | Elementary and Secondary Schools | 352 | 373 | 21 | 6% |
| 3335 | Metalworking Machinery Manufacturing | 22 | 42 | 20 | 91% |
| 3372 | Office Furniture (including Fixtures) Manufacturing | 36 | 55 | 19 | 53% |
| 6244 | Child Day Care Services | 69 | 86 | 17 | 25% |
| 5231 | Securities and Commodity Contracts Intermediation and Brokerage | 24 | 39 | 15 | 63% |
| 5417 | Scientific Research and Development Services | 23 | 38 | 15 | 65% |
| 3219 | Other Wood Product Manufacturing | 72 | 84 | 12 | 17% |

Source: EMSI

The following table presents the same analysis for the larger Industry Trade Area. “Other Financial Investment Activities” is expected to add the greatest number of jobs in the region with 146 new jobs over 10 years. Other Furniture Related Product Manufacturing ranks second with 96 new jobs projected. Plastics Product Manufacturing, which saw the greatest increase in jobs over the past 10 years, is expected to maintain strength and add 89 jobs.

| Future Job Growth: Top 20 Sectors - Industry Trade Area | | | | | |
|---|--|-----------|-----------|--------|----------|
| NAICS | Industry | 2014 Jobs | 2024 Jobs | Growth | % Growth |
| 5239 | Other Financial Investment Activities | 230 | 376 | 146 | 63% |
| 3379 | Other Furniture Related Product Manufacturing | 64 | 160 | 96 | 149% |
| 5311 | Lessors of Real Estate | 254 | 343 | 90 | 35% |
| 3261 | Plastics Product Manufacturing | 206 | 295 | 89 | 43% |
| 5414 | Specialized Design Services | 104 | 175 | 71 | 68% |
| 3273 | Cement and Concrete Product Manufacturing | 69 | 131 | 62 | 89% |
| 7139 | Other Amusement and Recreation Industries | 395 | 451 | 56 | 14% |
| 5617 | Services to Buildings and Dwellings | 555 | 605 | 50 | 9% |
| 5416 | Management, Scientific, and Technical Consulting Services | 174 | 219 | 45 | 26% |
| 5415 | Computer Systems Design and Related Services | 98 | 139 | 41 | 42% |
| 5313 | Activities Related to Real Estate | 320 | 360 | 40 | 12% |
| 3345 | Navigational, Measuring, Electromedical, and Control Instruments Manufacturing | 32 | 70 | 38 | 121% |
| 5511 | Management of Companies and Enterprises | 169 | 200 | 31 | 18% |
| 4539 | Other Miscellaneous Store Retailers | 131 | 162 | 31 | 23% |
| 6244 | Child Day Care Services | 144 | 172 | 27 | 19% |
| 8121 | Personal Care Services | 102 | 127 | 25 | 24% |
| 3335 | Metalworking Machinery Manufacturing | 32 | 56 | 24 | 76% |
| 3372 | Office Furniture (including Fixtures) Manufacturing | 48 | 72 | 24 | 50% |
| 6111 | Elementary and Secondary Schools | 453 | 473 | 20 | 4% |
| 8131 | Religious Organizations | 74 | 92 | 17 | 23% |

Source: EMSI

Concentrated Industries: Location Quotient Analysis

Location Quotient (LQ) analysis compares a specific geographic region to a larger reference area by quantifying how concentrated a particular industry, demographic group, or other variable is as compared to the larger geography. In this section, employment by industry in the region is compared to the U.S. to identify which industries are more highly concentrated in the region than at the national level.

LQ is calculated by dividing the percent of jobs within each industry locally by the percent of jobs in the same industry at the state level. For example, if the finance and insurance industry accounts for 2% of jobs in a community and at the state level this industry has 1% of the total jobs, the community has a LQ of 2.0 (2% ÷ 1% = 2). In this example, the local community employs twice as many individuals in the industry as expected based on state employment patterns. Typically, only values above 1.2 or below 0.8 are considered “significant” findings in LQ analysis. Industries with a high LQ and high employment numbers are assumed to produce more than what is needed locally (i.e., a surplus) and export their products and services.

The tables below show the 20 most concentrated industry sectors in the Study Area and the Industry Trade Area. It should be noted that the magnitude of the LQ is less meaningful in cases where job numbers are very small. As such, the takeaways from the following tables are the identification of those industries that are concentrated in each geography and how that concentration is expected to change over the next 10 years.

Within the Study Area, “Other Furniture Related Product Manufacturing” is significantly concentrated in the Study Area and is projected to become even more concentrated in the future. “Travel Accommodation” is also highly concentrated in the Study Area and has a relatively higher number of jobs than other sectors. Its LQ is expected to decline modestly, but new hotel development in the pipeline may alter that forecast.

| Location Quotient: Top 20 Sectors - Study Area | | | | | |
|--|--|-----------|---------|---------|--------|
| NAICS | Industry | 2014 Jobs | 2014 LQ | 2024 LQ | Change |
| 3379 | Other Furniture Related Product Manufacturing | 64 | 41.9 | 115.9 | 73.9 |
| 3359 | Other Electrical Equipment and Component Manufacturing | 68 | 12.2 | 14.1 | 1.9 |
| 1133 | Logging | 52 | 11.4 | 10.3 | (1.1) |
| 4512 | Book Stores and News Dealers | 58 | 10.6 | 17.5 | 6.9 |
| 6239 | Other Residential Care Facilities | 75 | 10.2 | 7.2 | (3.0) |
| 3111 | Animal Food Manufacturing | 22 | 8.9 | 14.0 | 5.1 |
| 6111 | Elementary and Secondary Schools | 352 | 7.6 | 7.7 | 0.1 |
| 3372 | Office Furniture (including Fixtures) Manufacturing | 36 | 7.5 | 12.0 | 4.5 |
| 4541 | Electronic Shopping and Mail-Order Houses | 173 | 7.5 | 5.6 | (1.9) |
| 3219 | Other Wood Product Manufacturing | 72 | 6.8 | 8.2 | 1.4 |
| 3273 | Cement and Concrete Product Manufacturing | 53 | 6.6 | 11.2 | 4.6 |
| 7211 | Traveler Accommodation | 500 | 6.0 | 4.9 | (1.2) |
| 3363 | Motor Vehicle Parts Manufacturing | 136 | 5.7 | 4.2 | (1.6) |
| 3115 | Dairy Product Manufacturing | 33 | 5.7 | 7.9 | 2.2 |
| 5414 | Specialized Design Services | 104 | 5.6 | 8.5 | 3.0 |
| 1153 | Support Activities for Forestry | <10 | 5.4 | 4.8 | (0.6) |
| 7121 | Museums, Historical Sites, and Similar Institutions | 32 | 4.9 | 5.2 | 0.3 |
| 4422 | Home Furnishings Stores | 56 | 4.8 | 2.8 | (2.0) |
| 4871 | Scenic and Sightseeing Transportation, Land | <10 | 4.8 | 7.8 | 3.0 |
| 1141 | Fishing | 15 | 4.8 | 0.7 | (4.1) |

Source: EMSI

The table below shows that there are a number of industries with a relatively high concentration in the region. High concentration of a particular industry means that there may be market demand for space from businesses within that industry and similar related industries.

Key results of the LQ analysis indicate that there is a significant concentration of businesses within the travel accommodation industry indicating potential demand for space by businesses within the tourism industry including restaurants, shopping, and entertainment attractions. The concentration of “Other Furniture Related Product Manufacturing” is expected to increase as well indicating potential demand for suitable industrial space.

| Location Quotient: Top 20 Sectors - Industry Trade Area | | | | | |
|---|--|-----------|---------|---------|--------|
| NAICS | Industry | 2014 Jobs | 2014 LQ | 2024 LQ | Change |
| 1132 | Forest Nurseries and Gathering of Forest Products | <10 | 25.4 | 33.8 | 8.5 |
| 3379 | Other Furniture Related Product Manufacturing | 64 | 23.4 | 66.0 | 42.5 |
| 3351 | Electric Lighting Equipment Manufacturing | 70 | 18.8 | 3.4 | (15.4) |
| 7211 | Traveler Accommodation | 2,079 | 14.0 | 13.6 | (0.4) |
| 2123 | Nonmetallic Mineral Mining and Quarrying | 95 | 9.9 | 10.1 | 0.2 |
| 3359 | Other Electrical Equipment and Component Manufacturing | 89 | 8.9 | 10.5 | 1.7 |
| 1153 | Support Activities for Forestry | 23 | 8.3 | 9.5 | 1.2 |
| 1133 | Logging | 65 | 7.9 | 7.5 | (0.4) |
| 6239 | Other Residential Care Facilities | 97 | 7.4 | 5.3 | (2.1) |
| 4512 | Book Stores and News Dealers | 59 | 6.0 | 10.3 | 4.2 |
| 3111 | Animal Food Manufacturing | 26 | 5.9 | 9.4 | 3.5 |
| 3372 | Office Furniture (including Fixtures) Manufacturing | 48 | 5.5 | 8.9 | 3.4 |
| 6111 | Elementary and Secondary Schools | 453 | 5.4 | 5.5 | 0.1 |
| 3271 | Clay Product and Refractory Manufacturing | 22 | 5.4 | 3.7 | (1.6) |
| 1152 | Support Activities for Animal Production | 40 | 4.9 | 4.3 | (0.6) |
| 3273 | Cement and Concrete Product Manufacturing | 69 | 4.9 | 8.3 | 3.4 |
| 3261 | Plastics Product Manufacturing | 206 | 4.8 | 7.5 | 2.7 |
| 7115 | Independent Artists, Writers, and Performers | 442 | 4.7 | 4.7 | (0.0) |
| 3279 | Other Nonmetallic Mineral Product Manufacturing | 28 | 4.3 | 2.9 | (1.4) |
| 4541 | Electronic Shopping and Mail-Order Houses | 180 | 4.3 | 3.4 | (0.9) |

Source: EMSI

Competitive Industries: Shift Share Analysis

Shift share analysis distinguishes an industry’s employment growth in a specific area that is attributable to local competitive advantages or disadvantages, from growth that is attributable to overall national employment trends or national employment trends in that industry.

The shift share analysis helps to answer the question of “Why is employment growing or declining in this regional industry, cluster, or occupation?” A shift share analysis is based on four factors:

- **The Industrial Mix Effect** – The industrial mix effect represents the share of regional industry growth explained by the growth of the specific industry at the national level. To arrive at this number, the national growth rate of the total economy is subtracted from the national growth rate of the specific industry, and this growth percentage is applied to the regional jobs in that industry.

- **The National Growth Effect** – the national growth effect explains how much of the regional industry’s growth is explained by the overall growth of the national economy: if the nation’s whole economy is growing, you would generally expect to see some positive change in each industry in your local region (the proverbial “rising tide that lifts all boats” analogy).
- **The Expected Change** – This is simply the rate of growth of the particular industry at the national level. Algebraically, the expected change is the sum of the industrial mix and the national growth effects.
- **The Regional Competitive Effect** - The regional competitive effect is the most interesting of the three indicators. It explains how much of the change in a given industry is due to some unique competitive advantage that the region possessed, because the growth cannot be explained by national trends in that industry or the economy as a whole. This effect is calculated by taking the total regional growth of the given industry and subtracting the national growth for that same industry. Note that this effect can be positive even as regional employment in the industry declines. This would indicate that regional decline is less than the national decline.

A positive competitive effect for an industry “indicates the regional industry is outperforming national trends (both overall national trends and national trends in that specific industry). A negative effect means that the industry is underperforming compared to national trends.”³

In the Study Area, the private sector industries with the greatest employment growth attributable to regional competitive advantages includes Other Furniture Related Product manufacturing, Other Financial Investment Activities, and Specialized Design Services.

| Shift-Share Analysis: Top 20 Sectors - Study Area | | | | | | |
|---|--|------------------------|---------------------|------------------------|-----------------|-----------------------------|
| NAICS | Description | 2004 - 2014 Job Change | Industry Mix Effect | National Growth Effect | Expected Change | Regional Competitive Effect |
| 5239 | Other Financial Investment Activities | 141 | 67.0 | 27.0 | 94.0 | 48.0 |
| 3379 | Other Furniture Related Product Manufacturing | 96 | (11.0) | 9.0 | (2.0) | 98.0 |
| 5311 | Lessors of Real Estate | 89 | 44.0 | 31.0 | 75.0 | 14.0 |
| 5414 | Specialized Design Services | 71 | 4.0 | 14.0 | 18.0 | 53.0 |
| 3273 | Cement and Concrete Product Manufacturing | 47 | 4.0 | 7.0 | 11.0 | 37.0 |
| 5416 | Management, Scientific, and Technical Consulting Services | 40 | 17.0 | 17.0 | 34.0 | 6.0 |
| 5415 | Computer Systems Design and Related Services | 35 | 11.0 | 10.0 | 21.0 | 13.0 |
| 7139 | Other Amusement and Recreation Industries | 34 | 9.0 | 24.0 | 33.0 | 1.0 |
| 5511 | Management of Companies and Enterprises | 31 | (5.0) | 23.0 | 18.0 | 14.0 |
| 4539 | Other Miscellaneous Store Retailers | 31 | (1.0) | 18.0 | 17.0 | 15.0 |
| 3345 | Navigational, Measuring, Electromedical, and Control Instruments Manufacturing | 29 | (3.0) | 3.0 | 0.0 | 28.0 |
| 5617 | Services to Buildings and Dwellings | 25 | 11.0 | 27.0 | 38.0 | (12.0) |
| 8121 | Personal Care Services | 24 | 10.0 | 11.0 | 21.0 | 3.0 |
| 6111 | Elementary and Secondary Schools | 21 | (5.0) | 47.0 | 42.0 | (21.0) |
| 3335 | Metalworking Machinery Manufacturing | 20 | (4.0) | 3.0 | (1.0) | 20.0 |
| 3372 | Office Furniture (including Fixtures) Manufacturing | 19 | (4.0) | 5.0 | 1.0 | 18.0 |
| 6244 | Child Day Care Services | 17 | 1.0 | 9.0 | 10.0 | 5.0 |
| 5231 | Securities and Commodity Contracts Intermediation and Brokerage | 15 | 3.0 | 3.0 | 6.0 | 10.0 |
| 5417 | Scientific Research and Development Services | 15 | 1.0 | 3.0 | 4.0 | 11.0 |
| 3219 | Other Wood Product Manufacturing | 12 | (7.0) | 10.0 | 3.0 | 10.0 |

Source: EMSI

³ EMSI

As shown in the table below, the private sector industries with the greatest employment growth attributable to regional competitive advantages include Plastics Product Manufacturing, Management of Companies and Enterprises, and Other Furniture Related Product Manufacturing.

| Shift-Share Analysis: Top 20 Sectors - Industry Trade Area | | | | | | |
|--|---|------------------------|---------------------|------------------------|-----------------|-----------------------------|
| NAICS | Description | 2004 - 2014 Job Change | Industry Mix Effect | National Growth Effect | Expected Change | Regional Competitive Effect |
| 3261 | Plastics Product Manufacturing | 152 | (14.8) | 6.1 | (9.0) | 160.5 |
| 5511 | Management of Companies and Enterprises | 143 | 5.0 | 3.0 | 8.0 | 134.7 |
| 5239 | Other Financial Investment Activities | 137 | 127.1 | 10.5 | 137.0 | (0.8) |
| 5311 | Lessors of Real Estate | 134 | 63.4 | 13.5 | 77.0 | 56.4 |
| 7139 | Other Amusement and Recreation Industries | 119 | 31.8 | 31.0 | 63.0 | 55.6 |
| 5617 | Services to Buildings and Dwellings | 86 | 85.7 | 52.6 | 139.0 | (52.2) |
| 3379 | Other Furniture Related Product Manufacturing | 64 | (0.0) | 0.0 | 0.0 | 64.3 |
| 6111 | Elementary and Secondary Schools | 55 | 23.8 | 44.7 | 69.0 | (14.3) |
| 5416 | Management, Scientific, and Technical Consulting Services | 51 | 63.6 | 13.8 | 78.0 | (26.3) |
| 3372 | Office Furniture (including Fixtures) Manufacturing | 48 | (0.3) | 0.1 | 0.0 | 47.9 |
| 5414 | Specialized Design Services | 46 | 6.0 | 6.5 | | 34.2 |
| | | | | | 12.0 | |
| 5313 | Activities Related to Real Estate | 39 | 85.6 | 31.5 | 118.0 | (77.6) |
| 4539 | Other Miscellaneous Store Retailers | 33 | 2.4 | 11.0 | 13.0 | 20.2 |
| 3273 | Cement and Concrete Product Manufacturing | 27 | (13.8) | 4.7 | (9.0) | 36.1 |
| 5415 | Computer Systems Design and Related Services | 26 | 17.8 | 8.1 | 26.0 | 0.4 |
| 7211 | Traveler Accommodation | 25 | (124.3) | 230.5 | 107.0 | (80.7) |
| 3115 | Dairy Product Manufacturing | 24 | (1.1) | 1.2 | 0.0 | 24.0 |
| 9036 | Education and Hospitals (Local Government) | 23 | (32.0) | 35.1 | | 19.5 |
| | | | | | 3.0 | |
| 6239 | Other Residential Care Facilities | 22 | (10.4) | 8.4 | (2.0) | 24.3 |
| 3335 | Metalworking Machinery Manufacturing | 16 | (2.6) | 1.8 | (1.0) | 16.3 |

Source: EMSI

Industrial Constraints

The Study Area has a limited availability of space for industrial development. There are two designated industrial parks in the Study Area, however, each has limited site availability. The lack of industrial space is a hindrance to economic development. Information from interviews indicated that companies within the Study Area have difficulty finding local sites to expand to as they grow. At least one company has left the Study Area because of the lack of expansion space. The lack of space availability is likely to constrain the industrial market in the near future.

Commercial Office

The following table shows projected employment for office-utilizing industries in the region. All of the primarily office-utilizing industries are projected to grow through 2024 with the exception of Government and Information. Finance and Insurance is expected to add the greatest number of jobs among these industries, with 150 new jobs over 10 years.

It is important to note that not every worker in these industries actually works in an office setting or requires office space. For example, the information industry includes telecommunication equipment installers that spend most of their time at customers' sites and require little-to-no formal office space.

The following tables show the projected industry growth in office-utilizing industries in the Study Area and the Industry Trade Area, respectively.

| Industry Growth in Office Utilizing Industries - Study Area | | | | |
|---|--|--------------|--------------|------------|
| NAICS Code | Description | 2014 Jobs | 2024 Jobs | Change |
| 54 | Professional, Scientific, and Technical Services | 741 | 876 | 135 |
| 90 | Government | 381 | 371 | (10) |
| 53 | Real Estate and Rental and Leasing | 555 | 644 | 89 |
| 56 | Administrative and Support and Waste Management and Remediation Services | | | |
| 56 | Administrative and Support and Waste Management and Remediation Services | 298 | 324 | 26 |
| 81 | Other Services (except Public Administration) | 367 | 401 | 34 |
| 62 | Health Care and Social Assistance | 349 | 358 | 9 |
| 61 | Educational Services | 397 | 415 | 18 |
| 52 | Finance and Insurance | 361 | 510 | 149 |
| 55 | Management of Companies and Enterprises | 169 | 200 | 31 |
| 51 | Information | 73 | 66 | (7) |
| | Total for Office Utilizing Industries | 3,692 | 4,165 | 474 |

Source: EMSI

| Industry Growth in Office Utilizing Industries - Industry Trade Area | | | | |
|--|--|--------------|--------------|------------|
| NAICS Code | Description | 2014 Jobs | 2024 Jobs | Change |
| 54 | Professional, Scientific, and Technical Services | 1,114 | 1,243 | 129 |
| 90 | Government | 946 | 915 | (31) |
| 53 | Real Estate and Rental and Leasing | 790 | 921 | 131 |
| 56 | Administrative and Support and Waste Management and Remediation Services | 702 | 751 | 49 |
| 56 | Administrative and Support and Waste Management | 702 | 751 | 49 |
| 81 | Other Services (except Public Administration) | 699 | 719 | 20 |
| 62 | Health Care and Social Assistance | 519 | 538 | 19 |
| 61 | Educational Services | 510 | 526 | 16 |
| 52 | Finance and Insurance | 437 | 587 | 150 |
| 55 | Management of Companies and Enterprises | 169 | 200 | 31 |
| 51 | Information | 115 | 106 | (9) |
| | Total for Office Utilizing Industries | 6,703 | 7,256 | 554 |

Source: EMSI

The projected employment increase in office-utilizing industries can be used to estimate the increase in demand for office space. If on average, each new employee requires approximately 250 square feet of office space; then by 2024 the new employees in the region will need roughly 138,000 square feet (13,800 square feet per year on average). New jobs in the Study Area will need about 119,000 square feet (11,900 square feet per year on average).

It is likely that a portion of this demand will be absorbed outside of the Study Area because of the comparatively higher rents within the Study Area relative to surrounding areas. Additionally, as indicated through interviews, a portion of office demand will be associated with light industrial activity, and this demand may be absorbed through industrial space, rather than traditional commercial office space. As such, the future office market will likely not generate any “large-scale” office development.

SECTION IV **ACTION PLAN MATRIX**

SECTION IV ACTION PLAN MATRIX

Process

The following section contains the main product of the *Northshire Economic Development Strategy* (NEDS)—the actions plans. Using input gathered through the previous components of this project—the Market Analysis, interviews and anecdotal information, and other data—the project team and NEDS Steering Committee began developing a list of actionable strategies. Through a series of meetings, that list was expanded to include specific action items for each strategy and then winnowed down to a final set of priority strategies and action items with specific collaborators, timeframes, and metrics. A more robust list of action items, including those action items not selected by the Steering Committee for the final Matrix, is included in the following appendix.

Action Plan Goals

The Action Plan Matrix is organized under four goals, all of which work to advance the overall project vision:

“Create a vibrant environment that encourages people to both live and work in the Northshire.”

The action plan goals are:

- 1) Improve the Economic Development Environment of the Northshire**
- 2) Cultivate the Northshire's Tourism, Food, and Arts and Culture Industries**
- 3) Support Entrepreneurship and Business Development**
- 4) Enhance High Quality of Life for Northshire Residents and Workers**

The Matrix

The NEDS Action Plan Matrix, shown on the following pages, includes seven other categories of information (beyond the aforementioned goals) for each action item, organized by column in a table. These categories are:

Strategies

Each of the four action plan goals has three to five specific strategy areas (labeled A-E). Strategies often refer to specific needs, but they are not actions. Some strategies are more discrete, whereas others are broad.

Action Items

Each strategy has at least one (and in some cases several) action items. Action items are specific tasks that have been identified by the project team and Steering Committee to advance the goals and strategies in the NEDS report.

Description

Along with each action item is a more detailed description of what might be entailed in pursuing the work associated with an action item.

Potential Collaborators

Next to each action item and description is listed a group of organizations, or *collaborators*, who are well positioned to pursue that action item. Some actions have several collaborators. For actions where a “Lead Collaborator”—i.e., organization that is particularly well positioned to coordinate the work on an action item—has been identified, that **Lead Collaborator** is listed in bold.

Priority Level

Each action item was ranked according to priority level by the Steering Committee. Only those with a priority level of “Medium” or “High” were included in the final matrix.

Timeframe

The timeframe attached to each action refers to the amount of time it is likely to take to accomplish that action. They are categorized as follows:

Short: Less than six months to accomplish

Mid: Six months to two years to accomplish

Long: At least two years to accomplish

Performance Measures

The performance measures attached to each action item refer to the metrics or outputs by which organizations can measure success on projects. The performance measures in the matrix are not meant to convey an exhaustive list of measurable outputs for each project; rather, they should be used as examples.

THE ACTION PLAN MATRIX

| Goal 1: Improve the Economic Development Environment of the Northshire | | | | | | | |
|---|---|--|---|--|------------------------------|--|---|
| Strategy | Action Items | Description | Potential Collaborators | Priority Level (Med, High, Priority) | Timeframe (Short, Mid, Long) | Performance Measures | |
| A. Understand and monitor the needs and issues facing the business community | 1. Implement a formal business visitation and retention program (BR&E) | Reach out to existing business owners on a regular basis to learn about their business, what they need in order to do better, what challenges they are facing, and what kind of support they are looking for. Designate a business liaison at each municipality. | <ul style="list-style-type: none"> Manchester Economic Development Office The Partnership Municipalities | Med | Mid | <ul style="list-style-type: none"> Number of businesses contacted (Goal of 24 per year) | |
| | B. Ensure Development Processes, Policies, and Regulations Align with Economic Development Goals | 1. Create a designated process "road map" for new development proposals and implement a system for including all necessary parties in the discussion early on and gathering public input in the early phases | Survey business owners/developers who have been through process and ask for their feedback. Implement feedback from the survey to improve the process and codes to make it easier for applicants to understand and comply. Work with neighboring communities to hear about their site plan review process. Develop a roadmap that can be provided to the applicants in the beginning that outlines the process, required documents, timeframes, approving bodies, etc. Create a feedback system to allow for improvements in the review process. Implement a system for including all necessary parties in the discussion early on and gathering public input in the early phases | <ul style="list-style-type: none"> Municipalities The Partnership Manchester EDO SCORE | Med | Mid | <ul style="list-style-type: none"> Completed survey Creation of roadmap Development of public and stakeholder input system |
| | | 2. Assess existing zoning regulations to ensure they permit desired development outcomes. | The Northshire communities should each consider the community's vision and desired development outcomes including mixed-use, downtown housing, and workforce housing. Explore alternative zoning mechanisms such as form-based zoning to maintain character rather than traditional size and density requirements. Ensure that the planned Town of Manchester zoning revision supports these outcomes. | <ul style="list-style-type: none"> Municipalities | Priority | Mid | <ul style="list-style-type: none"> Enactment of zoning changes supporting desired development outcomes |

| Goal 1: Improve the Economic Development Environment of the Northshire | | | | | | |
|---|--|---|---|--------------------------------------|------------------------------|--|
| Strategy | Action Items | Description | Potential Collaborators | Priority Level (Med, High, Priority) | Timeframe (Short, Mid, Long) | Performance Measures |
| C. Foster regional collaboration on economic development initiatives | 1. Build partnerships with regional, county, and statewide organizations to expand capacity. | Work with the southern Vermont Economic Development Zone Committee to build regional economic development activities in conjunction with Windham County. Establish a joint meeting of Bennington Economic Development Partners and a similar Northshire group | <ul style="list-style-type: none"> • Bennington Economic Development Partners • Southern VT Economic Development Zone Committee • The Partnership | Med | Mid to Long | <ul style="list-style-type: none"> • Number of joint meetings |
| | 2. Sponsor regional networking events | Events will bring together people who work from home and regional businesses, organizations, and residents to make connections and share ideas. | <ul style="list-style-type: none"> • The Partnership • Municipalities • Young Professionals of Manchester and Bennington • Vermont Creative Network • Business Leaders • Female Business Owners of Manchester | Med | Mid, Ongoing | <ul style="list-style-type: none"> • Hosting 2-4 networking events per year |
| D. Organize for Implementation | 1. Work with the Partnership on adoption of the plan | The NEDS Committee's first step will be to work with The Partnership to adopt the plan or specific pieces of the plan. | <ul style="list-style-type: none"> • Steering Committee • The Partnership | Priority | Short | <ul style="list-style-type: none"> • Adoption of plan/plan elements |
| | 2. Evaluate implementation needs and challenges | After The Partnership has decided on the elements of the plan it will focus on, the NEDS committee should re-evaluate the implementation of the remaining action items. If necessary, transition the NEDS Steering Committee into a long-term implementation committee. | <ul style="list-style-type: none"> • NEDS Steering Committee | Priority | Short | <ul style="list-style-type: none"> • Evaluation of implementation needs and challenges |
| E. Build Economic Development Capacity | 1. Analyze the need to expand capacity to implement economic development activities | Assess the capacity and strengths/weaknesses of organizations, municipalities, and other partners. Have clearly defined roles and explore new options as needed such as an economic development corporation. | <ul style="list-style-type: none"> • Municipalities • The Partnership | High | Mid | <ul style="list-style-type: none"> • Review of capacity; • List of strengths & weaknesses of entities involved in economic development |
| | 2. Seek additional funding for existing organizations such as The Partnership | Establish a funding campaign internally or with the assistance of a third-party fundraising organization. | <ul style="list-style-type: none"> • The Partnership • Municipalities | High | Short to Mid | <ul style="list-style-type: none"> • Amount of new funding |

| Goal 2: Cultivate the Northshire's Tourism, Food, and Arts and Culture Industries | | | | | | |
|---|--|---|---|--------------------------------------|------------------------------|--|
| Strategy | Action Items | Description | Potential Collaborators | Priority Level (Med, High, Priority) | Timeframe (Short, Mid, Long) | Performance Measures |
| A. Leverage and promote existing sports and outdoor recreational assets to increase visitation to the Northshire Region. | 1. Develop a local sports and recreation committee with a focus on marketing and fundraising | Work with the existing committee to determine the roles, relationships, and structures of the two committees. The committee will facilitate collaboration among multiple leagues, fundraise, market sports facilities, help organize tournaments, races, and other events. The committee will conduct outreach to sports/tournaments and race organizers to determine what amenities and infrastructure improvements are needed. A possible task would be to initiate a capital campaign to raise funds to add and improve sports facilities. | <ul style="list-style-type: none"> • Youth Sports Groups • Municipalities • The Partnership • Community Leaders • Parents • Burr and Burton Academy | High | Mid | <ul style="list-style-type: none"> • Number of meetings held per year (goal of 12) • Creation of list of priority projects and tasks • hosting of 1 new event per year |
| | 2. Create an outdoor recreation marketing initiative | The initiative will aim to create better wayfinding, signage, visibility, and access for existing outdoor recreation offerings in the region. It should ensure that there is adequate signage and parking for recreation points. The initiative would also include conducting an inventory of all outdoor recreation amenities and developing a comprehensive outdoor recreation map and guide, mobile app, and website. | <ul style="list-style-type: none"> • The Partnership • Vermont Dept. of Forests, Parks and Recreation • Municipalities • Recreation Clubs and Groups • National Forest • Manchester and the Mountains Bike Club | High | Mid to Long | <ul style="list-style-type: none"> • Development of map/guide, Website and mobile app • Number of times website and app accessed; • Number of new outdoor recreation visitors; • Number of new signs |
| B. Grow the region's image as an agritourism destination and support the local food industry to support that image | 1. Explore the formation of a culinary and agritourism network | A network would include local producers, restaurants, value-added businesses, and other interested parties. The network would encourage the use of local products in restaurants and could explore the creation of a locally grown "certification" as a "local Northshire producer." The network can also study the feasibility of a co-op kitchen/culinary center/food distribution center | <ul style="list-style-type: none"> • Northshire Grows • The Partnership • Local Producers • Restaurants • Store Owners • Farmers Markets | High | Mid | <ul style="list-style-type: none"> • Number of partners • Number of meetings held • Number of projects identified and implemented • Value of local products sold to local restaurants |
| | 2. Develop an agritourism/culinary trail | A trail would include identifying interested businesses and fresh producers and developing a visitor map, guide, and suggested itineraries for food tourists. The purpose of the trail is to better market the existing agritourism offerings in the region. | <ul style="list-style-type: none"> • Northshire Grows • The Partnership • Local Producers • Restaurants • Store Owners • Farmers Markets | High | Mid to Long | <ul style="list-style-type: none"> • Number of businesses/farms included • Completion of map and guide • Number of copies disseminated • New visitors at listed businesses |

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| C. Maximize the tourism industry potential of existing (and expected future) visitors to the region | 1. Develop and disseminate targeted print and online marketing content for existing types of tourists already coming to the region | The material would target four types of existing visitors: 1) Wedding planners: the area is a wedding destination. Materials would include other activities that wedding guests could do while in the area. 2) Skiers and riders: materials would focus on pulling visitors from the nearby ski resorts 3) business travelers: new hotel development will make the area a conference and retreat destination. Materials can target both conference planners and business travelers once they are in the area 4) horse-show visitors: the show attracts numerous visitors and materials would be tailored to these types of tourists. | <ul style="list-style-type: none"> • The Partnership • Hotels & Resorts | Med | Mid | <ul style="list-style-type: none"> • Development of marketing content • Number of places distributed to • Number of websites hosting content and number of "clicks" |
| | 2. Maintain an ongoing conversation with the Vermont Summer Festival horse show organizers | The horse show is a key event that draws visitors to the region. Maintaining a dialogue will monitor the show's needs, concerns and would be a chance to explore opportunities to assist with promotion and visitor attraction | <ul style="list-style-type: none"> • The Partnership • Town of Dorset | Med | Mid, Ongoing | <ul style="list-style-type: none"> • Hosting of 2 "check-in" conversations each year and informational summary |
| D. Foster arts and culture in the region through collaboration and joint-marketing | 1. Develop an arts and culture committee | The committee will seek to encourage collaboration within the arts and culture community (for-profits and non-profits) | <ul style="list-style-type: none"> • The Partnership • Hills Alive • Local for-profit and non-profit organizations | High | Mid | <ul style="list-style-type: none"> • Number of participating partners • Number of committee meetings (goal of 4-6 per year) |
| | 2. Create an inventory of existing arts and culture assets and assessment of needs | Develop a list and map, as appropriate, of existing assets. Analyze what assets are missing/needed to support and enhance the existing arts and cultural industry. | <ul style="list-style-type: none"> • Arts and Culture Committee • Hills Alive • The Partnership • Local for-profit and non-profit organizations | High | Mid | <ul style="list-style-type: none"> • Number of businesses/venues included • prioritized list of needs |
| E. Take a regional approach to tourism marketing | 1. Create a regional marketing effort that is inclusive of local community identities | The marketing effort may include projects include conducting a visitor survey or auditing existing websites to ensure they have accurate, up-to-date information and links to other sites. | <ul style="list-style-type: none"> • The Partnership • Municipalities | High | Mid to Long | <ul style="list-style-type: none"> • Identify and Include appropriate stakeholders • Creation and implementation of priority marketing projects • Number of new visitors to the region |

| Goal 3: Support Entrepreneurship and Business Development | | | | | | |
|--|--|--|---|--------------------------------------|------------------------------|--|
| Strategy | Action Items | Description | Potential Collaborators | Priority Level (Med, High, Priority) | Timeframe (Short, Mid, Long) | Performance Measures |
| A. Engage and support the entrepreneurial, start-up, and small-business community | 1. Work with Manchester Young Professionals, Female Business Owners of Manchester (FBOMs) and other local organizations to understand needs and opportunities. | Work to develop a list of local professionals, entrepreneurs, and small businesses. Hold meetings and conduct survey to identify needs. Explore co-working or incubator space. Research what other communities are doing. Ask those on list about what amenities they would want to determine what type of space is needed. Look for potential locations. Conduct a financial feasibility analysis and pro-forma analysis. | <ul style="list-style-type: none"> • The Partnership • Manchester Young Pros • Female Business Owners of Manchester • Municipalities • Incubator Working Group | Med | Mid | <ul style="list-style-type: none"> • Identification of individuals and organizations • Holding initial meeting • Survey response rate |
| | 1. Implement a "buy-local" campaign | The campaign would include a website with list of "certified" locally owned companies; outreach materials (posters, decals, etc.). The campaign should consider a local currency or debit card that provides rewards for shopping within a network of locally owned businesses. For example see "Bernal Bucks" www.bernalbucks.org | <ul style="list-style-type: none"> • The Partnership • Business Leaders • Local First Vermont • Vermont Businesses for Social Responsibility • Local Banks | Med | Long | <ul style="list-style-type: none"> • Creation of website • Number of participating businesses (goal of 10 at launch) • Annual rating of program's impact by business owners |
| B. Promote shopping at locally owned retail businesses | 2. Establish a program to Educate local businesses on how to ensure they have a robust online presence and mobile-friendly websites | Educate businesses on what they should be doing to promote themselves online. As part of the program make sure that businesses are on Google maps and Facebook. Program could take the form of a presentation or seminar. | <ul style="list-style-type: none"> • The Partnership • Riley Moore Studio | Med | Long | <ul style="list-style-type: none"> • Identification of best practices for online promotion • Number of businesses contacted (goal of 15 businesses per year) |
| | 1. Survey businesses to determine workforce needs in the region including what skills are in demand by area employers. | By understanding what skills are in demand it will possible to implement strategies to fill those skill gaps and address other critical needs. | <ul style="list-style-type: none"> • The Partnership • Municipalities • Young Professionals of Manchester • BCIC | High | Mid | <ul style="list-style-type: none"> • Survey response rate |
| C. Develop a skilled workforce to meet the needs of businesses and industries in the Northshire | 2. Explore opportunities to develop training programs with existing employers in areas such as food services and accommodations. | Engage local tourism and hospitality businesses to gauge interest in collaborating on a training program. | <ul style="list-style-type: none"> • The Partnership • Municipalities • Business Leaders • BCIC | High | Mid | <ul style="list-style-type: none"> • Contact local tourism and hospitality businesses |

| Goal 3: Support Entrepreneurship and Business Development | | | | | | |
|--|--|---|--|--------------------------------------|------------------------------|---|
| Strategy | Action Items | Description | Potential Collaborators | Priority Level (Med, High, Priority) | Timeframe (Short, Mid, Long) | Performance Measures |
| | 3. Partner with the Southern Vermont Sustainable Marketing and Recruiting Program | Connect with the program as a means to work regionally to attract more people to visit, live and work in the area. Reach out to find more entrepreneurs and small business owners | <ul style="list-style-type: none"> • BCRC • Windham Regional Commission • Municipalities • BDCC • BCIC • The Partnership | Med | Mid, Ongoing | <ul style="list-style-type: none"> • Initial outreach conversation with potential partners |
| D. Ensure that existing industrial businesses have adequate space to expand | 1. Create an inventory of available industrial and commercial land in the Northshire | Make notations regarding infrastructure, permitting status, and other characteristics important to site selectors. Put inventory on the internet for ease of access by site selectors and keep it up to date. | <ul style="list-style-type: none"> • The Partnership • Municipalities • BCRC • BCIC • Zoning administrator | Med | Mid, Ongoing | <ul style="list-style-type: none"> • Number of properties inventoried • Posting of inventory on web |
| | 2. Identify possible areas for future industrial development | Work with local planning commissions to identify appropriate sites for future industrial development. | <ul style="list-style-type: none"> • Municipalities • BCRC | Med | Mid | <ul style="list-style-type: none"> • Creation of map and list of potential sites |

| Goal 4: Enhance High Quality of Life for Northshire Residents and Workers | | | | | | |
|---|---|---|--|--------------------------------------|------------------------------|---|
| Strategy | Action Items | Description | Potential Collaborators | Priority Level (Med, High, Priority) | Timeframe (Short, Mid, Long) | Performance Measures |
| A. Focus on attracting and retaining young professionals | 1. Recruit young professionals to serve on community boards | Identify opportunities for young professionals to be engage and actively recruit them to participate | <ul style="list-style-type: none"> • Young Professionals of Manchester • Municipalities | Med | Short, Ongoing | <ul style="list-style-type: none"> • Number of young professionals recruited |
| | 2. Develop a downtown "nightlife" program in conjunction with existing businesses to develop a calendar of nightlife events and activities. | <p>The program would feature communities and businesses periodically sponsoring a "nightlife night" with potential events including live music, comedians, theatrical performances, Karaoke, etc. Events should be geared towards young professionals as a target audience. As part of the program, create a web-based list and calendar of all things to do at night.</p> <p>Utilize the program as a first step towards permanent night amenities such as live music venues or international food establishments.</p> | <ul style="list-style-type: none"> • The Partnership • Business Leaders • Municipalities • Young Professionals of Manchester • Female Business Owners of Manchester | High | Mid | <ul style="list-style-type: none"> • Number of businesses recruited • Host 1 event per month minimum; • Creation of a web-based calendar |
| | 3. Support the development of a brew-pub feasibility study | A brew-pub is a pub or restaurant that brews its own beer for sale on the premises and is the type of establishment that would help attract and retain young professionals and fits with the character of the region. A feasibility study can be shared with potential developers and investors as a first step. | <ul style="list-style-type: none"> • Municipalities • BCIC | Med | Mid | <ul style="list-style-type: none"> • Funding secured and completion of study |
| B. Encourage the development of appropriate workforce housing | 1. Reach out to Housing Vermont and Shires Housing | Build and maintain a relationship with these organizations by starting a conversation to discuss how to approach the issue of the need for workforce housing and opportunities for partnership. | <ul style="list-style-type: none"> • Municipalities | High | Short | <ul style="list-style-type: none"> • Initial discussion with each organization |
| | 2. Create a regional workforce housing trust fund | The trust would be a public/private partnership with several options for revenue sources (such as private sector sponsorship or donations, dedicated funding sources). The trust could provide low-interest rate loans for construction/rehabilitation of homes for the region's workforce | <ul style="list-style-type: none"> • Municipalities • Housing Vermont • Shires Housing • Business Leaders • The Partnership • Bennington County • Manchester Land Trust | High | Mid to Long | <ul style="list-style-type: none"> • Formation of a nonprofit corporation • Assembly of a board of directors • Amount of funding raised • Number of workforce housing units developed with assistance |

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| | 3. Seek partnerships with non-profit and for-profit affordable/workforce housing developers | Identify developers of workforce housing in the region and state and reach out to them to determine interest in building partnerships. | <ul style="list-style-type: none"> • Municipalities • Shires Housing • Housing Vermont • Developers | High | Short, Ongoing | <ul style="list-style-type: none"> • Identification of potential developer partners • Initial discussion with each |
| | 4. Evaluate existing zoning requirements in the Northshire to see if they inhibit the creation of workforce housing | Ensure the planned zoning analysis and revision in Manchester specifically addresses workforce housing. New zoning options should also be considered to facilitate and/or incentivize workforce housing development such as a workforce housing overlay zone that has been employed in other communities. | <ul style="list-style-type: none"> • Municipalities | High | Mid | <ul style="list-style-type: none"> • Completion of review • Implement zoning changes that promote workforce housing |
| | 5. Explore opportunities with housing developers to create the development of mixed-use and residential development in downtown areas that would be attractive to young professionals. | Form public-private partnerships with developers to make downtown development of housing financially feasible. | <ul style="list-style-type: none"> • Municipalities • Developers | High | Long | <ul style="list-style-type: none"> • Identification of potential developer partners • Discussion with each of the barriers to and opportunities for downtown residential and mixed-use development |
| C. Support retail development that meets the needs of current and future residents | 1. Share the results of the market analysis with retail chains that could fill existing retail gaps (e.g., Home Goods) to show the potential for expansion to the Northshire | New retail establishments that fill these gaps makes it easier and more attractive to live and work in the region. | <ul style="list-style-type: none"> • Municipalities • The Partnership • Young Professionals of Manchester • Landlords/Property Managers • Planning Commission | Med | Short to Mid | <ul style="list-style-type: none"> • New retail establishments meeting needs |

APPENDIX **ADDITIONAL ACTION ITEMS**

APPENDIX: ADDITIONAL ACTION ITEMS

The following list of additional action items was developed by the project team and Steering Committee but not included in the final Action Plan Matrix. They are, however, included in this report because they represent a variety of great project ideas related to Economic Development in the Northshire. Some of these projects (as well as others not on this list) may later be added to the list of action plans, which will continue to evolve after this report is published.

| Goal 1: Cultivate the Northshire's Tourism, Food, and Arts and Culture Industries | | | |
|--|-------------|--|---|
| Strategy | ID # | Action Items | Description |
| Leverage and promote existing sports and outdoor recreational assets to increase visitation to the Northshire Region. | 1 | Develop a local sports and recreation committee | The committee will facilitate collaboration among multiple leagues, fundraise, market sports facilities, help organize tournaments, races, and other events. The committee will conduct outreach to sports/tournaments and race organizers to determine what amenities and infrastructure improvements are needed. |
| | 2 | Start a capital campaign to raise funds to improve and add additional sports and recreation facilities to become a sports tournament destination | Additional recreation fields and facilities are needed at Applejack Field. A campaign would educate the community on the value of these investments including the economic impact to the region. A Campaign could include a crowd-funding platform and naming/sponsorship opportunities. |
| | 3 | Conduct an inventory of existing recreation amenities and assessment of needs | An inventory all outdoor recreation amenities (camping, trails, boat launches, fishing, swimming holes, etc.) The inventory of existing recreation amenities and facilities can be used to conduct a gap analysis to identify future needs and prioritize future recreation projects. (Examples might be connector trails, parking lots at trailhead, trail improvements such as bridges, etc.) |
| | 4 | Create an outdoor recreation marketing initiative | Create better wayfinding, signage, visibility, and access for existing outdoor recreation offerings. Ensure there is adequate signage and parking. Develop a comprehensive outdoor recreation map and guide, mobile App, and Website. Consider branding the effort. |
| Grow the region's image as an agritourism destination and support the local food industry to support that image | 5 | Explore the formation of a culinary and agritourism network | A network would include local producers, restaurants, value-added businesses, and other interested parties. The network would encourage the use of local products in restaurants and could explore the creation of a local "certification" as a "local Northshire producer" |
| | 6 | Conduct a feasibility study of a co-op kitchen/culinary center/food distribution facility | A feasibility study will determine what type of facility makes the most sense and what will be needed to build and sustain the facility financially |
| | 7 | Develop an Agritourism/Culinary Trail | A map, guide, and suggested itineraries for food tourists to better market what is existing |

| Goal 1: Cultivate the Northshire's Tourism, Food, and Arts and Culture Industries | | | |
|---|-------------|--|---|
| Strategy | ID # | Action Items | Description |
| | 8 | Use existing statewide and regional frameworks to increase the visibility of the Northshire's food industry. | Make sure Northshire restaurants, food organizations, events are listed and shown on maps; approach existing marketing efforts to increase visibility of Northshire. Work with Vermont Farms Association. |
| | 9 | Expand and market the area's farmers markets into a year-round attraction | Marketing the farmers markets both will increase visitors and spending and attract more vendors. Combine the markets during the "off season" for a year-round market that showcases local goods and value-added products. |
| Maximize the tourism industry potential of existing (and expected future) visitors to the region | 10 | Sponsor an annual Bridal Expo/Show | A bridal show is an opportunity for wedding planners to see products and services offered by local businesses and vendors. The purpose is to 1) get brides to use local vendors and 2) expose brides to all the things that they and their guests can do and encourage an extended visit. |
| | 11 | Develop and disseminate targeted marketing materials for existing types of tourists already coming to the region | Four target markets: Wedding planners, skiers and riders, business travelers, horse-show visitors |
| | 12 | Discuss opportunities with ski resorts (especially Bromley) for on-site advertising and joint promotional opportunities. Propose a Manchester/Northshire kiosk at the resorts. | Explore mutually beneficial strategies where resort visitors are directed to Northshire communities and vice-versa. |
| | 13 | Maintain an ongoing conversation with the horse show organizers | Monitor their needs, concerns and to explore opportunities to assist with promotion and visitor attraction |
| Foster arts and culture in the region through collaboration and joint-marketing | 14 | Host an annual joint-fundraising event for regional arts marketing | Leverage existing collaborative frameworks (i.e., Hills Alive) |
| | 15 | Develop a local Arts & Culture Trail | A trail could include wayfinding/signage, logo, map, mobile app, print materials, website, and could incorporate public art installations from local artists. Walkable and drivable portions, suggested itinerary |
| Take a regional approach to tourism marketing with a focus on specific and unique visitor experiences. | 16 | Host inaugural meeting of representatives from communities in the region to discuss working together on marketing | Focus on regional marketing while retaining individual community identities |
| | 17 | Work with regional partners to conduct a visitor survey | Data from a visitor survey can be used to prioritize marketing investments, identify needs and opportunities, etc. |
| | 18 | Evaluate/audit existing websites for local attractions/amenities | Ensure that they are up to date, link to other resources, and they have the right information |

| Goal 2: Support Entrepreneurship and Business Development | | | |
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| Strategy | ID # | Action Items | Description |
| Engage and support the entrepreneurial and start-up community | 19 | Implement an online business portal to support and build entrepreneurial activity | A place where users can access information and resources available in the region (technical assistance, funding, etc.) and share information with one another. This can also be used to help gather information on businesses and their needs. (see U.S. Sourcelink as example) |
| | 20 | Establish a crowd-sourcing platform or investment fund to connect local investors and residents to local businesses and entrepreneurs | The platform/fund would allow local entrepreneurs and local business owners to post business and product ideas that local investors could choose to invest in. The program could be structured so that investment opportunities are pre-screened by an entity or panel. (see www.Localstake.com as an example) |
| | 21 | Explore the feasibility of co-working/conference/incubator/maker space for start-ups and home professionals | Work to develop a list of professionals, entrepreneurs, and small businesses who may be interested. Research what other communities are doing. Ask those on list about what amenities they would want to determine what type of space is needed. Look for potential locations. Conduct a financial feasibility analysis and pro-forma analysis. |
| | 22 | Work with Manchester Young Professionals, Female Business Owners of Manchester (FBOMs) and other local organizations to understand needs and opportunities. | Attend events/functions/meetings, and consider establishing an annual forum. |
| | 23 | Create a local competition for entrepreneurs centered on a public event. | This could be like a local "road pitch" but specifically focused on the county or Northshire. Could also be a "shark tank" style event |
| | 24 | Communicate the importance of business succession planning | Conduct educational outreach to local businesses to encourage them to implement a business succession planning process. Planning is typically done over many years and it is important that businesses start this process early. As part of this outreach a succession planning workshop could be sponsored. |
| Promote shopping at locally owned retail businesses to reduce leakage of spending out of the region. | 25 | Develop a "buy-local" campaign/program (or "Local First"). | The campaign would include a website with list of "certified" locally owned companies; outreach materials (posters, decals, etc.). |
| | 26 | Establish a local rewards/debit card (or local currency) | This would offer a reward/incentive for purchases at locally owned businesses that can be used at other locally owned businesses. Work with local banking institution/credit union to develop. Example: "Bernal Bucks" www.bernalbucks.org |
| | 27 | Establish a program to work with local businesses to ensure they have a robust online presence and mobile-friendly websites | Examples: make sure businesses are on Google maps and Facebook |
| | 28 | Encourage local businesses to partner on joint marketing campaigns | This may include sharing success stories, connecting business owners, etc. |

| Goal 2: Support Entrepreneurship and Business Development | | | |
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| Strategy | ID # | Action Items | Description |
| | 29 | Meet with successful local business owners and develop a list of best practices to share with other local businesses | |
| Attract and develop a skilled workforce to meet the needs of businesses and industries in the Northshire | 30 | Survey businesses to determine workforce needs in the region including what skills are in demand by area employers. | By understanding what skills are in demand it will possible to implement strategies to fill those skill gaps |
| | 31 | Explore opportunities to develop training programs with existing employers in areas such as food services and accommodations. | Engage local tourism and hospitality businesses to gauge interest in collaborating on a training program. |
| | 32 | Establish a regional apprenticeship program | An apprenticeship program would connect young people with business owners for on the job-training and to provide an opportunity for the apprentice to potentially take over the business when the time comes. Targeted businesses for the program would include those that may be looking to, or may need to transition ownership within the next 10 years. |
| | 33 | Make sure Northshire is represented and engaged with BCIC's Workforce & Education Committee's efforts. | Look to expand some of the programs currently in place in Bennington to the Northshire (Career Week, Internship programs, etc.) |
| | 34 | Partner with the Southern Vermont Sustainable Marketing and Recruiting Program as a means to work regionally to attract more people to visit, live and work in the area | Connect with the program as a means to work regionally to attract more people to visit, live and work in the area |
| Ensure that existing industrial businesses have adequate space to expand | 35 | Survey existing industrial users on their expansion plans and future needs | |
| | 36 | Create an inventory of available industrial and commercial land in the Northshire | Make notations regarding infrastructure, permitting status, and other characteristics important to site selectors. Put inventory on the internet for ease of access by site selectors and keep it up to date. |
| | 37 | Identify possible areas for future industrial development | Work with local planning commissions to identify appropriate sites for future industrial development. |

| Goal 3: Improve Quality of Life for Northshire Residents and Workers | | | |
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| Strategy | ID # | Action Items | Description |
| Focus on attracting and retaining young professionals | 38 | Recruit young professionals to serve on community boards | Identify opportunities for young professionals to be engaged and actively recruit them to participate |
| | 39 | Develop a downtown "nightlife" program in conjunction with existing businesses to develop a calendar of nightlife events and activities. | Communities and businesses could periodically sponsor a nightlife night with potential events including live music, comedian, theatrical performances, Karaoke, etc. Events geared towards young professionals. Create a web-passed list and calendar of all things to do at night. |
| | 40 | Support the development of a brew-pub feasibility study | A brew-pub is a pub or restaurant that brews its own beer for sale on the premises and is the type of establishment that would help attract and retain young professionals and fits with the character of the region. A feasibility study can be shared with potential developers and investors as a first step. |
| | 41 | Publish a newsletter/magazine of "things to do" geared towards young professionals | |
| Ensure transportation systems are meeting the needs of residents, workers, and visitors | 42 | Distribute a survey to workers in the Northshire via employers as well as residents to determine potential demand for increased public transportation options and to develop a list of regional priorities | |
| | 43 | Work with the Vermont Agency of Transportation and other organizations such as Vermont Public Transportation Association to develop plans and secure funding for high priority projects. | |
| | 44 | Explore the potential for a seasonal ski shuttle | Conduct outreach to local retail, tourism, and lodging businesses to determine if there is support for creating a ski-shuttle pilot program between major resorts and Northshire communities to ferry skiers lodging in the Northshire to resorts, and to bring other skiers and riders to the Northshire for shopping and restaurant options. |

| Goal 3: Improve Quality of Life for Northshire Residents and Workers | | | |
|---|-------------|---|--|
| Strategy | ID # | Action Items | Description |
| | 45 | Conduct "walking audits" to determine where bicycle and pedestrian infrastructure requires improvement. Meet with businesses and residents to hear about what types of pedestrian and bicycle amenities they would like to see. | |
| | 46 | Determine the transportation needs for the Northshire | Survey residents, workers, and businesses in the Northshire about their needs for public transportation and conduct "walking audits" to determine where bicycle and pedestrian infrastructure requires improvement. Conduct meetings with businesses and residents about what types of pedestrian and bicycle amenities they would like to see. |
| Attract and develop a skilled workforce to meet the needs of businesses and industries in the Northshire | 47 | Create a regional workforce housing trust fund | The trust would be a public/private partnership with several options for revenue sources (such as private sector sponsorship or donations, dedicated funding sources). The trust could provide low-interest rate loans for construction/rehabilitation of homes for the region's workforce |
| | 48 | Seek partnerships with non-profit and for-profit affordable/workforce housing developers | |
| | 49 | Work with developers and housing organizations to generate a list of financial incentives (including public grants) available for income-based workforce housing in the area | |
| | 50 | Explore the viability of a regional land trust | Acquire land for future workforce housing development. Donate, or sell discounted land to workforce housing developers that will develop projects meeting the workforce housing goals of communities. |
| | 51 | Prepare a regional "location analysis" that inventories potential workforce housing development sites and prioritizes them. | A list of prioritized sites will make it easier to engage with potential developers and will also offer community members the opportunity to participate in the process of planning for future workforce housing. Sites closer to community centers with infrastructure or adjacent to infrastructure should be focused on. The analysis should also examine adaptive re-use potential of sites such as small hotels that may cease to be operational in the future. |
| | 52 | Evaluate existing zoning requirements in the Northshire to see if they inhibit the creation of workforce housing and consider new options such as a workforce housing overlay zone. | A new overlay or "floating" zone may allow for higher densities if the project is workforce housing |

| Goal 3: Improve Quality of Life for Northshire Residents and Workers | | | |
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| Strategy | ID # | Action Items | Description |
| | 53 | Target infrastructure provisions and improvements to potential workforce housing development sites, especially sewer. | |
| | 54 | Streamline workforce housing development projects through expedited permitting and fee waivers for developers | |
| | 55 | Explore opportunities with housing developers to create the development of mixed-use and residential development in downtown areas that would be attractive to young professionals. | |
| | 56 | Commission a regional workforce housing plan | Recognizing that the lack of workforce housing in the region is a significant threat to economic development in the Northshire, a comprehensive workforce housing plan would study the issue in depth and come up with detailed recommendations on how to address the issue. |
| | 57 | Make sure Northshire is represented and engaged with BCIC's Workforce & Education Committee's efforts. | Look to expand some of the programs currently in place in Bennington to the Northshire (Career Week, Internship programs, etc.) |
| Support retail development that meets the needs of current and future residents | 58 | Share the results of the market analysis with retail chains that could fill existing retail gaps (e.g., Home Goods) to show the potential for expansion to the Northshire | |
| | 59 | Establish a shared retail space or retail incubator for local entrepreneurs and home-based businesses | Gauge the potential interest among local artists, craft makers, and others for shared retail space/retail incubator. Work with existing retails to identify extra space that could be leased to entrepreneurs or other locally-owned spall businesses. |

| Goal 4: Improve the Economic Development Environment of the Northshire | | | |
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| Strategy | ID # | Action Items | Description |
| Understand and monitor the needs and issues facing the business community | 60 | Implement a formal business visitation and retention program (BR&E) | Reach out to existing business owners on a regular basis to learn about their business, what they need in order to do better, what challenges they are facing, and what kind of support they are looking for. Could be conducted through the Manchester Economic Development Office, the Manchester and The Partnership, or both. |
| | 61 | Designate a municipal business liaison for each community that will be the primary point of contact for business owners | The business liaison would answer questions, address concerns, direct to resources, etc. |
| Ensure Development Processes, Policies, and Regulations Align with Economic Development Goals | 62 | Create a designated process "road map" for new development proposals and implement a system for including all necessary parties in the discussion early on and gathering public input in the early phases | Survey business owners who have been through process and ask for their feedback. Implement feedback from the survey to improve the process and codes to make it easier for applicants to understand and comply. Work with neighboring communities to hear about their site plan review process. Develop a roadmap that can be provided to the applicants in the beginning that outlines the process, required documents, timeframes, approving bodies, etc. Create a feedback system to allow for improvements in the review process. Implement a system for including all necessary parties in the discussion early on and gathering public input in the early phases |
| | 63 | Assess existing zoning regulations to ensure they permit desired development outcomes. Explore alternative zoning mechanisms such as form-based zoning. | |
| Foster regional collaboration on economic development initiatives | 64 | Host inaugural meeting of representatives from communities in the region to discuss working together on marketing | |
| | 65 | Establish regular gatherings of the resident and business community to discuss the economic future of the region. | |
| | 66 | Establish a joint meeting of Bennington Economic Development Partners and a similar Northshire group | The group would be comprised of representatives of various key stakeholders including officials, business owners, etc. |
| | 67 | Work with the southern Vermont Economic Development Zone Committee to build regional economic development activities in conjunction with Windham County | |

| Goal 4: Improve the Economic Development Environment of the Northshire | | | |
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| Strategy | ID # | Action Items | Description |
| | 68 | Sponsor regional networking events to bring together people who work from home and regional businesses, organizations, and residents. | |
| Build Economic Development Capacity | 69 | Analyze the need to expand capacity and explore new options such as an economic development corporation | |
| | 70 | Build partnerships with regional, county, and statewide organizations to expand capacity. | |
| | 71 | Seek additional funding for existing organizations such as the Partnership | Establish a funding campaign internally or with the assistance of a third-party fundraising organization. |
| Organize for Implementation | 72 | Organize an implementation committee to oversee the rollout of the plan | |
| | 73 | Hold an annual public forum | At the forum provide updates and solicit input on progress related to action items and general economic development efforts. Use the forum as an opportunity for the resident and business community to discuss the economic future of the region. |