

Grand Isle County Regional Strategic Economic Development Plan

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Town of South Hero
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I. Introduction

The effort to develop regional strategic economic development plans in Vermont began back in 1995 when the Commissioner of the Vermont Economic Development initiated a process to reconfigure the Department's own approach to economic development. The State's strategic plan was subsequently revised and published in the Spring of 1997, and that strategic plan re-write gave rise to the passage economic development incentives of the Vermont Economic Progress Council (VEPC) in 1998 that followed the passage of Act 60 in the previous year.

This regional strategic economic development plan comprises the next logical step in the overall strategic economic development planning effort in Vermont. This planning effort represents the dual opportunity to produce a well-thought out strategic economic development plan for the region, while at the same time having real, "bottom-up" input and influence on the strategic underpinnings of the State's overall strategic plan.

The process was comprised of four distinct phases, including: (1) review of past studies and strategic planning efforts for relevance to this effort, (2) analytic phase - which is composed of the economic assessment and the economic development resources assessment, (3) synthesis phase - where the results of the research and analysis are compiled and analyzed, and (4) strategy development phase - where an inventory of potential strategies is developed, prioritized, and refined. From that work, an implementation plan will be devised, detailing the resources needed for implementing the chosen strategies, with deadlines-milestones and responsibilities.

Why Does the Economy Need Economic Development?

Economic development means many things to many people. To some it means creating new job opportunities. To others, it means increasing the grand list of individual communities. To others, it means growth and the process of taking more and more of the world's resources that inevitably leads to the degradation of the environment. To still others, economic development is about making the economy stronger, and making sustainable improvements in the lives of workers and families. With so many different views, it is not surprising that economic development is often mislabeled and misunderstood.

Careful consideration of the term economic development finds that it encompasses much more than just creating additional businesses and jobs, or adding to a municipality's tax base. Real, more-enlightened economic development is about "*building a community's capacity for shared and sustainable improvements in the economic well-being of residents.*"¹ Under this definition, it is not just access to any job. It is about access to good jobs, ones that can support an adequate standard of living for all residents of a state, region, or community. It is also about continuous and sustainable improve-

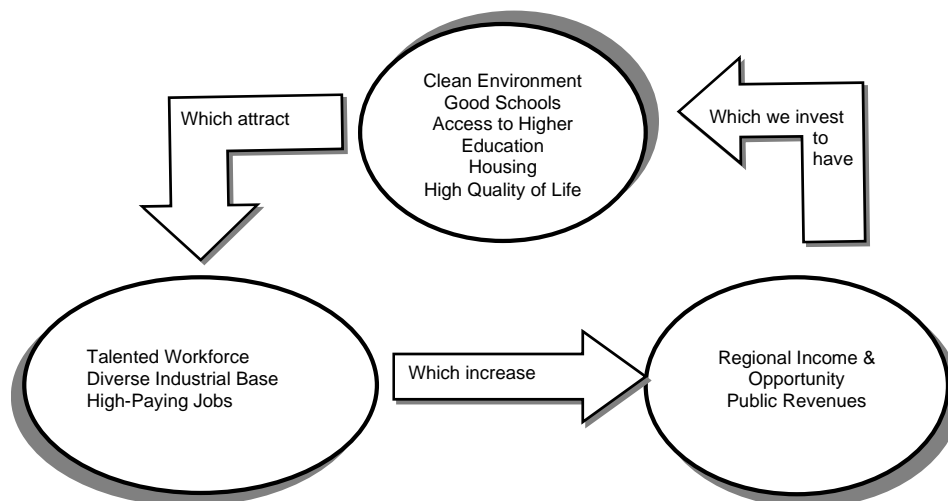
¹ From Local Partnerships for Economic Development, Executive Office of Communities & Development, State of Massachusetts (1994).

ments in the internal functioning of the economy, where its structural underpinnings are made stronger without sacrificing quality of life.

Continuous improvement in the economy is important for two reasons. First, it is important because the economy must continually renew itself as individual businesses evolve, and some are lost in the natural economic selection process. New firms and new industries are needed to replace those that inevitably fail, so the “economic organism” can renew and refresh itself so that sustainable improvement in the economic well-being of the economy’s residents can in fact be achieved. The second reason that real and more-enlightened economic development is needed is because it is the financial life’s blood of our society. A healthy, vital and sustainable economy is what is required to provide the public resources for a strong social safety net, the protection of the environment, and high-quality public services, quality roads, good schools, and access to advanced training and higher education. All of those are attributes of the superior quality of life and strong communities. All are key ingredients to quality of life in Grand Isle County, and the ability to have a high performance regional economy.

This interrelationship is illustrated by the “Circle of Prosperity”. First articulated in Vermont back in 1997 by the Vermont Business Roundtable, the “Circle of Prosperity” emphasizes the fact that economic development is a systemic effort. It involves the collective and sometimes coordinated actions of many individuals, businesses, and institutions.² It involves reaching a consensus within the region on where the people of the region want to be ten to twenty years in the future, and how they want to get there. This is true whether the issue is economic, social, or environmental. In this planning process, we focus on economic development, but clearly not to the exclusion of the other issues of importance to quality of life. Economic development is our emphasis because without it, it will be difficult, if not impossible to have the quality of life we believe we all strive for in the Grand Isle County region.

Figure 1. The Circle of Prosperity



² The Role of the Vermont Business Roundtable in the Evaluation, Coordination and Support of Economic Development Policy in Vermont, Report of the Economic Development Task Force, 1997. pp.1-2.

II. Overview of Past Initiatives and Activities

Grand Isle County has been the subject of a considerable amount of study over the years as the region's economy restructures itself. Because this plan did not want to recover "old ground," a review of previous studies and plans was undertaken to glean all information and data that were relevant to this effort. Organizations throughout Grand Isle County have been and continue to work on various aspects of the economic development challenges of the region. These efforts are indicative of the significant level of volunteer energy and resources that have been and continue to be expended. The following is a synopsis of the sections of those past studies that are particularly relevant to economic development.

Alburg Community *Vision-To-Action* Report May 2002

The Alburg Community *Vision-To-Action* Report is the result of a community forum, "*Forum for the Future*", held in May of 2002. The objectives were to develop a vision of the future for Alburg and identify specific areas, strategies and actions for creating the vision. The Alburg Community *Vision-To-Action* Report is a summary of the findings and conclusions of the participants, as well as a documentation of the process and steps of the *Forum for the Future*. There are four main sections to the report, however, the section dealing with the economy and economic development are what is summarized here.

Two main topics were the focus of the group's discussion. These were: Economic Vitality and Local Business: Stability Through Diversity and Growth and Development: Are We Planning Well?

The first topic, Economic Vitality and Local Business: Stability Through Diversity focused on such issues as how diverse is the economic base of the community, what is its makeup, are there matching workforce skills, are there educational opportunities, and how do employment opportunities measure up against opportunities elsewhere. The second topic, Growth and Development: Are We Planning Well, focused on such issues as are the zoning ordinances a tool or restrictions, is there a section of the community that is worth replicating, and does the structure of the town meet the desires of the residents?

The committee responsible for the brainstorming on the strengths and weaknesses of these two topics put together a list that was then presented to the full group.

Some of the strengths in economic vitality identified were: all the resources for tourism, such as B&B's, restaurants, Welcome Center, farm market, antique and gift shops and state parks. Other strengths identified were space for business growth available, transportation corridor, an available workforce, positive attitude toward growth and the Industrial Park.

Weaknesses identified that impact the economic vitality were high unemployment, under-qualified workforce, no zoning, lack of services, magnet for low-income people due to lower housing costs and lack of a sense of “town”.

There were also a number of key issues identified with regards to the future of the economy. Some of these concerns were infrastructure issues, such as services and empty buildings and costs of utilities. Other issues involved town cleanup and revitalization and town leadership and planning activities.

The Action Steps in the plan focused on five project areas that received the most votes as to priority according to the group. Those five action steps are:

- Create and enforce ordinances that support the town plan
- Invite and promote cottage industries to provide employment for local citizens
- Establish citizens’ advisory group
- Revitalize and improve appearance of Alburg
- Investigate and activate “Streetscape” Committee

Each of the five action steps was addressed by small committees to determine a specific goal, how to involve the community to accomplish it, a timeline for completion and a coordinator. As the second action step deals most directly with the local economy, the goal developed for this committee is listed here:

To address small business incubator space to encourage new business, development of business networks to enable existing businesses to increase activity, business training workshops and investigation of alternative energy issues.

**Grand Isle County, Vermont Land, Lake & Lifestyle
The 1999 Countryside Exchange A Program of Glynwood Center**

The Countryside Exchange is a program out of the Glynwood Center, located in New York. Grand Isle was competitively chosen as one of the communities to participate in the program. A team of community development professionals visited Grand Isle County for a week in October of 1999. The team held public meetings, panel discussions, tours and presentations with the assistance of a Local Organizing Committee [LOC], in order to assist Grand Isle County develop recommendations for economic and community growth and focus for the future. Subsequent to the meetings, a report was issued, describing the process, and detailing recommendations and strategies created by the communities, the LOC and the program team. The following is a synopsis of the report and its major findings.

Three key questions were generated by the process. These 3 key questions then formed the basis of the areas for focus and recommendations.

1. How can we most effectively increase employment opportunities so that we can afford to live and work on the Island?

- What economic development strategies would have the most impact?
 - How can we link our economy with the off-island economy?
 - How do we effectively market Grand Isle?
2. How can we create opportunities for people of all ages to enjoy Island life together?
- What activities are intergenerational? Which are likely to unite seasonal and year-round residents?
 - How do we create a sustained effort to share common experiences and interests?
3. How can we plan for growth in a way that pulls the County's residents together around a common vision?
- How can we bring change to the count in a way that feels positive to most people?
 - How can we support the individual needs and concerns of each town while creating a common vision for the future?

For the Economic Development section, three areas of importance were identified: Agriculture, Tourism, and "Back to Basics" Economic Development.

Agriculture

Agriculture was acknowledged to be an important part of the Grand Isle County economy and its community heritage. One major challenge for the farming community continues to be the cross pressures between preserving open land and development. However, the team observed that many Grand Isle farmers are pursuing innovative ways to add value to their products.

Recommendations:

"To build a vibrant and viable farming sector, the team suggests focusing on four key areas: working together, improving efficiency, regional branding and going organic."

Working together focuses on reestablishing networks for farmers to share expertise, knowledge, and links to other businesses in the county and outside the region. Improving efficiency focuses on increasing the skills necessary to make farming a profitable business venture, such as management skills, and access to new technologies and capital. Regional branding focuses on developing a brand identity for Grand Isle products, as well as looking for ways to introduce newer, higher value added products to the production mix. Going organic focuses on tapping into the growing market segment for organic produce, and increasing the networks concerned with organic farming and training, both with other farming concerns and associations and agencies that can assist with techniques.

Tourism: The Visitor Sector

Several points concerning the tourism sector in Grand Isle County were made to the team. In this sector as well, pressure to create and sustain a vibrant tourism sector

needs to be balanced with the capacity of the resources, both natural and constructed. Other challenges/weakness identified were the shortness of the season, lack of capital for business development and a lack of concrete knowledge of the types of visitors to Grand Isle County. Several recommendations were developed around this sector.

Recommendations:

- Collect reliable data about visitors.
- Create a modestly-sized, full color brochure and map which points out all of Grand Isle's places of natural and cultural significance.
- Consider hospitality training to build upon the island's friendly tradition.
- Development of a network of destinations and products, ranging from agricultural heritage, outdoor recreation and Vermont-Made craft weekends in order to tie Grand Isle County's character to the statewide tourism priorities.
- Involving youth as tour guides.
- Using existing local assets to lengthen the season, building a supply of four season activities.
- Identify a common image for Grand Isle and use it everywhere as a marketing tool.
- Another high-quality welcome center at the southern end of the island.
- Setting up a revolving loan fund.
- Setting up cross boundary partnerships to address water quality issues.

"Back to Basics" Economic Development

While agriculture and tourism-related enterprises are more predominant than other types of business in Grand Isle County, there are some small manufacturing firms located on the island. The team felt that the county was not given priority at the state level for infrastructure or business development investment. There is one industrial park in Grand Isle County, however, its condition is described as stagnant, and not of a high enough quality to attract new investors. Information-based business is seen as one area where Grand Isle could have an advantage as fiber optics currently go to the educational facilities.

Recommendations:

- Three specific areas are identified as the focus for developing a strategy for 'back to basics' economic development. This would be started by gathering all the small business proprietors on the island together to connect with business support agencies. The three key areas would be existing economic development, the Alburg Industrial Park and new information technology businesses.
- Assist in making business support services more accessible by developing a 'one stop shop' approach, and including state and federal agencies to participate.
- Working with state and federal agencies to expedite permitting issues for expansion.
- Existing businesses needs assessments conducted regularly.

- Revitalizing and revamping the Alburg Industrial Park to encourage business incubators and with new marketing efforts.
- Targeting home-based technology business.
- Extending the internet capacities of Grand Isle schools to other users, as well as developing broader access for commercial customers.

**Building Bridges—Strategic Development Plan for Grand Isle County
Prepared by: Burnt Rock Associates in Community Planning
December 1998**

The plan is the result of a yearlong community development effort addressing a wide variety of growth and development trends, economic trends, economic development, and community development topics. A total of 61 strategies across a broad spectrum were identified with 37 of the total relating to economic development and focused on agriculture, small business and tourism. Specific issues identified relevant to economic development include local access to labor, capital and markets and utilization of technical and financial assistance programs for small business.

Suggested strategies and implementation tasks by area are as follows below.³

Agriculture Development

Findings:

- Agriculture contributes to the Islands' 'heritage' economy, rural character and scenic landscape.
- Grand Isle County is losing farms at a rate faster than the balance of Vermont through consolidation and subdivision.
- There is widespread community support to sustain farming and Islands' agricultural resource base.

Strategies:

- Encourage and support local and regional efforts to sustain the Island's agricultural resource base.
- Work with interested parties to develop farm tours and related promotional efforts.
- Develop and maintain an agricultural directory of farms.
- Increase local exposure and markets for locally produced goods.
- Identify opportunities for new and relocating farmers.

Small Business Development

Findings:

- Proprietors' account for 47% of Island jobs.

³ Summarized here to save space.

- The majority of small businesses are in service, retail and construction.
- The Islands' are expected to see a 500 job increase by 2020 with 80% of the increase in the service sector.
- Despite availability, state and regional assistance is not widely utilized.
- Many businesses are self-financed and "self-limiting."
- A lack of dependable skilled labor has been identified.
- Average wages are only 71% of the statewide average.

Strategies:

- Maintain an inventory of Island businesses.
- Conduct annual business inventory needs.
- Identify opportunities for adaptive reuse of existing buildings for commercial and light industrial use.
- Conduct a feasibility study to explore the establishment of a business incubator facility.
- Organize a buy-local network to connect local buyers with suppliers.
- Host a regular Small Business Round Table.
- Develop cooperative marketing and promotional efforts for artists and crafts people.
- Develop and/or update local plans (Town Plans) to accommodate cottage and home based businesses.
- Support legislative efforts to provide small business tax relief under Act 60.
- Develop business intern and mentoring programs targeted to students and startup businesses.
- Create a "Doing Business" in the islands business kit.
- Develop a site inventory of available commercial and industrial space.
- Promote the Alburg Industrial Park.
- Maintain a standing Small Business Development Committee.

Tourism

Findings:

- Broad based community support exists for tourism.
- Islands' landscape and character are the most importance attraction.
- A longer season and extended visits are preferable to expanded capacity.
- Outdoor recreation and leisure are principal activities.
- The average visitor is middle-aged, middle income and with grown or no children.
- Lodging is near capacity (90%) during the height of the season.
- The Islands' season is very short relative to northwest Vermont.
- Potential exists to expand recreation-based tourism with improved infrastructure such as restrooms, information, and safe bicycle routes.
- Small population and short season result in a leakage of tourist dollars.
- Potential exists for increased cultural heritage tourism and, to lessor extent, agri-tourism.
- Strategies:

- Strengthen joint-marketing initiatives with island organizations.
- Design and implement a countywide directional sign program.
- Create an Island marketing logo.
- Support the development of the State's welcome center in Alburg.
- Develop a series of heritage theme tours, maps and promotional packages.
- Promote the Hermann's Royal Lipizzan Stallions.
- Provide hospitality-training workshops for local business owners, welcome center volunteers and tour guides.
- Target extended season niche markets.
- Participate in regional marketing efforts such as Lake Champlain Byways and the Lake Champlain Heritage Trail.

Developing a Vision

A second important part of this review of past initiatives is a review of past work relating to the desired future path or direction for Grand Isle County as a whole or for key communities in the region. In this effort's never-ending effort to avoid duplication, several past studies and initiatives were reviewed with respect to past visioning work in the region. For the purposes of this exercise, the steering committee defined 'Vision Statement' as a statement about how the region wishes to perceive itself economically. This is a "word picture" that clearly states how the Steering committee believes the region should be perceived by the public at some time in the future. The vision statement is often the motivational tool that gives life to "what the region can be" from an economic development perspective. The following is a preliminary vision statement put forth by the steering committee based on the reviews of past initiatives and the above definition of a vision statement.

Vision Statement

Grand Isle County is a vital, peaceful community welcoming visitors and residents to a pristine environment conducive to four-season recreation, arts and culture, small business and agriculture.

III. Understanding The Grand Isle Regional Economy

Economic Assessment

The first step in building a regional strategic economic development plan is gathering the facts to complete a thorough and objective analysis of the historic performance and structure of the region's economy—an economic assessment. This section describes the major findings of the economic assessment. The full assessment can be found in Appendix I.

- All towns in Grand Isle County export workers. Overall, Grand Isle County exports 2,600 workers (based on 2000 Census data), which is approximately 57.2% of the total working age population residing in Grand Isle County.
- Between 1989 and 2000 there was minimal growth in employment, only 0.5% per year.
- The Services sector accounted for the majority of the job growth, accounting for over 35% of total jobs by 2000.
- Growth in wages in Grand Isle County exceeded that of the state between 1981 and 2000, 5.2% per year vs. 4.3% per year.
- Grand Isle County's average wage in 2000 was still only 65.5% of the state average wage.
- The percentage of households with retirement income grew faster in Grand Isle County than in the state as a whole between 1989-1999. Almost 18% of all the households in Grand Isle County receive retirement income of some sort, as compared to 16% in Vermont as a whole.
- Entrepreneurship in Grand Isle County is a significant factor in the Grand Isle County economy – the growth in new establishments between 1993 and 2000 exceeded that of the state's as did the growth in proprietor's income over the same time period.
- Grand Isle County saw a significantly higher increase in the population between 1990-2000 than did the state, 30% vs. 8%.
- The largest gain is in the 40-59 year olds, which grew 83% over the last decade.
- Grand Isle County also saw a 36% increase in the population between the ages of 60-74.
- Along with the growing population, the region saw a larger increase in housing units than did the state, 1.2% per year vs. 0.8%.
- Median values also grew faster – 21% in Grand Isle County vs. 17% in the state as a whole.

Major Conclusions

- The commuting patterns reflect the high degree of integration between Grand Isle County and employment centers in the greater Burlington area in Chittenden County. From an economic development perspective for Grand Isle County, these data and information show that the county has an available work force living within its borders to fill jobs, if only those job opportunities were available.

- The employment and wage data suggest that although average annual job growth in Grand Isle County over the last two business cycles has exceeded that of the state, the bulk of this growth was seen in the 1980s and was not sustained through the 1990s. Wage growth also exceeded the state's, yet Grand Isle County's average wage is only 65.5% of the state's. In addition, these data also show that while the level of entrepreneurial activity is high in Grand Isle County, the level of economic reward from these pursuits is lagging as compared to the nation. This suggests a "problem with wages-earnings levels" exists in the region.
- The faster increase in households with retirement income in Grand Isle County demonstrate that the aging of the population that is occurring globally and nationally is occurring even more quickly in Grand Isle County. This is in part attributable to the attractiveness of Grand Isle County as a retirement location due to its proximity to Lake Champlain and the urban area of Chittenden County, all while keeping its rural nature.
- The data on housing units and costs in Grand Isle County show a decline in 'affordability' of owner occupied housing. Coupled with the fact that Grand Isle County has a higher than state average of owner occupied housing units, housing affordability and how that is linked to economic development appears to likely be a key issue for economic development policy in Grand Isle County going forward as well.

Grand Isle County's Key Industries

A second part of the economic analysis involves identifying the region's key industries. Key industries are those that have either increased or declined by more than 12-15 jobs [between 1.0% and 3.0%] over the past two business cycles, still show a significant presence in employment, had a relatively equal or higher average wage level versus the county average or the statewide average in the industry sector, and are industries that have an export-oriented focus.

Along with the examination of key industries by job growth, relative wages and employment levels, it is necessary to characterize the industries by their markets, i.e., do these industries have an export focus or do they serve mainly the local market? While an industry can be important to a region due to its size, strategic economic development targets those industries considered 'base' industries or industries that import dollars into the region. A region's economic strength and prospects are determined by its key base industries because these industries are responsible for attracting the economic resources that improve the quality of life and well-being of the region's citizens through increased personal income and the provision of replacement and new public resources. Therefore, this analysis of Grand Isle County's key industries focuses on those industries considered 'base' industries.

Examination of the data available resulted in the list of 4 major industry areas that the Steering committee decided to focus on: Tourism, Light Manufacturing, Home-Based Businesses and Production Agriculture.

Economic Development Resource Inventory and Assessment

A third piece of this strategic planning effort was to undertake an inventory and assessment of the economic development resources in the greater Grand Isle County region. The purpose is to identify what the region currently has to support economic development, business growth and job creation in order to determine: (1) the strengths of the region in this regard, (2) develop an understanding of what the region was currently and potentially lacking in the area of economic development resources, and/or (3) identify those resource areas that need improvement through both effort—and potentially—through economic development policy. This section describes the major findings of the assessment. The full assessment can be found in Appendix II.

The Rating Process

To rate the economic development resources of the Grand Isle County region, the steering committee started with a template that utilized seven resource categories. They are as follows:

- Human Capital
- Financial Resources
- Natural and Built Resources
- Physical Infrastructure
- Industrial/Commercial Site Inventory
- Technology Resources
- Institutional Resources

Major Findings

- Human Capital:
 - There are generally people available for employment, but a limited number of opportunities in a wide range of skills and availability for the tourism industry fluctuates.
 - Most people work off island.
 - The labor force is a good mix of ages.
- Financial Resources:
 - Abundant debt resources, serious shortages in equity and other early stage financing resources.
 - Regional or local equity or venture capital resources virtually nonexistent.
- Natural and Built Resources:
 - Regional residents have poor to adequate access to the high quality natural resources and the cost of access is moderately expensive due to the tourism base.

- Region lacks certain built resources that fall into the 'quality of life' categories.
- No major challenges to moderately priced child care.
- Physical Infrastructure
 - Roads generally in good condition and provide access to certain parts of the Island.
 - Wastewater capacity is lacking.
 - Housing availability and price is a challenge.
 - Wireless communications not optimal.
 - Water quality due to damage from zebra mussels and phosphorus pollution are seen as challenges.
- Industrial/Commercial Site Inventory:
 - Industrial space available, but can be limited by sewer capacity.
 - Cost of development is relatively higher than in surrounding areas.
- Technology Resources:
 - Limited resources for research and development partnerships.
 - SBIR funding available, but not widely accessed.
- Institutional Resources:
 - Region is well positioned in its infrastructure of social, religious and fraternal organizations.
 - Economic development resources available, but often hard to access.
 - Educational resources generally available, excluding secondary.

IV. Strategic Initiatives

Grand Isle County, the fastest growing county in Vermont, is rich in natural assets: miles of shoreline on beautiful Lake Champlain that attract visitors in all four seasons, an agricultural heritage that includes apples, wine and dairy, a respect for the environment, and people who are resourceful. The resources to support economic development in the region, however, are limited. Therefore, service providers and those involved with economic development need to direct their efforts and expenditures on parts of the regional economy where it is recognized that these efforts will generate the highest potential return.

Building the competitiveness and expanding the scope of the region's strategic export-oriented and dollar-importing sectors was recognized by the working committee to be the means that offers the highest potential return to the Grand Isle regional economy. Other strategies of the comprehensive regional economic development plan dealing with issues such as infrastructure maintenance and development, work force development, and quality of life are important parts of this plan and will be accomplished through strategic partnerships with others inside and outside of the region.

Focus is an essential aspect of this strategic economic development plan. Since we cannot be "all things to all people," achieving focus on a defined set of specific tasks under each of the strategies is crucial if organizations within the five communities in the county trying to improve the regional economy are to be successful in economic development/revitalization in the region.

By focusing its efforts and its limited resources on these critical engines driving the regional economy, the working committee is committed to an approach of helping groups to direct their efforts and resources to where they can be most effective in generating a positive economic return to the residents of all communities in the region. This focus involves concentrating on high-valued added job development opportunities tied to dollar-exporting, key sectors that comprise the region's "economic drivers or engines."

Strategy #1: Facilitate an environment of public-private partnership, and inter-community cooperation.

Grand Isle County faces the same cross pressures surrounding economic development and growth as many communities within the state and nation. Therefore, cooperation and collaboration with surrounding regional and state organizations is critical for leveraging the resources within Grand Isle County.

Goals:

- To establish collaborations and partnerships with federal, state and local governmental entities as well as other organizations within and outside of the county, and improve local collaboration between communities by identifying common needs.

- To facilitate the smooth and efficient identification and management of economic development opportunities that may involve multiple communities and economic development services organizations within and outside the county.
- To promote greater understanding of development and growth issues within individual communities in the region.

Goal 1 – Action Steps:

- Develop an inventory of all local economic development regulations in the various communities that are in potential conflict (within 90 days).
- Identify all areas of inter-community cooperation and commonality of purpose within the county—such as for Fire, Rescue, FEMA, Department of Homeland Security, transportation, water systems and other infrastructure, and the Schools (within 90 days).
- Focus on economic development projects that benefit all communities, e.g. Island Line Trail and Islands Center for Arts and Recreation
- Develop a list of organizations with countywide scope; identify ways they already cooperate, and ask for ideas on how else they might collaborate. Create new opportunities for collaboration.

Goal 2 – Action Steps:

- Complete a summary organizational chart of economic development and business assistance services in the region (within 60 days).
- Schedule series of Rotary and similar public presentations, including Planning Commissions, Select Boards, and Zoning Boards (where they exist) to present the current institutional structure (within 90 days).
- Develop a “Did You Know” brochure that includes information on all the ways the Regional Development Corporation and the Small Business Development Center can assist existing and new businesses to be successful.

Goal 3 – Action Steps:

- Identify, prioritize and present a candidate list of economic development-business development issues to facilitate inter-community cooperation in the region.
- Provide communities with periodic updates on how projects of mutual interest are succeeding, working cooperatively-collaboratively (within 120 days).
- Identify institutional changes in the existing economic development and business development services delivery systems that are needed and disseminate information widely (within 150 days).
- Work with members of the Northwest Regional Partnership, which includes Franklin County Industrial Corporation, the Northwest Regional Planning Commission and the Franklin County Regional Chamber to establish collaborative efforts for economic development opportunities at all institutional and private sector levels possible. This effort can be integrated with the requirements of a joint work plan between the Lake Champlain Islands and Franklin County Chambers of Commerce.

- Working with the SBDC, develop and implement a comprehensive business survey in order to understand the regional needs for small businesses.

Strategy #2: Implement a targeted business development program focused on small- and micro-business development in the key economic sectors of the county economy.

Small business development and recruitment are both important components of a successful economic development strategy for Grand Isle County. Ideally, this approach would include a mix of short-term and long-term initiatives as well as incorporating both job retention and business expansion components. The major sectors identified by the group as key to the local economy are tourism, production agriculture, home based businesses and light manufacturing in the Alburg Business Park.

Goals:

- Work aggressively to support the existing regional job base through local, regional, and state institutions.
- Provide technical assistance services.
- Develop and implement a recruitment program that builds on the current assets of the county.
- Understand the needs and resources to businesses as they pertain to regulatory issues.

Action Steps for Tourism Industry:

- Create a complete profile of the Tourism industry, including properties, lodgings, attractions and annual events, e.g. investigating the needs of boaters and anglers
- Identify Chamber and non-Chamber members in order to create an inclusive data set.
- Develop an “Ambassador’s Program”, with a goal of contacting or visiting all existing tourist-related companies in the county to assess their needs and share information.
- Invite interested parties to periodic meetings with a goal of creating a county-wide schedule of events.
- Develop a resource inventory for areas of opportunities to work collaboratively, e.g. creating vacation packages, coop advertising, cross-marketing and public relations, and recruiting new audiences within the drive market.
- Complete the full business development /recruitment marketing message based on the specific advantages of the region (e.g. ED resource assets, and Lifestyle-Quality of Life) including those that exist and those that are likely to be developed by the region in the future.
- Facilitate opportunities for professional development within the industry.
- Explore possibilities to develop agri-tourism. Contact State and national resources for information.
- Develop a committee of interested local parties to lead information-gathering efforts.

Action Steps for Alburg Business Park:

- Working with the Alburg Business Park Board, create a web presence with information on how to contact and receive information about opportunities for business development in the Park.
- Develop a long-term, strategic business recruitment program focused on the attributes of successful regional employers that utilize the competitive assets of the county.
- Develop a list of companies outside of the county that represent strategic recruitment opportunities by current (beginning with the Alburg Business Park asset) and prospective area of focus.
- Develop the recruitment marketing message based on the specific advantages of the region.
- Contact the Triangle of Excellence organization to develop specific initiatives to promote the Alburg Business Park.

Action Steps for Production Agriculture:

- Further refine the functional profile of the Production Agriculture industry (within 60 days).
- Develop a specific list of options for collaboration for county businesses including opportunities both inside and outside of the county. This task includes exploring options with the VT Dept. of Agriculture, the VT Land Trust and the Alburg Farmer's Market. Explore opportunities for agri-tourism to create new visitor destinations.
- Identify potential threats to production agriculture, and keep businesses informed and focused on solutions.

Action Steps for Home-Based Businesses:

- Inventory as many home-based businesses in Grand Isle County as possible, with the assistance of town government and grand lists.
- Create a functional profile of possible home-based businesses, including specific resource needs of home-based businesses.
- Develop a list of economic development and business assistance services for home-based businesses.
- Develop and implement a public education message to disseminate the information.
- Develop a list of strengths and weaknesses of Grand Isle County for home-based business development based on the economic development resources assessment.
- Use the above information to develop a marketing message to recruit new businesses, based on the specific advantages of the region.
- Develop a specific list of options for collaboration, including opportunities both inside and outside of the county, in order to promote business recruitment that utilizes the competitive assets of the county.

Strategy #3: Implement an integrated program that identifies and evaluates all traditional and non-traditional infrastructure needed to support a high-performance Grand Isle County economy, and then sets goals to accomplish acquisition of needed infrastructure.

The availability of high-quality infrastructure to move things, people, and especially information into and out of the county is essential to attracting and retaining globally competitive small businesses in the county. The group identified access to broadband Internet capability, addressing lake water quality, lake access for anglers and boaters, waste water treatment issues, mosquito control and public and private transportation issues including the provision of park and ride lots as infrastructure necessary to enhance economic development in the Islands. The addition of infrastructure to create the Island Line Trail and the Islands Center in Knight Point State Park will also create opportunities for economic development.

Goals:

- Identify the infrastructure assets of Grand Isle County on a town-by-town basis.
- Identify the strengths and weaknesses of available infrastructure in supporting current and future business expansion in the key industry sectors, on a town-by-town basis.
- Design steps to create needed infrastructure.
- Expand public awareness of the importance of high quality and available infrastructure to economic development in Grand Isle County.

Goals #1 & 2 – Action Steps

- Complete a comprehensive inventory of the county’s key economic development and other business support infrastructure – including transportation, waste water, electric power and other traditional infrastructure, as well as broadband, cellular service, websites, etc. on a town-by-town basis.
- Work with Northwest Regional Planning office, select boards and Economic Development Council of Northern Vermont to complete inventory.
- Identify gaps in needed economic development and business support infrastructure based on the completed infrastructure inventory.
- Design countywide steps to address any deficiencies in the economic development infrastructure.
- Design a plan for asset maintenance on a region-wide, systems basis.

Goal # 3 – Action Steps:

- Develop telecommunications plan needed for the region to go “wireless” within the next two years.
- Collaborate with Economic Development Council of Northern Vermont to bring broadband Internet to the Islands.

- Support the efforts of The Agency of Natural Resources, the Army Corps of Engineers, the Northern Lake Champlain Advisory Committee and local citizens to improve the water quality in Lake Champlain.
- Work with state legislature and local communities to develop Park and Ride facilities for the Island.
- Collaborate with Local Motion and the Island Line Steering Committee, local select boards and planning commissions, and Northwest Regional Planning's TAC to create the Champlain Islands Trail, a multi-use recreational route connecting South Hero with the border of Canada.
- Complete facility infrastructure for the Islands Center for Arts and Recreation at Knight Point State Park.
- Complete a comprehensive inventory of water/waste water issues as it pertains to business expansion in Grand Isle County.

Goal # 4 – Action Steps:

- Develop communication tools to publicize the development and maintenance of these critical infrastructure assets to elevate regional awareness of the importance of developing those assets. Update these tools periodically.

Strategy #4: Workforce Development and Education: it begins in pre-school and incorporates lifelong learning.

Grand Isle County is unique in that its high school-aged children are exported to other communities to continue their education. Students in the northern half of the Island go to Franklin County or upper New York State, while students in the southern communities get their education in high schools throughout Chittenden County. As a result, the continuum of education is fractured. Likewise, there are few opportunities for adult education that can support workers in their jobs, or help them to acquire new skills. Educators and parents are working with economic development organizations to ensure that decision-makers understand the importance of early education for school success.

Goals:

- Ensure that all children arrive at school ready to learn by supporting early childhood education.
- Support the acquisition of skills to ensure a marketable workforce, for school-age children as well as adult education.
- Partner with other organizations and employers to provide retraining opportunities.

Action Steps:

- Local Advocacy for Skills to Obtain Work: Work with the Vermont Department of Education, the Agency of Human Services, the school district and early childhood providers to ensure that children have access to early childhood education, full day kindergarten and preschool.

- Provide support for middle school children to promote self-esteem, education programs (augment until consolidated), after-school programs: to ensure that gaps don't develop in skills, etc.
- Develop career education opportunities.
- Provide local counseling services for high school students.
- Partner with other regional organizations to offer a leadership development program for youth and adults.

Suggested Business Practices:

- Businesses encourage parents to attend scheduled parent conferences in schools
- Support high school students (drop out, drop in) by developing programs for alternative high school students; encourage students to re-enter education.
- Encourage employer-sponsored education by making sample training contracts available to local businesses.

Partnerships to Promote Workforce Training:

- Design creative and interesting programs to improve student career awareness, career exploration, and the knowledge and skills needed for success in the modern workplace. Build on successful models already in place in northwest Vermont (such as the Learn To Earn on the Middle school level, mentoring programs, etc.), and through establishing an out-reach program for business leaders and educators. Establish mentoring programs.
- Partner with the Franklin/Grand Isle Workforce Investment Board to provide expertise and services.
- Partner with schools on the Islands to identify potential students, provide location for classes in QuickBooks, etc.
- Working in partnership with higher education in northwest Vermont and elsewhere (e.g. Cornell), expand the delivery of secondary and post secondary educational programs in the county, including the availability of degree programs and adult education, that support the region's key, economic development opportunities.
- Create partnerships with other vendors of adult education and make resources available to Islanders. These services should be affordable, easily accessed, and support the needs of the working public.
- Create partnerships with employers to provide skill training in specific areas, e.g. ServSafe training for summer kitchen help, First Aid, etc.

Analysis of Workforce Resources and Needs:

- Conduct a needs assessment of re/training for Islands' businesses.

Legislative Advocacy

- Study the following issues to accomplish both goals:
 - Universal health care
 - Full middle school program for all Island students.

Strategy #5: Build regional capacity to access capital to expand early stage capital options for regional entrepreneurs, and to proactively provide expanded financing options for beginning businesses.

During the planning process, the working group has identified a significant gap in the supply of equity and early-stage financial resources in the region. The working group identified the need to be proactive in expanding the number and depth of financial options and tools available to new entrepreneurs and regional economic development professionals as they seek to retain key existing employers and to encourage new entrepreneurs. This was thought to be a statewide problem consisting of both lack of information and education for entrepreneurs, where the current system is passive, but needs to be “active” in terms of availability of programs and capital sources state- and New England region-wide. Grand Isle County’s Small Business Development Center can be a key partner in this strategy.

Goal:

- Expand the number and depth of financial options and tools available to new entrepreneurs, and to regional economic development professionals.
- Disseminate information about available resources.

Tasks:

- Develop a “Starting and Running a Business in Grand Isle County” informational packet addressing financial resources, planning resources, educational opportunities for starting and expanding business. Use resources of the Small Business Development Center as well as the Economic Development Council of Northern Vermont. Put on CD and online.
- Hold informational/educational classes for new businesses.
- Track inquiries and follow up with potential new business owners.
- Develop a peer/mentor relationship program to support new business owners.
- Ensure that materials at the SBDC, located at the Chamber, are current.
- Work with the Vermont Economic Development Authority (VEDA) to identify how to establish direct Grand Isle County linkages to the early-stage debt capital and other existing/developing financial resources programs (within 90 days).
- Identify range of capital options including private equity funds (e.g. industry based), private sector sources, governmental funding sources, foundations, and existing angel investors networks that could be employed in the region for entrepreneurs.

- Develop regional knowledge and “know-how” for raising and/or gaining access to early-stage capital sources (e.g. so-called mezzanine debt and various equity capital sources) to develop options for new business start-ups and owners of existing strategic businesses in the region to further expand and grow their businesses within the Grand Isle-Franklin County region.

Strategy #6: The institutions and private citizens of Grand Isle County will work cooperatively to build a regional quality of life that is consistent with the labor force-entrepreneurial needs. These include building a high performance economy with quality jobs, safe communities, good schools, and opportunity, while preserving the natural beauty and resources of the county.

“Quality of life” is becoming an increasingly important aspect of what is needed for a region to attract and retain the type of talented work force that is required for a strong, diverse economy in the county. It is an integral part of any strategy that addresses the needs of the region’s key economic driver sectors as they seek to develop the work force needed to succeed now and into the future. Key to the success of any strategy will be fostering the cooperation and collaboration among communities on the Islands, finding ways to overcome a history of insularity and a “go it alone” mentality.

It is our belief that Economic Development affects everyone, and building ‘connection’ instead of insularity is a natural step in meeting our goals. Building our area toward strong social and economic prosperity, while enhancing our environment, will serve all purposes.

Goals:

- Develop a plan to promote county-wide resident cooperation.
- Identify specific county-wide projects aimed at enhancing the cultural, social and environmental amenities.

Goal #1 Tasks:

- Develop a method of identifying residents:
 - Contact:
 - Town Offices
 - Schools
 - Real Estate Offices
 - Chamber of Commerce
 - Vermont Social Services
 - 911 List

- Separate residents into three segments:
 - New
 - Compose Welcome Letter
 - Gather information for welcome packet
- Enlist and organize volunteer network in each community
 - Over 2 years
 - Always lived here
- Arrange a series of Community Building Potluck Suppers
 - Organize a revolving committee to handle scheduling, advertising, etc.
 - Criteria: Bring someone you already know, and someone that you don't know
 - Purpose: Integrate Community members over shared food
 - Approach: Every person in every community has something small or large to contribute at whatever level is appropriate for them. We are in the process of facilitating the human bond that connects us all. Only the names and faces are different, the problems and goals, we share. "Come and enjoy our commonalities and ultimately know the pleasure of being involved in your community."

Goal #2 Tasks:

- Investigate possible abandoned farmlands for purchase [use Shelburne and Huntington as examples].
- Develop a Grand Isle County multi-use development center.
- Propose a property owner's association.

Strategy #7: Work cooperatively to improve the availability work force housing in the region by increasing the number of affordable housing options available to those who seek to live and work in the county now and in the future.

High performance regional economies are characterized by their commitment to a high quality of life where workers can live within a reasonable commute of where they live. Access to affordable worker housing is a key aspect to quality of life for a high performance economy. Increasingly, "best practices" economic development strategies view quality and affordable work force housing as important asset for attracting and retaining a capable work force with the needed skill sets to improve a region's economic performance.

Goal:

- **Develop a coordinated regional approach to address the housing issues related to the needs of the regional work force—as they currently exist or are**

expected to develop in the future—consistent with enhancing the overall quality of life in the Islands.

Goal #1 Tasks:

- Establish a regional work force housing task force to work cooperatively with Grand Isle County communities, county stakeholder groups, and with partners in neighboring counties to effectively communicate the fact that there is a *Northwestern Vermont* housing market that is not influenced by individual community-county boundaries (Within 180 days and on-going).
- Work cooperatively with regional partners to update existing housing needs assessments for the county to ensure the best possible information and data have been brought into the outlook for future housing needs in the region (Within 180 days and on-going).
- Assist these partners with developing credible impact analysis for targeted audiences such as municipal officials, homebuilders, realtors, and mortgage lenders as to the importance of having an adequate supply of work force housing across the price spectrum in the county (Within 180 days and on-going).
- In coordination with the partners identified above, assist the task force in preparing and delivering credible estimates of housing need and other important workforce housing information via workshops for municipal officials and others. The workshops would ideally address issues such as: (1) the impact of the region's changing demographics on the need for different types of housing, (2) the effect additional housing units have on municipal property tax bases, (3) the effect of additional housing on demand for municipal services and school capacity, and (4) the need for higher density development to preserve open space and keep the costs of housing affordable (within 365 days and on-going).

V. Long-Term Economic and Demographic Forecast

The projections of population, households and employment in Grand Isle County begins with a forecast of economic and demographic variables for the Grand Isle County, Chittenden County and Franklin County region. The northwest region of Vermont has become increasingly interconnected in its economic and demographic relationships. Therefore, any examination of Grand Isle County needs to look at the larger economic region in which it is located. Therefore, the three northwest counties as a whole was first forecast in order to understand the context within which Grand Isle County will approach the future.

In general, economic activity governs an area's growth in population. The economy's size and health tends to dictates in and out-migration, relative wage levels, and personal incomes. Higher incomes influence quality of life factors, which in turn, influences demand on goods and services, employment levels, and hence future economic growth. This analysis examines recent economic trends and events to forecast the Grand Isle County population and employment variables.

The Grand Isle County regional employment and population projections were developed using an input-output model from Regional Economic Modelling, Inc. (REMI).⁴ The population projections for Grand Isle County were developed using a statistical forecasting method that uses the Grand Isle County share of the three northwest counties as the dependent variable. The forecasted shares are then applied to the forecasted total regional population to obtain the Grand Isle County portion. The employment projections were approached in a similar manner, by using statistical analysis to forecast the Grand Isle County share of the three northwest counties.

The forecast for households was accomplished by using Grand Isle County's headship rates, namely the propensity to form households, developed from the 2000 Census and applied to the projected population levels. Projections of households are used as a broad measure of the level of housing demand by assuming that every household will want a separate housing unit.

Population Projections

As stated above, the population projections for Grand Isle County were derived from the population projections of the three northwest counties, Chittenden, Franklin and Grand Isle Counties. It is important to note that these forecasts represent a status quo forecast. Because they are based on the behavior of the population in the past, the forecast represents the likely direction of population growth with no changes in policy that could affect population growth. For example, policy changes such as zoning ordinances that affect the density of development across Grand Isle County may alter the pattern of future population change, and therefore result in future population growth that looks markedly different than the one presented here. Additionally, no forecast method

⁴ Regional Economic Modelling, Inc. – Amherst, Mass.

exists that is able to predict discontinuous events. A significant event in the region, such as the loss or gain of a major employer, will also alter the pattern of future population growth and lead to results differing from those presented here.

Over the entire forecast period, 2000-2015, Grand Isle County is expected to grow by approximately 1,921 people. That represents an average annual rate of growth of 1.6%. Table 2. shows the Grand Isle County population forecasts broken out by age groups. Grand Isle County is one of the areas in the state that had experienced slight growth in the amount of children under 14 between 1990 and 2000. This trend is not expected to continue, with an anticipated loss of approximately 136 over the forecast period.

Table 2. Grand Isle County Population Projections

| | 1990 | 2000 | 2005 | 2010 | 2015 | Abs. Chge. 1990-2000 | CAA 1990-2000 | Abs. Chge. 2000-2015 | CAA 2000-2015 |
|-------|-------|-------|-------|-------|-------|----------------------|---------------|----------------------|---------------|
| Total | 5,361 | 6,929 | 7,688 | 8,289 | 8,850 | 1,568 | 2.6% | 1,921 | 1.6% |
| <14 | 1,226 | 1,408 | 1,390 | 1,349 | 1,272 | 182 | 1.4% | (136) | (0.7%) |
| 15-24 | 599 | 706 | 900 | 843 | 854 | 107 | 1.7% | 148 | 1.3% |
| 25-34 | 916 | 750 | 649 | 819 | 882 | (166) | (2.0%) | 132 | 1.1% |
| 35-64 | 2,025 | 3,215 | 3,735 | 4,036 | 4,130 | 1,190 | 4.7% | 915 | 1.7% |
| >65 | 595 | 850 | 1,014 | 1,242 | 1,712 | 255 | 3.6% | 862 | 4.8% |
| >75 | 216 | 330 | 396 | 444 | 519 | 114 | 4.3% | 189 | 3.1% |
| <35 | 2,620 | 2,864 | 2,938 | 3,011 | 3,008 | 244 | 0.9% | 144 | 0.3% |

Notes:
 CAA= Compound Average Annual Rate of Growth
 Population data reported on a July 1 basis.

The age group expected to see the largest absolute increase is the 35-64 group with an increase of 915. However, this increase represents a smaller average increase per year as well as a lower absolute level than seen between 1990 and 2000. This age group increased by 1,190 between 1990 and 2000, an average of approximately 119 per year. The average annual increase between 2000-2015 is expected to fall to approximately 92 per year. This will have dramatic repercussions on the available labor force over the next fifteen years.

One of the two younger age groups, the 25-34 years, is expected to see a reversal of the previous trend by increasing over the next fifteen years. This age group lost 166 between 1990 and 2000, while between 2000 and 2015 they are expected to see a 132 person gain. This age group represents the upcoming replacement workers needed. While it is good news that the trend from the 1990s is expected to reverse itself, the size of the gain is still cause for concern. For example, the 25-34 year old group will be hitting the next age group over the next fifteen years. With the increase in this group be-

ing small, there will continue to be less indigenous individuals in the prime labor force years, continuing a possible shortage of skilled, available workers.

Household Projections

The household projections for Grand Isle County are derived from the forecasted population and headship rates derived from the 2000 Census. Headship rates measure the propensity of a population to form households. The headship rates are then applied to the forecasted population to derive a measure of household projections. This method has an advantage over using the average number of people per household figures in that it inherently accounts for the trend in changes in average household size.

Household projections are used here as a gross measure of future housing demand, going on the premise that every household wants a housing unit. This assumption does not incorporate the presence of multiple households in a single housing unit. More accurate measures of projected housing unit demand would include estimates of co-habitated units and other household dynamics. Housing unit supply estimates are also beyond the scope of this study. Those estimates would involve calculating likely vacancy rates, destruction rates, and building rates that could be expected to occur over the next 15 years.

Table 3. shows the projected number of households for Grand Isle County by age groups. Over the next ten years, Grand Isle County is expected to see an increase of 1,174 households or a 2.4% average annual rate of growth. This increase is larger than the increase seen between 1990 and 2000 of 799 households. This difference between the amount of households added in the 1990s and the forecast period is due mostly to the trend of decreasing household size. In 1990, the average household size was almost 3 people per household, whereas by 2000 that had decreased slightly under 2.5 people per household. So even though the 1990s saw a higher rate of population growth than is forecasted for 2000-2015, the trend of decreasing household size contributes to the larger growth in households over the forecast period. Over the forecast

Table 1. Grand Isle County Household Projections

| | 1990 | 2000 | 2005 | 2010 | 2015 | Abs. Chge. 1990-2000 | CAA 1990-2000 | Abs. Chge. 2000-2015 | CAA 2000-2015 |
|-------|-------|-------|-------|-------|-------|----------------------|---------------|----------------------|---------------|
| Total | 1,977 | 2,776 | 3,157 | 3,551 | 3,950 | 799 | 3.5% | 1,174 | 2.4% |
| 15-24 | 70 | 84 | 108 | 101 | 102 | 14 | 1.8% | 18 | 1.3% |
| 25-34 | 443 | 365 | 317 | 400 | 431 | (78) | (1.9%) | 66 | 1.1% |
| 35-64 | 1,101 | 1,759 | 2,052 | 2,217 | 2,269 | 658 | 4.8% | 510 | 1.7% |
| >65 | 363 | 568 | 680 | 833 | 1,148 | 205 | 4.6% | 580 | 4.8% |
| >75 | 152 | 231 | 278 | 312 | 364 | 79 | 4.3% | 133 | 3.1% |

Notes: CAA= Compound Average Annual Rate of Growth

period, the average household size is expected to continue to decrease slightly, thereby continuing to affect the growth rate of households. Some of the household growth will be due to other demographic trends, such as an aging population that remains in their own households for longer periods than seen in previous history.

Again, it is important to note that the household projections are also a status quo forecast. The projections are based on the historic trend and are forecasted based on no significant policy or other macroeconomic changes occurring in the region.

Employment Projections

The employment projections for Grand Isle County were accomplished with the same method as the population projections, with some added adjustments. First, the larger economic regional employment was forecasted, namely the three northwestern counties, Franklin, Chittenden and Grand Isle. Second, Grand Isle’s share of the regional employment was forecasted and applied to the northwestern regional employment projections. Third, the 1-digit SIC code sectors were projected using their historic share of the total employment in Grand Isle County. Fourth, the projections were adjusted to account for the recent recession in the regional and state economies. Table 4 shows the Grand Isle County employment projections by 1-digit SIC code.

Total employment is expected to increase in Grand Isle County by 633 jobs over the forecast period or at 1.8% per year. This rate of growth is lower than the growth experienced between 1990-2000, 3.4% per year. This slower growth is not expected to affect all the sectors, even though it is in part a phenomenon of recovering from the recent recession.

Following the historic trend, the Services sector is expected to see the majority of the employment increase, adding approximately 272 jobs over the forecast period which corresponds to an average annual rate of growth of 2.2%.

Table 2. Grand Isle County Employment Projections

| | 1990 | 2000 | 2005 | 2010 | 2015 | Abs. Chge. 1990-2000 | CAA 1990-2000 | Abs. Chge. 2000-2015 | CAA 2000-2015 |
|----------------|-------|-------|-------|-------|-------|----------------------|---------------|----------------------|---------------|
| Total | 1,448 | 2,028 | 2,253 | 2,445 | 2,661 | 580 | 3.4% | 633 | 1.8% |
| AFF | 33 | D | 85 | 116 | 144 | -- | -- | -- | -- |
| Mining/Constr. | 204 | 258 | 284 | 305 | 325 | 54 | 2.4% | 67 | 1.6% |
| Manufacturing | 70 | 67 | 79 | 88 | 95 | (3) | (0.4%) | 28 | 2.4% |
| TPU | 71 | D | 105 | 111 | 120 | -- | -- | -- | -- |
| Wholesale | 11 | D | 17 | 13 | 8 | -- | -- | -- | -- |
| Retail | 262 | 288 | 322 | 352 | 365 | 26 | 1.0% | 77 | 1.6% |
| FIRE | 80 | 167 | 192 | 202 | 220 | 87 | 7.6% | 53 | 1.9% |
| Services | 442 | 718 | 804 | 874 | 990 | 276 | 5.0% | 272 | 2.2% |
| Government | 278 | 335 | 365 | 384 | 394 | 60 | 2.0% | 59 | 1.1% |

Notes: AFF = Agricultural Services, Forestry & Fishing TPU = Transportation & Public Utilities
 FIRE = Finance, Insurance & Real Estate CAA = Compound Annual Average Rate of Growth

Appendix I

Economic Performance/Structure

The first step in building a regional strategic economic development plan is gathering the fact to complete a thorough and objective analysis of the historic performance and structure of the region's economy—an economic assessment.

The objectives of this economic assessment of the Grand Isle County regional economy are four-fold:

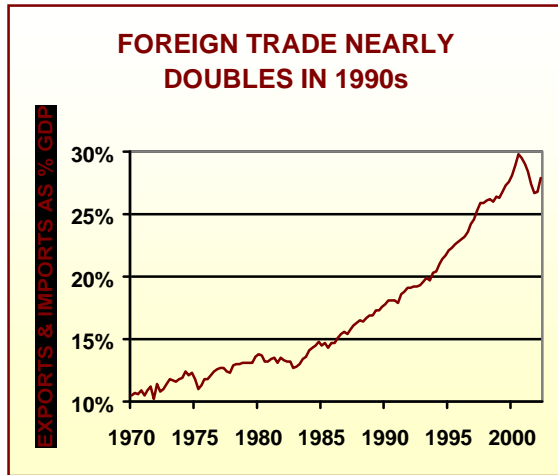
- To increase the understanding of the regional economy,
- To identify and understand the sources and factors underlying the economic performance of the region,
- To highlight trends that will change economic growth over next 5, 10 and 20 years, and
- To identify where to focus economic development and competitiveness-building efforts over the next 10 years for the purpose of maximizing the potential for renewed economic success in the region.

This effort is intended to assist the many individuals, businesses, and groups who have dedicated their efforts and energy to the region's development by equipping them to focus their collective energy on strategies and actions which offer the best opportunities for improving the ability of the region to succeed economically in the future. This section is the first step in the strategy development process and pertains directly to first two objectives listed above. Section III provides objective facts and analysis to assist the working group in understanding what the data are indicating about the region's economic development climate and long-term economic development challenges.

Summary of Macro-Trends Impacting the Region

Today, several forces are at work on the Grand Isle County regional economy that are likely to have a significant effect on the economic development climate in the region over the next ten to twenty years. These forces have far-reaching effects on the county, but they are mostly external to the region. Because they are external, the region can likely only adapt to them—not influence them because they are national, and in some cases, global in scope. The following section discusses these key macro-trends that are impacting the economic development climate in the Grand Isle County region.

Macro Trend #1: Markets are becoming increasingly global...



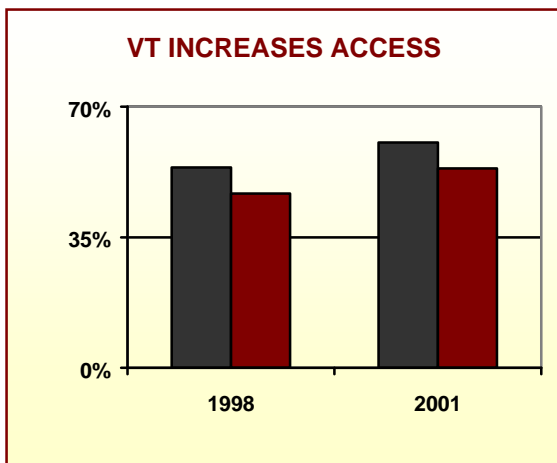
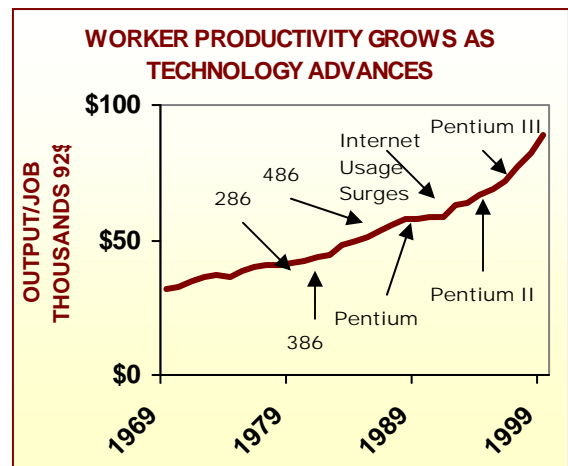
Observation: The world is becoming more integrated economically and the region has become less and less isolated (protected) from national and global economic events.⁵

Implication: Economic development policy must be made considering national—if not global--economic factors impacting many of the region’s key employers. Policy therefore cannot be made in a vacuum or in isolation of these still-unfolding, largely extra-regional developments and events.

Macro Trend #2: Technological innovation is advancing rapidly...

Observation: Technological innovation is making us more productive and changing the way goods and services are made, allowing both the work force labor and investment dollars to make more with less.

Implication: Encouraging continued growth in productivity (including new investment and a focus on work force preparedness) is key to the regional economy’s ability to compete.



Macro Trend #3: The “New Economy” has fundamentally changed the competitive landscape...

Observation: Despite the recent downturn in information technology, the widespread adoption of information technology (e.g. Internet, PCs, etc.) means ‘new economy’ competition is here to stay in the region. As of 2001, Vermont ranked 14th in the nation

⁵ This trend is reinforced by the fact that the whole continent of Europe has now moved to a single currency.

of households with computers, and it ranked 15th in the nation in terms of the number of households with Internet access.

Implication: The ‘new economy’ has simultaneously opened the region to new economic opportunities and exposed the region to new economic risks. This will challenge the companies in the region to continuously improve its ability to apply knowledge and technology to the production process better than its competitors.

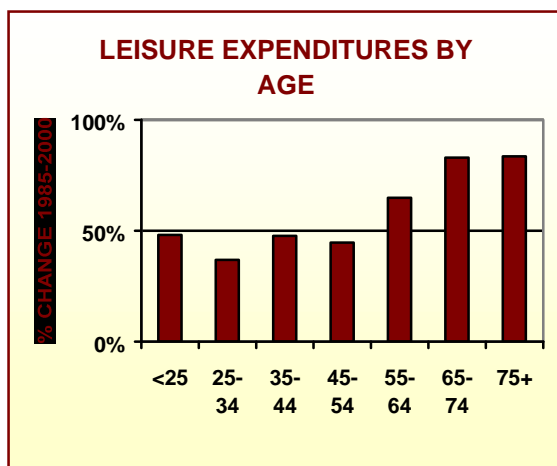
Macro Trend #4: The population is aging and Grand Isle County’s population is aging at a faster rate than Vermont’s....

Observation: The median age of both the total working age and regional population is higher than the average for the whole state and the nation as a whole.

Implication: Grand Isle County is aging more quickly than the state or the nation and has a median working age population three years older than Vermont’s and the nation’s in 2000. This trend means that as more of the baby-boom generation reaches traditional retirement age, the region will experience greater labor force supply pressures than the state.

| | Grand Isle County | Vermont | U.S. |
|---|-------------------|---------|------|
| Median Age of Population | | | |
| 1980 | 31 | 29 | 30 |
| 1990 | 34 | 33 | 33 |
| 2000 | 40 | 38 | 35 |
| Change 80-2000 | 9 | 8 | 5 |
| <i>Median Age of Working-Age Population</i> | | | |
| 1980 | 35 | 32 | 33 |
| 1990 | 38 | 35 | 35 |
| 2000 | 41 | 38 | 38 |
| Change 80-2000 | 6 | 7 | 5 |

Macro Trends #5: The aging Baby-Boom population is more demanding of quality-of-life...



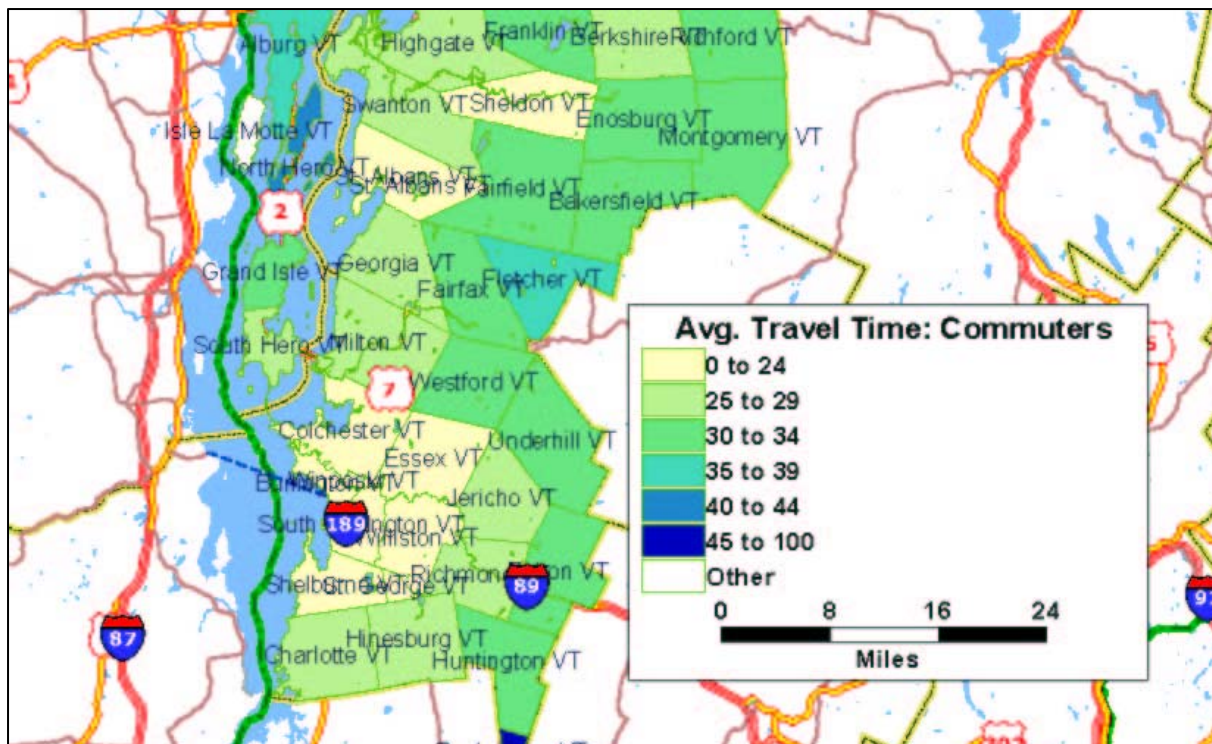
Observation: As the population ages, more and more people will enter their peak earning years.

Implication: Aging “Baby-Boomers” are mobile and demand more and better leisure time activities, recreational facilities, and safe communities that contribute to a high quality-of-life. High quality-of-life is increasingly becoming the key to a region being able to attract and retain a quality work force.

Regional Economic Situation-Performance Analysis

1. Where do the region's residents work?

Figure 2. Average Travel Time of Commuters



Observation: Figure 2. shows the average travel time to work for commuters residing in Franklin, Grand Isle and Chittenden Counties. The average travel times of the Grand Isle County towns indicate that while some commuters from these are towns traveling to St. Albans City, many are also traveling to jobs located in employment centers in Chittenden County.

All of towns in Grand Isle County export workers, indicating that there is no significant employment center within the county. Overall, Grand Isle County exports 2,600 workers, this is approximately 57.2% of the total working age population residing in Grand Isle County.⁶

Implication: These maps illustrate the current extent to which Grand Isle County communities serve as residential centers for the northwest Vermont workforce. This reflects the high degree of integration between Grand Isle County and employment centers in the greater Burlington area in Chittenden County. From an economic development perspective for Grand Isle County, these data and information show that the county has an

⁶ The working age population is defined as people between the ages of 16-64.

available work force living within its borders to fill jobs, if only those job opportunities were available.

Figure 3. Job Imports and Exports

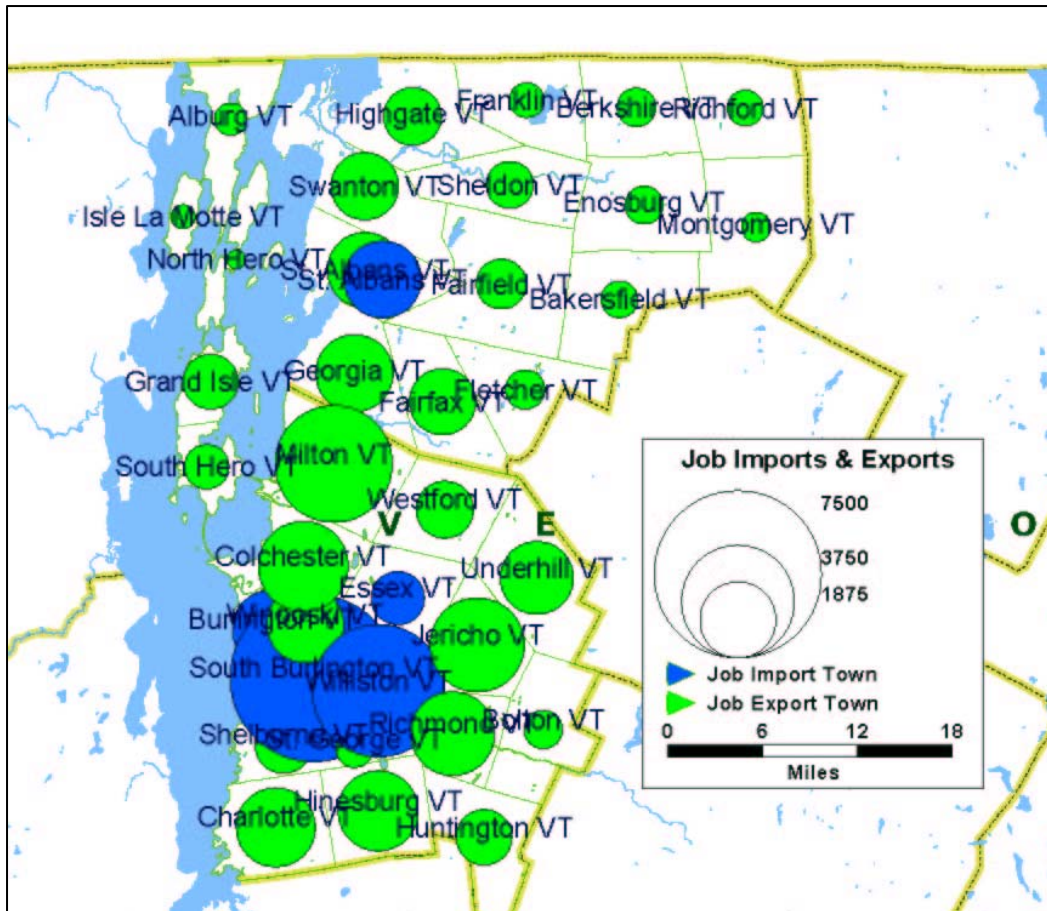
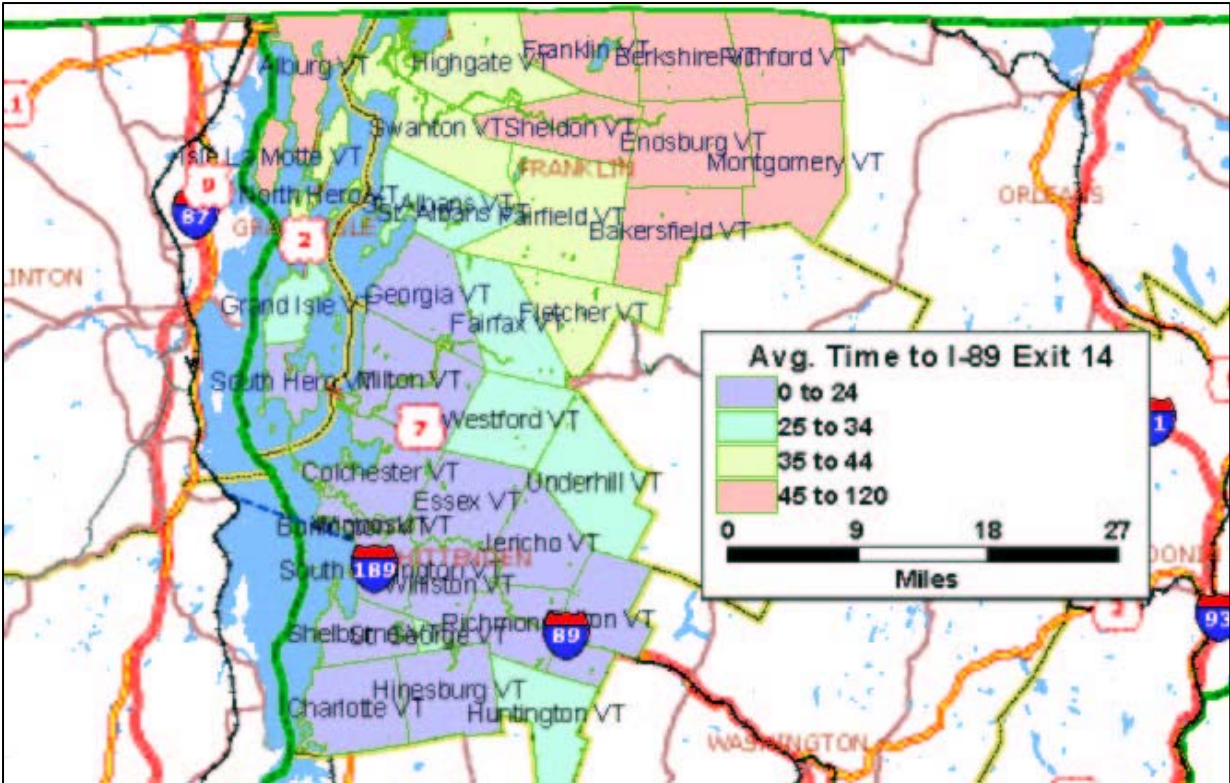
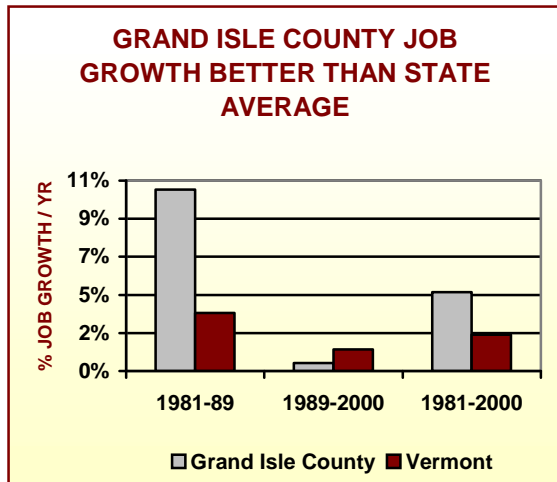


Figure 4. Average Travel Time to I-89 Exit 14



2. How are the residents faring economically?

Observation: Grand Isle County has experienced a significantly higher rate of growth in jobs than the state as a whole over the 1981-2000 period, 4.8% per year versus 2.2% per year, respectively. However, all of the growth occurred in the 1981-1989 period, when the growth rate was 10.9% per year. This phenomenon is in part an artifact of the math, as there were only 294 jobs in Grand Isle County in 1981. During the 1990s, there was minimal growth in employment, only 0.5% per year.

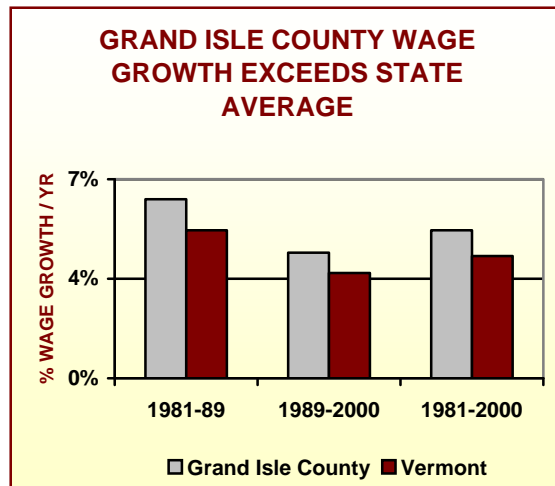


Looking at the major employment categories of jobs, the Services sector accounted for the majority of that the region's historical job growth, adding approximately 2,000 jobs or 42.5% of the total job growth for the period. That rate of growth was almost twice the next closest job category—Retail Trade. The Retail sector experienced a 25.3% overall rate of growth between 1981-2000, totaling almost 1,300 jobs over the period between 1981-2000.

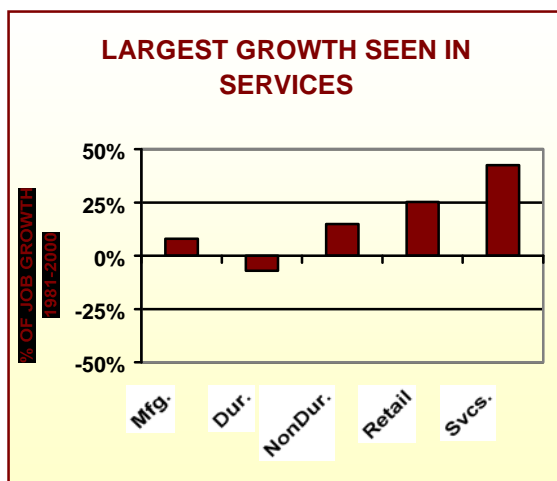
Along with the region's job growth rate exceeding the statewide average, growth in average wages has also exceeded that of the

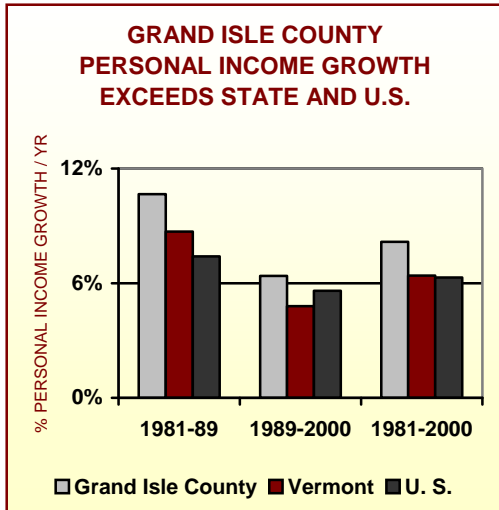
state for all time periods. Grand Isle County's average annual rate of growth in wage levels between 1981-2000 was 5.2% per year, a level that was above the state's growth rate of 4.3% per year.

However, even though Grand Isle County experienced above average job growth



combined with above average growth in average wages over the last two business cycles, Grand Isle County's average wage was still only 65.5% of the state average wage in 2000.



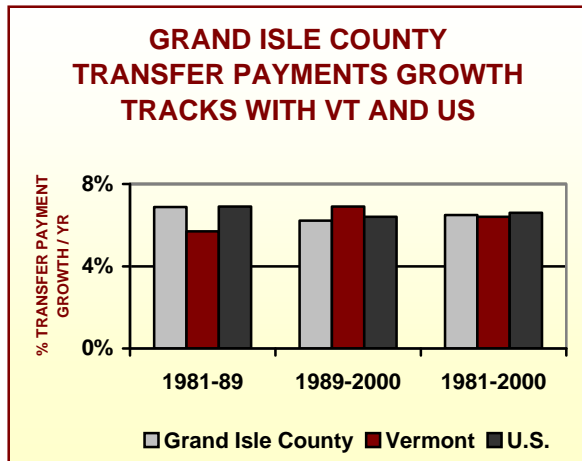
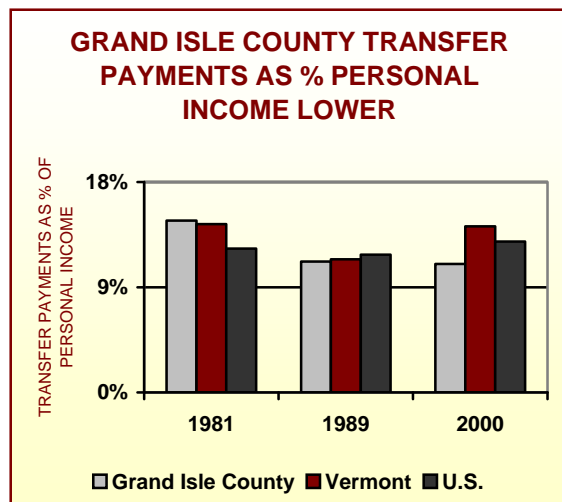


Grand Isle County's personal income growth has closely mirrored both the Vermont and the U. S. average. Because personal income is a broader measure than wages, this suggests that non-wage income growth in Grand Isle County has also been roughly the same as it has been in Vermont and the U.S.⁷

Grand Isle County's personal income growth was slower through the 1990s than it was during the 1980s. From 1981-89, personal income growth averaged 8.1% versus roughly 5% during the 1990s. This slower growth pattern was also experienced by the state which experienced a

4.8% per year growth in personal income through the 1990s versus an 8.7% per year growth rate through the 1980s. The lower inflation rates of the 1990s and the long, relatively jobless road to recovery from the late-1980s-early-1990s difficult recession no doubt contributed to the lower nominal income growth rates experienced during the 1990s.

While personal income growth in Grand Isle County kept up with the State's and the nation's, growth in transfer payments was tracked with the state's and the nation's average growth rate in transfer payments.



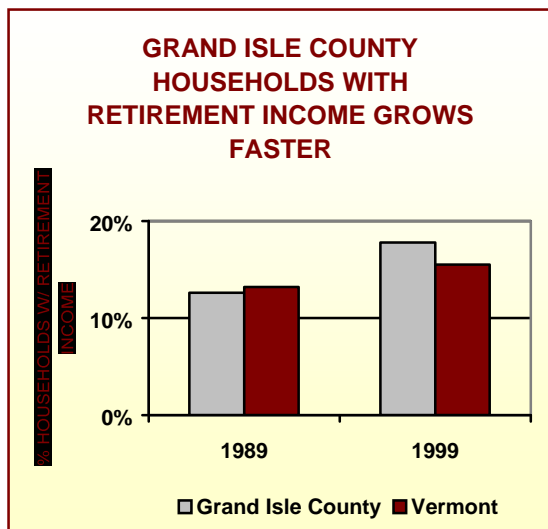
Grand Isle County's average annual growth in transfer payments was 6.5% per year, above Vermont's 6.4% annual growth rate and below the 6.6% average annual growth rate in transfer payments experienced by the U.S. as a whole.

However, Grand Isle County's share of personal income accounted for by transfer payments has improved considerably over the past two business cycles, declining from

⁷ Personal income is comprised of more than just wages. It also contains items such as retirement income, other forms of transfer payments, and income from dividends, interest and rents.

16.2% of personal income in 1981 to 14.9% of the total in 2000. The level of improvement for the state as a whole in this indicator has been significantly less dramatic, with Vermont's percentage declining by only 0.2 percentage points over the period from a 14.4% share of personal income in 1981 to 14.2% in 2000.

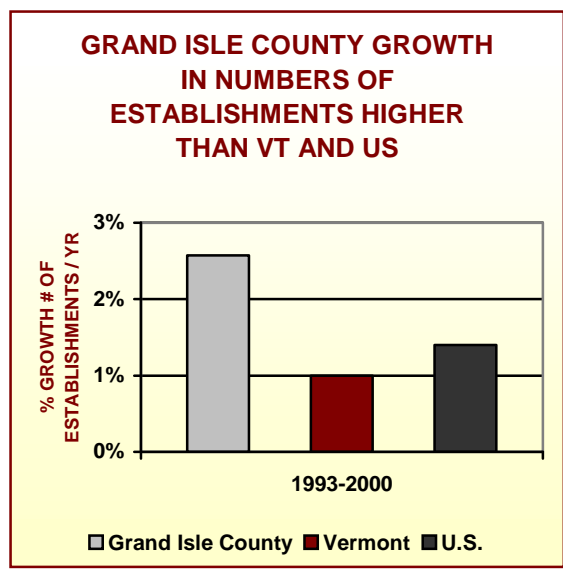
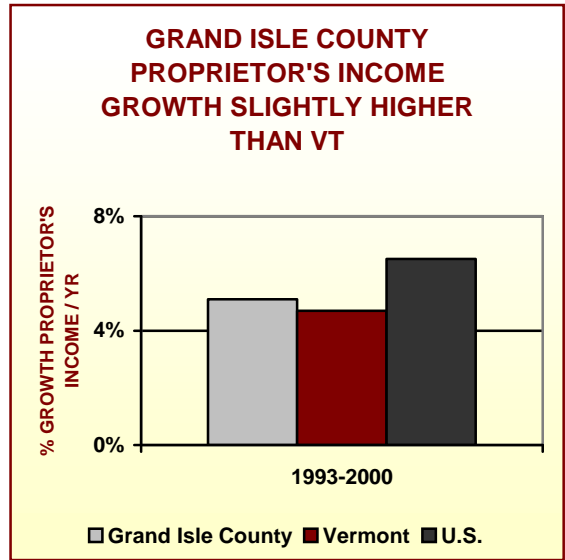
Grand Isle County's percentage of households with retirement income increased more significantly than the state's over the 1990s, from 12.6% to 17.8% vs. 13.2% to 15.5%, respectively. This indicates that Grand Isle County's transfer payments contain more retirement income and less of other types of transfer payments. This increase in households with retirement income is



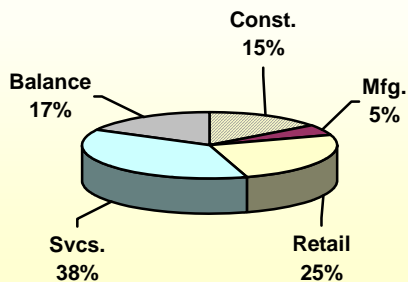
over double the number of percentage points than the state's.

Average annual growth in proprietor's income growth in Grand Isle County slightly exceeded the state average and lagged behind the U.S. average between 1993-2000. The U.S.' average annual growth in proprietor's income between 1993-2000 was 6.5%, significantly greater than the growth rate in both Vermont's (at 4.7% per year), and in Grand Isle County's (at 5.1% per year).

Implications: From an economic development perspective, these data

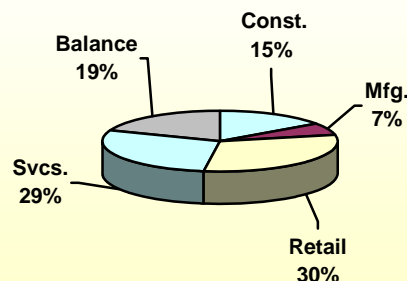


**GRAND ISLE COUNTY
EMPLOYMENT STRUCTURE 2000**

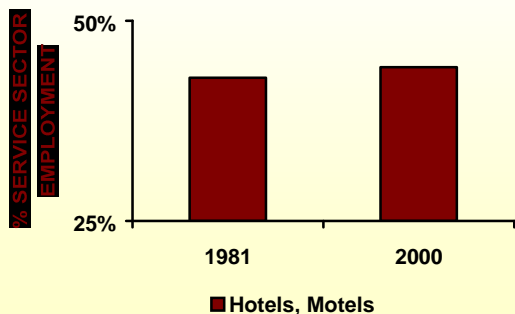


suggest that although average annual job growth in Grand Isle County over the last two business cycles has exceeded that of the state, the bulk of this growth was seen in the 1980s and was not sustained through the 1990s. Wage growth also exceeded the state's, yet Grand Isle County's average wage

**GRAND ISLE COUNTY
EMPLOYMENT STRUCTURE 1981**



**GRAND ISLE COUNTY SERVICES
EMPLOYMENT 1981 & 2000**



is only 65.5% of the state's. In addition, these data also show that while the level of entrepreneurial activity is high in Grand Isle County, the level of economic reward from these pursuits is lagging as compared to the nation. This suggests a "problem with wages-earnings levels" exists in the region. This may be an issue that is ripe for economic development policy to address in the region.

The faster increase in households with retirement income in Grand Isle County demonstrate that the aging of the population that is occurring globally and nationally is occurring even more quickly in Grand Isle County. This is in part attributable to the attractiveness of Grand Isle County as a retirement location due to its proximity to Lake Champlain and the urban area of Chittenden County, all while keeping its rural nature.

3. What is the economic structure of the region?

Observation: Due to Grand Isle County's small size, examination of the employment structure is difficult due to the disclosure issues with the employment data. As can be seen from the figures, Services and Retail continue to make up the bulk of the employment. These sectors contain the majority of the industry sectors traditionally associated with the travel and tourism industry, such as hotels, restaurants and other recreation services. In 1981, the Services and Retail sectors accounted for

approximately 59.0% of Grand Isle County's private employment or 173 jobs. By 2000, this figure had grown over 157.2% to 445 jobs, or 62.7% of the total private jobs. Hotels and Motels have traditionally accounted for the majority of the Services sector employment, and that trend continues. In 1981, Hotels and Motels accounted for 42.9% of the sector, or 36 jobs. By 2000, that number had risen to 117, or 44.2% of the Services sector employment.

While the Manufacturing sector has never played a large role in the employment structure in Grand Isle County, employment in the Manufacturing sector doubled from 19 jobs to 38 jobs between 1981-2000.

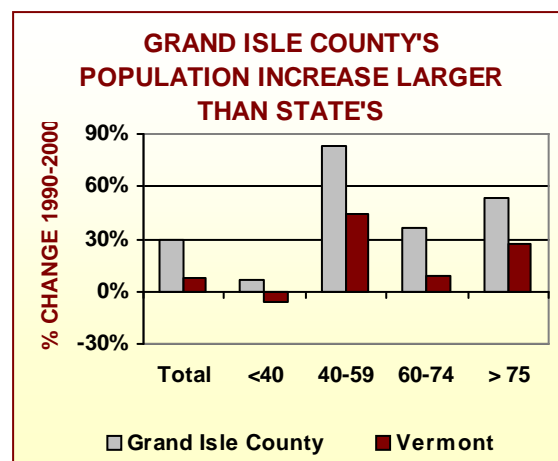
Implication: The Grand Isle County economy has traditionally relied upon travel and tourism as the major employment sector. Grand Isle County employment count shows only 994 jobs, both private and government. As can be seen from the maps in Section 1., Grand Isle County is a significant exporter of workers.

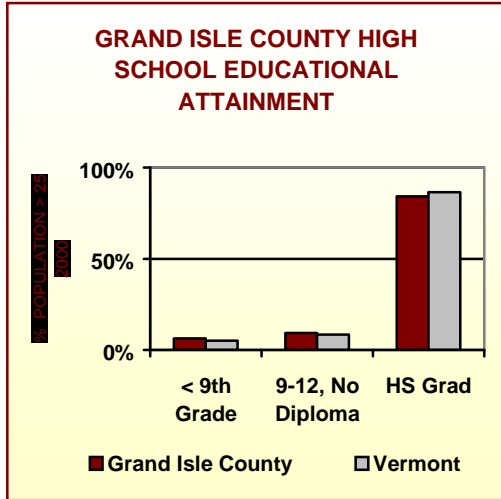
4. How is the region faring in other socio-economic factors?

The percent change in Grand Isle County's total population was significantly higher than the state's between 1990-2000, 29.8% versus 8.2%, respectively. Looking at the population change by different age categories, the largest gain in Grand Isle County occurred in the 40-59 years category. Grand Isle County's 40-59 years category grew by 83.1% between 1990 and 2000, while the state grew 44.8% in the same age group. This trend is consistent with Grand Isle County continuing to be an attractive residential area for households seeking rural surroundings, but still being within commuting distance to the urban areas of Chittenden County.

Grand Isle County also experienced higher growth than the state in the 60-74 years category, approximately 36.2% versus 9.1%, respectively. Grand Isle County also gained more residents than the state average in the over 75 years category.

Grand Isle County tracks with the state's proportion of HS graduates, although it also has a slightly higher proportion of the population with less than a ninth grade education. Grand Isle County's high school graduate percentage equals roughly 84.2% of the population over 25, while the state's percentage is 86.4%.



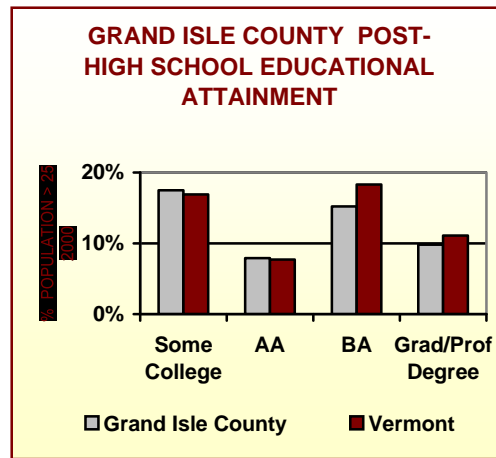


Grand Isle County's percentage of the over 25 population with less than a ninth grade education equals roughly 6.4%, while the state's stands at 5.1%.

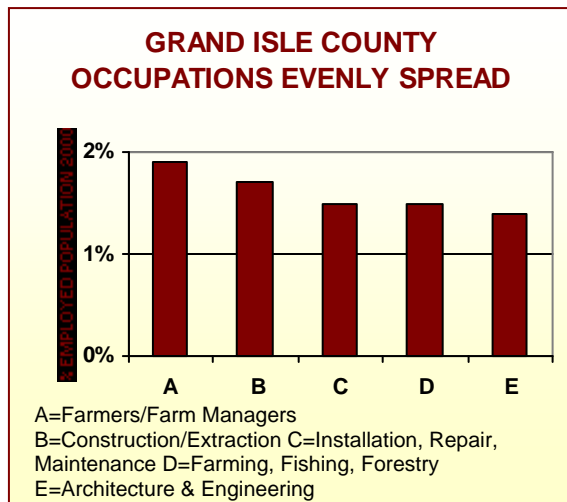
Grand Isle County lags behind the state average in the percentage of the population with Bachelor's degrees and Ph.D.s. Grand Isle County's over 25 population with a Bachelor's degrees fell short of the state's by 3.1 percentage points, 15.2% versus 18.3%. The gap between Grand Isle County and the state in the percentage of the over 25 population with Graduate or Professional degrees is not anywhere near as large, only 1.3 percentage points, with Grand Isle County's per-

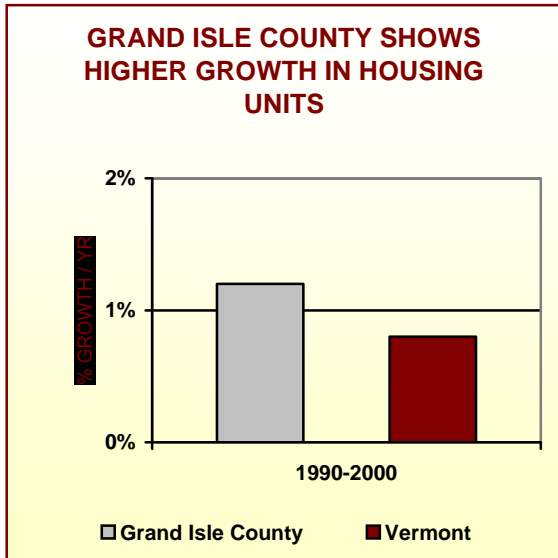
centage at approximately 9.8% and the state at 11.1%.

Grand Isle County has approximately 1.1% of Vermont's working age population. Upon examining the occupational mix of Grand Isle County residents, there is no one occupation that holds a relatively larger share of the employed residents; Grand Isle County has a fairly even mix of occupations in its resident population. The top 5 occupations are shown in the figure above, and the top percentage holder in occupations is Farmers/Farm Managers at 1.9%.



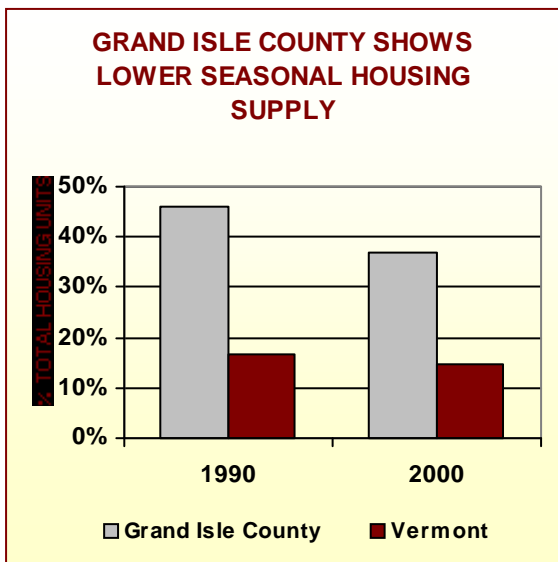
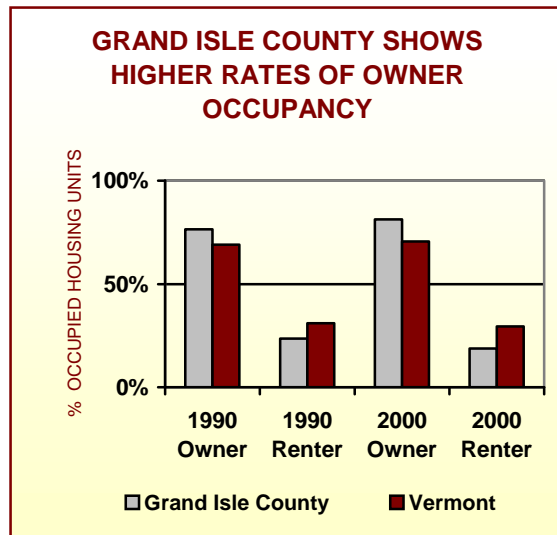
Grand Isle County showed faster growth in housing units than the state 1990-2000 with an average annual rate of 1.2% per year versus a rate of 0.8% per year. Not surprisingly, Grand Isle County also shows higher rates of owner occupancy than renter occupancy.



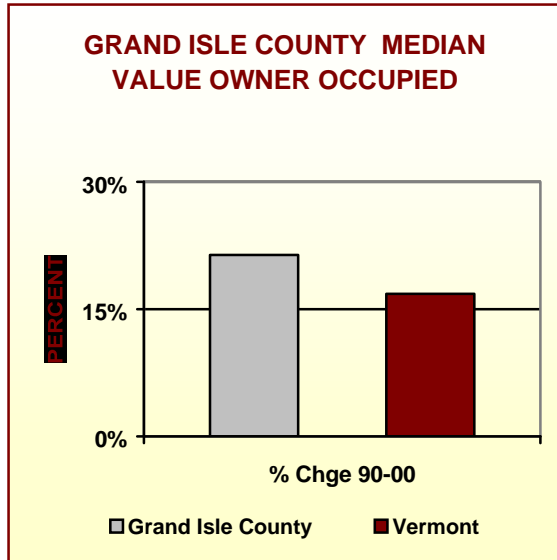


Grand Isle County has also historically had a higher share of seasonal housing units than the state, but has followed the overall declining trend of the state as a whole in terms of the percentage of total housing units that were seasonal during the 1990s. This could be the result of either a decline in the number of seasonal housing units being built, or an increased rate in seasonal housing being converted to year-round housing—or both.

Median values in Grand Isle County increased at a higher rate than the state average during the 1990s, extending the gap that existed in 1990 between the state average and Grand Isle County's median value in the owner occupied housing unit category. In 1990, Grand Isle County's median value for owner-occupied housing was \$105,100 while the state's was \$95,500, a difference of \$9,600. By 2000, that gap had grown to \$16,100 due to Grand Isle County's median value growing to \$127,600 while the state's median value



only grew to \$111,500. In 1990, Grand Isle County's percentage of households earning less than \$20,000 and who paid 30%+ of their household income on housing costs was below the state average. The same is true for the households earning between \$20,000 and \$50,000 a year.

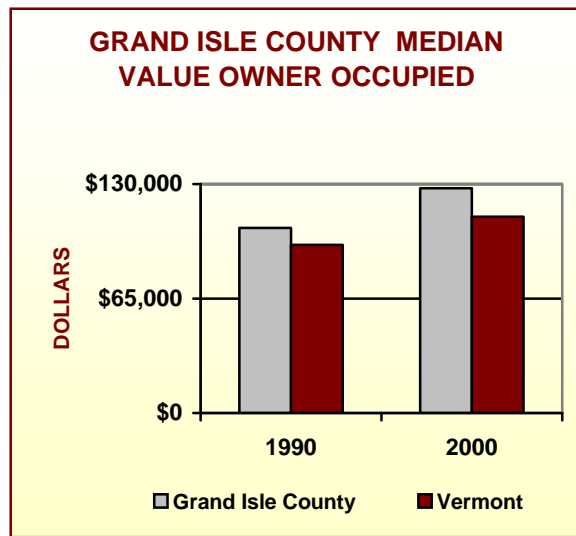


By 2000, Grand Isle County's percentage of households spending more than 30% of their income on housing costs had grown to equal that of the state and the next income bracket, households earning between \$20,000 and \$50,000, had grown to be larger than the state's percentage.

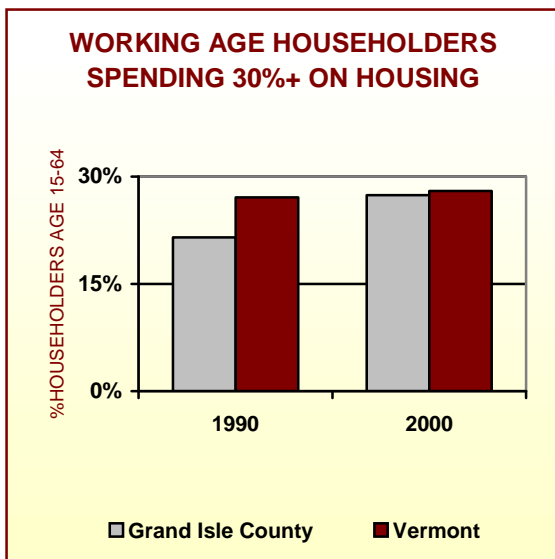
This same phenomenon can be seen when examining the working age households. In 1990, Grand Isle County was below the state average by 5.6 percentage points in the

number of households headed by the working age population who spend over 30% of their income on housing costs. By 2000, Grand Isle has caught up to equal state average in the percentage of working-age-headed households paying over 30% of their income in housing costs.

Implication: From an economic development perspective, Grand Isle County's increasing share of the 40-59 age population is a reflection of its increasing role as a residential area in the broader northwest



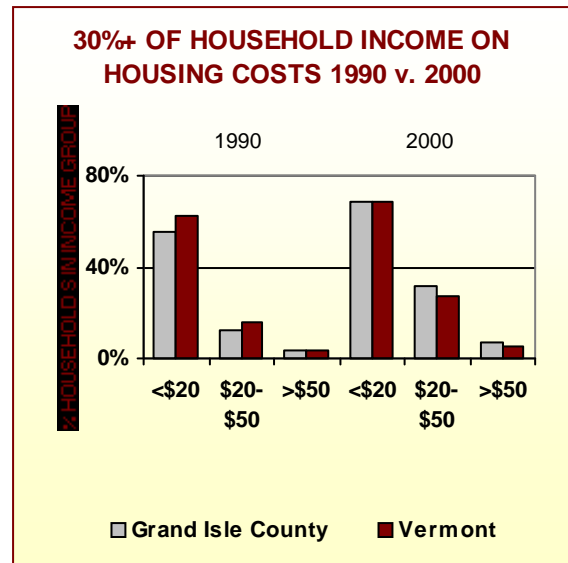
Vermont area serving employment centers throughout the region.



However, the educational attainment statistics for the residents of the region indicate that there could be challenges ahead in terms of workforce readiness of regional residents to fill job opportunities in the type of higher paying occupations that sustain higher living standards and a higher quality of life. The employment statistics also paint a picture of an extremely limited county job base. The distribution of existing job opportunities in the region are skewed much more toward travel and tourism and much less toward higher-paying professional jobs. This limited orientation of the regional job

base poses significant challenges for economic development policy if the goal of such policies are to increase the standard of living (e.g. the average wages) of regional residents.

The data on housing units and costs in Grand Isle County that show a decline in 'affordability' of owner occupied housing point to the housing aspect of that challenge. Coupled with the fact that Grand Isle County has a higher than state average of owner occupied housing units, housing affordability and how that is linked to economic development appears to likely be a key issue for economic development policy in Grand Isle County going forward as well.



Appendix II

Economic Development Resources Inventory Assessment

Purpose of the Assessment:

As part of this strategic planning effort, the steering committee undertook an inventory and assessment of the economic development resources in the greater Grand Isle County region. The purpose is to identify what the region currently has to support economic development, business growth and job creation in order to determine: (1) the strengths of the region in this regard, (2) develop an understanding of what the region was currently and potentially lacking in the area of economic development resources, and/or (3) identify those resource areas that need improvement through both effort—and potentially—through economic development policy. This was a self-assessment by the steering committee that was meant to be a critical review of the region's resources. However, this was not intended to be an inventory to be used as a marketing tool to highlight our region to new and existing businesses because it is only the “informed judgment” or “point of view” of the members of the steering committee. Instead, it is intended to be a systematic, critical review of ourselves as a region by standing back and looking at our strengths, weaknesses, opportunities, and threats as they relate to several key economic development resource areas. From this review and the on-going conversations with the region's key businesses, this is a tool that the steering committee hopes will help the economic development services organizations work with the various economic development partners in the region to take advantage of the region's opportunities, address the region's weaknesses, and effectively deal with the region's identified threats.

As such, this is not a comparison of the Grand Isle County region's current positioning with respect to her economic development resources as compared to regions in the rest of Vermont or key competitor regions in some other state. One of the difficulties in conducting this assessment was determining if the region was to be compared to some economic development standard or to some specific region where a current or prospective regional business may expand and/or relocate to or relocate from. This assessment instead compares the region against a standard that the steering committee felt that the region needs to achieve to allow the Grand Isle County regional economy to develop and potentially grow, and to attract and maintain quality jobs and a “high” quality of life for the people and families in the region. Therefore, the steering committee assumed all the “resource categories” listed in the assessment needed to be of a standard that were necessary to achieve and maintain a strong, high performance economy and high quality of life.

The Rating Process:

To rate the economic development resources of the Grand Isle County region, the steering committee started with a template that utilized seven resource categories. They are as follows:

- Human Capital
- Financial Resources
- Natural and Built Resources
- Physical Infrastructure
- Industrial/Commercial Site Inventory
- Technology Resources
- Institutional Resources

The steering committee created an inventory of all the resources important to economic development and then rated each resource area in their own categories by a comprehensive set of major attributes listed and described below:

- **Availability/Access:** How available were the key resources in the area that was being rated. For example, were the resources widely available, generally available, only available on a limited basis, or not available at all in the Grand Isle County region?
- **Cost:** A second area rated by the steering committee included the relative “cost” of the resource. For example, was—in the opinion of the steering committee—the cost of the resource affordable, too expensive, expensive, moderately expensive or relatively inexpensive in the Grand Isle County region?
- **Sustainability:** The steering committee in most instances also considered the question of whether or not the resource supply was in short supply or was in relative plentiful supply over time.
- **Quality:** Another important part of the assessment process involved judging the “quality” of the resource base in the region. For this, the steering committee rated the quality of the resource area where this was important as being: (1) poor, (2) good, or (3) very good.”

In the case of the Human Capital resources category, the steering committee considered ratings of the age of the workforce (e.g. “a good mix of all ages,” “too young,” “too old” and “Don’t Know” in order to try to capture the demographic of the regional workforce to some extent. In addition, several categories—including the Institutional resources, Natural resources and Constructed resources categories—included assessments by the steering committee as to whether or not those resources had a positive impact, a negative impact or no impact on economic development in the region.

Human Capital:

In this section, the steering committee reviewed the availability and skills of a workforce. The steering committee had extensive discussions about the depth and affordability of the regional work force.

After extensive discussions, the steering committee made the following findings:

- In general, there are people available for the jobs, however, due to limited availability of a wide range of employment opportunities, higher skilled employees, such as for

the high-value added professional services and for highly skilled manufacturing positions, are less available.

- The majority of the labor force works off the Island.
- In general, there is thought to be a good mix of young and old in the age of the workforce. Examining the age of the workforce in terms of the key industries, it was felt that the workforce tended toward the older side for the high-value added professional services and towards the younger side for the tourism industry.
- The availability of labor for the tourism industries also fluctuates, depending on the economic environment. In tight labor market times, this workforce usually chooses other professions with relatively higher compensation levels.
- The cost of labor is generally comparable relative to other regions.
- There is no secondary education available on the Island.
- The region is not particularly well positioned for workforce development activities and business/education partnerships.

However, there are a number of important issues in the regional workforce that need addressing over the longer-term.

Specifically:

- There is limited availability of certain high skills particularly in the high value added professional services and information technology areas.
- There is a problem with the information technology proficiency of the regional labor force for basic job tasks.
- The ability to adapt to new environments and changes in the workplace is difficult for much of the regional labor force—as it is elsewhere in Vermont. The steering committee viewed this as a cultural problem attributed to a number of factors including a shift from our agrarian past where people did multiple types of jobs.

Financial Resources:

The steering committee examined resources such as debt sources, equity, grants and other financial resources to start and grow a business in the region. The examination included a broad assessment of the region and reached across the full range of financial resources needs. For the most part, equity and other stage financial resources, financial incentives for economic development, other tax credit and grant funding resources were available statewide or are available from federal departments and agencies. It also was noted that the region also has access to Economic Development Administration funds through a multi-county CEDS,⁸ that includes Grand Isle County in its territory as well counties in northwest (such as Franklin County and Lamoille County) and northeast Vermont (Essex, Caledonia, and Orleans counties).

There are no resources to support economic development in the region that are particular to Grand Isle County. The area's debt resources are generally widely available,

⁸ CEDS refers to Comprehensive Economic Development Strategy.

however, they are available from institutions with headquarters in either Franklin or Chittenden Counties.

From the above, the steering committee concluded:

- There are abundant debt sources but seriously lacking in equity and other early-stage financial resources.
- Sources of debt capital were rated to be generally inexpensive and of good quality—but they do not offer specialized lending products for key industry sectors or start-ups in key sectors.
- Regional or local equity or venture capital sources are basically non-existent.
- In general, state resources and incentives are available to key industries and others in the region, but are extremely limited on the local level. State incentives were ranked “poor” primarily due to the challenging and sometimes long process that applicants must go through to obtain them—relatively speaking.

Natural and Constructed Resources:

The steering committee looked at natural resources including Lake Champlain and open spaces as well as winter and summer recreations resources in the natural resources category. In the “constructed” category the steering committee examined assets and issues such as like recreational resources, retail accessibility, cultural and historical amenities, safety, and child care resources.

The steering committee concluded:

- Regional residents have adequate to poor access to very good quality natural resources and outdoor recreation assets.
- The cost of accessing most of these natural and recreational resources is moderately expensive to expensive because of the region’s travel and tourism base and assets.
- The region lacks certain built resources in its “quality of life” infrastructure, and does not enjoy a broad and diverse retail base that is affordable for residents since most is oriented toward travel and tourism, however, it was felt that this was acceptable to the region’s residents and in part what leads some people to choose the region as their residence.
- The region has limited available cultural and historical resources, however as with the retail availability it was felt that this was not significantly important to the region as a whole.
- The steering committee sited the high level of safety perception as being an important factor in the region.
- The region was not seen to have a challenge in the area of moderately priced, available childcare and the quality of what the region has is rated as being good.

Physical Infrastructure:

In this section, the steering committee analyzed resources such as trucking, railroad, roads, air transportation, water quality, wastewater capability, telecommunications, housing and utilities. The following describes the results of this assessment.

The steering committee's findings included:

- Rail is not a good option, as there is only access at the far end of the Island.
- Roads in the region are generally in good condition and provide good access for certain parts of the region
- Commercial air transportation is considered to be average for the region. There is access to both the Burlington International Airport and Montreal, although recent changes in equipment that reduced the seat capacity of the air carriers serving the Burlington International Airport potentially pose a long-term problem for both tourism traffic and business travel.
- The region is lacking in some areas with respect to wastewater capacity. In addition, there also are financial challenges to maintain system and potentially expand existing waste water systems in the region.
- Housing availability and price is considered to be a challenge in most areas. The seasonal component of the Island's housing market causes price increases, as owners can receive a higher return by renting on a seasonal basis rather than a full-time basis.
- The region is in relatively good shape with respect to telecommunications availability and affordability—but the steering committee noted there were significant challenges with un-interrupted service coverage for wireless communications in parts of the region. Fiber optics was another area that was not available to all, currently being available to just the schools.
- Water quality was rated as being low throughout the region, as there are limited pipes available in some areas. Concurrently, there is considerable concern over the damage and constraints to systems brought on by the zebra mussel. The steering committee was also concerned with the quality of well water in some areas.
- The region has no access to gas connections.
- Grand Isle County is part of the Franklin County Solid Waste District, so this resource was viewed as comparable to other areas in the state.

Industrial and Commercial Site Inventory:

In this section, the steering committee reviewed the availability, cost and limiting factors of the industrial and commercial sites in Grand Isle County.

- In general, there is a industrial space open and available.
- The limiting factor in the Business Park is the sewer capacity.
- There is space available for development, for a price.
- The general cost is relatively higher than surrounding areas.

Technology:

In this section, the steering committee reviewed those things that make the region a suitable location for technology-oriented businesses or for the development of new technologies. This included resources such as Research & Development facilities and funding for technology development. Areas such as the availability of higher education, business education partnerships and research internships were also examined.

The steering committee's findings included:

The region has limited resources to nurture technology and tech transfer related companies. There are limited resources for funding these types of companies in this region presently. There are sources statewide and nationally, but not for smaller investments.

- There are limited resources for research and development partnerships, particularly with research institutions.
- SBIR funding is available to all key industry sectors in the region but is not widely utilized.

Institutional Resources:

The steering committee then examined the region's institutional resources. These resources included all organizations in the region including education, economic development, local government, churches, fraternal organizations, health care facilities that do or could have an impact on economic development in the region—both directly and indirectly. The steering committee examined these issues from the standpoint of identifying potentially useful programs and potential partners for implementing the strategies that are to be developed during the course of this planning process.

The steering committee concluded:

- The region is generally well positioned in its infrastructure of social, religious and fraternal organizations.
- Economic development services organizations are generally available, however, they are mostly shared with either Franklin or Chittenden counties and access is hindered by lack of presence.
- The region is positioned moderately well in terms of availability and affordability of educational resources, excluding secondary, to support its existing base. However, the necessity to travel for these resources can pose a barrier to their use.