

## **REPORT TO THE LEGISLATURE**

**January 7, 2008**

### **The Commission**

Act 184, enacted by the legislature in 2006 and signed by the governor on May 26, 2006, became effective on July 1, 2006 and established Commission on the Future of Economic Development Commission (CFED) to assume responsibility for long-term economic development planning from the Vermont Economic Progress Council (VEPC). The provisions of Act 184 that establish CFED and provide the legislature's directives for development of an economic development plan appear in Chapter 1 of Title 10 of the Vermont Statutes. Under Act 184, CFED was given a wide ranging charge to develop a five year economic development plan for Vermont (See Appendix A).

The first meeting of CFED was held October 24, 2006 under the leadership of its first Chair, John Goodrich who was appointed by Governor Douglas. Since CFED was originally appointed in 2006, the membership and leadership have changed several times.

The members of CFED represent a broad spectrum of political, social and philosophical values, yet they share a common vision of the importance of a sound, sustainable, Vermont-relevant economic development plan that will benefit all Vermonters. John Goodrich resigned as a member and Chair of CFED in April 2007. Carl Spangler, who had been appointed as a member of CFED by the Governor but had resigned from the CFED previously was asked back by the Governor and appointed Chair. Carl Spangler resigned from CFED again in September 2007. Jay Kenlan was appointed to CFED in October 2007 and appointed Chair. Two members have joined CFED since July 2007 with the expansion of membership by legislative act in the 2007 session. Two gubernatorial appointees have also resigned and been replaced since July 2007. The current members of CFED are listed in Appendix B.

CFED contracted for support services with David Bradbury in March 2007. At his request Mr. Bradbury was released from that contract in July 2007 and the CFED contracted with The Snelling Center to take up the work of support and management of CFED.

## **STEPS TOWARD A FIVE YEAR STRATEGIC ECONOMIC DEVELOPMENT PLAN**

### **Step 1: Initial testimony and information collection – The First Steps of Public Engagement**

As directed by the legislature, CFED initiated its work by seeking public participation, engagement and input from a wide range of perspectives, expertise and interests from the public sector, the private business sector and non-governmental organizations. CFED has undertaken coordinating existing economic development information and strategic economic development planning from a variety of public and private agencies and organizations, businesses and business organizations. With this input, and CFED's work over the past year and a half, CFED, has begun the process of developing a consensus economic development plan. CFED received initial public testimony during 10 meeting days in 2006-2007. This included testimony from 55 individuals and participation of CFED at the July 2007 Creative Economy Conference. See Appendix C for a list of those who have testified so far. . The Initial Public Input is a starting point for guiding CFED's work, and it is anticipated that further broad based input will continue to inform the Commission.

### **Step 2: Economic Trends and Indicators**

As required under Act 184, CFED has begun an evaluation of examples of economic trends and indicators that had been identified in other economic development studies. CFED specifically reviewed three examples:

- Tax Foundation Special Report (April 2007)
- 2007 State of Maine Performance Measures
- Corporation for Enterprise Development (CFED) 2007 Development Report Card Overview.

CFED developed a draft format with a number of possible indicators that could serve as a basis for benchmarking the performance of economic development policies and programs, and economic progress, in Vermont. A listing of the indicators identified at the July 2007 CFED meeting is attached as Appendix D. These indicators provide a starting point for discussion of CFED's benchmarking work, and it is anticipated that the indicators listed in Appendix D will be significantly modified with additional input.

### **Step 3: Internal Survey**

In July 2007 as part of the transition to work with the Snelling Center, The Snelling Center staff conducted a survey of Commission members to draw out areas of agreement and areas where further facilitated discussion would be useful. Appendix E shows complete results of that survey work around "strategic statements" in economic development.

## **Step 4: Defining Economic Development – the Vision**

CFED decided that it needed a working definition and vision for Economic Development that it could return to as it considered the “inputs” and “outputs” of its work. At our meeting on November 13, 2007, CFED agreed on the following working definition of “economic development”:

### **Economic Development**

**ECONOMIC DEVELOPMENT** is the process of generating economic wealth and vitality in Vermont for the well being of its citizens. State policies that promote economic development seek to improve economic well-being and quality of life through specific activities directed at employers, employees, and business activities, that can be directly correlated to creating and retaining good jobs and enhancing opportunity and prosperity.

**PUBLIC EXPENDITURES THAT INFLUENCE ECONOMIC DEVELOPMENT:**  
**(Without value judgment as to relative importance, expenditures supporting economic development can be categorized as “core” and “indirect”**

**Core economic development activities** are those Vermont expenditures and tax programs that directly benefit Vermont employers, employees, entrepreneurial start-ups, business sectors or industries. Direct development activities are funded through a State of Vermont appropriation and managed by a department or agency within the state government including but not limited to the Departments of Economic Development and the regional development corporations, Travel and Tourism, Labor, the Agency of Agriculture, the Vermont Economic Development Authority, and the Vermont Economic Progress Council, or by contractors or grantees of the state. Core economic development activities also include certain federally funded activities that are under the control or close influence of the state government and otherwise fit the definition of “core” activities, such as Community Development Block Grants, the Rural Development programs, EDA funding.

**Indirect economic development activities** are expenditures and tax programs that benefit the physical and social infrastructure of the state. Most agencies and departments of Vermont state government fund and carry out a mix of core and indirect economic development activities.

**Other economic development activities:** Funding of economic development activities also comes from sources other than a state appropriation. Federal funding direct to industry or other implementing agencies and not-for-profits is part of the mix, as are private initiatives by business associations, development groups and industries. These also are critical to the success of an economic development strategy for the state but are not under the direct control or influence of the state.

**OTHER PUBLIC POLICIES AND PROGRAMS THAT AFFECT ECONOMIC DEVELOPMENT:** CFED recognizes that, in addition to the Direct, Indirect and Other public funding programs that influence Economic Development there are other public policies and programs that materially affect Economic Development outcomes. These include, among others, education spending, financing and taxation, regulatory and permitting programs, health care, housing and job training programs, and taxation.

The working definition of Economic Development and the identification of public funding programs that affect Economic Development were adopted by CFED as a starting point, with the understanding that the definition may be modified by CFED as circumstances, and the development of an Economic Development Plan, progresses, and the scope of CFED's analysis will not be limited to public funding programs but will include as broad a range of public policies and programs as CFED determines to be necessary to develop a comprehensive, effective economic development plan. As information is assimilated by CFED, and various components of an economic development plan are considered, they will be tested against the question: "Does this information, this statement of purpose, or this proposed action advance economic development in Vermont?"

#### **Step 5: Developing a Framework**

CFED looked to the Vermont Economic Progress Council's *A Plan for a Decade of Progress; Actions for Vermont's Economy; 2002 Report* to provide an initial departure point for its economic development plan. Members of CFED generally agreed that Vermont's economic development strategic plan should be developed within a framework that includes the following objectives:

- 1) Address the requirements, directions and objectives established for CFED by the legislature in H.184, as outlined in Appendix A;
- 2) Distill a positive and realistic vision for how Vermont's economy can grow, improve, change, and support broad-based, sustainable economic prosperity and quality of life in the global economy; (See Appendix F for a draft statement from November)
- 3) Identify Vermont's existing sectors of "comparative advantage", where Vermont is well-positioned with respect to the vision;
- 4) Identify and focus intensively on the top strategic leverage points (sectors of current or future comparative advantage) where investment of limited public resources will make the greatest difference in achieving the strategic economic development vision;
- 5) Recommend public policies to guide, encourage, and reduce barriers to progress towards the vision;

- 6) Have a strategic overview of contiguous and related activities (connected and related to economic development) that highly impact the capacity for and sustainability of economic development in Vermont communities.
- 7) Set specific economic development goals with directional benchmarks; a measurement process with reporting and evaluation processes built in.

### **Step 6: Work Plan for a Consensus Economic Development Plan**

CFED has initiated a work plan that will, we believe, lead to a consensus Economic Development Plan. The work plan will generally and sequentially proceed as follows:

- 1) IDENTIFY DESIRABLE, REALISTIC AND SUSTAINABLE OUTCOMES FOR AN ECONOMIC DEVELOPMENT PLAN (November-December 2007; ongoing)

CFED conducted an affinity exercise at its November and December 2007 meetings. CFED began the exercise at its November 13, 2007 meeting by responding to the following question:

*Assume that we are evaluating the Vermont economy 10 years from now and that we find that Vermont's economy is strong, sustainable and growing. What does it look like?*

Each Commission member was called upon to answer this question by providing a series of written responses, each of which articulated a specific component of a strong, sustainable and attainable Vermont economy of the future. Members of CFED then organized the responses into affinity groupings, and then proposed a summary statement of the economic policy goals reflected in each group of responses. (See Appendix G) These goals provide the initial framework of an economic development plan within which we will seek to construct, evaluate and 'benchmark' economic development policies and processes that we believe will enable Vermont to attain those goals and that will guide our public policies in the future.

- 2) DEFINE 'THE VERMONT ECONOMY' AS IT EXISTS TODAY AND IDENTIFY CURRENT ECONOMIC CONDITIONS AND EXTERNALITIES THAT INFLUENCE, OR ARE INFLUENCED BY, THE VERMONT ECONOMY (January-March 2008)
  - What are the key components of today's Vermont economy?
  - What are Vermont's economic development strengths, and what are our points of strategic leverage?
  - What are Vermont's economic development weaknesses or challenges?

- In what areas or circumstances do Vermont's economy and economic development policy appear to be successful, and why?
  - Conversely, in what areas or circumstances do Vermont's economy and economic development policy appear to have been less successful or unsuccessful, and why?
  - What are the key public policies and values that affect, and are affected by, the Vermont economy?
  - How do we (or, do we) currently measure the outcomes of the Vermont economy and our public policies and values?
- 3) IDENTIFY AND EVALUATE BENCHMARKING PROGRAMS FOR EXISTING ECONOMIC DEVELOPMENT PROGRAMS; IDENTIFY ECONOMIC DEVELOPMENT POLICIES AND PROGRAMS FOR WHICH BENCHMARKING DOES NOT EXIST; DETERMINE THE EFFECTIVENESS OF CURRENT BENCHMARKING PROGRAMS (January-April 2008)
- What are the expected or desired outcomes of Vermont's existing economic development public policies or programs?
  - For each outcome, what are the existing benchmarks for determining the level of success of the policy or program or the attainment of the outcome.
  - What programs are in place to establish appropriate benchmarks and measure the desired outcomes?
  - How is the effectiveness of existing benchmarking programs determined?
  - Which of the existing policies or programs, or their intended or desired outcomes, are not currently benchmarked?
  - Do current benchmarking, measuring or evaluations procedures or programs address the possible unintended consequences of public policies or programs within the scope of those policies and programs or on other policies and programs not directly related.
  - What procedures, programs or policies exist to determine cost and benefit of Vermont's existing economic development public policies or programs, and how effective have they been in adjusting economic development policies or programs to improve their attainment of desired or intended outcomes.

- 4) DEVELOP A VISION OF THE VERMONT ECONOMY OF THE FUTURE, AND IDENTIFY ECONOMIC CONDITIONS AND EXTERNALITIES THAT WILL INFLUENCE, OR WILL BE INFLUENCED BY, THE VERMONT ECONOMY OF THE FUTURE (January – April 2008; ongoing)
- What will be Vermont's the top strategic leverage points (sectors of current and future comparative advantage) where the investment of limited public resources or changes in public policies will make the greatest difference in achieving our goals;
  - What will be the key components of a realistic, attainable and sustainable Vermont economy of five years, ten years and 15 years from now?
  - Will Vermont's existing economic development strengths, policies and points of strategic leverage enable us to attain the Vermont economy of the future?
  - What components of Vermont's public policies that affect economic development currently work well and should be retained and reinforced to attain the Vermont economy of the future?
  - What weaknesses or challenges currently exist in Vermont's public policies that affect economic development that will need to be addressed if we are to attain the Vermont economy of the future?
  - What changes to existing public policies or initiatives, or new public policies or initiatives, will be necessary to attain the Vermont economy of the future?
- 5) IDENTIFY / DEVELOP BENCHMARKING PROGRAMS THAT WILL MEASURE THE OUTCOMES OF THE PUBLIC POLICIES AND PROGRAMS THAT WILL SUPPORT THE VERMONT ECONOMY OF THE FUTRE (March-May 2008; ongoing)
- What are the expected or desired outcomes of the economic development public policies or programs that will be required to achieve the Vermont economy of the future?
  - For each outcome, what are the appropriate benchmarks for determining the level of success of the policy or program or the attainment of the outcome?
  - What programs will be needed to augment or improve those that are currently in place to establish the appropriate benchmarks and measure the desired outcomes? What new or improved benchmarking, measuring or evaluations procedures or programs will Vermont need to detect, measure and report the long-term consequences of public policies or programs.

- How will we determine if the new or improved benchmarking programs are effective in measuring the intended or desired outcomes?
- What new or improved benchmarking, measuring or evaluations procedures or programs will we need to detect, measure and report the possible unintended consequences of public policies or programs within the scope of those policies and programs or on other policies and programs not directly related.
- What new or improved procedures, programs or policies will Vermont need to determine cost and benefit of Vermont's existing economic development public policies or programs? How will we measure the effectiveness of benchmarking procedures or programs in adjusting economic development policies or programs to improve their attainment of desired or intended outcomes?

6) ESTABLISH DEFINITIONS FOR AND BACKGROUND INFORMATION ON THE KEY SECTORS OF THE VERMONT ECONOMY OF THE FUTURE (January – May 2008; ongoing)

As we develop our vision for the Vermont economy of the future, develop and, as the Economic Development Plan takes shape, refine, important definitions and concepts such as:

- |                        |                        |
|------------------------|------------------------|
| • Economic Development | • The Creative Economy |
| • Economic Sectors     | • The Green Economy    |
| • Economic Clusters    | • The Vermont Brand    |
| • Growth Centers       |                        |

7) DEFINE THE STRUCTURAL AND PUBLIC POLICY COMPONENTS OF THE VERMONT ECONOMY OF THE FUTURE: (April – June 2008; ongoing)

CFED's goal, through its initial economic development planning process, is to identify the structural and public policy components of a Vermont economy of the future that reflects the internal and external realities of doing business in Vermont and that meets the needs of Vermont's citizens and businesses. As part of its analysis, CFED intends to take a broad view of public policies that affect, and are affected by, economic development, including policies that directly support or affect economic development such as economic development financing, workforce development, planning, regulatory and permitting programs, and tax policy to more indirect policy areas such as affordable housing, health care and health insurance, and infrastructure planning and development. From these structural and policy components CFED will develop an economic development matrix that will serve as the basis for further public input, evaluation and refinement into a five year economic development plan.

Through its economic development planning process, CFED will identify Vermont's current strengths and existing sectors of "comparative advantage", where Vermont is already well-positioned with respect to the vision and desired outcomes, and incorporate these components into an economic development plan for the Vermont economy of the future. At the same time, CFED will seek to identify weaknesses and challenges that will need to be overcome if we are to attain our economic development goals.

CFED recognizes that the Vermont economy is not static. It is a dynamic organism that reacts to both positive and negative stimuli and that can enjoy long term growth and vitality as a result of beneficial public policies, or long term weakness or damage as a result of unwise public policies. Vermont's economic development policies will have to be flexible, nimble, and reviewed on a regular basis to respond to changing local, regional, national and international circumstances, and, through benchmarking, to determine their effectiveness and adjust, as necessary.

CFED also recognizes the 'interconnectedness' of the factors that will enhance or may impede economic development and that public policies designed to implement or enhance one goal may have the opposite (and often unintended) effect on other goals. As CFED proposes actions or policies in one area, it will need to consider the effect of such actions and policies in other areas.

Done properly, CFED's economic development plan will recognize that, if Vermont is to be regionally, nationally and globally competitive in the future, its public policies must enable and promote a positive business climate in and image for Vermont that recognizes Vermont's strengths and limitations, and that distinguishes Vermont from every other state that is pursuing its economic development future.

8) CONTINUE A COMPREHENSIVE, INCLUSIVE PUBLIC ENGAGEMENT/PUBLIC HEARING PROCESS (April – September 2008; ongoing)

As CFED develops and refines its economic development matrix and the preliminary draft of its five year economic development plan, CFED will invite broad public participation to provide depth and perspective, and to seek broad public buy-in for its five year economic development plan. CFED has designed a comprehensive public participation program (See Appendix H) that will begin in the spring and early summer of FY 2007-2008 with public outreach programs and meetings to be hosted in six of Vermont's twelve regional economic development corporation territories. And additional series of public outreach programs and meetings will be hosted in the remaining six economic development corporation regions in the summer of 2008-2009. Other important policy-making stakeholders such as regional planning commissions will be invited to co-host the meetings.

- 9) REPORT TO THE LEGISLATURE ON PROGRESS IN DEVELOPING A FIVE YEAR ECONOMIC DEVELOPMENT PLAN AND SEEK INPUT FROM KEY LEGISLATIVE LEADERS (September – October 2008; ongoing)
- 10) DRAFT CFED’S ECONOMIC DEVELOPMENT PLAN AND PUBLIC POLICY RECOMMENDATIONS BASED UPON PUBLIC INPUT AND PARTICIPATION (September – November 2008)
- 11) PUBLISH CFED’S DRAFT ECONOMIC DEVELOPMENT PLAN AND PUBLIC POLICY RECOMMENDATIONS ON THE CFED WEBSITE AND SEEK FINAL PUBLIC INPUT (October – December 2008)
- 12) PREPARE AND SUBMIT A FINAL DRAFT ECONOMIC DEVELOPMENT PLAN TO THE LEGISLATURE (October – December 2008)
- 13) CONTINUE EVALUATION AND REFINEMENT OF THE ECONOMIC DEVELOPMENT PLAN WITH INTERACTION WITH/INPUT FROM LEGISLATURE, ADMINISTRATION, STATE, REGIONAL AND LOCAL STAKEHOLDERS, AND THE PUBLIC (January – June 2009; ongoing)
- 14) BENCHMARK ECONOMIC DEVELOPMENT OUTCOMES; REVIEW EVALUATION OF ECONOMIC DEVELOPMENT PLAN AND POLICIES (ongoing)

## NEXT STEPS

CFED recognizes that there is a great deal of work to be done to accomplish a comprehensive, credible, useful and sustainable Economic Development Plan. Our most immediate next steps are:

1. Submit a Report to the Legislature by January 10, 2008.
2. Submit a financial statement of CFED's funding and expenditures to date to the legislature by January 10, 2008.
3. Submit a funding proposal for the 2008-2009 budget by January 15, 2008.
4. Establish a preliminary timeline/critical path/action plan to accomplish a Work Plan for a Consensus Economic Development Plan, as outlined above.
5. Conduct a comprehensive statewide public engagement/public hearing process, as reported in Appendix H.

CFED acknowledges that it has not met the requirement of Act 184 that it submit a preliminary economic development plan by September 15, 2007. However, CFED feels that it has made considerable progress in gathering the background information and in developing a coherent, efficient and attainable work plan that will enable us to meet the requirements of Act 184.

Respectfully submitted:

Commission on the Future of Economic Development

A. Jay Kenlan, Chair

## **Appendices:**

- A. Act 184 Directive from the Legislature**
- B. Commission Membership and Leadership as of December 1, 2007**
- C. Summary listing of presenters Oct 06-Oct 07**
- D. Economic Indicators from July 2007**
- E. Survey of CFED Commissioners**
- F. Toward a Vision Statement**
- G. Preliminary Goals and Outcomes**
- H. Public Participation Program – April 2008 through September 2008**
- I. Financial Report as of December 31, 2007**

# APPENDIX A

## CFED OUTCOMES (based on Act 184)

Each commission's **five year plan** shall identify the long **term goals for Vermont economic development and job retention** in light of the local and global economic climate and for increasing the wellbeing of Vermonters and their communities. The plan shall **identify prioritized criteria by which to evaluate legislative proposals for economic development programs** in the coming five years which will best serve the goals of the five year plan.

Include the development of a **meaningful benchmark process** that sets economic development goals appropriate for Vermont and measures the state's position relative to those goals.

The plan shall also consider: (questions that need to be addressed directly)

- (1) The cost effectiveness of targeted business incentive grants and non-monetary business aid such as permit and regulatory assistance or other assistance and increased development of infrastructure.
- (2) Whether targeting incentives to regions of the state with high unemployment, low wages, or other indications of need for economic development and job creation would better advance the long term goals.
- (3) Whether Vermont tax policies place Vermont businesses at a competitive disadvantage and how best to address these policies and mitigate their effects.
- (4) The specific needs for development or improvement of transportation and telecommunications systems.
- (5) The types of postsecondary institution expansion of development which would attract research and technology firms.
- (6) The advantages and disadvantages of privatizing all or a portion of economic development functions of the state.

In fulfilling its economic development planning responsibilities, the commission shall:

- (1) Conduct a planning process that is open and inclusive, with Broad based public engagement ensuring participation that is demographically and geographically representative of the state and includes input from a wide range of perspectives, expertise and interests, including the general assembly, state agencies and the administration, regional and local planning and development organizations, municipalities, the private sector, and business organizations, including owners, knowledgeable in the areas of economic interest such as agriculture, social and human

services, energy, education, child care, environmental issues, science and technology, arts and culture, transportation, telecommunications, housing, workforce development, and tourism and recreation.

(2) Build a plan by coordinating and considering existing economic development information and strategic plans produced by other organizations and agencies, such as regional economic development strategic plans, comprehensive economic development strategies (CEDs), legislative initiatives, and research and reports by organizations such as the Vermont business roundtable, the Vermont council on rural development, the Vermont technology council, the Vermont sustainable jobs fund, and the University of Vermont.

(3) Include an examination of the issues critical to encouraging business to develop in Vermont, including workforce development, development of higher education institutions, infrastructure development, quality of life issues and tax policy.

(4) Discuss and develop possible working definitions of the creative economy in the state, identifying and aggregating the creative, artistic, inventive and cultural enterprises, and other sectors of the economy, including media design, sustainable technologies, added value manufacturing, natural resource industries, and environmental technologies that comprise part of the state's creative technology and review possible measures and indicators of economic benefit, costs, and contributions to the state from the creative economy sector.

# APPENDIX B

## CFED Commissioners and leadership

<p><b>Bill Botzow</b> (elected vice-chair by the Commission members)</p> <p>Residence: Pownal</p>	Pownal	Speaker of the House	07/06	<p>-Member of the Vermont House: 2003-04, 2005-06.</p> <p>-Visual artist</p> <p>-Board member and Treasurer of the Governor's Institutes of Vermont</p> <p>-Former Chair of the Vermont Arts Council; and Treasurer of River Network</p> <p>- Vermont's Art in State Buildings Coordinator from 1996-2002. -</p>
<p><b>Hope Crifo</b></p> <p>Residence: Middlesex</p>	Middlesex	Vermont Labor Council	07/06	<p>-MA in Economics</p> <p>-Chartered Financial Analyst at TDBanknorth NA</p> <p>-Prior to this she has worked for the Public Service Board, State of Vermont; People's Health &amp; Wellness Clinic; KDP Investment Advisors</p> <p>- Member of the Vermont Society of Security Analysts and Hunger Mountain Cooperative – Treasurer and Council Member.</p>
<p><b>Staige Davis</b></p> <p>Residence: Shelburne</p>	Shelburne	Governor	07/06	<p>-President and CEO of Lang Associates, a residential and commercial real estate firm</p> <p>-Graduate of the University of Vermont -Board service includes: Champlain College, Vermont Community Foundation and is chairman of the Vermont Business Roundtable and chair of VIGE (Vermont Institute of Government Effectiveness, Inc.). He is a member of the Northwestern Vermont Board of Realtors and was chair of Professional Standards, and formally served with the Vermont Mozart Festival, Flynn Theater for the Performing Arts, Vermont Symphony Orchestra's 50th Committee, Vermont Public Radio, and Shelburne Farms Capital Campaign Committee.</p> <p>-He was Governor's appointee to the Trustees of the Vermont Council on the Arts and served as Chair.</p> <p>-Over the last seven years, he has been engaged (with two partners) in three redevelopment projects in downtown Burlington. The partnership also is developing a "green" commercial park in South Burlington.</p>
<p><b>Kevin L. Dorn</b></p> <p>Residence: Essex Jct.</p>	Essex Jct.	Ex-Officio, Named in legislation	07/06	Secretary of the Agency of Commerce and Community

Barbara L. Grimes  Residence: Burlington	Burlington	House Speaker and Senate President Pro-Tempore	06/07	-General Manager for the Burlington Electric -Formerly, Commissioner of the Department of Employment and Training for the State; Commissioner of the Department of Housing and Community Affairs in the Agency of Commerce; five terms in the Vermont State House of Representatives. -Chair, the Vermont Interactive Television Council -Vice Chair of Housing Vermont - Board member of the Chittenden County United Way and Northeast Public Power Association. She is also serving on the American Public Power Association's Blue Ribbon Climate Change Task Force.
Jay Kenlan (Chair)  Residence: Wallingford	Wallingford	Governor	10/07	-Founder and senior member of Kenlan, Schwiebert, Facey & Goss, P.C., one of Vermont's leading commercial and land use law firms. -His primary practice areas include: Land Use Law; Environmental Law; Business Organizations Law; Real Estate Law, Commercial Transactions; Development Finance Law. -Co-Author (with Andrew Hazelton and James Leary) of "Vermont Law," Chapter 46, Brownfields – A Comprehensive Guide to Redeveloping Contaminated Property. - Vermont Business Roundtable (since 1988); Chair of the Vermont Business Roundtable Economic Development Task Force. Member of joint project committee with the Vermont Forum on Sprawl, evaluating the effectiveness of a broad range of Vermont's economic development policies, culminating in the joint Roundtable/Forum <i>New Models Project</i> report in October of 2003 and in October of 2004, jointly authored a report entitled <i>Draft Proposal for Growth Center and Master Plan/Master Permitting Legislation</i> .
Fred Kenney  Residence: Bolton	Bolton	Ex-Officio, Named in legislation	07/06	-Executive Director of the Vermont Economic Progress Council (VEPC)
Dan Kurzman  Residence: Derby	Derby	Governor	06/07	-Northeast Regional Manager of Operations for Ethan Allen, overseeing four manufacturing and sawmill facilities in three states. - Formerly, Corporate Director of Human Resources for Ethan Allen. -Prior to Ethan Allen he was a public school educator and administrator. -Board service: Upper Connecticut Valley

				Hospital Board of Directors, Derby Elementary School Board, North Country Union High School Vocation Technical Advisory Board, Human Resource Investment Council and the State of Vermont Workers' Compensation Advisory Board and is currently on the Associated Industries of Vermont Board of Directors and the Vermont State Workforce Development Council.
Mary Lintermann  Residence: Stowe	Stowe	Governor	07/06	-Vice President of DEW Construction, a \$75 million construction firm in Williston, VT. - B.S. in civil engineering and is a licensed Professional Engineer. - Professional experience includes engineering, economic development, project management, business development, and strategic planning, providing these services to various engineering and construction businesses. -Board service includes: Vermont Health Foundation Board, YMCA Board, GBIC Board, and VEPC. Mary recently concluded being on the Pine Ridge School Board, and Lake Champlain Regional Chamber Board, as a result of Chairing its Regional Affairs Committee & previously by Chairing Leadership Champlain. She has also been appointed to the Workforce Development Council and the Workforce Development Leadership Committee (Act 46)
Sam Matthews  Residence: E. Montpelier	E. Montpelier	Governor	10/07	-Executive Vice President of the Central Vermont Economic Development Corporation (CVEDC) -Previously Sam was the Vice President of the Greater Burlington Industrial Corporation (GBIC) and was also the Industrial Expansion and Regional Support Coordinator for the Vermont Department of Economic Development. -Appointed by Governor Dean and re-appointed by Governor Douglas to the Vermont Real Estate Commission where she currently serves as Chair. -Board Service: She was President of the Franklin County Board of Realtors, Member of the Vermont Association of Realtors Board of Directors and Realtor of the Year in Franklin County. In 2004, Sam was appointed by Governor Douglas to the Commission on Wind Energy Regulatory Policy.
Hinda Miller  Residence: Burlington	Burlington	Appointed by the Senate Committee on Committees	07/06	-Member of the State Senate; Economic Development, Housing & General Affairs and Education committee -Self-employed business consultant / yoga teacher.

				- Public service also includes: the Lake Champlain Chamber of Commerce (former Chair); Burlington Airport Commissioner; Board of Directors of Green Mountain Coffee Roasters; New England Culinary Institute; Trustee of Champlain College; Co-chair, Council of Educational Governance.
David Mount  Residence: Burlington	Burlington	Governor	07/06	-Owner, Personal Service Corporation that affiliated with Westaff, an international staffing service, in 1990. Since affiliating with Westaff, the company has opened a total of 7 offices – two in Vermont, two in New York and three in New Hampshire. Westaff invoices more than \$20,000,000 in temporary and permanent personnel each year. -Previous work as a financial executive in multi-national firms, including Mattel Toy Company and Hunter Douglas; Vice President of Finance at Hunter Douglas from 1975 to 1981. -Public Service includes: Burlington Rotary Club (past President), the Vermont Association of Staffing Services, Joseph’s House and St. Anne’s Shrine.
Mary Niebling  Residence: Plainfield	Plainfield	VT Association of Nonprofit Organizations	07/06	-Director of Community Economic Development for Central Vermont Community Action, a community based non profit organization serving 56 towns in rural north central Vermont. At Community Action, Niebling directs the 16 member Community Economic Development effort with initiatives in Micro Business Development, asset building through its Tangible Assets Program—a matched savings program, sector-based economic development, and child care nutrition and business development. Her efforts in the mid 1990’s led to the formation of the Central Vermont Revolving Loan Fund, an alternative lender for businesses in central Vermont that is now expanding statewide as Community Capital of Vermont. -Prior to joining Community Action in 1992, Niebling directed a neighborhood based housing rehabilitation and affordable homeownership development program, state and local energy conservation and management programs, and local government community development and neighborhood planning efforts. -Master’s Degree in Urban and Regional Planning from the University of Illinois in Urbana - Snelling Center for Government’s Vermont Leadership Institute (2001).

Will Patten Residence: Hinesburg	Hinesburg	House Speaker and Senate President Pro- Tempore	06/07	-Executive Director, Vermont Businesses for Social Responsibility - Former employment included Director of Retail Operations for Ben & Jerry's
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# APPENDIX C

## Commission on the Future of Economic Development Summary listing of presenters Oct 06-Oct 07

### October 24, 2006

Fred Kenney, Executive Director of the Vermont Economic Development Council,

#### **VEPC 10 year plan**

Kevin Dorn, Secretary ACCD -**Current Economic Development Activities**

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### December 6, 2006

#### **Input from Regional Development Corporations:**

Frank Cioffi, GBIC

Dan Smith, GBIC

Steve Patterson, NVDA

Neal Fox, Green Mountain Economic Development Corp.

Jamie Stewart, Addison County RDC

Tim Smith, Franklin County Industrial Dev. Corp.

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### January 8, 2007

Bill Stenger – **Next Generation Committee**

#### **FINANCE**

Vermont Economic Development Authority – Jo Bradley

Vermont Economic Progress Council – Karen Marshall

Small Business Administration – Darcy Carter

Community Capital – Emily Kaminsky

#### **INFRASTRUCTURE**

Broadband/wireless – Tom Murray

Transportation – Neale Lunderville

Incubators – Tom Rainey

Energy – David O'Brien

#### **WORKFORCE**

Department of Labor – Pat Moulton Powden

Workforce Development Council – Chip Evans

State Colleges – Allan Rodgers

Champlain College – Melissa Hersh

Vermont Training Program – Phil Fagan

## **TECHNICAL ASSISTANCE**

Small Business Development Centers – Lenae Quillan-Blume  
Vermont Manufacturers Assistance Center – Bob Zider  
UVM – Janice St. Onge  
CVCAC – Carol Flint

## **PRESENTATION BY GUND INSTITUTE**

Bob Costanza

## **POLICY ANALYST**

Doug Hoffer

## **ECONOMISTS:**

Dick Heaps, VT Economy Newsletter;  
Bill Sayre

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### **February 12, 2007**

John McClaughry, Ethan Allen Institute. “**Off the Rails: Changing Demographics, Changing Economics, Accumulating Obligations: How will Vermont Cope with a Challenging Future?**”

Fred Kenney, Vermont Economic Progress Council: **2002 “Decade of Progress”** report

Maureen Connolly: Economic Development Authority (EDA) approved **Comprehensive Economic Development Strategy (CEDS)**

Mike Quinn, **Department of Economic Development (DED)**

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### **April 9 2007**

Brian Byrnes, Vermont Community Foundation - “**The New Philanthropy and Vermont’s Economic Future**”

Will Patton, **Vermont Businesses for Social Responsibility**

Lisa Ventriss, **Vermont Business Roundtable - “Having the Courage to Change”**.

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### **May 14, 2007**

Harlan Sylvester, Chair, **Governor’s Board of Economic Advisors** for Governors Snelling,

Kunin, Dean and Douglas.  
Jeb Spaulding, **Vermont State Treasurer**  
Stephan Morse, CEO of the **Windham Foundation** and former Speaker of the House of Representatives.  
Christine Werneke, Chief Marketing Officer for the State of Vermont. - **Next Generation Workforce Report.**

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**June 11, 2007**

Tom Kavet, economist to the State Legislature.  
Doug Hoffer, Public Assets Institute  
Jeff Carr, State Economist

**Comments on the Draft Indicator Dashboard and options for economic development policies and the CFED process ahead.**

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**July 18, 2007**

CFED Commissioner attended the **Creative Economy** Conference sponsored by the Vermont Council on Rural Development

<http://www.vtrural.org/files/CCP%20conference%20report.pdf>

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**August 14, 2007**

**Forum on Environmental and Energy Product and Service Companies**

- David Blittersdorf, Earth Turbines (Hinesburg)
  - Scott Gordon, Green Technologies (Winooski)
  - Alan Cummings, Seldon Technologies (Windsor)
  - AJ Rossman, Draker Solar Design (Burlington)
  - Melinda Moulton, Main Street Landing
  - Chris Stone, Stone Environmental (Montpelier)
  - Jeff Wolfe, groSolar (White River Jct.)
  - David Hazelett, Hazelett Strip Casting (Colchester)
  - Fran Carr, UVM Vice President of Research and Graduate Studies
  - Domenico Grasso, UVM, Dean & Professor of Engineering, College of Engineering and Mathematical Sciences
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**October 10, 2007**

**Robert Bloch, Program Director, BYOBiz Program at Champlain College**

<http://www.champlain.edu/byobiz/>

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# APPENDIX D

## Draft Economic Indicators

**Economy**

- State GDP (rate of change)
- Employment (#, growth, type)
- Unemployment (#, rate, national)
- State Productivity (GDP/employment)

**Income & Wages**

- Wage (average, median, % of national)
- Livable Wage (\$ for 2-person household)
- Persons Holding Multiple Jobs
- Population using food shelves (#, %)
- % Self-Employed

**Innovation and Entrepreneurship**

- Patents issued to Vermonters
- New Companies (#, type, rate)
- Business Closings (#, type, rate)
- Total business and government investment

**Prosperity**

- Healthcare (# uninsured, %, rank)
- Housing Affordability (ownership rate, % income, # foreclosures)
- Cost of Living Index/Measure

**Environment**

- ACT 250 Permits (% issued, avg. time)
- % of streams and lakes supporting designated use.
- Solid Waste Diversion Rate
- Acres in Land Use Inventory

**Workforce & Education**

- % with high school or equiv. degree
- % with higher education degrees.
- K-12 Proficiency (Math and Verbal, rank)

**Infrastructure**

- Broadband to Premise (availability, use)
- Public Transportation (access, use)
- Energy Total Bill

**Community**

- Poverty (# and %)
- Chronic Disease (#, rate, % of pop.)
- Crime rate (violent, non-violent, rank)
- Childcare (Affordability & Access)

**Special Opportunity Indicators**

- Environmental Technology Jobs
- Per capita energy consumption

DRAFT 2.5 - CFED July 10, 2007

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# APPENDIX E

## Commission on the Future of Economic Development SURVEY of COMMISSIONERS- part I As of July 2007

### GOAL AND PURPOSE STATEMENTS

These action statements are designed to help the Commission members arrive at a common statement of the purpose of an economic development strategic plan: what type of information will it contain? How will it be used? Will it propose a plan to track relevant trends in the economy? Will it focus on the role of state government? Will it guide the deployment of public resources? Will it evaluate the effectiveness of economic development programs and / or propose a plan for such evaluation in the future?

**Members of the Commission generally agreed that Vermont's economic development strategic plan should:**

- distill a positive and realistic vision for how Vermont's economy can grow, improve, change, and support broad-based, sustainable economic prosperity and quality of life in the global economy;
- identify Vermont's existing sectors of "comparative advantage", where in Vermont is already well-positioned with respect to the vision;
- identify and focus intensively on the top strategic leverage points (sectors of current or future comparative advantage) where the investment of the limited public resources can make the greatest difference in achieving the vision for strategic economic development;
- recommend public policies to guide, encourage, and reduce barriers to progress towards the vision.

**There was less agreement, and need for focused discussion if the plan is to:**

- Select "macro" indicators of progress towards the vision, with 5 year performance targets, and recommend a process for tracking and reporting the indicators;
- Identify any other areas that, while not currently providing "comparative advantage", are specific sectors worthy of strategic economic development attention and investment;
- Decide (or confirm) consistent working definitions for terms that are commonly used but open to misinterpretation including "the creative economy", "sustainability", etc.

- Evaluate and rank the four broad categories of economic development, i.e. business creation, business expansion, business retention, and business attraction, for their appropriateness and potential leverage in achieving the vision;
- Evaluate the effectiveness of existing public programs and expenditures that are or should be connected to the vision for economic growth, improvement, and change; recommend explicit adjustments to existing programs as necessary, and explicit endorsement of existing programs that are found to be positive;
- Select measurable performance criteria for major public programs and expenditures related to economic development, and recommend a process for tracking and reporting on those performance measures, and how public expenditures are supporting the vision;

**Additional statements on Goals and Mission by Commissioners:**

- Business is not the same as economy.
- Support VT's existing cities, towns, businesses, agriculture and people
- Think sustainable.
- Flexible/adaptive/nimble... Iterative-Organic
- Mechanism for continuous feedback/revisions/improvements
- Existing and emerging future sectors
- Plan points out all the logical links to other supportive infrastructure.
- Include mechanisms for refreshing, evaluating, and improving an ongoing Vermont economic development strategic planning process.
- Represents long term goals that are non-partisan and not specific to any particular administration or general assembly.
- Identify and evaluate the impact of global and national trends and conditions on Vermont's future, e.g. Immigration, fossil fuel, supply and food production.
- Identify changes in public policy that must be made in order to provide a more competitive environment for business
- Identify the major threats to continued economic growth and defuse/correct policies to support growth.
- Simple, clear, concise. It must make decision on how to niche cluster of business where VT has some advantages. It has to get buy-in from legislature, governor, VEPC, gov's council on economic development, etc.
- Make sure economic development policies cover all spectrums of VT populace, urban-rural, rich-poor, etc.

**STRATEGIC FOCUS**

On the assumption that a successful economic development strategic plan must be intensively focused, these statements are designed to suggest choices about how Vermont might focus its development efforts to optimize its limited public economic development resources.

**Based on responses by Commissioners** (ranked in order from highest rate of agreement)

A successful strategic plan will focus on:

1. Development of specific post-secondary education and training centers of excellence (engineering? computer science?)
2. Vermont as a hub of energy and environmental service providers;
3. Incentives for entrepreneurial, start-up ventures;
4. Incentives to expand existing businesses and areas of comparative advantage;
5. Incentives to train employees for higher wage activities.
6. Defending niche sectors (like captive insurance) where there is growing competitive pressure;
7. Building Vermont's Brand as a "green state;"
8. Predictable, customer friendly regulation;
9. Competitive tax policy (or *at least a tax policy that addresses the goals of the plan*);

**The following items elicited enough disagreement, neutrality or "unsure" responses to require more focused conversation before consideration for inclusion.**

10. Incentives for specific, favored industries or activities (agriculture? manufacturing? green services?)
11. Assistance with cost-containment (lean manufacturing? energy conservation? workers compensation? health coverage? etc.)
12. Developing further commerce with Canada
13. Incentives for retaining companies that are at risk for leaving Vermont
14. Incentives for attracting companies to move into Vermont;
15. Incentives for achieving carbon neutrality;

**Additional statements on Strategic Focus by Commissioners:**

- Investment in and development of transportation and telecommunications infrastructures.
- Priorities are building Vermont's brand as a 'green state' and assistance with cost-containment.
- Ability to live, grow, thrive and play (disputable income) people focused.
- Center for innovation
- Minimize environment footprint.
- Center of education k-12
- ID and supports established entrepreneurs.
- Natural Resources
- Universal health that is not related to employment
- Employers/educators collaboration to synchronize job skills opportunities.
- Forward looking energy/ transportations policies.
- Incentive or tax credits for our smallest businesses to relieve tax burden for start up.
- Making current Economic Development programs report on performance measures.
- Too little, too late, for incentives for retaining companies that are at risk for leaving Vermont.

**Commission on the Future of Economic Development**  
**SURVEY SUMMARY- part II (July 2007)**

The following is intended to help CFED establish areas of strategic agreement, and bring focus to what the strategic economic development plan needs to accomplish. This is a composite of views taken in individual interviews with Commissioners and from a survey form that each Commissioner filled out. They do not represent the views of the Commission, but are meant to be a framework for understanding the current thinking of the Commission and to generate ideas for work ahead.

**Contents**

**1. Strategic Statements**

These statements are designed to probe for agreement on basic assumptions. They are designed to not be heavily value-laden but, together, might describe the Vermont economy we hope to support and develop. The statements are built around the following lead-in concepts:

- A growing economy .....
- A healthy economy .....
- The workforce in a growing and healthy economy .....

**2. Identifying and Rating Vermont's "comparative advantages"**

This section is intended to probe the Commission members' views about specific strengths that may already exist in the Vermont economy.

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**STRATEGIC STATEMENTS**

**1. A Growing Economy**

*The statements assume that a growing economy is generally desirable, and seek to establish some major themes that are foundational in order for the economy to grow in a positive and desirable way.*

IMPORTANT - Vermont's "position" good or strong, trends were mixed or generally positive.

**Question:** *How to maintain these strengths and expand on them?*

- *A growing economy depends on access to debt and equity capital.*
- *A growing economy depends on entrepreneurial ventures and business expansion initiatives that are sufficiently sound to obtain capital support.*

IMPORTANT - Vermont's "position" weak, trends were mixed or generally positive.

**Question:** *How to keep the trends moving in the right direction?*

- *A growing economy depends on an advanced, reliable, well-maintained communications infrastructure.*

IMPORTANT - Vermont's "position" weak and there was not an obvious trend good or bad.

**Question:** *How do we strengthen Vermont's position?*

- *A growing Vermont economy depends on "export revenues" derived from selling value-added products and services outside Vermont's borders, or earning tuitions, fees, and other income by*

*attracting students, tourists, skiers, convention groups, second home owners, and others to spend money in the state.*

- *A growing economy will generate the financial resources (tax revenue) to sustain healthy communities in Vermont.*

IMPORTANT - Vermont's "position" good or strong, but the trends were not clear or were deteriorating.

**Question:** *How do we strengthen Vermont's position?*

- *A growing economy depends on a first class workforce.*
- *A growing economy depends on a long-term, reliable, competitively priced electric power supply.*

IMPORTANT - Vermont's "position" weak or poor and the trends were deteriorating.

**Question:** *How do we bend the curve and move toward a stronger position? Is this a priority to invest?*

- *A growing economy depends on an efficient, well-maintained transportation infra-structure.*

AMBVILANT - Mixed response as to Vermont's position and trends

Mixed response as well as to Vermont's position and the trends.

**Discussion:** *Is this an area to dig deeper?*

- *A growing economy is supported by increasing self-sufficiency whereby Vermonters can cost-effectively "buy local" and / or reduce consumption and dependency on agricultural, energy, and other commodities and products from out-of-state, and Vermonters can find productive employment in related local enterprises.*
- *A growing economy depends on positive productivity trends.*
- *A growing economy depends on success in one or more of the following: business creation, business retention, business expansion, business attraction.*

**Additional strategic statements presented by Commissioners: A growing economy:**

- Needs a reputation for supporting and encouraging business growth & development
- Provides opportunities for its residents to earn a livable wage and build wealth.
- Adaptability of firm and workforce to rapidly changing economy
- Predictable business climate.
- The word growing should be challenged. Healthy?
- Requires healthy communities.
- Depends on a public policy infrastructure that recognizes the importance of economic growth are mailers a coordination fashion, such growth a priority.
- Housing is very important, affordable workforce housing close to the workplace.

**2. A Healthy Economy**

*These statements attempt to describe broad conditions and principles that are foundational to a Vermont economy that will be resilient, prosperous, and sustainable over an extended period of time.*

IMPORTANT - Vermont's "position" good or strong, and trends were mixed or generally positive.

**Question:** *How to maintain these strengths and expand on them?*

- *A healthy economy will be comprised of many companies with proprietary knowledge, skills, intellectual property, creative designs, etc. that provide a sharp competitive edge in the global economy.*
- *A healthy economy will support water, air, and land pollution standards that maintain Vermont's reputation for a clean and healthy environment.*

IMPORTANT - Vermont's "position" weak and there was not an obvious trend good or bad.

**Question:** *How do we strengthen Vermont's position?*

- *A healthy economy will be diversified and balanced across many industry sectors.*
- *A healthy economy will be diversified and not overly dependent on a few very large employers.*

AMBILALENT - Mixed response as to Vermont's position and the trends.

**Discussion:** *Are these areas to dig deeper?*

- *A healthy Vermont economy will be an active participant in the global economy.*
- *A healthy Vermont economy will be decreasingly vulnerable to the export of jobs overseas.*
- *A healthy economy will be diversified and not overly dependent on a few very large employers.*
- *A healthy economy will be balanced geographically.*
- *A healthy economy is comprised primarily of companies that are consistently profitable and non-profit organizations that can consistently operate with a financial surplus.*
- *A healthy economy is inter-dependent with healthy communities.*

**Other strategic statements by Commissioners:**     *A healthy economy.....*

- Will have a competitive cost of doing business.
- Will have a multi-modal transportation system that is in good competitive condition.
- Will have a comprehensive high speed telecommunications network.
- Is supported by industry groups/associations, as part of an infrastructure to support sustainable ways of doing business.
- Will be balanced geographically **or ability to get jobs anywhere... no severe pockets of poverty**
- Can/will support healthy community, health, educations, child care, national resources, donations/support to commercial non-profits, ability to partake in community.
- Pays a livable wage with healthcare benefits
- Has healthy families who can support their families by working one job
- Has opportunities where children can pursue education at a reasonable cost and find jobs in their communities
- Has sufficient training opportunities.

### **3. The Workforce**

*Work force issues are integral to the growth and health of the economy, now and in the future. These statements attempt to describe the conditions necessary to develop, attract, reward, and retain a world class workforce for the 21<sup>st</sup> century.*

IMPORTANT - Vermont's "position" was weak.

**Question:** *How to strengthen Vermont's position?*

- *A healthy, growing economy depends on a literate workforce with well-developed reading, writing, and math skills, and a strong work ethic.*
- *The employees in a healthy economy will have ready access to skill training and certification programs for specific technical and professional fields that are demanded by employers.*
- *A healthy economy will generate high paying jobs.*
- *A healthy economy will have housing, healthcare and childcare that are available and affordable to working families.*
- *A healthy economy will attract a higher share of both native and non-native, college-educated, 22 to 34 year olds to start businesses and build careers.*

IMPORTANT - Vermont's "position" unknown - Commissioner's split on whether it was good or weak.

**Question:** *What information do we need to understand Vermont's position?*

- *The employees in a healthy economy will have ready access to skill training and certification programs for specific technical and professional fields that are demanded by employers.*

AMBIVALENT - Vermont's position is good.

**Discussion:** *Is this an area to dig deeper?*

*A healthy, growing economy is built on places of work that are safe and environmentally healthy.*

- *A healthy economy will have the active engagement of colleges and universities preparing both traditional and non-traditional learners to innovate and to lead in realizing the vision for Vermont's economy.*

AMBIVALENT - Mixed response as to Vermont's position.

**Discussion:** *Is this an area to dig deeper?*

- *A healthy, growing economy depends on a workforce that is weighted towards people who are "life long learners" and able to adapt to changing workplace needs and requirements, and lead change.*
- *A healthy, growing economy depends on educational delivery channels that support life-long learning and support employees in adapting to the changing workplace.*
- *A healthy economy will generate opportunity and career paths, beginning at the entry level, for young, inexperienced, and / or unskilled workers.*
- *A healthy economy is one in which high workforce skills, high wages, high productivity, and excellent progress on livable wages, all happen in concert with one another.*
- *A healthy, growing economy will draw on the talents of older employees who choose not to retire.*
- *A healthy economy will be attractive to telecommuters.*

**Other statements by Commissioners** *The workforce in a healthy, growing economy:*

- Is constantly learning and being trained
- Is lead by skilled management
- Will be diverse and meet needs off all sectors

- Will be an employer's greatest asset.
- Is dependant on a growing workforce.
- Has health care.

## **COMPARATIVE ADVANTAGES**

**Assuming the strategic plan will build on current areas of strength (comparative advantage) rate the following sectors for comparative advantage and strategic leverage:**

- Existing “**TEAM**” business base
 

<b>Tourism</b>	Comparative advantage: HIGH	Strategic Leverage: MEDIUM
<b>Education</b>	Comparative advantage: HIGH-MEDIUM	Strategic Leverage: HIGH-MEDIUM
<b>Agriculture</b>	Comparative advantage: MEDIUM	Strategic Leverage: MEDIUM
<b>Manufacturing</b>	Comparative advantage: MEDIUM	Strategic Leverage: LOW
- Existing energy and environmental services business base**

Comparative advantage: HIGH-MEDIUM	Strategic Leverage: MEDIUM
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- Existing creative economy business base**

Comparative advantage: MEDIUM	Strategic Leverage: MEDIUM
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- Existing, diversified technology business base**

Comparative advantage: MEDIUM	Strategic Leverage: MEDIUM
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- Existing mail order / web order business base**

Comparative advantage: LOW	Strategic Leverage: LOW
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- Existing specialty foods business base**

Comparative advantage: HIGH	Strategic Leverage: HIGH-MEDIUM
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- Existing captive insurance business base (are there more services to offer?)**

Comparative advantage: HIGH	Strategic Leverage: HIGH
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- Academic medical center**

Comparative advantage: HIGH	Strategic Leverage: MEDIUM
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- Proximity to and relationship with Canada**

Comparative advantage: HIGH	Strategic Leverage: MEDIUM
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- Environmental, “Green Mountain” cache**

Comparative advantage: HIGH

Strategic Leverage: HIGH

**11. E-State by 2010 commitment**

Comparative advantage: MEDIUM

Strategic Leverage: MEDIUM

**12. Quality of life**

**Recreation                      History and culture**  
**Strong community life   Safety / low crime**

Comparative advantage: HIGH

Strategic Leverage: HIGH

**Other areas of comparative advantage and / or strategic leverage:**

- Health and wellness products and services
- Adaptability/nimbleness/ resilience to seize an emerging opportunity.
- Innovation...
- Should be a sheet of comparative disadvantages ie., Workers comp. revocation

# APPENDIX F

## DRAFT - TOWARD A VISION STATEMENT (November 2007)

### Vision for the Future of Economic Development in Vermont: 2017

The successful strategic economic development plan is based on measurable indicators of resilience for Vermont in the turbulence of the global economy. The successful execution of the plan leads to a state in which the following conditions are observable:

Vermont's citizens have great opportunity to create and grow successful enterprises, and work in situations that attract workers from national and regional pools and are recognized as superior workplaces.

The state's strategic employers are competitive in their industries, and the economy is healthily diverse, as small businesses and entrepreneurs flourish.

Vermont is distinguished by its direct support of entrepreneurship, innovation and creative talent. Vermont's rich networks of public and private colleges collaborate with entrepreneurs and state government to translate ideas and inventions into successful enterprises.

These successful enterprises create high quality jobs and opportunities for Vermonters while successfully competing in global markets to provide significant growth for the Vermont economy.

Strong local economies create healthy local communities. A local economy grows stronger as goods and services are increasingly provided and procured from local sources. Vermont agriculture, forest, creative enterprise, retail, tourist and professional sectors prosper in strong local economies.

The growth of Vermont's entrepreneurial culture and the strength of its local economies, when combined with the strengthened physical and social infrastructure attract a steady stream of creative and innovative businesses and organizations seeking to grow or locate in the state. Vermont, as one of the most rural states in the country, is recognized as a model of economic development initiatives.

Vermont's leadership in environmental concerns has evolved to leadership in the development of environmental technology and commerce, hosting a strong sector of companies that sell environmental products and services into the national and world market.

In a state and country that is aging, young people find dynamic career opportunities and support for entrepreneurial ventures in Vermont's "green" economy, alongside an appealing quality of life.

At the same time the state leverages the rich resource of its growing population of older workers creating opportunities for second careers and promoting workplace practices that create productive employment for workers of all ages.

As an E-state Vermont continues to invest to ensure that its communities are connected with the most current technology.

Vermont's commitment to a strong physical and social infrastructure produced:

- an efficient network of public and private transportation and efficient hubs for multi-modal opportunities;
- available and affordable housing for low and middle income families, providing easy and affordable access to their workplace;
- a quality healthcare system that is financially stable and available to all Vermonters.
- A strong childcare and education system that enables and nurtures Vermont's current and future workforce.
- recreational and cultural opportunities that maintain Vermont's quality of life and attract tourists, conventions, and college students, and strengthen Vermont's appeal to new residents and businesses.

The strategic activities of the state that support and enhance economic development are clearly articulated, highly adaptable and nimble, and able to demonstrate direct correlation between activities, investments and desired outcomes.

In addition to being viewed as a good place to live, Vermont has a solid reputation as a place to innovate, learn and invest.

Vermont, the best place to do your best work.

# Appendix G

CFED Affinity exercise on vision statement toward 2017. (December 2007/ January 2008)

*Let us assume that we are in this room 10 years from now and that we all agree that Vermont's economy is strong, sustainable and growing. What does it look like? How would you describe it's strengths? And its weaknesses?*

Public and Tax Policy  
Quality of Life  
Capital  
Infrastructure  
Education/Skills  
Health Care  
Natural Resources  
Energy

## **Public Policy and Tax Policy affecting Economic Development 2017**

Public and tax policies of the state of Vermont are strategic, integrated and jointly embraced by the Administration and Legislature. Based on a well defined vision of economic development the State of Vermont has an integrated approach for planning initiatives and regulation across state agencies, local governments, and networked with private and nonprofit sectors that allow Vermont businesses to be competitive in a world economy. There is a local regulatory and planning process that is predictable and consistent across the state.

Through transparent tax policies the state can show value and demonstrate a clear return on investment. The increased number of businesses providing high quality jobs have produced tax revenues that allowed reductions in tax rates while generating increased revenues.

## **Quality of Life 2017**

Vermont has sustained a quality of life that is so compelling that people are drawn to make their home and life in Vermont. The vibrancy in our communities that attracts and retains demographic diversity throughout the state.

## **Capital 2017**

There is access to stable sources of capital, much of which is locally directed, at reasonable rates to businesses for all stages of their development, including start-ups, entrepreneurial and mature businesses. Funds are available to augment federal funding and private sources.

## **Infrastructure 2017**

**ECONOMIC:** Vermont supports a full lifecycle range of businesses and employers (start-ups, growth and mature), with adequate affordable revolving incubator space to encourage new enterprise development close to well planned infrastructure. Vermont is a magnet for creative individuals committed to community development, entrepreneurship and innovation. Vermont is a national leader in entrepreneurial job creation (number of jobs per capita created by entrepreneurial efforts). Vermont retains its national recognition as the greenest state. A substantial percentage of jobs are based in related technology and innovation enterprises in the green economy. Vermont businesses easily compete in the global marketplace.

**WORKFORCE:** Vermont leads the country in retention of knowledge workers under 40 and in the development of quality programs to integrate workers over 60 in to productive and satisfying employment.

**TELECOMMUNICATIONS:** State of the art, world-class, ubiquitous telecom coverage in all corners of the state.

**TRANSPORTATION:** There is a safe, efficient transportation system (road, rail, air) to all areas of the state as well as access to major hubs. A public transportation system to major employment and service hubs, networked through satellite transit systems to more rural areas. State and local management is integrated and efforts have led to a substantial reduction in carbon emissions from transport. All vehicles (commercial and private) meet national LEV (low-emission vehicle) standards.

**HOUSING:** All citizens enjoy access to affordable housing according to income. All new housing construction meets statewide and other energy efficiency standards. Substantial progress has been made to weatherizing existing housing stock. New housing is now being built at a rate that has significantly reduced the housing shortage both in the owner and rental markets, and provides adequate housing opportunities at all levels.

**JOBS:** Unemployment levels in all counties is at 5% or less and there is little "under-employment" in the state.

**WAGES:** Median wages in Vermont are at or above the US average and the opportunity exists for all who want employment commensurate with experience and ability. Every Vermonter has a job that pays a livable wage with benefits.

**CHILDREN:** All Vermont children have access to licensed affordable childcare, 24/7.

**VIBRANT COMMUNITIES:** Growth Centers, Village Centers and Designated Downtowns are supported by public/private incentives that encourage and enhance community vibrancy and appropriate land use patterns.

**REGULATORY:** The planning, regulatory, and permit processes are predictable, streamlined, user-friendly and has been developed to both encourage appropriate business and residential growth as well as meet Vermont's commitment to environment, air and water quality.

## **Education /Skills 2017**

The education of Vermonter is robust and creative contributing to the development of the whole person and provides them with work readiness and life-long learning skills.

The Vermont workforce is well-trained, innovative and adaptable, meeting the needs of Vermont employers.

There is a continuous integrated workforce development system (K-16 and beyond) that is affordable, accessible, flexible, anticipatory of current and future trends and needs to grow an

ever adaptive workforce. It is designed to meet the needs of today's workers to excel at current jobs and the flexibility to transition to new jobs and opportunities.

The state funds the operation and capital needs of higher education appropriately.

### **Health Care 2017**

Vermont has maintained its #1 ranking as the 'healthiest state' and health outcomes continue to improve. Vermont's success is built on a foundation of strong primary care, disease prevention and disease management. The success is also built on a strengthening culture of healthy behavior, exercise and good nutrition from local foods. Health system costs are contained because a healthier population is demanding fewer acute care interventions, fewer prescriptions and less service overall. Vermont has achieved universal access to care, successfully implementing a funding philosophy that 'all are covered and all contribute, as appropriate.

### **Natural Resources, 2017 (SD, HC, WP)**

Vermont's natural resources are a living and valuable economic asset as a result of a long range state land use policy. Vermont supports an economic model that makes thoughtful and appropriate use of our natural resources.

### **Energy Goals, 2017 (CS, MN, BB)**

Vermont has maintained its leadership role as the 'Greenest State.' Sustainable energy development, energy conservation and efficiency are core priorities of the state. Vermont continues to build its 'green' brand and enterprise base, and is the highest per capita exporter of green products and services in the nation. This is in part the result of excellent research in our institutions of higher education and successful transfer of technologies into product development and production. Institutions of higher education are close partners with local and regional economic development efforts in assisting businesses in the commercialization of new research. Vermont has substantially increased the amount of electricity that is generated within its borders, and continues to lead the nation with the lowest per capita carbon footprint. Energy costs have been contained through aggressive efficiency and conservation improvements, and through the implementation of economical electric generation capacity.

# APPENDIX H

## Public Engagement process (April 2008 - September 2008) - DRAFT 1-7-08

CFED will conduct a focused process of public engagement to enrich the public input into its process as it formulates a five year strategic plan. The public engagement process is a part of the broader scope of soliciting and reviewing broad based input into the planning process to inform the plan. Public engagement is a process, not a one-time event. It provides a mechanism for the public to become interested in the issues and have a variety of avenues to provide input and inform the process over time. A successful process will increase interest and participation and gather meaningful information and ideas, and allow the public to have a stake in the eventual outcome. The process is designed to be open and broad-based. It will be developed to help bring focus to key issues, provide stakeholders and the general public with appropriate venues and frameworks to have meaningful input, and to be iterative, allowing for several generations of the plan to be tested in the public arena before being finalized.

### Public outreach and engagement

The core of this process in 2008 will be 12 meetings around the state, utilizing the RDC division of the state to be as inclusive as possible of geographic variations. The meetings will be conducted in two rounds of six, round one in March-April and round two in June-July.

To start the process the Commission needs to have a clear idea of what questions it wants to ask, what information and frameworks will help the public to prepare and focus input, and how this input can be compiled and brought back to the Commission so it most fully informs the process. To this end the Commission will seek to be able to present an overview of the Vermont economy as it exists currently; a vision for where it sees the economy in ten years; and a set of strategic actions that are best suited to moving the state toward that vision over the next five years.

### Public Process Outline:

- Initial outreach to secure partners and their participation
  - January- February – Secure participation of RDCs; inform RPCs, WIBs; SBDC, Housing, Community Partnerships, and other stakeholders;
  - January - Align as possible with other processes (e.g. VCRD Future of VT commission; Broad Band Commission; Green Engineering Commission)
  - January – Staff outreach and meetings with all 12 RDCs as initial focus points; determine possible event/date conflicts and possible date alignment with other meetings or events in each region
- Develop the context for information, ideas and a plan that is the backdrop to guide public comment
  - January - February CFED works on background documents (vision, current state of economy; goals of economic development; outline of plan; draft set of future priorities, initiatives, etc.) Determine what the key information is and key questions are that CFED wants public input to (A strategic economic development framework document).
  - January – Finalize the identification of the “public(s)” that CFED want to reach
  - January – Finalize proposal for the activity format of each public outreach day
    - Local event must be simple to organize and run; make the most of local resources to keep costs in check; provide appropriate venue for each of the target populations

- Set schedule, and build in early evaluation of process so necessary changes can be made
  - At CFED meeting, February 4<sup>th</sup> – finalize schedule for outreach meetings
  - Set up an evaluation format to use on March 17<sup>th</sup>
- Promotion- February - April
  - Work with RDCs and other regional stakeholders to publicize to target attendees
  - Develop local media contacts and strategy and schedule to use local media before, during and after event
  - Use March 4<sup>th</sup> town meeting in a promotion process (flyer / announcement out through all town clerks, select boards and legislators)
- Conduct events (*dates for illustration purposes only at this point*)
  - W April 2
  - W April 9
  - Th April 10
  - M April 14
  - T April 15
  - Th April 17
  - CFED Meeting – April 21 – debriefing
- Promote additional accessibility to and with each event
  - Tape event for airing on cable access - coordinate airing schedule with follow-up outreach to regions
  - Create an open web forum for attendees at each event to continue to comment during a specific period
  - Have tools available so attendees can pass them on to others who could not attend
  - Engage local press and other outlets to pass on information and connection to ways to comment
  - Have specific closing dates for input from each regional effort
- Compile materials from each region; aggregate materials statewide
- Have a response mechanism so that everyone who participated hears directly back from the Commission - what was heard; with an option to comment further on that compilation
- Conclude with summary and analysis of public input and align it with CFED plan development efforts in June
  
- REPEAT the effort testing new information and ideas in June-July

#### FOCAL POINTS FOR OUTREACH

Start with RDCs and ID the most effective regional partner(s)

<b>Addison County RDC</b> - Middlebury	<b>Bennington County Industrial Corp</b> - Bennington
<b>Brattleboro Dev. Credit Corp.</b> - Brattleboro	<b>Central Vermont RDC</b> - Montpelier
<b>Franklin County Industrial Dev. Corp.</b> - St. Albans	<b>Greater Burlington Industrial Corp.</b> - Burlington
<b>Green Mountain Economic Development Corp-WRJct.</b>	<b>Lake Champlain Islands Chamber</b> - No. Hero
<b>Lamoille Economic Dev. Corp.</b> - Morrisville	<b>Northeastern Vermont Dev. Assoc.</b> - St. Johnsbury
<b>Rutland Economic Development Corp.</b> - Rutland	<b>Springfield Regional Dev. Corp</b> - Springfield

### Commission Member Participation

Once the schedule is established locally, the Commission would organize itself for members to attend as many of the sessions as possible with the goal of having a minimum of four commissioners at each of the 12 sessions. At minimum each Commission would have to attend at least three sessions in each round. Commission members would attend both in a listening mode, and depending on the activities may have an interactive role.

### Attendees

The process will be designed to bring in general public participation as well as representative stakeholders with activities to attract and make the best use of them. The “who” will determine much about the process and the activities of each event.

### Process

How to make it doable, provide guidance without restricting input, collect data and organize it so that it is useful to the Commission? How to target participants to get diversity and keep the process open?

### Questions and Input

Questions for the public - they need to be open-ended enough for people to freely comment and feel heard, but focused on the work as the Commission is defining it. Should be available in multiple venues (meetings, web, etc.).

### Event Schedule (example for discussion)

(a) Site Visit with local employer (optional)

- In each region a meeting will be set up with a local employer for 1:1 visit and discussion

(1) Focused conversation with RDC, RPC and associated stakeholders involved in regional economic planning. (90 minutes) – early afternoon

(2) Open forum (2 ½ hours – 5:30-8:00)

- Kiosks staffed by Commissioners on the key components of Economic plan
  - 3-4 stations with key information and specific questions to guide interaction and responses by direct conversations, written cards, and posted flip chart.
- Brief presentation by CFED
- Open mike comments
  - Take-away information, surveys, web links
  - Media interviews and post event release to ask for more input

### **Web based outreach** and open forums for response and input

- web – a continuing static resource that offers documentation of process and work
  - Post outreach documents for comment – work through stakeholder groups to prompt people to seek these out and use tools to respond.
- response form – seek to drive more people to comment.
- survey – On line survey to ask citizens to respond to key assumptions or initiatives being presented; can be done several times as work proceeds.
- blog – comment and discussion forum can be set up to accompany each document or tool that is developed to invite comment and discussion.

**Identify stakeholder meetings and forums (statewide) at which to present and get input in Summer/fall 08**

CFED will look to opportunities to go back out on the road in the fall with the evolving plan and present at various key forums established by other organizations throughout the fall.

**Economic Development Summit (09)**

CFED will look to organizing an independent Economic Development Summit in early 2009 to introduce the final plan, process of benchmarking, and use of the plan as a living tool.

# APPENDIX I

## Financial Report as of December 31, 2007

### CFED Financial Expenditures

#### Allocation from Legislature

	FY 2006					
		FY 2007				
			<u>up to June 30,</u>	<u>Jul 1 - Dec 31,</u>		
			<u>2007</u>	<u>07</u>		
				<u>bills to be</u>		
				<u>processed</u>		
				<u>FY 2008</u>		
				<u>To date</u>		
				<u>expended</u>		
<b>CFED Regular Mtg Expenses:</b>			7276	5314	1445	14035
Per diems, Transportation, room & food						
Facilitators, services, office, conferences						
<b>Communications/Outreach:</b>			1369	1460		2829
Mailings, Web, video, calls, ads						
<b>Consultant Support:</b>						
<b>Regular Commission Mtg.</b>						
Consultant Staffing						
David Bradbury		29,400		10620		
Snelling Center for Gov.				45666	6840	
Consultant Mileage & Misc.				640	252	
Sub Total:		29,400		56926	7092	93,418
<b>Totals</b>		<b>38045</b>		<b>63700</b>	<b>8537</b>	<b>110,282</b>