MAD RIVER VALLEY

ECONOMIC SUMMIT

AND

COMMUNITY PICNIC

WEDNESDAY JUNE 4TH

FREE COMMUNITY PICNIC 5:30 – 6:30

ECONOMIC SUMMIT 6:30 – 8:30

CONTRIBUTORS

Venue/Host

American Flatbread & Lareau Farm Inn

Food

Ake's Den, Ben & Jerry's, Big Picture Theater & Cafe, Common Man Restaurant, Elusive Moose Pub & Eatery, Green Mountain Coffee Visitor's Center & Café, Hyde Away Inn & Restaurant, Liz Lovely Cookies, Localfolk Smokehouse, Mint Restaurant & Tea House, Mehuron's Market, Shaw's, Three Mountain Café, & Timbers Restaurant

Sponsors

Bridges Resort, Clearwater Filtration, Creative Micro Optics, Jamieson Insurance, Liz Lovely Cookies, Paige & Campbell, Northfield Savings Bank, Discovery Map International, Inc., Sugarbush Resort, Vermont Music Fest Kids Zone, VickeryHill, Waitsfield & Champlain Valley Telecom

Economic Summit Planning Committee

Bob Ackland, Dara Torre, Ed Reed, George Schenk, Joshua Schwartz, Patricia Floyd, Peter Hans, Jim Parker, Rosemarie White, & Susan Klein

MAD RIVER VALLEY ECONOMIC SUMMIT

Wednesday, June 4, 2014

Moderator

Noelle MacKay, Commissioner, Department of Housing & Community Development, VT Agency of Commerce & Community Development

Presenters

Juli Beth Hinds/Birchline Planning LLC, Doug Kennedy/ Doug Kennedy Advisors, Mark Kane/SE Group & Tripp Muldrow/Arnett Muldrow & Associates

PROJECTS

- MRV Economic Report

  Municipal Planning Grant, Vermont Agency of Commerce & Community Development and contribution from the MRV Chamber of Commerce

- Waitsfield & Warren V-DAT Reports

  Vermont Downtown Action Team (V-DAT), managed through the Vermont Downtown Program and funded through Community Development Block Grant-Disaster Relief (CDBG-DR)

UPDATES/INFO

- MRVPD.ORG
  - Updates
  - Reports
  - Online Survey
- Fall Forum

AGENDA

- **Community Picnic (5:30)**
- **Welcome (6:45)**
- **Moderator Intro (6:55)**
- **Baseline Economic Analysis (7:10)**
- **Retail Economic Activity (7:35)**
- **Trends: Defining Economic Sectors (7:50)**
- **Call to Action (8:05)**
- **Poster Session (8:15)**

MAD RIVER VALLEY ECONOMIC STUDY

Understanding the underlying economic conditions within the Mad River Valley to create a baseline for policy and decision-making

JUNE 4, 2014 – PRESENTATION TO MRV ECONOMIC SUMMIT

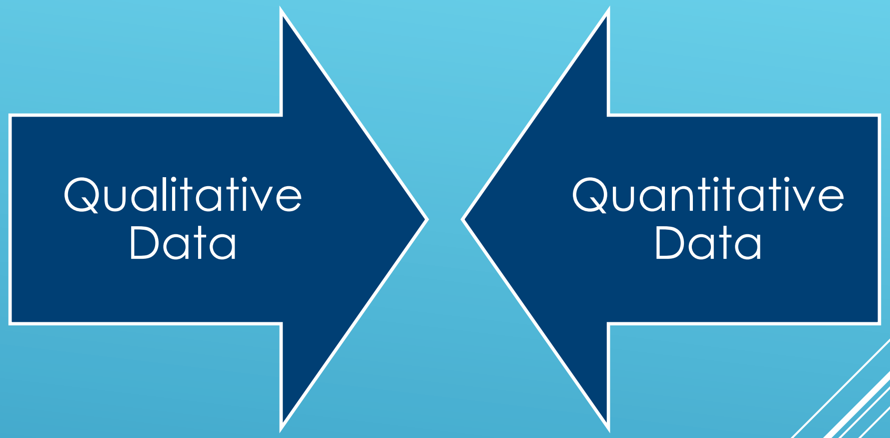
Prepared by: Birchline Planning LLC / Doug Kennedy Advisors / SE Group

PURPOSE AND GOALS OF THE STUDY

- Develop empirical baseline beyond data that is normally collected
- Place MRV in context of Central Vermont, State & Region
- Identify monitoring issues moving forward
- "Myth busting" evaluating common perceptions of the MRV's economy against empirical data
- Develop policy prescriptions within the scope of Town, MRV authority to address economic development efforts
- Establish an "Economic-Development" Framework for ongoing efforts in the MRV

METHODOLOGY

- Use of solid, relevant and recent economic data from published and proprietary sources to help provide a strong baseline and underpinning for policy recommendations
- Interviews and insights from local, regional and statewide stakeholders representing multiple perspectives – place the MRV's relatively small data set in context
- Review past and recent economic studies and surveys for the Mad River Valley



ECONOMIC BASELINE

- DEMOGRAPHICS
- HOUSING
- INCOME
- EMPLOYMENT
- BUSINESS COMPOSITION

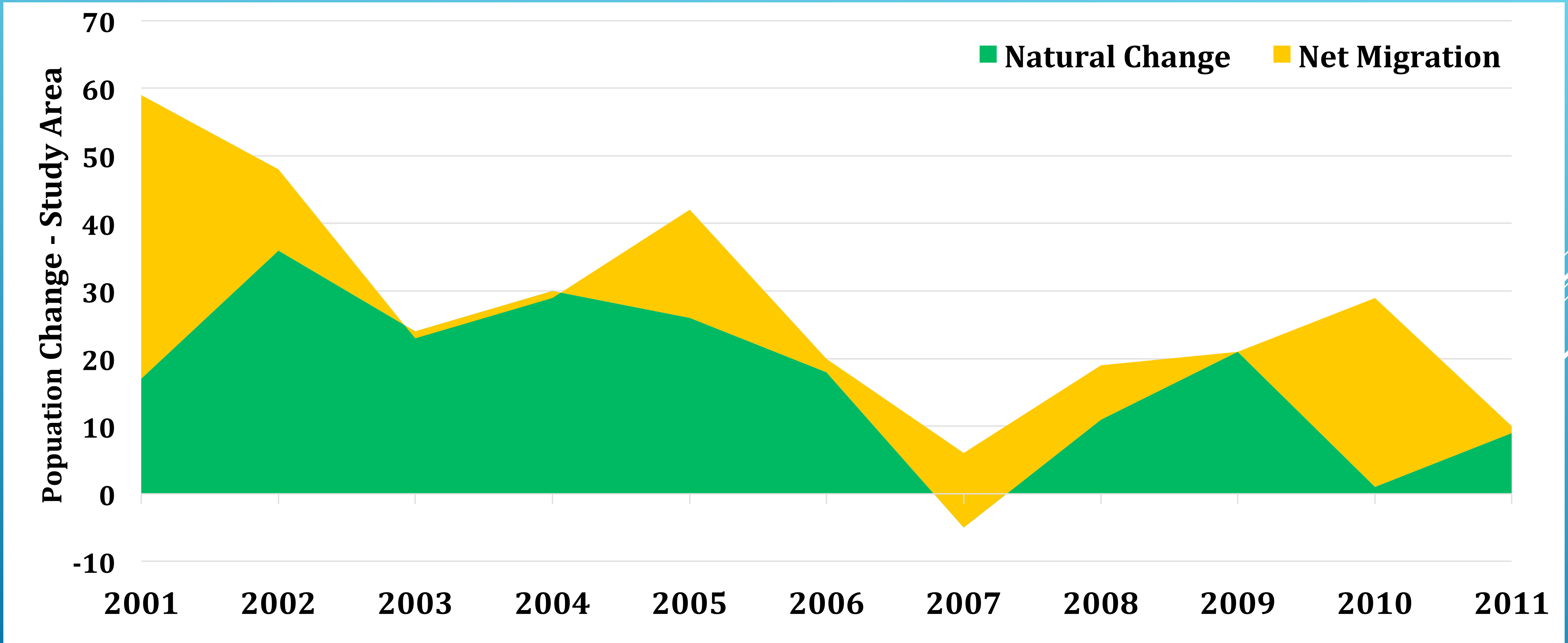
BASELINE ECONOMIC ANALYSIS - DEMOGRAPHICS

POPULATION CHANGE FROM 1990-2011

		1990	2000	2010	2011	% Change 1990-'10
Waitsfield		1,422	1,659	1,719	1,722	20.9%
Warren		1,172	1,681	1,705	1,707	45.5%
Fayston		846	1,141	1,353	1,358	59.9%
MRV Study Area		3,440	4,481	4,777	4,787	38.9%
	% Change		30.3%	6.6%	0.2%	
Washington County		54,928	58,039	59,534	59,626	8.4%
	% Change		5.7%	2.6%	0.2%	
Vermont		562,767	608,827	625,741	625,498	11.2%
	% Change		8.2%	2.8%	0.0%	
U.S.		248,709,873	281,424,600	308,745,538	309,138,711	24.1%
	% Change		13.2%	9.7%	0.1%	

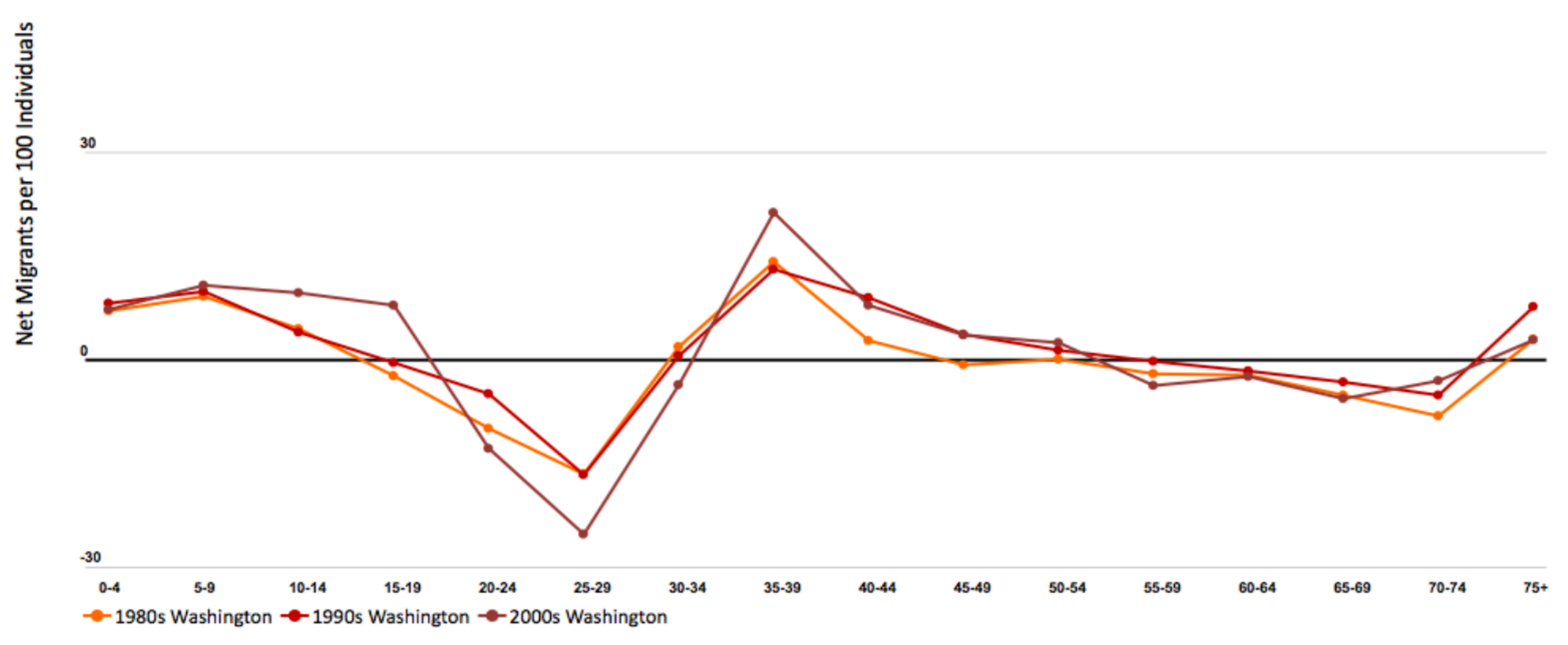
BASELINE ECONOMIC ANALYSIS - DEMOGRAPHICS

POPULATION CHANGE: NATURAL INCREASE & NET MIGRATION



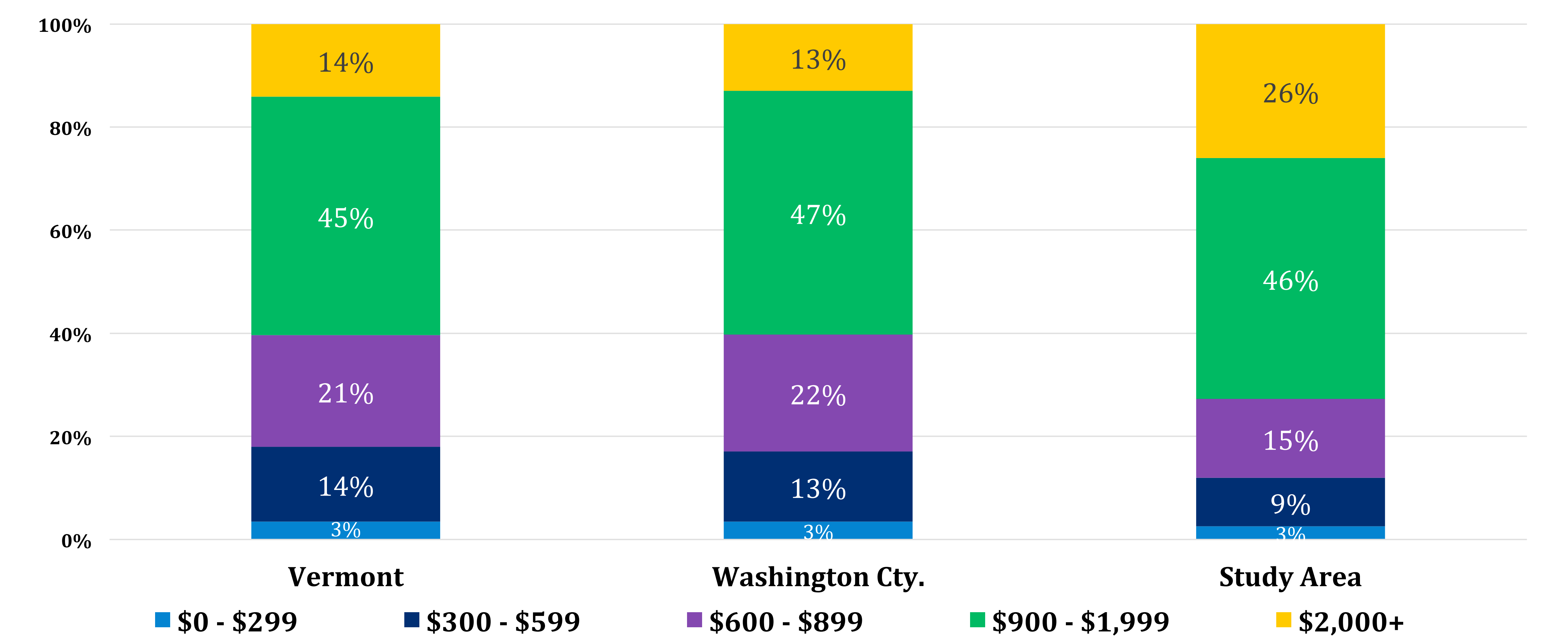
BASELINE ECONOMIC ANALYSIS - DEMOGRAPHICS

NET MIGRATION RATES BY AGE GROUP: WASHINGTON COUNTY



BASELINE ECONOMIC ANALYSIS - HOUSING

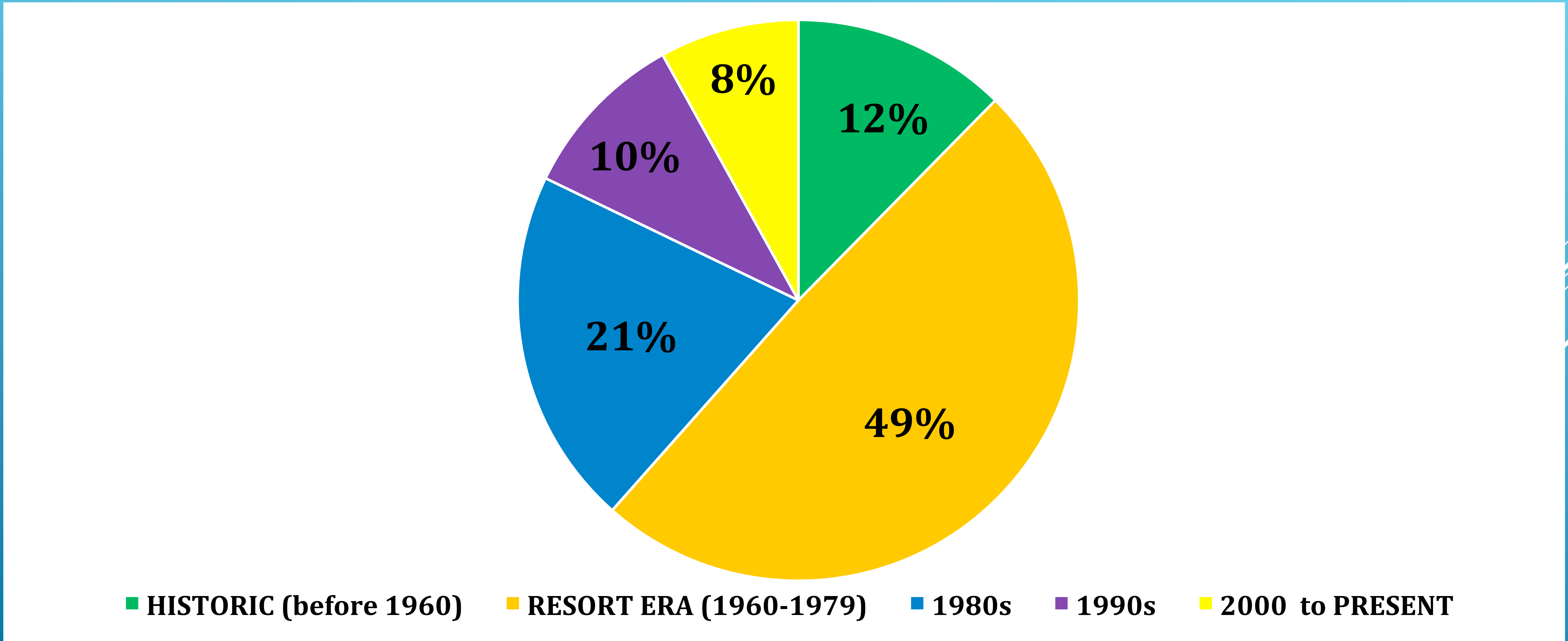
HOUSEHOLDS DISTRIBUTED BY MONTHLY COST OF HOUSING (2012)



Source: U.S. Bureau of the Census – American Community Survey.

BASELINE ECONOMIC ANALYSIS - HOUSING

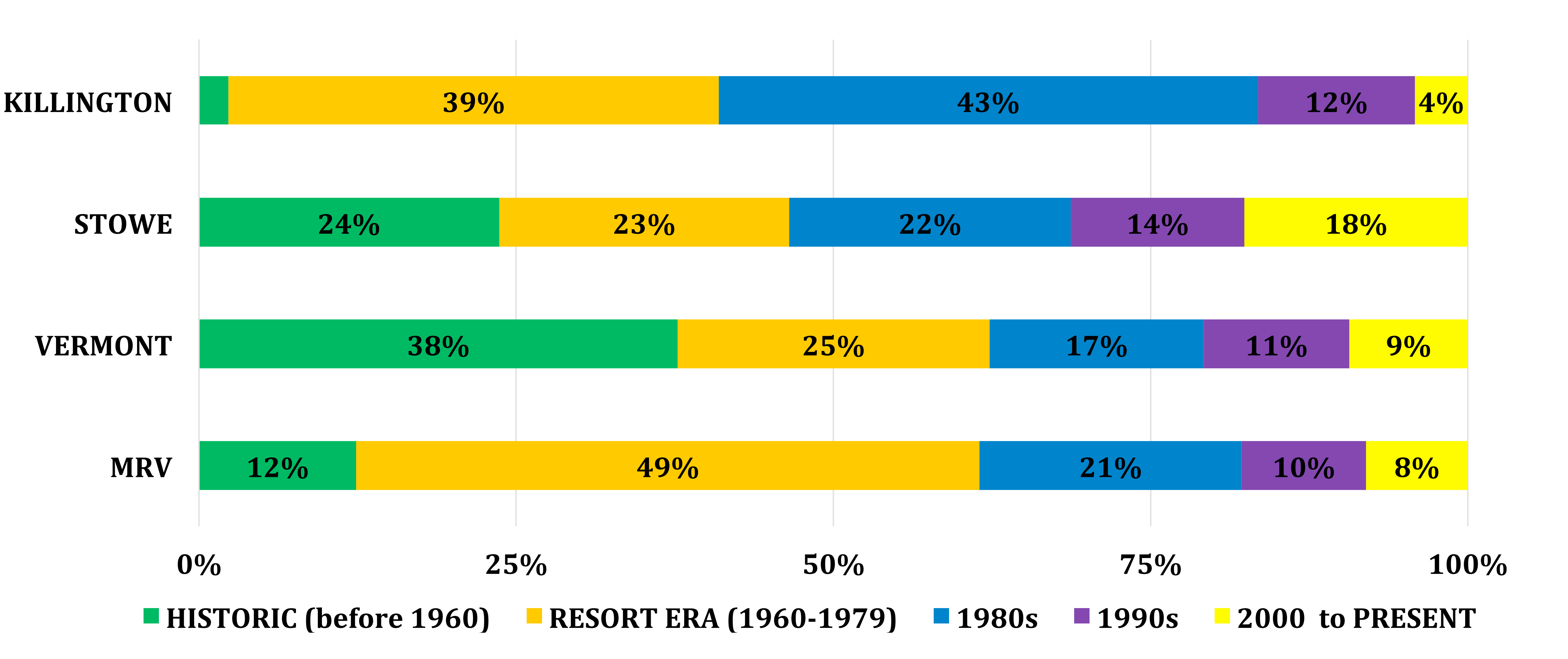
AGE OF HOUSING STOCK WITHIN THE STUDY AREA



Source: U.S. Bureau of the Census – American Community Survey.

BASELINE ECONOMIC ANALYSIS - HOUSING

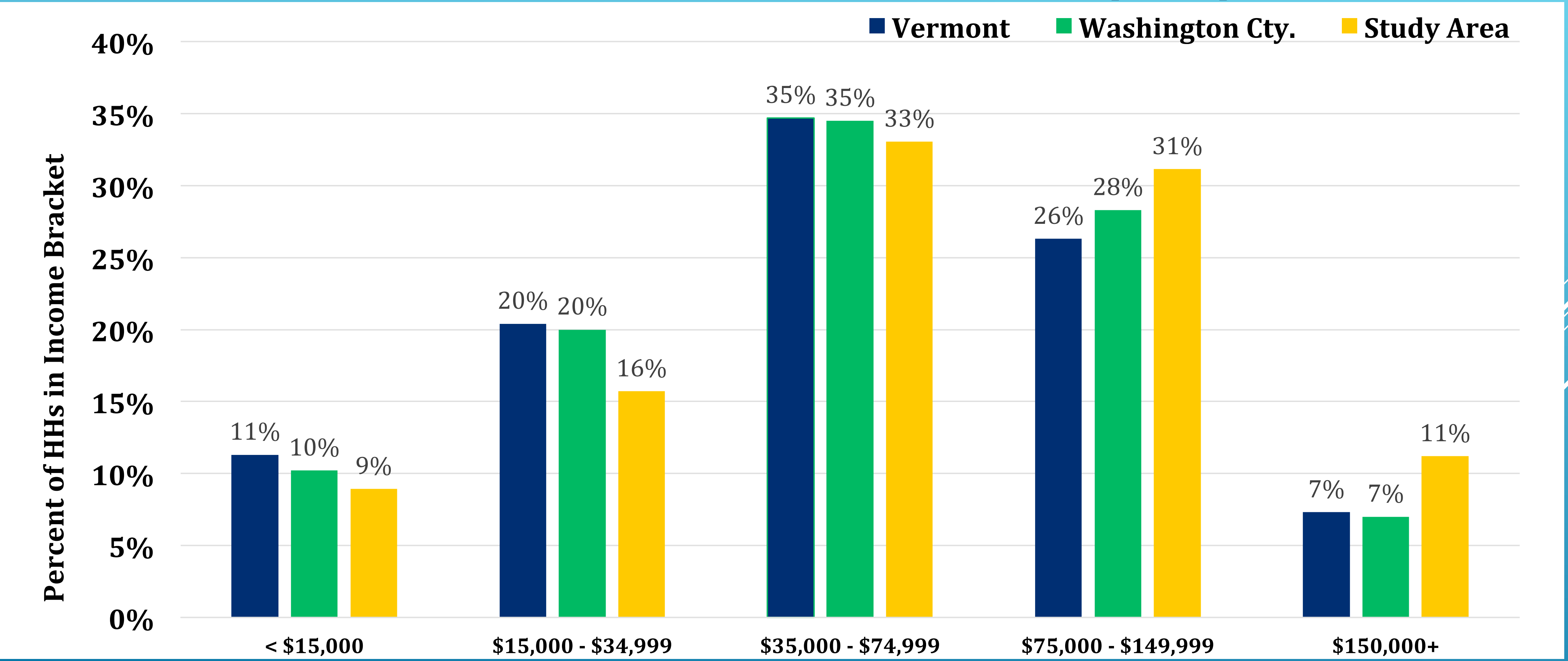
AGE OF HOUSING STOCK – VERMONT SKI TOWN COMPARISON



Source: U.S. Bureau of the Census – American Community Survey.

BASELINE ECONOMIC ANALYSIS - INCOME

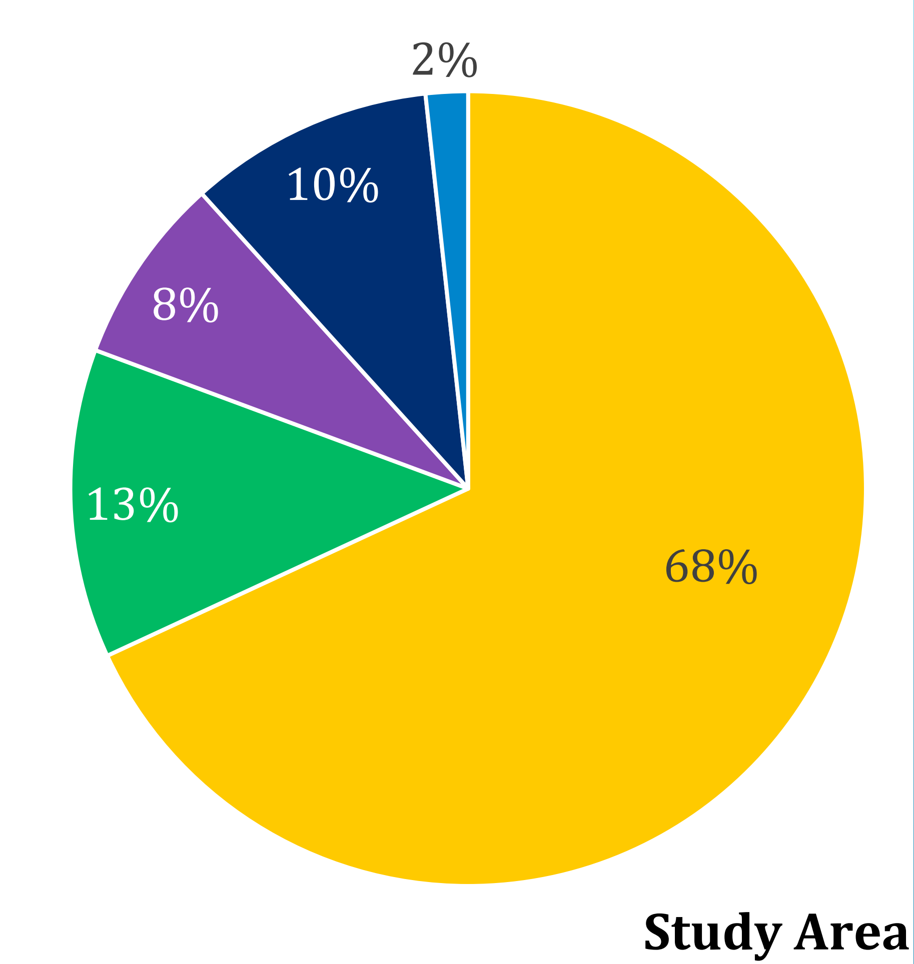
DISTRIBUTION OF HOUSEHOLDS BY INCOME BRACKET (2012)

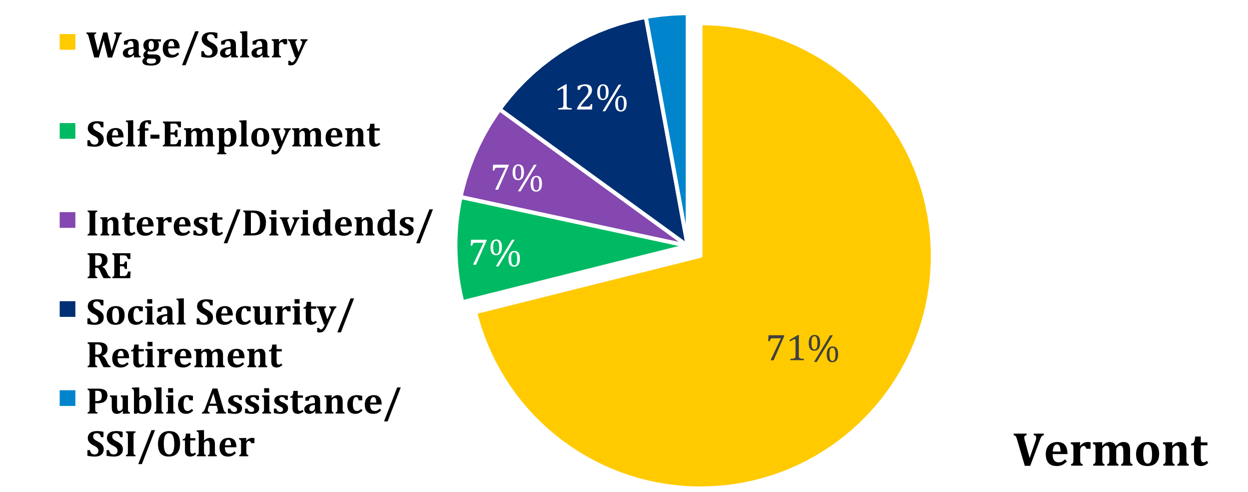


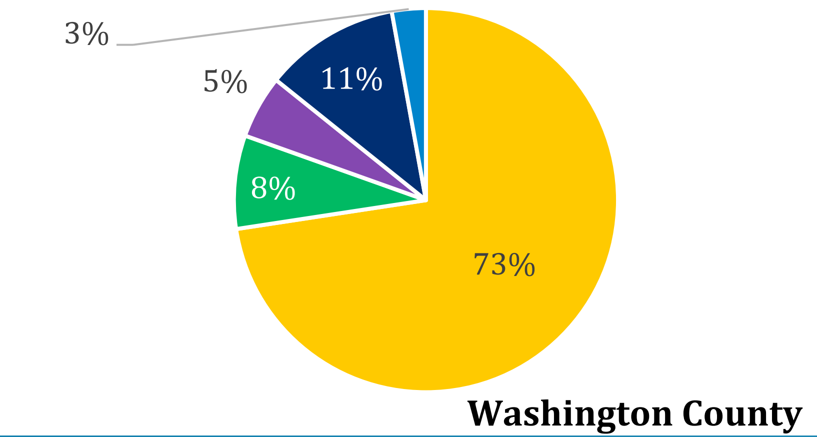
Source: U.S. Bureau of the Census – American Community Survey.

BASELINE ECONOMIC ANALYSIS - INCOME

HOUSEHOLD INCOME – BREAKDOWN BY SOURCE (2012)



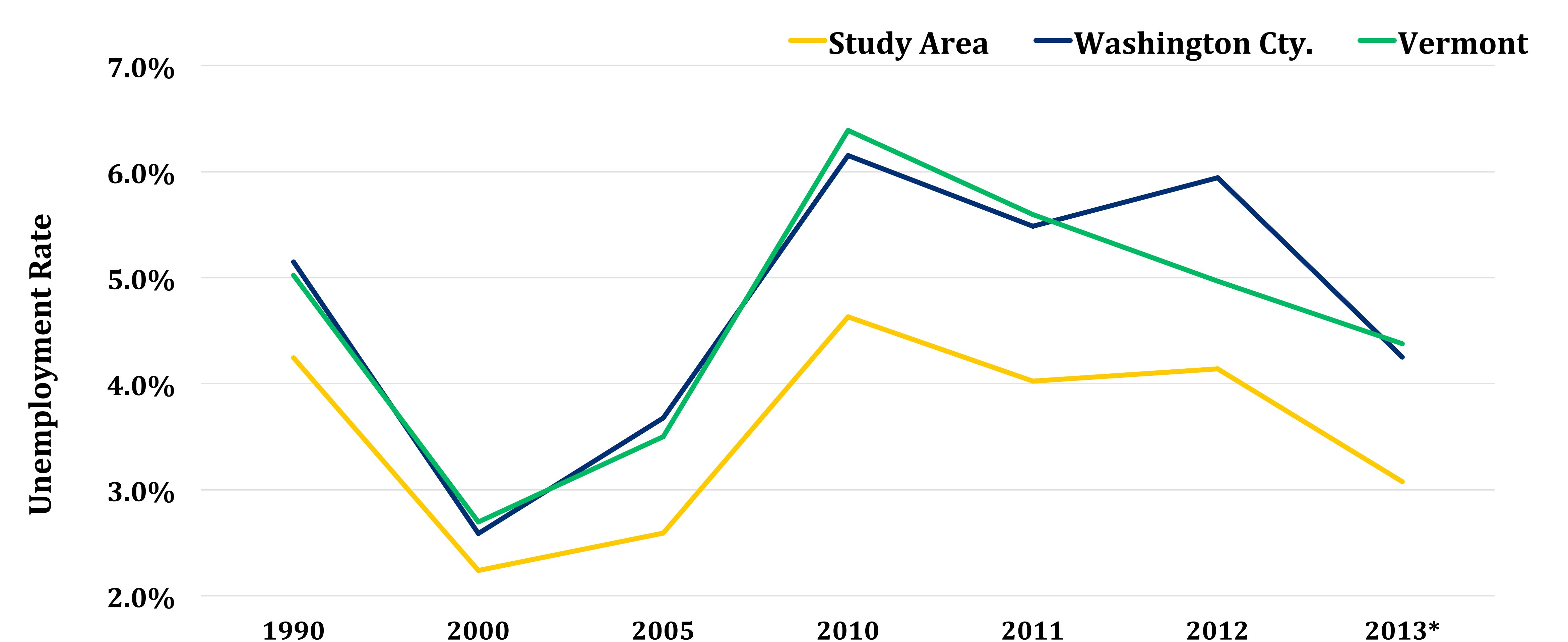




Source: U.S. Bureau of the Census – American Community Survey.

BASELINE ECONOMIC ANALYSIS - EMPLOYMENT

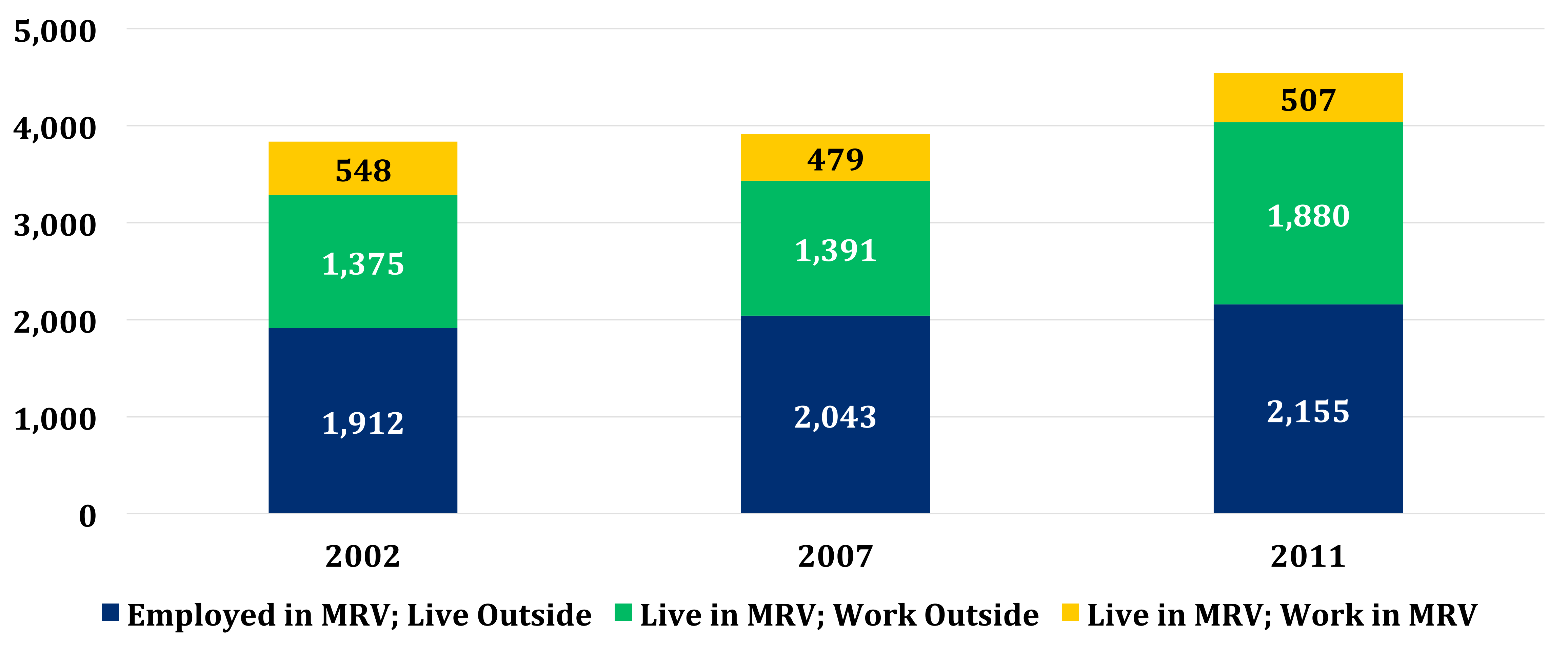
UNEMPLOYMENT RATE CHANGES - MRV/STUDY AREA, WASHINGTON COUNTY, VERMONT ('90–'13)



Source: Vermont Department of Labor – Economic & Labor Market Information.

BASELINE ECONOMIC ANALYSIS - EMPLOYMENT

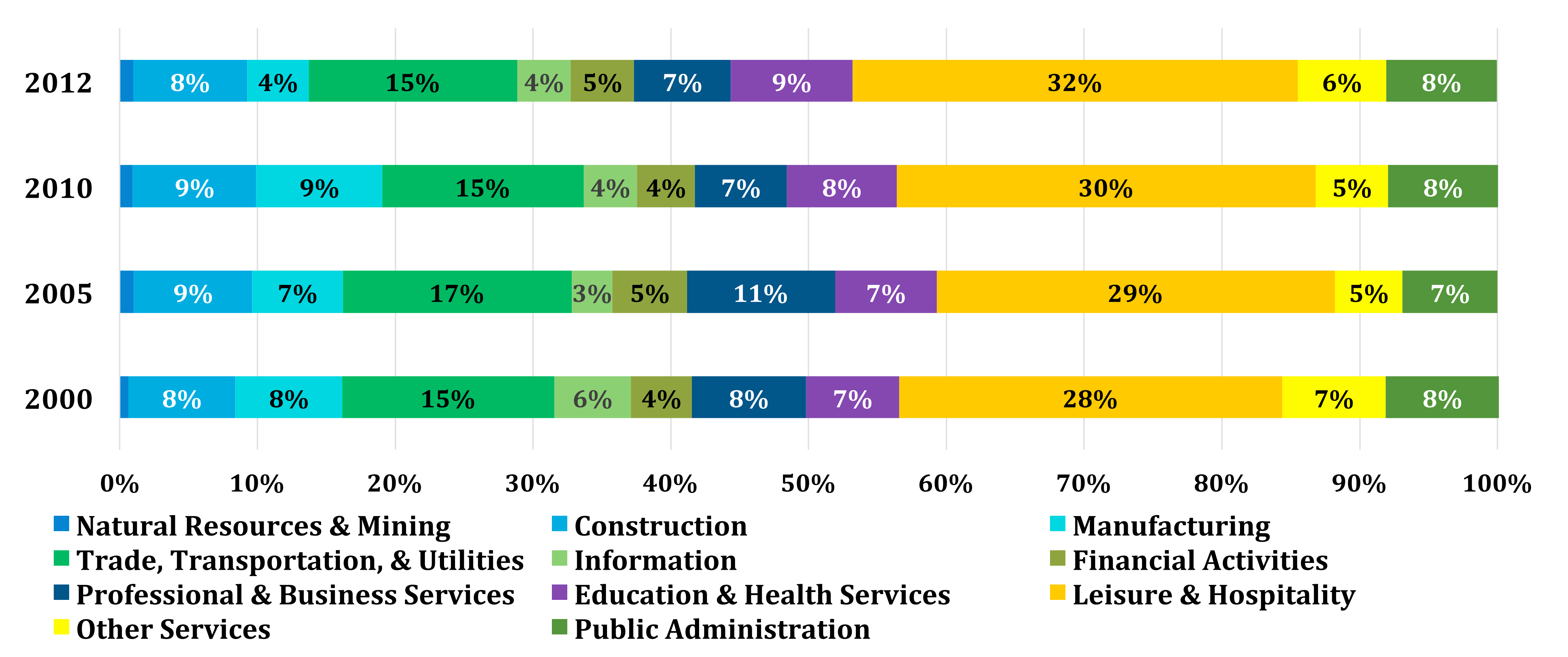
WORKER FLOWS (2002, 2007, 2011)



Source: U.S. Bureau of the Census – Longitudinal Employment Households Dynamics.

BASELINE ECONOMIC ANALYSIS - EMPLOYMENT

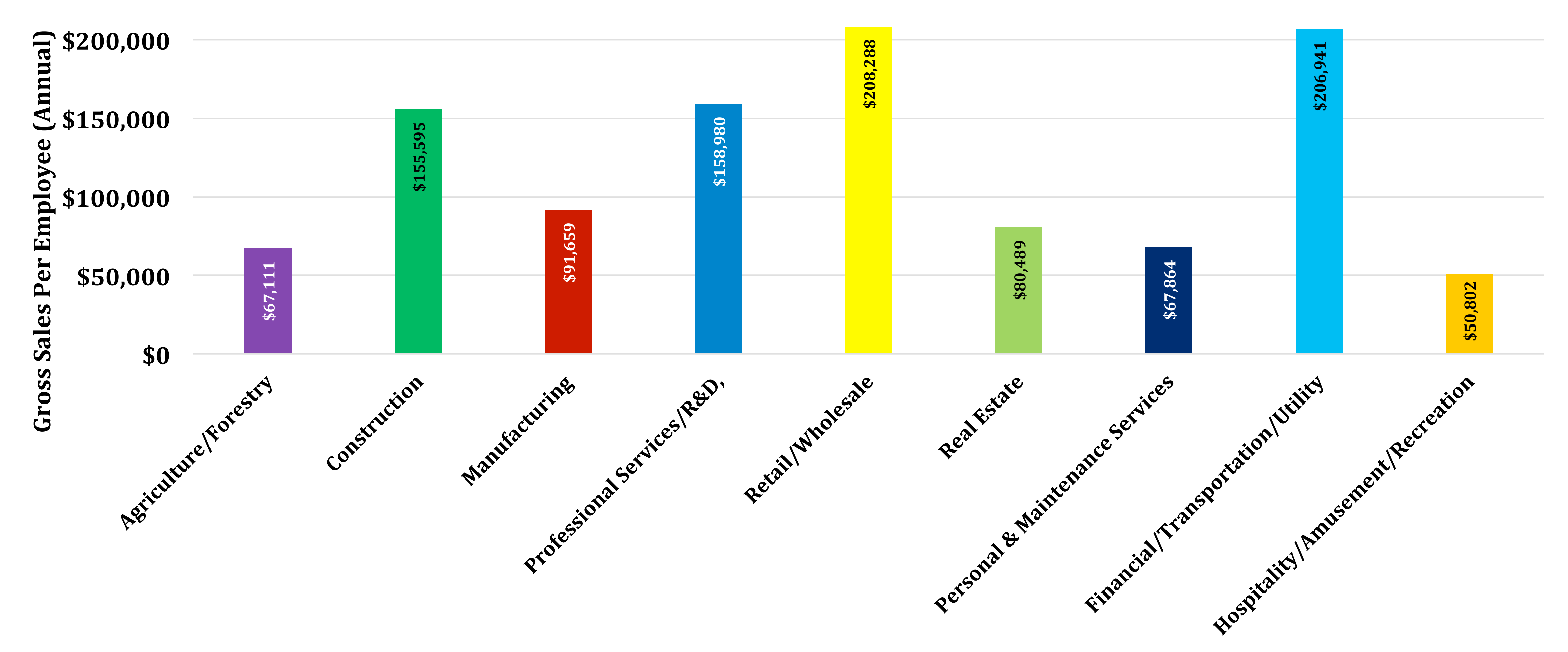
TREND IN DISTRIBUTION OF STUDY AREA EMPLOYMENT BY INDUSTRY ('00–'12)



Source: Vermont Department of Labor – Economic & Labor Market Information.

BASELINE ECONOMIC ANALYSIS – BUSINESS COMPOSITION

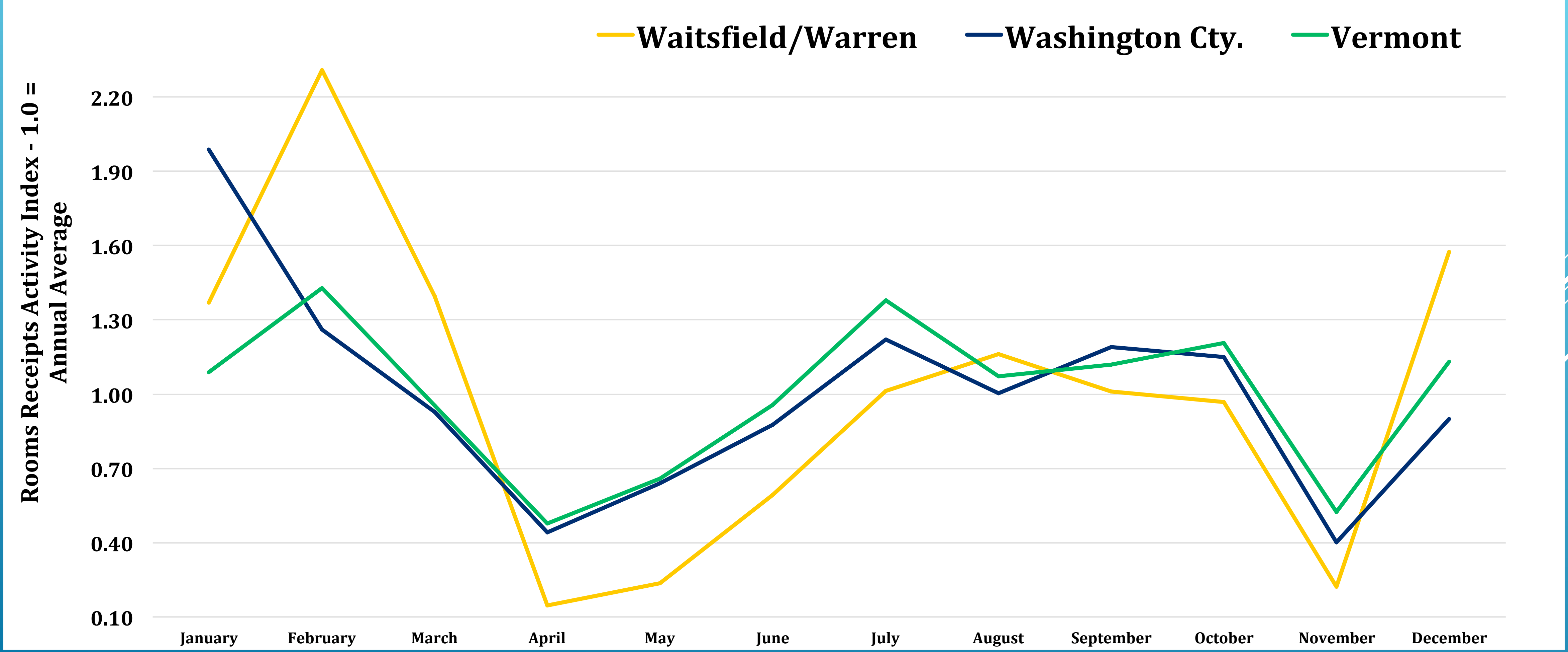
GROSS SALES PER EMPLOYEE BY INDUSTRY (2013)



Source: Vermont Department of Labor – Economic & Labor Market Information.

BASELINE ECONOMIC ANALYSIS – BUSINESS COMPOSITION

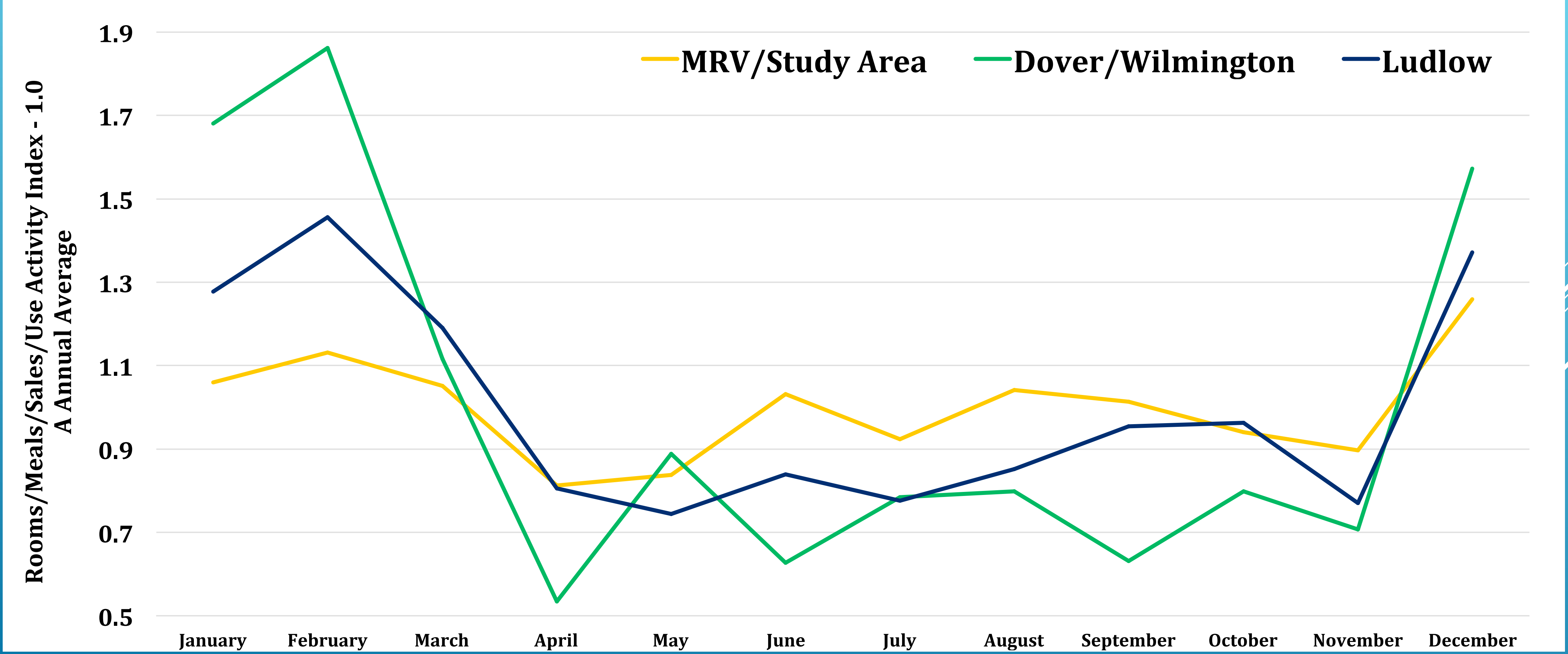
INDEXED SALES/USE AND ROOMS/MEALS RECEIPTS COMBINED ('10 – '12)



Source: Vermont Department of Taxes

BASELINE ECONOMIC ANALYSIS – BUSINESS COMPOSITION

INDEXED ROOMS/MEALS RECEIPTS COMBINED (2010 – 2012) – SKI TOWNS

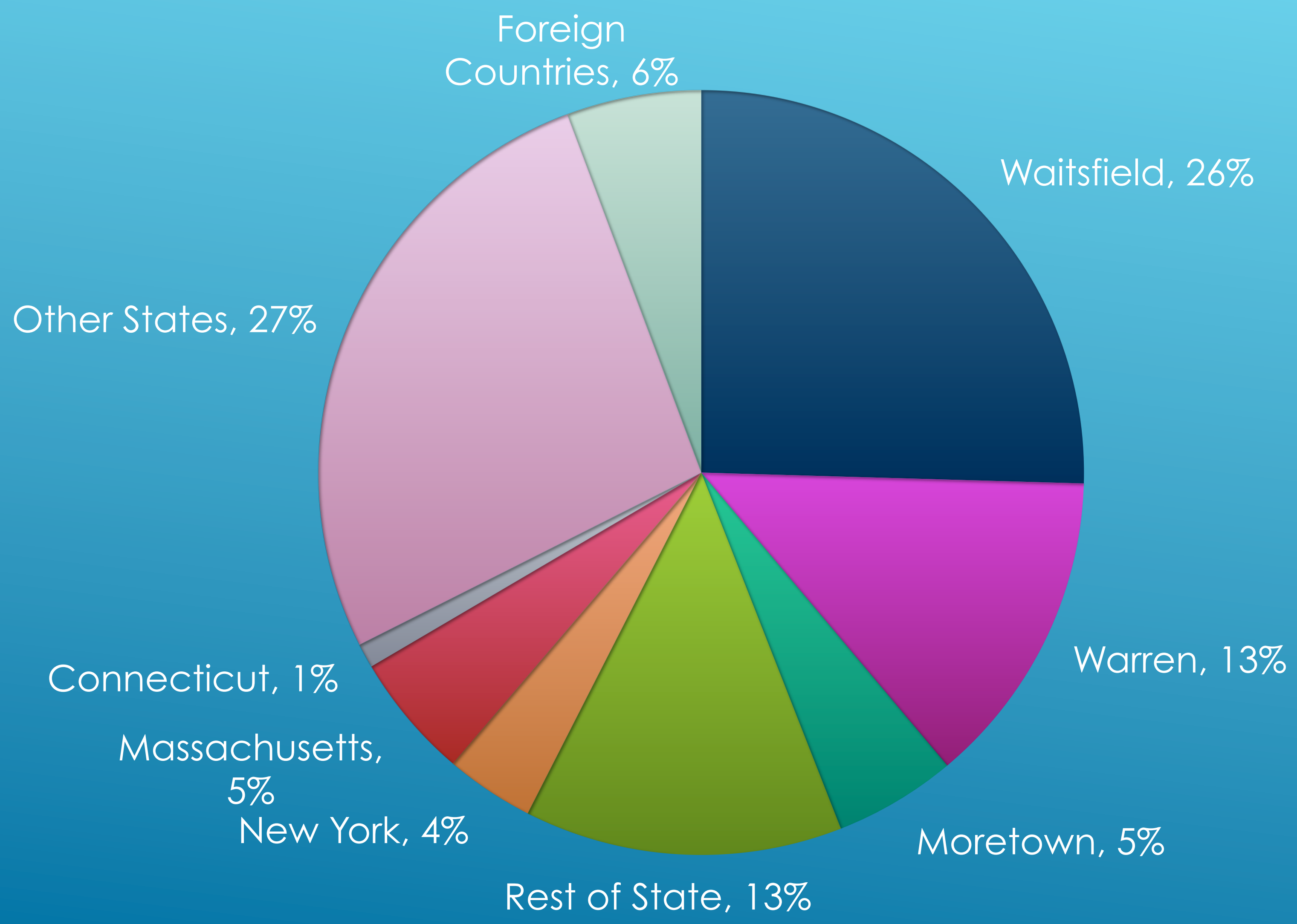


Source: Vermont Department of Taxes

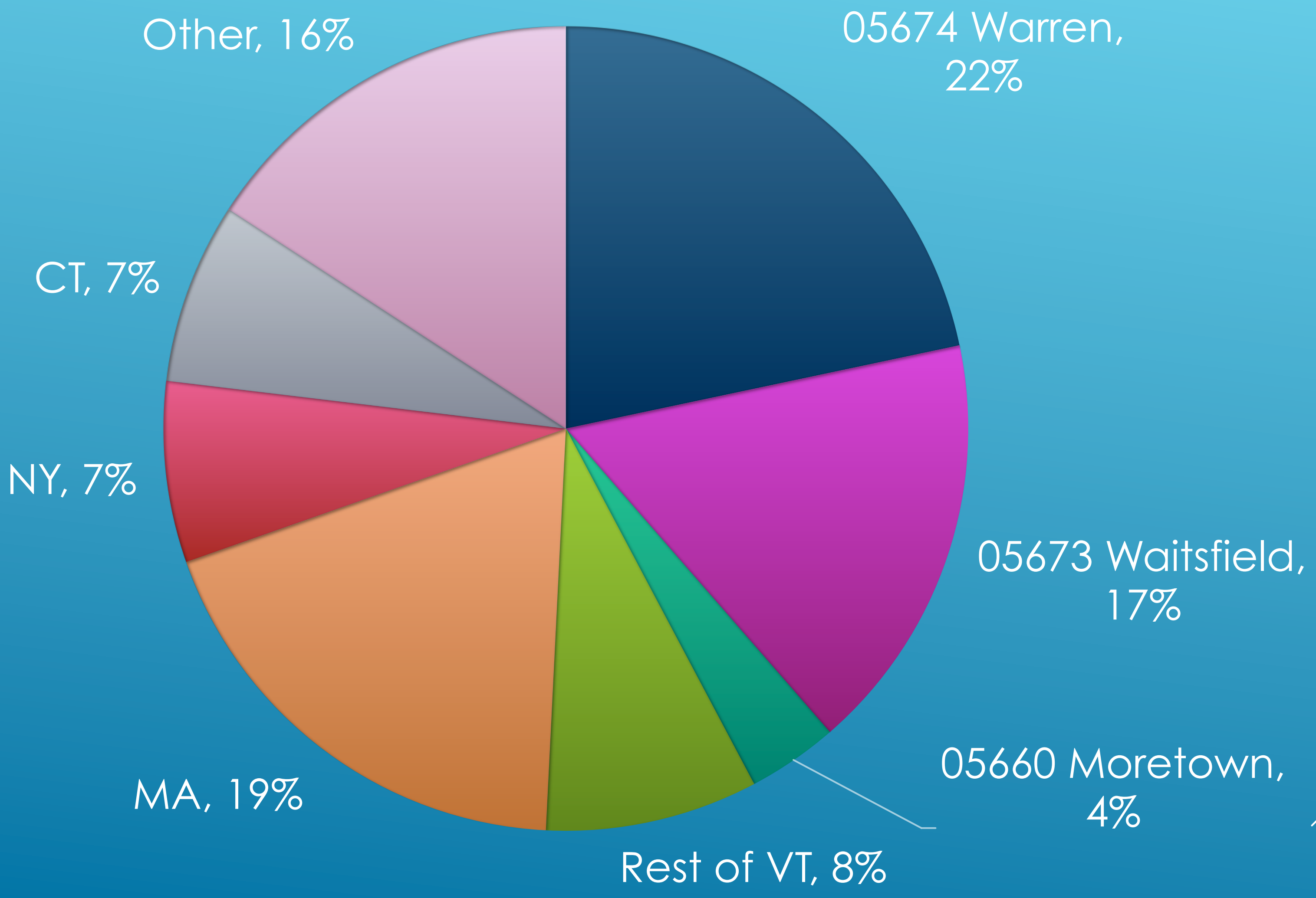
ZIP CODE SURVEY

- Survey conducted October 3-9, 2013 (Columbus day week) and January 11-17, 2014.
- 14 Participants Oct, 10 in Jan.
- 1,202 customer visits Oct., 632 in Jan
- Customers represented 685 unique American Zip Codes. (197 in Jan)
- 37 states and 8 foreign countries were represented. (18 and 2 in Jan)

WHERE ARE THEY FROM (OCT)?



WHERE ARE THEY FROM (JAN)?



MARKET DATA: RETAIL MARKET POTENTIAL

- **Leakage**: the amount of local dollars being spent outside the community (local Trade Area consumer purchases exceed Trade Area retail sales)

- **Inflow**: the amount of outside dollars being spent inside the community (Trade Area retail sales exceed local Trade Area consumer purchases)

RETAIL GAP ANALYSIS (WAITSFIELD/WARREN)

Retail Stores	2013 Demand (Consumer Expenditures)	2013 Supply (Retail Sales)	Opportunity Gap/Surplus
Total Retail Sales Incl Eating and Drinking Places	85,420,354	126,415,370	(40,995,016)
Motor Vehicle and Parts Dealers-441	16,097,139	4,001,208	12,095,931
Automotive Dealers-4411	12,262,238	551,401	11,710,837
Other Motor Vehicle Dealers-4412	2,485,908	3,068,846	(582,938)
Automotive Parts/Accsrs, Tire Stores-4413	1,348,993	380,961	968,032
Furniture and Home Furnishings Stores-442	1,860,766	1,851,187	9,579
Furniture Stores-4421	995,925	631,623	364,302
Home Furnishing Stores-4422	864,841	1,219,564	(354,723)
Electronics and Appliance Stores-443	1,782,364	4,080,936	(2,298,572)
Appliances, TVs, Electronics Stores-44311	1,348,625	0	1,348,625
Household Appliances Stores-443111	246,737	0	246,737
Radio, Television, Electronics Stores-443112	1,101,888	0	1,101,888
Computer and Software Stores-44312	379,903	4,080,936	(3,701,033)
Camera and Photographic Equipment Stores-44	53,836	0	53,836
Building Material, Garden Equip Stores -444	9,035,353	45,954,575	(36,919,222)
Building Material and Supply Dealers-4441	8,073,612	45,076,071	(37,002,459)
Home Centers-44411	3,245,104	0	3,245,104
Paint and Wallpaper Stores-44412	142,050	0	142,050
Hardware Stores-44413	758,595	26,953,169	(26,194,574)
Other Building Materials Dealers-44419	3,927,863	18,122,902	(14,195,039)
Building Materials, Lumberyards-444191	1,521,819	7,086,055	(5,564,236)
Lawn, Garden Equipment, Supplies Stores-4442	961,741	878,504	83,237
Outdoor Power Equipment Stores-44421	190,622	221,853	(31,231)
Nursery and Garden Centers-44422	771,119	656,651	114,468

Retail Stores	2013 Demand (Consumer Expenditures)	2013 Supply (Retail Sales)	Opportunity Gap/Surplus
Food and Beverage Stores-445	10,079,101	32,462,286	(22,383,185)
Grocery Stores-4451	8,734,682	30,356,630	(21,621,948)
Supermarkets, Grocery (Ex Conv) Stores-445	8,315,375	26,917,400	(18,602,025)
Convenience Stores-44512	419,307	3,439,230	(3,019,923)
Specialty Food Stores-4452	728,084	2,105,656	(1,377,572)
Beer, Wine and Liquor Stores-4453	616,335	0	616,335
Health and Personal Care Stores-446	4,595,532	4,523,757	71,775
Pharmancies and Drug Stores-44611	3,634,223	4,473,652	(839,429)
Cosmetics, Beauty Supplies, Perfume Stores-44	321,383	0	321,383
Optical Goods Stores-44613	229,500	0	229,500
Other Health and Personal Care Stores-44619	410,426	50,105	360,321
Gasoline Stations-447	8,251,149	5,397,636	2,853,513
Gasoline Stations With Conv Stores-44711	5,957,060	3,246,270	2,710,790
Other Gasoline Stations-44719	2,294,089	2,151,366	142,723
Clothing and Clothing Accessories Stores-448	4,112,512	1,992,934	2,119,578
Clothing Stores-4481	3,069,943	1,992,934	1,077,009
Men's Clothing Stores-44811	172,101	0	172,101
Women's Clothing Stores-44812	700,356	599,095	101,261
Childrens, Infants Clothing Stores-44813	186,488	410,312	(223,824)
Family Clothing Stores-44814	1,598,012	285,578	1,312,434
Clothing Accessories Stores-44815	134,612	0	134,612
Other Clothing Stores-44819	278,374	697,949	(419,575)
Shoe Stores-4482	438,869	0	438,869
Jewelry, Luggage, Leather Goods Stores-4483	603,700	0	603,700
Jewelry Stores-44831	565,612	0	565,612
Luggage and Leather Goods Stores-44832	38,088	0	38,088

Retail Stores	2013 Demand (Consumer Expenditures)	2013 Supply (Retail Sales)	Opportunity Gap/Surplus
Sporting Goods, Hobby, Book, Music Stores-451	1,547,174	13,898,342	(12,351,168)
Sportng Goods, Hobby, Musical Inst Stores-451	1,141,567	11,628,040	(10,486,473)
Sporting Goods Stores-45111	622,619	10,403,696	(9,781,077)
Hobby, Toys and Games Stores-45112	272,645	0	272,645
Sew/Needlework/Piece Goods Stores-45113	123,132	1,066,944	(943,812)
Musical Instrument and Supplies Stores-4511	123,171	157,400	(34,229)
Book, Periodical and Music Stores-4512	405,607	2,270,302	(1,864,695)
Book Stores and News Dealers-45121	331,618	2,270,302	(1,938,684)
Book Stores-451211	305,597	2,270,302	(1,964,705)
News Dealers and Newsstands-451212	26,021	0	26,021
Prerecorded Tapes, CDs, Record Stores-4512	73,989	0	73,989
General Merchandise Stores-452	10,582,988	0	10,582,988
Department Stores Excl Leased Depts-4521	4,393,425	0	4,393,425
Other General Merchandise Stores-4529	6,189,563	0	6,189,563
Miscellaneous Store Retailers-453	2,365,766	868,776	1,496,990
Florists-4531	117,656	0	117,656
Office Supplies, Stationery, Gift Stores-4532	773,962	0	773,962
Office Supplies and Stationery Stores-45321	442,476	0	442,476
Gift, Novelty and Souvenir Stores-45322	331,486	0	331,486
Used Merchandise Stores-4533	229,090	0	229,090
Other Miscellaneous Store Retailers-4539	1,245,058	868,776	376,282
Non-Store Retailers-454	6,459,574	2,741,054	3,718,520
Foodservice and Drinking Places-722	8,650,936	8,642,679	8,257
Full-Service Restaurants-7221	4,014,643	5,022,859	(1,008,216)
Limited-Service Eating Places-7222	3,561,853	2,561,149	1,000,704
Special Foodservices-7223	693,216	840,929	(147,713)
Drinking Places -Alcoholic Beverages-7224	381,224	217,742	163,482

MARKET TRENDS

- Great core in Waitsfield that can continue to grow in critical mass and diversity.
- The community has a diversity of visitor, local, and regional traffic.
- Home based businesses and an entrepreneurial "landing pad" are big trends appropriate for the community.
- More people are flexible in where they can live – quality of life is a growing factor.

HISTORIC
WAITSFIELD™
Village
VERMONT

HISTORIC
WAITSFIELD™
Village
VT

HISTORIC
WAITSFIELD™
Village
VERMONT

Route 100, Central Vermont

HISTORIC WAITSFIELD Village VT

sweet rustic charm

A mellow, rustic enclave of galleries, restaurants, and chic boutiques, featuring local artists, artisan food, a funky museum, **the oldest covered bridge** in Vermont, **big-time local charm,** a river that runs up, cool locals, and **a vibrant, scenic village center.**

CLOSER THAN YOU THINK ... BETTER THAN YOU CAN IMAGINE

4orty Bridge Boutique, All Things Bright & Beautiful, Artisans' Gallery, Bridge Street Butchery, Bridge Street Emporium, Bridget's Widgets Boutique, Complexions, Mad River Glass Gallery, Madsonian Museum, Mint, Peasant Restaurant, Studio 40, The Green Closet, The Sweet Spot, Waitsfield Pottery, Waitsfield Wine Shoppe

coreyhendrickson.com

TRENDS: DEFINING ECONOMIC SECTORS

Major Components of the Mad River Valley Economy

Agriculture/Food System

Has been here since the beginning; this is the legacy economy. While traditional farming practices (dairy operations and forestry) have long been the basis for economic activity in this sector, the trend over the past decade has been expansion of niche agricultural products, value-added agriculture, agri-tourism and a general "diversification" of what agriculture is.

Recreation/Tourism

Is here because of the physical land base and ski areas. The primary driver has been the winter recreational opportunities, but, as will be discussed, non-winter and non-ski recreation as well as broader "tourism" influences are beginning to define this sector. Recent expansion of mountain biking trails outside of the traditional "resort" environment (i.e. Blueberry Lake) is exemplary of this more "diverse" recreational profile.

Professional Services

Comes here. Could move, but come here. An area that often does not get a lot of "press", the professional services sector might just be the unsung hero of the local economy. While zeroing in on what constitutes this sector is difficult, it is obvious from some of the baseline economic data that the Mad River Valley supports many home-based professionals. The jump in population in the 35-44 age cohort, and continued robustness in K-12 school enrollment while other areas of Vermont see persistent declines, are strong indicators of the vitality of this sector.

Manufacturing/Incubation

Starts here. Has a limited scale, and is focused on incubation. As discussed above, the framework for manufacturing in the Mad River Valley has been one of "incubation". As will be described below, significant pressures and physical limitations have and will continue to shape what is possible for manufacturing.

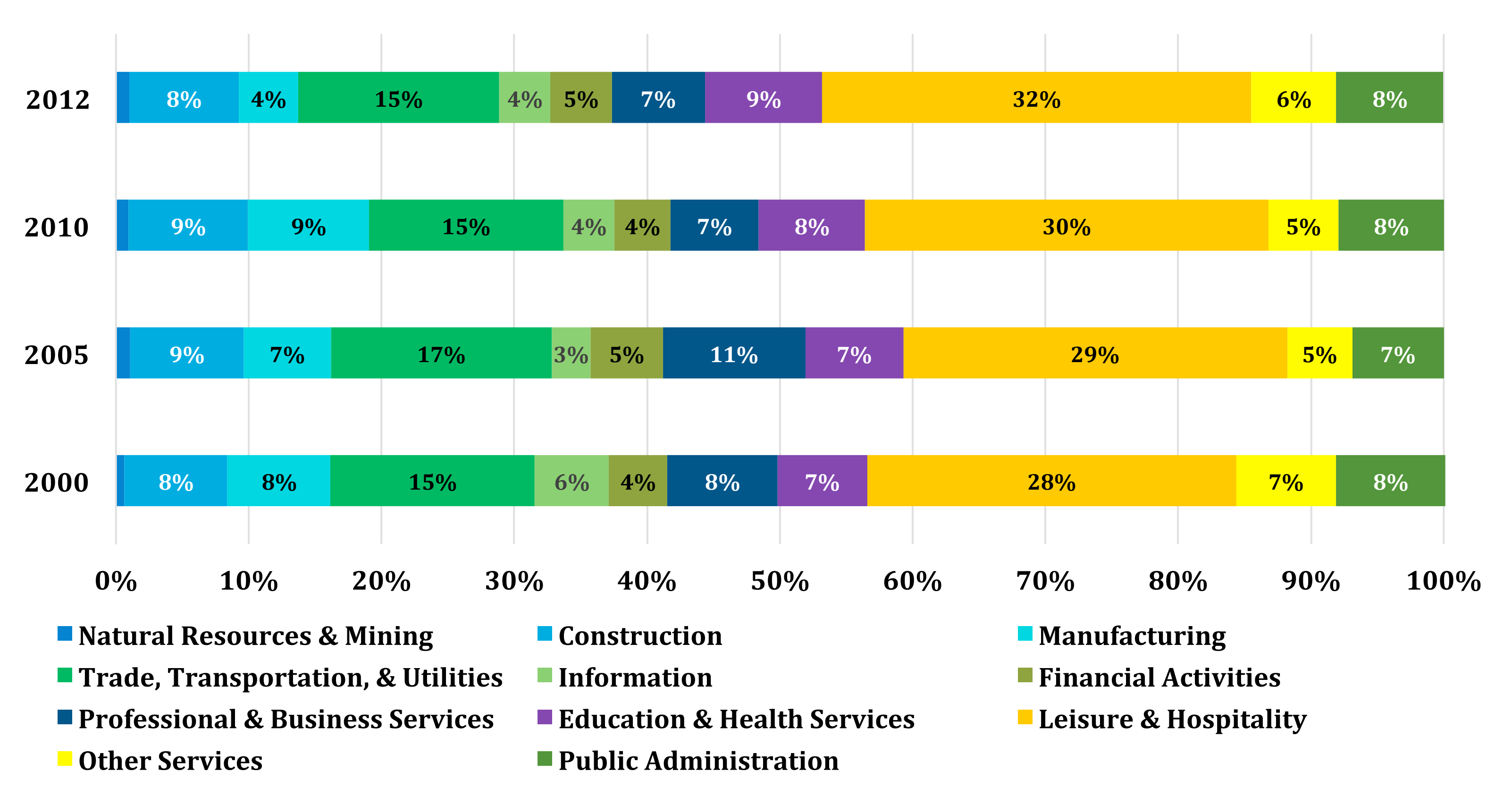
AGRICULTURE/ FOOD SYSTEMS – AN EVOLVING INDUSTRY

- While the traditional "commodity" farm still plays a major role in this sector, the niche players are also making strides
- The qualitative data suggests this market is growing and its growth should be watched closely
- This sector is well aligned with the historic character of the MRV and with broader tourism/ recreation objectives at the state and regional scales
- Enhancement of the Food Systems sector offers a chance to bridge "past and future" and to continue to keep working lands in agricultural use

*'Food Systems' accounts for **8% of employment** and* **12% of gross revenues.** *This is based on VT Farm to Plate Investment Program's definition of industries involved in Vermont's 'Food System'*

RECREATION/TOURISM – TAKING MANY FORMS

- While recreation/tourism has been the stalwart of the economy it is also in transition
- New options for recreation including non-winter activities are growing in interest/ intensity



Leisure & Hospitality has consistently been the ***major source of employment*** *in the Valley, currently accounting for* ***32%*** *of all employment*

PROFESSIONAL SERVICES – THE COMMUTING WORKER

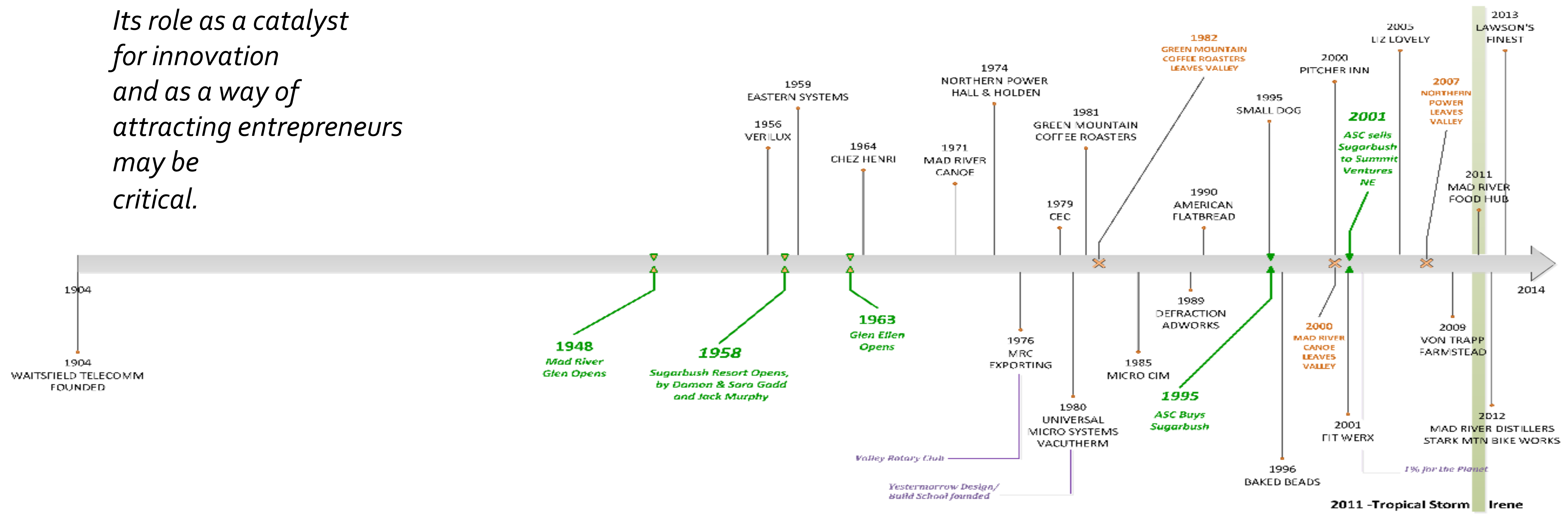
- The MRV is unique in the high prevalence of work-at-home professionals and telecommuter
- This group is supported by the high quality recreational environment, innovative business environment and natural/scenic agricultural landscape
- It may also be supported by the exceptional quality school system as part of these "Quality of Life" considerations
- They live, work and play in the MRV. They contribute to the social capital of the Valley and might be a good barometer of how well the community is fulfilling its commitment to a sense of place and a high quality of life

The percentage of employed persons working at home within the Valley is ***15.3%****. This is* ***2X*** *the State average.*

MANUFACTURING/INCUBATION – THE VALLEY AS A CATALYST

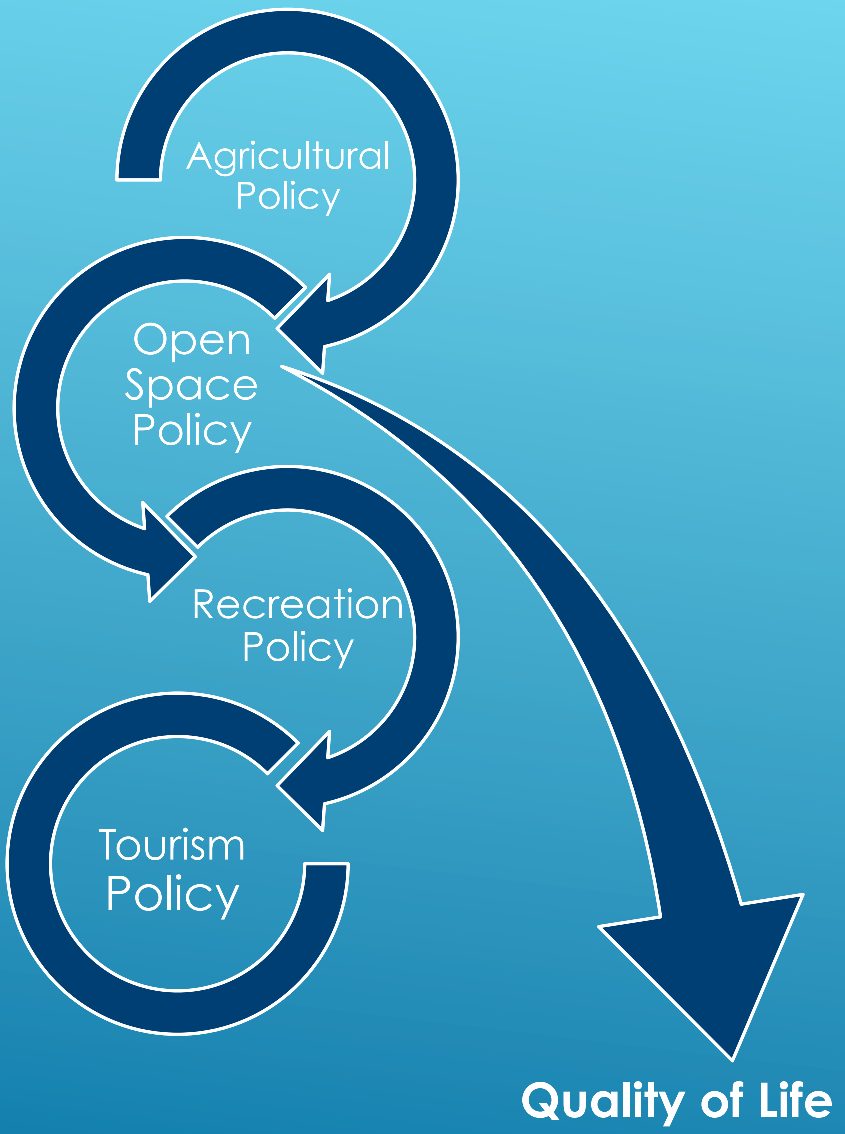
- The timeline of business activity suggests that while some businesses have not been able to grow given the constraints within the MRV, many others have been incubated.
- Understanding this dynamic environment might help frame policy; be the place where great companies take root.

Its role as a catalyst for innovation and as a way of attracting entrepreneurs may be critical.



WHAT ARE THE CONNECTIONS

- QUALITY OF LIFE
- THINKING “ECONOMICALLY”
- INTEGRATED DIVERSITY



POSTER SESSION