

Strategic Economic Development Plan

Bennington Region

Condensed Plan Version

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Bennington County Industrial Corporation

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Bennington County Regional Commission

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I. Introduction

The effort to develop regional strategic economic development plans in Vermont began back in 1995 when the Commissioner of the Vermont Economic Development initiated a process to reconfigure the Department's own approach to economic development. The State's strategic plan was subsequently revised by the Spring of 1997 and that strategic plan re-write gave rise to the passage economic development incentives of the Vermont Economic Progress Council (VEPC) in 1998, following the passage of Act 60 the previous year. Undertaking this regional strategic planning effort begins the next logical step in strategic economic development planning in Vermont. This planning effort represents the opportunity to have input from the strategic approaches to economic development adopted by the regions themselves percolate up to the State's plan. Instead of being exclusively top down, these plans will represent an important bottom-up influence on the State's overall strategic economic development plan.

The specific purpose of this strategic planning effort for Bennington County is to determine where the region wants to go and how it believes it can best get there. It is hoped that this effort will lay the groundwork for specific regional initiatives and resource allocations that will lead to an effective plan for action. As it applies to this effort, it is the objective of this plan to: (1) clarify the region's economic goals, (2) complete an objective assessment of its external economic development environment, (3) complete an objective assessment of its economic development resources, (4) identify and prioritize the relevant menu of economic development strategies, (5) implement those strategies that offer the best opportunities for success in the region, and (6) build the capacity of leaders in the region to continue on after this initial plan is developed in the continuous process of planning and acting to improve the region's economy. In addition, this strategic economic development plan is intended to serve as the substance for the completion of a Comprehensive Economic Development Strategy (a "CEDS") for the Bennington County region as required by the U.S. Economic Development Administration.

Why Does the Economy Need Economic Development?

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

For this plan, economic development is defined as "*building a community's capacity for shared and sustainable improvements in the economic well-being of residents.*"¹ Under this definition, it is not just access to any job. It is about access to good jobs, ones that

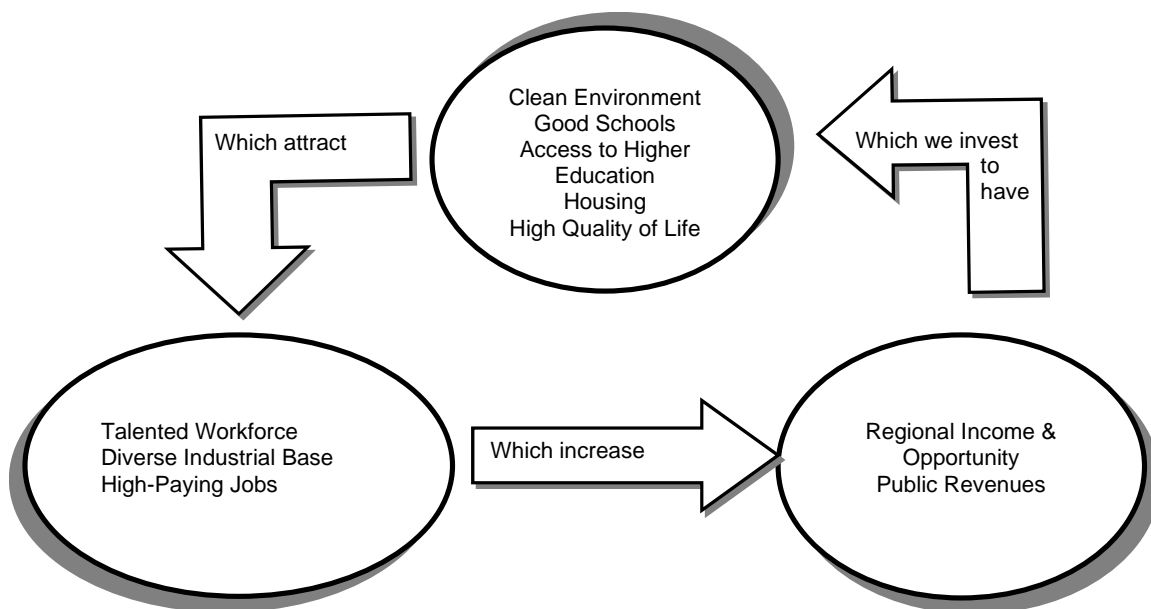
¹ From Local Partnerships for Economic Development, Executive Office of Communities & Development, State of Massachusetts (1994).

can support an adequate standard of living for all residents of a state, region or community. It is also about continuous and sustainable improvements in the internal functioning of the economy, where its structural underpinnings are made stronger without sacrificing long-term quality of life.

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

The “Circle of Prosperity” illustrates this interrelationship. First articulated in Vermont back in 1997 by the Vermont Business Roundtable, the “Circle of Prosperity” emphasizes the fact that economic development is a systemic effort, involving the collective and sometimes coordinated actions of many individuals, businesses, and institutions.² Without it, it will be difficult, if not impossible to have the quality of life we all strive for in the region.

Figure 1. The Circle of Prosperity



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

II. Overview of Past Initiatives and Activities

A second important part of this review of past work and initiatives is a review of past work and consensus relating to the desired future path or direction for Bennington as a whole or for key communities in the region. A number of past initiatives and planning studies were reviewed for this process. Section II of the full plan includes a synopsis of the key economic development findings and conclusions of each of these past studies.

III. Validating a Regional Economic Development Vision and Mission Statement

A second important part of this review of past work and initiatives is a review of past Visioning work completed in the region. From that review, the steering committee settled on the following Vision and Mission statements:

Vision Statement

"...to make Bennington County the best place in New England to live and do business."

Mission Statement

We seek to achieve a diverse and sustainable economy of successful and globally competitive businesses in industries which contribute to maintaining and enhancing a healthy quality of life and economic opportunity for the residents and workforce of Bennington County.

With that vision, the next step was to translate the language of the vision into a succinct and measurable objective for new job opportunities in the region. Table 1 below sets forth a net job growth target describes that objective. The specific job growth target presented below reflects the results of the regional economic assessment study which identified structural issues in the Bennington County. While the objective of economic development policy is to improve the well being of regional residents, the first step of this process is to first stop and then hopefully reverse negative regional trends, and then re-establish a solid employment base for the regional economy.

Table 1: Job Growth Objective 2000-2012

Number of new Key Industry jobs needed to keep Bennington County at Year 2000 share: 2003-2012	531
Number of Key Industry jobs needed to offset those lost 2000-2002	500
Total Key Industry Job Target	1,031
Total needed per year	103

IV. Analysis of Economic Performance/Structure

Why are we doing this?

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

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

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

Summary of macro-trends impacting the region

1. Global and national developments are increasingly impacting the economic development climate of the region, including the globalization of markets, and increasingly rapid integration of technology into businesses and into citizens' everyday lives.
2. Because of its importance for attracting and retaining a talented workforce, preserving a "high quality of life" is becoming increasingly important as the "baby-boom generation" ages.
3. Bennington County is part of a broader economic region where developments in the surrounding counties—and particularly in the greater Albany, NY area—have significant impacts on the standard of living of all residents in the region.
4. The economic fortunes of the county have fallen behind state averages. This lag in job growth was more pronounced in the 1981-1989 period. Recent performance has improved but is still behind statewide averages over the calendar 1989-2000 period.
5. The Services sector has accounted for the majority of that growth, adding over 2,900 jobs or 60.8% of the total job growth for the period – almost twice the next closest job category.
6. Growth in average wages, although exceeding that of the state between 1981-1989, lagged slightly between 1989-2000. This created an average growth in wages for Bennington County that follows the state's growth for the time period 1981-2000.

7. This indicates that while the majority of the job growth in Bennington County between 1981-1989 was in relatively higher average job categories, that trend did not continue through the 1990s.
8. Bennington County's job base is more diverse than Vermont as a whole but this diversity is at risk by a recent trend of lower than average job growth.
9. The Bennington Region has a *major location advantage* to most of Vermont—the County serves as a “*Gateway*” or “*Portal*” to Vermont and is close to a lot of people.
10. The lag in Bennington County wage and job growth is projected to continue—100 key industry jobs per year are required to just to maintain the County's present economic standing.
11. Growth in the number of firms—*entrepreneurial activity*—is higher than state average but growth in *proprietors' income* is lower than state average.
12. Bennington County's population growing slower than that of Vermont and the region saw larger decline in its 20-34 years old population — than state as whole.
13. Twenty four percent of region's working age population is 45-54 years old. Consequently, in 20 years, one-fourth of the working age population will be reaching retirement. This graying of the workforce means workforce development is an urgent priority for the County.
14. Although it varies within the region, many Bennington County households are experiencing housing availability and quality issues.
15. Bennington County is experiencing a limited availability of a ready workforce overall. Particular labor force problems exist in selected key industries such as materials related (lack of soft skills among non-skilled workers), specialty electronics and metal products, and publishing and printing (workforce availability limited).

What are the region's key industries?

With that analysis as background, the next step in this analytical process involves identifying an initial list of key industries in the regional economy based on several factors. Key industries for this plan are those that have either increased or declined approximately 75-100 jobs over the past two business cycles,³ still show a significant presence in employment, had a relatively equal or higher average wage level versus the county average or the statewide average in the industry sector, and are industries that have an export-oriented focus. The results of this filtering process resulted in the identification of the following key economic driver industries in the region:

³ Which included the calendar year 1981-2000 period.

Table 2. Bennington County Key Industries by SIC

Industry Sector	Employment Growth 1981-2000	% Regional Avg. Wage 2000	% State Sector Avg. Wage 2000
Lumber & Wood Products	(97)	111.0%	97.5%
Fabricated Metals	(183)	133.5%	81.5%
Industrial Machinery*	30	146.4%	73.5%
Electronic Equipment	(1,084)	125.1%	62.8%
Transportation Equipment	D	D	D
Instruments & Related Products	D	D	D
Miscellaneous Manufacturing	D	D	D
Food & Kindred Products	D	D	D
Textile/Apparel Products	D	D	D
Printing & Publishing	219	122.8%	102.9%
Plastics Products	469	135.8%	102.2%
Educational Services	370	93.8%	85.2%
Food Products	D	D	D
Engineering & Management Services	165	159.2%	97.7%
Travel & Tourism**	NA	NA	NA

D=Not available due to disclosure

NA=Not available

*While this sector only gained 30 jobs between 1981-2000, there was a gain of 150 between 1981-1989, and a loss of 120 between 1989-2000, therefore it is included in the initial analysis.

**Travel and Tourism total employment is estimated to be approximately 4,900 in 2000.

The next step involves moving beyond the SIC analysis to identifying the firms within the key industries and categorizing them according to their competitive characteristics. Table 3 is a preliminary list of the regional key industries grouped together by common characteristics.

Table 3. Bennington County Key Industries by Functional Group

Materials-Related Light Manufacturing

Representative Regional Firms: Abacus Automation, K&E Products, K&H Products, Quadra-Tek/Arlington Industries, National Hanger, Vermont Composites, Vermont Mil. Plastics, NSK Steering Systems of America

Specialty Electronics and Metal Products Manufacturing

Representative Regional Firms: Energizer, Maier Electronics/Photonics, Vishay/Tansitor, Wright Brothers Sound, Bennington Iron Works, McGill Airflow, Miller Building Systems, Sperry Valve, Sperber Tool Works, Mace Security International, Mack Molding, Mechanical Systems Design, Krone Optical Systems, Slitback of Vermont

Natural Resource-Based Manufacturing

Representative Regional Firms: Balance Designs, Bear Paw Lumber, Green Mountain Pallet, HBH Prestain, Northeast Wood Products, Vermont Container/K&H Corrugated Case, Vermont Tissue Paper, Bennington Potters, Cata-mount Glass, Follenderwerks, J.K. Adams

Specialty Food Products

Representative Regional Firms: Fior D'Italia Fresh Pasta & Cheese, Maple Brook Farm, Miles Beefalo, Specialty World Foods, Spring Hill Pasta

Specialty Publishing and Printing

Representative Regional Firms: Abenaki, Applejack Art, Graphitek, Hemmings Motor News, Ignition, Sante, Wallace-Moore Computer Services

Education Services

Representative Regional Firms: Bennington College, Southern Vermont College, Regional affiliations with Williams College and RPI

High Value-Added Professional, Scientific, and Technical Services

Representative Regional Firms: Global-Z International, AISquared, Manchester Capital Management, Resort Finance

Resorts, Tourism-Related Enterprises and Recreational Manufacturing

Representative Regional Firms: Bromley Mountain, Stratton Mountain (portion), Equinox Resort Hotel, Bennington Center for the Arts, American Museum of Fly Fishing, Backroad Discovery Tour, Limbuc Corporation, Orvis, Vermont Vest

V. Results of Economic Development Resources Inventory Assessment

Purpose of the Assessment

As part of this strategic planning effort, the steering committee completed an inventory and an assessment of economic development resources in Bennington County. The purpose of the assessment was first to identify the region's current resources that support economic development, business growth and job creation. The next step was to determine: (1) regional economic development strengths, (2) current and potential resource gaps in the region, and (3) regional resources that need strengthened.

This self-assessment by the steering committee is intended to be a critical review of the region's resources, not a marketing tool. It represents the informed judgment or point of view of the members of the steering committee. It is meant to be a systematic, critical review of the region. The committee has attempted to stand back and look afresh at the region's strengths, weaknesses, opportunities, and threats as they relate to critical economic development resource topics.

Combined with the interviews of a number of the region's key businesses, the assessment provides a tool that can guide economic development organizations working with community partners to take advantage of the region's opportunities, address weaknesses, and deal effectively with identified threats.

The Rating Process

To rate the economic development resources of the Bennington County region, the steering committee used a template with seven resource categories, including:

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

The steering committee thus created an inventory of all the resources important to economic development and then rated each resource area according to the following comprehensive set of attributes:

- **Availability/Access**
- **Cost**
- **Sustainability**
- **Quality**

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

Summary of Findings

Overall, the steering committee felt the Bennington County regional economy was in good condition in terms of its regional economic development resources. The region has significant economic development resource strengths. But it also has a few significant exceptions where the region could use significant improvement. These strengths and areas for improvement are summarized as follows:

KEY ECONOMIC STRENGTHS:

- A workforce generally less expensive than the nation.
- Availability of good quality higher education resources in the region or immediately adjacent but limited access due to an absence of an institutional framework.
- An excellent quality of life and superb environmental quality--with good access to cultural and outdoor recreational resources.
- Regional advantages due to the proximity to the New York capital district including a significant population, higher education and R&D and technical resources.
- Good access to quality health care.
- Good access to major tourist markets.
- Good access to debt and certain types of venture (equity) capital.

- Moderate access to public sector incentives and grant opportunities for business expansion.
- Generally, active local governments actively pursuing economic development.
- An average road network with significant improvements on the horizon.
- Above average access to air transportation.
- An adequate supply of moderate cost industrial sites with good quality infrastructure for most of the region's key sectors. The exception is the limited availability of ready sites for electronics and metal manufacturing and the travel and tourism sector, where permitting, zoning, and infrastructure issues remain.
- Debt capital is generally available to businesses located in the region and specifically to key industries through traditional banking institutions with the exception of the education industry.
- The area's workforce investment board and regional technical education center are active and progressive

KEY ECONOMIC WEAKNESSES:

- A limited availability of a ready workforce overall.
- Particular labor force problems exist in selected key industries such as materials related (lack of soft skills among non-skilled workers), specialty electronics and metal products, and publishing and printing (workforce availability limited).
- Workforce in the high value-added professional, scientific and technical industries is limited to not available.
- Workforce in the resorts, travel-related enterprises and recreational manufacturing is limited with seasonal employment a particular problem for the resort business.
- Work ethic issues with that segment of the workforce traditionally filled by younger workers—"an absence of soft skills and "cultural issues."
- A limited availability of workforce development resources in general and limited to not available for all key industries of the region.
- Absence of a post-secondary technical school in the region.
- Significant housing issues regarding availability and quality in general and cost in the northern parts of the county.
- Limited availability of public water and wastewater infrastructure in the northern parts of the county.
- There is only limited availability of early stage, equity funding for the region's entrepreneurial businesses.

VI. The Characteristics of a Successful Regional Employer

As part of this effort to invigorate the Bennington County regional economy, a significant research effort was undertaken to identify strategic sectors of the regional economy experiencing a combination of employment growth success and wage growth success. The underlying purpose of completing such an analysis was to develop a profile of a strategic regional employer. The following is the current functional profile for the region based on this research:

1. Produce high-value goods and/or services for specialized and/or niche markets.

It is apparent that regional businesses fare the best when they are not competing solely on the basis of being the lowest cost global-national provider of a standardized product or service. Regional key employers can effectively compete in competitive arenas where the product/service has a commodity orientation provided: (1) the product/service serves a highly specialized niche market and/or is delivered with technology- or knowledge-intensive attributes, or (2) the product/service is produced and/or delivered through a technology- knowledge-intensive manufacturing process or delivery mechanism.

2. Achieve superior levels of labor productivity through specialized training and/or knowledge.

This enables these firms to: (1) Pay at the regional median wage or better, (2) offer high-quality benefits to their employees to attract and retain a reliable, skilled workforce, (3) continuously invest in their work force through training, personal development and incentives to take on responsibility for the company's success.

3. Maintain a continuous program of improvements to productive capacity and efficiency through capital investment.

The process of innovation and renewal to meet the needs of changing markets is a direct result of making significant and continuous investments in capital equipment and technology to innovate and achieve higher productivity and to discover new markets and ways to serve customer needs.

4. Are attracted to the region's natural resource endowments to gain competitive advantage.

Because the region is not particularly well endowed with many commercially viable natural resource processing opportunities (at least in a relative sense versus other parts of the country where such opportunities are more dominant), the best strategic opportunities for the Bennington County region in this regard appear to lie within the travel and tourism sector and promoting a high quality of life.

VI. Long Term Economic and Demographic Forecast

The next step in the plan was the development of "status quo" projections of population, households and employment in the greater Bennington County region. This began with a forecast of economic and demographic variables for the region comprised of Bennington and Rutland counties. This was done because the economic region in which Bennington County operates has become increasingly interconnected with its neighbors.

Population Projections

Table 3 presents the results of this forecast. Over the entire calendar year 2000-2015 forecast period, the county is expected to grow by approximately 1,459 people, or at an

Table 1. Bennington County Population Projections

	1990	2000	2005	2010	2015	Abs. Chge. 1990- 2000	CAA 1990- 2000	Abs. Chge. 2000- 2015	CAA 2000- 2015
Total	35,845	36,996	37,456	38,046	38,455	1,151	0.3%	1,459	0.3%
<14	7,627	7,124	6,616	5,879	5,373	(503)	(0.7%)	(1,751)	(1.9%)
15-24	4,859	4,560	4,926	4,597	4,215	(299)	(0.6%)	(345)	(0.5%)
25-34	5,507	3,781	3,089	3,472	3,501	(1,726)	(3.7%)	(280)	(0.5%)
35-64	12,512	15,398	15,908	15,761	15,212	2,886	2.1%	(186)	(0.1%)
<35	17,993	15,465	14,631	13,948	13,090	(2,528)	(1.5%)	(2,375)	(1.1%)
>65	5,340	6,133	6,917	8,337	10,154	793	1.4%	4,021	3.4%
>75	2,525	2,913	3,908	4,615	5,528	388	1.4%	2,375	4.4%

I Notes:

(CAA= Compound Average Annual Rate of Growth

average annual rate of growth of 0.3%. The table also shows that Bennington County is one of the areas in the state that had experienced declines in the number of residents under 14 years of age between 1990 and 2000. This trend is expected to continue over the period with an anticipated loss of approximately 1,751 residents in that age group.

Household Projections

The household projections for Bennington County are derived from the forecasted population and headship rates derived from the 2000 Census. Table 5 shows the projected number of households for Bennington County by age groups.

Table 2. Bennington County Household Projections

	1990	2000	2005	2010	2015	Abs. Chge. 1990- 2000	CAA 1990- 2000	Abs. Chge. 2000- 2015	CAA 2000- 2015
Total	13,595	14,822	15,306	16,209	16,949	1,227	0.9%	2,127	0.9%
15-24	681	621	671	626	574	(60)	(0.9%)	(47)	(0.5%)
25-34	2,636	1,783	1,457	1,637	1,651	(853)	(3.8%)	(132)	(0.5%)
35-64	7,021	8,741	9,031	8,948	8,636	1,720	2.2%	(105)	(0.1%)
>65	3,257	3,677	4,147	4,998	6,088	420	1.2%	2,411	3.4%
>75	1,508	1,750	2,348	2,772	3,321	242	1.5%	1,571	4.4%

Note: Households are based on July 1 population estimates

Employment Projections

The employment projections were accomplished employing roughly the same method as the population projections, with some needed adjustments. These adjustments included four steps: (1) developing job projections for the larger economic region, (2) using Bennington County's share to project the number of regional job opportunities, (3)

developing a 1-digit SIC code sector forecast using each sector's historic share of the total regional employment over time, and (4) adjustments for the recent recession.

Table 5 shows that total jobs are expected to increase by 6,840 in Bennington County over the forecast period or at a rate of 1.6% per year, a rate of growth significantly lower than the 2.0% annual rate experienced during the years of 1990-2000. Following the historic trend, the Services sector is expected to see the majority of the job increase, at 2,655 jobs to be added over the period or an average rate of growth of 1.7% per year versus a 2.9% average annual growth rate for the 1990s.

Table 3. Bennington County Employment Projections

	1990	2000	2005	2010	2015	Abs. Chge. 1990- 2000	CAA 1990- 2000	Abs. Chge. 2000- 2015	CAA 2000- 2015
Total Nonfarm	21,275	25,847	27,333	29,893	32,687	4,572	2.0%	6,840	1.6%
AFF	318	478	517	563	648	160	4.2%	170	2.0%
Mining/Constr.	1,566	1,585	1,669	1,799	1,999	19	0.1%	414	1.6%
Manufacturing	3,872	4,268	4,363	4,677	4,910	396	1.0%	642	0.9%
TPU	444	558	571	617	656	114	2.3%	98	1.1%
Wholesale	352	754	816	899	974	402	7.9%	220	1.7%
Retail	4,691	5,420	5,950	6,566	7,211	729	1.5%	1,791	1.9%
FIRE	1,201	1,266	1,341	1,446	1,519	65	0.5%	253	1.2%
Services	6,784	9,024	9,503	10,503	11,679	2,240	2.9%	2,655	1.7%
Government	2,047	2,494	2,603	2,823	3,091	447	2.0%	597	1.4%

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

VII. Strategic Initiatives for Developing and Maintaining a High Performance Bennington Regional Economy

Given the above background and context, the overriding approach of this plan for securing a better future for the regional economy is through focus. In this case, focus refers to a broad commitment by all stakeholders in the county to build regional competitiveness in a sustainable way. It involves a consistent commitment by those directly and indirectly involved in regional economic development to coordinate their investments and activities to those export-oriented, dollar-importing sectors of the regional economy that offer the highest potential. For this plan we will focus on six urgent sub-strategies, including: strengthening collaboration, targeting key job sectors, improving workforce development, enhancing critical infrastructure, expanding housing, and increasing access to capital.

Overview

Economic development resources in the Bennington County region are precious. Hence the need to focus efforts and expenditures on marketing the area's quality of life and creative ingenuity, and especially on building the competitiveness of the region's

strategic industry sectors. These export-oriented and dollar-importing industries offer the highest potential return to the regional economy. Other components of a comprehensive regional strategy will be accomplished through statewide and regional strategic partnerships. This focus is essential to meet the ambitious growth target of roughly 100 net new jobs per year in the strategic industries.

The proposed action steps associated with each strategy are categorized into three groupings: (1) those steps to be completed over the short-term time horizon or within 1 calendar year (Designated with an "ST" at the end of each step), (2) those steps to be completed over the intermediate-term time horizon of between 1 year and 2.5 years (designated with an "IT" at the end of each step), and (3) those steps to be completed over the long-term time horizon of greater than 2.5 years (designated with an "LT" at the end of each step).

Proposed Action Steps:

1. Develop a strategic partnering plan for implementing the strategies where the steering committee proposes to have only a supporting role (ST).
2. Complete implementation of strategic partnering plan for "supporting role" strategies (ST).
3. Develop a communications plan for marketing the overall and priority strategies to (a) the community as a whole, (b) community leaders, (c) the media, (d) business leaders in the respective strategic industries, and (e) state and federal officials (ST).
4. Implement the communications plan (ST).

Strategy #1--Strengthen Regional Collaboration

Strengthen the economic development and development review process, thus improving collaboration, responsiveness to economic change, and joint communication of the "circle of prosperity" idea to the community.

Overview

A more collaborative business development climate in the region, including an environment of public-private cooperation, is needed to support job growth. Improved collaboration among regional economic development partners will facilitate quicker response to business needs and opportunities and to changes in the larger economic picture. Improved communications and customer service will better stimulate new business activity and promote greater understanding of development issues in the region. The region should work toward a development review process that is -- and is seen -- as fair, predictable, and efficient as possible. Improved efficiency in regional economic development and in business support services will assure more optimal use of available resources.

Proposed Action Steps:

1. Develop a comprehensive inventory of economic development and related support services in the region (ST and On-going).
2. Identify gaps in critical economic development and business support services, and design steps to address any gaps or inconsistencies (ST and On-going).
3. Develop an effective communications and marketing plan—utilizing a variety of print and electronic media—to elevate public and business awareness in the region (ST).
4. Implement the communications and marketing plan (ST and On-going).
5. Design and develop a region-wide, applicant-friendly approach to permitting and development review in the county (ST and On-going).
6. Create a “virtual” development process clearinghouse housed at and coordinated by the BCIC to proactively expedite strategic economic development projects in key regional dollar-importing sectors. (ST and On-going).
7. Strengthen support for regional firms wishing to exploit strategic international trade opportunities (IT and On-going).
8. Pursue relevant community precedents elsewhere for stimulating economic development (in key Bennington County industries) by enhancing quality of life (IT and On-going).

Strategy #2--Target Strategic Jobs Sectors

Strengthen regional business support services and promotion of quality jobs through business retention, recruitment, and incubation that target strategic industry sectors.

Overview

Business expansion, job retention, and highly targeted, strategic business recruitment are all important components of a successful economic development strategy. All are crucial elements of a comprehensive jobs strategy that will promote the further diversification of the regional economy and will be an important part of securing the annual job growth target of the plan.

This over-arching strategic approach would include a mix of short-term and long-term initiatives utilizing the region’s economic development strengths-assets such as its superior “quality of life” in specific ways. This strategy would also seek to fully leverage those strengths-assets to find new strategic industry sectors that are not presently in the region but have similar competitiveness needs- attributes as the keys to their competitive success.

Design and implement an aggressive and targeted jobs-promotion program focused on regional economic driver sectors and existing significant regional employers. Ideally, this strategy would: (1) work aggressively to retain the existing regional job base through the provision of strategic trouble-shooting services and advocacy with local, regional, and state institutions, (2) provide technical assistance services to key regional employers and entrepreneurs looking to expand or start up new businesses, and (3) develop and implement a strategic recruitment program that builds on the region’s current

assets and simultaneously identifies and pursues the best future recruitment opportunities to help further diversify the Bennington County economy.

Recommended Action Steps:

The proposed action steps are divided into three general areas: A. Retention/Expansion; and B. Recruitment, and C. Strategic Incubation.

Area A: Retention/Expansion

1. Strengthen BCIC's contact-visit program and present the key industry marketing message "story" to at least 10 candidate companies in the respective key industries (ST).
2. Work with the regional marketing organization, the area chambers of commerce, and the Bennington County School and Workforce Partnership to implement communications activities in the region to promote retention and enhancement of the quality of life systematically and in an institutionalized fashion (IT and On-going).

B. Recruitment

1. Broaden regional CEO involvement in expansion and recruitment efforts in the region by developing a network of CEO-level executives (ST and On-going).
2. Refine the functional profile of the key regional economic driver industries and develop a full marketing message for each sector (ST and On-going).
3. Compile or expand prospect company target lists for each target cluster through secondary research, screening for time horizon, i.e., short, medium, and long terms (ST).
4. Coordinate the development of business incubation (or incubators) in the region to encourage entrepreneurial activity and new business development in cooperation with strategic partners (IT and On-going).

Area B: Strategic Incubation

1. Obtain a commitment among BCIC and relevant private entrepreneurs to improve coordination, information sharing, and strategic planning among business incubators centered on the key economic drivers in the region (ST and On-going).
2. Actively support advancement of the Bennington Microtechnology Center (BMC) project in Bennington and development of the microsystems industry generally in Bennington County (ST and On-going).
3. Facilitate initiation of a second ambitious incubator-type project in the Northshire targeting another—or a related—key sector (IT and On-going).

Strategy #3--Improve Workforce Development and Training

Strengthen the workforce development system and improve education and training, thereby expanding the skills and knowledge that support livable wages and a high-performance regional economy.

Overview

A globally competitive regional economy absolutely requires advanced skills and a spirited work ethic. Progressive workforce development, training, and education must therefore constitute a top economic development priority in Bennington County. The urgency of this priority must be widely promoted in the community. Business, education, and public leaders must be convinced of its rationale. And, they must be rallied to support the existing structure in place to facilitate workforce education and training, and strategic workforce development planning and activities; namely, the Bennington County School and Workforce Partnership (SWP), which is the area's official workforce investment board (or WIB).

Expanded support and resources for the SWP are essential to improving the skills and knowledge development and employee placement that will better meet the needs of the region's current and prospective "economic drivers." Actions should be focused on specific steps to assure that the required skills sets and work readiness skills, including work ethic, are widely available to regional businesses for the county's existing and future workforce.

The SWP, reinforced by the findings of this report, has identified three key work force needs in the region that reflect deficiencies in both "quantity" and "quality". First, the lack of locally available highly skilled workers in the region's key dollar-importing sectors—and in supporting industry sectors as well—poses a serious challenge to actual and potential Bennington County businesses. Second, the workforce overall does not have the strong math, science, and technology skills require to support the growth of many key economic driver sectors. Finally, worker quality is a problem among rank and file younger workers with few specialized skills. This segment of workers often lack adequate basic skills in reading and math, as well as the "soft" skills that form the basis for quality employees. Therefore, aggressively addressing these gaps will be critical to the competitiveness of the county's existing base of key industries and to the region's ability to diversify its job base.

As with Strategy #2 above, this strategy is broken down into three strategy sub-components: (1) Steps to Strengthen Workforce Development Planning and Coordination, (2) Steps to Strengthen Training and Education, and (3) Steps to Strengthen Community Climate.

Recommended Action Steps⁶:

Area A: Steps to Strengthen Workforce Development Planning and Coordination

1. Secure resources that will enable The Bennington County School and Workforce Partnership (SWP) to update the Bennington County School and Workforce Training and Education Plan with specific attention to the competitive needs of the region's economic-driver sectors and the region's promising sectors (ST and On-going).
2. Evaluate the efficacy or re-mapping the strategic sectors and re-organize (ST).
3. If desired, complete the process of updating the work force needs associated with those strategic sectors (ST and On-going).
4. Revise the SWP's Career Development Framework to highlight needed soft skills (ST and On-going).
5. Facilitate the development of teacher externships (ST and On-going).
6. Facilitate development of customer service/service excellence workshops for teachers (ST and On-going).
7. Work with SBDC and other providers to cooperatively develop and aggressively market up-to-date entrepreneurial skills development (IT and On-going).
8. Better inform area employers regarding existing county, regional, and state level training and education programs (IT and On-going).
9. Encourage employers and employees to make better use of area firms' tuition reimbursement programs (IT and On-going).
10. Encourage countywide collaboration on employee recruitment and skill development efforts such as the current RN recruitment task force in health care (IT and On-going).
11. Sponsor periodic employer/educator forums (IT, and On-going).
12. Market the career guidance resources in Bennington County, (IT and On-going).
13. Working with regional partners, design (including the determination of the "best host location") and implement a Web-based labor market information clearing house (IT and On-going).
14. Strengthen DET's one-stop shop capabilities and its capacity to do employee placement for more employers and for more higher-end positions (IT and On-going).

Area B: Steps to Strengthen Training and Education

1. Expand the capacity of the Learning Institute and the Southwest Vermont Career Development Center (ST and On-going).
2. Expand secondary and post secondary educational programs in the region (IT and On-going).
3. Explore distance learning options and/or collaborations for the region with post-secondary institutions such as UVM or Champlain College (IT and On-going).
4. Implement programs in K-12 education, with strong employer involvement, that insure students develop the basic "work readiness" or "soft" skills (IT and On-going).

⁶ The recommendations in this strategy are adapted from recommendations in the SWP's 1998 Bennington County Education and Training plan and from the findings of the Steering Committee's assessment report.

5. Expand student experience-based and-work-based learning opportunities (IT and On-going).

Area C: Steps to Enhance Community Climate

1. Continue the regional marketing campaign to promote a culture of life-long learning as a top valued priority (ST and On-going).
2. Expand social, cultural, and athletic opportunities for youth and young adult workers (IT and On-going).

Strategy #4--Enhance the readiness of Critical Infrastructure

Strengthen physical infrastructure, especially transportation, telecommunications, and inventory of available buildings and serviced sites to support quality economic development projects. Include enhanced brownfields redevelopment and day care, and promulgation of a Comprehensive Economic Development Strategy (CEDS) per the requirements of the U.S. Department of Commerce's Economic Development Administration requirements.

Overview

Build and maintain the needed regional infrastructure to support the development of a high performance regional economy in Bennington County. The availability of high-quality infrastructure to move things, people, and information into and out of the region is essential to attracting and retaining a diverse base of globally competitive businesses in the region. This is especially true if regional businesses—especially those in the region's present and future mix of key dollar-importing businesses—are going to be able to effectively compete on the world stage from the relatively geographically remote⁷ location of Bennington County, *Vermont, USA*.

Proposed Action Steps:

1. **[Overall]** Complete a comprehensive inventory of the region's key economic development and other related business-support infrastructures (ST and On-going).
2. **[Overall]** Identify gaps in needed economic development and business support infrastructure and design regional strategies-steps to address any gaps or deficiencies (ST and On-going).
3. **[Overall]** Develop a communications strategy to communicate effectively supporting the importance of developing and maintaining critical area infrastructure assets. Update this strategy periodically (ST and On-going).
4. **[Overall]** Develop and implement proactive measures to assure that there is an adequate inventory of available sites to meet the economic development needs of the strategic economic driver sectors (ST and On-going).

⁷ That is, remote from the growing final consumer markets in the Southeast and Western portions of the United States, Asia, and Latin America.

5. **[Transportation]** Continue to emphasize the development of a “multi-modal” system to address all of the needs in the Bennington County region and surrounding areas (LT).
6. **[Highways]** Construct and open Phases I and II of 279 in Bennington as close together as possible (ideally concurrently) with consideration to improvements at Kocher and Northside Drive. Complete Phase III (third leg) as originally planned to ensure an effective and efficient system for destination and through traffic (LT).
7. **[Air]** Improve ground transportation connections to Albany and other international airports (LT).
8. **[Rail]** Pursue improvements necessary to restore effective passenger and freight rail service in the region (LT and On-going).
9. **[Public Transit]** Develop a transportation intermodal center in Bennington and coordinate transit related services (LT and On-going).
10. **[Scenic Byways]** Continue to develop the program (and marketing strategies) for the “Molly Stark Byway” along VT 9. in conjunction with the Windham Regional Commission (LT).
11. **[Welcome Center]** As part of the overall strategy as an “Information and Welcoming Port of Call” in Southwest Vermont, ensure a timely completion of the Vermont Welcome Center in conjunction with access from new Rt. 279 (IT).
12. **[Telecommunications]** Given the county’s generally remote location, a world-class telecommunication system is essential to regional competitiveness. Conduct periodic performance audits of the availability and pricing of deployed services (roughly every three years) (IT, LT).
13. **[Telecommunications]** Take an active role in PSB licensing of service providers to assure the quality of services and coverage that are at least as effective as other regions and states (LT).
14. **[Telecommunications]** Identify clusters and hubs of businesses and industries as “cyber districts” to target wireless Internet investment in “hot zones” (IT and On-going).
15. **[Telecommunications]** Retain professional services to prepare a coverage study (area rings) similar to industry standards, as required for deploying PCS service. Complete the study by July, 2004 (ST).
16. **[Telecommunications]** Actively work to enhance cellular phone coverage and connection quality, and develop a telecommunications strategy for the region to go “wireless” within the next 5-10 years (ST and On-going).
17. **[Web Sites]** Facilitate improvement of the region’s public and non-profit websites so that they serve more effectively as portals to communicate and market regional strengths and business support services (ST and On-going).
18. **[Web Sites]** Retain professional services to prepare a coverage study (area rings) similar to industry standards, as required for deploying PCS service. The focus will be in the central part of the Bennington County region to avoid gaps in serve and expand PCS broadband and other cellular services. Work with interested providers/carriers for deployment (ST and On-going).
19. **[Web Sites]** Upgrade regional Web sites and Web applications to better serving the area’s businesses, citizens, agencies, non-profit organizations, and overall economic competitiveness (ST and On-going).

20. **[Energy]** Actively support measures to assure and improve the adequacy and affordability of regional energy resources, especially electricity infrastructure, quality, and price competitiveness and infrastructure (IT and On-going).
21. **[Energy]** Investigate opportunities for the development of renewable energy and related technologies in the county and encourage community dialogue on this issue (IT and On-going).
22. **[Buildings and Serviced Sites]** Develop the available readiness and supply inventory of sites and buildings appropriate for microsystems businesses and for other identified key industries—with supporting infrastructure and zoning (IT and On-going).
23. **[Buildings and Serviced Sites]** Develop and promote a brownfields program in the Bennington County region (ST and On-going).
24. **[Priority Infrastructure Projects—CEDs/EDA]** Develop and seek EDA approval of a Comprehensive Economic Development Strategy (CEDs) including eligible infrastructure projects using this Regional Economic Strategy, 2004 as a foundation document (IT and On-going).
25. **[Priority Infrastructure Projects—CEDs/EDA]** Develop a candidate project list and rank projects relative to need, benefit, and overall economic contribution based on the criteria developed. Develop “ready to go” applications for eligible projects and qualifying criteria for successful projects (IT and On-going).
26. **[Childcare]** Support and develop a first rate early education and childcare services and facilities in the region (ST and On-going).

Strategy #5--Strengthen housing supply and choice in the region.

Working with regional and state partners, the regional economic development services providers and the BCRPC will work cooperatively and aggressively to improve the living environment in the region by increasing the number of housing options available for the incumbent and future regional work force.

Overview

High performance regional economies are also known for their commitment to a high quality of life in their region. Access to affordable housing is a key aspect to quality of life, and in recent times has become an increasingly important part of attracting and retaining a capable regional work force. Having a “ready and able” work force with the proper skills sets for the regional economy was identified as a major concern for the region’s key, economic driver sectors.

Housing supply and choice for employees is a critical component to achieving many of the economic strategies. Employers report that they cannot attract and keep employees in a constrained housing market. It further limits the ability to market the Bennington County region as a place to “live” and work. Housing must be available for all income levels. There is a disparity for the middle and low-income households where wages are insufficient to cover the growing cost of housing. Lack of housing and reasonably priced housing has a direct impact on the bottom line of businesses—that is, the cost of doing business in the Bennington County region.

Proposed Action Steps:

1. **[Needs Assessment]** BCIC and BCRC will take an initial leadership role to establish a broadly represented Housing Task Force that will identify and facilitate action to address housing concerns raised in this assessment (ST and On-going).
2. **[Project Definition/Development]** BCRC and BCIC will, in conjunction with the Housing Task Force, convene meetings with state and federal agencies and other providers to focus on how to increase production of new homes at various levels of price and affordability including single and multiple family dwellings (ST and On-going)
3. **[Funding Support]** BCRC and BCIC will work to secure funding to prepare a housing need analysis, which will identify existing and projected needs and recommendations to expand the supply of housing in the region and towns (IT and On-going).
4. **[Municipal Outreach]** Meet with municipal planning commissions and local officials to discuss housing needs (ST and On-going).
5. **[Policy Assessment]** BCRC will undertake to a region-wide assessment of regulatory and policy constraints that negatively impact the supply of new housing (IT and On-going).
6. **[ID/Recommend “Best Practices” Approaches]** BCRC and BCIC will work cooperatively to inventory and recommend “best practices” approaches—such as flexible zoning provisions—to encourage affordable and market rate housing (IT and On-going).
7. **[Public Education of Model Approaches]** Working with the Housing Task Force, will identify characteristics and locations for model projects that meet the region’s economic development needs (IT and On-going).
8. **[Site Inventory]** BCRC will identify areas and sites with the potential for housing projects including land availability, infrastructure cost, planning/zoning, and seek community support (IT and On-going).
9. **[Feasibility Analysis]** BCRC will work with the Housing Task Force to conduct preliminary feasibility analyses, site assessments, and other needs assessments and contingency plans for selected feasible sites (IT and On-going).
10. **[Technical Assistance]** BCRC and BCIC will provide developer assistance and support for obtaining required permits and other approvals for targeted projects (ST and On-going)

Strategy #6—Facilitate Access to Affordable Early Stage and Equity Capital

Build regional capacity to help regional businesses/projects gain access to sufficient sources of equity and debt capital⁸ to adequately fund the expansion, development, and redevelopment of regional businesses.

Overview

The strategy steering committee identified access to adequate and affordable sources of debt capital and equity capital as a problem area in the ED project development process. The steering committee noted that the lack of affordable, “early-stage” financing options was a particular problem issue for regional entrepreneurs. Further, although this was identified as a regional problem, the steering committee also recognized this was typical for many regions throughout the State, and was not an issue that was specific to the county.

Even so, the region needs to develop a strategy to work cooperatively with existing state and national equity and debt capital structures/institutions to develop improved regional access to investment funds, “angel investor” networks, and other forms of financing (e.g. federal grants, etc.) to assist in the development of regional businesses in existing and emerging key business sectors.

Recommended Action Steps:

1. **[Environmental Scan]** Work with state partners such as the state Small Business Development Center and the Vermont Economic Development Authority (VEDA) to complete an assessment of recent legislative and program developments (ST).
2. **[Build Capacity]** Facilitate creation of a Bennington County Debt-Equity Capital Access Task Force” and hold an initial organizational task force meeting to lay out a 360 day work plan (ST and On-going).
3. **[Basic Research]** Complete basic research to understand the current status, the ability to access, and the requirements for accessing current sources of equity and early-stage debt financing in the region (ST and On-going).
4. **[Establish Regional Links]** Establish direct regional linkages to those capital sources and publish those linkages on the BCIC web site (ST and On-going).
5. **[Regional Links]** Periodically update, but not less than every 180 days (On-going).
6. **[Establish Regional Links]** Develop knowledge and “know-how” for raising and/or gaining access to early-stage capital sources within the region (IT and On-going).
7. **[Establish Regional Links]** Use the Task Force in a.1. above to develop an inventory of available “early stage” funds in the northeast U.S. (IT and On-going).

⁸ It is expected the focus would be on early-stage equity and non-traditional debt capital so that competition with existing financial institutions already in the Bennington County region is minimized. It is hoped that action steps developed under this strategy will be helpful in encouraging VEDA (with its new program charge from the 2003 Jobs Bill) and financial institutions in the region to participate in this process to potentially expand their regional financing role into non-traditional forms of debt capital lending (e.g. mezzanine capital) and other “early stage” debt capital lending programs/activities.

8. **[Establish Regional Links]** Make initial contacts with those funds and sources-networks to develop a regional understanding of the “deal requirements” (IT and On-going).
9. **[Build Regional Capacity]** Utilize the Task Force in a.1. above to develop a regional inventory of “angel” investors loyal to the region (IT, LT, and On-going).
10. **[Estimate Regional Deal Flow]** Identify total dollar amount of early-stage funding needs by type for both equity capital and “early-stage” debt capital categories (ST and On-going).
11. **[Estimate Regional Deal Flow]** Update not less than every 180 days (On-going).
12. **[Develop Local Buy-Out Options]** Develop a strategic approach for developing attractive regional “buy-out” options for Bennington County’s entrepreneurs (ST and On-going).
13. **[Develop Local Buy-Out Options]** Use the Task Force established in a.1. above to conduct a targeted business visitation program to identify “at risk” regional businesses in this regard (ST and On-going).
14. **[Develop Local Buy-Out Options]** Task Force established in a.1. above to conduct a targeted business visitation program to identify “at risk” of major regional businesses that are not in key dollar-importing sectors but are important major employers (IT and On-going).
15. **[Develop Local Buy-Out Options]** Identify range of “capital options” that could be used as an option for the region for such “buy-outs” (IT and On-going).
16. **[Develop Local Buy-Out Options]** Expand the initial “angel investor inventory” to include high income-high net worth individuals in the New England region that do not typically fund start-ups, but still may be potential participants as “buy-out” investors⁹ in the Bennington County region (IT and On-going).

⁹ These may include “high net worth-high income” residents of the area that are committed to helping the preserve the economic well-being and quality of life in the region—for whatever reason.