BRATTLEBORO DEVELOPMENT CREDIT CORPORATION

REPORT

SeVEDS
Advancing Southern Vermont

Brattleboro Economic Update

November 2019

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BDCC | SeVEDS

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This economic overview has been prepared by Southeastern Vermont Economic Development Strategies, by Brattleboro Development Credit Corporation staff at the request of the Brattleboro Selectboard.

All data used in this report is from publicly available state or federal government sources. For more detail on any of the topics covered please refer to:

- The Vermont Department of Health
- The Vermont Department of Labor (vtlmi.org)
- The Bureau of Labor Statistics
- U.S. Census and American Community Survey
- Windham Regional Commission

The Town of Brattleboro may benefit from additional analysis regarding long-term changes in sources of tax revenue, and changes in subsidy from outside sources particularly state and federal funding for infrastructure. We encourage efforts to increase understanding among local decision-makers and residents of long-term of cost-drivers which include changing demographics and services, as well as changing needs and expectations. From steady inflation, to new regulations, municipalities create budgets and plans based on factors which range from largely knowable to extremely variable, but they must plan nonetheless. This report provides an array of baseline information to inform such discussion, but by no means represents the full range of analysis and scenarios which must be thoughtfully considered in order to effectively steward the resources of this or any community.

Southeastern Vermont Economic Development Strategies

Since 2011 the grassroots organization, Southeastern Vermont Economic Development Strategies (SeVEDS) has conducted research, education, organizing, and planning to increase the ability of southeastern Vermont communities and leaders to understand and respond to long-term economic challenges. SeVEDS is an affiliated entity of Brattleboro Development Credit Corporation (BDCC) which has enabled the Windham region to leverage modest state investment in economic and community development in order to generate the research, planning, and programs necessary for a proactive approach to rural regional economic development.

SeVEDS helps the 27 communities of the Windham region by:

- Leading the development of the five-year plan, the 2019 Southern Vermont Comprehensive Economic Development Strategies (CEDS);
- Helping community leaders better understand economic conditions and economic development - through BDCC staff visiting town Selectboards, running small conferences, hosting the annual Southern Vermont Economy Summit, and hundreds of other small group and individual meetings per year;
- Designing, identifying, and promoting regional projects via the annual CEDS project process;
- Fostering partnerships to advance CEDS goals, including business and workforce development;
- Implementing programs and projects through BDCC staffing and initiatives; and
- Building grassroots energy and buy-in for economic development.

From 2014 to 2019 the goals outlined in the 2014 Windham CEDS focused on:

- Increasing the size and quality of the labor force;
- Retaining and growing great employers;
- Sectors and employers that can pay above average wages;
- Attracting and retaining workers and young people;
- Wraparound support for entrepreneurs from startup to financing;
- Improving flow of capital into the region – from capital available to businesses, to private investors, to state and federal grant dollars; and
- Recovery from the impacts of Vermont Yankee nuclear power plant closure.

The Windham County Economic Development Program (WCEDP) was the result of SeVEDS research and partnerships with Windham Regional Commission, the Town of Brattleboro and others, which resulted in $10 million for economic recovery plus additional funds for Windham Wood Heat and energy programs. WCEDP is administered through the state, but local partners ensure it's done with our CEDS priorities in mind. The majority of WCEDP grants and funding have been expended in Brattleboro.

Data-driven action has made it possible to attract resources, build capacity, and through hundreds of initiatives both large and small, to make a real difference in the regional economy. From growth in the manufacturing sector to recovery from wages lost to the VY closure, the data in this report illustrates some of the near-term outcomes of the collaborative, strategic, and ambitious approach to creating economic vitality, fostered by SeVEDS.

The 2019 Southern Vermont CEDS goals are simple: strengthen business, support people.

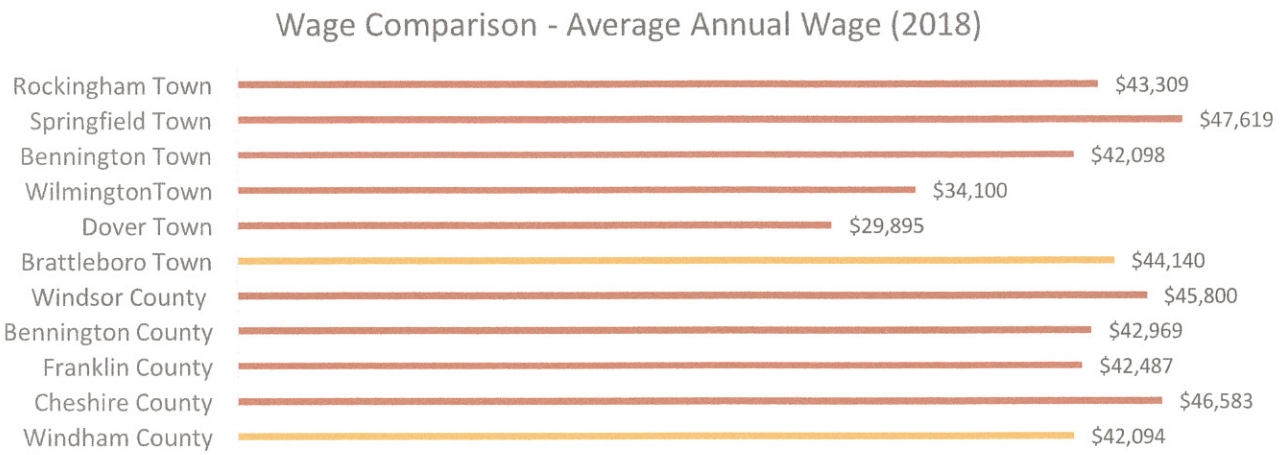
Going forward, economic development work in the region will be guided by the new five-year 2019 Southern Vermont CEDS[i], created in conjunction with our partners in Bennington County. The 2019 CEDS is organized around five objectives:

1) **Increase our Population:** Attract more people to live in southern Vermont, participate in the community and the workforce, and support the business and civic environment.
2) **Improve our Physical Infrastructure:** Make critical infrastructure improvements so southern Vermont is resident and business ready.
3) **Enhance our Social Infrastructure**: Improve the quality of life and stability for residents.
4) **Expand our Business Infrastructure:** Create an environment that will encourage more jobs and opportunities in Southern Vermont.
5) **Develop our Economic Development Capacity:** Enhance the ability for economic development professionals and partners to play a role in implementation.

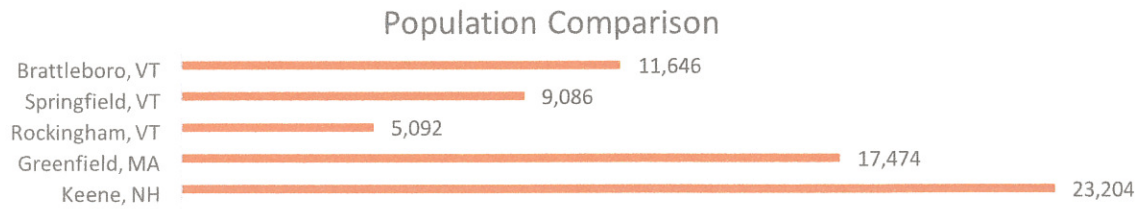
Brattleboro Overview & Regional Context

Brattleboro is the cultural, educational, service, residential, transportation, and economic hub of southeastern Vermont. It is one of several economic hubs the Southern Vermont Economic Zone as designated by the Vermont legislature, which includes both Bennington and Windham Counties as well as the Town of Weston. Brattleboro is also part of a multi-state economic region which shares services, amenities, and workforce with adjacent counties in New Hampshire and Vermont.

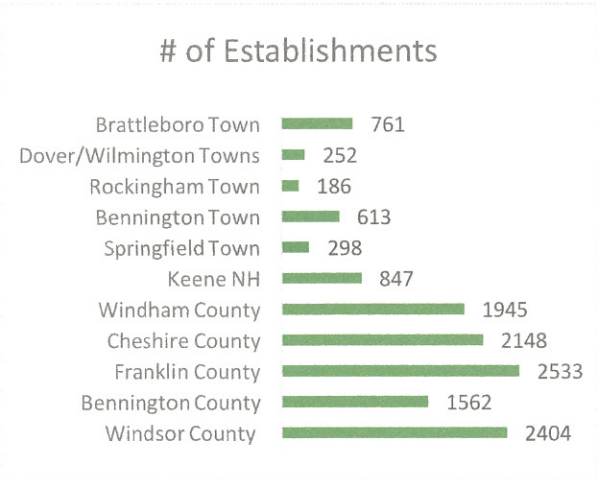
Brattleboro is the largest town in Windham County, but smaller in comparison with other nearby economic hubs that are part of the shared economic region. Brattleboro is home to a large number of establishments which provide employment to residents from all over the region. Wages in Brattleboro are high for the county, but Windham county is below neighboring areas. This difference was identified in the 2014 CEDS, which focused economic development on growing jobs, skills, and employers to close the gap.

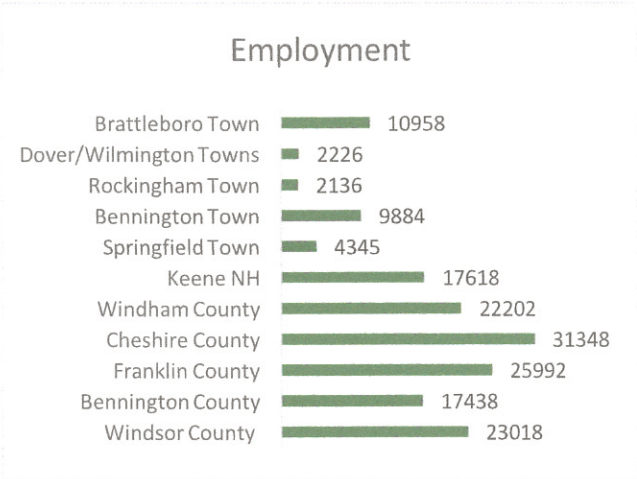


Sources: Vermont Department of Labor Economic and Labor Market Information Tool & Bureau of Labor Statistics Quarterly Census of Employment and Wages



Sources: American Community Survey five year data 2017

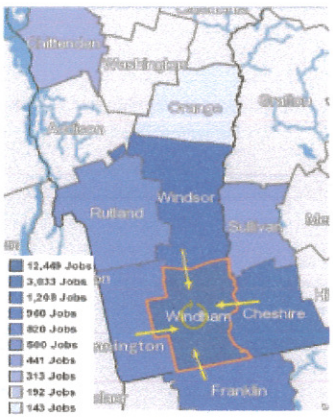




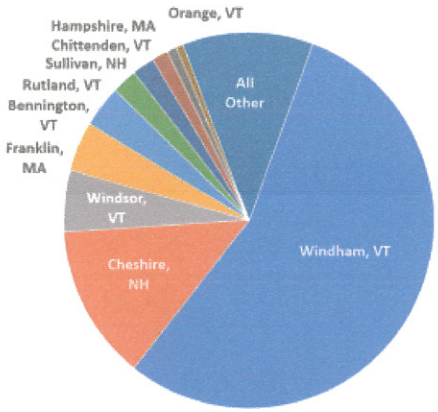
Sources: Vermont Department of Labor Economic and Labor Market Information Tool & Bureau of Labor Statistics Quarterly Census of Employment and Wages

Windham Regional Commission (WRC), the regional planning commission which serves Brattleboro, provides comprehensive and up to date information through their website. They describe Brattleboro as a "regional employment center" where about 30% of the region's residents are employed. Other employment centers are Rockingham and Westminster, Dover and Wilmington in the Deerfield Valley, and Londonderry which provide 19.7% of the regional employment. According to WRC, the remaining 22 towns provide 15% of employment. Using Census OnTheMap, WRC illustrates the dynamics of commuter flows within, in, and out of the region. It shows the large proportion of Windham county residents who leave the region for work, and the large number of people who commute in from adjacent areas: Cheshire County, NH; Franklin County, MA; and Windsor and Bennington Counties, VT.

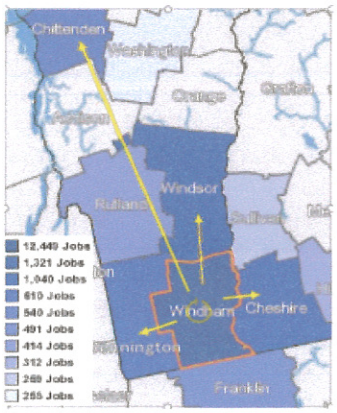
Work in Windham County and Live In or Outside



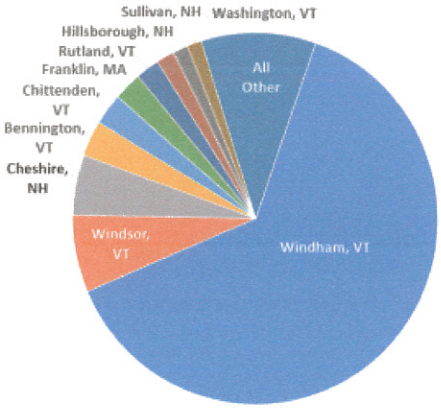
	2015 Count	Share
Work In Windham County	**22,623**	**100.0%**
Top 10 Counties Where they Live		
Windham County, VT	12,449	55.0%
Cheshire County, NH	3,033	13.4%
Windsor County, VT	1,208	5.3%
Franklin County, MA	960	4.2%
Bennington County, VT	820	3.6%
Rutland County, VT	500	2.2%
Sullivan County, NH	441	1.9%
Chittenden County, VT	313	1.4%
Hampshire County, MA	192	0.8%
Orange County, VT	143	0.6%
All Other Locations	2,564	11.3%



Live In Windham County and Work In or Outside



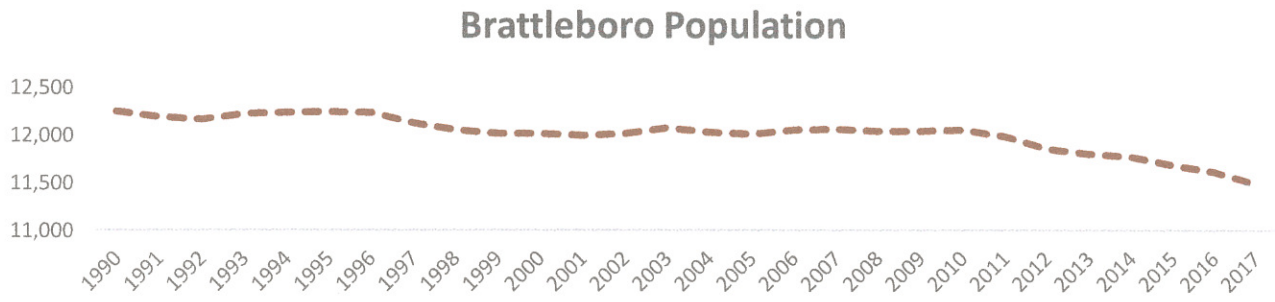
	2015 Count	Share
Live In Windham County	**19,670**	**100.0%**
Top 10 Counties Where they Work		
Windham County, VT	12,449	63.3%
Windsor County, VT	1,321	6.7%
Cheshire County, NH	1,040	5.3%
Bennington County, VT	610	3.1%
Chittenden County, VT	540	2.7%
Franklin County, MA	491	2.5%
Rutland County, VT	414	2.1%
Hillsborough County, NH	312	1.6%
Sullivan County, NH	259	1.3%
Washington County, VT	255	1.3%
All Other Locations	1,979	10.1%



Source: Windham Regional Commission, Census OnTheMap data

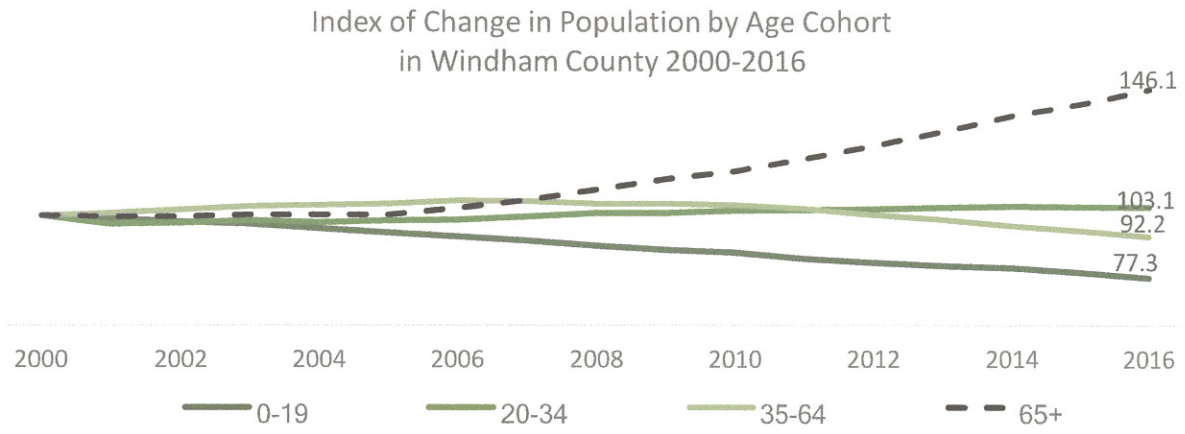
Demographic Overview

The town of Brattleboro is the largest municipality in Windham County, Vermont. The population is estimated today at 11,471 people, the lowest since the 1950s. Brattleboro hit peak population twice in the 20th century; once in 1970 with 12,239 residents and once in 1990 with 12,241. Since 1990 the population has become older on average, with birthrates and school enrollment falling. Absent an increase of in-migration, these trends are expected to continue.



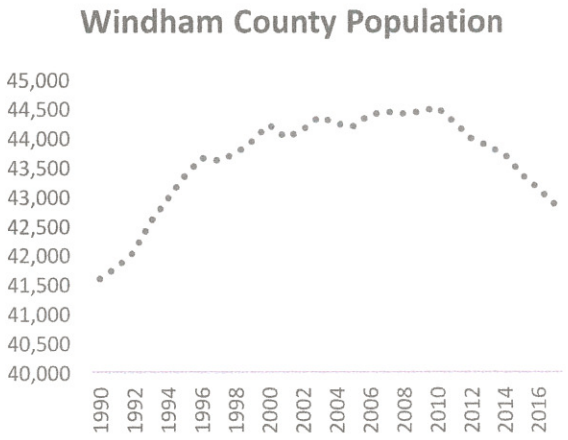
Source: U.S. Census and American Community Survey

Population decline and aging have important implications in terms of understanding future workforce availability, k-12 and post-secondary education planning, childcare demand, housing requirements, and of course changes in the need for various local services.



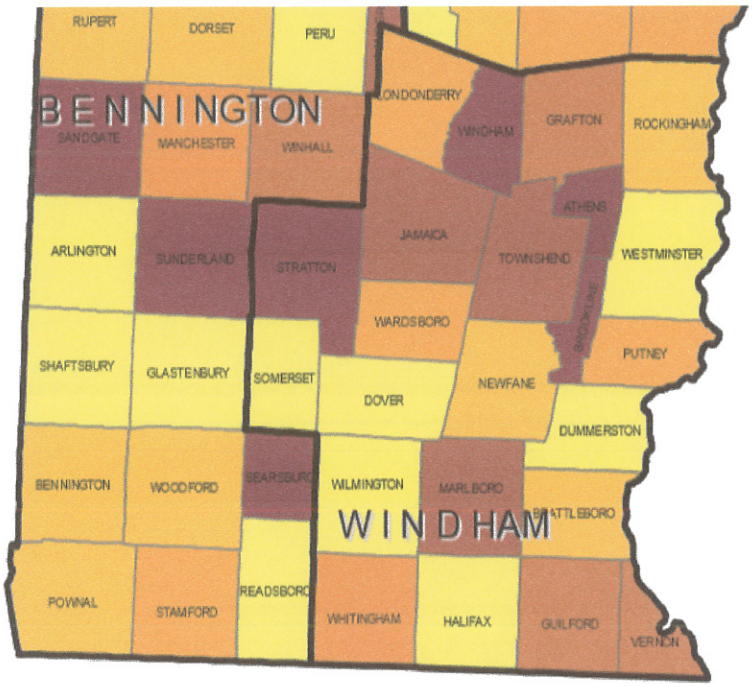
Source: Vermont Department of Labor (Economist, Kevin Stapleton)

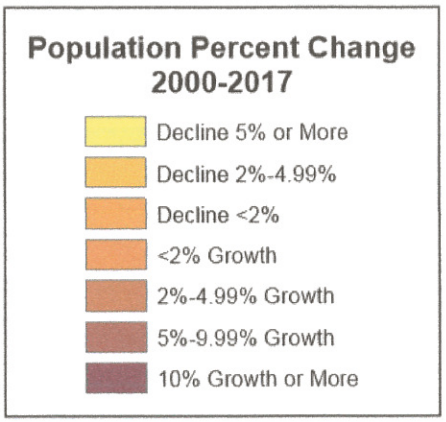
The county's population has been flat or declining slightly—the 2020 census will help establish more clearly what has been happening. But viewing population changes town-by-town we can also see how dynamics at county level can diverge from local experience. In recent years some towns have been losing population, some gaining, and some staying the same. For example, Readsboro, VT had 1,252 residents in 1910, but only 763 in 2010. Conversely, Dummerston had 643 people in 1910 but by 2010 1,864 residents (an all-time high, although in 1810 it was close at 1,704 residents).



Source: Census and American Community Survey

Regional towns have seen various highs and lows based on historic changes in agriculture, manufacturing, demographics, migration, and the national economy. Brattleboro's peak population was a few decades ago, Readsboro's a century ago, Dummerston's today. Many regional residents came to the region during a time of growth in the 1960s through 1990s, one which impacted the entire state and spurred regulatory action to preserve towns, land, and farms. These are examples of experiences and dynamics that create very different local and individual perceptions about growth and change.





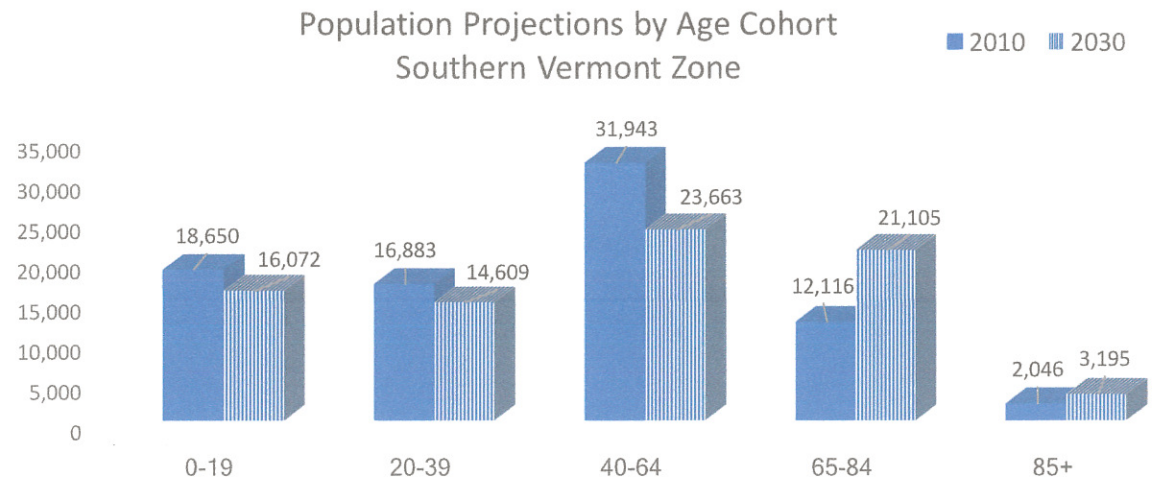
Source: 1Population growth by town 2010-2017 (Source: VT Department of Health)

In 2016 Brattleboro had 96 births, 158 deaths.

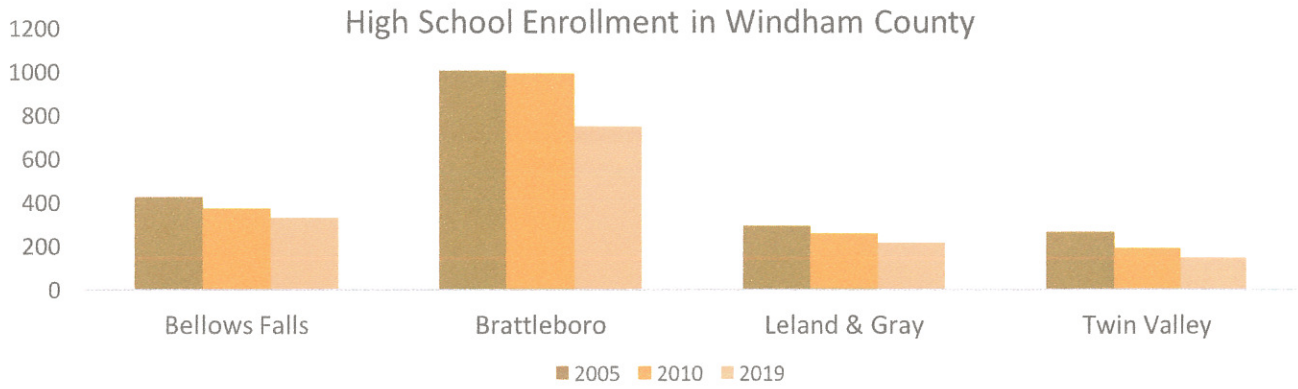
Windham county also had fewer births (347) than deaths (484).

source: VT Department of Health

Population changes have major policy and budget implications. Brattleboro, as home to a large portion of the county's residents, experiences these changes at a larger scale. For instance, while there is a shrinking high school population across all four supervisory districts in Windham County and small schools are deeply affected, the effect of population changes in Brattleboro schools involves a bigger change both as a proportion of the school population and in sheer numbers.

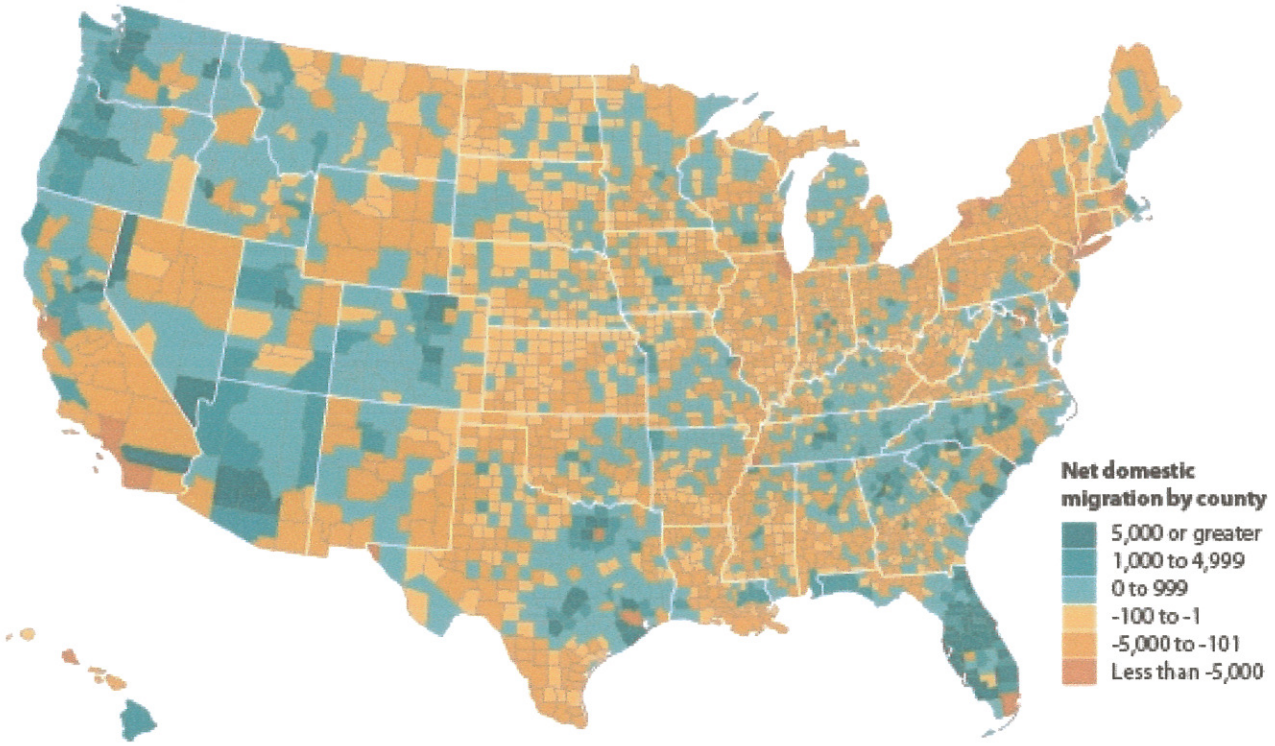


Source: Vermont Agency of Commerce & Community Development, Long Term Population Projections.



Source: VT DOL VTLM (2019 Economic and Demographic Profile Series)

Population challenges facing Brattleboro and other parts of the county typical of the rural US. Yet Brattleboro also finds itself in a very special rural area, within easy reach of several metropolitan economies which is one of the many assets that has long attracted people to visit and live here. Increasingly, national reporting has begun to focus on the high cost of living and low quality of life in major cities. Data has begun to show out-migration of younger workers from major metropolitan areas. State, regional, and local efforts such as Stay-to-Stay and the Diverse Workforce Committee have sought to capitalize on these more recent trends to attract newcomers to the region.



Source: Census On The Move 2015-2016

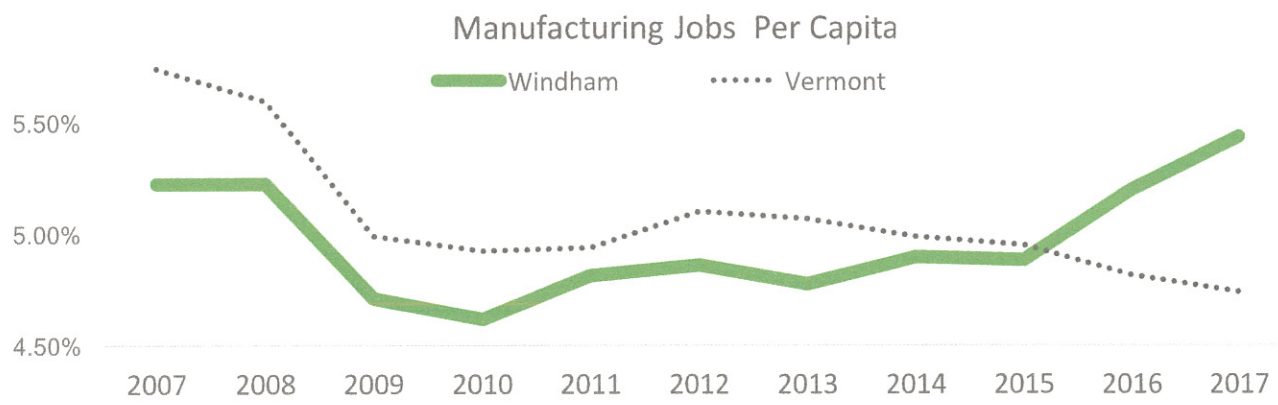
Employment

Brattleboro has 761 establishments where people are employed, 31 of which are in the public sector (local, state or federal government). That number has changed little over the past decade. There are 10,958 jobs in these establishments, 9,784 of which are in the private sector. Employers have created overall job growth of 1.8% since 2009. (source: VT Department of Labor)

However, the employment base has shifted in Brattleboro in ways that reflect national changes; more low-pay and low-skill service jobs and fewer skilled manufacturing jobs at higher wages. However, this region has managed to retain, grow, and start manufacturing firms despite global trends. Brattleboro and Bellows Falls are home to numerous manufacturing companies with unique products and services, representing diverse sub-sectors. As the chart below shows, Brattleboro's manufacturing sector has grown in number of establishments (companies) and job growth, outstripping the statewide performance of this sector.

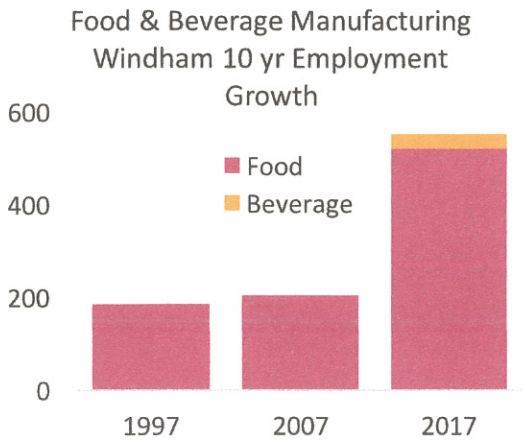
	Establishments		**Employment**		**Avg Wage**	
	2018	% chg from 2009	2018	% chg from 2009	2018	% chg from 2009
Brattleboro - Manufacturing Supersector	46	15	1581	33.4	51025	14.4
Vermont - Manufacturing Supersector	1108	2.8	29827	-4.4	59390	14.6

Source: Vermont Department of Labor VTLMI



Source: Bureau of Labor Statistics Quarterly Census of Employment and Wages (BLS QCEW)

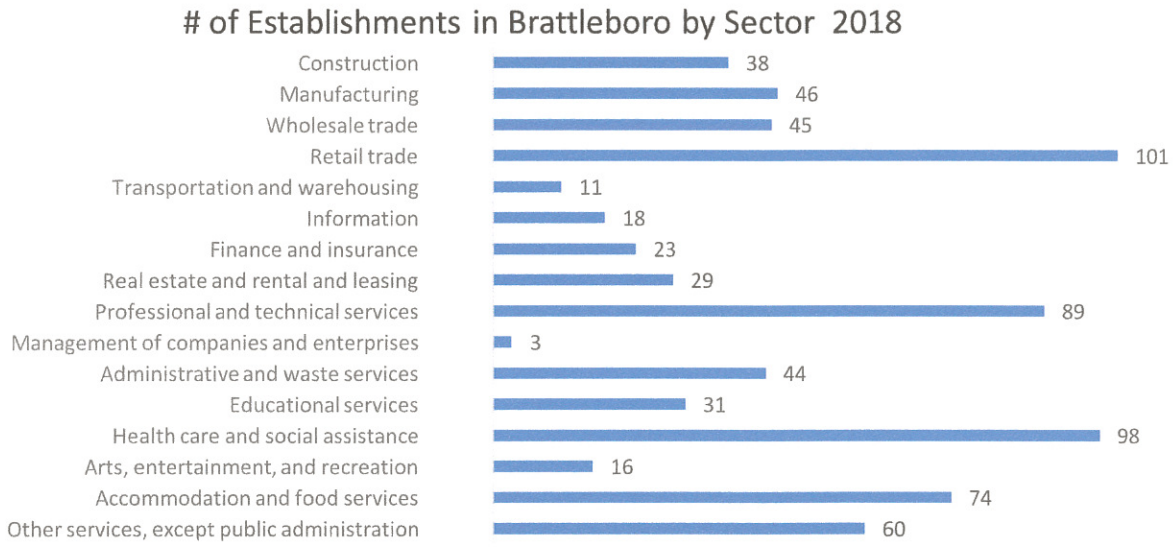
Brattleboro manufacturing sector 10-year wage growth is nearly on par with statewide growth. Sector-level wage growth is a key indicator to track progress towards a major CEDS goal—the gap between Windham wages and those in neighboring regions. Vermont's median hourly wage is $18.23, compared to the nationwide level of $17.81. Southern Vermont's hourly wage is $17.74. To produce economic outcomes that counter negative wage trends in rural areas, this region pursues thoughtful, sustained action and investment across multiple economic sectors. (Source Bureau of Labor Standards OES)



Source: Bureau of Labor Standards QCEW

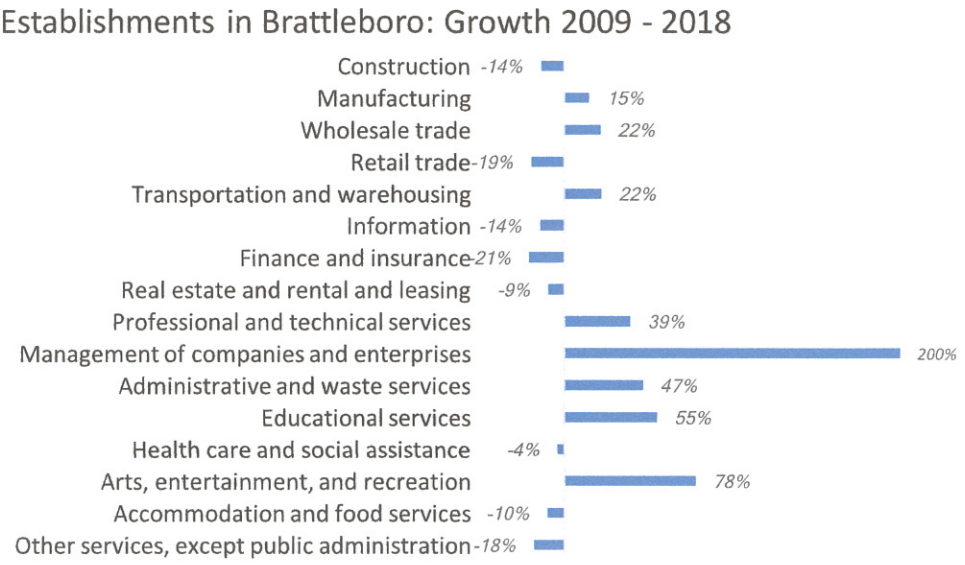
Manufacturing growth in the region, largely in Brattleboro and Bellows Falls, has played a major role in job creation over the past decade. Manufacturing job creation trends in Windham have run contrary to statewide trends. Some of the activity driving growth in this sector is coming out of food and beverage production, which has taken off county-wide. Many if not most of those producers are based in Brattleboro: Commonwealth Dairy, Against the Grain Gourmet, Vermont Bread, Hermit Thrush Brewery, Backroads Granola, and Sidehill Farms to name a few.

The following table shows the kinds of businesses that exist in Brattleboro today.



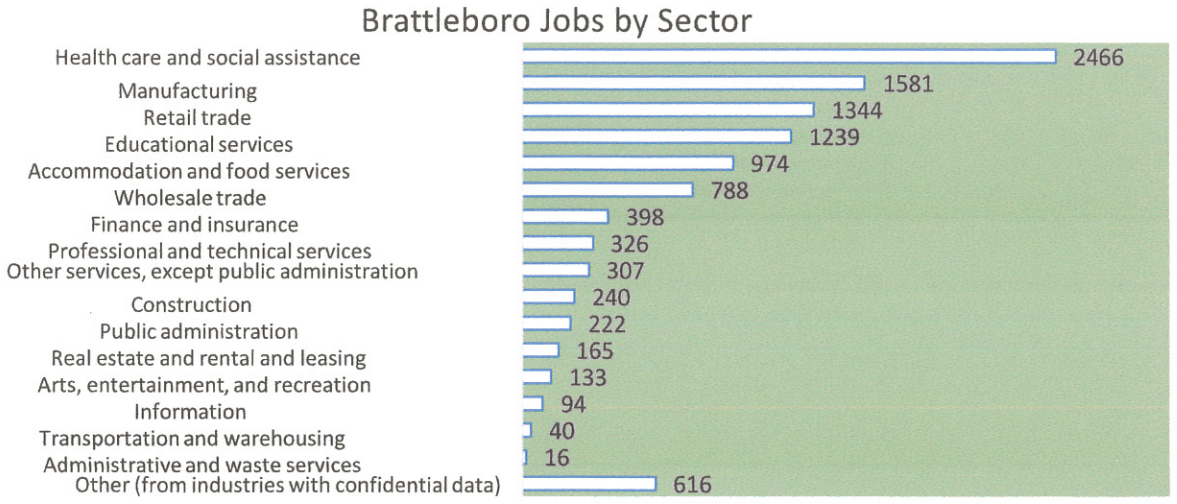
Source: QCEW & Economic and Labor Market Information Division of the Vermont Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

One difficulty in understanding local economies is that only retail and service establishments are highly visible to people. This snapshot of all businesses by type provides a more accurate reflection of the diversity of enterprises contributing to the economy, many of which are tucked away in side streets, upper stories, and business parks. The following chart shows trends affecting the employment base.

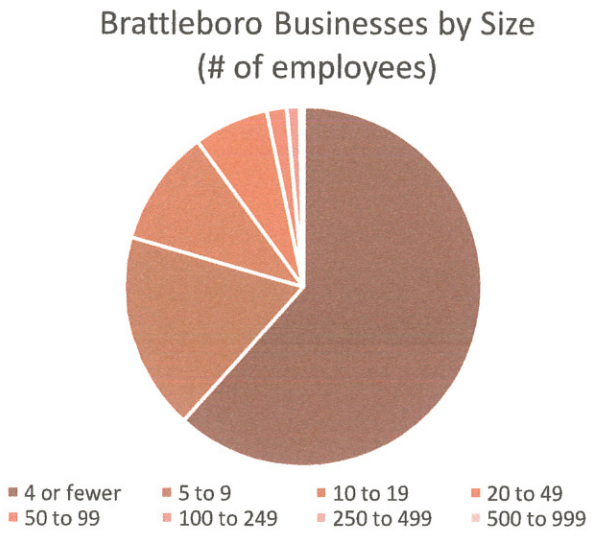


Source: Quarterly Census of Employment and Wages Program (QCEW) produced by the Economic and Labor Market Information Division of the Vermont Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

This breakdown by sector shows jobs provided by both public and private establishments.



Source: Quarterly Census of Employment and Wages Program (QCEW) produced by the Economic and Labor Market Information Division of the Vermont Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.



Source: QCEW, produced by the Economic and Labor Market Information Division of the Vermont Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

As with most of Vermont, Brattleboro's employment base is overwhelmingly made up of small and very small companies. Only three regional employers have 500 employees or more. Another three have 250-499. While most employers are small, the total number of jobs provided by the other 1,069 companies (which have 4 or fewer employees) is totally eclipsed by the quantity of employment provided by the few, largest organizations. Brattleboro's largest employers are in healthcare and manufacturing.

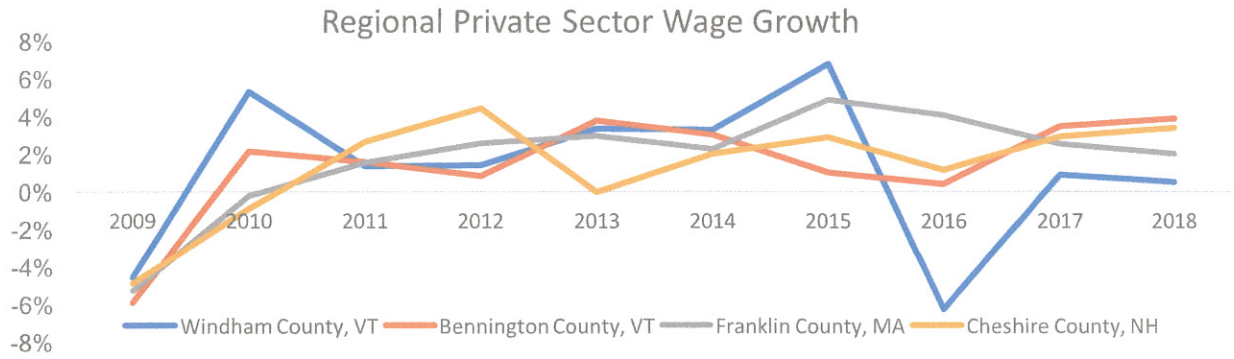
Over-dependence on a very small number of employers for most of the region's jobs can create risk. It creates a challenge for local and regional economic development partners who are trying to work with very different types of organizations. For long-term economic resilience, it is critical to find ways to support all types of businesses and employers. When considering ways in which the Town can foster desired economic and community development at the local level, it is important to use data and information-gathering to inform that desire and balance focus on retention vs new. The data is helpful, but a direct understanding of local companies and their sector provides even more valuable context.

Setting priorities for town-level investment, policy, or regulatory change in order to foster economic development requires alignment with other local values and goals. For instance, certain types of economic activity are beneficial to the community in special ways, such as social responsible businesses or creative economy establishments. Every rural area wants to support the knowledge economy to attract and grow 21st century talent and jobs. Towns can create an environment that makes it possible to foster new growth by first understanding what is working, and what gaps might present new opportunities. But it's important not to lose sight of what is already working, or what is impeding the success of those already here. We cannot afford to lose ground while striving to break new ground.

To aid local understanding of workforce development, BDCC & SeVEDS' Workforce Center of Excellence published a paper entitled "What is a Good Job?". It unpacks the various pathways to opportunity, based on factors including wage growth, potential for on-the-job education and training, sector growth, and growing employment demand due to company growth and employee retirement.[ii]

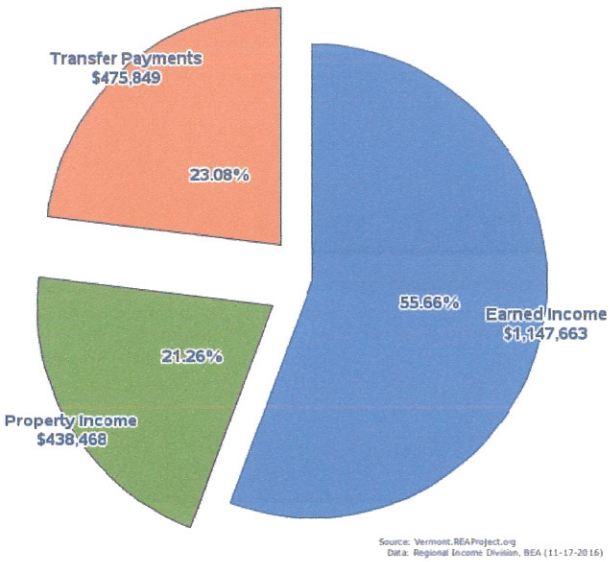
Wages & Income

The average wage of $44,140 is higher in Brattleboro than in the county overall ($42,094), but both are low compared to the average wage for the state of Vermont ($47,639). Coming out of the 2008 recession Windham wage growth was growing relative to neighboring counties, after lagging behind for some time. However, the 2014 Vermont Yankee nuclear power plant closure created a serious setback, dropping Windham wage growth to a position from which recovery is unlikely for another 1-2 years at best. (source Vermont Department of Labor Economic & Labor Market Information)



Source: BLS QCEW

Sources of personal income - Windham Ratio: 0.557



Last year overall wage growth got back on track for the region, with help from the manufacturing sector, after layoffs at Vermont Yankee dramatically reduced utility sector wages and (source VT DOL).

One important factor to note is that regionally (and statewide) about half of household income is not derived from wages. Rather it comes from benefits and entitlements, investment, or other passive sources of income.

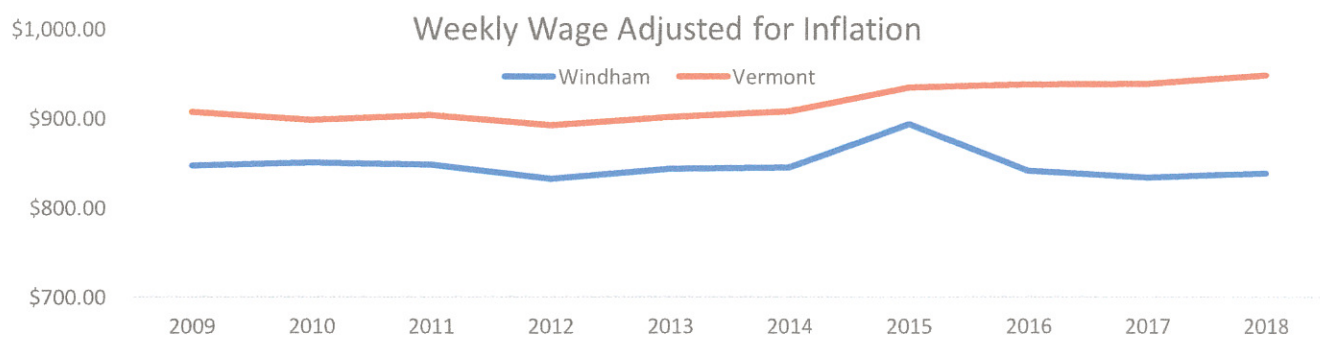
Source: Vermont. REAProject.org | Data: Regional Income Division, BEA (11-17-2016)

Brattleboro Wages by Sector (2018)

Professional and technical services	$65,448
Finance and insurance	$64,350
Wholesale trade	$53,745
Manufacturing	$51,025
Health care and social assistance	$49,487
Construction	$46,988
Real estate and rental and leasing	$43,565
Information	$41,211
Educational services	$36,794
Retail trade	$32,247
Other services, except public administration	$31,395
Accommodation and food services	$19,865
Arts, entertainment, and recreation	$16,791
Transportation and warehousing	*Suppressed due to low # of est.*
Management of companies and enterprises	*Suppressed due to low # of est.*
Administrative and waste services	*Suppressed due to low # of est.*

Source Vermont Department of Labor Economic & Labor Market Information

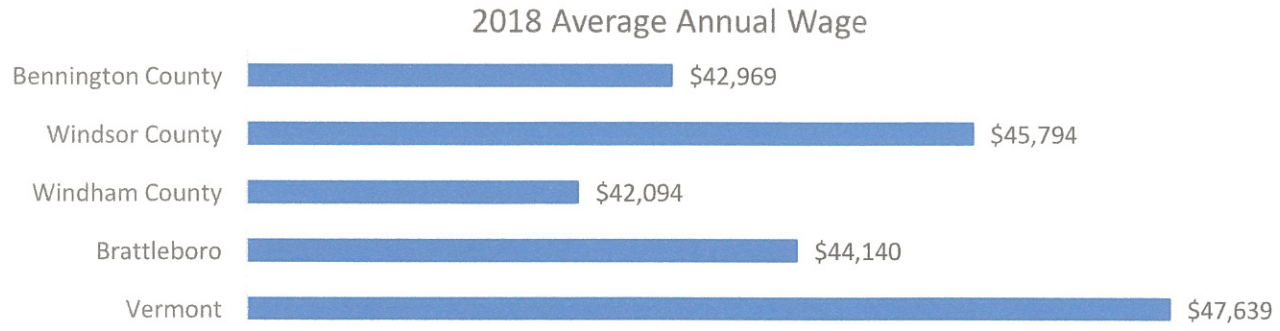
Note the number of suppressed records due to the low number of establishments. One or two very large employers can be missing entirely from local data analysis due to this factor, which can seriously skew attempts to build understanding of economic data at a local level. This is why local officials benefit from gaining direct knowledge of various local businesses and employers.



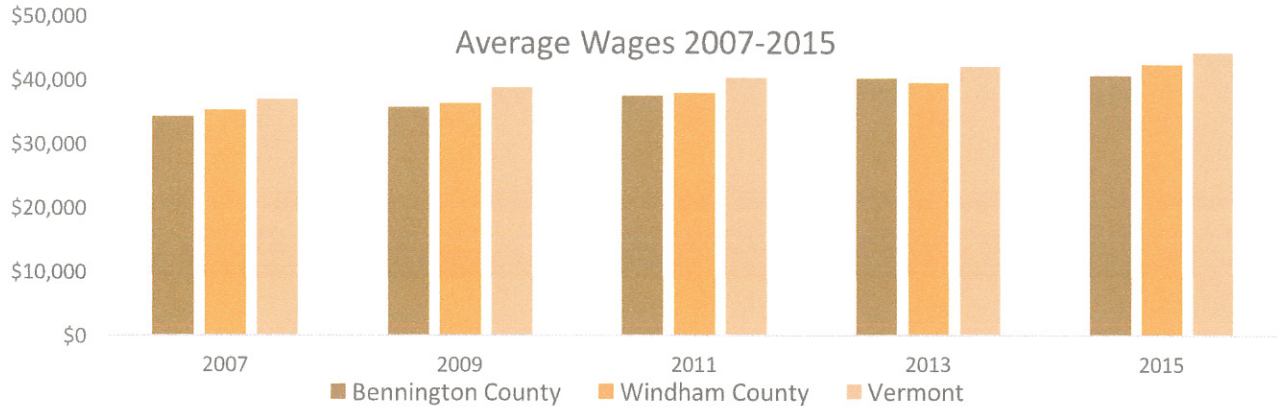
Source: BLS QCEW

The chart on Weekly Wage Adjusted for Inflation includes public sector employment, and thus shows a more positive trend than a previous chart on regional wage growth. Public sector employment is a major source of stability and wages in the region, however it is not from an economic development standpoint an area directly influenced by regional or local efforts, and thus often excluded from data for analysis and planning purposes. Also of note is the regional "bump" in 2015, a phenomenon typical to nuclear plant closures due to special expenditures around that time period, including relocation packages and retention bonuses to maintain necessary personnel throughout the transition.

Adjusted for inflation, the weekly wage earned in Windham County has not kept up with inflation over the past 10 years. In reality, this represents a divergence with some sectors and job categories moving with or ahead of inflation and others, such as service sector jobs, lagging behind. Wage growth in the county lags behind the state and when adjusted for inflation, does not even represent true recovery from the recession. This divergence is even stronger when one compares the Chittenden–Burlington economy with all other areas of Vermont.



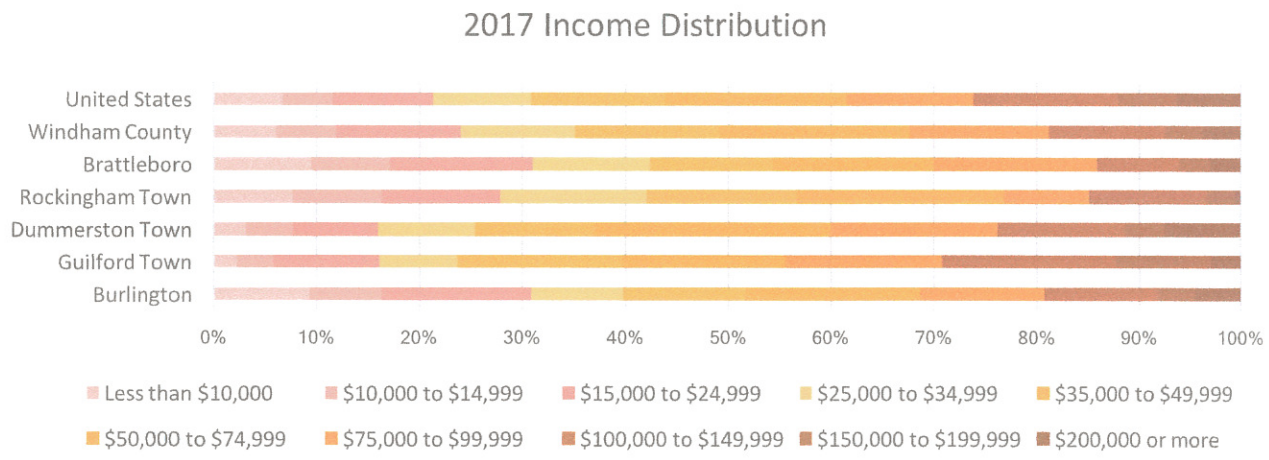
Source: Quarterly Census of Employment and Wages Program (QCEW) produced by the Economic and Labor Market Information Division of the Vermont Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.



Source: QCEW, Economic & Labor Market Information Division of the VT Department of Labor in cooperation with BLS

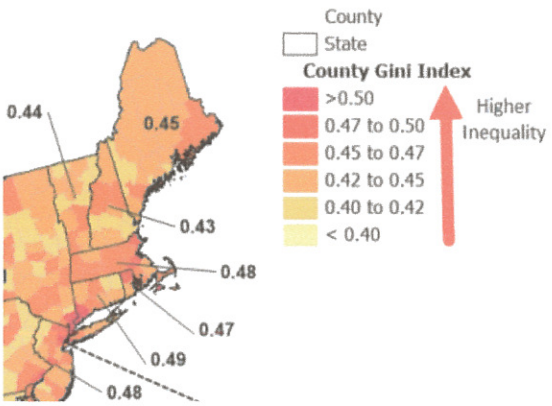
Brattleboro wages are stronger than the county overall. Windham County wages lag behind neighboring Vermont counties, and far behind the state. Brattleboro's positive contribution to regional wage levels is underscored here.

One way to look at the income levels in a community is to analyze the distribution in comparison to benchmarks. Below Brattleboro's income distribution is displayed with the middle four segments in orange to emphasize households living in the range of a single-income livable wage job, through households earning above median but still in a range that for multi-person households would be considered moderate or middle income. The chart below shows Brattleboro in comparison with the county and nation as a whole, some neighboring communities, and Burlington.

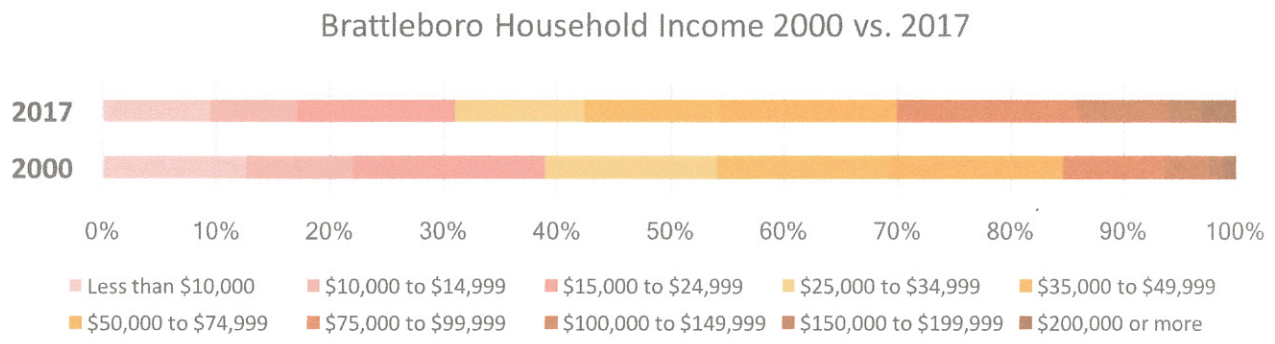


Source: American Community Survey (ACS) 2017 Five Year Data

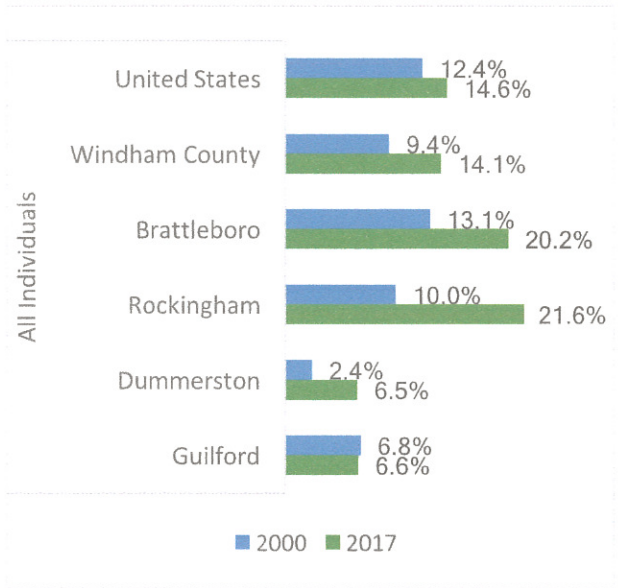
Another way to look at income distribution is to consider what is happening over time. The nation as a whole has experienced growing income inequality, which in this census data can manifest as a shrinking number of households within those moderate to middle income ranges. With so many variables, such as household size, assets (homes, investments) and life stages it's difficult to look at this data and determine exactly how national and statewide trends towards inequality are impacting individuals and the community as a whole. But these distributions correlate with real and perceived resource changes.

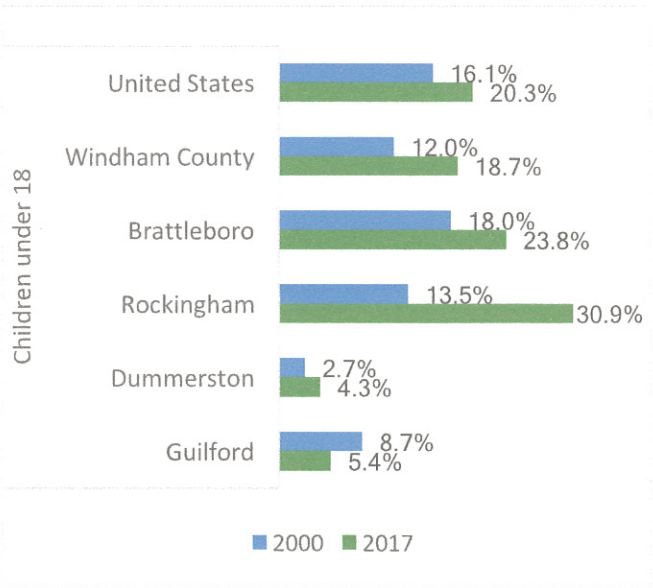


Source: Metricmaps.org retrieved October 31 2019



Finally, data on individuals living in poverty provides a sense of recent changes, and the special role that regional hubs like Brattleboro and Rockingham play as home to many of the county's most vulnerable people. One manifestation of income inequality is the growing share of individuals living in poverty. Of particular concern is the increased proportion of children affected by these economic trends.

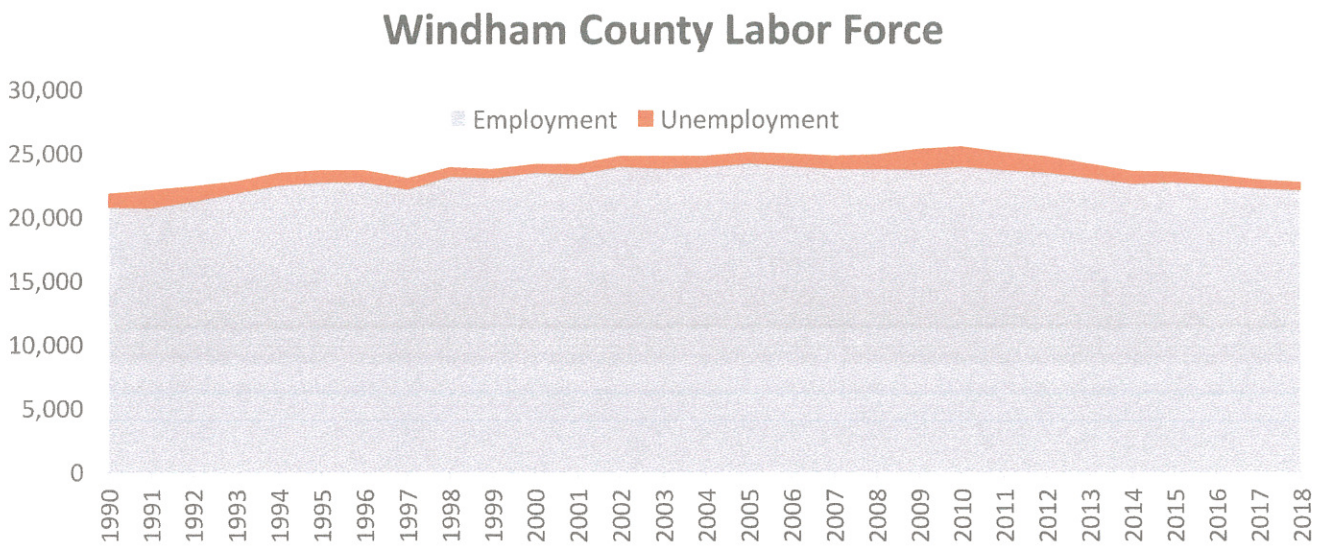




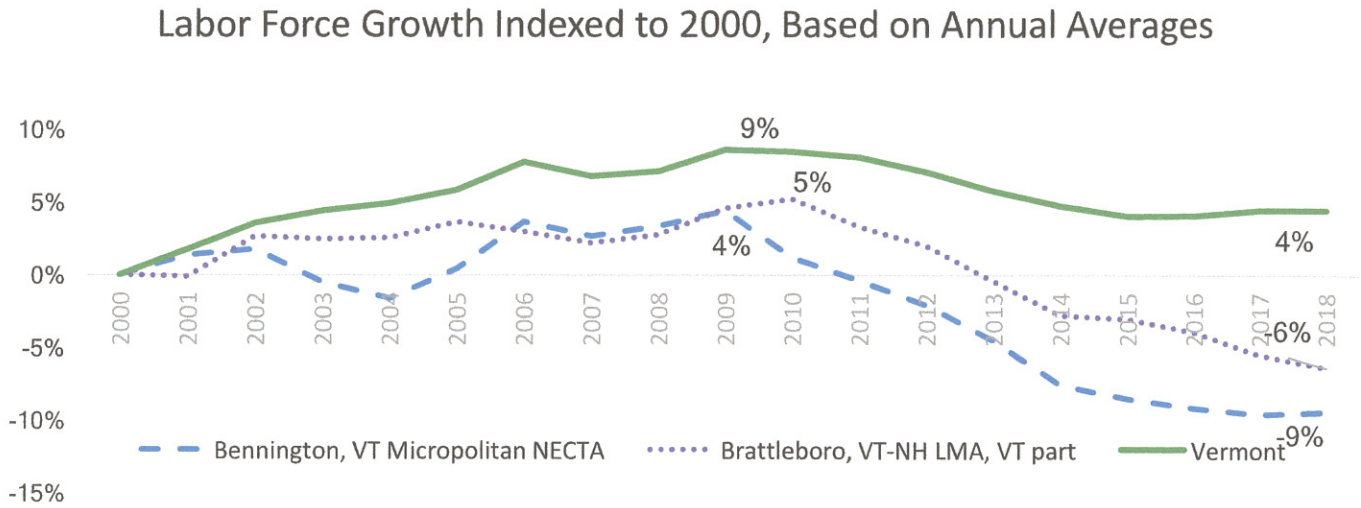
Labor Force

The Windham county labor force grew until the early 2000s. It has since been on the decline in terms of size, and has a higher median age with an increasing proportion of workers nearing retirement. At this time local, regional and state unemployment rates are all around 2-3%, which means the available labor pool is very tight for employers. There is also a group of people who are not counted in those statistics, representing people who are both voluntarily and involuntarily out of the labor force but not counted in the most commonly used unemployment data. There is also a large informal labor force, people who work partially or fully "under the table", a group for which there is little reliable local data.

The labor shortage has created new opportunities, as employers reduce requirements for hiring and raise wages to attract and retain the talent they need. The tight labor pool is shared across Vermont, rural areas, and to some extent the nation. This is causing concern about how employers may respond. With a shrinking labor force due to aging and depopulation, an increasing number of jobs goes unfilled. Therefore, underneath the simple employment statistics lie questions economists and policy-makers have begun to ask about how labor shortage is driving employers to compromise and lose productivity, and in some cases to reduce reliance upon labor. In order to adapt to unfilled jobs, employers are having to innovate, outsource, and automate. Responses that reduce a need for personnel may impact future opportunities available to local people in ways we don't yet understand.

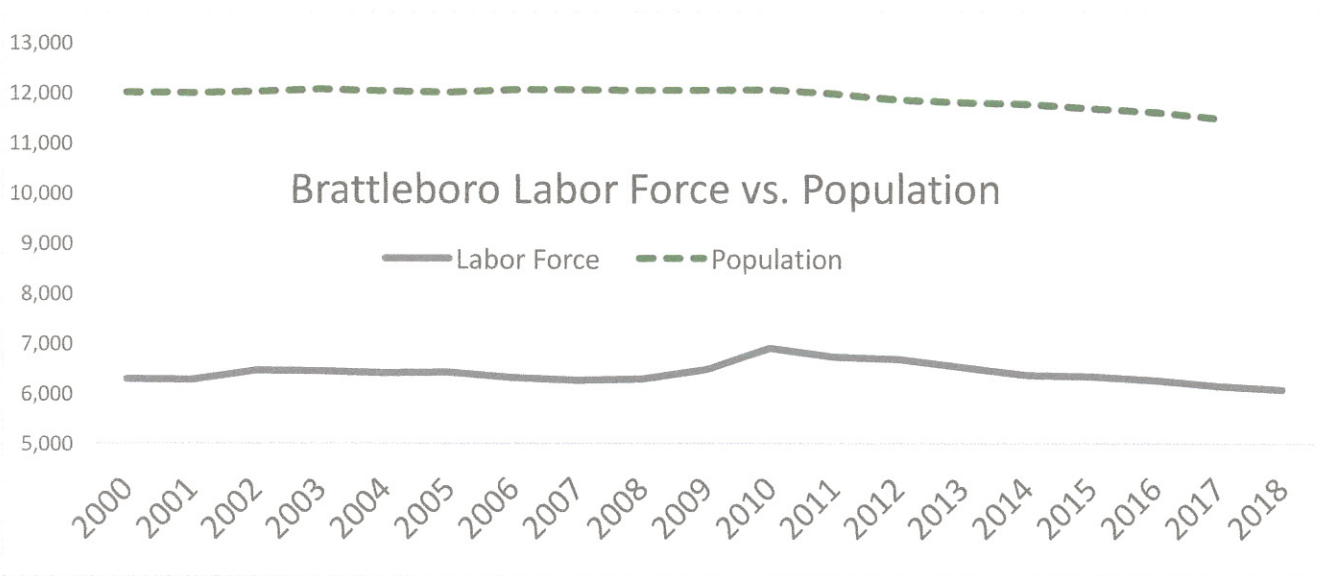


Source: Quarterly Census of Employment and Wages Program (QCEW) produced by the Economic and Labor Market Information Division of the Vermont Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.



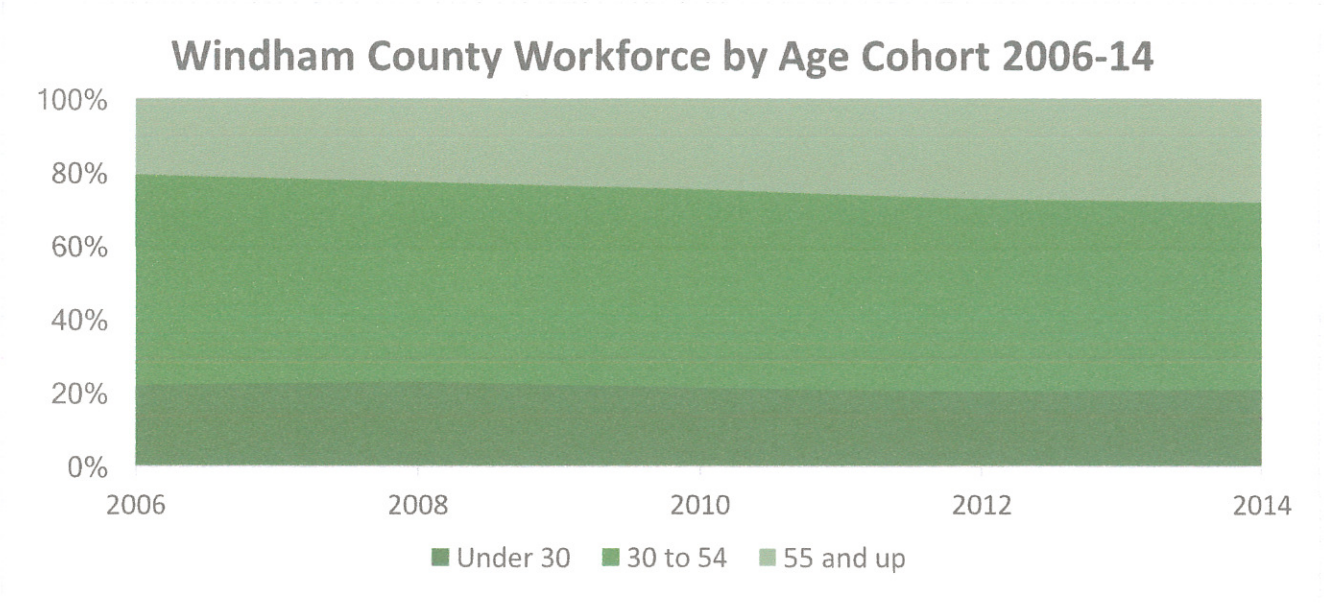
Source: Vermont Department of Labor, Kevin Stapleton

Regional demographic trends and implications for workforce were raised in SeVEDS research back in 2013. Talent supply is now a major focus of statewide policy. This is likely to continue as a growing share of the VT workforce is made up of individuals near, at, or past retirement age. Without compensating gains in younger cohorts through in-migration and better retention of young residents, labor supply will continue to be a challenge. Without workers to fill jobs, employment rates will further decline.

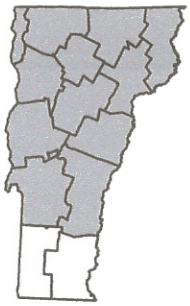


Sources: Bureau of Labor Statistics LAUS and VT Department of Health

The charts below illustrate the downward trend in southern Vermont, versus a plateau statewide.

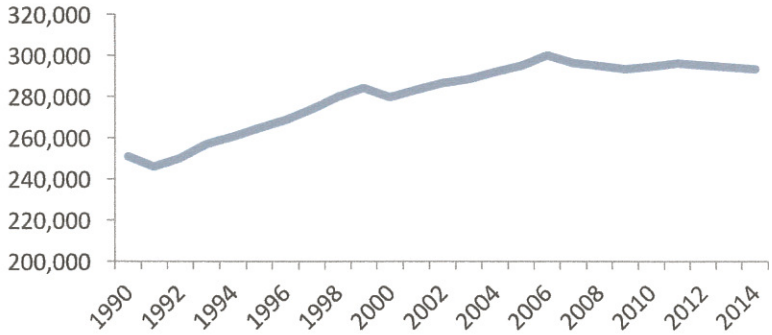


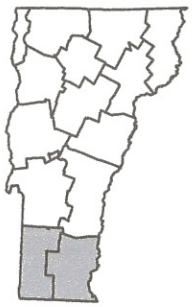
Source: American Community Survey and Census



EMPLOYMENT:

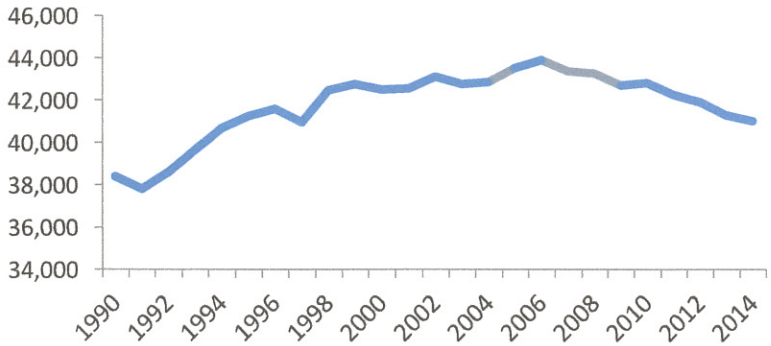
REST OF VERMONT





EMPLOYMENT:

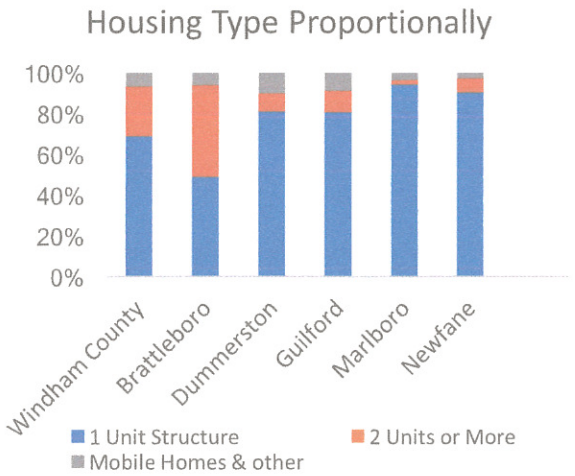
SOUTHERN VERMONT

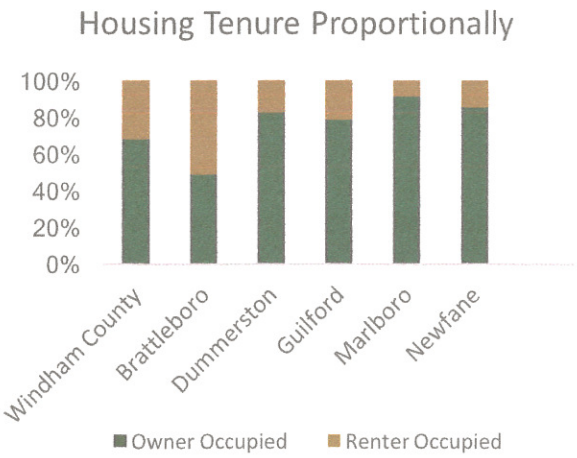


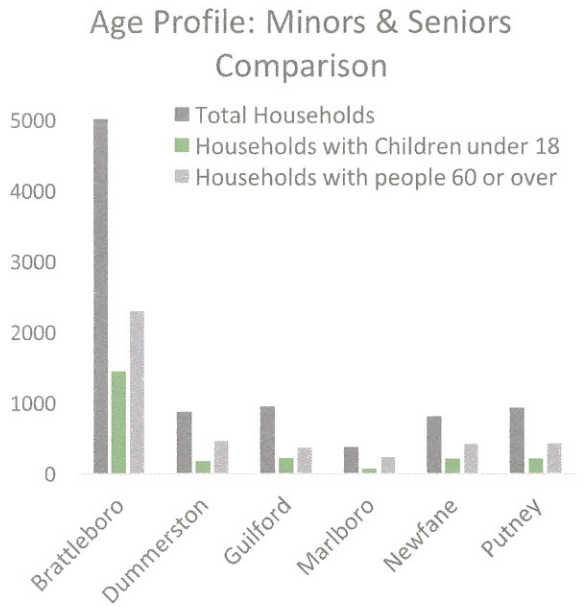
Source: Quarterly Census of Employment and Wages Program (QCEW) produced by the Economic and Labor Market Information Division of the Vermont Department of Labor in cooperation with the U.S. Bureau of Labor Statistics.

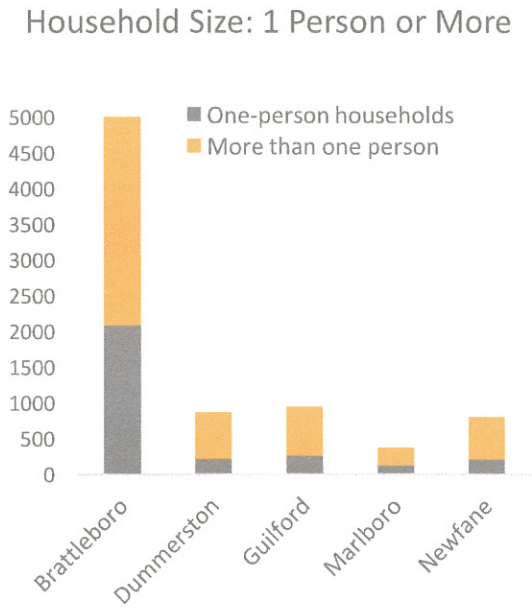
Housing and Households

Brattleboro hosts more multi-family units (apartments), and more of the region's minors and elders, than the five nearest towns combined. Brattleboro's households consist of nearly 40% single adults—more than nearby towns, even more than Burlington, Springfield, and Bennington. In these and other ways, Brattleboro functions much more as an urban community than a rural or suburban setting.





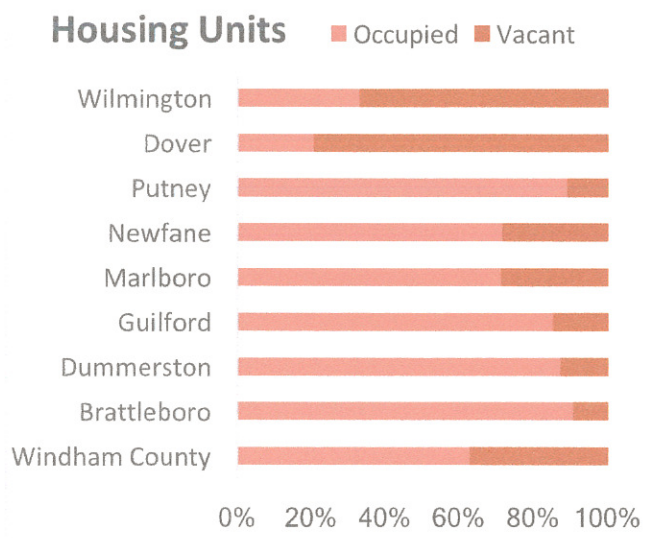


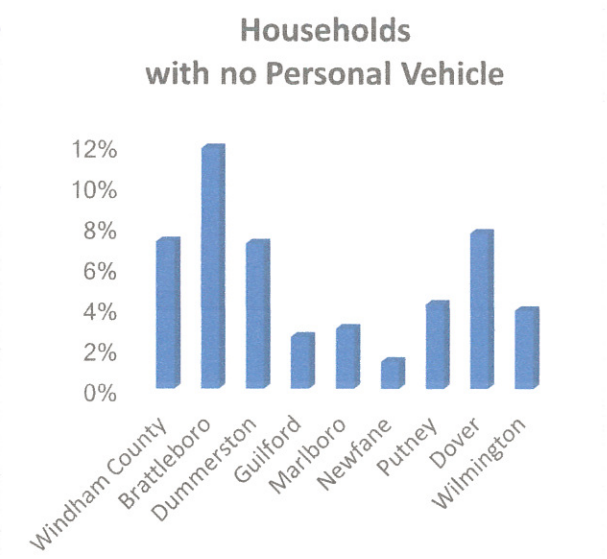


Source: American Community Survey 5 year data 2017

Of 5,421 occupied housing units in town, 51% are renter-occupied and 49% owner-occupied. Brattleboro's predominance of renters contrasts with the county where 68% of units are owner-occupied, but it is still below Burlington's 61% renter rate. Of the town's owner households, 15% experience cost burden (30% or more of income spent on housing related costs like mortgage, insurance, utilities). The rate is nearly double for renters: 29% of Brattleboro renting households are cost burdened, which translates to 1,549 renting households vs. 803 owner households. The dynamic at county level is inverted, with a greater percentage of owners (22%) experiencing cost burden than renters (16%).

There are 559 unoccupied units, over 9% of the housing stock. This is a very low rate of vacancy compared to nearby communities where second homes are a large part of the housing stock. A more accurate assessment of homestead versus non-homestead properties town by town is available through local and state tax data. An understanding of housing stock or rentals that are actually available, not just "vacant", is best ascertained through realtors. But statewide and national studies indicate vacancy rates are very low, and housing costs far exceed that which local wages truly support.[iii]



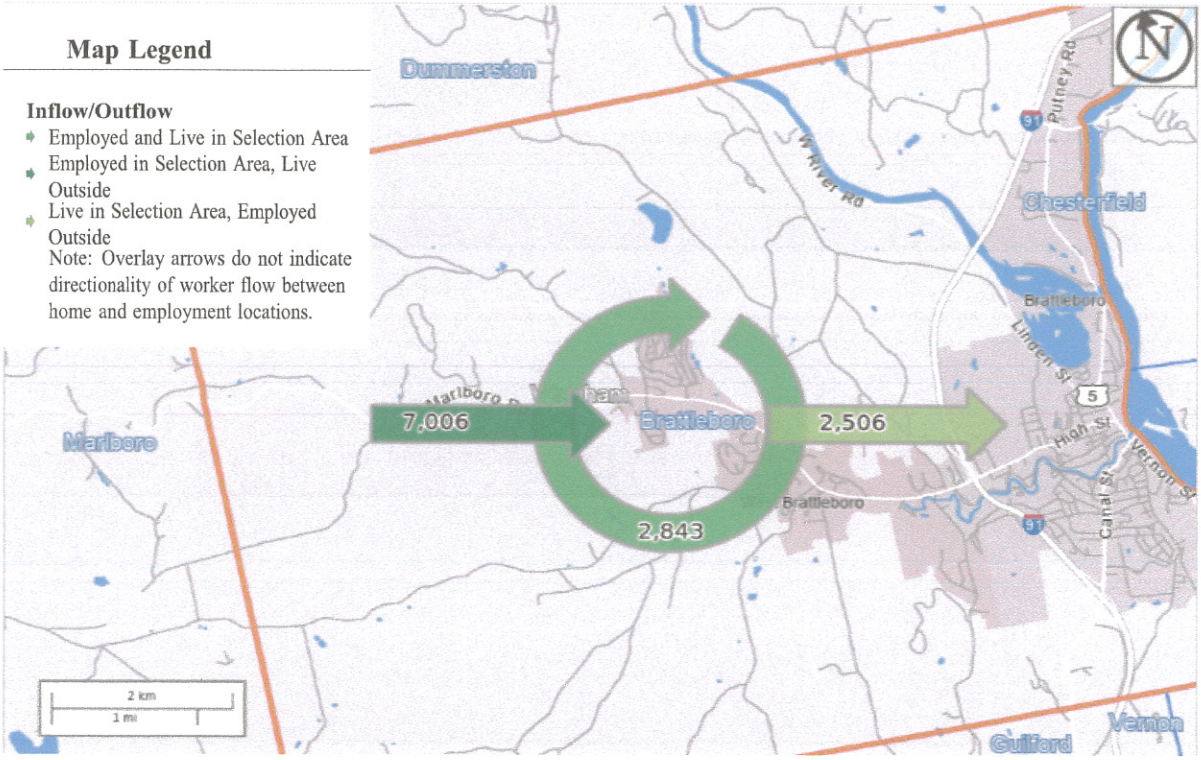


Source: American Community Survey 5 year data 2017

Finally, Brattleboro is home to 46% of the 1,379 households in the county with no personal vehicle. That means 638 households are reliant upon public transportation or other multi-modal solutions. This reflects a number of dynamics, including Brattleboro's role as host to the vast majority of regional renters many young adults, low-income households and diverse housing options. It is also a town where people seeking a certain quality of life can easily choose to both live and work in town, which many do as the commuter data illustrates. All of these factors contribute to local diversity, and to divergent perspectives and needs among residents.

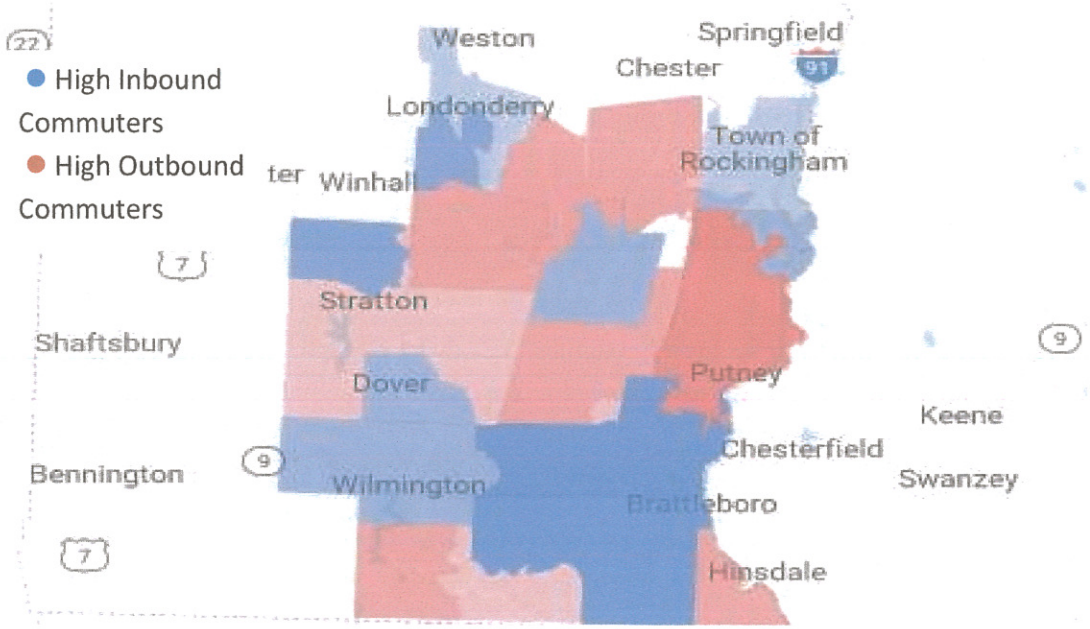
Commuter Dynamics

The labor force that resides in Brattleboro includes people who both work in Brattleboro, and who commute to jobs in other towns and states. The Windham county level data introduced at the start of this report illustrates a dynamic that connects this region with adjacent regions. Similarly Brattleboro, as a major employment hub for the region, welcomes workers from around the region who benefit from the diverse employment base to which the town is home. The diagram below illustrates this dynamic using three categories: non-residents of Brattleboro who enter town to work (7,006), residents who stay to work in town (2,843), and Brattleboro residents who leave town to work (2,506).



Source: Census OnTheMap Brattleboro Worker Flow

Another way to think about commuter dynamics is to look across the county and compare those towns which are employment hubs, importing workers each day, to those towns which are home to workers but have few jobs by comparison. The chart and image on the following page provide use ZIP codes to categorize data. It bundles Brattleboro with adjacent areas including Dummerston and Guilford, hence a higher labor force "Resident Workforce" than in the OntheMap data which is strictly Brattleboro. However, it's a useful comparison of the role each town plays in the regional employment base.



Source EMSI Developer, Bureau of Labor Standards QCEW

2018 Net Flow Data (table and map) Source EMSI Developer, Bureau of Labor Standards QCEW

ZIP	Town / Area	Resident Workers	Jobs	Net Commuters
05301	Brattleboro	7,855	10,159	2,304
05346	Putney	2,413	1,911	-502
05101	Bellows Falls	2,396	2,492	96
05302	Brattleboro	1,897	1,897	0
05354	Vernon	834	574	-260
05363	Wilmington	827	1,001	174
05148	Londonderry	796	837	41
05345	Newfane	754	454	-300
05155	South Londonderry	531	1,849	1,318
05343	Jamaica	518	266	-252
05353	Townshend	403	552	149
05158	Westminster	393	546	153
05361	Whitingham	354	113	-241
05356	West Dover	334	648	314
05342	Jacksonville	306	242	-64
05146	Grafton	302	145	-157
05344	Marlboro	276	276	0
	Windham County	*22,808*	*25,149*	*2,352*

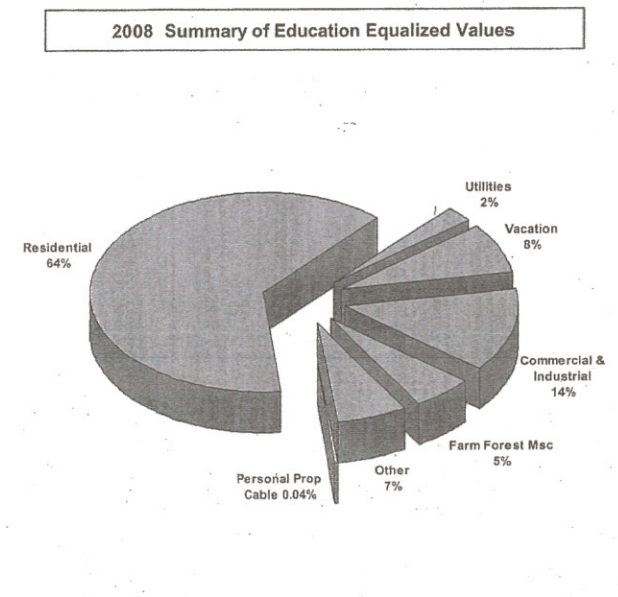
Taxes

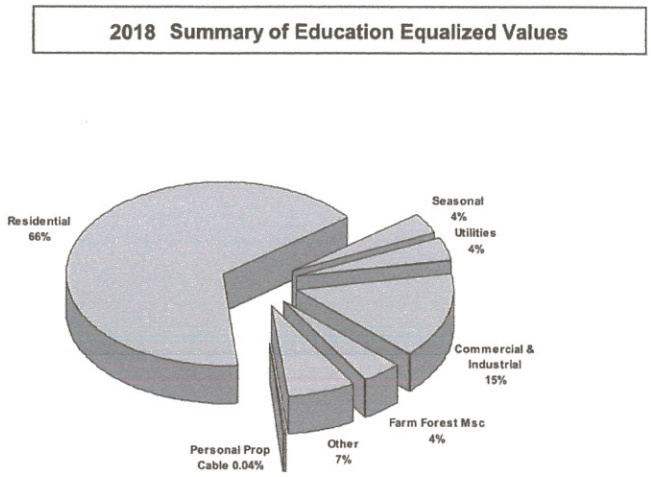
It is beyond the scope of this project to conduct an analysis of the Brattleboro property tax base, but we recommend a joint fiscal impact analysis and economic impact analysis be undertaken to better understand how land use dynamics might be shaped to create a sustainable tax base, given the large amount of infrastructure and services Brattleboro is committed to maintaining.

One basic observation is that the Vermont grand list, particularly for areas outside the Chittenden region, has simply not kept pace with inflation. This means that property value growth has not kept pace with the rise in liabilities associated with local and state government. There are three ways the grand list grows: new taxable development, rising value of existing taxable property through improvements (redevelopment, additions, upgrades), and rising markets. Absent these factors, new sources of revenue must be found to meet budgets. According to the Vermont Department of Taxes, Brattleboro in 2018 had 4,294 taxable parcels with a total equalized education grand list value of $10,691,050. In 2009, the town had 4,298 parcels which yielded $11,552,310 in 2009 dollars – over $17.5 million in today's dollars.

Of note is also a shift in the proportion of property taxes statewide. There is today an increased relative burden on residential property owners. This trend has been ongoing (the residential share was 63% in 2006, 64% in 2008, last year 66%). Analysis of this nature at the local level, including how property improvements or additions have contributed to the grand list over time, can shed light on factors driving the residential property tax burden, relief from which motivated the passage of a Brattleboro 1% local option tax in 2019. Understanding ways to reduce reliance on residential taxes could inform policy action in the future, because this challenge is unlikely to go away.

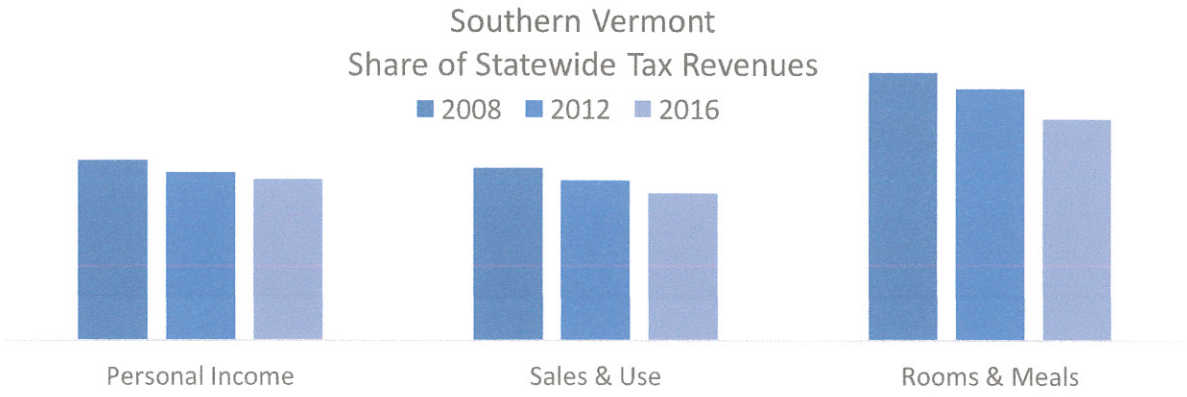
Grand list trends are major contributors to a structural deficit for towns. There are local policies and practices that can foster redevelopment and reinvestment in the private sector with long-term gains to the local bottom line, but the local toolkit is limited. Much of the real estate activity in rural communities since the 1980s has been public sector or non-profit projects, low-value projects designed to depreciate such as dollar stores, and a large stock of aging structures owned by investors or struggling occupants who are not investing in the upkeep and value of those assets. Long experience in redevelopment and infill, even in very strong markets, has shown a need for increased resources, expertise, investment and innovation to foster sustainable growth that meets local social, environmental, and economic goals.





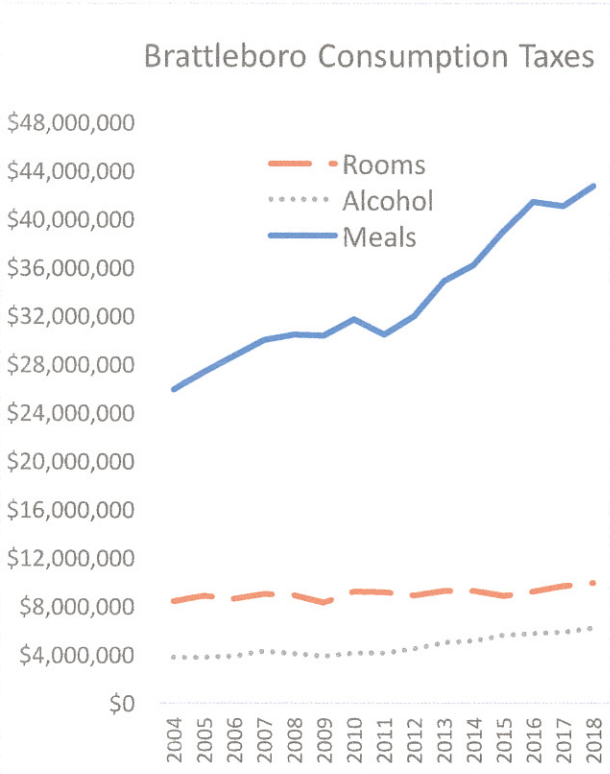
Source: Vermont Department of Taxes Annual Reports

When it comes to other sources of tax revenue, only some of which provide revenue directly to the town, the overall trend in southern Vermont is that the production of tax revenue has not kept pace with state growth levels. This is not surprising, given the relative stagnation in wages, aging population and growing share of retires, as well as shrinking households with fewer children. To some extent the region can rely upon visitor spending to make up for low local consumption levels, as sources of tax revenue to municipalities. Many variables impact the effectiveness of a visitor-centered revenue model, from changing demographics and preferences, to changes in hospitality choices, to weather events.



Source: Vermont Department of Taxes, Courtesy of Bennington County Regional Commission

Brattleboro's trends in tax production have diverged widely. Sales & Use dropped off over a decade ago and has mainly trended down. Alcohol and Rooms taxes have grown slightly, but the meals tax receipts have climbed. One economic development action at the local level to consider is how local permitting, land use, and other policies impact establishments that generate these taxes. There are three sources of customers: nearby towns, out of town overnight, and in-town. Marketing, market rate housing availability, and lodging options are all influenced at the local level. Paying attention to these drivers is critical. For instance, in the Leisure and Hospitality Supersector there are 209 establishments in the Brattleboro Labor Market Area, only 4% more than there were 20 years ago. Employment in these businesses is actually down 10.4%. The high number of second homes, and ever-growing stock of vacant inns and motels, tells us that consumption habits among tourists have changed markedly. Brattleboro's revenue plans must account for these and other emerging trends. (source VT Department of Labor Economic and Labor Market Information)



Marketplace Profiles

Local economic development is a combination of understanding existing opportunities, such as market trends, and having local goals that are then supported by investment, policy, and action to realize something that the marketplace might otherwise manifest in your community. For instance, the current economic and demographic trends in rural America have led to a proliferation of dollar stores and urgent care clinics, which are inserted by large-scale organizations that utilize national financial structures and by-right local zoning. These buildings depreciate quickly, these businesses direct profit out of the region. Inserting a home-grown, locally owned small business into a historic building requires a much more complex process, is difficult to finance, and has little margin for error. Yet it's nearly universally preferred by locals. Right-sizing efforts and investments towards that which is preferred is difficult, but can have long-term benefits to the triple bottom line.

One thing that towns can do is direct scarce resources towards entities which are not only desired by residents, but which have a chance to thrive given the market opportunities. Looking at "leakage" data can provide insight as to what goods or services may find local market demand. Obviously a factor that must be taken into account is the adjacency of New Hampshire where there is no sales tax, and the proximity of large national retail chains in the Keene, NH area. While Brattleboro may not favor competing for box store business, this data nonetheless provides a sense of spending norms and what types of businesses might do well locally.

The marketplace profiles included here also highlight a tremendous "surplus" that is the result of Brattleboro functioning as a hub for services and recreation. Brattleboro has a tremendous number of assets in this regard from music every night, to nationally renowned performers and venues. Economic trend-watchers emphasize the general downturn in retail demand, and uptick in demand for experiences, based on preferences among what is becoming the dominant demographic, millennials. The town can further leverage its role as a recreational destination, capitalize on these national trends, and in doing so increase the flow of revenue through consumption taxes, as well as the new local option tax. This fits neatly with the need to attract and retain people in order to sustain the vitality of the town, and of the region.

Retail MarketPlace Profile

Brattleboro town, VT
Brattleboro town, VT (5002507900)
Geography: County Subdivision

Prepared by Esri

Summary Demographics	
2018 Population	11,714
2018 Households	5,443
2018 Median Disposable Income	$36,743
2018 Per Capita Income	$29,531

2017 Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	$161,527,007	$327,626,932	-$166,099,925	-34.0	256
Total Retail Trade	44-45	$146,767,397	$296,294,813	-$149,527,416	-33.7	191
Total Food & Drink	722	$14,759,610	$31,332,119	-$16,572,509	-36.0	65

2017 Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	$29,185,821	$76,247,268	-$47,061,447	-44.6	16
Automobile Dealers	4411	$24,631,180	$71,478,883	-$46,847,703	-48.7	9
Other Motor Vehicle Dealers	4412	$2,200,297	$645,735	$1,554,562	54.6	1
Auto Parts, Accessories & Tire Stores	4413	$2,354,344	$4,122,650	-$1,768,306	-27.3	6
Furniture & Home Furnishings Stores	442	$5,053,118	$8,652,130	-$3,599,012	-26.3	13
Furniture Stores	4421	$3,094,050	$2,559,389	$534,661	9.5	5
Home Furnishings Stores	4422	$1,959,068	$6,092,741	-$4,133,673	-51.3	8
Electronics & Appliance Stores	443	$5,174,061	$12,064,403	-$6,890,342	-40.0	13
Bldg Materials, Garden Equip. & Supply Stores	444	$7,804,195	$9,753,819	-$1,949,624	-11.1	15
Bldg Material & Supplies Dealers	4441	$7,112,784	$9,164,235	-$2,051,451	-12.6	14
Lawn & Garden Equip & Supply Stores	4442	$691,411	$589,584	$101,827	7.9	1
Food & Beverage Stores	445	$24,473,133	$73,229,272	-$48,756,139	-49.9	19
Grocery Stores	4451	$21,393,715	$64,587,315	-$43,193,600	-50.2	12
Specialty Food Stores	4452	$1,517,198	$5,569,997	-$4,052,799	-57.2	5
Beer, Wine & Liquor Stores	4453	$1,562,220	$3,071,960	-$1,509,740	-32.6	2
Health & Personal Care Stores	446,4461	$9,697,513	$38,140,746	-$28,443,233	-59.5	17
Gasoline Stations	447,4471	$18,552,488	$28,501,805	-$9,949,317	-21.1	9
Clothing & Clothing Accessories Stores	448	$10,197,848	$10,735,661	-$537,813	-2.6	21
Clothing Stores	4481	$7,564,795	$5,085,074	$2,479,721	19.6	11
Shoe Stores	4482	$1,057,736	$4,158,042	-$3,100,306	-59.4	6
Jewelry, Luggage & Leather Goods Stores	4483	$1,575,317	$1,492,545	$82,772	2.7	4
Sporting Goods, Hobby, Book & Music Stores	451	$10,899,151	$18,258,694	-$7,359,543	-25.2	19
Sporting Goods/Hobby/Musical Instr Stores	4511	$10,190,541	$15,028,283	-$4,837,742	-19.2	16
Book, Periodical & Music Stores	4512	$708,610	$3,230,411	-$2,521,801	-64.0	3
General Merchandise Stores	452	$14,001,422	$6,008,724	$7,992,698	39.9	10
Department Stores Excluding Leased Depts.	4521	$9,117,752	$2,981,379	$6,136,373	50.7	4
Other General Merchandise Stores	4529	$4,883,670	$3,027,345	$1,856,325	23.5	6
Miscellaneous Store Retailers	453	$4,996,975	$10,419,845	-$5,422,870	-35.2	36
Florists	4531	$195,968	$1,067,365	-$871,397	-69.0	3
Office Supplies, Stationery & Gift Stores	4532	$1,497,366	$3,517,101	-$2,019,735	-40.3	10
Used Merchandise Stores	4533	$635,137	$1,776,864	-$1,141,727	-47.3	8
Other Miscellaneous Store Retailers	4539	$2,668,504	$4,058,515	-$1,390,011	-20.7	15
Nonstore Retailers	454	$6,731,672	$4,282,446	$2,449,226	22.2	3
Electronic Shopping & Mail-Order Houses	4541	$6,010,445	$314,549	$5,695,896	90.1	1
Vending Machine Operators	4542	$118,474	$0	$118,474	100.0	0
Direct Selling Establishments	4543	$602,753	$3,967,897	-$3,365,144	-73.6	2
Food Services & Drinking Places	722	$14,759,610	$31,332,119	-$16,572,509	-36.0	65
Special Food Services	7223	$487,557	$122,788	$364,769	59.8	2
Drinking Places - Alcoholic Beverages	7224	$511,700	$214,569	$297,131	40.9	1
Restaurants/Other Eating Places	7225	$13,760,353	$30,994,762	-$17,234,409	-38.5	62

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please click the link below to view the Methodology Statement.
http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf

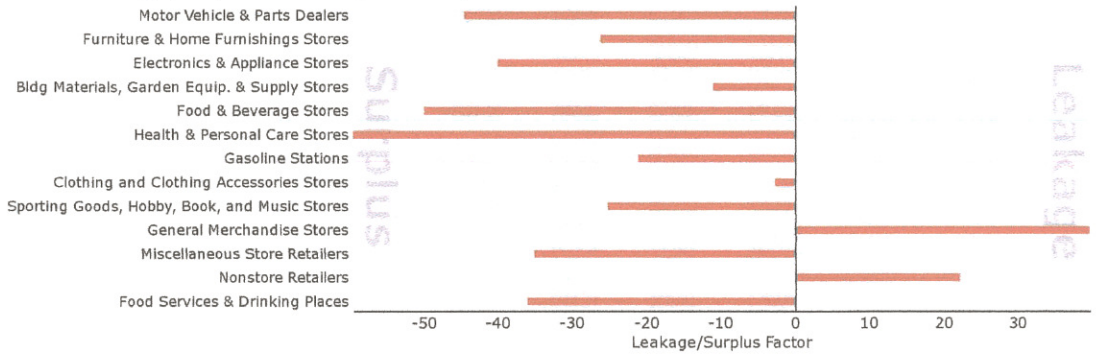
Source: Esri and Infogroup. Esri 2018 Updated Demographics. Esri 2017 Retail MarketPlace. Copyright 2018 Esri. Copyright 2017 Infogroup, Inc. All rights reserved.

Retail MarketPlace Profile

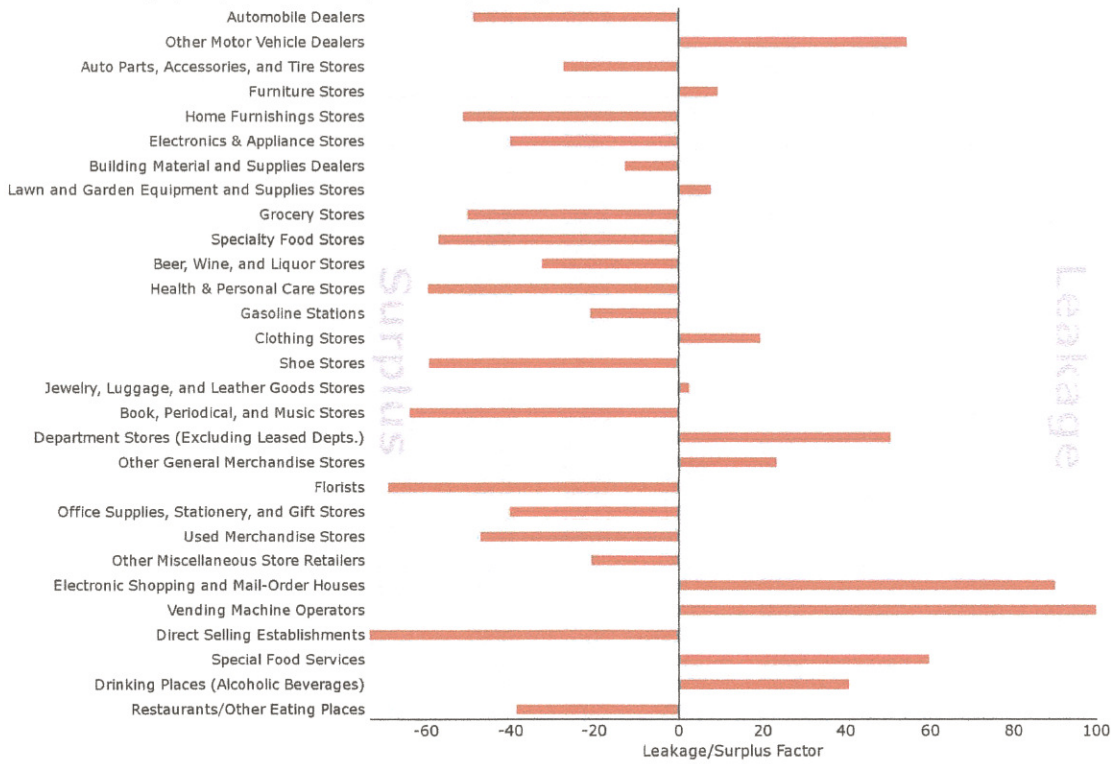
Brattleboro town, VT
Brattleboro town, VT (5002507900)
Geography: County Subdivision

Prepared by Esri

2017 Leakage/Surplus Factor by Industry Subsector



2017 Leakage/Surplus Factor by Industry Group

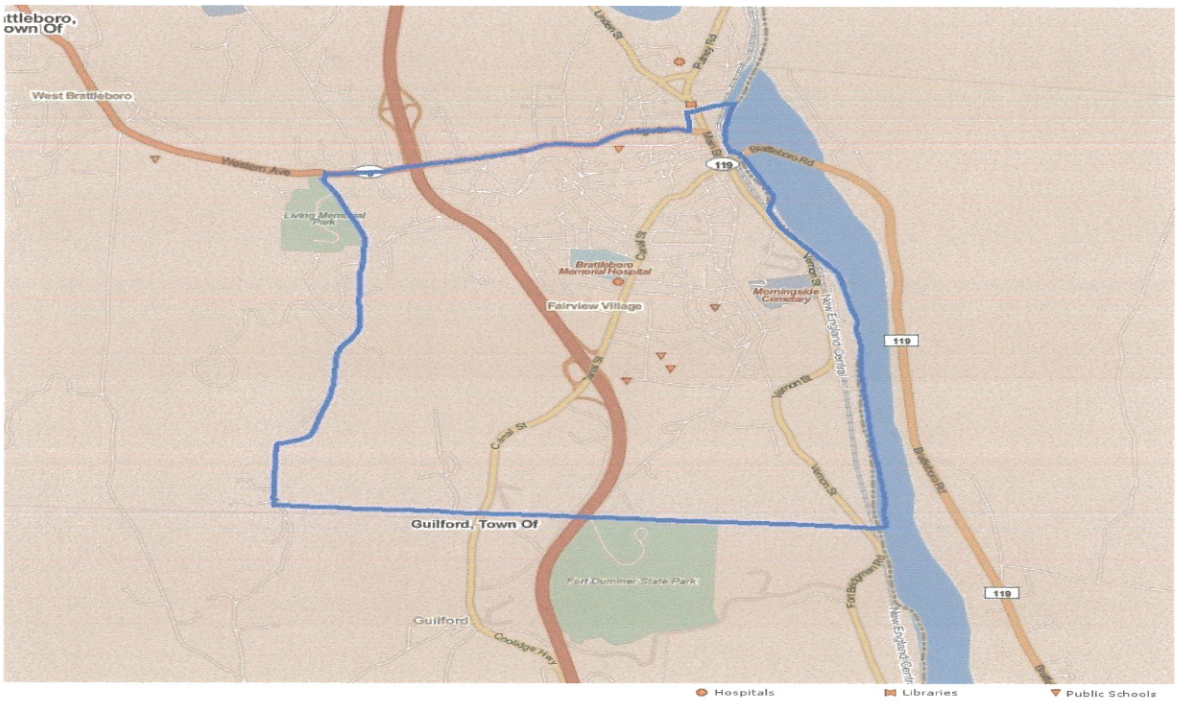


Source: Esri and Infogroup. Esri 2018 Updated Demographics. Esri 2017 Retail MarketPlace. Copyright 2018 Esri. Copyright 2017 Infogroup, Inc. All rights reserved.

June 06, 2019

Opportunity Zones

Opportunity zones are special federally designated districts that qualify for special investment tax breaks due to a number of economic distress factors. Census tract 9685 located in Brattleboro, which includes much of the downtown and exit one, is one of 25 opportunity zones in the state of Vermont.



Investors into businesses and development projects that are located within Opportunity Zones are able to defer and reduce capital gains taxes if this investment is done through a qualified fund. This helps projects in Opportunity Zones appear more attractive to investors, as potentially weaker investment returns are offset by the breaks in capital gains taxes.

A Qualified Opportunity Fund (QOF) is any investment vehicle organized as a corporation or partnership with the specific purpose of investing in Opportunity Zones. The private sector is responsible for establishing Opportunity Funds. When investors move their capital into a QOF the funds can then be invested into businesses within the Opportunity Zone through things like real estate and infrastructure development in both new and expanding businesses. New or existing businesses with tangible assets within Brattleboro's Opportunity Zone can use this funding to grow and expand.

With December 31st, 2019 as the deadline for funds to be invested in order to realize the full gains of this program, it is unclear whether many rural municipalities will be ready to take advantage of this incentive to advance local goals.

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[i] To view the 2019 Southern Vermont CEDS (Comprehensive Economic Development Strategies) visit www.SoVermontZone.com or you may request a hard copy from BDCC & SeVEDS.

[ii] *What is a Good Job: Defining Opportunity in Southern Vermont* may be accessed at www.brattleborodevelopment.com/publications or you may request a hard copy from BDCC & SeVEDS.

[iii] The Vermont Housing Finance Agency publishes research on housing affordability at www.housingdata.org. The National Low Income Housing Coalition Out of Reach series https://reports.nlihc.org/oor

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