



Vermont Council on Rural Development

2006 Annual Report

From Paul Costello, Executive Director

Rural Vermont communities today are facing unprecedented social and economic changes. Rural residents, selectboards and planning commissions are wrestling with changing demographics, unforeseen development patterns, housing needs, health and safety concerns, and uncertainties about the economic base for the future success of their communities. More and more we realize that the global issues before Vermont, from climate change to retaining and attracting youth, will require the engagement and leadership of citizens in every community.

VCRD is proud to serve as both a facilitator stimulating and supporting local leadership, and as a convener of statewide policy conversations around some of the signal challenges of our time: energy, broadband, and community and economic development. As a partnership organization, all the successes listed in the 2006 VCRD Annual Report reflect the intelligence, energy, creativity, and generosity of all our collaborating partners—in federal, state, non-profit, local and business sectors—all working together in service to rural Vermont communities.

As we turn the corner into the new year, we are grateful to our supporters, and we salute the local leaders, committee members, and concerned residents in towns throughout the state who put themselves on the line to identify and address community priorities. Towns that organize to give and share leadership with the widest network of citizens build the vitality that is the foundation for their future—and turn challenges into opportunities for progress.

About the Vermont Council on Rural Development

The Vermont Council on Rural Development helps Vermont communities develop their capacity to create a prosperous and sustainable future through coordination, collaboration, and the effective use of public and private resources.

We welcome your comments, suggestions, membership and support!

VCRD STAFF

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VCRD 2006 Rural Summit
Local Power: Energy and Economic Development in Rural Vermont
Lyndon State College – August 22, 2006

The Vermont Council on Rural Development designs its summits and policy councils in order to be responsive to the needs and concerns of Vermonters and to work collaboratively with state, local, federal, business, and non-profit entities to advance solutions to these concerns. Clearly the predominant issue in 2006 was energy. How will a changing climate, rising fuel prices, and uncertain energy supply impact the state's economy, natural resources, and way of life? What opportunities can be found within these challenges? What combination of conservation, efficiency, in-state electric generation and fuel development will effectively provide the greatest leverage to support the prosperity, sustainability and viability of Vermont communities?

VCRD's Rural Summit was crafted with the specific goals of defining opportunities for economic advancement within the energy sector, considering policies and investments that will support development and expansion of those opportunities, and providing foundational ideas for the Council's 2006 policy body, the Vermont Rural Energy Council. In addition to leadership from **Governor Jim Douglas, Senator Leahy, Daniel Reicher** of New Energy Capital, and a diverse panel of energy professionals, the Summit featured the ideas and expertise of more than 350 participants.

Central to all VCRD conferences are facilitated "roundtable" discussions and strategic assessment sessions where all participants are equal and VCRD

mediates a "marketplace of ideas." Registrants for this event shared their experience and ideas in eleven separate work team sessions. These included focused discussion on the topics of **Vermont Solar, Hydro Opportunities, Developing Utility-Scale Biomass, Farm Based Methane, Transportation and Biofuels, Waste to Power, Efficiency and Conservation, Co-Gen and Distributed Generation, Community, Household and Business Wind, Creating the VT Green Brand and Community Energy Planning.**

"This conference is a perfect starting point. The agenda before you today is important to Vermont, and quite possibly to our country and the world. Our work – your work – on renewable energy and energy efficiency demonstrate that we are and can be leaders in the field of energy. I urge you to work hard today and beyond to help develop a safe and secure energy future and revitalize our rural communities in the process."

Senator Patrick Leahy – August 22, 2006

The daylong conference concluded with an address by **Lt. Governor Brian Dubie**, and summary presentations of priority recommendations generated by the working groups. Participants offered a wide range of ideas including a comprehensive public education campaign around conservation and efficiency, funding and incentive strategies for various sectors, the development of training and technical assistance facilities, and regulatory and statutory changes. A complete list of priority recommendations and full transcripts of each working session can be found in the Final Report on VCRD's website, www.vtrural.org.

Vermont Rural Energy Council

Convened June 20, 2006

The Vermont Rural Energy Council (VREC) was convened in June of 2006 with the goal of building systematic recommendations for the Governor and Legislature that will increase economic opportunity in rural energy generation, fuel development and efficiency. The yearlong policy council consists of 26 members and two VCRD staff, and meets monthly to hear testimony and analyze sector specific challenges and opportunities. The Council has commissioned two research projects; an energy digest that will provide a summary of the background, present use, capacity and issues in Vermont renewable energy sectors, and an economic modeling project that will evaluate the economic and fiscal opportunities of various rural energy sectors. The results of these projects will assist the Council in the development of policy recommendations designed to support more efficient use of energy and to encourage development of new energy (and business) opportunities in Vermont. The Final VREC Report, and the publication of the research projects will be completed by early summer 2007.

VREC MEMBERS

Paula Calabrese, Casella Waste Systems
Hal Cohen, Central Vermont Community Action
Robert DeGeus, Department of Forest, Parks, and Recreation
Rep. Robert Dostis, Chair, House Natural Resources & Energy
Michael Dworkin, Vermont Law School
Bob Foster, Foster Farm
Senator Vince Illuzzi, Chair, Economic Development Committee
Kerrick Johnson, VELCO
Ellen Kahler, Vermont Sustainable Jobs Fund
Tom Kavet, Kavet, Rockler & Associates, LLC
David Lane, Department of Agriculture, Food & Markets
Senator Ginny Lyons, Chair, Natural Resources & Energy
Lawrence Mott, Earth Turbines
Andrew Perchlik, Renewable Energy Vermont
Chuck Reiss, Vermont Builds Greener Program
Patty Richards, VT Public Power Supply Authority
Chuck Ross, Senator Leahy's Office
Beth Sachs, Efficiency Vermont
John Sayles, Agency of Natural Resources
Bill Sayre, Economist and Associated Industries of Vermont
Mark Sinclair, Clean Energy Group
Rich Smith, Department of Public Service
Lisa Ventriss, Vermont Business Roundtable
Netaka White, Vermont Biofuels Association
Richard White, Community National Bank, **Chair**
Jeff Wolfe, GroSolar

Creative Communities Program

In its first year, the Creative Communities Program (CCP) has worked with nine communities around Vermont: Bellows Falls, Grand Isle County, Hardwick, Plainfield, Randolph, Rutland, St. Albans, St. Johnsbury and Windsor. The program's format is modeled after the Community Visit program, where VCRD hosts a series of public forums that move through steps of discussing the local creative economy, prioritizing projects to advance the creative economy, and developing action plans for local project teams to move forward with selected projects.

Participating communities represent a range of locations, sizes, and local assets. However, they share a common interest in the creative economy, and the CCP is helping form a network based on that commonality. Several statewide projects in this area are currently underway. Wayne Fawbush's Fine Photography studio and Vince Franke's Peregrine Productions are working to produce a multi-media DVD that will document the successes of community efforts in the creative economy in Vermont and provide starting tools to any community looking at creative economic development. In November 2006, CCP convened a leadership summit in Bellows Falls that included representatives from every participating town. A second, larger conference will take place in summer, 2007.

Statewide gatherings offer an opportunity for towns to learn from each other's experiences. Projects currently underway in communities cover a wide range of topics. For example:

- *Windsor has worked with Diane Konrady, at the VT Department of Tourism & Marketing, and Helen Labun Jordan to reinvigorate the Heritage Days celebration, a major summertime event that both draws visitors to Windsor and introduces local residents to their town's history.*
- *Rutland has rallied a diverse project team around the need to improve pedestrian traffic and vitality in its historic downtown. Arts and cultural organizations in Rutland have rallied around the need for increased collaboration as they all promote their region as a vital, active place to visit, live, and work. For example, the Rutland Herald now runs an Invite section on cultural events, a local design firm has developed an engaging website template for getting out information on what's happening around the city, and downtown has begun to host monthly art hops.*
- *The Lake Champlain Islands have moved forward quickly on their plans to generate wintertime activities for a community that is otherwise focused on summer. They have built a roster of activities and initiatives, but do report that instead of wishing for early summer weather they've spent the last several months wishing for snow.*
- *Bellows Falls is building on its past creative economy work to achieve the goal of regaining their turn of the century position as a Market Town for the region. Richard Ewald, Rockingham's Community Development Director, is leading a process to look at the future of the Island, a section of downtown that is also the entrance to Bellows Falls from New Hampshire. Another focus will be strengthening the local farmers' market and ensuring that the market activity spills over into activity for all downtown merchants.*

One example shared in November was Hardwick's Town House, a story that demonstrated a mix of opportunity and challenge with which many participants could identify.

Hardwick's Town House was once a town building, but had fallen into disuse until approximately 5 years ago when Addy Smith-Reiman decided to take on the project of its revitalization. Addy quickly embarked on a campaign to preserve the historic structure and open it up as a venue for activities and performances that could be a cultural center for the region. By the time Hardwick joined the Creative Communities Program in 2006, the community recognized the Town House as a significant shared asset.

In spite of its importance, the Town House faces several obstacles for the future. Addy is leaving to pursue graduate studies elsewhere, and the Town House needs not only a new director, but also a way to move the director position from volunteer to paid staff. More funding is needed for final stages of the building renovation; at the same time, the Town House must tap new funding sources to support programs and operational costs. Finally, while many people enjoy programs at the Town House, more are needed to take responsibility for its future as Board members or volunteers.



As the Creative Communities Program continues to follow up with early participants, more success stories and more chances for further assistance will emerge. CCP is looking forward to welcoming five more communities into the program for 2007. More information can be found online at: www.vtrural.org.

Forest Products Marketing Initiative

Entering the second year of a \$1,000,000 marketing grant, the Vermont wood products industry has a lot to celebrate. Members of the industry, press and legislature, along with representatives from Vermont's senate and congressional office did just that at a recent media event.

The event, held on November 28 at Montpelier's Capitol Plaza Hotel, was an opportunity to acknowledge the many accomplishments of the wood products industry under the Economic Development Administration grant administered by VCRD. The Council awarded \$450,000 to the Vermont Wood Manufacturers Association and the Vermont Wood Products Marketing Council in 2006 for the development of initiatives that will expand jobs in the sector, raise awareness of the Vermont Wood Products Brand, provide sales opportunities for large and small manufacturers, and create a unified market presence that will strengthen and sustain the industry.

The grant recipients have leveraged those funds by developing industry-wide collaboration, and by forging partnerships with Cabot Creamery, the VT Department of Tourism and Marketing, Vermont Forest, Parks and Recreation, the Vermont Arts Council and others. Accomplishments included creation of an industry wide product website, technical support and outreach to small rural manufacturers, participation in an

internationally renowned trade show in Las Vegas, studio tours and industry events, and extensive media promotion.

During the celebration, Executive Director Paul Costello announced a renewal of funds in the amount of \$450,000 to the two organizations in 2007, as well as the launch of a small

“What we know of experiential tourism is that about 120 million Americans are involved in this kind of tourism where they want to understand how things are made. They want to participate. They want to watch the craftsmanship taking place.”

Mary Jeanne Packer, VT Wood Manufacturers Association

grants program that will provide direct marketing assistance to wood artisans and manufacturers. Under the auspices of the new small grants program, \$60,000 will be awarded during the course of the year. The funds will support marketing projects designed to expand product visibility, market presence, and ultimately increase revenue and support job opportunities. Complete application guidelines and an application form can be found at www.vtrural.org, or by contacting Bonnie Smoren at vcrd2@sover.net.

Vermont Rural Broadband Project

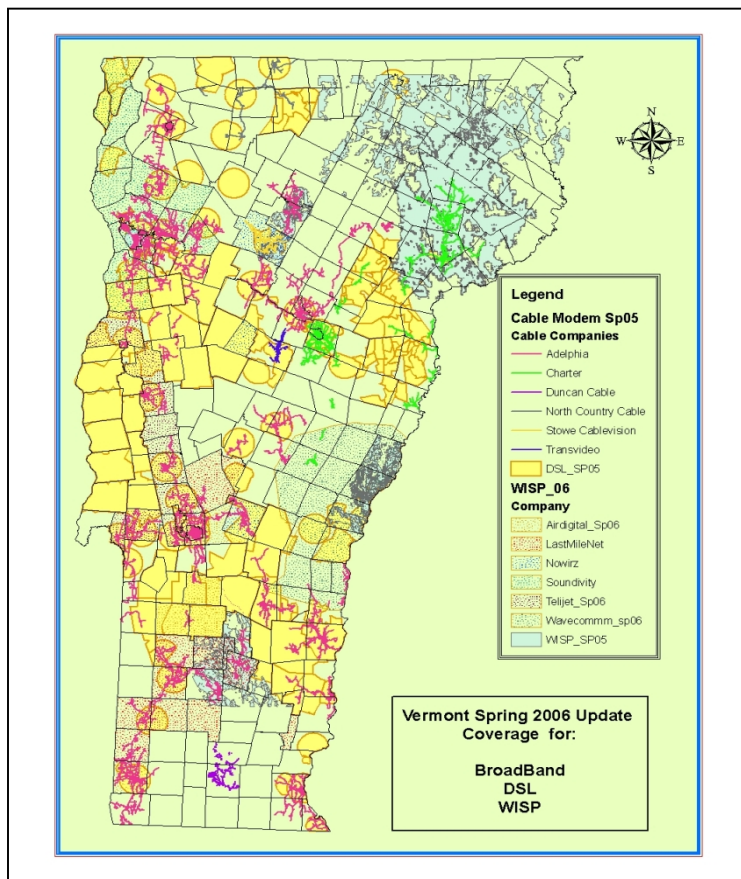
VCRD’s Vermont Rural Broadband Project continued to make progress in 2006 towards making affordable broadband accessible to all Vermonters. Since its inception in 2003, the project has assisted more than 50 rural communities that are seeking to attract broadband service to their towns by determining the local demand for broadband, aggregating it, and locating and selecting a provider. In 2006 alone, the Project distributed over 6,000 Broadband Interest surveys and recorded nearly 1,700 requests for broadband. The Project maintains a database of over 4,800 households and businesses across the state that want broadband, and information on new broadband services is regularly distributed.

But the statistics only reflect the administrative portion of the project. The project works with towns that until now have proven too small or isolated to attract a provider. It helps local committees to organize, survey and educate demand, and in some cases apply for grants to subsidize the local business case for services. Most broadband expansion in these hard to reach rural areas has come from small, wireless Internet service providers, many of which have technical expertise but limited business resources. The Project helps guide local committees attract and negotiate for wireless services. Follow-up surveys to determine the satisfaction of early users of new services and the reasons why interested parties did not sign up for new services are also done. VCRD’s goal is to stay connected with the projects until the services are completely installed.

Follow up can often lengthen a local project, but pays off in the end. The Ascutney Broadband Project, which began in mid-2004, signed a contract with a wireless provider in January 2006, and now has more than 125 customers in Reading and West Windsor, two towns that previously had no broadband services. The infrastructure built for this project also provides some service to 10 neighboring towns. The Westmore Broadband Project, which resulted in new wireless service for the town of Westmore in late 2005,

has become a relay point for service that now spreads across much of the northern Northeast Kingdom. The local provider, Island Pond Wireless, is using the Westmore location to feed service into Lowell and Glover, two project towns that were too small and isolated to attract their own services. VCRD works with communities and providers throughout Vermont to encourage this ‘webbing out’ of broadband services.

Vermont continues to make progress in the availability of broadband; the urgency of the need for broadband also is increasing. Universal broadband is no longer about sharing pictures of the grandchildren – it is directly connected to Vermont’s economic future. Bill Stenger, Chairman of the Next Generation Commission, has stated that lack of broadband is one of the factors that encourage young college-trained Vermonters to leave the state, depleting valuable human capital. Several of the VCRD-supported Creative Economy projects have identified the lack of high-speed Internet access as an impediment to local development of a creative economy. The VT Rural Broadband Project receives a constant string of comments from residents who are unable to create, maintain or expand businesses due to a lack of broadband. In 2007 the Rural Broadband Project will continue to work with communities to help them obtain a broadband service. Future efforts will also be made to educate businesses and residents of beneficial applications, to continue to expand wi fi open access sites in the Northeast Kingdom, and to help providers increase the take-rates for their service, thus further expanding broadband usage and helping the smaller broadband providers grow and stabilize their businesses.



Community Visit Program

VCRD has traversed the state, from the southern corners to the Canadian border, with the Community Visit Program. Celebrating the 10th year of this signature initiative, VCRD completed Visits in Pownal and Hinesburg in 2006. No other program provides communities such a rich opportunity to celebrate their uniqueness, evaluate goals and options, set priorities, and build strategies to move forward.

In its Visit to Pownal, the Council saw the highest turnout ever recorded in the program. Community Visit Chair Peter Hopkins reports that several dynamic events have occurred since the program ended in June. The Planning Commission has obtained Village Designations for two areas; Pownal Center and North Pownal. The Economic Development Task Force has requested an inventory of available development sites with an eye toward creation of a Pownal Corporate Park. Numerous community wide events, including a very popular “Taste of Pownal” were developed from the Community Visit Recreation committee. Pownal is an excellent example of a community that has fully utilized the energy and ideas that emerged from their participation in the program.

VCRD deeply appreciates the dedication, capacity, and leadership that residents are willing to extend as participants in this process and commend them for their successes! Reports from all 16 Community Visits can be found on VCRD’s website.

Pownal Priority Issues

1. Mobile Home Park Improvement/
Affordable Housing
2. Community Identity/Communication
3. Economic Development
4. Outdoor Recreation

Hinesburg Priority Issues

1. Farm Conservation
2. Multigenerational Community
Center/Teen Center
3. Sustainability and Energy Planning
4. Buy Local Campaign/
Specialty Farming

Thanks to generous support from the Vermont Community Foundation and Vermont State Legislature, VCRD has implemented a follow-up program and will return to communities 6 and 12 months after a Visit. This structured ongoing assessment will allow VCRD to provide facilitation and technical assistance, and respond to community requests for additional support. It is also an opportunity to learn about and aggregate successful strategies as they occur in VCRD’s growing network of participating communities.

“The guidance, support and information, especially the resource options, received from VCRD was absolutely essential for Hinesburg to develop task force groups to address priorities. The process is an excellent way to tackle important community issues and bring residents of all ages and views together at the same time.”

Carl Bohlen, Chair, Hinesburg Community Visit

VCRD Board of Directors in 2006

VCRD is fortunate to have the guidance and support of our board members who contribute invaluable time, energy, and ideas to further the mission of the Vermont Council on Rural Development. VCRD deeply appreciates the exemplary leadership of Steve Kerr, VT Agency of Agriculture, Fred Schmidt, UVM Center for Rural Studies, Paul Brewster, USDA Forest Service, and Dawn Terrill, VT Agency of Transportation, who completed their terms during 2006.

Federal

Roger Allbee, Farm Service Agency
Brian Keefe, Senator Jefford's Office
Jolinda LaClair, USDA Rural Development (Secretary)
Jennifer Nelson, Congressman Sander's Office
Meg Mitchell, Green Mountain and Finger Lake National Forests
Paul Brewster, Green Mountain and Finger Lake National Forests
(retired in March)
Chuck Ross, Senator Leahy's Office

State

Pat Moulton-Powden, VT Department of Labor
Allen Evans, Human Resources Investment Council
Jonathan Wood, VT Department of Forests, Parks & Recreation
Steve Kerr, Agency of Agriculture (retired in December)

Local

Jeffrey Francis, VT Superintendents Association
Catherine Dimitruk, Northwest Regional Planning Commission (Chair)
Steve Patterson, Northeastern VT Development Association
Christine Hart, Brattleboro Housing Authority

Non-Profit

Alex Aldrich, Vermont Arts Council (Treasurer)
Hal Cohen, Central VT Community Action Council (Chair Emeritus)
Barbara Grimes, Burlington Electric Department
Fred Schmidt, Center for Rural Studies, UVM (retired in December)

Private

Bob Ackland, Sugarbush Resort
Tony Elliott, The Woodstone Company
Joseph Fusco, Casella Waste Systems
Marie Houghton, IBM
Richard White, Community National Bank (Vice Chair)

THANK YOU!

VCRD relies on the financial support of our generous members who work with us in partnership for the advancement of Vermont Communities. We would like to thank our 2006 members for their leadership and commitment. To become a 2007 member of VCRD, please fill out the membership form at the end of this report.

VCRD 2006 Members

Individual

| | | |
|-----------------|-----------------|---------------------|
| Roger Allbee | Alex Aldrich | Bill & Ruth Botzow |
| Paul Brewster | Brenda Bundy | Vaughn Collins |
| Paul Costello | Tony Elliott | Peg Elmer |
| John Ewing | Victor Frank | Bob Gasperetti |
| Rodney Griffin | Paul Hill | Marie Houghton |
| Thomas Johnson | Candy Koenemann | Stephanie Lahar |
| Michael Levine | Sandra Levine | Christine Lilyquist |
| Glenn McRae | Jenny Nelson | Janet Ressler |
| Ina Smith | Tamara Smith | Robert Smith |
| Susan Spaulding | Dawn Terrill | Peter Thoms |
| Richard White | Marian White | |

Organization

| | |
|---------------------------------|-------------------------------------|
| Addison County Community Action | Central VT Community Action |
| Champlain Valley OEO | Downs Rachlin Martin |
| Franklin County Ind. Dev. Corp. | Greater Burlington Industrial Corp. |
| Lamoille County Planning Comm. | Lyndon State College |
| Marlboro College | Montgomery and Merrill |
| National Bank of Middlebury | Neighborhood Works of Western VT |
| Northern VT RC&D Council | Preservation Trust of VT |
| Renewable Energy Vermont | Rutland RPC |
| Raven Hollow Networks, Inc. | Southern Windsor RPC |
| Town of Poultney | Two Rivers Ottauquechee RPC |
| VANPO | Vermont Arts Council |
| VT Association of Realtors | VT Department of Labor |
| VT Forum on Sprawl | VT Housing Finance Agency |
| VT Humanities Council | VT Natural Resources Council |
| VT Sustainable Jobs Fund | Washington Electric Co-op |
| Washington County Mental Health | Woodstock Resort |
| Yankee Farm Credit | |

Leadership

| | |
|-------------------------|-------------------------|
| Ben & Jerry's | Casella Waste Systems |
| Chittenden Bank | Community National Bank |
| Green Mountain Power | Barbara Grimes |
| Lintilhac Foundation | Merchants Bank |
| Northfield Savings Bank | Woodstock Foundation |
| Passumpsic Savings Bank | Pizzagalli Construction |

VCRD 2006 Members

Leadership (cont.)

Smuggler's Notch
Union Bank

TD Banknorth
VT State Employees Credit Union

Project Contributors

Casella Waste Systems
Central VT Public Service
Citizens Bank
Economic Development Administration
Farm Service Agency
Green Mountain Power
High Meadows Fund
Jane's Trust
NRG Systems
Secretary of State's Office
UVM Center for Rural Studies
USDA Rural Development
VT Agency of Agriculture
VT Agency of Commerce
VT Agency of Natural Resources

VT Agency of Transportation
VT Community Foundation
VT Housing & Conservation Board
VT Public Power Supply Authority
VT Public Service Department
VT Sustainable Futures Fund
Vermont Electric Cooperative
VT Fuel Dealers Association
VELCO
Washington Electric Co-op
Windham Foundation
Yankee Farm Credit

In-Kind Contributions

Chittenden Bank
USDA Rural Development

