

Rural Development in Vermont: *Community and Policy Findings*



A Report from the
Vermont Council on Rural Development

October 2008

Vermont Council on Rural Development

The Vermont Council on Rural Development is a non-profit organization dedicated to helping Vermonters and Vermont communities develop their capacity to create a prosperous and sustainable future through coordination, collaboration, and the effective use of public and private resources. A dynamic partnership of federal, state, local, non-profit, and private partners, VCRD is uniquely positioned to sponsor and coordinate committees concerned with policy questions of rural import.

STAFF:

Paul Costello
Executive Director
Sarah Waring
Council on the Future of Vermont
Program Manager
Margaret McCoy
Office Manager/Executive Assistant

Pat Moulton Powden
Department of Labor
Jonathan Wood
Department of Forests, Parks & Recreation

LOCAL

Jeffrey D. Francis
Vermont Superintendents Association
Catherine Dimitruk
Northwest Regional Planning Commission
Steve Patterson
Northeastern Vermont Development
Association
Christine Hart
Brattleboro Housing Authority

BOARD:

FEDERAL

Jolinda LaClair - CHAIR
USDA Rural Development
Meg Mitchell - SECRETARY
Green Mountain National Forest
Harvey Smith
Farm Services Agency

PRIVATE

Bob Ackland - TREASURER
Consultant
Tony Elliott
Woodstone Company
Joe Fusco
Casella Waste Systems, Inc.
Marie Houghton - VICE CHAIR
IBM
Mark Young
First National Bank of Orwell

NON-PROFIT

Alex Aldrich
Vermont Arts Council
Hal Cohen
Central Vermont Community Action Council
Thomas Hark
Vermont Youth Conservation Corps
John Bramley
Windham Foundation

NON-VOTING CONGRESSIONAL LIAISONS

STATE

Roger Allbee
Agency of Agriculture
Kevin Dorn
Agency of Commerce & Community
Development

Tricia Coates
Congressman Welch's Office
Jenny Nelson
Senator Sanders's Office
Chuck Ross
Senator Leahy's Office

.....

Table of Contents

I. Introduction	2
II. Community Development.....	3
<i>VCRD Community Visit Program.....</i>	<i>3</i>
III. VCRD Policy Development	11
<i>Vermont Forest Products Council, 2001–2003.....</i>	<i>11</i>
<i>Vermont Agricultural Viability Council, 2002–2003</i>	<i>15</i>
<i>Vermont Council on Culture and Innovation, 2003–2004</i>	<i>18</i>
<i>Creative Communities Program, 2005–2007.....</i>	<i>20</i>
<i>Vermont Council on Planning, 2005–2005</i>	<i>22</i>
<i>The Vermont Rural Energy Council, 2006–2007</i>	<i>25</i>
IV. Broadband Telecommunications Infrastructure.....	29
<i>Rural Broadband Project</i>	<i>30</i>
<i>Connect NEK WiFi Hotspot Project</i>	<i>30</i>
<i>eNEK – Northeast Kingdom Broadband Enabled Internet.....</i>	<i>30</i>
<i>Education and Technical Assistance Program</i>	
<i>Broadband Working Group</i>	<i>31</i>
V. VCRD Rural Summits.....	33
VI. VCRD Board Visioning.....	34
VII. Council on the Future of Vermont	36

Rural Development in Vermont: *Community and Policy Findings*



Introduction

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

From community centered initiatives that build upon local, citizen based efforts, to policy councils that build collaboration between state, federal non-profit and private sector leaders, VCRD has designed and implemented highly effective programming to identify and address key issues that impact rural life. VCRD is a neutral, non-profit organization with a mission to bring Vermonters together across political lines and organizational boundaries to advance rural community and economic development throughout the state.

VCRD has developed a portfolio of community and policy action that includes:

- 15 years of town-by-town community development strategic planning;
- 7 Governor’s Summits retreats, and 4 statewide Rural Summit conferences;
- Policy council initiatives on agricultural viability, value added forest products development, the creative economy, the structure of the planning system, and in-state energy development;
- Strategic planning guidance to initiate creative economy plans in 12 cities and towns; and
- Facilitating 32 town-wide assessment and aggregation projects to acquire broadband access.

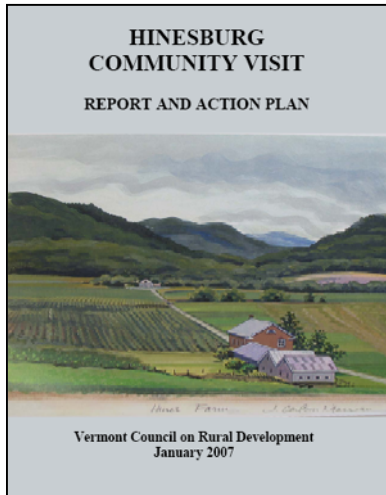
VCRD has built a reputation for integrity as a neutral, non-partisan mediator of public processes, setting the framework for decisions by communities—and by policy leaders—that lead to direct and practical results in addressing fundamental challenges at the local and state level.

The following compendium of findings highlights priority topic areas that have emerged through that body of work, and considers challenges identified by communities, some of the accomplishments of VCRD at the community and policy level, and unmet community development needs in Vermont. All reports cited in this document can be found on VCRD’s website, www.vtrural.org.



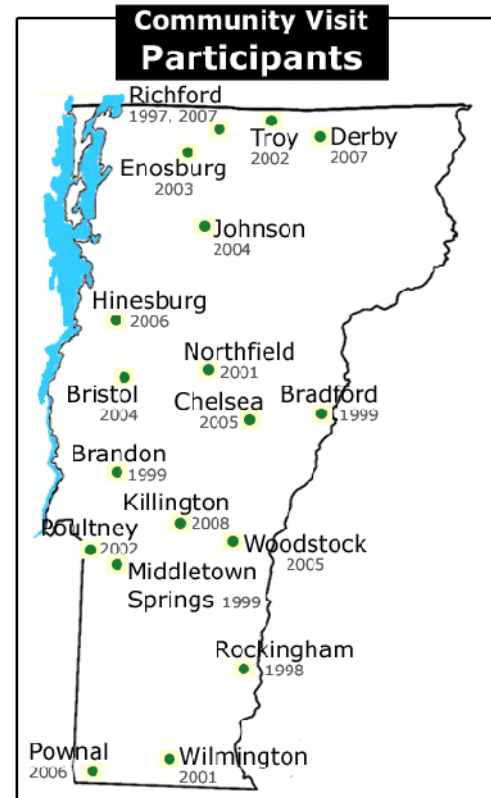
Community Development

VCRD Community Visit Program



The Community Visit Program (CVP), initiated in 1996, provides a structured process for local visioning that includes the enumeration of community assets, a productive discussion of challenges and goals, the prioritization of issues, and the development of strategic plans to address them. It has also provided VCRD and our state, federal and non-profit

partners with an essential window into rural life, and a deeper understanding of the economic, societal, and infrastructure challenges that residents believe must be addressed to sustain a robust and healthy community.



Towns approach VCRD for the program for several reasons:

1. They want to engage residents and bring together people from parts of the community that may not effectively work together, or through no fault or intent, not even communicate in a regular way.
2. They see the need for a neutral facilitative structure to give everyone a voice in setting the direction for the community.
3. They have a number of issues ahead and “don’t know where to start” and so look for the help of a facilitative group that can help set priorities.
4. They may be border towns or in quiet rural areas, and feel that they “fall off the map,” that they rarely see state or federal leaders and are attracted to the opportunity to share their challenges and directions with key leaders.
5. Community leaders want to build connections to resources that will help them implement local goals.

The program takes place over a four-month time period with opportunities for small focus groups as well as plenary discussions that allow participants to reflect on strengths and challenges within their community, suggest issues suitable for action, set community priorities, and ultimately sign up to work on task forces to address those issues. Communities typically select three or four priority topics for action through a

process of discussion, championing and voting. Residents are supported throughout the process by a “Visiting Team” made up of VCRD staff and as many as 30 experts in the identified areas of concern. Visiting Team members represent state and federal agencies with expertise and resources, congressional staff, non-profit leaders, business or professional leaders with expertise that connects with the issues before the community, and leaders from other towns who have successfully addressed similar issues.

Once priority areas are established, volunteers form Task Forces to advance the identified strategies; an overall chair and task force chairs from the community provide leadership toward implementation.

Demographic Background¹

The CVP has been conducted in 18 communities located in 11 Vermont counties as of May 2008.

TOWN	YEAR OF PROGRAM	POPULATION	% NATIVE VERMONT RESIDENTS	MEDIAN HOUSEHOLD INCOME ²	EDUCATION (POPULATION 25 AND OLDER)
Killington	2008	1,095	20.4%	\$47,500	High School: 15.7% Some College: 31.5% Bachelor's Degree: 33% Graduate/Professional: 15.7%
Derby	2007	4,604	68%	\$35,313	High School: 40.7% Some College: 25.8% Bachelor's Degree: 11.7% Graduate/Professional: 6.2%
Richford	2007 & 1997	2,321	75.5%	\$28,125	High School: 46% Some College: 18.7% Bachelor's Degree: 3.8% Graduate/Professional: 1.6%
Hinesburg	2006	4,350	59.5%	\$49,788	High School: 25.6% Some College: 25.3% Bachelor's Degree: 21.4% Graduate/Professional: 19%
Pownal	2006	3,560	41.5%	\$39,149	High School: 39.3% Some College: 25% Bachelor's Degree: 11.7% Graduate/Professional: 4.2%
Woodstock	2005	977	17.8%	\$45,577	High School: 20.2% Some College: 24.6% Bachelor's Degree: 18.3% Graduate/Professional: 11.1%
Chelsea	2005	1,250	63.7%	\$32,024	High School: 38.1% Some College: 22.9% Bachelor's Degree: 15.5% Graduate/Professional: 6.1%
Bristol	2004	3,788	72.1%	\$43,250	High School: 40% Some College: 19.4% Bachelor's Degree: 12.8% Graduate/Professional: 8.5%
Johnson	2004	1,427	51.7%	\$23,846	High School: 34.7% Some College: 25.7% Bachelor's Degree: 16.3% Graduate/Professional: 9.4%

¹ Demographic information based on 2000 census data

² National Median Household Income: \$41,994

Enosburg	2003	2,788	78.8%	\$33,683	High School: 43.7% Some College: 21.7% Bachelor's Degree: 17.8% Graduate/Professional: 3.7%
Poultney	2002	3,633	51.3%	\$31,711	High School: 43.7% Some College: 21.7.7% Bachelor's Degree: 17.8% Graduate/Professional: 3.7%
Troy	2002	1,564	70.6%	\$31,705	High School: 44.5% Some College: 19.8% Bachelor's Degree: 5.1% Graduate/Professional: 4.4%
Northfield	2001	3,178	42.7%	\$33,348	High School: 36.9% Some College: 21.2% Bachelor's Degree: 11.1% Graduate/Professional: 14.4%
Wilmington	2001	2,225	38.8%	\$37,396	High School: 29.4% Some College: 30.2% Bachelor's Degree: 19.7% Graduate/Professional: 11.4%
Bradford	1999	2,619	27.5%	\$37,270	High School: 39.9% Some College: 21.7% Bachelor's Degree: 11.6% Graduate/Professional: 8.0%
Brandon	1999	3,917	63.5%	\$35,810	High School: 38.5% Some College: 23.7% Bachelor's Degree: 15.8% Graduate/Professional: 11.1%
Middletown Springs	1999	823	54.2%	\$35,385	High School: 31.1% Some College: 23.9% Bachelor's Degree: 18.9% Graduate/Professional: 15.6%
Rockingham	1998	5,309	59.5%	\$33,423	High School: 39.2% Some College: 22.3% Bachelor's Degree: 13.7% Graduate/Professional: 5.0%

Priority Issues

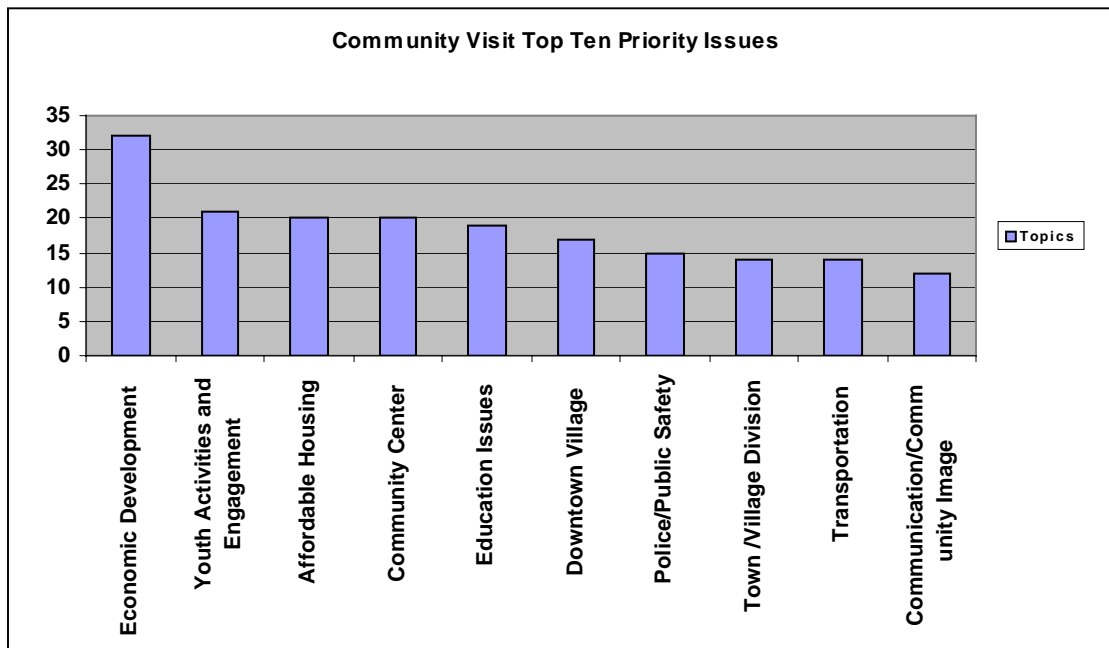
Priorities selected by towns range from expanding sewer and water capacity, to merging town and village governments, to addressing youth issues or building senior housing. Every community is different, and the Community Visit model has advanced a remarkable variety of local goals.

Community members select priorities based on several key questions: *Where can new task forces have a real impact? What are crucial needs that are not adequately addressed by existing committees? What are individual citizens willing to put themselves on the line to address?* In other words, residents vote their priorities, not for issues that “someone” should address, but to identify areas that residents should rally to, with goals that can be advanced by the collective action of community members.

In reviewing the list of priorities established in the 12-year history of Community Visits, *Economic Development* was selected as a top priority in the Community Visit voting process, emerging as a primary topic in 14 communities and a major issue in 4; only 1 community (Northfield) did not choose it as a focus issue. Youth Activities and Engagement was often arrived at as a priority issue after citizens further refined initial

concerns around substance abuse, vandalism, a disconnect between generations, and a sense of disenfranchisement of youth from the community. Affordable Housing encompassed issues from substandard mobile homes to loss of young families to the need for senior accommodations. Transportation was cited as a major concern in 10 out of 12 communities from 2002–2008.

The following chart illustrates the top ten priority issues selected for action by participating residents.



Program Impacts

Among the basic premises of the Community Visit Program is the understanding that the process can help unify a community around common goals, empower residents by investing them in decisions and outcomes, and raise up local leadership to ensure sustainability and maintain momentum.

Many communities have found the program to be a catalyst to productive change, and residents often identify the process of bringing diverse members of a community together in a mediated discussion as a core benefit.

Almost all towns have built community spirit and engaged new volunteers. Projects have been advanced and accomplished ranging from a town merger in Richford, to building a senior living project in Wilmington, revitalizing downtowns in Bellows Falls and Brandon, or building a youth center in Bradford. Samples of town accomplishments are listed below.

- **Richford** (1996): Merged village & town; built affordable housing, river paths, a new health center and plans to redevelop Sweat-Cummings downtown industrial plant; charted millions in grants in support of Community Visit Task Force action plans.
- **Rockingham** (1998): Downtown housing, downtown revitalization, and rebuilding the Bellows Falls image were goals accomplished: today the reborn downtown is a model of creative economy development.
- **Bradford** (1999): Village revitalization was boosted with library repairs, the development of Boch park, and ongoing affordable housing efforts; work proceeding still toward town/village merger.
- **Brandon** (1999): Earned Downtown Designation and encouraged significant downtown investment, built a town economic development budget, promoted new recreation development and seeded Brandon's recent success as a creative economy model.
- **Middletown Springs** (1999): Built sections of the town plan and set up the Middletown Springs Conservation Commission.
- **Wilmington** (2001): Built a Vision for Wilmington's future economic development, built a senior housing project.
- **Northfield** (2001): Redeveloped the old town school as a community center and set agreements for water/wastewater development.
- **Troy, Westfield, Jay** (2002): Built walking trails and events celebrating downtown Troy and took steps in the development of "Tranquil Gardens."
- **Poultney** (2002): Built new youth activities and mentorships, expanded collaborations with Green Mountain College, designed new town banners and a town marketing strategy, beautified Main Street and filled storefronts, developed a Community Video, started Artist and Writers Guilds, opened the slate museum, built a consensus Vision for the community.
- **Enosburg** (2003): Instituted a community-wide literacy campaign and mentorship program, set up a Restorative Justice Board, new recreation park, town web page, unified town/village public works, financing, planning/zoning and offices.
- **Johnson** (2004): Leveraged significant federal funds to replace three bridges, build a water system, and implement redesign of downtown; built a community calendar, and instituted a Winter Carnival and a summer concert series to unite and market the community.
- **Bristol** (2004): Inventoried potential space for small industrial park, set key attributes of businesses to attract, redeveloping Bartlett Falls area, improved storm water system.
- **Chelsea** (2005): Gained ACCD Planning Grant to staff Community Visit Task Forces, building a community facilities and infrastructure plan.
- **Woodstock** (2005): Set community priorities for town/village merger, built an east end development corporation, expanding conservation, expanded walking trails and developed a town trails map, and building a Woodstock Vision.
- **Pownal** (2006): Established a Housing Task Force that built a mobile home tenants association and is planning for an affordable housing project; developed

community gardens and activities; built tourism map and a communications campaign to tell the good story of the town's success.

- **Hinesburg** (2006): The town voted funds to contract for services to advance initiatives; improved energy efficiency, stopped bus idling, lightbulb campaign, advanced the agricultural economy.
- **Derby** (2007): Evaluating steps toward town/village merger and solving water sewer infrastructure issues.
- **Richford** (2007): Working to increase police protection and its connection to community; new health center and grocery in the old Sweat Comings property seen as keystone to future downtown development.
- **Killington** (2008): Built a system for positive Town/Mountain communications and problem solving; set a 4-season economic development planning process with substantial funding from a 1% municipal rooms, meals, and sales tax.



VCRD Findings:

What we have learned through the Community Visit Process

- ✓ **Success comes from local leadership.** Leadership is crucial, the indispensable element in the success of rural communities. Public processes can help residents rally to common directions, but strong local leaders are needed to move projects forward, keep volunteer momentum, and maintain the structure of work for implementation of the local vision. Towns with good leadership are the ones best situated to benefit from the Community Visit model.
- ✓ **The process of invitation is critically important.** In general, participants in rural dialogues tend to be the older, better educated and more financially secure members of the community. Any organization involved in community development needs to consistently and consciously reach out to less visible populations such as the elderly, low-income individuals, and youth. It is an 'old saw' that people need to hear about a community initiative 3 times before it sinks in. So, working to rally public engagement entails all media in the community, from church bulletins and handouts at the library and grocery store to emails, websites, press, local TV and radio, and systematic person-to-person invitations. The invite needs to be for everyone, and sometimes you need to go where people are, rather than expect them to come to you.
- ✓ **All participants are equal.** To hold a real, free and fair public dialogue, the facilitation team and residents all need to start from a recognition that each participant in the process has an important voice in the future of their community.
- ✓ **The power over all content and action decisions needs to stay with community residents.** VCRD's neutrality puts the voice of residents first. VCRD recognizes at the outset of a visit process that local communities know as well as any outside 'experts' their greatest challenges and that they have the capacity in a free and fair dialogue to define their priority directions better than any outside individual or

organization could do for them. Organizations who come to educate the public and move their own agenda will be seen skeptically and be less uniting of community.

- ✓ **Many communities worry that they are fragmenting.** In Chelsea Vermont, a high school sophomore described how his cafeteria divided at lunchtime—the ‘hippy kids’ sit on the back wall, the rich kids to the right, the rednecks on the left, those who’ve only been in town a few years in a group. In town after town, there are what one Community Visit participant called “communities within the community” that are socially and sometimes physically separate—the college on the hill, the American Legion, the downtown association, the arts community, business leaders, mobile home park residents. Residents express concerns that the natural bonds that unite communities across socio-economic or even cultural groups are weakened by commuter patterns and the insularity of modern life.
- ✓ **Many Vermont communities are desperate for uniting visions that can help them work together.** Most towns that participate in Community Visits express this goal in one way or another, often with a sense of urgency.
- ✓ **A Community Visit Team engages citizens, builds hope, and establishes face-to-face relationships that can help communities get things done.** Providing a skilled, high profile resource team lends credence to the program, and allows policy makers and funders to experience community concerns first hand and on a personal level. This can be an asset to a community seeking financial or technical support. Many communities cite having VCRD and the resource team on the ground in rural and sometimes isolated areas of the state as a unique and extremely beneficial feature. On the other side, bringing state, federal, and non-profit leaders on listening teams provides a great education for them in the challenges communities face, understanding how programs look at ground-level, and the complexities in how their regulations and funding guidelines over-lap, duplicate one another, or disconnect from local realities.
- ✓ **Success is about partnership.** Regional planners and development corporations, state and federal program leaders, and the variety of non-profits in Vermont offer tremendous skill sets and program offerings to rural communities. VCRD looks to partners to apply leadership in their areas of expertise to support the progress of the communities who have built visions and plans through the Community Visit process. Successful towns learn how to be a “squeaky wheel” that calls for help from these organizations, and has leadership and the vision and unity of citizens behind projects to use their help effectively. This is key to the successful projects in rural Vermont today.
- ✓ **Successes can take time and are multi-determined.** Success can be difficult to measure as there is rarely a singular cause that leads to completion of a community goal. Some ideas are already in the air, and community development processes like the Community Visit distill them; others may start, fail, and come back to success 5 years later.

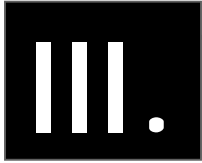
- ✓ **There is not enough capacity in Vermont today to meet community development needs of rural towns.** Throughout Vermont, there is a need for more assistance in community visioning or priority setting than is available from VCRD or any other state or non-profit organization. VCRD has never had the capacity to provide in-depth follow-up to served towns.
- ✓ **Local issues, challenges and solutions add up to statewide policy and investment imperatives.** The Community Visit program is an effective tool in identifying areas of rural concern, and provides an important snapshot of Vermont community life that serves as foundation to VCRD's development of policy needs for further evaluation and development.

VCRD's Role in Community and Organizational Facilitation

In addition to its Community Visit Program, VCRD is often called on to provide organizational consultation and resource referral both at the community and agency level. Listed below are a sample of the organizational supports VCRD has provided to Vermont communities, agencies and organizations in the last few years.

- Home Heating Partnership Facilitation and production of the Vermont Home Heating Guide, 2001
- Mediating facilitation between USDA RD, the Agency of Natural Resources, and Dept. of Housing and Community Affairs on Water and Waste-Water Funding, 2000–2001
- Waterbury Town/Village Merger Discussions, 2006
- Champlain Valley Exposition Strategic Planning, 2005, 2007
- Facilitation of the House Rural Summit for the Legislature in 2006
- Community Planning Facilitation with the town of Burke in advance of Ginn development on Burke Mountain, 2006
- Farm Service Agency Staff Planning Facilitation, 2005
- Vermont Compost Association Facilitation toward new goals-based regulation, 2008
- SWOT Analysis for Vermont Dairy Task Force, 2007
- Organizational facilitation for the Commission on the Future of Economic Development, 2007
- Moderation of the Vermont Environmental Consortium Conference on Environmental Education, 2007
- Mediation between Compost businesses and regulators for Vermont Composters Assn., 2008
- Facilitation of working team for Home Weatherization Education Program, 2008
- Consultation on policy development toward the Transformation of K-12 Education, 2008

VCRD staff also serve on or moderate innumerable panel discussions and conference workshops on issues of vital rural concern.



VCRD Policy Development

VCRD is officially recognized by the U.S. Government as the “State Rural Development Council” authorized by the Farm Bill to help coordinate state and federal rural policy in Vermont. As such, the Council is charged by statute to serve as a neutral convener that brings together state, federal, non-profit, business and local leadership to evaluate the coordination of programs serving rural Vermont, to identify and help overcome impediments and barriers to the success of state and federal programs, and to bring together leaders from all levels of government and across the political landscape toward advancing policies that aim at consensus and unite efforts in service to the progress of rural Vermont.

Through its role as a convener and manager of dialogues that bridge levels of government with non-profit, local and private sector interests, VCRD has played an active role in defining and developing policies that impact rural life in Vermont. Many of the issues that the Council chooses as topics for focused policy development arise from community level discussions; the relationship between the two arms of work is essential.

VCRD has developed expertise at structuring policy dialogues and organizing diverse leadership teams to common purposes. Board members of policy councils established by VCRD are selected to represent disparate entities and positions, intentionally creating a body composed of a range of political and policy positions, experiences, and sectors.

The first VCRD policy council, the Vermont Forest Products Council, was convened in 2001.

Vermont Forest Products Council, 2001–2003



The Vermont Forest Products Council (VFPC) was convened in 2001 with 11 members representing state government, natural resource agencies, and wood manufacturers.

VCRD established the VFPC for two reasons:

First, because VCRD is dedicated to the conservation of the open working landscape in Vermont, it sought a direct and significant way to advance the economy that had underpinned and successfully perpetuated the forest landscape. That economy, of the primary (foresters, loggers and mills) and secondary (value-added craftsmen and manufacturers) forest products industry was in serious trouble due to international competition.

Secondly, in 2001, Governor Howard Dean's Development Cabinet had called for a study of how to promote and advance the value-added forest products industry as one cornerstone of the prosperity of Vermont's rural communities.

VCRD chose to build a policy council, and ultimately a set of working strategies to advance the secondary value added industry, knowing that the complexity of issues and policy challenges on the primary side could derail a start up effort, and recognizing that success on the secondary side would benefit the primary industry and potentially situate VCRD to convene leadership around issues in that area at a later date.

The council spent two years studying the value-added wood products industry in Vermont. A guiding premise to the Council's work was the understanding that Vermont's working landscape of fields, farms and forests is an integral part of both the state's identity and its long-term economic security.

Identified Challenges

The Vermont Forest Products Council identified a number of key challenges facing the industry:

- The need to conserve the working landscape through measures other than fiat or public purchase—the working landscape needed to be economically viable.
- A competitive global economy presented major challenges, but also opportunities—if the industry united around a strategic plan for brand development and marketing.
- The goal for Vermont to develop businesses in rural communities to capture the highest value for the wood material possible rather than export basic wood commodities.
- The challenge of high energy and insurance costs and complicated regulatory processes.
- Challenges to providing an adequate labor force and wood supply.
- The need for technical assistance for forest products businesses.
- The lack of a uniform marketing message and conflicting public images of the industry as a whole, including negative perceptions by the public and some policy leaders.

VREC Recommendations

VREC built a set of clear strategies designed to advance the industry through their collective action and as a platform to draw together state, federal and other resources. The VREC platform incorporated the following elements:

- **Marketing Efforts:**
 - Develop a Vermont Wood Products Brand—a collaborative statewide effort among wood product manufacturers to cooperatively market under a unified brand.
 - Create a Forest Products Showcase and Design competition, factory tours and demonstration sites.
 - Increase Vermont’s profile at national trade show events. Expand lodging product placement.
- **Economic Development:** Improve working environment and economic stability through increased safety measures, more responsive Worker Compensation programs, consistent state support, and working capital.
- Provide **Education and Training** opportunities through curriculum development, outreach to educators, and business and leadership skills program.
- **Wood Resources:** Address primary wood production and utilization for energy creation, timber stand improvement, forest stewardship programs and green certification initiatives.

With the completion of the report, state and federal leaders from Vermont’s Agency of Commerce and Forests Parks and Recreation to the Vermont Congressional Delegation rallied in support of the platform articulated in the VREC report. With substantial support from Senator Jeffords office, VCRD obtained a \$1,000,000 Economic Development Administration grant to implement five VFPC recommendations concerning marketing and branding. This grant, implemented by the Vermont Wood Manufacturers Association and the Vermont Wood Products Manufacturing Council over a two-year period, further leveraged funds from state and private sources to create a premier marketing program for value-added wood products from Vermont.

Vermont Forest Products Council Results					
5 Marketing Recommendations Awarded Funding through \$1,000,000 EDA Grant					
Grant recipients leverage an additional \$500,000 in cash and cost share					
Industry is unified around common Vermont Brand	Creation of industry-wide website and improved online presence	Successful studio tour and experiential tourism marketing plan	Technical training and business development assistance provided	National presence at premier trade events	Award winning annual festivals and showcase events

The Vermont Forest Products Council successfully addressed key issues within a targeted policy area and, with appropriate funding obtained following the release of its findings, has made a substantial and measurable impact in the critical economic sector, increasing jobs and sales revenue. A more difficult to measure, but equally important result, is an industry that views itself as a respected and cohesive entity, united under the common umbrella of the Vermont Brand.



VCRD Findings

- ✓ **Secondary industry challenges remain.** VCRD was successful in bringing together leaders to provide a major step forward for the secondary forest products economy in Vermont. That industry remains challenged by global competition—on one tour VREC observed workers pulling beds from boxes that had been made in China from wood harvested without environmental safeguards in Russia and manufactured by workers whose hourly pay rate was equivalent to the hourly cost of Workers' Compensation charges here in Vermont. Versatility and innovation will be essential for the continued success of the industry.
- ✓ **Vermont cannot and must not compete for the bottom of the commodity market.** Vermont's forest product resources are of surpassing value; it is essential to the future prosperity of rural Vermont that businesses in the state capture the highest use-value for the material.
- ✓ **Vermont has cache, can capture some niche markets, and can build its reputation for design and innovation.** Past brand studies document this and point toward the inclusion of creativity and innovation as key marketing messages that Vermont should expand to deepen its brand image.
- ✓ **Vermont businesses can work together effectively to maximize the power of the Vermont brand.** Cabot Creamery's generosity to this project was based on the idea that the greater the presence of Vermont branded products in the market, the more consumers think of Vermont, and the more the Vermont identity captures customer imagination. A rising tide of quality branded products floats all boats. The VREC idea in the forest products industry is for each toy, bowl, desk or custom cabinet carrying the Vermont Brand to advertise all others, thereby building market presence that improves sales for all.
- ✓ **The primary forest products industry logging companies and mills are the family farms of our forest and deserve the respect and support of Vermont residents.** There are significant opportunities in the primary wood sector that could be programmatically developed into the future. This side of the industry is particularly challenged by the mixed perceptions of Vermonters, by international competition, and by the pressures on Vermont's working landscape. This industry is, however, the major steward of the working landscape, and as such, deserves the support and encouragement of Vermonters.
- ✓ **Vermont's forested landscape is threatened.** There are tremendous pressures on Vermont's forests today from parcelization, fragmentation and dispersed housing and commercial development that threaten the state's working landscape. Economic alternatives to parcelization and development require the viability and prosperity of the forest industry.

- ✓ **Primary sector public relations should be improved.** The primary forest products industry could benefit from uniting around key brand and public relations messages, and working together to identify and implement key strategies for the future.
- ✓ **There are opportunities for linkages and new markets throughout the forest products economy today.** VREC recommendations connected to the primary industry cited a need to create market linkages between Vermont landowners, mills, manufacturers, state lands and retail. Also noted were tremendous opportunities for wood use in energy production, the need for timber stand improvement, forest stewardship and education, green certification and use of local wood for State construction.
- ✓ **Vermont's strong conservation ethic will be useful in the ongoing dialogue around wise use of the limited resources, especially as the need for biomass for energy escalates here and in the global marketplace.**
- ✓ **Successful collaboration builds momentum.** Today, after the completion of the EDA forest products grant, many if not all the activities of the industry are continuing; their success has united leadership and earned investments that are ongoing, and the industry is continuing to make significant progress.

Vermont Agricultural Viability Council, 2002–2003



The Vermont Agricultural Viability Council (VAVC) was formed with the goal of developing a strategic plan that would both further the prosperity of Vermont's dairy industry and foster the growth of Vermont's diversified agricultural enterprises. VCRD was encouraged to build a policy dialogue in this area by Vermont legislators, congressional staff, and federal agency staff. Vermont's

Commissioner of Agriculture supported and participated in the process because it dovetailed with departmental needs and the desire to advance a working platform that could unite state, federal, non-profit, and farm association efforts.

The analysis of the challenges and opportunities before agriculture began with an inclusive evaluation of all existing agriculture-related studies produced since 1990. Five agricultural hearings were then conducted with farmers and interested parties throughout the state. VAVC received presentations by a variety of agricultural experts covering all the topics before it. The Council also contracted for a research analysis of existing conditions in Vermont, national and international impacting factors, and alternative models of agricultural development.

A foundational concern for the effort that was approached from a number of perspectives was that of competition in commodity markets and the determinative impact of commodity prices, set out of state, on the profitability of Vermont operations. This led to an articulation of the necessity to diversify Vermont's agricultural markets, to promote unique qualities that would make Vermont's market offerings stand out in a competitive environment, and the need to raise the image and increase support of the agricultural sector among both consumers and state government.

Identified Challenges:

- "Macroeconomic" pressures including technological innovation such as genetic manipulation may be threats or opportunities; Vermont lacked consensus around technologies of scale that favored the profitability of large farm operations and was fractured around the growing use and potential of genetically modified organisms.
- Vermont's production costs for milk are higher than costs in many competing states.
- Vermont policy and financial investment decisions inadequately support producers.
- The impact of national commodity prices on Vermont milk (Vermont consumes only 5% of its own dairy products).
- Product competition, globally and regionally.
- The need for a policy focus on producers and marketers to reduce costs and capture high-end market opportunities.
- Vermont's need to diversify agricultural production beyond dairy and into traditional and non-traditional crops.
- Vermont had untold opportunity in 'value-added agriculture' but lacked significant investment in expanding value-added infrastructure or production.
- Inadequate state assistance in supporting entrepreneurial agricultural models and providing technical assistance to farm businesses.

The Council's findings included infrastructure recommendations around the coordination and development of agricultural policy, but also focused on the need to diversify Vermont's agricultural base, with particular emphasis on developing local markets. Goals and recommendations developed from five areas of focus:

Governmental Policy: Coordinate the development of agricultural policy within various governmental agencies.

Farm Profitability: Improve farm profitability by lowering costs, supporting good management and addressing barriers to growth.

Marketing: Increase the sales and value of Vermont products through a comprehensive, coordinated marketing strategy built on the Vermont brand.

Agricultural Transitions: Encourage flexibility and innovation in agricultural enterprises in order to respond to changing market opportunities.

Education: Prepare a new generation of farmers and consumers.

At the end of the process, the Chair of the VAVC was appointed by Governor Douglas to serve as the Secretary of the new Agency of Agriculture; the VAVC report, in his words, became something of a “workplan” for the agency.

A number of the VAVC recommendations have been implemented successfully and have contributed to the viability of Vermont’s agricultural sector. The recommendation to establish a Secretary of Agriculture was instituted and that position provides a clear point of leadership and advocacy for Vermont farmers. A commonly identified concern was to consciously market Vermont’s assets—building a “Vermont Brand” —celebrating the entrepreneurial characteristics of Vermont farmers. Another key recommendation proposed the development of what has become a successful “Buy Local” campaign in support of Vermont’s burgeoning and diversified, community agriculture market.

In an age of increasing energy insecurity, rising grocery prices, and incidents of unsafe food production in the global marketplace, Vermont is poised for an agricultural resurgence.

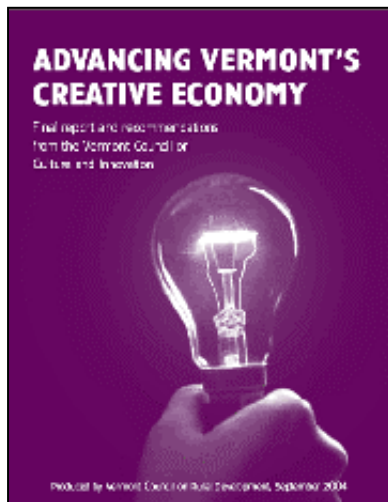


VCRD Findings

- ✓ **Maintaining critical mass is crucial to the success of agriculture in Vermont.**
- ✓ **Farms are businesses.** Vermonters and policy leaders can make the mistake of thinking of farms as somehow separate from the issues faced by other businesses in Vermont. In fact, they have similar needs for regulatory clarity and predictability, capital access, and technical assistance. Farms need to make profits.
- ✓ **The dairy economy and the growth of diverse agricultural and value-added enterprises are not at odds but complement each other and are key to the future success of Vermont’s agricultural sector.** Diverse agricultural enterprises depend on the infrastructure of stores, suppliers, markets, etc. that is supported by a profitable dairy sector. The dairy sector leads in creating the open agricultural landscape that is a hallmark of Vermont’s image: both dairy and the dynamism of agricultural diversity (and all the creativity and innovation it represents) are key components of the Vermont brand and the story that can support the success of the industry as a whole.
- ✓ **Likewise, the export market for commodity products is not at odds with the ‘buy local’ or ‘localvore’ movement.** Both represent opportunities for significant growth to family farm revenues in Vermont.
- ✓ **Vermont commodity production costs are higher than other places in the country; Vermont farms need to compete for quality, market preference, safety, and other brand attributes.**

- ✓ Vermonters value agriculture as a key attribute of Vermont life, landscape, heritage, health and wellness, but agricultural enterprise development has not been an investment priority.
- ✓ Vermont has major growth opportunities in organics, specialty foods and value-added agricultural enterprises.

Vermont Council on Culture and Innovation, 2003–2004



“The Vermont Council on Culture and Innovation envisions a future in which two principles are widely understood. First, that our cultural expressions and heritage are central to the fabric of each and every Vermont community. Second, that they act as a powerful economic engine that inspires innovation, creates jobs, and produces revenue throughout the state.”

The Vermont Council on Culture and Innovation (VCCI) was formed in response to challenges experienced by Vermont in the face of a global economy and a resulting shift away from the state’s traditional agricultural and manufacturing base. Vermonters have identified the state’s brand recognition, entrepreneurial spirit, and rich culture and heritage as assets. The question was—how to capitalize on those strengths and provide opportunities for the next generation?

To find answers, VCCI investigated the idea of the “Creative Economy” both as a national and international model and also for how Vermont communities like Bellows Falls, Brandon and Vergennes had used this idea to build successful revitalization campaigns. How could other communities make similar progress? What are the policy implications of this model and how could state, federal and non-profits in Vermont support community success? The VCCI’s deliberations formed the basis of a report that eventually developed, through funding by Jane’s Trust, into the Creative Communities Program, a program that stimulated thousands of people throughout Vermont to think about economy, creativity, and community in new ways—and take collective action to advance community and economic development.

VCRD defined the ‘creative economy’ as the dynamic process where creativity in the arts and technology infuse dynamism in a community and make it an exciting center for innovative entrepreneurs to develop or locate. More than performing arts and cultural activities, the creative economy is informed by an area’s history and tradition, by its strengths and its people. In Vermont, communities defined it around its ability to leverage entrepreneurship in areas as diverse as technology, the environment, agriculture and energy.

Some of the issues identified in public forums through VCCI echo concerns heard in other sectors: the need to market the Vermont Brand, develop a statewide education campaign, inventory assets, and receive support from state planning and financing mechanisms. Other central challenges revolved around Vermont's downtowns; revitalizing Main Street in the wake of corporate retail and suburban expansion, creating a sense of community and civic pride, developing healthy activities for seniors and youth, building a stronger local job market and becoming an attractive place for young people to settle.

An important result of the report and the ensuing Creative Communities Program was the affirmation that creative endeavors could encompass both art *and* technology, and a recognition of the need to recruit professionals in high tech industries, as well as young workers who could capitalize on the flexibility of e-commerce while living in a rural state.

The VCCI's recommendations identified four broad areas for action and investment:

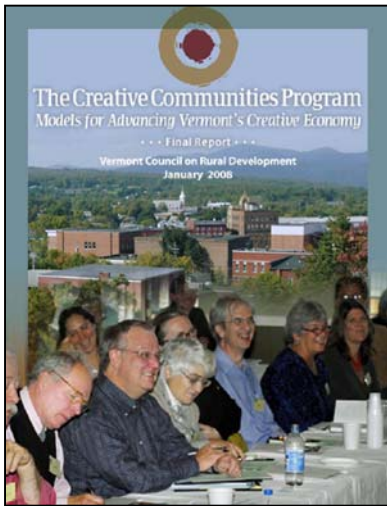
- **Support the Growth of Creative Enterprises**
 - Expand markets for Vermont's creative goods and services.
 - Assess, refine and market the "creative aspects" of the Vermont Brand.
 - Highlight Vermont's cultural life through special events.
 - Provide financial and technical support for creative businesses.

- **Invest in Communities so They Can Build on Their Past While Adapting for a Vibrant Future**
 - Ensure that culture and heritage are strategic priorities in Vermont's Community Development investment policies.
 - Maintain the historic fabric of downtowns and village centers and increase funding for cultural and historic facilities.
 - Identify and encourage creative uses of empty industrial space.

- **Promote and Document the Role that Creativity, Culture, and Innovation Play in Vermont's Economic Future.**
 - Track and report the impact of the State's creative economy.
 - Reinforce Arts and Heritage Education.
 - Launch a Statewide Public Information Campaign.

- **Develop Vermont's Creative Economy Through Community-Based Planning and Improved Statewide Collaboration**
 - Initiate a Vermont Cultural Coordinating Council.
 - Establish a Governor appointed commission to provide leadership in the growth of the creative economy in Vermont.
 - Jumpstart local creative economy development projects through creation of the Creative Communities Program.

Creative Communities Program, 2005–2007

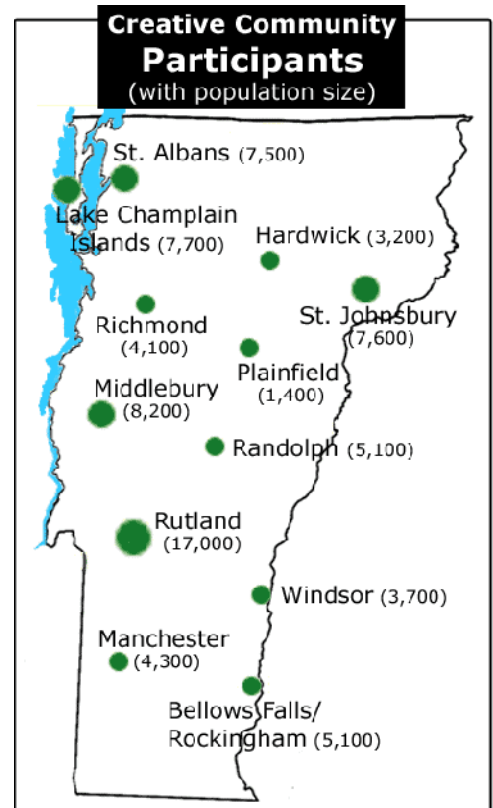


The last recommendation in the list above, to develop a Creative Communities Program (CCP), came to fruition under a grant from Jane's Trust. The goals of the program were:

- a. Make Vermont a model or laboratory of the creative economy and build the reputation of the state for culture and innovation.
- b. Give communities tools to develop creative initiatives and provide resources necessary for success.
- c. Provide a framework for Vermont's cultural sector to work together as direct participants in community and economic development.

Through this initiative, VCRD staff worked with twelve communities to engage residents from all walks of life, to evaluate assets and opportunities, to set priorities, to organize working teams around key projects and to connect to resources and expertise for implementation. This program was modeled very closely after the Community Visit Program, utilizing the same facilitation design, resource team contributions, and overall structure. Like the Community Visit Program, the CCP depended on strong local leadership to inspire, organize, and maintain momentum among community members—some of that leadership was from individuals who had led community efforts in the past, but in many towns new leaders came forward to lead revitalization work that united residents in new ways. The Creative Communities Program served as a catalyst that has stimulated the imagination and united the creative energy of residents in towns and villages throughout the state.

At the conclusion of the program, a multi-media DVD was released that provoked strong statewide and national interest, and numerous national organizations look to Vermont as a leader in the creative economy. A special section on VCRD's website (www.vtrural.org) details resources, program accomplishments, highlights from participating communities and provides a toolbox for launching new efforts and connecting to resources, thereby ensuring that the network of communities sharing ideas and resources will continue to grow.



Creative Communities Program Participants					
Bellows Falls/ Rockingham	Grand Isle County	Hardwick	Manchester	Middlebury	Plainfield
Randolph	Richmond	Rutland	St. Albans	St; Johnsbury	Windsor
Thematic Areas for Project Development					
Recreation Parks Environment	Community Arts & Business Spaces	Internet and Technology	Developing Collaborations	Sustainability Energy Green Business	Agriculture
	Cultural Connections	Downtown Improvements	Establishing a Learning Community	Increasing Off-Season Activity	

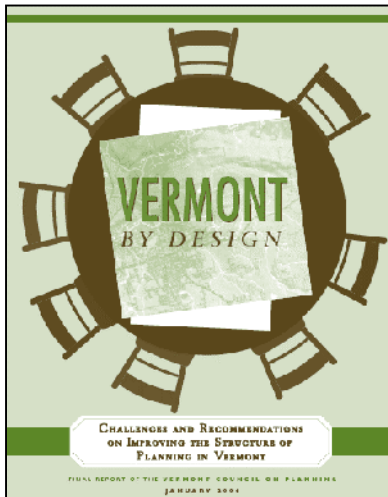


VCRD Findings

- ✓ **Towns like Bellows Falls, Brandon, Vergennes can serve as models that can inspire other communities in Vermont, and demonstrate key steps in revitalization.**
- ✓ **Rooms and meals and sales taxes, along with downtown occupancy rates and activity, are concrete measures of the success of creative economy efforts.**
- ✓ **Because of the state’s scale, strong village centers, and spirit of innovation, Vermont has become a model of the creative economy.** At the conclusion of the VCCI process and the Creative Communities Program, Vermont has come to be seen as a dynamic center of culture and innovation, where the model has been led by local residents rather than as a top-down program.
- ✓ **Our cultural expressions leverage the sense of community, which is Vermont’s preeminent asset in developing, recruiting, and retaining the creative entrepreneurs and workforce that will be a foundation of our future economic success.**
- ✓ **The Creative Economy means different things to different people.** Far from being a weakness, this strength allows a wide variety of communities to come together around the key idea of the creative economy and decide what it means to their community in their time. It allows a town to review its cultural, community, and economic assets and define strategies that bridge these resources to improve amenities, develop improved communications systems, devise business incubation sites or strategies, preserve and redevelop precious historic structures, and jump start a wide variety of activities that can put a community on the map as an innovation center, a community with momentum. In today’s economy, that ‘brand identification’ can be priceless.
- ✓ **The ‘Creative Economy’ rallies new partners to the community conversation, overcomes communication gaps (particularly between arts groups, community**

groups and business leaders) and builds new partnerships to address new and creative priorities. Today Vermont towns are building bike paths, developing new outdoor community and performance spaces, incubating new agricultural enterprises (including community gardens, incubators, sales venues), developing new signage, setting up arts/agriculture and other tours, building 4-season activities for locals and tourists, developing new on-line community center-points. The creative economy idea spurs community engagement and development projects.

Vermont Council on Planning, 2005–2005



The Vermont Council on Planning (VCP) envisioned a future in which coordinated municipal, regional, and state plans are implemented in line with statewide goals to guide development, conservation, and resource protection in the interests of all Vermonters.

Like all of VCRD's councils, the membership of the Vermont Council on Planning was selected to be a leadership group, comprised of members of state agencies, Vermont Legislators, business, housing and environmental directors, legal experts, federal representatives, and regional and local planners and officials. The Council met for one year and was charged with considering the challenges of municipal, regional and state planning and the structure of the system as a whole. The decision to form a policy council around the issue of planning arose from a series of VCRD Rural Summits

exploring issues such as affordable housing development, agricultural viability, transportation, land use and economic development that were linked by a common thread of concern around planning.

A **2004 Summit** devoted exclusively to the "Structure of the Planning System in Vermont" was used to launch the VCP. Participants at the 2004 summit identified the following broad areas as challenges:

1. **Inefficiencies and Inconsistencies in the Planning System:** The planning system was identified as unwieldy and inefficient. It was noted that many Vermont towns either lack a town plan or have one that is vague, impeding planners, developers and regulators' ability to interpret them. The support provided to municipalities by Regional Planning Commissions was deemed inconsistent, and participants believed that incentives for strong plans were weak. It was noted that funding, resources and training for planning agencies are inadequate.
2. **Insufficient Public Engagement:** Summit participants noted that it is difficult to engage the public in the planning process, and that public participation is selective, i.e. often occurring in reaction to specific projects (NIMBYism) rather than encompassing the whole process.

3. **Lack of Coordination and Collaboration:** A need to coordinate comprehensive regional plans was noted, as well as the need to increase collaboration between municipal and state agencies.
4. **Concerns Around Growth and Scale:** Participants pointed to the tough decisions Vermonters need to make about the issue of growth and scale, and considered how Vermont's planning system could help communities plan for development while protecting an area's quality of life and local assets.
5. **Act 200:** A comprehensive revision of the planning laws in Vermont, Act 200 was enacted in 1988 under Governor Madeline Kunin, and had a tremendous impact on Vermont planning. It provided an incentive to improve planning at all levels, set statewide goals for the planning system, and was seen as a vanguard tool against pressures of growth. It also espoused the benefits of coordination among communities with the goal of greater consistency between local, regional and state plans.

Participants at the VCRD summit saw a need to revisit the accomplishments of Act 200, which they believed suffered from a lack of funding and a failure to accomplish some of its goals, particularly in the coordination of planning across levels needed to empower plans at each level.

Following are the broad areas of recommendation following the VCP's work. For detailed recommendations, please visit www.vtrural.org.

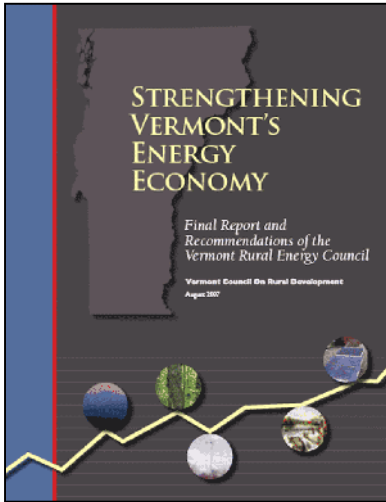
- **Governance, Authority, and Leadership**
 - The Governor and State Legislature should provide leadership
 - Statutes should be updated
 - Clear lines of planning jurisdiction should be established
 - Establish long-term funding
 - Provide consistent planning services
 - Improve public access to information
- **Coordination and Collaboration**
 - Build an office of planning coordination to serve as a central clearinghouse for planning and research
 - Establish a Vermont Planning Commission
- **Education and Training**
 - Improve training for local board members and staff
 - Establish an annual Vermont Planning Conference
- **Issues of Growth and Scale**
 - Adopt growth center legislation
 - Allow counties to establish Councils of Governments
 - Add economic development elements to local and regional plans
 - Plan for diverse populations



VCRD Findings

- ✓ **Led by residents and volunteers, and adopted by municipalities, local planning is a fundamental feature of modern democracy, but is not always supported with recognition or resources commensurate with its importance.** Local and regional planning volunteers work heroically to improve the long-term circumstances of their communities.
- ✓ **It is inherently difficult to visualize the challenges of the future, but the attempt is essential for successful planning to prepare for them.** Otherwise, plans leave community assets unprotected and residents then rely on reactive NIMBY responses. Planning is essential to true and democratic local control.
- ✓ **It is difficult, but critically important, to plan for economic development, commerce, housing, infrastructure, and the future of the working landscape, not just against growth.** Otherwise cumulative development proceeds in a piecemeal, uncoordinated, and irrational way, and the goals and democratically derived decisions of residents are moot. We do not do enough to plan for the economy we want, and instead, often battle over what we do not want. More pro-active planning could set direction that could invite economic and community development in line with community goals; left unarticulated, these goals may fuel resistance to change rather than guidance to its direction.
- ✓ **Without strong planning, communities rely on the regulatory system to make their development decisions.** The regulatory system becomes the post-facto planning system, empowering project abutters and interest groups in development decisions that, in more pro-active planning processes, could be arrived at democratically in service to longer term community and regional goals.
- ✓ **While there are tremendous strengths in local, regional and state planning, Vermont's planning system is plagued by the lack of a center point to coordinate information and communications vertically—between towns, regions and state agencies—and horizontally among state agencies.** This undermines the efficiency, effectiveness and power of the system.
- ✓ **Municipalities need more help throughout the state, and the regional planning system and the regional plans need increased authority.**
- ✓ **Vermont faces rapid change in its demographics and economy related to energy, global warming, and the challenges of affordability that make an integrated process of town, regional, and state planning more important than at any point in the state's history.**

The Vermont Rural Energy Council, 2006–2007



The subject of vigorous interest and debate among legislators, advocacy groups, communities and analysts, the issue of energy—from cost to availability to environmental impact—assumed a preeminent role in the lives of Vermonters as the Vermont Rural Energy Council (VREC) began its deliberations. The Council’s focus was specifically defined to consider what economic opportunities could be found in conservation, efficiency, in-state electric generation and alternative fuel development in Vermont. The Council did not consider a wider range of issues, including the fate of Hydro Quebec and Vermont Yankee contracts and land use controversies surrounding utility scale wind (which were

under discussion in other venues), nor did it conduct an extensive analysis of the social or moral implications that may arise through shifts in energy policy and price.

The VREC policy effort was founded on the idea that, **“If Vermont leads in energy efficiency and the innovative development of renewable local power for local use, the state can build a major competitive advantage for its businesses and communities.”**

VREC began its deliberations based on inputs from VCRD’s **2006 Rural Summit on “Local Power; Energy and Economic Development”** where 400 policy leaders, industry experts and entrepreneurs, and concerned citizens fashioned key recommendations for action to spur Vermont’s efficiency and energy projects that could spur rural economic development.

The Council also based its yearlong assessment on original and secondary research and the testimony of invited speakers with expertise in specific fields, including wind, solar, biogas, wood, hydroelectric, transportation, energy policy, and efficiency. VCRD’s research included two commissioned studies, *The Vermont Energy Digest, an Inventory of Renewable Energy and Efficiency*, and *Economic and Fiscal Impact Modeling*, discussed in more detail below.

In approaching its charge, VREC analyzed the challenges facing Vermont’s energy future.

Challenges

- **Vermont’s Geographic Location.** Vermont is at “the end of the energy pipeline,” making it vulnerable to supply shortages and price fluctuations.
- **Maintaining a Clean Carbon Footprint.** While Vermont Yankee and Hydro Quebec make Vermont’s carbon footprint (on the electric side) one of the lightest

per capita in the nation, Vermonters recognize that re-licensing and future contracts could lead to higher costs and with greater carbon impacts.

- **Cost.** Rising energy prices were a source of unease during the Council's tenure and have escalated alarmingly since. Vermonters recognize the challenge of affordability in heating and transportation fuel, yet at the same time, see an opportunity for innovation and in-state generation, partly based on the rise in costs.
- **Finite Resources.** Finite supplies of fossil fuels, volatile markets and political issues surrounding supply make long term planning essential.
- **Lack of Collaborative Leadership.** The need for a long-term vision was emphasized, as well as the need for greater interagency collaboration.
- **Insufficient Long-Term Funding.** Tax penalties, prohibitively expensive renewable energy systems for the home, and lack of economic incentives for investors were seen as challenges.

Responses

VREC responded to the challenges presented around energy with the publication of companion reports, *The Vermont Energy Digest* and *Strengthening Vermont's Energy Economy*, the final report and Council recommendations.

The *Digest* is a resource tool that provides an inventory of existing renewable energy and efficiency endeavors in Vermont, a summary of current laws, programs, and available resources. The *Strengthening Vermont's Energy Economy* final report contained 23 recommendations responding to specific challenge categories including Making Energy a Priority, Financial Policy and Investment, Education and Research, and Sector Specific recommendations. The final report also contained a commissioned economic model that analyzed specific fuel sectors, potentials for savings or new generation, economic returns and job creation. That analysis suggested substantial aggregate benefit in job creation and energy generation using totals from all analyzed sectors. It is available for public use for entities wishing to conduct further analysis.

The 2008 Legislature enacted two significant energy bills, S.209 and S.350. VREC's reports contributed to these bills and worked in collaboration with other entities to keep energy in the forefront in Vermont policy deliberations.

Statutory Measures enacted that connect to VREC recommendations in 2008 include:

- a. Advancing agricultural generation
- b. All fuels efficiency fund and program provisions
- c. The expanded and enhanced "Weatherization" program services
- d. Establishing new "Weatherization" program eligibility standards
- e. Building a common energy audit tool
- f. Expansion of solar tax credits
- g. Improvement of residential and commercial green building standards
- h. Investigation of the expansion of "Smart Metering"

- i. Exploration of potential tiered block rate structures for electric rates
- j. The expansion of Net Metering to 250 kw and inclusion of Group Net Metering
- k. Pre-development toward a Vermont Carbon Credit system
- l. Prioritization of clean/renewable energy as elements of state portfolio
- m. Work planning to expand bio-fuel usage, with state leadership
- n. Provision to evaluate the need to create a “public power authority”
- o. Greenhouse Gas Registry
- p. Transportation efficiency planning
- q. Public transportation planning
- r. Encouragement of Combined Heat and Power Projects
- s. Inclusion of solar hot water systems in Weatherization projects



VCRD Findings

- ✓ **Efficiency and Conservation are two connected but different strategies essential to our economic prosperity.** Efficiency entails using energy resources more wisely to support existing needs (like a more efficient refrigerator, or double-paned windows) while conservation looks to support the conscious decisions by individuals to use less (turning down the thermostat, driving fewer miles). Both are essential foundations to strategic amelioration of the current crisis and should be significantly expanded.
- ✓ **In-state energy development can be the crucible that forges a positive economic future for Vermont.** Energy import-substitution will be key to our economic health. In 2007 Vermonters paid \$2,100,000,000 for fossil fuels for heating, transportation, and electric generation (these costs will expand enormously in 2008). These dollars are exported and serve as a fundamental drain on the Vermont economy. Any energy generated in state will provide jobs and have economic multipliers that will lead to long-term benefits to the state’s economy. With rising prices and the imperatives of global warming, the current export of dollars and import of carbon-based energy is unsustainable.
- ✓ **Vermont’s natural resource economy will see a great opportunity in the energy development, but the demands on our natural resources could threaten their sustainability, and strategic planning for their best and wisest use will be crucial.**
- ✓ **The public is often ahead of policy makers in addressing the implications of the energy economy.** Throughout Vermont, over 60 community groups have formed to address local energy needs, to build efficiency campaigns for municipalities, to expand pedestrian and bicycle transportation options, and to further an incredible variety of distinct local projects in generation. Vermont is in ferment, and local community leadership is mobilizing at a new way to address the challenge ahead.

- ✓ **Economic analyses, from the Vermont 25 x 25 Steering committee to the Economic Policy and Resource Associates (EPR) economic modeling report to the VREC, show that Vermont could substantially increase in-state renewable energy development to meet a significant portion of its energy demand.** The EPR study included in the VREC report charts that between a third and a half of the state’s electric demand could be met by renewable in-state resources—if they were able to attract the substantial investments needed to go to scale.

- ✓ **Vermont needs a center-point for energy development.** VREC celebrated the Vermont Clean Energy Development Fund but saw the need for an entity, within or outside of state government, to provide developmental leadership in areas ranging from site pre-development, regulatory assistance, financing, tax credit application and management, grant development and general development assistance. A “development authority” could bring energy opportunities to a point in Vermont in a way that would declare that the state was “open for business” and strategically dedicated to advancing the local energy economy.

- ✓ **Vermont has an amazing leadership capacity in the energy arena, but one that has not reached its full potential.** The state hosts groups ranging from the Vermont Environmental Consortium to all the associated businesses in Renewable Energy Vermont, a set of innovative utilities that have build national models of generation (from CVPS Cow Power to Washington Electric Coop’s Coventry Landfill project), an internationally recognized efficiency utility in Efficiency Vermont, a set of national and global energy think tanks from Clean Energy Group and Clean Energy States Alliance to the Regulatory Assistance Project, and lead businesses like NRG and GroSolar that represent the cutting edge of opportunity. United, Vermont can be a model and a national leader in energy efficiency and economic development through renewable energy.

IV.

Broadband Telecommunications Infrastructure



Lack of access to high-speed telecommunications services is a major impediment to economic development in rural communities. High speed, affordable telecommunications infrastructure is a critically important component in developing new businesses, attracting and retaining young people to communities, building intra-community communications, and creating opportunities for distance learning, telemedicine and other emerging applications. VCRD began working on broadband telecom in the year 2000 with the goal of universal access for all Vermonters.

When VCRD developed its first board committee for broadband policy, there were no wireless systems in Vermont, no community committees or forums, and for most elected leaders broadband was not on the radar screen. VCRD's initial studies of demand and aggregation potentials reviewed model projects nationally. In 2002, the VCRD telecommunications committee expanded from its board roots to include the State Telecom Planner, congressional staff, and agency leaders. Together the group undertook a study of telecommunications developments in Vermont that described a path for rural communities to organize, survey local demand, aggregate purchasing power, and work to draw services from local or regional providers. The study created a **'Wiring Rural Vermont Toolkit'** to help boost planning and e-commerce development. VCRD's report also sought to provide assistance to rural communities in navigating the system—understanding what services were available, how they work, and what they cost. VCRD advocated for a broadband grants program, the use of the state contract to leverage new deployments, and state goals for broadband infrastructure—all of which have come to pass. The organization briefed gubernatorial candidates and legislative committees on broadband needs and has long supported the goals established by the Douglas administration for universal access by 2010, and the new instrument developed by the administration and legislature—the Vermont Telecom Authority.

A recent Department of Public Service report indicates that between 85 and 90 percent of Vermonters have access to at least one mass-market broadband service today; this represents significant progress. However types of broadband service vary widely between counties, and many very rural areas—"the last mile"—have limited options. The last 10% will be the hardest, and it represents the most rural areas where the business case for the delivery of services is weakest.

Rural Broadband Project

Once VCRD's Broadband Committee completed the Wiring Rural Vermont Toolkit, it became apparent that local towns needed facilitative assistance to implement the planning process described in it. VCRD created the Rural Broadband Project to assist rural communities across the state in local efforts to acquire affordable broadband service for their areas. Through this project VCRD has consulted with over 50 towns and helped almost 40 of them to build local broadband committees, survey and map local broadband demand, and negotiate with providers toward building services. In many cases, towns have been successful in doing the pre-marketing that makes a large enough 'buying pool' to attract a provider. Other town committees have gone the next step and actually developed services on their own from the ground up. Still others had done the planning homework that put their applications at the top for broadband grants established by the Governor and Legislature.

The solution for each community may be different, from encouraging regional providers to extend existing services or enticing small local businesses to provide service to a new area. Since 2004, VCRD has contracted with Duey Associates to provide consultation services to towns that lack full broadband coverage, to lead and manage the work of surveys, facilitation and contract negotiation. They maintain a website documenting current local broadband initiatives and resources, and help communities determine which solution fits their unique needs.

Connect NEK WiFi Hotspot Project

Businesses throughout the Northeast Kingdom (NEK) have benefited from a USDA Rural Development Rural Business Enterprise grant building internet access points in businesses across the region. In restaurants, lodging facilities and other local venues, residents, businesses and vacation travelers will be able to stay connected while in this remote area of Vermont. The overall goal of the project is to increase the economic viability of participating business, provide access points in areas lacking universal services, and expand public knowledge and use of broadband. Underway since May of 2005, the project has established a number of WiFi centers in small communities distributed throughout the Northeast Kingdom.

eNEK – Northeast Kingdom Broadband Enabled Internet Education and Technical Assistance Program

Over time, VCRD has come to see that access, while essential, is not enough. Many areas of Vermont that have lacked physical infrastructure have not developed the 'cultural infrastructure,' the understanding of applications, activities and connections that make the internet so powerful for businesses, communities and individuals. In many rural areas, when broadband services finally arrive, the 'take rates' for services (percent of

homes and businesses that decide to purchase) is extremely low, often at 10% or less. This perpetuates the challenged business case of the service provider who is trying to meet local needs and justify investment in a weak market area. It also means that businesses and households are not taking advantage of all the opportunities that the internet represents.

The goal of the eNEK project is to spur community and economic development in the Northeast Kingdom by providing education and technical assistance to small business, at-home businesses and the workforce through internet education, and by spurring major new community applications that will demonstrate the usefulness of broadband to the public. By creating a core of advocates in selected communities, by developing local community applications, and by introducing a wide variety of application opportunities to local businesses, the project heightens awareness, educates demand, spurs community communications, and looks to build bottom line results for local businesses.

Aligned with Governor James Douglas’s goals for Vermont as an “E-State,” the program is developing “e-communities” that utilize both virtual and physical space for a variety of training from simple information sharing (training manuals, employment policies) to more complex applications including demonstrations, participatory lectures and technical assistance.

Broadband Working Group

In line with its role as a ‘State Rural Development Council’ coordinating state and federal action on key rural issues, VCRD has served as a convener of state, federal and non-profit partners working toward the goal of affordable, universal high speed services. As needs have changed the make-up of this partnership has evolved. The most recent iteration of this effort, the Broadband Working Group, has served as center point of the dialogue since 2006—VCRD has recently and gratefully handed off the management of these communications and convenings to the Vermont Telecommunications Authority.



VCRD Findings

- ✓ **Regions of Vermont that lack services are also the areas that are most challenged to retain and attract the young people who will serve as the foundation of tomorrow’s economy.** The digital divide has not yet been bridged in Vermont. Young people are participating in digital communities and exploring a variety of internet applications that can bewilder the pre-digital generation—and many of them do not want to live without services or work where innovative applications are not employed, and where the culture of the internet is lacking.

- ✓ **Vermont has an enormous opportunity to give leadership to youth.** VCRD has been inspired for years by the idea of pairing young people from state and private colleges in Vermont as interns to Vermont manufacturers and other businesses. Their role: identify ways to advance business operations by innovative use of the internet. These internships could revolutionize business operations, help local producers access global markets, — as well as provide students or recent graduates with an excellent real-world educational experience in business problem-solving that could inspire them lead new business endeavors of their own here in Vermont. VCRD will be establishing its first internships through the E-NEK project in 2008.
- ✓ **State, federal, non-profit efforts need to be coordinated.** Otherwise, there is a competition for limited resources and public investment in rival models for infrastructure that could duplicate or negate each other.
- ✓ **Rural broadband deployment has lagged because of the weakness of the rural business case; the market alone has not resolved this weakness, and a public/private partnership, with public investment, is needed to ensure universal high-speed access.**
- ✓ **No one solution will serve for all parts of Vermont, and no single technological solution will be a permanent one.** New applications are being designed at speeds that can only be called revolutionary. The speed and extent of digital data transfers needed in the middle future may exceed our current estimates; the applications then available will change daily life and work, and the social and cultural changes of the digital revolution may lead in directions we cannot foresee. Rather than build the final infrastructure solution, Vermont needs to build a culture of innovation, investment, and experimentation that can provide competitive connectivity and cost today, and be ready to adapt to change tomorrow.



VCRD Rural Summits

In line with VCRD’s statutory role in policy coordination, VCRD Rural Summits were begun in 1996 to convene state and federal leaders and encourage their cooperative goal-setting and mutual investment in response to key rural priorities in Vermont.

From 1996 to 2003, VCRD Rural Summits were private retreats for state and federal officials to elaborate common ‘action steps’ that would unite their efforts around topics as diverse as Youth Services, Water and Sewer Infrastructure, and Housing. These early Summits were designed as internal decision-making sessions around practical implementation of common goals.

After 2003, VCRD broadened the invitation to Summits and emphasized their role as “Roundtables” – meetings of equals from across governmental levels, non-profits, the private sector and communities – where facilitated sessions would develop key ideas for responding to issues, build recommendations for action, and serve as a policy review of an area that VCRD defined as of critical importance to the community and economic development of towns, regions, or sectors in the state. In some cases, like “**Local Power**” and the analysis of the **Planning Structure** in Vermont, summits have served as key input sessions at the foundation of major policy development convenings by VCRD. In others, the Summit serves as the culmination of an effort (like the Creative Economy Summit) that brings together local leaders, shares best practices and models, and allows all participants to contribute and learn from each other. Results of these sessions are reported to the Governor, Legislature and key stakeholders and often serve as the foundations for next areas of VCRD initiative.

Past Summits and Roundtable include:

- Housing, Community and Economic Development Programs – 1996
- Rural Development Resources – 1997
- Collaborative Work Planning – 1998
- Water/Wastewater Infrastructure, Youth Issues, Downtown Development – 1999
- Housing Work Plan Development – 2001
- Rural Economic Development – 2002
- Strengthening Rural Communities – 2003
- The Structure of Planning – 2004
- Bridging the Divide: Conflict and Paths to Community Success – 2005
- Local Power: Energy and Economic Development – 2006
- Advancing Vermont’s Creative Economy – 2007

Each Summit culminated in a white paper report including agreed upon action steps and recommendations for further action.



VCRD Findings

- ✓ **People are most engaged when they have power of decision.** Some things we've learned are about the process itself. Many conferences fail because, in our information-overloaded culture, participants can only absorb so much from talking heads. Experts can seed conversations, but participants need to contribute, share in the evaluation of ideas, and make choices together to feel fully invested in group processes. VCRD's 'Roundtable' format makes each participant an equal in a structured conversation that aims at common decisions.
- ✓ **To be effective, a Roundtable or Summit needs to make decisions and have a policy or programmatic product whose content is determined by participants.** VCRD Summits and Roundtables pose questions and build a structured dialogue to help participants build collaborative answers and action steps.
- ✓ **"Fish Bowl" panels where panelists are allowed a very brief intro and are then interviewed in an interactive way by a facilitator are more lively, and dig much deeper than the relatively flat panel presentation, typical of conference workshops.** When we put aside our political hats, and engage in well-managed roundtable conversations, good ideas succeed, and poor ones sink. In a democratic society we need to have confidence in the principle that the marketplace of ideas can be effective, that we can mutually educate one another, and that we can arrive at rational and pragmatic directions through positive communications. Relying on these operational principles, and the leadership of strong facilitative teams, Rural Summits have demonstrated real success.

VI.

VCRD Board Visioning

As VCRD began to develop a plan for the Council on the Future of Vermont (CFV), VCRD Board members were asked in January 2006 to share their broad vision of the future of Vermont. Their responses reflected their professional roles and positions, but also echo much of what the CFV has heard as values in its initial year of work. As they look to the future, VCRD board members have expressed points of vision that can be contributed as an input (to be measured against other inputs) by the Council on the Future of Vermont.

VCRD leaders, like many Vermonters envision a future:

- Where we still appreciate the state's small size, independence, diversified agriculture, clean environment and neighborliness.

- Where we value Vermont's special sense of place, human scale, political independence, and the relaxed pace that marks it off as a unique and special state, unlike any other: a state where the individual can make a real difference.
- Where Vermont has preserved its vital sense of community and neighborliness, where community residents know and respect one another and accept and celebrate diversity.
- Where a spirit of openness, inclusiveness, and tolerance prevails between diverse groups of Vermonters, and divisions between the "haves" and "have-nots" have progressively lessened.
- Where Vermont, while retaining a strong sense of history and tradition, has not become a retreat from the world. It's entrepreneurial spirit, work ethic, dynamic arts and cultural life, and capacity for creativity and invention lead to successful small businesses and quality jobs that allow the state to retain and attract creative young people.
- Where Vermont has resolved the "environment vs. economy conflict," building a "third way" for economic development: The state has retained and enhanced its natural environment even as it has situated itself as an economic leader in the wise use of natural resources and a center for innovation that attracts creative, high-paying employment.
- Where it has done so by sustaining its working landscape of dairy, diversified, and extensive value-added agriculture, by strengthening a wood products industry that captures the highest value of the forest resource in Vermont-made products and provides economic incentive for a viable forest economy, by becoming a national leader in renewable energy and fuel development, and by developing its environmental industry (both R & D and production) to build the reputation as: *"Vermont; the state that solves global pollution problems"* or *"Vermont; the environmental problem solver."*
- Where the people of Vermont have a common vision for the future and build plans to realize it. Systemic plans from the local, regional and state level advance rural transportation, education, housing, and health care, while reducing duplication, over-coming barriers, and targeting the wise allocation of resources.

VII.

The Council on the Future of Vermont

About once a generation Vermonters have paused from their daily concerns and seasonal politics to take part in statewide conversations that consider where we are, where we are going, and the realities and trends that will influence our common future. Such studies have often resulted in major findings about who we are as a people and the evolving assumptions and goals we share. They also have led us, as a state, to articulate a set of values that are embedded now in our special Vermont sense of place, dedication to community, and brand identity. From the study by the Vermont Commission on Country Life in 1928 to the Commission on Vermont's Future in 1988, these studies have engaged and united Vermonters, inspired leaders, and initiated practical gubernatorial and legislative initiatives.

Over the last several years VCRD heard from communities throughout the state that are working to build a vision for their future, a brand that consolidates their common sense of place, and a foundation for their ability to retain and attract youth, entrepreneurs, and the creative businesses that will allow them to succeed in the economy of the future. In that time, VCRD also led statewide policy councils on the structure of the planning system and on the opportunities to expand in-state energy generation, fuel development and efficiencies.



At both the community and statewide level, VCRD heard people asking, “Where are we going as a state? What is our vision? What are our priorities? What goals will we as Vermonters rally around, even sacrifice for, to achieve the future we desire?” We hear from individuals and communities who want to know how their local efforts contribute to statewide efforts to respond to the challenges presented by global climate change, our dependence on foreign oil, and the need to respond to the challenge of ‘affordability’ with a set of consensus economic development strategies.

After almost two years of deliberations, the board of the Vermont Council on Rural Development came to see the need for a “community visit” at the state level, a process of coming together to discuss our values, priorities, and goals as Vermonters. We believe that in this time of rapid change, confronted by global warming, energy insecurity, threats to farm viability, and challenges of affordability, we need to step back together, today, to consider the big picture trends, evaluate the opportunities and challenges ahead, and consider common Vermont priorities.

The Vermont Council on Rural Development has charged the Council on the Future of Vermont (CFV) to produce a statewide public dialogue on the topic from 2007 to the end of 2008. CFV will serve as a leadership council for just over one year to take public input throughout Vermont, research trends, and, based on its findings, articulate a comprehensive picture of the values, concerns, and aspirations of Vermonters as they consider the future of our state.





Vermont Council on Rural Development

43 State Street
P.O. Box 1384
Montpelier, VT 05601
802-223-6091
vcrd@sover.net
www.vtrural.org