The Governor's 2002 Summit on Rural Economic Development



Final Report

Produced by the Vermont Council on Rural Development

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Executive Summary

The Vermont Council on Rural Development (VCRD) produces the annual Governor's Rural Summit to bring state, federal, and partnering organizations together to evaluate critical rural issues and devise cross-agency collaborative solutions for them. The Summit is a central element each year in the work plan of VCRD as it implements its mission to help "Vermont Communities develop their capacity to create a prosperous and sustainable future through coordination, collaboration, and the effective use of public and private resources."

The 2002 Governor's Summit on Rural Economic Development held at Basin Harbor on June 11th and 12th was particularly timely. With the difficulties facing the wood products sector today, the current dialogue about long-term agricultural viability, concerns about the regulatory climate and loss of IBM jobs, and the opportunity to integrate marketing across sectors to visitors to the state, Vermont's rural economic agenda is at an historically significant juncture.

Participants at the Summit recognized that Vermont faces an upcoming election sure to result in new priorities and new administrative leadership. In this context, the Action Steps detailed in this report reflect some of the best thoughts of the current administration, and its federal and non-profit allies, for practical work in the short term and as cross-agency recommendations for priority action by the next administration.

The Summit was structured this year around the challenges to four sectors of the rural economy: Forest products, agriculture, high tech/new economy, and tourism. The interdependence of these sectors became a key theme early in the Summit deliberations: tourism depends on the working landscape produced by agriculture and the forest products economy and has tremendous potential to support both sectors; high tech entrepreneurs are drawn to the state for the scenic beauty, quality of life, and strong communities that are a legacy of the traditional rural economy. No one at the Summit liked the idea that there may be two economies or two societies emerging in Vermont, and all participants considered strategies to build bridges between rural and urban areas, among the four identified sectors, and among those state and federal agencies which support their progress.

In the end, participants seemed to agree that despite the challenges before each sector of Vermont's rural economy, the state has assets in natural resources, human and social capital, and a certain unity around something essential to Vermont—call it the "Vermont Brand" or the soul of the state—that provided solid ground for optimism about the future.

VCRD deeply appreciates the dedication of each Summit participant to the progress of rural Vermont. We are especially grateful to Governor Dean for his support and to Lt. Governor Racine and Kathy Hoyt for their participation and leadership this year.

Summit Recommendations and Action Steps

I. Forest Products

Facilitator: Jeff Francis

Scribe/Reporter: Rhonda Shippee

Work Group Members:

Jo Bradley Wayne Fawbush Micque Glitman Scott Johnstone Don Kelpinski Steve Patterson Bill Talbott Rhonda Shippee

<u>Challenge One: Need to develop new and improve</u> <u>existing markets for Vermont value-added forest</u> <u>products.</u>

Practical Action Step	Immediate Or Long Term Goal	Priorit 1 to 5 (5 is hi	Person/
1. Develop brand identity for Vermont quality products and tie that identity to the value of the working landscape	Start now/ Long Term	5	DED VT Wood Manufacturers Assn.

2. Build a Vermont wood products	Immediate	5	DED
resources website to serve as a clearinghouse	and		
for VT materials and to promote their use to	Ongoing		
homeowners and builders.			

3. Develop education initiatives to increase	Start now/	4	DED
awareness of the value of the working	Long Term		ANR
landscape, stewardship, and the forest			DOE
products sector of Vermont's economy.			Schools

4. Vermont should set up tax credits for the	Long Term	3	Tax Dept.
use of Vermont wood products in			Legislature
construction.			Governor's
			Office

5. The State should subsidize niche	Long Term	3	DED
marketing efforts for Vermont value-added	_		Legislature
wood products/producers.			Governor's
			Office

<u>Challenge Two: Lack of clarity regarding the role of</u> <u>Vermont State Government in the support and</u> <u>promotion of the Forest Products industry in Vermont.</u>

6. The Governor's Office should set a dialogue with the industry and take	Intermediate	4	Governor's Office
testimony on their recommendations for			
state action.			

Challenge Three: Lack of access to raw materials.

7. Improve the Current Use program to	Intermediate	4	ANR
improve its competitiveness with			Tax Dept.
development value and so that it provides			
real benefit and incentives for pro-active			
forest management.			

8. Create a total resource management plan for state-owned land so that they are a working resource to the industry and to	Intermediate	4	ANR Governor's Office
make these lands a model for private landowners.			Legislature

Challenge Four: Lack of capacity for business management and planning within the Forest Products Sector.

9. Facilitate the creation of a partnership or association to build a closer relationship between primary (logging operations and sawmills) and secondary (manufacturers)	Intermediate	3	DED VWPA FPA
forest products producers.			

II. Agriculture

Facilitator: Hal Cohen

Scribe/Reporter: Commissioner Leon Graves

Work Group Members:

John Bramley Greg Brown Stephanie Carter Charity Clark Leon Graves Fred Schmidt Gus Seelig Michael Zahner

Challenge One: Build a strong Agricultural Policy in Vermont.

Practical Action Step	Immediate Or Long Term Goal	Priorit 1 to 5 (5 is hig	Person/
1. The Governor's Office should institute and facilitate a broad-based public discussion on the future of the natural resource economy in Vermont.	Immediate	5	Governor's Office Gubernatorial Candidates

2. The State should develop more	Long Term	5	DHCA
effective incentives for Smart Growth	Ongoing		Orton Fdn.
and disincentives for development on			Environmental
agricultural lands.			Board
			ANR

3. Vermont should continue to match	Immediate	5	Governor's
federal dollars available for purchasing	& Long		Office
development rights.	Term		Legislature

4. Vermont should maintain its ground	Immediate	5	Governor's
on Current Use Legislation, attempt to			Office
eliminate the remainder of the school tax			Legislature
on the current use value of farmland, and			
eliminate taxes on farm buildings.			

5. Vermont's Congressional Delegation should fight against the provision of EPA regulations for large farms being applied to smaller farm operations. We should support state or functional equivalency and recognize state permit programs that are already in place.	Immediate	5	Leahy, Jeffords, and Sanders Offices
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<u>Challenge Two: Vermont needs to promote</u> <u>agricultural diversification</u>.

6. Vermont should create and fund a	Immediate	5	VHCB
Farm Viability Enhancement Program			DOA
that includes support for farmer			Governor's
transitions, technical help, strengthened			Office
research and coordination of information			Fed Partners:
to farmers, and provides grants to			Congressional
support strong business models.			Delegation
			USDA, FSA

7. Vermont needs to develop funding to	On-going	5	Federal
support diversification, especially value-			Partners/USDA
added processing infrastructure.			Dept. of
			Housing & C D

Challenge Three: Marketing Vermont Products

8. Systematically develop markets	Immediate	5	DOA
connected to Vermont's value-added			Private
agricultural products.			Sector
			MarketVT

9. Develop a systematic way to coordinate	Immediate	5	DOA
the work of Vermont's 42 Marketing			Private
Boards.			Sector

10. Promote and protect the Vermont	On-going	5	DOA
Brand as a coordinated strategy of the			M.A.P.
M.A.P. Team.			Team

11. Promote the purchase of Vermont	Immediate	5	DOA
products by Vermonters through a	and		Private
campaign to include:	Ongoing		Sector
• Establishing a baseline on the			Institutional
consumption of local products			Purchasers
(potentially through the Center for			State
Rural Studies at UVM).			Chambers
Outreach to local retailers to obtain			Center for
shelf space for VT products.			Rural
• Incentives to retailers to provide			Studies,
shelf space.			UVM

12. Enforce legislation requiring publicly	Immediate	5	Attorney
funded institutions to purchase a percentage			General's
of locally grown agricultural products.			Office

III. New Economy/High Tech

Facilitator: Cynthia Gubb

Scribe/Reporter: Karrin Wilks

Work Group Members:

Darcy Carter Chris D'Elia Fred Kenney Susan Murray Christine Salembier Patricia Urban Karrin Wilks

<u>Challenge One: Vermont needs a consensus Vision for</u> <u>the New Economy.</u>

Practical Action Step	Immediate	Priority	Responsible
	Or Long	1 to 5	Person/
	Term Goal	(5 is high)	Agency
1. With the leadership of the Governor's Office, Vermont should develop an integrated, overall vision for the State and its economic development (5, 10, 15, 20 years).	Immediate/ 6 months	5	Governor's Office

<u>Challenge Two: Vermont needs to develop its</u> <u>telecommunications infrastructure</u>.

2. The State of Vermont should explore	Immediate	5	Agency of
its role as part of a public/private			Administration
aggregate purchasing			
telecommunications services.			

3. The State should systematically explore	Immediate	5	Agency of
ways to streamline the cell tower siting			Commerce
process toward having a single entity			
provide approval.			

4. The State should hire a	Immediate	5	Agency of
telecommunications expert (R.F. Engineer)			Commerce
to provide technical assistance, including			Public
negotiation and information on telecom			Service
services, to towns and regions and for			Department
statewide planning.			•

<u>Challenge Three: Vermont needs to address workforce</u> <u>development needs and the lack of availability of</u> <u>capital</u>.

5. Identify target growth industry sectors and develop strategies for workforce	Immediate	5	HRIC and member
development to support these sectors.			organizations
			including
			WETC

Challenge Four: Vermont needs to develop investment support for the high tech sector.

6. Research and develop new sources and	Long Term	5	VEPC
programs of venture (externalities, green			VEDA
buildings, intangible assets) capital/lending			
capital.			

IV. Tourism

Facilitator: Chip Evans

Scribe/Reporter: Alex Aldrich

Work Group Members:

Alex Aldrich Sally Cavanagh Steve Gold Robert Ware Bill Kurtz Jolinda LaClair Linda McIntire Brian Searles David Tucker Emily Wadhams

<u>Challenge One: Market rural Vermont communities to</u> <u>increase the number of visitors, money spent, and</u> <u>length of stay without compromising character.</u>

Practical Action Step	Immediate	Priority	Responsible
	Or Long	1 to 5	Person/
	Term Goal	(5 is high)	Agency
1. Coordinate Marketing of the "Vermont Brand": Produce a "Bottoms up" inventory of goods, attractions, and services; an asset inventory of local offerings that could be packaged together.	Immediate		M.A.P. (Marketing and Promotional Services Partnership) and VT Arts Council

2. Build a Strategic Plan for new niches	Begin	M.A.P.
(birding, biking, etc.), tourism/crafts	Immediately	State
economy product development.		Chamber

3. Complete and publish a hard copy	Long Term	M.A.P.
Guidebook for Touring Rural Vermont; and		State
"insiders guide" (also offer it online with		Chamber
updates). Create in this publication Tour		
Packages of mapped activities and sites to		
inform visitors, provide shopping		
opportunities, and bring the customer to the		
product in Rural Vermont.		

4. Research and Documentation for	Long Term	M.A.P.
Promotion.		Private
		Sector

5. Develop Pilot Projects: Self-Selected	Immediate	VT Dept. of
local promotion of best practices.		Tourism &
		Marketing/VT
		Arts Council/
		Travel and
		Recreation
		Council

Challenge Two: Ameliorate the negative perception of the Tourism economy in Vermont. Many believe that the tourist economy is low wage, low skill and fear that VT will become a boutique or museum that will suffer from economic volatility of visitor market.

6. Develop a tourism economy Case Statement with accurate information and	Immediate	VDTM/VAC TRC
facts and figures on the positive contribution of tourism to Vermont communities.		

7. Advocacy to key discussion groups	Immediate	TRC
through:	&	M.A.P.
A Speaker Network organized	Long Term	State/Local
through Ski Area Association, and		Partnership
other industry groups to speak to		
Rotary Clubs, Select Boards,		
Chamber Boards, WIBs, ROC		
Boards.		
• "Vermont Day" for Tourism to target		
VT youth with free passes.		

8. Empower Local Communities in	Immediate	VDTM
tourism economy (see Strategy # 1)		Regional
Asset Inventory		Marketing
Technical Assistance		Organizations
Advocating for more consistent		
resources.		

Summit Outline and Schedule

Location: Basin Harbor, Vergennes, Vermont

Date: Tuesday evening and Wednesday, June 11th and 12th, 2002

The 2002 VCRD Governor's Rural Summit will facilitate the development of action steps for collaborative work across agencies and organizations to promote economic opportunities for all rural Vermonters. At this time of Gubernatorial transition, the Summit also is designed to evaluate the challenges before rural economic development in Vermont and to build a platform of policy recommendations for the incoming administration.

The Summit will focus attention on the rural development needs of the state.

- Rural areas have not shared the prosperity of more urbanized centers.
- Job losses and plant closings have had a proportionately more powerful negative impact.
- Workforce development issues and the export of youth are significant challenges.
- The traditional foundations of Agriculture and Forest Products are threatened, and new opportunities in tourism and the "new economy" require new thinking and coordinated planning.
- Regulation designed to protect the environment sometimes impinges on traditional rural economic practice.
- Rural infrastructure needs make for significant disadvantages to the economies of rural communities.
- Together, these issues compound into an economic division and magnify cultural differences between the "New" and the "Old" Vermont.
- In this setting, the development and implementation of a comprehensive rural development strategy is crucial: the provision for economic opportunity provides the best means to ameliorate current divisions.

Schedule:

Tuesday, June 11th

Summit Commences Social Hour	5:00	
Kathy Hoyt Welcome	5:50	
Dinner	6:00	
After Dinner Speakers and Roundtable "Challenges to Rural Economic Sectors" Moderator: Paul Costello	7:00	
Speakers: Jonathan Wood; Forest Products Bill Stenger; Tourism Deb Conant, Agriculture Jito Coleman; The "New Economy"; And High Tech. Manufactures	7:00 to 7:20 7:20 to 7:40 7:40 to 8:00 8:00 to 8:20	
Roundtable Moderator: Barbara Grimes	8:20	
How the Work of Agencies and Organizations Impacts on Economic Sectors. What are the key challenges presented by panelists in each sector?		
Adjournment for private discussion	9:00	
Wednesday, June 12th		
<u>Wednesday, June 12th</u>		
<u>Wednesday, June 12th</u> Breakfast	7:30	
	7:30 8:30	

"Key Challenges and Opportunities in Rural Development" Fred Schmidt	9:00	
 Roundtable: "Two Vermonts or One: 1. The Challenge of Rural Development 2. How Do These Challenges Impact Agencies and Organizations?" Moderator: Jeff Francis 	9:45	
Break	10:30	
I. Breakout Groups—Session One Discussion of General Issues and Challenges—Sec	10:45 ctor Analysis	
Breakout Groups:A. Forest ProductsB. TourismC. AgricultureD. New Economy/High Tech		
Each of the four Breakout Groups will chart the challenges before their sector based on the following parameters:		
 Labor/Workforce Development Infrastructure Regulation Capital Formation Other Challenges that the Workgroup may identify. 		
Lunch Featured Speaker: Becky Anderson The "Handmade in America" Campaign in North Carolina.	11:45	
II. Breakout Groups—Session Two Cross Agency Action Step Development	1:00	
Each Breakout Group will build specific Action Steps and Recommendations for action by state or federal agencies, or organizations in response to the challenges to each of the fe rural economic sectors. Participants will be charged to com	our targeted	

common strategies could build comprehensive solutions. prepare to report out strategies and solutions.	Each group will
Coffee Break	3:15
III. Action Step Reports and Recommendations to Incoming Administration Breakout Group Reports	3:30
Closing Remarks	4:15
Adjourn	4:30

2002 Summit Presenters

Jonathan Wood, Forester, Bell Gates Lumber

Jonathan Wood is an SAF Certified Forester. He is presently the forester for Bell-Gates Lumber Corporation in Jeffersonville, VT. He has been with Bell-Gates for over 20 years, where he is responsible for management of company timberlands, log procurement and environmental permitting and compliance. Jonathan is a board member of the Vermont Council on Rural Development. He serves as the Chair of the Vermont Forest Products Council which is developing a set of consolidated recommendations in support of the Vermont value-added forest product sector. He is a Trustee for the Vermont Chapter of the Nature Conservancy, the Policy Chair for the New England Society of American Foresters and the Tree Warden for the town of Cambridge. Jonathan lives in Jeffersonville, Vermont with his wife Iris and son Alexander.

Clint "Jito" Coleman, President and CEO, Northern Power Systems

Jito Coleman has been in the distributed energy business for over 25 years. Mr. Coleman joined Northern Power Systems in 1980, as the company's Chief Engineer, and was named President and CEO in 1994. He has designed hundreds of renewable systems worldwide. Mr. Coleman's direction has been instrumental in establishing Northern's reputation as world leader in the remote power arena as well as the emerging distributed generation marketplace. During his tenure as President, the company has seen tremendous growth, in both the number of employees—more than triple over the past three years—and in revenue with a 400 percent increase since 2000.

A strong community and environmental activist, Mr. Coleman spent two years in the Peace Corps working on rural development in the Dominican Republic. Today, he devotes a great deal of personal time to wildlife habitat preservation. He is a founding member of Mad River Valley Citizens for Responsible Growth and an active board member of Mad River Glen.

Mr. Coleman holds a M.S. in Mechanical Engineering from University of Nevada, Reno and a B.S. in Wood Science and Technology from Colorado State University. He is the sole or co-inventor on U.S. Patents for wind turbine rotors, controls, blade manufacturing and aileron controls for wind turbines. In 2002, Mr. Coleman was awarded Small Business Person of the Year from the Vermont chapter of the Small Business Association.

Bill Stenger, President and Chief Executive Officer, Jay Peak Resort

Bill Stenger is a 30-year veteran of the ski industry who has served for the past 18 years as President and Chief Executive Officer at Jay Peak Ski Resort in northern Vermont.

During that time Jay Peak has developed into one of Vermont's most distinctive ski resorts. With vacation visitors from all over eastern North America, Jay Peak is one of resident Vermonters' favorite places to ski, largely because of its exceptional snowfall, legendary glade network, and special rate structure just for Vermont residents.

Stenger is currently Chairman of the Vermont Ski Areas Association and incoming Chairman of the Lake Champlain Regional Chamber of Commerce, Vermont's largest Chamber of Commerce.

Stenger is a graduate of Syracuse University and currently resides in Newport, Vermont with his wife Mary Jane.

Deb Conant, Dairy and Produce Farmer, Conants' Riverside Farms

Deb Conant is a dairy and produce farmer from Richmond,VT. She is married and has four children. Her husband David and she co-own and operate Conants' Riverside Farms with his brother and wife. She is a native of Vermont, attending schools and graduating from The University of Vermont with a degree in early childhood education. Deb taught school until her family and the responsibilities of the farm grew too large for her to continue to work away from the farm. Her chief responsibility lies with all of the secretarial and bookkeeping needs of the family business. She is also on call for any of the many job descriptions that may need to be filled at a moment's notice on the farm! She and her children operate a produce stand, primarily selling sweet corn, pumpkins and squash. Deb has served on the Richmond school board and continues to be very involved with many school-related activities in the schools that her children attend. Presently, Deb serves as a county representative on the Chittenden-Washington Farm Services Agency Board.

Fred Schmidt, Director, Center for Rural Studies, University of Vermont

Fred Schmidt was awarded a PhD in Development Sociology with minors in Community Development and Southeast Asian Studies from Cornell University in 1973. Schmidt currently holds an Associate Professorship at the University of Vermont in the Sociology Department, College of Arts and Sciences and Community Development and Applied Economics. He has appointments in the Graduate College, in the School of Natural Resources and with the Extension Service as a Community Resource Development Specialist.

Fred founded and currently co-directs the Center for Rural Studies in the College of Agriculture and Life Sciences at the University of Vermont. The Center's purpose is to provide information (or provide the tools to generate information) necessary for rural people to exercise control over their individual and collective destiny. The Center conducts a variety of research tasks including program evaluation, community needs assessment, market studies, political polls and attitudinal surveys, as well as routinely constructing organizational, demographic and economic profiles.

Schmidt has worked in the U.S.S.R., Uganda, Kenya, Honduras, and Scotland on rural and agricultural development projects. He served as a community development field worker in the Peace Corps in Malaysia from 1963 to 1965 and earlier with American Friends Service Committee in Mexico.

Fred is on the board of directors of the Community Transportation Association of America (CTAA Board President, 1994-96). He has participated on the national board of Rural America and Rural Voice. Fred serves his town of Shelburne as a Justice of the Peace, and as a member of the Board of Civil Authority and the Planning Commission. Fred also provides leadership to the Vermont Rural Development Council and the Vermont Institute of Government.

Rebecca Anderson, Executive Director, HandMade In America, Inc.

Twenty-seven years experience in economic and community development work in Western North Carolina: 22 years in community and economic development and 5 years in craft-focused community development. As founder and Executive Director of HandMade In America she coordinates 15+ major projects involving 3,500 citizens and over 20 partnerships with local, regional and state organizations and institutions; serves as a consultant for heritage and cultural tourism and educational economic development projects related to arts and crafts. In 2000 she was named by U.S. News and World Report as one of America's top ten visionaries for her work in community and civic development.

Positions prior to Director of HandMade In America include: 12 yeas as Director of Economic Development for the Asheville Chamber of Commerce, and Director of Downtown Development for the City of Asheville.

2002 Rural Development Summit List of Participants

Alex Aldrich, Executive Director, Vermont Arts Council Jo Bradley, Executive Director, Vermont Economic Development Authority Andrew J. Bramley, Provost, UVM Gregory Brown, Commissioner, Dept. of Housing and Community Development Darcy Carter, U.S. Small Business Administration Stephanie Carter, Deputy Commissioner, Dept. of Tourism and Marketing Sally Cavanagh, Commissioner, Department of Tourism and Marketing Charity Clark, Policy Analyst, Office of Governor Chris D'Elia, Commissioner, Department of Economic Development Wayne Fawbush, Executive Director, Sustainable Jobs Fund Micque Glitman, Deputy Secretary, Agency of Transportation Steve Gold, Commissioner, Department of Employment and Training Leon Graves, Commissioner, Department of Agriculture Kathy Hoyt, Secretary, Agency of Administration Scott Johnstone, Secretary, Agency of Natural Resources Don Kelpinski, Director, Small Business Development Center Fred Kenney, Executive Director, Vermont Economic Progress Council William Kurtz, State Director, Senator Jeffords' Office Jolinda LaClair, VT/NH Director, USDA, Rural Development Molly Lambert, Secretary, Agency of Commerce and Community Development Susan Murray, Director, Montpelier Export Assistance Center Steven Patterson, Deputy Secretary, Commerce and Community Development Chuck Ross, State Director, Senator Leahy's Office Christine Salembier, Commissioner, Department of Public Service Fred Schmidt, Director, Center for Rural Studies, UVM Brian Searles, Secretary, Agency of Transportation

Gus Seelig, Executive Director, Vermont Housing and Conservation Board Rhonda Shippee, Community and Business Development Director, USDA RD Bill Talbott, Deputy Commissioner, Department of Education David Tucker, Director, Office of Economic Opportunity Pat Urban, Chief Information Officer Emily Wadhams, State Historic Preservation Officer Karrin Wilks, V.P. for Academic Affair and Strategic Planning, Vermont State Colleges Michael Zahner, Vermont Environmental Board And

Douglas Racine, Lieutenant Governor

Presenters

Jonathan Wood, Forester, Bell-Gates Lumber Bill Stenger, President, Jay Peak Resort Jito Coleman, President, Northern Power Systems Deb Conant, Conant Riverside Farm Fred Schmidt, Director, Center for Rural Studies, UVM Becky Anderson, Founder, HandMade in America

VCRD Facilitation Team

Hal Cohen, Executive Director, Central Vermont Community Action Council
 Paul Costello, Executive Director, VCRD
 Chip Evans, VCRD Board Chair, Director, VT Human Resources Council
 Jeff Francis, Executive Director, Vermont Superintendents Association
 Barb Grimes, General Manager, Burlington Electric Company
 Cynthia Gubb, Director of Community Services, Chittenden Bank
 Candy Koenemann, VCRD Executive Assistant

The VCRD 2002 Summit Planning Committee was made up of Micque Glitman (Chair), Jolinda LaClair, Bill Kurtz, Chuck Ross, Barb Grimes, Marcia Merrill, Sally Rice, and Chris D'Elia.