

MONTPELIER DEVELOPMENT CORPORATION

2018 ANNUAL REPORT



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About the Montpelier Development Corporation

VISION | Montpelier is a viable and dynamic place to live, work, and do business.

MISSION | To support economic activity in a way that is in line with community values, retain and cultivate jobs for the area, support housing and business development, and promote Montpelier as a great place to live and work.

Board of Directors

Michael Nobles, Board Chair
President & CEO, Union Mutual

Sarah Jarvis, Vice Chair
General Counsel, Union Mutual

Steve Ribolini, Treasurer
Owner, SR Services

Cheryl LaFrance, Secretary
Senior Vice President & COO, Northfield Savings Bank

Elinor Bacon
Owner, E.R. Bacon Development

Tim Heney
Owner, Heney Real Estate

Harrison Kahn
Director of Brand Strategy & Development, Caledonia Spirits

William Kaplan
*Commercial Developer & former Senior Vice President,
Vermont College of Fine Arts*

Robert Kasow
Owner, Bear Pond Book

Staff

Laura Gebhart
Executive Director, Montpelier Development Corporation



Economic Development Strategic Plan

The City of Montpelier commissioned an Economic Development Strategic Plan in 2015. The plan recommended that a local development corporation be created to implement the plan and drive economic development efforts in Montpelier.

In 2016, the Montpelier Development Corporation was formed as a nonprofit organization, governed by a Board of Directors appointed by City Council and Montpelier Alive.

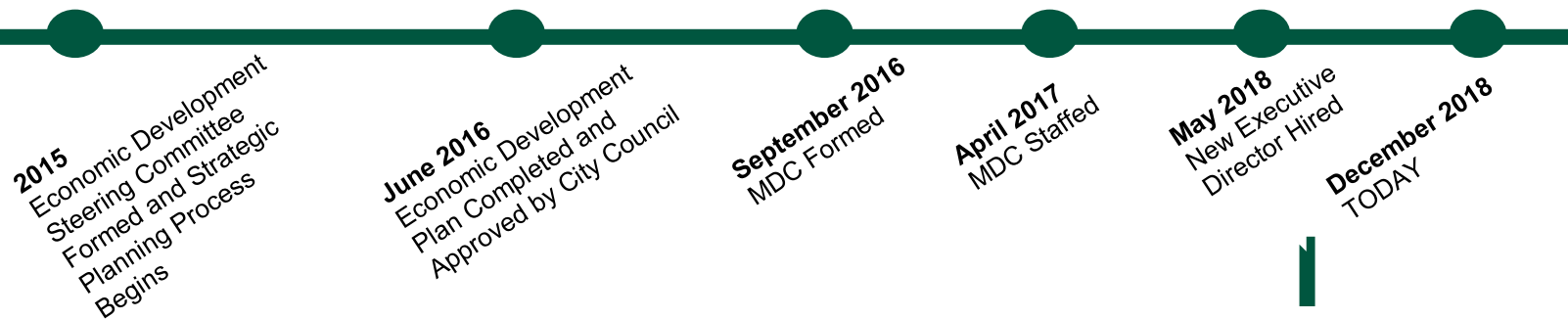
The Montpelier Development Corporation works closely with the City and other local and state partners to promote economic development in Montpelier.

“The position will be responsible for coordinating the many partnerships with public and private agencies that must work together in implementing the EDSP.”

(pg. 19, EDSP)



The EDSP is available at www.mdc-vermont.com/about



Activity Since May 2018

- Advanced the Four Tactics from the EDSP
- Connected with partners, resource providers, businesses, developers, and property owners
- Provided significant outreach and communication for the Public Parking Garage Project
- Coordinated with regional partners for the Central Vermont Fresh Tracks Road Pitch
- Attended regional and national conferences focused on economic development, transit-oriented development, and local leadership
- Established organizational processes and systems

*2018 Work Plan in Appendix



Metrics Outlined by the EDSP

Metric	Criterion
Private Sector Employment	300 private sector jobs added by 2021 as reported by the Vermont Department of Labor through the Quarterly Census of Employment and Wages (QCEW)
Number of Net New Establishments	20 new establishments added by 2021 as reported by the Vermont Department of Labor through the Quarterly Census of Employment and Wages (QCEW)
Population	300 residents added to the City's population by 2021 as reported by the Census Bureau's American Community Survey
Housing	150 housing units approved for construction represented by building permits issued by the City by 2021
Meals Receipts	4.5% annual increase (30% over five years) as reported in the statistical reports of the Department of Taxes of the Vermont Agency of Administration
Rooms Receipts	6% annual increase (42% over five years) as reported in the statistical reports of the Department of Taxes of the Vermont Agency of Administration

The metrics outlined by the EDSP will track economic progress in Montpelier. MDC is tasked with cultivating an environment that enables improvements in all six areas.

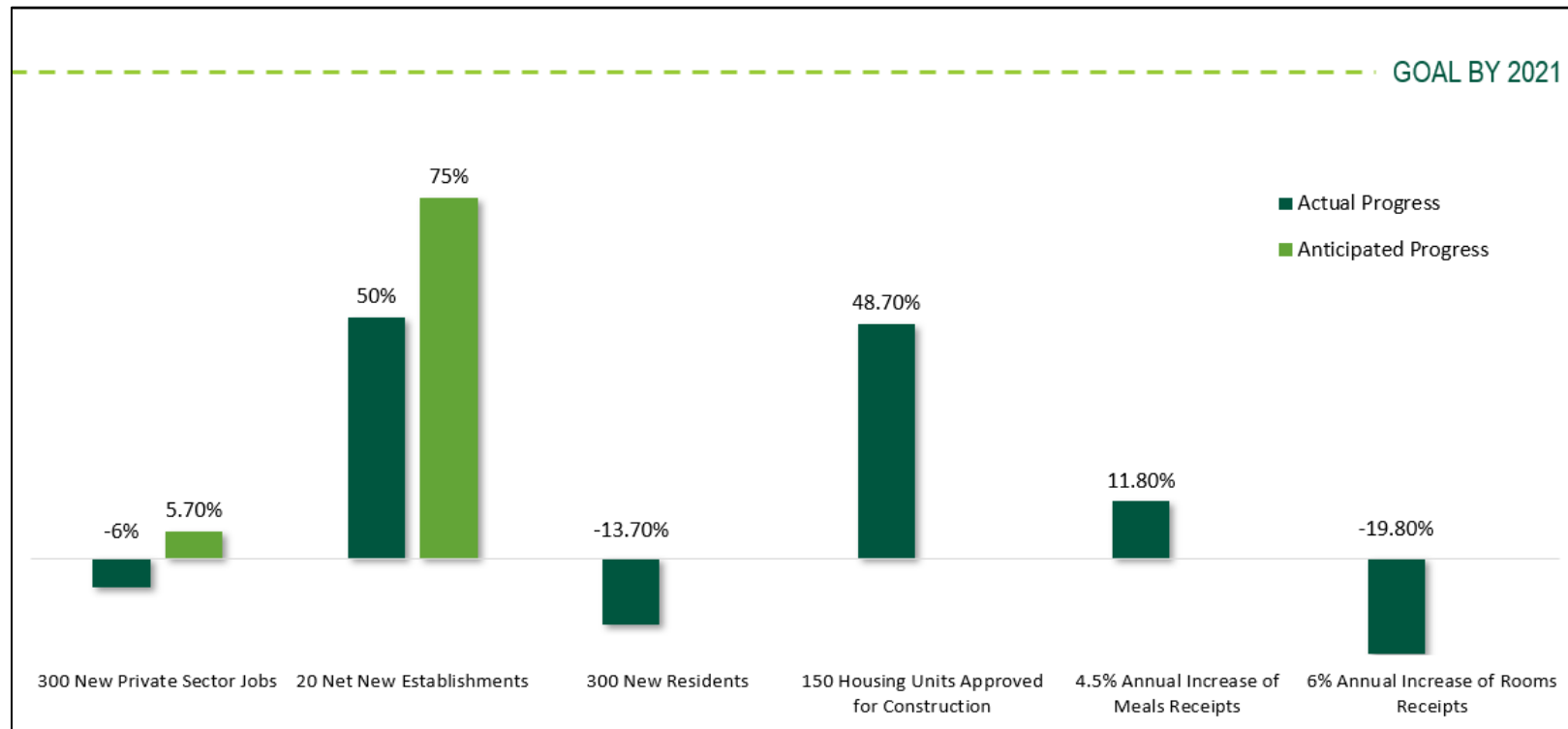
While MDC's success will be tracked by the outcomes of its strategies and direct activity, the metrics will contribute to assessing the effectiveness of MDC's activity.

The graph below indicates Montpelier's progress since 2016. The data for the six metrics is released on different schedules, therefore the graph only displays progress as of 2017, which is the most recent data release for all six metrics.

As shown on the graph, Montpelier reportedly lost jobs and residents since 2016, gained in net new establishments and housing units, increased its meal receipts (although fell short of 4.5% annual increase goal), and decreased in its room receipts.

"Anticipated Progress" indicates development projects that were planned or underway in 2018 that will be captured in future analysis and contribute to progress towards the 2021 goals.

Progress as of 2017



Metric	Progress as of 2017	Goal by 2021
Private Sector Jobs	-18	300
Number of Net New Establishments	10	20
Population (ACS Estimate)	-41	300
Housing Units	73	150
Meals Receipts	3.5% change since 2016	4.5% annual increase
Rooms Receipts	-8.3% change since 2016	6% annual increase

2018 Economic Development Activity

Major Projects

- Tax Increment Financing District Established
 - First public infrastructure bond approved by voters (public parking garage)
- French Block Apartments Under Construction
- One Taylor Street Transit Center and Housing Under Construction
- Public Parking Garage Bond Approved by Voters
- Hampton Inn & Suites Plan Planned
 - 80-room hotel in Downtown Montpelier
 - Projected 30,000 additional visitors annually
- Caledonia Spirits New Distillery Under Construction

Business Openings & Closings

- Businesses Opened and Announced
 - Onion River Outdoors
 - ROAM
 - TimberHomes
 - North Branch Healthcare
 - Hippie Chickpea
 - Rebel Heart
 - Alpenglow Fitness
 - Vermont Security (expansion)
 - Shippee Family Eye Care (expansion)
- Businesses Closed
 - Banchan
 - Asiana House
 - DeMena's
 - Thriftcatchers
 - Beau
 - Petals & Things
 - Yarn (moving to Waterbury)



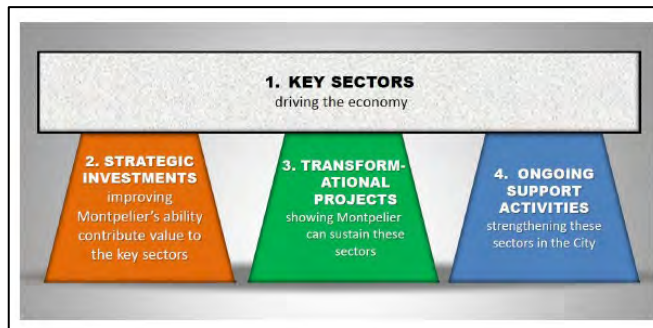
MDC Priorities for 2019

The MDC Board and staff participated in two facilitated discussions to identify the organization's priority areas for 2019. The group discussed the overarching goals for the organization and the community, determining key activities to establish MDC as the go-to organization for business and development projects and position Montpelier for long-term economic success.

MDC Strategic Framework

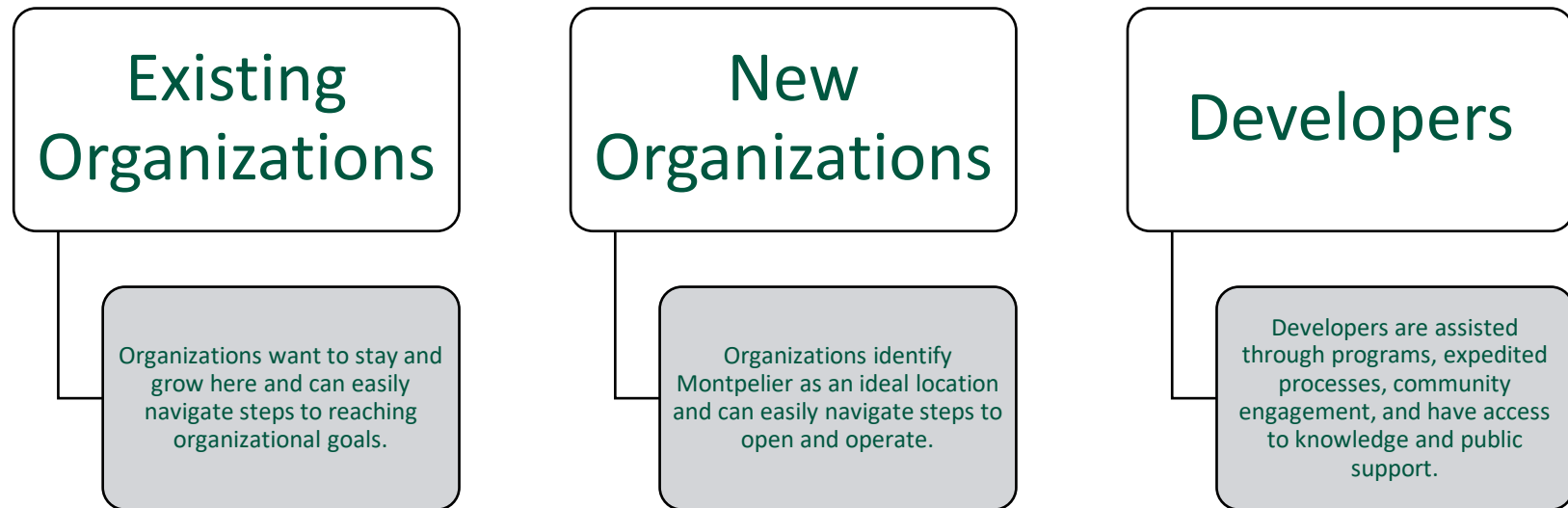


MDC's strategic framework is an evolution of the Four Building Blocks from the Economic Development Strategic Plan. The framework places MDC's vision at the top with its three customer groups underneath, supported by the key strategies that support existing businesses, new businesses, and developers.



MDC Customer Groups

The chart below outlines MDC's customer groups and its vision for each group.



2019 Priorities Areas

The Montpelier Development Corporation is still refining the activities and measures within each of these priority areas. The actions and measures outlined below are likely to change. MDC will share updates and revisions with City Council and staff.

1. Business Retention and Expansion Program

A Business Retention and Expansion (BRE) Program is essential to building and maintaining strong relationships with existing businesses, identifying growth opportunities and threats, gathering information about the local economy, and supporting business retention or expansion projects.

Actions

- Distribute business survey
- Set up schedule for business visits and outreach
- Connect and meet with local businesses
- Record, track, and analyze business feedback
- Use business feedback to inform MDC and city programs and policies

Measures

- Business survey distributed and analyzed within Q1
- 30 BRE visits in 2019
- Brochures that outline MDC services created and distributed

2. Development Project Management

MDC was established to create and manage development opportunities on behalf of the City. In 2019, MDC will be aligning property owners and stakeholders to develop property within Montpelier, with a specific focus on state-owned lots.

Activities

- Coordinate with property owners, local, state, and federal partners to identify development opportunities and programs available to support development
- Develop a master plan for the Court Street block and RFP process for development
- Gather data and information for viable uses for 12-16 Main Street

- Respond to opportunistic development projects in the city
- Coordinate development projects that can utilize TIF
- Provide input and support to ongoing activities for parking garage project

Measures

- Master plan and RFP for Court Street Block
- 2 TIF projects proposed

3. Outreach and Communication

MDC will provide consistent information about economic development projects and programs to keep the public and stakeholders informed. MDC will cultivate opportunities for community engagement and input.

Actions

- Organize community gatherings
- Develop information sheets for on-going and proposed projects
- Regular content for local newspapers, MDC website and Facebook page

Measures

- At least three community gatherings in 2019
- Weekly content posted to website and social media

4. Inform Development Planning and Strategy

Development Planning and Strategy contribute to ensuring the long-term viability of Montpelier by creating and improving business resources, programs, policies, and processes to more effectively meet business and developer needs.

Actions

- Work with Department of Planning and Community Development to revise the Montpelier Business Revolving Loan Fund; transfer administration to MDC
- Work with Montpelier Alive to create economic development goals for the City Plan
- Work with City Manager to create Tax Stabilization Policy recommendation for City Council
- Coordinate goals and projects with Housing Task Force

- Collaborate with Montpelier Alive to develop information/resource sessions for local small businesses

Measures

- MDC administers updated Montpelier Business Revolving Loan Fund – 3 loans distributed
- Revised Tax Stabilization Policy adopted by City Council
- At least 4 information/resource sessions hosted for small local businesses

Appendix

I. Community Indicators

MDC will work with the City to collect and track community indicators. Below are the indicators MDC will provide, along with a few snapshots of current data. Data analysis is an important part of monitoring Montpelier's economic health and prescribing effective strategies to ensure its continued success.

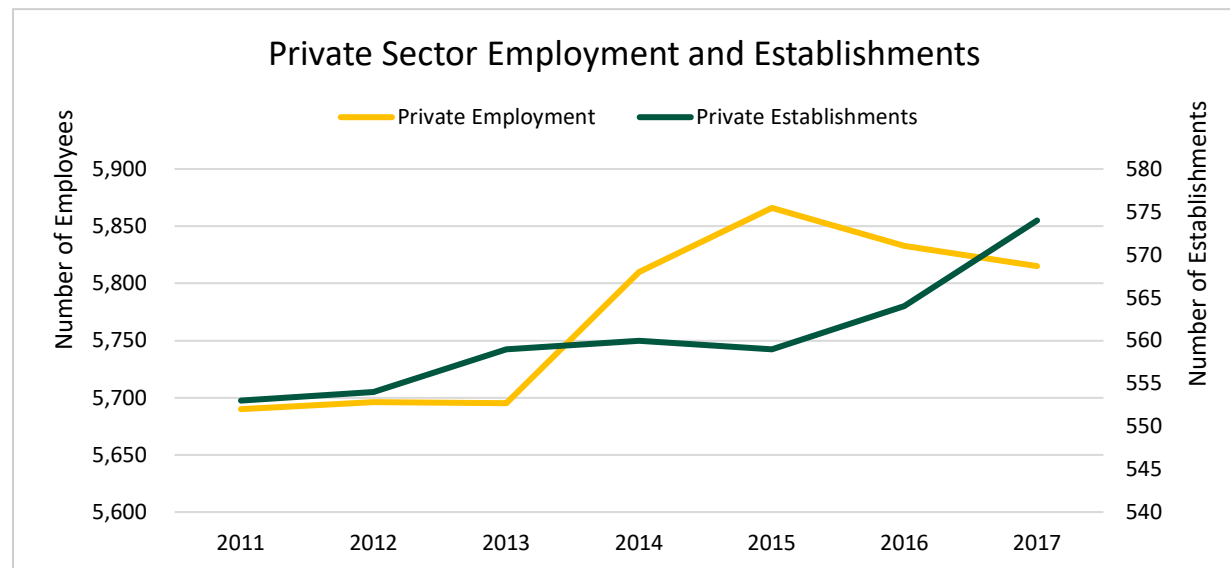
Community Indicators to be Collected by Montpelier Development Corporation:

- Private Sector Employment
- Net New Establishments
- Population, by age group
- Meals Receipts
- Sale Receipts
- Commercial Occupancy Rate
- New Housing Units

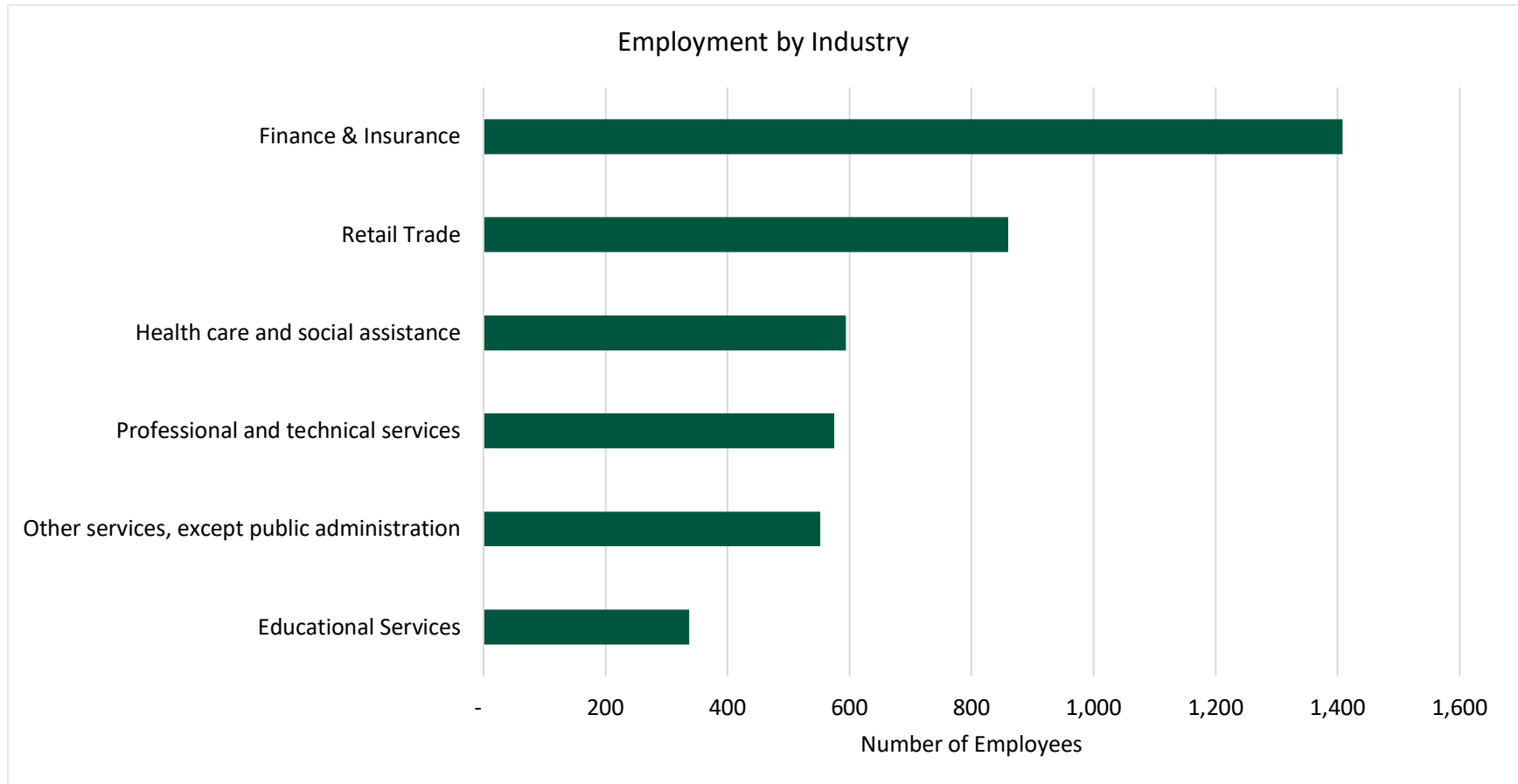
Private Sector Employment

5,841

Vermont Department of Labor, 2018



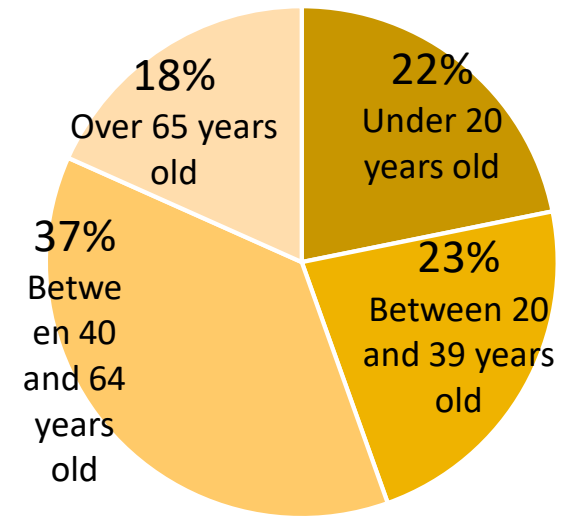
Private Sector Employment by Industry



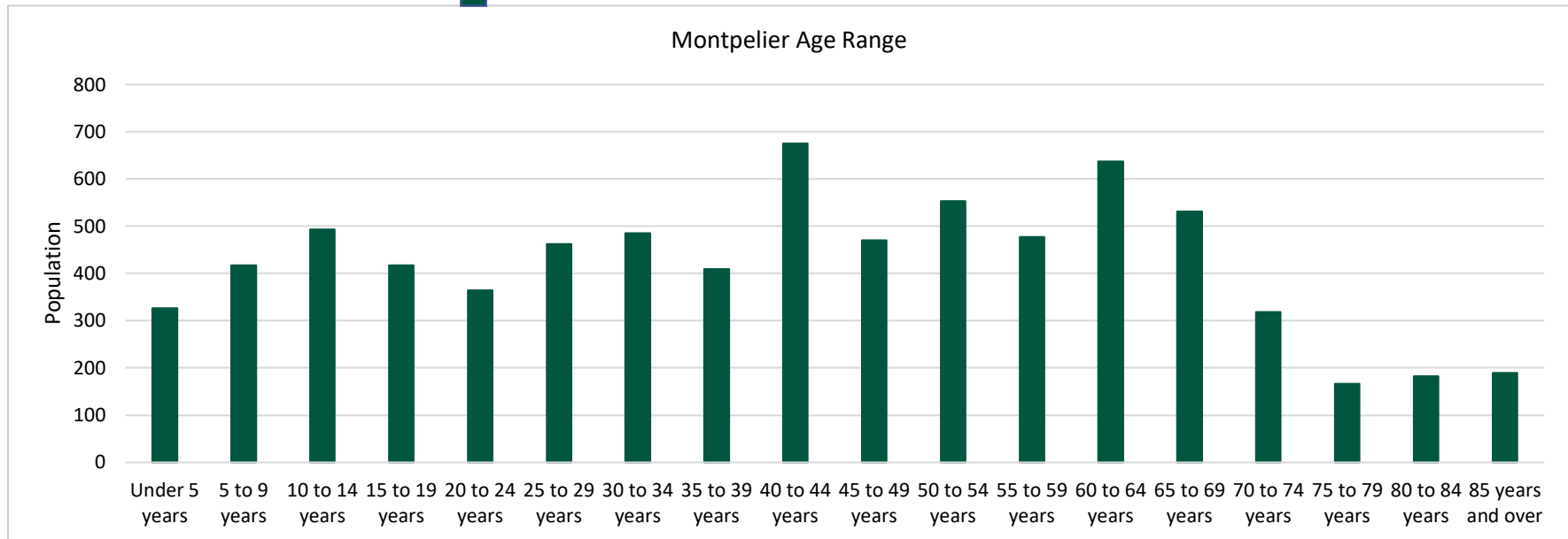
Population

7,484

American Community Survey, 2017



Proportions of the Population by Age Group



II. 2018 Work Plan

EDSP Tactic	Objective	Actions	Status
1. Identifying Key Sectors	Understand Key Sectors through Data and Stakeholder Meetings	Meet with business owners and major employers	Ongoing
		Investigate data from local, state, and national resources	Complete
2. Strategic Investments	Establish a clear understanding of City permitting process	Set up regular meetings with Department of Planning and Community Development	Complete
		Learn about permitting processes through businesses', property owners', and developers' experiences	Complete
	Advance Tax Increment Financing District	Meet with City Manager's office and contribute information for TIF application	Complete
		Distribute information to public about TIF	Complete
		Provide communication and outreach support for first TIF bond vote	Complete
	Establish an understanding for local, regional, state, and national economic development resources	Connect with resource providers and program coordinators	Complete
	Public informed of economic development concepts, projects, and activity	Update and modify MDC website	Complete
		Reactivate MDC Facebook page	Complete
		Provide content and columns to local newspapers	Complete
3. Transformational Projects	Understand existing development opportunities in Montpelier	Meet with property owners and developers	Ongoing
		Set up regular meetings with City Manager's Office	Complete

3. Transformational Projects (cont.)	Understand existing development opportunities in Montpelier (cont.)	Set up regular meetings with Department of Planning and Community Development	Complete
		Regular communication and coordination with Montpelier Alive	Complete
	Advance Downtown Hotel	Project support for Hampton Inn & Suites and Public Parking Garage	Complete
		Public outreach and communication	Complete
		Continue project development support	Ongoing
	Identify opportunities for MDC to advance development in Montpelier	Meet with property owners and local stakeholders	Ongoing
		Develop MDC project approach	Ongoing
		Coordinate with City and State	Ongoing
4. Ongoing Activities to Support Key Sectors	Align and coordinate business and development resources	Meet with local, regional and state resource providers	Complete
	Identify existing business needs and opportunities	Meet with local businesses and resource providers	Ongoing
	Establish Business Retention and Expansion (BRE) Program	Distribute business survey	Priority for 2019
		Set up formalized schedule of business meetings and follow up	Priority for 2019
Build Internal Capacity	Establish internal project management system	Implement economic development project management software	Complete

Build Internal Capacity (cont.)	Define Board processes and procedures	Effectively and consistently share information with and gather input from Board members	Ongoing
		Establish a repeatable meeting structure	Ongoing
		Determine a process for decision-making	
	Establish internal systems and succession plans	Ensure accounts and information will be accessible to future Board and staff	Complete



15 State Street, Suite 103
Montpelier, VT 05602
www.mdc-vermont.com

