

VI. ECONOMIC DEVELOPMENT PLAN

Vision Statement

This Plan envisions Burlington as a city where...

.... Burlington continues to serve as the historic core of a regional population, educational, health care, commercial, cultural, and governmental center. Among the city's chief economic assets, include its accessibility to major population centers in northeastern North America, a skilled and dedicated workforce, and a high quality of life, which is preserved and enhanced through the promotion of development that is compatible with the city's neighborhoods and natural environment. Burlington's economy is sustained by a diverse mixture of businesses including: neighborhood-oriented local businesses like grocery stores and doctor's offices in vibrant neighborhood centers; a medley of service, retail, financial and cultural enterprises throughout the downtown and waterfront; health care and academic institutions that offer the latest in intellectual, technological and scientific opportunities; food production joined with agricultural entrepreneurship in the Intervale; well-paying and high quality commercial enterprises in the south end; and a travel and tourism industry that caters to visitors interested in Burlington's heritage and the region's outdoor recreational amenities.

... the city's economy continues to be sustained largely through a balance of self-employment, small business growth, and enterprise and institutional development. Burlington serves as an incubator for new business ventures, and enables established business to set down roots rather than move away. Educational and health care institutions have expanded their role in developing and transferring their knowledge base to benefit local residents and businesses. The city has developed a range of technical and financial incentives to retain, encourage, and support economic development, helping it to keep pace with growth in surrounding communities. Burlington's economy has become more self-reliant through significant increases in local ownership and control of businesses, reinvestment of local resources, a commitment to environmental quality, and an investment in people and infrastructure. Burlington residents, who were not fully participating in the city and regional economy, now have access to meaningful jobs paying a livable wage, job training, and job retention services.

CITY POLICIES

THE CITY OF BURLINGTON WILL...

- **Nurture sustainable development to provide for the city and its residents over the long term.**
- **Promote and strengthen a mixed economy, and work actively to retain existing businesses and jobs.**
- **Promote and support locally owned and controlled small businesses including home occupations appropriate to the character of the neighborhood.**
- **Partner with the private, not-for-profit, and other government sectors to support existing businesses, attract future development, and conduct joint marketing.**
- **Invest in the necessary public improvements, particularly transportation, to strengthen the Downtown, both as a Regional Growth Center, and as city neighborhood.**
- **Work with neighboring communities, regional agencies, and state government to promote land use and development policies that support the Burlington's role as the Regional Growth Center.**
- **Support sustainable development activities in target areas of the city including the Enterprise Community, Neighborhood Activity Centers, the Pine Street Corridor, Downtown, and the Downtown Waterfront.**
- **Focus technical assistance, marketing and recruitment for economic development towards target industries.**

INTRODUCTION

The *Burlington Legacy Project's* vision for the economy focuses on four basic principles that should guide the city towards sustainability over the next 3 decades. These are: *Creating a Vibrant Urban Center, Economic Security, Economic Self-Reliance, and Transportation*. The following chapter of this plan outlines the City's economic development policies and priorities, and implements the *Legacy Project's* principles by concentrating on the following areas: Burlington's role in a **Regional Growth Center**, advancing **Sustainable Development Strategies, Supporting Targeted Industries**, identifying **Strategic Locations for Development**, and seeking to build **Cooperative Relationships**.

Regional Growth Center

The City of Burlington is a major economic force in Vermont. As a central part of the regional growth center for northwestern Vermont, Burlington provides jobs and services for residents of the city, county, and beyond. Not only does the city host a variety of businesses within its own boundaries, but it also contributes directly to economic development activity and opportunities throughout the surrounding region. The city's overall quality of life, reputation as a forward-thinking community, host of urban amenities, and proximity to a wide range of recreational choices combine to make Burlington, and surrounding portions of Chittenden County, a very attractive location for new, expanding, and relocating businesses.

Burlington is fundamental to the "Regional Growth Center" identified in the *Chittenden County Regional Plan*. By encouraging and accommodating growth in this area, surrounding communities and their rural working landscapes can be protected from unwanted sprawl development, and served with the desired job opportunities and services. This combination of uses and landscapes provides the foundation for the region's competitive advantage. The growth center concept, with Burlington at its core, must be supported –both regionally and locally - if this advantage is to be sustained into the future. The City will continue to work with its neighboring communities and regional planners to re-enforce a compact settlement pattern with concentrations of jobs and services in growth centers.

Burlington's Economic Mix

Burlington's vitality comes from its strong mixed economy. Diversity allows the city to weather temporary weaknesses in different sectors of the economy. This is a balance that the city must strive to maintain and support in the coming years. The City must also emphasize efforts to retain existing employers by redeveloping former brownfields to provide room for expansion, investing in city infrastructure, and developing transportation alternatives for workers and the movement of goods

In the Greater Burlington labor market, the labor force has grown from 80,950 in 1992 to 99,400 in 1998. The regional economy (in a six-county area) is expected to add 44,250 jobs over the 2000-2010 period. Nearly 35% of Burlington's employment base is service

related - dominated by the health and educational fields. Service jobs have been the fastest growing sector at 6.2% between 1988 and 1992. Health service jobs have grown almost 50% in the last ten years. Our institutions play a very important role in Burlington's economy. The University of Vermont and Fletcher Allen Health Care are the city's largest employers. They are an asset to the community and reinforce its economic base.

Retail jobs are also important to Burlington's economy comprising approximately 16% of the total in 1992. A strong retail sector keeps the city economy active and strong by contributing to the overall activity level, and attracting residents, visitors and businesses to the City. However, Burlington's position as the region's retail center has eroded to nearly 31% of county retail sales - down from 55% in 1970. In addition, retail jobs are rarely well paying, and don't typically offer equivalent benefits of jobs in other sectors. Yet, these jobs serve those in the community for whom flexible, part-time jobs are essential.

Fletcher Allen Hospital	6,000
University of Vermont	3,187
Burlington City Schools	799
City of Burlington	615
Chittenden Bank	600
General Dynamics	475
Blodgett Holdings	400
Champlain College	302
Specialty Filaments	220
Radisson Hotel	180

Manufacturing has traditionally been vital to Burlington because it creates well-paying jobs, draws investment into the area, and strengthens other sectors of the economy. Presently 7.5% of Burlington's jobs are in manufacturing - down from 15.3% in 1980. This reflects, in large part, losses at General Dynamics (formerly General Electric).

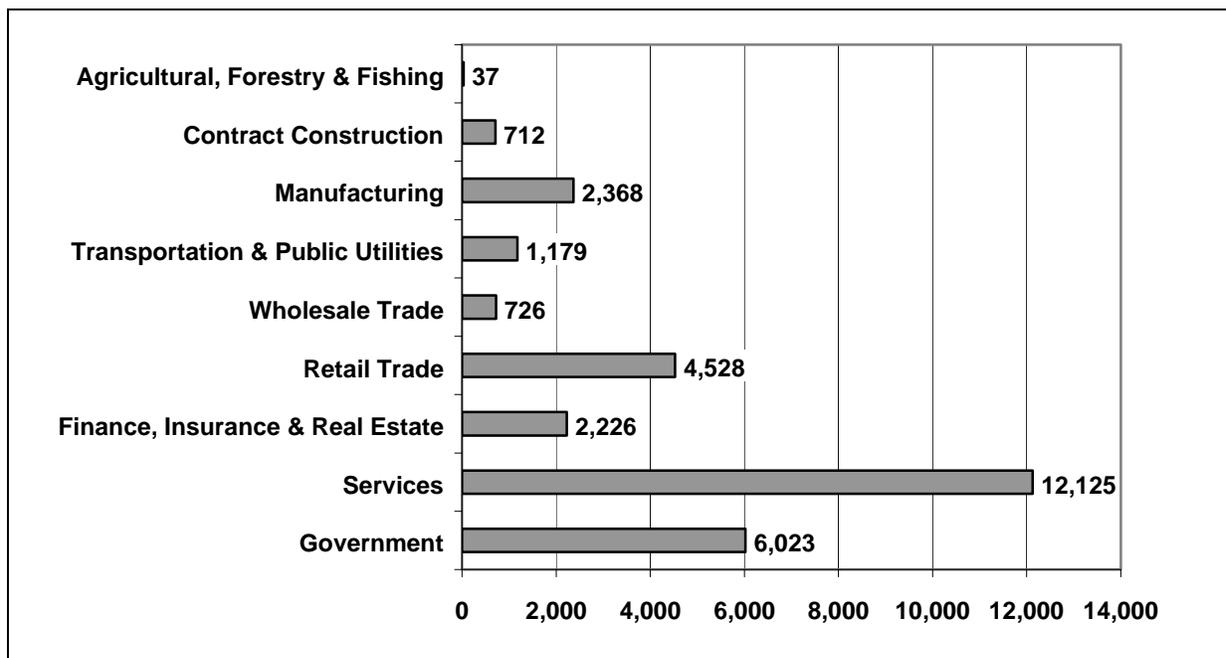


Figure 1. 1999 Employment by Industry - City of Burlington.

Sustainable Development Strategies

To remain vital, Burlington will continue to provide an environment conducive to businesses, good jobs for workers, and the necessary support - including good housing, childcare, access to services, educational opportunities, and a healthful environment. It will continue to invest in the downtown. It will support its existing job base and its mix of industry, government, education, health care, and tourism while encouraging the creation of jobs that benefit the worker, the consumer, and the environment. Following are five strategies aimed at making development of Burlington’s economy sustainable over time.

CREATING NEW JOBS

Burlington’s workforce grew from about 26,000 in 1980 to nearly 31,000 in 1990. Since then, total employment has remained constant. Of particular importance to note is that approximately 59% of all employed city residents also work in the city - by far the highest percentage in Chittenden County and up from 33% in 1980. While total employment has declined somewhat since 1990, self-employment and home-based businesses have grown

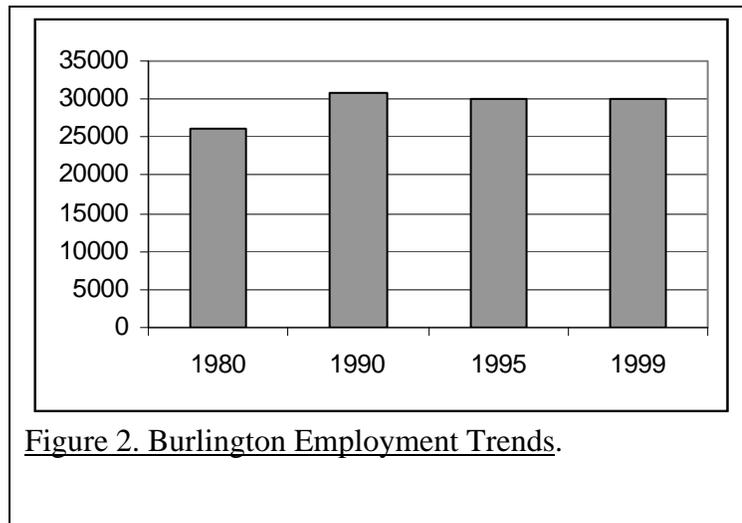


Figure 2. Burlington Employment Trends.

significantly over the past decade. And the number of people working at home grew by 32% to over 600 between 1980 and 1990. This is a very important trend as it relates to transportation needs and the opportunity for the city to promote concentrations of small businesses in neighborhood activity centers.

Because so few businesses relocate each year, new jobs will be created primarily by new or expanding local businesses. Burlington has been most effective as a incubator for new, locally owned businesses - a factor that has been important to regional job creation. Locally owned and -controlled businesses not only create new jobs; they keep local dollars in the City to re-invest in improvements, services, and infrastructure. The continued growth and development of small and locally owned businesses will be a high priority for the future.

It is also important for the city to provide opportunities for existing business to grow within the city, and not be forced to move once they have reached a certain size. The future redevelopment of brownfields around the city as well as opportunities within the Enterprise zoning district are two examples for further examination.

JOBS FOR ALL

Although Burlington has experienced an economic boom over the last ten to fifteen years, not everyone has shared in the good times. This is especially evident during economic downturns. While Burlington has the lowest unemployment of any MSA¹ in the Northeast, some people have no jobs; others who work, earn too little to support themselves or their families; others still are under-employed - in situations that don't make the best use of their talents and abilities. Burlington's per capita income is less than 70% of the county. Most serious is that nearly one in five people in Burlington live in poverty, many of which are mother-led households - more than twice the rate of the county.



Figure 3. 1989 Median Household Income.

In 1997, the Burlington-based Peace and Justice Center published the first phase on the *Vermont Job Gap Study*. This was the first in a 5-part research study that sought to understand whether the Vermont economy is producing enough jobs that pay a "livable wage²." The study estimated the cost of meeting a family's basic needs (which for an urban area was determined to be: \$8.21/hr or \$17,086/year for a single person, or \$19.82/hr or \$41,224/yr for a family of four), estimated and identified the number of livable wage jobs in Vermont, and finally assessed the societal costs of not meeting a family's basic needs. The debate that has followed has broadened the discussion around job creation from one that largely focused on those without jobs, to now include the extent to which available jobs are meeting basic needs. The Vermont Legislature established the Legislative Livable Income Study Committee in 1999 to follow-up on this issue and make recommendations for legislation to further the overall objective of a livable income for all working Vermonters.

To improve the economic well-being of all city residents - and particularly working-class young people, people with disabilities, and women - the City will work with the private sector to create job opportunities, offer training programs, provide housing, and ensure needed support services such as childcare and health benefits. The City will encourage the creation of well-paying, meaningful jobs that offer workers a safe workplace, job security, a wide variety of salaries and benefits that support families, and a say in decisions that affect them.

MIXED USE AND MIXED RETAIL

One economic strategy that will guide the City into the future is **diversification**. Traditional economic development has typically focused on one large industry or employer. However, when that industry experiences a downturn, or the large employer

¹ Metropolitan Statistical Area as defined by the US Census Bureau. This includes the City of Burlington and several surrounding communities in Chittenden and Franklin counties.

² A "livable wage" is the hourly wage or annual income necessary to cover basic needs and all relevant state and federal taxes.

reduces or closes operations, the impact on the community is significant. The volatility of technology and the restructuring of defense industries offer two pertinent examples. One advantage of targeting a broad range of industries and businesses is diversification of risk. Should one segment decline, the others remain to support the overall economy.

Neither manufacturing, tourism, education, small business, health care, finance, nor retail is the single answer to maintaining and improving Burlington's economy - it's all of them. The same is true within each economic sector. A range of retail from hardware to jewelry, from department stores to boutiques, will allow the City to serve the needs of its residents and workers, and remain an attraction to visitors.

INFRASTRUCTURE INVESTMENTS

In many cases, investment in the necessary infrastructure to support future development must occur first in order to attract business growth and opportunities. Early investment demonstrates a commitment and willingness on the part of the City that business is welcome and will be supported. Of particular importance will be future investments in the City's transportation infrastructure and public transit systems, as well as telecommunications. Examples include better public transit and parking options to serve workers downtown, reserving some capacity to load and unload freight by rail, enabling high speed data and communication services that allow residents to work at home or serve technology-based businesses, and creation of better energy systems and conservation programs. Other sections of this Plan, most importantly *Energy*, *Transportation* and *Community Facilities and Services*, discuss in greater depth the type and location of future infrastructure development.

BUSINESS RETENTION AND PARTNERSHIPS

One of the basic tenets of sustainable development is making the best use of existing resources. It is within this context that the retention and nurturing of existing businesses must be the highest priority for the future. Successful businesses already in place are the best marketing tool. The City needs to have a better understanding of the needs of existing businesses, and be in constant dialogue with them to ensure that mutual concerns and objectives can be addressed through cooperation. Another asset that needs more attention is the role that the educational institutions play in developing and sharing new research and technologies and spinning them off into new businesses.

An example of this strategy already at work is the "Downtown Partnership." The Partnership is a public-private initiative between city government and the business community jointly addressing issues including transportation and parking, downtown development, public safety, and recruitment and marketing. In late 1989, the Burlington Business Association (formerly the Downtown Burlington Business Association) initiated the creation of *Burlington: A Shared Vision*. This document was prepared to help shape the City's last master planning process, and remains a viable blueprint for the downtown's future. Future efforts to combine public and private partners to collaborate on joint projects, define critical issues, and development strategies for future business growth will be encouraged and supported.

Supporting Targeted Industries

Burlington recognizes that in order to have successful and sustainable economic development, the city must target its energies. Without sacrificing existing businesses and economic diversity, the following areas present the greatest opportunities for future success given their growth potential, Burlington's competitive advantages, and their fit within broader community-based objectives of the city.

ENVIRONMENTAL ENTERPRISE AND TECHNOLOGY

Burlington already has a very positive image as an environmentally friendly community, and is widely recognized as a highly desirable place to live and work. These advantages can be used as a powerful economic development tool to attract businesses that place a premium on social and environmental factors when locating new offices and facilities.

Burlington will encourage new business development within the environmental services and manufacturing sectors. These include environmental testing, engineering, waste management, education, research, audits, remediation, and energy efficiency. Several examples already exist including Gardener's Supply, Vermont Energy Investment Corp., Living Technologies, and Burlington Electric's McNeil Generating Station. In addition, Burlington will examine opportunities related to recycling and the re-use of recycled materials into value-added products.

Sustainable development must also consider value-added manufacturing and processing of agricultural and forest resource products. In addition to making productive and sustainable use of existing local resources, these types of businesses also provide markets for products produced throughout the region. This comes back to benefit the community in many ways by supporting local farmers and the surrounding traditional working landscape, and supports our high quality of life. Opportunities include additional agriculture in the Intervale, incubator space for small agricultural enterprises, specialty food production and distribution, community gardens, aquaculture and greenhouses.

TECHNOLOGY AND TELECOMMUNICATIONS

Computer technologies and telecommunications have rapidly become essential components in the success of nearly all types of businesses. Like the completion of the interstate highway system, the high-speed exchange of information and instant communications have dramatically changed not only the way businesses is done, but where.

Once again, Burlington's reputation as a desirable community can serve to attract many businesses, and business functions, related to technology and telecommunications. Examples include remote office/branch office (ROBO), small office/home office (SOHO), professional services, interactive media, electronic publishing, distance research and learning, and telemarketing.

While Burlington recognizes the growth potential in this industry, exactly how to tap into it and what are the infrastructure needs and potential impacts remain questions. The City will need to monitor emerging innovations in the industry, consider the potential impacts and how to address them, and offer a plan to improve Burlington's access into this growing industry. Opportunities exist to build upon existing high-tech businesses like IBM and IDX, and the companies that service or spin-off from them.

In encouraging these types of technologies, the City will also take steps to ensure that start-up and small businesses are not left at an unfair disadvantage. Access to technological resources, education, and infrastructure by small businesses should be established through colleges and community technology centers similar to that created within the Enterprise Community. The City has also taken it upon itself to form a partnership to provide local telephone, data, high-speed Internet access and cable television services. The network will enable private-sector companies to provide added choice in telecommunication services to residents and businesses of Burlington and outlying areas.

ARTS AND ENTERTAINMENT

Long before the term "Creative Economy" became popular, Burlington has been widely recognized as an arts and entertainment center, and for its emerging music and recording industry. Efforts will continue to support arts and entertainment, which expands economic activity and enhances the city's quality-of-life. In addition, the arts enliven the city beyond the 9-5 workday - offering a more efficient use of public infrastructure. Future opportunities include incubator space for artists to live and work, an arts information center downtown to provide comprehensive event listings and information, educational programs and events that showcase and celebrate the wealth of artistic creativity within the community. The City continues to collaborate with UVM's Flemming Museum on the creation of an arts and exhibit space in the former Moran Generating Station on the waterfront.

CANADIAN TRADE

The elimination of trade barriers facilitated by NAFTA, political uncertainty over the future of Quebec, proximity to Burlington and the city's quality-of-life reputation all present significant opportunities for the expansion and/or relocation of Canadian-based businesses to Burlington. The City should capitalize on these through a marketing program focused on small and medium-sized businesses in Montreal and southern Quebec.

RECREATION AND TOURISM

Much of Burlington's reputation for a high quality-of-life is based on the abundant recreational opportunities in the area, and the city's outstanding natural setting. These advantages also serve as attractions for tourism - coupled with festivals, shopping, restaurants, arts and entertainment. Many visitors come to take in many of the regional

attractions and activities including boating on the lake, skiing and hiking in the mountains, or to attend special events and meetings.

Burlington has become a destination itself apart from the overall “Vermont Experience.” The city hosts several major events throughout the year that attract thousands of visitors from throughout the northeast including First Night Burlington, Vermont City Marathon, Howard Bank Criterium, Discover Jazz Festival and many others. Burlington also host such attractions as the Flynn Center for the Performing Arts, the Lake Champlain Basin Science Center and Memorial Auditorium. Surrounding communities benefit from Burlington’s reputation and special events through proximity, overflow, and simple name recognition.

The entire Lake Champlain region is preparing for the 400th anniversary of the arrival of explorer Samuel de Champlain in 1609. This six-year celebration will highlight Champlain’s journey down the St. Lawrence River from Quebec City, up the Richelieu River and into Lake Champlain. Additionally, the National Park Service has recently completed a report on the creation of a Champlain Valley Heritage Corridor. Both efforts highlight the importance of heritage tourism to the region’s travel and tourism economy. This form of tourism (one of the fastest growing in Vermont and around the world) is centered on the inherent character and resources (both cultural and natural) of a particular area. For this reason, preserving the character of Burlington, and its natural environs and cultural resources, are a critically important part of an overall economic strategy.

Tourism creates many jobs in the service sector, especially hotels and restaurants, and the retail sector - bringing vitality and revenue to the area. While discussion occurs regionally regarding the need for a large convention space, Burlington will ensure that it has the necessary accommodations, meeting and exhibition space to attract small to medium-sized events downtown. However, Burlington can best encourage tourism by serving the needs of its residents first. A community that provides excellent facilities and services for its own inhabitants, and has a well-established sense of community, will continue to be an attraction to visitors.

HEALTH, EDUCATIONAL , LEGAL, AND FINANCIAL INSTITUTIONS

As noted previously, service sector businesses related to health care, education, legal, and financial services play a dominating role in the city’s economy. These businesses are also of the type that are in the best position to utilize available office space - both existing and potential, take advantage of emerging technology and telecommunications, and compliment an urban mixed land use pattern. Finally, these businesses – particularly those related to education and health care – provide



opportunities for research and development that in turn can be transferred to benefit other private sector businesses. The retention of existing facilities and businesses will be a high priority.

However, health care continues to undergo an industry-wide restructuring. The national debate over the rising cost of healthcare, and the anticipated expansion and redevelopment of Fletcher Allen Health Care’s facility in Burlington, are only two examples. Burlington will continue to closely monitor trends in this field, and work with the institutions to improve their ability to provide services and jobs in the community.

Strategic Locations for Development

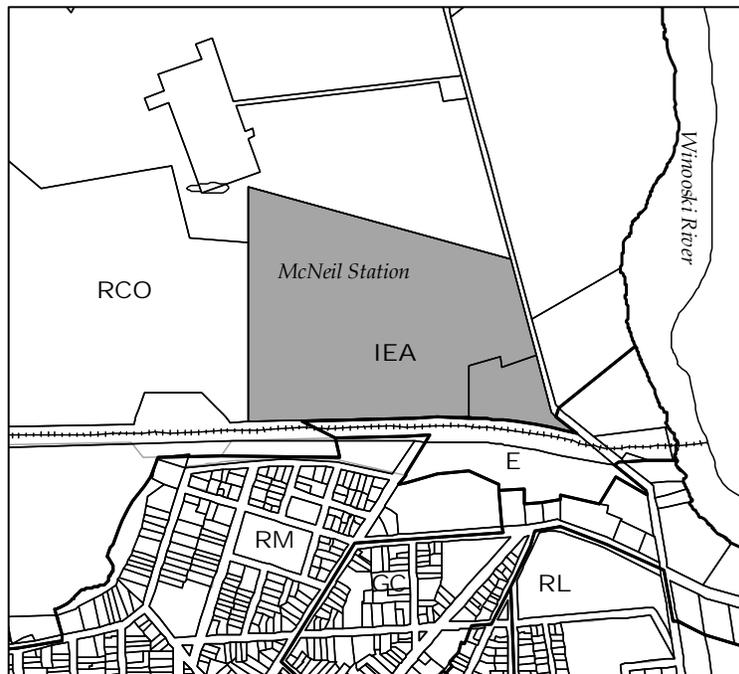
Much of Burlington is already well developed, and much that remains provides important natural, recreational, and open space for city residents - factors themselves that greatly benefit Burlington’s economy. However, many opportunities for new and expanded development exist.

Strategic locations for future development include the Downtown and Downtown Waterfront, the Old North End Enterprise Community, the Enterprise Zone/Pine Street Corridor in the South End, Institutional Core Campuses, and Neighborhood Activity Centers. A more detailed discussion of these areas is found in the *Land Use* section of this Plan. Two additional areas are discussed below.

AN ECO-ENTERPRISE ZONE ON THE INTERVALE

A small portion of the Intervale, including the home of Burlington Electric’s McNeil Generating Station, have been rezoned, and planning is underway for the creation of the “Riverside Eco-Park.”.

As conceived, the Eco-Park will attract and house environmentally and agriculturally-oriented and compatible businesses, allowing for a range of joint ventures and sharing of resources. One such example might include commercial greenhouses heated by waste heat from McNeil Station and utilizing compost created from Intervale farmers.



However, the Intervale remains an ecologically sensitive area (see the section on the *Natural Environment*), much of which is prone to seasonal flooding. While the Eco-Park is outside of the flood zone, special considerations must be accommodated in any plans for future development in this area to ensure the agricultural character and sensitive resources are adequately protected.

BROWNFIELDS

Burlington's industrial past has left the city with a legacy of past mistakes that may produce opportunities for future development. The City has a host of older industrial sites with some degree of environmental contamination - the extent of which remains unknown in many cases. Burlington has begun to investigate opportunities to remediate these properties in order to bring them back into useful economic service. Once the degree of contamination is better understood, options for clean up and redevelopment can be investigated. Not only do these sites represent locations for new development, but also markets for locating new environmental service/waste remediation businesses in the city. For additional information, see the *Land Use* section.

Cooperative Relationships

Planning for sustainable economic development in Burlington cannot occur in a vacuum. Burlington is highly dependent upon a wide range of factors, partners, and relationships including neighboring communities, state government, and non-profit development organizations. The same holds true for development activities within the city as well. City departments and the business community must be in constant dialogue and actively cooperate in order to achieve common objectives.

REGIONAL PLANNING AND COOPERATION

The close interdependence between the City and its neighboring communities demand a regional perspective on a number of issues related to economic development including land use, transportation and development itself. Currently the City participates in regional planning and development activities through the Chittenden County Regional Planning Commission (CCRPC) and the Greater Burlington Industrial Corp. (GBIC). The Lake Champlain Regional Chamber of Commerce plays a major role in promoting the entire region.

Efforts to work more closely as a region - to support and attract development and protect our competitive advantages - must continue. This should include an active dialogue between the public and private sector. Infrastructure, services, joint marketing and financing opportunities need to be considered. There may be increased support for an equitable sharing of local tax revenues generated from new development through a greater appreciation of the mutual gains and benefits.

COOPERATIVE RELATIONSHIPS

The city administration and departments must be in constant dialogue with the business community in order to address mutual needs and concerns. This has traditionally been a high priority, and is achieved primarily through the Community and Economic Development Office and efforts such as the Downtown Partnership. However, many other collaborative opportunities between local businesses, institutions, neighboring communities, and non-profit agencies exist, and should be actively pursued.

Economic Development Action Plan

Action Item	Lead Agency	Secondary Agencies
Continue to work with its neighboring communities and regional planners to re-enforce a compact settlement pattern with concentrations of jobs and services in growth centers.	Planning & Zoning CEDO	
Develop and maintain an inventory of commercial-industrial sites and buildings as a tool to facilitate expansion and relocation of businesses.	CEDO	Planning & Zoning
Expand energy efficiency and cost reduction programs for businesses.	BED	CEDO Public Works
Pursue new collaborative opportunities between local businesses, institutions, neighboring communities, state government and non-profit agencies to support, retain, expand, and attract future business growth.	CEDO	
Complete a Comparative Analysis of the cost of, and obstacles to, development in the City with neighboring and similar sized communities.	CEDO	Planning & Zoning
Complete the creation of an Eco-Enterprise/Agriculture District for a portion of the Intervale.	CEDO	Planning & Zoning
Implement the Economic Strategies outlined in the ONE EC Plan “Common Ground” and the <i>Consolidated Plan for Housing & Community Development</i> .	CEDO	
Provide small business with new or expanded financing programs including a Business Loan Program.	CEDO	
Establish plans for the renovation and adaptation of the Moran Generating Plant on the	CEDO	

 Downtown Waterfront.

Establish a <i>Sustainable Development Business Program</i> to provide information, education and resources to the business community regarding making their business practices and processes more environmentally friendly and sustainable.	CEDO	BED
Develop additional conference and exhibition space within the Downtown.	CEDO	City Arts
Establish a relationship with area institutions for technology development and deployment initiatives.	CEDO	
Establish an Arts Information Center in a downtown location.	City Arts	CEDO
Evaluate opportunities to expand the Eco-Enterprise Zoning concept to other parts of the city.	Planning & Zoning	
