

Hartford Economic Profile Assignment

Hartford is a central Vermont town located in Windsor County within the bi-state Lebanon-Hanover-Hartford region. Hartford is the largest town within Windsor County and serves as its primary economic center. Hartford's population expanded by 60% from 1970 to 2000 and is currently over 10,000 people. Faced with a growing and economically diverse population, increasing fiscal pressure from growth, and competition from neighboring New Hampshire, Hartford has decided to prepare its first economic development strategy. For the first phase of the study, the town has requested an analysis of its economy to better understand key economic trends, conditions and needs that should inform its overall goals and strategy. **Your assignment is to prepare an economic profile of Hartford that discusses the town's economic performance and structure, identifies its key industries and/or industry clusters, and draws implications and associated recommendations for Hartford's economic development agenda.** This profile and analysis will be based on the work completed in the prior two assignments, the economic data provided to you and the analytical tools discussed in class. This document provides a brief summary of Hartford and notes from a series of focus groups held with different stakeholders, and some population data and retail market information.

Hartford consists of five distinct villages: White River Junction, Wilder, Hartford, West Hartford, and Quechee. White River Junction, located at the junction of the White and Connecticut Rivers and the intersection of Interstate Highways 91 and 89, is the major commercial and government center for the town and county. Quechee is the home of Quechee Gorge State Park, a major tourist destination, and includes a large planned residential community and resort. While the Connecticut River separates Hartford from the neighboring New Hampshire communities of Lebanon and Hanover, Hartford and Windsor County are linked economically to New Hampshire. Dartmouth College and Dartmouth-Hitchcock Medical Center, both located in Hanover, are the region's largest employers and economic engines. They bring students, research dollars and businesses to the region. Dartmouth graduates are responsible for many of the region's start-up firms, especially in technology-based fields. Lebanon is the regional retail center, due to its location and the absence of any sales tax in New Hampshire.

Town of Hartford Economic Development Strategy
Focus Group Notes

General Business Focus Group-January 9, 2002

Attendees: Tip Top Bakery Building, Northern Stage Theater Company

Town role in economy

- Hartford-Lebanon-Hanover is the metro area.
- Quechee is off on its own with tourist industry and second homes.
- Downtown White River Junction is more of an economic zone with infrastructure for businesses.
- Tax issues in locating in New Hampshire versus Vermont. Perception that New Hampshire is less expensive, lower cost location.
- Real estate is more affordable in Hartford than Hanover.

Assets and Strengths

- Size of population and market in region—160,000 people within a 30-mile area
- Telecommunications infrastructure
- Dartmouth College with a medical school, business school and engineering school generates a lot of economic activity.
- Northern Stage Theater has a base of 7,000 households and sells 22,000 tickets per year. We estimate that we generate 12,000 to 16,000 visits per year to WRJ with shows, classes, etc.

Obstacles to Economic Development

- Psychological barriers exist in WRJ. There is a perception that WRJ is dangerous. South Main Street area has drug use, people hanging out. This perception is starting to shift, people will come into WRJ now.
- “junky and unattractive” space in older buildings that is not in good condition. Most buildings are at least 40 to 50 years old and the space has not been renovated.
- Rents are too low to support upkeep and renovation; too little business activity in WRJ. However, the cycle is changing. Rents range from \$2 to 3 per square foot for un-finished industrial space to \$8 to \$10 NNN for renovated space.
- Difficulty in attaining bank financing in WRJ.
- The Hartford Business Revolving Loan Fund might be offering loans that are too small in size.

Economic Development Opportunities

Hartford Village—old warehouse building renovated into artist studio space and light industrial space. Crafts are big in this area. 70% of vendors at Norwich farmers market are craft people. Potential is there. However, many crafts people just operate out of their homes; idle spouses not necessarily growth-oriented businesses.

Northern Stage may be seeking a long-term home; we may seek a building with mixed commercial uses that provides a mix of funding sources for the theater.

Businesses to attract—prefer high tech to manufacturing. Take under-utilized buildings, demolish them and re-build for businesses. South Main Street is a good area for this type of new development.

Prefer to limit strip development and seek a mix of businesses in Sykes Mountain area. Cluster type development with a mix of industry, services and retail. Seek businesses that protect quality of life and raise living standards.

WRJ could have more of an arts-based industry in the historic downtown, more boutique businesses.

Past Economic Development Projects and Activities

- High impact: sidewalk improvements, health clinic, and senior center
- Northern Stage location in WRJ, kept downtown is the eyes of people.
- Mascoma Bank locating in Sykes Mountain Road Area

Banking and Economic Development, January 9, 2002

Attendees: Chittenden Bank, Mascoma Bank, Ledyard Bank, Green Mountain Economic Development Corp

Role in Regional Economy

- Retail economy is in New Hampshire; NH more receptive to business, but perception of Vermont and Hartford area is changing.
- Biggest challenge in the Upper Valley is workforce availability, which is related to the limited supply of housing. Need additional housing to attract employees. It is important to find ways to expand housing availability.
- It is difficult to attract employees to the area due to the cost of housing.
- A key part of the Hartford economy is the large number of good federal government jobs; there is some risk that these jobs could decline or disappear which would be a big shock to the town's economy.

Economic Strengths

- Dartmouth College is a big factor in what makes the region unique—the medical school and medical center and the college and its graduates as a source of economic spin-offs.
- Several companies in Hartford (e.g. Concepts ETI) were started by Dartmouth graduates. Biomedical firms tend to be in New Hampshire. Other strength is engineering for computer and other areas.
- Intersection of 2 major highways
- Retail cluster in West Lebanon and medical center are major draws to the region.
- For Hartford, unique assets are lower-priced real estate, access to highway, strong telecommunications infrastructure,

Economic Trends in Region

- Consolidation between education and social service agencies.
- There is high demand for reasonably price office space in the 3,000 to 20,000 square foot range. Most office development is in Lebanon but Hartford can serve as an alternative location. As other areas become increasingly built-out, development pressure will increase and Hartford is well positioned to benefit from them.
- Workforce availability is the key constraint to growth along with land that is appropriate for development.
- The lack of sewer service on Route 14 is a limitation to future development.
- Regulation in Vermont is an obstacle to development.

Workforce Issues

- Hartford has a good school system and high school, which helps makes it desirable.
- Employers talk about two workforce problems. At the bottom end, a large percentage of people applying for entry-level jobs fail 8th grade English and math tests. Many have poor customer service and job readiness skills. At the top end, it is hard to find young engineers and to get advanced engineering education. There are no non-traditional engineering education programs available.
- Vermont Technical College is on potential institution to help address the latter problem. It would be good to have them locate a campus in Hartford.

Other Economic Development Obstacles

- Access to capital is not a problem. There are many options to solve financing problems when there is a real business needing financing.
- Permitting issues are a huge problem in terms of perceptions. Vermont is perceived as much more difficult to get projects approved. This is primarily a state government issue with the unpredictability of approvals under Act 250.

Economic Development Priorities and Opportunities

Turn around key properties in WRJ that are under-utilized

Attract and facilitate key businesses to locate at the available land for new development
The remaining land resources should be used in a balanced way for value-added manufacturing jobs, services and retail. There is a need for a diversified economy.

High impact projects have been the success in attracting new companies in the industrial park. Mascoma Bank's decision to site a new operations center in Hartford will have a big impact. The bank chose Hartford because of good transportation access and available sites. This decision was also prompted by the Lebanon Planning Board's attitude to restrict further development.

The old Railroad area in WRJ provides opportunities for new uses. Revitalizing WRJ would attract more people and if you could bring more jobs to downtown WRJ, this would also add demand for downtown stores. Green Mountain EDC is working with a developer to try and advance these projects. WRJ needs to be a high priority for investment and development so it does not miss out on the next wave of growth.

Hartford Village is the one village that does not have much commercial viability. It could be stabilized and improved so that further blight does not occur. Efforts could include streetscape improvements and a program to help fund homeowner improvements that remove and prevent blight. The town would have to offer some kind of property tax stabilization to address concerns that property taxes will increase and become unaffordable after the improvements.

Government and Civic Organizations, January 10, 2002

Attendees: School Board, Zoning Board of Adjustment, Vital Communities, Regional Planning Commission, RIVER, Conservation Commission, Downtown Business Association, Parks and Recreation, Historic Preservation Commission

Each participant introduced him or herself and explained his or her organization's role in economic development efforts. Points made during these introductions include:

- The importance of quality of life issues to the Town's economic development
- Opportunity to expand the role of the rivers in revitalizing downtown
- Need to make the development process and services less confusing to businesses
- Residential development generates more fiscal costs than it generates in revenue
- Need for the school board and town selectboard to work together to keep overall tax property tax rate down.
- Hartford is part of a larger region and needs to look at issues on a regional basis

Economic Development Priorities

Attract higher paying jobs; more companies like AIRS, Concept ETI and Resources Systems. Companies can benefit from being close to Dartmouth.

Make Village Centers more attractive and a better location for businesses. Try to make the village centers an alternative to locating in industrial parks.

People and businesses don't understand where to get services; we need a guide to programs and how to work you way through the maze with visual tools to help guide people to the right programs.

Level the playing field between building on undeveloped land and renovating existing buildings in village centers. The new state brownfield legislation will help a lot in this respect. The town also needs to lobby state and federal lawmakers to change laws and policies that encourage "greenfield" development or impose undue costs on the town (e.g., special education).

Obstacles to Revitalizing Village Centers

People have given up on the villages and don't see the opportunities for new investment and change. One reason for this attitude is the sense of defeat among long time residents; the mills that provide jobs have left the villages, the schools have been centralized and retail stores have left WRJ. All these changes create a sense of defection and loss.

There is a need to strengthen villages and create a greater sense of community and self-sufficiency within the villages, but not by putting villages against each other.

Potential Economic Development Activities

Look at the riverfront as a potential for economic development, restaurants, public access, hospitality. There is a key short-term opportunity to acquire a central parcel at the junction of the Connecticut and White rivers from the state. The Town needs to support legislation to make the transfer.

Attract more small-scale businesses to vacant storefronts in village centers.

Market and broadcast what we have, the advantages of the Town (e.g., our technology infrastructure) and opportunities to locate a business here.

Focus development in the nodes and areas with existing infrastructure; the town could provide tax incentives for investment in existing buildings, waive impact fees for projects in village centers, create an economic development assistance fund to provide incentives for façade and building investments.

There may be a need for more comprehensive powers to address the larger scale redevelopment issues on South Main Street, where there are many landowners.

Tourism Industry, January 10, 20002

Attendees: Hotel Coolidge, Hampton Inn, VINS, Gift Shop Owner, Quechee Gorge Management Committee

Tourism Industry in Hartford

Two components:

1. The hospitality area around Sykes Avenue with hotels, restaurants and other services
2. Quechee with the gorge, state park, Village, Simon Pearce, and other attractions

Highest activity periods are fall and summer. Winter is slower with people staying in Hartford as a base to go elsewhere. We are not close enough to ski areas to capture a lot of the winter tourism. Tourism business is seasonal with a number of businesses closing over the winter months.

Challenges

Marketing and identifying who we are and developing a strong image for the area Vermont promotes itself as small towns and offering the history and ambience of small towns. We need to keep that small town experience and balance it with new development. It is key to maintaining the area as a destination.

Route 4 traffic is a minus, but you can escape from it very quickly along the Gorge trail.

One way to minimize these problems is to focus development in already built-up areas, especially WRJ and the village centers. WRJ now appears hopeful; it has come a long way. Perception of WRJ is a problem, it is seen as a combat zone and there is a legacy of doubt about its economic role. Future uses seem most feasible for office space and entertainment. Reuse wholesale and industrial space for offices.

Tourism Trends

With more dual income families under more time pressure, the two-week family vacation is disappearing. More vacations are built around holidays and long weekends. Most of our visitors are coming from shorter distances, from NY, CT, MA.

There has also been an influx of people from abroad. Fly-drive travelers from Europe and Japan. Tour operators also run vacations for Europeans. This has increased over the last 18 months. There may be opportunities for Hartford and WRJ with European travelers who are more accustomed to rail travel. Coolidge Hotel is promoting daily rail excursions to other towns in Vermont. Better cab and jitney service would help get people to WRJ from the airports and bus terminal.

There has also been a decline in tourism over past 3 years due to a demographic hole. There is a decline in the retired leisure tourist. This hole will continue for about 10 years until the baby boomers retire.

Opportunities to Improve/Expand Tourism Economy

There is a need for enhanced ground transportation to connect the major destinations. This could be a jitney, van or trolley service that would link WRJ, Quechee, Norwich and other places in the region. Improved transportation could also service the schools and expand programs for school children at VINS (when it opens in 2004) and other museums. An alliance with Advanced Transit could be a good way to establish such a service, by including it in their bundle of transportation services. Should be an Upper Valley- wide effort that also includes Hanover.

We need to focus more on helping to facilitate the visitor experience; transportation is one aspect of that. Town could help make the process of finding and getting to attractions better. Installing better signage and directions is one way the town could help.

Our presence on the Web is ineffective. We need a stronger presence and links to search engines so when people search with a variety of phrases, the right pages come up.

With visitor centers in WRJ and the Quechee Gorge Welcome Center, we have the means to distribute information. The image and name for area may not be linked to Hartford. It may be built around the Upper Valley, but signage, directions, information materials and transportation must connect people to the key attractions throughout the Town.

Opportunities for Tourism within WRJ

There is a high quality theater company.

The RR museum is in place with an initial exhibit in downtown WRJ. Plans call for a 4 to 5 building campus utilizing two roundhouses (including one in Lebanon), a fire station and other attractions. Creating a transportation institute that makes the area a center for transportation studies would also be an extension of this effort. Over time more activities and attractions could be added to the concept, with train trips, dinner trains, etc.

There are also opportunities to utilize the riverfront more as a place for recreation and cultural tourism activities.

There also may be an opportunity for a larger venue for meetings or convention-type activity. The lack of a major airport probably precludes a large convention center but there may be an opportunity for a conference center facility for larger meetings serving the region.

Issues and Needs of Tourism Businesses

Labor force availability is a big issue. Some larger inns or hotels have used immigrants to fill positions but tighter immigration rules have made this harder.

Employees often commute long distances. Service jobs in the tourism industry are relatively low-wage and employees often cannot afford to live in the area.

The tight labor market is raising labor costs, which may be exceeding what small businesses can afford to pay. Better transportation links and services could also help employees.

State permitting process is very difficult, especially for highway signage that tourism businesses need. The Town of Hartford has been very helpful to businesses in addressing state permitting issues, getting a sign up for the Hampton Inn and helping VINS get its Act 250 permits. Town has been an advocate for local businesses in this process.

Town will have an active role in the future of development around the Route 5 interchange with the Interstate highways. It should promote more compact development in this area.

Property Owners and Real Estate Community, January 10, 2002

Attendees: Realtor, Valley Land Corporation, Quechee Lakes Land Owner Association, Hathon Surveys, Realtor, Quechee Lakes Resort, Business and Property Owner, Realtor, Realtor

Housing is the greatest need, there is not enough inventory to support population growth.

Regulatory burdens, cost and a lack of infrastructure prevent more housing development. It costs \$30/sq. ft. more to build here than in Massachusetts markets.

The town needs to promote more light industrial and commercial development. There is limited supply of existing land served by water and sewer. Billings Park has only 2 large lots left. The Route 5 corridor lacks water and sewer service.

Hartford should not follow Norwich and zone out industrial and commercial use. It needs to invest in expanding infrastructure, water and sewer service, to increase the supply of land for economic development. Route 14 west and Route 5 south are the areas to focus on.

Hartford should target light clean industry that provide high paying jobs. The region is at the tail end of retail development, most of which is in New Hampshire, so there are limited opportunities for new retail development.

There needs to be more of an attitude of how can we help bring and support business into the town. The planning board and staff is very good and receptive to proposals, but we need to be more proactive in reaching out, attracting development, and getting businesses through the intricacies of the process.

State development policies are hurting the town. You can't get a sign put up on Rt. 14. Town officials need to work the state system better, building stronger relationships with state officials to resolve problems and get grant funds. A staff person whose job is specifically to build state relationships and get more state funds would address this need. The Town also needs to lobby and advocate more to make Act 250 less difficult.

White River Junction

Biggest obstacle to revitalization is an image problem. People think WRJ is not safe. Threatening looking people on South Main Street does not help. The town could help improve this are by buying up property and then work to redevelop it.

There needs to be higher uses and better plans for the core historic buildings.

Arts and entertainment uses in WRJ have been positive. They should be supported and expanded.

WRJ also needs to look better to attract more investment.

High Technology Businesses, January 10, 2002

Attendees: Pro-Cam

Pro-Cam is a retail photography store, photo processor and apple computer dealer that has been in Hartford since 1979. Started out working in the Hanover Camera Shop. After leaving the shop, I decided to open up my own business and chose to locate in White River Junction. In

1991, we put in a photo-finishing lab. We also now print from digital media and see ourselves as in the imaging business. My customer base is from a 60-mile radius.

There is a cluster of imaging related businesses in Hartford, including Kanya Graphic, Protech and Digital Image Works. Some are home grown and some have moved into the area.

One of Hartford's advantages for these and other technology-based businesses is the faster Internet speeds and telephone switches in White River Junction. Other advantages are more and lower cost space is available and WRJ is a destination.

I have not had problems finding qualified employees. Most of my employees are hired with experience and training. I have not had problems with access to capital and have been able to get loans from local banks.

WRJ can be its own worst enemy. It can be too slow to change. Prior studies suggest that WRJ is different from Lebanon or Hanover. It needs to become its own distinct

Population

Total Population	10367
Median Age	40
18 years and older	7939
65 years and older	1519

Race

One Race	10258
White	10058
Black	57
American Indian and Native Alaskan	32
Asian	91
Native Hawaiian and Pacific Islander	3
Other races	17
Two or more races	109

Hispanic or Latino and Race

Hispanic or Latino	88
Not Hispanic or Latino	10279

Household By Type

Total Households	4509
Family Households	2798
Married Couples	2201
Female household, no husband	459
Non-family Households	1711
Average Household size	2.28
Average Family Size	2.86

Housing Occupancy

Total Housing Units	5493
Occupied Housing Units	4509
Vacant Housing Units	984
For seasonal, recreational or occasional use	839
Homeowner Vacancy Rate	1%
Rental Vacancy Rate	2.50%

Windsor County Retail Market Data

Table 2. Retail Sales by Store Category

Store Category	Number of stores	1999 Sales (000s)
Food Stores	77	\$91,042
Supermarkets Only	62	\$86,987
Eating and Drinking	135	\$39,557
General Merchandise	13	\$21,602
Department Stores Only	1	\$9,803
Apparel & Accessory Stores	21	\$9,791
Furniture/Home Furnishings/Appliance Stores	18	\$7,476
Furniture/Home Furnishing Stores Only	11	\$5,051
Auto Dealers	35	\$147,118
Gasoline Service Stations	33	\$41,686
Building Materials and Hardware Stores	32	\$42,819
Drug Stores	12	\$7,938
Total Retail Sales	507	\$509,073

Table 3. Household Spending by Product Category

Product Category	1999 Spending (\$000)
Food at home	\$66,140
Food away from home	\$42,505
Housing	\$245,658
Apparel	\$25,976
Health Care	\$40,511
Transportation	\$139,365
Entertainment	\$38,277
Personal Care Products and Services	\$10,653
Reading	\$3,973
Education	\$10,782
Tobacco Products & Smoking Supplies	\$6,652
Personal Insurance and Pensions	\$80,753
Housekeeping Supplies	\$10,514
Total Expenditures	\$761,861