

## **Barre Area Development, Inc.**

Barre Area Development is a 501 (c) 6 non-profit corporation established to increase economic opportunities and development in the Barre Area. BADC's mission is broad and includes all activities that support, encourage and improve the general welfare of City and Town inhabitants with the key focus being in the areas of commercial and industrial development, recreation, agriculture, financial assistance, promotion and real estate development and management. The budget for BADC is funded equally by the City and Town. Notable past activities including establishing the Wilson Industrial Park and after selling and locating businesses on the original 13 lot development, BADC assisted the Town in expanding the Industrial Park by building a 40,000-sq. ft. spec building now currently occupied by Highland Sugarworks. BADC assisted the City in establishing its current Tax Increment Financing District and obtaining grant funding for Enterprise Aly. BADC also provides on a regular basis guidance, advice and support to new and expanding businesses in the Barre area, including the identification of available commercial properties for sale or lease.

During the past year, BADC has continued to market the Wilson Industrial Park in Vermont Business Magazine and other outlets, and as part of a new marketing plan for the Barre Area, including the Industrial Park, will follow-up on the recommendations of consultants who are currently engaged. There has been a significant amount activity at the Industrial Park including two new tenants in the former Bombardier building, Tenco and Vacutherm. Additionally, the Owner, Malone Properties, is actively working with other interested parties to meet their needs on that site and that of adjacent property. The exterior fit-up for the former Schwan's building has been completed and it's tenanted by a distributor of commercial doors. New England Excess Exchange is expanding parking at its existing location and is planning a modest office addition adjacent to it. For years, a foundation sat on a lot without building, and based on materials on site, and the Owner looks to commence the construction for a 5,000 square foot building. Nearby, the former Granite City Top Shop is vacant the Owner and is marketing the building and site for sale. There has been recent interest and a prospective buyer wants to visit and assess whether it's suitable for an existing light manufacturing operation. BADC has been contacted several times by Highland Sugarworks management to meet their inventory needs, and more recently about expanding its production. The parent company has yet to make any decisions, but it has been advised that there may be some incentives available both locally and at the State level to facilitate growth.

As previously reported, Vermont Creamery was purchased by Land O'Lakes of Minnesota. Based on what has been conveyed, an expansion is still in process of being planned it may result in the addition of 35 to 75 new employees depending on sales growth and the size of new development. If the expansion requires municipal infrastructure upgrades, BADC contacted the applicable State Agency about possible grant funding to meet any needs that result in growth and additional employment. The initial response was positive and supportive.

BADC is recommending to the Town that the two separate covenants for the Industrial Park, for the original BADC development and another for the newer Town owned section, be amended to reflect the current tenancy in the Park and to be consistent with each other and with Town zoning. BADC also recommends that approximately 42 acres in the Park zoned Office Building be zoned as Industrial so that zoning is consistent throughout. At the current time and into the foreseeable future, there is a very limited market for commercial office space, and if there were it can still be accommodated in the industrial zone. The market for the remaining property is likely to be in the food production or light manufacturing or fabrication sectors.

Last year, BADC supported Montessorri School (MSCVT) with the management of its successful redevelopment of the former Knights of Columbus Hall on Pine Hill Road. BADC is still assisting the school on an as needed basis. The School is nearing full capacity and, based on initial demand, is now considering and assessing the viability of establishing an infant care program. This may require more work at its current location.

BADC has commenced a Strategic Planning Process which emphasizes the goals of more visitors to Barre, more residents and more businesses locating in the area. What became immediately apparent at the outset was the necessity of marketing Barre. The progress that we see every day and take for granted is not well recognized outside of Washington County, and the cultural and recreational assets and real estate opportunities here are not as well promoted as they should be, and not in a coordinated message or brand. To this end, BADC has hired the The Imagination Company (TICO) of Bethel, Vermont to work with the Barre community to establish a message and brand and recommend a multi-media marketing campaign to promote Barre. BADC will invite businesses, institutions, non-profit organizations and government officials to meetings with TICO to obtain ideas and feedback so that it may present message and brand options to Barre. Two focus group meetings have been held and two more are being scheduled, which will include Barre Town businesses and those individuals in the Town who are involved in recreation.

In downtown Barre, BADC is focusing on tenancy of storefronts and any project that will continue the revitalization that is ongoing. During the year, a significant project was unveiled for North Main Street that relies on New Market Tax Credits (NMTC) to write down the cost of the project and to make it viable. The availability of NMTCs is based on census tracts, and the location of the project is in a census tract which no longer be eligible for tax credits as of November 1<sup>st</sup>, 2018. It's still possible that the project can be developed, but it may differ in size and scope of what was originally proposed. When the expiration of NMTCs in one census tract was announced, another arose when the census tract on the westerly side of Main Street and both sides of Route 14 from Prospect Street, stretching from the southern to the northern boundaries of the City, are eligible for the credits. NMTCs can be used not only for real estate development, but also machinery and equipment. As a result, there are opportunities for larger manufacturing firms located in the census tract to take advantage of significant savings that NMTCs could provide. Additional capital investments "anchors" these businesses to Barre. For this reason, BADC has been contacting businesses that can potentially benefit.

Data from the Vermont Department Taxes for Barre Town show that there was a decrease of - 5.2% in Gross Sales Receipts between fiscal years ending in July for 2017 and 2016, and a decline in retail (taxable) receipts of -4.8%. Statewide, the comparable numbers are up 4.2% and 1.2%. For Barre Town, the labor force numbers or wages based on covered wages reported to the State Dept. of Labor between the 2<sup>nd</sup> quarters of 2017 and 2016 show that private entities up be a count of one, total covered employment down by 2.9% and average wages at no change. The most notable changes in the labor force were the decline in employment in the manufacturing, mining and construction sectors were in comparison of third quarters of 2017 and 2016. Fiscal year-end figures are not yet available and it's likely there will be an overall decline in the covered workforce with average wages up slightly. State statistics reflect a static economy.

The Board of Directors of BADC thank the Barre Town taxpayers for their support.

Respectfully submitted,  
Joel Schwartz, Director

Elected Officers as of July 2016

President – Sarah Field, (Attorney, Field and Field PC); Vice President, Robert Lord, (EF Wall and Associates); - Secretary – Jonathan Shea, (Paige and Campbell, Insurance and Financial Services)  
Treasurer – Al Flory (Northfield Savings Bank); Past President – Karl Rinker