

Barre Area Development, Inc.

Barre Area Development is a 501 (c) 6 non-profit corporation established for the purpose of providing 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 by the City and Town.

Nearly two years ago, BADC started on the development of a longer-term economic development strategic plan. Historically these plans begin with an assessment of assets and end with actionable activities that are intended attract more businesses and jobs that lead to a larger tax base and more community wealth. In Barre, there are a plethora of assets: incredible private and public institutions and organizations, affordable residential and commercial real estate, available industrial property, a revitalized and aesthetically pleasing downtown; abundant recreational opportunities, full-service, well-functioning municipal government all within an area of economic diversity. This broad description is a limited and inadequate summary of all the assets. After meeting with community members, and reviewing what we have heard, and notwithstanding what we know to be great about Barre, there is an underlying belief that the full potential of the area is not being realized, and it mostly lies within the question, "Who knows?" As one public official succinctly put it to BADC, we need to change the narrative of the area and redefine it so that everyone knows.

To this end and completing a process that commenced last year, BADC hired The Imagination Company and is embarking on a campaign to change the narrative by adopting a brand, "Barre Rock Solid" and marrying it to a strategic marketing plan. The marketing products will include a web site landing page with 3 portals: Visit Barre, Live in Barre, and Grow in Barre. Each portal will have pages of text, photos, links to attractions, businesses and institutions in the Barre area and story-telling films, a total of 16 across all 3 portals. To drive digital traffic are creative banners ads specific to each portal that will be placed in targeted on-line media sites. Additionally, there edited products for TV, radio and social media. The Barre community will be invited to hear more about this in the coming months, and the Barre story will be told.

Upon request of Granite Grocery (GC), BADC reviewed its business plan and met the site selection committee. GCG has narrowed down its site search to two properties, both present challenges and opportunities, but are viable locations, one of which is in the New Market Tax Credit (NMTC) and Opportunity Zone on the easterly side of N. Main Street, Route 302 and extends down S Main Street, Route 14. The tax incentives for the latter may enhance the viability of getting GCG up and running. BADC assisted the City in closing out a planning grant for GCG earlier in the year. In downtown Barre, an Asian restaurant, Aku Ramen, opened and Mingle, a downtown nightclub also opened. There has been continued interest by an entrepreneur to lease space in a prominent downtown building. The Blanchard Block has 5 new tenants and the Imagine Yoga Studio opened on the lower level. At City Place, the Department of Education will be relocating from the building this spring, and it has been announced that the Agency of Transportation will fill that space and the remaining upper floor vacancy, and this will result in net gain in employment at the building. BADC has also been contacted by a realtor consulting for investors investigating Hemp drying and processing in Barre's Opportunity Zone. That lead may not pan out, but there has been interest by firms in the Opportunity Zone, and BADC will be meeting with them.

The Park Place project proposed for N. Main Street was unable to move forward due to the unexpected expiration of NMTC incentives last November for that census tract location. When that happened, NMTC incentives were switch to City's other census tract and following that, the same census tract was also designated an Opportunity Zone (OZ), another tax incentive based on capital gains deferrals and forgiveness of appreciation after 10 years. ED coordinated with the City, and its regional partner, the Central Vermont Economic Development Corporation (CVEDC) and the State of Vermont to host a well-attended forum where the OZ Program was described in further detail by a tax attorney and accountants.

At the urging of BADC, the Barre Town Planning Commission proposed, and the Selectmen approved, rezoning part of the Wilson Industrial Park from commercial to industrial which makes land uses and permitting consistent throughout the entirety of the Park. At the former Bombardier Building, home of Northern Power, All Earth Rail, is refurbishing Budd self-propelled passenger cars for regional commuter rail service. At the current time there are 4 companies in the building and with some interior alterations, additional businesses may be able to use available space. Vermont Creamery planned phased expansion was delayed by a new planning review of the projects as they related to the market for its dairy products. The parent corporation recently approved funding for the first phase and the company is hoping to commence the work this spring. The Creamery has reportedly hired 20 employees and in the past year, and projects hiring another 20 within a year. BADC has been actively encouraging additional use of underutilized manufacturing and office space at SB Electronics building. The Owner of the building is working with a Vermont company that has expressed interest in it and it's possible a decision will be made within months. There have been two new inquiries into the acquisition of land in the Park, one for two acres and another for 10 to 15. Both are speculative but given the scarcity of fully service industrial land that is competitively priced, additional marketing such as what is being proposed may yield more interest.

There are two overriding issues that BADC, CVEDC and the State of Vermont address whenever or wherever it can: 1) the estimated fair market value of new construction of commercial and industrial property is considerably less than its cost, and; 2) employers in all sectors of the economy find it difficult to find qualified employees. The former results in less financing and more equity to make a project, and some projects cannot get off the ground without grants, subordinated debt or publicly funded programs that assist businesses through incentives and subsidies that reduce operating costs. The latter results in unfilled positions which impede economic growth. Development and construction issues can be solved, but not without the assumption of more financial risk, only some of which can be mitigated. Workforce issues are more difficult since the underlying demographics in almost all labor markets are not favorable. Thus, the need to recruit from outside the area and the State, the need to retrain some of the existing workforce, and the need to continue, improve and possibly expand secondary school vocational programs to meet the needs of the employers. Manufacturing jobs and those in the trades are now paying good wages so marketing this fact to students and parents may pay-off.

Last year, the City passed a 1% Meals and Rooms tax, but it took effect in October so there is no published data regarding its impact. Meals and alcohol are holding steady, with the first quarter of this fiscal year with meals down .03 per cent and alcohol up 1.3 per cent. As in previous years, meals receipts in Barre are higher than Montpelier, but alcohol are less. Gross Sales Receipts from businesses reporting from Barre City the last two quarters published show that Gross Receipts have continued to decline from the previous 2 years, 9%, but taxable receipts have increased 6%. Use taxes have also declined, 35%. The most recent employment numbers, covered wages reported to the State of Vermont, is that employment in the City is up by 190 individuals from the 2nd quarter of 2018 and 2017 and average wages were up 3.6%.

As a follow-up to an article written in Business in Focus Magazine, BADC and CVEDC were interviewed for a 4 page article about workforce development in the Barre area.

The Board of Directors thanks the Barre City and Barre Town taxpayers for their support.

Respectfully submitted,
Joel Schwartz, Director

Elected Officers as of July 2018

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