

ECONOMIC DEVELOPMENT COMMISSION

Commission Members: Barbara Higgins (Recording Secretary), Robin Lane, Greg Morgan (Chair), Betty Poulin and Chris Riani
Commission Advisors: Greg Duggan, Essex Town Planner; Robin Pierce, Essex Junction Planning Director; and Curt Carter, Vice-President, Greater Burlington Industrial Corp. (GBIC)
Ex-Officio: Michael Plageman, Selectboard Member, Town of Essex; and Lori Houghton, Trustee, Village of Essex Junction

Global Economy Impacts Essex: Perhaps more than any other year, global issues have altered the course of business in Essex. On July 1, GlobalFoundries assumed ownership of the computer chip fabrication plant in Essex Junction, ending IBM’s over 50 year role making computer chips. Because the owner of GlobalFoundries depends on price of oil which dipped significantly in 2015 and the global demand for microprocessors, these international factors are already impacting the business climate of our Town in a very direct ways.

In early December, Keurig Green Mountain (formerly Green Mountain Coffee Roasters) and a Luxembourg-based private equity company executed a definitive merger agreement under which the investor group will acquire Keurig Green Mountain (KGM) for about \$14 billion in 2016. This transaction is another indication our local economy is buffeted by global economic forces.

Town Revenues and Addition Commercial/Industrial Properties to the Grand List: Building new commercial and industrial structures adds to the Town’s property tax base. For every new \$1 million structure (that is the equivalent of \$10,000 added to the Grand List), the Town collects \$4,880 in tax revenue annually, based on a tax rate of \$0.488. Below are some of the significant additions as reported by the Town Assessor to the State of Vermont in 2015:

Name (1)	Location	Function	Status at end of 2015	Size (sf)	Assessed Value (2)	Annual Tax Payment	Notes
MetroRock & Skateland VT	Susie Wilson Road	Recreation	Complete	73,500	\$4,300,000	\$20,984	2 Buildings
Reinhardt	Thompson Drive	Food Distribution	Complete	137,900	\$9,400,000	\$45,872	Vermont Operations Center
Autumn Pond	Autumn Pond Way	Apartments	In Progress (Multi-year)	332,000	\$26,500,000	\$129,320	300 Apartments in 10 Buildings
Carmichael St.	Carmichael St.	Apartments	Complete	42,600	\$6,000,000	\$29,280	36 Apartments (includes memory care)
Joshua Way	Joshua Way	Apartments	In Progress	59,500	\$9,300,000	\$45,384	100 Apartments in 2 Buildings

Notes: (1) Data reported to the State includes projects with permits with multi-year completion dates
 (2) Additions to the Grand List only occur upon completion and occupancy.

Essex Town Municipal Tax Rate	\$0.488
(for FY ending June 2016)	

Commission Proposes New Economic Development Goals to Selectboard: As part the Town Plan rewrite, the EDC reworked the goals and action steps that will guide the municipality’s economic development activity. The Commission has recommended four goals with specific

action steps which are detailed in Chapter 3: (1) Increase and Diversify Tax Base; (2) Improve and Invest in Infrastructure; (3) Foster Enterprises that Create Jobs; (4) Expand Communication and Outreach. Please review the Commission's recommendations before you vote on the Town Plan.

Telling the Essex Economic Development Story in Montpelier: In January the EDC led an Essex delegation to the House Commerce and Economic Development Committee where we shared information about the implications of the transition from IBM to GlobalFoundries and the breath and scope of Essex business community. Selectboard Chair Max Levy offered key insights into changes associated with IBM exiting the chip making business.

Essex Educators Lead Workforce Develop Initiatives: Vermont technology companies have identified workforce training as a major need. In response, the Center for Technology-Essex is launching the Engineering Design & Production Technologies (EDPT) Program, a grant-funded initiative that places CTE at the forefront of meeting the need for skilled tech workers. EDC member Robin Lane, an employee of CTE, is at the center of these efforts. In addition, Lee Ann Smith, the Leader of Essex High School's STEM Academy, has been appointed to the BTV Ignite Board, a Burlington-based group with connections to US Ignite, the initiative charged with using the region's *gigabit infrastructure* to launch, promote and retain business startups and growth.

Promoting New Business and Entrepreneurship in Essex:

EBPA Fund Distributed: Early in 2015 the EDC sought proposals from businesses, individuals and organizations to use money in the EBPA Fund to provide opportunities for future investment and job growth in Essex. Based on the EDC's recommendation, the Town allocated the EBPA Fund to help launch Excelerate Essex. The EBPA Fund was created when the leadership of the former Essex Business and Professional Association (EBPA) asked the Town to help deploy group's remaining assets.

Essex Co-Working Space Opens: In June Excelerate Essex: a Co-Working Space opened its doors at 15 Pearl Street, just west of Five Corners. During its first 7 months of operation, between 15 and 20 entrepreneurs, small business owners and freelancers have been active members. Information and updates can be found at www.excelerateessex.com. Co-working spaces, with the associated collaboration and sharing among users, have been significant contributors to increased start-up business activity and economic vitality in other communities, an outcome in line with EDC goals.

Essex the First Stop on 2nd Annual FreshTracks Road Pitch: Green Mountain Harley-Davidson served as the host venue on the morning of August 3 when over 20 motorcycle riding, entrepreneurial road warriors rolled into Town to hear business pitches from five Chittenden County start-up businesses. Two Essex-based companies were front and center: *Tour Impact Golf* pitched a swing tempo and rhythm training golf club, a product invented and sold by company founder Craig DeVarney; and *S&D Snowblowing: Driveway Snow Removal Service* founded by Aaron Smith – a business with a local focus and the potential to grow and expand - attracted interest for its innovative business model. Up to 100 attendees listened to the pitches and wished the riders well as they visited seven additional Vermont stops.

Business News – Additions, Subtractions, Changes and Top Employers:

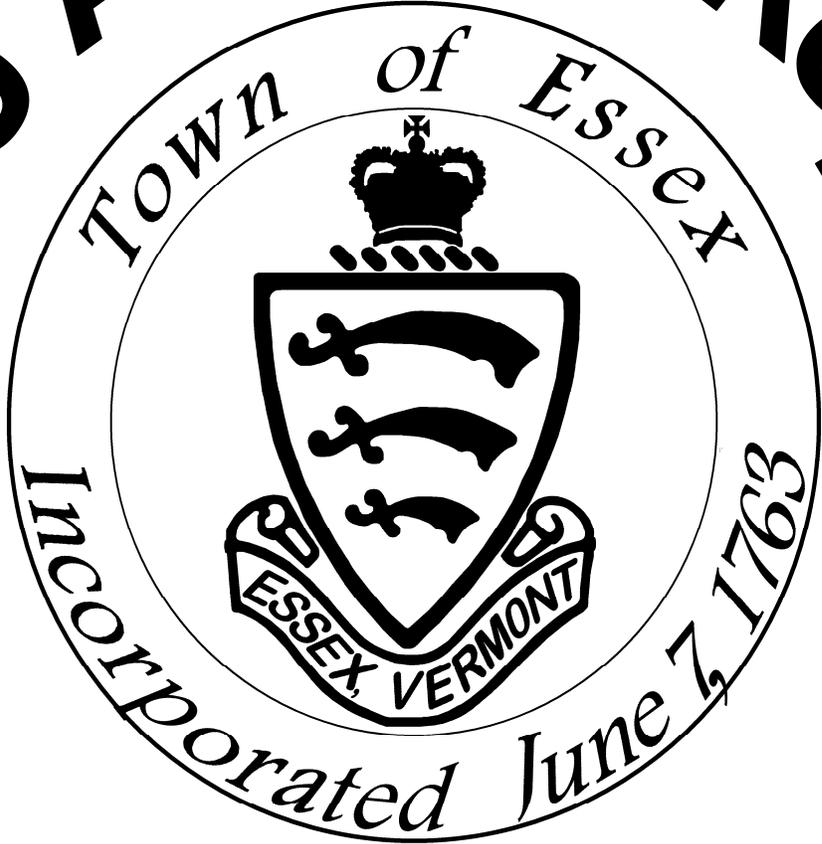
Craft Brewery to Call Essex Home: Permits have been issued and work has started by 1st Republic Brewing Corporation on the first micro-brewery in Essex. As of late in 2015 two military veteran entrepreneurs from Fairfax are renovating a brewery and tasting room on River Road, with an early 2016 opening anticipated. With 1st Republic's opening, Essex will become part of the craft beer boom that is energizing Vermont's economy.

Twincraft Skincare Expands Manufacturing to Essex: This Winooski-based soap maker has added 70,000 square-feet of high-tech manufacturing capacity off River Road. The addition of multiple state-of-the-art clean rooms enables Twincraft to sell high quality liquid skin care products, a growing market which can lead to new jobs here.

Essex Becomes Home to Vermont's Largest Solar Installation: On property in Essex Junction along the Winooski River off South Street, the Whitcomb family has installed a 3.6 megawatt solar array. The project has about half the capacity of GMP's Essex #19 hydro plant which is located just upstream and will produce electricity to power approximately 700 homes.

Top Employers in Essex - 2015: Essex-based companies with more than 80 employees include: GlobalFoundries (3,000 employees); Green Mountain Coffee Roasters (800); US Citizenship and Immigration Services (USCIS) (700); IBM (400); Autumn Harp (199); Revision Military (170); FoodScience of Vermont (155); The Essex Culinary Resort & Spa (100); Flex-a-Seal (89); Catamount Color (85); Vermont Systems (85); Mediware Health & Human Services (formerly Harmony Information Systems) (80). These companies provide employment to over 5,800.

2015 Annual Report



The seal of the Town of Essex, Vermont, is circular. It features a central shield with three keys (two crossed and one below). Above the shield is a crown. A banner at the bottom of the shield reads "ESSEX VERMONT". The seal is surrounded by the text "Town of Essex" at the top and "Incorporated June 7, 1763" at the bottom.

Fiscal Year Ending June 30, 2015