

JAMES H. DOUGLAS
GOVERNOR



State of Vermont
OFFICE OF THE GOVERNOR

Governor James H. Douglas
Creating Jobs for the 21st Century
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Campaign to Retain:

Providing a Competitive Environment for Vermont Businesses to Prosper and Grow

Permit Reform – One of two prerequisites for the retention of Vermont businesses is meaningful reform of the permitting process. For well over a decade job creators have identified the costly and unpredictable permitting process as an impediment to jobs. A first step toward meaningful reform will be the enactment of the balanced and common-sense based permit reform proposal currently pending before the Legislature.

Workers Compensation Reform – The other prerequisite for job retention and growth is to enact reforms in the workers compensation statutes and regulations that are respectful of the interests of both injured workers and employers. The Administration looks forward to working closely with the Legislature to address this critical issue to Vermont employers.

Job Training – The highly successful Vermont Training Program will be expanded and made available to a wider variety of clients using the existing infrastructure. This year, the training program gave over 1500 Vermont workers new skills to make them more competitive in the global market.

Vermont Economic Progress Council (VEPC) – The Administration will continue to support the critical work of VEPC. So far this year, VEPC awarded \$14.1 million in tax credits which anticipate 2000 new jobs over the next five years.

Government Marketing Assistance Center (GMAC) – Last year, GMAC assisted Vermont companies in obtaining \$4.3 million in federal government contracts. ACCD will continue to strongly support this important job creation program.

Create Entrepreneurial Education Opportunities – DED will work in conjunction with VHEC to support entrepreneurial education on the seed investing and commercialization process by developing a training curriculum and a network of expertise in such topics as:

- Partnering – with corporate partners, vendors, customers, higher ed
- Accessing risk capital
- Design for manufacturability
- Identifying key markets
- Assembling a strong management team
- Developing an intellectual property strategy, etc.

Trend Analysis – The DED will work with higher education resources and volunteer advisory panels to develop insights into trends affecting Vermont business. This will be an ongoing and dynamic process designed to identify areas of opportunity in industry as well as areas of stress.

Develop and support new educational programs/seminars, research and data collection on International Trade Opportunities – ACCD/VWTO will provide classes and workshops to stimulate international trade education and global awareness in Vermont. The Vermont World Trade Office in conjunction with Champlain College have the capacity to improve international trade training and research, by means of providing educational programs and resources on line and personalized to individuals and companies statewide, resulting in higher participation and understanding of international business, culture, and trade. Provide the expertise and experienced practitioners to assist Vermont manufacturing and agriculture companies including one-on-one assessment services to assist in the development of international business plans or global business operations. Our goal is to develop high exporting skill levels in Vermont companies there by laying the foundation for their international market expansion.

Develop a policy component to the Vermont World Trade Office – The Director of International Trade will advise the Administration, Legislature, regional trade groups and our Congressional delegation on matters pertaining to trade barriers that affect Vermont products in the global market place.

Vermont Venture Capital Consortium – DED will organize a program to familiarize venture capitalists in greater Northeast region regarding opportunities and a changing business environment in Vermont. Bring venture capitalists to Vermont for small group briefings using Tap-Ski Program or a related program.

Quarterly Newsletter – The ACCD will support the DED in the development of a quarterly e-newsletter that will go out to businesses within and outside of Vermont to inform them of changes in law, regulation or policy and to alert them to opportunity.

Thinking Ahead:

Empowering the Next Generation of Manufacturing

Vermont Center for Emerging Technologies – The Agency of Commerce and Community Development (ACCD) will work with UVM to support funding for the development of an incubator facility associated with UVM focused on spinning off technologies developed through research at into technologies with a commercial application.

Statewide Incubator Strategy – Vermont will support the development of a full range of incubator facilities from early initial concept to production and graduation. Incentives will include grants, low interest loans, relationships with research institutions and general business services.

The Department of Economic Development (DED) will support and manage strategic investments in incubator facilities as guided by a newly established Vermont Incubator Investment Advisory Board. Criteria will be established to facilitate the application and consideration of State support for incubator operations.

DED will work to institute a policy that creates a common definition and understanding for incubator initiatives that the State can use as a filter to determine what we are willing to invest in and put State resources toward. Examples of State resources include Community Development Block Grants (CDBG), Vermont Economic Development Authority (VEDA), and direct appropriations from the Legislature.

DED will develop policy / legislation that ensures coordination among the various incubator initiatives statewide, and to brand incubation as a comprehensive economic development strategy for fostering innovation and entrepreneurship.

This coordinated function among the incubators shall include a policy indicating that any initiative receiving state support (financial or otherwise) will act in good faith to coordinate efforts with other initiatives to ensure efficient allocation of resources.

DED will consider a hub / spoke model of incubation that would encourage the pooling of financial / human / common resources for incubator initiatives statewide. This will include the support of a formal Vermont Incubator Network for best practices, sharing of information / coordination and leveraging expertise and resources.

DED will consider allocation of resources to support an analysis of existing initiatives to determine market segment, assets, strengths / weaknesses, inhibitors and degree of overlap. This analysis is essential to understanding scope / need for any financial investment (i.e. direct appropriations) on the state's part.

The state will provide support to other high tech incubator facilities that are consistent with the goals and objectives of DED incubator initiatives.

Cluster Identity and Targeting – Existing business clusters in Vermont will be identified and analyzed to determine the rationale behind their locating in Vermont. If clusters are present due to specific advantages of locating in Vermont, we take advantage of those pre-existing conditions and lure businesses in the target market area to come to or expand in Vermont.

For those business clusters that are here by happenstance, we will use the “critical mass” structure of the cluster and attract like or complementary businesses to expand or locate near the cluster. Potential cluster opportunities include but are not limited to:

- Alternative Energy/Energy Conservation
- Environmental Products and Services
- Nanotechnology
- Microelectronics
- Financial Services
- Optics
- Natural Resources/Value added
- Tourism
- Information Technology
- Health Care
- Higher education

Workforce Training Task Force – The Governor will appoint a Blue Ribbon Task Force to assess how workforce training resources are being utilized and to identify the most effective means of integrating all workforce programs to achieve desired and measurable outcomes.

Supporting Higher Education– Higher education is the key to the next generation of manufacturing in Vermont. The Administration will continue to support the higher education compact for Vermont colleges.

Aggregation of Local/Regional Revolving Loan Fund Monies – Research is ongoing regarding the size and number of local and regional revolving loan funds that exist around the state that are held by local and regional development corporation and others. These funds may be used to make loans to Vermont businesses. Many of these funds were originally capitalized by federal funds some of which were channeled through the state, and it appears that many of these funds are not being actively used for business lending.

More research needs to be done to determine where these funds reside and the total amount available. DED will work to negotiate a voluntary arrangement between the holders of these funds and the state for a portion of the funds to revolve back on a voluntary basis for active lending purposes.

Wired VT:
Building a Robust Technological Infrastructure

Telecommunications Infrastructure Expansion - The Administration will establish the aggressive goal of having 100% of major transportation arteries with wireless coverage & 90% of homes and businesses with broadband access by 2007.

ACCD will lead the statewide effort to expand telecommunications services and facilitate the Governor's Telecommunications Advisory Council. We will coordinate continuous dialogue with service providers and consumers in an effort to remain fully informed of challenges and opportunities where ACCD can provide support and/or direction.

ACCD will utilize the recently completed broadband assessment and survey as the focal point for our efforts to expand broadband services. These efforts will include broadband education and demand stimulation throughout the state by facilitating projects that accelerate affordable broadband deployments in rural areas. We will identify funding opportunities and engage providers and their potential broadband customers in understanding the applicability of the funding to their needs.

ACCD will take inventory of existing wireless sites in Vermont and identify all state owned sites that are suitable for wireless infrastructure. The assessment will include public safety sites, rest areas, transportation garages, state buildings and state lands. We will work with the respective departments to assess the list and identify the marketable sites; these sites will be marketed to providers as "fast track" siting locations. This inventory will also be posted on ACCD's web site as a resource for carriers, local zoning officials and district Environmental boards. ACCD is also working to educate all parties involved in the wireless siting process on the critical nature of this infrastructure for Vermont's economic future.

- ❖ *Broadband Initiative* – Broadband access is essential for future economic growth and community development. A goal will be formally established stating that 90% of Vermonters will have access to affordable broadband services by 2007. To assist in achieving this goal, broadband service providers would be eligible for a sales tax exemption on new equipment deployed in Vermont. We will also authorize Department of Information and Innovation to assume the "anchor tenant" role for broadband aggregation projects in areas not served by broadband telecommunications services.
- ❖ *Wireless Voice Initiative* – We will reinforce the importance of quality wireless service to Vermonters and the need to embrace wireless technology as a critical component of public safety and future broadband delivery to rural areas. A goal will be formally established to target achieving 100% of handheld coverage on the major travel corridors by 2007. These routes include the interstate system (I-89 and I-91), as well as Routes 2, 4, 7 and 9. To assist in achieving this goal wireless and broadband service providers would be eligible for a sales tax exemption on new equipment deployed in Vermont. We will also seek to create a regulatory environment conducive to cell tower siting by encouraging tower stealthing, collocation on existing structures (such as silos), clarifying allowable antenna modifications, and fast track permitting for existing structures.

Community Demand Aggregation – Expand a Vermont Rural Development Council program that assists underserved communities to organize and aggregate the demand from businesses and other users so as to attract new broadband services or service providers to the community.

Expand “Computer Sales Tax Holiday” – The very successful Sales Tax Holiday on the purchase of computer equipment and peripherals by Vermont families will be expanded to include two purchasing periods: one prior to schools opening in the fall and another prior to the December holidays. During these two periods the purchase of qualifying equipment will be exempt from sales tax. This program provides incentives for Vermont families to improve their technological resources and connectivity.

Open for Business:
Aggressive Recruiting Across America & Around the Globe

General Recruitment Activities – The DED will conduct targeted recruitment activities based upon an identified cluster strategy utilizing print, radio and TV media as well as targeted direct mail, trade shows, familiarization tours, familiarization events, cluster events, site visits, outreach to site location consultants, trade missions, collateral material development, related research and database management. Such initiatives shall include:

- ❖ *Higher Education Partnerships* – Tap Alumni Program (TAP-ED) – The ACCD will establish partnerships with Vermont higher education institutions to tap into their alumni and board members who already have an affinity with the state. Special events, mailings and other forms of communication will be established with the objective of encouraging business expansion or relocation by these individuals to Vermont. Partners in this effort will be the individual institutions and the Vermont Higher Education Council. Additional Funding Required: Covered under General Recruitment Activities
- ❖ *Ski Area Partnerships* – Tap Ski Areas Program (TAP-SKI) – Partnerships will be formed with Vermont ski areas and with other properties around the state to utilize their resources to:
 - Appeal to selected second homeowners who are known decision makers in businesses to either expand or move their business to Vermont.
 - Invite selected business leaders to Vermont for a weekend get-away at a high quality property and while there, make an appeal/presentation on expanding their business in Vermont.

The ski areas will make various resources available including support in accessing second homeowners, various ski/lodging packages, hosting social meetings with second homeowners and dinners/gatherings in small group settings.

A promotional electronic publication will be developed that will play on ski area local cable networks espousing the value of locating a business in Vermont. This piece will also be provided in guest rooms as a take-away.

ACCD will partner with the Vermont Ski Areas Association and various high quality properties around the State to accomplish this objective.

- ❖ Quebec Trade Consultant – Hire a Montreal based business development consultant to support international trade efforts with Quebec.

Green Mountain Zones – Each Regional Development Corporation (RDC) shall designate two re-development areas within their service territory that will be identified as Green Mountain Zones. Businesses or entities that redevelop in such zones will not be subject to sales tax on materials used for renovation and redevelopment purposes. Businesses redeveloping these facilities will have access to low interest loans from VEDA and expedited permitting.

Vermont Opportunity Centers – Earlier this fall, the Governor announced a collaborative process among environmental, business, and civic leaders to develop comprehensive growth center legislation. Opportunity Centers are different from Green Mountain Zones and are the next step after Green Mountain Zones. Incentives will be directed into growth centers in a way that encourages commercial, industrial and residential growth to occur in such areas to be designated by local communities. The collaborative will report its findings to the Governor.

Develop International Trade Mission and Trade Show Capacities – The Administration will lead regular trade missions to Quebec, Ontario and the Maritimes to support export opportunities and trade/supplier relationships with Canadian companies and to promote Vermont as a “Beachhead” location for Canadian business. In conjunction with the Vermont World Trade Office (VWTO), ACCD will arrange the details of the mission including transportation, translators and business meetings working in partnership with the US Department of Commerce and Canadian and provincial government partners.

“Buy and Bring” – There are many potential business owners in Vermont, but relatively few businesses available to buy. DED will establish a study committee to see what role the state might play in identifying and supporting the purchase of out-of-state companies by Vermonters and bringing those businesses back to Vermont.

Ambassador Program – The ACCD will develop and coordinate an outreach program by Vermont business people to market Vermont at relevant business meetings and conventions they attend. Materials will be developed by the ACCD to support this activity. Ambassadors will make themselves available or “on call” to the DED for targeted recruitment activities including trips to target companies and participating in selected trade shows.

Site Location Consultant Program (SLCP) – The DED will develop and implement a program to reach out to site location consultants to familiarize them with the various assets Vermont has to support business expansion in the State. The DED staff shall maintain contact with site location consultants by subscribing to various journals/ publications and attending relevant trade shows and meetings. TAP-SKI will be utilized

to bring small groups of site location consultants to Vermont to learn more about what the state has to offer.

Captive Parent Recruitment – The DED will utilize the database of captives domiciled in Vermont to access parent companies to support a marketing effort designed to lure selected companies/organizations or expansions to Vermont.