

# Commission on the Future of Economic Development

Minutes of November 16, 2006, 9:00 – 1:00

## Vt. Statehouse Room 10

**Members present:** Bill Botzow, Hope Crifo, Staige Davis, John Goodrich (chair), Fred Kenney, Mary Lintermann, Hinda Miller, Mary Niebling, Jim Saudade (sitting in for Kevin Dorn), Carl Spangler, Dawn Terrill

**Others present:** Paul Costello (VCRD), Brenda Hausauer (VCRD)

<b>Agenda:</b>	<u>Introductions</u>	9:00
	<u>Envisioning Vt's Economic Development</u>	9:10
	Key observations on Vt's Econ. Dvlpt. future by members of the Commission	
	Points for future consideration	
	Brainstormed goals for Vt.	
	<u>Outline of Annual Work-Plan</u>	10:10
	Commission inputs for sessions in annual schedule	
	Deadlines for plan completion	
	Potential presentations	
	<u>Public Engagement</u>	11:10
	Commission input toward public engagement plan	
	Potential interest group forums	
	Potential community forums	
	How many? Where? At what point in the process?	
	<u>Consultants / Staffing</u>	11:55
	Needed to achieve Commission goals	
	<u>Commission Decision-Making Process</u>	12:35
	<u>Conclusions and Next Steps</u>	12:50
	<u>Adjourn</u>	1:00

### Introductions

John welcomed the group, and members introduced themselves. Paul Costello from the Vermont Council on Rural Development had agreed to facilitate this meeting, and John turned the meeting over to Paul.

Members expressed concern that the minutes from the last meeting did not reflect some of the conversation that occurred. The group deferred further discussion of this point till the end of the meeting.

Paul outlined the agenda. He had worked with the chair and others before the meeting to build an agenda that would allow the group to move toward forming a vision, an annual work plan, a public engagement plan, and make decisions about staffing. Paul said Brenda would take careful minutes of the meeting, and he and Brenda would use the minutes and the easel notes to build a draft work plan, and products from each section of the meeting to pass back to the group for their review and modification.

## **Envisioning Vermont's Economic Development**

Paul asked the group to brainstorm points toward a vision of the Commission, and he wrote each point on the easel work sheet. Paul said we'll put up all points anyone gives now; later, the vision will need more refinement, and the group may realize some points may not have full agreement. The group brainstormed the following points:

- Vermont should have first-class telecommunications, in all areas of the state. This should include universal broadband access and everything necessary to stay ahead of the curve.
- Vermont should have an improved transportation infrastructure that includes rail.
- Vermont should be perceived by non-Vermonters as a viable place to do business. The exterior perception of Vermont should improve so as to attract businesses and entrepreneurs.
- The Vermont brand should be strong.
- There should be good-paying jobs available.
- There should be jobs that attract and retain young people.
- There should be career ladders that help people advance in their fields.
- Economic development policies should expand opportunities for everyone, from low-income to prosperous wage-earners.
- The statewide framework that supports the economy should be highly adaptable and nimble.
- Vermont should identify its particular strengths and build on them; determine Vermont's market differential.
- Vermont should concentrate economic development in niche areas, instead of doing general economic development.
- Some niche areas Vermont should focus on include: environmental technologies, renewable energy, agriculture of the future and value-added agriculture.
- Workforce development should prepare Vermont's young people and all workers for the global economy, and for jobs that fit Vermont.
- Vermont should not imagine itself to be an island, but should recognize that it participates in and is influenced by the global economy.
- Vermont jobs should support families so they're prosperous. Vermont should find the jobs that pay well.
- Vermont should recognize that it's in a market-driven economy.
- Vermont should have the health care infrastructure and capability it needs.
- Vermont's economy should be stable. To achieve this, Vermont's economy needs to be adaptable, education-based, and to have a diversity of types of business.
- Vermont should consider using the "genuine progress indicator" developed by the Gund Institute that measures entire quality-of-life as an economic indicator. Vermont could be a leader in use of alternative economic indicators.

- Vermont small businesses should be supported and nurtured better. Policies should recognize the unique needs of small businesses and entrepreneurs.
- Vermont should consider nurturing a stronger local economy that includes treasured downtowns that depend on local purchasing, and a working landscape.
- Vermont’s regulatory system should provide locations for responsible businesses to be established and grow.
- Vermont should fast track priority sectors for development
- There should be sufficient access to conventional and alternative capital to match economic development needs.
- Vermont should have a tax burden that’s competitive with other places.
- The median wage for Vermonters should equal the median U.S. wage.
- There should be innovative and practical solutions to housing.
- Vermont should have a vibrant community life; our quality-of-life should be a selling point.
- Vermont should use taxation to create the world we want (e.g., tax polluting businesses, un-tax clean businesses).
- Vermont should find its niche for types of industry and jobs, and capitalize on that.
- Vermont should have a regulatory system that supports responsible economic development.
- Vermont should leverage its small amount of resources, especially as the population ages and the pool of workers declines.
- Vermont should preserve what makes it special – its working landscape and rural heritage. Vermont should not become more suburbanized.
- Vermont should plan and prepare for future shifts in energy use. Businesses should rely increasingly on renewable energy, and we should ensure low-income wage earners still have access to transportation and jobs.
- Vermont should develop economic development niches in science, technology, and engineering.
- Vermont should have the social infrastructure to attract and keep families with children.
- Vermont’s economic development should be well-organized and have links to many areas, including higher education.
- Vermont should develop synergies with border states and Quebec.
- Vermont should capitalize and support its strengths in the creative economy and community and downtown revitalization.
- Vermont should better use its education and hospital networks in economic development, because these are strong for such a rural state.
- The regulatory process should be more transparent and predictable, especially for our economic development target niches.
- The Legislature and state administration should agree on a small number of priority target niches for economic development, and focus efforts at all levels on those.
- There should be a fast track for development for the priority target sectors and niches.
- Target niches have statewide leadership, and serve the entire state.

### **Outline of Annual Commission Work-Plan**

Paul asked commission members to give points toward defining an annual work plan, including what the annual schedule would look like and who would make presentations at their meetings. Group members noted the statute creating the Commission calls for a plan to be presented by September 8,

2007; that at the last meeting, the Commission had agreed to monthly meetings; and that the Commission will continue after September 2007.

The group discussed who the audience would be for its plan. The audience would be the Legislature and Administration, but also should include a broader array of organizations. A member suggested the group should create a plan, not a report, and the plan should be similar to a cookbook. A member suggested that RDC staff members have more longevity than agency secretaries, so taking their advice and achieving buy-in from them to any plan is important.

The plan produced in September would be communicated to all constituencies, from the Governor's office and Legislature to communications through the media to people throughout Vermont.

A member suggested that perhaps by September, the Commission should issue a plan on 2-4 issue areas, and also present a longer-term plan for the future of the Commission.

Another member suggested developing four subcommittees that would meet in between Commission meetings and address different areas: energy and infrastructure; education and demographics; regulation, access to capital, and tax policy; and Vermont brand, niche markets, and the creative economy. Paul suggested that if the group has subcommittees, they should advance platforms for consideration by the whole group, but not make decisions. He noted that each subcommittee would need staffing. Later discussion revealed that there was mixed support for establishing subcommittees at this early stage in deliberations. Some worried that conversations hashed out in subcommittees would be revisited during Commission meetings, or that there would be fragmentation with subcommittees.

The group agreed it was important to discuss soon which of the values and goals (that were presented during the vision section of this meeting) had general agreement from the group. Another suggestion was to devote an early meeting to what our economy looks like now, and what its strengths and opportunities are (SWOT analysis: Strengths, Weaknesses, Opportunities, Threats). The group agreed it needed a lot of information gathering to present even a plan on 2-4 issues by September. Someone will need to synthesize the recommendations from economic development plans that currently exist, and present this at a meeting. The group discussed that there already is a lot of economic development work going on around the state. A future session should include visits from economists to learn how the state currently measures economic indicators, and what some alternative indicators are (e.g., the Gund Institute). A future session should focus on workforce development, and the services that support schools, childcare, and all the social and human services, one member said. RDCs should give testimony to the Commission at a future meeting on regional economic development plans, one member proposed.

One member expressed interest in ideas Ellen Kahler had circulated involving how to get started thinking about future scenarios. Another member mentioned the group should undertake scenario planning or visioning (similar to a project at UVM), rather than purely information-gathering. This could be incorporated into a SWOT analysis, one member said. Some of the groups that come to present information to the Commission could undertake some of the SWOT analysis, one member proposed. One member suggested that the meeting on the Commission's values could be combined with a visioning / scenario planning exercise.

A member suggested that during September 2007 or in the few months following, the Commission should schedule a meeting with legislators and other state government officials to present the Commission's plan, in order initiate work on drafting legislation.

Group members noted that in order to meet the September deadline, the plan must be drafted in June and July, and approved by the Commission in August. Therefore, the work around what to put in the plan should be done by May.

One member suggested that the Commission's job should be to consider how to link all the economic development work that's going on.

The group agreed to e-mail John the names of the groups who are working on economic development issues, or who have plans that should be synthesized for the Commission.

## **Public Engagement**

The Commission discussed how to engage the public in its process. Group members expressed the following ideas.

A memo from Doug Hoffer suggested that meetings could be taped and distributed to the cable networks. Some members felt this was a good idea.

The Commission also should do some public engagement via a website. A website survey could be developed to gather input over time. Currently the Commission is listed on the Governor's website, a member said. Some members said the group should invest some money in website work and marketing a website survey.

A member said it is good to take input from people where they are located, and he supported the members all visiting and gathering input from the four corners of the state. Communities should have more of a proactive than reactive role, he said. Such public meetings should be on-going. The Commission could develop a set of questions and have the public react to them. One or two such meetings could be held before September, the member suggested. Paul noted that consultants hired to manage public input meetings could turn out a specified number of people to the meetings. A member suggested holding four public meetings before September, and asking the public to engage in a SWOT analysis, the results of which would be part of the Sept. plan. A member mentioned the Commission could use Vermont Interactive Television to take input.

One member said for now, the Commission should gather and use the public input that has already been provided on the many economic development plans that exist. The Commission should build a long-term plan to take public input after September 2007.

The group agreed it was important to have structured topics during public input sessions. A member said that what is needed from public input is not identification of the problems, but ideas for what can be done to improve economic development.

A member suggested that public input for now could piggyback on other similar events going on. The Commission could ask for 15 minutes on the agenda of other organization's events. Another member

suggested a “summit” meeting to occur at the statehouse in January, which would provide a highly visible kick-off for the Commission. The summit could include a panel of experts, and break-out sessions to provide recommendations on specific issues within economic development.

A member mentioned that the Commission also needs to hear from employers, including AIV, VSA, the Chambers of Commerce, the restaurant association, and actual employers. Fred mentioned that during the 2002 update of the VEPC plan, public input was taken from many experts. A member suggested the Commission could establish a “Friends of the Commission” group, a wider range of people to consult from time to time. A member suggested the education of legislators was important.

The group discussed that after every meeting, there should be an executive summary of the meeting made public on a Commission website. The summary should be mailed to RDCs and other economic development groups. Jim, Fred, and Mary said they had lists of relevant organizations. Names should be e-mailed to John.

### **Consultants / Staffing**

The Commission noted that it had \$60,000 to hire consultants to staff the Commission and manage the process. The money is earmarked to last through June 2007, since a new fiscal year begins in July. A request from the Legislature will need to be made for additional money beyond that timeframe. Jim said there was no available staff from the Agency of Commerce and Community Development to assist with the process. Currently, there is no one to do note-taking, facilitation, or project management work; Paul and Brenda are arranged to cover this meeting only.

VEPC had originally requested \$175,000 to last two year to undergo a process very similar to the one the Commission is undertaking. VEPC would have recruited a steering committee. The money would have been used to research existing plans, make an economic assessment (including modeling), conduct public engagement at two times during the process, and write a plan. The budget had included hiring an economist and someone to manage the public engagement. The public engagement portion was earmarked to cost \$30,000.

The group discussed whether its time through Sept. 2007 should be for information gathering. Should the Commission ask for money on an on-going basis? The Commission needs to establish a rationale for its use of the current money. The Legislature has left the door open to the Commission for more money. The Commission should make a request for additional money by March 2007 based on .

The Commission could prepare a Request for Information instead of a formal RFP for using the \$60,000 to staff and manage the process over the mid-term future. A member said it would be great to have one partner who could do everything the Commission needs. Another member said the contractor should be an innovator, and should be able to provide some of the vision. Some felt this could be provided by a contractor who could come for just one session.

The group decided to prepare a RFP for a scope of core services over the mid-term to provide project management and the public engagement effort with the existing \$60,000 in resources. This may take two to three months to complete and to contract out.

In the meantime, the Commission could spend up to \$10,000 of the \$60,000 without an RFP to carry the Commission through the next two or so months. If the amount of money to be paid is less than \$10,000, it can be a more expedited process and doesn't need an RFP. Jim and Dawn agreed to work with the Chair to set up the scope of services for such a short-term contract and suggest contractors, and Fred and Jim agreed to help set up the RFP for the longer term.

Meanwhile, the Commission gave the Chair the ability to hire for facilitation, meeting management, and support for the next 2 or 3 meetings.

Jim said he would ask the Information Technology manager at the Agency of Commerce and Community Development if the Commission could be included on their website. One member said she would like to see the Commission have a website presence before two months from now. The group discussed that content on the website would be the statute establishing the Commission, minutes, a list of members, and the survey. One member mentioned that some of that is already on the allocated part of the Governor's website. The group noted the website shouldn't be marketed until there is some content. Dawn agreed to research some survey questions that could make up a website survey.

A member said she would like to see a tally every month on how much money the Commission has spent.

### **Commission Decision-Making Process**

Paul noted that Vermont Council on Rural Development had undertaken several processes similar to this one, and he would offer his experience on decision-making from those processes. He said the group could agree ahead of time that what will get into its plan will have the full consensus of the group, or that it will have 2/3 majority approval. Alternatively, the group can leave this point undefined, with the expectation that the group will work toward consensus but that, in the end there may be some points for voting. Paul noted that if the process is defined up-front, the dynamic of the group is changed, and members are more sensitized to who is on which side of an issue. Later, if the group doesn't have full consensus around recommendations, it can move to a 2/3 majority vote if necessary, but in that way the whole process isn't influenced by that rule. The Chair would work for the group's consensus but have the responsibility to call for voting as needed. With several expressions of approval to this strategy, John said he would like the group to work in an open process for now, and to check in again with this issue in a few months.

### **Conclusions and Next Steps**

The group discussed what should be on the agenda for the next month, and the following items were mentioned.

- Find the commonalities in the group's vision and goals
- Discuss the website survey and Dawn's research
- Discuss the RFP
- Take input from the RDCs

A member noted the group needs a facilitator for next time, especially for the visioning item. Jim said someone at the Agency of Commerce and Community Development could look at the existing economic development reports and pull out the recommendations. Hope said she could assist with this.

The group revisited the issue of the minutes from the last meeting that did not fully represent the conversation. Revision comments will be taken from Members for approval of the October minutes at the January meeting.

John reminded the group to send him the names of economic development contacts, including what reports should be examined by the Commission.

The meeting adjourned at 1:10 p.m.

Respectfully submitted,  
Brenda Hausauer for the Vermont Council on Rural Development

Approved by the Commission 12/11/06