

ECONOMIC DEVELOPMENT AND TOURISM

This year, we advanced our goal of becoming a four season resort community, dedicating our efforts in the following priority areas:

- Reducing our debt for the Golf Course, our primary economic development investment
- Increasing tourism in the summer and fall with events and marketing
- Creating and advancing a plan to improve the sense of arrival to Town
- Expanding our trails system to provide additional amenities for tourists and residents
- Studying the feasibility of a municipal water system to support future development
- Developing a policy platform on tax reform to support increased local investment
- Investigating the feasibility of using financial tools like Tax Improvement Financing (TIF) to support future development

Golf

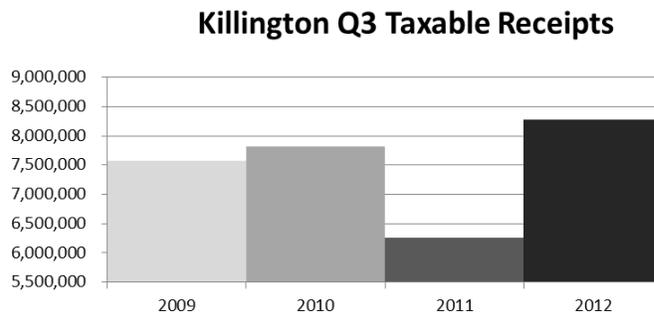
The 1994 Sherburne Annual Report describes the original community vision for the golf course: “The main purpose for its construction is to foster summer visitations to Sherburne from beyond commuting range. The principal benefit to the town of Sherburne will be the inflow of tourist dollars to the Sherburne lodging, retail, and restaurant businesses.” Green Mountain National (GMN) is the primary economic development investment of the Town and continues to accomplish its original mission. While the course funds its operations, it has not been able to cover the debt from construction. 2012-2015 represent the largest debt payments (approximately \$600,000 a year), which the Town is committed to funding.

“Main purpose for its construction (Golf Course) is to foster summer visitations to Killington from beyond commuting range. The principal benefit to the Town will be the inflow of tourist dollars to the Killington lodging, retail and restaurant businesses.”

- 1994 Town of Sherburne Annual Report

Events and Marketing

To build on the investment of the Golf Course, the Town has developed an aggressive marketing and events campaign that is concentrated during the summer and fall, the prime time for golfing.



*2011 is reflective of the negative impact of Tropical Storm Irene

As people travel less for golf alone, events and marketing investments have provided a needed boost to the tourism in the third quarter. Events like the Killington Classic, Spartan Race and Hay Festival have contributed to increased rooms and meals revenue. Taxable receipts, which include meals, rooms, alcohol and retail sales, from July-September (Q3) show consistent growth over the last three years. Q3 taxable

receipts from 2009 to 2010 increased 3.15% and from 2010 to 2012 they increased 6.0%.

In total in 2012, the Town produced or sponsored eleven events. Based on average spending data from the Vermont Department of Tourism & Marketing, these events, which brought approximately 48,000 people to town, generated close to \$6 million in estimated economic impact. Events have helped breathe new life into town during a period that had become dormant. As tourist traffic has increased during that time period, local businesses have followed suit: more restaurants and retail stores were open in 2011 than 2010 and even more were open in 2012 than 2011.

In addition to more established events like the Killington Stage Race, the American Junior Golf Association Championships, and Cooler in the Mountains Concerts Series, the Town recruited/planned three new events in 2012: The Vermont Challenge, Restaurant Week, and the Green Mountain Pug Rescue Annual Social. These new events generated significant activity in August and September.

Each year, we're becoming more efficient with our event investments; less expense in 2013 will pay larger dividends. In 2013, we'll spend \$17,550 less on events, but support more total events, which we project will generate more visitor spending than event investments did in 2012.

I want to thank Event and Marketing Coordinator Amy Morrison, for her many contributions this year. With a strong background in events, marketing and fundraising, Amy has been a terrific addition to our team and will be integral in the Town's 2013 efforts. Also deserving credit is Kate Seymour, who has served as our Events and Marketing Intern. She has been an invaluable utility player, supporting the event production as well as many of our special projects.

Sense of Arrival

The Town has long sought to improve traffic safety and pedestrian accessibility as well as create a true sense of arrival along US 4 adjacent to the VT 100 and Killington Rd. Securing a federal grant of \$30,000 to fund a study of the area allowed us to make tremendous progress in 2012 on this long-debated issue. After holding a series of stakeholder meetings between January – May and multiple meetings with the Vermont Agency of Transportation, we presented an initial master plan to rework the area. As the majority of plan elements are eligible for grant funding, we have applied for grants with the intent of focusing initial work in the intersection at Killington Road and US 4. To date we have secured \$80,000 to fund the construction of a park and ride facility and applied for a Transportation Alternatives grant to improve the intersection at Killington Road. We will continue work on the plan in 2013.



Trails

In 2012, the Town, supported by volunteers from the Killington Trails Leadership Team, also advanced the goals of the Recreation Master Plan by completing two new walking trails, and preparing a third to open in the spring of 2013: River Road Loop Trail, Mission Farm Walking, Ottaqueche Kayak Trail (opening in 2013). Our dedicated volunteer group, staffed by Recreation Director Lyndsay Gang and supported by a grant from the National Park Service, was



also instrumental in securing a grant to fund a new trail map kiosk. Working with Marketing Coordinator Amy Morrison, Lyndsay also updated and reprinted the popular trail map of the top hikes around Killington.

In 2013, the Trails committee will continue work to develop cross country and mountain bike trails, and a walking path from the soon to open Visitor Center to Kent Pond.

Water Study

Approximately two years ago, officials from the Town met with SP Land to discuss collaborating on a possible water system. Village plans call for additional water supply in Phase II of its development. Sharing costs on a water system would support the Village development, future development on the Killington Road, facilitate fire safety improvements and could help improve water service to Town residents, present and future.

To consider the question, the Selectboard secured a no-interest loan from the state to fund a study on creating a municipal water system. The study conducted a needs assessment/survey, described how the water system would work and identified baseline costs for construction. It identified sporadic water needs and limited interest in the study area and outlined costs ranging from \$17 - \$26 million, depending on the extent of construction. In 2013, the Selectboard will decide whether to pursue this question further.

Tax Reform and Tax Improvement Financing

To support its focus on making Killington a premier resort community, the Selectboard appointed a Tax Reform Committee to help the Town successfully advocate for changes in state tax policy designed to support local economic development. The Committee's work, which demonstrates how tax burdens have limited capital reinvestment by local businesses, is being used to educate lawmakers and strengthen our voice in Montpelier. In 2013, the Town will consider how it can work with the Campaign for Vermont and others to further amplify our message and effect change on this important issue.

The Town also held multiple meetings with the Director of the Vermont Economic Progress Council to investigate how the Town could use Tax Improvement Financing (TIF) to support future development. Discussions focused on the feasibility of a creating a TIF to support

“State tax burdens have limited capital reinvestment and marketing for local businesses.... Resorts like Killington are major drivers of the Vermont tourism, but state tax policy makes being competitive in this national market difficult”

— Tax Reform Committee
Presentation, Oct. 7th

the Village development. Creating a TIF would require the approval of both the Town and the State Legislature. As there is pending legislation related to the future of TIF, the Town plans to revisit this issue in the spring after the legislative session.

Looking Ahead

In addition to the plans outlined above, the Town will work to improve its commercial district and diversify its economic base in 2013.

In the commercial district, along the Killington Road, the Town has planned investments to improve the landscaping, extend the sidewalk, and create a master plan to guide future investment and zoning. These investments are small matches to the \$280,000 in state grants, we have already secured to support these projects, and will go a long way in helping to improve the viability of our commercial district.

Building off of the EDT Strategic Plan, we will investigate in 2013 how we can create new full time, non-tourism based jobs to Killington. Working with the Rutland Economic Development Corporation, we will target businesses that are likely to come to Killington such as tech industries that are highly portable, require minimum investments for facilities and whose employee living decisions are often influenced by lifestyle. The Town Planner and Events & Marketing Coordinator will work together on initial steps: to identify opportunities, survey connectivity and telecommunications and outline a marketing plan to tell our story.

“Economic Development is a coordinated approach of events, marketing, golf, planning, recreation, capital projects, finance and policy”

Overall in 2012, we continued to build on efforts to support our tourism based economy with events and marketing, while we broadened our approach by putting an increased emphasis on infrastructure and policy. In 2013, we will continue that multi-pronged approach, and that shift is reflected in the way we will manage economic development moving forward. Economic development is a mission of the Town rather than a single department. We believe a coordinated approach of events, marketing, golf,

planning, recreation, capital projects, finance and policy is needed to help grow our economy. As a result, we have centralized the management of economic development under the Town Manager. In short, we’ve realigned our operations to work as a unified team and help the Town achieve its vision of becoming a leading resort community.

I look forward to working with the Economic Development Commission, the Selectboard and the community in the upcoming years as we continue to pursue our vision of becoming a premier resort community.

Submitted respectfully,



Seth Webb
Town Manager