

RIVERCOG ECONOMIC GROWTH STRATEGY

Commission on Economic
Competitiveness
9/7/16

GrowsSMART
A collection of small town ideas can lead to BIG regional solutions.

Lower Connecticut River Valley



Chester
Clinton
Cromwell
Deep River
Durham
East Haddam
East Hampton
Essex
Haddam
Killingworth
Lyme
Middlefield
Middletown
Old Lyme
Old Saybrook
Portland
Westbrook

CONTENTS

1. CEDS Process
2. GrowSMART
 - › Key findings
 - › Recommendations
3. Moving Forward

CEDS

1. None of the seventeen municipalities in the Lower Connecticut River Valley Region meet Federal “distressed” criteria.
2. The region is ineligible for a Federal Economic Development District.
3. However, RiverCOG is still moving forward on economic development planning with the intent of creating a full CEDS.

1. Key Findings

Demographics & Affordability

Industry Mix

Economic Infrastructure

1. Key Findings

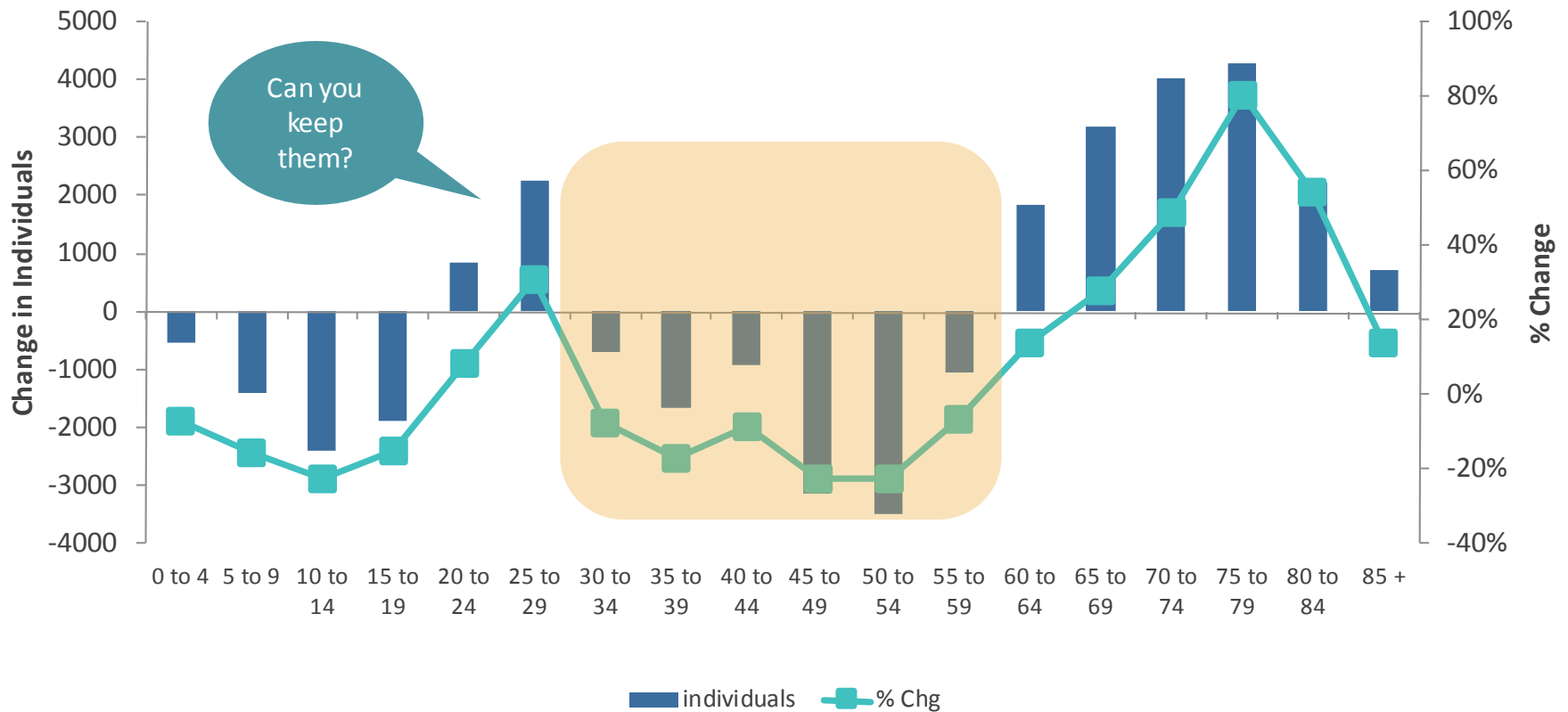
Demographics & Affordability

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Shifting demographics raise big questions

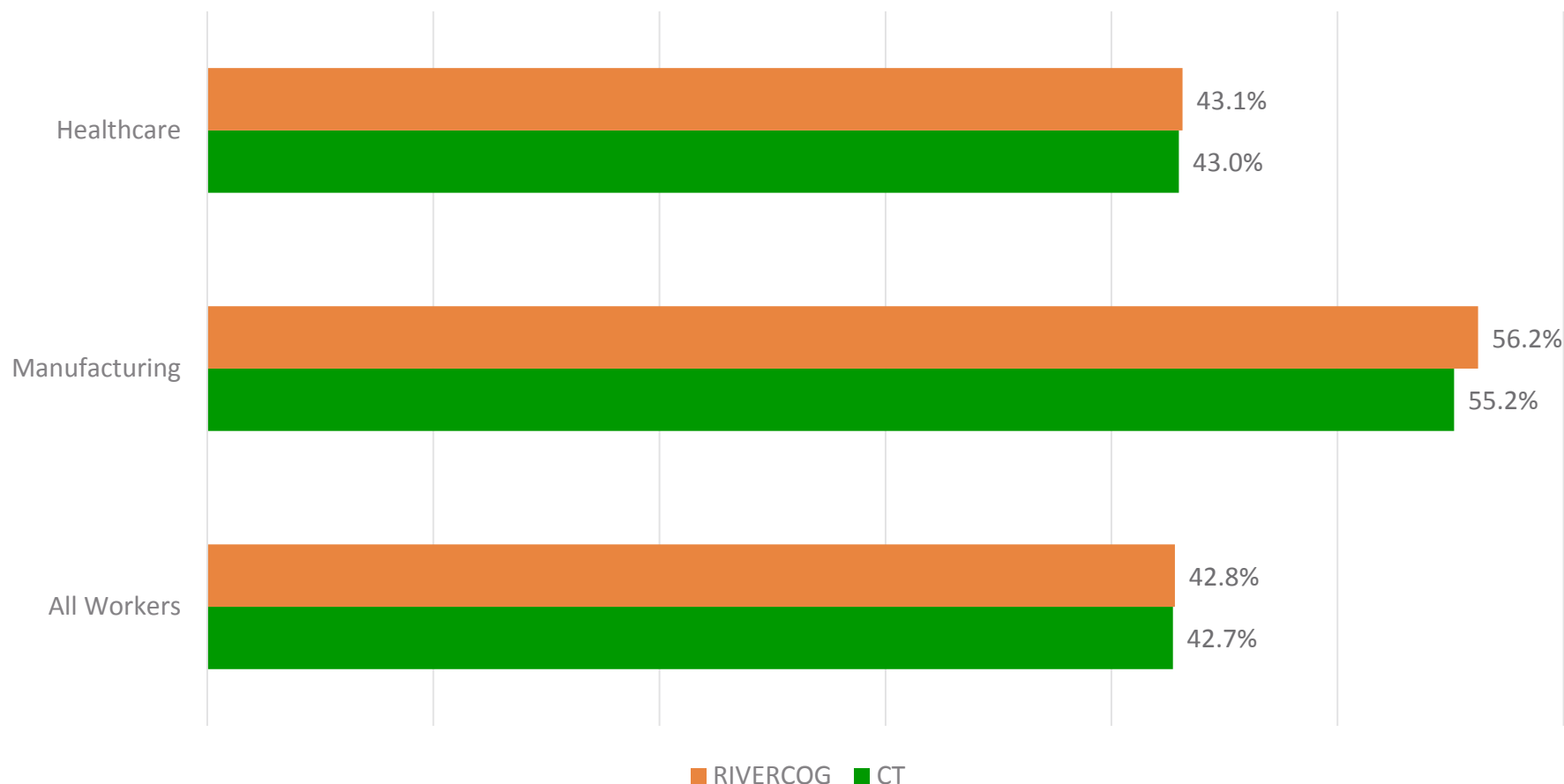
Age Projections for Lower Connecticut River Valley Planning Area
UCONN 2030



WORKFORCE AGE MIRRORS CT

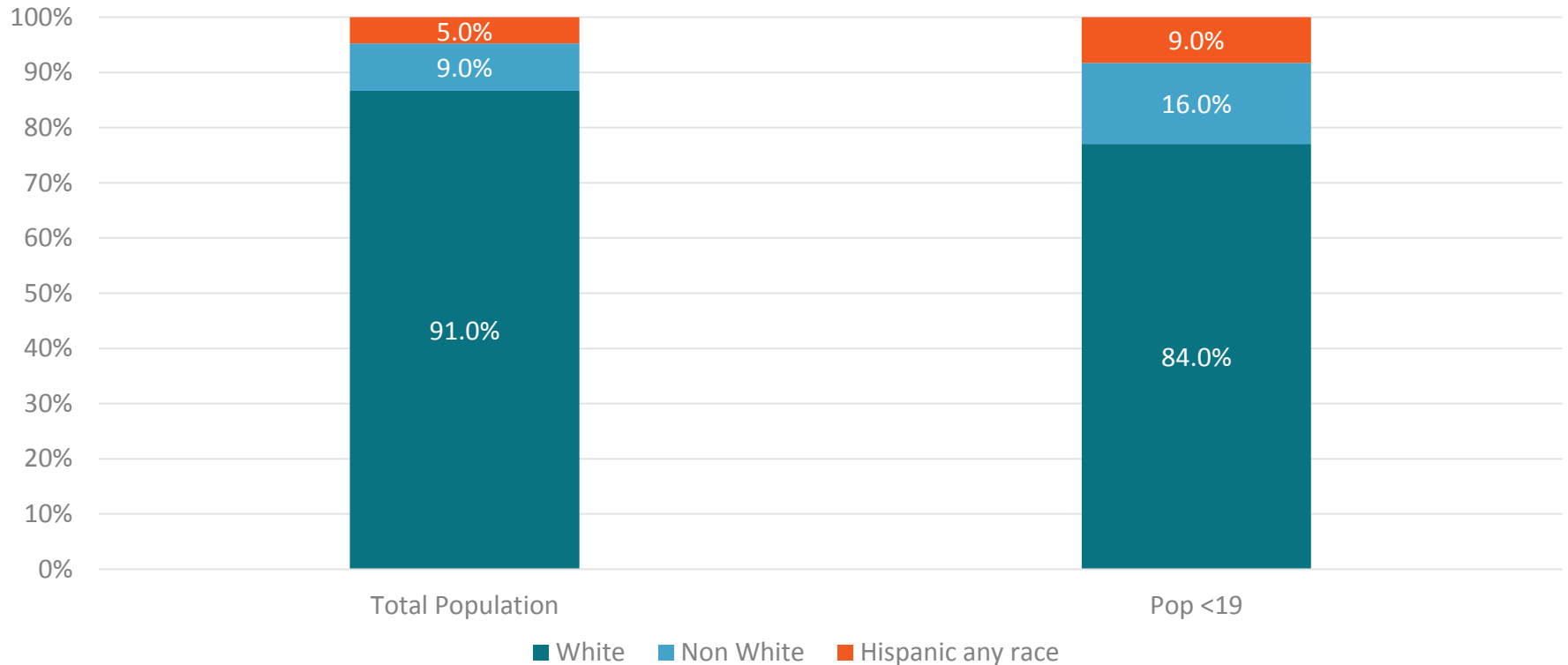
Mfg workforce older than region workforce

% of Workforce over Age 45



And the composition of the region's future workforce is different than today's

Racial and Ethnic Distribution
2014



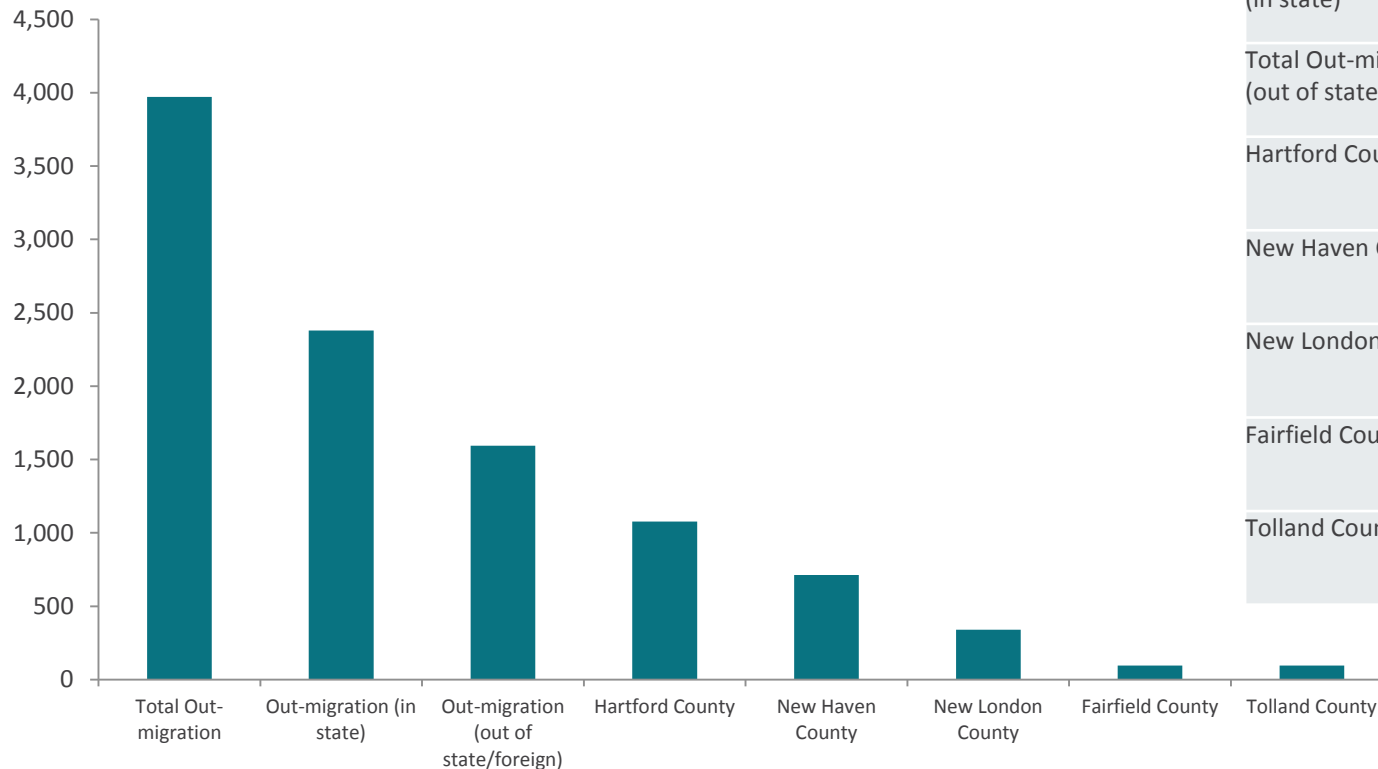
Source: NP analysis of American Community Survey 5 year

Out-migration data suggests people are moving closer to opportunities

60% of out-migration is to some other part of CT -

45% of all out-migration goes to Hartford and New Haven Counties

Florida represents only 3%; NYC area is also 3%

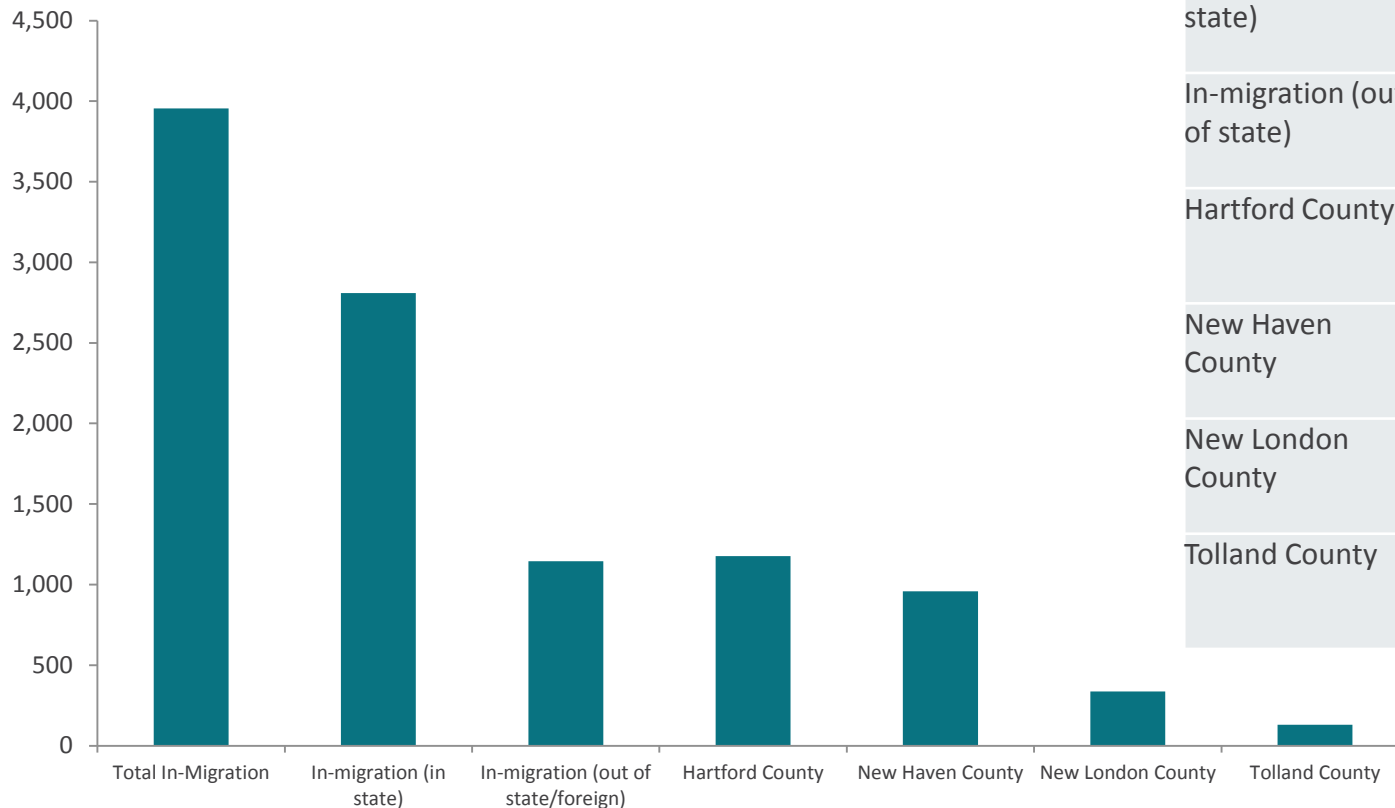


	Ave. HH Size	Ave HH Income
Total Out-migration	1.6	\$ 55,301
Total Out-migration (in state)	1.6	\$ 53,500
Total Out-migration (out of state)	1.6	\$ 58,212
Hartford County	1.6	\$ 54,942
New Haven County	1.5	\$ 48,825
New London County	1.6	\$ 49,094
Fairfield County	1.3	\$ 77,729
Tolland County	1.7	\$ 61,219

Source: NP analysis of IRS Migration data, 2011

71% of Middlesex County in-migration is from existing CT residents

- More than ½ are from Hartford and New Haven
- 10% of out-of-staters come from Metro NYC with average AGIs of \$91k



	Ave. HH Size	Ave HH Income
Total In-Migration	1.6	\$59,324
In-migration (in state)	1.6	\$57,828
In-migration (out of state)	1.7	\$63,244
Hartford County	1.6	\$59,193
New Haven County	1.6	\$57,022
New London County	1.5	\$61,318
Tolland County	1.4	\$48,855

Source: NP analysis of IRS Migration data, 2011

Commuting patterns

- A large number leaving “everyday”
- And importing workforce from the adjacent urban areas is critical to meeting the staffing needs of the region’s employers

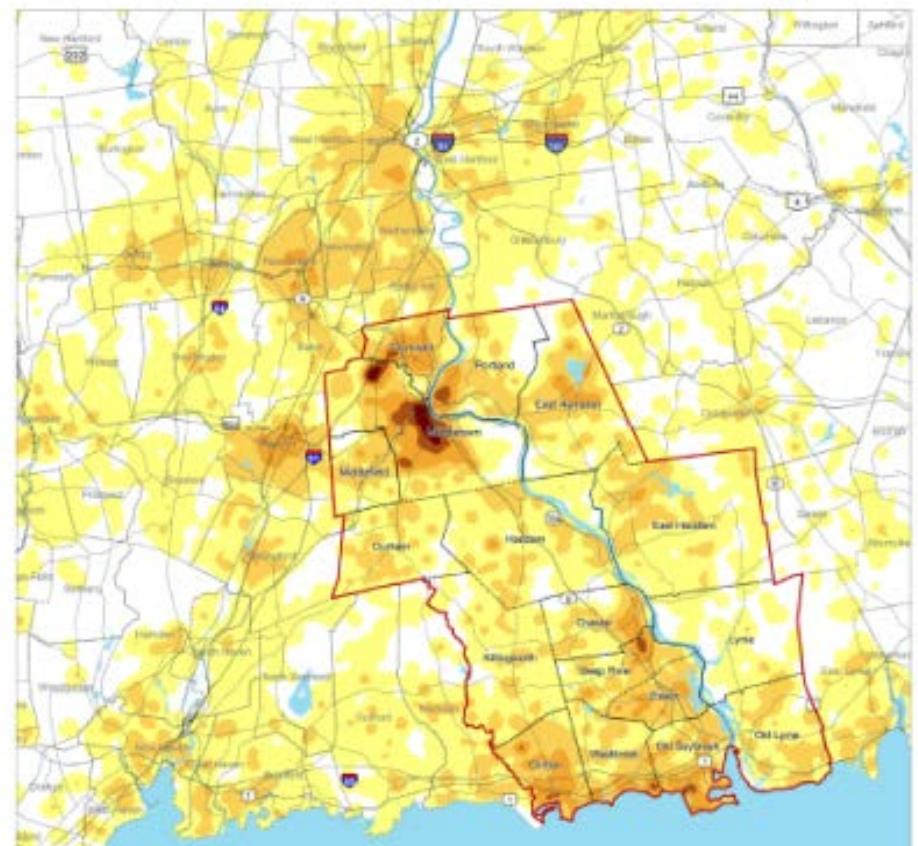
Lower Connecticut River Valley Region

Commuter Shed Map: Where People Who Live in the Region Work



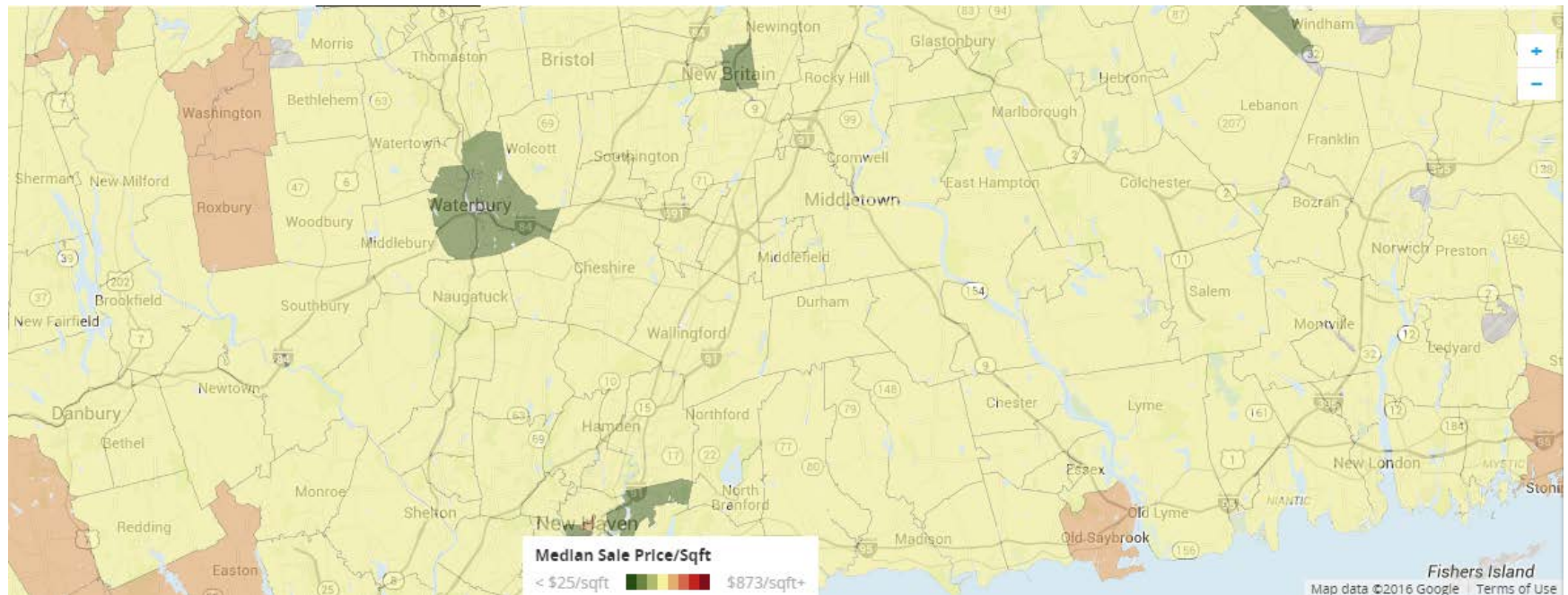
Lower Connecticut River Valley Region

Labor Shed Map: Where People Who Work in the Region Live



Housing affordability – price per sq ft

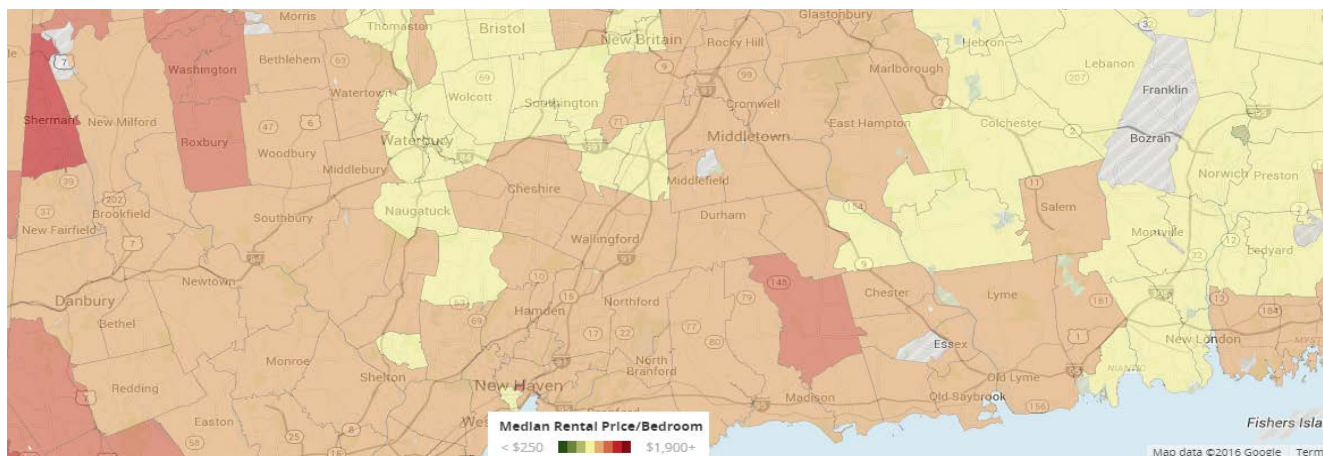
Housing costs are comparable to the neighboring areas of CT but less expensive than Fairfield



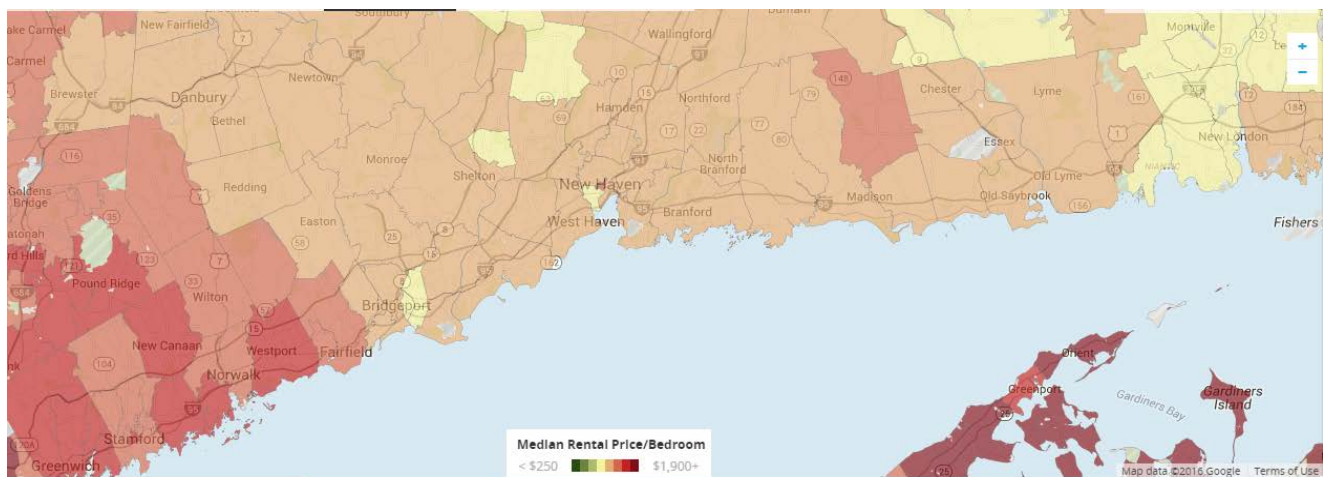
Source: Trulia Maps

Housing affordability – rent per bedroom

The region is expensive but less than Fairfield County



Regional rents



Shoreline rents

Source: Trulia Maps

2. Key Findings

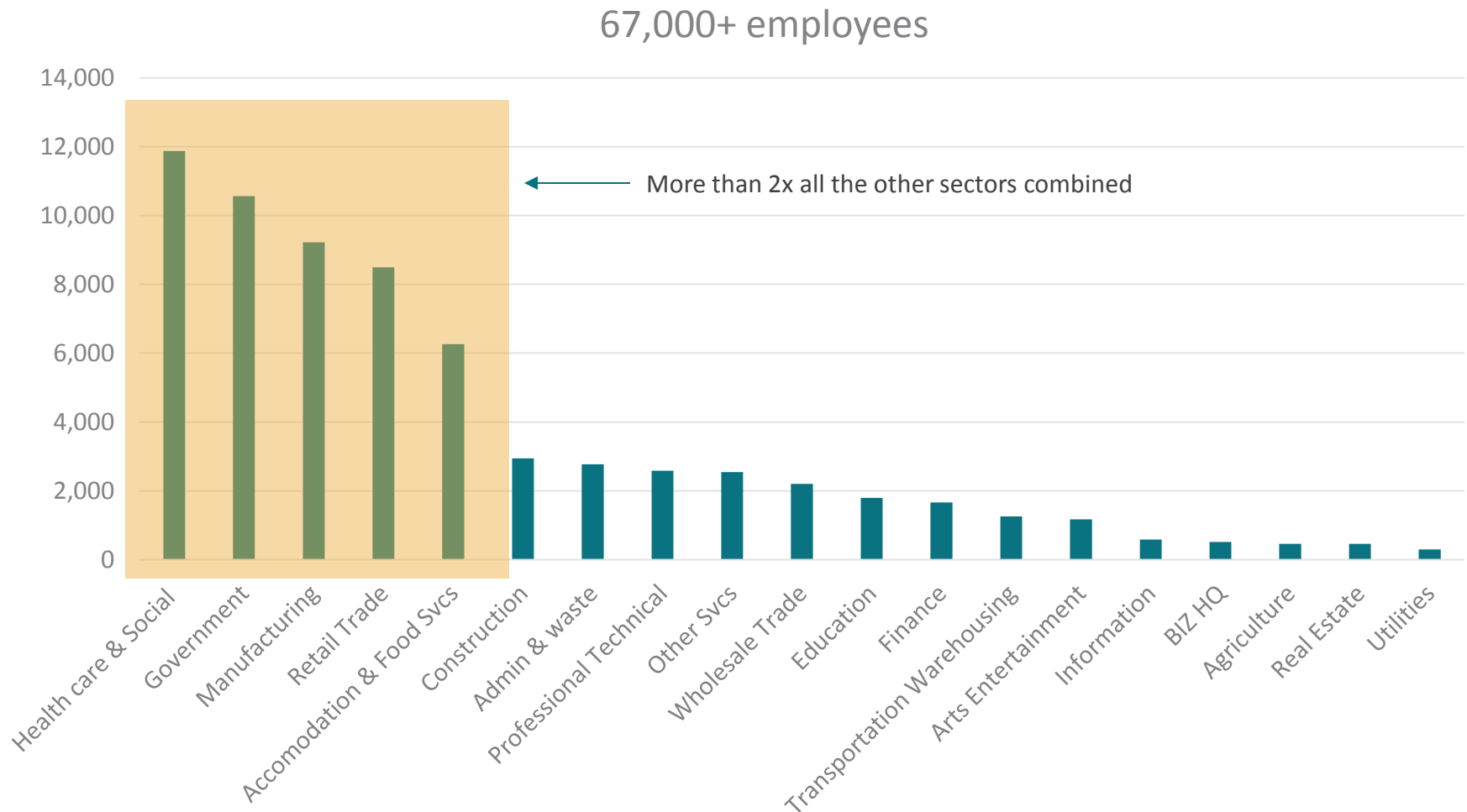
Demographics & Affordability

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Economic Infrastructure

THE INDUSTRY MIX

High degree of employment concentration

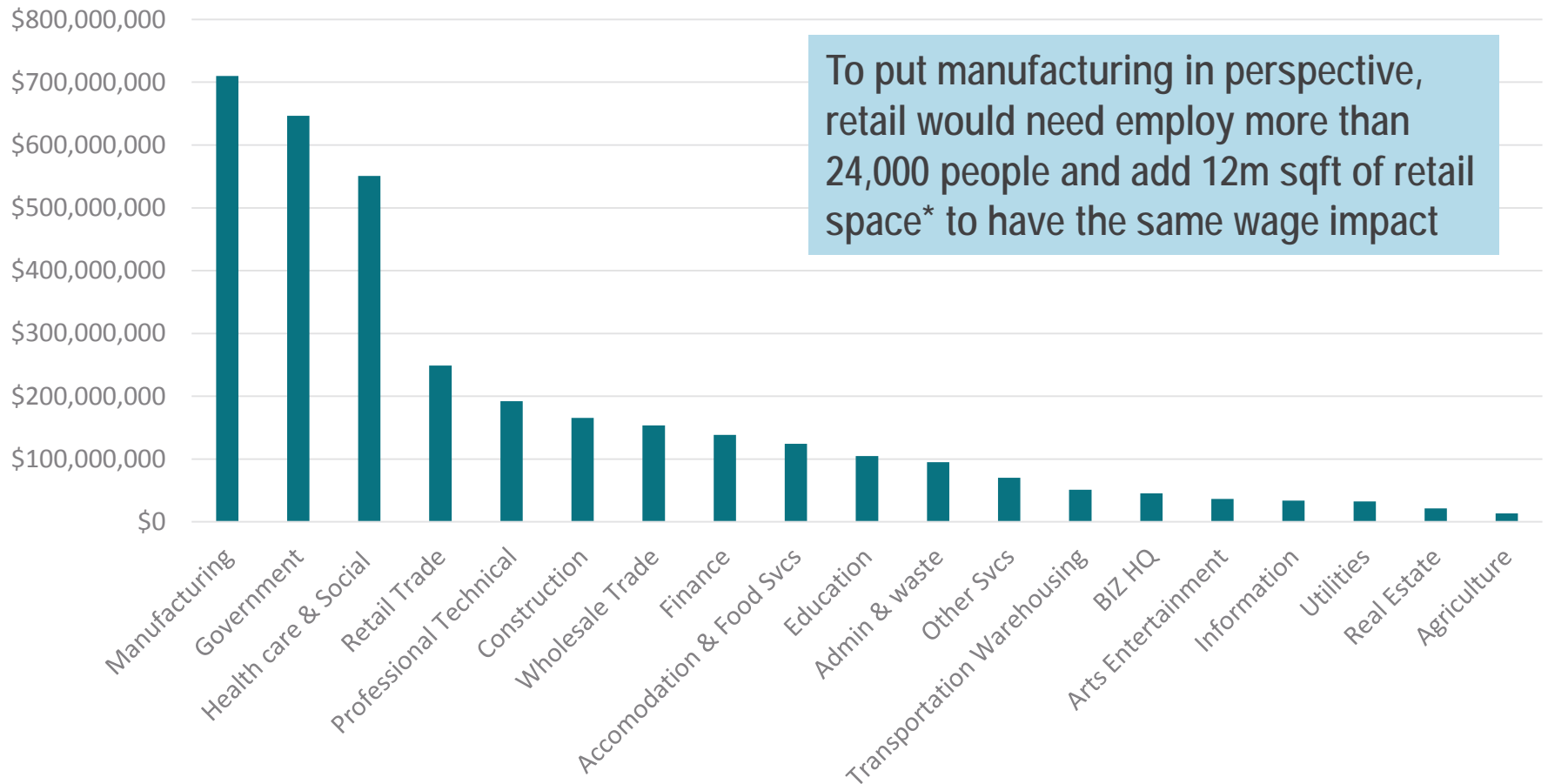


Source: NP analysis of ES202 data for 2013

THE INDUSTRY MIX

Manufacturing still important in the River Valley

\$3.5 billion in wages

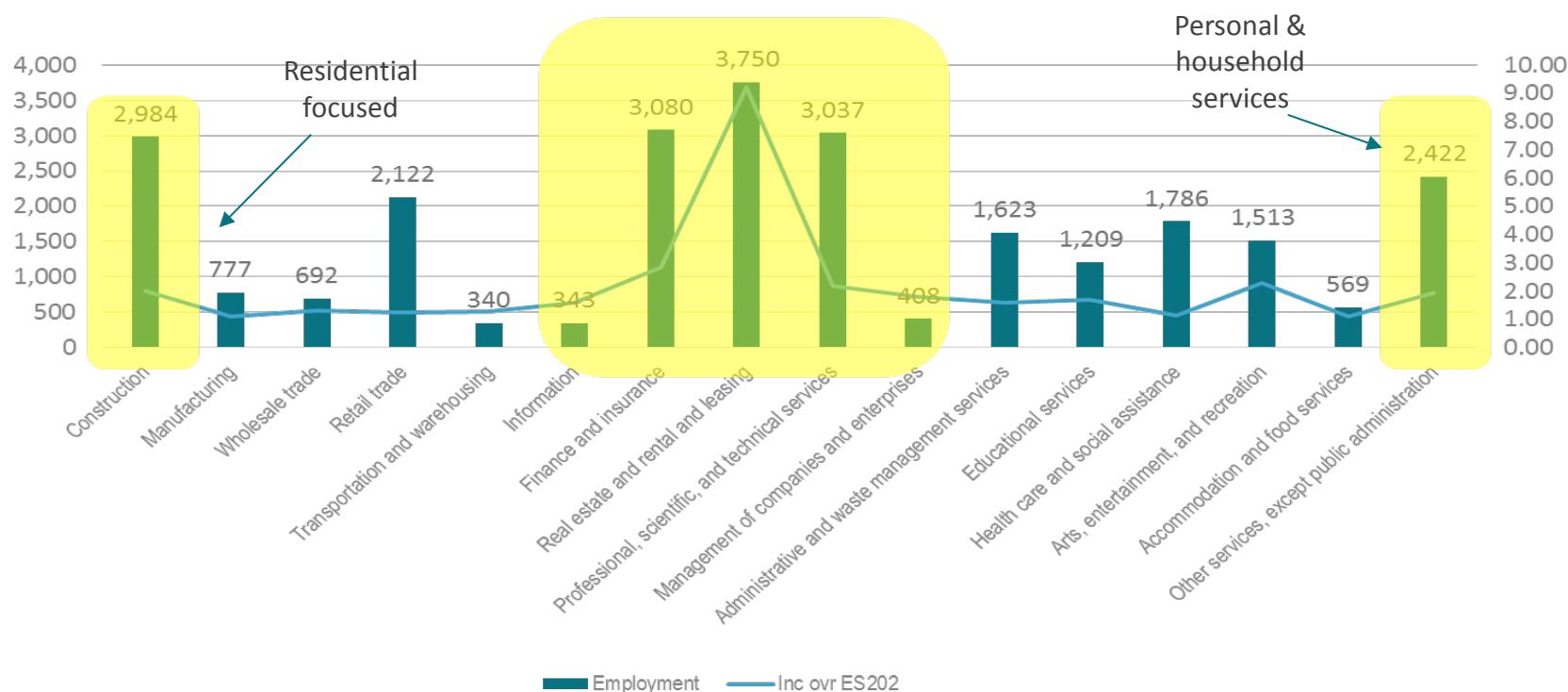


Source: NP analysis of ES202 data for 2013

*based on 750sqft per retail employee

Self-employed

- Self-employment adds another 24,000 to the full and part-time employed ranks
- Represents an additional \$760m in income to \$3.5b in wages



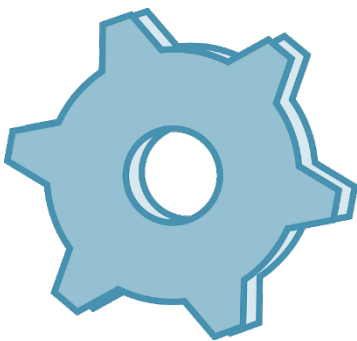
The takeaway – these jobs exist because people want to be here

Source: NP analysis of BEA regional data for 2013 combined with NAICS ES 202 data for 2014

Therefore, consider the economy through a different lens for purposes of considering strategy

- The region has 4 “economies”

The traded goods economy built on manufacturing supply & value chain, wholesale trade & logistics



Cultural, River/Shoreline-driven & Natural Resource Tourism

The “local” consumer / institutional economy



Traded professions /tech & leisure driven economy based on the location amenities and lifestyle

LIFESTYLE

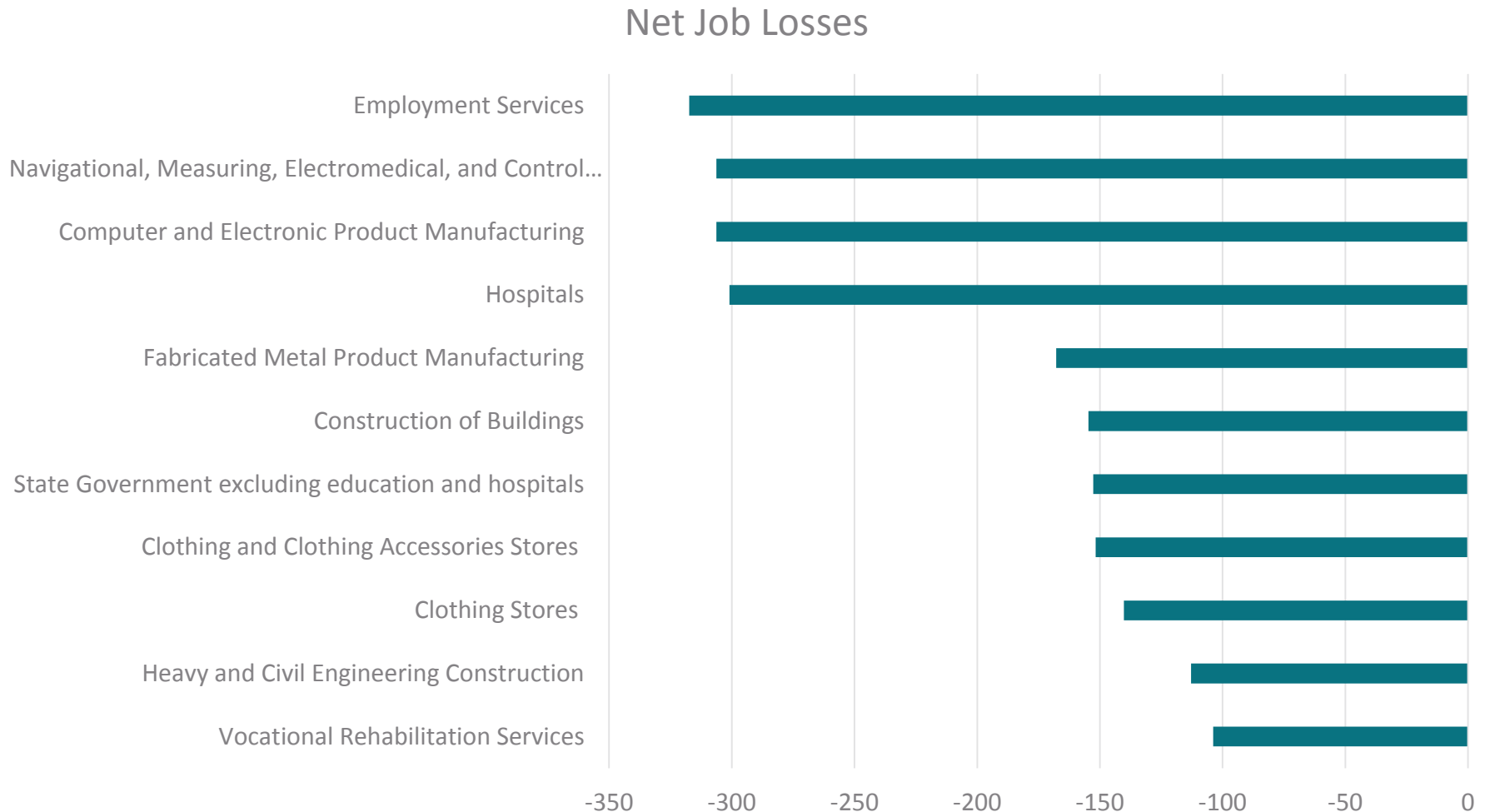
Lifestyle and local economy businesses are key contributor to job growth

Net job gains of ~1500 across the region



Source: NP analysis of ES202

Job losses have been in the major employment categories



Source: NP analysis of ES202

2. Key Findings

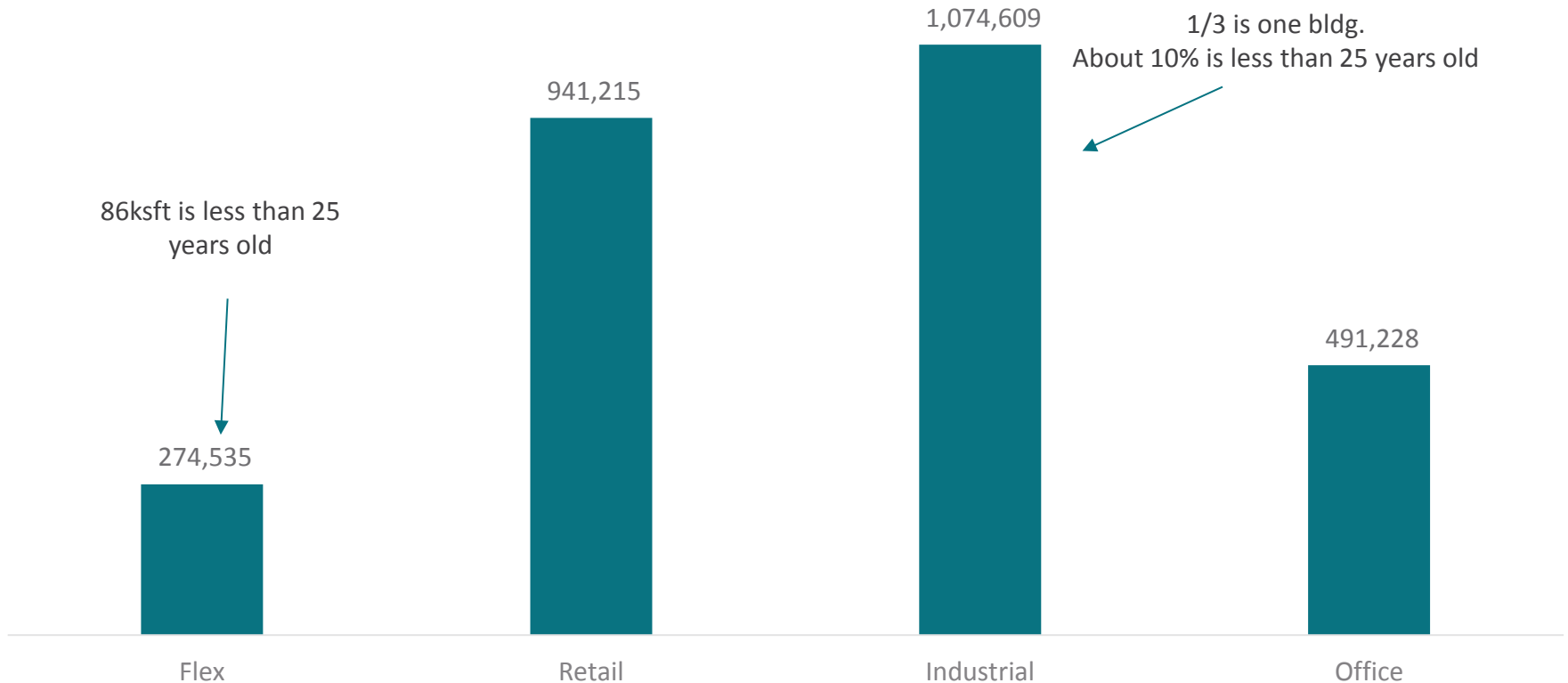
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Available contemporary “jobs” real estate product is limited

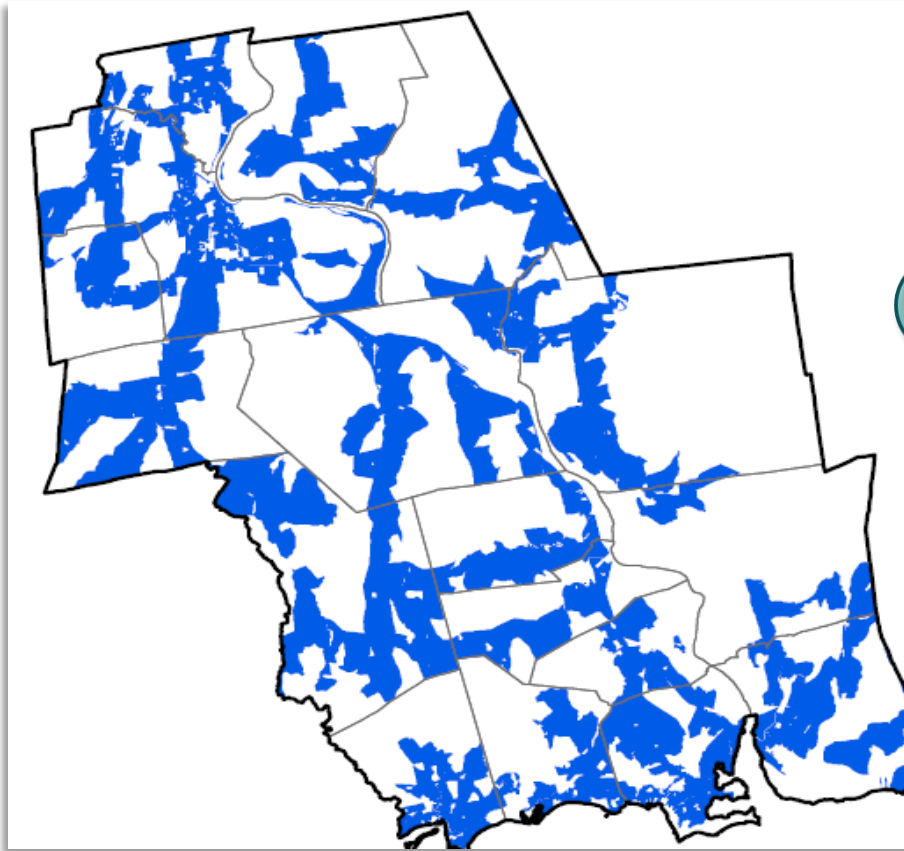
Available Square Footage



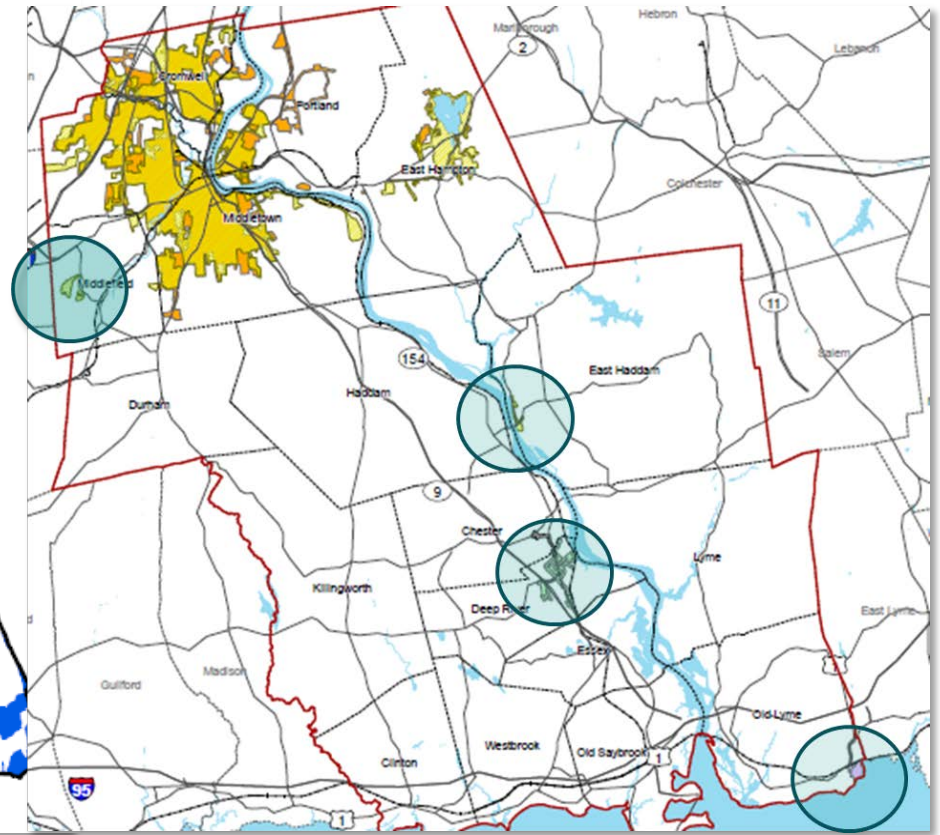
Source: RiverCog costar data pull; NP analysis

Utility infrastructure location will influence development patterns

Fiber to End User Access



Sewer Infrastructure



Source: RiverCOG GIS analysis

Tourism infrastructure

Boat Launch	20
Campground	10
Fishing Charters	3
Golf Courses - Mini/ Standard	2
Kayak Rental Locations	1
Kayak Trails	5
Major Trails - Parks	3
Marinas	60
Museums	4
Outdoor Adventure Park	1
Public Beach	5
Recreational Trail - Bike	4
River Cruises	3
Scenic Rail - River Cruise	1
Skiing	1
State Park of Forest	1
State Park or Forest	22
Swimming	2
Theaters	7

2014 Intercept survey with 758 responses found 84% of visitors were day trippers

Need for more overnight accommodations to increase wallet share of tourist dollar

Interview Takeaways

1



Changing Demographics

Demographic shifts are front and center in people's mind. Cost of living, particularly housing, was cited as a key factor and interviewees noted the need to look at how state investment, local infrastructure (or lack thereof) and local land use policies affect where future development can go.

2



Small Business Potential

While it's possible to attract or grow bigger employers, the potential for job growth is more in helping small businesses (particularly cottage industries) get to the next level or in helping suppliers make connections to larger firms outside the region. The smaller businesses are likely a better fit with the existing character and infrastructure of many of the region's communities.

3



Workforce Development

Ensuring a skilled workforce for existing jobs is a challenge. Small business growth is hampered by the challenges related to recruiting, training and retaining workers. There is a need to connect workers and employers to existing training programs and to fill in any training gaps in order to help overcome this barrier for firms and employees.

4



Tourism Potential

Tourism is seen as having great potential but there is an open question about just how much and what type. While many interviewees cited the potential to grow the number of day trips and short stays to the region they were also concerned about the impacts additional tourism traffic would have on communities. In the short term, there is a need to better connect and market existing assets.

5



Quality of Life

Quality of life is central to the attractiveness of the region. It's been largely protected by land use policies and a lack of water and sewer infrastructure. However, without a change in the approach to growth, many communities won't be able to sustain themselves as they are now.

Survey Findings

echoed the Key Words & Phrases from the summits and workshops.

We asked, "What should be the #1 priority of this economic plan?"

53%
Enhance
Quality of Life



33%
Attract & Retain
Young Adults



13%
Increase Property
Tax Revenue



When asked in a survey to identify the region's single greatest strength, residents responded with...



We asked, "What is the region's biggest SINGLE challenge?"



Strategic Directions

- Balanced development consistent with the typologies and character of the region's communities
- Build on the region's existing economic assets and attractiveness as a lifestyle option
- Manage the future, to the extent possible, by creating some capacity to hedge the uncertainty that exists in today's rapidly changing economic environment

Recommendation:

Balance Development & Conservation

RECOMMENDATION 1.1

Encourage communities to develop detailed and specific development design standards consistent with their characteristics and typologies.

RATIONALE

The region will continue to face development pressure. Conservation strategies play an important role in protecting the natural beauty and open space in a community. Design standards, including parking requirements and “green” development approaches should be drafted to support and empower high quality of development taking place in the region as well as protect the visual character that is a hallmark of the region.

A concern often mentioned with this approach is that it increases the cost of development. A countervailing perspective is that providing a design and site requirements road map with illustrations and images establishes clear standards from which developers can work and reduces the amount of rework required from the developer helping to reduce the cost of development.



Given the wide range of community characteristics and neighborhood typologies within the RiverCOG region, community specific rather than region-wide models are the most appropriate.

RiverCOG should be tasked with the role of developing a range of templates based on regional models and outside examples that can be used by the communities that lack comprehensive design standards.

EXAMPLES & ADDITIONAL INFORMATION

Portland, CT:

<http://www.portlandct.org/Portals/12/Departments/Land%20Use/PDF/VillageDistrictGuidelines.pdf>

York Beach Village District, ME:

<http://www.yorkmaine.org/LinkClick.aspx?fileticket=ZuD-JKrdGkc%3D&tabid=181>

Discussion document on guidelines:

<http://www.nypf.org/editable/documents/DesignGuidelines-BehanPlanning.pdf>

<http://www.capecodcommission.org/index.php?id=462&maincatid=25>

Recommendation:

Balance Development & Conservation RECOMMENDATION 1.2

Target larger scale and more intensive development to areas with existing infrastructure or capacity to add additional infrastructure, and consider a structure to share revenues and expenses.

RATIONALE

Parts of the Lower Connecticut River Valley have managed development pressure through a combination of land acquisition and limited infrastructure availability. However, the development pressure continues and the appropriate infrastructure lags behind.

The provision of wastewater and stormwater infrastructure if left to each individual development runs the risk of creating a series of detached "communities" built around wastewater treatment capacity. This type of infrastructure development drives up development costs requiring higher prices and rents. Moreover, without proper design standards these types of development patterns run the risk of creating isolated communities with the feel and effect of a gated community, disrupting the very fabric trying to be protected.

Another consideration is access to transportation alternatives including car and specifically transit accessibility. When combined with existing infrastructure, several areas of the region are more readily capable of absorbing additional new development as either infill, brownfield or on occasion greenfield development sites. However, given the property tax pressures felt in many of the communities, a sharing of costs and benefits should be considered.



EXAMPLES & ADDITIONAL INFORMATION

Multi-community wastewater system:

<http://www.mattabassettdistrict.org/>

Overview of revenue sharing:

<http://www.regionalplans.org/featured-regional-planning-programs-and-issues/tax-base-sharing/>

Regional revenue & expense sharing in the Connecticut context:

http://www.ct.gov/opm/lib/opm/igp/org/final_rrs-rad_report_7-13-10.pdf

Recommendation:

Build on Existing Economic Assets

RECOMMENDATION 2.1

Create and integrate as necessary a full continuum of business creation, launch and bridge services to support a new generation of entrepreneurs and business owners in the region.

RATIONALE

Self-employment is a major economic driver for the region. Discussions during the project also suggested a strong desire among some millennials and members of the minority community to pursue starting their own businesses to create desired opportunities. For the Lower Connecticut River Valley this promotion of entrepreneurship and its ongoing support is critical to providing the necessary career and job opportunities needed to retain and attract the next generation of business and community leaders.



Efforts should be made on not only assisting with "entrepreneur self discovery" and basic business education but also with downstream activities such as favorable leasing arrangements, ongoing mentoring, customer development activity including supplier qualification. Given the diversity of employment in the region, a mix of programs to support everything from retail, manufacturing and professional/technical services should be considered. Where possible existing programs should be stitched together into a support network for entrepreneurs.

EXAMPLES & ADDITIONAL INFORMATION

Virtual Retail Incubator

<http://dtsf.com/doing-business-downtown/dtsf-retail-incubator-program/>

Manufacturing & Hardware

<http://allentownedc.com/business-incubation/bridgeworks-enterprise-center/>

CT Supplier Connection

<https://www.supplier-connection.net/SupplierConnection/opportunity-marketplace.html>

Recommendation:

Build on Existing Economic Assets

RECOMMENDATION 2.2

Build on region's historic artist presence and manufacturing heritage by developing a facility that can support artisans in materials and food.

RATIONALE

The region has a long standing historic presence with the arts community as a place for artists to train, explore and live. The area through its extensive tourism and seasonal residence community, as well as the mix of retail in its village centers, provides access to customers with the ability and interest in these types of products.

Emergence of the artisan culture in both industrial arts as well food products offers the opportunity to enhance components of the region and state's manufacturing industry through the development of supply chain linkages where appropriate. Moreover, artisans are businesses and can provide employment opportunities that require less skill than tech or professional service industries.



Shared facilities mitigate the risk of investing in a specific company. Instead by providing access to expensive equipment or unique facilities, these can serve as magnets for entrepreneurs. Consideration should also be given to creating live/work space.

This type of activity is a strong candidate for adaptive reuse of some of the region's older industrial spaces.

EXAMPLES & ADDITIONAL INFORMATION

Artisan Food Incubator

<http://www.blueridgefoodventures.org/>

Industrial Arts Incubator

<http://allentownedc.com/business-incubation/bridgeworks-enterprise-center/>

Consortium

https://www.facebook.com/RudyCollective?fref=ts&ref=br_tf

Recommendation:

Build on Existing Economic Assets RECOMMENDATION 2.3

Build on current regional tourism effort and also focus on growing "wallet share" of tourism expenditures.

RATIONALE

Tourism plays a significant role in the region's economy. Typically growing tourism means increasing the number of visitors. A large percentage of visitors to the region are day trippers. Given the wealth of outdoor, scenic and cultural resources in the area, a strategy focused on "wallet share" as well as visitor growth could pay substantial dividends for the region.

"Wallet share" strategies are focused on grabbing all the associated revenue with an activity. For tourism the typical spending components are accommodations, food, gifts/memorabilia, transportation, and event/activity spend.

In addition the growth in experiential tourism increasing access to the Connecticut River could be an important component of supporting this type of strategy as well as increasing the available amenities to residents. To that end create a working group with a focus on improving existing natural amenities (river, conservation land) and accessibility and identify what is required). Consideration should be given to include the communities on both sides of Long Island Sound.

EXAMPLES & ADDITIONAL INFORMATION

Springfield Museums

<https://springfieldmuseums.org/>

Litchfield Hills

http://www.litchfieldhills.com/virtual_tours/index.jsp

Newport County

<http://www.discovernewport.org/itineraries>



Recommendation:

Hedge the Future RECOMMENDATION 3.1

Consider creation of a regional land bank to support housing development where infrastructure and multimodal transportation access is available.

RATIONALE

Housing costs were repeatedly mentioned as a major issue confronting the RiverCOG region and the statistics support the perception of high housing costs.

Housing costs consist of 4 major drivers: land costs; development and construction; financing costs, and development margin. To create more affordable market rate housing attacking different elements of the cost structure is essential. A land banking model could help to reduce the costs of accessing land for housing.

The majority of land banking efforts are focused on dealing with foreclosed, blighted, underutilized and tax delinquent properties. The RI Housing Land Bank acquires housing on behalf of non profit developers while they acquire construction financing.

This proposal suggests using the land bank framework developed for low income individuals but applied to creating market rate housing that is affordable for middle income households as a complement to existing social housing programs. A variety of mechanisms are possible for disposition of land acquired by the Land Bank.

In addition the various Conservation Trusts and land acquisition activities could assist in support of this effort by the creation of policies that are supportive of housing development consistent with their land protection missions.



EXAMPLES & ADDITIONAL INFORMATION

State Land Bank Enabling Legislation

http://www.smartgrowthamerica.org/documents/sga_statepolicy_toolkit.pdf

Champlain Housing Trust

<http://www.getahome.org/about-us>

Nantucket Islands Land Bank Housing Policy

<http://nantucketlandbank.org/Documents/NLBAffordableHousingPolicy-Adopted11.10.15.pdf>

National Community Land Trusts Network

<http://cltnetwork.org/topics/community-land-trusts/>

Recommendation:

Hedge the Future RECOMMENDATION 3.2

Work with region's metro edge community on creating destination communities for those seeking "just big enough" urban-type living environments.

RATIONALE

The Lower Connecticut River Valley region has the opportunity to provide a range of housing options and living environments to a diverse population. It has the ability to offer traditional New England villages, seaside communities, rural options, and suburban cul-de-sac style living. It can also offer "big enough but not too big" urban options abutting the metropolitan regions of Hartford and New Haven. Both cities are easily accessible from the region's densest communities.

A destination community offers the mix of housing, nightlife, recreational, cultural, mobility options, and accessibility to professional opportunities. Strengthening these communities' attractiveness enhances the region's ability to compete for a wider demographic and talent pool vital to the long term economic success of the region.

A comprehensive active implementation plan could identify both immediate and near term physical as well as programmatic approaches to creating a "just big enough" destination community should be developed.

In addition a continuing active, advisory panel consisting millennials, Gen Xers, and Active boomers interested in this type of lifestyle option should be formed to stay abreast of perceptions and concerns.

EXAMPLES & ADDITIONAL INFORMATION

Future community preferences for Millennials and Active Boomers

<https://www.planning.org/policy/polls/investing/pdf/pollinvestingreport.pdf>

Millennial living characteristics

<http://www.nielsen.com/us/en/insights/reports/2014/millennials-breaking-the-myths.html>



Recommendation:

Hedge the Future RECOMMENDATION 3.3

Consider creation of a regional development entity.

RATIONALE

A number of the initiatives identified in this strategy require dedicated staff capacity and the appropriate implementation tools ranging from project management, financing, and marketing/recruitment skills. It also became clear during this process that the small size of most of the planning and development staffs in the region coupled with limited resources and economic development expertise would make implementing many aspects of this strategy difficult. A development entity allows for the creation of an organization with greater economies of scale.

A regional development entity that also had the financial capacity to serve as a key catalyst or partner in development could help shape future opportunities available in the region by creating and supporting emerging types of workspaces.

An entity could take several different legal forms. Regardless it should have the ability to receive and manage grants from multiple types of funding sources including federal and philanthropic funds, borrow funds, provide long term "patient" capital into projects, launch and manage initiatives that meet the job development, economic infrastructure and training needs of the region.



EXAMPLES & ADDITIONAL INFORMATION

Economic Development Foundation of RI

<http://www.edf-ri.com/>

Worcester Business Development Corporation

<http://www.thewbdc.com/company.html>

Green Mountain Economic Development Corporation

<http://www.gmedc.com/gm/>

Moving Forward

1. GrowSMART completed early-2016
 - › Recently created an Economic Development Subcommittee of Chief Elected Officials.
 - › Preparing to hire Econ. Dev. consultant to help move GrowSMART Plan to next phase.
 - Primary focus: Regional economic development agency.
2. Regional Plan of Conservation and Development
 - › Plan to release mid-2017.
 - › POCD's major theme is resiliency. What does a resilient economy look like in the LCRV?



Thank You!

<http://www.growsmartregion.org/>

GrowSMART

A collection of small town ideas can lead to BIG regional solutions.