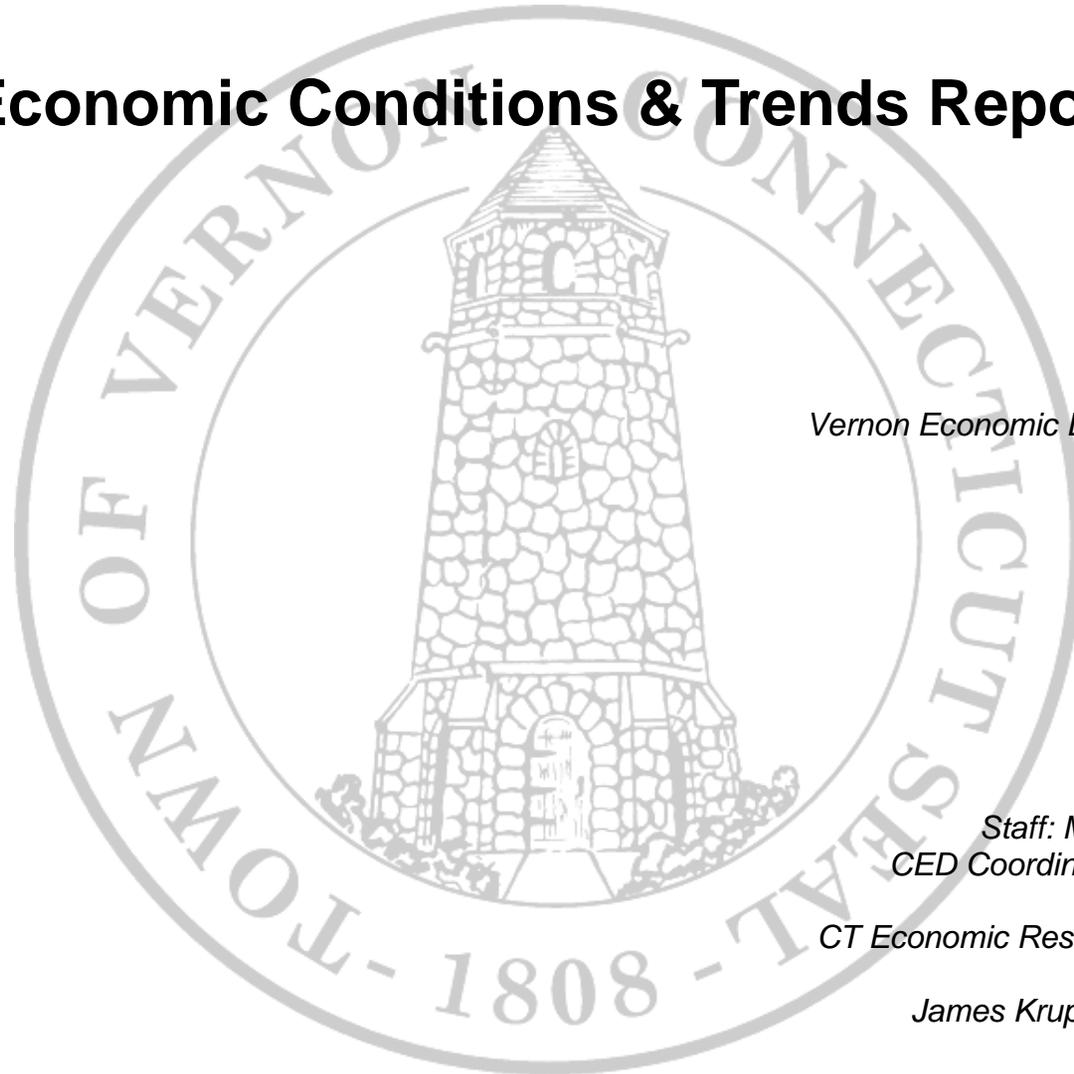


Town of Vernon

Economic Conditions & Trends Report



Vernon Economic Development Commission:

Jeffrey Cohen, Chairman

Alan Eisenberg

Daniel Kennedy

Bruce Kellogg

Solomon Kerensky

Robert Kleinhans

William McGurk

Peter Olson

Vincent Shaheen

*Staff: Marina C. Rodriguez, AICP
CED Coordinator & Asst. Town Planner*

CT Economic Resource Center, Inc. (CERC)

James Krupienski - Technical Support

November 2008

Purpose

The purpose of this report is to provide the Town of Vernon with economic research according to CGS Sec. 7-136 Municipal Economic Development Commissions. Section I includes demographic, housing, and economic conditions. Section II includes a comparative analysis of employment and industry in Vernon and the surrounding region. Section III includes conclusions and recommendations. The Economic Development Commission intends this information to be used by elected and appointed officials, agencies, residents and other decision makers as a guide for policies that help to improve economic conditions and development. Updates of the data can be done periodically for the Town to make informed decisions based on changes in conditions. Our goal is to support a local economy that generates jobs, contributes to the tax base and results in desirable economic growth.

Historical Perspective

Textile Industry and Family Farms

The economic history of Vernon is tied to the Industrial Revolution. Using water power from the Tankeroosen and Hockanum Rivers, textile mills were built along the Tankeroosen and Hockanum Rivers. Circa 1796 the first mill on the Tankeroosen River was built for the mechanized manufacturing of cotton yarn, today know as Talcottville Mill. Then Dobson mill was built. The area grew into a manufacturing village. In the 1800's a total of 13 textile mills were built along the Hockanum River. The area grew into a factory village which became the chartered city of Rockville in 1889. Rockville became a bustling industrial community on the northeast section of Vernon. The wool, silk and cotton cloth produced in these mills gained national recognition for their high quality and were internationally renown.

The Town of Vernon was incorporated in 1808. It was a rural community comprised of small family farms. When the Hartford Turnpike was built it spurred the growth of a small village at Vernon Center.

Suburbanization

After World War II, the popularity of the automobile, the expansion of highway construction and the availability of federal mortgage money paved the way for a shift in population. Families began to move out of the cities in large numbers and commute to work on the interstate highways. Manufacturing and retail moved out of the old congested cities too. Located within a short commute of Hartford and other urban centers and having available land for development, Vernon became a desirable community for new housing. Many farms turned into residential subdivisions. Suburban development has continued to grow since the 1950's. Consolidation of the Town of Vernon and City of Rockville took place in 1964. Today, Vernon is a fully suburbanized community of approximately 30,000 residents.

Economic Change

After WWII the mills operated under changed conditions. The families who had run the mills for several generations closed or sold out. Manufacturing declined. As shopping and working patterns changed, so did Vernon. Rockville, the industrial and urbanized downtown center, was significantly affected by mill closings and loss of manufacturing. The urban renewal of the 1950's and 1960's also changed the downtown area by demolishing its central retail district and replacing it with a shopping plaza. Some of the original mills were subsequently demolished and others remain vacant. One textile factory is still in operation today, while other mill properties have been redeveloped into residential or other commercial use.

The local economy changed over time to retail trade and service sectors. Presently, the retail, health and other services, and real estate sectors have a strong presence in the local economy; with construction and other manufacturing having an active role.

Section I

Demographic, Housing, & Economic Conditions

Demographics

Population

1990	29,841
2000	28,063
2007	29,620
'00 – '07 Growth	5.5%

Land Area (sq. miles)	17.7
Pop./Sq. Mile (2007)	1,673

Gender

Male	47.8%
Female	52.2%

Age

Median Age	37.7 years
Under 5 Years	6.1%
18 Years & Over	77.9%
21 Years & Over	75%
62 Years & Over	16.2
65 Years & Over	13.9%

Race/Ethnicity

White	90%
Black or African American	4%
Native American	.2%
Asian	2.7%
Other & Multi Race	3.1 %
Hispanic (of any race)	3.6%

Households

Households	12,269
Average HH size	2.26
Family HH	59.3%
Non-family HH	40.7%
Median HH Income (1999 dollars)	\$47,816
HH without vehicles	7.7%
HH with 1 vehicle	40.6%
HH with 2 vehicles	39%
HH with 3 or more vehicles	12.7%

Poverty Rate	5.9%
--------------	------

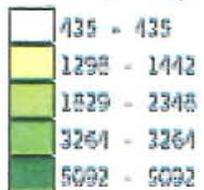
Source: U.S. Census

The Town of Vernon is a fully suburban community that has experienced population growth since 2000. The Census estimates a population of 29,620 in 2007 with 1,673 persons per square mile. The map below illustrates the distribution of persons per square mile.

Legend

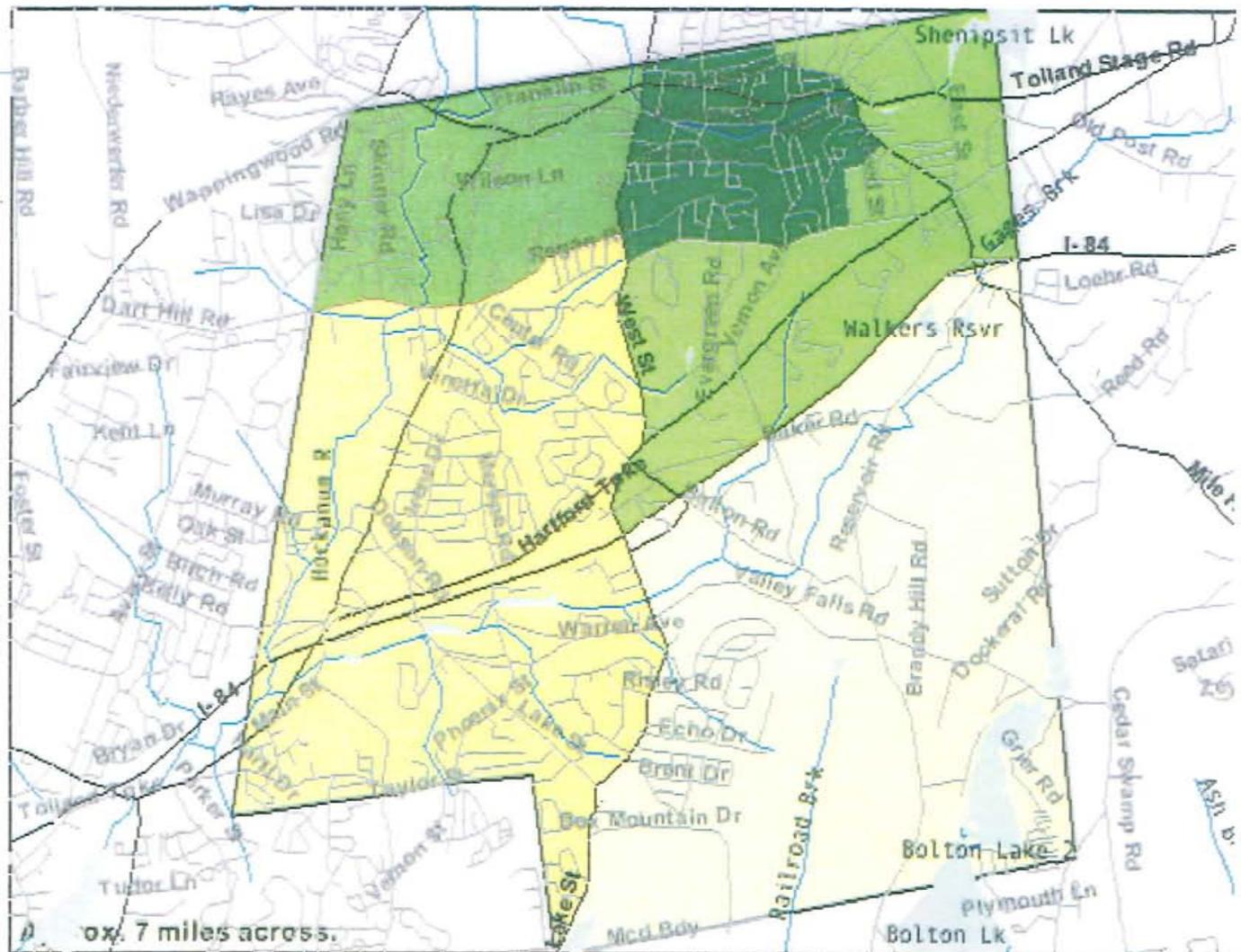
Data Classes

Persons/Sq Mile



Features

- Major Road
- Street
- Stream/Water body
- Stream/Water body



Source: U.S. Census Bureau, Census 2000 Summary File 1, Matrix P1.

Since the 1950's the population has continued to shift from urban to suburban areas. This movement and the trend towards smaller household size are being accommodated by new housing built in suburbs such as Vernon. The Town of Vernon has among the best variety of housing types in the region, as well as affordable housing. The local housing market also meets the needs of the young adult population (20-29 years of age), many of whom have chosen Vernon as their place of residence. Young adults represent the future workforce therefore, attracting and retaining this age group benefits the local economy.

Housing

<i>Occupancy</i>	
Total Units	12,867
Occupied	95.4%
Vacant	4.6%

<i>Tenure</i>	
Owner-occupied	56.5%
Renter-occupied	43.5%

<i>Units in Structure</i>	
Single-family detached	47.5%
Single-family attached	4.3%
Two-family	5.5%
3 - 4 units	12.1%
5 - 9 units	8.8%
10 – 19 units	8.3%
20 or more	10.9%
Mobile homes	2.5%

Built Pre 1940 19%

Housing Permits since 2000	1,282
Demolitions	N.A.
Estimated Total Units (2007)	14,147

<i>House Sales (2006-2007)</i>	
Single-family	264
Two-family	24
Three-family	9
Condominiums	160
Total	457

<i>Median Sales Price (2006-2007)</i>	
Single-family	\$227,100
Two-family	\$186,250
Three-family	\$229,900
Condominiums	\$138,450
All categories	\$199,900

Source: U.S. Census, DECD

The housing market has continued to grow in Vernon. Compared to other towns in the region, Vernon offers a solid housing stock that is affordable. Vernon has easy access to major highways and state routes providing an easy commute to urban areas. Vernon also has desirable amenities and quality of life.

Quality of Life

Banks 9

Post Offices 2

Lodgings 4

Public Parks & Playfields 23

Rockville General Hospital

Hiking Trails 12

Rockville Public Library

Museums 2

Court Houses: Tolland County Court House
Superior Court

Distance to Major Cities (miles)

Hartford 15

Boston 90

Public Safety: Police, Fire, Ambulance

New York 110

Providence 54

Crime Rate per 100,000 persons (2006): 2,309

Springfield, MA 25

Public Schools: High School 1
Middle 1
Elementary 5

Bradley International Airport 18 miles

UConn Main Campus 10 miles

Public Works: In-house garbage collection, leaf pick-up, bulky pick-up service, transfer station, hazardous Waste disposal program, maintenance & repair of public streets & sidewalks.

Public Utilities: Connecticut Light & Power, Yankee Gas Company, Connecticut Water Company, Comcast Cable of Central CT.

Source: Town of Vernon

Vernon is an attractive suburb that provides a wide range of town services for its residents, well developed infrastructure, and accessibility to major destinations.

Municipal

Form of Government: Mayor-Council

Total Revenue (2006-07): \$75,343,697

Tax \$48,717,250

Non-Tax \$26,636,447

Intergovt. \$19,559,484

Per Capita Tax (2007): \$1,642

Total Expenditures (2006-07): \$71,698,078

Education \$46,567,372

Other \$25,130,706

Annual Debt Service (2007): \$2,704,256

As % of Expenditures 3.7%

Net Grand List (2007): \$1,694,135,028

Date of Last Revaluation: 2006

Actual Mill Rate (2007): 36.73

Equalized Mill Rate (2006): 17.90

% of Grand List Bus/Com/Ind: 18.8%

Collection Rate (2007): 98.6%

Total Indebtedness (2007): \$32,455,599

As % of Expenditures 45.3%

Per Capita \$1,094

Moody's Bond Rating (2007): A1

Source: Town of Vernon, OPM

Vernon has the infrastructure to support housing and economic growth. Vernon continues to invest in capital improvement projects including school renovations and additions, street improvements, reconstruction of streets and bridges, and municipal facilities. This investment ensures that existing facilities and infrastructure are properly maintained. A well maintained infrastructure is important for future economic development.

Labor Force

Labor Force (2007): 17,394

Employed 16,641

Unemployed 753

Unemployment Rate 4.3%

Non-Farm Employment (2007)

of establishments 683

Total Employment 9,142

Educational Attainment (2000)

Pop. 25 yrs. & over 19,629

% High School graduate or higher 85.8%

% bachelor's degree or higher 26.8%

School District (2006-07)

Total Enrollment 3,783

Graduation Rate 89.5

Pursuing Higher Ed. 80.2%

Employed or Military 18.3%

Average SAT Score

Math 527

Reading 527

Participation: 85.8%

Commuters (2000):

Commuters into Vernon from

Vernon 3,272

Manchester 900

Ellington 731

Tolland 702

So. Windsor 490

Stafford 367

E. Hartford 276

Coventry 247

Mansfield 238

Enfield 218

Vernon Residents Commuting to:

Vernon 3,272

Manchester 2,080

Hartford 2,047

E. Hartford 934

So. Windsor 591

Mansfield 481

Windsor 479

Bloomfield 400

Glastonbury 375

W. Hartford 343

Source: DOL, U.S. Census

As a suburban community, Vernon is the place of residence for many commuters. It is also the source of employment for many of its residents and those in surrounding towns. Its population has a high employment rate and an unemployment rate comparable with the region. With a high proportion of high school graduates and those having a high school degree or higher, Vernon residents represent an educated work force available to employers.

Economics

Industry Sector & Employment Annual Average (2007):

Manufacturing	366
Construction	513
Wholesale Trade	126
Retail Trade	1,674
Information	219
FIRE	421
Prof., Sci., & Tech.	307
Admin. & Mgt.	180
Health & Social Asst.	1,976
Accom., Food & other Serv.	1,637
Art, Enter. & Rec.	189
Govt. (Fed., St., & local)	1,332

Top Ten Grand List

	<u>Use</u>	<u>Amount</u>	<u>% of Grand List</u>
Chapman & Mansions, LLC	Land & Apts.	\$42,128,960	2.49%
Tri City Improvements, LLC	Shop. Ctr.	\$30,294,300	1.79%
Conn. Water Co.	Utility	\$20,338,804	1.20%
Evandro Santini Woodbrock LLC	Land & Apts.	\$20,273,920	1.20%
CT. Light & Power	Utility	\$16,910,455	1.00%
CE Vernon LLC	Shop. Ctr.	\$15,797,900	.93%
Chapman Acres	Apts.	\$9,005,100	.53%
Boston Rockville/Boston Vernon	Shop. Cntrs. / Land	\$7,987,500	.47%
Kerensky, Schneider (Risley Trust)	Comm./Res.	\$6,781,3000	.40%
Talcottville Development	Commercial	\$6,083,090	.36%

Top Ten Employers

Town of Vernon & Board of Ed.
 Rockville General Hospital
 New England Mechanical Services
 Visiting Nurses & Health Services
 Rockville Bank
 Price Chopper Supermarkets
 State of Connecticut
 Stop & Shop Supermarkets
 Fox Hill Nursing & Rehab.
 Vernon Manor

Annual Average Employment (2007): 9,142

Total Annual Wages (2007): \$319,759,254

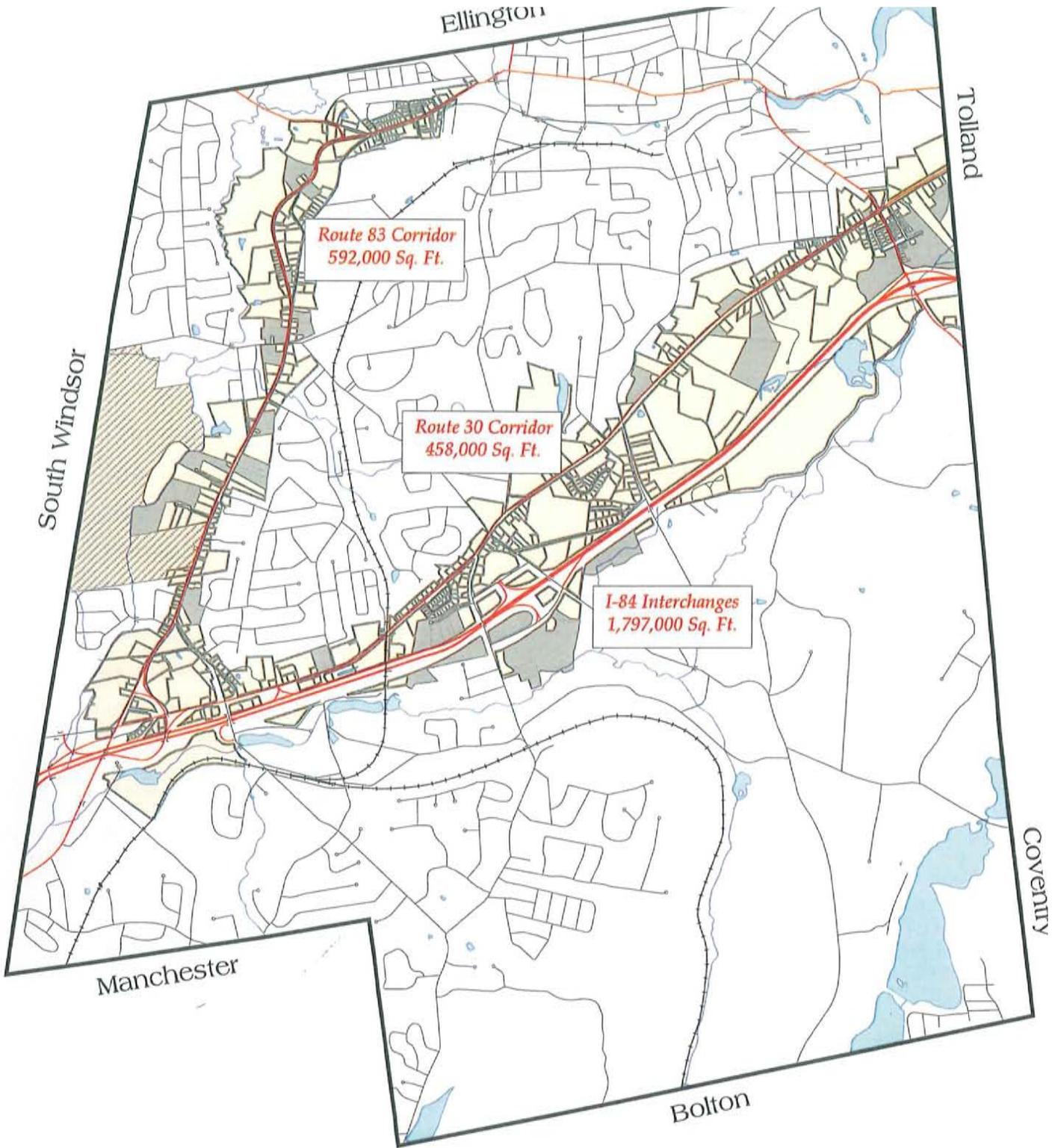
Total Retail Sales (2007)

All Outlets: \$446,948,011

Source: DOL, DRS, Town of Vernon

Strong sectors include retail, health & social assistance, food and other services, and government. Major employers represent these industry sectors and banking. Top grand list contributors represent real estate, retail, utilities and commercial. Expansions and new businesses in these sectors are expected to continue.

Development opportunities exist in Vernon whether through the re-use of existing properties or the development of available land. The maps of developable land illustrate where land is available for development. The map of non-residential land indicates a potential for development of approximately 2,847,000 square feet of undeveloped and underutilized land along Talcottville Rd. (Rt. 83), Hartford Turnpike (Rt. 30) and the I-84 interchanges. The undeveloped residential land is illustrated in a separate map. Potential residential development could include single-family, condominiums, or multi-family depending on the zoning district.



LEGEND

- Undeveloped or Underutilized Parcels
- Corridor Parcels
- Mixed Use Development (MUD) Zone



Source of Data:
University of Connecticut
Map and Geographic Information Center
Storrs, CT

Connecticut Department of Environmental Protection
Environmental and Geographic Information Center
Hartford, CT

Field Survey
May 2000

THIS MAP WAS DEVELOPED FOR USE AS A
PLANNING DOCUMENT. DELINEATIONS MAY

**Non-Residential Undeveloped
or Underutilized Land**

Plan of Conservation and Development

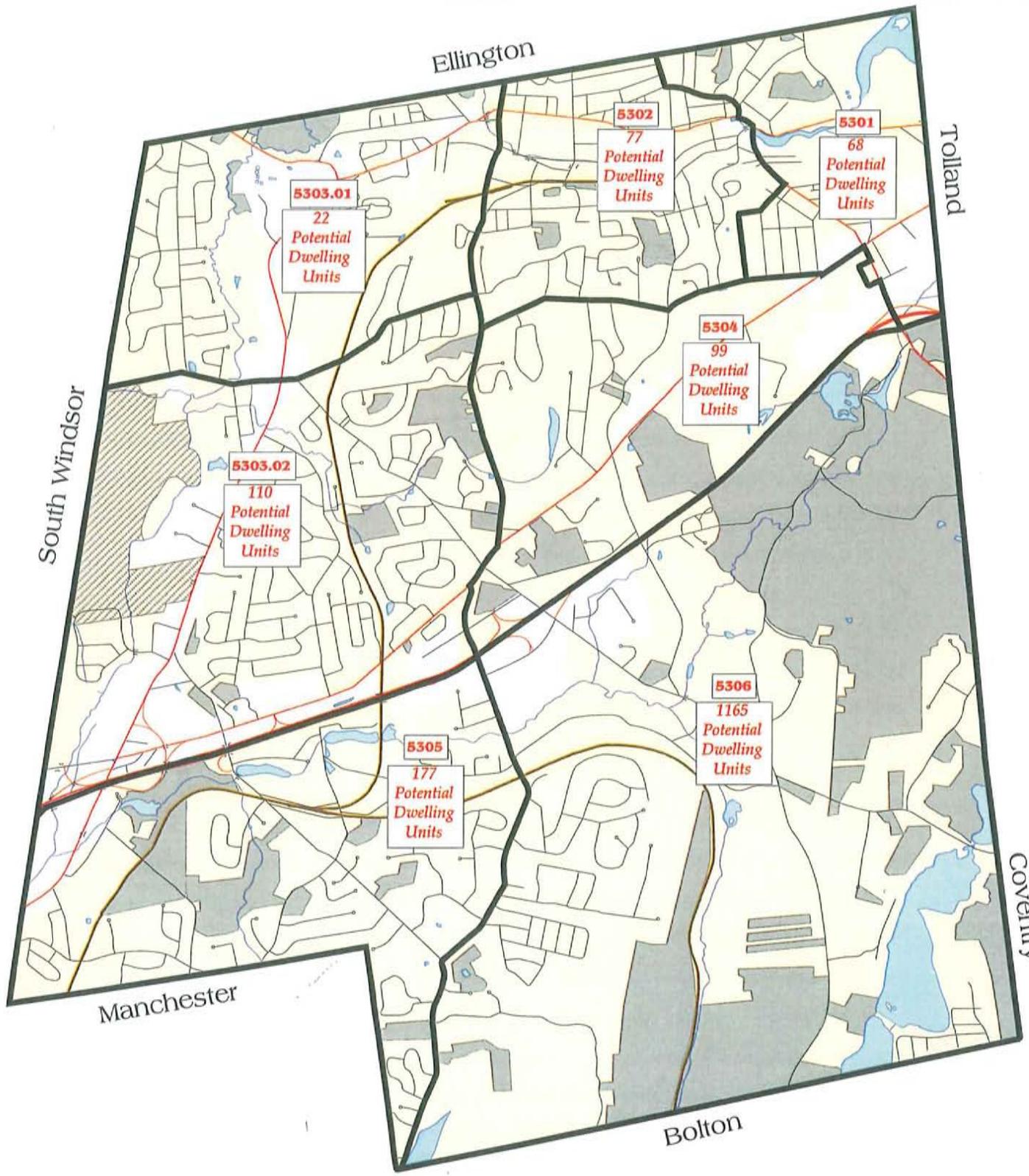
Vernon, Connecticut

HMA HARRALL-MICHALOWSKI
ASSOCIATES, Incorporated

Hamden, Connecticut

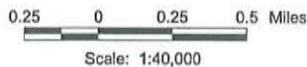
June 2001





LEGEND

-  Undeveloped Residential Zoned Land
-  Residential Zones
-  Census Tract Boundaries
-  Mixed Use Development (MUD) Zone



Undeveloped Residential Zoned Land

Plan of Conservation and Development

Vernon, Connecticut



HMA HARRALL-MICHALOWSKI ASSOCIATES, Incorporated
Hamden, Connecticut June 2001

Source of Data:
University of Connecticut
Map and Geographic Information Center
Storrs, CT

Connecticut Department of Environmental Protection
Environmental and Geographic Information Center
Hartford, CT

Field Survey
May 2000

THIS MAP WAS DEVELOPED FOR USE AS A
PLANNING DOCUMENT. DELINEATIONS MAY
NOT BE EXACT.

Existing zoning and land use patterns reflect the historical economic development of the Town. Vernon has two areas designated as Historic Districts: Rockville and Talcottville. The Rockville area contains the Downtown Business and Residential Districts and mixed-use residential-commercial zones. Commercial and industrial districts are predominantly located along Interstate Highway 84, Talcottville Rd. & Windsor Ave. (Route 83), Hartford Turnpike (Route 30), and former mill sites. Special economic development districts are predominantly located on Talcottville Rd., Dart Hill Rd., and the I-84 exit 67 area.



TOWN of VERNON ZONING MAP

ROCKVILLE HISTORIC DISTRICT

- PRD-PLANNED NEIGHBORHOOD DEVELOPMENT
- RDBR-ROCKVILLE DOWNTOWN BUSINESS & RESIDENTIAL
- RW-RESTRICTED WATERSHED
- RC-RESIDENTIAL COMMERCIAL
- NEIGHBORHOOD NR-10
- RESIDENTIAL COMMERCIAL

RESIDENTIAL

- PRD-PLANNED RESIDENTIAL DEVELOPMENT
- R-10
- R-15
- R-22
- R-27
- R-40

COMMERCIAL

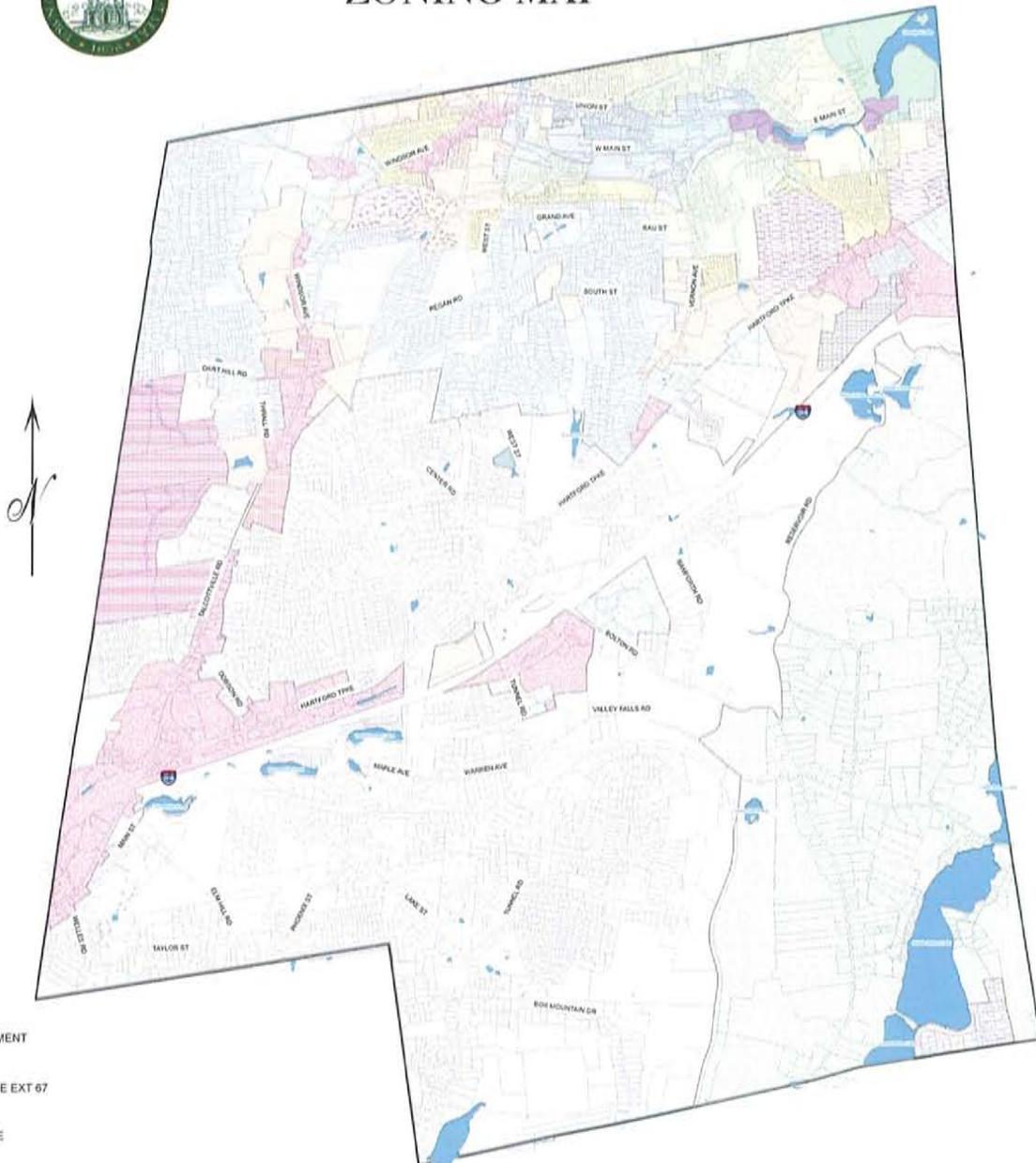
- C
- PC-PLANNED COMMERCIAL

INDUSTRIAL

- I
- HD-I

INDUSTRIAL

- SED-SPECIAL ECONOMIC DEVELOPMENT
- PDZ- PLANNED DEVELOPMENT ZONE EXT 67
- PDZ-PLANNED DEVELOPMENT ZONE
- MHP-MOBILE HOME PARK
- SFZ-GZ
- LAKES



This map is for information only and its Utilization and verification shall be the sole Responsibility of the user. No warranty, expressed or implied, is made By the Town of Vernon as to the accuracy or Completeness of this map nor shall the fact Of distribution constitute any such warranty



MAP DESIGNED BY GEORGE & OBENG
GRAD. STUDENT
CCRU 7/15/04

Sources:

Vernon and Historic Rockville, S. Ardis Abbott & Jean A. Luddy, 1998.

Vernon-Rockville in the Twentieth Century, S. Ardis Abbott & Jean A. Luddy, 2002

Trends Changing Our Region, Capital Region Council of Governments (CRCOG), 2003.

U. S. Census

State of Connecticut Department of Labor (DOL)

State of Connecticut Department of Economic and Community Development (DECD)

State of Connecticut Office of Policy and Management (OPM)

State of Connecticut Department of Revenue Services (DRS)

Connecticut Economic Resources Center (CERC)

Town of Vernon

Section II

An Employment and Industry Analysis of Vernon, CT and the Surrounding Region

Prepared for:

The Town of Vernon

Prepared by:

Connecticut Economic Resource Center, Inc.

September 2008

Outline

- Key Findings
- Methods
 - Geographies Used for Comparisons
 - Industry Overview (NAICS)
- Establishment Trends
- Employees per Establishment Snapshot
- Employment Trends
- Potential Economic Engines
 - Location Quotient Analysis
 - Shift Share Analysis
 - Occupation Projections

Key Findings

Vernon Details

- Retail trade; Health Care & Social Assistance; Construction, and Accommodation & Food Services represent 345 of 637 establishments in town.
- Between 2000 and 2006, Vernon's establishments decreased while region and state trends remained steady and US establishment totals increased.
- Employment growth has been flat in Vernon since 2000.

Regional Trends - Hartford and Tolland (H&T) Counties

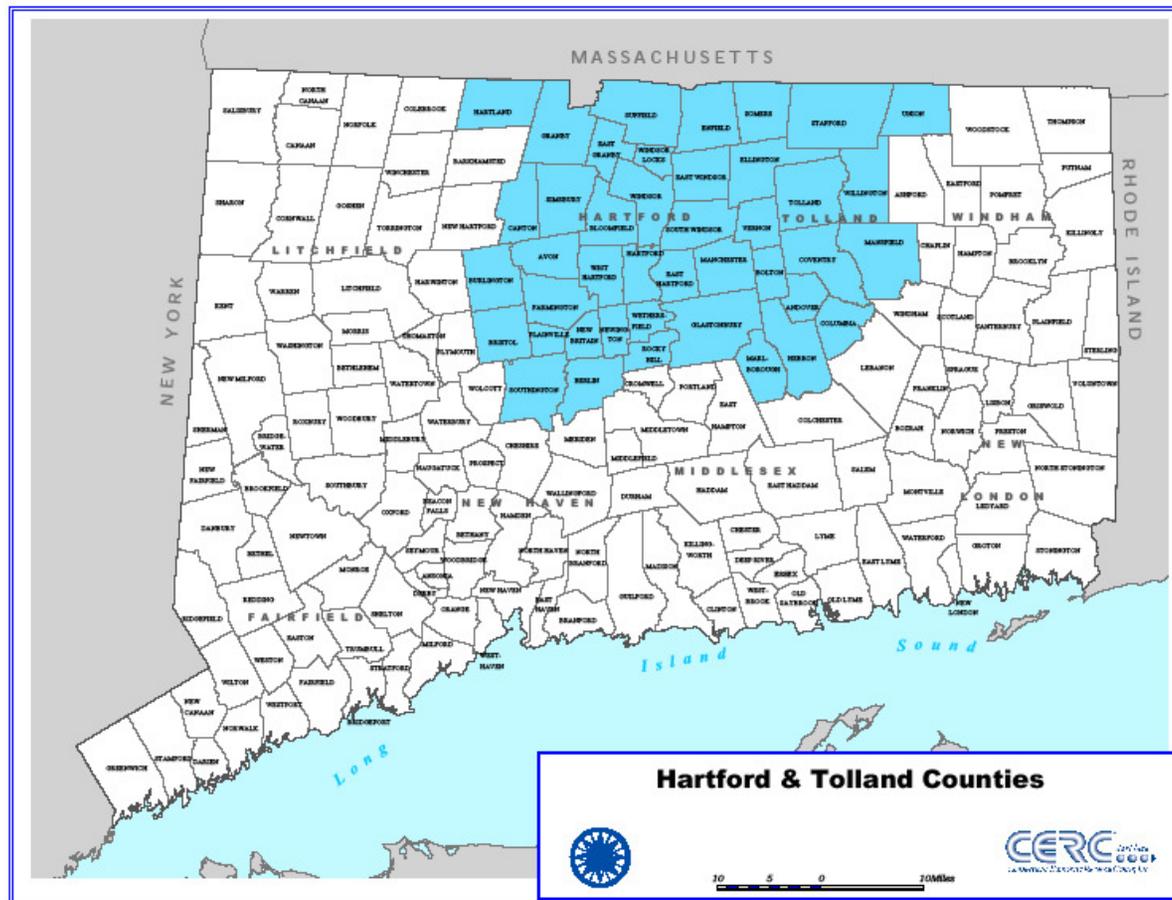
- Ten industry sectors represented 78% of the 554,000 employees in H&T counties in 2007.
- Employment in the Insurance (3-digit industry) sub-sector led the way in 2007.
- Health care in the Region increased jobs by 8,975 between 2000 and 2007; Manufacturing jobs decreased by 9,191.
- Utilities and Management firms decreased in their ratios of employees per establishment by 37 and 17 respectively between 2000 and 2006, most likely due to downsizing.

Regional Economic Engines – Current and Potential

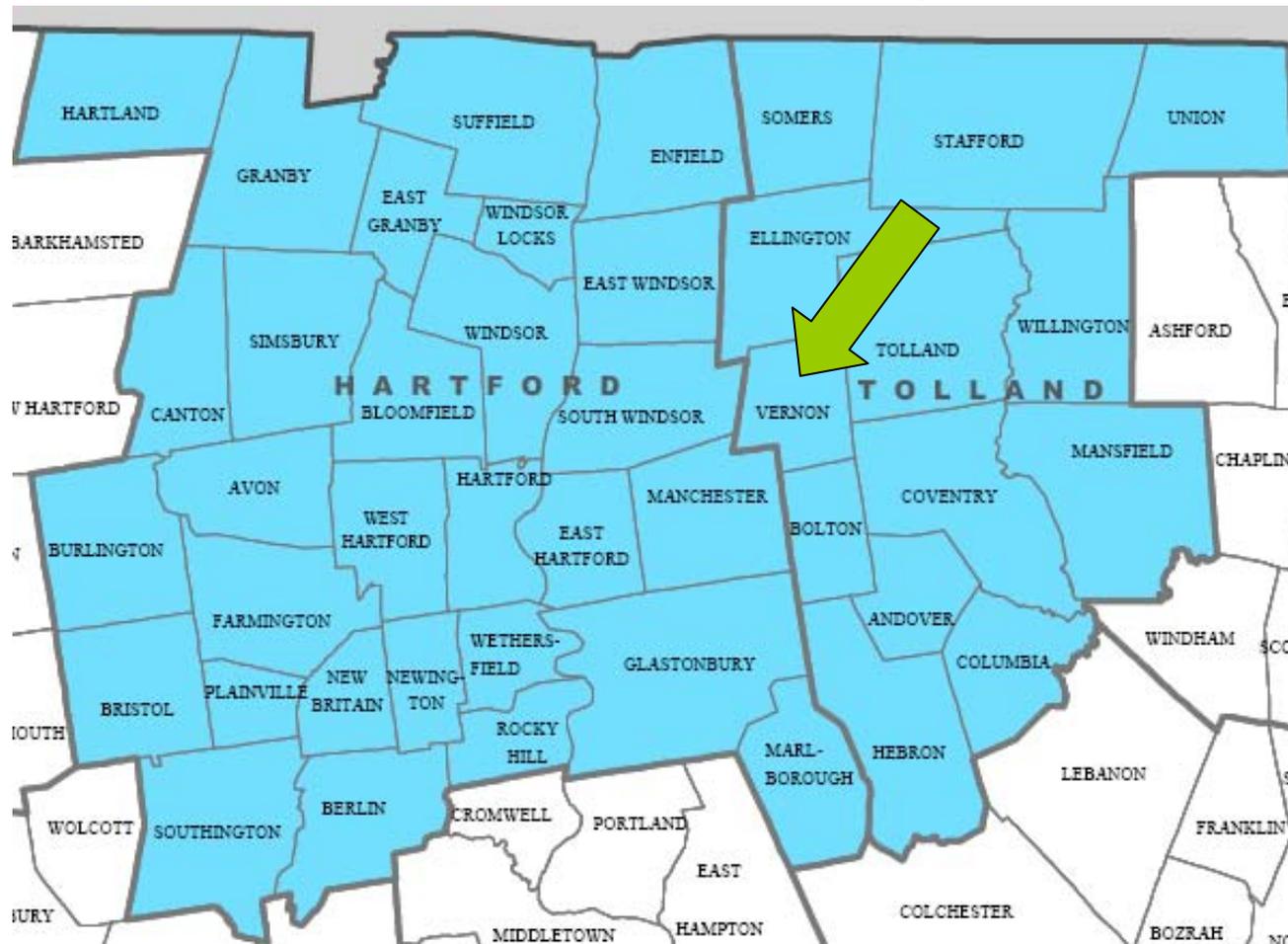
- Insurance, Financial Services, and Transportation Equipment Manufacturing sub-sectors had large employment concentrations relative to the US average.
- There are numerous emerging sub-sector strengths, several current sub-sector strengths (Management of Companies & Enterprises, Waste Management & Remediation Services, Social Assistance), and two priority retention targets (Warehousing and Storage, Nursing and Residential Care Facilities).
- In the North Central region, there is a growing demand for retail salespersons and registered nurses.

Methods

Depending on data availability, the geographies used in the employment and establishment analyses include the Town of Vernon; the combined area of H&T Counties (highlighted in map); Connecticut; and the United States.



The Hartford and Tolland county geography was chosen for this analysis of Vernon because of Vernon's relatively central location in the midst of the combined area. The combination of the two counties in this analysis is also logical, because of commuting patterns between Vernon and Hartford County.



North Central Connecticut Region

- A Connecticut Department of Labor, Office of Research, Projection Region
- Used in this research to assess projected occupation growth

Andover	Avon	Berlin
Bloomfield	Bolton	Bristol
Burlington	Canton	East Granby
East Hartford	East Windsor	Ellington
Enfield	Farmington	Glastonbury
Granby	Hartford	Hebron
Manchester	Marlborough	New Britain
Newington	Plainville	Plymouth
Rocky Hill	Simsbury	Somers
South Windsor	Southington	Stafford
Suffield	Tolland	Vernon
West Hartford	Wethersfield	Windsor
Windsor Locks		

Industry Overview

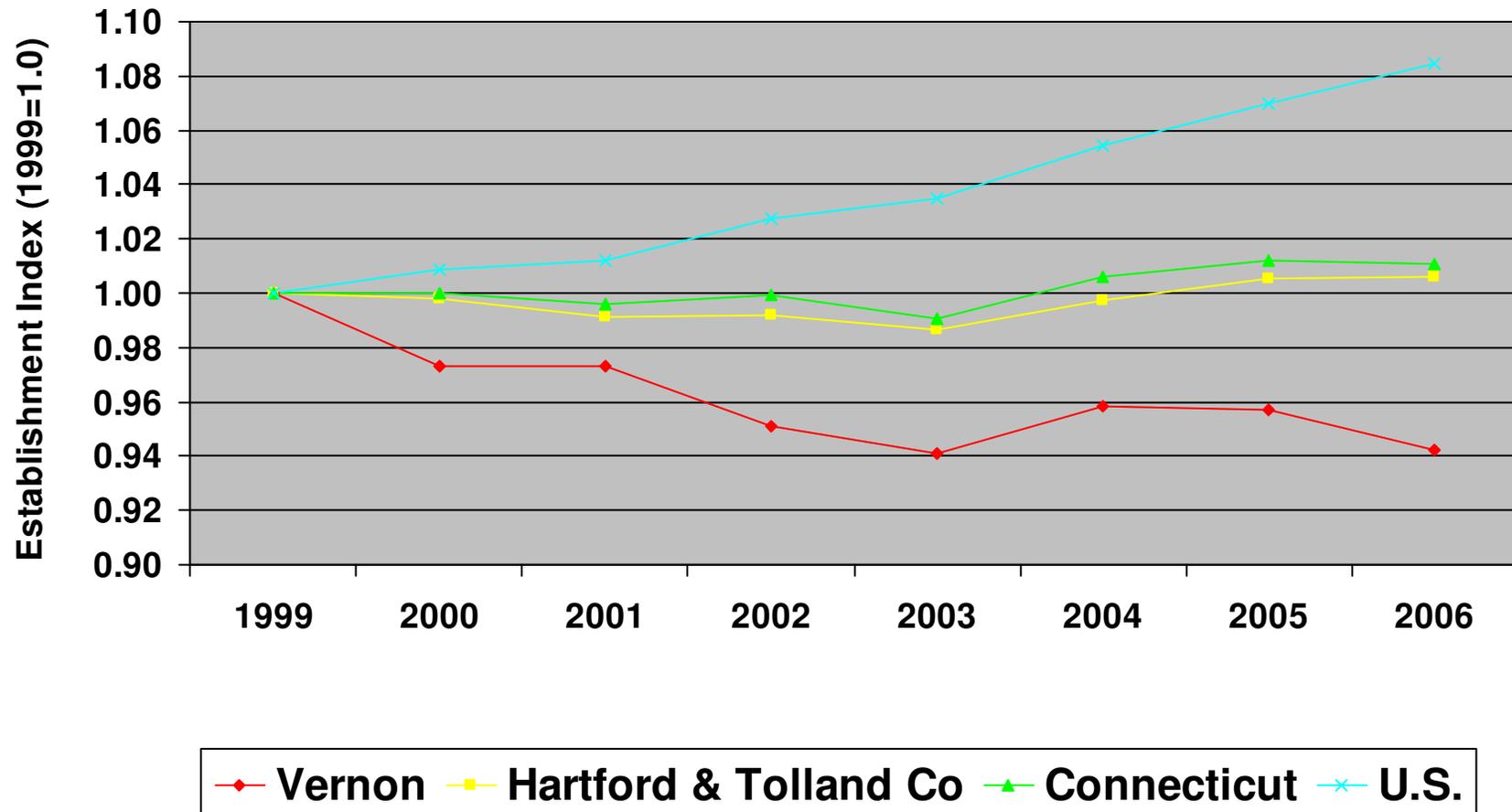
- **North American Industry Classification System (NAICS)**
- NAICS is a 6-number data categorization system used by the US Census Bureau to classify industries
- The first two numbers indicate the sector, the third number indicates sub-sector and the remaining numbers indicate increasingly specific separations between industries
- Example:
 - Sector 33** Manufacturing
 - Sub-sector 339** Miscellaneous Manufacturing
 - Industry Group 3399** Other Miscellaneous Manufacturing
 - Industry 33994** Office Supplies (except Paper) Manufacturing
 - U. S. Industry 339941** Pen and Mechanical Pencil Manufacturing
- In this analysis, both sector (2-digit NAICS) and sub-sector (3-digit NAICS) are used

Establishment Trends

There Were 637 Establishments in Vernon in 2006

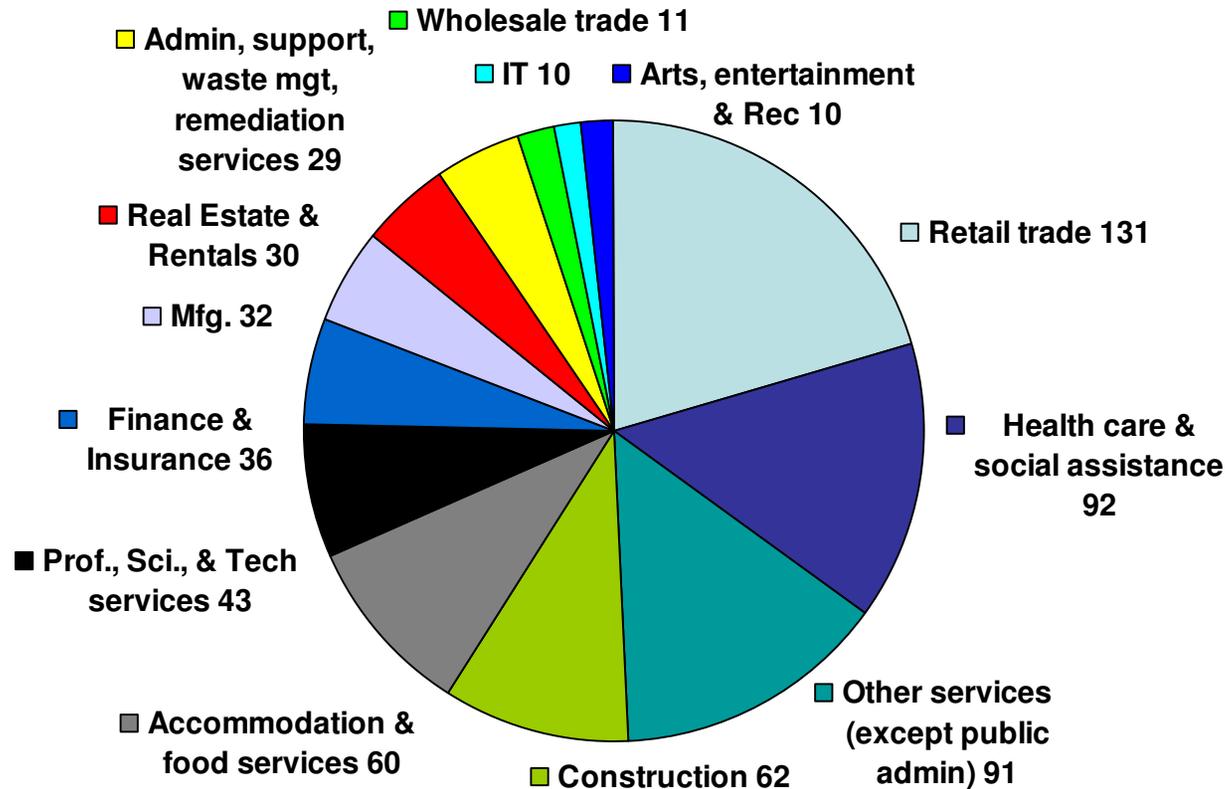
	Establishments								Change 1999-2006	
	1999	2000	2001	2002	2003	2004	2005	2006	#	%
Vernon	676	658	658	643	636	648	647	637	-39	-6%
H&T Counties	25,789	25,729	25,559	25,576	25,438	25,725	25,934	25,946	157	1%
CT	92,454	92,436	92,105	92,375	91,611	93,011	93,561	93,421	967	1%
U.S.	7,008,444	7,070,048	7,095,302	7,200,770	7,254,745	7,387,724	7,499,702	7,601,160	592,716	8%

The Number of Businesses in Vernon Decreased While U.S. Increased Steadily; Region & State In-Between



US Census Bureau, County Business Patterns, Zip Code Business Patterns

Led by Retail Trade, the Top Four Sectors Represented 54% of Establishments in Vernon



Vernon Establishments by 2-Digit NAICS Sector

US Census Bureau, Zip Code Business Patterns 2006

Employees per Establishment Snapshot

Employees per Establishment Dropped Dramatically in Utilities and Management firms in H&T Counties, 2000-06

Sector Code	Sector	Employees per Establishment (2000)	Employees per Establishment (2006)	Change in Employees per Establishment (2000-2006)
22----	Utilities	112.1	75.0	-37.2
55----	Management of companies	70.7	54.1	-16.6
61----	Educational services	47.0	42.0	-5.0
31----	Manufacturing	43.0	39.1	-3.9
52----	Finance & insurance	38.0	38.5	0.6
48----	Transportation & warehousing	32.8	29.4	-3.4
62----	Health care and social assistance	25.2	27.1	1.9
51----	Information	36.7	20.8	-15.9
71----	Arts, entertainment & recreation	16.2	20.5	4.2
-----	All industries	19.7	19.1	-0.6
72----	Accommodation & food services	16.7	17.3	0.6
44----	Retail trade	14.9	16.4	1.5
23----	Construction	10.6	9.0	-1.6
53----	Real estate & rental & leasing	8.4	6.4	-2.0

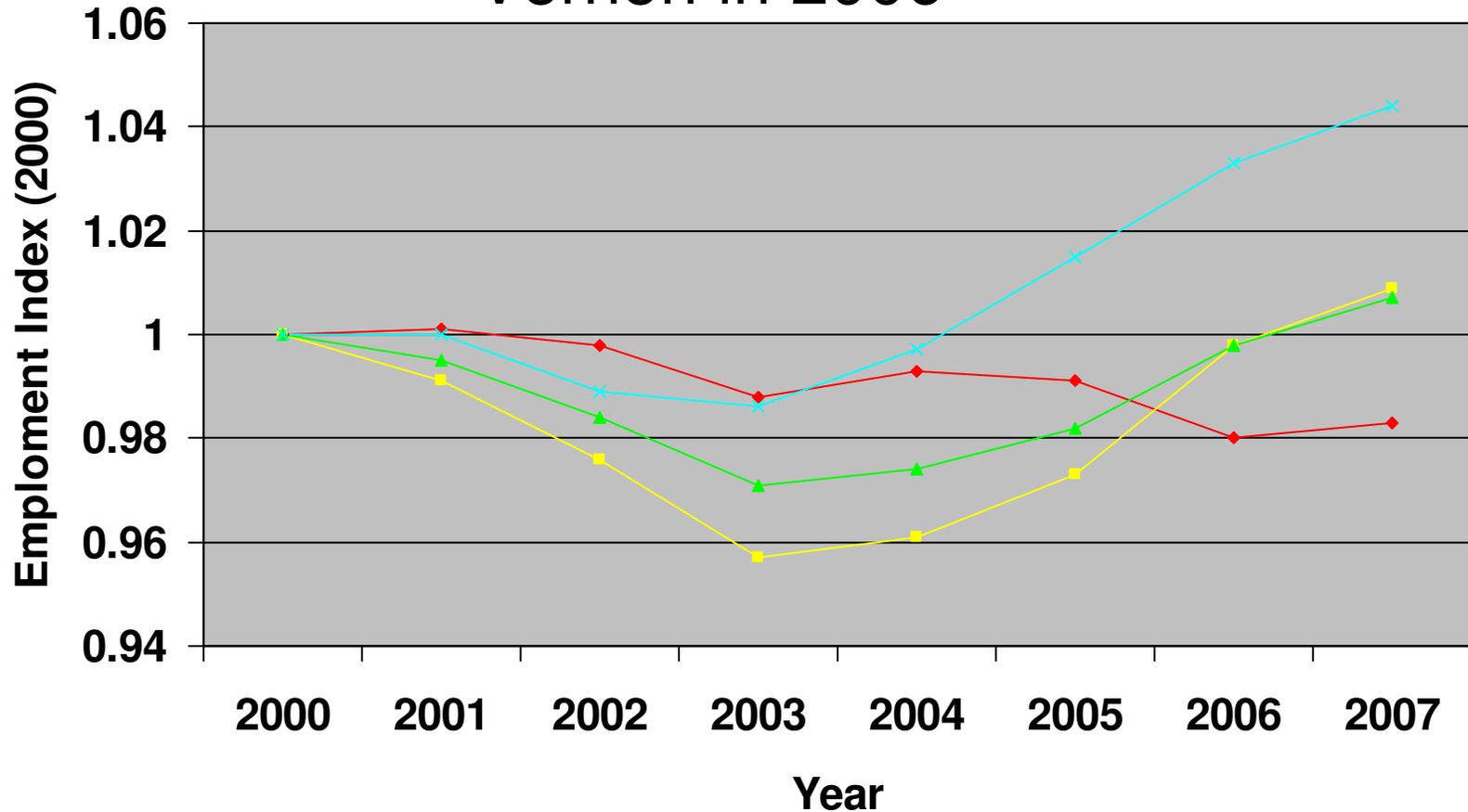
US Census Bureau, County Business Patterns

Employment Trends

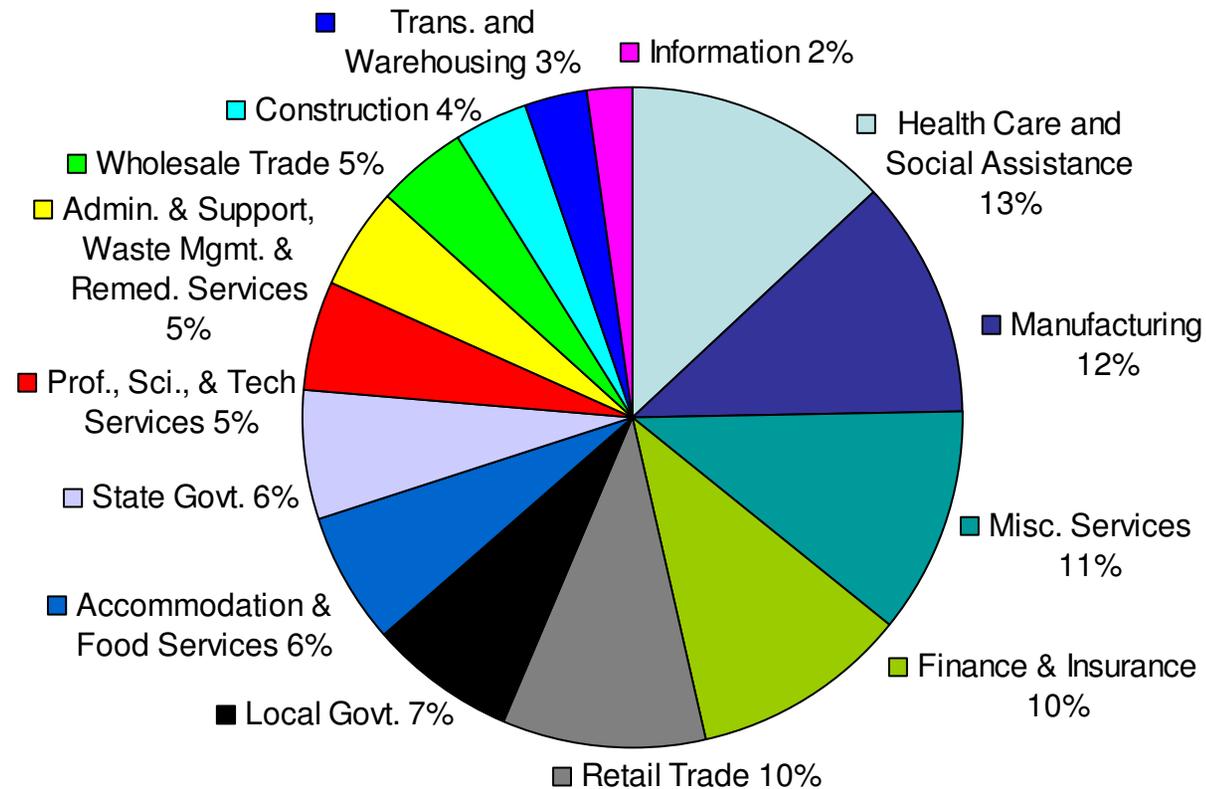
The Number of Jobs in Vernon Is Slowly Declining

Overall Employment, (1000s)								
	2000	2001	2002	2003	2004	2005	2006	2007
Vernon	9.301	9.314	9.278	9.193	9.232	9.213	9.116	9.142
H&T Counties	539.3	534.5	526.4	516	518.2	524.7	538.4	544.1
CT	1,674.8	1,665.7	1,648.6	1,625.6	1,631.8	1,644	1,672.2	1,686.3
U.S.	131,785.0	131,826.0	130,341.0	129,999.0	131,435.0	133,703.0	136,086.0	137,623.0

Vernon Employment Growth was Ahead of State and Region From 2000; State and Region Surpassed Vernon in 2006



Top 10 Sectors Represented 78% of Employment in H&T Counties in 2007



Percentage of Employment by 2-Digit NAICS Sector

Employment Snapshot in Hartford and Tolland Counties

2-Digit NAICS Sectors – Largest Employment	2007		2000-2007	
	Employment (1000s)	% of Total Employment	# Change Employment (1000s)	% Change Employment
Total	553.9	100.0%	-6.7	-1.2%
Health Care and Social Assistance	73.0	13.2%	9.0	14.0%
Manufacturing	64.2	11.6%	-9.2	-12.5%
Finance and Insurance	58.0	10.5%	-4.2	-6.7%
Retail Trade	56.1	10.1%	-2.2	-3.7%
Local Government	39.2	7.1%	-3.5	-8.1%
Accommodation and Food Services	35.5	6.4%	8.1	29.7%
State Government	35.2	6.4%	-3.0	-8.0%
Professional, Scientific, Tech Services	29.7	5.4%	0.3	0.9%
Admin, Support, Waste Mgmt, Remediation	27.0	4.9%	-2.5	-8.6%
Wholesale Trade	25.0	4.5%	-0.3	-1.2%

Employment Change 2000-07

The greatest absolute employment increases between 2000 and 2007 observed in H&T Counties were in:

1. Health Care and Social Assistance, +8,975 (+14.0%)
2. Accommodation and Food Services, +8,134 (+26.7%)
3. Educational Services, +2,136 (+25.9%)

The greatest decreases in absolute employment were experienced by:

1. Manufacturing, -9,191 (-12.5%)
2. Finance and Insurance, -4,155 (-6.7%)
3. Local Government, -3,459 (-8.1%)

Amongst 3-Digit Sub Sector Industries in H&T Counties: Insurance, Government, and Food Services Led the Way in Employment in 2007

Sub-Sector (3-Digit NAICS)	2007 Employment, (1000s)	% of Total
Insurance Carriers & Related Activities	43.2	7.8%
Local Government	39.2	7.1%
State Government	35.2	6.4%
Food Services & Drinking Places	32.0	5.8%
Professional, Scientific & Technical Services	29.7	5.4%
Administrative & Support Services	24.8	4.5%
Ambulatory Health Care Services	22.3	4.0%
Transportation Equipment Mfg	19.9	3.6%
Hospitals	19.3	3.5%
Nursing and Res. Care Facilities	18.6	3.4%

Potential Economic Engines

Location Quotient (LQ) Analysis

- Determines which industries in H&T counties have employment concentrations that are larger than the U.S. average (critical mass, potential base or export industries)

LQ = Ratio of industry to total employment in H&T counties /
Ratio of industry to total employment in U.S.

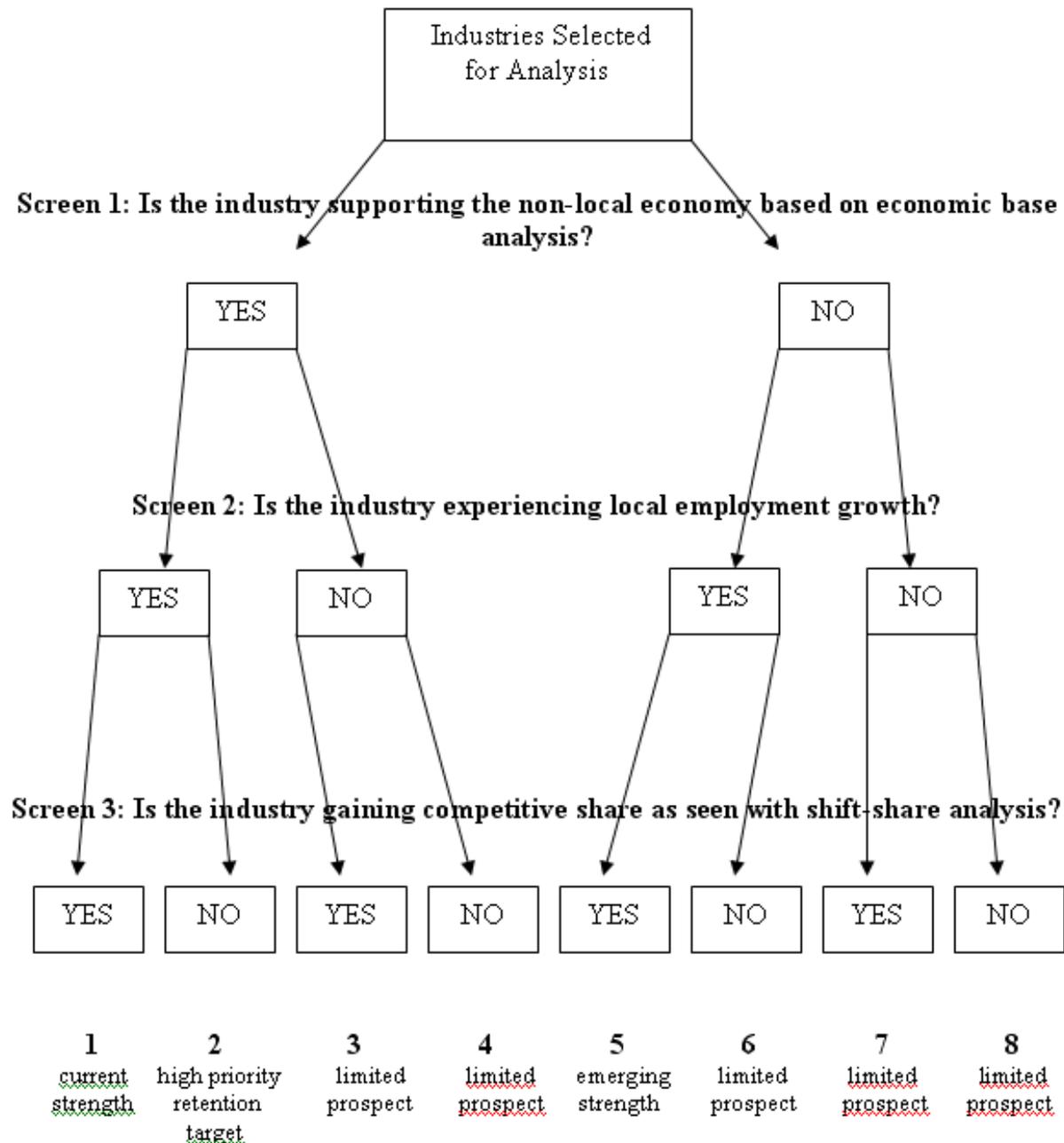
Large Employment Concentration of Financial Services, Insurance, and Transportation Equipment Mfg. in H&T Counties

Sub-Sector (3-Digit NAICS)	Location Quotient	
	2000	2007
Funds, Trusts, & Other Financial Vehicles	12.08	8.59
Insurance Carriers & Related Activities	4.74	4.65
Broadcasting (except Internet)	2.00	2.90
Transportation Equipment Mfg	2.42	2.89
Fabricated Metal Product Mfg	2.14	2.28
Transit & Ground Passenger Transportation	2.12	2.25
Electrical Equipment, Appliance, & Component Mfg	1.62	1.78
State Government	1.88	1.71
ISPs, Web Search Portals & Data Processing Services	1.44	1.68
Warehousing & Storage	1.60	1.67
Nursing & Residential Care Facilities	1.55	1.57
Machinery Mfg	1.44	1.55
Waste Management & Remediation Services	1.39	1.53

Shift Share Analysis

- The shift-share model says that employment growth in the Region is a function of three different trends:
 - The Region's share of national growth
 - The national industry mix change
 - The shift change of activities toward the Region (competitive share)
- The shift-share analysis is one component of the decision tree (next slide) to determine current, emerging, and retention target industries between 2000 and 2007 in the H&T counties

Industry Analysis Decision Tree



Adapted with permission from Understanding Your Economy, 1992, American Planning Association.

Current Strengths: H&T Counties

Sub-Sectors that satisfy the following Criteria:

1. Location Quotient is greater than 1.1 – the industry is regionally concentrated
2. Absolute change in employment from 2000 to 2007 was greater than 50 people – the industry is experiencing regional growth
3. The portion of industry growth not explained by national growth or the national industry mix, the regional competitive share, is positive (+) – the region has some sort of competitive advantage for the industry

- Non-Internet Broadcasting
- Management of Companies & Enterprises
- Waste Management & Remediation Services
- Social Assistance
- Museums, Historical Sites

High Priority Retention Targets: H&T Counties

Sub-Sectors that satisfy the following Criteria:

1. Location Quotient is greater than 1.1 – the industry is regionally concentrated
2. Absolute change in employment from 2000 to 2007 was greater than 50 people – the industry is experiencing regional growth
3. The portion of industry growth not explained by national growth or the national industry mix, the regional competitive share, is negative (-) – the region does not have a competitive advantage for the industry

- Warehousing and Storage
- Nursing and Residential Care Facilities

Emerging Strengths: H&T Counties

Sub-Sectors that satisfy the following Criteria:

1. Location Quotient is less than 1.1 – the industry is not regionally concentrated
2. Absolute change in employment from 2000 to 2007 was greater than 50 people – the industry is experiencing regional growth
3. The portion of industry growth not explained by national growth or the national industry mix, the regional competitive share, is positive (+) – the region has some sort of competitive advantage for the industry

- Construction of Buildings
- Food Manufacturing
- Plastics & Rubber Products Manufacturing
- Wholesale Electronic Markets, Agents, Brokers
- Clothing & Clothing Accessories Stores
- Truck Transportation
- Motion Picture & Sound Recording Industries
- Securities, Commodity Contracts & Other Investments
- Rental & Leasing Services
- Educational Services
- Performing Arts & Spectator Sports
- Amusement, Gambling & Recreation
- Accommodation
- Food Services & Drinking Places

CT DOL Occupation Projections in the North Central Region

- Annual Growth Openings – Reflects the yearly creation of new positions in an occupation in the region between 2004 and 2014
- Total Annual Openings – Reflects annual growth openings, as well as the replacement openings created by “those who leave the workforce due to retirement, health, family reasons, or those who may switch careers”

Top 10 Occupations by Total Annual Openings in the CT North Central Region (Total Annual Openings)

	Employment		Annual Growth Openings	Total Annual Openings	Min. Training/ Ed Required
	2004	2014			
Retail Salespersons	14,510	16,690	218	745	Short Term on Job Training
Cashiers	13,390	13,800	41	693	Short-Term on Job Training
Waiters and Waitresses	7,200	8,080	88	458	Short Term on Job Training
Registered Nurses	10,290	11,690	140	355	Assoc. Degree
Customer Service Representatives	11,830	13,360	152	328	Mod. On Job Training
Combined Food Preparation, Serving Workers incl. Fast Food	5,150	5,790	64	287	Short Term on Job Training
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	9,150	10,010	86	259	Short Term on Job Training
Office Clerks, General	10,440	10,570	13	244	Short Term on Job Training
Stock Clerks and Order Fillers	6,320	6,080	0	234	Short Term on Job Training
Accountants and Auditors	6,770	7,750	98	226	Bachelor's Degree

Top 10 Occupations that Require Post-Secondary Education (Projected Annual Growth Openings)

	Employment		Annual Growth Openings	Total Annual Openings	Minimum Training/Ed. Required
	2004	2014			
Registered Nurses	10,290	11,690	140	355	Assoc. Degree
Accountants and Auditors	6,770	7,750	98	226	Bachelor's Degree
Computer Software Engineers, Applications	2,360	3,270	91	114	Bachelor's Degree
Nursing Aides, Orderlies, and Attendants	7,580	8,460	88	187	Post-Secondary Vocational Training
Computer Systems Analysts	3,760	4,590	83	126	Bachelor's Degree
General and Operations Managers	5,990	6,680	69	182	Work Experience+ Bachelor's Degree or Higher
Network Systems and Data Communications Analysts	1,180	1,740	56	70	Bachelor's Degree
Business Operations Specialists, All Other	3,660	4,210	55	118	Bachelor's Degree
Network and Computer Systems Administrators	1,470	1,950	48	64	Bachelor's Degree
Computer Support Specialists	2,400	2,880	48	78	Assoc. Degree

Occupation Projection Summary

- The largest occupation in terms of 2004 employment (14,510), projected 2014 employment (16,690), annual growth openings (218), and total annual openings (745) is the **retail salesperson**
- The largest occupation requiring post-secondary education, in all fields of analysis was the **registered nurse**, which was also fourth in the total annual openings list for all occupations
- **Accountants and auditors** were featured on both top ten lists; the occupation was second on the annual growth openings for occupations that require post-secondary education

Section III

Conclusions and Recommendations

This Section of the document provides a summary of the key findings in the Economic Conditions & Trends Report. It includes Vernon's strengths and challenges, followed by recommendations that outline priorities and actions to preserve our strengths and meet the challenges.

Many of the economic conditions found in the Town of Vernon are a result of economic patterns that have been evolving over a long period of time, such as the decrease of manufacturing and the increase of a service economy. State, national and global economic factors also affect the local economy but the Town has little control over them. The Town does control certain factors that are very important to its economic base, for example its ability to maintain public services (e.g. infrastructure, education, basic services), manage public finances, and create a business friendly climate at Town Hall where existing and prospective businesses can thrive.

Strengths

- Location

Vernon can easily meet accessibility and transportation requirements for businesses and developers. The old adage for real estate value states the prime ingredient is “location, location, location”. Perhaps Vernon’s greatest inherent asset is its central location halfway between New York City and Boston. It is easily accessible to all of New England and is located within ten miles of the I91/84 interchange in Hartford. Vernon is enhanced by three fully developed interchanges. It is easily accessible to the major regional population centers of Hartford, New Haven, Springfield, MA and Worcester, MA and is an easy 20 minute ride to Bradley International Airport. Vernon’s location also makes major market areas of the Mid-Atlantic States and Quebec Province easily accessible.

- Population

Vernon has increased its population since the year 2000 and continues to be a desirable suburban community in which to live. Vernon has seen substantial new residential development that has led to this increase in population including 600+ unit luxury residential rental community The Mansions at Hockanum Crossing, over 200 units of active adult housing, and such innovative housing product as the 55 units Whitney Crossing, a non age restricted community of single-family detached condominium homes.

- Housing

Vernon has a variety of housing types (single-family, multi-family, condominiums, mobile homes) and a balanced mix of owner and rental options with affordable housing prices. The densely populated Rockville section features a wide assortment of Victorian era housing while the more suburban Vernon neighborhoods offer a wide variety of post war subdivisions. The areas south of I84 boast a truly rural feel rounding out what is an attractive mix that offers opportunities to all segments of the housing market. In addition, its easy accessibility to urban employment centers makes it an ideal place for commuters to reside.

- Quality of Life

Vernon enjoys a desirable quality of life having amenities, goods and services, cultural-recreational activities and amusements. Also contributing to the quality of life are its well developed infrastructure, town services, public utilities, natural resources and historic areas. Vernon has substantial recreational areas that are unique for a town its size including Valley Falls Park, Camp Newhoca, Henry Park, Legion Field and a number of passive recreation areas. Also passing through the community is the Tankeroosen and Hockanum Rivers, sources of recreational opportunities and the reason for Vernon/Rockville's significant manufacturing history.

- Town management

Town services are well managed by professional staff with stringent financial oversight. The town boasts a 50 plus sworn member police department, a 150 member volunteer fire department and first aid squad, in house trash collective, in house road building capability, a modernized high school, middle school, and four elementary schools that consistently rate well within their CT Economic Reference Group.

- Skilled work force

Vernon's work force has a solid educational attainment, graduation rate and post secondary education. There are many colleges & universities and technical schools in close proximity offering great choices for higher education and work force training. Those include the University of Connecticut, Central and Eastern Connecticut State Universities, Goodwin College, Manchester Community College, Capital Community College, Howell Cheney Technical School, and Porter and Chester Institute. Private colleges within easy commuting distance of Vernon include Trinity College, the University of Hartford, Rensselaer Hartford Campus and over ten top rate schools in the greater Springfield and Worcester areas.

- Employment base

Vernon has a strong employment base in sectors that are projected to grow, such as health and social assistance, accommodation & food services, and professional, scientific & technical services.

- Developable land

Vernon has economic development opportunities with developable land available along its major commercial corridors and I84 highway, and the potential re-use of existing buildings. There are undeveloped and underutilized properties in commercial and industrial areas and residential districts throughout town.

Challenges

- Major employers

Government and health sectors are significant major employers in Vernon. This includes the Town & Board of Education, State of Connecticut, Rockville General Hospital, Visiting Nurses & Health Services, Fox Hill Nursing & Rehabilitation, and Vernon Manor. While generally stable, these employers most likely will not generate substantial new tax revenues or significant new employment opportunities.

- Development restrictions

Many of the large parcels of land available for development in Vernon have limitations such as having less than 50 acres of land area, wetlands, aquifer zones, or environmental restrictions. Many developers and site selectors attempting to site major commercial and industrial projects commonly seek larger sites that are generally flat and dry. The inherent beauty of the Vernon area which is graced by rolling hills, streams and lakes limits large scale development activities.

- Business establishments

The number of business establishments decreased from 1999 – 2006 in Vernon while region and state remained stable and national numbers increased.

- Declining employment
Employment in Vernon has been flat since 2000, while county and state has been stable and national numbers increased. The most significant decrease was in manufacturing jobs. Finance & insurance, and government also decreased.
- Downsizing
Utility, management, and information jobs per establishment experienced a significant drop since 2000 due to downsizing.
- Impact of national economic conditions
The recent downturn in the national economy has negatively affected employment and financing for housing, businesses and development projects. State and local revenues have also been impacted. While Vernon has had large projects approved recently including Home Depot and several housing developments, starts are now slow and affected by the inactive consumer. Their absorption and contribution to the tax base is in question. Serious challenges face the local economies for the next three to four years.

Preliminary Recommendations

While many of the areas that we have addressed are beyond the Town's control, the Economic Development Commission believes that the priorities and action items outlined herein are the blueprint for success in coming years for growing the tax base resulting from a thorough study of the trends and conditions that presently exist.

- **The retention and support of existing businesses is a top priority.** It is much less costly to retain business than to recruit new business. An important component of business support is to maintain on-going contact with business owners and organizations in order to be able to act proactively when issues or problems arise. The Town must also work to preserve and promote its strengths as a community in order to attract future growth.

Action Steps:

Instituted an outreach program to provide help to employers looking to borrow money for expansion and/or cash flow needs from public and private sources; to help those seeking assistance with bureaucratic issues; and help with exploring opportunities for government contracting including coming opportunities in future economic stimulus packages.

Create a mechanism for monitoring the business climate by sponsoring periodic meetings with existing business sectors to open communications, identify issues and discuss how the Town can assist.

Have an Economic Development Fair to promote our strengths and attract new business and development.

Market Vernon with Town advertisements in business and site selection web sites and publications.

Maintain the economic development web site constantly current.

Responsibility:

These efforts can be managed within the Economic Development function in partnership with appropriate agencies and organizations such as MetroHartford Alliance, Tolland County Chamber of Commerce, and CT Business & Industry Association.

Upgrades and updates of our web site can be done with the assistance of the Data Processing Department and GIS Coordinator.

- **Our employment base of health, retail and services must be maintained and expanded.** In particular, health services should be maximized and expanded in the area surrounding Rockville General Hospital. Additional health care uses could be attracted to the immediate RGH area if additional quality office space were available.

Action Steps:

Strengthen relations with the health services sectors such as Eastern Connecticut Health Network and Rockville General Hospital, and representatives from the retail sector; for example, by having periodic meetings to identify and address issues.

Convert vacant residential structures into attractive Victorian style office buildings that could bring additional revenues to Rockville and serve to reduce residential density, a long recognized goal in Rockville's redevelopment.

Responsibility:

This can be carried out within the Economic Development function.

The Town should explore the participation and possible funding of a non-profit entity to accomplish goals related to office conversion in the vicinity of the Hospital.

- **A mix of housing types that are affordable must continue to be accommodated and maintained.** Only by allowing for housing that makes financial sense to both develop and purchase will growth and modernization of the housing stock be obtained and along with it the resultant tax benefits.

Action Steps:

Maintain and encourage the development of a variety of housing types.

Review and incorporate zoning options in the new Plan of Conservation & Development that allow for conservation of more of Vernon's natural resources while reducing sprawl. This would promote development of alternative housing product that would compete in the post real estate bubble market of the next decade. This is particularly important in current conditions when demand for single-family home ownership has slowed.

Undertake a comprehensive review and education process of new ideas through the appropriate Development departments and distributed to our Boards and Commissions.

Eliminate blight conditions where they exist by working in partnership with the Vernon Housing Authority and other private non-profit housing development corporations.

Promote the anti-blight ordinance and create opportunities for property owners to participate.

Responsibility:

These efforts must be coordinated among the various agencies and departments that are involved with housing such as the Vernon Housing Authority, Planning, Zoning, and Building Departments.

- **The Town of Vernon should explore and support an Energy Improvement District as an economic development tool for power generation, transmission, and distribution.** The development of an alternative energy system or facility would offer businesses flexibility and reliability as well as a potential reduction in the cost of doing business through reduced energy costs and a potential source of revenue for the Town in the long term. This promises to be a high growth area over the next decade. With Vernon's ideal location between the University of Connecticut and Pratt and Whitney, both of whom are heavily invested in fuel cell technology, a concerted effort must be made to attract new investment by start up ventures that can be attracted to new or retrofitted commercial space supplemented with quality and affordable housing for their workers.

Action Steps:

Investigate sources of energy including fuel cells and hydro power for both their cost effectiveness and their "green" attributes that reduce our nation's reliance on foreign oil.

Work with our congressional delegation to promote Vernon as an ideal venue for alternative energy source development.

Coordinate with other appropriate agencies to research and determine the best approach for Vernon to develop alternative energy systems, such as the Connecticut Center for Advanced Technology, CT Dept. of Economic & Community Development, and the U. S. Dept. of Energy.

Create incentives for development that incorporates the U.S. Green Council LEED (Leadership in Energy & Environmental Design) standards.

Responsibility:

This initiative involves elected officials and Administration with participation from Economic Development.

- **The creation of a single point of contact for the permitting process is a priority, in conjunction with user friendly regulations that are applied consistently and accommodate business needs.** The Town's image is on the line when a prospective business or developer comes in with a proposal and forms an impression of Vernon. The Town of Vernon has historically been considered a difficult place for developers to do business. Numerous politicized development projects have caused developers to stay away rather than invest their valuable cash and planning resources in a town that does not seem to "want" development. There has been talk for many years of encouraging "one stop permitting" but to no avail. As our national economy contracts, developers will look to maximize their potential for approvals and not waste time and money where it is unwanted.

Action Steps:

Create a business friendly image that is welcoming and conveys a sense of partnership with prospects.

Have a "business ombudsman" within the Development departments to be responsible for guiding applicants through the development process and facilitate reviews and approvals.

Responsibility:

This can be accomplished within the Development and Economic Development functions

- **The Town of Vernon should study and implement zone changes that reflect business needs and maximize the remaining developable land in Town in conjunction with the community's interest as a whole.**

Action Steps:

Identify target areas for zone changes, address development issues, and become more proactive in proposing changes to facilitate economic development.

Develop on-going communications with Planning & Zoning Commission and share agendas.

Participate in the preparation of the Plan of Conservation & Development.

Responsibility:

This initiative involves the Economic Development Commission and the Planning & Zoning Commission.

- **The Town of Vernon should continue to support the Rockville Downtown Revitalization Plan in partnership with the Rockville Downtown Association.** The revitalization of Rockville is key to the overall health of the Vernon community and should be a top priority.

Action Steps:

Work to retain and use the \$6M federal transit funds in the manner that is consistent with Town goals.

Research what types of businesses would be best suited to locate in the Downtown area.

Share proposals and updates with the Economic Development Commission.

Support efforts in progress with Hallkeen Development.

Responsibility:

This is an initiative of the Rockville Downtown Association. The Town of Vernon will continue to provide funding towards the management of this effort.

- **The Town of Vernon should explore and develop local incentives to attract future economic development and encourage innovative building development.** Also, regulations and incentives through ordinances to spur residential and commercial investment in existing structures should be developed.

Action Steps:

Explore tax incentives such as tax increment financing, and regulatory incentives such as development bonuses.

Consider offering tax incentives that promote density reduction in congested areas and rehabilitation of dilapidated properties.

Research programs for business tax incentives tied to energy efficiency, and other incentives as ways to encourage new businesses and development.

Explore providing free access to advertizing on the Town's web site.

Responsibility:

This must be a joint effort involving Economic Development and other appropriate Departments such as Finance, Planning & Zoning as well as Administration and Town Council.