



REIMAGINE RUTLAND

DOWNTOWN RUTLAND STRATEGIC PLAN



May 2020



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Cover Photo: Donna Wilkins Photography



Photo Source: Donna Wilkins Photography

ACKNOWLEDGEMENTS

The REIMAGINE RUTLAND project gratefully acknowledges the many individuals and organizations that contributed their time, energy, and ideas toward the creation of the plan. Numerous community members and stakeholders attended the open houses, participated in walking tours, and participated in one-on-one interviews. The contribution of their time and ideas has led to the creation of a community-driven strategic plan for the future of Rutland's downtown.

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INTRODUCTION

Overview | Study Area | Community Engagement | Existing Studies



OVERVIEW

With just under 16,000 people, Rutland is the fifth largest municipality in Vermont, and the largest municipality in the southern portion of the state. The city has many positive attributes, including a robust and well-articulated entrepreneurial ecosystem, residents who support local business, access to many nearby outdoor recreation resources, and ample historical buildings.

However, residents and businesses have been working to weather the declining population and economic shifts; with relatively high property crime, difficulty filling jobs, a decrease in businesses (down by 200 in the county from 2017 to 2018), the recent closing of the College of St. Joseph, the city is working through its share of challenges. The city is also facing the significant problems facing many Vermont communities, including declining and aging populations, an obsolete housing stock, and limited commercial investment.

Many economic development, business, and planning entities have invested effort into boosting Rutland's quality of life and economic conditions. And the efforts are working – whether it's being a finalist in a national downtown competition, encouraging new people to move to Rutland via the "Rutland Red Carpet" and the state's Stay to Stay program, building community connection via one of the many annual events, or offering business incentives and assistance to new and established entities.

The Rutland Redevelopment Authority (RRA), the Downtown Rutland Partnership (DRP), and other partners invested in an action-oriented market analysis and strategic plan for the City of Rutland's Downtown Special Benefits District (SBD) that involves broad collaboration of both public and private sector organizations and public engagement. Guided by staff from these organizations and a steering committee, this collaborative process gained insight into the area's competitive advantages resulting in tangible economic goals for strategic growth.

The resulting Downtown Strategic Plan is organized into the following chapters:

Baseline Assessment | This includes a demographic and socioeconomic profile of the city and economic data and trends analysis that understands industry strengths, growth, and concentration. This creates a baseline of information that will inform subsequent portions of the report.

Real Estate Market Analysis | The purpose of a market analysis is to ask, "what are the opportunities that private businesses, developers, and investors would be interested in", and "what are the challenges and barriers that may prevent them from investing in those opportunities in downtown Rutland?" This section explores the retail and entertainment, commercial office, residential, and lodging markets as potential opportunities for (re)development and economic growth given the market conditions of Downtown Rutland.

Opportunities and Challenges | This chapter summarizes the critical issues, key opportunities, and major themes that emerged from the research and analysis of Downtown Rutland. The findings in this section of the report help lay the foundation for the strategic plan's goals and strategies.

Goals and Strategies | This chapter outlines the goals, strategies, and tactics that compose the Downtown Strategic Plan. Based on the research, analysis, interviews, and public input, four overarching goals were crafted and detailed strategies and action items were established to achieve each.

Implementation | This chapter provides implementation guidance for each strategy, including action items to complete, priority level, timeframe, resources, and partners.

STUDY AREA

This document primarily focuses on Rutland’s Special Benefits District, referred to as Downtown Rutland throughout the study. The area is bordered on the north by state street, to the west by Pine Street and the Rutland Depot, and extends to the west ending at Court Street.

Rutland’s location in Vermont’s Green Mountains and short drive to the Taconic Mountains, Killington Resort, and Pico Mountain strengthen its position as a city with close access to natural amenities. Downtown Rutland is home to numerous historic buildings, a restored theatre, and a regionally-recognized farmers’ market. For travel, someone could take passenger rail from the station downtown from NYC to Rutland, and starting in 2021, from Rutland to Burlington.

Significant uses in the study area include the Paramount Theatre, the Community College of Vermont-Rutland, and Wonderfeet Kid’s Museum. Currently, the local area is served by the Rutland Plaza which includes a Walmart, Price Chopper, TJ Maxx, Flagship Cinema, and other retailers. The downtown’s dining options are a regional draw, and the downtown has a rather large concentration of murals produced by local artists.

Despite a high vacancy of ground-level retail, many events occur downtown on a seasonal basis. And in recent years, streetscape improvements have been made as seen through signage, sidewalk improvements, and the Center Street Marketplace Park.



Wonderfeet Children's Museum. Photo source: Wonderfeet

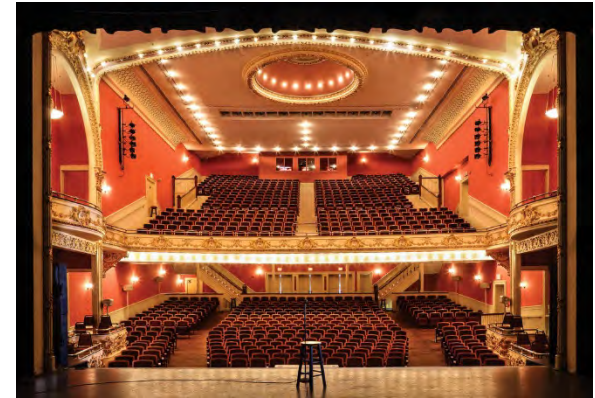
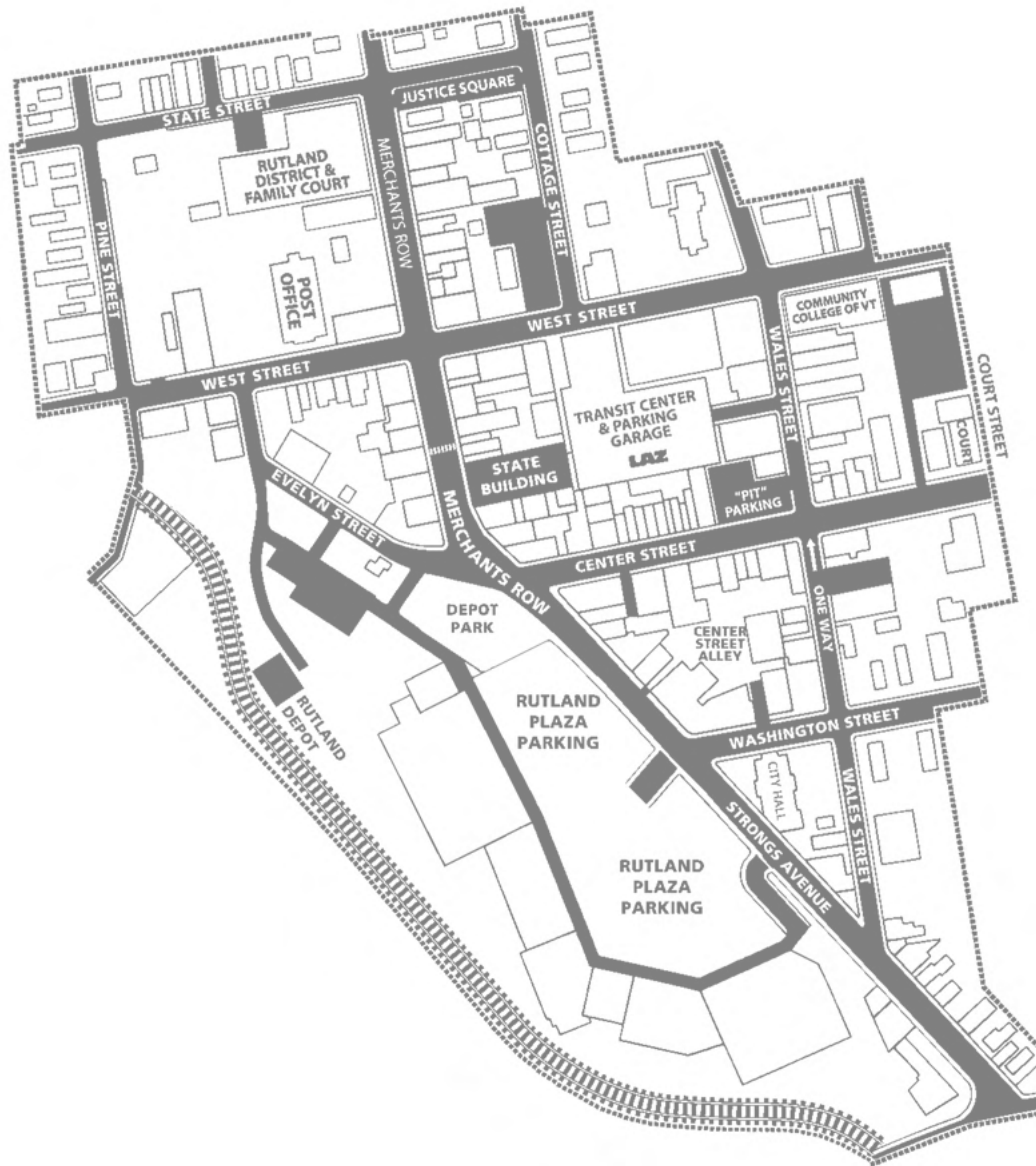


Community College of Vermont – Rutland. Photo source: Wonderfeet



Depot Park. Photo source: Donna Wilkins Photography

Special Benefits District



Paramount Theatre. Photo Source: Downtown Rutland Partnership



Center Street Marketplace Park. Photo source: Vermontbiz.com



Rutland Plaza. Photo source: Google Streetview

METHODOLOGY & COMMUNITY ENGAGEMENT

Methodology Overview

To complete the Reimagine Rutland Downtown Plan, the following tasks were completed:

- *Reviewed* existing economic and downtown reports, analyzed of industry and workforce data, and examined residential, retail, and office markets to establish a baseline understanding of current conditions.
- *Engaged* in a comprehensive public and stakeholder engagement protocol, including a community open house and walking tours, one on one interviews, focus groups, and a larger community workshop to gain insights in the critical issues and opportunities facing Rutland.
- *Assessed* the economic drivers in the SBD and surrounding city to identify areas of strength and opportunity. The findings of the assessment guided a strategy to position the city to capitalize on its unique assets to support existing businesses and attract new.
- *Created* a customized economic development Action Plan Matrix that includes specific guidance related to addressing challenges and enhancing strengths, with a focus on industries and markets that build off existing assets of the SBD and Rutland.

Community Engagement Process

As a cornerstone of this project, the following outlines the specific ways in which the community was engaged:

Community Open House and Walking Tour: November 14, 2019 | with over 70 people participating throughout the day, the purpose of this event

was to introduce people to the project, obtain feedback through a number of self-directed activities, and conduct a walking tour of the downtown to understand where community members see potential. As a result of the event, the consultant team better understood the challenges and opportunities facing downtown.



Downtown Strategic Plan Community Open House.



Downtown Walking Tour

Stakeholder Interviews | 25 interviews were completed either in-person or over the phone. The purpose of these interviews was to understand issues and opportunities in-depth, clarify potential for partnerships, and inform the consultant team of the political, market, and community realities of downtown strategies.

Community Workshop: February 13, 2020 | With a set of draft strategies to review, the consultant team conducted a public participatory process that engaged attendees to give feedback of said strategies. As a result, strategies were omitted, added, and modified to more clearly align with the needs and interest of the community.



Community workshop

Stakeholder Interview and Focus Group Participants

- **Dave Allaire**, Mayor - City of Rutland
- **Tara Kelly**, Zoning Admin and Planning – City of Rutland
- **Ed Bove**, Rutland Regional Planning Commission
- **Tyler Richardson**, Rutland Econ Development Corporation
- **Mary Cohen**, Rutland Region Chamber of Commerce
- **Bruce Bouchard**, Paramount Theater
- **James Lambert**, Castleton University
- **Dennis Proulx**, Castleton University
- **Danielle Monroe**, Wonderfeet Kids' Museum
- **Laura Pierce**, Rutland Young Professionals
- **David Wolk**, Superintendent of Rutland City Schools
- **Mark Foley Jr.**, Property Owner
- **Erica Ballestra**, Property Owner
- **John Zawistoski**, Downtown Partnership Board Member
- **Sam Kallmerten**, Brixmor Property Group
- **Ginger Gellman**, CCV
- **Bridget Scott**, Business Owner
- **Steve Willoughby**, Business Owner
- **Rebecca Bounadonna**, Business Owner
- **Steve & Anna Montanez**, Business Owners
- **Eileen Caughlin**, Business & Property Owner
- **Ivan Rochon**, Business & Property Owner
- **Joe Giancola**, Developer and Property Owner
- **Jim Watson**, Realtor
- **Steve Costello**, Green Mountain Power/Innovation Center



Community input on opportunities and ideas for Downtown Rutland

Community Engagement Themes

As a result of the community engagement, the following themes were identified:

Opportunities & Ideas for Downtown

- Activities
 - Recreation/activities facility/options for families and teens
 - Outdoor spaces e.g. dog park, walking trail, park
- Infrastructure
 - Transportation coordination/connection between bike/bus/ped
 - Close off Center Street

- Business
 - Retail: name brand restaurants & shopping, popups, rotating food trucks, stay open past 5
 - Build off farmers market success
 - Provide incentives for landlords and/or businesses DT
 - Expand tourism, creative, recreational economies
 - Hotel
- Placemaking
 - More public art/murals
 - More events e.g. music, film, art festivals
 - More housing downtown (apartments)

Challenges & Problems Facing Downtown

- Parking perception
- Infrastructure
 - Sidewalks
 - Lack of places to sit
 - Lack of high quality outdoor places
 - Fix the Pit
- Businesses
 - Empty storefronts
 - Not open late
 - Rents too high
- Housing
 - Need for more affordable, 2nd story
- Negative perception/naysayers
 - Lack of DT as a destination
 - Perception of lack of safety
 - Poor self-image

REVIEW OF KEY EXISTING STUDIES

This study adds to a wealth of planning documents created for Rutland. To understand the context for the downtown plan, the consultant team reviewed previous studies completed. These include:

- Downtown Rutland Partnership 2019-2020 Workplan
- Rutland Housing Market Study Update, 2019
- City of Rutland Complete Streets Guidance Document, 2018
- Evelyn Street Corridor Redevelopment Report, 2017
- Tourism in Vermont Benchmark Study, 2017
- Gateway Plan, Downtown Rutland, 2015
- Northwest Neighborhood Revitalization Study: Rutland, Vermont, 2014
- Rutland, Vermont City Master Plan, 2014
- Market Study Update, 2013
- Analysis of Potential Market Demand for the Proposed Downtown Rutland Hotel to be located in Rutland, Vermont, 2013
- Downtown Rutland Traffic Study, 2011
- Reconnecting for Rutland's Future: A Strategic Plan for Downtown Rutland, Vermont, 2009

Certain key elements emerged from a number of these studies as it related to the downtown plan:

Reconnecting for Rutland's Future: A Strategic Plan for Downtown Rutland, Vermont, 2009 | This report is the last time a strategic plan was created for the downtown area. Data from this report was updated in 2013. Highlights include:

- A ZIP Code survey of sales data from 22 businesses revealed that customers come from 186 unique American zip codes representing 28 states, 2 Canadian provinces, Puerto Rico and Sweden.

- 40.9% of customers lived inside the city limits of Rutland and an additional 11.6% of the customers were from the Rutland zip code but outside of the city limits.
- Downtown Rutland has a very strong customer base, but only a few businesses that have a strong visitor pull.
- Rutland is clearly a dining destination, and a downtown dining cluster could emerge drawing people from further away.
- Future retail opportunities must be highly specialized in order to survive downtown.
- Recommendations and strategies include:
 - Fostering the downtown brand
 - Encouraging economic investment
 - Cultivating arts and culture
 - Creating a new neighborhood downtown via residential development
 - Partnering the city with farm to create a food strategy

Rutland Housing Market Study Update, 2019 | This report helped provide context into the residential market section and is an update to the 2012 report completed by I Squared Community Development. Highlights include:

- While the market to purchase a home is healthy, the rental market is perceived as poor and quality, affordable rentals are hard to find.
- Fifty-three percent of vacant units in the City of Rutland are classified as "other vacant" indicating these properties could be abandoned, in foreclosure, or held for speculation.
- Weak housing fundamentals are seen in the declining population, household income, and number of jobs.
- Rental properties are the hardest to find for low-income households. About 65% of renters have incomes below \$35,000 per year.
- Data suggests there might be a market for higher-end rental housing downtown, as evidenced by a lack of supply of rental

units coupled with a supply of households making enough money to afford such apartments.

- High property taxes, safety, housing quality, and school quality as major concerns for living in the city. Additionally, high property taxes and tight landlord regulations were cited as challenges to invest in the rental market.
- The report recommended to focus on downtown Rutland and identify prime sites for redevelopment as a means of catalyzing economic development for the entire city, and support investment in Rutland's downtown and neighborhoods.

Analysis of Potential Market Demand for the Proposed Downtown Rutland Hotel to be Located in Rutland, Vermont, 2013 and Evelyn Street Corridor Redevelopment Report, 2017 | These documents were helpful in understanding past efforts to create a downtown hotel and the overall feasibility of development. They both included cost estimates and barriers to development, which were considered in this report.

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BASELINE ASSESSMENT

Demographics | Business | Economy

2

DEMOGRAPHIC & SOCIOECONOMIC PROFILE

How do shifts in the population, age, number of households, and income impact how the community can support Rutland’s downtown, and how Downtown can serve its residents? Understanding this data can help create strategies that align with and work toward creating a more vibrant and integral downtown.

The data in this section largely come from Esri Business Analyst, a robust a proprietary data source used by Camoin 310. It combines demographic, lifestyle, and spending data to provide market intelligence for strategic decision-making. Esri uses proprietary statistical models and data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to present current conditions and project future trends.

Study Areas

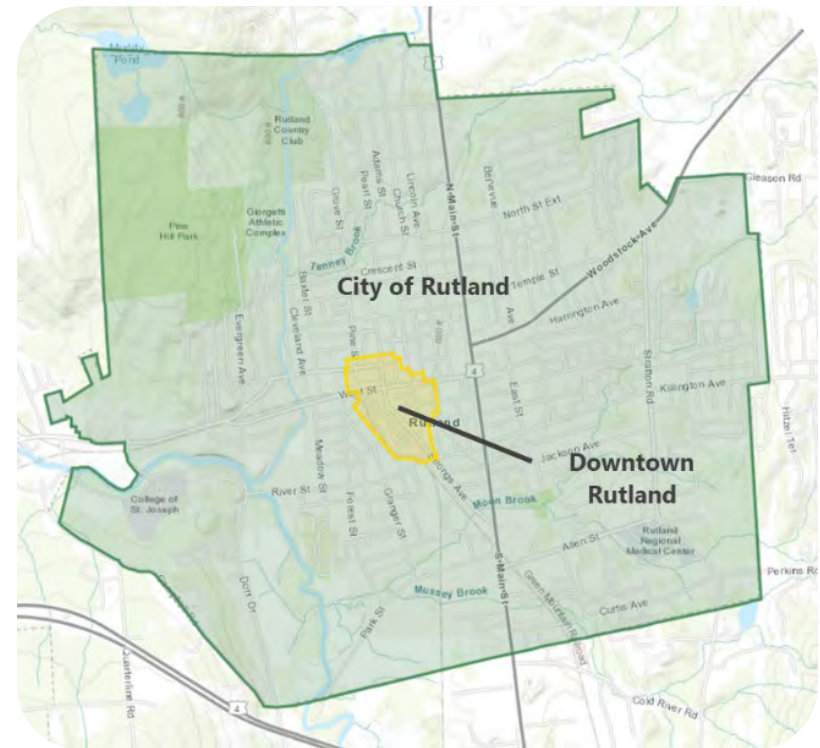
The following maps illustrate the geographic areas used in the analysis. Downtown Rutland is compared to the larger City of Rutland, Rutland County, and in some cases, the State of Vermont. This comparison helps identify the unique trends and characteristics of the downtown area.



Downtown Profile

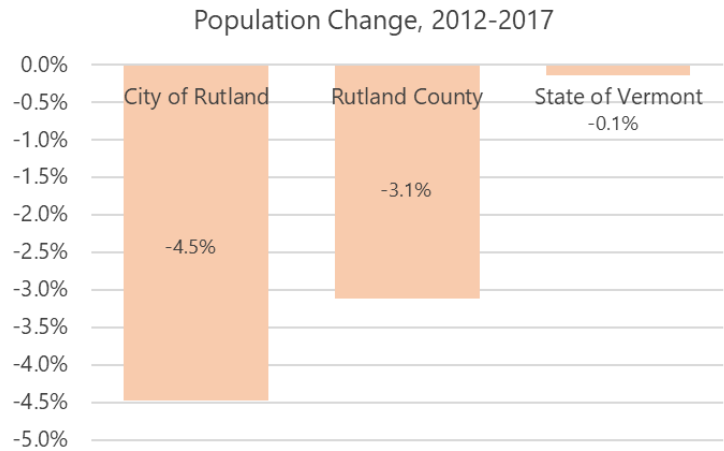
	Downtown	City of Rutland
Population (2019)	257	15,871
Median Age	45.5	45.0
Median Household Income	\$29,374	\$45,895
Pct. Bachelor’s Degree or Higher	21%	31%
Housing Units	207	7,840
Pct. Renter-Occupied	72%	41%
Median Age of Housing (years)	81	69

Source: Esri



Population Trends

The population of the city, county, and state have declined in recent years. From 2012 to 2017 the population declined 4.5% in the city, 3.1% in the county, and just 0.1% statewide.

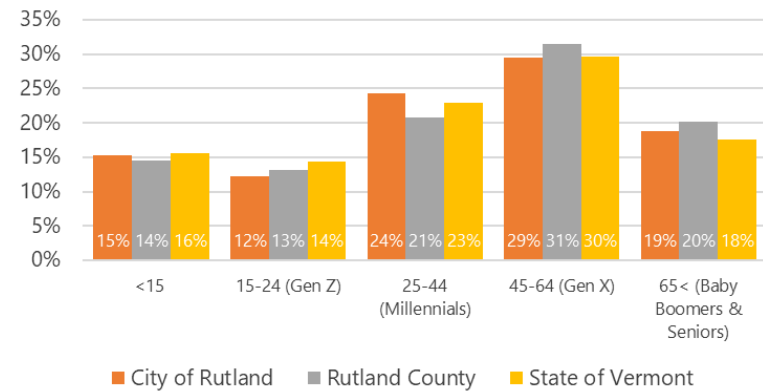


Source: U.S. Census Bureau, 2013-2017 & 2008-2012 ACS 5-Year Estimates

Age of the Population

Age characteristics are important in understanding future population shifts, workforce availability, and the potential need for services now and in the future. The distribution of age groups is generally similar between the city, county, and state. The city has roughly the same proportion of millennials as the statewide figure (24% and 23%) whereas the county has a slightly lower proportion (21%). If a higher proportion of these millennials currently live in the city, it is possible that additional millennials could be drawn to the city, and particularly Downtown, as well.

Population by Age Cohort, 2017

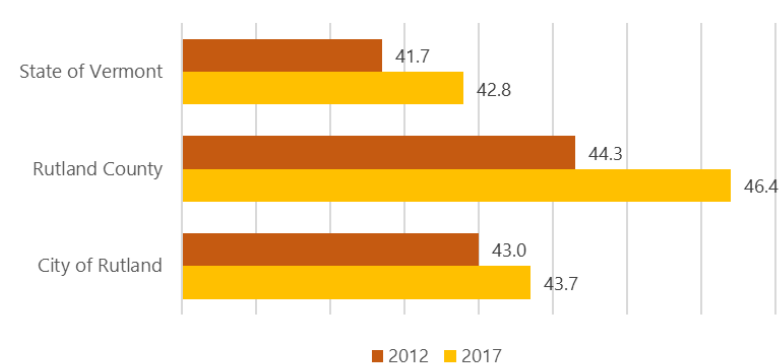


Source: U.S. Census Bureau, 2013-2017 ACS 5-Year Estimates

Median Age

Trends in median age helps us understand how the overall population has aged. Compared to other locations, the current median age in the county (46.4) is older than both the city (43.7) and state (42.8). The county has also seen the largest increase in median age from 2012 to 2017, 2.1 years. This is on-trend with an aging population nation-wide. Creating strategies for this aging population to align with downtown development will be key toward both meeting the health needs of the population and development needs downtown.

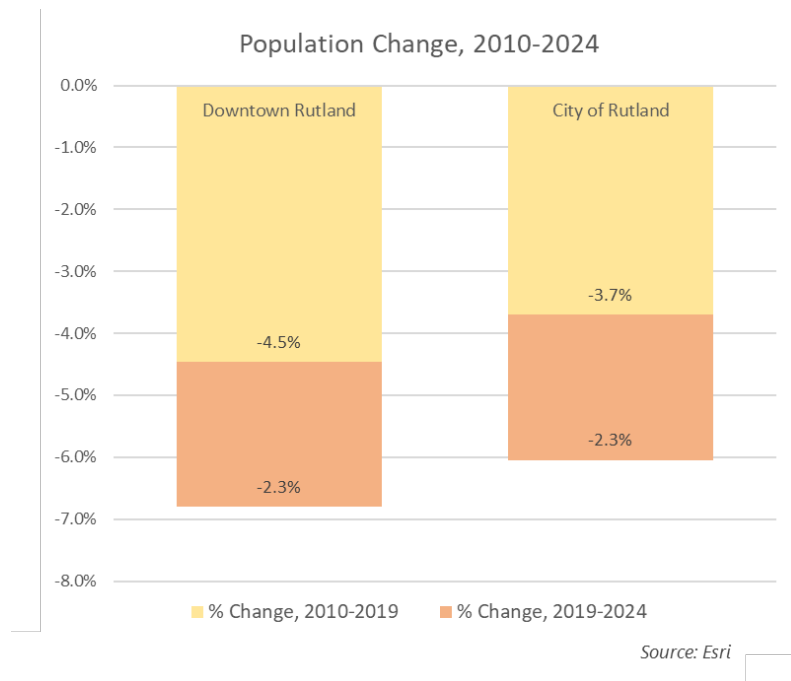
Median Age, 2012 & 2017



Source: U.S. Census Bureau, 2013-2017 & 2008-2012 ACS 5-Year Estimates

Population Projections

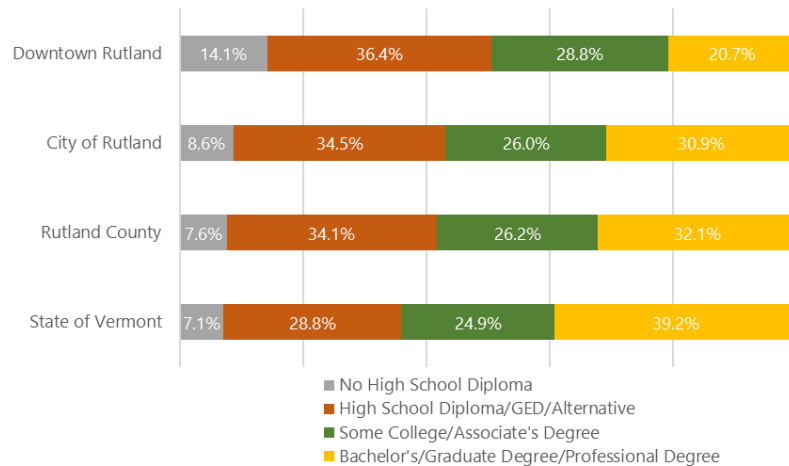
Downtown Rutland has a very small resident population with an estimated 257 people living in the area, representing less than 2% of the City population of 15,870. The population of the city and downtown area are expected to decline, both down 2.3% in the next five years. Paired with historical population changes, this brings a total population loss of 6.0% in the City of Rutland and 6.8% in the Downtown. As population growth is a main driver of economic development, it will be important to address and attempt to reverse this as a downtown economic development strategy.



Educational Attainment

An analysis of the educational attainment reveals some significant differences between the geographic locations. Within the Downtown, 14.1% of the population does not have a high school diploma, compared to 7.1% statewide, 7.6% in the county, and 8.6% in the city. Only 20.7% of the Downtown's population has a bachelor's degree or higher compared to 39.2% state-wide, 32.1% in the county, and 30.9% in the city. This presents both an opportunity and a challenge for community and economic development initiatives; while there may be an opportunity or need for additional training and education programs, at present it may limit the opportunities for the current workforce both in job availability and wages.

Educational Attainment, 2019



Source: Esri

Photo Source: Donna Wilkins Photography



Households & Income

Median Household Income

The median household income for households in the Downtown is almost 50% less than that of the state: \$29,400 compared to \$57,200. A lower income typically means less disposable income, higher reliance on services, and more housing and employment instability. The difference in incomes is likely attributable to the presence of 70 Castleton University students and 75 low-income seniors living downtown.)

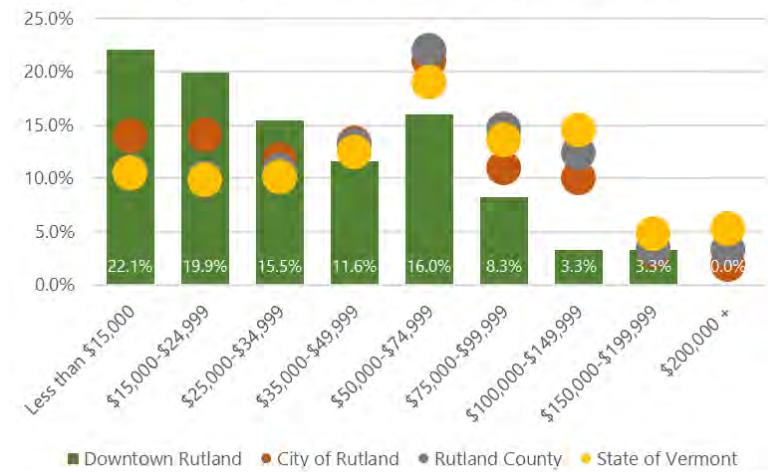
2019 Median Household Income		
Region	Median Income	% Different than State
Downtown Rutland	\$ 29,374	-49%
City of Rutland	\$ 45,895	-20%
Rutland County	\$ 54,438	-5%
State of Vermont	\$ 57,183	-

Source: Esri

Households by Income Cohort

When looking at household distribution by income levels, there are clear income disparities between the Downtown and the city, county, and state. Over half (57.5%) of households in the Downtown make less than \$35,000 per year compared to 30.4% statewide, 31.3% in the county, and 39.6% in the city. Just 6.6% of households in the Downtown make over \$100,000 annually compared to 24.6% statewide, 19.0% in the county, and 15.2% in the city.

2019 Household Income by Income Cohort



Source: Esri

Median Net Worth

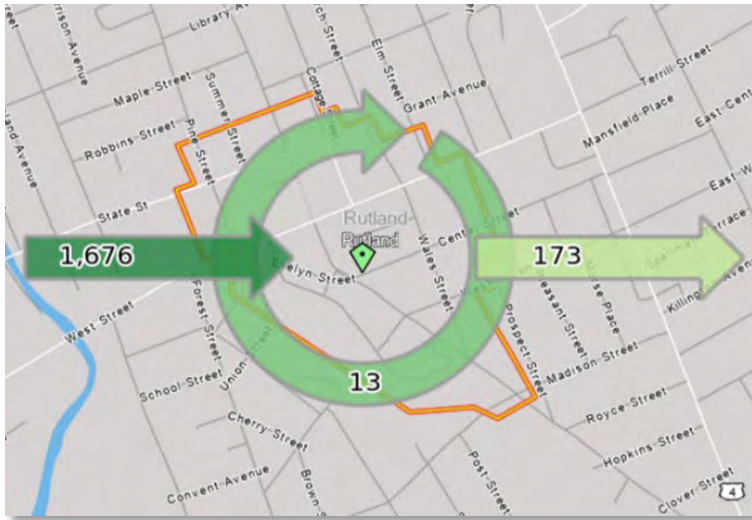
Net worth is the total household wealth (home equity, investments, etc.) minus liabilities. When comparing net worth among the regions, we continue to see significant disparities between the Downtown and other geographic regions. The net worth of households in Downtown is only \$12,700, nearly 90% less than the median net worth of the state. This could lead to problems accessing loans and credit for homes or businesses; saving enough for retirement; or accessing schooling or other opportunities for economic advancement.

2019 Median Net Worth		
Region	Net Worth	% Different than State
Downtown Rutland	\$ 12,687	-89%
City of Rutland	\$ 50,625	-58%
Rutland County	\$ 124,040	4%
State of Vermont	\$ 119,837	-

Source: Esri

Commute Patterns

How residents move around a region is important when analyzing workforce characteristics, employment locations, shopping for daily necessities, and leisure and entertainment. It can also be an important component of regional culture, covering how residents move around, how far they need to travel to find work suitable for their skills, and how far they are willing to travel for entertainment.



Source: US Census 2017 OnTheMap

Overall, of the estimated 1,689 workers that are employed in Downtown Rutland, only 13 also live in Downtown according to Census data, with the vast majority commuting in. Approximately 173 live Downtown but commute out of the downtown area for work.

The commuting patterns to the right indicate where people who work in Downtown Rutland live and where Downtown Rutland residents work. Thirty-one percent of workers in Downtown live within the city limits, with 6.5% living in the Town of Rutland, and another 3.9% living in Clarendon. For those that live in Downtown Rutland, 46.2% work in the city, with another 7.0% working in Killington and 5.9% in the Town of Rutland.

Top 10 Places of Work for Downtown Rutland Residents

Place of Work	# of Residents	% of Residents
City of Rutland	86	46.2%
Killington	13	7.0%
Town of Rutland	11	5.9%
South Burlington	8	4.3%
Williston	6	3.2%
Bennington	5	2.7%
Castleton	4	2.2%
Clarendon	4	2.2%
West Rutland	4	2.2%
Middlebury	3	1.6%
Total (Top 10)	144	77.5%
All Places of Work	186	100.0%

Source: US Census 2017 OnTheMap

Top 10 Places of Residence for Downtown Rutland Workers

Place of Residence	# of Workers	% of Workers
City of Rutland	522	30.9%
Town of Rutland	109	6.5%
Clarendon	66	3.9%
West Rutland	62	3.7%
Pittsford	54	3.2%
Proctor	53	3.1%
Castleton	44	2.6%
Brandon	34	2.0%
Fair Haven	34	2.0%
Poultney	29	1.7%
Total (Top 10)	1,007	59.6%
All Places of Residence	1,689	100.0%

Source: US Census 2017 OnTheMap

The total number of workers living in Downtown Rutland, 186, is relatively low given the area. This is most likely impacted by the 71 Castleton University students who live downtown in the Gryphon Apartments and Foley Hall, and the 75 senior residents at the Bardwell House, an affordable housing community.^{1,2} While a portion of this population may be working, it is probable that the majority are most likely not working full time.³

Where Workers Work

When examining where Downtown Rutland workers work by industry, we see that the largest percent are in the retail trade industry, 34.8% or 588 workers. There are also a significant number of workers (over 100) in the information, finance and insurance, professional and scientific, health care, accommodation and food services, and other services industries.⁴ While the retail trade industry is the dominant sector downtown, the relative diversity of industry in downtown bodes well; in times of economic uncertainty a more diverse industry make up creates more resiliency throughout the community.

This information can help inform strategies that involve getting more people to live downtown, a logical first step being with the current workforce. By understanding the needs of the current work begins with knowing where they work and can help identify preferences in recreation and entertainment, price points for housing, and needs and preferences for goods and services.

Downtown Workers by Industry Type		
Industry	# of Workers	% of Workers
Construction	22	1.3%
Manufacturing	27	1.6%
Wholesale Trade	17	1.0%
Retail Trade	588	34.8%
Information	138	8.2%
Finance and Insurance	125	7.4%
Real Estate and Rental and Leasing	56	3.3%
Professional, Scientific, and Technical Services	127	7.5%
Management of Companies and Enterprises	17	1.0%
Administrative and Support and Waste Management	96	5.7%
Educational Services	17	1.0%
Health Care and Social Assistance	123	7.3%
Arts, Entertainment, and Recreation	25	1.5%
Accommodation and Food Services	167	9.9%
Other Services (except Public Administration)	144	8.5%
Total Downtown Workers	1,689	100.0%

Source: US Census 2017 OnTheMap

¹ <https://epmanagement.com/properties/bardwell-house/>

² <https://www.castleton.edu/campus-life/residence-life/living-on-campus/residence-halls/>

³ We analyzed full time primary jobs for our commuter analysis from US Census OnTheMap.

⁴ The Other Services (except Public Administration) sector comprises establishments engaged in providing services not specifically provided for elsewhere in the NAICS

classification system. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grantmaking, advocacy, and providing dry cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.

Housing Stock

The supply, condition, and cost of current housing has far-reaching implications in a community. The extent of quality housing that is accessible will impact workforce availability, support of downtown businesses, school enrollment, and more. While this section provides a brief overview of housing trends, housing is explored further in the residential market analysis portion of this report.

Occupancy Trends

The chart to the right details occupancy trends for each geographic location from 2010 to 2019 and 2019 to 2024. In general, across the state there has been a steady increase in both owner- and renter-occupied housing, with a 2.7% increase in the overall housing stock. In Downtown Rutland there is a projected increase in vacant units based on recent trends along with a decrease in both renter- and owner-occupied housing, and a decrease in the total number of overall housing units. Without a diverse supply of quality housing in a downtown area it is difficult to generate a sense of vibrancy and activity, especially outside of traditional work hours when people working Downtown commute home.

The housing stock in Downtown Rutland is limited according to data from Esri, indicating only 207 total housing units in 2019. About 72% (or 149 units) are renter-occupied, 16% are owner-occupied, and 12% are vacant. Within the city of Rutland as a whole, 49% of the housing stock is owner-occupied, 41% is renter-occupied, and 10% is vacant. In addition, within the city projections for 2019 to 2024 indicate an anticipated decrease in occupied units (-5.1%), but a jump in vacant units (by 30.6% or 224 units).

A housing market is considered “healthy” at around 5% vacancy. Beyond that there are concerns regarding over supply, substandard housing, or supply not aligning with the housing preferences of the potential demand pool. The combination of older housing stock and higher vacancy rates may indicate a need for newer housing units overall within the downtown. Housing market potential is discussed further in the Market Analysis chapter.

Occupancy Trends by Geography, 2010-2024					
Downtown Rutland					
	2010	2019	2024	% Change, 2010-2019	% Change, 2019-2024
Owner-Occupied	32	33	32	3.1%	-3.0%
Renter-Occupied	157	149	144	-5.1%	-3.4%
Vacant	24	25	31	4.2%	24.0%
Total	213	207	207	-2.8%	0.0%
City of Rutland					
	2010	2019	2024	% Change, 2010-2019	% Change, 2019-2024
Owner-Occupied	3,859	3,869	3,788	0.3%	-2.1%
Renter-Occupied	3,536	3,239	3,143	-8.4%	-3.0%
Vacant	676	732	956	8.3%	30.6%
Total	8,071	7,840	7,887	-2.9%	0.6%
Rutland County					
	2010	2019	2024	% Change, 2010-2019	% Change, 2019-2024
Owner-Occupied	18,147	18,361	18,079	1.2%	-1.5%
Renter-Occupied	7,837	7,179	6,975	-8.4%	-2.8%
Vacant	7,784	8,228	8,899	5.7%	8.2%
Total	33,768	33,768	33,953	0.0%	0.5%
State of Vermont					
	2010	2019	2024	% Change, 2010-2019	% Change, 2019-2024
Owner-Occupied	181,407	184,372	188,376	1.6%	2.2%
Renter-Occupied	75,035	82,543	83,876	10.0%	1.6%
Vacant	66,097	72,644	76,626	9.9%	5.5%
Total	322,539	339,559	348,878	5.3%	2.7%

Source: Esri

Housing Age

Downtown Rutland’s housing stock is aging; 66.8% was built in 1939 or earlier and its median age is 35 years older than figures seen at the state level. With limited buildable sites compared to places outside of Downtown, this is on-par with many small cities around the northeast.

The age of an area’s housing stock is an important indicator because it can provide a high-level estimate of the quality of the housing stock. Although well-maintained older homes can contribute to the preservation of an area’s local history and community character, older houses also tend to be costlier to maintain for owners or landlords and have more structural and environmental concerns. Aging housing can be taxing on home owners and landlords who must attend to deteriorating systems.

Year Unit Built by Geography, 2017						
Year Built	Downtown Rutland		City of Rutland		Rutland County	State of Vermont
	#	%	#	%	%	%
2014 or Later	-	0.0%	-	0.0%	0.1%	0.5%
2010-2013	-	0.0%	81	1.0%	1.1%	1.7%
2000-2009	10	4.7%	287	3.6%	6.0%	11.1%
1990-1999	9	4.2%	306	3.9%	8.8%	11.3%
1980-1989	13	6.1%	647	8.2%	16.6%	15.8%
1970-1979	7	3.3%	852	10.7%	16.9%	15.4%
1960-1969	10	4.7%	1,022	12.9%	10.5%	9.0%
1950-1959	10	4.7%	824	10.4%	6.2%	6.1%
1940-1949	12	5.6%	533	6.7%	3.9%	3.2%
1939 or Earlier	143	66.8%	3,382	42.6%	29.9%	25.7%
Total Housing Units	214	100.0%	7,934	100.0%	100.0%	100.0%
Median Age Built	1939		1951		1969	1974

Source: Esri, US Census 2013-2017 ACS

Units in Structure

The number of units within each structure in Downtown Rutland are more typical of a small city representing a higher proportion of structures with 2 or more units. Twenty-six percent of Downtown Rutland’s housing stock is comprised of 2-unit structures, and 26.2% is comprised of 3- or 4-unit structures. Another 21.0% is comprised of structures with 5 to 9 units. There are very few housing units found in large multi-family buildings in the downtown area, suggesting there may be a limited supply of multi-family units.

Units by Geography, 2017						
Unit Size	Downtown Rutland		City of Rutland		Rutland County	State of Vermont
	#	%	#	%	%	%
1 Detached Unit	36	16.8%	4,004	50.5%	69.2%	66.5%
1 Attached Unit	5	2.3%	168	2.1%	1.5%	4.0%
2 Units	56	26.2%	1,173	14.8%	6.7%	5.7%
3 or 4 Units	56	26.2%	1,221	15.4%	6.2%	6.4%
5 to 9 Units	45	21.0%	682	8.6%	3.7%	4.8%
10 to 19 Units	1	0.5%	94	1.2%	3.4%	1.8%
20 to 49 Units	6	2.8%	153	1.9%	2.0%	2.3%
50 or More Units	9	4.2%	215	2.7%	1.5%	1.6%
Mobile Homes	-	0.0%	224	2.8%	5.8%	6.9%
Boat/RV/Van/etc.	-	0.0%	-	0.0%	0.0%	0.0%
Total Housing Units	214	100.0%	7,934	100.0%	100.0%	100.0%

Source: Esri, US Census 2013-2017 ACS

KEY TAKEAWAYS

A Declining Population Presents Future Challenges and Needs for Downtown. The city of Rutland is faced with a declining population. Historic population loss may constrain future economic growth by reducing the workforce availability for new and expanding businesses while also reducing the consumer base for local businesses. The population trends indicate a need to identify strategies to maintain and grow a population base, such as through quality of life improvements, new amenities, better housing options, and employment opportunities.

An Aging Population Must be Considered for the Future of Downtown. Overall, the city's population is trending older, which is likely to create and contribute to the needs of an older population, including transportation access, "walkability" and accessibility of sidewalks and public spaces, changing housing needs, access to health care facilities, shopping needs, and others. Supporting the needs of the senior community in the downtown area is important given the growing preference (and need) for seniors to live in downtown areas walkable to amenities and businesses.

A Concentration of Millennials Downtown is an Opportunity. Downtown has a relative concentration of younger households, which may be attributed to a number of factors including housing affordability, college housing, personal preferences, lack of an automobile, proximity to amenities/entertainment/shopping, or other reasons. Opportunities should be explored to take advantage of this unique aspect of downtown, such as new amenities, targeted housing, and businesses geared toward this younger cohort.

Income and Education Levels are Lagging. The Downtown population is less educated and much lower income than the population of the city and county. This suggests potential challenges in attracting new businesses such as retail businesses, but also indicates needs that may need to be addressed such as new job training opportunities and support services for low-income households. Students and low-income seniors are two significant population groups downtown that account for the comparatively lower income and education levels.

Housing Stock Downtown May be Inadequate. The age of housing in the downtown area along with a relatively high vacancy rate indicates that new modern housing downtown may be needed. New rental housing may be appropriate given the growing senior population, and the relative concentration of millennials. Creating a housing product that aligns with the needs of these populations will be important.

Few People Working Downtown are Living There. Virtually all of the approximately 1,690 jobs in the Downtown area are filled by those commuting from other places. While many are commuting from the City and Town of Rutland, the majority are commuting from other locations. While residence location is based on many factors, the extremely low "resident worker rate" may indicate an opportunity to attract some commuters to live downtown.

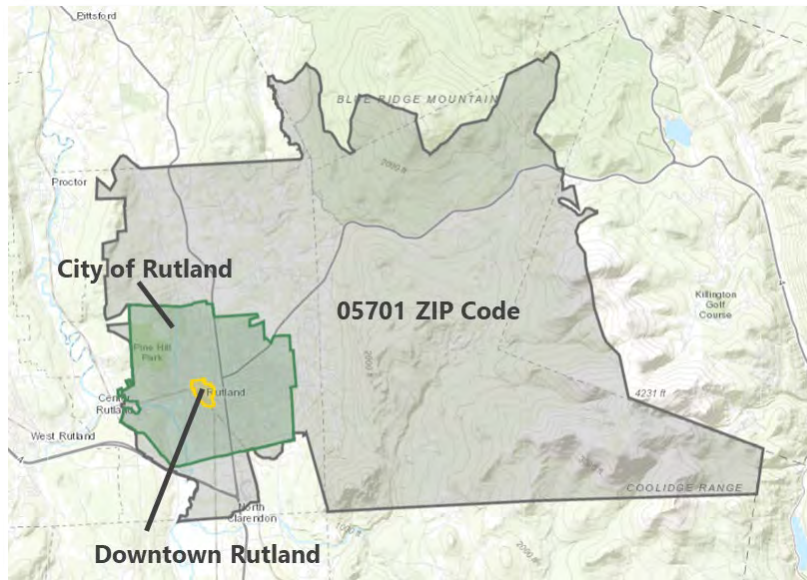
ECONOMIC DATA & TRENDS ANALYSIS

This section provides an analysis of economic trends and industry performance for three comparison geographies: the Rutland ZIP Code (05701), Rutland County, and the State of Vermont. The previous sociodemographic data, combined with this industry data, provides a more complete picture of Downtown Rutland’s economic outlook and will help inform strategies that look to increase economic opportunity.



Study Areas

For the majority of data in this section, the smallest geographic area where data was available for was by ZIP Code; therefore, we used the 05701 ZIP Code which encompasses all of the Downtown and the City of Rutland. See the map below.



Workforce Characteristics

The table below outlines the labor force participation rate and the 2019 unemployment rate. The labor force participation rate measures the percentage of the population above the age of 16 who are currently employed or looking for work. Overall, the closer one gets to Downtown Rutland, the higher the unemployment rate and the lower the labor force participation rate. The area has a generally healthy unemployment rate, but it is important to keep in mind those that are not in the labor force currently and whether there is need to help those that would like to enter the labor force to be able to do so.

Workforce Characteristics		
Region	Labor Force Participation Rate	2019 Unemployment Rate
City of Rutland	60.9%	3.3%
05701 ZIP Code	61.4%	3.2%
Rutland County	62.9%	3.1%
State of Vermont	65.9%	2.9%

Source: US Census ACS Community Survey, 2013-2017; Esri

Occupation Overview

The table to the right outlines a high-level overview of occupation categories, median annual earnings, and number of jobs. The most common occupations include those in Healthcare and Social Assistance; Retail Trade; and Accommodation and Food Services.

Understanding the occupations within the area will help with Downtown strategies by providing an understanding of what skills current workers have and how those might be transferable or supportive in other target industries. In addition, the earnings within these occupations can help illustrate what types of housing and how much disposable income workers have to support future Downtown strategies.

Occupation Overview, 05701 ZIP Code (Rutland, VT)			
Occupation	Average Annual Earnings	2019 Jobs	% of All Jobs
Utilities	\$149,214	372	2.3%
Construction	\$49,985	850	5.3%
Manufacturing	\$49,753	535	3.4%
Wholesale Trade	\$69,650	486	3.1%
Retail Trade	\$39,224	2,334	14.7%
Transportation and Warehousing	\$36,149	461	2.9%
Information	\$62,636	168	1.1%
Finance and Insurance	\$76,205	392	2.5%
Real Estate and Rental and Leasing	\$46,647	170	1.1%
Professional, Scientific, and Technical Services	\$68,085	542	3.4%
Management of Companies and Enterprises	\$170,359	327	2.1%
Administrative and Support and Waste Management and Remediation Services	\$42,701	673	4.2%
Educational Services	\$30,937	257	1.6%
Health Care and Social Assistance	\$61,910	4,096	25.7%
Arts, Entertainment, and Recreation	\$20,160	208	1.3%
Accommodation and Food Services	\$24,896	1,733	10.9%
Other Services (except Public Administration)	\$30,824	701	4.4%
Government	\$57,504	1,618	10.2%
		15,923	100.0%

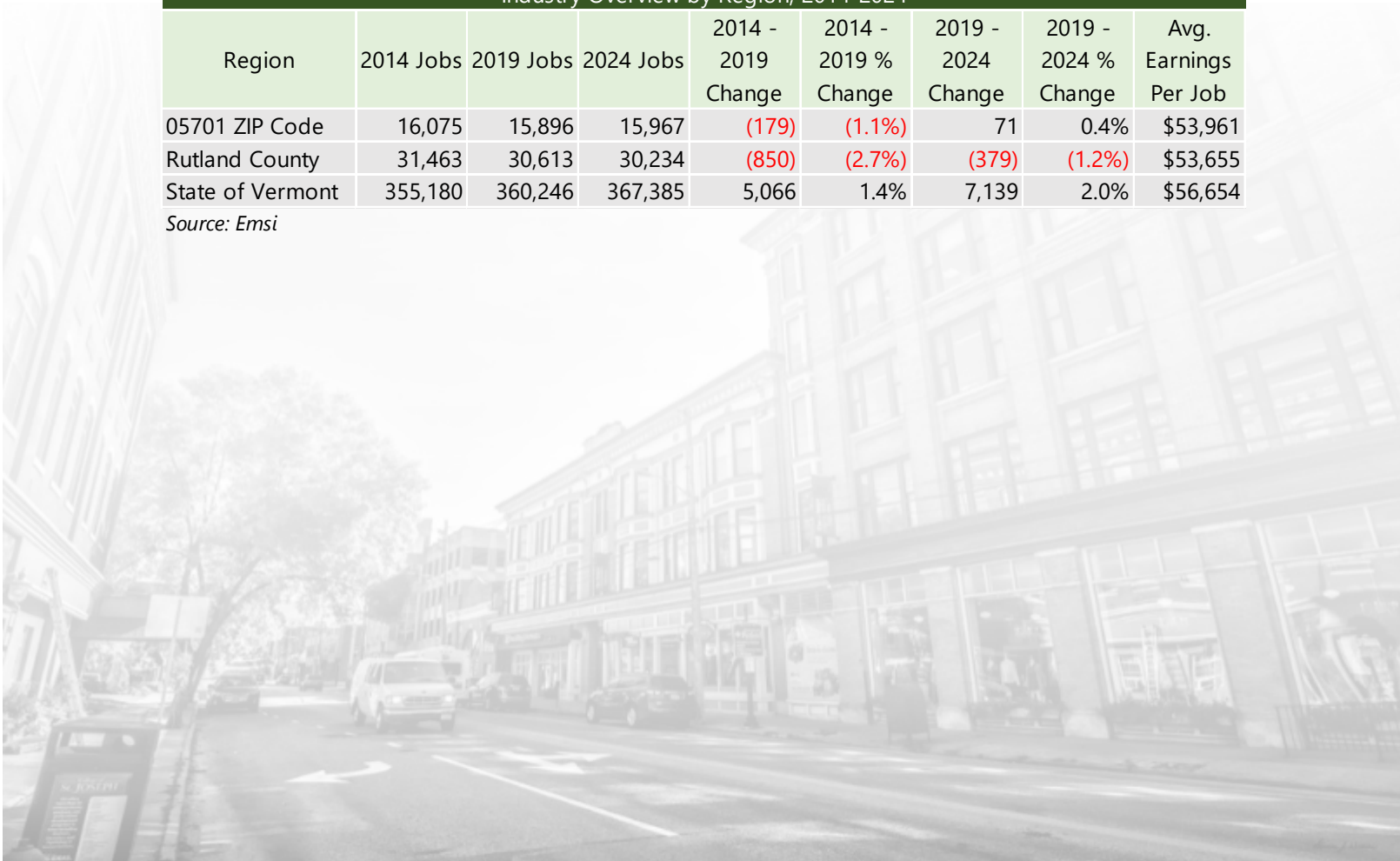
Source: Emsi

Industry Overview

When examining all jobs among the comparison geographies from 2014 to 2024, there is a decline in the total number of jobs in the 05701 ZIP Code (1.1%) and county (2.7%), but a 1.4% increase in jobs at the state level. Projected jobs numbers depict a slight increase in the 05701 ZIP Code (0.4%), a continual decrease in the county by 1.2%, and an increase state-wide by 2%. Average earnings in the ZIP is \$53,691, roughly \$2,700 less than state-wide earning but about the same as the jobs in the county.

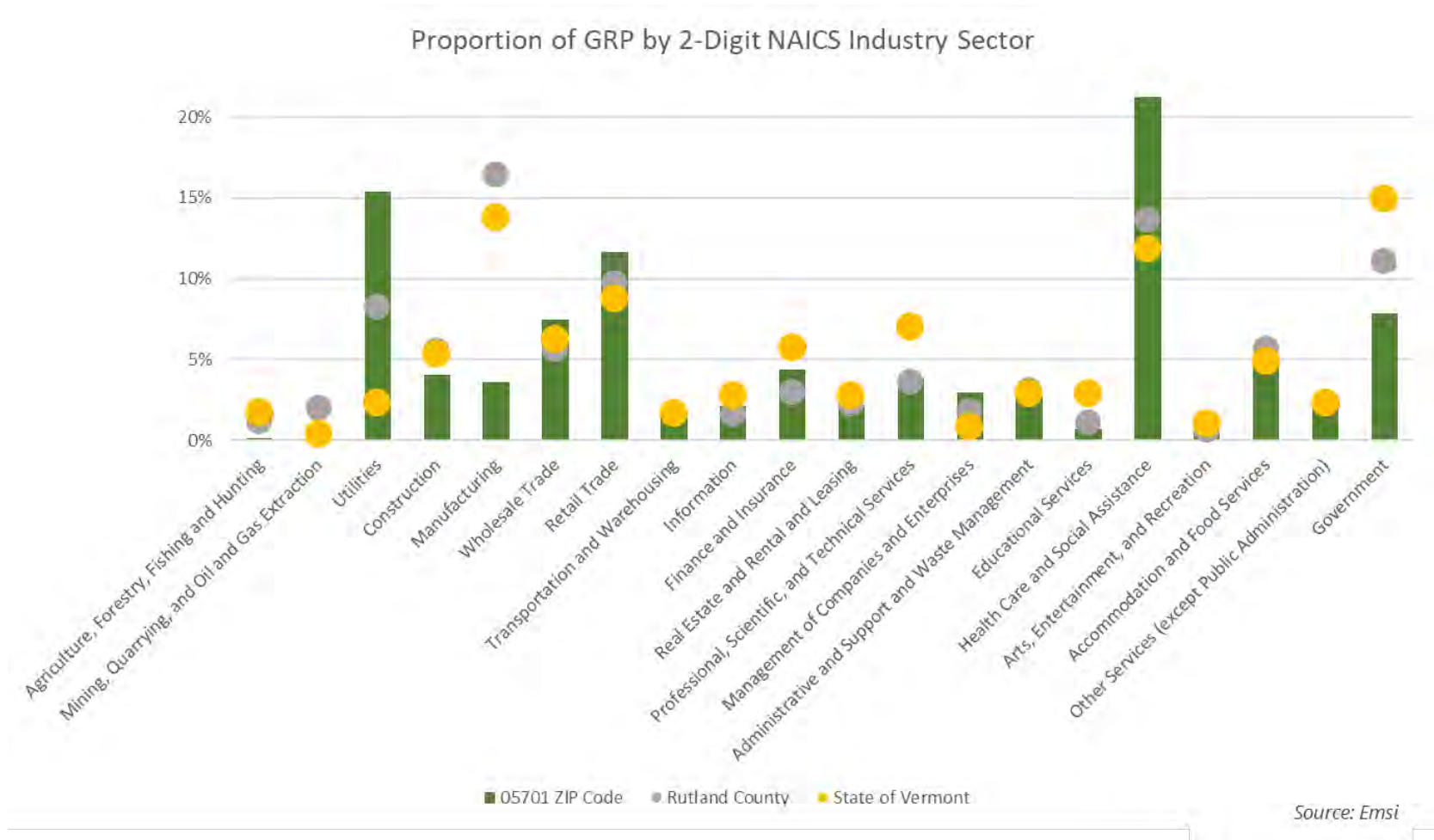
Industry Overview by Region, 2014-2024								
Region	2014 Jobs	2019 Jobs	2024 Jobs	2014 - 2019 Change	2014 - 2019 % Change	2019 - 2024 Change	2019 - 2024 % Change	Avg. Earnings Per Job
05701 ZIP Code	16,075	15,896	15,967	(179)	(1.1%)	71	0.4%	\$53,961
Rutland County	31,463	30,613	30,234	(850)	(2.7%)	(379)	(1.2%)	\$53,655
State of Vermont	355,180	360,246	367,385	5,066	1.4%	7,139	2.0%	\$56,654

Source: Emsi



Gross Regional Product

Gross Regional Product (GRP), like national Gross Domestic Product (GDP), provides a snapshot of the size of a regional economy, as measured by the value of goods and services produced in that region. The chart below shows the 05701 ZIP Code compared to both the county and state. Health Care, Utilities, and Retail Trade are the three highest generators of GRP in the ZIP comprising 21.2%, 15.4%, and 11.7% respectively.



NAICS⁵ 2-Digit Industry Overview

The following tables show a summary of all jobs within the three geographic regions. They are categorized by 2-digit NAICS code⁶; number of jobs in 2014, 2019, and 2024; the average yearly earnings of each category; and the industry's Location Quotient. The Location Quotient measures an industry's relative concentration in a given area compared to the rest of the United States. A Location Quotient above 1 denotes a higher concentration of an industry in a given geographic area compared to the rest of the United States, while a Location Quotient below 1 denotes a lower relative density. This figure is used to show industry clustering and identify industries that may be particularly prominent in the area.

In the 05701 ZIP Code, Health Care and Social Assistance and Retail Trade represent the two industries with the largest number of jobs, at 4,131 and 2,357 respectively. The next largest industry by number of jobs is Accommodation and Food Services, with 1,714 jobs. Industries with the top Location Quotients include Utilities (6.96), Health Care and Social Assistance (2.04), and Retail Trade (1.48).



⁵ Industries are classified by the North American Industrial Classification System (NAICS). The US Census Bureau maintains NAICS codes, which are the standard used by Federal statistical agencies in classifying business establishments. 2-digit codes are the most basic aggregate NAICS code level and represent broad categories such as "retail," whereas 4-digit industry codes present a finer level of detail such as "grocery stores." For those interested in understanding the composition of the NAICS and more detail about what is included in each industry, visit: <http://www.census.gov/eos/www/naics/>.

⁶ Employment figures in the following tables represent jobs, not workers, since 1 individual may hold multiple jobs. Additionally, employment figures include both full and part-time jobs, meaning job counts are not adjusted to FTE.

Rutland Area Industry Overview (Zip Code 05701)

Industry Overview by 2-Digit NAICS, 05701 ZIP Code (Rutland, VT)										
NAICS	Description	2014 Jobs	2019 Jobs	2024 Jobs	2014 - 2019 Change	2014 - 2019 % Change	2019 - 2024 Change	2019 - 2024 % Change	2019 Location Quotient	Avg. Earnings Per Job
11	Agriculture, Forestry, Fishing and Hunting	11	<10	<10	Insf. Data	Insf. Data	Insf. Data	Insf. Data	0.04	Insf. Data
21	Mining, Quarrying, and Oil and Gas Extraction	0	0	0	0	0%	0	0%	0.00	\$0
22	Utilities	424	376	397	(48)	(11%)	21	6%	6.96	\$150,709
23	Construction	784	833	825	49	6%	(8)	(1%)	0.93	\$50,207
31	Manufacturing	715	541	537	(174)	(24%)	(4)	(1%)	0.43	\$51,695
42	Wholesale Trade	446	483	494	37	8%	11	2%	0.83	\$69,803
44	Retail Trade	2,561	2,357	2,198	(204)	(8%)	(159)	(7%)	1.48	\$39,338
48	Transportation and Warehousing	409	453	457	44	11%	4	1%	0.77	\$37,133
51	Information	208	170	145	(38)	(18%)	(25)	(15%)	0.59	\$62,228
52	Finance and Insurance	491	396	362	(95)	(19%)	(34)	(9%)	0.62	\$79,153
53	Real Estate and Rental and Leasing	155	160	166	5	3%	6	4%	0.60	\$46,511
54	Professional, Scientific, and Technical Services	603	531	495	(72)	(12%)	(36)	(7%)	0.51	\$67,115
55	Management of Companies and Enterprises	258	321	389	63	24%	68	21%	1.40	\$151,462
56	Administrative and Support and Waste Management and Remediation Services	565	670	731	105	19%	61	9%	0.68	\$43,267
61	Educational Services	256	260	256	4	2%	(4)	(2%)	0.64	\$31,341
62	Health Care and Social Assistance	3,907	4,131	4,407	224	6%	276	7%	2.04	\$61,913
71	Arts, Entertainment, and Recreation	165	200	205	35	21%	5	3%	0.72	\$20,603
72	Accommodation and Food Services	1,607	1,714	1,705	107	7%	(9)	(1%)	1.25	\$24,986
81	Other Services (except Public Administration)	727	696	690	(31)	(4%)	(6)	(1%)	0.92	\$30,587
90	Government	1,784	1,596	1,503	(188)	(11%)	(93)	(6%)	0.67	\$58,264
99	Unclassified Industry	0	0	0	0	0%	0	0%	0.00	\$0
		16,075	15,896	15,967	(179)	(1%)	71	0%		\$53,961

Source: Emsi

Rutland County Industry Overview

Industry Overview by 2-Digit NAICS, Rutland County										
NAICS	Description	2014 Jobs	2019 Jobs	2024 Jobs	2014 - 2019 Change	2014 - 2019 % Change	2019 - 2024 Change	2019 - 2024 % Change	2019 Location Quotient	Avg. Earnings Per Job
11	Agriculture, Forestry, Fishing and Hunting	282	228	215	(54)	(19%)	(13)	(6%)	0.64	\$31,326
21	Mining, Quarrying, and Oil and Gas Extraction	355	316	261	(39)	(11%)	(55)	(17%)	2.45	\$80,553
22	Utilities	425	377	397	(48)	(11%)	20	5%	3.62	\$150,532
23	Construction	2,067	2,183	2,157	116	6%	(26)	(1%)	1.27	\$48,170
31	Manufacturing	3,335	3,065	2,968	(270)	(8%)	(97)	(3%)	1.27	\$76,793
42	Wholesale Trade	784	752	751	(32)	(4%)	(1)	(0%)	0.67	\$68,409
44	Retail Trade	4,065	3,764	3,541	(301)	(7%)	(223)	(6%)	1.23	\$37,378
48	Transportation and Warehousing	759	768	757	9	1%	(11)	(1%)	0.68	\$47,805
51	Information	332	272	234	(60)	(18%)	(38)	(14%)	0.49	\$56,745
52	Finance and Insurance	622	485	433	(137)	(22%)	(52)	(11%)	0.40	\$80,646
53	Real Estate and Rental and Leasing	387	365	349	(22)	(6%)	(16)	(4%)	0.71	\$47,499
54	Professional, Scientific, and Technical Services	978	919	903	(59)	(6%)	(16)	(2%)	0.46	\$66,858
55	Management of Companies and Enterprises	300	373	451	73	24%	78	21%	0.85	\$151,462
56	Administrative and Support and Waste Management and Remediation Services	1,154	1,272	1,358	118	10%	86	7%	0.67	\$44,100
61	Educational Services	727	753	747	26	4%	(6)	(1%)	0.96	\$31,099
62	Health Care and Social Assistance	4,831	5,100	5,414	269	6%	314	6%	1.31	\$61,294
71	Arts, Entertainment, and Recreation	358	392	406	34	9%	14	4%	0.74	\$20,391
72	Accommodation and Food Services	3,345	3,489	3,436	144	4%	(53)	(2%)	1.33	\$25,660
81	Other Services (except Public Administration)	1,391	1,285	1,256	(106)	(8%)	(29)	(2%)	0.89	\$29,577
90	Government	4,965	4,455	4,199	(510)	(10%)	(256)	(6%)	0.97	\$59,786
99	Unclassified Industry	0	0	0	0	0%	0	0%	0.00	\$0
		31,463	30,613	30,234	(850)	(3%)	(379)	(1%)		\$53,655

Source: Emsi

State of Vermont Industry Overview

Industry Overview by 2-Digit NAICS, State of Vermont										
NAICS	Description	2014 Jobs	2019 Jobs	2024 Jobs	2014 - 2019 Change	2014 - 2019 % Change	2019 - 2024 Change	2019 - 2024 % Change	2019 Location Quotient	Avg. Earnings Per Job
11	Agriculture, Forestry, Fishing and Hunting	6,252	6,366	6,430	114	2%	64	1%	1.53	\$35,992
21	Mining, Quarrying, and Oil and Gas Extraction	621	635	610	14	2%	(25)	(4%)	0.42	\$76,984
22	Utilities	1,751	1,280	1,325	(471)	(27%)	45	4%	1.04	\$149,138
23	Construction	22,075	22,716	22,592	641	3%	(124)	(1%)	1.12	\$52,993
31	Manufacturing	32,366	31,387	30,995	(979)	(3%)	(392)	(1%)	1.10	\$74,601
42	Wholesale Trade	9,540	9,331	9,382	(209)	(2%)	51	1%	0.71	\$76,910
44	Retail Trade	39,411	38,927	38,522	(484)	(1%)	(405)	(1%)	1.08	\$38,586
48	Transportation and Warehousing	7,545	7,606	7,772	61	1%	166	2%	0.57	\$53,350
51	Information	5,172	4,548	4,193	(624)	(12%)	(355)	(8%)	0.69	\$72,573
52	Finance and Insurance	9,545	9,554	9,491	9	0%	(63)	(1%)	0.66	\$97,937
53	Real Estate and Rental and Leasing	4,356	4,257	4,305	(99)	(2%)	48	1%	0.70	\$53,555
54	Professional, Scientific, and Technical Services	18,430	19,058	19,854	628	3%	796	4%	0.81	\$88,021
55	Management of Companies and Enterprises	2,079	1,993	2,235	(86)	(4%)	242	12%	0.38	\$122,704
56	Administrative and Support and Waste Management and Remediation Services	12,933	14,710	16,070	1,777	14%	1,360	9%	0.66	\$48,619
61	Educational Services	16,745	17,355	18,302	610	4%	947	5%	1.87	\$41,714
62	Health Care and Social Assistance	53,800	56,703	60,538	2,903	5%	3,835	7%	1.24	\$56,998
71	Arts, Entertainment, and Recreation	5,748	5,912	6,102	164	3%	190	3%	0.94	\$27,506
72	Accommodation and Food Services	31,666	33,128	33,511	1,462	5%	383	1%	1.07	\$27,505
81	Other Services (except Public Administration)	14,670	14,448	14,352	(222)	(2%)	(96)	(1%)	0.85	\$33,893
90	Government	60,475	60,330	60,805	(145)	(0%)	475	1%	1.12	\$68,277
99	Unclassified Industry	0	0	0	0	0%	0	0%	0.00	\$0
		355,180	360,246	367,385	5,066	1%	7,139	2%		\$56,654

Source: Emsi

Top NAICS 4-Digit Industries

The table below outlines the top 20 industries by 2019 jobs by 4-digit NAICS codes (which are more refined industry sectors than 2-digit codes). This is a snapshot of what has happened within the 05701 ZIP Code's largest industry sectors over the last five years and how these sectors are anticipated to grow or decline into the future. The largest industries revolve around those in the health care, tourism, and utility industries. However, many of the ZIP Code's top industries are expected to decline by 2024; of the 20 sectors listed below, half are expected to decline.

Top 20 Industries in the 05701 ZIP Code (Rutland, VT)										
NAICS	Description	2014 Jobs	2019 Jobs	2024 Jobs	2014 - 2019 Change	2014 - 2019 % Change	2019 - 2024 Change	2019 - 2024 % Change	2019 Location Quotient	Avg. Earnings Per Job
6221	General Medical and Surgical Hospitals	1,450	1,625	1,742	175	12%	117	7%	3.55	\$ 89,971
7225	Restaurants and Other Eating Places	890	950	945	60	7%	(5)	(1%)	0.91	\$ 21,475
7211	Traveler Accommodation	553	605	606	52	9%	1	0%	3.18	\$ 31,453
9036	Education and Hospitals (Local Government)	715	578	502	(137)	(19%)	(76)	(13%)	0.69	\$ 63,947
6216	Home Health Care Services	367	458	592	91	25%	134	29%	3.03	\$ 41,543
4451	Grocery Stores	390	380	364	(10)	(3%)	(16)	(4%)	1.44	\$ 29,736
2211	Electric Power Generation, Transmission and Distribution	424	376	397	(48)	(11%)	21	6%	9.88	\$ 150,709
4931	Warehousing and Storage	270	327	333	57	21%	6	2%	2.89	\$ 29,123
9039	Local Government, Excluding Education and Hospitals	292	326	348	34	12%	22	7%	0.59	\$ 58,662
9012	Federal Government, Military	395	324	297	(71)	(18%)	(27)	(8%)	1.75	\$ 21,622
6231	Nursing Care Facilities (Skilled Nursing Facilities)	350	321	296	(29)	(8%)	(25)	(8%)	2.06	\$ 42,733
5511	Management of Companies and Enterprises	258	321	389	63	24%	68	21%	1.40	\$ 151,462
6241	Individual and Family Services	379	316	305	(63)	(17%)	(11)	(3%)	1.22	\$ 29,224
4411	Automobile Dealers	341	316	312	(25)	(7%)	(4)	(1%)	2.45	\$ 59,957
6244	Child Day Care Services	281	297	320	16	6%	23	8%	2.43	\$ 28,452
6214	Outpatient Care Centers	254	248	234	(6)	(2%)	(14)	(6%)	2.59	\$ 44,502
9029	State Government, Excluding Education and Hospitals	247	241	241	(6)	(2%)	0	0%	1.10	\$ 79,106
5221	Depository Credit Intermediation	265	217	198	(48)	(18%)	(19)	(9%)	1.29	\$ 69,027
4441	Building Material and Supplies Dealers	220	202	193	(18)	(8%)	(9)	(4%)	1.78	\$ 43,113
5613	Employment Services	131	201	237	70	53%	36	18%	0.57	\$ 49,265

Source: Emsi

Cluster Identification

Which industry clusters demonstrate the greatest potential for generating economic activity in Rutland's Downtown? To begin this analysis, we examined industry clusters in the 05701 ZIP Code and Rutland County using the Industry Cluster Identification Tool provided by Economic Modeling Specialists International (EMSI).⁷ The clusters in this analysis are defined according to the methodology of Harvard Business School's U.S. Cluster Mapping Project.



Industry clusters are groups of industries that are linked to common products, labor pools, technologies, supply chains, and/or training needs. Identifying clusters is crucial in long-term economic development planning, as benefits to one industry will generally impact other industries within the same cluster.

The clusters identified in this analysis were determined based on growth potential and, to a lesser extent, on regional concentration, earnings, regional competitiveness, and gross regional product. Each 6-digit NAICS industry receives a score based on these factors; each industry cluster's score is a weighted average of the 6-digit industry scores. Scores are based on a comparison of the relative performance of clusters to each other, not benchmarked against another region. We examined the county in addition to the 05701 ZIP Code to show potential clusters that could be drawn into the area, and/or those that overlap between the regions.

⁷ See Attachment A for more about EMSI.

The tables on the next page demonstrate the top industry clusters by score for each region, and the top 6-digit NAICS industries that fall under that cluster with the highest number of jobs. For each cluster, the total number of jobs by cluster is provided. The cluster analysis shows that:

- Electric Power Generation and Transmission; Local Health Services; Hospitality and Tourism; and Business Services are significant clusters in both regions;
- Food Processing and Manufacturing; Financial Services; and Construction Products and Services are unique clusters to the 05701 ZIP Code.

These clusters are important opportunities to target for future economic growth, including potential workforce needs, business attraction and recruitment, real estate needs to support the clusters.

Photo Source: Donna Wilkins Photography



Top Industry Clusters in the 05701 ZIP Code (Rutland, VT)		
Electric Power Generation and Transmission		
NAICS	Industry	Jobs
221121	Electric Bulk Power Transmission and Control	372
	Total Jobs in All Cluster Industries	372
Local Health Services		
NAICS	Industry	Jobs
622110	General Medical and Surgical Hospitals	1,625
621610	Home Health Care Services	458
623110	Nursing Care Facilities (Skilled Nursing Facilities)	321
	Total Jobs in All Cluster Industries	3,550
Business Services		
NAICS	Industry	Jobs
551114	Corporate, Subsidiary, and Regional Managing Offices	321
561421	Telephone Answering Services	42
541330	Engineering Services	32
	Total Jobs in All Cluster Industries	444
Food Processing and Manufacturing		
NAICS	Industry	Jobs
311821	Cookie and Cracker Manufacturing	95
311511	Fluid Milk Manufacturing	31
311351	Chocolate and Confectionery Manufacturing from Cacao Beans	22
	Total Jobs in All Cluster Industries	149
Hospitality and Tourism		
NAICS	Industry	Jobs
721110	Hotels (except Casino Hotels) and Motels	592
721191	Bed-and-Breakfast Inns	13
713990	All Other Amusement and Recreation Industries	12
	Total Jobs in All Cluster Industries	617
Financial Services		
NAICS	Industry	Jobs
522120	Savings Institutions	19
523120	Securities Brokerage	15
	Total Jobs in All Cluster Industries	35
Construction Products and Services		
NAICS	Industry	Jobs
327999	All Other Miscellaneous Nonmetallic Mineral Product	52
236210	Industrial Building Construction	19
237130	Power and Communication Line and Related Structures	11
	Total Jobs in All Cluster Industries	82

Source: EMSI Industry Cluster Identification Tool

Top Industry Clusters in Rutland County		
Electric Power Generation and Transmission		
NAICS	Industry	Jobs
221121	Electric Bulk Power Transmission and Control	372
	Total Jobs in All Cluster Industries	372
Aerospace Vehicles and Defense		
NAICS	Industry	Jobs
336412	Aircraft Engine and Engine Parts Manufacturing	1,081
	Total Jobs in All Cluster Industries	1,081
Nonmetal Mining		
NAICS	Industry	Jobs
212399	All Other Nonmetallic Mineral Mining	155
212311	Dimension Stone Mining and Quarrying	105
212312	Crushed and Broken Limestone Mining and Quarrying	37
	Total Jobs in All Cluster Industries	311
Lighting and Electrical Equipment		
NAICS	Industry	Jobs
335122	Commercial, Industrial, and Institutional Electric Lighting Fixture Manufacturing	221
335110	Electric Lamp Bulb and Part Manufacturing	109
335314	Relay and Industrial Control Manufacturing	29
	Total Jobs in All Cluster Industries	359
Hospitality and Tourism		
NAICS	Industry	Jobs
721110	Hotels (except Casino Hotels) and Motels	1,344
721191	Bed-and-Breakfast Inns	55
713990	All Other Amusement and Recreation Industries	22
	Total Jobs in All Cluster Industries	1,460
Local Health Services		
NAICS	Industry	Jobs
622110	General Medical and Surgical Hospitals	1,625
623110	Nursing Care Facilities (Skilled Nursing Facilities)	485
621610	Home Health Care Services	466
	Total Jobs in All Cluster Industries	4,356
Business Services		
NAICS	Industry	Jobs
551114	Corporate, Subsidiary, and Regional Managing Offices	373
561210	Facilities Support Services	73
541611	Administrative Management and General Management Consulting Services	67
	Total Jobs in All Cluster Industries	749

Source: EMSI Industry Cluster Identification Tool

KEY TAKEAWAYS

Declining Jobs in the Local Economy a Critical Concern and Challenge. The local economy lost jobs over the past five years during which time the State of Vermont saw jobs grow by 1.4%. The data indicates that Rutland is not keeping pace and that new economic development initiatives will be required to reverse this trend. For downtown, it indicates a challenging local economic environment and need to identify and focus on specific economic strengths and opportunities, including supporting and growing existing businesses and supporting entrepreneurship to “grow from within.”

Downtown Has Economic Strengths in Key Sectors. Downtown has a concentration of jobs in industries including Information; Professional, Scientific, and Technical Services. This could potentially align with mid-market residential opportunities or coworking spaces. Retail and dining are also a significant component of the downtown business mix, which hearing from interviews showcases Rutland as a regional destination for dining.

Health Care Industry an Economic Driver. There is a significant concentration of jobs in the health care industry in the local economy, making it the Rutland area’s largest industry. The industry has seen strong growth over the past five years and is expected to continue growing with approximately 276 new jobs over the next five years. While the industry is a major sector for the state overall, it is more concentrated and faster growing in the Rutland area compared with the state of Vermont. Therefore, as a service hub for the larger area, this sector needs to be protected to provide high quality health care in the region. As healthcare access is a critical factor for retaining and attracting new residents, Rutland has a strong advantage in this area.

Positive Tourism Industry Trends May Present Opportunities.

Hospitality and tourism is a major industry cluster in the local economy. Traveler accommodations including hotels, motels, and other types of lodging has been growing in the local and county economy. The number of arts, entertainment, and recreation jobs in the local economy also grew significantly over the past five years. The industry has also been growing at the county and state level indicating the strength and momentum of this sector. Restaurants, also related to tourism, has been a growing sector in the local economy and is one of the largest industry subsectors in the Rutland area. Given the major draw of the Paramount, concentration of art galleries, successful events, and nearby Killington with a strong second-home and recreation base, Rutland has an opportunity to build off current trends around food tourism, connecting outdoor recreation with brewery tours, and otherwise playing off of the “Made in Vermont” brand.

Food-Related Businesses May be a Niche Opportunity.

In addition to restaurants, there are several food processing manufacturing in the local economy that are of note. While the number of jobs is relatively small compared to other sectors, there may be an opportunity to capitalize on this cluster such as through food-oriented retail outlets in the downtown area. This not only provides more opportunity downtown by building off the Vermont brand of value-added food products, it aligns with the trend towards having a retail experience at food production facilities for customers. This could start as a downtown festival dedicated to Vermont products and spin off as a downtown venue dedicated to these products.

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REAL ESTATE MARKET ANALYSIS

Housing | Retail | Dining & Entertainment | Office | Lodging

3

INTRODUCTION

The purpose of a market analysis is to ask, “what are the opportunities that private businesses, developers, and investors would be interested in”, and “what are the challenges and barriers that may prevent them from investing in those opportunities in downtown Rutland?” This section explores the retail and entertainment, commercial office, residential, and lodging markets as potential opportunities for (re)development and economic growth given the market conditions of Downtown Rutland.

For each type of use, the following are explored: 1) how each type of space is currently being utilized or underutilized; 2) understanding if there is demand for more or different types of space, and 3) given the context of downtown Rutland, what particular opportunities or challenges exist for developing these spaces further.

While the market analysis focuses on private sector opportunities and challenges, there are also other types of spaces such educational, community, and green space that are an important part of the downtown area. These uses are discussed and explored outside of this section.

PROPERTY INVENTORY

Property data provided by the City of Rutland indicates that there is approximately 1.73 million square feet of building space within the downtown study area. Properties were classified into 11 categories, as shown in the “Downtown Property Inventory” table to the right. Commercial space (including general commercial, commercial retail, commercial office, and mixed-use commercial) accounts for the vast majority of space downtown (1.38 million square feet). The mixed-use residential category includes additional commercial space. When that space is considered, there is an estimated 1.42 million total square feet of commercial building space downtown compared to approximately 210,000 square feet of residential space.

Downtown Property Inventory		
Property Type	Square Feet	Number of Properties
General Commercial	754,027	72
Commercial Retail	258,214	13
Commercial Office	194,120	14
Mixed-Use Commercial	175,050	8
Mixed-Use: Residential	127,413	1
Residential: Multi-Family	123,801	18
Institutional/Organization	71,157	5
Other	22,488	11
Residential: Single-Family	4,655	3
Land	N/A	4
Total	1,730,925	149

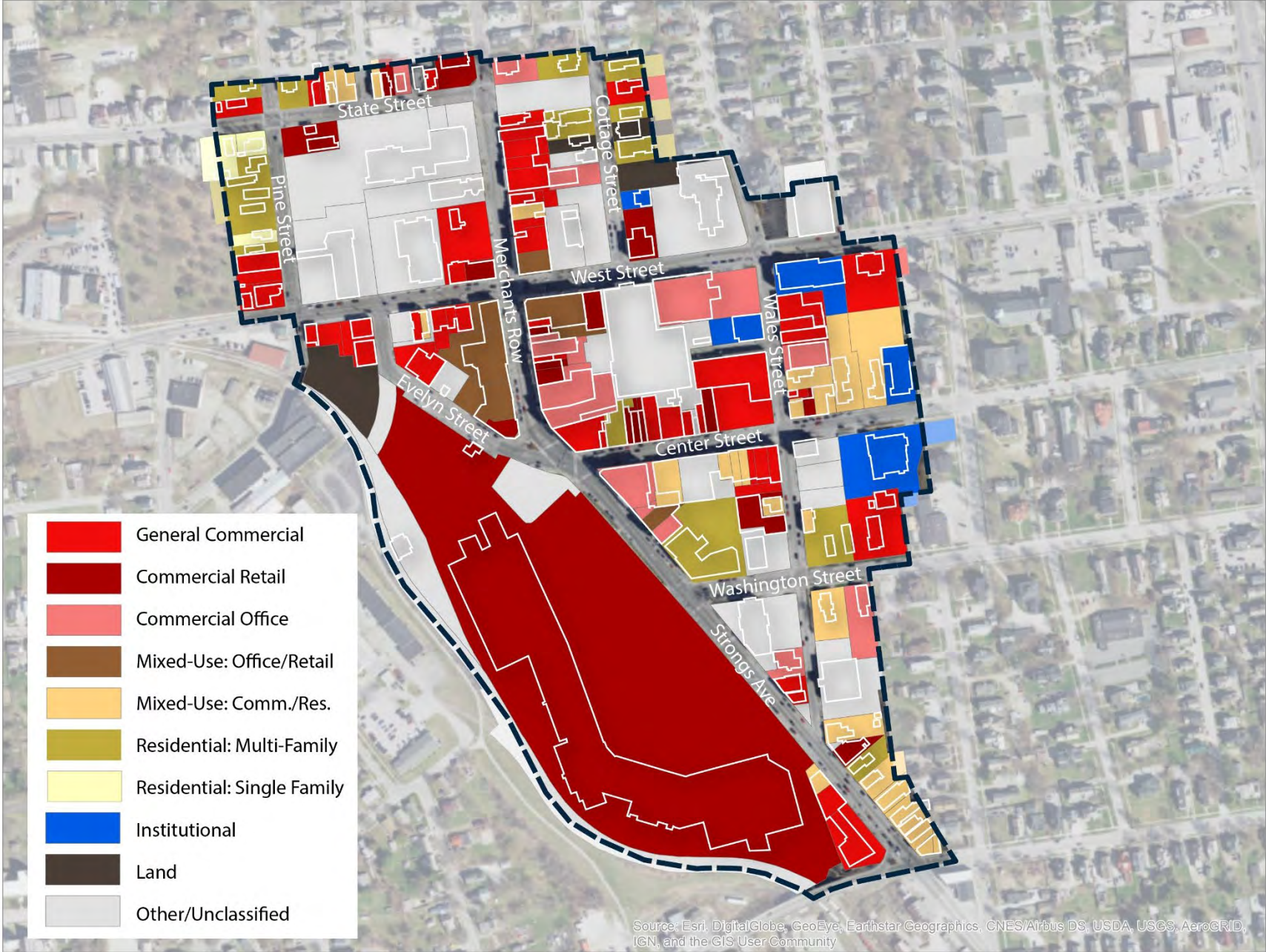
Source: City of Rutland; Camoin 310

City data also indicates there are 46 properties with some type of residential use in the downtown area. These properties account for a total of 230 housing units. The majority, including 75 senior housing units, fall within buildings that are only multi-family. A total of 82 housing units are found within mixed-use buildings.

Downtown Housing Unit Inventory		
Property Type	Number of Properties	Number of Housing Units
Mixed-Use: Residential	25	82
Residential: Multi-Family	18	145
Residential: Single-Family	3	3
Total	46	230

Source: City of Rutland; Camoin 310

Map: Downtown Property Types



The distribution of properties by size (square feet of building space) in the downtown area is shown below. Most of the properties fall within the under 5,000 square foot range but there are several properties with significant building area, including six that have more than 50,000 square feet of building space. Rutland Plaza, containing Walmart and Price Chopper, accounts for approximately 225,000 square feet of building space alone.

Downtown Property Inventory by Building Size		
Property Size	Number of Properties	Square Feet
Under 5,000 SF	68	194,806
5,000 to 10,000 SF	37	256,733
10,000 to 20,000 SF	23	325,028
20,000 SF to 50,000 SF	17	485,895
50,000SF+	6	468,463
Unknown	19	0
N/A	4	0
Total	174	1,730,925

Source: City of Rutland; Camoin 310

In addition to the data provided by the City, building inventory data was collected from CoStar, a leading provider of national real estate data. The data includes major commercial properties in the downtown area (including multi-family). The map to the right shows the 57 major commercial properties that CoStar tracks in the downtown area. The properties account for approximately 846,000 square feet of the downtown building inventory.

Properties classified by CoStar as Retail (Retail and “community center” retail which includes shopping plazas) accounts for the majority of the space inventoried by CoStar (60%). Office space accounts for nearly 300,000 square feet of the major commercial buildings downtown. The tables on the following page indicate the individual major commercial buildings in the downtown area, along with estimated rental price points provided by CoStar.

Map: Major Commercial Properties



Major Commercial Buildings (CoStar)		
Property Size	Square Feet	Number of Properties
Office	297,681	17
Retail	272,966	33
Retail (Community Center)	239,462	3
Multi-Family	19,960	1
Specialty	15,994	1
Land	N/A	2
Total	846,063	57

Source: CoStar

Downtown Property Inventory: Major Commercial Properties				
Property Address	PropertyType	Land Area (AC)	Rentable Building Area (RBA)	Est. Rent/SF/Yr
88 Merchants Row	Office		4,400	\$14.00
2 Center St	Retail		60,000	\$11.11 - 13.56 (Est.)
3 Center St	Office		34,837	\$17.45 - 21.33 (Est.)
13 Center St	Multi-Family		19,960	Not Disclosed
22 Center St	Office	0.29	16,114	\$12.87 - 14.39 (Est.)
25 Center St	Retail	0.14	8,960	\$8.45 - 8.72 (Est.)
31 Center St	Retail	0.05	4,200	\$7.80 (Est.)
35 Center St	Retail	0.03	1,306	\$7.02 - 8.58 (Est.)
37 Center St	Retail	0.04	3,520	\$7.71 (Est.)
41 Center St	Retail		12,000	\$5.62 - 6.87 (Est.)
42 Center St	Retail	0.0459	4,900	\$7.77 (Est.)
73 Center St	Office	0.47	11,275	\$14.14 - 15.72 (Est.)
79 Center St	Office	0.25	27,982	\$14.82 - 15.63 (Est.)
23 Court St	Office	0.26	5,578	\$13.01 - 15.90 (Est.)
7 Evelyn St	Retail	0.11	7,840	\$7.57 - 8.56 (Est.)
10 Merchants Row	Retail	0.1	2,500	\$6.91 - 8.45 (Est.)
18 Merchants Row	Retail	0.15	2,500	\$4.57 (Est.)
21 Merchants Row	Retail		14,844	\$7.45 - 9.11 (Est.)
26 Merchants Row	Retail	0.28	22,200	\$7.50 - 8.75 (Est.)
38 Merchants Row	Office	0.09	6,452	\$14.02 - 14.45 (Est.)
67 Merchants Row	Retail	0.5242	8,194	\$7.07 - 8.65 (Est.)
89 Merchants Row	Retail		1,448	\$12.74 - 14.93 (Est.)
90 Merchants Row	Office		8,000	\$14.00 - 17.11 (Est.)
110 Merchants Row	Office	0.03	3,329	\$13.32 - 16.28 (Est.)
114 Merchants Row	Retail	0.3	3,150	\$7.24 - 8.84 (Est.)
118 Merchants Row	Retail	0.03	8,085	\$7.22 - 8.83 (Est.)
128 Merchants Row	Office		28,208	\$17.34 - 21.19 (Est.)

Source: CoStar

Downtown Property Inventory: Major Commercial Properties				
Property Address	PropertyType	Land Area (AC)	Rentable Building Area (RBA)	Est. Rent/SF/Yr
0 Route 7	Land	25		Not Disclosed
1 Rutland Plz	Retail (Commu	15	13,500	\$7.37 - 8.45 (Est.)
1 Rutland Shopping Pl	Land	0.3099		Not Disclosed
1 Rutland Shopping Pl	Retail (Commu	15	224,514	\$12.82 - 15.67 (Est.)
100 State St	Retail	0.31	2,500	\$7.14 - 8.38 (Est.)
48 Strongs Ave	Retail	0.12	5,228	\$7.98 - 8.14 (Est.)
56 Strongs Ave	Retail		4,153	\$6.90 - 8.43 (Est.)
136 Strongs Ave	Retail	0.14	4,760	\$6.97 - 8.52 (Est.)
15 Wales St	Retail		12,500	\$7.21 - 8.81 (Est.)
22 Wales St	Retail	0.12	8,976	\$8.43 - 8.58 (Est.)
24 Wales St	Retail		6,207	\$7.07 - 8.64 (Est.)
27 Wales St	Office	0.82	20,462	\$16.62 - 20.13 (Est.)
49 Wales St	Retail		8,988	\$7.31 - 8.93 (Est.)
71 Wales St	Retail		3,152	\$7.22 - 8.83 (Est.)
44 Washington St	Office	0.34	2,165	\$16.10 - 19.68 (Est.)
13 West St	Specialty	0.77	15,994	Not Disclosed
56 West St	Retail	0.24	4,176	\$7.11 - 8.20 (Est.)
60 West St	Retail	0.15	2,200	\$8.00 - 8.20 (Est.)
60 West St	Retail	0.2	2,576	\$7.66 - 8.38 (Est.)
80 West St	Office	0.91	29,550	\$12.33 - 15.07 (Est.)
87 West St	Retail	0.29	14,988	\$7.51 - 8.75 (Est.)
106 West St	Office	0.14	4,505	Not Disclosed
122 West St	Retail	0.4109	11,919	\$7.33 - 8.96 (Est.)
138 West St	Office		4,400	\$13.09 - 15.91 (Est.)
146 West St	Retail		1,331	\$6.89 - 8.42 (Est.)
148 West St	Retail		2,640	\$7.24 - 8.85 (Est.)
150 West St	Retail	0.088	9,134	\$7.81 (Est.)
151 West St	Office		83,384	\$16.46 - 20.12 (Est.)
156 West St	Office		7,040	\$13.42 - 16.31 (Est.)
197 West St	Retail	0.05	3,339	\$7.22 - 8.83 (Est.)

Source: CoStar

Building Occupancy Survey

As part of the Downtown Strategic Plan, a downtown property owner survey was undertaken in March and April 2020 by the Rutland Redevelopment Authority, Downtown Rutland Partnership, and the City of Rutland. The survey asked property owners to indicate their property's building size, amount of unoccupied space, the distribution of that space between ground floor and upper floors, and their opinion as to the use potential of unoccupied space in the future.

The table to the right and the map on the following page present the results of the survey. Survey responses provided information for a total of 33 buildings in the downtown study area. Of those 33 buildings, 58% (19 buildings) were indicated to have unoccupied space. Those 19 buildings account for nearly 289,000 square feet of building space downtown. Approximately 113,000 square feet of that space (nearly 40%) was indicated to be unoccupied. Most unoccupied space (65% or 73,000 square feet) was indicated to be on upper floors.

Approximately 50,600 square feet of space was indicated by property owners to be suitable for future residential use. Full conversion of that space to residential use would yield approximately 50-60 multi-family (apartment or condo) units.

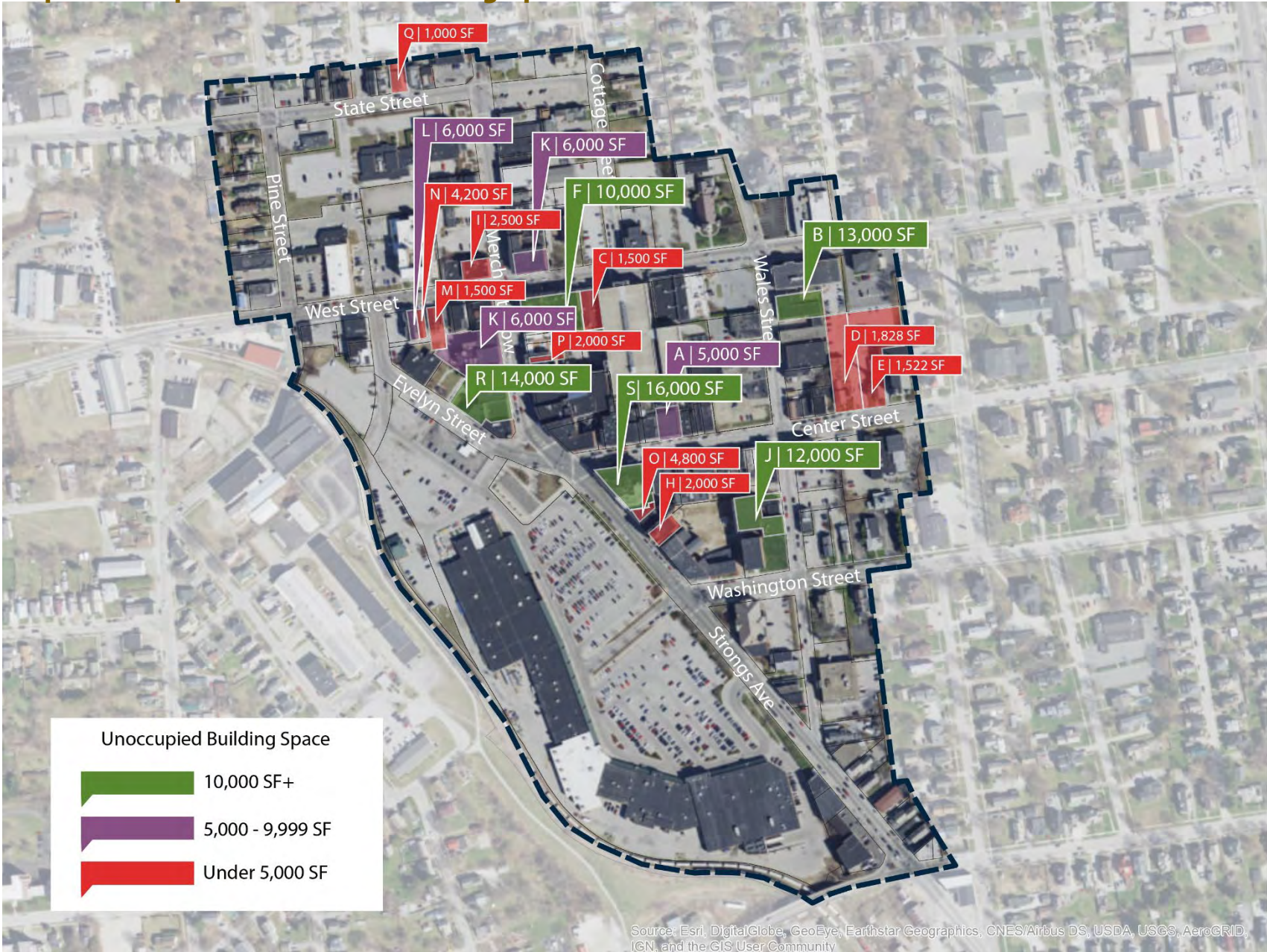
Given the fact that survey responses were received for only a portion of the total building space in the downtown area, it is likely there is significantly more unoccupied space in the downtown area on upper floors that could be potentially be converted for residential use.

Downtown Property Occupancy Survey Results					
Map ID	Address	Total Building Size	Unoccupied Space	Street Level Unoccupied space	Upper Level Unoccupied space
A	25 - 29 Center Street	15,000	5,000	1,500	3,500
B	16 Wales Street	15,156	13,000	5,000	8,000
C	106 West Street	5,940	1,500	1,500	-
D	73 Center Street	10,029	1,828	Unknown	Unknown
E	79 Center Street	5,916	1,522	-	1,522
F	50 Merchants	44,000	10,000	-	10,000
G	67 Merchants	48,000	7,500	4,000	-
H	128 Merchants	15,000	2,000	-	2,000
I	47 Merchants	14,000	2,500	Unknown	Unknown
J	73-77 Wales Street	18,000	12,000	4,000	8,000
K	53 Merchants Row	13,000	6,000	1,400	3,600
L	156 West	6,000	6,000	2,000	4,000
M	148 West	1,500	1,500	1,500	-
N	150 West	4,200	4,200	1,400	2,800
O	118 Merchants	6,000	4,800	-	4,800
P	72 Merchants	2,880	2,880	960	1,920
Q	89 State St	1,000	1,000	1,000	-
R	71-79 Merchants	18,000	14,000	2,600	12,400
S	104-110 Merchants	45,000	16,000	5,500	10,500
	Total	288,621	113,230	32,360	73,042

Source: 2020 Property Occupancy Survey

Note: Includes only buildings with unoccupied space

Map: Unoccupied Downtown Building Space



RETAIL & ENTERTAINMENT

A retail market analysis examines the supply (existing retail businesses) and demand (the spending of residents/visitors) in an area with consideration for distance that consumers are likely to travel for their shopping needs. The following retail market analysis examines where local and regional residents go to meet their shopping needs, which in turn informs what opportunities there are for new and existing downtown retail businesses, which includes restaurants and entertainment uses. The retail industry is undergoing a significant transformation, and it is critical to understand this shift as context for the opportunities that may (or may not) exist for downtown.

The Shifting Nature of Retail

The first major retail industry shift was away from downtown, main street retail towards big-box, suburban commercial corridors, and malls. In more recent years, e-commerce has radically changed the retail industry. Brick-and-mortar retail has largely struggled to compete with the convenience of purchasing goods online, delivered to your door within 24 hours, or at large “one-stop” box stores.

But the retail industry is not disappearing, but rather is evolving to focus on fun and interesting consumer experiences or “shoppertainment”, services, and recreation in addition to better utilizing online platforms. Downtown areas are well positioned to capitalize on this shift with the ability to offer a variety of activities and experiences for diverse consumer groups within a compact walkable district.

Capitalizing on this shift in retail often includes strategies that involve retailers 1) reaching out to a global audience, 2) selling both online and at brick-and-mortar stores, 3) anticipating the shift to an aging demographic, 4) providing an authentic local experience through

¹ Like AirBnB and Uber, the sharing economy uses resources we already have for others’ benefit. Another example is a lending library (for tools or toys).

products and services, and 5) embracing the sharing economy.¹ Overall, a broader approach that integrates technology is imperative to successful downtown businesses.

Retail Trade Areas

The opportunities that exist in Downtown Rutland are based in large part on how and where local and regional residents are currently spending money. Using mapping and consumer spending data, we can see how much residents spend within and outside of the city and region.

The area from which current and future downtown retail businesses draw customers is defined as a “trade area.” There are generally three types of draw areas (“trade areas”) depending on the nature of a retail area:

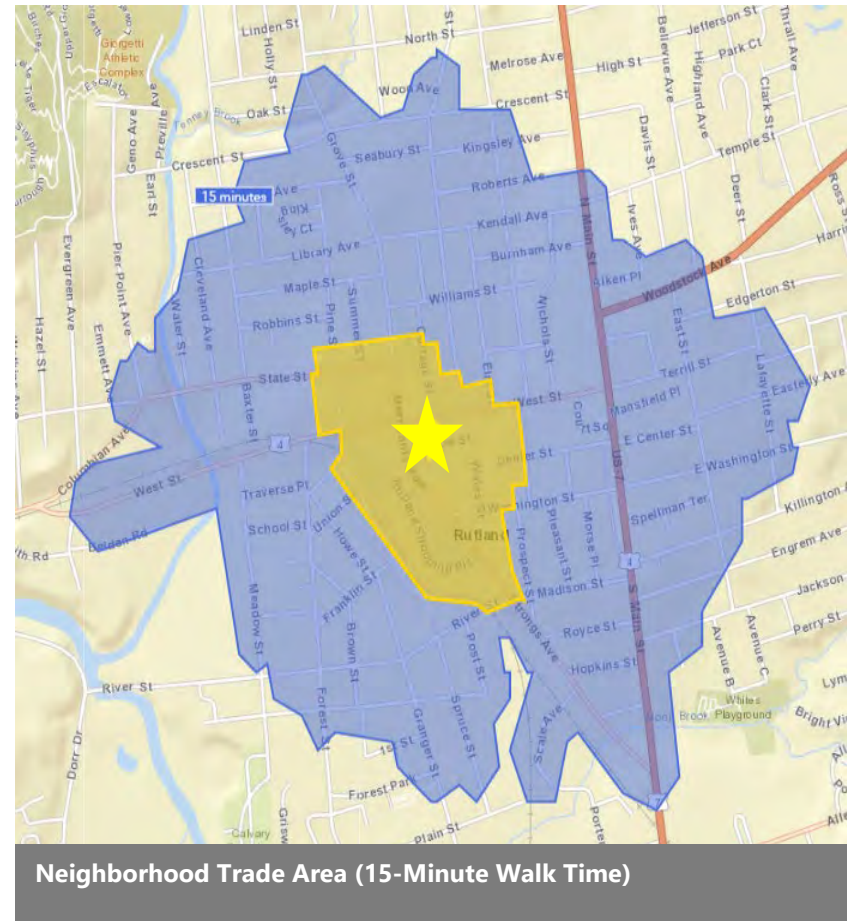
- **Neighborhood Services** includes those goods and services that meet every day needs and that consumers frequently purchase.
- **Local Services** typically include big box stores and shopping plazas where people shop less frequently and do more comparison shopping
- **Destination Experience.** The Destination Experience includes types of retail businesses where the experience of being in the place is as important or more so than the good or service being sought.



Neighborhood Trade Area

Since some consumer needs can be met within short distance of downtown, a neighborhood trade area was defined based on the area one could walk to downtown within 15-minutes from the center of downtown.

Currently, the neighborhood trade area is served by the Rutland Plaza which includes a Walmart, Price Chopper, TJ Maxx, Flagship Cinema, and other retailers. Within the neighborhood trade area, one could meet most day-to-day shopping needs.

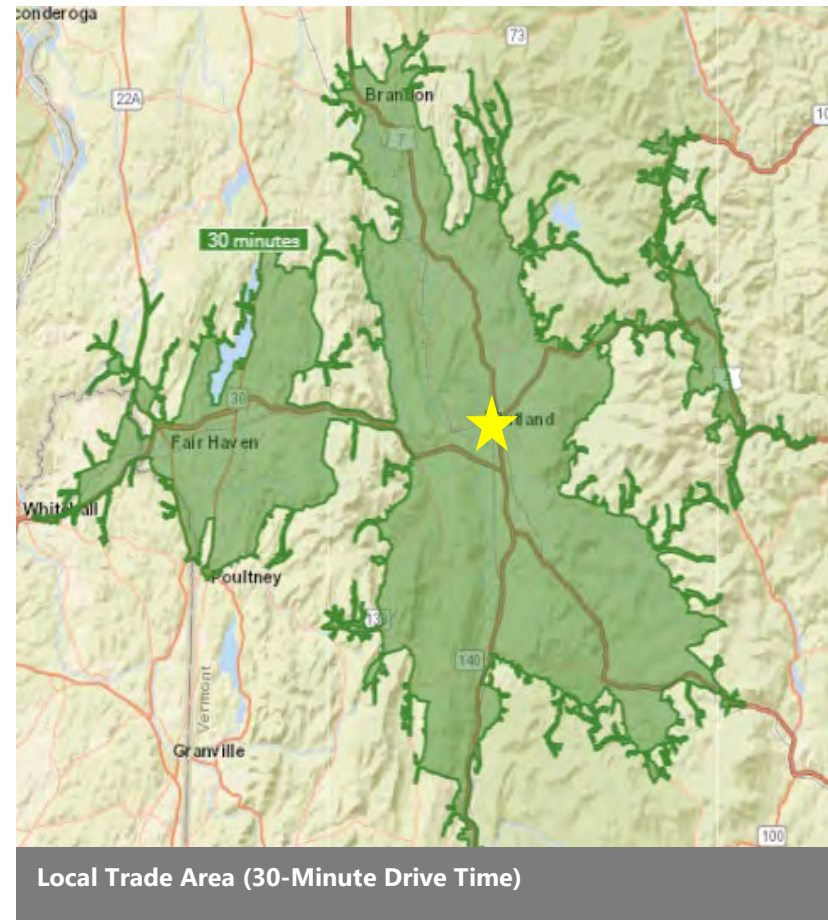


Local Trade Area

We then examined what retail demand is being met within and outside of this area by defining a local trade area encompassing a 30-minute drive from the center of downtown. Retail categories where retail demand is met outside of the area represent potential business opportunities within the area (or more specifically, within Downtown Rutland).

The local trade area is served by national chain stores and restaurants primarily located along Route 4 heading east from the city center and Route 75 heading south out of the city. In short, many basic needs can be met within a short drive outside the downtown.

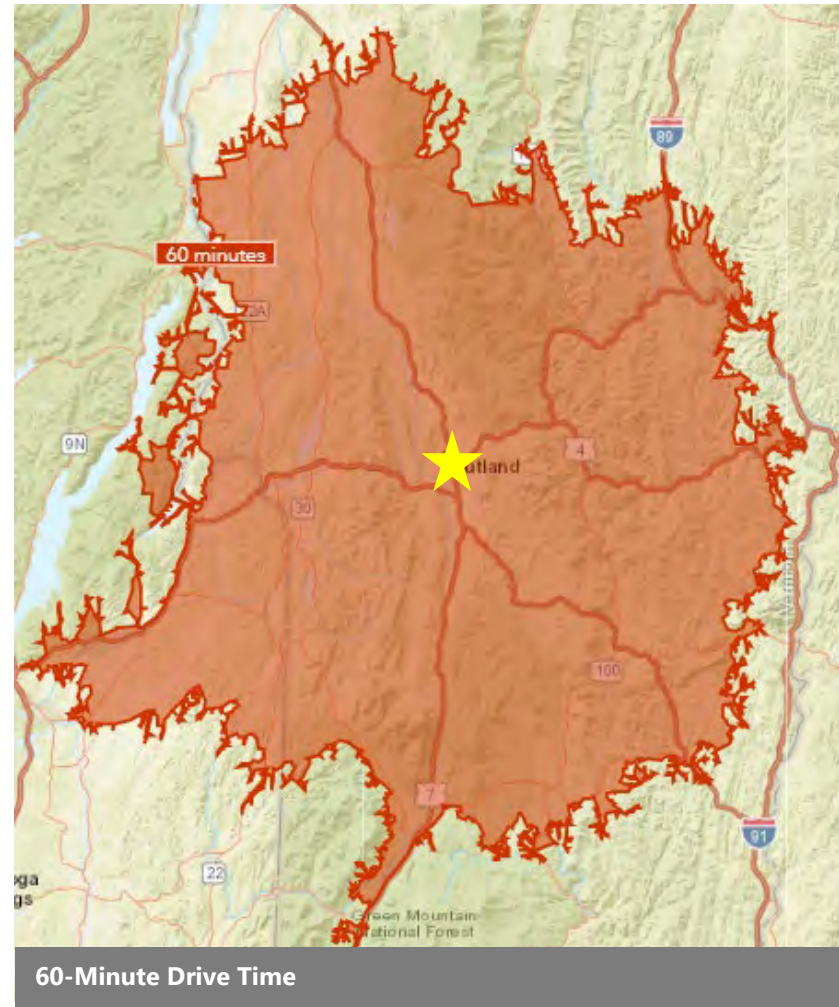
Until recently (late 2019), Rutland was also serviced by the Diamond Run Mall. With anchor business Sears and Kmart leaving, the remaining 12 businesses were not enough to keep it open. It has since closed and has plans to be torn down and redeveloped into a mixed-use facility with an entertainment venue.² While three mall-owned businesses moved Downtown at the time of the closure, the impending plans for this new development will undoubtedly impact the business and market potential in the downtown area.



² https://www.rutlandherald.com/news/local/mall-owners-say-they-want-out-of-the-mall-business/article_8232030e-cb27-5b32-82c2-aa1f39e48d5a.html

Destination Trade Area

There are many reasons to come to Downtown Rutland if one lives further than a 30-minute drive. The restaurants, arts and culture scene anchored by the Paramount Theatre, and the many successful downtown events all draw people from further away making Downtown Rutland a regional destination. Destination Experience areas typically offer an authentic or unique experience; often with a variety of recreation, shopping, dining, and entertainment options that draw visitors greater distances than other types of retail businesses. As a major regional urban center, Rutland has further potential to catalyze investment and business growth to help “unlock” unrealized potential for a destination downtown.



Neighborhood & Local Trade Area Retail Gap

The tables on the following page provide a retail supply and demand analysis for specific retail categories. Retail demand (estimated spending by local trade area residents) is compared to retail supply (existing retail sales within the trade area). The difference between demand and supply is the considered the “retail gap.” That is, where demand exceeds supply, residents are likely leaving the area to meet their shopping needs in that category. This is referred to as “leakage” and those categories with leakage are indicated in green.

Retail sectors that show leakage may represent opportunities for new or expanded retail businesses. However, not all retail categories that exhibit sales leakage within a particular trade area are a good fit for downtown.

Retail Categories with “Surplus”

When retail sales in a sector exceed demand, there is a “surplus.” A sales surplus might exist for several reasons. The region might be a popular shopping destination for tourists and other out-of-town visitors, or a cluster of competing businesses offering a similar product or service may be located within the trade area, creating a specialty cluster. Alternatively, a sales surplus could be an indication of market saturation.

Notable retail sectors with sales surpluses include:

Local Trade Area:

- Restaurants
- Drinking Places – Alcoholic Beverages (e.g., bars)
- Food & Beverage Stores
- Health & Personal Care Stores
- Miscellaneous Store Retailers

Neighborhood Trade Area:

- Food & Beverage Stores
- Grocery Stores
- Beer, Wine, and Liquor Stores

- Health & Personal Care Stores
- Jewelry, Luggage, and Leather Stores
- Book, Periodical, and Music Stores
- Miscellaneous Store Retailers
- Restaurants
- Drinking Places – alcoholic beverages (e.g, bars)

Overall, the data indicates that Rutland is a regional retail destination with several retail categories where sales exceed demand. Of the categories most appropriate for downtown, food-related categories are an identified strength for the city and downtown. Restaurants and bars have sales surpluses, indicating their ability to draw in non-local consumers. Grocery stores and food and beverage stores are another strong category, but it is interesting to note the retail gap in specialty foods. Given the existing strengths in food related sectors, specialty foods appears to be a potential growth opportunity.

Retail Categories with “Leakage”

There is a mix of retail categories experiencing leakage in the local trade area. Findings from this analysis indicate the following retail categories show the largest retail sales leakages, and suggesting potential opportunities for new establishments to capture sales that are currently leaving the area:

- Automobile Dealerships
- Electronics & Appliance Stores
- Specialty Food Stores
- Jewelry Stores
- Specialty Food Services
- Sporting Goods & Book Stores
- Clothing Stores
- Office Supply & Gift Stores

The potential of new or existing businesses to recapture spending in these categories is examined further in the next section.

Local Trade Area Retail Gap - 30 Minute Drive					
NAICS	2017 Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	# of Businesses
441	Motor Vehicle & Parts Dealers	\$117,467,841	\$108,736,750	\$8,731,091	68
4411	Automobile Dealers	\$98,854,997	\$82,606,210	\$16,248,787	35
4412	Other Motor Vehicle Dealers	\$9,307,658	\$12,954,447	(\$3,646,789)	11
4413	Auto Parts, Accessories & Tire Stores	\$9,305,187	\$13,176,092	(\$3,870,905)	22
442	Furniture & Home Furnishings Stores	\$19,273,865	\$25,127,006	(\$5,853,141)	32
4421	Furniture Stores	\$11,549,994	\$12,159,705	(\$609,711)	11
4422	Home Furnishings Stores	\$7,723,871	\$12,967,300	(\$5,243,429)	21
443	Electronics & Appliance Stores	\$19,919,668	\$18,394,125	\$1,525,543	18
444	Bldg Materials, Garden Equip. & Supply Stores	\$33,753,409	\$68,781,825	(\$35,028,416)	39
4441	Bldg Material & Supplies Dealers	\$30,624,586	\$65,353,065	(\$34,728,479)	31
4442	Lawn & Garden Equip & Supply Stores	\$3,128,823	\$3,428,760	(\$299,937)	7
445	Food & Beverage Stores	\$94,037,137	\$115,535,265	(\$21,498,128)	53
4451	Grocery Stores	\$82,285,459	\$99,542,337	(\$17,256,878)	37
4452	Specialty Food Stores	\$5,799,976	\$4,482,983	\$1,316,993	10
4453	Beer, Wine & Liquor Stores	\$5,951,702	\$11,509,944	(\$5,558,242)	6
446, 446	Health & Personal Care Stores	\$38,990,603	\$63,072,809	(\$24,082,206)	29
447, 447	Gasoline Stations	\$72,427,784	\$130,466,450	(\$58,038,666)	43
448	Clothing & Clothing Accessories Stores	\$38,062,259	\$26,112,238	\$11,950,021	34
4481	Clothing Stores	\$28,256,591	\$16,917,319	\$11,339,272	18
4482	Shoe Stores	\$3,924,255	\$5,504,859	(\$1,580,604)	9
4483	Jewelry, Luggage & Leather Goods Stores	\$5,881,413	\$3,690,060	\$2,191,353	7
451	Sporting Goods, Hobby, Book & Music Stores	\$40,582,963	\$23,531,753	\$17,051,210	39
4511	Sporting Goods/Hobby/Musical Instr Stores	\$37,996,926	\$22,853,469	\$15,143,457	37
4512	Book, Periodical & Music Stores	\$2,586,037	\$678,284	\$1,907,753	2
452	General Merchandise Stores	\$53,673,598	\$63,206,847	(\$9,533,249)	21
4521	Department Stores Excluding Leased Depts.	\$34,835,544	\$48,005,486	(\$13,169,942)	6
4529	Other General Merchandise Stores	\$18,838,054	\$15,201,361	\$3,636,693	15
453	Miscellaneous Store Retailers	\$19,908,229	\$26,112,165	(\$6,203,936)	71
4531	Florists	\$812,799	\$606,426	\$206,373	4
4532	Office Supplies, Stationery & Gift Stores	\$5,755,051	\$4,997,764	\$757,287	20
4533	Used Merchandise Stores	\$2,383,447	\$2,615,801	(\$232,354)	21
4539	Other Miscellaneous Store Retailers	\$10,956,931	\$17,892,174	(\$6,935,243)	25
454	Nonstore Retailers	\$26,895,466	\$287,558,971	(\$260,663,505)	10
4541	Electronic Shopping & Mail-Order Houses	\$23,538,467	\$281,401,097	(\$257,862,630)	3
4542	Vending Machine Operators	\$450,571	\$65,037	\$385,534	1
4543	Direct Selling Establishments	\$2,906,429	\$6,092,837	(\$3,186,408)	6
722	Food Services & Drinking Places	\$55,347,683	\$67,053,846	(\$11,706,163)	157
7223	Special Food Services	\$1,870,249	\$134,789	\$1,735,460	2
7224	Drinking Places - Alcoholic Beverages	\$1,847,693	\$2,528,363	(\$680,670)	13
7225	Restaurants/Other Eating Places	\$51,629,741	\$64,390,694	(\$12,760,953)	142

Source: Esri

Neighborhood Trade Area Retail Gap - 15 Minute Walk					
NAICS	2017 Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	# of Businesses
441	Motor Vehicle & Parts Dealers	\$10,920,306	\$6,780,468	\$4,139,838	10
4411	Automobile Dealers	\$9,240,015	\$888,041	\$8,351,974	2
4412	Other Motor Vehicle Dealers	\$788,452	\$0	\$788,452	0
4413	Auto Parts, Accessories & Tire Stores	\$891,839	\$5,655,123	(\$4,763,284)	8
442	Furniture & Home Furnishings Stores	\$1,870,126	\$930,432	\$939,694	4
4421	Furniture Stores	\$1,166,983	\$299,425	\$867,558	1
4422	Home Furnishings Stores	\$703,143	\$631,007	\$72,136	3
443	Electronics & Appliance Stores	\$1,943,467	\$2,814,948	(\$871,481)	3
444	Bldg Materials, Garden Equip. & Supply Stores	\$2,628,206	\$4,887,638	(\$2,259,432)	4
4441	Bldg Material & Supplies Dealers	\$2,390,396	\$4,887,638	(\$250,924)	4
4442	Lawn & Garden Equip & Supply Stores	\$237,810	\$0	\$237,810	0
445	Food & Beverage Stores	\$9,613,622	\$20,992,200	(\$11,378,578)	14
4451	Grocery Stores	\$8,416,532	\$16,113,773	(\$7,697,241)	8
4452	Specialty Food Stores	\$598,982	\$849,074	(\$250,092)	3
4453	Beer, Wine & Liquor Stores	\$598,108	\$4,029,353	(\$3,431,245)	2
446, 446	Health & Personal Care Stores	\$3,696,455	\$18,544,904	(\$14,848,449)	11
447, 447	Gasoline Stations	\$7,222,639	\$13,625,146	(\$6,402,507)	5
448	Clothing & Clothing Accessories Stores	\$3,873,245	\$4,561,729	(\$688,484)	11
4481	Clothing Stores	\$2,888,104	\$2,170,141	\$717,963	5
4482	Shoe Stores	\$404,264	\$1,160,963	(\$756,699)	2
4483	Jewelry, Luggage & Leather Goods Stores	\$580,877	\$1,230,625	(\$649,748)	3
451	Sporting Goods, Hobby, Book & Music Stores	\$4,169,362	\$1,719,630	\$2,449,732	5
4511	Sporting Goods/Hobby/Musical Instr Stores	\$3,886,649	\$1,286,717	\$2,599,932	4
4512	Book, Periodical & Music Stores	\$282,712	\$432,913	(\$150,201)	1
452	General Merchandise Stores	\$5,374,007	\$20,414,939	(\$15,040,932)	3
4521	Department Stores Excluding Leased Depts.	\$3,473,595	\$18,454,143	(\$14,980,548)	1
4529	Other General Merchandise Stores	\$1,900,412	\$1,960,796	(\$60,384)	2
453	Miscellaneous Store Retailers	\$1,885,457	\$5,073,389	(\$3,187,932)	18
4531	Florists	\$66,832	\$247,463	(\$180,631)	1
4532	Office Supplies, Stationery & Gift Stores	\$564,604	\$461,824	\$102,780	3
4533	Used Merchandise Stores	\$237,160	\$915,354	(\$678,194)	7
4539	Other Miscellaneous Store Retailers	\$1,016,861	\$3,448,748	(\$2,431,887)	7
454	Nonstore Retailers	\$2,524,895	\$1,610,585	\$914,310	2
4541	Electronic Shopping & Mail-Order Houses	\$2,254,879	\$0	\$2,254,879	0
4542	Vending Machine Operators	\$46,285	\$0	\$46,285	0
4543	Direct Selling Establishments	\$223,731	\$1,610,585	(\$1,386,854)	2
722	Food Services & Drinking Places	\$5,605,352	\$13,459,935	(\$7,854,583)	41
7223	Special Food Services	\$181,962	\$0	\$181,962	0
7224	Drinking Places - Alcoholic Beverages	\$196,500	\$1,363,518	(\$1,167,018)	8
7225	Restaurants/Other Eating Places	\$5,226,889	\$12,093,418	(\$6,866,529)	33

Source: Esri

Supportable Retail from Recapturing Leakage

The table to the right identifies the supportable retail with both the neighborhood and local trade area, assuming a 15% leakage recapture rate. This is the amount of spending we assume each area can recapture from spending by residents leaving the area. Note that potential is greater if the area is a destination for tourism, capturing more visitor spending. Additionally, by adding more downtown residents, it changes the retail dynamic, increasing the ability for the area to support more retail.

An explanation of this table follows:

- Column A:** NAICS (North American Industry Classification System) is the industry standard coding system when explaining industries. Every business is coded under this system to help streamline data so it can be used in analyses such as this.
- Column B:** The retail category associated with that particular NAICS code.
- Column C:** The retail gap is how much residents are spending outside of the respective area within each retail category.
- Column D:** This is the amount we assume the area can recapture through expanding and creating businesses. We assumed 15% in this scenario. This is purposefully low to not inflate the potential business opportunity of Downtown.
- Column E:** Average sales per business is taken as an average of all businesses classified under that NAICS code in Vermont.
- Column F:** By dividing the amount of sales the area can recapture by the average sales per business, we get a sense of how many businesses the area can support.
- Column G:** Industry standards of average sales amount per square foot for each retail category.
- Column H:** Based on the amount of sales the area can recapture, we can divide this by the average sales per square foot to assess how much additional square foot could be supported by retail category within the area.

Supportable Retail - Local Trade Area							
A	B	C	D	E	F	G	H
NAICS	Retail Category	Retail Gap	15% Leakage Recapture	Average Sales per Business	Supportable Businesses (D / E)	Average Sales per SF	Supportable SF (D / G)
4431	Electronics & Appliance	\$1,525,543	\$228,831	\$1,098,222	0.21	\$ 500	458
4452	Specialty Food	\$1,316,993	\$197,549	\$527,070	0.37	\$ 350	564
4481	Clothing	\$11,339,272	\$1,700,891	\$753,628	2.26	\$ 300	5,670
4483	Jewelry, Luggage & Leather Goods	\$2,191,353	\$328,703	\$423,068	0.78	\$ 500	657
4511	Sporting Goods & Hobby	\$15,143,457	\$2,271,519	\$1,051,272	2.16	\$ 250	9,086
4512	Book, Periodical & Music	\$1,907,753	\$286,163	\$576,152	0.50	\$ 250	1,145
4529	Other General Merchandise	\$3,636,693	\$545,504	\$2,017,612	0.27	\$ 500	1,091
4531	Florists	\$206,373	\$30,956	\$195,344	0.16	\$ 200	155
4532	Office Supplies, Stationery & Gift	\$757,287	\$113,593	\$487,257	0.23	\$ 300	379
Total Supportable Square Feet							19,204

Source: Esri, Camoin 310

Supportable Retail - Neighborhood Trade Area							
A	B	C	D	E	F	G	H
NAICS	Retail Category	Retail Gap	15% Leakage Recapture	Average Sales per Business	Supportable Businesses (D / E)	Average Sales per SF	Supportable SF (D / G)
4421	Furniture	\$867,558	\$130,134	\$1,174,543	0.11	\$ 300	434
4422	Home Furnishings	\$72,136	\$10,820	\$660,708	0.02	\$ 300	36
4442	Lawn & Garden Equip & Supply	\$237,810	\$35,672	\$859,011	0.04	\$ 250	143
4481	Clothing	\$717,963	\$107,694	\$753,628	0.14	\$ 300	359
4511	Sporting Goods & Hobby	\$2,599,932	\$389,990	\$1,051,272	0.37	\$ 250	1,560
4532	Office Supplies, Stationery & Gift	\$102,780	\$15,417	\$487,257	0.03	\$ 300	51
Total Supportable Square Feet							2,583

Source: Esri, Camoin 310

While the local trade area can support 19,204 SF of additional retail space from recapturing leakage, the neighborhood trade area can only support about 2,583 SF. Supportable retail at the neighborhood trade area does not include any convenience type businesses; these businesses currently show a retail surplus indicating that residents in the immediate downtown area are generally having their day-to-day retail needs met. It is important to note that this data was taken before the recent mall closing that housed 12 stores at the time of closing. Because of this, retail demand may be greater and if the number of residential units increases the demand will also increase.

Consumer Characteristics

As Downtown Rutland looks to draw additional businesses, understanding the characteristics of its consumers is vital to success. A market segmentation analysis provides insight into the likely preferences and behaviors of a community's residents, based on their demographic and economic characteristics. This analysis is used to understand what types of activities, shopping, dining, and experiences its residents are likely to enjoy. Market segmentation organizes households into consumer groups based on similar demographic characteristics, income level, purchasing habits, housing preferences, etc. Businesses utilize market segmentation information to locate in places where the consumer base is well suited to their product or service.

Esri's Tapestry Segmentation is a leading market segmentation tool and the following table shows the breakdown of the tapestry segments that make up the neighborhood and local trade area in Rutland, with descriptions below:

Neighborhood Trade Area Tapestry Segments					
Tapestry Segment	# of Households	% of Total	Median Age	Median Income	Median Net Worth
Set to Impress	1,754	61.9%	33.9	\$ 32,800	\$ 12,200
Social Security Set	612	21.6%	45.6	\$ 17,900	\$ 10,200
Midlife Constants	194	6.8%	47.0	\$ 53,200	\$ 138,300
Front Porches	143	5.0%	34.9	\$ 43,700	\$ 24,800
Retirement Communities	101	3.6%	45.6	\$ 40,800	\$ 53,300

Source: Esri

Local Trade Area Tapestry Segments					
Tapestry Segment	# of Households	% of Total	Median Age	Median Income	Median Net Worth
The Great Outdoors	5,185	21.6%	47.4	\$ 56,400	\$ 156,600
Midlife Constants	2,902	14.6%	47.0	\$ 53,200	\$ 138,300
Set to Impress	2,366	11.9%	33.9	\$ 32,800	\$ 12,200
Rustbelt Traditions	2,334	11.8%	39.0	\$ 51,800	\$ 98,100
Comfortable Empty Nesters	1,327	6.7%	48.0	\$ 75,000	\$ 293,000

Source: Esri

- The **Set to Impress** segment is depicted by medium to large multiunit apartments with lower than average rents. These apartments are often nestled into neighborhoods with other businesses or single-family housing. Income levels are low; many work in food service while they are attending college. They are very conscious of their image and seek to bolster their status with the latest fashion. Set to Impress residents are tapped into popular music and the local music scene.
- The **Social Security Set** is an older market located in cities across the country. One-fourth of householders here are aged 65 or older and dependent on low, fixed incomes, primarily Social Security. Residents live alone in low-rent, apartment buildings, located in or close to business districts. They enjoy the hustle and bustle of life in the heart of the city, with the added benefit of access to hospitals, community centers, and public transportation.
- **Midlife Constants** residents are seniors, at or approaching retirement, with below average labor force participation and above average net worth. They live outside the central cities, in smaller communities. They are generous, but not spendthrifts. They lean traditional, not trendy and opt for convenience and comfort. Technology has its uses, but the bells and whistles are a bother.
- **Front Porches** blends household types, with more young families with children or single households than average. More than half of householders are renters, and many of the homes are older town homes or duplexes. Friends and family are central to Front Porches residents and help to influence household buying decisions. Income and net worth of these residents are well below the US average.
- **Retirement neighborhoods** combine single-family homes and independent living with apartments, assisted living, and continuous care nursing facilities. Over half of the housing units are in multiunit structures, and the majority of residents have a lease. This group enjoys watching cable TV and stays up-to-date

with newspapers and magazines. Residents take pride in fiscal responsibility and keep a close eye on their finances. While some residents enjoy cooking, many have paid their dues in the kitchen and would rather dine out.

- **The Great Outdoors** segment represents households found mostly in pastoral settings. Consumers are educated empty nesters living an active but modest lifestyle. Their focus is land. They are more likely to invest in real estate or a vacation home than stocks. They are active gardeners and partial to homegrown and home-cooked meals.
- **Rustbelt Traditions** are the backbone of older industrial cities in a mix of married-couple families and singles living in older developments of single-family homes. While varied, the work force is primarily white collar, with a higher concentration of skilled workers in manufacturing, retail trade, and health care. Family oriented, they value time spent at home. Most have lived, worked, and played in the same area for years.
- **Comfortable Empty Nesters** are residents in this large, growing segment and are older, with nearly half of all householders aged 55 or older; many still live in the suburbs where they grew up. Most are professionals working in government, health care, or manufacturing. These Baby Boomers are earning a comfortable living and benefitting from years of prudent investing and saving. They value their health and financial well-being.

Tourism Potential

To understand the destination retail/entertainment/dining potential it is important to consider the preferences and behaviors of households within the Regional Trade Area. Two types of consumer metrics were examined: the Market Potential Index (MPI), and the Spending Potential Index (SPI) which calculates the probability of residents to engage in certain activities (MPI) and to spend money on certain types of things (SPI) as compared to U.S. households overall. This information helps show what types of entertainment, recreation, and leisure businesses are likely to be the most successful in Downtown Rutland based on regional consumer demand.

An MPI or SPI of 100 means that residents of the region have the same participation/spending rate for that category as the rest of the U.S. while an MPI or SPI greater than 100 means that residents have a greater participation/spending rate in that category. Note that just because a higher number of people participate in an activity, it doesn't mean the MPI will be equally high, because other factors are considered (age, income, etc.). The data is derived from Esri Business Analyst, a leading provider of consumer analytics.

The tables below show the recreation and leisure activities with the greatest MPI and SPI in the region. Being a member of a veteran's club topped the list for MPI, followed by woodworking and watching NASCAR. Participating in watersports, being members of organizations, and watching sporting events on TV also topped the list.

Leisure and Sports Market Potential, Top 10, Local Trade Area			
Activity	Expected # of Adults	%	MPI
Member of veterans club	1,429	3.7	147
Did woodworking in last 12 months	2,676	6.9	138
Watch on TV: auto racing (NASCAR)	4,737	12.2	131
Participated in canoeing/kayaking in last 12 months	3,314	8.5	125
Watch on TV: motorcycle racing	1,304	3.3	125
Watch on TV: auto racing (not NASCAR)	1,919	4.9	123
Participated in fishing (salt water) in last 12 months	1,864	4.8	122
Member of charitable organization	2,065	5.3	122
Member of fraternal order	1,068	2.7	122
Participated in boating (power) in last 12 months	2,198	5.6	120

Source: Esri

The highest SPI was on payments on large recreational equipment and magazine and newspaper subscriptions. Other reading, stamp and coin collecting, playground equipment and exercise gear also rank in the top 10.

Recreation Expenditures, Top 10, Local Trade Area			
	SPI	Avg. Spend	Total
Payments on Boats/Trailers/Campers/RVs	86	\$ 50.47	\$ 1,001,675
Magazine/Newspaper Subscriptions	86	\$ 31.94	\$ 633,877
Stamp & Coin Collecting	86	\$ 3.67	\$ 72,900
Magazine/Newspaper Single Copies	85	\$ 5.62	\$ 111,465
Film	84	\$ 0.66	\$ 13,121
Playground Equipment	83	\$ 3.48	\$ 69,046
Reading	82	\$ 87.08	\$ 1,728,352
Exercise Equipment and Gear, Game Tables	82	\$ 53.23	\$ 1,056,461
Docking and Landing Fees for Boats and Planes	82	\$ 7.78	\$ 154,461

Source: Esri

Consumer characteristics of the neighborhood and local trade areas indicate a consumer base that may not have particularly high levels of retail spending but are highly engaged in outdoor recreation activities, which could be a market for outdoor recreation gear outfitters or other similar types of businesses to tap into.

Destination Retail Potential

While most of the retail needs of households in the neighborhood and local trade areas are being accommodated, there is great opportunity in expanding Downtown Rutland's destination potential. Rutland is a major regional urban center and as such it's downtown has the potential to be a more significant dining and entertainment hub. Downtown has a major entertainment anchor in the Paramount Theatre that draws regional visitors to Downtown already. The Rutland Plaza shopping center featuring Walmart and Price Chopper also draws shoppers into the downtown area from around the region. This section explores the consumer characteristics within the Destination Trade Area (a 1-hour drive time from downtown).

Destination Trade Area Characteristics

There are approximately 146,000 people within a one-hour drive of downtown Rutland, totaling over 60,000 households. The median age of this population is 46.5, and these households have a median income of \$54,600.

Destination Trade Area Demographic Overview, 2019	
Population	145,957
Households	60,033
Average Household Size	2.3
Median Age	46.5
Median Household Income	\$ 54,641

Source: Esri

Approximately 20% of households have annual incomes between \$50,000 and \$74,999, and 35% have incomes over \$75,000. Forty five percent of households make less than \$50,000. By age, most households are 55 and over (56%). Thirty percent of households are aged 35-54, and another 14% are 34 or younger.

Households by Age & Income, Housing Market Area, 2019								
	15-24	25-34	35-44	45-54	55-64	65-74	75+	Total
Less than \$15,000	338	593	593	817	1,421	1,159	1,397	6,318
\$15,000-\$24,999	275	542	478	561	1,047	1,324	1,855	6,082
\$25,000-\$34,999	246	745	622	715	1,029	1,310	1,587	6,254
\$35,000-\$49,999	329	1,073	1,066	1,240	1,578	1,566	1,362	8,214
\$50,000-\$74,999	313	1,473	1,521	2,104	3,032	2,671	1,020	12,134
\$75,000-\$99,999	132	939	1,181	1,816	2,401	1,473	511	8,453
\$100,000-\$149,999	84	851	1,498	1,618	1,850	1,222	450	7,573
\$150,000-\$199,999	24	312	357	743	651	343	169	2,599
\$200,000+	14	201	374	574	631	480	132	2,406
Total	1,755	6,729	7,690	10,188	13,640	11,548	8,483	60,033

Source: Esri

Second-Home Owner Market

Housing characteristics provide an understanding of who in the area may be more apt to travel distances to enjoy a special evening, day, or weekend. By looking at second homeowners in Vermont, specifically those who own a home in Vermont and spend only part of the year in the state, we can learn more about one portion of the population that may be inclined to experience Downtown Rutland. For those counties that roughly align within an hour's drive (Addison, Bennington, Rutland, and Windsor Counties in VT, and Washington County in NY) we look at the rate of seasonally vacant homes.

Housing Occupancy, 5 County Region, 2017		
	#	%
Owner-Occupied	74,663	54.7%
Renter-Occupied	28,587	20.9%
Seasonally Vacant	23,460	17.2%
Otherwise Vacant	9,862	7.2%
Total	136,572	100.0%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Region includes Addison, Bennington, Rutland, and Windsor Counties in VT, and Washington County in NY.

Otherwise Vacant are homes for rent or sale, sold or rented but not occupied, for migrant workers, for migrant workers, or abandoned.

Approximately 17% of all homes in this five-county region are “seasonally vacant”, meaning they are only occupied part of the time. These 23,500 households represent a market segment who have enough financial resources to own a seasonal home and would be a primary target market for new destination retail, entertainment, and dining uses downtown. In our research in other communities, most seasonal homes are not only occupied by their owner for part of the year, but are likely being rented via platforms like AirBnB and VRBO and other home sharing programs. Therefore, there is likely more visitors to the area throughout the season, and an opportunity to draw these people to Rutland, potentially increasing visitor demand. Creating a “critical mass” of these types of uses

would likely be needed to creating the “drawing power” to attract these households downtown.

Regional Consumer Preferences

The tables below show the recreation and leisure activities with the greatest MPI and SPI in the region. Being a member of a veteran’s club topped the list for MPI, followed by hunting with a rifle and owning an ATV or UTV. Woodworking, participating in watersports, being members of organizations, watching sporting events on TV, and other outdoor activities also topped the list.

Top Leisure and Sports Market Potentials, Destination Trade Area			
Activity	Expected # of Adults	%	MPI
Member of veterans club	4,919	4	162
Participated in hunting with rifle in last year	7,874	6.5	153
HH owns ATV/UTV	5,510	9.2	151
Did woodworking in last year	8,709	7.2	144
Participated in canoeing/kayaking in last year	11,427	9.4	138
Watch on TV: auto racing (NASCAR)	15,644	12.8	138
Participated in fishing (fresh water) in last year	18,408	15.1	130
Participated in hunting with shotgun in last year	5,332	4.4	130
Watch on TV: motorcycle racing	4,224	3.5	130
Attend sports events: high school sports	5,280	4.3	129
Participated in boating (power) in last year	7,313	6	128
Participated in fishing (salt water) in last year	6,095	5	128
Member of fraternal order	3,490	2.9	128
Member of union	5,855	4.8	128
Member of AARP	18,614	15.3	127
Did birdwatching in last year	6,830	5.6	125
Went on overnight camping trip in last year	18,866	15.5	125

Source: Esri

The highest SPI was payments on large recreational equipment, playground equipment, and RVs and associated fees. Reading, TV services and repair, and other hobbies topped the list.

Top Recreation Expenditures, Destination Trade Area			
	SPI	Avg. Spend	Total
Payments on Boats/Trailers/Campers/RVs	111	\$ 65.22	\$ 3,915,243
Rental of Boats/Trailers/Campers/RVs	98	\$ 24.18	\$ 1,451,694
Playground Equipment	94	\$ 3.94	\$ 236,369
Recreational Vehicles and Fees	94	\$ 149.70	\$ 8,987,390
Magazine/Newspaper Single Copies	94	\$ 6.21	\$ 372,983
Magazine/Newspaper Subscriptions	93	\$ 34.78	\$ 2,088,006
Dating Services	90	\$ 0.63	\$ 37,999
Docking and Landing Fees for Boats and Planes	89	\$ 8.49	\$ 509,432
Film Equipment	89	\$ 0.70	\$ 42,170
Stamp & Coin Collecting	88	\$ 3.76	\$ 225,654
Reading	88	\$ 93.62	\$ 5,620,564
Cable & Satellite Television Services	87	\$ 768.99	\$46,166,571
Repair of TV/Radio/Sound Equipment	87	\$ 2.06	\$ 123,853
Exercise Equipment and Gear, Game Tables	87	\$ 56.68	\$ 3,402,727
Winter Sports Equipment	87	\$ 4.70	\$ 282,380

Source: Esri

Destination Experiences

Creating a destination downtown requires a “cluster” of numerous “destination” businesses. If a cluster can be established, the destination experience within Downtown Rutland has the potential to offer the following examples of destination experiences:

- A leisurely lunch stop for Killington visitors or second-home owners where tourists have several selections for fine dining, ethnic food, craft beer, and other food and beverage options. Visitors can visit boutique shops and purchase local crafts before resuming their trek to the mountain.
- A summer night out for couples and families from around the region who can come for dinner and ice cream, a stroll through a few art galleries, and attend a special event or performance at the Paramount Theatre or movie at the Flagship Cinemas.
- A half day enjoying everything downtown Rutland has to offer including renting bikes to ride through Pine Hill Park, before stopping at the regionally recognized farmers market, to taking a

self-guided mural tour, to grabbing a dinner at popular restaurant Roots with a live band at the Center Street Marketplace Park.

Destination businesses also improve the quality of life and offerings for local and regional residents as well.

Retail Considerations for Downtown Rutland

According to current retail supply and demand data, residents’ retail needs are largely served by existing businesses in the area, and there is minimal need for additional retail to fill existing “gaps”. While there is currently limited demand for this type of retail, there is still potential to enhance retail offerings downtown by focusing on existing strengths and destination/“shoppertainment” categories.

Retail activity is evolving every day and it can be a challenge for smaller towns to mitigate the challenges that retail brick-and-mortar stores face. As ecommerce continues to gain retail market share, concern about “over-retailing” and the “retail apocalypse” has pervaded communities around the country. To be successful, retailers are repositioning themselves to navigate the changing shopping environment as retail becomes more “experiential” and less transaction-based. With online shopping just a click away, consumers need a compelling reason to visit a physical store. A critical mass of experiential business is vital to draw people to Downtown. These businesses would have to be unique as traditional retail will most likely not work given options to meet these needs nearby.

Interviews indicate that there is the potential for additional restaurants in downtown Rutland. There are several examples of restaurateurs looking for space in the Rutland market recently, including those with established restaurants in other markets, such as Burlington, that are looking to open second locations in Rutland.

Rutland has a regional draw and a visit to take in a show and go out to dinner, etc. is seen as a worthwhile trip for those an hour or more away. Capturing this demographic will be critical to the success of Downtown.

Summary of Retail Market Findings

- 1. Overall, there is not strong demand for retail space downtown.** Downtown has generally high vacancy rates among first-floor commercial retail spaces. The analysis found that this is generally a “demand side” problem rather than an issue with the availability of space. This indicates a need to change the retail market dynamics and think creatively about how to activate vacant storefront properties and support existing retailers.
- 2. Local consumer characteristics are challenging.** The low resident population in the downtown area means a relatively small consumer base for retail businesses. Additionally, low-income levels may pose challenges to attracting retailers, particularly national brand retailers that rely on consumer data metrics for site selection decisions.
- 3. Need to change retail market dynamics to be successful.** New housing and residents in the downtown area, particularly higher-income professionals and empty-nesters, could significantly alter the retail market dynamics and attract new businesses to the downtown area. Capturing spending by existing tourists in the Rutland region will also be critical in supporting retail business downtown. It is also important to focus on placemaking activities to better improve the perception of the downtown area and attract consumers to downtown businesses.
- 4. Retail and Entertainment Business Opportunities Associated with Tourism/Outdoor Recreation.** The market area has a significant concentration of consumers engaged and interested in outdoor recreation pursuits. There are also a significant number of visitors to the Rutland region that participate in outdoor recreation activities. Skiers coming into the region during the winter months are one significant market segment. Examples of businesses that cater to outdoor recreation enthusiasts that could be successful downtown include: outdoor gear outfitter, bike shop, indoor rock climbing gym, axe throwing and archery bar, etc.
- 5. Potential to Make Downtown a Dining & Entertainment Destination.** Rutland has some of the most unique restaurants in the region and the data indicates the city already functions as a destination for food. Households in the broader region, including second homeowners, as well as tourists, are a largely untapped market opportunity for downtown. The Paramount Theatre is an existing visitor draw that can be better capitalized on and downtown is readily accessible from the popular biking destination Pine Hill Park. A nascent arts scene could also be cultivated to make downtown an arts & cultural destination, which would support new business activity. Examples of the types of dining and entertainment businesses may be successful downtown include: brewpub, distillery, restaurant, coffee shop, specialty foods, bar with live entertainment, art gallery, etc.
- 6. Opportunity to Build on Strengths in Health & Wellness.** An aging population means an increasing need for facilities to keep people healthy. In addition, health and wellness businesses offer the services that millennials look for when moving to a new place and align with the Vermont brand and outdoor recreation enthusiast’s interests. With several locations downtown that already exist, combined with the nearby recreational opportunities and consumer characteristics, health and wellness is a perfect fit. Examples of these types of businesses include yoga/pilates/barre studios, fitness boutique retailer, etc.
- 7. There is Some Opportunity to Capture Retail Spending “Leaking” out of the Rutland Area.** While the data indicates that most of the retail needs of local consumers is being met, there is some spending by area residents occurring out of the area (online or in other communities) that could potentially be recaptured by new businesses. The analysis found that recapturing sales leakage could support at least one new clothing store and one new sporting goods & hobby stores

RESIDENTIAL

The Baseline Assessment in Chapter 2 provided an overview of the current housing supply in Downtown Rutland. From this analysis of housing stock age, size of unit, and occupancy, we see that the stock may be inadequate for a shifting demographic, both in age and quality of units among other preferences. The residential market analysis seeks to understand the current state of housing paired with the current and future needs of a community's residents. The analysis builds off of the City of Rutland's 2019 update to its 2012 Housing Needs Assessment to provide additional information about the market potential for downtown housing.

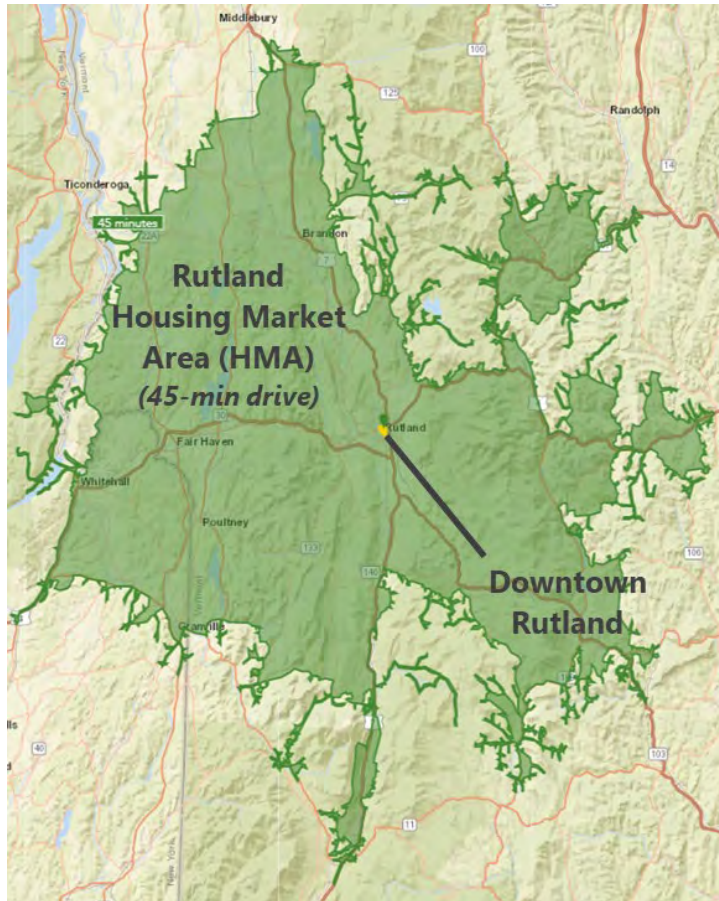
Previous Reports

An update to the City of Rutland's 2012 housing needs assessment was completed in July of 2019, providing housing recommendations based on a quantitative data analysis, employer and worker survey, and in-depth stakeholder interviews. To provide context, the following outlines the major findings of the 2019 report:

- While the market to purchase a home is healthy, the rental market is perceived as poor and quality, affordable rentals are hard to find. Having a steady supply of high-quality rentals is needed when looking to draw people into the community and make resident attraction efforts more challenging.
- High vacancy rates overall indicate potential oversupply, with the deterioration of many units as they sit and fail to generate economic returns. Fifty-three percent of vacant units in the City of Rutland are classified as "other vacant" indicating these properties could be abandoned, in foreclosure, or held for speculation.
- Weak housing fundamentals are seen in the declining population, household income, and number of jobs. In addition, from 2012 through 2017, there were only 12 units of new construction issued permits in Rutland City and 278 units in Rutland County.
- Rental properties are the hardest to find for low-income households, and as a result many are paying what they can afford (more than 30% of their income). This is despite a healthy rental vacancy rate of 7% in the city. About 65% of renters have incomes below \$35,000 per year.
- Where concentrated and sustained efforts have taken place, such as in the Northwest Neighborhood, the area has improved with increased market activity and improvements to the neighborhood look and safety. In other parts of the city, housing quality and neighborhood image are major challenges, and as such, strategies that help improve the image of Rutland are needed.
- Data suggests there might be a market for higher-end rental housing downtown, as evidenced by a lack of supply of rental units coupled with a supply of households making enough money to afford such apartments.
- There are challenges to draw both investment and renters in the city. Survey and interview data indicate high property taxes, safety, housing quality, and school quality as major concerns for living in the city. Additionally, high property taxes and tight landlord regulations were cited as challenges to invest in the rental market.
- Regarding the downtown area, the report specifically recommended to focus on downtown Rutland and identify prime sites for redevelopment as a means of catalyzing economic development for the entire city, and support investment in Rutland's downtown and neighborhoods. This includes demolishing obsolete buildings, acquiring properties, making loans to fix up properties.

Residential Trade Area

More people need to live downtown to activate its potential as an economic hub. One source of these people could come from the immediate area. We examined a 45-min Housing Market Area (HMA) drive time from the center of Downtown to understand their characteristics and potentially what the downtown residential market could support. Note that this is a primary market from which to draw additional residents; other markets from outside the area are discussed later in the report.



Housing Price

For owner-occupied homes, the median value is the lowest in Downtown at \$148,000, \$151,000 in the entire city, and \$184,000 within the Rutland HMA. The greatest concentration of homes falls within the \$100,000 to \$149,999 bracket in both the downtown and city, and within the \$150,000 to \$199,999 bracket in the HMA.

Distribution of Home Value, Owner-Occupied Units				
Home Value	Downtown Rutland		City of Rutland	Rutland HMA
	#	%	%	%
< \$50,000	2	6.1%	5.6%	4.1%
\$50,000-\$99,999	4	12.1%	10.9%	10.2%
\$100,000-\$149,999	11	33.3%	32.8%	20.7%
\$150,000-\$199,999	6	18.2%	26.6%	22.2%
\$200,000-\$249,999	1	3.0%	8.5%	13.0%
\$250,000-\$299,999	5	15.2%	6.0%	9.8%
\$300,000-\$399,999	1	3.0%	6.9%	9.0%
\$400,000-\$499,999	3	9.1%	2.4%	4.2%
\$500,000-\$749,999	0	0.0%	0.0%	4.5%
\$750,000-\$999,999	0	0.0%	0.0%	1.2%
\$1,000,000-\$1,499,999	0	0.0%	0.3%	0.5%
\$1,500,000-\$1,999,999	0	0.0%	0.0%	0.4%
\$2,000,000 +	0	0.0%	0.0%	0.2%
2019 Median Home Value	\$	147,727	\$ 151,285	\$ 183,688

Source: Esri

Similarly, median rent is lowest Downtown when compared to the city and HMA. The majority of rents Downtown fall within the \$650 to \$999 range (61%). Notable is the city and HMA's concentration of rents in the \$1,000 to \$1,999 range; whereas this is 23% in the city and 26% in the HMA, it is only 10% downtown. Lower home values and rents are caused by many factors including age and quality of available housing stock and vacancy as discussed in Chapter 2.

Distribution of Rents				
Rent Price	Downtown Rutland		City of Rutland	Rutland HMA
	#	%	%	%
Less than \$350	13	9.0%	12.5%	9.7%
\$350 to \$499	12	8.3%	4.4%	6.8%
\$500 to \$649	17	11.7%	10.8%	10.6%
\$650 to \$799	42	29.0%	26.7%	20.8%
\$800 to \$899	29	20.0%	15.8%	14.1%
\$900 to \$999	18	12.4%	6.4%	10.5%
\$1,000 to \$1,249	11	7.6%	14.5%	16.2%
\$1,250 to \$1,499	1	0.7%	6.0%	6.7%
\$1,500 to \$1,999	2	1.4%	2.9%	3.5%
\$2,000 to \$2,499	0	0.0%	0.0%	0.8%
\$2,500 or More	0	0.0%	0.0%	0.3%
Median Rent	\$	747	\$ 782	\$ 815

Source: Esri

Residential Development Activity

The 2019 housing update reported that from 2012 through 2017, there were only 12 units of new construction permitted in Rutland City and 278 units in Rutland County. This relatively low number of building permits in the city is indicative of a slower housing market, high building costs, or a perceived adequate supply of housing.

Interviews indicate that there are some barriers to developing housing in the downtown area. The downtown market is still generally considered “unproven” indicating there are few significant and successful residential projects. This is particularly significant in securing financing for projects from lending institutions. Other potential barriers according to interviews include fees associated with the development approvals process that can make development less financially feasible.

Despite the lack of any large-scale residential projects in recent years, there has been residential redevelopment activity in and around the downtown area. New Castleton student housing was developed on the

upper floors of two buildings at West Street & Merchants Row. The units have been very popular and are at or near full occupancy. Interviews indicated that there have also been residential conversions to create apartment units in the vicinity of the downtown area for which there has been very strong demand.



Photo source: Donna Wilkins Photography

Net Migration

The US Census 2013-2017 American Community Survey measures migration (people moving) between counties across the U.S. and foreign regions. Understanding where people are moving to and where people have moved from within Rutland County may help refine strategies to target specific places to draw people or learn more about what factors may cause someone to move to a new location, to then be replicated Downtown if applicable.

In line with population decline, there was a net loss of 728 Rutland County Residents with 2,220 people moving into the county and 2,948 moving out of the county. The top ten counties are represented in the tables below. Windsor County is the top county both in-migration and out-migration. This, and other proximate counties dominate this list. While this data source primarily tracks county migration, it also tracks the in-migration of foreign regions. Interestingly, the location ranking third for where people move into Rutland County from is Asia. Several VT counties represent the highest in-migrators and out-migrators including Windsor County, Chittenden County, and Bennington County.

Increasing Migration to Vermont

The State of Vermont has several programs through its Think Vermont initiative to draw people to the state. The **Stay to Stay** program, in partnership with Think hosts visitor weekends specifically designed for those interested in making Vermont their home and meeting with potential employers, realtors, community leaders and more. March 13-15, 2020 Rutland and the Killington area hosts a weekend. The **New Worker Relocation Grant Program** which offers up to \$7,500 in reimbursements for qualified relocation expenses. And while funding has been allocated for 2020, they also offer a **Remote Worker Grant** program which provides incentives to individuals who move to Vermont and work remotely.

<https://www.thinkvermont.com/relocate/>

Moving Into Rutland County - Top 10 Counties Where People are From

County/ Foreign Area	Number of People	% of Total
Windsor County, VT	167	7.5%
Hampden County, MA	132	5.9%
Asia	122	5.5%
Chittenden County, VT	99	4.5%
La Plata County, CO	95	4.3%
Wake County, NC	89	4.0%
Bennington County, VT	76	3.4%
Cumberland County, ME	67	3.0%
Washington County, VT	54	2.4%
Orleans County, VT	52	2.3%
Total Top 10	953	42.9%
All Other Places	1,267	57.1%
Grand Total	2,220	100.0%

Source: US Census 2013-2017 ACS

Moving Out of Rutland County - Top 10 Counties Where People Move

County	Number of People	% of Total
Windsor County, VT	211	7.2%
Washington County, NY	207	7.0%
Bennington County, VT	192	6.5%
Okanogan County, WA	149	5.1%
Addison County, VT	146	5.0%
Chittenden County, VT	138	4.7%
Suffolk County, MA	138	4.7%
Johnson County, IA	130	4.4%
Flagler County, FL	107	3.6%
Windham County, VT	95	3.2%
Total Top 10	1,513	51.3%
All Other Places	1,435	48.7%
Grand Total	2,948	100.0%

Source: US Census 2013-2017 ACS

Residential Demand

To understand potential demand for residential space downtown, the projected change in households for the city, county, and state were analyzed. In addition, by examining this by household income and age of householder, we can further understand what preferences and price points future housing must be at to satisfy market demand.

Within the City of Rutland, there is projected to be a net reduction of 177 households from 2019 to 2024 as estimated by Esri. Generally, the city will lose households with lower incomes (under \$50,000) and gain some, but not as many households with incomes greater than \$50,000. Among age cohorts, the city will have a decline in households under 65, and gain households aged 65 and up. This suggests that housing aligning with the preferences and needs of this older age segment will be in demand. Additionally, there does seem to be market share for creating housing that caters to relatively higher incomes, indicating market rate or upscale residential space might be in demand.

Within the county the findings are similar. The county is expected to lose 486 households by 2024, whereas the city shows a decline in all but the older age cohorts. The county is expected to gain higher-earning households in the 35-44-year-old cohort. This trend continues within the state; also gaining households aged 25-34.

Change in Households by Income - Rutland City, 2019 - 2024								
	15-24	25-34	35-44	45-54	55-64	65-74	75+	Total by Income
Less than \$15,000	(6)	(9)	(10)	(26)	(37)	(1)	16	(73)
\$15,000-\$24,999	(12)	(17)	(19)	(27)	(41)	(17)	(21)	(154)
\$25,000-\$34,999	(4)	(6)	(8)	(16)	(18)	2	25	(25)
\$35,000-\$49,999	(4)	(10)	(16)	(30)	(36)	(3)	12	(87)
\$50,000-\$74,999	2	6	(1)	(34)	(33)	49	24	13
\$75,000-\$99,999	1	9	14	(8)	1	42	14	73
\$100,000-\$149,999	0	5	16	(8)	2	30	13	58
\$150,000-\$199,999	0	(1)	5	(5)	(2)	1	4	2
\$200,000+	0	0	(2)	2	4	11	1	16
Total by Age	(23)	(23)	(21)	(152)	(160)	114	88	(177)

Source: Esri

Change in Households by Income - Rutland County, 2019 - 2024								
	15-24	25-34	35-44	45-54	55-64	65-74	75+	Total by Income
Less than \$15,000	(11)	(32)	(23)	(83)	(141)	(32)	63	(259)
\$15,000-\$24,999	(33)	(54)	(42)	(78)	(135)	(87)	(41)	(470)
\$25,000-\$34,999	(19)	(44)	(32)	(78)	(101)	(23)	116	(181)
\$35,000-\$49,999	(21)	(51)	(47)	(134)	(150)	(43)	67	(379)
\$50,000-\$74,999	(1)	(21)	11	(176)	(159)	155	141	(50)
\$75,000-\$99,999	5	28	87	(39)	16	165	89	351
\$100,000-\$149,999	2	21	91	(30)	32	131	79	326
\$150,000-\$199,999	0	(5)	29	(18)	11	16	22	55
\$200,000+	0	(2)	13	9	24	63	14	121
Total by Age	(78)	(160)	87	(627)	(603)	345	550	(486)

Source: Esri

Demand in the Housing Market Area

Specifically looking at the Housing Market Area identified earlier, we see a reduction in overall households as well (a drop of 466 households by 2024). This is slightly fewer than the county, despite being a much larger area. Similar to the city and county, the HMA will see an increase in wealthier and older households over 65, with an additional increase of 145 households in the 35-44-year-old cohort.

Change in Households by Income - Housing Market Area, 2019 - 2024								
	15-24	25-34	35-44	45-54	55-64	65-74	75+	Total by Income
Less than \$15,000	(17)	(48)	(32)	(115)	(177)	(52)	79	(362)
\$15,000-\$24,999	(40)	(74)	(50)	(106)	(172)	(110)	(37)	(589)
\$25,000-\$34,999	(26)	(58)	(36)	(112)	(118)	(28)	142	(236)
\$35,000-\$49,999	(24)	(57)	(50)	(174)	(173)	(45)	94	(429)
\$50,000-\$74,999	(1)	(24)	18	(218)	(165)	193	168	(29)
\$75,000-\$99,999	5	33	107	(56)	37	198	118	442
\$100,000-\$149,999	2	31	122	(37)	62	161	103	444
\$150,000-\$199,999	0	2	43	(17)	30	27	47	132
\$200,000+	0	(3)	23	14	30	75	22	161
Total by Age	(101)	(198)	145	(821)	(646)	419	736	(466)

Source: Esri

Looking past the projected change and focusing on current conditions, we look at the total number of households by income and age currently in the HMA (see below). This represents the entire local pool of potential residents, representing over 32,000 households. The highest number fall

within the \$50,000 to \$74,000 income range and within the 55-64-year-old age cohort. Even though the total number of households will decline over time, there is still a significant number of households in the area.

Households by Age & Income, Housing Market Area, 2019								
	15-24	25-34	35-44	45-54	55-64	65-74	75+	Total
Less than \$15,000	198	322	339	468	776	661	713	3,477
\$15,000-\$24,999	172	318	272	311	583	734	1,056	3,446
\$25,000-\$34,999	148	417	363	415	564	740	850	3,497
\$35,000-\$49,999	181	570	565	685	841	858	662	4,362
\$50,000-\$74,999	171	851	863	1,213	1,766	1,478	538	6,880
\$75,000-\$99,999	74	537	638	1,022	1,348	794	270	4,683
\$100,000-\$149,999	46	459	812	853	940	610	206	3,926
\$150,000-\$199,999	12	156	157	352	318	150	95	1,240
\$200,000+	5	83	161	246	279	229	50	1,053
Total	1,007	3,713	4,170	5,565	7,415	6,254	4,440	32,564

Source: Esri

Target Market Segments

Our research to date has identified several target markets segments which could derive demand for additional downtown residential space, if it were made available. Here we look into existing conditions and market trends to help craft strategies and provide context around these burgeoning market segments. From this we can determine what type of housing may be appropriate given the existing concentration of rental units, the growing senior population, and the relative concentration of millennials.

Seniors

Aging of the population is a trend that will continue to affect the demand for housing locally and nationwide. Demand for senior housing will exist across the continuum of care, from independent living to assisted living to nursing care, memory care, and hospice. This is an issue that affects not just residents who wish to age in place, but their families who are living in the same community and want to maintain close relationships among

generations by helping seniors remain nearby, or by helping them relocate from another community.

Burlington is currently touted as one of the best small cities for people to retire in;³ as the state’s third largest city it stands that there is room for Rutland to take some of this market share by highlighting its own access to outdoor recreation and lower cost of living than its neighbor to the north.

Downtown living presents an opportunity to seniors because it requires less reliance on driving, more places for social interaction, and convenient access to goods and services. While many seniors wish to remain in their long-standing homes, this presents accessibility issues. In addition, it prevents housing from entering the market that may be more appropriate for younger individuals or families.

As previously mentioned, the City of Rutland is expected to see a rise in those households over the age of 65 (an increase of about 200 households by 2024). And currently there are 75 senior residents at the Bardwell House, an affordable housing community in Downtown Rutland. The need for senior housing will continue to increase not just in the city but nationwide.

The following chart illustrates the change in population over 55 within the Downtown, city, and HMA. While the total population is expected to decline within these three geographies, the population of those over 55 will increase by 2% in both the Downtown and the city, and more than twice that in the HMA.

³ <https://www.aarp.org/home-garden/livable-communities/info-10-2011/Great-Charming-Small-Cities-for-Retirement.html#quest1>

Change in 55+ Population, 2019-2024					
Age	Downtown Rutland			City of Rutland	Rutland HMA
	2019	2024	% Change 2019-24	% Change 2019-24	% Change 2019-24
55-59	20	17	(15.0%)	(13.6%)	(13.8%)
60-64	19	20	5.3%	(5.7%)	0.2%
65-69	16	17	6.3%	9.0%	5.6%
70-74	11	11	0.0%	15.5%	13.4%
75-79	10	12	20.0%	22.7%	29.9%
80-84	8	9	12.5%	13.0%	22.1%
85+	13	13	0.0%	(4.6%)	0.7%
Total Population 55+	97	99	2.1%	2.2%	4.4%
Total Population	257	250	(2.7%)	(2.3%)	(1.4%)

Students & Young Professionals

Currently, about 70 Castleton University students live in Downtown Rutland. These are primarily students who have another connection to Downtown via a job or internship. There is currently not a plan to expand residential space for Downtown residents however the University remains a close partner and potential opportunities exist. By examining trends in student housing we can understand more fully what this market is looking for. These trends overlap with overall shifting preferences that can be extrapolated to young professionals as well.

Trends in Student Housing

In a survey of more than 25,000 students conducted by American Campus Communities in April 2018, more than 78% of respondents said that the availability of high-quality student housing affected their college or

university selection.⁴ However, students are not looking for luxury. There is an increasing movement in student housing that calls for simple style living accommodations with different scales of common areas and excellent access to technology. Other trends include:^{5,6}

- Choice and more variety of living spaces within one building; units range from one to four bedrooms.
- Communal bathrooms are rare; more likely to have one bathroom per suite, with two students sharing a bathroom.
- Designed less like dorms and more like off-campus options with outdoor pools, in-suite laundry, and other amenities.
- Common spaces feature an environment more akin to a maker space with places to create (green screens) and places to recreate (pool or ping pong table, projector screen, etc.).
- Encouraging community. For example, one student housing facility made the WIFI signal lower in rooms versus in common areas.
- Coed is the norm within buildings, even within some units.
- Movement to more simplistic living arrangements to achieve desired cost.

These trends in student housing reflect a broader trend in housing preferences of young professionals as well. It stands that residential units downtown that align with students needs may draw a younger population downtown.

Out of the Area Urban Dwellers

Small cities are increasingly a draw for those that live in bigger cities and are being pushed out due to an exorbitant cost of living. City living is also unique from the single-family home common to most Vermonters. Upper

⁴ <https://www.naahq.org/news-publications/nine-trends-changing-student-housing-industry>

⁵ <https://www.bdcnetwork.com/6-trends-steering-todays-college-residence-halls>

⁶ <https://www.theatlantic.com/education/archive/2017/08/why-universities-are-phasing-out-luxury-dorms/537492/>

story living, more logistics when moving or parking, more noise and more people are not exactly why people want to move to a pastoral state. So while one source of potential new downtown residents is in the surrounding area, it is reasonable to market small city living in places further away. Targeting areas such as Portsmouth, NH; or Boston, MA; even Baltimore and Philadelphia may be worthwhile to draw urban dwellers to Downtown Rutland.

While some move to a rural place to totally disengage from city life, there are others who enjoy living in a city environment but are finding their current location cost prohibitive. A large contingent of this cohort are millennials, now aged 25 to 39, and interested in buying and settling down. This millennial surge creates an opportunity for those places looking to increase their population.⁷

A submarket of this contingent is those that work remotely or do freelance work. Cities like Boise, ID and Charlotte, NC are seeing faster population growth than most larger cities, and it is in part because there are the services, amenities, and lifestyle options – at a reasonable cost – available for the lifestyle that working independently demands.⁸

The Rutland Region Chamber of Commerce has caught on to this trend, and in February of 2019 initiated the Rutland Red Carpet program, a concierge service that matches people considering a move to Rutland with residents. These reliable “concierges” provide networking opportunities, answer questions, and help generate ideas to navigate the potential of moving to a new place.⁹

As part of its broader Real Rutland campaign, the Chamber is marketing the Rutland area to urban dwellers in the northeast and outdoor recreation enthusiasts, particularly those living out west in resort communities. One of the reported challenges, however, is the lack of

quality rental units in the downtown Rutland area for prospective residents to live.

Summary of Residential Market Findings

- 1. Housing Is A Significant Untapped Opportunity for Downtown.** Downtown housing is likely one of the most substantial opportunities for the revitalization of downtown. There is strong demand for housing but little quality housing stock. A focus on housing also has the potential to improve the market dynamics for other types of uses such as retail, dining, and entertainment and creating a 24/7 atmosphere.
- 2. Housing Demand Not Driven by Population Growth.** Population growth in the City, County, and State means that “natural” population growth won’t drive new demand for downtown housing. Despite challenging population trends, downtown is well positioned to capture regional housing demand from changing demographics.
- 3. Unmet Demand for Quality Downtown Apartments.** There is unmet demand for market-rate and upscale apartments in the downtown area due to a lack of supply of these types of units. Recent student housing development and other small residential redevelopment projects in the vicinity of the downtown area have seen strong demand and high occupancy levels. There is a supply of households in the region making the requisite income to afford such apartments. Overall, demand is expected to be much greater for rental units rather than condominium units, which have traditionally fared poorly in the Rutland market and are reported to have little demand in the local market.

⁷ <https://www.cnn.com/2019/05/02/millennials-are-pouring-into-these-smaller-cities-and-buying-homes.html>

⁸ <https://www.wsj.com/articles/millennials-are-coming-to-americas-small-towns-11570832560>

⁹ <https://rutlandvermont.com/rutland-regional-marketing-initiative-offers-concierge-service/>

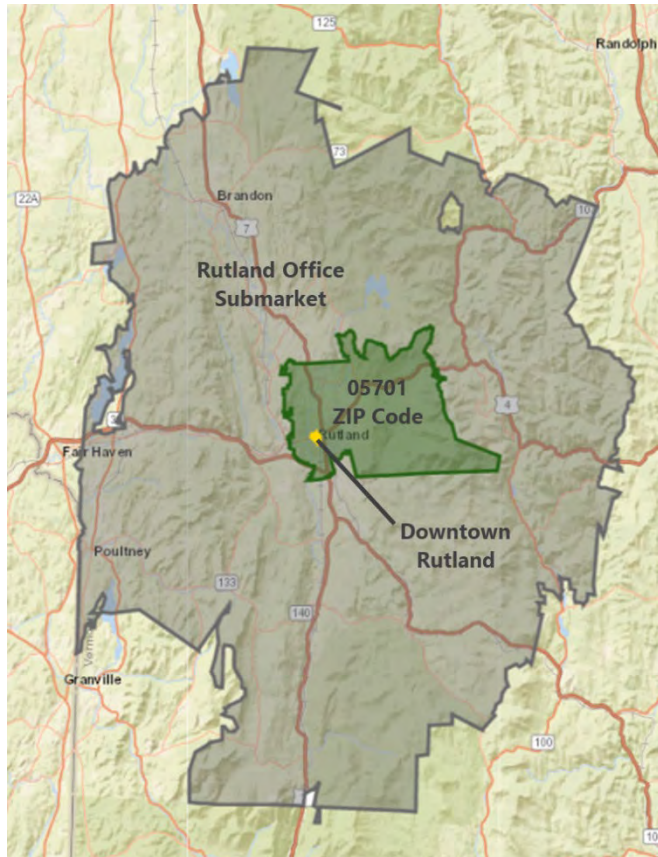
- 4. Empty-Nesters and Seniors a Target Housing Market.** This is a significant and growing population segment in the city, region, and state and these households often have shifting housing preferences with many seeking to downsize and live in locations walkable to amenities and services. Interviews indicated a lack of senior housing available in Rutland with significant wait lists at existing facilities, indicating unmet need and demand for senior housing.
- 5. Marketing Efforts Could Help Drive Demand, But Supply Needed.** Marketing efforts, such as that of the Rutland Chamber of Commerce, to attract residents to the Rutland Area will help increase demand for housing, but quality housing supply constraints may threaten the ability to attract potentially interested residents to the area. Rutland County also sees notable in migration from Asia, suggesting there may be an opportunity to further market to potential residents overseas.
- 6. Student Housing and Young Professional Housing Demand.** The success of the recent Castleton student housing projects suggests there may be additional demand that could be captured. While many students live in off-campus housing in the Town of Castleton, downtown Rutland has more amenities attractive to students, which may outweigh the convenience of living close to campus. Downtown has also proved to be attractive to younger non-student households and young people in the Rutland area could likely be attracted to live downtown if the right housing options and amenities were available.
- 7. Significant Barriers to Residential Development Downtown.** Despite indications of strong unmet demand for downtown apartments, there are challenging barriers faced by developers. The cost of converting existing office space to residential use is often prohibitive and not financially feasible. Many downtown buildings lack elevators and the cost of installing them is often infeasible. Securing financing from lending institutions for downtown

residential projects can also be difficult, with the downtown seen as an “unproven” market with few market comparable properties for underwriters. Negative perceptions of the downtown area, whether real or perceived, may also be limiting new investment in development downtown.

- 8. Placemaking and Changing Perceptions Important in Attracting Residents Downtown.** Improving the quality of place downtown through new amenities, public art, streetscape improvements, etc. will help increase the attractiveness of downtown as a place to live, thereby helping to grow housing demand for the downtown area and increase the viability of new residential development or redevelopment efforts.

OFFICE

As the third largest city in the state, Rutland could potentially draw office tenants from a broad region. As such, we included an analysis of both the smaller market (the 05710 ZIP Code, the smallest geography available for industry data) and a regional office submarket that roughly follows a 30-minute drive from the downtown center. The map below outlines these areas in relation to Downtown Rutland.



Office Market Trends

According to the Downtown Rutland Partnership’s website, there are currently 8 properties for sale and 14 properties for rent (see the map below). While there are several office space options, most of these are street-facing, first floor spaces more suited for retail development.¹⁰ The Rutland Economic Development Corporation lists 19 available office space properties, but not all of these are within the downtown area.¹¹ There is also a substantial amount of formerly utilized office space on the upper floors of building downtown, as described in the inventory section, but may not be listed on the market.



¹⁰ <https://downtownrutland.com/resources>

¹¹ <https://www.rutlandeconomy.com/property/>

Office Demand

The demand for future office space in the region is largely a product of industry growth measured by jobs. Job growth in industries that typically require office space drives demand that is generally proportional to the number of employees. That is, as the number of jobs increases (or decreases) in office-utilizing industries, demand for office space will respond proportionally.

The tables below show the projected 10-year job growth by 2-digit NAICS industries that utilize office space in the submarket region and ZIP Code geography. Between 2019 and 2029, the Rutland Office Submarket is projected to see a net loss of 500 jobs across all industries, but a gain of 60 office-utilizing jobs. We assume each of these potential new workers require 175 rentable square feet. Applying this conservative assumption to these 60 jobs, it will create a demand for roughly 11,000 square feet of office space over the next 10 years. We see more than half of this growth happening in the 05701 ZIP Code, which is projected to add 34 jobs for a total demand of 6,000 additional square feet of office space. Downtown properties could easily absorb this demand and still have excess space available.

Office-Utilizing Industries, Rutland Office Market						
NAICS	Description	2019 Jobs	2029 Jobs	2019 - 2029 Change	2019 - 2029 % Change	Rentable Square Feet
11	Agriculture, Forestry, Fishing and Hunting	159	146	-13	-8.2%	-
21	Mining, Quarrying, and Oil and Gas Extraction	240	174	(66)	(27.5%)	-
22	Utilities	377	403	26	6.9%	-
23	Construction	1,996	1,956	(40)	(2.0%)	-
31	Manufacturing	2,866	2,715	(151)	(5.3%)	-
42	Wholesale Trade	709	727	18	2.5%	-
44	Retail Trade	3,389	3,057	(332)	(9.8%)	-
48	Transportation and Warehousing	688	668	(20)	(2.9%)	-
51	Information	278	217	(61)	(21.9%)	(10,675)
52	Finance and Insurance	451	372	(79)	(17.5%)	(13,825)
53	Real Estate and Rental and Leasing	375	360	(15)	(4.0%)	-
54	Professional, Scientific, and Technical Services	936	933	(3)	(0.3%)	(525)
55	Management of Companies and Enterprises	351	463	112	31.9%	19,600
56	Administrative and Support and Waste Management and Remediation Services	1,307	1,451	144	11.0%	25,200
61	Educational Services	741	729	(12)	(1.6%)	-
62	Health Care and Social Assistance	4,647	5,145	498	10.7%	-
71	Arts, Entertainment, and Recreation	350	375	25	7.1%	-
72	Accommodation and Food Services	3,346	3,231	(115)	(3.4%)	-
81	Other Services (except Public Administration)	1,195	1,145	(50)	(4.2%)	(8,750)
90	Government	4,105	3,738	(367)	(8.9%)	-
99	Unclassified Industry	-	-	0	0.0%	-
	Total, All Industries	28,507	28,003	(504)	(1.8%)	-
	Total, Office-Utilizing Industries	4,518	4,581	63	1.4%	11,025

Source: Emsi

Office-Utilizing Industries, 05701 (Rutland, VT)						
NAICS	Description	2019 Jobs	2029 Jobs	2019 - 2029 Change	2019 - 2029 % Change	Rentable Square Feet
11	Agriculture, Forestry, Fishing and Hunting	<10	<10	Insf. Data	Insf. Data	-
21	Mining, Quarrying, and Oil and Gas Extraction	-	-	0	0.0%	-
22	Utilities	376	403	27	7.2%	-
23	Construction	833	818	(15)	(1.8%)	-
31	Manufacturing	541	529	(12)	(2.2%)	-
42	Wholesale Trade	483	499	16	3.3%	-
44	Retail Trade	2,357	2,101	(256)	(10.9%)	-
48	Transportation and Warehousing	453	448	(5)	(1.1%)	-
51	Information	170	131	(39)	(22.9%)	(6,825)
52	Finance and Insurance	396	339	(57)	(14.4%)	(9,975)
53	Real Estate and Rental and Leasing	160	168	8	5.0%	-
54	Professional, Scientific, and Technical Services	531	473	(58)	(10.9%)	(10,150)
55	Management of Companies and Enterprises	321	423	102	31.8%	17,850
56	Administrative and Support and Waste Management and Remediation Services	670	766	96	14.3%	16,800
61	Educational Services	260	252	(8)	(3.1%)	-
62	Health Care and Social Assistance	4,131	4,590	459	11.1%	-
71	Arts, Entertainment, and Recreation	200	206	6	3.0%	-
72	Accommodation and Food Services	1,714	1,685	(29)	(1.7%)	-
81	Other Services (except Public Administration)	696	686	(10)	(1.4%)	(1,750)
90	Government	1,596	1,444	(152)	(9.5%)	-
99	Unclassified Industry	-	-	0	0.0%	-
	Total, All Industries	15,896	15,967	71	0.4%	-
	Total, Office-Utilizing Industries	2,784	2,817	34	1.2%	5,950

Source: EMSI

Coworking Space

While coworking space has taken off in recent years, job projections in the office markets show self-employed jobs in office-utilizing industries shrinking. Not all employees who work remotely and may need coworking space are self-employed but, given the limited growth of office-utilizing industries both within the ZIP and the submarket, demand for co-working space is likely to come from non- traditional office users and may grow slowly until the industry is accepted more widely.

Self-Employed Jobs in Office-Utilizing Industries						
	2019 Jobs	2029 Jobs	2019 - 2029 Change	2019 - 2029 % Change	Self-Employed as a % of All Jobs in Office-Utilizing Industries	
					2019	2029
					05701 ZIP Code	782
Rutland Office Submarket	359	304	(55)	(15%)	34.3%	31.1%

Source: Emsi

Medical Office Space

With the large role the health care industry has in Rutland and the aging population, investigating medical space, and the potential for its role downtown is prudent. Medical office buildings on the whole are trending towards flexible space (flex space) and multi-specialty offices. This allows for the incorporation of a range of medical technology and equipment used in procedures and appointments. Additionally, the amount of technological equipment being used in procedures and appointments has been increasing, further adding to the demand for efficient space. Flex space allows for adaptability as technology changes or the needs of patients change.

The level of future demand for medical office space can be determined by looking at industry job projections for the various health-related industry sub-sectors. See the following tables for a breakdown of job growth in 4-digit health industries from 2019 to 2029 for the Rutland Office Submarket and the 05701 ZIP Code. Over the next ten years, there will be an estimated 429 new health industry jobs in the ZIP and 451 new health

industry jobs in the Rutland Office Submarket. (Interestingly, 95% of all job growth within the submarket will happen within the ZIP Code geography.) Not all the sub-sectors require office space; however, some that do are expected to see large gains the submarket, including Outpatient Care Centers (505 new jobs); Medical and Diagnostic Laboratories (223 new jobs); and Offices of Other Health Practitioners (195 new jobs).

The tables below show potential demand for rentable space in the health care sector based on an industry standard of 250 square feet per job. Job increases throughout the sector suggest demand for 18,750 square feet of new office space in the submarket by 2029, of which 14,500 would be located within the ZIP. This illustrates Rutland will act as a health care service hub for many in the region, further increasing demand for health industry related space.

Health Industry Growth, Rutland Office Market						
NAICS	Description	2019 Jobs	2029 Jobs	2019 - 2029 Change	2019 - 2029 % Change	Rentable Square Feet
6211	Offices of Physicians	208	217	9	4%	2,250
6212	Offices of Dentists	205	225	20	10%	5,000
6213	Offices of Other Health Practitioners	244	300	56	23%	14,000
6214	Outpatient Care Centers	248	227	(21)	(8%)	(5,250)
6215	Medical and Diagnostic Laboratories	<10	12	Insf. Data	Insf. Data	-
6216	Home Health Care Services	466	700	234	50%	-
6219	Other Ambulatory Health Care Services	64	75	11	17%	2,750
6221	General Medical and Surgical Hospitals	1,625	1,805	180	11%	-
6222	Psychiatric and Substance Abuse Hospitals	0	0	0	0%	-
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	0	0	0	0%	-
6231	Nursing Care Facilities (Skilled Nursing Facilities)	353	309	(44)	(12%)	-
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	134	136	2	1%	-
	Total, Medical Office-Utilizing Industries	3,555	4,006	451	13%	18,750

Source: Emsi

Health Industry Growth, 05701 ZIP Code (Rutland, VT)						
NAICS	Description	2019 Jobs	2029 Jobs	2019 - 2029 Change	2019 - 2029 % Change	Rentable Square Feet
6211	Offices of Physicians	136	142	6	4%	1,500
6212	Offices of Dentists	175	191	16	9%	4,000
6213	Offices of Other Health Practitioners	200	250	50	25%	12,500
6214	Outpatient Care Centers	248	227	(21)	(8%)	(5,250)
6215	Medical and Diagnostic Laboratories	<10	<10	Insf. Data	Insf. Data	-
6216	Home Health Care Services	458	689	231	50%	-
6219	Other Ambulatory Health Care Services	28	33	5	18%	1,250
6221	General Medical and Surgical Hospitals	1,625	1,805	180	11%	-
6222	Psychiatric and Substance Abuse Hospitals	0	0	0	0%	-
6223	Specialty (except Psychiatric and Substance Abuse) Hospitals	0	0	0	0%	-
6231	Nursing Care Facilities (Skilled Nursing Facilities)	321	282	(39)	(12%)	-
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	60	59	(1)	(2%)	-
Total, Medical Office-Utilizing Industries		3,255	3,684	429	13%	14,000

Source: Emsi

Summary of Office Market Findings

- 1. Commercial Space is Overbuilt Downtown.** Downtown has a significant supply of office space dating back to a different economic era. Today, the amount of commercial space, particularly on the upper floors of buildings downtown, exceeds the current and anticipated future demand for that space.
- 2. Little Demand for Office Space.** Interviews indicate that there is a very shallow demand pool for office space in Rutland. Data projections show only a modest increase in demand for office space of approximately 11,000 square feet over ten years (1,100 square feet per year). Downtown properties could easily absorb this demand and still have excess space available.

- 3. Medical Office Space A Potential Niche Opportunity.** Rutland has strengths in the healthcare industry, which is growing in the region. This growth will likely increase demand for modern Class A office space for doctor's offices, labs, and other medical office uses. The presence of a senior population downtown along with any new senior housing development would support attracting medical uses to the downtown area.

Photo source: Donna Wilkins Photography



LODGING & HOSPITALITY

Rutland's access to natural beauty is without question. From its location in Vermont's Green Mountains to the short drive to Killington and Pico, to the Taconic's and beyond. Residents and visitors to Rutland have access to many recreation opportunities be it skiing, hiking, biking, golfing, canoeing, or more. In addition, Downtown Rutland is home to numerous historic buildings, a restored theatre, and a regionally-recognized farmers' market. For travel, someone could take passenger rail from NYC to Rutland, and starting in 2021, from Rutland to Burlington. In short, there are plenty of reasons to live in Rutland. These same reasons also make it a great place to visit.

Tourism as a Driver

Tourism is one of Vermont's largest industries and has particular impact in the state's southern counties. The 2017 Benchmark Report on tourism in Vermont, produced by the Vermont Department of Tourism and Marketing, confirms this. Approximately 13.1 million people visited in state in that year, bringing with them \$2.8 billion in spending. Overnight stays within the state have been increasing year over year from 2009, reaching a high of 7.8 million in 2017. Visitors stay in overnight lodging 42% of the time, in their second home 30% of the time, with friends and family 24% of the time, and at a campground 4% of the time.

Much of Vermont's tourism is encapsulated in the skiing and snowboarding economy. With resorts like Killington and Pico investing in upgrades, and Vermont continuing to grow in market share, winter tourism is a main driver of the state's tourism success. Bringing this success to Downtown Rutland then, in a real and impactful way, is a logical next step. While downtown cannot create a ski hill, it can create an auxiliary set of experiences and opportunities to partake in as one is going to or coming from the mountain. This is centered around the need for a downtown hotel, not only to draw winter tourist but to engage with the numerous other reasons to experience the area.

Beyond recreational tourism, the arts and culture scene in Rutland is also expansive and year round. The Paramount Theatre brings in close to 100,000 visitors annually with an additional 15,000 people via their Arts Education Program. Destinations like the Paramount pull in people from the wider region and act as a driver for economic growth; this factor multiplies with additional downtown destinations, such as a downtown hotel.



Current Accommodation Options

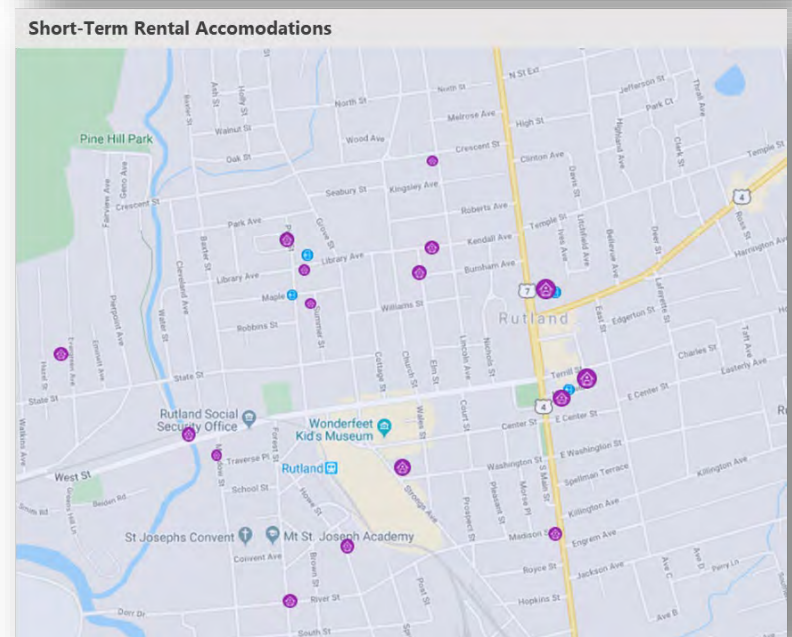
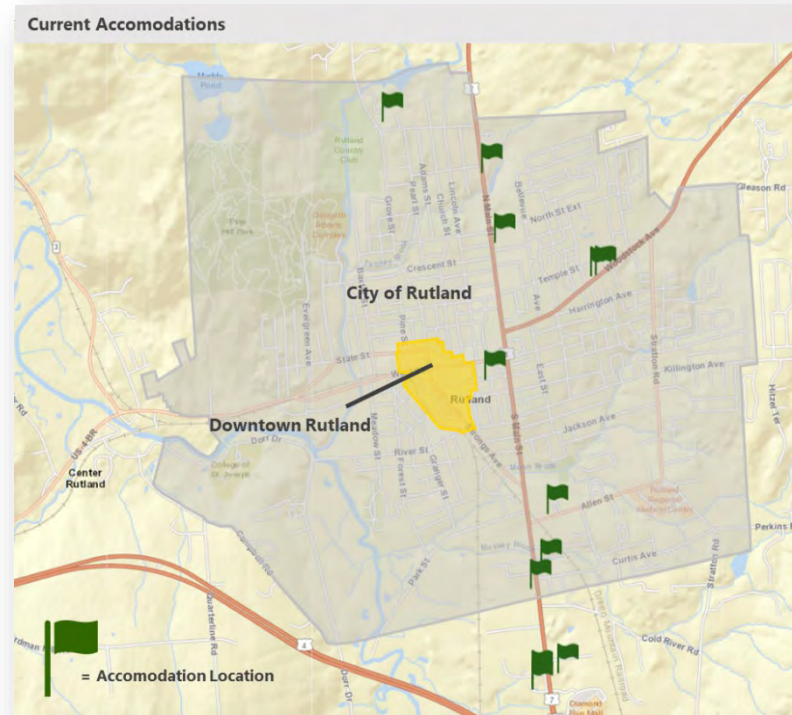
When examining the availability of accommodations in the downtown, city, and immediate surrounding area, there are approximately 13 options ranging from small B&Bs to name brand hotels. None are located in the identified downtown study area. In the broader region, lodging options are clustered around Killington but to the west and south, particularly, there is a lack of hotel options.

When examining a similar geography for short-term rentals (private homes made available for rent through sites like AirBnB and VRBO) approximately 20 options are currently available in and around downtown (below right). Blue icons illustrate private rooms for rent; purple illustrate entire homes. The gap in a name-brand hotel in the downtown area is notable.

In 2013, a feasibility study was conducted for a 95 room, brand name, limited service hotel with 3,500 SF of meeting space. Overall it was deemed feasible, but property taxes prevented a potential return on investment. The study recommended the City alleviate the property tax burden if they wished to see the project realized. Given the expanse of the tourism industry since 2013, it is possible that achievable occupancy rates have increased to make the project more feasible.

Summary of Lodging & Hospitality Findings

Combined, the potential and real draw to Downtown Rutland, the statewide draw of tourists, the nearby skiing and snowboarding boon, and the lack of a hotel in the downtown area, there is apparent *market* feasibility for a downtown lodging establishment; however, the *financial* feasibility aspects of developing a hotel downtown are challenging.



OPPORTUNITY ZONE

A large part of the city and much of the downtown is in a Federally designated Opportunity Zone (OZ), shown in the map to the right. Created by the Tax Cuts and Jobs Act of 2017, OZs can provide powerful incentives to certain taxpayers to invest in property in these designated districts.

Benefits

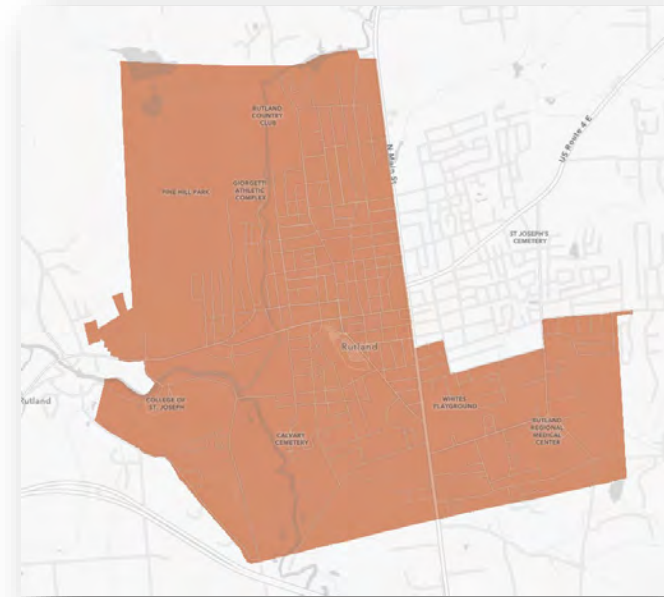
Investors that have a big capital gains tax bill today get to defer payment of that bill until 2027 and pay a reduced amount, if they invest those gains in an OZ. In addition, investment in the OZ is sheltered completely from the capital gains tax if held for ten years.

Ultimately, the investor saves money on today's tax bill and pays no tax on future gains. The exact value of the benefits depends primarily on how long the investor holds the investment, how the investment fairs, and the tax rates that the investor is subject to. With those caveats, the OZ benefits would likely boost a project's annual rate of return by between 2 and 3 percent, which, in many situations, could tip the balance in favor of a real estate project moving forward.

Next Steps

The role of local practitioner (the City of Rutland, Rutland Redevelopment Authority, Rutland Downtown Partnership, etc.) is to identify and cultivate worthy real estate projects in your community that require an infusion of equity to come to fruition, and then connect those projects to specific OZ investors. This involves the following actions:

1. Educate regional property owners, developers, and investors on the availability and benefit of OZ incentives.
2. Solicit proposals from your property owners/developers for real estate projects that have progressed through the local approval process but require additional equity to make them bankable. The underlying projects themselves must be sound investments.



3. Vet and flesh out the real estate project proposals to minimize the time and effort investors have to spend to evaluate the deal. Compile "sell sheets" with key data such as the dollar value of investment sought, type of project, relevant market data, project timeline, and anticipated return.
4. Build your "investor pool." This can either be large local developers/investors or institutional investment funds that are currently in the formative stage across the country.
5. Promote your vetted projects to your identified investor pool. Update regularly. Perhaps a familiarization tour would be helpful if you have enough projects to interest your pool.

The timeframe of the Opportunity Zone benefits is such that most investment in OZs has already been made or is committed in order for investors to capture the full benefit of the program; however, any downtown projects that could be ready to break ground quickly could potentially benefit.

COMPETITIVE ASSESSMENT

The following table outlines a comparison of larger cities and towns across the state. This is a similar comparison a business, potential resident, or developer might complete in order to understand how one town or city compares to another. Upon review, there are basically two main comparison regions for consideration: Chittenden County, and the rest of the state. Burlington, South Burlington, Essex, and Colchester rank as some of the most populous, with a higher percent of populations in the workforce, higher median incomes, and increasing rates of population growth. The remaining locales do not have the same type of community and economic development movement. Some notable findings:

- Of the comparison regions, the City of Rutland has the highest tax rates for residents. Within the Special Benefits District (or downtown) there is an added tax rate of 0.5095 (not shown in the table below). This additional tax is used in downtown efforts to support businesses and property owners via the Downtown Partnership.
- Population growth (from 2012-2017) increased in those towns and cities in Chittenden County, but decreased everywhere else. Rutland had the highest rate of population decline at 4.5%.
- Rutland ranks lowest for the proportion of the community with a bachelor’s degree, at just 29.1%. Bennington and Colchester are the next lowest at 32.6% and 40.0%, respectively.
- When comparing the poverty rate among regions, Rutland ranks in the middle, with half of the areas above and half of the areas below Rutland’s 14.3% rate. However, Rutland has the lowest Median Household Income at \$42,861. South Burlington, Essex, and Colchester rank highest.
- Retail sales in the City of Rutland rank lowest among the comparison regions, despite having the third highest number of companies.
- Forty nine percent of Rutland’s residents are employed, ranking third from the bottom. This may be a factor of more students, elderly, or higher concentration those otherwise unable to work.

Competitive Assessment							
	Rutland City	Burlington	South Burlington	Town of Essex	Bennington	Brattleboro	Colchester
Population & Growth							
2017 Population	15,740	42,453	18,773	20,901	15,239	11,646	17,309
Population Growth, 2012-2017	-4.5%	0.5%	4.8%	6.2%	-2.9%	-2.8%	1.0%
Education, Poverty & Income							
% of Residents with Bachelors or greater	29.1%	51.3%	52.1%	51.0%	32.6%	40.8%	40.0%
Poverty Rate	14.8%	24.4%	5.7%	5.4%	18.3%	20.2%	11.3%
Median Household Income, 2017	\$ 42,861	\$ 47,140	\$ 66,197	\$ 76,677	\$ 46,337	\$ 44,359	\$ 68,021
Business Environment							
% of All Residents Employed	48.5%	54.7%	55.1%	58.0%	46.2%	48.2%	58.6%
Number of Companies	1,855	4,547	2,814	1,191	1,454	1,755	1,726
Retail Sales (Millions)	\$ 268.3	\$ 1,027.2	\$ 963.2	\$ 321.6	\$ 378.3	\$ 327.6	\$ 346.4
Tax Rate							
Residential	3.234	2.811	2.059	2.078	2.181	2.859	2.092
Non- Residential	3.380	2.927	2.180	2.233	2.398	2.791	2.286

Source: US Census 2013-2017 ACS, Esri, State of Vermont Department of Taxes

KEY TAKEAWAYS

Focus retail development on unique offerings not found elsewhere.

Given the shifting nature of retail, unique offerings and experiences will need to be downtown in order to pull people from the conveniences of online and big-box shopping. Focus on opportunities such as:

- Building off the current concentration of high-quality and ethnically diverse restaurant options with other establishments that act as a “third place” such as brew-pubs, distilleries, or coffeeshops;
- Targeting retail and entertainment options that are targeted to outdoor enthusiasts. Think: indoor rock climbing, bike shop, axe-throwing, and outdoor gear store; and/or
- Enhancing the current offerings of health and wellness to accommodate the needs of an aging population and to provide the amenities that younger generations are looking for.

In public engagement sessions residents were looking for name brand stores, which may be difficult given their methodology for selecting potential locations for new stores. However, there may be regional brands or those invested in community development or social responsibility that may be more willing to invest in a downtown storefront.

Convert upper-story commercial space to residential for a new wave of downtown residents. There is almost 7 times as much commercial space than there is residential space downtown. Converting some of this commercial space to residential will provide more opportunities for people to live and support businesses downtown.

Sustained retail demand will come from new residents and new medical office workers. With the high vacancy rate downtown, the nearby mall recently closing, and the small amount of supportable retail, drawing residents and workers into the community will be key to creating a sustainable base to support retail businesses. The Red Carpet program shows active problem-solving in this regard, and similar efforts need to be supported.

Hotel development could be key for the next wave of downtown development. People who stay overnight infuse much more into a local economy than day trips alone and allows tourists to patronize multiple businesses. Create packages that keep tourists in the area longer and patronize multiple businesses. Anchor special events with specials at downtown businesses.

Anchor institutions are critical partners. With little in population, job, and income growth, looking to institutions like the Community College of Vermont, Castleton University, and Rutland Regional Medical Center will be crucial to generating demand for office space, and potentially increasing housing opportunities downtown. While there are no projects currently in development, it is important these anchor institutions understand benefits to developing downtown.

Packaging & marketing incentives will be an important next step. Potential for Opportunity Zones and other possible incentives should be highlighted as a real benefit to developing and owning a property downtown.



KEY ISSUES & THEMES

Strengths & Opportunities | Challenges & Weaknesses | Themes

4

INTRODUCTION

A number of key themes and issues emerged from the baseline data assessment, market analysis, public engagement and stakeholder interviews. This chapter summarizes the critical issues, key opportunities, and major themes that emerged from the research and analysis of Downtown Rutland. The findings in this section of the report help lay the foundation for the strategic plan's goals and strategies discussed in the next chapter.

STRENGTHS & CHALLENGES

The findings of the interviews/focus groups, data analysis, and knowledge of the region were compiled into a list of downtown Rutland's strengths/opportunities and weaknesses/challenges related to economic and community development. This assessment is used to inform the strategic plan's goals, strategies, and actions identified in the next section. The list of strengths and challenges are outlined on the following page.

Photo source: Donna Wilkins Photography





Downtown Strengths & Opportunities

- Proximity to natural and outdoor recreation resources
- Central location
- Resident engagement and active Young Professionals network
- Successful community events, farmers market, and festivals
- Retail, services, entertainment, and cultural hub for the region – restaurants and coffee shops, Paramount Theatre, Wonderfeet, Rutland Sculpture Trail, Chaffee Art Center, historic architecture, and more
- Growing industries in the health and fitness sectors that align with Vermont wellness brand
- Transportation infrastructure – Route 7 and 4, Amtrak, The Bus, Rutland Southern Vermont Regional Airport/Cape Air
- Adequate telecommunications infrastructure
- Active and successful resident attraction initiatives at the state and local level
- Higher education partners – Castleton College, CCV
- Garage parking to accommodate current and future uses
- Strong residential real estate market driving demand for upper floor rehabilitation and reuse -national real estate trends increasing demand for downtown, walkable, lifestyles
- Activation of the Market Street alley space for community and private events
- Access to development incentives - Opportunity Zone, local and state grants, loan programs
- Catalyst sites available for redevelopment within the downtown
- Hub for regional medical services
- Historic buildings and architecture

Downtown Weaknesses & Challenges

- Declining and aging population
- High cost of construction and challenging development conditions
- Lack of inviting or activated streetscape and outdoor spaces (benches, playgrounds, gathering spaces), including gateways to downtown
- Poor self image and regional perception limiting growth and opportunities
- Constrained (total number and misaligned skills) workforce challenging the businesses
- Lack of lodging opportunities within downtown area
- Bike and pedestrian infrastructure in need of improvement, including signage and wayfinding
- Vacant storefronts and weak market demand for commercial space – limiting hours of operation and ability to remain viable
- Buildings in need of rehabilitation/improvement
- Parking problem perception
- Redevelopment of the Diamond Run Mall in the Town of Rutland – potential competition
- Lack of transportation connectivity between bike, bus, and walking
- Lack of places to live downtown
- Lack of safety perception

KEY THEMES

- ✓ **Downtown has an image problem.** There are ingrained negative perceptions of the downtown area that do not necessarily conform to realities, particularly around safety issues. Regardless, changing these perceptions will be critical for attracting new investment, residents, visitors, businesses, and development. Vacant storefronts, deteriorated building facades, and unattractive gateway areas also generate negative perceptions of the area requiring physical improvements to help enhance the image of downtown.
- ✓ **Enhancing quality of place is foundational for revitalization.** Placemaking efforts are needed not only to help change perceptions of downtown, but to also help mitigate very challenging economic and market conditions in the city. Placemaking efforts such as streetscape improvements, public spaces, public art, and others are needed to help catalyze economic activity and growth.
- ✓ **Downtown can and should be a regional Arts & Entertainment/Dining Hub.** Downtown has existing arts and entertainment assets but has not yet fully capitalized on these assets to be a robust arts and entertainment district. Restaurants are a promising opportunity and restaurateur interest exists, but efforts are needed to help transform downtown into a true dining destination.
- ✓ **More people need to live downtown and housing is the issue.** There is a dearth of residents in the downtown area resulting in an insufficient population base to maintain a vibrant street life and activity. At the same time, there are significant numbers of people that would live downtown if the right housing options

were available. Even more would be attracted with additional amenities and quality of place improvements.

- ✓ **Downtown job and business growth more likely to come from within.** Regional and statewide job projections indicate generally lackluster economic growth, suggesting that new initiatives and approaches to help existing businesses expand and entrepreneurs start businesses is needed. At the same time there are niche economic opportunities such as the health and wellness sector where targeted and strategic efforts could be made.
- ✓ **Building stock substantial, but not aligned with modern needs.** Downtown has a substantial amount of building space, much of which is unused or underutilized. Much of the commercial space dates to a bygone era when many companies had headquarters and major offices in downtown Rutland. Today, there is an excess of commercial space, most of which is unlikely to be reused for office space in the foreseeable future. Rehabilitation of properties is generally cost-prohibitive, however, resulting in space remaining vacant and underutilized.
- ✓ **Tourism and visitation key to Success – But downtown unwelcoming.** The potential for downtown to attract visitors in the region is immense, but efforts are needed to bring these visitors downtown. Gateways to downtown are unattractive, there is insufficient wayfinding around the area, a critical lack of connectivity exists between the Amtrak station and downtown, and no lodging options are available to those that wish to stay.
- ✓ **More resources and creative approaches are needed to kickstart a renaissance.** To a large extent, those involved in downtown development understand these issues outlined above and are implementing ideas to mitigate the challenges that downtown faces. While efforts have been increasingly more successful, new resources and creative approaches are needed to overcome existing barriers and challenges with investing in downtown.



GOALS & STRATEGIES

Goals | Strategies | Tactics

5

Photo source: Donna Wilkins Photography

INTRODUCTION

This chapter outlines the goals, strategies, and tactics that compose the Downtown Strategic Plan. Based on the research, analysis, interviews, and public input, four overarching goals were crafted, including:

Goal 1: Grow the Downtown Population Base

Increasing the number of people downtown will help revitalize the area by generating activity, providing a customer base for new and existing businesses, and supporting new real estate development that will enhance the City's tax base. The City should seek to promote new housing development and encourage people to live downtown.

Goal 2: Enhance the Quality and Sense of Place Downtown

A high quality of place, including inviting public spaces, public art, attractive buildings, unique features, and other elements is critical to economic development. Residents, visitors, and businesses are all drawn to unique, authentic, and high-quality places. Public investment in quality of place improvements is a proven strategy to attracting new private investment.

Goal 3: Build Downtown as an Arts, Entertainment and Recreation Destination

Rutland is already on the map for its existing cultural, dining, and arts scene. Building and expanding on these assets will grow the downtown area as a regional destination. Supporting and growing existing businesses, organizations, and assets while bringing new retail, dining, entertainment, and recreational amenities and businesses to downtown will position downtown as a major regional draw.

Goal 4: Support Business Growth and Real Estate (Re)Development

Private investment is key to Downtown Rutland's revitalization. Continuing to make downtown a business-friendly and developer-friendly environment through strategic policies, programs, and initiatives will help draw new business, investor, and developer interest in downtown Rutland.



The following pages detail the strategies and tactics to achieve the four goals. An implementation plan is provided in the following chapter.



GOAL 1

GROW THE DOWNTOWN POPULATION BASE

1A. Create an Upper Floor Commercial to Residential Conversion Program

Description: Encourage the conversion of significant unused and underutilized commercial space on the upper floors of downtown buildings into residential units, such as apartments and condos.

Tactics:

- i. Streamline the City approval process for conversion projects including creating financing programs or assistance for required infrastructure investments, such as a low-interest loan program.
- ii. Create a “how-to” guide that covers approvals, permits, dealing with ADA requirements, considerations, financial resources available, etc. and designate a city technical assistance contact person.
- iii. Highlight successes through media channels.



The Steuben Place Apartments in Albany, NY was converted from a vacant 47,300 sf commercial office building into 29 residential units with a natural foods store on the first floor. The developer used resources through the Capitalize Albany Corporation’s Downtown Residential Initiative. Photo Source: All Over Albany.

1B. Create a Marketing Campaign for Downtown Living for all Ages.

Description: In coordination with other current and planned marketing initiatives in and around Rutland, create a brand story focused on the benefit of living downtown for an internal and external audience.

Tactics:

- i. Create a task force that brings in a diverse group of stakeholders to begin the discussion about how to proceed.
- ii. Begin to identify local “brand” ambassadors that can play a role in telling their story, advocating for Rutland, and being featured in different media.
- iii. Use advocates, media, and other promotional opportunities to brand downtown living as more sustainable, safe, easy to access goods and services, ample parking, quality amenities, and highlight the social atmosphere.
- iv. Highlight stories on who lives in downtown and why. Capture various market segments such as seniors, students, and young professionals.

1C. Evaluate and Encourage Artist Housing.

Description: A population of artists living downtown will help support the area as a vibrant and authentic arts and entertainment destination while increasing opportunities for new public art and quality of place enhancements.

Tactics:

- i. Begin discussions with those who organize artist residencies and galleries downtown to understand the potential for year-round artist housing. Understand price point, space needs, and location preferences.
- ii. Create incentives for the development of downtown artist housing

1D. Provide Resources for Potential Housing Cooperatives

Description: *Housing cooperatives own real estate and pool the resources of members, which increase buying power and lower the cost of housing per member.*

Tactics:

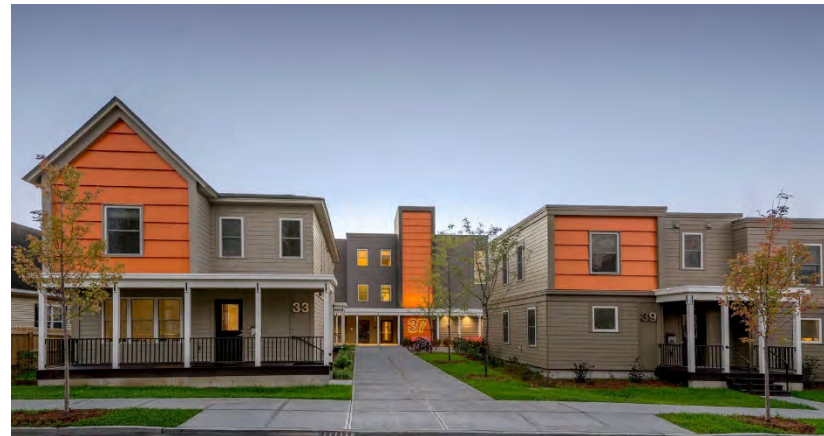
- i. Engage the public to identify who might be interested in something like this and establish a committee or task force to lead initiative.
- ii. Invite representatives from (or travel to tour) Vermont-based housing cooperatives such as Williston Woods or Burlington Co-housing East Village to understand the mechanics and learn what incentives are most helpful.
- iii. Assist task force with identifying what the City and partner organizations can provide to support this type of initiative including review of zoning, permitting, and other regulations.

1E. Target Young Professionals from Urban Communities with a Higher Cost of Living

Description: *Find unique ways to attract people from other communities where Rutland will be more affordable but will still offer the same types of amenities, such as access to outdoor recreation opportunities.*

Tactics:

- i. Continue support for the Chamber's Red-Carpet initiative and the State's Stay to Stay program. Highlight success stories regionally.
- ii. Work with people who have moved to Rutland to identify what helped them make the decision, how best to communicate with similar demographic that are living elsewhere, and if they would be willing to advocate for Rutland.
- iii. Using migration data, identify a handful of communities around the country that are similar to Rutland that might be a good source for recruiting residents and conduct targeted marketing in those communities through social media promotions.



The Bright Street Housing Cooperative in Burlington has 40 apartments, a community garden, community room, and other amenities. The development was a project of the Champlain Housing Trust. Residents at the co-op are both residents and shareholders (owners). The Champlain Housing Trust partnered with Housing Vermont on the project, which utilized resources from the City of Burlington, Vermont Housing & Conservation Board, tax credits allocated by the Vermont Housing Finance Agency, and NeighborWorks America. Photo Source: DEW Construction.

1F. Establish communication with major employers to understand their needs and potential opportunities for collaboration.

Description: *As the largest growing segment of the community, the expanding senior population presents a target market.*

Tactics:

- i. Conduct outreach to Rutland Regional Medical Center to understand employee housing needs and to facilitate partnership between the hospital and private developers for potential housing projects and agreements, including for visiting nurses to the hospital.



The Village at White River Junction (VT) includes 80 senior living units in the town's downtown area. The more urban-style approach occupies a smaller footprint than traditional facilities. The project includes a theater, dog run, and vegetable garden. Photo Source: 4250 Architecture.

1G. Target Seniors as a Key Market for Downtown Living.

Description: *As the largest growing segment of the community, the expanding senior population is an important part of the housing need, demand, and development potential for housing downtown.*

Tactics:

- i. Work with local service providers to survey seniors in the community to identify their interest in downsizing, needs, and plans for the future.
- ii. Identify a potential site for a senior or mixed-age development in downtown and conduct a financial feasibility analysis in advance of issuing a developer RFP.

1H. Stay Attuned to Castleton University and CCV Housing Needs.

Description: *Having young people in the downtown brings energy, vibrancy, and additional consumers for the stores and restaurants. Identifying ways to get more students living downtown (and shopping at local businesses) will benefit the district in the short and long run.*

Tactics:

- i. Continue to communicate regularly with Castleton University to understand their academic, staffing, and student housing needs to see how these needs might be met downtown in the future.
- ii. Facilitate a twice annual meeting with Castleton University staff, students, and residents of the downtown building to identify opportunities to increase number of students/young adults in downtown, including any opportunities to bring classes, pilot projects, or student initiatives to downtown storefronts.
- iii. Promote living downtown to students as an option; highlight safety, walkability, access to recreational amenities, and other assets. Work with local landlords to understand the benefit of creating space that is attractive to a student.
- iv. Establish funding sources to offer upperclassmen, graduate students, or recent graduates a financial rebate or loan forgiveness for living downtown.
- v. Work with Castleton University and business owners to create a way for students to use their Student ID/Meal Plan card as a pre-paid debit card at businesses downtown (off-campus merchants program).



The UCard Off-Campus Merchant Program at the University of Massachusetts Amherst allows students to use their debit account at off campus restaurants and other businesses in the community. Photo Source: UMass Amherst.



GOAL 2

ENHANCE THE QUALITY AND SENSE OF PLACE

2A. Infuse More Public Art Downtown

Description: By increasing public art in the downtown area, the City can help create a unique sense of place and identity for the downtown area. This is a proven strategy for attracting new businesses, investment, residents, and visitors.

Tactics:

- i. Convene stakeholders and establish a “Public Art Vision” for downtown that identifies key themes for public art to address and strategic locations for new public art projects.
- ii. Create a formal City of Rutland Public Art Program that establishes a process and structure for soliciting, evaluating, selecting, and funding new public art projects on public properties and rights-of-way.
- iii. Create a dedicated citywide public art fund and identify funding sources, which may include private donations, a nominal “public art fee” from development projects, grant funding, or others.
- iv. Establish a vacant storefront art installation program as part of the proposed Public Art Program. Connect and coordinate the arts community and student groups with landlords to fill vacant storefront windows with artistic displays that help enhance the quality of place and mitigate the negative perceptions of downtown vacancies.
- v. Add Public Art throughout the parking garage to help “introduce” people to using the garage and make it a more inviting facility.
- vi. Market downtown’s public art as an attraction as more projects are completed, including through dedicated marketing materials such as a dedicated “Rutland Public Art” website and walking trail with a map. Take pictures, make sure they show up on google/google map for visitors. Unique hashtags, Rutland Instagram moment.



The City of Auburn, NY is proactively supporting public art by adopting a public art ordinance and creating a public art commission to facilitate public art projects. A Public Art Trail (shown above) was also created along with marketing materials, including a dedicated website, to attract visitors into the City’s downtown area. Photo Source: AuburnArtTrail.com.



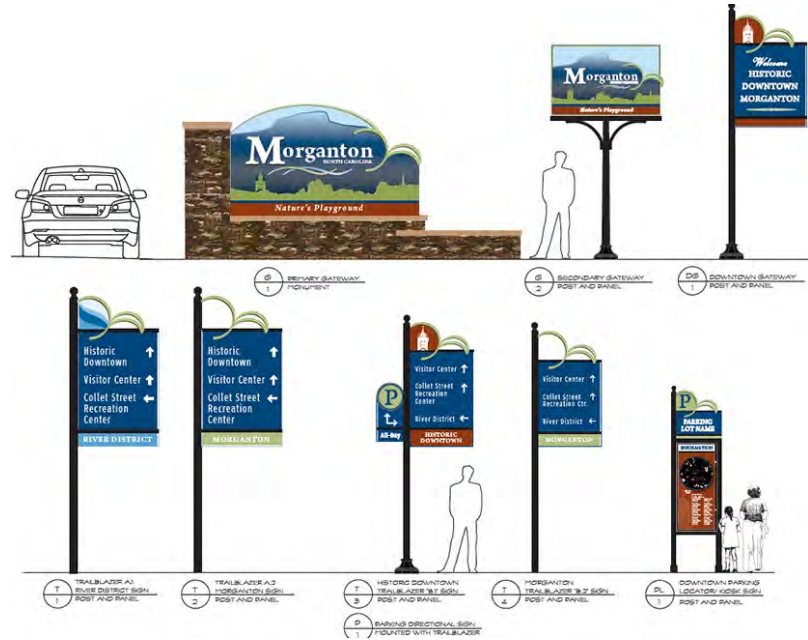
In Seattle, the Shunpike organizations initiated a Storefronts program to address high vacancy rates and vanishing artist spaces by implementing local art and creative projects in empty storefronts.

2B. Create a Comprehensive Downtown Wayfinding System

Description: A comprehensive wayfinding system is needed to better direct visitors and residents in the downtown area to key places of interest, and to help pedestrians and cyclists navigate the downtown district.

Tactics:

- i. Secure funding and commission a downtown wayfinding plan, which should include a variety of elements in addition to signage such as map kiosks and banners affixed to utility light poles.
- ii. Prioritize wayfinding elements/locations at gateway areas, the two primary Center Street Marketplace entrances, at the Amtrak Station, and in and around the parking garage.
- iii. Use wayfinding to help brand downtown (and Center Street specifically) as an arts and entertainment destination.



2C. Strengthen Downtown as a Bike Destination

Description: Creating a bike-friendly and bike-navigable downtown will help attract people to come downtown for shopping and entertainment activities, while also making downtown more accommodating for mountain biking and cycling-enthusiasts in the area.

Tactics:

- i. Identify specific “bike to downtown routes” connecting downtown to surrounding neighborhoods and prioritize bike lanes and safety improvements along routes. This should include a dedicated route between downtown and Pine Hill park that includes bike lanes or “sharrows” with wayfinding signage along the route.
- ii. Create a “bike hub” downtown, potentially as part of the parking garage, that includes bike parking, lockers, and restrooms to support “bike and shop” or “bike and dine” visitors.
- iii. Identify a partner and establish bike share stations downtown, including at the parking garage and at the Amtrak Station to help draw visitors by train into the downtown area.

An example of a comprehensive wayfinding system for Morganton, NC that provides a unified set of attractive signage and public information installations to help direct people to local businesses, parking, and other points of interest.



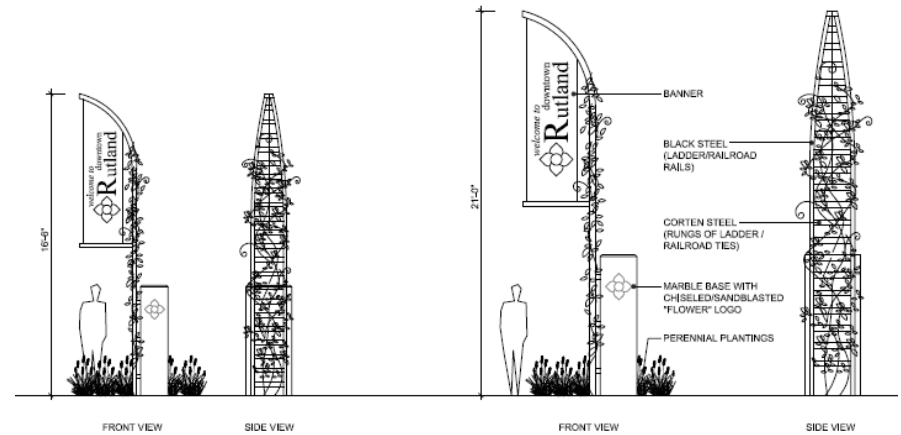
Left: An example of bike lockers, allowing riders to safely store their bike while shifting to another mode of transportation such as walking or bus. Photo source: King County Metro. Right: An example of a bike share program in Saratoga Springs, NY sponsored by a local health insurance company in partnership with the public transportation agency. Photo Source: The Saratogian.

2D. Enhance Streetscape and Pedestrian Safety

Description: Streetscape and pedestrian safety improvements are needed to make downtown a truly pedestrian-friendly and accessible environment. These types of improvements will help support new housing development and will support new senior housing by making downtown easy to navigate for seniors with walkers or in wheelchairs.

Tactics:

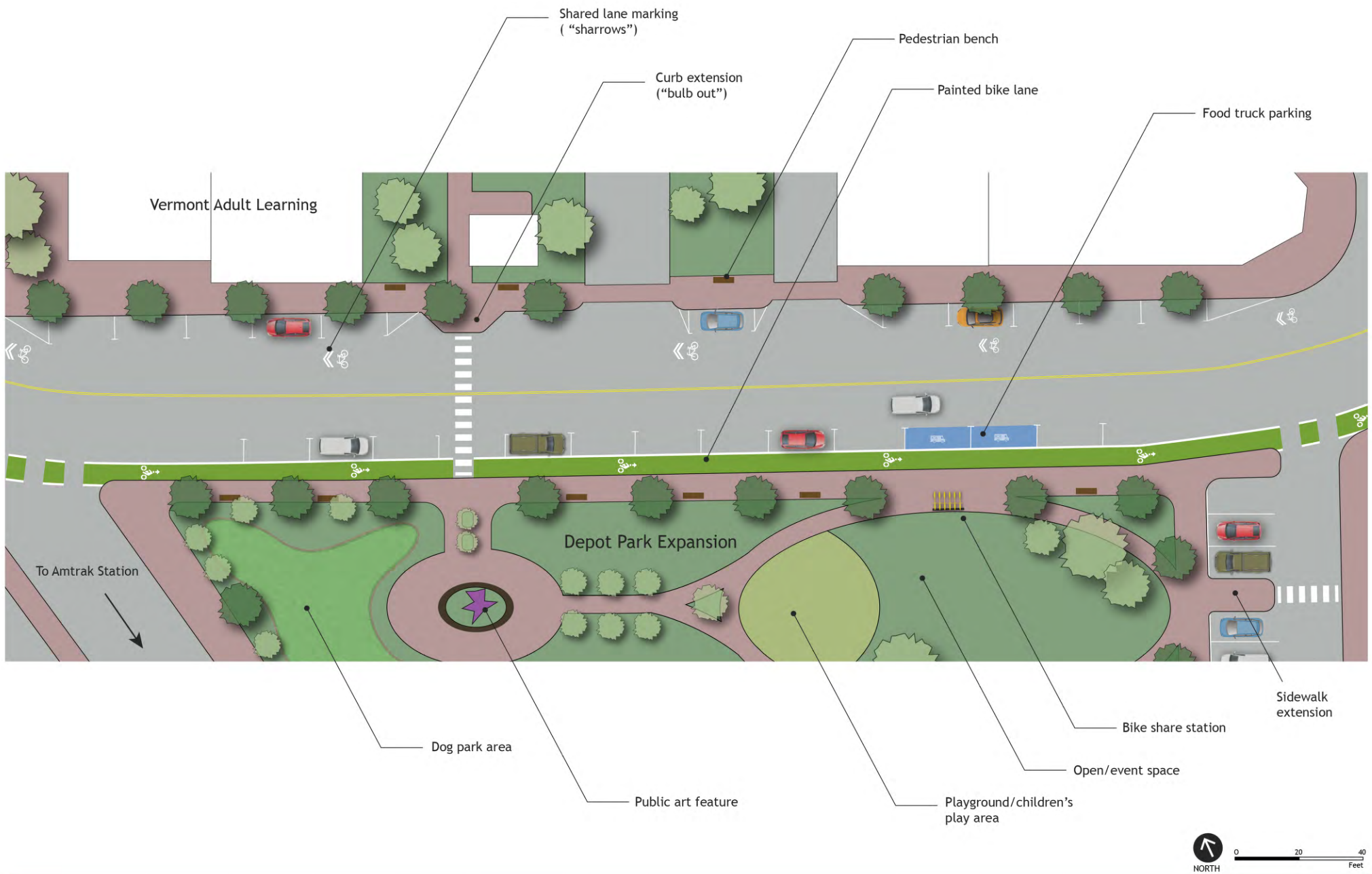
- i. Explore creating a raised intersection at Center Street and Merchants Row to create a more pedestrian-oriented intersection that will also help enhance the gateway to Center Street and the connectivity between the shopping plaza, Amtrak Station, and future development of the “Amtrak Gateway Area” with the Arts and Entertainment hub anchored by Center Street.
- ii. Install Rectangular Rapid Flash Beacons at key mid-block crosswalks (where there is no traffic light) to enhance safety, including the mid-block crosswalk to the shopping plaza to help draw shoppers into the downtown area. Identify a partner and establish bike share stations downtown, including at the parking garage and at the Amtrak Station to help draw visitors by train into the downtown area.
- iii. Install artistic painted crosswalks within the proposed Arts & Entertainment District. Prioritize a crosswalk across Center Street between the Parking Garage and the theatre as a safety enhancement and to help build the visitor arts and entertainment experience.
- iv. Incorporate urban forestry and rain gardens (“green infrastructure”) into streetscape and roadway projects in the downtown area to create a pedestrian-friendly and more aesthetically-inviting downtown environment and reduce strain on the City’s stormwater infrastructure.



Concept designs of gateway structures from the Downtown Rutland Gateway Plan. Gateway structures are critical for creating attractive entry points to downtown that strengthen the downtown and the city's identity.



Conceptual streetscape plan for the Evelyn & West Gateway area



2E. Transform Center Street Marketplace Park into a Fun and Flexible Amenity for Residents and Visitors.

Description: As a “playground for all ages”, the park, currently underutilized, could serve as an amenity for seniors, families, outdoor recreation enthusiasts, and others throughout the year.

Tactics:

- i. Conduct a community visioning process for the Marketplace area that includes a local design competition for students and others in the community.
- ii. Explore the following uses for their feasibility: climbing wall, natural children’s playground, mini senior-friendly fitness path, adult playground installation, interactive public art, moveable seating and outdoor furniture, winter uses such as a skating path or skating area and/or sledding “chute” or snow/ice slide.
- iii. Engage Wonderfeet to ensure that the new “playground” complements the facilities and programming of the museum and explore opportunities for Wonderfeet to utilize the space for new outdoor children’s and family programming.
- iv. Commission a professional design plan for the space and conduct a fundraising effort that matches City funding with crowdsourced funding and sponsorship opportunities.



Outdoor rock climbing wall example. Photo source: The Mountaineers.



Senior playground example. Photo source: HuffPost.



Westmoreland park in Portland, OR provides a great example of a natural playground that mimics nature to provide fun play areas for children of all ages. Photo source: Juan Pablo Riso/Google.



Nibco Water and Ice Park in Elkhart, IN provides a potential model for year-round recreational uses that could be included in the re-imagining of Center Street Marketplace Park with outdoor skating in the winter and splashpads in the summer.



Incorporation public art into functional elements such as seating (now lacking) will help create a fun sense of place will providing for practical needs. Photo source: Reckon Talk.

2F. Transform Center Street into an Arts & Entertainment Hub

Description: Rethinking the design of the portion of Center Street between Merchants Row and Wales St. will greatly assist in transitioning the corridor into a vibrant pedestrian-oriented district with new greenspace, outdoor dining, wider sidewalks, and other public space. (See Also Appendix C for additional Center Street Concept Plans).

Tactics:

- i. Pilot different road scenarios for the Center Street corridor, including temporary re-configurations such as a one-way street or designating some on-street parking as pedestrian space or parklet areas.
- ii. Engage residents, visitors, and businesses in the pilot scenarios to solicit feedback on the different approaches that could be taken.
- iii. Reconstruct/expand sidewalks based on outcome of preferred configuration and include space for outdoor dining, new green space (parklets), public art installations, and flexible space for outdoor performers/"buskers", food trucks, or other uses.
- iv. Work with property owners to install overhead white string lights across the road.



Center Street between Merchants Row and Wales St. has tremendous potential to be a dining and entertainment destination anchored by the Paramount Theatre, but this potential is hindered by being auto-oriented rather than pedestrian-oriented.



Downtown Alton, IL installed white lights across a downtown street to bring new life to the downtown at night along a corridor with several bars and restaurants. Photo source: The Telegraph.



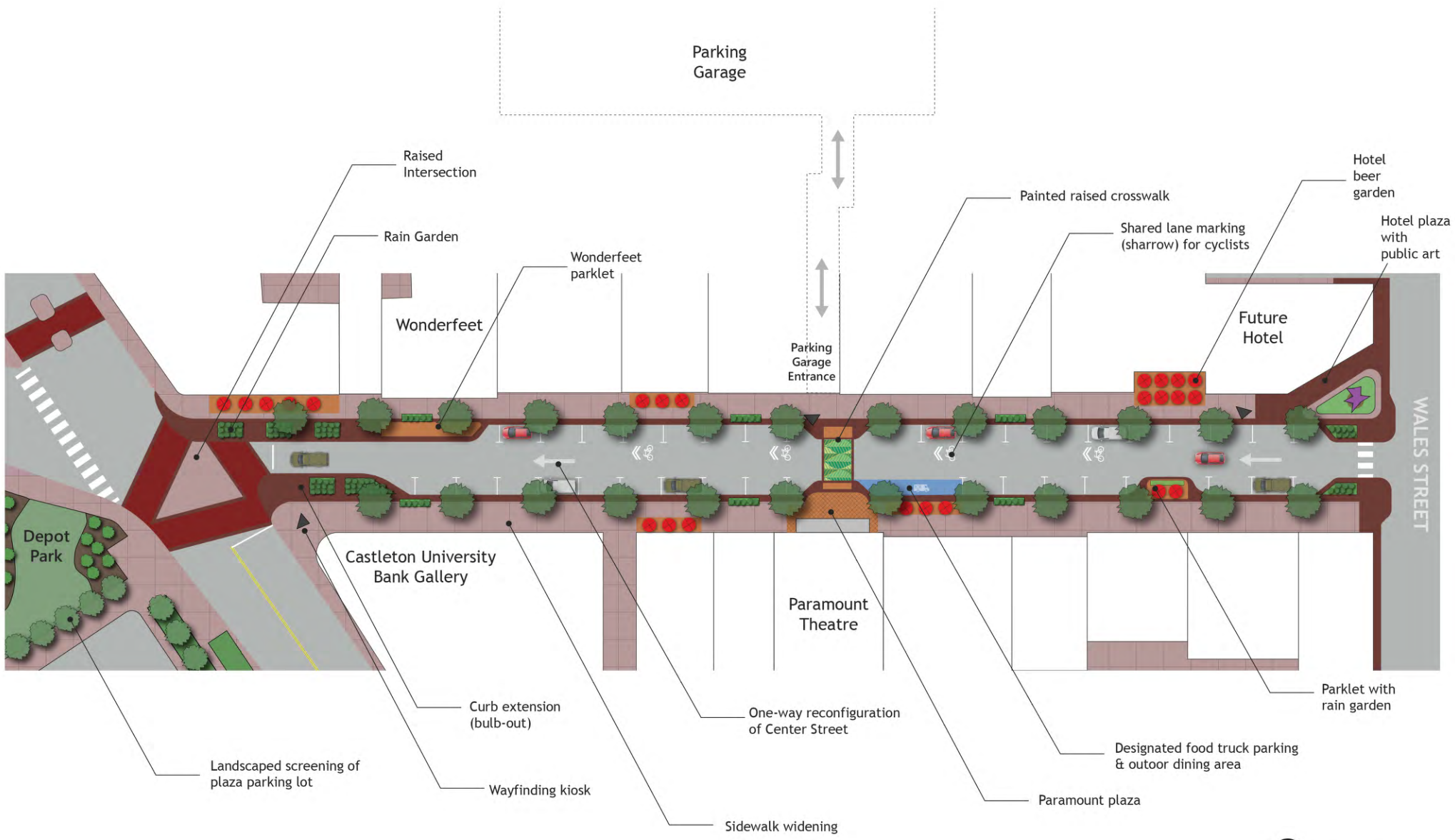
"Parklets" can create a high quality of place and attract people to Center Street to support new and existing businesses. Photo source: Shiftspace Design.



Rain gardens can help create a sense of place while providing practical benefits in managing stormwater. Photo source: Delaware DNREC.

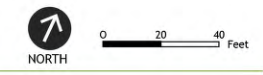


The West Pearl Streetscape transformation in Boulder, CO included space for landscaping, outdoor dining, and other amenities. Photo source: Mundus Bishop.



RUTLAND - CENTER STREET

STREETSCAPE CONCEPT PLAN | April 2020





GOAL 3

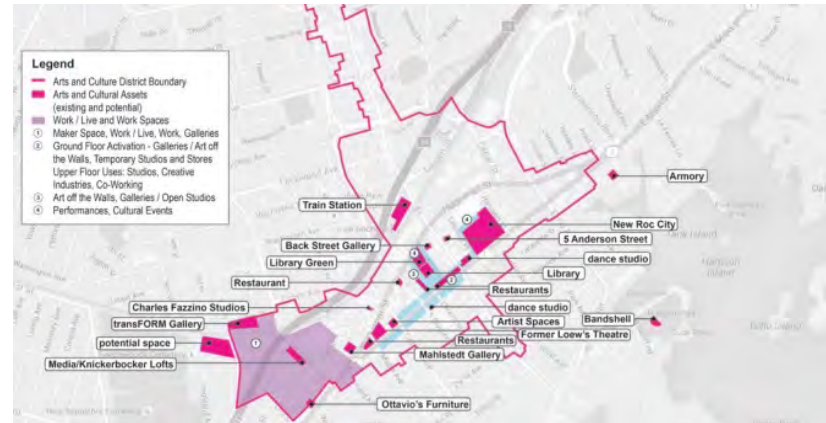
BUILD DOWNTOWN AS AN ARTS,
ENTERTAINMENT, AND RECREATION DESTINATION

3A. Support and Attract Arts and Entertainment Uses.

Description: Develop and promote community involvement, tourism, and revitalization through tax-related incentives that attract artists, arts organizations, and other creative enterprises. Use signage, branding, and joint communication efforts to promote arts and entertainment.

Tactics:

- i. Facilitate a community charette to identify boundaries of an Arts and Entertainment Overlay Zoning District. Also discuss the potential goals of the district.
- ii. Enact property tax credit for houses rehabilitated or built and that house a qualifying residing artist (see also Strategy 1.C)
- iii. Use placemaking and public art within the district to help establish a unique sense of place and well-defined district (see Goal 2).



The City of New Rochelle, NY designated an Arts & Culture District and created an overlay zoning district for part of the district to allow and incentivize uses that contribute to the district, including artist work space and live/work spaces. The zoning provides incentives in the form of development bonuses including allowing smaller living units, increased height allowance, parking relief, and streamlines permitting, review, and approval process. Photo source: City of New Rochelle.

3B. Encourage New and Existing Restaurants to Provide Outdoor Dining.

Description: Dining is a key opportunity for downtown, and new outdoor dining will help define the area as a dining destination while increasing the vibrancy and street life downtown.

Tactics:

- i. Incorporate adequate space for outdoor dining use as part of any streetscape/roadway projects on Center Street (see also Strategy 2.F)
- ii. Conduct an audit of existing regulations and permitting processes to ensure that there are no regulatory or administrative burdens for restaurants wishing to provide outdoor dining. Establish design guidelines for outdoor dining as needed.
- iii. Provide spaces for food trucks in the downtown area and particularly on Center Street or in close proximity. Ensure that city regulations allow and encourage food trucks in the downtown area.



The City of Clearwater, FL incentivizes sidewalk cafes by through its Sidewalk Café Furniture Grant Program for its "Street Café District." Businesses can apply for a \$2,500 grant for tables, chair, and umbrellas. Photo Source: Visit St. Pete/Clearwater.

3C. Support the Creation of a Commercial Kitchen or Culinary Incubator/Accelerator.

Description: A downtown food facility will help spawn new restaurants from local entrepreneurs and support the transformation of downtown into a regional dining destination.

Tactics:

- i. Create pop up meal events downtown that highlight new food entrepreneurs in the new incubator.
- ii. Create a pipeline and facilitate the process for food products created in the incubator to be sold downtown. Link to the co-op, restaurants, and other shops that could sell products produced in the incubator/commercial kitchen.
- iii. Facilitate partnerships between the Vermont Farmers Food Center and Stafford Tech, which has a culinary program, to ensure there is programming, training, and mentorship for people that might be interested in starting a restaurant.
- iv. Create a start-up/small-business assistance program to assist those utilizing the incubator/commercial kitchen in "graduating" to an available space in the downtown area for a permanent restaurant.



The Spice Kitchen Incubator in Salt Lake City, UT is a business incubator for refugees and other disadvantaged community members interested in starting a food business. Participants receive technical assistance and training, have affordable access to commercial kitchen space, and learn the steps to establishing a successful food business. The incubator has launched 2 restaurants, 3 food trucks/ and 17 catering businesses. Photo source: Spice Kitchen Incubator.

3D. Create a New Marketing and Branding Campaign to Address the Negative Perceptions of Downtown.

Description: Work with local media outlets to identify positive stories, highlight local entrepreneurs, and create buzz around local events and "heroes".

Tactics:

- i. Partner with the "I Love Rutland" campaign to amplify their presence not only in the city but across the state.
- ii. Establish hashtags, taglines, and other witty slogans to promote what is loved about the community.
- iii. After the campaign is established, present to civic organizations in the community, educating on ways they can be involved or how they can participate, and why a positive perception is important to the city's development.



I ❤️ Rutland, VT!

3E. Attract outdoor recreation enthusiasts downtown.

Description: Outdoor recreation enthusiasts are a key opportunity market and the City should work to attract this market to the downtown area for dining, shopping, and entertainment.

Tactics:

- i. Commission a feasibility study for an "indoor adventure center" in the downtown area, considering the "Amtrak Gateway Area" as a potential location.
- ii. As part of the targeted business recruitment initiative (see Strategy 4.B), recruit outdoor recreation-related retailers and other businesses to the downtown area, such as a bike shop, outdoor gear/apparel outfitter, indoor rock-climbing gym, cycling studio, or axe-throwing bar.
- iii. Draw visitors from Killington, including skiers and non-skiing family members, to the downtown through package deals and potential mountain-to-downtown shuttle. Work with local business owners to provide discounts and deals for those with a lift-ticket.

Related strategies:

Make downtown a bike destination (see Strategy 2.C).

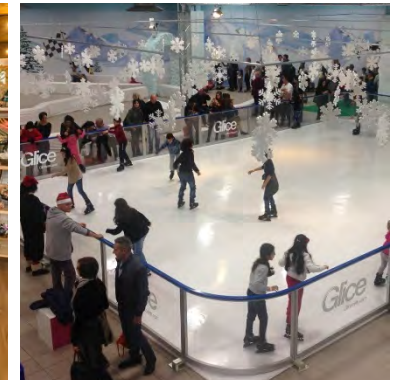
Incorporate recreational experiences into Center Street Marketplace (see Strategy 2.E).

3F. Continue to expand events and programming downtown.

Description: Focus should be placed on events that help build the downtown's perception and identity as a dining, entertainment, and recreation destination.

Tactics:

- i. Explore opportunities such as a monthly art walk, thematic events, downtown dining weeks, signature food-related event etc.
- ii. Partner with the Paramount Theatre to focus events that align with shows, potentially aligning thematically as well.
- iii. Work to support the development of event space as part of a future hotel development project (see Strategy 4.A).
- iv. Partner with the Rutland City School District to create an in-school event that solicits teenagers for their entertainment ideas about downtown. If there is interest, establish a steering committee of teens to implement their ideas.
- v. Conduct a visitor survey and economic impact analysis for existing downtown events to understand and communicate the benefits of events to downtown businesses and potential businesses.



The City should seek to build a concentration of businesses catering to outdoor recreation enthusiasts, which will help build a critical mass to draw this market segment from around the region into downtown. Example businesses above including an indoor adventure park, axe throwing bar, outdoor recreation outfitter, and indoor synthetic ice rink business. Photo sources: Summit Ropes; Restaurant Development and Design; Gear Patrol; Glice.

3G. Create more family-friendly outdoor recreation and entertainment opportunities downtown.

Description: Building off Wonderfeet Kid's Museum, expand the opportunities for families to spend time downtown including festivals, playgrounds, family friendly restaurants, and playful art installations.

Tactics:

- i. Connect with the art community and Wonderfeet to communicate the desire to draw more families downtown, and brainstorm ideas that create installations around downtown. Create a committee to implement ideas. Partner with the Paramount Theatre to focus events that align with shows, potentially aligning thematically as well.
- ii. Create a "field day" or "Rutland Olympics" for local families, where teams compete in relay races, human foosball, and other physically active events around downtown. Get larger organizations (like Walmart) to sponsor and/or donate materials and prizes.
- iii. Connect with a pet adoption organization to bring adoptable pets downtown for a day.
- iv. Incorporate family-friendly outdoor activities into the proposed "Amtrak Gateway Area" park (Strategy 4.E). and the Center Street Marketplace "Playground for all Ages" (see Strategy 2.E).
- v. Create family teams that help beautify the downtown area with plants, garbage cleanup, or other beautification tactics through an "adoption" program.



A downtown dog park would provide a family-friendly attraction and serve as an amenity for existing and future residents. Photo source: Mission Bay Parks.



Kearney, Nebraska hosts an annual community Olympic games, including softball pickleball, obstacle course, capture the flag, and others. Teams are comprised of 10-30 people. Photo Source: Kearney Hub



GOAL 4

SUPPORT BUSINESS GROWTH AND REAL
ESTATE (RE)DEVELOPMENT

4A. Lead the development of a downtown hotel at Center Street & Wales Street (the “Pit”).

Description: *The importance of this site and project to the future of downtown requires the City to be proactive in attracting investment to create a hotel as an important anchor of the proposed arts and entertainment district.*

Tactics:

- i. Continue to work with interested hotel developers and provide any available resources and incentives for the hotel project.
- ii. If it becomes necessary, the City should take a more proactive role in facilitating redevelopment of the site into a hotel, including:
 - Commission an update to the market and financial feasibility analysis for a hotel at the site that identifies any financial feasibility gaps to make the project viable.
 - With the results of the updated study in hand, the City should move forward with securing site control of the property through a purchase option or through direct acquisition, assuming a favorable outlook for development. Purchasing or gaining site control of the property should be a high priority for the City to ensure the property is redeveloped in a manner that realizes the vision for the property and occurs within a reasonable timeframe.
 - Actively recruit hotel developers through a request for proposals process (RFP), which clearly outlines the City’s vision for the property and resources/partnerships that the City is prepared to bring to the table.
 - As part of the recruitment process, market the project as an Opportunity Zone investment opportunity and work to connect potential developers with appropriate Opportunity Zone Funds.



The vacant site at the intersection of Center St. & Wales is a prime development site and well suited for a future hotel use given its central location, proximity to the Paramount theater, and presence along the Center Street corridor envisioned to have new arts, entertainment, and other “destination” uses.

OLD 4TH WARD COMMERCIAL MIXED-USE PROJECT 40 Boulevard NW Atlanta, GA 30302

THE OPPORTUNITY:

- The project caters to the lifestyle of the millennial generation who it is estimated will represent 75% of the US workforce by 2025.
- It leverages the shared economy by integrating it into multiple real estate components to create economic advantages for investors, owners, tenants and residents.
- The project integrates an office, hotel, townhomes and local food & beverage experience fostering an urban environment attractive to enterprise companies, as well as entrepreneurs.
- It leverages the neighborhoods historical and artist culture provides affordable office space through flexible co-working space, while offering Class-A office space to enterprise companies.

Source and Use	
Equity	\$30M
Debt	\$45M
Total	\$75M

Project Size: 200,000 SF
Total Project Cost: \$75M

Components:

- Office Building
- Boutique Hotel
- F&B Retail
- Townhomes

Project Sponsor:

- Liona Resources
- Sixty-West

CITY OF ATLANTA
Opportunity Zone Prospectus
April 2019

ESTATLANTA
THE ARTHUR M. BLANK FAMILY FOUNDATION

The City of Rutland should take advantage of its federal Opportunity Zone covering the downtown area that provides significant tax benefits for investors in real estate projects. An Opportunity Zone prospectus should be developed to market the city while profiling specific development opportunities, including the hotel development and the “Amtrak Gateway Area.” Above: Example of Atlanta, GA Prospectus that profiles specific development projects, including hotel development opportunities for potential investors.

4B. Conduct targeted business recruitment focused on key economic and market opportunities and implement a business retention plan.

Description: *The City should conduct proactive outreach and recruitment to the following types of businesses: Restaurants, coffee shop/café, specialty foods, outdoor gear outfitter, Experiential/Entertainment Venues (Axe throwing bar, Paint N'Sip, Indoor Recreation, Etc.), health/wellness/fitness retailers and studios.*

Tactics:

- i. Create or purchase a list of businesses within key categories that are located within a two-hour drive of Rutland, representing the greatest potential for an existing small business to open a second (or third) location.
- ii. Create a marketing and recruitment package that 1) highlights positive economic and market characteristics (market profile), 2) includes "happenings in Rutland," 3) lists business resources and incentives available, 4) provides slip sheets of available spaces (see Strategy 3.B), and 5) profiles existing successful businesses in the downtown area.
- iii. Initiate an outreach campaign that includes direct mailing a simple brochure or postcard and then sending the recruitment package to any prospective businesses that indicates an interest. A designated contact person should do a personal follow-up with anyone that expressing interest.
- iv. A business visitation program should be established to continually monitor how downtown businesses are faring and to identify any "red flags" that may lead a business to close or relocate out of downtown.



A brewpub should be a priority for the City's business recruitment efforts for the downtown area as a use that will help create a dining and entertainment destination. Photo Source: USA Today; Matthias Merges.

MAKINGS OF A SUCCESSFUL BUSINESS VISITATION PROGRAM

Overview

Through discussions with business leaders in the region, the business visitation program should seek to understand constraints and opportunities of existing businesses, their plans for growth, and constraints on that growth. In particular, pay attention to workforce needs, buildings and space, innovation goals and challenges, infrastructure needs regulations, taxes, incentives, etc.. Coordinate this effort using a customer relationship management (CRM) system to organize, automate and synchronize business interactions and findings from these visits.

Basic Steps

1. Identify businesses to visit. This list should be regularly maintained and improved.
2. Develop visitation questions. Keep the questions simple and short and focus on information that will be used.
3. Conduct business visits. Review questions, document answers, get to know the business and business owners.
4. Tabulate and analyze the results.
5. Act upon anything that can easily be addressed to meet businesses' needs.
6. Share results with stakeholders. Develop or adjust strategies to address issues or concerns and then implement new strategies.
7. Revise the program as warranted and repeat.

Best Practices

- Run the program through partnerships with multiple economic development related entities to share the work, cost, information, and avoid overlap.
- Use surveys that capture key information but are not overly burdensome to business.
- Conduct immediate follow-up to resolve any issue identified by the businesses.
- Integrate findings into ongoing strategic economic development planning.
- Utilize software to make the process more efficient and operationalize results.

4C. Track and market commercial spaces and development opportunities

Description: The City should work in partnership with property owners and realtors to connect potential tenants and developers with the spaces available in the downtown area.

Tactics:

- i. Work with realtors and property owners to create an up-to-date commercial property listing database and map that is publicly available. Include photos, floorplans, lease rates, and contact information for each space.
- ii. Identify priority/strategic spaces and sites and work with the appropriate property owners and realtors to actively market those sites and recruit tenants (see Strategy 3.C) or developers.

4D. Support entrepreneurship and small business growth.

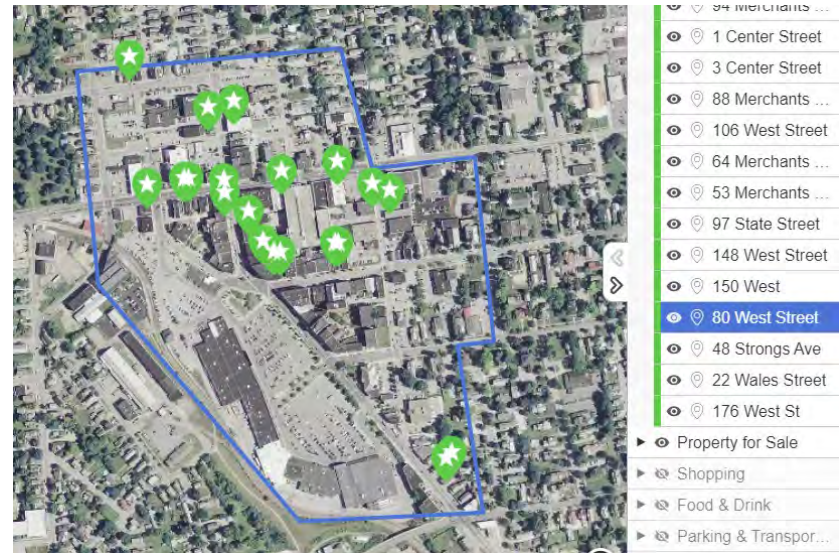
Description: The City should work in partnership with property owners and realtors to connect potential tenants and developers with the spaces available in the downtown area.

Tactics:

- i. Facilitate the Development of a retail cooperative by bringing together local crafts people and artisans in a shared retail space as a way to help support and grow emerging retail businesses in the downtown.
- ii. Work with the MINT (makerspace) to relocate or create a satellite makerspace in the downtown that has a different mix of tools and services, and that offers educational and entertainment programming and events.
- iii. Facilitate the development of a downtown co-working space by working with an interested property owner/developer and assisting in marketing the space to young professionals in the region.

Related Strategy:

3.C. Support the creation of a culinary incubator/commercial kitchen



The Downtown Rutland Partnership maintains a listing of available spaces that can provide the foundation for an enhanced city-wide inventory of sites and buildings available for sale and lease. An up-to-date and comprehensive database will help the Downtown Partnership and City market available properties and recruit tenants. Participation from property owners and Realtors will be critical to the success of this effort and require the submission of photos, building and site specifications, utility information, etc. Photo source: Downtown Rutland Partnership.



The General Store Cooperative in Maplewood, NJ has several small locally owned businesses under its roof. A retail cooperative in downtown Rutland would support entrepreneurs and small businesses that otherwise would not be able to afford (or fill) a leaseable retail space alone. Photo source: General Store Cooperative Marketplace & Café.

4E. Facilitate redevelopment of Amtrak station “gateway area”

Description: The vacant and underutilized space in the vicinity of the Amtrak station and Evelyn Street is a prime and rare development opportunity for the downtown area. It’s redevelopment could catalyze new investment and development in the downtown area.

Tactics:

- i. Partner with Brixmor (property owner) to complete a redevelopment master plan for the site that considers mixed-use development with market-rate apartments or an indoor adventure park, among other potential uses.
- ii. Incorporate a new "signature" city park (or expanded Depot Park) along Evelyn Street, that could potentially include a dog park, splash pad, additional farmers market/event space, and other uses.
- iii. Conduct a financial feasibility analysis to determine what, if any, funding gap would exist for the preferred development concept and identify resources or public-private partnership arrangements to fill the gap, such as the city provision of infrastructure.
- iv. In partnership with Brixmor, issue a developer request for expressions of interest (REI) to solicit developer interest and feedback on the desired outcome, which can be used to modify/adjust the development plan and consider alternative incentives/partnership arrangements. Select a preferred developer or issue a full request for proposals (RFP).



The “Amtrak Gateway Area” is underutilized and aesthetically detracting from downtown but holds great development potential and the ability to catalyze additional investment downtown.



The City of Valparaiso, Indiana transformed a downtown parking lot into an award-winning Downtown Central Park Plaza featuring greenspace and outdoor performance space.



A high-quality public park should be explored and incentivized by the city as part of future redevelopment of the gateway area. Uses of the park may include a dog park, splash pads, outdoor concert space, public art, or expanded farmers market and festival space. Photo source: SEH;



Mixed-use or multi-family (apartments) development would be an ideal use for the Amtrak Gateway Area in conjunction with a new community park. The Garden Street Apartments (shown to the left) with 60 mixed-income units in South Burlington is a good example of the type of project that would be a good fit for the site. Photo source: Champlain Housing Trust.

4F. Expand capacity to implement real estate and economic development initiatives.

Description: *New resources and capacity will be needed to execute the strategies of this plan, including funding, staff, and partnerships.*

Tactics:

- i. Explore creation of a local Opportunity Zone Fund to provide crowdsourcing/investment option for those looking to invest in Rutland. Create an Opportunity Zone prospectus for the key redevelopment sites (hotel and Amtrak). Coordinate with Vermont state office that is focused on OZ to collaborate on attracting investment to the two potential project sites.
- ii. Prioritize the Center Street area for water and wastewater improvements in the City's capital improvements planning process.
- iii. Increase diversity in representation on the various downtown organizations, including mix of property owners, business owners, non-profits, institutions, youth, residents, young adults, and others to create greatest network of partners possible.
- iv. Review staff workload at the Rutland Redevelopment Authority and Downtown Rutland Partnership and identify ways to increase capacity (internal or through third party) to focus on implementation and especially marketing initiatives.
- v. Continue to prioritize communications with property owners regarding the vision for the future of the city, opportunities for collaboration, identification of any issues they are facing regarding property upgrades or maintenance, and how best to assist. Establish a procedure for outreach (survey, regular visitation, summit) and especially around areas of follow-up to address any concerns.
- vi. Consider a downtown Tax Increment Finance (TIF) District in the future as appropriate and when feasible given shovel-ready projects and the City's tax climate.

TAX INCREMENT FINANCING (TIF) IN VERMONT

What is TIF?

Tax Increment Financing (TIF) is an economic development tool that can be employed to incentivize development or redevelopment. The public sector makes investments in infrastructure, such as streets, sidewalks, and storm water management systems within a targeted geography (known as a TIF District) and that makes it more attractive/feasible for the private sector to invest. The private investment thereby increases the value of the grant list and subsequent tax payments to the municipality to pay for the public investment.

TIF Use in Vermont

While they are a strong tool and used regularly throughout the northeast, TIFs have been used relatively infrequently in Vermont. They require State approval and the State legislature is only able to approve a small number of TIF Plans. They do require work to prepare for the TIF Plan, including feasibility analysis, redevelopment plan, local approvals, and more. Some of this can be covered in Vermont through grants, but does require community support to pursue. Although they do take time and effort on the end of the municipality, TIF Districts are typically a good investment for a community as they lead to a process that encourages forward thinking action, entices private investment, and can directly lead to economic development that otherwise would not have occurred.

Process to Establish

1. Establish a **TIF District** (Determine feasibility & involve decision-makers)
2. Create a **Redevelopment Plan** that establishes district boundaries, establishes a timeline and costs, estimates tax base and revenue increment, and establishes evaluation requirements.
3. **City Approval** and State Approval of Plan
4. **Implementation** of TIF District including voter approval to incur debt for TIF District infrastructure.
5. **Build Infrastructure & Manage Redevelopment**
6. **Evaluation, Reporting, and Termination**

Key Considerations

TIF is a considerable undertaking in terms of time, effort, and cost to the City. It should be pursued judiciously and when necessary to advance private development/redevelopment that will generate the incremental property tax revenue to help finance new debt.

What is an Opportunity Zone?

The Tax Cuts and Jobs Act of 2017 can provide powerful incentives to certain taxpayers to invest in property (development projects) in low-income communities or districts designated as Opportunity Zones (OZs). Essentially, the program allows investors to shelter capital gains tax from their investment in a zone. While there are many variables, the OZ benefits generally can boost a project's annual rate of return by 2 to 3 percent, which can help make projects financially feasible.

How can Downtown Rutland Benefit?

Rutland's downtown falls within two designated OZs making projects within the downtown eligible for OZ benefits. To take advantage of this opportunity, it is critical to have nearly shovel-ready projects ready to go that can be pitched to prospective developers and investment funds. Key steps the City can take include:

1. Work with property owners to develop and advance project concepts – particularly for the Berwick site (the "pit") and the Amtrak Station Gateway Area.
2. Curate a list of nearly shovel ready development projects that can demonstrate reasonable return on investment and are in need of significant private funding.
3. Create an Investment Prospectus that highlights the assets of the community and economic conditions that would make it an attractive investment. Also include information about the 1-3 development projects that are the best fit for OZ funding.
4. Develop a list of potential investors or those who may know of investors: lawyers, accountants, and fund managers that may be interested in this type of project. Connect with business associations, chambers of commerce, and others to create this list. Based on Rutland's geography, population, and size of projects, investors are likely to be more regional than national.
5. Design and implement an outreach program that includes both direct phone calls, newsletters, social media promotion, and others to increase awareness of the development projects and available Opportunity Fund investment potential.

How Have Other Vermont Communities Benefited?

Springfield, VT

Springfield has seen new projects as a result of its Opportunity Zone designation. Two multi-unit residential properties were purchased through the program. Additionally, the Town attracted a company from New Hampshire due in large part because of OZ benefits. A company called Voi moved to the town to receive investment from the CORI Innovation Fund (CIF), which is a qualified Opportunity Zone Fund that invests in high-growth technology companies in small towns across the country.

Bennington, VT

The Putnam Block in Bennington is a \$31 million revitalization project transforming three historic buildings into a vibrant urban hub. The project (under construction) will include 78,000 square feet of renovated space and 30 new market rate and income-qualified apartments. The project is in an Opportunity Zone and received funding from a dedicated Putnam Block Opportunity Zone Fund, in which many local investors participated.



Putnam Block Drawing. Photo Source: Stevens & Associates.



IMPLEMENTATION

Priorities | Timeframe | Partners | Resources

6

INTRODUCTION

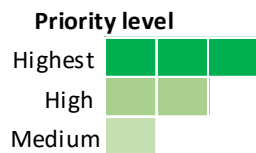
The Downtown Strategic Plan represents a robust set of strategies and actions that will require dedicated effort, partnerships, business and property owner participation, funding and staff resources, and strong leadership. This chapter provides an implementation framework and guidance to help achieve the goals of the strategic plan.

ACTION PLAN MATRIX

The Matrix found on the following pages outlines the strategies and tactics for each of the four goals. It includes the following fields:

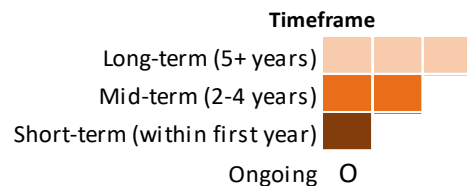
Priority Level

The priority is indicated for each tactic, which reflects its relative importance to the success of the plan. The priority level should be used to help focus efforts on the most impactful activities, especially given limited resources and capacity. The priority level is indicated based on the following graphical depiction:



Timeframe

The timing and sequencing of tactics is critical to consider as there are items that should be undertaken immediately, while other activities will need to be undertaken over the longer-term. The timeframe is indicated for each individual tactic, providing an indication of when each action should be initiated (although not necessarily completed) based on the three categories to the right. Note that actions that are continuous are indicated as "ongoing".



Resources

The intensity of effort and magnitude of cost are indicated in the resources field to help evaluate the cost/benefit of the strategies. The level of staff and funding resources needed can help with city implementation planning and prioritization of strategies and tactics and may reveal needs for new partnerships or funding sources to implement the plan.

Partners

The partners for each strategy indicate key entities and organizations that should be involved in the implementation of each strategy; however, it does not necessarily mean that other stakeholders and partners should not be involved in executing the strategy. It may be helpful for the City to designate a "champion" or lead partner for each strategy to take ownership of carrying out each strategy.

Goal 1: Grow the Downtown Population Base

Strategy	Tactics	Priority	Timeframe	Resources	Partners
1.A Create an upper floor space commercial to residential conversion program	i. Streamline process and create incentives	High	0-1	Staff: Low, Cost: Moderate	City of Rutland, RRA, DRP
	ii. Create a "how-to" online guide	High	0-1		
	iii. Highlight success stories	Medium	0-1		
1.B Create a marketing campaign for downtown living for all ages	i. Create a task force	Medium	0-1	Staff: Moderate, Cost: Moderate	Rutland Region Chamber of Commerce, City of Rutland, RRA, DRP
	ii. Identify brand ambassadors	Medium	0-1		
	iii. Undertake branding effort	Medium	0-1		
	iv. Assemble downtown resident profiles	Medium	0-1		
1.C Evaluate and encourage artist housing	i. Determine needs and demand	Medium	0-1	Staff: Low, Cost: Moderate	RRA, DRP
	ii. Create development incentives	Medium	0-1		
1.D Provide resources for potential housing cooperatives	i. Identify an interested party/project champion	Medium	0-1	Staff: Moderate, Cost: Low/Moderate	
	ii. Examine successful VT models	Medium	0-1		
	iii. Modify/create regulations & incentives	Medium	0-1		
1.E Target young professionals from urban communities with a higher cost of living	i. Continue support for existing initiatives	Medium	0-1	Staff: Moderate, Cost: Moderate	Rutland Region Chamber of Commerce, City of Rutland, RRA, DRP
	ii. Identify success stories/advocates	Medium	0-1		
	iii. Conduct targeted marketing	Medium	0-1		
1.F Establish communication with major employers to understand their needs and potential opportunities for collaboration	i. Conduct outreach to Rutland Regional Medical Center	High	0-1	Staff: Low, Cost: Low	Rutland Regional Medical Center, RRA, DRP
1.G Target seniors as a key market for downtown living	i. Survey seniors in the community	Medium	0-1	Staff: Low, Cost: Low	Senior service providers, RRA, DRP
	ii. Identify site for housing project/issue RFP	Medium	0-1		
1.H Stay attuned to Castleton University and CCV housing needs	i. Maintain communication with Castleton	High	0-1	Staff: Moderate, Cost: Moderate	Castleton University, RRA, DRP
	ii. Meet 2x Annually with Castleton	High	0-1		
	iii. Promote living downtown to students	High	0-1		
	iv. Establish incentive for students to live downtown	Medium	0-1		
	v. Student debit card system for downtown businesses	High	0-1		

Goal 2: Enhance the Quality and Sense of Place

Strategy	Tactics	Priority	Timeframe	Resources	Partners	
2.A Infuse more public art downtown	i. Create public art vision	High	1-2		Staff: Moderate, Cost: Moderate	City of Rutland, RRA, DRP, consultant
	ii. Create a city public art program	High	1-2			
	iii. Establish a public art fund	Medium	3-4	1-2		
	iv. Form a storefront art installation program	High	1-2			
	v. Add public art in/to parking garage	Medium	3-4	1-2		
	vi. Market public art as an attraction	Medium	3-4	1-2		
2.B Create a comprehensive downtown wayfinding system	i. Secure funding for a plan	High	1-2		Staff: Moderate, Cost: Moderate	City of Rutland, RRA, DRP
	ii. Create plan that prioritizes key locations	High	1-2			
	iii. Add Arts & Entertainment branding to system	High	1-2			
2.C Strengthen downtown as a bike destination	i. Identify "bike to downtown" routes	Medium	3-4		Staff: Moderate, Cost: Low	City of Rutland, RRA, DRP
	ii. Create bike hub downtown	Medium	3-4	1-2		
	iii. Establish a bike-share system	Medium	3-4	1-2		
2.D Enhance the streetscape and pedestrian safety	i. Raised intersection at Center & Merchants	Medium	3-4		Staff: Moderate, Cost: High	City of Rutland, RRA, DRP, consultant
	ii. Install Rectangular Rapid Flash Beacons	High	1-2	1-2		
	iii. Create artistic painted crosswalks	High	1-2	1-2		
	iv. Add trees/landscaping along streets	High	1-2	1-2		
2.E Transform Center Street Marketplace into a fun and flexible amenity for residents & visitors	i. Community visioning process	Medium	3-4		Staff: Moderate, Cost: Moderate	Wonderfeet, Paramount, City of Rutland, RRA, DRP, consultant
	ii. Explore feasibility of potential uses	Medium	3-4			
	iii. Engage Wonderfeet in design & programming	Medium	3-4			
	iv. Commission professional design plan	Medium	3-4	1-2		
2.F Transform Center Street into an Arts & Entertainment hub	i. Test different road design concepts	High	1-2		Staff: Moderate, Cost: High	Paramount Theatre, private establishments, City of Rutland, RRA, DRP
	ii. Collect feedback on test concepts	High	1-2			
	iii. Reconfigure Center St. segment	High	1-2	1-2		
	iv. Install overhead string lights	Medium	3-4	1-2		

Goal 3: Build Downtown as an Arts, Entertainment, and Recreation Destination

Strategy	Tactics	Priority	Timeframe	Resources	Partners	
3.A Support and attract arts and entertainment uses.	i. Explore arts and entertainment overlay district				Staff: Moderate, Cost: Moderate	Paramount Theatre, City of Rutland, RRA, DRP
	ii. Incentives for artist housing					
	iii. Use placemaking and public art to help brand			O		
3.B Encourage new and existing restaurants to provide outdoor dining	i. Add sidewalk café space on Center St.				Staff: Low, Cost: Moderate	City of Rutland, private establishments, RRA, DRP
	ii. Align regulations to allow/encourage					
	iii. Provide spaces for food trucks					
3.C Support the creation of a commercial kitchen or culinary incubator/accelerator	i. Create pop-up meal events				Staff: Moderate, Cost: Moderate	VFFC, Stafford Tech, RRA, DRP
	ii. Create connections to other businesses					
	iii. Facilitate partnership between VFFC & Stafford Tech					
	iv. Establish assistance program for food/restaurant start-ups					
3.D Create new marketing and branding campaign to address negative perceptions of downtown	i. Partner with "I Love Rutland" Campaign				Staff: Low, Cost: Moderate	I Love Rutland, Rutland Regional Chamber of Commerce, RRA, DRP
	ii. Establish marketing messaging					
	iii. Involve community organizations					
3.E Attract outdoor recreation enthusiasts downtown	i. Adventure center feasibility study				Staff: Low, Cost: Moderate	RRA, DRP, Rutland Economic Development Commission, consultant
	ii. Targeted recruitment of businesses					
	iii. Attract Killington visitors (promotional materials/shuttle)					
3.F Continue to expand events and programming downtown	i. Explore new event concepts				Staff: Moderate, Cost: Moderate	Paramount Theatre, arts organizations, School District, RRA, DRP, consultant
	ii. Partner with Paramount Theatre					
	iii. Incorporate event space into new hotel					
	iv. Work with school to engage teens					
	v. Visitor survey and economic impact study					
3.G Create more family-friendly outdoor recreation and entertainment opportunities downtown	i. Engage partners to generate ideas				Staff: Moderate, Cost: Low	RRA, DRP, Rutland Chamber of Commerce, City of Rutland
	ii. Create "field day" or "Rutland Olympics"					
	iii. Organize pet adoption event					
	iv. Add family activities to Amtrak Gateway redevelopment and Center Street Marketplace Park					
	v. Adopt a space beautification program					

Goal 4: Support Business Growth and Real Estate (Re)Development

Strategy	Tactics	Priority	Timeframe	Resources	Partners
4.A Lead the development of a downtown hotel at Center St. & Wales St.	i. Continue to work and support existing developer interest	■ ■ ■	■	Staff: Low, Cost: Low/High	City of Rutland, RRA, DRP
	ii. If necessary, acquire and market site	■ ■ ■	■ ■		
4.B Conduct targeted business recruitment and implement business retention plan	i. Assemble target business list	■ ■ ■	■	Staff: Moderate/High, Cost: Low/Moderate	RRA, DRP, Rutland Economic Development Commission
	ii. Create marketing & recruitment package	■ ■ ■	■		
	iii. Initiate outreach campaign	■ ■ ■	■ ○		
	iv. Establish formal business visitation program	■ ■ ■	■ ■		
4.C Track and market commercial spaces and development opportunities	i. Work with partners to create database	■ ■ ■	○	Staff: Low, Cost: Low	RRA, DRP, Rutland Economic Development Commission
	ii. Actively market priority properties	■ ■ ■	○		
4.D Support entrepreneurship and small business growth	i. Develop retail cooperative.	■ ■ ■	■ ■	Staff: Moderate, Cost: Moderate	RRA, DRP, Rutland Economic Development Commission
	ii. Relocate or satellite facility for MINT	■ ■ ■	■ ■		
	iii. Support new downtown co-working space	■ ■ ■	○		
4.E Facilitate redevelopment of the Amtrak station "gateway area"	i. Create redevelopment plan concept	■ ■ ■	■ ■	Staff: Moderate, Cost: Low	City of Rutland, RRA, DRP
	ii. Incorporate new community park into plan	■ ■ ■	■ ■		
	iii. Conduct financial feasibility assessment	■ ■ ■	■ ■		
	iv. Issue developer REI/RFP through public-private partnership	■ ■ ■	■ ■ ■		
4.F Expand capacity to implement real estate and economic development initiatives	i. Explore local Opportunity Zone Fund	■ ■ ■	■	Staff: Moderate, Cost: Low/High	City of Rutland, RRA, DRP
	ii. Prioritize Center St for infrastructure upgrades	■ ■ ■	■ ■ ■		
	iii. Increase representation of downtown interests	■ ■ ■	○		
	iv. Increase capacity of RRA and the Partnership	■ ■ ■	■ ■		
	v. Prioritize property owner communication and "buy-in" for downtown vision	■ ■ ■	○		
	vi. Explore downtown TIF District	■ ■ ■	■ ■ ■		



APPENDICES

[Data Sources](#) | [Retail Leakage Categories](#) | [Business List](#)

APPENDIX A: DATA SOURCES

PROPRIETARY DATA SOURCES

ECONOMIC MODELING SPECIALISTS INTERNATIONAL (EMSI)

To analyze the industrial makeup of a study area, industry data organized by the North American Industrial Classification System (NAICS) is assessed. Camoin Associates subscribes to Economic Modeling Specialists Intl. (EMSI), a proprietary data provider that aggregates economic data from approximately 90 sources. EMSI industry data, in our experience, is more complete than most or perhaps all local data sources (for more information on EMSI, please see www.economicmodeling.com). This is because local data sources typically miss significant employment counts by industry because data on sole proprietorships and contractual employment (i.e. 1099 contractor positions) is not included and because certain employment counts are suppressed from BLS/BEA figures for confidentiality reasons when too few establishments exist within a single NAICS code.

ESRI BUSINESS ANALYST ONLINE (BAO)

ESRI is the leading provider of location-driven market insights. It combines demographic, lifestyle, and spending data with map-based analytics to provide market intelligence for strategic decision-making. ESRI uses proprietary statistical models and data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to present current conditions and project future trends. Esri data are used by developers to maximize their portfolio, retailers to understand growth opportunities, and by economic developers to attract business that fit their community. For more information, visit www.esri.com.

COSTAR

CoStar is the leading source of commercial real estate intelligence in the U.S. It provides a full market inventory of properties and spaces—available as well as fully leased—by market and submarket. Details on vacancy, absorption, lease rates, inventory, and other real estate market data are provided, as well as property-specific information including photos and floor plans. CoStar covers office, retail, industrial, and multifamily markets. CoStar data is researched and verified by the industry's largest professional research team. With 1,200 researchers and 130 field research vehicles, CoStar's team makes calls to property managers; reviews court filings, tax assessor records and deeds; visits construction sites; and scans the web to uncover nearly real-time market changes. More at www.costar.com.

IBISWORLD

IBISWorld is one of the world's leading publishers of business intelligence, specializing in industry and procurement research. Through its detailed industry reports available at 5-digit NAICS level, IBISWorld provides insight into market conditions for targeted industries, helps to identify major suppliers or supply chain, and provides an understanding of competitor activity. More at www.ibisworld.com

REFERENCEUSA

ReferenceUSA's searchable database of U.S. businesses allows the user to identify businesses matching various criteria, including industry, geography, sales, employment count, and other characteristics. ReferenceUSA is useful for developing company lists for business attraction and retention activities, as well as gaining a more granular understanding of the businesses that make up a region's economy. ReferenceUSA is a division of Infogroup. For more information, visit <http://resource.referenceusa.com/>

PUBLIC DATA SOURCES

AMERICAN COMMUNITY SURVEY (ACS), U.S. CENSUS

The American Community Survey (ACS) is an ongoing statistical survey by the U.S. Census Bureau that gathers demographic and socioeconomic information on age, sex, race, family and relationships, income and benefits, health insurance, education, veteran status, disabilities, commute patterns, and other topics. The survey is mandatory to fill out, but the survey is only sent to a small sample of the population on a rotating basis. The survey is crucial to major planning decisions, like vital services and infrastructure investments, made by municipalities and cities. The questions on the ACS are different than those asked on the decennial census and provide ongoing demographic updates of the nation down to the block group level. For more information on the ACS, visit <http://www.census.gov/programs-surveys/acs/>

ONTHEMAP, U.S. CENSUS

OnTheMap is a tool developed through the U.S. Census Longitudinal Employer-Household Dynamics (LEHD) program that helps to visualize Local Employment Dynamics (LED) data about where workers are employed and where they live. There are also visual mapping capabilities for data on age, earnings, industry distributions, race, ethnicity, educational attainment, and sex. The OnTheMap tool can be found here, along with links to documentation: <http://onthemap.ces.census.gov/>.

CENSUS FLOWS MAPPER, U.S. CENSUS

The Census Flows Mapper is a web mapping application that provides users with an interface to view county-to-county migration flow maps of the United States, as well as download the underlying data. The tool shows migration inflows, outflows, and net flows and can be cross-tabulated by demographic characteristics such as place of birth, English-speaking ability, and number of years in the U.S. It utilizes American Community Survey (ACS) data.

BUSINESS DYNAMICS STATISTICS (BDS), U.S. CENSUS CENTER FOR ECONOMIC STUDIES

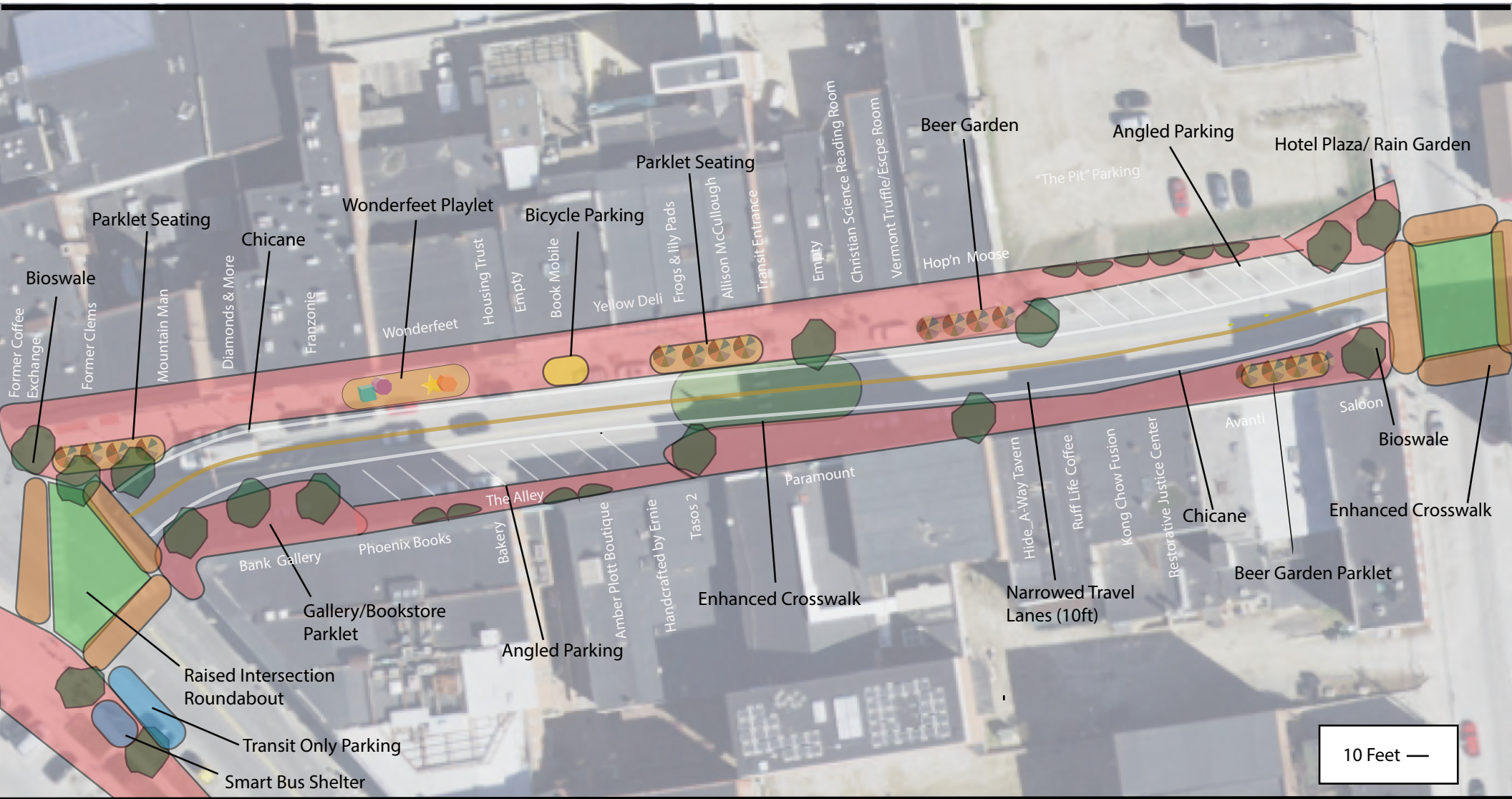
The Business Dynamics Statistics (BDS) program provides annual measures of business dynamics (such as job creation and destruction, establishment births and deaths, and firm startups and shutdowns) for the economy and aggregated by establishment and firm characteristics. It covers the entire U.S. economy and is available at the national, state, and MSA levels.

APPENDIX B: RETAIL LEAKAGE CATEGORIES

- **Specialty Food Stores (NAICS 4452):** This industry group comprises establishments primarily engaged in retailing specialized lines of food. Includes meat markets, fish and seafood markets, fruit and vegetable markets, baked good stores, confectionary and nut stores, and all other specialty food stores.
- **Automobile Dealerships (NAICS 4411):** This group of industries comprise establishments primarily engaged in retailing new and used automobiles and light trucks, such as sport utility vehicles, and passenger and cargo vans.
- **Specialty Food Services (NAICS 7223):** This industry group comprises establishments primarily engaged in providing food services at one or more of the following locations: (1) the customer's location; (2) a location designated by the customer; or (3) from motorized vehicles or nonmotorized carts.
- **Electronics & Appliance Stores (NAICS 443):** Industries in the Electronics and Appliance Stores subsector retail new electronics and appliances from point-of-sale locations. Establishments in this subsector often operate from locations that have special provisions for floor displays requiring special electrical capacity to accommodate the proper demonstration of the products. The staff includes sales personnel knowledgeable in the characteristics and warranties of the line of goods retailed and may also include trained repair persons to handle the maintenance and repair of the electronic equipment and appliances.
- **Sporting Goods & Book Stores (NAICS 451):** Industries in the Sporting Goods, Hobby, Musical Instrument, and Book Stores subsector are engaged in retailing and providing expertise on the use of sporting equipment or supplies for other specific leisure activities, such as needlework and musical instruments. Book stores are also included in this subsector.
- **Clothing Stores (4481):** This industry group comprises establishments primarily engaged in retailing new clothing.
- **Jewelry, Luggage & Leather Good Stores (4483):** This industry group comprises establishments primarily engaged in retailing new jewelry (except costume jewelry); new sterling and plated silverware; new watches and clocks; and new luggage with or without a general line of new leather goods and accessories, such as hats, gloves, handbags, ties, and belts.
- **Office Supply & Gift Stores (4532):** This industry group comprises establishments primarily engaged in retailing new office supplies, stationery, gifts, novelty merchandise, and souvenirs.

APPENDIX C: CENTER STREET CONCEPTUAL PLANS

The Rutland Regional Planning Commission prepared two conceptual plans for Center Street as part of the Downtown Strategic Plan to illustrate alternative configurations that could help achieve the vision of a vibrant, pedestrian-friendly corridor. The plans are included on the following pages.



Rutland - Center Street

Streetscape Conceptual Plan #1

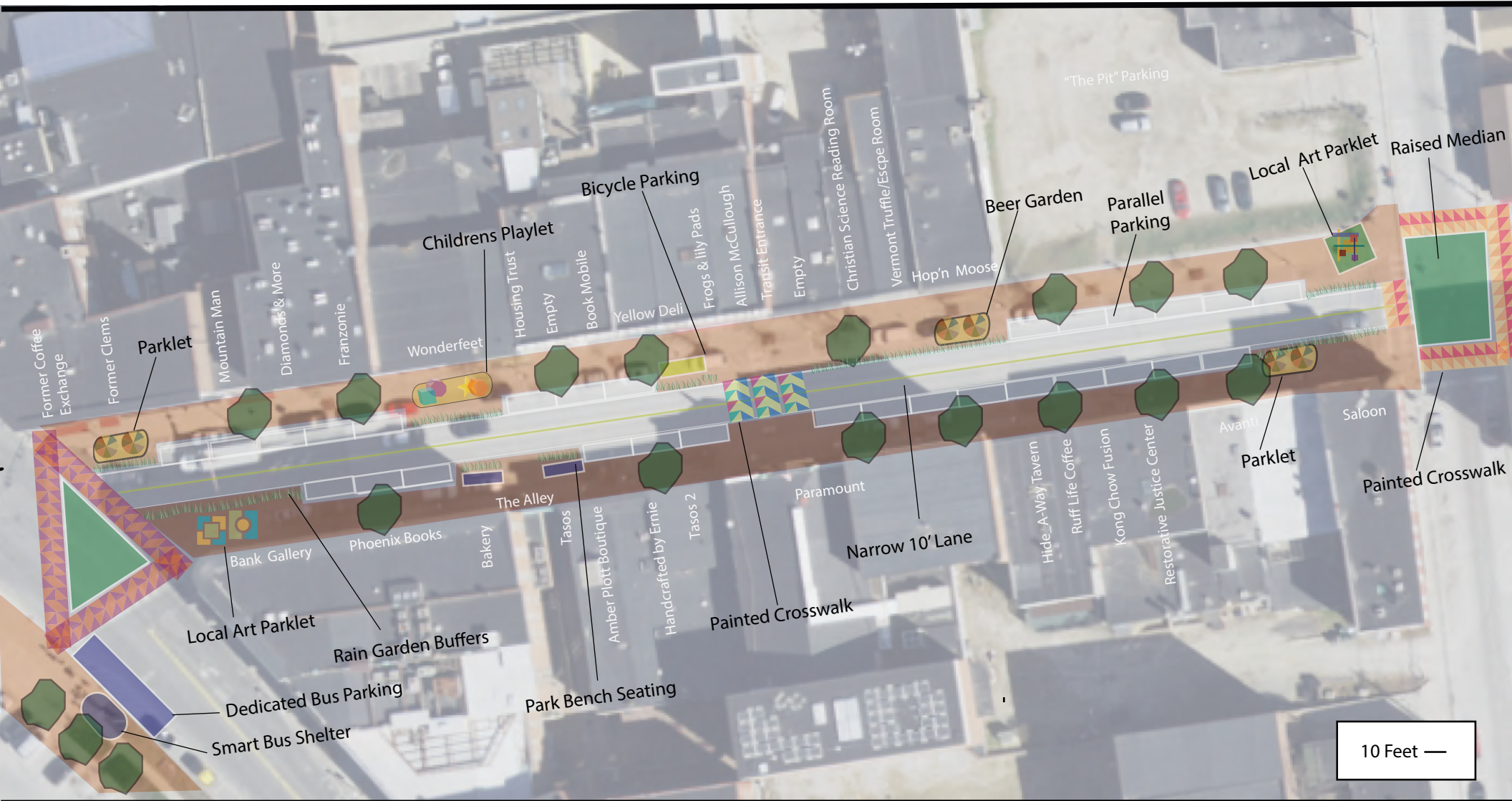
May 2020

Designed by:



In collaboration with:





Rutland - Center Street

Streetscape Conceptual Plan #2

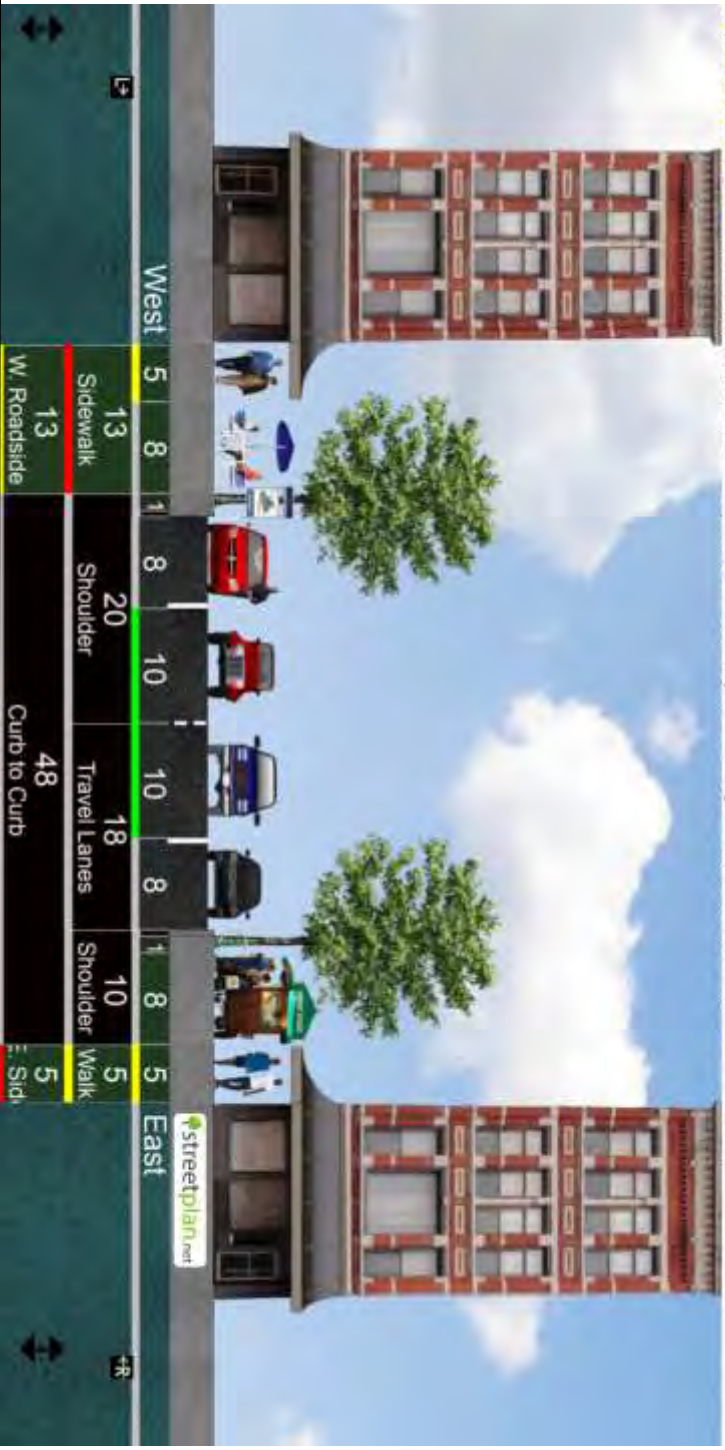
May 2020

Designed by:



In collaboration with:





Center Street #2 Merchants Row - Wales Street Existing Conditions Right-of-Way 66' of 66'



Rutland – Center Street

Streetscape Conceptual Plan #2
May 2020

Designed by:



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Leading action to
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