

Impacts of Growth on the Northeast Kingdom

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Today's objectives

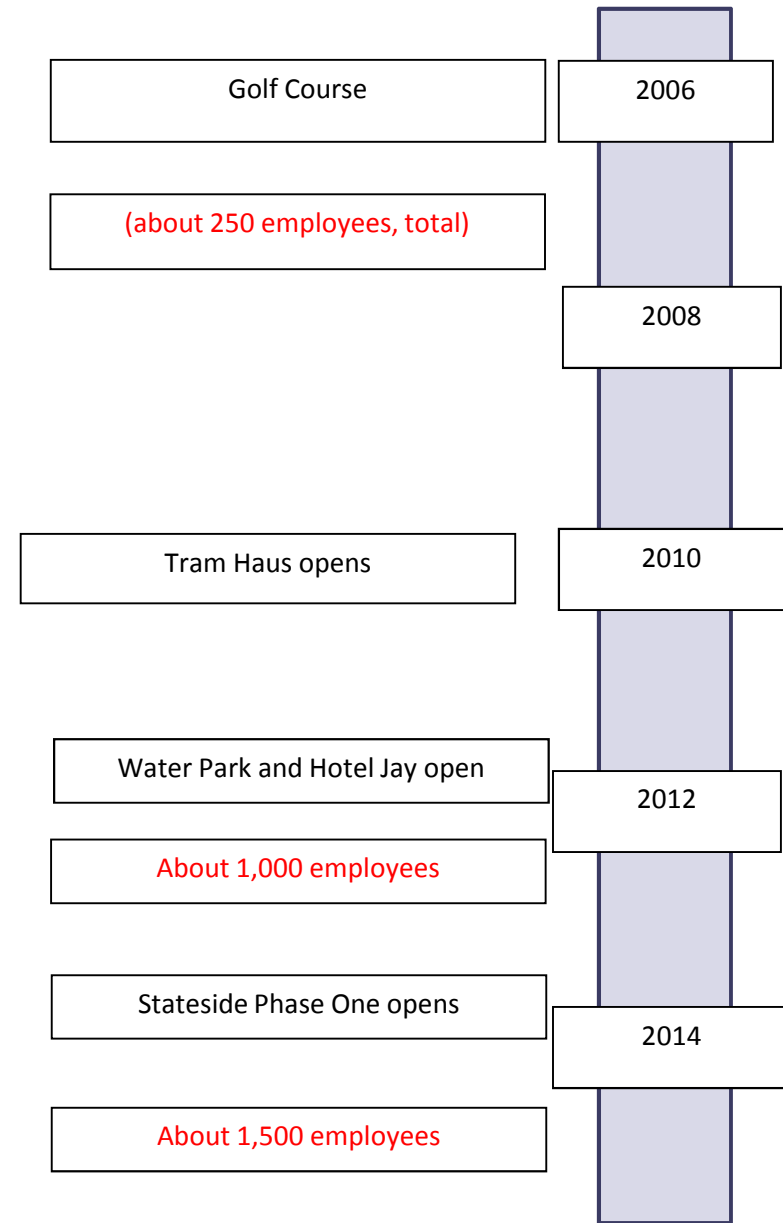
- Describe the impacts that have resulted from the Jay Peak investments 2008-2013
- Use those results to describe impacts from expansion at Q-Burke
- Present modeled data on the impacts from additional developments in the Northeast Kingdom

Caveats

- This is not a prediction of progress in carrying out the projects in the Northeast Kingdom
- The results are not precise. There are many other factors influencing economic activity in the Kingdom.
- Much of the analysis relies on comparisons between Orleans County (home of Jay Peak developments) and Caledonia County as a baseline.
- The use of the REMI model provides general information but the model describes statewide impacts – not focusing on the Northeast Kingdom

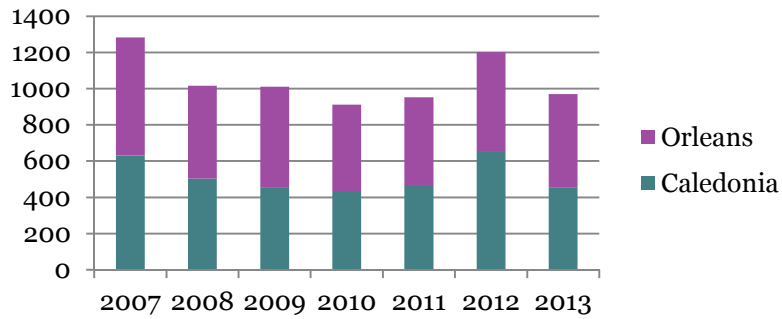
Jay Projects

Total investment through
2013 about \$250 million

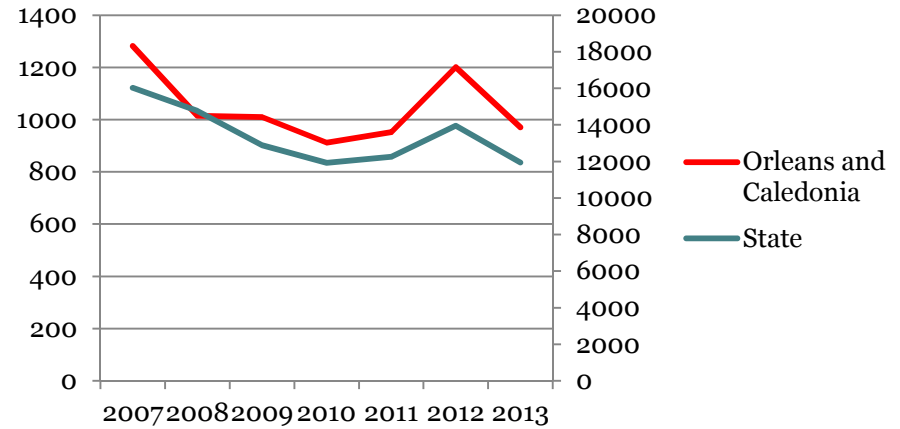


Construction Employment

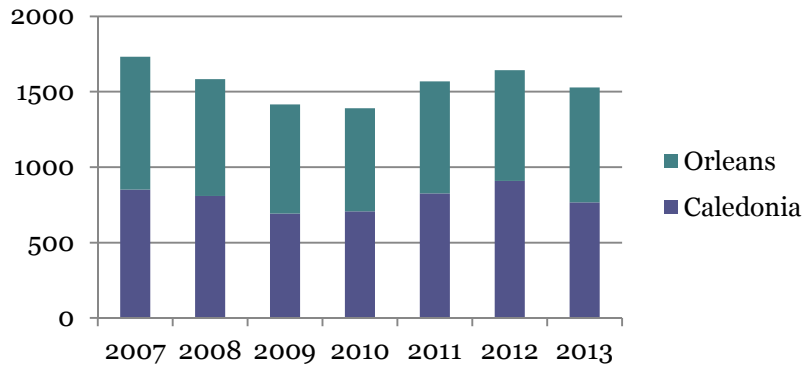
Winter construction employment



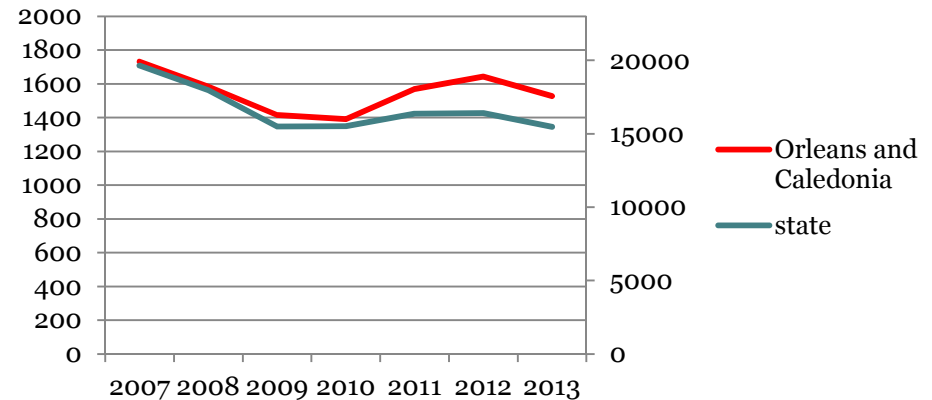
Winter construction employment



Summer constr'n employment

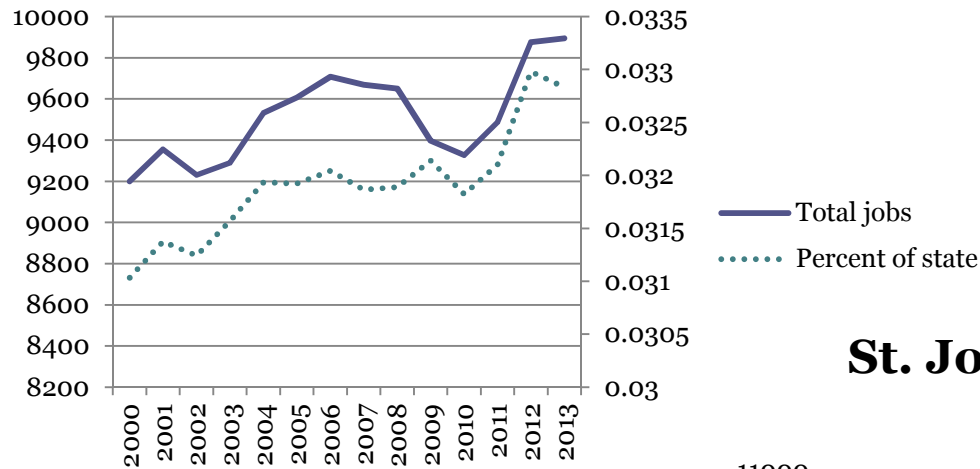


Summer construction employment



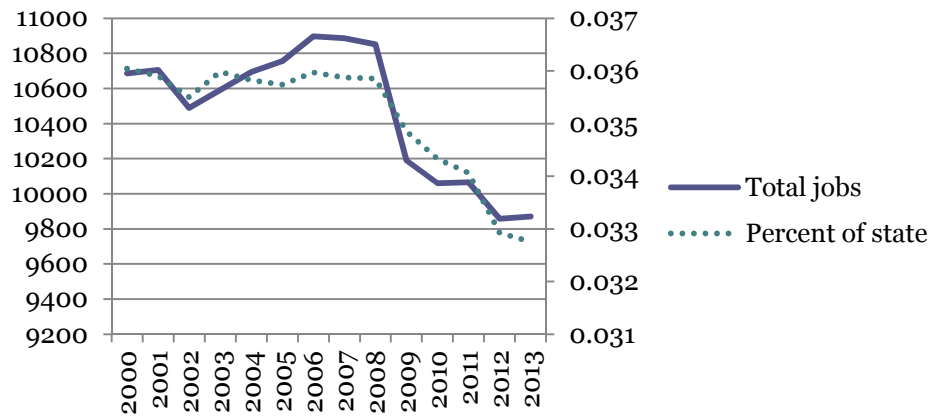
Longer term Employment

Newport Labor Market Area



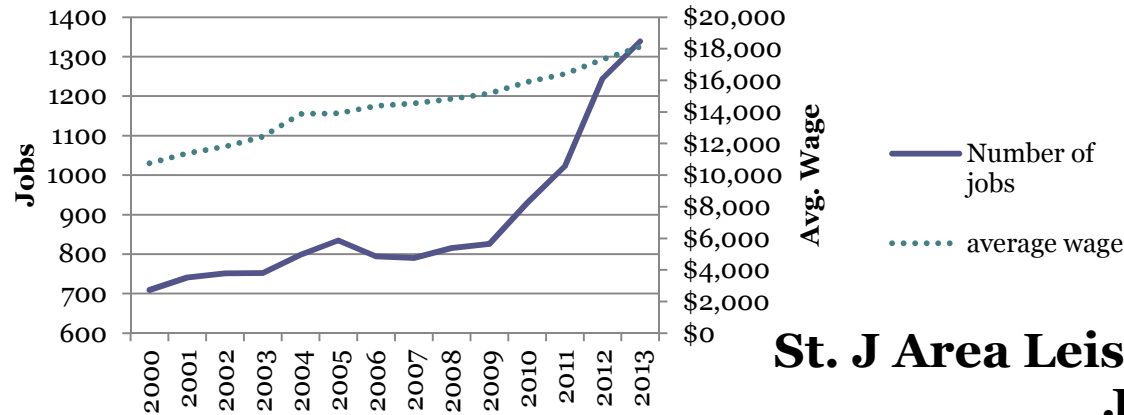
The difference between the two counties since 2008 is about 1,000 jobs.

St. Johnsbury Labor Market Area



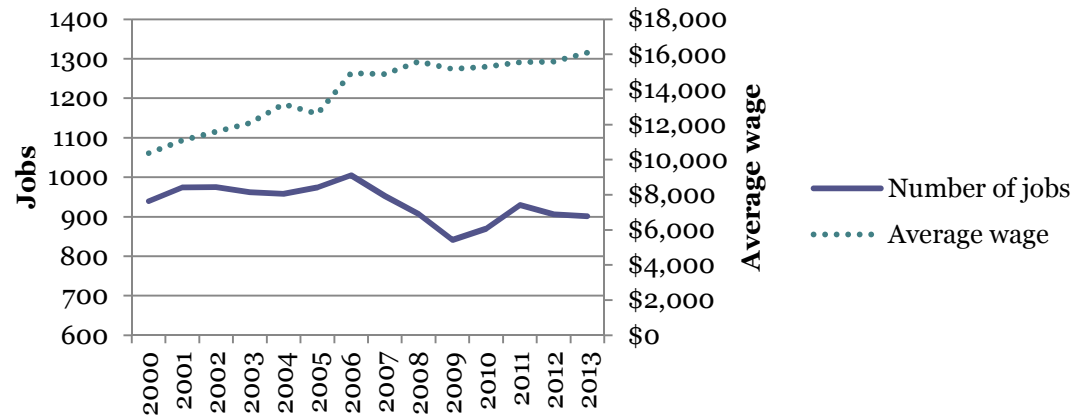
Longer term Employment

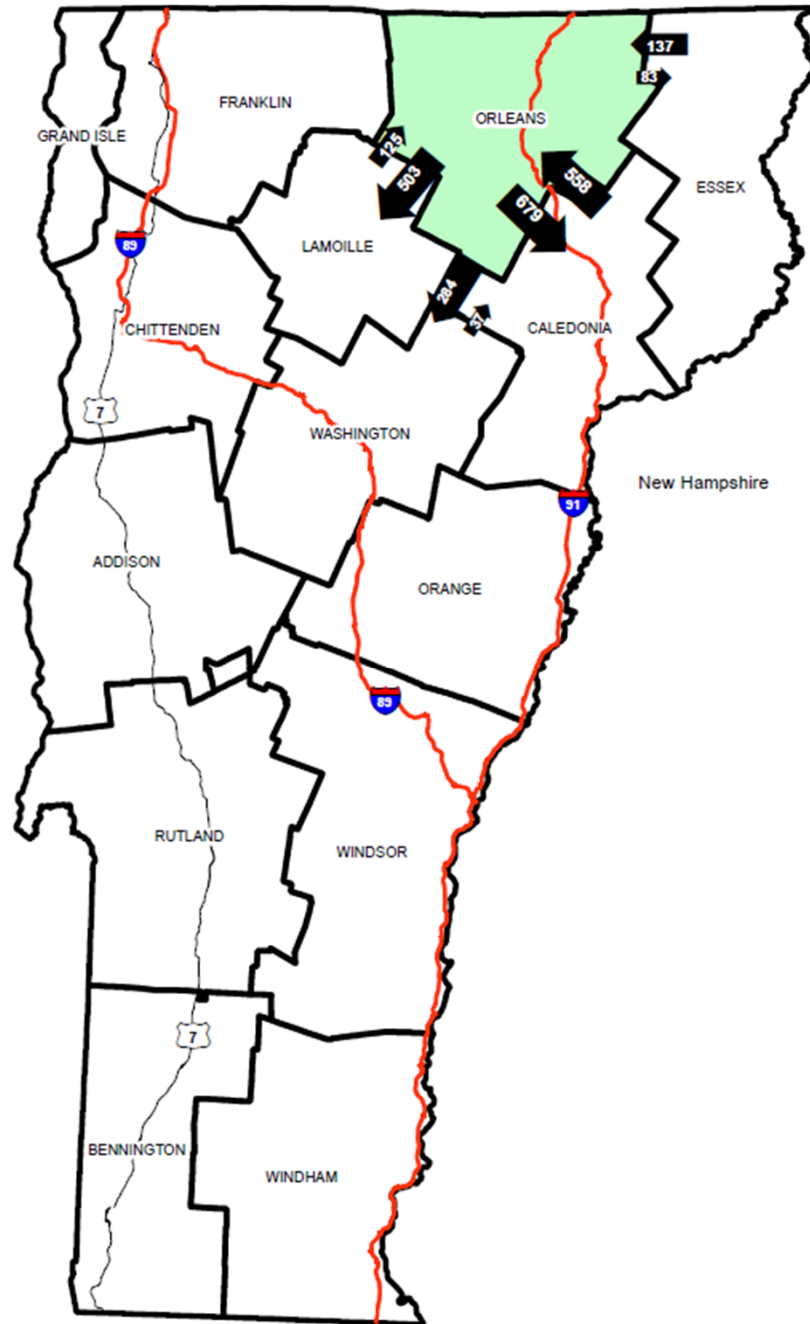
Newport Area Leisure and Hospitality Jobs



The difference between the two counties since 2008 is about 500 jobs.

St. J Area Leisure & Hospitality Jobs



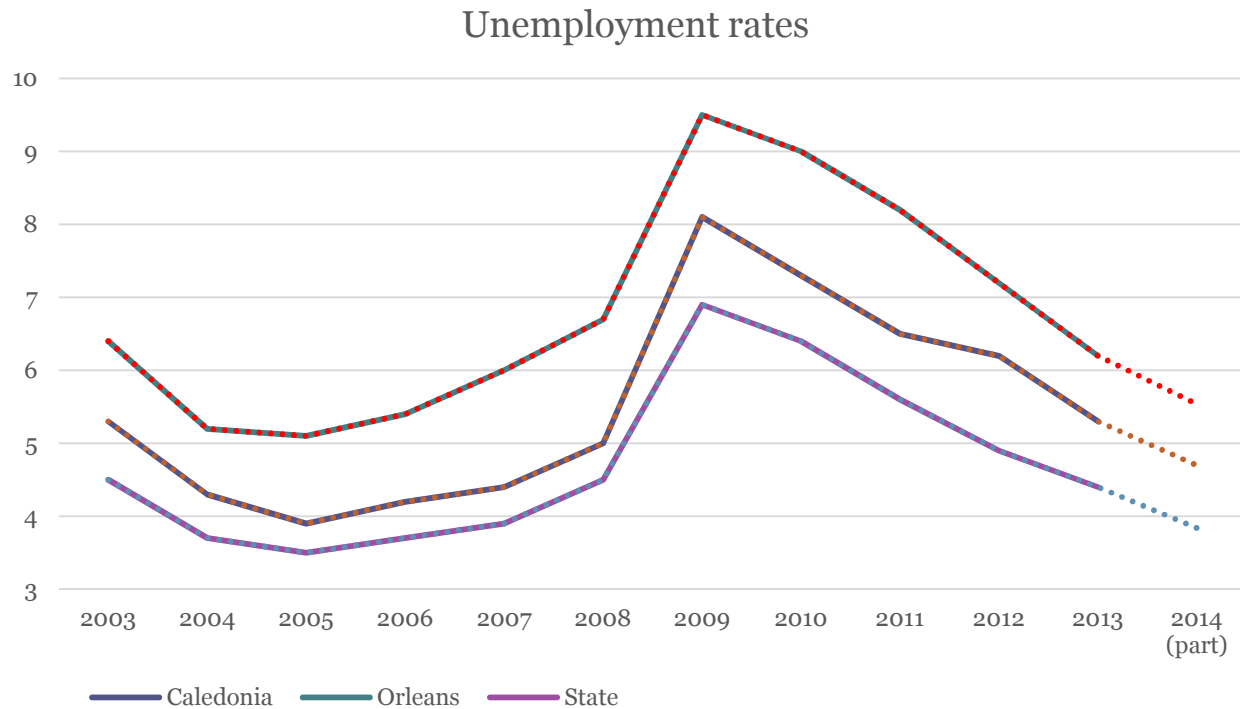


The migration of workers from the county where they reside, to the county where they work.

(Taken from American Community Survey results (2006-2010))

Unemployment

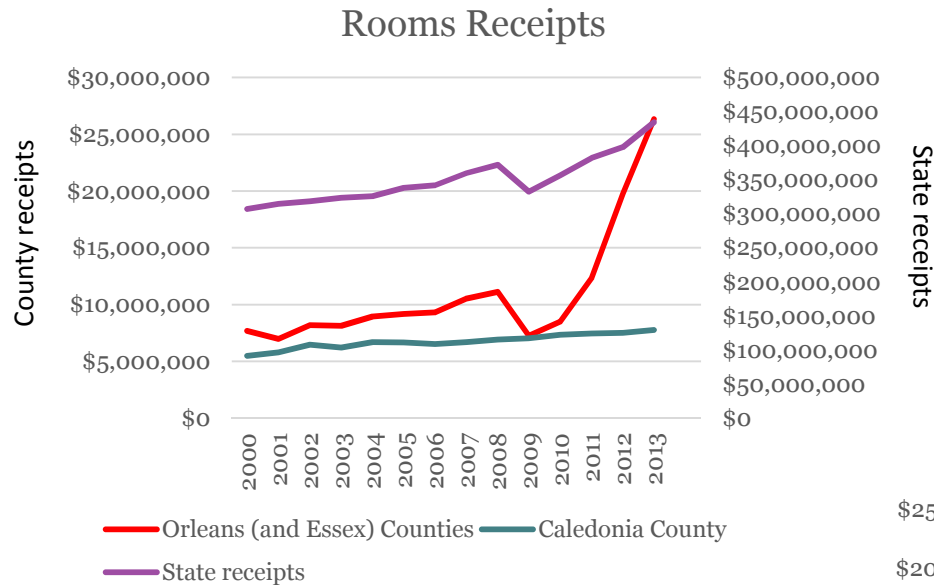
About 1% decrease
in change between
Orleans and
Caledonia



A 1% change in unemployment
amounts to about 120 jobs.
Therefore more than 800 of the job
additions are not from this market.

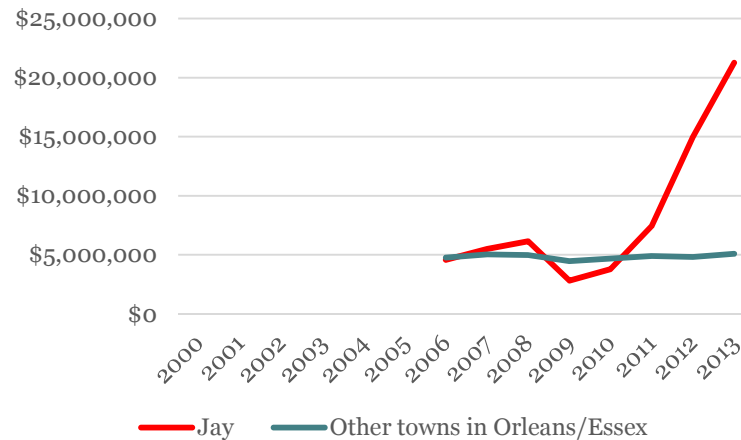
Economic Activity

Economic activity resulting from investments at Jay Peak is expanding



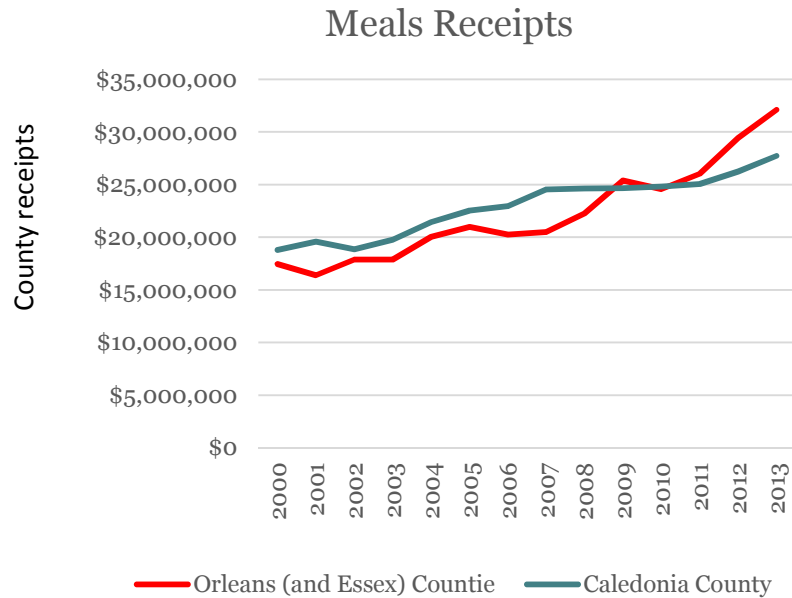
Jay Peak has added more than \$15 million in rooms receipts.

Jay is driving lodging receipts

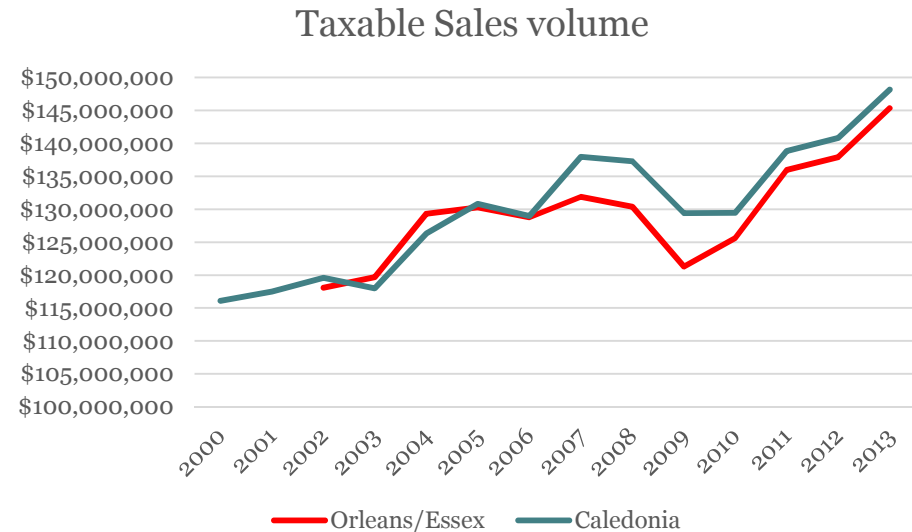


Economic Activity

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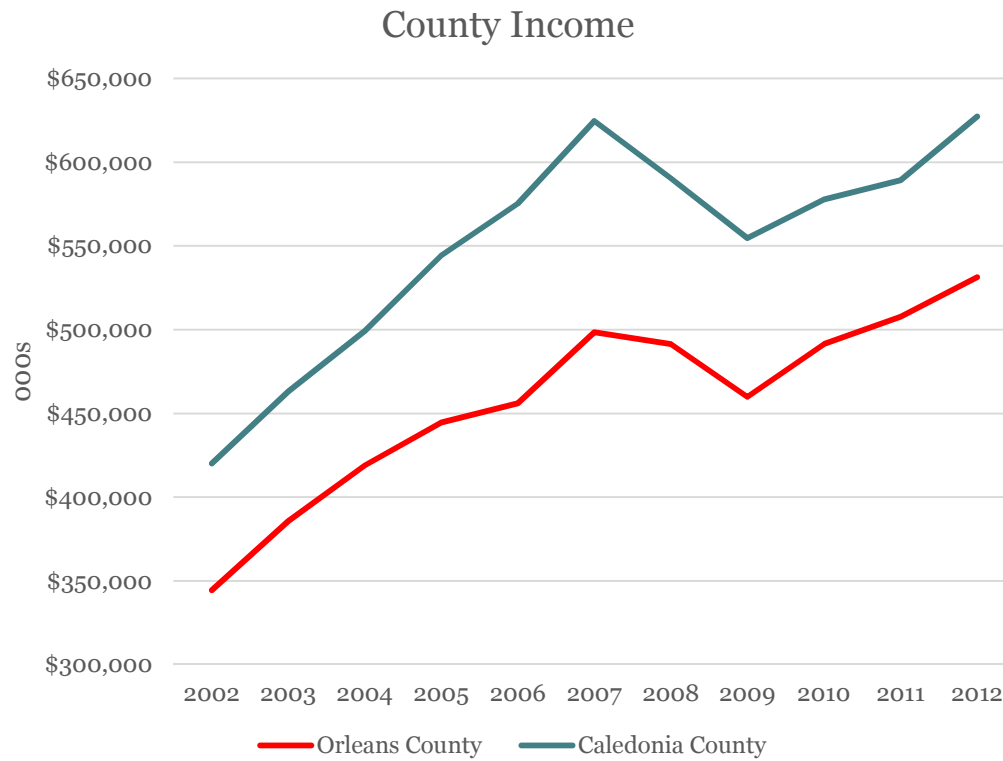


Jay Peak may have added about \$10 million in meals receipts.



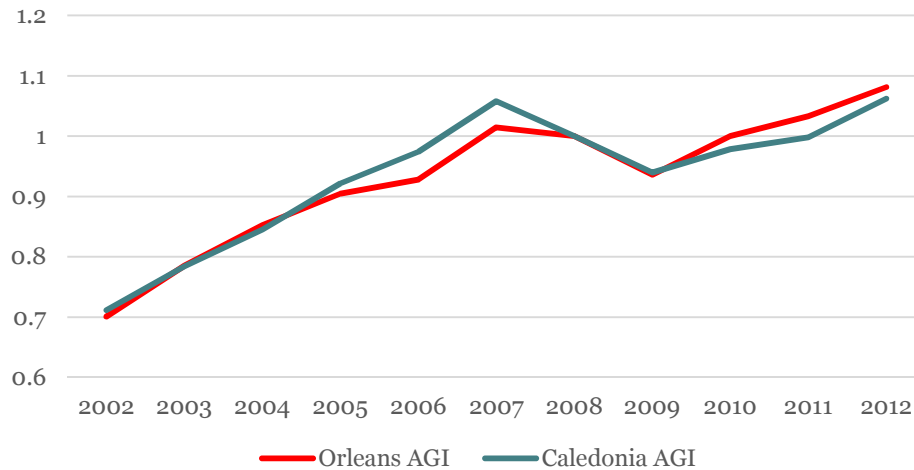
Jay Peak may have added about \$5 million in sales taxable volume.

Economic Activity



Economic Activity

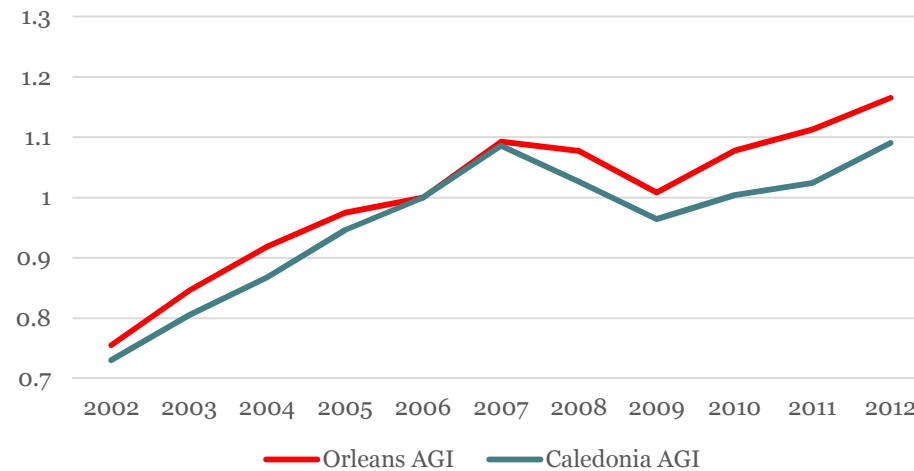
County AGI indexed to 2008



County income may have increased about 2% or \$10 million.

This observation is consistent with employment data if we accept the presumption that Orleans County workers are commuting less. – Not large increases in wage income, but more of that wage income from Orleans County employment.

County AGI indexed to 2006



Population Changes

Census Bureau Population Estimates show population losses in both Orleans and Caledonia Counties (about 2-3%). The confidence in these estimates is not high.

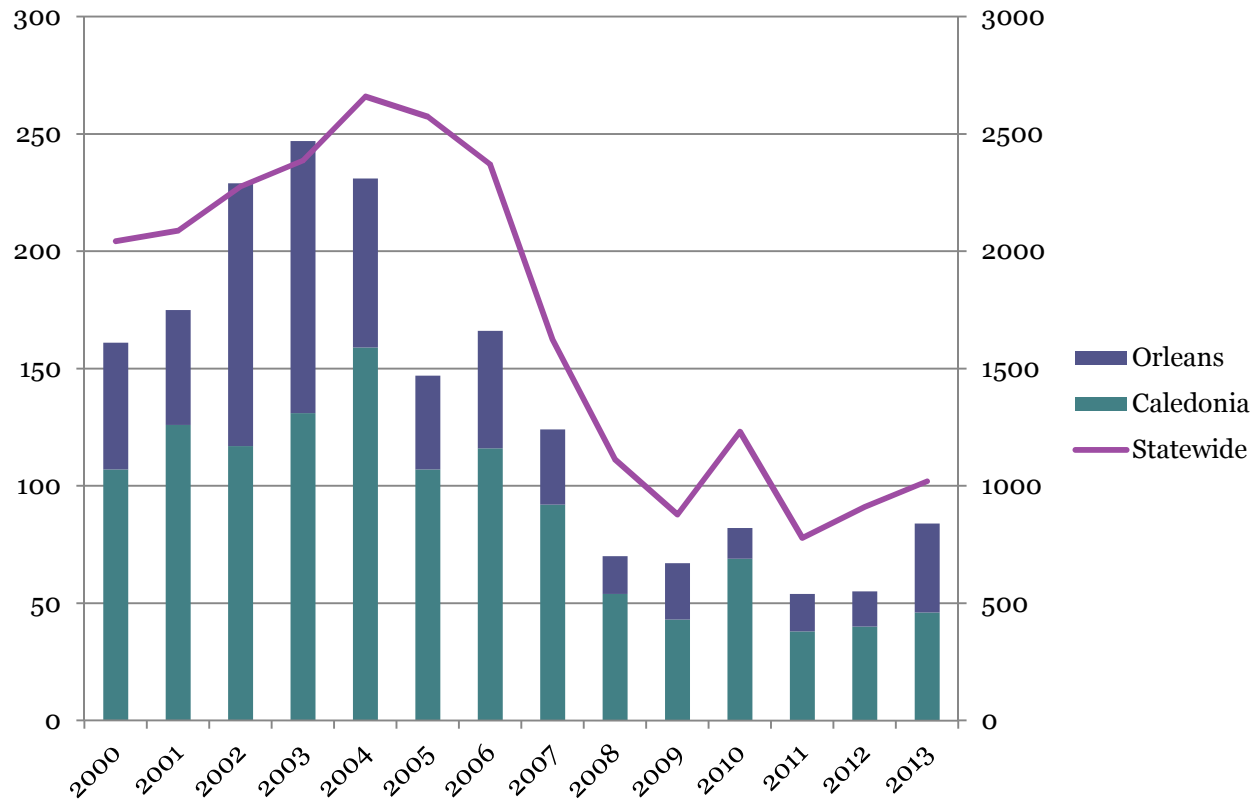
Other evidence

- School populations

- Housing units and occupation rate

School name	2013 student count	Number change since '08	Percent change since '08
Barnet Elem. (K-8)	190	+12	+6%
Danville (K-12)	328	-21	-6%
Burke Town (K-8)	189	-3	-2%
Jay/Westfield (K-6)	81	-5	-6%
Troy (K-8)	178	+3	+2%
Newport City	317	+9	+3%
North Country Union (9-12)	836	-125	-13%
All Orleans County Schools (K-12)	3781	-281	-7%

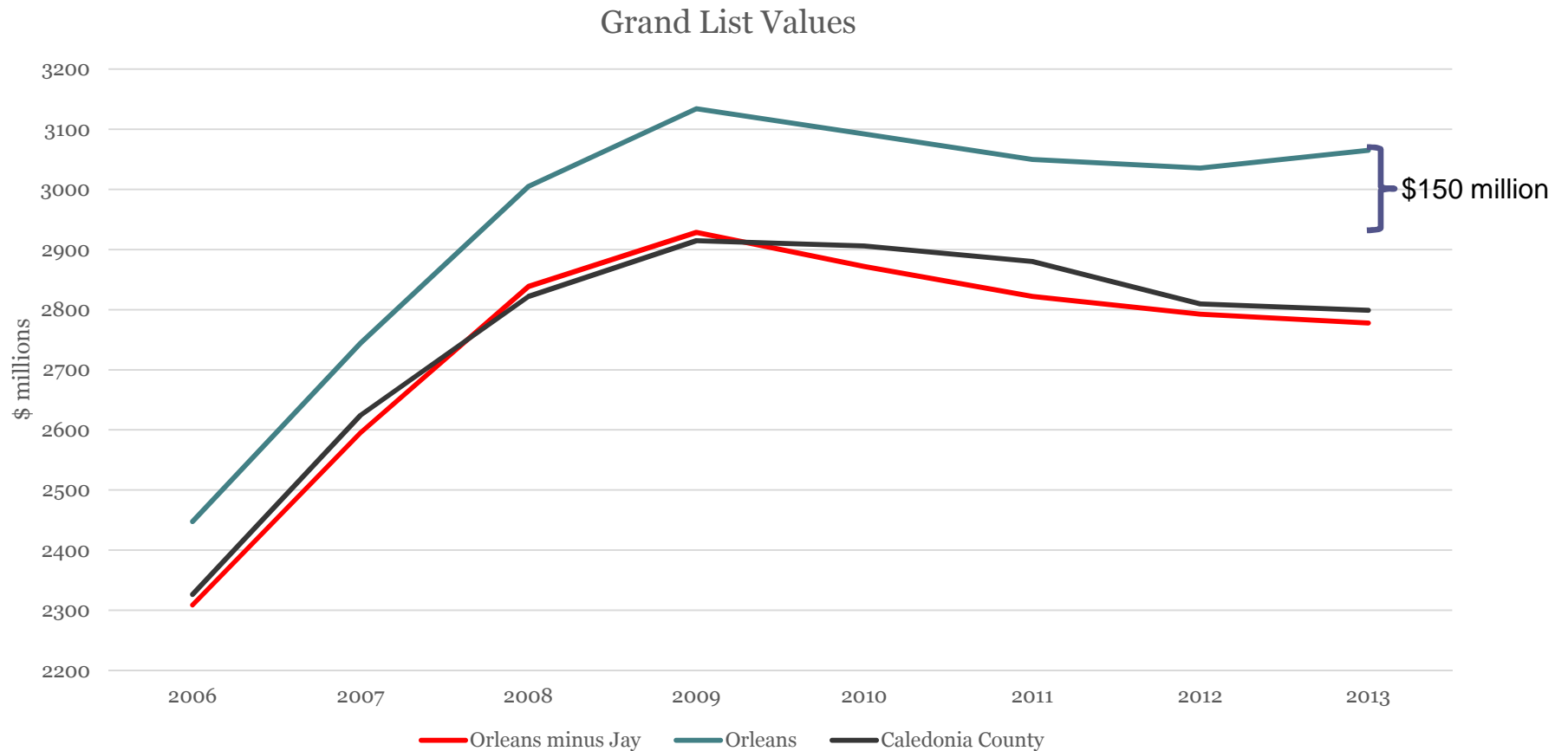
Single Unit Housing starts



Orleans and Caledonia
Counties represent
about 9% of the
Vermont population

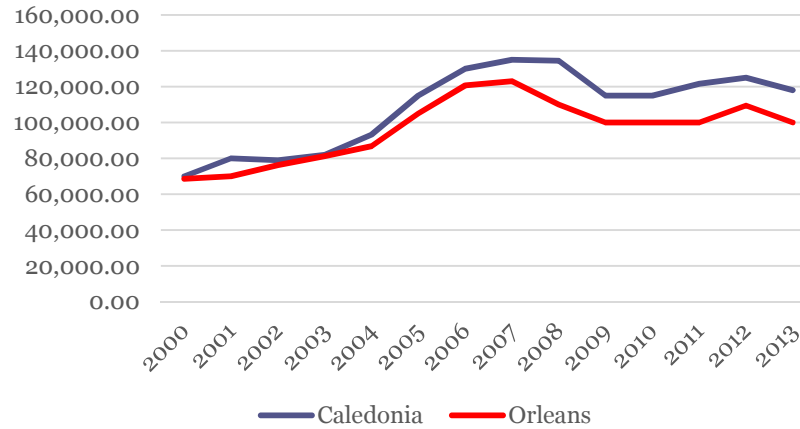
Property Values

Jay values have increased about \$150 million above inflation.

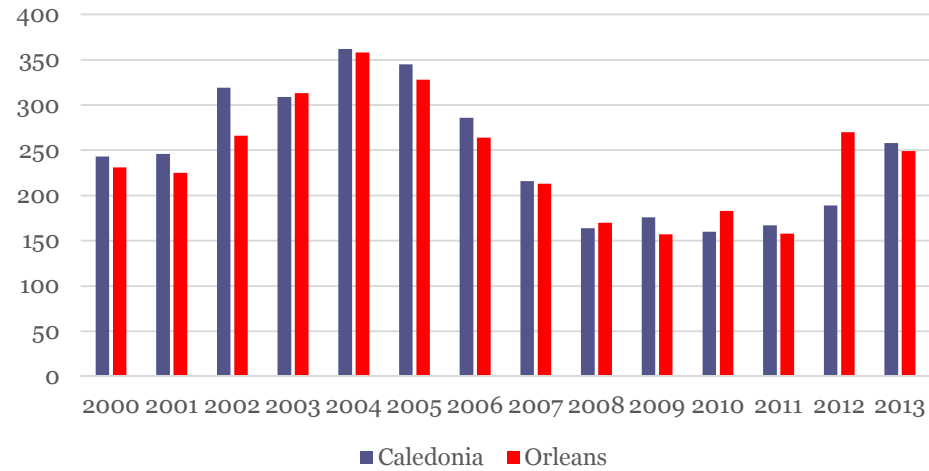


House Prices

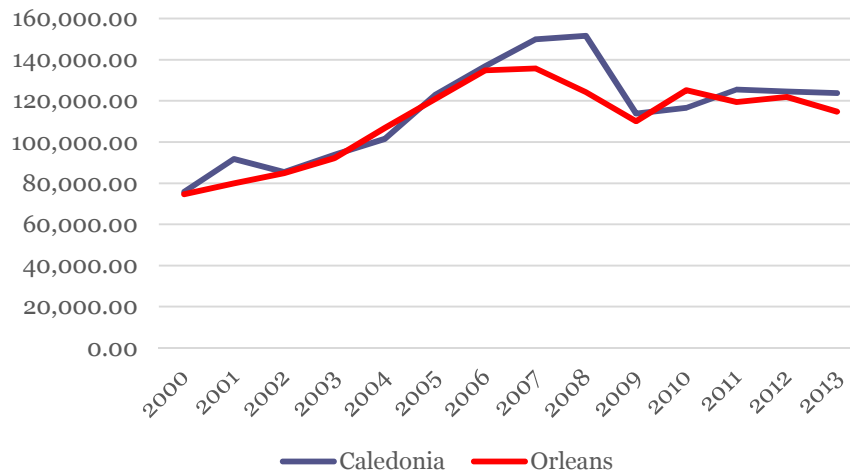
Median House Prices (on less than 6 acres)



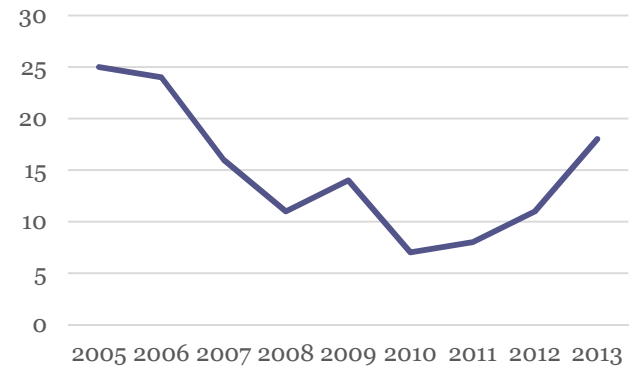
Number of House sales



Average House Prices

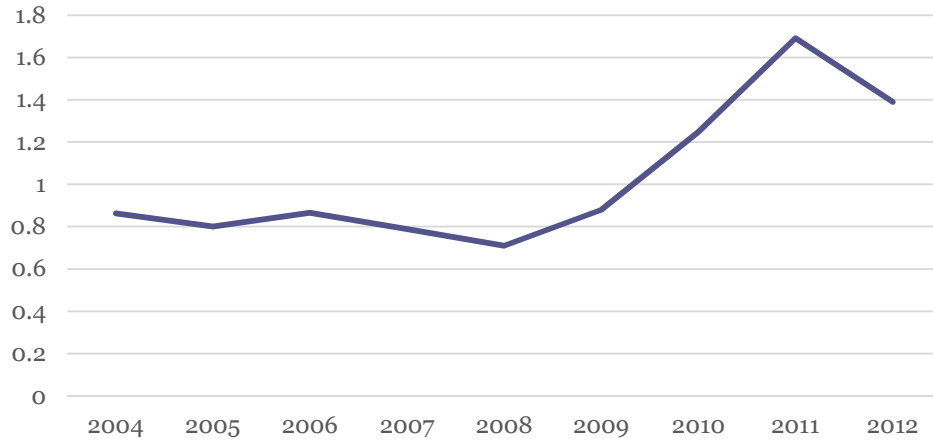


House sales in Troy



Traffic

Vehicle traffic near Jay Peak



Newport Rte. 5 Traffic Index



Using Jay to model Q-Burke

- \$110 million at Q-Burke v. \$250 million at Jay – 40% of the impacts
- Employment + 400
- Income + \$40 million (~ 1% for Caledonia County)
- Population changes - none
 - Housing
 - Education
 - Traffic

Using REMI to model Newport/Coventry

- ANc Bio – Biotechnology production facility with clean rooms for rent
- Renaissance Block
- Marina-Waterfront
- Regional airport expansion – new manufacturing

REMI model runs

Run #1 – Newport/Coventry/Burke projects developed in a 3-year time frame

Run #2 – No Burke employment, no construction (the Burke results from the Jay extrapolation can be added to this run)

	Run #1	Run #2
Employment	2053	1148
Income	\$100 million	\$65 million
Population change	1143	638
Housing construction	\$40 million	\$29 million
New housing units	457	255

Summary

(Q-Burke - Newport - Coventry)

- Employment +1,500
- Income + \$100 million
- Population increase + 600 (+1.2%)
- Housing
- Education
- Traffic

Other impacts

Prevalence of low wage jobs

Cost of living and land prices

Access to transportation

Crime

Education

Quality of Life

Governance and Power Dynamics

Environmental Impacts

Will there be a tipping point?

Behavior changes of:

- Investors

- Business owners

- Workers

- Families

Decisions to move to the Kingdom different from decisions in the past
based on levels of economic activity different from the past

- Income

- Housing starts

- House prices

Thank you for listening.