

Vermont Agency of Commerce and Community Development (ACCD) FY22

The mission for the Agency of Commerce and Community Development is to help Vermonters improve their quality of life and build strong communities.

The Agency grows state revenues by managing 63 unique programs that provide technical assistance; award and administer tax credits, grants, and economic incentives; and market the state to tourists, entrepreneurs and potential residents. These activities and investments lead to new investments in our downtown and village centers, expanded job opportunities for Vermonters, more housing opportunities for families, and more visitor spending. Recently, the Agency has begun leading recruitment efforts to attract new workers to Vermont to reduce troubling aging demographic trends. ACCD is the income side of the state general ledger. Investments in ACCD result in income-generating activities that will put Vermont on solid financial footing in the future.

Departments:

The Agency is comprised of four Departments: the Department of Administration; the Department of Economic Development (DED); the Department of Housing and Community Development (DHCD); and the Department of Tourism and Marketing (VDTM).

Administration

Administration consists of the Office of the Agency Secretary, Deputy Secretary, Administrative Services, and Legal Counsel. Together they provide managerial direction, coordination, and support services to the agency.

Economic Development

The Department of Economic Development provides support for businesses and job creation by assisting with finance, permitting, foreign trade, workforce training and recruitment, business recruitment and expansion, government contracting, and captive insurance sales and marketing services. The Vermont Economic Progress Council is housed in the department for administrative purposes but operates under direction of a separate board. The department also funds and supports regional economic development efforts through the Regional Development Corporations and general business development and technical assistance through other partners.

Housing and Community Development

The Department of Housing and Community Development serves Vermont's regions, municipalities, housing development organizations, owners of older and historic buildings, and the visiting public through six principal functions: 1) administration of state and federal grant programs; 2) provision of technical assistance, including coordination of education and training for local land use decision makers; 3) implementation of state and federal housing, planning, community development, and historic preservation policy, programs, and statutes; 4) management, maintenance, operation, and interpretation of the state owned historic sites with an ongoing objective of increasing historic, educational, and economic value to Vermont citizens and tourists; 5) provision of funds that support local and regional planning efforts through the Municipal Planning Grants Program and Regional Planning Commissions; 6) provision of

matching funds to historic buildings owned by nonprofits or local governments; to historic barns; and to Certified Local Government municipalities for planning and education.

Tourism and Marketing

The Department of Tourism and Marketing promotes Vermont as a travel destination to domestic and international visitors and expands awareness of the Vermont brand to potential residents as the ideal place to live, work, play and do business. The Department employs a combination of owned (providing an engaging user experience on vermontvacation.com; email marketing; and social media), earned (facilitating positive press coverage and hosting press familiarization trips) and paid (seasonal advertising campaigns with digital, native content, print, and out-of-home components) media strategies to promote and position the state in target markets with collaborative support from the tourism industry. Through a reorganization of Agency marketing and communications staff, the Department is also now able to support the delivery of creative services to agencies and departments enterprise-wide through the Chief Marketing Office; and support recruitment marketing efforts to convert visitors to new residents through the Think Vermont economic development campaign and Stay to Stay Weekends initiative.

Pressures:

COVID-19 has devastated Vermont's economy. The Agency was appropriated six times its base annual budget in FY21 to assist with pandemic economic recovery – more than \$186 million. These funds were distributed to thousands of entities to replace lost revenue, pay back rent, and implement consumer stimulus and marketing programs. FY22 will likely find Vermont's economy reeling to make a full recovery, and the Agency's budget, along with the budgets of our critical partners, may not be up to the task of responding to these needs.

These concerns are in addition to the rural disinvestment trends we see nationally. If the State expects the Agency and the partners we fund to respond to these challenges, the following pressures should be addressed.

Staffing: The Agency has increased program offerings with no corresponding increase in staffing.

Program Resources: Nearly every grant program and technical assistance program administered by the Agency is oversubscribed 2 to 1. Additional resources are necessary to enable economic growth and investment in our communities.

Technology Resources: The Agency's grant and incentive management program is in desperate need of an overhaul. The Agency anticipates beginning this multi-million dollar overhaul in FY21, and continuing it into FY22 using the newly identified enterprise-wide grant management system - Salesforce. While the Agency has funding to begin this project, additional funding may be needed in the near term. We brought on a new Business Applications Support Specialist to help manage this project.

These issues and more are detailed in the individual Department reports that follow.