

MAKING ENDS MEET

Chapter 9

*P*lanning for Warren’s economic well being will foster an environment in which Town residents have access to meaningful employment at a living wage within the community. Economic vitality also supports many of the recreational, cultural and commercial amenities that have attracted permanent residents to the Mad River Valley.

Warren’s economic base is heavily dependent on the tourism industry and, in particular, Sugarbush Resort. There is some diversification of the local economy as residents become less dependent upon any one local

Economic vitality supports many of the recreational, cultural and commercial amenities that have attracted permanent residents to the Mad River Valley.

employer or industry for their livelihood. This trend is partly the result of technological improvements in the telecommunications industry and on the high quality of life that makes Warren an attractive place to live.

Information about economic indicators in Warren is limited because of the way data is collected and analyzed on a state and national level. Understanding employment trends in Warren is made difficult by the seasonal nature of many available jobs and the extent to which standard statistical and state tax data exclude a large percentage of Town residents.

The economic picture can be divided into employment opportunities that are available in Warren and sources from which Warren residents make their living. The following chapter



examines the trends and characteristics that make Warren’s economy unique.

Employment Opportunities

Warren’s employment opportunities are primarily offered by small businesses, self-employment, and commuting to work in other communities. Even the largest employer in the Mad River Valley, Sugarbush Resort, would be considered a small business on the national scale. All other jobs are provided by very small employers. Table 9.1 shows the approximate number of employees for the larger employers in the Mad River Valley as of the end of 2009. The 2000 US Census reported that 75.7% of working Warren residents worked as private wage and salary workers, 10.7% worked for some form of government, and 13.5% were self-employed in a non-incorporated business.

Covered Employment Available in Warren

Covered employment is a phrase that is used to describe wage positions that are covered by unemployment insurance. This is how the Vermont Department of Employment and Training gathers information about jobs and

Table 9.1 Total Number of Employees at the Mad River Valley's larger Employers*

Sugarbush Resort	50-180 year round, 400-700 temporary
Waitsfield Champlain Valley Telcom (Waitsfield office)	91 full-time
Small Dog Electronics	
American Flatbread (Waitsfield location)	25 full-time, 20 part-time
Kingsbury Construction	10 full-time winter, 21 full-time summer
Kingsbury Companies	10 full-time winter, 20-30 full time summer
Warren Elementary School	17 full-time, 21 part-time
Town of Warren	10 full-time, 9 part-time

* As of the end of 2009

wages. The data in Table 9.2 is reported by employers and includes only positions that are covered by unemployment insurance. It applies to jobs available in Warren, not jobs held by Warren residents, per se. This data also excludes the proprietors of the reporting businesses and the self-employed. Unfortunately, more detailed town-level data on employment trends is not available at this time.

The data in Table 9.2 shows how employment in Warren has changed over the last five years. While some diversification has taken place, the trends are generally stable in each employment sector. Employment in the real estate industry appears to have decreased, however, there could be other explanations, such as a shift to self-employment. Professional and Business services, Educational and Health Services (not including public education), and services such as property maintenance are all

growing sectors and do indicate a healthy diversification of employment opportunities.

Self-Employment

The majority of the local labor force is engaged in traditional wage-paying positions which are the mainstay of the local employment base. However, it is generally accepted that Mad River Valley residents are more dependent upon self-employment than residents in other communities. The 2000 U.S. Census includes data on sole proprietors and small businesses. According to those figures, nearly 14% of Warren’s labor force was self-employed. Table 9.3 indicates that a higher percentage of Mad River Valley workers are self-employed than in the county or state.

The high percentage of self-employed residents may contribute to the discrepancy between relatively low wage levels paid in Warren reported by the VT Department of

Table 9.2 Employment Covered by Unemployment Insurance by Sector 2003 and 2009

Sector	2003	2009	% of	% of	Change	% Change
			Total	Total		
Construction	25	78	3.09%	9.23%	53	212.00%
Manufacturing	0	0	0.00%			
Wholesale trade	0	0	0.00%			
Retail trade	55	66	6.80%	7.81%	11	20.00%
Information	0	0	0.00%			
Financial Activities	48	0	5.93%	0.00%	-48	-100.00%
Professional and Business Services	34	52	4.20%	6.15%	18	52.94%
Educational services	0	0	0.00%			
Health care and social assistance	22	0	2.72%	0.00%	-22	-100.00%
Leisure and Hospitality	496	542	61.31%	64.14%	46	9.27%
Other services, except public adminis	68	51	8.41%	6.04%	-17	-25.00%
Local government	61	56	7.54%	6.63%	-5	-8.20%
Total	809	845	100.00%		36	4.45%

Table 9.5 Percentages of Industry of Employment for Warren Residents 2000

Agriculture, forestry, fishing and hunting, mining	1.8%
Construction	10.3%
Manufacturing	7.5%
Wholesale Trade	3.7%
Retail Trade	10.5%
Transportation and warehousing and utilities	1.2%
Information	5.3%
Finance, insurance, real estate, and rental and leasing	7.5%
Professional, scientific, management, administrative, and waste management services	10.5%
Educational, health and social services	14.1%
Arts, entertainment, recreation, accommodation and food services	19.5%
Other services (other than public administration)	2.8%
Public Administration	5.1%

Source: US Census 2000

Employment and Training for local employees and higher incomes reported in the 2000 Census for Town residents, which is discussed later in this chapter.

employment for Warren residents over the age of 16 (969 individuals). These numbers include the self-employed and business proprietors. The discrepancy between the industries in which

Table 9.3 Percentage of Labor Force Self Employed - 2000

Town	Labor Force	# of Self Employed	% Self Employed
Warren	969	131	13.5%
Waitsfield	982	139	14.2%
Fayston	684	91	13.3%
Moretown	920	106	11.5%
Wash. County	31,276,234	2,960	9.5%
Vermont	317,134	32,546	10.3%

Source: 2000 U.S. Census

Warren residents report they earn their living and the “covered employment” reported by the Vermont Department of Employment and Training (Table 9.2) may indicate that Warren residents are working outside of Warren or are self-employed. This information does not illuminate the proportion of income for Warren residents that comes from non-wage sources

Despite the relatively large percentage of Warren’s labor force that is self-employed, the number of local residents who work at home is comparable to the county and state. Table 9.4 shows the percentage of the local labor force that works at home, compared with neighboring towns and the region.

such as government transfer payments (i.e., social security, public assistance), dividends, and interest.

Source of Resident Income

The 2000 US Census reports the percentage of Warren residents working in each of certain industries. Table 9.5 lists the breakdown of industry of

Table 9.4 Percentage of the Labor Force Working at Home - 2000

Town/Region	% of Labor Force Working at Home
Warren	7.0%
Waitsfield	10.2%
Fayston	11.2%
Moretown	9.0%
Washington County	5.9%
Vermont	5.7%

Source: 2000 U.S. Census

Unemployment

Unemployment figures are based on the percentage of the estimated potential working residents in a given town or region. Figure 9.1 shows the percentage of unemployed Warren residents versus the state of Vermont. The data indicates a decline in unemployment between 1993 and 2000 in both Warren and the state. However, since 2000 the unemployment percentage has risen slightly for both Warren and the state. The annual unemployment in Warren tends to be lower than the state. As indicated in Figure 9.2, unemployment of Warren residents spikes during the spring and fall. However what is not shown by this table is that the total number of Warren residents in both winter and summer employment has steadily increased since 2000.

Wages and Income

Average wage data refers to the wages paid in a given region or town. Median income data refers to the income received by residents of

a given region or town. There are many opportunities for income other than wage income from the “covered employment” described above. These include proprietor income, self-employment, dividends, interest, rent, and government transfer payments (i.e, social security, public assistance).

The seasonal nature of many of the jobs available in the tourism industry, coupled with the low skill level associated with many positions in the hospitality and retail industries that comprise a large segment of the local employment base, results in comparatively low wages paid in the Town of Warren.

According to the Vermont Livable Wage Campaign, a livable wage is defined as “the hourly wage or annual income sufficient to meet a family’s basic needs plus all applicable Federal and State taxes. Basic needs include food, housing, child care, transportation, health care, clothing, household and personal expenses, insurance, and 5% savings.” Table 9.6 illustrates

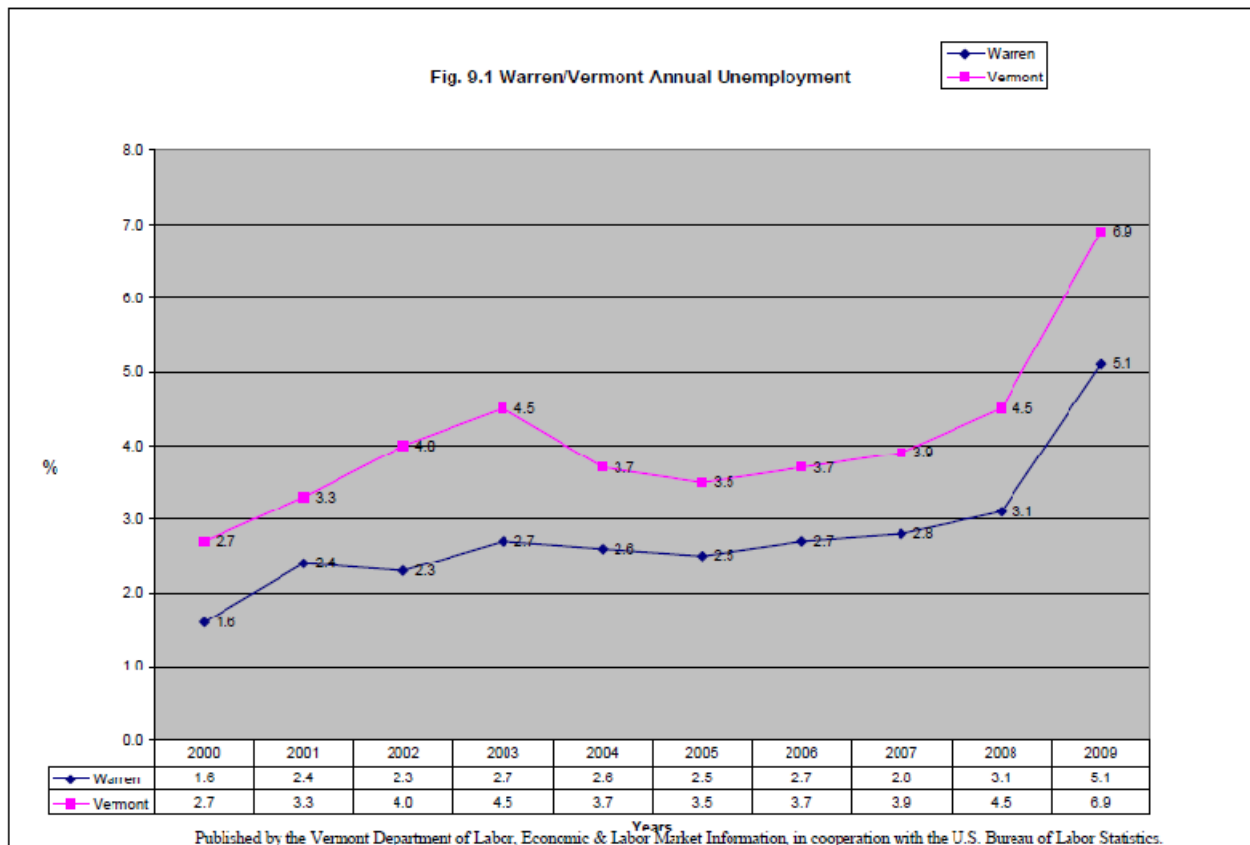
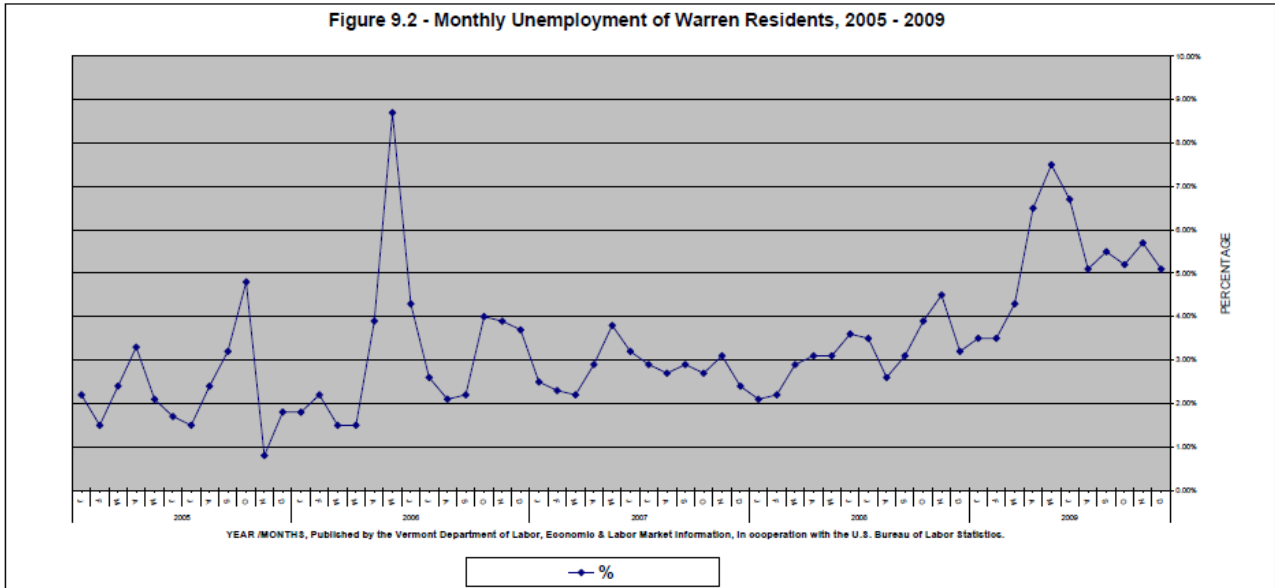


Figure 9.2 - Monthly Unemployment of Warren Residents, 2005 - 2009



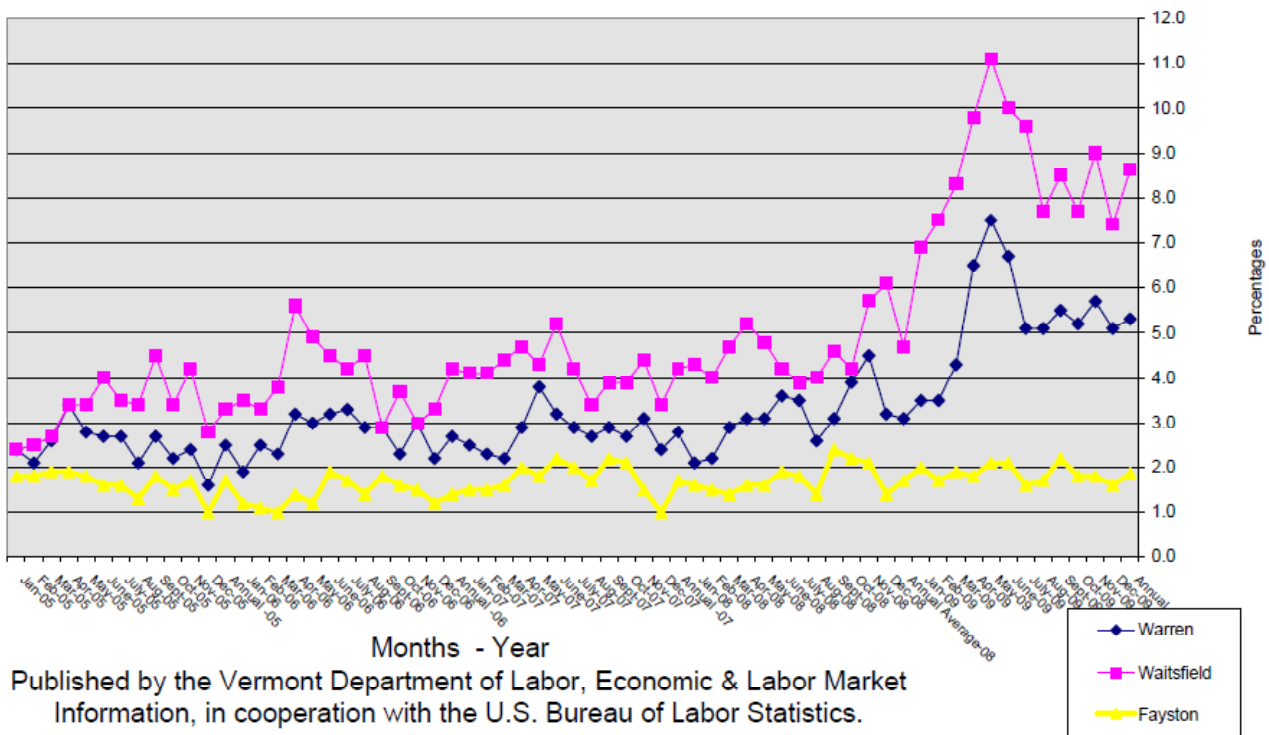
the Livable Income for various household configurations in Vermont.

The average annual wage paid in Warren in 2008 was \$22,718. This figure does not distinguish between full- and part-time positions and is based on wages paid in Warren not wages earned by Warren residents, per se. However, it is safe to assume that a number of local jobs are not providing a “living wage” for residents of the community or region. This is likely due to the large percentage of seasonal part time jobs offered in Warren. (Income figures noted here are from

the 2009 Central Vermont Community Profile, pages 60-61. As noted in the Community Profile, the Department of Labor computes annual average wage from total wages and average employment (total annual wages / annual average employment). Employment and wage data cover hourly workers, salaried workers and persons paid on a commission basis and who may be working full-time, part-time and overtime. The annual average employment and wage figures can be influenced by the mix of these items.)

The 2000 US Census reports that the average income of Warren residents was \$30,405, nearly double the average wages paid in Warren. This gap may be due to any combination

Fig 9.2.1 Unemployment - Three Towns In the MRVPD 2005-2009



of a number of factors. Many of the jobs offered in Warren are part-time, and residents combine two or more positions to make a livable income. Many Warren residents commute to other communities where higher wage positions are available. Also, in all communities across the county, non-wage forms of income account for a large part of a resident's total income. In addition, the cost of housing in Warren is well above the state-wide average (see Chapter 6), and many people who earn wages in Warren may not be able to afford to live in Warren (eliminating their low income from the income reported for Warren residents).

The 2000 US Census reports that 78% of the working residents in Warren drove to work alone and that the mean travel time to work was 22 minutes. This indicates that the majority of working residents in Warren are driving to work in places outside of Warren.

There is growing concern locally,

% Families in Poverty	5.1%
With children under 18 years	8.5%
With children under 5 years	10.2%
Female householder no husband present	18.4%
% Individuals	8.0%
Source: US Census 2000	

regionally and nationally regarding the ability of working families to earn an adequate wage to support independent households and families.

Public Assistance

A concern related to low wage jobs is the extent to which society as a whole bears the burden of poverty, often in the form of public assistance. The high percentage of low wage jobs has not resulted in an unusually high dependence on public assistance in Warren. The 2000 US Census reported that 5.1% of all families in

Warren were living below the poverty level. 8.5% of families with children under the age of 18 and 10.2% of those with children under the age of 5 years were living below the poverty level (see Table 9.7).

Economy

While it may not be the main way Warren residents earn their living, tourism is Warren's dominant industry. Table 9.1 lists other major employers in the Mad River Valley. Tourism can be seen to dominate through several measurements, including the number of local jobs, the Town's tax base, and the amount and sources of state revenue acquired from the Town. Sugarbush Resort is the town's dominant tourist attraction.

Less easily measured is the contribution of the tourist industry to the Town's high quality of life. Many of the recreation, commercial, economic and cultural amenities enjoyed by local residents are made possible by the steady influx of visitors to the area and a tax base dominated by second homes.

Historically, the vast majority of visitors to the Valley have been skiers visiting Sugarbush Resort (and, to a lesser extent, Mad River Glen in Fayston). While the ski areas remain the Valley's greatest draw, the tourist season has expanded to include summer and autumn.

It is widely accepted that summer tourism is dependent upon the area's natural beauty, outdoor recreation and mix of cultural activities to a much greater extent than the winter season. However, Sugarbush is also a driving force behind non-winter tourism as the sponsor of large events. With the anticipated development of the new facilities at Lincoln Peak and other year-round amenities at the Mountain,

it is expected that this influence will grow. Thus, it is impossible to address Warren’s tourist-based economy without focusing on Sugarbush.

Sugarbush Resort

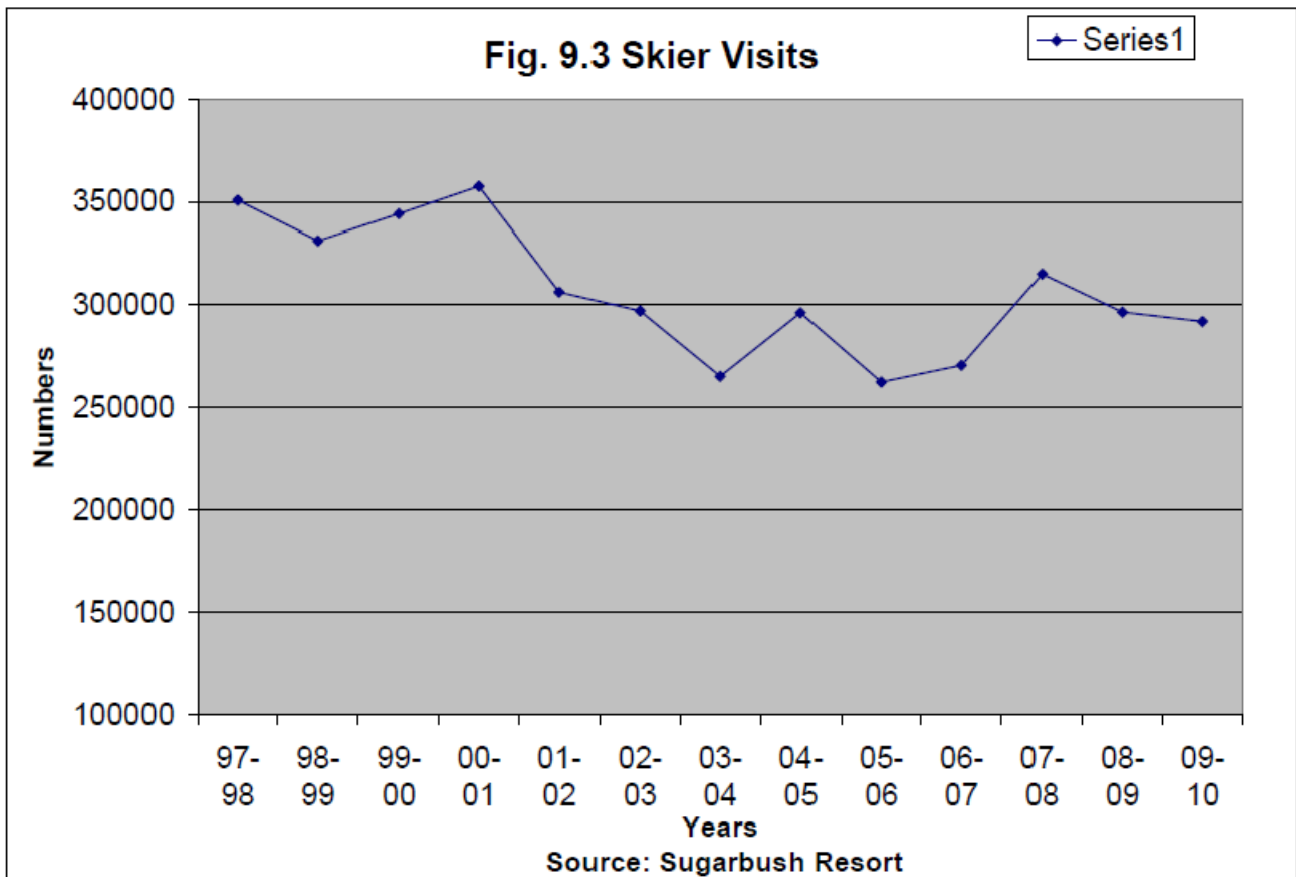
Although Sugarbush was founded in 1958, the ski area’s current character was shaped during the late 1970’s and early 1980’s when Sugarbush Village and the majority of the Valley’s commercial bed base was developed. During this period Sugarbush enjoyed a relatively high percentage of market share within Vermont’s ski industry, and the number of annual skier visits exceeded 430,000 in the peak year (1981/82).

In 1983, Sugarbush released a mountain master plan designed to increase the comfortable carrying capacity (CCC) of the mountain from 6,800 skiers/day to over 10,000. In response to community concern over the potential impact of this expansion on the Valley’s public infrastructure and quality of life, Sugarbush

entered into a Memorandum of Understanding (MOU) with Valley towns, the Central Vermont Regional Planning Commission and the State. The MOU was designed to phase expansion of CCC in a manner that does not over-burden the Valley’s capacity to accommodate it. Despite changes to the expansion plan in response to changes in ownership, market conditions and ski area technology, the MOU has remained in effect since 1983 (the MOU was updated and reaffirmed by the parties in 1998).

In subsequent years, the ski area suffered from a decline in skier visits. Consequently, the upgrade or expansion activities called for in the 1983 master plan were limited. The current capacity of Sugarbush is 7,620 skiers per day.

In 1994, American Skiing Company (ASC), acquired the mountain. While ASC owned the resort, several on-mountain improvements, including an expansion of snow-making capacity, the installation of the inter-tie lift connecting



Lincoln Peak and Mount Ellen (formerly Sugarbush South and North) have been completed and so has the upgrade of several key lifts.

In September of 2001, Sugarbush Resort was purchased by Summit Ventures NE, LLC, a group of local investors. Since the acquisition, Summit Ventures has redeveloped the base of Lincoln Peak with the addition of Clay Brook at Sugarbush, a 61 unit condominium hotel, a new Gate House Lodge, a skier service lodge called “The Farmhouse” and a new children’s center, “The School House”, made improvements at Sugarbush Inn, replaced the Castle Rock chair lift and replaced a primary lift at Mount Ellen.



A result of the increased skier days can be seen in local business activity. Rooms and Meals receipts are an important indication of tourist related business activity in the Mad River Valley. Annual receipts for the Valley since 1990 are shown in Figure 9.4.

Comparing Figure 9.3 with Figure 9.4 reveals the direct correlation between skier visits and rooms and meals receipts in Warren. While this correlation exists in other Valley towns, the figures indicate that commercial activity in Warren is more dependent upon the winter months than neighboring Waitsfield, which experiences more summer activity. This is consistent with the general understanding that summer activity is limited at the mountain and that potential exists for expansion.

In 1996, Sugarbush Resort released an updated Master Development Plan. This plan

identified several improvements the Resort feels are necessary to regain its competitive advantage relative to other ski resorts. On-mountain improvements would increase the CCC from 7,620 skiers/day to 10,550. Scheduled over a five year period, improvements were designed to achieve Sugarbush’s objective of 600,000 annual skier visits over the coming years.

Future expansion at Sugarbush presents an opportunity to the Town. Ensuring the viability of Sugarbush, upgrading Resort facilities and expanding the use of existing accommodations at and around the base of the ski area has long been a goal of the Town. However, expansion activities which over-

burden local infrastructure, undermine established businesses or threaten the Town’s character could foster resentment and opposition. The amendments to the Land Use and Development Regulations in 2001 addressed the need for a growth center at the base of Sugarbush Resort by the creation of the Sugarbush Village Commercial District. The town can further avoid conflicts by:

- continued support for the Memorandum of Understanding to ensure a balance between ski area activity and public facilities;
- coordination between the Town, Sugarbush and local businesses to ensure that the benefits of ski area expansion are shared by the entire community; and,

- an emphasis on developing the types of businesses, facilities and amenities that reflect the Town’s character.

Planning Considerations

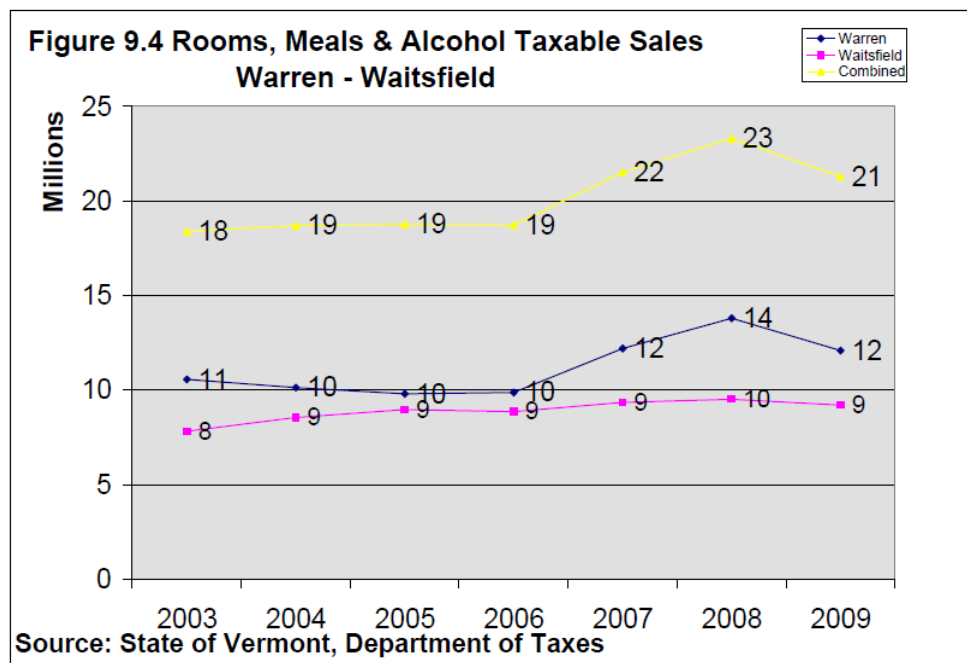
In the past, Warren residents have expressed a need for the Town of Warren to foster a greater diversity of employment opportunities. In Warren, this diversification can take place in the form of a more diverse tourist industry, including an expansion of summer events and activities, and in the form of additional types of businesses less dependent upon the tourist industry.

Summer events, such as the Warren 4th of July celebration and the Festival of the Arts are cultural and social activities enjoyed by local residents while at the same time serving as a draw for visitors. The potential downside of summer events is the risk of building an infrastructure (e.g. commercial beds and amenities) dependent upon ever larger events on every summer weekend, thereby degrading the tranquility of the community. Encouraging the concentration of summer activity in and around Sugarbush Village at a scale and intensity that does not overly burden public facilities or

degrade the rural character of the community may avoid the potential pitfalls of summer events.

The number of self employed Town residents indicates that a certain amount of economic diversification is already occurring. To facilitate this trend, the Town can continue to foster an environment that is conducive to home businesses. While the image of the home-based professional plugged into the information highway is a popular one, it is important to remember that the bulk of Warren’s employment opportunities are wage paying jobs in the tourism industry. However, self employment and working from home is equally possible for non-professionals. Warren presently allows for cottage industry to operate in five zoning districts throughout Town.

With a large percentage of local residents finding work in the Valley, coordinating land use, infrastructure and economic objectives with neighboring towns is critical. Working through the Sugarbush Chamber of Commerce and the MRVPD, Warren can help support the establishment of the organizational capacity in the Valley to assist new and existing businesses to grow within the broader community.



Finally, it is important for the Town to be cognizant of its greatest assets; the rural character, healthy environment and high quality of life that can be offered to residents and visitors alike. Development activities and land uses that threaten or degrade these assets could have negative

long term economic consequences. To this end, the Town Plan and Land Use and Development Regulations are perhaps the most important tool for designating appropriate locations for various commercial and business activities, and for defining the appropriate scale and intensity of these activities.



Local Economy Goals	
Goal 9.A	Promotion of a diverse local economy characterized by varied employment and entrepreneurial opportunity.
Goal 9.B	Ongoing support of those businesses and industries which contribute to Warren's rural character and high quality of life.
Goal 9.C	Ongoing support for the economic viability of Sugarbush Resort and other businesses which contribute to the Valley's attractiveness as a resort destination.

Objective 9.1. To encourage commercial and industrial activities in appropriate locations.

Implementation Strategies

- a) Maintain the following important principals in the Warren Land Use and Development Regulations and consider

amendments as necessary to achieve the following:

- i. Allow for a range of home-based business enterprises throughout Town that are compatible with community's rural character;
 - ii. Allow for a mix of manufacturing/ industrial activities in appropriate areas.
 - iii. Concentrate businesses within Warren Village Commercial District, a newly proposed Warren Village Mixed Use District, Sugarbush Village and within a designated growth center at the base of Lincoln Peak.
 - iv. Prohibit commercial development from occurring in a linear pattern along Route 100 and the Sugarbush Access Road.
 - v. Preserve an adequate land base for agriculture and forest management activities.
 - vi. Maintain development standards regulating the scale and intensity of commercial development and land use to avoid conflict with neighboring properties or the Town's rural character.
- b) Explore opportunities for a new or expanded growth center as development continues to occur.

Objective 9.2. To encourage economic activities that contribute to the preservation of Warren's rural character.

Implementation Strategies

- a) Promote the continued upgrade and expansion of the telecommunications infrastructure in Town to support the

ability of local residents to work at home and telecommute to other locations.

- b) Support the development of recreation and cultural facilities which contribute to the Valley's attractiveness as a resort destination. Such encouragement can take the form of:
 - i. Making greater use of the Town Hall for cultural performances and exhibitions. To this end, the Town Hall should be upgraded to ensure full compliance with the Americans with Disabilities Act (ADA) access standards.
 - ii. Supporting the use of the East Warren School for community-oriented activities. To this end, the long-term use and management of the School by the non-profit Rootswork is encouraged.
 - iii. Supporting the establishment of a permanent performing arts facility at the base of Lincoln Peak.
 - iv. Expanding existing walking and bicycling paths and trails and ensuring that future development is designed to accommodate pedestrian connections between properties.
 - v. Continuing to maintain and upgrade the Brooks Recreation Field, and to make that facility available for suitable, special events which serve the local community.
- c) Implement strategies to maintain the economic viability of agriculture and forestry and provide economic incentives, including the State Current Use Program and purchase of development rights and easements, to landowners who keep large tracts of open space undeveloped.

- d) Consider or develop a plan for improvements to pedestrian circulation and enhancing Village character and addressing parking and traffic issues within Warren Village utilizing previous plans as excellent resources.

Objective 9.3. To promote business activity consistent with the area in which it is located.

Implementation Strategies

- a) Continue to support the Central Vermont Economic Development Corporation and encourage that entity to become more responsive to the Town's economic development needs.
- b) Continue to work with the Mad River Valley Chamber of Commerce to foster local business recruitment and economic development programs.
- c) Through the Memorandum of Understanding between Valley towns and Sugarbush, support the implementation of the Sugarbush Mountain Master Plan in a manner and schedule consistent with the Town's ability to accommodate additional ski area capacity.
- d) Encourage the creation of jobs that pay a living wage to all employees.