

# Appendix E

Add On Market Assessment for the Downtown Basin Master Plan





# **Background**

## **Market Assessment for the:**

### **Downtown Basin Master Plan – Vergennes, Vermont**

**DOUG KENNEDY ADVISORS**

November 23, 2015

*Report intended for Internal Review Only*

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# Introduction

The following **Background** report summarizes background research and analysis to provide a basis for making market-based recommendations relative to:

- The Vergennes downtown area as a whole and;
- The Downtown & Basin area within Vergennes's downtown area.

The analyses and findings summarized in this report will provide a basis for more targeted assessment, including interviews with area contacts who can provide more in-depth perspective on market opportunities.

The analyses and preliminary findings should be regarded as discussion points for further assessment and fact-finding regarding recommendations for study area improvements.

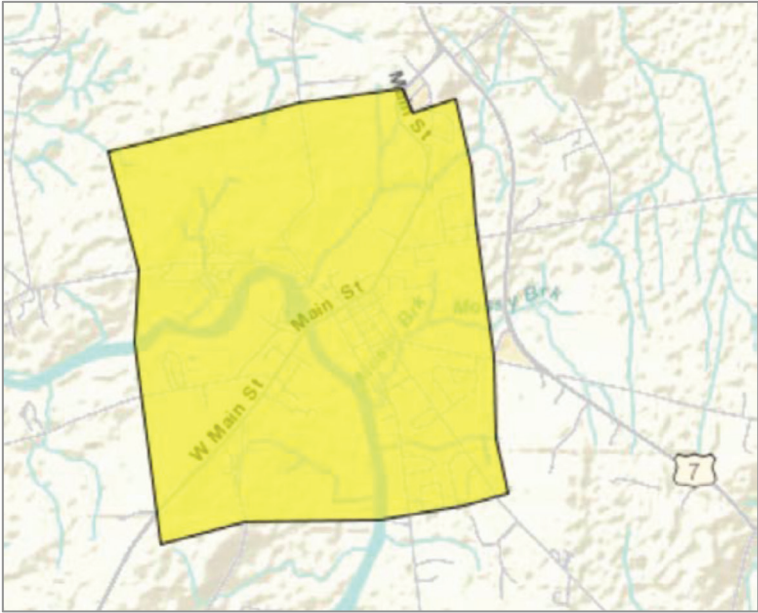
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## The Study Area, Land Use & Market

From a market perspective, the analysis effectively assessed the area from several perspectives:

- The region – regional economic trends have, and will continue to affect business and real estate in downtown Vergennes. As such, the analysis was programmed to include a geographic area within 35 to 40 minutes drive-time of the downtown;
- Downtown Vergennes – the entirety of the downtown/urbanized area; this area includes a broad variety of commercial, retail, industrial, office and institutional uses. The graphic on the following page shows the 'Vergennes CDP,' as defined by the U.S. Census Bureau.

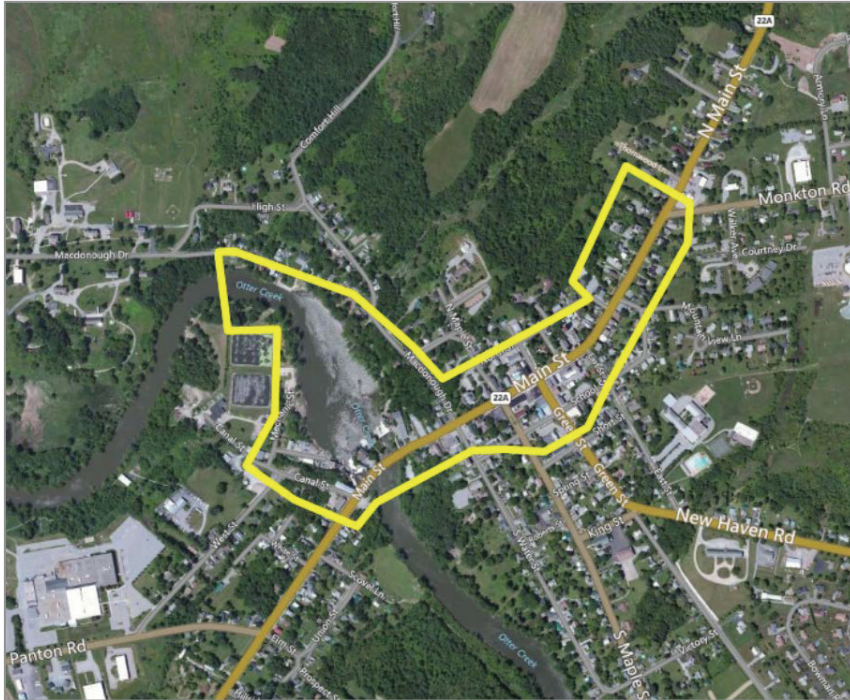
# Vergennes



The market component of the work was designed to identify all development potentials within the broader downtown – ultimately resulting in an assessment of what best ‘fits’ on the selected re-development block.

- The ‘Downtown Basin’ area is the *defined* study area for purposes of the subject assessment. This area extends from Vergennes core (Intersection of Main & Maple) and extends westward to the Otter Creek basin area. This is shown in the graphic on the following page.

## Downtown Basin Study Area



## Land Use

As shown in the graphic on the following page, land uses within the defined study area generally fall into three categories:<sup>1</sup>

- (Pink) - Otter Creek Basin;
- (Red) – Central Business District;
- (Orange) – Residential/Limited Business.

<sup>1</sup> Source: City of Vergennes; Municipal Master Plan.

## Study Area Land Use



The market assessment includes two major components:

1. A broad-based assessment of market potentials in Vergennes's downtown area, with the intent of identifying new uses and redevelopment potentials for downtown sites:
2. A focused market/feasibility assessment for the defined study area, including: a) identification of potential new uses that 'work' within the context of the downtown market; and b) assessment of quantitative and qualitative parameters surrounding potential redevelopment of the area.

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## The Downtown Market

### Background Market Trends

New development and related real estate activity are inevitably a local affair. However, there is little doubt that the macro-economy plays a significant role in local events. Ongoing national and regional trends in employment, personal income, housing permitting all exert a strong influence over the rate of development in Addison County and within the study area.



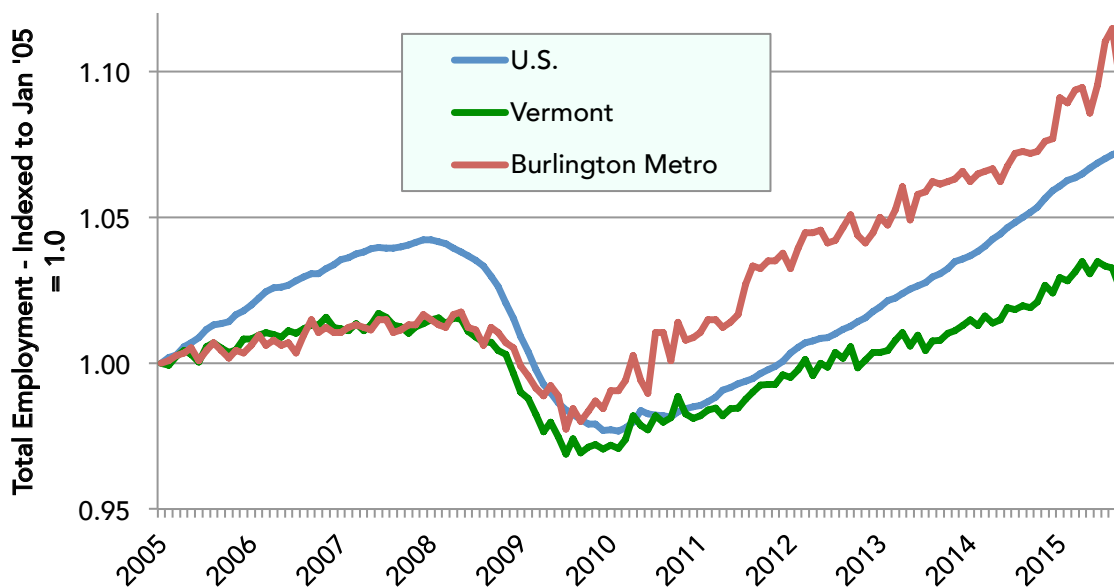
## Core Economic Indicators

The following graphics and tabular data compare national (U.S.) level trends with trends at the regional, tri-state, statewide and county levels; as backdrop to the exploration of potential new development in Vergennes' downtown. Where available, the discussion also includes projection-based data.

### Employment

The graphic below compares recent total employment trends at the U.S. Vermont and Burlington/So, Burlington Metro levels. In this instance, the data is *indexed* to show January 2005 employment levels equal to 1.0, providing a basis for comparative assessment of trends at all geographic levels.<sup>2</sup>

**Indexed Employment Trends: U.S.; Vermont; Burlington Metro;  
(January 2005 to September 2015)**

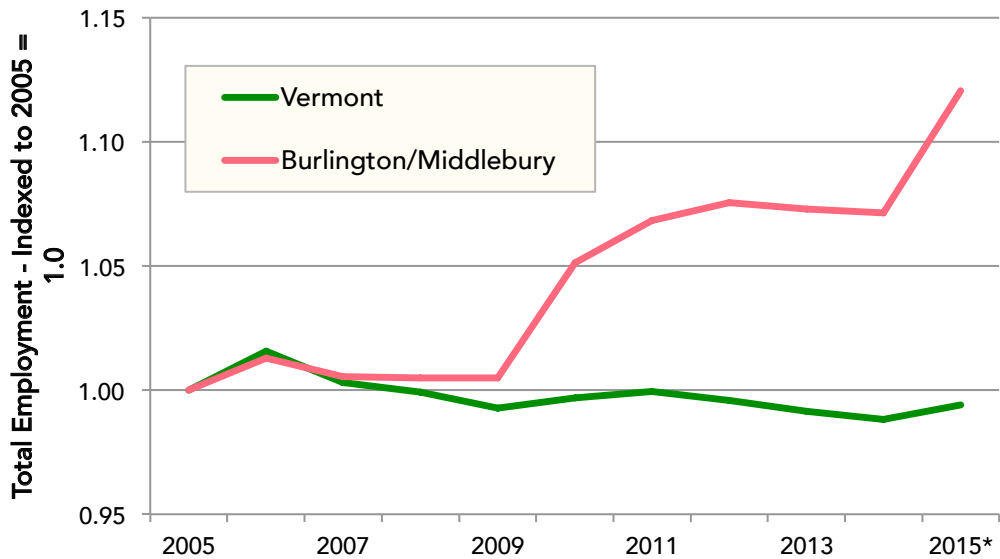


While employment at all three geographic levels reflects the impact of the recession during the 2008 to 2010 period, the comparative rates of recovery have varied. While Vermont as a whole has trailed the U.S. rate of employment increase, the Burlington Metro has surpassed the national level of employment creation.

<sup>2</sup> Sources: U.S. Bureau of Labor Standards, Vermont Department of Employment.

A more localized assessment of comparative employment trends is shown in the illustration below; this time comparing: Vermont with combined data for the Burlington Metro and Middlebury Labor Market Area (LMA).<sup>3</sup> Again the data is indexed to 2005 = 1.0 for comparative purposes.

**Indexed Employment Trends: Vermont;  
Burlington Metro/Middlebury LMA Combined (2005 – 2015)**



Overall, Vermont’s employment level has not changed dramatically since 2005. However, the employment level in the project region has increased dramatically since 2009.

The employment forecast for Vermont is generally positive; as shown in the table on the following page – Vermont compared to U.S.<sup>4</sup>

<sup>3</sup> Source: Vermont Department of Employment. 2015 data for May.

<sup>4</sup> Source: NEEP October 2014 forecast.

**Employment Forecast: Vermont; U.S.;  
(2012 – 2018 ~ Forecast Percent Annual Change)**

	Recent			Forecast			
	2012	2013	2014	2015	2016	2017	2018
<b>Employment</b>							
U.S.	1.7%	1.7%	1.8%	2.4%	2.4%	1.3%	0.5%
Vermont	1.3%	0.5%	1.2%	2.0%	1.9%	1.5%	0.9%
<b>Gross Domestic/State Product</b>							
U.S.	2.3%	2.2%	2.1%	3.5%	3.3%	2.7%	2.1%
Vermont	1.0%	1.9%	2.4%	3.9%	3.0%	2.3%	1.8%

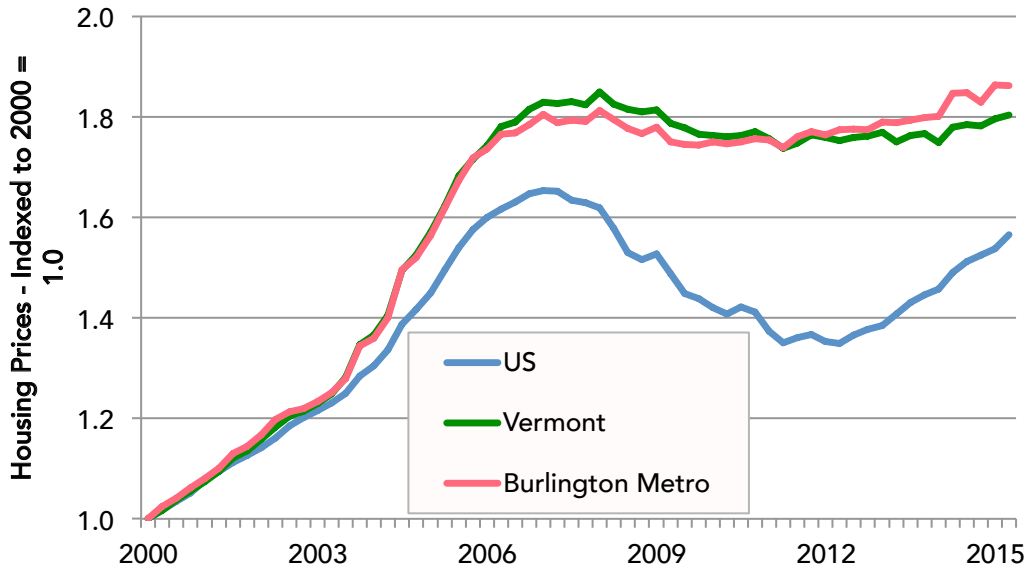
Vermont employment is projected to increase at an average annual rate of 1.5 percent between 2015 and 2018.

***Housing: Pricing & Permits***

Residential pricing is a key economic statistic, as it serves as a relatively direct indicator of household wealth. The graphic on the following page compares the U.S., Vermont and the Burlington Metro in terms of change in housing pricing. The data is indexed to year 2000 = 1.0.<sup>5</sup>

<sup>5</sup> Source: Federal Housing Finance Agency.

**Indexed Housing Pricing: U.S.; 3-State; Vermont;  
(2000 – 2Q 2015)**

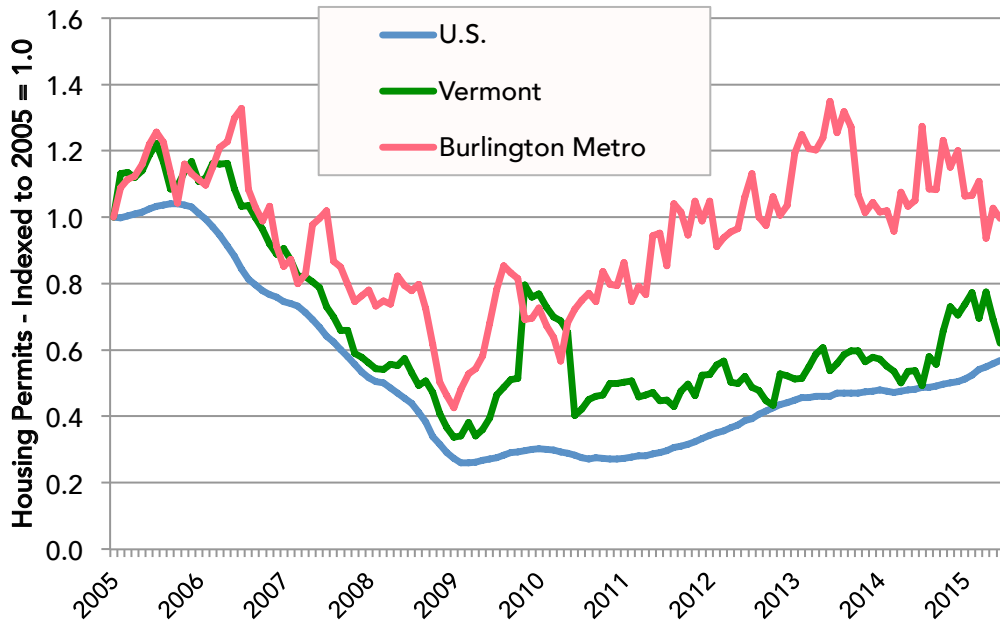


After a steady/strong rate of increase through the mid-2000s, residential pricing fell at all levels through to 2011 – albeit at a far less extreme rate in Vermont/Burlington Metro than for the U.S. as a whole. Since 2012, U.S. housing pricing has improved at a strong rate, while regional pricing (Vermont/Burlington Metro) has been slower to experience price increases; but is on a steady upward course currently. Note that Burlington Metro price increases have exceeded those for the state as a whole.

The graphic on the following page compares trends in housing permits for the U.S., Vermont and the Burlington Metro; for the period January 2005 to current. Again, the data is indexed to year 2005 = 1.0.<sup>6</sup>

<sup>6</sup> Source: Federal Reserve Bank, Boston. 2015 data through April.

## Indexed Housing Permits: U.S.; New England; Vermont; (2005 – 2015)



Not surprisingly, housing permits fell precipitously at all levels from 2005 to 2009. Since then, both the three geographies have experienced gradual recoveries.

The table on the following page takes shows local trends in residential building permits for Addison County and Vergennes, with breakdowns by single-family and multi-family permits.<sup>7</sup>

<sup>7</sup> Source: HUD State of the Cities Database.

## Residential Building Permits: Addison County; Vergennes; (2004 – 2014)

Residential Building Permits													Totals	% of Total
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014				
<b>Addison County</b>														
Single-Family	187	158	169	135	66	66	80	61	85	82	na	1,089	84%	
Multi-Family	0	34	60	32	16	27	4	15	4	11	na	203	16%	
<b>Totals</b>	187	192	229	167	82	93	84	76	89	93	na	1,292		
<b>Vergennes</b>														
Single-Family	2	2	1	1	1	4	0	2	2	2	na	17	33%	
Multi-Family	0	0	0	0	0	25	0	4	4	2	na	35	67%	
<b>Totals</b>	2	2	1	1	1	29	0	6	6	4	na	52		

With the exception of one significant multi-family project that was permitted in 2009, Vergennes' new residential development is occurring at a slow pace. Overall, Vergennes accounted for only four percent of all Addison County's building permits between 2004 and 2013.

### Area Economy

The analysis of core indicators makes it clear that the Vergennes area has gained employment in recent years. A more detailed analysis of employment by industry (for the Burlington Metro) provides a better view of the dynamics of change in the region. The table on the following page shows year 2000, 2010 and 2014 county employment broken down by industry.<sup>8</sup>

<sup>8</sup> Source: Vermont Department of Employment.

## Employment by Industry: Burlington Metro (2000 – 2014)

	2000		2010		2014	
	Employment	% of Total Employ.	Employment	% of Total Employ.	Employment	% of Total Employ.
Natural Resources & Mining	385	2%	427	1%	514	1%
Construction	5,965	4%	4,828	4%	5,691	4%
Manufacturing/Durable	16,040	12%	10,623	9%	9,024	11%
Manufacturing/Non-Durable	4,018	2%	3,354	2%	4,509	2%
Trade/Transportation & Utilities	21,482	24%	21,582	25%	22,213	22%
<i>Wholesale Trade</i>	3,720	4%	3,788	4%	3,821	3%
<i>Retail Trade</i>	14,664	16%	15,091	16%	15,116	14%
<i>Transportation</i>	2,770	2%	2,409	3%	2,957	3%
Information	3,218	2%	2,606	1%	2,337	1%
Financial Activities	5,240	3%	4,669	3%	4,659	3%
Professional & Business Services	10,231	8%	11,375	7%	13,653	8%
Education & Health Services	15,447	16%	18,630	21%	20,060	21%
<i>Education</i>	2,519	1%	2,168	1%	2,614	1%
<i>HealthCare</i>	12,928	16%	16,462	20%	17,446	20%
Leisure & Hospitality	10,074	9%	10,874	8%	12,037	9%
Other Services	3,667	3%	3,031	3%	3,474	3%
Government	16,304	14%	19,384	16%	20,761	15%
Private Sector	95,767	86%	91,999	84%	98,171	85%
Public Sector	16,304	14%	19,384	16%	20,761	15%
Totals	112,071	100%	111,383	100%	118,932	100%

As a follow up to the above, the table on the following page shows longer-term change (Year 2000 to 2014) and shorter-term change (Year 2010 to 2014) in employment by industry. Industries that have experienced notable employment increases during the short-term have been highlighted in *blue*.

## Change in Employment by Industry: Burlington Metro (2000 – 2014; 2010 – 2014)

	<i>Change 2000-'14</i>		<i>Change 2010-'14</i>	
	Employment	%	Employment	%
Natural Resources & Mining	129	+33.5%	87	<b>+20.4%</b>
Construction	(274)	(4.6%)	863	<b>+17.9%</b>
Manufacturing/Durable	(7,016)	(43.7%)	(1,599)	(15.1%)
Manufacturing/Non-Durable	491	+12.2%	1,155	<b>+34.4%</b>
Trade/Transportation & Utilities	731	+3.4%	631	+2.9%
<i>Wholesale Trade</i>	101	+2.7%	33	+0.9%
<i>Retail Trade</i>	452	+3.1%	25	+0.2%
<i>Transportation</i>	187	+6.8%	548	<b>+22.7%</b>
Information	(881)	(27.4%)	(269)	(10.3%)
Financial Activities	(581)	(11.1%)	(10)	(0.2%)
Professional & Business Services	3,422	+33.4%	2,278	<b>+20.0%</b>
Education & Health Services	4,613	+29.9%	1,430	<b>+7.7%</b>
<i>Education</i>	95	+3.8%	446	<b>+20.6%</b>
<i>HealthCare</i>	4,518	+34.9%	984	<b>+6.0%</b>
Leisure & Hospitality	1,963	+19.5%	1,163	<b>+10.7%</b>
Other Services	(193)	(5.3%)	443	<b>+14.6%</b>
Government	4,457	+27.3%	1,377	<b>+7.1%</b>
Private Sector	2,404	+2.5%	6,172	+6.7%
Public Sector	4,457	+27.3%	1,377	+7.1%
Totals	6,861	+6.1%	7,549	+6.8%

During the 2010 to 2014 period, total employment increased by 6.8 percent (approximately 7,550 new jobs.) We note that the rate of employment increase in several industries exceeded this level:

- *Construction* – the recovery in the housing market – and in commercial real estate – has been accompanied by increases in construction employment;



- *Manufacturing/Non-Durable* – this is a bright spot for Vermont and the study region; the ‘local food’ trend is providing a boost to non-durable manufacturing as many food processors are finding a market in the state.
- *Professional & Business Services* – as the service economy expands, so do Professional and Business Services. This growth also reflects the ‘work at home’ trend;
- *Education and Healthcare Services* – Healthcare and Education are mainstays in the regional economy.
- *Leisure & Hospitality* – post-recession, Vermont’s travel industry has experienced solid increases in business activity. It is apparent that downtown Vergennes is very much a part of this trend.

## Markets & Market Areas

While the study area is the focus of this ongoing planning effort, it is apparent that economic markets – and the market for current or potential uses within the study area - are not confined by study area boundaries. Rather, market/trade areas can be better defined as a series of overlapping economic influences and markets – each with differentiated needs. Our assessment of the study area indicates the following regarding these markets:

- ***Downtown Vergennes Residents*** – persons living within the defined downtown study area, or within easy walking/biking distance of the area. The size and demographic characteristics of this population are assessed under *Market Demographics* below.
- ***Downtown Workers*** – persons who *work* in the downtown area. Based on field surveys and published data, it is estimated that there are currently approximately 285 employers and 2,200 employees working within Vergennes.<sup>9</sup>
- ***Commuters*** – persons who regularly drive through the study area. While it is difficult to estimate the precise number of commuters passing through the area, traffic volume data does provide some indication of levels of activity:<sup>10</sup>
  - Vermont Route 22A at Panton Town Line – Average Daily Traffic: 5,100 Vehicles;

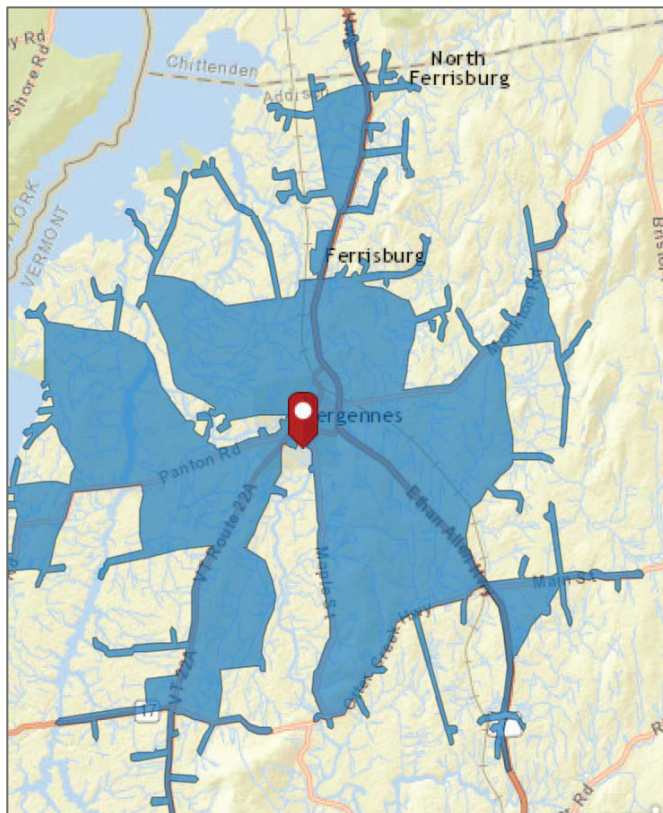
<sup>9</sup> Sources: Field Observations; ESRI, Vermont Department of Employment.

<sup>10</sup> Traffic data source: Vermont Agency of Transportation.

- Vermont Route 22a at Green St. (Downtown) – Average Daily Traffic: 12,700 Vehicles;
- Vermont Route 22A at Ferrisburgh Town Line – Average Daily Traffic: 4,600 Vehicles.
- **Traditional Markets** – commercial uses within the downtown have a market influence over the surrounding geographic area.

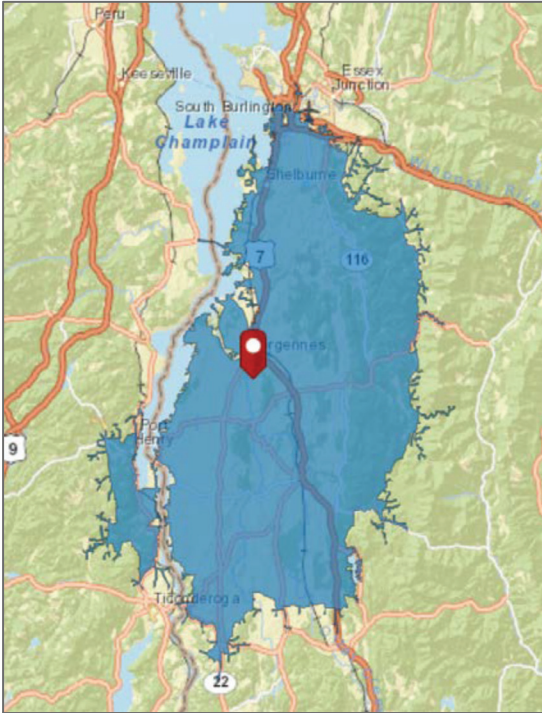
Based on a review of traffic corridors, typical travel routes and the potential influence of study area businesses, a traditional market area comprised of the geographic area within 12+/- minutes drive time of the center of the study area has been defined. This area is shown in the illustration below:

### Traditional Market Area



For purposes of demographic comparison (and use in the assessment of retail markets) a 'regional' market was also defined; the 'region' has been defined to include the geographic area within 35 to 40 minutes drive-time of the center of the study area. This is shown in the graphic on the following page.

## Region



Market characteristics and demographics of these defined areas are addressed under *Market Demographics* below.

- **Non-Local Markets** – the market impact of tourists, through travelers and visitors to the area. Local tourism activity has been estimated as follows:
  - In 2013, Vermont is estimated to have attracted 15.1 million ‘visitor nights’. Addison County attracted 3.1 percent of those visitor nights; 0.466 million.<sup>11</sup>
  - Based on a review of Meals/Rooms tax receipts, it is estimated that Vergennes attracted 8.9 percent of Addison County’s tourism activity.<sup>12</sup> As such, it is estimated that the study area attracts approximately 41,500 tourists on an annual basis.
  - From a study area perspective, it is significant to note that substantial tourist/traveler activity ‘passes through’ the area via highway Vermont Route 22A and nearby U.S. Route 7. Although Vergennes contains no singular, major tourist attraction, it is quite evident that the community’s cluster of restaurants and

<sup>11</sup> Source: Vermont Tourism Data Center.

<sup>12</sup> Source: Vermont Department of Taxes.

shops, along with a location along a major bike route, is attracting significant tourist activity.

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## Market Demographics

As noted under *Markets and Market Areas* above, downtown Vergennes serves several unique markets, ranging from local to non-local. An assessment of the demographics and economic characteristics of the populations of the study area, the traditional market area and the region provides some perspective on the potentials for support and creation of new activity within the study area.

### Population & Households

The table on the following page shows recent and projected population change for the three defined areas (Study Area, Traditional Market Area, Region) as well as comparative recent population change for Addison County and Vermont.<sup>13</sup>

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<sup>13</sup> Sources: ESRI, Vermont Department of Health, U.S. Census Bureau.

**Recent & Projected Population Change: Study Area;  
Traditional Market Area; Region; Addison County;  
Vermont (2000 – 2020)**

	2000	2010	2015	2020
<b>Study Area</b>	409	394	404	416
<i>Change</i>		-15	10	12
<i>% Change</i>		-3.7%	2.5%	3.0%
<b>Market Area (14+/- Min. Drive)</b>	4,724	4,664	4,818	4,987
<i>Change</i>		-60	154	169
<i>% Change</i>		-1.3%	3.3%	3.5%
<b>Region (35+/- Min. Drive)</b>	75,579	78,924	81,675	84,447
<i>Change</i>		3,345	2,751	2,772
<i>% Change</i>		4.4%	3.5%	3.4%
<b>Addison Cty.</b>	2000	2010	2013	
	35,974	36,821	36,791	
<i>Change</i>		847	-30	
<i>% Change</i>		2.4%	-0.1%	
<b>Vermont</b>	2000	2010	2013	
	608,827	624,741	626,855	
<i>Change</i>		15,914	2,114	
<i>% Change</i>		2.6%	0.3%	

Although minor losses occurred between 2000 and 2010, the Vergennes area is again on solid footing and showing steady population gains. Overall the Market Area’s population is projected to increase by approximately 5,000 persons over the 2015 to 2020 period. The population of the study area is relatively small; however, the study area comprises Vergennes’ most concentrated commercial area.

While total population is growing at only a steady pace, the demographics of aging are creating substantial market dynamics in the Vergennes area. The tables on the following page show current and projected (2020) population by age group for the Market Area and Region.<sup>14</sup>

<sup>14</sup> Source: ESRI.

**Current/Projected Population by Age:  
Market Area (2015 – 2020)**

Age Group	Total Persons		% Change	Change
	2015	2020		
0-14	728	768	+5.6%	+40
15-24	805	678	(15.7%)	(126)
25-34	559	519	(7.2%)	(40)
35-44	535	574	+7.2%	+39
45-54	699	648	(7.2%)	(50)
55-64	723	808	+11.8%	+85
65-74	448	638	+42.5%	+190
75-84	202	269	+33.1%	+67
85+	116	85	(26.7%)	(31)
<b>Total Population</b>	<b>4,818</b>	<b>4,987</b>	<b>+3.5%</b>	<b>+169</b>
<b>Population Aged 62+ Years</b>	<b>983</b>	<b>1,235</b>	<b>+25.6%</b>	<b>+252</b>
<b>Median Age</b>	<b>43.0</b>	<b>44.3</b>		

**Current/Projected Population by Age:  
Region (2015 – 2020)**

Age Group	Total Persons		% Change	Change
	2015	2020		
0-14	12,333	12,160	(1.4%)	(173)
15-24	13,640	13,174	(3.4%)	(466)
25-34	9,474	10,049	+6.1%	+575
35-44	9,066	9,458	+4.3%	+392
45-54	11,843	10,725	(9.4%)	(1,118)
55-64	12,251	12,836	+4.8%	+585
65-74	7,596	9,627	+26.7%	+2,031
75-84	3,430	4,307	+25.5%	+876
85+	1,960	2,027	+3.4%	+67
<b>Total Population</b>	<b>81,675</b>	<b>84,447</b>	<b>+3.4%</b>	<b>+2,772</b>
<b>Population Aged 62+ Years</b>	<b>16,662</b>	<b>19,811</b>	<b>+18.9%</b>	<b>+3,150</b>
<b>Median Age</b>	<b>41.1</b>	<b>42.2</b>		

It is important to note several points regarding the area population:

- Substantial, positive growth will occur among persons aged 55 to 84 years; in large part, this reflects the aging of the 'baby boom.' While the total population of the Market Area will grow slowly between 2015 and 2020, the number of persons aged 62 years or more will increase by 25.6 percent.
- At the regional level, the number of persons aged 25 to 44 years will increase significantly over the next five years, a positive indicator for new household creation and consumer expenditures.

Households are the best indicator for activity in a number of consumer categories and for residential markets. The table below shows recent and projected total household change for the Study Area, Market Area and Region. Average household size is shown for each time period.<sup>15</sup>

**Current/Projected Total Households:  
Study Area, Market Area, Region (2000 – 2020)**

	2000	2010	2015	2020
<b>Study Area</b>	175	178	183	190
<i>Change</i>		+3	+5	+7
<i>% Change</i>		+1.7%	+2.8%	+3.8%
<b>Market Area (14+/- Min. Drive)</b>	1,698	1,806	1,880	1,961
<i>Change</i>		+108	+74	+81
<i>% Change</i>		+6.4%	+4.1%	+4.3%
<b>Region (35+/- Min. Drive)</b>	28,747	31,762	33,284	34,661
<i>Change</i>		+3,015	+1,522	+1,377
<i>% Change</i>		+10.5%	+4.8%	+4.1%
<b>Average HH Size</b>				
<b>Study Area</b>	2.19	2.08	2.07	2.06
<b>Market Area</b>	2.61	2.44	2.43	2.41
<b>Region</b>	2.45	2.34	2.32	2.30

<sup>15</sup> Source: ESRI.

Decreasing average household sizes will result in a slightly more positive picture for total households.

The tables below shows current and projected households by age group for the Market Area and Region.<sup>16</sup>

**Current/Projected Households by Age Group:  
Market Area (2015 – 2020)**

HH Age Group	2015		2020		Change
	HHs	% of Total	HHs	% of Total	
15-24	55	18.4%	50	17.4%	(5)
25-34	190	63.5%	212	73.6%	+22
35-44	299	100.0%	288	100.0%	(11)
45-54	394	131.8%	348	120.8%	(46)
55-64	441	147.5%	448	155.6%	+7
65-74	316	105.7%	385	133.7%	+69
75+	186	62.2%	230	79.9%	+44
<b>Totals</b>	<b>1,881</b>		<b>1,961</b>		<b>+80</b>
<b>HHs Aged &gt;62 Yrs.</b>	<b>634</b>	<b>33.7%</b>	<b>749</b>	<b>38.2%</b>	<b>+115</b>

**Current/Projected Households by Age Group:  
Region (2015 – 2020)**

HH Age Group	2015		2020		Change
	HHs	% of Total	HHs	% of Total	
15-24	1,659	34.3%	1,590	32.0%	(69)
25-34	4,474	92.4%	4,685	94.2%	+211
35-44	4,842	100.0%	4,976	100.0%	+134
45-54	6,698	138.3%	5,912	118.8%	(786)
55-64	7,216	149.0%	7,399	148.7%	+183
65-74	4,754	98.2%	5,888	118.3%	+1,134
75+	3,641	75.2%	4,211	84.6%	+570
<b>Totals</b>	<b>33,284</b>		<b>34,661</b>		<b>+1,377</b>
<b>HHs Aged &gt;62 Yrs.</b>	<b>10,560</b>	<b>31.7%</b>	<b>12,319</b>	<b>35.5%</b>	<b>+1,759</b>

<sup>16</sup> Source: ESRI.



The aging pattern is even more pronounced among households; households aged 62 years or more will increase by 38 and 35 percent in the Market Area and Region respectively, while the totals will increase by lesser amounts.

## Household Characteristics & Income

Several household characteristics relating to consumer and economic habits are summarized below.

The table below compares educational attainment in the Downtown Core, Market Area, Region, Vermont and for the entire U.S.<sup>17</sup>

### Educational Attainment: Study Area; Market Area; Region; Vermont; U.S. (2014/15)

	% of Population Aged 25+ Years				
	Study Area	Market Area	Region	VT	US
Less than 9th Grade	3.4%	3.1%	2.1%	3.0%	5.9%
High School Graduate	24.3%	27.7%	20.7%	30.8%	28.1%
Bachelors Degree	19.8%	21.7%	27.3%	21.0%	18.0%
Graduate/Professional Degree	11.9%	12.7%	21.2%	13.8%	10.8%

34 percent of the Market Area population (Aged 25+ Years) has a bachelor’s degree or higher; this is similar to the level for the entire state – 35 percent and higher than the U.S. level – 29 percent.

Small average household size is a reflection of a number of trends: Aging Population; Delayed Marriage age, etc. The table on the following page breaks down households by size (Number of Persons) for the Downtown Core; Market Area; Region; Vermont; and U.S.<sup>18</sup>

<sup>17</sup> Sources: U.S. Census Bureau, ESRI.

<sup>18</sup> Sources: U.S. Census Bureau; ESRI.

**Household Distribution by Size: Study Area; Market Area; Region; Vermont; U.S. (2014/15)**

HH Size	% of Households by HH Size				
	Study Area	Market Area	Region	VT	U.S.
1	31%	26%	28%	28%	27%
2	36%	38%	37%	39%	34%
3	14%	15%	15%	15%	16%
4	12%	13%	13%	12%	13%
5	5%	5%	5%	4%	6%
6	2%	2%	1%	1%	2%
7+	1%	1%	1%	1%	1%

64 percent of the households in the Market Area are composed of only one or two persons, while only 20 percent include four or more persons. The prevalence of small households is particularly important when addressing the area housing market. Note that 67 percent of the households living in the Study Area include only one or two persons.

The graphic on the following page summarizes household distribution by income for the Downtown Core, Market Area and Region.

**Household Income Distribution: Study Area; Market Area; Region; (2015)**



Study Area households have somewhat lower incomes than those in the Market Area and Region. For purposes of comparison, the median income for all Vermont households is \$54,267; this compares to:

- Study Area - \$52,514;
- Market Area - \$59,159;
- Region - \$62,609.

# Housing Stock Characteristics & Market Activity

The following housing data is provided as background for the assessment of the residential market within the study area.

The three tables below show recent changes in: Total Housing Units; Ownership Housing Units; and Rental Housing Units for the Downtown Core, Market Area and Region – for the period 2000 to 2015.<sup>19</sup>

## Total Housing Unit Change: Study Area; Market Area; Region (2000 – 2015)

	2000	2010	2015	% Change 2000-'15
<b>Total Housing Units</b>				
<b>Study Area</b>	191	198	205	7.3%
<i>Change</i>		7	7	
<b>Market Area</b>	1,843	1,962	2,049	11.2%
<i>Change</i>		119	87	
<b>Region</b>	31,119	34,956	36,610	17.6%
<i>Change</i>		3,837	1,654	

## Ownership Housing Unit Change: Study Area; Market Area; Region (2000 – 2015)

	2000	2010	2015	% Change 2000-'15
<b>Ownership Units</b>				
<b>Study Area</b>	114	115	119	4.3%
<i>Change</i>		1	4	
<b>Market Area</b>	1,255	1,324	1,381	10.0%
<i>Change</i>		69	57	
<b>Region</b>	20,041	22,022	22,918	14.4%
<i>Change</i>		1,982	896	

<sup>19</sup> Source: ESRI.

**Rental Housing Unit Change: Study Area;  
Market Area; Region (2000 – 2015)**

	2000	2010	2015	% Change 2000-'15
<b>Rental Units</b>				
<b>Study Area</b>	62	63	64	3.0%
<i>Change</i>		1	1	
<b>Market Area</b>	440	481	498	13.0%
<i>Change</i>		40	17	
<b>Region</b>	8,713	9,718	10,361	18.9%
<i>Change</i>		1,004	643	

The Market Area’s housing stock increased a solid pace between 2000 and 2015, with a net increase of over 200 units.

U.S. Census data indicates that the total number of housing units in the City of Vergennes increased from 949 units in 2009 to 1,087 units in 2013; a total increase of 138 units at a pace of approximately 35 new units annually. This is indicative of a relatively strong pace of new housing development.

The analysis also included an assessment of residential sales activity in the community. The table on the following page summarizes residential sales activity in Vergennes and Addison County – for the period 2005 to 2014 – showing: Total Number of Sales; Total Sales Volume; and Median Sale value.<sup>20</sup>

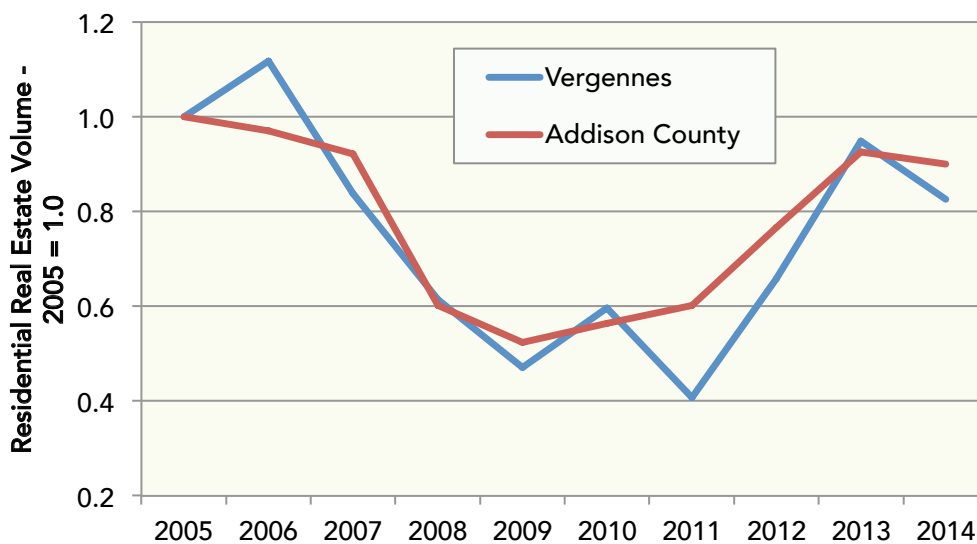
<sup>20</sup> Source: Vermont Department of Taxes. R1, R2, MH w/, MH w/o and Other (Condo) categories are included in tabular statistics; only ‘Market’ sales included.

## Residential Sales Activity: Vergennes; Addison County: (2005 – 2014)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Vergennes</b>										
Sales	52	50	39	26	22	26	18	29	44	37
Volume (\$Millions)	\$8.7	\$9.7	\$7.3	\$5.3	\$4.1	\$5.2	\$3.5	\$5.7	\$8.3	\$7.2
Median Sale	\$167,222	\$185,200	\$175,931	\$195,846	\$188,350	\$186,465	\$199,722	\$210,000	\$179,500	\$185,500
<b>Addison County</b>										
Sales	496	435	399	282	258	282	285	376	466	462
Volume (\$Millions)	\$110.2	\$106.9	\$101.7	\$66.3	\$57.7	\$62.2	\$66.4	\$84.5	\$102.0	\$99.3
Median Sale	\$193,574	\$225,009	\$228,667	\$214,131	\$209,943	\$206,018	\$209,105	\$197,201	\$208,030	\$206,955

The graphic below compares indexed residential real estate volume trends for the town and county.

### Indexed Residential Real Estate Volumes: Vergennes; Addison County; (2005 – 2014)



Residential real estate volume fell precipitously from 2006 to 2011; but has been on a slow recovery trajectory since then. Year 2014 volumes were at 83 percent of the 2006 level.

## Current Residential Market

The current residential market was assessed from two perspectives: Ownership Units and Rental Units:

### *Ownership Market*

A review of current residential (Single Family) and condominium/townhouse listings and sales in Vergennes indicated the following:<sup>21</sup>

- The average unit includes: 3.2 bedrooms and 2.0 baths. The median unit includes 1,632 square feet of living space;
- The median listed/sold unit was constructed in 1945; pointing to relatively old housing stock;
- The median price for listed/sold units was \$196,000; the median price per square foot of living space was \$128.

Overall, pricing for Vergennes condominiums is toward the low end of the regional scale. The exception would be the Red Mill Condominiums in North Vergennes, where current pricing is in the \$207 to \$240 per square foot range. Finally, we note that – with the exception of the Apple Ridge project – minimal new development has occurred in recent years.

Vergennes most expensive residential properties tend to be historic (well-maintained) residences in or near the downtown area. However, the most expensive properties – on a price per square foot basis – tend to be newer properties, with locations outside of the downtown area.

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<sup>21</sup> Source: NNEREN as of November 2015; residential & condominium listings/sales for Vergennes.

## Rental Market

HUD reports the following regarding current Fair Market Rents in Vergennes:<sup>22</sup>

- Efficiency (0BR) - \$717 per month;
- One BR Units - \$780 per month;
- Two BR Units - \$925 per month;
- Three BR Units - \$1,283 per month;
- Four BR Units - \$1,550 per month.

A review and survey of current residential rental listings in Vergennes's revealed the following regarding current rental availability and pricing:

- The U.S. Census (2013 Data) shows **zero vacancies for rental housing in Vergennes; effectively no availability;**
- The review of available rentals in the media showed very limited availability – only six listings were located in a variety of media;<sup>23</sup> Relatively few rentals are currently listed in the downtown area; this reflects both the scarcity of downtown core housing and a presumed low current vacancy rate.
- The limited number of listings showed the following regarding 'typical' gross rental levels.<sup>24</sup>
  - One BR - \$995 per month;
  - Two BR - \$1,480 per month;
  - Three & Four BR – insufficient listings.
- Several current listings have well above market rents and involve exceptional properties with views (Otter Creek Basin – Mountains) with high level finishes. These properties reflect the community's attractiveness to more affluent renters, as well as the proximity of highly scenic locations.

The graphics on the following page show two of the 'high end' rental properties in the study area.

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<sup>22</sup> Source: HUD-Gov Fair Market Rents.

<sup>23</sup> Review of listings in: Craigslist; Burlington Free Press; Addison County Independent; Trulia; Zillow.

<sup>24</sup> Vergennes listings include units rented on a net basis (no utilities included) and units with some or all utilities included. 'Gross' rents are net rents plus an adjustment for assumed monthly utility costs.





**Norton Grist Mill – ‘High Rent’ Property;  
Location Directly on the Basin**



**‘Cataract Place’;  
Mountain & Basin Views**

## **Commercial Real Estate Activity**

The commercial real estate market in Vergennes is limited in scale, averaging only three to four sales and just over \$1 Million in volume during the past nine years.

### ***Current Commercial Real Estate Activity – For-Sale & Leasing***

A review of current commercial real estate listings in the downtown area revealed the following:<sup>25</sup>

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<sup>25</sup> Sources: NNEREN; Loopnet; Craigslist; Vermont Commercial Real Estate.

- Current five listings – ranging from buildings needing redevelopment to buildings with operating businesses; sales price per square foot ranges from \$97 to \$186;
- Net retail/office lease rates range from \$9.00 to \$18.00 per square foot, highly dependent on the quality of the space/finishes;
- Available commercial buildings have median for-sale listing rates in the \$40 to \$45 per square foot range – this is an extremely low level.

## Commercial Activity & Retail Gap Analysis

The table below shows recent trends in annual Gross Receipt collections for Vergennes and Addison County; period-to-period percent change is also shown.<sup>26</sup>

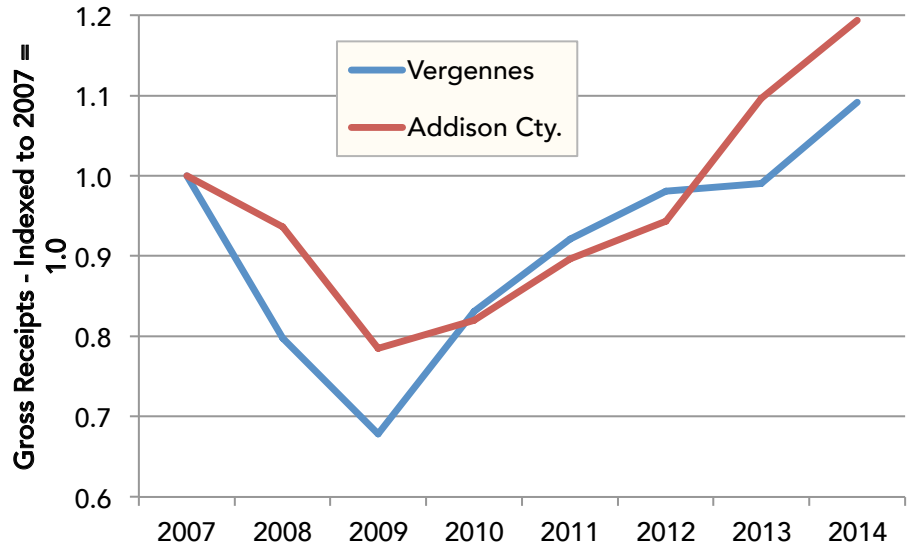
### Gross & Retail Receipts Collections: Vergennes; Addison County (2007 – 2014)

		Gross Receipts (\$Millions)							
		2007	2008	2009	2010	2011	2012	2013	2014
Vergennes		\$191.8	\$153.0	\$130.1	\$159.4	\$176.6	\$188.1	\$189.9	\$209.4
	% Change		(20%)	(15%)	+23%	+11%	+7%	+1%	+10%
<b>Addison Cty.</b>		\$817	\$765	\$641	\$670	\$732	\$771	\$896	\$976
	% Change		(6%)	(16%)	+4%	+9%	+5%	+16%	+9%

Both Vergennes and Addison County have shown solid increases since 2009. Indexed gross receipts changes (2007 = 1.0) are shown graphically on the following page.

<sup>26</sup> Source: Vermont Department of Taxes. Gross Receipts include Sales and Use taxes.

**Gross Receipts Collections; Indexed to 2007 = 1.0;  
Vergennes & Addison County (2007 – 2014)**



Current (2014) Vergennes Gross Receipts collections are at 110 percent of the year 2007 level

An inventory of Market Area businesses and employment by type was completed, as summarized in the table on the following page.<sup>27</sup>

<sup>27</sup> Source: Field Observations and ESRI. Based on both published and observed data ~ the data is for the 'Market Area' – geographic area within 12 minutes drive-time of Vergennes' downtown.

## Market Area Businesses & Employment

	Number of Businesses/ Operations	Employment	Employment as % of Total
Agriculture, Forestry, Fishing & Hunting	13	45	1.9%
Mining	0	0	0.0%
Utilities	2	7	0.3%
Construction	28	114	4.8%
Manufacturing	11	107	4.5%
Wholesale Trade	7	40	1.7%
<b>Retail Trade</b>	45	221	9.4%
Motor Vehicle & Parts Dealers	7	51	2.2%
Furniture & Home Furnishings Stores	2	6	0.3%
Electronics & Appliance Stores	1	2	0.1%
Bldg. Material & Garden Equipment & Supplies Dealers	2	11	0.5%
Food & Beverage Stores	7	65	2.8%
Health & Personal Care Stores	1	14	0.6%
Gasoline Stations	4	21	0.9%
Clothing & Clothing Accessories Stores	4	8	0.3%
Sport Goods, Hobby, Book, & Music Stores	2	4	0.2%
General Merchandise Stores	1	4	0.2%
Miscellaneous Store Retailers	12	34	1.4%
Nonstore Retailers	1	1	0.0%
Transportation & Warehousing	8	240	10.2%
Information	4	23	1.0%
<b>Finance &amp; Insurance</b>	17	49	2.1%
Central Bank/Credit Intermediation & Related Activities	14	41	1.7%
Securities, Commodity Contracts & Other Financial	2	3	0.1%
Insurance Carriers & Related Activities; Funds, Trusts &	1	5	0.2%
Real Estate, Rental & Leasing	12	29	1.2%
Professional, Scientific & Tech Services	19	91	3.9%
Legal Services	3	8	0.3%
Management of Companies & Enterprises	0	0	0.0%
Administrative & Support & Waste Management & Remediation	9	48	2.0%
Educational Services	8	208	8.8%
Health Care & Social Assistance	19	150	6.4%
Arts, Entertainment & Recreation	11	249	10.6%
<b>Accommodation &amp; Food Services</b>	15	110	4.7%
Accommodation	5	15	0.6%
Food Services & Drinking Places	10	96	4.1%
Other Services (except Public Administration)	28	77	3.3%
Automotive Repair & Maintenance	6	12	0.5%
Public Administration	21	148	6.3%
<b>Totals</b>	<b>362</b>	<b>2,357</b>	
<b>No Business in NAICS Category</b>			

The most important single industry in the Market Area is Arts, Entertainment & Recreation (10.6 percent of total employment); this is unusual for a Vermont market. Overall, no single category dominates employment.

## Retail Market Analysis & Gap Estimates

While many factors play a role in the success or failure of a retail/commercial business, it is essential that market demand for goods or a service exist, as a prerequisite of success. Even in the presence of significant demand, substantial competition that 'absorbs' all of the available demand can be a barrier to entry. The following analyses show the results of the **Retail Gap Analysis** – a detailed analysis of how retail sales compare to retail demand in the defined market areas. While the results are highly quantitative, they are a significant component of any retail analyses. The gap analysis includes three major steps:

- Estimate of sales occurring within the defined areas – gross revenues accruing to businesses located within the defined areas;
- Estimate of sales demand by persons living within the defined areas – *at any location* (includes purchases made out of the area, internet purchases, etc.);
- A comparison of sales and demand as a means of identifying potential opportunities in the retail market.

While there is clearly retail activity within the defined Study Area, the retail gap analysis is primarily focused on current deficiencies in the broader Market Area, as the identification of potentials for the Market Area will identify development potentials for the Study Area.

### **Retail Sales**

The table below shows estimates of gross (annualized) retail **sales** by detailed retail category – for the Market Area and Region. *Sales estimates include all sales occurring within the defined areas.*

The estimates are based on an inventory of retail spaces within the defined areas, as well as a series of research/analytical steps that calculate sales levels. Note that sales levels are shown in \$Millions.<sup>28</sup> In instances where \$0 sales are shown, there is no business within the specified retail category.

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<sup>28</sup> Sources: ESRI; Infogroup; Census of Business.

**Estimated Annual Retail Sales; Market Area, Region (2015) - (Two Pages)**

	Gross Annual Sales – 2015 (\$Millions)			
	Market Area		Region	
	Sales	% of Total	Sales	% of Total
<b>Motor Vehicle &amp; Parts Dealers</b>	<b>\$17.89</b>	<b>28.3%</b>	<b>\$375.35</b>	<b>30.4%</b>
Automobile Dealers	\$15.82		\$349.20	
Other Motor Vehicle Dealers	\$1.70		\$15.56	
Auto Parts, Accessories & Tire Stores	\$0.37		\$10.59	
<b>Furniture &amp; Home Furnishings Stores</b>	<b>\$1.72</b>	<b>2.7%</b>	<b>\$28.32</b>	<b>2.3%</b>
Furniture Stores	\$1.67		\$17.39	
Home Furnishings Stores	\$0.00		\$10.93	
<b>Electronics &amp; Appliance Stores</b>	<b>\$0.45</b>	<b>0.7%</b>	<b>\$22.45</b>	<b>1.8%</b>
<b>Bldg. Materials, Garden Equip. &amp; Supply Stores</b>	<b>\$5.90</b>	<b>9.3%</b>	<b>\$57.33</b>	<b>4.6%</b>
Bldg. Material & Supplies Dealers	\$1.32		\$35.53	
Lawn & Garden Equip & Supply Stores	\$4.58		\$21.79	
<b>Food &amp; Beverage Stores</b>	<b>\$11.05</b>	<b>17.5%</b>	<b>\$190.67</b>	<b>15.5%</b>
Grocery Stores	\$9.93		\$178.54	
Specialty Food Stores	\$0.42		\$8.16	
Beer, Wine & Liquor Stores	\$0.71		\$3.97	
<b>Health &amp; Personal Care Stores</b>	<b>\$2.22</b>	<b>3.5%</b>	<b>\$87.10</b>	<b>7.1%</b>
<b>Gasoline Stations</b>	<b>\$12.05</b>	<b>19.1%</b>	<b>\$120.14</b>	<b>9.7%</b>
<b>Clothing &amp; Clothing Accessories Stores</b>	<b>\$0.93</b>	<b>1.5%</b>	<b>\$116.91</b>	<b>9.5%</b>
Clothing Stores	\$0.31		\$101.77	
Shoe Stores	\$0.57		\$9.46	
Jewelry, Luggage & Leather Goods Stores	\$0.05		\$5.68	
<b>Sporting Goods, Hobby, Book &amp; Music Stores</b>	<b>\$0.41</b>	<b>0.6%</b>	<b>\$49.81</b>	<b>4.0%</b>
Sporting Goods/Hobby/Musical Instr. Stores	\$0.41		\$28.67	
Book, Periodical & Music Stores	\$0.00		\$21.14	
<b>General Merchandise Stores</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>\$49.10</b>	<b>4.0%</b>
Department Stores Excluding Leased Depts.	\$0.00		\$37.27	
Other General Merchandise Stores	\$0.00		\$11.83	
<b>Miscellaneous Store Retailers</b>	<b>\$2.27</b>	<b>3.6%</b>	<b>\$22.17</b>	<b>1.8%</b>
Florists	\$0.03		\$0.99	
Office Supplies, Stationery & Gift Stores	\$0.11		\$8.22	
Used Merchandise Stores	\$0.39		\$3.78	
Other Miscellaneous Store Retailers	\$1.74		\$9.18	
<b>Nonstore Retailers</b>	<b>\$3.88</b>	<b>6.1%</b>	<b>\$36.09</b>	<b>2.9%</b>
Electronic Shopping & Mail-Order Houses	\$0.00		\$10.01	
Vending Machine Operators	\$0.00		\$3.13	
Direct Selling Establishments	\$3.88		\$22.95	
<b>Food Services &amp; Drinking Places</b>	<b>\$4.48</b>	<b>7.1%</b>	<b>\$78.17</b>	<b>6.3%</b>
Full-Service Restaurants	\$4.22		\$47.69	
Limited-Service Eating Places	\$0.00		\$26.63	
Special Food Services	\$0.00		\$2.28	
Drinking Places – Alcoholic Beverages	\$0.14		\$1.56	

Table Continued from Previous Page

<b>Total Retail Trade and Food &amp; Drink</b>	<b>\$63.26</b>		<b>\$1,233.60</b>	
<b>Total Retail Trade</b>	<b>\$58.78</b>	<b>92.9%</b>	<b>\$1,155.43</b>	<b>93.7%</b>
<b>Total Food &amp; Drink</b>	<b>\$4.48</b>	<b>7.1%</b>	<b>\$78.17</b>	<b>6.3%</b>

It is estimated that the Market Area accounts for over \$63 million in total retail sales, only 4.8 percent of the Region’s total. With 28 percent of the total, Motor Vehicle & Parts Dealers is the Market Area’s major retail category. Food & Beverage sales (19.1 percent of total) are also significant.<sup>29</sup>

### **Retail Demand**

Area residents make substantial expenditures on retail goods. While sales per household vary significantly dependent on household demographics and income levels, all households make expenditures in major retail categories. This *demand* for retail goods can be quantified based on historic spending patterns and resident demographics/incomes. The table below shows estimated annual retail demand generated by the residents of the Market Area and Region.<sup>30</sup> Keep the following in mind in reviewing the estimates:

- The estimates reflect dollars expended by residents; these dollars are not necessarily expended within the defined area. A segment of the demand generated by residents of the two areas will typically be satisfied outside the geographic limits of the defined areas (Driving to remote locations; Internet Shopping, Spending while traveling; etc.)
- The figures include only the demand generated by *residents* of the two areas. Purchases made by Vermont residents from outside the defined areas and sales generated by tourists/travelers also contribute to business activity within the Market Area and Region.

<sup>29</sup> Retail sales within the defined Study Area are estimated at approximately \$15.3 million.

<sup>30</sup> Sources: ESRI; Infogroup; Census of Business.

**Estimated Annual Retail Demand: Market Area & Region (2015) - (2 Pages)**

Estimated Annual Demand 2015 - (\$Millions)				
	Market Area		Region	
	Demand	% of Total	Demand	% of Total
<b>Motor Vehicle &amp; Parts Dealers</b>	<b>\$10.53</b>	<b>19.1%</b>	<b>\$219.81</b>	<b>18.9%</b>
Automobile Dealers	\$8.97		\$187.33	
Other Motor Vehicle Dealers	\$0.70		\$14.51	
Auto Parts, Accessories & Tire Stores	\$0.86		\$17.97	
<b>Furniture &amp; Home Furnishings Stores</b>	<b>\$1.40</b>	<b>2.5%</b>	<b>\$29.77</b>	<b>2.6%</b>
Furniture Stores	\$0.62		\$13.41	
Home Furnishings Stores	\$0.78		\$16.36	
<b>Electronics &amp; Appliance Stores</b>	<b>\$1.27</b>	<b>2.3%</b>	<b>\$27.13</b>	<b>2.3%</b>
<b>Bldg. Materials, Garden Equip. &amp; Supply Stores</b>	<b>\$2.07</b>	<b>3.7%</b>	<b>\$43.68</b>	<b>3.8%</b>
Bldg. Material & Supplies Dealers	\$1.34		\$29.34	
Lawn & Garden Equip & Supply Stores	\$0.72		\$14.34	
<b>Food &amp; Beverage Stores</b>	<b>\$9.40</b>	<b>17.0%</b>	<b>\$197.04</b>	<b>17.0%</b>
Grocery Stores	\$8.90		\$185.84	
Specialty Food Stores	\$0.23		\$4.96	
Beer, Wine & Liquor Stores	\$0.28		\$6.24	
<b>Health &amp; Personal Care Stores</b>	<b>\$4.13</b>	<b>7.5%</b>	<b>\$85.94</b>	<b>7.4%</b>
<b>Gasoline Stations</b>	<b>\$5.63</b>	<b>10.2%</b>	<b>\$116.24</b>	<b>10.0%</b>
<b>Clothing &amp; Clothing Accessories Stores</b>	<b>\$3.96</b>	<b>7.2%</b>	<b>\$84.39</b>	<b>7.3%</b>
Clothing Stores	\$2.98		\$63.35	
Shoe Stores	\$0.54		\$11.33	
Jewelry, Luggage & Leather Goods Stores	\$0.44		\$9.71	
<b>Sporting Goods, Hobby, Book &amp; Music Stores</b>	<b>\$1.55</b>	<b>2.8%</b>	<b>\$32.87</b>	<b>2.8%</b>
Sporting Goods/Hobby/Musical Instr. Stores	\$1.29		\$27.15	
Book, Periodical & Music Stores	\$0.26		\$5.72	
<b>General Merchandise Stores</b>	<b>\$4.54</b>	<b>8.2%</b>	<b>\$96.41</b>	<b>8.3%</b>
Department Stores Excluding Leased Depts.	\$2.19		\$46.56	
Other General Merchandise Stores	\$2.35		\$49.85	
<b>Miscellaneous Store Retailers</b>	<b>\$1.28</b>	<b>2.3%</b>	<b>\$27.06</b>	<b>2.3%</b>
Florists	\$0.07		\$1.49	
Office Supplies, Stationery & Gift Stores	\$0.46		\$9.57	
Used Merchandise Stores	\$0.21		\$4.66	
Other Miscellaneous Store Retailers	\$0.53		\$11.34	
<b>Nonstore Retailers</b>	<b>\$4.20</b>	<b>7.6%</b>	<b>\$88.52</b>	<b>7.6%</b>
Electronic Shopping & Mail-Order Houses	\$2.93		\$63.70	
Vending Machine Operators	\$0.09		\$1.92	
Direct Selling Establishments	\$1.18		\$22.89	
<b>Food Services &amp; Drinking Places</b>	<b>\$5.20</b>	<b>9.4%</b>	<b>\$111.38</b>	<b>9.6%</b>
Full-Service Restaurants	\$2.97		\$63.60	
Limited-Service Eating Places	\$1.90		\$40.54	
Special Food Services	\$0.20		\$4.27	
Drinking Places - Alcoholic Beverages	\$0.14		\$2.96	



*Table Continued from Previous Page*

<b>Total Retail Trade and Food &amp; Drink</b>	<b>\$55.16</b>		<b>\$1,160.23</b>	
<b>Total Retail Trade</b>	<b>\$49.96</b>	<b>90.6%</b>	<b>\$1,048.85</b>	<b>90.4%</b>
<b>Total Food &amp; Drink</b>	<b>\$5.20</b>	<b>9.4%</b>	<b>\$111.38</b>	<b>9.6%</b>

Market Area residents generate annual demand for in excess of \$55 million in retail goods, while Region residents generate annual demand for \$1.16 billion in retail goods.

### ***Impact of Tourism & Other Travel Activities***

Travel has an impact on retail demand in Addison County. A recent study placed annual visitor trips at approximately 466,000; accounting for \$47 million in annual spending.<sup>31</sup> Broken down even further, travel activity is estimated to have the following impacts in Vergennes:

- Food & Beverage - \$1.08 million in annual spending;
- Groceries - \$634,000 in annual spending;
- Other Retail - \$513,000 in annual spending;
- Gasoline - \$785,000 in annual spending.

These expenditure figures were added to the *demand* figures shown above in order to estimate total demand for the Market Area.

### ***Retail Gap***

Retail gap analysis is a simple comparison of *Demand* and *Sales* that can serve as a means of identifying opportunities for new retail businesses within a defined area. When applied to *Demand* generated in the Region (Residents and Tourism/Travel Activity) and *Sales* (Actual Sales) for the Region, the gap analysis helps to identify retail categories where current supply (sales) is insufficient to meet *demand*.

The analysis indicates that there are *positive gaps* (Demand exceeds Supply) in the following retail categories, *that would be appropriate in a downtown area*:

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<sup>31</sup> Source: Vermont Tourism Data Center. Includes; Day-Trippers; Overnight Visitors; and Second Home Owners.

- *Home Furnishings* – a number of northern New England downtowns have developed clusters of stores in this category in recent years. Higher end merchandise appeals to both area residents and tourists and, particularly if located in combination, can create a destination appeal.
- *Sporting Goods* – given Vergennes’ central location with respect to Champlain Valley bike tripping, a store oriented toward bikes could find success in the downtown.
- *Beer, Wine & Liquor Stores* – clearly an appropriate use for a downtown area, where there is already an entry in this category;
- *Jewelry/Luggage/Leather & Gifts* – clearly appropriate in a downtown area, and potential attractive to both area residents and tourists;
- *Used Merchandise* – this category has already gained a foothold and is a growing trend in most retail districts. Again a cluster of stores in this category can become a destination;
- *Food Service & Drinking Places* - the primary example of the value of clustering. Vergennes’ existing restaurants have already exerted a draw on the region, with regular clientele from Middlebury to Burlington. Moreover, tourists clearly are attracted to downtowns with a wide variety of eating options.

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## Residential Market Assessment

### Housing Stock

Field observations and reviews of published data reveal the following regarding the housing stock within the Study Area:<sup>32</sup>

- Approximately 205 total housing units;
- 58 percent of the total (119 Units) occupied on an ownership basis;
- 31 percent of the units (31 Units) occupied on a rental basis;

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<sup>32</sup> Source: Field observations, U.S. Bureau of the Census, ESRI. The housing inventory may include small areas located outside the defined Study Area.

- 11 percent of the units are currently vacant – including units that may be held as second homes.
- The estimated median value of ownership units in the study area is \$214,375.

52 of the study area’s housing units are included in affordable and/or subsidized housing projects, thereby comprising a significant segment of the core downtown’s housing stock.<sup>33</sup>

## Residential Market Demographics

Household age by income data is by far the most instructive indicator of household decision-making/behavior regarding moves and housing preferences. Not surprisingly, a young, relatively low income household’s housing need is substantially different from that for an upper age, upper income bracket household. The series of tables on the following page shows three sets of household age/income data – for the *Market Area*:<sup>34</sup>

- Current (2015) number of households by age/income bracket;
- Projected (2020) number of households by age/income bracket;
- *Change* in number of households by age/income bracket over the 2015 to 2020 period.
- Age x Income groups that are projected to experience the largest increases are highlighted in the third component of the table.

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<sup>33</sup> Projects located within the study area include: Addison Housing Ltd. Partnership – 19 units; Smallest City Housing – 19 units; and Hawkins Housing – 14 units. Source: Vermont Housing Data.

<sup>34</sup> Source: ESRI. Market Area demographics assessed as the best indicator of area housing needs.

## Household Age X Income: Market Area (2015, 2020 and Change)

2015		HH Age Group						Totals
		25-34	35-44	45-54	55-64	65-74	75+	
HH Income Group	\$0-\$34,999	54	62	72	123	84	107	502
	\$35-\$74,999	73	93	123	131	148	59	627
	\$75-\$99,999	38	59	100	91	45	11	344
	\$100-\$149,999	16	60	60	63	21	6	226
	\$150-\$199,999	5	14	23	21	6	1	70
	\$200,000+	4	10	17	13	13	3	60
<b>Totals</b>		190	298	395	442	317	187	<b>1,829</b>

2020		HH Age Group						Totals
		25-34	35-44	45-54	55-64	65-74	75+	
HH Income Group	\$0-\$34,999	53	43	47	90	84	118	435
	\$35-\$74,999	75	70	86	111	163	74	579
	\$75-\$99,999	48	60	95	103	67	17	390
	\$100-\$149,999	24	80	72	88	38	14	316
	\$150-\$199,999	8	24	32	41	17	2	124
	\$200,000+	4	11	16	15	18	6	70
<b>Totals</b>		212	288	348	448	387	231	<b>1,914</b>

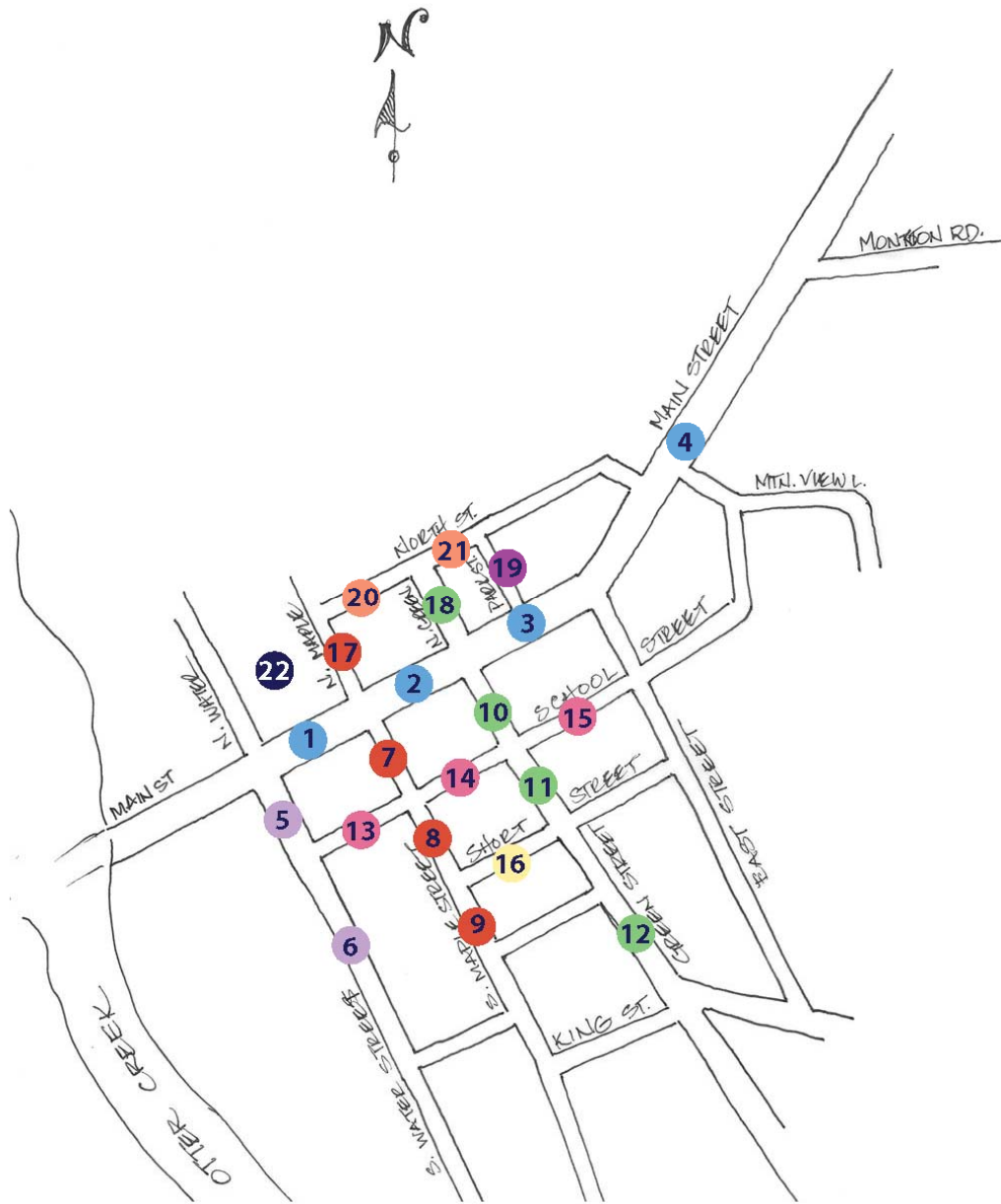
Change 2015-'20		HH Age Group						Totals
		25-34	35-44	45-54	55-64	65-74	75+	
HH Income Group	\$0-\$34,999	(1)	(19)	(25)	(33)	+0	+11	(67)
	\$35-\$74,999	+2	(23)	(37)	(20)	+15	+15	(48)
	\$75-\$99,999	+10	+1	(5)	+12	+22	+6	+46
	\$100-\$149,999	+8	+20	+12	+25	+17	+8	+90
	\$150-\$199,999	+3	+10	+9	+20	+11	+1	+54
	\$200,000+	+0	+1	(1)	+2	+5	+3	+10

Consistent with area demographics, the most significant 2015 to 2020 increases will occur among households aged 55 to 74 years. Also note that the household income group projected to experience the greatest increase is \$100,000 to \$149,999. Although the most substantial increases will clearly occur among upper-moderate income upper age bracket households, it is significant to note that there will be increases among income younger (35 to 44 years) households as well.

## Residential Market Trends and Implications

- Vergennes' demographic trends are reflective of broader trends throughout the northeast; a significant increase in the 55 to 74 years population and an uptick in the number of younger households (Millennials). In the instance of older households, real estate professionals note that 'empty nesters' and single women account for the majority of housing demand;
- While Vermont's housing market is clearly differentiated from broader U.S. trends, it is apparent that both millennials and empty nesters are showing an increased interest in living in urbanized locations, with a focus on easy access to services, places to eat and public interaction. We note the following:
  - "There is a significant portion of the Baby Boomer generation that is opting to go to the cities, I think this is the beginning of a long-term trend."
  - That empty nesters whose children have grown up and gone to college or work are downsizing by selling their suburban homes and moving into apartments is old news; the magnitude of this trend is what's surprising developers.
  - Industry experts said future projects will likely have a unit mix that includes more two-bedroom and three-bedroom units to attract renters ages 55 and older. Additionally, Millennials tend to prefer one-bedroom apartments, whereas Boomers favor multiple-bedroom units, to accommodate a home office and/or visiting children and grandchildren. Though the two cohorts enjoy amenities such as swimming pools, workout rooms, Wi-Fi, and dog parks, Millennials are more likely to want more social attractions, such as TV lounges, bars, and such, according to Zillow.com. The Boomers, conversely, the website said, prefer more-luxurious trappings, such as state-of-the art kitchens, high-end bathrooms, and walk-in closets.
- Although the numbers are limited, it is apparent that the combination of services, cluster or residences and aesthetic qualities of a downtown located adjacent to the basin has resulted in some higher end residential development in the study area. These rental units have well above average finishes and appointments – and well above 'market' rents.
- Finally, the limited pace of new residential development in Vergennes (particularly the downtown area) would suggest that there is pent-up demand, and that good quality housing would find renters – or buyers – sufficient to translate to rapid absorption in the current market.

# Attachment D: Planning Commission Parking Survey



VERGENNES PARKING STUDY DATA 2014			SPOTS USED						Average % Used
Block	Spots Designated	10/23 12n Thursday	10/24 12n Friday	10/25 11:30am Saturday	10/28 10am Tuesday	10/28 2pm Tuesday	9/20 8:30pm Saturday (VSO Concert)		
1	MAIN STREET WATER TO MAPLE	24	21	19	21	11	12	22	74%
2	MAIN STREET MAPLE TO GREEN	29	25	20	23	22	18	29	79%
3	MAIN STREET GREEN TO EAST	34	20	25	26	20	21	33	71%
4	MAIN STREET EAST TO MONKTON	35	16	15	7	18	18	31	50%
5	WATER STREET MAIN TO SCHOOL	9	6	6	2	3	7	8	59%
6	WATER STREET SCHOOL TO ROGERS	2	1	0	0	1	1		25%
7	MAPLE STREET MAIN TO SCHOOL	7	6	6	7	6	5	7	88%
8	MAPLE STREET SCHOOL TO SHORT	10	0	2	4	2	0		13%
9	MAPLE STREET SHORT TO KING	0	0	0	0	0	0		
10	GREEN STREET MAIN TO SCHOOL	10	7	8	8	6	4	10	72%
11	GREEN STREET SCHOOL TO SHORT	7	3	2	7	2	1		36%
12	GREEN STREET SHORT TO KING	13	1	4	4	4	4		22%
13	SCHOOL STREET WATER TO MAPLE	9	5	2	1	3	3	4	33%
14	SCHOOL STREET MAPLE TO GREEN	15	10	8	3	5	5	13	49%
15	SCHOOL STREET GREEN TO EAST	16	6	7	3	2	7	14	41%
16	SHORT STREET MAPLE TO GREEN	5	0	0	5	0	0		17%
17	N. MAPLE MAIN TO NORTH	14	2	3	8	4	3	13	39%
18	N. GREEN MAIN TO NORTH	21	16	15	19	12	11	20	74%
19	PARK STREET	8	1	3	4	1	2	8	40%
20	NORTH STREET MAPLE TO GREEN	7	5	5	5	4	3	7	69%
21	NORTH STREET GREEN TO PARK	6	0	0	5	1	1	6	36%
22	BIXBY LOT	20	5	7	12	2	7	0	28%
<b>TOTALS</b>		<b>301</b>	<b>156</b>	<b>157</b>	<b>174</b>	<b>129</b>	<b>133</b>	<b>225</b>	
<b>% of spaces used</b>			<b>52%</b>	<b>52%</b>	<b>58%</b>	<b>43%</b>	<b>44%</b>	<b>75%</b>	

## Attachment E: Back-in Angle Parking Educational Materials

<https://www.youtube.com/watch?v=HddkCbsWHlk>

City of Austin (TX): <https://www.youtube.com/watch?v=HddkCbsWHlk>

Indianapolis: <https://www.youtube.com/watch?v=BTSmFJJsDn8>

KC Streetcar: [https://www.youtube.com/watch?v=8p2koSYh\\_Sc](https://www.youtube.com/watch?v=8p2koSYh_Sc) (simple instructional video)

FACT SHEETS



# BACK-IN ANGLE PARKING

## EXAMPLES

Binghamton, NY - two way, downtown



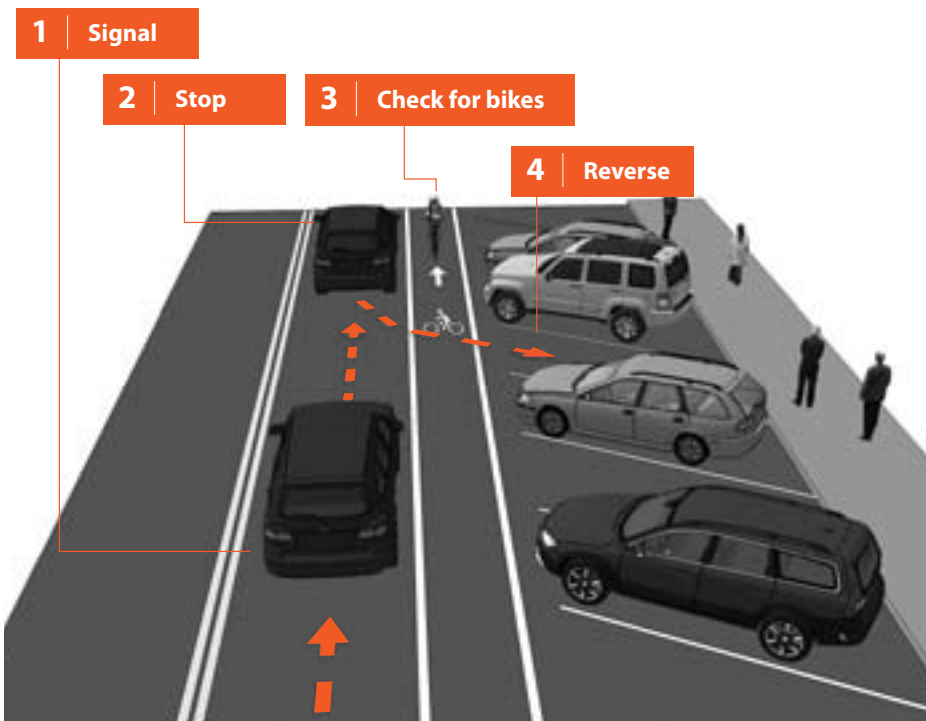
Pottstown, PA - downtown main street (state route)



Somerville, MA - neighborhood main street



## HOW IT WORKS



## BENEFITS

- Easier than parallel parking
- Supports accessible parking by allowing direct access to sidewalk
- Clear sight lines for people driving, biking, and walking
- Removes risk of a motorist "dooring" a bicyclist
- Easy loading and unloading of cargo and children
- Improves safety for children and bicyclists



## ON-THE-GROUND RESULTS

Pottstown, PA: One year after implementing back-in angle parking, **crashes decreased by 25 percent and injuries decreased by 43 percent.** At the same time, parking increased (21 percent), bicycling increased, and pedestrian crossing time decreased.