

Much left to be done on housing, economic development - Friday, July 13

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This legislative session saw some noteworthy accomplishments as a result of cooperation between the Douglas Administration and the Legislature.

The Agency of Commerce and Community Development was involved in several key initiatives that I'm pleased to report on.

We assisted in the creation of the scholarship and workforce development bill - a top priority of the governor. The new law will help provide training to workers to upgrade their skills and appropriates nearly \$5 million for scholarships; a positive step forward that will encourage young Vermonters to remain in our state.

The Legislature deserves credit for supporting this multi-pronged approach that will help keep our existing workforce competitive; help companies attract new talent and provide opportunities for Vermonters entering the workforce for the first time.

The Legislature also appropriated more than \$1 million for marketing activities for the coming year and included a late winter expenditure of \$250,000 to increase marketing for winter recreation after a slow start to the outdoor recreation season.

We are also pleased that the Legislature provided the appropriation requested by the governor to initiate efforts to make Vermont a center for environmental engineering excellence. This industry is already growing in our state and by focusing resources on it Vermont is poised to become a globally recognized leader in this area.

Creation of the Vermont Telecommunications Authority and the Legislature's support for Governor Douglas' E-state initiative also send a powerful message to employers and entrepreneurs that Vermont is serious about its economic future and the important role an advanced telecommunications infrastructure will play across all levels of our economy.

Unfortunately, the Legislature's decision to attach an arbitrary tax on Entergy's Vermont Yankee power plant to a bill designed to promote energy efficiency sent a negative message to businesses in Vermont and beyond.

Raising a tax like this and doing it despite an earlier commitment with the company further damages both our affordability and credibility as a place to do business and create jobs. Companies ask themselves, "How can we know what the rules of the game are if they are constantly being altered?"

We are also disappointed that for a second year in a row the Legislature declined to make housing affordability a priority - another key component of the Governor's Affordability Agenda.

In my travels around the state and conversations with business and community leaders, I constantly hear that their ability to recruit employees is hampered by a lack of affordable housing stock near their workplaces.

A recent study commissioned by the Department of Economic Development researching the problem of "youth flight" and the graying of Vermont's population found that of some 2,800 graduates of our colleges, 94 percent of those surveyed say a community where they can afford to live, work, and play is important to them.

Unfortunately, only 33 percent of those alumni surveyed who still live in Vermont agree the state offers this. Clearly, if we want to reverse the trend of young, educated workers leaving Vermont, we must both raise wages and lower the cost of living, especially housing.

For the second straight year, we introduced the "New Neighborhoods" legislation designed to promote the creation of relatively small housing developments that do not contribute to sprawl; that would be served by existing infrastructure; and be affordable to working families. And for the second straight year, the legislature refused to act upon this proposal.

The "New Neighborhoods" concept complements the existing affordable housing infrastructure; it does not require massive new revenues; it does not contribute to sprawl; and it does not compromise Vermont's environmental protection.

It provides a temporary, three-year incentive to municipalities by allowing them to keep the additional educational property tax revenues generated by the development for that period of time. All of the money raised thereafter would go to the education fund.

It's remarkable that the legislature has simply refused to acknowledge this crisis that impacts many working Vermont families and those hoping to seek employment in our state.

The Vermont Agency of Commerce and Community Development will continue to press for initiatives that make Vermont a more attractive place to grow a business and where working Vermonters can afford to own a home and raise a family.

The future of our economy and our state depend on it.

Kevin Dorn is Vermont's Secretary of Commerce and Community Development.