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## Taking the pulse of Vermont's economy

w/photo

Lawrence Miller, secretary, Agency of Commerce and Community Development

One of the things I enjoy most about this job is getting around the state and witnessing the incredible range and diversity of the companies we have in Vermont that are truly world-class. It is remarkable. The innovation that I see across industries gives me confidence that we have a bright economic future.

A common theme that I hear has to do with how companies have responded to the competitive challenges of this economy. In a nutshell, they are doing everything they can to implement new process enhancements that make them more productive while improving quality at the same time. This has positioned Vermont companies for success going forward.

The major challenge we face — and not just in Vermont — is continued development of the workforce. Our companies have major hiring challenges finding workers with the skills needed to help companies compete globally. I talk to employers with open positions every day, and I also talk to Vermonters looking for work every day. The skills mismatch is significant and something we must address both through working with businesses training Vermonters and attracting talented individuals to Vermont.

Part of the answer lies with our education system. The governor has proposed requiring geometry and algebra for all high school students. To make this kind of important policy change easier he has also proposed making the commissioner of education a cabinet-level secretary. These are important steps to helping our kids best prepare for the future. Also there needs to be better coordination among our institutions of higher education. It's simply not enough to graduate from high school, and even with advanced degrees continuous education is increasingly becoming the standard for workers to maintain the skills that our companies need. Lifelong learning opportunities for all Vermonters are critical.

We are bringing jobs back into our manufacturing sector to the tune of 270 last year, despite national trends to the contrary. I am working to begin implementation of Gov. Shumlin's Advanced Manufacturing Initiative, which will take Vermont to the next level with a partnership between industry, academia and government to continue this trend.

Export is a huge opportunity for our economy and our companies. Canada, and Quebec in particular, is our largest export market and the economy there has been strong. We are one of the very few states to run a trade surplus with China, and our exports there are growing dramatically.

Entrepreneurship is very much alive and well in Vermont. A new Vermont region to a

national initiative called Startup America has been launched with new networking and support opportunities for startups. In terms of building on our "green" brand, Vermont has joined other New England states in the new Cleantech Energy New England Initiative, led by the New England Clean Energy Foundation to accelerate the pace and scale of new clean energy ventures.

Reforming health coverage to decouple employment from health insurance will be a tremendous boost to entrepreneurship. The number one reason I hear people give for not taking the leap to start a company, or for deciding not to join a small company, is health insurance. Breaking this link will make our workforce more fluid and create new opportunities.

It's an exciting time for Vermont's economy. I welcome your thoughts and suggestions in growing quality jobs in Vermont.

w/photo

Jamie Stewart, executive director, Rutland Economic Development Corp.

Our region is seeing a resurgence in manufacturing that will fuel our recovery in the coming year. The expansion at the GE Aviation facility in Rutland, and the related expansion at Ellison Surface Technologies, is creating high-wage jobs that will drive the service, retail and hospitality sectors.

The recovery is gaining strength, with brighter forecasts in natural resource-based industries such as wood, marble and slate. Historically, manufacturing leads us into a recession, but also leads the recovery. Rutland County has the highest number of people per capita employed in manufacturing of any region of the state. Because of our dependence on manufacturing, we can expect to lead Vermont out of the recession, just as we had the dubious honor of leading the state at the start of the downturn.

Key to our maximizing the growth of the regional economy will be our ability to train the workforce needed for this expansion. New skills will be required as traditional production jobs now require higher math and technical expertise. Again, we have a particularly advantageous system in place to accomplish the goal of preparing workers for these new opportunities. Stafford Technical Center, the new CCV facility, our three local colleges and a collaborative culture inherent in all, will provide the education required. The superior work ethic our workforce brings to the job, along with training, positions us well for a robust recovery.

The third component to our recovery will be the development of new emerging industries. As part of the CVPS/GMP merger there is the proposed development of an Innovation Center which will act as a catalyst to new green technology companies. The investment by Green Mountain Power in the region should act as a magnet for new business seeking a culture that is supportive of their growth and provides the intellectual capital to succeed. Our ability to capitalize on this initiative will determine how we sustain the resurgence in manufacturing beyond what our traditional base can provide. This will tie directly back to our ability to educate the workforce for the future,

meeting the needs of new green sector jobs.

In summary, my outlook for the next year is extremely positive. We have many of the building blocks needed to be successful: a strong community, a highly motivated workforce, and collaborative organizations working closely together for the common good. If we can remain focused on building on the positives, this region can be a leader for the state and the Northeast in growing an economy which supports a vibrant community.

Dan DiBattista, Rutland plant leader, GE Aviation

GE Aviation Rutland continues to manufacture precision airfoils (blades and vanes) that are assembled on the broad spectrum of GE Aviation aircraft engines that power a variety of planes, helicopters and aero derivative applications.

Our customers include the U.S. military and allied forces that rely on platforms such as the T700-powered Black Hawk and Apache helicopters and F414-powered Super Hornet fighter jets to help defend freedom. Global airlines operate a myriad of passenger and cargo aircraft that rely on GE's commercial engine portfolio, including GEnx, GE90, CF6 and CF34 engines.

As the economy continues its slow recovery and the backlog for GE's commercial engines ramps up, workload at the Rutland facility in 2012 has increased and is projected to rise again in 2013. GE Aviation currently employs approximately 1,040 management and production employees at its multiple Rutland locations.

GE Aviation Rutland employees use cutting-edge technology to deliver world-class, quality products that air travelers across the globe rely upon every day. We are truly proud to be part of the Rutland community and continue to invest in the facility and the people that make GE a great place to work.

GE employees are also highly involved with the community and support volunteerism. Most recently, we have adopted the Sheldon Academy to restore its classrooms and kitchen, which were severely damaged by Hurricane Irene. More than 40 employees have volunteered hundreds of hours of their time to clean up, paint and install new cabinets for the school. Additionally, GE has donated approximately \$13,000 to support this effort.

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Robin Scheu, executive director, Addison County Economic Development Corp.

At a recent business roundtable that included a diverse group of Addison County companies, I asked the question, "How is your business doing in 2012?" Here are some of the answers from that meeting and other conversations with local business owners:

"Business is growing, and we have a different class of customer we're working with. They're bigger companies than ever before." — Manufacturer/exporter

"We are continuing to exceed our sales projections. We are hiring new employees and we're about to undertake a multimillion dollar capital construction project." — Specialty food/beverage business owner

"We set aggressive sales targets for our business in 2012 and we're running ahead of those targets. This despite the housing economy, which has a significant impact on our business." — Consumer products manufacturer

"Demand is strong for our services." — Service/education business owner

"All indications are that this will be a better year for us than we've seen in the last three." — Home builder/manufacturer

"The companies I work with are mostly all on a growth track. CEOs are by and large cautiously optimistic, though there are still some 'head winds.'" — Business consultant

"We're seeing a shift from looking at debt restructuring because businesses are struggling, to receiving loan requests for new product development and general business growth." — Banker

"We had the best December we've ever had and we're still busy in what is normally our slow time of year." — Niche manufacturer/consumer products

"Commercial and institutional business is starting to pick up, though organizations are waiting until they have the funding in hand to begin work." — Design/construction

This is an admittedly small sampling of Addison County businesses, but it does offer a flavor of what businesses are experiencing. Though some businesses are still struggling and holding on in the hopes that the economy will recover more robustly (and quickly), many Addison County businesses are clearly facing renewed growth. Much depends on the industry: Specialty foods and specialty manufacturing are doing well, but those businesses with close ties to construction and housing are slower to recover.

One area where many businesses are feeling their way more cautiously is in hiring. Business owners are carefully deciding when to take on a new employee and are hiring no more than they have to. The costs of laying off employees are high, and with tight margins, every expense counts.

So, I would characterize the business outlook for this year as hopeful, and business owners as cautiously optimistic. After more than three years of difficult times, the economy, as seen through the eyes of Addison County business owners, seems to be getting back on track.

w/photo

Mary Powell, president and CEO, Green Mountain Power Corp.

Green Mountain Power continues to see positive momentum in the broader Vermont economy. We are pleased to make significant contributions to the state's economic future through direct investments, jobs and competitive electric rates. Furthermore, our pending merger with Central Vermont Public Service will provide \$144 million in savings to our customers over the next decade, unleashing dollars into the Vermont economy to be spent on investment and growth, rather than utility costs.

The new Green Mountain Power will provide millions more in additional benefits, including a new fund to help low-income Vermonters afford their power bills, on top of the \$144 million in customer savings. When the merger is completed, those savings will begin immediately.

Among Green Mountain Power's largest infrastructure investments in the Vermont economy is Kingdom Community Wind in Lowell. This \$156 million investment has already employed more than 200 non-union and union workers directly in its construction and related transmission line upgrades in the Northeast Kingdom. Once completed at the end of this year, Kingdom Community Wind will make available affordable clean power to Green Mountain Power customers and Vermont Electric Co-op members.

Green Mountain Power is in the midst of deploying smart grid technology as part of a \$138 million effort by Vermont utilities. These upgrades contribute to greater reliability and cost effectiveness of the grid. Smart grid technology and advanced meters will also provide greater customer choice, and enhance the ability to incorporate more local renewable resources onto our grid.

Individuals, businesses, and institutions such as schools and municipalities benefit from efficiency programs delivered through our Energy Efficiency Fund, which we operate in partnership with Vermont Electric Investment Corporation. We expect to invest roughly \$1 million in the fund this year. From 2007 through this year, we will have invested more than \$8 million in the program, which will result in more than \$25 million in savings to customers over time.

Green Mountain Power also continues to invest in upgrading our existing infrastructure. By doing so we are building on our century-long commitment to providing reliable, clean and affordable energy to help power the Vermont economy.

Sam Andersen, executive director, Central Vermont Economic Development Corp.

Is there a light at the end of the tunnel? This is the question of the hour as central Vermont proceeds through 2012 and the answer is yes. Although the light is not quite as bright as we all would like, it nevertheless is there. The Vermont economy is beginning its long road back. To say that we have had our fair share of challenges, is an understatement. Not only had we been deeply affected by the recession, and state budget gaps, but Tropical Storm Irene came rolling in and painfully reminded us of the forces of nature.

Nevertheless, the damage from Irene has only strengthened the resolve of our business community to not only recover but to excel. Strong activity can be seen in the small business sector. As these companies graduate to their first expansion of products and/or services, we are noticing new marketing initiatives focused on increasing customer bases. The energy, specialty foods, and agri-business sectors are also demonstrating their abilities to assess new market demands and respond not only in a timely manner but with superior products.

Central Vermont also continues to see activity in our downtowns. Montpelier is working diligently on a biomass district heating facility project, and their Montpelier Alive Association has been developing initiatives to respond to both their business and residential issues. A new 20,230-square-foot office building, developed and constructed by Connor Contracting, is nearing completion on Stone Cutter's Way. This building is the final piece in the redevelopment of this riverside area adjacent to the downtown. With the river on one side, and a walking path on the other, this project offers a pedestrian friendly location that is home to the Railroad Turntable Pocket Park, several properties that house numerous businesses and ending with the recently expanded Hunger Mountain Co-op.

The City of Barre is enjoying a renaissance in its downtown as the 2012-2013 construction season will bring the Main Street Reconstruction to fruition. Additionally, the City Place Project will breathe new life into an entire block of the downtown with a proposed four-story, LEED-certified building that will offer both retail and office space. To date, interest in the facility has come from a grocery business, a physical rehabilitation business and the state of Vermont for one of its departments. The Barre Area Development Corporation, the City of Barre and the Barre Partnership have all been working diligently to bring the City Place Project to its construction phase by the end of 2012.

Waterbury's downtown finds itself in a different position as it suffered severely from Irene. However, the determination of the residents and business community has been remarkable. With the assistance of regional, state and federal agencies and organizations, this extraordinary village has set a clear path for recovery to not only recover but return stronger than before the flood. They certainly epitomize the new Vermont license plate motto of "I am Vermont Strong."

So, we are still traveling through the tunnel, but we can clearly see the light at the end, and it is getting brighter every day!

w/photo

Tasha Wallis, executive director, Vermont Retail Association

The Vermont Retail sector faces an unprecedented series of challenges and opportunities in the coming year. Most retailers survived the recession, but not without hardships. These included, to name a few, longer hours for store owners, tighter controls on inventory and leaner staff. In fact, Vermont's retail sector lost over a thousand jobs in the recent recession.

The recession brought change, and much of it was painful. Bad though it may be, the pain of recession is temporary. Sooner or later, the economy's inevitable cycling brings positive change — economic upturns, in other words.

Some forms of change, though, are neither temporary nor cyclical. Technological advances, to cite one example, often bring permanent changes to the way we do business. Recent years have seen the advent of such technology. It has brought more sweeping and permanent changes to Vermont retailers than anything since the introduction of credit cards, and it is called the Internet.

The ability to purchase online is the biggest, but far from the only, change wrought by the Internet. Mobile apps are a growing influence on consumer behavior. Customers at local retailers can scan the bar code of products and instantly compare prices online and with other local businesses. Changing demographics will only accelerate such changes. Young consumers are more likely to shop online and also more likely to use their smart phones to research a product or price, so what we now call "trends" will soon be the status quo.

Obviously, online purchasing, mobile apps, and changing consumer demographics are serious challenges to local businesses. This is not the first time Vermont retailers have faced such challenges, though previous years brought them from different sources. For example, in Vermont's border towns, even a thriving economy never kept consumers from crossing over into New Hampshire to avoid the sales tax. The retail centers in New Hampshire are now well established — as is the Internet. Neither will go away any time soon.

Despite all this, many Vermont retailers have continued to thrive. The most successful have embraced the Internet wholeheartedly, doing brisk business online as well as in their local, brick-and-mortar stores. In fact, some business owners sell half or more of their inventory, via the Internet, out of state. Other strategies, none surprising but all effective, have helped as well: offering exceptional customer service, maintaining strong relationship with the community and selling unique or niche products not available elsewhere.

Technological change doesn't mean the end of downtown retail in Vermont, but it does mean that even the smallest local stores will need to evolve creatively and make the best use of technology's advances.

w/photo

Frank Cioffi, president, GBIC-The Greater Burlington Industrial Corporation

While Vermont continued to work successfully towards rebounding from the long and deep recession of the past four years, we were faced with a new challenge. The flooding and destructing of Tropical Storm Irene reached beyond our jobs and finances, destroying homes and businesses while violating the intimate security one takes in our physical environment. But Vermont and Vermonters characteristically responded in an uncharacteristic manner: We bonded together and worked to restore not just the roads and homes, the jobs and fields, but to restore the communities that

define our sense of self. The scars from these events will be with us for a lifetime, but the endurance and character of Vermonters will last that much longer and as Gov. Shumlin has so enthusiastically promoted: "We are Vermont Strong."

For those of us working in economic development, we've seen continued growth in a number of our value-adding employers. Many of our historic economic drivers are once again thriving, and newer employers have found impressive growth opportunities and expanding markets by continued innovation and quality of product and service.

Healthy physical expansions from Green Mountain Coffee Roasters, Gardeners' Supply, MyWebGrocer, Dealer.com and others, and employment growth from a great number more have continued to buoy the local and state economy. Also of worthy note is the health and growth of a number of value-adding manufacturing operations such as IBM, Edlund and Dynapower. Vermont employers are finding new ways to apply traditional Vermont work ethic with new products and services, and the markets are responding. That said, the construction sector has continued to struggle, while in Chittenden County manufacturing has stabilized. The strongest growing areas of our economy continue to be in professional services, health care, and government.

UVM, the Vermont State Colleges, Champlain College and our other private colleges have continued to thrive as they bring thousands of bright young people into our state. UVM is welcoming its 26th president, Mr. Tom Sullivan, and we have high expectations that he will continue to work towards growing the connections between the University and area employers.

Following an uncharacteristically warm winter season, tourism in the area has underperformed historic expectations; however, even given the natural challenges there is a remarkably robust rebound that has emerged with the late snowfall. Our expectation is that heading forward in 2012 tourism and value-added agriculture will continue to be major drivers in our county, and for our state.

Gov. Shumlin and his administrative team continue to be excellent partners in helping to find opportunities for Vermont employers and problem-solving solutions when they do arise. The level of high-touch activity from the governor's economic team is overwhelmingly positive.

A number of our economic service partners have continued to grow their services and evolve as well. The Vermont Technology Council, Vermont EPSCoR program and the Vermont Center for Emerging Technologies continue to support our growing research and technology enterprises while they cultivate the entrepreneurial ambitions of Vermonters. The Vermont Manufacturing Extension Center has begun offering Innovation Engineering services, while our main training partners, the Vermont Training Program and the Workforce Education Training Fund, continue to serve thousands of Vermonters every year. The Vermont Employment Growth Incentive has continued to provide meaningful incentives that allow employers looking to grow jobs for Vermonters and make the necessary investments in their equipment and facilities. The Vermont Small Business Development Center is helping hundreds of Vermonters in small businesses statewide on a monthly basis.

While Vermont continues to face challenges driven by national and international market forces, as well as natural challenges, the future for our people and our

employers looks positive. Character and work ethic are things hard to measure in traditional economic data, but from being on the ground and in companies around Chittenden County, it's clear that we have the passion and skills required to succeed.

Peter Odierna, executive director, Bennington County Industrial Corp.

All things considered, the Bennington County economy looks to be well positioned as we progress through 2012. Since the real estate fueled recession commenced in 2008, the most prominent theme we have seen in the local business community is the concept of doing more with less. This has resulted in a significant increase in productivity, particularly in the manufacturing space, with many companies more globally competitive.

The composites cluster in the Greater Bennington area currently employs over 500 people, up from approximately 85 in 2005. The industry's continuing growth is benefiting from two powerful long term trends, lighter materials and structural integrity. As these trends continue to drive innovations in the industry, suppliers are increasingly finding there are benefits to being closer to the end-users of their products.

In the Northshire, the recent successful recruitment of mattress maker WCW Inc., is a huge win for the community. The site selection process for WCW Inc., was competitive which underscores the ability of Vermont to compete for these types of projects. WCW Inc., is a pioneer in the advancement of sleep technology with excellent growth potential.

With a little help from the economy, the Bennington County economy is poised to grow jobs and attract talented professionals to our area. The development of the next generation workforce will be a critical area of focus for the stakeholders in Bennington County so that as the growth potential materializes, the access to skilled labor is an area that is proactively met.

w/photo

Larry Reilly, president and CEO, Central Vermont Public Service Corp.

After some enormous hits in recent history, the local economic outlook looks better than it has looked in years.

From Tropical Storm Irene and her devastating flooding to the global recession that drove U.S. unemployment to double digits, the Vermont economy has been pummeled of late — but substantial investments in utility reliability and customer service and the pending merger of Central Vermont Public Service and Green Mountain Power bode well for the economy and our customers.

While hundreds of CVPS customers were forced to leave our system due to damaged or destroyed homes and businesses last August, many have returned — and more are

rebuilding their homes and businesses each week. Some customers' lives will never be the same, but in many cases, our customers, the company and the state have been rebuilding better than before.

Unemployment, meanwhile, has dropped to 5 percent in Vermont, more than 3 points lower than the national average.

At CVPS, capital investment is scheduled to approach \$69 million in 2012, including nearly \$19 million for CVPS SmartPower, our smart-grid program that will enhance customer service and reliability, reduce greenhouse gas emissions by trimming peak energy use, and provide customers new tools to manage their consumption. These tools will help customers who choose to use them much clearer information about how much energy they are using and when they use it — tools that can help reduce customers' environmental footprints and costs.

The program will benefit from about \$19 million in federal stimulus funding this year, in addition to our investments. It will reduce meter-reading costs overall, help pinpoint voltage issues and outages more quickly and help us safely and reliably integrate more small-scale, clean, renewable energy projects onto the grid.

Investment in our core business, the distribution of electricity, will also see substantial investment, even as we prepare to merge with Green Mountain Power. While we hope to receive regulatory approval to complete our merger in June, our capital planning extends out several years, and we anticipate robust capital investments in the core business in 2013 and 2014, ranging from \$42.1 million to \$49.5 million annually in the legacy CVPS territory.

These investments, largely focused on our infrastructure, will continue to improve reliability and the quality of our system.

Most importantly, if approved, the CVPS-GMP merger will create a new, stronger GMP that will provide tens of millions of dollars in benefits for customers. They include \$144 million in guaranteed customer savings over the first 10 years; \$40 million in customer benefits from a \$21 million investment in renewable energy and efficiency; a \$1 million annual low-income benefit; and a promise to continue CVPS's historic commitment to corporate citizenship in Rutland County and beyond.

w/photo

**Jeff Somple, president, Northern Operations, Mack Molding Co.**

Mack Molding is fortunate to have another good year shaping up, which will result in three consecutive years of double-digit growth. The upshot is that we have made several major investments in the company. Most recently, we built a Class 100,000 clean room for medical molding that houses six new electric presses. We have doubled our high precision laser welding capacity to meet the growing needs of the orthopedic surgical case and tray market, a major growth area for the company. And we have added laser-cutting capacity to our sheet metal fabrication center, further augmenting our contract manufacturing capabilities.

Additionally, we have a significant medical device manufacturing program coming to fruition after lengthy regulatory delays, and have added several other new customers. That, of course, has led to more hiring. While that's good news, recruiting talented engineering and technical professionals remains a challenge. We had a very successful summer internship program in 2011, and plan to repeat that this summer, along with other college and employment outreach efforts. We even hired an engineering intern from several years ago for medical program management. Nevertheless, Vermont continues to age, housing costs are high, and the issue of attracting qualified professionals persists.

On the upside, we're seeing more and more work returning from China, a very positive trend. Costs are more important than ever, however, and to remain competitive, we must minimize expenses. Mack competes for business against regional, national and international manufacturing companies, many of which continue to go offshore for low-cost labor. Apart from hiring difficulties, as a Vermont-based company, we're faced with very high utility costs and continued uncertainty regarding the future cost structure of the state, especially in terms of health care and utilities. If the state moves to a single-payer health care system, how will it be funded? If Vermont Yankee closes, how will that impact our electrical costs? These open-ended questions wreak havoc on our ability to plan long-term.

In terms of energy and environmental management in general, we are more active than ever. We have just hosted a visit from an international consultant who specializes in energy savings in the plastics industry. We look forward to receiving his final recommendations, which should give us an energy-saving roadmap for the year ahead. We have invested in packaging and baling equipment that has allowed us to improve cardboard recycling six-fold, from 45,000 lbs per year to 270,000 lbs per year. And as we replace or add injection molding machines, we are doing so with electric or more energy-efficient hydraulic presses.

Overall, I am cautiously optimistic about the general growth of manufacturing in this country, and am confident about Mack's continuing upward trajectory. To remain competitive, though, we must stand on sound footing in terms of our costs to do business as a Vermont company. We are hopeful the state will help fortify that foundation by providing more definitive answers on the critical issues of health care, electrical power, and their related costs going forward.

w/file photo

Pierre Masuy, Omya Inc. plant manager

We are optimistic that the economy will continue to improve during 2012. At Omya Vermont we look to further grow our business through innovation as well as in the development of new products and applications and by working with customers to provide added value with new and existing products. In addition, we have implemented a continuous improvement process to improve quality as well as to further reduce our costs. To further optimize our business in a very competitive industry, we continually work to provide the highest quality products, services and

solutions to our customers. Our continuous improvements as well as our innovative processes rely on contributions from each and every member of our experienced and dedicated workforce. Together we work to implement responsible practices at our facility that provide social, economic and environmental benefits. In addition, Omya recognizes its social responsibility to the needs of the communities in which it operates and is a strong supporter of many community programs and initiatives.

Our production processes are energy intensive so we are especially sensitive to rising fuel and electricity costs. Our current project to bring natural gas to our facility is an important part of our long-term energy future and will enable us to significantly reduce our energy costs and as well as reduce our carbon footprint. We have begun the permitting process and will work closely with all applicable regulatory agencies to efficiently reach regulatory approval.

Future sustainability requires a comprehensive infrastructure that supports new and current business that enables them to compete both in and out of the state. A solid infrastructure combined with cost-effective energy alternatives, efficient transportation and predictable regulatory processes would help attract new business, provide employment opportunities and promote economic growth in the state of Vermont.

w/photo

Parker Riehle, president, Vermont Ski Areas Association

As the third largest ski state in the country, the future outlook for Vermont's ski industry remains strong and the ski area operators continue to look forward with their customary resilience and optimism, despite coming off of a challenging season.

As a cornerstone of the Vermont tourism sector, which has remained a pillar for the state's coffers, despite the lingering effects of the Great Recession, the Vermont ski industry is not only an integral part of our state's unrivaled brand identity, but the ski resorts' investments over the years in snowmaking and grooming technologies have paid dividends in a year that brought little natural snow.

With nearly 80 percent of Vermont's trails served by state-of-the-art snowmaking capabilities, Vermont's ski areas often had the highest percentage of open terrain of any ski state throughout the winter. While the backyards of our metropolitan markets suggested otherwise, Ski Vermont and the resorts collectively got the word out on a constant drumbeat basis that winter was alive and well in our mountains. Reversing the no-snow perception was an uphill challenge the entire year, but nimble and effective marketing messaging, coupled with tireless mountain operations heroics, helped ensure a far better season than could have otherwise occurred without those tactical investments.

The positive results of these efforts can be found in the fact that revenues from both the sales tax and the rooms and meals tax collections in January and February (reflecting December and January business) came in higher this year than last year by over 5 percent.

In addition to ongoing investments in winter operations, resorts all across the map continue to move forward with four-season developments and expansions as a critical hedge against Mother Nature and to help bolster much needed revenues for the tourism-dependent communities on a year-round basis. These investments may seem counter intuitive in a challenging economic climate, but the ski areas recognize the long-term need to stay ahead of the competition by meeting the demands and expectations of our market, which will only strengthen as the economy improves. That's good news for the Vermont economy, which so heavily relies on tourism and it's a welcome sign of the Vermont ski industry's faith in the future of the industry and in our state.

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