

# **SECTION 3. COMMUNITY PROFILE**

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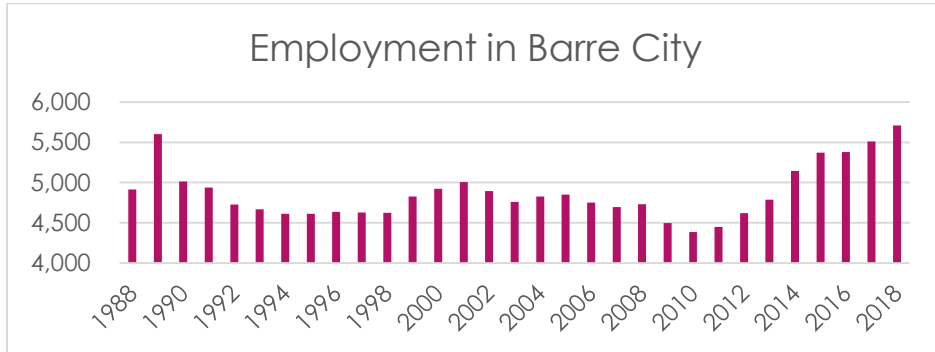
# ECONOMIC DEVELOPMENT

## local economy

**Economic Activity.** In 2018, the Vermont Department of Labor reported that there were approximately 5,700 jobs and 468 employers in the city. This figure includes only those workers eligible for unemployment insurance; employment categories such as the self-employed and business owners are not included. If all employment in the city were to be counted, the figure would likely be more than 6,500 jobs.<sup>2</sup> The number of jobs counted by the Department of Labor each year has ranged between 4,000 and 6,000 for the past 20 years since reaching a one-year peak of 5,710 in 2018.

Figure 1. Employment in Barre City 1988 to 2018

Source: Vermont Department of Labor



There has been significant job growth in Barre City since 2010, and in surrounding towns. Berlin has seen the greatest growth in employment, surpassing Barre City in total jobs in 2002, with the trend reversing back to Barre City beginning in 2014.

During the past 20 years, Barre City has experienced growth in the following sectors:

- State Government.
- Education and health services.
- Leisure and hospitality.
- Professional and business services.
- Transportation and Warehousing.

These gains, however, have been offset by losses in the manufacturing, construction, retail trade, and wholesale trade sectors. In 1989, manufacturing accounted for nearly 25% of the jobs in the city and more than 30% of earnings; in 2007, the sector represented only 11% of jobs and 14% of earnings, and in 2018, the sector represented only 8% of jobs and 11% of earnings. Barre City should focus

<sup>2</sup> Estimate based on a comparison of U.S. Bureau of Economic Analysis statistics for Washington County to the Vermont Department of Labor statistics.

economic development efforts on the better performing sectors to create a healthier economy for the city in the 21st century.

Barre City businesses had gross receipts (revenues) of approximately \$570 million in 2018 according to the Vermont Department of Taxes, the tenth-highest amount among Vermont municipalities. Barre City ranked eighth in total retail sales during 2018 with receipts of nearly \$124 million. Tax receipts for Barre City businesses experienced neither substantial increases or decreases during the 2000's.

**Labor Force.** In 2018, the Vermont Department of Labor counted the city's labor force at 5,138 people with an unemployment rate of 3.4%. The size of the city's labor force has remained relatively stable during the past 20 years. Barre City's unemployment rate has historically been higher than state and regional averages. Employment has a tendency to suffer sharper declines during economic downturns and rebound more slowly during economic recoveries within the city as compared to the region or state as a whole.

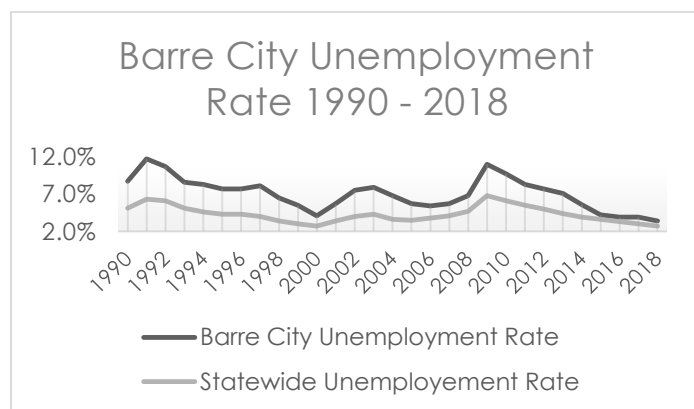


Figure 2: Unemployment in Barre City 1990 to 2018  
Source: Vermont Department of Labor

Historically, a majority of employed Barre residents worked within the city. In recent years, that percentage has declined so that currently less than one-third of employed residents are working within the city. The average workforce commuting into Barre City is 66%. Living in close proximity to one's job has numerous benefits for workers, their families and the broader community – all stemming from a shorter commute. The average commute in Barre City remains low by Vermont standards, but has been increasing. Growth in the number of jobs in the city will help attract new residents, including a growing number of people seeking a lifestyle less dependent on driving.

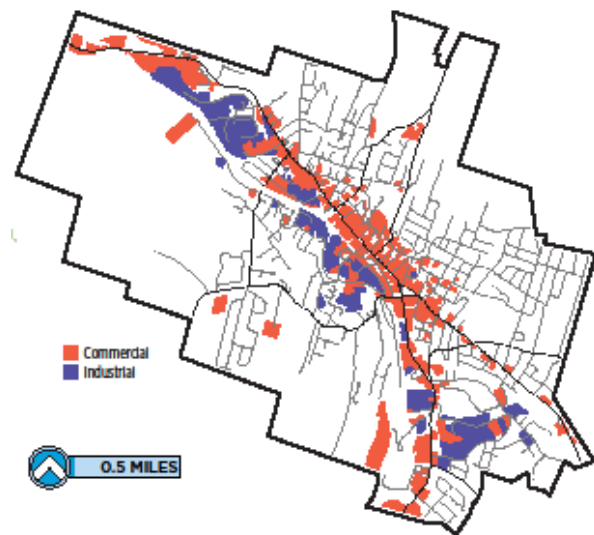
**Commercial and Industrial Property.** According to the 2009 Grand List, nearly one-quarter of the city's land is developed for commercial or industrial use (approximately 520 acres). Commercial and industrial property accounts for approximately 35% of the city's property tax base. While there are limited opportunities for new "greenfield" commercial or industrial development within the city, there are ample opportunities for: redevelopment of vacant "brownfield" sites; rehabilitation and adaptive re-use of the existing building stock; and full use and occupancy of under-utilized properties.

The limited availability and cost of commercial and office space in nearby Montpelier has led to a realization among some business owners that there is an ample supply of space available at significantly less cost in Barre City, only minutes away from downtown Montpelier.

A revitalization of commercial and industrial property would serve not only to bring jobs into the city, but would benefit homeowners by increasing the value of commercial and industrial property thus reducing the percentage of the property tax burden borne by residential property owners.

Voters approved adopting the Local Option Meals and Rooms Tax, and Alcoholic Beverage Tax in March 2018. It went into effect July 2018, with the first quarterly collection coming in October 2018. This allows for the City to claim 1% of meals, rooms and alcohol sold in the City, minus processing fees by the Department of Taxes, and was originally projected to raise approximately \$215,000 annually. Due to errors in the way the Department of Taxes was reporting tax collections on its website, the actual collections are less than projected. The first four quarters saw Local Option Taxes of \$146,000 collected. The Department of Taxes has corrected its reporting system, and revised annual projections are \$150,000. As per the charter language approved by the voters, all funds received through the Local Options Tax are designated for street and sidewalk reconstruction.

Figure 3. Commercial and Industrial Property Map



## downtown revitalization

**Overview.** Barre City's downtown business district has served as a commercial center for Central Vermont throughout our city's history. Beginning in the 1960's, the downtown's role as a commercial center began to decline as new retail development occurred outside the city around the interstate exits and along highway corridors. Many downtown retailers were unable to adapt to the changes in how and where people shopped, resulting in a cycle of downtown business closures, vacancy and disinvestment.

By the 1980's, the remaining merchants and community leaders recognized that it would take a coordinated effort to break this cycle and turn our downtown around. A non-profit main street revitalization organization was formed in the 1980's. This organization evolved into the Barre Partnership in 1997 and became a designated downtown organization under Vermont's Downtown Program.

In 1961, the BADC (Barre Area Development Corporation) was created, to focus primarily on industrial, commercial and retail development by providing information and support to potential new and existing businesses. BADC is funded annually between Barre City and Barre Town equally, and assists municipal officials in developing public infrastructure that supports community and economic development.

More than two decades later, business, government and civic leaders have completed many downtown projects and improvements. The largest project to date, a complete reconstruction of North Main Street, was completed in 2013. The public infrastructure is now in place to fully support downtown revitalization efforts. With that project complete, the Enterprise Aly street and parking lot redevelopment was completed in 2017, and the Keith Avenue Parking Lot redevelopment project was completed in the fall of 2019. These major public investments are evidence of the city's commitment to the downtown and will result an attractive, functional and quality place that the private sector will also see the benefit of investing in.

Improvements to the public spaces and infrastructure downtown are critical to the success of revitalization efforts; if the city is not willing to invest in improving its downtown, why should we expect the private sector to do so. And now that the city has made some needed improvements, we are calling upon the downtown property owners to do their part and reinvest in our downtown. This strategy is already producing results. A major new building, Barre City Place was completed in 2016 and is fully occupied, and the historic Blanchard Block's renovations were completed in 2017.

**Downtown's Future Role.** As part of revitalization efforts, there have been several studies done related to the future role of our downtown and the types of businesses that it will have. As part of those planning processes, residents and business owners have been asked to contribute their ideas and preferences for the downtown's future. Opportunities that have been identified as desirable for downtown Barre City include:

- Maintaining core anchor businesses that provide basic goods and services to city residents (grocery, pharmacy, hardware, banking, etc.).
- Attracting more businesses in the professional and business services sectors, which have been expanding in the city in recent years, specifically targeting the type of businesses that cannot afford to start-up or expand in nearby Montpelier given that city's higher rents and lesser availability of space.
- Building upon the community's rich history and industrial arts heritage to become an arts and cultural center (ex. theater, museum, artist studios, galleries, etc.).
- Providing a diversity of quality restaurants that would both serve those working downtown (places for coffee, lunch or to stop by after work) and that would serve to bring people into downtown in the evening for dinner.

While the retail environment has changed considerably in recent decades, it is still important for key anchor stores providing basic goods to residents, such as grocery, pharmacy and hardware, to remain located downtown. Increasing the number of people working and living downtown is needed to help support Main Street businesses like restaurants. An attractive and well-maintained downtown should entice more through-travelers to stop in Barre City, further increasing the customer traffic needed to support Main Street businesses.

**Future Public Improvements.** With the North Main Street Reconstruction Project, Barre City Place and Blanchard Block completed, the city has turned its attention to the future revitalization of Merchants Row and then for the area between North Main Street and Summer Street. As the primary landowner, the city is leading by example through its actions and plans to re-invest in our downtown.

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## granite industry

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Granite was at the foundation of our city and regional economy for more than a century. By 1890, Barre City was the “granite center of the world” and the workers and artisans that had emigrated from European stone centers had built a vibrant industry and city. The 1900’s saw the granite industry transformed by mechanization with associated reductions in the workforce. Even in the mid-1900’s, more than 3,000 people were employed in the quarrying of Barre Gray granite in hills above the city and in the cutting, carving and finishing of the stone in the city’s granite sheds for use in monuments, memorials, public buildings and more.

While granite will likely remain an important part of our community, it is unlikely that it will ever again be the primary engine of the regional economy. A diversified economy that is not dependent on the success of a single industry is not only a necessity for our city, but will create a healthier and more stable local economy.

The contraction of the granite industry has left a substantial amount of vacant, obsolete or under-utilized land and buildings in the city. While clearly a challenge, these sites and buildings also present an opportunity for new uses and revitalization. The renovation of the Rouleau Granite building on Metro Way points to the potential that exists to adapt former granite sheds to house not only industry, but commercial, service and residential uses as well.



## housing stock

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There are approximately 4,500 housing units in Barre City. The number of housing units has continued to increase slowly in the last decade, despite the city's decline in total population due to the reduction in household size (fewer people per home). The following is a brief overview of the characteristics of Barre City's housing stock:

- Just about half of the city's dwelling units are detached, single-family homes. The average single-family residential lot in the city is approximately a third of an acre. The median assessment for a detached, single-family home was \$143,000 in 2018, compared to \$200,515 in Washington County, and \$215,000 for the state of Vermont. Compared to surrounding communities, Barre City home purchase prices are very reasonable.
- There are more renters than homeowners living in Barre City. The proportion of rental housing to owner-occupied housing has remained fairly stable in recent decades at roughly 60-40.
- Approximately 23% of rental units are located on the same lot as the landlord's home. Less than half of the properties with two dwelling units and three dwelling units are owner-occupied. It is assumed that rental properties with a resident landlord are less likely to have serious maintenance problems. This assumption should be verified as further data is collected under the city's rental inspection program. Increasing the number of owner-occupied rentals is considered to be desirable and a means of increasing the overall quality of rental properties while also improving the affordability of housing for both owners and renters.
- The 2010 Census counted 330 vacant housing units in Barre City, which was approximately 100 more than found in 2000, making the city's overall vacancy rate 7.3% at that time. A vacancy rate of around 5% is considered ideal for the real estate market. Based on vacant buildings being tracked by the City's Code Enforcement Office, and those homes on the real estate market, Barre City is right on par with approximately a 5% vacancy rate.

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## affordable and special needs housing

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**Affordable Housing Stock.** The income level of city households and the characteristics of the city's housing stock are interdependent. Barre City has traditionally been a 'blue collar' community with a median income below regional or state averages. Much of the city's historic housing stock is composed of modest, single-family homes on small lots – what would now be described as workforce housing. Along the main corridors in and out of the city and on the streets close to downtown, many single-family homes have been converted to multi-unit rentals. Barre City also hosts a substantial share of the subsidized, elderly and other special needs housing constructed in the region in recent decades.

These factors have combined to make Barre City a major provider of affordable housing in Central Vermont. Thirty-nine percent of all the subsidized apartments in Washington County are located in Barre City (approximately 514 units) and the subsidized units account for 14% of all housing in the city (the 5th highest percentage of all Vermont municipalities).

**Affordable Housing Costs.** The state’s definition of affordable housing is based on a household earning 80% of the county’s median family income, which includes nearly 80% of Barre City residents. According to the Vermont Housing Data website, in 2017 for Barre City, nearly 41% of owners were paying 30% or more of their income toward housing costs, and 19% were paying 50% or more of their income on homeownership. Housing costs for renters include rent and utilities; housing costs for homeowners include principal on mortgage payments, interest, property taxes, and insurance. This remains a level that is typically considered unaffordable.

While homes in Barre City are more affordable as compared to homes in nearby municipalities, the city experienced a rapid inflation in housing prices during the mid-2000’s similar to most communities in Vermont. Between 2000 and 2007, the average sale price for a primary residence in Barre City increased by 50% above the rate of inflation. While house prices have declined since their peak in 2007, it is still more expensive to buy a home in Barre City today than it was in the early-2000’s. The median sale price of a home in 2010 was more than \$40,000 higher than it was in 2000 even after adjusting for inflation.

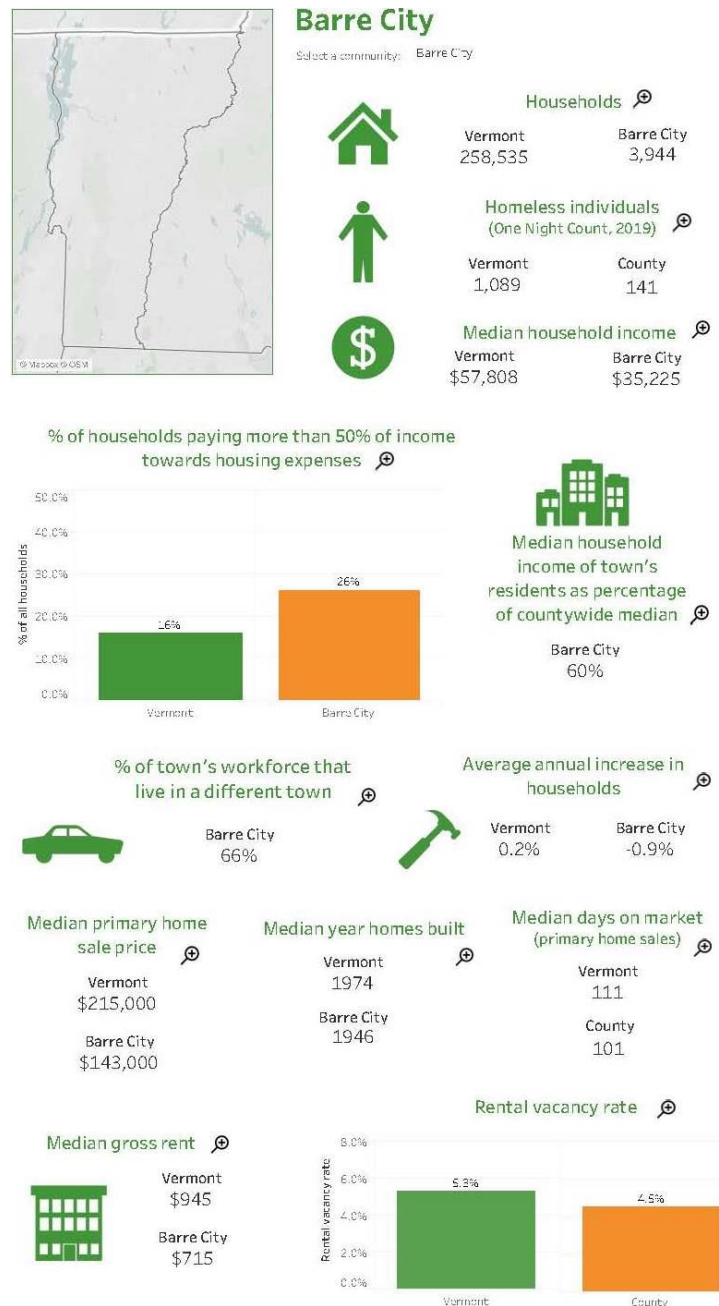


Figure 4. Barre City Housing Infographic

Source: Housingdata.org



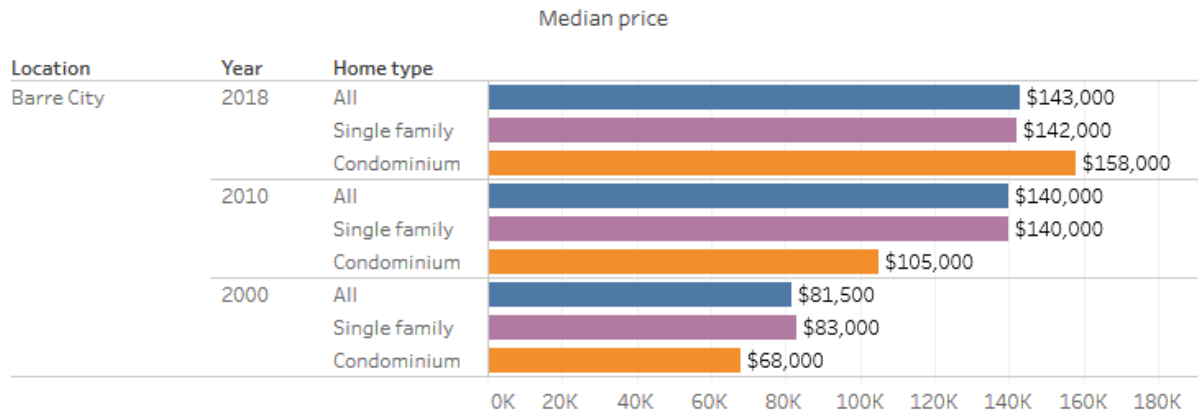


Figure 5: Housing Prices

Source: Housingdata.org

Between 2012 and 2018, there were 160 fair market sales of primary residences in Barre City and the median sale price was \$143,000. Approximately three-quarters of both home sales and home assessments were in the \$100,000 to \$200,000 range that would be affordable to households with an annual income in the \$30,000 to \$60,000 range.

In the 2017, most of the market-rate apartments being advertised for rent in Barre City were one-bedroom units with a monthly rent ranging between \$700 and \$1,000; most did not include heat, but did include water, sewer, trash and snow removal. These apartments would be affordable for households with an annual income of \$30,000 or more. There were a small number of apartments being advertised for rents between \$550 and \$700, as well as some larger units with rents of \$1,200 or more.

**Subsidized and Special Needs Housing.** There are over 500 subsidized rental units in Barre City, which represents about 39% of all subsidized rentals in Washington County and approximately 20% of all rental housing in the city. Many of these units are owned and managed by Barre Housing Authority, which was established in 1964 to provide safe, decent and affordable housing for low-income residents, elders and people with disabilities. Barre Housing Authority provides affordable housing in four high-rise buildings in the city (Green Acres, North Barre Manor, Tilden House, Washington Apartments) as well as the low-rise Jefferson Apartments. The Barre Housing Authority has a 22-person staff and is governed by a volunteer Board of Commissioners appointed by the city mayor. Their funding comes primarily from the federal Department of Housing and Urban Development (HUD). Downstreet Housing and Community Development, a subsidiary of Summer Street Housing Partnership built a 27-unit low income building in 2017 and houses their offices on the first floor.

Inadequate funding has resulted in programs not being able to meet the housing needs for residents of limited means or with disabilities, the elderly or homeless, or other groups with special needs both in Barre City and around the region and state. There are waiting lists for subsidized housing units in Barre City. The state and federal government provide most of the funding for special needs housing, and those dollars are becoming increasingly scarce. Inadequate funding is the primary challenge housing organizations face as they work to secure shelter for all city residents. There is also a need for more community education and awareness to reduce community opposition to special needs housing projects.

**Housing Services and Programs.** The city and several partner organizations are available to assist current or potential residents with a variety of housing issues in Barre City.

- Downstreet Housing and Community Development, formerly known as the Central Vermont Community Land Trust offers programs dedicated to expanding homeownership opportunities for people of all income levels in the region from their NeighborWorks HomeOwnership Center in Barre City. City residents have access to homebuyer education workshops, pre-purchase credit and budget counseling, guidance on affordable mortgage financial products, home maintenance education, financial management education, assistance with home rehabilitation planning, and delinquency consultation services at the center. Buyers in Barre City may be eligible for the Homeland Grant Program, which provides up to \$30,000 towards the purchase price of a home. Participating buyers sign a covenant in which they agree to limit the amount they can sell the property for in the future. At the end of 2018, there were 15 homes in Barre City that had been purchased through this program and will remain perpetually affordable. By the end of 2017, Downstreet has purchased an additional 17 homes in the City. Downstreet Housing operates revolving loan funds that can be used to provide down payment assistance for income-qualified borrowers or to finance home improvements to correct health and safety issues, create handicapped accessibility, and make improvements that will conserve energy.
- Capstone Community Action Council, formerly known as the Central Vermont Community Action Council provides energy conservation and weatherization modifications to homes and apartments. These are available at no cost to residents who meet income eligibility guidelines regardless of whether the home is rented or owned.
- USDA's Rural Development program provides direct loans to low-income homebuyers who do not qualify for conventional financing. Loan rates are subsidized based upon total household income. Rural Development also offers low-interest loans and grants to very-low income families and individuals who own a home in need of repair.
- Barre City has a rental housing inspection program to establish and maintain a minimum housing quality level that has been operating since 2004. In 2012, the Barre City Fire Department took over responsibility for the inspection program when the Building Department was absorbed into the Planning and zoning office in order to increase staff capacity for this program. The Code Enforcement Office inspects each rental unit every four years and responds to complaints. The city also has a database to track inspections and violations. The first four-year cycle of inspections by Code Enforcement reflected a total of 1,327 housing inspections. Most inspections have resulted in identification of one or more violations that need to be addressed and most have been resolved in a timely manner. Regular analysis of this data should be completed to assess the program's effectiveness at increasing the quality of the city's rental housing and to identify any patterns or issues that the city should focus on in future years.
- The Vermont Housing Conservation Board has a Lead-Based Paint Hazard Reduction Program that provides financial and technical assistance to income-eligible landlords and homeowners to eliminate lead-based paint hazards.

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## housing needs

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**Housing Choices.** Barre City must be an attractive place for people of all ages across economic and social groups. The displacement of people not being able to afford where they live anymore will lead to gentrification of neighborhoods. To meet the needs of today's residents and to attract future residents, diverse housing choices need to be available that reflect the lifestyles and needs of many different demographics. Providing a mixture of housing types results in an approach that is market-sensitive and flexible. Communities with a variety of housing types are more likely to retain residents even as their lifestyles change.

Barre City's housing stock is largely composed of detached homes including single-family homes, duplexes, and larger homes that have been split up into three or more units. There are detached, single-family homes at a range of price points, although there are more homes available in the low-to mid-range than on the high end. There is a large supply of affordable rental housing, but little higher-cost/higher quality apartments. There are fewer choices for households, such as singles or older couples, who might want a smaller home with minimal maintenance requirements. Some of these segments of the housing market could be met through new housing in the upper floors of downtown buildings. Some of the remaining open land in the outlying portions of the city may be suitable for additional townhouse style development.

**Housing and Neighborhood Quality.** Homes and neighborhoods have a lifecycle and require periodic improvements and ongoing maintenance as they age. With that investment, historic homes and neighborhoods can continue to offer residents many benefits and provide a very desirable quality of life. However, if not adequately maintained and upgraded, older homes and neighborhoods can slip into decline. This downward cycle can be quickly reversed in its early phases and becomes significantly costlier and difficult to turn around over time.

Investment in the city's homes and neighborhoods can have significant direct and indirect benefits to individual residents, the community as a whole, and to city government. Private investment in home improvements and public investment in community infrastructure and facilities can help:

- Improve a neighborhood's 'curb appeal' resulting in increased home values and residents' pride in their property and neighborhood.
- Preserve affordability through reduced energy costs.
- Reduce the dissatisfaction that could lead to residents moving out of a neighborhood and increasing the neighborhood's ability to attract new residents.
- Generate additional employment opportunities and business revenues.
- Stabilize assessments and taxes.
- Reduce police, fire and code enforcement calls as residents take better care of and pride in their properties and neighborhoods.

The city's efforts to address property maintenance issues are intended to provide a foundation for neighborhood improvement and private investment in the city's housing stock. Homeowners or

landlords considering whether to spend money improving their property want assurance that their property values will not be harmed by the failure of a neighbor to perform adequate maintenance. The city's ongoing investment in the maintenance, upgrading and reconstruction of public infrastructure – largely focused downtown and in the older neighborhoods nearby – is also intended to provide a foundation for neighborhood improvement.

**Regional Housing Distribution.** In recognition that housing is a regional issue, the Central Vermont Regional Planning Commission adopted a Housing Distribution Plan as part of its Regional Plan in 2008 and updated in 2018 to encourage the development of more meaningful and practical local housing plans and to promote the sustainable and efficient distribution of housing region-wide. CVRPC formulated the Distribution Plan with the aim of ensuring that all municipalities continue to contribute fairly to meeting the region's total housing need, and balancing the burdens and benefits of providing housing among Central Vermont communities.

Another goal of the Distribution Plan was to curtail sprawl and inefficient patterns of growth in Central Vermont. Therefore, regional centers like Barre City (where housing can be built in proximity to jobs, services and transportation networks and can be served by existing infrastructure) are expected to provide a greater share of the region's future housing than outlying rural communities.

CVRPC specifically asked municipalities to include a detailed map identifying the location and number of housing units created since municipality last updated its plan, and a map showing preferred locations for 80% of their housing allocation consistent with current or proposed zoning. Barre City's growth rate is very slow compared to other municipalities of the same size in different counties, therefore, the maps are shown on pages 3-12 and 3-13 have changed very little since 2012.

The Distribution Plan allocates 295 new housing units to Barre City to be built between 2015 and 2020. Residential growth at an average rate of nearly 50 new units per year would be significantly greater than the increase in housing that has occurred in recent years (an average of 3 units per year during the 2000's, and only 1-2 units annually in 2017 and 2018) and would be similar to growth rates last experienced during the 1970's. While the city is seeking to encourage growth in our population and housing stock, it should be noted that the Distribution Plan was developed at the peak of a housing boom and that the subsequent recession has reduced the regional demand for new housing.

CVRPC recognizes that conditions have changed since adoption of the Distribution Plan and it is not their intent that the allocation be interpreted as a quota or target that must be met for this plan and the city's planning processes to be regionally approved. Instead, CVRPC wants municipalities to be more cognizant of where housing growth is occurring and be more proactive in planning where it should occur in the future.

Barre City's first response to the requirements of the Distribution Plan in the 2010 City Plan focused on assessing the availability and suitability of undeveloped land for residential development, and on determining whether there were zoning or other factors within city control limiting potential for residential development. While some minor modifications to city regulations and policies were recommended at that time and then later implemented, it was apparent that market forces were driving housing development in Barre City and that zoning, infrastructure, or other factors within city control were not creating any significant roadblocks. This finding remains valid since the 2014 City Plan and no further changes to city regulations or policies are needed to facilitate housing development.

In the ensuing years, Barre City has been actively engaged with a number of community planning and revitalization efforts. This ongoing work has led to recognition that more ‘downtown’ housing would have multiple benefits for the city. It has also become apparent that the opportunities for creation of new single-family neighborhoods in Barre City are limited and that future growth will be primarily generated from other types of housing development. We are also actively engaged in efforts to improve the quality of our housing stock, particularly affordable rental housing, so that buildings are not allowed to deteriorate to the point of becoming unsafe and unhealthy places to live.

Consequently, we have refined our vision for future housing growth to reflect a desire to focus more development activity, including construction of new housing units, within our downtown core. We envision that much of the “new” housing in Barre City developed over the life of this plan will be the result of the replacement or major rehabilitation of existing buildings within our downtown core. The land use chapter of this plan discusses specific recommendations for future housing policies at the neighborhood level throughout the city.

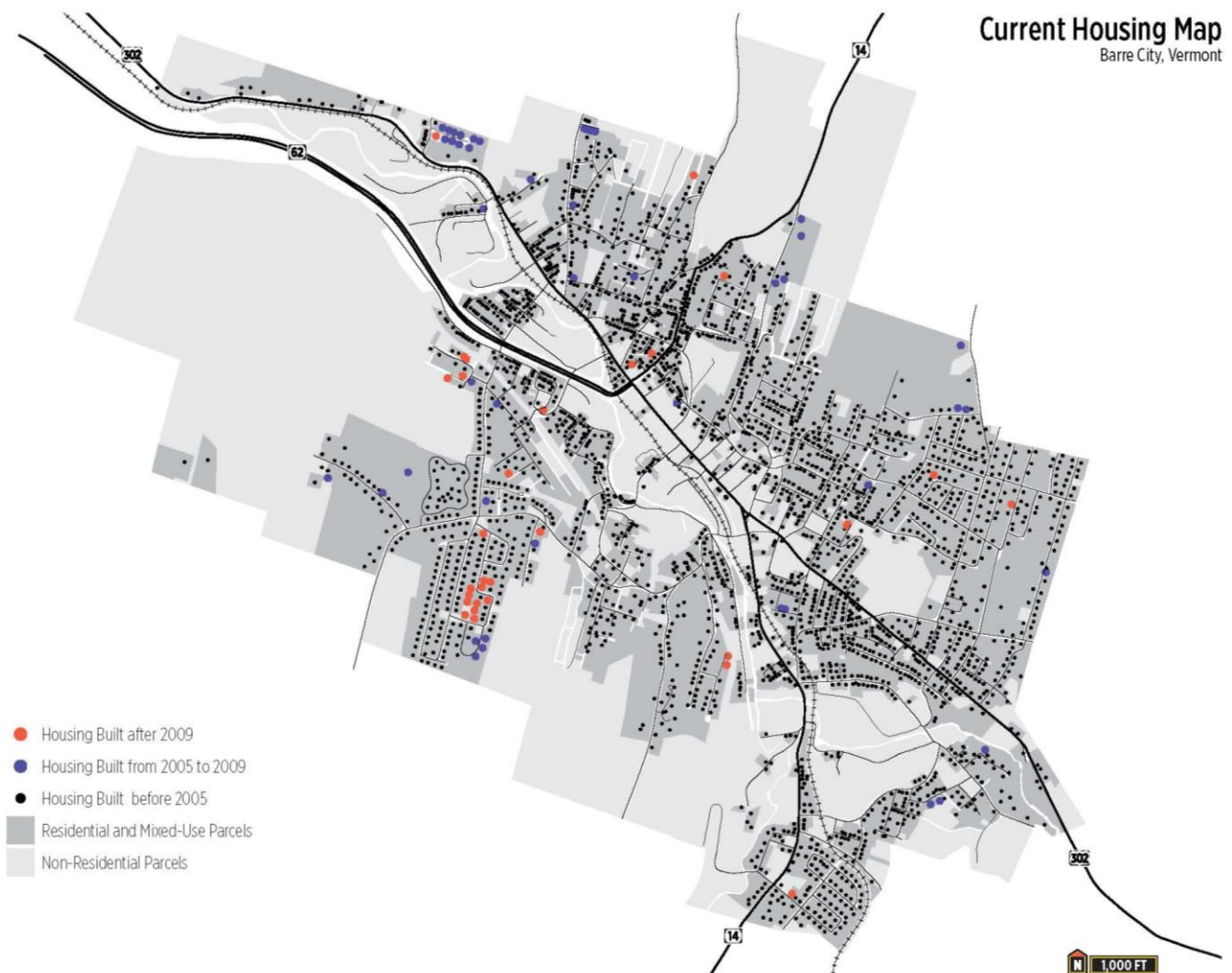


Figure 6: Current Housing Map

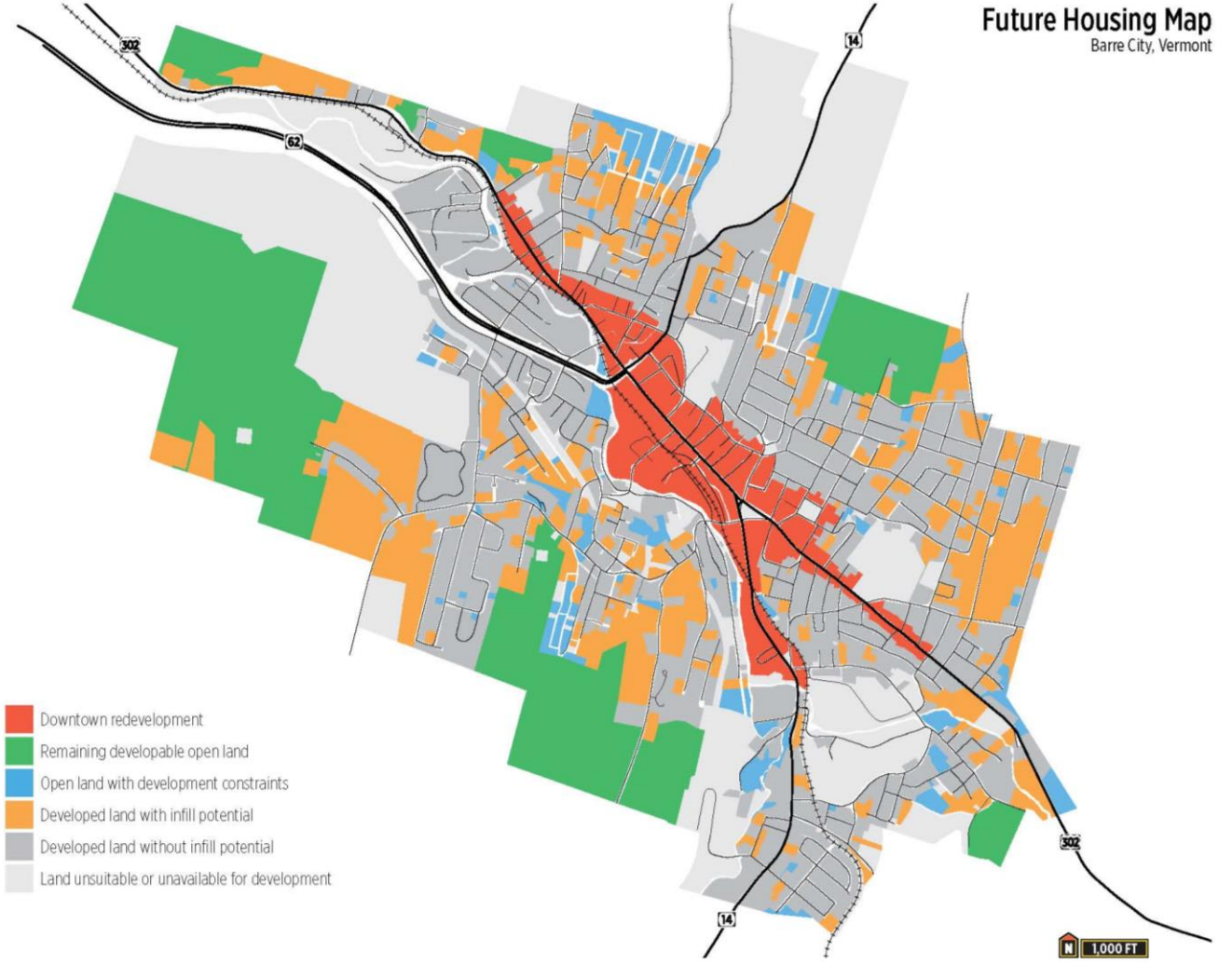


Figure 7: Future Housing Map