



Lower Connecticut River Valley
Council of Governments

*Comprehensive Economic
Development Strategy*

Executive Summary
April 2023 - April 2028



Old brownstone quarry, Portland

What is a CEDS and why do we need one?

A Comprehensive Economic Development Strategy (CEDS) is a regional economic development plan. It is developed through a process created by the US Economic Development Administration and is intended to support economic resiliency and growth across a region. Having an approved CEDS will allow the Lower Connecticut River Valley (LCRV)

region to become a recognized Economic Development District and will make important projects in the region more competitive for federal grant funding. Currently, the LCRV is the only region in Connecticut without an adopted CEDS and that has not applied yet to become a federal Economic Development District.

Regional Planning Context

Completing a regional economic development plan is a natural next step as the region works to implement its **2021 Regional Plan of Conservation and Development (RPOCD)**. That plan, created with broad public participation, was centered around four overarching themes:

- Sustainable: A region growing in balance with its natural resources;
- Innovative: A climate that attracts new businesses and supports existing businesses;
- Connected: A transportation system that provides ease of access to jobs, housing, and amenities by all modes of travel and for all types of people; and
- Community: A region that is welcoming of and accessible to a wide diversity of residents.

The RPOCD identified regional challenges of shrinking workforce, shifting demographics, wavering economy and a housing market that excludes large portions of the population. The goals and recommendations in the plan are aimed at addressing these challenges in a coordinated way that makes the region stronger and protects its many amenities for the enjoyment of future generations.

Building on the RPOCD, the LCRV region created and adopted a Regional Housing Plan in 2022. The housing plan recognized the symbiotic relationship between housing, jobs, and population. It concluded that the region was failing to attract and retain young people, in part because of its existing housing supply, which is expensive and not well suited to the preferences and needs of young people, and in part because of its slow job growth.

Economic development, and specifically job growth, will be necessary to recognize the vision of the RPOCD, as well as to generate more housing and turn around the troubling demographic trends facing the region. However, future growth must occur in harmony with the region's unique natural environment which is intrinsic to its identity and makes the region a place people want to be.

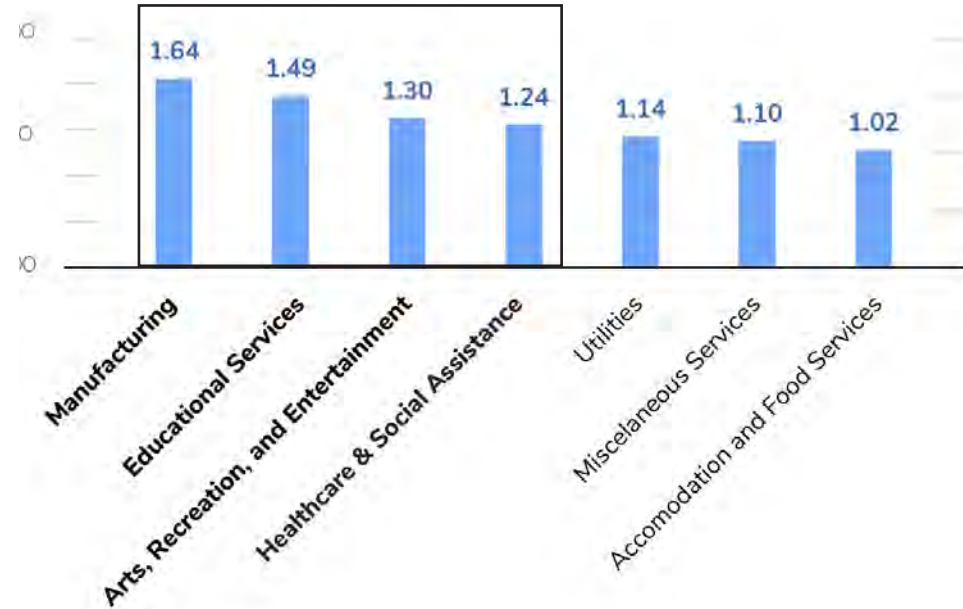
Key Findings

Employment and Jobs

Currently, the region hosts approximately 100,000 jobs. While jobs have continuously grown in the region, the rate of growth has been significantly slower than in the past. Further, while the key employment sectors have not changed since they were last evaluated in 2016, the top four sectors (Healthcare & Social Assistance, Manufacturing, Retail Trade, Accommodation and Food Services) are down more than 2,300 jobs since 2019. Healthcare & Social Assistance jobs make up over half of the loss. Conversely, self-employment (encompassing sole proprietorships, partnerships, pass-through businesses, and “gig” economy jobs) has become increasingly important to the region. Self-employment accounts for 27% of total employment and helps to offset overall job loss.

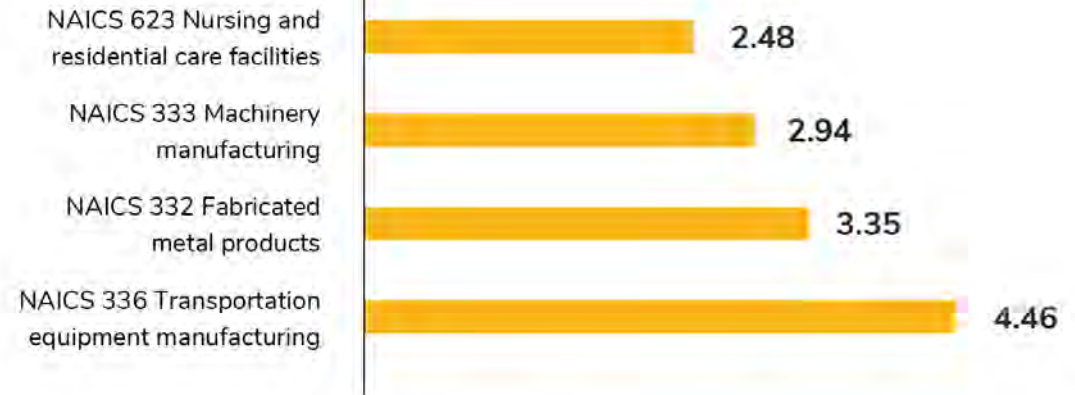
Industry concentrations in the region, based on location quotients (LQs), include Manufacturing; Educational Services; Arts, Recreation, and Entertainment; and Healthcare and Social Assistance. Supporting and growing these industry concentrations will depend on land and infrastructure availability, as well as suitability in scale for the region.

2-digit sectors LQs



Source: BLS QCEW LQ calculations

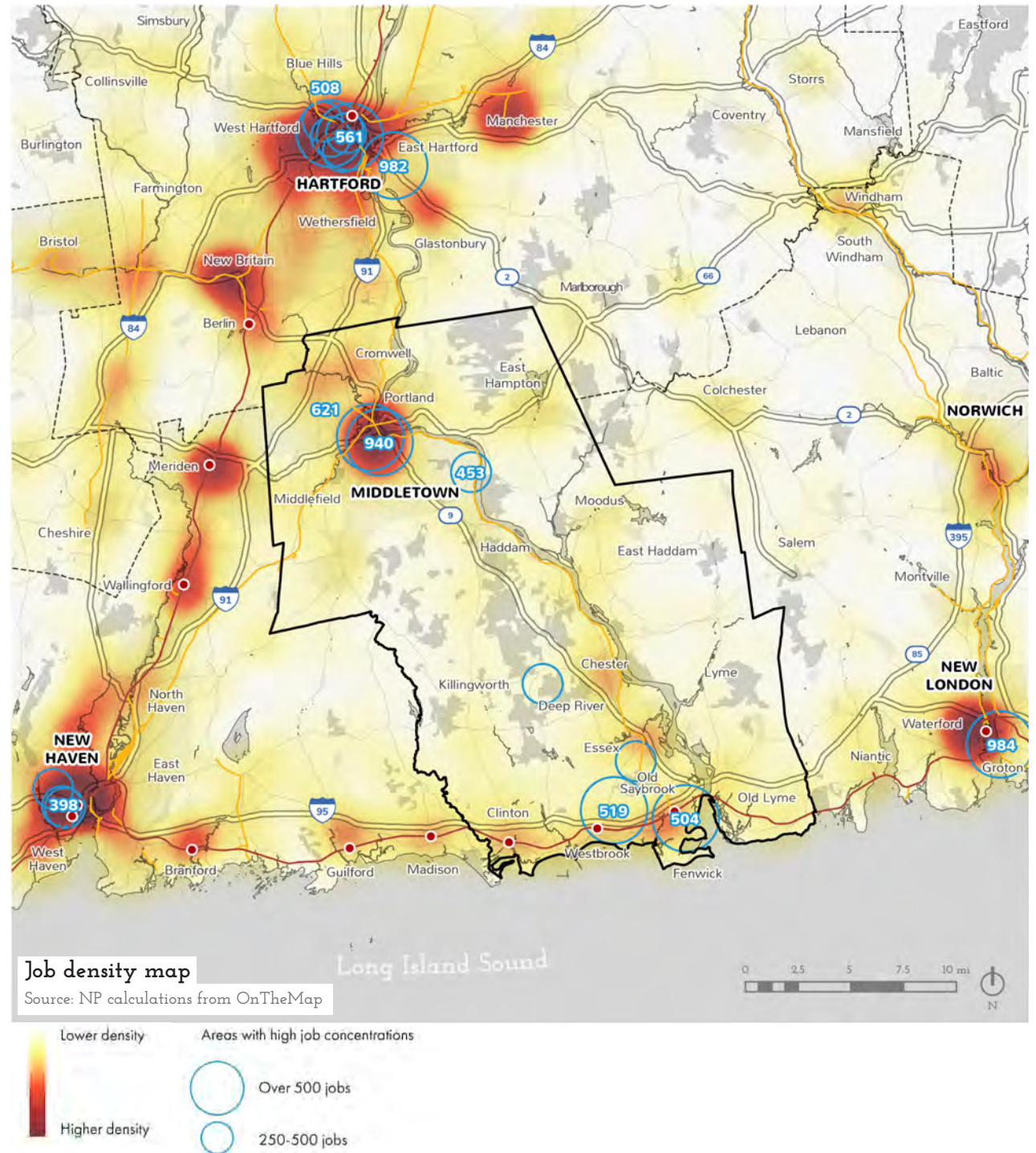
Top 3-digit industry LQs



Source: BLS QCEW LQ calculations

Workforce and Population

The workforce needs of the region are largely met by workers from outside of the region while a majority of the region's population commute to Hartford, New Haven, and New London for work. Middletown serves as the in-region employment core and represents 31% of employment for people living in the region. The dichotomy of workers and residents is due, in part, to industry mix, with the region's jobs not well matched to the skills and specialties of the residents. It is also, in part, due to the supply and cost of housing, which is not affordable to many of those working in the region. The average wage for in-region jobs is approximately \$62k. Manufacturing is the only large employment sector paying above average. Conversely, median household income in the region is approximately \$91,000. Total income in the region was up, over \$12b in 2021 from \$9.9b in 2019. This growth reflects the influx of federal covid relief funds into the region and is likely to decrease as those funds cycle out. Notably, retirement income is growing in the region, which is consistent with the demographic trend of an aging population. This shift to fixed income may have additional implications for the affordability of the region's housing as well as the spending power of its residents.



Economic Drivers

There are four categories of economic drivers in the region: Traded Goods Economy, Lifestyle Economy, Resident Economy, and Tourism Economy. These drivers are not strict groupings of job sectors. Rather, they provide a sense of the region's economic character. Each driver will require different investment from the region in order to grow.

- **Traded Goods Economy:** The manufacturing sector employs around 14,000 people in the region within at least 15 different subsectors and a high location quotient. The aging workforce will become a key issue for this sector as 36% of workers are over age 55.
- **Lifestyle Economy:** Approximately 12,000 employed and self-employed people working in the region have the flexibility to work from anywhere. Supportive infrastructure investment, such as broadband service and co-working spaces will be important to the future of this sector, as will maintaining the environment and amenities that create a high quality of life for residents.
- **Resident Economy:** At least 47,000 jobs in the region are tied to meeting the daily needs of permanent and seasonal residents. Shifting demographics will impact these daily needs. For example, as the region ages, there may be more demand for healthcare services and less for non-tourism retail. This will impact the employment and property tax base across the region.
- **Tourism Economy:** The region boasts a wide range of historical, cultural, and outdoor amenities which are large generators of visitors. Linking these amenities, physically and conceptually, and providing supportive infrastructure such as signage, restrooms, and sometimes parking, will be important to maximizing the benefits of this sector.



Strategic Growth Areas

The RPOCD and RHP strongly support sustainable development patterns across the region, particularly due to the importance of irreplaceable natural resources. A key strategy for the region will be understanding infill, redevelopment, and reuse opportunities and preparing a regulatory environment that encourages desired development types and uses in those areas.

The “Innovative” layer of the RPOCD future land use map identified areas for commercial and industrial growth based on the overlap of existing job density, public water and sewer infrastructure, and commercial, industrial, and mixed-use zoning. The CEDS examines vacant and underutilized land within these targeted areas to assess infill development and redevelopment potential. In total, only

1,485 acres of land in the targeted areas could be considered free and clear for development. There are two key takeaways from this analysis - first, strategy and coordination in developing these few vacant parcels will be critical to maximizing benefit across the region; and second, infill, redevelopment, and reuse will play a dominant role in creating new economic opportunity.

Breakdown of available land by parcel size

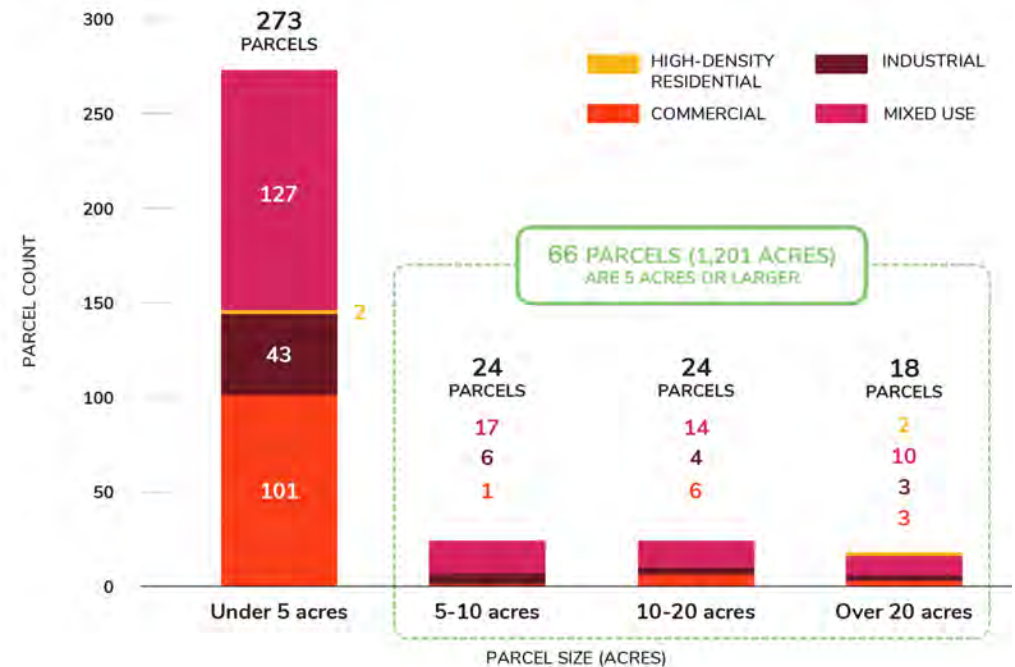
Criteria for DEVELOPABLE VACANT LAND

- are zoned commercial or industrial
- on visual inspection did not show significant impediment of water, wetland, etc.
- had clear access (was not landlocked)
- was not indicated by town as having any major issues

1,485 ACRES (339 PARCELS) are vacant land within the targeted zoning area, clear of zoning restrictions and environmental regulations.

of which

1,201 ACRES (66 PARCELS), or 19% of available vacant parcels, are **5 acres and over**.



Public Engagement

The creation of the CEDS was guided by a Strategy Committee made up of key industry sector representatives, economic development professionals, and municipal leaders.

A series of targeted stakeholder meetings provided insight to the group on challenges, opportunities, and economic development priorities for each of the region's municipalities, employers, and institutions. A major theme that carried through all 13 discussion groups was a general lack of staff capacity and technical expertise to advance any major economic development goals. Other common themes included:

- Difficulty finding quality volunteers for commissions and committees, especially as the population ages;
- The limiting impact of current infrastructure on town center/village center plans;
- Housing affordability issues that inhibit the ability to attract and retain employees;
- Lack of transportation access in and around the region; and
- A need to market the region in a cohesive way.

Two open input workshops were held to give members of the public an opportunity to weigh in on goals and priorities for the region. Information boards were provided to explain existing conditions and key findings. Based on the information provided, attendees were asked to rank regional priorities. The priorities were developed with the Strategy Committee based on stakeholder meetings, existing conditions, and a targeted input survey which was circulated to the region's elected officials, commissioners, committee members, planning and economic development professionals, and chambers of commerce. Interestingly, the highest priority issue was addressing the barriers that prevent the region from pursuing tech companies. A close second was addressing the issues that make it difficult for the region's employers to obtain workers. The four economic development initiatives that received the most votes were encouraging infill in town centers and transportation corridors, reusing and repurposing vacant and underutilized land, providing job training for residents in existing and emerging industries, and ensuring that local regulations keep pace with the changing business environment.

57 Comments received
208 Participants



Vision

The vision for the CEDS is consistent with the vision stated in the RPOCD.

The Lower Connecticut River Valley region will:

become a **culturally and ethnically diverse region** that is welcoming of and accessible to all people

become a **better-connected place**, accessible by all modes of travel and for all types of people

become a place **supportive of innovation and innovative industries** and **attractive to a highly skilled workforce**

utilize sustainable policies, practices, infrastructure, and development to **grow in balance with its natural resources.**



Strategic Direction

Because this is the first CEDS for the LCRV region, the goals and recommendations in the strategic direction focus on capacity and systems building. While there is a strong desire across the region to proactively promote tourism, attract businesses, and support economic growth, the capacity and systems are not in place for this to happen. By building out these systems, the region will be better positioned to further more targeted economic development goals in the future.

The strategic direction was divided into four categories as described below:





Providing the capacity and resources to promote a growing and equitable economy

With the right resources and focus, the LCRV region can take steps to improve business climate concerns and remain a high quality of life community.

- 1.1 Establish a regional economic development resource that can support the region's municipalities with grant writing, project management, and technical expertise
- 1.2 Develop a regional brand/identity and create a marketing campaign that can help market the region to tourists, businesses, and potential residents
- 1.3 Create a regional outreach and advisory program that can assist in engaging with underrepresented groups and ensure a range of diverse voices have opportunities to influence the direction of the region
- 1.4 Create a regional leadership development program, in coordination with the Middlesex County Chamber of Commerce, Old Saybrook Chamber, and other community business groups, to provide a training resource for current and future municipal commissioners, municipal officials, and other volunteer positions



Encouraging sustainable and resilient communities

Emphasis on sustainable planning and development practices, including better utilization of existing developed areas and protection of natural resources, makes this CEDS consistent with the RPOCD as well as local plans.

- 2.1 Identify high priority reuse development opportunities and secure resources to begin process of revitalization
- 2.2 Prioritize infill development in town centers and underutilized commercial corridors
- 2.3 Discourage intensive development along environmentally sensitive areas or high-risk zones
- 2.4 Create a Business Resiliency and Recovery Plan for businesses as well as government
- 2.5 Partner across the region and with regional workforce development agencies to provide training opportunities that match workforce needs
- 2.6 Support the region's agricultural industry in diversifying operations to other endeavors compatible with agricultural use
- 2.7 Develop a zoning template for supporting hybrid businesses that may consist of several different uses under one roof typically found in "maker" consumer product oriented businesses



Supporting the development of economic infrastructure

Improving and investing in economic infrastructure, defined broadly to include roads, water, sewer, broadband, buildings, and connectivity to jobs, were identified as top priorities to support the economic viability of the region.

- 3.1 Pursue opportunities for broadband expansion (wired and wireless) across the region
- 3.2 Support technical expertise in furthering alternative wastewater treatment options
- 3.3 Evaluate potential for culinary/food products incubator to support the region's agricultural industry
- 3.4 Emphasize increased connectivity of employment centers with multi-modal transportation access
- 3.5 Provide supportive amenities and services for remote workers, including but not limited to creative options for shared workspaces
- 3.6 Secure resources for high priority infrastructure projects



Enhancing high quality of life options for all residents

Lack of housing was frequently mentioned throughout the CEDS process. The RHP provides an in-depth assessment of housing needs and detailed recommendations for addressing them. Doing so will be important to the economic health of the region. Equally important will be investment in the region's many existing amenities.

- 4.1 Create a diverse range of housing options at price points that are reflective of wages paid to workers in the region's jobs
- 4.2 Promote mixed-use, walkable, vibrant communities in the town centers that are accessible to all
- 4.3 Encourage continued investment and improvements to the region's parks, trails, and public outdoor amenities



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