

Asset-Based Economic Development and Building Sustainable Rural Communities

Part 2: Natural Resources and Amenities

A briefing paper from the ICMA Center for Sustainable Communities

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Asset-Based Economic Development and Rural Communities

This briefing paper is the second in a series examining asset-based economic development in rural communities.

Asset-based economic development is an economic development approach that focuses on building upon local resources to strengthen local and regional economies. Asset-based economic development focuses on how a community's natural environmental, socio-cultural, and economic advantages can be leveraged into sustained economic growth, while building capacity both within communities and across regions. Communities pursuing asset-based economic development strategies should identify assets and evaluate these assets and their potential benefit to the local economy as part of an economic development strategy.

This paper will examine natural and working landscapes as an asset for small towns and rural communities. A case study of Killington, Vermont will highlight economic development strategies related to both working landscapes and recreation.

Natural Resources and Working Landscapes

Traditionally, many rural economies have been resource dependent, and natural resources (extractive industries) and working lands can remain an asset for rural economies. Combining agricultural and natural resource production with management of rural landscapes and ecosystems, which allows for longer-term, sustainable use of those natural and working landscapes, can be a positive asset-based economic development strategy.¹

Natural Amenities

Many rural communities have natural amenities, such as lakes, forests, or mountains. Natural amenities have been correlated with job and economic growth in rural communities and people are drawn to the rural outdoors, which can be developed upon or enhanced as part of an asset-based economic development strategy. Communities can invest in recreational facilities, or can look at amenities as an asset in their undeveloped form, and look into opportunities related to low-impact outdoor activities (hiking, cross country skiing), or as scenery that provides a backdrop to residential development.²

Case Study—Killington, Vermont, Population 811

Killington, Vermont—the heart of the Green Mountains—has an asset-based economic development strategy. Recognizing that it is a destination based on its natural amenities and the recreational opportunities they afford (the town is home to the largest ski resort on the East Coast, as well as a number of hiking and biking trails and other recreational amenities) and with the goal of bolstering its tourism-based economy, Killington has worked to rebrand itself, market its offerings more widely, and establish events that build on the community's assets.

In 2008, Killington established an Office of Economic Development and Tourism (EDT), funded by the “One-Percent Tax”—a one-percent tax on food, beverages, retail and lodging. At the time, Killington had a steady skier base, but the town and its businesses were finding that the tourism market was not expanding. The EDT was established to “sustain and enhance”



Killington, Vermont has developed an asset-based economic development strategy around its many natural amenities and their associated recreational opportunities. The town is working to brand itself as a four-season destination. Photo courtesy of the Killington Office of Economic Development and Tourism.

tourism activities through events and marketing. In 2011, Killington voters voted to redirect these revenues into the general fund, and EDT is now funded through that general fund.

Building on its assets—its natural amenities and status as a tourist destination—Killington has worked to attract new events and re-establish existing events that promote the community’s assets. New events include the Cooler in the Mountains summer concert series, and existing events include the Killington Stage Race and Killington Hay Festival—a fall festival with giant hay sculptures that corresponds with the peak fall foliage season. On a busy winter weekend, between events and skiing, there are often over 20,000 people in Killington, which has a year-round population of under 1,000.

“These events are beneficial in the short term because they bring people here who spend money—heads in beds, as we call it. And they are beneficial in the long term because people start to think, ‘Wow, there is a lot going on in Killington,’” said Suzie Dundas, Killington’s Director of Economic Development and Tourism, in regard to the town’s strategy. “It helps us build our long term brand as a four-season destination.”

Killington’s economic development goals include rebranding its summer assets to better reflect that the town as an all-season destination and working with the state’s Department of Tourism and Marketing, as well as other state agencies, to ensure that Killington’s tourism-based economic development efforts are in line with state asset-based development efforts. The town is also investing in infrastructure development, workforce development, and beautification. In 2011, Killington

received a federal grant to improve the town’s gateway, re-designed pole banners around town, and two of the town’s roads were recognized as Vermont Byways by the Vermont Scenery Preservation Council.

To complement its efforts attracting events, the town has pursued an aggressive branding and marketing strategy. In 2011, the town rebranded to reflect the ‘big mountain adventure feel’ reflected in the branding on the Killington Ski Resort, which has a dedicated skier base and wider brand recognition. Through cohesive branding, Killington is working to build long-term brand recognition and a positive reputation for the town as tourist destination. The town has also formed new marketing partnerships with media outlets throughout New England and nationwide for wider promotion of events. These partnerships have helped the town to better leverage marketing investments and expand its marketing reach, allowing them to target new audiences.

The majority of the marketing that EDT focused on is tied to specific events, because, as Dundas explains it “They are manageable, easy to track, and easy to explain to the public how they work.” In addition to focusing on specific events, EDT focuses on emphasizing Killington’s proximity to New York (five hours by train), Boston (three hours by car), and Canada (three hours by car).

Killington is also beginning to invest more in online marketing, including websites and social media for three main reasons. The first is that EDT’s research has shown that over 75 percent of travelers are booking at least one component of their travel online, meaning that online marketing is key to continued success with a tourism based economic development strategy. Second, online marketing allows ads



Bikers pass Killington, Vermont’s welcome sign during a race. In 2011, Killington received a federal grant to improve the town’s gateway. Photo courtesy of the Killington Office of Economic Development and Tourism.

to be tailored to the specific interests of a consumer, whether those are skiing, hiking, rafting, or something else entirely. This will help Killington’s efforts to build its brand as a four-season destination. Finally, impressions from online marketing are both much easier to track and EDT is able to see whether online marketing is having the desired effect more quickly, and redirect funds to the online marketing strategies that are proving the most effective.

Killington’s asset-based economic development strategy has been successful. To calculate the estimated spending in town by event, EDT uses the following equation:

$$\begin{aligned} & \text{number of event attendees} \\ \times & \text{ average daily seasonal expenditure per person} \\ \times & \text{ average number of days stayed per person} \\ = & \text{ estimated economic impact} \end{aligned}$$

Using this equation for the 12 events hosted in 2011, EDT arrived at a total estimated economic impact of \$4,498,843.92. For example, the Spartan Race, a 10-12 mile mountain obstacle race with 6,000 participants had an economic impact of \$241,560.00 and the Cooler in the Mountains Concert Series, which had 2,000 attendees, had an estimated economic impact of \$80,520.00.³

Killington also tracks a number of other metrics to mea-



Killington, Vermont holds a number of events throughout the year. The Hay Festival, which corresponds with fall foliage season, features large hay sculptures. In 2011, the town estimates that the festival attracted 1,000 visitors. Photo courtesy of the Killington Office of Economic Development and Tourism.

sure the economic impacts of economic development activities, including macro and micro economic factors, and taxable receipts. Looking at macro and micro economic data allows EDT to see if there are similar trends across the region, or if EDT’s activities are having an impact. It also helps EDT make decisions on where to target marketing. For example, trends in consumer spending show that it has remained level in New England while it has continued to drop nationwide, though at a slower pace. As a result, EDT will focus 2012 marketing on the Northeast region, while planning to expand to a larger region that encompasses more of the Mid-Atlantic in 2013 and beyond.

Taxable receipts also provide important data. In 2010, the town saw an increase in sales taxes receipts for the first time in seven years. Adjusting for the effects of Hurricane Irene, which isolated the town for nearly three weeks in 2011, this positive trend continued. “It is difficult to point to one metric and say, ‘we caused this,’ but when we look at four or five metrics and they are all going in a positive direction, then we can say that this is something,” Dundas noted.

Conclusion

Traditionally, rural economies have been connected to the productive capacities of the surrounding landscapes, whether that be agriculture, mining, forestry, etc. Many rural communities seeing population growth are in high amenity areas—those with mountains, lakes, rivers, or forests that provide opportunities for outdoor recreation. These high amenity areas attract

Killington, Vermont

Population (2010): 811

Asset: Natural amenities for outdoor recreation, including two ski mountains

Summary: Summary: Killington is home to the largest ski resort on the east coast, and the town’s natural amenities afford many recreational opportunities. Building on these recreational opportunities, and seeking to brand itself as a four-season destination, Killington’s Office of Economic Development and Tourism has worked to attract and re-establish new events and to strategically expand its marketing reach.

Key takeaways:

- Invest in events that highlight your communities assets
- Target marketing in a way that clearly shows impact
- Adapt to a changing market place
- Track a range of metrics to show the impact of economic development strategies

retirees, second homeowners, and those looking for an alternative to city life. These natural amenities can be an asset in an economic development strategy. As the Killington case study illustrates, strategic branding and marketing that adapts to a changing marketing place, as well as working to attract special events that highlight the community's assets and recreational opportunities can help attract visitors year round and increase the economic impact of visits. And, carefully tracking marketing metrics can both highlight the importance of these economic development strategies, and make sure that marketing funds are being put towards the most effective use.

Notes

- 1 Hibbard, M., S. Lurie & T.H. Morrison. "Healthy Economies, Healthy Environments: Multifunctionality and the New Natural Resource Economy." Rural Futures Lab, Foundation Paper No. 5, April 2012. <http://www.ruralfutureslab.org/docs/NNRE.pdf>
- 2 USDA Economic Research Service. "Rural Amenities." <http://www.ers.usda.gov/Briefing/RuralAmenities/>
- 3 More information on event attendance and estimated economic impacts is available in Killington's 2011 Annual Report. <http://www.sharesnack.com/5CC7B6F569B/fzpi2p3u>

Key Takeaways:

- Identify existing assets and evaluate their benefit to the local economy
- Identify existing historic and cultural assets and evaluate their benefit to the local economy
- Identify how development of assets and an asset-based economic development strategy tie into your existing economic development strategy
- Look at your communities assets, their potential benefit to the local economy, and how they can be leveraged as part of an economic development strategy
- Identify resources that can be leveraged to support asset-based economic development and make investments necessary to grow the asset base, whether those be in infrastructure, quality of life, education, or workforce or leadership development
- Form partnerships between key stakeholders to more fully leverage resources
- Engage the community in the planning and implementation process

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About ICMA

Founded in 1914, ICMA, the International City/County Management Association, advances professional local government worldwide. Our mission and vision is to create excellence in local governance by developing and fostering professional management to build sustainable communities that improve people's lives worldwide. ICMA provides member support; publications; data and information; peer and results-oriented assistance; and training and professional development to city, town, and county experts and other individuals and organizations throughout the world. The management decisions made by ICMA's members affect millions of individuals living in thousands of communities, from small villages and towns to large metropolitan areas.



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The National Association of Development Organizations (NADO) is a national membership organization for the national network of over 520 regional development organizations (RDOs) focused on strengthening local governments, communities, and economies through regional strategies, partnerships, and solutions. Founded in 1988, the NADO Research Foundation is the nonprofit research affiliate of NADO. The NADO Research Foundation identifies, studies, and promotes regional solutions and approaches to improving local prosperity and services through the nationwide network of RDOs. The Research Foundation shares best practices and offers professional development training, analyzes the impact of federal policies and programs on RDOs and their local communities, and examines the latest developments and trends in small metropolitan and rural America. Most importantly, the Research Foundation is helping bridge the communications gap among practitioners, researchers, and policymakers.



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