

# AN INNOVATIVE APPROACH TO ECONOMIC DEVELOPMENT IN RURAL VERMONT

How the Black River Innovation Campus (BRIC) Is Strengthening Community Ties and Economic Vitality

PRESENTED BY

## Siegel Family Endowment

We are a foundation focused on understanding and shaping the impact of technology on society.

### About Siegel

Siegel Family Endowment employs an inquiry-driven approach to grantmaking that is informed by the scientific method and predicated on the belief that philanthropy is uniquely positioned to address some of the most pressing and complex issues facing society today. Our grantmaking strategy positions us to be society's risk capital. We support high quality work that will help us derive insights to timely questions and has high potential for future scale. Our focus is on organizations doing work at the intersection of learning, workforce, and infrastructure. We aim to help build a world in which all people have the tools, skills, and context necessary to engage meaningfully in a rapidly changing society. Siegel Family Endowment was founded in 2011 by David Siegel, co-founder and co-chairman of financial sciences company Two Sigma.

### Our Focus on Equitable Innovation Economy

We believe that innovation—whether it is technologically or organizationally driven—can happen anywhere, in any industry, region, or community. However, the foundations that support innovation are not accessible to everyone. We're asking how to bring innovative capacity closer to those who are now left out and make the rewards of innovative ideas accessible to everyone. As such, our vision is to promote an equitable innovation economy, one that enables all people and their communities to achieve prosperity.

### Community-Driven Innovation

Many communities have systems in place to generate growth: skilled workers, high quality universities, entrepreneurial spirit, quality of life, ample infrastructure, and a base of venture capital that can turn new ideas into profitable companies. However, not everyone within these communities participates in or benefits from rapidly growing, innovative sectors. Not all communities become high-performance hubs, and not every hub emerges organically. Creating more equitable innovation in these communities would mean changing the systems that support innovation, so that more people are included in, and benefit from, rapidly growing and innovating sectors.



## ABOUT BRIC

The [Black River Innovation Campus \(BRIC\)](#) in Springfield, Vermont is the hub of an emerging tech ecosystem in the heart of Vermont's "Precision Valley," [named](#) for the engineering and design prowess in the machine tool industry that once dominated the area.

BRIC features a physical [co-working space](#) that offers support for emerging tech-related businesses including "coffee and bagels Wednesdays," a state of the art recording studio, conference rooms, an auditorium, and a 10G fiber connection—far faster than regions whose populations dwarf this rural community. BRIC also offers a business [incubator](#) that supports emerging entrepreneurs through training, partnerships, and access to early stage investment. BRIC works with governmental entities, nonprofits, businesses, and educational institutions to usher in a new era of innovation and sustainable growth in the Precision Valley and serves as a visible example of "placemaking" for Springfield's Downtown.

At the heart of these activities is a commitment to lifting up a once economically vibrant community that has struggled with the exit of manufacturing operations and jobs over the last four decades. BRIC does that through its focus on people and [commitment to inclusivity](#):

- **Tech entrepreneurs** compose [BRIC's Actuator](#), a program that features a homegrown business and lifestyle curriculum and that seeks to connect entrepreneurs with partners in the Springfield region who can advance their work.



- **BRIC community members** benefit from the water cooler conversations they have as members of BRIC's co-working space. Game nights, networking events, battle of the bands, and other gatherings strengthen social infrastructure in Springfield and the tech ecosystem that is being developed in the community.
- **Local institutions**—including institutions of higher learning and K-12 schools—partner with BRIC to develop opportunities for emerging tech entrepreneurs as well as creating programs to train students and area residents on skills needed to succeed in the 21st century economy.



LEFT: The historic Park Street School building, home of the Black River Innovation Campus; RIGHT: Local entrepreneurs attend BRIC's "Podcasting 101" workshop series.



## ABOUT GRANTEE

The [Black River Innovation Campus \(BRIC\)](#) is a non-profit designed to empower, inspire, and support rural Vermont through technology and entrepreneurship. It emerged from the work of community members and leaders at the [Springfield Regional Development Corporation \(SRDC\)](#). SRDC is a nonprofit organization that was created in response to the closure of industrial facilities and the resulting layoffs that devastated the Springfield area in the 1980s and 1990s. SRDC works toward the repurposing of real estate vacated by departed factories, and encourages business development by providing assistance and guidance to existing and contemplated businesses in the area. Most of all, SRDC aims to spur job creation and retention that will revitalize the community. Since spinning off from SRDC, BRIC continues to work closely with the organization, with benefits for the entire community. These benefits can be seen in the reclamation of formerly vacant spaces by new businesses, the development of better social infrastructure for the community, and an increase in external investment in the Springfield area.



### KEY TAKEAWAYS

- ▶ **Establishing social infrastructure is a key element of economic revitalization** and can encourage a loop in which strong social connections and a sense of belonging spur greater commitment to and investment in the community. However, job creation needs to occur alongside the establishment of social infrastructure.
- ▶ **Hope and optimism are essential ingredients of meaningful change—if they're supported by brass tacks:** "relentless incrementalism," a plan with realistic milestones, and an understanding that the path toward change is sometimes meandering rather than linear.
- ▶ **Sustainable economic development comes from uplifting the community as a whole, not simply serving narrow audiences, like tech entrepreneurs.** High speed internet, lower cost of living, vibrant physical spaces, and education and training programs are assets that can and should be shared by all—and especially should create value for long-term residents.

## EXECUTIVE SUMMARY

THE SPRINGFIELD, VERMONT, of Bob Flint's youth was very different from the Springfield, Vermont, of today. Flint, the executive director of the [Springfield Regional Development Corporation \(SRDC\)](#), recalls that the community used to be "prosperous," boasting one of the highest per capita incomes in the state into the 1970s. That all changed with the departure of the machine tool industry—a slow death from the mid-1980s to the early 2000s that cumulatively resulted in the loss of some 4,000 jobs and emptied over 800,000 square feet of former industrial space. The change was devastating for the community. By the 2010s, Springfield had some of the highest poverty and unemployment rates in Vermont, and the formerly-bustling downtown was a virtual ghosttown. Again and again Flint heard the same refrain from community members who wanted to turn things around: Springfield needed a plan for bringing back jobs.

That was the context into which BRIC was launched. Like SRDC, it took an ecosystem approach, seeing physical infrastructure, social connectedness, workforce development, economic revitalization, and digital infrastructure as inextricably linked. BRIC and SRDC worked to establish access to ultra high-speed internet that rivals any network

in the country, setting-up Springfield as an ideal location for tech-based entrepreneurship. With SRDC's help, BRIC also established its headquarters in a former school building, a short distance from Springfield's downtown. This reclamation of physical space worked both to reduce commercial real estate vacancy rates in the community and serves as a social and business hub for residents.

BRIC offers a co-working space and runs an Actuator program to launch new tech startups and support entrepreneurship. The presence of such BRIC initiatives has led directly to investors purchasing five downtown buildings to house the community's growing businesses and talent. Cheered by the community's new commitment to tech innovation, alumni from the local high school have established a fund to support the town's K-12 STEM education. In the long-term, SRDC is working to leverage BRIC's presence and programming to spur the creation of tech-related businesses and support job growth and additional investments in the community. Turning Springfield around is a Herculean task and it will take time. But it's a goal that SRDC's leaders believe is possible to achieve, in part because of its work with BRIC.

## CORE ELEMENTS: WHAT MAKES THE PROGRAM WORK?

FROM ITS INCEPTION, BRIC aimed to spur economic development, job creation, and community cohesion in rural Vermont. In other words, it aimed to uplift the community as a whole, not simply to serve the tech entrepreneurs who use its space and participate in its incubation program. BRIC has benefitted from the involvement of those connected to the Springfield Regional Development Corporation (SRDC)—its leadership, local businesses, community organizations, governmental entities, and others—in realizing this mission. SRDC has provided BRIC with ways to tap into the vast physical, human, and digital resources of the community, while BRIC has offered SRDC a means for realizing its central goal of community revitalization in the Springfield region.

### BUILDING CONNECTIONS TO COMMUNITY AND ADDRESSING COMMUNITY NEED

IN CONVERSATION, Flint repeatedly emphasizes the importance of involving the community and responding to community needs in his description of SRDC's work with BRIC. Another organization might have established a walled-off fortress for tech entrepreneurs to create their businesses, enticed by a lower cost of living than more prosperous cities, and high-speed internet that made running a business from a more remote location possible. Instead, with the help of SRDC, BRIC has worked to build connections to the local community and has involved local businesses, leaders, residents, schools, and institutions in the planning for programs.

For example, with guidance from BRIC's board—a group that includes Flint—BRIC staff have developed a program for welcoming entrepreneurs and integrating them into the community. The program includes both “lifestyle” sessions on topics such as snowshoeing and syrup production, and business development sessions that aim to connect entrepreneurs in BRIC's Actuator program to other business leaders in the Springfield area. Discussion topics relate to the local business landscape, including how to secure office space and how to navigate permitting processes. In the future, Flint would like to establish an investment fund to help new businesses emerging from the Actuator program, using donations from former Springfield residents who still feel an affinity for the region.

Flint emphasizes that it is important that the community see

tangible evidence of progress as such integration between BRIC's entrepreneurs and the surrounding region occurs. For Springfield and SRDC, the measure of success is largely around sustainable job creation. Springfield participates in the Working Communities Challenge through the Federal Reserve Bank of Boston with the aim of identifying and overcoming barriers to sustainable employment for low- and moderate-income people. Flint says that the key measure of success for that program is in increasing the workforce participation rate. It's a metric that he says drives nearly everything that SRDC does, and is important to consider in the context of SRDC's relationship with BRIC.

Flint says, “We need to not only attract people from outside to come here, but also help those that are currently here.” For example, Flint sees an opportunity to encourage technical skill development among local residents for the entrepreneurial ventures emerging from BRIC's Actuator program. Flint says that Springfield has taken “baby steps” to increasing the workforce participation rate, but that progress stalled with the pandemic. He also says that housing, childcare, and other surrounding considerations present obstacles. But Flint is optimistic about the future, in part because of BRIC's ecosystem approach that considers the entirety of the community, not just business development.



BRIC staff, community partners, and entrepreneurs produce a virtual pitch night.

BRIC aims to uplift the community as a whole, not simply to serve the tech entrepreneurs who use its space and participate in its incubation program.





BRIC hosts a regional entrepreneur meetup in the historic Park Street School's 500-person auditorium.

## BUILDING SOCIAL INFRASTRUCTURE AND RESPONDING TO COMMUNITY NEEDS

ECONOMIC METRICS OF SUCCESS—whether it's workforce participation rates, per capita income, educational attainment, or jobs created—are incredibly important for understanding the health of a community. But SRDC's relationship with BRIC also demonstrates the importance of establishing durable social infrastructure that nurtures and supports those economic achievements. "We want people to want to be here," Flint explains. "We're trying to think of ways to create the social infrastructure and make it an interesting place to live, understanding the realities of a town of 9,000 people in rural Vermont."

For SRDC, that means supporting small businesses that operate as places of social connection. Flint ticks off a list of businesses in downtown Springfield that have been spurred by or revitalized by BRIC's presence in the community: a coffee shop, a brewery, a movie theater, and others. Flint says that BRIC itself also operates as a place of social connection, sponsoring game nights and movie nights and working with local businesses on shared events. BRIC's auditorium is used for community events and its recording studio has been used to produce podcasts of interest to the larger community. Flint hopes that these efforts will contribute to further development and revitalization of Springfield's downtown, and will strengthen the community bonds necessary for the health and wellbeing of Springfield's residents.

Further, Flint sees an opportunity to use this social infrastructure as the basis for establishing a "loop" of giving and investment in the community. For example, a group of prosperous alumni from the local high school have established a fund for STEM education in Springfield's public schools, driven to action by the attention that BRIC has received. In addition to working with tech entrepreneurs, BRIC is providing support and coaching for youth gaming teams as well as facilitating training for coding. Such relationships offer new opportunities for building social connections and spurring innovation and economic wellbeing in the community in the long term.

## EMBRACING HOPE AS WELL AS THE TACTICS NECESSARY TO REALIZE A BOLD VISION

FLINT IS OPTIMISTIC about Springfield's future, in no small part because of BRIC's work. But he is also mindful that hope and optimism are not enough. Instead, he says that brass tacks and committed people need to support that vision of hope and optimism.

One of those brass tacks is a willingness to embrace an ecosystem approach to larger social and economic challenges. SRDC has always been a leader in taking an ecosystem approach to economic development, recognizing the interconnectedness of job creation, skill training programs, and social connectedness. "We've long understood that there are more things that play into economic wellbeing besides attracting companies that will hire workers," Flint says. He points to SRDC's relationship with the CTE high school and its role in founding a workforce investment board for the region. But SRDC's relationship with BRIC has taken that ecosystem approach to a new level, and spurred a new list of tactics to realize the vision of hope and optimism that Flint and his colleagues project.

Flint says it is also important to set realistic expectations and make incremental progress. Flint says that the opportunity to secure philanthropic and governmental funding for BRIC has allowed BRIC to "forge our path and cut through the brush and wilderness, so that we now begin to see what that path looks like," but he says that the work is still in its infancy. Flint emphasizes the importance of small steps along the now-cleared path—a practice that he describes as "relentless incrementalism"—and a joint understanding with the community that progress may not be linear and that there will be bumps along the way. As an example, Flint cites the impact of the pandemic. In the long-term it may spur more opportunity as people around the country view remote work as a viable option. But in the short term, it significantly impacted local businesses and disrupted social connections.

Another ingredient in the SRDC/BRIC recipe for progress is the people themselves. Flint says that an important part of BRIC and SRDC's success hinges on the people who have committed to realizing a better future for Springfield. "We've been very fortunate to have a core of people on board that have been very dedicated and have different skill sets," Flint says. "That has provided professional, financial, and moral support to help keep this going." It's a journey that will be long, but one well-worth pursuing.



### RELENTLESS INCREMENTALISM:

The importance of small steps along the now-cleared path

- BOB FLINT, executive director of the Springfield Regional Development Corporation (SRDC)

## IMPACT

BOTH THE VALUE OF SRDC'S partnership with BRIC, as well as BRIC's larger impact on the community are hard to quantify. Is it the number of jobs that startups in the Actuator program ultimately generate for residents in the Springfield area? Is it the number of vacant buildings that are filled with businesses eager to take advantage of Springfield's high-speed internet? Is it the number of social gatherings that BRIC hosts for community residents? Or the number of residents who attend those gatherings? In the long-term, is impact measured by lowered unemployment or lower poverty? Or is it something more imprecise or longlasting—the feeling of pride that community members have about their town, the willingness of people who grew up in Springfield to give back, the sense of hope that community members feel about the future?

Flint says understanding BRIC's impact on the community needs to take into account all of these things. At present, he points to some hard stats:

- ▶ **Real Estate Investment.** Flint says that BRIC's presence has already "stimulated growth and investment in the downtown," resulting in the purchase of five buildings by opportunity zone fund investors energized by "the potential of BRIC and the economic growth that's going to emanate from it."
- ▶ **Small Business Growth.** SRDC is providing support to one company supported in BRIC by offering loan assistance, bookkeeping services, and help securing office space. It plans to help other companies that "graduate" from the Actuator and want to establish themselves in the Springfield region.
- ▶ **Attracting External Investment.** Flint says that SRDC has received more inquiries about establishing businesses in Springfield than at any point in its recent history, a fact that he attributes to the community's high-speed internet and BRIC's role in building community and supporting tech entrepreneurship.
- ▶ **Social Infrastructure.** Through its presence in a renovated former school, BRIC is contributing to the revitalization of Springfield's downtown and is increasing opportunities for social connectedness. BRIC opens up its space for game nights and partners on events with local gathering spots such as the downtown brewery and movie theater.

In the long-term, Flint expects knock-on effects from BRIC's presence in the community. Flint hopes that BRIC's role in galvanizing support for Springfield will propel the high school to become the first in the state to introduce a coding requirement for graduation. He hopes that more people who take part in the Actuator program will decide to put down roots in Springfield, build businesses, and create

jobs. Flint hopes that tech innovators will see Springfield as more than "a pretty postcard in the green mountains," but as a community that offers many advantages for living, working, and innovating.

Flint says that BRIC's biggest impact is more amorphous; it's generated a new sense of hope among residents who have had few reasons for optimism in the past. Maintaining that optimism and hope will be hard. Managing expectations will be challenging, Flint says. "BRIC has had a lot of hype, a lot of attention and it's generated a lot of hope," Flint reflects. "One of the things that's challenging for locals, particularly those that have suffered through the past, is the question of whether to get their hopes up again." Flint says that Springfield's transition to a tech innovation economy "is going to take time, and it's going to take patience." Yet patience is in short supply for people who have been shut out of the area's economic recovery. Flint's goal is to show residents that that hope is warranted, that they are right to be optimistic about the future. In other words, an important dimension of BRIC's impact is still incomplete, but SRDC and BRIC are working as hard as possible to make sure that the outcome is favorable.

## NEXT STEPS

BRIC IS SEEKING TO EXPAND and deepen its roots in the Springfield region working with organizations and people like the SRDC. BRIC is particularly interested in building connections between its tech entrepreneurship cohorts and residents in the larger Springfield area.

- ▶ **Individuals** in the Springfield area can [apply](#) to be part of the Actuator program to develop a business idea and launch a business.
- ▶ **Businesses** who are interested in being a part of the BRIC community by drawing on local talent, offering remote working options to Springfield-area employees, or locating their offices in Springfield can reach out to BRIC at [chris@bricvt.org](mailto:chris@bricvt.org) or [SDRC at bobf@springfielddevelopment.org](mailto:bobf@springfielddevelopment.org).
- ▶ **Prospective mentors** from any location who would like to serve as advisors to BRIC's Actuator participants should contact BRIC at [actuator@bricvt.org](mailto:actuator@bricvt.org).
- ▶ **Interested institutions of higher learning and other potential partners** should reach out to BRIC to see how they can get involved at [chris@bricvt.org](mailto:chris@bricvt.org).
- ▶ **Communities** looking to apply some of the best practices from BRIC to their own hometown endeavors can contact [innovate@bricvt.org](mailto:innovate@bricvt.org).
- ▶ Learn more about BRIC's work on their website: [www.bricvt.org](http://www.bricvt.org).

To learn more and contact Siegel Family Endowment, visit [www.siegelendowment.org](http://www.siegelendowment.org)