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Economic Development

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BENISON
FINANCIAL
ACQUISITION & COLLECTOR SERVICES

LALAJAVA

CRAFTY NEST

newleaf

RANCHO CORONA
MEXICAN FAMILY RESTAURANT

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SUSHI

PEAK
FINANCIAL

THE
CORE CONNECTION

PAUL STEVENS FLETCHER - BHM

PYOP studio
Paint Your Own Pottery

Shopping Plaza along West Main Street

Photo Credit: Kathryn Joubert

Economic Development

5

Similar to Land Use, the Economic Development Element is a very broad topic area that touches upon many different aspects of the community. A comprehensive understanding of a Town's economic landscape helps inform successful economic development policies and outcomes that can promote growth while preserving valuable natural resources, bring jobs and increase commercial tax base, and provide amenities to residents and visitors alike. This section of the Master Plan will review the regional and local economy of Northborough and focus on identifying economic development opportunities and strategies.

Key Findings

- Interstate highways and state roadways proximate to Northborough provide an ideal location for both residents and businesses.
- High incomes in Northborough represent strong buyer power and potential support for local retailers.
- Northborough can be classified as a "bedroom community," as most employed people in the labor force commute elsewhere to work, though a good percentage of people both live and work in the Town.
- Health care-related businesses saw the greatest growth over the past five years in terms of new businesses added.
- The Town's retail nodes are largely car oriented and lack pedestrian accommodations.
- Vacant parcels, retail vacancies, and other underperforming properties are prevalent in the Town's commercial nodes.
- The Town Common project has the potential to increase activity in the Downtown area through added programming and events.
- Properties along the Southwest Cutoff and Westborough State Hospital offer opportunities for economically impactful developments.

- The Crossroads Industrial Site has the potential for additional professional and advanced manufacturing employment.

Baseline Conditions Analysis

Regional Context

Centered among the region’s highly traveled interstate highways: I-90, I-495 and I-290, Northborough provides an ideal location for both residents and businesses. Though closely tied to the Worcester market, Northborough has largely remained a suburban community and has seen less office and commercial development activity than some of the neighboring communities.

Northborough has attracted middle- and upper-income families for many years, largely because of the quality of the school system. According to Esri, 76 percent of the households in Northborough consist of family households, second only to Southborough (80 percent) among the surrounding municipalities (see **Table 5-1**). As a desirable residential community, Northborough has become one of the more affluent municipalities in the Worcester County.

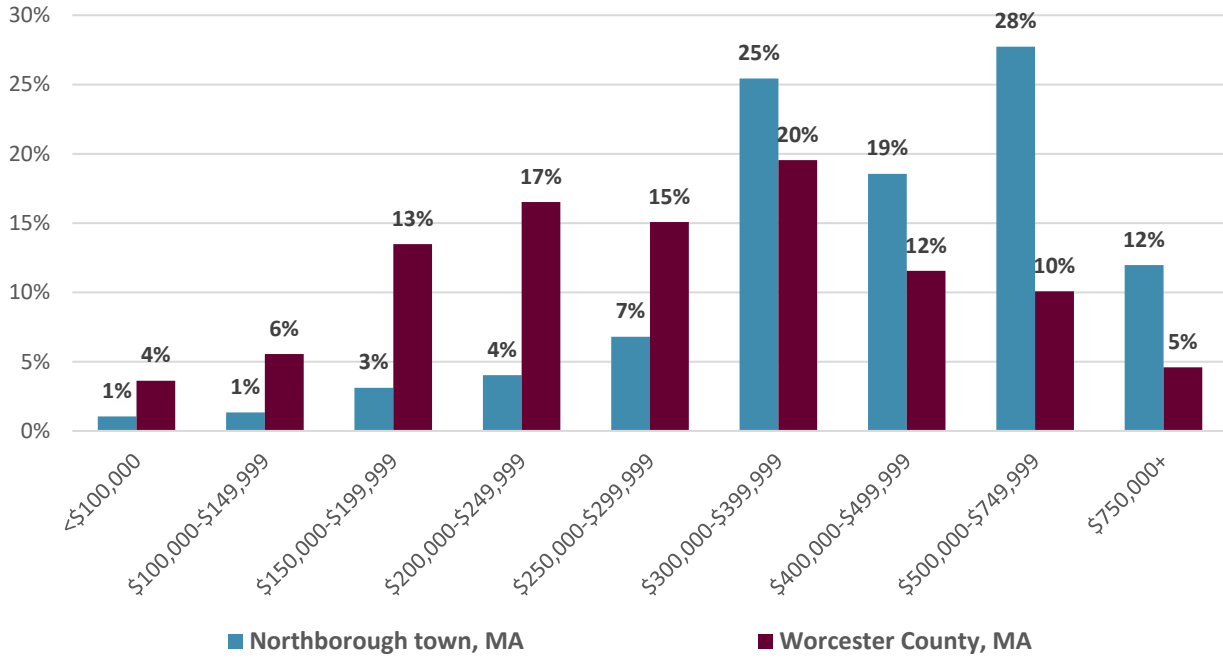
Table 5-1 Percent Family Households, 2017

Municipalities	Northborough, MA
Southborough	80.9%
Northborough	75.8%
Boylston	72.1%
Berlin	71.7%
Shrewsbury	70.3%
Westborough	68.4%
Worcester County	66.5%
Marlborough	62.5%
Worcester	57.8%

Source – 2017 ESRI BAO

On average, the Town has higher home values and household incomes, and its labor force is more educated than the County as a whole. As shown in **Figure 5-1**, 40 percent of homes in Northborough have values greater than \$500,000, compared to just 15 percent in Worcester County.

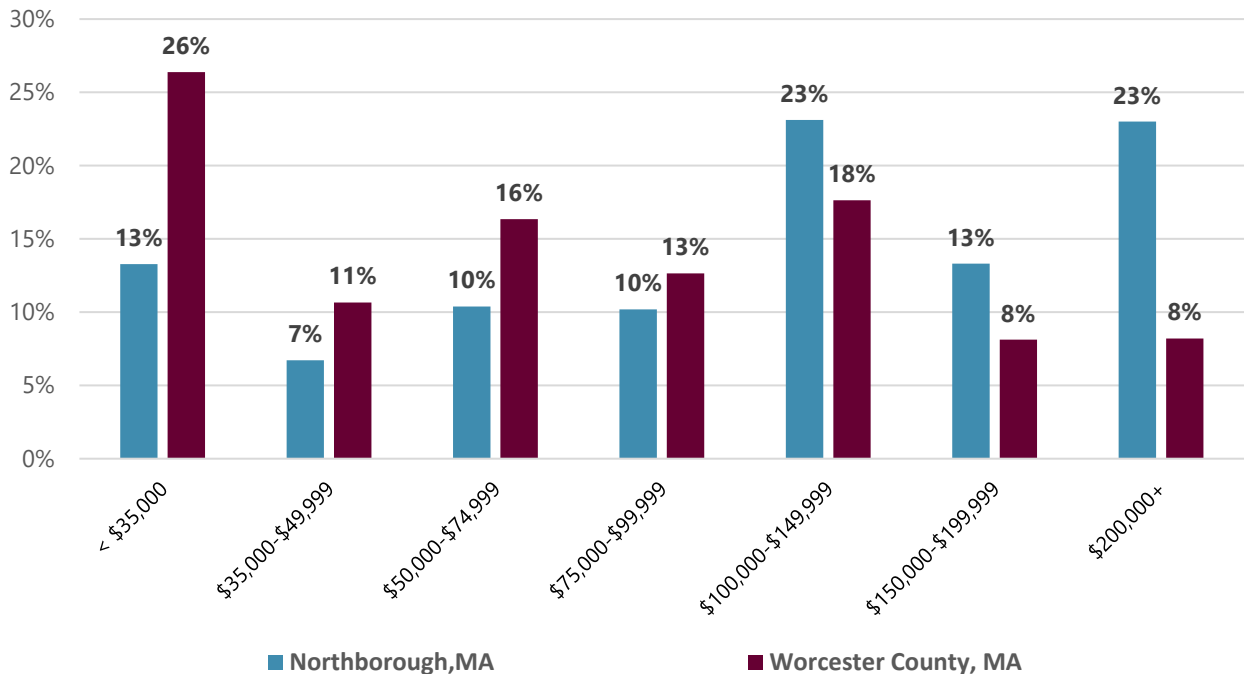
Figure 5-1 Home Values Comparison, 2017



Source – 2017 ESRI BAO

In addition to higher home values, Northborough households have higher incomes with 36 percent earning \$150,000 or more versus only 16 percent for the County (see **Figure 5-2**). The high incomes in Northborough represent strong buyer power and potential support for local retailers.

Figure 5-2 Household Income Distribution Comparison, 2016



Source – 2012 – 2016 American Community Survey 5-Year Estimates

Residents of Northborough are highly educated. Approximately 55 percent of the population in Northborough have a Bachelor’s degree or higher, compared with only 36 percent for the County overall. As a result, Northborough residents enjoy greater access to high-paying jobs; managers and professionals are far more prevalent in Northborough’s labor force than is the case County-wide. **Table 5-2** presents the distribution of the labor force among select occupation types in the Town.

Table 5-2 Percent of Labor Force by Occupation, 2017

Occupation Types	Northborough, MA	Worcester County, MA
Management	17.8%	10.3%
Education/Training/Library	7.8%	7.0%
Computer/Mathematical	7.5%	3.7%
Healthcare Practitioner /Technician	7.5%	7.0%
Architecture / Engineering	5.0%	2.7%
Arts/Design/Entertainment/Sports/Media	2.5%	1.5%
Life/Physical/Social Science	1.8%	1.3%

Source – 2017 ESRI BAO

Northborough can be classified as a “bedroom community,” as most employed people in the labor force commute elsewhere to work. Commuting patterns for employees working outside of Town are split eastbound and westbound. Convenient access to major road corridors allows residents to commute as far as Boston; however, more than a third of those commuters still spend over an hour commuting to work. Northborough does not have commuter rail access, but its neighbors to the south, Westborough and Southborough, are served by the Framingham Line. The lack of transit options is a disadvantage for the Town, and it contributes to traffic congestion, especially along Route 20.

Local Business and Employment

As of 2016, there are 575 businesses and 8,225 employees working in Northborough. According to U.S. Census 2015 LEHD Origin-Destination Employment Statistics, approximately 9 percent of those employees are also residents of the Town. Employees from out of Town predominantly live in Worcester (11 percent), Marlborough (9 percent), Boston (6 percent), and Westborough (6 percent).

Most employment in Northborough is in the Retail Trade, Transportation and Warehousing, and Health care sectors. As shown in **Figure 5-3**, the largest private employers in Northborough include: Wegmans Food Markets (Retail Trade), National Grid (Utilities), Walmart (Retail Trade), Saint-Gobain Materials (Manufacturing), Aspen Aerogels (Wholesale Trade), and Beaumont Rehab and Skilled Nursing Center (Health Care).

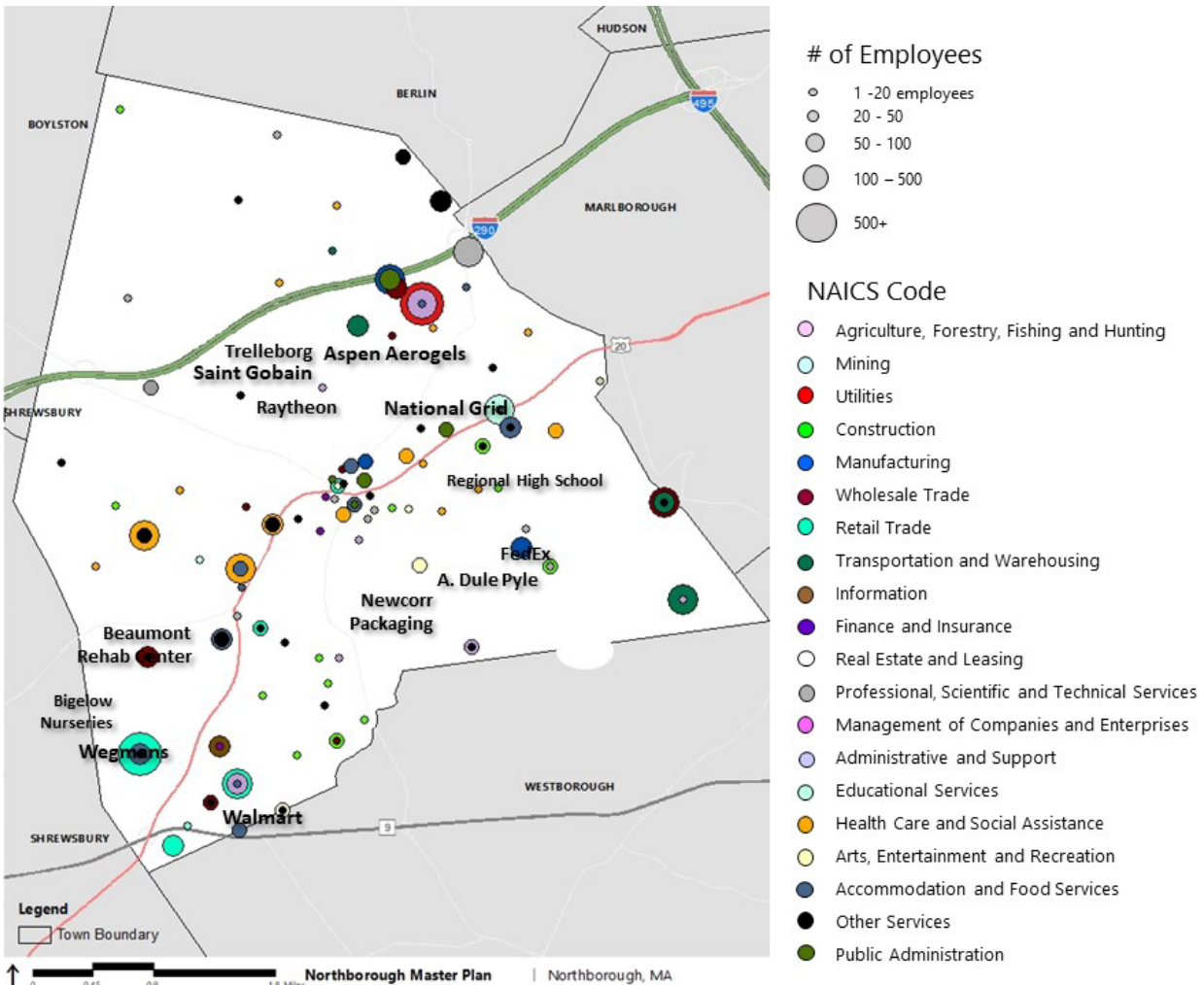
The majority of the Retail Trade employment is located along Route 20, Route 9, and in the new Northborough Crossing development. The industrial activity is concentrated in the southwestern area of the Town and driven mostly by the FedEx site. There is a node of professional offices and manufacturing businesses on the northwestern edge of Town

along I-290, and there is opportunity to expand this development type in the proximate vacant sites (e.g., Crossroads Industrial Site).

Between 2011 and 2016, Northborough experienced significant employment growth adding approximately 2,500 new jobs representing a healthy annual growth rate of 8.8 percent (see **Table 5-3**). The retail sector had the strongest growth (approximately 850 new jobs), driven substantially by the addition of Northborough Crossing. Northborough Crossing is anchored by Wegmans Food Markets and also includes a mix of restaurants and “big box” stores such as Kohl’s, BJ’s Wholesale Club, and Dick’s Sporting Goods. It will be unlikely that Northborough experiences the same level of growth in the retail sector in the next few years because the development has been largely leased out.

There was also an important increase in employment (approximately 400 new jobs) in the Transportation and Warehousing sector, partially because of the new FedEx facility located at the Crossroads Industrial Park. Northborough also saw about 30 new health care-related businesses over the five-year period to lead all sectors in the number of new businesses added. The Town could see some additional growth in that sector in the future as its remaining vacant sites develop.

Figure 5-3 Business Locations by Employment Size and NAICS Code, 2015



Source – US Census 2015 LEHD

Table 5-3 Northborough Employment by Sectors, 2016 compared to 2011

NAICS Code - Industry	Average Employment				Number of Establishments			
	2011	2016	Absolute Change	Annual % Change	2011	2016	Absolute Change	Annual % Change
23 - Construction	341	486	145	8.5%	54	63	9	3.3%
31-33 Manufacturing	393	539	146	7.4%	18	19	1	1.1%
42 – Wholesale Trade	469	534	65	2.8%	47	42	-5	-2.1%
44-45 Retail Trade	859	1,716	857	20%	67	67	0	0%
48-49 Transportation and Warehousing	649	1,056	407	12.5%	17	14	-3	-3.5%
52 – Finance and Insurance	113	123	10	1.8%	24	22	-2	-1.7%
53- Real Estate and Rental and Leasing	101	140	39	7.7%	16	15	-1	-1.3%
54- Professional and Technical Services	585	766	181	6.2%	82	95	13	3.2%
62 – Health Care and Social Assistance	694	908	214	6.2%	48	80	32	13.3%
71 – Arts, Entertainment, and Recreation	215	191	-24	-2.2%	8	10	2	5.0%
72 – Accommodation and Food Services	463	763	300	13%	38	45	7	3.7%
81 – Other Services, Except Public Administration	387	330	-57	-2.9%	62	53	-9	-2.9%
92 – Public Administration	147	150	3	0.4%	13	12	-1	-1.5%
Total, All Industries	5,723	8,225	2,502	8.7%	519	575	56	2.2%

Source – State of Massachusetts Labor and Workforce Development Data & Statistics

As previously noted, Northborough lacks a strong and vibrant downtown. The Downtown area is challenged by the traffic along Route 20, the physical layout, and the fact that commercial activity is spread out across the Town. The Town has different retail nodes, each with their own characteristics from an economic development perspective:

- Downtown
 - Route 20 is a challenge – high traffic volume and limitations on streetscape design
 - Lack of reasons to be there (e.g., sense of place, gathering spaces)
 - Too many missing teeth (i.e., vacant parcels)
 - Public buildings are too spread out to create a concentration of activity
 - Lack of green and natural beauty (e.g., trees, flowers, etc.)

- Business East
 - Strong opposition to commercial development from surrounding neighborhood groups
 - Car-oriented, lack of pedestrian environment
- Business West
 - Car-oriented, strip mall type of retail
 - Developments seem more dated than other retail nodes
- Northborough Crossing
 - A retail center of 650,000 sq. ft.
 - Mixed-use development
 - Car-oriented
- Route 9 Corridor
 - Contains the only hotel in Northborough, which lacks the attractiveness of newer hotels in the region such as the Hyatt Place at the APEX Center in Marlborough

Development Opportunities

Crossroads Industrial Site

Part of a 360-acre master plan developed by the Gutierrez Company and stretching along the Marlborough/Northborough border, the Crossroads Industrial Site offers an additional 1 million sq. ft. of development opportunity. The site is one of the last vacant parcels zoned for industrial use left in the Town.

Kimball Sand Site

Located off Southwest Cutoff, the 50-acre site has been identified as a potential area for commercial development. Town officials would like to understand what type of development can be supported at this scale and location, as well as the types of companies the Town can attract.

Economic Development Programs

Industrial Development Committee (IDC)

The IDC goals are to encourage the continued development of the Town's industrial and commercial tax base by:

- Refining internal processes and resources to efficiently and effectively support economic development efforts;
- Enhancing marketing, recruitment, and retention strategies for commercial and industrial businesses; and

- Planning for the expansion of local water/sewer infrastructure to support commercial and industrial growth.

495 MetroWest Partnership

The 495 MetroWest Partnership is a public-private organization that involves businesses, municipalities, non-profits, and other stakeholders to promote economic vitality in the 495 MetroWest region. Founded in 2003, the group includes 35 communities, including Northborough. The Partnership achieves its mission by engaging with policymakers, bringing awareness to regional needs and the issues that are impeding growth, and funding studies for various initiatives.

State Incentives

Northborough is designated as a Massachusetts Economic Target Area (ETA) within the Framingham-Marlborough Region. This designation provides the opportunity for properties to be designated an Economic Opportunity Area (EOA), giving businesses within an EOA access to State financial assistance. These benefits include a five percent State Investment Tax Credit, a 10 percent State Abandoned Building Tax Deduction, and a priority status for State capital funding.

Economic Development Goals

G1

Define Downtown in terms of its geography (e.g., Downtown Business District), appearance, branding, and function.

G2

Promote (re)development opportunities for vacant or underutilized commercial and industrial properties.

G3

Grow and connect the local business community and position it to be resilient in the face of changing economic conditions.

G4

Position the Town to attract more visitors and commercial tax revenue.

Economic Development Recommendations

Goal 1: Define Downtown in terms of its geography (e.g., Downtown Business District), appearance, branding, and function.

ED1-1

Create a Downtown planning/revitalization committee made up of Downtown business owners, representatives from Town boards, and other stakeholders that will recommend the boundaries of Downtown, support the Town's Planning office, assist in proposing and overseeing plans to enhance the Downtown, and pursue Community Preservation Act funding and other funding sources to enable this enhancement.

Goal 1: Define Downtown in terms of its geography (e.g., Downtown Business District), appearance, branding, and function. (Continued)

- ED1-2** Explore potential acquisitions or land deals to appropriately scale the Downtown.
- ED1-3** Explore options for creating a fresh and cohesive identity or brand for the new Downtown area such as unified signage and facades, including wayfinding and marketing materials. Use signage to clarify the boundaries of the new Downtown.
- ED1-4** Conduct a parking study to assess and address parking activity and pedestrian issues in Downtown, and to plan for future needs.
- ED1-5** Explore the potential for repurposing 4 West Main Street (the Old Town Hall site) as an anchor for the Downtown. Conduct a feasibility study to identify options and recommendations.
- ED1-6** Undertake a study to explore the potential of designating Downtown as a Business Improvement District, which would create a special assessment district where property owners would agree to organize and finance services above and beyond those already provided by the Town.
- ED1-7** Look for opportunities to incorporate other public gathering places, such as the Town Common and Library, into the Downtown framework. Advance efforts to connect gathering places and businesses for improved walkability and accessibility.

Goal 2: Promote (re)development opportunities for vacant or underutilized commercial and industrial properties.

- ED2-1** Evaluate the need for, and ability to sustain, a dedicated economic development staff to actively engage the Town's business community, promote the Town's economic attractiveness, and coordinate the Town's economic development efforts.
- ED2-2** Consider engaging a real estate advisory firm to create a redevelopment strategy for the Town's business districts. The strategy should incorporate analysis of appropriate uses, scale/dimension/design, as well as the infrastructure and services needed to support these redevelopments.
- ED2-3** Explore the potential for District Improvement Financing, Tax Increment Financing, and/or grants to attract private investment in the Town's business districts.
- ED2-4** Engage more proactively with landowners in the Town's industrial districts, taking advantage of the aggregation of the property interests and working collaboratively to both market and develop industrial-zoned sites.
- ED2-5** Explore the idea of fiscal impact assessments or mitigation funding from new developments that account for the development's added traffic, utility loads, etc. and utilize these funds for upgrades that are required to support the development or that benefit the community.

Goal 3: Grow and connect the local business community and position it to be resilient in the face of changing economic conditions.

- ED3-1** Identify and encourage opportunities to incorporate office or incubator like-concepts into under-occupied spaces.
- ED3-2** Use events and programming to feature local businesses. This can include markets, pop-up retail, and rotating restaurant programs.
- ED3-3** Work with existing community and business organizations to collectively increase visibility of the business community, and advocate for improvements in the business environment.

Goal 4: Position the Town to attract more visitors and commercial tax revenue.

- ED4-1** Explore the possibility of attracting hospitality uses to the Route 9 commercial node through market analysis and discussions with local operators.
- ED4-2** Encourage mixed-use development for appropriately positioned private land assets. Develop a strategy for the provision of public utilities, as necessary.
- ED4-3** For publicly-controlled sites such as the Westborough State Hospital in Northborough and the Boundary Street property, develop a master plan to address key needs to include economic development, housing, recreation, and other possibilities as appropriate.