



Northeastern University
Dukakis Center For Urban and Regional Policy

Weymouth, Massachusetts: A Look at Economic Development

Barry Bluestone • 2017

Dukakis Center For Urban and Regional Policy
Northeastern University
School of Public Policy & Urban Affairs
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A “Think and Do” Tank

**First, a look at the Massachusetts
economy:**

Growth in Real Output Massachusetts vs. U.S. 2009 - 2016 Q2

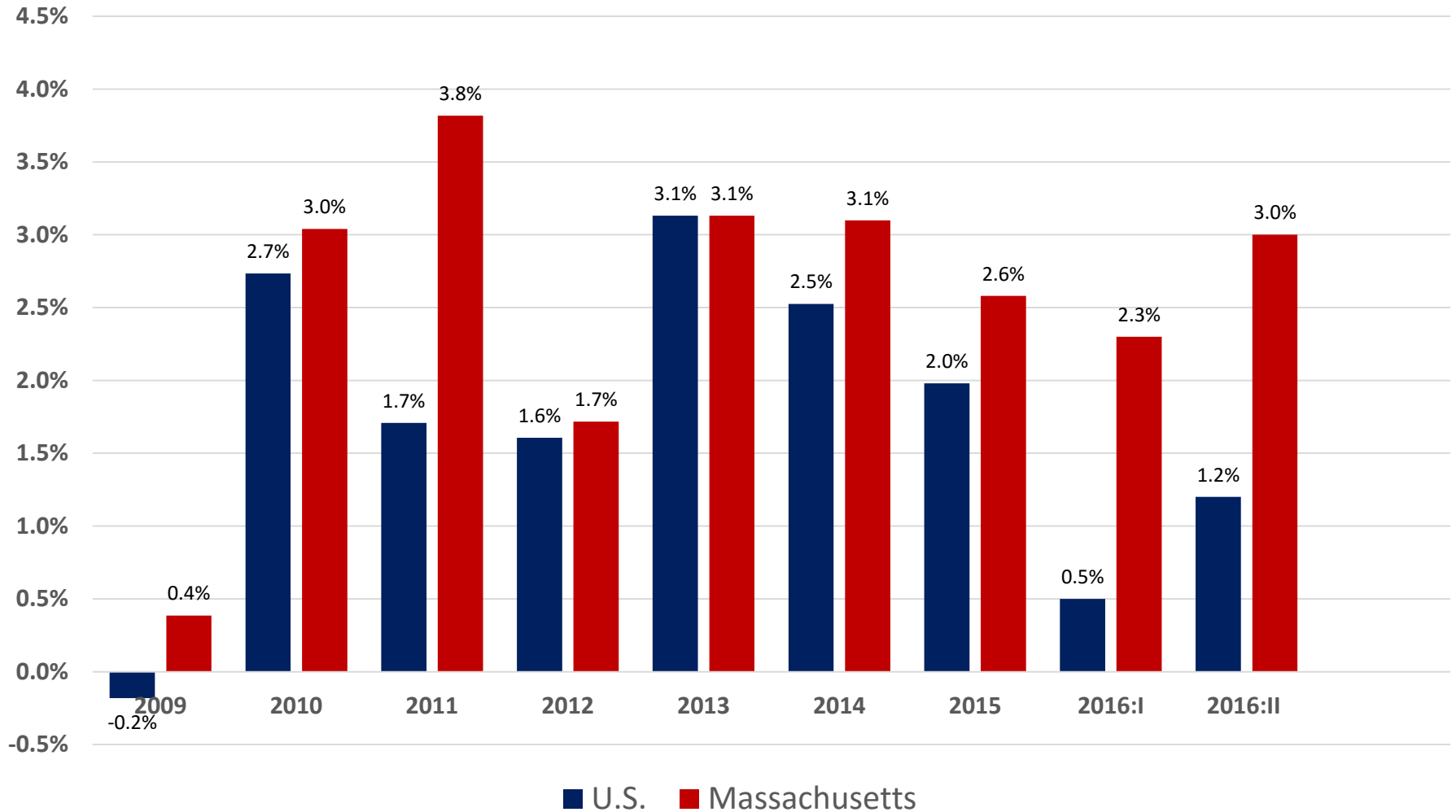
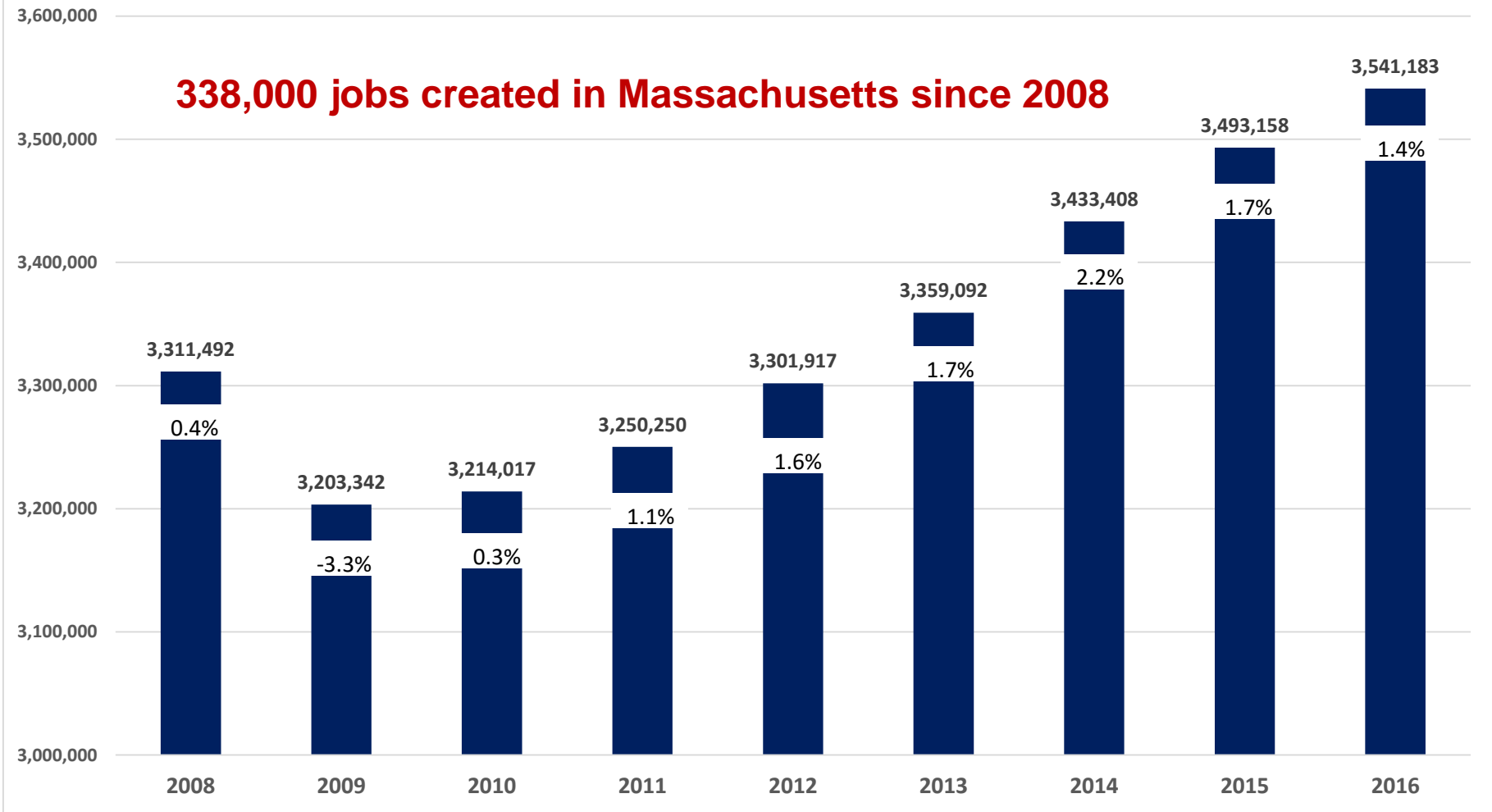
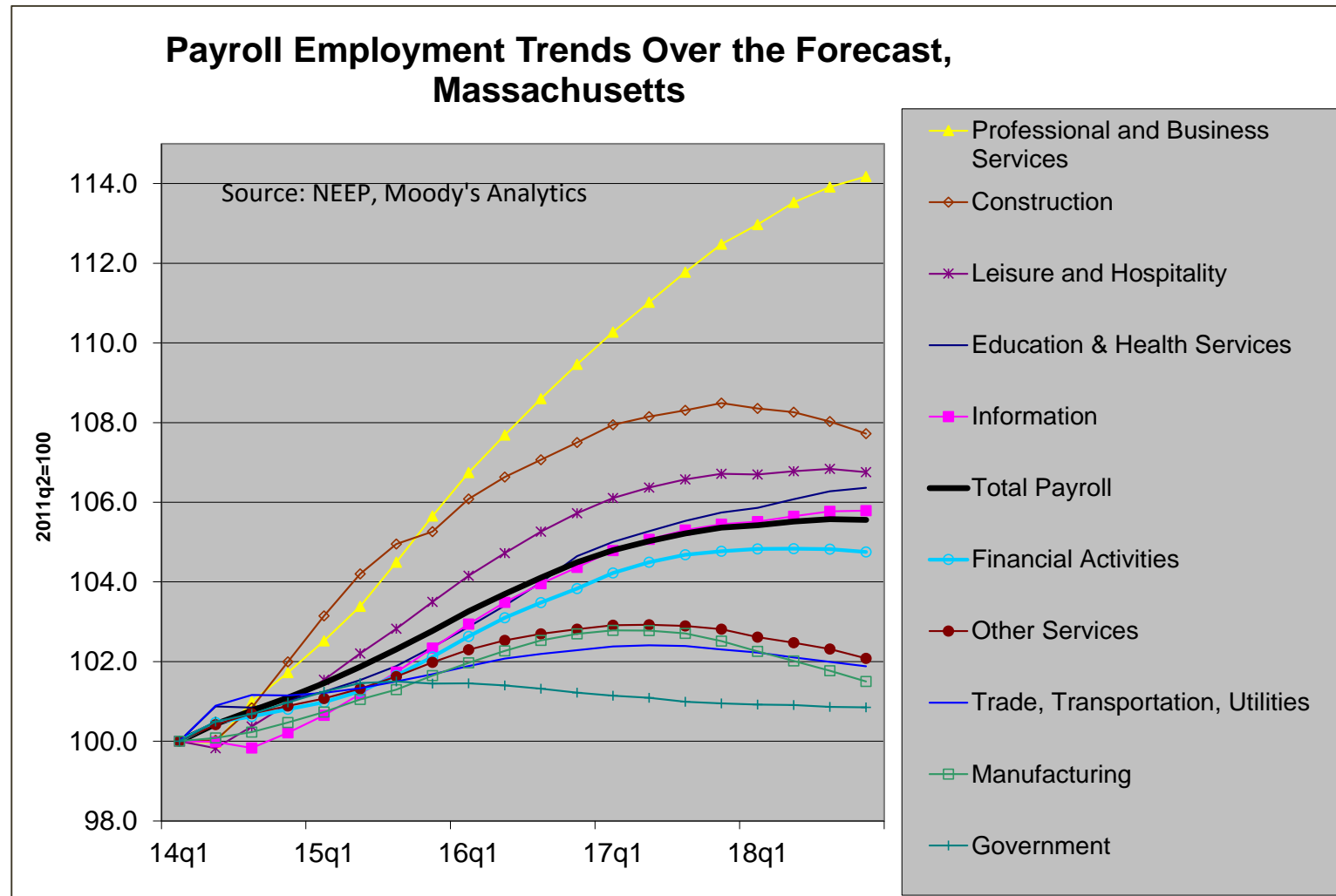


Figure 1.2 Total Non-Farm Employment
Seasonally-Adjusted
Massachusetts 2008-2016 (June)
(% = Annual Growth Rate)

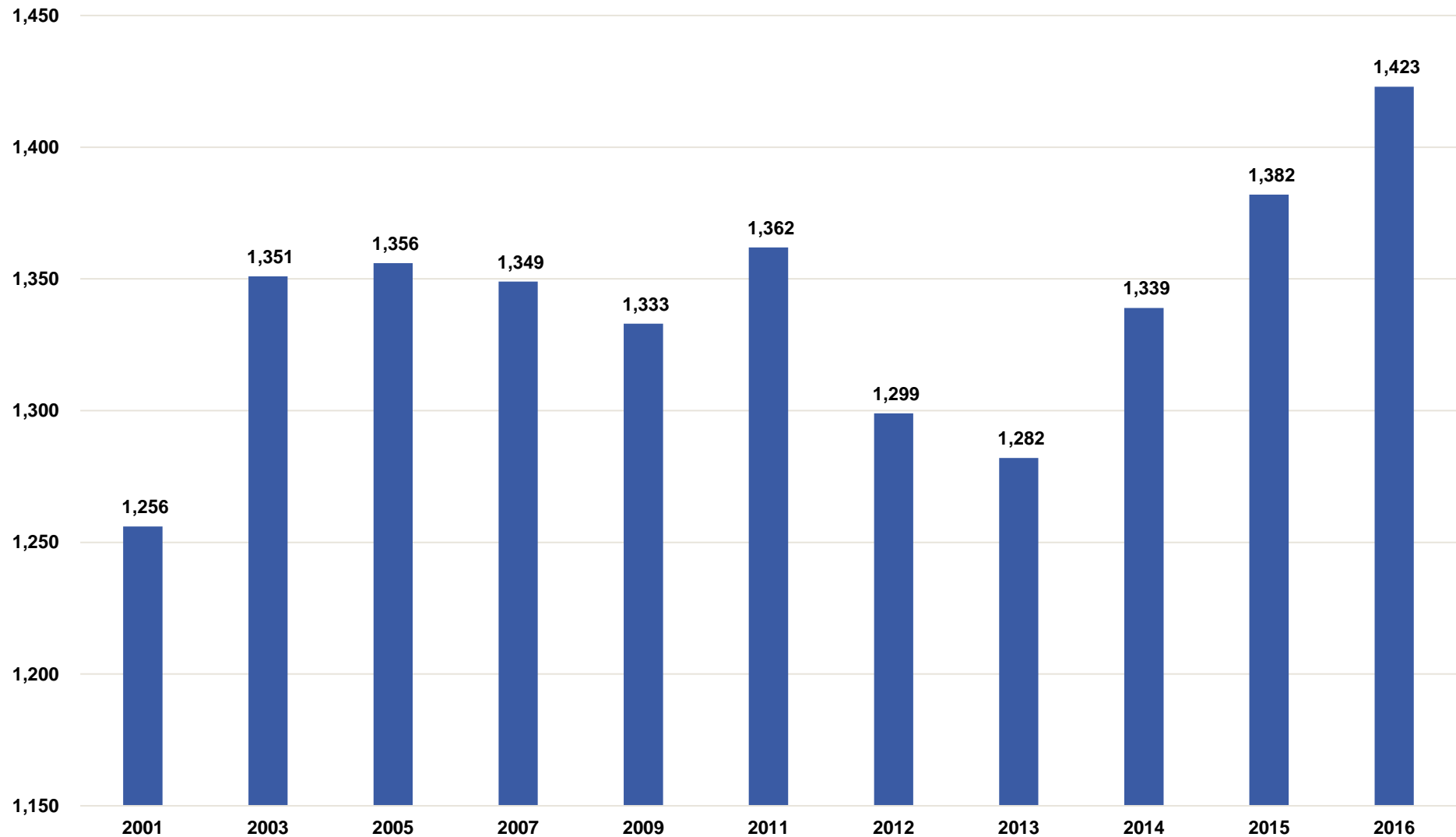


Projected Employment by Sector: 2014-2018

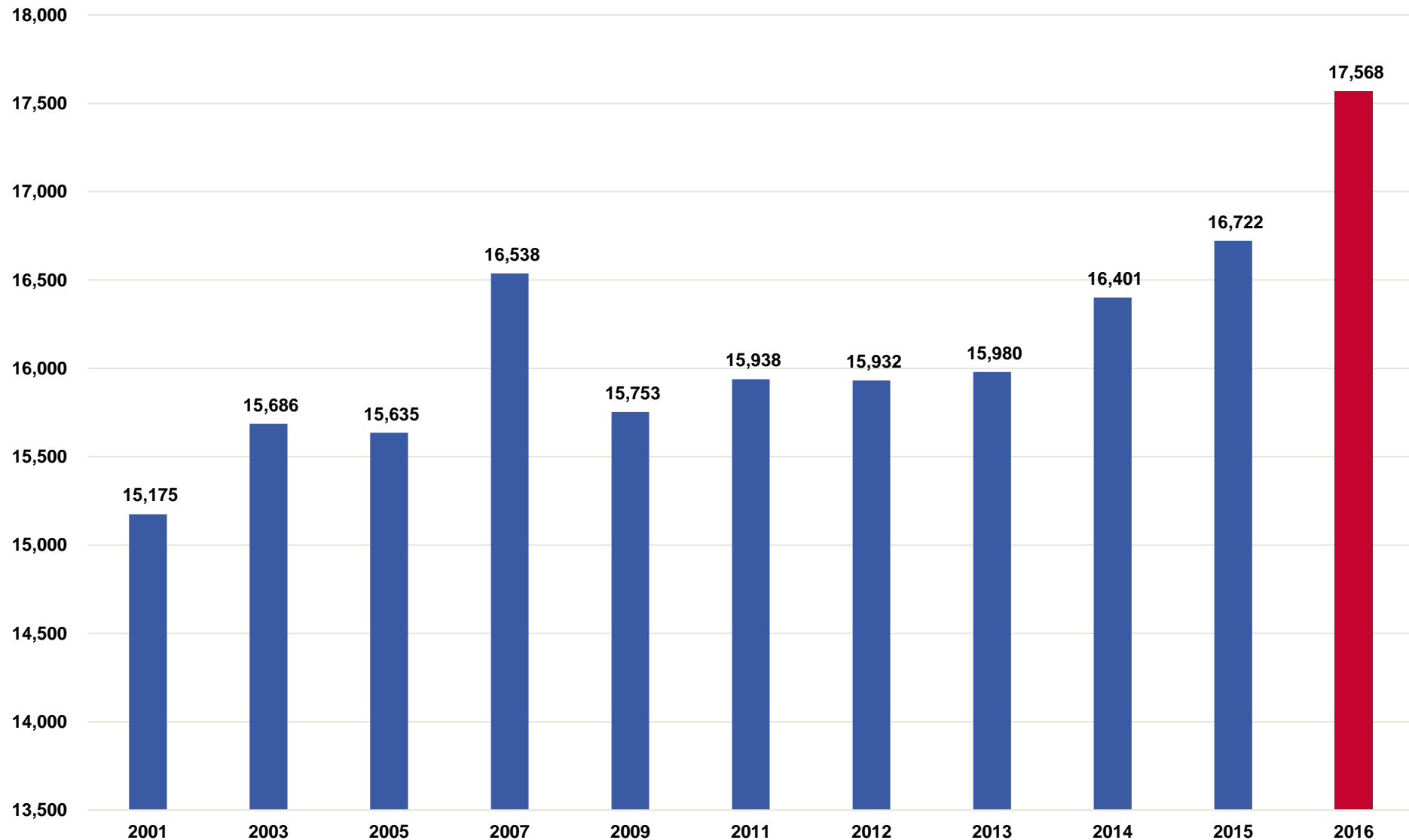


Town of Weymouth: Employment

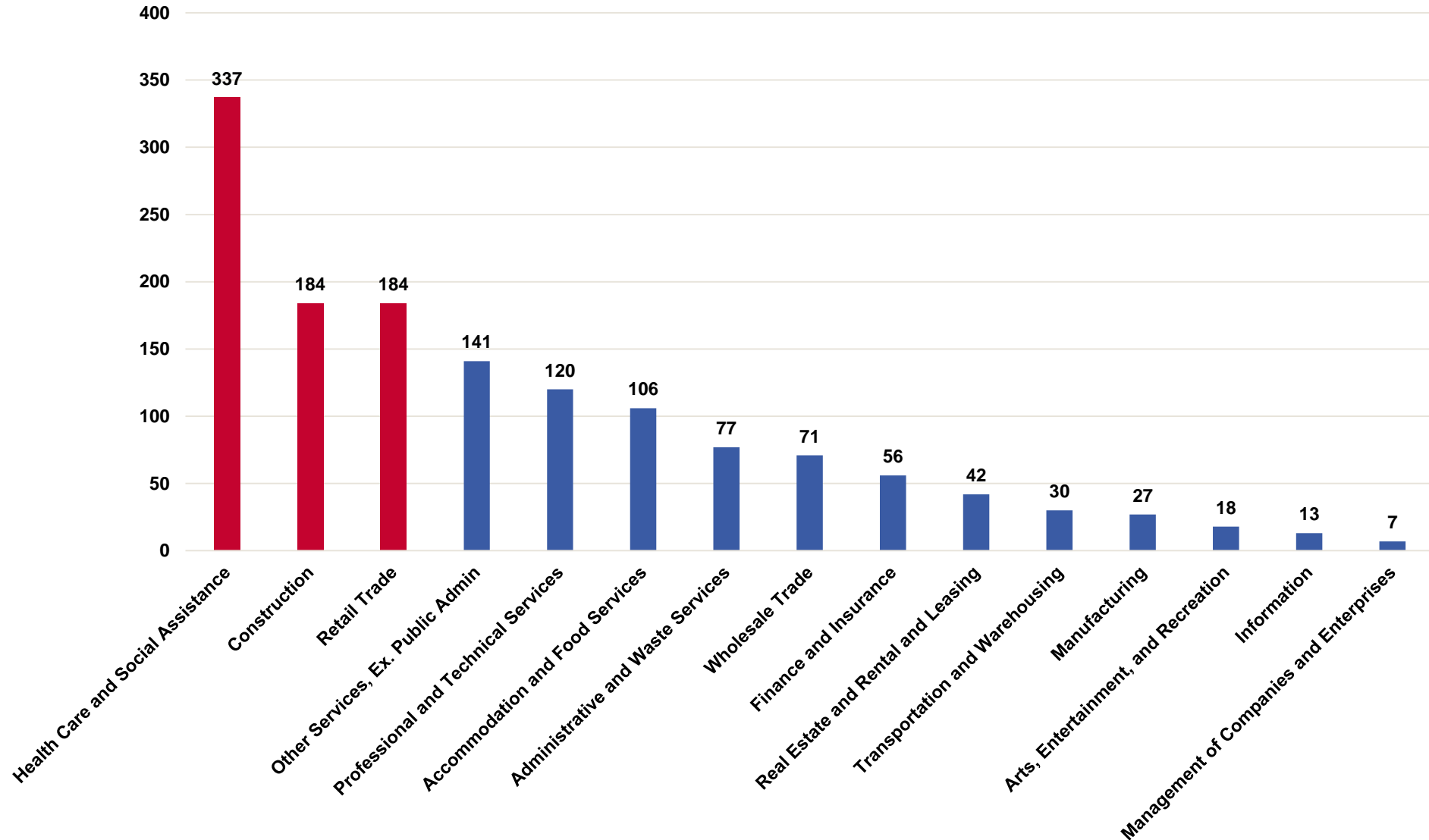
Town of Weymouth Number of Private Industry Establishments 2001–2016 (3rd Q)



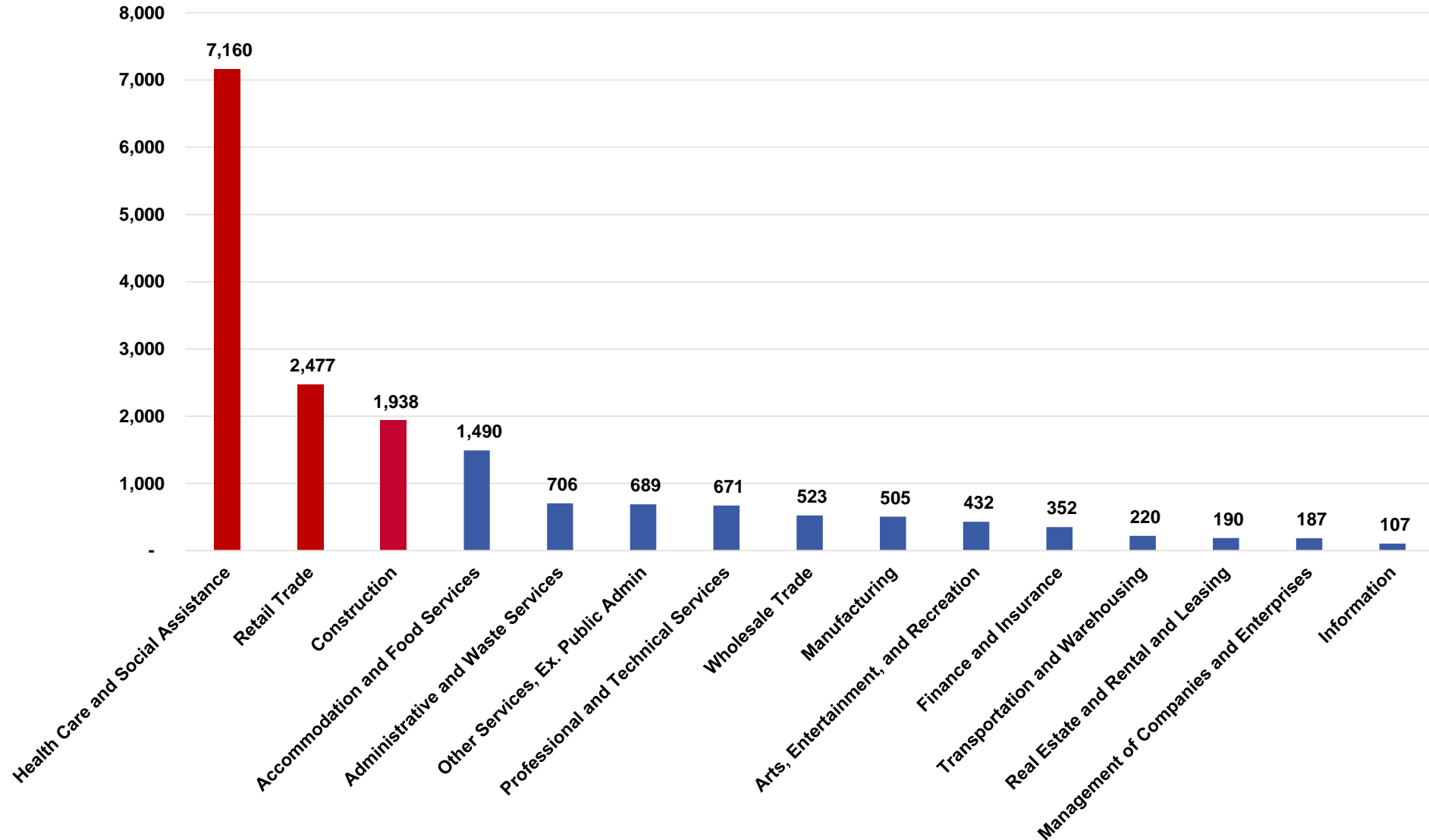
Town of Weymouth Average Monthly Employment (Private Industry) 2001–2016 (3rd Q)



Town of Weymouth Leading Industries by Number of Establishments 2016 (3rd Q)



Town of Weymouth Average Monthly Employment by Leading Industries 2016 (3rd Q)



Promoting Economic Development in Weymouth: Practical Strategies to Attract and Retain Economic Investment through EDSAT



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Economic Development Overview

- Economic development is a **collaborative** process that builds strong, adaptive economies and requires leadership
- Companies move to **municipalities**, not states
- Municipal officials must play a critical role in attracting business investment, jobs, and a strong tax base



Local Communities on their Own...

- With rising federal deficits and a bipartisan drive to cut federal debt, and at the same time calling for tax cuts, there will be **little additional aid to communities** from the federal government.



States in Crisis

- With states facing **structural budget deficits**, local aid from state governments will be in short supply in many states



Local Economic Development

- In this new environment of fiscal constraint, local communities will prosper only if they are successful in finding new sources of revenue
- The best way to do this is to **attract business enterprise** to town



Be the CEO for Economic Development

- Municipal leaders must initiate and support the development process
- Begin by assessing your municipality's strengths and weaknesses
- Change what you have **control** over
- Collaborate with others on what you can **influence**



Fundamental Proposition

- *Cities and towns have the ability to create their own destinies, and they can benefit from having sophisticated partners who can help them develop tools and information to compete successfully*



Development of EDSAT

- Dukakis Center staff surveyed corporate real estate and development professionals on location decisions
- **NAIOP:** National & Massachusetts Chapter
- **CoreNet Global**
- Based on the NAIOP / CoreNet Survey, the Economic Development Self-Assessment Tool (EDSAT) for municipal leaders was created



NAIOP/CoreNET Sample

Project Type Selected	NAIOP	%	<u>CoreNet</u>	%
	General Industrial	40.0	Office / Headquarters	68.5
	Commercial / Professional	38.8	Manufacturing	10.4
	Mixed-Use	8.8	Retail	10.4
	R&D Facility	5.0	Mixed-Use	5.7
	Retail	5.0	R&D Facility	2.8
	Manufacturing	2.5	Distribution / Warehouse	1.9
Where Work is Done	NAIOP	%	<u>CoreNet</u>	%
	Pacific	18.9	International	38.3
	Middle Atlantic	18.9	<u>Pacific</u>	32.7
	South Atlantic	18.9	Middle Atlantic	28.0
	East North Central	8.8	West South Central	21.4
	International	7.6	East North Central	20.5
	East South Central	6.3	South Atlantic	19.6
	West North Central	6.3	New England	19.6
	New England	5.0	West North Central	15.8
	West South Central	5.0	East South Central	15.8
	Mountain	3.8	Mountain	11.2

Deal-Breakers Overview

DEAL-BREAKERS



CITY SELF-ASSESSMENT



CITY ACTION



DEAL-MAKERS



Deal-Breakers, continued

- Ignorance of changing market conditions: “Time to Market”
- Uncorrected “cognitive maps”
- Too little attention to site deficiencies
- Slow municipal processes
- Too much reliance on tax breaks



NAIOP / CoreNet Survey Categories

- Permitting Processes
- Labor
- Development and Operating Costs
- Business Environment
- Transportation and Access
- Quality of Life / Social Environment



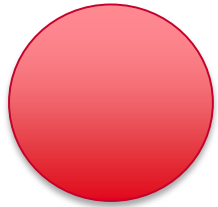
The Self-Assessment Tool (EDSAT)

The self-assessment tool consists of ten sections:

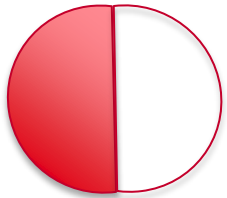
1. Access to Customers / Markets
2. Concentration of Businesses & Services (Agglomeration)
3. Cost of Land (Implicit / Explicit)
4. Labor
5. Municipal Process
6. Quality of Life (Community)
7. Quality of Life (Site Amenities)
8. Business Incentives
9. Tax Rates
10. Access to Information



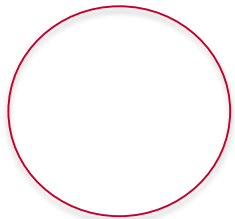
NAIOP/CoreNet Global Ranking of Critical Location Factors



Very Important Factor



Important Factor



Less Important Factor



Key EDSAT Results for Weymouth

How does Weymouth fare on the EDSAT questions relative to Comparison Group Municipalities (CGM)?

Weymouth's Strengths and “Deal-Makers”

Strengths Among *Very Important* Location Factors:

PARKING: Weymouth offers parking facilities near development sites and utilizes state or federal infrastructure grants to improve parking throughout the town

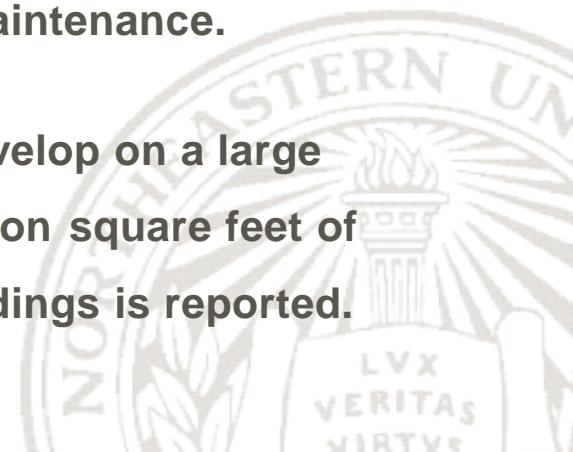


Weymouth's Strengths Among *Important* Location Factors

PUBLIC TRANSIT: Weymouth has two commuter rail stops in town, and a third nearby, as well as public bus transit—which offers evening and weekend service. The city has begun developing a transit-oriented development strategy.

PHYSICAL ATTRACTIVENESS: Weymouth reserves a sizeable percentage of acreage for parks (11 to 15%), a direct result of the town's Five-year Open Space Plan, and practices good code enforcement and maintenance.

SITES AVAILABLE and LAND: There is ample space to develop on a large scale in Weymouth; approximately a quarter to half a million square feet of vacant useable office space in commercial/industrial buildings is reported.



Weymouth's Strengths Among *Important* Location Factors (cont'd)

PREDICTABLE PERMITS and **FAST-TRACK PERMITS** : The city provides a checklist and process flowchart to prospective developers, it allows for single presentation of development proposals to all review boards and commissions with relevant permit authority, and it is home to an industrial park with expedited permitting.

CRIME: While the robbery rate in Weymouth is slightly higher than the CGM, most crime indicators are much lower than the comparison group (i.e. residential burglary, auto theft, and homicide).



Weymouth's Strengths Among *Important* Location Factors (cont'd)

SITE AMENITIES: Most of Weymouth's existing development sites are within one mile of regail, fast food, child care, and even fine dining amenities.

STATE & LOCAL TAX INCENTIVES: Because Weymouth is located in Massachusetts, it has a robust portfolio of eligible state tax incentives—although the city could take greater advantage of them. Weymouth also offers its own investment tax credits and workforce training grants, an added benefit to interested firms.

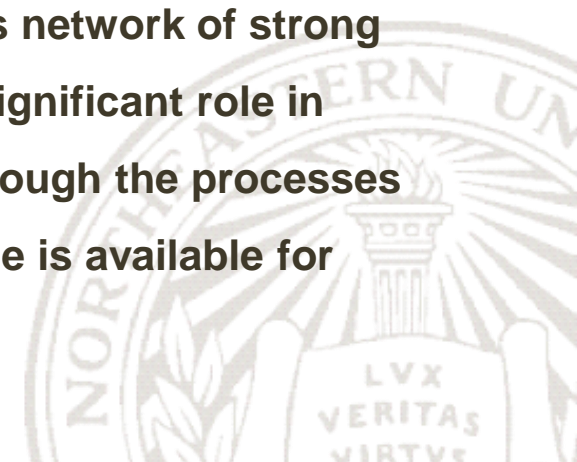


Weymouth's Strengths Among *Less Important* Location Factors

AIRPORT AND RAIL ACCESS: Weymouth is geographically close to Logan International Airport (about 17 miles), which is accessible via bus and rail public transit, the Logan Express, and by car—a one-hour drive at most.

PROXIMITY TO UNIVERSITIES & RESEARCH: Similarly, while Weymouth itself does not have any educational institutions within its jurisdiction, the robust network of over 37 educational institutions in the Boston area are within a commuter rail ride to Weymouth.

PERMITTING OMBUDSMAN: Weymouth can be proud of its network of strong executive leadership. Weymouth's elected officials play a significant role in ensuring the efficiency of the local permitting process (although the processes remain relatively slow), and ensure that technical assistance is available for state and federal permitting and license applications.



Weaknesses and “Deal-Breakers”:

Weymouth's Weaknesses Among *Very Important* Location Factors:

TIMELINESS OF APPROVALS: For existing projects in Weymouth, zoning variances, special permits, building permits, and appeals take longer to process than the CGM. For existing structures, zoning variances and appeals have a longer-than-average wait time.

WEBSITE: The city website scores comparatively well. It is highly populated, regularly maintained, and includes a homepage portal for business interests. However, it is too “busy,” and the business portal is not prominently featured or comprehensively populated. Usually site locators’ first encounter with a town, Weymouth’s website is in need of a redesign, with improved ease of use.

Weymouth's Weaknesses Among *Very Important* Location Factors (Cont'd)

FIBER OPTIC / CABLE / DSL INFRASTRUCTURE: While Weymouth has sufficient capacity for growth and reliable service on most infrastructure needs, fiber optic, cable, and DSL functionality is inadequate capacity for current needs or future growth.

RENTS: Weymouth's rents are comparatively high for nearly all grades of office space. While the current average square foot cost for existing manufacturing space is in line with the comparison group (\$6.00 / square foot), rates for retail space in both the central business district and the highway business district are higher than the CGM.



Weymouth's Weaknesses Among *Very Important* Location Factors (Cont'd)

HIGHWAY ACCESS: The proportion of available sites for retail trade, manufacturing, and general office space that are within 2 miles of a limited-access major highway is lower than the comparison group, making sites for development less accessible.



Weymouth's Weaknesses Among *Important* Location Factors:

COMPLEMENTARY / SUPPLEMENTAL BUSINESS SERVICES: While Weymouth's local Chamber of Commerce is reported to be “moderately” involved in the economic development activities of the jurisdiction, it does not have an active volunteer economic development committee or nonprofit center for economic development. Weymouth does not have an up-to-date development strategy or overall economic development plan within its master plan.

CRITICAL MASS FIRMS: Although Weymouth is included in MAPC's economic development strategy, the city has neither an economic development plan nor an industrial attraction policy of its own.

CROSS MARKETING: Weymouth does not currently engage state agencies and organizations, or already-resident firms, to participate in marketing your jurisdiction.

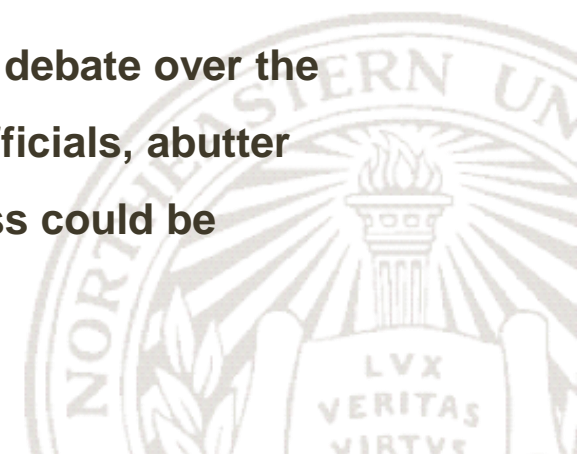


Weymouth's Weaknesses Among *Important* Location Factors (cont'd):

MARKETING FOLLOW-UP: Weymouth is at par with the CGM in conducting marketing follow-up. In other words, your town is inactive in this regard, leaving much room for improvement.

INDUSTRY SENSITIVITY: As with your marketing follow-up performance, Weymouth is at par with the CGM in not demonstrating industry sensitivity—also a marketing category. Town officials should work more closely with local firms to market the city and should respond quickly to negative publicity.

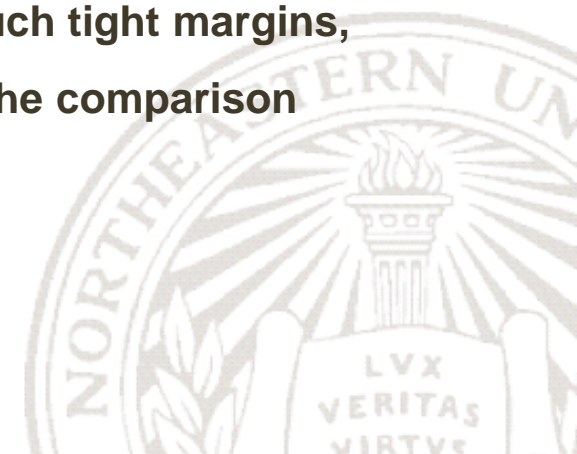
CITIZEN PARTICIPATION IN THE REVIEW PROCESS: While debate over the review process is healthy and welcomed by Weymouth's officials, a better and/or neighborhood groups slowing the permitting process could be considered a deterrent to interested firms.



Weymouth's Weaknesses Among *Important* Location Factors (cont'd):

LOCAL TAX RATES: Weymouth's residential property taxes are higher than the CGM (\$12.81 per \$1,000 compared to \$11.37- 11.38 per \$1,000), and the town imposes impact fees on new development.

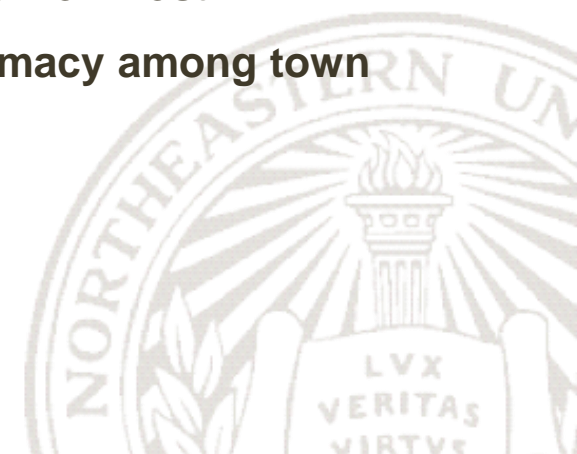
HOUSING: The housing market is tight in Weymouth, like many other Eastern Massachusetts towns: the homeownership rate is 66-75 percent, the vacancy rate for rental housing is between 3 and 5 percent, and the percent of homes for sale sits at less than 3 percent. Unsurprisingly, given such tight margins, the median sales prices and median rents are higher than the comparison group.



Weymouth's Weaknesses Among *Less Important* Location Factors:

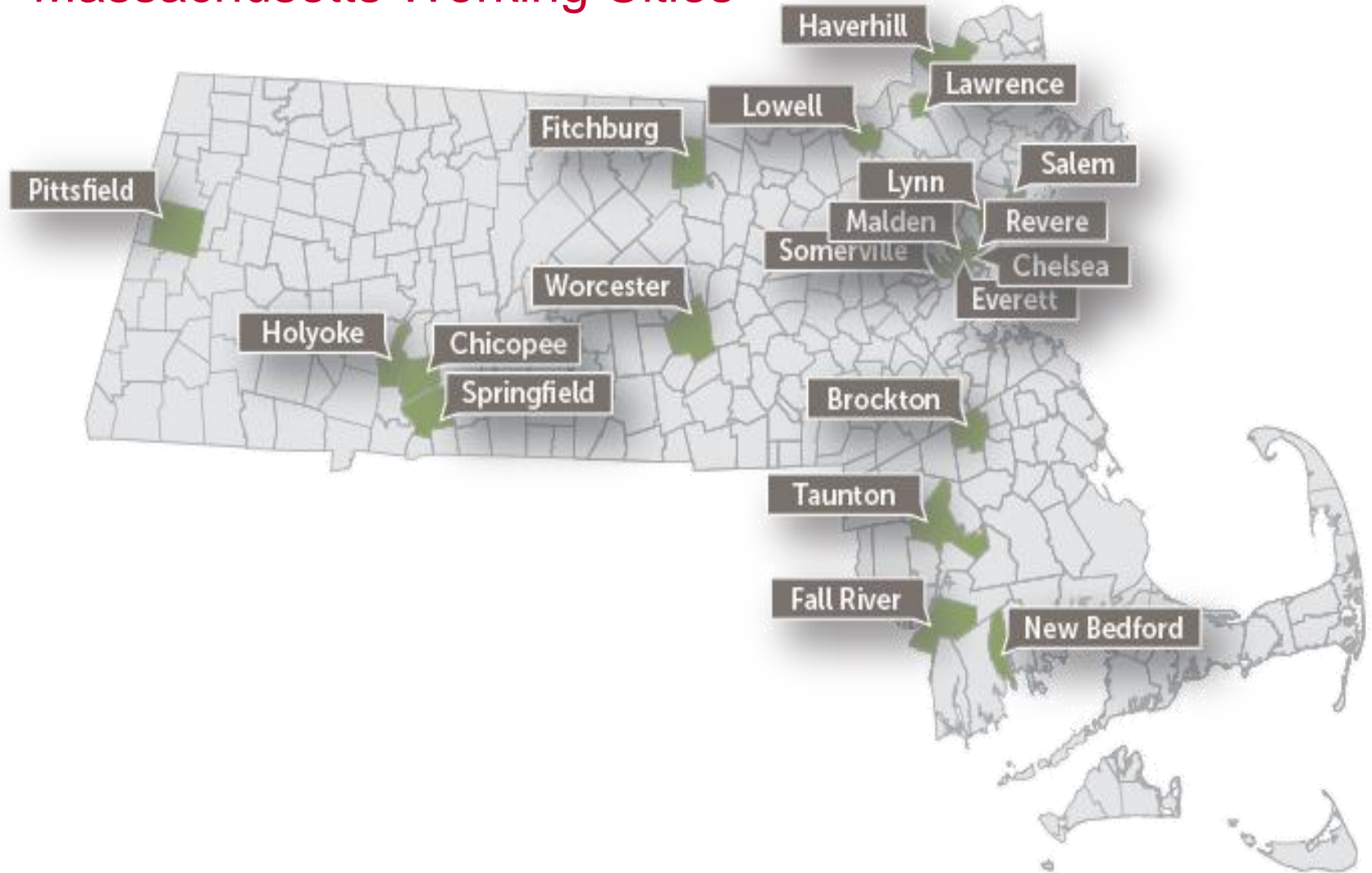
WORKFORCE TRAINING: Unlike others in the comparison group, Weymouth does not currently support public-private partnerships to provide specific workforce training, despite there being an adult education program readily available to residents.

UNIONS: Public and private unions play a significant role in Weymouth, both economically and culturally, and many of the town's union members supported the Verizon strike of 2016. Site location specialists see this as a “less important” site location factor, one that is not a deal-breaker for most employers but that might require an extra measure of diplomacy among town officials.



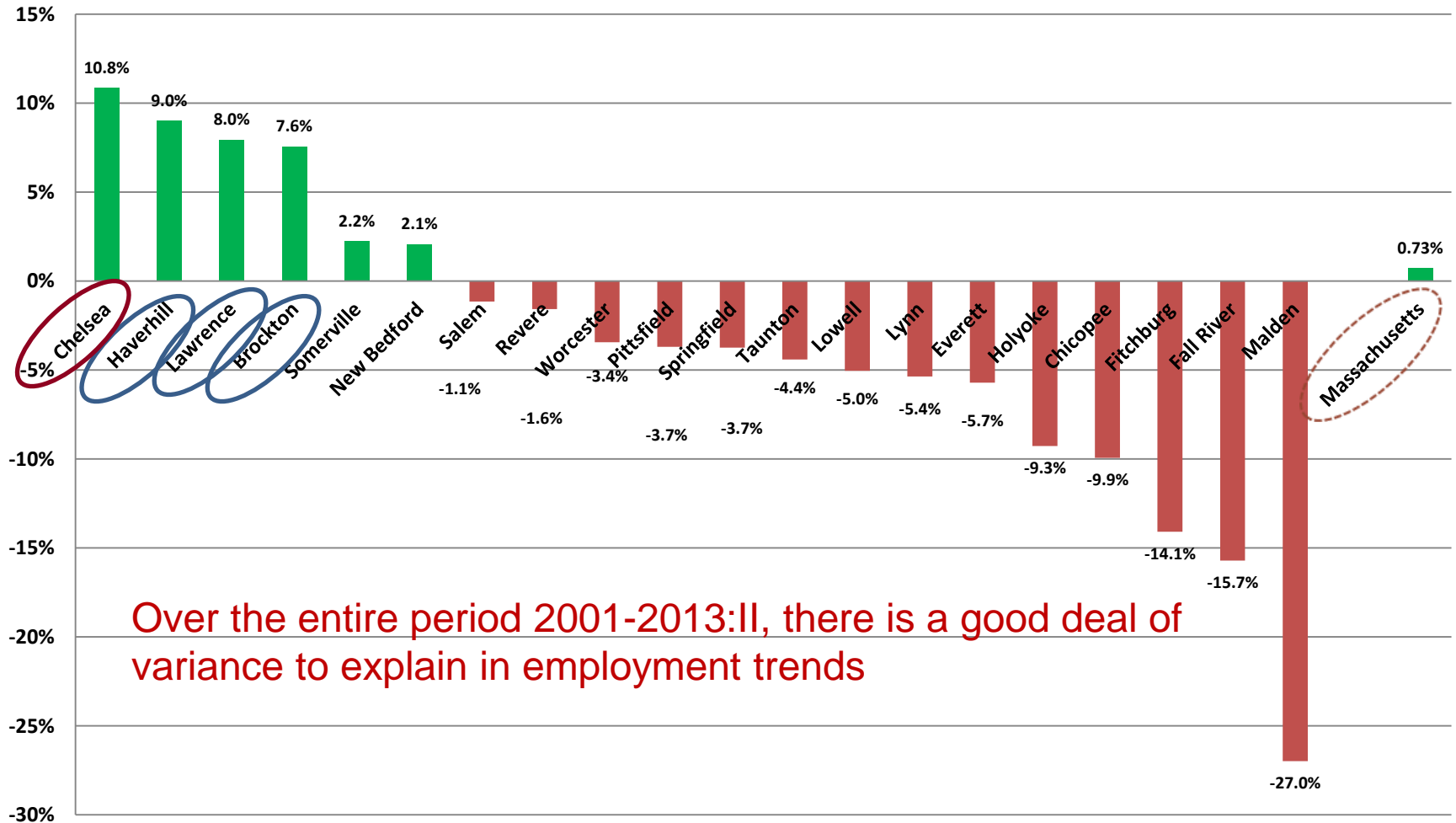
But What Really Matters?

Massachusetts Working Cities



Employment Trends, 2001 - 2013

Working Cities
Percentage Change in Employment
All Private Sector Industries
2001-2013:II



EDSAT Correlation Analysis

What factors are most highly correlated with employment growth?

EDSAT Measures – 26 in All

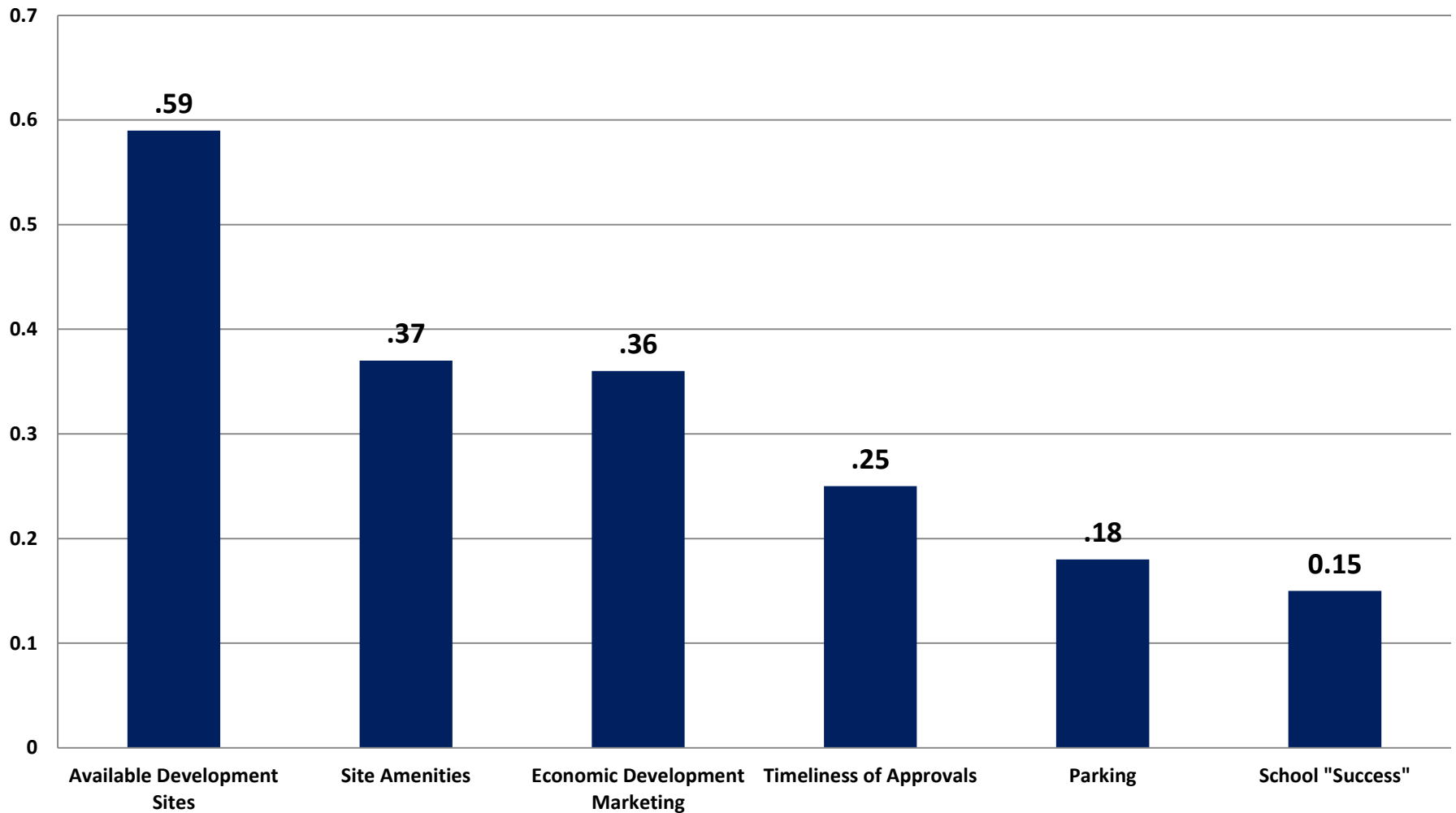
Highway Access
Parking Availability
Traffic Congestion
Infrastructure Limitations
Commercial/Industrial Rents
Labor Force Skills
Timeliness of Approvals
Public Transit Availability
Physical Attractiveness of Municipality
Complementary Business Services
Critical Mass of Firms – Local Supply Chain Firms
Cross Marketing by Municipality and Business Community
Marketing Follow-up with Locating/Relocating Firms
Quality of Available Development Parcels

Labor Cost
Formal Economic Development Strategy
Available Development Sites
Predictable Permitting
Fast Track Permitting
Citizen Participation in Development Process
Cultural and Recreational Amenities
Crime Rates
Housing Cost
School Success Measures
Amenities near Available Development Sites
Local Tax Rate Environment

What Factors are Correlated with Greater Employment Growth?

Correlations between employment growth and EDSAT variables, 2001-2013:II

Working Cities
Factors Most Highly Correlated with Percentage Change in Employment All Private Sector
Industries
2001-2013:II



Control Variables

Corr. % Chg Emp. 2001-2013/Proximity to Boston

+.16 Slight positive correlation

Corr. % Chg Emp. 2001-2013/Higher Poverty Rate

+.17 Slight positive correlation

Corr. % Chg Emp. 2001-2013/Larger Manufacturing Base

+0.13 Weak positive correlation

Key Factors **NOT** Highly Correlated with Employment Growth ... or Inversely Correlated

Complementary Business Services (+.07)

Low Crime Rate (+.07)

Public Transit (+.04)

Highway Access (-.03)

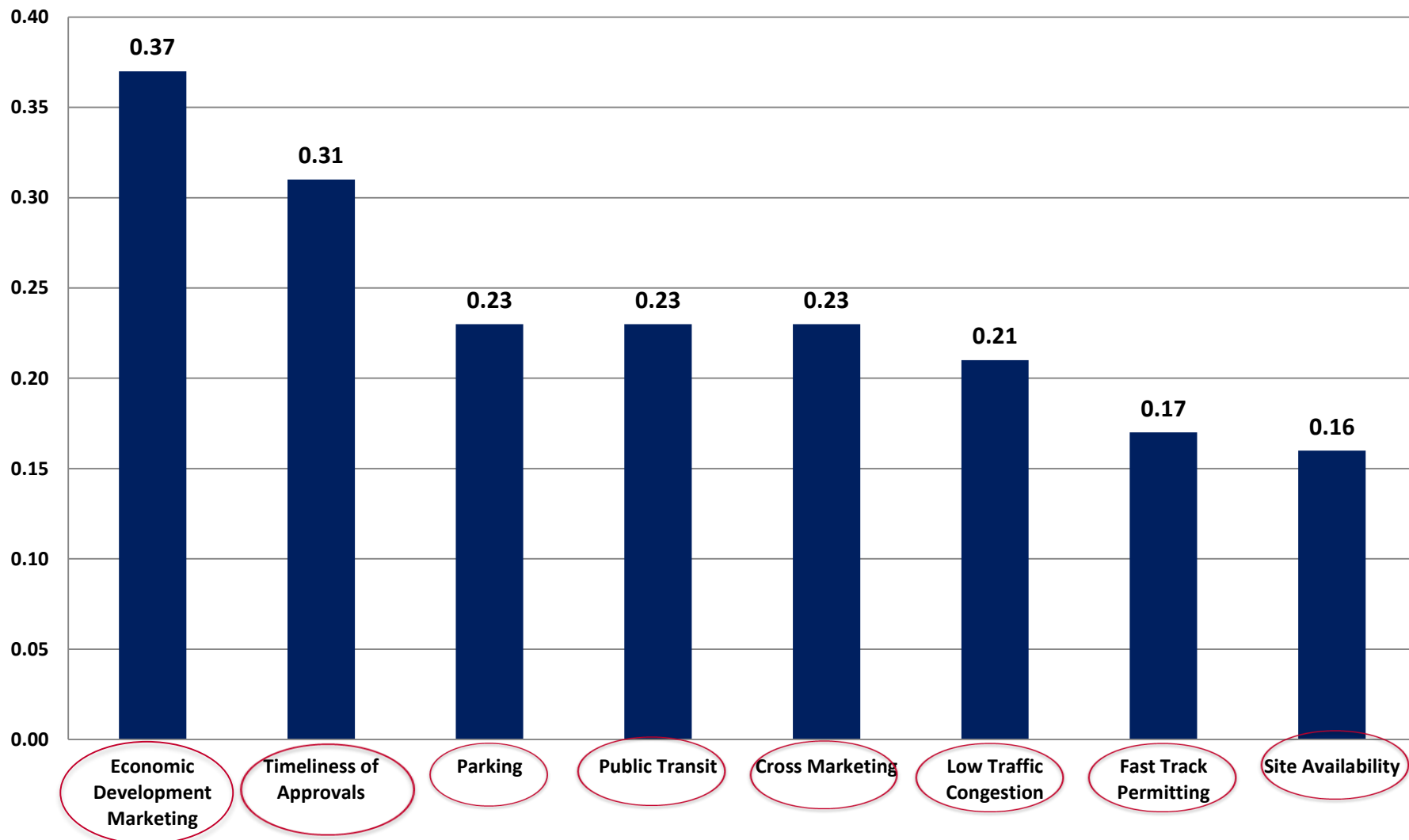
Commercial/Industrial Rents (-.08)

Cultural & Recreational Amenities (-.12)

Low Local Tax Rates (-.27)

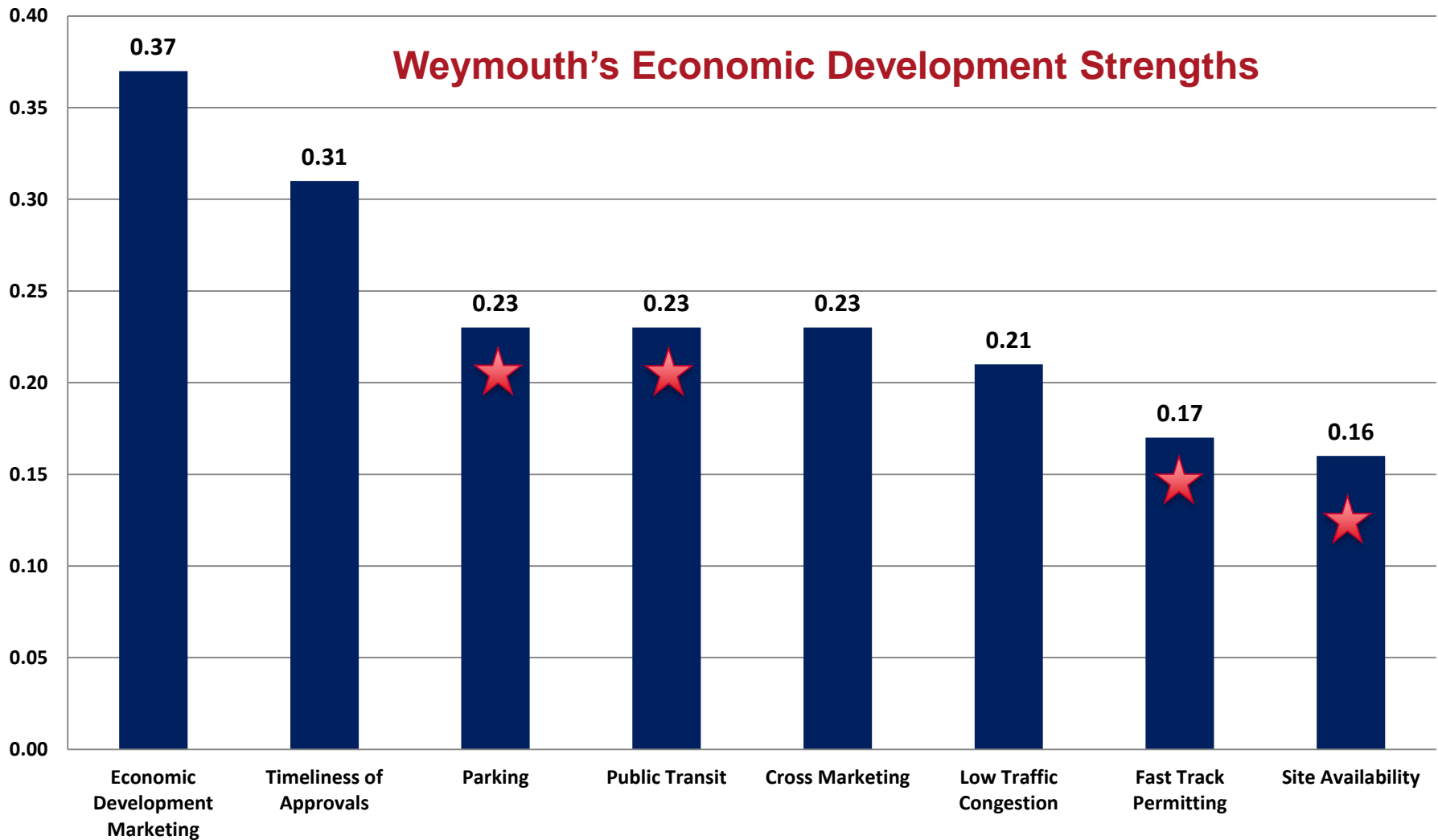
Physical Attractiveness of City (-.35)

50 Massachusetts Municipalities - Factors Most Highly Correlated with Increase in **Establishments** 2001-2011

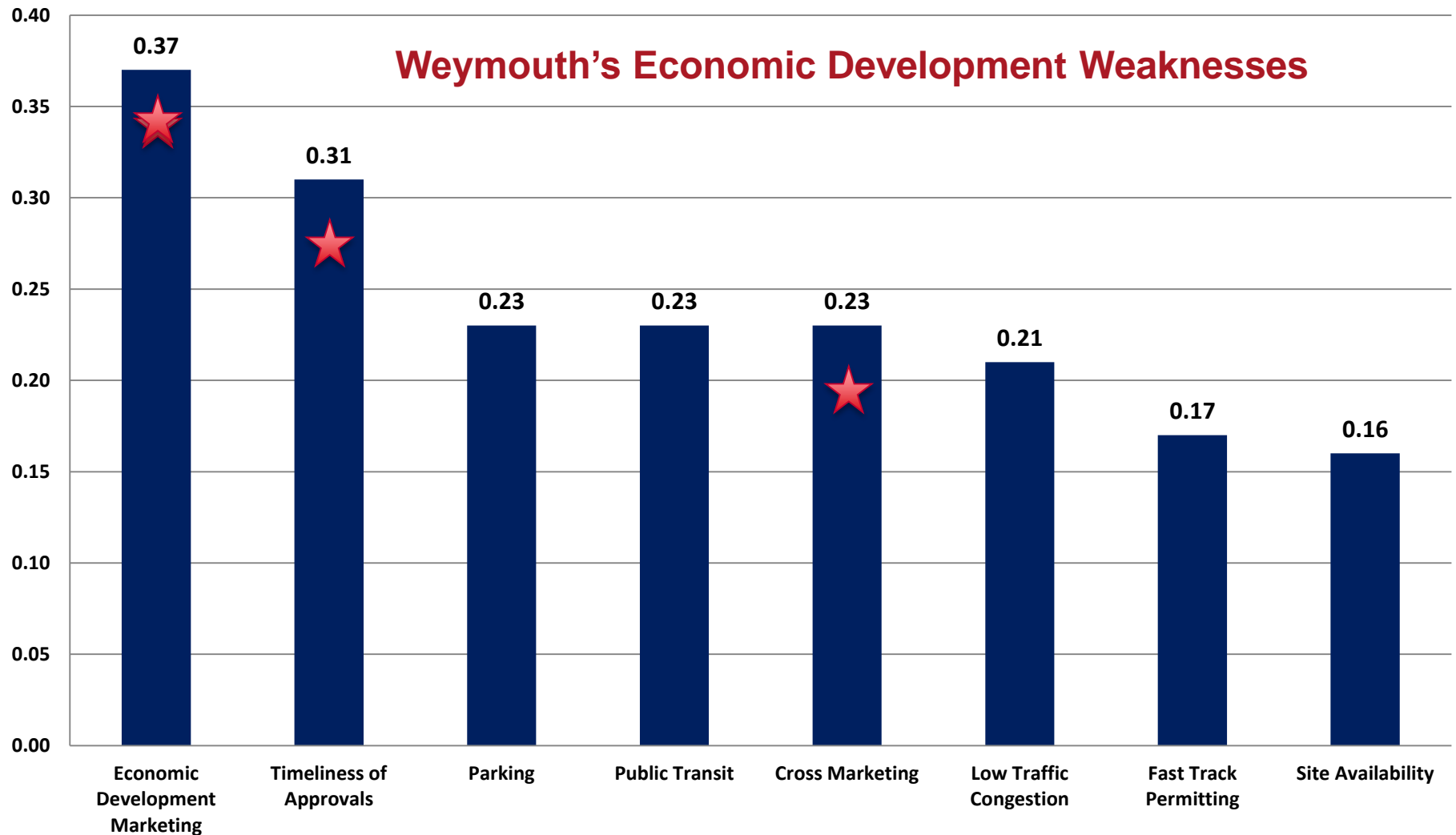


50 Massachusetts Municipalities - Factors Most Highly Correlated with
Increase in **Establishments**
2001-2011

Weymouth's Economic Development Strengths



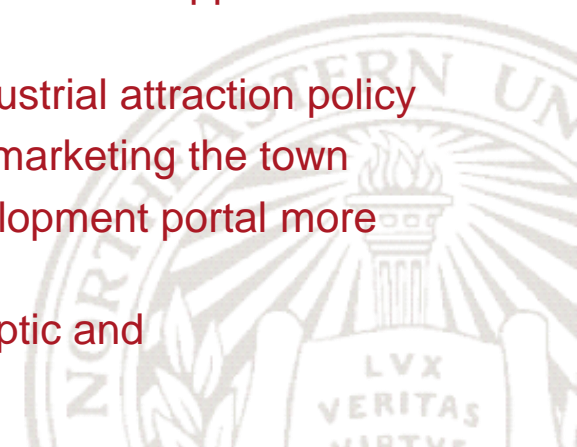
50 Massachusetts Municipalities - Factors Most Highly Correlated with
Increase in **Establishments**
2001-2011



Conclusions

Things to Think About

- **Weymouth has many good things going for it:**
 - An abundance of available vacant land
 - Good public transit and parking
 - Low crime rate
 - Overall physical attractiveness
 - Useful and regularly maintained website
- **But you could be better positioned to attract business investment and jobs by:**
 - Streamlining the permits approval process to decrease time between application and approval
 - Devising a vigorous economic development strategy and industrial attraction policy
 - Engaging resident firms and local business organizations in marketing the town
 - Updating your website's look and placing the economic development portal more prominently
 - Continuing to develop plans for improving the state of fiber optic and telecommunications infrastructure in the town





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Thank you!

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