



**MARLBOROUGH
ECONOMIC DEVELOPMENT MASTER PLAN:
*Building the New Marlborough Economy***

EXECUTIVE SUMMARY

As prepared by:

Marlborough Economic Development Corporation

September, 2011

Note: The purpose of this Executive Summary document is to provide interested readers with a shorter version of the final Master Plan document, which contains over 230 pages, dozens of tables, charts and graphs and another 120 pages of Appendices. The format of the Executive Summary follows that of the Master Plan, section by section and provides a brief description of the material contained in each section. When reading this Executive Summary, if the reader wants more detailed information on a particular item or to view a referred to table, chart or graph, that detail will found in the final master Plan document in the corresponding section and under the corresponding heading. In the interest of not leaving any topic or subject of the Master Plan out of the summary document, this current summary document is 83 pages in length, with no Appendices. In some sections of this summary document, lines, sentences and even paragraphs that are key to the analysis and or findings of the Consultants, are highlighted and/or underlined for emphasis. The Economic Development Master Plan for Marlborough was a complex and labor intensive undertaking that in the final analysis successfully identifies: the current state of the local economy; the vision that local residents and business have for the future development of the local economy; and, the actions that will be required if that vision of the future is to be realized. The Master Plan, and in particular the Action Plan, are intended to serve the community and MEDC as a guide and a work plan for local economic development.

Marlborough Economic Development Master Plan

Executive Summary

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1. INTRODUCTION

1.1 ECONOMIC DEVELOPMENT MASTER PLAN PURPOSE AND OBJECTIVES

Public policy has a strong effect on economic development as represented in the development history of Marlborough. While settled as a typical New England agricultural community, and later growing as a manufacturing center, on October 1, 1956, the City of Marlborough decided to promote growth by applying industrial zoning to the whole southwest quadrant of the City and establishing an Industrial Finance Commission.¹ With the concurrent opening of I-495, these actions provided positive results as historical documents illustrate. The citywide Master Plan of 1985 projected 5,000,000 square feet of new office and light industrial development by 2010. Since 1985, the City has actually seen over 8 million square feet of new commercial and industrial development. This Economic Development Master Plan is not a city-wide master plan. While the 1985 Master Plan offers historical perspective, that Plan does not provide a meaningful context or framework for evaluating priorities for future community growth. During the past 25 years, Marlborough has experienced many physical, demographic and economic changes in response to local and regional conditions. Preparation of this report revealed an urgent need for the City to update its City-wide Master Plan and, thereby, address critical issues that are beyond the scope of this study. *As presented in the Marlborough Economic Development Corporation (MEDC) request for proposals (RFP) for consultant services, the overall objectives of this Economic Development Master Plan are to: improve economic opportunities for Marlborough residents; stabilize the Marlborough residential property tax rate; and, promote local business retention, expansion and attraction. The MEDC commissioned this planning effort to answer these five general questions, based on available City data and background information, secondary source research, and public input solicited during preparation of this study.*

- *What is the composition of the City's economy?*
- *What are characteristics of the City's key economic sectors?*
- *What do these sectors contribute to the local economy?*
- *What kind and amount of economic growth can the City expect?*
- *How can the City improve its economic development prospects and process?*

1.2. PLANNING PROCESS AND PUBLIC OUTREACH

The public participation component of the Marlborough Economic Development Plan was undertaken to provide opportunities for the public to offer their ideas, incites and opinions on the economic development future of the community. It was also undertaken to increase civic understanding of the City's growth opportunities, limitations and trade-offs required to achieve desired results. The MEDC supported the consultant team effort by convening focus groups, forums and other interactive means of communicating with residents, business and property owners, and other community stakeholders. In addition, the consultants conducted interviews with representatives of local industries, real estate brokers, property owners and developers, local organizations, and others knowledgeable about Marlborough economic conditions.

1.3. REPORT ORGANIZATION

The MEDC established the format for this Economic Development Master Plan and decided to organize the report contents according to its definition of "sectors." The MEDC is expected to issue a separate Executive Summary, **(which is this document)** which will synthesize and summarize findings described in this report, identify key opportunities and challenges influencing economic growth and job creation in Marlborough, and recommend priority implementation actions. The "sector" definitions used by the MEDC are: Industrial, Commercial, Retail, and Residential. In the report, "Industrial Sector" refers to manufacturing industries and real estate space classified as

industrial by conventional real estate market terms. The “Commercial Sector” section refers to industries that are not-manufacturing or retail and the corresponding real estate market analyses addresses office space. The “Retail Sector” refers to industries classified as retail in conventional economic reporting terms, and real estate classified as retail space in conventional market terms. The “Residential Sector” section of the report provides an overview of residential market trends and focuses on target households that could support the MEDC goal of improving net fiscal revenues.

1.4. DATA LIMITATIONS

Throughout the report there are quantitative estimates of number of businesses, jobs, and business sales in the City of Marlborough and the six surrounding communities of Greater Marlborough. Unfortunately, the varied data sources used to obtain these numbers for specific analyses lack consistent definitions of jobs and business sales. None of these data can be used exclusively to provide the best available estimates of current conditions, trends, or forecasts. Specific data definitions and limitation are referenced in the body of the report, as warranted. The following is a list of the major secondary source data used in this report, related definitions and limitations.

- The US Regional Economic Information System (REIS) is a comprehensive database of population, households, income, and jobs maintained by the US Department of Commerce, Bureau of Economic Analysis.
- Claritas SiteReports provide the most recent available data (2010 or 2011) on detailed demographic, employment and business characteristics at the community level.
- The Massachusetts Department of Labor & Workforce Training (MassDOL) provides job and wage estimates for a generalized list of industries at the community level.
- The consultant team also used CoStar Property Information Services (commercial markets) and The Warren Group (residential markets) for the analyses of real estate market conditions and trends.

1.5 POTENTIALLY RELEVANT REPORTS AND DATA DEVELOPED BY OTHERS

Every reasonable effort was made by the MEDC on behalf of the consultant team to obtain all potentially relevant reports and other data from City officials. The consultant team also made every reasonable effort to obtain available, potentially relevant reports and data developed by government agencies and private organizations. However, neither the MEDC nor the consultant team warrants that the sources used in this report include all such potentially relevant information. While every reasonable effort was made to verify and compare information sources and to avoid reliance on any single one exclusively, neither the MEDC nor the consultant assumes responsibility for the accuracy or completeness of the data or other information developed by others and used in this report.

2. CITY OF MARLBOROUGH SOCIOECONOMIC PROFILE, REAL ESTATE MARKET AND FISCAL OVERVIEW

2.1 GREATER MARLBOROUGH REGION

The City of Marlborough is one of the 35 suburban communities in the MetroWest area of Boston that is situated within the I-495 corridor of high technology commerce. This planning analysis uses a generally accepted definition of the Greater Marlborough local region that includes the City and its six surrounding towns of Berlin, Hudson, Northborough, Southborough, Sudbury and

Westborough, unless otherwise noted. The following highlights provide an overview of Marlborough demographic characteristics; and business activity which includes comparisons to the Greater Marlborough region, based on standard secondary sources and research industry databases. More detailed socioeconomic data, tables and figures are contained in the Appendices to the Master Plan document.

2.2 DEMOGRAPHIC CHARACTERISTICS

Population and Households

- The estimated 38,450 City residents represented about 32% of the Greater Marlborough population (118,620), and the City's 15,436 households comprised approximately 35% of all households (44,103) in the local region.
- From 2000 to 2010, the City's population and households grew an estimated 6%, while the population and households in Greater Marlborough overall increased 9%.
- The average City household size was 2.46 residents, which is slightly smaller than the Greater Marlborough average of 2.76.
- By 2015, the City's population and households are projected to increase 2% to 39,260 residents in 15,780 households; and the Greater Marlborough area population is projected to grow by about 3% to approximately 121,384 residents in 45,740 households during the same period.

Income and Poverty Status

- Marlborough households had an estimated average income of \$88,500, median income of \$71,100, and per capita income of \$35,710; Greater Marlborough household had average income of \$133,800, median income of \$106,785, and per capita income of \$47,400.
- In 2010, an estimated 15% (2,340) of the City's total households (15,436) had annual incomes of less than \$25,000, accounting for 53% of all Greater Marlborough households at the same low income level or 2,340 of 4,415.
- Family households (9,845) comprised 64% of all Marlborough households and of these family households, about 5.5 % (545) were classified as living below the Federal poverty level, representing about 51% of all of the region's 1,050 family households at or below the poverty level.

Employment and Occupations

- About 91% of Marlborough residents aged 25 and older were high school graduates and 41% had college degrees, compared to 95% high school and 51% college graduate levels of attainment in Greater Marlborough.
- Of the estimated 38,450 Marlborough residents; about 71% were civilian employees (27,300) in the work force, 26% were not in the workforce (9,997), and 3.5% (1,346) were unemployed; City residents accounted for 35% of the Greater Marlborough labor force of 78,000 people.

Housing and Occupancy

- The majority of Marlborough residents (65%) live in owner-occupied housing compared with 75% in the Greater Marlborough region, and the estimated median value of owner-occupied housing in the City was \$272,375 compared with \$409,000 in Greater Marlborough.
- Marlborough had 5,130 multi-family units (3+units), which comprised 32% of the City's housing stock and 50% of all multi-family housing in Greater Marlborough.

2.3 BUSINESS ESTABLISHMENTS JOBS AND SALES

Greater Marlborough Region Business Activity

- There were approximately 6,450 business establishments in the Greater Marlborough communities providing almost 87,000 jobs, and generating more than \$10 billion in 2010 sales.

- The Service sector businesses (2,650) represented about 41% of the region's businesses with an estimated 30,500 jobs and almost \$3.1 billion in sales, or 34% of all jobs and 31% of all sales.
- Retail Trade was the second largest industry sector with 1,260 establishments (20% of the region's businesses) providing 17,135 jobs (20%) and generating \$2.4 billion (24%) in annual sales.
- Finance, Insurance, Real Estate (FIRE) businesses accounted for 10% (610) of the region's businesses, provided 11% of all jobs (9,534), and generated 17% of all sales (\$1.8 billion).
- Manufacturing establishments in Greater Marlborough accounted for 6% (366) of all businesses, provided 15% of the region's jobs (12,640) and 10% of all region sales (\$986 million).

City of Marlborough Business Activity

- Approximately 2,070 business establishments in Marlborough provided 31,540 jobs, and generated annual sales estimated at \$3.6 billion in 2010.
- Service business establishments accounted for 828 (40%) of all Marlborough businesses, provided 9,800 (31%) of all jobs, and generated almost \$921 million (26%) in annual sales.
- Retail Trade had 460 businesses (22%) of all City establishments, provided 6,170 jobs (20%) of all local jobs, and had sales estimated of \$766 million (21%) of all business sales.
- FIRE businesses accounted for about an estimated 176 (9%) of Marlborough's businesses, provided 3,860 (12%) local jobs, and generated about \$682 million (19%) in 2010 business sales.
- The Manufacturing businesses totaling 127 (6%) of all Marlborough businesses, provided 5,677 (18%) of all jobs and generated an estimated \$429 million (12%) in 2010 local business sales.
- The 84 Transportation, Communication, Public Utilities (TCPU) businesses were 4% of the City's establishments, provided 2,640 (8%) of all jobs, and had annual sales of \$288 million representing about 8% of all local sales.

Comparison of Local and Regional Business Activity

- The estimated 2,070 Marlborough business establishments were 32% of all businesses, had 36% of all jobs, and generated 35% of all sales the Greater Marlborough region.
- The 84 Transportation Communication Public Utilities (TCPU) businesses in Marlborough were 34% of all Greater Marlborough establishments in this sector, and accounted for about 60% of the jobs and annual sales.
- The City's 460 Retail Trade establishments represented 37% of all Greater Marlborough retail businesses, and accounted for 36% and 32% of all sector jobs and sales, respectively.
- The 127 Manufacturing businesses in Marlborough constituted about 35% of the Greater Marlborough region's manufacturing establishments, 44% of the jobs, and annual sales.
- The City's 176 Fire Insurance Real Estate (FIRE) businesses accounted for 29% of FIRE establishments in the Greater Marlborough, and 39% of the jobs and annual sales.

2.4 MAPC POPULATION PROJECTIONS

The 2010 US Census population count for Marlborough was 38,500 persons. This was a 5.1% increase over the 2000 Census count. Estimates and projections through 2035 were obtained from the Metropolitan Area Planning Council (MAPC) from their MetroFuture series (March 2011 release) which was prepared to support the development of "Paths to a Sustainable Region 2035, the MAPC's long-range transportation plan. The MAPC data illustrates historical population growth and projections to 2035 for Marlborough and the overall seven-community Marlborough Market Area. It shows, population in both the Market Area and the City of Marlborough experienced more rapid growth between 1990 and 2010 than is expected for the 2010 to 2035. The Greater Marlborough Market Area grew at an annual rate of 0.76% per year from 1990 to 2010; this is projected to drop to 0.55% per year through 2035. The annual growth rates for Marlborough are 0.65% and 0.33% per year, respectively.

2.5 MAPC EMPLOYMENT PROJECTIONS AND SPACE DEMAND

This section identifies estimated square footage (SF) demand for additional space (newly constructed or filling vacancies) by type of space for Marlborough and the seven-community Marlborough Market Area by 2030. FXM converted the employment projections into space demand based on norms for SF per employee by industry, and further consolidated the different industry projections into the real estate categories it uses. Marlborough's current share of employment is about 35% of the seven-community total, and MAPC projected that same capture rate to apply in 2030, which are reflected in the space demand projections. The 40% and 45% capture rates for potential space demand also shown for Marlborough assume an effective economic development strategy by the City that would lead to a relatively higher share of projected regional growth. The data show no projected additional demand for Industrial space in Marlborough or within the seven-community Greater Marlborough Region since MAPC has forecast an absolute decline in manufacturing jobs. In the subsequent Real Estate Market Overview subsection the reader will note that Co Star *Property Information Systems* forecasts a significant increase in demand for and absorption of Industrial space in Marlborough, in sharp contrast to MAPC's employment projections.

2.6 REAL ESTATE MARKET OVERVIEW

In this section, the Commercial real estate market conditions and trends are assessed in the subsequent graphs for All Commercial Space, Office Space, Industrial Space, Flex Space, and Retail Space with a Summary Table provided. The analysis is based on proprietary data obtained from Co Star *Property Information Services* (June 2011). Co Star existing conditions estimates are for the 2nd Quarter of 2011 and their forecast period is through the 2nd Quarter of 2013.

2.6.1 All Commercial Space

This section identifies the historical and forecast inventory of all commercially classified space in Marlborough, from the 3rd quarter of 2006 through the 3rd quarter of 2013. As shown, no increase in the built inventory (RBA or rentable building area) of commercial space overall is projected by Co Star through the 2nd quarter of 2013, while the amount of vacant space is projected to decline but still remain in excess of 1.5 million SF. Also identified is the historical and forecast net absorption and vacancy rates for all commercial space in Marlborough, with an average annual net absorption of more than 100,000 SF forecast and a declining vacancy rate through the 2nd quarter of 2013.

2.6.2 Office Space

This section shows the historical and forecast inventory of Office space in Marlborough, from the 3rd quarter of 2006 through the 2nd quarter of 2013. As shown, no increase in the built inventory (RBA or rentable building area) of Office space is projected by Co Star through the 2nd quarter of 2013, while the amount of vacant space is projected to decline but still remain in excess of 900,000 SF. The historical and forecast of net absorption and vacancy rates for Office space in Marlborough is shown, with an average annual net absorption of 27,000 SF forecast and a declining vacancy rate through the 2nd quarter of 2013.

2.6.3 Industrial Space

In this section the historical and forecast inventory of Industrial space in Marlborough is shown, from the 3rd quarter of 2006 through the 2nd quarter of 2013. As shown, no increase in the built inventory (RBA or rentable building area) of Industrial space is projected by Co Star through the

2nd quarter of 2013, while the amount of vacant space is projected to decline significantly to well below 100,000 SF. As previously noted this projected absorption of industrial space sharply contrasts with MAPC employment projections and projected space demand in the industrial sector based on those employment projections. The historical and forecast net absorption and vacancy rates for Industrial space in Marlborough is shown, with an average annual net absorption of 27,000 SF forecast and a declining vacancy rate through the 2nd quarter of 2013. The projected vacancy rate – below 3% -- is extremely low and would be considered inadequate to absorb additional demand specific to the City of Marlborough unless new industrial space is added to the inventory.

2.6.4 Flex Space

This section identifies the historical and forecast inventory of Flex space in Marlborough, from the 3rd quarter of 2006 through the 2nd quarter of 2013. As shown, no increase in the built inventory (RBA or rentable building area) of Flex space is projected by Co Star through the 2nd quarter of 2013, while the amount of vacant space is projected to decline but still remain in excess of 500,000 SF. It also, shows the historical and forecast net absorption and vacancy rates for Flex space in Marlborough, with an average annual net absorption of 17,000 SF forecast and a declining vacancy rate through the 2nd quarter of 2013, though still relatively high at 15%.

2.6.5 Retail Space

This section shows the historical and forecast inventory of Retail space in Marlborough, from the 3rd quarter of 2006 through the 2nd quarter of 2013. As shown, no increase in the built inventory (RBA or rentable building area) of Retail space is projected by Co Star through the 2nd quarter of 2013, while the amount of vacant space is projected to decline to about 120,000 SF. The data also shows historical and forecast net absorption and vacancy rates for Retail space in Marlborough, with an average annual net absorption of 10,000 SF forecast and a declining vacancy rate through the 2nd quarter of 2013. The projected vacancy rate– below 4% -- is extremely low and would be considered inadequate to absorb additional demand specific to the City of Marlborough unless new retail space is added to the inventory.

2.7. FISCAL OVERVIEW

This section identifies, for each major land use category, the following: land and building areas, assessed values, average assessed values per square foot, and FY 2011 estimated property tax revenues (based on a commercial tax rate of \$25.42 per \$1,000 valuation and a residential tax rate of \$13.41 per \$1,000 valuation). It also shows the percent (%) each land use category represents of the total for all land uses in Marlborough. These data are drawn from records of the Marlborough Assessor and GIS. As shown, the total assessed value of all land and buildings in Marlborough is approximately \$4.3 billion, of which 72% is in residential uses and 28% in commercial uses. The total assessed value of all commercial uses (land and buildings) is thus \$1.2 billion, of which \$805 million is the assessed value of all commercial buildings (67% of total commercial assessed value).

The MEDC has publicly stated that a goal for the City's economic development initiatives is to increase the assessed value of commercial uses by \$1.4 billion. As will be discussed in the detailed sector sections of this report, virtually all of this increase would have to come from additional commercial buildings in Marlborough. The data indicate the increases that would be required over the current commercial buildings inventory and assessed values to achieve this objective. As discussed in subsequent sections of the report, a foreseeable 10-year build-out scenario for commercial uses in Marlborough has been derived based on permitted and planned commercial development projects in Marlborough and the forecasts of absorption by land use type

discussed in the previous section 2.6. That that scenario is shown along with its implied increases over current buildings SF, assessed values, and property taxes. Also shown for the same categories displayed are the 5-year forecast absorption of commercial space reported in the Commercial Real Estate Market Overview, Section 2.6.

3. PUBLIC OUTREACH AND PARTICIPATION

The public outreach and participation task of the Marlborough Economic Development Plan was comprised of four main components: focus group sessions, a public workshop, an online visual preference survey and stakeholder interviews. These components were purposefully designed to engage with different stakeholders, interest groups and the general public using methods to best optimize the outreach efforts and solicit participation that would provide critical insight and understanding of local needs and opportunities. It was the intent of the MEDC, that they public input would be incorporated into the Marlborough Economic Development Plan. Following is a summary description of each of these components of the public outreach and participation process.

3.1 SUMMARY OF FOCUS GROUP DISCUSSIONS

The Focus Group sessions were a series of meetings held over a two-day period on April 13 and April 14, 2011. The purpose of the Focus Group sessions was to engage businesses, interest groups, constituencies and stakeholders sector by sector, to ascertain specific industry insight regarding the factors that could encourage and discourage economic development within the City of Marlborough. The Marlborough Economic Development Corporation (MEDC) invited over 160 people and organized 13 different Focus Groups, comprised of appropriate stakeholders for each sector. The headings under which the 13 Focus Groups were organized are listed below:

- Banking, Finance, Legal, Real Estate;
- Sports, Tourism, Hotels, Restaurants;
- Educators, Youth Services, Social Services;
- Medical Institutions Health Care Providers;
- Chamber of Commerce;
- Housing Developers, Owners and CDA;
- Urban Core Property owners and Business Owners;
- High Tech and Life Sciences Businesses;
- Commercial Property Owners, Landlords and Managers;
- Industrial Business Owners and Managers;
- East Side (Business Owners, Property Owners and Residents);
- City Officials (City Department Representatives); and
- Local Elected Officials.

The following is a sample of the discussion comments and input that the Focus Group sessions produced regarding how conditions for economic development within the City of Marlborough could be improved. These discussion comments and input are samples from all of the Focus Groups sessions. The complete Focus Group Session Notes are in the Appendix to this study. (For the purposes of this Executive Summary document only a few of the many comments documented are provided here.)

- Split tax rates create a competitive disadvantage and disincentive for commercial tax base improvements.
- The City has excellent infrastructure: highway access to a central New England location and supporting utilities.

- There is a perception that the quality of the public school system is a detriment for locating new businesses.
- More (of an effort) is needed to build or strengthen government relationships with the business community.
- Sports, tourism and event industries are strong and nationally recognized and should be nurtured.
- City signage code enforcement is perceived as overzealous and inconsistent.
- A single point of contact for business recruitment and retention should be provided by the City.
- Across housing types, the trend is for couples to move out of Marlborough once they have children – or enroll their children in schools outside the City.
- Luxury apartments have been very successful.
- Downtown is a missed opportunity for a unique, attractive place.
- Incubator and mid-scale incubator growth space, with labs, would attract new and growing businesses.
- Need food, services, and ‘conciierge’ services to make vacant office spaces more attractive.
- Reduction in commercial taxes would pull more tenants from Worcester as rents would be more competitive.
- Perception that the East Side is neglected by City overall.
- An East Side village should be developed as a mixed commercial center to attract regional business.
- Elected officials need to hold discussions on long-range priorities.

3.2 PUBLIC WORKSHOP HIGHLIGHTS

A public workshop was held for the Marlborough Economic Development Master Plan at the Massachusetts International Academy at 280 Locke Drive in Marlborough on June 8, 2011. The public workshop agenda contained two primary sections: a presentation and small working group activities. The presentation reviewed the scope and purpose of the Marlborough Economic Development Master Plan and initial demographic, infrastructure, regulation and market condition assessments. The small working groups used participant engagement activities including mapping exercises, identifying and voting on economic development priorities for the City and envisioning the outcome of the economic development master plan process. These exercises were designed to solicit participation and input from community members and engage them in the economic development planning process. Descriptions of the small working group activities and their purposes are listed below.

- **Mapping the Future** – This series of mapping exercises included three specific components: Identifying areas within Marlborough where change would be acceptable, possible and are not possible. The purpose of this activity was to identify the community’s perspective on development location within the City.
 - **Matching specific types of development with specific areas of the City.** The purpose of this activity was to understand the scale and nature of development that is acceptable to residents of the community. Participants used development prototype game pieces and a large-scale map of the City to “locate” specific types of development in specific areas of the City. The prototype game pieces used for this exercise were specific buildings existing in or near Marlborough.
 - **Calculating the tax base.** This activity applied tax revenue implications to the mapping of new development within the City of Marlborough. The purpose of this activity was to connect the participants’ desired level of development with the tax revenue goals required for the City to stabilize the residential tax rate.
 - **Priorities** - This exercise involved each participant contributing economic development priorities for the City and then allowed the group to vote in support of the stated priorities. The purpose of this activity was to identify the participants’ economic development priorities and provide an egalitarian weighting of the participant group’s priorities.
 - **Headlines.** Each participant in this exercise wrote a news headline or tagline for a news article about the City of Marlborough that will take place 10 year in the future. The purpose of this exercise was to

identify the participants' goals outcome for the Marlborough Economic Development Master Plan process.

The following are highlights and summaries of the input received in the small working group sessions. The complete Public Workshop Meeting Notes and the small working group results are contained in the Appendix to this study. (For the purposes of this Executive Summary document only a limited amount of the results are provided here):

- A sample of the areas of Marlborough consistently viewed as unchangeable by the small working groups was: All existing residential areas, Residential areas west of Route 495, Marlborough Country Club, and Callahan State Park;
- A sample of the areas of Marlborough consistently viewed as changeable by the small working groups was: The Route 495 Corridor, The Route 20 Corridor, The Route 290 Corridor, The Route 85 Corridor, Downtown Marlborough
- A sample of the most frequent type of development used in the mapping exercises conducted by the small working groups were: Office buildings under 100,000 square feet, Research laboratories, Mixed use – commercial and residential uses, Mixed use – different types of commercial uses

When the small working groups completed their development mapping exercise, assessed values were added and calculated to the proposed development to determine the new assessed value that would contribute to the tax base for the City. The largest amount of new assessed value that any individual working group achieved was \$521.8 Million. This is below the \$1.4 Billion new development that was presented as the goal of what will be needed for Marlborough to continue to meet the cost of providing public services while stabilizing future residential tax rates.

- A sample of the participant's future headlines (10 years from now) generated at the public meeting is: Business Week: Marlborough Best Place to Start a Business in America, Another Marlboro Life Science Startup Goes Public, Marlborough Declared All American City, and Marlborough: #1 Place to Work and Raise Families in America.

3.3 VISUAL PREFERENCE SURVEY

An online visual preference survey was conducted as part of the public outreach for the Marlborough Economic Development Master Plan to solicit public input on the types of architecture, building style and character that community members would prefer for their City. The purpose of the visual preference survey was to collect input from community participants regarding their aesthetic preferences in response to images that typify the ranges of development possible. The online visual preference surveys conducted for Marlborough asked participants to review images and provide their opinion on whether or not that building would be preferred, acceptable, or unacceptable in the community. The images were grouped into categories, with varying style and character traits for the buildings and spaces. The full results of the Marlborough Online Visual Preference Survey are contained in Appendix E: Online Visual Preference Survey Results. The structure of the Marlborough Online Visual Preference Survey was:

- The Survey contained 122 images organized into seven categories: City Gateways, Residential, Office, Retail, Mixed Use, Parking, and Neighborhood Character
- The images were to be ranked on a scale of -3 to +3, with -3 as the least preferable and +3 as the most preferable and a section at the end was available for written comments
- The Online Visual Preference Survey was available through the MEDC website, www.marlbroughedc.com and it was available for 50 days from May 20, 2011 to July 8, 2011, and it had 120 participants.
- The most preferred and least preferred images are determined by the highest and lowest average score of images within each category, and the full results of the Online Visual Preference Survey are contained in Appendix E: Online Visual Preference Survey Results.

3.4 OVERVIEW OF INTERVIEWS

In addition to conducting more than a dozen focus groups and a public workshop, the consultants contacted more than 35 individuals to obtain additional information and insight regarding the Marlborough economy, including current and anticipated business and labor issues and activity as well as real estate market conditions and trends. Confidential interviews were conducted with representatives of key Marlborough industries, commercial and residential brokerages, property managers and developers, community organizations, business associations, and government agencies. These interviews provided a range of perspectives and actual experiences that helped qualify secondary source data, and augmented stakeholder involvement in this assessment of the City's economy. The List of Contacts and Interviews in the Appendix to this report identifies those suggested by the MEDC as well as others identified by the Consultants during this study. The following is a sampling of the key comments made by interviewees to the Consultants, during their confidential interviews. The comments are grouped by headings. (For the purposes of this Executive Summary document only a few of the many comments documented in the Final Master Plan document are provided here.)

3.4.1 Marlborough Assets, Attributes, Competitiveness

- Marlborough is centrally located with very good access to entire the Boston MetroWest region; has better supply of marketable properties than surrounding communities, and especially properties near 495 as a result of the past 20 years of development.
- Proximity to the Mass Pike sets pricing, Marlborough is one exit removed from I-90 so rents are lower; the level of building finishes in Marlborough is typically higher than what you would find in Westborough, but Westborough rents are higher because it's closer to the Pike exit.
- Marlborough government is responsive to business, Mayor gets personally involved, Assessor is cooperative; City's chief competitor is Westborough due to its location, aggressive economic development policies.
- Marlborough is in a better position than most communities because of the MEDC, which should be a benefit -- a dedicated economic development entity gives the City 'a leg up.'

3.4.2 Commercial Real Estate Activity

- Amount of vacant space in Marlborough isn't unique in MetroWest region or state; other communities also trying to attract new users for vacant 'corporate campus' sites. Over the past year, more companies are "kicking tires" but leasing is still slow.
- Smaller deals have to be done more quickly but the good news is that when Marlborough gets a critical mass of mid-sized tenants, they'll stay because relocation disrupts business and is costly. The difficulty is providing nearby conveniences these office workers expect.
- Office-based workers don't see malls and commercial strips as viable or suitable options for convenience retail goods and services. The lack of on-site or nearby retail shops, specialty foods, and personal services makes some (vacant) office buildings in the City less competitive in the Greater Marlborough office market.

3.4.3 Residential Real Estate Activity

- Typical buyers have been very young professionals (23-35 years old) with good-paying jobs, who work in Boston Metro area, unable to afford to buy in Boston, and need easy access for commuting – Marlborough proximity to I-290 is ideal.
- The local condo market is slow due to number of distressed/foreclosed single-family properties available at lower cost; buyers are price-sensitive and have a lot of options.
- Residential rental market is very busy – most renters are potential buyers who are leery of employment security and need to maintain mobility. Overall housing market will come back within next 2 years, primarily driven by attrition/turnover, and employee relocation. Relocation housing demand is higher than ever and continues to escalate.

3.4.4 Business Development in Marlborough

- Business and real estate development that's happened in Marlborough, and continues, is in spite of the City's efforts not because of any conscious, collective goal or orchestrated plan.
- Permitting process is handled fairly well, compared to other suburban towns. Site Plan Review process is effective, professional, and received MAPC award but the City Council Special Permit review process is ad hoc, often petty, sometimes driven by personality."
- Biggest issue affecting development in Marlborough, generally, is whether the City will provide flexibility to property/building owners who want/need to upgrade their assets."

3.4.5 Marlborough Issues and Suggested Improvements

- Commercial property owners should have the option for shared parking to accommodate new retail uses with existing office building lots which would help preserve streetscape, minimize amount of paved areas, and reduce tree/vegetation removal."
- There are two Marlborough's, the Route 20 area and Main Street; the separation is more than physical, and it would be good to find ways to link these sections of the City. Those who work in Marlborough office parks don't go into the City – many take Route 20 in to work and go out to the highways when work day ends. The City and businesses need to invite and service the thousands of workers commuting into Marlborough every day.
- City code enforcement officers need resources to require property owners maintain premises, clean-up conditions on Broad and Lincoln Streets (trash, derelict cars in yard, broken stairs); newcomers would acclimate to Marlborough neighborhood values if the City issued citations for open rubbish and loud parties at night. Part-time City Animal Control Officer also needs adequate resources to perform job effectively.
- Zoning controls and review criteria should protect existing (residential) property values; and not allow new uses to diminish adjacent, nearby property values. City zoning should allow for greater density, such as townhouses and zero-lot houses.
- Essential development planning functions are shared among 4-5 City department personnel as secondary responsibilities; there's a lack of resources to deal with business development effectively, and inability to use available resources that could provide assistance. A city the size and complexity of Marlborough needs a City Planner, and should consider advantages of hiring a City Manager with support of the City Council.

3.4.6 Marlborough Economic Development Strategy

- Collaboration is key to improving economic development effectiveness. It's important to bring ALL stakeholders together, discuss success stories, learn about progress in other communities, and understand 'best practices' that can be applied in Marlborough.
- Availability of water and wastewater treatment is critical for most biotech companies, and if Marlborough has adequate services, it should be advertised widely because other MetroWest towns have major constraints meeting capacity needs of bio-processing facilities."
- Leverage the state's 2010 economic development initiative to make Marlborough a more attractive option for businesses looking to locate in the MetroWest region. New regional economic development organizations are being created to serve smaller regions; and the City needs to aggressively participate in this process which will market the region.

3.5 ECONOMIC DEVELOPMENT ISSUES AND OPPORTUNITIES

Through the public outreach and participation process the following items were identified as issues that impede development and the opportunities for economic development within the City of Marlborough:

Economic Development Issues

- The split commercial/residential tax rate is a burden on the commercial property owners and makes it more difficult to remain competitive in the regional market.
- Building height and mixed use limitations make it difficult to maximize development potential and be competitive in the real estate market place.

- The amount of vacant office space created in the most recent economic downturn has created a perceived problem that must be turned around by filling those spaces.

Economic Development Opportunities and Assets

- Great accessibility with interstate highways that provide regional access and access to airports and major metropolitan areas of Hartford, Providence and Boston.
 - A local sports industry supported with high quality commercial facilities that attract national events.
 - A business-friendly environment that could be improved with City Hall outreach and certain changes to the permitting and enforcement process.
-

4. INDUSTRIAL SECTOR OVERVIEW

4.1 ROLE IN MARLBOROUGH ECONOMY

4.1.1 Industrial Land Use Profile & Zoning

In this section, the consultants note that, the City of Marlborough Assessors' Department data was used to identify the following land use characteristics of industrial sector properties within the City of Marlborough. The Massachusetts Department of Revenue Property Type Classification Codes, as assigned by the Marlborough Assessors' Department, were used to determine which parcels were included in the Industrial Sector Overview. This section of the Plan identifies the key characteristics of Marlborough's industrial sector and also shows the location (by map) of all industrial use parcels in the City of Marlborough. (For the purposes of this Executive Summary document only a few of the characteristics are provided here.)

Industrial Parcel Size

- There are 270 parcels of land in the City of Marlborough that are identified as containing industrial uses.
- The City's 270 parcels containing industrial uses constitute 1,576 acres of land.
- The 1,576 acres of land represents 12.74% of the total land within the City of Marlborough.

Industrial Parcel Value

- The City of Marlborough's 270 industrial parcels of land have an aggregate assessed total value of \$428,180,096.00.
- The \$428,180,096.00 aggregate assessed total value Marlborough's industrial parcels represents 9.09% of all assessed property within the City of Marlborough.
- The average assessed total value for industrial parcels of land within the City of Marlborough is \$1,585,852.21.

Industrial Parcel Buildings

- The City of Marlborough's 270 industrial parcels of land possess a total of 112 buildings.
- The 112 buildings on industrial parcels of land represent 1% of all buildings within the City of Marlborough.
- The City of Marlborough's 112 buildings on industrial parcels of land possess a total 6,457,523 gross SF.

Industrial Parcel Zoning

- The City of Marlborough's industrial parcels of land are located in 10 different zoning districts:

41% of the City of Marlborough's industrial parcels of land are located in the Limited Industrial Zoning District; 35% of the City of Marlborough's industrial parcels of land are located in the Industrial Zoning District; 7% of the City of Marlborough's industrial parcels of land are located in the Residence A1 Zoning District; 5% of the City of Marlborough's industrial parcels of land are located in the Residence A3 Zoning District; 3% of the City of Marlborough's industrial parcels of land are located in the Residence C Zoning District; 3% of the City of Marlborough's industrial parcels of land are located in the Commercial and Automotive Zoning District; 3% of the City of Marlborough's industrial parcels of land are located in the Business Zoning District; 1% of the City of Marlborough's industrial parcels of land are located in the Rural Residence Zoning District; 1% of the City of Marlborough's industrial parcels of land are located in the Residence B Zoning District; and 1% of the City of Marlborough's industrial parcels of land are located in the Residence A2 Zoning District.

4.1.2 Business Activity

This section of the Plan reports on the number of manufacturing (industrial) businesses, jobs, and business sales in Marlborough and compares these numbers to the overall seven-community Greater Marlborough Market Area. The data identifies the largest industrial sector industry in Marlborough is Measuring & Analyzing Instruments with over 2,800 jobs and \$187 million in sales in 2010. The City holds 87% of the Market Area jobs and 82% of the Market Area sales within this industry. Electrical & Electronic Equipment is the second largest manufacturing industry in Marlborough, with 741 jobs and \$67.5 million in sales in 2010. The City holds 53% of the Market Area jobs and 59% of the Market Area sales within this industry. According to data obtained from Claritas *Site Reports* (2010 data), manufacturers in Marlborough accounted for 6% of all City business establishments, 18% of City-wide jobs, and 12% of all sales made by businesses in Marlborough in 2010. **Manufacturing jobs in Marlborough have declined over the past 10 years.** The Consultants note that the job totals shown differ depending on the data source: i.e. Claritas *Site Reports* counts all jobs whereas the Massachusetts Department of Labor and Workforce Development (Mass-DOL) counts only those jobs covered by unemployment insurance. Also, Mass-DOL is the only source of local historical trend data but significantly undercounts jobs in many industry categories which include self-employed persons.

4.1.3 Industrial Sector Fiscal Impacts

This section shows that Industrial businesses in Marlborough contributed \$10.8 million in property tax revenues in FY'11, accounting for 15% of all property tax revenues and 36% of property taxes paid by commercial uses. Industrial uses comprise 19% of the City's taxable land area. Assessed values per square foot for Industrial uses are 57% of the average SF assessed land value City-wide and 76% of the assessed building values per square foot. **Average assessed values per SF of Industrial land are 52% of the average for all commercial properties, and 81% of the average assessed values per SF of all commercial buildings.**

4.1.4 Greater Marlborough Comparative Analysis, Target Industries, Projected Employment

This section presents Marlborough's competitive position for job growth in the industrial sector industries. For purposes of this analysis, "industrial sector" is defined as industries and sub-industries that tend to utilize industrial space. Complete details regarding methodology are in the Appendix. This analysis begins with an overview of industry composition and growth trends, which provides important context for subsequent discussion of industry opportunities. This analysis is primarily based on industry data for 2009 (the most recent year for which complete data is available) at the zip code level. The analysis was carried out primarily using the LEAP model (Local Economic Assessment Package) developed by Economic Development Research Group (a member of the Consultant Team) for economic analysis. This section provides a current industrial

profile of Marlborough, examining industry size measured by total jobs, industry mix, and employment and output growth by industry to provide context for the baseline job growth projections in section 4.1.4.2 and target industry identification in sections 4.1.4.3 and 4.1.4.4.

4.1.4.1 City of Marlborough Economic Base – Industrial Sectors

In 2009, the Marlborough economy supported nearly 32,800 jobs and the data shows that approximately 30 percent of these jobs were in industrial sectors. With the exception of utilities, construction, and mail, package delivery and warehousing, all of the industries identified are industries that export products outside of Marlborough, bringing new income into the community. The mail, package delivery and warehousing industry is a mix of local-serving and economic base industries. Most of these industries account for small shares of Marlborough's overall employment. With nearly 2,000 jobs representing about 5 percent of Marlborough's employment base, computer and electronic products manufacturing is a notable exception. An important measure of industry presence and performance is relative industry size, shown by a "Mix Ratio". The mix ratio is the percent of the City's employment in a given industry relative to the percent of employment in that industry in New England. A mix ratio of 1.0 indicates equal shares of industry employment in the City as in the New England economy, while a mix ratio of 2.0 indicates proportionally twice the share of employment in the City relative to New England. Miscellaneous manufacturing (5.68), computer and electronic products (4.61), and wholesale trade (3.91) are particularly strong sectors in the Marlborough economy. Despite net positive job growth in the overall Marlborough economy between 2004 and 2009, the industrial sector lost more than 1,000 jobs. While the overall economy grew at an average rate of 0.3 percent during the period, industrial sector lost jobs at a rate of 1.8 percent per year. The utilities, chemical manufacturing and plastics and rubber manufacturing industries posted small gains during the period. All other industrial sector industries shed jobs. **Manufacturing industries are losing jobs nationally due to global economic forces such as competition from lower cost locations overseas and changes in technology that has resulted in overall declines in demand for some products. These forces are outside the influence of local economic development policies and programs, creating a challenge for slowing or reversing job losses in these industries.** Nonetheless, declining employment is not necessarily an indicator that an industry is in decline. For some industries, automation and other investments that increase worker productivity have allowed greater output with fewer workers. Although these industries are no longer the direct job engines for Marlborough they once were, they remain important because they purchase goods and services from local suppliers and pay wages to their workforce, wages which are often higher to reflect increased productivity. It is shown that Marlborough industries that lost jobs were increasing output between 2004 and 2009. Except for administrative and support services, these are all manufacturing industries. **This suggests a shift in manufacturing's role in economic development. Instead of pursuing manufacturing employers as primary sources of jobs, they should be understood more broadly as supporters of secondary economic activity, both as consumers of/suppliers to other local industries and through employee spending of wages.**

4.1.4.2 Industrial Sector Job Growth Projections

This section looks at local job growth over the 2004-2009 period as well as national industry 10-year growth projections in an effort to estimate future job growth for the industrial sector for Marlborough between 2009 and 2019. Industries projected to grow are shown **(below)**, identifying the growth that is likely to occur under current economic development policies and conditions, assuming that Marlborough maintains its competitive position relative to other areas in terms of business costs, transportation access, and labor market cost, quality and availability.

Relative competitiveness is a constantly shifting process that depends on Marlborough's investments and policies as well as those of its competitors (Section 9.2: LEAP Analysis Summary). **Industrial Sector Industries that are projected to grow between 2009 and 2019 (this is baseline growth projection) are as follows: Utilities, Construction, Food Products, Chemical Manufacturing, Plastics and Rubber products, Wholesale Trade, Transportation, Mail& Package Delivery & Warehousing, and Waste management and Remediation.**

4.1.4.3 Industrial Sector Comparative Analysis

This section identifies industries with job growth opportunities over and above the baseline growth projections identified in the previous section that could be attainable through focused economic development targeting. This comparative analysis identifies potential target industries among the industrial sector industries based on the dual dimensions of "industry growth" and "relative concentration". For "industry growth" the industries are classified according to seven industry trend categories:

- Industry growing *faster* locally than (it is growing) nationally;
- Industry declining locally while growing nationally;
- Industry growing locally while declining nationally;
- Industry declining locally *slower* than (it is declining) nationally;
- Industry growing locally slower than (it is growing) nationally;
- Industry declining locally *faster* than (it is declining) nationally; and
- Industry growing or declining locally at a rate *similar* to national (rate) trend.

For example, a sector expanding nationally and growing even faster in Marlborough than it is growing nationally, indicates a local strength. The local market share is increasing within a strong national market. If a national growth trend is positive, while the industry in Marlborough has a growth rate that is either less than or equal to that national rate, or possibly declining, then market share is being lost or threatened. Another example is, a sector that sheds employment on a national basis and gains employment locally (or contracts at a slower pace) may indicate consolidation for that activity as a result of local competitive advantages. These sectors may not be sustainable in the long term. **This is where citizens and leaders need to decide if economic development investments to support such industries are warranted in the short term. Industries that are most vulnerable are those that are losing employment at a faster rate in Marlborough than (they are losing employment) in the nation as a whole. In these cases, competitive advantages elsewhere (and possibly disadvantages locally) are causing disinvestment in Marlborough.**

The Consultants also classified Industrial Sector industries using a second dimension, "relative concentration", which measures the local concentration of jobs by industry against the concentration of jobs for the same industries in the Comparison Communities, which are Andover, MA and Burlington, MA (See Section 9.2.1 Comparative Communities for the comparison area selection methodology). The same industries that were classified by industry growth trends above are now classified based upon their relative concentrations versus the comparative communities.

Industries in the left-most columns represent *strengths* and *opportunities* for various business activities in Marlborough. For example, utilities, which is growing faster than the nation and is more highly concentrated in Marlborough than either comparison area community, represents a strong industry. In contrast, mail, package delivery and warehousing is declining in Marlborough while growing in the nation, and its lower concentration than Burlington indicates that it may have room to grow. **Prescriptive economic development actions may be used to support an under-performing local firm in an industry that is vibrant at the nation level.** Industries that appear in the four rightmost columns represent *weak* or *threatened* business activities in Marlborough. Within these columns, those industries that have higher job concentrations in Marlborough relative to the competitor locations may be at risk for job loss, and preemptive economic development

outreach to firms may be warranted. **The analysis reinforces the findings of section 4.1.4.1 regarding decline in industrial sector industries.**

4.1.4.4 Opportunities in Industrial Sub-Sectors

This section takes a closer look at Marlborough industries to identify sub-industries that may be performing well. When viewed at the 2- and 3-digit NAICS level, industrial sectors as a whole are in decline nationally, and those patterns are mirrored in both Massachusetts and Marlborough. However, some individual industries within these broad industry categories are performing well and are important to Marlborough's economy. Industries analyzed had at least 100 employees in Marlborough. Employment concentration in these industries is presented relative to the nation as a whole. For all industries, Marlborough has many times the national level of employment in these sectors, indicating that they each have an important presence in Marlborough. In determining whether these industries are suitable for future targeting in Marlborough, it is important to take into consideration future growth prospects. A shift-share analysis of these industries, which is a measure of each industry's growth in Marlborough relative to its growth in the nation as a whole, is provided. The most promising future growth industries are those that are growing both nationally and in Marlborough. **Three industries fall into this category: Seasonings and salad dressing manufacturing (likely led by Ken's Foods), guided missile and space vehicle manufacturing (likely led by Raytheon), and surgical and medical instrument manufacturing (such as Boston Scientific, Navalyst and Hologic).**

4.2 INDUSTRIAL REAL ESTATE MARKET ANALYSIS

4.2.1 Greater Marlborough Industrial Market Trends

This section provides historical and projected trends in the Industrial space inventory, vacancies, vacancy rates, and net absorption are shown for the City of Marlborough compared to the seven-community Greater Marlborough Market Area. The analyses in this section are derived from proprietary data obtained from Co Star *Property Information Services*, the industry standard. Notwithstanding Co Star's standing in the professional real estate community, the consultant team notes that no data source is 100% reliable and therefore the analyses derived from these data should be regarded as indicative of general trends rather than a definitive indicator of the actual numbers in any data category. Both the City of Marlborough's and the Market Area's inventory of industrial space has changed little since 2006 and new additions to the supply are not forecast through the 2nd quarter of 2013. **Marlborough's inventory of Industrial space totaled 2.5 million SF in the 2nd quarter of 2011, 20% of the Market Area's 12.1 million SF of industrial space. Marlborough's share of vacant industrial space is projected to decline from 179,000 SF currently to 68,000 SF by the second quarter of 2013; from 12% to 5% of the Market Area's vacant industrial space. Marlborough's vacancy rate has historically been below the regional vacancy rate and will become substantially lower as projected. The projected 3% industrial vacancy rate by 2013 for Marlborough is considered too low to absorb additional industrial uses after that time without net new additions to the industrial space inventory.**

Lease Rates

It is shown in this section that the lease rates (per square foot) for industrial space in Marlborough historically tracked slightly higher than the regional average until 2010. They have been comparable or slightly less since.

4.3 BUILD-OUT ANALYSIS

4.3.1 Zoning Comparative Analysis

The Marlborough Zoning Regulations are typical of the land use regulations found in many Massachusetts communities, because in Massachusetts local regulations must conform to the same state enabling legislation. However, there are some important distinctions between Marlborough's Zoning Regulations and the typical land use regulations of many Massachusetts communities. **Special Redevelopment Districts** – There are no zoning districts specifically geared towards promoting redevelopment in the industrial districts. This was previously noted from a study by the MAPC in a memo dated October 2007. Communities will often include special districts to attract and encourage redevelopment. However, districts specifically drafted for certain developments, such as in Wayland (Town Center overlay district) and Westwood (Westwood Station overlay district) were negotiated and written with the developer. This has typically been the case with c.40R Smart Growth Incentive districts throughout the state as well. **Parking** – Marlborough requires 1 parking space per 3 industrial use employees. In a comparison with twelve other Massachusetts communities; Lexington, Arlington, Winchester, Woburn, Burlington, Bedford, Waltham, Belmont, Newton, Weston, Wellesley, and Needham, the parking requirements for industrial uses ranged from 1 space per 1,000sf (Newton) to 3.3 spaces per 1,000sf (Needham), and 1 space per 1.5 employees (Belmont) to 1 space per 4 employees (Newton).

4.3.2 Industrial Build Out Analysis

This section presents the build-out analyses that the Consultants conducted to determine the amount of new industrial space that could be added to the City's supply as allowed under current zoning regulations, and the differential amount of new space that could be added with modifications to the Marlborough Zoning Regulations. The City has over 12,000 parcels identified in the public records. Using City Assessors data, Zoning Regulations and GIS data, the build-out analysis sorted the information and identified:

- Land zoned and used for industrial uses by acreage and square feet of building space.
- Amount of vacant and under-utilized land currently zoned for industrial use.
- The maximum potential build-out for every industrial parcel that met the basic criteria of vacant or underutilized and met certain additional criteria within the commercial and industrial zoning districts (B, CA, LI, and I).
- Current assessed values of industrial land and buildings.
- The value of that maximum potential build-out according to current tax rates and aver. assessed values.

Database Assessment

The Assessors' database, linked to the City's GIS database, was used in this build-out calculation. The Assessors' records were sorted in an Excel file based on criteria, such as: GIS and Assessors' parcel ID; Parcel Area and Value; Building Area and Value; Zoning; Land Use; and Wetlands Area. The Property Type Classification Codes, of the Mass DOR were used to identify as consistently as possible, land use within the local assessors' records. The codes were sorted for the Build-out Scenario as shown. Only those parcels identified in the appropriate sectors were used in each sector build-out analysis. The parcels were further sorted to remove parcels where: the underlying zoning district did not conform to the use designation; i.e. listed with an area of wetland greater than 50% of the parcel; and the total parcel area is less than the minimum lot size for the specified zoning district.

GIS Review

A review of the GIS data base and aerial imagery was performed to further refine the parcel list generated by the Assessors' database sorting out parcels that were clearly used for specific purposes, not zoned for the use, and restricted by the mapped wetlands and water resources.

Build-out Calculations: Floor Area Ratio [FAR]

A Floor Area Ratio, or FAR, was calculated for each zoning district. The definition of Lot Coverage in the zoning regulations was used and consequently the Maximum Building Area is calculated from the total coverage allowed by zoning, subtracting the surface area parking requirements while considering the allowances for building height in stories on a one acre lot. For Industrial zones the FAR was calculated as 1.5 in the Light Industrial [LI] District and 1.8 in the Industrial [I] District.

Build-out Scenarios: Vacant Land

Vacant land parcels are those indicated on the Assessors' records as having no buildings on the land. Certain parcels are used for specific purposes even though listed as vacant; e.g. a 'vacant' parcel might be used as part of a drainage system or storage area. As noted, a scan of the GIS aerial imagery was performed to remove from the sorted database for build-out those parcels committed to other uses.

Build-out Scenarios: 25-Percent and 50-Percent Developed

The maximum potential build-out conforms with zoning height limitations, lot coverage restrictions and includes the parking and circulation needs as determined by the size of each building and Urban Land Institute parking demand ratios. The underutilized land was identified under two different specifications: land that was 25 percent developed and land that was 50 percent developed. These conditions were identified according to a comparison of the allowable development under the zoning dimensional standards; specifically maximum lot coverage and the resulting FAR, which was then combined with the parking requirements and area for construction of surface parking to meet those requirements. This total area was compared with the Assessors' information for current development on the parcel and all parcels meeting the threshold were listed accordingly as less than 25 percent or less than 50 percent developed. As noted, a scan of the GIS aerial imagery was performed to remove from the sorted database for build-out those parcels committed to other uses. The specific formula for determining underutilized land is defined in this section.

Build-out Scenarios: Values

Certain land use codes, such as vacant land or uses that do not pay local property taxes, had no assessed building value. In these cases, either the assessed value per square foot of the building remained at zero, or the value was changed to that of the most relevant land use code; e.g. "39: Vacant Land: Commercial" uses the same average value per square foot as the State Land Use Code "34: Office Building." These numbers were calculated as square foot unit values for comparative purposes.

Fit Studies

A further refinement was to review the GIS data base and aerial imagery and determine how additional development could fit according to zoning and other restrictions on specific sites.

Qualifications

Some qualifications should be noted regarding the results obtained from the analysis of this data.

1. This summary is based on data provided by the Assessors' Office and the City's Geographic Information System, as the best available information.
2. Certain discrepancies were found between the Assessors' database and the GIS aerial photo imagery. This may be due to the time of the photography or other considerations by the property assessors.
3. The wetland and water resource delineations are approximate and actual on the ground surveys may provide lesser or greater areas on the individual properties.
4. Parking and building configurations used to estimate build-out are based on industry standards and testing of sites, but may vary for the actual site design.
5. Easements and other encumbrances on the properties were not researched as part of this analysis.

Results of Industrial Build-out Calculations

This section provides a table that summarizes the results of the Industrial Sector Build-out Analysis. **The Build-out Analysis identified a total of 252 Industrial Zoned Parcels (56 parcels 100% vacant, 98 parcels 75% vacant, and 98 parcels 50% vacant). These 252 parcels combined have a "Potential Development Square Footage" of 28,585,088 SF and an "Assessed Value of Potential Development" of \$1,337,987,260.00.**

4.3.2.1 Current Marlborough Zoning Regulations

This section discusses current Marlborough Zoning Regulations, including the following sections relevant to Industrial sector uses:

- The Definitions [§ 650-5] include listings for 'Light Manufacturing,' 'Manufacturing' and 'Warehouse'
- Two Industrial Districts are identified [§ 650-7]
 1. *Limited Industrial Districts; LI*
 2. *Industrial Districts; I*
- Certain industrial uses are also allowed in the B and CA districts
- The Table of Uses [§ 650-17] includes a list of what uses are classified as Industrial Uses and how they are treated in the respective industrial districts..
- The Table of Dimensional Standards for Industrial Districts [§ 650-41] is shown.

Brownfields

The City of Marlborough reportedly has numerous properties categorized as hazardous waste sites or brownfields which are zoned for industrial and commercial use. Many of these sites have completed C. 21E assessments to determine types and amounts of toxicity, remediation required, and future 'activity and use' restrictions. Some of these sites have been cleaned-up, reused/redeveloped, and others may be vacant or underutilized buildings and land. The status of the City vacant and under-utilized brownfield sites could not be ascertained from information available to the consultant team during the course of this study. The City recently received a \$200,000 EPA Brownfields grant award to clean-up petroleum contamination at the (former) Jenney Service Station (25 East Main Street). The "Brownfields 2011 Cleanup Grant Fact Sheet – Marlborough, MA" is in the Appendix.

4.3.2.2 Higher Density Zoning Modifications

Because of the maximum development potential calculated here as Industrial sector buildout under existing zoning, amendments to the City Zoning Regulations for higher density development are

not considered necessary. However, a number of changes to the Zoning Regulations would facilitate new industrial development. Those changes are:

- **Allowing manufacturing with on-site consumer sales to be allowed by Special Permit in the LI and I districts;**
- **Reducing dimensional standards for parcel size for “Large Tract Development” to provide additional opportunities to use the option for greater building height;**
- **Specifying mixed use options for projects in industrial zoning districts; particularly retail/office, retail/industrial and live-work options;**
- **Adding a definition of ‘Light non-nuisance manufacturing’ to specify the intent of “nonnuisance**
- **Allowing Recreation centers to be As-of-right uses [Y in Table sec. 650-17] in the I district at the same time as including a definition for the use; and**
- **Adding definitions for ‘Clean-tech/Alternative energy’ and ‘Flexible incubator space’ or similar terms to identify desired uses.**

Overall re-codification of the Zoning Regulations is recommended as a means to address current inconsistencies and confusing text that apply to all sections.

4.3.3 Infrastructure Opportunities and Constraints

Transportation

This section discusses the connection between projected future (Industrial) development and the transportation network serving the City of Marlborough has its basis in the amount of traffic expected to be generated by that development and the ability of the transportation network to accommodate the projected traffic volumes. In addition, the anticipated directional distribution of this traffic will dictate what portions of the network are most likely to attract additional volumes, and whether there is sufficient roadway capacity available to accommodate these increases. In the case of this industrial sector analysis, the rates for light industrial and research & development were used as specified in the development description: otherwise, the industrial park category was applied. Trip generation rates are typically applied to specific development plans, or overall development forecasts. The Consultants used a list of designated Priority Development Sites (PDS) in the City of Marlborough, as well as planned and/or approved developments as the basis for trip generation calculations. The results of trip generation calculations for these proposed developments are provided. **Of note is that, the combined square footage of proposed industrial space identified is approximately 1.1 million square feet, compared to a forecasted absorption rate of approximately 276,000 square feet in the next five years.** If developed and occupied, approximately 7,800 vehicle trips per day would be added to the local and regional transportation network, with approximately 1,100 vehicle trips from that total occurring during both AM and PM peak hours. The residence locations of those working in Marlborough were identified in order to determine travel patterns across the local and regional transportation network. **Fully 30% of those who work in Marlborough live in Marlborough**, and likely use local roads and Route 20 (and to a lesser extent, Route 85) to reach their work destinations. Given Marlborough’s superior interstate highway accessibility, it is no surprise that the majority of worker-related trips (52%) are interstate-oriented: 20% to/from the south on I-495, 18% to/from the north on I-495, and 14% to/from the west on I-290. The balance of trips entering and exiting Marlborough (18%) are split among Route 20, Route 85 and local roads. These various distribution percentages were applied to the trip generation calculations shown, to determine the potential impact of proposed industrial sector development on local and regional transportation infrastructure. Given the location of the proposed industrial developments, the majority of the 1,100 peak hour trips will likely utilize the I-495/Simarano Drive interchange, followed by the I-495/Route 20 interchange. On the local network, Route 20, Williams Street and Forest Street will likely attract the greatest number of proposed traffic. **The results, as summarized, indicate that the regional transportation network serving Marlborough has sufficient capacity at the highway interchanges to accommodate the potential increase in peak hour traffic anticipated from the planned and**

proposed industrial developments; with the one noted exception at the I-290 WB to I-495 NB on-ramp. However, the acknowledgement of an existing deficiency at this ramp location indicates the need for future roadway improvements at this location.

Alternative Land Use Scenarios

In this section three alternative land use scenarios were reviewed for comparison with the square footage totals associated with the Priority Development Sites and Planned/Approved Developments in Marlborough. These alternative scenarios indicate that similar levels of development at either the current Marlborough land use distribution or the market absorption land use distribution will generate more industrial-related traffic (and therefore consume more of the available remaining roadway capacity) than the land use distribution represented by the Priority Development Sites and Planned/Approved Developments. The modest level of industrial development reported for the Five-Year Market Absorption can be easily accommodated by the existing roadway network. Based upon the information and findings provided above, the following summary statements are offered for consideration:

- Industrial developments account for approximately 1.1 million square feet of the 3.5 million square feet of planned and approved development in Marlborough;
- Industrial development will generate approximately 7,800 vehicle trips per day, of which approximately 1,100 vehicle trips will occur during the AM peak hour and approximately 1,100 vehicle trips will occur during the PM peak hour;
- 30% of those employed in Marlborough live in Marlborough, and will use local roads to access new development sites;
- With limited exceptions, the regional transportation network (interstate and interchanges) can accommodate the increases in peak hour traffic attributable to proposed industrial development;
- The majority of industrial development is proposed in the area of Marlborough served by the I-495/Simarano Drive interchange. This is beneficial given the substantial available capacity provided by the interchange;

Water and Wastewater

This section provides Wastewater calculations that are based upon rates provided by DEP and Water use was calculated by adding a 10% factor to the wastewater calculations, as is standard industry practice. The City of Marlborough has two wastewater treatment plants: the Easterly Wastewater Treatment Plant and the Westerly Wastewater Treatment Plant. The Easterly Wastewater Treatment Plant is an advanced wastewater treatment facility designed to handle a daily average flow of 5.5 million gallons per day. The facility treats sewage from the easterly portion of Marlborough (east of Route 495). The proposed upgrades to the plant will take place after the upgrades to the Westerly Wastewater Treatment Plant are completed. At this time, it is anticipated that the upgrades could run as high as \$40 million. The impact of the construction and higher operating costs will result in a significant increase to the City's sewer user fees. The Westerly Wastewater Treatment Plant is an advanced wastewater treatment facility designed to handle a daily average flow of 2.89 million gallons per day. The facility treats sewage from the westerly portion of Marlborough (west of Route 495) and the Town of Northborough under an inter-municipal agreement. The cost for this upgrade is expected to be about \$40 million. **Marlborough's flow to the Westerly Plant is currently at its available capacity and will require an increase in the design flow of the facility in order to accommodate expected growth in the area contributory to this facility.** Water and wastewater calculations were also provided for the alternative land use scenarios. **The majority of the wastewater generated under the industrial development scenario will be treated at the Westerly WWTP, and should be accommodated based upon the similarity of projects anticipated in the design projections for improvements to the Westerly WWTP.** Water usage is likewise within the volumes provided by the combined City of Marlborough / MWRA allowances. Other than the

modest Five-Year Market Absorption, the full-development alternatives direct more wastewater to the Westerly WWTP, in one case 65% higher than the Priority Development Sites and Planned / Approved Development. **Given the limits at the Westerly WWTP, significant Inflow/Infiltration improvements and water conservation efforts would be required to accommodate the higher levels of development identified in the alternative scenarios.**

Summary comments include the following:

- Industrial developments account for approximately 1.1 million square feet of the 3.5 million square feet of planned and approved development in Marlborough;
- Industrial development will generate approximately 43,530 gallons per day of wastewater, and 45,821 gallons per day of water usage;
- With only one exception, the projects identified in the Priority Development Sites and Planned/Approved Developments in Marlborough were also identified in the CWMP when calculating future WWTP design flow requirements.

Energy and Telecommunications

In this section the Consultants provide information on Energy and Telecommunications providers serving Marlborough. National Grid provides electricity to the City of Marlborough as part of its Bay State South region. NStar provides natural gas to the City of Marlborough. Both energy providers have business and economic development incentives designed to provide competitive and efficient services to current and future businesses in Marlborough. Phone, cable and internet services are available from multiple providers, including Comcast, Verizon (including FIOS), and other national and regional providers. Inquiries were placed with the Massachusetts Broadband Institute, in order to determine if there were any potential technology limitations that would deter businesses from locating in Marlborough.

The following is a summary of those discussions:

- The Massachusetts Broadband Institute (MBI) does not have detailed information on privately owned, operated, and maintained infrastructure.
- The MBI has an online interactive map showing the available services to Marlborough at <http://mapping.massbroadband.org>. Provider information and services are provided in some detail.

4.4 INDUSTRIAL SECTOR ECONOMIC DEVELOPMENT GOALS & ACTION ITEMS

(For the purposes of this Executive Summary document the Goals and Action Items that are listed under this section heading of the Master Plan document have been moved to

Section 12. ECONOMIC DEVELOPMENT ACTION PLAN)

5. COMMERCIAL SECTOR OVERVIEW

5.1 ROLE IN MARLBOROUGH ECONOMY

5.1.1 Commercial Land Use Profile & Zoning

As stated in the previous comparable section, the City of Marlborough Assessors' data was used to identify the following land use characteristics of Commercial Sector properties within the City of Marlborough. Also, stated was that the Massachusetts Department of Revenue Property Type Classification Codes, as assigned by the Marlborough Assessors, were used to determine which parcels were included in the Commercial Sector Overview. The Commercial Sector Overview does

not include retail uses, which are addressed separately in the Retail Sector Overview. The following list contains key characteristics of the Marlborough's Commercial Sector properties. In the Plan, in this section, the Consultants, include a map that shows the location of all the commercial use parcels in the City of Marlborough. (For the purposes of this Executive Summary document only a few of the characteristics are provided here.)

Commercial Parcel Size

- There are 308 parcels of land within the City of Marlborough that are identified as containing commercial uses
- The City of Marlborough's 308 parcels containing commercial uses constitute 804.39 acres of land
- The 804.39 acres of commercial land represents 6.50% of the total land within the City of Marlborough

Commercial Parcel Value

- The City of Marlborough's 308 commercial parcels of land possess an aggregate assessed total value of \$513,573,098.00
- The \$513,573,098.00 aggregate assessed total value Marlborough's commercial parcels represents 10.90% of all assessed property within the City of Marlborough
- The average assessed total value for commercial parcels of land within the City of Marlborough is \$1,667,445.12

Commercial Parcel Buildings

- The City of Marlborough's 308 commercial parcels of land possess a total 216 buildings.
- The 308 buildings on commercial parcels of land represent 2.76% of all buildings within the City of Marlborough.
- The City of Marlborough's 216 buildings on commercial parcels of land possess a total 7,019,741 gross square feet.

Commercial Parcel Zoning

- The City of Marlborough's commercial parcels of land are located in 9 different zoning districts: 57% of the City of Marlborough's commercial parcels of land are located in the Business Zoning District; 18% of the City of Marlborough's commercial parcels of land are located in the Limited Industrial Zoning District; 7% of the City of Marlborough's commercial parcels of land are located in the Commercial and Automotive Zoning District; 5% of the City of Marlborough's commercial parcels of land are located in the Industrial Zoning District; 4% of the City of Marlborough's commercial parcels of land are located in the Residence A2 Zoning District; 3% of the City of Marlborough's commercial parcels of land are located in the Residence A3 Zoning District; 2% of the City of Marlborough's commercial parcels of land are located in the Residence B District; 2% of the City of Marlborough's commercial parcels of land are located in the Residence B Zoning District; 1% of the City of Marlborough's commercial parcels of land are located in the Residence A1 Zoning District.

5.1.2 Business Activity

This section of the Plan reports on the number of non-manufacturing and non-retail commercial businesses, jobs, and business sales in Marlborough and compares these numbers to the overall seven community Greater Marlborough Market Area. The data identifies that the City of Marlborough holds 31% of Market Area business establishments, and 35% of Market Area jobs and business sales within the non-manufacturing and non-retail industries overall as shown. The largest non-manufacturing and non-retail industry in Marlborough (in terms of jobs) is Security & Commodity Brokers & Services with 2,029 jobs and \$313 million in sales in 2010. The City holds 42% of the Market Area jobs and business in this industry. The other major employers in Marlborough are the Communications industry (2,005 jobs), Health Services (1,994 jobs),

Education Services (1,561 jobs), and Business Services (1,450 jobs). Marlborough holds more than 50% of Market Area jobs in Communications (87%), Depository Institutions (60%), and Hotels & Other Lodging Places (59%). According to data obtained from Claritas Site Reports (2010 data), the non-manufacturing and non-retail industries in Marlborough accounted for 71% of all City business establishments, 63% of City-wide jobs, and 66% of all sales made by businesses in Marlborough in 2010. Over the past 10 years the job prospects within these in Marlborough have been mixed, as shown. Most notable has been the steady gains in employment within Professional & Technical Services, which is consistent with state and national performance, and the declines in Information services, contrary to state and national trends. The Consultants note that the job totals shown differ depending on the data source: i.e. Claritas *Site Reports* counts all jobs whereas the Massachusetts Department of Labor and Workforce Development (Mass-DOL) counts only those jobs covered by unemployment insurance. Also, Mass-DOL is the only source of local historical trend data but significantly undercounts jobs in many industry categories which include self-employed persons.

5.1.3 Commercial Sector Fiscal Impacts

This section shows that non-manufacturing and non-retail businesses in Marlborough contributed \$13.1 million in property tax revenues in FY'11, accounting for 18% of all property tax revenues and 43% of property taxes paid by commercial uses. These commercial uses comprise 10% of the City's taxable land area. Assessed values per square foot for these commercial uses are equivalent to the average SF assessed land value City-wide and 96% of the assessed building values per square foot. **Average assessed values per SF of these commercial uses are 91% of the average for all commercial land, and 103% of the average assessed values per SF of all commercial buildings (including non-manufacturing and non-retail buildings).**

5.1.4 Greater Marlborough Comparative Analysis, Target Industries, Projected Employment

This section presents Marlborough's competitive position for job growth in commercial sector industries. For the purposes of this analysis, "commercial sector" is defined as industries and sub-industries that typically utilize commercial/office type real estate. Complete details regarding the LEAP analysis methodology is contained in the Appendix. This analysis begins with an overview of industry composition and growth trends, which provides important context for subsequent discussion of industry opportunities. This analysis is primarily based on industry data for 2009 (the most recent year for which complete data is available) at the zip code level. The analysis was carried out primarily using the LEAP Local Economic Assessment Package) model as developed by the EDR Group, as previously described. This section provides a current commercial profile of Marlborough's commercial sector industries, examining industry size measured by total jobs, industry mix, and employment and output growth by industry to provide context for the baseline job growth projections in section 5.1.4.2 and target industry identification in Sections 5.1.4.3 and 5.1.4.4.

5.1.4.1 Marlborough's Economic Base – Commercial Sectors

Commercial sector industries represent more than half of Marlborough's employment, as shown. One important note is that unlike the industrial sector presented previously, many commercial sector industries are not export-oriented industries (shipping goods out of the area and bring dollars back to the area). Instead they are secondary industries supported by the economic activity brought into Marlborough by primary industries. The Consultants identify which commercial sector industries are considered primary/ export industries, and which are considered partially primary/ export industries, though mostly local-serving. Primary/export industries are particularly important to Marlborough's economic future, as stated above for ability to bring dollars into the local economy

from other cities and regions. **What is shown in this section, is the importance of the professional scientific and technical services industry, which accounts for nearly 6,500 jobs, more than 17 percent of Marlborough's job base.** Other important industries based on employment are government (3,009 jobs), health care (2,601 jobs), and monetary, financial and credit activity (1,950 jobs). An important measure of industry presence and performance is *relative industry size*, shown as a "Mix Ratio" (defined above in Section 4.1.4.1). This measure underscores the prominence of the professional scientific and technical services industry, which is nearly twice as large in Marlborough as in New England. **Though smaller in terms of total employees, the internet and data processing services industry is more than six times as prevalent in Marlborough as in the rest of New England.** Though monetary, financial and credit activity reflects a relatively high concentration based on 2009 employment data, the departure of Spring 2011 Fidelity decision (Fidelity announced plans to relocate all of its employees at the Marlborough facility to other facilities in Boston, New Hampshire and Rhode Island and the completely vacate the Marlborough site by the end of 2012), will result in significant job loss in this sector (analyzed further in Section 5.1.4.3). **It should be noted, however, that the loss of one major employer does not necessarily indicate the likelihood of further losses in this industry.** Marlborough's commercial sector gained more than 1,400 jobs between 2004 and 2009, more than offsetting losses in the industrial sector. While the overall economy grew at an average rate of 0.3 percent during the period, the commercial sector expanded at a rate of 1.5 percent per year. This growth was led by gains in professional, scientific and technical services, internet and data processing services, and monetary, financial and credit activity (the latter of which may be viewed with caution in light of Fidelity's departure.)

5.1.4.2 Industrial Sector Job Growth Outlook

This section looks at local job growth over the 2004-2009 period as well as national industry 10-year growth projections in an effort to estimate future job growth by industry for Marlborough's commercial sector industries between 2009 and 2019. Industries projected to grow are shown **(below)** identifying the growth that is likely to occur under current economic development policies and conditions, and assuming that Marlborough maintains its competitive position relative to other areas in terms of business costs, transportation access, and labor market cost, quality and availability. As stated previously (in section 4.1.4.2), "Relative competitiveness is a constantly shifting process that depends on Marlborough's investments and policies as well as those of its competitors." Commercial sector industries that are projected to grow between 2009 and 2019 (this is baseline growth projection) are as follows: **Motion Picture & Sound Recording; Internet & Data Processing Services; Monetary, Financial & Credit Activity; Insurance carriers & Related Activities; Funds, Trusts & Other Financial Vehicles; Real Estate; Professional Scientific, Technical Services; Administrative & Support Services; Educational Services; and Health Care & Social Services.** Marlborough may have the opportunity to gain additional jobs in these and other commercial sector industries through successful economic development activities.

5.1.4.3 Impacts of Recent Layoff Announcements

In this section the Consultants note that, this analysis is based on data covering economic activity between 2004 and 2009, the most recent period for which complete data is available. Unfortunately, a few Marlborough firms have recently made layoff announcements that do not show up in the data. These include the closure of Fidelity's Marlborough operation, for a loss of 1,100 jobs, as well as undisclosed losses at Evergreen Solar's headquarters (related to that firm's plant closure in Devens and filing for bankruptcy protection and time to reorganize). In addition to the direct losses at these firms, they imply additional losses at other Marlborough firms that have supplier relationships and/or depend on employee spending of wages. The magnitude of losses at

Evergreen, which employs about 130 at its Marlborough headquarters, has not yet been announced so it is premature to speculate on the extent of those secondary impacts. For Fidelity, which has announced the elimination of 1,100 jobs, an IMPLAN economic impact model was run to determine the extent of spinoff (secondary) impacts and what industries in Marlborough will be most affected (additional impacts may accrue beyond Marlborough's economy but were not modeled here). This analysis indicates that the 1,100 direct job losses at Fidelity could result in an additional loss of 1,760 indirect/induced jobs that were supported by Fidelity employee spending. **The Consultants estimate the impact from the total loss of personal income (from the loss of the 1,100 Fidelity jobs and the projected 1,760 indirect/induced jobs that were supported by Fidelity) at about \$325 million and the total loss from total output (business sales) at about \$992 million.**

5.1.4.4 Commercial Sector Comparative Analysis

This section uses the same comparative analysis techniques identified and described earlier (in section 4.1.4.3 of the Industrial Sector Overview); i.e. the dual dimensions of industry growth (measured against the nation) and relative concentration (measured against Andover and Burlington) to identify potential target industries among commercial sector industries with growth opportunities over and above the baseline growth identified in the previous section. This is growth that could be attainable through focused economic development targeting.

For example, **professional scientific and technical services**, which is growing at the same rate as in the nation as a whole, is underrepresented in Marlborough compared to Burlington, indicating that **it may have room to grow**. **Internet and data processing services** and **educational services** are growing more slowly than the nation as a whole, and comprise smaller shares of employment than they do in Andover and Burlington, **suggesting opportunities for additional employment growth**.

This analysis also identifies commercial sector industries that are described as weak or threatened **business activities in Marlborough**. These are activities that show higher job concentrations for Marlborough relative to the competitor location and represent more significant risk for job loss. Preemptive economic development outreach to such firms may be warranted. However, fortunately, among commercial sector industries, **only insurance carriers and related activities falls into this category**, and is not of significant size to be of great concern.

5.1.4.5 Opportunities in Commercial Sub-Sectors

This section takes a closer look at Marlborough commercial sector industries to identify sub-industries that may be performing well. Overall, the commercial sector is performing fairly well in Marlborough, and some sub-industries within the commercial sector show strong growth potential. The Consultants examined these industries using the highest level of resolution for employment. They show the employment concentration in these industries relative to the nation as a whole. Employment in a number of these industries is many times more concentrated in Marlborough than in the national economy, particularly **software publishers** (9.65), **computer systems design services** (4.25), **telecommunications** (2.65) and **scientific research services** (2.47).

In determining whether these industries are suitable for future targeting in Marlborough, it is important to take into consider future growth prospects. The Consultants conducted a shift-share analysis of these industries. **Management of companies and enterprises** shows the strongest growth at more than five times the national average (shift share ratio 5.71). Other industries growing in both the nation and in Marlborough are **securities**, **computer systems design**, **software publishers**, **data processing** and **other private educational services**. The fact that these industries are growing more slowly than in the nation as a whole, as evidenced by positive shift share ratios less than 1.0, **indicates that perhaps Marlborough could capture additional growth in these sectors**.

5.2 REAL ESTATE MARKET ANALYSIS

5.2.1 Greater Marlborough Office Market Trends

There are a number of commercial real-estate submarkets serving the industries described in the Business Activity and Fiscal Impacts sections of this section of the Plan. The Section 2 profile and overview presents the overall commercial real estate market as defined by real estate brokers and analysts (including industrial and retail uses), as well as each major commercial submarket in the City of Marlborough. **The largest real estate submarket in Marlborough is Office space, which serves the majority of the industries covered in this section (the Commercial Sector) and is the space category with the largest amount of vacant square feet and, therefore, of principal concern to MEDC.**

This section provides historical and projected trends in the Office space inventory, vacancies, vacancy rates, and net absorption is shown for the City of Marlborough compared to the seven community Greater Marlborough Market Area. The analyses in this section are derived from proprietary data obtained from Co Star Property Information Services, (as previously stated) the industry standard. The Consultants remind us that no data source is 100% reliable and therefore the analyses derived from these data should be regarded as indicative of general trends rather than a definitive indicator of the actual numbers in any data category.

Both the City of Marlborough's and the Market Area's inventory of Office space has changed little since 2006 and new additions to the supply are not forecast through the 2nd quarter of 2013. Marlborough's inventory of Office space totaled 6.2 million SF in the 2nd quarter of 2011, 45% of the Market Area's 14 million SF of Office space. The Consultants also show historical and forecast vacant Office space in Marlborough compared to the Market Area. **Marlborough's share of vacant Office space is projected to decline marginally from 987,000 SF currently to 933,000 SF by the 2nd quarter of 2013; but rise from 55% to 58% of the Market Area's vacant Office space.** The Consultants show a projected marginal decline in Marlborough's Office space vacancy rate, from 16% in 2011 to 15% by the 2nd quarter of 2013. The vacancy rate for Office space in the overall Market Area is also projected to decline marginally, from 13% in the 2nd quarter of 2011 to 12% by the 2nd quarter of 2013. **Over the next two years, the Market Area is forecast by Co Star to show a 200,000 SF net absorption of office space, with net absorption in the City of Marlborough forecast at 54,000 SF (27% of the Market Area total) over this period, as shown in Figure 5.2.1.D. In Co Star's forecast scenario, the City of Marlborough is thus projected to perform worse than the Market Area overall over the next two years in filling currently vacant office space.**

5.3 COMMERCIAL BUILD-OUT ANALYSIS

5.3.1 Zoning Comparative Analysis

As stated previously, the Consultants note that the Marlborough Zoning Regulations are typical because local regulations must conform to the same state enabling legislation. The Consultants also note two important distinctions between Marlborough's Zoning regulations and that of many other Massachusetts communities. The first is the "Number of Commercial Districts" – **Marlborough has two Commercial zoning districts, while other communities often have more than two, to distinguish different areas of the community,** such as neighborhood centers, downtown, shopping centers, and highway commercial areas. As an example, Lexington has six commercial zoning districts, with two for office and one for retail centers and the other three for different types of mixed use community centers. Note that the Marlborough Industrial districts [LI and I] zoning also allows for Commercial office and certain other business uses. "Special

Redevelopment Districts” (or Overlay Districts) as the Consultants previously noted, **Marlborough has no zoning districts specifically geared towards promoting redevelopment in the commercial districts.** It is noted that communities will often include such special districts to attract and encourage redevelopment. However, districts created specifically for certain developments (e.g. Wayland Town Center and Westwood Station projects) were negotiated and written with the developer. This has typically been the case with c.40R Smart Growth Incentive districts throughout the state as well. **Consequently, providing an option for a “floating district” in which standards and design criteria are negotiated to some extent with the redeveloper could provide an advantage to the City in comparison with other communities with previously set standards that may require amendment.**

A second distinction regarding Marlborough’s zoning is in the area of “Parking Requirements”. Where **Marlborough requires 3 parking spaces per 1,000sf of commercial office space,** the Consultants identified twelve other Massachusetts communities (Lexington, Arlington, Winchester, Woburn, Burlington, Bedford, Waltham, Belmont, Newton, Weston, Wellesley, and Needham) where the parking requirements for commercial office uses ranged from 2 spaces per 1,000sf (Arlington) to 4 spaces per 1,000sf (Burlington). **While Marlborough’s numbers fit the range, the number should change depending on the project location. For redevelopment projects on Route 85 and in the downtown, relief from certain standards, including parking, should be expected.**

5.3.2 Commercial Build Out Analysis

The Consultants note that, build-out analyses were completed to determine the amount of new commercial space that could be added to the City’s supply as allowed under current zoning regulations, and the differential amount of new space that could be added with modifications to the Marlborough Zoning Regulations. Commercial space was defined as all uses coded by the City Assessor as commercial, except for those uses coded as Retail, to distinguish the sectors for this build-out analysis. The City has over 12,000 parcels identified in the public records. Using City Assessor data, Zoning Regulations and GIS data, the build-out analysis sorted the information and identified:

- Land zoned and used for commercial uses by acreage and square feet of building space;
- Amount of vacant and under-utilized land currently zoned for commercial use;
- The maximum potential build-out for every commercial parcel that met the basic criteria of vacant or underutilized and met certain additional criteria within the commercial and industrial zoning districts (B, CA, LI, and I);
- Current assessed values of commercial land and buildings; and
- The value of that maximum potential build-out according to current tax rates and average assessed values.

Database Assessment

The Assessors’ database, linked to the City’s GIS database, was used in this build-out calculation as described previously. Also, previously noted The *Property Type Classification Codes*, of the Mass DOR were used to consistently as possible identify land use within the local assessor’s records. **Only those parcels identified in the appropriate sectors were used in this sector’s build-out analysis.** The parcels were further sorted to remove parcels where: where the underlying zoning district did not conform to the use designation; where listed, with an area of wetland greater than 50% of the parcel; and where the total parcel area is less than the minimum lot size for the specified zoning district.

GIS Review

As previously noted: a review of the GIS data base and aerial imagery was performed to further refine the parcel list generated by the Assessors' database sorting out parcels that were clearly used for specific purposes, not zoned for the use, and restricted by the mapped wetlands and water resources.

Build Out Calculations: Floor Area Ratio [FAR]

As noted previously a Floor Area Ratio, or FAR, was calculated for Commercial zoning districts. The definition of Lot Coverage in the zoning regulations was used and the Maximum Building Area was calculated from the total coverage allowed by zoning, subtracting the surface area parking requirements, while considering the zoning allowances for building height [in stories] on a one acre lot. **For Commercial zoning districts the FAR was calculated as 3.2 in the Business [B] District and 1.6 in the Commercial Automotive [CA] District.**

Build Out Scenarios: Vacant Land

The Consultants note that, vacant land parcels are those indicated on the Assessors' records as having no buildings on the land. Certain parcels are used for specific purposes even though listed as vacant. For example a 'vacant' parcel might be used as part of a drainage system or storage area. As noted, a scan of the GIS aerial imagery was performed to remove them from the sorted database for build out those parcels committed to other uses.

Build Out Scenarios: 25-Percent and 50-Percent Developed

The Consultants note here, as previously, that the maximum potential build-out conforms to zoning height requirements, limitations, land restrictions; and employs the parking and circulation standards, as determined by the size of each building, as well as the ULI parking demand ratios. It is noted that underutilized land was identified as either: land that was 25 % developed or land that was 50% developed. Also as previously noted these conditions were identified by comparing the allowable development under the zoning dimensional standards; specifically maximum lot coverage and the resulting FAR, which was then combined with the parking requirements and area for construction of surface parking to meet those requirements. This total area was compared with the Assessors' information for current development on the parcel and all parcels meeting the threshold were listed accordingly as less than 25 percent or less than 50 percent developed. As noted, a scan of the GIS aerial imagery was performed to remove from the sorted database for build-out those parcels committed to other uses. The specific formula for determining underutilized land is defined in this section.

Build Out Scenarios: Values

Certain land use codes, such as vacant land or uses that do not pay local property taxes, had no assessed building value. In these cases, either the assessed value per square foot of the building remained at zero, or the value was changed to that of the most relevant land use code. For example, "39: Vacant Land: Commercial" uses the same average value per square foot as the State Land Use Code "34: Office Building." These numbers were calculated as square foot unit values for comparative purposes.

Fit Studies

A further refinement was to review of the GIS data base and aerial imagery and determine how additional development could fit according to zoning and other restrictions on specific sites.

Qualifications

As stated previously, some qualifications should be noted with respect to the results obtained from the analysis of this data: 1. This summary is based on data provided by the City's Assessors' and the GIS System; 2. Certain discrepancies that were found between them were probably due to the time of the photography or other considerations; 3. The wetland and water resource delineations are approximate; 4. Parking and building configurations used are based on industry standards and testing of sites, but may vary for the actual site design; 5. Easements and other encumbrances on the properties were not researched as part of this analysis.

Results of Commercial Build-out Analysis

This section provides a table that summarizes the results of the commercial Sector Build-Out Analysis. **The Build-Out Analysis identified a total of 313 Commercially Zoned Parcels (37 parcels 100% vacant, 138 parcels 75% vacant, and 138 parcels 50% vacant). These 313 parcels combined, have a "Potential Development Square Footage" of 9,654,125SF and an "Assessed Value of Potential Development" of \$ 512,328,437.00.**

5.2.3.1 Current Marlborough Zoning Regulations

This section presents current Marlborough Zoning Regulations, including the following sections relevant to commercial sector uses:

- Definitions [Sec 650-5] include listings for 'Offices and Professional Offices', and 'Mixed Use';
- The Marlborough Zoning Regulations include the following Districts [Sec 650-7] related to Commercial Sector uses: ◦ Business Districts [B] and ◦ Commercial and Automotive Districts [CA]
- The B districts are for general commercial and are predominantly located along the Route 20 corridor and parts of the southern Route 85 corridor;
- The CA districts have been used for northern and southern sections of the Route 85 corridor;
- Certain business uses are also permitted in the LI and I districts;
- The Table of Uses [§ 650-17] includes uses classified as Business Uses in the B and CA zoning districts as shown; as listed in Table 5.3.2.1.1.
- The City Zoning Regulations also specify dimensional standards for these districts as shown in Table 5.3.2.1.2.

Brownfields

As noted by the Consultants previously, the City of Marlborough reportedly has numerous properties zoned for industrial and commercial use, that and listed by the State DEP as sites where hazardous waste has been reported. It is also noted that many of these sites have completed C. 21E assessments, required remediation required, and been qualified for future/continued use, with or without restrictions. The number and the status of the vacant and under-utilized "brownfield" sites in the City could not be ascertained from information available to the consultant team during the course of this study. Therefore, they are assumed to be inconsequential to this analysis.

5.3.2.2 Higher Density Zoning Modification

The zoning allowances were tested on actual properties from the list of underdeveloped parcels. The analysis indicates that zoning dimensional standards do not restrict expected development. **Because of this analysis, and the high maximum development potential calculated here as Commercial sector build-out under existing zoning, amendments to the City Zoning Regulations for higher density development are not considered necessary in the near term. However, a number of changes to the Zoning Regulations would facilitate new commercial development. Those changes are:**

- Mixed Use – Specifying mixed use options for office and retail as well as residential projects in commercial zoning districts; particularly live-work options for smaller ventures
- Downtown Parking Requirements – The number of required spaces should be reduced in the downtown area in recognition of the amount of existing public parking available and shared parking opportunities
- Downtown Zoning – Create a business sub-district or overlay district for the downtown which includes at least the following:
 - Parking Requirements – The number of required spaces should be reduced in the downtown area in recognition of the amount of existing public parking available and shared parking opportunities.
 - Increase Allowable Coverage – Allow up to 100% coverage to maximize use of parcels
 - Setbacks – Add a zero lot line setback or a ‘build to back of sidewalk’ requirement
 - Mixed use - Add allowance for residential and office space on the upper floors and limit first floors to retail uses.

Overall re-codification of the Zoning Regulations is recommended as a means to address current inconsistencies and confusing text that apply to all sections.

5.3.3 Infrastructure Opportunities & Constraints

Transportation

This section, as in previous similar subsections, discusses the connection between projected future (**Commercial**) development and the transportation network serving the City of Marlborough, because the amount of traffic expected to be generated by that development and the ability of the transportation network to accommodate the projected traffic volumes is an important factor in determining that future growth. Also, as noted previously, the anticipated directional distribution of this traffic will dictate what portions of the network are most likely to attract additional volumes, and whether there is sufficient roadway capacity available to accommodate these increases.

The consultants used the industry standard publication (*Trip Generation*) to calculate the amount of traffic expected to be generated and summarize the average trip generation rates that will be used to estimate traffic associated with the projected commercial sector analysis: i.e. the rates for office and research & development were used as specified in the development description.

Trip generation rates were applied to the list of designated Priority Development Sites (PDS) in the City, as well as, planned and/or approved developments as previously identified, as the basis for trip generation calculations.

Commercial sector-related development locations identified, included 100 Crowley Drive, 417 South Street, Devonshire @495 Center, Cedar Hill/Simarano Drive, 100 Campus Drive, 800 Nickerson Road, 900 Nickerson Road, 1000 Nickerson Road, and 84 Waterford Drive. The results of the trip generation calculations for these proposed developments are provided.

The combined square footage of proposed commercial space identified at the locations above is approximately 2.3 million square feet, compared to a forecasted absorption rate of 221,000 square feet over the next five years. If developed and occupied, approximately 24,000 vehicle trips per day would be added to the local and regional transportation network, with 3,200-3,400 vehicle trips from that total occurring during both AM and PM peak hours. Distribution of these trips over the local and regional transportation network has been calculated, as noted previously in Section 4.3.3.3.

Again, as previously, fully 30% of those who work in Marlborough live in Marlborough, and likely use local roads to reach their work destinations. Previously noted distribution percentages were applied to the peak hour trip generation calculations that are shown, to determine the potential impact of proposed commercial sector development on local and regional transportation infrastructure.

The final task required to complete the trip distribution assignment is to geographically locate

the proposed development sites and their proximity to likely routes to and from Marlborough. As previously, Figure 4.3.3.2 was referenced for the locations of all PDS and planned/approved developments.

Given the location of the proposed commercial developments, the majority of the 3,200-3,400 vehicle trips peak hour trips will likely utilize the I-495/Simarano Drive interchange, followed by the I-495/Route 20 interchange while smaller amounts will access the Waterford Drive project via the I-290/Solomon Pond interchange). On the local network, Route 20, Williams Street and Forest Street will likely attract the greatest number of proposed traffic, along with Route 85, Glen Street, Hayes Memorial Drive and Boundary Street.

The Consultants added the projected commercial sector trip generation to the interchange capacity data shown in order to assess the potential for each interchange component to accommodate the anticipated peak hour traffic volume increases. The results as summarized, indicate that the regional transportation network serving Marlborough has sufficient capacity at the highway interchanges to accommodate the potential increase in peak hour traffic anticipated from the planned and proposed Commercial development. The one exception noted is at the I-290 WB to I-495 NB ramp, which adds a negligible volume that is within the margin of daily traffic variation on the local transportation network. Once again, however, the acknowledgement of existing deficiencies at a ramp location indicates the need for future roadway improvements at this location. Indeed, the I-495 Study: I-290 to I-90 report includes recommendations intended to address this and other deficiencies in order to address future growth and safety needs.

Given the substantial percentage (30%) of trips expected to be associated with workers residing in Marlborough, local roadways such as Route 20, Route 85, South Street, Williams Street and Forest Street are likely to exhibit noticeable increases in traffic, along with Glen Street, Hayes Memorial Drive and Boundary Street.

However, these increases will be tempered by the observation that local residents would be using many of these roadways in any case as part of their travel route to work whether or not that employment was based in Marlborough.

Alternative Land Use Scenarios

As previously, (Section 4 Industrial Overview) the Consultants review three alternative land use scenarios for comparison with the square footage totals associated with the Priority Development Sites and Planned/Approved Developments in Marlborough. These three scenarios differ in their land use assumptions: i.e. same square footage but at current City of Marlborough land use distribution percentages; same square footage but at Current Market Absorption analysis land use distribution percentages; and the square footage and land use distribution as projected by the five-year Current Market Absorption analysis.

The commercial sector summary comparison of each alternative scenario indicates that similar levels of development at either the current Marlborough land use distribution or the market absorption land use distribution will generate less commercial-related traffic (and therefore consume less of the available remaining roadway capacity) than the land use distribution represented by the Priority Development Sites and Planned/Approved Developments. The modest level of commercial development reported for the Five-Year Market Absorption can be easily accommodated by the existing roadway network. **Based upon the information and findings noted above, the following summary statements, recommendations and action items are offered for consideration:**

- **Commercial developments account for approximately 2.3 million square feet of the 3.5 million square feet of planned and approved development in Marlborough;**
- **Commercial development will generate approximately 24,000 vehicle trips per day, of which approximately 3,400 vehicle trips will occur during the AM peak hour and approximately 3,200 vehicle trips will occur during the PM peak hour;**

- 30% of those employed in Marlborough live in Marlborough, and will use local roads to access new development sites;
- With limited exceptions, the regional transportation network (interstate and interchanges) can accommodate the increases in peak hour traffic attributable to proposed commercial development;
- The majority of commercial development is proposed in the area of Marlborough served by the I-495/Simarano Drive interchange. This is beneficial given the substantial available capacity provided by the interchange;

Water and Wastewater

This section, as previously, provides Wastewater calculations are based upon DEP published rates. Water use was calculated by adding a 10% factor to the wastewater calculations, as is standard industry practice. The Consultants note that, these calculations do not account for process-specific water and wastewater requirements, which must be addressed at the specific project level. In the case of this commercial sector analysis, the rate for “Office Building” (75 gallons per 1,000 square feet) was used. Also as previously described, the City of Marlborough has two wastewater treatment plants: the Easterly Wastewater Treatment Plant (designed to handle a daily average flow of 5.50 million gallons per day) and the Westerly Wastewater Treatment Plant (designed to handle a daily average flow of 2.89 million gallons per day) with their service areas divided at Route 495. The Consultants discuss their current status and the major improvement projects to increase the capacities of both plants. The impact of the construction and higher operating costs will result in a significant increase to the City’s sewer user fees. Water and wastewater generation calculations for the commercial projects identified in the list of Priority Development Sites and Planned/Approved Developments in Marlborough is provided as well as for the alternative land use scenarios.

Summary comments include the following:

- Commercial developments account for approximately 2.3 million square feet of the 3.5 million square feet of planned and approved development in Marlborough;
- Industrial development will generate approximately 175,125 gallons per day of wastewater, and 192,639 gallons per day of water usage;
- With only one exception, the projects identified in the list of Priority Development Sites and Planned/Approved Developments in Marlborough were also identified in the CWMP when calculating future WWTP design flow requirements.

Energy and Telecommunications

As previously, in this subsection, the Consultants provide information on Energy and Telecommunications providers serving Marlborough. National Grid provides electricity to the City of Marlborough as part of its Bay State South region. Also, as noted previously, NStar provides natural gas to the City of Marlborough. Both energy providers have business and economic development incentives designed to provide competitive and efficient services to current and future businesses in Marlborough. Phone, cable and internet services are available from multiple providers, including Comcast, Verizon (including FIOS), and other national and regional providers. Inquiries were placed with the Massachusetts Broadband Institute, in order to determine if there were any potential technology limitations that would deter businesses from locating in Marlborough. The following is a summary of those discussions:

- The Massachusetts Broadband Institute (MBI) does not have detailed information on privately owned, operated, and maintained infrastructure.
- The MBI has an online interactive map showing the available services to Marlborough at <http://mapping.massbroadband.org/>. Provider information and services are provided in some detail.
- The MBI is not aware of any current plans to upgrade communications infrastructure.

5.4 COMMERCIAL SECTOR ECONOMIC DEVELOPMENT GOAL & ACTION ITEMS

(For the purposes of this Executive Summary document the Goals and Action Items that are listed under this section heading of the Master Plan document have been moved to

Section 12. ECONOMIC DEVELOPMENT ACTION PLAN)

5.4.1 Target Sites Suitable for Commercial Use

The City of Marlborough has over 250 parcels that are zoned for commercial use and contain enough developable land that they could accommodate at least 30,000 square feet of new commercial space. Of these 250 parcels, 12 were also identified by the City of Marlborough as sites that have either already been permitted for development or have been designated as Chapter 43D Priority Development Sites by the community. The amount of potential developable space for each of these properties was determined through the Commercial Build-out Analysis [Section 5.3]. The Consultants identify these 12 properties' by addresses, by zoning districts, by potential building square footage, by current building square footage and by current land use codes and descriptions. These property locations are also illustrated in Table 5.4.1.1 Marlborough Preferred Commercial Use Sites.

6. RETAIL SECTOR OVERVIEW

6.1 ROLE IN MARLBOROUGH ECONOMY

6.1.1 Retail Land Use Profile & Zoning

As stated in earlier comparable sections, the City Assessors' data was used to identify the following land use characteristics of Retail Sector properties within the City. The Mass DOR Property Type Classification Codes, as assigned by the Marlborough Assessors were used to determine which parcels were included in the Retail Sector Overview. The following identifies the key characteristics of Marlborough's Retail Sector properties. In the Plan, in this section, the Consultants, also show the location (by map) of all retail use parcels in the City. (For the purposes of this Executive Summary document only a few of the characteristics are provided here.)

Retail Parcel Size

- There are 255 parcels of land within the City of Marlborough that are identified as containing retail uses.
- The City of Marlborough's 255 parcels containing retail use constitute 306.45 acres of land.
- The 306.45 acres of retail land represents 2.48% of the total land within the City of Marlborough.

Retail Parcel Values

- The City of Marlborough's 255 retail parcels of land possess an aggregate assessed total value of \$259,194,500.00.
- The \$259,194,500.00 aggregate assessed total value Marlborough's retail parcels represents 5.50% of all assessed property within the City of Marlborough.
- The average assessed total value for retail parcels of land within the City of Marlborough is \$1,016,449.02.

Retail Parcel Buildings

- The City of Marlborough's 255 retail parcels of land possess a total of 169 buildings.
- The 169 buildings on retail parcels of land represent 1.52% of all buildings within the City of Marlborough.
- The City of Marlborough's 196 buildings on retail parcels of land possess a total 2,778,245 gross SF.

Retail Parcel Zoning

- The City of Marlborough's retail parcels of land are located in 8 different zoning districts: 66% of the City of Marlborough's retail parcels of land are located in the Business Zoning District; 15% of the City of Marlborough's retail parcels of land are located in the Commercial and Automotive Zoning District; 5% of the City of Marlborough's retail parcels of land are located in the Limited Industrial Zoning District; 5% of the City of Marlborough's retail parcels of land are located in the Industrial Zoning District; 4% of the City of Marlborough's retail parcels of land are located in the Residence B Zoning District; 2% of the City of Marlborough's retail parcels of land are located in the Residence C Zoning District; 1% of the City of Marlborough's retail parcels of land are located in the Residence A3 District; and 1% of the City of Marlborough's retail parcels of land are located in the Residence A1 Zoning District.

6.1.2 Business Activity

This section of the Plan reports on the number of Retail businesses, jobs, and business sales in Marlborough and compares these numbers to the overall seven-community Greater Marlborough Market Area. The data shows, Marlborough has a larger share (%age) of business establishments and a lower share of jobs and sales in Food Stores: i.e. a greater number of smaller businesses than in the Market Area overall. Marlborough has significantly higher jobs and sales per establishment in Apparel & Accessory Stores, indicating a relatively greater number of larger businesses in this store type. **According to the Claritas Site Reports data, Retail business in Marlborough accounted for 22% of all City business establishments, 20% of City-wide jobs, and 22% of all sales made by businesses in Marlborough in 2010.** Retail jobs in Marlborough have been relatively flat over the past 10 years, as shown by the data. As previously stated, the Consultants note that the job totals shown, differ depending on the data source: i.e. Claritas Site Reports counts all jobs whereas the Mass-DOL) counts only those jobs covered by unemployment insurance. However, it is noted that Mass-DOL is the only source of local historical trend data but significantly undercounts jobs in many industry categories which include self-employed persons.

6.1.3 Retail Sector Fiscal Impacts

This section shows that Retail businesses in Marlborough contributed \$6.6 million in property tax revenues in FY'11, accounting for 9% of all property tax revenues and 22% of property taxes paid by commercial uses. Retail uses comprise 4% of the City's taxable land area. Assessed values per square foot are relatively high for retail uses, at 173% of the average SF assessed land value City-wide and 108% of the assessed building values per square foot. Average assessed values per SF of retail land and buildings are also higher than the averages for all commercial properties, as shown by the data.

6.1.4 Greater Marlborough Comparative Analysis

For purposes of this Plan, the Retail Sector includes industries that primarily utilize retail space, including retail, amusement and recreation, and accommodations, eating and drinking industries. In most economies, Marlborough included, retail is not an economic base industry. It exists to serve the local population and is primarily supported by the spending of household income. As a result, the amount of retail employment is driven by local population and disposable income levels, and growth and contraction is closely tied to changes in population, employment and wages.

In contrast, amusement and recreation, and accommodations, eating and drinking are both local-serving and export-oriented: i.e. by capturing income from outside the City. This means that Marlborough can gain economic activity in these industries by encouraging tourism and visitor expenditures, including business travelers. Though the eating and drinking industry primarily serves the local population, restaurants can sometimes be regional attractions. In Marlborough's case, they also serve the significant inflow of workers who commute to the City from other locations and choose to eat meals near work. Though the amusement and recreation industry is not technically a major user of retail space, it is treated here because it is important to Marlborough's economy and defies analysis as either an industrial or commercial sector industry.

Though predominantly local-serving, a healthy retail sector is important for economic development. The availability of shopping, dining, personal services is an important component of quality of life for residents and employees, and some level of retail is necessary to support business activity in export-oriented industries. Furthermore, the retail sector is an important source of jobs for entry level and unskilled workers. The data shows that the share of retail sector employment in Marlborough is comparable to the national share. Again, this is to be expected because it primarily serves local populations.

Amusement and recreation accounts for a fairly small number of employees (330) in Marlborough, or 0.9 percent of jobs, which represents slightly less than half the percentage of jobs the industry comprises at the national level. This suggests that Marlborough may be able to capture additional growth in this industry. Between 2004 and 2009, its rate of growth essentially matched the national rate, but faster growth might be possible to close the gap between employment share in Marlborough and in the rest of the nation.

Finally, accommodations, eating and drinking represented a slightly smaller share of employment in Marlborough compared with the country as a whole. Unlike the nation, however, which lost jobs in this sector, Marlborough made slight gains between 2004 and 2009. The retail trade industry (NAICS 441-454) is comprised of a number of types of retailers, as shown. The largest retail sub-sectors in Marlborough are general merchandise, clothing and accessories, and food and beverage. Miscellaneous retailers comprises an additional 20 percent of retail employment. Though a number of these sub-sectors declined between 2004 and 2009, general merchandise, non-store direct and electronic sales, sporting goods and food and beverage made important gains. Furniture also grew, but still accounts for only a small share of retail employment in Marlborough. The national recession that began in 2008 is likely responsible for many of these losses.

6.1.4.1 Retail Sector Job Growth Outlook

Local job growth over the 2004-2009 period as well as national industry 10-year growth projections were used to estimate future job growth by industry for Marlborough between 2009 and 2019. **Retail sector industries projected to grow are shown: i.e. Retail Trade; Amusement & Recreation; and, Accommodations, Eating & Drinking.** Identified is **the "10-Year Baseline Growth Range in Jobs" that is likely to occur** under current economic development policies and conditions, and assuming that Marlborough maintains its competitive position relative to other areas in terms of business costs, transportation access, and labor market cost, quality and availability: **i.e. Retail Trade (117 – 397); Amusement & Recreation (34 – 84); and, Accommodations, Eating & Drinkin (162 – 369).**

6.2 RETAIL REAL ESTATE MARKET ANALYSIS

6.2.1 Greater Marlborough Retail Market Trends

In this section the Consultants show the historical and projected trends in the retail space inventory, vacancies, vacancy rates, and net absorption for the City of Marlborough compared to

the seven-community Greater Marlborough Market Area. The Co Star *Property Information Services*, the industry standard, is the basis for the analysis in this section; with the Consultants noting that no data source is 100% reliable and therefore the analyses derived from these data should be regarded as indicative of general trends rather than a definitive indicator of the actual numbers in any data category. **Marlborough's inventory of retail space has changed little since 2006 and new additions to the supply are not forecast through the 3rd quarter of 2013. An additional 600,000 SF of retail space is projected for the region during the same period.** Marlborough's share of the regional retail space inventory is projected to decline from 46% in the 2nd quarter of 2011 to 42% by the 2nd quarter of 2013. Marlborough's share of vacant retail space is projected to decline from 27% of the region total in the 2nd quarter of 2011 to 12% of the region total by the 2nd quarter of 2013. This is due not only to the projected increase in retail space outside the City, but also **a projected absolute decline in vacant retail space in Marlborough, from 144,000 SF in 2011 to 124,000 SF by 2013. The projected 4% retail vacancy rate for Marlborough is considered essentially too low to absorb additional retail uses without net new additions to the retail space inventory. Partly for this reason, little net absorption of retail space is forecast for Marlborough over the next two years.**

Lease Rates

As shown by the data, lease rates (per square foot) for retail space in Marlborough are currently slightly higher than the regional average.

6.2.2 Marlborough Retail Opportunity/Gap Analysis

A retail opportunity, or gap, analysis shows the potential demand for various types of retail development within a defined market area by comparing estimated household expenditures in a range of retail store categories with actual sales by stores in those categories. Where expenditures by households in the market area exceed sales, a gap or opportunity exists for stores within the market area to "capture" more of those household expenditures. Conversely, where market area household expenditures are less than actual sales in particular retail categories, stores in the market area already attract consumer dollars from outside the market area and opportunities for additional retail development would be more limited. The retail gap analysis is a snapshot of current opportunities for retailers to newly locate or expand facilities based on a well established empirical fact that people will purchase goods within the shortest available walking or drive time from where they live. Retailers typically define market areas in terms of drive times, with a 15-minute drive time considered, the maximum outside market area definition for all but the largest stores and store types. Market support within a 5-minute drive time is preferred to 10 or 15-minutes, with 5 minutes considered the outside drive-time reach of smaller retailers. The Consultants show the retail opportunity/gap, and what that opportunity/gap may mean in terms of potentially supportable square footage of retail development within three potential areas of Marlborough – Downtown, East Side, and West Side.

Downtown

The Consultants show the retail opportunity for selected store types based on the average annual expenditures of residents living within a 5-minute drive time of Downtown. The opportunity/gap drops off substantially beyond a 5-minute drive time of Downtown based on competition from existing retailers located outside the 5-minute drive-time area. A map of the 5-minute drive time from Downtown is provided, based on capturing purchases now made outside the 5-minute drive time area by residents living within that same area. The Consultants indicate that the Downtown currently has retail gaps (opportunities) for: Supermarket/Grocery Stores; Women's Clothing Stores; Other Miscellaneous Retail Stores; Limited-Service Eating Places; and Special Food

Services. They estimate that the Downtown could potentially support an additional 190,000 square feet of retailing, in as many as 19 new stores, with an aggregate sales volume of over \$57 million.

East Side

The consultants show the retail opportunity for selected store types based on the average annual expenditures of residents living within a 5-minute drive time of a central point on the East Side (Boston Post Rd. E at Farm Road). The opportunity/gap drops off substantially beyond a 5-minute drive time of the East Side central point used in this analysis, based on competition from existing retailers located outside the 5-minute drive-time area. The Consultants indicate that the East Side currently has retail gaps (opportunities) for: Furniture Stores; Radio, Television, Electronic Stores; Supermarket/Grocery Stores; Women's Clothing Stores; Family Clothing Stores; Shoe Stores; Jewelry Stores; Sporting Goods Stores; Office Supplies and Stationary Stores; Limited-Service Eating Places; and Special food Services. They estimate that the East Side could potentially support an additional 253,661 square feet of retailing, in as many as 34 new stores, with an aggregate sales volume of over \$69 million.

West Side

Unlike the findings for both the Downtown and the East Side, the retail gap analysis revealed few opportunities for additional retailing on the West Side based on consumer expenditures and actual store sales within a 5-minute drive time of the selected West Side central point (I-495 N at Lakeside Ave.). However, when the potential market area is extended to a 15-minute drive time, the gap analysis shows substantial opportunities. It must be noted that at the 15-minute drive time market area retail opportunities previously reported for both Downtown and the East Side are also counted so that the three areas development potential cannot be summed. The Consultants show the retail opportunity for selected store types based on the average annual expenditures of residents living within a 15-minute drive time of a central point on the West Side (I-495 N at Lakeside Ave.). The Consultants indicate that the retail gaps for the West Side include: Furniture Stores; Home Furnishing Stores; Supermarkets/Grocery Stores; Optical Goods Stores; Men's Clothing Stores; Women's Clothing Stores; Family Clothing Stores; Shoe Stores; Jewelry Stores; Office Supplies and Stationary Stores; Gift, Novelty and Souvenir Stores; Other Miscellaneous Store Retailers; and Limited-Service Eating Places. The Consultants show that, based on capturing sales now made outside the 15-minute drive time area by residents living within the 15-minute drive time area, the West Side could potentially support an additional 1.3 million square feet of retailing, in as many as 241 new stores, with an aggregate sales volume of over \$335 million.

Applications of a Retail Gap Analysis

The Retail Gap Analysis is a useful tool for identifying potential development opportunities within a discrete geographic area – for example, a Downtown – and can be used to help recruit retailers who might not otherwise consider a Downtown location. Opportunities within a 5-minute drive time area are especially important to convenience and smaller retailers who are not candidates for location in a regional mall. At the scale of a 15-minute drive time market area, however, and for central points not distinguished by special or unique features (such as Downtown postal offices, municipal and legal services, cultural services, unique or historic architectural and urban design features, and long-standing tradition as a central gathering place) the retail gap analysis must be viewed with greater caution. The retail gap analysis for the West Side, for example, has not considered competitors that might be located outside the 15-minute drive time area and which are drawing consumers from inside that defined 15-minute drive time area. Significant additional

analysis would be required to fine tune actual development opportunities and developer interest, especially on the West Side where few gaps exist inside the 5- and 10-minute drive time areas

6.3 BUILD-OUT ANALYSIS

6.3.1 Zoning Comparative Analysis

As stated previously, the Consultants note that the Marlborough Zoning Regulations are typical because local regulations must conform to the same state enabling legislation. They note two important distinctions between Marlborough's Zoning regulations and typical land use regulations of many Massachusetts communities.

Number of Commercial Districts – Marlborough permits retail uses as of right in two commercial districts. A Special Permit is required, if the retail use is greater than 75,000 square feet. Often communities have more than two commercial districts that allow retail uses to distinguish different areas of the community and types and scales of retail uses, such as neighborhood business districts, downtowns, shopping centers, and highway commercial areas. As an example, **Framingham allows retail uses in eight commercial zoning districts by right and in one by Special Permit. Framingham's zoning district that allows retail use by Special Permit is the Technology Park District; where retail uses must be accessory uses and occupy less than 2,500 square feet. Highway Overlay Districts: are employed by Framingham to encourage greater density in its commercial districts, which allow retail uses that abut major arterial highways in return for providing public benefit amenities such as traffic improvements, and the creation of open space.**

6.3.2 Retail Build-out Analysis

The consultants note that Build-out analyses were completed to determine the amount of new retail space that could be added to the City's supply as allowed under current zoning regulations, and the differential amount of new space that could be added with modifications to the Marlborough Zoning Regulations. Retail space was defined as those uses coded by the City Assessor as retail.

The City has over 12,000 parcels identified in the public records. Using City Assessor data, Zoning Regulations and GIS data, the build-out analysis sorted the information and identified:

- Land zoned and used for retail uses by acreage and square feet of building space.
- Amount of vacant and under-utilized land currently zoned for commercial use.
- The maximum potential build-out for every commercial parcel that met the basic criteria of vacant or underutilized and met certain additional criteria within the commercial and industrial zoning districts (B, CA, LI, and I).
- Current assessed values of retail land and buildings.
- The value of that maximum potential build-out according to current tax rates and average assessed values.

Database Assessment

The Assessors' database, linked to the City's GIS database, was used in this build-out calculation, as described previously. The Assessors' records were sorted based on specific criteria as noted. Also, as previously noted, the Property Type Classification Codes, prepared by the Mass DOR were used to as consistently as possible identify land use within the local assessors records. The codes were sorted for the Build-out Scenario and only those parcels identified in the appropriate sectors were used in each sector build-out analysis. The parcels were further sorted to remove parcels where: the underlying zoning district did not conform to the use designation; the listed area of wetland is greater than 50% of the parcel; and the total parcel area is less than the minimum lot size for the specified zoning district.

GIS Review

A review of the GIS data base and aerial imagery was performed to further refine the parcel list generated by the Assessors' database sorting out parcels that were clearly used for specific purposes, not zoned for the use, and restricted by the mapped wetlands and water resources.

Build-out Calculations: Floor Area Ratio [FAR]

As noted previously, a Floor Area Ratio, or FAR, was calculated for each zoning district. Also, as noted previously, the definition of Lot Coverage in the zoning regulations is provided. Consequently the Maximum Building Area was calculated from the total coverage allowed by zoning, subtracting the surface area parking requirements while considering the zoning allowances for building height [in stories] on a one acre lot. For Retail zoning districts the FAR was calculated as 3.2 in the Business [B] District, 1.6 in the Commercial Automotive [CA] District, 1.5 in the Limited Industrial [LI] District and 1.8 in the Industrial [I] District.

Build-out Scenarios: Vacant Land

The Consultants note that, vacant land parcels are those indicated on the Assessors' records as having no buildings on the land. Certain parcels are used for specific purposes even though listed as vacant. For example a 'vacant' parcel might be used as part of a drainage system or storage area. As noted, a scan of the GIS aerial imagery was performed to remove such parcels (those parcels committed to other uses) from the sorted database for build-out.

Build-out Scenarios: 25-Percent and 50-Percent Developed

The Consultants note, that the maximum potential build-out conforms with zoning height limitations, lot coverage restrictions and employs the parking and circulation needs as determined by the size of each building and parking requirements [4.4 spaces per 1,000sf retail]. It is noted that underutilized land was identified as either: land that was 25 % developed or land that was 50% developed. Also as previously noted these conditions were identified by comparing the allowable development under the zoning dimensional standards; specifically maximum lot coverage and the resulting FAR, which was then combined with the parking requirements and area for construction of surface parking to meet those requirements. This total area was compared with the Assessors' information for current development on the parcel and all parcels meeting the threshold were listed accordingly as less than 25 percent or less than 50 percent developed. As noted, a scan of the GIS aerial imagery was performed to remove from the sorted database for build-out those parcels committed to other uses. The specific formula for determining underutilized land is defined in this section.

Build-out Scenarios: Values

As previously noted, certain land use codes, such as vacant land or uses that do not pay local property taxes, had no assessed building value. In these cases, either the assessed value per square foot of the building remained at zero, or the value was changed to that of the most relevant land use code. For example, "39: Vacant Land: Commercial" uses the same average value per square foot as the State Land Use Code "34: Office Building." These numbers were calculated as square foot unit values for comparative purposes.

Fit Studies

A further refinement was to review the GIS data base and aerial imagery and determine how additional development could fit according to zoning and other restrictions on specific sites.

Qualifications

As stated previously, some qualifications should be noted with respect to the results obtained from the analysis of this data: 1. This summary is based on data provided by the City's Assessors' and the GIS System; 2. Certain discrepancies that were found between them were probably due to the time of the photography or other considerations; 3. The wetland and water resource delineations are approximate; 4. Parking and building configurations used are based on industry standards and testing of sites, but may vary for the actual site design; 5. Easements and other encumbrances on the properties were not researched as part of this analysis.

Results of Build-out Analysis

This section provides a table that summarizes the results of the Retail Sector Build-Out Analysis. The Build-Out Analysis identified a total of 494 parcels Zoned ofr Commercially/Retail use (247 parcels that are less than 25% developed and 247 parcels that are less than 50% developed). These 494 parcels combined, have a "Potential Development Square Footage" of 5,764,830SF and an "Assessed Value of Potential Development" of \$ 306,525,519.00.

6.3.2.1 Current Marlborough Zoning Regulations

This section notes the relevant portions of the current Marlborough Zoning Regulations, including the following sections related to the Retail Sector uses:

- Definitions [Sec 650-5] include listings for a 'RETAIL LOT ', 'RETAIL SALES AND SERVICE ', 'SHOPPING MALL ' and 'WHOLESALE SALE';
- The Marlborough Zoning Regulations include the following Districts [Sec 650-7] supporting Retail Sector uses: Business Districts [B], Commercial and Automotive Districts [CA], Limited Industrial [LI] and Industrial [I]
- The Table of Uses [§ 650-17] includes the following distinction: Retail uses <75,000sf are permitted in the B and CA districts, all other districts and project sizes; i.e. >75,000sf, require Special Permits, Shopping malls are permitted LI and I districts only with Special Permits
- The City Zoning Regulations also specify dimensional standards for these districts:

6.3.2.2 Higher Density Zoning Modifications

The zoning allowances were tested on actual properties from the list of underdeveloped parcels. The analysis indicates that zoning dimensional standards do not restrict expected development. Because of this analysis, and the high maximum development potential calculated here as Retail sector build-out under existing zoning; amendments to the City Zoning Regulations for higher density development are not considered necessary in the near term. **However, a number of changes to the Zoning Regulations would facilitate new retail development. Those changes are as follows:**

- **Mixed Use – Specifying mixed use options for office and retail as well as residential projects in commercial zoning districts; particularly live-work options for smaller ventures;**
- **Definitions – Change definition of Shopping Mall to reflect current trends for lifestyle centers or specify the definition by size and mix of uses, and match sizes in the Use Table, Retail listings**
- **Downtown Restaurants – As restaurants are often associated with retail uses and particularly the downtown, relax the standards specified in Note 31 in § 650-18, Conditions**

for restaurants in the downtown

- **Downtown Zoning – Create a business subdistrict or overlay district for the downtown which includes at least the following:**
 - **Parking Requirements – The number of required spaces should be reduced in the downtown area in recognition of the amount of existing public parking available and shared parking opportunities.**
 - **Coverage – Allow up to 100% coverage to maximize use of parcels**
 - **Setbacks – Add a zero lot line setback or a ‘build to back of sidewalk’ requirement**
 - **Mixed use - Add allowance for residential and office space on the upper floors and limit first floors to retail uses.**
 - **Downtown Restaurants – As restaurants are often associated with retail uses and particularly the downtown, relax the standards specified in Note 31 in § 650-18, Conditions for restaurants in the downtown**
- **Overall re-codification of the Zoning Regulations is recommended as a means to address current inconsistencies and confusing text that apply to all sections.**

6.3.3 Infrastructure Opportunities and Constraints

Transportation

This section, as previously, discusses the connection between projected future development and the transportation network serving the City of Marlborough, because the amount of traffic expected to be generated by that development and the ability of the transportation network to accommodate the projected traffic volumes is an important factor in determining that future growth. Also, as noted previously, the anticipated directional distribution of this traffic will dictate what portions of the network are most likely to attract additional volumes, and whether there is sufficient roadway capacity available to accommodate these increases.

The Consultants used the industry standard (Trip Generation) to calculate the amount of traffic expected to be generated and summarizes the average trip generation rates that will be used to estimate traffic associated with the various sector build out analyses identified in the plan. In the case of this retail sector analysis, the rates for shopping center will be used. The list of Priority Development Sites and Planned/Approved Developments in Marlborough does not include any retail projects. As a result, the primary trip generation and distribution analysis did not address retail uses.

Alternative Land Use Scenarios

As previously noted, the Consultants reviewed three alternative land use scenarios for comparison with the square footage totals associated with the Priority Development Sites and Planned/Approved Developments in Marlborough. These three scenarios differ in their land use assumptions; i.e. same square footage but at current City of Marlborough land use distribution percentages; same square footage but at Current Market Absorption analysis land use distribution percentages; and the square footage and land use distribution as projected by the five-year Current Market Absorption analysis. The following observations are offered based on the information provided:

- Retail uses have the highest trip generation rates of the three major sectors. While similar in magnitude to industrial and commercial during the AM peak hour, the PM peak hour and average daily traffic volumes generated by retail uses are noticeably higher and will have a greater impact on transportation infrastructure, even after factoring reductions for pass-by traffic;
- Despite site-specific information, it is safe to assume that the modest level of development identified in the five-year market absorption analysis can be accommodated by the local and regional transportation network;

- Retail development levels based upon the same square footage as the Priority Development Sites and Planned/Approved Developments in Marlborough (the 738,533 SF under current Marlborough land use distribution percentages and the 328,467 SF under current market absorption land use distribution percentages) will likely require mitigation / transportation infrastructure improvements to provide sufficient local transportation network capacity, and may create or exacerbate deficiencies on the regional transportation network, depending upon geographic location within Marlborough.

Water and Wastewater

As noted previously, this section provides Wastewater calculations are based upon DEP published rates. Water use was calculated by adding a 10% factor to the wastewater calculations, as is standard industry practice. These calculations do not account for process-specific water and wastewater requirements, which must be addressed at the specific project level. In the case of this retail sector analysis, the rate for retail store will be used. Again, the list of Priority Development Sites and Planned/Approved Developments in Marlborough does not include any retail projects. As a result, the primary water and wastewater calculations did not address retail uses. Water and wastewater calculations were provided for the alternative land use scenarios. Those calculations are summarized and identified here:

- for “Current Marlborough Land Use Distribution Percentage”, the development program is 738,533 SF, with anticipated wastewater flow of 36,927 gals./day, and with anticipated water usage of 40,619 gals./day;
- for “Current Market Absorption Land Use Distribution”, the development program is 328,467 SF, with anticipated wastewater flow of 16,423 gals./day, and with anticipated water usage of 18,066 als./day;
- for “Five-Year market Absorption Land Use Distribution Percentage”, the development program is 50,000 SF, with anticipated wastewater flow of 2,500 gals./day, and with anticipated water usage of 2,750 gals./day.

Energy and Telecommunications

As previously, in this section, the Consultants provide information on Energy and Telecommunications providers serving Marlborough. National Grid provides electricity to the City of Marlborough as part of its Bay State South region. Also, as noted previously, NStar provides natural gas to the City of Marlborough. Both energy providers have business and economic development incentives designed to provide competitive and efficient services to current and future businesses in Marlborough. Phone, cable and internet services are available from multiple providers, including Comcast, Verizon (including FIOS), and other national and regional providers. Inquiries were placed with the Massachusetts Broadband Institute (MBI), in order to determine if there were any potential technology limitations that would deter businesses from locating in Marlborough. The following is a summary of those discussions:

- The Massachusetts Broadband Institute (MBI) does not have detailed information on privately owned, operated, and maintained infrastructure.
 - The MBI has an online interactive map showing the available services to Marlborough at <http://mapping.massbroadband.org/>. Provider information and services are provided in some detail.
 - The vast majority of Marlborough is very well served by private communications companies.
 - Nearly the entire City is served by Cable, DSL, and Fiber Optic lines. There are very small portions of Marlborough that are served only by DSL, or only by cable.
 - The vast majority of Marlborough has access to internet speeds 25 Mbps or greater. Throughout most of the City, speeds of 100 Mbps are available via Fiber Optic lines. These speeds are more than sufficient to meet the needs of any technology company.
 - The entire City is served by wireless speeds of 10 Mbps or greater.
- The MBI is not aware of any current plans to upgrade communications infrastructure. Summary comments include the following:

Reliable provision of common utility services (electric, gas) is available throughout the City

of Marlborough;

- According to the Massachusetts Broadband Institute, full telecommunications services of industrial-level quality are available throughout the City of Marlborough;
- For proprietary reasons, private utility and telecommunications providers are reluctant to share specific information and future plans regarding business services

6.4 RETAIL SECTOR ECONOMIC DEVELOPMENT GOALS

(For the purposes of this Executive Summary document the Goals and Action Items that are listed under this section heading of the Master Plan document have been moved to:

Section 12. ECONOMIC DEVELOPMENT ACTION PLAN)

7. RESIDENTIAL SECTOR OVERVIEW

7.1 ROLE IN MARLBOROUGH ECONOMY

This section of the Master Plan deals with Marlborough's Residential Sector and its role in the local economy. A principal objective for looking at the Residential Sector in an Economic Development Master Plan is to try to identify the potential demand for market-driven residential development consistent with the overarching goal of the MEDC, which is to increase the net fiscal income to the City.

7.1.1 Residential Land Use Profile & Zoning

As stated in earlier comparable sections, the City Assessors' data was used to identify the following land use characteristics of Residential Sector properties within the City. The Mass DOR Property Type Classification Codes, as assigned by the Marlborough Assessors' Department, were used to determine which parcels were included in the Residential Sector Overview. The following identifies the key characteristics of Marlborough's Residential Sector properties. In the Plan, in this section, the Consultants, also show the location (by map) of all residential use parcels in the City. (For the purposes of this Executive Summary document only a few of the characteristics are provided here.)

Residential Parcel Size

- There are 11,473 parcels of land within the City of Marlborough that are identified as containing residential uses.
- The City of Marlborough's 11,473 parcels containing residential use constitute 5,620.74 acres of land.
- The 5,620.74 acres of residential land represents 45.41% of the total land within the City of Marlborough.

Residential Parcel Value

- The City of Marlborough's 11,473 residential parcels of land possess an aggregate assessed total value of \$3,090,560,113.
- The \$3,090,560,113 aggregate assessed total value of Marlborough's residential parcels represents 65.58% of all assessed property within the City of Marlborough.

Residential Parcels & Buildings Sizes

- The City of Marlborough's 11,473 residential parcels of land possess a total of 10,505 buildings.

- The 10,505 buildings on residential parcels of land represent 94.22% of all buildings within the City of Marlborough.
- The City of Marlborough's 10,505 buildings on residential parcels of land possess a total 34,794,688 gross square feet.

Residential Parcel Zoning

The City of Marlborough's residential parcels of land are located in 8 different zoning districts: 34% of the City of Marlborough's residential parcels of land are located in the Residence A3 Zoning District; 18% of the City of Marlborough's residential parcels of land are located in the Residence A1 Zoning District; 14% of the City of Marlborough's residential parcels of land are located in the Residence A2 Zoning District; 13% of the City of Marlborough's residential parcels of land are located in the Residence B Zoning District; 10% of the City of Marlborough's residential parcels of land are located in the Rural Residence Zoning District; 6% of the City of Marlborough's residential parcels of land are located in the Residence C Zoning District; 5% of the City of Marlborough's residential parcels of land are located in the Business District; 1% of the City of Marlborough's residential parcels of land are located in the Limited Industrial Zoning District.

7.1.2 Residential Sector Fiscal Impacts

In this section, the Consultants applied a proprietary *Municipal Fiscal Impact Model* to estimate the net fiscal impact of residential properties in Marlborough. The FXM model takes into account the average value of residential units in Marlborough, all revenues attributable to households (property taxes, licenses, fees, etc.), state aid (which is deducted from school costs, for example), general government expenses per household, public school enrollment and per pupil costs, and the average number of school aged children per household in Marlborough. Residential developments targeted to households under age 35 and over 55 would typically have fewer school aged children than the City-wide average, so the net fiscal impact of an average value residential unit in Marlborough without school aged children is also assessed. As shown in the report **the typical residential unit costs the City of Marlborough more than \$3,800 per year, when municipal government and education costs are subtracted from property tax and other revenues attributable to households. For an average value residential unit without school aged children, the net effect on municipal revenues is currently a plus \$2,400 per year.**

7.2 REAL ESTATE MARKET ANALYSIS

This section of the Plan presents conditions and trends in housing, population, and households in Marlborough and the towns in the surrounding Market Area. **A principal objective of the residential market assessment is to identify potential demand for market-driven residential development consistent with the MEDC goal of increasing net fiscal income to the City.** Section 7.3 presents the analysis of potential demand for rental and condo units that might be part of an overall mixed residential-commercial or stand-alone development project that could enhance fiscal revenues

7.2.1 Residential Real Estate Market Conditions & Trends

Population

In this section, the Consultants discuss population changes and projections. They note that the 2010 US Census population count for Marlborough was 38,500 persons. This was a 5.1% increase over the 2000 Census count. Estimates and projections through 2035 were obtained from the Metropolitan Area Planning Council (MAPC) from their Metro Future series that were produced for

the Boston MPO's long-range transportation plan. Historical population growth and projections to 2035 for Marlborough and the overall seven-community Market Area are presented. Population growth for both the Market Area and the City of Marlborough experienced more rapid growth between 1990 and 2010, than is expected for the 2010 to 2035 period. It also shows estimated and projected population by 5-year increments from 1990 to 2035. The Greater Marlborough Market Area grew at an annual rate of 0.76% per year from 1990 to 2010; this is projected to drop to 0.55% per year through 2035. The annual growth rates for Marlborough are 0.65% (from 1990 – 2010) and 0.33% per year through 2035.

Households

Here the Consultants provide estimates and projections of Households that were also obtained from MAPC's MetroFuture data series for 1990 to 2035. The Plan shows historical household growth and projections to 2035 for Marlborough and the surrounding Market Area. There appears to be an anomaly in the Market Area household data for 1995; it is highly unlikely for the number of households to jump by almost 10,000 from 1990 to 1995, and then drop by 8,000 in the next 5-year period. The report also lists the number of Greater Marlborough households by 5-year increments for 1990 through 2035. It shows the relative growth index for market area households from 1990 through 2035. Actual index values by 5-year period are also presented. The future growth rate of Market Area households is expected to be about the same as the 1990 to 2010 period (0.67% per year); for the City of Marlborough the annual growth rate is projected to drop from 1.12% annually to 0.38% per year for the 2010 to 2035 period.

Home Sales

The housing market in Marlborough has followed the national trends in recent years. As shown, home sales in Marlborough and the surrounding communities peaked in 1999 and again in 2004 before going into decline in 2005 through 2007-8 and reaching a plateau over the past two or three years. Current sales trends are flat at a little less than 500 units per year sold in Marlborough and about 1,500 units per year sold in the Market Area as a whole. Also shown is the 10-year trend in housing sales in Marlborough by type of unit sold. The trends in single family (1-family) homes and condos are roughly parallel. Sales of other types of housing units (duplex, multi-family housing) have declined steadily since 2000 and leveled off from 2008 until now. Total housing sales have been 400 to 500 units sold per year since 2007.

Housing Prices

Housing prices have also declined since their peak in 2005. In Marlborough the **median price of a single family home has dropped by 25 percent from \$360,000 in 2005 to \$270,000 in 2010.** Median housing price by type (1-family, condo and all housing types combined) for 2000 to 2010 as provided shows that the housing price trends for all types of housing combined from 2000 to 2011 for the City of Marlborough and the towns in the surrounding Market Area. These trends are roughly parallel although prices in Marlborough have continued to decline since 2008 while prices in the other nearby towns have leveled off at \$325,000 to \$350,000. There is considerable variation in home sales prices in the seven towns that make up the Market Area (Berlin, Hudson, Marlborough, Northborough, Southborough, Sudbury, and Westborough). As shown for the first half of 2011, single family home prices range from a low of \$246,500 in Marlborough to \$593,500 in Sudbury

7.3. DEMAND FOR MARKET RATE RESIDENTIAL RENTALS AND CONDOS

A principal objective of the Residential Sector Assessment is to identify potential demand for market-driven residential development consistent with an overarching goal of the Marlborough Economic Development Plan which is to increase net fiscal income to the City.

This subsection presents the analysis of potential demand for rental and condo units that might be part of an overall mixed residential-commercial or stand-alone development project that could enhance fiscal revenues. The target market segment is comprised of households including **persons under the age of 35 and over 55, with sufficient qualifying incomes to afford newly constructed rental or condo units. These households are less likely to have school age children and, therefore, residential developments targeted to these market segments are more likely to produce net fiscal revenues to the City.**

Method

The Consultants explain that for the purposes of this analysis the market area is defined as the Greater Marlborough seven-community area, consistent with the generally accepted view of the primary geographic area where communities offer similar economic development attributes, and constitute the competitive region for attracting jobs and households. For this geographic area, the consultants obtained proprietary data from Claritas *Site Reports* estimating the number of households by age of householder and income ranges in 2011 and projected to 2016. Then the Consultants applied a proprietary *Housing Demand Model* which incorporates data on mobility rates by age of householder, propensities to own or rent by age of householder, local market data on current and historical rental and sales prices, current and projected number of households by age and income, and the qualifying income standards of commercial lenders (which are based on estimated interest rates, local property taxes, and down payment requirements).

Potential Demand

Here the Consultants show shows estimated average annual demand for rentals and sales in various price categories for the prime targeted household types. As shown, **over the next 5 years demand for rentals is projected to substantially exceed average annual condo demand**, especially for householders under age 35 who comprise between 73-77% of potential demand for rentals within the price categories shown, and 51-53% of projected average annual condo demand within the price categories shown. The Consultants also show the average annual demand between 2011 and 2016 for rentals and condos for all households with qualifying incomes regardless of householder age. As with the target under-35 and over-55 householder types, demand for rentals overall is projected to substantially exceed condo demand over the next 5 years. **Marlborough's ability to capture a significant share of this demand will depend on a number of factors particular to specific development opportunities in Marlborough compared with potentially competitive projects elsewhere in the market area.** For example, **suitability of location, site features unit amenities, competitive pricing, accessibility to jobs, permitting and approval requirements, will determine the success of individual projects.** The subsequent graphs are self-explanatory and document some of the analyses inherent to the Consultants proprietary *Housing Demand Model*. Of particular note is the final graph which shows **an absolute decline in the number of householders age 35 to 54 between 2011 and 2016**, and **a substantial increase in the number of householders between age 55 and 74 over that same period.** This **largely reflects the maturing age of the "boomer" generation and the relatively lower number of younger households maturing into the former "boomer" age groups.**

7.4 RESIDENTIAL ECONOMIC DEVELOPMENT GOALS AND ACTION ITEMS

In this subsection, the Consultants note that a comprehensive analysis of housing in Marlborough was beyond the scope of this report, which covered an overview of market trends and focused on

potential demand for market rate rental and condo units that could support the MEDC goal of enhancing net fiscal revenues to the City. They suggest that, affordable housing, and particularly affordable housing for Marlborough's workforce, should be addressed in the context of a City-wide (Housing Study) or Comprehensive Plan that takes into consideration all items relevant to housing policy, including: open space, playgrounds, school capacities and student enrollment projections, police and fire protection capacities; as well as transportation, water, sewer and other infrastructure capacities. Within the limited context in which housing has been assessed as part of an economic development strategy to enhance fiscal revenues in Marlborough, there are significant potential market opportunities within the region for Marlborough to capture young professionals and empty nesters who do not have school aged children and whose housing units would likely contribute net fiscal revenues to the City.

(For the purposes of this Executive Summary document the Goals and Action Items that are listed under this section heading of the Master Plan document have been moved to:

Section 12. ECONOMIC DEVELOPMENT ACTION PLAN)

8. CITY, REGIONAL AND STATE LABOR MARKETS

In this section the Consultants look at the labor market in Marlborough from two perspectives: 1) ability of Marlborough residents to compete for jobs at Marlborough firms, and 2) ability of Marlborough firms to recruit qualified candidates both from Marlborough and from the surrounding labor (market areas) shed. This labor market analysis examines labor availability and occupational skill characteristics of Marlborough's labor market, focusing on the occupational needs of Marlborough's growth industries which are identified in both Sections 4.1.4 and 5.1.4. **Discussions with Marlborough business leaders indicate that their businesses rely heavily on labor market access, and that labor market access was among the top reasons their business chose to locate in Marlborough.** Marlborough's position on the I-495 corridor near the junctions with the Massachusetts Turnpike (I-90) and with I-290 provides access to workers from all directions, and Marlborough firms interviewed for this project (including participants in focus groups) report drawing employees from as far as Cape Cod, Rhode Island, New Hampshire and throughout New England. **Marlborough is a net importer of workers**, as shown (the commuter-shed of the I-495 corridor). Marlborough has one of the highest influxes of workers in the corridor. Data from the US Census Bureau reporting where Marlborough residents work and where Marlborough employees live ("Journey to Work") supports this observation, as shown. **Slightly more than 33,200 people work in Marlborough** (including some of whom live in Marlborough), while only 19,800 employed people live in Marlborough (including some who also work there). Interestingly, work patterns for both those who work in Marlborough and for employed Marlborough residents show that there is no dominant residential origin for Marlborough workers nor workplace destination for Marlborough residents. Looking at the right-hand columns in Table 8.1 which show where Marlborough residents work, some 30 percent of employed Marlborough residents work in Marlborough, 9 percent work in Framingham, 5 percent work in Boston, and an additional 6 percent commute to other locations within Middlesex County. Otherwise, Marlborough residents commute to a wide range of locations primarily in Middlesex County, and to a lesser extent within Worcester County. Looking at the left-hand columns in Table 8.1 which show where persons employed by businesses in Marlborough live, approximately 19 percent also live in Marlborough, 6 percent live in Worcester and 5 percent live in Hudson. Approximately 9 percent commute to Marlborough from other locations in Middlesex County and an additional 9 percent commute from

other locations in Worcester County. These patterns illustrate that Marlborough is a central location both for residents to commute to workplaces throughout the region, and for residents of other locations to reach workplaces in Marlborough.

8.1 OVERVIEW OF SECTORS AND CLUSTERS

In this section the consultants note that, the sector analyses in Sections 4.1.4 and 5.1.4 identified the following industries with projected job growth as a result of existing business attraction factors and conditions, as well as those that could be enhanced through targeted economic development activities (shown below in bold):

- **Utilities**
- Construction
- Manufacturing: Food Products, Chemical Manufacturing, and Plastics & Rubber Products
- Wholesale Trade
- Retail Trade
- Transportation/Mail, Package Delivery & Warehousing
- **Internet & Data Processing Services**
- Finance, Insurance and Real Estate: **Monetary, Financial, & Credit Activity**, Insurance Carriers & Related Activities, Funds, Trusts, & Other Financial Vehicles, Real Estate
- **Professional Scientific, Technical Services**
- Administrative & Support Services/Waste Management & Remediation
- **Educational Services**
- Health Care & Social Services
- Amusement & Recreation
- Accommodations, Eating & Drinking

Sections 4.1.4.5 and 5.1.4.5 identified a number of sub-industries that are also candidates for future growth in Marlborough through targeted economic development efforts. Industrial sub-sectors with additional growth potential include:

- Seasonings and dressing manufacturing
- Guided missile and space vehicle manufacturing
- Surgical and medical instrument manufacturing
- Commercial sub-sectors with additional growth potential include:
 - Management of companies and enterprises
 - Securities, commodity contracts, investments and related activities
 - Computer systems design
 - Software publishers
 - Data processing, hosting, ISP, web search portals and related activities
 - Other private educational services

Each of the industries identified above has a different profile of occupational needs, requiring employees with different skill sets, education levels and training. For economic growth, it is important that the educational attainment and occupational skill level of workers in the labor market match the needs of growing industries. Sections 8.2, 8.3 and 8.4 examine this match.

8.2 OVERVIEW OF OCCUPATIONAL STRUCTURES

Here the consultants note that, the LEAP analysis presented in Section 9.2 measures two dimensions of the labor market: 1) Access, as measured by the population within a 40-minute commute time and, 2) Skill level, as approximated by the percent of the workforce (population age

25 and over) with a bachelor's degree or higher. **This section takes a more complete look at the match between Marlborough's labor market and occupational demands of Marlborough's future growth industries. Specifically, it examines the occupational structure of Marlborough's growth industries (identified above), and compares these industries' occupational needs with the educational attainment and skill set present in the labor market.** Occupations represent the type of work employees perform as opposed to industry classifications, which represent the types of product or services companies provide. For example, management occupations exist in every industry, and building and grounds cleaning and maintenance workers can be found in many service and manufacturing sectors. The Bureau of Labor Statistics tracks the occupational composition (number of employees in each occupation within each industry) for broad industry categories. For the purposes of this study, **occupational skill level is divided into three general categories: Low skill** (Service and agricultural occupations); **Middle skill** (Clerical, sales, construction, installation/repair, production, transportation/material moving occupations, and skilled trades); and **High-skill** (Professional/technical and managerial occupations). These skill categories reflect average skill demands within major occupational categories; however, skill level can vary significantly for occupations within these broad categories. For example, some occupations within the technical and managerial categories require less than a bachelor's degree, some in the middle categories might require only high school, and some in the service category require more than high school. Similarly, while the majority of jobs in the agricultural industry are unskilled, the industry also includes some specialized trade and management positions which fit into the high- or middle-skill categories. Nonetheless, these categories provide a general view of skill demands appropriate for the present analysis.

The consultants then present the national composition of skill level for occupations within the broad industry categories expected to have future growth within Marlborough. The national distribution shows the following:

- Educational services; professional, scientific and technical services, and internet and data processing services tend to demand occupations with high skill level;
- Monetary, financial and credit activity/insurance favor both high and middle skilled occupations;
- Health care and social services, manufacturing, construction and utilities have above average proportions of workers in middle skill occupations;
- Accommodations, eating and drinking; amusement and recreation; administrative and support services and waste management; transportation/mail, package delivery and warehousing favor employees in low skill occupations; and
- Wholesale trade favors both low and middle skill occupations.

Some of these industries in Marlborough are small and some are large. The actual demand for workers at a given occupational skill level will depend on the size of these industries in Marlborough.

8.2.1 Occupations and Skill Level Needs of Marlborough Growth Industries

In this section, the Consultants note that, based on the national composition of occupational skill level shown, **Marlborough would require higher proportions of high and middle skilled employees than the national average,** as also shown. This is **as the result of Marlborough's concentration of employment in industries that favor higher levels of education and training, particularly professional, scientific and technical services, internet and data processing, and monetary, financial and credit activity.** Conversely, Marlborough has low levels of employment in industries that favor low skilled workers. Even within broad industry categories **the firms that exist and are growing in Marlborough are oriented toward more specialized and higher technology products and processes than the national average.** For example, at the national level, the manufacturing industry includes all types of manufacturing at all levels of technology, and on average favors middle skill workers. In contrast, **the types of manufacturing concentrated in Marlborough are oriented toward developing and**

commercializing new and emerging products and technologies, which favors high skill workers. As a result, it is likely that the skill level requirements of Marlborough growth industries do not reflect national patterns and are instead more heavily oriented toward high skill occupations. Future job growth can be expected to continue existing patterns or even further favor high and middle skill jobs.

8.2.2 Educational Attainment and Occupational Skills in the Labor Market

In this section it is stated that, while the previous section underscored Marlborough industry demands for a highly skilled, highly educated workforce. **This section looks at educational attainment and occupational mix in Marlborough and the broader labor market that serves Marlborough firms to determine whether characteristics in the supply of labor match industry needs.** The Consultants present the current educational attainment for the working age population (age 25 and over) in Marlborough and within a 40-minute commute from Marlborough. The distribution in Massachusetts as a whole is presented as a point of reference. The proportion of Marlborough's working age population with a bachelor's degree or higher is slightly below the statewide rate and also below that found in the wider 40-minute commute area. The slightly lower rate of bachelor's degree holders than the 40-minute commuter catchment area indicates that Marlborough may have to compete with other high skill employment centers within the same catchment area, such as Burlington and Andover. **The percent of Marlborough's population with only a high school education is higher than that found in the 40-minute drive time area, as is the percent of population with less than a high school diploma (including equivalency). Together, these populations represent 43.1 percent of Marlborough's workforce, compared to only 34.5 percent of the workforce population in the 40-minute drive time area.** This is the core population to fill low-skilled positions, which are not prevalent in Marlborough. In fact, regional workforce specialists interviewed for this project noted that **there are few jobs**, even at the lowest skill-level requirements, **that do not require at least a high school education**. More and more jobs require a level of critical thinking and problem solving that is not typically gained through a high school education and on the job training alone. **Recruiting this population into vocational training and associates degree programs will make them better able to fulfill the workforce needs of Marlborough employers.** The Consultants also, present employment by occupational skill level for residents of Marlborough, residents within a 40-minute commute from Marlborough, residents of Massachusetts (the latter presented as a point of reference.) This represents jobs held by residents, regardless of where the employee's place of work is located. It is noted that Marlborough's resident population working in high skill positions is slightly higher than the state, but somewhat lower than within Marlborough's 40-minute commute area. Marlborough has a higher percentage of population in middle skill positions compared with the state and in particular, compared with the 40-minute drive time population.

8.3 OVERVIEW OF HIGH DEMAND OCCUPATIONS

In this section, the Consultants report, that labor market specialists familiar with the Marlborough labor market reported that **employers have some difficulty filling jobs at very high and very low skill positions.** At the highest skill levels, specialized education and knowledge is required, e.g., civil engineers, energy efficiency engineers, experienced specialized nurses. Many of the lowest skill occupations, such as cleaning and maintenance, require night shift work, which sometimes presents transportation and child care issues for low wage (low skill) workers. **The Massachusetts Executive Office of Labor and Workforce Development (EOLWD) has identified 53 "high-demand, high-wage, high-skill occupations" in the Commonwealth.**

These industries meet the following criteria:

- A projected 2006-2016 growth above the average employment growth rate for all occupations and having at least 1,000 net total job openings.

- Average wages at least 25 percent more than the \$39,700 median salary reported for Massachusetts in 2008 (i.e. \$49,625 or above).
- Minimum education or training requirements of long-term on-the-job training lasting 1 or more years (includes positions with higher requirements including work experience in a related occupation; post-secondary vocational training; associate's degree; bachelor's degree; master's degree; doctoral degree; first professional degree (e.g., M.D. J.D)).

The Consultants also show the selection of these occupations relevant to Marlborough growth industries, as well as, state-level projections for growth between 2006 and 2016. **These projections anticipate rapid growth in computer and mathematical science, life and physical science and health care occupations.** Rapid growth in the larger occupations such as health care and business and financial operations will add many new jobs to the state economy. **Continued access to a regional, highly educated workforce will help ensure that Marlborough captures a share of growth in these desirable, high wage occupations.**

8.4 MARLBOROUGH COMPETITIVE ENVIRONMENT

8.4.1 Greater Marlborough Region

Marlborough sits at the center of a seven-community region that includes Marlborough, Berlin, Hudson, Northborough, Southborough, Sudbury and Westborough. Though dated, journey to work patterns from the 2000 Census do not demonstrate a strong commuting relationship between Marlborough and these neighboring communities. Despite this weak relationship, more recent data from the 2005-09 American Community Survey shows that the seven-community region contains a labor pool of more than 66,000, including 22,400 within Marlborough itself, as shown. While Marlborough has about 1,000 unemployed workers actively in the labor force, the region has an additional 2,000. Depending on their skill level and occupational competencies, Marlborough may be able to tap some of these unemployed labor market participants to meet future job growth. The Consultants provide educational attainment and occupation information for the employed population in the seven-community region. (This information is not available for the unemployed population.) Marlborough has a higher percentage of population with only a high school diploma or less, 33.1 percent versus 26.8 percent in the seven-community region. Conversely, Marlborough has a notably lower percentage of population with a bachelor's degree or higher.

8.4.2 Massachusetts and New England Labor Markets

Though the Journey to Work data presented earlier (in Section 8.1) is dated (year 2000), it illustrates something fundamental about **the labor pool that Marlborough draws upon that is unlikely to have shifted dramatically over the last 11 years. Marlborough draws workers from more than 220 cities and towns across the state.** This is likely the result of two main factors: (1) Marlborough's location at the intersection of several major regional interstate highways and (2) Marlborough's high proportion of medium and high skilled jobs. This latter factor is important because these types of jobs, even in the middle skill range, often require specialized industry skills and experience. Extensive research on the economic implications of congestion indicate that **the more specialized the worker, the wider the labor pool necessary to find those workers.** Because there are so few people with each specific skill, and so few firms with each specific skill need, the odds of them being proximally located are much lower than for less specialized occupations. **Firms with specialized needs do tend to cluster, as do their workers, but the dynamics of job changes and other industry needs are such that access to the widest labor market possible remains a key factor in the success of such businesses and therefore a key factor in their location decisions.** Even though **most of the labor needs of Marlborough businesses are filled from within the 40-minute commute time** (which includes

the Greater Marlborough area), **for highly specialized occupations, Marlborough industries rely on a statewide labor market and even beyond.**

8.4.3 Workforce Training Resources

There are a number of workforce training resources available to Marlborough firms and residents, ranging from accredited degree programs to specialized corporate training tailored to meet the needs of individual employers. In this section, the Consultants, highlight the programs that are actively in use, as well as some emerging opportunities.

Metro South/West Regional Employment Board

The Metro South/West Regional Employment Board (MSWREB) covers the 43 communities in the Metro South/West Workforce Investment Area (WIA), which are primarily located within the I-95/I-495 corridor. MSWREB serves as a labor market information clearinghouse, provides labor market analysis to identify regional workforce issues and barriers, brings together public institutions and businesses to find and implement solutions to labor market problems, advocates for policy change and funding for workforce solutions, and conducts other activities to ensure that there is a skilled workforce available to businesses and to increase individual worker earning capacity.

The MSWREB operates a One-Stop Career Center in Marlborough, one of 32 such career centers statewide. The center offers programs for employers such as applicant pre-screening, job posting service, job fairs and information about training grants and tax credits and employees/job seekers. Services for job seekers include job search assistance, career counseling, access to online job listings, and access to computers for job search and resume building. The center offers regular workshops and training programs are oriented toward improving the skills of entry level workers, such as basic computer skills (Windows, Office) and job search skills.

Quinsigamond Community College

Here the consultants provide a description of the community programs of Quinsigamond Community College (QCC) offers; i.e. approximately 70 associate degree and technical certificate programs to some 13,000 students at its main campus in Worcester and satellite programs at Blackstone Valley Regional Technical High School in Upton (Automotive Technology) and Southbridge High School/ Southbridge (evening classes offerings). In the Fall of 2011, QCC is initiating several new training programs for Marlborough. The largest new offering is an HVAC certificate program. Other new programs include a series of noncredit classes such as entry level photo voltaic, sterile surgical procedures, and medical interpreter. These programs were designed based on QCC market research, which found employer demand for these skills. In designing the programs, QCC analyzed industry data and met with the employers to identify workforce skill deficiencies. In general, QCC training and degree programs focus on entry level through middle skill workers. The school provides a lot of continuing education for incumbent workers looking to enhance skills (management, technical writing) and also has a robust corporate training unit (QCC Training and Education Center). For example, QCC designed an English as a Second Language course for Ken's Foods, focusing on vocabulary workers encounter on the job. QCC has also offered specialized project management training to Marlborough employers. These programs are created in close consultation with the employer requesting the training. QCC conducts a needs assessment and then designs a specialized, employer driven curricula. QCC also partners with employers to help them access state level workforce training grant funds, which are supported by unemployment contributions.

Worcester Polytechnic Institute

Worcester Polytechnic Institute (WPI) is a 4-year private institution of higher education located in Worcester, offering bachelor's, master's and doctoral degrees in a range of science, engineering and technical fields, as well as the humanities. The University's Department of Corporate and Professional Education provides workforce training at a number of satellite locations in the area, including at the Marriot Courtyard in Marlborough. The department offers programs in project management, process improvement, geometric dimensioning and tolerance, lean enterprise, and leadership and management development. The school plans to launch a part-time MBA program in Marlborough and is also developing a certified project manager program. WIP also provides customized programs for employers and helps employers access state workforce training funds.

8.5 LABOR MARKET ECONOMIC DEVELOPMENT GOALS & ACTION ITEMS

The industrial sector analysis in Section 4.1.4 and commercial sector analysis in Section 5.1.4 show that Marlborough growth industries primarily depend on medium and high skilled workers. The retail sector analysis in Section 6.1.4 showed more limited opportunities for low skilled and entry level workers. Section 8.4 found that Marlborough draws upon a broad regional labor market, and that Marlborough's resident workforce is relatively lower skilled than the regional labor market. This implies the following goals for future economic development:

(For the purposes of this Executive Summary document the Goals and Action Items that are listed under this section heading of the Master Plan document have been moved to:

Section 12. ECONOMIC DEVELOPMENT ACTION PLAN)

9. ECONOMIC DEVELOPMENT SUPPORT SYSTEMS

9.1 OVERVIEW OF SERVICES, CAPACITY, AND DEFICIENCIES

9.1.1 Wastewater Infrastructure

In this section the Consultants, provide a description (from the City's website) of the City's wastewater treatment facilities. As noted in earlier sections, there are two wastewater treatment plants operating in the City of Marlborough: i.e. the Easterly Wastewater Treatment Plant (which is an advanced wastewater treatment facility designed to handle a daily average flow of 5.50 million gallons per day) as it treats sewage from the easterly portion of Marlborough (east of Route 495); and the Westerly Wastewater Treatment Plant (which is an advanced wastewater treatment facility designed to handle a daily average flow of 2.89 million gallons per day.) as it treats sewage from the westerly portion of Marlborough (west of Route 495) and the Town of Northborough under an inter-municipal agreement. The Westerly Wastewater Treatment Plant is currently undergoing major upgrades that are expected to be completed by 2012 at a cost of about \$40 million.

A major upgrade project for the Easterly Wastewater Treatment Plant is in the planning and design stages and is expected to begin after the work on the Westerly Plant is completed. This Easterly upgrade project is also expected to run as high as \$40 million. The impact of the construction and higher operating costs will result in a significant increase to the City's sewer user fees. The City is currently involved in the performance of an anti-degradation study to prove increasing flows to the receiving water, the Assabet River, does not negatively impact the river. This study is ongoing.

When completed, the City is optimistic that the permit may be modified to allow increased flow to the river.”

The City has submitted a Comprehensive Wastewater Management Plan (CWMP)/Environmental Impact Report that included the Phase III/IV – Evaluation of the Most Feasible Options and Recommended Plan (CDM, 2007). The Preferred Alternative for improvements to the Westerly Wastewater Treatment Plant will allow for the treatment of 2.9 million gallons per day (mgd) from the City of Marlborough. Construction of these improvements is currently (2011) underway.

The composition of that 2.9 mgd was adjusted to account for an increase in future commercial/industrial development and a decrease in documented residential water consumption from 80 gallons per capita per day (gpcd) to 70.8 gpcd. Further reductions could be achieved as the City works toward meeting the Massachusetts DEP Water Conservation Policy standard of 65 gpcd. The projected composition of flows to both the Easterly and the Westerly Wastewater Treatment Plants, as identified in the Comprehensive Wastewater Management Plan that it has prepared, are shown. **In projecting the future composition of flows, the CWMP identified specific planned and/or approved projects totaling 3.2 million square feet of office/R&D projects and 1.2 million square feet of office/commercial projects.** With the exception of the Cedar Hill / Simarano Drive project (600,000 sf office and hotel), **all of the projects listed in the previously identified Priority Development Sites and Planned/Approved Developments in Marlborough were accounted for in the future wastewater flow planning** (the vacant sites at 200 Forest Street and 289 Elm Street were assumed to be occupied at the time of the CWMP). Furthermore, the CWMP noted that over 90% of the projected commercial and industrial development (and its associated wastewater needs) would occur in the Westerly WWTP service area, echoing the Priority Development Sites and Planned/ Approved Developments in Marlborough list. Given the similarity between the land use projections utilized in the planning for improvements to the Westerly Wastewater Treatment Facility and the Priority Development Sites and Planned/Approved Developments in Marlborough being used for purposes of this report, **it appears that the current construction of improvements to the Westerly Wastewater Treatment Facility will be sufficient to accommodate the forecasted future industrial and commercial development in the City of Marlborough.**

The CWMP contains residential and population projections indicating that 85% of residential sewer flows in Marlborough will be treated at the Easterly Wastewater Treatment Plant, based upon the geographic service area, with the balance treated at the Westerly Wastewater Treatment Facility. **As with the commercial, industrial and municipal flows noted earlier, it is expected that these future flow will be accommodated within the design parameters of both the Easterly and Westerly Wastewater Treatment facilities.**

9.1.2 Water Infrastructure

Potable water supply for the City of Marlborough comes from three major sources. The City owns and operates the Millham Reservoir and Lake Williams, which combined supply on average 36% of the water used by the City. The remainder of the water supply is provided by the Massachusetts Water Resources Authority (MWRA). Both Lake Williams and the Millham Reservoir are located within the service area of the Westerly Wastewater Treatment Facility and within the Assabet River watershed. Lake Williams is a 200 million gallon (MG) water body that flows by gravity to the 300MG Millham Reservoir. Water withdrawal from the reservoir is treated at the Millham Water Treatment Facility (which has a capacity of 3.6 mgd) and discharged to the City water distribution system. Water from the MWRA originates in the Quabbin and Wachusett Reservoirs. Water is withdrawn from the MWRA Hultman Aqueduct at the Cedar Hill Pumping Station located in the southwestern portion of Marlborough.

In 2010, the City of Marlborough Department of Public Works provided 1.7 billion gallons of

water to its customers. This figure is consistent with results reported in the CWMP, which noted 1.749 billion gallons of water withdrawal by the City. Increased water conservation efforts can be attributed to the decrease. The balance of water provision is delivered by the MWRA, which by agreement will provide over 2 billion gallons per year to the City (and can provide up to 9.0 mg/d to cover shortfalls). Using a table (“Adjusted Water Use by Component,”) from the CWMP, the Consultants note that the breakdown of metered water usage by component is as follows: Residential 2.69 mg/d and 982 mg/yr; Commercial 1.08 mg/d and 394 mg/yr; Municipal 0.09 mg/d and 32 mg/yr; Industrial 0.69 mg/d and 253 mg/yr; with Unaccounted for Water usage rates of 0.59 mg/d and 214 mg/yr. It is noted that, as presented in the Marlborough CWMP, the City obtains approximately 64% of its water from the Massachusetts Water Resources Authority (MWRA), and the remainder (36%) from its local surface water source within the Assabet River watershed. The CWMP notes that as water demands increase in the community, the City will be more reliant on the MWRA source, thus not significantly changing the water withdrawal from the Assabet River Basin.

9.1.3 Energy Systems

National Grid provides electricity to the City of Marlborough as part of its Bay State South region. NStar provides natural gas to the City of Marlborough. Both energy providers have business and economic development incentives designed to provide competitive and efficient services to current and future businesses in Marlborough.

9.1.4 Transportation System

The City of Marlborough transportation system is dominated by Interstate 495, with interchanges at Interstate 290 (itself an important regional facility), Route 20 (the main east/west route connecting the entire City) and Simarano Drive (the newest interchange, serving large existing and future development sites). **The accessibility provided by these (I-495) interchanges has provided the catalyst for development outside of the urban core of Marlborough, particularly office, research and development, industrial and retail uses that benefit from the employment base, goods movement and market population provided by the regional transportation network.** Interstate 495 carries an annual average daily traffic volume of nearly 100,000 vehicles per day, and in excess of 110,000 vehicles per day June through September. The “I-495 Study – I-290 to I-90, Final Report” published (September 2009) jointly by CMRPC and MAPC reviewed traffic operations and provided recommendations at five interchanges in the I-495 corridor, including the following observations and recommendations for these Marlborough interchanges:

- Traffic projections indicate that average daily traffic on I-495 will increase to over 120,000 vehicles per day in 2030 on segments in Marlborough, representing an increase of over 20%;
- The I-495 mainline through Marlborough will be over capacity by 2030 if improvements are not implemented;
- Recommended improvements to the I-495/I-290 interchange include a new two-lane ramp from I-495 southbound to I-290 westbound, and a two-lane flyover ramp from I-290 eastbound to I-495 northbound;
- Recommended improvements to the I-495/Route 20 interchange include a flyover ramp from Route 20 eastbound to I-495 northbound and a flyover ramp from Route 20 westbound to I-495 southbound. An alternative recommendation is to reconstruct the interchange to a single-point urban interchange with the I-495 mainline flowing underneath an elevated structure;
- Recommended improvements to the I-495 mainline through the provision of a collector/distributor roadway separating through traffic from traffic using the interchange ramp systems; and
- No recommended improvements at the I-495/Simarano Drive interchange were deemed necessary, as it is expected that the interchange capacity can accommodate expected

growth at that location.

It should be noted that the I-495/I-290 improvements were included as an “Illustrative Project” in the MAPC “Journey to 2030” Regional Transportation Plan with an Illustrative Project defined as a project that meets the MPO’s criteria for selection but which are **not included in the recommended list of projects because there is not sufficient revenue to fund them.** **The Consultants note that, this critical regional project is in a preliminary design phase and targeting the submittal of an Interchange Justification / Interchange Modification Report to the Federal Highway Administration.**

Route 20 is the major arterial connecting the entire city of Marlborough, and has historically been the subject of several corridor and location-specific studies. **Ongoing monitoring of conditions at critical Route 20 intersections is vital to preserving local transportation connections.**

While not to the extent of Route 20, **Route 85 serves as an important local north-south option: CTPS recently (October, 2008) identified improvements at the Route 85 / Union Street intersection as part of its “Safety and Operational Improvements at Selected Intersections (SOISI) Study.”**

The MassDOT Freight Plan (September, 2010) identified I-495 and I-290 as critical truck freight routes, and the I-495/I290 interchange as a “highway freight bottleneck” that “seriously impedes freight flows on a regular basis.”

Truck traffic represents over 15% of all traffic on I-495 through Marlborough. While limited freight rail service is provided in Marlborough, planned construction for a major freight terminal by CSX in nearby Westborough is ongoing.

Marlborough is not directly served by commuter rail, with nearest commuter rail stations located in Southborough and Westborough as part of the Framingham/Worcester line.

The closest stations on the Fitchburg line are located in Acton, Concord and Lincoln. The MetroWest Regional Transit Authority serves Marlborough with a single fixed route (Route 7) that allows intra-city and intercity service connecting 14 MetroWest communities. The Assabet River Rail Trail (ARRT) is a multi-community bicycle/pedestrian trail that will eventually connect Marlborough with the MBTA commuter rail station in South Acton. The Marlborough component of the trail is complete: funding issues have delayed completion of the ARRT from Sudbury to Acton.

The City of Marlborough Mayor’s Transportation Task Force has acknowledged many of these same elements and issues. Among their stated concerns are the following:

- Regional solutions to transportation system needs;
- Exploration of direct commuter rail links via existing freight lines that pass through Marlborough;
- Exploration of indirect commuter rail links through shuttle van services between major employers and existing commuter rail stations in Southborough and Westborough;
- Exploration of increased number of commuter rail trains serving the reverse commute from Boston to the Marlborough area;
- RTA service linking employment locations and residential / downtown areas in Marlborough;
- Consideration of a downtown intermodal facility; and
- Expanded intercity service to and from Marlborough.

9.1.5 Communications System

Phone, cable and internet services are available from multiple providers, including Comcast, Verizon (including FIOS), and other national and regional providers. Inquiries were placed with the Massachusetts Broadband Institute, in order to determine if there were any potential technology limitations that would deter businesses from locating in Marlborough. The following is a summary of those discussions:

- The Massachusetts Broadband Institute (MBI) does not have detailed information on privately owned, operated, and maintained infrastructure.
- The MBI has an online interactive map showing the available services to Marlborough at <http://mapping.massbroadband.org>.
- The vast majority of Marlborough is very well served by private communications companies. Nearly the entire City is served by Cable, DSL, and Fiber Optic lines. There are very small portions of Marlborough that are served only by DSL, or only by cable.
- The vast majority of Marlborough has access to internet speeds 25 Mbps or greater. Throughout most of the City, speeds of 100 Mbps are available via Fiber Optic lines. These speeds are more than sufficient to meet the needs of any technology company.
- The entire City is served by wireless speeds of 10 Mbps or greater.
- The MBI is not aware of any current plans to upgrade communications infrastructure.

Local commercial property owners/managers have conveyed concerns expressed by prospective tenants about the ‘availability, capacity and consistency” of adequate power supplies, based on the frequency and duration of power outages. In addition, the cost of electricity has become a competitive factor in business location decisions as more extensive technology-based operations have increased energy consumption.

9.2 LEAP ANALYSIS SUMMARY

Competitiveness for business attraction is both absolute and relative. Businesses require certain baseline (absolute) conditions in order to start in a new location or to expand. However, once a business has determined the list of locations that meet these baseline conditions, they typically compare certain cost and market access factors in each potential location when making location and expansion decisions. As such, the first step in using LEAP is to identify a comparison area against which differences in relative strengths, weaknesses and performance can be measured.

Inputs to LEAP include a broad range of information about economic conditions including:

- Patterns and trends in employment, income, value added and business output, by industry;
- Size of the population, labor market and truck delivery market within given drive times;
- Population, workforce participation and level of educational attainment;
- Accessibility (drive times) to airports, intermodal rail terminals and marine ports;
- Costs of labor, electricity, taxes and housing;
- Availability of broadband telecommunications services; and
- Extent of orientation towards tourism-based or international export-based activities.

9.2.1 Comparative Communities: Andover and Burlington, Massachusetts

LEAP was used to assess relationships between economic performance and attributes of facilities, as well as services and costs, between Marlborough and comparison areas. As discussed in greater detail below, these comparisons include the relative cost and quality of Marlborough’s workforce, infrastructure facilities and costs of doing business relative to appropriate comparison areas. Ideally, a Comparison Area would be identical to the City with the exception of one factor of interest, such as workforce skill level or transportation access. Such ideal Comparison Areas are rarely available. Instead, areas with similar key characteristics are analyzed to identify the most relevant Comparison Area. Key characteristics include:

- Similar population size and density/distribution;
- Adjacent Study Areas and Comparison Areas are desirable but not always possible, at the very least they should be located in the same region of the country;
- Similar climate;
- Absence or presence of unique natural resources such as mining or fishing or geographical features such as an ocean or mountains; and
- Absence or presence of unique dominant economic entities such as a military base, major research university or tourist attraction.

In selecting a comparison area for Marlborough, economic development professionals in Marlborough and broader New England region were consulted to identify cities that might be suitable based on general impressions. The initial list included the following:

- Andover, Massachusetts;
- Burlington Massachusetts;
- Keene New Hampshire;
- Nashua New Hampshire; and
- Peabody, Massachusetts.

Basic economic data was collected for each city including the following:

- Population;
- Total employment;
- Employment by industry;
- Sales by industry;
- Number of firms by industry; and
- Number of firms with 20 or more employees, by industry.

The Consultants provide population and employment data for the initial cities considered in comparison with Marlborough. None of the comparison areas considered was most similar to Marlborough by all measures.

However, Andover and Burlington were similar by the greatest number of measures and both were selected as comparison areas. Their relative location vis-à-vis Marlborough is shown

9.2.2 Relative Cost and Market Access Factors

Business costs and market access factors are among the most critical considerations for firm location and expansion decisions. From an economic development perspective, these cost and market access factors are the cities' economic development support systems. This diagnostic test compares key cost and market access factors in Marlborough to those in Andover and Burlington.

9.2.2.1 Cost Factors

When all other quality factors are equal across possible locations, businesses tend to locate where they can minimize costs. For this analysis, the Consultants note the indicators that were used to evaluate differences in non-transportation costs between Marlborough and each of the Comparison Areas (labor costs, electricity costs, commercial property taxes, commercial property tax, housing cost, and rent cost). They also note that relative differences in labor cost are measured using the retail sector as retail occupations are comparable across different geographical areas without encountering business 'mix' biases as can be the case within the manufacturing sector. Difference in business taxes are measured by property taxes, since all three areas are in Massachusetts and face the same state tax regime. This analysis includes two separate measures of commercial property tax: i.e. the commercial property tax rate; and the commercial property tax per employee (as defined) in an effort to flatten the differences in assessed value per community. The Consultants show each cost in Marlborough relative to each of the Comparison Areas; noting that against both comparison areas, Marlborough has a distinct advantage in terms of ownership housing. Electricity rates are basically comparable. Labor rates present a bit of a mixed picture, with rates approximately 10 percent higher than Marlborough in Andover, and 10 percent lower in Burlington. Nonetheless, the difference is relatively small and not likely to present a serious barrier (or advantage).

9.2.2.2 Transportation & Market Access Factors

The Consultants state that, business efficiency, productivity and operation costs are highly dependent on access to workers, customers and suppliers. For this analysis, transportation

and market access is measured by: access to skilled workers over 25 with bachelors +), and labor market area, 1-day truck delivery market area, access to commercial airport, access to freight marine port, and access to rail intermodal terminal (i.e. drive times). The consultants compare Marlborough relative to each of the Comparison Areas for each of the above listed metrics. From this analysis, Marlborough has a clear edge in terms of 1-day truck delivery market. It also enjoys an interesting position relative to workforce. While it has a smaller overall labor market than the two comparison areas, the population within its labor market is slightly more educated. Labor market issues are covered in more detail in the previous section (Section 8). As for transportation access factors Marlborough appears to be comparable in terms of workforce skill level, though it has a somewhat smaller labor market area. It has a clear advantage in terms of 1-day truck delivery market relative to both comparison areas. Marlborough's transportation access appears to be somewhat disadvantageous for travel to a commercial airport or freight marine port. The Consultants show the nearest commercial airport, marine port, freight rail intermodal terminal and international border crossing for Marlborough, Andover and Burlington.

9.3 SUPPORT SYSTEMS ECONOMIC DEVELOPMENT GOALS & ACTION ITEMS

(For the purposes of this Executive Summary document the Goals and Action Items that are listed under this section heading of the Master Plan document have been moved to:

Section 12. ECONOMIC DEVELOPMENT ACTION PLAN)

10. MARLBOROUGH QUALITY OF LIFE

10.1 QUALITY OF LIFE COMPARATIVE METRICS

This section of the Plan provides a discussion of Quality of Life and its impact on Businesses as they make their location decisions, as well as, individuals and families as they make their residential decisions. While businesses make location decisions based on the cost, quality, and access factors most relevant to the type of business they conduct; residents choose where they make their homes based on their own needs, values and priorities. Common considerations include: Cost of living; Proximity to jobs; Housing availability; Crime; Quality of schools; Recreation amenities (golf courses, walking trails); Proximity to retail, grocery stores, restaurants, and personal services; and Transportation (roadways, parking, transit options).

It is noted that individuals evaluate the overall value of the factors available in one community versus another, weighing the factors differently depending on personal preferences reflective of their needs and stage of life, etc. Decisions are typically made with a high degree of subjectivity, as individuals have imperfect information. Even factors with hard data are weighed and balanced with a high degree of personal subjectivity. Quality of life contributes to business location and expansion decisions as well, particularly for businesses that rely on the ability to recruit qualified workers as Marlborough's do. These workers must be able to find a home and community that satisfies their needs and priorities within commuting distance of their workplace.

From the employer's perspective it is not critical that Marlborough meet the different needs and preferences of its workers, as long there are other options within commuting distance that do meet them. From the employer's perspective, they simply need Marlborough to provide access to some level of retail and shopping near their workplace for meals during the workday, quick errands before and after work and on breaks, and transportation access to the broader labor market. **All**

this is to say that quality of life is complicated and highly subjective, and no jurisdiction can meet all the needs of all potential residents. However, **Marlborough can tailor its quality of life offerings to 1) Meet the needs of current residents working in Marlborough, 2) Meet the needs of growing local businesses, and 3) Attract new resident populations that support economic development goals while minimizing demands on City resources.** On average, this population tend to have the following quality of life preferences: A suburban living environment (versus a dense/transit-oriented, urban environment); Ease of driving/parking, cycling and walking, less concerned with availability of transit; Low maintenance homes (e.g. not a lot of yard/landscaping); High quality, varied restaurants; Evening entertainment social/networking options; Recreation amenities such as running trails, after work sports leagues; Specialty retail such as grocery stores (Trader Joe's, Whole Foods), dry cleaners, quick oil change shops; and Quality of K-12 schools. Specific indicators are presented that are meant to provide a point of reference for where Marlborough stands on each of these quality of life topics. It is shown that for selected retail, food and personal service establishments/1,000 population in Marlborough and selected towns in the region, including neighboring towns for which data was available. Marlborough is above average in number of barbershops and full service restaurants, and average in terms of stores in the other categories. Though most people choosing to live in a suburban community such as Marlborough are willing and able to drive, many people also enjoy the ability to walk to stores and restaurants and even to work. **The Consultants show the area of Marlborough that is within walking distance of Downtown. This area will be attractive to residents who value the ability to travel on foot and/or access downtown retail and services with short car trips.**

Many people value access to open space, which includes active recreation lands (golf courses, sports fields) as well as land preserved for environmental reasons (wetlands, forests, agricultural lands). From the City of Marlborough's *Open Space and Recreation Plan 2010-2015*, the Consultants provide a copy of the *Marlborough Open Space Map, which shows the open space in the City of Marlborough and the protected lands in surrounding towns.*

Crime is another important quality of life factor. People generally weigh the incidence of personal crime (rape, murder, robbery and assault) more heavily than property crimes. The Consultants show the crime rates per 1,000 of population for Marlborough and selected surrounding communities, (noting that 2006 is the most recent year for which data is available and that it is possible that crime rates in these communities have declined since 2006), in line with the national trend. As is shown, **in terms of personal crime, Marlborough was well below the statewide average and below the two urban communities presented, Worcester and Framingham. While, in terms of property crime, Marlborough was below the statewide average and Framingham, and well below Worcester and Burlington.**

Many people value quality public (K-12) schools, either because they have or plan to have children or because they are home owners who recognize that school quality is an important factor in residential property resale values. One measure of school quality that many people consider when buying a home (or renting a home, if they have school age children) is school standardized test scores. In Massachusetts, students must pass the MCAS exam in order to graduate. The MCAS is a diagnostic tool meant to help the state and school districts improve student achievement of basic skills, but they have become a proxy for school quality (they are popularly used as such by real estate agents and home buyers). The Consultants show the percent of high school seniors who have passed the MCAS exam in Marlborough Public Schools, Assabet Vocational High, and selected surrounding districts. **As is shown, Marlborough schools' (MCAS) pass rates are below neighboring districts, particularly Assabet Vocational High.** Some residents with children like to live near their children's school for convenience, proximity to their children's school friends, and for an added sense of community and the Consultants show the areas of Marlborough within walking distance of public schools.

10.2 QUALITY OF LIFE GOALS & OBJECTIVES STATEMENT

(For the purposes of this Executive Summary document the Goals & Objectives Statement that are included under this section heading of the Master Plan document have been moved to

Section 12. ECONOMIC DEVELOPMENT ACTION PLAN)

11. MARLBOROUGH ECONOMIC DEVELOPMENT STRUCTURE, CAPACITY & RESOURCES

In this section of the Plan, the Consultants examine the local economic development capacity; i.e. the structure, the authority, and the resources to undertake and successfully complete the implementation of the economic development strategy (the economic development goals and opportunities) as well as the economic development action plan (the specific economic development action items) identified throughout this document and then gathered, ordered and presented in total in the final section of this Plan; i.e. Section 12. The Economic Development Action Plan. The following subsections provide information on and a discussion of Marlborough's existing economic development capacity and where the gaps are and what needs to be done to fill those gaps.

11.1 Why should Marlborough undertake a Local Economic Development Plan?

Thomas S. Lyons and Roger E. Hamlin answered this question in the Introduction to their book, Creating an Economic Development Action Plan, published in 2001 by Praeger Publishers, Westport, CT. The following is an excerpt from their book. *"In a market economy, a set of forces translates the desires of individuals into an allocation of productive resources. Because market forces are so complex, intervention in the market by government can be risky, and often produces results that are the opposite of those intended. Some will argue that in the context of a national market economy, a local economy will function on its own and should receive a minimal amount of local government intervention. They may further argue that if a particular community's economy does poorly, it is because natural market forces are drawing people and businesses to other regions of the nation, and that this shift is good for the national economy.*

However, the notion that the private economy should be left alone assumes that markets behave according to the economist's model of perfect competition. This model is based upon some improbable postulates. The perfect market economy model assumes perfect communication between market participants, no externalities, a very large number of standardized items or units for sale, and a large enough number of buyers and sellers such that no participant can distort the market. In reality, private markets are full of imperfections that distort their automatic functioning for the good of all. The existence of these market imperfections does not necessarily argue against a market economy. One argument for local economic development planning may be, however, that the local government should take action to perfect the markets and make them work more efficiently.

Another argument for economic development planning is that local governments are already deeply involved in local business activity as suppliers of infrastructure, as tax collectors, as regulators of land, building and activities. Therefore, any local government should, at the least, understand what effect its behavior has on the local economy.

A third argument for local economic development planning is that communities are in competition with one another. Although some dislocation may result from excessive intercommunity competition, this “mercantilism” also creates some benefits. The fact remains that our local government structure puts local economies head to head in a battle for economic survival. Those cities, metropolitan areas, rural regions, and states that do not plan effectively will lose. At a minimum, therefore, local economic development planning continues to be important because it offers a strategy for improving the necessary interaction between business and government, for perfecting the markets through better communication, and for effectively competing for economic resources in a highly competitive environment.

It is pointed out that, Marlborough’s leaders decision to pursue an LED Plan was based on the need to address market imperfections, the knowledge that the local government is already involved with local businesses through the provision of public infrastructure, public safety, taxation and regulation; they also knew that the failure to compete could result in the City becoming victim of “this highly competitive environment”.

Also, the MEDC’s often stated objective of a \$1.4 billion increase in the City’s non-residential tax base over the next ten years (which is an estimate of the increase required to keep up with the expected increases in the cost of local government) was seen as a major impetus for undertaking a LED Plan. While the real estate experts feel that this objective would be difficult to achieve, it was realized that a significant portion of that growth could be achieved through a concentrated local economic development effort. Finally, the Economic Development Strategy and Economic Development Action Plan that are presented will need to be developed and implemented if Marlborough is to realize the growth and development that it wants and needs for a healthy and prosperous future.

11.2 MARLBOROUGH’S CURRENT ECONOMIC DEVELOPMENT CAPACITY - THE LOCAL ENTITIES

The purpose of local economic development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation. Local economic development (LED) offers local government, the private and not-for-profit sectors, and local communities the opportunity to work together to improve the local economy. It focuses on enhancing competitiveness, increasing sustainable growth and ensuring that growth is inclusive. Successful LED depends on the collective efforts of the public, private and community sectors.

(Source: worldbank.org/local economic development)

The City of Marlborough benefits from a number of entities that are involved in different aspects of the local Economic Development process. Some of these entities are local, some of them are regional and still others are state-wide. Also, some of these entities are public, some of them are private and still others are quasi-public. The intent of this subsection is to identify those major entities that are or can contribute to the local efforts and thus have a significant impact on the overall local economic development of the City of Marlborough. These entities and their current roles that they play are described primarily in their own words and in some detail in the subsections that follow. For the purposes of this Executive Summary document, only a brief description is

provided under each heading for the specific offices, departments, agencies, or organizations that are presented.

11.2.1 City of Marlborough – Elected Officials, Departments, Boards and Commissions

The Mayor is the Chief Executive Officer of the City. The Mayor is elected every two years and also serves as the Chair of the School Committee.

The City Council is comprised of 11 councilors, four who are Councilors-at-large elected city-wide and seven of whom are Ward Councilors. City Councilors serve a two-year term of office, co-terminus with the Mayor and serve as the Legislative branch.

The City Departments that are involved in the development process include:

City Assessors Department - The assessor is obliged to revalue all properties in the residential and commercial condominium classes; and, finalizes the taxable list and prepares the tax bills; updates records relating to property transfers; inspects new construction, additions and alterations of sites, etc.

Community Development Authority - The Marlborough Community Development Authority established in 1979, manages the city's community development programs, housing authority and redevelopment efforts. It owns/operates over 200 units of public housing and administers a number of housing programs.

Conservation Commission - The Commission works to protect the natural resources of Marlborough both its wetlands and open space, thus improving the quality of life for all City residents. It's work includes the enforcement of the State Wetlands Protection Act to protect all wetlands and water bodies from pollution.

Inspectional Services - The Office of Inspectional Services provides assistance to individuals/contractors wishing to do construction in the City of Marlborough; and also, serves to enforce regulations of the city's zoning, sign, and fence ordinances; and the Commonwealth of Mass. state building code.

Planning Department - The Planning Department work includes, conducting long range planning and to generally guide the physical development of the City of Marlborough. The Planning Director chairs the City's Site Plan Review Committee, which accepts "Applications for Site Plan Approval," for Non-residential and Major Residential Projects.

The Planning Board – The Planning Board of the City of Marlborough is a seven-member Board comprised of individuals appointed by the Mayor and the City Council, which is primarily concerned with any subdivision of land and the insurance that every subdivision of land either meets or exceeds the requirements of MGL c41 s81, Subdivision Rules and Regulations.

Public Works Department - The DPW provides multiple services to the residents/businesses of the City; including the operation, care and maintenance of the city's drinking water treatment and distribution systems, sewage collection and treatment systems, public roadways, roadway and off-road drainage systems, cemeteries, parks and recreation facilities, city-owned trees, solid waste and recyclables collection and disposal, snow and ice program, and the Geographic Information System (GIS).

Zoning Board of Appeals - The Zoning Board of Appeals (ZBA) is comprised of five Board members as appointed by the Mayor and approved by the City Council, to hear testimony regarding why an appeal is being requested. The City's Building inspector serves as the ZBA's "Zoning Enforcement Officer". An appeal to the permit granting authority as the zoning ordinance or by-law may provide, may be taken by any person aggrieved by reason

of his inability to obtain a permit or enforcement action from any administrative officer under the provisions of Chapter 40A.

11.2.2 The Marlborough Economic Development Corporation

In 2006, a group of local leaders (political and private sector people) had the vision to call for the creation of a new type of organization (based the model that other communities had used) to pursue economic development in Marlborough. Then, in 2007, acknowledging that: *In the City of Marlborough unused, underused, substandard, undeveloped or underdeveloped areas exist and that these areas constitute a menace, injurious and inimical threat to the health, safety and welfare of the residents of the city; and that these areas constitute an economic liability substantially impairing or arresting the sound growth of the city and retarding the economic well-being of the commonwealth; Governor Patrick signed legislation to transform Marlborough 2010, Inc. from a local economic development corporation, into a quasi-public authority.*

In that legislation (Chapter 40 of the Acts of 2007) it was stated that: *There shall be a body politic and corporate to be known as the Marlborough 2010 Corporation. The corporation shall be a public instrumentality separate from the city, and shall not be considered an authority, board or committee of the city. The corporation is empowered to carry out the provisions of this act, and the exercise by the corporation of the powers conferred by this act shall be considered the performance of essential public and governmental functions.* In addition, under the act, the corporation, subject to the restrictions and limitations provided in the act, was granted a specific set of specific powers, that among others, included: the powers to make and enter into all contracts and agreements necessary or incidental to the performance of its duties; to receive and accept from any federal agency, the commonwealth or any political subdivision thereof any grants, loans or advances for or in aid of a development project or projects and to receive and accept contributions from any source of either money, property, labor or other things of value, to be held, used and applied for the purposes for which these grants, loans, advances and contributions may be made; to own and manage real property; to arrange or contract with the city for the planning, re-planning, opening or closing of streets, roads, alleys or other places or for the furnishing of facilities or for the acquisition by the city of property or property rights or for the furnishing of property or services in connection with a development project or projects; and, to acquire, demolish, construct, reconstruct, alter, maintain, sell, convey, transfer, mortgage, pledge or otherwise dispose of commercial, industrial, residential or business establishments or other property as the objects and purposes of the corporation may require; to promote the city as a retail, commercial, industrial, professional and financial center.

11.2.3 Marlborough Regional Chamber of Commerce

The Marlborough Regional Chamber of Commerce (established in 1924), is a not-for-profit, private organization that works with public officials, business people and citizens to make the region a better place to live, work and play. It is accredited by the U. S. Chamber of Commerce. The Chamber's espoused mission is to promote and advocate for its members' business and civic interests and to collaborate with the communities for the overall economic benefit of the region. The Marlborough Regional Chamber of Commerce is a voluntary partnership of business and professional people working together to build a healthy economy and to improve the quality of life in the communities. It serves its members (over 700 of the area's small and large businesses) by: promoting a strong regional economy; providing opportunities to build relationships; delivering programs to help businesses grow; representing and advocating on behalf of business; and, enhancing commerce through community stewardship. As it works to improve the economy and

quality of life of the communities that make up the Marlborough Region, the Chamber keeps a set of broad objectives in mind: to help business prosper and grow; to increase job opportunities; to encourage an orderly expansion and development of all segments of the community; to contribute to the overall economic stability of the community; and, to encourage and promote the nation's private enterprise system of competitive marketing.

11.2.3.1 Chamber Committees, Councils & Task Forces

The Chamber's many committees and task forces work diligently to address city and state legislative (needs) and issues. The Chamber provides leadership and acts as a salesperson for ideas, working in concert with other organizations and government entities to make the community a better place to work and live. It has been an active participant in public discussions about a variety of local issues and its' successes are due to the involvement of its members. Each year, a reorganization of its committees is key to bringing (new) excitement and enthusiasm to a variety of initiatives that the Chamber is tackling. The Chamber has a number of Initiatives with which it is involved, but most noteworthy is the Marlborough Regional Community Foundation. In 1998, the Chamber using its Section 501(c)(3) non-profit status, created the Foundation, which is legally empowered to collect tax-exempt contributions and disburse the funds in support of non-profit community activities. Thus, it has become a community resource for business and civic organizations in the areas of fundraising, education, and business and economic development.

11.2.4 Marlborough Downtown Village Association

The Marlborough Downtown Village Association (MDVA), is described as, "A community of business owners, residents, professionals, employees, and Landlords, working together for the common good of Marlborough's Main Street District." Its' mission is to create an association of people with an interest in downtown Marlborough for the purpose of creating an environment that attracts visitors, shoppers and tenants and to develop a communication network to keep downtown stakeholders abreast of issues and events that would affect everyone. The intent of the MDVA is to unite the greater Main Street community (everyone that has a stake in the downtown); create an exciting vision for the downtown (using vibrant downtown villages developed elsewhere as models); and then, step-by-step work to make that vision a reality.

11.2.5 The Small Business Development Center (SBDC) of Clark University

The Marlborough Regional Chamber of Commerce has partnered with the SBDC of Clark University for a number of years to offer professional advice and assistance to small businesses in Marlborough and throughout the Greater Marlborough area. The Clark University Small Business Development Center (SBDC) has helped many people navigate this process and assisted the client in developing a roadmap, as well as, gathering the necessary information to present a solid financial proposal to the funding source, be it bank loans, private financing, equity or alternative lending. The Clark University SBDC is one of the top centers in the country for helping clients in gaining access to capital over the past ten years. Their loan packaging process is well known and respected by the regional banks and SBA. All companies, no matter what stage they are in, need marketing, sales, cash flow management and advice from someone who understands the demands of business ownership. The MSBDC services help business owners better manage their companies, allowing them to grow faster. In 2010 the Clark SBDC provided business advisory services to 837 clients (more than half of them existing businesses) resulting in \$16.9 million capital infusion, 41 new business launches, 210 jobs created and 213 jobs saved.

11.2.6 MetroWest / 495 Partnership

The 495/MetroWest Partnership is a dedicated public-private association, which serves the interests of some 37 communities along the 495 corridor, by acting as an advocacy organization focused on economic development, transportation, and water supply issues that proliferate the region. While this region has been primed for economic growth and development, it has been frequently overlooked by policymakers; and this limited representation, lead a group of visionary regional leaders to work together to create the 495/MetroWest Partnership in 2003. Since its creation, the Partnership has enjoyed a great variety of successes, and has become recognized by legislators as the true voice for a region crucial to the economy of the Commonwealth. The Partnership is governed by a board of directors that combines influential, dynamic individuals from both public and private sectors in the region. Control of the board is shared equally between co-chairmen, one each from the private and public spheres. The board convenes quarterly to discuss any issues pertaining to the activities of the Partnership, as well as to discuss strategies for upcoming efforts. State legislators have an important role as members of an exclusive advisory council, which helps provide the board with an indispensable auxiliary layer of counsel and support. The Partnership is the regional leader for creating an environment that prepares for and cultivates sustainable growth. This is accomplished by coordinating, educating, and advocating for solutions to regional constraints and limited natural resources.

495 / MetroWest Development Compact

The 495 / MetroWest Development Compact is a special initiative that the Partnership and all of its communities are involved in at this time. These communities have experienced significant growth in employment and population, over the last 20 years. The region's public and private sector leaders recognize the need for collaborative approaches to infrastructure and land use to ensure the vitality of the region's economy and quality of life. The Compact is creating a shared framework for state, regional, and local strategies for priority development and land preservation as well as transportation and other infrastructure investments in the 37 municipalities in the region. A key component of this plan will be identifying priority development and preservation areas and significant transportation and infrastructure investments for the region. Like the South Coast Plan, the 495/MetroWest plan will be prepared in collaboration with regional and local participants and engage both public and private sectors to form the framework for public decision-making in land use regulation and infrastructure investment within the region over the next twenty years.

The Compact is guided by a set of six fundamental principles regarding: major transportation and other infrastructure upgrades that will be needed; new growth respecting open space resources, transportation networks, and water resources in the region; development decisions mindful of the Global Warming Solutions Act, the Clean Energy and Climate Plan, and the GreenDOT initiative; the continued production and preservation of workforce housing; the creation and maintenance of an effective public transit system that will coordinate with existing transit; and, the coordinated planning and implementation efforts between jurisdictions. The final plan will identify for the region, specific: Priority Development Areas (PDA); Priority Preservation Areas (PPA); Significant Transportation Investments (STIs); and Significant Infrastructure Investments (SIIs).

11.2.7 MetroWest Regional Transit Authority

The MetroWest Regional Transit Authority (MWRTA) is a regional public transit authority providing the City of Marlborough and ten other area communities (Ashland, Framingham, Holliston, Hopkinton, Natick, Sherborn, Southborough, Sudbury, Wayland, and Weston) with bus and paratransit services. The MWRTA was formed in 2006 and began service on July 1, 2007 with the

purpose of filling the void in public transportation services in the Metrowest region. Through a commitment to deliver expanded public transportation service to the business and commercial hubs across the MetroWest region, the goals and purpose of the MWRTA are embodied in its mission statement: "Build a public transportation system to deliver convenient and dependable service that enhances mobility, environmental quality and economic vitality in the region." The MWRTA is headquartered in Framingham, MA and operates a fleet of twenty Ford E-Series cutaway-based 18 passenger buses. All buses contain lift systems capable of carrying up to 800 pounds for physically disabled passengers. The daily ridership (February 2008) was estimated at 645 with a monthly average of over 18,700. Funding for the MWRTA comes partially from the state and local governments of the communities it operates within.

11.2.8 MetroWest /495 Transportation Management Association (TMA)

The TMA is a member-based organization. TMA services are only available to employees of the more than 30 member companies in Framingham, Hopkinton, Marlborough, Natick Southborough, Sudbury and Westborough. The TMA strives to reduce congestion and improve air quality by promoting carpooling, vanpooling, taking public transit, biking and walking to work to nearly 40,000 employees of more than 30 member companies. The TMA's five key efforts are as follows: promote a free, secure ride matching database for employees of member companies; offer a free Guaranteed Ride Home to people who leave their cars at home at least two days a week; reach out to employees in member companies at regular onsite events, to educate them on the supporting programs and benefits of giving their cars a break; promote public transit in the region by sharing schedules, routes and maps of public transit in the region; and, advocate, lobby and join coalitions locally, state-wide and nationally to change American's habit of driving a car alone to work.

11.2.9 Summary of the Entities and their Roles

From the information provided in the subsections above 11.2.1 through 11.2.8, a summary of the specific roles that each entity is playing in the local economic development are presented. Since, this an Executive Summary document, it would not be prudent to repeat the information for each office, department, agency and organization identified above. For the detailed presentation, please see the Master Plan document.

11.3 Other State Economic Development Resources

In this subsection, the Consultants identify a number of state agencies, quasi-public entities and affiliated organizations involved in economic development and assisting municipalities. It is noted that MGL Chapter 240, which reorganized the roles, relationships, responsibilities, investment criteria, financing priorities, and funding of statewide economic development agencies and quasi-public entities, is being implemented by the Executive Office of Housing and Economic Development (EOHED).

11.3.1 State Agencies and Quasi-Public Entities

The consultants then provide a listing of State economic development resources that fall into three categories: financing, technical assistance, and support programs, and are available to City officials, businesses and residents. The list includes: Mass Development; the Mass Life Science Center; and the Mass Technology Development Corporation, among others

11.3.2. Other Economic Development Agencies and Organizations

In this subsection, the Consultants identify and list some of the many regional, national and even international agencies and organizations that provide differing levels of economic development information, reports, and case studies related to a variety of economic development issues and topics. Communities can take advantage of publications and sometimes free consulting services to assistance from these agencies and organizations. The list includes: the Massachusetts Economic Development Council; the Northeast Economic Development Association; the National Business Incubation Association; and the International Economic Development Council, among others.

11.4 RESOURCES NEEDED TO IMPLEMENT THE MARLBOROUGH ECONOMIC DEVELOPMENT STRATEGY & ACTION PLAN

There are a number of ingredients that are required to plan, develop and implement a successful local economic development (LED) program. As can be seen from the information provided above Marlborough has a number and variety of entities involved in several different areas and aspects of economic development. However, the obvious entity to lead the City of Marlborough's efforts to implement the Economic Development Action Plan contained in this Master Plan document is the non-profit economic development organization that City leaders worked to create in 2006; i.e. the Marlborough 2010 Corporation, which is now operating as the Marlborough Economic Development Corporation (MEDC). MEDC is a state-chartered, non-profit Chapter 501c6, economic development corporation whose purposes include; stimulating projects that improve the quality of life and help achieve Marlborough's vision for its future; to be a catalyst for positive change and an advocate of solutions and opportunities for the city's businesses and economic development; and to enhance the position, image and perception of the city as a desirable place to live, work, visit and invest. The MEDC is managed by a 25-member Board of Directors and in particular a 7-member Executive Committee. The MEDC currently has three full-time employees as follows: an Executive Director, a Marketing Director and an Administrative Assistant.

The MEDC current economic development efforts include: long-range planning; local business outreach; event planning and implementation; business networking and educational programming; marketing the community; and participating in local and regional groups and organizations focused on economic development policy, projects and activities. Because of its purposes and powers, its involvement in local planning, projects and programs, its Board of Directors including local government, private businesses and local organizations, and the experience and expertise of its current staff: the MEDC is the logical choice for the leading role in the implementation of the Economic Development Action Plan contained in the Master Plan document. However, it is noted that if the MEDC is to take on such a role, it would require additional resources to undertake and successfully accomplish such a broad spectrum of activities as are proposed in the Action Plan.

Additional Resources Needed

The present three-person staff would need to be supplemented by two additional staff positions; i.e. a "Director of Real Estate Development" who would have knowledge and experience in real estate development and real estate development financing, and a "Director of Business Development", who would have knowledge and experience in operating business retention and business attraction programs. The additional staffing salary and benefits and ordinary maintenance support is estimated at about \$190,000.00 annually. When added to the current staffing and operating expenses of about \$200,000.00, the MEDC annual budget would be about \$390,000.00, to implement the full Economic Development Strategy and Action Plan for Marlborough.

Source of Funding

Currently the principal source of funding for the MEDC budget is donations from local private businesses supplemented with a modest contribution from the City. Due to current economic conditions and the dwindling of private donors, it is not possible for MEDC to continue to raise sufficient private funding to support its operations. The City's enactment of a 2% increase in the local portion of the hotel rooms tax, and the earmarking by the city of those additional revenues to be generated (about \$500-600,000 annually) exclusively as a source for funding new local economic development initiatives and activities, has created an identifiable source for support of MEDC's efforts. It is recommended that the City of Marlborough either make a grant to or enter into a contract with the MEDC for the implementation of the recommendations of the Master Plan and in particular the completion of the action items identified in the Action Plan and that the amount of the grant or contract be at the least equal to the MEDC's annual budget at the necessary full staff level, as discussed herein. Also, it is recommended that the MEDC agree under the provisions of the grant or contract, agree to take to coordinating its efforts with the other entities mentioned above.

11.5 ECONOMIC DEVELOPMENT RESOURCE AND CAPACITY GOALS & ACTION ITEMS (The Goals and Action Items for this section have been moved to **Section 12. ECONOMIC DEVELOPMENT ACTION PLAN**)

12. ECONOMIC DEVELOPMENT STRATEGY & ACTION PLAN

This final Section of the Marlborough Economic Development Master Plan is the culmination of the master planning process in that it gathers all of the goals and action items that have been identified and recommended throughout the document together here for compilation and formatting to produce an Economic Development Strategy and Action Plan for Marlborough. It begins with the identification of Economic Development Issues, Assets and Opportunities that came out of the public outreach and participation portions of the planning efforts. Then it proceeds to list each and every Goal and Action Item that have been identified under each section of the master plan document; i.e. Industrial, Commercial, Retail, etc. This Strategy and Action Plan represent a detailed work plan covering Marlborough's major economic sectors and support systems. It will be the community's responsibility to establish the priorities for implementation. The following is not a distillation or redaction of the work contained in Section 12 of the Master Plan document, it is the complete Section 12, as it appears in the full Master Plan document. The following is the Economic Development Strategy and Action Plan, as recommended by the Consultants.

12.1 Economic Development Issues, Assets and Opportunities

Through the public outreach and participation process the following items were identified as either Issues that are impeding business development or Assets and Opportunities that are supporting and/or promoting business development in the City of Marlborough:

Economic Development Issues

- The City Master Plan is out of date and needs to be updated to reflect the new directions in community development and to improve the quality of life.

- The split commercial residential tax rate is a burden on the commercial property owners and makes it more difficult to remain competitive in the regional market.
- Building height and mixed use limitations make it difficult to maximize development potential and be competitive in the real estate market place.
- Specifically, the Special Permit process is difficult particularly because of scheduling issues with the City Council which acts as the permit-granting authority for many Special Permits.
- Overall the land use and zoning regulations for the City need a (review and updating) redrafting to improve consistency and clarity.
- Industrial process discharge limitations have been an issue for industrial growth.
- The amount of vacant office space created in the most recent economic downturn has caused a perceived problem that must be turned around by filling those spaces.
- There are undeserved, negative perceptions of Marlborough regarding the public school system and housing, that don't reflect the reality.
- Potential budget changes in federal entitlement programs will impact the local health care industry.
- The area provides access to trained workers, but not enough for growth in all sectors, particularly health care.

Economic Development Assets

- **Asset:** Marlborough has a great location, central to the whole New England region.
- **Asset:** Marlborough has great accessibility with interstate highways that provide regional access to airports and major metropolitan areas; Worcester, Hartford, Providence and Boston.
- **Asset:** A solid corporate base currently exists in Marlborough.
- **Asset:** The hotels and conference spaces are a regional asset. The central location and highways helps keep rates affordable for business travelers and tourists.
- **Asset:** Sports, tourism and event industry is strong in Marlborough and the City is recognized nationally as a destination for youth sporting competitions.
- **Asset:** An inventory of desirable office space with high quality finishes available.
- **Asset:** The commercial retail sector is active and hiring.
- **Asset:** Marlborough has achieved its affordable housing requirement to satisfy Chapter 40B regulations (10% of all housing units are subsidized affordable units).

Economic Development Opportunities

- **Opportunity:** Make Marlborough a more attractive location for living, working and shopping, dining and recreation.
- **Opportunity:** Change the tax structure to attract new and relocating businesses to the City.
- **Opportunity:** Change the Mayoral term from two years to four years to increase political stability and continuity for economic development policies.
- **Opportunity:** Support a local sports industry with high quality comprehensive marketing programs to garner greater notice.
- **Opportunity:** Take advantage of Marlborough Hospital, Marlborough's life Sciences cluster, proximity to Worcester and Boston and their hospitals and medical schools to attract more medical researchers.
- **Opportunity:** Increase medical resources and support that would allow a private practice medical group to develop in Marlborough.
- **Opportunity:** The business-friendly environment could be improved with City Hall outreach, and certain changes to the permitting and enforcement process.
- **Opportunity:** Acknowledge and recognize local community and business leadership.
- **Opportunity:** Marlborough should target young people to live here – they pay rent, eat

out and participate in the local economy.

- **Opportunity:** Past restaurant, hotel and activity brochures for visitors have been very beneficial. A new and consistent marketing campaign for visitors to Marlborough is needed.
- **Opportunity:** The City and private businesses should jointly pursue events, conventions and tourism business, as opposed to relying upon a regional agency.
- **Opportunity:** The City could use another attraction, such as a water park or some other activity, to help the hotels and restaurants compensate for the corporate vacancies.
- **Opportunity:** The City should promote and assist in the marketing of the areas of the City identified in this Plan for major redevelopment and new development.
- **Opportunity:** The City should make the Downtown a “Unique Life Style Place” for living, dining, socializing, entertainment, education and recreation that will be attractive to new residents, local residents and visitors.
- **Opportunity:** The City should look at creating an Eastside “Village Center” along Route 20 that would also be a “Unique Life Style Place” for living, dining, socializing, entertainment, education and recreation that will be attractive to new residents, local residents and visitors.
- **Opportunity:** The City should explore the redevelopment and reuse of the Armory building as a cultural center.
- **Opportunity:** The City should investigate improving the overall quality of life with greater walkability, connecting trails with the neighborhoods and Downtown, more arts, culture and green space.
- **Opportunity:** The Marlborough school system has great teachers and the human capital within the school system and should be marketed and advertised to prospective residents and to attract businesses.
- **Opportunity:** Corporate partnerships with the public and local schools should be formed to educate the students and the teachers as to what the most necessary skills are for 21st century employment.

12.2 Industrial Sector Economic Development Goals & Action Items

Industrial Sector Goal 1: Industrial development should be encouraged in the Industrial zoning districts [LI and I], the majority of which are in the Southwestern section of the City, and along the I-495 and I-290 corridors. The principal types of uses are high tech, clean tech, and bio tech.

Industrial Sector Goal 2: Incubator space in the small and mid-size ranges, or with flexible layouts, and with high quality lab spaces should be encouraged through the City programs.

Industrial Sector Goal 3: Mixed use development including retail, residential and flex space should be permitted around industrial areas to provide uses supportive of the principal industrial uses.

Industrial Sector Goal 4: Industrial manufacturing businesses could improve with the siting of raw material suppliers closer to the facilities. Close proximity to raw material suppliers is critical for management supply dependability and shipping costs. If the materials are high value and can be transported and stored safely, the City should provide opportunities for sites.

Industrial Sector Goal 5: The City of Marlborough should maintain or reduce the taxes for industrial companies. Increasing taxes on non-residential uses may motivate some industrial companies to relocate their operations to communities other than Marlborough. Regional industrial companies are faced with strong national and international competition; Marlborough should provide financial incentives to increase the retention of its industrial uses.

Industrial Sector Goal 6: The City and MEDC should establish and maintain a database of available industrial and commercial buildings, space and land in Marlborough as a webpage on the City and MEDC websites, including name and contact information to reach directly the appropriate municipal and MEDC officials.

Industrial Sector Action Item 6.1: Seek advice from other municipalities, local commercial real estate brokers, MOBD, MassEcon and others providing and using similar on-line services; determine most effective approach to inventory and update available industrial property information, track usage and feedback, provide staff support for inquiries; create system, monitor and evaluate projected operating cost, potential revenue as fixed item in MEDC annual budget.

Industrial Sector Goal 7: The MEDC should actively promote vacant and under-utilized Marlborough property through public, and other economic development on-line property listing services.

Industrial Sector Action Item 7.1: Renew MEDC membership in Massachusetts Economic Development Alliance (MAED); update MassEcon on-line municipal contact information, and provide active links to MEDC and City website links; submit current profiles of local property listings directly to MassEcon, and establish a system to coordinate listing updates in coordination with area real estate brokers; select sites, suitable for the Mass Top 100 listing, and prepare annual application (October 2011); consider participating as an exhibitor at a MassEcon sponsored trade-show/presentation targeting leasing agents, tenants and investors.

Industrial Sector Action Item 7.2: Renew MEDC organizational relationship with MassBio, the state's biotechnology industry trade association; update MassBio on-line real estate listings in Marlborough, provide current municipal contact information with links to MEDC and City websites; submit profiles of current local property listings and establish a system to coordinate listing updates in coordination with area real estate brokers; prepare and submit on-line survey to elevate City's BioReady™ Community ranking from the Silver to Gold level.

Industrial Sector Action Item 7.3: Evaluate ways to expedite City permitting for building improvements to accommodate the shorter timeframe of lease transactions typical of smaller companies. Solicit input from the MEDC Commercial Property Owners/Managers Committee members to suggest ways to expedite the City's permitting process and provide examples of more efficient municipal procedures from other communities.

Industrial Sector Goal 8: The City and MEDC should collaborate with the Massachusetts Clean Energy Center and Life Sciences Center to identify and provide support for emerging technology-based industry subsections, including Clean Tech, Green Tech, Green Bio and Renewable Energy industries.

Industrial Sector Action Item 8.1: Explore opportunities to leverage the City's designation as a Green Community that increases funding options and technical assistance resources for existing Marlborough businesses and entrepreneurs in Clean Tech/Renewable Energy industry R&D, commercial production and full-line manufacturing.

Industrial Sector Action Item 8.2: Investigate feasibility of establishing a business incubator in Marlborough to serve Clean Tech/Green Tech and other emerging biotech industries; determine facility requirements and identify suitable building space; prepare a business and operating plan, with anticipated expenses and potential revenues; pursue discussions with WPI Venture Center and MassBio Incubator regarding possible satellite business incubator in Marlborough.

Industrial Sector Goal 9: City should participate in regional high technology industry forums, particularly those that bring together academic-entrepreneurs and funders, to help spread the word that start-ups in the physical and life sciences are thriving in Marlborough. These firms have specialized needs and the success of similar businesses tells other entrepreneurs that Marlborough can meet these specialized needs.

12.3 Commercial Sector Economic Development Goals and Action Items

Commercial Sector Goal 1: A village shopping and business district should be established on the Route 20 corridor in east Marlborough. Establishing a village business district on the east side of Marlborough will support existing businesses and attract small to medium size companies to the area.

Commercial Sector Goal 2: The City of Marlborough should reduce taxes for commercial properties in the City. Competitive commercial tax rates will enhance Marlborough's standing as a community that wants to attract and retain business and encourage reinvestment in commercial properties.

Commercial Sector Goal 3: City of Marlborough should work to increase its incubator and mid-scale growth properties, with labs. Increasing this type of property will attract small and mid-sized growing companies to Marlborough. Attracting growing companies to Marlborough is a long-term strategy to capture large-scale businesses.

Commercial Sector Goal 4: The City of Marlborough should establish clearly defined and coordinated roles for all municipal entities involved with business recruitment and retention on behalf of the City. City Hall and all Marlborough businesses should have an established point of contact to establish and maintain positive relationships.

Commercial Sector Goal 5: The City and MEDC should establish and maintain a database of available flex and commercial buildings, facility space and land in Marlborough as a webpage on the City and MEDC websites, including name and contact information to reach directly the appropriate municipal and MEDC officials. Marlborough properties suitable for specialized facility needs should also have a separate/additional link with profile and contacts for other business, trade, funding and real estate development networks promoting physical and life sciences, generally, and Clean Tech, Green Tech, Green Bio, and Advanced Manufacturing industries in particular.

Commercial Sector Action Item 5.1: Seek advice from other municipalities, local commercial real estate brokers, MOBD, MassEcon and others providing and using similar on-line services; determine most effective approach to inventory and update available flex and commercial property information, track usage and feedback, provide staff support for inquiries; create system, monitor and evaluate projected operating cost, potential revenue as fixed item in MEDC annual budget.

Commercial Sector Goal 6: Ensure that sufficient capacity exists at both the Westerly and Easterly Wastewater Treatment Plants (WWTPs) to accommodate future development.

Commercial Sector Action Item 6.1: City officials should actively work with project proponents to understand their water and wastewater requirements early in the permitting process in order to assist proponents in meeting those requirements;

Commercial Sector Goal 7: Ensure efficiency in allowing connections to both WWTPs.

Commercial Sector Action Item 7.1: City officials should actively work with project proponents to identify conservation measures that will reduce water and wastewater volumes;

Commercial Sector Goal 8: Maximize capacity at both WWTPs.

Commercial Sector Action Item 8.1: City officials should work with project proponents to identify Inflow and Infiltration (I/I) deficiencies in infrastructure elements leading from proposed projects to the subject WWTP, and to require I/I improvements as project-related mitigation;

Commercial Sector Goal 9: The City of Marlborough reportedly has numerous properties categorized as hazardous waste sites or brownfields which are zoned for industrial and commercial use. Many of these sites have completed C. 21E assessments to determine types and amounts of toxicity, remediation required, and future ‘activity and use’ restrictions. Some of these sites have been cleaned-up, reused/redeveloped, and others may be vacant or underutilized buildings and land. The status of the City vacant and underutilized brownfield sites could not be ascertained from information available to the consultant team during the course of this study. The City recently received a \$200,000 EPA brownfields grant award to clean-up petroleum contamination at the former Jenney Service Station (25 East Main Street). “Marlborough MA Brownfields 2011 Cleanup Grant Fact Sheet” is in the Appendix to this report.

Commercial Sector Goal 10: The MEDC should document the characteristics and economic impact, market area and economic potential associated with existing operations/services, as well as near-term plans or opportunities for expansion and diversification.

Commercial Sector Goal 11: The MEDC should assume a leadership role to assist local sports, tourism and hospitality business owners/managers, the Marlborough Region Chamber of Commerce and Downtown Village Association in on-going efforts to strengthen this traditional and growing ‘niche’ market which reinforces Marlborough as a regional destination.

12.4 Retail Sector Economic Development Goals and Action Items

An aggressive municipal economic development strategy is the most effective way to reposition Marlborough, and acknowledge that Downtown is a significant asset that is underperforming. A strong Downtown helps define a community’s image, indirectly enhances real estate values, thereby, generating additional municipal tax revenue.

Retail Sector Goal 1: Downtown Marlborough’s unique assets and existing attractions should be capitalized on and cultivated to create a regional destination to shop, dine, work and live.

Retail Sector Action Item 1.1: The MEDC should actively collaborate with other Downtown Area interests groups, elected officials and organizations to establish/enhance

Downtown Marlborough as a destination for specialty retail merchants, services, restaurants, cultural and entertainment activities serving the Greater Marlborough market area.

Retail Sector Action Item 1.2: The City of Marlborough should develop a marketing campaign to attract tourists to Marlborough and to highlight the City's restaurants, shops and attractions. This campaign should seek to capitalize on travelers who may already visit Marlborough because of the active hotel and sporting event industries.

Retail Sector Action Item 1.3: The City and MEDC should establish and maintain a database of available commercial buildings, space and land zoned or suitable for retail use in Marlborough as a webpage on the City and MEDC websites, including name and contact information to reach directly the appropriate municipal and MEDC officials.

Retail Sector Action Item 1.4: Downtown Marlborough properties should also have a separate/additional link to appropriate business, trade, and real estate networks that promote 'Sustainable Community' 'Green Communities,' and other 'Smart Growth' land use and economic development.

Retail Sector Action Item 1.5: The MEDC should seek advice/assistance from regional and state planning and economic development agencies to prepare a Downtown Area Revitalization Plan that provides an assessment of market-driven opportunities, and specific public and private sector actions required to facilitate continued property reuse/redevelopment and business expansion

Retail Sector Goal 2: Downtown Marlborough should be a pedestrian safe and friendly environment with a mix of retail, restaurant, commercial and residential uses.

Retail Sector Goal 3: Infill development over surface parking lots and mixed used for residential, retail and commercial should be promoted.

Retail Sector Goal 4: A village shopping and business district should be established on the Route 20 corridor in east Marlborough. Establishing a village business district on the east side of Marlborough will support existing businesses and attract small to medium size companies to the area

Retail Sector Goal 5: Parking standards for all uses should be significantly reduced in the Downtown area because of existing public parking.

Retail Sector Action Item 5.1: Undertake a parking demand study to understand peak and off-peak parking supply, demand, and shared parking opportunities within Downtown

Retail Sector Action Item 5.2: Amend Business zoning in the Downtown area or create an overlay zone to enable several recommendations that would improve the Downtown area. Those recommendations include:

Retail Sector Action Item 5.3: Reduce Parking Requirements – The number of required spaces should be reduced in the downtown area in recognition of the amount of existing public parking available and shared parking opportunities.

Retail Sector Action Item 5.4: Increase Allowable Coverage – Allow up to 100% coverage to maximize use of parcels

Retail Sector Action Item 5.5: Setbacks – Add a zero lot line setback or a ‘build to back of sidewalk’ requirement

Retail Sector Action Item 5.6: Mixed use - Add allowance for residential and office space on the upper floors and limit first floors to retail uses.

Retail Sector Action Item 5.7: Downtown Restaurants – As restaurants are often associated with retail uses and particularly the downtown, relax the standards specified in Note 31 in § 650-18, Conditions for restaurants in the downtown

Retail Sector Action Item 5.8: Overall re-codification of the Zoning Regulations is recommended as a means to address current inconsistencies and confusing text that apply to all sections.

Retail Sector Goal 6: The retail gap analysis conducted for Downtown and target areas on the East Side and West Side indicated substantial opportunities to expand existing retail businesses and attract new ones. The MEDC and area merchants and brokers should use this information to facilitate business expansion and recruitment. One of the most effective strategies for Downtowns has been for public officials and private business interest to identify successful small retailers elsewhere in the market area and connect them to the owners of vacant or underutilized space and offer initial rental prices at below market rates as an inducement to open an additional store in Marlborough.

Retail Sector Goal 7: Amend Business zoning in the Downtown area or create an overlay zone to enable several recommendations that would improve the Downtown area. Those recommendations include adding mixed use with an allowance for residential and office space on the upper floors and first floors limited to retail uses.

12.5 Residential Economic Development Goals and Action Items

In this subsection the Consultants note that, a comprehensive analysis of housing in Marlborough was beyond the scope of this report, which covered an overview of market trends and focused on potential demand for market rate rental and condo units that could support the MEDC goal of enhancing net fiscal revenues to the City. Affordable housing, and particularly affordable housing for Marlborough’s workforce, should be addressed in the context of a City-wide Comprehensive Plan that takes into consideration all items relevant to housing policy, including: open space, playgrounds, school capacities and student enrollment projections, police and fire protection capacities; as well as transportation, water, sewer and other infrastructure capacities. Within the limited context in which housing has been assessed as part of an economic development strategy to enhance fiscal revenues in Marlborough, there are significant potential market opportunities within the region for Marlborough to capture young professionals and empty nesters who do not have school aged children and whose housing units would likely contribute net fiscal revenues to the City.

Residential Sector Goal 1: City should amend Business zoning in the Downtown area or create an overlay zone to enable several recommendations that would improve the Downtown area.

Residential Sector Action Item 1.1: Those recommendations should include adding mixed use with an allowance for residential and office space on the upper floors and first floors limited to retail uses.

Residential Sector Goal 2: Take advantage of Marlborough’s great central location and highway accessibility to attract residential developers interested in developing housing aimed at the under 35 and over 55 year old market segments.

Residential Sector Goal 3: Promote Marlborough’s “inner-City” neighborhoods as places of diversity, charm, affordable housing prices, as great locations for families, with proximity to schools, the downtown and recreation.

Residential Sector Goal 4: Promote the City as a community that accommodates many different residential life styles from urban to country to suburban, with all of the amenities; good schools, good health care, good shopping, entertainment and dining as well as great sports and recreational opportunities.

12.6 Labor Market Economic Development Goals & Action Items

The industrial sector analysis in Section 4.1.4 and commercial sector analysis in Section 5.1.4 show that Marlborough growth industries primarily depend on medium and high skilled workers. The retail sector analysis in Section 6.1.4 showed more limited opportunities for low skilled and entry level workers. Section 8.4 found that Marlborough draws upon a broad regional labor market, and that Marlborough’s resident workforce is relatively lower skilled than the regional labor market. This implies the following goals for future economic development.

Labor Market Goal 1: Ensure continued access to the regional labor market. This does not simply mean preserving the status quo. Economic development competitiveness is measured relative to other business locations, so Marlborough must ensure that its own success isn’t overshadowed by investments and improvements in competing locations.

Labor Market Action Item 1.1: Work with regional planning and transportation agencies to ensure relative free flow of traffic on state and interstate highways;

Labor Market Action Item 1.2: Prioritize actions on state and interstate highways that increase access to Marlborough and reduce the distance from on/off ramps to employment centers;

Labor Market Action Item 1.3 Work with the planning department to ensure that local transportation plans allow ease of access for commuters and minimize congestion between residential, employment, and services/retail areas during peak travel times.

Labor Market Goal 2: Improve the skill level of Marlborough’s resident workforce. This goal will help employers to recruit locally (benefitting employers and employees by reducing commuting costs and commute-related work delays/interruptions), and will help increase the earning power of local residents.

Labor Market Action Item 2.1: Support and encourage local workforce training institutions to provide programs in Marlborough that meet the needs of employers looking to fill specific skill gaps;

Labor Market Action Item 2.2: Support and encourage local workforce training institutions to provide programs in Marlborough that meet the needs of middle-skill employees looking to upgrade their workforce skills (project management, emerging technical skills/ techniques);

Labor Market Action Item 2.3 Support and encourage local workforce training institutions to provide occupational skills training to entry level and unskilled workers, particularly those that increase high school graduation rates, and vocational certificate and associates degree programs that allow high school graduates to transition to middle skill positions education;

Labor Market Action Item 2.4: Keep and attract retail sector jobs that allow unskilled workers to participate in the workforce and gain work experience.

Labor Market Goal 3: Do not simply preserve the status quo. Economic development competitiveness is measured relative to other business locations, so Marlborough must ensure that its own success isn't overshadowed by investments and improvements in competing locations.

12.7 Support Systems Economic Development Goals & Action Items

Transportation

Support Systems/Transportation Goal 1: The City should seek funding to help prepare a Local Transportation Plan which evaluates current conditions, near-term system and service improvements/priority needs, and identifies longer-range topics to be addressed during preparation of an updated Marlborough Master Plan or other comprehensive, community-wide planning.

Support Systems/Transportation Goal 2: Interstate interchange Improvements identified in the "I-495 Study: I-290 to I-90" report should be supported and implemented in order to eliminate constraints to future growth in Marlborough.

Support Systems/Transportation Action Item 2.1: City officials should actively participate in the 495 MetroWest Corridor Partnership, and actively lobby their State senators and representatives to provide funding for the design and construction of these improvements;

Support Systems/Transportation Goal 3: Require project proponents to identify trip reduction and travel demand management measures that will result in greater preservation and efficient use of available remaining roadway capacity on both the local and regional roadway network.

Support Systems/Transportation Action Item 3.1: City officials should work with the Marlborough Regional and MetroWest Chambers of Commerce to include existing and potential Marlborough employers in the MetroWest/495 Transportation Management Association (TMA).

Support Systems/Transportation Goal 4: Monitor conditions throughout the Route 20 corridor at major intersections and at the I-495 interchange, primarily to address potential traffic issues associated with trips by local residents to their Marlborough workplace locations but also to address regional traffic exiting I-495. It should be noted that due to STOP control conditions on the off ramp from I-495 SB to Route 20 WB, existing AM peak hour traffic queues extend back onto the I-495 mainline.

Support Systems/Transportation Action Item 4.1: City staff should establish a current baseline of traffic counts at selected intersections throughout the Route 20 corridor for comparison with previous and future studies.

Support Systems/Transportation Action Item 4.2: Given the important relationship between Marlborough economic development potential and the City's transportation "hard

and soft” infrastructure, the MEDC should obtain and review recent municipal and regional transportation plans designating priority projects for federal and state investments. The MEDC should assume a leadership role, in concert with City departments, elected officials and community organizations, to advance funding for reconstruction of the I-495 – I-290 Interchange and associated roadways serving nearby industrial and commercial activity, as well as proposed Route 20 roadway and streetscape improvements.

Water and Wastewater

Support Systems/Water and Wastewater Goal 1: Ensure that sufficient capacity exists at both the Westerly and Easterly Wastewater Treatment Plants (WWTPs) to accommodate future development.

Support Systems/Water and Wastewater Action Item 1.1: City officials should actively work with project proponents to understand their water and wastewater requirements early in the permitting process in order to assist proponents in meeting those requirements;

Support Systems/Water and Wastewater Goal 2: Ensure efficiency in allowing connections to both WWTPs.

Support Systems/Water and Wastewater Action Item 2.1: City officials should actively work with project proponents to identify conservation measures that will reduce water and wastewater volumes;

Support Systems/Water and Wastewater Goal 3: Maximize capacity at both WWTPs.

Support Systems/Water and Wastewater Action Item 3.1: City officials should work with project proponents to identify Inflow and Infiltration (I/I) deficiencies in infrastructure elements leading from proposed projects to the subject WWTP, and to require I/I improvements as project-related mitigation.

Support Systems/Water and Wastewater Goal 4: Understand the benefits and detriments of alternative treatment systems.

Support Systems/Water and Wastewater Action Item 4.1: City officials should work with project proponents to determine if and when alternative treatment systems, such as on-site package treatment plants, would be more practical from a system-wide and project-specific basis than connection to the City WWTPs.

Energy and Telecommunications

Support Systems/Energy and Telecommunications Goal 1: Understand if there are clear benefits or deficiencies with utility and telecommunications resources that would affect businesses considering locating in Marlborough.

Support Systems/Energy and Telecommunications Action Item 1.1: City officials should establish a Working Group comprised of service providers that can advise the City about how best to market existing strengths and how to address service deficiencies without compromising proprietary information.

Support Systems/Energy and Telecommunications Goal 2: Understand data limitations and specific service coverage and capacity information in Marlborough.

Support Systems/Energy and Telecommunications Action Item 2.1: Establish appropriate dialogue/outreach with the Department of Public Utilities (DPU) and Attorney General's Office (AGO) to obtain reasonable level of detail regarding services available to Marlborough.

Support Systems/Energy and Telecommunications Goal 3: Support upgrade of utility and telecommunications systems.

Support Systems/Energy and Telecommunications Action Item 3.1: Collaborate with National Grid to address concerns of prospective commercial property owners and tenants about the availability of consistent electric power supplies, as articulated in discussion with the MEDC and interviews conducted for this study.

Support Systems/Energy and Telecommunications Action Item 3.2: Address perceptions of commercial property owners, managers and tenants that Marlborough may be underserved by utilities and that capacity issues may exist.

Support Systems/Energy and Telecommunications Action Item 3.3: Examine feasibility of establishing "wireless" zones in "high profile" activity centers, such as Downtown, Sports-Centers (DHCD MA Downtown Initiative grant awards, examples),

Support Systems/Energy and Telecommunications Goal 4: Reliable provision of common utility services (electric, gas) is available throughout the City of Marlborough;

Support Systems/Energy and Telecommunications Goal 5: According to the Massachusetts Broadband Institute, full telecommunications services of industrial-level quality are available throughout the City of Marlborough;

Support Systems/Energy and Telecommunications Goal 6: For proprietary reasons, private utility and telecommunications providers are reluctant to share specific information and future plans regarding business services.

12.8 Quality of Life Goals & Objectives Statement

The Quality of Life in Marlborough is tied to the opportunities for living, recreation, learning and creating wealth. Through the public processes, people stated the key elements in the local quality of life are:

- Encouraging new commercial and industrial development that supports the community tax base and helps fund and maintain public services. The recommended locations of this development [see sector goals] will ensure that the infrastructure can support this growth.
- Revitalizing the Downtown with infill development; particularly the surface parking lots and one-story buildings on Main Street, and reuse of buildings; particularly the Walker Building, and with additional accessibility, pedestrian-friendly streets, better signage and overall clean-up.
- Recognizing the quality of education in the local public schools and the opportunities they hold for continuing education through partnerships with local technology businesses.
- Improving the environmental quality of the East Side by controlling the externalities associated with the solid waste and wastewater facilities.
- Filling in vacant commercial and industrial spaces to maintain the feel of a vital and active business community. This would be applicable to the large corporate buildings along the major corridors and the smaller commercial buildings fronting the regional highways.

It should be noted that, Goals and Action Items addressing all of the objectives stated here, have been included in other Goals and Action Items sections above.

12.9 Economic Development Capacity & Resource Goals and Action Items

Economic Development Capacity & Resources Goal 1: The City should designate the MEDC (the local state-chartered, non-profit Chapter 501c6 economic development corporation) as the organization responsible for implementing the Economic Development Strategy and Action Plan identified in this Economic Development Master Plan document.

Economic Development Capacity & Resources Goal 2: The City should provide the MEDC through either a grant or contract, with the financial support to maintain and expand its operations as necessary to implement the Economic Development Strategy and Action Plan identified in this Economic Development Master Plan document.

Economic Development Capacity & Resources Action Item 2.1: The MEDC, using the new, increased level of financial support from the City, to expand its current three-person staff (consisting of an Executive Director, a Marketing Director, and an Administrative Assistant) by adding two new positions as follows: a Director of Real Estate Development and a Director of Business Development.

Economic Development Capacity & Resources Action Item 2.2: The job description for the new MEDC position of Director of Real Estate Development, should include at least the following background, duties, and responsibilities: be knowledgeable of and experienced in the field of real estate development and finance; be responsible for working with any local developers, owners, and/or tenants on the fit-up of existing vacant and/or underutilized industrial/commercial/retail properties; be capable of analyzing and preparing financial proformas in support of new real estate development projects; be experienced in assisting with the preparation of loan, loan guarantee, TIF and/or grant documents in support of new real estate development projects; be knowledgeable of and experienced in the operation of a “Business Expansion” program; and, be experienced with site plan review procedures and permitting requirements for new real estate development projects.

Economic Development Capacity & Resources Action Item 2.3: The job description for the new MEDC position of Business Development Director, should include at least the following background, duties, and responsibilities: be knowledgeable of and experienced in the provision of “Business Ombudsman” services; be knowledgeable of and experienced in the operation of a “Business Retention” program; be knowledgeable of and experienced in the operation of a “Business Attraction” program; and, be knowledgeable of and experienced in the operation of a “Business Expansion” program.

Economic Development Capacity & Resources Goal 3: The City should designate the MEDC as the single point of contact for individuals, businesses, developers, organizations and agencies interested in discussing and/or pursuing economic development policies, plans, projects, investments or programs in the City of Marlborough.

Economic Development Capacity & Resources Action Item 3.1: The City should request that MEDC, under its grant agreement or contract with the city, take on the responsibility of coordinating its local economic development activities with the other local and regional entities identified in Section 11 of the Plan: i.e. the Mayor, the City Council, the appropriate City Departments, the Chamber of Commerce, the Marlborough Downtown

Village Association, The Small Business Development Center (SBDC) of Clark University, the MetroWest/495 Partnership, the MetroWest Development Compact, the MetroWest Regional Transit Authority, and the MetroWest/495 Transportation Management Association and others as appropriate.

Economic Development Capacity & Resources Goal 4: The City should re-establish a Marlborough Planning Office and the position of City Planner. This is a position that should be a staff addition to the City of Marlborough and is required to oversee and implement the long overdue update to the Marlborough Comprehensive Plan. The function of a City Planner is not the same as an economic development ombudsman and carries duties for site plan and project review that are integral to the functions of a Planning Board and Zoning Board of Appeals.

Economic Development Capacity & Resources Action Item 4.1: Following the re-establishment of the Marlborough Planning Office and the position of City Planner, the Planner should initiate the preparation of a new, city-wide, Comprehensive Master Plan for the City of Marlborough.

Economic Development Capacity & Resources Goal 5: The MEDC should actively participate in all relevant regional and state organizations and initiatives, promotion and advertising, and so forth, particularly those that bring together academic-entrepreneurs and funders, to help spread the word that start-ups in the physical and life sciences are thriving in Marlborough. These firms have specialized needs and the success of similar businesses tells other entrepreneurs that Marlborough can meet these specialized needs.

Economic Development Capacity & Resources Action Item 5.1: The MEDC should also participate in regional and statewide high technology industry forums as a means of promoting Marlborough as a new home for such businesses.

Economic Development Capacity & Resources Goal 6: The MEDC should continue current practices and initiate additional outreach following this planning process to City-wide and neighborhood interest groups and stakeholders to solicit their input and update progress on the Economic Development Action Plan.

Economic Development Capacity & Resources Goal 7: The MEDC should establish and maintain a database of available industrial, flex and commercial buildings, facility space and land in Marlborough as a webpage on the MEDC websites (including names and contact information for each property owner or broker). It should also identify those Marlborough properties suitable for specialized facility needs (e.g. laboratory space, etc.).

Economic Development Capacity & Resources Action Item 7.1: The database should also have a separate/additional link with profile and contacts for other professional, business, trade, funding and real estate development networks promoting physical and life sciences, generally, and Clean Tech, Green Tech, Green Bio, and Advanced Manufacturing industries in particular

Economic Development Capacity & Resources Action Item 7.2: The MEDC should also seek advice from other municipalities, local commercial real estate brokers, MOBD, MassEcon and other agencies and organizations that are providing and using similar on-line services; determine the most effective approach to inventory and update available property information, track usage and feedback, provide staff support for inquiries; create a system, for monitoring and evaluating projected operating cost, potential revenue as fixed items in MEDC annual budget.