



Northeastern University  
Dukakis Center For Urban and Regional Policy

# Tyngsborough, Massachusetts: A Look at Economic Development

**Barry Bluestone • 2015**

---

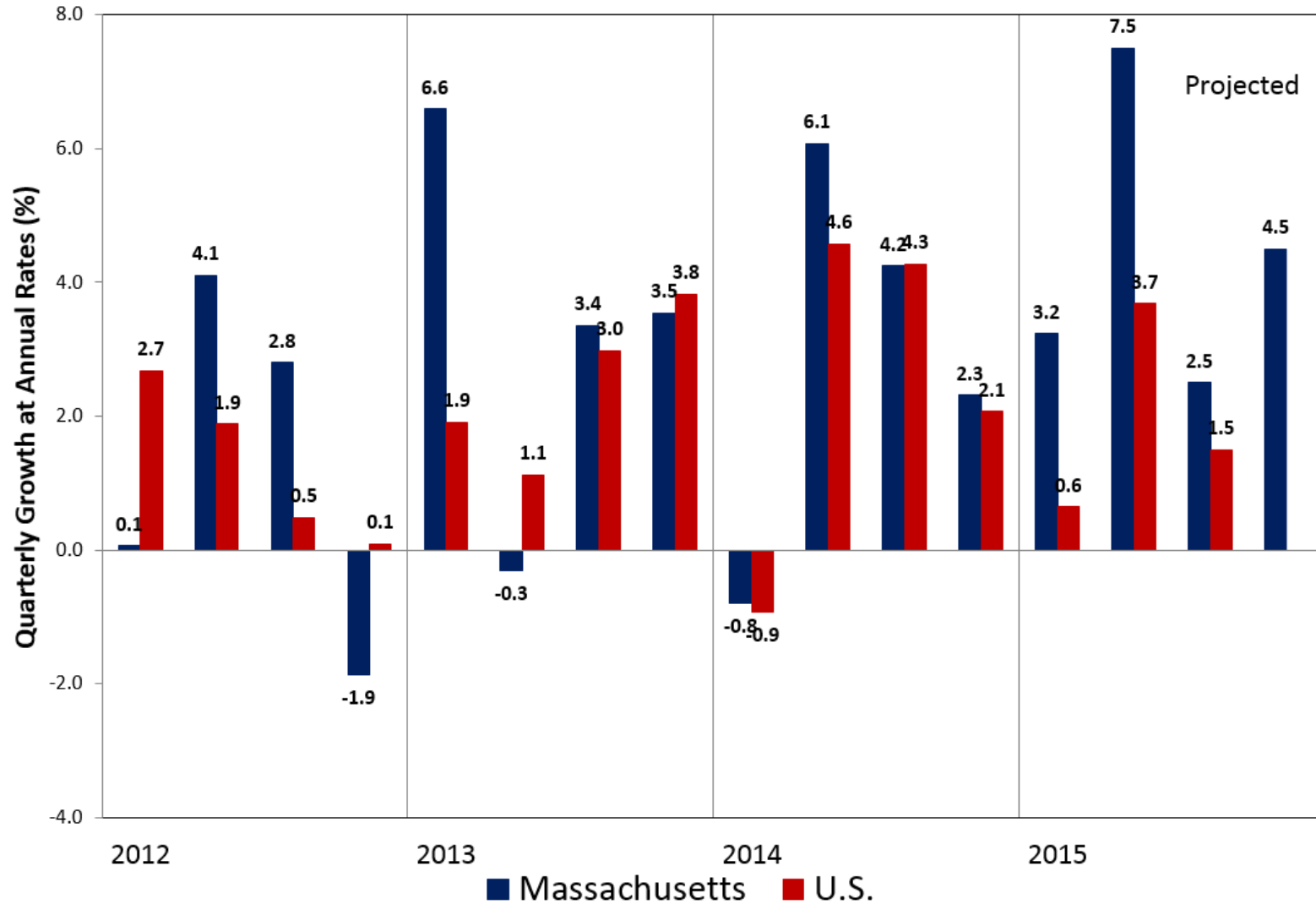
Dukakis Center For Urban and Regional Policy  
Northeastern University  
School of Public Policy & Urban Affairs  
[www.northeastern.edu/dukakiscenter](http://www.northeastern.edu/dukakiscenter)

A “Think and Do” Tank

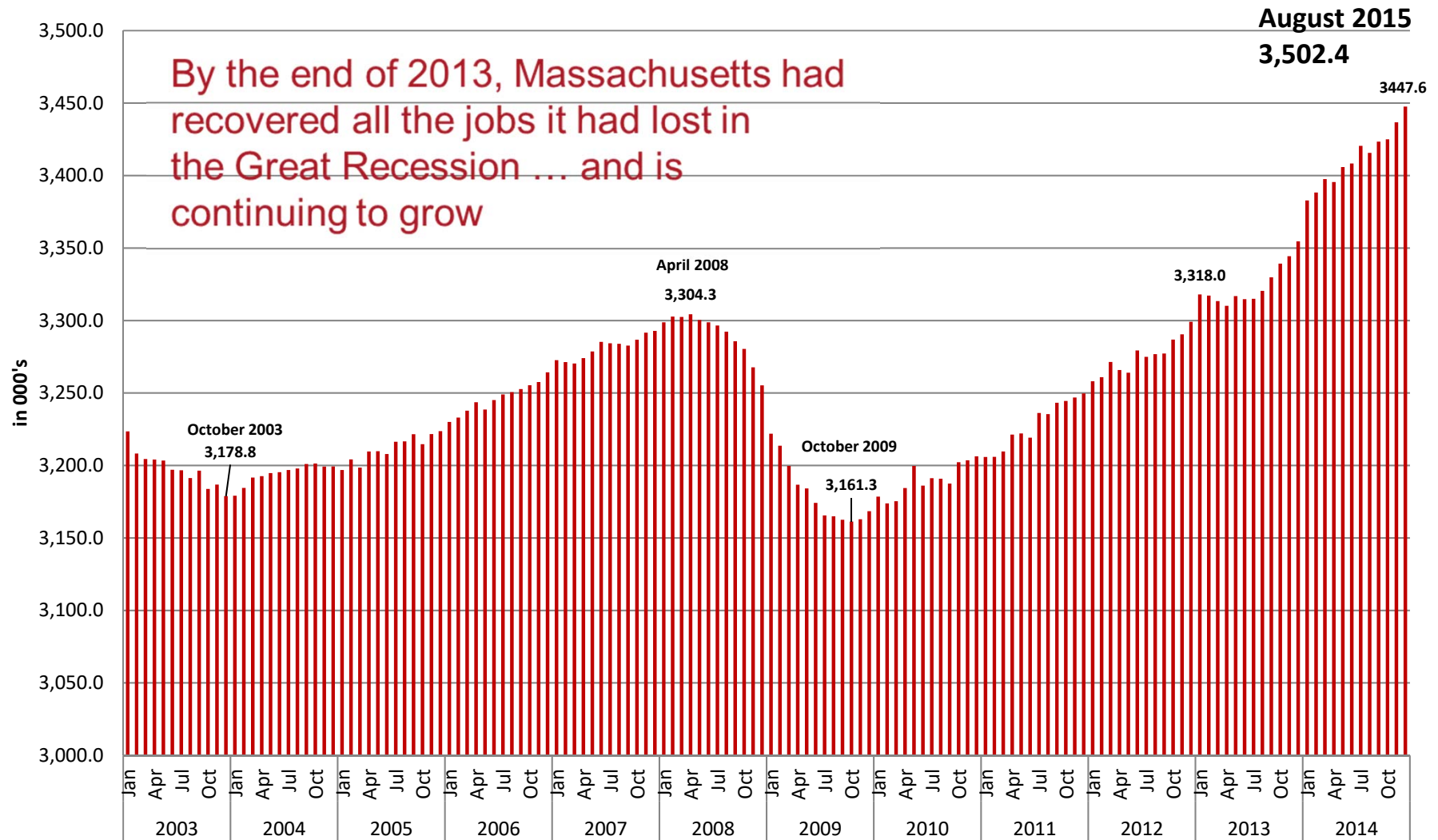
**First, a look at the Massachusetts  
economy:**

## Growth in Real Product, Massachusetts vs. U.S.

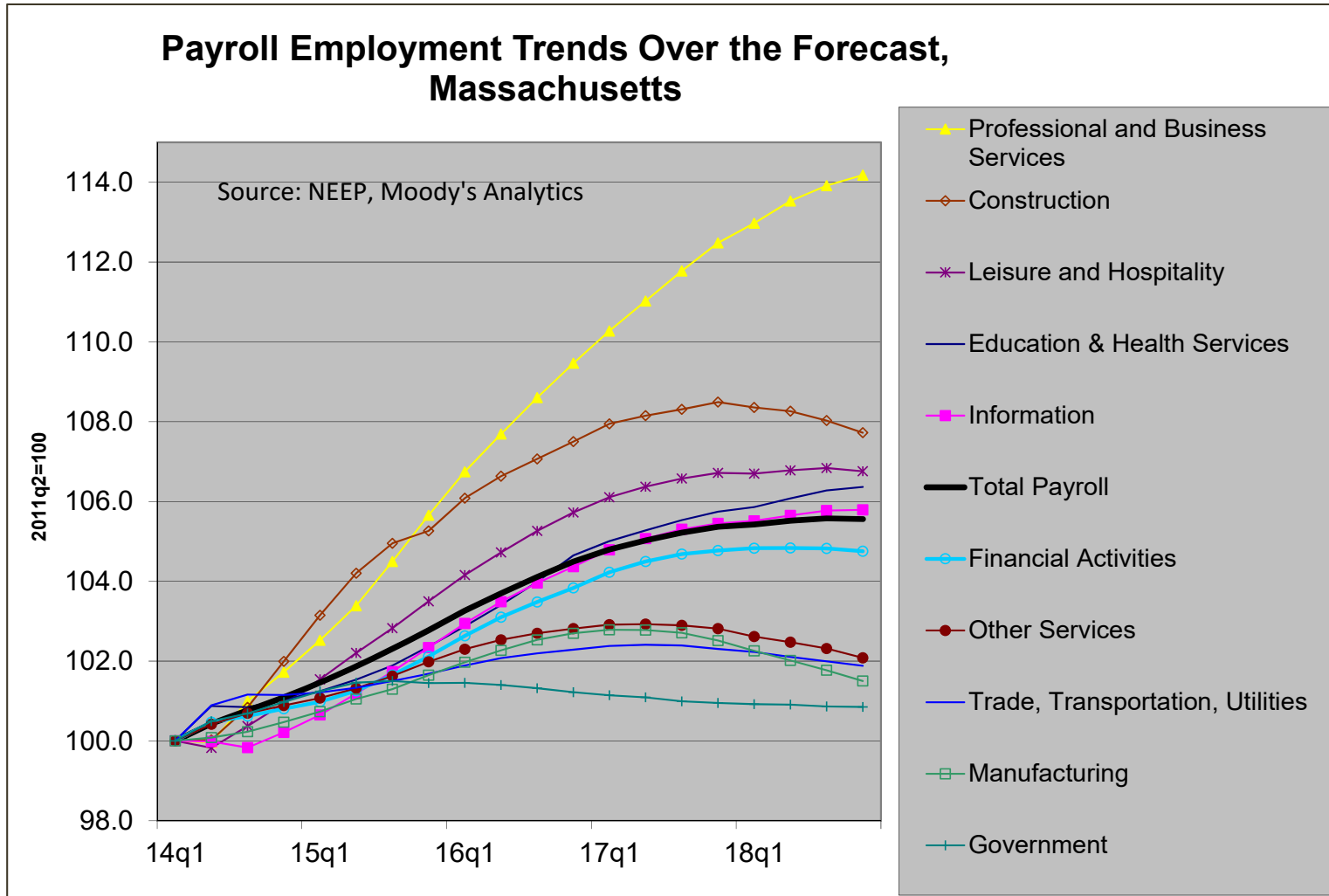
Source: U.S., Bureau of Economic Analysis; Massachusetts: MassBenchmarks



## Total Non-Farm Employment: Seasonally-Adjusted Massachusetts 2003-2014

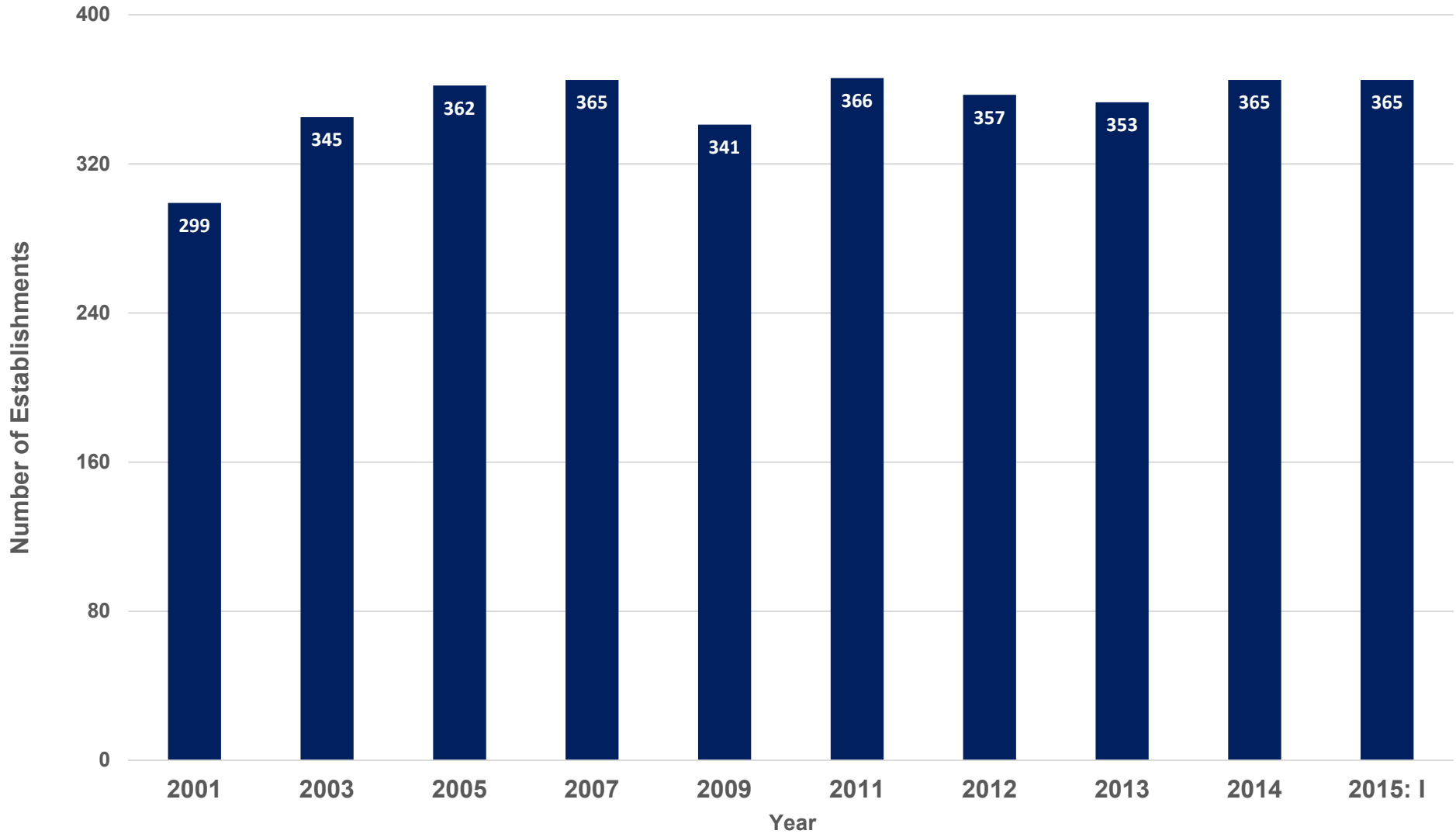


## Projected Employment by Sector: 2014-2018

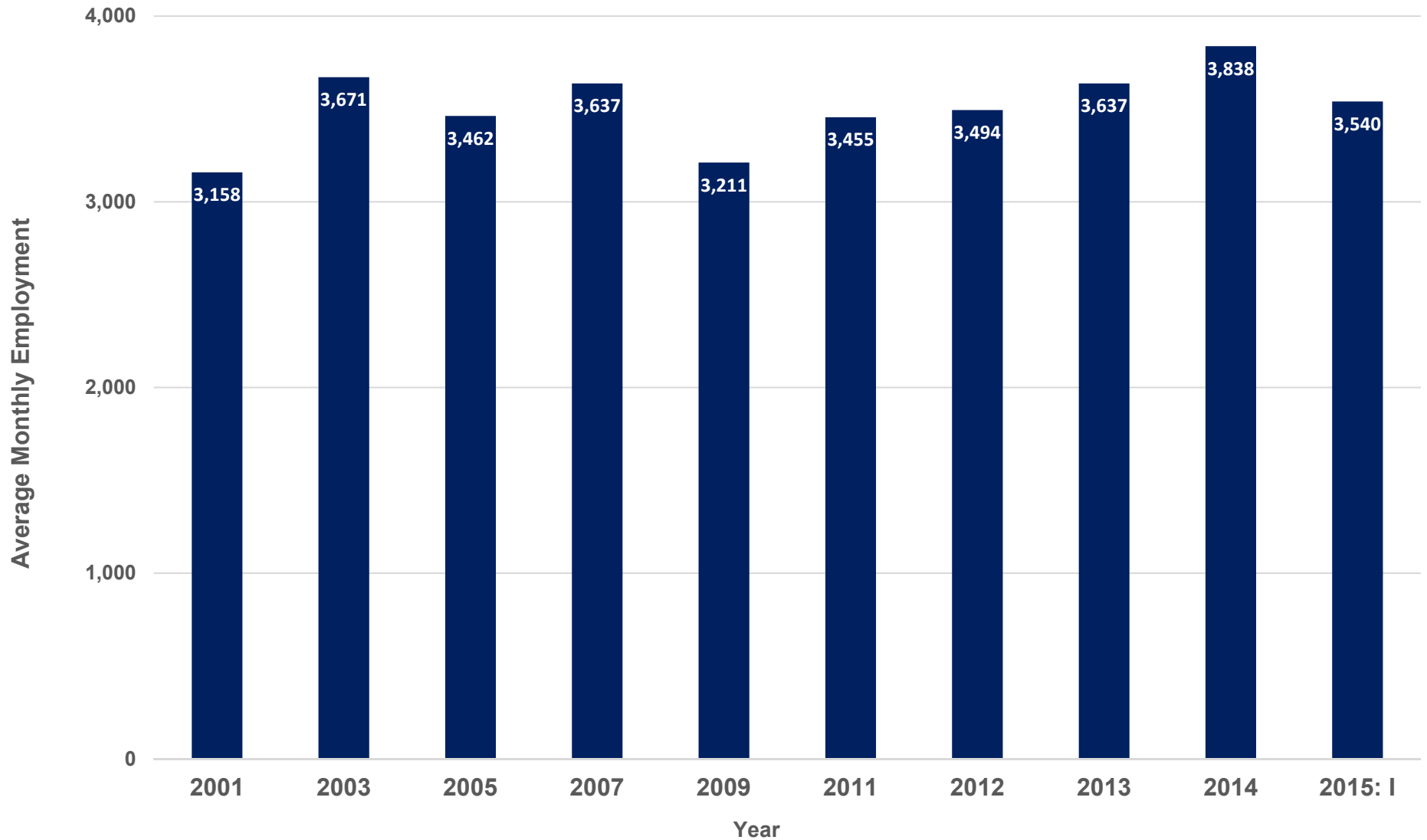


# Town of Tyngsborough: Employment

# Town of Tyngsborough Number Of Private Industry Establishments 2001-2015: I

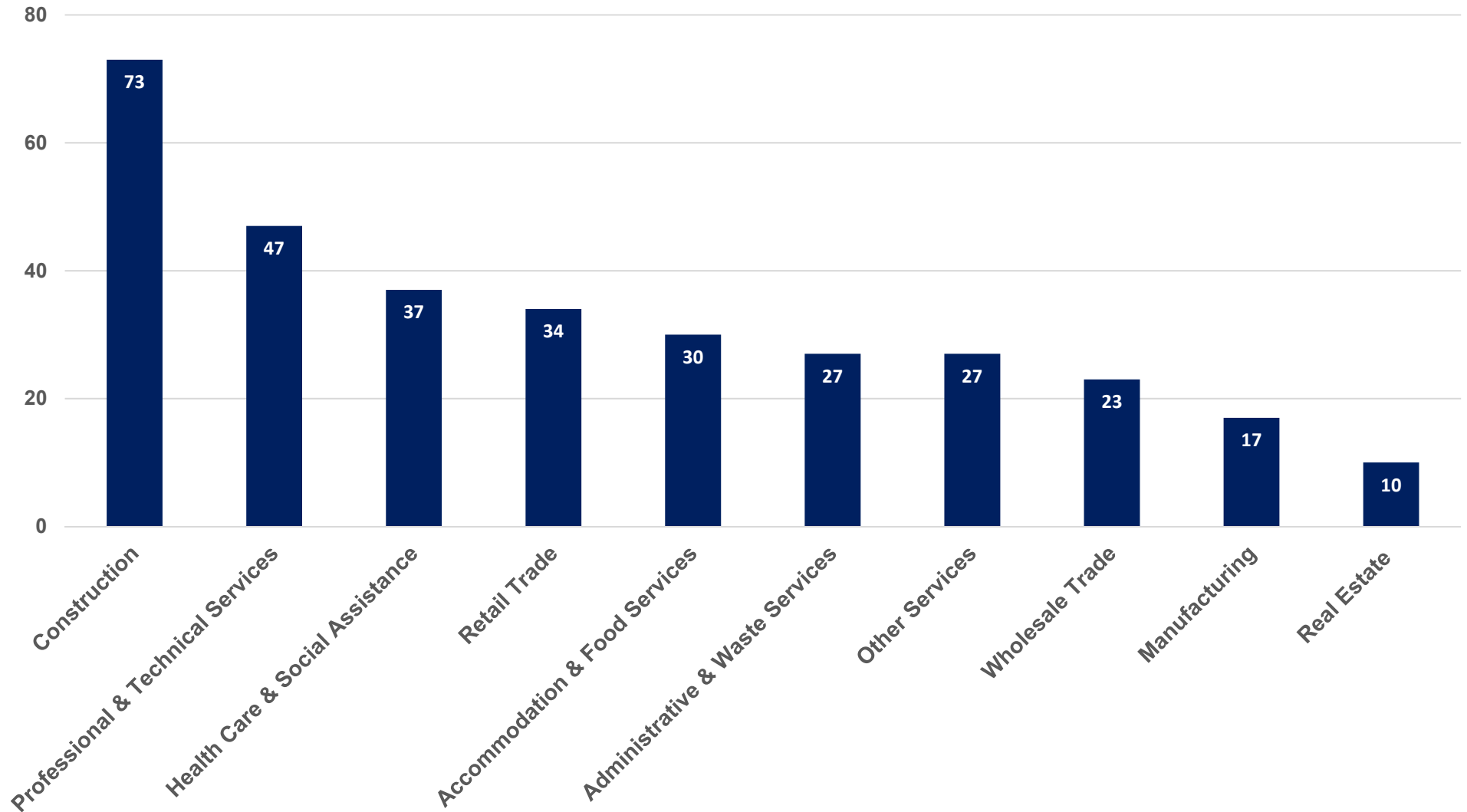


# Town of Tyngsborough Average Monthly Employment (Private Industry) 2001-2015: I

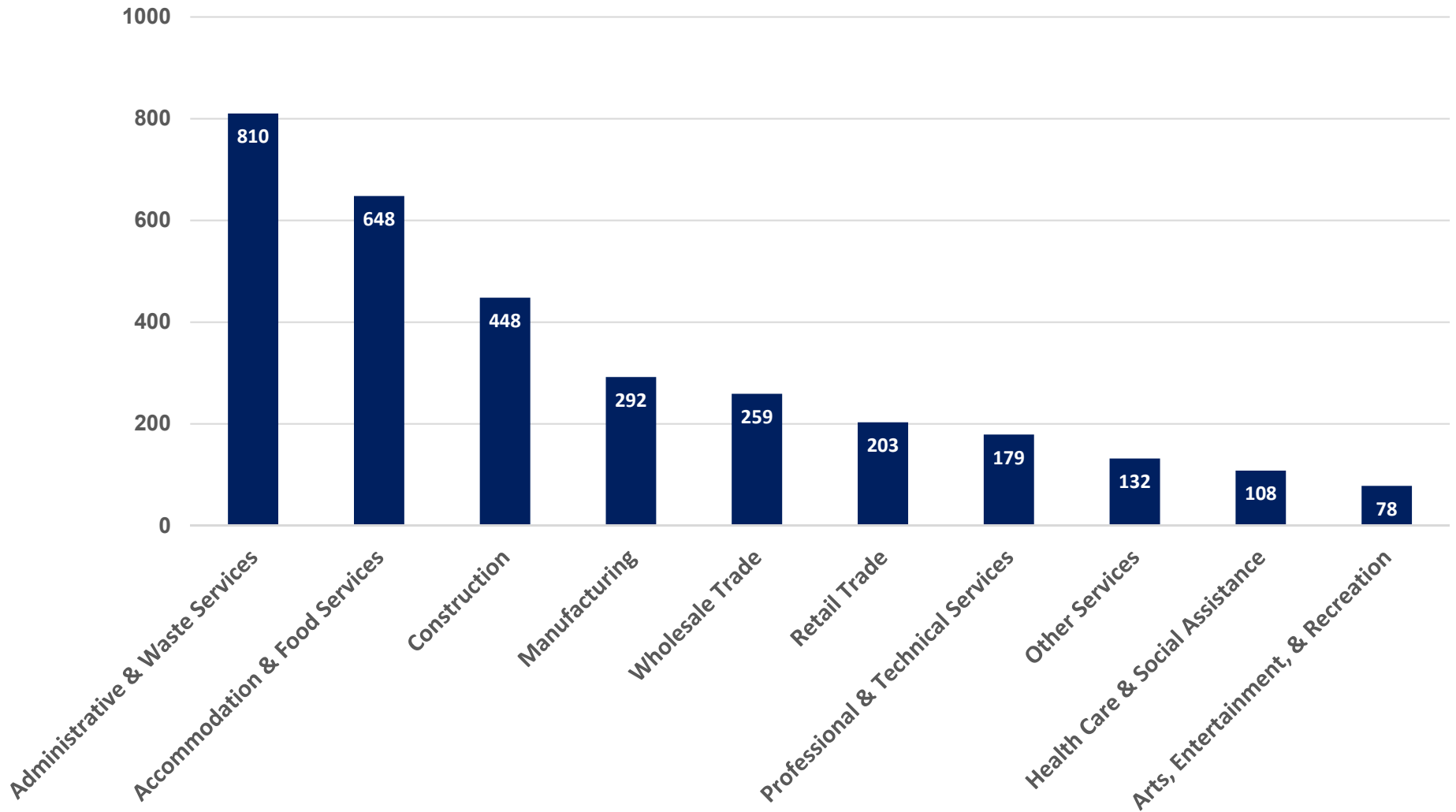




# Town of Tyngsborough Leading Industries by Number of Establishments 2015: I



# Town of Tyngsborough Average Employment in Leading Industries 2015: I



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



Northeastern University  
Dukakis Center For Urban and Regional Policy

NATIONAL  
LEAGUE  
of CITIES | CENTER  
FOR RESEARCH  
& INNOVATION

# Economic Development Overview

---

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



# Local Communities on their Own...

---

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



# States in Crisis

---

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



# Local Economic Development

---

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



# Be the CEO for Economic Development

---

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





# Fundamental Proposition

---

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



# Development of EDSAT

---

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



# NAIOP/CoreNET Sample

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



# Deal-Breakers Overview

---

DEAL-BREAKERS



CITY SELF-ASSESSMENT



CITY ACTION



DEAL-MAKERS



# Deal-Breakers, continued

---

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



# NAIOP / CoreNet Survey Categories

---

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



# The Self-Assessment Tool (EDSAT)

---

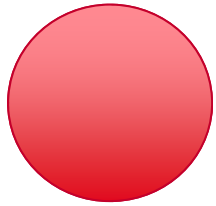
The self-assessment tool consists of ten sections:

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

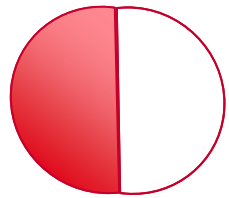


## NAIOP/CoreNet Global Ranking of Critical Location Factors

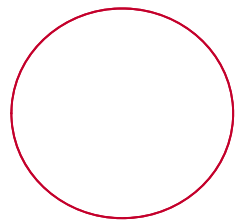
---



Very Important Factor



Important Factor



Less Important Factor





# Key EDSAT Results for Tyngsborough

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

# Tyngsborough's Strengths and “Deal-Makers”

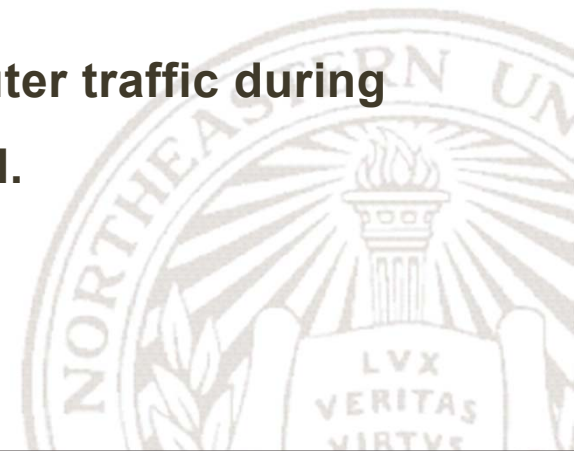
---

## Strengths Among *Very Important* Location Factors:

**HIGHWAY ACCESS:** The majority of Tyngsborough's available retail and office space sites are located within two miles of highway access.

**PARKING:** Most of the town's available sites for retail, manufacturing, and office space have on-site parking.

**TRAFFIC:** The average speed of automobile commuter traffic during a typical weekday rush hour is higher than the CGM.



## Tyngsborough's Strengths Among *Very Important* Location Factors: (cont'd)

**INFRASTRUCTURE:** Tyngsborough's infrastructure capacities for water, gas, electricity, sewer, and telecommunications are sufficient for current needs and future growth.

**WEBSITE:** The Town of Tyngsborough's website provides information important for businesses looking to locate, expand, or remain in the town, including links to affiliated regional planning agencies and demographic data. The town could however do more with the website—which is a powerful driver of economic development in and of itself—by enhancing its capacity as both a marketing and transactional tool.

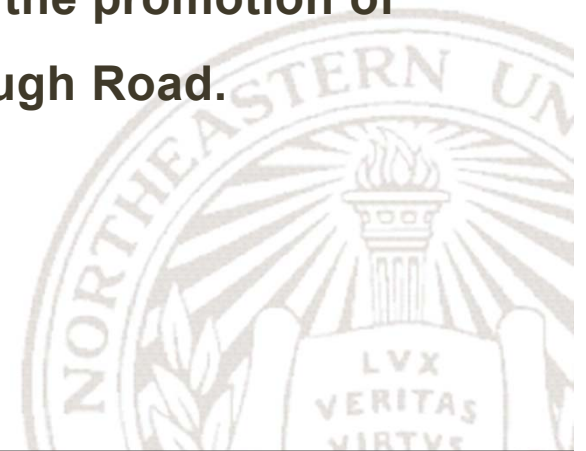
## Tyngsborough's Strengths Among *Important* Location Factors

---

**LOCAL TAX RATES:** Tyngsborough maintains a unified property rate, which is preferred by businesses. Its tax rate for industrial and commercial uses is about 17% lower than that charged by the CGM.

**LAND:** Tyngsborough currently has a large proportion of vacant developable land that is zoned for commercial and industrial uses.

**FAST TRACK PERMITS:** The town has recently adopted Chapter 43D and will receive a boost to expedited permitting for the promotion of economic and housing development on Tyngsborough Road.



## Tyngsborough's Strengths Among *Less Important* Location Factors

---

**PROXIMITY TO UNIVERSITIES & RESEARCH:** Tyngsborough has the ability to draw on its nearby network of educational institutions, including the Greater Lowell Technical High School, as a means for economic development.



# Weaknesses and “Deal-Breakers”:

---

## Tyngsborough’s Weaknesses Among *Very Important* Location Factors:

**TIMELINESS OF APPROVALS:** Tyngsborough’s time for reviewing new site plans and zoning variances is excessive in comparison to the CGM. Since approvals in Tyngsborough take a considerable amount of time, permitting is slowed down—and so is “time to market.”



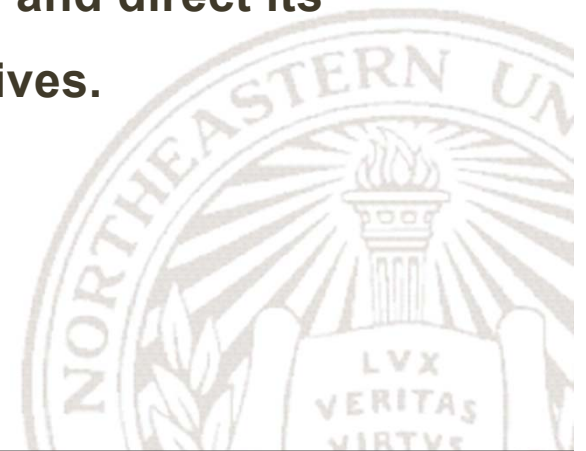
## Tyngsborough's Weaknesses Among *Important* Location Factors:

---

### **COMPLEMENTARY OR SUPPLEMENTAL BUSINESS SERVICES:**

Tyngsborough does not currently have an active economic development committee or non-profit center focused on advancing economic development objectives.

**CRITICAL MASS FIRMS:** Tyngsborough has a relatively weak industrial attraction policy that could serve to unify and direct its various economic development services and initiatives.

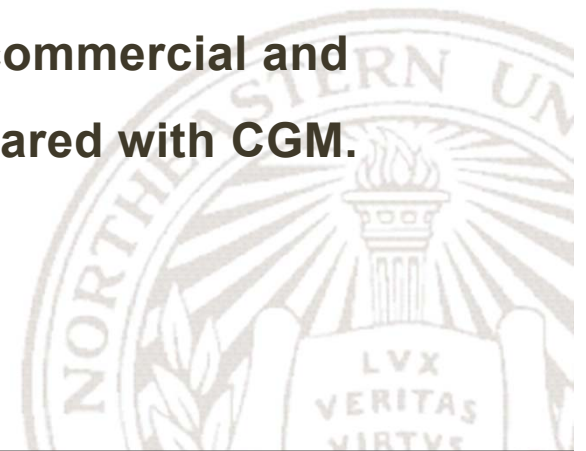


## Tyngsborough's Weaknesses Among *Important* Location Factors:

---

**CROSS MARKETING:** The town does not engage local and regional businesses or regional planning and development organizations in marketing the town.

**PHYSICAL ATTRACTIVENESS:** Tyngsborough lags in the enforcement of codes and regulations on abandoned, properties, abandoned vehicles, and trash disposal. In addition, a larger percentage of its housing stock is considered dilapidated compared to the CGM and many boarded up or closed down commercial and industrial buildings are in need of renovation compared with CGM.





## Tyngsborough's Weaknesses Among *Important Location Factors*:

---

**TAX DELIQUENCY:** Relative to the CGM, Tyngsborough takes a whopping 16 or more years to auction title properties, compared to only 1-5 years among the CGM.

**SITE AMENITIES:** The majority of existing development sites are not within a mile of amenities important to location specialists, including fast food restaurants, retail shops, and day-care services.

**PUBLIC TRANSIT:** The town has very few available sites for retail, manufacturing, and general office space close to public bus or rail rapid transit.

**HOUSING:** Only a small proportion of company executives live in the community.

## Tyngsborough's Weaknesses Among *Important* Location Factors:

---

**LOCAL AND STATE BUSINESS INCENTIVES:** Tyngsborough does not actively pursue state programs designed to assist in attracting and retaining businesses, nor does it use TIF's or similar programs that provide tax breaks to businesses.

**SITES AVAILABLE:** The town does not maintain an active relationship with commercial real estate brokers, developers, and agents with sites in the jurisdiction.

**QUALITY OF AVAILABLE SPACE:** The town has no experience with the redevelopment of contaminated or brownfield sites. In addition, a number of available sites are either vacant or underutilized shopping centers.

## Tyngsborough's Weaknesses Among *Less Important* Location Factors:

---

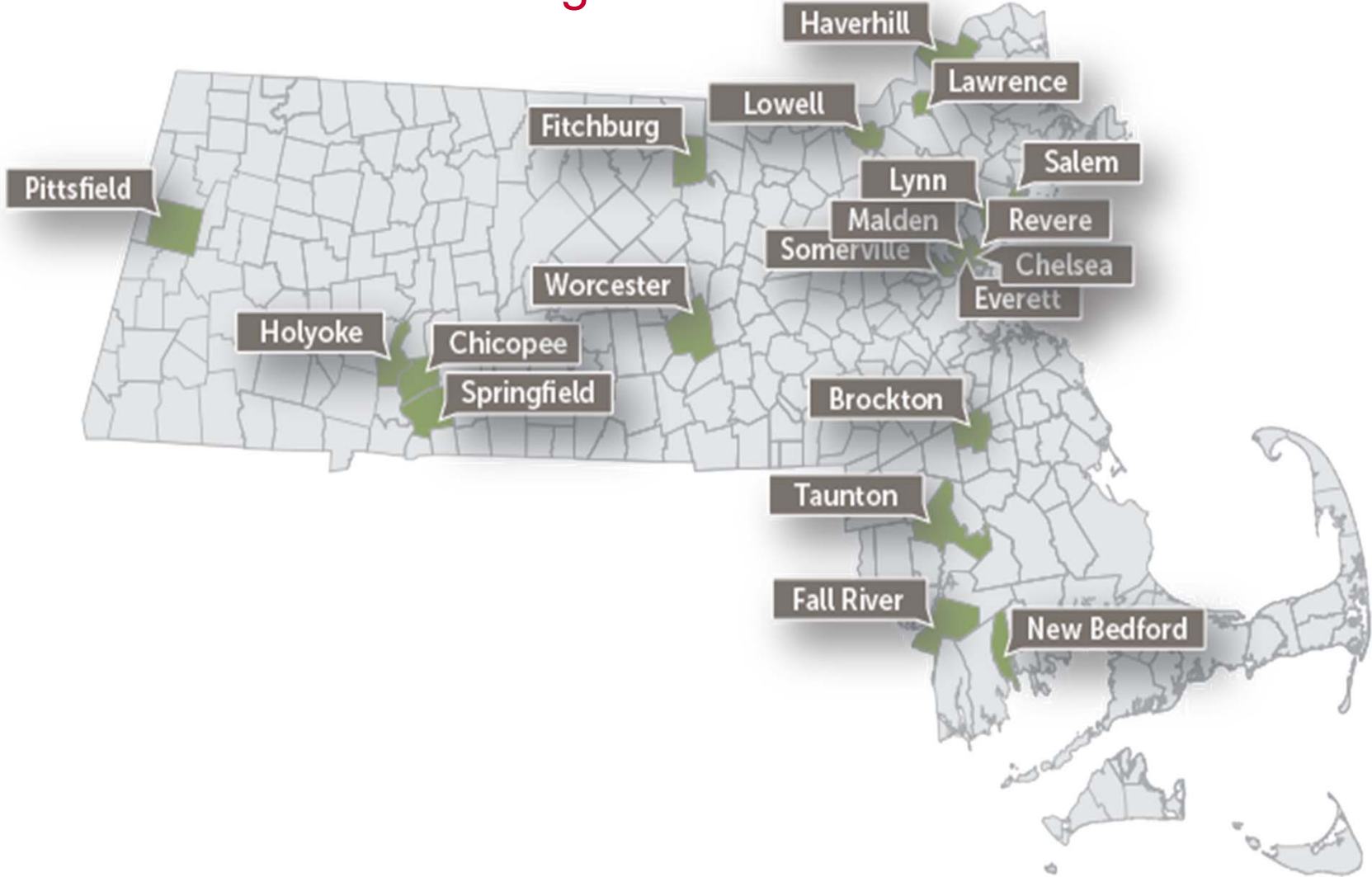
**AIRPORTS:** Both the closest regional and international airport, are farther from the town than the CGM average and travel time is much longer.

**PERMITTING OMBUDSMAN:** The town does have a development team in charge of reviewing major developments. It also has a limited number of local officials tasked with ensuring the efficiency of local permitting processes.



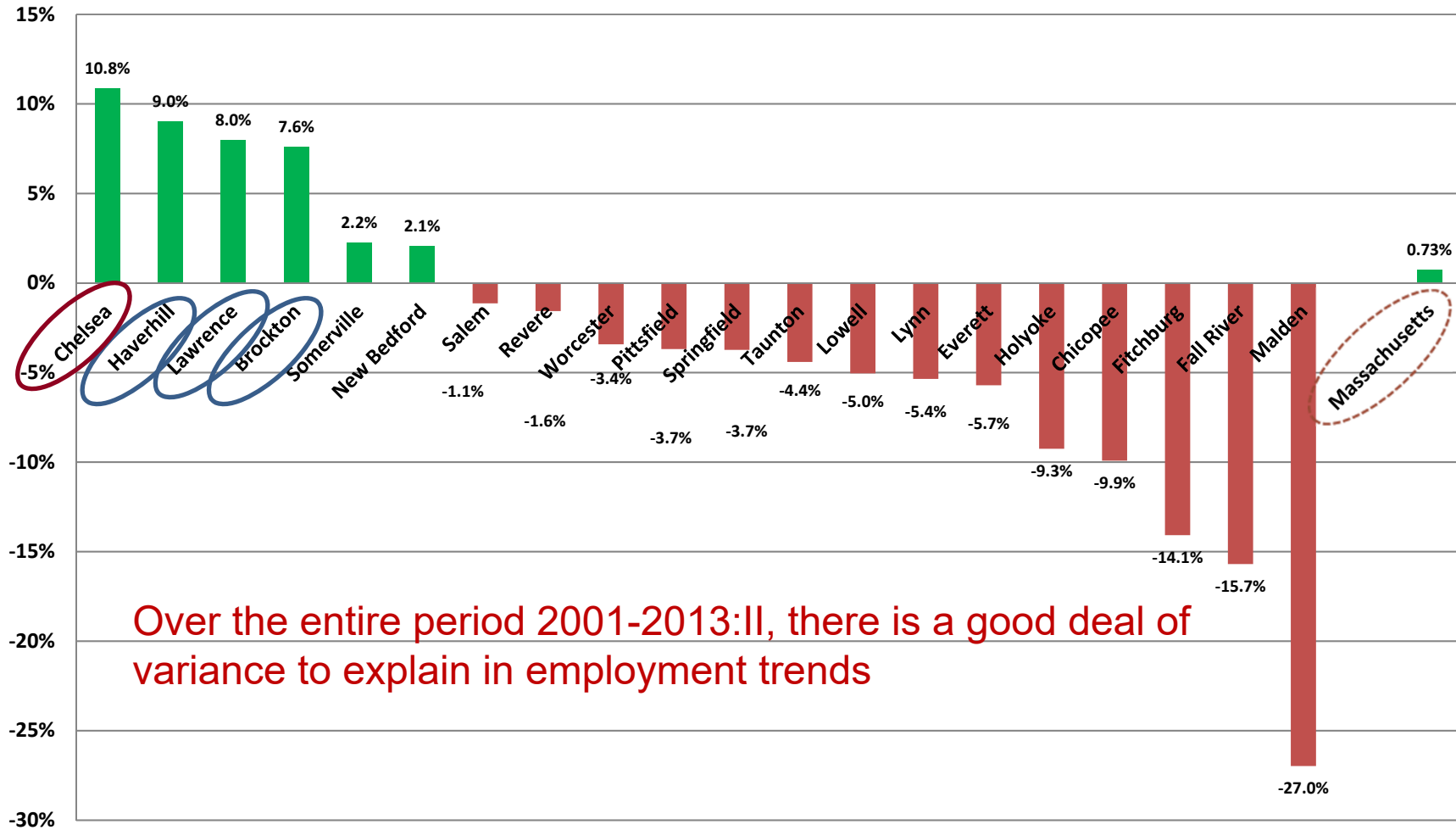
**But What Really Matters?**

# Massachusetts Working Cities



# **Employment Trends, 2001 - 2013**

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



# EDSAT Correlation Analysis

What factors are most highly correlated with employment growth?



# EDSAT Measures – 26 in All

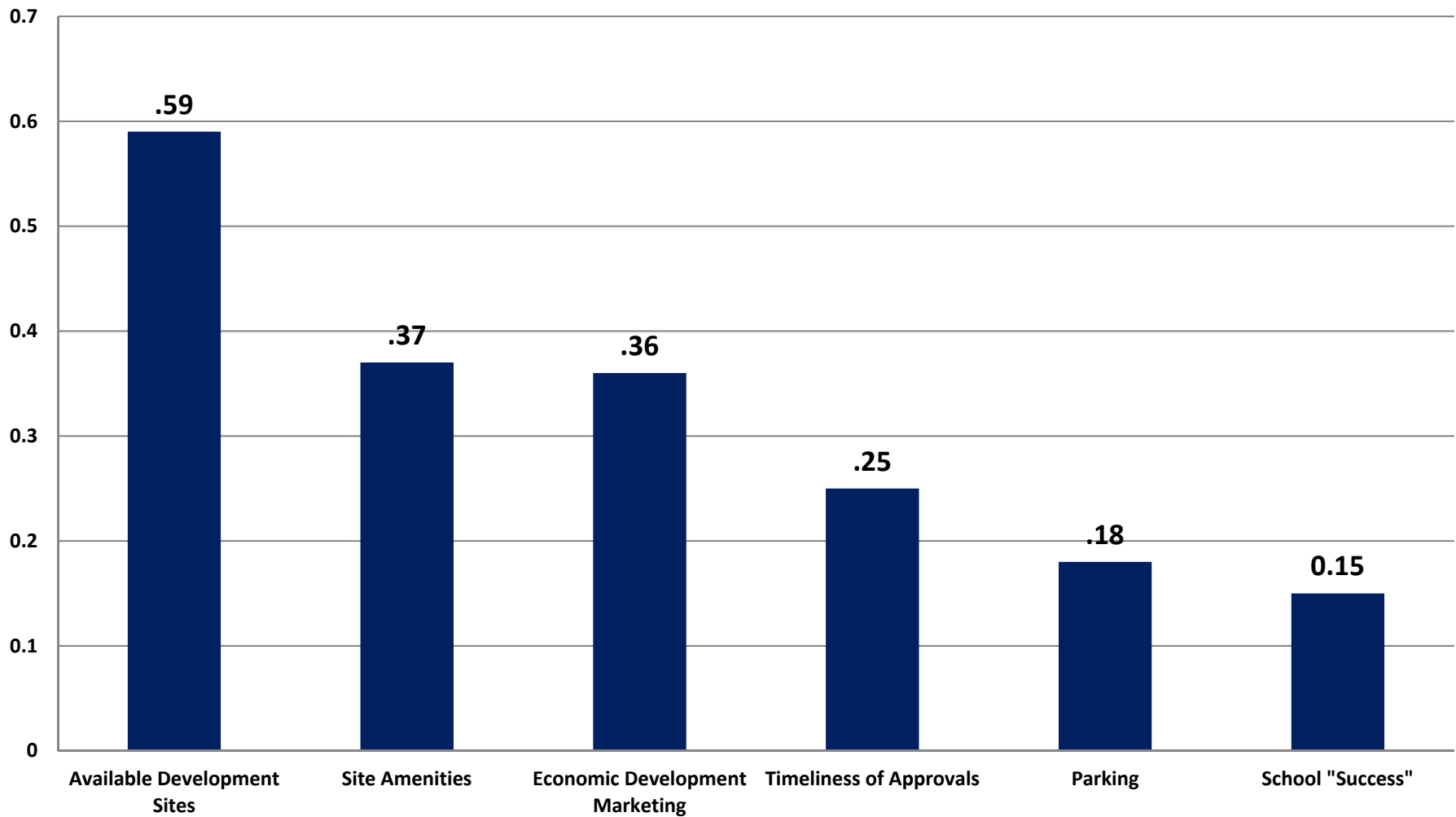
Highway Access  
Parking Availability  
Traffic Congestion  
Infrastructure Limitations  
Commercial/Industrial Rents  
Labor Force Skills  
Timeliness of Approvals  
Public Transit Availability  
Physical Attractiveness of Municipality  
Complementary Business Services  
Critical Mass of Firms – Local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

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

# **What Factors are Correlated with Greater Employment Growth?**

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

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



# Control Variables

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

**+.16** Slight positive correlation

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

**+.17** Slight positive correlation

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

**+0.13** Weak positive correlation

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

Complementary Business Services (+.07)

Low Crime Rate (+.07)

Public Transit (+.04)

Highway Access (-.03)

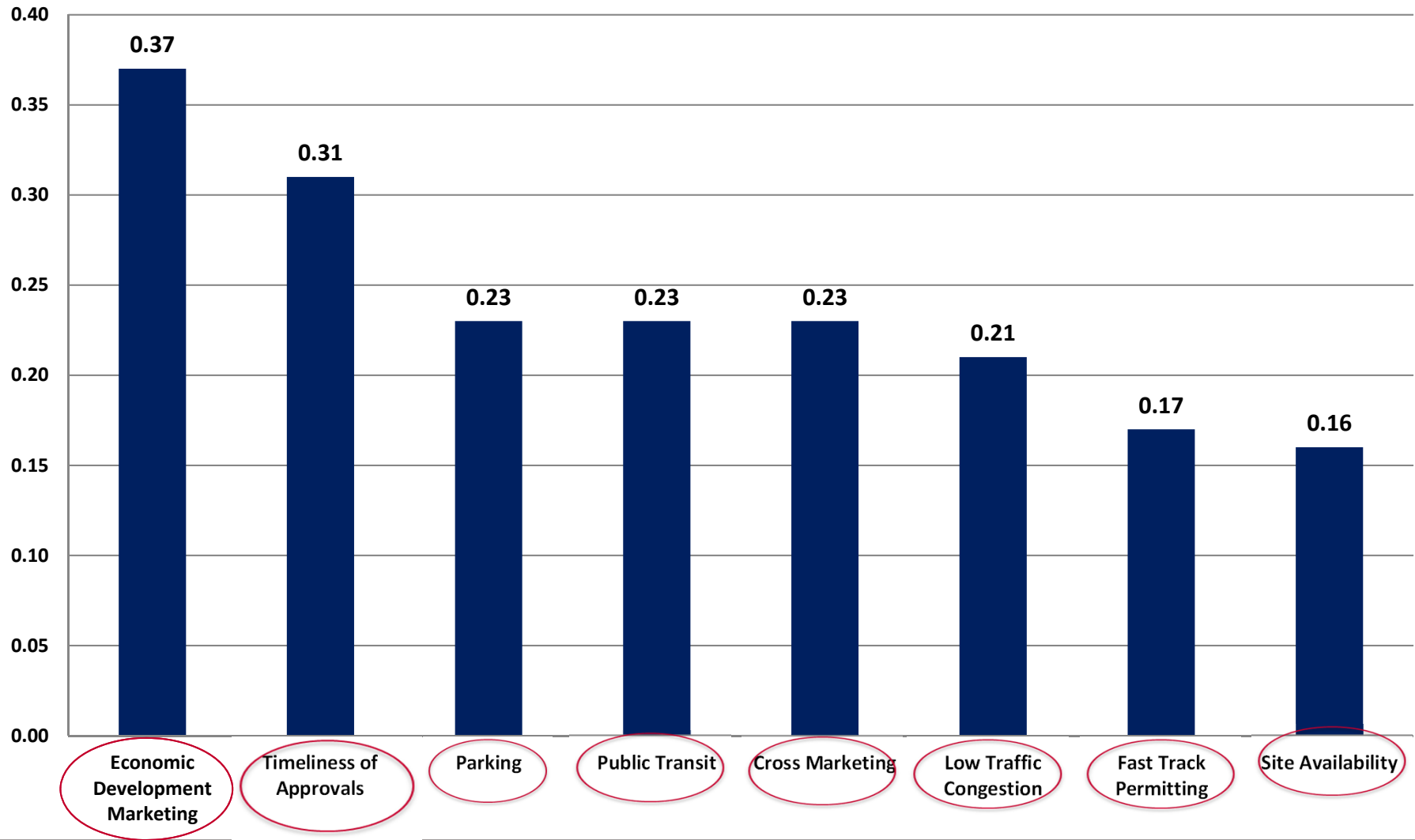
Commercial/Industrial Rents (-.08)

Cultural & Recreational Amenities (-.12)

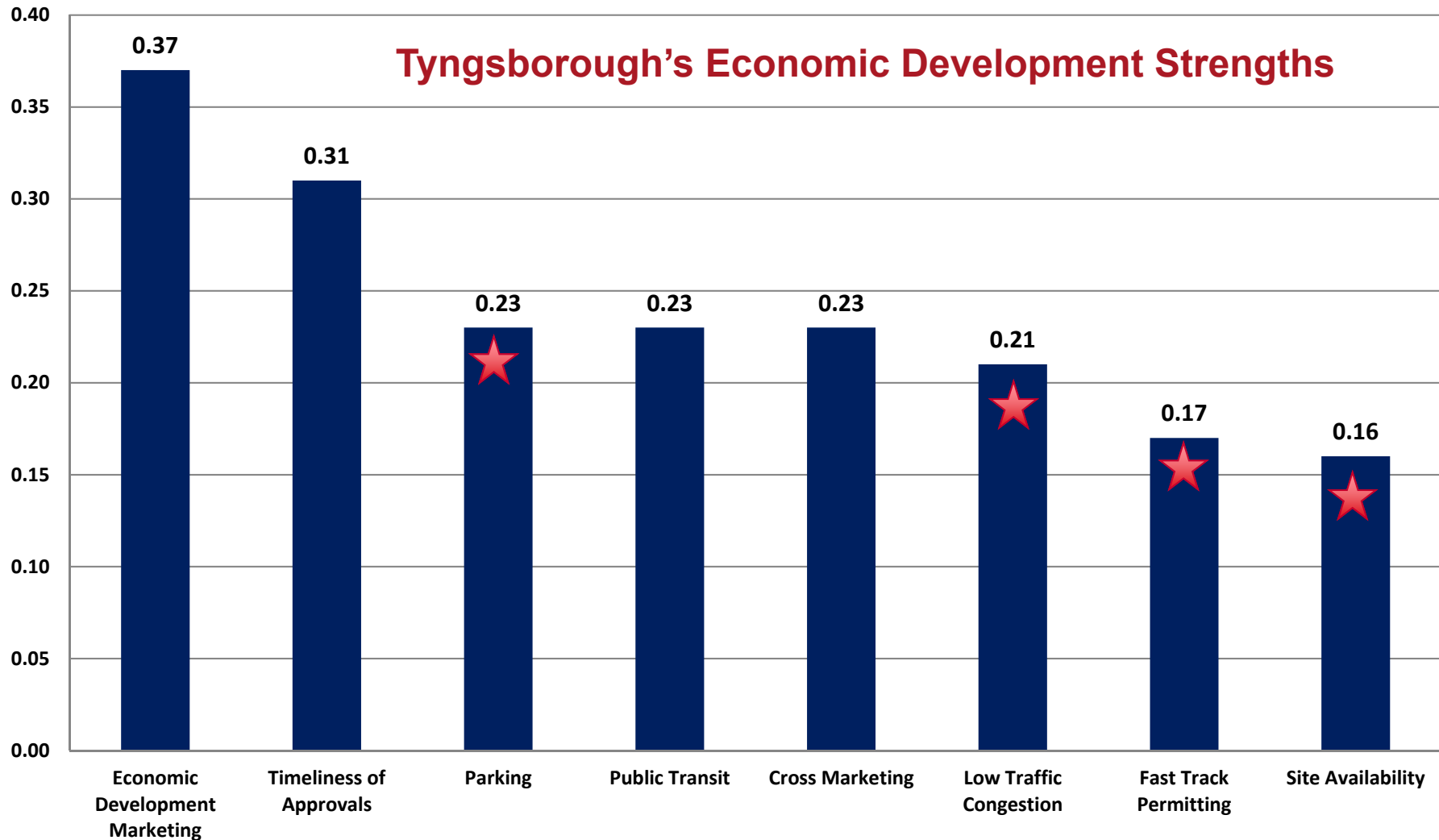
Low Local Tax Rates (-.27)

Physical Attractiveness of City (-.35)

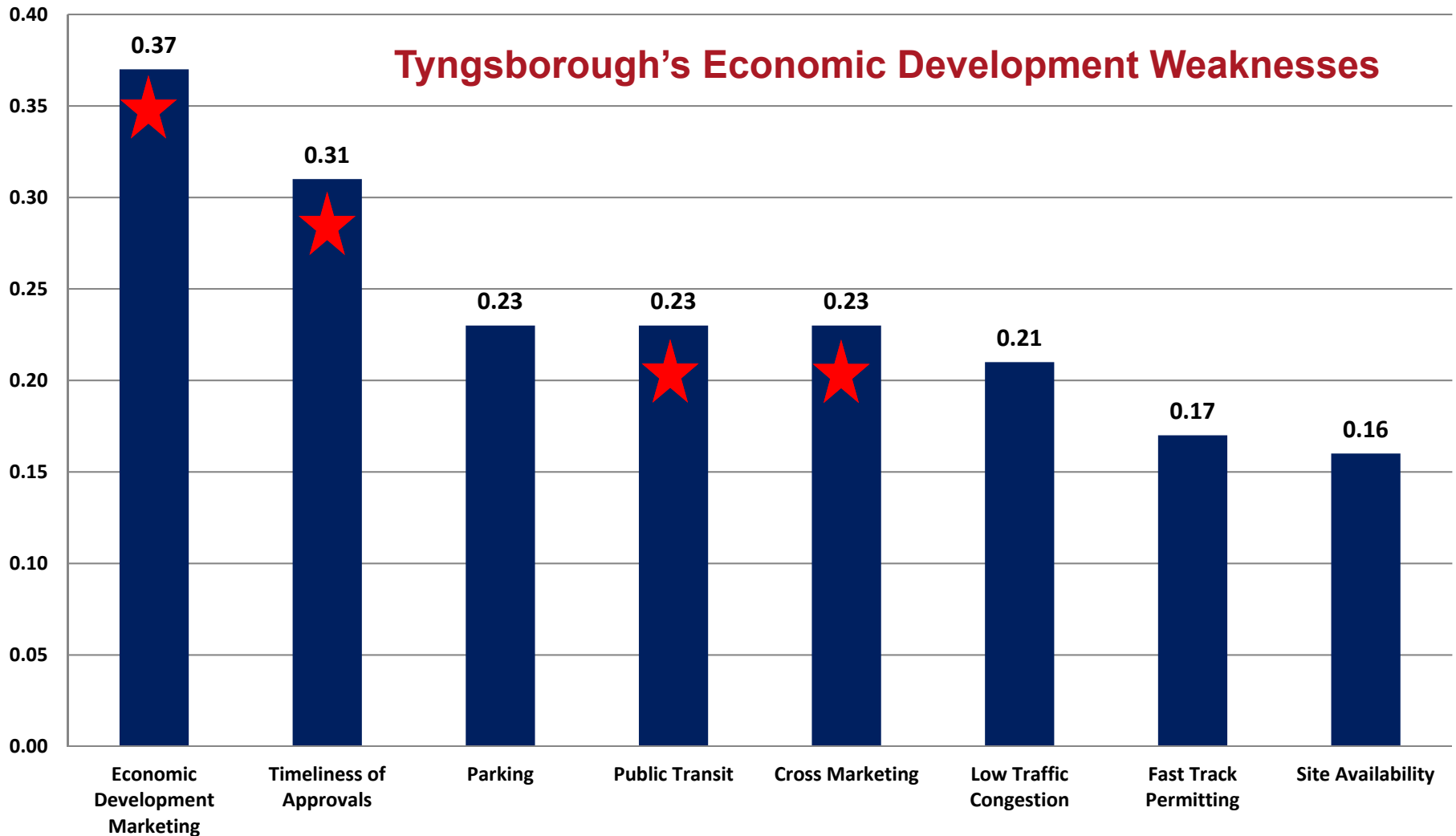
## 50 Massachusetts Municipalities - Factors Most Highly Correlated with Increase in Establishments 2001-2011



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



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





# Conclusions

# Things to Think About

---

- **Approval process** – Tyngsborough’s process for approving site plan reviews and zoning variances is slow for new projects. Your jurisdiction could gain an advantage if it helped reduce the “time to market” by expediting the review and permitting approvals process.
- **Economic Development Marketing**– Your town should consider establishing a volunteer economic development organization to craft an updated economic development strategy. Om addition, it should seek to engage local businesses to assist in marketing the community to specific targeted industries.
- Tyngsborough has many good things going for it:
  - Relatively lower traffic congestion and an abundance of parking.
  - A large proportion of vacant developable land that is zoned for commercial and industrial uses.
- But you could be better positioned to attract business investment and jobs by:
  - Developing an organized and defined process for conducting the **auctions of tax delinquent properties and ensuring their success.**
  - Actively pursuing **federal/state programs designed to assist in attracting and retaining businesses through the Northern Middlesex Council of Governments (NMCOG).**



Northeastern University  
Dukakis Center For Urban and Regional Policy

# Thank you!

---

Dukakis Center For Urban and Regional Policy  
Northeastern University  
School of Public Policy & Urban Affairs  
[www.northeastern.edu/dukakiscenter](http://www.northeastern.edu/dukakiscenter)

A “Think and Do” Tank