

## Economic Development

### *Formative Issues for Economic Development*

The economic health of a community impacts its desirability as a place to live and work and its ability to maintain a healthy level of services for residents and business owners. As many communities grapple with deep cuts to state and federal aid and are limited by Proposition 2 ½ for balancing budgets<sup>2</sup>, offsetting costs by increasing non-residential revenue streams makes economic development more essential than ever. Local governments and citizens groups that engage more actively with their local and regional economies are better able to retain and support their local businesses, and maintain a healthy tax base. Partnerships between local government staff and the Chamber of Commerce (the Chamber), for example, can provide enormous efficiencies. With a point of contact in the business community like the Chamber, municipal staff can become aware of the individual needs of businesses as well as real estate opportunities very quickly. This type of network allows local government to deliver assistance or court new business opportunities in responsive manner conducive to business development.

Economic development is not an exact science in the sense that there is no singular analytical approach and no set of tools that are easily applicable from one town to another<sup>3</sup>. Engaging proactively in local economic development is a complex undertaking for communities to address. The health of a local economy is subject to both internal and external market forces, regulatory conditions, infrastructure limitations, regional influences, and dynamic political environments. While a municipality may have very little or no control over many of these externalities, there are things that can be done to address or improve local conditions. Local factors such as zoning regulations, available incentives, workforce composition, the cost and availability of land, commercial tax rates, and access to infrastructure will have an impact on where a business chooses to locate. Easton's limited highway access, high water tables, and land costs are a few of the challenges that the Town needs to address for higher levels of economic development.

During the Envision Easton Master Plan process, residents and business owners participated in a series of public forums, surveys, and workshops on economic development issues. Amongst participants, there was broad support for economic growth at a scale suitable to the community setting, and consensus that economic development should be a priority. The text below provides a brief description of the formative issues that framed discussions of economic development throughout the Envision Easton process.

#### **1. Easton must encourage economic development to maintain its fiscal health.**

Maintaining a healthy tax base is essential for Easton to sustain the level of services and quality of life the Town currently provides. In addition to easily identifiable services such as education,

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<sup>2</sup> Proposition 2½ (Mass. Gen. Laws Ch. 59 § 21C) is a statute which places two limits property tax increases by Massachusetts municipalities: 1) The total annual property tax revenue raised by a municipality cannot exceed 2.5% of the assessed value of all taxable property; 2) The annual increase of property tax cannot exceed 2.5% (plus the amount attributable to taxes that are from new real property.)

<sup>3</sup> *Small is Beautiful: Economics as if People Mattered* E.F. Schumacher's seminal collection of small essays first published by Blond & Briggs in 1973.

public safety, and road maintenance, the Town provides a number of other assets related to public health, recreational opportunities, assistance to seniors, and other supportive services. To provide these services, the Town currently relies on a combination of property tax revenues, local receipts, and state aid. Approximately 14.2% of Easton’s local tax revenues are currently generated by commercial or industrial properties with a total assessed valuation of close to \$350 million.

On average, Easton businesses pay more in taxes than they use in services, creating a revenue surplus to support the residential population. Owners of residential property, particularly single family housing, pay significantly less in taxes in relation to the services they consume, largely due to the cost of educating children. Table 1 compares the municipal service cost generated by different land uses in Easton against the average tax bill for that type of use, illustrating which uses create a fiscal surplus or deficit.<sup>4</sup>

Table 1: Comparison of Tax Impacts of Residential and Commercial/Industrial Land Uses

Use	Number of Units	Average Number of Students per Unit	Average Annual Education Cost per Student	Cost of Town Service Delivery per Unit	Average Tax Bill	Deficit or Surplus per Unit
Single Family Homes	5,576	0.64	\$8,519	\$8,969	\$6,044	-\$2,925
Residential Condominiums	1,385	0.21		\$5,309	\$2,695	-\$2,615
Two-Family Homes	318	0.16		\$2,442	\$2,728	\$286
Three-Family Homes	69	0.16		\$1,628	\$1,874	\$247
Commercial/Industrial Uses	1,702	-		\$2,402	\$5,884	\$3,483

Source: Community Opportunities Group, Inc., 2014

A 1999 Town growth management study found that the average deficit per single family home was approximately \$1,000 for existing homes and \$1,722 for new construction.<sup>5</sup> Table 1 shows how this deficit has increased significantly over the past 17 years. During the same year, commercial properties generated surpluses between \$2,600 and \$3,600 on an annual basis, which is on par with current levels.

When aggregated further, it is clear how important it is to offset the costs of the providing residents services (Table 2). The tax levy provides 61.8% of Easton’s budget, while state aid accounts for 16.7%. The remainder of the budget comes from multiple revenue sources such as local receipts (motor vehicle excise, utility fees, local permit and license fees, etc.) and other revenue sources (which can include grants, federal aid, etc.). According to the 2014 Annual Town Meeting Town Administrator’s budget presentation, the rate of new growth in Easton has generally declined in recent years. With cuts to state aid, it is increasingly important to increase and diversify the tax base to maintain the same level of service.

<sup>4</sup> It is important to understand this table as a snapshot in time that examines only costs related to the school system. This should not be used to extrapolate “per student” or “per household” impacts from future development. A much more refined fiscal impact analysis would be required to predict those impacts.

<sup>5</sup> Taintor & Whiteman, The Easton Growth Management Study, Phase II: Workshop Results (1999); 4.

Use	Residential	Commercial/Industrial
Tax Levy	\$40,418,672	\$5,756,105
Cost of Services	\$58,253,777	\$4,087,364
Surplus/Deficit	-\$17,835,105	\$1,668,741
Source: Massachusetts Department of Revenue and Community Opportunities Group, 2014		

Moving forward, the Town must be mindful of the fiscal deficits associated with residential use, and the positive tax revenue benefits of commercial growth. However, these analyses should not be interpreted to mean that residential development should somehow be stopped, or that Easton needs to significantly expand commercial areas. Rather, the Town should look to increase commercial or industrial use at a scale consistent with its suburban character. These businesses would, in turn, benefit from some increase in housing development in the community. Housing development must be understood as part of a proactive approach to economic development. Strategies to ensure housing development continues to be a positive force in Easton are discussed in more detail in the Housing section of this plan.

**2. Commercially-zoned areas with existing or potential sewer and other infrastructure should be targeted for economic growth.**

Zoning District	Acres	Percent
Business	889.0	4.7%
Eleemosynary (Institutional Uses)	478.5	2.5%
Industrial	624.6	3.3%
Neighborhood Business	0.85	0.0%
Residential	11,077.4	59.0%
Water	89.6	0.5%
Municipal and Open Space	5,629.2	30.0%
Total	18,789.1	100.0%
Source: Town of Easton GIS, 2014		

As shown in Table 3, of the nearly 19,000 acres in Easton, roughly 8.1% (1,514.4 acres) of the land area is zoned for commercial, industrial, or neighborhood business activities.<sup>6</sup> Of the land that is zoned for those uses, 1,475 acres are currently being taxed for commercial uses, leaving approximately 39 acres that are zoned commercially but not presently

being used for commercial purposes.<sup>7</sup> As Easton nears full build-out and faces environmental challenges, particularly with respect to water quality issues, the efficient use and maximization of lands currently zoned for commercial or industrial purposes, will become a priority. Commercial and industrial areas that will be served by sewer infrastructure offer the most opportunity.

In discussions with the Economic Development Working Group and during the public forums, it became clear that while many residents were supportive of expanding economic development

<sup>6</sup> Town of Easton GIS, 2012.

<sup>7</sup> Town of Easton Assessor's Database, 2014.

efforts, very few were in favor of expanding the commercial areas to support additional development. Participants felt many of the existing commercial and industrial parcels in Easton are underutilized, and efforts would be best focused on improving these areas rather than expanding or creating new ones. The ways in which underutilized parcels or buildings were identified varied by site; however, common themes pertained to lower densities than necessary (particularly with respect to building heights and the distances buildings are set back from property lines or one another), high vacancies, parking issues, environmental constraints, lack of vibrancy or attractive aesthetic, and the limitations of unsewered land.

Easton must identify specific geographic areas and economic sectors on which to concentrate economic development efforts. A recently completed study by the Dukakis Center for Urban & Regional Policy<sup>8</sup> (DCURP) identified a number of Easton's strengths which include:

- Proximity to highways (specifically for business and retail uses. Manufacturing uses require closer access than Easton provides)
- Access to parking (outside of North Easton Village)
- Access to transportation engineering expertise
- Attractiveness of the community
- Access to universities and a professional labor force
- Quality of space and lack of contamination
- Provision of expedited permitting
- Low crime rates
- Availability of state tax incentives
- Access to information

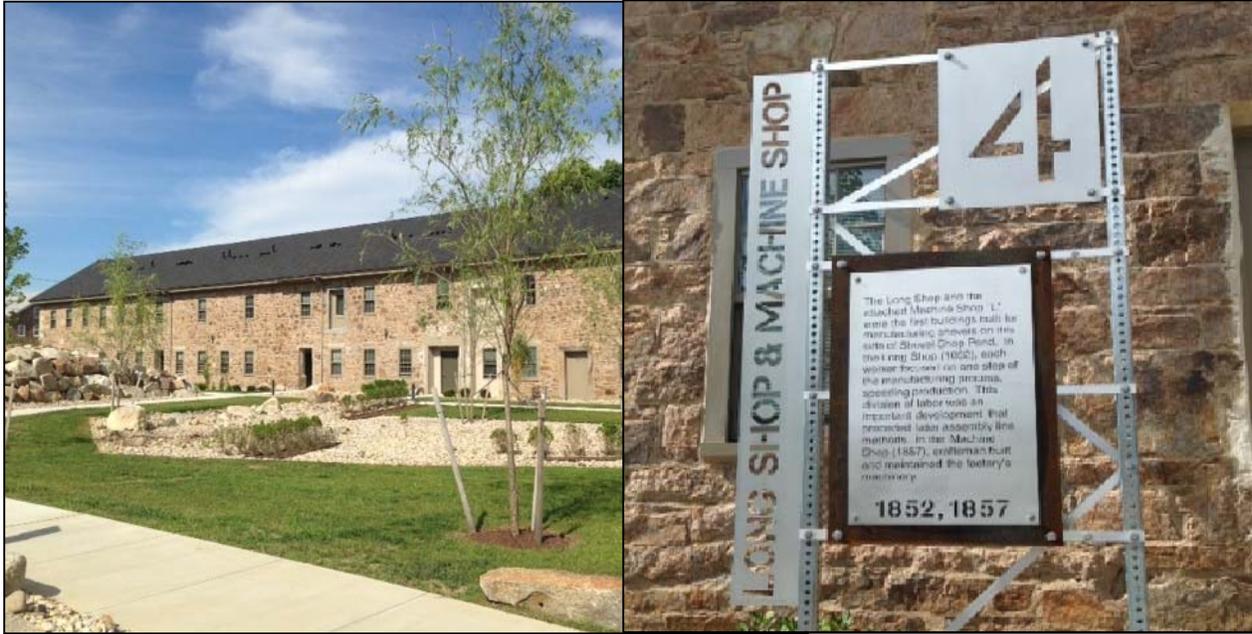
These opportunities should be considered as areas are prioritized for targeted economic development. In addition, as priority areas become identified, site-specific issues should be addressed – for example, parking constraints in North Easton Village or a lack of sewerage at Five Corners – to ensure the efficient allocation of resources. This idea is reinforced by the DCURP study, which calls for Easton to “[r]esolve infrastructure capacity constraints through research and implementation of best practices and effective solutions.”

### **3. The Town will play an active role in facilitating appropriate development.**

Easton prides itself on being an attractive and scenic community. The wide swaths of open space and preservation of critical historic resources like the Ames Shovel Shop or Oakes Ames Memorial Hall contribute to the community character that defines Easton. Although there is no set definition for what constitutes “appropriate” development in town, it is generally agreed that high impact or noxious uses and low-end design aesthetics are less desirable and considered to be inconsistent with Easton's community character.

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<sup>8</sup> Northeastern University Dukakis Center for Urban and Regional Policy, Economic Development Self-Assessment Tool (EDSAT): Results for the Town of Easton Massachusetts (February, 2014).



While not every development in Easton can look like the Ames Shovel Works, many important lessons can be learned from this successful adaptive re-use project. For example, the color and materials of the existing buildings was used to inform choices related to the landscaping (left). Signage used to locate a particular building incorporates an educational component and uses materials that reflect the history of the site (right). This attention to detail is something that can be transferred to many different neighborhoods in Easton and with guidance provided by the Town.

Although Easton is supportive of additional development, there is a strong sense that any new construction or redevelopment should meet a level of quality that is consistent with the better examples of development in town. In addition, as styles and opinions have changed over time, there is growing dissatisfaction with the appearance of strip development and box-style buildings (whether industrial or commercial). Design review<sup>9</sup> is not currently required under the Zoning Bylaw and the Town of Easton has limited authority to review the appearance of new or redeveloped sites and buildings and therefore cannot control for consistency in appearance. During public outreach efforts, some residents supported a design review process for commercial structures, while many did not. Incentives may provide an alternative strategy to encourage attractive sites, balancing the desire of business owners to control construction expenses. Design guidelines could be considered as an intermediary action. Any new design review process should be added to the application process as seamlessly as possible so as to not place unnecessary additional financial and time burdens on applicants.

Regulatory issues are not confined to a lack of design review to control for aesthetics. During the Envision Easton process, a number of business owners identified zoning issues that negatively impact their properties and limit their ability to grow or expand. At the 2014 Annual Town Meeting amendments to the Zoning Bylaw increased allowable building height and decreased

<sup>9</sup> Design review is a public process whereby an appointed or elected board is charged with the review and approval of the design of certain types of projects. The review can include landscaping and circulation, the appearance of any buildings or parking areas, and exterior signage or façade treatments.

allowable commercial setbacks to help alleviate these concerns. However further amendments to the Zoning Bylaw, potentially including maximum lot coverage and number of stories in some areas, will likely be required to allow for viable redevelopment or infill development opportunities on existing sites in the future.

#### **4. The Town should increase local capacity and leadership for economic development.**

Easton has relatively few resources *specifically* dedicated to fostering economic development. The Town does not currently employ an economic development professional, and the proposed creation of a new position was unpopular with residents during the public forums. However, not having these resources can place Easton at a disadvantage due to limited representation amongst local, regional, and state business associations, regional planning, and/or development agencies. The lack of a dedicated staff person often means that local businesses are largely left to their own devices to navigate through municipal boards, processes, and regulations and to coordinate amongst themselves for events or cross-promotion and marketing. The Town made progress recently by developing a business permitting guide, initiating collaborations with the local Chamber of Commerce and dedicating some staff resources to helping applicants to the permitting process. Not having a dedicated economic development professional also limits the Town's capacity to recruit new businesses and industries to actively retain existing businesses. The Board of Selectmen recently created an Economic Development Council, which will begin its work soon. With or without dedicated staff, this volunteer board can also help to champion economic development issues, and to connect the Town with its business community and the regional economy.

#### **5. Easton must support and partner with the local business community.**

Responsibilities for general business promotion and coordination generally fall to the local and regional chambers of commerce. The Easton Chamber of Commerce (Chamber) employs one part-time staff person, with services largely directed to member businesses. The Chamber hosts several community events each year including the Taste of Easton, as well as a number of After Hours and Business Breakfast events to help businesses network. The Chamber is an excellent local resource; however, its capacity is limited and the organization should be seen as a *partner* rather than the *de facto leadership* to the Town on economic development issues. The MetroSouth Chamber of Commerce has broader resources, but serves the entire region, not just Easton.

With this in mind, a number of residents and businesses were supportive of finding ways to promote local businesses and encourage residents to shop or procure services locally as a way to support the entire community. The Economic Development Working Group was very supportive of the Town adopting policies that would encourage the use of local vendors for public contracts, to the extent that doing so would not be in conflict with state regulations regarding public procurement. Many participants also felt it was important to improve the flow of information between the Town and businesses on regulatory issues, Town and State financing programs, workforce retention, training, tax incentives, and other tools. This is particularly important as the programmatic landscape in economic development changes at a rapid pace and requires continuous attention. The Economic Development Council offers opportunity to improve upon such communication and coordination.

## 6. Infrastructure and costs to do business are a challenge in Easton.

Although Easton enjoys natural beauty, rich artistic and cultural traditions, the presence of a skilled workforce, and reasonable transportation access, there are a number of issues and constraints that the Town must seek to address through planning efforts and policy decisions. These issues can generally be organized into two broad categories:

### *Infrastructure*

One of the most limiting factors to economic development in Easton pertains to infrastructure. The lack of centralized sewerage in commercial areas limits the types of businesses that Easton can attract and retain. Although the wastewater treatment facility associated with the Ames Shovel Works will bring some sewer service to North Easton Village, the lack of sewer in most locations still hinders the retail mix as water intensive uses like restaurants and hair salons can face challenging wastewater disposal issues. In addition, although rents for manufacturing space are competitive in Easton, the lack of sewer (as well as the lack of rail, airport, or a highway within two miles) creates less than ideal conditions for many prospective tenants, especially uses like manufacturing and restaurants that require larger disposal systems. For those manufacturers who are located in Easton, the lack of sewer further impacts their ability to finance improvements because it limits the value of the property and reduces the total amount they may borrow. The absence of public transportation infrastructure, beyond a Brockton Area Transit bus to and from the Industrial Park, presents another infrastructure challenge. An increase in transit service would provide access to broader workforce for local business, provide different commuting options for residents and increases market access to retail and commercial establishments.

### *Land and Leasing Costs*

The DCURP study examined Easton's relative advantage and disadvantages related to neighboring communities. From a cost perspective, the Town is at a disadvantage as retail space rents are \$5-\$11 higher per square foot in both North Easton Village and in the strips along Routes 6, 124, and 138 than they are in neighboring communities.<sup>10</sup> General office rents are also higher than they are in neighboring for Class A, B, and C office space. Coupled with higher land costs, these rental rates can be more of a financial burden to local companies.

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<sup>10</sup> Northeastern University Dukakis Center for Urban and Regional Policy, Economic Development Self-Assessment Tool (EDSAT): Results for the Town of Easton Massachusetts (February, 2014); 19.

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*Goals, Objectives and Actions for Economic Development*

	Lead Agency	Time Horizon (1-2 years; 2-5 years; 5-10 years)
Goal ED-1: Establish consensus on geographic areas that are of top priority to support economic development activities.		
Objective 1.1 Identify geographic areas that are appropriate for development and types of businesses that are most desirable in Easton.		
Action 1: Create consensus on a definition for “appropriate” regarding what types of physical development and businesses are complementary to the character, labor pool, and existing businesses in Easton.	Planning and Community Development, Planning Board, Board of Health	2-5 years
Action 2: Assess if commercial and industrial zones are adequately sized and appropriately located relative to the location of critical infrastructure, available transportation routes, and environmentally or ecologically sensitive land.	Planning and Community Development, Planning Board, Board of Health	2-5 years
Action 3: Conduct market study to identify growth industries with spatial and labor pool needs that can be accommodated by Easton.	Planning and Community Development, Economic Development Council	1-2 years
Objective 1.2 Increase sewer capacity where it can have positive impact on economic development.		
Action 1: Prioritize infill development and redevelopment activities in sewerred areas.	Board of Selectmen, Town Administrator, Planning/Zoning Board, Board of Health	Ongoing
Action 2: Provide education on the positive impact sewerage can have on economic development.	Town Administrator, Planning and Community Development	2-5 years
Action 3: Continue to identify strategic sites that are adjacent to or nearby existing sewer lines in neighboring towns where additional capacity may be purchased and expanded.	Planning and Community Development, Town Administrator, Board of Health	5-10 years
Objective 1.3 Maintain and build upon existing commercial/industrial areas.		
Action 1: Establish criteria to identify and prioritize underutilized	Planning and Community	2-5 years

	or vacant property for development or redevelopment.	Development, Conservation Commission, Historic Commission, Water Department	
Action 2:	Identify and contact owners of underutilized properties to explore potential partnerships and redevelopment opportunities.	Planning and Community Development	Ongoing
Action 3:	Create an easily maintained and publicly viewable database of underutilized and available properties.	Town Administrator, Planning and Community Development, Economic Development Council	2-5 years
Action 4:	Assess and leverage the potential of the South Coast Rail on Easton's economic development.	Planning and Community Development	5-10 years
<b>Goal ED-2:</b>	<b>Facilitate new development and support existing businesses.</b>		
Objective 2.1	Review zoning bylaws and update to encourage appropriate commercial and industrial development.		
Action 1:	Perform a zoning diagnostic. Work with existing businesses and landlords to identify zoning regulations that unnecessarily hinder expansion or new development, create excessive process, or preclude uses or building styles that could be desirable.	Planning and Community Development, Planning/Zoning Board, Inspectional Services	1-2 years to perform diagnostic; 2-5 years to implement revisions
Action 2:	Consider adoption of design guidelines and design review for commercial and industrial properties to ensure attractive buildings, functional site design, and adequate screening and landscaping.	Planning and Community Development, Planning/Zoning Board	2-5 years
Action 3:	Create and adopt zoning with flexible use or dimensional standards to encourage infill development in existing commercial areas and redevelopment of underutilized parcels.	Planning and Community Development, Planning/Zoning Board	2-5 years
Action 4:	Incentivize optimal site design, energy efficiency, and include the provision of bicycle and pedestrian infrastructure.	Planning and Community Development, Green Communities	2-5 years
Action 5:	Streamline regulatory processes and improve communication among boards when permits from multiple boards are required.	Planning and Community Development, Town Administrator, Inspectional	1-2 years

		Services, Board of Health, Fire Department	
Objective 2.2	Identify opportunities to facilitate and coordinate business development.		
Action 1:	Identify existing organizations that provide services to businesses in Easton (e.g. microloans, business planning, workshops, marketing assistance).	Easton Chamber of Commerce, Metro South Chamber of Commerce	1-2 years
Action 2:	Support efforts to develop a business outreach program for local business owners to meet and identify opportunities to partner together for services, local events, cross-promotion, and for other marketing opportunities (e.g. a website highlighting local businesses and news, email blasts, workshops).	Easton Chamber of Commerce, Metro South Chamber of Commerce	Ongoing
Action 3:	Engage commercial/industrial property owners and prospective business owners to identify challenges to development or redevelopment and leasing space.	Economic Development Council	1-2 years
Action 4:	Disseminate current information on funding sources and other support mechanisms for businesses.	Easton Chamber of Commerce, Metro South Chamber of Commerce	Ongoing
Action 5:	Leverage expedited permitting (e.g. 43D) to increase eligibility for predevelopment funds and other grant opportunities.	Planning and Community Development	Ongoing
Action 6:	In cooperation with the Chamber of Commerce, create a marketing strategy for Easton businesses.	Chamber of Commerce, Economic Development Council	5-10 years
Action 7:	Identify ways to capitalize on the presence of Stonehill College, Bridgewater State College, Massasoit Community College and Wheaton College to facilitate further economic development opportunities through education, spillover effects (from student population), and events.	Economic Development Council	2-5 years; then ongoing
Objective 2.3	Establish local leadership for economic development.		
Action 1:	Create a board, committee, or commission in local government that is responsible for economic development issues and activities and provide staff support.	Board of Selectmen	1-2 years
Action 2:	Consider forming an association (Business Improvement District, Merchant's Association, etc.) in North Easton	Economic Development Council, Board of Selectmen	5-10 years

	Village to address district specific issues such as parking, visual identity, ambience, marketing, and promotion.		
Objective 2.4	Support local businesses and services.		
Action 1:	Create and promote an “Easton First” or other like program to provide education and encourage residents to shop locally.	Economic Development Council	5-10 years
Action 2:	Adopt a municipal procurement policy that, when possible, encourages using local businesses for goods and services.	Town Administrator	2-5 years
Action 3:	Monitor and publicize education opportunities and workshops for small business owners offered through public or private sources within the parameters of state law.	Easton Chamber of Commerce	ongoing
Goal ED-3:	<b>Continue to make Easton a desirable place to work and do business.</b>		
Objective 3.1	Improve the flow of information between town government and businesses.		
Action 1:	Create “one-stop” shop for businesses to receive accurate information regarding required permits, forms, and a clear presentation of zoning requirements.	Planning and Community Development	1-2 years
Action 2:	Create tailored brochures for new businesses of different varieties (restaurants, personal services, professional office, etc.) highlighting critical regulatory information.	Economic Development Council	2-5 years
Action 3:	Provide municipal staff and board members with training in economic development issues (Massachusetts Economic Development Council workshops, conferences, lectures at Stonehill College, etc.).	Town Administrator	Ongoing
Objective 3.2	Support development of housing opportunities to attract a diverse workforce.		
Action 1:	Monitor housing values, housing types, and changes in household formations to identify workforce demographic groups who may not be adequately served.	Planning and Community Development, Affordable Housing Trust	Ongoing
Action 2:	Ensure housing strategies address needs for workforce housing.	Planning and community Development, Affordable Housing Trust, Board of Selectmen	Ongoing