



Northeastern University
Dukakis Center For Urban and Regional Policy

Plymouth, Massachusetts: A Look at Economic Development

Barry Bluestone • 2016

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

First, a look at the Massachusetts economy:

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

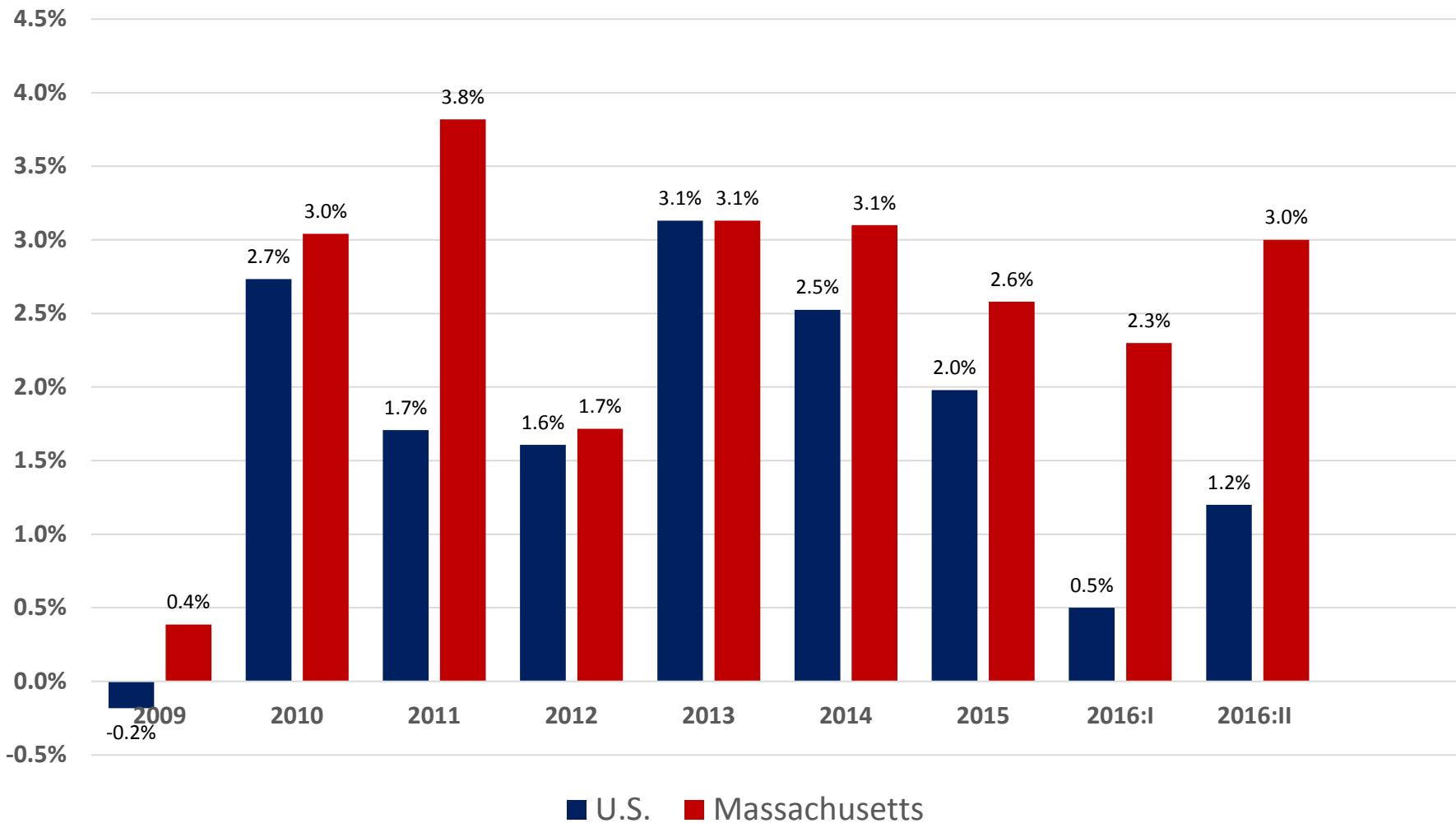
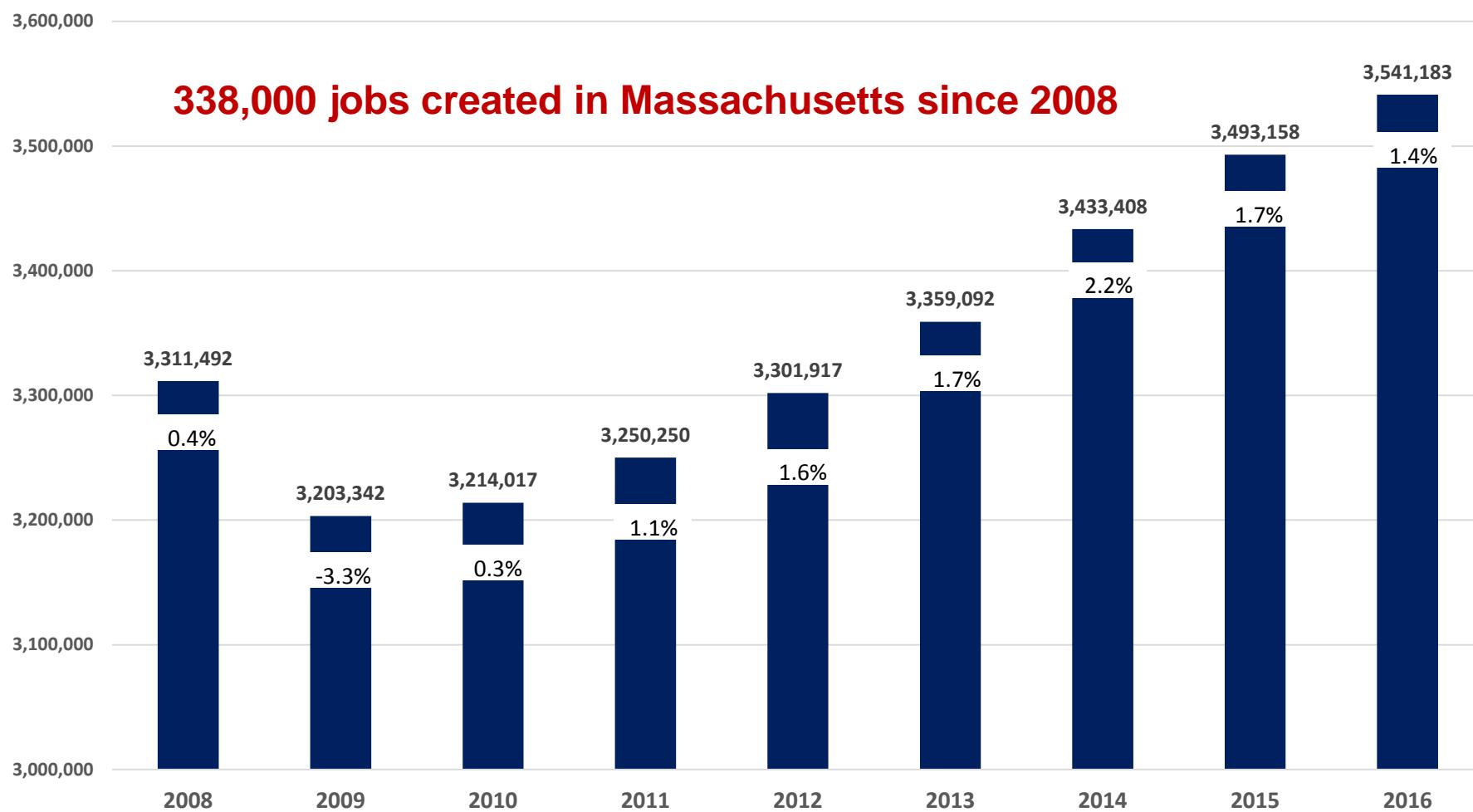
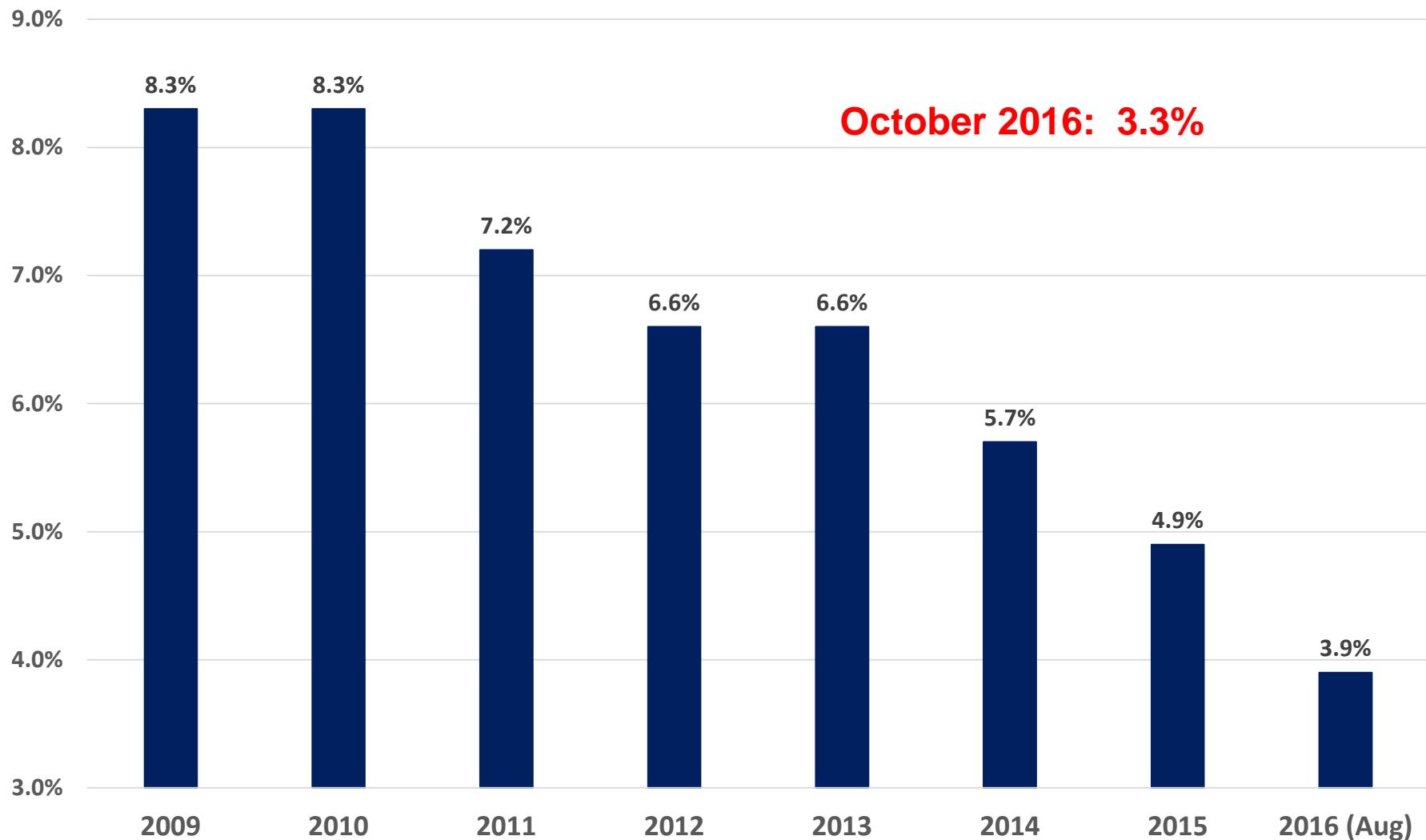


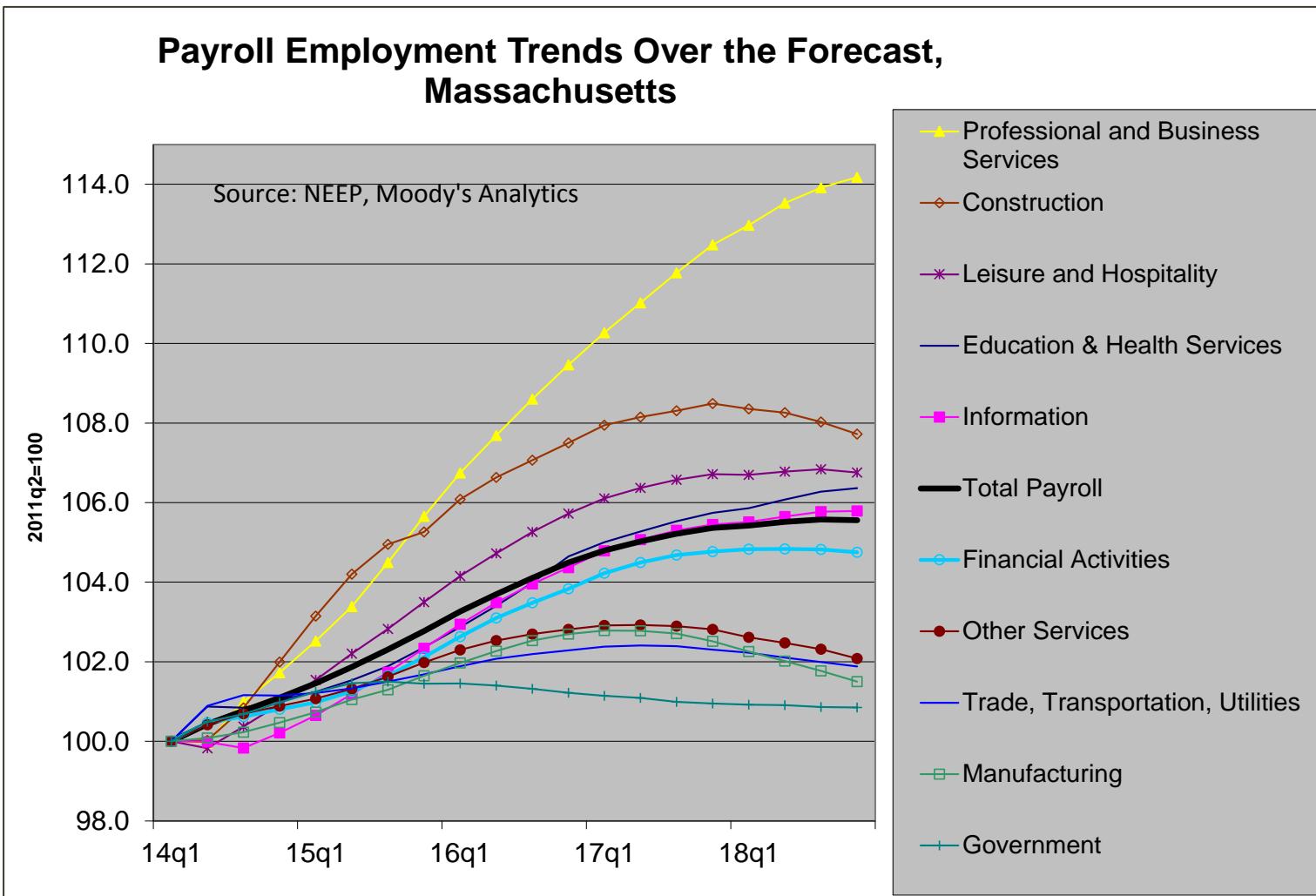
Figure 1.2 Total Non-Farm Employment
Seasonally-Adjusted
Massachusetts 2008-2016 (June)
(% = Annual Growth Rate)



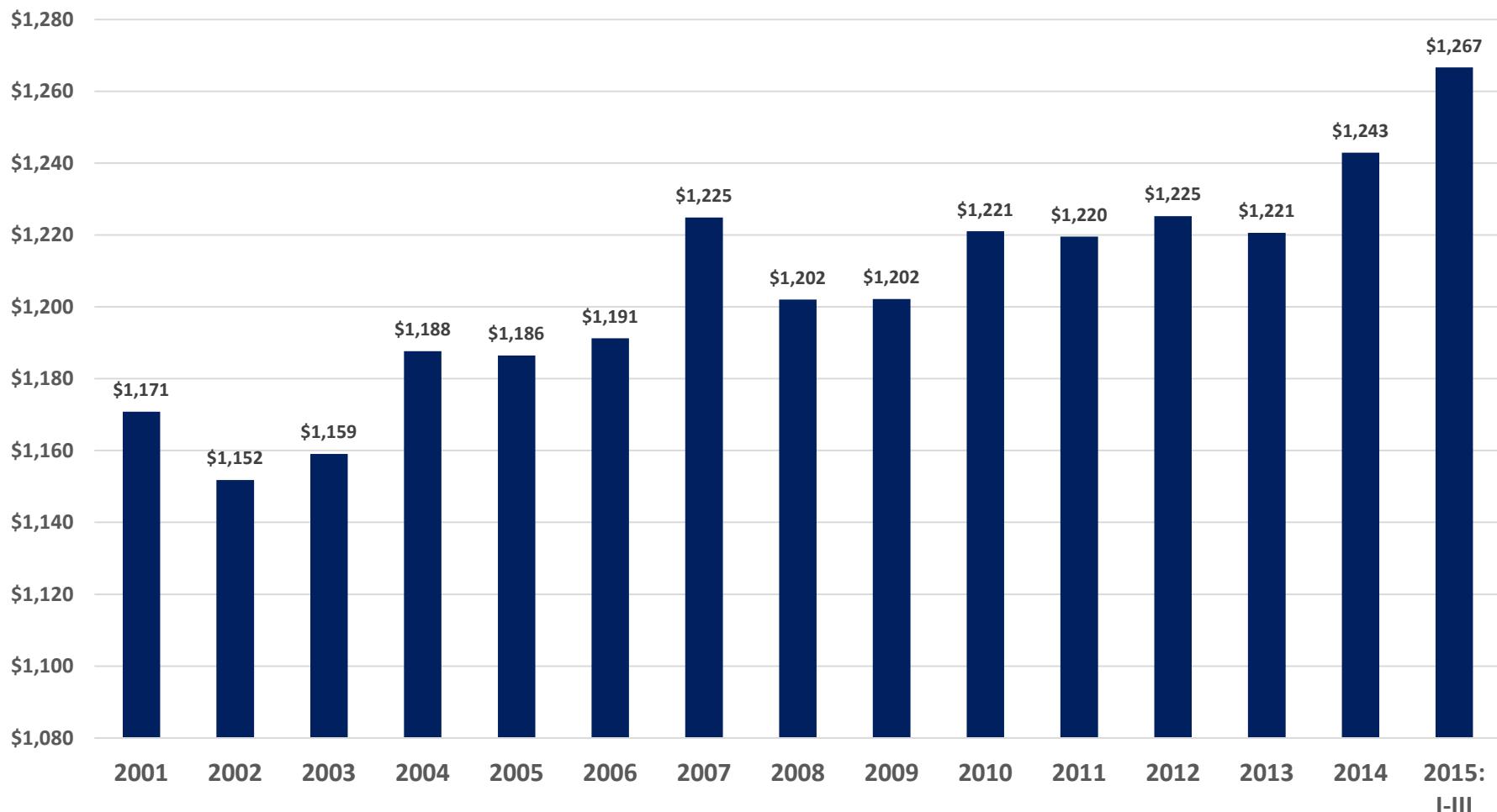
Massachusetts Civilian Unemployment Rate 2009 - 2016 (August)



Projected Employment by Sector: 2014-2018



Real Average Weekly Wage - Private Industry
Massachusetts
2001-2015 Q3
(Real 2015 \$)



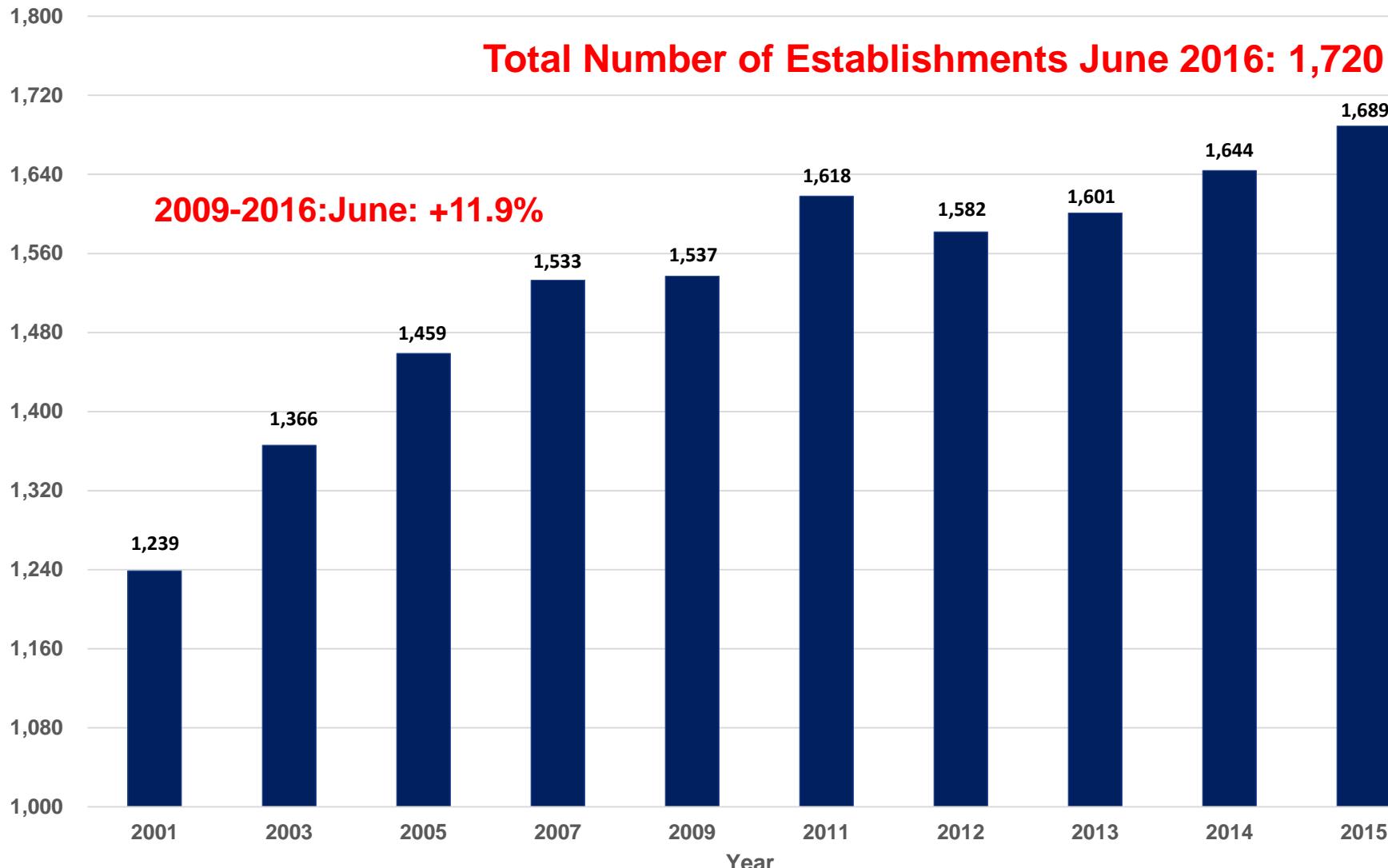
Town of Plymouth: Employment

Town of Plymouth
Number Of Private Industry Establishments
2001-2015

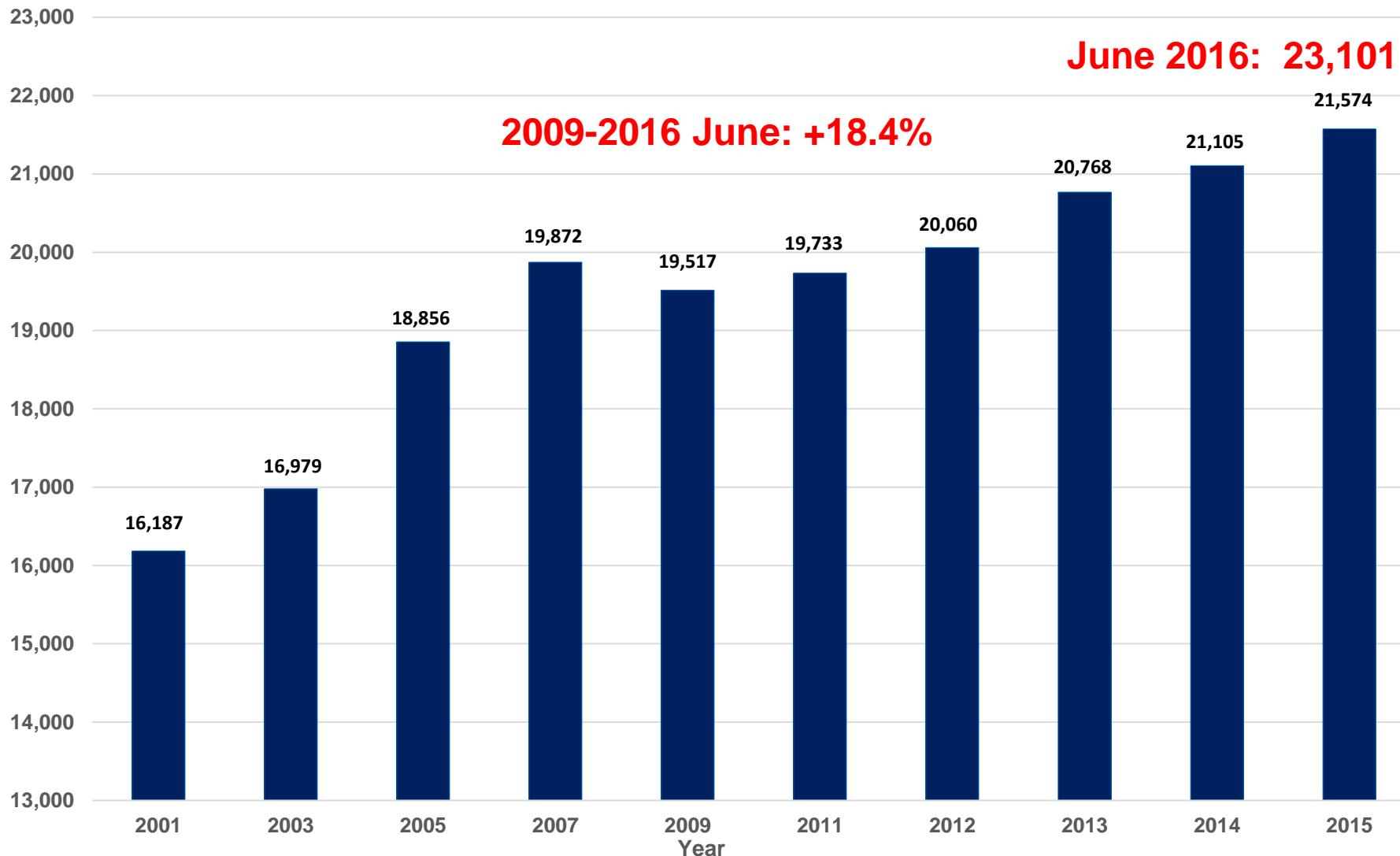
Total Number of Establishments June 2016: 1,720

2009-2016:June: +11.9%

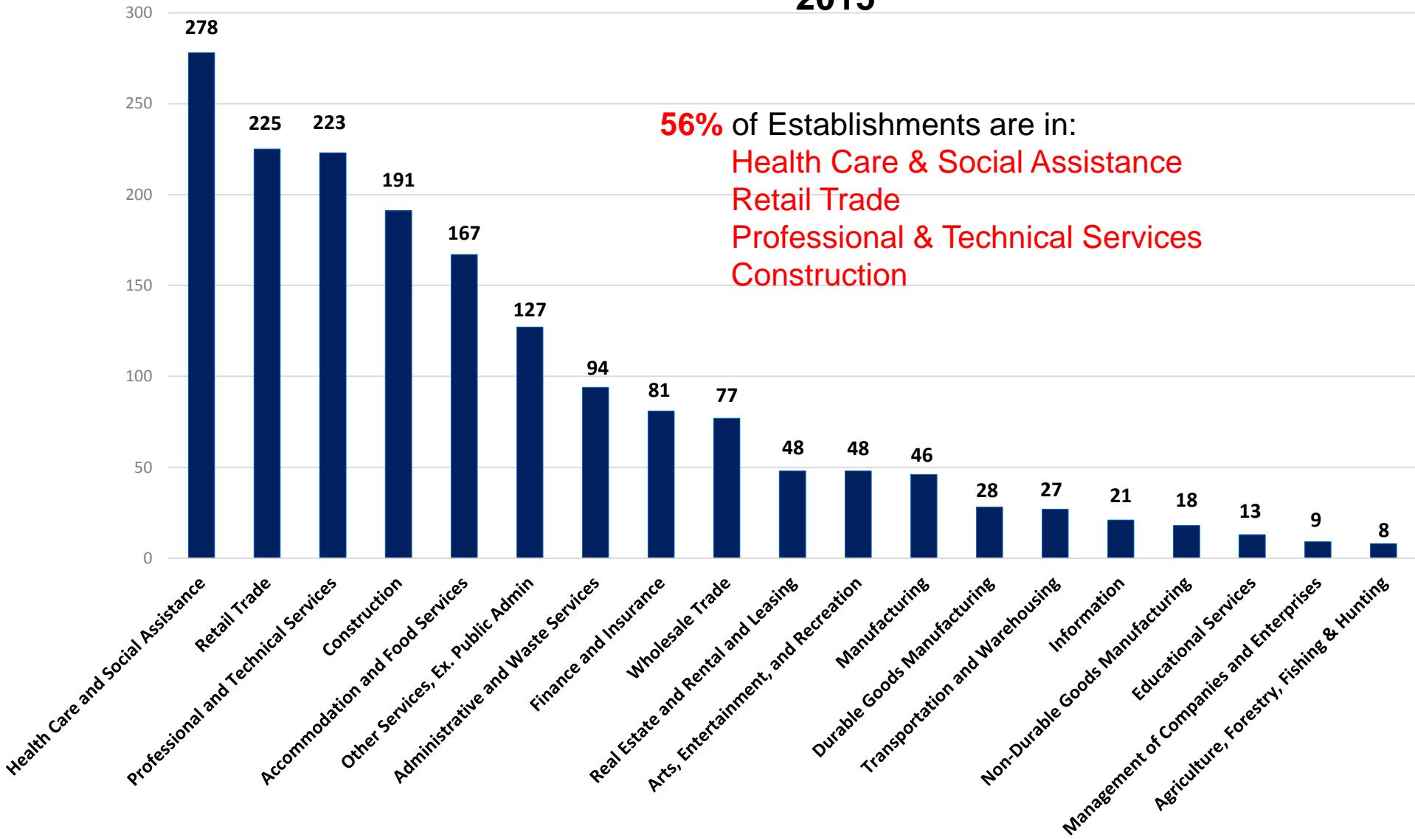
Number of Establishments



Town of Plymouth
Average Monthly Employment (Private Industry)
2001-2015



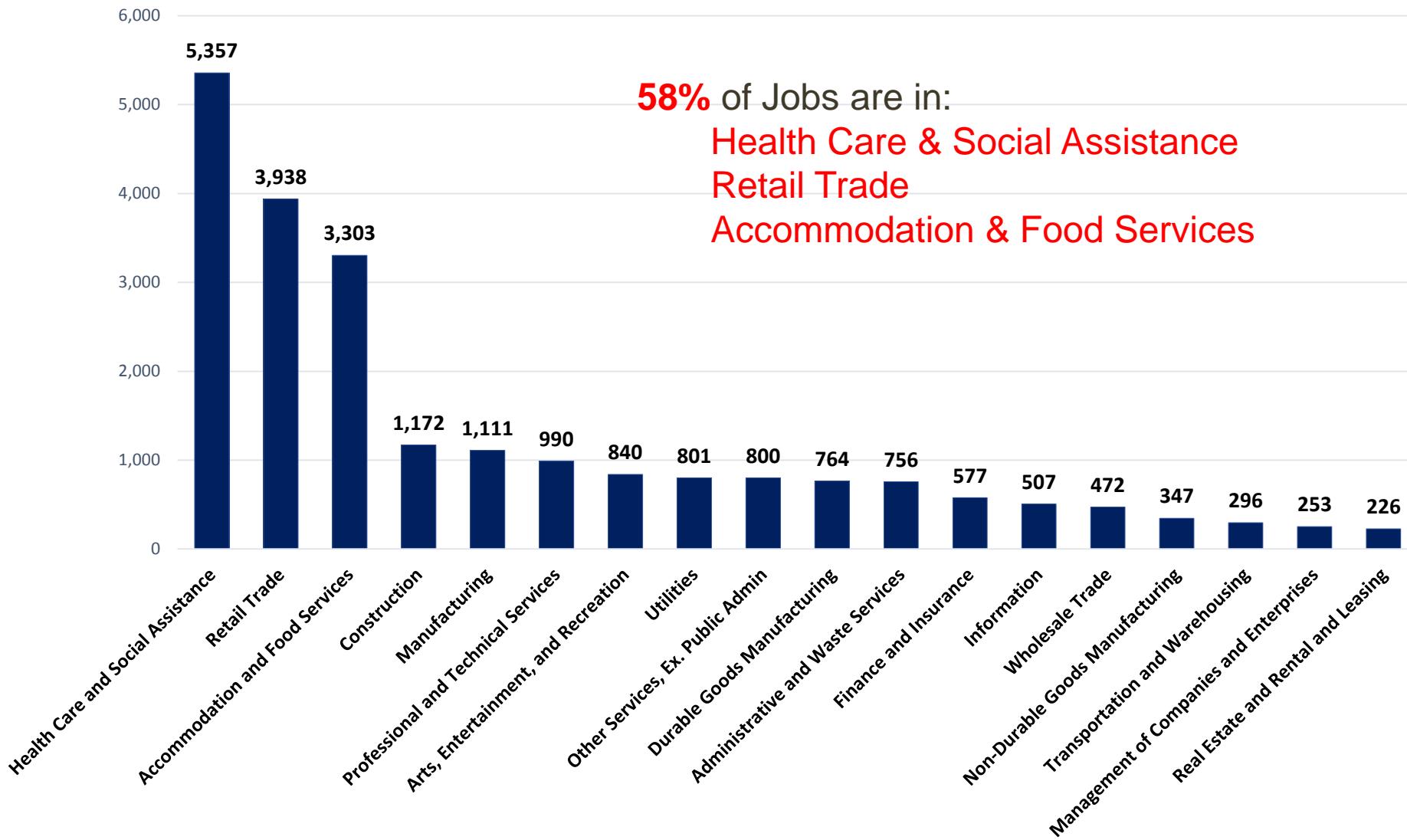
Town of Plymouth Leading Industries by Number of Establishments 2015



Town of Plymouth

Average Monthly Employment by Leading Industries

2015



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



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Economic Development Overview

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



Local Communities on their Own...

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



States in Crisis

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



Local Economic Development

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



Be the CEO for Economic Development

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



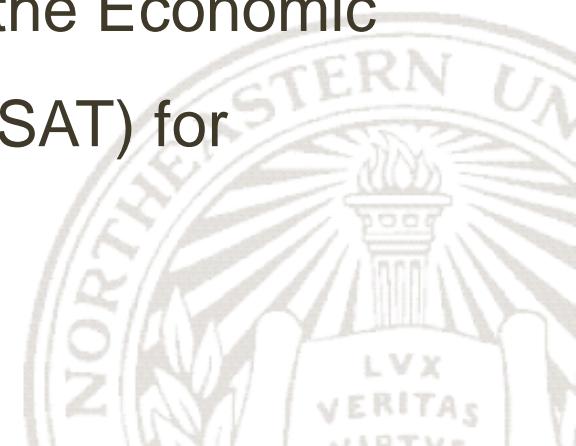
Fundamental Proposition

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



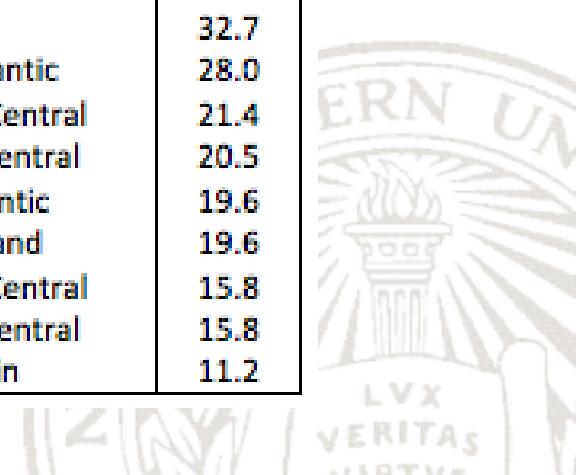
Development of EDSAT

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



NAIOP/CoreNET Sample

Project Type Selected	NAIOP	%	CoreNet	%
	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	%	CoreNet	%
	Pacific	18.9	International	38.3
	Middle Atlantic	18.9	Pacific	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



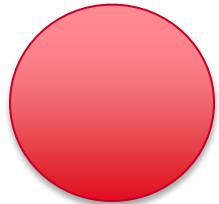
The Self-Assessment Tool (EDSAT)

The self-assessment tool consists of ten sections:

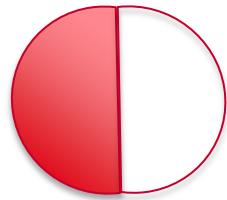
1. Access to Customers / Markets
2. Concentration of Businesses & Services (Agglomeration)
3. Cost of Land (Implicit / Explicit)
4. Labor
5. Municipal Process
6. Quality of Life (Community)
7. Quality of Life (Site Amenities)
8. Business Incentives
9. Tax Rates
10. Access to Information



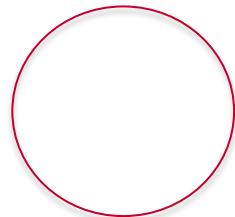
NAIOP/CoreNet Global Ranking of Critical Location Factors



Very Important Factor



Important Factor



Less Important Factor



Key EDSAT Results for Plymouth

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

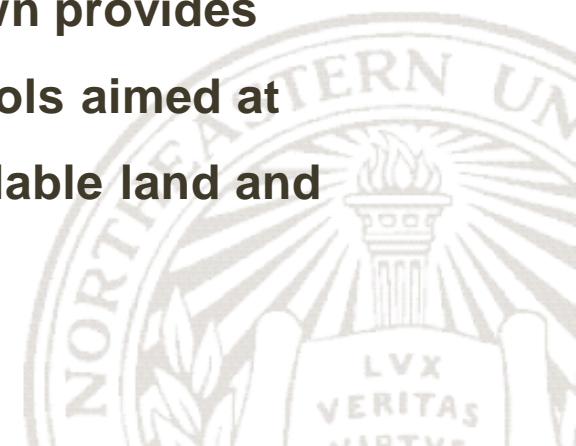
Plymouth's Strengths and “Deal-Makers”

Strengths Among *Very Important* Location Factors:

TRAFFIC: Plymouth's rush hour speed is faster than the municipalities in the comparison group.

WORKFORCE COMPOSITION: Plymouth's workforce is composed of a relatively large proportion of technically skilled workers.

Website: Unlike municipalities in the CGM, your town provides economic development policies, procedures and tools aimed at businesses and developers, as well as a list of available land and building sites.



Plymouth's Strengths Among *Important* Location Factors

PHYSICAL ATTRACTIVENESS: your town's effort to maintain parks, creatively design open spaces and retain a low percentage of vacant industrial spaces has strengthened your municipality's overall attractiveness.

COMPLEMENTARY/SUPPLEMENTARY BUSINESS SERVICES:

Plymouth slightly outperforms municipalities in the CGM thanks to your vigorous involvement in economic development activities.

CROSS MARKETING: Plymouth has a strong marketing strategy thanks your active participation in development activities to attract new firms.



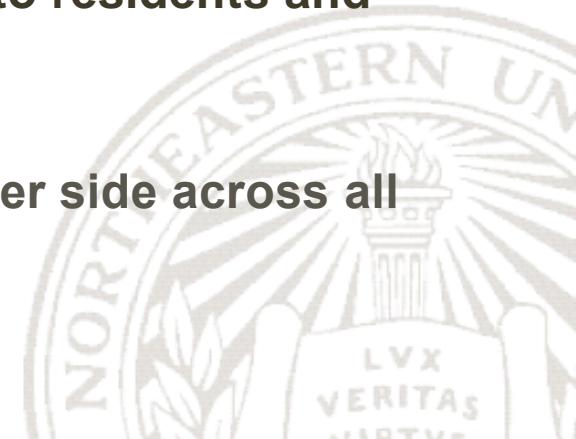
Plymouth's Strengths Among *Important* Location Factors (cont'd)

LAND: Plymouth has retained a large portion of developable land zoned for commercial/industrial use and large-scale commercial development sites.

SITES AVAILABLE: Your municipality regularly maintains an up-to-date list of available sites that are ready for development.

CULTURAL AND RECREATIONAL AMENITIES: Plymouth offers a diverse array of cultural and recreational activities to residents and visitors alike.

CRIME RATES: your town's crime rate is on the lower side across all categories.

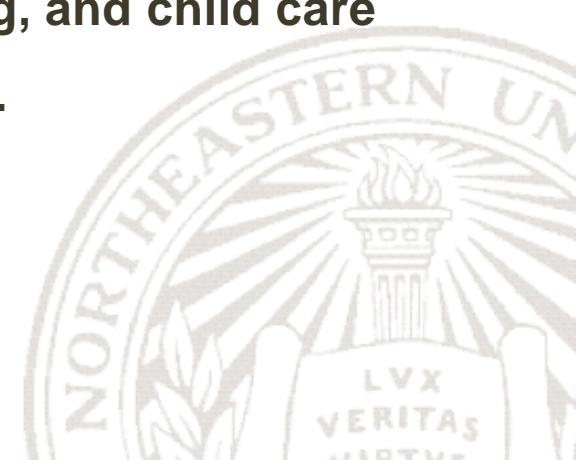


Plymouth's Strengths Among *Important* Location Factors (cont'd)

HOUSING: your town's homeownership rate is higher than those in the CGM and your median apartment rental and home sale prices Plymouth are similar.

LOCAL SCHOOLS: ninety-five percent of your town's high school student population graduate within five years and 75 percent and above of those graduates went to a four-year college.

SITES AMENITIES: fast food restaurants, fine dining, and child care services are available within one mile of most sites.



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

LOCAL BUSINESS INCENTIVES: Plymouth utilizes several tools including assisting local businesses with commercial lenders and state industrial finance agencies plus granting TIFs for retail development to attract new businesses.

LOCAL TAX RATES: Compared to municipalities in the CGM, Plymouth collects hotel room and meal taxes in addition to having a unitary tax policy.



Plymouth's Strengths Among *Less Important* Location Factors

RAIL: Plymouth is directly accessible to Boston via commuter rail.

PROXIMITY TO UNIVERSITIES & RESEARCH: Your town is home to two private four- year colleges and two community colleges, slightly more than communities in the CGM.

WORKFORCE TRAINING: Similar to jurisdictions in the CGM, Plymouth offers a wide variety of training resources.

WATER TRANSPORTATION: your town's strategy to expand fishing, ferry, and public transit services by the year 2020 will strengthen your infrastructure capacities.



Weaknesses and “Deal-Breakers”:

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

TIMELINESS OF APPROVALS: Your jurisdiction's overall review processes are far slower than those in the CGM.

PARKING: Your current parking facilities are insufficient to meet the demand for businesses and visitors during peak tourist seasons. In addition, your hourly rates are higher than those in the CGM.

INFRASTRUCTURE: Your infrastructure poses limitations in terms of meeting the demand for water, water treatment, and public sewer during the summer months and limited expansion potential.

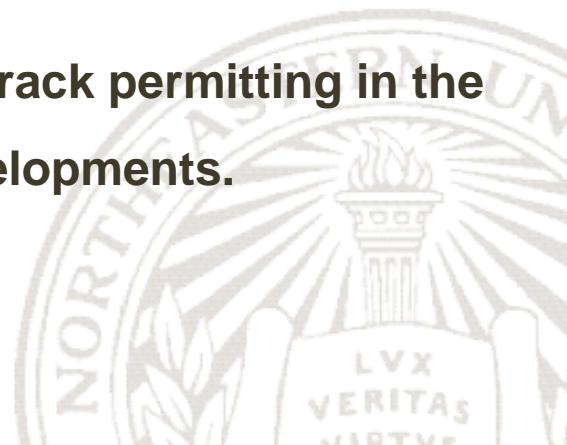
RENTS: Commercial rents are relatively high across all types of properties in both the central and highway business districts.

Plymouth's Weaknesses Among *Important Location Factors*:

PREDICTABLE PERMITS: Plymouth does not provide a flowchart of the permitting process or a development handbook, nor does it allow for a single presentation of development proposals to all review boards and commissions.

INDUSTRY SENSITIVITY: Plymouth does not have a strategic marketing program based on its existing core strengths and dedicated to identify opportunities, or industry concentrations.

FAST-TRACK PERMIT: Plymouth does not offer fast-track permitting in the form of an overlay district nor pre-permitting for developments.

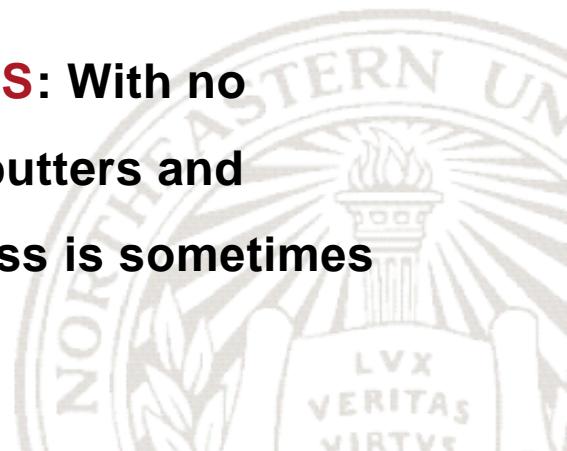


Plymouth's Weaknesses Among *Important Location Factors*:

LABOR COSTS: The prevailing hourly wage rates for semi-skilled, blue-collar manufacturing workers, and mid-clerical workers are above those of the CGM.

MARKETING FOLLOW-UP: Although Plymouth has an active marketing strategy, it does not collect information about local firms' level of satisfaction or why firms leave or choose another location to open shop.

CITIZENS PARTICIPATION IN THE REVIEW PROCESS: With no established specific procedure for responding to abutters and neighborhood groups, Plymouth's permitting process is sometimes slowed.



Plymouth's Weaknesses Among *Important Location Factors*:

PUBLIC TRANSIT: In comparison to the jurisdictions in the CGM, Plymouth offers less public transportation services especially to meet the demand from college students or providing accessibility within a quarter mile of retail trade, general offices, and manufacturing sites.

CRITICAL MASS FIRMS: Plymouth does not have at present an aggressive industrial attraction policy.



Plymouth's Weaknesses Among *Important Location Factors*:

TAX DELINQUENCY: Plymouth does not have a defined process for conducting auctions of tax delinquent property.

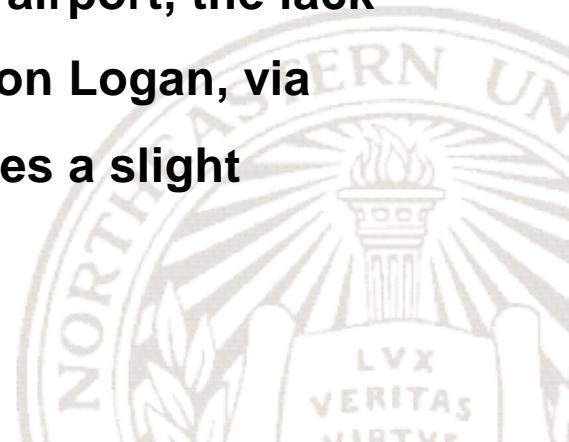


Plymouth's Weaknesses Among *Less Important Location Factors*:

PERMITTING OMBUDSMAN: Plymouth does not have a dedicated local or executive officer empowered to ensure the efficiency of your local permitting processes.

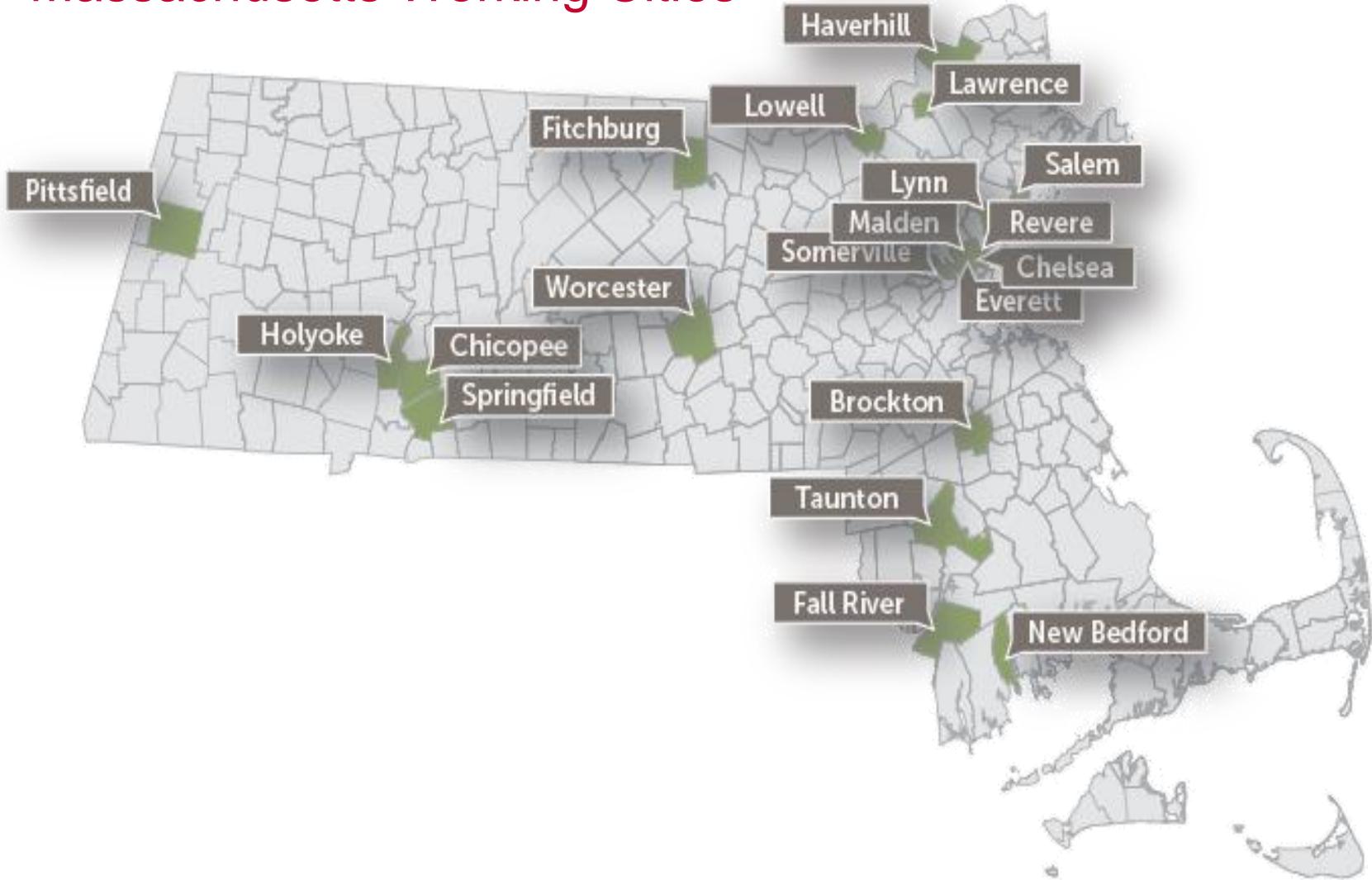
UNIONS: Unions in your municipality appear to exercise some influence due to their significant presence in the local market and their past involvement in major strikes.

Airports: Although Plymouth has its own municipal airport, the lack of direct accessibility to closest major airport, Boston Logan, via commuter rail or other modes of transportation poses a slight inconvenience.



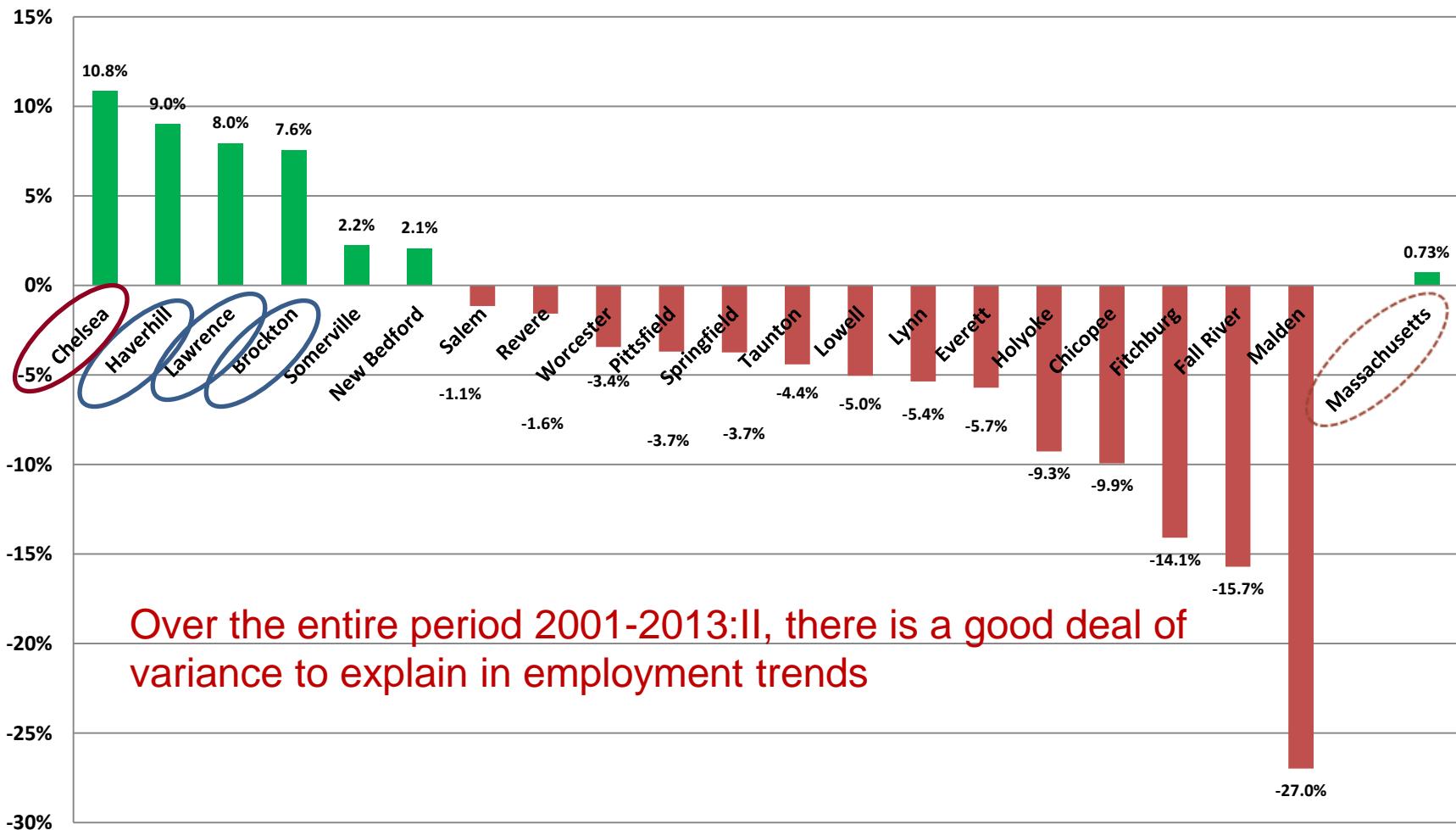
But What Really Matters?

Massachusetts Working Cities



Employment Trends, 2001 - 2013

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



Over the entire period 2001-2013:II, there is a good deal of variance to explain in employment trends

EDSAT Correlation Analysis

What factors are most highly correlated with employment growth?

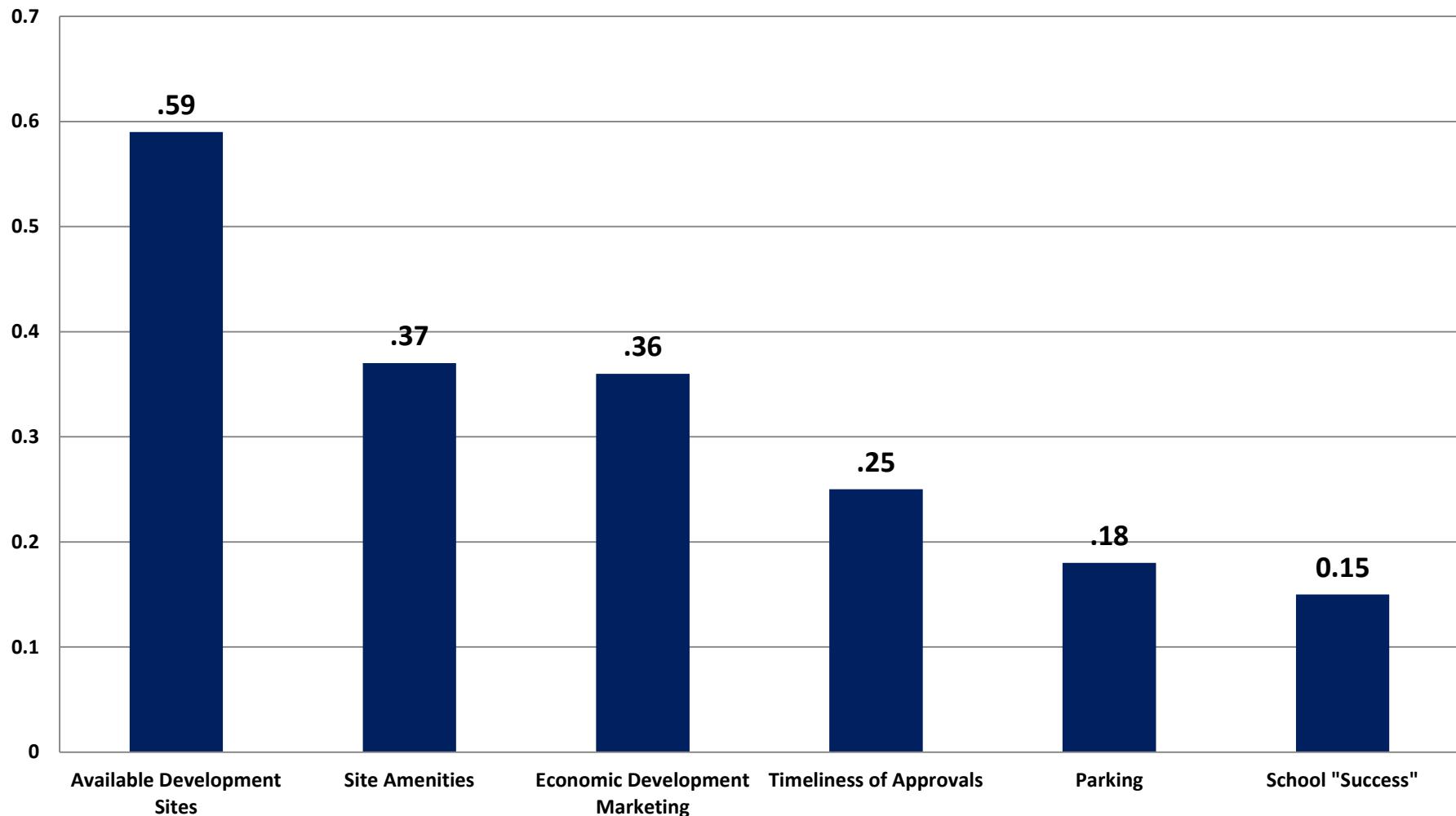
EDSAT Measures – 26 in All

- | | |
|--|--|
| Highway Access | Labor Cost |
| Parking Availability | Formal Economic Development Strategy |
| Traffic Congestion | Available Development Sites |
| Infrastructure Limitations | Predictable Permitting |
| Commercial/Industrial Rents | Fast Track Permitting |
| Labor Force Skills | Citizen Participation in Development Process |
| Timeliness of Approvals | Cultural and Recreational Amenities |
| Public Transit Availability | Crime Rates |
| Physical Attractiveness of Municipality | Housing Cost |
| Complementary Business Services | School Success Measures |
| Critical Mass of Firms – Local Supply Chain Firms | Amenities near Available Development Sites |
| Cross Marketing by Municipality and Business Community | Local Tax Rate Environment |
| Marketing Follow-up with Locating/Relocating Firms | |
| Quality of Available Development Parcels | |

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)

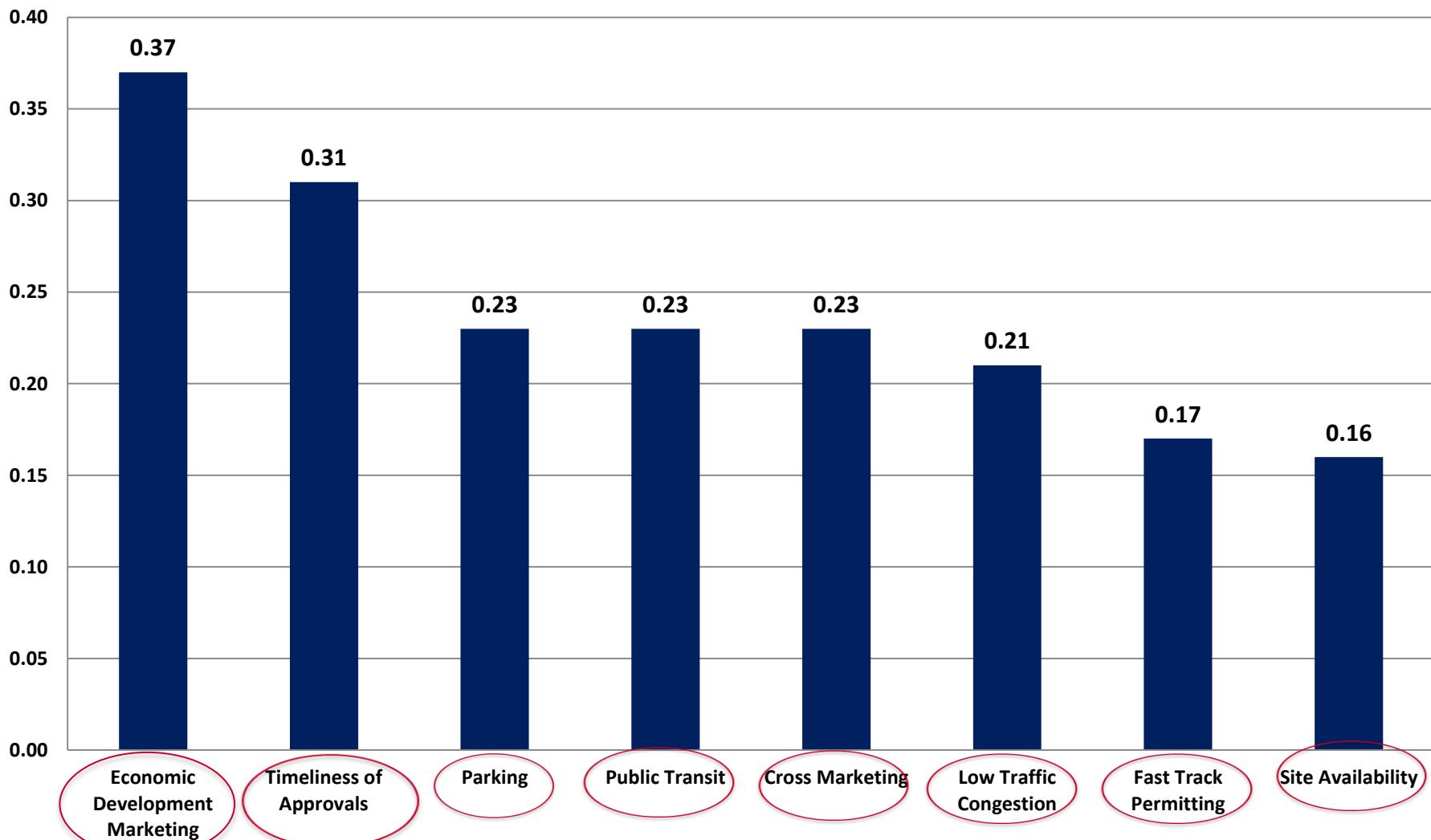
Commercial/Industrial Rents (-.08)

Cultural & Recreational Amenities (-.12)

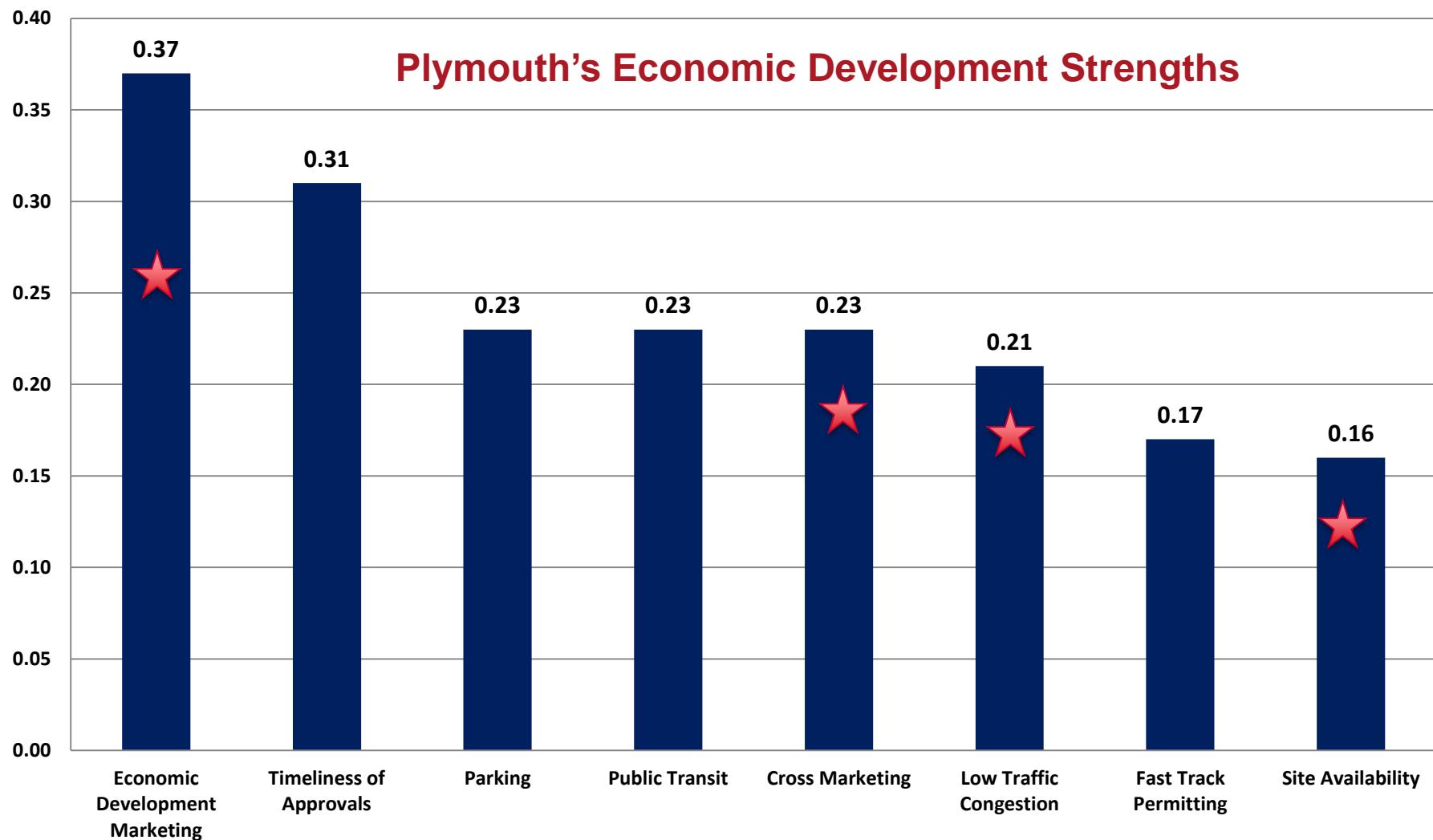
Low Local Tax Rates (-.27)

Physical Attractiveness of City (-.35)

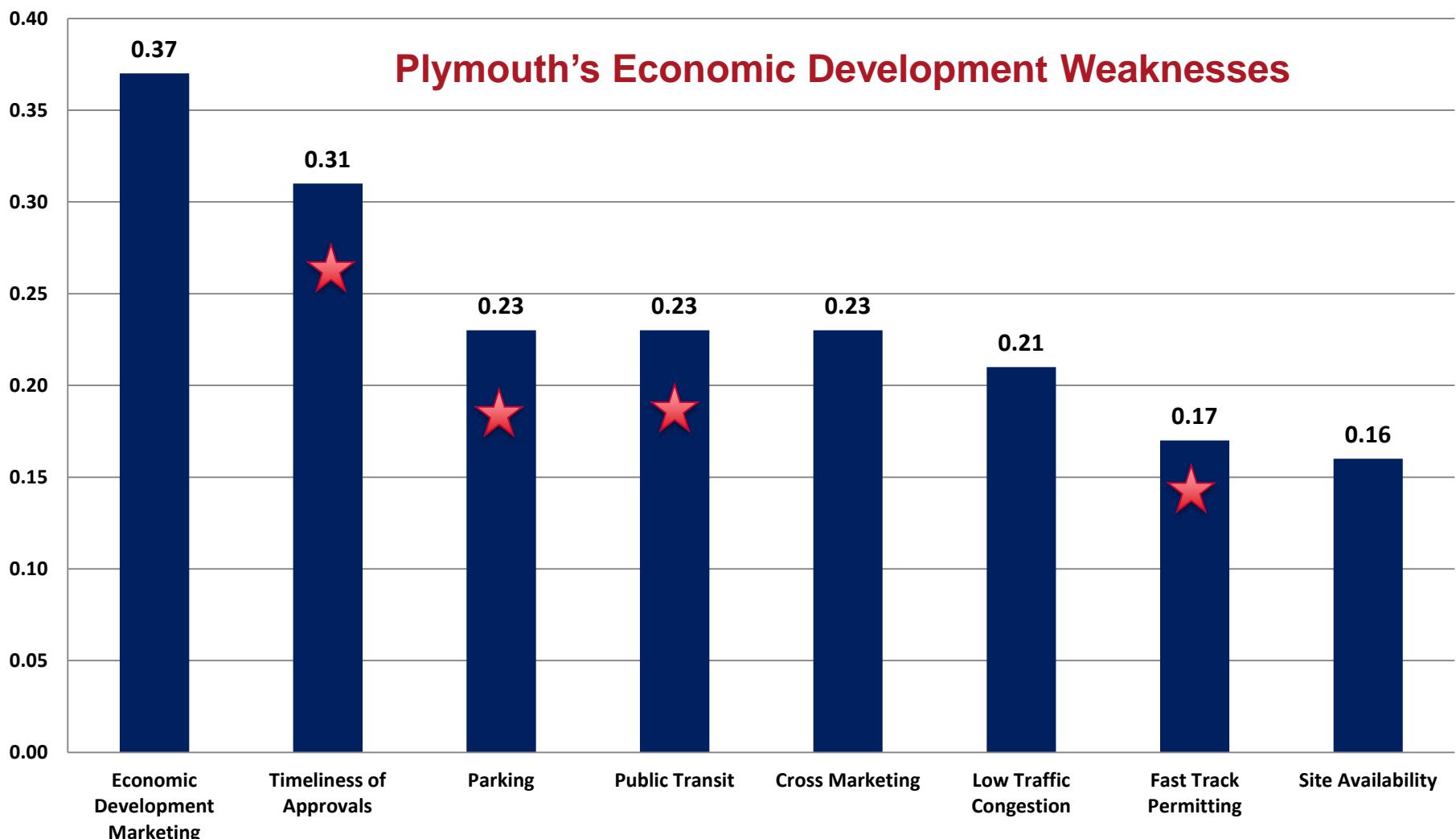
50 Massachusetts Municipalities - Factors Most Highly Correlated with Increase in Establishments 2001-2011



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

- **Plymouth has many good things going for it and has had good success at attracting firms and building its employment base. It has been aided in this success by having:**
 - Well-designed website with a wide range of information
 - Strong economic development and marketing strategies
 - Overall strong physical attractiveness with low crime rates
 - Good workforce composition and an educated workforce
- **But you could be better positioned to attract even more business investment and jobs by:**
 - Appoint a local or executive officer to manage the permitting process as well as the parties involved
 - Improve Plymouth's infrastructure to meet the demands for parking, water, and sewer
 - Develop a marketing follow-up strategy to better market the town's strengths
 - Provide additional public transit services for local residents





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Thank you!

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