



WATERTOWN ECONOMIC DEVELOPMENT  
**Future Economic Scenarios**

September 2010



Mt. Auburn Associates x Madden Planning Group x Gamble Associates

# Growing Watertown's Economy

## Why it Matters

1. Expands and diversifies tax base, reducing tax burden on residential property owners
2. Increases close-by job opportunities
3. Increases revenues for local shops and restaurants
4. Catalyzes shared amenities: transit service, open space, street improvements
5. Promotes reuse and reinvestment in vacant properties



# Project Goals

1. Engage community in shaping its economic future
2. Identify industries that are well-matched to Watertown and provide the greatest economic benefits
3. Identify best locations to target for business development
4. Identify state resources to support local activities
5. Guide Town priorities and policies, (land use, development, public improvements, etc.)



# Economic Development Principles

1. **CAPITALIZE** on strengths in key industry clusters
2. **STRENGTHEN** the identity of the town and build on existing assets
3. **PROMOTE** redevelopment and investment around underutilized sites
4. **ACHIEVE** areas of critical mass to spin off other activities
5. **LINK** jobs and alternative transportation



Watertown in the Regional Context (*MAPC Zones*)

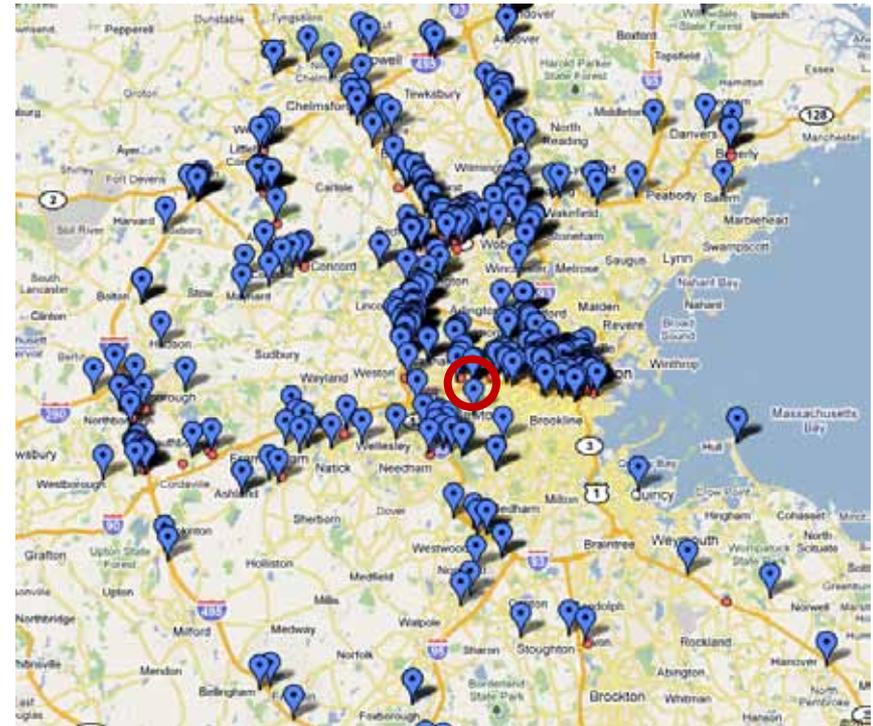


1. **CAPITALIZE** on strengths in key industry clusters

# Target Markets

## Targeting Criteria

1. Existing employment strength
2. Growth opportunity
3. Fit of facility needs
4. Fit of employment needs



*Venture Capital Investments*

# Target Markets: Economic Clusters

## Life Sciences

- R & D
- Pharmaceutical/medicine manufacturing
- Medical equipment/supplies manufacturing



## Professional & Technical Services

- Architecture
- Engineering
- Computer systems design and services



## Information

- Software publishing
- Telecommunications
- Film & video production



# Target Markets: Reasons for Targeting

## Life Sciences

1. Robust recent growth in Watertown
  - § Pharmaceutical research and medical equipment/supplies manufacturing
2. Growing demand in regional market
  - § Cambridge, Mass Pike/Route 128
3. Low-cost alternative to Cambridge
4. Scale of land and property in Watertown
  - § Well-positioned for many firms with <50 employees and a few larger ones

### Scientific R&D

Watertown Employment 2008	929
Employment Growth 2001-08	<b>122%</b>
Location Quotient Relative to 4 Surrounding Communities	0.6



*Exergen Corporation, Pleasant Street*

# Target Markets: Reasons for Targeting

## Professional/Technical

1. High employment concentration relative to surrounding communities
2. Potential for spin-offs from large established Watertown firms
3. Scale of land and property in Watertown
  - § Capacity for firms with <50 employees, typical for this industry
4. Historic building stock
  - § Lower cost attractive for this industry

## Architecture & Engineering Services

Watertown Employment 2008	899
Employment Growth 2001-08	44%
Location Quotient Relative to 4 Surrounding Communities	<b>2.0</b>



*Imai Keller Architects, Phillips Street*

# Target Markets: Reasons for Targeting

## Information

1. Large scale, high concentration and strong growth
2. Success of Arsenal on the Charles location
3. Demand strengthening in Cambridge and 128/Mass Pike
4. Growth Film & video production
5. Scale of land and property in Watertown matches industry needs
6. Key segments: software, telecom, film & video

## Information

Watertown Employment 2008	<b>1,874</b>
Employment Growth 2001-8	51%
Location Quotient Relative to 4 Surrounding Communities	<b>2.3</b>



# Target Markets: Site Requirements

## Cross-cutting

- 20,000 sf or less
- Multi-tenant

## Variations

- Building stock
- Lease rates
- Amenities
- Parking



*Cadmus Group, Water Street*



*RMD Instruments, Hunt Street*

# Target Markets: Employment Opportunities

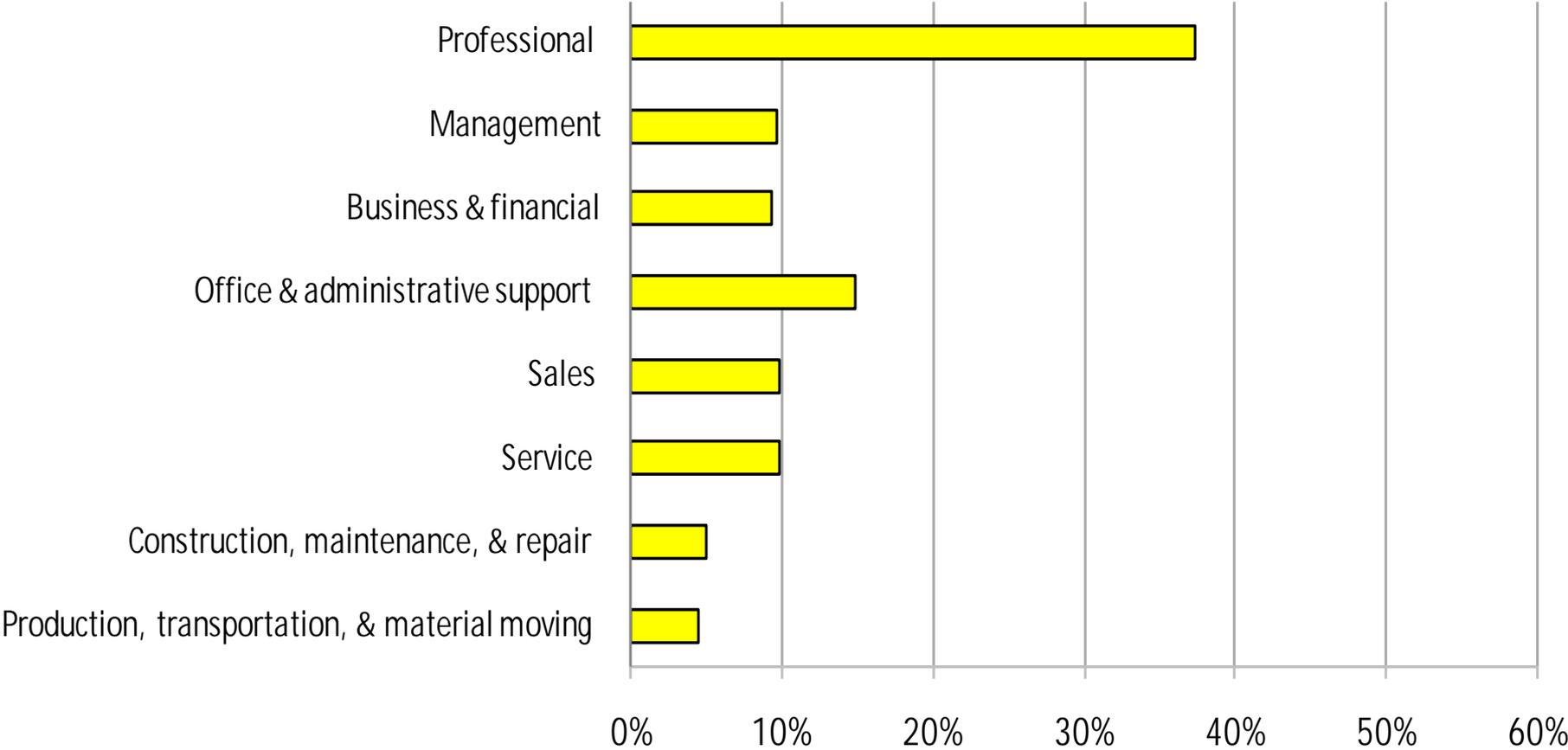
## Findings

- Jobs offered by target industries well matched to skills of Watertown residents
- Target industry jobs highly concentrated in high-skill occupations, but also provide jobs in mid- and lower-skill occupations
- High education levels among town's entry-level and mid-career workers
- Retention of existing specialty building trades contractors maintains diversity of opportunity



# Watertown Resident Occupations

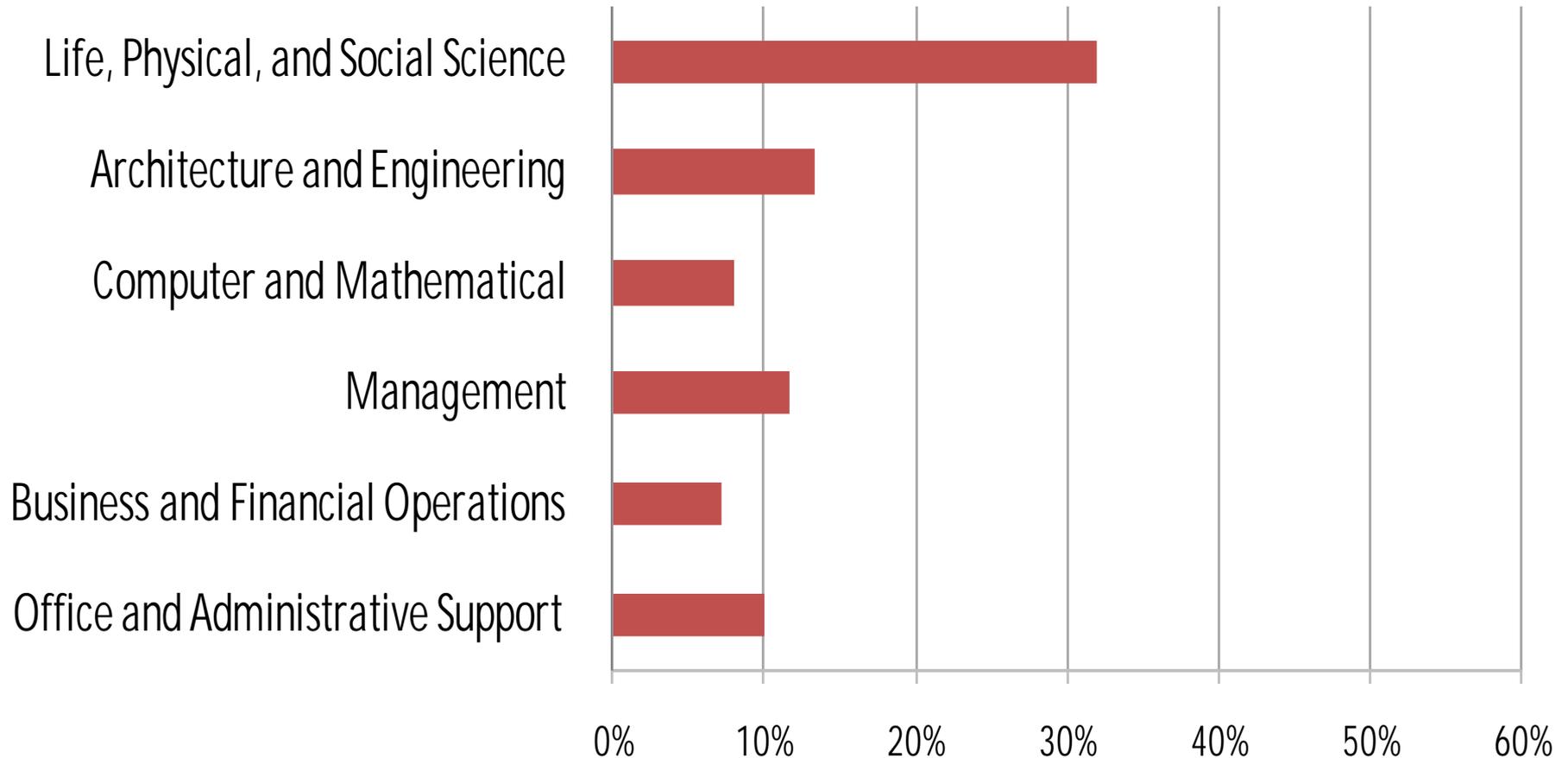
## Employed Watertown Population 16+, 2006-2008



Source: U.S. Census Bureau, American Community Survey

# Target Markets: Top Occupations

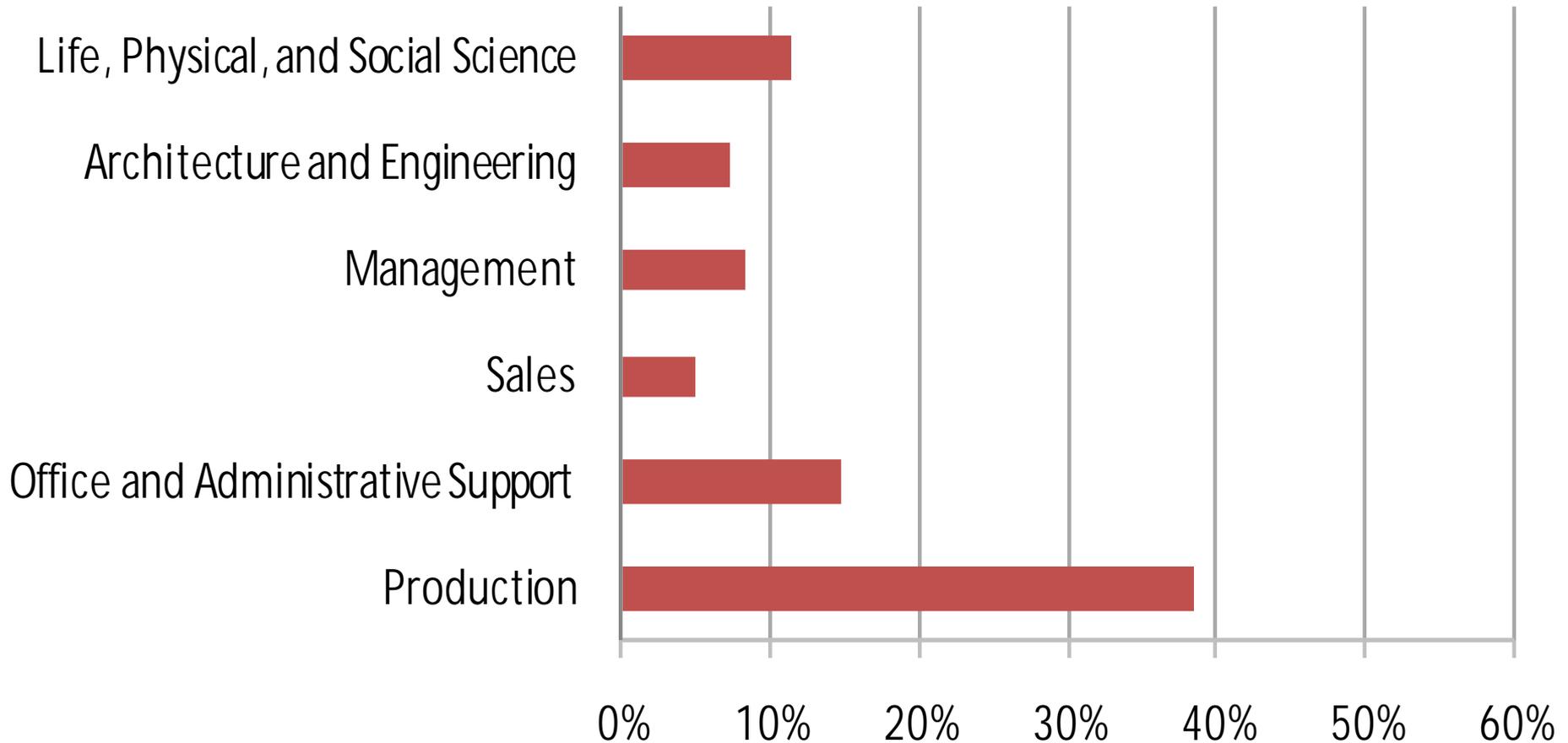
## Scientific Research and Development



Source: Massachusetts Executive Office of Labor & Workforce Development, Massachusetts Industry-Occupational Matrix, 2006; only occupations with over 5 percent employment shown

# Target Markets: Top Occupations

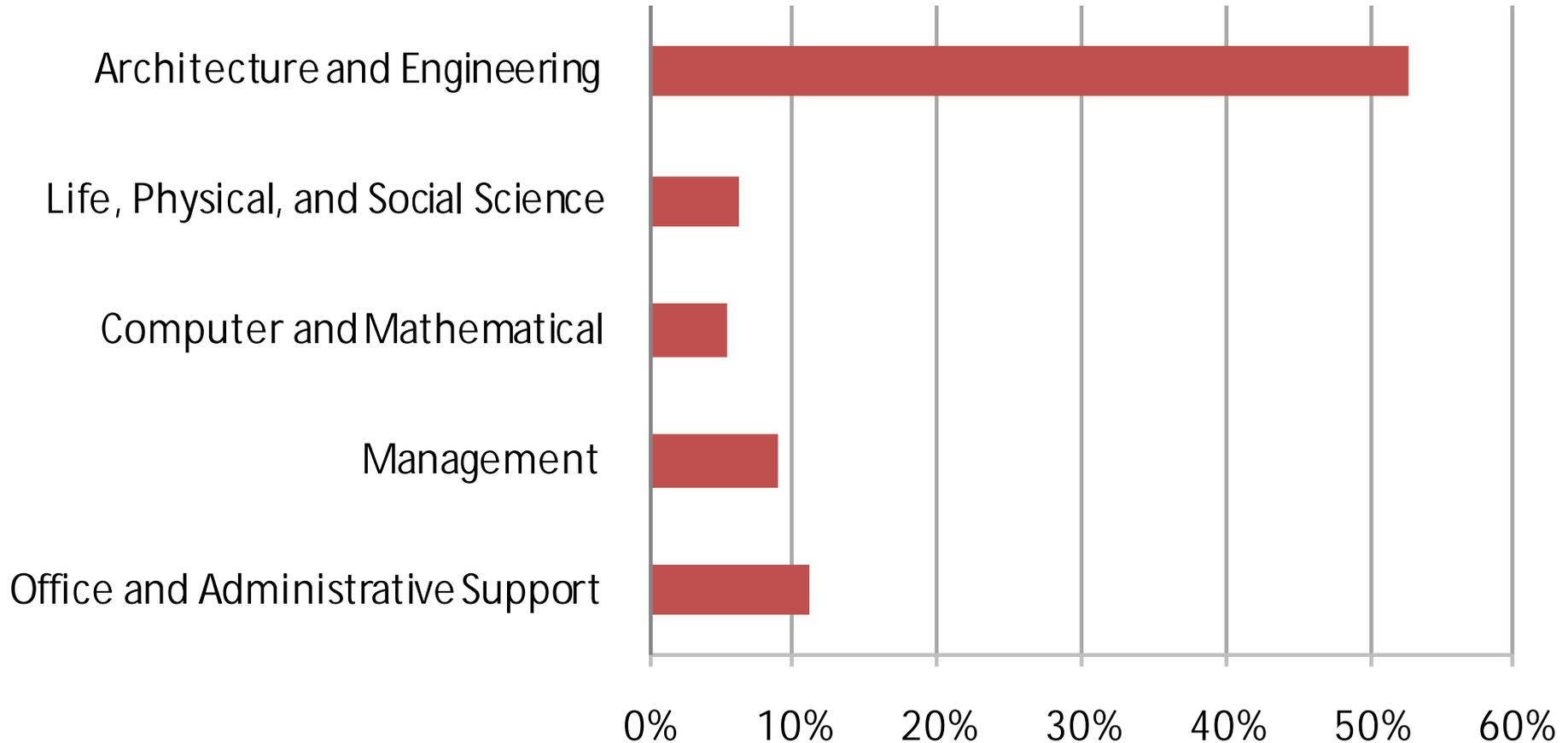
## Pharmaceutical/Medicine and Medical Equipment Manufacturing



Source: Massachusetts Executive Office of Labor & Workforce Development, Massachusetts Industry-Occupational Matrix, 2006; only occupations with over 5 percent employment shown

# Target Markets: Top Occupations

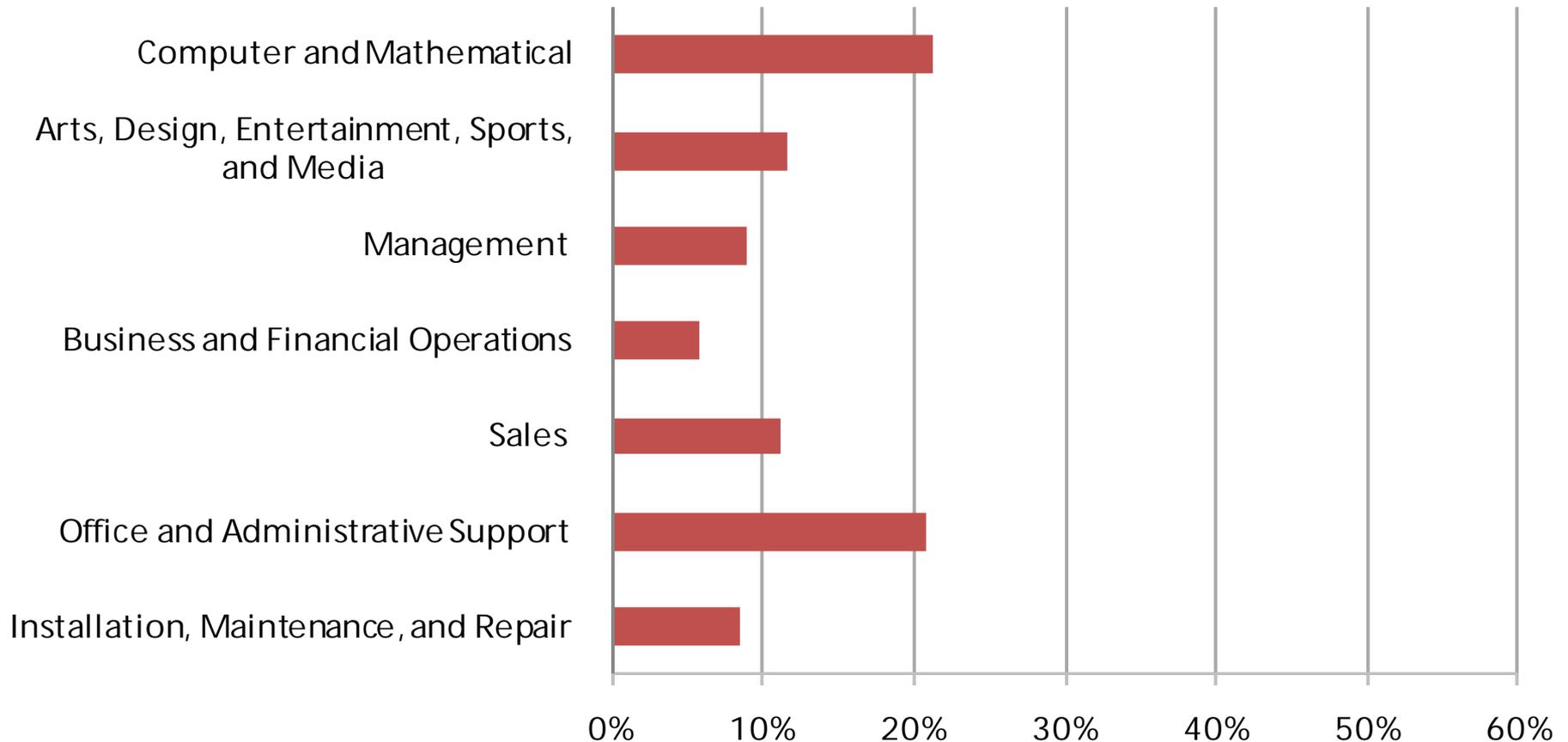
## Architecture and Engineering Industries



Source: Massachusetts Executive Office of Labor & Workforce Development, Massachusetts Industry-Occupational Matrix, 2006; only occupations with over 5 percent employment shown

# Target Markets: Top Occupations

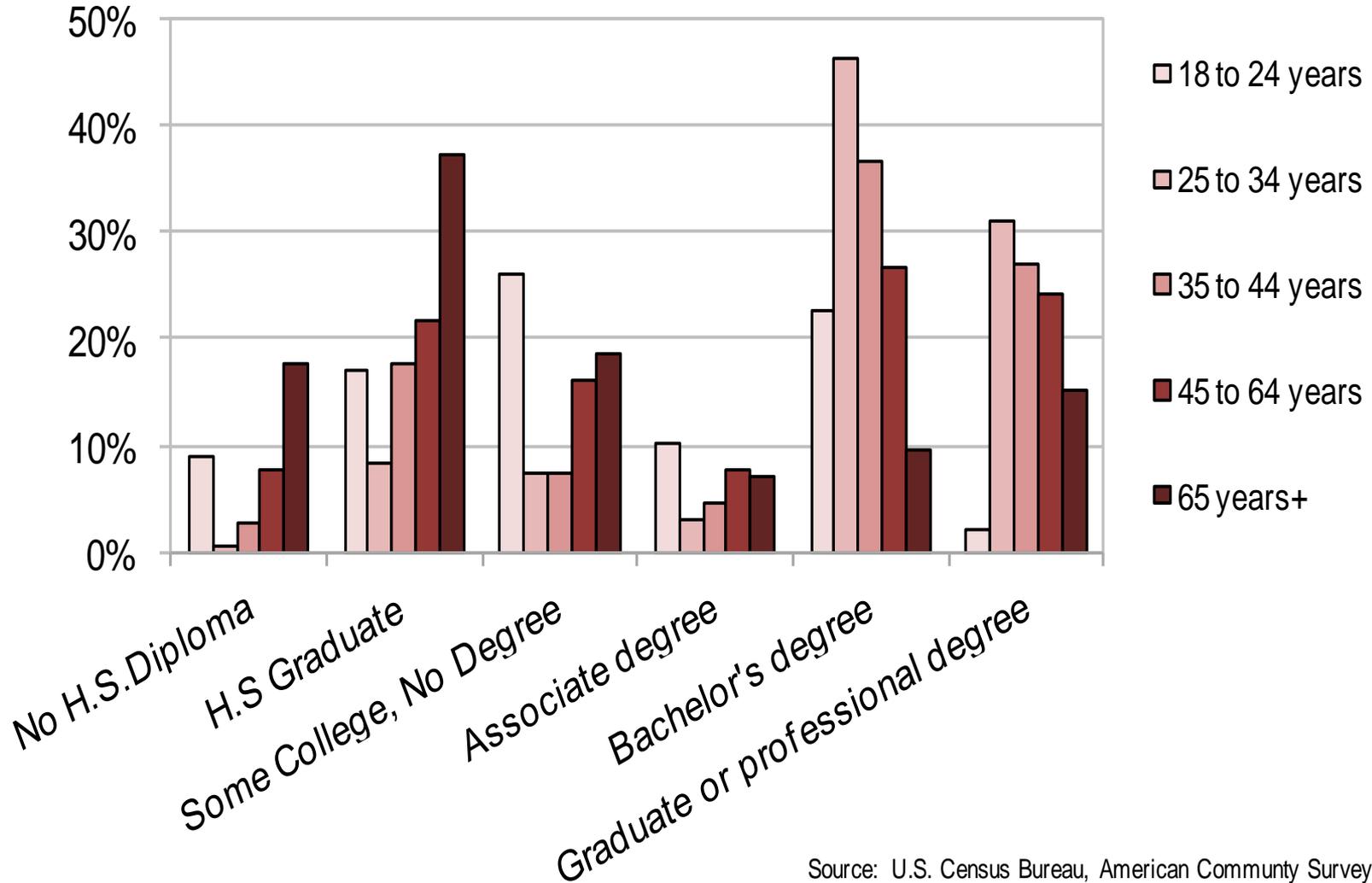
## Information Industry



Source: Massachusetts Executive Office of Labor & Workforce Development, Massachusetts Industry-Occupational Matrix, 2006; only occupations with over 5 percent employment shown

# Target Markets: Employment Opportunities

## Education Attainment by Age Group 18+, 2006-2008

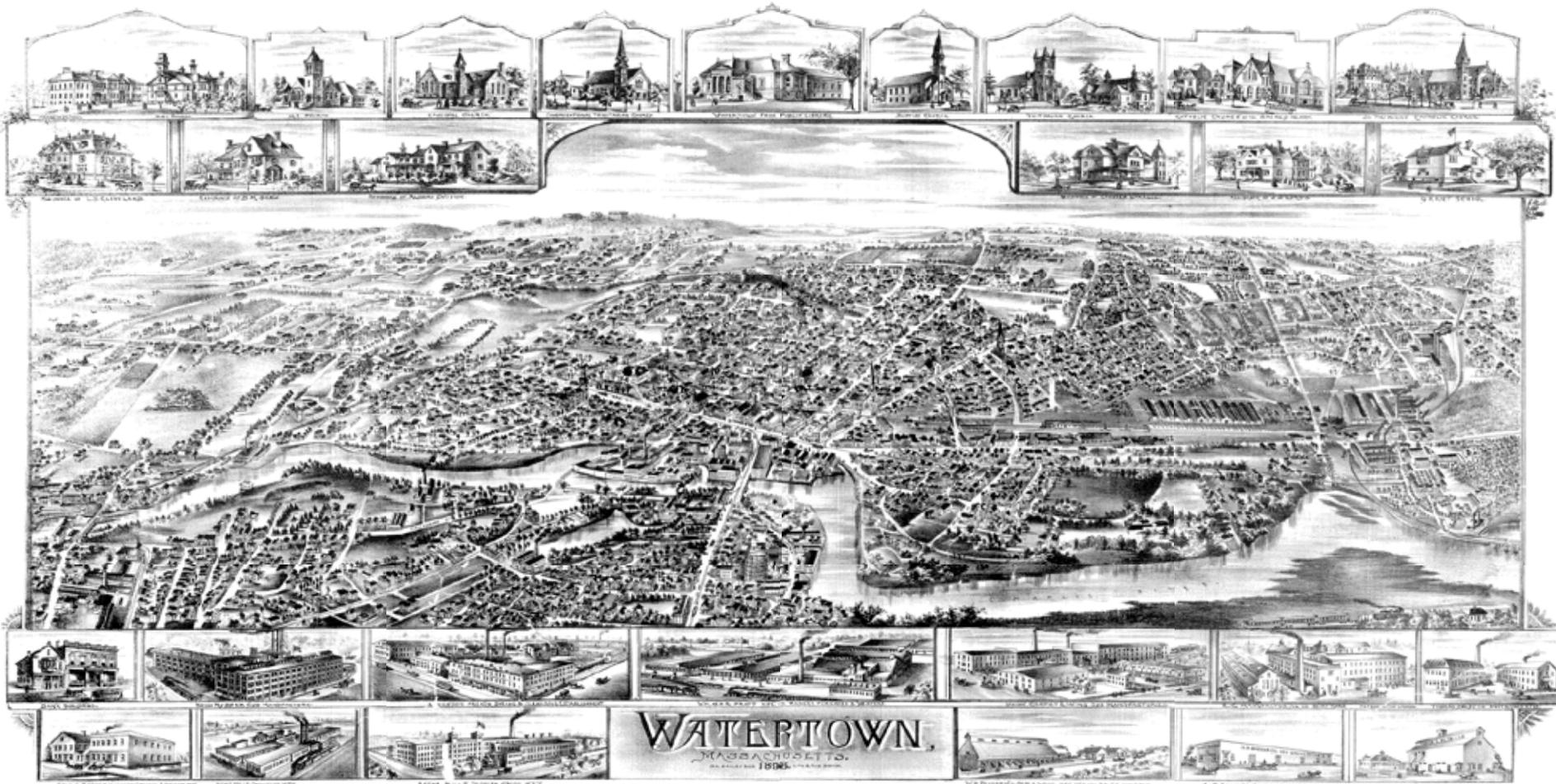


Source: U.S. Census Bureau, American Community Survey



**2. STRENGTHEN** the identity of the town and build on existing assets

# Character: Historic Development



# Character: Watertown Address

1. **Aesthetics:** streetscape, parks, building stock, public art, signage
2. **Uses:** complementary mix, interesting destinations, variety of activities
3. **Amenities:** historic, natural, recreation resources; proximity to retail, transit
4. **Maintenance:** ongoing investment
5. **Name recognition:** coherent definition of place



Arsenal Park



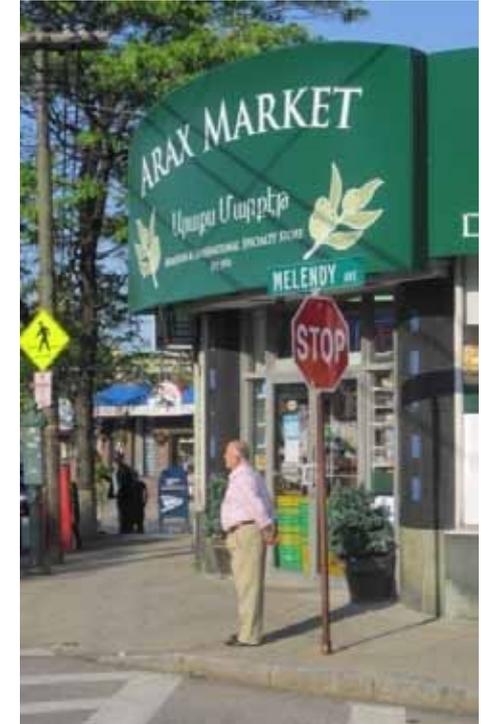
Fresh Foods



Arts & Culture

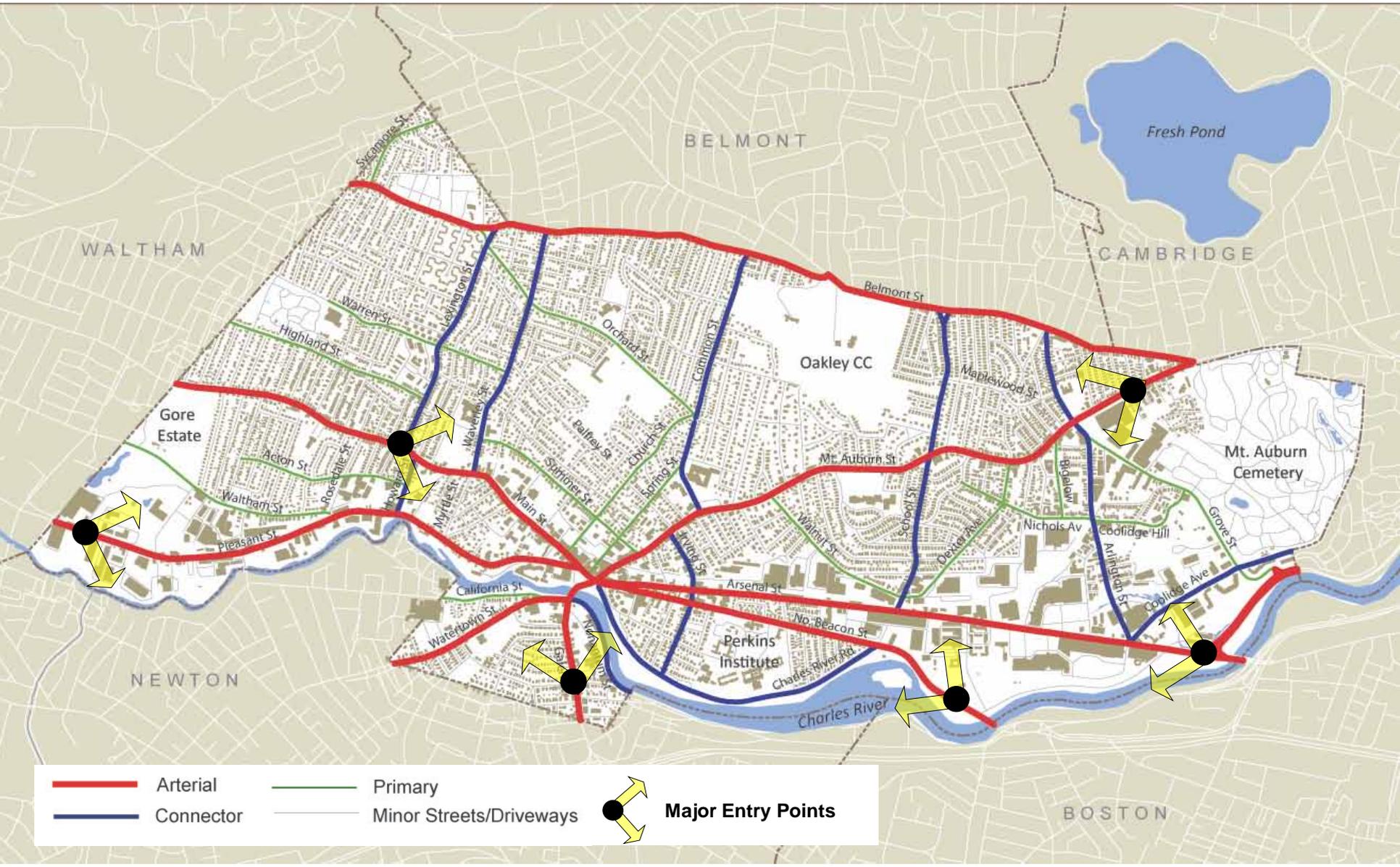


Charles River



Specialty Markets

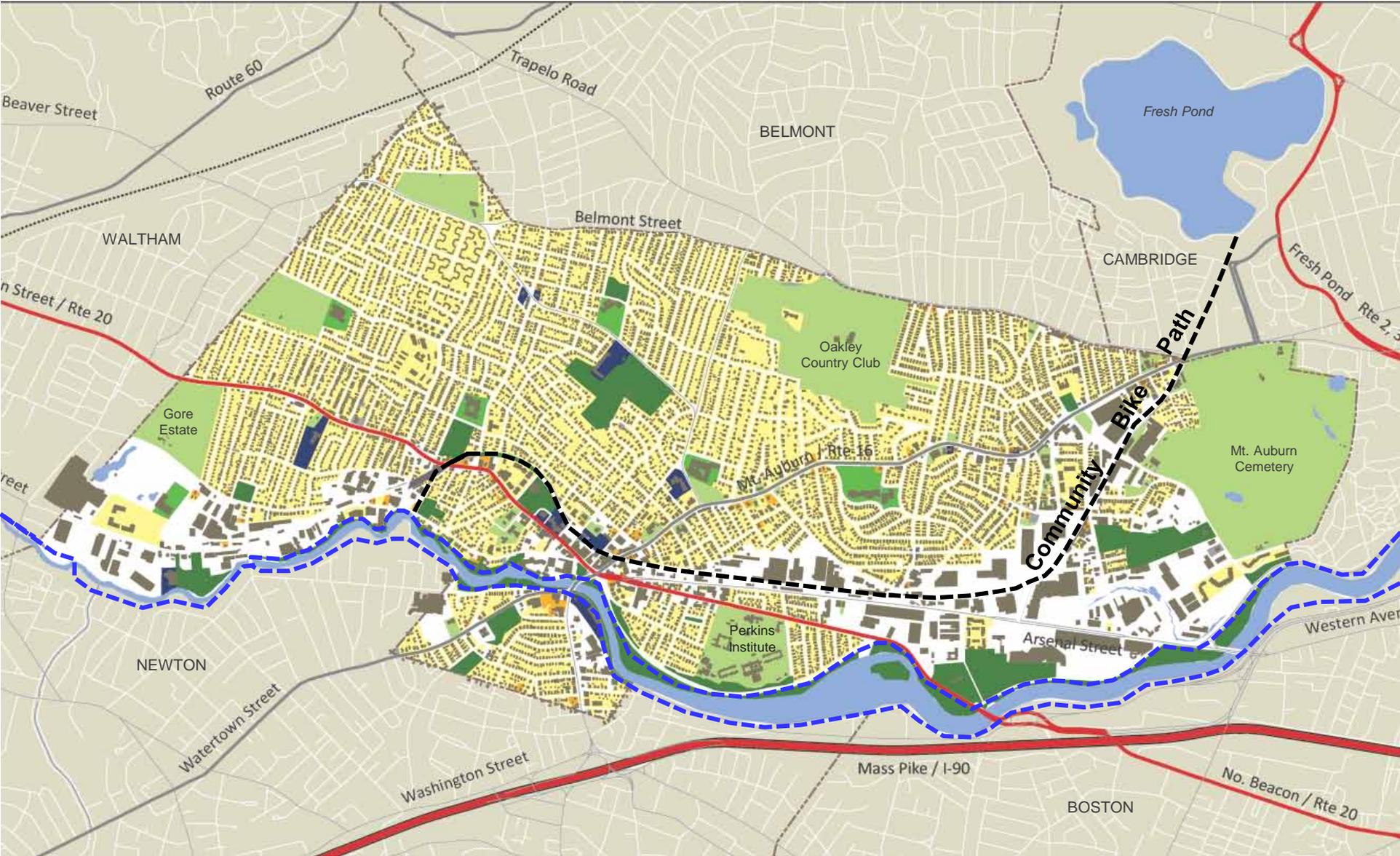
# Character: Streetscape and Entry Points



# Character: Streetscape and Entry Points



# Character: Parks and Paths



# Character: Retail

## Coolidge Square

- § Walkable, pedestrian environment
- § Strong mix of well-kept specialty stores
- § *Streetscape needs improvement*



## Watertown Square

- § Landscaped, pedestrian friendly storefronts with rear parking
- § Challenging street configuration
- § *Lack of character and strong uses at edges*

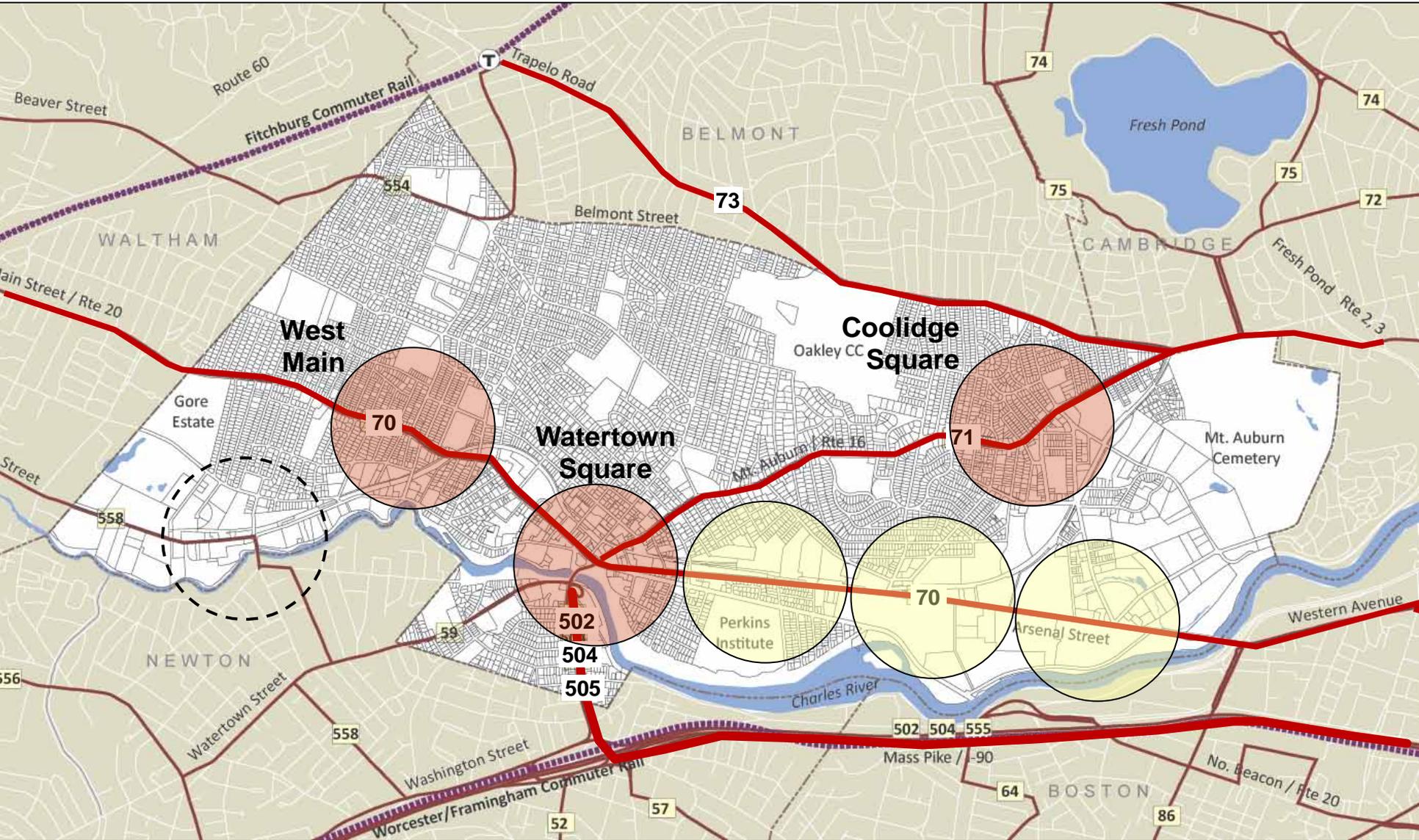


## West Main

- § *Disinvestment and vacancies*
- § *Suburban setbacks*
- § *Lack of coherent critical mass*



# Character: Transit-Oriented



# Character: Building Stock



Office/Flexible (Renovated)



Lab/R&D



Warehouse / Manufacturing



Flexible / Incubator



High Tech / Manufacturing



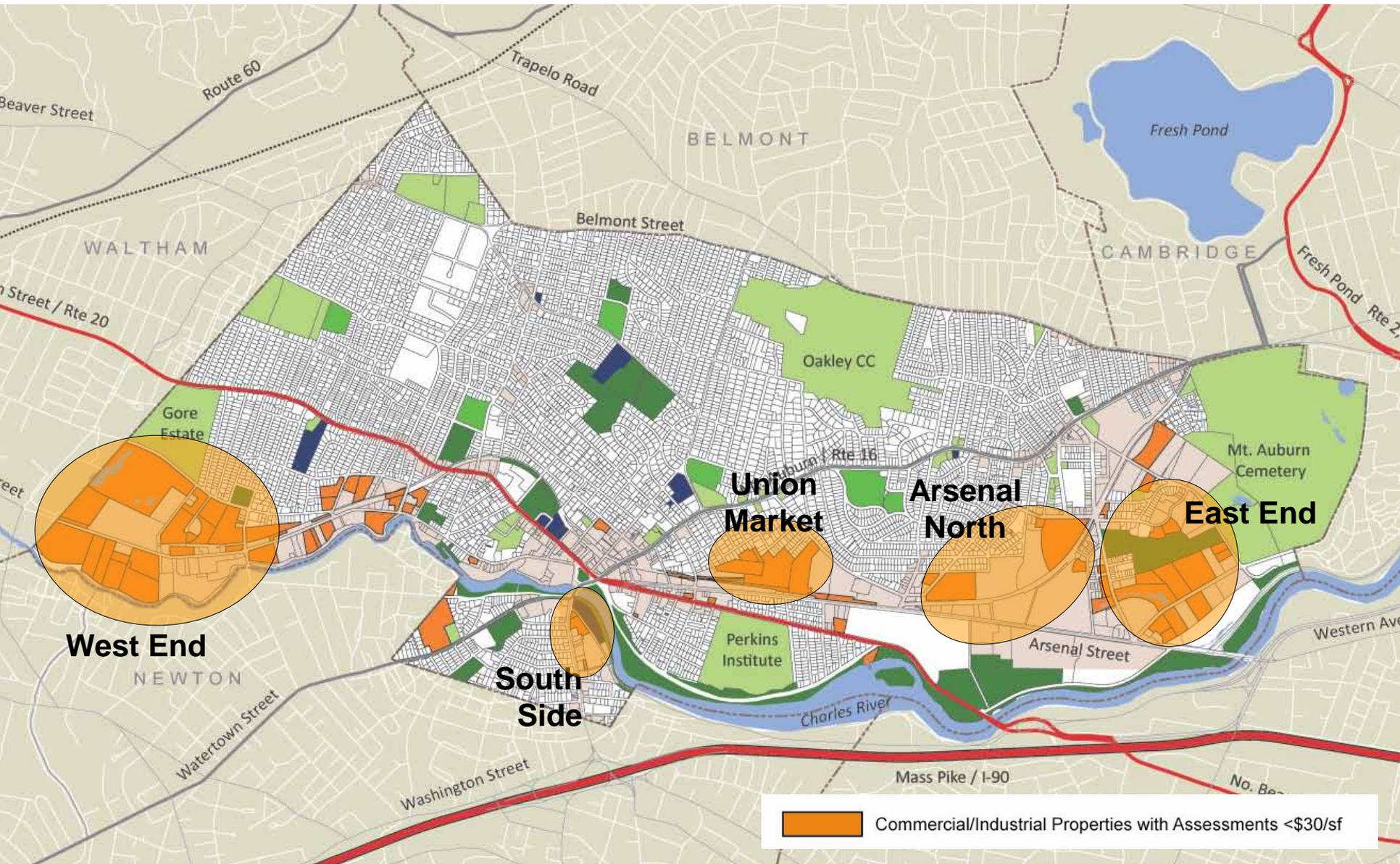
Abandoned

- Wide swing in assessed value from \$2/gsf to over \$100/gsf
- Tax base: Use, Density, Condition, Location

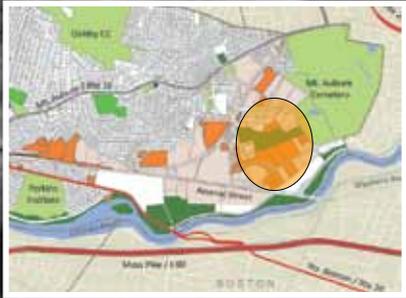


**3. PROMOTE** redevelopment and investment around underutilized sites

# Discussion: Opportunity Areas



# Opportunity Areas: East End



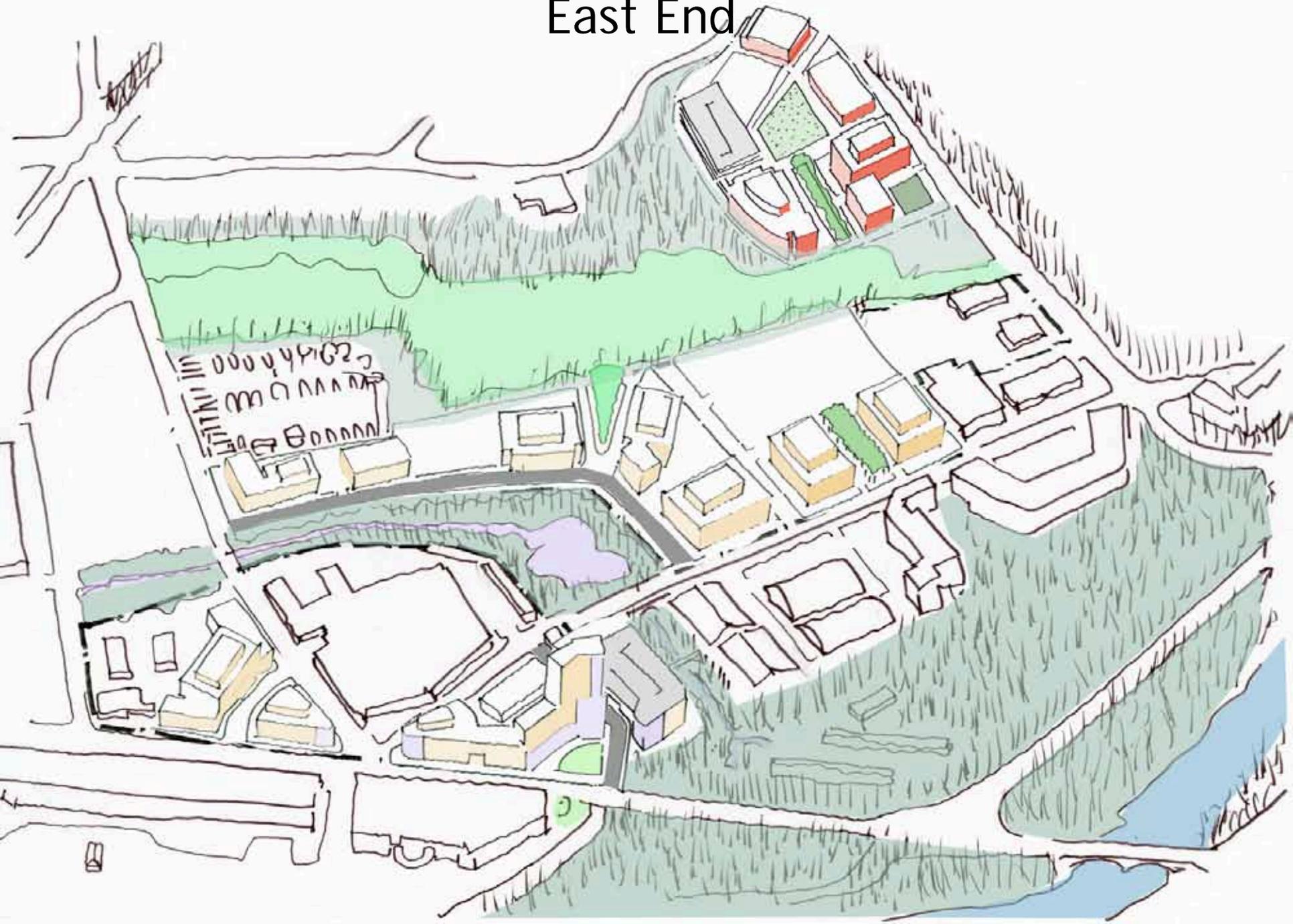
# Opportunity Areas : East End

- § Bio-tech/technology start-up firms
- § Gateway from Boston
- § Lack of investment
- § Contaminated natural resources





# East End

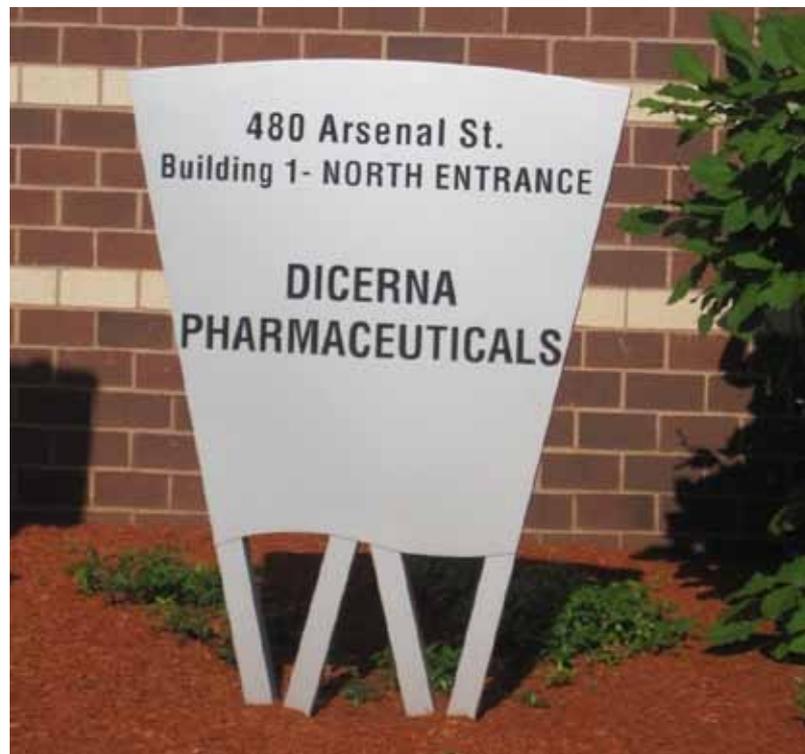


# Opportunity Area: Arsenal North

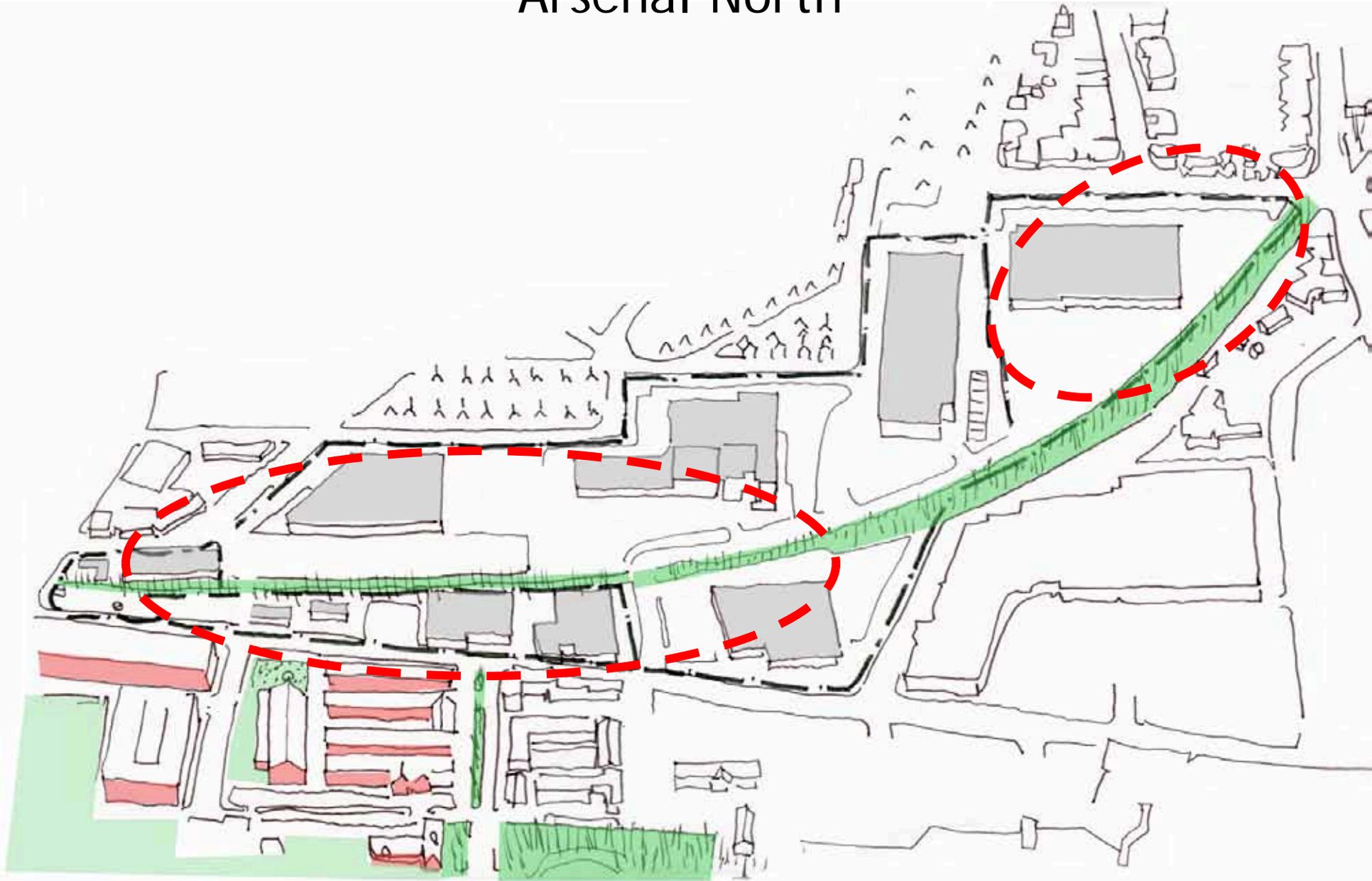


# Opportunity Area: Arsenal North

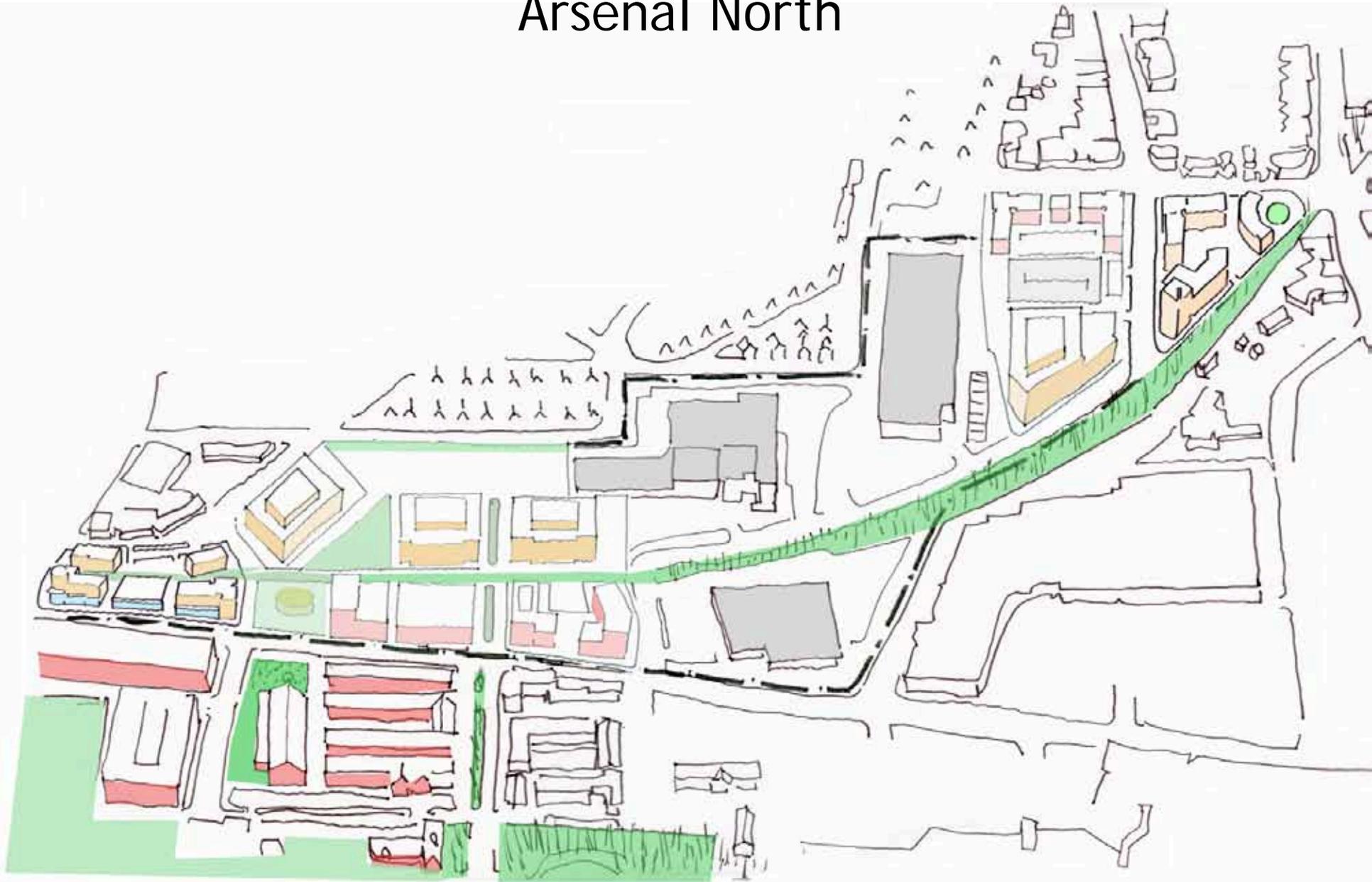
- § Community bike path investment
- § Alexandria investment
- § Lack of connection and visibility
- § Link between Arsenal Campus, Coolidge Square, Watertown Mall



# Arsenal North



# Arsenal North



# Opportunity Area: Union Market



Irving Street

Arsenal Street

No. Beacon Street

Perkins School

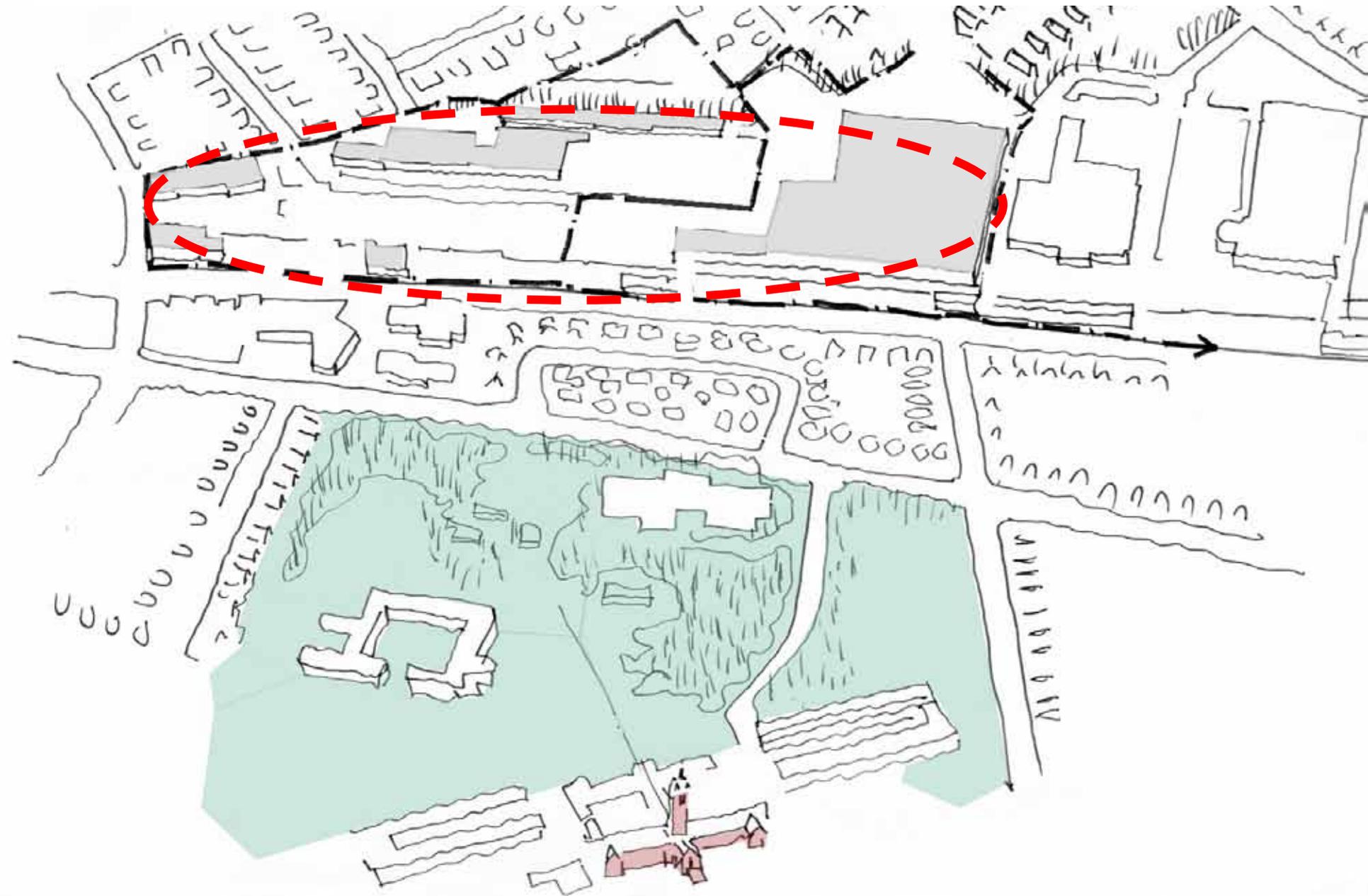


# Opportunity Area: Union Market

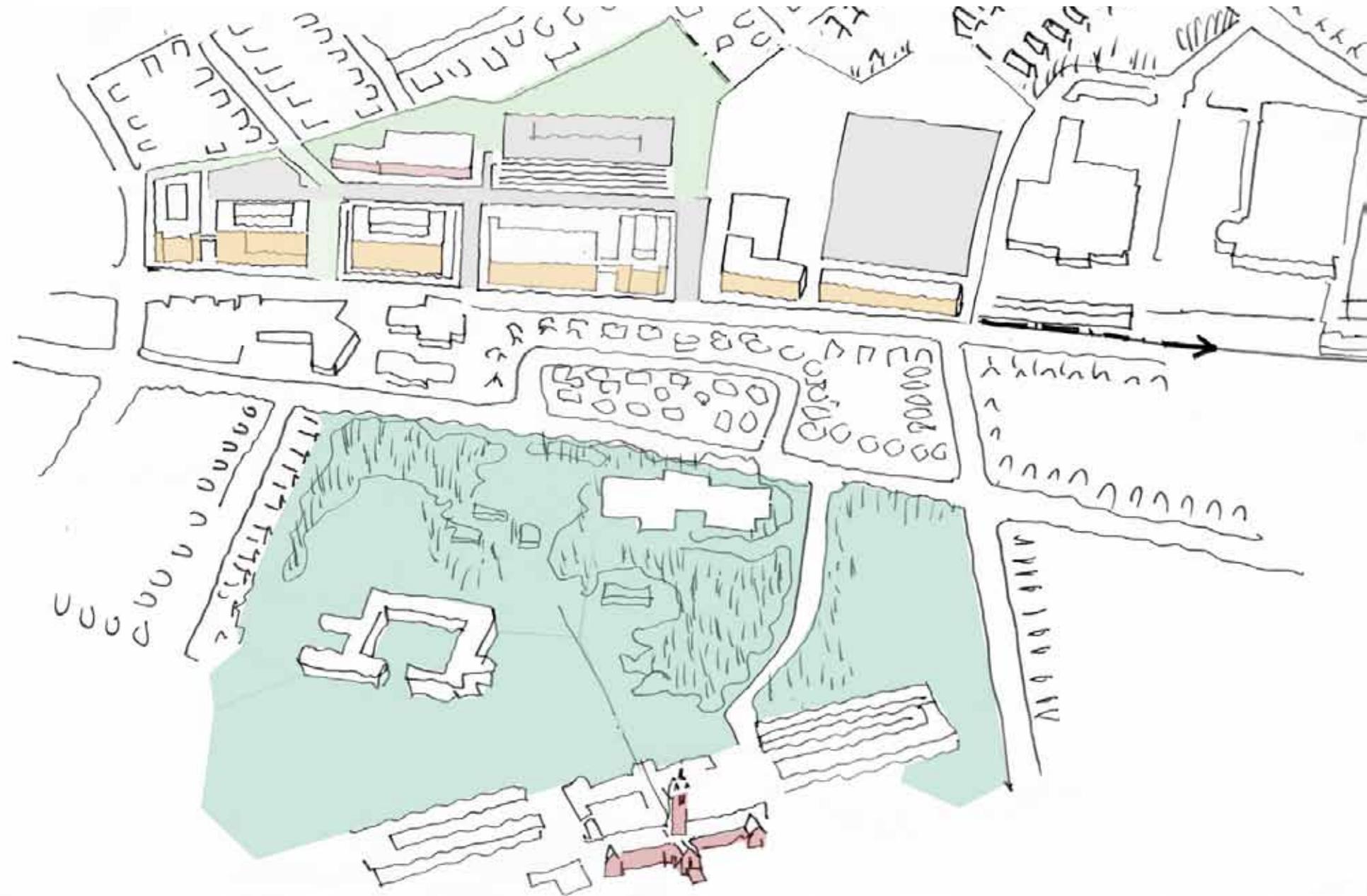
- § Vacant Ionics property
- § Fragmented ownership
- § Lack of access & visibility
- § Brownfields
- § Undersized retail frontage

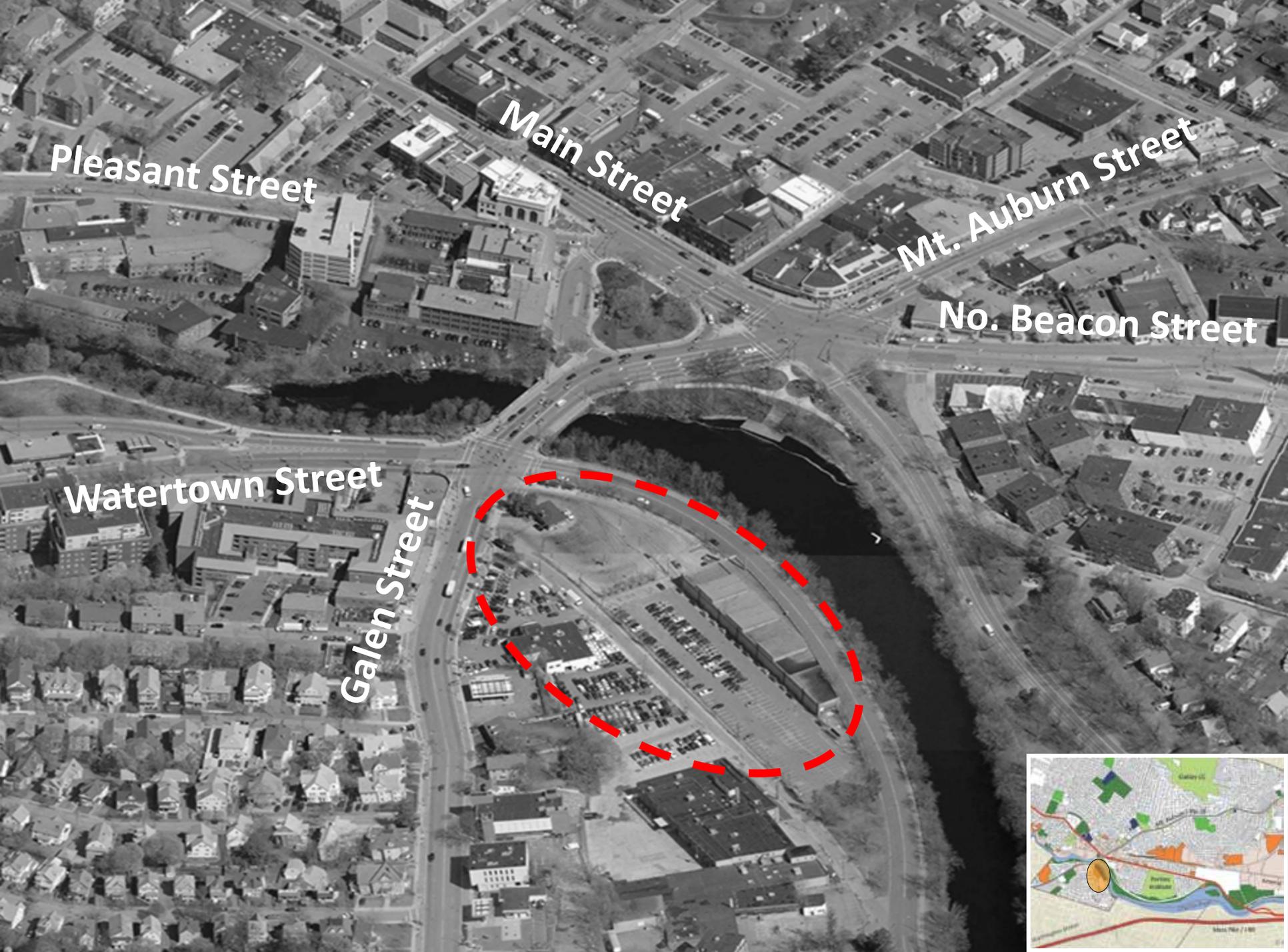


# Union Market



# Union Market





Pleasant Street

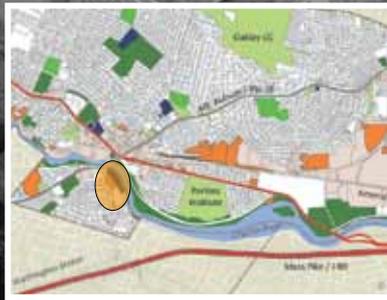
Main Street

Mt. Auburn Street

No. Beacon Street

Watertown Street

Galen Street



# Opportunity Area: South Side

- § Gateway from Mass Pike
- § Intermodal Transit
- § MBTA Bus Barn
- § Pedestrian connections to Square difficult
- § Media & precision technology firms



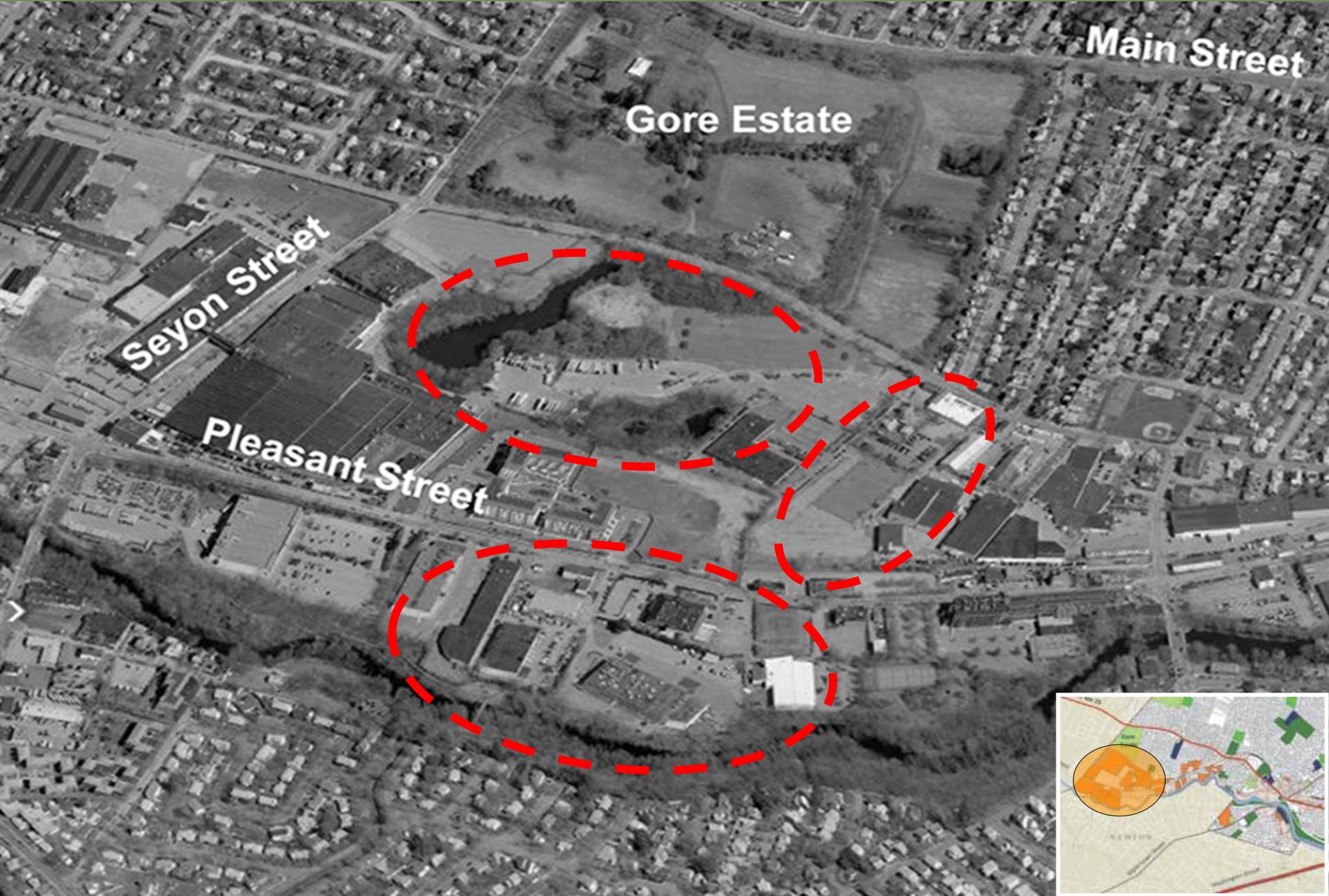
# South Side



# South Side



# Opportunity Area: West End

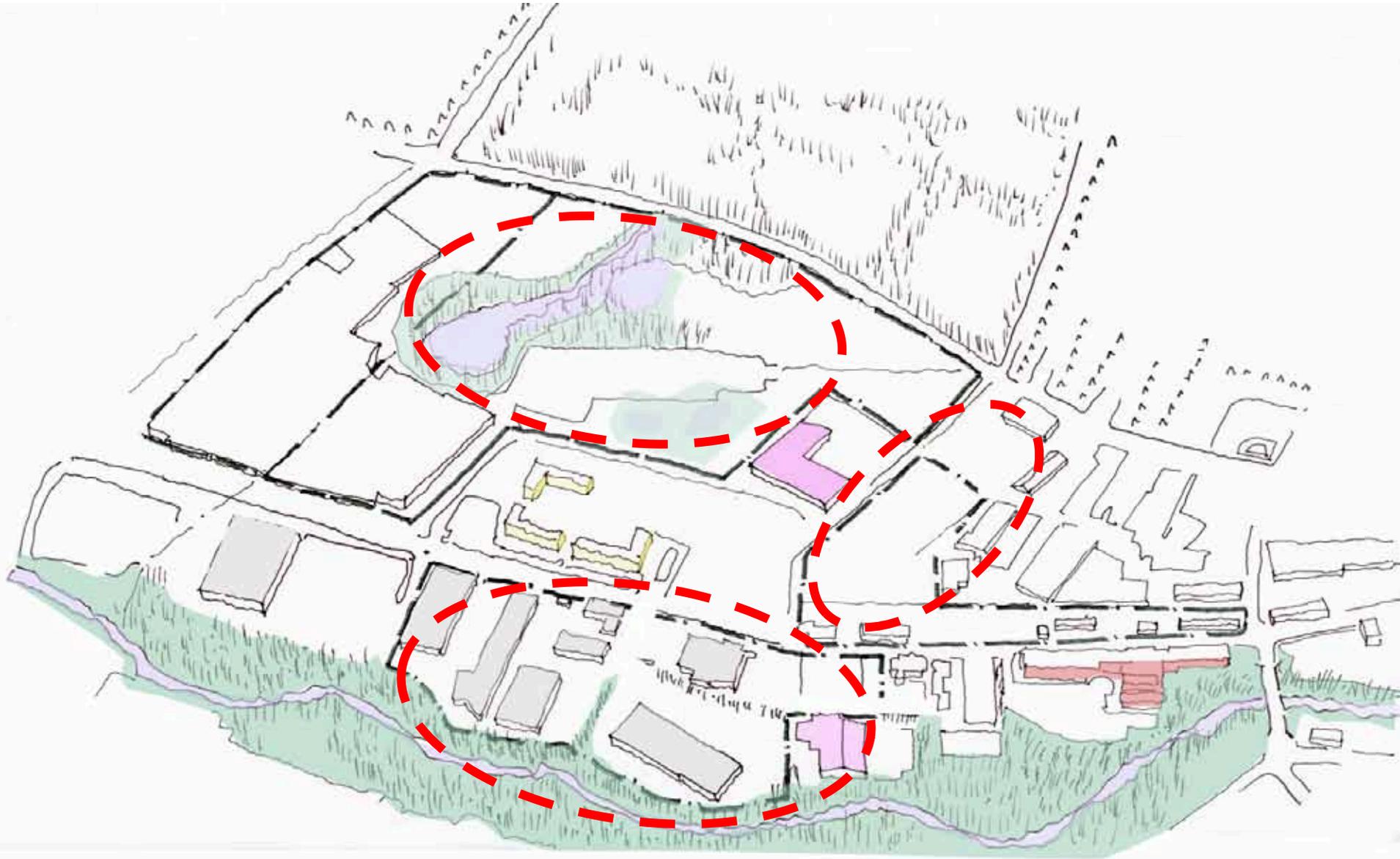


# Opportunity Area: West End

- § Recent investment in Pleasant Street
- § Russo's as destination
- § Vacant properties/brownfields
- § Residential infill
- § Gateway from Newton/Waltham



# West End



# West End



# Opportunity Areas

## Average Property Values per SF land

Townwide	\$70/sf
Industrial/Commercial	\$63/sf
Opportunity Areas	<b>\$20/sf</b>

## Opportunity Areas Assessed Value

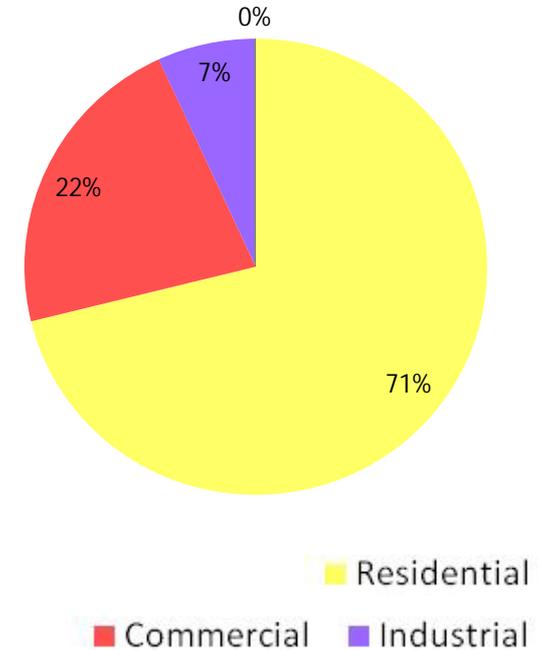
Existing	\$32 million
Potential	<b>\$177 to \$443 million</b>

*with higher value redevelopment*

## Tax Revenues

Existing (2009)	\$67 million
Potential increase	<b>\$4 to \$10 million</b>

## Existing Revenue Sources



<b><u>Tax Rate per \$1,000</u></b>
Residential @ \$13.31
Commercial @ \$24.58



## Future Scenarios



# Future Scenarios

## External Forces

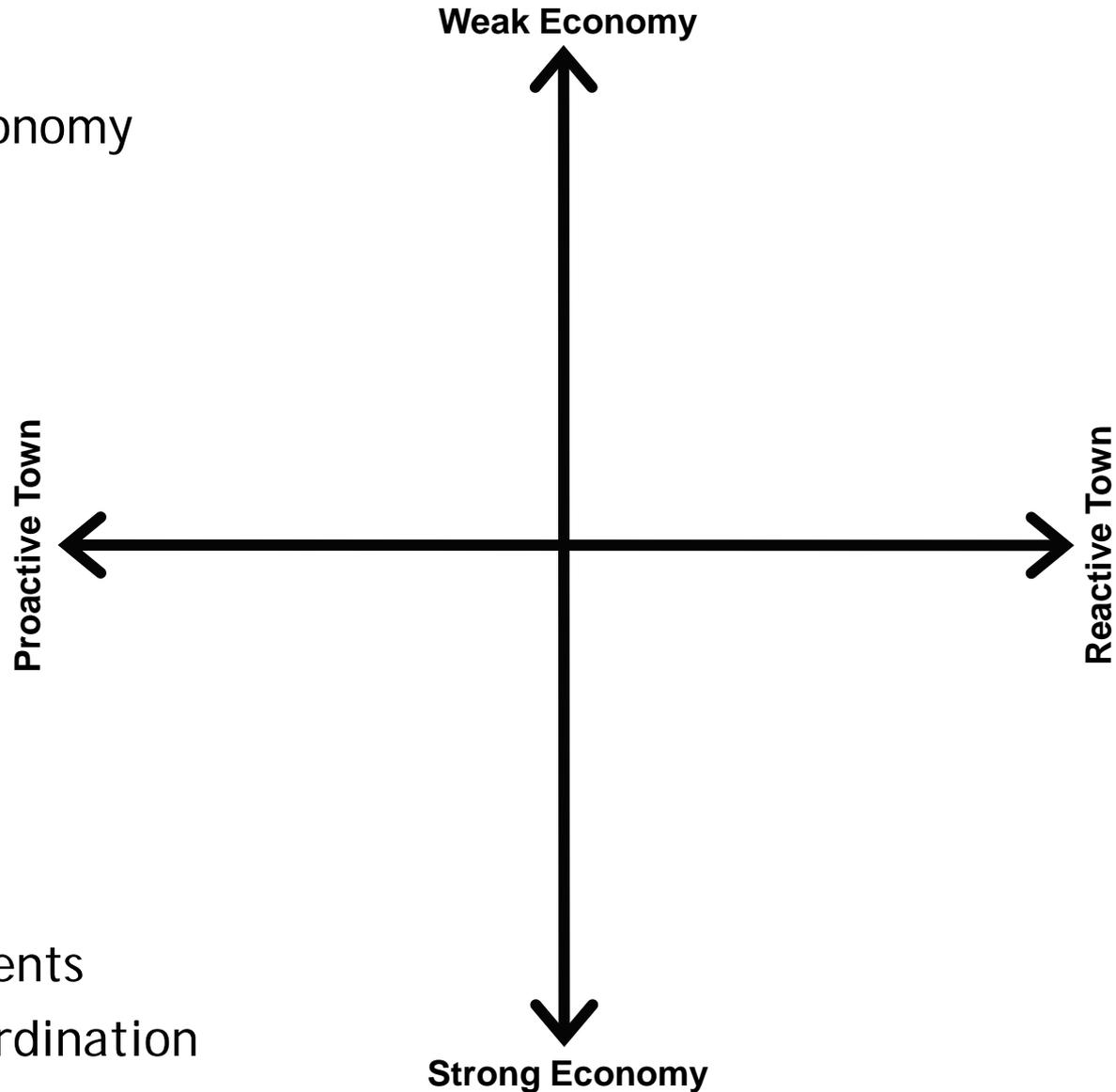
Strength of the regional economy

1. Biotech
2. Information
3. Professional/tech
4. Other new clusters

## Internal Forces

Proactive Town

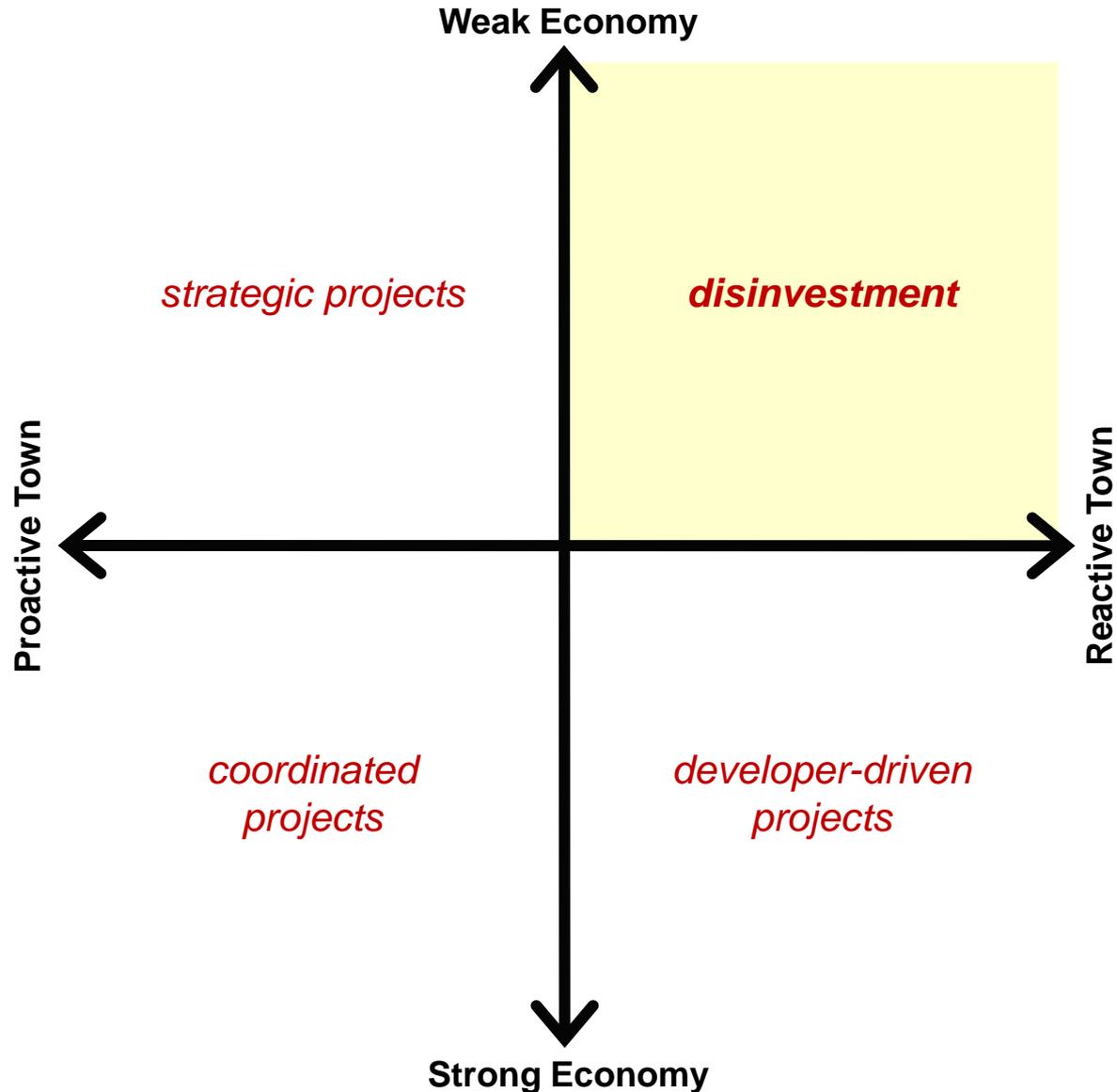
1. Marketing
2. Incentives/programs
3. Regulatory reform
4. Infrastructure improvements
5. Regional advocacy & coordination



# Future Scenarios

## Lead Roles

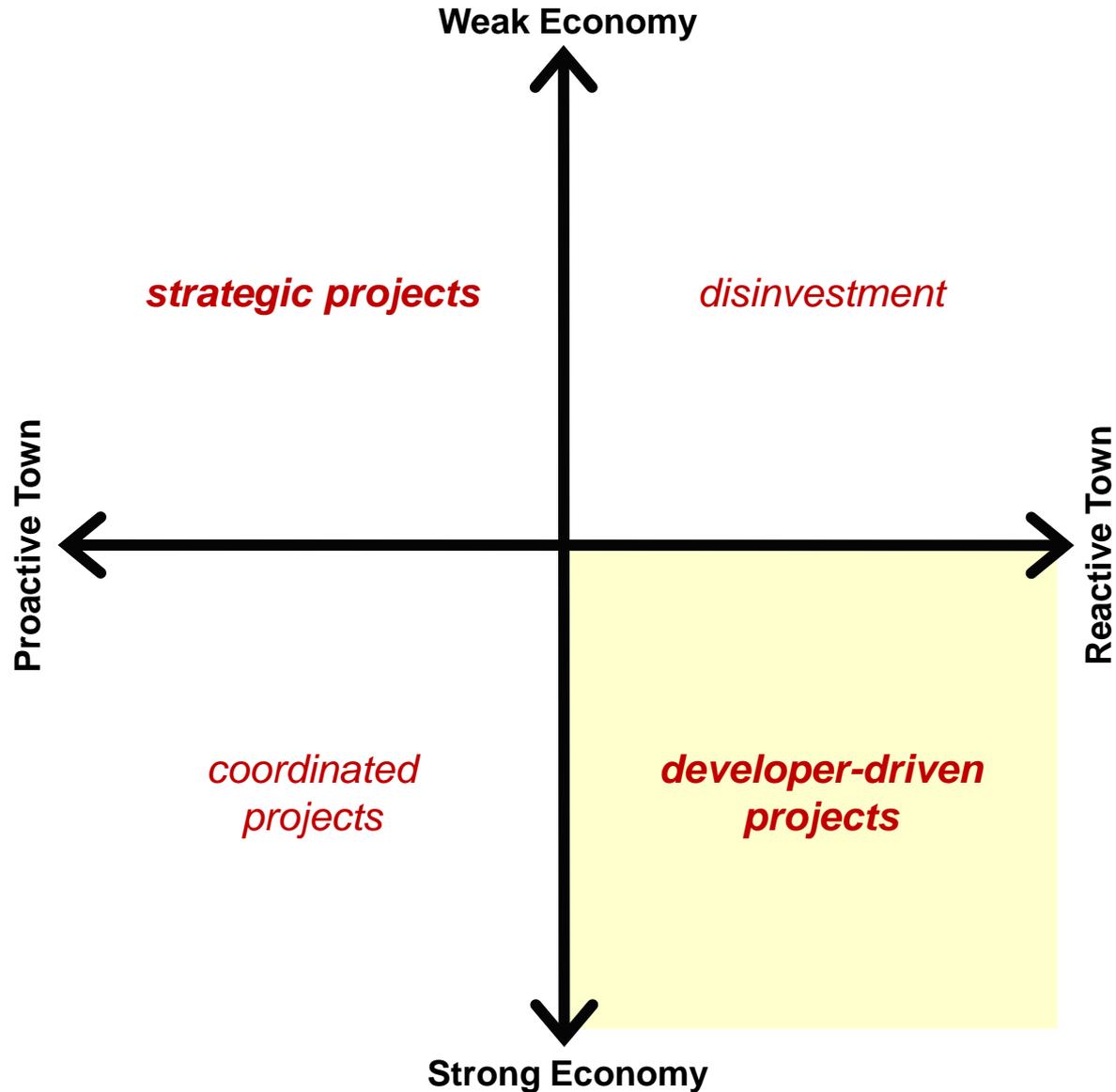
- § New business owner
- § Existing property owner
- § Real estate broker/developer
- § Town Planner/Boards
- § Town Council
- § State economic development groups
- § Private industry councils
- § Civic groups and residents



# Future Scenarios

## Lead Roles

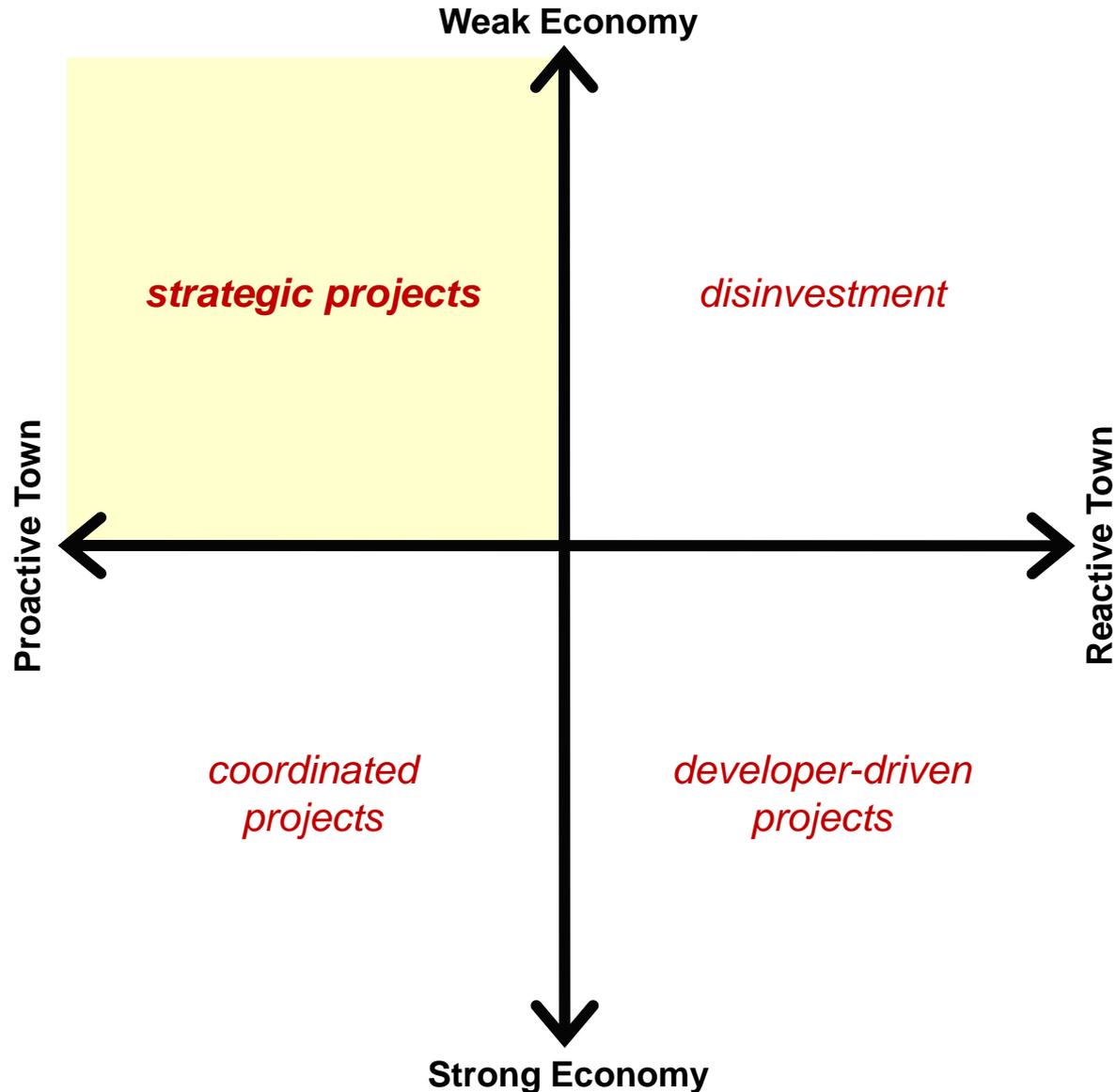
- § New business owner
- § Existing property owner
- § Real estate broker/  
developer
- § Town Planner/Boards
- § Town Council
- § State economic  
development groups
- § Private industry councils
- § Civic groups and residents



# Future Scenarios

## Lead Roles

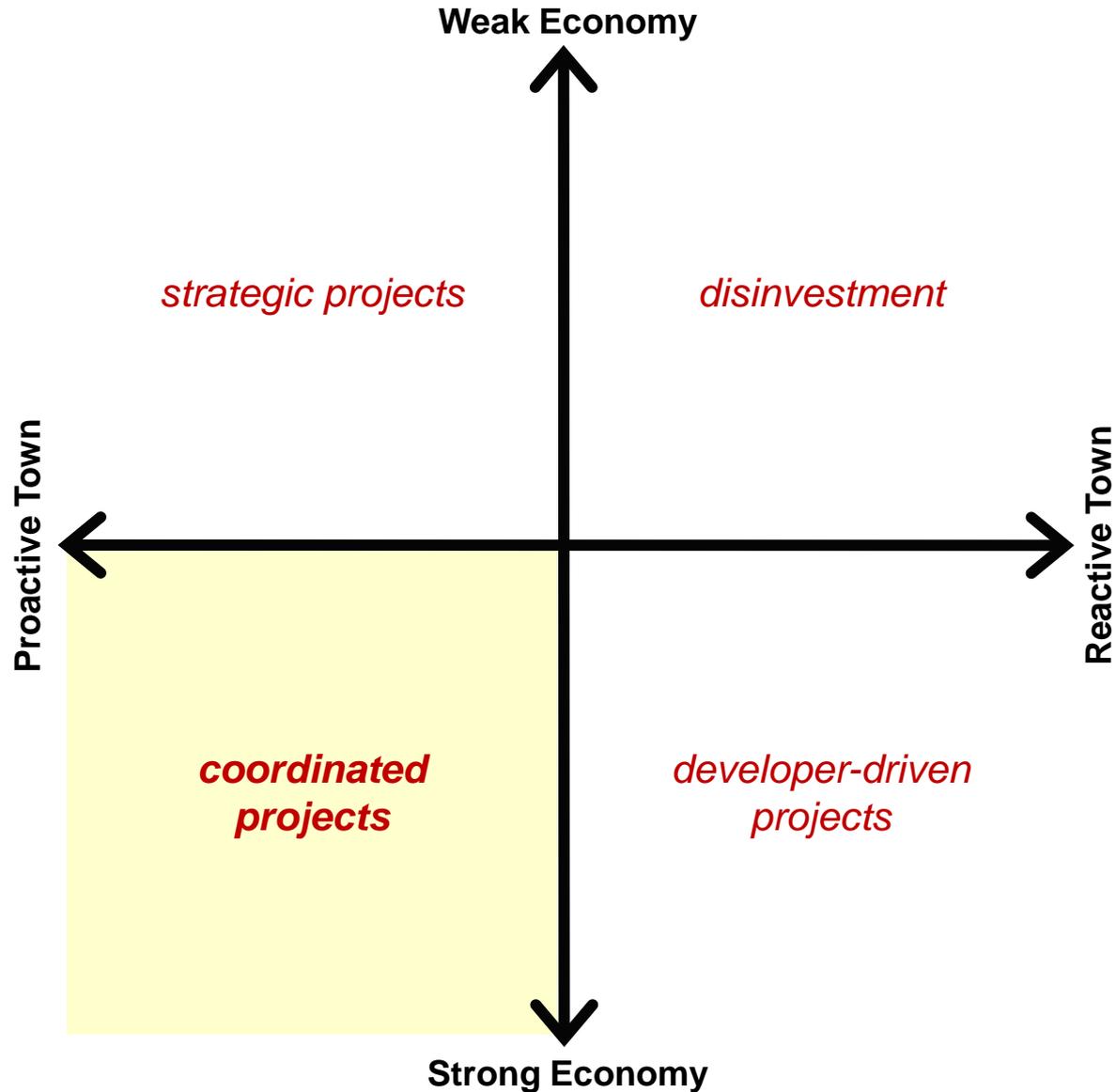
- § New business owner
- § Existing property owner
- § Real estate broker/ developer
- § Town Planner/Boards
- § Town Council
- § State economic development groups
- § Private industry councils
- § Civic groups and residents



# Future Scenarios

## Lead Roles

- § New business owner
- § Existing property owner
- § Real estate broker/  
developer
- § Town Planner/Boards
- § Town Council
- § State economic  
development groups
- § Private industry councils
- § Civic groups and residents



# Discussion: Handouts

## 1

**Watertown Economic Development**  
**ECONOMIC SCENARIOS DISCUSSION: GROUP ONE**  
 September 30, 2010

### VISION

1. Does it matter if we have a business component in our Town? Why?
2. Does it matter what kind of business (industrial, office, lab/research, retail, warehouse or specific industry clusters)?

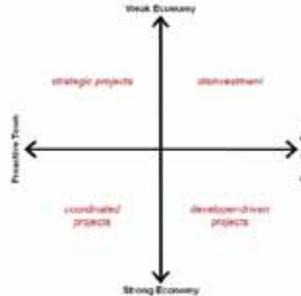
### TOWN ROLE

#### Situation

- Businesses are in flux, making decisions according to their need for space, employees, access, image, and markets.
- State and local efforts often focus on retaining existing companies and attracting new businesses.

**How proactive should the Town be? How will this change in a weak or strong economy? What are the priorities?**

- Marketing
- Incentives/programs
- Regulatory reform
- Infrastructure improvements
- Regional advocacy & coordination



### USE

**If these sites were redeveloped over time, which uses would be appropriate and why? What are the considerations?**

- Office/Lab (O)
- Multi-family Residential (H)
- Big Box Retail (R)
- Industry (I)



Mount Auburn Associates

Madden Planning Group

Gamble Associates

## 2

**Watertown Economic Development**  
**ECONOMIC SCENARIOS DISCUSSION: GROUP TWO**  
 September 30, 2010

### VISION

1. Does it matter if we have a business component in our Town? Why?
2. Does it matter what kind of business (industrial, office, lab/research, retail, warehouse or specific industry clusters)?

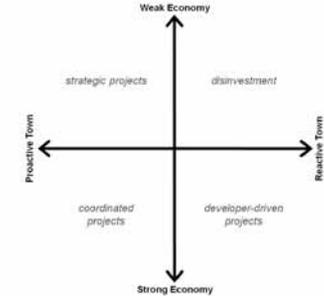
### TOWN ROLE

#### Situation

- Businesses are in flux, making decisions according to their need for space, employees, access, image, and markets.
- State and local efforts often focus on retaining existing companies and attracting new businesses.

**How proactive should the Town be? How will this change in a weak or strong economy? What are the priorities?**

- Marketing
- Incentives/programs
- Regulatory reform
- Infrastructure improvements
- Regional advocacy & coordination



### USE

**If these sites were redeveloped over time, which uses would be appropriate and why? What are the considerations?**

- Office/Lab (O)
- Residential (H)
- Big Box Retail (R)
- Industry (I)



Mount Auburn Associates

Madden Planning Group

Gamble Associates

# Discussion: Handouts

## 3

**Watertown Economic Development**  
**ECONOMIC SCENARIOS DISCUSSION: GROUP THREE**  
 September 30, 2010

### VISION

1. Does it matter if we have a business component in our Town? Why?
2. Does it matter what kind of business (industrial, office, lab/research, retail, warehouse or specific industry clusters)?

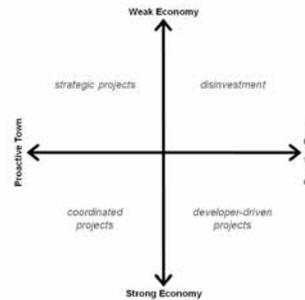
### TOWN ROLE

#### Situation

- Businesses are in flux, making decisions according to their need for space, employees, access, image, and markets.
- State and local efforts often focus on retaining existing companies and attracting new businesses.

**How proactive should the Town be? How will this change in a weak or strong economy? What are the priorities?**

- Marketing
- Incentives/programs
- Regulatory reform
- Infrastructure improvements
- Regional advocacy & coordination



### USE

**If these sites were redeveloped over time, which uses would be appropriate and why? What are the considerations?**

- Office/Lab (O)
- Residential (H)
- Big Box Retail (R)
- Industry (I)



South Side

Mount Auburn Associates

Madden Planning Group

Gamble Associates

## 4

**Watertown Economic Development**  
**ECONOMIC SCENARIOS DISCUSSION: GROUP FOUR**  
 September 30, 2010

### VISION

1. Does it matter if we have a business component in our Town? Why?
2. Does it matter what kind of business (industrial, office, lab/research, retail, warehouse or specific industry clusters)?

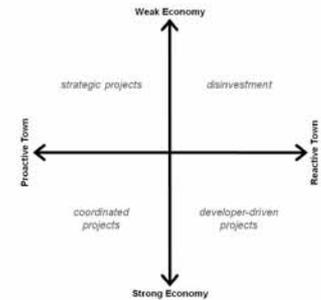
### TOWN ROLE

#### Situation

- Businesses are in flux, making decisions according to their need for space, employees, access, image, and markets.
- State and local efforts often focus on retaining existing companies and attracting new businesses.

**How proactive should the Town be? How will this change in a weak or strong economy? What are the priorities?**

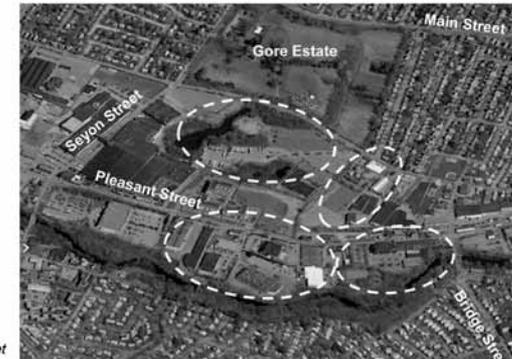
- Marketing
- Incentives/programs
- Regulatory reform
- Infrastructure improvements
- Regional advocacy & coordination



### USES

**If these sites were redeveloped over time, which uses would be appropriate and why? What are the considerations?**

- Office/Lab (O)
- Residential (H)
- Big Box Retail (R)
- Industry (I)



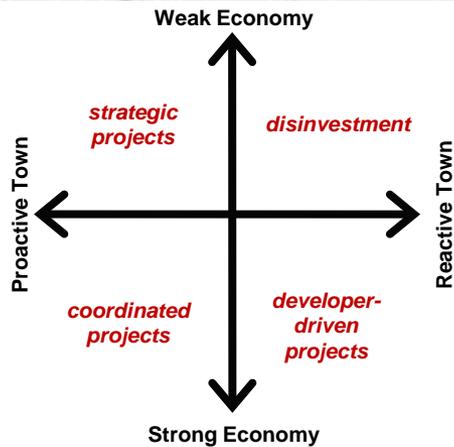
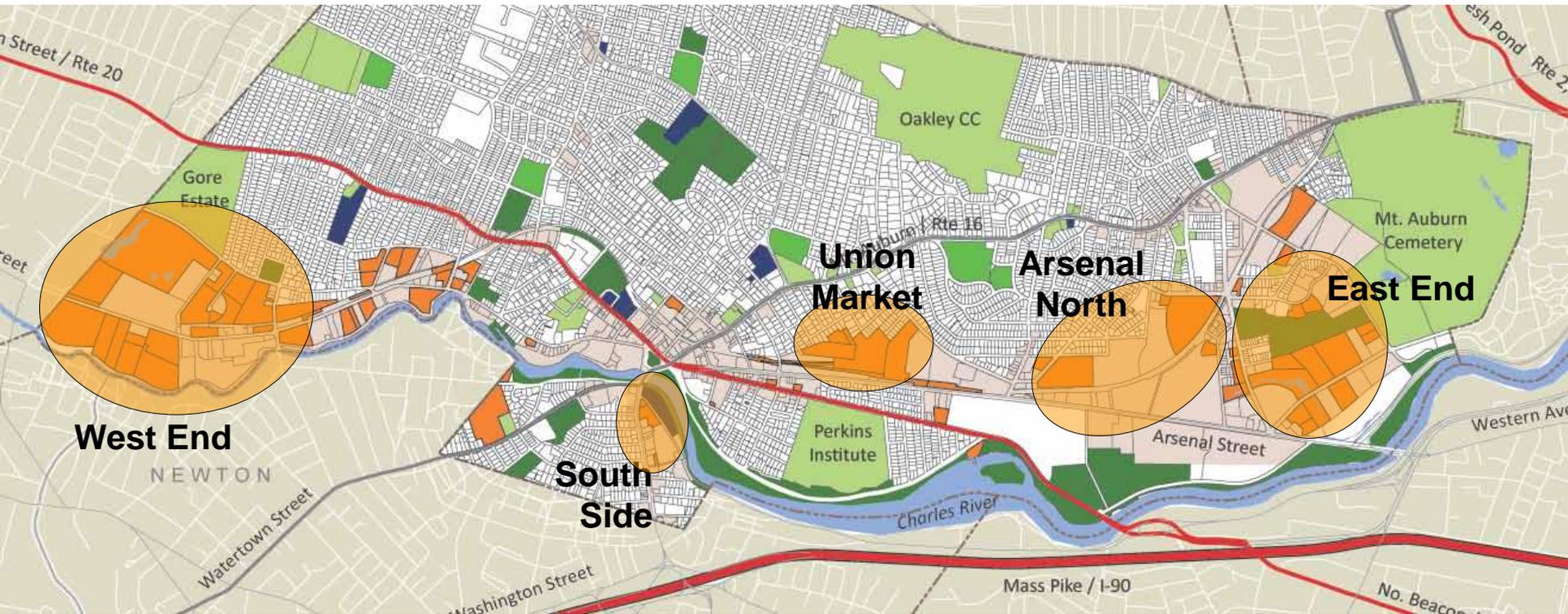
West End/Pleasant Street

Mount Auburn Associates

Madden Planning Group

Gamble Associates

# Discussion: Reference



-  Office/Lab
-  Multi-family Residential
-  Big-box Retail
-  Industry

# Next Steps

