

A Strategic Plan for a Vibrant Economy

2010 Community Master Plan
Sturbridge, Massachusetts



Prepared by RKG Associates, Inc.
April 6, 2010

Meeting Agenda

- ▶ Summary of Key Findings Related to Historical Socio–Economic Conditions and Nonresidential Development Patterns
- ▶ Discussion of Business Survey Findings
- ▶ Question Period
- ▶ Economic Strategy – Key Components and Proposed Recommendations
- ▶ Question Period

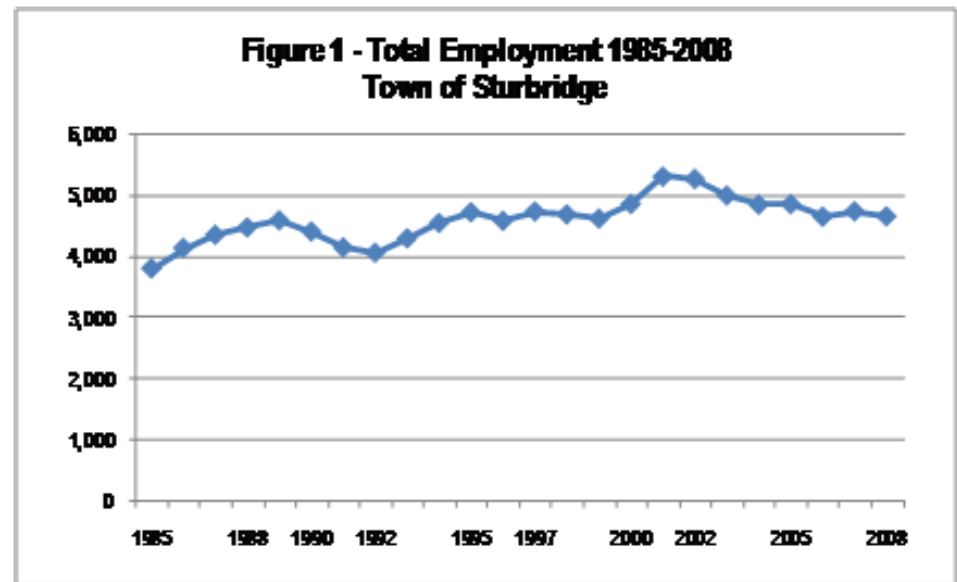
Part 1

Historical Trends & Business Survey

Summary of Historical Trends

Employment & Businesses

- ▶ Between 1985 & 2008 Sturbridge covered employment increased from 3,800 to 4,650
- ▶ An increase of approximately 900
- ▶ Peaked in 2001 at 5,300
- ▶ Relatively stable job base with average annual growth of 0.9%
- ▶ Town's growth matched S. Worcester region and exceeded state's rate of 0.6%



Summary of Historical Trends

Employment & Businesses (cont.)

- ▶ Examination of employment growth between 2001 and 2008 reveals most neighboring towns experienced net losses or only modest gains
- ▶ Charlton was the exception reportedly adding over 900 jobs during this time
- ▶ Sturbridge experienced the highest percent decrease in local region of 12%
- ▶ However, town had highest employment to population ratio of 51%

Table 1

Total Covered Employment 2001-2008

Sturbridge and Neighboring Communities

Municipality	2001	2008	Change	% Change	2008 Population	Employment/ Population
Sturbridge	5,307	4,654	-653	-12%	9,103	51%
Brimfield	494	564	70	14%	3,708	15%
Brookfield	475	466	-9	-2%	3,007	15%
Charlton	2,804	3,737	933	33%	12,585	30%
East Brookfield	391	434	43	11%	2,057	21%
Holland	127	145	18	14%	2,529	6%
North Brookfield	1,171	949	-222	-19%	4,833	20%
Southbridge	6,177	6,011	-166	-3%	16,852	36%
Spencer	3,555	3,327	-228	-6%	11,922	28%
Wales	124	162	38	31%	1,881	9%
Warren	1,209	684	-525	-43%	5,068	13%
West Brookfield	933	858	-75	-8%	3,806	23%

Source: MA Dept. of Labor

Summary of Historical Trends

Employment & Businesses (cont.)

- ▶ Between 2001–2008 private sector employment decreased by 14% (688 jobs) which was marginally offset by an increase of 35 government jobs
- ▶ Private sector employment accounts for 87% of total
- ▶ Sturbridge's largest employment sectors are (% total emp.):
 - Accommodations/Food Services (32%)
 - Health Care/Social Services (6%)
 - Retail Trades (27%)
 - Entertainment/Recreation (5%)
 - Manufacturing (11%)
- ▶ Only sectors with job growth were Administration (94), Professional/Tech (80), Finance/Insurance (57), Health Care (47) & Other Services (45)
- ▶ Largest declines in Manufacturing (643 jobs/59%), but trend seems to be slowing, and Accommodations (125) & Food Services (36)

Summary of Historical Trends

Employment & Businesses (cont.)

- ▶ Town's economy lacks diversity
 - Heavily dependent on Leisure & Hospitality and Entertainment & Recreation – 37% of private sector jobs
 - S. Worcester and MA had only 11% of jobs in these sectors
 - Town lost 38% of jobs in these sectors while region and state grew by 27% and 21%
 - Jobs in these sectors tend to have lower wages and higher proportions of part-time labor
- ▶ Town also dependent on Retail with 27% of employment base compared to 14% and 12% for region and the state
 - All locations had modest declines in this category from 2001–08
- ▶ Town exceeded regional growth rates in Finance/Insurance, Professional/Tech Services, Admin, and Health Care
 - However, low Location Quotients indicate potential to capture greater share of future growth
 - Town also not benefitting from strength of Transportation & Warehousing sectors in the region

Summary of Historical Trends

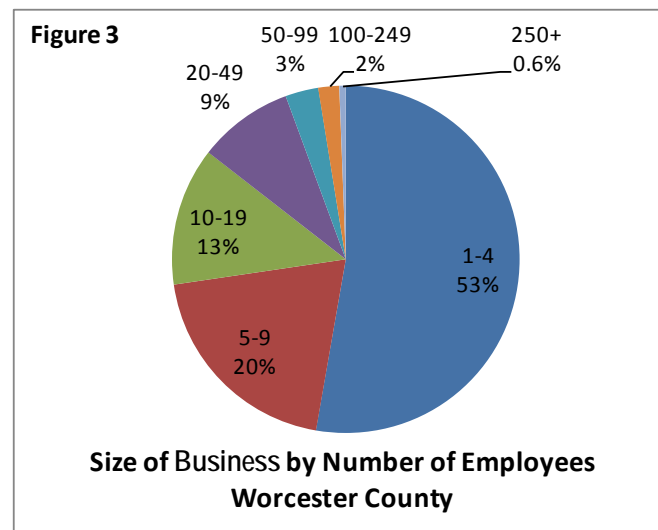
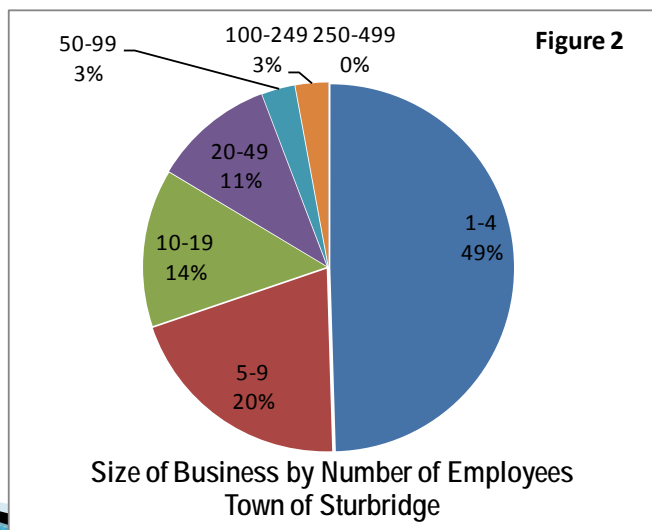
Employment & Businesses (cont.)

- ▶ Total 325 establishments as of 2008 – 311 private sector firms
- ▶ Net increase of 22 establishments (2000–08)
- Largest number of firms by sector:
 - Retail Trade (69)
 - Accommodations/Food Services (52)
 - Professional/Scientific/Tech Srvs (29)
 - Health Care/Social Services (27)
 - Other Services (31)
- ▶ Remaining 100 establishments are fairly well distributed amongst industry sectors

Summary of Historical Trends

Employment & Businesses (cont.)

- ▶ Sturbridge's businesses are predominantly small firms
 - Almost 50% have less than 5 employees
 - 69% employ fewer than 10 workers
 - County has larger % of small firms (53%) but most other categories are comparable



Summary of Key Findings

Regional Employment Comparison

- ▶ Wages from town's businesses totaled approximately \$142 million in 2008
- ▶ Experienced a net decrease of \$5.3 million since 2001 with \$25 million lost in manufacturing wages
- ▶ Average weekly wages increased by 9.9% compared with a 22% increase in inflation
- ▶ The town's average weekly wage (\$590) equaled only 65% of the region's and 54% of the state's average wage
 - This can place the town at a disadvantage for attracting future employees although other factors must be considered (eg. Cost of living, quality of life, schools, etc.)
- ▶ The town's wages were competitive in the Manufacturing, Accommodations/Food Services, and Entertainment/Recreation sectors

Summary of Key Findings

Employment Projections

- ▶ Long-term state forecast (2006–2016) projected MA to add 200,000 jobs – 3.24 to 3.44 million – annual growth of 0.6%
- ▶ May not achieve this growth given current economic downturn
- ▶ New England Economic Partnership (NEEP) five-year forecast (2009–2013) estimates the state will add 37,500 net jobs (avg. annual growth of 0.2%)
- ▶ Short-term growth sectors expected to include:
 - Health Care & Education
 - Leisure & Hospitality
 - Information
 - Professional/Tech Services (gains in 2011)
- ▶ Declining sectors likely to include:
 - Finance, Insurance and Real Estate (gains in 2012)
 - Construction (gains in 2012)
 - Manufacturing (gains in 2011)
 - Retail/Wholesale Trades (gains in 2012)

Sturbridge and the Tourism Economy

- ▶ Town's economic base largely supported by establishments associated with leisure & hospitality, entertainment & recreation, and retail
- ▶ Represent core of town's tourism and visitor economy
- ▶ Contribute significantly in terms of tax base, local jobs & wages, and secondary spending through the economy
- ▶ Town's largest attraction is Old Sturbridge Village (OSV) with approximately 150,000 visitors annually
- ▶ Additional activities include:
 - Artisan crafts/local agriculture
 - Convention & visitor lodging
 - Campgrounds & parks
 - Restaurants and a variety of local and regional retailers

Sturbridge and the Tourism Economy (cont.)

- ▶ Town has approximately 900 hotel/motel rooms
 - Occupancy taxes generated approx. \$520,000 in local revenues
 - Funds are generally used for local betterment projects but not specifically dedicated for tourism or economic development
 - Town increased local occupancy tax from 4%–6% in January
 - Also enacted new meals tax of 0.75%
- ▶ Town's tourism activities represent component of broader regional industry represented by 11 Sturbridge Townships communities
 - Organization promotes tourism establishments and activities within the townships, as well as business networking/training
 - Sturbridge Tourism Association (STA) and Merchants of Sturbridge (MOA) also promote events, activities, and projects

Sturbridge and the Tourism Economy (cont.)

- ▶ Recent study commissioned by Sturbridge Heritage Preservation Partnership (SHHP) in 2007 examined regional nature of area's tourism
 - Examined town's tourism economy in regional context
 - Identified strengths, weaknesses and recommended strategy for increasing/extending visitation levels to the town (76% of visitors spend only one day in the area)
- ▶ Positive attributes include:
 - Good highway access, sense of history, natural beauty, outdoor recreation, quaint towns with scenic drives and “day” activities for families
- ▶ Items found to be lacking include:
 - Activities for complete family weekends, other nearby historically significant locations (e.g. Plymouth or Boston), luxury retreats, and more shopping alternatives

SHHP Report Recommendations

- ▶ Protect the existing hospitality and retail base due to the town's high degree of economic dependency
- ▶ Protect the fabric of the community
- ▶ Extend visits to multiple activities and overnight stays by:
 - Leveraging major events
 - Expanding availability and variety of camping/outdoor activities
 - Improving merchandising of tourist product through better packaging
- ▶ Align visitor expectations and experience
 - Maintain “look and feel”
 - Add enhancements to encourage repeat visitors
- ▶ Address “gateway” issues that provide a more representative and appealing image for visitors as they enter the town
- ▶ Develop a scenic drive concept
- ▶ Improve access to outdoor recreation equipment
- ▶ Initiate work on regional design standards and land use and zoning considerations

Commercial/Tourist District

- ▶ C/T District functions as “backbone” of local tourism economy but also supports local shopping & services
- ▶ Vision from recent C/T Revitalization study
 - pedestrian-friendly
 - caters to tourists and local residents alike
 - offers a variety of shopping opportunities, restaurants, and inns, as well as establishments offering family entertainment during the day and night
 - provides access to the town’s river resources that can be passively or actively enjoyed
 - provides adequate parking within a short walking distance to all of these facilities

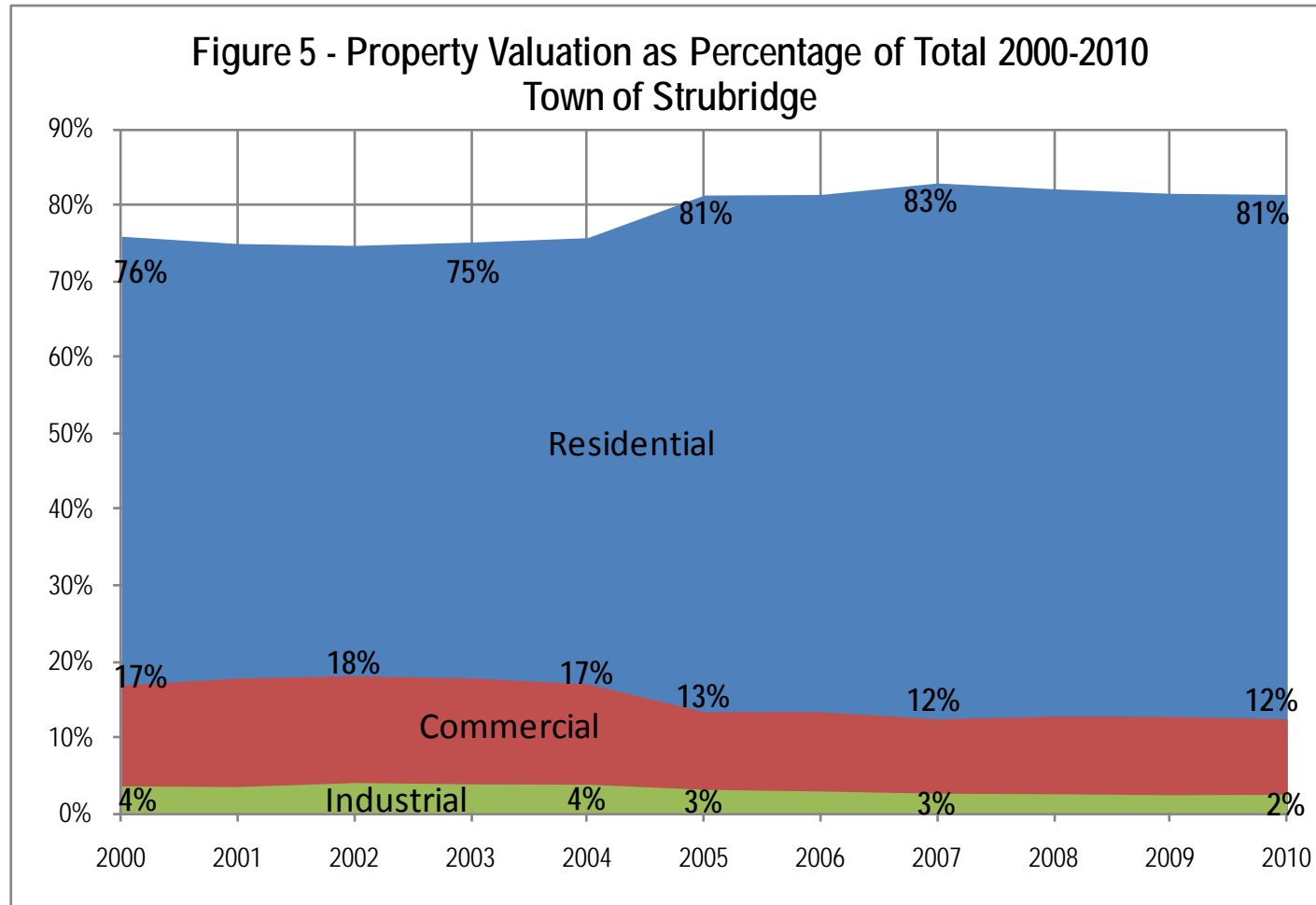
Commercial/Tourist District Actions

- ▶ Facilitate walkability
- ▶ Implement traffic calming
- ▶ Add attractive, consistent streetscape elements
- ▶ Develop public parking spaces
- ▶ Establish small “pocket parks”
- ▶ Facilitate the development/redevelopment of vacant or underutilized properties
- ▶ Encourage attractive, effective signage throughout the C/T district that is consistent with a unifying New England village
- ▶ Facilitate development consistent with a unifying design theme for architecture/building facades
- ▶ Create a physical and conceptual connection between the C/T district and the Quinebaug River, as well as nearby ponds and trails

Nonresidential Development Trends

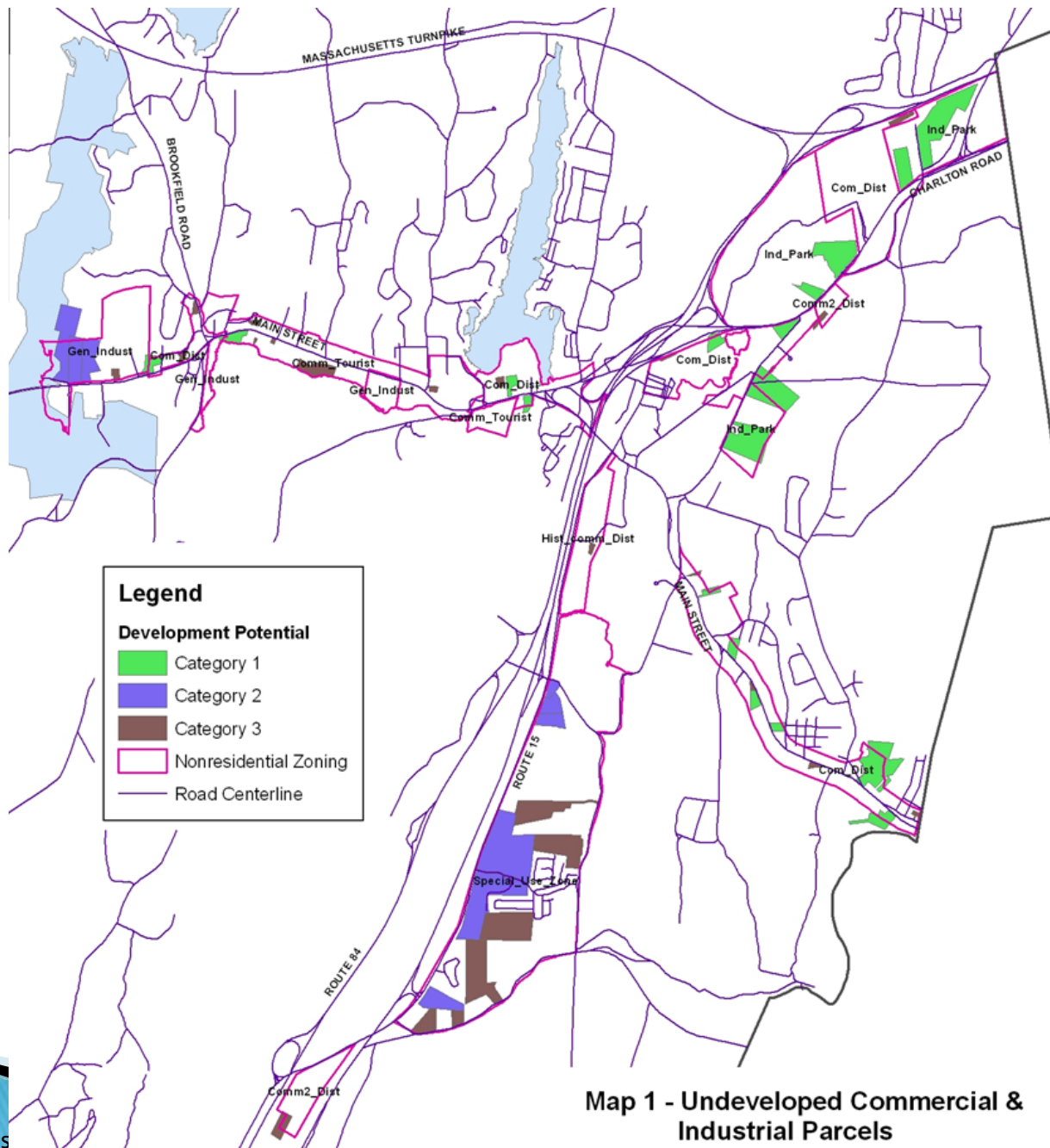
- ▶ Sturbridge added 107,000 sq. ft. of comm/ind building space between 2000–2008; about 13,000 sq. ft. annually
- ▶ Increased from 2.5 million to 2.6 million sq. ft.
- ▶ Buildings occupy 1,046 acres; 4% of town's land area
- ▶ Building valuation of \$91 million as of 2008; increased \$3.6 million or 4% since 2000
- ▶ Distribution of building sq. ft. and assessed value/% total
 - 34% retail/service uses (\$66 million/39%)
 - 27% industrial uses (\$28 million/17%)
 - 22% lodging (\$36 million/22%)
 - 7% restaurants (\$14 million/8%)
 - 7% office (\$13 million/8%)

Nonresidential Development Trends (cont.)



Nonresidential Development Trends (cont.)

- ▶ Sturbridge has approximately 350 acres of vacant, non-residentially zoned land: 135ac industrial; 63ac commercial; 153ac special use
- ▶ A number of limitations are/will restrict accessibility and usability of this land for development
 - Lack of frontage and utilities, small lot size and irregular shapes, fragmentation, conflicting land uses, ownership, natural constraints
- ▶ Ranked in 3 categories
 - Cat 1 (147 acres) have good access, size, utilities (shovel-ready?)
 - Cat 2 (98 acres) at least one limitation (no frontage, small lot size, no sewer)
 - Cat 3 (108 acres) two or more limitations



Business Survey Overview

- ▶ Surveyed town businesses as part of public input process and to help formulate economic strategy
- ▶ Conducted mail-out survey
- ▶ Distributed 446 surveys to businesses
 - 67 responses – 15% response rate
- ▶ Survey addressed
 - Business characteristics
 - Levels of satisfaction
 - Impacts/opinions on tourism
 - Preferences for future nonresidential development
 - Labor supply/skills

Business Survey Summary of Findings

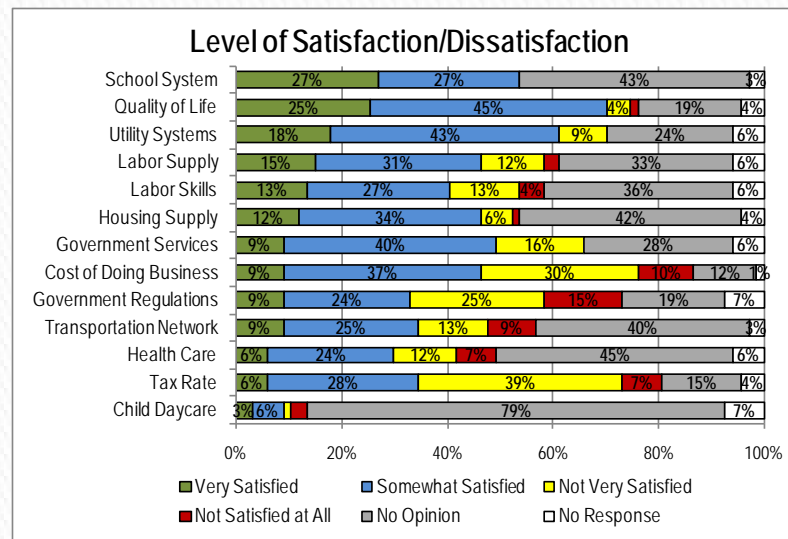
► Very to Somewhat Satisfied

- Schools
- Quality of Life
- Labor Supply/Skills
- Utilities

► Not Very to Not Satisfied at All

- Government Regulations
- Cost of Doing Business
- Transportation Network
- Tax Rate

High percentages
of “No Opinion”
on most topics



Business Survey

Summary of Findings (cont.)

- ▶ Vast majority (91%) favored expansion of tourism activities
- ▶ What types of activities should be encourage?
 - Movie Theater – 47 (70%)
 - Outdoor Recreation – 37 (55%)
 - Small Shops – 32 (48%)
 - Amusements – 32 (48%)
 - Outlet Shopping – 24 (36%)
 - Education/Cultural – 18 (27%)
 - Artisans – 18 (27%)
 - Theme Park – 14 (21%)
 - Health Spa – 5 (7%)
 - Lodging – 3 (4%)
 - Other* – 3 (4%)

Business Survey

Summary of Findings (cont.)

- ▶ Where should future development be directed?
 - Route 15 received the largest number of votes across all types of development (e.g. retail, office, lodging, manufacturing, etc.) with a total of 132.
 - “Other Route 20 Locations” received 118 with 111 for the “Commercial Tourist District”. Only 5 selected other alternative locations.
 - Retail and tourism types of development received the highest percentage of responses
 - considered appropriate for all three roadway locations although slightly more favored the commercial tourist district
 - Office uses were consistently recommended for all three locations (approximately 25% of respondents)
 - Route 15 and Other Route 20 Locations were considered most favorable for light manufacturing with Route 15 also considered appropriate for warehousing uses
- ▶ Respondents favored extending utilities to these areas with financing provided primarily by user fees and grants

Part 2

Strategic Actions & Recommendations

Components of Strategic Economic Development Plan

- ▶ Management, Policies, Partnerships
- ▶ Marketing
- ▶ Comprehensive Approach
 - (housing, infrastructure, transportation, quality of life, land use, natural resources)
- ▶ Land Use and Regulatory Actions

Strategic Opportunity Areas

- ▶ Need to support and maintain existing business base
 - Improve outreach and information services
 - Provide flexible regulatory environment
 - Increase support/opportunities for small businesses
- ▶ Improve economic marketing
 - Expand the town's current economic development marketing efforts
 - Improve focus and coordination among existing local/regional tourism and economic development groups
- ▶ Need to diversify the existing business base
 - Attract clean alternative businesses and industries that will provide higher paying jobs
 - Capture share of future medical sector growth
 - Expand existing clusters of optics–electronics–metals/machinery manufacturing
 - Capitalize on “green” technologies momentum
- ▶ Improve/expand supply of readily developable commercial & industrial land

Strategic Opportunity Areas

- ▶ Insure that infrastructure and utility systems are adequate to support existing and future levels of economic development
- ▶ Need to broaden tourism related offerings
 - Provide additional family related activities and other feature facilities that will entice visitors to extend their stays
 - Increase natural resource and recreation related activities as a component of the town's tourism attractions
 - trails, rivers, natural areas, recreation facilities
 - Expand small retail shopping alternatives
- ▶ Improve conditions & opportunities in the Commercial Tourist District

Recommendations (cont.)

Management, Policies, and Partnerships

- ▶ Maintain a “pro-business” environment within town government
 - Continue to examine town policies and procedures, and revise as needed, to insure that they do not discourage local business operations and initiatives
 - Conduct periodic and regular business outreach efforts to existing businesses
 - Establish a program that provides recognition of excellence for existing businesses
 - Consider additional tax or financing incentives to existing businesses or as tools for attracting future development
- ▶ Identify key position on town staff that is responsible for economic/business coordination, monitoring, and outreach
 - Alternately, consider establishing a new position to fill this role on either a part- or full-time basis
 - Support the town’s economic marketing efforts to attract new development and also function as a liaison between tourism groups, town government, and businesses

Recommendations

Management, Policies, and Partnerships

- ▶ Establish a more cohesive approach for promoting tourism and economic development
 - Provide incentives and/or directives intended to bring all existing economic development and tourism-related oversight groups together
 - Support proposed marketing/branding recommendations from the SHPP analysis
 - Support marking of scenic drives
 - Encourage closer cooperation of marketing and events activities with Old Sturbridge Village
- ▶ Implement commercial building design guidelines

Recommendations (cont.)

Management, Policies, and Partnerships

- ▶ Support small business growth and development
 - Promote small businesses by highlighting their operations and successful endeavors
 - Promote a town policy that encourages purchasing goods and services from small businesses and/or, local businesses in general
 - Examine the potential for creating a local investment pool geared towards supporting the establishment and expansion of small businesses funded from both public and private sources
 - Consider creation of a business incubator to support the establishment and growth of small businesses
 - Examine potential for a joint regional approach for operating such an entity with neighboring towns

Land Use / Regulatory Concepts

- ▶ Vacant industrial/commercial land is limited and has numerous limitations restricting its viability
- ▶ Need to remain competitive with neighboring towns and the Greater Worcester market
 - Better positioning to attract future health care growth
- ▶ Need to improve potential for development in existing commercial areas
- ▶ Need to create opportunities for establishing other tourism feature establishments or attractions

C/T Corridor Improvement Plan

- ▶ Commercial/Tourist District
 - Analysis/vision is complete? – Time for action
- ▶ Success is likely to require public sector leadership and investment to stimulate private sector investment
- ▶ Need to prepare “physical” corridor improvement plan
 - First Step – create scaled base map to illustrate:
 - Potential redevelopment sites
 - Landscaping and other aesthetic improvements
 - Shared driveway access potential
 - Short- and long-term parking improvements
 - Pedestrian amenities (sidewalks, walkways, pocket parks, etc.)
 - Potential river access points

C/T Corridor Improvement Plan (cont.)

- ▶ Development a Capital Improvement Plan for all recommended infrastructure upgrades
 - identify potential public/private funding sources
- ▶ Identify potential redevelopment sites currently occupied by structures needing significant renovation or other “non-contributing” properties that do not support the district’s objectives.
- ▶ Revise zoning bylaws to allow more flexibility in types and scale of uses
 - Implement in conjunction with town’s updated design guidelines
- ▶ Identify potential locations for centralized, shared parking facilities
- ▶ Create conceptual site plans for redevelopment on selected sites
 - Work with property owners looking to expand or redevelop existing structures or
 - Offer alternative redevelopment options of non-contributing properties
- ▶ Establish a façade improvement fund to assist property owners
 - Create conceptual façade design plans for selected sites and/or interested property owners
- ▶ Conduct market feasibility study of Holland Mill – Renovation costs could exceed the value of this property
 - Explore public/private financing options for renovating or redeveloping the mill site into artisan’s space, a small business incubator facility, or other appropriate use
 - Revise zoning regulations to support intended alternative uses

C/T Corridor Improvement Plan (cont.)

- ▶ Create new Entertainment Gateway District on Route 20
 - District centered around former Lodges motel
 - Should also attempt to include adjoining properties, including MA highway garage (approx. 90ac)
 - Potential limitations from proximity to river
- ▶ Regulations should encourage entertainment, recreation & other tourism-related uses
 - Larger scale of development than C/T district
 - Create better linkage with OSV
 - Examine reconfiguration of Route 131

Special Use District (Route 15)

- ▶ Existing regulations too vague, unfocused, and restrictive
- ▶ Revise purpose of district & regulations
 - Decide if district will focus on entertainment/recreation or manufacturing and warehouse/distribution
 - Restrict non-contributing uses (e.g. do not allow residential uses)
 - Develop plans to extend water and sewer to district once town's wastewater plan has been completed and plant capacity issues are resolved
 - Identify financing sources including DIF, grants, user financed and town bonding support
 - Revise regulations to allow development by right (minimize special permit requirements) at reasonable density to encourage investment and finance of required utilities
 - If municipal sewer cannot be extended to the district within a reasonable time-frame, permitted density will need to adjusted accordingly

Land Use / Regulatory Concepts

- ▶ Expand Business/Industrial zoning on Route 20 West
 - Last significant remaining undeveloped frontage on corridor (approx. 120ac)
 - Good access
 - Availability of utilities
 - Clustered with existing businesses
 - Area could support either business park, technology, or industrial uses – restrict retail
 - Consider public acquisition/development

Land Use / Regulatory Concepts

- ▶ Create mixed use medical zone on Route 131
 - Good proximity to hospital
 - Could combine residential and medical/professional offices
 - Residential could be age-restricted, congregate care or similar uses
 - Access could be complicated
 - Potential land use conflicts

Land Use / Regulatory Concepts

▶ Other Considerations

- Review/revise Historic Commercial zoning district
 - Revise regs to reflect existing tourism/hospitality uses
 - Protect integrity of area with design guidelines
- Examine town-owned vacant or underutilized land for possible “highest and best use” as future economic development sites
- Some town conservation land may be compatible with active, outdoor commercial recreation uses that could be privately operated and provide an additional component of the local tourism economy

Conclusion – Q&A and Next Steps

- ▶ Next Steps:
 - Refine actions based on public comments
 - Feedback from Steering Committee and City staff
 - Draft Report early 2010
- ▶ Comments/discussion/additions to recommended actions