

TOWN OF AUBURN – ECONOMIC DEVELOPMENT STRATEGIC PLAN

Prepared for the Town of Auburn, MA
Prepared by Hodge Economic Consulting
In Association with BSC Group

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I. Introduction

The Town of Auburn, Massachusetts has completed a new economic development strategic plan, updating information, goals, objectives and strategy recommendations from the 2006 Master Plan. Auburn has a population of just over 16,000 and is located at a strategically important place alongside Worcester (the 2nd largest city in New England) and at the crossroads of major interstate highways (I-90, I-290, I-395).

Auburn has a strong base of warehousing, distribution and other industrial companies and is also home to a significant retail industry, anchored by the Auburn Mall. These industries represent just a sample of economic activity in Auburn but reflect the industrial presence in the town – in fact, Auburn has approximately 10,420 jobs (as of 2014) resulting in a jobs to population ratio of 0.64. This indicator tends to be much lower for “bedroom” communities and thus reflects the pre-existing commercial and industrial assets of the town. For comparison purposes, the jobs to population ratio is actually lower in Worcester (0.54) and for Massachusetts (0.50).

Now is an important time to consider the future economic direction for the Town of Auburn, and to establish this economic development plan in close coordination with the anticipated Master Plan Update. Accordingly, key elements of this economic development plan were to:

- Update and enhance the data-driven profile of economic activity for Auburn.
- Identify and assess the town's assets, strengths and challenges for economic development opportunities, including an understanding of broader state, national and global economic trends.
- Obtain input from a range of perspectives, including development experts (public and private) and the general public.
- Analyze priority development areas and parcels in Auburn, aligned with industry-led economic opportunities.
- Detail specific strategies to achieve the economic development goals, including opportunities for public-private partnerships and investment.
- Complete a clearly written, action-oriented economic development plan that can be integrated with the town's Master Plan Update.

The remainder of this economic development plan is organized into: a) economic and demographic data profile of Auburn; b) findings from interviews with local/regional economic development stakeholders; c) SWOT Analysis of strengths, weaknesses, opportunities and threats; d) recommended economic development policies, strategies, and actions; and e) next steps.

II. Economic and Demographic Data Profile of Auburn

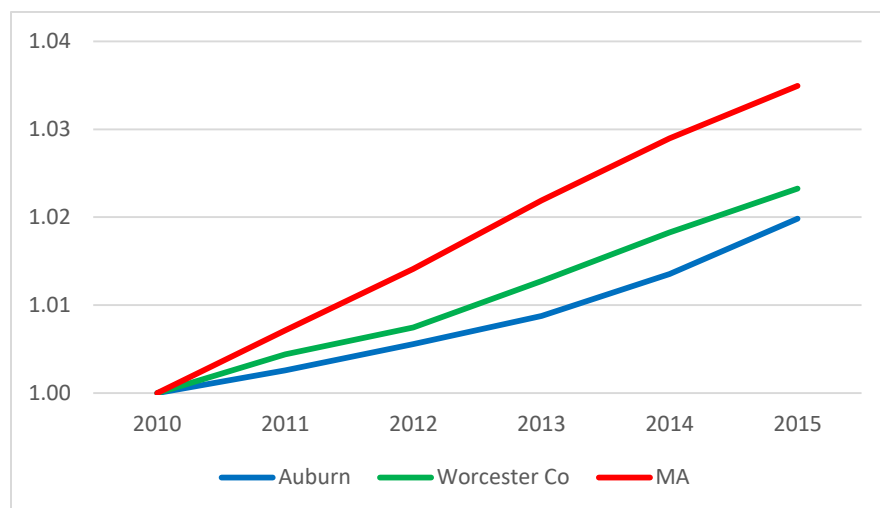
- What are the economic and demographic trends of Auburn, Massachusetts?
- What are the key industries and job generators and how has that changed over time?
- What are the income, housing, and unemployment characteristics of Auburn residents?
- How does Auburn generate its tax revenue and how does that compare to surrounding towns?

Questions like these (and many others) are analyzed in this section of the economic development plan, which provides a data-driven economic and demographic profile of Auburn, MA. This data analysis is organized around: a) the socioeconomic conditions of Auburn residents; b) the economic and industry trends of Auburn businesses and organizations; and c) other relevant concepts like commuting patterns and property tax revenue.

Socioeconomic Conditions of Auburn Residents

This first section is focused on understanding the socioeconomic conditions and trends of Auburn's residents (the people living in the town of Auburn). As of July 1, 2015 (the latest data available at the time of writing), Auburn has a population of 16,516. This is an increase of 328 people (or 2.0 percent) since the 2010 Census. Looking back, Auburn has had a relatively stable population since 1960 when it reached about 14,000 and grew gradually over the next forty years to about 16,000 by 2000. As shown in Figure 1, the population growth in Auburn over the last five years is just below the rate of growth for Worcester County overall (2.3 percent) and further below statewide growth of 3.5 percent, which has been led by strong population gains in and around Boston.

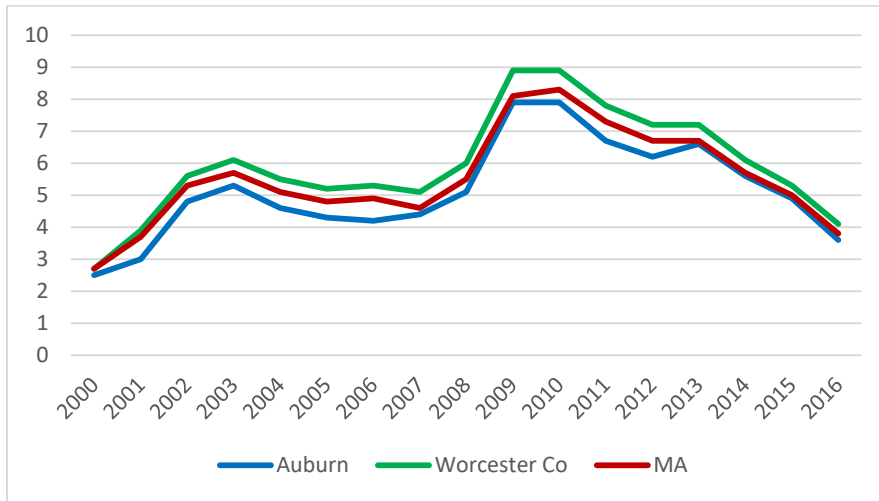
Figure 1. Population Growth Index – 2010 to 2015 for Auburn, Worcester County and MA



Source: U.S. Census Bureau, Population Division, Annual Estimates

As of August 2016, Auburn's unemployment rate was 3.6 percent – its lowest unemployment rate in about 15 years when it was 2.5 to 3.0 percent in 2000 and 2001. As shown in Figure 2, Auburn's unemployment rate (again for Auburn residents) has closely tracked the unemployment rates for Massachusetts and Worcester County across business cycles. Auburn's total labor force of resident workers is approximately 9,300 with about 350 unemployed (in 2016). The total labor force has grown by just under seven percent from 2000 to 2015.

Figure 2. Unemployment Rates for Auburn, Worcester County and MA – 2000 to 2016

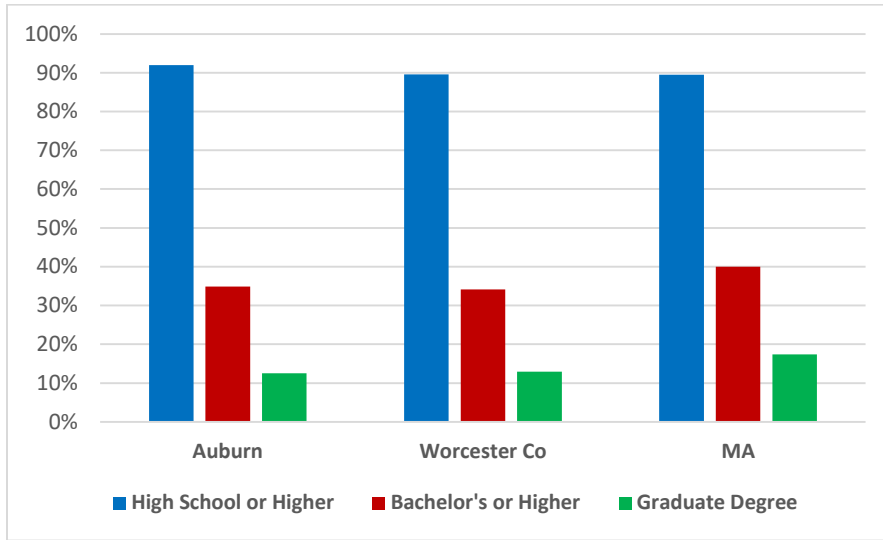


Source: Massachusetts Executive Office of Labor and Workforce Development, Labor Market Information

The educational attainment of Auburn's adult population (25 years or older) is fairly similar to Worcester County and statewide attainment (see Figure 3). The percent of Auburn's population with at least a high school degree is 92 percent, above county and statewide averages that are just below 90 percent. College attainment levels are slightly lower for Auburn and Worcester County compared to statewide averages (though roughly in line with national averages). For example, the percent of adults with a bachelor's degree or higher is about 35 percent in Auburn compared to 40 percent statewide.

There is a bigger relative gap in terms of graduate degrees with 12.5 percent of Auburn's adult residents earning a graduate degree versus 17.4 percent in Massachusetts overall. Massachusetts has one of the highest college attainment levels of all states, led by concentrations of colleges/universities and knowledge-driven jobs in Greater Boston as well as Hampshire County (home to UMass-Amherst, Smith College, Amherst College, etc.). Higher college attainment levels tend to correspond with higher wage jobs and can be a factor as businesses consider location decisions – this is especially true for professional services, engineering, research & development, and other industries that require a large pool of highly educated workers.

Figure 3. Educational Attainment for Auburn, Worcester County, and MA



Source: American Community Survey data 2010-2014

Table 1 presents a snapshot comparison of Auburn to a set of area towns and the state of Massachusetts. Most of the surrounding/comparison towns have a similar population to Auburn ranging from 13,537 in Millbury to 19,864 in Hudson.¹ The one exception is the town of Shrewsbury which has a population of 36,805 (more than double Auburn). While Shrewsbury is larger than Auburn, given its proximity (just east of Worcester) it is often considered a competitor for business location decisions in the region.

Table 1. Socioeconomic Data for Auburn and Comparison Towns – Resident-Based Data

	Population	Median Household Income	% Bachelor's Degree or Higher	Poverty Rate	Unemployment Rate
Auburn	16,516	\$72,695	34.9%	4.4%	3.6%
Holden	18,645	\$97,972	51.4%	2.6%	3.3%
Hudson	19,864	\$74,082	36.6%	6.4%	3.8%
Millbury	13,537	\$71,676	30.8%	6.1%	3.6%
Oxford	13,916	\$70,016	27.0%	5.0%	3.4%
Shrewsbury	36,805	\$97,365	55.2%	5.0%	3.1%
Westborough	18,934	\$100,552	60.4%	4.4%	2.9%
Massachusetts	6,794,422	\$67,846	40.0%	11.6%	3.8%

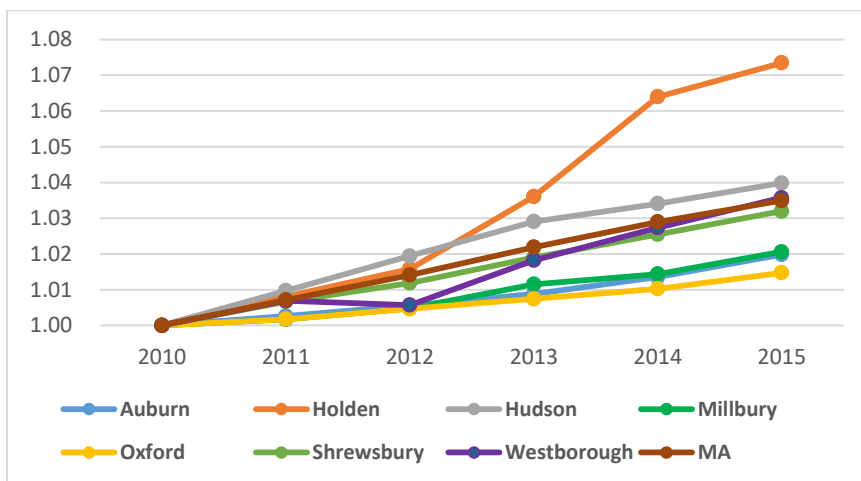
Source: U.S. Census Bureau, Population Division, Annual Estimates; American Community Survey data 2010-2014; Massachusetts Executive Office of Labor and Workforce Development, Labor Market Information (unemployment rates as of August 2016).

¹ The set of comparison towns was determined in consultation with the Town Manager and Planner, including towns used as a comparison in the 2006 town plan, and adding towns like Hudson and Westborough that are slightly further away but have a somewhat similar mix of residential and commercial tax bases.

Auburn's median household income from 2010-2014 (based on ACS data) was \$72,695, almost \$5,000 more than the Massachusetts median. The income level is comparable to Hudson, Millbury and Oxford but well below Holden, Shrewsbury and Westborough which are near or at \$100,000 per household. Auburn's median household income has been growing steadily over time, a factor that influenced the town's upgraded bond ratings from Moody's (currently rated Aa2 as of September 1, 2016,) and Standard & Poors (currently rated AA+ as of September 1, 2016). In particular, Auburn experienced a 38 percent increase in household income from 1999 to 2010 (higher than the state growth of 28 percent), and rose an additional two percent over the last few years.

The share of the adult population with a bachelor's degree or higher is strongly correlated with income levels. Towns such as Holden, Shrewsbury, and Westborough have more than half of their population with that level of educational attainment and also high income levels. Auburn's share of population with a bachelor's degree is similar to Hudson and above the rates for Millbury and Oxford (the lowest at 27 percent). The poverty and unemployment rates for Auburn and the comparison towns are generally low and fall below the average rates for Massachusetts statewide – a positive indicator for the residents of the region. Auburn experienced low population growth over the past five years relative to the set of comparison towns with only Oxford growing more slowly – Holden grew the fastest, well above the state average growth (see Figure 4).

Figure 4. Population Growth Index 2010-2015 for Auburn, Massachusetts and Comparison Towns

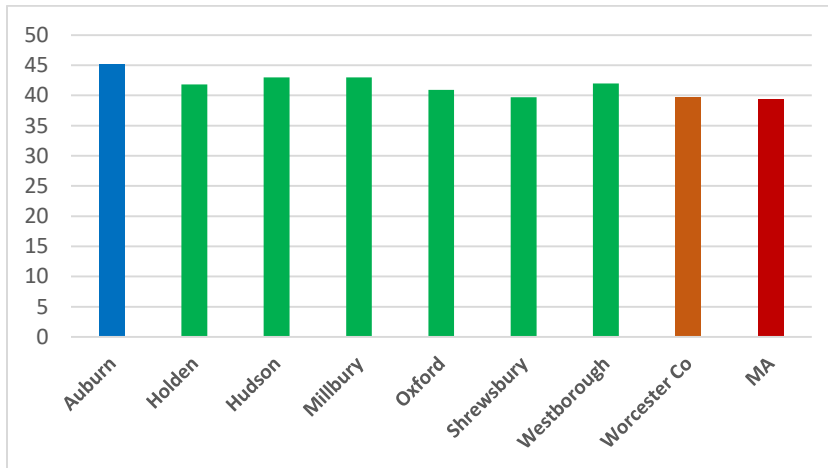


Source: U.S. Census Bureau, Annual Population Estimates

An overarching demographic trend in the U.S. and here in Massachusetts is the aging of the population as people are living longer and the number of new births is less robust than in previous time periods. Similarly, Auburn has a relatively older population with a median age of 45, almost six years older than the Massachusetts and Worcester County averages. In fact, Auburn has the oldest median age of the comparison towns (see Figure 5). That said, the school age population in Auburn appears to be holding at

healthy levels with total enrollment in the K-12 system at 2,454 for school year 2015-16. Looking back to 1993-94, the school enrollment for Auburn was 2,258 and peaked around 2000 with just over 2,500 students. Most years have seen approximately 2,350 students enrolled (on average) and the 175 kindergarten students in 2015-16 is also the highest since 2000. In other words, the relatively high median age has not resulted (yet) in decreasing numbers of school-age children in Auburn.

Figure 5. Median Age for Auburn, Comparison Towns, Worcester County, and MA

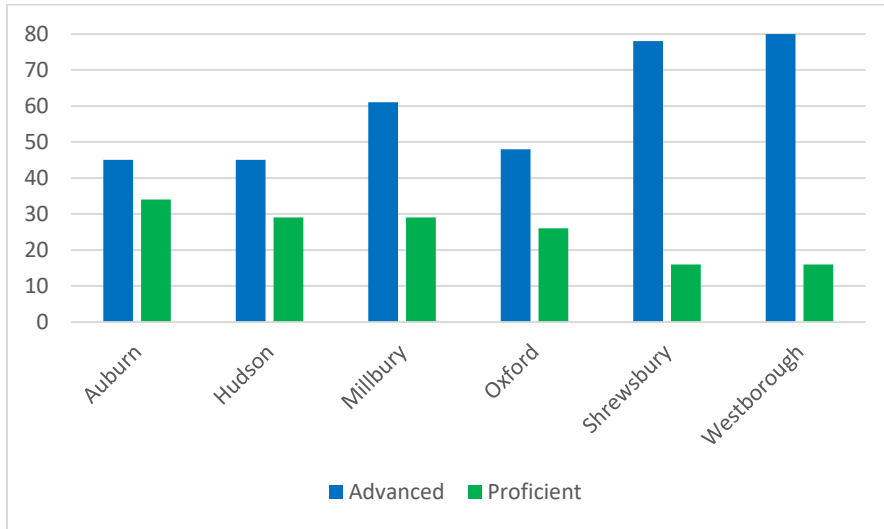


Source: American Community Survey data 2010-2014

Stakeholders and local leaders in Auburn are generally proud of their school system, often point to strong schools as an asset for the town, and appreciate the recent construction of new school facilities. While tremendous amounts of data now exists to analyze school (and student) performance, Figures 6 and 7 present data on two commonly reviewed metrics on math and test scores for 10th graders. Using data from the Massachusetts Comprehensive Assessment System (MCAS), we see that Auburn's math proficiency levels are relatively strong and the advanced scoring levels are approaching 50 percent but trail nearby towns such as Millbury, Shrewsbury, and Westborough.²

² Holden is part of the Wachusett Regional School District and was omitted from these graphs.

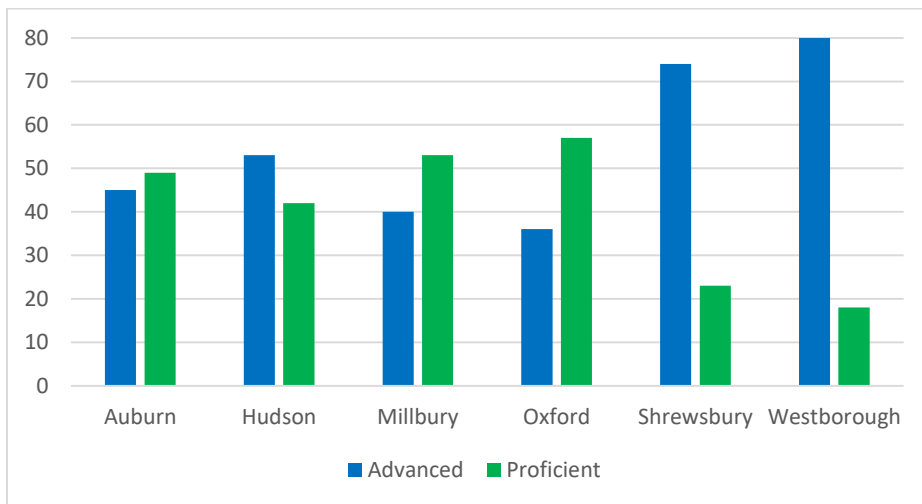
Figure 6. MCAS 10th Grade Math Scores (2016) – Percent Advanced and Proficient



Source: Massachusetts Department of Elementary and Secondary Education

The findings are fairly similar for English scores with almost 50 percent of students scoring at the proficient level and another 45 percent at the advanced level. These scores are generally strong (compared to statewide scores) but trail Hudson, Shrewsbury and Westborough which have much higher shares of students scoring at the advanced level. As a positive for Auburn’s schools, the town has a very low share of students reported in the warning/failing category with only four percent for math, and just two percent for English. These kinds of solid educational performance scores are unlikely to raise “red flags” when companies are making business location decisions and are more likely to be seen as a relative strength.

Figure 7. MCAS 10th Grade English Scores (2016) – Percent Advanced and Proficient



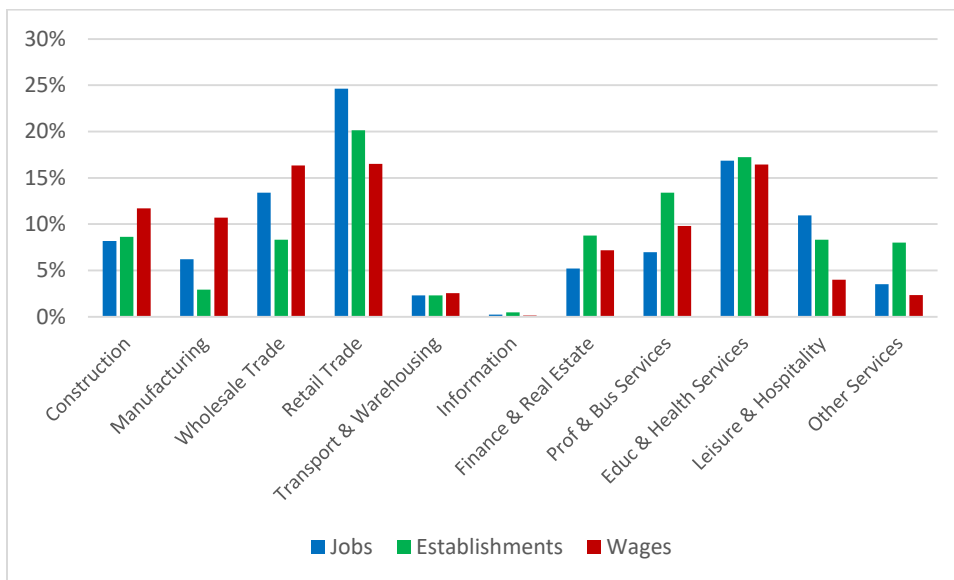
Source: Massachusetts Department of Elementary and Secondary Education

Economic Conditions and Industry Trends in Auburn

The next section of this data profile of Auburn’s economic development conditions is focused on the businesses and non-profit organizations established in the town. In other words, rather than capturing the characteristics of residents (see above), this section tracks the industry trends and strengths of Auburn’s business community.

As of 2015, Auburn is estimated to have 10,511 jobs in 650 establishments, generating almost \$491 million in wages according to the Massachusetts Executive Office of Labor and Workforce Development. Figure 8 shows how these jobs, establishments, and wages are distributed by industry as of 2015. Retail trade is clearly the largest industry sector for Auburn in terms of jobs and establishments, providing almost one-fourth (24.6 percent) of all jobs in the town, including part-time positions. In terms of wages, the industry mix is more evenly distributed with retail trade, wholesale trade, and the broad education and health care services sector each generating more than 16 percent of wages. This discrepancy (compared to jobs) is indicative of the relatively low wages earned per job in retail trade as average weekly wages are \$602 for retail compared to \$898 across all jobs (with higher average wages for wholesale trade, education and health care).

Figure 8. Town of Auburn Jobs, Establishments, and Wages by Industry – 2015



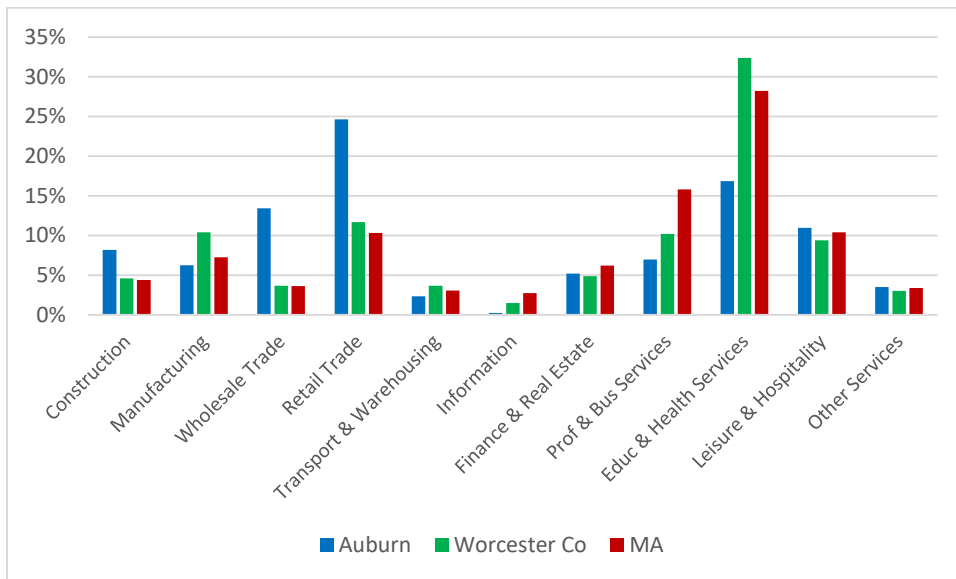
Source: Massachusetts Executive Office of Labor and Workforce Development, ES-202 data

Another useful way of assessing Auburn’s industry mix is to compare the share of jobs by industry to Worcester County and Massachusetts (see Figure 9). Consistent with the previous graph, retail trade’s share of Auburn’s employment base is remarkably large, more than double the share of jobs in Worcester County or Massachusetts. The Auburn Mall is a driving factor for industry mix. Education and health care services is the

second largest industry in Auburn in terms of jobs with about 1,770. This is by far the largest industry in Massachusetts, providing 28 percent of all jobs statewide, and over 32 percent of jobs in Worcester County. Unlike many larger areas, Auburn does not have a hospital or any higher education institutions which tend to generate significant numbers of jobs.

Other industry strengths in Auburn (where there is a relatively high share of total jobs) include wholesale trade which generates over 13 percent of employment (about 1,410 jobs) in 2015. Wholesale trade appears to be the industry classification for most of Auburn's distribution center businesses (many of which reside in the Auburn Industrial Park). This industry sector (along with transportation and warehousing) directly benefits from the town's strategic location at the crossroads of I-90 (the Mass Pike) and I-290. Construction and the leisure/hospitality industries are also strong in Auburn, generating over 19 percent of total jobs. Although not shown in the graph, data from the U.S. Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) data series estimates that Auburn has about 345 public sector employees, representing another 4.1 percent of all jobs. This share of government employment is slightly higher than the Worcester County average of 3.7 percent, and 4.0 percent statewide.

Figure 9. 2015 Share of Employment by Industry – Auburn, Worcester County, Massachusetts



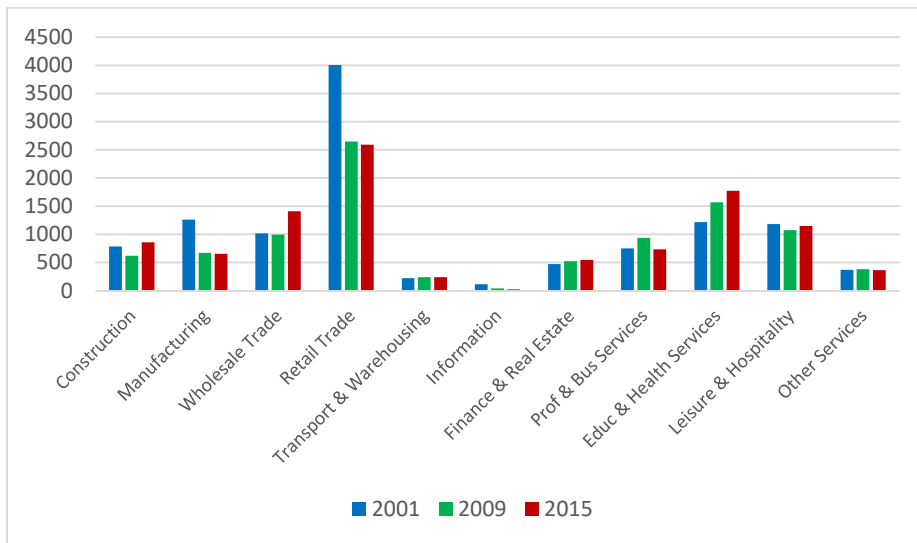
Source: Massachusetts Executive Office of Labor and Workforce Development, ES-202 Data

In terms of employment growth for Auburn's business base, the last fifteen years have generated some significant swings in economic activity. Total jobs in 2001 numbered 11,564 compared to 10,511 in 2015, representing a reduction of nine percent. However, 2001 represents a relative peak year of employment as Auburn suffered from the early 2000s economic recession (jobs dipped to 10,432 by 2005). The Great Recession of 2008-2009 produced another business contraction with jobs in Auburn lowered to 9,896.

The town has gradually gained jobs back during this economic recovery with a 6.2 percent increase since the recession.

Of course, the total employment changes over time were felt differently across industry sectors. Figure 10 depicts the number of jobs by major industry in 2001, 2009 (depth of the Great Recession), and 2015. By far the biggest drop in employment has been experienced in the retail trade sector, with most of the losses experienced from 2001 to 2009, with a slight reduction during the post-recession recovery period. Local experts think that a significant part of this retail job loss is due to lower employment needs at the Auburn Mall's anchor stores. The reduction of over 1,400 retail jobs is larger than the overall job loss from 2001 to 2015 (1,053 jobs). The second biggest job loss has been in manufacturing, and again, most of the loss was from 2001 to 2009 with manufacturing jobs leveling out at about 655 in 2015.

Figure 10. Auburn Employment by Industry – 2001, 2009, and 2015



Source: Massachusetts Executive Office of Labor and Workforce Development, ES-202 Data

The steadiest growth sectors over this time have been in education and health care (total gain of 557 jobs), followed by wholesale trade which saw a roughly 400 jobs increase over the past five to six years. Construction, finance and real estate, and (to a lesser extent) transportation and warehousing also saw gains in employment over this period.

Along these lines, Table 2 shows the largest private sector employers in Auburn based on establishment data from Infogroup. The single largest employer is R.H. White Construction which recently expanded into new building space. Other major companies represent a mix of manufacturing, distribution, retail, and various services.

Table 2. Largest Private Sector Employers in Auburn

Company	Number of Employees	Industry
R.H. White Construction Companies	500-999	Construction
Precision Tool Group	250-499	Manufacturing
Worcester Envelope Company	250-499	Paper Manufacturing
Atlas Distributing Inc.	100-249	Distribution
Home Depot	100-249	Retail / Home Improvement
Kadant Solutions, Inc.	100-249	Manufacturing
Life Care Center of Auburn	100-249	Nursing Home / Senior Living
Masterman's	100-249	Industrial Supplies
Macy's	100-249	Retail / Department Store
NGM Insurance Company	100-249	Insurance
Republic Services	100-249	Waste Mgmt / Recycling
Sears	100-249	Retail / Department Store
Shaw's Supermarket	100-249	Retail / Grocery Store
TransCore	100-249	Electronic Tolling

Source: Massachusetts Executive Office of Labor and Workforce Development, Infogroup establishment data.

Commuting Patterns, Property Value and Taxes, and Other Economic Indicators

Relatively new data sources via the Census Longitudinal Employer-Household Dynamics (LEHD) program³ can shed light on the industries where Auburn residents work (which differs from the industry establishments in Auburn), and the mix of commuters into and out of Auburn. As shown in Figure 11, as of 2014 there are only 872 Auburn resident workers who work within the town (i.e., live and work in the town). This means that the vast majority of Auburn workers (7,585 residents) commute out of the town for their jobs, and conversely that 91 percent of jobs in Auburn are filled by people who live outside the town and commute into Auburn (8,770 workers commuting to Auburn).

Of the 8,457 workers living in Auburn, an estimated 2,420 work in Worcester – the biggest destination municipality of residents. The next largest single city/town where Auburn workers are employed is Boston (455 jobs), followed by Framingham (233) and Marlborough (159). Of the 9,642 primary jobs in Auburn, an estimated 1,615 come from Worcester with no other town (besides Auburn) providing more than 200 workers to Auburn businesses.

³ This data measures the “primary job” for that workers hold (no more than one job per person) which results in job numbers that are slightly different from what was presented above.

Figure 11. Auburn Commuting Patterns (2014)



Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics

It is interesting to compare the share of jobs by industry for Auburn workers (residents) versus Auburn establishments (based in the town):

- Over 29 percent of Auburn workers are employed in the education (12.5 percent) and health care/social assistance (16.9 percent) sectors compared to about 17 percent of jobs based in the town. The share of Auburn resident jobs in this sector is fully consistent with statewide averages meaning that a number of Auburn residents commute to jobs in area hospitals, educational institutions, etc.
- An equal number of Auburn residents work in retail trade and manufacturing (890 workers – 10.5 percent of the workforce) while over 24 percent of jobs based in Auburn are in retail but only 6.2 percent in manufacturing.
- Approximately 565 Auburn residents work in the high-wage professional and technical services industry. This is an industry strength statewide, and it includes the growing bio-tech R&D industry. This sector is not very well-represented in Auburn with only 2.6 percent of job opportunities compared to 8.7 percent of all jobs statewide. Another 500 Auburn residents work in finance and insurance.

Table 3 (below) presents a mix of economic data comparing Auburn to a set of nearby towns and the state of Massachusetts. Of note, Auburn has a relatively high jobs to population ratio of 0.64, well above the statewide average of 0.50. This is a clear indication that Auburn is not a typical “bedroom community” and balances a strong base of business establishments with its residential population. This ratio is higher than all of the comparison towns except for Westborough which possesses a unique niche as home to some major companies and a large number of technology businesses located along I-495. The average weekly wages in Auburn are low compared to other towns

and the state as the large base of retail companies (in particular) tends to pay lower wages per job. The technology-driven business base of towns closer to I-495 (Hudson and Westborough) results in average wages near or above the statewide average of \$1,283.

The next indicator is the commercial/industrial property (CIP) tax rate which stood at \$23.26 in 2015 (since raised slightly to \$24.40 in 2016). This rate is relatively high compared to most nearby towns which apply a single rate across all properties. Hudson also has a “split rate” with a much higher CIP of \$35.92 per \$1,000 of property. Not shown, Worcester also has a split rate with a CIP rate higher than Auburn at \$33.98 in 2016.

Given the relatively strong business base (compared to the size of residential population) and the relatively high CIP rate, Auburn generates almost 36 percent of its property tax revenue from businesses – the highest rate of comparison towns. Westborough is next closest with 35.5 percent of tax revenue from commercial and industrial properties, but this share is more reflective of its large economic base (1.28 jobs to population ratio) than its tax rate which is a single rate of \$18.59.

Table 3. Economic Data for Auburn and Comparison Towns – Establishment-Based Data (2015)

	Employment	Jobs to Pop Ratio	Average Weekly Wages	Commercial / Industrial Tax Rate	Comm / Indust Taxes % of Total
Auburn	10,511	0.64	\$898	23.26	35.7%
Holden	3,726	0.20	\$897	18.12	6.5%
Hudson	10,447	0.53	\$1,219	35.92	30.6%
Millbury	5,208	0.38	\$752	16.46	22.5%
Oxford	5,216	0.37	\$969	15.79	21.4%
Shrewsbury	14,076	0.38	\$969	13.20	13.0%
Westborough	24,278	1.28	\$1,418	18.59	35.5%
Massachusetts	3,428,259	0.50	\$1,283	N/A	N/A

Source: Massachusetts Executive Office of Labor and Workforce Development, ES-202 Data; American Community Survey data 2010-2014; and Massachusetts Department of Revenue, Division of Local Services

Auburn's CIP tax rate has varied only slightly over the last 10-15 years with a low of \$20.89 in 2007, and a rate that has held steady between \$23.02 to \$24.40 since 2009. The residential tax rate, on the other hand, has gradually been increasing since a low of \$10.41 in 2007 to a rate of \$18.09 in 2016. The gap between the CIP and residential rate was about \$11.250 (per \$1,000 in value) as of 2009 and has shrunk to about \$6.30 in 2016.

Table 4 expands on the property tax assessment to focus on the amount of revenue generated by each source, as well as the share of revenue generated by residential property taxes. As shown, Auburn's residential share of total property tax revenue (64.3 percent) is the lowest of all comparison towns, varying from 64.5 percent in Westborough to 93.5 percent in Holden.

Table 4. Property Tax Levies by Property Class for Auburn and Comparison Towns (2015)

	Residential Levy	Commerical Levy	Industrial Levy	Total Property Tax Levy	Residential % of Total
Auburn	\$ 23.0	\$ 8.0	\$ 3.3	\$ 35.7	64.3%
Holden	\$ 31.9	\$ 1.2	\$ 0.5	\$ 34.1	93.5%
Hudson	\$ 30.9	\$ 6.1	\$ 6.0	\$ 44.5	69.4%
Millbury	\$ 17.3	\$ 2.5	\$ 0.9	\$ 22.3	77.5%
Oxford	\$ 15.7	\$ 1.9	\$ 1.5	\$ 20.0	78.6%
Shrewsbury	\$ 56.8	\$ 5.3	\$ 2.2	\$ 65.3	87.0%
Westborough	\$ 41.2	\$ 10.5	\$ 6.6	\$ 63.9	64.5%

Source: Massachusetts Department of Revenue, Division of Local Services (millions of dollars)

The *total* per capita tax revenue in Auburn is approximately \$2,160 per person, which is higher than Oxford (\$1,430), Millbury (\$1,650), and Shrewsbury (\$1,775) but lower on a per capita basis than Hudson (\$2,235) or Westborough (\$3,374). These figures include all sources of revenue. When examining only residential tax revenue, Auburn's per capita revenue is much lower at \$1,392, below the per capita collections in Shrewsbury, Holden, Hudson, and Westborough and more in line with Millbury (\$1,275). This is another indication of how Auburn's residents benefit from the strong business base as it allows relatively strong total property tax revenue generation, while keeping residential taxes relatively modest.

A final area of data analysis for Auburn is related to its **housing characteristics**. Table 5 provides a series of housing data indicators for 2010-2014 for Auburn, the set of comparison areas, and the state of Massachusetts. Auburn's median home value was \$238,400 which is below the state median of \$329,900 (pushed upwards by high values in Greater Boston). The housing value, percent of single family homes, percent owner-occupied, and median rent are relatively similar to the comparison towns of Holden, Hudson, Millbury, and Oxford. Shrewsbury and Westborough, with higher incomes, higher educational levels, and closer proximity to Greater Boston have higher home values that are above statewide averages. Of note, only 15.6 percent of Auburn homes use utility-supplied natural gas for home heating compared to a statewide average of almost 50 percent. These rates vary greatly with a high of over 66 percent in Hudson to just 3.9 percent of homes in Oxford using gas from utilities. Interviews with area leaders suggest that many of the businesses in Auburn have access to gas (especially along Rt. 12 and Rt. 20) but that many residential areas are not served and therefore tend to use oil or electricity for heating (which tends to be more expensive).

Table 5. Select Housing Characteristics for Auburn, Comparison Towns, MA

	Median Home Value	Percent Single Family	Percent Owner-Occupied	Median Rent for Apts	Home Heating - % Utility Gas
Auburn	\$ 238,400	75.6%	84.7%	\$ 956	15.6%
Holden	\$ 280,800	84.7%	89.7%	\$ 1,018	12.1%
Hudson	\$ 294,500	59.0%	75.2%	\$ 1,151	66.1%
Millbury	\$ 258,100	64.3%	73.2%	\$ 910	26.1%
Oxford	\$ 229,400	67.4%	75.3%	\$ 859	3.9%
Shrewsbury	\$ 369,100	63.8%	73.7%	\$ 1,232	48.3%
Westborough	\$ 403,900	49.8%	59.9%	\$ 1,285	49.5%
Massachusetts	\$ 329,900	52.2%	62.3%	\$ 1,088	49.7%

Source: American Community Survey data 2010-2014

III. Findings from Interviews with Local/Regional Economic Development Stakeholders

To guide and inform the strategic economic development plan for the Town of Auburn, HEC conducted 14 interviews with local and regional stakeholders, major employers, and economic development officials. A list of people and organizations interviewed as part of developing this plan are provided in Table 6. In addition, a public meeting forum was held on January 26, 2017 to gain input from a wider group of town residents (public meeting notes are available in a separate document). This section represents a summary of findings and ideas shared by interview participants and public meeting attendees, and directly informs the additional components of this plan in terms of existing economic development conditions and trends, key issues and opportunities, and potential strategies.

Table 6. Interviews Conducted with Stakeholders, Local Employers, Development Officials

Name	Position and Organization
Julie Jacobson and Matthew Benoit	Town Manager/Town Planner, Auburn
Marty Reisner	Auburn Industrial Development Corp.
Josh Fuller	Fuller's of Auburn (Automotive)
Jon Weaver	Planning Board Chairman (former - through March 2017)
Mike Jacobs	NAI Glickman, Kovago, Jacobs (Real Estate)
Karen Blais	Auburn Chamber of Commerce (past President)
Focus Group	Town of Auburn Economic Development Committee
Jeffrey Turgeon	Central Mass Workforce Investment Board
David Delollis	Heritage Plaza, Former Planning Board Chairman
Justin Feldhouse	Auburn Mall
Brian LaForte	Polar Beverages
Sherri Pitcher	Worcester Regional Chamber of Commerce
Joe Salois and Jack Lepore	Atlas Distributing, Inc.
Larry Brodeur	Fletcher Tilton (Local Business Attorney)

Existing Conditions and Recent Trends

Most interviewees felt that Auburn’s economic development conditions are generally strong and that it has improved over the past five years or so. Specific points mentioned during the interviews about existing and recent trends includes:

- The number of vacancies and empty buildings has gone down along the Rt. 12 and Rt. 20 highway business corridors as new businesses have located or expanded to help improve the economic conditions in the town’s key commercial corridors.
 - The mix of businesses along these highway routes tends to include retail establishments, automotive dealers and repair, chain restaurants, and other local services.

- Some feel that there are still too many empty lots and buildings along Rt. 12 and Rt. 20 which detracts from the economic health of the town, and they would like more business to locate in the town.
- Multiple respondents noted that the change in town government to include a strong Town Manager has had a very positive impact on the local business environment in at least two ways:
 - The town has placed a lot of emphasis on being fiscally strong in terms of managing its revenues and expenditures. Through concerted efforts, Auburn's bond rating has improved twice in the last three years. For example, the bond rating from Standard and Poors is currently AA+ and is a very healthy AA2 from Moody's.
 - Most companies commented that the Town Manager, Planner and other staff are generally responsive, and that businesses appreciate their efforts to listen and provide help when they need it. Some went so far as to say that the Town Manager is the best thing that has happened to Auburn. Improved town hall operating hours, including evening hours on select days, was a very specific positive that was mentioned by business.
- Some of the other town functions related to code enforcement, building inspection, and zoning received mixed reviews. The most typical complaint was a lack of responsiveness and corresponding delays in various permitting and building inspection processes. While it was hard to disentangle current (2016) conditions from the not-so-distant past, it's clear that experiences can have long-lasting impacts on business perspectives. For example, some interviewees suggested that companies that had negative experiences might move their business functions out of Auburn once their leases are up. On the other hand, a long-term participant in these processes praised the current Planning Board and Zoning Board of Appeals for being "thorough and fair" and that they are good listeners, evaluate projects fairly, and ask for reasonable conditions.
- Auburn has had a relatively flat growth over the past 10 years. While the town has been able to hold its school enrollment steady, the lack of population growth combined with lower median incomes than some nearby towns (Shrewsbury, Holden) limits the interest of national retail businesses to locate in Auburn.
- Auburn essentially has no obvious town center or downtown area, and lacks walkable places or bike/pedestrian trails.

Town Assets for Economic Development

By far, and perhaps not surprisingly, the most commonly mentioned economic development asset for Auburn is its highway system in terms of proximity to I-90 (the Mass Turnpike), I-290, I-395, and Routes 12 and 20. Perhaps best known for its "crossroads" location with intersecting interstate highways, multiple respondents also

spoke favorably about the local and state roads within Auburn as a strength. One business interviewee indicated that they think Auburn is “the best location in the northeast for distribution” of goods given its highways and central Massachusetts location (which allows access to greater Boston as well as other parts of New England). Other assets supporting economic development in Auburn that were mentioned in interviews include:

- One of the reasons that **Auburn’s local roadways are so well-regarded** is that the town uses its own funds to match the Chapter 90 road funding from the state to increase the resources spent on maintaining and improving roadways. Most cities and towns do not do this, but it is noticed and appreciated by a wide-range of stakeholders.
- While the **Auburn Mall** may not have the higher-end shops found at The Shoppes at Blackstone Valley (in Millbury), the long-running mall is generally at full occupancy and many consider it to be a local asset and draw. Strong management by the Simon Property Group is credited for helping to keep the mall a successful venture. The mall will soon be welcoming a new medical office company expected to employ over 200 workers.
- The **proactive business outreach by the Town Manager** and related town staff, and being actively engaged in business expansion and retention opportunities is viewed as a strong positive.
- Along those lines, **the Development Coordinating Group meetings** were also mentioned by multiple interviewees as being helpful for permitting and zoning approvals. That group includes all major town functions in the building and permitting process (plus the water department) to meet together and informally hear about planned projects from developers and businesses. It’s a chance to anticipate and proactively address issues before going in front of formal hearings at the Planning Board, or Zoning Board of Appeals (ZBA).
- Over the past five years, **Auburn has been narrowing the property tax rate gap** between commercial/industrial properties and residential properties. Most surrounding towns have a single tax rate (Worcester has a split rate like Auburn with higher commercial/industrial tax rates). Local businesses are aware of and appreciate efforts to move closer towards a single rate.
- Interviewees had **praise for a range of public services and infrastructure**, including water and sewer systems, as well as the police and fire departments. The local school system (including recently built schools), and parks and recreation (including the Dr. Arthur Pappas Recreation Complex) were mentioned multiple times as compelling assets for the town and a key factor contributing to a strong quality of life for residents.
- Auburn is viewed as a **convenient location to live and do business**. For residents, they not only have great access to job opportunities in Worcester, but with the Mass Pike, they can commute into the Boston area.

- **Auburn’s strong bond ratings help the town save money** as it has allowed Auburn to re-finance its debt at a lower rate (e.g., about \$3 million in savings to re-pay high school construction), borrow at lower rates for infrastructure projects, and purchase open space more affordably.
- **Freight rail corridors** travel through Auburn, providing a potential opportunity for economic development. As of now, the CSX main line corridor travels east-west through the northern part of town without any rail spurs or sidings. The Providence and Worcester Railroad (P&W) also passes through town and some industrially-zoned sites are (or could be) rail-served. A recent freight rail study led by the Central Massachusetts Regional Planning Commission identified some sites that could be developed for freight rail service (in particular on Millbury Street).
- Auburn’s **housing and residential options are reasonably priced**, especially when compared with higher housing cost options in the region (e.g., Shrewsbury and Holden).

Challenges and Obstacles for Economic Development

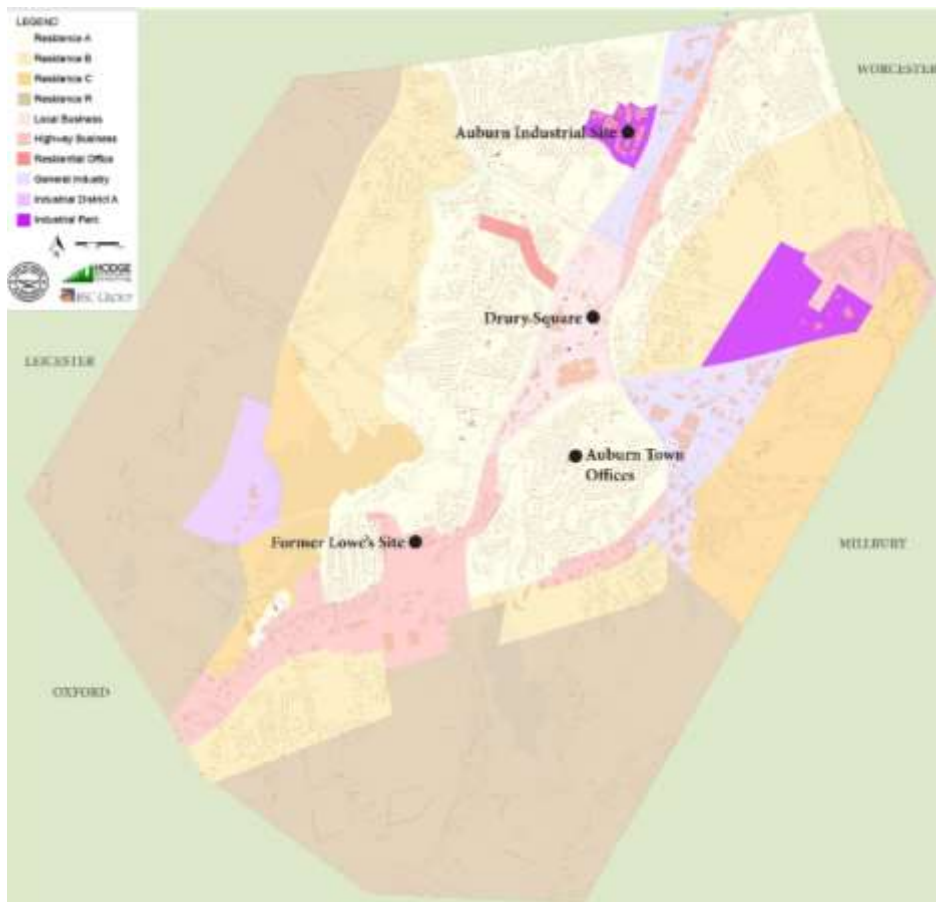
As with all locations and municipalities, Auburn still faces a number of challenges and obstacles to enhance its economic development conditions. Some of these are very specific (e.g., property tax rates) and tangible (finding a developer for vacant sites), while others are more long-term issues (strength of retail industry) and difficult to change quickly (such as creating a pedestrian-friendly town center at Drury Square). The following represents a compilation of feedback from interviewees on challenges in Auburn:

- A broad challenge to creating and allowing for business expansion and new location in Auburn is the **availability of land**. As one interviewee put it, the land that is left is more challenging to develop for business use as the “good stuff goes first.” Closely related is the lack of larger-scale market-ready sites that can be shown to a range of users and developers. For example, there is a 56 acre site on Rt. 20 near the Mass Pike (the “Dartmouth” owned site) but it is mostly woodland and far from being market-ready.
 - As described above, Auburn remains an enviable location for warehouse, trucking, and distribution companies. But the question raised by interviewees was “where’s the space for them to locate?” There are a few small to mid-size locations available today, but larger sites remain more challenging to develop, and face some resistance from nearby residents.
 - The town’s aquifer has limited development and certain uses in parts of the town in and around the industrial park area. Some felt that it was not a big issue as long as you understood what kind of uses were allowable. Others felt that it created overly restrictive limitations on commercial and

industrial uses, and that new regulations could better balance modern techniques to safely preserve the water supply while permitting more business.

- Closely related, a few interviewees felt that **outdated zoning** designations may be the biggest deterrent to development in Auburn. The town is currently undertaking a comprehensive review and update of zoning laws (the Zoning Bylaw Review Committee). This process should result in an ongoing improvement in accounting for current uses (not previously anticipated), and provide more thoughtful flexibility for future uses. See Figure 12 for the current zoning map of Auburn.

Figure 12. Auburn Zoning Map



Source: Town of Auburn

- A **relatively high commercial and industrial property (CIP) tax rate** was mentioned by multiple interviewees as a challenge of doing business and retaining/attracting businesses to the town. The current rate is \$24.40 per \$1,000 of value while most nearby towns have rates between \$13 to \$19 per \$1,000. One exception is the city of Worcester, which also has a split rate like Auburn's, and an even higher CIP tax rate at about \$34. Stakeholders recognize the efforts

of the town to reduce differential between CIP and residential tax rates but are hopeful that the town can come closer to a single rate with a lowered CIP tax rate.

- Auburn's **industrial base is largely dominated by the retail sector** (and the Auburn Mall), along with various local services, chain restaurants, gasoline stations, convenience stores, and auto dealers. And even though there is full occupancy at the Auburn Mall, retail employment at the mall and town-wide is down significantly compared to 10-15 years ago. Meanwhile, national retailers observe Auburn's relatively flat population growth and aging population, which lowers their interest in locating in the town. Plus, national retail trends are increasingly affected by Amazon and other home delivery options. In sum, this has created a "frail" retail market that is sensitive to market swings and the town has been hurt by higher-end retail offerings in nearby towns.
 - There is only one major grocery store in Auburn (Shaw's) and many residents shop at a Market Basket in Oxford.
 - Restaurant options are largely dominated by national chain operations, while multiple respondents would prefer to have more local, unique restaurant choices.
- Parts of Auburn are **not served by natural gas for heating**. This is more widespread among residential development areas as a low percentage of homes use gas for heating, but it also affects some businesses and development sites. In general, businesses prefer to have access to gas and sites without access are less attractive (all else equal). In addition, some businesses (and residents) have reported that they have experienced **issues with the water quality and corrosion that require the installation of filtration systems**. The Town could engage in discussions with the two water districts in Auburn to determine what the issues are and how can they be addressed.
- The **housing market generally lacks options** that might serve a more diverse mix of residential users and demand. In general, there are not many condominiums, or rental apartments. In addition, some felt that the single family homes tend to be on the smaller side and may dissuade younger, growing families from locating (or staying) in the town as they seek more space at more affordable (per SF) housing prices in nearby towns.
- Like many towns, **change does not come easily to Auburn** according to multiple stakeholders. This appears to be an overarching sentiment regarding challenges working through regulatory boards and how long the Town Meeting process can take (described by some as "small town politics" and the "old guard"). This leaves some lingering feelings that it can be hard to convince long-time residents to adopt new, progressive ideas that might serve younger and future generations.
- There is a **dearth of options for more active, walkable mixed use areas** in Auburn. There is no bike path, no town center, few walkable areas with commercial uses

(beyond the mall itself). As one person put it, Auburn is still very much a 1970s and 1980s kind of town (reflecting the auto-dominated suburban landscape).

- **Distribution and warehouse companies noted challenges in finding workers.** Most notably, companies that require truck drivers with CDL licenses face a constant hiring challenge, and this is a region-wide (and perhaps national) issue. In addition, some warehouse companies operate night-time shifts and have difficulty recruiting workers.
- The **demand for office space is relatively modest** with most office locations fitting into an auto-focused Class B or C classification. There has been some growth in medical-related office spaces in Auburn but the town lacks higher quality office facilities that exist in some nearby markets (e.g., along I-495 in Westborough).

Specific Development Opportunities

As part of the interviews and public meeting forum, stakeholders were asked to provide ideas about the most promising development opportunities for Auburn. This could be interpreted in terms of specific areas of town primed for redevelopment, key industries to attract or expand, or broader initiatives that would help improve the quality of life for residents, or help the town become a more competitive place for business growth.

- **Create a town center at Drury Square.** As mentioned above, Auburn currently lacks a true town center with a mix of uses and walkability. The most promising location identified thus far to create a more walkable, mixed use town center area is Drury Square at the intersection of Rt. 12 (Southbridge Street) and Auburn Street near the high school and Auburn Mall. The town is actively pursuing forward-looking plans about how to convert this area into a town center, focused on improving pedestrian and bicycle mobility, decreasing large surface parking areas in front of stores, adding a mix of housing options, leveraging the publicly-owned properties in the area, and more directly integrating the area with the Auburn Mall. This concept hinges on changes over time (e.g., redeveloping the large parking areas in front of the Bed Bath & Beyond and Shaw's grocery store), and seeks to offer a mix of residential, shopping, local (non-chain) restaurant options, and landscaped walkways.
- **Enhance Auburn's office market.** This development opportunity centers on the idea that Auburn could potentially grow its office market and attract additional office users (e.g., medical office, technology companies, bio-tech) if it was able to improve its office market offerings. Currently, Auburn's current office market is led by mostly Class B and C space, in smaller (sometimes outdated) facilities and that new or rehabbed office parks or buildings with modern amenities, could help the town realize a greater mix of office users. This could include identifying a location for an office park akin to what is more common in places like Westborough or Marlborough, with easy access to I-290 or I-90, and modern amenities like an on-site gym, café, etc.

- A related idea is to pursue designation as a “bio-ready” municipality. This is a certification program organized by MassBio to help signal when Massachusetts cities and towns are proactively prepared to locate bio-tech and life sciences companies. Auburn is not currently certified at any level but could take initial steps to seek bronze or silver status to help open the door to this kind of business opportunity.
- **Redevelop the “Lowe’s site.”** A commonly mentioned development opportunity is to redevelop the site previously planned to host a Lowe’s store (and formerly the Yankee Drummer hotel and conference center). That site is almost 17 acres in size and located in a strategically important location right off of the Mass Pike and along the Rt. 12 highway business corridor. While there have been some concerns about the amount of traffic that different re-uses might generate at an already busy location, the town is considering a range of redevelopment options including a supermarket, hotel and conference center, cultural/entertainment, or mixed use. The site is for sale but interviewees felt that the current owner was hoping for a sale price well-above current market demand in Auburn.
- **Continue to redevelop and fill empty properties on Rt. 12 and Rt. 20.** Interviewees generally acknowledge that there has been noticeable improvement along the town’s two key highway business corridors (Rt. 12 and 20). But even though there are fewer vacancies and empty buildings than there was 5-10 years ago, there remain multiple sites and buildings (small to large) that could be filled with business users to further boost the town’s economic vitality. Current uses vary from a mix of auto-focused retail, restaurant, auto dealers and services to more industrial users (light manufacturing, warehousing and distribution, auto repair). One challenge, noted earlier, is that the town’s retail market is fairly fragile and broader retail industries point to a challenge in expecting a big retail industry surge to fill empty properties.
- **Expand housing options in targeted areas.** If Auburn is to grow and be the kind of community that attracts a mix of residents, it will need to identify areas to expand its housing options. This means increasing the total number of housing units, with some emphasis on filling gaps in its current offerings (e.g., larger size single family homes as well as multi-family condos and apartments, walkable mixed use residential development). To accomplish this will likely require identifying and targeting specific areas of the town for near-term and long-term residential development where it makes the most sense.
- **Facilitate industrial development in select areas.** Auburn maintains an active, successful mix of industrial companies from warehousing and distribution to manufacturing and construction companies. A key asset is the Auburn Industrial Park and there are multiple sites (many in the eastern part of the town) that are or could be industrial sites along or near Rt. 12 and Rt. 20. For Auburn to grow its business base and quality jobs, helping to locate more companies like these would be consistent with the town’s existing industry strengths. But to do this successfully will require a mix of tactics such as:

- Proactively promoting and marketing Auburn to help attract and locate these kinds of industries, including working with the Worcester Regional Chamber of Commerce and developing marketing materials on “why” to choose Auburn.
- Identifying key sites for industrial development and working with property owners to position sites to be market-ready (e.g., available infrastructure, appropriate zoning, overcoming any aquifer issues).
- Determining special assets of specific sites such as properties that are (or could be) rail-served. For example, the site at 28 Millbury Street has been identified in an earlier freight rail study as a prime location for an industrial user that could benefit from freight rail service.

Interviewee Thoughts on Economic Development Goals and Strategies

A final component of the interviews focused on looking forward to envision Auburn's economic development future, and the goals and strategies that could help the town achieve that vision. A few specific goals and strategies mentioned by interviewees included:

- Complete the overhaul and updating of zoning bylaws with focus on zoning to support development goals of: a) more housing options; b) smarter and more flexible zoning for business uses; and c) a mixed use town center concept at Drury Square.
- Develop proactive marketing materials and an updated/enhanced web site to promote Auburn as a great place to do business, and help articulate the town's economic development priorities and key industries. One in-progress action is the creation of a video of the town using footage from a drone (bird's eye view).
- Designate a series of targeted development areas with context-sensitive uses – signal to others what Auburn would like to do, and help move key properties towards “market ready” status.
- Continue to work to lower commercial/industry property tax rates and (eventually) get to a single rate.
- Expand the town's capacity for economic development, including the idea of creating a staff designated to economic development, and business retention/attraction.
- Connect key industries (warehouse/distribution, retail, health care) to regional workforce initiatives, thus helping local businesses with their workforce needs. A related idea is to have an Auburn business participate on Central Mass Workforce Investment Board as the town currently does not have representation on the region's workforce development agency.

IV. SWOT Analysis – Strengths, Weaknesses, Opportunities and Threats

Based on the data analysis, and input from interviews and the public meeting forum, this section lays out a strengths, weaknesses, opportunities and threats (SWOT) analysis for the Auburn Economic Development Strategic Plan.

Strengths

- Proximity to interstate highways (I-90, I-290), and accessibility to Boston and other destinations
- Commercial highway corridors of Rt. 12, Rt. 20 and well-maintained local roadways
- Strong/improved municipal bond rating and fiscal stability of the town
- Commercial/industrial business base generates almost 36% of revenue
- Auburn Mall as a local/regional asset and major employer
- Auburn has an industrial park and other industrial areas with a significant base of industrial businesses (distribution, warehousing, construction, manufacturing)
- Local school system in terms of new school facilities and trust in quality of education
- Business-responsive town management and planning
- Forward-looking zoning reform in process, and planning/zoning boards generally viewed as thorough but fair
- Dr. Arthur Pappas Recreation Complex and other open/green spaces in town such as the four Veterans Affairs parks along Rt. 12
- Variety of water resources (small lakes, ponds, rivers/streams)
- The Providence & Worcester freight rail line that runs through Auburn, provides some opportunity for sites that could be rail-served industrial users (e.g., Millbury Street)
- Well-regarded public services and infrastructure (including water/sewer)
- Convenient location to live and do business given highway proximity and location in central Mass
- Access to commuter rail (in Worcester and Grafton) and Worcester Regional Airport
- Part of a strong regional economy centered in Worcester, with a highly skilled workforce, and 13 colleges and universities and over 35,000 college students

- Part of a regional vocational technical high school (Bay Path Regional Vocational Technical High School)

Weaknesses

- Lack of a walkable, identifiable town center with mixed uses
- Visual character and underutilized properties (with abundant parking in-front) along highway business corridors (Routes 12 and 20) present unappealing picture of town
- Declining retail trade employment as employment at Mall (and elsewhere) has fallen since 2000
- Lack of Class A office space that is attractive for office users considering multiple locations
- Restrictive and outdated zoning bylaws that can restrict development
- Town has not been able to grow some of the higher-wage, innovative industries so prominent in Greater Boston (bio-tech, R&D, professional services)
- Retail/restaurants along Rt. 12 and 20 business corridors tend to feature auto dealers, chain restaurants, and gas stations/convenience stores
- Despite improvements, past challenges working with former building inspector and Zoning Board created lingering perceptions that the town was not “business friendly”
- Zoning Board only meets once a month and writes their own decisions which can slow the development and permitting process
- Limited land primed for redevelopment – what is available is not easily marketable
- Lack of housing options for younger adults (very few rental apartments or condos) or larger houses (compared to some nearby towns)
- Lack of natural gas infrastructure to some parts of town
- Lack of bike/pedestrian trails, and lack of pedestrian-friendly roadways/streetscapes
- Low employment in key sectors for MA (health care and education) as the town has no hospitals or higher education institutions
- Slow population growth and newer retail offerings (grocery stores, outlet shopping) in nearby towns are slowing retail demand and opportunities

Opportunities

- Over time, redevelop Drury Square into an identifiable town center with mixed use development and walkable areas

- Position the Auburn Mall for possible re-uses and zoning flexibility in the future (aligned with nearby Drury Square initiative)
- Zoning Bylaw Review (underway) will recommend strategic changes consistent with economic development opportunities (including potential changes to height restrictions)
- Become a Mass BioReady Community at the appropriate level (TBD – initial application pending)
- Establish new convention space(s) at new or existing hotel for meetings, weddings, events, etc.
- Attract medical, tech and other professional services to modern suburban office spaces with good highway access, café, gym, and other amenities
- Draw more people to town for events (farmer's markets, festivals, etc.) and encourage more unique/local retail options
- A Complete Streets policy can help connect walkways in key areas of town to encourage multi-use connectivity (including bike/ped)
- Expand housing options in targeted areas (e.g., multi-family near Drury Square, new residential in targeted undeveloped areas)
- Grow and expand the distribution/warehousing industry by creating a proactive target industry strategy
- Capitalize on Veterans Memorial Parks to re-brand Rt. 12 as Veterans Memorial Corridor
- Better market Auburn's inventory of market-ready sites for new business expansion / relocation projects by working with regional partners (e.g., Worcester Regional Chamber)
- Identify and advance priority sites for redevelopment opportunities (allowable and preferred uses, pre-permitting, infrastructure needs, etc.) with property owners
- Promote town's assets and develop better economic development marketing materials to communicate town's vision and priorities for business growth opportunities
- Boost dedicated resources focused on economic development delivery in Auburn (e.g., new or enhanced business associations or town position for economic development)
- Promote Board of Selectmen's multi-year, long-term strategy to reduce the tax rate differential and work towards a single tax rate
- Capitalize on key water resources (e.g., Auburn Pond with canoes/kayaks, walk/bike trails)

Threats

- Suburban malls are slowly fading away across the U.S. and retail shopping is shifting online for lots of consumer goods threatening Auburn's retail industry strength
- Lack of housing options (beyond Auburn's existing "starter" homes) will make it harder to attract and retain younger workers and families with school-age children
- Disinterest in change and difficulty in advancing new ideas at Town Meetings and/or Town boards and commissions could thwart efforts to evolve and improve
- If retail industry continues to decline, what kinds of jobs will replace them? How to fill the vacancies that still exist on Rt. 12 and 20?
- If Auburn continues to have a dual property tax rate, will it lose out on commercial and industrial business growth opportunities
- Lack of incentives and development programs in Massachusetts (especially since Auburn is not a Gateway City) can make it harder for Auburn to attract and retain businesses
- Lack of local control over liquor and beer/wine licenses when Auburn has opportunities to expand number of restaurants in town
- How will autonomous vehicles (including trucking) impact Auburn's distribution/trucking industry jobs and commercial highway corridor market?
- Some restrictive zoning bylaws limit development opportunities on certain parcels or areas

V. Recommended Economic Development Strategies, Policies and Actions

Identifying economic development issues and opportunities is relatively easy. More challenging is to define the strategies, policies and actions that a community can undertake to enhance economic development, grow businesses, expand job opportunities, and improve overall economic well-being for its residents. This section of the economic development plan outlines a series of recommended strategies for Auburn to implement over time. It is organized into four categories of strategy:

- 1) Economic development policies and zoning;
- 2) Identification of priority development areas within the town;
- 3) Target industry strategies; and
- 4) Economic development delivery and implementation.

Economic Development Policies and Zoning

A key overarching area of analysis and discussions about how to improve economic development in Auburn centered on a few key areas of policy, zoning and permitting that the town can directly control and enhance. To a large extent, this category of strategies is focused on helping Auburn position itself to successfully implement development opportunities for new and expanding businesses. Specific areas for action and policy refinement include:

Ensure that zoning bylaws are updated to match economic opportunities for today and tomorrow. The town of Auburn is currently engaged in a multi-year, comprehensive zoning update, led by its Zoning Bylaw Review Committee. As this work progresses, key fundamentals and specific ideas aligned with economic development should be to:

- Ensure that zoning accurately reflects actual uses, such as areas of town that are zoned as residential but in fact have long contained a mix of uses such as service and retail businesses.
- Make zoning areas as clear as possible for possible developers or businesses, with appropriate flexibility for uses that are compatible with intended activities. For example, Auburn has four different categories of residential zoning, and multiple categories for business uses including: industrial district, industrial park, general industry, local business, and highway business. A business trying to figure out which area(s) might be appropriate for their use would rightly be confused. So, finding ways to reduce the number of categories and emphasize uses in specific areas of town will help expedite and clarify development in Auburn (see next section on Priority Development Areas).
- Consider the use of development guidelines in specific areas of town, such as defined district improvement zones. For example, the visioning and planning of a future Drury Square might benefit from a new set of development guidelines

regarding parking, walkways, height allowances, mix of allowable uses, etc. Similarly, if and when the Auburn Mall needs to transition to other uses (e.g., the new medical office space that was allowed by special permit), it would help to have flexible zoning that conforms with the town's development and residential goals.

- Reevaluate zoning restrictions for sites in aquifer zones as earlier regulations do not reflect today's technologies and understanding about how to manage different uses without endangering the aquifer. This is an issue in many parts of the town, including industrially zoned areas.

Gain certification as a BioReady Community. MassBio maintains a listing and map of communities that are certified as BioReady⁴ based on a number of different characteristics that reflect zoning, infrastructure, permitting and other factors for bio-tech companies. The possible levels of certification start at Bronze, and advance up to Silver, Gold and Platinum. Auburn recently applied for certification and is awaiting feedback from MassBio (as of March 2017). Becoming certified as BioReady would be a clear and direct signal that Auburn is open and ready to locate bio-tech research and development (R&D), laboratories, or manufacturing facilities.

Streamline permitting processes. Auburn has made remarkable strides in recent years to become more responsive and business-friendly in terms of Zoning Board and Planning Board reviews, partly due to a new building inspector and a Town Manager with experience and attention to economic development. But, Auburn should continue to find ways to become more efficient as time to market, and ensuring timely and predictable permitting processes is key to business development decisions. Two specific areas for the town to improve are to:

- Implement an online, fully electronic permitting process for building permits and new businesses. This should save time, reduce the need to track paperwork, and allow forms and other materials to be accessed or submitted at any time (not confined to office hours for Town Hall).
- Expedite Zoning Board review decisions. The Zoning Board (unpaid volunteer residents from the Town) meets once a month and writes their own decisions (produced at the following monthly meeting). This process tends to result in a slower-than-needed process from hearing to decision to formal action which could be expedited for greater efficiency if the Zoning Board: a) met twice a month or every other week; and b) worked with town staff to write decisions.

Advocate for more efficient tax increment financing (TIF) approval process. Based on the current state-level Economic Development Incentive Program (EDIP), Auburn and other towns need to get approval from Town Meeting for any proposed TIF projects that typically result in lower property taxes for companies expanding or retaining jobs. Meanwhile, cities can get more timely approval directly from their city council. To

⁴ See: <https://www.massbio.org/why-massachusetts/supercluster/bioready-communities>

expedite this process to better meet the needs of business, Auburn should work with other towns and state officials to advocate for changes to EDIP and TIF processes to give the Board of Selectmen approval authority.

Continue progress towards a single tax rate. As documented above, Auburn has been working to narrow the gap between the commercial/industrial and residential property tax rates. Despite these efforts, Auburn's commercial/industrial tax rate (\$23.26 per \$1,000 of value) is higher than most surrounding and comparison towns. It is lower than Worcester, which also maintains a dual rate, but they can apply tax abatements for business expansion and attraction projects via tax increment financing (TIF). In other words, Auburn's CIP is still higher than the residential rate and most towns, and can act as a deterrent when businesses are considering where to locate or expand. Setting a goal of achieving a single rate over the next five years (2022) and laying out a step-plan to reach uniformity would be a clear signal that Auburn wants to retain and grow its business base.

Support efforts to expand and diversify Auburn's housing options. While much of the focus of this economic development plan is on retaining, growing and attracting good-paying businesses and jobs in Auburn, it recognizes that economic development also applies to the retention and attraction of residents of the town. Along those lines, multiple stakeholders commented on the need to expand and diversify housing options in Auburn. This includes the opportunity for more apartments and condominiums to help attract millennials and other young workers, as well as a more diverse range of single-family houses beyond the older, smaller "starter" homes that are prevalent in the town. A currently underway housing plan (2017) will provide more detail on these options and should be seen as a directly complementary strategy for economic development.

Priority Development Areas

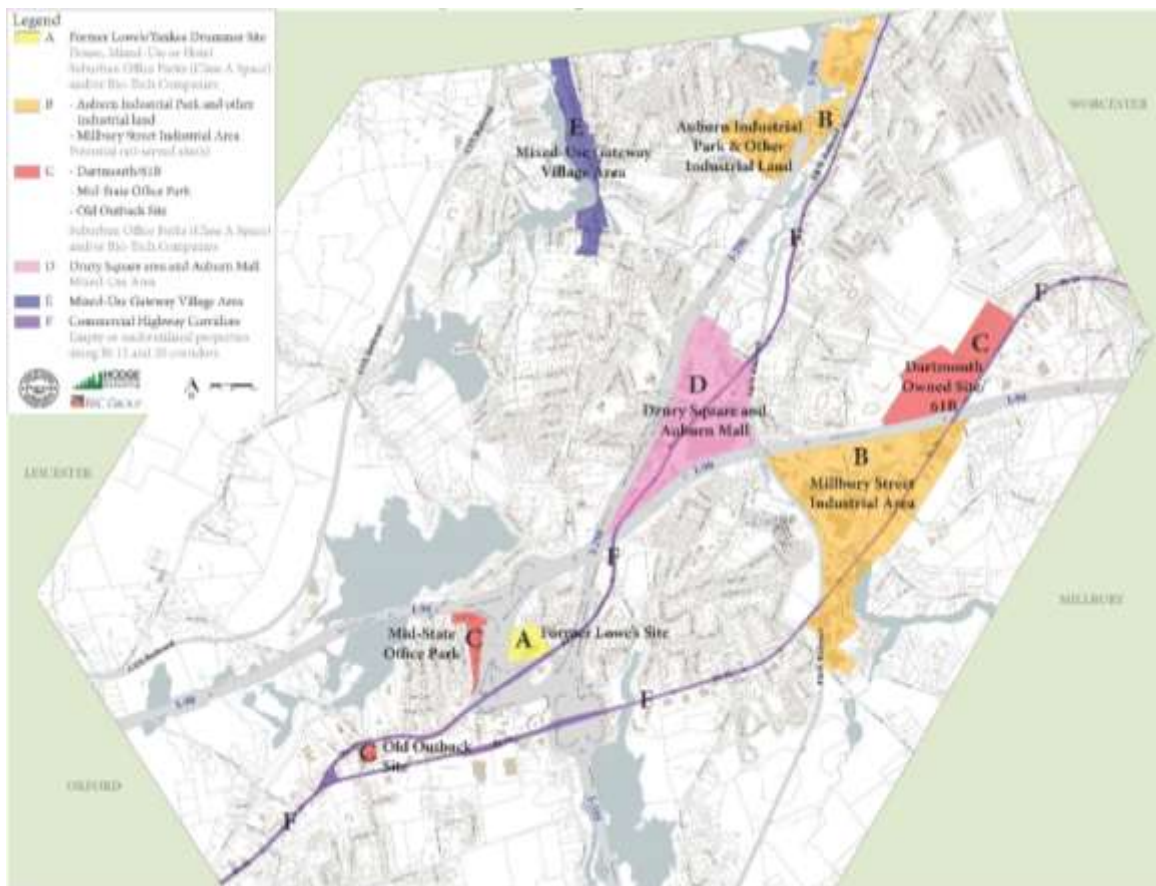
Economic development planning at the municipal level inherently requires an understanding of land use, areas hosting current business activities, and consideration of where different types of economic and industry opportunities can be located in the town. Throughout the economic development planning process, local stakeholders voiced ideas about areas of town that could be or should be redeveloped or advanced for new development opportunities. Figure 13 (below) presents a compilation map of some of the most frequently cited development areas (lettered A to F), along with brief descriptions of possible and preferred uses. These represent some of the most promising current and future development areas for Auburn. They are intended to provide ideas and clarity about economic development opportunities and how they align with the physical layout of Auburn.

Former Lowe's / Yankee Drummer Site. This site is almost 17 acres in size and centrally located right off of the Mass Pike and along the Rt. 12 highway business corridor. While there have been some concerns about the amount of traffic that different re-uses

might generate at an already busy location, this site as large enough for multiple users and could include a mix of hotel and conference center, suburban office park, mixed use (including residential/retail), and bio-tech industry.

Auburn industrial areas. This map highlights and emphasizes industrial uses for two areas of town. One location is along Rt. 12 near Worcester and includes the Auburn Industrial Park and other nearby industrial sites. Current industrial businesses are concentrated on distribution, warehousing, and trucking. The second location is centered on Millbury Street, with the Mass Pike (I-90) providing the northern border of this area. The Providence and Worcester (P&W) railroad essentially provides the western border of the area, and some sites in this area could potentially be rail-served industrial customers. These areas would be the intended home of new and existing industry opportunities for manufacturing, warehousing, distribution, and construction.

Figure 13. Economic Development Areas by Use in Auburn



Source: BSC Group and Hodge Economic Consulting

Modern, Class A office park locations. A frequently cited industry opportunity for Auburn is to enhance its office location offerings to draw in a greater number and range of professional office businesses. This could include medical offices, technology or software firms, bio-tech R&D and lab space, or other professional and business

services which tend to pay relatively high wages but are underrepresented in Auburn. This economic development plan envisions a few locations where modern (either new or enhanced) Class A office space could be developed:

- Perhaps most notably, the Dartmouth-owned site along Rt. 20 (just north of I-90) with the adjacent parcel (currently with a 61B forest designation) could be transformed over time into a suburban office park akin to the office offerings in Westborough and other locations near I-495. The high-level concept is to create amenity-rich office spaces (including cafes, gyms, parking, etc.) that could compete for a variety of office-focused opportunities – something the town currently has difficulty doing. This location would need significant work (largely a wooded-lot) to become an office park but has good highway access to I-290. The major challenges of these sites are that despite their size (over 85 acres combined), there are significant wetlands as well as steep elevation drops that would severely limit the actual developable area. Recent estimates by the Town suggest that the developable area would be about four acres for each site, still large enough to accommodate some future office development.
- Another location that could be transformed into a more modern office complex is the Mid-State Office Park. This area is strategically located near the center of town, and intersections with Rt. 12 and the Mass Pike. It currently contains a number of office users, including the company that helps administer the EZ Pass highway toll program. There are multiple owners for this office area but to be competitive in attracting new office users, it would likely need a series of significant upgrades.
- Other sites along Rt. 12 and/or Rt. 20 could also be redeveloped into modern office buildings. One example is the old Outback restaurant site identified on the map (along Rt. 12 near the intersection with Rt. 20).

Drury Square and Auburn Mall. As noted in multiple places in this economic development plan, Auburn currently lacks an identifiable town center. The area targeted for this function, with the potential for a mix of uses and increased walkability, is Drury Square and the adjacent Auburn Mall. The town is undertaking multiple steps to plan and work towards converting this area of town into a town center, including the conclusion of the Drury Square visioning process which developed initial conceptual drawings, development patterns, and uses. The town is also working on some Complete Streets projects in the area to enhance sidewalks and other forms of transportation connectivity in the area, linking to the Mall. Over time, a reconfigured and re-imagined Drury Square could:

- Transform land uses and parking to emphasize more development and sidewalks closer to the road, with less parking in front (parking would be behind rather than in front of buildings).
- Create a mix of uses that would include residential development on upper floors, with retail and restaurants on first floors. Commercial activity could be helped by a façade improvement program to increase the visual appeal of the area.

- Significantly improve the walkability and biking options in the area, including improved non-auto linkages to the Auburn Mall.
- Leverage town-owned properties to help guide redevelopment on key parcels.
- Improve the accessibility to Auburn Pond (walkways, green space, sight lines) and create recreational water uses like canoeing and kayaking.
- Become a natural location for unique, non-chain restaurants and retail shops to locate, and be a focal point for events and special markets (farmer's market, Christmas market).
- Help position the Auburn Mall for potential conversion over time to a more flexible mix of uses (such as residential) if/when the market does not support a traditional retail-focused mall.

Gateway Village area. Pinehurst Ave, in the northern part of Auburn, provides a natural gateway into town from Worcester. That roadway as it travels south to the intersection with Oxford Street is primarily a residential area and that is how it is zoned. But, there are a number of smaller service and retail businesses located in that area. It makes sense to both: a) formally recognize that there are a mix of uses in that part of town and allow for it as future business development; and b) develop some high-level design guidelines to ensure that the area is a welcoming gateway (e.g., streetscapes) to Auburn and that the character of the area is preserved even as small businesses are permitted.

Commercial highway corridors. This map of development areas also recognizes the commercial business highway corridors in Auburn (Rt. 12 and Rt. 20) that remain critical to maintaining a strong business base in town. Up and down each roadway is a large number of businesses from gas stations and chain restaurants to auto dealerships and retail/wholesale trade businesses. This economic development plan envisions that these roadways will continue to play that role, and notes that while there are fewer vacant buildings and empty sites than there used to be, these highways still have a number of underutilized sites that can be targeted for business uses over time.

One related idea is that Auburn possesses a unique asset with the five Veterans Memorial parks along Rt. 12. These public spaces could help Rt. 12 to be re-branded as the Veteran's Memorial Corridor, with corresponding efforts by the town and local businesses to enhance the overall visual appeal of the corridor with improved streetscapes and signage, for example.

Target Industry Strategies

Economic development is fundamentally about providing the right conditions, policies, sites, and infrastructure to retain, grow, and attract businesses. For Auburn, and any jurisdiction, it is critically important to understand the town's current industry strengths as well as the emerging opportunities that can provide economic growth and sustainability over time. The data trends, existing concentrations of activity, and assets

of the town point towards four industries that should be targeted for growth and retention:

- 1) Distribution, warehousing, and related industrial businesses;
- 2) Professional office market opportunities such as medical space, bio-tech, IT, and other professional services (engineering, architecture, consulting, etc.);
- 3) Hospitality industry including hotels and convention/meeting space; and
- 4) Retail and restaurants, building off of the town's existing concentration and the Mall, but pivoting to more locally-based (less national chain) establishments.

While the public sector does not want to be in the position of regularly choosing what kinds of businesses should or shouldn't grow in their town, identifying key target industries that tend to "make sense" in Auburn is helpful in at least two ways. First, it acts as a signal to businesses and developers about the kinds of industries that the town can support and is working to grow, and this can become part of various promotional and communications materials from the town. Second, identifying a smaller set of target industries can help focus the work of local development and planning officials so they can prioritize their business expansion and attraction efforts, avoiding the temptation of trying to chase all industry opportunities even if they are not realistic for the town.

Distribution, warehousing, industrial businesses. As noted by one major local employer, Auburn may be the ideal New England location for distribution and warehousing. Auburn's proximity to the Mass Pike (I-90) and I-290 along with its central Massachusetts location make it a very convenient for trucking-based operations, suppliers and distributors. This is an existing industry strength generating 1,400 jobs (13 percent of total employment). The biggest weakness of this industry from the perspective of economic development efficiency is that this industry tends to provide somewhat fewer jobs compared to building and site size. By its nature, distribution requires space for the movement and handling of goods, and the industry is shifting towards greater automation (though a new large Amazon distribution center in southeastern Massachusetts will create up to 1,000 jobs).

There are at least three actions that Auburn can undertake to boost this industry:

- Identify and communicate sites, buildings, and areas of Auburn that are aligned with distribution and warehousing activity. This starts with the industrial development areas identified above (Figure 13), but should advance to more specific sites and buildings that are market ready, build to suit, or longer term opportunities. For example, the rail-served sites along Millbury Street would be a great industrial opportunity for companies interested in both good trucking and freight rail service.
- Continue towards a single property tax rate which will make Auburn more competitive with nearby cities and towns.
- Engage in regional workforce initiatives as a lack of CDL truck drivers was noted as a challenge for some warehousing companies. The Central Massachusetts

Workforce Investment Board has identified this as a regional issue and priority, but as of today, there are no Auburn businesses represented on their board.

Professional office market opportunities. As noted above in the priority development areas, Auburn could identify and help advance a set of modern office buildings and parks over time to try to attract a larger number of professional business users. The high-paying professional and business services sector (which includes engineering, bio tech R&D, and most consulting) is only seven percent of all jobs in Auburn compared to almost 16 percent statewide so this is an important future industry growth opportunity for the town to expand jobs and increase wages. Three actions that Auburn could undertake to help realize this opportunity is to:

- Proactively start advancing modern office development on select sites in the town, such as the former Lowe's site and the Dartmouth-owned site along Rt. 20. Each one of these represent larger-scale redevelopment projects and may take some time to realize their potential. But without proactive planning, they may continue to sit idle as unproductive town resources.
- Become a certified BioReady community which will help enable the town to participate in the growing life sciences industry, which does in fact expand beyond Cambridge and Boston.
- Develop professional marketing materials and information about office market opportunities to showcase Auburn as a potential location for technology and other professional service firms.

Hospitality – hotel and convention spaces. Auburn does possess some hotels and the town's strong highway connectivity could allow for additional hotel locations over time (especially as Worcester continues to grow). As noted by multiple stakeholders, Auburn lacks medium to larger size convention and meeting space that can be used for business meetings, conferences, weddings, or other events. The former Yankee Drummer hotel included space like this but it has been lacking in the town ever since it closed. This type of use (hotel plus convention space) would be logical at the former Lowe's site but in the future could also locate near (or at) the Auburn Mall, or locations along Rt. 12 and Rt. 20.

Local retail and restaurants. As noted throughout the economic development plan, Auburn has an unusually high retail industry concentration, generating almost 25 percent of all jobs in the town. But, the number of jobs in this sector has actually decreased over the past 15 years at the Auburn Mall and elsewhere. And industry trends point to a challenge for malls and national retail chains as consumers continue to buy lots of goods online. Local stakeholders have voiced an interest in two interrelated industry opportunities: 1) locally-owned, unique retail shops; and 2) more diverse, non-chain, higher quality restaurants. Each of these opportunities is consistent with market trends throughout New England that point towards experience-based shopping, and locally-sourced restaurants ("farm to table") with greater food variety. This specific industry opportunity would logically be paired with Drury Square and

Auburn Mall enhancements over time to create a town center that attracts residents and visitors for a walkable, high-quality shopping and eating experience.

Economic Development Delivery and Implementation

In addition to strategic policies and targeted redevelopment areas, successful economic development requires a focus on implementation, delivery of services, responsiveness to business needs, and proactive initiatives to create new opportunities. This economic development plan identifies four actions to enhance economic development delivery and implementation in Auburn:

Dedicate additional resources focused on economic development delivery. The town of Auburn does not currently have any staff dedicated to economic development. Instead, the town's Planner and Town Manager participate in economic development delivery when they are able, helping respond to business needs, address zoning and permitting issues for development, etc. However, these are full-time positions with a wide variety of job duties. Many towns the size of Auburn do not have a dedicated economic development professional, but Auburn's relatively large business base (generating an unusually large share of property tax revenue), could justify a new position. This person would be entirely focused on economic development, working closely with the business community, and helping to implement the strategic policy recommendations in this plan.⁵

Develop new marketing materials to communicate Auburn's economic development assets, vision and development opportunities. With the completion of this economic development plan, Auburn possesses a rich source of information related to economic development – industry data, priority development areas, identified strengths and weaknesses, etc. This provides a chance to develop a set of new marketing and promotional materials for economic development. This information could be posted online as a new resource for economic development, and also converted into professionally formatted brochures that communicate, in particular, the town's target industries, sites and areas for business growth, key initiatives and land use/zoning policies, and other strengths. And the town's current effort to create a video highlighting Auburn's economic assets should be integrated into any marketing efforts.

Support local/neighborhood business associations and events to attract residents and visitors. Multiple stakeholders commented that Auburn tends to lack special events and markets that could draw both Auburn residents and visitors from surrounding towns. This could include regularly scheduled farmer's markets, special small business shopping events, music shows or other kinds of events and festivals. These kinds of events can be

⁵ A new report by MassEcon found that businesses really valued the local economic development assistance that they received when deciding where to expand their business, highlighting the critical role that municipal economic development officials can play in walking them through the multi-layered Massachusetts economic development system: <http://massecon.com/choosing-massachusetts-business-key-factors-location-decision-making/>

focused on key locations within the town where Auburn is hoping to grow small businesses and restaurants, (e.g., the Drury Square / Auburn Mall area). Successfully planning and hosting events and markets like this typically requires local business support and leadership. This could be in the form of the existing Auburn Chamber of Commerce, and/or the creation of new neighborhood-based business associations such as a Drury Square Business Association.

Work with regional leaders to better market and promote key development sites in Auburn. In practice, many business expansion and relocation projects start at the regional level, and then once a state or region has been chosen by a company and site selectors, they narrow the search to evaluate specific municipalities and sites within the region. Within this context, it is especially important for Auburn to be able to communicate and promote the sites and buildings that are available for business development. The goal is to ensure that developers and site selectors can easily find and be led to Auburn's inventory of economic development sites via web sites and other materials. For example, Auburn could partner with the Worcester Regional Chamber of Commerce and other area municipalities to enhance their capabilities to showcase available sites and buildings available for development.

VI. Next Steps

This plan is intended to serve as a guide for economic development in Auburn over the next ten years. That said, there are some things that Auburn can start doing and implementing now that will help ensure that the economic development strategies outlined here have a useful life for the town. Key next steps could include:

Integrate the Economic Development Plan with the current Zoning Bylaw Review. With the completion of this plan, including the identification of priority development areas and associated uses, there is an opportunity to align this work with the current zoning bylaw review effort. In particular, this means looking for opportunities to help support target industries, efforts to simplify and improve the consistency of zoning, and innovative approaches to zoning to match future redevelopment needs (e.g., Drury Square and Auburn Mall).

Identify and reserve the budget resources needed for a dedicated economic development position. To successfully implement this plan, retain Auburn's existing business base, and proactively nurture new business opportunities for Auburn, the town will need more resources dedicated to economic development.

Adopt the map of priority development areas and advance work with property owners to position sites for redevelopment. This economic development plan places emphasis on the linkage between industry and mixed use development opportunities, and land use. The result is the identification of a series of priority development areas and sites with associated uses. Adopting this approach will be a clear signal of the town's economic development priorities for different areas of town, providing the kind of clarity that developers and industries seek. For each under-developed area, the town should assess current conditions and engage property owners to develop key steps needed to better position each site to become "market ready".

Brief state and regional economic development leaders on this economic development plan. Auburn is not island but rather part of broader regional and state economic and workforce systems. To be successful, Auburn needs its regional and state partners to understand its economic development plan, key industries, policy initiatives, development areas, and ways to best market Auburn for business opportunities. Auburn should consider conducting briefings for groups like the Worcester Regional Chamber of Commerce, Worcester Business Development Corporation, MassDevelopment, and the Executive Office of Housing and Economic Development.

Work with Town leadership to continue to improve economic development-related policies and processes. In particular, Auburn should focus on: 1) developing online permitting processes; 2) further expediting Zoning Board written decisions and possibly holding more frequent meetings; 3) developing a five-year plan to move towards a single property tax rate; and 4) gaining BioReady Community status from MassBio.

Town of Auburn – Economic Development Strategic Plan

Public Meeting – January 26, 2017

This document provides the notes taken during a public meeting held on the development of an economic development strategic plan for the Town of Auburn, Massachusetts. The notes are annotated slightly from what was recorded at the meeting to ensure clarity. Attendees were asked to provide input and ideas on two overarching topics: 1) the key challenges and opportunities to enhancing economic development in Auburn; and 2) specific strategies and actions that Auburn should pursue to boost economic development.

Key Challenges and Opportunities

- Need to determine how Auburn can attract more office users
- Auburn has a small town feel, and needs more events that draw people to town
- Need more “mom & pop” shops owned locally rather than so many chain stores and restaurants
- Need a recognized town center to attract shoppers and keep them here
- Need to streamline the town’s permitting process and make it a more predictable process
- What is the resident’s view on business growth? There’s the perception that many in the town may not want growth or change.
- Need to diversify commercial mix of businesses and diversify employment opportunities in town (currently dominated by retail trade)
- Need to be creative in future use of Auburn Mall as residents are concerned that since other malls are closing and shrinking nationally, this might happen in Auburn too
- There’s an interest in implementing Complete Streets (better lights and walkability), with plans and funding underway for Auburn Street improvement
- There’s interest in using zoning and site plan guidelines along corridors as tools to become more mixed-use (e.g., first floor commercial, residential on upper floors) and walkable
- The town should look into how it can increase and diversify housing options (note: Auburn is separately creating a housing plan)
- Improve the physical connections between commercial and residential areas
 - Also connecting open space resources
- Auburn has a lot of parks and recreation areas that should be accessible and safe and usable
 - Make sure parking is available near parks/recreation areas
- Capitalize on the tourism / hotel market in the region as an economic opportunity
 - Determine the impact of (new) Worcester hotels on Auburn hotels (competition?)

- Auburn needs a location for large meetings, conventions, weddings (currently lacking in town)
- Some of the retail buildings may need to be upgraded for better visual appeal and to help raise (improve) the presentation of Auburn to visitors and prospective residents
- Auburn should consider creating active business associations to host events, and help create a stronger identity for the town
 - This could include pop-up events such as food trucks, a farmer’s market, etc.

Specific Strategies and Actions

- Simplify zoning and provide greater clarity on district delineation
- Streamline permitting for building permits, etc to make it easier and more predictable
- Develop a forward-looking strategy for the potential evolution of Auburn Mall (e.g., if it is no longer viable as a retail-focused traditional mall entity)
- Auburn should link its community vision with land use zoning to ensure compatibility
- Auburn has a range of wetland and aquifer issues and challenges. For example, the Mall is built on filled land, and Drury Square is in a floodplain.
- Look at changing height restrictions/zoning in certain parts of town as height restrictions are currently prohibitive and easing them in strategic locations could help attract development
- Address potential conflicts between commercial corridors and residential areas, looking into design guidelines and transitional areas between uses
 - Look at buffers between commercial and single family residential such as multi-family or mixed use as a transition
- Look at commercial centers in Auburn’s villages as examples of business use outside of the Rt. 12 and 20 highway corridors (e.g., Southbridge, Stoneville)
- Public transportation needs to be improved / enhanced in Auburn
- Based on the lack of property sales for some larger sites, there was a comment that anticipated land values by property owners may be too high for the market.
- An idea is to help pre-permit key parcels so that they can be ready for development – this would require working with current property owners.