

DARTMOUTH



MASSACHUSETTS

Office of the Select Board

Stanley Mickelson, Chair

Frank Gracie III, Vice-Chair

Kelli Martin -Taglianetti

Shawn McDonald

John Haran



400 Slocum Road

Dartmouth, MA 02747-0985

Telephone: (508) 910-1813

Fax: (508) 910-1839

www.town.dartmouth.ma.us

David G. Cressman

Town Administrator

Email: cressmandg@town.dartmouth.ma.us

Sean Cronin
Senior Deputy Commissioner
Division of Local Services,
Department of Revenue
P O Box 9569
Boston MA 02114

October 3, 2016

Dear Sean,

Per the guidance of Ms. Kocher, please be advised that the Town of Dartmouth has completed the Economic Development Self-Assessment Tool in conjunction with Northeastern University's Dukakis Center for Urban and Regional Policy under the guidance of Dr. Barry Bluestone.

This project provided an inter-departmental work project resulting in information which confirms Dartmouth's strong economic strengths while highlighting areas which require additional work. The report was presented to an inter-departmental group plus the FinCom Chair and Executive Director of the Chamber of Commerce.

Staff has already planned a joint meeting of the Select Board and Planning Board for Nov. 28 to review and discuss the report. I expect that the Boards will then utilize the report to guide them in developing their goals over the next year or two.

Finally, I always enjoy the opportunity to participate in comparative analyses of municipalities to see how we benchmark versus other municipalities.

Sincerely,

David G. Cressman

Town Administrator



Northeastern University
Dukakis Center For Urban and Regional Policy

Dartmouth, Massachusetts: A Look at Economic Development

Barry Bluestone • 2016

Dukakis Center For Urban and Regional Policy
Northeastern University
School of Public Policy & Urban Affairs
www.northeastern.edu/dukakiscenter

A “Think and Do” Tank

**First, a look at the Massachusetts
economy:**

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

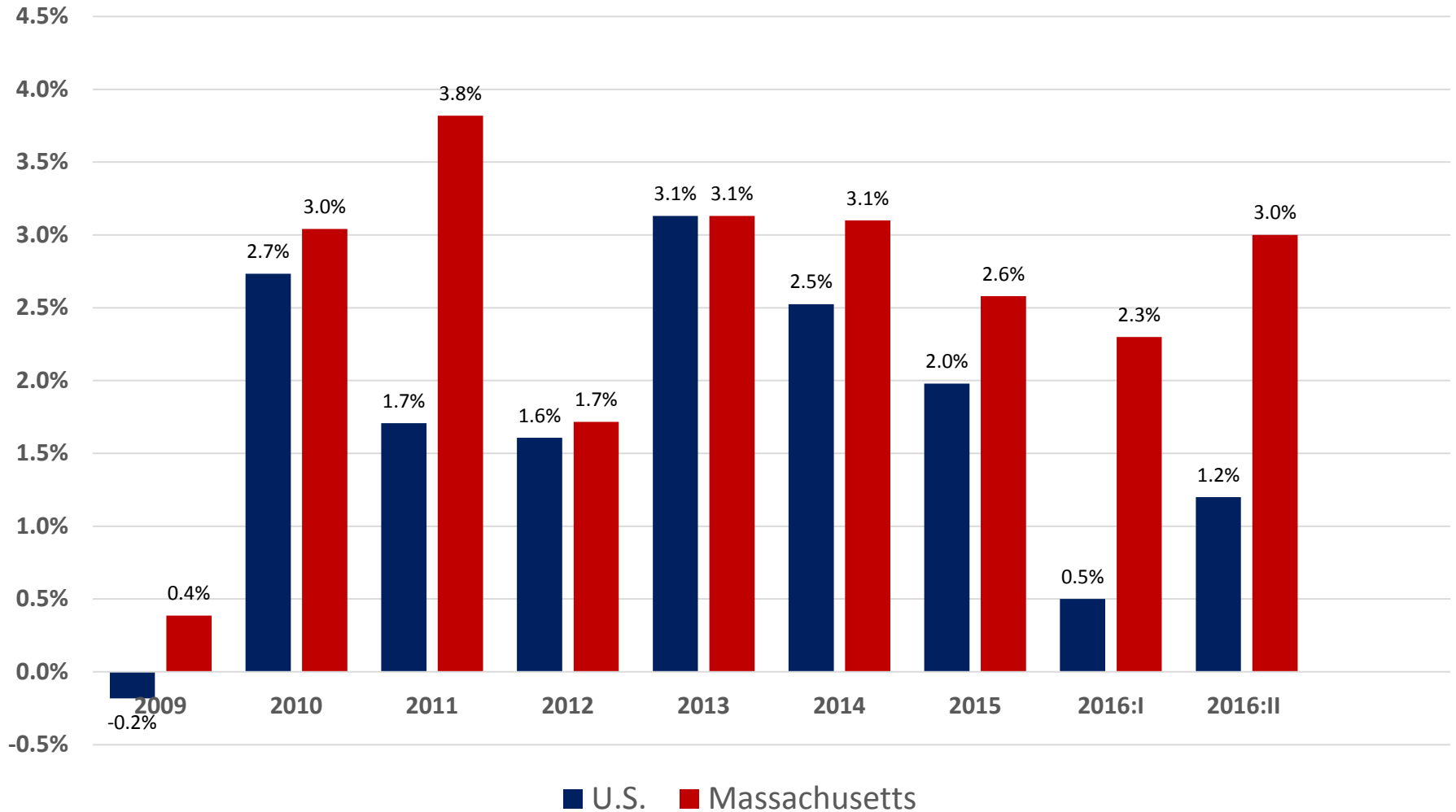
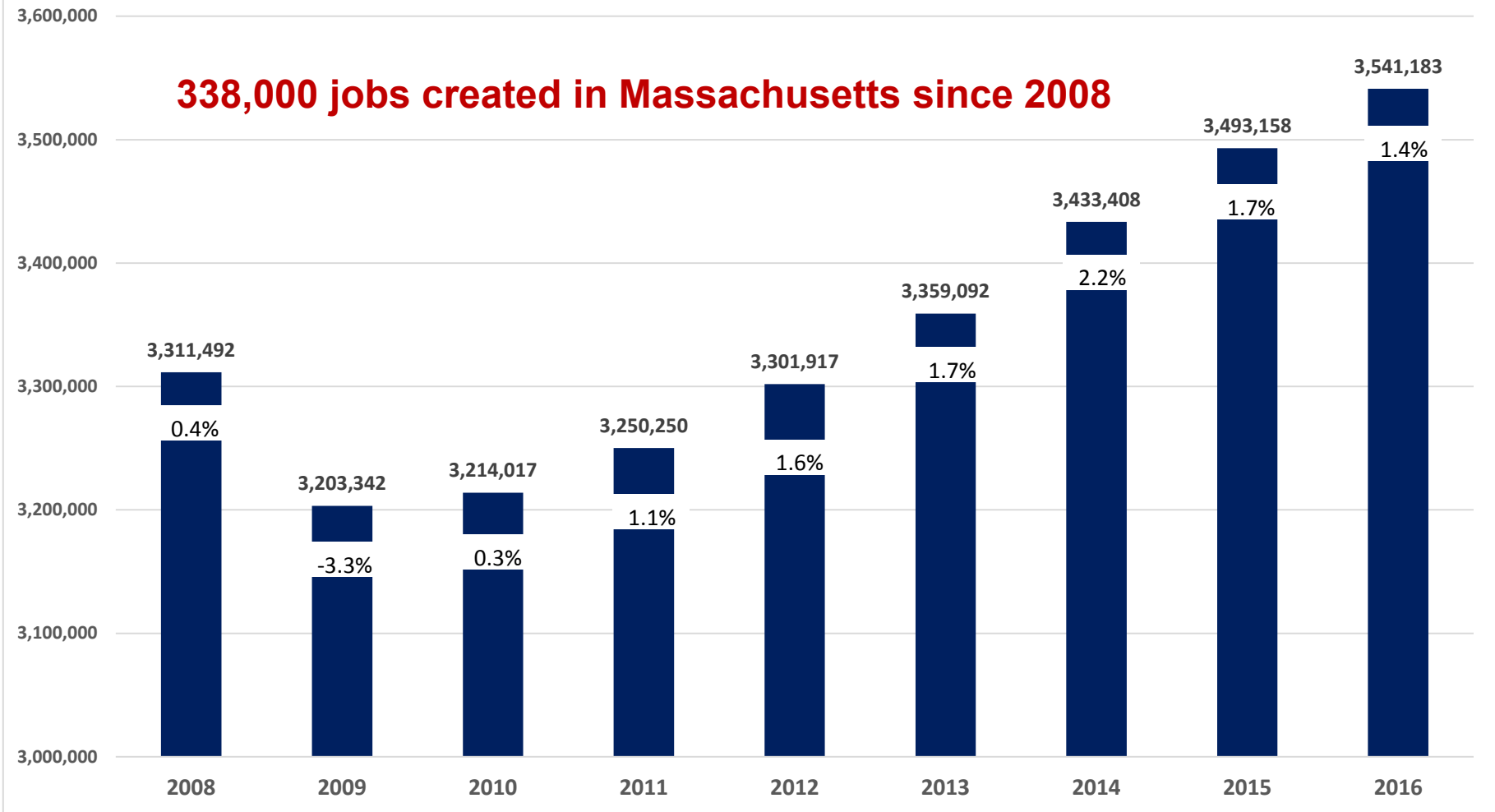
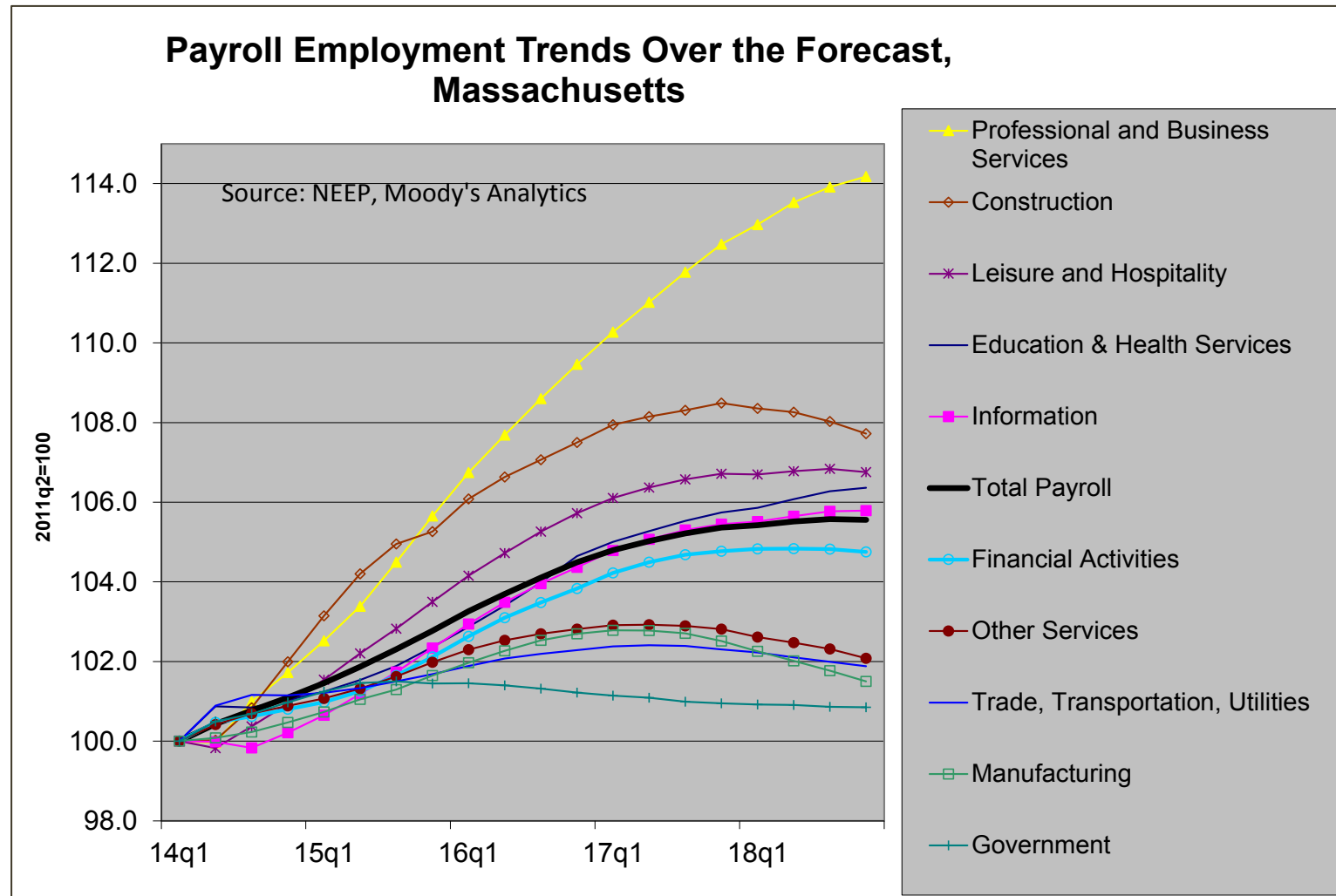


Figure 1.2 Total Non-Farm Employment
Seasonally-Adjusted
Massachusetts 2008-2016 (June)
(% = Annual Growth Rate)



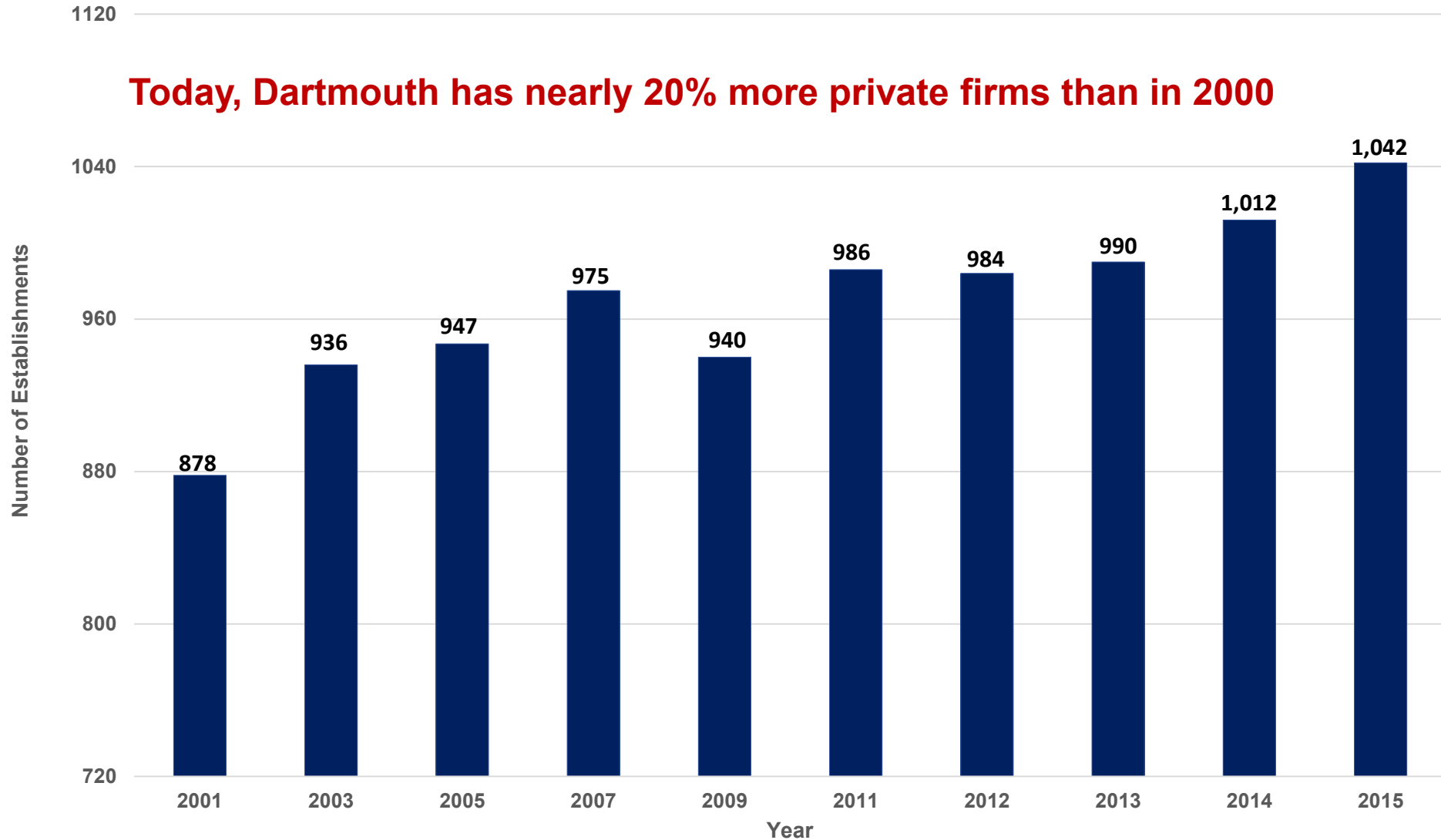
Projected Employment by Sector: 2014-2018



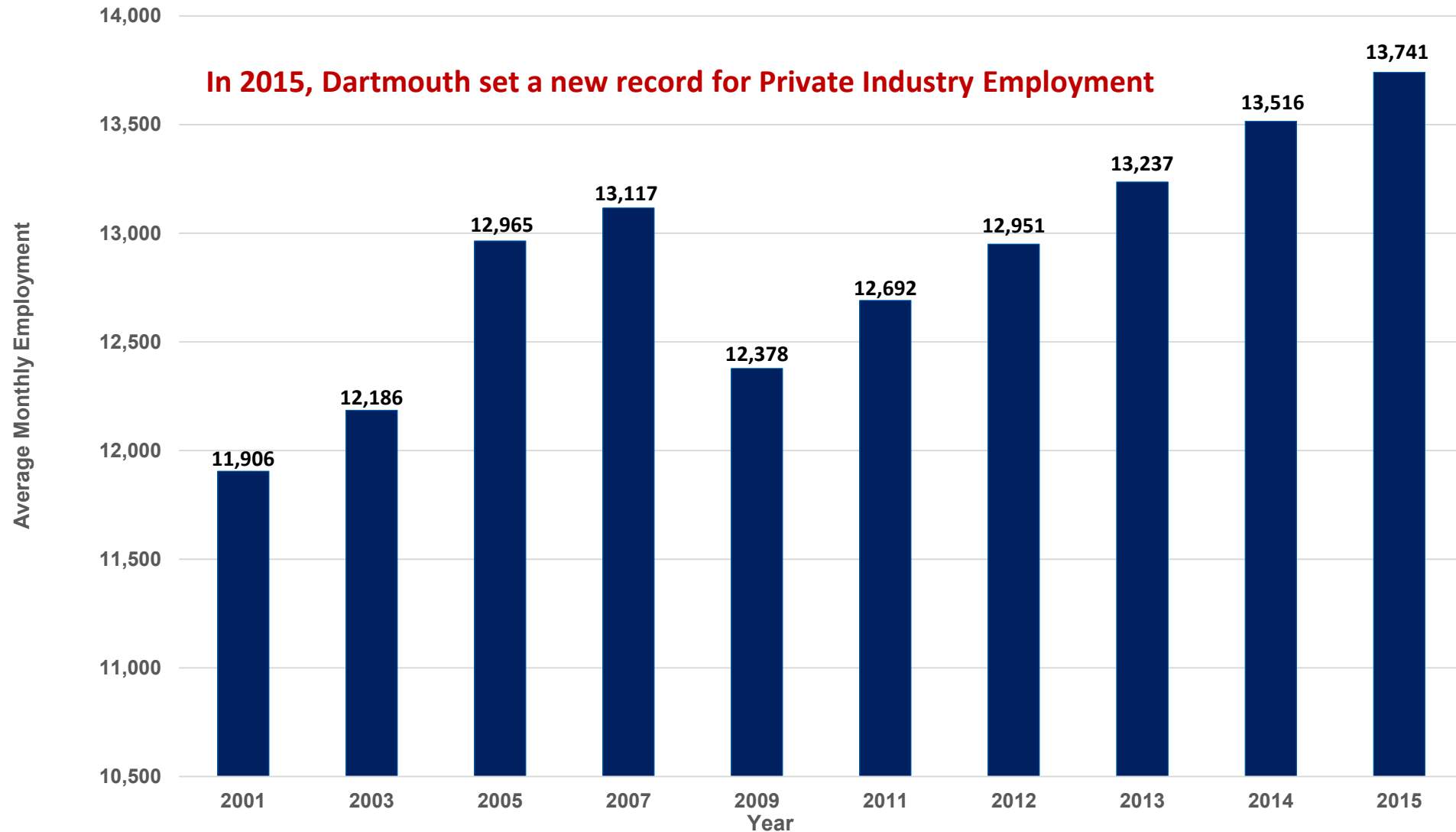
Town of Dartmouth: Employment

Town of Dartmouth Number Of Private Industry Establishments 2001-2015

Today, Dartmouth has nearly 20% more private firms than in 2000

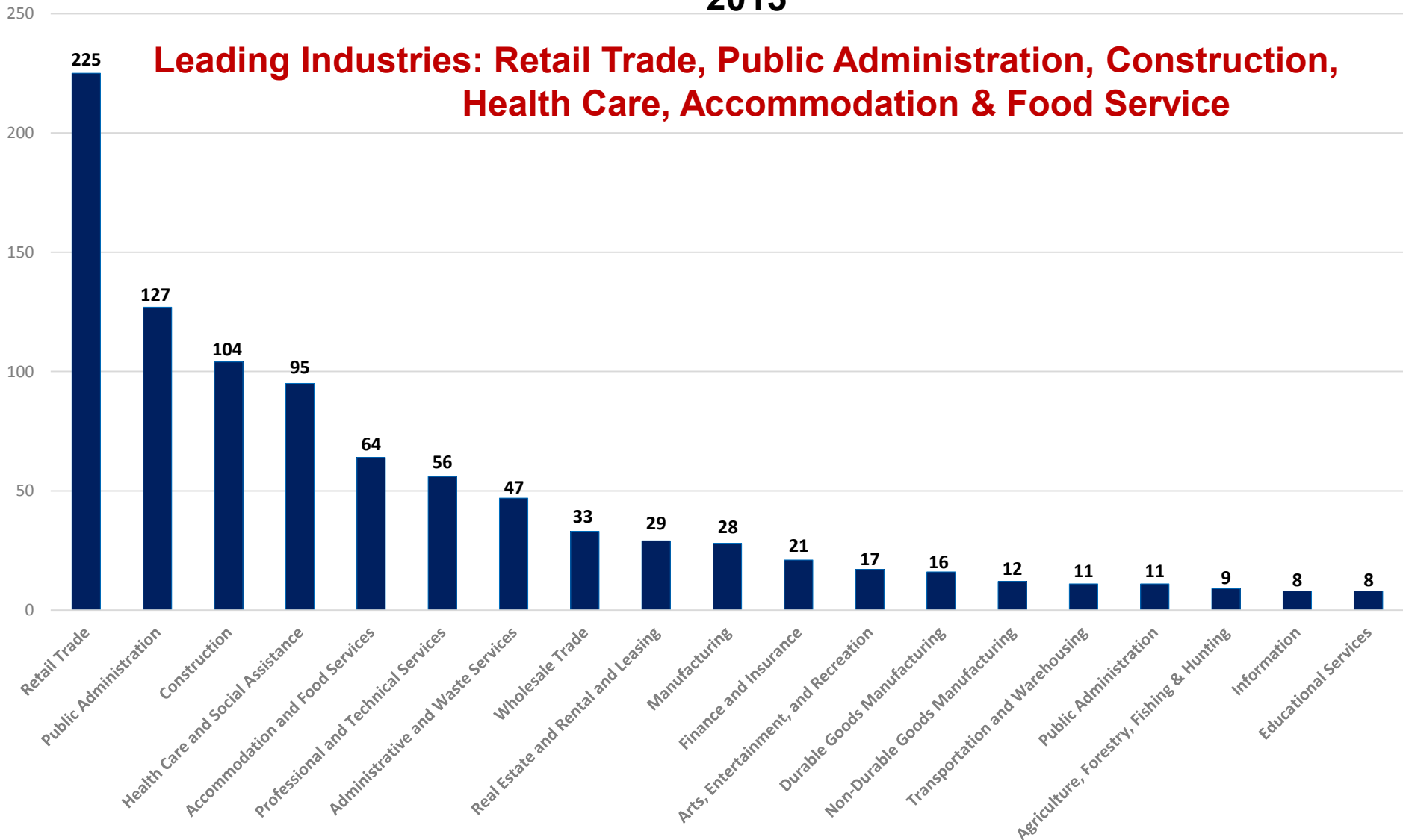


Town of Dartmouth Average Monthly Employment (Private Industry) 2001-2015



Town of Dartmouth Leading Industries by Number of Establishments 2015

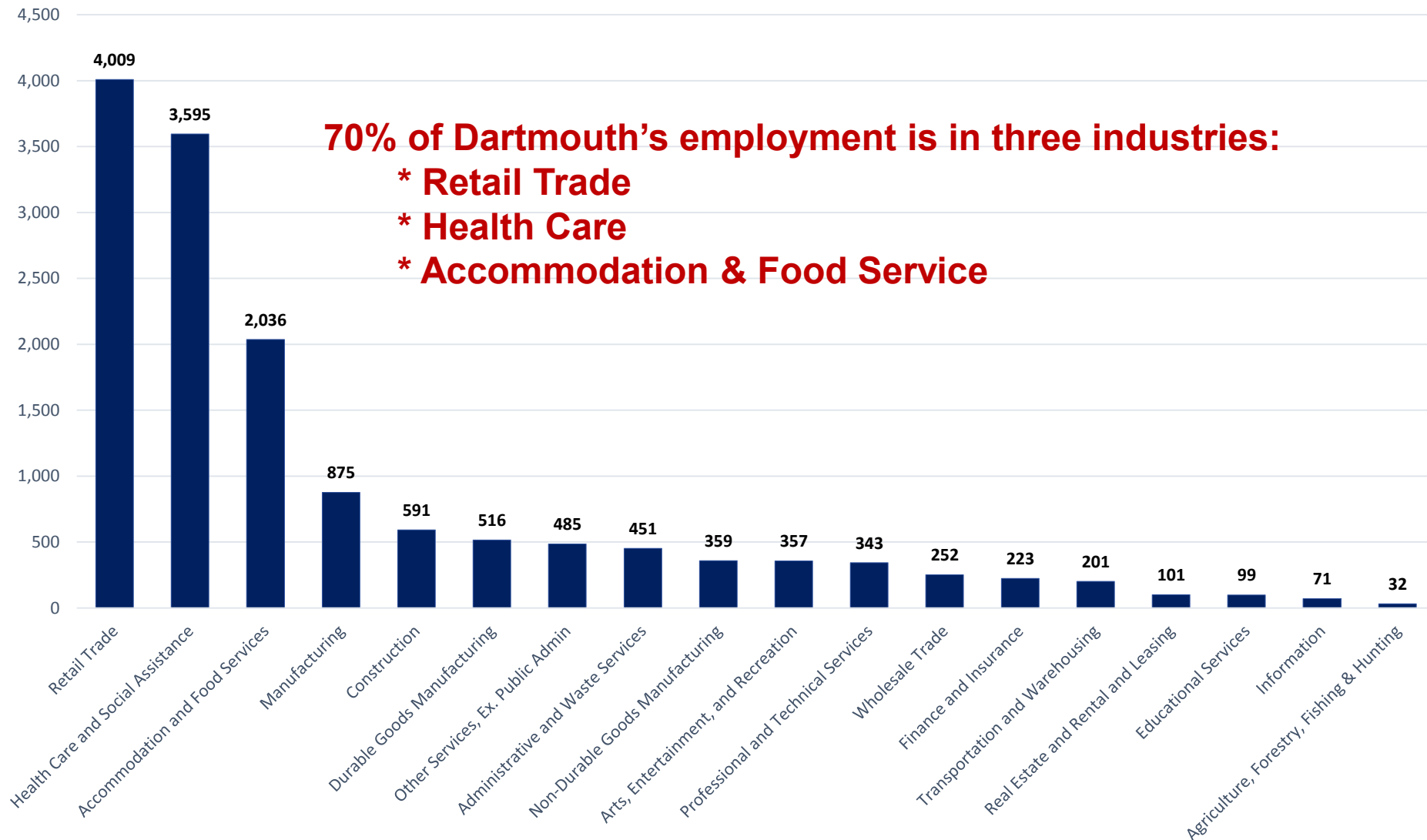
Leading Industries: Retail Trade, Public Administration, Construction, Health Care, Accommodation & Food Service



Town of Dartmouth

Average Monthly Employment by Leading Industries

2015



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

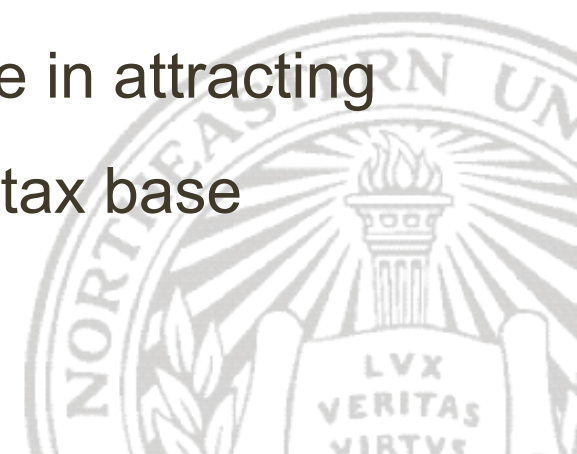


Northeastern University
Dukakis Center For Urban and Regional Policy

NATIONAL
LEAGUE
of CITIES | CENTER
FOR RESEARCH
& INNOVATION

Economic Development Overview

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



Local Communities on their Own...

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



States in Crisis

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



Local Economic Development

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



Be the CEO for Economic Development

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



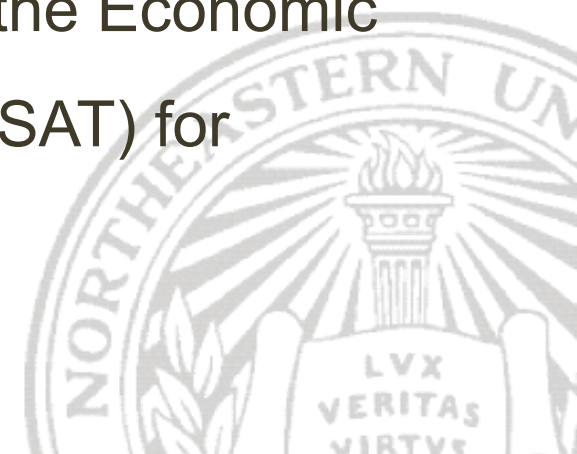
Fundamental Proposition

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



Development of EDSAT

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



NAIOP/CoreNET Sample

Project Type Selected	NAIOP	%	<u>CoreNet</u>	%
	General Industrial	40.0	Office / Headquarters	68.5
	Commercial / Professional	38.8	Manufacturing	10.4
	Mixed-Use	8.8	Retail	10.4
	R&D Facility	5.0	Mixed-Use	5.7
	Retail	5.0	R&D Facility	2.8
	Manufacturing	2.5	Distribution / Warehouse	1.9
Where Work is Done	NAIOP	%	<u>CoreNet</u>	%
	Pacific	18.9	International	38.3
	Middle Atlantic	18.9	<u>Pacific</u>	32.7
	South Atlantic	18.9	Middle Atlantic	28.0
	East North Central	8.8	West South Central	21.4
	International	7.6	East North Central	20.5
	East South Central	6.3	South Atlantic	19.6
	West North Central	6.3	New England	19.6
	New England	5.0	West North Central	15.8
	West South Central	5.0	East South Central	15.8
	Mountain	3.8	Mountain	11.2

Deal-Breakers Overview

DEAL-BREAKERS



CITY SELF-ASSESSMENT



CITY ACTION



DEAL-MAKERS



Deal-Breakers, continued

- Ignorance of changing market conditions: “Time to Market”
- Uncorrected “cognitive maps”
- Too little attention to site deficiencies
- Slow municipal processes
- Too much reliance on tax breaks



NAIOP / CoreNet Survey Categories

- Permitting Processes
- Labor
- Development and Operating Costs
- Business Environment
- Transportation and Access
- Quality of Life / Social Environment



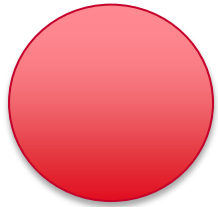
The Self-Assessment Tool (EDSAT)

The self-assessment tool consists of ten sections:

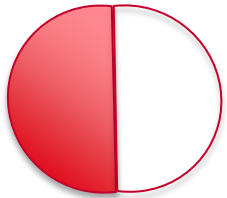
1. Access to Customers / Markets
2. Concentration of Businesses & Services (Agglomeration)
3. Cost of Land (Implicit / Explicit)
4. Labor
5. Municipal Process
6. Quality of Life (Community)
7. Quality of Life (Site Amenities)
8. Business Incentives
9. Tax Rates
10. Access to Information



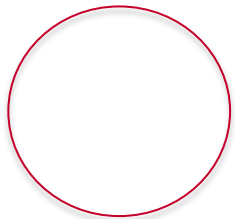
NAIOP/CoreNet Global Ranking of Critical Location Factors



Very Important Factor



Important Factor



Less Important Factor



Key EDSAT Results for Dartmouth

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

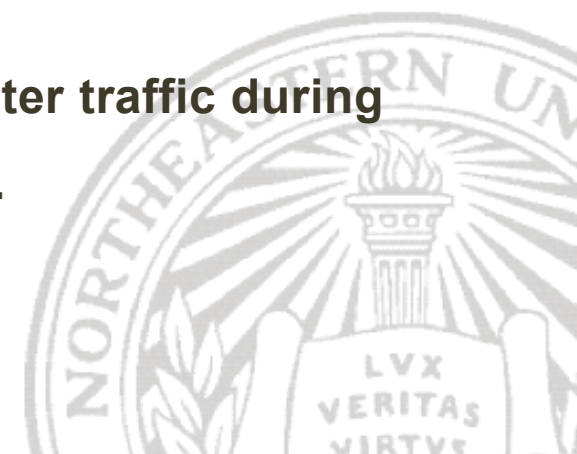
Dartmouth's Strengths and “Deal-Makers”

Strengths Among *Very Important* Location Factors:

INFRASTRUCTURE: With capacity for growth in its key infrastructure, and lower electricity rates across all types of uses relative to the CGM, your town's infrastructure is strong.

PARKING: Most of the town's available sites for retail, manufacturing, and office space have on-site parking.

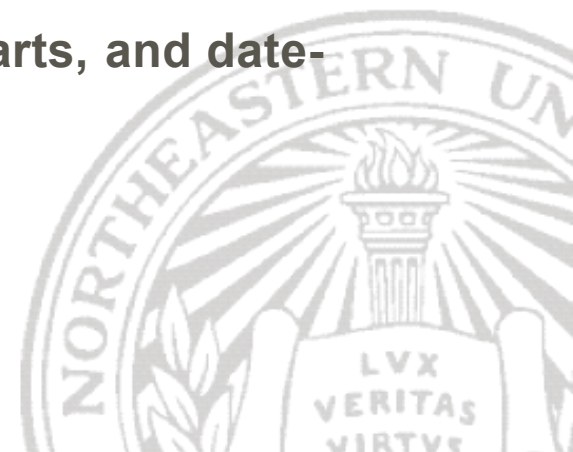
TRAFFIC: The average speed of automobile commuter traffic during a typical weekday rush hour is faster than the CGM.



Dartmouth's Strengths Among *Very Important* Location Factors: (cont'd)

TIMELINESS OF APPROVALS: Your jurisdiction's review process for new site plans, new special permits, existing site plans, and existing structures is faster than those in the CGM.

WEBSITE: Dartmouth's website provides weekly updated information about the local development policies and procedures, along with a development permit checklist, flowcharts, and date-certified applications and forms.



Dartmouth's Strengths Among *Important* Location Factors

PUBLIC TRANSIT: Dartmouth's main bus line is accessible to available sites for retail and general office space, and provides numerous bus stops along Route 6.

LAND: Your municipality has successfully preserved an extensive acreage of vacant developable land zoned for commercial or industrial use.

LOCAL TAXES: your town's property and local tax rates are lower than those in the CGM. In addition, you outperform the CGM in collecting hotel and meal taxes.

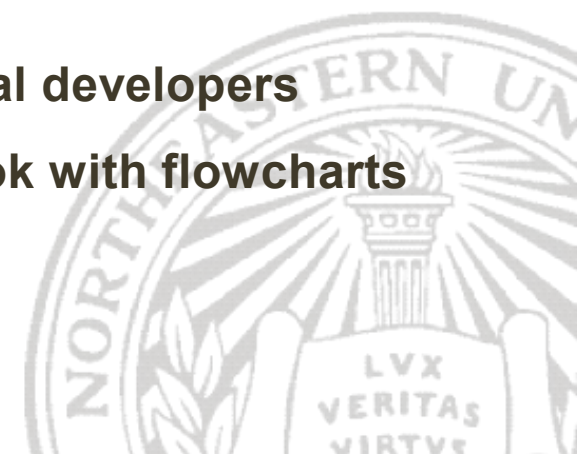


Dartmouth's Strengths Among *Important* Location Factors

PHYSICAL ATTRACTIVENESS: Dartmouth is an unusually attractive community thanks to robust enforcement of codes and regulations on abandoned properties, trash disposal, and extensive maintenance of public spaces.

QUALITY OF AVAILABLE SPACE: Your municipality's available space is of high quality, and has a low percentage of contaminated and brownfields sites.

PREDICTABLE PERMITS: Dartmouth keeps potential developers well-informed by providing a development handbook with flowcharts and the permitting process.

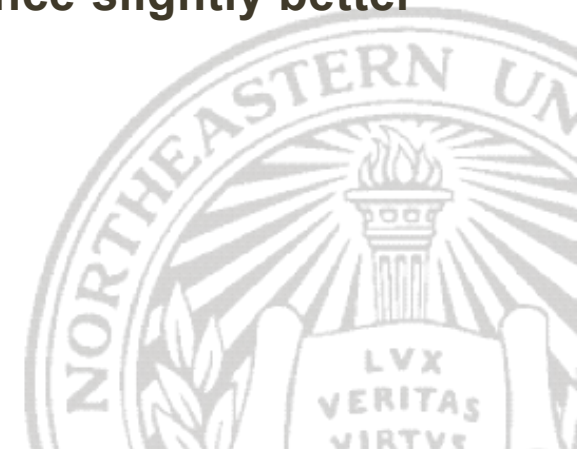


Dartmouth's Strengths Among *Important* Location Factors

FAST TRACK PERMITS: Your town is home to an industrial park that has its own expedited permitting authority.

CITIZEN PARTICIPATION IN THE REVIEW PROCESS: although rare, your municipality's officials successfully intervene when faced with oppositions from abutters and neighborhood groups.

LOCAL SCHOOLS: Overall, Dartmouth's pupils graduate from high school at a higher rate and with a level of performance slightly better than the CGM.



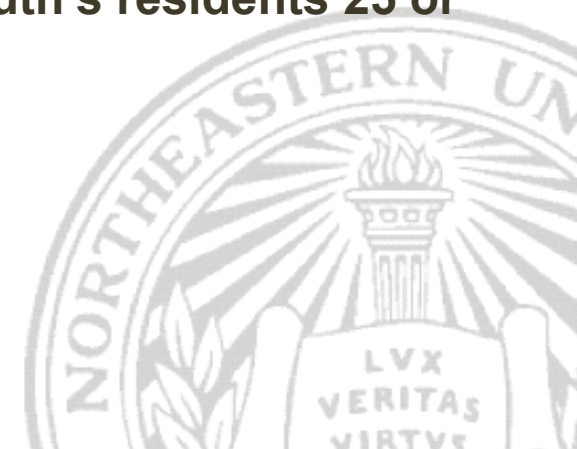
Weaknesses and “Deal-Breakers”:

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

HIGHWAY ACCESS: Dartmouth has very limited site availability within two miles of an entrance or exit to a major highway.

RENT: Commercial rents are overall higher than those of the CGM, and Dartmouth offers no Class A office space.

LABOR (AVAILABLE): A lower percentage of Dartmouth's residents 25 or older holds a high school degree than the CGM.



Dartmouth's Weaknesses Among *Important* Location Factors:

COMPLEMENTARY OR SUPPLEMENTAL BUSINESS SERVICES:

Dartmouth does not have an active economic development committee or a strong relationship with the New Bedford Area Chamber of Commerce—which may explain, in part, why the town has little in the way of business services.

CRITICAL MASS FIRMS: Dartmouth does not have a specific, dedicated industrial attraction policy.

CROSS MARKETING: Your town does not engage resident businesses, local and regional business organizations, or planning and development organizations in jointly marketing the town's assets.



Dartmouth's Weaknesses Among *Important* Location Factors:

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

INDUSTRY SENSITIVITY: Your town does not have a marketing program based on existing core strengths, identified opportunities, or industry concentrations, nor does it have in place a quick-response team to handle adverse developments and negative news stories.

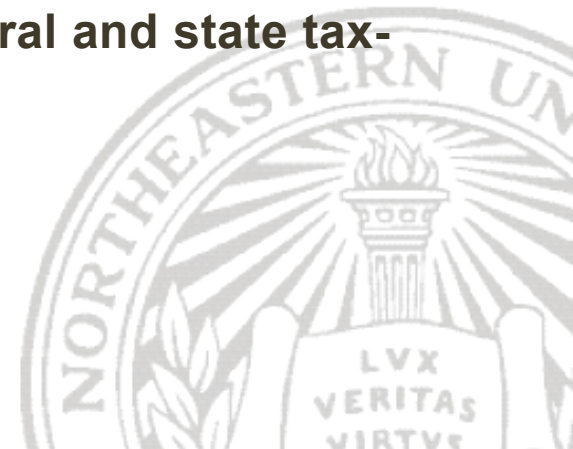
MARKETING FOLLOW UP: Similar to the CGM, Dartmouth does not collect information about local firms' level of satisfaction or why firms leave or choose another location to open shop.

Dartmouth's Weaknesses Among *Important* Location Factors:

SITES AVAILABLE: Your town does not maintain an up-to-date list of available sites for development nor do you engage with local real estate brokers, agents or developers.

CRIME RATES: Auto theft, burglary, and homicide rates are higher than those in the CGM.

STATE AND LOCAL BUSINESS INCENTIVES: Despite offering TIFs, your town does not take advantage of existing federal and state tax-incentive programs to attract or retain businesses.



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

PROXIMITY TO UNIVERSITIES & RESEARCH: The UMass campus is geographically isolated from the town's commercial centers, which is all the more unfortunate given that there are no other colleges or universities within ten miles of town.

AIRPORTS: Located with more than an hour drive to T.F. Green International Airport, your town does not offer access to the airport via public transportation.



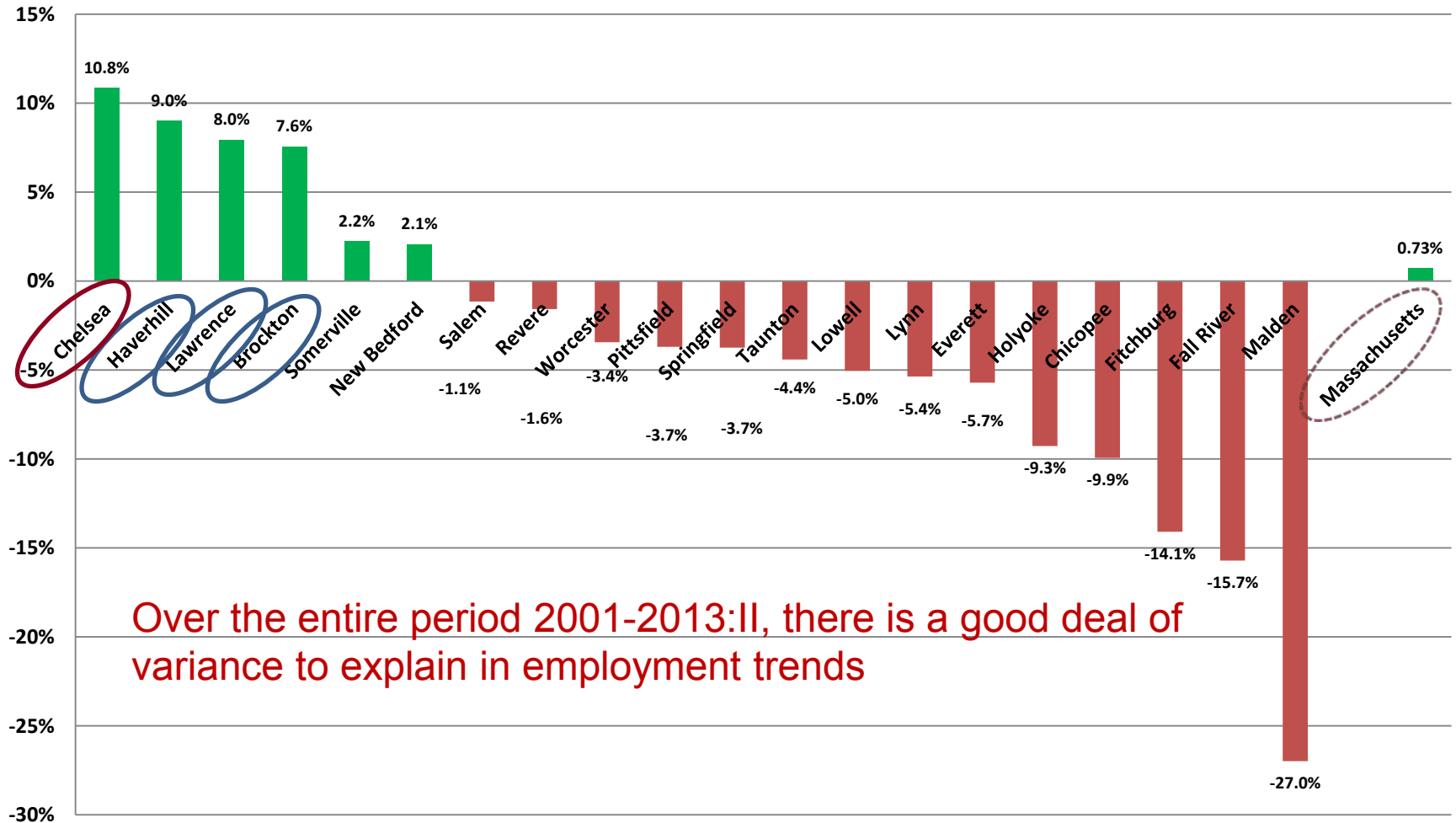
But What Really Matters?

Massachusetts Working Cities



Employment Trends, 2001 - 2013

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



EDSAT Correlation Analysis

What factors are most highly correlated with employment growth?

EDSAT Measures – 26 in All

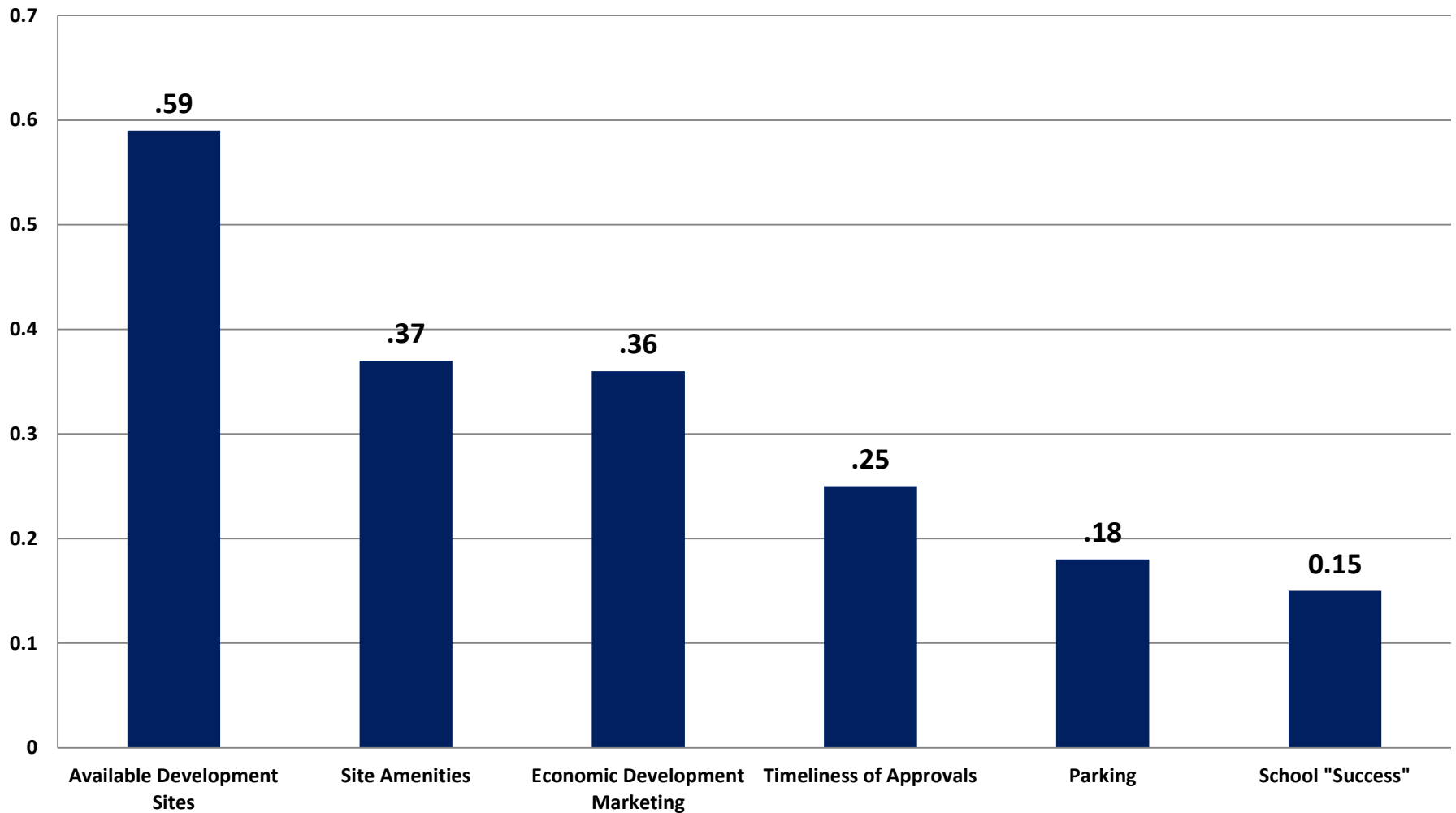
Highway Access
Parking Availability
Traffic Congestion
Infrastructure Limitations
Commercial/Industrial Rents
Labor Force Skills
Timeliness of Approvals
Public Transit Availability
Physical Attractiveness of Municipality
Complementary Business Services
Critical Mass of Firms – Local Supply Chain Firms
Cross Marketing by Municipality and Business Community
Marketing Follow-up with Locating/Relocating Firms
Quality of Available Development Parcels

Labor Cost
Formal Economic Development Strategy
Available Development Sites
Predictable Permitting
Fast Track Permitting
Citizen Participation in Development Process
Cultural and Recreational Amenities
Crime Rates
Housing Cost
School Success Measures
Amenities near Available Development Sites
Local Tax Rate Environment

What Factors are Correlated with Greater Employment Growth?

Correlations between employment growth and EDSAT variables, 2001-2013:II

Working Cities
Factors Most Highly Correlated with Percentage Change in Employment All Private Sector
Industries
2001-2013:II



Control Variables

Corr. % Chg Emp. 2001-2013/Proximity to Boston

+.16 Slight positive correlation

Corr. % Chg Emp. 2001-2013/Higher Poverty Rate

+.17 Slight positive correlation

Corr. % Chg Emp. 2001-2013/Larger Manufacturing Base

+0.13 Weak positive correlation

Key Factors **NOT** Highly Correlated with Employment Growth ... or Inversely Correlated

Complementary Business Services (+.07)

Low Crime Rate (+.07)

Public Transit (+.04)

Highway Access (-.03)

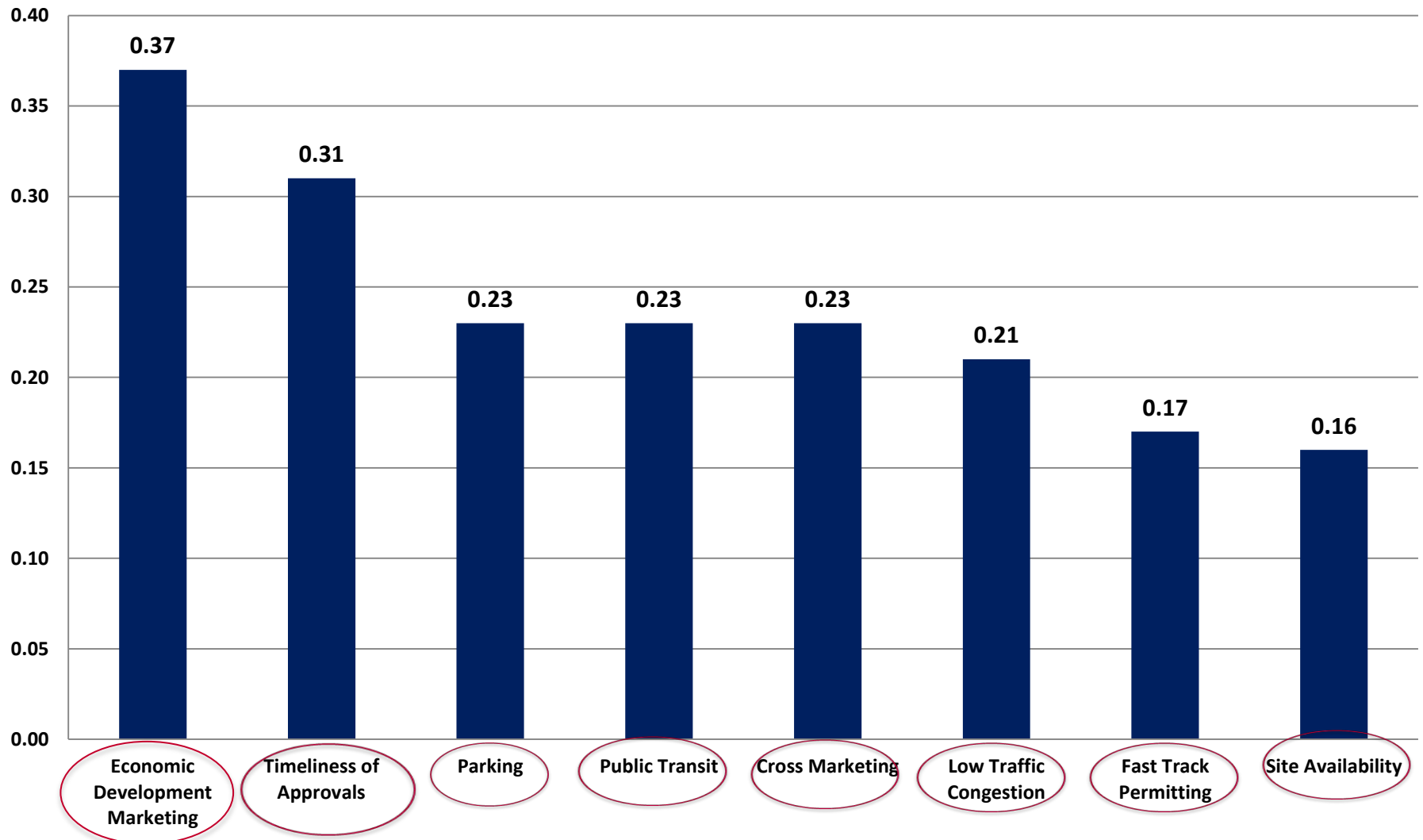
Commercial/Industrial Rents (-.08)

Cultural & Recreational Amenities (-.12)

Low Local Tax Rates (-.27)

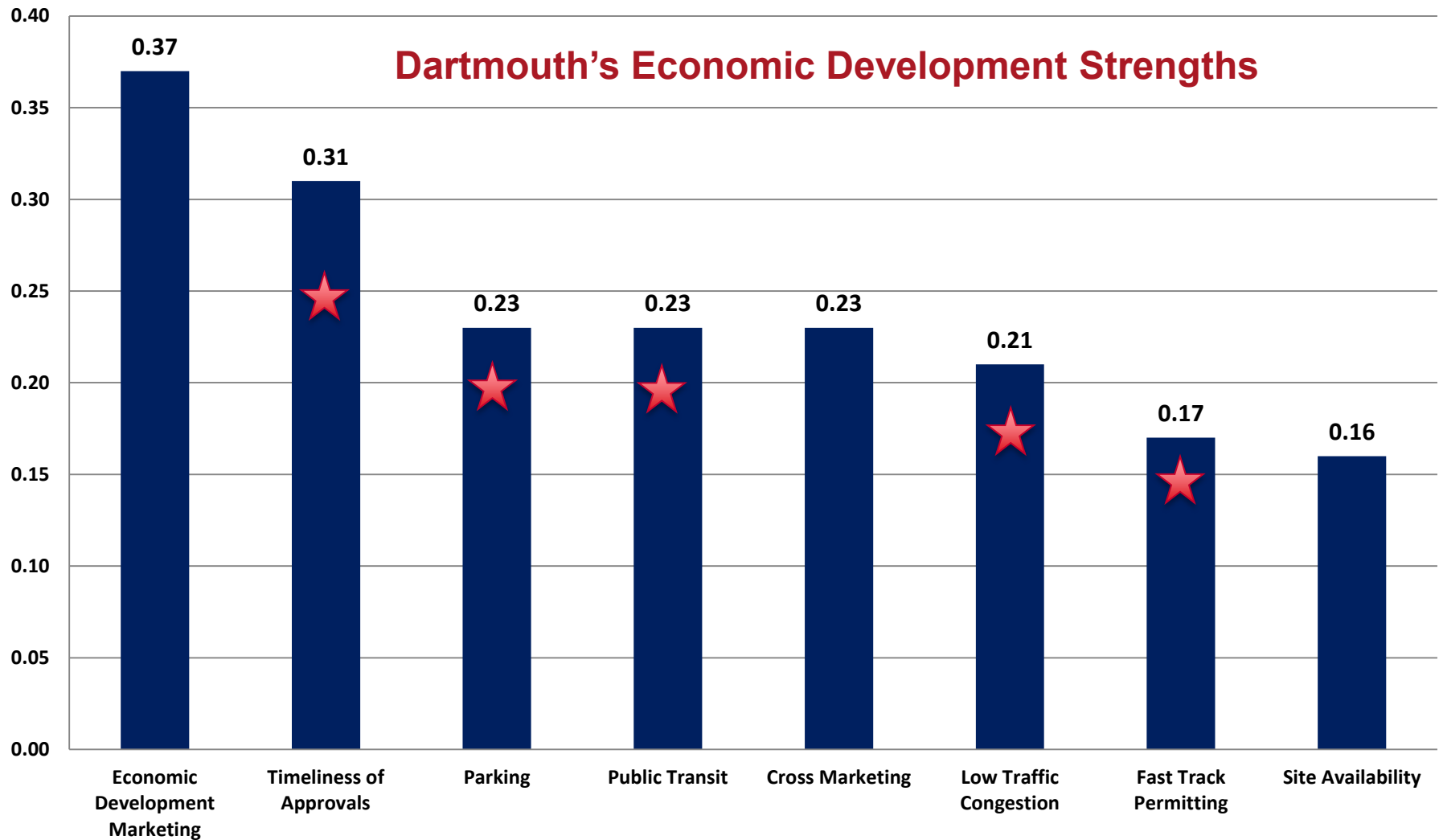
Physical Attractiveness of City (-.35)

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

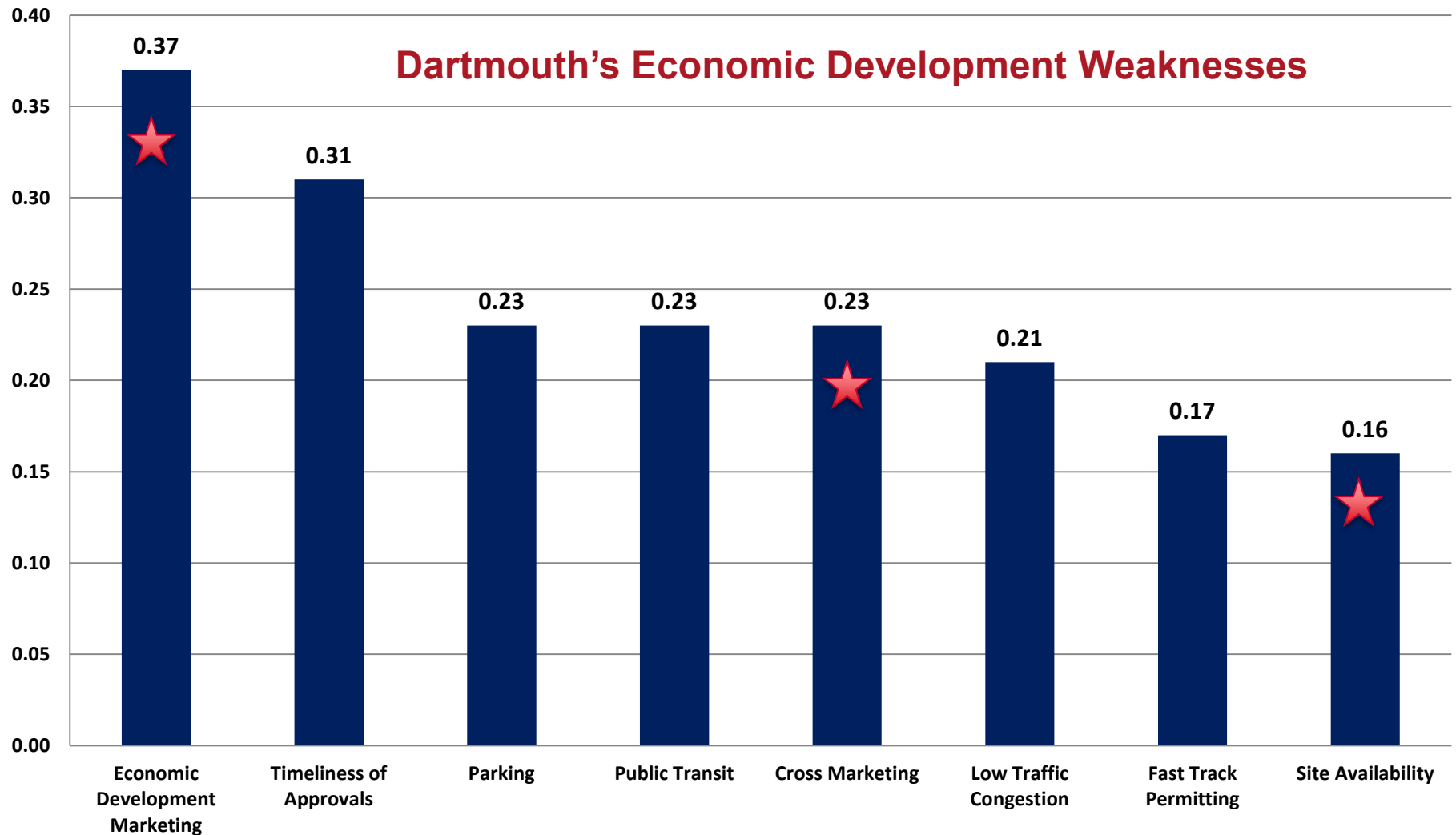


50 Massachusetts Municipalities - Factors Most Highly Correlated with Increase in Establishments 2001-2011

Dartmouth's Economic Development Strengths



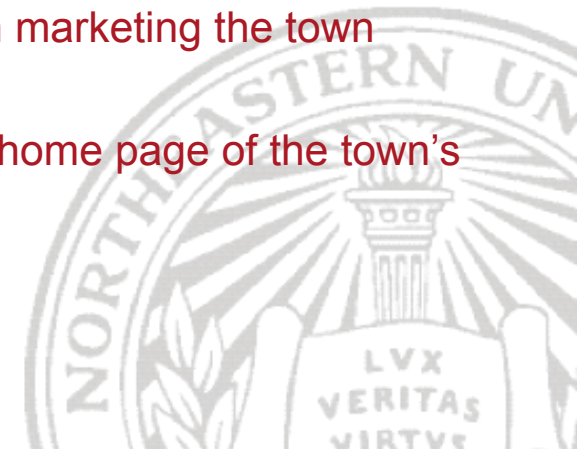
50 Massachusetts Municipalities - Factors Most Highly Correlated with
Increase in **Establishments**
2001-2011



Conclusions

Things to Think About

- **Dartmouth has many good things going for it:**
 - Well-established infrastructure and inexpensive electricity costs
 - Timely handling of permitting approvals
 - Overall physical attractiveness and strong local schools
 - Well-designed and regularly maintained website
- **But you could be better positioned to attract business investment and jobs by:**
 - Creating an economic development committee and forging a relationship with the New Bedford Area Chamber of Commerce
 - Engaging resident firms and local business organizations in marketing the town
 - Making a better use of UMass Dartmouth resources
 - Including a dedicated economic development portal on the home page of the town's website





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Thank you!

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