

CITY OF NEWTON

IN BOARD OF ALDERMEN

LONG RANGE PLANNING COMMITTEE REPORT

MONDAY, AUGUST 13, 2012

Present: Ald. Linsky (Chairman), Albright, Baker, Blazar, Crossley, Danberg, Fischman, Fuller, Hess-Mahan, Johnson, Lappin, Laredo, Lennon, and Yates

Present from Economic Development: John Pears, Darryl Settles, and Chris Steele

City staff present: Robert Rooney (Chief Operating Officer), Candace Havens (Director of Planning), and Amanda Stout (Senior Economic Development Planner)

Invited presenter: Nancy Lee (Dukakis Center at Northeastern University)

The Committee convened at 6:30 PM and met jointly with the Economic Development Commission to discuss the Economic Development Self-Assessment Tool (EDSAT) survey results. The survey results and a summary of the results were previously provided to the Board of Aldermen and are available on the [Long Range Planning Committee's web page](#). The EDSAT survey was designed to analyze a community's ability to attract commercial development. The survey identified both Newton's strengths and weaknesses, as compared to the comparison group comprised of other communities in New England. The report also provided "next steps" for the City to take to create a more attractive and robust community for commercial development. Senior Economic Development Planner Amanda Stout provided the attached PowerPoint presentation, which summarized the EDSAT survey results.

The comparison group used for the survey results include 75 cities and towns of which 50 cities and towns are in Massachusetts and 25 are in New England. Several Aldermen and Commission members inquired how Newton compared to communities. Were the comparisons based on size, socio-economics or population and was Newton compared to each community in the comparison group. It would be beneficial if the comparisons were made between peer communities. For example, the report states that one of Newton's weaknesses is the high commercial rent and it would be helpful to know how that determination was arrived at and how the rents were compared. If the comparison includes rural or urban communities, it is likely that the commercial market is quite different in those communities. Nancy Lee from the Dukakis Center will provide the City with further details on how comparisons were made.

The Economic Development Commission and Board of Aldermen may want to investigate commercial rent in Newton as compared to its regional peers. Newton may have a higher than average cost for commercial space, it may be countered with a business-friendly environment.

Amanda Stout continued with the presentation by reviewing the suggested next steps in the report. The City is already actively working on some of the suggestions

contained in the report, such as developing a business inventory and a survey for businesses. The survey will be used to determine what new businesses existing business would like to see in the community and what outreach roles businesses can provide. Ms. Stout added that there are three other areas of focus that the City needs to consider that include understanding what tools Newton has to encourage economic development, how to promote existing businesses and how to attract new businesses.

The presentation concluded with Ms. Lee reviewing how other communities have used the EDSAT Report. Other communities have used the results from the survey to plan for master planning, economic development activities, a specific project, formalizing processes and targeting industries to support existing businesses or businesses that make sense in the community. While targeting industries, cities and towns need to keep the community's vision in mind while recruiting businesses. The public and local businesses should be engaged in the identification and recruitment processes.

The Commission and Committee discussed how to use the information in the report. The Administration and Board of Aldermen need to come up with a cohesive vision for economic development in the City. It is important that there is an understanding of what types of business (bio-tech, pharmaceutical, retail, investment firms) the City would like to attract and what changes are needed to draw business to Newton. Another key component of a realistic economic development plan is the support of residents and existing businesses. When the Administration looks at potential businesses like pharmaceutical, venture capital, or biotech companies, it needs to look at making it attractive for them to come to Newton. The City should also investigate the opportunity for commercial development and possible locations for that development.

It may be useful for the Administration and Board of Aldermen to look at streamlining permitting process. However, as the EDSAT Report highlights, the current permitting process is predictable. It was also suggested that there should be consideration given to revamping the zoning ordinances, as some of the language is confusing to lay people. The Board of Aldermen may want to engage in further research before setting the commercial tax rate. In addition, coordinated investments in the City's physical environment (roads, utilities, sidewalks and villages) may also provide a draw to potential businesses. The City's location to Boston should also be promoted.

The Economic Development Commission and the Long Range Planning Committee will meet to develop concrete next steps and discuss a cohesive vision for the City. Members of the Economic Development Commission will work on developing its own list of next steps, which will be circulated. With that, the meeting adjourned at 7:40.

Respectfully submitted,

Alderman Stephen Linsky, Chair

Economic Development Self-Assessment Tool (EDSAT)



FINAL RESULTS FOR THE CITY OF NEWTON
LONG-RANGE PLANNING COMMITTEE OF THE BOARD OF ALDERMEN
ECONOMIC DEVELOPMENT COMMISSION
AUGUST 13, 2012

Introduction

- Ongoing partnership between Northeastern University's Dukakis Center for Urban Research & Policy and the National League of Cities
- Integrated view of how various departments and stakeholders affect economic development and their roles in creating a business friendly environment
- In Newton, ongoing support of EDC and Board of Aldermen Long-Range Planning Committee throughout this process

Northeastern University
*Kitty and Michael Dukakis Center
for Urban and Regional Policy*

NATIONAL
LEAGUE
of **CITIES** |
CENTER
FOR RESEARCH
& INNOVATION

Methodology

- **Over 250 questions on EDSAT questionnaire**
 - Quantitative questions answered by staff with data gathered from many departments and research
 - Qualitative questions answered by small working group
 - 7-page narrative submitted with questionnaire
- **Newton's answers rated on**
 - **Location Factor:** level of importance to location experts (Very Important, Important, Less Important)
 - **Relative Strength:** response versus Comparison Group Municipalities (CGM) – stronger than most (green), average (yellow), weaker than most (red)
 - Interaction between Location Factor and Newton's Relative Strength yields telling results about "Deal Makers" and "Deal Breakers"
- **Report includes prioritized lists and detailed narrative**

Results: Newton's Strengths



- **Quality of Life**
 - Highly skilled and educated workforce
 - Public transit network
 - An enviable set of quality of life factors such as proximity to Boston, historic and village atmosphere with amenities and services, and highly rated public school system
- **Municipal Process**
 - Municipal permitting processes that are on the shorter end of the duration spectrum
 - Technical guidance that is offered to permit applicants
 - Elected officials in Newton are more involved in expediting development by facilitating dialogue with community groups than their counterparts in the CGM



**Strengths or
Potential
“Deal Makers”**

Very Important
Location Factors

- **Parking**
 - On-site parking near development sites
- **Traffic**
 - Transportation planner and engineer on staff and consultants
- **Workforce Composition**
 - Highly skilled
- **Labor**
 - Highly educated



Strengths or Potential “Deal Makers”

Important Location Factors

- **Public Transit**
 - Sites within ¼ mile transit, TOD strategy
- **Physical Attractiveness**
- **Quality of Available Space**
- **Predictable Permits**
 - Permitting guidance, flowcharts, handbooks
- **Citizen Participation in the Review Process**
 - Elected officials involved, facilitate dialogue
- **Cultural & Recreational Amenities**
- **Low crime rate**
- **Strong local schools**
- **Amenities near development sites**
- **Business incentives available in MA**

Results: Newton's Weaknesses

- **Characteristics Associated with Location and High Quality of Life**
 - Report cites high cost of housing, presence of parking meters, high utility and property tax rates, etc.
 - Some "potential weaknesses" are taken in a very suburban context
 - High retail/office rents are singled out as a weakness
- **Understanding, Promoting, and Attracting**
 - Maintain better lists, formal debriefing with prospective firms, formal process of gauging satisfaction of existing businesses
 - Promote our strengths through marketing programs, engage partners and local businesses as ambassadors
 - Identify industries to target and a development vision



**Weaknesses or
Potential
“Deal Breakers”**

Very Important
Location Factors

- **Parking**
 - Fewer retail sites with on-site parking than others; parking is not free
- **Rents**
 - Retail rents in village centers are 2.5x higher
 - Retail in highway business districts 2.8x higher
 - Manufacturing space 25% higher
 - Office in village centers 1.9x higher
 - Office in highway business districts 2.8x higher
- **Infrastructure**
 - Electricity rates slightly higher



**Weaknesses or
Potential
“Deal Breakers”**

**Important Location
Factors**

- **Critical Mass Firms**
 - No industrial attraction policy
 - City has not identified industries targeted for recruitment
- **Cross-Marketing**
 - City does not formally engage partners to market the city
- **Tax Rates (local)**
 - Split property tax rate; both residential and industrial/commercial rate are higher than median
- **Housing**
 - Median sale price single-family home and rent for two-bedroom apartment higher than median

Next Steps Suggested in Report



- Develop a business inventory
- Survey businesses about satisfaction, what kinds of businesses they want to see, outreach roles they can play
- Identify missing and desired industry sectors
- Create a development vision
- Proactive and direct marketing efforts aimed at identified business sectors
- In progress staff/intern
- In progress staff/intern, also EDC role

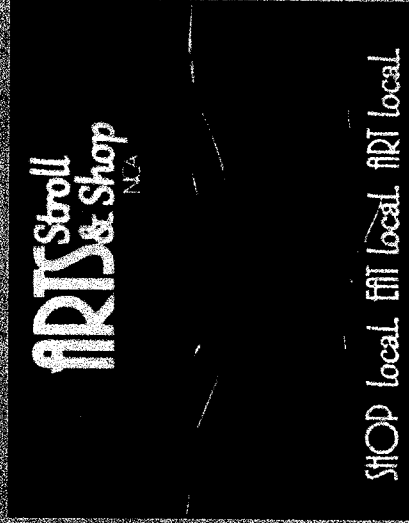
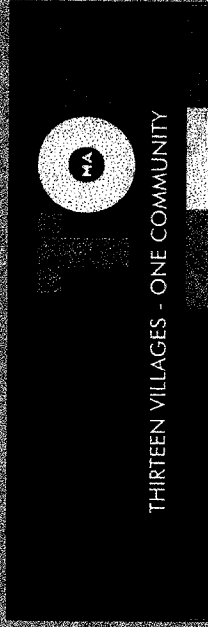
Discussion



- Understanding Newton's Business Landscape
- Promoting Newton's Businesses
- Identifying Industries and Attracting Business

Discussion: Promoting Newton's Businesses

- Promotion/marketing of existing businesses
- Have a marketing program based on business needs and/or existing core strengths, opportunities, industry concentrations



Discussion: Identifying Industries & Attracting Business

- Small Business Incubator
- Industrial attraction: biotech
- Industrial attraction: green design, construction, energy
- Engage local business spokespeople, identify ambassadors
- Meet with regional and state partners
- MA Office of Business Development

