4

Economic Conditions

Introduction

The economic conditions examined in this chapter review changes at the local level in Sturbridge but also place these changes with the context of the regional and state economies. The first portion of the chapter reviews overall employment growth over the last decade and also presents a detailed perspective regarding changes and trends within major industry sectors. These historical trends are followed by a discussion of projected employment growth at the state level and how Sturbridge may be affected by these forecasts.

The second portion of the chapter discusses characteristics of the town's labor force and how they have changed over the past decade. This is followed by an examination of land use trends for commercial and industrial development and a discussion of strategic opportunity areas that will play a key role in the town's future economic development activities.

Economic Development Goals

- Foster economic sustainability by focusing on growth and expansion of existing businesses.
- Take a more pro-active approach to marketing the town's assets in order to promote additional business growth.
- Promote economic development from a regional perspective.
- Prepare corridor improvement plan to encourage redevelopment of Route 20.
- Revise zoning regulations to create opportunities along Route 131 and the Special Use District.

Historical Employment Trends

Figure 4.1 illustrates the town's long-term total employment trends between 1985 and 2008. As shown, job growth has occurred with a rather undulating trajectory that reflects the peaks and troughs of the expansion and recessionary periods that have occurred over the last 20-25 years. During this time period the town experienced a net job growth of approximately 900. The chart indicates that the town's employment base has remained relatively stable over the long-term and has been able to consistently offset job losses with gains, resulting in an overall average annual growth rate of just under one percent (0.9%) over this time period. This matched the Southern Worcester region's 0.9% rate of annual increase and exceeded the state's 0.6% average yearly growth.

Figure 4.1 Total Employment 1985-2008 – Town of Sturbridge

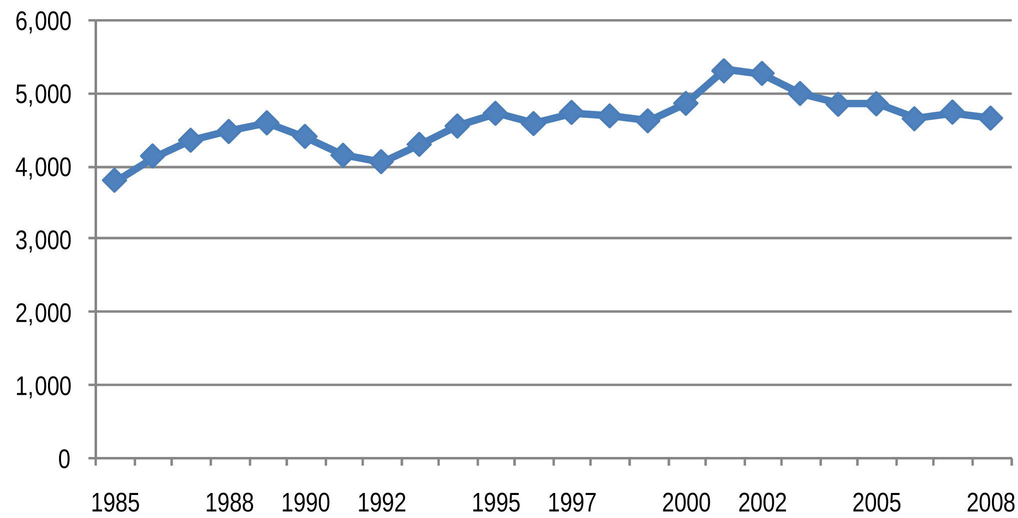


Table 4.1 presents a comparison of total employment change for Sturbridge and its neighboring communities between 2001-2008. As illustrated, most of the region experienced either a net loss or only a modest gain in employment during this time period. The exception to this trend was Charlton which added over 900 jobs. Approximately one-third of Charlton's growth (300+ jobs) was in machinery manufacturing followed by 100+ additional jobs in food service related jobs (restaurants), based on data from the State Labor Department.

Table 4.1 Total Covered Employment 2001 - 2008
Sturbridge and Neighboring Communities

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

Sturbridge experienced the largest actual decrease in employment (653) of these comparative communities and the third highest percentage decline (12%). Despite these losses, Sturbridge's employment to population ratio of 51% (i.e. total jobs in town were equivalent to 51% of the population) was the highest, indicating a relatively strong economic base for its size when compared to this local region.

Table 4.2 presents a more detailed perspective on employment growth in Sturbridge since 2000. The data is categorized based on the two-digit North American Industry Classification System (NAICS). It should be noted that this data (as well as Table 1 data), which is derived from the Covered Employment Insurance program, does not include sole proprietor firms or part-time workers. Estimates of this non-covered employment are not available at the local level but based on county-wide percentages could add an additional 15%-20% to the town's total employment figure presented in the table.

Table 4.2 **Average Annual Covered Employment 2001 – 2008**
Town of Sturbridge

										Change 2001 – 2008		
NA/CS	Industry	2001	2002	2003	2004	2005	2006	2007	2008	Actual	Percent	2008
	TOTAL ALL INDUSTRIES	**5,307**	**5,271**	**4,995**	**4,845**	**4,852**	**4,646**	**4,737**	**4,654**	**(663)**	**-12.3%**	**100%**
	Total Government	592	605	595	572	574	586	613	627	35	5.9%	13%
	Total Private	4,715	4,666	4,400	4,273	4,278	4,060	4,124	4,027	(688)	-14.6%	87%
101	**Goods Producing Industries**	**1,189**	**887**	**684**	**569**	**595**	**547**	**566**	**525**	**(664)**	**-55.8%**	**13%**
11	Agriculture/Forestry/Fishing	**	**	**	**	**	**	**	**	**	**	**
21	Mining	**	**	**	**	**	**	**	**	**	**	**
23	Construction	94	83	82	89	113	109	99	75	(19)	-20.2%	2%
31-33	Manufacturing	1,093	804	598	479	482	465	467	450	(643)	-58.8%	11%
102	**Service Producing Industries**	**3,526**	**3,779**	**3,716**	**3,703**	**3,683**	**3,486**	**3,558**	**3,502**	**(24)**	**-0.7%**	**87%**
22	Utilities	7	**	16	**	9	**	**	6	(1)	-14.3%	0.1%
42	Wholesale Trade	83	76	69	79	53	34	46	54	(29)	-34.9%	1%
44-45	Retail Trade	1,149	1,224	1,194	1,196	1,194	1,160	1,095	1,097	(52)	-4.5%	27%
48-49	Transportation and Warehousing	61	68	51	53	48	54	**	40	(21)	-34.4%	1%
51	Information	14	14	14	**	**	**	**	10	(4)	-28.6%	0%
52	Finance and Insurance	87	84	105	115	119	124	146	144	57	65.5%	4%
53	Real Estate and Rental and Leasing	40	45	49	40	36	32	30	28	(12)	-30.0%	1%
54	Professional and Technical Services	73	66	73	75	114	126	136	153	80	109.6%	4%
55	Management of Companies/Enterprises	**	**	**	**	**	**	**	**	**	**	**
56	Administrative and Waste Services	12	21	22	20	144	143	**	106	94	783.3%	3%
61	Education	3	**	**	**	10	11	**	12	9	300.0%	0.3%
62	Health Care and Social Assistance	198	199	209	218	205	204	247	245	47	23.7%	6%
71	Arts, Entertainment, Recreation	269	**	328	**	274	**	**	193	(76)	-28.3%	5%
72	Accommodation and Food Services	1,462	1,548	1,504	1,500	1,372	1,291	1,348	1,301	(161)	-11.0%	32%
81	Other Services, Ex. Public Admin.	68	76	77	93	87	83	118	113	45	66.2%	3%

** Data suppressed or equal to zero
Source: MA Department of Labor

As noted previously, total covered employment decreased by 12.3% overall between 2001-2008 representing a net loss of 653 jobs. Private sector losses of 688 (-14.6%) were marginally offset by a modest increase of 35 government jobs during this time period. The goods producing sectors absorbed most of the losses with a net decrease in Manufacturing employment of 643, almost 59% of the total jobs in this sector. In contrast, service producing sectors had a net loss of only 24 jobs, a decrease of less than 1%. As of 2008, goods producing sectors accounted for 13% of the town's total private employment as compared to 87% in the service sectors. The town's larger manufacturing firms are involved in the production of plastics, machining and metal fabrication, machinery manufacturing, glass/optical products and related electronic components.

The town's economic base is largely dependent upon the Leisure & Hospitality sectors as well as Retail Trade. The former is comprised of Accommodations/Food Services and Arts, Entertainment, and Recreation, which together, account for 37% of total *private* sector jobs. In comparison, the Southern Worcester Region[1] and the State each have only 11% of their employment in these sectors. This job concentration illustrates the town's dependence on tourists and other visitors to the area and is likely to result in higher proportions of part-time labor and lower average wages. The town's Leisure & Hospitality sectors experienced a combined loss of 13.7% in total employment (237 jobs) over the eight year period examined. Lodging related employment declined by 125 while employment at eating/drinking establishments recorded losses of 36 jobs (data not shown). The town's eating/drinking establishments account for about two-thirds of total employment in the Leisure & Hospitality sectors. Retail Trade, which accounts for 27% of the town's employment base, had more modest losses of 5.4%, or 52 jobs, over the time period (Retail employment in the Region and State is 14% and 12%, respectively).

Table 4.2 illustrates that the town's primary employment gains occurred in the following sectors: Administration and Waste Management Services (94 jobs); Professional and Technical Services (80 jobs); Finance and Insurance (57 jobs); Health Care and Social Assistance (47 jobs); and Other Services (45 jobs). Each of these sectors range between 3%-6% of the town's total private employment as of 2008. Growth in these sectors has helped to offset losses in other service sector industries and diversify the town's employment base to a limited degree. However, as noted previously, employment remains concentrated in the Leisure & Hospitality and Retail sectors leaving the town susceptible to potentially greater losses if further declines occur in these industries.

Table 4.3 presents a comparison of the change in employment for Sturbridge, the Southern Worcester Workforce Investment Area (WIA) region, and the State of Massachusetts between 2001-2008. The table also presents a Location Quotient (LQ) calculation for 2008. The LQ represents a comparison ratio of total employment by sector between two geographic locations (e.g. Sturbridge compared to the region or the region compared to the state). An LQ of 1.00 means that the percentage of

▼

1 Refers to the Southern Worcester Workforce Investment Area (WIA), which essentially includes the towns in the southern half of Worcester County.

employment in a given sector is equivalent in both locations. An LQ of 2.00 means that one location has twice the employment, from a percentage standpoint, in a given industrial sector versus the comparison location.

Table 4.3 **Change in Average Annual Employment (2001–2008) and Location Quotient (2008) Town of Sturbridge, Southern Worcester WIA and State of Massachusetts**

		Change in Employment			% Change			Location Quotient	
NA/CS	Industry	Sturbridge	WIA	State	Sturbridge	WIA	State	Sturbridge	WIA
	TOTAL ALL INDUSTRIES	**(653)**	**932**	**(30,348)**	**-12.3%**	**0.4%**	**-0.9%**		
	Total Government	35	3,252	(105)	5.9%	9.8%	0.0%		
	Total Private	(688)	(2,320)	(30,243)	-14.6%	-1.1%	-1.1%		
101	**Goods Producing Industries**	**(664)**	**(8,794**	**(108,816)**	**-55.8%**	**-19.2%**	**-20.3%**		
11	Agriculture/Forestry/Fishing	**	(9)	100	**	-3.9%	1.6%	**	0.46
21	Mining	**	(26)	(157)	**	-15.7%	-11.0%	**	**
23	Construction	(19)	(287)	(5,985)	-20.2%	-2.8%	-4.3%	0.40	1.01
31-33	Manufacturing	(643)	(8,472)	(102,774)	-58.8%	-24.0%	-26.4%	0.87	1.28
102	**Service Producing Industries**	**(24)**	**6,474**	**78,572**	**-0.7%**	**3.9%**	**3.4%**		
22	Utilities	(1)	(335)	(1,919)	-14%	-22.7%	-16.1%	0.30	1.55
42	Wholesale Trade	(29)	290	(4,559)	-34.9%	2.8%	-3.2%	0.26	1.06
44-45	Retail Trade	(52)	(619)	(10,996)	-4.5%	-2.1%	-3.1%	2.00	1.10
48-49	Transportation and Warehousing	(21)	872	(5,969)	-34.4%	15.3%	-7.7%	0.31	1.25
51	Information	(4)	(517)	(22,260)	-28.6%	-11.5%	-20.0%	0.13	0.61
52	Finance and Insurance	57	(162)	(3,903)	65.5%	-1.4%	-2.1%	0.65	0.87
53	Real Estate and Rental and Leasing	(12)	(400)	(2,469)	-30.0%	-16.8%	-5.5%	0.70	0.59
54	Professional and Technical Services	80	(305)	14,474	109.6%	-2.7%	5.9%	0.70	0.59
55	Management of Companies/Enterprises	**	(1,922)	(10,464)	**	-29.1%	-14.5%	**	1.04
56	Administrative and Waste Services	94	331	(711)	783.3%	2.7%	5.9%	0.70	0.59
61	Education	9	1,922	13,767	300%	36.1%	12.3%	0.09	0.78
62	Health Care and Social Assistance	47	3,897	69,920	23.7%	10.6%	17.1%	0.31	1.15
71	Arts, Entertainment, Recreation	(76)	365	7,699	-28%	12.1%	18.5%	3.00	0.94
72	Accommodation and Food Services	(161)	2,348	19,362	-11.0%	14.8%	8.2%	3.67	0.97
81	Other Services, Ex. Public Admin.	45	709	16,600	66.2%	8.4%	14.8%	0.64	0.97

* Sturbridge compared to WIA and WIA compared to Massachusetts
** Data suppressed or equal to zero
Source: MA Department of Labor

From an overall percentage perspective, the town experienced a considerably larger decline in total employment (-12.3%) than the WIA which incurred only a minor net increase (0.4%) and the State, where employment decreased slightly (-0.9%) during this time period. While there were a number of factors that contributed to this discrepancy, of particular note is the fact that Sturbridge's Manufacturing employment declined by almost 59% with the WIA and State experiencing losses of less than half that rate, -24% and -26.4% respectively. Furthermore, an LQ of 1.28 for the WIA suggests greater strength in the regional manufacturing base as compared to the state, whereas an LQ of 0.87 for Sturbridge suggests the town is not sharing in this regional advantage.

High LQs of 3.00 and 3.67 for Sturbridge in the Leisure/Hospitality sectors (NAICS 71 & 72), and 2.00 in the Retail sector reinforce the point made previously regarding the dominance of total employment in these areas. However, the regional and statewide growth in Leisure & Hospitality, in comparison to losses experienced at the town level, suggest that Sturbridge reached a saturation point over the past decade, based on its mix of businesses, in comparison to local demand.

The town did exceed the growth rates of the region and/or state in the previously noted growth sectors including Finance and Insurance, Professional/Technical Services, Administration, Health Care, and Other Services. However, low LQs in all these sectors, in comparison to the WIA, suggest that there may be potential to capture a greater portion of future growth in these industries. In addition, the Transportation and Warehousing sector shows particular strength in the region (based on a growth rate of 15.3% and an LQ of 1.25), a fact that is also not reflected in the town's employment base and which may also offer future economic expansion potential.

Establishments

Table 4.4 illustrates the change in business establishments in Sturbridge between 2001-2008. Overall, the town experienced a net increase of 22 private sector businesses during this time period. The largest gains were recorded in Other Services (10), Finance and Insurance (9), Retail (7), Administrative and Waster Management Services (6), and Professional and Technical Services (4). This reflects growth in businesses that generally include personal services, repair facilities, banks and other credit intermediary firms, a variety of retail establishments, buildings and grounds maintenance firms, legal services, and other technical services such as architects and engineering firms.

The town's largest concentration of businesses are in Retail (69) and Accommodation/ Food Services (52), mirroring its primary employment sectors. However, relatively high business counts in a number of other sectors where the town has lower employment totals highlights the importance of small businesses within the community's economic base. This fact is also illustrated in Figures 4.2 and 4.3 that show the distribution of firms, by size, for Sturbridge and Worcester County as of 2008, based on County Business Patterns data compiled by the U.S. Census Bureau. As shown, about half (49%) of the town's businesses have fewer than five employees and almost 70% have fewer than ten. The county has slightly more firms (53%) in the smallest size category although the distributions between the two locales are otherwise relatively comparable.

Despite this preponderance of smaller firms, Sturbridge also has a total of 18 larger firms in the size categories of 50-99 employees and 100-249 employees. Five of these are manufacturing firms, six are related to accommodations/food services, five retail establishments, one trucking and one telecomm firm. The town's largest employers are listed below.

Table 4.4 Town Establishments by Sector — 2001-2008 Town of Sturbridge

		Change in Employment			% Change			Location Quotient	
NA/CS	Industry	Sturbridge	WIA	State	Sturbridge	WIA	State	Sturbridge	WIA
	TOTAL ALL INDUSTRIES	**(653)**	**932**	**(30,348)**	**-12.3%**	**0.4%**	**-0.9%**		
	Total Government	35	3,252	(105)	5.9%	9.8%	0.0%		
	Total Private	(688)	(2,320)	(30,243)	-14.6%	-1.1%	-1.1%		
101	**Goods Producing Industries**	**(664)**	**(8,794**	**(108,816)**	**-55.8%**	**-19.2%**	**-20.3%**		
11	Agriculture/Forestry/Fishing	**	(9)	100	**	-3.9%	1.6%	**	0.46
21	Mining	**	(26)	(157)	**	-15.7%	-11.0%	**	**
23	Construction	(19)	(287)	(5,985)	-20.2%	-2.8%	-4.3%	0.40	1.01
31-33	Manufacturing	(643)	(8,472)	(102,774)	-58.8%	-24.0%	-26.4%	0.87	1.28
102	**Service Producing Industries**	**(24)**	**6,474**	**78,572**	**-0.7%**	**3.9%**	**3.4%**		
22	Utilities	(1)	(335)	(1,919)	-14%	-22.7%	-16.1%	0.30	1.55
42	Wholesale Trade	(29)	290	(4,559)	-34.9%	2.8%	-3.2%	0.26	1.06
44-45	Retail Trade	(52)	(619)	(10,996)	-4.5%	-2.1%	-3.1%	2.00	1.10
48-49	Transportation and Warehousing	(21)	872	(5,969)	-34.4%	15.3%	-7.7%	0.31	1.25
51	Information	(4)	(517)	(22,260)	-28.6%	-11.5%	-20.0%	0.13	0.61
52	Finance and Insurance	57	(162)	(3,903)	65.5%	-1.4%	-2.1%	0.65	0.87
53	Real Estate and Rental and Leasing	(12)	(400)	(2,469)	-30.0%	-16.8%	-5.5%	0.70	0.59
54	Professional and Technical Services	80	(305)	14,474	109.6%	-2.7%	5.9%	0.70	0.59
55	Management of Companies/Enterprises	**	(1,922)	(10,464)	**	-29.1%	-14.5%	**	1.04
56	Administrative and Waste Services	94	331	(711)	783.3%	2.7%	5.9%	0.70	0.59
61	Education	9	1,922	13,767	300%	36.1%	12.3%	0.09	0.78
62	Health Care and Social Assistance	47	3,897	69,920	23.7%	10.6%	17.1%	0.31	1.15
71	Arts, Entertainment, Recreation	(76)	365	7,699	-28%	12.1%	18.5%	3.00	0.94
72	Accommodation and Food Services	(161)	2,348	19,362	-11.0%	14.8%	8.2%	3.67	0.97
81	Other Services, Ex. Public Admin.	45	709	16,600	66.2%	8.4%	14.8%	0.64	0.97

* Sturbridge compared to WIA and WIA compared to Massachusetts
** Data suppressed or equal to zero
Source: MA Department of Labor

Figure 4.2 Size of Business by Number of Employees Town of Sturbridge

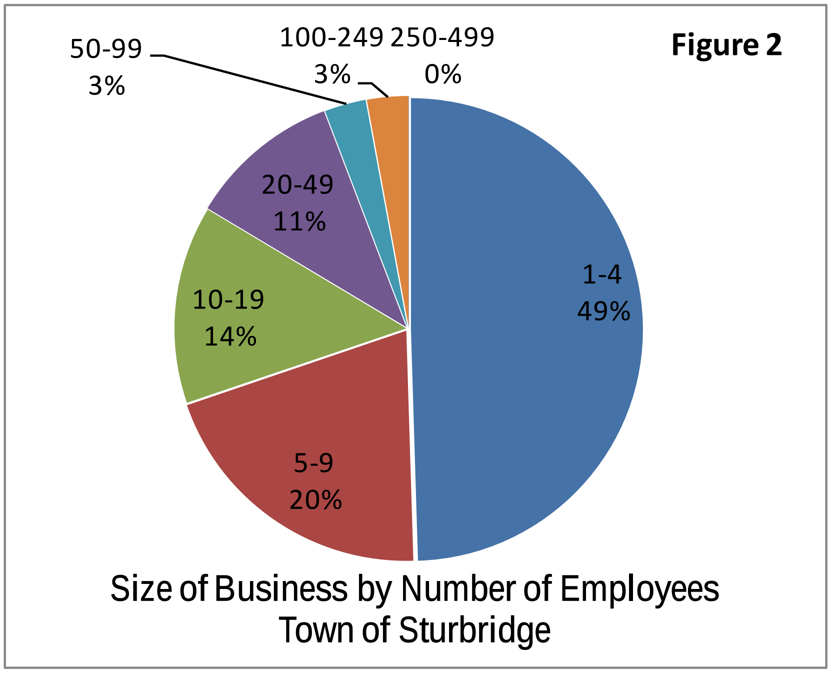
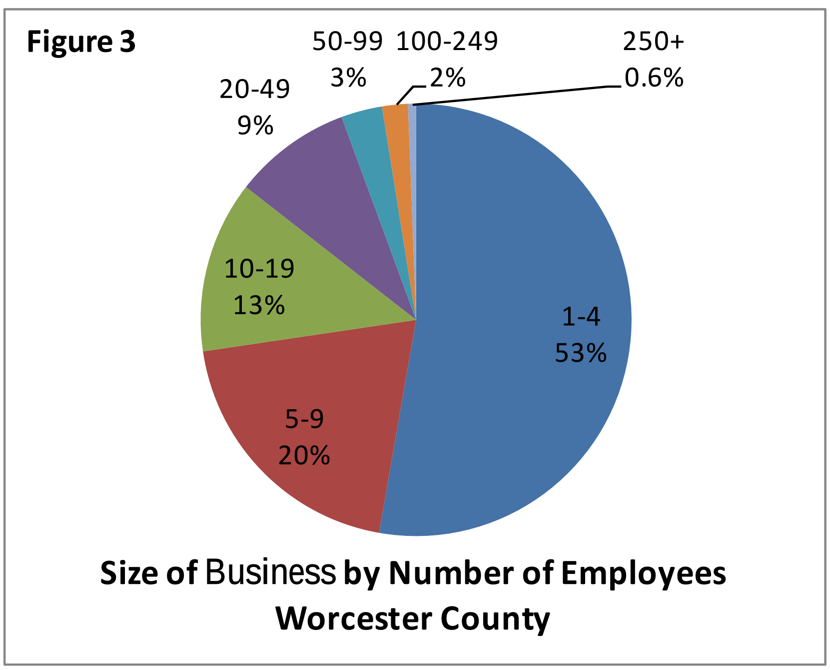


Figure 4.3 Size of Business by Number of Employees Town of Sturbridge



Wages

A summary of the change in total and weekly wages between 2001-2008, by sector, is presented in Table 5. Overall, the town's economic base generates approximately $142.7 million in total annual covered wages in both the public and private sectors. Employment losses noted previously in this chapter have resulted in a net decrease in total wages of $5.3 million, or 3.6%, during this time period. Private sector net losses of $12.3 million were offset by an increase of $7 million in the public sector's total wages. The largest private sector decrease occurred in the Manufacturing sector where total wages declined by 48%, or approximately $25.7 million. Despite this loss, Manufacturing still represented the largest percentage of total private sector wages in Sturbridge as of 2008 at 19.1%. This was followed by the town's two largest employment sectors of Retail (15.9% of total wages), where wages increased by 18.8%, and Accommodations and Food Services (14.3% of total wages) which decreased by 4.6% during this time period.

The right-hand side of Table 5 presents the change in average weekly wages and also provides a comparison of wage rates in Sturbridge versus the WIA and the State. During this time period the town's average weekly wages increased by 9.9%. The estimated increase in inflation for this period, according to the U.S. Bureau of Labor Statistics (BLS), was 22% indicating an widening gap between wages and costs (Note: regional and state wages increased at or above the inflation rate during this period). The data also indicates that there is considerable discrepancy between the local, regional, and statewide wage rates. The town's $590 average weekly wages in 2008 represented only 65% of the WIA's and 54% of the State's average wages. While local public sector wages were more comparable (96% and 93%, respectively), private sector wages were equivalent to only 59% and 48%, respectively, of the regional and statewide rates. This lower town-wide average is a reflection of the town's larger employment concentration in Retail and Leisure & Hospitality sectors which typically pays lower wages. However, wages in many of the town's private sector industries lag behind the region and the state. Although other factors must be considered when comparing wage rates, such as cost of living and quality of life, this data suggests that local businesses may experience more difficulty in competing for employees due to this factor. Several sectors where the town does have competitive wage rates are in Wholesale Trade, and regionally, in Manufacturing (98%), Accommodations and Food Services (98%), and Arts, Entertainment, and Recreation (110%).

Table 4.5 **Total and Average Weekly Covered Wages – 2001 to 2008**
Town of Sturbridge

		Total Wages					Average Weekly Wages				Sturbridge Weekly Wage as % of	
NA/CS	Industry	2001	2008	Change	% Change	% Total 2008	2001	2008	Change	% Change	WIA	State
	TOTAL ALL INDUSTRIES	**$148,076,235**	**$142,715,278**	**($15,360,957)**	**-3.6%**	**100%**	**$537**	**$590**	**$53**	**9.9%**	**65%**	**54%**
	Total Government	$23,855,982	$30,858,591	$7,002,609	29.4%	21.6%	$775	$946	$172	22.1%	**96%**	**93%**
	Total Private	$124.220,253	$111,856,687	($12,363,566)	-10.0%	78.4%	$507	$534	$27	5.3%	**59%**	**48%**
11	Agriculture/Forestry/Fishing	**	**	**	**	**	**	**	**	**	**	**
21	Mining	**	**	**	**	**	**	**	**	**	**	**
23	Construction	$3,450,848	$3,129,754	($321,094)	-9.3%	2.2%	$707	$803	$96	13.5%	**76%**	**67%**
31-33	Manufacturing	$52,974,267	$27,211,260	($25,763,007)	-48.6%	19.1%	$932	$1,163	$231	24.8%	**93%**	**88%**
22	Utilities	$219,481	$345,610	$126,129	57.5%	0.2%	$603	$1,107	$504	83.6%	**58%**	**58%**
42	Wholesale Trade	$5,103,509	$4,620,185	($483,324)	-9.5%	3.2%	$1,182	$1,645	$463	39.2%	**141%**	**111%**
44-45	Retail Trade	$19,056,635	$22,635,813	$3,579,178	18.8%	15.9%	$319	$397	$78	24.5%	**79%**	**75%**
48-49	Transportation and Warehousing	$1,442,921	$974,285	($468,636)	-32.5%	0.7%	$455	$468	$13	2.9%	**63%**	**59%**
51	Information	$358,581	**	**	**	**	$478	**	**	**	**	**
52	Finance and Insurance	$2,458,697	$6,607,060	$4,148,363	168.7%	4.6%	$545	$882	$337	61.8%	**68%**	**39%**
53	Real Estate and Rental and Leasing	$1,069,737	$838,249	($231,488)	-21.6%	0.6%	$516	$576	$60	11.5%	**69%**	**53%**
54	Professional and Technical Services	$2,808,034	$8,012,951	$5,204,917	185.4%	5.6%	$745	$1,007	$262	35.2%	**72%**	**54%**
55	Management of Companies/Enterprises	**	**	**	**	**	**	**	**	**	**	**
56	Administrative and Waste Services	$281,914	$1,974,419	$1,692,505	600.4%	1.4%	$452	$358	($94)	-20.8%	**58%**	**48%**
61	Education	$53,085	$163,928	$110,843	208.8%	0.1%	$340	$262	($78)	-23.0%	**31%**	**26%**
62	Health Care and Social Assistance	$6,835,210	$8,626,976	$1,791,766	26.2%	6.0%	$664	$677	$13	2.0%	**77%**	**71%**
71	Arts, Entertainment, Recreation	$4,980,797	$3,704,454	($1,276,343)	-25.6%	2.6%	$356	$369	$13	3.7%	**110%**	**55%**
72	Accommodation and Food Services	$21,439,616	$20,456,757	($982,859)	-4.6%	14.3%	$282	$302	$20	7.1%	**98%**	**81%**
81	Other Services, Ex. Public Admin.	$1,630,408	$2,379,528	$749,120	45.9%	1.7%	$464	$405	($59)	-12.7%	**76%**	**75%**

** Data suppressed or equal to zero
Source: MA Department of Labor

Employment Projections

Developing an accurate picture of future employment growth is a difficult task given the current economic downturn and uncertainty of how soon Massachusetts, and the country as a whole, will return to more normal and predictable economic conditions. An examination of projections prepared by the State's Department of Labor and Workforce Development (LWD) illustrates this point. Forecasts prepared by the LWD for the ten-year period of 2006-2016 estimated that the state's total employment (nonfarm wage and salary employment) would increase from approximately 3.24 million to 3.44 million, an additional 200,000 jobs representing an annual growth rate of 0.6%. However, as of November, 2009, the state's total employment had dropped below 2006 levels to 3.17 million representing a net decrease of about 70,000 jobs. Given these losses, and the fact that growth is expected to return at a slower rate, it appears unlikely that the state will achieve the job growth levels that were forecast in 2006. These losses and lower than expected long-term growth do not, however, preclude all future economic opportunities for the state and the Town of Sturbridge. In fact, as noted previously in this chapter (refer to Table 4.3), a number of industry sectors grew over the past decade at a time when the state experienced a net loss in jobs overall. These growth sectors included Health Care, Professional/Technical Services, Education, Accommodations & Food Services, Arts/Entertainment/Recreation, and Other Services. Combined, these sectors added over 141,000 jobs statewide between 2001-08 versus a net loss of 30,000 for the state as a whole. Roughly half of this job growth (69,900) was in the Health Care sector, an area where growth is expected to continue uninterrupted in the future, as is the Education sector, as illustrated in Table 4.6. This table presents a recent forecast for the State prepared by the New England Economic Partnership (NEEP) for the next five years (2009-13). As shown, most of the supersector groups are not expected to have net positive growth until 2011 with the exception of Natural Resources and Information where modest gains are projected in 2010. Overall, the State is expected to add approximately 33,700 net jobs over five years. However, Health Care job growth is projected to exceed 73,000 with Leisure & Hospitality showing the second largest increase of 11,400 beginning later in the forecast period. Following these are an additional 5,600 jobs in the Information sector and 1,600 in Other Services. As noted previously, the remaining sectors are projected to rebound within the forecast period but early losses are not expected to be fully regained resulting in negative net growth through 2013. Strong, later-year gains are expected in the Professional/Business Services sector where annual growth in 2012/13 is projected to range between 4%-5% suggesting that almost all of the previously lost 43,000 jobs will be recouped. Manufacturing is also expected to begin expanding again in 2011 with a net increase of 9,000 jobs between 2010-13.

From a regional and local perspective these projections have a number of potential ramifications as follows. Health Care and Social Services has been a growing sector for the town and region and will likely continue as such for the foreseeable future. The proximity of Harrington Hospital in Southbridge could provide additional impetus for local growth in Health Care and related services.

Growth in the Leisure & Hospitality sector suggests that the town will benefit from this forecast as well. However, as noted previously in this chapter, Sturbridge's employment in this sector has declined over the past decade (at a time when the region's was expanding) suggesting that actions will need to be taken if the town is to capture, or recapture, additional job growth in these industries. The majority of future statewide growth is expected in food and drinking establishments followed by arts/entertainment/recreation facilities. Lodging and accommodations establishments are expected to have only moderate growth.

Table 4.6 **Employment Forecast 2008 to 2013 (in 000s)**
State of Massachusetts

Total Employment	Actual 2008	Forecast 2009	2010	2011	2012	2013	2008-13 Change/ Annual Growth Rate
Total Employment	3,285.6	3,174.3	3,109.5	3,140.6	3,226.9	3,319.3	33.7
% Change	*0.2*	*-3.4*	*-2.0*	*1.0*	*2.7*	*2.9*	*0.2*
Natural Resources and Mining	1.4	1.1	1.2	1.3	1.4	1.4	0.0
% Change	*-14.4*	*-16*	*7.0*	*7.3*	*5.2*	*2.7*	*0.8*
Construction	132.1	113.8	103.5	100.6	106.2	110.4	-21.7
% Change	*-4.0*	*-13.9*	*-9.0*	*-2.9*	*5.6*	*4.0*	*-3.5*
Manufacturing	286.4	269.2	257.3	258	262.5	267.5	-18.9
% Change	*-2.9*	*-6.0*	*-4.4*	*0.3*	*1.7*	*1.9*	*-1.4*
Trades, Transportation, and Utilities	568.4	543.2	523.8	523.7	530.9	541	-27.4
% Change	*-0.5*	*-4.4*	*-3.6*	*0.0*	*1.4*	*1.9*	*-1.0*
Information	132.1	113.8	103.5	100.6	106.2	110.4	-21.7
% Change	*-4.0*	*-13.9*	*-9.0*	*-2.9*	*5.6*	*4.0*	*-3.5*
Financial Activities	219.7	207.8	201.3	199.7	202.3	207.1	-12.6
% Change	*-2.1*	*-5.4*	*-3.2*	*-0.8*	*1.3*	*2.4*	*-1.2*
Professional and Business Services	486.3	454.6	440.6	445	464.4	486.2	-0.1
% Change	*0.8*	*-6.5*	*-3.1*	*1.0*	*4.4*	*4.7*	*0.0*
Education and Health Care	640.0	684.4	652.4	670	690.6	713.4	73.4
% Change	*2.5*	*1.3*	*0.6*	*2.7*	*3.1*	*3.3*	*2.2*
Leisure and Hospitality	305	299.2	291.8	294.8	305.1	316.4	11.4
% Change	*0.8*	*-1.9*	*-2.5*	*1.0*	*3.5*	*3.7*	*0.7*
Other Services	120.2	116.7	114.7	116.4	119	121.8	1.6
% Change	*-0.2*	*-2.9*	*-1.7*	*1.5*	*2.2*	*2.4*	*0.3*

Source: NEEP Fall 2009 Forecast

Similarly, the Professional/Scientific/Technical Services sector has performed relatively well in Sturbridge and is expected expand both throughout the state and region. The Greater Worcester area has a strong bio-tech/pharmaceuticals component that could help to drive this sector within the area. Projections from the state anticipate that the follow subsectors are expected to grow at the fastest rate in the coming years.

- Computer Systems Design and Related Services
- Management, Scientific, and Technical Consulting Services
- Scientific Research and Development Services
- Other Professional, Scientific, and Technical Services
- Architectural, Engineering, and Related Services

Growth in the Information sector is expected to be moderate throughout the state and region and has not historically been strong within the town's economy. However, the major subsector expected to grow is Software Publishers, an industry that could potentially be easily accommodated at locations within Sturbridge.

Although the Trades, Transportation and Utilities supersector is not forecast to perform particularly well the Transportation and Warehousing sector has grown historically within the region where it has outperformed the state in terms of total percentage of employment. Sturbridge's access to the regional and Interstate highway network offers potential to share in the state's projected growth in this sector especially in warehousing and storage.

Finally, the Manufacturing sector is expected to continue to struggle overall. High-tech industries and metals manufacturing firms such as those located in Sturbridge are expected to grow and provide an existing cluster upon which future economic development efforts might be focused.

Labor Force Characteristics

Changes in the local, regional and statewide labor force and unemployment between 2000 and October, 2009 are presented in Table 4.7. Figure 4.4 illustrates the comparative unemployment rates during this time period. As the chart illustrates, unemployment rates have fluctuated consistently for all locales throughout the decade but never returned to their lowest levels that existed in 2000. The spike in 2009 rates reflects the economic downturn that began late in 2008. Overall, the town's unemployment rate has generally remained slightly lower than the region's and the state's during this time period. In addition, growth in the town's labor force of almost 15% has considerable outpaced the WIA and statewide increases of 5.3% and 2.3%, respectively, over the decade. The labor force is typically defined as all residents 16 years of age and older. Growth in the local labor supply, despite the decline in total jobs in the town, suggests that surplus labor (either those who are unemployed or commuting elsewhere to work) is available which could provide an economic opportunity to attract new businesses to the community.

The commuting patterns of the town's labor force and workforce as of 2000 are illustrated in Table 4.8. The labor force are those who reside in town while the workforce represents people employed by Sturbridge businesses regardless of where they live. The primary commuting destination for Sturbridge residents was Sturbridge with about one-quarter (26%) of all commuters working in town. Several other communities also represent either a primary destination for Sturbridge residents or a supply of workers for Sturbridge businesses. In particular, Worcester, Southbridge, and Charlton provide the three largest sources of jobs and workers for Sturbridge. About half of the town's residents commuted less than 30 minutes with an equivalent amount commuting 30 minutes or more, according to Census estimates. As illustrated in the right-hand column of the table, the majority of Sturbridge's workforce is drawn from one or two towns away. This indicates that there is a ready supply of labor in close proximity but may also reflect a limitation on the effective distance that local business are able to draw from due to the available types of jobs and wages. Conversely, Sturbridge residents are more likely to travel greater distances for work to locations such as Springfield, Westborough, Marlborough, and Boston and a able to do so because of the town's excellent highway access. Also of note is the fact that locations in Connecticut account for 5%-6% of both jobs for Sturbridge residents and workers for local businesses.

Table 4.7 Labor Force and Unempoloyment Rate
Town of Sturbridge, South Worcester WIA and Massachusetts

	Town			
	Labor Force	**Employeed**	**Unemployed**	**Rate**
2009*	5,122	4,729	393	7.7%
2008	5,084	4,837	247	4.9%
2007	5,107	4,885	222	4.3%
2006	5,003	4,793	210	4.2%
2005	4,916	4,702	214	4.4%
2004	4,885	4,636	249	5.1%
2003	4,795	4,527	268	5.6%
2002	4,671	4,447	224	4.8%
2001	4,553	4,420	133	2.9%
2000	4,456	4,351	105	2.4%
Change	666	378	288	5.3%
% Change WIA	14.9%	8.7%	274.1%	225.4%
Change	14,621	-4,199	18,820	6
% Change State	5.3%	-1.6%	250.7%	233.3%
Change	77,925	-137,175	215,192	6
% Change	2.3%	-4.2%	233.1%	211/1%

Figure 4.4 Annual Unemployment Rate 2000 – 2009*
Sturbridge, WIA and Massachusetts

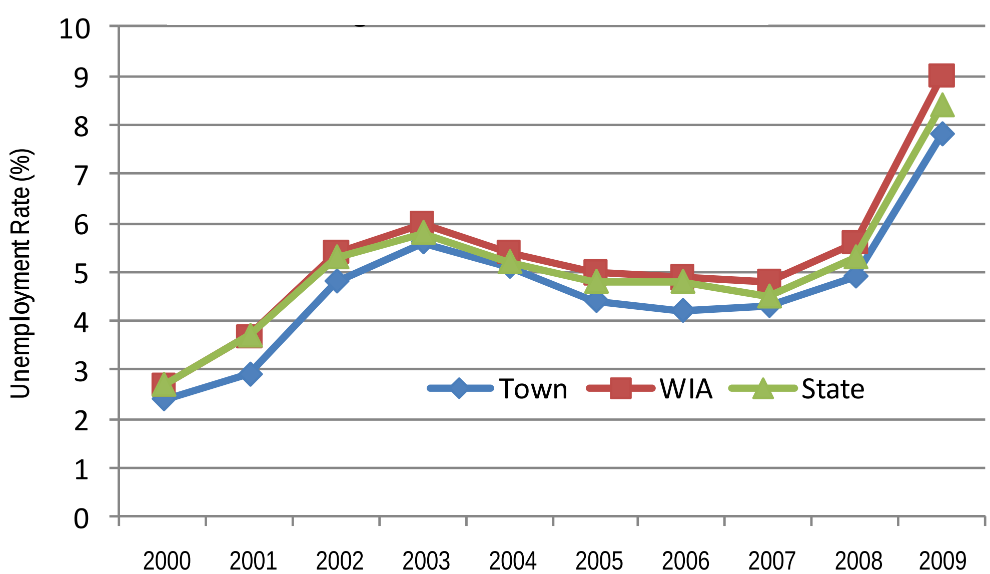


Table 4.8 Commuting Patterns – 2008*
Town of Sturbridge

Sturbridge Residents by Place of Work			Sturbridge Workers by Place of Residence		
Commuters	Place of Work	% Total	Commuters	Place of Residence	% Total
1,052	Sturbridge	26%	1,052	Sturbridge	23%
611	Worcester	15%	714	Southbridge	16%
428	Southbridge	10%	239	Worcester	5%
149	Charlton	4%	177	Brimfield	4%
130	Marlborough	3%	177	Charlton	4%
85	Springfield	2%	154	Holland	3%
85	Auburn	2%	137	Warren	3%
85	Spencer	2%	114	Spencer	3%
80	Westborough	2%	106	West Brookfield	2%
72	Shrewsbury	2%	101	Brookfield	2%
70	Webster	2%	81	Wales	2%
66	Dudley	2%	78	North Brookfield	2%
57	Boston	1%	69	Monson	2%
53	Framingham	1%	69	Dudley	2%
47	Milford	1%	63	East Brookfield	1%
317	Other Worcester County	8%	494	Other Worcester County	11%
140	Other Hampden County	3%	111	Other Hampden County	2%
123	Other Middlesex County	3%	100	Hampshire County	2%
98	Norfolk County	3%	68	Middlesex County	2%
47	Hampshire County	1%	36	Norfolk County	1%
70	Other Massachusetts	2%	77	Other Massachusetts	2%
223	Connecticut	5%	259	Connecticut	6%
37	Other states	1%	38	Other states	1%

* Includes workers 16 and older who commute to work.
Source: NEEP Fall 2009 Forecast

Table 4.9 provides a comparison of occupations of Sturbridge's employed residents to those of the County's and the State's as of 2000, based on Census estimates. As shown, Sturbridge had a notably higher percentage of residents in Management and business related positions (20%) as compared to the County (14%) and the State (16%), and relatively comparable percentage of workers in Professional and related positions (23%-25%). Conversely, the town had surprisingly fewer residents employed in Service occupations (11%) versus 14% for both the County and the State given the high preponderance of service related jobs in the community. This would imply that local businesses like restaurants and hotels are largely reliant on non-residents as a source of labor.

Table 4.9 **Occupations of Employed Population Age 16 and Over – 2000**
Sturbridge, Worcester County and Massachusetts

	Sturbridge		County		State	
Occupation	**Workers**	**% Total**	**Workers**	**% Total**	**Workers**	**% Total**
Management, professional and related occupations	**1,827**	**43%**	**137,980**	**38%**	**1,298,704**	**41%**
Management, business and financial operations	**842**	**20%**	**51,132**	**14%**	**494,551**	**16%**
Management occupations, except farmers and farm managers	632	15%	34,570	9%	321,484	10%
Farmers and farm manager	8	0.2%	549	0.1%	3,069	0.1%
Business and financial operations	202	5%	16,013	4%	169,998	5%
Professional and related occupations	**985**	**23%**	**86,848**	**24%**	**804,153**	**25%**
Computer and mathematical	97	2%	12,004	3%	119,310	4%
Architecture and engineering	118	3%	10,107	3%	81,975	3%
Life, physical, and social science	39	1%	4,450	1%	50,319	2%
Community and social services	81	2%	6,229	2%	55,383	2%
Legal	24	1%	2,961	1%	43,102	1%
Education, training, and library	306	7%	23,472	6%	207,562	7%
Arts, design, entertainment, sports, and media	96	2%	6,578	2%	73,661	2%
Healthcare pracftioners and technical	225	5%	21,047	6%	172,841	5%
Service occupations	**476**	**11%**	**50,384**	**14%**	**444,298**	**14%**
Healthcare support	64	2%	9,091	2%	68,883	2%
Protective wservice	67	2%	7,613	2%	65,576	2%
Food preparation and serving related	178	4%	15,496	4%	142,582	5%
Building and grounds cleaning and maintenance	128	3%	9,250	3%	85,689	3%
Personal care and service	39	1%	9,384	3%	81,568	3%
Sales and office occupations	**1,148**	**27%**	**93,718**	**14%**	**444,298**	**14%**
Sales and related	578	14%	37,733	10%	333,444	11%
Office and administrative support	570	14%	55,985	15%	485,400	15%
Farming, fishing and forestry occupations	**0**	**0%**	**585**	**0.2%**	**6,642**	**0.2%**
Construction, extraction, and maintenance occupations	**354**	**8%**	**29,835**	**8%**	**235,876**	**7%**
Construction and extraction	228	5%	16,761	5%	140,802	4%
Installation, maintenance and repair	126	3%	13,074	4%	95,074	3%
Production, transportation and material moving occupations	**408**	**10%**	**53,990**	**15%**	**356,723**	**11%**
Production	254	6%	35,205	10%	213,355	7%
Transportation and material moving	143	3%	18,685	5%	143,368	5%
TOTAL	**4,213**	**100%**	**366,942**	**100%**	**3,161,087**	**100%**

Other types of occupations are generally distributed on a fairly equivalent percentage between the three locales. The exception being production workers where 15% of County residents were employed compared to only 10% for Sturbridge and 11% for the State. This is a further reflection of the fact that the town has not benefitted from the relatively large manufacturing, transportation and warehousing sectors that are apparently well established elsewhere in the region.

Finally, the educational levels of Sturbridge residents are presented in Table 4.10 in relationship to the County and the State. Based on the 2000 Census, Sturbridge has a well educated labor force as evidenced by the fact that 52% had a college degree and 70% had some amount of college education, although not necessarily a degree. In fact, Sturbridge residents had a notable higher percentage of Bachelor's and Master's degrees (22% and 9%, respectively) in comparison to the County's 17% and 7%. This is reflective of the occupational characteristics noted previously and the town's higher proportion of management level workers with relatively fewer in production and service oriented positions.

Table 4.10 Education Attainment for Population Age 25 and Over – 2000 Sturbridge, Worcester County and Massachusetts

	Sturbridge		% Total	
	Actual	% Total	County	State
Not graduated high school	706	13%	17%	15%
High school graduate	1,481	27%	30%	27%
Some college, no degree	961	18%	18%	17%
Associate degree	431	8%	8%	7%
Bachelor's degree	1,206	22%	17%	20%
Master's degree	494	9%	7%	9%
Professional/Doctorate degree	163	3%	3%	4%

Source: US Census

Tourism

As noted previously in this chapter, Sturbridge's economic base is largely supported by establishments associated with the leisure and hospitality sectors, entertainment and recreation, and retail shopping. These businesses and activities represent the core of the town's tourism and visitor economy which contribute significantly to the tax base in terms of property taxes, as well as through the expenditure of consumer dollars that provide direct wages to employees and additional secondary spending as those dollars circulate through the economy. Recent figures gathered for the State of Massachusetts as a whole, domestic and international travelers directly spent over $15.1 billion on transportation, lodging, food, entertainment, recreation and incidentals during 2007.[2] This represents an increase of 6.6% from 2006. Estimates include travel expenditures, travel-generated employment and payroll income, as well as tax revenues for state and local government. In addition, the $15.1 billion spent directly by travelers in Massachusetts generated total output value of nearly $24.1 billion, with the additional $9 billion generated by secondary

2 *The Economic Impact of Travel on Massachusetts Counties 2007, A Study Prepared for the Massachusetts Office of Travel and Tourism*, by the Research Department of the Travel Industry Association, Washington, D.C., October 2008

spending within the economy. It is estimated that the average travel dollar generated an additional 59 cents in secondary expenditures.

The town's largest "attraction" is considered by most to be Old Sturbridge Village (OSV), a re-created historic village that offers educational and interpretive activities along with other hospitality services. The OSV attracts approximately 150,000 visitors annually with peak periods during the Summer and Fall. Other contributing establishments and activities include artisan crafts and local agricultural products, convention and visitor lodging, campgrounds and parks, restaurants, and a variety of local and chain-store retail establishments. The town has approximately 900 hotel/motel rooms and the occupancy taxes generated by these facilities provided roughly $520,000 in local revenues for FY2009. The town has increased its local occupancy tax from 4% to 6%, effective January 2010, at which time collections will also begin on the recently enacted meals tax, with a local assessment of 0.75% (7% total with the state's assessment). A portion of these funds are used for a variety of betterment projects but are not solely dedicated for tourism or economic development.

Tourist Information Center

The town's local tourism activities represent a component of a broader regional industry that are represented by the Sturbridge Townships, a group of 11 communities that are supported by the Central Mass South Chamber of Commerce. Tourism-related establishments and activities within these townships are promoted through the chamber which also provides business networking and training services. In addition to the chamber, the Sturbridge Tourism Association (STA) and the Merchants of Sturbridge (MoS), also promote events, activities, and projects that support this component of the economy.

Old Sturbridge Village

The regional nature of the area's tourism industry results in cross-attraction of visitors into and out of Sturbridge from neighboring communities. In 2007, a study was prepared under the auspices of the Sturbridge Heritage Preservation Partnership (SHPP) that examined the town's tourism economy within its regional context, identified strengths and weaknesses, and recommended a strategy for increasing and extending visitation levels to the town.[3] The study found that 76% of visitors spend only one day in the area and 70% participate in only one activity. Presently, the town

3 *SHPP Tourism Business Strategy Review*, prepared by Ninigret Partners, 2008

and region offer good highway access for visitors, with attractions that provide a sense of history, natural beauty, outdoor recreation, quaint towns with scenic drives, and "day" activities for families. Items found to be lacking include activities for complete family weekends, other historically significant locations (e.g., Plymouth or Boston), luxury retreats, and more shopping alternatives. In addition, the image or "brand" of the town often varied from visitor's expectations since many equate the OSV's historic setting with the town as a whole. The study recommended that appropriate target groups for future marketing efforts should include family campers, scenery viewers, and pass-thru visitors. The recommendation to revise the town/region's brand is reflected in the Sturbridge Townships name/logo and an improved website and initial marketing efforts have already been implemented. Other key conclusions and recommendations from the study were as follows.

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

While a number of the town's tourism-related businesses are dispersed throughout the community the majority are largely concentrated along the Route 20 west corridor which forms the "backbone" of the local tourist economy while also serving the commerce needs of residents. Loosely anchored by the entrance to OSV at the corridor's east end, this one-mile section of highway extends to Brookfield Road to the west and contains a broad mixture of restaurants, small and medium-sized retail establishments, professional offices, several lodging facilities, single family homes and apartment complexes, and a few industrial uses. The town recently completed a revitalization study for this corridor, the *Commercial/Tourist (C/T) District Revitalization Study*, with assistance from the regional planning commission.[4]

The vision that emerged for the Commercial Tourist District from input obtained through this study process reflects a desire to create an attractive neighborhood and commercial center that offers the following components:

- is pedestrian-friendly
- caters to tourists and local residents alike
- offers a variety of shopping opportunities, restaurants, and inns, as well as establishments offering family entertainment during the day and night
- provides access to the town's river resources that can be passively or actively enjoyed
- provides adequate parking within a short walking distance to all of these facilities

The study documented a variety of existing conditions related to land use, zoning regulations, infrastructure, access, development opportunities, cultural/social/natural resources, as well as gathering input from stakeholders in the district. The result of this process was the formulation of a series of goals, which are listed below, and supporting actions for implementation.

1. Facilitate walkability. Expand and improve sidewalks on both sides of Route 20 along the entire district
2. Implement traffic calming measures to reduce travel speeds and increase predictability with regard to turning movements
3. Enhance the pedestrian experience along the C/T district corridor by adding attractive, consistent streetscape elements
4. Develop public parking spaces in this district to encourage walking between various shops and restaurants
5. Establish small "pocket parks" in front setback areas to make this section more appealing to pedestrians
6. Facilitate the development/redevelopment of vacant or underutilized properties to enhance this district's draw as a commercial center
7. Encourage attractive, effective signage throughout the C/T district that is consistent with a unifying New England village theme in design and size and that is readable by passing motorists

4 *Commercial/Tourist Revitalization Study, Town of Sturbridge, MA*, prepared by the Central Massachusetts Regional Planning Commission, December 2009 (Draft)

8. Facilitate development and redevelopment that is consistent with a unifying design theme for architecture/building facades of new or expanded structures and site design

9. Create a physical and conceptual connection between the C/T district and the Quinebaug River, as well as nearby ponds and trails

Nonresidential Development Trends

This section presents an overview of the town's recent development trends related to commercial and industrial construction, as well as the current supply of potentially developable land for these types of nonresidential uses. Table 4.11 illustrates the change in nonresidential building square footage between 2000-2009 in Sturbridge, based on a review of the town's assessment records. As shown, the town had approximately 2.5 million square feet of commercial and industrial uses as of 2000. The majority of this space, approximately 890,000 sq. ft. (35%), was contained in buildings related to retail and service type uses. Industrial buildings, which includes all types of manufacturing, warehousing, and related uses, accounted for the second largest portion with 660,000 sq. ft., or 26% of the town's total. Lodging was the third largest with 578,000 sq. ft. representing 23% of the total inventory. Restaurants and Office buildings had generally equivalent square footage totals (160,000+) with each accounting for 6%-7% of the inventory with other miscellaneous commercial uses comprising the remaining 3%.

Table 4.11 Change in Nonresidential Building Square Footage – 2000 to 2009* Town of Sturbridge

Land Use	Total Square Footage Pre-2000	% Total	Additional 2000-2009	Average Annual Additional	Total 2009	% Total
Retail/Services	891,698	35%	15,545	1,943	907,243	34%
Lodging	577,988	23%	--	--	577,988	22%
Restaurant	166,699	7%	12,906	1,613	179,605	7%
Other Commercial*	86,147	3%	8,924	1,116	95,071	4%
Office	161,478	6%	19,956	2,495	181,434	7%
Industrial	660,034	26%	49,800	6,225	709,834	27%
Total	**2,544,044**	**100%**	**107,131**	**13,391**	**2,651,175**	**100%**

* Includes auto-related uses, campgrounds and other uses
** Includes land and all improvements
Source: US Census

Between 2000 and 2009 the town added approximately 107,000 sq. ft. of new nonresidential buildings space bringing the total to 2.6 million, a growth rate of less than 0.5%. It should be noted that this does not include any additions to existing buildings that may have occurred during this time, only the construction of new buildings. Overall, this total growth represents a relatively modest annual increase of approximately 13,400 sq. ft on average. The majority of this increase, almost 50,000 sq. ft., was related to the construction of several industrial buildings, according to assessment records. Office construction also recorded some notable growth of almost 20,000 sq. ft. (in two buildings), followed by retail/services and restaurants which each added 13,000-15,000 sq. ft. No new construction of lodging facilities was recorded during this time period. Based on assessment data, the town has 22 lodging facilities, 17 of which were constructed before 1970. Although several of these are historic structures, the remaining older portion of the stock is likely be at a competitive disadvantage, barring any unrecorded modernization efforts, with newer facilities in town or within the region. Along these lines is the current proposal to reposition the former American Motor Lodge on Route 20 (at the I-90 exit) as a Holiday Inn Express. Future reinvestment in existing lodging is also likely to focus on properties that have the best highway access and visibility.

Table 4.12 illustrates the assessed value of the town's nonresidential building space as of 2009. As shown, buildings totaled just over $91 million with total property value (including land and other improvements) of almost $170 million. This represents a net increase of approximately $3.6 million in building valuation, a growth rate of 4% over the decade (data not shown).

Restaurant structures have the highest average value at almost $40 per square foot followed closely by retail and lodging facilities which average close to $39 per square foot. Office structures were valued at just over $37 per square foot and, as is typical, industrial structures have the lowest per square foot value at $25.

Table 4.12 Nonresidential Property Values – 2009
Town of Sturbridge

Land Use	Building Value	Total Property Value**	% Total	Acres	Average Building Value (sq. ft.)
Retail/Services	$35,098,600	$66,333,300	39%	202	$38.69
Lodging	$22,370,600	$36,666,200	22%	160	$38.70
Restaurant	$7,177,900	$14,187,600	8%	74	$39.96
Other Commercial*	$2,576,900	$10,118,300	6%	439	$27.11
Office	$6,808,400	$13,792,200	8%	31	$37.53
Industrial	$17,843,819	$28,597,019	17%	140	$25.14
Total	**$91,876,219**	**$169,694,619**	**100%**	**1,046**	**$34.65**

* Includes auto-related uses, campgrounds and other uses
** Includes land and all improvements
Source: US Census

Also illustrated in Table 4.12 is that fact that commercial and industrial structures occupy parcels containing just over 1,000 acres, based on assessment records. This represents just over 4% of the town's approximate 24,000 total acres.

An estimate of the town's future development potential for nonresidential uses is presented in Table 4.13. The town's zoning provides seven districts that are primarily dedicated to the development of commercial and industrial uses. These include four commercial districts (Commercial, Commercial II, Commercial Tourist, Historic Commercial), two industrially oriented districts (General Industrial and Industrial Park), and a Special Use district that allows a mixture of residential and nonresidential uses.

Table 4.13 Development Potential of Vacant Nonresidential Land – 2009 Town of Sturbridge

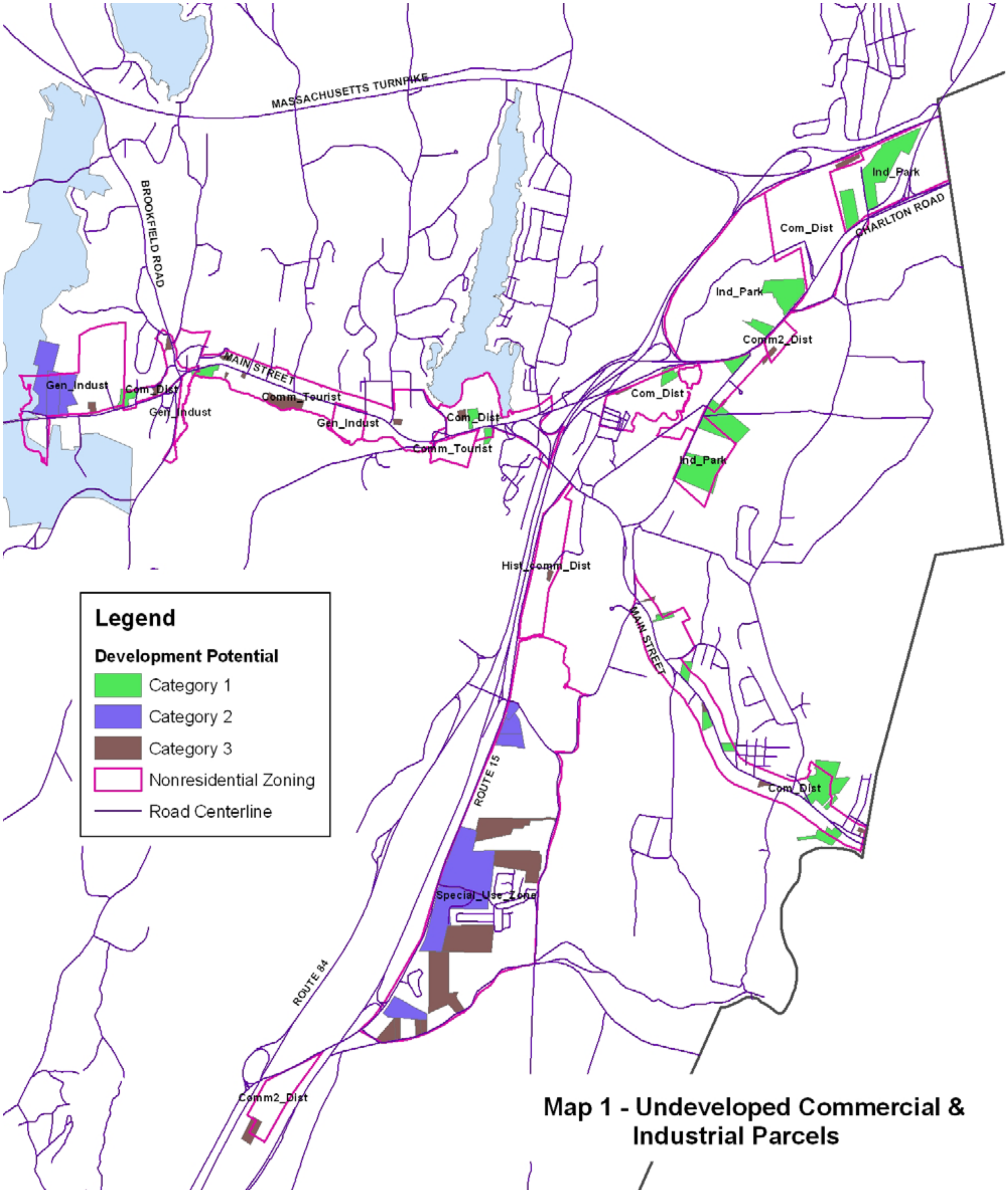
			Development Potential		
Zon ing District	**# Parcels**	**Total Acres**	**Category 1**	**Category 2**	**Cagetory 3**
Commercial	28	54	43	7	4
Commercial/Tourist	6	8	0	0	8
Historic Commercial	1	1	0	0	1
General Industrial	5	68	35	33	0
Industrial Park	6	69	69	0	0
Special Use	14	153	0	58	95
Total	**60**	**353**	**147**	**98**	**108**

Cat 1 = No Major Limitations – Good Frontage, Sewer Access and Lot Size
Cat 2 = At least one limitation – No Frontage, Small Lot Size, No Sewer
Cat 3 = Two or more limitations – No Frontage, Sewer, and/or Small Lot Size
Source: Sturbridge Assessment Records and RKG Associates

A review of the town's assessment records, in conjunction with its digital parcel map and geographic information system (GIS), identified a total of 60 vacant parcels remaining in the nonresidential zoning districts noted above. These parcels, which contain a reported 353 acres, represent a wide spectrum of site characteristics and ownership patterns that will affect their future development potential. A total of 147 acres were ranked as Category 1 indicating these parcels have good access/highway frontage, adequate parcel size, and availability of municipal sewer, making them most readily developable. These parcels are dispersed along the Route 20 corridor with some additional sites on Route 131. Included in these parcels are four of the town's five Priority Development Sites (PDS), indicating they are listed in the state's 43d program that is intended to streamline the development review process.

The largest concentration of vacant land, 153 acres, is located in the Special Use district on Route 15. However, as illustrated in the table, these properties are limited by the lack of municipal sewer which reduces the development potential considerably. Only 58 acres were estimated to have adequate parcel size and highway frontage to make it relatively easy to establish commercial or industrial uses on these sites. However, other zoning requirements associated with this district and the Town's Planned Unit Business Development (PUBD) overlay criteria create further limitations for the likelihood of development on these properties. Virtually no good development sites exist in the Commercial Tourist district, as well as the Historic Commercial district which is not included in the table for this reason.

Overall, the town's options of good, shovel-ready sites are quite limited. While the total acreage is relatively large, as discussed above, the individual sites are prone to be fragmented, smaller in size, lacking good access, and without proximity to municipal sewer. These circumstances will place the town at a competitive disadvantage with other communities in the region regarding its ability to attract the types of nonresidential development it may want to support its tax base, employment opportunities, and level of services. It should be noted that this assessment of development potential does not include the possibility of additions or expansion of existing facilities.



Map 1 - Undeveloped Commercial & Industrial Parcels

Municipal Tax Base

The change in Sturbridge's real and personal property valuation between 2000-2010 is presented in Table 4.14. As shown, the town had approximately $1.2 billion is assessed value as of 2010, a figure that has increased by 137%, or 9% annually, over the course of the decade. Like most communities, values over the last two years have decreased to some degree due to national economic downturn and overvaluing in the housing market. The town's total assessed value dipped by -2.9% in 2009 and -8.3% for the 2010 tax year. Residential property, which accounts for the largest portion of the town's tax base, grew the most rapidly of all property types with an average annual increase of 9.8% over ten years. Personal property, which includes equipment, machinery, furnishings, fixtures, etc., also grew at a commensurate rate of 9.1% on a yearly basis. In contrast, commercial property value increased by only 5.7% annually and industrial property by 4.9%. As a result of these varying growth rates, residential property increased from 76% to 81% of the town's total assessed value while commercial valuation decreased from 17% to 12%, as shown in Figure 4.5. The industrial portion of the town's tax base declined more moderately from 4% to 2% during this time period. Personal property, which is not represented in the figure, remained fairly constant at 4% of total valuation.

Table 4.14 Property Valuation by Class – 2000 to 2010
Town of Sturbridge

FY	Residential	% Change	Open Space	Commercial	% Change	Industrial	% Change	Personal Property	% Change	Total	% Change	Eval. Ratio
2000	$385,329,532	—	$ —	$85,375,331	—	$17,915,800	--	$20,139,888	—	$508,760,551	--	0.95
2001	$396,037,632	2.8%	$ —	$93,750,671	9.8%	$18,161,300	1.4%	$21,661,045	7.6%	$529,l610,648	4.1%	
2002	$502,388,420	26.9%	$ —	$121,475,780	29.6%	$26,702,300	47.0%	$23,441,200	8.2%	$674,007,701	27.3%	0.98
2003	$520,218,887	3.5%	$ —	$122,935,313	1.2%	$26,285,900	-1.6%	$24,483,800	4.4%	$693,923,900	3.0%	
2004	$552,363,787	6.2%	$ —	$123,742,613	0.7%	$27,336,500	4.0%	$27,651,600	12.9%	$731,094,500	5.4%	0.80
2005	$862,458,624	56.1%	$ —	$141,153,676	14.1%	$32,514,500	18.9%	$26,632,900	-3.7%	$1,062,759,701	45.4%	
2006	$961,403,644	11.5%	$ —	$157,048,556	11.3%	$33,614,200	3.4%	$31,499,149	18.3%	$1,183,565,549	11.4%	0.95
2007	$1,066,412,392	10.9%	$ —	$158,764,508	1.1%	$32,783,600	-2.5%	$30,912,841	-1.9%	$1,288,873,341	8.9%	
2008	$1,109,173,767	4.0%	$ —	$171,575,845	8.1%	$33,539,088	2.3%	$38,762,800	25.4%	$1,353,051,500	5.0%	0.95
2009	$1,069,381,181	-3.6%	$ —	$166,193,431	-3.1%	$30,786,588	-8.2%	$47,676,400	23.0%	$1,314,037,600	-2.9%	
2010	$978,346,271	-8.4%	$642,700	$148,557,249	-10.6%	$29,011,799	-5.8%	$48,020,600	0.7%	$1,205,578,619	-8.3%	NA
Change	$594,016,799		NA	$63,181,918		$11,095,999		$27,880,712		$696,818,068		
% Change	154%		NA	74%		62%		138%		137%		
Annual Change	9.8%		NA	5.7%		4.9%		9.1%		9.0%		

Figure 4.5 Property Valuation as Percentage of Total – 2000 to 2010 Town of Sturbridge

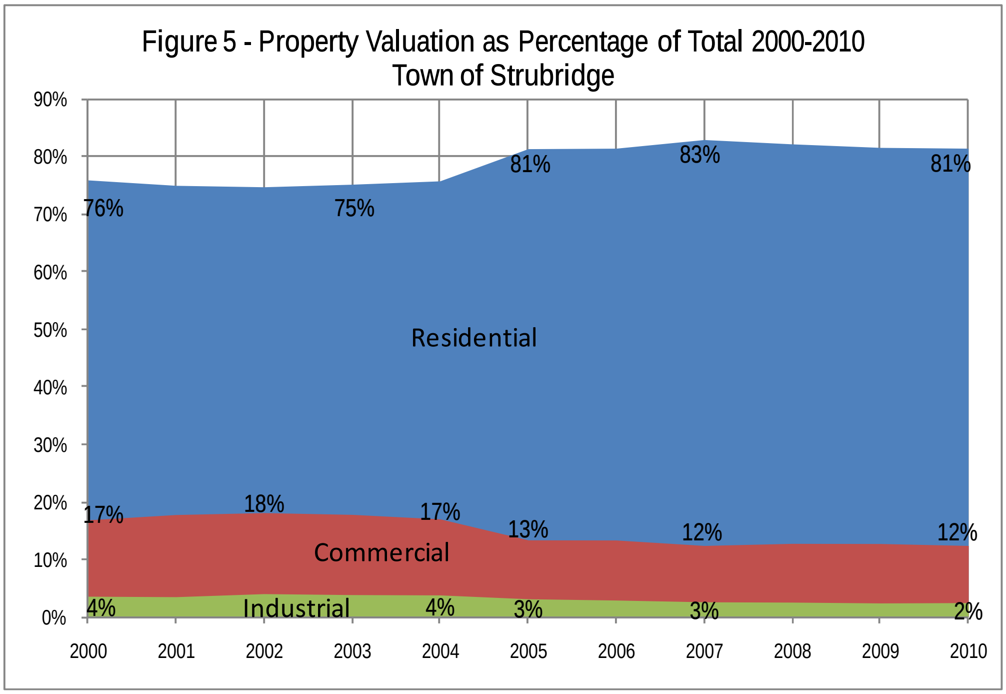


Table 4.15 Tax Rate by Class – 2000 to 2010 Town of Sturbridge

FY	Residential	Open Space	Commercial	Industrial	Personal Property
2000	$18.37	$ —	$18.37	$18.37	$18.37
2001	$18.72	$ —	$18.72	$18.72	$18.72
2002	$16.44	$ —	$16.44	$16.44	$16.44
2003	$17.61	$ —	$17.61	$17.61	$17.61
2004	$18.68	$ —	$18.68	$18.68	$18.68
2005	$12.35	$ —	$17.09	$17.09	$17.09
2006	$11.80	$ —	$16.48	$16.48	$16.48
2007	$10.94	$ —	$17.50	$17.50	$17.50
2008	$11.32	$ —	$15.44	$15.44	$15.44
2009	$12.66	$ —	$14.74	$14.74	$14.74
2010	$14.55	$14.55	$14.55	$14.55	$14.55
Change	($3.82)	NA	($3.82)	($3.82)	($3.82)
% Change	-21%	NA	-21%	-21%	-21%
Annual Change	-2.3%	NA	-2.3%	-2.3%	-2.3%

* Includes auto-related uses, campgrounds and other uses
** Includes land and all improvements
Source: US Census

Overall, the property valuation growth rates discussed above illustrate that the town has become more dependent on the residential portion of the tax base to support the costs of financing municipal services throughout the decade. In an effort to address this disparity a split tax rate was instituted in 2005 where residential properties were taxed at a different (and lower) tax rate than nonresidential properties, as shown in Table 4.15. However, as of 2010, the town reverted back to a single tax rate, a decision that will serve as a positive economic stimulus for stabilizing cost impacts on existing businesses and eliminating a potentially negative factor for attracting new businesses.

Estimates provided by the State's Dept. of Revenue Administration indicate that the average residential tax bill (based on the average value of a single family house) in Sturbridge increased from $2,380 to $4,044 between 2000 and 2010, a 70% rate of growth. Despite this increase, Sturbridge's ranking within the state regarding this indicator remained fairly constant at the 44th percentile (out of 340 towns and cities). This means that the town's residential taxes have increased at a comparable rate with the state as a whole and that the town remains near the middle of all communities in terms of the relative tax burden on single family homes.

Strategic Opportunity Areas

Throughout the process of updating this master plan public input has been sought by means of various forums and surveys in order to gauge the concerns and desires of Sturbridge residents and businesses. While the comments received from these sources covered a broad spectrum of topics and issues there were a number of consistent areas that seemed to be voiced more frequently with regards to economic development. This section highlights those topics as well as other strategic issues and opportunities that have been identified through the research and preparation of this plan.

Strategic Planning Focal Points

A. Need to support and maintain the existing business base

1) Improve outreach and information services

2) Provide flexible regulatory environment

3) Increase support/opportunities for small businesses

B. Need to diversify the existing business base – too much reliance on retail and restaurants

1) Attract clean alternative businesses and industries that will provide higher paying jobs

2) Need to broaden tourism related offerings (provide additional family related activities and other feature facilities that will entice visitors to extend their stays)

3) Balance economic development with protecting community character

4) Expand small retail shopping alternatives

C. Increase natural resource related activities (e.g. use of trails, rivers, natural areas, recreation facilities) as a component of the town's tourism attractions

D. Improve conditions in the Commercial Tourist District

E. Ensure adequacy of economic marketing and infrastructure systems

1) Improve focus and coordination among existing local/regional tourism and economic development groups

2) Expand the town's current economic development marketing efforts

3) Ensure that the infrastructure and utility systems are adequate to support existing and future levels of economic development

Strategic Opportunities and Issues

Economic Development Oversight and Implementation

Maintaining a successful economic development program can be a challenging task for smaller communities like Sturbridge. Economic development will continue to become more competitive within the region as communities grow and attempt to balance the cost of residential services with additional commercial and industrial development. Sturbridge has a significant base of commercial and industrial uses that have been attracted to the town over the past years due to the availability of suitably zoned land combined with good highway access and utility systems. In addition, tourism aspects of the town and region have also contributed to this growth. However, the availability of vacant, readily developable land, combined with limitations regarding sewer capacity and highway congestion, will make future economic expansion more complex and less certain.

Oversight of the town's economic development activities are divided amongst a number of groups that address various aspects of tourism promotion, marketing and solicitation, and business outreach. Some groups have both a local and regional function and there is an overlap of focus and purpose among some of these entities. The level of coordination and cooperation between these and other economic development groups has not achieved a sustained level which, if not resolved, could hamper the town's ability to formulate a cohesive and consistent tourism strategy. In addition, most of the responsibilities of these organizations are assumed by volunteers (most of whom are local businessmen and women) which places limitations on what can realistically be achieved. The lack of professional staffing and dedicated funding to support economic development, combined with potentially conflicting goals or actions of existing groups, will limit, and potentially hamper, the town's future economic development efforts.

Diversified Economic Base

As discussed in this chapter, Sturbridge's economic base is heavily dependent on leisure & hospitality businesses, such as hotels and restaurants, as well as a large number of retail firms. Therefore, insuring the continued success of these businesses will be key to maintaining a significant portion of the local jobs and non-residential tax base. However, with this master plan the town has an opportunity to promote more diversity in its economic base that will help to minimize potentially adverse impacts if sustained losses were to occur in these two dominant sectors. Therefore, the town is approaching a critical juncture in its land planning strategy regarding how the relatively limited supply of commercial and industrial land will be developed in the future. The recommendations in this plan will need to strike a balance between supporting leisure, hospitality and recreational components of the tourism industry while also encouraging development in other areas that will allow the town to capture its share of regional growth sectors. Some areas the town may be able to capitalize on through future marketing efforts include the following.

- Expand on the existing clusters of optics/electronics/metals/machinery manufacturing businesses presently located in the town and region
- Add a natural resources/recreation facilities component to the existing tourism base through expansion of outdoor activities related to trail networks, river/water access, and other associated activities
- Capitalize on the "green" technologies momentum by marketing to these types of firms as well as encouraging small business growth in these sectors
- Position the town to capture its share of expected growth in health care
- Monitor development at the Southbridge Energy Park to determine how this project might stimulate demand for related growth in Sturbridge

Growth in Health Care Demand

Harrington Hospital, a regional health care facility, is a 114-bed acute care hospital located in the adjoining Town of Sturbridge that provides medical and surgical inpatient care, 24-hour emergency services, psychiatric care, pediatrics and obstetrical care, and oncological (cancer) treatment. The facility has over 900 employees and is served by 140 doctors and 170 nurses. The hospital also operates, or is associated with, numerous satellite facilities throughout the region, some of which are located in Sturbridge, including primary and specialty care doctors, diagnostic imaging, laboratory services, and physical therapy. Over the last several years Harrington Hospital has transformed the former Hubbard Hospital in Webster into a full-service outpatient center and is constructing a new 20,000 sq. ft. medical office/imaging services building in Charlton (on Route 20) that will provide further outreach of community services.

Highway System

Sturbridge is fortunate to have exceptional access to the Interstate highway network as well as supporting secondary state roadways such as Routes 20, 131 and 15. Its crossroads location at the intersection of I-84 and I-90 has contributed to the town's historic levels of economic development and will continue to offer future opportunities if adequately maintained. It will be important to ensure that high levels of service be maintained and that adjoining land areas be reserved for their highest and best uses to support the town's economic development goals.

Utility Systems

The availability of municipal water and wastewater treatment systems can play a pivotal role in the a community's economic development capacity and ability to compete with other locations in the region. Most of the town's commercial and industrial zoning districts are served by either the Sturbridge or Southbridge municipal wastewater treatment plants. According to the recently completed Sturbridge Wastewater Management Plan (WMP), both treatment plants are at or nearing capacity and will require upgrades to support existing and future development. The WMP calls for a 500,000 GPD upgrade of the Sturbridge treatment plant but does not recommend extension of sewer lines to the Special Use zoning district along Route 15. It is imperative that the WMP be revised to reflect the demand for serving the town's existing and future commercial and industrial zoning districts as priority service areas. In addition, it is equally important to administer the review process for new sewer tie-ins in a consistent and equitable manner in order to reduce potential deterrents to future economic development opportunities. Adequate water and sewer capacity, in conjunction with a well functioning highway network, will help to ensure that the town remains well positioned to compete with development sites located within the region.

Regional development and Collaboration

Economic development has both a local and a regional perspective. Locally, it provides the nonresidential tax base that helps to support the provision of services and facilities for residents while also providing jobs. Similarly, business development in neighboring towns also provide jobs for Sturbridge residents as well as expanding the supply of goods and services. However, the regional availability and success of businesses, industries, and institutions, such as the hospital in Southbridge, also creates a situation where the whole is greater than the sum of the parts when attempting to attract future economic growth. Therefore, it is important that Sturbridge give positive consideration to projects in other communities and work cooperatively with these towns, and appropriate regional organizations, to support regional development.

Some recent or ongoing economic development activities of interest include the Environmental Industrial Park in Southbridge that will use the planned trash-to-energy facility as a basis for attracting other industries by providing low cost energy.

The site has in excess of 150 acres which is adjacent to the municipal airport. The town has been approved for an Economic Development Administration (EDA) grant for $10 million to construct an access road from Route 169 to the park which is expected to be completed in the Summer of 2010. Future tenants at the site have not yet been identified but the park is zoned for heavy industry.

In Charlton, a site plan had been approved in 2008 for construction of 515,000 square feet of retail shopping center space on Route 20 at Center Depot Road. However, due to the economic downturn the project is presently on hold. The facility would have included 12 retail buildings and prospective tenants are still reportedly interested in the location although no new developer has yet to emerge. The town has an approximate total of 450 acres along the Route 20 corridor zoned for both commercial and industrial uses. Recent developments have included small to medium-sized buildings (5,000 – 15,000 sq. ft.) of retail and office buildings, as well as some warehouse and distribution space.

Conclusions and Recommended Actions

1. **Foster economic sustainability by focusing on growth and expansion of existing businesses through implementation of pro-business policies and regulations, financing infrastructure construction, and cooperative marketing efforts.**

   - Create a more integrated approach to economic development within the town that promotes a shared vision and implementation strategy for the key economic development partners. Furthermore, a successful tourism industry requires that the town maintain a "good product" and market it on a continual basis. Cooperation and support amongst the town's tourism-related businesses and the organizations involved in promoting economic development is also of vital importance. The town government's role in supporting these efforts is equally important.

     - Establish a more cohesive approach for promoting economic development by providing incentives and/or directives intended to bring all existing economic development and tourism-related oversight groups together

       - Support proposed marketing/branding recommendations from the SHPP analysis
       - Support marking of scenic drives
       - Finalize and implement commercial building design guidelines to ensure that the town's image reflects community character and visitor expectations

     - Create a database of town businesses and available development sites

  - Encourage closer cooperation of marketing and events activities with Old Sturbridge Village
    - Consider initiating a trolley service between OSV and the Commercial Tourist District during peak months
    - Consider creation of a business incubator to support the establishment and growth of small businesses. Examine potential for a joint regional approach for operating such an entity with neighboring towns.
  - Promote small businesses by highlighting their operations and successful endeavors
  - Promote a town policy that encourages purchasing goods and services from small businesses and/or, local businesses in general
  - Examine the potential for creating a local investment pool geared towards supporting the establishment and expansion of small businesses that would be funded from both public and private sources
- Maintain a "pro-business" environment within town government
  - Continue to examine town policies and procedures, and revise as needed, to ensure that they do not discourage local business operations and initiatives
  - Identify key position on town staff that is responsible for economic/business coordination, monitoring, and outreach. Alternately, consider establishing a new position to fill this role on either a part- or full-time basis. This position could support the town's economic marketing efforts to attract new development and also function as a liaison between tourism groups, town government, and businesses.
  - Conduct periodic and regular business outreach efforts to existing businesses to identify issues and needs and how best to address these concerns
  - Establish a program that provides recognition of excellence for existing businesses
- Consider making available additional tax or financing incentives to existing businesses or as tools for attracting future development
  - The town is established as an Economic Target Area (ETA) under the state's Economic Development Incentive Program (EDIP) which allows for exemptions (total or partial) from local real and personal property taxes for businesses that commit to increasing jobs and making private investment in the project. If the town agrees to a local real property tax reduction (5%-100% for 5-20 years) for *future incremental taxes*, the business also becomes eligible for a 5% state investment tax credit as well as exemption from local personal property taxes.
- Examine town-owned vacant or underutilized land for possible "highest and best use" as future economic development sites. Some of the town's conservation land may be compatible with active, outdoor commercial recreation uses that

could be privately operated and provide an additional component of the local tourism economy.

- Ensure that there is an adequate supply of suitably zoned industrial land available to support future development. In order for this land to serve the town's needs it must offer a variety of sites, both in terms of size and availability of infrastructure, that is not insurmountably restricted by natural constraints
- Revise wastewater management plan (WMP) to reflect capacity required for future economic development initiatives identified in this plan. Establish component in the capital improvements plan that reflects a time schedule for making these infrastructure upgrades and potential financing sources. It is essential that the town maintain adequate sewer infrastructure to help it maintain a competitive advantage over other development sites in the region.

2. Promote economic development from a regional perspective

- Support efforts of the Central Massachusetts Regional Planning Commission (CMRPC) to strengthen and expand the region's economic base through preparation and implementation of its Comprehensive Economic Development Strategy (CEDS). Identify priority development sites for inclusion in the CEDS to ensure potential access to federal funding for eligible project costs.
- Encourage growth in the town's hospitality, entertainment, and recreation businesses by supporting and strengthening regional efforts to promote tourism.
- Consider participating in the Southern Worcester County Community Development Corporations (SWC CDC) beginning efforts as a means to foster regional cooperation among neighboring towns (Charlton, Douglas, Dudley, Oxford, Southbridge, Sturbridge, and Webster) for economic and social development initiatives.
- Examine the potential for establishing a small business incubator facility on a cooperative basis with neighboring towns.

3. Prepare a Corridor Improvement Plan for the Commercial/Tourist District

The C/T District includes a variety of retail shops, services, lodging establishments, and other uses that represent a portion of the town's leisure and hospitality economy which is supported both by the region's tourism industry as well as local residents. There is very limited opportunity for new development along the corridor and the current zoning regulations do not provide adequate incentives to stimulate significant private investment. Therefore, it is suggested that the town initiate a corridor improvement plan which would involve a detailed *physical* analysis of existing conditions, identify infrastructure improvements (both public and private), and establish a cooperative public process that would help to bring property owners together with the town to achieve common goals. The following are the primary components that should be contained in such a plan in conjunction with other recommendations outlined in the *Commercial/Tourist District Revitalization Study* recently completed by the CMRPC.

a) Develop a scaled base map showing parcel boundaries, building footprints, parking areas, rights-of-way, utilities, and other existing features to use for identifying future planning and investment activities. This map(s) would be used to illustrate, among other items, the following:

- Potential redevelopment sites
- Landscaping and other aesthetic improvements
- Shared driveway access potential
- Short- and long-term parking improvements
- Pedestrian amenities (sidewalks, walkways, pocket parks, etc.)
- Potential river access points

See the Concept Plan (Figure 2-1) for the western part of this district included in Chapter 2 that incoporates some of these improvements.

b) Development a Capital Improvement Plan for all recommended infrastructure upgrades and identify potential public/private funding sources.

c) Identify potential redevelopment sites currently occupied by structures needing significant renovation or other "non-contributing" properties that do not support the district's objectives.

d) Revise zoning bylaws to allow more flexibility in types and scale of uses permitted in the district. Implement this in conjunction with town's updated design guidelines to ensure that future development remains in character with community objectives.

e) Identify potential locations for centralized, shared parking facilities. Such sites might coincide with private redevelopment initiatives or selected demolition of non-contributing properties.

f) Create conceptual site plans for redevelopment on selected sites. Selection of sites would ideally be a collaborative effort with property owners looking to expand or redevelop existing structures or could be used to offer alternative redevelopment options of non-contributing properties that need to be repositioned within the marketplace.

g) Establish a façade improvement fund to assist property owners in improving the appearance of their businesses. Create conceptual façade design plans for selected sites and/or interested property owners.

h) Explore public/private financing options for renovating or redeveloping the Holland Mill site into artisan's space, a small business incubator facility, or other appropriate use for the district. Revise the zoning regulations to support intended alternative uses. It is very possible that renovation costs could exceed the value of this property and as such, consideration should be given to conducting a feasibility study as a first step.

4. Create new Entertainment and Recreation district on Route 20


Route 20

Consider establishing a new zoning district, centered around the former motel known as The Lodges (owned by OSV and recently used as the town offices), as a focal point for the Commercial/Tourist district. Creation of this district would require the assemblage of a number of existing buildings and parcels that have a combined area of approximately 90 acres. This district should allow for the creation of entertainment, recreation, or other appropriate tourism-oriented uses that could act as anchor for the C/T district and create better linkage with Old Sturbridge Village. If all this land could be assembled as one site it could potentially be redesigned to resemble a town common with new uses clustered around a common open space or other use. Permitted uses in this district should serve to broaden the tourism and recreational offerings in the community by fostering more year-round and family-oriented activities. These might include outdoor recreation activities that capitalize on the sites access to the river and potential linkages to existing or planned trail networks. Redevelopment of this area will need to balance these broadened types of land uses with appropriate design standards and building scale. It is recommended that a conceptual site development plan be created for this entire district in order to illustrate the town's goals for the area to potential developers. Creation of this conceptual plan should, if possible, be a cooperative effort between the town and OSV to help ensure that the plan will support long-term needs of the village as well. Potential development will be limited by proximity to the river and its related resource zone restrictions. This plan should also explore potential for integrating the state highway garage facility into this district and reconfiguring the roadway connection to Route 131 in order to expand development potential (Refer to Map 2).

5. Expand Business/Industrial zoning on east end of Route 20

In order for the town to be competitive with neighboring towns (as well as the Greater Worcester market as a whole) in its ability to attract professional, high tech, and manufacturing businesses, it must provide a variety of readily available building space or suitably zoned vacant land. To address this need the town should consider increasing its available acreage for business park or industrial uses by rezoning land on the south side of Route 20 adjacent to the Charlton town line (Refer to Map 2). This area, which is presently zoned Commercial 2 and Residential, contains approximately 120 acres which is mostly undeveloped but does include a few existing houses. This area is one of the few remaining locations in the town that has significant undeveloped acreage with good highway access and proximity to municipal sewer. Its location across Route 20 from the town's Technology Park businesses which is also a positive attribute towards rezoning consideration. Regulations for this zoning district should allow uses that are non-retail in nature that help to diversify the town's economic base by encouraging businesses that focus attention on attracting new industry and jobs in various sectors such as energy efficiency, renewable energy and sustainable product manufacturing, precision manufacturing and engineering, health care and biotechnology, and software engineering.

6. Create new-mixed use, medical zone on Route 131

As discussed in this chapter, the Health Care sector has been, and is expected to continue as a relatively strong employment growth area in the future. The location of Harrington Hospital in Southbridge is one of the primary drivers of health care service growth in the region. Sturbridge has experienced moderate employment growth in this sector but has limited sites readily available to capture potential demand for medical offices and related uses. Therefore, it is recommended that the town consider rezoning land adjacent to the Southbridge town line, on the north side of Route 131, for medically oriented uses. Such rezoning could allow for a mixture of residential and medical office/clinic uses that could combine age-restricted housing, congregate care facilities, or similar residential uses with on-site medical facilities (Refer to Map 2).

7. Revise purpose and development requirements of the Special Use District

The Special Use District regulations are not clear in establishing intended development objectives for this area resulting in market uncertainty which, combined with the lack of utilities, creates significant deterrent to potential development. In addition, requirements of the Planned Unit Business District (PUBD) overlay zoning, which requires 25-50 acres, 40% open space, and a special permit for major uses, are also quite restrictive. This location has perhaps the town's best direct access from the Interstate highway, but lacks municipal sewer and has numerous existing residential uses that create potential conflicts with future commercial or industrial uses. This location is considered well-suited for either tourism related uses or manufacturing/distribution sites, but not both concurrently. It is recommended that the town consider the following changes for this area.

- Revise zoning in Special Use District to clarify economic development priorities
  - Decide if the district will focus on entertainment/recreation or manufacturing and warehouse/distribution
  - Restrict non-contributing uses (e.g. do not allow residential uses)
  - Develop plans to extend water and sewer to district once town's wastewater plan has been completed and plant capacity issues are resolved
- Identify financing sources including DIF, grants, user financed and town bonding support

   - Revise regulations to allow development by right (minimize special permit requirements) at reasonable density to encourage investment and finance of required utilities

- If municipal sewer cannot be extended to the district within a reasonable time-frame, permitted density will need to adjusted accordingly

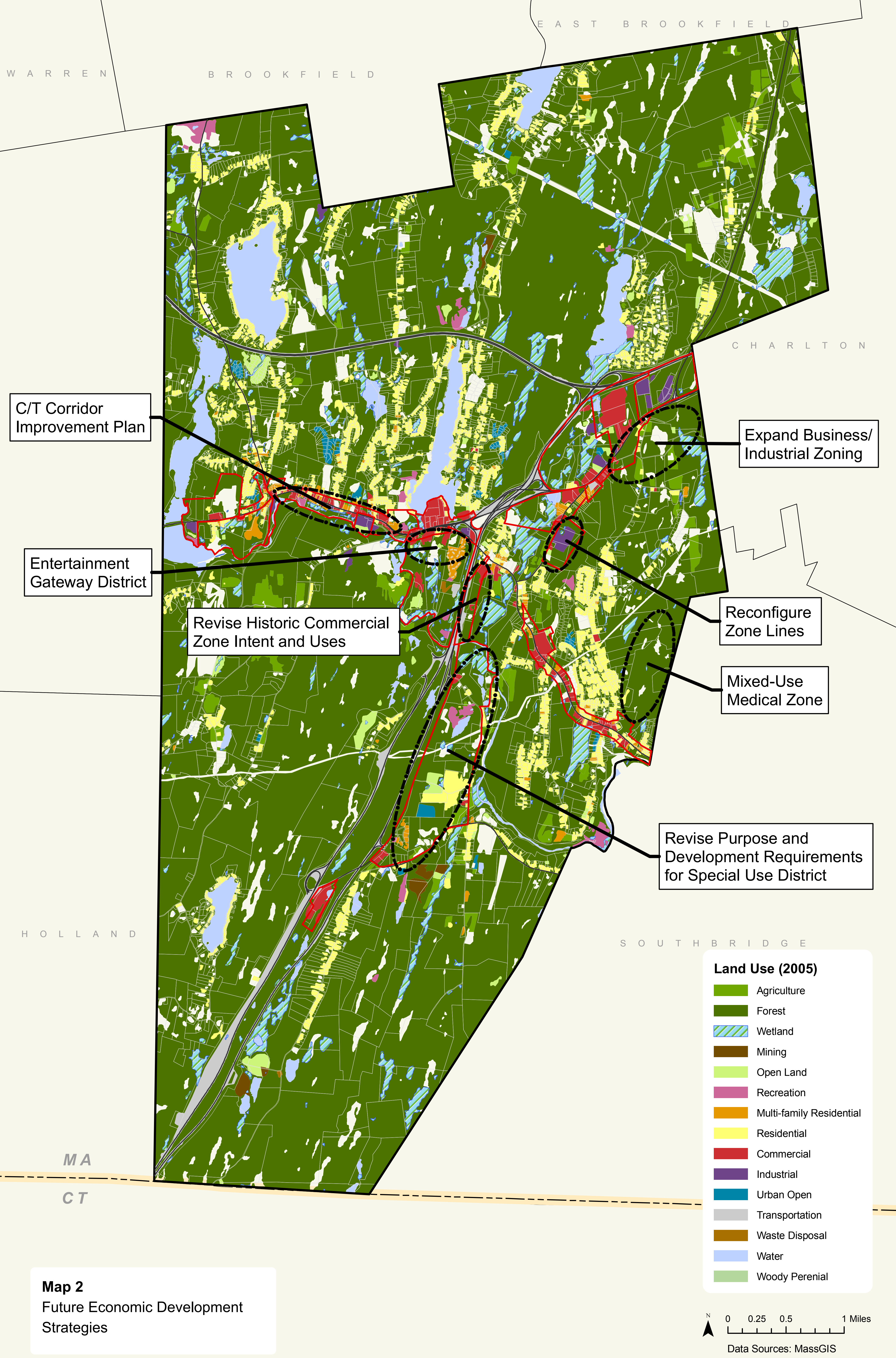
8. Other Zoning/Regulatory Related Issues

- Consider revising the historic commercial zone along Route 15 (Refer to Map 2). The intent of this zone is unclear given its lack of historic structures. It is recommended that the regulations be revised to reflect existing hospitality related uses and that the boundaries be extended to include all of Publick House property. There is very little undeveloped land in this district so that future development would most likely involve redevelopment or alterations to existing uses.

- Nonresidential zoning regulations need a general overhaul with regard to permitted uses and dimensional requirements.

   - Existing regulations tend to allow residential and other nonrelated uses which creates land use conflicts and limits available acreage for nonresidential uses

   - The town's zoning bylaws provide a list of permitted uses for each of the nonresidential zoning districts which excludes all other uses if not included in the list. In most cases, the permitted uses are very limited or outdated thus restricting many uses that should be reasonably considered. It is recommended that these uses be revised and expanded to reflect current land use standards and market conditions.



Map 2
Future Economic Development Strategies