



# Sturbridge Economic Assessment & Strategy

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February 13, 2020

Community Meeting

McCabe Enterprises



# Agenda

**6:00 pm**

**Welcome Introductions**

**Presentation by McCabe Enterprises**

- Economic Development Overview
- Sturbridge by the Numbers
- Major Industry Sectors
- Business & Resident Survey Highlights

**Discussion / Q&A**

**7:25**

**Wrap-up and Adjourn**

# Why an Economic Development Strategy?

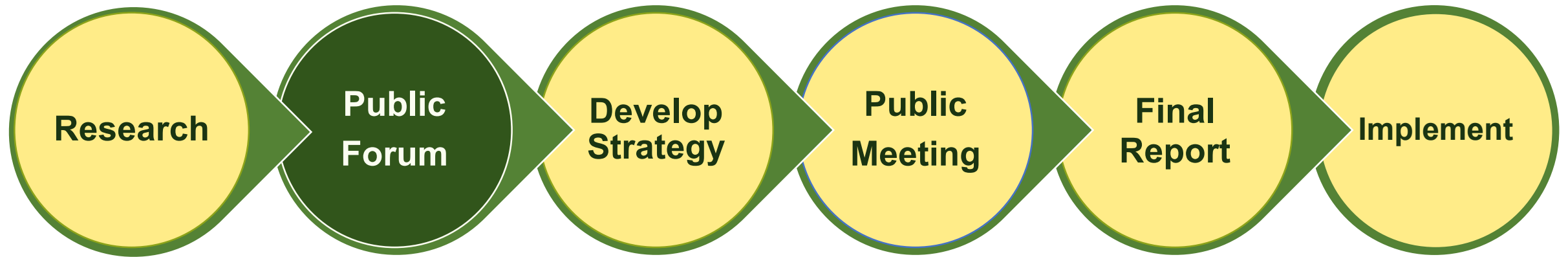
## Purposes

- **Create & Retain Jobs**
- **Protect & Strengthen Tax Base**
- **Access to Goods & Services**
- **Enhance Quality of Life**
- **Create a Positive Community Image**

## Benefits of a Strategy

- **Framework for Future Action**
- **Identifies Key Issues to Address**
- **Informs Local, Regional, and State Agencies**
- **Assists with Securing Public Funding**
- **Provides Private Investors with Guidance as to Town's desires**

# PROCESS



**Surveys**

**Interviews**

**Data  
Collection**

**Share Findings**

**Discussion**

**Identify Key  
Issues**

**Data Analysis**

**SWOT**

**Identify  
Options**

**Share  
Approach**

**Feedback**

**Prepare,  
Publish  
Assessment &  
Strategy**

**Town  
Implements**

# Pillars of Economic Development



**Land &  
Geography –  
Real Estate**



**Talent –  
Labor Force**



**Cost & Time  
of Doing  
Business**



**Market &  
Customers**



# Key Ingredients

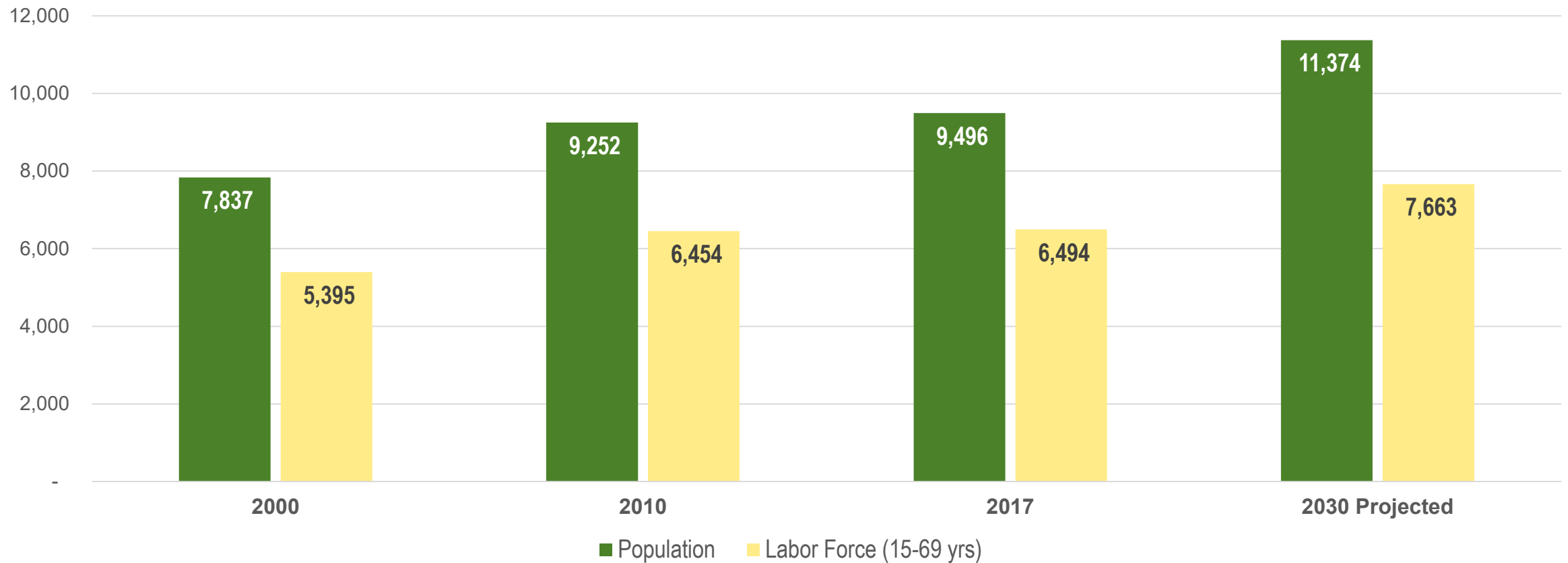
- **Skilled and Reliable Labor Force**
- **Competitive Business Climate**
- **Education Quality**
- **Real Estate – Sites & Building**
- **Infrastructure including Hi-Speed Telecommunications**
- **Incentive Policy**
- **Proven Success – Sustainability**

- **Business Attraction**
  - Be Locally Competitive
  - Think Regionally
- **Business Retention**
  - First Step in Attraction is Retaining Existing Businesses
  - Easier to keep a job and a company than to recruit a new company
  - Most jobs come from existing companies

# Sturbridge by the Numbers

# Population & Age: 2000 to Today and Beyond

Sturbridge Population & Labor Force



Sources: US Census; American Community Survey 2013-2017, & UMass Donahue Institute

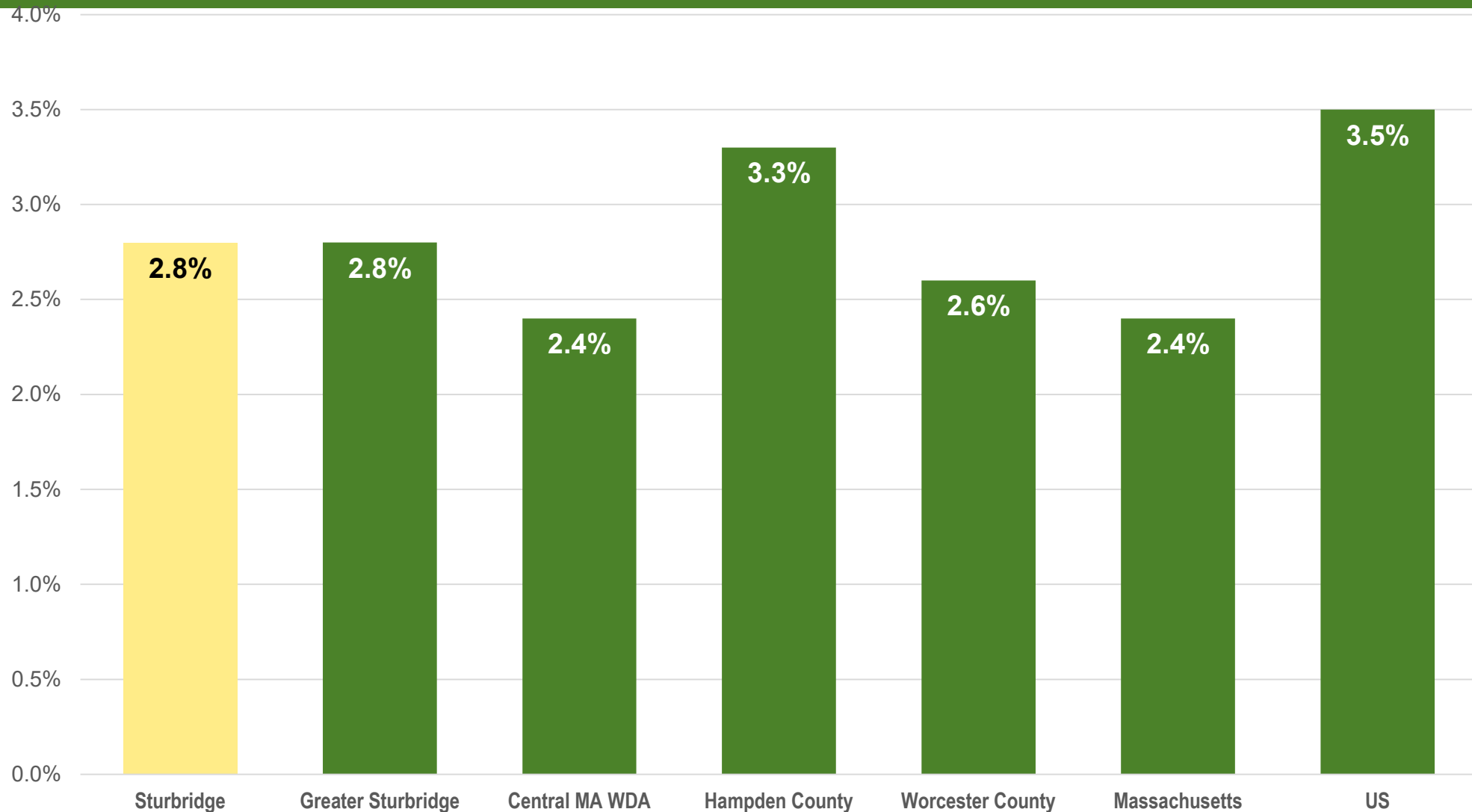


# Sturbridge in Context: Population Growth

	1990	2000	2010	2017	Change 1990 to 2017	Rate of Change 1990 to 2017
<b>Sturbridge</b>	7,775	7,837	9,268	9,496	1,721	22.1%
<b>Local Region: MA &amp; CT</b>	53,540	56,859	61,287	62,264	8,724	16.3%
<b>Greater Sturbridge, MA</b>	46,920	48,945	52,469	53,505	6,585	14.0%
<b>Worcester County</b>	709,705	750,903	798,552	848,249	9,722	19.5%
<b>Massachusetts</b>	6,016,425	6,349,097	6,547,629	6,789,319	18,008	12.8%

Data Sources: US Census; American Community Survey, 2013-2017; McCabe Enterprises.

# December 2019 Unemployment Rates



Source: LAUS and BLS; Data is not seasonally adjusted.

# Income & Educational Attainment Amongst Neighbors

	2017 Median household income	Poverty Rate	Percent with bachelor's degree or higher
Brimfield	\$86,523	4.2%	37%
Brookfield	\$64,219	9.2%	31%
Charlton	\$93,921	4.7%	35%
East Brookfield	\$80,234	4.8%	33%
Holland	\$78,348	4.1%	32%
Sturbridge	\$84,745	4.0%	46%
Southbridge	\$50,202	18.5%	16%
Union	\$93,750	1.2%	35%
Wales	\$50,625	5.7%	18%
Woodstock	\$81,441	6.0%	41%
Worcester Co.	\$69,313	11.1%	35%
Massachusetts	\$74,167	11.1%	42%

*Sturbridge has the highest rate of educational attainment*

*Sturbridge has 2<sup>nd</sup> lowest poverty rate*

*Sturbridge's median household income ranks 4<sup>th</sup> highest of 10*

- *14% higher than statewide*
- *22% higher than County*

Data Source: 2017 ACS 5-yr. Income in inflation adjusted dollars.

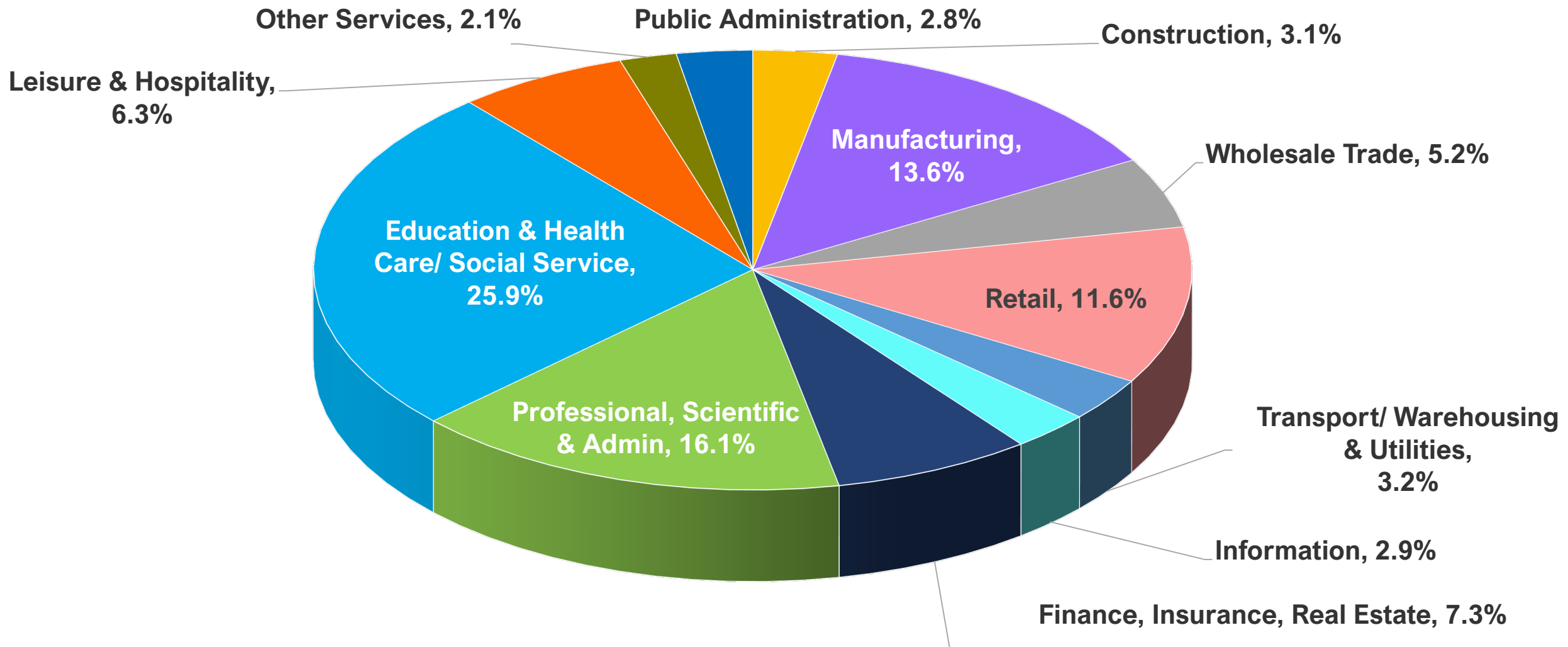
# Sturbridge's Labor Force Participation

Sturbridge	Labor Force Participation Rate Labor 16 Years & Older	Labor Force Participation Rate Labor Force 20 to 64 Years	Families with Children Under 6 Years	Families with Children 6 to 17 Years
Total Population	66.9%	85.4%		
Females	79.4%	79.4%	62.5%	84.5%



Source: 2017 ACS 5-year est.

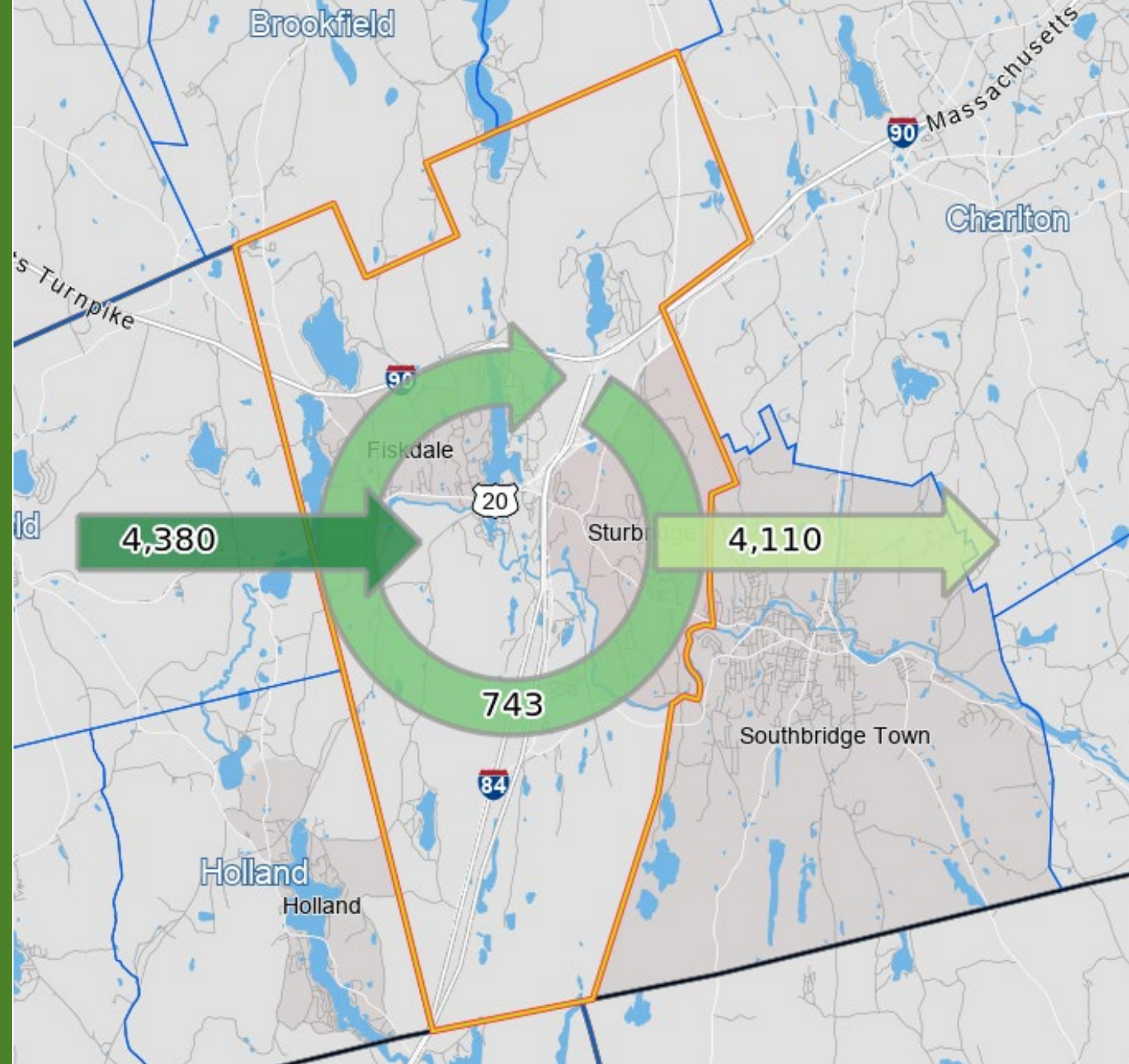
# Where Sturbridge Residents Work – the Industry Sectors



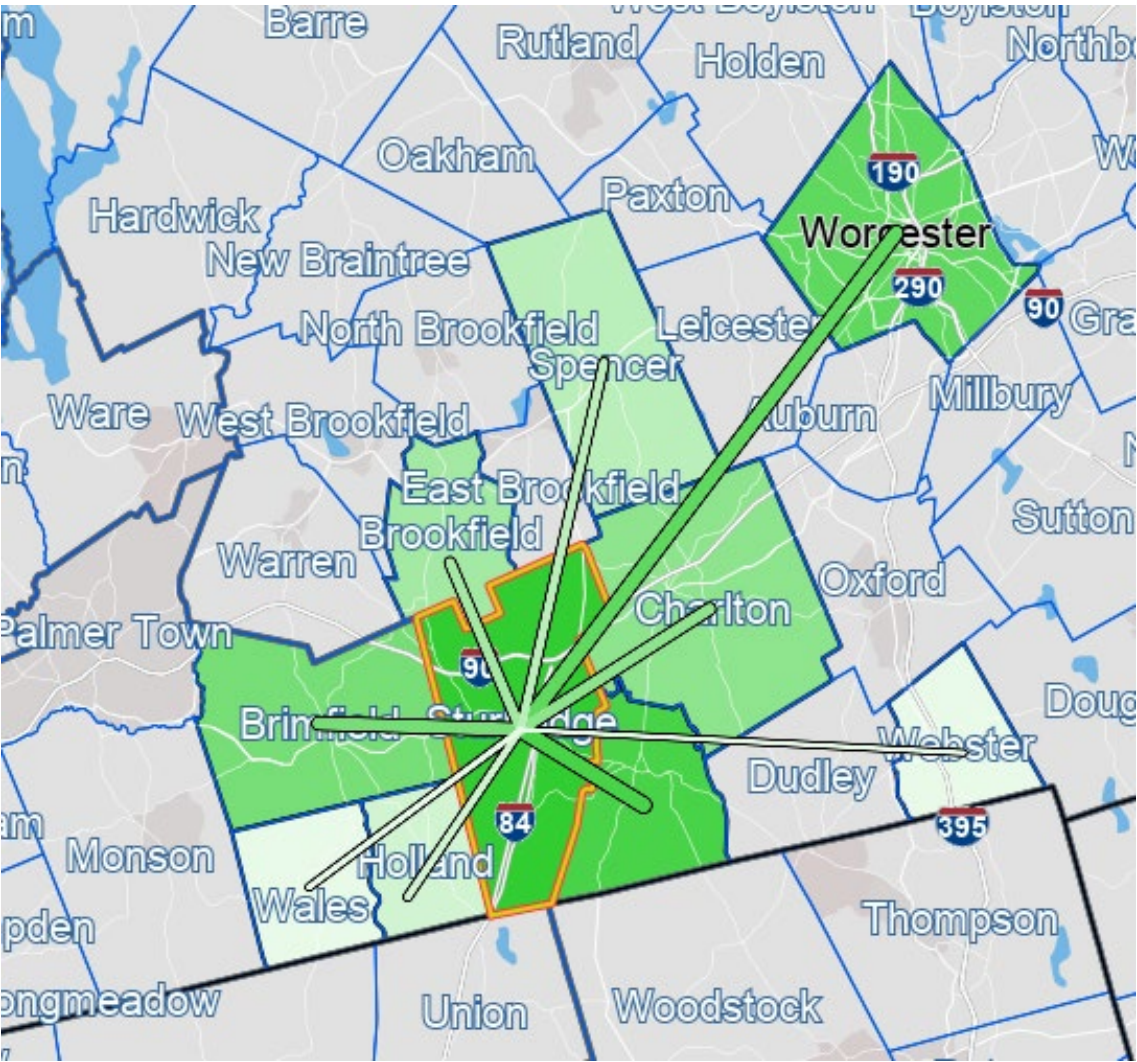


# INFLOW and OUTFLOW of WORKERS

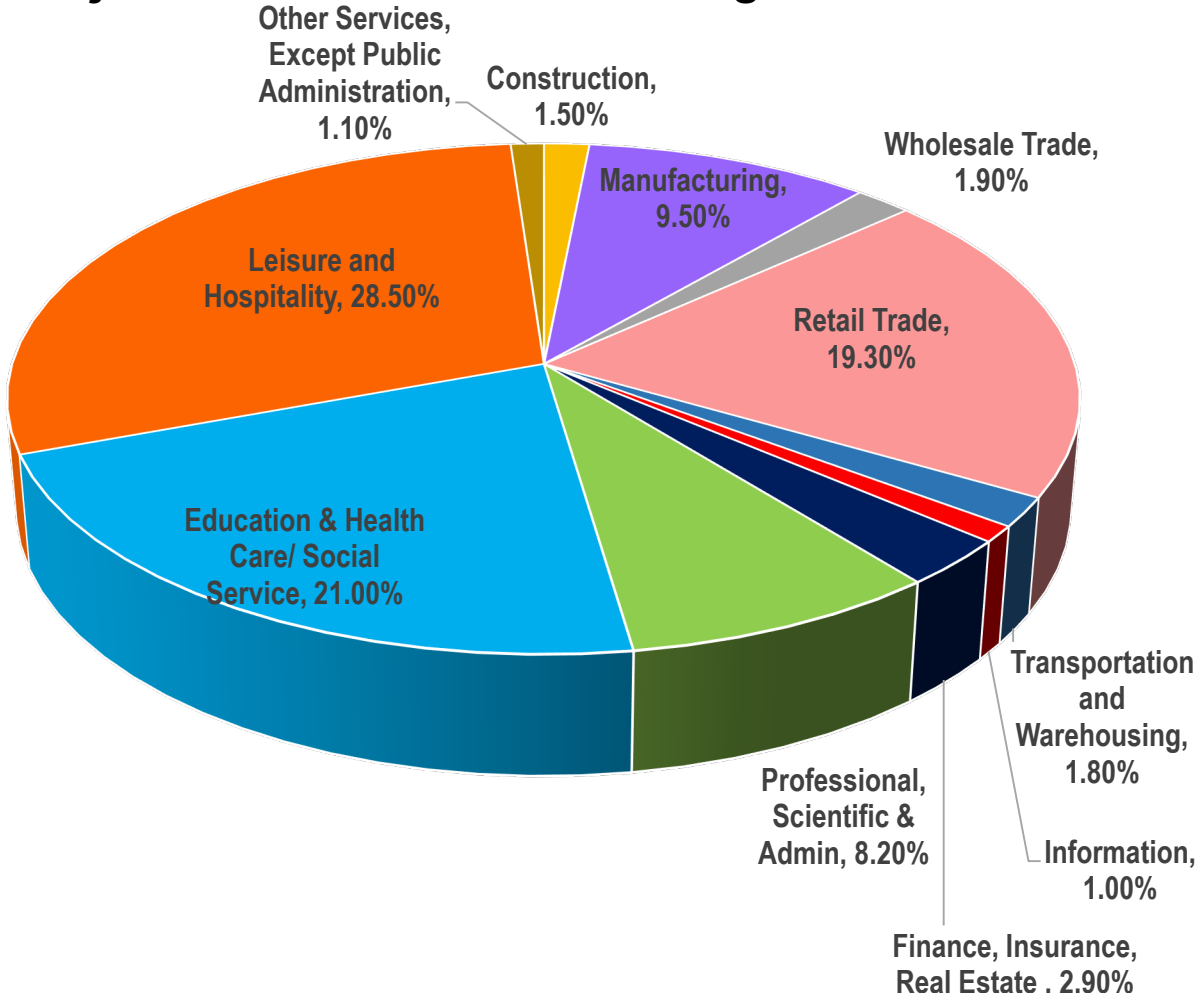
- 4,380 people commute to Sturbridge for work
- 4,110 Sturbridge residents commute outside of Town for work
- 743 residents live and work in Sturbridge



# Top 10 Places Where Sturbridge Workers Live



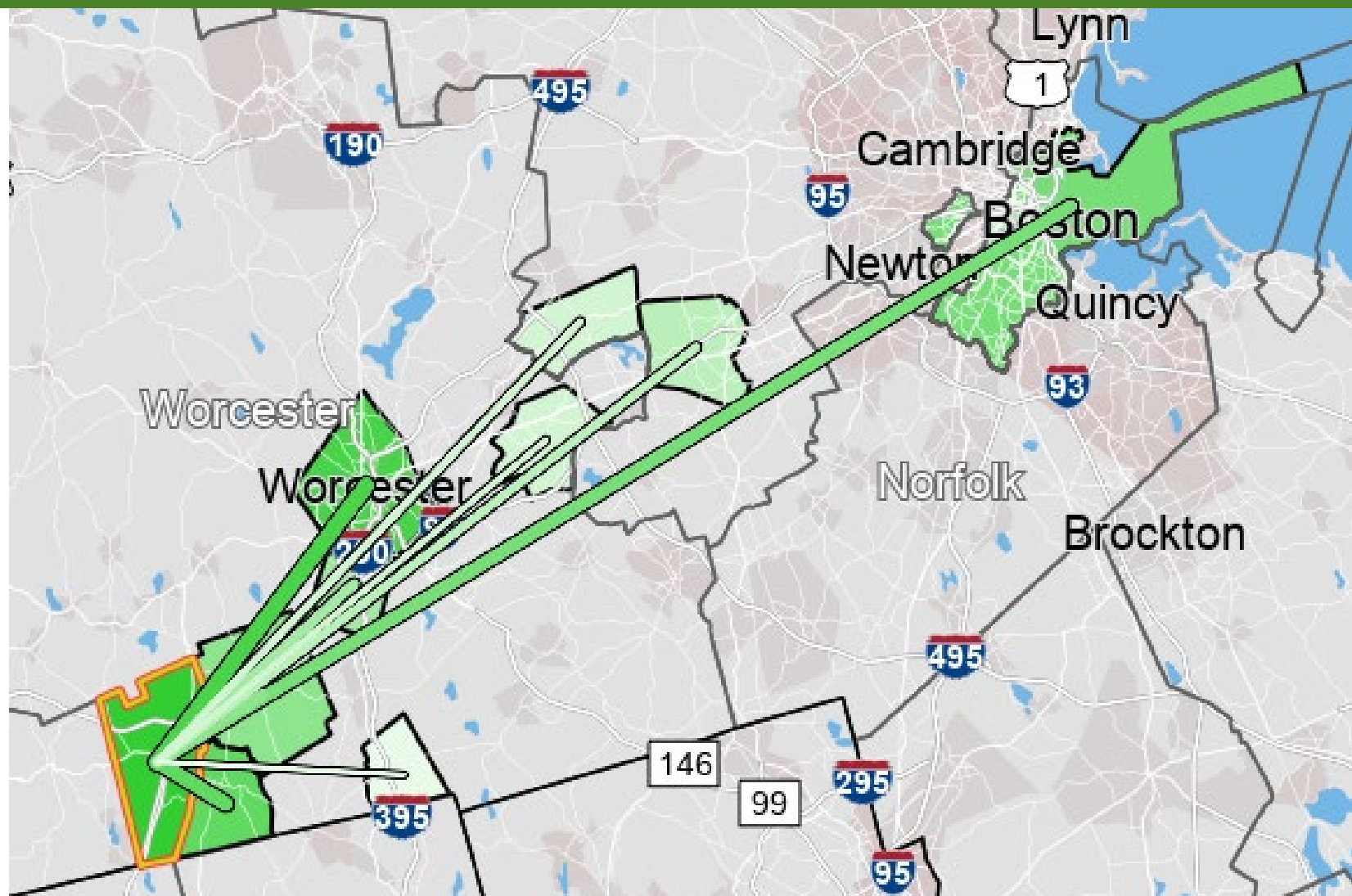
Industry Sectors of Jobs in Sturbridge





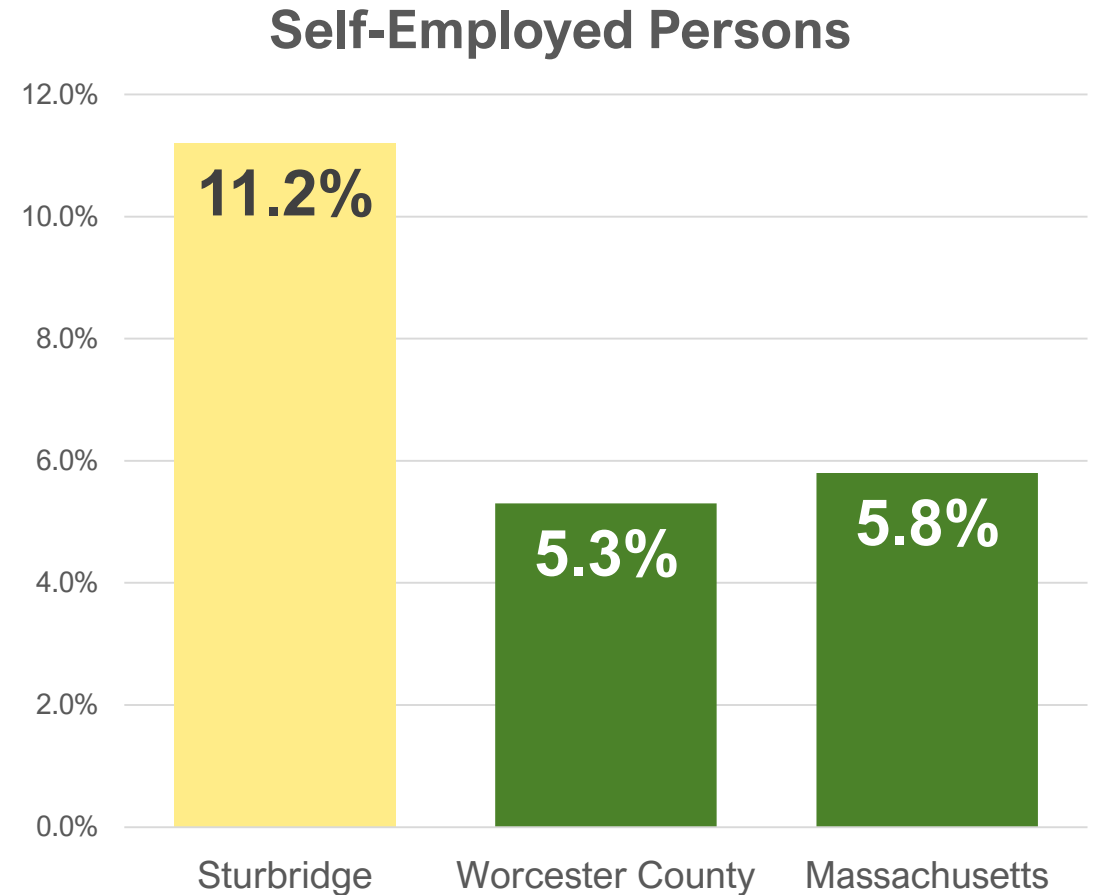
# Where Sturbridge Residents Work

- 41% commute over 25 miles one-way
- 1 in 6 residents commute over 50 miles one-way
- **Top 5 Work Destinations**
  - Sturbridge
  - Worcester
  - Southbridge
  - Boston
  - Charlton



# Entrepreneurs & the Self-Employed

- Sturbridge has a significant number of self-employed persons and entrepreneurs
- Over 1,600 persons are self-employed in Sturbridge & surrounding towns
- The self-employed in Sturbridge equate to over 10% of the work force



# Leading Business Sectors in 2018

RANK	# of Establishments	Total Wages	Persons Working	Weekly Wage
<b>1</b>	<b>Health Care &amp; Social Assistance</b> 63	<b>Leisure &amp; Hospitality</b> \$33,672,016	<b>Leisure &amp; Hospitality</b> 1,518	<b>Wholesale Trade</b> \$2,178
<b>2</b>	<b>Leisure &amp; Hospitality</b> 56	<b>Manufacturing</b> \$33,298,731	<b>Retail</b> 1,026	<b>Real Estate, Rental &amp; Leasing</b> \$1,639
<b>3</b>	<b>Retail</b> 47	<b>Education</b> \$31,100,080	<b>Education</b> 592	<b>Manufacturing</b> \$1271
<b>4</b>	<b>Professional/Technical Services</b> 41	<b>Retail</b> \$24,728,052	<b>Health Care &amp; Social Assistance</b> 524	<b>Professional/Technical Services</b> \$1235
<b>5</b>	<b>Financial Activities</b> 33	<b>Professional &amp; Technical Services</b> \$22,163,408	<b>Manufacturing</b> 504	<b>Education</b> \$1,010
<b>TOTAL</b>	<b>375</b>	<b>\$205,251,748</b>	<b>5,318</b>	<b>\$742</b>



# Commercial Real Estate Tax Rates Amongst Neighbors

Municipality	2020 Commercial/ Industrial Tax Rate	Type of Rate
Brimfield	\$17.67	Single
Brookfield	\$18.01	Single
Charlton	\$14.94	Single
East Brookfield	\$14.82	Single
Holland	\$16.62	Single
Southbridge	\$19.48	Single
Sturbridge	\$19.02	Single
Union	\$30.93	Single
Wales, CT	\$19.34	Single
Woodstock, CT (town only; no special districts)	\$24.54	Single

- *Sturbridge ranks in the middle – 6<sup>th</sup> of 10 adjacent towns as to commercial tax rates*
- *Sturbridge ranks 3<sup>rd</sup> as to population*
- *Sturbridge ranks 3<sup>rd</sup> as to land area*

Source: Mass Dept of Revenue, 2020 tax rates and CT Data Center..

# Sturbridge

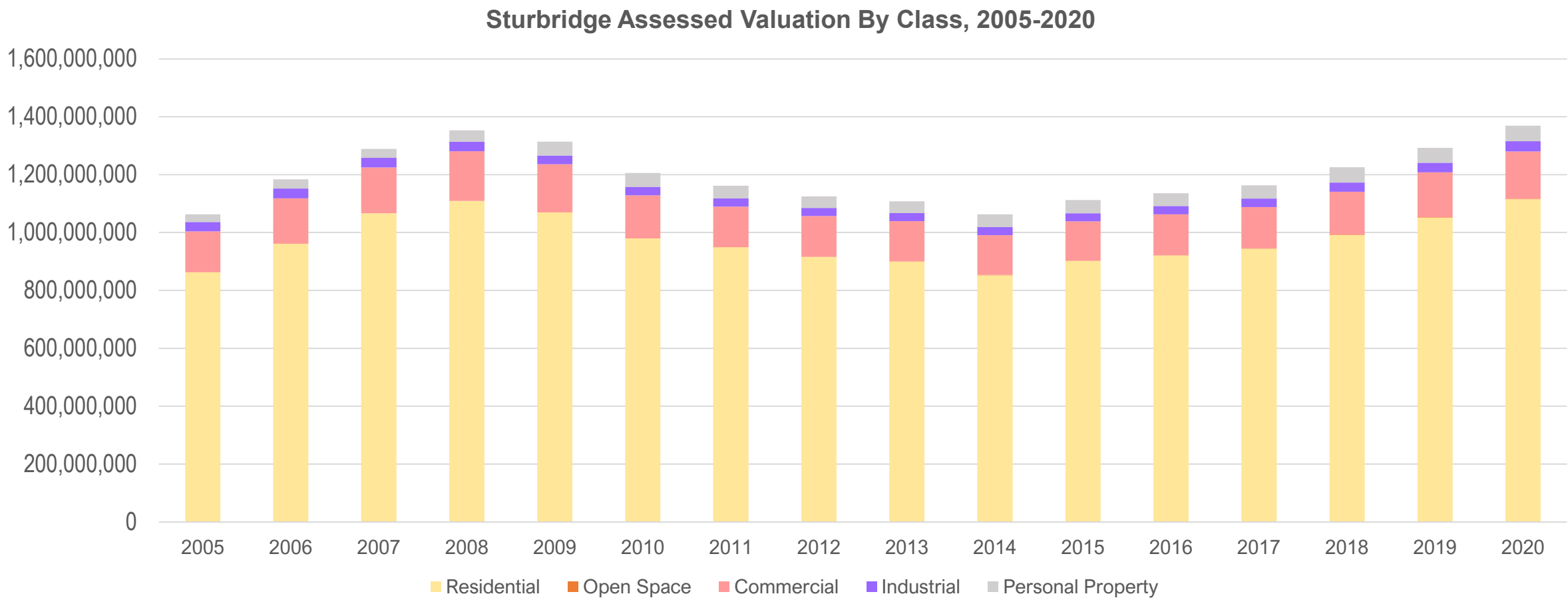
## Commercial & Industrial Taxes

	2020
<b>Commercial Tax Rate per \$1000 of Assessed Value (AV)</b>	<b>\$19.02</b>
<b>Percent of Levy: Commercial</b>	<b>11.9%</b>
<b>Percent of Levy: Industrial</b>	<b>2.6%</b>
<b>Commercial &amp; Industrial Values: Percent of Levy</b>	<b>13.5%</b>
<b>Commercial &amp; Industrial Land In Sturbridge</b>	<b>1,256.6 acres utilize 5.3% of land area</b>

*Sturbridge ranks in top half of all municipalities statewide as total Commercial and Industrial assessed value.*

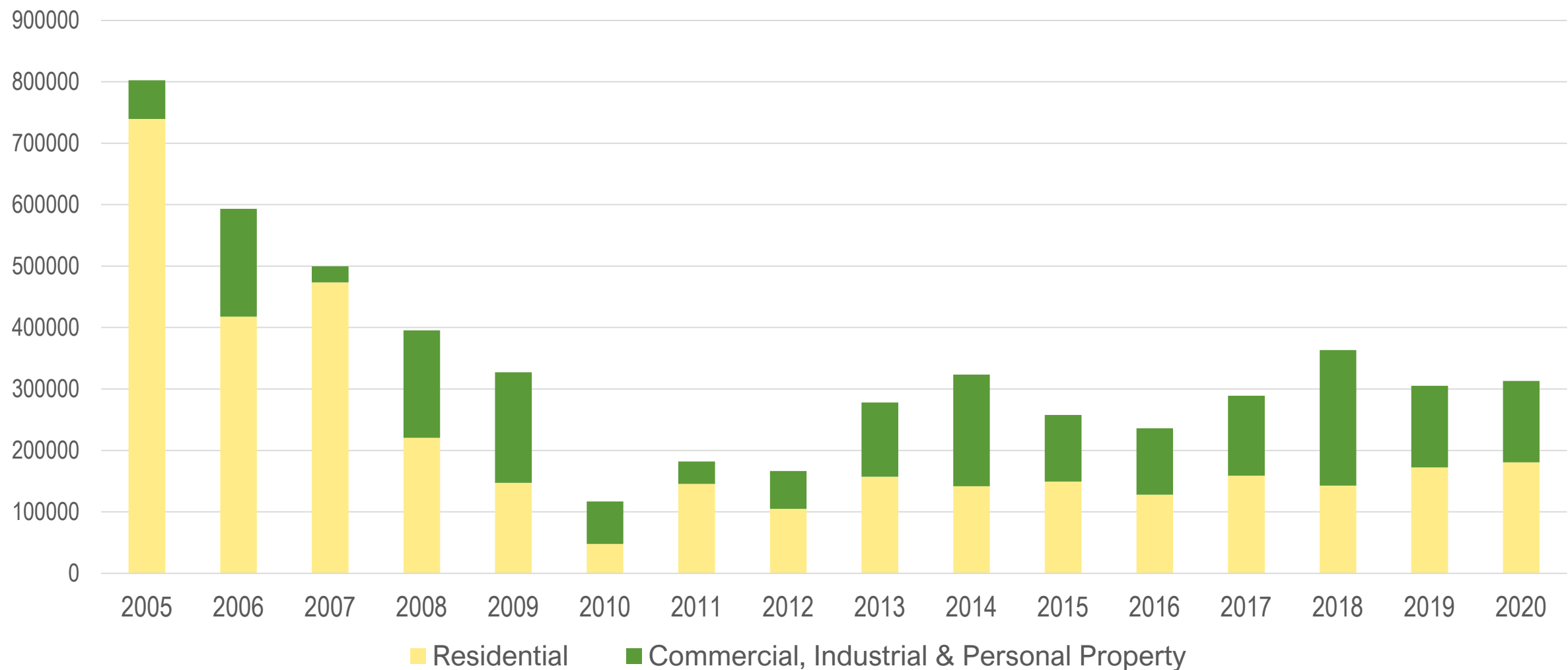
Sources: Mass Dept of Revenue, Division of Local Services and Sturbridge Assessor.

# Sturbridge Assessed Values by Class, 2005 -2020



Sources: Mass Dept of Revenue, Division of Local Services .

# Sturbridge's New Growth by Class, 2003-2013



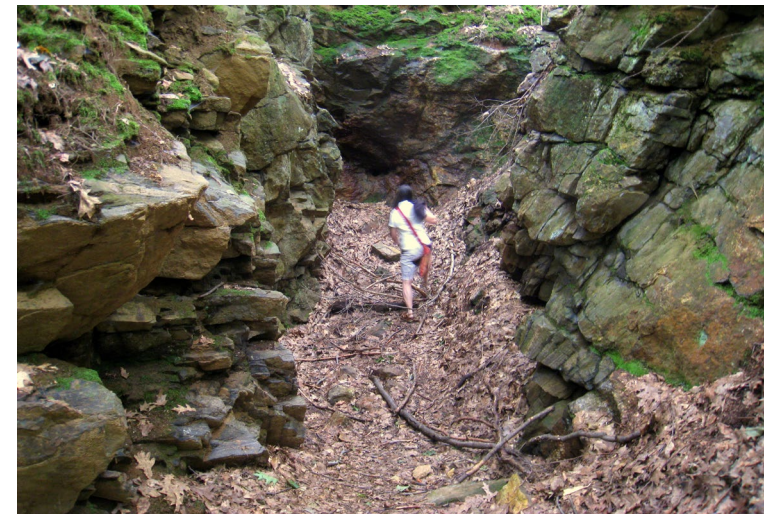
# Local Option Rooms & Meals Taxes Amongst MA Neighbors

Rates	Meals	Room Taxes
Brimfield	0.75	4.0%
Brookfield	--	---
Charlton	0.75	---
East Brookfield	--	---
Holland	--	---
Southbridge	0.75	6.0%
Sturbridge	0.75	6.0%
Wales	--	---

- In FY2019, Sturbridge collected:
    - **\$1,082,908** in room taxes
    - **\$481,991** in local option meals taxes
- 
- Sturbridge ranks **1<sup>st</sup>** amongst local towns as to both meals and room tax collections.
  - Sturbridge ranks **40<sup>th</sup>** amongst MA municipalities collecting room taxes
  - Sturbridge ranks **78<sup>th</sup>** statewide in meals tax collections



# Business Sectors: Leisure & Hospitality





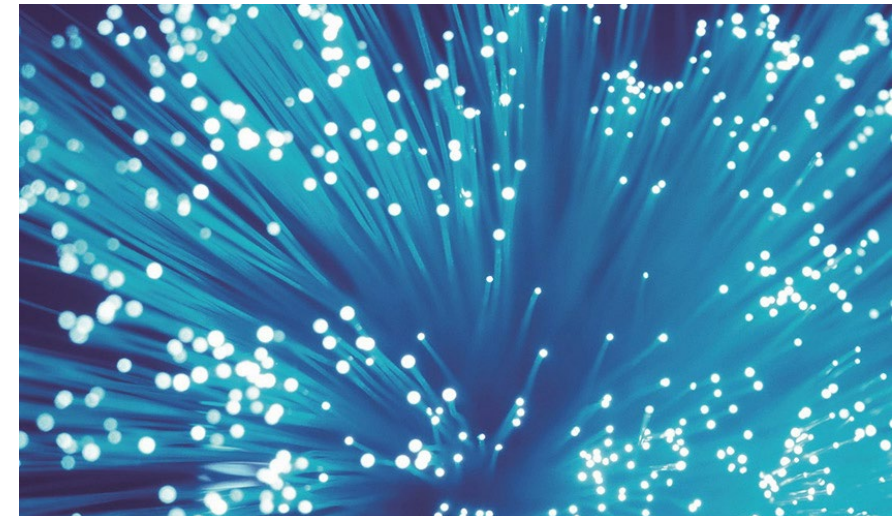
# Leisure & Hospitality

- **# 1 sector as to Jobs over past 15 years**
  - 1,518 jobs in 2018
  - Hasn't recovered from pre-Great Recession high of 1,649 jobs
- **# 1 sector as to Total Wages paid in 2018**
  - \$33.7 million
- **#2 sector as to number of businesses**
- **Generates Hotel & Meals taxes \$1.5+ million/year**

- **Number of establishments has declined 9.7% since 2015**
- **Average Weekly Wage is Low**
  - **\$424/week**
  - **\$22,204 annualized**
- **Employment can be seasonal**
- ***Critical sector* for Central Mass WDA (Workforce Development)**



# Business Sectors: Manufacturing





# Manufacturing

- **Steady, Stable Sector**
- **Ranks 5<sup>th</sup> as to jobs in 2018**
  - 504 jobs
- **Ranks 2<sup>nd</sup> as to sector with highest overall payroll**
  - \$33.3 Million in 2018
- **Ranks 3<sup>rd</sup> as to highest weekly wages in 2018**
  - \$1,271 avg weekly wage
  - \$64,821 annualized wages

- **Sturbridge Manufacturers:**
  - Metal Wire Manufacturers
  - Fiberoptic/Photonics Manufacturers
- *Growth Industry per Southern Worcester County CEDS – Comprehensive Economic Development Strategy*
- *Priority Industry is Advanced Manufacturing in Hampden Co.*
- *Critical Industry per Central MA WDA – Workforce Development*

# Business Sectors: Professional & Technical Services





# Professional & Technical Services

- **One of Top 5 Sectors Locally**

- # 4 in 2018
- 41 Establishments

- **Ranked # 5 in 2018 as to overall payroll**

- \$22.1 Million

- **Growing Sector**

- # of Establishments
- Overall Payroll
- 219 persons employed in 2018
- Growth sector for Southern Worcester County CEDS
- Critical Industry for Central Mass WDA

# Business Sectors: Retail



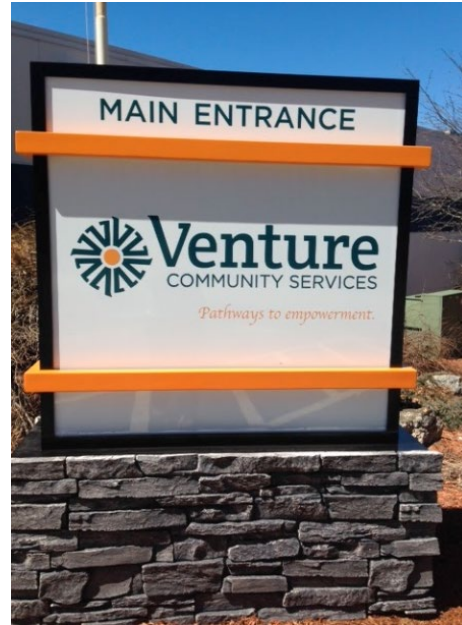
# Retail

- **Establishments decreased from 66 to 47**
  - 29% decrease
  - Large drop in businesses
  - since 2015
- **Ranked # 2 as to persons employed in Sturbridge**
  - 1,026 jobs in 2018
  - 19.3% of all local jobs
- **Ranked # 4 as to overall payroll in 2018 -- \$24.7M**

- **Declining but Key Sector**
- **Online shopping disrupting retail**
- **Part of Visitor Experience**
- **Sturbridge has both large-scale & “Mom & Pop” retailers**
- **Low wages with seasonal work**
  - \$463 Average Weekly Wage
  - \$24,076 annualized
- **Critical Sector – Central MA WDA**



# Business Sectors: Health Care & Social Assistance



# Health Care & Social Assistance

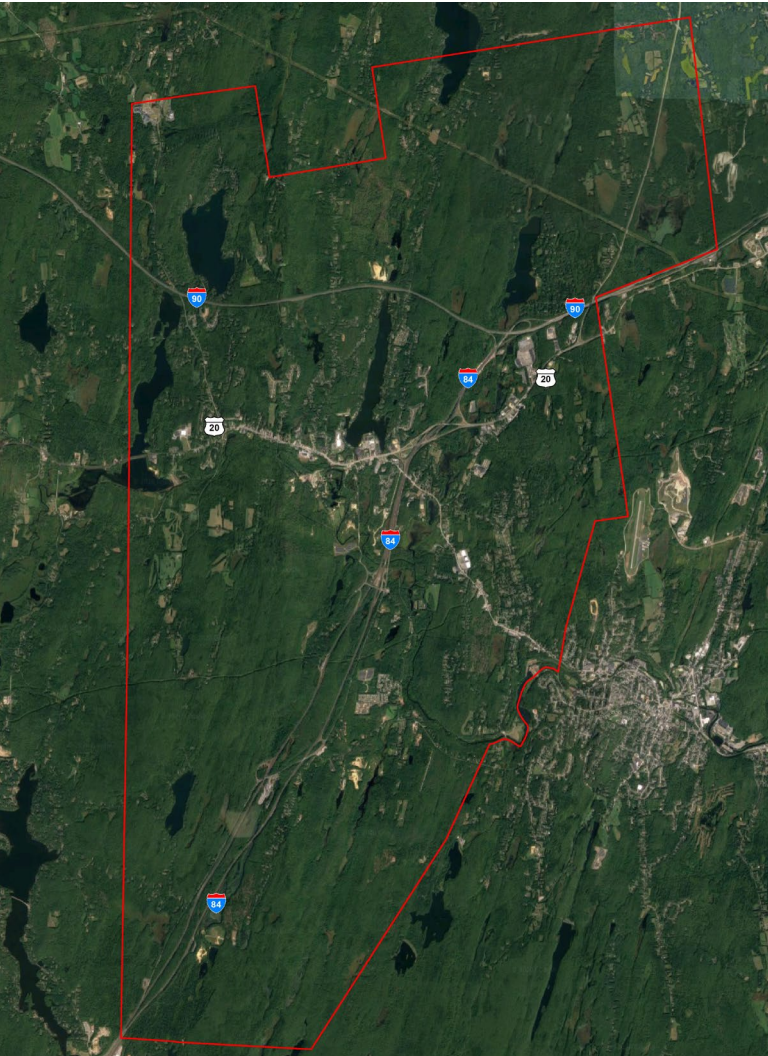
- **Ranked # 1 as to Establishments in 2018**
  - 63 Establishments
  - 125% Growth in 15 years
- **4<sup>th</sup> Largest Sector as to Jobs -- 524 jobs in 2018**
- **Growth Sector for Southern Worcester CEDS**
- **Priority Sector for Central Mass WDA**

## Growth Drivers:

- **Aging Population**
- **Interest in Wellness & Fitness**
- **Sturbridge population are high health users**
  - 24.9% under 18 years
  - 17.4% over 65 years



# Business Sectors: Logistics



# Logistics

- **Growing Sector:**

- **E-commerce**
- **Desire for same-day and just-in-time deliveries**
- **High Demand for Warehousing Locations near population centers**
- **Trucking – potential for disruption by AEVs**

## **Sturbridge's Location:**

- **Excellent Highway Access**
- **Central location in MA and New England**
- **Lacks Rail and Aviation**
- **On the “frontier” of Boston region**
- **Few large sites in Sturbridge with easy, quick highway access**



# The Business and Resident Surveys

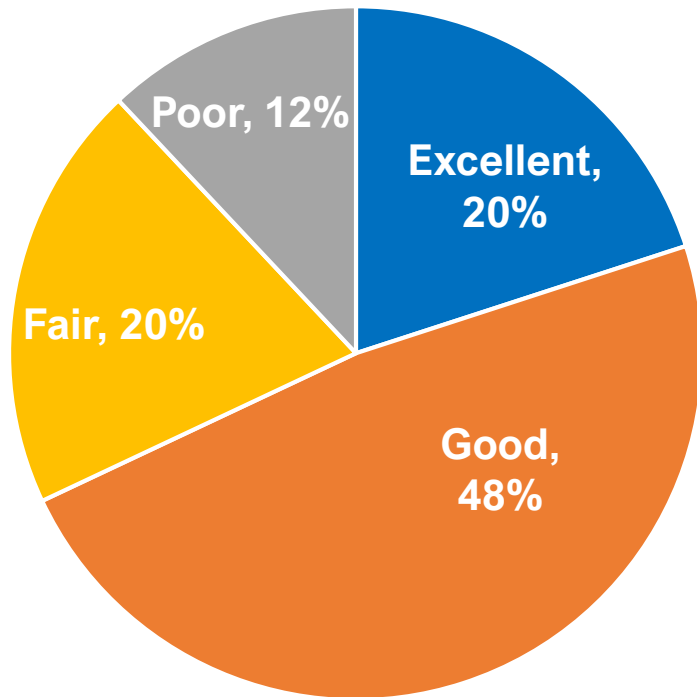
## PRELIMINARY FINDINGS

# *Preliminary Findings*

## Business Climate & Quality of Life

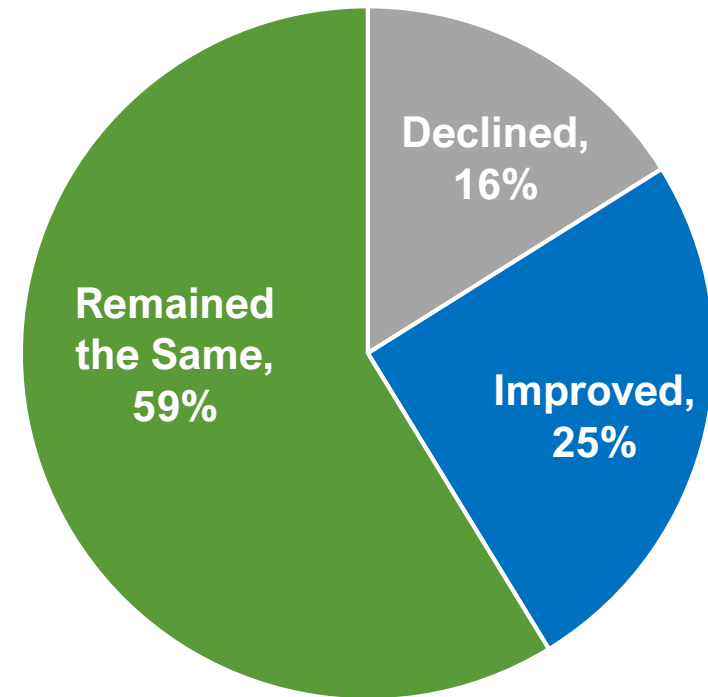
### *Business Survey – Preliminary Findings*

#### **Sturbridge As A Place to Do Business**



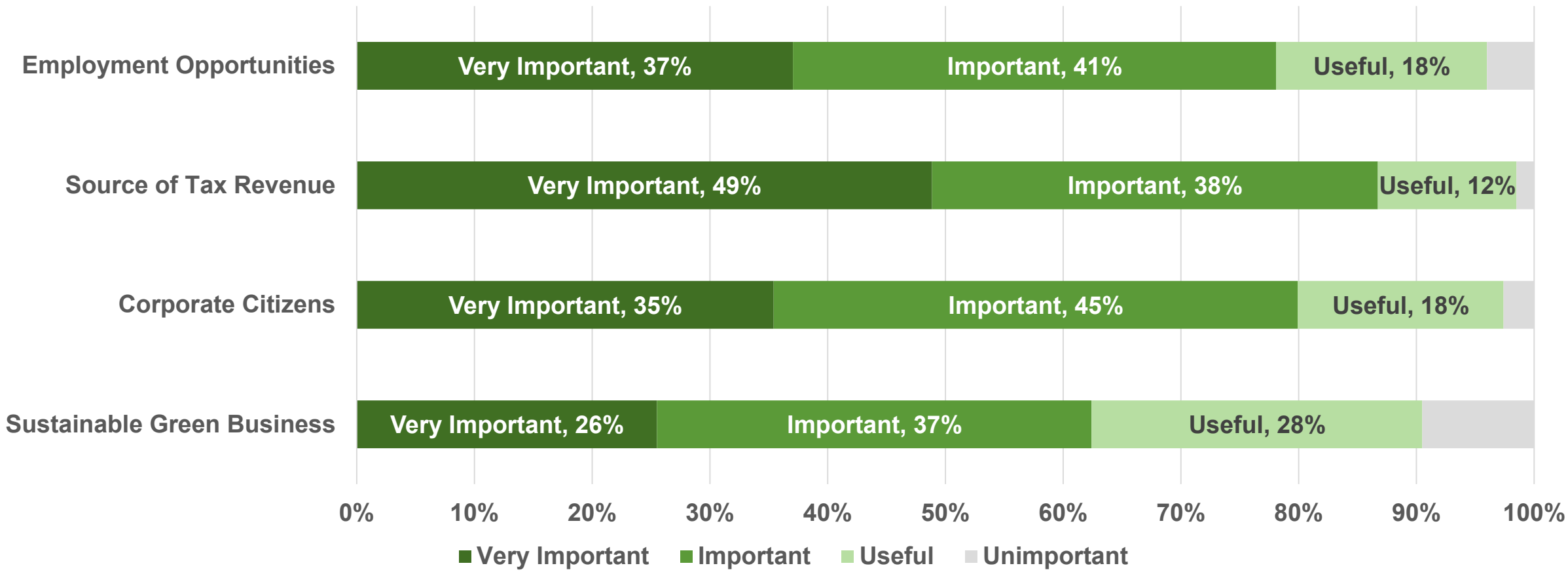
### *Resident Survey– Preliminary Findings*

#### **Quality of Life in Past 3 Years**



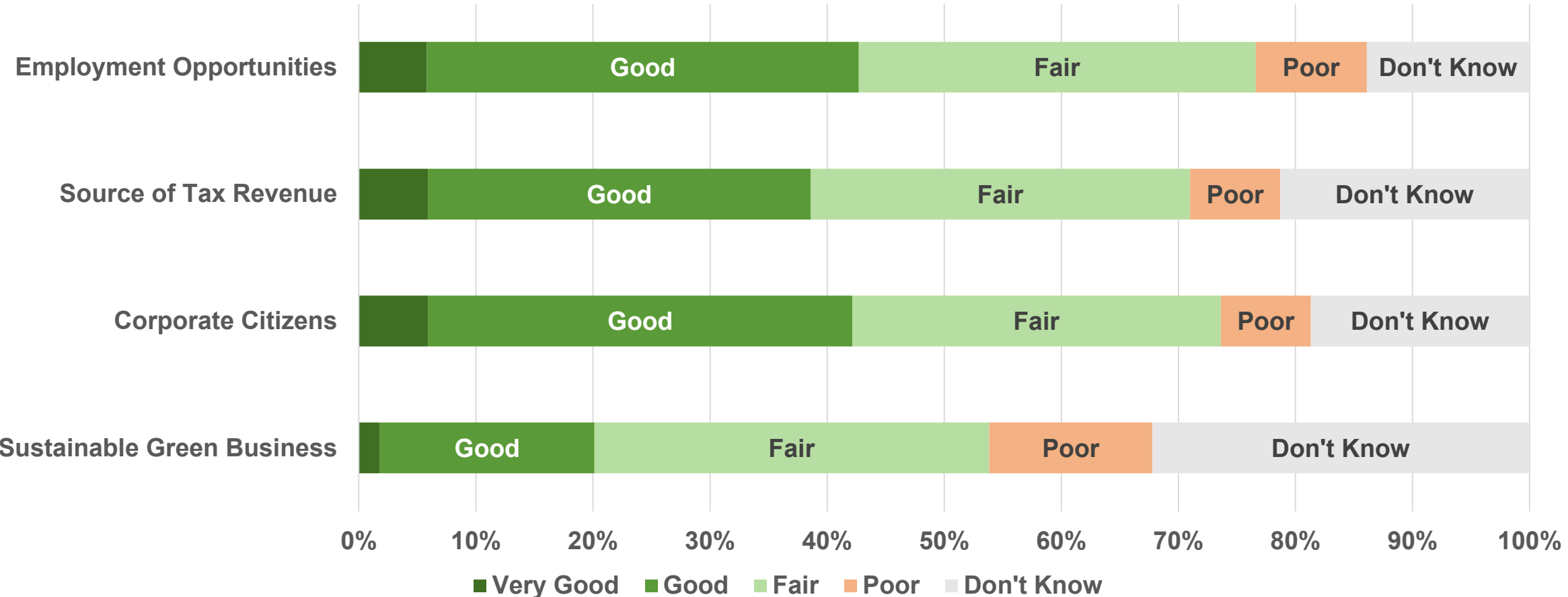
*Residents' Survey – Preliminary Findings*

# Importance & Role of Business

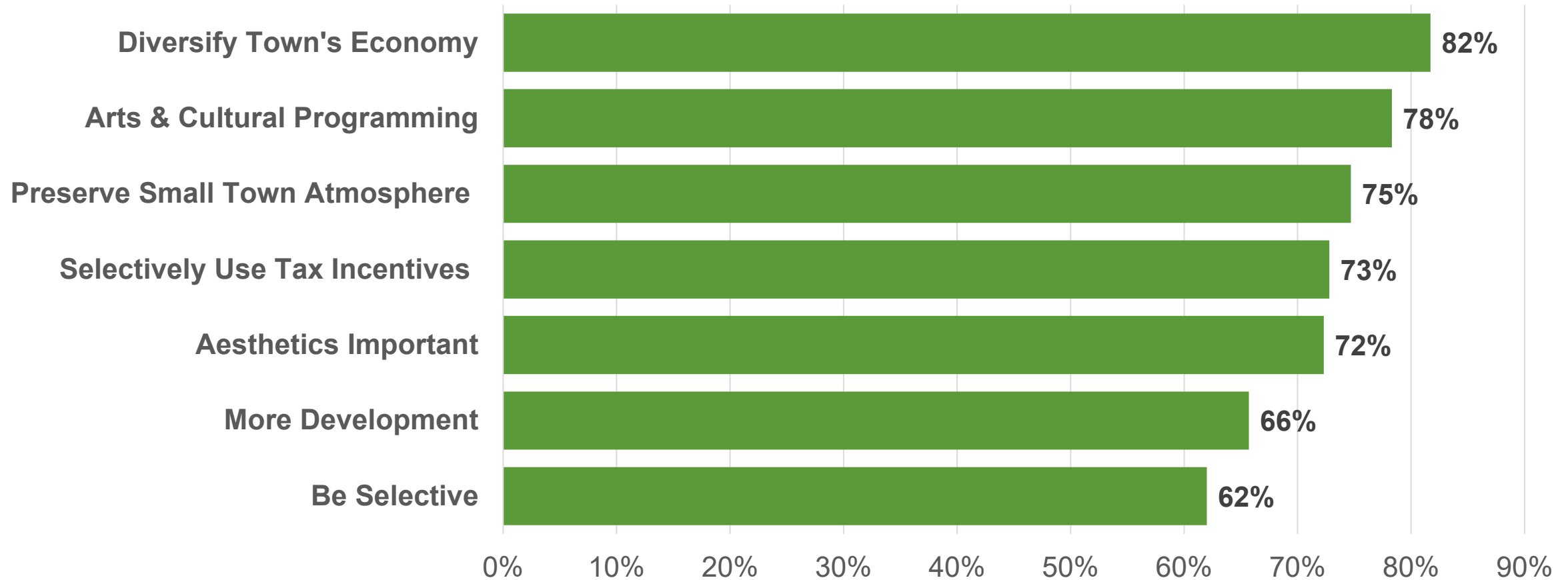


*Residents' Survey – Preliminary Findings*

# How Sturbridge Businesses Rate

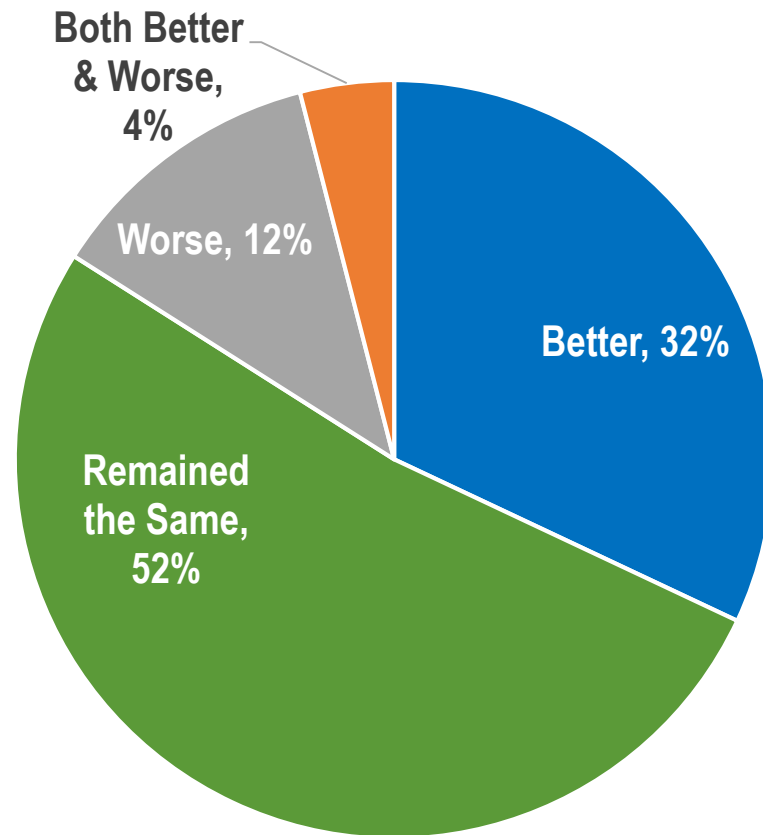


# Sturbridge and Economic Development / Business

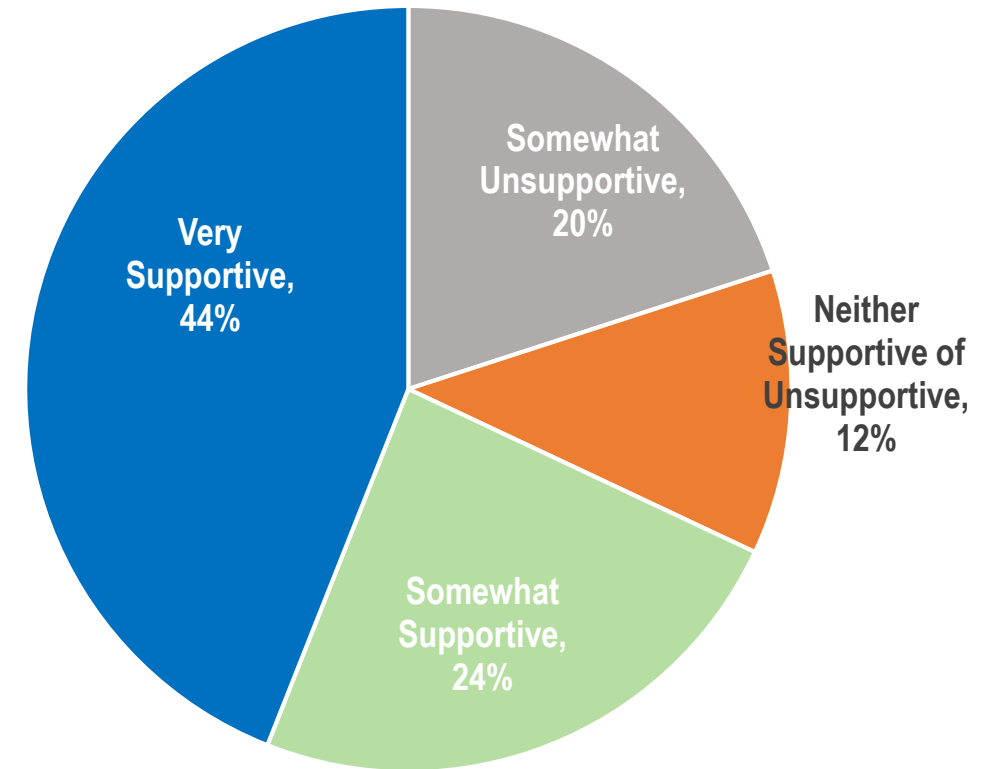


# Business Survey – Preliminary Findings

**How has Sturbridge changed as a Place to Conduct Business from 3 years ago?**



**How supportive is Sturbridge town government to local businesses?**

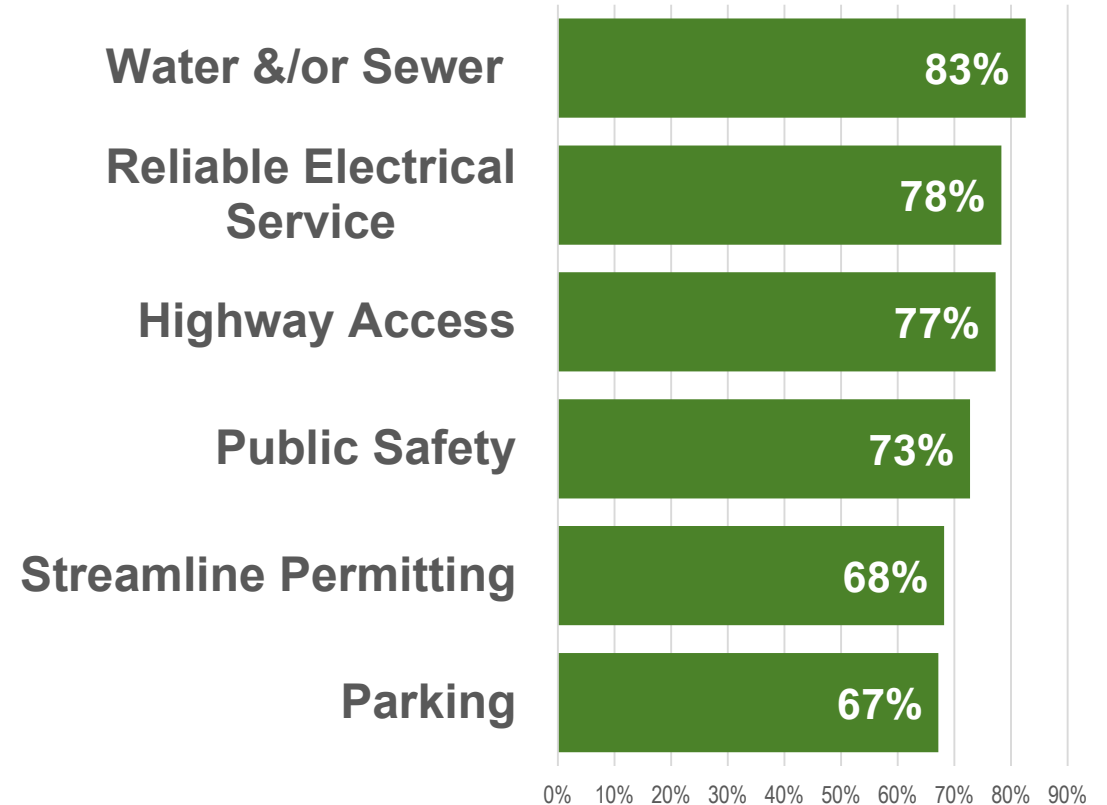


# Business Survey – Preliminary Findings

## Why Business Located in Sturbridge

1. Available Space
2. Convenient Location
3. Highway Access
3. Live in Sturbridge
5. Close to Customer Base

## Factors Important to My Business in Sturbridge





# Future Business Plans

## Businesses Considering Expansion or Relocation

- 17% indicated they plan to expand or relocate
- 22% may possibly expand or relocate

### Alert:

- 54.5% said they are considering Sturbridge
- 36.4% are considering Worcester County
- Only 21% of business have significant room to expand at current location

## Intent to Add Employees in Next 3 Years

- 39% of businesses intend to hire and add staff
- 26% will possibly be hiring

### Cautionary Warning:

- 46.2% find hiring middle skilled workers a problem or severe problem
- 28.5% find a problem/ severe problem hiring professional & managerial workers

# *Preliminary Survey Findings*

## Critical Issues Facing Sturbridge

### BUSINESS SURVEY

1. Revitalization of the Commercial Tourism District/ Route 20
2. Traffic
3. Increasing Commercial/ Business Development
4. Local Taxes
5. Strengthening Tourism & Visitation to Sturbridge
6. Pedestrian Walkways and Sidewalks

### RESIDENT SURVEY

1. Traffic
2. Revitalization of the Commercial Tourism District/ Route 20
3. Increasing Commercial/ Business Development
4. Local Taxes
5. Facilities and Programs for Youth
6. Diversifying Sturbridge's Economic Base

# DISCUSSION

Questions, Answers, Comments

# McCabe Enterprises:



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