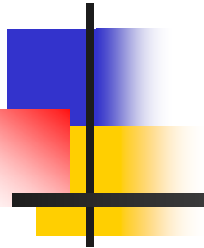


# **Economic Development Analysis Team - EDAT**



**Town Information Forum**  
**April 12, 2010**



# The Team

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- **Bill Johnson**, Chair
- **Michelle Catalina**, Vice Chair
- **Elaine Lazarus**, Clerk
- **Carrie Fraser**
- **Rick Maiore**
- **Brian Smith**
- **Advisors/Liaisons**
  - **Tim Bragan** – Town Administrator
  - **Peter Warren** – Board of Selectmen
  - **Joe Sudol** – Planning Board
  - **Eric O'Brien** – Professional commercial broker



# Goals for tonight's forum

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- **Share what we have learned** **50 min**
- **Answer your questions/  
hear your opinions** **25 min**
- **Prepare all of us for Town Meeting**



# EDAT Charter – 2009 Town Meeting

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- **Identification & cost/benefit analysis of development opportunities in Ayer Road Commercial District**
  - Community-driven service needs
  - Tax revenue maximization
- **Recommended solutions to identified barriers/issues**
  - Physical infrastructure
  - Administrative infrastructure
  - Zoning ordinances and land use/development regulations
  - Protect adjacent residential areas
  - Commercial taxation structure
- **Potential implementation plan**
  - Tasks and drivers
  - Projected schedule
  - Estimated costs



# What EDAT has done

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- **Developed a proactive approach for limited commercial development over the next 3-5 years**
  - Expands commercial tax revenue by 40-75%
  - Proposes target businesses based on broad town input
  - Identifies target parcels for development
  - Recommends infrastructure improvements to be considered
  - Examines current zoning implications
  - Explores an alternative tax assessment model
  - Proposes a permanent committee for moving ahead
- **Submitted a warrant article at Town Meeting for the residents to decide:**

**stop or pursue this approach further**



# What EDAT has NOT done

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- **Include Devens economic development in the analysis**
  - No near-term (3-5 yr) commercial tax contribution
  - Ayer Road is *Harvard's opportunity* for local services and near-term revenue
  - *BUT*, we are suggesting several partnering opportunities
- **Fully evolve implementation logistics and costs**
  - Not worth spending time and money if Town does not embrace the vision with what we do know
  - *We need to check in with the stakeholders before going any further . . .*



# What we have learned

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- **The level of commercial expansion residents are most comfortable with**
- **The businesses residents most desire**
- **The increased revenue that is achievable**
- **The locations with the highest potential**
- **What are residents' concerns moving forward**
- **Improvements we should consider making to the infrastructure**
- **A good way to structure ourselves for the next step**

# Support for commercial expansion

	Strongly agree/ Agree	Neutral	Strongly Disagree/ Disagree
<b>■ 2009 Town Meeting survey</b> (263 respondents)			
■ Full development:	44%	14%	36%
■ <i>Limited development:</i>	59%	13%	20%
■ No development:	13%	14%	63%
<b>■ 2009 North Harvard survey</b> (187 respondents)			
■ Full development:	21%	11%	66%
■ <i>Limited development:</i>	66%	10%	23%
■ No development:	35%	25%	38%
<b>■ 2010 Town-wide survey</b> (538 respondents)			
■ <i>Pursue commercial development of Ayer Road:</i>			
<i>All respondents:</i>	69%	14%	17%
<i>North Harvard only:</i>	52%	22%	27%



# The businesses residents most desire

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- **2009 Town Meeting survey (263 respondents)**
  1. Restaurant: **134** requests
  2. Grocery market: **130** requests
  3. Pharmacy: **92** requests
  4. Offices (including medical): **82** requests
  
- **2009 North Harvard survey (187 respondents)**
  1. Restaurant: **143** requests
  2. Grocery market: **126** requests
  3. Pharmacy: **102** requests
  
- **2010 Town-wide survey (538 respondents)**
  1. Village-style shopping plaza with grocery market anchor: **393 [HIGH/VERY HIGH]**
  2. Assisted living facility: **274 [HIGH/VERY HIGH]**
  3. Office complex: **204 [HIGH/VERY HIGH]**

# Estimated tax revenue opportunity

Property Description	Sq. Ft.	Valuation	Estimated Taxes**	Total tax	Total tax	Total tax
				LOW build-out	MEDIUM build-out	HIGH build-out
Office Building (Class A)	50,000	\$5,829,000	\$83,500	\$83,500	\$83,500	\$83,500
Assisted Living Facility						
Typical - 60 units (60,000 sq ft)	60,000	\$7,043,000	\$100,900	\$100,900		
Large - 130 units (90,000 sq ft)	90,000	\$11,395,000	\$163,300		\$163,300	\$163,300
Retail Center						
Small - 45,000sf						
Grocery Store	15,000	\$1,303,000	\$18,700	\$18,700		
Other Retail	30,000	\$3,206,000	\$45,900	\$45,900		
Medium - 75,000sf						
Grocery Store	25,000	\$1,900,000	\$27,200		\$27,200	
Other Retail	50,000	\$5,343,000	\$76,600		\$76,600	
Large - 140,000sf						
Grocery Store	48,000	\$3,648,000	\$52,300			\$52,300
2nd Anchor (Pharmacy)	12,000	\$1,563,000	\$22,400			\$22,400
Other Retail	80,000	\$8,549,000	\$122,500			\$122,500
				<b>\$249,000</b>	<b>\$350,600</b>	<b>\$444,000</b>

Current C district revenue:

**\$550,014**

Estimated revenue expansion:

**45%-63%-80%**

\*\* Based on 2010 single class tax rate



# High potential development sites

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- **Visited every parcel in C District to evaluate:**
  - Site characteristics
  - Site location
  - Current building/land utilization
- **Conducted selective landowner/developer interviews**
- **Four sites offer the highest potential**
  - **40.94A area** on NW corner of Ayer Road & Old Mill Road
  - **13.69A area** across Ayer Road from Old Mill Road
  - **10.03A area** on SW corner of Ayer Road & Old Mill Road
  - **15.93A area** across Ayer Road from Dunkin' Donuts





# Residents' concerns

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- **2009 Town Meeting survey (263 respondents)**

1. Traffic safety: **11** responses
2. Preserving rural character/open space: **6** responses
3. Noise: **1** responses

- **2009 North Harvard survey (187 respondents)**

1. Traffic safety: **96** responses
2. Preserving rural character/open space: **56** responses
3. Noise: **35** responses
4. Negative impact on property values: **25** responses

- **2010 Town-wide survey (538 respondents)**

1. Visual appearance affecting property values: **379** responses
2. Traffic increase: **274** responses
3. Noise: **203** responses



# Infrastructure improvements to consider

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- **Local septic capacity limits the extent of development (and hence tax revenue) for each parcel**

**Capacity is available from the Devens sewer system**

- **Traffic speed, flow, and safety are already an issue – new development will only add traffic and worsen problems**

**Road changes can address both current and future issues**



# Creating a focused sewer infrastructure

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## ■ What

- New sewer system to serve the 3 target development areas near the Old Mill Road/Ayer Road intersection
- Low-pressure collection and transport system (*similar to Town Center*) connecting new sewer district to Devens sewage treatment plant
- Lift station would be sited on private land easement; pipe would either run down Old Mill Road or over private land easement to Barnum Road

## ■ Benefits

- Alleviate septic constraints on target parcels to facilitate desired projects
- Protect the environment from local septic system failures
- Could serve as future backbone for extending sewer service to residences and businesses with septic system failures

## ■ Risks

- Ensuring capacity solely for commercial expansion vs. 40B expansion
- Recharge of transported groundwater



# How much will this cost?

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- **Sewer construction costs:**
  - **Total estimated costs: \$1.5M**  
(extrapolated from town center LPSS cost projection)
  - **Cost to taxpayers: depends . . .**
    - **Cost-sharing by developers** – each is looking at paying \$300K-\$500K for local systems
    - **Cost-sharing by the state** – Funds are available from the state for projects that create jobs
- **Annual operating costs: not yet determined**
  - Assumed to be **borne by the businesses**



# Potential road changes to investigate

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- **Current problems need to be addressed independent of new commercial development**
  - **These costs should not be attributed to new development**
- **New development by Old Mill Road**
  - **Left-turn lanes** to enter businesses
  - **Roundabouts and/or traffic lights** to exit Old Mill road and/or businesses
  - **Pedestrian/bike paths** along frontage
- **New development by Dunkin' Donuts**
  - Put **Route 2 overpass** back to one lane
  - **Move Dunkin' Donuts entrance** to other side of office building
  - **Roundabouts and/or traffic lights** to exit businesses
  - **Pedestrian/bike paths** along frontage



# How much will this cost?

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- **Road improvement costs:**

- **Total estimated costs**

- Roundabout: \$300K
- Traffic light: \$200K + \$14K/year
- All other improvements: need to be designed and costed professionally

- **Cost to taxpayers: depends . . .**

- **Cost-sharing by developers** – Improvements along frontage should be borne by the developer
- **Cost-sharing by the state** – Construction funds are available for projects that create jobs



# Economic Target Area

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## ■ What is it?

- Specific commercial areas within towns or regions targeted for development under the MA Economic Development Incentive Program (EDIP)
- Purpose is to promote increased business development and expansion, to retain and create jobs in ETAs
  - give towns special tools
  - Give towns and businesses access to state investment credits
- Currently there are 37/40 existing ETAs in MA including Devens and virtually all the communities that surround us . . .
- Harvard *may* have an opportunity to join the Devens ETA

# Harvard is surrounded by ETAs . . .





# Economic Target Area (cont.)

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## ■ Benefits

- Offers new businesses access to state investment credits
- Enables town to legally negotiate partial tax exemptions (TIFs) and declining tax abatements (STAs) to stimulate business development
- **Gives the Town priority for state funds for infrastructure improvements**

## ■ Costs

- Time and effort to achieve designation
- ***NO*** obligation to actually move forward with economic development



# “Best management practices”

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## APPOINT AN ECONOMIC DEVELOPMENT COMMITTEE

- Standing town committee accountable to BOS
  - *not an independent private/quasi-public entity*
- *NO* regulatory or policy-making powers
  - *doesn't change existing approval processes/bodies*
- Responsibilities:
  - creation and maintenance of a development plan for the Commercial District that is consistent with the overall Town Master Plan, incorporating the findings and recommendations of the Economic Development Analysis Team;
  - define, plan, and coordinate Town-approved infrastructure improvement projects for the Commercial District;
  - serve as the Town liaison for commercial landowners and developers to facilitate commercial project planning and coordination; and
  - advise the Board of Selectmen on policies to attract and retain businesses



# Final Deliverables – May 1<sup>st</sup>

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- **Formal report of EDAT investigation, findings and recommendations**

*A very specific vision of “what could be”  
with associated costs/benefits*

- **Warrant Article for Town Meeting vote, asking the Board of Selectmen to:**

- Create and appropriately empower a permanent **Economic Development Committee (EDC)** to define and manage the implementation process for the proposed commercial expansion and infrastructure investment
- Direct the EDC to achieve designation of Harvard as an **Economic Target Area**



# Questions/Comments

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