

**Town of Southborough, Massachusetts**  
**Economic Development Committee**

ANNUAL REPORT 2017

**Introduction**

With the strong support of the Town's residents, volunteers, businesses, non-profits and municipal staff, the Economic Development Committee (EDC) continued to grow and expand the Town's economic base throughout 2017. The EDC was established as a permanent standing committee by Town Meeting on April 27, 2017 to expand and strengthen the local economy, promote job creation and enhance the Town's quality of life through prosperous, balanced and sustainable economic development. The role of the EDC is to investigate current economic conditions, assist the Town with the creation and execution of appropriate economic development initiatives and marketing opportunities, coordinate activities to enhance or expand economic development, and engage in related activities.

The Town's investment in economic development produced meaningful results in 2017. The EDC hears regularly that the Town's image as "business friendly" has improved due to the EDC's business outreach efforts. The positive results of the EDC's work are also reflected in the Town's consistent economic growth. Southborough's commercial tax base continues to improve. The EDC continues to implement the goals set forth by the Economic Development Recommendations within the Town's 2008 Master Plan, and follow best practice models of the Massachusetts Association of Regional Planning Agencies.

By all objective measures, the collaborative efforts of the EDC and the Town to nurture and grow our local economy have been effective. Southborough's unemployment rate (3.1%) consistently outperforms that of Massachusetts (3.8%) and the nation (4.4%). Southborough jobs are among the highest paying in the region, averaging approximately \$85,000 per year. Commercial tax revenues increased 3.3% or \$206,936 between 2017 and 2018. This revenue is helping fund Southborough's top-rated public schools and essential services while minimizing residential tax increases. Southborough's tax rate is lower than all but one of its neighboring towns and its excess levy capacity grew by 15% last year. Southborough is becoming a leader in our regional innovation economy, all while maintaining the distinct character and charm that continues to attract new residents. With 19 industry sectors that do business around the world, Southborough is a global center of commerce and a quintessential New England town.

***SINCE 2015, SOME KEY ONGOING INITIATIVES OF THE EDC INCLUDE:***

- ***Commercial Broker Breakfast Series***
- ***Boroughs+ Last-Mile Transportation Summit***
- ***Shop SOBO Local Business Directory***
- ***Permitting Guide for businesses and residents***

***2017 USHERED IN A DEEPER COMMITMENT AND CALL TO ACTION FOR THE EDC. OUR 2017 PRIORITIES INCLUDED:***

- ***Downtown Village Initiative, including a Downtown Resident & Business Survey, Downtown Workshop, and an Urban Land Institute Study and Program.***
- ***Local Business Outreach and Sessions***
- ***Resident Outreach and Education***

## SOUTHBOROUGH'S ECONOMIC DEVELOPMENT COMMITTEE 2017 HIGHLIGHTS

While our local economy continues to benefit from generally improving economic conditions, the EDC and municipal team has been active and vigilant in driving Southborough's economic success. Highlights of the EDC's work in 2017 include:

**PETER ASPESI, PRESIDENT, TED'S OF FAYVILLE:**

*"We are currently seeking to improve our Park Street property. The EDC has been supportive in helping us to determine possible options for this site that will benefit the Town and its residents.*

*We are very glad they are making a sincere effort to improve the downtown which will have a positive impact on our business and potentially provide valuable services for our community.*

*In addition, we wish to thank the EDC again for helping us to identify and relocate our primary business to the 300 Turnpike Rd. site. This has enabled us to significantly expand and grow."*

- Worked with over 15 companies on technical assistance to identify needs and development opportunities.
- Created a Downtown Initiative to reinvigorate the Downtown. The Downtown survey garnered 427 responses with results demonstrating strong support for added amenities, restaurants, boutique retail, small-scale mixed-use development, beautification, and connectivity and community space. The survey reinforced that residents and businesses care deeply about the Downtown and have a strong sense of community. The survey results were discussed in a Public Forum on October 23, 2016. On November 29, 2017, the EDC held a "Downtown Workshop" to explore infrastructure, business, open space and zoning improvements Downtown. That work continues.
- Partnered with the Urban Land Institute to develop an application for a Technical Assistance Program (TAP) to implement the Downtown Initiative, which also advances the recommendations of the 2008 Master Plan. The TAP will be scheduled for March/April 2018.
- Released Southborough's first comprehensive Permitting Guide for businesses and residents. The Guide fulfills a recommendation within the 2008 Master Plan.
- Released a second edition of Southborough's new *Business, Non-Profit & Community Guide* at no expense to the Town. The *Guide* was paid for entirely by Southborough business and non-profit advertisers and related donations saving the Town over \$7,000.
- Continued the EDC's biannual Broker Breakfast Series, an educational and informational forum for commercial real estate brokers, to enhance partnerships among developers, brokers, businesses and community leaders to reduce vacancies and encourage the redevelopment of underutilized properties.
  - The March event was attended by 50; September event, introduced by State Rep. Carolyn Dykema, hosted a panel and forum to introduce the Downtown Initiative.

- Continued the EDC’s strong regional partnerships with the 495/MetroWest Partnership, MetroWest Chamber of Commerce, Corridor Nine Chamber of Commerce, MetroWest Visitors Bureau, Boroughs+ Working Group, Massachusetts Office of Business Development (MOBD) and neighboring economic development directors. These partnerships have been instrumental in bringing Southborough to the forefront of recruiting for new businesses.
- Participated with Marlborough, Westborough, Northborough and Hudson on a regional proposal for the Amazon HQ2, supporting a request for submissions from the Secretary of Housing & Economic Development.
- Continued expansion of the EDC’s website presence (southboroughedc.com) and social media on Twitter (@southboroughedc). Expanded website to include a Downtown Initiative Page.
- In-house development of new marketing materials for recruiting new businesses and communicating with existing businesses.
- Maintained regular contact with owner of former KAZ location at 250 Turnpike Road to promote leasing or redevelopment of site.

**MICHAEL SULLIVAN, PRESIDENT,  
CORNERSTONE ENGINEERING,  
SULLIVAN CONNERS ENGINEERING:**

*“We are grateful for the EDC which has been an invaluable resource for us and our clients. They have provided insightful guidance about the permitting process for large and small projects.*

*The direct benefit is that we were able to do what was right for our clients and successfully meet Southborough's needs.”*

**Projects:**

Chestnut Meadow subdivision  
118 –120 Turnpike Rd., parking lot expansion

**NEW COMPANIES THAT JOINED OR REESTABLISHED IN SOUTHBOROUGH IN 2017**

iHola! Restaurant & Tequila Bar, Southboro Wellness, the Collaborative Outpost, Ted’s of Fayville, Ken’s Foods, New PENFACS Inc., Synergy Pharma, Securus Phone Systems, Dyson Vacuum Cleaner, and Therapcopia.

**A SAMPLING OF COMPANIES & NON-PROFITS ASSISTED BY THE EDC IN 2017**

G&N Insurance, Main Street Bank, Middlesex Bank, Newmine LLC, J. White’s Automotive, Grossman Development Group, Gleeson Powers, Greater Boston Commercial Properties, Davis Holdings Group, Ted’s of Fayville, Ken’s Foods, iHola! Restaurant and Tequila Bar, Southboro Wellness, the Collaborative Outpost, Dell/EMC, Beals & Thomas, O’Brien Commercial Properties, Cornerstone Engineering.

Feedback from the organizations with projects now under consideration has been positive. Many companies expressed appreciation for the collaborative support of the Town’s boards and departments (and an anticipation that the collaboration will reduce permitting time frames and improve Southborough’s ability to compete in the regional marketplace).

## SOUTHBOROUGH'S ECONOMY BY THE NUMBERS

### EMPLOYMENT:

- **Labor force:** 5,424 individuals. Unemployment rate is 3.1%.<sup>1</sup>
- **Earnings:** With a per capita income of \$62,875 and a median household income of \$145,455,<sup>2</sup> Southborough residents have the highest average incomes in Worcester County and much of the MetroWest region. These earnings are driven by a highly educated and skilled labor force.
- **Education:** Approximately 71% of residents possess a bachelor's degree or higher, with 88% employed in white collar occupations.<sup>3</sup>
- **Employers:** The Town's largest employers include the Sheehan Health Group, Ika Systems, and its private, nonprofit and public educational institutions. More than 26% of Southborough residents are employed in professional, scientific, management, and administrative services, while 23% of residents are employed in educational services, health care, and social assistance. Finance, insurance, and real estate and rental and leasing; manufacturing; and retail trade also employ a significant number of residents at 11%, 10%, and 9%, respectively.<sup>4</sup>
- **Unemployment:** While unemployment in Southborough increased slightly by 0.3% in 2017 from to 3.1%,<sup>5</sup> this increase follows years of steady decreases and remains well below the state (3.8%) and national (4.4%) averages.<sup>6</sup>

### PAUL JOSEPH, PRESIDENT & CEO, METROWEST CHAMBER OF COMMERCE:

*"As a former Natick selectman and an EDC chair for 6 years, I can't overstate the importance of investing in economic development at the local level. Southborough recognized earlier than many MetroWest communities that it's vital to identify and support the businesses and nonprofits that choose to locate in a town. We see this in Southborough's initial effort to measure the Town's economic assets through the Economic Development Self-Assessment Tool, which was conducted with Northeastern University, and the Employment Report by the MetroWest Economic Research Center at Framingham State University. A focus on understanding and supporting businesses reflects in recent EDC activities. From the Downtown Initiative, to promotional activities, to its ongoing engagement with regional partners, the Southborough EDC has done a better job than many to measure, promote, and support its commercial base through its local and regional advocacy. It plays a unique and valuable role in the process of knowing and working with our local employers, regional partners, and statewide agencies. I look forward to working with the EDC as it continues to lead these essential economic practices."*

<sup>1</sup> 2016 Average Employment and Wages. Mass. Executive Office of Labor and Workforce Development. 2018.

<sup>2</sup> 2012-2016 (2016) American Community Survey 5-Year Estimates. US Census. 2018.

<sup>3</sup> 2017 Forecast. Community Profile. ESRI Business Analytics. 2018.

<sup>4</sup> 2017 Largest Employers by Area. Mass. Executive Office of Labor and Workforce Development. 2018.

<sup>5</sup> Local Area Unemployment Statistics, Average Data from January 2017 to December 2017. Mass.gov. 2018.

<sup>6</sup> 2017 Labor Force and Unemployment Data. Mass. Department of Unemployment Assistance. 2018.

## BUSINESSES:

- **Number of Businesses:** 435 businesses,<sup>7</sup> with an additional 216 registered “Doing Business As”<sup>8</sup> enterprises.
- **Wages:** Southborough’s businesses generated \$677,592,012 in wages in 2016, a \$23,731,043 (3.6%) increase from 2015.<sup>9</sup>
- **Southborough Businesses Average Annual Wages:** \$84,968.<sup>10</sup>
- **Largest Employers:**
  - New England Center for Children (500-999 employees)
  - Sheehan Health Group LLC (500-999 employees)
  - Ika Systems Corp (250-499 employees)
  - Fay School (100-249 employees)
  - St. Mark's School (100-249 employees)
  - United Rentals (100-249 employees)<sup>11</sup>

## TAX BASE:

In 2017, Southborough’s single tax rate offered residents a low rate (\$16.38) relative to nearby towns while presenting a compelling business case to existing and prospective commercial enterprises. With growth in commercial and industrial tax revenues, the Town continues to keep tax increases manageable below the Proposition 2 ½ threshold.

- Second lowest residential tax rate in 7-town sub-region.<sup>12</sup>
- Lowest commercial and industrial rate in 7-town sub-region.<sup>13</sup>
- Excess levy capacity reserves grew by 15% in FY2017, from \$2,385,567 to \$2,745,837.<sup>14</sup>
- In fiscal year (FY) 2018, Southborough saw \$39.992 million in total new growth representing a 27.28% increase in new growth from FY 2017.<sup>15</sup>
- At \$2.441 billion, the Town’s total taxable value is at its highest point in Town history.<sup>16</sup>

### BEALS & THOMAS, SOUTHBOROUGH MA:

*“Our work with Dell EMC has been going well due to the support we are receiving from Southborough’s Economic Development Committee, permitting boards, Town Manager, and the Department of Public Works.”*

## COMMERCIAL AND INDUSTRIAL TAX REVENUE:

<sup>7</sup> 2016 Average Employment and Wages. Mass. Executive Office of Labor and Workforce Development. 2018.

<sup>8</sup> Southborough Town Clerk. 2018.

<sup>9</sup> 2016 Average Employment and Wages. Mass. Executive Office of Labor and Workforce Development. 2018.

<sup>10</sup> 2016 Average Employment and Wages. Mass. Executive Office of Labor and Workforce Development. 2018.

<sup>11</sup> Southborough Largest 100 Employers. Mass. Executive Office of Labor and Workforce Development. 2018

<sup>12</sup> Municipal Databank. Mass. Department of Revenue. 2018.

<sup>13</sup> Municipal Databank. Mass. Department of Revenue. 2018.

<sup>14</sup> Municipal Databank. Mass. Department of Revenue. 2018.

<sup>15</sup> FY 2018 Tax Classification Hearing Presentation. Southborough Board of Assessors. October 17, 2017.

<sup>16</sup> FY 2018 Tax Classification Hearing Presentation. Southborough Board of Assessors. October 17, 2017.

Commercial and Industrial properties account for 5.98% of Southborough’s taxable parcels yet they generate 19.40% of the Town’s total tax revenue (including personal property taxes, which many businesses pay in addition to their real estate taxes).<sup>17</sup>

Southborough’s single tax rate, as well the efforts of the EDC and Town, are helping to encourage, maintain, and expand Southborough’s commercial tax base.

- In April 2015 Town Meeting voted overwhelmingly to defeat a non-binding article to have a split tax rate. This vote helps Southborough stay competitive with the 242 (69%) of Massachusetts communities that have a single tax rate (as of FY 2017).
- In April 2015 Town Meeting voted to fund a part-time Economic Development Coordinator to help expand future business development within the community.
- In 2018, the Board of Assessors unanimously recommended continuing with a single tax rate for FY 2018.

Commercial property tax revenues have steadily increased. In FY 2018, commercial property tax revenues increased by \$206,936 or 3.34%.<sup>18</sup>

- FY 2018 Assessed Value: \$386,388,533 generating tax revenue of \$6,236,311. (\$16.14 rate)
- FY 2017 Assessed Value: 368,093,738 generating tax revenues of \$6,029,375. (\$16.38 rate)
- FY 2016 Assessed Value: \$362,227,925 generating tax revenues of \$5,730,445. (\$15.82 rate)
- FY 2015 Assessed Value: \$326,354,200 with tax revenues of \$5,364,215. (16.02 rate)
- FY 2014 Assessed Value: \$320,912,900 with tax revenues of \$5,335,906. (\$16.18 rate)

**JOEL AHO, VICE PRESIDENT,  
INVESTMENT SALES, O'BRIEN  
COMMERCIAL PROPERTIES:**

*“Working with the Economic Development Committee and the Town Planner has been very helpful. We are grateful for the outreach they've made to us and providing guidance for moving forward with our project. Receiving their supportive calls has been a breath of fresh air in comparison to other communities.”*

## CONCLUSION AND NEXT STEPS

Competition for well-paying jobs and commercial tax revenue remains strong at the local, national and international level. Taking a proactive approach to economic development remains critical to the Town’s future and its ability to maintain core services, our top-rated schools, and Southborough’s position as a regional leader in our innovation economy. The EDC is committed to continuing its work to secure the Town’s economic well-being, as well as the character and charm of Southborough.

<sup>17</sup> FY 2018 Tax Classification Hearing Presentation. Southborough Board of Assessors. October 17, 2017.

<sup>18</sup> FY 2018 Commercial Tax Revenue. Southborough Assessor.