

FEBRUARY 2019

ECONOMIC DEVELOPMENT STRATEGY; PHASE 1

CITY OF FRAMINGHAM, MASSACHUSETTS



Prepared by:

RKG
ASSOCIATES INC

RKG Associates, Inc.

Economic, Planning and Real Estate Consultants

76 Canal Street; Suite 401

Boston, MA 02114

(617) 847-8912

www.rkgassociates.com

**Economic Development Strategy
Phase 1
City of Framingham, Massachusetts**

February 2019

Prepared For:

Framingham Planning Board
City of Framingham, MA
150 Concord Street
Framingham, MA 01702
Telephone: 508.532.5400
Web: www.framinghamma.gov

Prepared By:



RKG Associates, Inc.
Economic, Planning and Real Estate Consultants
76 Canal Street, Suite 401
Boston, MA 02114
Telephone: 617.847.8912
Web: www.rkgassociates.com

Acknowledgements

City of Framingham Staff

Arthur P. Robert, Director of Community & Economic Development
Amanda Loomis, Planning Board Administrator

Framingham Community Working Group

Sanji Alwis
Chris Connolly
Matt Faris
Michael Gatlin
Kevin Hanna
Sam Hendler
Christopher Horblit
Paul Joseph
Justin Krebs
Doug Lawrence
Andrew Lemieux
Charlotte Maynard
Charles Rousseau
Vaios Theodorakos
Courtney Thraen
Marc Verreault

Framingham Leadership Advisory Committee

Yvonne M. Spicer, Mayor, City of Framingham
Bob Bois
Michael Cannon
Michael Gatlin
Dennis Giombetti
Thatcher Kezer
Christine Long
Philip Ottaviani

Table of Contents

Chapter One: Executive Summary	1-1
Chapter Two: Introduction.....	2-1
Chapter Three: Demographic Analysis	3-1
Introduction.....	3-1
Key Findings.....	3-1
Data Sources	3-2
Demographic Trends.....	3-2
Economic Base Analysis.....	3-6
Conclusions.....	3-12
Chapter Four: Real Estate Analysis.....	4-1
Introduction.....	4-1
Key Findings.....	4-1
Development Profile	4-3
Development Trends	4-5
Residential Market Analysis	4-6
Retail Market Analysis.....	4-12
Office Market Analysis.....	4-14
Industrial Market Analysis.....	4-15
Conclusions.....	4-15
Chapter Five: Target Industries Analysis	5-1
Introduction.....	5-1
Key Findings.....	5-1
Business Climate Factors	5-2
Site Selection Factors.....	5-7
Quality of Life Factors.....	5-9
Competitive Strengths & Weaknesses	5-11
Target Industries	5-15
Conclusions.....	5-20

Chapter Six: Fiscal Impact Model & Analysis	6-1
Introduction.....	6-1
Key Findings.....	6-1
Revenue and Expense Allocation	6-2
Incremental Revenues	6-3
Incremental Expenses	6-6
Conclusions.....	6-8
Chapter Seven: Fiscal Impact Model & Analysis	7-1
Introduction.....	7-1
Key Findings.....	7-1
Methodology	7-2
Southeast Framingham Village Plan.....	7-3
Nobscot Village Center Plan.....	7-12
Conclusions.....	7-20

1 EXECUTIVE SUMMARY

The City of Framingham is in an enviable position in 2019. An influx of new residential development is revitalizing the city's downtown Central Business District and taking advantage of valuable MBTA Commuter Rail access. Life sciences firms continue to seek lower cost spaces near Boston and are choosing Framingham as a place to operate since it is a hub of health technology in MetroWest. Corporate headquarters and professional services firms continue to see tremendous value in locating along I-90, Route 9, and Route 30. An increase in diverse housing stock options provide opportunities for new households across the income spectrum to establish roots. Therefore, Framingham's strengths have shaped it into the premier economic engine of the MetroWest region, and a highly marketable city for prospective firms and residents.

More specifically, Framingham can capitalize on both its proximity and access to downtown Boston as well as its established economic base in corporate operations, life sciences, and healthcare. From the proximity perspective, Framingham offers an 'in town' lifestyle opportunity in its downtown area for current and future residents. The city can continue to capitalize on its access and relative affordability to closer-in urban centers. Continued investment in this arena will grow Framingham's labor force, expanding the city's job retention and expansion efforts. From the economic base expansion perspective, Framingham has the potential to continue encouraging infill development opportunities in economic centers outside the downtown, creating a more competitive business climate while increasing the physical inventory to accommodate local expansion and new business recruitment.

Nonetheless, continued economic growth will not occur without some challenges. An increasing number of firms with strong ties to Framingham have elected to pay higher costs for the benefits associated with locating in urban Boston and Cambridge. An aging commercial building inventory means Framingham has few turn-key operating spaces for firms considering a move, and new office development has slowed to a trickle. While substantial opportunities exist for infill development and adaptive re-use of older spaces, these represent time and money that many firms cannot afford. Zoning restrictions present challenges to building the mixed-use, walkable neighborhood centers that help attract firms and residents in addition to a high corporate tax rate that makes it difficult for some businesses to justify choosing Framingham.

The Economic Development Strategic Plan effort, or EDSP, was initiated by Town Meeting in 2016 to work towards addressing these challenges and making Framingham a more vibrant and economically self-sustaining community. This first phase of the EDSP aims to develop a community consensus on the specific economic development goals to be pursued and provides a market-based assessment of the city's competitive ability to achieve them.

Plan Process

RKG Associates (RKG) worked closely with Framingham's Planning Board and the Division of Community and Economic Development to structure the Plan around a comprehensive and inclusive community engagement process to ensure that the established economic development goals were supported. The first phase of this action-oriented, community-led plan began in February of 2018 and was completed in September of 2018. Hundreds of Framingham citizens, business leaders, investors, appointed and elected

officials, and City staff participated in this effort, which involved of a public kickoff meeting, two community open houses, an online survey, more than 30 focus group meetings and individual interviews, three Leadership Advisory Group meetings, and four Community Advisory Group Meetings (see Chapter 2: Introduction for more details).

Established Goals

The Plan’s community engagement efforts were essential in defining an updated set of economic development goals for Framingham. The public survey and kickoff meetings sought guidance on establishing an initial set of goals. Subsequent meetings with advisory groups, elected officials, and members of the public helped to revise and refine these goals, which now can serve as a guide for Framingham’s future economic development endeavors. The ESDP goals were sorted into four categories: business, land use, regulatory, and quality of life goals.

- **Business Goals**
 - Attract new businesses with competitive wages
 - Retain and expand existing businesses
 - Create programs to foster start-up and innovation economy businesses
 - Facilitate entrepreneurship opportunities for a diverse population
- **Land Use Goals**
 - Encourage location-appropriate and scale-sensitive development
 - Enable economic growth in all commercial centers in Framingham
 - Foster greater live/work/play opportunities with more price diversity
 - Create opportunities to repurpose underutilized/antiquated real estate assets
 - Ensure City facilities and infrastructure are available and adequate in growth centers
 - Identify publicly-owned land suitable to accommodate economic development opportunities
- **Regulatory Goals**
 - Institute clear, efficient, and predictable approval processes
 - Establish a diverse toolkit of policies and incentives that promote economic development
 - Create a competitive tax environment for businesses
 - Encourage development that provides a positive economic impact
 - Utilize post-secondary education providers to strengthen the local workforce
- **Quality of Life Goals**
 - Use the existing built environment to improve public safety – both perceptions and reality
 - Plan and manage impacts of future growth on existing residents and businesses
 - Prioritize the preservation and improvement of existing neighborhoods
 - Incorporate open space strategies into economic development where appropriate
 - Enhance multi-modal transportation connectivity and convenience
 - Activate existing community amenities to maximize benefits to residents and businesses

Phase One’s Key Findings

Having established these community-supported goals for economic development, the first phase of the ESDP used a series of analyses to understand Framingham’s strengths, weaknesses, opportunities, and threats in trying to bring them to fruition. Each portion of the analysis aimed to “tell the story” of Framingham’s competitive position locally, regionally, and nationally.

Socioeconomic Analysis (Chapter 3)

In-depth research regarding changes in Framingham's population, households, incomes, employment, and other indicators revealed an increasingly-diverse city in terms of household earnings, race/ethnicity, and educational attainment.

- **Framingham's population of nearly 71,000 inhabitants makes it the undisputed center of the MetroWest region.** The city's population grew by 3.6 percent from 2010 to 2016, which is roughly equal to the Massachusetts growth rate over the same time period. Framingham has nearly double the population of MetroWest's next-largest municipality, Marlborough.
- **Framingham boasts a large population of 25- to 44-year-olds compared to the rest of MetroWest region.** A diverse, lower-cost housing stock that includes substantial multi-family and rental properties will help make the city an attractive option for businesses and their employees, individuals, and families.
- **Minority residents make up a larger share of Framingham's population than in any other MetroWest municipality.** Framingham's largest minority group continues to be Hispanic/Latinos, who comprised nearly 15 percent of the city's population in 2016, up from 13 percent in 2010. 8 percent of Framingham residents are Asian.
- **Median Household Incomes grew very little from 2010 to 2016.** Framingham's median household income of \$70,706 in 2016 was the lowest in MetroWest, reflecting the city's unique diversity in terms of education, race, immigrant status and employment. 37 percent of Framingham households earn over \$100,000 per year, which is a greater share than found overall in Massachusetts as a whole.

Real Estate Analysis (Chapter 4)

Framingham's residential real estate landscape is changing, with new forms of housing reflecting the city's status as the "closest, cheapest" option for many in the booming Greater Boston region. Framingham's continued success in attracting new firms will depend in part upon its ability to bring similar transformation to its commercial building inventory.

- **Framingham remains a relatively affordable alternative to inner Boston for both residents and firms.** Strong connections via both highway and MBTA Commuter Rail allow for lower-cost access to world class amenities in the urban Boston/Cambridge area.
- **Real estate development has surged in Framingham since 2013.** The vast majority of real estate value creation has been in residential uses (predominantly multi-family development), at a level not seen in Framingham since the mid-1990s.
- **New residential development is taking place in forms that are new to Framingham.** Since 2013, both multi-family and single-family construction has taken place at higher densities than in older structures. New multi-family buildings are offering a new product to the local market: higher-end, centrally-located, amenity-filled rentals and condominiums

at \$/square foot rates as high as some single-family homes. Their locations reflect renewed interest in Downtown and the neighborhood centers.

- **Framingham’s retail businesses are a regional draw but face significant risks.** Some retail spaces may be converted to uses with less volatile demand in the near future. Potential exists for small-scale, experiential retail in neighborhood centers, but there may be limited opportunities for large-scale retail expansion.
- **The Framingham office market is more affordable than the Boston region on average, but leasing and construction activity have been slow since the 2008 recession.**
- **Local demand for industrial and flex space is strong and continues to grow, but Framingham remains more affordable than the Boston region on average.**

Target Industries (Chapter 5)

Framingham’s location, access, quality of life, diverse workforce and other factors make it very competitive within Greater Boston and Massachusetts as a whole. City officials can take proactive steps to make Framingham further stand out from the crowd for prospective businesses of all types. That said, economic development staff and the business community should focus their recruitment and retention efforts on those industry clusters most likely to have the largest positive impact on Framingham.

- **In a strong regional market, Framingham should expand upon its strengths to set itself apart from the crowd.** Opportunities to support small businesses and minority/woman-owned businesses, for example, can make Framingham stand out in a State that struggles with income inequality.
- **Preserving the community’s affordability in a period of growth will be critical to maintaining the city’s competitive advantage.** Job training and a continued commitment to creating diverse, transit-connected housing can help preserve the accessibility and character that makes Framingham desirable to many firms.
- **Recruitment and retention efforts are likely to be most impactful if focused on five key target industry clusters:**
 - Professional Services & Corporate Operations
 - Scientific Research, Development, & Manufacturing
 - Health Care
 - Construction & Related Contractors
 - Entrepreneurial Development

Fiscal Impacts of New Development (Chapter 6)

A custom-built Fiscal Impact Model was created to forecast the financial effects that different land uses and development patterns may have upon City revenues and expenditures. Using data from Framingham’s Assessing Department, Finance Division, Public Schools, and other sources, the Model demonstrates that while all types of new development tend to have a positive fiscal impact, some are more beneficial than others.

- **Incremental residential development has, on average, a positive impact on municipal finances, whether single-family or multi-family.**
- **Denser multi-family development can have an especially positive financial impact.** In addition to having greater positive impacts per-building than single-family homes, multi-family buildings are efficient, typically delivering that value on a smaller amount of land.
- **Incremental commercial development also tends to have a net positive impact on municipal finances.** This is in part due to the relatively low cost of providing it with public services (requiring, for example, no incremental school spending).
- **The fiscal benefits of commercial development vary significantly by use.** While retail is the most beneficial commercial use on a per square foot basis, industrial and office development can have a highly positive impact on City finances due to larger footprints and lower incremental municipal expenditures.
- **Walkable, mixed-use communities tend to be the most fiscally sound, while lower-density neighborhoods tend to be the most expensive to service, especially in the long term.** Extending streets, sewer, and other infrastructure over longer distances to less-dense communities can introduce higher fiscal costs to a community while reducing potential revenues. The character and location of new development can have a significant impact on limiting these costs on a per-capita and per-unit basis.

Neighborhood Center Plans (Chapter 7)

Phase One of the EDSP included a deeper analysis of two neighborhoods, selected by the City, to understand how changes in land use, zoning, land assembly, transportation, and open space utilization could enhance their vibrancy and economic sustainability. The two neighborhoods selected were Nobscot and Southeast Framingham.

Southeast Framingham Village Center

- **Southeast Framingham is a gateway neighborhood with a mix of housing, commercial, and industrial uses.** The current configuration of uses and the aesthetic quality of development limit the area's effectiveness as a gateway to the city.
- **Relocating some industrial businesses could allow for the creation of a more effective "gateway" to the city from the east.** The City should work with existing industrial businesses and property owners to relocate their businesses to other parts of Framingham where industrial zoning is already in place – possibly along Beaver Street, or Irving Street.
- **Waverly Street is a high-potential commercial corridor.** Opportunities exist to cluster innovative and unique businesses along Waverly Street that can draw other businesses and spending from Downtown Framingham and beyond. Development can build off the successes of businesses like Exhibit A Brewery and Jack's Abby Brewing.

- **An aging multi-family building stock presents redevelopment and refurbishment opportunities.** Large clusters of multi-family housing along 2nd Street could be redeveloped to concentrate density towards the Natick line. Redevelopment could utilize a variety of housing types to serve as a transition into established neighborhoods that surround it.
- **Parcel consolidation could help to create more attractive investment opportunities.** Encouraging parcel consolidation, especially along Waverly Street, would create larger development pads would provide developers added flexibility to develop a mixture of uses, apply creative solutions to site layouts, and provide improved streetscapes and public amenity spaces.

Nobscot Village Center

- **Nobscot is a secondary village center with a small market draw that faces strong regional competition in the retail and office markets.**
- **Nobscot should aim to serve the immediate surrounding neighborhoods by bringing in small-scale retail and restaurants, professional and medical offices, and a mix of housing types.**
- **The City should encourage the creation of a development node at the intersection of Edgell Road, Edmands Road, and Water Street.** This would consist of orienting buildings closer to the street, offering a mix of different uses, and positioning parking toward the rear and sides of buildings.
- **The City can make zoning changes that allow for mixed-use development and multi-family housing where appropriate.** New residential opportunities will add needed spending power in the neighborhood and assist to support existing and future businesses.
- **Nobscot should use existing community anchors to draw visitors to the area and capture their spending locally.** The McAuliffe Library, Hemenway School, and King Middle School already draw a sizable, regular stream of visitors that could patronize existing and future retailers.

Next Steps

Phase One of the EDSP is the first of three planned phases. The likely next steps for the City to complete the EDSP may be as follows:

- **Action on Phase One** – While the first phase does not include recommendations regarding deliverables, there are actionable findings upon which the City can work. The revised target industries in Chapter 5 offer information that can be used in a more proactive retention and recruitment effort. Agreed-upon goals can help guide land use and policy decisions in the face of development interest. Additionally, the two Neighborhood Center analyses offer several localized recommendations on land use, property assemblage, and community/property owner engagement.

- **Phase Two** – EDSP Phase Two is envisioned to continue quantifying and mitigating potential impacts of the Neighborhood Center analyses, providing similar assessments of the city’s nine remaining centers.¹ Phase Two will likely follow a similar approach to the Phase One Neighborhood Center efforts, identifying the economic development potential of each and engaging with the public to gather feedback on identified opportunities.
- **Phase Three** – EDSP Phase Three will consist of a detailed implementation plan for the City to use as it builds subsequent annual business plans. It will incorporate analysis and findings from the preceding phases into a comprehensive strategic plan that offers action items with recommended phasing and timing.

¹ Saxonville, Golden Triangle, Dennison, Downtown, Mt. Wayte, Framingham Centre, Temple Street, 9/90 Tech Park

2 INTRODUCTION

The City of Framingham is seeking informed direction for future land use and economic development practices within the community. The Master Land Use Plan (updated in 2014)—intended to inform Framingham about future land use, transportation, and infrastructure throughout the community—specifically identified the need for the community to develop a Transportation Master Plan and an Economic Development Strategic Plan. The Master Land Use Plan (2014) addresses economic development in stating that Framingham should:

“...promote economic development through public investment and private redevelopment with a focus on infusions of new capital to improve the built and natural environment.”

Such reference to economic development is made throughout the document and woven into the work plan for the implementation of the Master Land Use Plan. In 2016, Town Meeting made a resolution calling for a comprehensive assessment of development opportunities and impacts, which are distilled into this three-phase Economic Development Strategic Plan (EDSP).

Through a competitive bid process that concluded in early 2018, the City of Framingham selected RKG Associates of Boston, MA to complete “Phase One” of the EDSP process. The tasks included in Phase One include the development of specific, community-supported economic development goals, followed by a data-based, citywide assessment of Framingham’s economic competitiveness in a regional, national, and global context.

Establishing Framingham’s economic development goals required the input and knowledge of citizens and workers throughout the city. A robust community engagement process involved hundreds of residents, business leaders, developers, City officials, and staff in meetings, interviews, and surveys. This community engagement effort included:

- **Public Kick-Off and Open Houses** – RKG and City staff held a public kick-off meeting and two community open houses. Each open house had an afternoon and evening session, with representatives from RKG, the Planning Board, and the Division of Community and Economic Development in attendance to engage interested citizens and business leaders in the EDSP process. Each open house focused on a different aspect of the market analysis, while enabling attendees to provide feedback on the working economic development goals.
- **Online Community Survey** – RKG administered an economic development survey available to any interested party in May and June 2018. The survey focused on understanding the goals and priorities of the community, while allowing respondents to identify Framingham’s strengths, weaknesses, and opportunities for economic development. 146 respondents participated in the survey.
- **Focus Groups and Interviews** – RKG held more than 30 focus groups and individual interviews with city residents, business leaders, real estate professionals, elected and appointed officials, and

City staff. These focus groups and interviews provided qualitative and quantitative data while providing participants with the chance to offer input on the economic development goals.

- **Leadership Advisory Group** – An advisory group of elected and appointed officials was convened to gather feedback on the report’s findings, answer questions related to the city’s economic development strategy, and to record input on the community’s stated goals. The Leadership Advisory Group met three times during the project.
- **Community Advisory Working Group** – The “Working Group” consisted of engaged business leaders, real estate professionals, and community leaders. Members were recommended by elected and appointed officials and City staff. The group provided critical insight and feedback from the perspective of Framingham residents and professionals in a range of fields. The Working Group met four times during the project.

The recommended goals, as listed in the Executive Summary (Chapter 1), are reproduced below. The EDSP goals were organized into four categories: business, land use, regulatory, and quality of life goals.

- **Business Goals**
 - Attract new businesses with competitive wages
 - Retain and expand existing businesses
 - Create programs to foster start-up and innovation economy businesses
 - Facilitate entrepreneurship opportunities for a diverse population
- **Land Use Goals**
 - Encourage location-appropriate and scale-sensitive development
 - Enable economic growth in all commercial centers in Framingham
 - Foster greater live/work/play opportunities with more price diversity
 - Create opportunities to repurpose underutilized/antiquated real estate assets
 - Ensure City facilities and infrastructure are available and adequate in growth centers
 - Identify publicly-owned land suitable to accommodate economic development opportunities
- **Regulatory Goals**
 - Institute clear, efficient, and predictable approval processes
 - Establish a diverse toolkit of policies and incentives that promote economic development
 - Create a competitive tax environment for businesses
 - Encourage development that provides a positive economic impact
 - Utilize post-secondary education providers to strengthen the local workforce
- **Quality of Life Goals**
 - Use the built environment to improve public safety – both impressions and reality
 - Plan and manage impacts of future growth on existing residents and businesses
 - Prioritize the preservation and improvement of existing neighborhoods
 - Incorporate open space strategies into economic development where appropriate
 - Enhance multi-modal transportation connectivity and convenience
 - Activate existing community amenities to maximize benefits to residents and businesses

Having established these as community-supported goals for Framingham’s economic development efforts, the remainder of Phase One focused upon a market-based assessment of the city’s ability to achieve them. Each subsequent portion of the analysis aimed to “tell the story” of Framingham’s competitive position

locally, regionally and nationally. The analyses utilized data from a variety of sources, including the US Census Bureau, the Bureau of Labor Statistics, the Massachusetts Executive Office of Labor and Workforce Development, ESRI Business Analyst, EMSI Labor Market Analytics, and locally-provided data from Framingham Public Schools, the Framingham Department of Assessment, and the Framingham Department of Finance, among others. The market-based analyses are delivered in the following chapters:

- Socioeconomic Analysis – Chapter 3
- Real Estate Analysis – Chapter 4
- Target Industry Analysis – Chapter 5
- Fiscal Impact Analysis – Chapter 6

Finally, a pair of Neighborhood Center Analyses (Chapter 7) for the communities of Nobscot and Southeast Framingham provide an understanding of how various land use, zoning, land assembly, transportation, and open space utilization changes could improve their vibrancy and economic sustainability.

As Framingham prepares for future economic development and land use opportunities, efforts of Phase One will aid in:

- Forging a shared vision for Framingham’s economic development that match the values of the community;
- Identifying development opportunities appropriate to Framingham’s competitive position and vision;
- Synchronizing City decisions related to infrastructure investments with established development priorities;
- Protecting Framingham residents’ quality of life, by identifying and planning for anticipated fiscal and other impacts associated with future development.

When completed, the EDSP will serve as a guide for municipal officials in determining the city’s land use priorities, which will subsequently help the City to prioritize projects within the city’s Transportation Master Plan. Together, these two plans will help guide City decisions related to zoning, transportation, and infrastructure, as Framingham strives to fulfill its potential as the most economically vibrant and sustainable community in MetroWest.

3 DEMOGRAPHIC ANALYSIS

A. INTRODUCTION

A study of Framingham’s socioeconomic and demographic trends is critical to understanding the city’s market for economic development. Comparative data for the New England City & Town Area (NECTA) that includes Framingham (“the MetroWest NECTA”), as well as for Middlesex County and Massachusetts are provided for comparison (See Map 3.1 & 3.2). The analysis in this Chapter also provides perspective on the city’s current workforce, its consumer market for retail and services, and how these have changed over time. The NECTA study area used for comparison purposes includes the following cities and towns:

- Ashland
- Framingham
- Holliston
- Hopedale
- Hopkinton
- Hudson
- Marlborough
- Mendon
- Milford
- Natick
- Southborough
- Sudbury

B. KEY FINDINGS

- **Framingham’s population is growing, but at a slower rate than the surrounding region.** From 2010 to 2016, the MetroWest NECTA population (4.10 percent growth rate) grew at a faster rate than the Framingham (3.55 percent). While recent and current residential development projects—particularly in the Downtown area of Framingham—may change this dynamic, the city’s future population levels will be reliant upon the decisions, policies, and strategies implemented by City officials concerning land uses in Framingham’s other neighborhood centers.
- **Framingham has a diverse population and is diversifying.** More than 26 percent of the city’s population is non-white. This is the highest proportion among MetroWest NECTA communities and is above the average across Middlesex County and Massachusetts. Almost 15 percent of the city’s population is of Latino descent, up from 12.9 percent percent in 2010. The city’s minority population is concentrated in the “working age” age groups (16-64), suggesting that continued growth in minority residents will further bolster the local labor force and bring entrepreneurial opportunities.
- **Framingham and MetroWest’s populations are aging.** Framingham has the highest concentration of 20- to 49-year-old residents in the region, including the highest concentration of Millennial residents. However, population projections through 2036 suggest that Framingham may see this important population group decline by more than 2,200 persons over that period. In contrast, the population aged 50 to 69 years is projected to increase by almost 2,800, and the over-70 population may grow by more than 3,650. Framingham’s diverse, working-age population is an asset to the city, and maintaining this diversity will require continued efforts to increase different types of housing opportunities.

- **The local labor force is engaged.** More than 85 percent of working-aged Framingham residents are in the labor force. This is consistent with the MetroWest NECTA (85.1 percent), but well above the state average (81.8 percent). Framingham’s high participation rate may be attributed in part to the high cost of living in the Boston area, and the relatively high educational attainment of local residents. However, this also indicates that there may not be a large supply of immediately-available labor for business expansion and recruitment.
- **Employment levels are correlated to educational attainment.** Employment data show that in Framingham and the MetroWest NECTA, persons with higher educational attainment are more likely to be employed (95.9 percent and 96.8 percent respectively) than persons with a high school equivalency or less education (94.4 percent and 94.3 percent respectively). These data suggest that Framingham’s available labor force is relatively small regardless of education, but opportunities exist to create job connections with targeted training programs.

C. DATA SOURCES

The demographic analysis utilized U.S. Census Bureau data for socioeconomic characteristics, and ESRI Business Analyst Online (ESRI BAO) data for 2016 estimates. ESRI BAO is a nationally recognized provider of demographic and economic data at various geographic levels and their estimates and projections are based upon data produced by U.S. Census Bureau. RKG also used socioeconomic projection data from the University of Massachusetts Donahue Institute (UMDI) to augment the current and past trend data.

D. DEMOGRAPHIC TRENDS

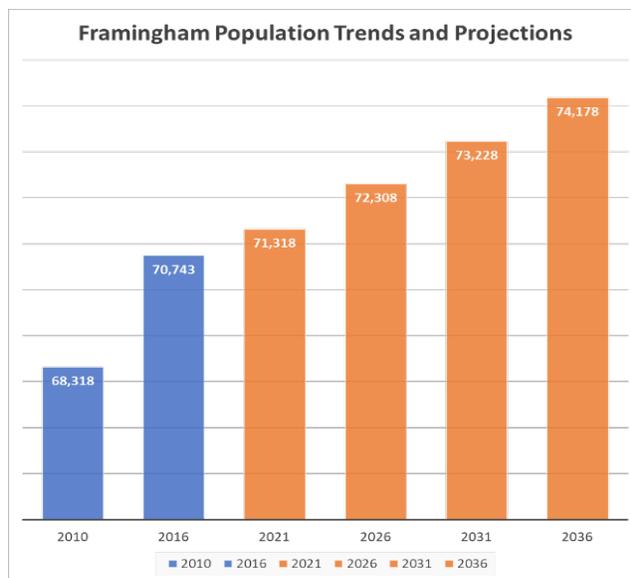
1. Population Trends and Projections

Framingham’s population reached an estimated 70,743 persons in 2016, according to the US Census Bureau. This represented a 3.6 percent, or 2,425-person increase from 2010. While Framingham’s population grew slower than the broader NECTA study area during this period, the city remains by far the largest municipality in NECTA study area. Its population is nearly double that of the next largest municipality, Marlborough.

According to projections from the UMDI, Framingham will continue growing at a slower rate than the NECTA study area. The city is projected to grow by just 0.8 percent from 2016 to 2021, reaching a total population of just over 71,300. Framingham’s population is not projected to reach 74,000 until 2036 (Figure 3.1).

In contrast, the NECTA study area is projected to increase by more than 13,000 people (not including Framingham) by 2036. Annual population growth rates are projected to exceed 3 percent annually in Ashland, Hopkinton, Mendon, and Southborough (Table 3.1). These growth rates reflect both the availability of land and recent trends. To this point, continued redevelopment efforts and expanded infill/redevelopment in the Corporate Mixed-Use District (CMU),

Figure 3.1



Tech Park, Central Business District (downtown), and the Golden Triangle could increase Framingham’s growth rate above these projected numbers.

2. Population Age Distribution

Framingham’s population was significantly younger than the surrounding NECTA communities in 2016, especially for persons between the age of 20 and 49 (see Table 3.1 and 3.10). More than 43 percent of the city’s population is aged between 20 and 49 years-old. In comparison, all the other study areas have lower concentrations. Middlesex County is the closest at 4.24 percent (about 1 percent less). The other municipalities within the NECTA have more closely followed the national trend of aging suburbs, particularly Mendon, Sudbury, and Holliston. These communities have seen growing populations of over-50 and over-65 residents and declining numbers of 20 to 49-year-olds (see Table 3.2).

Table 3.1

Population Growth Rates, 2010-2036					
	'10-'16	'16-'21	'21-'26	'26-'31	'31-'36
Framingham	3.5%	0.8%	1.4%	1.3%	1.3%
Framingham NECTA	4.1%	1.4%	1.9%	1.8%	1.8%
Ashland	5.0%	6.0%	5.9%	5.4%	5.1%
Framingham	3.5%	0.8%	1.4%	1.3%	1.3%
Holliston	5.7%	-2.9%	-2.6%	-3.2%	-4.0%
Hopedale	0.5%	0.4%	1.2%	1.2%	0.3%
Hopkinton	8.9%	1.4%	4.1%	6.0%	5.8%
Hudson	3.2%	1.6%	1.5%	0.8%	0.2%
Marlborough	2.7%	3.6%	3.5%	2.9%	2.9%
Mendon	2.1%	3.7%	4.1%	4.0%	3.0%
Milford	1.5%	2.8%	2.9%	2.1%	1.6%
Natick	7.2%	0.5%	0.6%	0.4%	0.4%
Southborough	2.1%	2.9%	3.7%	3.9%	3.0%
Sudbury	5.3%	-3.8%	-3.0%	-0.6%	1.2%
Middlesex County	4.3%	2.2%	2.1%	1.7%	1.3%
Massachusetts	3.0%	2.3%	2.2%	1.8%	1.2%

Source: American Community Survey and UMDI

Table 3.2

Framingham By Age Projections; 2016-2036			
	16-'26	26-'36	16-'36
Under 14	0.6%	-0.4%	0.2%
15-19	0.4%	-0.1%	0.2%
20-29	-2.7%	1.6%	-1.1%
30-49	-1.3%	-2.9%	-4.2%
50-69	0.4%	0.2%	0.6%
70 and Older	2.6%	1.7%	4.2%

Source: American Community Survey and UMDI

In contrast, Framingham’s population distribution by age remained more diverse than the surrounding communities. Despite some growth in the 50- to 69-year-old population from 2010 to 2016, Framingham was home to fewer residents over the age of 70 in 2016 than in 2010. UMDI projections indicate that the ageing of Framingham’s population will accelerate but remain less significant than in other NECTA study area municipalities from 2016 to 2036.

Framingham’s comparatively large cohort of 20- to 49-year-olds is an economic development asset that presents an advantage over other NECTA study area municipalities. The group typically is comprised of young professionals and family-forming households. In addition to a high rate of consumer spending, this cohort tends to bring a higher level of civic vibrancy and energy to a community and its labor force. Other communities experiencing declines in this vital age group are likely home to limited job opportunities, a lack of housing diversity, and/or a dearth of vibrant, mixed-use areas that young professionals tend to favor when choosing a place to live and work. Framingham may be doing a better job than other suburban communities because of its diverse housing stock (which includes a large share of smaller rentals and condominiums), walkable downtown, and its high-tech and corporate employers. Framingham’s ability to retain and grow this vital cohort will be impacted by the continued availability of diverse housing both locally and regionally.

Table 3.3
 2016 Labor Force Participation by Education Level
 Framingham and Vicinity

	High School Diploma or Less			Some College/Associates Degree			Bachelors Degree or Higher			All Workers			TOTAL			
	Employed	Unemployed	Not in Labor Force	Employed	Unemployed	Not in Labor Force	Employed	Unemployed	Not in Labor Force	Employed	Unemployed	Not in Labor Force				
Framingham	9,722	577	2,569	12,868	5,422	447	967	6,836	16,496	711	2,262	19,469	31,640	1,735	5,798	39,173
Framingham NECTA	28,883	1,739	7,786	38,408	24,955	1,282	5,417	31,654	73,713	2,441	10,146	86,300	127,551	5,462	23,349	156,362
Ashland	1,486	53	341	1,880	1,505	8	507	2,020	5,200	197	628	6,025	8,191	258	1,476	9,925
Framingham	9,722	577	2,569	12,868	5,422	447	967	6,836	16,496	711	2,262	19,469	31,640	1,735	5,798	39,173
Holliston	728	94	210	1,032	1,330	63	346	1,739	4,020	117	774	4,911	6,078	274	1,330	7,682
Hopedale	519	2	269	790	828	106	19	953	1,253	0	199	1,452	2,600	108	487	3,195
Hopkinton	685	41	228	954	1,305	48	402	1,755	5,361	201	1,002	6,564	7,351	290	1,632	9,273
Hudson	2,718	135	676	3,529	2,028	74	559	2,661	4,334	120	421	4,875	9,080	329	1,656	11,065
Marlborough	6,593	350	1,361	8,304	3,979	201	960	5,140	8,213	329	803	9,345	18,785	880	3,124	22,789
Mendon	538	0	89	627	756	22	131	909	1,386	73	132	1,591	2,680	95	352	3,127
Milford	3,480	359	1,142	4,981	4,043	165	690	4,898	5,393	137	554	6,084	12,916	661	2,386	15,963
Natick	1,758	67	527	2,352	2,395	109	513	3,017	12,573	277	1,408	14,258	16,726	453	2,448	19,627
Southborough	388	37	228	653	542	0	85	627	3,203	67	562	3,832	4,133	104	875	5,112
Sudbury	268	24	146	438	822	39	238	1,099	6,281	212	1,401	7,894	7,371	275	1,785	9,431
Middlesex County	144,517	12,223	53,438	210,178	130,009	7,413	28,717	166,139	422,486	14,518	58,715	495,719	697,012	34,154	140,870	872,036
Massachusetts	752,057	76,119	312,206	1,140,382	686,373	45,889	157,534	889,796	1,365,546	47,178	190,416	1,603,140	2,803,976	169,186	660,156	3,633,318

2016 Labor Force Participation Percentages by Education Level [1]

	High School Diploma or Less			Some College/Associates Degree			Bachelors Degree or Higher			All Workers		
	Employed	Unemployed	Not in Labor Force	Employed	Unemployed	Not in Labor Force	Employed	Unemployed	Not in Labor Force	Employed	Unemployed	Not in Labor Force
Framingham	94.4%	5.6%	20.0%	92.4%	7.6%	14.1%	95.9%	4.1%	11.6%	94.8%	5.2%	14.8%
Framingham NECTA	94.3%	5.7%	20.3%	95.1%	4.9%	17.1%	96.8%	3.2%	11.8%	95.9%	4.1%	14.9%
Ashland	96.6%	3.4%	18.1%	99.5%	0.5%	25.1%	96.3%	3.7%	10.4%	96.9%	3.1%	14.9%
Framingham	94.4%	5.6%	20.0%	92.4%	7.6%	14.1%	95.9%	4.1%	11.6%	94.8%	5.2%	14.8%
Holliston	88.6%	11.4%	20.3%	95.5%	4.5%	19.9%	97.2%	2.8%	15.8%	95.7%	4.3%	17.3%
Hopedale	99.6%	0.4%	34.1%	88.7%	11.3%	2.0%	100.0%	0.0%	13.7%	96.0%	4.0%	15.2%
Hopkinton	94.4%	5.6%	23.9%	96.5%	3.5%	22.9%	96.4%	3.6%	15.3%	96.2%	3.8%	17.6%
Hudson	95.3%	4.7%	19.2%	96.5%	3.5%	21.0%	97.3%	2.7%	8.6%	96.5%	3.5%	15.0%
Marlborough	95.0%	5.0%	16.4%	95.2%	4.8%	18.7%	96.1%	3.9%	8.6%	95.5%	4.5%	13.7%
Mendon	100.0%	0.0%	14.2%	97.2%	2.8%	14.4%	95.0%	5.0%	8.3%	96.6%	3.4%	11.3%
Milford	90.6%	9.4%	22.9%	96.1%	3.9%	14.1%	97.5%	2.5%	9.1%	95.1%	4.9%	14.9%
Natick	96.3%	3.7%	22.4%	95.6%	4.4%	17.0%	97.8%	2.2%	9.9%	97.4%	2.6%	12.5%
Southborough	91.3%	8.7%	34.9%	100.0%	0.0%	13.6%	98.0%	2.0%	14.7%	97.5%	2.5%	17.1%
Sudbury	91.8%	8.2%	33.3%	95.5%	4.5%	21.7%	96.7%	3.3%	17.7%	96.4%	3.6%	18.9%
Middlesex County	92.2%	7.8%	25.4%	94.6%	5.4%	17.3%	96.7%	3.3%	11.8%	95.3%	4.7%	16.2%
Massachusetts	90.8%	9.2%	27.4%	93.7%	6.3%	17.7%	96.7%	3.3%	11.9%	94.3%	5.7%	18.2%

2016 Labor Force Participation Percentages by Education Level, Comparison to Framingham

	High School Diploma or Less			Some College/Associates Degree			Bachelors Degree or Higher			All Workers		
	Employed	Unemployed	Not in Labor Force	Employed	Unemployed	Not in Labor Force	Employed	Unemployed	Not in Labor Force	Employed	Unemployed	Not in Labor Force
Framingham	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Framingham NECTA	-0.1%	0.1%	0.3%	2.7%	-2.7%	3.0%	0.9%	-0.9%	0.1%	1.1%	-1.1%	0.1%
Ashland	2.2%	-2.2%	-1.8%	7.1%	-7.1%	11.0%	0.5%	-0.5%	-1.2%	2.1%	-2.1%	0.1%
Framingham	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Holliston	-5.8%	5.8%	0.4%	3.1%	-3.1%	5.8%	1.3%	-1.3%	4.1%	0.9%	-0.9%	2.5%
Hopedale	5.2%	-5.2%	14.1%	-3.7%	3.7%	-12.2%	4.1%	-4.1%	2.1%	1.2%	-1.2%	0.4%
Hopkinton	0.0%	0.0%	3.9%	4.1%	-4.1%	8.8%	0.5%	-0.5%	3.6%	1.4%	-1.4%	2.8%
Hudson	0.9%	-0.9%	-0.8%	4.1%	-4.1%	6.9%	1.4%	-1.4%	-3.0%	1.7%	-1.7%	0.2%
Marlborough	0.6%	-0.6%	-3.6%	2.8%	-2.8%	4.5%	0.3%	-0.3%	-3.0%	0.7%	-0.7%	-1.1%
Mendon	5.6%	-5.6%	-5.8%	4.8%	-4.8%	0.3%	-0.9%	0.9%	-3.3%	1.8%	-1.8%	-3.5%
Milford	-3.7%	3.7%	3.0%	3.7%	-3.7%	-0.1%	1.7%	-1.7%	-2.5%	0.3%	-0.3%	0.1%
Natick	1.9%	-1.9%	2.4%	3.3%	-3.3%	2.9%	2.0%	-2.0%	-1.7%	2.6%	-2.6%	-2.3%
Southborough	-3.1%	3.1%	15.0%	7.6%	-7.6%	-0.6%	2.1%	-2.1%	3.0%	2.7%	-2.7%	2.3%
Sudbury	-2.6%	2.6%	13.4%	3.1%	-3.1%	7.5%	0.9%	-0.9%	6.1%	1.6%	-1.6%	4.1%
Middlesex County	-2.2%	2.2%	5.5%	2.2%	-2.2%	3.1%	0.8%	-0.8%	0.2%	0.5%	-0.5%	1.4%
Massachusetts	-3.6%	3.6%	7.4%	1.3%	-1.3%	3.6%	0.8%	-0.8%	0.3%	-0.3%	0.5%	3.4%

Source: U.S. Census and RKG Associates, 2018

[1] Employed and unemployed percentages calculated from active labor force only

3. Race & Ethnic Composition

Framingham remained a predominantly white community in 2016, but boasted more ethnic and racial diversity than the NECTA and the Commonwealth (Table 3.4). While Framingham was home to NECTA study area’s largest Asian (5,716 persons) and black (3,753 persons) populations, its largest minority group continued to be Hispanics and Latinos. That group made up 14.8 percent of Framingham’s population in 2016, up from 12.9 percent in 2010. The only comparably-diverse NECTA study area community in 2016 was Marlborough, which was home to its own sizable Hispanic/Latino population (17.5 percent).

Table 3.4

Population by Race and Ethnicity			
	Framingham	NECTA	Massachusetts
White	67.0%	78.4%	73.7%
Black	5.3%	2.7%	6.6%
Native American	0.3%	0.1%	0.1%
Asian	8.1%	6.6%	6.1%
Pacific Islander	0.0%	0.0%	0.0%
Other Race	4.5%	3.3%	2.6%
Hispanic/Latino	14.8%	8.9%	10.9%

Source: American Community Survey

Framingham’s foreign-born population, which is mostly Hispanic/Latino or Asian, is largely comprised of working-age adults and few children or seniors. Where 26 percent of Framingham’s native-born population was under the age of 17 in 2016, under 4 percent of foreign-born residents were under 17. This is an important distinction from both an economic development and fiscal perspective. For economic development, the foreign-born residents make a disproportionate share of the labor force. Future changes in this population would strongly impact the city’s labor force. From a fiscal perspective, having comparatively fewer school-aged children reduces the potential cost increase for workforce housing built to accommodate the sizable and growing labor force.

4. Household Formation Trends & Projections

Framingham’s status as a younger, more diverse community is reflected in the composition of its households, which differ from most neighboring cities and towns. Approximately 36 percent of Framingham’s households were ‘non-family’ (either of individuals or non-related persons) in 2016, a proportion in line with the Massachusetts average but high within the suburban NECTA study area (Table 3.5). In comparison, 48 percent of Framingham’s 2016 households included a married couple, the lowest percentage of any municipality in the NECTA study area.

Table 3.5

Households by Type			
	Framingham	NECTA	Massachusetts
Family - Married	48.0%	56.0%	46.9%
Family - Single Father	4.4%	3.5%	4.2%
Family - Single Mother	11.2%	9.5%	12.5%
Non-Family - Alone	29.7%	25.6%	28.6%
Non-Family - Not Alone	6.7%	5.4%	7.8%

Source: American Community Survey

Framingham’s average household size in 2016 was 2.43 persons, essentially unchanged from 2010 (2.42 persons). Most other NECTA study area communities saw their average household size grow from 2010 to 2016, mostly reflecting a decline in the number of young professionals and individuals residing alone in those communities. Framingham’s 2.43-person average household was the smallest in the NECTA study area. This can likely be traced to the city’s relatively younger population and its greater prevalence of rental housing, which tends to attract individuals and smaller households.

However, household sizes vary by housing tenure. Owner-occupied housing units are larger, on average, than renter occupied housing. Within Framingham, owner-occupied housing averaged 2.58 persons per household in comparison to 2.25 for renter-occupied housing (Figure 3.2). This relationship is consistent for the NECTA study area and Commonwealth. This finding is important from a fiscal impact perspective, as renter households tend to be smaller, which generally means fewer children in the household.

5. Median Household Income

Consistent with Framingham’s relatively diverse population within NECTA study area, the City is home to a wide range of incomes. Framingham’s 2016 Median Household Income of \$70,706 was the lowest among the NECTA’s municipalities and fell substantially short of the Middlesex County median (Figure 3.3). Framingham’s median income changed very little from 2010 to 2016, indicating that Framingham’s residents experienced a decrease in real wages over that period when considering inflation. It should be noted that Framingham’s relatively lower housing costs likely attracted some new, lower-income households from 2010 to 2016, which could partially explain the city’s slow median income growth. Median incomes across Middlesex County saw stronger growth of 4.5 percent from 2010 to 2016, driven in part by strong economic growth in dense cities near Boston, like Cambridge and Somerville.

Household incomes in Framingham were highly diverse; while its share of households earning less than \$35,000 per year was the NECTA’s highest (27 percent), 37 percent of households earn over \$100,000 per year, a greater share than in Massachusetts as a whole. Given the correlation between income and workforce skill levels, Framingham offers a diverse labor pool for future employers. This could be a competitive advantage for companies that have a variety of jobs.

E. ECONOMIC BASE ANALYSIS

The following section examines changes in the labor force and business characteristics for the City of Framingham and provides comparisons that can help frame the city’s economic opportunities. This analysis includes data on employment and establishment trends as well as occupational skills and commuting patterns, which aim to provide context for evaluating local and regional development potential.

Figure 3.2

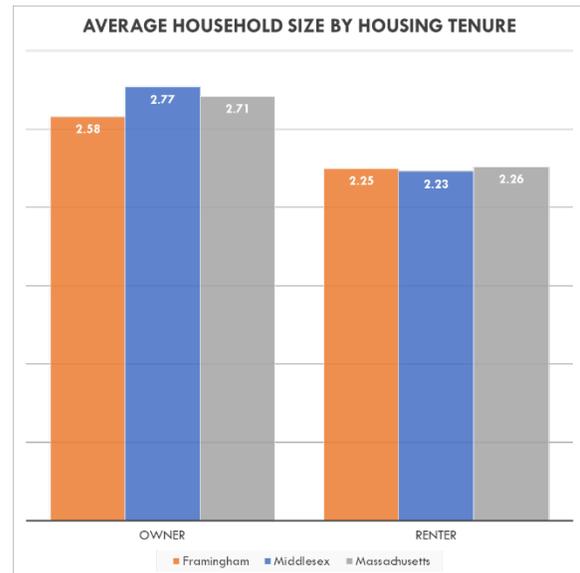
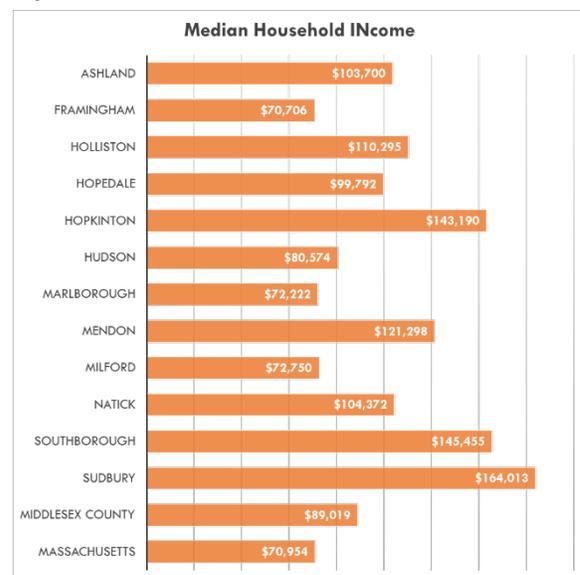


Figure 3.3



1. Employment by Education

While job growth in Middlesex County has occurred across all education attainment levels, the most robust growth occurred in jobs not requiring a 4-year college degree. According to the U.S. Census, there were 875,118 jobs in Middlesex County in 2017. Approximately 48.4 percent required a 4-year college degree. However, only 28.1 percent

Table 3.6

Employment Levels, by Education, Middlesex County				
	2011	2017	Change	% Change
Less Than High School	57,874	78,380	20,506	35.4%
High School/Equivalent	132,670	160,184	27,514	20.7%
Some College/Associates	184,603	212,752	28,149	15.2%
Bachelors or More	305,912	324,630	18,718	6.1%
No Data (Under 24)	88,189	99,172	10,983	12.5%

Source: U.S. Census Bureau

of the approximately net new 106,000 jobs created between 2011 and 2017 require a similar education attainment (Table 3.6). In fact, job growth for positions that require a high school diploma or less (48,020 jobs) was greater than for jobs requiring a 4-year degree or more (29,701 jobs).

These data are important for Framingham’s future economic development efforts, as not all job growth (whether through recruitment or expansion) is targeted to a single type of worker. Communities with a diverse labor force likely will have a competitive advantage in those sectors that are not education specialized. While this is not universal across all industry sectors (i.e. life sciences), Framingham’s diversity is an economic development asset.

2. Labor Force

The Boston metro area has comparatively strong labor force participation. Based on U.S. Census data, approximately 85 percent of the city’s adult population between 16 and 65 years old actively participate in the labor force. This threshold is consistent throughout the NECTA study area, and slightly higher than the Commonwealth average. However, participation is not uniform by education attainment. More than 88 percent of Framingham’s adult population with a postsecondary degree is in the labor force, as compared to 80 percent with a high school degree or less (Table 3.7). This trend is consistent with the NECTA study area and the Commonwealth.

Table 3.7

Labor Force Participation Rate by Education			
	Framingham	NECTA	Massachusetts
High School or Less	80.0%	79.7%	72.6%
Some College/Associates	85.9%	82.9%	82.3%
Bachelors or Higher	88.4%	88.2%	88.1%
TOTAL	85.2%	85.1%	81.8%

Source: American Community Survey

It is worth noting that participation drops more severely for the Commonwealth as education attainment drops, resulting in the comparatively lower overall participation rate. This finding is not surprising, as other areas of Massachusetts are comparatively more affordable to live on a single income and/or fewer workers per household, reducing the need to work. Regardless, the data indicate there is not much opportunity to expand the local labor force without expanding the local population. This is significant from an economic development perspective, as future job growth likely will be tied to future housing growth.

3. Unemployment

Unemployment rates have dropped to pre-recession levels, further connecting the jobs-housing balance relationship. Unemployment in Framingham was 5.2 percent in 2016, slightly higher than the NECTA study area (4.1 percent) but below the Commonwealth average (5.7 percent). Like labor force participation,

unemployment rates change based on education attainment. More educated residents in the region tend to be employed at a higher rate. Within Framingham, persons with a bachelor’s degree or postgraduate degree have an unemployment rate of 4.1 percent, compared to 5.6 percent for persons with a high school degree or less. This trend is consistent for the NECTA and the Commonwealth (Table 3.8).

Table 3.8

Unemployment Rate by Education			
	Framingham	NECTA	Massachusetts
High School or Less	5.6%	5.7%	9.2%
Some College/Associates	7.6%	4.9%	6.3%
Bachelors or Higher	4.1%	3.2%	3.3%
TOTAL	5.2%	4.1%	5.7%

Source: American Community Survey

These relatively low unemployment rates (regardless of education attainment), combined with the high participation rates further reveal the challenge of job growth without housing growth. Simply put, any new sizable employment growth will be challenged to find quality labor within the region.

4. Employment by Age

General population trends are influencing the age of the region’s workforce. U.S. Census data indicate that workers aged between 22 and 34 years old (“Millennials”) and over 55 years old (“Baby Boomers”) have constituted the largest increase in employed persons in Middlesex County between 2011 and 2017 (Table 3.9). This finding is consistent with general population levels, as the Generation X and Generation Y cohorts (aged 35-49 years-old) are not as sizable in metro Boston or the U.S. However, the data reveal two important factors about Framingham’s future economic development efforts.

First, there is a growing portion of the workforce nearing retirement age (Baby Boomers) that will not have as sizable of a replacement labor pool. This will affect both business recruitment as well as business retention. Simply put, companies will need to compete more aggressively to maintain their labor forces once the Baby Boomer generation retires.

Second, migration data indicates that retiring Baby Boomers are more likely to stay in their current housing and/or community than previous generations. As Baby Boomers retire from the labor force, their current housing will not become available to their working replacements as readily as it has in the past. This point further connects the relationship between housing and economic development. From this perspective, developing new housing that is attractive to retirees could provide an economic development incentive to Framingham by creating greater opportunities for working-age households to backfill these existing units.

Table 3.9

Employment Levels, by Age, Middlesex County				
	2011	2017	Change	% Change
14-18	14,485	17,624	3,139	21.7%
19-21	28,724	29,535	811	2.8%
22-24	42,538	48,866	6,328	14.9%
25-34	159,370	192,898	33,528	21.0%
35-44	164,241	165,942	1,701	1.0%
45-54	176,216	178,439	2,223	1.3%
55-64	106,029	139,488	33,459	31.6%
65+	30,716	46,094	15,378	50.1%

Source: U.S. Census Bureau

5. Employment by Education Attainment

Regional employment data reveal there is a correlation between education attainment and employment. U.S. Census data show that residents of Massachusetts with a high school education (or less) are nearly three times more likely to be unemployed as those with post-secondary degrees. While employment numbers are stronger in Framingham and the NECTA study area, the relationship between education attainment and employment status is consistent.

Table 3.10
2016 Population by Age
 Framingham and Vicinity

	Under 5	5-9	10-14	15-19	20-24	25-29	30-49	50-69	70 and Older	TOTAL
Framingham	4,242	3,751	4,006	4,671	4,707	5,143	20,788	16,482	6,953	70,743
Framingham NECTA	17,050	17,693	19,224	18,292	13,862	16,535	79,576	74,178	25,840	282,250
Ashland	1,071	977	1,270	1,057	729	844	4,907	5,063	1,502	17,420
Framingham	4,242	3,751	4,006	4,671	4,707	5,143	20,788	16,482	6,953	70,743
Holliston	600	1,151	1,192	1,091	518	670	3,586	4,296	1,220	14,324
Hopedale	277	375	464	560	131	226	1,783	1,468	658	5,942
Hopkinton	994	1,229	1,505	1,309	387	658	4,801	4,339	1,035	16,257
Hudson	1,056	860	1,200	1,317	884	1,213	5,678	5,271	2,201	19,680
Marlborough	2,720	2,175	2,242	2,049	2,263	2,896	11,427	10,153	3,620	39,545
Mendon	201	464	512	570	316	136	1,358	2,101	305	5,963
Milford	1,891	2,191	1,605	1,432	1,530	1,910	7,951	7,659	2,260	28,429
Natick	2,387	2,156	2,642	1,911	1,289	2,291	10,422	8,743	3,544	35,385
Southborough	703	753	869	675	544	243	2,460	2,809	912	9,968
Sudbury	908	1,611	1,717	1,650	564	305	4,415	5,794	1,630	18,594
Middlesex County	87,586	87,085	91,092	102,784	106,993	120,888	437,518	384,774	148,890	1,567,610
Massachusetts	363,610	374,138	401,226	461,145	492,027	479,313	1,763,412	1,716,933	690,339	6,742,143

2016 Population by Age Percentages

	Under 5	5-9	10-14	15-19	20-24	25-29	30-49	50-69	70 and Older	TOTAL
Framingham	6.0%	5.3%	5.7%	6.6%	6.7%	7.3%	29.4%	23.3%	9.8%	100%
Framingham NECTA	6.0%	6.3%	6.8%	6.5%	4.9%	5.9%	28.2%	26.3%	9.2%	100%
Ashland	6.1%	5.6%	7.3%	6.1%	4.2%	4.8%	28.2%	29.1%	8.6%	100%
Framingham	6.0%	5.3%	5.7%	6.6%	6.7%	7.3%	29.4%	23.3%	9.8%	100%
Holliston	4.2%	8.0%	8.3%	7.6%	3.6%	4.7%	25.0%	30.0%	8.5%	100%
Hopedale	4.7%	6.3%	7.8%	9.4%	2.2%	3.8%	30.0%	24.7%	11.1%	100%
Hopkinton	6.1%	7.6%	9.3%	8.1%	2.4%	4.0%	29.5%	26.7%	6.4%	100%
Hudson	5.4%	4.4%	6.1%	6.7%	4.5%	6.2%	28.9%	26.8%	11.2%	100%
Marlborough	6.9%	5.5%	5.7%	5.2%	5.7%	7.3%	28.9%	25.7%	9.2%	100%
Mendon	3.4%	7.8%	8.6%	9.6%	5.3%	2.3%	22.8%	35.2%	5.1%	100%
Milford	6.7%	7.7%	5.6%	5.0%	5.4%	6.7%	28.0%	26.9%	7.9%	100%
Natick	6.7%	6.1%	7.5%	5.4%	3.6%	6.5%	29.5%	24.7%	10.0%	100%
Southborough	7.1%	7.6%	8.7%	6.8%	5.5%	2.4%	24.7%	28.2%	9.1%	100%
Sudbury	4.9%	8.7%	9.2%	8.9%	3.0%	1.6%	23.7%	31.2%	8.8%	100%
Middlesex County	5.6%	5.6%	5.8%	6.6%	6.8%	7.7%	27.9%	24.5%	9.5%	100%
Massachusetts	5.4%	5.5%	6.0%	6.8%	7.3%	7.1%	26.2%	25.5%	10.2%	100%

2016 Population by Age Percentages, Compared to Framingham

	Under 5	5-9	10-14	15-19	20-24	25-29	30-49	50-69	70 and Older	TOTAL
Framingham	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0%
Framingham NECTA	0.0%	1.0%	1.1%	-0.1%	-1.7%	-1.4%	-1.2%	3.0%	-0.7%	0%
Ashland	0.2%	0.3%	1.6%	-0.5%	-2.5%	-2.4%	-1.2%	5.8%	-1.2%	0%
Framingham	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0%
Holliston	-1.8%	2.7%	2.7%	1.0%	-3.0%	-2.6%	-4.4%	6.7%	-1.3%	0%
Hopedale	-1.3%	1.0%	2.1%	2.8%	-4.4%	-3.5%	0.6%	1.4%	1.2%	0%
Hopkinton	0.1%	2.3%	3.6%	1.4%	-4.3%	-3.2%	0.1%	3.4%	-3.5%	0%
Hudson	-0.6%	-0.9%	0.4%	0.1%	-2.2%	-1.1%	-0.5%	3.5%	1.4%	0%
Marlborough	0.9%	0.2%	0.0%	-1.4%	-0.9%	0.1%	-0.5%	2.4%	-0.7%	0%
Mendon	-2.6%	2.5%	2.9%	3.0%	-1.4%	-5.0%	-6.6%	11.9%	-4.7%	0%
Milford	0.7%	2.4%	0.0%	-1.6%	-1.3%	-0.6%	-1.4%	3.6%	-1.9%	0%
Natick	0.7%	0.8%	1.8%	-1.2%	-3.0%	-0.8%	0.1%	1.4%	0.2%	0%
Southborough	1.1%	2.3%	3.1%	0.2%	-1.2%	-4.8%	-4.7%	4.9%	-0.7%	0%
Sudbury	-1.1%	3.4%	3.6%	2.3%	-3.6%	-5.6%	-5.6%	7.9%	-1.1%	0%
Middlesex County	-0.4%	0.3%	0.1%	0.0%	0.2%	0.4%	-1.5%	1.2%	-0.3%	0%
Massachusetts	-0.6%	0.2%	0.3%	0.2%	0.6%	-0.2%	-3.2%	2.2%	0.4%	0%

Source: U.S. Census and RKG Associates, 2018

The data indicate that the labor market for workers is comparably tight. Based on 2016 data, only 2,441 working-aged persons with a post-secondary degree are unemployed. Companies seeking to hire large numbers of well-educated workers likely will be challenged to find local labor without attracting workers from other companies/areas. While unemployment rates for less educated workers are much higher, there are even fewer total unemployed working-aged persons with a high school equivalency or less (1,739 persons).

Ultimately, there are two primary takeaways from these data. First, substantial job growth in the region is going to require an increase in the labor supply. Simply put, Framingham, MetroWest, and the Boston Metro region will need more housing opportunities to accommodate large employment growth. Second, there is opportunity for Framingham to create connections between education partners and local employers to create training programs to allow local residents to gain skills for jobs the city is trying to retain/attract. This is particularly necessary given the City's stated focus of attracting high-paying, technical jobs. Growing the qualified labor force will be a critical component of success.

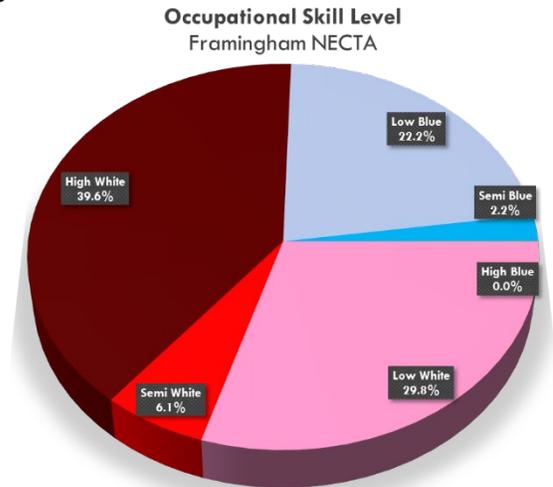
6. Occupational Skill Levels

Occupational employment data for the Framingham NECTA Subdivision, from which Framingham draws most of its workforce, was obtained from the Massachusetts Department of Labor and Workforce Development and categorized by job type and skill level. The 2017 occupational groupings were derived from RKG's knowledge regarding the skill and educational requirements of general occupational categories. Although it is difficult to group occupational categories in this manner with great precision, the results provide some indication of the distribution and diversity of skills available within the labor force. The occupational categories and their descriptions are as follows:

- Highly-Skilled White Collar (HSWC) – a professional position requiring a college degree, with supervisory/management responsibility or specialized training while working within a white-collar work environment.
- Highly-Skilled Blue Collar (HSBC) – a trade or non-professional position requiring less than an advanced degree, but some post-secondary education, a certificate, or specialized training or skill while working within a blue-collar work environment.
- Semi-Skilled White Collar (SSWC) – a professional position requiring less than an advanced degree, but some post-secondary education, a certificate, or specialized training or skill while working within a white-collar work environment.
- Semi-Skilled Blue Collar (SSBC) – trade position requiring less than an advanced or trade school degree but requiring some specialized training or skill, while working within a blue-collar environment.
- Low-Skilled White Collar (LSWC) – a position within a white-collar work environment requiring no degree or formal schooling beyond high school, but requiring some on-the-job training.
- Low-Skilled Blue Collar (LSBC) – a position within a trade profession requiring no advanced degree or formal schooling, but requiring some on-the-job training.

The NECTA study area, which Framingham is a part, is predominantly a service-oriented economy. More than 75 percent of all jobs in the area are white-collar positions (Figure 3.4). Within the white-collar occupations, skill requirements are relatively balanced across low-skilled and high-skilled positions. Skill requirements for blue-collar jobs are more heavily concentrated in low-skilled positions. This data corroborates the education requirement data collected from the U.S. Census, further revealing the opportunities available to communities with a diverse labor force.

Figure 3.4



RKG also collected occupation projection data for the MetroSouth/West Workforce Development Area (WDA) to further understand future skills needs based on employment growth projections. The data indicate that white-collar job growth will continue to outpace blue-collar job growth, but the need for labor force skills will be balanced across all skill levels. Growth projections are almost even for jobs that require a 4-year degree or more (10,732) and jobs that require a high school degree or less (10,378). Creating a stronger connection between the City’s school system and the projected growth in jobs can provide better opportunities for both college-bound students and those seeking an alternative approach to identifying and cultivating a career path. This may involve initiating courses and training programs that develop skills for employment in target industries.

7. Commuting Preferences

Framingham is a uniquely situated community when considering commuting preferences. The city is located on the Massachusetts Turnpike (Mass Pike or I-90) slightly west of its intersection with I-95. The city also is served by commuter rail, with a station located in Downtown. Framingham residents’ access to Boston is predominantly automobile-dependent. Few MetroWest NECTA communities have similar connectivity.

From an economic perspective, Framingham’s development patterns more closely reflect a traditional central business district/urban environment than all its neighbors. The city has served as the economic center for NECTA study area but is becoming more of an economic center unto itself, as Boston’s economic gravity continues to radiate westward. Other communities in this area (i.e. Newton) do not have the economic infrastructure already in place within their respective communities.

This uniqueness is evident in the commuting preference data for city residents. Automobile dependence, particularly driving alone, drops based on the age of the local workforce. Almost 80 percent of persons aged between 55 and 64 years old drive alone to work. In contrast, only 67.2 percent of persons aged between 20 to

Table 3.11

	Drive Alone	Carpool	Public Trans.	Walk	Other	Work at Home
16-19	46.9%	24.5%	6.7%	17.4%	0.9%	3.6%
20-24	67.2%	10.4%	5.5%	6.5%	3.2%	7.1%
25-44	77.4%	11.9%	3.3%	2.9%	1.8%	2.8%
45-54	76.2%	10.5%	4.3%	3.2%	1.7%	4.1%
55-64	79.6%	8.9%	3.0%	2.9%	2.2%	3.3%
65+	80.8%	3.0%	3.7%	0.0%	1.0%	11.6%

Source: U.S. Census Bureau

24 years old do the same (Table 3.11). Carpooling, walking, and the use of mass transit all increase based on worker age.

These findings reflect both changing commuting preferences for younger workers as well as the unique development patterns in Framingham. Simply put, the use of public transportation and walking is possible due to the city's more urban development patterns, particularly along Worcester Road (Route 9) and in Downtown. Anecdotally, younger workers moving to Framingham are as likely to work in Boston or communities east of Framingham as they are in Framingham. The individuals who participated in this effort revealed they have chosen Framingham because it offers urban amenities, mass transit access, and more affordable living than similar communities closer to Boston.

This finding reveals an economic development advantage for Framingham. Preserving and enhancing this unique group of assets likely will continue to grow the city's younger working base. As noted during this analysis, these younger workers are seeking affordable places to live that offer entertainment and recreation opportunities. Expanding the city's housing and entertainment development—particularly in the CMU, Tech Park, Downtown, and Golden Triangle, most likely will create greater opportunities to attract companies that rely on a younger workforce. It also offers the City the opportunity to have these workers redefine perceptions of Framingham as a community in which to live, work, and recreate.

F. CONCLUSIONS

Framingham's socioeconomic trends reflect the economic success that the city and the MetroWest region have experienced over the last decade. The area has benefitted from employment growth, an increase in housing development and the consumerism that follows, and a resurgence of some of the city's business centers. Much of that success is due to policy decisions implemented by City officials, most notably the policy and regulatory/zoning changes in Downtown that have spurred substantial business and residential development. This activity is slowly improving the commercial marketplace and sparking the revitalization of Downtown.

The socioeconomic data analyzed in this chapter serve to highlight specific opportunities for Framingham to continue to experience economic growth.

First, Framingham's diverse population is itself an economic development opportunity. The city has the highest concentration of minority and foreign-born populations in the MetroWest NECTA. Given the higher concentrations of working-ages persons in these cohorts, the city could see greater labor force growth on average than more homogeneous neighboring communities. More strategically, these ethnic groups provide an opportunity to foster greater entrepreneurial development while expanding the city's potential draw as an internationally-focused business cluster. This already is occurring organically with the city's sizeable Brazilian population.

Second, Baby Boomers are providing a short-term boost to employment growth as they choose to continue working into their sixties and seventies. This growth is, however, not a long-term solution for building a strong workforce in Framingham. As the Baby Boomer population eventually leaves the workforce en masse, businesses will need help replacing their contributions to the workforce – maintaining current levels of business activity will be a challenge, much less helping new and existing businesses to *grow* their employment base. Further complicating matters, many Baby Boomers are selecting to “age in place” and not relocate after retirement, as was typical in many previous generations. Their continued residency and contributions to Framingham are highly valuable, but they also cause a significant need for additional housing to accommodate the workers that replace them. Framingham has started to address this trend with

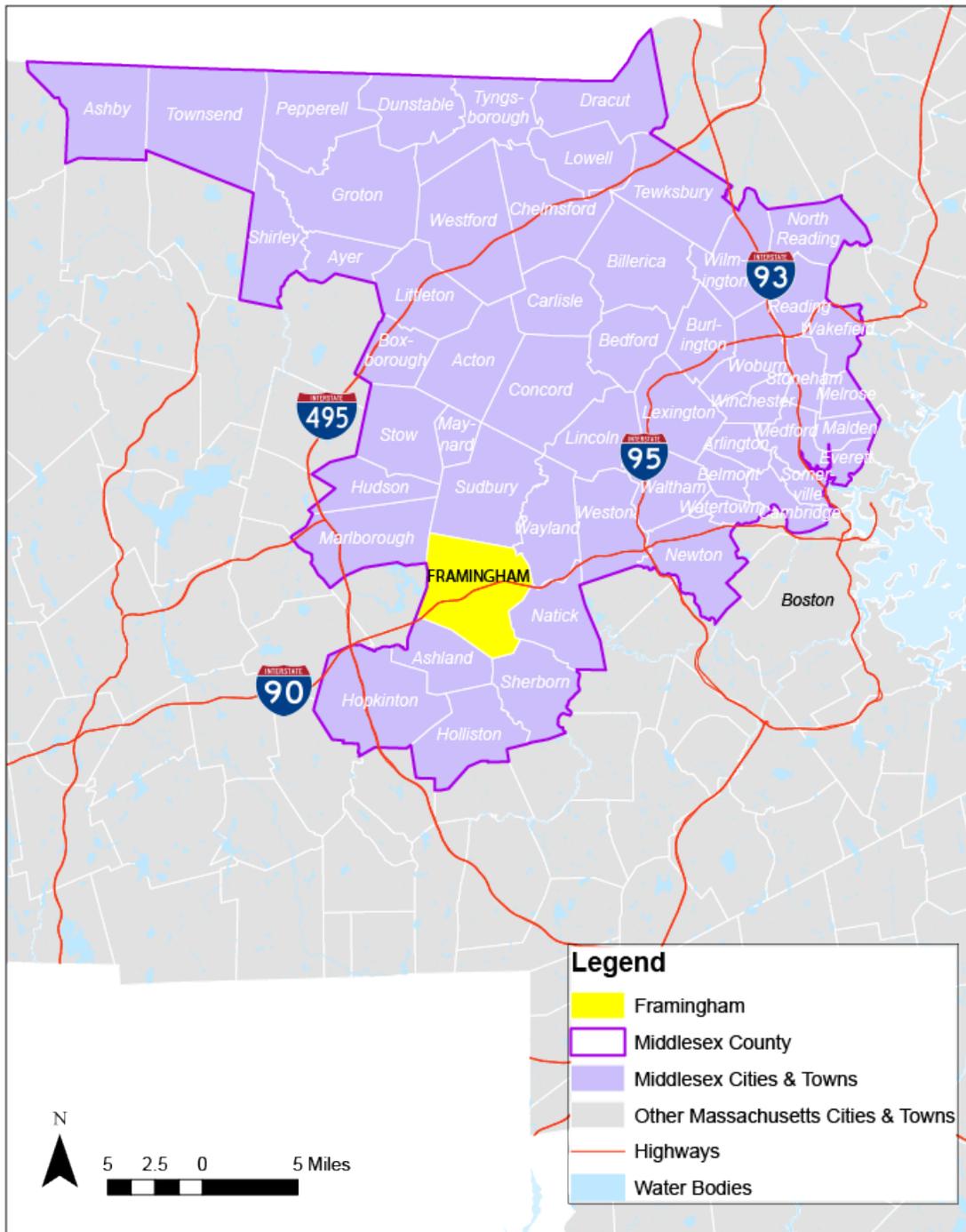
its efforts in Downtown to accommodate denser, multi-family housing. Continuing these efforts in a strategic manner will be critical to Framingham's ability to attract new workers.

Compared with other municipalities in MetroWest, Framingham has a diverse working-age population that is highly engaged in the workforce. The high cost of living in the Boston metro area has encouraged a large percentage of the local workforce to take jobs and participate in the economy. This is good for economic productivity, but also may mean that prospective firms will have a relatively harder time finding available workers. When coupled with MetroWest's low unemployment rates, Framingham will likely find it necessary to "import" its workers for new positions created by economic growth. The resulting population growth will further emphasize the importance of creating new and strategic housing options.

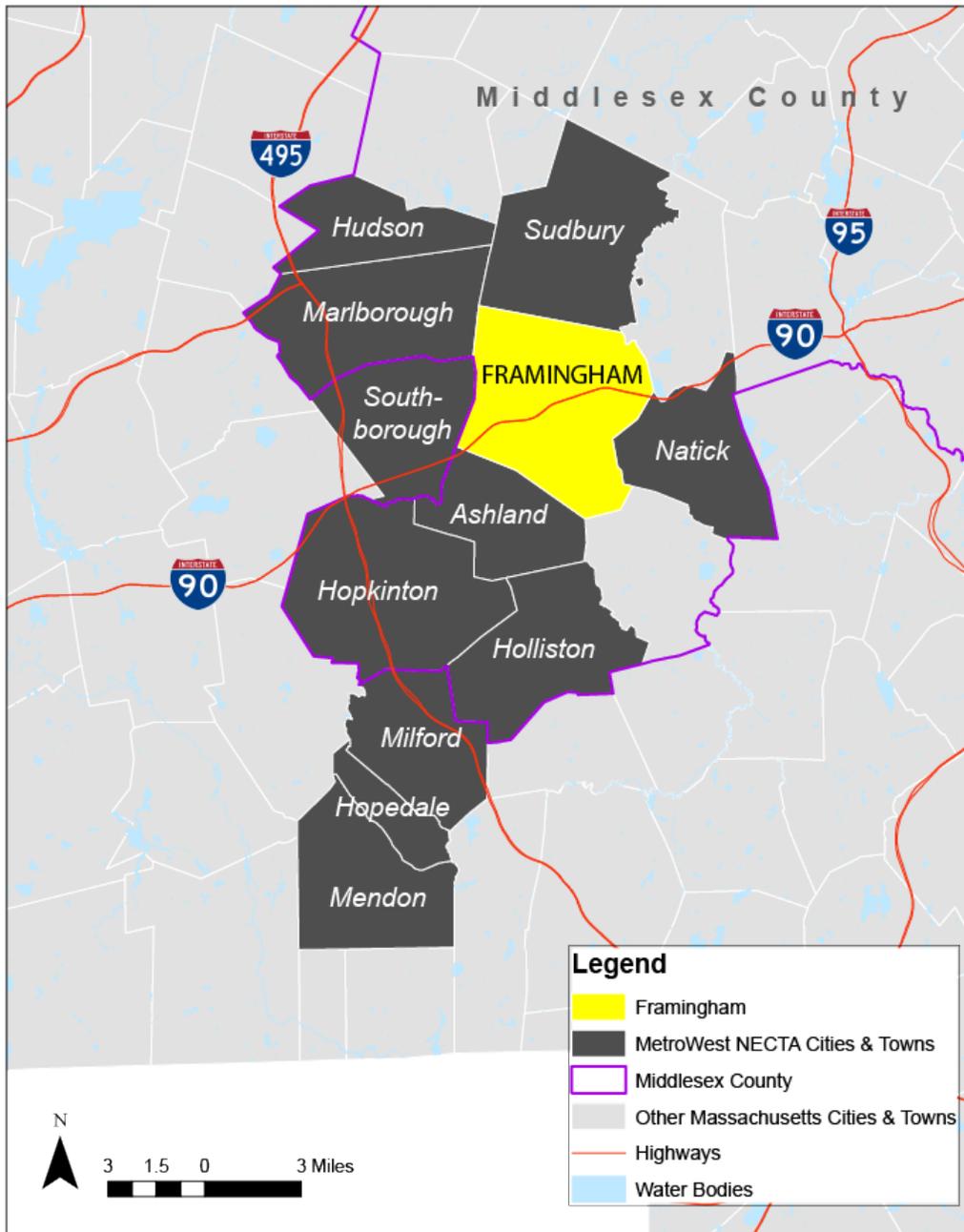
Framingham has benefitted from its relative housing affordability (to be discussed throughout the remainder of this report), attracting a large share of working-age residents, including Millennials. This concentration of working-aged residents is an economic development asset for the city. However, MetroWest's lack of housing creation in recent years has skewed the area's jobs/housing balance. Not only have the area's economies grown and attracted more workers, but commuting pattern data show an increasing number of MetroWest residents that work outside the NECTA. Without additional housing, these trends pose a long-term risk to Framingham's economic development sustainability and diversity.

Changes to Framingham's socioeconomic makeup will closely follow City officials' land use and policy decisions over time. Policy opportunities to allow infill development, higher densities, greater transportation connectivity (internally and externally), and increased housing diversity (both type and cost) will impact the city's socioeconomic growth, and ultimately its economic development competitiveness. Framingham has become a leader in rethinking housing development and redevelopment through its policy investments, like it has done in Downtown. Continuing to be a regional leader by identifying other opportunity areas of the city will benefit Framingham's current employers and prospects equally. Finding a reasonable balance between protecting existing residential areas and supporting the full potential of the city's commerce centers is critical to achieving the economic development goals enumerated by the public during this Plan.

Map 3.1: Framingham within Middlesex County



Map 3.2: Framingham within NECTA study area



4 REAL ESTATE ANALYSIS

A. INTRODUCTION

Framingham’s real estate development environment has been shaped by an array of single-family and multi-family residential, office, and industrial market forces. Assessment data was analyzed to build a profile of Framingham’s existing inventory of residential, industrial, and commercial properties, and how each has changed over time. Asking rents, property sale prices, absorption trends, and vacancy rates are used to analyze the market for different uses. Interviews with local business owners, real estate professionals, and municipal officials offered additional insights that supplement quantitative market data.

Understanding the city’s real estate inventory and the market forces affecting it is critical to facilitating economic development. While a firm’s decision to move to, stay in, or grow in Framingham is typically due to a range of factors, these can be rendered moot if the city lacks developable land, is too expensive, or has an outdated building stock, for example. Local real estate trends can have an outsized impact on a city’s competitive position in the eyes of businesses and residents.

It should be noted that while this section analyzes Framingham’s real estate market using metrics—such as total square feet, total assessed value, and development activity—many other factors contribute to a development’s impact on the city. A housing unit or commercial property’s location, scale, amenities, and accessibility all matter to its long-term sustainability and value. While new real estate investment can add needed customers, tax receipts, jobs, and vibrancy to the city, Framingham’s decision-makers can help to ensure that new development is strategic and provides a net economic benefit to the City and its residents.

Investment in both residential and commercial properties is part of any successful economic development strategy. New, refurbished, and diversely-sized commercial spaces are key to attracting and retaining firms that provide employment opportunities. Just as important, however, are the addition of housing units that can house these employees. Homes located nearer to workplaces help to reduce traffic impacts and can ensure that workers’ and their families’ consumer spending is captured in the local economy.

B. KEY FINDINGS

- **Framingham remains a relatively affordable alternative to Boston proper, Cambridge, and other cities nearer to the metro core – while still offering strong road and train access.** The affordability advantage extends from housing to retail, industrial, and office uses.
- **Real estate development has surged in Framingham since 2013.** Framingham added two times as many total developed square feet from 2013 to 2017 as from 2008 to 2012, and more than during the real estate surge from 2003 to 2007.
- **The value of developed real estate has swung towards residential uses at a level not seen since the mid-1990s.** 79 percent of the assessed value developed since 2013 has been residential, up from

just 52 percent from 2008-2012. Multi-family projects have been the key driver of value growth in recent years.

- **Residential construction is occurring at a higher density than historically seen in Framingham.** Single-family units accounted for a significantly smaller share of residential development from 2013 to 2017 than before 2013, due in part to 2015 zoning changes that allowed for multi-family uses in certain areas.
- **Framingham is seeing new residential projects permitted, with renewed interest in the downtown and neighborhood centers.** Alta Union House and other projects have taken advantage of new downtown/Central Business District zoning and have led a shift towards transit-oriented development (TOD).
- **Some retail spaces may be converted to uses with less volatile demand in the near future.** Proposals for re-use of the Shoppers' World property near Natick Mall have been contentious but have sparked conversation around the next act for large retail centers.
- **Potential exists for small-scale, experiential retail in neighborhood centers, but there are limited opportunities for large-scale retail expansion.** Nobscot, Saxonville, and others could play host to a new paradigm of retail activity, while large outlets like those along Route 9 will need to evolve.
- **The Framingham office market is more affordable than the Boston region, but leasing and construction activity have been slow since the recession.** Framingham has had higher vacancy and lower absorption than Boston, and additions to its inventory have been extremely limited since 2008.
- **Demand for industrial and flex space continues to grow, but Framingham remains more affordable than the inner Boston region.** High demand looks set to continue as the City markets itself for life science and research uses. Given the limited amount of modern space in Framingham combined with the built-out nature of the City, adaptive reuse may play a key role in the next generation of Framingham industrial spaces.
- **Framingham is a net importer of retail spending, with a surplus in many major retail categories.** The city has maintained its status as the overall economic center of MetroWest.

C. DEVELOPMENT PROFILE

1. Overall Built Inventory

Framingham was home to over 90 million square feet of developed real estate in 2017 (Table 4.1). Despite a recent shift towards denser development patterns, Framingham remains a low-density community with a floor-area-ratio¹ (“FAR”) of 0.20.² 50 percent of Framingham’s total acreage is dedicated to housing uses, with commercial and industrial uses on 11 percent. Most of the remaining 35 percent or 5,400 acres are designated for municipal or other tax-exempt uses.

Table 4.1

Framingham Built Stock: Basic Facts	
Properties	20,749
Occupiable Built Space	90.4 million SF
Built Assessed Value	\$6.5 billion
Total Acreage	15,200
Floor-Area-Ratio	0.20

Source: Framingham Assessors’ Database, RKG Associates

2. Housing

Framingham was home to just over 28,600 housing units in 2016, with a very low vacancy rate of 3.2 percent.³ Renter-occupied housing, which made up over 44 percent of the total inventory, comprised a far greater share of housing in Framingham than it did in the MetroWest NECTA or Middlesex County as a whole (see Table 4.2). Framingham’s relative prevalence of rental housing is a key piece of the housing diversity that makes it affordable to many low- and middle-income families. The City was also home to a wide variety of housing typologies, with half of its housing stock comprised of single-family detached homes, and the other half spread over multi-family housing of various sizes and price ranges. The 15 percent share of units that are located in structures of 50 or more units is roughly double the share seen in the NECTA as a whole and in Middlesex County overall. Framingham’s single-family/multi-family mix more closely resembles Middlesex County than MetroWest; the County’s dense Boston suburbs like Cambridge, Somerville, and Lowell have substantial multi-family inventories that strongly influence the County’s overall housing mix.

Framingham’s housing mix generally is stratified into single-family homes and buildings with more than 50 units, with relatively few options in between (See Table 4.3). The city’s relatively high share of units located in buildings of 50 or more is mostly due to large, older multi-family developments. Many are located on Route 9 (Worcester Road) near the Foss Reservoir, including Water View Terrace, Water View Village, Jefferson Hills Apartments, and others. While rental listings in these buildings revealed an array of refurbished units, they are largely comprised of relatively affordable units that house lower- and middle-income, small households.

Table 4.2

Housing Tenure & Occupancy, 2016 Estimates			
	Framingham	NECTA	Middlesex County
Total Housing Units	28,605	111,416	619,399
Owner-occupied	52.4%	66.0%	59.2%
Renter-occupied	44.4%	30.1%	35.7%
Vacant	3.2%	3.9%	5.1%

Source: American Community Survey, 2012-2016

¹ See appendix for definition.

² Excluding exempt and vacant parcels.

³ US Census Bureau, American Community Survey 5-Year Estimates 2012-2016

However, recent multi-family residential development, discussed in greater detail in Section D, has diversified the city’s housing inventory with per square foot values closer to (or in some cases greater than) Framingham’s traditionally higher-value single-family homes. These new units tend to be aimed at a different resident than those targeted by previous multi-family developments in Framingham. Young professionals, small families, and “empty-nesters” comprise most of the demand for new multi-family units, and tend to have a preference for on-site amenities, walkable environs, and close access to transit like the Framingham MBTA Station. Residents of these new units tend to generate low numbers of school-aged children, as detailed in the Fiscal Impact Analysis (Chapter 6).

Table 4.3

Units in Structure, 2016 Estimates			
	Framingham	NECTA	Middlesex County
Total Housing Units	28,605	111,416	619,399
1, detached	50%	60%	48%
1, attached	5%	7%	7%
2	7%	6%	13%
3 or 4	7%	6%	9%
5 to 9	5%	5%	5%
10 to 19	6%	6%	5%
20 to 49	4%	3%	6%
50 or more	15%	7%	8%
Other (mobile, etc.)	0%	0%	0%

Source: American Community Survey, 2012-2016

Framingham’s new multi-family residences look different from their older counterparts due in part to zoning, which mostly prohibited multi-family housing for decades, until it became permitted in certain areas in 2015. The value and amenity differences between Framingham’s new multi-family product and its older units are made starker by the fact that there were extremely few units created in between.

Assessors’ valuations of Framingham’s residential structures make clear the comparative property tax benefits of higher intensity development. Where single-family uses consume roughly 84 percent of the city’s residential land, they make up just 75 percent of the city’s residential value (see Table 4.4). Framingham’s multi-family buildings over-perform in terms of value; apartments with 100 or more units, for example, occupy just 1 percent of the city’s residential land, but contribute a full 5 percent of its assessed residential value. As higher-value apartments and condominiums continue to come online in 2019 and beyond, this “value efficiency” versus single-family uses should grow even more significant.

Table 4.4

Residential Acreage & Value Splits by Type, 2016 Estimates		
	% of Residential Land	% of Residential Assessed Value
Single-Family	84%	75%
Two-Family	3%	5%
Three-Family	1%	1%
Apartments with 4-8 units	1%	1%
Apartments with 9-99 units	1%	2%
Apartments with 100+ units	1%	5%
Condominiums	N/A	8%
All Other Residential*	10%	3%

*includes vacant land

Source: American Community Survey, 2012-2016

3. Commercial Inventory

Framingham’s office inventory consists of roughly 6.2 million built square feet as of 2017.⁴ According to real estate research firm REIS, the Framingham area had seen virtually no growth in its office inventory over the previous ten years, perhaps even seeing a slight decrease in leasable space over that period as of

⁴ Framingham Assessors’ Database. Includes “Banks, Professional, Medical, and Other Offices.”

the first quarter of 2018.⁵ While market conditions will be detailed in another section, the area’s high office vacancy rate and low asking rents relative to the Boston metro have likely served as a deterrent to new office development. According to the Framingham Assessors’ Database, the average age of a structure classified as “Bank, Professional, Medical, or Other Office” in Framingham in 2017 was 61 years old.

According to the Assessors Department, the city had 7.2 million square feet of space classified as “Manufacturing, Warehouse, R&D and Flex” in 2016. As of 2017, Framingham had similarly seen very little recent construction of industrial space, but new developments in the pipeline signal a strong current market. Several projects were slated to come online in 2017 and 2018, with several market indicators pointing towards continued growth.⁶ Low vacancy and consistent asking rent increases may help explain the industrial inventory’s upcoming expansion, as Framingham is in the process of adding 107,000 square feet at 33 New York Avenue (now leased in part to anchor tenant Replimune) and space on the Sanofi campus.

D. DEVELOPMENT TRENDS

Since 2013 Framingham has experienced a strong increase in development activity, led by a shift towards residential development unseen since the mid-1990s (Table 4.5). Since 2013 developers have added roughly 2.25 million square feet of real estate inventory, nearly double the amount added from 2008 to 2012. While that development during that period was clearly affected by the nationwide downturn in the housing market, it should be noted that development 2013-2017 still outpaced the strong pre-recession period from 2003-2007.

Table 4.5

Framingham Total Inventory by Period Built	
	Total Built SF
1997 and Earlier	82,000,000
1998 - 2002	3,150,000
2003 - 2007	1,700,000
2008 - 2012	1,250,000
2013 and Later	2,250,000
N/A	80,000
Total Inventory	90,430,000

Source: Framingham Assessors' Database, RKG Associates

Table 4.6

Residential Construction and Floor-Area-Ratio (FAR)			
	Built SF	Assessed Value	FAR
1997 and Earlier	55,250,000	\$3,876m	0.19
1998 - 2002	1,550,000	\$154m	0.14
2003 - 2007	920,000	\$93m	0.17
2008 - 2012	540,000	\$51m	0.27
2013 and Later	1,590,000	\$195m	0.47

Source: Framingham Assessors' Database 2017, RKG Associates

Framingham’s residential development has not only accelerated since 2013, but it has taken on a different, denser form (Table 4.6). The FAR of residential development from 2013 to 2017 was double the FAR of residences built before 1998.

Relatedly, single-family homes made up a smaller percentage of residential properties developed from 2013 to 2017 than at any time in the Framingham’s modern history. In addition to reflecting a nationwide shift in housing preferences, these trends are due locally to changes in the city’s zoning. Recognizing the risk posed by a housing stock that lacked density and diversity, Framingham once again began allowing multi-family development in 2015 in select locations.

⁵ REIS Real Estate Reports, Office Q1 2018 Framingham/West Suburban

⁶ 2018 additions were not captured in 2017 Assessors’ Database

Projects like the Avalon Framingham, which delivered 180 rental units and 173 ownership units starting in 2016, helped to establish a new precedent for multi-family quality in the city. Projects in the pipeline like the Alta Union House (196 units), Modera Framingham (270 units), 59 Fountain Street (258 units), 80 Franklin Street (210 units) and others look set to continue the shift towards denser residential development (Table 4.7). Reconfigured zoning that allowed denser housing development in the transit-oriented area around downtown and the MBTA station has made much of this shift possible. Framingham’s status as a Housing Choice Community has improved the city’s competitiveness for state grants and programs related to economic development and housing. The City’s ability to translate these programs into continued affordability in the face of a strong market will be key to Framingham’s continued success.

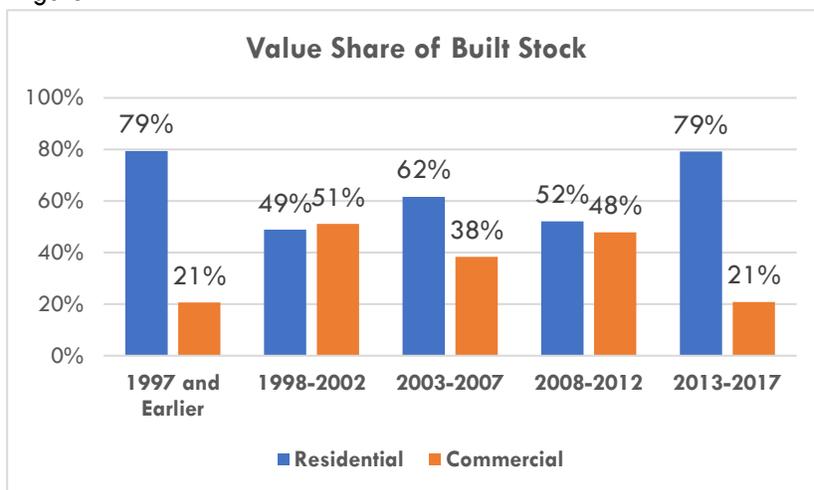
Table 4.7

Residential Properties Developed & % Residential		
	Properties Developed	% Single-Family
1997 and Earlier	17,252	75%
1998 - 2002	297	91%
2003 - 2007	188	80%
2008 - 2012	98	82%
2013 and Later	361	33%

Source: Framingham Assessors' Database 2017, RKG Associates

As discussed in a Section C of this chapter, Framingham had seen extremely limited development of new office and industrial spaces as of 2016 (Figure 4.1). As of December 2018, office activity continues to be sluggish, especially as large corporate firms involved with traditional retail (i.e. Staples and TJX) have gone through several rounds of layoffs.⁷ Industrial activity, however, has picked up with several recent projects under construction and potentially more in the pipeline, as Framingham aggressively markets itself to firms in the life sciences field. New employers seeking industrial space may find attractive options for adaptive re-use, as some office and industrial parks like the CMU District have been effectively built out under previous zoning.⁸

Figure 4.1



E. RESIDENTIAL MARKET ANALYSIS

Marked by low vacancy rates and years without adding substantial housing stock, Framingham’s residential market is strong and closing the historic gap on neighboring cities and towns. The city remains, however, relatively affordable within Greater Boston’s expensive housing market. New construction is adding multi-

⁷ Stendahl, Max. “Layoffs Hit Framingham Corporate Giants”. *Boston Business Journal*. 15 May 2018. <https://www.bizjournals.com/boston/news/2018/05/15/layoffs-hit-framingham-corporate-giants-staples.html>

⁸ Recent CMU zoning allows for more density and reuse of lands for commercial, office, R&D, etc.

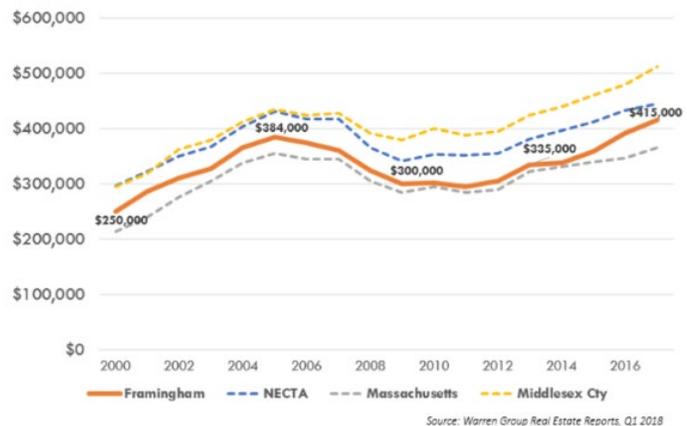
family units to the Central Business District and elsewhere, providing the city with a new type of residential product.

1. Home Sales

The median sale price for a single-family home in Framingham has, from 2000 to 2017, floated in between the lower Massachusetts median and the higher Middlesex County and the MetroWest NECTA medians. In a period of strong housing markets across the country (2000 to 2007), Framingham’s median price was a consistent mid-point, higher than state median but lower-priced than the county and NECTA medians. When the economy went into recession and then early stages of recovery, from roughly 2008 to 2013, Framingham’s median single-family prices dropped down to roughly mirror the state median. After 2014, however, price growth not only resumed, it accelerated versus the state and NECTA medians. From 2010 to 2015, Framingham’s median price growth outpaced the NECTA’s, 19 percent to 17 percent, and again from 2015 to 2017 when it grew by 16 percent compared to the MetroWest NECTA’s 8 percent.

Figure 4.2

Median sale prices, Single-family only, 2000-2017



In 2010, Framingham’s median sale price was 15 percent below the MetroWest NECTA’s median, but in 2017 the gap had closed to just 6.5 percent (Table 4.7). While Middlesex County’s median sale prices have continued a long run of rapid growth, Framingham may be outperforming the MetroWest NECTA due in part to the city’s willingness to develop new multi-family units.

Table 4.7

Median Sale Price, Single-Family Homes			
	Framingham	NECTA	Middlesex County
2000	\$250,000	\$296,000	\$295,000
2005	\$384,000	\$430,000	\$435,000
2010	\$301,250	\$353,000	\$400,000
2015	\$358,000	\$412,000	\$460,000
2017	\$415,000	\$445,000	\$513,000

Source: Warren Group Real Estate Reports, Q1 2018

Condominium sale prices, however, have not kept pace (Table 4.8). While always a smaller market for condominiums than some other communities in Middlesex County, Framingham’s median condominium price has been lower than the NECTA, County, and Massachusetts medians since at least the year 2000. Where condominiums elsewhere held onto more of their value through the 2008-2013 economic downturn, Framingham’s market saw condominium prices fall by over 60 percent. Strong price growth since 2014 has seen median prices stabilize around \$200,000 per unit, still well below county, state, and MetroWest benchmarks. Potential newcomers and Framingham residents alike may see the city as a uniquely affordable option for purchasing a condominium. Recent additions to the condo inventory at Montage at Danforth Green and elsewhere have introduced a higher level of amenities and luxury to the local market and could establish a proof of concept for developers interested in building more multi-family ownership units. Parcels in the newly-rezoned TOD district may present valuable opportunities for future condominium development.

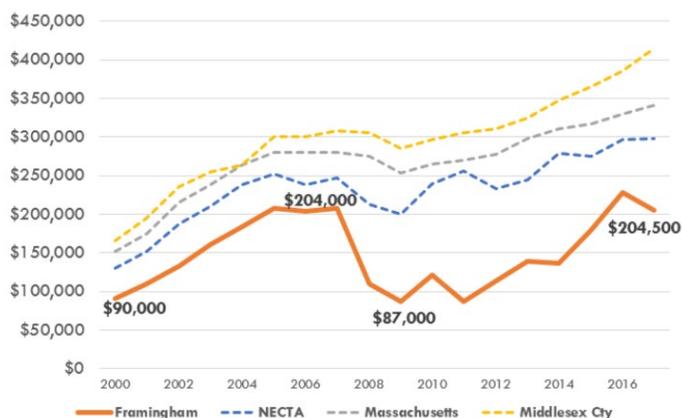
Table 4.8

Median Sale Price, Condominiums			
	Framingham	NECTA	Middlesex County
2000	\$90,000	\$130,000	\$165,000
2005	\$207,000	\$252,000	\$300,000
2010	\$121,250	\$240,000	\$297,000
2015	\$179,250	\$274,000	\$365,000
2017	\$204,500	\$297,000	\$415,000

Source: Warren Group Real Estate Reports, Q1 2018

Figure 4.3

Median sale prices, Condominiums, 2000-2017



Sources: Warren Group Real Estate Reports, Q1 2018

2. Contract Rents

Despite remaining an affordable option for renters within Greater Boston, Framingham has seen median contract rents grow at a significantly faster rate than the county and state since 2013 (Table 4.9).⁹ From 2014 to 2016, Framingham’s median rent grew by an average of 3.9 percent per year, compared to 2.7 percent in the county and 1.8 percent in the state. Framingham remains an affordable option for renters when compared to much of Greater Boston, but the rise in rents is some ways a welcome sign – an aging housing stock has seen new

Table 4.9

Contract Rents, 2016 Estimates			
	Framingham	NECTA	Middlesex County
Total Housing Units	28,605	111,416	619,399
Renter-Occupied Units	12,695	33,533	221,187
<\$300 per month	8%	6%	6%
\$300 - \$499	7%	7%	5%
\$500 - \$749	9%	10%	7%
\$750 - \$999	15%	18%	12%
\$1,000 - \$1,249	19%	21%	17%
\$1,250 - \$1,499	19%	16%	16%
\$1,500 - \$1,999	18%	15%	20%
>\$2,000	3%	5%	13%
No cash rent	2%	3%	3%

Source: American Community Survey, 2012-2016 Five-Year Estimates

⁹ US Census, American Community Survey Five-Year Estimates, 2012-2016

investment and higher-end product has come online. Municipal leaders and developers should, however, be wary of pricing out the income diversity that makes Framingham a unique economic engine within MetroWest.

For renters, Framingham is a consistently affordable option when compared to Middlesex County, boasting a larger share of units in the mid-range \$500 - \$1,499 per month rental inventory. Compared with the MetroWest NECTA, Framingham’s rental housing stock actually appears to have a larger share of higher-rent units; this is due to the relative lack of rental housing of any type in many MetroWest communities, especially on the middle and higher end of the rent spectrum.

3. Homes Listed for Rent

While data from the US Census Bureau can provide high-level perspective on the state of a community’s housing stock, a review of online rental listings can allow for an understanding of the current connection between asking rents and different housing types. When surveyed in May of 2018, online asking rents for residential units in Framingham were as shown in Table 4.10. These results are not scientific.

Table 4.10

Framingham Online Asking Rents, as surveyed in May 2018			
	Avg. Asking Rent \$/SF	Avg. Asking Rent \$	Number of Listings
1BR	\$2.21	\$1,564	52
2BR	\$1.91	\$1,982	37
3BR	\$1.79	\$2,500	4
4BR	\$1.60	\$2,849	6

Source: Zillow, Apartments.com, Trulia, RKG Associates

Framingham’s asking rents in May 2018 remained affordable versus Middlesex County’s average, which includes high-cost communities like Cambridge, Somerville, Natick and others (Table 4.11).

Table 4.11

Online Asking Rents, \$/SF as surveyed in May 2018		
	Framingham	Middlesex County
1BR	\$2.21	\$2.86
2BR	\$1.91	\$2.33
3BR	\$1.79	\$2.18
4BR	\$1.60	\$2.06

Source: Zillow, Apartments.com, Trulia, RKG Associates

The majority of units listed for rent were in large multi-family structures. The listings offer perspective on the wide range of housing products available within the multi-family inventory, ranging from luxury units as expensive as \$2.85/sf/month in new or renovated buildings, to “market affordable” units at \$1.60/sf/month in buildings that have seen little change since they were built in the 1960’s.

Figure 4.4



Avalon Framingham
(2015)

1BR	\$2,005-\$2,225	\$2.28 - \$2.77/sf
2BR	\$2,485-\$2,965	\$2.01 - \$2.21/sf



Water View Village
(1972, renovated 2016)

1BR	\$1,570-\$1,820	\$2.12 - \$2.85/sf
2BR	\$2,020-\$2,275	\$1.78 - \$1.80/sf



Sudbury Arms
(1968)

1BR	\$1,200-\$1,300	\$2.00 - \$2.17/sf
2BR	\$1,400-\$1,550	\$1.82 - \$1.86/sf



Hamilton Village
(1969)

1BR	\$1,325-\$1,450	\$2.50 - \$2.74/sf
2BR	\$1,700-\$1,750	\$1.73 - \$1.79/sf

Sources: Apartments.com; Trulia; Zillow; RKG Associates

Given Framingham’s continued low vacancy rates, rising rents, and fast-growing sale prices, the local market for housing looks set to remain strong in the near term, especially as it adds housing near transit. The market’s ability to absorb the forthcoming shock of new housing in the Downtown will give developers a better idea of the long-term depth of Framingham’s demand for housing.

4. Development Pipeline

The following is a brief review of residential development projects that were either under construction, approved or proposed as of the June 2018 Economic Development Working Group Meeting. Nearly 1,000 units of new housing had been approved in the downtown transit-oriented development zone at that time. Projects within the downtown Central Business District include:

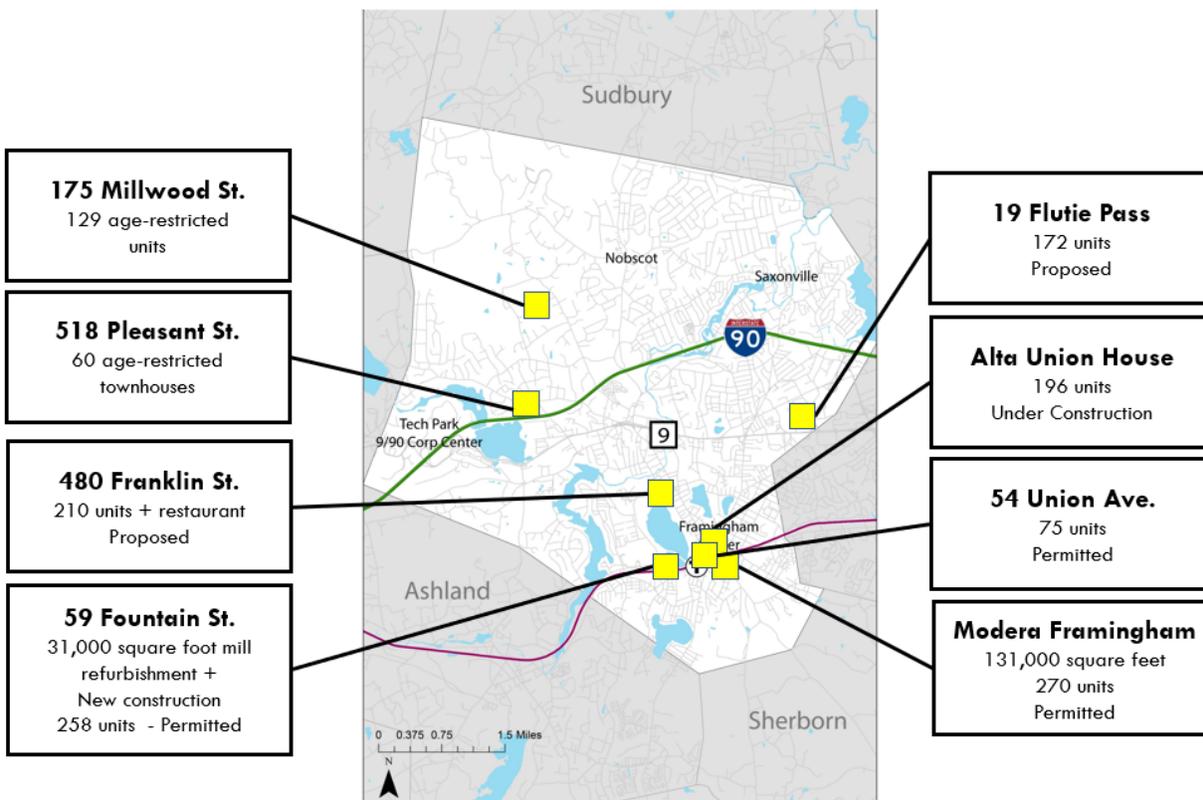
- **Alta Union House**
75 Concord Street
192 units / 20 affordable
Under construction
- **Modera Framingham**
266 Waverly Street
270 units / 27 affordable
Under construction
- **Bancroft Building** (refurb + new)
59 Fountain Street
256 units / 26 affordable
Permitted
- **Crouch Building**
54 Union Avenue / 55 Proctor Street
75 units / 8 affordable
Permitted
- **Kendall Street**
121/101 Concord Street/80 Kendall St.
64 units / 6 affordable
Permitted
- **68 South Street**
16 units / 2 affordable
Under construction



Additionally, several multi-family projects were either proposed or approved outside the Central Business District, including some age-restricted developments.

- **175 Millwood Street** (construction pending)
129 age-restricted townhouses
- **518 Pleasant Street** (under construction)
60 age-restricted townhouses
- **480 Franklin Street** (under construction)
210 units + 60-seat restaurant / 21 affordable
- **19 Flutie Pass** (under review)
172 units

Figure 4.5



F. RETAIL MARKET ANALYSIS

Framingham’s retail inventory is spread across a variety of commercial centers that offer drastically different experiences and options. The Golden Triangle, Route 9 (Worcester Road), Downtown Framingham, Nobscot, Saxonville, and Framingham Center, among others, offer opportunities to create and grow distinctive commercial nodes that cater to both Framingham residents and visitors from throughout MetroWest and Greater Boston.

The retail market analysis that follows examines the difference between the supply (existing establishment sales) and the demand (consumer household spending) for a variety of different types of retail stores and merchandise categories within Framingham. The results of the analysis will indicate if there are any retail “gaps” that can be filled by new store openings, if the City has the economic ability to support them.

Data on Framingham’s existing retail sales and consumer spending habits are drawn from ESRI Business Analyst, a geospatial data analytics program. The demand data indicate the level of consumer spending occurring for households within the city based on their income levels and spending patterns within the different retail categories. The supply data shows the dollar value of sales captured for each retail category based on the reported sales from local establishments within the city of Framingham.

Comparing the demand and supply data can help identify opportunities for Framingham to encourage existing retailers to expand and/or to attract new retailers to the area via marketing or incentives. The

demand-supply comparison is known as a ‘sales leakage’ analysis. Sales leakage occurs when local consumer demand for retail goods exceeds the amount of sales that are captured by local retail establishments. High sales leakage generally indicates the local marketplace is underserved in that specific retail category, oftentimes with an insufficient number or quality of product lines and/or fewer businesses than can be supported.

That said, it is normal for consumers to make retail purchases outside their local market area. Realistically, it is not possible to stop all sales leakage because people shop outside their primary market for reasons of convenience. They will shop while at work, which may be outside their primary market. In addition, a growing share of retail demand is being captured by online retailers, which often do not have a physical location. Accordingly, recapturing 100 percent of an area’s leaked consumer spending is not a realistic objective. Some of this sale leakage could be recaptured by new or existing businesses if they expand their product lines or if new businesses open and capture this unmet spending potential.

In contrast, an area has a “sales surplus” when local sales receipts (supply) exceed local demand. These situations often indicate that the retail market area has a cluster or concentration of businesses, importing sales from outside the primary market. Market clusters attract consumers from outside the competitive retail market areas, as they become known for a specific niche or for having a wide variety of shops from which to choose. While in some cases a sales surplus could indicate that a community is saturated with a certain type of business and would be unlikely to benefit from further expansion, often this clustering of retailers can draw shoppers from across the region who know it as “the place” for a certain shopping or dining experience.

Table 4.12

Retail Supply & Demand, Framingham, 2017				
	Demand	Supply	Leakage / (Surplus)	# of Businesses
Total	\$1,209m	\$1,779m	(\$570m)	535
Total Retail	\$1,086m	\$1,647m	(\$561m)	392
Total Food & Drink	\$123m	\$132m	(\$9m)	143

Source: ESRI Business Analyst, Retail MarketPlace Profile, 2018

Framingham is a net importer of spending, as it has a surplus in both retail and restaurants – the annual sales of its businesses outpace local consumer spending overall (see Table 4.12). Given the wide array of retail options (and experiences) in Framingham, and its status as the prevailing economic hub of MetroWest, the City’s ability to draw from across the region is unsurprising. As noted by various respondents throughout the study process, however, the changing face of retail around the world is already having challenging effects on Framingham retailers, and will continue to do so. For traditional retailers to remain viable, especially in a metro area with rapidly rising rents, they will need to evolve and cater to consumer demands for more experiential and curated shopping experiences. This is especially true in smaller-scale, walkable commercial centers like Downtown Framingham and Saxonville. In those spaces, consumers generally need to feel they are having a unique, vibrant experience to choose them over larger shopping centers with more parking. Successful future expansion of the retail inventory in Framingham will likely rely on business owners’ and developers’ ability to create these dynamic and innovative spaces.

The largest drivers of Framingham’s retail surplus are “general merchandise stores,” a category primarily comprised of stores like Target, Walmart, and Nordstrom Rack (see Table 4.13). The 19 businesses in this category in Framingham deliver around \$500 million in sales per year. Restaurants also present a surplus,

with a significant number of residents of nearby cities and towns visiting Framingham for dining experiences. Microbreweries like Jack’s Abby, Exhibit A, Springdale, and others have added popular, experience-intensive dining and drinking options to the city’s core.

Table 4.13

Retail Supply & Demand: Select Surplus Categories, Framingham, 2017					
	Demand	Supply	Leakage / (Surplus)	# of Businesses	Local Examples
General Merchandise Stores	\$135m	\$500m	(\$365m)	19	Target, Walmart, Nordstrom Rack
Bldg. Material & Supply Stores	\$63m	\$109m	(\$46m)	24	Lowe’s, Sherwin-Williams
Furniture Stores	\$17m	\$53m	(\$36m)	17	Cabot House Furniture, NEO Furniture
Restaurants	\$112m	\$127m	(\$15m)	135	Legal Sea Foods, Terra Brasilis
Beer, Wine, Liquor Stores	\$23m	\$33m	(\$10m)	16	Framingham Liquors, Warehouse Wine

Source: ESRI Business Analyst, Retail MarketPlace Profile, 2018

In addition to growing Framingham’s restaurant cluster, revitalizing areas like Downtown Framingham can focus on a few small-scale, experience-focused businesses in the below categories that experienced sales leakage in 2017 (see Table 4.14). A small, urban-scale grocery store may be sustainable within the growing core of transit-oriented development in Downtown Framingham, and certain clothing and gift stores have shown an ability to innovate in small urban spaces in similar cities. Drinking and dining establishments, where appropriate, can help Framingham market its growing housing stock to young professionals, while extending Downtown’s vibrancy beyond 9-to-5 business hours. These business types are going to be important as the City continues to attract younger, more active residents to activity centers such as Downtown. Anecdotally, the lack of a “night life” and experiential retail and service businesses was identified as a weakness to continuing to grow the City’s younger professional population.

Table 4.14

Retail Supply & Demand: Select Leakage Categories, Framingham, 2017					
	Demand	Supply	Leakage / (Surplus)	# of Businesses	Local Examples
Grocery Stores	\$183m	\$132m	\$51m	30	Stop & Shop, Whole Foods Market
Clothing Stores	\$58m	\$43m	\$15m	33	TJ Maxx, Old Navy
Office Supplies & Gift Stores	\$14m	\$7m	\$8m	15	Staples, The Paper Store
Drinking Establishments	\$7m	\$3m	\$4m	4	The 4’s Pub, Beerworks, Bourbon’s

Source: ESRI Business Analyst, Retail MarketPlace Profile, 2018

G. OFFICE MARKET ANALYSIS

Framingham is home to a robust but concentrated office market. The clear majority of its office inventory is concentrated in corporate parks like the CMU and Framingham Tech Park. Major corporations like TJX, Bose, Staples, and Sanofi occupy hundreds of thousands of square feet, yet the city has not seen sufficient demand in the last decade to warrant substantial investment in new space. Class B and C office space near I-90 Exit 13 may present the best opportunities for “low hanging fruit” in creating top-class offices.

According to REIS, a real estate data firm, the Framingham area is home to 4 percent of the Metro Boston (roughly inside I-495) office inventory – even with a net loss of 160,000 square feet of office space in the last ten years. These losses were likely the result of office space either transitioned to residential or flex space uses, or long-term vacancies that have effectively removed office spaces from the market. Average office asking rents of \$24.80/square foot per year in Q1 2018 were the second-lowest of any Boston sub-region tracked by REIS, higher than just the South Shore’s asking rents of \$23.90. The Framingham area’s

\$24.80/square foot average asking rent was just over half of the Metro Boston average of \$43.71/square foot (see Table 4.15).

Low office asking rents can present an opportunity to court start-ups and other cost-conscious firms. A high vacancy rate and slow rent growth can, however, be barriers to the types of investments that most firms would require before moving into Class B or Class C office space. The area’s 17.7 percent vacancy rate, well above the metro area’s 12.6 percent vacancy, likely indicates a

Table 4.15

Office Vacancy & Asking Rents, Q1 2018 Estimates		
	Framingham Region	Greater Boston
Avg. Asking Rent/yr	\$24.80/SF	\$43.71/SF
3-year % change	1.2%	3.3%
Vacancy Rate	17.7%	12.6%
3-year % change	-1.0%	-

Source: REIS Real Estate Reports, Office Q1 2018 Framingham/West Suburban

building stock that is not in line with the needs of prospective tenants. Average annual absorption of negative \$36,300 square feet since 2008 suggests that Framingham’s office supply has been out of step with demand for more than just the recent past. One positive note is a positive absorption rate in the year leading up to Q1 2018; new leases led to a net gain of 17,000 occupied square feet over that period.

H. INDUSTRIAL MARKET ANALYSIS

Framingham’s industrial development had seen limited post-recession additions to its inventory until the last three years. With continuing investment in corporate campuses including Sanofi and TJX, the Framingham market has signaled its ability both to accommodate new industrial development and to help its existing businesses to expand at home. The City’s aggressive marketing of its biohealth/research and development cluster may mean additional demand (and rising sale prices) in the near future.

Framingham’s industrial market had seen 11 consecutive quarters of asking rent growth as of Q1 2018.¹⁰ Asking rents grew, on average, 7.1 percent during that period. Correspondingly strong growth in effective rents (the amount tenants actually pay, not simply what is asked or offered) likely indicated that landlords had a heightened level of pricing power in rent negotiations. This in itself tends to be an indicator of strong market demand. Despite growth, the Framingham region’s average asking rents are approximately 45 percent lower than the Greater Boston regional average (see Table 4.16).

Table 4.16

Industrial Vacancy & Asking Rents, Q1 2018 Estimates		
	Framingham Region	Greater Boston
Avg. Asking Rent/yr	\$24.80/SF	\$43.71/SF
3-year % change	1.2%	3.3%
Vacancy Rate	17.7%	12.6%
3-year % change	-1.0%	-

Source: REIS Real Estate Reports, Office Q1 2018 Framingham/West Suburban

I. CONCLUSIONS

Framingham’s real estate inventory is in a period of reinvention, with development activity accelerating and taking root in forms that are new to the city – especially on the residential side. Framingham, particularly in the downtown Central Business District, is attracting development with its convenient location, commuter rail station, and relatively low cost of living, which persists despite recent increases in rents and sale prices. After decades with very little new housing production, a continued effort to add units in strategic locations and at diverse price points is a critical piece of Framingham’s overall economic growth

¹⁰ REIS Real Estate Reports, Office Q1 2018 Framingham/West Suburban

strategy. Framingham's new housing stock represents an evolution towards higher-density single- and multi-family units, and higher-quality multi-family buildings.

Just as housing in Framingham is evolving, its commercial inventory is facing a similar need for reinvention. The changing face of retail means that despite Framingham's position as a regional draw for consumer spending, businesses will need to focus on unique, experience-oriented stores, often requiring new or refurbished retail spaces. Some current retail spaces may be converted to less risky uses like office or residential in the near term.

Very few new office or industrial spaces had been added from the 2008 recession through 2016, although recent industrial and flex/R&D developments suggest that Framingham's status as a hub of the life sciences is driving demand. While industrial rents are on the rise, office activity remains slow and rents have stagnated, indicating low demand. Few completely undeveloped parcels remain in Framingham, but ample opportunities for infill development remain. Most new office or industrial space will take the form of adaptive re-use of older structures, or infill development on large parcels like those in the CMU District.

5 TARGET INDUSTRIES ANALYSIS

A. INTRODUCTION

While Framingham can and should work to attract and retain businesses of all types, the City's limited economic development resources mean staff should focus their efforts on the industries that can have the greatest potential positive impacts. The target industry analysis that follows aims to identify the economic sectors that can have an outsized impact on Framingham's economic competitiveness and resulting quality of life. Establishing prioritized or "target" industries can help inform land use decisions, redevelopment potential, and other decisions that can make the city more welcoming for a certain industry or industries. By examining the strengths and weaknesses of Framingham's business climate, how it measures up to typical site selection criteria, its job growth patterns, and local preferences, this target industry analysis can serve as a guide as the City aims to retain and recruit new jobs and residents.

B. KEY FINDINGS

- **Massachusetts' strength in education, healthcare, and the financial assets/income of its population present marketing opportunities for Framingham.** Out-of-state firms may find Massachusetts to be an attractive option when evaluating locations; Framingham can present the "closest cheapest" option for firms to share in the state's successes.
- **Framingham's lower-cost real estate stock is a tremendous advantage in site selection; City officials should work to preserve it.** While rising property values are good for tax rolls and owners, substantial price appreciation may diminish one of Framingham's key competitive advantages: its affordability.
- **Framingham excels in many of the factors that matter to most site selection professionals.** Highway access, availability of skilled labor, and quality of life measures were identified among the most critical factors for firms evaluating sites in 2017.
- **While the City can further improve its marketing and partnerships to bolster recruitment, officials should prioritize the creation of mixed-use, transit-oriented office/commercial spaces.** Several high-profile firms with Framingham ties have chosen to expand to denser, mixed-use communities in Boston and Cambridge in the last year.
- **Given the City's competitive strengths, weaknesses, labor market and other site selection factors, the industries that offer Framingham the greatest opportunities to retain, attract and grow employment are:**
 - **Professional Services & Corporate Operations (NAICS 54 & 55)**

- **Scientific Research, Development, and Manufacturing (NAICS 54 & 325)**
- **Health Care & Social Assistance (NAICS 62)**
- **Construction & Related Contractors (NAICS 23)**
- **Entrepreneurial Development**

C. BUSINESS CLIMATE FACTORS

Before identifying Framingham's strengths and opportunities for business retention and recruitment efforts, it is worth evaluating the City's overall business climate in comparison with its state and the country. Doing so can assist in identifying programs or initiatives that can help Framingham to stand out from the crowd as an exceptional place to do business within Greater Boston and New England.

While quantifying specific business climate factors like household savings rates and student loan default rates is difficult at the local level, the non-profit Prosperity Now's annual *Development Report Card for States* provides this valuable information at the state level. The report ranks each state in 92 categories, 58 of which are included in the analysis below. They are grouped under the subcategories of Financial Assets & Income, Business & Jobs, House & Homeownership, Healthcare, and Education.

Analyzing Massachusetts' standing within these categories can have a number of benefits for Framingham. In categories where the state performs extremely well, like 8th Grade Reading Proficiency (1st in the nation), Framingham can determine if it is keeping pace and if not, may choose to prioritize catching up as a goal. In categories where the state doesn't do well, like in Homeownership by Income (48th in the nation), Framingham can seek to differentiate itself by, for example, investing in programs that help middle and low-income families to purchase their own homes and build equity.

These choices can help make the City as attractive as possible for firms looking to expand, relocate, or put down roots, and can help the employees of those firms to see Framingham as a place both to work *and* live.

1. Prosperity Now Measures

Financial Assets and Income

The Financial Assets and Income metrics measure wealth and income equality across the state (Table 5.1). From an economic development perspective, states with better wealth and income distribution tend to be more prosperous and have more dynamic entrepreneurial marketplaces. Overall, Massachusetts compares favorably with the rest of the country in this category, earning a B grade from Prosperity Now (the non-profit awards ten A's, ten B's, sixteen C's, eleven D's and four F's in each category). Massachusetts is a high-earning state; its average net worth per capita of \$118,700 is nearly 55 percent greater than the nationwide average. The Commonwealth compares favorably to the rest of the country in terms of consumers' creditworthiness, access to revolving credit, bankruptcy rates, and borrowing within their needs, all categories in which Massachusetts ranks in the top 10 states. Its largest challenges within Financial Assets & Income are in issues of inequality. Massachusetts ranks 47th in income equality, with the top 20 percent of households earning 5.3 times the state average. The figure is 4.9 times in the rest of the country.

Table 5.1

Financial Assets & Income			
	Massachusetts State Rank	Massachusetts	USA
Overall Grade: Financial Assets & Income	B	-	-
Liquid Asset Poverty Rate	10	30.4%	36.8%
Asset Poverty Rate	26	26.9%	25.5%
Net Worth	—	\$118,700	\$76,708
Households with Zero Net Worth	—	16.8%	16.9%
Emergency Savings	29	57.2%	56.3%
Income Poverty Rate	13	11.0%	13.4%
Income Poverty by Race	31	2.2x higher for HHs of color	2x higher for HHs of color
Income Inequality	47	5.3x as high for top 20%	4.9x as high for top 20%
Income Volatility	17	20.2%	20.9%
Unbanked Households	25	5.7%	7.0%
Underbanked Households	9	16.0%	19.9%
Households with Savings Accounts	28	72.0%	70.8%
Consumers with Prime Credit	8	59.0%	51.0%
Access to Revolving Credit	3	79.1%	71.9%
Borrowers Over 75% Credit Card Limit	3	20.2%	25.4%
Severely Delinquent Borrowers	12	10.9%	14.7%
Consumers with Collections	2	13.4%	24.5%
Bankruptcy Rate (per 1,000 people)	9	1.2	2.4

Sources: Prosperity Now Scorecard/State Outcome & Policy Report 2017; RKG Associates

Most potential remedies for improving net worth and asset poverty involve policy changes at the State level. These may include stronger enforcement of regulations in the mortgage market, or further expansion of the state’s earned income tax credit, among others. Locally, Framingham can combat statewide income inequality by committing to the development of low-income housing, or by investing in a job training and placement program through Framingham State (perhaps via the state’s Skills Capital Grant program).¹ Considering the area’s low unemployment rate, building skills for Framingham’s underemployed working population may prove to be more effective than programs aimed specifically at the unemployed.

Business and Jobs

The Business and Jobs metrics report on the quality of jobs and access to business ownership for existing residents (Table 5.2). Massachusetts again fares well versus the rest of the country, earning a B grade. A relatively low percentage of the state’s jobs qualify as “low-wage” positions, and Massachusetts ranks second-best in the country for its average annual pay of \$63,080. 56.9 percent of employers offer health insurance, the third highest percentage in the country. Despite its reputation as a reliably liberal state on

¹ Mass Executive Office of Education. <http://www.mass.gov/edu/government/executive-office-of-education/grant-information/massachusetts-skills-capital-grant-program-.html>

issues like gender equality, Massachusetts ranks last in the nation for gender equity in the ownership of businesses. Firms are 1.6 times more likely to be owned by a male than a female in Massachusetts, considerably higher than the nationwide rate of 1.3 times.

Table 5.2

Businesses & Jobs			
	Massachusetts State Rank	Massachusetts	USA
Overall Grade: Business & Jobs	B	-	-
Microenterprise Ownership Rate	29	16.7%	17.8%
Small Business Ownership Rate	20	1.47%	1.39%
Business Ownership by Race	27	1.5x as high for white workers	1.22x as high for white workers
Business Ownership by Gender	51	1.6x as high for men	1.3x as high for men
Business Value by Race	22	2.6x as high for white bus. owners	2.9x as high for white bus. owners
Business Value by Gender	46	3.6x as high for men	3x as high for men
Unemployment Rate	16	3.8%	4.5%
Unemployment by Race	20	1.6x as high for workers of color	1.6x as high for workers of color
Underemployment Rate	17	7.5%	8.9%
Low-Wage Jobs	8	14.9%	23.3%
Average Annual Pay	2	\$63,080	\$53,621
Employers Offering Health Insurance	3	56.9%	45.3%

Sources: Prosperity Now Scorecard/State Outcome & Policy Report 2017; RKG Associates

States with higher annual pay will necessarily have higher spending power, making Massachusetts a strong market for consumer activity. That said, firms that are new to Massachusetts may be expected to offer health care and to pay higher wages than they might elsewhere, a higher price that often comes with access to a better educated, higher quality-of-life population. Framingham can set itself apart from the field within Massachusetts by making itself especially friendly to female- and minority-owned businesses. This could be done via mentoring programs, curated business incubator initiatives, or the establishment of a grant program.

Homeownership and Housing

Perhaps Massachusetts' single largest challenge in recruiting and retaining businesses (and new residents) is its severe housing shortage and the correspondingly high cost of homeownership and housing (Table 5.3). While earning high marks in all other categories analyzed by Prosperity Now, the Commonwealth was given a D grade in the Homeownership and Housing category. Home affordability, measured as a home's value versus household income, ranks 47th in the country, with values 4.9 times higher than median household income. Nearly 30 percent of Massachusetts homeowners are "housing cost burdened," meaning they spend over a third of their pretax monthly income on housing; that figure places Massachusetts 40th-best in the nation. Renters barely fare better, with 49.6 percent of households housing cost burdened, 39th in the country. The state's income inequality issues are manifested in homeownership figures, as minorities,

low-income households, and single-parent households have far fewer opportunities to own homes in Massachusetts than elsewhere.

Table 5.3

Homeownership & Housing

	Massachusetts State Rank	Massachusetts	USA
Overall Grade: Homeownership & Housing	D	-	-
Homeownership Rate	42	62.0%	63.1%
Homeownership by Race	46	2x as high for white HHs	1.6x as high for white HHs
Homeownership by Income	49	2.9x as high for top 20%	2.1x as high for top 20%
Homeownership by Gender	—	1.09x as high for single women	1.03x as high for single women
Homeownership by Family Structure	46	2.1x higher for 2-parent HHs	1.9x higher for 2-parent HHs
Foreclosure Rate	35	1.6%	1.3%
Delinquent Mortgage Loans	30	1.26%	1.20%
High-Cost Mortgage Loans	3	2.0%	7.6%
Affordability of Homes (value/income)	47	4.9x higher than median income	3.6x higher than median income
Housing Cost Burden - Homeowners	40	29.9%	28.3%
Housing Cost Burden - Renters	39	49.6%	49.7%

Sources: Prosperity Now Scorecard/State Outcome & Policy Report 2017; RKG Associates

Market studies by RKG and others have shown that while home values and rents in Framingham are on the rise, they still present a relatively affordable alternative for those looking to live in the Boston metro area. In committing to the construction and preservation of low-income and workforce housing, Framingham can protect its diverse housing ecosystem and provide quality homes for newcomers and existing residents at a variety of price points. Early commitments to affordable housing within projects in the rezoned downtown transit-oriented district (as listed in Chapter 4) offer a promising start to the city’s wave of residential development.

Health Care

Health Care metrics provide insight into residents’ access to health insurance, their overall health status, employers’ share of health care premiums, and other measures (Table 5.4). In this category, Massachusetts boasts some of the highest figures in the nation; Prosperity Now granted the state an A grade. Its uninsured rate is best in the country, at 2.9 percent, largely due to the coverage mandate passed by then-Governor Mitt Romney, several years before the Affordable Care Act was rolled out nationwide. Just 1.5 percent of low-income children are uninsured, another measure that ranks first in the country. The Greater Boston region boasts some of the world’s most famous hospitals and medical research laboratories, as well as a robust biomedical industry that serves them.

Table 5.4

Health Care

	Massachusetts State Rank	Massachusetts	USA
Overall Grade: Health Care	A	-	-
Uninsured Rate	1	2.9%	10.0%
Uninsured by Race	26	2.1x as high for people of color	2.1x as high for people of color
Uninsured by Income	16	3.6x as high for poorest 20%	4.7x as high for poorest 20%
Uninsured by Gender	49	1.7x as high for men	1.2x as high for men
Uninsured Low-Income Children	1	1.5%	6.1%
Employer-Provided Insurance Coverage	6	67.0%	58.6%
Employee Share of Premium	14	26.7%	28.0%
Forgoing Doctor Visit Due to Cost	5	8.8%	13.0%
Poor or Fair Health Status	8	14.1%	17.8%

Sources: Prosperity Now Scorecard/State Outcome & Policy Report 2017; RKG Associates

Framingham is home to MetroWest Medical Center (“MWM Center”), a “small metro” hospital according to US News & World Report’s hospitals rankings.² While a critical piece of the area’s health care community, care for Framingham’s population is likely shared among a number of facilities across the MetroWest region.³ Nearby hospitals include Newton-Wellesley Hospital (12 miles from Framingham City Hall), Beth Israel Deaconess Hospital in Needham (10 miles), and UMass Memorial Marlborough Hospital (11 miles), plus the MWM Center’s sister facility in Natick (5 miles).

While Framingham can boast access to Boston’s world-class hospitals and care facilities, that access is unlikely to count as an advantage for the City over other municipalities in Greater Boston. Prospective companies and residents may see situating in Massachusetts or Greater Boston to be a strong positive when it comes to health care access, but Framingham may provide less of that positive than other parts of the Commonwealth.

Education

Strong scores in education are critical to attracting and retaining firms and residents, especially those that wish to “put down roots” in the community for the long-term. As with its medical community, Massachusetts’ educational institutions are renowned (Table 5.5). Receiving an A grade from Prosperity Now, Massachusetts ranks 1st in the country in both math and reading proficiency for 8th graders, 2nd for its population that holds a four-year college degree, and 4th in early childhood education enrollment. The region’s higher education institutions supply a constant stream of world-class talent for employers, and serve as magnets for firms in the technology, biomedical, and research fields. MIT, Harvard, Tufts, Boston

² US News and World Report, Best Hospitals in Massachusetts 2017

³ MetroWest Medical Center in Framingham had 311 beds and 8,574 discharges in 2015, according to the American Hospital Directory; BIDH Needham had 58 beds and 2,685 discharges, Newton-Wellesley Hospital had 237 beds and 14,456 discharges, and UMass Memorial Marlborough Hospital had 67 beds and 4,093 discharges.

College, Boston University, Northeastern, and Brandeis all landed in US News & World Report’s Top 40 National Universities in 2018.⁴ Locally, Framingham is home to Framingham State University and MassBay Community College. Massachusetts’ one negative mark in the education category is for student debt; its median student loan debt balance of \$19,059 places the state 44th in the country.

Table 5.5

Education			
	Massachusetts State Rank	Massachusetts	USA
Overall Grade: Education	A	-	-
Early Childhood Education Enrollment	4	59.7%	48.0%
Math Proficiency - 8th Grade	1	50.8%	32.1%
Reading Proficiency - 8th Grade	1	45.7%	34.3%
High School Graduation Rate	13	87.5%	84.1%
Disconnected Youth	3	7.4%	11.7%
Four-Year College Degree	2	42.7%	31.3%
Four-Year Degree by Race	28	1.6x higher for white adults	1.5x higher for white adults
Four-Year Degree by Income	20	3.7x as high for top 20%	4.3x as high for top 20%
Four-Year Degree by Gender	—	1.03 x as high for women	1.03 x as high for women
Borrowers with Student Loan Debt	38	24.4%	22.2%
Median Student Loan Debt	44	\$19,059	\$17,711
Severely Delinquent Student Loan Debt	3	10.8%	15.8%

Sources: Prosperity Now Scorecard/State Outcome & Policy Report 2017; RKG Associates

Framingham is home to Framingham State University (FSU), a public four-year university with approximately 4,100 undergraduate students and an additional 1,565 postgraduate students.⁵ Over 1,500 of FSU’s undergraduates live on campus. To maximize the tremendous asset of a full four-year university in a City of its size, Framingham could encourage co-op and internship programs with local employers, partner on recruitment efforts, and help the school’s aspiring entrepreneurs to connect with capital and to find space in Framingham.

D. SITE SELECTION FACTORS

Site-specific selection factors provide the key criteria when firms weigh decisions about where to locate, move, or remain. In addition to an area having available land or facilities at a reasonable cost, business leaders evaluate factors like local labor costs, site access, and tax rates, among others. Area Development Magazine, a site and facilities planning publication, releases an annual ranking of top site selection factors according to a survey of American corporate executives. The information in the ranking highlights the relative importance of a variety of factors, ranging from quality of life to available labor, when making site selection decisions. While the survey results are not specific to any geographic area, they can help cities

⁴ US News & World Report Best Colleges 2018

⁵ Framingham State University Office of Institutional Research, Quick Facts 2017 Student Enrollment

like Framingham to understand how they meet firms’ most pressing site selection needs, and where to focus efforts to improve.

Firms’ most important selection criteria have shifted over time (Table 5.6). While highway accessibility and labor costs have consistently been the two most important factors in site selection since at least 2000, firms now pay much closer attention to “soft criteria” like the availability of skilled labor and the quality of life that places can offer would-be employees. A necessity to seek out sites that offer high quality of life may be reflective of a more employee-focused culture in which firms feel the need to court prospective workers that change jobs frequently. The strong national economy that has emerged since the 2008 financial crisis has also seen firms place relatively less importance on a state or municipality’s incentive packages.

Table 5.6

Executives' Top Site Selection Criteria: Changing Preferences		
2017	2010	2000
Highway Accessibility	Highway Accessibility	Highway Accessibility
Labor Costs	Labor Costs	Labor Costs
Availability of Skilled Labor	Tax Exemptions	Availability of Skilled Labor
Quality of Life	Occupancy or Construction Costs	Corporate Tax Rate
Occupancy or Construction Costs	State & Local Incentives	State & Local Incentives
Tax Exemptions	Corporate Tax Rate	Tax Exemptions

Source: Area Development Magazine Corporate Survey 2017

Framingham and its surrounding municipalities are competitive in many of the top site selection criteria. Access to Boston via I-90 makes for high marks in highway accessibility, accessibility to a major airport, and proximity to major markets. The area’s highly educated population means a strong availability of skilled labor, although a low unemployment rate means new college graduates often present the largest pool of residents actively looking for jobs. While state and local incentives and tax exemptions are available in Framingham and Massachusetts, they may be less material than those offered in states that have seen less recent economic success; the State rarely needs to court businesses interested in locating there, large corporations like General Electric notwithstanding.

Massachusetts is a high-cost market, especially the closer a municipality is to the Boston/Cambridge core. One could argue that this is in some ways a reflection of the area’s high quality of life. Good education, health care, public infrastructure, and services lead to a higher cost of living and therefore, in theory, higher wages are required to lure employees there. For this reason, Framingham and Greater Boston as a whole do not fare as well in site selection criteria like labor costs, construction costs, land costs, and other expense drivers. Framingham is likely not at a disadvantage in these categories versus other eastern Massachusetts cities and towns, but may appear less attractive than similar cities in other states when considering costs. Local incentives, especially those that help businesses during the costly initial set-up period, can help set Framingham apart from similar municipalities in the area. Where Framingham may appear less attractive than neighbors is in its corporate property tax rate. The local tax burden is placed largely upon the city’s commercial and industrial properties, with a rate of \$35.39 per \$1,000 in assessed value, more than double the residential rate of \$16.32 per \$1,000. Lower tax rates in competitive municipalities like Marlborough

(\$25.73 per \$1,000⁶), Natick (\$13.05 per \$1,000⁷), and Littleton (\$28.03 per \$1,000⁸) can be an easily quantifiable differentiator for firms that are considering the western suburbs. Framingham's relatively high commercial property tax rate not only shifts a greater tax burden onto existing businesses but makes developing new property more expensive as firms account for the higher taxation in their pro formas.

E. QUALITY OF LIFE FACTORS

An area's quality of life is seen as an increasingly important factor in business' decisions on where to locate. As workers increasingly place value on living nearer their workplace, the ability of a city or town to provide both a business-friendly environment and a great place to live is critical to talent retention. The following criteria are among the largest factors in the quality of life that a location can offer. They are by no means the only factors but can help Framingham to identify its strengths for promotion as well as its opportunities for improvement.

Crime

Framingham has a relatively low crime rate that prospective businesses and residents would likely find attractive. Violent crimes are rare, at a 2016 rate of 2.95 per 1,000 residents. This compares well to rates in similarly sized Massachusetts cities: 5.93 per 1,000 in Waltham, 7.40 in Lawrence, and 10.93 in Fall River. Nearby Marlborough saw 4.01 violent crimes per 1,000 residents in 2016. Property Crimes, which occurred at a rate of 11.64 per 1,000 residents in Framingham in 2016, have fallen precipitously since 2005, when Framingham saw 23.79 crimes per 1,000 residents. The vast majority of property crimes are petty theft.

Despite these facts, negative perceptions of Framingham's public safety persist among some residents and business leaders. Communication of these data points is critical to changing public opinion. A full understanding of Framingham's crime rate is unlikely to deter any prospective firms or residents, and indeed may present a small advantage versus Massachusetts cities with a similarly-sized population and workforce.

Healthcare Facilities

As discussed in a previous section, Framingham is home to the MWM Center, a "small metro hospital." The easy highway access enjoyed by most Framingham businesses and residents provides short connections to the world class hospitals and medical facilities in Boston.

Housing Costs

As part of a metro region whose housing costs are routinely listed among the highest in the nation, Framingham represents a relatively affordable alternative for firms and households looking for access to Boston at a lower cost. The median sale price for a single-family home in Framingham reached \$415,000 in 2017 (see Chapter 4 for more detailed housing cost analysis). Despite representing a 38 percent increase over median prices just 7 years ago, Framingham's 2017 median remained well below the county median of nearly \$513,000.⁹ While the rise in housing prices in Framingham and Greater

⁶ City of Marlborough Assessor

⁷ Town of Natick Assessor

⁸ Town of Littleton Assessor

⁹ Warren Group Real Estate Reports, Q1 2018

Boston shows few signs of abating, Framingham still provides a chance for more middle-income households to purchase homes compared to pricier neighbors like Natick.

Condominium prices took an especially hard hit in Framingham during the 2008 financial crisis and its aftermath. Median sale prices for condos only hit their pre-recession highs in Framingham in 2016, years after the county and state saw recovery; the City's median prices remain less than half that of Middlesex County as a whole. With a median sale price of \$204,500 in 2017 and relatively few transactions, the condominium sector may present an opportunity for Framingham to diversify its housing stock and provide opportunities for lower- and middle-income households to purchase their own homes and acquire equity.

Housing Availability

Despite an increase in the development of housing units over the past ten years, Framingham's residential market remains extremely tight. Just 3.2 percent of units were estimated to be vacant in 2016, according to the US Census, well below the County's also low 5.1 percent vacancy rate.¹⁰ A trend towards the development of higher-density multi-family residential projects is encouraging for the City's overall inventory; the roughly 1,000 units currently under construction or approved in Framingham's downtown are an important step.¹¹ The City should continue encouraging dense multi-family residential developments in intelligent and connected spaces, and should strive to make as many of those units affordable to lower- and middle-income households as possible. In the interest of providing a diverse range of housing, a portion of these should be ownership units.

Public Schools

In addition to FSU and MassBay Community College, as discussed in a previous section, Framingham is home to ten K-5th grade elementary schools, three 6th-9th grade middle schools, and its own high school, with a total district enrollment of 8,609 in 2016.¹² Framingham High School's 2016 enrollment was 2,102. The high school offers Advanced Placement coursework and examinations, participation in which is 48 percent.¹³

GreatSchools, an educational rankings firm, gives the Framingham School District a 6 out of 10 score, lower than neighboring districts Natick (7), Southborough (7), Lincoln-Sudbury (8), Holliston (8), Ashland (8), Wayland (9) and Sudbury (10). These ratings are based upon "a comparison of test results for all schools in the state," and the firm warns that its ratings are "designed to be a starting point to help parents make baseline comparisons, not the only factor in selecting the right school for [their] family." While published rankings typically are of varying levels of quality, Framingham's ratings may be an obstacle to marketing efforts focused on attracting families. As in any municipality, investments that target school district improvement can have effects far beyond test scores and student-teacher ratios – by showing initiative and a desire to improve, they can help attract and retain businesses that grow the local economy. That said, differences within measures like test results or graduation rates are affected by extraneous factors like household income, language barriers, special needs education, and

¹⁰ US Census Bureau, American Community Surveys 2012-2016 5-Year Estimates

¹¹ Haddadin, Jim. "Framingham: Work Begins on \$60M Apartment Development." *The MetroWest Daily News*. 19 Feb 2018.

¹² Framingham Public Schools

¹³ Petroni, Susan. "Framingham Makes List of Top 40 High Schools in Massachusetts." *Framingham Source*. 19 Apr 2016.

immigrant status. Many of these factors contribute to a level of diversity of which Framingham students, parents, and faculty are proud. The advantages of attending school in a “diverse” district are not captured in the ratings that often affect outside public opinion.

In addition to its public schools, Framingham is home to a regional vocational high school, Keefe Technical. Early engagement with Keefe Tech may provide opportunities for Framingham-based firms to meet their future workforce needs locally.

F. COMPETITIVE STRENGTHS & WEAKNESSES

The following section summarizes the City’s economic development strengths and weaknesses based upon conversations with City officials, working groups, real estate professionals, and the general public. The findings are grouped into five distinct categories: the local economy, marketing and outreach, workforce and education, policy and regulation, and housing. In this section, feedback from Framingham leaders and stakeholders is combined with findings and analysis as reported in previous chapters of this Report.

Economy: Strengths & Weaknesses

Strengths

Framingham is arguably the economic engine of the MetroWest region. Framingham has the MetroWest area’s largest economy, with an unmatched diversity of businesses. The city has proven to be an attractive home for corporate headquarters and large-scale offices: Staples, Bose, Sanofi, and TJX Companies have chosen to take advantage of Framingham’s available land, relatively low costs, and quick access to Boston and Cambridge via highway and the MBTA.

Framingham has emerged as a non-urban center for biomedical firms, a lower-cost counterpoint to the famous life sciences cluster in urban Cambridge. “Biotech firms, especially those that need space to do pilot manufacturing, are all showing strong interest in Framingham,” said one commercial broker. “The outer limit [for most biotech firms] is 30 to 35 miles from Cambridge. Framingham is doing a good job of selling itself to those firms.” Asking rents for industrial spaces in the Framingham region have risen in 11 consecutive quarters to spring 2018, and recent investment in new and refurbished spaces suggest that the market remains strong.

Weaknesses

Given that firms have been attracted to Framingham in part for the availability of developable land, its relative scarcity today is a weakness. The majority of future opportunities for office, industrial, and flex space in Framingham will be redevelopment projects rather than new construction, according to one broker. Many of these redevelopment opportunities would take the form of infill on parcels with parking or vacant space, potentially requiring zoning changes and/or upgraded infrastructure.

While industrial and research space has been at a premium, the Framingham area has seen a relatively weak office market in recent years, with virtually no for-lease inventory added and negative annual net absorption since 2008.¹⁴ Many reported vacancies are in Class B or C space (particularly near I-90’s Exit 13), which typically is “unable to attract Fortune 1000 or comparable firms,” according to one broker. Most newly leased office space has been the result of Framingham-based firms swapping spaces, not of the City drawing outside businesses to its office spaces. Still, brokers report that Bose

¹⁴ Cushman & Wakefield Office Snapshot Q1 2018

and TJX are in the market for additional marketplace; Framingham should do everything in its power to accommodate them within the city. Bose's recent decision to locate an expansion facility in the new, more urban Boston Landing development, and Sanofi's lease of 900,000 square feet in Cambridge should serve as warnings. Other firms that have reportedly considered expanding or locating in Framingham but did not include GE Healthcare, which could not find a space of sufficient size on their timeline and moved to a former Hewlett Packard office building in Marlborough Hills, and VirginPulse, which moved its headquarters to Providence with extensive state subsidies.

Marketing: Strengths & Weaknesses

Strengths

Framingham has a marketing advantage versus some MetroWest municipalities simply in that it has had a visible marketing campaign in the recent past. Its "Choose Framingham" campaign was met with varying levels of enthusiasm by local business leaders, but at the very least the City has the infrastructure and processes needed to run a marketing and recruitment effort. Those marketing initiatives can now promote Framingham as a city, a municipality that ideally has a more efficient and powerful government than similarly-sized towns. A more streamlined city structure was sold to voters in the 2017 referendum as a business-friendly boost – it can now be marketed as such. Marketing efforts are conducted through the EDIC, with funding secured from fiscal year 2012 through 2018.

Framingham is already proactive about recruiting more biotech firms to the area, in part via its involvement in the MetroWest Chamber of Commerce ("Chamber"). The Chamber has been proactive about highlighting Framingham as an ideal place for technology firms that are looking to expand or relocate to less expensive space within a short distance from Cambridge. The Chamber, City, and MetroWest Life Sciences Network collaborated to host around 50 visiting executives and entrepreneurs in June 2018 in an attempt to highlight MetroWest's strong biomedical community. Attendees visited Framingham's Sanofi, among other firms.¹⁵ "I'm happy it's aggressively growing," said one visiting CEO about MetroWest's biotech community.

Weaknesses

Framingham's marketability weaknesses are less about the City's marketing practices, and more about the "product" Framingham has to sell to prospective firms and residents. Making improvements to critical assets like the city's downtown and its aging office stock can have an outsized impact on its marketability.

For example, much of Framingham's business community (particularly its most marketable, high-tech firms) is situated in auto-dependent business and office parks. While these settings can have marketable advantages like a high quantity of parking, traditional business parks are seen as an increasingly outdated option across the country. Framingham lacks many office or industrial opportunities that are within walkable distances of restaurants, shops, or vibrant public spaces. As other communities strive to retrofit their business parks with a mix of uses that could create a more enticing environment, Framingham should encourage investment in both office parks and downtown spaces that minimize car-dependent, isolated spaces. Once these are created, marketing efforts will be critical to making firms and citizens aware of the improved spaces.

Downtown's relatively high commercial vacancy rate and lack of middle-tier restaurants and stores negate what should be one of Framingham's most marketable assets: an attractive, walkable, vibrant

¹⁵ Bosma, Alison. "MetroWest Courts Biotech Executives." *The MetroWest Daily News*. 8 June 2018.

business core. Under-construction and permitted multifamily residential projects should help grow the market for downtown businesses and add activity to its streets. Similar approved and proposed projects can help improve the area's marketability to prospective businesses in both downtown and elsewhere in Framingham.

Workforce & Education: Strengths & Weaknesses

Strengths

Among MetroWest's cities and towns, Framingham in particular may be attractive to prospective businesses due to its relatively large, diverse, and well-educated population. The City's diversity provides ample workforce for higher-paying technology, medical, and corporate jobs, as well as for less-skilled but critical support roles.

FSU and MassBay Community College are unique assets for a city of Framingham's size, and present ample opportunities for firms to engage with academic research and a pipeline of local college graduates. Apprenticeship and internship programs present opportunities for Framingham to help its college graduates find full-time positions and stay in Framingham. Job training programs through FSU, MassBay, and other local organizations are helping Framingham's employers to hire workers; opportunities exist to tap into Framingham's full diversity, including the City's foreign-born and first-generation immigrants. Other organizations like the South Middlesex Opportunity Council, based in Framingham, are working to grow access to jobs for residents outside of the academic community.

Weaknesses

The Framingham School District's ratings and reputation, deserved or otherwise, may represent a negative mark as firms evaluate where to locate – particularly within MetroWest, which has several very strong school systems.

While the Boston metro region boasts several of the country's (and world's) best learning and research institutions, convincing their talented graduates and the firms that heavily rely upon them to leave the urban environs of Boston, Cambridge, and Somerville may prove difficult. This is especially true in the coveted biotechnology sector, as some young workers show a preference towards more urban, walkable, and transit-accessible spaces in the region's core. Framingham can strive to create more of these vibrant commercial spaces in the medium- to long-term, but they are largely lacking today.

Policy & Regulation: Strengths & Weaknesses

Strengths

Framingham's new status as a city can bring several strengths to economic development efforts and business attraction. Its "strong mayor" form of government can help City government to execute its economic development vision with fewer bureaucratic hurdles.

Recent changes to zoning policies regarding density near the downtown train station also present an advantage for attracting development, be it commercial or residential. The City's status as a Housing Choice Community, designated by the state, can make it more competitive when applying for state grants and other programs related to economic development and/or housing. Framingham also has its own Economic Development and Industrial Corporation (EDIC), a "quasi-public entity established by" the city to execute economic development plans. The EDIC focusses on downtown revitalization work, a beautification program, marketing, and other redevelopment plans that make Framingham more business-friendly.

Weaknesses

Conversations with local business and real estate leaders revealed a number of political and regulatory barriers that some stakeholders felt made doing business in Framingham more difficult than some other municipalities. A complicated set of approval and permitting processes can be daunting to businesses interested in locating in Framingham. The City should develop a true “customer service” approach to business recruitment, including guidance and partnership through a clear, predictable, and consistent permitting process, which could go a long way in resolving these issues. Increasing the as-of-right zoning options for property owners and developers would help make approvals clearer and less subject to lengthy review processes.

Housing: Strengths & Weaknesses

Strengths

As discussed in other sections of this report, Framingham’s housing stock remains relatively affordable within Greater Boston, one of the country’s most expensive metro markets. The City’s zoning commitment to TOD and its recent trend towards building denser multi-family development within Downtown and the CB District can help preserve and grow Framingham’s housing diversity. This diversity, in terms of size, cost, amenities, accessibility, and housing for rent vs. purchase, represents a strength for Framingham when compared to neighbors within MetroWest. Housing that meets the individual needs of all different types of individual employees can be an attractive asset for prospective employers. In addition, a denser and more diverse housing stock is better able to support a vibrant retail, restaurant, and cultural sector that in turn makes Framingham more marketable to prospective businesses and residents.

Weaknesses

A relatively diverse housing stock and relatively low housing costs are only attractive to new firms and residents if there is supply available for occupancy. Framingham’s low residential vacancy rate puts this strength at risk. A continued commitment to building more and denser housing can help alleviate pressure on the market, but years of very low construction rates before 2013 continue to have residual effects on availability.

Additional construction should also help Framingham to remain an affordable option for both renters and homebuyers. Recent rises in home prices are welcome news for some homeowners, as Framingham catches up with MetroWest and Middlesex County’s other successful communities. Continued price escalation at current rates, however, could put Framingham’s status as an affordable alternative within the region at risk.

G. TARGET INDUSTRIES

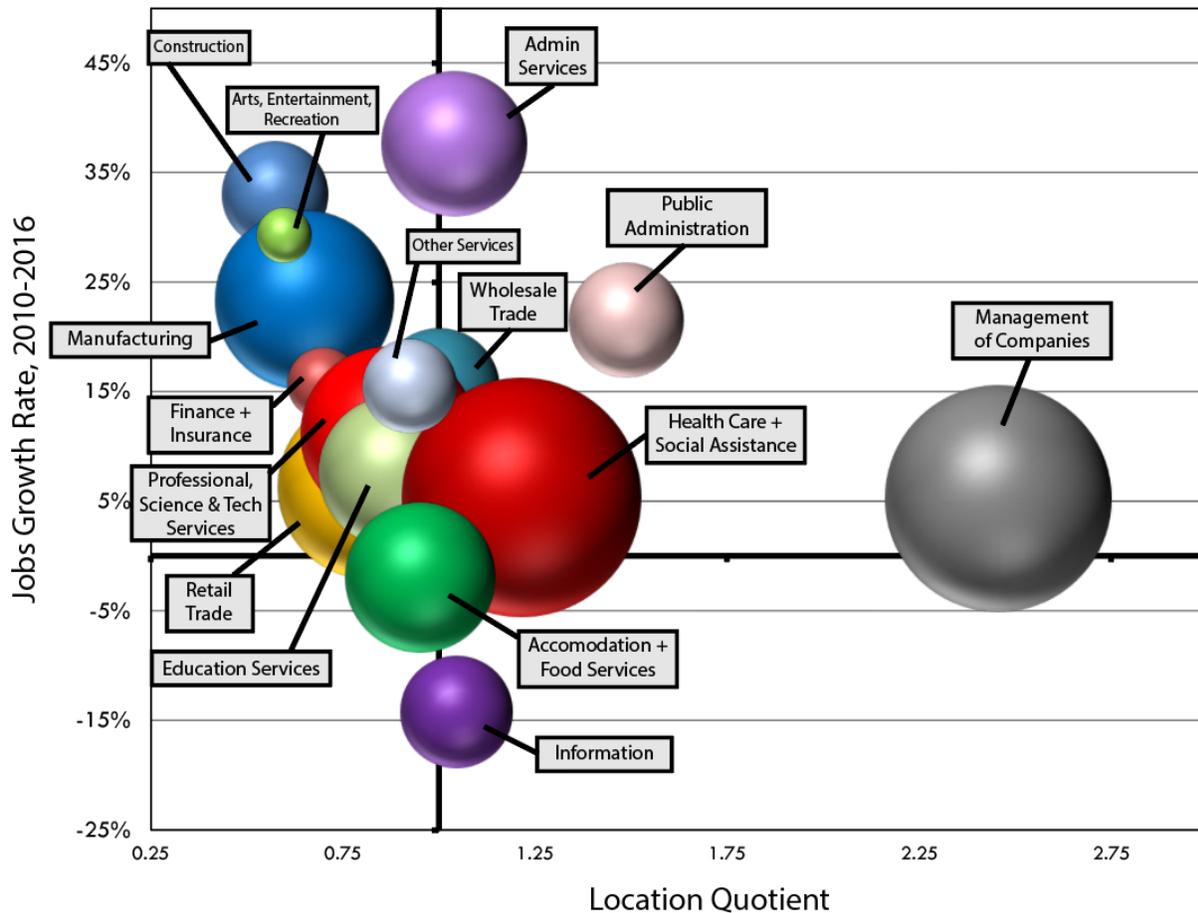
The following section provides analysis and justification of the five selected target industries for Framingham to pursue in the near term. They are:

- **Professional Services & Corporate Operations (NAICS 54 & 55)**
- **Scientific Research, Development, and Manufacturing (NAICS 54 & 325)**
- **Health Care (NAICS 62)**
- **Construction & Related Contractors (NAICS 23)**
- **Entrepreneurial Development**

These sectors were selected based upon conversations with municipal and business leaders, independent research of local and regional business trends, and a “Cluster Score” analysis of employment sectors’ relative strengths.

Figure 5.1 illustrates three of the key drivers of a given industry’s cluster score: its size in terms of number of local jobs (bubble size), its location quotient or job concentration relative to the MetroWest NECTA (x-axis), and its local employment growth rate (y-axis). The chart’s findings are based upon data from the Massachusetts Executive Office of Labor and Workforce Development for Framingham and for the MetroWest NECTA. The chart makes clear that Framingham’s largest employment sectors are Management of Companies and Health Care/Social Assistance, with the former growing at an exceptionally fast pace from 2010 to 2016. Local manufacturing jobs have expanded rapidly since 2010, but remain a small percentage of the city’s overall employment relative to manufacturing’s role in the rest of the NECTA. Professional, Science & Technical Services jobs show positive growth from 2010 to 2016 in Framingham, but maintain a location quotient below 1.0, meaning the local cluster is relatively under-developed versus the rest of the NECTA.

Figure 5.1



Sources: Massachusetts Executive Office of Labor and Workforce Development ES-202; RKG Associates

Professional Services and Corporate Operations

Framingham has emerged as one of the largest clusters of corporate headquarters and support activities in the suburbs of Boston. Existing employers like TJX, Bose, Staples, Sanofi and International Data Corporation Enterprise (IDC) employ thousands in Framingham and have knock-on effects felt throughout the local economy.

The reasons behind Framingham’s emergence as a corporate center are the same reasons the City can aim to attract even more corporate operations and associated professional services. Employers including TJX cite Framingham’s location as a key driver of value. Easy vehicular and train access to Boston proper, Cambridge, Logan Airport, and businesses along I-495 put Framingham in the geographic center of the region’s corporate ecosystem. Firms can find lower-cost land for corporate office development when compared to locations closer to Boston. Framingham boasts a large, well-educated workforce with a deep talent pool for hiring. Management of Companies is the employment sector with the highest location quotient within Framingham; its quotient of 2.5 means that it is home to a significantly higher concentration of corporate management positions relative to the rest of MetroWest.

There is reason to believe that Framingham can continue to compete at the highest level for corporate employers and their support industries. As Boston’s strong regional economy continues to attract investment and firms from around the world, edge communities like Framingham can play a critical role as less-expensive alternatives. Boston’s continued growth as one of the country’s economic powers should be to the benefit of Framingham. From 2010 to 2016, corporate operations employment in Framingham grew by 5.3 percent, establishing itself as Framingham’s second-largest employment category with over 7,200 total jobs in 2016. The presence of so many corporate jobs in Framingham may itself serve as validation for other firms considering the City as an option.

Focus Areas for Recruitment and Retention

- **Tech Park / CMU District** – space for large floorplate offices, but new development requires partnership with existing landowners. Infill opportunities on parking and underutilized land, but very few fully vacant parcels for purchase. There may be a need for a broader mix of uses in order to create a value-added “place” for firms and their employees to enjoy. Recent mixed-use development at Marlborough Hills, rezoned in December 2012, may provide a guide.¹⁶
- **CB District (Downtown)** – opportunities for smaller office spaces to accommodate support industries. Corporate headquarters or regional offices for smaller firms could occupy newly-built or refurbished space over first floor retail and bring an additional boost of economic activity to a revitalizing Downtown.
- **Golden Triangle** – Natick Mall and surrounding parcels considering a “second act” as retail preferences change – could mean opportunities for infill office development in highly accessible locations. Some existing office space in the area, but would require investment to bring up to Class A standards sought by most large firms.

Whichever areas prove most suitable for the development or expansion of corporate facilities, the City should do what it can to make those spaces vibrant, connected, and mixed-use where appropriate. In the last year, Framingham has missed out on the expansion of several firms that have chosen to located in new, more urban developments like the City of Boston’s Boston Landing and Cambridge’s Cambridge Crossing (formerly North Point) development. These decisions have likely been driven not just by proximity to other firms and universities, but also for recruiting and retention purposes; it is proving easier to recruit the best and brightest talent to walkable, vibrant, transit-oriented neighborhoods.

In addition to corporate headquarters-style employers, renewed focus on attracting corporate services jobs would likely increase demand for workers in other support industries like finance, insurance, and real estate, educational services, and housing development. Expanding and improving upon Framingham’s housing and education may prove critical to attracting corporate headquarters, which often bring families.

Top Target Categories	Key Support Categories
Management of Companies	Finance, Insurance & Real Estate
Management Consulting Firms	Educational Services
Information Services	Housing Development

¹⁶ Atlantic Management

Life Sciences Research, Development and Manufacturing

Perhaps Framingham’s most advanced economic development efforts in recent years have been in the life sciences. High-tech firms like Sanofi, Boston Heart Diagnostics, and BERG Health have established Framingham as a center of research and development outside of Boston and Cambridge. Structures like 1 Grant Street have become veritable campuses of life science innovation; that building alone is home to four life sciences firms including Alira Health and newcomers Kephera Diagnostics and QURA. Firms on a recent tour of Framingham sites noted that the City is located within a critical “30 to 35-minute window” of Cambridge firms, but boasts a significantly lower cost. Developing near the region’s center of research and life sciences, Kendall Square in Cambridge, has proven to be prohibitively expensive for all but the wealthiest firms. Plenty of other fast-growing businesses wish to be within a close distance of Cambridge’s firms and universities, but without the cost; Framingham has fit the bill for many.

Framingham has established a strong track record for recruiting life sciences firms and has seen its existing firms help in trying to grow the emerging cluster. In June 2018 the city hosted life sciences executives from around the world after that week’s BIO Conference at the Boston Convention and Exhibition Center. The visit allowed executives to learn about MetroWest’s advantages for life sciences firms, and was jointly hosted by Framingham, Natick, and the MetroWest Chamber of Commerce.¹⁷ With speakers from firms like Sanofi, Alira Health, and Boston Heart Diagnostics, the effort was emblematic of a cooperative recruitment effort between municipal and corporate leaders.

With strong local and regional employment growth, the Boston region looks set to continue as a world capital of biotechnology. High-tech support industries like “scientific services” present a

Top Target Categories	Key Support Categories
Life Sciences Firms	Medical Supply Manufacturing
Related R&D Services	Chemical Wholesaling
Scientific & Tech Consulting Firms	Electrical Equip. Manufacturing
Chemical Manufacturing	

growth opportunity – the category grew by 11 percent from 2010 to 2016 in Framingham. Just as firms in Cambridge benefit from research partnerships with MIT and Harvard, Framingham should aim to connect firms with Framingham State and other area universities.

Firms in the field require large lab spaces, generally containing high ceilings. Many specialized firms need their own, custom-designed spaces, which further emphasizes the advantage that lower-cost land can provide. Life science firms have flocked to the Boston area in part because of its high level of education; Framingham too can offer a diverse and well-educated workforce.

Health Care

Home to its own regional hospital, the MWM Center, Framingham can work to translate its strength as a biohealth research cluster into a best-in-class community for patient care as well. As MetroWest’s largest city and economic center, Framingham has a built-in customer base for expanded medical care. MetroWest’s ageing population will provide a growing market for patient care, and as a high-income region will have comparatively greater levels of disposable income to spend on health. Support industries, including manufacturers and suppliers of medical devices like Philips Home Monitoring, can help spur innovation in senior and outpatient care.

¹⁷ O’Neill and Associates. 28 Jun 2018. <https://www.oneillandassoc.com/2018/06/28/framingham-hosts-life-sciences-executives-from-all-over-the-world/>

While federal funding for Medicare and Medicaid may be at risk, MetroWest and Massachusetts boast some of the nation’s highest health insurance coverage rates, which means a greater ability to pay for services. The MWMC is reportedly not in “growth mode” as of late 2018, with a new CEO having recently taken charge. That said, the Center is reported to be interested in supporting industry collaboration, including with the MetroWest Life Sciences Network.¹⁸ As the vast majority of local health care is provided by the MWMC, the City could look to partner with a developer or regional care provider to encourage health clinics to locate in other, less-served portions of Framingham (especially as auto traffic continues to be a concern).

Top Target Categories	Key Support Categories
Hospitals & Specialty Care	Age-Restricted Housing Development
Nursing & Residential Care	Medical Supply Manufacturing
Ambulatory Health Care	Transit & Ground Passenger Transport

Framingham’s work force, and that of the MetroWest region, can support expanded medical care facilities and support industries. Workforce training programs could help residents with lower educational background to access jobs in medical support.

Construction Services and Specialty Contractors

Alongside high-paying tech, corporate, and medical jobs, Framingham can also seek to attract a wide range of employers involved in constructing and improving the built environment. Especially as the City aims to increase appropriate development and revitalize its downtown, Framingham can play host to firms that construct, refurbish, and reimagine physical spaces. Firms as diverse as DPS Engineering, Ameresco, Atlantic Management, and L/R Construction all are located in Framingham, and all play a role in developing the City’s next act.

Framingham’s lower cost workshop and storage spaces can provide strong access to Boston’s suburbs and edge cities, while also positioning construction firms and contractors within close proximity to MetroWest’s growing communities. Traditional construction firms and contractors can access Framingham’s tech firms to establish a proving ground for innovative tech solutions like green tech; Ameresco’s efforts in solar building technology could serve as an opportunity for partnerships.

Top Target Categories	Key Support Categories
Building Construction Firms	Architecture Firms
Specialty Contractors	Construction Equipment Dealers
Design & Engineering Firms	Heavy & Civil Engineering Firms
Green Design Firms	Logistics Firms

In addition to a strong market for residential development, Framingham’s corporate and biohealth community can provide a captive market for new office/lab development and redevelopment of large spaces. Well-funded corporate expansions may present opportunities to put innovative and experimental building initiatives into practice. The redevelopment of a former newspaper printing facility at 33 New York Avenue into a creative, life sciences-led innovation space may indicate the market for future development of that type in Framingham.

¹⁸ Conversations with City of Framingham Economic Development Staff, 12/17/2018

Entrepreneurial Development

While not technically one employment sector like the other identified target industries, entrepreneurial development is a critical piece of Framingham’s economic development future. The City should leverage its numerous assets, including its relatively low cost of housing and commercial space, to attract and support small businesses that can continue to call Framingham home as they grow. Middlesex County as a whole is already host to a rapidly growing small business ecosystem. Between 2016 and 2017, more than 17,000 sole proprietorships were started in the county, representing a 14.1 percent growth in the number of such establishments. These new establishments were predominantly in service industries. While a sizeable portion working in the transportation field were likely newly-registered Uber and Lyft drivers, most of these new establishments were classified as providing “other services” by the Massachusetts Executive Office of Labor and Workforce Development. This broad category includes personal care services (NAICS 8121), repair & maintenance services (NAICS 811), and others. These can likely be classified as “legacy industries,” or traditional service roles that have existed in their current form for years.

Taking advantage of the city’s uniquely diverse population should be a priority for entrepreneurial programs. Possible approaches to making Framingham the hub of small business and start-up entrepreneurship within MetroWest may include loan programs, mentorship programs, and a minority and woman-owned entrepreneurship initiative. These may help Framingham residents (or prospective employees and residents) to form not only legacy industry businesses, but also higher-tech and innovative start-ups that can feed off the City’s existing corporate and science clusters.

Helping entrepreneurs to locate and grow in Framingham can begin by working with the city’s existing assets, which include:

- **FSU’s Entrepreneurship Innovation Center** – a co-working space on FSU’s campus intended to be a hub for start-ups in MetroWest. For a monthly fee, entrepreneurs can access the space, student interns, networking opportunities, and office functions like printing and a mailbox. www.framingham.edu/the-fsu-difference/centers-and-institutes/entrepreneur-innovation-center
- **Framingham Makerspace** – a non-profit co-working space in the Saxonville Mills, the Framingham Makerspace is home to several 3D printers and equipment like a wood shop and a metal/welding shop. The Makerspace received funding from the MassDevelopment Collaborative Workspace grant program in 2017. www.framinghammakerspace.org
- **Red 13 Studios** – an “open concept, collaborative workspace” marketed towards visual and performing artists. Founded by creators from across the artistic spectrum, the space offers “an award-winning staff” and “Creator Suites” that provide independent artists with access to a full range of equipment. Like the Makerspace, Red 13 Studios won a MassDevelopment Collaborative Workspace grant in 2017. www.red13studios.com

H. CONCLUSIONS

As the economic hub of MetroWest and a gateway community to one of the world’s most innovative and dynamic cities, Framingham is well positioned to compete for jobs in almost any industry. Its strategic location, diverse workforce, relatively low cost of living and high quality of life are all assets that most site selection professionals would find attractive. That said, opportunities exist for Framingham to improve its workforce development, marketing and outreach, and other business attraction tools that can play a role in recruiting and retaining firms. A growing list of companies choosing to locate in walkable, mixed-use,

transit-connected spaces makes it imperative that Framingham do what it can to help isolated commercial areas like the CMU District to pivot towards their next act.

Prioritizing those employment sectors that can have the largest, most positive impacts on Framingham is imperative for City decision-makers with limited economic development resources. The five identified target industries in this chapter are among the greatest opportunities for employment growth in Framingham. By continuing and expanding marketing and recruitment efforts, partnering with trade organizations, and proactively identifying development/redevelopment sites, City officials can ensure that firms know about all that Framingham has to offer. Relatedly, officials should encourage the mixed-use and dynamic development that is attracting businesses elsewhere in Boston, and should take steps to educate the public on the need to grow and evolve the city's building stock.

6 FISCAL IMPACT MODEL & ANALYSIS

A. INTRODUCTION

A Fiscal Impact Model can help users to estimate and understand the relationship between a community's land use decisions and their corresponding financial impacts. This chapter details the methodology and assumptions behind a Fiscal Impact Model for Framingham and offers conclusions that can help guide discussions on land use in the future.

Different land uses have different effects on a local government's incomes and expenses. While land use decisions also have broader effects on a community's economy, this Study focuses on direct municipal impacts like property tax income, education expenses, parks and recreation expenses, and others.

The fiscal impact model operates on three primary assumptions: [1] the model measures *incremental* impacts to the City of Framingham; [2] the model calculates the balance of *local* inflows and outflows; and [3] the model excludes revenues and expenditures unrelated to land use decisions (i.e. some intergovernmental transfers).

- **Incremental Impacts** – Standard fiscal impact modeling recognizes that there are certain fixed costs a community must pay for regardless of an incremental unit of housing or square foot of commercial space. The City of Framingham will, for example, only need to pay the salary of one Mayor, regardless of any incremental development activity. These types of fixed costs generally do not change with new development. This analysis separated fixed costs from incremental costs for the purposes of understanding the actual impact of development by land use.
- **Local Inflow/Outflow Impacts** – This analysis focuses exclusively on direct revenues and expenses incurred by the City of Framingham. Outside revenues (i.e. sales tax impacts on the State of Massachusetts) and expenditures (i.e. Massachusetts per-pupil education transfers) are not considered. This serves to isolate the true fiscal impact of land use decisions upon Framingham.
- **Excluded Budget Line Items** – This model focuses on the most substantial revenue and expenditure categories from the City's 2018 budget. The budget numbers used within the Fiscal Impact Model may differ from figures in the published City budget as some revenues and expenditures not related to land use were excluded. These include items such as intergovernmental transfers and state aid.

B. KEY FINDINGS

- **Incremental residential development has a positive impact on municipal finances.** New construction tends to result in units with significantly higher assessed values than the existing average, and therefore above-average tax receipts. These positive impacts are on average far greater than the corresponding increases in municipal expenditure.

- **Denser multi-family development can have an especially positive fiscal impact.** By putting more property tax-generating units on a parcel, multi-family development can quickly become more lucrative than single-family housing on a per acre basis. This is due in part to the lower student generation rates that come with the average multi-family unit and holds true whether development is rental apartment or condominiums.
- **Walkable, mixed-use communities tend to be the most fiscally sound, while lower-density neighborhoods tend to be the most expensive to service, especially in the long term.** Extending streets, sewer, and other infrastructure over longer distances to less-dense communities can introduce greater fiscal stress. The character and location of new development can have a significant impact on limiting these costs on a per-capita and per-unit basis.
- **Incremental commercial development also tends to have a net positive impact on municipal finances.** While not generating the same level of property taxes, commercial development generates very little incremental spending, especially in the case of industrial development.
- **While retail is the most beneficial commercial use on a per square foot basis, industrial and office development can have a highly positive impact due to larger footprints and lower incremental expenditures.** Changing retail landscapes could also lead to long-term volatility in the taxable value of retail properties.

C. REVENUE AND EXPENSE ALLOCATION

Before understanding how costs and revenues will be affected by different land uses in the future, it is critical to determine how the City's land uses affect its budget today. The Fiscal Impact Model's first task is therefore to allocate the City's existing revenues and expenses to its different land uses. For the vast majority of budget line items, the most reliable methodology for allocating costs and revenues is to do so based upon property values.¹ This simplifying assumption means that, for example, if residential properties account for 60 percent of the city's assessed value and commercial properties accounted for 40 percent, then a line item like the Accounting Department's salaries would be driven 60 percent by residential uses and 40 percent by commercial uses.

In Framingham, this "default" or "fair share" allocation percentage is based upon 2017 property assessment data provided by the Framingham Assessing Department and Board of Assessors. In 2017, approximately 79 percent of Framingham's taxable property value was residential; the remaining 21 percent was commercial. Basic municipal expenses like public works, the Mayor's office, accounting department, etc. are allocated in the Model based upon this "fair share" percentage.

However, not all revenues and expenditures are split between residential and commercial units at this rate. For example, education expenses are purely driven by residential uses; the EDIC's budget is driven by commercial uses alone. Using inputs and guidance from Framingham officials, each relevant line item was

¹ Based upon previous Fiscal Impact Models and analysis by RKG Associates in Massachusetts.

divided between residential and commercial uses by either the “fair share” split, an all-commercial or all-residential allocation, or a unique split based upon other factors, as shown in Table 6.1.

It is worth noting that while residential land uses comprise roughly 79 percent of the city’s total assessed value, they deliver just 59 percent of its tax levy. This represents a unique and sizable shift of the community’s tax burden onto the commercial sector, due to its significantly split tax rate.²

Table 6.1

Revenue and Expenditure Allocation by Land Use

Category	Residential	Commercial
Revenues		
Property Tax Levy ³	59%	33%
Excise & other Taxes	92%	8%
User Fees	79%	20%
Penalties, Interest, Fines	100%	0%
Licenses & Permits	79%	20%
PILOT	0%	100%
Investment Income	79%	20%
Rental	79%	20%
Loring Arena	100%	0%
PEG Revenue	79%	20%
Miscellaneous	79%	20%
Expenditures		
Property/Liability Insurance	79%	20%
Insurance & Workers Comp	92%	8%
Retirement Funds & Medicare Appropriation	92%	8%
Debt Service	79%	20%
Interest on Abatements	79%	20%
Public Safety (Fire & Police)	79%	20%
Animal Control Department	100%	0%
Public Works	79%	20%
Public Library	100%	0%
City Clerk	79%	20%
Elections Department	100%	0%
Office of the Mayor, City Council, Solicitor	79%	20%
Parks & Rec	100%	0%
Council on Aging	100%	0%
Loring Arena	100%	0%
City Cemeteries	100%	0%
Administration & Finance	79%	20%

² \$15.38 per \$1,000 assessed value for residential, \$33.61 per \$1,000 assessed value for commercial. Per Framingham Board of Assessors.

³ No assumption needed; value derived from 2017 Assessors’ Database.

Inspectional Services Department	79%	20%
Weights & Measures Department	0%	100%
Public Health Department	79%	20%
Community & Economic Development Dept.	50%	50%
Conservation Commission	100%	0%
Planning & Zoning Board of Appeals	50%	50%
Economic Development Industrial Corporation	0%	100%
Human Resources Department & Veterans Services	100%	0%
Framingham Public Schools & Vocational Schools	100%	0%
Reserve Funds & Appropriations	79%	20%

Source: RKG Associates

D. INCREMENTAL REVENUES

1. Defining Units for Different Uses

The Fiscal Impact Model attempts to forecast the incremental revenues that would result from the addition of residential or commercial property (primarily via incremental property tax receipts). The impacts of residential development are forecasted on a simple per-unit basis, forecasted separately in this analysis as single-family units and multi-family units. Commercial impacts are forecasted per square foot of industrial, retail, and office/medical development. The per-square foot method for forecasting commercial impacts accounts for the wide range of sizes of commercial properties. A single industrial facility could be as small as a few hundred square feet or as large as a million square feet and would subsequently have drastically different fiscal impacts on a community.

2. Calculating Incremental Property Tax Receipts

Increased property tax receipts account for the vast majority of incremental revenues that would result from most types of new development. For residential properties, assessors' data provides the average per-unit tax receipts for Framingham's existing single-family and multi-family units (Table 6.2). However, an incremental, newly-constructed unit will typically have a higher value than the average existing unit. In the case of Framingham, the average single-family unit constructed from 2013 to 2017 was valued at 159 percent of the average single-family unit built before 2013. The average multi-family unit built from 2013 to 2017 was valued at a massive 203 percent of the average multi-family unit value built before 2013. Using these "new construction premiums," one can estimate the average incremental property tax receipts from an additional unit of housing: approximately \$8,500 per year for a new unit of single-family housing, and \$4,250 per year for a new unit of multi-family housing.

Table 6.2
Fiscal Impact Revenue Generation, 2017
 Single-Family and Multi-Family Homes

	Single-Family Homes	Multi-Family Homes
Existing Units	15,720	12,806
Existing Assessed Value Total	\$5,179,911,300	\$1,644,315,470
Average Assessed Value/Unit	\$329,511	\$128,402
New Construction Value Premium	59%	103%
New Construction Assessed Value/Unit	\$522,305	\$260,377
Marginal Property Tax Income per Unit	\$8,524	\$4,249

For commercial properties, the model conservatively assumes that newly-constructed space is worth, on average, 10 percent more than the average existing space.

3. Calculating Other Incremental Revenues

Though far less significant, there are other variable revenue sources that would be affected by most incremental housing or commercial space. Income from excise taxes, licenses, permits, fines, and other miscellaneous revenue sources would all increase proportionally with additional development. Payment in Lieu of Taxes (PILOT) receipts would only increase with commercial development, while revenues from most penalties, fines, and the use of Framingham’s Loring Arena would likely be increased only by residential development.

For commercial development, these revenue impacts are fair-shared between industrial, retail, and office/medical uses in accordance with their respective property values (aka “fair share”). This fair share of commercial values results in the following splits: 19 percent industrial, 31 percent retail, and 50 percent office/medical.

For residential uses, the impacts are split between single-family and multi-family units on a per capita basis (this methodology was also used for forecasting most residential expense impacts as well). This is because unlike in commercial properties, where the highest value land use (retail) results in the highest variable revenues and expenditures, an incremental resident generates largely the same fiscal impacts whether they live in a single-family unit or a multi-family unit, property taxes aside. With this in mind, incremental revenues like excise taxes, fines, fees, and others are calculated on a per-capita basis and then converted to per-unit impacts based upon the average occupancy of each residential type: 2.70 persons per unit for single-family homes, and 2.08 persons per unit in multi-family homes.⁴ The projected average incremental revenues per unit are shown in Table 6.3.

⁴ US Census, American Community Survey 2012-2016, Tenure by Units in Structure B25032.

Table 6.3
Revenue Allocation by Commercial Use

Category	Residential Share		Incremental Revenues	
	Existing Revenue	Existing Revenue per Capita	1-Family Unit	Multi-Family Unit
Property Tax Levy	\$111,371,381	-	\$8,524	\$4,249
Excise Taxes	\$10,671,373	\$159	\$428	\$331
All Other Revenue Sources	\$9,719,234	\$145	\$390	\$301
Total Revenue	\$131,761,989		\$9,342	\$4,881

Sources: RKG Associates, Framingham Assessors Database

E. INCREMENTAL EXPENSES

The incremental municipal expenses of additional residential and commercial uses are calculated in a similar manner to that used for revenues: per capita impacts converted to housing unit impacts for residential, and per square foot impacts based upon assessed values for commercial development. The critical exception within the incremental expenditures analysis is education spending.

1. Adjusting for “Efficiency”

Most municipal expenses have “scale.” This means that, for example, a 10 percent increase in population does not equal a 10 percent increase in expenditures. A community would not be likely to hire an additional accountant if the population went from 10,000 to 10,001, and it would not need to increase its capital budget to build a new school if the local student enrollment went from 2,000 to 2,010. That said, sound fiscal impact analysis must assign a nominal incremental impact to each new resident or business; even though the 10,001st resident might not require an additional accountant to be hired, the 15,000th might. In the Fiscal Impact Model, this adjustment is made via an assumed “efficiency.” A 100 percent efficiency for a budget line item would mean that a 1 percent increase in the number of residents (or commercial square feet) would result in a 1 percent increase in the expenses for that line item. This situation is rare in Framingham. Instead, expense line items were given efficiency adjustments of between 10 and 84 percent. Adjustments were made based upon conversations with City officials, individual department budgets, and previous fiscal analyses performed in similarly-sized municipalities.

The Framingham Public Schools and South Middlesex Regional Vocational Technical Assessment line items were assumed to have an 84 percent efficiency – relatively high, because incremental students in the system do indeed have a nearly direct effect on variable education costs. The efficiency figure was determined via an examination of Framingham Public Schools’ annual budget (and that of Marlborough, MA for comparison). 84 percent of the district’s direct annual spending (excluding state aid and other transfers) was deemed to be variable, including teachers’ salaries. This assumption is conservative – an additional student in the system would likely not lead to a change in staff salaries – but aims to capture potential long-term changes that would occur with residential development. The efficiency adjustments as used in the model are shown in Table 6.4.

Table 6.4

Efficiency Adjustments by Expense Line Item

Category	Efficiency Adjustment
Expenditures	
Property/Liability Insurance	20%
Insurance & Workers Comp	40%
Retirement Funds & Medicare Appropriation	40%
Debt Service	10%
Interest on Abatements	20%
Public Safety (Fire & Police)	75%
Animal Control Department	75%
Public Works	20%
Public Library	50%
City Clerk	20%
Elections Department	20%
Office of the Mayor, City Council, Solicitor	20%
Parks & Rec	20%
Council on Aging	20%
Loring Arena	20%
City Cemeteries	20%
Administration & Finance	20%
Inspectional Services Department	50%
Weights & Measures Department	50%
Public Health Department	20%
Community & Economic Development Dept.	30%
Conservation Commission	30%
Planning & Zoning Board of Appeals	30%
Economic Development Industrial Corporation	30%
Human Resources Department & Veterans Services	20%
Framingham Public Schools & Vocational Schools	84%
Reserve Funds & Appropriations	20%

Source: RKG Associates

2. Calculating Incremental Education Expenses

Just as property tax receipts were by far the largest driver of incremental revenue from additional development, education spending is the largest factor in calculating municipal expense changes. Estimating the per-unit impact on local education funding involves the following steps:

- 1) **Isolate local education spending from other sources.** Of the published \$127 million Framingham Public Schools (FPS) budget in 2018, \$68.7 million was estimated to be local spend, with the remainder coming from Chapter 70 state aid, charter school transfers, school building authority reimbursements, and cash transfers for state-owned land.
- 2) **Determine the local education spend per pupil.** With a total of 8,739 reported students in the district in 2017-2018, the local spend per pupil was estimated at \$7,863 per year.
- 3) **Determine the average student generation rate for single-family and multi-family housing units.** FPS officials assisted with a review of students generated in housing units built since 2013. These average student generation figures are meant to approximate “new housing development.” Newly-constructed multi-family units in Framingham since 2013 were found to generate 0.14 students per unit, while new single-family units generated 0.43 students per unit. Condominiums, while not broken out in this impact analysis, generated just 0.13 students per unit on average.
- 4) **Apply an “efficiency” adjustment to account for variable vs. semi-variable expense items.** As discussed in the previous section, an estimated efficiency of 84 percent means that a 1 percent increase in student enrollment results in a 0.84 percent increase in local education spending.

The resulting incremental spend per unit is \$2,853 per year per single-family unit, and \$925 per year per multi-family unit. Commercial development has no effect on school spending.

3. Calculating Other Incremental Expenses

All other incremental expense line items were calculated in the same way as detailed in the “Calculating Other Incremental Revenues” section of this chapter. The existing budget for each line item was separated into residential and commercial drivers by assessed value, then translated into a per capita figure for residential uses and a per square foot figure for commercial ones. The per capita spend was then multiplied by the average per-unit occupancy for each type of housing and given an efficiency adjustment. Commercial spend figures were adjusted by the same efficiency percentage, then allocated to industrial, retail, and office/medical uses based upon the assessed values of each.

F. CONCLUSIONS

Tables 6.5 and 6.6 make clear that on average, new development of all types in Framingham tends to have positive fiscal impacts on the City. On the residential side, a single unit of new single-family housing can have a positive impact of nearly \$4,500 per year, while a single unit of new multi-family can deliver around \$2,400 per year on average upon completion. By definition, this means that even the smallest multi-family development (a two-family or duplex) has, a more positive average impact on City coffers than does the average new single-family unit ($\$2,400 \times 2 = \$4,800$, versus \$4,500), and likely does so on less land.

While this model estimates incremental spend impacts for the *average* added square foot or unit of development, the character and location of new development have significant effects on their fiscal impact and viability. A new unit of housing located in a low-density portion of Framingham may require investment to push new roads, sewer, water, and other infrastructure further into undeveloped spaces, while serving relatively few residents or workers. New development in denser, more central locations can result in a fraction of the costs on a per-capita or per-unit basis, by taking advantage of existing infrastructure and serving a greater quantity of residents or employees with whatever additional investment may be required.

The fiscal impacts of commercial development vary significantly by type and size. New retail space is the most fiscally beneficial per square foot, due to its relatively high assessed values, but presents long-term risks in the face of changing shopper habits. Office and medical space have fiscal impacts that are nearly as positive on a per square foot basis, and may introduce less risk. Industrial development, meanwhile, tends to have low impacts per square foot, but can be enormously positive given the large footprints that industrial facilities often require. Industrial spaces tend to have the lowest impact on municipal spending as they typically require relatively few public services to operate.

Table 6.5

Fiscal Impact per Unit Estimates

Single-Family and Multi-Family Homes

	Single-Family Homes	Multi-Family Homes
Revenues		
Marginal Property Tax Income	\$8,524	\$4,249
Marginal Excise Income	\$428	\$331
Marginal Fees, Fines, Permits, etc.	\$390	\$301
Marginal Revenue per Unit	\$9,343	\$4,881
Expenditures		
Government & Administrative	\$1,388	\$1,071
Fire, Police & Related	\$614	\$474
Framingham Public Schools	\$2,853	\$925
Marginal Expenditure per Unit	\$4,855	\$2,470
Average Net Fiscal Impact per Unit	\$4,488	\$2,411

Table 6.6
Fiscal Impact per Square Foot Estimates
 Marginal Commercial Properties

	Industrial & Warehouse	Office & Medical	Retail
Revenues			
Marginal Property Tax Income	\$1.51	\$3.96	\$5.07
Marginal Excise Income	\$0.02	\$0.06	\$0.08
Marginal Fees, Fines, Permits, etc.	\$0.01	\$0.01	\$0.02
Marginal Revenue per Square Foot	\$1.54	\$4.03	\$5.17
Expenditures			
Government & Administrative	\$0.07	\$0.20	\$0.25
Fire, Police & Related	\$0.09	\$0.22	\$0.29
Marginal Expenditure per Square Foot	\$0.15	\$0.42	\$0.54
Average Net Fiscal Impact per Square Foot	\$1.39	\$3.61	\$4.63

7 NEIGHBORHOOD CENTER ANALYSIS

A. INTRODUCTION

As a component of the city-wide EDSP, two neighborhoods were chosen by Framingham for deeper analysis. This chapter explores how changes in land use, zoning, land assembly, transportation connectivity, and open space utilization could enhance the vibrancy and long-term economic sustainability of the Nobscot and Southeast Framingham neighborhoods. The idea behind the neighborhood center analysis is to develop an analysis of each of Framingham's neighborhoods to complement the City's Master Land Use Plan, Open Space and Recreation Plan, and on-going Transportation Master Plan. The City could then use each planning component to organize action around land use, zoning, economic development, transportation, and open space and recreation. Tailored approaches to zoning, infrastructure investment, public facility improvements, and economic incentives could be applied to emphasize and build upon the uniqueness of each neighborhood. In Phase 1 of the EDSP, RKG analyzed the Nobscot and Southeast Framingham neighborhoods and created a methodology that could be applied to the other neighborhoods across Framingham in future phases of the EDSP process.

B. KEY FINDINGS

- **The Southeast Framingham neighborhood contains 1,836 residential units, the majority of which are in older multi-family apartment complexes.** The Pelham, Cochituate, and Carlson Road apartment complexes cover a large portion of the neighborhood center but also provide a built-in customer base for local businesses.
- **The Southeast Framingham neighborhood has a number of auto-related and industrial businesses along both Waverly Street and Beaver Street.** The City should work with these owners to relocate elsewhere in the neighborhood over the long term, thereby freeing up valuable frontage along Waverly Street for a different mix of uses.
- **The Nobscot Village Center has a mix of housing types but is limited in commercial activity due to the vacancies at the Nobscot Shopping Center.** The City and neighborhood are in discussions with the owner to determine the redevelopment option for the shopping center. Allowing a mix of uses would help create the village-like appearance neighbors are looking for while providing the owner with opportunities for financial growth.
- **The Nobscot Village Center is also anchored by the Hemenway School and the McAuliffe Library which bring residents in from around Framingham.** These uses provide attractions to the neighborhood that operate at different times of the day and can help support smaller local businesses at off-peak hours.
- **Both neighborhood centers are located at key intersections or “gateways” benefiting from local and regional customers traveling to and through the city.** Today the two centers do not provide a sense of arrival into each neighborhood. Uses and development patterns feel disjointed and disconnected from the surrounding neighborhoods.

- **Residents in both neighborhood centers have expressed desires to have locally-serving commercial development, public space, and some residential uses as part of revitalization plans.** The mixed-use neighborhood center concept will create a more walkable neighborhood center where people can live, shop, eat, and work all within a close proximity to one another.
- **While these two neighborhood centers differ demographically, economically, geographically, and physically; they share common principles that will help them succeed into the future.** Focus on key redevelopment opportunities and using those as catalysts for the rest of the neighborhood will be important. Create a sense of arrival through signature development projects and streetscape enhancements. Integrate a mix of uses to provide a variety of commercial and residential options.

C. METHODOLOGY

While these two neighborhoods differ in their demographic and economic composition, location within the city, and character of the built environment; the methodology employed by RKG to analyze them was similar. Using an economic development lens, RKG looked for assets that could be leveraged to maximize the value of the land in these neighborhoods and find ways to stimulate new development that would provide jobs, encourage local business development, offer a variety of housing choices, and ultimately enhance the City's tax base. In each neighborhood, RKG focused on opportunity sites, current land uses, proposed future character and short, mid and long-term recommendations for future development/redevelopment.

RKG used a combination of US Census data, information from the City's Assessing Department, and data from ESRI Business Analyst to assess commercial opportunities in each neighborhood.¹ Both neighborhoods have been the subject of previous land use studies and those recommendations have been reviewed and incorporated where applicable.²

¹ ESRI Business Analyst is an industry leader in data analytics, combining third-party data analysis with local and corporate data sources to provide users with a platform for tracking changes in demographics and economics.

² Southeast Framingham Neighborhood Action Plan, January 2017. Economic Development Action Plan for Saxonville and Nobscot, September 2015.

D. SOUTHEAST FRAMINGHAM NEIGHBORHOOD PLAN

The Southeast Framingham neighborhood (SEFN) is situated along Route 135/Waverly Street and serves as one of the city’s primary east/west gateways (Figure 7.1). The neighborhood is racially and ethnically diverse, has lower median incomes than other neighborhoods across Framingham, and hosts a wide range of uses. Single use retail and industrial businesses dot parcels along Waverly Street and Beaver Street, while low density multi-family housing stretches along the north side of Beaver Street from Marlan Road to Glen Street and back to the Natick town line. The SEFN is also situated to the south and east of Framingham’s Downtown which provides an exciting amenity for neighborhood residents, but challenges retail uses to differentiate from those located in the Downtown.

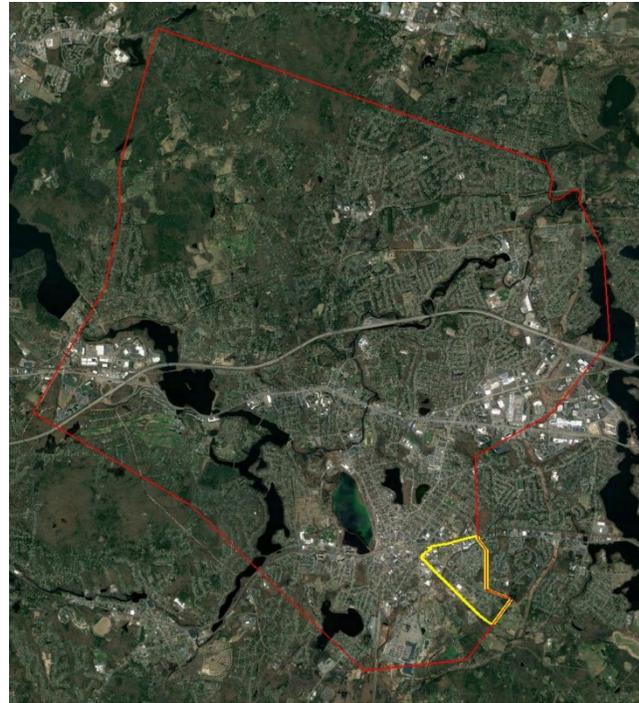


Figure 7.1: Southeast Framingham Neighborhood (shown in yellow) is located on the east side of Framingham.

Figure 7.2: Southeast Framingham Neighborhood Small Area Plan Basemap



SEFN’s location along the rail lines running east/west and north/south, and having Waverly Street at its northern boundary created a varied land use pattern where retail, industrial, and residential uses are heavily mixed making it difficult to create a cohesive gateway into the city. This development pattern has also created a situation where prime retail, office, and mixed-use parcels along Waverly Street are currently occupied by industrial businesses and car repair shops. While these businesses are a component of Framingham’s economy, there are locations in the city where these businesses would be better situated.

While these legacy transportation routes create some challenges to future economic development changes, they are also an asset that provides vehicular and public transit access in close proximity to the neighborhood. Residents benefit from having an MBTA commuter rail station in Downtown Framingham, the hub of the MetroWest Regional Transit Authority (MWRTA) on Blandin Avenue, and roadways that provide travel connections in all directions. The proximity to Downtown and transportation assets is creating opportunities in this area as well. One new large-scale multi-family development currently underway on the periphery of the SEFN is bringing a new housing option to an area that has not seen investment of this scale for some time. New and expanding breweries like Exhibit A Brewing are creating experiential destination businesses that draw customers both locally and nationally to Framingham. It is important to note that the Census Tract comprising the Southeast Framingham neighborhood is one of the two approved Opportunity Zones in the city which could have implications for investors looking to assist in development deals.

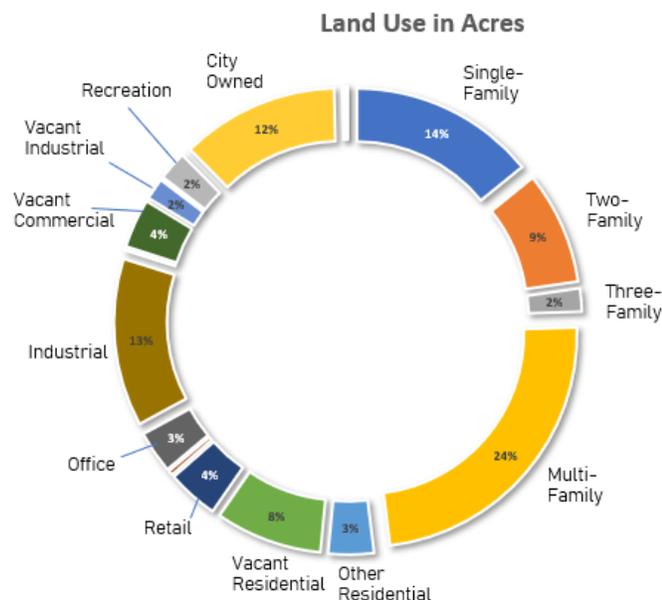
1. Market Context

As of 2017, the population within the SEFN was just over 5,100 residents housed within 1,836 residential units.³ The neighborhood is dominated by the sprawling multi-family residential complexes along Beaver and 2nd Streets. These developments create a housing mix where 86 percent of the units are renter-occupied, and 12 percent are owner-occupied. The multi-family housing is located across only a few developments including the Pelham Apartments, Cochituate Cooperative Homes, and Carlson Road Apartments. Even with such a high number of multi-family units, vacancy rates are still hovering around 2 percent, far below typical vacancy rates of 10 percent for this type of development. Population projections for this neighborhood show no growth through the year 2022, which has been the trend since 2000. SEFN is home to 103 different businesses employing just under 650 people.

Land Use and Zoning

The land use composition of SEFN’s 260-acre footprint is extremely varied with eighteen different land use categories present (Figure 7.3). Approximately 24 percent of the land in the neighborhood (60 acres) is used for multi-family housing, while 14 percent is used for single-family housing.⁴ Retail and office land uses represent a small amount of acreage

Figure 7.3
 Source: City of Framingham Assessor Database



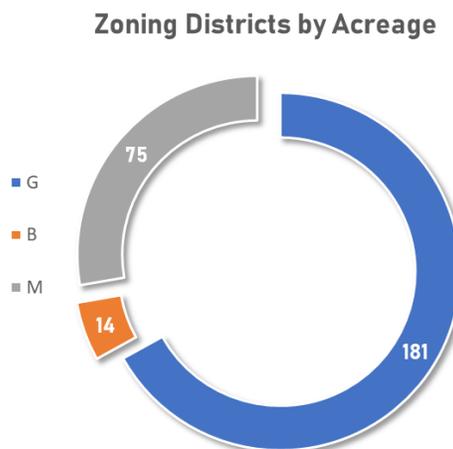
³ 2017 Alteryx, RKG Associates.

⁴ Framingham Assessor Data, 2018.

compared to industrial, which comprises 14 percent of the neighborhood’s acreage. The larger parcel size for the industrial businesses along Beaver Street account for this size differential. Mary Dennison Park, located near the intersection of Beaver Street and Waverly Street, is a large City-owned park accounting for a large percentage of the City-owned land in the neighborhood.

The SEFN is regulated by three zoning districts: General Residence (G), Business (B), and General Manufacturing (M). As shown in Figure 7.4, the G Zoning District comprises the largest amount of land in the neighborhood covering 180 acres or 67 percent. This zoning district regulates nearly all the residential uses in the neighborhood, including the large multi-family housing developments discussed earlier. The M Zoning District covers 75 acres or 28 percent of the neighborhood and regulates most of the industrial and commercial businesses except for the parcels that front along Waverly Street. These parcels fall within the B Zoning District.

Figure 7.4
Source: City of Framingham Assessor Database



As written today, the G Zoning District would be limiting to any redevelopment scenario for the multi-family properties in the neighborhood as this district allows primarily single- and two-family dwellings. Multi-family and mixed-use development are not allowed in the G Zoning District, nor are any commercial uses such as retail, office, or restaurants. The abutting B Zoning District along Waverly Street is designed to serve a mix of local and regional customers and allows a mix of retail, restaurant, office uses in addition to mixed-use development by special permit. The M Zoning District is quite flexible for a manufacturing district in that it allows retail, office, medical office, as well as light manufacturing, lab space, and wholesale businesses. Auto repair and dealerships are not currently allowed in the M Zoning District but are allowed special permit in the B Zoning District (where they currently reside).

Market Demand and Use Mix

The SEFN serves as a gateway along Waverly Street coming into Framingham from Natick. The neighborhood is also proximate to the activity taking place in Downtown Framingham, which is going through its own redevelopment cycle with new businesses and residential development taking shape. The challenge for the SEFN is how to redevelop key areas/parcels while differentiating itself from the activity taking place in Downtown or serving as support for the kinds of activity occurring in Downtown. This neighborhood also has lower median household incomes when compared to other parts of Framingham. Therefore, there may be a need to rely more on drawing customers in from outside the neighborhood or bringing in additional market rate residential units to complement the affordability component that already exists.

From a retail perspective, the neighborhood is also challenged by Framingham’s position in a regional retail market. While retail spending and demand figures appear strong within the context of the neighborhood, these numbers quickly drop off when one moves from a ¾ mile radius around SEFN a three-mile radius. Major retail developments in the Golden Triangle, along Routes 9 and 30, and north in Wayland and Sudbury capture a tremendous amount of local and regional retail spending leaving little for new retail opportunities. For example, within a ¾ mile radius of the SEFN there are 50 retail establishments in operation, as one moves out to the three-mile radius that number balloons to 755 establishments capturing most of the retail spending in the area.

Figure 7.5 shows spending capture by retail category for the ¾ and three-mile radii around the SEFN. Surplus indicates retail categories where supply is greater than spending demand, and leakage indicates where demand is higher than supply. Across most retail categories there is demand within the ¾ mile radius, but that demand quickly disappears at the three-mile radius due to the substantial supply of retail establishments.

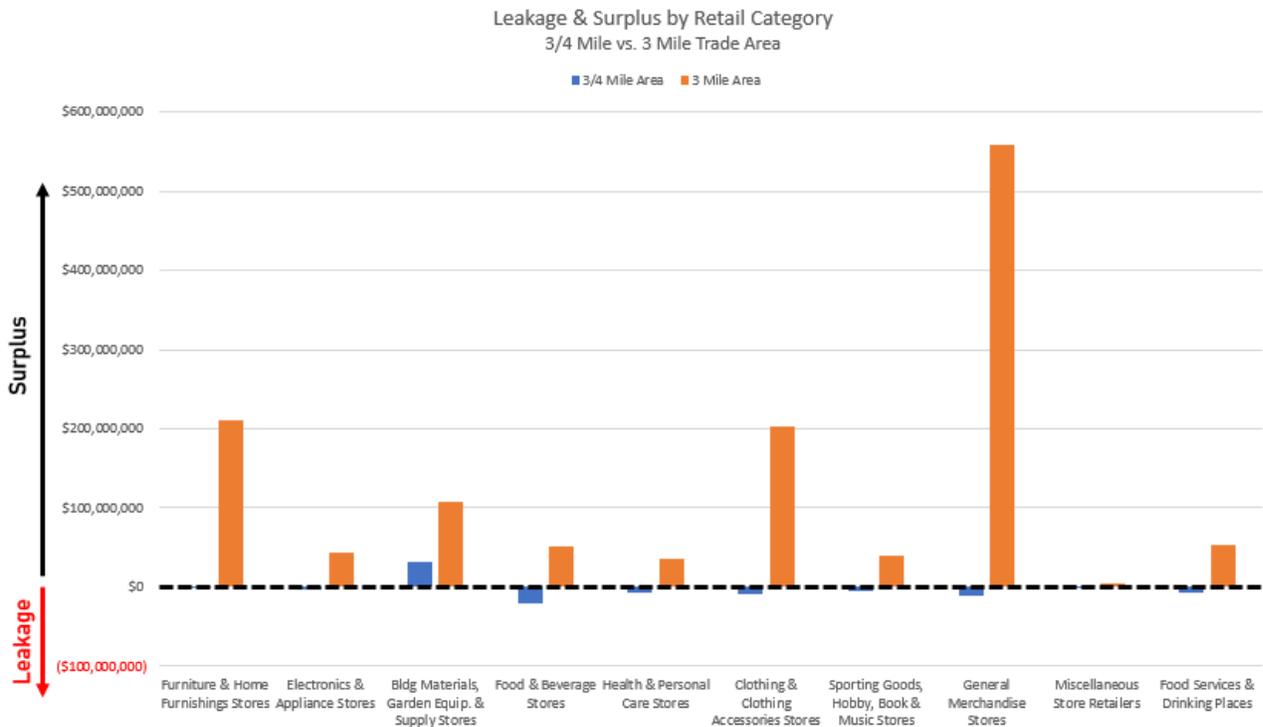


Figure 7.5: Retail Opportunities at the ¾ and 3-mile radii around SEFN.

To boost retail spending within the ¾ mile radius around SEFN, RKG analyzed a hypothetical scenario where 1,000 new housing units were added within the ¾ mile radius to understand how those households might impact retail demand. Assuming retail establishments could capture 25 percent of new household retail spending, RKG projects an additional 10,000 square feet of retail supply could be supported. It is important to note however that this added retail spending may go to support the expansion of existing businesses or support the diversification of products existing retailers are offering. This does not mean all 10,000 square feet will be newly built space.

Retail opportunities are also limited to a few categories where demand is high enough to support additional built space. These categories include health and personal care, boutique clothing, restaurants, and a small specialty grocer (7,000 square feet or less). Figure 7.6 summarizes the retail demand in the ¾ mile radius if 1,000 new households were added to today’s retail spending.

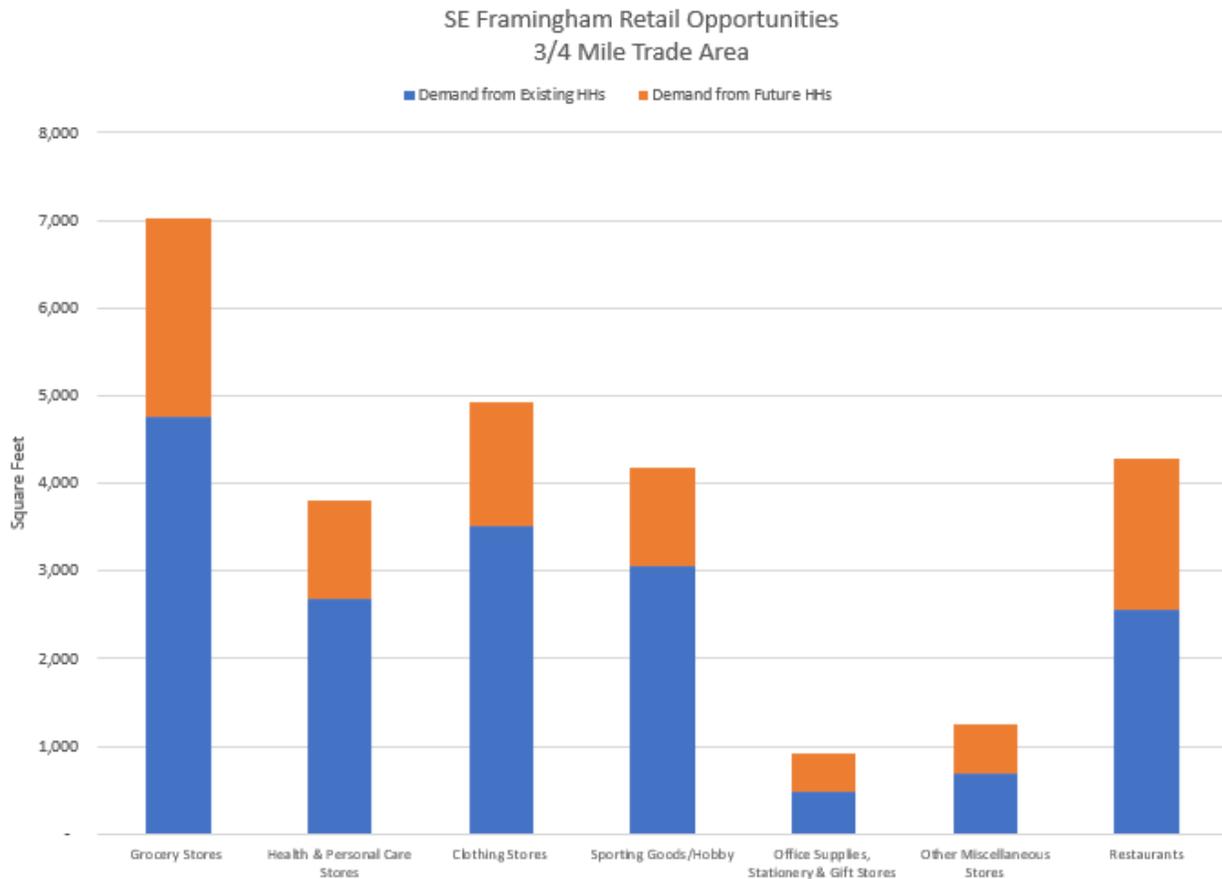


Figure 7.6: Retail Opportunities at the 3/4 mile radius with added housing units in SEFN.

Since a large portion of the neighborhood is zoned for industrial uses, there are locations for new industrial businesses aligned with light manufacturing, wholesale facilities for construction or landscaping materials, or packaging and warehousing. Some demand for industrial space may be accommodated through the relocation of industrial businesses from Waverly Street.

The SEFN is unique in that it has many multi-family housing units spread across a large swath of land. In general, these developments are older, in need of upgrades, and provide an opportunity for a neighborhood-scale redevelopment program. To maintain the affordability of these existing units, the City could consider allowing a greater density on a portion of the site to accommodate a mixed income approach where market rate and affordable units are provided within the same development. A redevelopment program for this portion of the neighborhood could also accommodate other housing options like townhomes, duplexes, cottages, and/or single-family homes.

Housing options could also be integrated into new mixed-use development opportunities along Waverly Street if parcels were consolidated and existing industrial businesses were relocated to locations along Beaver Street.

2. Guiding Principles for Southeast Framingham

The following guiding principles are offered to help structure and organize strategies for furthering economic development in the SEFN neighborhood over time.

- **Create a Gateway into Framingham on Waverly Street**

The SEFN serves as an east/west gateway in and out of the City of Framingham. Entering Framingham on the east side from Natick the first visual cues are auto-related industrial uses, single-use commercial buildings, and a mix of single- and multi-family homes. The streetscape is broken up by long access drive entryways, narrow sidewalks, and front yard parking lots. Parts of the Waverly Street corridor closer to Downtown have seen recent reinvestment in retail buildings and new multi-family housing development, but much of the corridor remains relatively unchanged. The City should consider streetscape improvements to create a cohesive entry into Downtown and zoning changes that would encourage redevelopment along Waverly Street.

- **Redevelop Low Density Multi-Family Housing, Create Transition Areas**

As was noted earlier in this section, there is a substantial redevelopment opportunity in the heart of this neighborhood with the older multi-family housing developments. The City should pursue zoning changes that would encourage higher density, mixed-income, multi-family housing closer to the Natick town line and use lower density housing types to transition the neighborhood from east to west toward Beaver Street. Figure 7.7 shows where a transition of density could take place on 2nd Street, moving

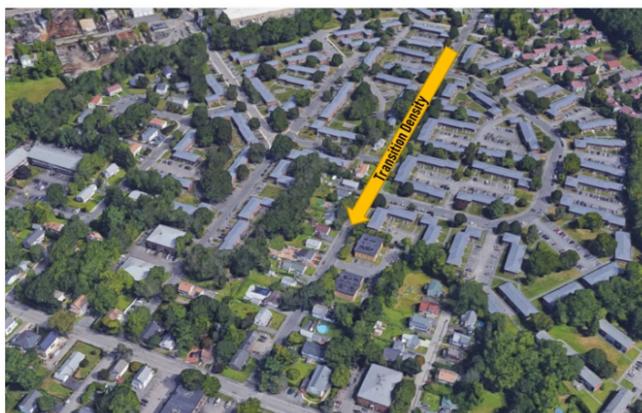


Figure 7.7: Transition density by using different housing types as part of redevelopment program.

from higher intensity development to lower intensity as you get closer to Beaver Street. It is critical the City keeps the affordability of these units in mind as they serve a population that may not be able to live elsewhere in Framingham. A redevelopment program that allows for higher density redevelopment needs to provide enough incentive for a developer to replace the affordable units and be able to use market rate units to offset a portion of that cost. Transitioning to lower density housing toward Beaver Street could help buffer existing single-family homes and stitch the neighborhood back together. Adding new housing in this location would also bring more local retail spending to businesses along Waverly Street as that area transitions over time.

- **Relocate Auto and Industrial Uses Off Waverly Street**

To enable to creation of a gateway into Framingham, the City should consider options for relocating existing industrial and auto-related businesses from Waverly Street to locations elsewhere in the city. One possibility could be relocation to the industrially-zoned property along Beaver Street to keep the businesses in the neighborhood. To encourage relocation, the City would need to change zoning to allow certain business types in the M Zoning District (primarily auto-related businesses)

that are not allowed today and provide incentives through zoning changes along Waverly Street to add enough value where property owners can sell their land and relocate industrial businesses elsewhere. If zoning alone is not enough incentive, the City could consider relocation assistance packages for businesses, but this should only be considered if zoning does not appear to be effective on its own.

- **Use Zoning to Encourage Parcel Consolidation**

Using zoning changes in the B Zoning District as a catalytic opportunity, the City should create incentives to encourage parcel consolidation to create larger redevelopment blocks along Waverly Street. The small, disparate parcels make up along Waverly Street does not allow for creative redevelopment solutions where parking and access could be consolidated and shared, buildings could be brought closer to the street, sidewalks could be widened, and the streetscape could be standardized. Larger redevelopment blocks could also help reconfigure street or alley access to connect to the surrounding neighborhood and create walking/biking access to Waverly Street.



Figure 7.8: Potential area for parcel consolidation to form a new redevelopment block.

Zoning changes along Waverly Street should also include redefining allowable uses to encourage mixed-use development and unique business models that could help differentiate this area from what is happening in Downtown. For example, a business cluster could be established around the Exhibit A Brewing building that might include other breweries/distilleries, food incubator spaces, creative economy/co-work spaces, and artist or maker space. A cluster of unique experiential businesses could complement the restaurant scene in Downtown Framingham and connect with nearby Jack's Abby Brewing to form a triangle of activity centers for residents and visitors. The larger development blocks would provide more space for a developer to integrate multiple buildings, public plazas or gathering spaces, and roadway or walkway connections. These new development areas could also serve as neighborhood retail centers providing places for shopping, eating, or entertaining catering to local residents and visitors alike.

3. Strategies

The SEFN offers several short, mid, and long-term economic development opportunities. The following are descriptions of strategies for enhancing economic development opportunities in the neighborhood. The numbers in Figure 7.9 correspond to the numbered bullets below.

Near-Term Strategies

1. Begin rezoning efforts along Waverly Street by focusing on the potential redevelopment block around the Exhibit A Brewing building. This section of the Waverly Street corridor is closest to the Natick town line and would serve as a true gateway into Framingham. Zoning changes should consider the longer-term strategy of industrial business relocation from Waverly Street to Beaver Street (or elsewhere in the city).
2. Rezone this small area along 2nd Street area as a continuation of the transition zone on the east side of Beaver Street and allow the current housing to redevelop over time.
3. Update the industrial zone for this area to encourage smaller industrial users near the street and larger users setback to the rears of sites where appropriate. This could serve as one potential location for industrial businesses looking to relocate from Waverly Street. This may be the first test case for new industrial zoning that could be applied more widely along Beaver Street.
4. Create gateway entrances/features to the SEFN to brand the area and differentiate it from Downtown. The neighborhood should have a different look, feel, and scale than what is planned for Downtown Framingham. The gateway features should reflect the neighborhood's history and diversity, but also serve as an opportunity to reflect on the future of the neighborhood.

Mid-Term Strategies

5. The second area along Waverly Street where zoning could be applied to encourage the relocation of industrial businesses and redevelopment of a larger development block.
6. The second area where a new industrial zone could be applied to accommodate new industrial businesses or serve as a receiving area for businesses relocated from Waverly Street.
7. Building off the gateway features at the entry points along Waverly Street, streetscape features such as wider sidewalks, plantings/trees, lighting, and street furniture should be added to reenforce the sense of a corridor and place.
8. Reclaim space along Beaverdam Brook as part of redevelopment projects to create pedestrian connections to the neighborhood, surrounding businesses, and Mary Dennison Park.

Long-Term Strategies

9. Encourage the phased redevelopment of the existing multi-family housing in this area. Create transition zones into surrounding neighborhoods using lower density housing options. Allow pockets of higher density housing away from surrounding lower density neighbors. Ensure a mix of price points, and maintain or increase the number of affordable units that exist today.
10. Encourage the redevelopment of this entryway into the neighborhood. Bring buildings closer to the street, and locate parking to the sides and rear of the parcel. Recognizing this shopping plaza was recently upgraded, this is a longer-term opportunity.

Figure 7.9: Southeast Framingham Neighborhood Opportunity Map



E. NOBSCOT VILLAGE CENTER PLAN

The Nobscot Village Center is one of two neighborhood-serving commercial centers on the north side of Framingham situated between Route 9 and the Framingham/Sudbury line (Figures 7.10, 7.11). Defined by the intersection of Edgell Road/Edmands Road/Water Street, the Nobscot Village Center includes a mix of retail, restaurant, office, industrial, and residential uses. The Nobscot Village Center has a wide range of residential uses including single- and two-family homes, multi-family condominiums, multi-family rental units, senior independent living, and an assisted living facility. Commercial uses are typical of a village center and include banks, a gas station, dry cleaners, liquor store, fast casual dining, and other small-scale service businesses. Nobscot also has important neighborhood anchors in the Hemenway Elementary School and the McAuliffe Library.

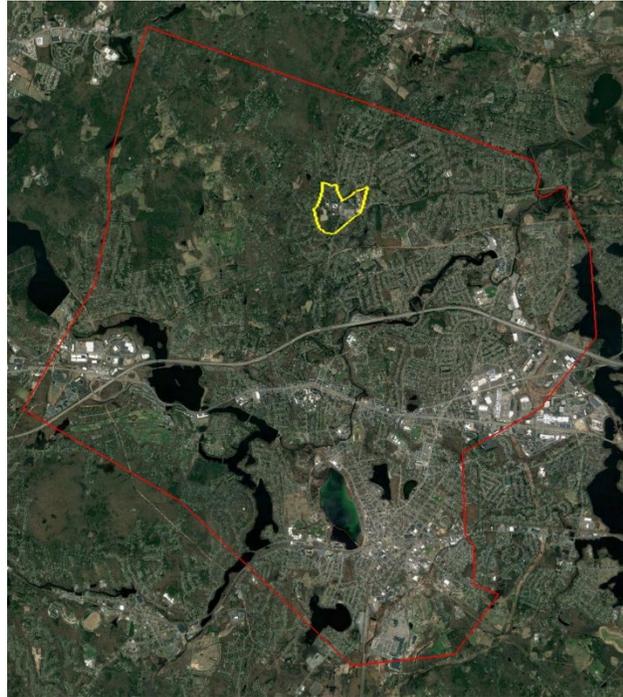


Figure 7.10: Nobscot Village Center (shown in yellow) is located on the northern side of Framingham.

Figure 7.11: Nobscot Neighborhood Small Area Plan Basemap



One of the primary challenges for this neighborhood commercial center is the mostly vacant Nobscot Shopping Center at the intersection of Water Street and Edgell Road (shown in Figure 7.12). This one-story strip commercial development included at one time a grocery store and several in-line retailers. When the grocery store vacated their lease many of the in-line retailers that relied on the anchor store also left. The current owner of the shopping center has a long-term master lease on the property with the parent company of Star Market, but current market conditions and regional competition have all but removed the option of a larger grocery anchor at this location. The current property owner has developed concept plans for the site that includes a mix of retail and residential but has been met with neighborhood opposition to the proposal.



Figure 7.12: Nobscot Shopping Center

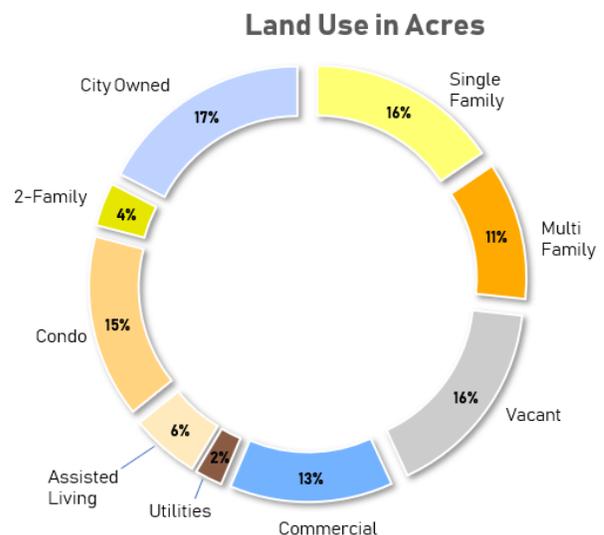
In addition to the concept plans for the Nobscot Shopping Center, there are also plans to construct a school for children with autism on a large property off Edmands Road (82 Edmands). Realizing Children’s Strengths (RCS) Learning Center planned to construct a school and a daycare to serve about 200 students and employ about 165 people at the site⁵, but is on hold pending litigation. It is important to note that the analysis and concepts described for the Nobscot neighborhood build off prior work completed as part of the 2015 Economic Development Action Plan for Nobscot.

1. Market Context

As of 2017, the population within the Nobscot Village Center area was just over 1,000 residents housed within 680 residential units. The Nobscot Village Center has a mix of single family and two-family homes, as well as some larger-scale apartment and condominium buildings. The residential market in the Nobscot Village Center is performing quite well with an overall vacancy rate of 0.1 percent across a mix of rental (36 percent) and ownership (64 percent) units.⁶ Population projections for the area through 2022 show nominal growth at 1 percent with most of the growth taking place in the 65 and older age cohort. On the employment side, the Village Center area contains about twenty-seven businesses and employs just over 240 people.

Figure 7.13

Source: City of Framingham Assessor Database



⁵ Framingham Source. “Framingham Planning Board Approves School in Nobscot.” June 3, 2016.

<https://framinghamsource.com/index.php/2016/06/03/framingham-planning-board-approves-school-in-nobscot/>

⁶ 2017 Alteryx, RKG Associates.

Land Use and Zoning

The land use composition of Nobscot Village Center’s 120-acre footprint is predominately residential with 51 percent of the land dedicated to housing residents (7.13).⁷ Approximately 26 percent of the residential land is used for condominiums and multi-family housing with developments like Windsor Green, Edmands House, and Shillman House. Approximately 12 percent of the land in the Nobscot Village Center is used for commercial uses which are primarily centered around the intersection of Edgell Road/Water Street/Edmands Road. The remainder of land is used for city-owned purposes (Hemenway, McAuliffe, and the fire station), and 16 percent remains vacant.

From the zoning perspective, most of the land within the Nobscot Village Center is zoned for residential uses under the Single Residence (R-3, R-4), and General Residence (G). The Community Business (B-2) Zoning District regulates commercial development on the parcels surrounding the intersection of Edgell and Water/Edmands. The purpose of the B-2 Zoning District is to encourage small commercial sites and compact commercial centers to provide a variety of services to nearby neighborhoods. Development intended to serve the neighborhood should be accessible by vehicles, pedestrians, and cyclists.

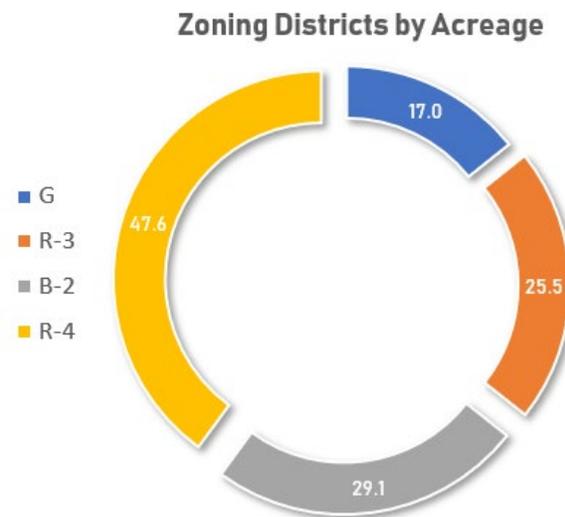
Under the B-2 Zoning District, a wide range of office, medical office, and retail uses are permitted by-right. Restaurants are allowed by-right, but fast food establishments require a special permit. Other innovative uses such as brew pubs and breweries, lab space, and artist/creative spaces require a special permit as do all structures over 8,000 square feet in size. Under the B-2 Zoning District, multi-family housing is not a permissible use, but mixed-use development could be approved by the Planning Board under a special permit.

Market Demand and Use Mix

The Nobscot Village Center is one of several neighborhood activity centers across the City of Framingham. Its strategic position at the intersection of Edgell/Water/Edmands provides access from surrounding neighborhoods as well as some regional through traffic passing during peak travel hours. The challenge with Nobscot is defining its retail market potential within a complicated landscape of competition not only within Framingham but also neighboring communities. While retail spending and demand figures appear strong within the context of the neighborhood, these numbers quickly drop off when one moves from a ¾ mile radius around Nobscot to a three-mile radius. Major retail developments in the Golden Triangle, along Routes 9 and 30, and north in Sudbury capture a tremendous amount of local and regional retail spending leaving little for new retail opportunities. For example, within a ¾ mile radius of the Nobscot Village Center there are seventeen retail establishments in operation, as one moves out to the three-mile radius that number balloons to 387 establishments capturing most of the retail spending in the area.

Figure 7.15 shows spending capture by retail category for the ¾ and three-mile radii around Nobscot Village Center. Surplus indicates retail categories where supply is greater than spending demand, and leakage indicates where demand is higher than supply. Across most retail categories there is demand within the ¾

Figure 7.14
Source: City of Framingham Assessor Database



⁷ Framingham Assessor Data, 2018.

mile radius, but that demand quickly disappears at the three-mile radius due to the substantial supply of retail establishments.

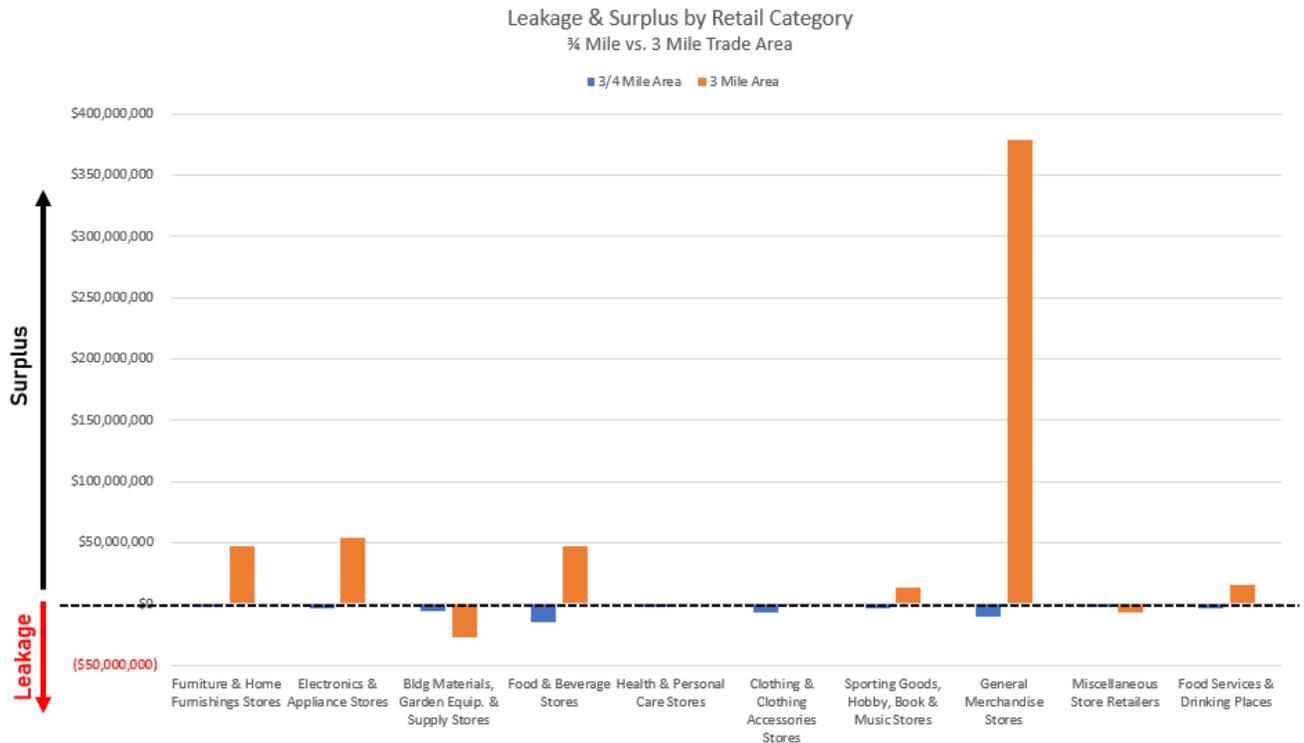


Figure 7.15: Retail Opportunities at the 3/4 and 3-mile radii around Nobscot.

One potential option to increase retail demand in the immediate Nobscot Village Center area is to increase the number of households to draw in new retail spending. RKG analyzed a hypothetical scenario where 1,000 new housing units were added to the 3/4 mile area around Nobscot to understand how those households might impact retail demand. Assuming retail establishments could capture 25 percent of new household retail spending, RKG projects an additional 17,000 square feet of retail supply could be supported. It is important to note however that this added retail spending may go to support the expansion of existing businesses or support the diversification of products existing retailers are offering. This does not mean all 17,000 square feet will be newly built space.

Retail opportunities are also limited to a few categories where demand is high enough to support additional built space. These categories include health and personal care, boutique clothing, office supplies/gifts, restaurants, and a small specialty grocer (7,000 square feet or less). Figure 7.16 summarizes the retail demand in the 3/4 mile radius if 1,000 new households were added to today’s retail spending.

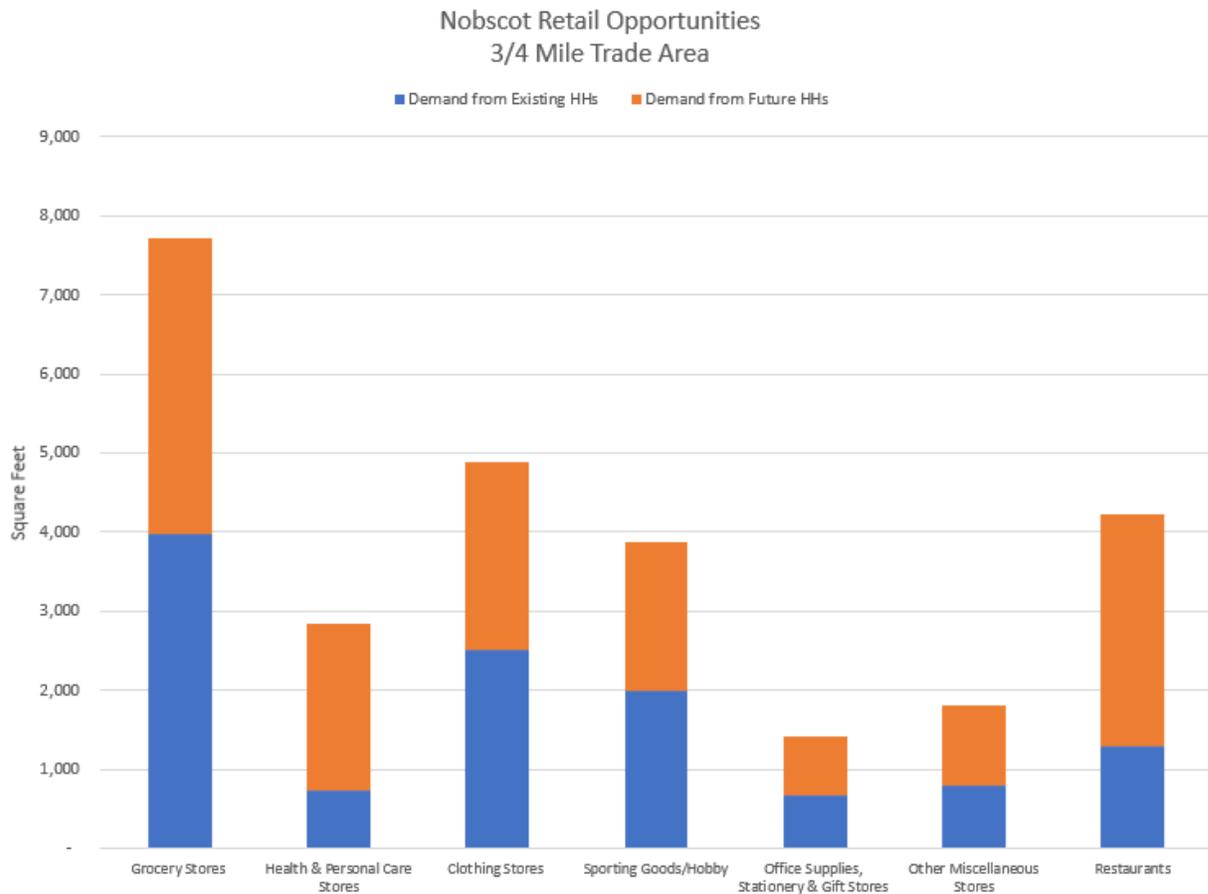


Figure 7.16: Retail Opportunities at the 3/4 mile radius with added housing units in Nobscot.

In addition to new retail or expansion opportunities, there may also be opportunities for small-scale professional and medical office space in Nobscot. These spaces could serve office tenants such as doctors, physical therapists, dentists, lawyers, accountants, real estate agencies, and other small professional businesses. These businesses could be integrated into the redevelopment of the Nobscot Shopping Center, or as tenants in other commercial spaces in the neighborhood. The Nobscot Village Center is not envisioned as a location for the development of large-scale office, industrial, or flex space.

Finally, residential uses would fit well in the Nobscot Village Center. There are opportunities to integrate multi-family housing as part of a mixed-use development program at the intersection of Edgell and Edmands/Water to help activate each of the four corners over time. The concept plan for the Nobscot Shopping Center does include multi-family housing as part of the redevelopment program which will help support the planned retail at that site and add enough value to the development to make breaking the master lease a financially-viable solution. There are also opportunities along the west side of Edgell Road south of Edmands Road to add new housing at a lower density and scale to bring in additional homeownership options. This idea was explored in the 2015 Economic Development Action Plan for Nobscot.

2. Guiding Principles for Nobscot

The following guiding principles are offered to help structure and organize strategies for furthering economic development in the Nobscot Village Center over time. These principles build upon the work that was done through the 2015 Economic Development Action Plan for Nobscot (and Saxonville).

- **Focus on a Mix of Uses for Larger-Scale Redevelopment Sites**

For larger-scale redevelopment sites like the Nobscot Shopping Center, the City should focus on solutions that include a mix of uses including residential, retail, office, and public/civic space. Current retail opportunities are limited and integrating a mix of uses can create a more financially-viable redevelopment project where an anchor use like residential can help build value and get projects off the ground more quickly. New uses such as medical offices could complement the aging population and tie in with Framingham's connection to the MWM Center. Mixed-use redevelopment programs can also help reduce traffic by encouraging people to walk to businesses in the neighborhood and live in closer proximity to where they work, shop, or go to school.

- **Consolidate Parcels to Create Larger Redevelopment Sites**

There are opportunities at the northeast and southwest corners of the intersection at Edgell Road, Water Street and Edmands Road to consolidate smaller parcels to create larger development blocks that allow for more creative solutions. Larger sites lend themselves to more flexibility and the potential to mix uses. There are opportunities to use these development sites to frame the intersection, bring buildings closer to the street, add streetscape elements, and invite more people to walk and frequent the businesses in the area. Nobscot already has some owners with substantial holdings, and the City could be a player because of their existing real estate holdings.



Figure 7.17: Smaller single-use parcels along Water Street

- **Build in Residential Base to Support Local Businesses**

As discussed earlier in this section, additional residential development in Nobscot will help build a more sustainable base for retail spending and support for local retailers. This includes the potential to expand local retail and restaurants or bring in new small-scale retail and restaurant opportunities. A stronger local base of retail spending could attract destination retailers that can grow the market and help neighboring businesses.

- **Use Community Anchors to Draw Visitors**

The McAuliffe Library and Hemenway School bring residents of all ages to the Nobscot Village Center and provide an opportunity to partner on events and programs. These two institutions also bring in residents five to six days a week who may not otherwise visit the area. This is an opportunity to capture outside retail spending in Nobscot and support local businesses and future retailers.



Figure 7.18: McAuliffe Library in Nobscot

- **Focus Near-Term on the Corner of Edgell and Edmands**

Both the northeast and southeast sides of this intersection offer opportunities to redefine the Nobscot Village Center. Redevelopment in these locations will provide a new sense of arrival and a gateway into the neighborhood. The intersection could be framed with new pedestrian-scale mixed-use buildings accompanied by sidewalks, street furniture, plantings, and lighting that encourage walking in the village center. New buildings could be built with parking to the side and rear, shared across uses, and accessed through common drives that limit breaks in the sidewalk and building frontage.

3. Strategies

The Nobscot Village Center offers several short, mid, and long-term economic development opportunities most of which center on the intersection of Edgell, Water, and Edmands (map on Figure 7.19). The following are descriptions of strategies for enhancing economic development opportunities in the Nobscot Village Center. The numbers in Figure 7.19 correspond to the numbered bullets below.

Near-Term Strategies

1. Encourage a mixed-use development program on the site of the former Nobscot Shopping Center. This strategy will necessitate a zoning change to allow a coordinated development solution that integrates residential, retail, and office uses and creates a village center that can serve as a new activity center and anchor for the neighborhood.
2. Encourage the consolidation of parcels at the northeast corner of Edgell Road and Water Street that integrates a mix of residential and retail uses and complements the proposed redevelopment of the Nobscot Shopping Center. These frontage parcels should be combined with those discussed in strategy 4 and 9 below to create a consistent street frontage along Water Street over time.
3. The City-owned structure at the southeast corner of Edgell Road and Water Street should be relocated away from this prime development corner and allow this area to be integrated with the development proposed at the Nobscot Shopping Center. The relocated structure could be integrated as amenity space within a redevelopment in Nobscot or could serve a community use for meeting space or even flex space for the McAuliffe Library.

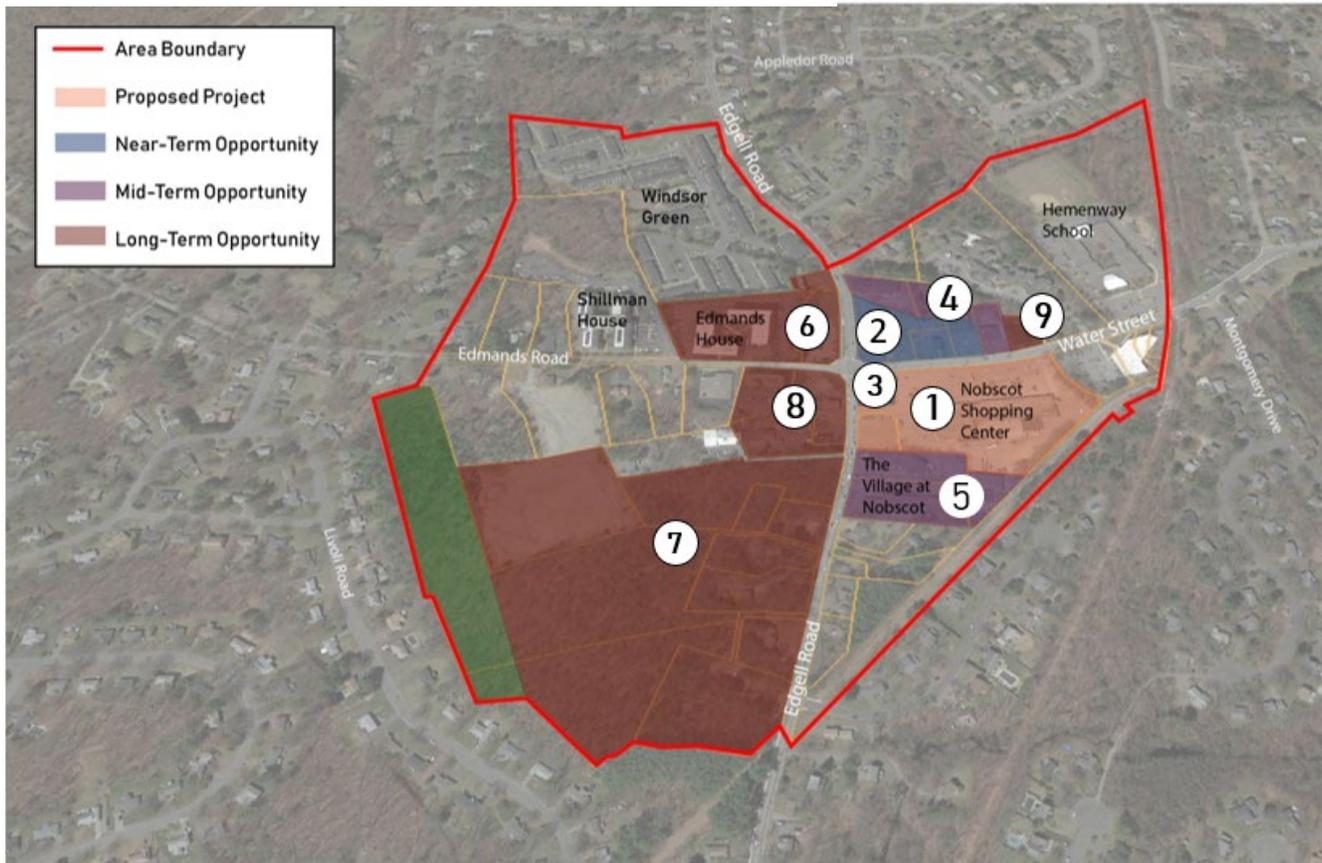
Mid-Term Strategies

4. Consolidate these parcels over time and integrate them into the development program for area 2 mentioned above. These parcels could be used to accommodate smaller-scale residential development such as townhouses to serve as a transition zone into the neighborhood to the north.
5. Redevelop the Village at Nobscot shopping plaza over time to serve as a transition zone between the Nobscot Shopping Center and the residential parcels to the south along Edgell Road. This redevelopment area could contain a mix of retail along Edgell Road and transition to lower density residential uses along the south and east sides of the site.

Long-Term Strategies

6. Over time, consolidate these parcels and redevelop as higher density mixed-use buildings. Future redevelopment programs should orient the retail toward the frontage along Edgell Road and Edmands Road and reserve the rear of the site for residential development as a transition to the condominiums at Windsor Green. This is a longer term solution recognizing that the TD Bank development is new and Edmands House is a privately owned rental complex that has undergone some upgrades to interior amenity spaces.
7. Consolidate parcels to create a large area for the development of a mix of housing types such as apartments, condominiums, townhouses, duplexes, or cottages. Consider a land swap to relocate Nobscot Park along Edgell Road to a much larger parcel on the backside of this area. This would create a larger parcel of open space and serve as a buffer zone between the new development and the neighborhood along Livoli Road.
8. Consolidate parcels in this area to create a larger redevelopment opportunity. This area could be used for retail, office, or a smaller mixed-use opportunity.

Figure 7.19: Nobscot Neighborhood Opportunity Map



F. CONCLUSIONS

These two neighborhood centers are each undergoing a period of change with new construction taking place in SEFN and proposals for new development in front of the City and residents in Nobscot. While these two neighborhood centers are different from each other, the idea of creating locally-serving commercial nodes that can attract visitors from outside Framingham applies in both cases. In the case of SEFN, unique businesses that can come together to form a small cluster of restaurant, drinking, and entertainment uses could serve as a complement to Downtown Framingham and attract patrons from both inside and outside the city. A subset of commercial uses along Waverly Street could be geared toward serving residents who are within walking distance in the nearby apartment complexes. Over time, the large areas of land being used for multi-family apartments could be reimagined and contain a mix of housing types at a variety of price points. Industrially-zoned land along Beaver Street could become a receiving zone for industrial and auto-related uses along Waverly Street keeping these valuable businesses in the City while freeing up prime real estate along the gateway into Framingham.

The Nobscot Village Center also has potential to redevelop the corners at the intersection of Edgell Road and Edmonds Road/Water Street led by the proposal for the former Nobscot Shopping Center. While neighbors continue to debate the size, scale, and use mix, the site remains a critical beginning point for re-envisioning how this neighborhood center will function. Currently, commercial and residential uses are separated into individual buildings surrounded by parking creating a place that is auto-oriented and does

not encourage walking from nearby residential areas. The transformation of the Nobscot Shopping Center could set the precedent for the type and quality of development that may come in the future. There are ample opportunities to transform each of the four corners of the Nobscot Village Center and create an active, walkable, mixed-use center for local residents and visitors alike.