ECONOMIC DEVELOPMENT

INTRODUCTION

The Economic Development section of the Pepperell Master Plan f that energize a community in terms of generating financial support for the municipal services that local government provides its citizens. Economic development largely defines a community in terms of its overall health, economy and business activities. Therefore, it includes a number of elements – housing, transportation, job creation, business development, land conservation and land use. An effective economic development strategy provides a balance between economic growth and quality of life in a community. In general, the quality of life within a community attracts residents, shoppers and visitors. If there is an overemphasis upon economic growth, the quality of life within a community will suffer. Economic Development is more than a community's economic base – it reflects the overall process to attract private investment to provide jobs for community residents, generate property taxes that support local services, creates new contracting opportunities for local businesses and connects the local community with the regional, state and national economy.

The Economic Development section of the Master Plan builds upon the *Pepperell Comprehensive Plan Update 2007-2016* prepared by the Pepperell Planning Board and Larry Koff & Associates. The work of the Pepperell Economic Development Advisory Committee (EDAC), principally through its 2013 survey and October 2014 report to the Board of Selectmen and Planning Board, was used to develop this section. The *Economic Development Self-Assessment Tool (EDSAT)* report completed by Professor Barry Bluestone and the Dukakis Center for Urban & Regional Policy at Northeastern University in October 2015 provided a "blueprint" to encourage additional private investment in the community. By building upon its "deal-makers" and addressing its "deal-breakers", Pepperell had an opportunity to expand the economic base, attract more businesses and create jobs for its residents. Each of these documents provide the framework for the Economic Development section of the Master Plan.

Economic Development Goals

- Re-establish the Economic Development Advisory Committee (EDAC).
- Establish a streamlined permitting process.
- Build upon the EDSAT Study and encourage private investment through an active outreach program.
- Encourage the attraction of small businesses to develop a sustainable economy.
- Redevelop the Peter Fitzpatrick School and the former Pepperell Paper Mill site to support economic growth.
- Focus on the implementation of small-scale projects to maintain the small-town feel.
- Build upon the historic and agricultural assets of the community in attracting businesses, visitors and private investment.

Within the Pepperell Master Plan, the Land Use and Zoning chapter has already addressed the demographic and zoning issues, while the Housing chapter has largely addressed housing issues, including household income and the water and sewer infrastructure.

Therefore, this Economic Development Chapter will address the Characteristics of the Local Economy, the Economic and Business Conditions, Community Assets and Liabilities, Commercial and Industrial Activity, Balance between Economic Growth and “Quality of Life”, and summarize the Community Input. At the end of this Chapter, the Issues and Opportunities and Recommendations sections summarize the next steps in addressing the economic development needs of the community.

Characteristics of the Local Economy

In determining where to locate businesses, private investors focus principally on the quality of the workforce in the community and region. This section focuses on the local labor market from several different perspectives – employment and unemployment levels, income, educational attainment, the current employment sectors for Pepperell residents and commuting patterns. For the most part, the local workforce is well educated, works principally in the service sector and commutes outside Pepperell for employment.

Employment And Unemployment Levels

The labor force is described as those individuals who have a job or are seeking jobs, are at least 16 years old and are neither serving in the military or nor are institutionalized. According to data available from the Executive Office of Labor and Workforce Development (EOLWD), Pepperell had an estimated labor force of 7,396 people in July 2018. This number represents the highest level of Pepperell residents actively participating in the labor force since 2000. Similarly, the employment numbers reached a peak at 7,138 workers in July 2018. As shown in Figure 1 on the following page, labor force and employment numbers have fluctuated over the last eleven years, largely due to the impacts of the “dot.com” recession of the early 2000s and the national recession of 2007-2008.

Figure 1: Pepperell Labor Force and Employment Numbers, 2008-2018

Source: Executive Office of Labor and Workforce Development, Labor Force and Unemployment Data

Source: Executive Office of Labor and Workforce Development LURR Reports

Prior to the national recession in 2007, the lowest employment levels in Pepperell occurred between July 2003 and July 2004. The national recession had the greatest impact on the local labor force and employment numbers than any other economic downturn since the Depression.

The unemployment rates for Pepperell from July 2008 to July 2018 are presented in Figure 2 on the following page. From a historical perspective, unemployment rates in Pepperell averaged less than 4% at the beginning of 2000. By 2002 unemployment levels began to increase, in part due to the layoffs in the information technology and computer manufacturing fields associated with the “dot.com” recession. Unemployment rates then dropped again during the middle of the decade. With the beginning of the national recession in 2007, the unemployment rate in Pepperell began to increase, rising from 4.8% in July 2008 to a peak of 7.7% in July 2010. Since 2010, unemployment rates have steadily declined to the July 2018 rate of 3.5%, which is below the early 2000 unemployment levels.

Figure 3: Unadjusted Unemployment Rates: July 2008- July 2018

Source: Executive Office of Labor and Workforce Development LURR Reports

The unemployment rate in Pepperell has consistently been lower than the Greater Lowell Workforce Development Area (WDA) rate, yet generally equal to or more than the state unemployment rate. In July 2018 the WDA unemployment rate was 3.7%, while the state unemployment rate was 3.6%. The national unemployment rate was 3.9%. Given that the majority of Pepperell residents work in the Greater Lowell region, layoffs in the region negatively impact Pepperell's unemployment rate.

Employment Projections

The UMass Donahue Institute developed employment projections for the Greater Lowell region and the Town of Pepperell in 2018 as part of their work with MassDOT. These employment projections reflect the number of jobs at Pepperell businesses and are an estimate of the future number of jobs within each community. The UMass Donahue Institute applied a "top-down" approach that utilizes employment projections for the state, as a whole, and then assigns shares of these figures to the Metropolitan Planning Organization (MPO) regions and individual communities within those regions. Based upon this approach, the employment projections at the state level are much more accurate than those for the region or individual communities. Nevertheless, there is merit in understanding the projected employment numbers that have been calculated for Pepperell and the Greater Lowell region. Outlined in Table 1 are the local and regional employment projections from 2020 to 2040:

Table 1: Local and Regional Employment Projections: 2010-2040

Community	2010	2020	2030	2040	% Change 2010-2040
Billerica	25,070	26,190	25,983	25,975	3.6
Chelmsford	19,603	24,005	23,813	23,806	2.14
Dracut	5,334	6,005	5,958	5,956	11.7
Dunstable	321	300	298	298	-7.2
Lowell	38,411	37,005	36,708	36,699	-4.5
Pepperell	2,050	1,600	1,588	1,587	-22.7
Tewksbury	14,570	16,00	15,872	15,867	8.9
Tyngsborough	4,212	4,800	4,762	4,760	13.0
Westford	9,759	12,515	12,416	12,411	27.2
Greater Lowell Region	119,332	128,420	127,398	127,359	6.7

Source: MassDET 2010 and projections developed by the UMass Donahue Institute for MassDOT in 2018

These projections shown a decrease in employment of 22.7% for Pepperell between 2010 and 2040. This employment decrease represents the highest decrease in the Greater Lowell region, which averaged a growth rate of 6.7%. By 2040, local employment in Pepperell businesses is expected to reach 1,587 jobs. While there are some limitations with the projections developed by the UMass Donahue Institute, these projections are the only ones available for economic development planning purposes.

INCOME

Income levels in Pepperell are generally described through median household income, median family income and per capita income. The median household income figures can be found in the Housing Chapter of the Master Plan. These income statistics can be used to gauge the health of the local economy, assess the overall standard of living and compare these figures with those at the regional, state and national levels.

Median Family Income

Median family income is calculated based on the income of the householder and all other individuals 15 years old and over in the household who are related. Median family income is often greater than median household income because a household can consist of single individuals, whereas family income always consists of two or more individuals. During the past sixteen years, median family income has increased in Pepperell, the Greater Lowell Workforce Development Area (WDA), Massachusetts and the nation, as shown on the following page in Table 2.

Table 2: Median Family Income for Selected Geographies (1999 and 2013-2017)

Geographic Area	1999	2013-2017	% Increase	% Increase Adjusted for Inflation
Pepperell	**$73,967**	**$104,265**	41.0	-4.1
Greater Lowell WDA	$67,583	$100,581	48.8	1.2
Massachusetts	$61,664	$94,110	52.6	3.8
United States	$50,046	$70,850	41.6	-3.7

Source: U.S. Census Bureau, 2000 U.S. Census and 2013-2017 American Community Survey

Pepperell's median family income increased from $73,967 in 1999 to $104,265 in 2013-2017– an increase of 41%. Median family incomes also increased by 48.8% in the Greater Lowell WDA, 52.6% in Massachusetts and 41.6% in the United States. Pepperell's median family income in 2013-2017 was 47.2% higher than the nation's median family income, 10.8% higher than the Commonwealth's and 3.7% than that for the Greater Lowell WDA. When adjusted for inflation, Pepperell experienced a negative growth rate of 4.1% in median family income. The Greater Lowell WDA and Massachusetts had positive median family income growth when adjusted for inflation, increasing by 1.2% and 3.8% respectively. The United States experienced a negative growth rate of 3.7% in median household income between 1999 and 2013-2017 when adjusted for inflation.

Per Capita Income

Between 1999 and 2013-2017, Pepperell's per capita income increased from $25,722 to $40,919 for an increase of 59.1%. The increase in Pepperell's per capita income outpaced the increase in Massachusetts (53.8%), the Greater Lowell WDA (51.7%) and the United States (44.4%), as shown in Table 3 below. The per capital income in Pepperell in 2013-2017 was higher than that for Massachusetts (2.5%), the Greater Lowell WDA (10.5%), and the United States (31.2%).

Table 3: Per Capita Income for Selected Geographies (1999 and 2013-2017)

Geographic Area	1999	2013-2017	% Increase 1999-2012-2016	% Increase Adjusted for Inflation
Pepperell	**$25,722**	**$40,919**	59.1	8.2
Greater Lowell WDA	$24,403	$37,016	51.7	3.2
Massachusetts	$25,952	$39,913	53.8	4.6
United States	$21,587	$31,177	44.4	-1.8

Source: U.S. Census Bureau, 2000 U.S. Census and 2013-2017 American Community Survey

When adjusted for inflation, Pepperell experienced a positive per capita income growth of 8.2%, while Massachusetts and the Greater Lowell WDA respectively had a 4.6% and 3.2% growth. The national per capita income decreased by 1.8% when adjusted for inflation.

EDUCATIONAL ATTAINMENT

Local communities cannot develop a skilled workforce without public investment in universities, community colleges, and the K-12 education system. The level of education attainment and the quality of education are therefore key indicators of Pepperell's quality of life, workforce preparedness and economic potential.

Figure 3 compares educational attainment among Pepperell residents 25 years and older in 2000, 2009-2013 and 2013-2017. In 2000, approximately 7.6% (484) of adults living in Pepperell had not earned a high school diploma or its equivalent. In 2009-2013, that rate dropped to 6.2% (483) and dropped even more to 5.7% in 2013-2017 (475). Adults who had earned only a high school diploma or equivalent accounted for 34.5% of the adult population in 2000, 31.3% in 2009-2013 and 25.9% in 2013-2017.

Since 2000, educational attainment in Pepperell has shifted with more than a majority of adults (68.4%) in 2013-2017 having completed at least some college. In 2000, Associate's Degree holders comprised 9.9% (628) of adults, while those with Bachelor's and Advanced Degrees accounted for 36.1% (2,290). In 2007-2013, approximately 8.8% (682) of all adults over the age of 25 had earned an Associate's Degree, and more than one third (35.6%) of the adult population had earned a Bachelor's Degree or better. In 2013-2017, 947 adults (11.4%) over the age of 25 earned an Associate's Degree. Adults in Pepperell with Bachelor's and Advanced Degrees accounted for 37.7% (3,138) of the total adult population.

In essence, the improvements in educational attainment are likely to influence the types of positions Pepperell residents are qualified for, which is to say, higher-skilled, with more intensive training, and better paying.

Figure 3: Educational Attainment in Pepperell: 2000, 2009-2013 and 2013-2017

Source: 2000 U.S. Census, 2009-2013 and 2013-2017 American Community Survey

As of 2013-2017, 94.3% of Pepperell's adult population had a high school diploma or better, which is higher than the Greater Lowell region at 90%. The percentage of Pepperell adults who possess a Bachelor's degree or higher (37.7%) is slightly higher than the region (37%). Table 4 compares the years of school completed for adults in Pepperell and the Greater Lowell region.

Pepperell's levels of educational attainment exceeded the national (87.3%) and state (90.3%) rates in terms of residents with a high school diploma or better in 2013-2017. In terms of holding a Bachelor's degree or higher, Pepperell residents fell below the state average (42.1%) and were above the national average (30.9%).

Table 4: Years of School Completed – Pepperell and the Greater Lowell Region 2013-2017

Subject	Pepperell		Greater Lowell Region	
	2013-2017	Percent	2012-2016	Percent
Less than 9th grade	88	1.1	10,843	4.6
9th - 12th, No Diploma	387	4.6	12,737	5.4
High School Diploma or equivalent	2,157	25.9	67,736	28.8
Some College	1,608	19.3	38,659	16.4
Associate's Degree	947	11.4	18,497	7.9
Bachelor's Degree	1,932	23.2	51,472	21.9
Graduate or Professional Degree	1,206	14.5	35,477	15.1
Total	8,325	100.0	235,421	100.1

Source: 2013-2017 American Community Survey

K-12 Education Performance

Educational performance data for the K-12 system for Pepperell and the region is provided in Table 5. This table presents the results of the 2018 Massachusetts Comprehensive Assessment System (MCAS) testing that is conducted in elementary school and high school. Students who take the test are categorized as advanced and proficient, needing improvement, or warned and failing. The percentage of students that were categorized as proficient or higher is shown below. Pepperell students generally outperformed Billerica, Dracut, Lowell and Tewksbury students in English, Lowell, and Tewksbury students in Math and Dracut, Lowell and Tewksbury students in Science, as shown on Table and Math, as well as Lowell students in Science.

Table 5: 2018 MCAS Scores for Pepperell and Greater Lowell

School District	2018 MCAS % Proficient or Higher		
	English Language Arts	Math	Science
Billerica	94	88	90
Chelmsford	97	91	85
Dracut	93	82	71
Groton - Dunstable	97	97	94
Lowell	82	66	59
Pepperell (part of North Middlesex Regional School District)	**96**	**82**	**85**
Tewksbury	92	77	76
Tyngsborough	98	90	92
Westford	98	96	95

Source: Massachusetts Department of Education

EMPLOYMENT SECTORS FOR PEPPERELL RESIDENTS

Pepperell residents work in virtually every industry, from manufacturing and construction to public administration and restaurants. Table 6 shows the primary employment industries for Pepperell residents in 2000 and 2013-2017. This table reflects the changing employment opportunities for Pepperell residents since the onset of the national recession in 2008 and the subsequent economic recovery. For example, the number of manufacturing establishments decreased from 1,335 in 2000 to 814 in 2013-2017 or by -39%. Similarly, the number of Wholesale Trade establishments decreased from 212 in 2000 to 115 in 2013-2017 or by -45.8%. On the other hand, the number of establishments in the Education, Health Care and Social Service industry increased from 1,006 in 2000 to 1,620 in 2013-2017 or by 61%. Other industries that experienced significant growth in the number of establishments were Public Administration (116.1%), Arts, Entertainment, Recreation, Accommodation and Food Services (61.4%), Professional, Scientific, Management, and Administrative and Waste Services (52.1%), and Other services, except Public Administration (13.9%).

Table 6: Primary Employment Industries for Pepperell Residents in 2000 and 2013-2017

Industry	2000	2013-2017	Percent Change 2000 – 2013/2017
Agriculture, Forestry, Fishing and Hunting, and Mining	75	71	-5.3
Construction	464	456	-1.7
Manufacturing	1,335	814	-39.0
Wholesale Trade	212	115	-45.8
Retail Trade	727	682	-6.2
Transportation, Warehousing, and Utilities	282	283	0.4
Information	250	211	-15.6
Finance, Insurance, and Real Estate (including leasing)	384	322	-16.1
Professional, Scientific, Management, and Administrative and Waste Services	616	937	52.1
Educational Services, Health Care, and Social Service	1,006	1,620	61.0
Arts, Entertainment, Recreation, Accommodation and Food Services	184	297	61.4
Other services, except Public Administration	238	271	13.9
Public Administration	137	296	116.1

Source: 2000 U.S. Census and 2013-2017 American Community Survey

JOURNEY TO WORK AND COMMUTING PATTERNS

In addition to understanding the industries in which Pepperell residents are employed, it is important to know how many residents work in the county and state. Table 7 shows where Pepperell residents worked in 2013-2017. According to the 2013-2017 ACS data, 79.1% of Pepperell residents worked in Middlesex County, while 20.9% of Pepperell residents commuted to work elsewhere in Massachusetts. Approximately 15.5% of Pepperell residents commuted to jobs outside of Massachusetts, principally in New Hampshire and Maine.

Table 7: Place of Employment for Pepperell Residents in 2013-2017

Place of Employment	Number of Workers	Percent
Massachusetts	5,318	84.5
Middlesex County	*4,209*	*79.1*
Outside of Middlesex County	*1,109*	*20.9*
Outside of Massachusetts	978	15.5
Total	**6,296**	**100.0**

Source: U.S. Census Bureau, 2012-2016 American Community Survey

In 2013-2017, 92.2% of Pepperell workers, aged 16 and older, commuted to work by car, either alone or, less frequently, in carpools. Approximately 1.2% of workers took public transit to work, 0.4% walked to work and 6% worked from home, as outlined in Table 8. For all workers, regardless of mode of transportation, approximately 19.3% had a commute time of less than 20 minutes; 44.7% of residents had commutes between 20 and 44 minutes, and 35.9% of workers commuted for longer than 45 minutes. The mean travel time to work was 36.7 minutes.

Table 8: Mode of Transportation to Work in 2013-2017

Mode	Number	Percent
Car, truck or van – drove alone	5,469	86.9
Car, truck or van – car pooled	334	5.3
Public transportation (excluding taxicab)	77	1.2
Walked	23	0.4
Other means	17	0.3
Worked at home	376	6.0
Total	**6,296**	**100.1**

Source: U.S. Census Bureau, 2012-2016 American Community Survey

ECONOMIC AND BUSINESS CONDITIONS IN PEPPERELL

BUSINESS PATTERNS

The growth and decline of business establishments operating in Pepperell over the past eleven years reflects the local economy. Figure 4 illustrates the changes in the total number of establishments between the third quarter of 2008 and the third quarter of 2018. The number of establishments in Pepperell has increased steadily from 230 establishments in 2008 (Q3) to 274 establishments in 2018 (Q3) or by 19.1%.

Figure 4: Total Number of Establishments in Pepperell, 2008 (Q3) - 2018 (Q3)

Source: Executive Office of Labor and Workforce Development ES-202 Reports

The average monthly employment for Pepperell businesses between 2008 (Q3) and 2018 (Q3), as shown in Figure 5, reflects the impact of the local economy. Similar to the number of establishments, there was a slight decline in monthly employment between 2008 and 2009 and 2015 to 2016. The monthly employment for Pepperell businesses steadily increased from 1,473 employees in 2008 (Q3) to 1,711 employees in 2018 (Q3) or by 16.2%.

Figure 5: Average Monthly Employment for Pepperell Establishments, 2008 (Q3)-2018 (Q3)

Source: Executive Office of Labor and Workforce Development ES-202 Reports

Another indicator of local economic vitality is the average weekly wages paid to workers, which provides an indication of the quality of the jobs in town. Figure 6 below reflects the changes in average weekly wages (across all industries) paid to workers employed in Pepperell for the third quarter of each year between 2008 and 2018. Average weekly wages in Pepperell increased by 24.1% from $684 in 2008 (Q3) to $849 in 2018 (Q3).

While average weekly wages in Pepperell have grown by 24.1% since 2008, these average weekly wages have consistently fallen well below the state and regional average weekly wages. In the third quarter of 2008, the average weekly wage in the Greater Lowell WDA was $1,073, while the state’s average weekly wage was $1,025. In the third quarter of

2018, the average weekly wage in the Greater Lowell WDA was $1,290 and the average week wage in the state was $1,305. Therefore, the average weekly wages in the region increased by 20.2%, while the state's average weekly wage increased by 27.3%. The average weekly wages have been impacted by inflation as well. Based upon the rate of inflation between 2008 and 2018, one dollar ($1.00) in 2008 had the same buying power as $0.82 in 2018.

Figure 6: Average Weekly Wages for Pepperell Workers, 2008 (Q3) - 2018 (Q3)

Source: Executive Office of Labor and Workforce Development ES-202 Reports

INDUSTRY COMPOSITION

The composition of industries in Pepperell is diverse, ranging from construction and manufacturing firms to social service agencies and restaurants. There are fewer manufacturing establishments and employees in 2018 than there were just ten years ago. The composition of industries operating in Pepperell has become more diversified, as reflected in Table 9. While the service-providing domain establishments were nearly three times greater (2.8 times) than those in the goods-producing domain in 2014 (Q3), this disparity has decreased to nearly two and a half times (2.4 times) in 2018 (Q3). Between the third quarter of 2014 and the third quarter of 2018, the total number of establishments in Pepperell increased from 244 to 274 or by 12.3%. The overall growth has been split between the Goods-Producing Domain (25%) and the Service-Providing Domain (7.8%).

Table 9: Changes in Local Industry Composition: 2014 (Q3) - 2018 (Q3)

Industry Type	Number of Establishments		Percent Change 2014 (Q3)-2018 (Q3)
	2014 (Q3)	2018 (Q3)	
Goods-Producing Domain	64	80	25.0
Construction	50	65	30.0
Manufacturing	11	12	9.1
Durable Goods Manufacturing	9	9	0.0
Non-Durable Goods Manufacturing	2	3	50.0
Natural Resources & Mining	0	3	NA
Service-Providing Domain	180	194	7.8
Trade, Transportation and Utilities	34	34	0.0
Wholesale Trade	10	13	30.0
Retail Trade	15	14	-6.7
Transportation and Warehousing	9	7	-22.2
Information	6	7	16.7
Financial Activities	10	16	60.0
Finance and Insurance	5	5	0.0
Real Estate and Rental and Leasing	5	11	120.0
Professional and Business Services	49	44	-10.2
Professional and Technical Services	30	28	-6.7
Administrative and Support Services	19	16	-15.8
Education and Health Services	38	49	28.9
Health Care and Social Assistance	32	42	31.3
Leisure and Hospitality	14	13	-7.1
Accommodation and Food Services	13	11	-15.4
Other Services	23	25	8.7
Total All Industries	**244**	**274**	**12.3**

Source: Executive Office of Labor and Workforce Development ES-202 Reports

In terms of the goods-producing domain, the number of establishments in Pepperell increased from 64 in 2014 (Q3) to 80 in 2018 (Q3), or by 25%. Manufacturing establishments increased by 9.1%, which reflected the nondurable goods manufacturing establishments increasing by 50%,. Construction establishments increased by 30% from 50 establishments in 2014 (Q3) to 65 establishments in 2018 (Q3).

The most significant growth in the Service-Providing Domain was in the Financial Activities sector, which grew by 60% between 2014 (Q3) and 2018 (Q3). Within that particular industry, Real Estate and Rental and Leasing establishments increased from five firms in 2014 (Q3) to eleven firms in 2018 (Q3) or by 120%. The Education and Health Services sector increased by 28.9% going from 38 establishments in 2014 (Q3) to 49 establishments in 2018 (Q3). The Information industry increased from six firms in 2014 (Q3) to seven firms in 2018, while establishments within the Leisure and Hospitality industry decreased by one firm. The predominance of service-providing firms reflects the emergence of a service-oriented economy in the 21st century, although the growth of goods-producing firms (25%) between 2014 and 2018 exceeded the growth in service-providing firms (7.8%) for the same time period.

Location Quotients

Location quotients (LQ) are a useful tool for assessing the various industry clusters located in a particular region. Location quotient analyses help us better understand the strengths of a local economy by assessing which industries are concentrated within it, relative to the region or state as a whole. Location quotients-- which are essentially a ratio of the concentration of a particular industry in one area (in this case, Pepperell) to the concentration of the same industry in a larger geographic area (North Central Workforce Development Area) - are understood to be significant when they are greater than 1.0.

Using the North Central Workforce Development Area as a basis of comparison, location quotients were developed with 2018 (Q3) data for each of the industries with a presence in Pepperell. Quotients were calculated for both the total number of establishments and average monthly employment among each industry sector. Figure 7 shows the current location quotients for both the total number of establishments and average monthly employment for each of the primary industry sectors operating in town.

According to the 2018 (Q3) figures, the goods-producing sector with the highest location quotient in terms of number of establishments was Construction. With 65 construction businesses located in Pepperell, and 286 workers employed in construction, this represents 7.7% of the regional construction establishments and 6% of construction employment. While this sector represents a small segment of the local and area economies, its concentration in Pepperell affords the town location quotients of 2.02 for total number of establishments and 3.05 for average monthly employment. The concentration of construction firms enables Pepperell's goods-producing industries to have a 1.63 LQ for the number of establishments and a 1.14 LQ for average monthly employment.

Figure 7: Local-Regional Location Quotient by Industry in 2018 (Q3)

Source: Executive Office of Labor and Workforce Development ES-202 Reports (2018 Q3)

There are other types of industries concentrated in Pepperell relative to the North Central WDA. Within the goods-producing domain, Natural Resources and Mining had a 1.46 LQ for number of establishments and a 3.18 LQ for employment. Agriculture, Forestry, Fishing and Hunting had a 1.54 LQ for the number of establishments and a 3.76 LQ for employment. Pepperell has high concentrations of many construction sectors with the best performing sector being the Residential Building Construction sector with a LQ of 2.72 in number of establishments and 2.76 in average monthly employment. Other sectors with relatively high concentrations of the region's average monthly employment include Building Equipment Contractors (5.21), Building Finishing Contractors (5.01), and Specialty Trade Contractors (3.96).

Table 10 provides the LQs for each of the goods-producing industries in Pepperell during 2018 (Q3). Pepperell's entire Manufacturing Industry has a low LQ of .81 for establishments and .42 for employment. Durable Goods Manufacturing had an LQ of 1.1 for establishments and .96 for employment.

Table 10: Economic Statistics for Goods-Producing Industries in 2018 (Q3)

Industry	Number of Establishments	Average Monthly Employment (AME)	Average Weekly Wages	Location Quotient - Number of Establishments	Location Quotient - Avg. Monthly Employment
Natural Resources and Mining	**3**	**38**	**$335**	**1.46**	**3.18**
Agriculture, Forestry, Fishing and Hunting	3	38	$335	1.54	3.76
Construction	**65**	**286**	**$1,030**	**2.02**	**3.05**
Construction of buildings	21	26	$1,236	2.44	1.58
Residential building construction	20	25	$1,266	2.72	2.76
Specialty trade contractors	43	230	$971	2.04	3.96
Building foundation and exterior contractors	5	22	$818	1.64	2.32
Building equipment contractors	20	119	$947	2.58	5.21
Building finishing contractors	12	61	$979	2.23	5.01
Other specialty trade contractors	6	28	$1,177	1.22	2.06
Manufacturing	**12**	**116**	**$969**	**0.81**	**0.42**
Durable Goods Manufacturing	9	100	$946	1.10	0.96
Fabricated metal product manufacturing	4	67	$1,034	1.69	2.64
Machine shops and threaded product mfg.	3	46	$1,027	2.46	8.14
Total Goods-Producing Domain	**80**	**440**	**$954**	**1.63**	**1.14**

Source: Executive Office of Labor and Workforce Development ES-202 Reports (2018 Q3)

Pepperell also has high LQs for establishments and average monthly employment in Service-Providing industries. In particular, the Information, Financial Activities, Professional and Business Services and Other Services industries have location quotients

greater than 1.0 in both categories. Table 11 illustrates the most significant Service-Providing industries in Pepperell, as compared to the North Central WDA.
The Information industry in Pepperell had an LQ of 1.48 in total establishments and an LQ of 1.88 in employment. The Financial Activities sector had an LQ of 1.14 in total establishment and an LQ of 1.11 in employment. Within the Financial Activities industry, Officers of Real Estate Agents and Brokers had an LQ of 2.62 in total establishments and an LQ of 3.47 in employment. The Professional and Business Services sector had an LQ of 1.17 in total establishments and an LQ of 1.81 in total employment. Within this industry, Professional and Technical Services has an LQ of 1.23 in number of establishments and an LQ of 3.48 in employment. The Other Services sector had an LQ of 1.28 in number of establishments and an LQ of 1.89 in employment. Within this industry, Private Households had an LQ of 1.58 in total establishments and an LQ of 5.36 in employment.

The LQs for other Service-Providing Industries registered below 1.0 for number of establishments and employment. The Trade, Transportation and Utilities industry had an LQ of 0.74 for number of establishments and an LQ of 0.87 for employment. However, within that industry, "Electronic markets and agents and brokers" had an LQ of 1.73 for employment and General Freight Trucking had an LQ of 2.02 for number of establishments. The Education and Health Services industry had an LQ of 0.68 for number of establishments and 0.77 for employment. Within that sector, "Other schools and instruction" had an LQ of 2.07 for number of establishments, while Child day care services had an LQ of 2.89 for employment. The Leisure and Hospitality industry had an LQ of 0.58 for total establishments and an LQ of 0.72 for employment.

Table 11: Economic Statistics for Service-Providing Industries in 2018 (Q3)

Industry	Number of Establishments	Average Monthly Employment (AME)	Average Weekly Wages	Location Quotient - Number of Establishments	Location Quotient - Avg. Monthly Employment
Trade, Transportation and Utilities	**34**	**265**	**$705**	**0.74**	**0.87**
Wholesale Trade	13	58	$1,016	1.20	1.22
Merchant wholesalers, durable goods	6	24	$1,048	1.14	0.72
Electronic markets and agents and brokers	5	8	$1,084	1.72	1.73
Retail Trade	14	135	$561	0.52	0.66
Motor vehicle and parts dealers	4	21	$866	1.15	0.72
Food and beverage stores	4	52	$393	0.68	0.88
Transportation and Warehousing	7	72	$724	1.07	1.59

Table 11(cont'd): Economic Statistics for Service-Providing Industries in 2018 (Q3)

Industry	Number of Establishments	Average Monthly Employment (AME)	Average Weekly Wages	Location Quotient - Number of Establishments	Location Quotient - Avg. Monthly Employment
General freight trucking	3	3	$726	2.02	0.75
Information	**7**	**35**	**$848**	**1.48**	**1.88**
Financial Activities	**16**	**50**	**$821**	**1.14**	**1.11**
Finance and Insurance	5	20	$751	0.66	0.67
Insurance carriers and related activities	3	5	$667	1.27	0.88
Insurance agencies and brokerages	3	5	$667	1.31	0.90
Real Estate and Rental and Leasing	11	30	$867	1.72	1.96
Real estate	10	20	$980	2.05	1.86
Offices of real estate agents and brokers	5	10	$1,312	2.62	3.47
Activities related to real estate	4	8	$723	2.28	1.76
Professional and Business Services	**44**	**269**	**$1,283**	**1.17**	**1.81**
Professional and Technical Services	28	192	$1,505	1.23	3.48
Computer systems design and related services	6	22	$3,264	1.33	3.42
Management and technical consulting services	8	5	$2,115	1.72	0.97
Other professional and technical services	4	29	$746	1.59	2.99
Administrative and Waste Services	16	77	$730	1.15	1.04
Administrative and support services	16	77	$730	1.29	1.14
Services to buildings and dwellings	12	68	$748	1.41	2.53
Education and Health Services	**49**	**363**	**$740**	**0.68**	**0.77**
Other schools and instruction	3	9	$988	2.07	1.81
Health Care and Social Assistance	42	171	$342	0.62	0.57
Ambulatory health care services	10	93	$328	0.89	1.19
Offices of dentists	4	23	$584	1.12	1.45
Offices of other health practitioners	3	8	$442	1.14	0.90
Social assistance	32	78	$359	0.63	0.94
Individual and family services	28	41	$323	0.58	0.68

Table 11(cont'd): Economic Statistics for Service-Providing Industries in 2018 (Q3)

Industry	Number of Establishments	Average Monthly Employment (AME)	Average Weekly Wages	Location Quotient - Number of Establishments	Location Quotient - Avg. Monthly Employment
Child day care services	4	37	$398	2.02	2.89
Leisure and Hospitality	**13**	**139**	**$263**	**0.58**	**0.72**
Accommodation and Food Services	11	136	$264	0.59	0.84
Food services and drinking places	10	134	$263	0.57	0.97
Restaurants and other eating places	9	123	$273	0.60	0.97
Other Services	**25**	**81**	**$697**	**1.28**	**1.89**
Other Services, Except Public Administration	25	81	$697	1.28	1.89
Repair and maintenance	14	51	$845	1.72	3.17
Automotive repair and maintenance	11	46	$821	1.76	3.39
Personal and laundry services	6	21	$392	1.27	1.64
Personal care services	3	13	$363	1.31	1.89
Private households	5	10	$512	1.58	5.36
Total Service-Providing Domain	**194**	**1271**	**$813**	**0.86**	**0.96**

Source: Executive Office of Labor and Workforce Development ES-202 Reports (2018 Q3)

WAGES

Table 12 illustrates the total wages and average weekly wages earned for all industries in Pepperell during 2014 (Q3) and 2018 (Q3). In sum, the total wages paid by Pepperell employers across all industries increased from $16,840,744 in 2014 (Q3) to $18,885,620 in 2018 (Q3), a total of $2,044,876 or 12.1%. Similarly, the average weekly wage rose from $791 in 2014 (Q3) to $849 in 2018 (Q3), a 7.3% increase.

Both the goods-producing and service-providing domains saw increases in their aggregate annual and average weekly wages between 2014 and 2018. The goods-producing domain saw total wages increase by 31.7%, whereas the total wages for the service-providing domain increased by only 5.8%. Similarly, the average weekly wages for the goods-producing domain increased by 13.4%, while those for the service-providing domain increased by only 4.8%.

Table 12: Total Wages and Average Weekly Wages by Industry: 2014 (Q3) and 2018 (Q3)

Industry	Total Wages (Q3)		Percent Change 2014-18	Average Weekly Wages (Q3)		Percent Change 2014 (Q3)-2018 (Q3)
	2014 (Q3)	2018 (Q3)		2014	2018	
Goods-Producing Domain	**$4,145,144**	**$5,457,370**	**31.7**	**$841**	**$954**	**13.4**
Construction	$2,781,605	$3,830,110	37.7	$895	$1,030	15.1
Manufacturing	$1,248,235	$1,461,549	17.1	$914	$969	6.0
DUR- Durable Goods Manufacturing	$1,023,134	$1,230,389	20.3	$937	$946	1.0
Service-Providing Domain	**$12,695,600**	**$13,428,250**	**5.8**	**$776**	**$813**	**4.8**
Trade, Transportation and Utilities	$3,762,950	$2,428,961	-35.5	$764	$705	-7.7
Wholesale Trade	$487,252	$766,220	57.3	$1,071	$1,016	-5.1
Retail Trade	$2,345,504	$985,270	-58.0	$699	$561	-19.7
Transportation and Warehousing	$930,194	$677,471	-27.2	$842	$724	-14.0
Information	$325,436	$385,746	18.5	$1,001	$848	-15.3
Financial Activities	$272,791	$533,573	95.6	$617	$821	33.1
Finance and Insurance	$181,984	$195,364	7.4	$667	$751	12.6
Real Estate and Rental and Leasing	$90,807	$338,209	272.4	$537	$867	61.5
Professional and Business Services	$3,460,212	$4,487,599	29.7	$1,073	$1,283	19.6
Professional and Technical Services	$2,656,017	$3,756,674	41.4	$1,269	$1,505	18.6
Administrative and Support Services	$804,195	$730,925	-9.1	$759	$730	-3.8
Education and Health Services	$3,096,551	$3,491,281	12.7	$759	$740	-2.5
Health Care and Social Assistance	$765,329	$760,597	-0.6	$521	$342	-34.4
Leisure and Hospitality	$362,929	$476,137	31.2	$252	$263	4.4
Accommodation and Food Services	$354,143	$467,088	31.9	$255	$264	3.5
Other Services	$551,220	$733,675	33.1	$597	$697	16.8
Total, All Industries	**$16,840,744**	**$18,885,620**	**12.1**	**$791**	**$849**	**7.3**

Source: Executive Office of Labor and Workforce Development ES-202 Reports (2014 Q3 and 2018 Q3)

Although the goods-producing domain in Pepperell has declined over the last twenty years, the construction and manufacturing industries continued to maintain the highest wages for their workers. The total wages in the construction industry increased by 37.7% between 2014 (Q3) and 2018 (Q3), while the manufacturing industry experienced a 17.1% increase. Average weekly wages also increased in the construction (15.1%) and manufacturing (6%) industries between 2014(Q3) and 2018 (Q3). In 2018 (Q3), the average weekly wage in the construction industry was $1,030, and in the manufacturing industry was $969.

Within the service-providing domain, the Trade, Transportation and Utilities, Professional and Business Services and Education Health Services industries had the highest total wages at $3.8 million, $3.5 million and $3.1 million respectively in 2018 (Q3). Total wages in the Financial Activities (95.6%), Other Services (33.1%), Leisure and Hospitality (31.2%), Professional and Business Services (29.7%), Information (18.5%) and Education and

Health Services (12.7%) industries increased between 2014 (Q3) and 2018 (Q3). The highest average weekly wages in the service-providing domain were in the Professional and Business Services ($1,283), Information ($848) and Financial Activities ($821) industries in 2018 (Q3).

Municipal Taxation and Spending

Pepperell has a single-rate, uniform tax policy. In Fiscal Year 2019, Pepperell had the third lowest commercial and industrial property tax rate in the region ($16.59), which many companies may consider to be an advantage to locating in town. The tax rates for the communities in the Greater Lowell region and surrounding communities are compared in Table 13.

Table 13: Fiscal Year 2019 Tax Rates by Class for Pepperell and other communities

Community	Residential	Open Space	Commercial	Industrial	Personal Property
Ayer	$13.63	$0.00	$28.80	$28.80	$28.80
Billerica	$13.48	$0.00	$31.41	$31.41	$31.41
Chelmsford	$16.35	$0.00	$22.21	$22.21	$22.06
Dracut	$13.75	$0.00	$13.75	$13.75	$13.75
Dunstable	$17.06	$0.00	$17.06	$17.06	$17.06
Groton	$18.11	$0.00	$18.11	$18.11	$18.11
Lowell	$14.04	$0.00	$28.59	$28.59	$28.59
Pepperell	$16.59	$0.00	$16.59	$16.59	$16.59
Shirley	$16.08	$0.00	$16.08	$16.08	$16.08
Tewksbury	$15.84	$0.00	$27.63	$27.63	$27.63
Townsend	$19.33	0.00	$19.33	$19.33	$19.33
Tyngsborough	$16.93	$0.00	$16.93	$16.93	$16.93
Westford	$16.56	$0.00	$16.56	$16.56	$16.56

Rate per $1,000 valuation. Source: Mass. Department of Revenue, Division of Local Services, 2019

According to the Massachusetts Department of Revenue's Division of Local Services, $21,948,788 in property taxes were levied during Fiscal Year 2019. Approximately 93.7% of these taxes was generated through residential properties, which had a total assessed value of more than $1.2 billion. Commercial properties yielded $539,579 in taxes, while industrial properties provided $485,868, as illustrated in Table 14. In FY 2019, the Town generated an additional $356,231 in revenue from personal property taxes.

Table 14: Fiscal Year 2019 Tax Classification

Tax Classification	Assessed Values	Tax Levy	Tax Rate
Residential	$1,239,729,382	$20,567,110	$16.59
Commercial	$32,524,371	$539,579	$16.59
Industrial	$29,286,800	$485,868	$16.59
Personal Property	$21,472,643	$356,231	$16.59
Total	**$1,323,013,196**	**$21,948,788**	

Source: MA Department of Revenue Division of Local Services at a Glance Report, April 2019

Like every municipality in the Commonwealth that depends on state and federal funds to support local initiatives, Pepperell's annual operating budget has been quite tight and even required an override at the last Town Meeting. Figure 8 illustrates the breakdown of municipal revenue sources for Fiscal Years 2016 and 2019. In FY 2019, slightly more than sixty-seven per cent of the Town's budget (67.5%) came from levied taxes, as compared to 65.2% in FY 2016. State funds decreased from 5.6% in FY 2016 to 5.3% in FY 2019.

Figure 8: Municipal Revenue Sources, Comparing FY 2016 & 2019

Source: MA Department At a Glance Reports

Figure 9 shows municipal spending in Pepperell for FY 2018. Education comprised 60% of total expenditures, while public safety and public works projects comprised nearly a quarter of the entire budget.

Figure 9: Municipal Expenditures FY 2018

Source: Town of Pepperell

Community Assets and Liabilities

In assessing the economic development potential of a community, it is important to determine what the residents and the business community consider the town's assets and liabilities. The Town of Pepperell has received previous input through the *2007-2016 Master Plan*, the business survey by the Economic Development Advisory Council (EDAC), the report to the Pepperell Board of Selectmen by the EDAC, and the 2015 Economic Development Self-Assessment Tool Report completed by the Dukakis Center of Northeastern University. Each of these documents provides the framework for identifying the assets and liabilities of Pepperell. The input received through the 2018-2019 Master Plan update process will build upon these initial assets and liabilities and help develop the overall Goals and Strategies for the Economic Development Chapter of the updated Master Plan.

PEPPERELL COMPREHENSIVE PLAN UPDATE 2007-2016

The *Pepperell Comprehensive Plan Update 2007-2016* replaced the 1998 Master Plan. This plan described the Pepperell economic base as "Lomar Industrial Park, a subdivision of various industrial, service, and office uses located in the northeastern corner of town, small businesses in Pepperell Center/Railroad Square, scattered home businesses, and a small number of farms". The plan cited the closing of the Pepperell Paper Mill in 2002 and limitations related to the lack of highway access, sewer service, municipal revenue and town staffing as factors making it difficult to foster economic development and revitalize the local commercial and industrial sectors.

The plan summarized the Economic Development Goals as follows:

- Focus development in established areas to protect Pepperell's rural character and encourage the revitalization of Railroad Square;
- Improve the Railroad Square business area;
- Encourage policies that support agriculture;
- Encourage mixed use development to provide a greater variety of housing options located closer to services; and
- Determine whether the Town wants to focus on industrial uses at its industrial park or to continue allowing commercial and service uses.

The Economic Development Strategies identified to attain these goals were as follows:

- Improve the Railroad Square business area.
    - Utilize the Mixed Use Overlay District as incentive for revitalization.
    - Adopt design standards to reinforce the Square's historical character.
    - Utilize the presence of the Nashua River and the Nashua River Rail Trail.
    - Facilitate mill revitalization by ensuring funding of consultant support to the Planning Board for ongoing project review of engineering and design issues.

- Preserve Pepperell's agriculture.
    - Protect prime agricultural land through land acquisition, purchase by land trust, or by encouraging land owners to place agricultural preservation restrictions on their land.
    - Encourage the Agricultural Advisory Board to work with the farms and the Town to identify incentives that will foster protection and enhancement of local agriculture.
    - Promote eco-tourism.

- Ease unduly limiting restrictions on home-based businesses to allow those that are not intrusive in residential neighborhoods, such as artists, agriculture, consultants and hospitality.

- Ensure that commercial activity does not adversely impact Pepperell's abundant natural resources.
    - Limit commercial activity to agriculture-related uses within the flood zone.
    - Focus development in Railroad Square and existing industrial parks.

- Consider overlay districts to establish mixed use village centers in the Historic District and along Hollis Street to the Brookline Street intersection.

- Protect the existing industrial parks by encouraging appropriate industrial uses.
    - Consider modifying the zoning to prohibit commercial uses in order to encourage appropriate industrial uses.

EDAC Survey

The Pepperell Economic Development Advisory Committee (EDAC) was formed "to act as an advisory committee to the Board of Selectmen and the Planning Board in fostering a positive relationship between the business community, residents, and town government to ensure the balance between economic growth and the overall quality of life through long range visioning".

There were four specific functional areas identified for the EDAC:

- Identify, evaluate and promote the use of available economic development tools;
- Promote a viable community for new and continued business growth;
- Familiarize themselves with local regulations and guidelines to identify strengths and weaknesses; and
- Offer recommendations to establish a consistent business environment, which maintains a safe, pleasing, and comfortable experience for the residents and visitors.

EDAC issued a survey to 4,600 individuals in 2013 and received 1,200 responses. While 500 respondents provided written answers, another 158 respondents offered to volunteer. More than half of the respondents (53%) were between 45 and 64 years of age and have lived in town between 18-26 years. There were four specific questions related to the types of activities that EDAC could undertake and an additional question seeking additional comments:

Question 1: Where would you prefer the committee to focus its attention?
Results: The most important areas were Business Development, New Employment, Safety, Town Assets, Building Betterments, Revitalization, Health Care Services, Events, Traffic, Signage/Lighting, Other, Plantings, Town By-Laws and Public Transport.

Question 2: What areas of business development are important to you?
Results: The most important areas were Food, Retail, Housing, Medical & Health, Daily Necessities, Arts & Culture, and Other.

Question 3: Planning future town events, what would you be interested in attending?
Results: Music, July 4th Celebrations, Family Events, Parades, Farmer's Market, Arts & Crafts, Sports, Musters, Festival, Historical, Town Fair, Theater/Movies, Car Shows, Nature Walks, Business Development, Flea Market, Veterans Events, Town Meetings, Bonfires, and Horse Events.

Question 4: What is needed for you and your family to consider Pepperell a community that provides essential products and services?
Results: Retail Stores, Restaurants, Mill Site Development, Keep as-is, Supermarkets, Better Schools, Public Transportation, Pharmacy/Medical, Conservation Land, No more Pizza Restaurants, More Cable Options, Dog Park, More Industry/Small Business, Large Library and Peter Fitzpatrick School.

Question 6: What additional comments would you like to share with us?
Results: Better Schools, Public Safety, Less Taxes, Keep as-is, Town Beautification, Streets, More Efficient Government, Support Library and Support Senior Center.

EDAC REPORT

On October 20, 2014 the Economic Development Advisory Committee (EDAC) issued a report to the Board of Selectmen and Planning Board focusing on sustainable development, resident retention and growth and Heritage marketing. EDAC summarized the top three areas of concern identified in the survey as follows:

1. Business development (commercial services)
2. Retail establishments (affordable supermarkets, restaurants, daily necessities)
3. Employment opportunities

EDAC identified several challenges facing the Town of Pepperell including:

- Leakage (consumer spending outside of the town borders)
  ($80.4 million annually in 2007)
- Limited commercial space

- A need for downtown improvements
- A need for more cultural events
- A need for new employment opportunities
- A need for a variety of retail establishments
- A need to attract and retain the 25-40 year old demographic

The EDAC report offered the following recommendations:

- Emphasize zoning to attract larger businesses and provide a path for growth and expansion for existing businesses.
- Maintain strong emphasis on planning for business development to help sustain economic health.
- Consider an overlay district along the main corridors that allows for mixed use.
- Increase the ease of doing business in town and market the strengths of doing business here to create a more robust business environment.
- Consider offering tax incentives to businesses that want to establish themselves in our borders.
- Develop and market Pepperell using a unified vision of creating a Heritage Site that ties together and promotes our National, Industrial, Natural and Cultural Heritage.
- Expand the development of commercial properties in order to increase revenue.
- Promote our assets through creative marketing, revitalize and sustain what exists today, inspire change, devote ourselves to quality of life, provide excellent customer service, encourage development and create change for economic sustainability.

Potential development sites were identified in the EDAC report as follows:

- Land at the corner of Nashua Road and Mill Street.
- Extension of Lomar Park to the rear and north.
- Peter Fitzpatrick School property.
- 141-167 Nashua Road.
- Land across Nashua Road at the corner of Dow Street.
- Route 119 Wilkins Farm planting fields.
- McBee Land Route 119 and Lakin Road.
- Brookline Street (town-owned land)
- Hollis/Mill intersection near Hadley Road.
- Properties to be developed for a different use – former Bemis Factory on Mill Street, Mill Street mill site and Pepperell Braiding Factory on Lowell Street.

EDSAT STUDY

In February 2015 the Town Administrator and NMCOG Assistant Director met with Professor Barry Bluestone and his staff from the Dukakis Center of Northeastern University to hear about the Economic Development Self-Assessment Tool (EDSAT) project. As a result of this discussion, the Town of Pepperell, through the use of District Local Technical Assistance (DLTA) funds administered by NMCOG, established a contract with Northeastern University to participate in the EDSAT project. The Dukakis Center identified two crucial factors in economic development: "1) the municipality's capability in responding to ever changing market forces and (2) the ability of local government to work with regional agencies, business leaders and academic institutions to work collaboratively to solve municipal weaknesses and market the town's strengths".

EDSAT attempts to identify the "deal-breakers" and "deal-makers", through a collaboration of public and private officials, by responding to a 200-queston plus questionnaire. The questionnaire was developed through input from the National Association of Industrial and Office Properties (NAIOP) and CoreNet Global, which represent site and location experts familiar with what private companies search for in a community. EDSAT includes sections on Access to Customers/Markets, Concentration of Businesses and Services (Agglomeration), Cost of Land (Implicit/Explicit), Labor, Municipal Process, Quality of Life (Community), Quality of Life (Site Amenities), Business Incentives, Tax Rates and Access to Information.

The Town of Pepperell hosted two meetings at Lawrence Library on September 17, 2015 and December 7, 2015 to hear presentations from Professor Barry Bluestone on EDSAT. The initial session focused on responses to the questionnaire submitted by Pepperell staff to Northeastern and represented an attempt to build consensus among the private, public and non-profit sectors on the appropriate responses to the questionnaire. These revised responses were then submitted into the Self-Assessment Tool and provide the basis upon which the EDSAT report was developed. Professor Barry Bluestone provided the report results at the second session and responded to questions raised by the attendees. Both the final report and the presentation are available at the Town Administrator's Office.

Based upon the EDSAT report, the Town of Pepperell had several strengths and potential "deal-makers" that the Town should build upon and promote to prospective businesses and developers.

Among the *Very Important* Location Factors were the following:

- **Website:** Pepperell lists all of its jurisdiction's local development policies and procedures, and posts pending applications on the town's website.

- **Labor:** Like the Comparative Group Municipalities (CGM), 85% or more of your 25+ residents have graduated high school and, exceeding the CGM, up to half have earned at least a bachelor's degree.
- **Traffic**: In comparison with the CGM, Pepperell's commuter traffic moves at a brisk pace, with the town experiencing virtually no rush hour congestion. Although Pepperell does not use the services of both a traffic consultant and traffic planner, that is appropriate for a town its size.

The EDSAT report identified the following strengths under the *Important* Location Factors:

- **Crime Rates:** Crime rates for auto theft, robberies, and homicides are considerably lower than the CGM.
- **Housing:** The homeownership rate in Pepperell is 76% or greater, which is higher than the CGM rate, and it reflects well on Pepperell that most leaders of local firms choose to live in town.
- **Local Schools:** The percentage of students in Pepperell who tested proficient in English and Mathematics is 81% or greater, which is slightly higher that the CGM average. The percentage of high school freshmen who normally graduate within 5 years is 95% or more compared to the CGM percentage of 81-94%. The percentate of high school students from last year's class who went on to a four year college was 75% or greater. The percentage of students that are English proficient is 81% or more, and the high school dropout rate last year was an astonishing zero!
- **State and Local Business Incentives:** Pepperell is eligible for state investment tax credits, job training tax credits, research and development tax credits, loan guarantees, equity financing and workforce training grants, and very much takes advantage of them. The town itself offers TIF arrangements for retail development.
- **Site Amenities:** In Pepperell, most development sites have fine dining within one mile.
- **Citizen Participation in Review Process:** Pepperell's elected officials expedite development by facilitating dialogue with community groups more vigorously than the rest of the CGM. Furthermore, officials in Pepperell intervened within the past 5 years to rescue a development proposal that was endangered by abutter or neighborhood opposition.
- **Predictable Permits:** Pepperell allows a single presentation of a development proposal to all review boards and commissions with relevant permit authority.
- **Complementary Business Services:** Pepperell's local business association is vigorously involved in the economic development activities of your jurisdiction.
- **Cross Marketing:** Pepperell actively enlists the services of firms already resident in your jurisdiction to assist in attracting new firms.

- **Sites Available:** Pepperell provides a readily accessible, up-to-date, complete list of sites that are available for development in your jurisdiction and has an active strategy for reclaiming or land banking tax delinquent and tax title properties.
- **Physical Attractiveness:** Pepperell prides itself on keeping well maintained streets, sidewalks, parks, etc. near development sites, and there is a system in place for monitoring the timeliness and quality of responses to reported violations. 21% of the acreage in Pepperell is reserved for parks, and only 0-5% of industrial space in Pepperell is considered vacant.

The EDSAT report then identified the following strength under the *Less Important* Location Factors:

- **Permitting Ombudsman:** Pepperell has the advantage of its Town Administrator playing a significant role in ensuring efficiency of the local permitting process.

Despite many advantages, Pepperell has a number of weaknesses, or "deal-breakers", that pose a challenge to successful development. These weaknesses are listed in order of priority that should be addressed to improve Pepperell's attractiveness to private investors.

The identified Weaknesses among *Very Important* Location Factors are as follows:

- **Timeliness of Approvals:** Pepperell's approval times are excessive in comparison to the CGM. The time from application to the completion of the review process for new projects that encompass site plan review, zoning variances, and appeals processes is longer than the CGM average. The time from application to the completion of the review process for existing structures that encompass site plan review, zoning variance, and appeals process is also longer than the CGM average. Since approvals in Pepperell take a considerable amount of time, permitting is slowed down and "time to market" is compromised.
- **Infrastructure:** Pepperell does not have sufficient capacity for growth for natural gas, cellular telecommunications, and fiber optic/cable/DSL. The average retail cost per kWh residential, commercial, and industrial end users in the municipality for commercial and industrial users is more expensive that the rest of the CGM.
- **Highway Access:** Pepperell has virtually no available sites for manufacturing, retail, and general office space that are within two miles of an entrance or exit to a limited-access major highway.
- **Parking:** In Pepperell only 50-74% of the available space for retail trade and general office space have on-site parking, which is less than the CGM average.

The EDSAT report then listed those Weaknesses among *Important* Location Factors as follows:

- **Public Transit:** Pepperell is below the CGM in percentage of retail trade, manufacturing sites, and general office space within a quarter mile of public bus or rail rapid transit. The town also has no freight rail or intercity passenger rail service.
- **Critical Mass Firms:** Pepperell does not have an industrial attraction policy.

Those Weaknesses among *Less Important* Location Factors were summarized as follows:

- **Airports:** Pepperell is farther away from a regional or international airport than the CGM average.
- **Proximity to Universities and Research:** There are no public or private four-year college or universities that are located within 10 miles of your jurisdiction.

The Dukakis Center then highlighted the factors most highly correlated with an increase in establishments for fifty Massachusetts municipalities between 2001 and 2011. According to their data, the most important factors were Economic Development Marketing, Timeliness of Approvals, Parking, Public Transit, Cross Marketing, Low Traffic Congestion, Fast Track Permitting and Site Availability. When reviewing Pepperell's strengths, the two areas that were most prominent are Cross Marketing and Low Traffic Congestion. When reviewing Pepperell's weaknesses, the three areas that needed the most attention were Timeliness of Approvals, Parking and Public Transit. Within the Conclusion section, the EDSAT report outlines Things to Think About as follows:

Pepperell has many good things going for it:

- Relatively good schools, high homeownership rates, and low crime rates.
- Low traffic congestion.
- Careful attention to code enforcement.
- Maintenance of a current list of available development sites with nearby site amenities.
- Engaging in vigorous cross-marketing efforts.
- An unusually robust and well-maintained web site.

But you could be better positioned to attract business investment and jobs by:

- Reducing businesses' "time to market" by expediting the review and permitting approvals process.
- Developing an explicit industrial attraction policy – a realistic one that takes into account Pepperell's poor highway and rail access.
- Upgrading the town's digital infrastructure.

- Making better use of state and federal economic development programs.

Commercial and Industrial Activity

This section examines commercial and industrial zoning and permitting trends in order to gauge the level of economic development activity occurring in Pepperell. A description of the Access and Infrastructure issues follows the initial material. A brief summary of the economic development incentives that are available will follow.

Zoning

As discussed in the Land Use and Zoning chapter of this Master Plan, there is one commercial district (C), one industrial district (I) and one overlay zone related to economic development – the Mixed Use Overlay District (MUOD).

As outlined in Table 4 of the Land Use and Zoning chapter, commercial land consists of 58 parcels (169.27 acres), which represents 1.21% of Pepperell's total land area. Mixed residential and commercial land comprises 40 (158.41 acres), which represents 1.13% of the total land area. The majority of commercial uses are located along Routes 113 and 111, with many of the town's commercial establishments concentrated along Main Street in the vicinity of Railroad Square.

Industrial land uses related to manufacturing and R & D comprise 95 parcels on 71.76 acres of land, or 0.51% of Pepperell's total land area. Industrial uses are located primarily in the northeastern section of town near Nashua Road and in Railroad Square near Mill Street.

The Mixed Use Overlay District allows the Planning Board to issue a Special Permit in the Commercial and Industrial Districts on sites of five (5) acres or more. The bylaw is intended to create mixed commercial, residential and open space areas. Currently, the only designated MUOD is the former Pepperell Paper Mill site north of Route 113 on the western bank of the Nashua River.

Commercial and Industrial Building Permits Issued

The level of commercial and industrial activity and interest in a town can be partially measured by examining commercial and industrial permit trends. Between 2014 and 2018, there has not been much commercial and industrial activity in Pepperell. In 2014 there was an approved building permit for KB Properties at 43 Nashua Road. Harry's Motors had a building permit for 129 Main Street, which was due to expire on 10/6/16. Borrego Solar submitted a major site plan for 175-185 Nashua Road, which was under construction. Green 1A Investments received a building permit for 128 Main Street, which expired on 4/22/17. Catalano Companies secured a building permit in 2016 to build the new Dunkin Donuts at 61-63 Main Street. Since 2017, the only non-residential building permits issued were for the expansion of the Pepperell Christian Church at 17 Main Street, a Verizon wireless installation at 3 Townsend Street, an expansion of the Wastewater Treatment Plan administrative offices at 17 Nashua Road and the expansion of a service station at 11 South Street. The Planning Board also held a public hearing in August 2019 on a proposed Assisted Living Facility.

ACCESS AND INFRASTRUCTURE ANALYSIS

This section would typically examine the existing sewer, water supply, utilities and transportation infrastructure in town. Physical infrastructure is a critical component of an area's development capacity and long-term attractiveness to businesses. By identifying the "gaps" in the current infrastructure system, a community can establish priorities to expand the infrastructure system to be more responsive to the needs of the public and private industry. The existing sewer and water supply infrastructure have already been examined in the Housing section, while the transportation infrastructure will be discussed in the Transportation chapter. Within this section, we will examine the existing utilities and telecommunications infrastructure.

UTILITIES AND TELECOMMUNICATIONS

Pepperell is well served in terms of utilities and telecommunications. Gas and electricity are provided by National Grid, while Charter Communications provides cable and cable internet services to residents and business owners in town. Outlined below are the current charges for services from National Grid. Table 16 depicts the pricing scheme for energy delivery services. These service rates are for small commercial and industrial customers with average usage less than 10,000 kWh per month or 200 kW of demand.

Table 16: National Grid Rates for General Delivery Service 2018

	Rate
Customer Charge	\$5.50/month
Distribution Charge First 2,000 kWh*	6.581¢/kWh
Transmission Charge	3.164¢/kWh
Transition Charge	0.103¢/kWh
Energy Efficiency Charge	1.805¢/kWh
Renewables Charge	0.050¢/kWh
Distribution Solar Charge	0.146¢/kWh
*** Includes: Basic Service Adjustment Factor (0.12¢), Residential Assistance Adjustment Factor 0.557¢, Storm Recovery Adjustment Factor 0.039¢, Storm Fund Replenishment Adjustment Factor 0.231¢, Pension/PBOP Adjustment Factor 0.256¢, Revenue Decoupling Mechanism Factor 0.002¢, Net CapEx Factor 0.202¢ Attorney General Consultant Expenses Factor 0.002¢ and Solar Cost Adjustment Factor 0.011¢.**	

Source: National Grid, 2018

Table 17 illustrates Demand Service rates designed for commercial and industrial customers with average use exceeding 10,000 kWh per month and demand not exceeding 200 kW.

Table 17: National Grid Rates for Demand Service 2018

	Rate
Customer Charge	$25.00/month
Distribution Demand Charge	$8.50/kW
Distribution Energy Charge*	1.719¢/kWh
Transmission Charge	2.333¢/kWh
Transition Energy Charge	0.061¢/kWh
Energy Efficiency Charge	0.957¢/kWh
Renewables Charge	0.050¢/kWh
*** Includes: Basic Service Adjustment Factor (0.12¢), Residential Assistance Adjustment Factor 0.557¢, Storm Recovery Adjustment Factor 0.039¢, Storm Fund Replenishment Adjustment Factor 0.231¢, Pension/PBOP Adjustment Factor 0.256¢, Revenue Decoupling Mechanism Factor 0.002¢, Net CapEx Factor 0.202¢, Attorney General Consultant Expenses Factor 0.002¢ and Solar Cost Adjustment Factor 0.011¢.**	

Source: National Grid, 2018

For large commercial and industrial customers with demand greater than 200 kW, energy services are charged on the basis of time-of use. The fee structure for time-of-use service is illustrated in Table 18. Fees differ depending on whether energy is consumed during peak or non-peak times. Peak hours are from 8:00 A.M. to 9:00 P.M. daily on Monday-Friday, excluding holidays. Off-Peak hours are from 9:00 P.M. to 8:00 A.M. daily Monday-Friday, and all day on Saturdays, Sundays, and holidays

Table 18: Time of Use Fee Structure- 2018

	Rate
Customer Charge	$200.00/month
Distribution Charge Peak Hours*	14.508¢/kWh
Distribution Charge Off-Peak Hours*	4.553¢/kWh
Transmission Charge	1.873¢/kWh
Transition Energy Charge	0.097¢/kWh
Energy Efficiency Charge	1.805¢/kWh
Renewables Charge	0.050¢/kWh
Distribution Solar Charge	0.197¢/kWh
*** Includes: Basic Service Adjustment Factor (0.12¢), Residential Assistance Adjustment Factor 0.557¢, Storm Recovery Adjustment Factor 0.039¢, Storm Fund Replenishment Adjustment Factor 0.231¢, Pension/PBOP Adjustment Factor 0.256¢, Revenue Decoupling Mechanism Factor 0.002¢, Net CapEx Factor 0.202¢, Attorney General Consultant Expenses Factor 0.002¢ and Solar Cost Adjustment Factor 0.011¢.**	

Source: National Grid, 2018

Development Incentives, Tax Incentives and Expedited Permitting

The Town of Pepperell participates in the Commonwealth's *Economic Development Incentive Program* (EDIP), which is a three-way partnership among the Commonwealth of Massachusetts, a municipality located within an Economic Target Area (ETA), and a growing company. The EDIP is a tax incentive program designed to foster job creation and stimulate business growth throughout the Commonwealth. Participating companies may receive state and local tax incentives in exchange for job creation, manufacturing job retention and private investment commitments.

The process for this incentive program is as follows: first, a company and the respective municipality agree to a tax exemption schedule on future real property taxes reputed to the added value. The company then obtains state approval for a 5% investment tax credit. This credit takes the form of a state income tax reduction. Thirdly, the company commits to a job growth and private investment schedule.

These incentive programs typically continue for five to twenty years. The EDIP program offers several advantages to growing companies, including reducing the financial burden required to grow a company and providing a flexible framework which can accommodate variable tax exemption structures and agreement durations. In January 2010, the state issued new regulations which permit manufacturers to apply directly to the state for the EDIP program.

Permitting Assistance

In 2010, the Northern Middlesex Council of Governments undertook an assessment of the Town of Pepperell's permitting process and developed the Town's Permitting Guide. As emphasized in the EDSAT Report, there needs to be a renewed focus on the streamlining the permitting process in Pepperell. The following recommendations were made to improve the effectiveness and efficiency of the land use permitting process. These recommendations, in part, would help businesses that are considering locating in Pepperell to obtain necessary planning and building information.

1. A single point-of-contact should be designated and made known to all.
2. Each department should develop a written handout that outlines the department's jurisdiction, requirements, application checklist and other relevant matters
3. Permit tracking software should be researched.
4. A standard "cover sheet" should be developed and attached to all approvals outlining "what happens next".
5. There should be a standard condition added to all approvals that indicates that the final plans, approved by all boards and commissions, must be consistent.

6. All abutter notification and legal notice requirements and procedures should be reviewed.
7. A general handout should be developed that can be provided to any potential applicant outlining how to proceed through the permitting process.
8. The town must make sure its website is maintained and up-to-date since incorrect information can be fatal to the permit approval process.
9. Consideration should be given to scheduling pre- and post-application submission meetings.
10. The Town should consider utilizing a standardized bonding instrument agreed upon by all departments, boards and commissions.
11. Pepperell staff should review the Permitting Guide, which can be used as a template, and have all department requirements and the permitting process combined into one document, creating a comprehensive permitting guide.
12. The Town should investigate the feasibility of holding joint meetings when Planning Board, Conservation Commission, ZBA and/or Board of Health approvals are necessary.
13. The permit granting boards and commissions should delegate approval authority, in as many areas as possible, to professional staff if possible, (e.g. the Conservation Agent) while retaining the right to review and appeal staff decisions.
14. Concurrent permit applications should be encouraged whenever possible, bearing in mind any statutory requirements, such as those found in the Massachusetts Wetlands Protection Act, MGL c.131 §40.
15. All departments involved in the permitting process should standardize their hours of operation.
16. Each department head and/or advisor to a permitting board and commission should have clear standards of responsibilities.

The Town should review the "Municipal Self-Assessment Checklist" that has been produced by the Massachusetts Executive Office of Housing and Economic Development (EOHED) in order to determine which areas outlined in the Best Practices Model need to be addressed

BALANCE BETWEEN ECONOMIC GROWTH AND QUALITY OF LIFE

"Quality of life" is a term used to describe various, sometimes intangible factors that make a community attractive to live. A quality-of-life strategy assumes government of some type of public/private partnership is able to have a significant influence on these factors and improve them over time. In theory new businesses will be attracted to communities with the most appropriate combination of factors, and existing businesses will expand for the same reason. People also use quality of life indicators to measure neighborhood and community desirability.

Economic Development Opportunities

There are several areas and sites in Pepperell that offer potential for future economic development. Some of these areas were identified in the 2014 report from the EDAC to the Board of Selectmen and Planning Board. Outlined below are the specific areas that will be focused on in the Issues and Opportunities section of this Economic Development Chapter:

Railroad Square
Route 113 Corridor
Former Pepperell Paper Mill Site
Peter Fitzpatrick School
Lomar Industrial Park
Route 119 Corridor

Potential Development Sites

In addition to the sites identified in the EDAC report and the areas identified above, the Town has identified a handful of sites that offer development potential. These sites include one or two lots at Lomar Park, the former Dunkin Donuts site, the Conway Chevrolet site and the small shopping center downtown. Currently, there is no official town list that can be posted on the Town's web site.

Public Input

At the Pepperell Master Plan Visioning Session II meeting on September 13, 2018, participants were asked to respond to a number of questions related to Land Use and Zoning, Economic Development and Housing. Respondents were able to address each area equally in their responses. Outlined below are the responses to the Economic Development questions:

Question 4: What steps can the Town take to improve the downtown/Railroad Square area?

Responses:

1. Original historic building façades in Railroad Square ought to be restored and/or replicated. Grants and other programs are available.
2. Main Streets historical pattern needs to be preserved.
3. Downtown traffic flow should be improved.
4. Crossing Main Street can be difficult for pedestrians in Railroad Square.
5. Additional parking is needed.
6. Wide speed bumps could slow traffic and improve walkability.
7. Park Street/Elm Street intersection has only a blinking yellow light.
    - It is a dangerous intersection.

- It needs a rotary or something else to address safety issues.

8. Widening sidewalks can improve walkability.
9. Install some shade trees downtown and bury the utilities.
10. A public park with picnic tables and benches would help.
11. Benches and widened sidewalks would help.
12. Street cleaners and snow removal vehicles need to be able to work around any new streetscape improvements.
13. There needs to be way-finding signs downtown directing people to the covered bridge, Town Hall, etc. There also needs to be sign bylaws.
14. Bike lanes to and from Railroad Square and the Rail Trail would improve safety. An island in the middle of Railroad Square would help pedestrian crossings.

Question 5: What additional types of businesses are needed to meet the needs of the community?

Responses:

1. Green businesses
2. No Walmart
3. Sports facilities
4. Expanded farmers market and crafts market
5. Food production businesses, hydroponics, farm to table restaurants
6. Food co-ops and local goods stores
7. Sports facility with pool and skating rink, more trails and guides
8. Use Peter Fitzpatrick building as a cultural facility that allows for music, theater, performing arts, arts education center, etc.
9. Use Peter Fitzpatrick as a center for all of the arts, fine arts, sculpting, etc.
10. Public health center for exercise, dieting, and preventive medicine.
11. Something like Acton's Discovery Park and programs to teach children about farming and the watershed; connected with existing trail network.
12. Medical businesses
13. Rehab center and assisted living facilities.
14. Place for teens and young adults to hang out
15. Simple café (not Dunkin Donuts or Starbucks)
16. Senior center like center for young people
17. Coffee bars
18. Visitors guide/map of assets on kiosks around town. EDAC had a good visitors map.
19. Good used bookstore
20. Master Plan to include "vision" for downtown.
21. Create a rendering of the "vision" for downtown.
22. Town field playground equipment needs updating, including for disabled children.
23. Plan for community gardens.

24. Community Center needs better landscaping.

Question 6: What more can the Town do to attract economic development that meets the needs of the community?

Responses:

1. Add public transportation to Nashua, Lowell and Ayer.
2. Market the Town's heritage and history, such as the covered bridge.
3. Reach out to businesses by marketing the community.
4. Improve roadways and access into Town.
5. Focus on small businesses and maintain small town character.
6. Attract non-profits, art galleries, and small restaurants.
7. Reach out to UMass Lowell business incubators.
8. Add retirement homes.

Question 7: Are there opportunities to redevelop existing underutilized and vacant property?

Response:

Underutilized Mill site.

Question 8: What steps can the Town take to support its agricultural community?

Responses:

1. Use land trusts, agricultural preservation restrictions and other incentives.
2. Increase opportunities for leasing of agricultural land.
3. Explore an agricultural museum.
4. The Grange needs to be updated.
5. A commercial kitchen that meets local and state regulations would add value to the agricultural sector.
6. Zoning needs to be changed to allow for solar farms and catering businesses on farms.
7. Educate high school students about farming.
8. There needs to be more frequent farmers markets.
9. There ought to be a year round indoor/outdoor farmers market, such as Mill #5 in Lowell.
10. Make more use of vacant properties.
11. Promote and protect equestrian farms and trails for horses.

Question 9: What steps can the Town take to promote and support its creative and cultural economy (e.g. artists and artisans)?

Responses:

1. Promote venues for sale of locally made products.

2. Install large life-sized art along the Nashua River Rail Trail and the river.
3. A sculpture park would be good.
4. A display area for student art would be helpful.
5. Outdoor businesses, such as snowshoe and cross-country skiing would help.
6. Cluster businesses – art and similar retailers do better when there's a cluster within walking distance of each other.

The results of the written survey for the Master Plan indicated that Pepperell residents felt there was a need for more economic development opportunities in the community, as indicated below:

Question 3: Why do you choose to live in Pepperell? - Proximity to employment (124 responses or 23.48%)

Question 6E: Please indicate whether you would rate the following services, facilities, and characteristics, as they relate to Pepperell, as excellent, good, fair or poor.

Economic Development

	Excellent	Good	Fair	Poor	Unable to Score/ Unfamiliar	Total
Access to employment	4.78% (21)	30.30% (133)	25.97% (114)	12.53% (55)	26.42% (116)	439
Availability and access to goods and services	7.80% (35)	50.56% (227)	26.73% (120)	8.69% (39)	6.24% (28)	449

Question 7: In your opinion, list three of the most critical issues facing Pepperell over the next ten years. (Note: 10 or more responses)

First responses:

- 161 Nashua Road – toxic dirt – 47 responses
- Attracting and maintaining businesses/economic development – 33 responses
- Overdevelopment/population growth – 30 responses
- Maintaining rural character/small town feel – 11 responses

Second responses:

- Attracting businesses/economic development – 23 responses
- Overdevelopment/population growth – 18 responses
- 161 Nashua Road – toxic dirt – 14 responses

Third responses:

- Attracting businesses/economic development/more commercial development – 32 responses
- 161 Nashua Road – 13 responses
- Growth management/balancing growth and rural character – 10 responses

Combined top responses:

- Attracting and maintaining businesses/economic development – 88 responses
- 161 Nashua Road – toxic dirt – 74 responses
- Overdevelopment/population growth – 66 responses
- Maintaining rural character/small town feel – 35 responses
- Growth management/balancing growth and rural character – 25 responses

A business survey was developed in order to receive input from the local business community. The business survey was described at a meeting of the Pepperell Business Association (PBA) on August 6, 2019 and the participants were urged to complete the survey. As of November 13, 2019, thirty-one (31) business surveys had been completed. The results of the business survey are as follows:

Question 1. How long has your business been located in Pepperell?

Answer Choices	Responses	
0 - 2 years	9.7%	3
3 – 5 years	19.4%	6
6 – 10 years	9.7%	3
11 – 20 years	19.4%	6
20+ years	41.9%	13

Question 2. How many employees does your company have?

Answer Choices	Responses	
1 – 4 employees	69.0%	20
5 – 9 employees	20.7%	6
10 – 49 employees	10.3%	3
50 – 200 employees	0.0%	0
201+ employees	0.0%	0

Question 3. What do you feel are the benefits of locating a business in Pepperell?

	Major Benefit		Minor Benefit		Not a Benefit	
Proximity to Southern New Hampshire	37.9%	11	44.8%	13	17.2%	5
Industry Clusters	22.2%	6	33.3%	9	44.4%	12
Proximity to Customers	62.1%	18	27.6%	8	10.3%	3
Proximity to Employees	58.6%	17	24.1%	7	17.2%	5
Available Building / Property	48.3%	14	24.1%	7	27.6%	8
Community Image	58.6%	17	34.5%	10	6.9%	2
Community Demographics	44.8%	13	44.8%	13	10.3%	3
Property Taxes	43.3%	13	36.7%	11	20.0%	6
Close to Personal Residence	93.6%	29	6.5%	2	0.0%	0
Housing Availability	39.3%	11	32.1%	9	28.6%	8
Quality of Local School District	39.3%	11	32.1%	9	28.6%	8
Other (please specify below)	87.5%	7	0.0%	0	12.5%	1

Question 4. What are some of the challenges to locating in Pepperell or doing business here?

	Major Concern		Minor Concern		No Concern	
Taxes	20.0%	6	43.3%	13	36.7%	11
Infrastructure	41.4%	12	31.0%	9	27.6%	8
Age/Condition of Properties	27.6%	8	41.4%	12	31.0%	9
Labor Pool Availability	41.4%	12	31.0%	9	27.6%	8
Distance from Competitors	6.9%	2	37.9%	11	55.2%	16
Municipal Support	25.0%	7	39.3%	11	35.7%	10
Parking	37.9%	11	17.2%	5	44.8%	13
Staffing/Training	24.1%	7	34.5%	10	41.4%	12
Prevailing Wage	24.1%	7	31.0%	9	44.8%	13
Restrictions on Signage	20.0%	6	23.3%	7	56.7%	17
Cost of Real Estate	31.0%	9	48.3%	14	20.7%	6
Expansion Options	37.9%	11	34.5%	10	27.6%	8
Access to Capital	10.3%	3	37.9%	11	51.7%	15
Traffic/Access	27.6%	8	27.6%	8	44.8%	13
Other (please specify below)	66.7%	4	0.0%	0	33.3%	2

Question 5. Are you pleased with your location within the Town of Pepperell?

Answer Choices	Responses	
Yes	96.7%	29
No	3.3%	1

Question 6. Does the Town provide adequate support to meet your business and property ownership needs? Use the slide to indicate which best applies.

Slide Rule Results (0=worst, 10=best)

Ranking	Number of Responses
0 (worst)	0
1	0
2	2
3	1
4	1
5	6
6	1
7	2
8	3
9	2
10 (best)	5

Question 7. What could Pepperell do to better serve businesses and/or property ownership in your industry? Please select all that apply.

Answer Choices	Responses	
Tax Incentives / Lower Taxes	53.3%	16
Increase Promotional Marketing	50.0%	15
Improve the Appeal of Commercial Areas	90.0%	27
Less Restrictive Regulations	40.0%	12
Improve Transportation / Other Infrastructure	43.3%	13
Increase Parking	40.0%	12
Other (please specify)	23.3%	7

ISSUES AND OPPORTUNITIES

The Town of Pepperell needs to determine how it will address the economic needs in the community by building upon its strengths and addressing its weaknesses. There have been numerous planning studies conducted in Pepperell over the past twenty years that offer recommendations to move forward. The growth in the local economy will not be addressed by simply changing local zoning, but requires a number of components to be successful. First of all, the Town needs to build upon its partnership with the Pepperell Business Association (PBA), perhaps through a reconstituted Economic Development Advisory Committee (EDAC), to reach out to the private sector to address their specific needs in order to encourage businesses to expand or locate in town. Secondly, specific zoning changes will be needed in order to encourage small businesses to locate in Pepperell. Thirdly, the permitting process needs to be streamlined so that businesses receive a decision from the various local permitting bodies within a reasonable period of time. This requires that the businesses submit a complete application to the local permitting bodies so that there is sufficient information to make a timely decision. Fourthly, other than attracting small businesses, other areas need to be focused upon – agriculture, cultural, historic and recreation for instance. Finally, specific development areas need to be focused upon and specific actions can be taken in each of these areas.

The re-establishment of the EDAC is a critical first step in implementing the economic development recommendations within this Master Plan. Without a full-time planner or economic development director, the Town needs volunteer assistance through the EDAC. This group can provide critical private sector input to the Town Administrator and Board of Selectmen, as well as learn about the public sector initiatives that have an impact upon the business community. By establishing monthly agendas, the EDAC can track important economic development projects and identify where the Town or business community needs to move forward to complete the identified projects. The EDAC can work with the Town Administrator to identify grant funds that can supplement the annual budget in addressing economic development initiatives. The EDAC can assist in the marketing of Pepperell and help attract new businesses to the community that will hire local residents and contribute to the town’s tax revenues. The EDAC can also maintain a list of available properties in town for prospective businesses.

Within the Land Use and Zoning section of the Master Plan, there are specific recommendations related to economic development. These recommendations include the following:

- Review and revise the delineation of zoning districts across town to provide additional areas for commercial enterprises and mixed-uses in certain locations, such as Railroad Square/Main Street, and in the areas of Routes 119 and 111. Re-examine the concept of allowing mixed-use development in the Hollis Street/ Brookline Street area, as outlined in the previous Master Plan. Explore opportunities for small-scale neighborhood-style commercial development in Park Street, through adaptive reuse of large residences.

- Establish minimum lot size requirements for the commercial and industrial districts.
- Rework the table of uses within the Zoning Bylaw to eliminate inappropriate uses and to add uses that achieve the goals of the Master Plan, including better accommodation of agriculture related businesses, entertainment, arts and cultural uses, and a wide range of appropriately sized retail uses.
- Modify the zoning in Railroad Square and along the downtown portion of Main Street to be consistent with the historic development pattern, allowing for mixed uses and utilizing standards that protect historic resources. Consideration should be given to creating a Village Center zoning district in this area.
- Reassess the 2006 Master Plan recommendation to "restrict Sewer District expansion to designated areas with minimal natural resources.
- Address the need for improved design standards or guidelines to help the Town achieve its economic development goals, while protecting its environmental assets, strengthening its neighborhoods, preserving its historic resources, and enhancing its overall appearance and image.
- Continue to pursue redevelopment of the Peter Fitzpatrick School. Reassess the zoning for the property to determine whether adaptive reuse could be better accommodated with certain zoning changes in place.

The Town's permitting processes need to be examined in order to encourage streamlined permitting. In 2010 NMCOG undertook an assessment of the Town's permitting process and developed the Town's Permitting Guide. It is unclear to date whether any of the recommendations have been implemented. Standard items, such as designating a single point-of-contact and identifying what needs to be in a complete application, would certainly help the business community in moving forward with their projects. Other communities, such as Billerica, Chelmsford and Westford, have developed permitting handbooks that provide extensive information to prospective applicants on who to contact at Town Hall and when the various permitting boards meet. These communities have their permitting handbooks on their web page so that prospective applicants can learn what steps to take even before entering Town Hall. Professor Barry Bluestone cited the permitting process as the most critical aspect to businesses and the web site as the best opportunity for a community to market itself.

The Town needs to develop an economic development strategy to attract small businesses to the community in order to maintain its small town character. When asked what the three most critical issues facing Pepperell were in the community survey, the primary response was "attracting and maintaining businesses/economic development". Only 7.8% of the respondents rated Pepperell as "excellent" in terms of "availability and access to goods and services", while only 4.78% rated Pepperell as "excellent" in terms of "access to employment". A majority (58.36%) of the respondents rated Pepperell as "excellent" or "good" in terms of "availability and access to goods and services". When asked at the Pepperell Master Plan II Visioning session "what types of businesses are needed to meet the needs of the community, there were a number of responses, including green businesses, sports facilities, expanded farmers market and crafts market, food co-ops, public health center, medical businesses, cafes, used bookstore and coffee bars. The ability to attract these types of businesses depends upon an effective marketing campaign to extol the virtues of doing business in Pepperell. Based upon the responses to the business survey, there are a number of areas that can be addressed in order to attract more businesses, such as improving the appeal of commercial areas, increasing promotional marketing, and improving transportation/other infrastructure. Local communities have found that it is much easier attracting a business that can be part of an existing cluster of businesses than to start from scratch. Those businesses that build upon a community's assets, such as historic characteristics, agriculture, recreation and culture, can be successful. Therefore, businesses, such as Food Hubs, specialty food stores, a year-round farmer's market, outdoor recreational facilities, retail stores that cater to recreational activities and tourism businesses that focus on Pepperell's history, should be encouraged.

In terms of where to focus economic development activity, there are at least six (6) areas that have been the focus of numerous studies and should be addressed.

Railroad Square

Railroad Square has been the subject of many economic development and transportation studies over the past 10-15 years. In May 2008 FinePoint Associates LLC issued the *Pepperell Downtown Business District and Mill Site* report funded through a grant from the MA Department of Housing and Community Development. The report focused on sales leakage from this area that could be capitalized on through the identification of businesses to be attracted. The leakage analysis estimates "the amount and type of annual purchases that residents are currently making outside the trade area". According to the analysis, there was over $19 million in grocery store leakage and $15.6 million leakage in restaurant sales. The most extreme leakage was found in clothing, other general merchandise and home furnishings stores.

NMCOG developed its *Railroad Square Study* in 2015. Several recommendations related to bicycle and pedestrian traffic, parking, and design changes were made in the study. It was largely recognized that these transportation improvements would help "ensure that Railroad Square is a vibrant center of economic activity, with a character that is consistent with the community and respects the area's historic past, while accommodating growth and change and enhancing quality of life". The study recommended expanding the Mixed Use Overlay District to Railroad Square to strengthen the identification of the Square as the main commercial center and to provide predictability for potential developers in terms of permitting. Parking availability was recognized as a problem for the business owners in Railroad Square. All of the buildings on the Square were constructed between 1880 and 1948 with eight of the buildings constructed before 1925. Recommendations have also been made at EDAC meetings related to the historic nature of Railroad Square and a possible return to the 19th century architecture of the period.

Railroad Square should be promoted as a vibrant, pedestrian-oriented commercial center to help attract businesses and shoppers, including those enjoying the Rail Trail and access to the Nashua River. The EDAC should work with the PBA in soliciting support from the Massachusetts Downtown Initiative (MDI) in developing a brand for the Main Street Corridor and identifying strategies for marketing the area. In order to take advantage of the Rail Trail, businesses in Railroad Square should consider expanding weekend hours. User counts for the Rail Trail in May 2014 showed more than four times as many users on Saturday than on Thursday. Streetscape improvements would help improve the visual appearance of Railroad Square.

Route 113 Corridor

The Route 113 Corridor offers extensive opportunities for commercial development. This area should continue to serve as a home to small businesses, professional offices and commercial enterprises located in buildings that contribute to its New England village character and traditional development pattern. As mentioned previously, assistance from the Massachusetts Downtown Initiative (MDI) should be requested to develop a brand for the corridor and identify strategies for marketing the area. This area should be a vibrant, pedestrian oriented corridor similar to the envisioned Railroad Square. There should be streetscape improvements, such as sidewalk planters, street trees, information kiosks and wayfinding signage, pedestrian improvements, benches and street lighting fixtures. Design guidelines for the corridor should also be considered as a way to retain the community character and historic assets in Pepperell. The implementation of a Façade and Sign Improvement program for commercial and mixed-use buildings in the downtown area would help improve the visual quality of the corridor. Identify opportunities for tourist facilities, such as bed and breakfasts, to attract visitors to the Route 113 corridor. Once the overall improvements have been generally agreed to, it would help to have an architectural visualization of these improvements from Railroad Square to the Peter Fitzpatrick School to educate the public.

Former Pepperell Paper Mill Site

The former Pepperell Paper Mill site offers a development opportunity. Currently owned by A1 Auto, the project has sat idle for 2-3 years without any movement. The Town should work with the current owners to determine whether the project will move forward or whether other options should be considered. Without moving forward on this project, it will be difficult to attract other private investors to finance other projects along the Route 113 Corridor.

Peter Fitzpatrick School

The Peter Fitzpatrick School is being studied by the Peter Fitzpatrick Feasibility Committee (PPFC) for various options. Previously, a grant was awarded by MassDevelopment to complete a feasibility study for the building and surrounding area. This opportunity should be followed up by the EDAC in conjunction with the PFFC. One of the suggestions made by the PFFC would be to create "a zoning overlay for restricted light mixed commercial uses (i.e. coffee shop, farmer's market, shared office space, small business office space, art/music studios) within the next 1-3 years". Another suggestion would be for a commercial kitchen spate for home-grown enterprises, such as finished product businesses (e.g. baked goods) that can be sold at local restaurants. The final decision on the reuse of this property will be made by the Board of Selectmen. The redevelopment of the facility will add greatly to the properties along the Route 113 corridor.

Lomar Industrial Park

It is unclear how much space, if any, is available to the Lomar Industrial Park. This industrial property has benefited from a TIF Agreement from the Town and could be used for a potential Food Hub in the future. The Town should work with the property owners to determine what infrastructure improvements are needed to make the facility function more efficiently and effectively. As the only industrial park in Pepperell, it may offer an opportunity for industrial investors to move to Pepperell.

Route 119 Corridor

There are some underutilized parcels along the Route 119 Corridor that could be redeveloped. The reuse of these parcels should not impact the wetlands, but should be primarily agricultural uses.

RECOMMENDATIONS

- Re-establish the Economic Development Advisory Committee (EDAC) to work in collaboration with the Town and the Pepperell Business Association (PBA) to develop an effective public-private partnership.
- Identify grant funds that can supplement the annual budget in addressing economic development initiatives.
- Market the Town of Pepperell and maintain a list of available properties.
- Implement the economic development zoning recommendations in the Land Use and Zoning Chapter of the Master Plan.
- Re-examine the Town's permitting process and develop a Permitting Handbook that can be placed on the Town's web site for prospective applicants to view.
- Develop an economic development strategy to attract small businesses that build upon the Town's assets.
- Re-develop Railroad Square as a vibrant center of economic activity.
- Solicit support from the Massachusetts Downtown Initiative (MDI) in developing a brand for Main Street and identifying strategies for marketing the area.
- Establish the Route 113 Corridor as a pedestrian oriented corridor that stresses walkability over automobile usage.
- Meet with the owners of the former Pepperell Paper Mill site to determine what options are available to move this project forward.
- Review the recommendations of the Peter Fitzpatrick Feasibility Committee (PFFC) and determine what options are realistic in re-utilizing the property.
- Request funding from MassDevelopment to conduct a feasibility study on the recommended options for the Peter Fitzpatrick School.
- Determine what space is still available at the Lomar Industrial Park and work with the property owners to address the infrastructure issues.
- Identify underutilized properties along Route 119 and redevelop them in recognition of the floodplain issues.