



Citizens, 200 Station Drive



Courtyard Marriott, University Station

## **ECONOMIC DEVELOPMENT**

### **BACKGROUND**

Over the past decade, Westwood has enjoyed a strong economy, a job rich environment, and a recent period of significant economic development activity with new businesses, services, restaurants, hotels, and housing. Commercial property, including industrial and mixed-use properties, comprises six percent of the 7,155 acres of land, but provides over 12,993 jobs and significant tax dollars for our Town budget.<sup>1</sup> Population has grown from approximately 14,618 in 2010 to an estimate of 16,127 in 2018 while the unemployment rate in Westwood was recorded at 2.6% vs. a state rate of 3.7% in 2017. The Town repeatedly sustains a significant balance in its Stabilization Fund, strong financials, excellent fiscal management, and healthy levels of cash. Standard and Poor's rating of Westwood is AAA with a stable outlook because of the Town's strong capacity to meet financial commitments, allowing the Town to borrow money easily and at low rates.

Westwood has several key attributes that have kept its economy strong. Westwood has easy access to employment centers like Boston and the high tech corridor and is located near the major highways of Interstate 95 and 93. It is convenient to Logan International Airport, commuter rail, and high speed rail service to New York City and Washington DC. Westwood has a desirable residential community, broad range of high-quality services, strong public education, and a positive quality of life that makes the Town an attractive place to live, work, and invest.

The Town's success over the past two decades in expanding and diversifying its commercial base contributed to the resiliency of the Town's economy during the COVID-19 pandemic. Further, as businesses adapted operations in response to this crisis, the Town provided expeditious and flexible programs with temporary licensing modifications. The Town and business community is committed to working together to mitigate these economic challenges and minimize the financial and social impact to the community.

In 2014, Westwood established a Department of Community & Economic Development (DCED) to assist existing and prospective businesses considering expansion or relocation in Westwood. This office supports projects that foster responsible economic growth while preserving Westwood's unique community character. DCED unified the Building, Planning, Health, Zoning, Conservation, Historical Preservation, Licensing, and Housing functions to support economic development. Licensing, while still a Select Board function, was streamlined and integrated into DCED. The Director acts as the advocate for the interests of residential and commercial property owners. With this reorganization the Town enhanced communication between departments, boards, and committees, provided more efficient electronic permitting, improved government transparency through website enhancements, and implemented policies focused on economic development.

Zoning governs what land uses are permitted and prohibited, and thus is the Town's primary tool to guide growth. Zoning regulations and the required processes can be a major contributor to a Town's economic health and vitality. Over the last decade Westwood has evaluated all aspects of its zoning and made changes to achieve its economic development goals, most notably resulting in the University Station and Islington Center developments. Mixed-use and other overlay districts, along with new special permit options have incentivized redevelopment and provided a streamlined permitting approach. Flexible Multiple Use Overlay Districts (FMUODs) over many of Westwood's commercial districts allow additional zoning options for those properties. Other areas of Town including parcels along Route 1 have not seen improvements, mainly because some long-established commercial properties remain zoned for residential use and these nonconforming zoning designations deter investment.

### **Importance of Economic Development for Westwood**

1. Creates jobs for residents.
2. Provides convenient services for residents including restaurants, retailers, entertainment, and health care facilities.
3. Taxes on commercial properties and business services provide funds for education and broad Town services while also taking some of the tax burden off Westwood's residential homeowners. There are three significant ways commercial tax revenue is generated:
  - a. Commercial Property Tax – In FY 2019, commercial property values were 15.9% of the total tax base but commercial property owners paid 26.7% of property taxes. This is due to the commercial tax rate (\$28.24) being significantly higher than the residential tax rate (\$14.65). Over the 24-year span from 1991 to 2015, the share of commercial property value to total property value in Westwood dropped from 25% to a low of 12.5% in 2015. This decrease in commercial property value put more tax burden on residential property owners. The good news is that the percent of commercial value compared to total value has turned the corner. Since 2015, the commercial property value has increased from 12.5% to 15.9% in 2019 and is expected to continue steadily increasing as more commercial and mixed-use redevelopment adds value to the commercial base. For FY 2019, commercial values alone increased by approximately \$79 million or 12%. That year it is estimated that residential homeowners saved an average of \$1,370 due to the split tax rate.
  - b. Meal Tax – Revenue from the .75% added to the State tax on restaurant meals grew from just over \$56,000 in FY 2015 to approximately \$449,000 in FY 2019.

- c. Hotel Tax – This 6% tax on hotel room charges grew from almost \$17,000 in FY 2016 to approximately \$330,000 in FY 2019.
4. Investments encourage other neighboring locations to also renew their properties.
5. Redeveloped properties under the Town's revised zoning can provide diversified housing to support a varied population including young individuals, small families, singles, large families, and senior citizens.
6. Transit-oriented properties that are developed for housing, like those along University Avenue near the Route 128 Railroad Station, are more environmentally friendly by reducing the need for automobile travel.
7. New developments have allowed Westwood to maintain the threshold of 10% of housing stock being affordable housing. This is especially important in 2020 when units at Westwood Glen will no longer count as affordable and the new decennial census will reset the affordable housing threshold levels. Maintaining the 10% minimum gives Westwood the ability to avoid unfriendly 40B developments and keep local control over development size, location, scope, and appearance.

### **Westwood's Five Commercial Areas**

#### **University Avenue**

University Station is in the final stages of a two million square foot, mixed-use development on 137 acres along University Avenue. This project is transit oriented, being adjacent to the MBTA/Amtrak station, with over 120 acres zoned for retail, restaurants, residential, office, and hotel use. Currently completed are nearly 700,000 square feet of stores, restaurants and other service establishments, 350 apartments, 100 condominium units, a Marriott Courtyard hotel, a 30,000 square foot Brigham & Women's medical center which opened in 2018 with a second phase beginning construction in 2021, a 40,000 square foot office building for Meketa Investment Group opening in late 2020, and a 100,000 square foot office building for Citizen's Bank completed in September 2020. Citizen's Bank, with 600 employees, was attracted to Westwood using a TIF (Tax Incremental Financing) which provides a lower tax rate on a portion of the increase in property value over a specified time. New property tax revenue for University Station development is now approximately \$5.5 million per year and will continue to grow as development of new office space is created. In addition, a significant portion of the Meals and Hotel tax is generated in this area. The increase in office use provides a benefit to the local businesses because employees are likely to frequent nearby restaurants and businesses, thus supplementing spending in the local economy.

#### **Islington**

Islington Town Center is undergoing a \$35 million dollar redevelopment. Opposite the new fire station completed in 2017, there is a three-phase development of the other three corners of Route 1A and East Street/School Street. These phases include 1) a new approximately 10,000 square foot CVS that opened in fall 2019, 2) a relocated, renovated, and expanded Wentworth Hall (in progress) which will include the Islington Branch Library and space for town recreational and community services, and 3) a new mixed-use building with 18 condominiums and 14,000 square feet of retail and restaurant space replacing the old Islington Community Center. This

redevelopment is expected to result in a significant increase of approximately \$400,000 more per year in property tax revenue.

**High Street Town Center**

Westwood’s High Street Center is a busy and active area with service businesses supporting the local community. Some properties have remodeled and upgraded their appearance, but opportunities exist for additional improvements and investment in other properties. Some new businesses have replaced old businesses keeping properties generally full and healthy. Many of the businesses are personal service establishments and professional offices. Residents have expressed a desire for more eating establishments and destination retail.

**High Street/Lowderbrook Road**

The High Street/Lowderbrook Road area near Route 95 is a campus like office park that supports a variety of businesses providing numerous jobs for the region and steady tax revenue for the Town.

**Route 1**

Route 1 is a highway business district that supports a broad range of commercial uses including industrial, office, car dealerships, restaurants, services, and retail. New commercial properties have been built along Everett Street and several new car dealerships (Acura, Porsche, and Audi) were recently added on the southbound side of Route 1, but redevelopment and updating of properties has been slow throughout the remainder of Route 1 and adjacent commercial areas.

**GOALS AND OBJECTIVES**

Westwood's overall goals for economic development are:

- Objective 1:** Maximize the Town's commercial tax base by pursuing economic development that attracts the desired type of development to the desired locations and is compatible with Westwood’s community character.
- Objective 2** Foster the Town's village centers as a place to shop, dine, and mingle by encouraging a mix of desirable services and uses that generate foot traffic.
- Objective 3:** Provide jobs and other economic and social benefits for Westwood residents.

**STRATEGIC APPROACH**

The Town’s desire to provide high quality public services for education and general government requires the support from a robust local economy. The financial strength of local businesses and industry support the Town’s overall financial health and together they achieve the quality of life desired for the community. Accordingly, the strategy focuses on attracting high quality diversified businesses that are financially strong, vibrant community partners that provide positive benefits to Westwood. Efforts focus on being proactive to support businesses, developers, and investors in doing business in Westwood while being sensitive to the Town’s predominately residential character.

**IMPLEMENTING ACTIONS**

The following actions are organized under topic categories related to the above overarching goals and objectives, following an informal order. A more formal implementation schedule may be found in the implementation matrix section of this Plan.

- E1. Devote specific attention to preserving the small town feel and maintaining a New England Village appearance in areas that have high residential ownership such as High Street Center, Islington Center, and areas transitioning from commercial to mixed use.
- E2. Support the continued development of University Station in its final phase by working with the developer to attract additional quality businesses, fill the remaining office space, and bring in services in demand by the community.
- E3. Encourage redevelopment of underutilized properties along University Avenue outside of the University Station development. Promote uses that maximize the commercial tax base with minimal environmental impact such as offices, service industries, and restaurants.
- E4. Encourage development away from residential uses and towards commercial, office, quality retail, and restaurants along Route 1 and in adjacent areas including Glacier Drive and the Southwest Park near Route 95.
- E5. Examine zoning changes along Route 1 currently zoned residential but containing long-standing non-conforming commercial uses, such as Lambert's Plaza. Revise the zoning to reflect the commercial uses of this property and encourage upgrades while being sensitive to the adjacent residential neighborhood.
- E6. Support the current and on-going redevelopment of Islington Center. Attract new retailers, restaurants, and service companies so that Islington Center can thrive as a destination for residents to shop, dine and experience casual encounters in public spaces. Encourage attractive uses compatible with the village character and not overwhelming in size and scope.
- E7. Work with commercial property owners to attract growing, financially strong businesses to the High Street/Lowderbrook Road Area near Route 95.
- E8. Encourage the continued upgrading of commercial properties in the High Street Town Center with a focus on specialty retailers, restaurants, and small professional offices. Encourage revitalization that is attractive and compatible with the Town Center village character in design, size, and scope.
- E9. Engage our local chamber of commerce, the Neponset River Regional Chamber, to actively support the business community with the focus on town centers. Seek business community input on local economic needs and to identify ways to improve walkability, attractiveness, and the village feel of the High Street and Islington Centers.
- E10. Include green space, bike paths, and pedestrian connections to access eating, shopping, and parking in all developments. Avoid creating new traffic issues and whenever possible, improve traffic flow. In the University Avenue area, create additional pedestrian links to the Amtrak/MBTA train station.

## **ECONOMIC DEVELOPMENT DRAFT – 10-14-2020**

- E11. Maintain a program of sidewalk and street upgrade with a focus on safety, walkability, and bicycle use as discussed in the Transportation section. Prioritize pedestrian and bike connections to the Town's economic centers.
- E12. Increase housing diversity and transit-oriented housing opportunities for new economic development projects. Create mixed-use developments with housing on upper stories and businesses on the first floor to maintain the commercial tax base.
- E13. Support a positive relationship with businesses and streamline permitting as an incentive for business development.
- E14. Maintain the split tax rate for commercial and residential real estate. Regularly adjust it to mitigate major swings in real estate valuations with the long-term goal of using economic growth to increase the commercial tax base and reduce the tax burden on residences.
- E15. Utilize tax incentives, like TIF's (Tax Increment Financing), to attract significant business development only where there are clear long-term tax and other benefits to Westwood, and it is necessary to compete with other towns offering similar incentives.
- E16. Formalize the Planning Board design review process by establishing standards for architecture, building orientation, materials, and site design, particularly in the business areas on High and Washington Streets.
- E17. Explore whether Westwood would benefit from a business ambassador or business liaison program, even if on a part time or on call basis.
- E18. Review other town's best practices and identify ways to balance vibrant economic development with requirements for appropriate design, use, scope, and size.
- E19. Implement electronic permitting for all Town departments, boards, and commissions to allow residents and businesses to achieve paper free business with greater efficiency, coordination, recordkeeping, and transparency.
- E20. Improve business regulations to provide more efficient permitting by reducing overlaps among different boards and committees.

### **RESOURCES**

Comprehensive Annual Financial Report for the Year Ended June 20, 2018, Town of Westwood, prepared by Finance Director.

Exhibit A.9 Town of Westwood Supplemental Financial Information, FY19 Budget Summary, prepared by Finance Director for Board of Selectmen and Finance and Warrant Commission.

Exhibit A.8 Town of Westwood Tax Rate History.

Town of Westwood, Financial Management Policies and Objectives, Prepared by Finance Director, Adopted by Board of Selectmen January 12, 2014 and Revised January 13, 2014.

### **ENDNOTES**

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<sup>1</sup> MA Executive Office of Labor and Workforce Development (EOLWD), <https://lmi.dua.eol.mass.gov/lmi>  
MA Labor Market information, Municipal Employment Data, Westwood  
<https://lmi.dua.eol.mass.gov/lmi/MunicipalEmploymentData/LmiTown?A=000370>

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