Chapter 4

Economic Development

CHAPTER 4: Economic Development

A. Overview

Economic development, particularly in a small suburban community like Stow whose residents value their multifaceted community character, is a topic that attracts mixed reactions. For the most part, Stow's residents love their quiet streets and unblemished landscapes. Many people hear the term "economic development" and immediately picture office parks and strip malls overtaking our apple orchards and dense forests.

But others take the opposite stance, pointing out that it is large commercial developments that can sometimes provide a town's only hope for lessening the residential tax burden. When conversations arise about the need for school construction or a new fire station, the question is inevitably "How much is it going to cost each taxpayer?" Companies who move into a residential community pay a large share of the taxes and make infrastructural changes more of a possibility – and less onerous to the individual homeowner.

Historically, Stow has taken a fairly measured approach to the subject of economic development. A few large property owners, such as Bose, and a few large retailers, such as Shaw's Supermarket, are generally seen as useful contributors to the community. Not only do midsized or large businesses alleviate the tax burden, but they also offer the possibility to some residents of working close to home. A shorter commute lightens traffic in the area and also complies with many people's goals of reducing their individual carbon footprint. Similarly, economic development as it applies to smaller, locally owned businesses such as dry cleaners, restaurants and small stores give residents the opportunity to keep money within the community and avoid long drives to neighboring towns.

B. Economic Development Objectives

1. Vision

Stow envisions a local economy that meet the needs of Stow residents with predominantly small businesses geared toward services, professional office, and retail options. A significant amount of land use will continue to be dedicated to commercial agriculture. Within this vision is tolerance for selective larger employers who are building or developing clean technologies, high-tech, bio-tech, and light manufacturing in existing commercially zoned districts.

2. Approach

Stow recognizes the relatively moderate role the local government can play in influencing what is typically market-driven development in the commercial arena. Thus, the basis for those recommendations that come later in this chapter is the notion that goals and objectives should be geared toward complementing what the private sector will do on its own and in protecting what is already here today. The goals and action items primarily contemplate relatively minor adjustments to commercially zoned districts, some new opportunities that could be created through overlay districts, and infrastructure that could encourage economic development. Beyond zoning, we believe that the appropriate role of government in economic development is to support local business through fostering a collaborative regulatory climate, and bolstering communication between the business sector and the local government. Stow has a good record of performing land-use permitting in a professional and appropriate fashion. Nonetheless, permitting for small businesses and in some cases residents can still be daunting and overwhelming. One way to provide an economic development service to the commercial sector is to develop a guidebook to permitting which those citing businesses in Stow can use as a tool to assist them in understanding the process. Keeping forms current and up to date on the Town's website and simplifying the process where possible, are all positive things that can help encourage business.

3. Contributing plans

Planning and dialog around this subject have occurred in many forums with written analysis in several major reports. Additionally, there have been public forums and surveys aimed at understanding the residents' desires and will. Background for this chapter was derived in part from material found in a variety of sources, primarily including the following:

- "Stow 2000" – the Town's last Master Plan, produced in 1996
- Stow Community Development Plan (CDP) – 2004
- Mixed Use Zoning Project funded through a Priority Development Fund Grant – 2005
- Master Plan Survey 2008

4. Progress on 2004 Community Development Plan goals

The Community Development Plan identified three broad goals for economic development:

1. Providing shopping and services to local residents
2. Revitalizing and improving the aesthetics of the community
3. Increasing the non-residential tax base in town

However, that plan was issued at a time when the economy was much stronger than it is today. Thus, it is difficult to measure progress toward these larger goals because after modest gains in the mid-2000s, the economy is presently contracting. Some data that will be discussed below appear to suggest that Stow has actually lost business, and there have been few, if any, start-ups within the community during that interval. Relative to goal number 2, many of the zoning changes identified in 2004 and discussed below have not yet been implemented. The combined effect of minimal to no progress on goals 1 and 2 render goal 3 also unchanged. Nonetheless, many of the specific recommendations in the 2004 CDP are still worthy goals and identified by the Master Plan Committee as still relevant.

A more detailed discussion of the present recommendations for economic development is included in the final section of this chapter. For initial perspective, the 2004 CDP goals are outlined below in a chart format with an indicator of their relevance to today's conditions and objectives.

CDP Excerpt (*with commentary in italics*) – "General Activities to implement the Economic Development goals"

a) Establish town committee to work on coordination of tourism efforts between golf, orchards, etc. Encourage establishment of Chamber of Commerce and Website or a business networking group to provide feedback to town on business issues.

Not yet done but still worth pursuing. Ideally a broad-based "Economic Development Committee" would be more appropriate than one that limited its charge to tourism. The Assabet Valley Regional Chamber of Commerce and Stow Business Association provide services to Stow businesses.

b) Work with Bose to determine how to meet needs of that business and its employees in a manner that will have least impact on residents of the Town, while encouraging Stow's other Plan goals (e.g., coordinate hotel/inn efforts to meet tourism but also business goals, or promote zoning to provide retail/services for employees nearby Bose facility).

This responsibility should become part of the charge for the new

committee, if one is created, per the above goal.

c) Examine rezoning some areas to meet the specific goals expressed in the Economic Development Discussions. This could result in several different business, commercial and industrial zoning districts, rather than one category of each at this time, in order to allow for specific uses in designated areas of the Town.

Still recommended for consideration in this Master Plan update. However, based on the Priority Development Grant forums convened in Stow by the Metropolitan Area Planning Council (MAPC), it is clear there is still work to be done in building consensus and clarifying actual zoning objectives. Again, the detailed discussion of recommendations is at the end of this section.

The following chart depicts recommendations for commercial area zoning changes that came out of the 2004 CDP and it includes the Master Plan Committee's current view on these goals:

Location:	**2004 Community Development Plan Goals**	**Present (2009) Status**	**Comments/current view**
Lower Village	Promote redevelopment of the Lower Village business district and a rezoning to allow multiple types of uses within the same zoning district (ie - retail and residential)	Forum held with MAPC and bylaw drafted and a subsequent public meeting held but due to significant resistance, the zoning has not been changed	Still a desired goal of the MPC, but boundaries still need to be determined carefully and tight controls imposed on type of development identified before zoning overlay could be advanced
Route 117 Industrial Zone *(South of Bose to Athens Street)*	Retain and promote this area for expansion of office park	Unchanged	Still desirable; however, much of the remaining industrial land has access issues
White Pond Road area and Commercial Area along River	Change zoning from Commercial to Business; To promote natural resource-based/oriented businesses; maintain 50% open space requirement as part of development	Unchanged	Still desirable with the exception of Stowaway Golf Course; see Chapter 6
Airport Industrial Area (to the south and East of Airport)	Promote lower intensity uses such as support facilities for cleaning or landscaping services/ businesses, or small light industrial facilities (due to poor road access)	Goal sidetracked as a portion of the land has been put aside for Active Adult Neighborhood Overlay district	Part of the remaining land still could be pursued for zoning changes to promote lower intensity uses as recommended in the CDP as well as commercial recreation uses.
Gleasondale Village and Orchard Hill Industrial Zone	In conjunction with TDR proposal for Gleasondale, encourage redevelopment of Gleasondale Mill as a mixed use retail/office or (if possible) retail/residential space as the core of a mixed use area that can serve the needs of the additional nearby residential uses	Unchanged but draft overlay bylaw developed through MAPC Priority Development Grant	As discussed in Chapter 3, the MPC concluded that TDR strategy is no longer recommended due to the complexity of TDR and the relative low probability that it could be an effective tool. However, the goal to promote redevelopment of the mill with some amount of mixed use is still a high priority. MPC recommends protecting Orchard Hill with an Agricultural Preservation Restriction or rezoning

Location:	2004 Community Development Plan Goals	Present (2009) Status	Comments/current view
Route 117-Business Zone at the Habitech 40B development site, and nearby Industrial and residential zoned areas	Consider inclusion of adjacent Industrial and Residentially zoned land in a mixed use zone to establish a "West Village"	Effort initiated but stalled due to neighborhood opposition	Needs further study
Route 117-Far West (Commercially zoned lands at West border of town	Leave as commercial zone, but re-write zoning to promote the specific desired land uses in conjunction with the offices currently there	No progress to date	Still a goal but of lower priority

C. Current Economic Activity

1. Tax base

To begin to paint a picture of the local economy, it is important to examine the present tax base and understand how that influences local municipal needs and objectives. Out of approximately 11,000 acres of land in Stow, about 600 acres are zoned for either commercial or light industrial use. This is only 5.5% of the total land area within the community. Nonetheless, a slightly greater amount, more than 6.5% of the Town's tax revenue, comes from the commercial sector. In FY10 the revenue from the various sectors can be categorized as follows: Personal Property 1.8799%, Industrial 2.1521%, and Commercial is 4.7399% and residential is 91.2281%. Some of the revenue from Personal Property taxation is likely coming from the commercial sector but it is not tracked and broken down separately. It's unclear from this data if commercial properties yield higher values and thus a higher proportion of taxes or if the data merely reflects the influence of one or two large properties. Of the 600 acres of land which is zoned commercial, there remain only 142 acres of land yet to be built upon. Still that is 23% of the commercially zoned land that could eventually be income producing properties.

2. Tax rates

Stow does not have a split tax system. Rather, it charges the same rate for so-called Commercial, Industrial, and Personal Property (CIP) as it does for Residential taxpayers. Thus, as reflected in the chart below, the CIP rates for Stow are among the lowest of the surrounding communities. Assuming the community wishes to continue with this structure, these favorable rates are something the Town could use to its benefit in trying to attract new businesses.

Alternatively, as towns grow their commercial tax base, some will elect to shift the burden of taxes onto the commercial sector as a means to minimize the amount residential rate payers will have to pay. Some believe that such a shift will act as a deterrent to new businesses that might

want to locate within the community and is probably not advised for a town such as Stow which already has difficulty in attracting businesses. However, if a handful of very large businesses were to locate in town, Stow might want to revisit its tax classification system to see if it makes sense to move toward a split system. Before doing so, a review of the assessed value of existing CIP rate payers' properties would need to be conducted to determine what the impact would be, and extensive discussions with the community would need to be undertaken.

As may be inferred from the chart below, those communities with a split tax rate (Hudson, Maynard, Marlborough, and Sudbury) likely rely heavily on the commercial sector in supporting their town wide revenue needs.

Commercial tax rates for Stow and surrounding communities:

Town	Tax Rate (per $1,000 of RE Value)
Stow	13.82%
Acton	14.62%
Berlin	11.66%
Bolton	14.06%
Hudson	20.79%
Maynard	21.78%
Marlborough	23.72%
Sudbury	19.30%

3. Employers in town

Stow had 186 different employers in 2008[12]. This figure is considerably less than the year 2000 figure cited in the 2004 Community Development Plan from data gathered by the Central Transportation Planning Staff. At that time, that data set indicated there were roughly 249 businesses in town. However, we cannot conclude from these data that 25% of Stow's business base was lost because the data came from two different sources, and the earlier set might have counted more home-based businesses not reflected in the recent federal data. The present figure of 186 may still seem like a very large total number, but many of those businesses are smaller establishments employing only a few individuals. In 2000, 72% of Stow's businesses had just four or fewer employees. Furthermore, when compared with surrounding towns, one sees that as a percentage of jobs per commercial acre of land, Stow has the lowest percentage of any of

[12] ES 202 data collected by the State and Federal government

the nearby communities, averaging just 10-15 jobs per commercial acre.[13] The low number of jobs per acre is also probably indicative of the many rural and agricultural based businesses prevalent in Stow.

The chart below from the Executive Office of Workforce Development shows 2008 data on employment by various industry sectors:

Industry	Commercial Establishments	Total Wages	Average Employment	Average Weekly Wage
Total, All Industries	186	$115,749,224	2,070	$1,075
Agriculture, Forestry, Fishing & Hunting	4	$993,359	28	$682
Construction	25	$13,748,806	229	$1,155
Wholesale Trade	16	$4,841,048	68	$1,369
Retail Trade	13	$3,535,772	185	$368
Information	7	$4,844,210	54	$1,725
Finance and Insurance	5	$1,712,594	31	$1,062
Professional and Technical Services	32	$3,736,034	62	$1,159
Administrative and Waste Services	14	$982,370	35	$540
Health Care and Social Assistance	7	$1,564,360	66	$456
Arts, Entertainment, and Recreation	9	$4,303,520	187	$443
Accommodation and Food Services	10	$1,486,558	97	$295
Other Services, Ex. Public Admin	22	$2,242,799	57	

It is interesting to note that the largest number of business establishments is in the professional and technical services sector, but the arts/entertainment/recreation cluster employs the second-largest number of people. This is followed by the construction trades, and other services not easily classified. In Stow's case, the "other" category likely reflects schools, government, and other municipal services. Retail trade reflects a surprisingly low number of companies, which may be because many establishments that one would normally consider retail are reflected in the other categories such as food services or entertainment. However, relatively speaking, the retail sector had one of the highest average employment of workers: third after the construction, arts, and entertainment sectors, respectively. So those few retail establishments employ large numbers of people. Although these data identify only four agricultural businesses, we know there are considerably more than four commercial farms in town, and these establishments are likely spread between the wholesale trade and "other" category.

4. The population of workers

The median household income in Stow was $96,290 in 2000 - an extraordinarily high figure notable because it was more than double the national median household income of $41,994. At that time. According to federal census figures from 2000, there are about 3,600 workers – meaning adults employed or seeking employment – living in Stow. Relative to the total population in Stow, more than 50% of residents are in the workforce, which indicates a

[13] Mass Department of Employment and Training, and MassGIS data

relatively low number of children and/or retirees per household. The unemployment rate in March 2009 was 6.1%, approximately 2% lower than the state average at that time.

This low unemployment rate is probably due to the difference in education level among the Town's population compared with state and national averages. According to that same census, 28% of adults 25 or over in Stow hold a master's, professional or doctorate degree, more than twice the percentage statewide (13.7%) and more than three times the percentage nationally (8.9%).

For adults whose highest degree is a bachelor's, the percentages are 33.8% for Stow, compared with 19.5% statewide and 15.5% nationwide.

	Labor force	**Employed**	**Unemployed**	**Rate of unemployment**
Statewide	3,404,500	3,124,900	279,600	8.2%
Stow	3,494	3,281	213	6.1%

Above figures are from March 2009 data obtained from the Massachusetts Executive Office of Labor and Workforce Development. The table below shows the trends since 2000, when Stow's unemployment rate was at an astounding 2% low. The rates peaked in 2003 at 5%, dropped for several years, and then began climbing at the end of 2008 and continuing on into 2009, reflecting some improvement since March. As of November 2009, the Stow and Massachusetts unemployment rates were 5.7% and 8.3%, respectively.

Labor force, Employment and Unemployment (2005 total Stow Population 6,179)
(not seasonally adjusted)

Month	Year	Labor Force	Employed	Unemployed	Unemployment Rate
06	2009	3,536	3,303	233	6.6
05	2009	3,498	3,279	219	6.3
04	2009	3,498	3,293	205	5.9
03	2009	3,494	3,281	213	6.1
02	2009	3,504	3,278	226	6.4
01	2009	3,497	3,291	206	5.9
Annual	**Year**	**Labor Force**	**Employed**	**Unemployed**	**Unemployment Rate**
Average	2008	3,535	3,390	145	4.1
Average	2007	3,505	3,390	115	3.3
Average	2006	3,446	3,320	126	3.7
Average	2005	3,426	3,303	123	3.6
Average	2004	3,379	3,243	136	4.0
Average	2003	3,419	3,247	172	5.0
Average	2002	3,432	3,264	168	4.9
Average	2001	3,409	3,301	108	3.2
Average	2000	3,328	3,263	65	2.0

5. Commuting patterns

Because of the minimal amount of commercial and industrial development within town, it is not surprising that most Stow residents leave town for work, though it is worth noting that there is a significant number of self-employed workers and telecommuters, both categories comprising people who work from their homes, within the Town. The following numbers come from the 2000 census:

"In-migration": people who live in other towns and commute to Stow to work	2,687
"Out-migration": people who live in Stow and commute out of town to work	3,112
People who live and work in Stow	545

With growing awareness of energy consumption, more and more workers are prioritizing a shorter commute. Promoting economic development within the Town would not only create more commercial tax revenue; it would also allow more people to work closer to home. The following table gives current information on typical commute times for residents:

Length of commute	Number of workers
0- 9 minutes	312
10-19 minutes	559
20-29 minutes	474
30-39 minutes	608
40-59 minutes	671
60+ minutes	308

It is important to note that more than 50% of workers have commutes of 30 minutes or longer. This is indicative of a town that has relatively few jobs within the community. In Stow's situation, this imbalance is exacerbated by the fact that the higher price of housing means that in order to live within the community, one must earn above-average wages. However, many of the jobs in Stow are more moderate wage jobs. The average weekly wage paid to workers in Stow yields an annual individual income of $55,900 which is well below the median household income of $96,290 for Stow residents. This creates an imperative where workers must typically go outside the community for work to earn at the levels needed to live in Stow.

D. Future Economic Activity

Many questions surround the topic of economic development. For example, is the current industrial zoning allotment in Stow adequate, too dense, or not dense enough? Are the restrictions on industrial construction – such as the size of a facility in relation to its parcel of land, and the permissible height of buildings – sufficient for preserving our community the way we want it? How do the currently unused mill buildings factor into the community's economic potential? Do we want to consider ways to make better use of those buildings: for example, allowing overlay zoning to permit mixed use purposes such as combining retail and residential options within the same building?

The 2008 Master Plan Survey posed this question to gauge respondents' attitudes toward increasing the possibility of economic development in town, "Do we need more industrial or commercial land in town?" The results were mixed: 179 said yes while 191 said no.

One way to foster economic development without significantly changing a community's character is through the selective use of overlay districts, which can enable multiple kinds of zoning to be combined. Typically, it is done to allow an additional discrete use not normally permitted in that zone. For example, mixed use zoning can be overlaid in a commercial zone, or age-restricted higher-density housing can be allowed at targeted areas in a single-family residential zone. The Planning Board is exploring bylaws for mixed use overlay districts, and discussing specific areas of town in which this strategy might be used to capture the scale and character of traditional New England villages and allow development and redevelopment that differ from conventional zoning regulations. The intent of such a bylaw is to promote a range of compatible land uses, including various types of single-family and multi-family dwellings; commercial, industrial and office uses that focus on serving the needs of our community; and common, public open space.

Two specific areas in which overlay zoning could foster economic development without devaluing the community's character are Gleasondale and Lower Village.

Gleasondale is now both a residential and work center with a growing artisan industry, waterways, rail bed, and Victorian influence. Our vision is to encourage restoration of the mill building as an anchor for a village rich in tradition, thereby promoting village-style redevelopment and re-establishing Gleasondale as a neighborhood commercial center where people want to work, shop, and reside.

A mixed use overlay district for Gleasondale would encourage economic development by helping to redevelop the mill for a combination of "village-scale" businesses, retail, and housing.

Lower Village, once typical of small villages in New England, is now our business center, with shopping, banking, the post office, and convenient high-density residences for seniors, a village

green and historic homes. “Stow 2000” (the 1996 Master Plan) described Lower Village as an area identified by the Planning Board and Board of Selectmen, in which Stow would like to focus its business development by encouraging mixed use development. In 1990, the Town nominated Lower Village as a Concentrated Development Center under the Metropolitan Area Planning Council’s (MAPC) comprehensive regional plan, Metro-Plan 2000. Our recommendation is to use the MAPC’s guidelines to encourage development and redevelopment of the Lower Village area in a manner consistent with a traditional livable and walkable New England.

A mixed use overlay district for the Lower Village business zoned area would encourage economic development by accommodating infill and expansion where appropriate and supports a pedestrian-friendly range of compatible uses, including a mix of residential and nonresidential uses. However, imposing a mixed use overlay district requires significant changes in zoning regulations, which would have to go through an extensive approval process. If the Town does favor the idea of mixed use for Lower Village, the next step should be to start investigating the necessary zoning changes.

Respondents to the 2008 Master Plan Survey were supportive of planning efforts and possible zoning changes to create village districts in the Gleasondale, Lower Village and West Stow Areas, broken out as follows:

VILLAGE	YES	NO
Gleasondale (Encourage restoration of the mill building as an anchor to promote redevelopment and re-establishment of a neighborhood commercial center with a mix of housing types that are in proximity to jobs, shops and services; increase the Town’s stock of affordable housing; and promote a greater sense of Gleasondale’s community throughout the Town)	277	101
Lower Village (Encourage redevelopment of the commercial center; increase the Town’s stock of affordable housing; enhance the Lower Village’s identity and development potential as a focal point for pedestrian-related uses; and promote a greater sense of community.)	276	105
Northwest/Southwest Stow (Promote small retail shops to support existing high-density development and foster recreational amenities with a goal toward protecting additional open space where possible.)	260	115

Near the Lower Village business zone is commercially zoned land located off of White Pond Road, extending from the road to the Assabet River. The build-out potential for this area is huge. The 1996 Master Plan reports that another 886,476 square feet of commercial building space can be constructed in this vicinity. Although this is unlikely because most of the allowed commercial uses include outdoor storage, construction yards, contractors, or lumber yards, these types of uses could be detrimental to the character of the nearby Lower Village. Some residents voiced concern that this area should be rezoned to Recreation/Conservation due to its

proximity to the Assabet River, Gardner Hill Conservation Land (Town Forest) and Department of Fisheries and Wildlife property.

Many townspeople believe that Stow would benefit from more cultural and societal resources: that is, not just business for the sake of business but businesses that offered personal benefits to the community, such as coffee shops, pubs, galleries, bookstores, etc. As reflected in the following chart, results from the recent Master Plan Survey suggest that residents are not eager to see more large industrial businesses in town but would welcome small businesses, shops, and professional services such as physicians, financial professionals, and attorneys.

Would you support the rezoning of industrial properties for commercial use for the following classifications?		
Retail	253	70%
Offices	266	74%
Research and design (a category that connotes lower employee occupancy and less traffic than traditional office space)	327	91%

E. Additional Factors

1. Discussion of commercial tax implications

Along with the attitude of townspeople as outlined above, there are many other factors that influence the success of economic development.

A common notion held by many homeowners is that an increase in economic development would lower their property taxes significantly. However, this assumption can be more or less accurate depending on the characteristics of the community. Currently, in Stow about 85-90% of the cost of running the Town and paying for education comes from our property taxes. If the Town were to seek more commercial revenue, it could do so by encouraging more sites to be built or by imposing a split tax rate. As was stated above, Stow's current zoning only has 5.5% of the land area designated for commercial and much of that land is already built upon.

In 2007, a selectman and an assessor evaluated a series of numbers, based on a set of assumptions, that enabled them to identify possible savings from more commercial growth. Their first step was to identify the top two commercial taxpayers for FY 2007. They then developed a model assuming that Stow had additional commercial taxpayers equivalent to the top two already in Stow. In other words, they wanted to determine the impact of doubling the taxes paid by the top two commercial employers.

For FY 2007, the top two businesses paid taxes totaling $386,362 based upon a valuation of $27,956,700. Therefore, using the 100% increase in the model, Stow would have received $772,724 in commercial taxes and the residential taxes would have been reduced by $386,362.

The actual average residential tax per household in FY 2007 was $7,042. The average household tax with the additional businesses in the model was $6884 for a reduction of 2.2% or $158 (about $40 per quarter). This number may be viewed as trivial or highly significant, depending in part upon how many years one expects to pay taxes and on a family's particular economic position. For a resident expecting to live in town 25 more years, it is a difference of nearly $4,000, and the model does not take into account the lost opportunity cost of the $158 annually. That is, what else could you have done with that money if you could spend it or invest it? For those on a fixed income or those with more moderate incomes, this $158 per year is quite meaningful.

The analysis was also not able to take into account other variables, such as the compounding effects of the additional commercial revenue over time. The savings to each household could be further augmented significantly beyond the $158 per year if a split tax rate were imposed, should the Town wish to pursue that option. An analysis was not done as to what the split tax rate would yield in residential property tax relief.

However, the assessor did take the model one step further to calculate the impact of a range of economic development on residential taxes. The analysis showed that to achieve a reduction of $1,000 in the average tax bill, this appeared to require the addition of nearly $200 million to the commercial tax base.

There are some other important considerations beyond the financial impact in the model. For example, there would need to be sufficient land to accommodate more commercial activity. The top two firms used in the model occupy nearly 100 acres. Stow presently has only a limited supply of vacant commercial and industrial zoned lands. Thus, if the Town were to set out with a goal of fostering the building of commercial facilities, it might need to consider rezoning some land currently classified for other uses, and it might have to explore providing water and sewer infrastructure (see below).

The aforementioned model seems to demonstrate that there may likely be only minimal residential tax savings even if space and infrastructure could be provided. Nonetheless, it does not negate the value of fostering limited economic development because, as discussed above, there are other non-monetary reasons why communities desire commercial activity.

2. Discussion of infrastructure issues

A major impediment to the redevelopment of Lower Village involves Stow's current lack of water and sewer infrastructure. Most small to moderate sized businesses would also likely need water and sewer in order to be viable. There are also currently a few existing commercial properties not in compliance with DEP's public drinking water requirements. The cost of providing this infrastructure is typically out of reach for small businesses, and renders medium-sized commercial development uncompetitive if a sizable up-front capital investment is

necessary for water and sewer. On several fronts, options continue to be evaluated and considered relative to bringing a water supply to Lower Village.

For a large-scale employer such as Bose, putting in a water/sewer system is merely part of the cost of doing business, but the lack of public water and sewer could easily be enough to deter a small retailer or restaurant owner from considering real estate in Stow. Some in Town would say that it is expressly desirable to limit commercial growth by not providing water and sewer, while others would say we need to expand infrastructure to encourage expansion and redevelopment. An extensive discussion of the challenges of developing new water and sewer infrastructure appears in Chapter 7, but the topic merits mention here as well since it is intrinsically connected to the whole idea of economic development.

Infrastructure expansion tends to have the by-product of encouraging economic expansion. Given this tendency, the Town needs to proceed slowly and diligently when recommending new infrastructure to support commerce. It especially needs to make certain that appropriate bylaws and regulations are in place prior to the installation of new infrastructure so that the Town is not later burdened with inappropriate development or excessive density. Development, where it is allowed, should happen on the Town's terms to the extent it is possible to control.

In addition to the water and sewer issues, economic development comes with other, less tangible considerations that need to be carefully examined as the community considers promoting or discouraging economic development in various areas of town.

General growth or specific commercial projects may require traffic improvements. For large-scale projects, these costs are often passed on to the developer, who is required to make the physical improvements or pay the Town to perform the necessary modifications. However, with smaller incremental growth, it is often difficult to require a small business to make upgrades to area roads. Again, it is economically unfeasible to place that burden on a small business.

Nonetheless, Stow needs to take particular care to ensure that new developments are evaluated for any impacts they may have on the local road network and municipal services such as public safety. The best way to do this is to have major developments reviewed by an outside peer reviewer who has expertise in traffic, civil engineering, and municipal operations. This review is normally paid for by the developer and can be an invaluable tool in assisting a community to mitigate adverse effects of large development. It also aids in ensuring that the development is consistent with local character and objectives. Stow's Planning Board should continue its practice of using peer review consultants.

Traffic infrastructure was explicitly studied by the Lower Village Committee when it undertook its work evaluating options for Lower Village. This committee believes a pair of modern roundabouts would be appropriate to be installed in the Lower Village along with a number of permanent pedestrian traffic calming islands. For more information on this topic, we direct you to the Transportation section of this plan.

F. Conclusions Regarding Economic Development Costs and Benefits

There are also less tangible factors influencing economic development, including the availability of suppliers to businesses, the regulatory environment, the presence of regional competitors, the opportunities for alliances with other companies, the access businesses would have to consultants and educational institutions, and new state and federal tax incentives. Most of these components are difficult, if not impossible, for a locality to influence. Nonetheless, there are some minor areas where the municipality could have an impact.

For example, Tax Increment Financing (TIF) is an excellent way to provide a business incentive for a new or expanding company. Tax Increment Financing (TIF) is a tool that permits local governments to help finance economic development by forgiving a portion of local taxes for a set period of time. A portion of the taxes on the new growth or incremental increase of real estate value, created from the expansion or new construction is reduced by a negotiated percentage. This provides a meaningful reduction of annual overhead costs to the developer or job creator and helps to ensure the financial success of the venture. In Massachusetts Tax Increment Financing is approved locally and by the Economic Assistance Coordinating Council (EACC) through the Economic Development Incentive Program (EDIP). This state approval also allows the job creator to be eligible for State Investment Tax Credits. In order for a Town to grant TIF's it must first be part of an Economic Target Area designated and approved by the EACC.

The MPC believes the Board of Selectmen should pursue joining an economic target area so that it has the option with Town Meeting approval to offer and negotiate Tax Increment Financing.

Those residents in favor of more business generally do not want it built near their homes or in lieu of open space protection. Commercially zoned land that is both available and buildable is virtually nonexistent. Zoning changes would allow more commercial activity, but the required infrastructure would be expensive if the Town had to pay for it. Nonetheless, while the community might perceive there to be more negatives than positives in pursuing economic development, some modest commercial growth would help relieve the pressure on residential tax values over the long term while potentially also providing nearby services for Stow residents.

While Stow today has the majority of its revenue provided by the residential rate payers, there is still meaningful revenue contribution generated by the commercial sector. To the extent feasible, maintaining the present balance by preserving existing businesses within the community will help to prevent residential taxes from becoming even more onerous than they are today.

The model that is likely to be the most palatable to residents and also the most feasible is to encourage small infill development of retail and service business along existing commercial

corridors while also promoting redevelopment of current commercial areas that are not presently thriving. Infill development (buildings placed between existing structures) is entirely consistent with smart growth provisions and tends to be the best way to maintain open space and community character. It is also consistent with objectives expressed in the

Existing Retail Area – Stow Shopping Center

2008 Master Plan Survey, in which residents indicated a desire to have more diverse shopping and alternative retail options. Providing areas within town to shop also helps to reduce a community's carbon footprint as residents drive shorter distances to obtain the goods they need for everyday life. Asked whether they would support possible zoning changes that would foster the development of small retail businesses in West Stow, approximately 70% of respondents to the 2008 Master Plan Survey indicated that they would; almost exactly the same number said they would support the rezoning of existing industrial properties for retail classification.

There are some specific zoning overlays or modifications to underlying zoning that could be explored in this pursuit. The next sections are dedicated exclusively to the zoning recommendations that came out of this Master Plan update.

G. Recommended Areas of Focus for Economic Development

Inherent to the character of Stow are orchards, farms and golf courses, which are businesses that must be economically viable to survive. Tourism is essential to the well-being of these businesses, along with the Town's various bed-and-breakfast inns.

We recommend that as many townspeople representing as many perspectives as possible be brought into the discussion about what changes to make toward improvements in economic development. We also recommend that Stow develop a bureau of tourism and actively market what it has to offer.

The December 2005 Special Town Meeting created the Stow Agricultural Commission to help preserve the rural character of Stow through the preservation and promotion of agriculture. The Commission will help keep Stow farms viable by promoting agriculture through educational

literature, events, and articles. The Commission can act as a voice for agriculture in town government, helping to ensure that the various boards understand the impact of their actions on agriculture.

Stow's zoning bylaws should be supportive of these businesses by allowing uses such as restaurants, inns and bed-and-breakfast operations, which would bring more tourism to town. Bed-and-breakfasts have the additional benefit of providing incentives for the preservation of historic homes. For more information on Massachusetts bed-and-breakfast regulations, go to http://tinyurl.com/2wfplbo

In addition to agriculture, goods and services, other types of entrepreneurship are part of the economic fabric of Stow. A recurring problem has been the lack of space for expansion of "cottage industry" businesses that have outgrown the owner's home. Stow's zoning should recognize this need and support areas for affordable "incubator" space for these businesses.

H. Specific Recommendations for Key Areas of Town

1. Lower Village

The Master Plan's vision for this area of town includes the following objectives:

- Encourage revitalization of the commercial center
- Increase the Town's stock of affordable housing by sprinkling occasional units throughout the area
- Promote village-style redevelopment
- Enhance the Lower Village's unique identity and development potential as a focal point for pedestrian-related uses
- Reduce roadway congestion
- Promote a greater sense of community

To help accomplish some of these goals, the following specific recommendations should be followed:

- The Town should evaluate existing conditions and traffic concerns and review relevant studies on this area of Town such as the 2006 FST Lower Village Traffic Report and Lower Village Streetscape proposed specifications
- With this information as background, the Town should prepare an in-depth Master Plan for Lower Village utilizing a highly inclusive, public participation process which includes reaching out to businesses and residents alike
- Through the Master Planning process, once substantial consensus has been achieved, recommendations for design guidelines and appropriate zoning uses

should be identified. This information can then potentially become part of a Lower Village Overlay District proposal for Town Meeting's consideration

We envision development and redevelopment of Lower Village in a manner consistent with a traditional livable and walkable New England village. Toward this end, we recommend further evaluation of the idea of creating a new Lower Village mixed use overlay district. (The evaluation should include careful consideration of the district's boundaries, appropriate transition zones, and controls to limit over development) A mixed use overlay district for the Lower Village could allow development and redevelopment that support a pedestrian friendly range of compatible uses, including smaller-scale housing and commercial services. It is important to note that any consideration of new zoning for this area must emphasize maintaining and preserving the character of Stow. Thus, design guidelines and zoning modification, if presented to Town Meeting, should be careful to consider potential adverse effects as well as potential positive outcomes. Consideration to control site lighting, signage, traffic, noise, odors, maintenance, and other potentially problematic complications of commercial and mixed use, should be factored into recommendations for this area.

If advanced, characteristics of this district should include:

- Provisions for existing business parcels to be more retail oriented, allowing up to 100% retail/office use, and no more than 20% residential use
- A mix of residential and non-residential uses
- "Village-scale" businesses which are limited in height and scale and have design guidelines that encourage traditional facades
- Setbacks that keep businesses and residences close to the street
- New development and redevelopment that are in harmony with the traditional style of village development

The goals should be as follows:

- Preservation of existing historic structures
- Diversified housing
- Conversion and/or building of infill housing with an emphasis on affordable housing

Lower Village Improvement Plan

We should implement the Lower Village Sub-Committee's improvement plan as a top priority. To integrate the characteristics we envision, the following goals should be considered:

- Improve the Lower Village Common to create a visual link from the common to the cemetery. Use the recently expanded green area as a focal point for events, such as a farmers' market or art exhibits

- Beautify Lower Village Common with additional plantings with funds provided by the Stow Garden Club or other creative source
- Reclaim the Town land on the Route 117 between Red Acre Road and Pompositticut Street, creating a link between the existing common and Lower Village Cemetery, and create a walkway from Pompositticut Street to Red Acre Road
- Encourage landscape improvements to the Stow Shopping Center
- Realign curb cuts to promote safer and more efficient traffic flow
- Continue to find ways to address pedestrian safety and traffic issues in Lower Village

White Pond Road area and commercial area along river:

- Change zoning from Commercial to Business; promote natural resource-based/oriented businesses; maintain a requirement of 50% open space as part of the development

2. Gleasondale

Gleasondale is both a residential and work center, with its historic mill and growing artisan industry, waterways, rail bed, and Victorian influence. Our recommendation is to encourage restoration of the mill building as an anchor for a village rich in tradition; promote village-style redevelopment; re-establish Gleasondale as a neighborhood commercial center where people want to work, shop, and reside and where visitors can access its recreational, historic, and commercial features; increase the Town's stock of affordable housing; and promote a greater sense of the Gleasondale community throughout the Town.

Supporting Elements Currently in Place – Gleasondale, originally known as Rock Bottom, grew around its mill industries. It featured saw mills, grist mills, a woolen mill, a post office, a general store and housing for the mill workers.

Hazardous Waste Sites - The Gleasondale Mill has environmental issues which complicate its reuse. In the late 1970s and early 1980s, it was cited for discharging sewage into the canal that fed into the Assabet River. Fortunately, owners complied with BOH orders to install chemical toilets. Later, a wastewater treatment system was installed at the Mill and is still regularly pumped. In 1989, it was declared a 21E site, thereby subject to cleanup under the DEP before it can be developed. In 1994, it was classified as a Tier 1B, with the Fahey Exhibits Building listed as a phase 2. The reports stated that "VOCs and chlorinated solvents released resulting in release to soil and also a groundwater release." In 1992, there were some soil samples tested by Enviro Corp. The samples were drawn from two sites located on either side of the Fahey property. Those two samples appeared to be clean.

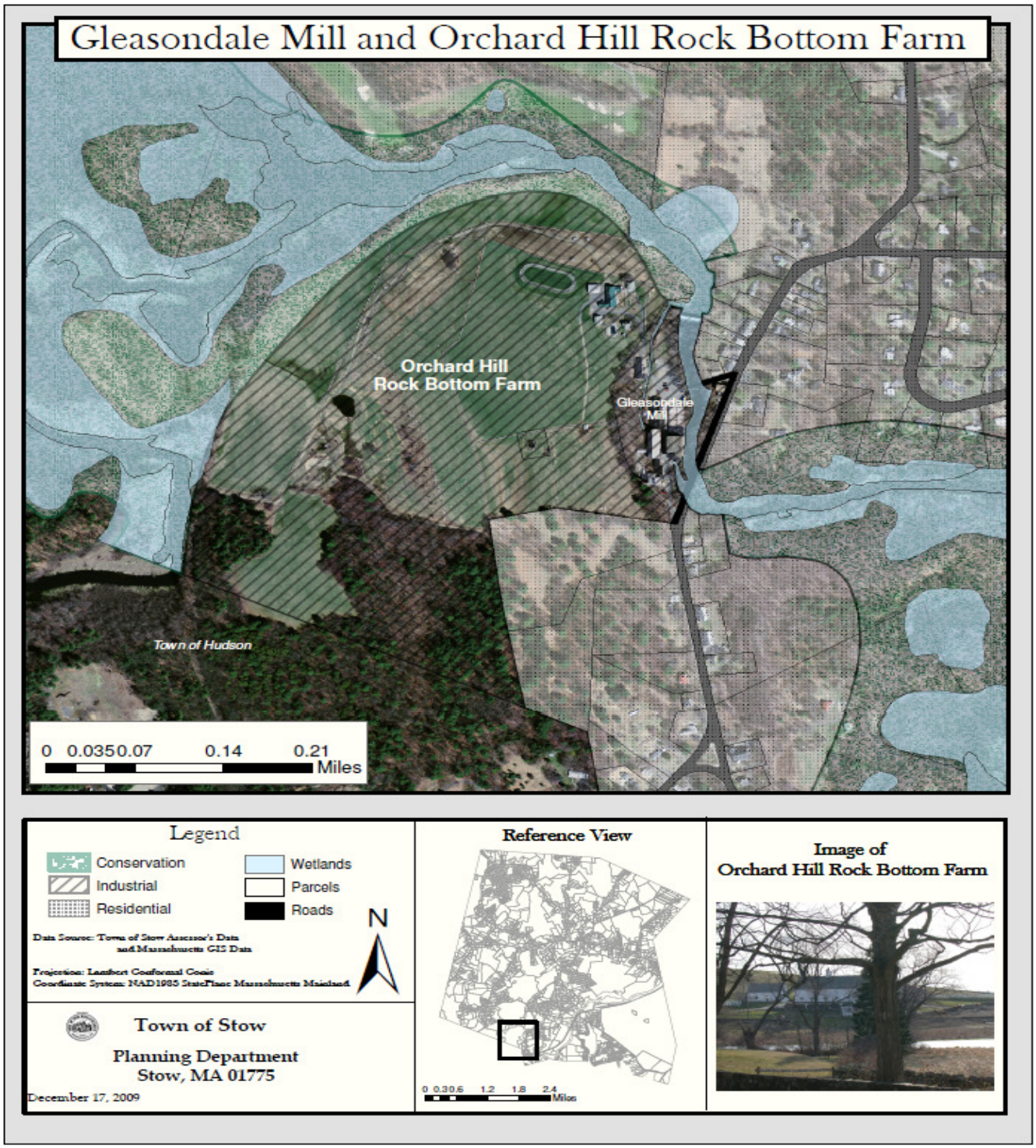
There is a variety of funding sources at both the state and federal level that might be able to help with subsequent cleaning of this site. The Town should look for opportunities to facilitate communications and to assist private developers to access these funding sources.

Potential Buildout – A quick review of the parcels in Gleasondale revealed that a significant majority of the lots has less frontage and land area than is currently required by our present Zoning Bylaw. These characteristics combined to create the unique mill village feel of the Gleasondale area. However, if the residentially zoned Gleason-Perkins land and the adjacent industrially zoned farmland, pasture and woodland are developed along with the nearby golf courses and apple orchards become house lots, it will likely become difficult to distinguish Gleasondale village from the surrounding community. Should this happen, the village may no longer be an identifiable entity, and its noteworthy heritage could be lost. The following table shows the build-out potential of Gleasondale under our current zoning:

Acres	**Existing Dwelling Units**	**Additional Dwelling Units**	**Existing Industrial Floor Area**	**Additional Industrial Floor Area**
162.66	71	103	91,920 sq. ft.	272,376 sq. ft.

Published by Parker & Croft. Iron Bridge over the Assabet, Gleasondale, Mass.

FIGURE: 11 Map of Gleasondale



Orchard Hill, also known as Rockbottom Farm, is a 90-acre industrial zoned parcel, situated on an esker behind the mill buildings. This is an important historic scenic vista, with two farmhouses (1820 and 1870), an 1851 barn complex which was expanded over the course of several decades, and agricultural fields sloping down to the Assabet River. This was a mill farm that produced food for the mill works and continues to operate as a farm today.

At present, Rockbottom Farm is enrolled in Chapter 61A. Converting the horse farm into an industrial development would likely have the undesirable result of creating an additional 235,710 square feet of industrial floor area. Because of its historical and aesthetical value, the MPC recommends the Planning Board explore modifying the zoning on this key parcel along with other large agricultural properties to create a new commercial agricultural zone that limits the type of commercial activity to agricultural and farming pursuits. If the Town joins an Economic Target Area (see TIF discussion above) the Town could further consider designating these parcels as economic target areas so that farmers might be able to reap the benefits of both a local TIF and the state Tax Investment Credit for property, equipment, and other capital investments in their facilities. This might help bolster the vitality of the local agricultural economy and help to ensure that farms, and orchards continue to be profitable in the area.

The Gleasondale Mill is located on two parcels that total almost five acres of land. However, these parcels have significant development constraints with slopes greater than 25% and no feasible access for industrial development. The options are either agricultural restriction or rezone to recreation/conservation.

Under current zoning, the additional floor area of the Gleasondale Mill would be 34,070 square feet. Ideally, economic development in Stow's villages will occur among and be compatible with the existing historic structures and places. In Gleasondale, it would be appropriate to foster mixed use redevelopment of the historic mill. The Gleasondale Mill could house the small incubator businesses that have been so important to Stow. It would also be appropriate to allow artists' studios in combination with an artist's dwelling or loft in the Gleasondale Mill.

Gleasondale Recommended Actions – We recommend a number of specific actions and supporting initiatives be put in place for Gleasondale over the next five years, keeping in mind that roadway widths, water and sewer infrastructure are limiting factors in this area.

Establish Gleasondale Mill Mixed-Use Overlay District
We envision development and redevelopment of the Gleasondale Mill in a manner consistent with a traditional livable and walkable New England village and recommend the adoption of a new Gleasondale Mixed-Use Overlay District.

A mixed use overlay district for Gleasondale will also allow development and redevelopment that supports a pedestrian friendly range of compatible uses, including various types of single-family and multi-family dwellings and commercial services. The overlay district should encourage:

- Redevelopment of the mill for a combination of business, retail, and housing
- A transition zone that allows a mixture of uses while maintaining the character of existing historic structures (for example, an artist studio and individual artist dwellings and lofts)
- Setbacks that keep businesses and residences close to the street
- New development and redevelopment that is in harmony with the present village character and environment
- Preservation of existing historic structures
- Diversified housing
- Establish a list of uses and design guidelines

Responsibility: Planning Board (lead), Board of Health

We should consider establishing an Economic Development Committee to work with the Planning Board to broadly pursue economic development opportunities including:

- Explore joining an Economic Target Area and the use of Tax Increment Financing (TIFs) and special tax assessments
- Establish a Gleasondale village improvement plan
- Actively engage landowners and business owners in discussions to promote redevelopment to include mixed use residential and retail
- Actively seek out specific businesses, such as artist studios, coffee shops and cafes to fill vacancies or locate within town
- Establish public/private partnership for redevelopment of the mill
- Seek Brownfield funding

Pursue rezoning of Orchard Hill (Rock Bottom Farm) to Recreation/Conservation or protect it with an Agricultural Preservation Restriction.

If the Town is able to join an Economic Target Area, the Committee should explore designation of Gleasondale as an Economic Opportunity Area. This should ultimately be brought to the Board of Selectmen and Town Meeting for approval.

3. Southwest Stow

Southwest Stow presents an opportunity to apply smart growth principles (see Appendix). It is a section of town with a larger proportion of existing industry and industrially zoned land than other areas in town. Southwest Stow, a neighborhood with much high-density housing and the Stow Community Park, would be enhanced by the addition of limited retail elements if developing them could avoid clutter and congestion.

Southwest Stow consists of large areas of industrially and residentially zoned land, a small business zone and a small recreation-conservation zone. It also contains large areas of wetlands. While some of the residentially zoned land has been developed, this area contains

two golf courses (Butternut Farm Golf Club and Stow Acres Country Club) whose combined acreage totals 420 acres as well as several large undeveloped parcels, two of which, a 100+ acre parcel and a 45 acre parcel, have recently been marketed for development. The Stow Open Space and Recreation Plan has identified this area as important for future open space protection due to its large amounts of undeveloped land and scarcity of protected land. The MPC agrees that more land in this area needs permanent protection to help maintain the rural character of Stow and should be balanced with any further development.

Southwest Stow currently has two small business-zoned districts: one is located near the intersection of Hudson Road and Route 117 with an office building, gas station/convenience store and liquor store, and the other is next to the Bose access road in front of the Villages at Stow development. The latter business zoned area is undeveloped.

While there are some industrial businesses in this area (Bose Corporation, Radant and Hydrotest), large areas of undeveloped industrial land remain. These parcels are most likely undeveloped due to lack of frontage and because Stow is not located directly off of a major highway, and some have additional access issues.

Most recently, developers have recognized the potential of the large industrial and residential parcels in this area. One developer worked with the Town to change the Zoning Bylaw to add provisions for an Active Adult Neighborhood (AAN), an overlay district within the industrial zone. A 66-unit development, Arbor Glen, was permitted and is currently under construction on a 44+ acre parcel. Another developer has used the provisions of Chapter 40B to permit a 96-unit development of single-family and townhouse units on the industrial land along Route 117.

Approximately 70% of respondents to the 2008 Master Plan Survey indicated that they would support the rezoning of existing industrial properties for retail classification. This response, in addition to the Town's action to adopt an Active Adult Neighborhood overlay district within the industrial zone, sends a fairly clear message that residents do not support additional industrial development.

The residential development potential for Southwest Stow is significant. With 162 dwelling units presently under construction between Arbor Glen and Villages at Stow, and the fact that other parcels in the area are also being considered for or have the potential for development, the repercussions of such a huge population increase in this one area would be significant.

Southwest Stow Recommended Actions – We recommend the following actions for Southwest Stow.

Smart Growth Principles
Identify the appropriate smart growth principles that are applicable to Southwest Stow and methods to achieve those principles. These principles include compact development, preservation of the environment, and conservation of natural resources.
Responsibility: Planning Board (lead), Conservation Commission

Zoning
The Town should explore ways to encourage appropriate development. The parcels that are zoned for small business along Route 117 and Hudson Road should be developed with businesses and services, such as small convenience shops, restaurants, cafés and other retail businesses that support the growing number of local residents. Employees in this area would also benefit from and support these types of businesses. It may be necessary to evaluate current zoning to consider if modifications need to be made to ensure that the Town is encouraging this type of small-scale retail development while excluding less desirable types of commercial growth.

The Town should evaluate current zoning to maintain and support expansion of the existing businesses in the Industrial District and evaluate current industrial zoning to consider modification to the permitted uses consistent with the type of development Stow wants.

We should work with Bose to determine how to meet needs of that business and its employees in a manner that will have the least impact on residents of the Town, while encouraging Stow's other planning goals (e.g., coordinate hotel/inn efforts to meet tourism but also business goals, or promote zoning to provide retail/services for employees nearby Bose facility).

As discussed above, the Town via the Board of Selectmen should establish an Economic Development Committee. Relative to this section of Stow, this committee, if created could work on coordination of tourism efforts among golf courses, orchards and farms. This task would involve working collaboratively with the Agricultural Commission, Stow Business Association and Regional Assabet Valley Chamber of Commerce to accomplish its goals.

In lieu of modifying the zoning at the Orchard Hill (Rock Bottom Farm) parcel as discussed above to restrict its use to agricultural, the Town could also consider rezoning it from Industrial to Recreation. Another option would be to encourage the property owner to consider an Agricultural Preservation Restriction.

Pedestrian Access
We should plan for pedestrian access as this area is developed. A sidewalk is planned for along Route 117 from Hudson Road to the Bose entrance. We also need to place sidewalks along Hudson Road from the entrances of Arbor Glen to Route 117, at a minimum. Pedestrian trails within Arbor Glen will provide access to Bose and connect to the pedestrian trails within the Villages at Stow. However, these trails are useable only during daylight hours in non-winter months. The sidewalk should be extended along Route 117 from Harvard Road to Old Bolton Road and on to the Stow Community Park. The Master Plan Committee recommends requiring new development and significant redevelopment to incorporate provisions for pedestrians in their site planning process.

4. Northwest Stow

Northwest Stow is defined as all parcels north of Route 117 and west of Packard Road and Boxboro Road to the Bolton, Boxborough and Harvard town lines, along with connecting roads.

This area of town, while primarily zoned Residential, contains a small commercially zoned area along Route 117 near the Bolton town line as well as significant areas zoned Recreation-Conservation and Industrial.

The Delaney Flood Control project encompassing 170 acres and the Marble Hill Conservation Area encompassing 249 acres are also located here.

This area has a 33-lot subdivision (Derby Woods) under construction and a 66-unit Active Adult Neighborhood (Ridgewood at Stow) that has been permitted but not yet developed due to market conditions. While some residentially zoned parcels remain vacant, some have constraints due to wetlands and poor access.

Minute Man Air Field is located in this quadrant along with several industrial businesses and a café. Some of the industrial land remains vacant due to its isolated location and roadway access. As stated in the 1996 Master Plan, Minute Man Air Field is a privately owned, public-use general aviation air field located off of Boxboro Road, two miles north of the Town Center. The airfield owns the following acreage:

• 125 acres classified (by the assessors) as commercial and industrial uses
• 32.3 acres classified as developable and potentially developable residential land
• 20,660 square feet of non-residential existing building space
• 39.8 acres of developable commercial/industrial land with a build-out potential of another 326,700 square feet of commercial space

In the 1990s, an industrial subdivision located next to Minute Man Air Field was granted by the Planning Board, but the conditions of the approval were appealed by the land owner and no construction has occurred. As approved, the site would support approximately 600,000 square feet of building space. Limited access to the site may diminish its build-out potential as an industrial subdivision. Only Boxboro Road leads to the site: it is a fairly narrow, winding country road that becomes much narrower at the Stow/Boxborough town line.

Northwest Stow Recommended Actions

Smart Growth Principles

Not all Smart Growth Principles can be applied here, but those that can should be implemented, including compact development, preservation of the environment, and conservation of natural resources.

Evaluate Zoning and consider modifications for parcels in the Industrial District in and around Minute Man Air Field to promote lower-intensity uses such as support facilities for cleaning or landscaping services/businesses, or small light industrial facilities, incubator businesses and commercial recreation

I. ***General Action Items***

- Work with owners of commercial properties that do not meet DEP compliance standards and monitor those that might be on the verge of noncompliance to see how they can be assisted in securing DEP approval.

- Work with Planning Board to consider developing peer review guidelines and having peer review consultants with a variety of skill sets at-the-ready or "on-call" to assist when large projects come up.

- Engage those with diverse perspectives to participate in dialog about appropriate ways to improve economic development.

- Facilitate creation of a town committee, perhaps working in cooperation with the Agricultural Commission, to develop a bureau of tourism and actively market what Stow has to offer, including the promotion of local products and recreation.