

5. Economic Development



Master Plan

A. Goal

To strengthen, diversify and grow the economic base and employment opportunities in the town, through smart development in the downtown, village centers, and commercial zones. Initiatives will be focused on clusters of businesses, mixed services, high technology/clean industries, cultural attractions, education, tourism and agricultural resources. Such development will maintain, improve and sustain quality of life, ecological consciousness and social values.

B. Overview

The presence of institutions of higher education in Amherst has had a significant impact on the economy of the Town. In fact, the University of Massachusetts, Amherst College, and Hampshire College are Amherst's greatest source of employment. These institutions offer stable employment levels and have low turnover. In the past, there have been a limited number of private sector jobs available in Amherst that were not connected to the educational institutions. In the last decade or so, however, there has been a marked increase in the number of small consulting firms and 'hidden tech' businesses using Internet technologies to take advantage of the information resources of Amherst. A number of themes recur throughout this chapter, including: the desire for industrial research parks and encouragement of business development; the improvement and development of the downtown and village centers; the broadening of partnerships with the colleges and University; and the desire to attract, encourage, and retain technological, information-based, and creative businesses within Amherst.

C. Existing Conditions

The University of Massachusetts Donahue Institute has prepared a full assessment of the Town's economic profile and conditions. The complete Existing Conditions and Trends report can be found in Appendix A. This section summarizes the report's key points related to economic development:

- **Employment is concentrated in educational services:** The employment base of Amherst is stable, but relatively narrow as compared to the rest of the Pioneer Valley and Massachusetts. Employment is concentrated primarily within educational services, including the University of Massachusetts, Hampshire College, and Amherst College. Of the 14,121 jobs in Amherst in 2006, 58.2 percent of them were in educational services. UMass Amherst is

Relevant plans and policy documents:

- **Atkins Corner Sustainable Development Master Plan – Action Steps for a Better Amherst [November 2000 – February 2002]**
- **Downtown Action Plan [2002, as augmented by TCRC 2007 review]**
- **Town Center Streetscape Design Guidelines Manual [2001]**
- **Overall Economic Development Plan: Five Year Update [1999]**

the second largest employer in western Massachusetts, with about 5,500 employees—over 1500 of those employees live in Amherst.

- **Local businesses are dependent on educational institutions:** The retail sector within Amherst is extremely reliant upon expenditures from the students, faculty, and staff at the University and Colleges. This is not surprising, given the Town's large student population and the economic significance of these institutions.
- **Modest but steady growth in retail sales:** A significant proportion of retail sales in Hampshire County (11.6 percent) occur within Amherst. The U.S. Economic Census for 1997 and 2002 shows that Amherst has experienced modest but steady growth in many retail sectors between those years. The concentration of retail sales in Amherst are: Food and Beverage stores; Sporting Goods, Hobby, Book and Music stores; Building Materials and Garden Equipment; Gasoline Stations; and Non-store Retailers (such as mail-order businesses).
- **Real estate rental rates:** Retail space in Amherst ranges from \$8.50 per square foot to \$14.50 per square foot. By comparison, nearby Northampton has retail rentals ranging from \$12 to \$30 per square foot, depending on the location. These somewhat comparable figures indicate that Amherst is a desirable, although less robust retail location as compared to Northampton.
- **Limited job growth:** The jobs which exist within Amherst, specifically those related to educational services, are relatively stable and grow during times of political consensus on the value of higher education (such as the UMass 250 Plan). Other job sectors in Amherst, particularly traditional businesses such as retail and service businesses, are disproportionately small for a community this size, and are much more vulnerable to economic down-cycles. Despite the recent growth in information-based business and consultancies, the relative shortage of non-academic job opportunities and growth limits the opportunity for college and high school alumni to stay in the community following graduation, and hampers the community's efforts to support economic and social diversity.
- **Reliance on tax-exempt institutions:** The majority of the Town's private sector rely on income generated by patrons from the University and Colleges. These educational institutions are tax-exempt. With relatively static commercial development in Amherst,

the fiscal burden for providing municipal services rests heavily on the Town's residential property owners.

The Objectives and Strategies discussed in the remainder of this chapter provide a coherent framework for meeting Amherst's goals for economic development. They focus on a variety of initiatives, including creating vibrancy in the downtown and village centers, as well as attracting more businesses in the research, technology, and creative industries.

D. Objectives and Strategies

This section describes the objectives and strategies that will support the Economic Development goal for the Town of Amherst.

OBJECTIVE E.1 - Support sustainable growth of existing businesses and attract new ones while protecting environmental values.

Smart growth principles (see www.smartgrowth.org) should be used to support sustainable business growth while preserving Amherst's character and protecting the environment. The following strategies address issues of zoning, infrastructure, and economic policy that can attract targeted industries to Amherst.

STRATEGIES

E.1.A Develop zoning that encourages sustainable high-density mixed-use and residential development within the village centers and downtown.

Higher density, mixed-use development can be encouraged to enhance and revitalize the village centers and downtown. Connecting and integrating residential areas with businesses and retail uses that provide goods, services, and jobs reduces infrastructure costs and transportation impacts. It creates a mutually-supportive environment in which residents have easier access to services and businesses have better access to a substantial customer base.

E.1.B Market and promote Amherst to targeted business.

The community should identify the specific types of businesses or industries that it would like to attract to Amherst, and the kinds of growth it wants to see. The Town should work with the business community and other stakeholders (UMass, colleges, property owners, adjacent communities) to conduct a comprehensive market study to identify specific businesses and industries currently missing from the community that might strengthen Amherst's overall economic fabric. Incentives and marketing tools should then be developed to promote the community and attract the desired types of businesses and industries.

E.1.C Make downtown/village centers vital, attractive, and convenient to use.

Several kinds of strategic improvements should be pursued in the downtown and village centers to create a mutually supportive mix of retail, professional, and residential uses, and an attractive, enjoyable environment for residents and visitors.

Marketing Studies - The Town should work with the businesses and property owners in the downtown and village centers to conduct targeted market studies specific to those areas to identify missing goods and services and then act to attract specific types of desired businesses.

Regulations - Development regulations should be revised to encourage downtown and village center upper floor residences.

Physical Improvements - Attention should be paid to pedestrian amenities, streetscapes, public spaces, parking, wayfinding signs, public art, and other improvements to attract more people to the downtown and village centers.

E.1.D Increase the amount of suitably zoned research park, business, and commercial areas that are provided with appropriate Town infrastructure.

The Town should evaluate its zoning map and infrastructure plans to see if appropriate lands are available and readily usable for desirable economic growth. New areas may need to be provided with key infrastructure in order to make Amherst a more competitive destination for business investments.

E.1.E Increase land zoned for professional, light industrial and commercial use.

Amherst has a relatively small amount of land area zoned for business activity. The Town should identify and increase the overall acreage of land in Amherst zoned to allow professional and light industrial areas, as well as commercial centers.

E.1.F Provide incentives for high priority, targeted development.

The Town should identify its development priorities, design a package of incentives, and undertake pre-development activities to facilitate development in these areas. These priorities should include evaluating and developing professional research park areas, identifying and redeveloping brown-fields sites, as well as pursuing mixed-use infill and redevelopment projects in downtown and village centers, and carefully expanding those centers. To accomplish this, Amherst could seek out state grant programs, provide density bonuses, provide infrastructure improvements, and/or explore tax incentives.

OBJECTIVE E.2 – Support “relocalization” of the Amherst economy

Many communities around the country are recognizing the value of their own local economies and are engaging in “local first” initiatives. Locally-owned, independent businesses tend to re-circulate a higher percentage of their profits within the local economy, and are more invested in the community’s future. Locally grown produce and locally made products require substantially less transportation and consume fewer energy resources than those brought in from other states or countries. This reduces Amherst’s environmental footprint while supporting local markets.

Promoting a sustainable local economy also helps Amherst maintain its distinctive community character.

STRATEGIES

E.2.A Hire an Economic Development Director.

The Town should create the permanent position of Economic Development Director to work with the Chamber of Commerce, local merchants, professionals, farmers, tradesfolk, artisans, and government to foster and coordinate economic development efforts in Amherst.

E.2.B Support and expand initiatives to market local products, support local businesses, and services.

One of the first responsibilities of an Economic Development Director would be to work with the community to develop specific ways to support and encourage local business. Examples might include:

- An Amherst Grown/Amherst Made sticker might be made available to local businesses through the Chamber of Commerce, to help shoppers identify local products.
- Amherst’s longstanding Farmer’s Market on the Town Common is a sound local economic tradition that should be replicated in new and innovative ways. An indoor facility allowing year-round operation of a downtown or village center farmers’ market should be explored. An outdoor marketplace should be considered for Kendrick Park. Downtown sidewalk vending could be encouraged with appropriate regulation.
- Existing programs that offer discounts to downtown business patrons who can demonstrate that they shop at other local businesses should be expanded and replicated in Amherst’s outlying village centers and commercial areas.

E.2.C Explore a reloadable cash-substitute "Amherst Card" that could be used for local shopping, entertainment, dining, parking, transit, and event or attraction admission.

An “Amherst Card” could be used by residents and visitors to easily navigate parking, transit, and shopping, and other activities in the

downtown. The Town should work with representatives from the colleges and business community to determine the feasibility of the card, potential market, security issues, and costs.

OBJECTIVE E.3 - Promote downtown as a key cultural, commercial and entertainment center of Amherst.

Downtown Amherst is a great asset that can be better utilized as a cultural, commercial, and entertainment center. The following strategies suggest ways to enhance the downtown as the vibrant heart of the community.

STRATEGIES

E.3.A Conduct a broad market assessment of the downtown to better target businesses and visitors.

As part of a marketing study (see E.1.C), the community should conduct an assessment of existing assets and current needs in the downtown in terms of the “creative economy”—the arts and cultural, commercial, and entertainment opportunities. The Town’s Economic Development Director, working with the Chamber of Commerce and Promoting Downtown Amherst (PDA), should identify key aspects of the downtown and market and enhance them in order to attract more businesses and visitors.

E.3.B Explore cooperative business, promotional and marketing ventures that reinforce local investment and control.

In addition to expanding cooperation between the Chamber of Commerce, Promoting Downtown Amherst, and the Town, the business community and the Town should explore the creation of Business Improvement Districts (BIDs) to enable greater private investment and participation in the improvement of the downtown business district and village centers.

E.3.C Resolve parking needs and improve accessibility to and circulation within downtown.

The Town should investigate a variety of transportation strategies to meet parking needs and improve circulation in the downtown. Initiatives may range from developing an off-street parking facility, to maximizing on-street parking opportunities, to investing in public and alternative transportation infrastructure that can reduce the number of cars on the road. Signalization and other traffic circulation issues should also be examined.

E.3.D Develop downtown and the Town’s natural resources as tourism destinations by leveraging existing cultural, historical, entertainment and education resources, providing inviting streetscapes and developing new attractions.

Tourism provides a net economic benefit to the community by bringing outside dollars into Amherst. The community should examine ways to further enhance the attractions and amenities found in the downtown and surrounding natural areas in order to emphasize tourism as a key component of the Town's economy, while planning for ways to protect these important resources and mitigate the impacts of tourism. See NC.1.

E.3.E Capture “secondary (follow-on) market” of visitors to colleges and university.

UMass and the Colleges attract a large number of visitors throughout the year (families, prospective students, conference attendees, etc.). The Town should collaborate with educational institutions in order to market local attractions and amenities and fully capture the follow-on tourism market associated with these schools.

OBJECTIVE E.4 - Broaden and leverage partnerships with UMass and the Colleges.

The Town, UMass, and the Colleges should pursue mutually beneficial partnerships in order to promote economic development, undertake research and technology enterprises, and create more learning and job opportunities for college and university students.

STRATEGIES

E.4.A Develop and implement a shared town-gown strategy for economic development to achieve common goals.

The Town, the business community, and the University and Colleges should work together to develop a set of shared economic development goals that can be effectively pursued through town-gown partnerships.

E.4.B Promote economic development projects at the University and colleges that produce tax revenues for the Town.

Through partnerships between the Town and the University and colleges, it is possible to create economic development projects that will produce additional revenues for the Town and benefit all Amherst residents.

E.4.C Establish the real cost of the University and colleges to the Town and negotiate fair compensation.

The Town provides a variety of public services that support the University and colleges. An external, impartial fiscal analysis should be undertaken to examine the real costs and benefits that these institutions bring to the Town. Once this is established, agreements can be made to ensure that the Town is compensated fairly.

E.4.D Encourage and assist UMass in its efforts to create a research park that provides for commercialization and business expansion of university/college research, including incubator space for companies.

Economic development stakeholders should work with UMass to design a research facility that provides space for research, high-tech firms, and start-up companies. Such a facility would provide the opportunity for collaborative relationships between the business and University community, and could catalyze further economic development in the Town.

E.4.E Explore development of taxable student housing in appropriate locations.

Providing private, student-village housing for UMass students would generate tax revenues and reduce pressure on rents for affordable housing elsewhere in Town. Such housing should be well-designed and appropriately sited to respect the context and values of the surrounding Amherst community. See also LU.1.B and H.7.

E.4.F Share university, college and Town facilities and resources for mutual benefit.

The Town, University, and colleges should identify and evaluate existing assets and facilities that could be shared to further enhance quality of life in the community and attract additional economic activity.

OBJECTIVE E.5 - Improve the regulatory environment to encourage business development.

The following strategies suggest how the Town should review and update its regulatory processes in order to attract new businesses to Amherst.

STRATEGIES

E.5.A Re-examine administrative permit procedures and regulatory by-laws, streamline business regulation and expedite permitting to provide regionally competitive, responsive and timely services to businesses.

A transparent, streamlined, and responsive business permitting process can greatly improve Amherst's competitiveness in attracting new businesses. Targeted industries and businesses should receive extra guidance and support during the permitting process.

E.5.B Allow pre-permitting in targeted development zones.

In appropriate target areas, establish basic requirements for appropriate uses, site planning, and design, so that projects which meet those Town requirements can obtain approvals through a streamlined permit process.

OBJECTIVE E.6 - Create an Integrated Economic Development Program.

Amherst's economic development stakeholders should work together to set strategic priorities and identify who will take the lead in all aspects of the Town's economic growth and revitalization.

STRATEGIES

E.6.A Organize and develop financial and staff resources to support the Town's economic development program and strategic plan.

In order to ensure that economic development activities are successful, a basic level of staffing and funding is required with specific responsibility for coordinating initiatives, tracking their progress, and publicizing successes. Sufficient staff resources can ensure that Amherst stays on track in working towards its economic goals.

E.6.B Assign a permanent committee to help oversee development and implementation of a comprehensive economic development strategic plan.

A Town committee should be assigned responsibility for working with an Economic Development Director to oversee ongoing implementation of Amherst's economic development strategic plan. Membership of this committee should represent the Amherst's diverse economic development interests and organizations.

OBJECTIVE E.7 - Encourage physical and technological infrastructure that support business and industrial growth.

The Town should invest in infrastructure and technological advancements that enable business attraction and retention.

STRATEGIES

E.7.A Improve and expand internet communication/broadband (including wireless availability) throughout the Town, including high-speed connections (Internet2 and other state of the art technology).

Many communities around the country are pursuing technological advantages that can give them an edge in attracting and retaining businesses and enhancing quality of life for residents. Amherst should undertake steps to ensure that all areas are covered by high-speed internet providers. The Town should also examine the possibility of offering expanded free wireless connection in strategic locations, such as the downtown.

E.7.B Support growth of burgeoning technology and creative economy businesses, including development of necessary facilities.

The Town should target investments to attract innovating industries such as technology firms and “creative economy” businesses that have a focus on arts, culture, and design. Amherst can create targeted business attraction and retention programs that incorporate tax incentives, workforce development assistance, and infrastructure and service amenities.

OBJECTIVE E.8 - Develop the current and future workforce to enhance economic opportunities.

Current Amherst employment opportunities do not adequately support those interested in occupations (trades and other professions) other than education. Key issues underlying this objective are the need to address socio-economic balance in Amherst and the potential costs (social justice aspects) of not taking action. There is the concern that long-time residents and their children are being driven out of Amherst in search of work and, eventually, other places to live. The following strategies examine how education, training, and mentoring opportunities can be used to enhance Amherst’s workforce base and increase the Town’s economic prosperity.

STRATEGIES

E.8.A Provide internships in local businesses (including agricultural) to high school and college students.

Internships are a highly successful means for students to gain valuable work experience while also discovering possible career paths. Internships provide benefits to both the employer and the student while spurring future economic development, since interns are often considered as prospective employees.

E.8.B Create a network of advisors to mentor new businesses in Town ranging from the virtual company to ‘bricks and mortar’ businesses.

The Town should work cooperatively with local business owners and merchants and with the Amherst Area Chamber of Commerce to develop mentoring programs that help increase the likelihood of success of new businesses in the area.

OBJECTIVE E.9 - Advocate for changes to state tax regulation in order to allow a reformulation of the Town's tax structure.

Based on current state laws, property taxes are the primary—and nearly the only—way local municipalities can collect revenue. Most other taxation is controlled by the State. The rates are also capped at a 2.5 percent increase from year to year unless a town-wide override referendum is passed by the voters. There are some efforts currently underway to convince the state legislature to allow municipalities other ways to collect revenues, such as meals and lodging taxes. The Town should advocate for an alternative tax structure.

STRATEGIES

E.9.A Link and partner with other municipal and state-wide advocacy groups to promote significant relief of property taxes.

Property taxes are a major burden on homeowners in Amherst. Through partnerships with other municipal and State advocacy groups, there is a greater opportunity to make change and relieve homeowners of the property tax burden, which is lowering their quality of life.