

CHAPTER 6 ECONOMIC DEVELOPMENT

6.1 INTRODUCTION

Reading is a prosperous suburban community with a number of economic development assets: a busy downtown with commuter rail service, direct access to both Routes 128/I-95 and I-93, and an increasingly well-educated and well-paid workforce.

However, the Town remains primarily a residential community, with relatively little commercial and industrial development. The local job base is small and is dominated by lower paying retail and service jobs, while most residents commute to work in other communities. The Town's tax base is heavily dependent on residential properties, with only 7% of the total valuation attributable to businesses.

There is essentially no additional undeveloped business-zoned land in Reading, but there are opportunities to add to the Town's business base through revitalization of the downtown and redevelopment of vacant and underused properties nearer the highways.

6.2 ANALYSIS

Resident Workforce

The number of Reading residents active in the workforce has grown fairly slowly over the last two decades, declining during the recession of the early 1990's, but recovering to reach a total of 13,362 in 2001. The number of jobs in Town grew more steadily over the period, causing the ratio of jobs to working residents to rise from 0.44 to 0.55.

As of 2000, about 18% of Reading's working residents worked in Reading, filling roughly 30% of local jobs. Four of five workers commuted to jobs in other communities, with Boston (16%), Woburn (7%) and Cambridge (5%) being the most common destinations. About 3.5% (444) of the workforce worked from home.

Since 1985, Reading's annual unemployment rate has averaged slightly more than 1.5 percentage points below the annual statewide rate. While the gap narrowed somewhat in recent years, Reading residents have been relatively successful in staying employed.

Reading’s residents increasingly identify themselves as “white collar” workers. In 2000, 53% of Reading workers identified themselves with Managerial or Professional occupations (+32% from 1990), which is about 6 percentage points above the proportion for Greater Boston. The only other occupational category showing growth was Services occupations, but Reading remains slightly below the regional average at 9% (compared to 13% regionally). The proportions in all other occupational categories are about the same as the region. The median age of Reading residents increased in the 1990s from 36.1 to 39.1 years, above the 36 year median for the metro area.

Figure 1. Numbers of Working Residents and Jobs in Reading, 1985-2001.

| | Workforce | Jobs | Ratio of Jobs to Workers |
|-------------------------|------------------|-------------|---------------------------------|
| 1985 | 12,882 | 5,614 | 0.44 |
| 1986 | 13,005 | 5,719 | 0.44 |
| 1987 | 13,047 | 6,346 | 0.49 |
| 1988 | 13,121 | 6,473 | 0.49 |
| 1989 | 13,202 | 6,742 | 0.51 |
| 1990 | 12,906 | 6,060 | 0.47 |
| 1991 | 12,596 | 5,741 | 0.46 |
| 1992 | 12,571 | 5,502 | 0.44 |
| 1993 | 12,586 | 5,454 | 0.43 |
| 1994 | 12,668 | 5,778 | 0.46 |
| 1995 | 12,583 | 6,301 | 0.50 |
| 1996 | 12,721 | 6,555 | 0.52 |
| 1997 | 13,227 | 7,045 | 0.53 |
| 1998 | 13,325 | 7,115 | 0.53 |
| 1999 | 13,340 | 7,184 | 0.54 |
| 2000 | 13,179 | 7,455 | 0.57 |
| 2001 | 13,362 | 7,318 | 0.55 |
| Growth 1990-2001 | | | |
| | 456 | 1,258 | |
| | 4% | 21% | |

Source: MA Division of Employment and Training.

Figure 2. Reading Unemployment Rate and Number of Working Residents.

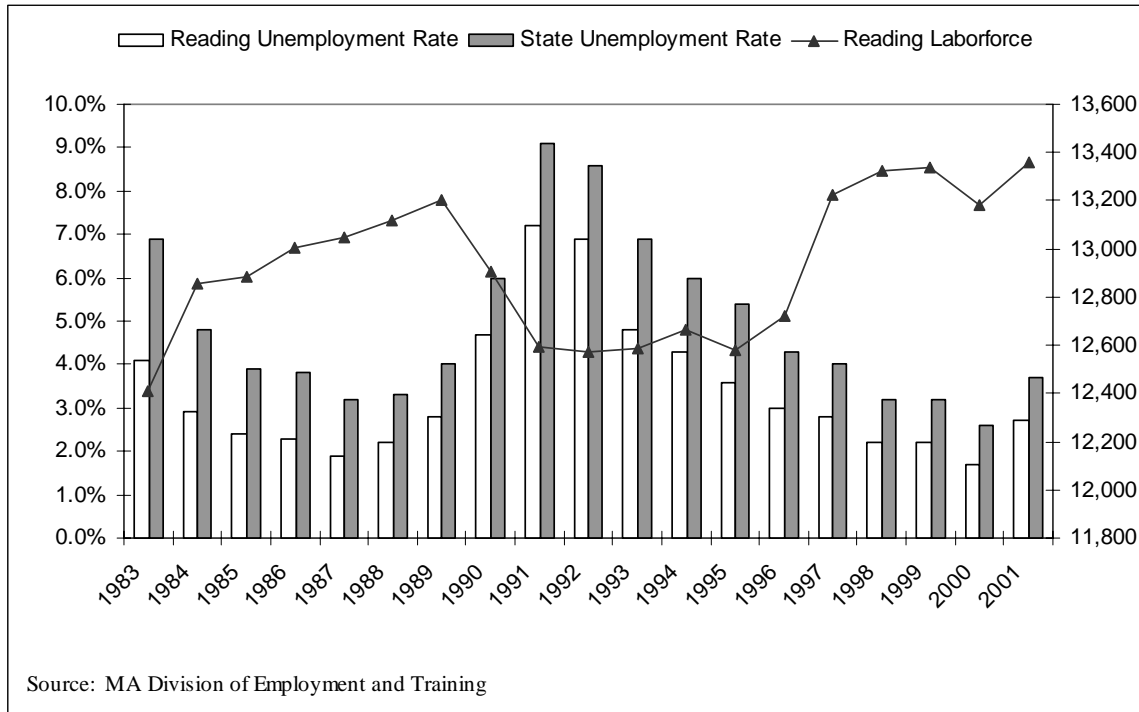
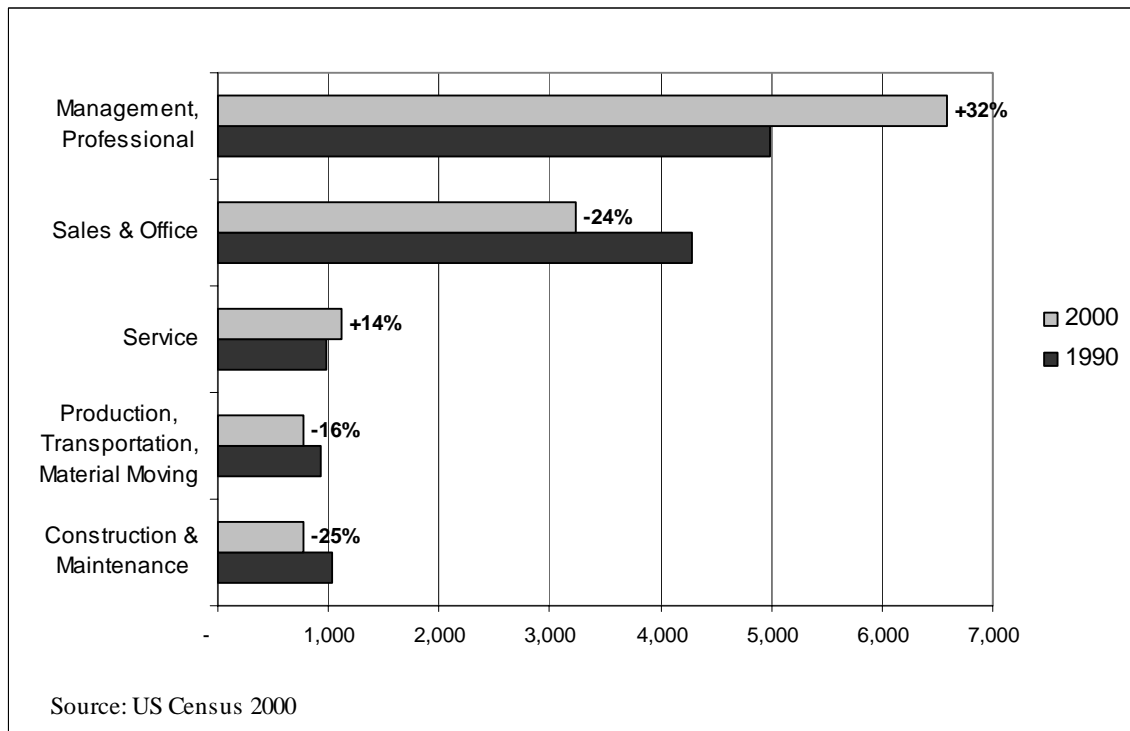


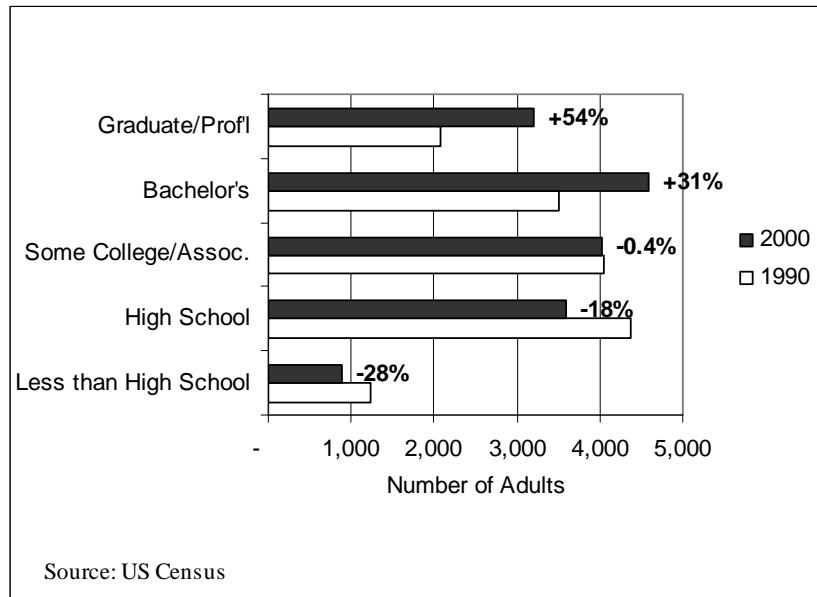
Figure 3. Occupations of Reading Residents.



The shift in occupations is mirrored in rising educational levels that exceed those for the metropolitan region. While Reading’s adult population over 25 years of age increased by only

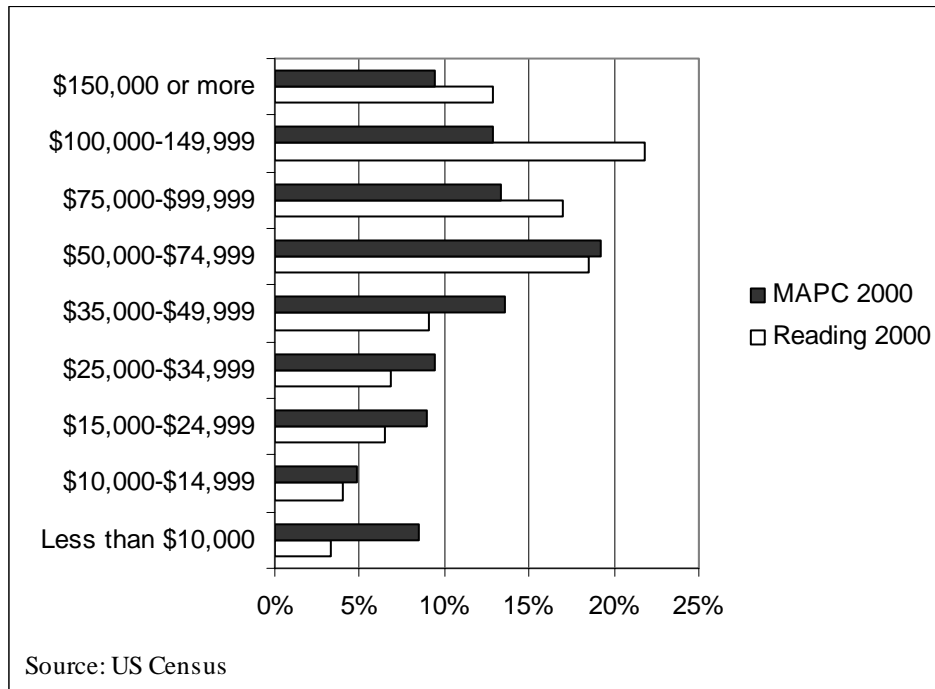
7% in the 1990s, the number having a college degree increased by almost 40%. By 2000, over half (55%) of Reading adults had college degrees, 7 points higher than the region. The number of adults who had not received at least a high school degree fell by over one quarter, and at 5% of the workforce, was less than half the regional average.

Figure 4. Educational Attainment of Reading Adults, 1990 and 2000.



Reading's median household income rose by 46% in the 1990s to \$77,000 which is almost 40% above the regional median \$55,200. When inflation is subtracted, Reading median income grew almost 9%, much higher than the regional median's increase of less than 2%. Reading is a solidly upper middle class community, with the Town having a higher proportion of households than the region in all income categories above \$75,000. The number of families in poverty rose 88% to 113 in the 1990s, but the 600 individuals falling below the poverty line in 2000 represented only about 2.6% of the Town's population.

Figure 5. Household Income in Reading and the Region.

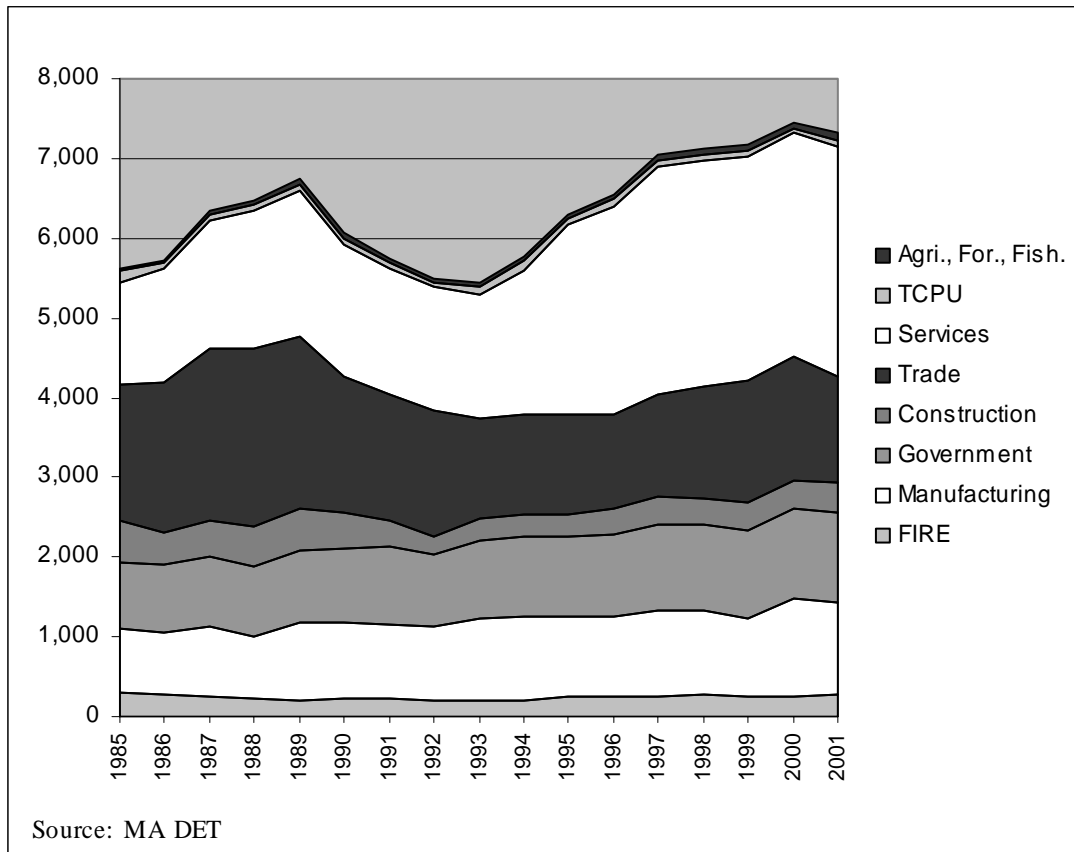


Job Base

Reading is a predominantly residential community, and its employment opportunities are concentrated for the most part in retail and service businesses serving local residents. Total jobs in the Town declined significantly in the early 1990s, but posted a substantial gain of 1,258 positions (21%) from 1990 to 2001. Unfortunately, about 1,000 jobs at Reading’s largest employer left Town during 2000 and 2001, which is only fully reflected in the decline of 430 positions in the annual figures for 2002.

The number of establishments in Reading has increased slowly to a total of 614 in 2002. The average number of employees working at each establishment has stayed in the 10 to 13 range since the mid-1980s, reflecting the preponderance of small local businesses. Because the number of jobs in Reading grew much faster (+30%) than the number of working residents (+4%) from 1985-2001, the Town’s *Jobs to Labor ratio* increased from 0.44 to 0.55. This ratio is well below the 0.76 median for the region, but at one part- or full-time job for every two working residents is not untypical of “bedroom” suburbs whose residents primarily commute to other communities.

Figure 6. Jobs in Reading by Sector, 1985-2001.



Most of the job growth in Reading has been in the broadly-defined Services sector, which ranges from high paying occupations such as custom software development and management consulting to low skilled office cleaning services. These industries comprise almost 40% of Reading's jobs. Since 1990, Services businesses gained 1,200 employees while the second largest sector, Wholesale and Retail Trade lost almost 400 employees to decline to less than 20% of employment.

While growth in Services jobs is consistent with national and regional trends, Reading's increase of 200 manufacturing jobs is contrary to the general decline of employment in goods producing industries. However, most of the jobs represented in the Manufacturing category through 2001 were subsequently lost with the departure of publisher Addison-Wesley.

Figure 7. Number of Jobs in Reading by Sector.

| Year | Number of Establishments | Total Jobs | Services | Trade | Manufacturing | Government | Construction | Finance, Insurance, Real Estate | Transportation, Communications, Utilities | Agriculture, Fishing, Forestry |
|-------------------------|--------------------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------------------------|---|--------------------------------|
| 1985 | 465 | 5,614 | 1,266 | 1,719 | 802 | 834 | 519 | 292 | 158 | 25 |
| 1986 | 505 | 5,719 | 1,422 | 1,878 | 758 | 871 | 391 | 288 | 83 | 28 |
| 1987 | 545 | 6,346 | 1,603 | 2,150 | 876 | 870 | 467 | 253 | 71 | 56 |
| 1988 | 539 | 6,473 | 1,731 | 2,235 | 783 | 878 | 496 | 227 | 63 | 60 |
| 1989 | 561 | 6,742 | 1,839 | 2,160 | 969 | 900 | 522 | 208 | 84 | 60 |
| 1990 | 569 | 6,060 | 1,668 | 1,711 | 953 | 942 | 433 | 222 | 75 | 56 |
| 1991 | 557 | 5,741 | 1,576 | 1,575 | 931 | 982 | 331 | 221 | 70 | 55 |
| 1992 | 511 | 5,502 | 1,550 | 1,575 | 935 | 896 | 239 | 196 | 50 | 61 |
| 1993 | 525 | 5,454 | 1,564 | 1,256 | 1,009 | 984 | 269 | 212 | 101 | 59 |
| 1994 | 541 | 5,778 | 1,808 | 1,243 | 1,053 | 1,006 | 278 | 206 | 124 | 60 |
| 1995 | 554 | 6,301 | 2,379 | 1,241 | 1,002 | 1,005 | 293 | 241 | 87 | 53 |
| 1996 | 586 | 6,555 | 2,598 | 1,197 | 1,001 | 1,032 | 321 | 246 | 99 | 61 |
| 1997 | 572 | 7,045 | 2,856 | 1,292 | 1,080 | 1,097 | 329 | 243 | 71 | 77 |
| 1998 | 594 | 7,115 | 2,818 | 1,427 | 1,054 | 1,080 | 322 | 266 | 73 | 75 |
| 1999 | 577 | 7,184 | 2,813 | 1,526 | 961 | 1,119 | 354 | 258 | 78 | 75 |
| 2000 | 573 | 7,455 | 2,803 | 1,561 | 1,219 | 1,119 | 350 | 263 | 65 | 75 |
| 2001 | 597 | 7,318 | 2,885 | 1,318 | 1,161 | 1,119 | 395 | 271 | 85 | 84 |
| 2002 | 614 | 6,881 | | | | | | | | |
| % of 2001 Jobs | | | 39% | 18% | 16% | 15% | 5% | 4% | 1% | 1% |
| Growth 1990-2001 | | | | | | | | | | |
| | 28 | 1,258 | 1,217 | -393 | 208 | 177 | (38) | 49 | 10 | 28 |
| % | 5% | 21% | 73% | -23% | 22% | 19% | -9% | 22% | 13% | 50% |

Source: MA Division of Employment & Training.

FINDING

Reading's residents increasingly identify themselves as "white collar" workers. In 2000, 53% of Reading workers identified themselves with Managerial or Professional occupations (+32% from 1990), which is about 6 percentage points above the proportion for Greater Boston. Reading's median household income rose by 46% in the 1990s to \$77,000 which is almost 40% above the regional median \$55,200. Total jobs in the town declined significantly in the early 1990s, but posted a substantial gain of 1,258 positions (21%) from 1990 to 2001. Most of the job growth in Reading has been in the broadly-defined Services sector, which ranges from high paying occupations such as custom software development and management consulting to low skilled office cleaning services. These industries comprise almost 40% of Reading's jobs.

As noted above, Reading is primarily a bedroom community and its employment opportunities are dominated by retailers and service businesses serving local residents as is indicated in the list of largest employers in Figure 25. Reading’s largest industries in terms of employment are Retail and Health Care, a reverse of their leading rankings for the metropolitan region. Both of these industries pay relatively low wages on average, which reflects a large number of part-time positions and low hourly pay. Yet, these positions represent opportunities for people entering the job market, those interested in part time work, and less educated workers. The same can also be said of many industries in Administrative and Waste Services (e.g. cleaning services) and the restaurants comprising the bulk of the Accommodation and Food Services category.

At about \$40,000 per year, the average wage of Reading jobs is about \$10,000 less than that of the region. This reflects the local job base’s predominance of local retail and service businesses, and the relative lack of higher paying jobs in “traded” or “export” industries that serve national and regional markets. Among Reading’s largest industries, only Computer Systems Design/Services (Professional/Technical) pays significantly above the regional average, and these jobs appear to be concentrated in one company, making the Town somewhat vulnerable to its relocation or decline. Indeed the average wage has fallen over the last few years, coinciding with Addison-Wesley publishing, the Town’s largest employer, relocating outside the community. During the 1990s, the average real wage of jobs in Reading declined by 10% in real terms while the median income of the Town’s residents rose 9% after inflation as they commuted to better paying opportunities elsewhere in the region.

Still, Reading’s location along Route 128 offers the potential to attract higher paying jobs to currently vacant or underutilized properties. In addition to the vacant Addison-Wesley (Pearson) complex off South Street, there is potential for more intensive office and other commercial development near the Town’s two other exits off Route 128/I-95 when the economy improves, as evidenced by the Walkers Brook Crossing development under construction on the former landfill.

Figure 8. Employment and Wages in Reading by Industry, 2002.

| | Number of Employees | Average Annualized Wage |
|--|----------------------------|--------------------------------|
| Retail Trade | 864 | \$17,992 |
| Health Care | 745 | \$32,292 |
| Administrative & Waste Services | 591 | \$24,804 |
| Professional / Technical Services | 531 | \$69,264 |
| Construction | 439 | \$46,488 |
| Other Non-Public Services | 430 | \$21,892 |
| Accommodation / Food Services | 269 | \$14,976 |
| Finance and Insurance | 261 | \$68,588 |
| Manufacturing | 167 | \$45,448 |
| Transport. & Warehousing | 113 | \$40,040 |
| Wholesale Trade | 109 | \$66,144 |
| Arts, Entertain., & Recreation | 109 | \$17,836 |
| Real Estate & Leasing | 71 | \$24,492 |
| <i>Note: Almost 2,200 jobs (32% of total) are omitted above due to DET</i> | | |

| | |
|---|-----------------|
| <i>confidentiality restrictions</i> | |
| Reading Job Average | \$39,676 |
| Metro Boston Job Average | \$49,972 |
| HUD Moderate Income (Metro Area, Family of 4) | \$62,650 |
| HUD Low Income (Metro Area, Family of 4) | \$40,400 |

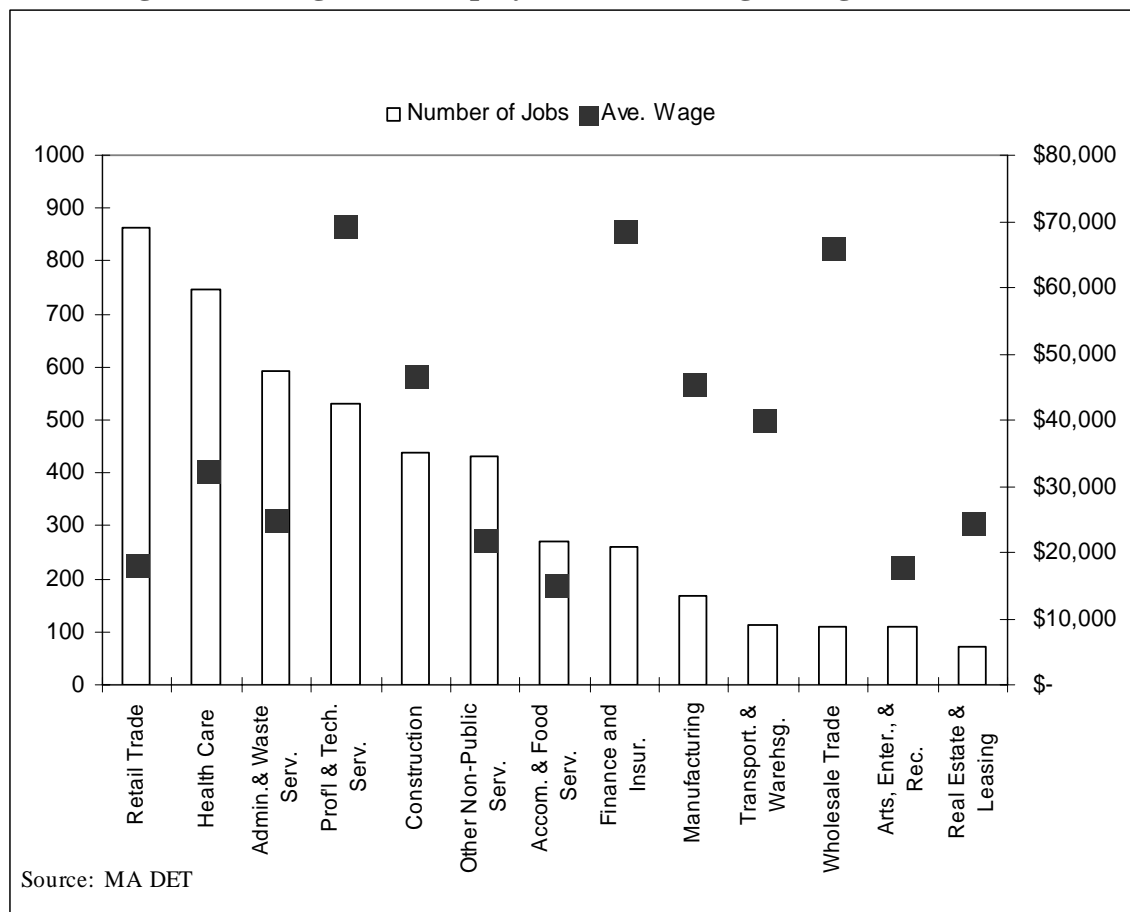
Source: MA Division of Employment & Training

Figure 9. Largest Employers in Reading, 2003.

| Employer | Number of Employees | Industry |
|-------------------------------------|---------------------|-------------------------------|
| TASC (Northrop Grumman) | 500-1000 | Computer Programming Services |
| Atlantic Food Mart | 100-249 | Grocery Stores |
| MASSBANK | 100-249 | Bank |
| Reading Memorial High School | 100-249 | School |
| United Hand Rehabilitation Services | 100-249 | Vocational Rehab. Services |
| Wingate at Reading | 100-249 | Nursing Care |

Source: Reference USA.

Figure 10. Wages and Employment in Reading's Largest Industries.



Property Tax Base

Because of Reading’s predominantly residential nature, its property tax base is heavily reliant on the value of residents’ homes, which represent just over 93% of the Town’s total property valuation. Combined, the Town’s CIP – Commercial, Industrial, and Personal Property (business equipment, etc.) – was valued at \$195 million for 2003. Just over 80% of this CIP value represented commercial properties (stores, offices, restaurants) while industrial contributed only \$24million. Since 1985, commercial valuation grew by \$100 million and industrial by only \$9 million.

The much larger size and faster growth of Reading’s residential property value has caused the share of total valuation contributed by CIP to decline by over 5 percentage points from 1985 to 2003. This decline was driven by a tremendous increase in the value of housing, which more than quadrupled. And, while the Town’s housing stock grew by less than 10% since 1990, the real driver was a steep increase in housing prices, with the average assessed value of a single family residential parcel rising by 80% to over \$350,000.

Residential values have in fact soared over most of Eastern Massachusetts over the last two decades, reflecting a regional shortfall of housing construction combined with rising incomes and housing demand. In Reading, the increases in valuation were particularly large in the late 1980s, and in the last few years. While Reading’s shift from CIP to residential valuation is comparable to that experienced by most communities in the region, the relatively small base of business properties leaves the Town well below the statewide average CIP share of 19%. Reading’s home and condominium owners therefore receive relatively less help from the business sector in paying for local public services than do communities with more commercial development.

Figure 11. Tax Valuation in Reading by Property Class, 1985-2003.

| | CIP % | Residential | Commercial | Industrial | Total |
|---------------------------|--------------|--------------------|-------------------|-------------------|--------------|
| 1985 | 13% | \$561 M | \$57 M | \$13 M | \$642 M |
| 1990 | 12% | \$1,388 M | \$141 M | \$28 M | \$1,569 M |
| 1995 | 10% | \$1,292 M | \$109 M | \$16 M | \$1,429 M |
| 2000 | 8% | \$1,834 M | \$132 M | \$20 M | \$2,002 M |
| 2003 | 7% | \$2,643 M | \$157 M | \$23 M | \$2,838M |
| Change over Period | | | | | |
| 195-1990 | (1) pts | \$827 M | \$84 M | \$15 M | \$927 M |
| 1990-1995 | (2) pts | \$(96 M) | \$(32 M) | \$(13 M) | \$(141 M) |
| 1995-2000 | (2) pts | \$541 M | \$24 M | \$5 M | \$574 M |
| 2000-2003 | (1) pts | \$809 M | \$24 M | \$3 M | \$835 M |

Source: MA Department of Revenue.

Public Input

The Master Plan Advisory Committee held an economic development workshop on October 15, 2003. MAPC summarized historical and current data on economic trends in terms of Reading’s land use, tax base, jobs, and workforce. Attendees brainstormed and prioritized overall goals for economic development in Reading. Attendees then identified areas in Town for potential future economic development and described what they would like to see occur in those areas.

The following Economic Development Plan incorporates the result of this workshop. Potential Locations for further economic development are discussed in Appendix A and shown in Map 10.

FINDING

Because of Reading's predominantly residential nature, its property tax base is heavily reliant on the value of residents' homes, which represent just over 93% of the town's total property valuation. In Reading, the increases in valuation were particularly large in the late 1980s, and in the last few years. While Reading's shift from CIP to residential valuation is comparable to that experienced by most communities in the region, the relatively small base of business properties leaves the town well below the statewide average CIP share of 19%.

6.3 GOALS AND OBJECTIVES

Downtown Revitalization

Reading's Downtown enjoys a low vacancy rate, significant public and private investment and a fairly diverse mix of commercial uses. However, the lack of parking is the major impediment to retail or mixed-use development. Also, mixed-use is currently prohibited by zoning by-law in the commercial areas. Improving the Downtown can be achieved primarily through good urban design. This includes improved streetscape, enhanced and enforced parking, more pleasing building facades, easier and safer pedestrian street crossing, and attraction of first rate restaurants and vibrant niche retailers.

Goal 1 Improve Downtown

Objectives:

- A. To enhance the economic development of Downtown, the CPDC will develop the appropriate mixed-use zoning changes and present them to Town Meeting for approval.
- B. Complete the planned streetscape modifications developed over the last 8 years and which is currently on the MassHighway Transportation Improvement Plan (TIP) for fiscal year 2006 funding. This will provide additional parking, easier crossing of Main Street to improve access to the east side shops, provide improved traffic circulation for the Haven Street – Gould Street areas and generally beautify the Main Street area from the Common to Washington Street.

- C. Investigate multi-level structured parking facilities in the parking area behind CVS, perhaps in conjunction with medical, commercial and/or residential facilities. Other areas for potential open or structured parking should also be investigated for a multi-leveled structure, with some consideration for pedestrian, bicycle or alternative transportation.
- D. Encourage specific beautification projects such as façade improvement, window flower boxes, artwork on graffiti-prone walls and alleys, and shrubs and plantings for screening where needed. These to be accomplished by shop owners, landlords, church groups, service clubs, youth groups, and other volunteer organizations with assistance from the Town where appropriate.
- E. Apply for grants from all appropriate State and Federal programs to extend the streetscape program to the Haven Street/High Street/Depot areas.

Economic Development

The only organizations in Reading focusing specifically on economic development are the Downtown Steering Committee (DSC) and the Reading/North Reading Chamber of Commerce (R/NRCC). These are non-governmental volunteer groups. The DSC was formed to work with the streetscape architects performing under a State grant to study improvements to the downtown. (See Goal 1 above). The creation of an official Town entity, such as a Development and Industrial Commission, formed under Chapter 40, Section 8A, would give the Town more clout in obtaining State and Federal grants for not only downtown improvements but Town wide re-development of the commercial and industrial zoned areas.

Goal 2 Establish an Economic Development Commission.

Objectives:

- A. Study the various options available and recommend to the Board of Selectmen the type of official commission or standing committee to best meet the development needs of the Town and to bring additional clout to bear on obtaining State and Federal developmental grants.
- B. Explore the need for and legality of forming a “property based” and/or “business based” Business Improvement District(s) funded by assessments on all businesses within the individual district(s).
- C. To the extent feasible, encourage commercial development and office leases of downtown space nondisrupting to the traditional atmosphere of a New England Village Center.
- D. Review options to funding economic development activities in cooperation with other civic organizations.

Streetscape Improvements

Main Street in the southern part of Reading has been characterized by a varied commercial mix, lack of investment, business turnover, and unappealing aesthetics. South Main Street is a major element of the commercial corridor in Reading and a gateway to the downtown and central core of the community. It represents an opportunity for future economic development.

Goal 3 Improve South Main Street Streetscape.

Objectives:

- A. Examine properties with regard to re-zoning with particular attention to reducing the current front setback requirements and expanding the use of PUD (B) overlay districts.
- B. The Town will pursue all possible state and Federal grants to hire consultants (landscape architects and traffic engineers) to generate a detailed streetscape beautification plan for the area from Washington Street south to I95/128 similar to the plan recently completed for the downtown.
- C. Present the plan to the public, and encourage the businesses and residents of the South Main Street area to make façade and parking lot improvements consistent with the plan.
- D. Obtain state and Federal funding to implement the plan.

Neighborhood Scale

There is interest in encouraging small commercial nodes in neighborhoods. Such nodes should, however, be considered so as to not disrupt the neighborhoods or detract from the central downtown vitality. Some improvement in the appearance of South Main Street Commercial areas has happened recently as a result of some attention by the Board of Selectmen but the whole area needs a cohesive beautification plan,

Goal 4 Recognize small commercial nodes in neighborhoods.

Objectives:

- A. The CPDC to identify and recommend zoning changes to recognize existing non-conforming commercial nodes.

Commercial Development

The commercial / industrial development potential is in a state of flux at present due to a planned MassHighway reconfiguration of the I95-I93 cloverleaf intersection. The detailed plans are not yet firm and face an extensive public review and hearing process. When the ramifications of the new intersection are known, the zoning along I95/128 should be reviewed to maximize the development potential.

Goal 5 Explore Zoning Changes to enhance Development along I95/128.

Objectives:

- A. During the new I95/I93 intersection design, hearing, and approval process, the CPDC and, if formed in time, the Economic Development Commission should give input and make suggestions to maximize the development potential.

- B. After the intersection is finalized, the CPDC should review and change the zoning as necessary to maximize the development potential to the Town.

CHAPTER 6 APPENDIX

ECONOMIC DEVELOPMENT

Potential Locations for Economic Development.

- Downtown retail core (#1 on map)
 - Would like it to extend (flow) all the way to Washington Street
 - Want businesses that attract pedestrians. Have stores up to the sidewalk line.
 - Maybe it should extend all the way south to Summer Street – this may not be realistic.
 - Parking garage has been mentioned for lot behind the CVS.
 - Could extend downtown to area around the depot – integrate lower Haven Street with Main Street. Needs better pedestrian access to make attractive for walking. Perhaps more parking behind Atlantic Market and make Haven a pedestrian way?
 - Current zoning precludes.
 - Gould Street has nice houses and a couple of businesses. Could be made attractive with streetscape improvements.

- South Main Street (#2 on map)
 - Parking in front of stores looks bad. Need greenery in front. Blend parking or put it behind buildings – probably need to change the zoning.
 - Preserve and enhance residential mixed in. Keep density about as it is. There are some existing apartment buildings. Mixed use in same building may work also.
 - Needs visual “edges” – e.g. greenery in front instead of cement from street to building.
 - Utilities need to be buried.
 - Traffic volume and street design are inhospitable to pedestrians – there is no place to cross Main Street. There is not enough right-of-way to install median with turn lane.
 - Car-dependent businesses there. Need traffic calming, maybe a light.

- South of South Street (along 128) (#3 on map)
 - Long-term potential to redevelop large areas along 128 from 28 to I-93 interchange.
 - Depending on the outcome of the I-93/95 studies, this area may become less desirable for residential use and may have more potential for economic development
 - Need to take care not to put all eggs in one basket, though, because area is so large, Town’s fortunes would rise and fall in tandem if any single business/industry took it all over.
 - Would want to integrate it with the rest of the Town.
 - Also, in the long-term it would be useful to discuss with Woburn the landlocked area west of 93 and north of 128. Investigate some kind of swap with Woburn land farther north on 93 on the east side that can only be accessed through Reading.

- Walkers Brook Crossing (old landfill) - The retail portion in the back is going ahead (Jordan’s, Home Depot). The portion along the street is a mixed retail development. (#4 on map)

- General Way (former Frugal Fannie's) – Approved for mixed retail and a grocery store. Implementation TBA. (#5 on map)
- DPW area – More intense development of some type. (#5 on map)
- Strip mall (REI, Dunkin Donuts) – Good highway access. Self-help organization recently vacated? (#7 on map)
- Home Goods strip mall – Should have a plan for this area in case Home Goods leaves. Is a major auto-oriented node for the north of Town. Should have convenience store/local services. Suggested in previous workshop to link this area to High/Middle school area with walking path. (#8 on map)

Map 10 EO-418 Economic Development Opportunities Map

