

5 Economic Development

GOALS	OBJECTIVES	POLICIES
Maintain a diverse array of independent businesses.	Maintain businesses that serve the daily needs of residents.	Promote and support small business development to serve local residents.
Create mixed-use environments in commercial areas.	Leverage development and redevelopment opportunities to support both retailers and Town housing goals.	Promote mixed-use development and redevelopment at key sites in commercial areas.
Fund an economic development specialist to work more closely with business and institutional property owners.	Ensure dedicated attention to commercial areas and other non-residential development.	Provide funding for an economic development half-time position.
Create a system of regular communication among Town government, the business community, and local institutions.	Leverage opportunities for new public-private-institutional partnerships to provide mutual benefits to all stakeholders.	Support use of staff and committee time to create and sustain Town-business-institution communication links and partnership strategies.
Support and enhance the build out potential of non-residential property.	Increase tax revenue from non-residential property.	Consider increasing allowed density in existing non-residential areas based on a study of potential benefits and adverse impacts.

Findings

- Wellesley is a job center, with 1.3 jobs for every resident in the labor force.
- Wellesley’s labor force is highly educated and employed in high-paying jobs.
- Wellesley’s commercial districts include a diversity of retail and services catering to town and regional residents.
- Over one-third of Wellesley’s labor force works in Wellesley.
- The Town’s economic strengths reflect the growth opportunities for the region as a whole.
- Town-business relationships are generally good, but communication could be enhanced.

Key Challenges

- Retaining a mix of independent retail and services to meet residents’ everyday needs may become difficult if demand for retail space continues to increase and rents are high.
- The potential for future housing development in commercial districts must be effectively balanced with needed retail and services.
- Creating more effective public-private-institutional partnerships may require more support for staff time devoted to economic development issues.

ECONOMIC PROFILE

WHAT DOES IT MEAN?

- Wellesley has somewhat more jobs (17,676) than it has workers (13,532) in the labor force.
- Wellesley residents typically have a much lower unemployment rate than the state average.
- Many Wellesley jobs are in relatively high-wage sectors.
- Wellesley's tax base and financial management are among the strongest in the state as evidenced by its Aaa bond rating and the Town's experience, compared to other communities, in adjusting the budget to a slow economy and reduced local aid.
- As an affluent, "revenue rich" community, Wellesley can afford high quality services, but the demand for services tends to rise faster than available revenues. Revenue increases are limited by Prop 2 1/2, fixed costs are increasing, and preliminary estimates for FY2005 indicate a decrease of 7.5 percent in local aid.

Employment of Wellesley Residents

- 968 residents (7.9 percent of workers) worked at home in 2000.
- 1,362 (10.9 percent of workers) were self-employed in an unincorporated business in 2000.
- 63 percent of the population over 15 was in the labor force, and two-thirds of them had professional and management jobs in 2000.
- 2003 labor force: 13,532 workers
- 2003 unemployment rate: 2.8 percent
- Highest unemployment rate, 1990-2003: 3.5 percent (1991-2)

Businesses and Employees (2003)

- 1,472 employers in Wellesley
- 17,676 jobs in Wellesley
- 19 percent of jobs in finance and insurance
- 16 percent of jobs in educational services
- 11 percent of jobs in retail trade
- 10 percent of jobs in professional and technical services
- 8 percent of jobs in health care and social assistance
- 36 percent of jobs in other sectors
- 2003 average annual wage for Wellesley jobs: \$58,812

Financial Position

- Wellesley is one of only twelve Massachusetts communities with a Moody's bond rating of Aaa, the highest rating possible.
- The Town Office of General Government Services projects that deficits will grow from \$2.6 M (1.6 percent) in FY2005 to \$7.6M (4.1 percent) in FY2008 due to a slow economy, lower state aid, fixed cost increases, and collective bargaining agreements.
- Only self-funded retirement plan in Massachusetts

General Fund Sources (FY2004 Guide):

- 76.1 percent from property taxes
- 11.5 percent from local fees/receipts
- 6.9 percent from state local aid
- 2.5 percent free cash
- 3.0 percent from other sources

Expenditures:

- In FY2000, education absorbed 54.9 percent of all Town expenditures.

Property Taxes

- 87 percent of property taxes are paid by residential property owners.
- 12th highest total property value (EQV) in the state in total dollars; 9th highest per capita.
- Average single-family tax bill: \$7,320—11th highest in the state.
- Commercial/Industrial/Personal Property (C/I/P) declined from 12.6 percent of Assessed Value in FY94 to 10.9 percent due to faster growth in the value of residential property.
- Within levy limits, property taxes will increase for FY2005 by 2.5 percent; value of new growth will be \$775,000, or \$100,000 less than the \$880,000 average of new growth for the last four years.

Sources: Town of Wellesley, Census 2000, Mass DOR, Mass DET, MAPC

A. CURRENT CONDITIONS

When most Wellesley residents think about economic activities in the Town, they focus on Wellesley's village commercial districts. Residents rightly value these neighborhood-based, small-scale shopping areas that contribute so much to Wellesley's livability and identity. Enhancing the Town's commercial areas and making sure that the mix of stores and services continues to include independent businesses that serve local needs are central concerns of town residents, as they have been in every previous Comprehensive Plan.

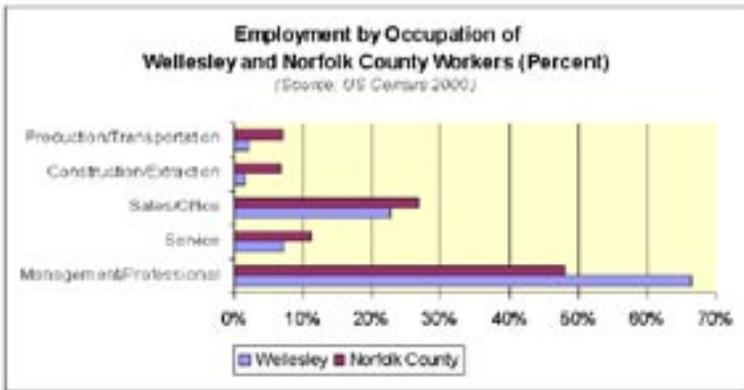
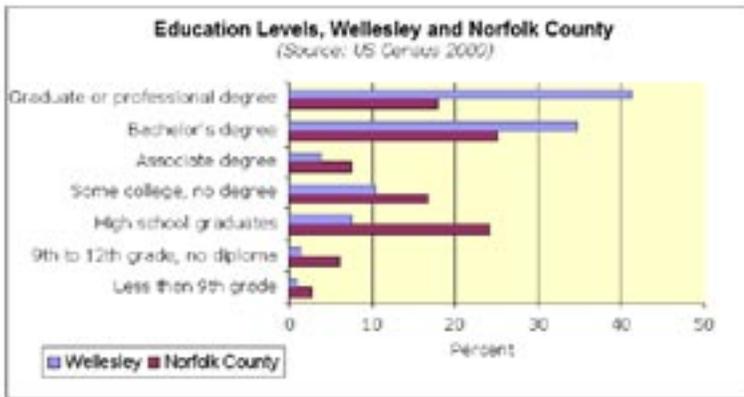
For a primarily residential community, Wellesley is also lucky to have an unusually strong office sector and job base. In addition to the colleges and schools that contribute to a strong local economy, Wellesley's financial services, medical, and technology businesses represent some of the strongest industry clusters in the Boston region. Except for a few isolated office buildings on Route 9, most of the large office buildings in

Wellesley are concentrated in two locations near I-95/Route 128 and have minor impacts on the rest of the town. Although Wellesley residents are not primarily concerned about job creation or increasing the non-residential tax base, these businesses and educational institutions are an important asset to the town.

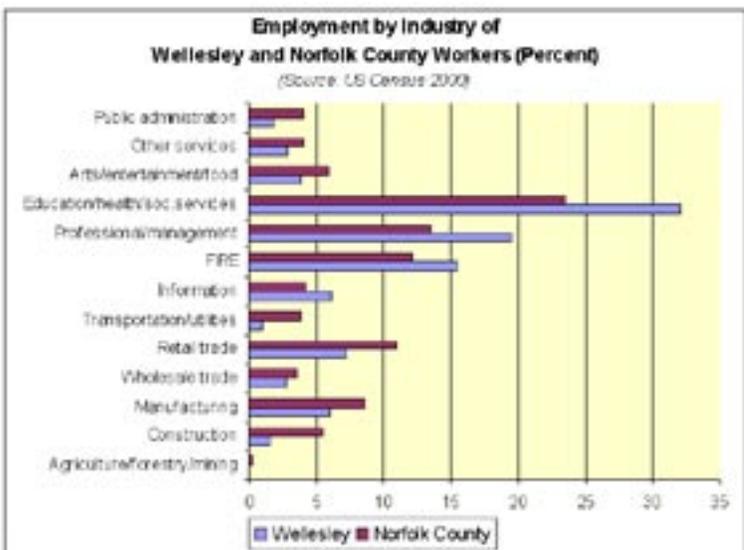
In order to maintain consistency with the 1994 Comprehensive Plan, more recent economic development data are often presented here in comparison with data from Norfolk County, as well as, in some cases, adjacent communities or the state as a whole.

**Wellesley's Labor Force:
Education and Employment**

Wellesley's labor force is highly educated. Nearly 76 percent of residents over age 25 are college graduates, and of those, over 40 percent have graduate degrees. As might be expected, the Town's labor force is overwhelmingly employed in management and professional jobs.



The industry sectors in which most Wellesley workers are employed mirror the kinds of jobs they hold. Sixty-seven percent of the labor force is employed in three sectors: education, health, and social services; professional, scientific, and management services; or finance, insurance, and real estate (FIRE). Those same categories employ 49 percent of Norfolk County's workforce.



UNEMPLOYMENT: WELLESLEY AND MASSACHUSETTS, 1995-2003

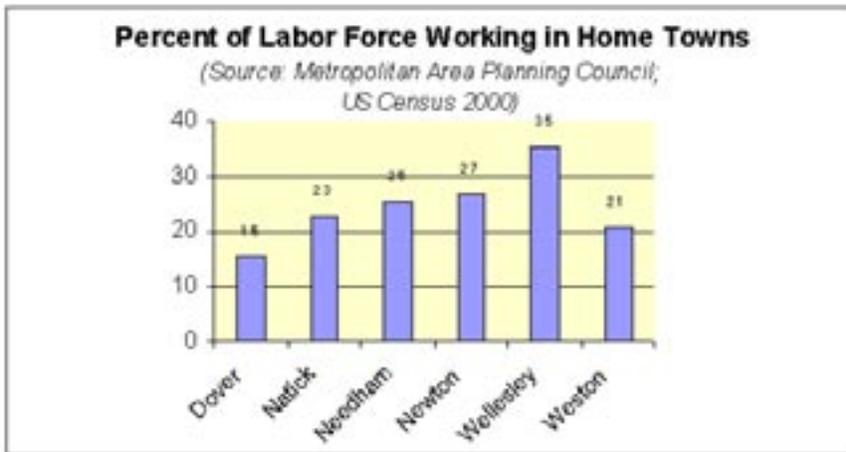
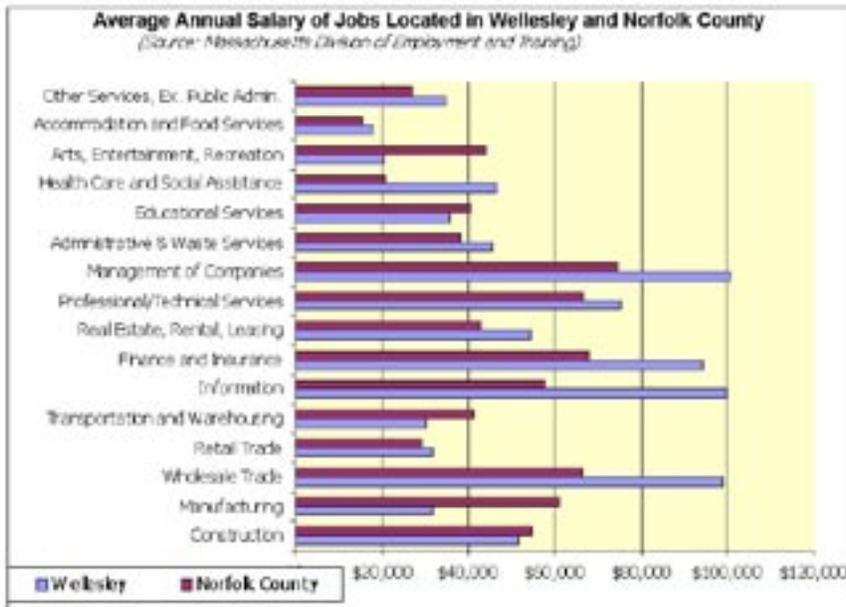
YEAR	LABOR FORCE	EMPLOYED	UNEMPLOYED	TOWN RATE (%)	STATE RATE (%)
2003	13,532	13,158	374	2.8	5.8
2002	13,948	13,515	433	3.1	5.3
2001	13,820	13,545	275	2.0	3.7
2000	13,627	13,470	157	1.2	2.6
1999	14,255	14,038	187	1.3	3.2
1998	14,250	14,054	196	1.4	3.3
1997	14,149	13,948	201	1.4	4.0
1996	13,721	13,515	206	1.5	4.3
1995	13,618	13,299	319	2.3	5.4

Source: MA DET

High education levels and high incomes typically correlate with high employment, and Wellesley residents, along with those in its neighboring communities, generally have significantly lower unemployment rates than the state as a whole. However, the drop in the number of people in the labor force from a recent peak in 1999, as well as a doubling of the low unemployment rate, shows that Wellesley workers are not immune to business cycles.

Jobs in Wellesley

Despite Wellesley's residential identity and character, it is an employment center, with more jobs than there are people in the local labor force. Moreover, unlike many affluent suburbs, where jobs are concentrated in low-wage retail sectors, Wellesley has many well-paying jobs. According to state data, the annual average salary for Wellesley jobs in 2003 was \$58,812, compared to \$46,436 in Norfolk County as a whole. In the same year, over 66 percent of those working in Wellesley were employed in management or professional positions at an average salary of \$100,000.



The relatively large number of professional jobs in Wellesley has made it possible for significant numbers of Wellesley residents to work in town: a surprisingly high 35 percent of Wellesley’s labor force also works in Wellesley. This rate exceeds that found in every one of the adjacent communities, even though some neighbors like Natick and Needham have higher amounts of commercial and industrial space. Of Wellesley’s labor force 16 years and over, 7.9 percent reported to the 2000 Census that they worked at home, while 11.8 percent reported walking to work. These numbers are undoubtedly influenced by patterns of

all other categories. The Town’s retail per capita sales closely approximated the county-wide number, a significant fact when considering the substantial shopping areas in other county communities like Quincy, Wrentham, Walpole, and Canton. This speaks to the contribution that retail has made and continues to make to the Town’s economic well-being. Noteworthy as well—and hardly surprising, given the array of educational institutions and programs located in Wellesley—is that the Town’s per-capita sales of educational services are more than six times greater than the County’s.

residence and employment at the colleges, but cannot be ascribed only to these institutions.

Economic Activity in Wellesley

The U.S. Census Bureau does an Economic Census every five years. Data from 2002 are not yet available at the municipal level, but the 1997 Economic Census for Wellesley shows the Town’s economic strength. Per capita sales of professional, scientific, and technical services exceeded those in Norfolk County by a better than four to one margin. In fact, with the exception of arts, entertainment, and recreation and other services, the Town performed well against the County in

1997 PER CAPITA SALES: WELLESLEY AND NORFOLK COUNTY

	WELLESLEY		NORFOLK COUNTY	
	SALES IN 1997 (X 1000)	PER CAPITA SALES	SALES IN 1997 (X 1000)	PER CAPITA SALES
Wholesale trade	\$893,617	\$33,388	\$21,949,384	\$34,312
Retail trade	\$330,259	\$12,33	\$7,332,919	\$11,463
Real estate & rental & leasing	\$52,144	\$1,948	\$981,599	\$1,534
Professional, scientific, & technical services	\$365,990	\$13,674	\$1,983,823	\$3,101
Administrative & support & waste management	\$109,167	\$4,079	\$1,047,216	\$1,637
Educational services	\$13,200	\$493	\$47,741	\$75
Health care & social assistance	\$97,728	\$3,651	\$1,542,860	\$2,412
Arts, entertainment, & recreation	\$7,575	\$283	\$217,787	\$340
Accommodation & food services	\$36,799	\$1,375	\$804,120	\$1,257
Other services (except public administration)	\$13,902	\$519	\$501,000	\$783

Source: U.S. Economic Census 1997

Wellesley’s educational institutions play an important role in the town—including its economy. There is currently no single source of data available on the economic role in the town of private schools, colleges, and executive education programs. Payments in lieu of taxes (PILOTs), institutional expenditures, and “trickle-down” spending contribute to the local economy in many ways. Demand from Wellesley College students and their parents helps support Wellesley’s Square’s lively mix of shops and restaurants and students from other institutions play similar roles.

Dana Hall School and Babson College have provided data that suggest some of the ways that these institutions benefit Wellesley’s economy:

- Dana Hall has an annual operating budget of \$14 million, and spends \$800,000 on contracted services within Wellesley.
- In 2002-2003 Babson College spent nearly \$5 million in Wellesley, including a \$75,000 PILOT. The school employs 64 Wellesley residents and its 665 full-and part-time employees also patronize local businesses.
- Babson’s Center for Executive Education purchased approximately \$113,000 worth of goods and services from Needham and Wellesley businesses.
- Babson’s 3,300+ students (undergraduate and graduate) spend approximately \$1,420 each on personal expenses, of which half—or \$2.3 million—is estimated to be spent on campus or in town.

Non-Residential Land Uses

Approximately 175 acres in Wellesley are zoned for non-residential land uses, but assessor’s data indicate that 245 acres are in commercial uses, 2.3 acres in industrial uses, and 8.5 acres are in mixed uses. Office buildings account for slightly more than 50 percent of the acreage in non-residential land uses, while retail and eating and drinking establishments account for 17 percent.





With the exception of an increase in the number of office parcels resulting from redevelopment of the MassHighway Depot site, the number of parcels used for different business types has remained stable since 1994. The data also show a reduction in the intervening ten years of the amount of non-residential land considered developable—down from 3.41 acres to .46 acres.

Although small retail and service land uses do not account for a majority of the non-residential area, their contribution to Wellesley’s sense of place is critical. For both residents and visitors, retailing is the most visible sector of the local economy. For residents in particular, maintaining a diverse array of independent retail and service businesses lies at the heart of their understanding of “economic development” in Wellesley.

Business Property and Taxes

Between 2000 and 2004, non-residential property has dropped almost three percentage points as a proportion of the total value of all property in Wellesley. This is not because commercial/ industrial/personal (CIP) property has declined in value. In fact, the total value has increased 19 percent. However, in the same period the assessed value of all residential property rose 59 percent. With the exception of Dover, all of

BUSINESS LAND USES - 2004

BUSINESS LAND USES	No. OF PARCELS	No. OF ACRES
Transient Group Quarters (hotels, motels)	4	3.27
Nursing Homes	2	2.82
Storage Warehouses, Distribution	1	0.41
Retail: Building Materials	2	0.74
Retail: Shopping Centers	3	4.53
Retail: Small Department Stores	1	0.50
Retail: Supermarkets (over 10,000 sf)	1	1.45
Retail: Small Retail/Services (under 10,000 sf)	64	35.20
Eating and Drinking Establishments (stand-alone)	3	1.16
Auto Sales and Service	7	11.64
Auto Supplies and Service	1	0.22
Auto Repair	2	1.33
Gasoline Stations	9	3.32
Fuel Service	1	1.32
Parking Lots	5	2.49
General Office	92	131.68
Bank Office	6	3.98
Medical Office	4	1.59
Public Service Properties	8	6.16
Indoor Recreational Facilities	1	28.45
Developable Land	3	0.46
Potentially Developable Land	1	0.29
Undevelopable Land	1	0.21
Industrial Warehouse	1	0.42
Electric Substation	1	1.52
Telephone Exchange	1	0.41
TOTAL		245.57
Mixed-Use	12	8.46

Source: Wellesley Assessor’s Data 2004

WELLESLEY TOTAL ASSESSED VALUE, 2000-2004

FY	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	PERSONAL PROPERTY	CIP%	TOTAL
2000	\$4,198,292,000	\$588,887,000	\$5,011,000	\$39,364,300	13.1	\$4,831,554,300
2001	4,757,723,000	691,400,000	5,421,000	43,969,500	13.5	5,498,513,500
2002	5,776,391,000	832,118,000	6,096,000	54,259,100	13.4	6,668,864,100
2003	6,406,545,000	721,380,000	5,297,000	56,051,200	10.9	7,189,273,200
2004	6,687,379,000	688,831,000	5,428,000	62,123,900	10.2	7,443,761,900

Source: Massachusetts Department of Revenue

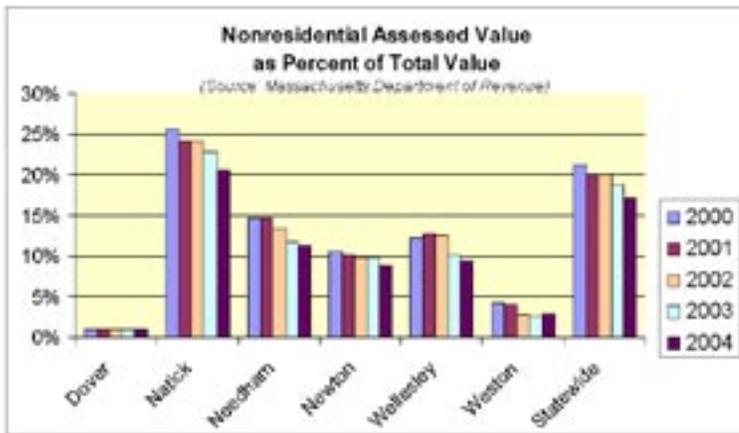
Wellesley’s neighboring towns show evidence of the same dynamic, with a proportional drop in the value of CIP as a percent of the total.

On average, over the last five years business property has paid about 12.2 percent of the Wellesley tax levy, compared to 1.9 percent for Dover; 25.3 percent for Natick; 14.7 percent for Needham; 11.1 percent for Newton; and four percent for Dover. All of these communities have seen the same declining proportion of non-residential values because of skyrocketing residential values.

State law permits municipalities to shift some of the residential tax burden onto business, creating a split tax rate. Few communities with less than a 20 percent non-residential tax base choose to avail themselves of this option. Among the five towns bordering Wellesley, only Needham and Newton have opted for a split rate.

B. BUSINESS AND COMMERCIAL AREAS

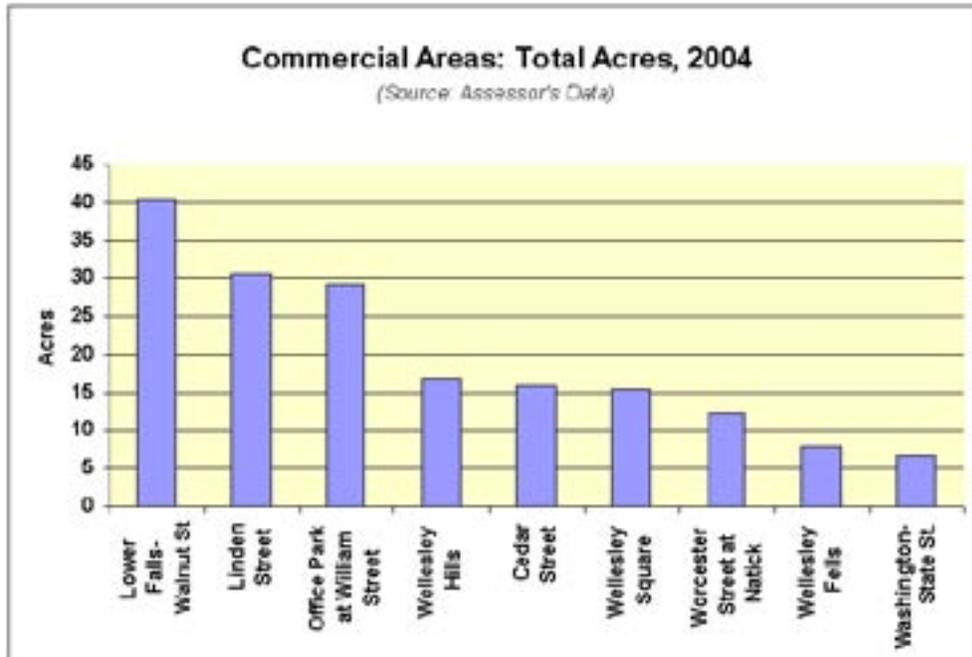
Wellesley’s non-residential areas are primarily located along or near the town’s two major east-west arterial roads, Washington Street (Route 16) and Worcester Street (Route 9). There are three village-style shopping areas: Lower Falls, Wellesley Hills, and Wellesley Square. These are characterized by pedestrian-friendly streetscapes, a preponderance of shops and service businesses with relatively small footprints (ground floor square footage), and a mix of independent and chain stores as well as small offices. Now slated for redevelopment, the Linden Street shopping area is expected to become more pedestrian-friendly in design but will still be somewhat auto-oriented because it will continue to be the site of the town’s largest supermarket. Three other commercial areas—Cedar Street, the Fells, and Washington Street at State Street—are small clusters of disparate retail, service and auto-oriented uses, mostly in older buildings with minimal landscaping or other enhancements.



2004 PROPERTY TAX RATES – WELLESLEY AND ITS NEIGHBORS

	RESIDENTIAL	CIP
Dover	9.0	9.0
Natick	10.2	10.2
Needham	9.5	18.5
Newton	10.2	19.4
Wellesley	8.6	8.6
Weston	9.6	9.6

Source: Massachusetts Department of Revenue



The shopping area on Route 9 at the western town boundary is an extension of the strip commercial development over the line in Natick. Finally, there are office parks on Walnut Street and on Williams Street.

In the 1994 Plan, there was a strong focus on fostering economic vitality in the town's business districts, ensuring the continued prosperity of the commercial villages that serve town residents, enhancing the town's commercial gateways, and planning proactively for the development of commercial sites. One of the 1994 Plan's chief action items called for "a joint Town/Business community study of economic and market trends as they relate to the distinguishing characteristics and market niches of Wellesley's business areas." Then, as now, residents focused on ensuring a continued contribution by the town's business base to Wellesley's overall quality of life.

Since completion of the 1994 Plan, the Planning Board has been implementing the Plan's recommendation to do detailed plans of the town's commercial districts. Five plans have been prepared: Lower Falls/Walnut Street, Wellesley Square,

Wellesley Hills, Linden Street, and Cedar Street. Each of the plans developed a vision, analyzed a broad range of issues including the physical and economic character of each area, management, parking, physical improvements, zoning and permitting and set forth recommended actions. Implementation of the recommendations for three of the plans—Wellesley Square, Lower Falls, and Linden Street—are underway. The recommendations of the Wellesley Hills plan have yet to be taken up and the Cedar Street study remains unfinished because of scheduling conflicts. In addition, Town Meeting allocated funds to conduct a study of the area along Route 9 from Weston Road to the Natick line. This study will begin in the fall of 2006.

Below is a set of summaries on issues and opportunities in each of the major commercial areas in Wellesley, including a brief review of major recommendations from the 1994 Plan and any steps taken toward implementation. The map includes building footprints in orange and zoning districts as follows: red for Business; pink for Business A; and blue for Industrial.

Wellesley Square—15.4 acres, 28 parcels

Wellesley Square offers a successful mix of independent and chain stores in a pedestrian-friendly environment, attracting shoppers from other towns as well as local residents. Although there are some stores that serve the everyday

needs of residents, such as the CVS Pharmacy and some of the clothing stores, many of the stores and restaurants are more upscale. The redevelopment potential of Wellesley Square is constrained by the fact that parcels tend to be rather small and there are many different

property owners, with the exception of three contiguous parcels on the north side of Central Street. More mixed-use development and higher densities would depend on allowing higher heights and creating structured parking. The new owners of the Wellesley Inn propose luxury condos, two affordable units, and retail on the site, which will bring new residents right into the town center.



CHARACTERISTICS	ISSUES	1994 RECOMMENDATIONS	IMPLEMENTATION
Center of town's commercial, cultural, and civic activity Mature, built-up business district	Manage change to ensure quality of shopping, mix of uses, pedestrian scale of activity. Maintain presence of independently-owned businesses.	Design review and historic preservation to improve appearance Re-knit commercial uses in the three sub-districts of Lower and Upper Wellesley Square and Church Street Enhance profitability, mix, market, and vitality emphasizing upscale independent specialty stores and personalized service Review public/private real estate development projects to maximize functioning of Square Formalize role of the Wellesley Square Partnership Make zoning/permitting more user-friendly	Vision Plan and Action Plan FARs greater than .3 as of 3/22/04 allowed if site is redeveloped (including demolition) Inclusionary zoning applicable if Project of Significant Impact is under consideration Planning initiated for Post Office Square

Wellesley Hills—16.9 acres, 32 parcels

For the most part, Wellesley Hills has relatively small parcels and many small shops that continue to be occupied by independent businesses providing services and a variety of goods to town residents. Compared to Wellesley Square, it is more of a neighborhood shopping area with fewer boutique-style businesses. Like Wellesley Square, the opportunities for redevelopment would be at a relatively small scale, even with allowances for additional height, shared parking, and structured or underground parking. Zoning amendments recommended in the Vision and Action Plans have not been implemented. The changes should be pursued because current zoning permits parking lots at the street edge and other kinds of development that are antithetical to the pedestrian-friendly village character of Wellesley Hills.



CHARACTERISTICS	ISSUES	1994 RECOMMENDATIONS	IMPLEMENTATION
Convenience shopping	Traffic congestion and effect on circulation, walkability, and safety	Decked parking over Route 9	Vision Plan and Action Plan created
High value placed on number and variety of independent businesses	Parking constraints	Urban design improvements	Park improvements
Pedestrian-friendly village character	Lack of coherent visual identity	Rezone as mixed-use Village Commercial District	No zoning changes
Compact and human-scaled storefronts	Lack of streetscape greenery	Organize business association	
Important landmarks (Elm Park; Clock Tower)			

Linden Street—30.5 acres, 19 parcels

Eastern Development has purchased the Diehl’s hardware properties and is pursuing redevelopment based on the Linden Street Action Plan. The current proposal is for 280,000 square feet of development, of which 30,000 square feet would be office and the remainder retail, including the relocation of Roche Brothers’ supermarket to the north side of Linden Street. A more pedestrian-friendly character will be created by bringing buildings to the street edge, incorpo-

rating traffic calming elements at the entrance, and improving the pedestrian environment within the development. The closing of Diehl’s Hardware made many residents worry whether Wellesley was losing too many of the locally-owned retail and service businesses oriented to local needs. On the other hand, the aesthetic and functional improvements that will come with redevelopment are welcome.

From the point of view of this Comprehensive Plan, however, the proposed project has an unfortunate flaw—the lack of a significant housing element. (Only seven units—four in new duplex buildings on site and three converted/renovated units—are included in the proposed project.) Residents in Comprehensive Plan public meetings repeatedly identified Linden Street as one of the best places in Town to create more diverse types of housing and more affordable housing. This was evidently less of an issue when the Linden Street Action Plan was created. The original eastern development project proposal included four units. The Town discussed the potential for more housing with the developer, and successfully negotiated the inclusion of three more units.



CHARACTERISTICS	ISSUES	1994 RECOMMENDATIONS	IMPLEMENTATION
Mix of neighborhood-friendly and regional businesses (especially supermarket) and residences	Maintain balance among businesses and residences Enhance appearance of the street; improve pedestrian experience and safety Provide more long-term parking Enhance the street’s residential areas Tie Linden Street to Wellesley Square	Revitalization of commercial area Improved pedestrian environment Greater variety of commercial uses	Vision Plan and Action Plan process consolidated into two phases (rather than three as in other studies) in order to accommodate planned street reconfiguration Eastern Development aiming to follow 2002 Master Plan via retail and office mixed-use project

Lower Falls and Walnut Street—40.3 acres total, 41 parcels

In response to the 1996 “Wellesley Lower Falls Zoning, Urban Design and Landscape Guidelines,” the Town created a set of zoning incentives for the area that were intended to attract redevelopment that would enhance Lower Falls’ role as a major gateway to Wellesley. With permitting underway for the first such project, new development has nevertheless been occurring at a slow pace. Twenty-seven Washington Street (the Grossman’s site) has been in litigation for years. The Town would like housing to be included in any redevelopment of the site, even if a supermarket is ultimately part of the project.

Although it is generally discussed with Lower Falls as if the two areas were closely linked, Walnut Street is a district of office buildings, which, with adjacent River Street buildings, occupies 18.9 acres.

This office park character is quite distinct from the pedestrian-friendly, village mixed-use district that is the goal for Lower Falls.

A significant number of the parcels in Lower Falls/Walnut Street are owned by a single property owner. This is one condition that provides the potential for easier redevelopment in the future.



CHARACTERISTICS	ISSUES	1994 RECOMMENDATIONS	IMPLEMENTATION
Regional location struggling to maintain functions and small-scale character of a village center	Difficult to redevelop because of zoning and off-street parking constraints	Maintain village character	Plan with Design Guidelines
Mix of religious and civic gathering places	High traffic volumes	Improve appearance with attractive storefronts and landscaping	Creation of Lower Falls Village Commercial District (and Residential Incentive Overlay District)
Architectural variety worth preserving in redevelopment	Pedestrian-unfriendly	Improve traffic and parking conditions	FAR above .3, but not to exceed 1.0, subject to special permit
	Underserved with parking	Enhance access to Charles River	Design and development guidelines
		Strengthen Lower Falls as eastern gateway	

Natick Line—Western Gateway—12.3 acres, 17 parcels

Wellesley’s western gateway on Route 9 is a continuation of the strip commercial development over the town boundary in Natick. If it were not for the sign at the town boundary, there would be no distinction between the two areas. Car dealerships and other businesses typical of commercial strips are located here. Despite these conditions, there are some underutilized properties that could be redeveloped to include housing as well as retail. An overlay district to promote better design of street frontage could help transform the aesthetic character of this area over time as properties redevelop. Ten years ago, the towns of Framingham and Natick jointly established a highway overlay district for Route 9 that has been very successful in promoting improvements in landscaping, building design, reduction of curb cuts and improvements in circulation, and other benefits.

The Fells—8.0 acres, 7 parcels

The Fells commercial area is very small and at two different elevations. On the south side of Route 9, a gas station and a commercial building with several retail businesses and parking in front are located at a much higher elevations than the remainder of the district, which is composed of several one-story concrete buildings with a variety of small businesses.



Cedar Street—15.9 acres, 16 parcels

The Cedar Street commercial area on Route 9 consists of a variety of land uses, including office buildings, car dealerships, gas stations, day care facilities, and a restaurant. The buildings are older; the building designs bear little relationship to one another; there is relatively little landscaping; and the area is not pedestrian-oriented. Although this constitutes a node of business uses, the changes of elevation in the district combined with the traffic-intensive barriers of Route 9 and Cedar Street create three small commercial clusters rather than a cohesive district.



**Route 128 (I-95) and Route 9
Interchange—Office Park—29.2 acres, 8
parcels**

A successful office park is located here, where there are virtually no traffic or other impacts on the Town's residential neighborhoods.

C. ECONOMIC DEVELOPMENT RECOMMENDATIONS

Wellesley's village commercial districts are a critical element of its livability and identity, but all the retail areas serve important functions. Residents are concerned that too many chain stores may replace the Town's independent retailers and they want to retain merchants that serve residents' daily needs, such as supermarkets.

Continue the commercial district planning and implementation process begun in the 1990s to encompass all the commercial areas.

Wellesley implemented the recommendation of the 1994 Comprehensive Plan to prepare district plans for the Town's commercial villages. These plans have proven their value to the Town. For example, the new development proposal for the Linden Street commercial area was strongly influenced by the plan, which helped the new owners understand what the Wellesley community wanted to see at that site. Some of the older plans should be reviewed to see if zoning incentives or other aspects need adjustment, and plans for the districts as yet unstudied should be undertaken.

ACTIONS

Review the Lower Falls Village Commercial District guidelines and zoning for a possible increase in incentives for mixed-use redevelopment—housing as well as retail—and for enhancements, including the Grossman's site and access to the River.

Amend zoning in Wellesley Hills Square to ensure that any redevelopment proposals will conform to the principles of the Wellesley Hills Square plan.

Create a plan for the Natick Line commercial area. The strip commercial character of the area is unlike most other Wellesley commercial districts: of the 17 parcels in the commercial area, three remain unbuilt; of the remainder, approximately 100,000 square feet of commercial space has been built on 535,00 square feet of land. There are opportunities to shape development over time by creating an overlay district that would provide incentives for redevelopment that meet town goals. As the Town's western "anchor," the Natick Line offers the opportunity for new development in support of Wellesley's economic mix.

Complete or create plans for the small commercial areas of Wellesley, such as Cedar Street and the Fells, so that their function and appearance improve over time. Planning for the commercial cluster at State Street and Washington Street is also needed because this older development may become attractive for redevelopment.

Encourage housing development as part of a mixed-use strategy for commercial districts in order to support demand for a diverse mix of retail and services.

A robust mix of retail and services provided by independent businesses, regional chains, and national chains presupposes a strong consumer market. Some of Wellesley's commercial districts attract shoppers from neighboring towns. One of the best ways to support a market for pedestrian-friendly commercial areas is to provide a mix of denser housing—town houses, condominiums or apartments—within walking distance of retail areas. Residential development supports retail areas far better than office development. The sales volume potential of residents is three times that of office workers.

ACTIONS

Plan and take the initiative to attract housing development in commercial districts where development potential exists. Chapter 6 includes conceptual drawings and a more detailed discussion of this potential at several sites.

Provide Town funding to support staff time for economic development activities.

Active support of Wellesley's business community and to attract desired businesses takes considerable time and effort. Wellesley's excellent planning staff already has many responsibilities.

ACTION

Consider creating a half-time Economic Development Specialist position in the Planning Department. An economic development specialist can work closely with merchants and other businesses so that the Town can take action, if desired, to retain or attract businesses that meet the Town's goals.

Create a system of regular communication among Town government, the business community, and local institutions in support of the Town's economic goals.

Although relationships between the business community and the Town and the institutions and the Town are generally quite good, a more systematic communication process can provide a framework to make sure that each group is kept informed of the future plans of others. These discussions might benefit the Town in other ways: for example, in laying the groundwork for potential collaboration with the colleges on transportation issues.

ACTIONS

Enhance Town-business contacts for public-private partnerships. Institutionalize communications to ensure a high degree of responsiveness to changes in the local and regional economic



environments, both retail and corporate, and to local issues affecting Town's economic health (*e.g.*, parking). The Town could convene joint meetings in the way most useful for the parties involved: quarterly or semi-annually on a staff basis; an annual meeting between the Planning Board and business and institutional interests; or an annual meeting with the Board of Selectmen, the Planning Board and those interests. Among the groups that should be consulted about their views on how best to promote better communications are the Wellesley Square Partnership, the Wellesley Chamber of Commerce, the Wellesley Square Merchants Association, educational institutions, and other key stakeholders in commercial areas. The agenda and activities of Town-business partnerships and Town-institutional partnerships would derive from the action items included in the commercial district plans and the Comprehensive Plan.



Consider developing a Wellesley Retail Action Plan (WRAP) to create/coordinate implementation of retail strategy. This would require additional Town staff time. Elements of the strategy for each commercial district might include:

- Identification of major themes
- Development of marketing positioning statements
- Monitoring of lease expirations
- Design guidelines and retail attraction/development strategies
- Work with property owners on mixed-use strategies for redevelopment, where appropriate
- Identification of any regulatory changes that might be needed to meet Town goals for the districts.

Support and enhance the buildout potential of non-residential property for the purpose of increasing the Town’s tax revenue.

Wellesley has a substantial number of office buildings that contribute to the Town’s tax base without significant impacts on residential neigh-

borhoods. It may be possible to increase Town tax revenue somewhat through allowing more development capacity in office areas or through a split tax rate. Wellesley would not gain large amounts of new tax revenue, but the difference could potentially be significant enough to avoid override votes from time to time.

ACTIONS

Study the potential impact of allowing additional development capacity in Wellesley’s office parks.

The Town should study the potential for enhancing the development capacity of office properties (for example, additional height) where more development would not have a detrimental effect on neighborhoods. In those cases, allowing more development could encourage redevelopment over the long term.

Study the benefits and costs of establishing a split tax rate.

State law permits shifting the tax burden from residential to nonresidential land uses, subject to certain requirements. A split tax rate is more common among cities and towns that receive a greater percent of their revenue from non-residential land than Wellesley. The way the system works is as follows:

- A split rate does not change the total amount of taxes levied; it just determines the share to be paid by the different property classes.
- The non-residential share can be increased only up to 50 percent more than what it would be under a single tax rate.
- The residential share must be at least 65 percent of the single tax level share.