



Economic Development

Although most Wellesley residents think of the commercial villages as the focus of the town's economic development, Wellesley is also an employment center. In addition to the colleges, there is major office development at the eastern end of the town near I-95. Commercial development benefits the Town by generating tax revenues yet not requiring many of the services residents expect, such as the public schools. Residents ideally want the commercial villages to be occupied by independent businesses that can meet their needs. There is also a desire for more gathering places, including family-friendly cafes and restaurants, and some residents think the alcohol rules in Wellesley are out of date. High rents for Wellesley storefronts can attract real estate offices and banks that many residents feel do not serve local needs or contribute to the vibrancy of the commercial villages.

The Town of Wellesley's approach to economic development has traditionally been hands-off, perhaps only reacting when symptoms of a larger problem have grown more visible. There is no staff with direct responsibility for economic development. Staff of the Selectmen's Office and Planning Department work with merchant groups on an ad hoc basis. Temporary committees are formed in retail downturns when empty storefronts proliferate and are disbanded when the storefronts gain tenants. There is no recruitment of desired businesses. The Town pays little attention to the office parks and office buildings, most of which were built decades ago. The 2007 Comprehensive Plan recommended that

Wellesley hire a part-time or full-time economic development staff person to work with retailers and the non-retail businesses. This plan reiterates that recommendation.

Wellesley is very lucky to have its traditional commercial villages, as well as two grocery stores and other clusters of retail, but Wellesley residents cannot assume that traditional retailing will continue as usual. Retail all over the country is going through complex transformations—online shopping; excess capacity; and consumers’ shifting their spending from things to experiences, such as dining and travel. In 2016, Americans spent more money in restaurants and bars than they did in grocery stores.¹ Storefront rents in Wellesley are high, which can make it difficult for independent retailers to enter the market. Commercial districts in many Massachusetts towns and cities have found success with cooperative management and events, “buy local” campaigns, incentives to support independent retailers, and more “experiential” shopping. This requires somebody to manage the retail sphere. A successful model that has been used around the country is Main Street America’s approach to revitalizing commercial districts, which could be modified for Wellesley.



Main Street America approach to keeping commercial districts healthy, from www.mainstreet.org/mainstreetamerica/theapproach

The office districts provide different kinds of opportunities for Wellesley. Most of the office construction dates from the 1980s, though some buildings have been renovated. The proximity of I-95/128 makes the locations very attractive and also limits the impact of these developments on Wellesley’s traditional residential neighborhoods. The office buildings attract tenants today because of the location. New office development along I-95 in neighboring communities is increasing competition for tenants. By changing the zoning to allow more density and multifamily development, along with appropriate design guidelines, the Town will benefit over time from more tax revenue as redevelopment occurs.

Supporting town government concepts

The Unified Plan’s emphasis on making town government more customer-centric, data-driven, and strategic, and transparent is reflected in several of this chapter’s policies and strategies: creation of a database of Wellesley businesses; organized liaison with businesses; proactive rather than reactive approach.

¹ Derek Thompson, “What in the World Is Causing the Retail Meltdown of 2017?,” *The Atlantic*, (April 10, 2017), <https://www.theatlantic.com/business/archive/2017/04/retail-meltdown-of-2017/522384/>

A. Economic Development in the Vision and Values



VISION

In 2040... Wellesley is a town recognized for its dynamic and thriving business community...



VALUES

- **Business-Friendly:** Support existing and new businesses in commercial areas that complement and enhance our community, while protecting quality of life and environmental resources.
- **Collaboration:** Leverage resources and expertise of local private businesses and institutions, as well as neighboring towns and regional agencies, to achieve mutual goals.
- **Town Character:** Establish policies, practices, and criteria for the preservation of the character of the town’s residential neighborhoods, commercial centers, and open spaces.

B. Goals And Policies

GOALS	POLICIES FOR DECISION MAKERS
<i>Wellesley commercial villages have a diverse array of independent businesses and retain their small-business, walkable character</i>	<ul style="list-style-type: none"> • Promote and support small business development to serve residents and visitors.
<i>Wellesley commercial areas have a mixture of uses.</i>	<ul style="list-style-type: none"> • Promote mixed-use development and redevelopment at key sites in commercial areas.
<i>An economic development staff member actively advances Town economic development goals by working with retail, service, office and institutional groups and businesses.</i>	<ul style="list-style-type: none"> • Consider establishing an economic development position, either full- or half-time.
<i>Wellesley’s office districts have new zoning to support redevelopment to increase tax revenue potential and meet other town goals.</i>	<ul style="list-style-type: none"> • Support rezoning of single-use office districts.



C. Findings And Challenges

Findings

- Wellesley is an employment center as well as a bedroom community, with most jobs in the Wellesley Office Park, the town's colleges, and the commercial village districts.
- More people are employed in the education, insurance, health care, and professional services sectors than in retail. The biggest private employers are Sun Life Assurance and Wellesley College.
- A substantial minority of the Wellesley labor force works in town. In 2000, MAPC data showed home-town employment as 35%. More recent data based on the percentage of the labor force that works at home or walks to work, suggest that this relatively high percentage employed in Wellesley continues to be the case.
- As is the case in many affluent communities, the commercial villages tend to attract upscale stores and some chain retail because store rents tend to be high, which is related to high real estate values in the town. High rents can be a barrier to entry for new independent retailers
- Some residents find it more difficult to do simple errands for daily life in the villages without having to drive.
- The biggest business sectors in Wellesley are educational services, finance and insurance, healthcare and social assistance, and professional, scientific and tech services. Together these types of businesses provided 64% of the 16,710 jobs in Wellesley as of September 2016.

- Wellesley has three traditional commercial/retail villages: Wellesley Square, Wellesley Hills, and Lower Falls. In addition, Linden Square, and the Fells area on Weston Road offer retail shopping.
- Nineteen percent of Wellesley's retail establishments are eating and drinking places like restaurants, 18% are home furnishing stores and 13% sell apparel and accessories.
- Primary centers of employment in Wellesley include the three colleges, the office parks at Walnut Street and William Street (across I-95/Rt 128) and the retail centers like Wellesley Square and Linden Square.
- Employed Wellesley residents tend to work in knowledge-worker positions in education, health care, professional services, finance, and management. Wellesley residents typically have a lower unemployment rate than the state average: 2.5% in Wellesley compared to 2.7% in Massachusetts in late 2016, according to the Massachusetts Department of Labor and Workforce Development.



- Keeping a local retail and business mix in the commercial villages that is also responsive to changes in the marketplace.
- Keeping retail that supplies daily needs in the commercial villages.
- Attracting desired retail when storefronts become empty.
- Maximizing the benefit to the town of the office park properties.
- Redeveloping older office properties.
- Creating mixed-use opportunities for both commercial and housing benefits.

D. What The Community Said

Themes

- Right mix of resident-serving businesses in commercial villages
- More gathering places like restaurants and cafes—focusing on “experience” retail and services
- Need for an arts/performance space as an anchor

Comments from focus groups and interviews

“Maintain the charm of downtown....love places to gather like restaurants with outdoor seating.”

“There’s a function that retail plays in building community.”

“Make sure we are replacing [retail] vacancies with the right stores....We need to coordinate more with landlords.”

“We could become a destination for retail...a performance space would anchor businesses for the evening.”

“The tax burden on single story commercial buildings is nearing Boston levels....Single story buildings [need to] increase in height to 3-4 stories.”

“The Town should facilitate redevelopment of the office park with infrastructure and zoning.The offices are aging and need renovation. Local people go there to set up offices.”

Workshop

- Economic development is very important to Wellesley—for quality of schools and services
- Retain the character of commercial centers
- Bring business development to the Rte. 128 area
- Parking is essential—consider upper deck parking.
- The majority of participants agreed that the Town should be more proactive about economic development and have a staff person with responsibility for it.

Business survey

A business survey was sent to business groups and owners. There were 48 responses, of which 45% were located in Wellesley Square, 60% had been in Wellesley ten or more years, and 53% were Wellesley residents.

- Best thing about having a business in Wellesley:

- › Location, convenience, amenities
- › Living and working locally
- › Access to affluent customers and their support for local business
- › Downtown area still has character
- › “The community. The businesses are finding it difficult to remain in business with the competition from the Internet. We need to make the business areas more friendly and accessible.”

- Biggest challenges:

- › High rents
- › Lack of parking
- › “Parking, traffic, inability to apply for permits electronically, and having to deal with myriad departments without a single point of contact, and not having a single person...who can coordinate and make decisions.”
- › “Summers—with so many people going away, July & August are tough”
- › “The profound change in shopping habits of the American consumer. Everyday more consumers shop online, and by aggressively handing out parking tickets the town is scaring away the few remaining customers who shop in brick & mortar stores.”

WHAT IS A BUSINESS IMPROVEMENT DISTRICT (BID)?

- BIDs are authorized by M.G.L. Chapter 400.
- A contiguous geographic area in which at least 75% of the land is zoned or used for commercial, retail, industrial, or mixed uses.
- Established through a local petition, representing at least 60% of property owners and at least 51% of assessed valuation, and public hearing process.
- Delineation of boundaries
- Proposed improvement plan and budget
- Assessment/fee structure.
- Rights and powers include retaining or recruiting business; promoting economic development; managing parking; and leasing, owning, acquiring, or optioning real property.

http://www.mass.gov/envir/smart_growth_toolkit/pages/mod-bid.html

E. STRATEGIES AND ACTIONS TO ACHIEVE THE GOALS

GOAL 1: WELLESLEY COMMERCIAL VILLAGES HAVE A DIVERSE ARRAY OF INDEPENDENT BUSINESSES.

Policy

- Promote and support small business development to serve residents and visitors.

STRATEGIES

- A. Support merchants’ associations and the Chamber of Commerce to support retail in the commercial districts.**

ACTIONS	WHEN	WHO
<i>i. Help organize merchants’ associations in retail villages other than Wellesley Square or the development of a town-wide merchants’ association encompassing all retail areas.</i>	2022-2028	Selectmen’s Office; Planning Department; Economic Development staff
<i>ii. Assist these groups in programming events for retail areas.</i>	2022-2028	Selectmen’s Office; Planning Department; Economic Development staff
<i>iii. Consider establishing a Business Improvement District to help fund management of retail areas.</i> Because the Wellesley retail areas are relatively small, it might be possible to create a set of linked BIDs with the same manager to include all commercial villages and retail areas.	2022-2028	Selectmen’s Office; Planning Department; Economic Development staff
<i>iv. Create bike and pedestrian facilities to promote access and work with property owners and businesses to improve parking management.</i>	2018-2022	Mobility Committee; DPW
<i>v. Implement the Wellesley Square Wayfinding and Branding Project by installing signage. http://wellesleyma.gov/963/Wellesley-Square-Wayfinding-and-Branding</i>	2018-2022	Planning Department; DPW
<i>vi. Expand wayfinding signage to other commercial areas of Town [Lower Falls, Wellesley Hills, Linden Square, Fells]</i>		

B. Recruit desired business types to empty storefronts.

ACTIONS	WHEN	WHO
<i>i. Work to recruit restaurants, cafes, and other “gathering places” or “experience” businesses to the commercial villages by creating relationships with restaurant brokers.</i>	2018-2022	Economic Development staff
<i>ii. Provide incentives, such as tax abatements or rental assistance for limited periods for desired independent business types to locate in the commercial villages.</i> High rents in Wellesley can be a barrier to small businesses starting out. Incentives for a limited period, such as payment of a percentage of rent for two years, could help new independent businesses establish themselves and prove they have a market.	2022-2028	Board of Selectmen; Town Meeting; Economic development staff
<i>iii. Review alcohol service and common victualer regulations and modify them, if needed, to attract desired businesses.</i> Rather than focusing primarily on parking and traffic, address common victualer issues under zoning.	2022-2028	Economic development staff; Board of Selectmen; Town Meeting

GOAL 2: WELLESLEY COMMERCIAL AREAS HAVE A MIXTURE OF USES.

Policy

- Promote mixed-use development and redevelopment at key sites in commercial areas.

STRATEGIES

- A. Provide for zoning amendments and identify other changes to encourage mixed-use development, particularly housing, in commercial areas.**

ACTIONS	WHEN	WHO
<i>i. Explore the potential of “friendly 40B” mixed-income development in commercial areas.</i>	2018-2022	Planning Board
<i>ii. Study the potential of allowing sufficient height and density in commercial villages to attract interest in redevelopment that includes upper-story housing, connectivity and parking solutions.</i>	2018-2022	Planning Board
<i>iii. Amend the zoning bylaws and provide design guidelines for mixed-use development to avoid adverse impacts on nearby neighborhoods.</i>	2018-2022	Planning Board
<i>iv. Consult with commercial property owners in developing regulations and frameworks for mixed-use development.</i>	2018-2022	Planning Board

ECONOMIC DEVELOPMENT IN NEARBY NEEDHAM

The Town added a full-time economic development director in 2007. Responsibilities include:

- Staffs economic development committees
- Serves as economic development liaison to local, state and federal agencies and groups that offer programs that enhance municipal economic development
- Provides assistance and support to local businesses when they interact with town departments

- Coordinates and communicates activities of various business and economic development groups in town
- Provides limited staff support to these groups where needed
- Works with Town departments to streamline permitting or make changes to the regulatory environment if they are acting as barriers to appropriate business development
- Maintains a real estate and business data base
- Researches economic trends and targets appropriate industries and land uses

GOAL 3: AN ECONOMIC DEVELOPMENT STAFF MEMBER ACTIVELY ADVANCES TOWN ECONOMIC DEVELOPMENT GOALS BY WORKING WITH RETAIL, SERVICE, OFFICE AND INSTITUTIONAL GROUPS AND BUSINESSES.

Policy

- Consider an economic development full- or half-time position.

STRATEGIES

A. Invest in proactive economic development by creating an economic development policy group and identifying a staff person.

As is the case with mobility (see Chapter 10), economic development is intertwined with the

responsibilities of a variety of existing Town boards, commissions, and departments. The activities of an economic development staffer could include:

- Developing a database of businesses in town
- Maintaining regular communication/ liaison with business owners and property owners
- Providing permitting assistance for businesses
- Working on commercial village programming with merchants
- Recruiting desired business types or opportunities (e.g., coworking space, cafes, family-friendly restaurants)
- Leading an area and market study for upzoning/rezoning office districts

ACTIONS	WHEN	WHO
i. <i>Create an Economic Development Policy Committee under the Board of Selectmen to guide economic development activities.</i> The Committee should include representatives from the Board of Selectmen, Planning Board, Board of Public Works, and departmental staff.	2018-2022	Board of Selectmen
iii. <i>Hire an economic development specialist.</i> The Town may wish to begin with a half-time position and then evaluate the need for a full-time position.	2018-2022	Board of Selectmen



GOAL 4: SUPPORT AND ENHANCE THE BUILD-OUT POTENTIAL OF NON-RESIDENTIAL PROPERTY TO INCREASE TAX REVENUE POTENTIAL AND MEET OTHER TOWN GOALS.

Policy

- Support additional allowed density in existing non-residential areas based on a study of potential benefits and adverse impacts.

STRATEGIES

A. Study options and take steps to upzone/rezone office districts

ACTIONS	WHEN	WHO
<i>i. Commission a study on the redevelopment of Wellesley's office districts.</i> Consult with property owners and tenants and include the potential for multifamily residential and service retail in the office districts, as well as appropriate environmental protections.	2018-2022	Planning Board; Economic Development Policy Committee
<i>ii. Prepare a market study and area plan.</i> Include considerations of transportation, parking, height and density, design and landscape, and infrastructure needs.	2018-2022	Planning Department; Economic Development staff person
<i>iii. Consider creating a TIF district to finance any needed infrastructure and/or public realm (streetscape and open space) improvements.</i> Tax-increment financing (TIF) is a redevelopment tool that allows for the increased value after redevelopment to be captured for public improvements in the redevelopment area. See MGL c.40, sec 59.	2022-2028	Planning Department; Planning Department; Economic Development staff person
<i>iv. Amend the zoning bylaw and other regulations to create the regulatory framework to allow redevelopment.</i> Require or provide incentives for “green” approaches to stormwater management, transportation, parking, and resource efficiency in order to make the redevelopment a model of sustainable development.	2018-2022	Planning Board