

Saugus: A Look at Demographics, Housing, and Economic Development

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Dukakis Center for Urban & Regional Policy

Northeastern University
School of Public Policy & Urban Affairs
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A “Think and Do” Tank

Saugus's Demographic Portrait

Saugus Population 2010

Total population	26,628	100%
Median age (years)	43.9	
18 years and younger	5,653	21%
21 years and over	20,705	78%
65 years and over	4,644	17%

At present, Saugus has a young population with more than 1/5 of its population under age 19; only 17% are age 65 or older

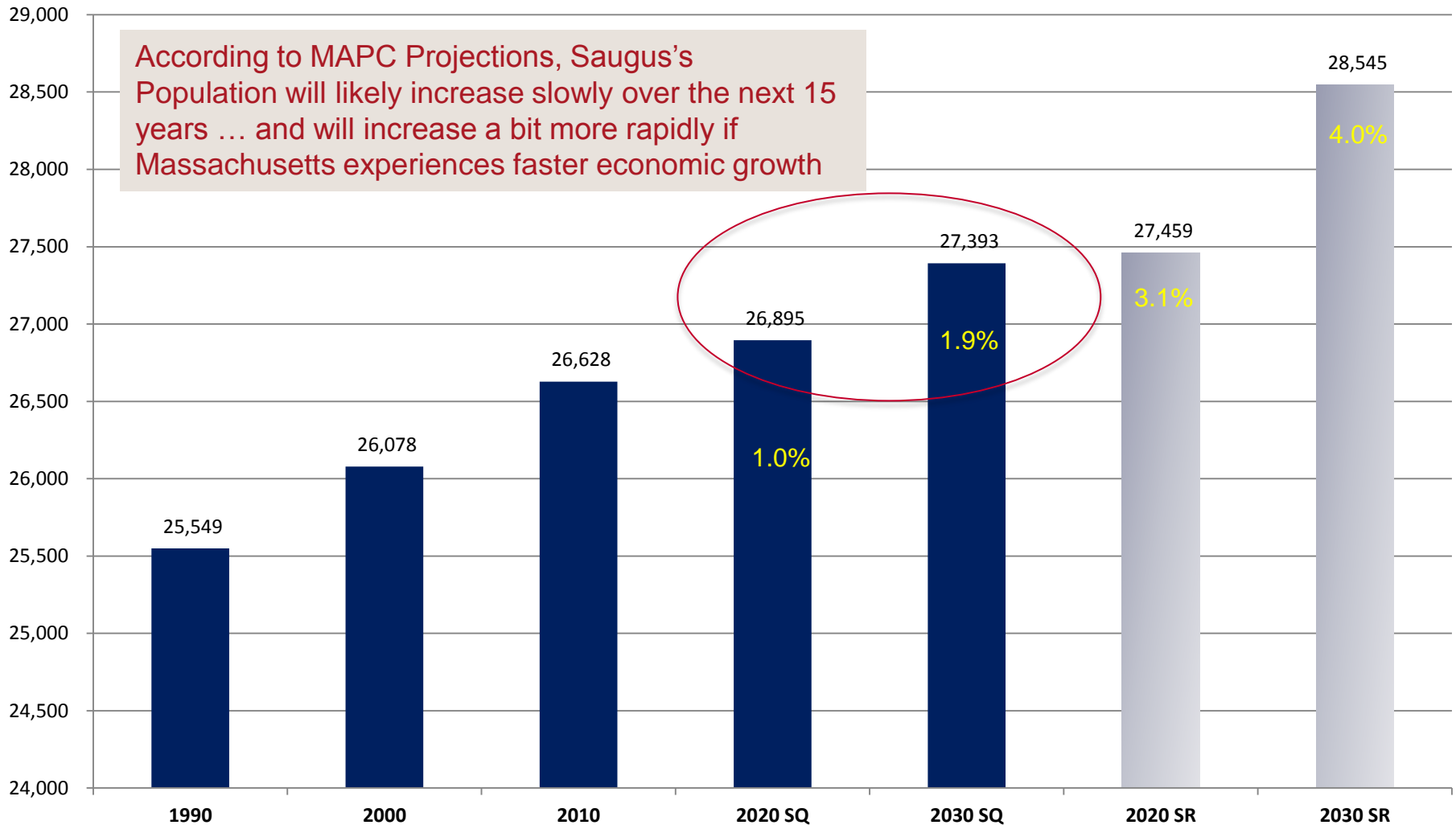
Saugus: 2010 Census Data

HOUSEHOLDS BY TYPE	Number	Percent
Total households	10,318	100%
Family households (families)	7,144	69%
With own children under 18 years	2,625	25%
Nonfamily households	3,174	31%
Householder living alone	2,661	26%
Male	1,007	10%
65 years and over	335	3%
Female	1,654	16%
65 years and over	869	8%

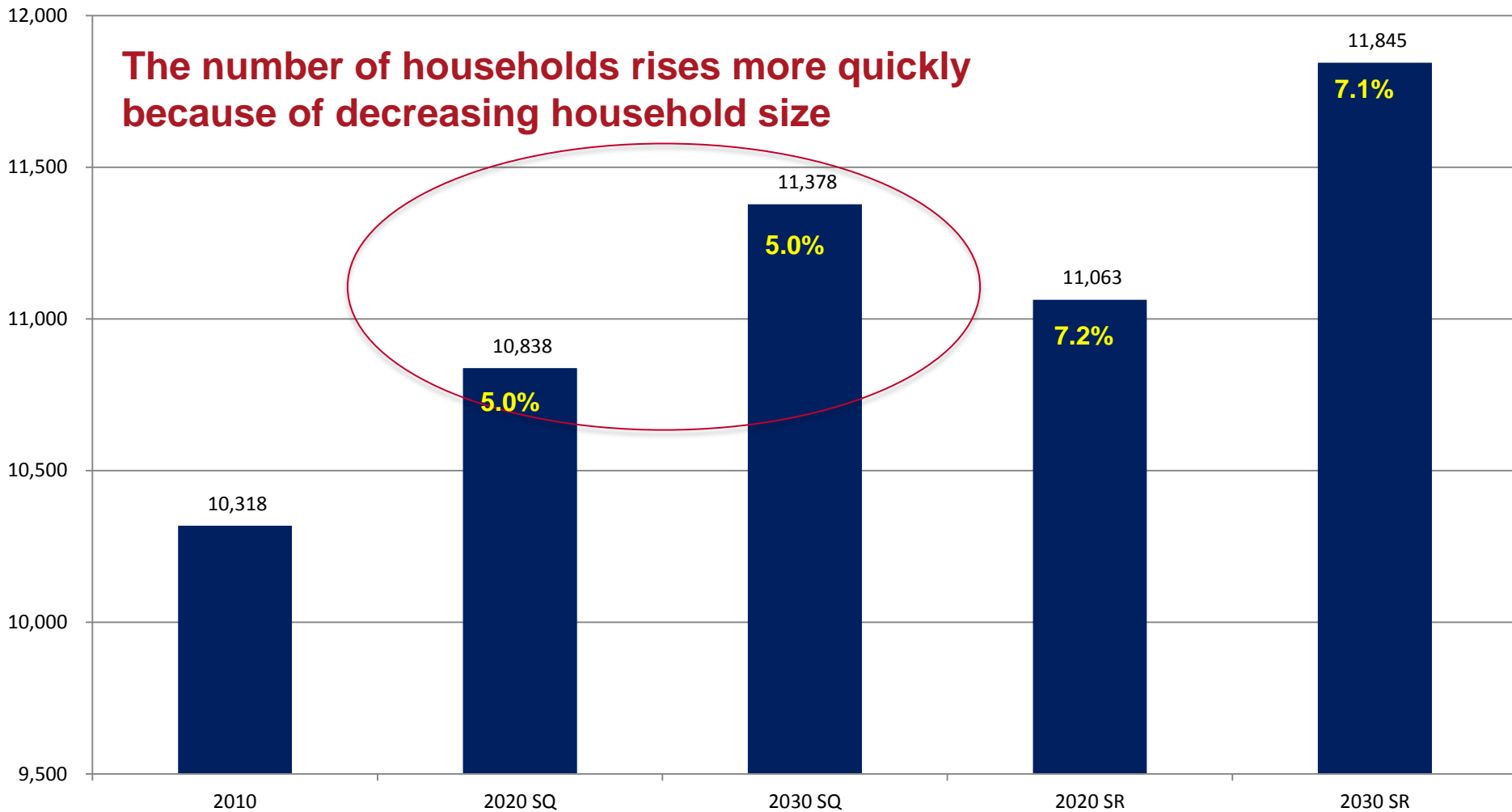
One quarter of Saugus households are families with children; but even today more than **1/4 of housing units have a householder living alone**

A Look at Saugus's Demographic Future

Town of Saugus Population Growth 1990 -2030 Status Quo vs. Stronger Region Projections

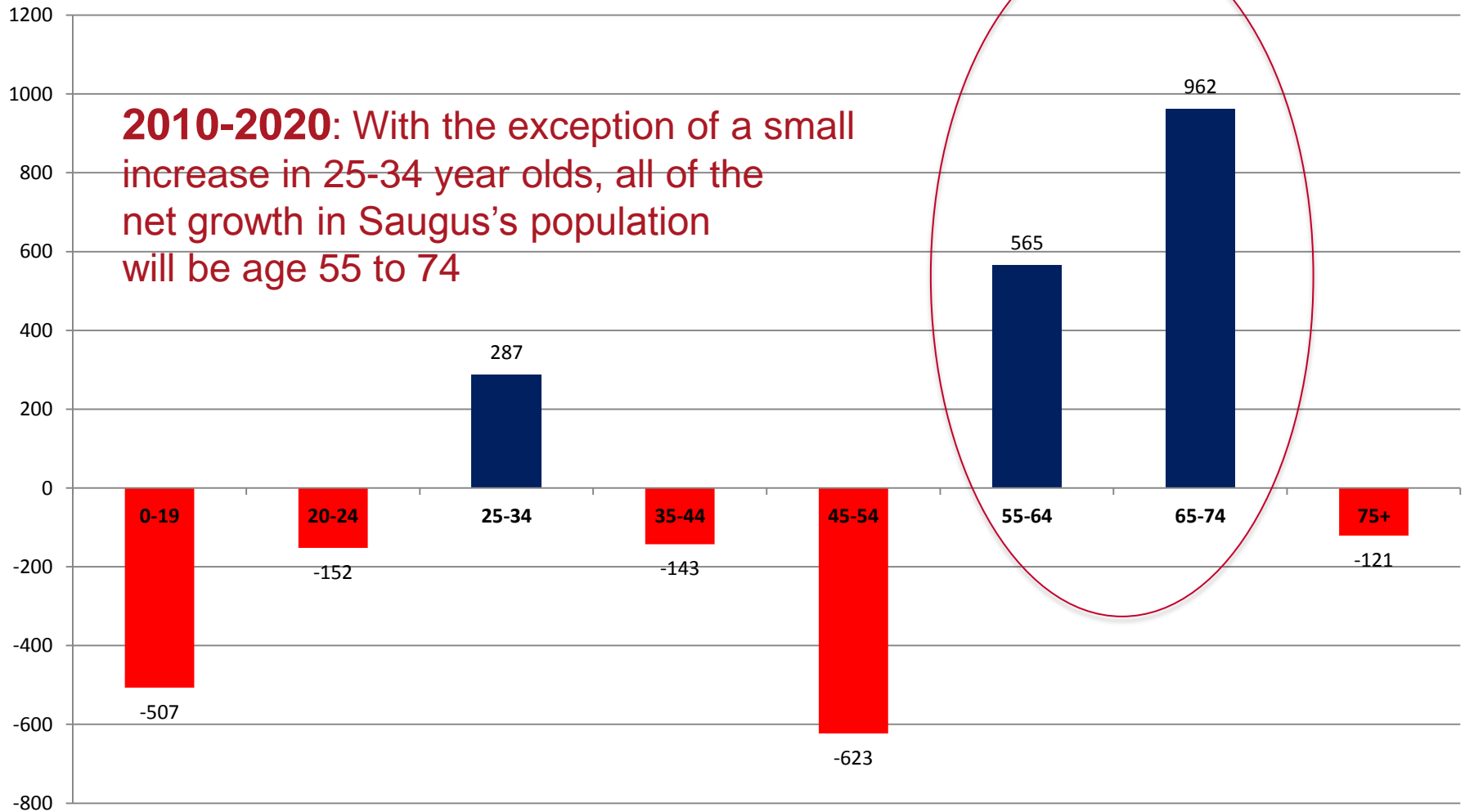


**Town of Saugus
Projected Household Growth 2010-2030
Status Quo vs. Stronger Region Projection**



Town of Saugus
Projected Population Change
2010-2020

Status Quo Projections

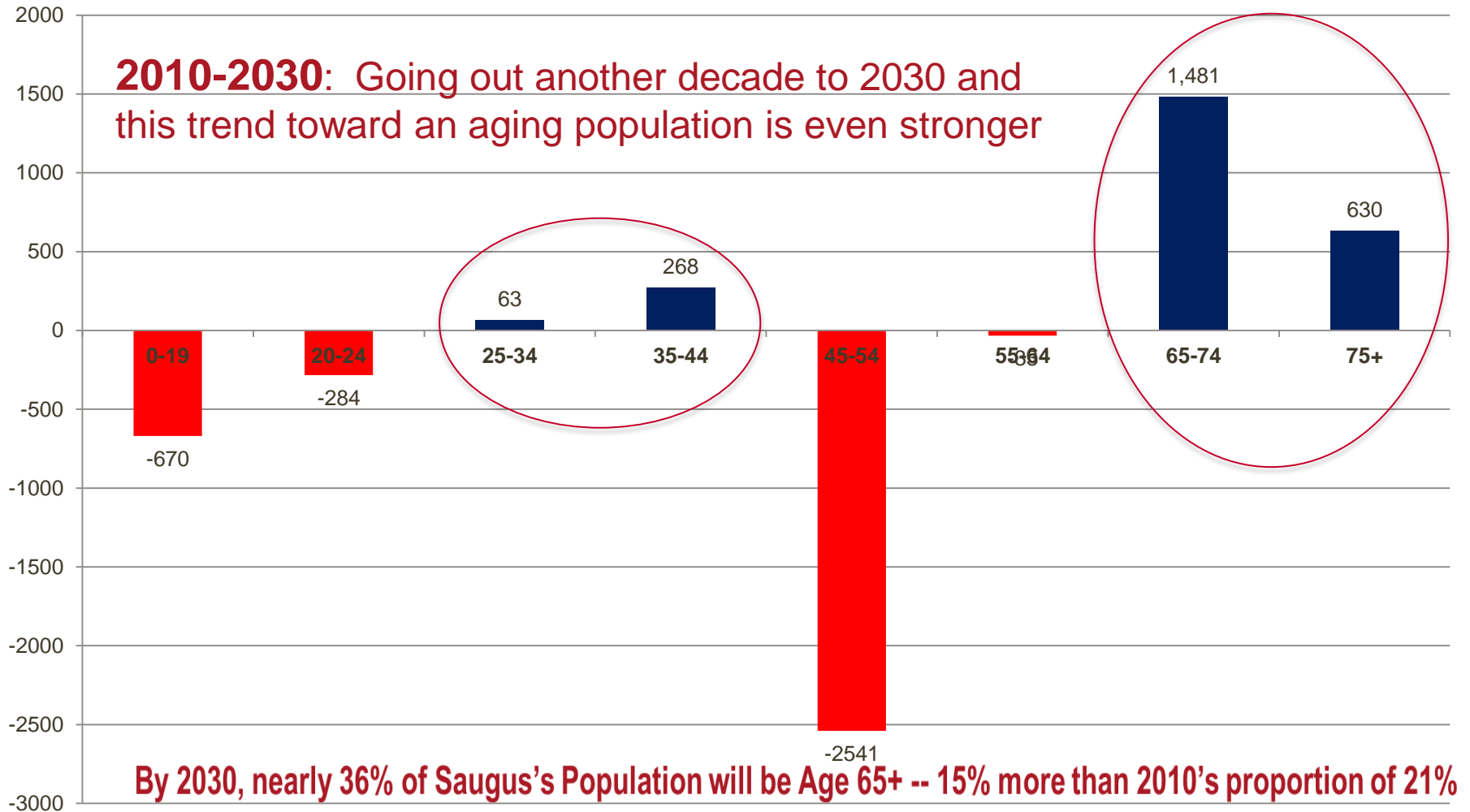


Town of Saugus

Projected Population Change by Age Cohort

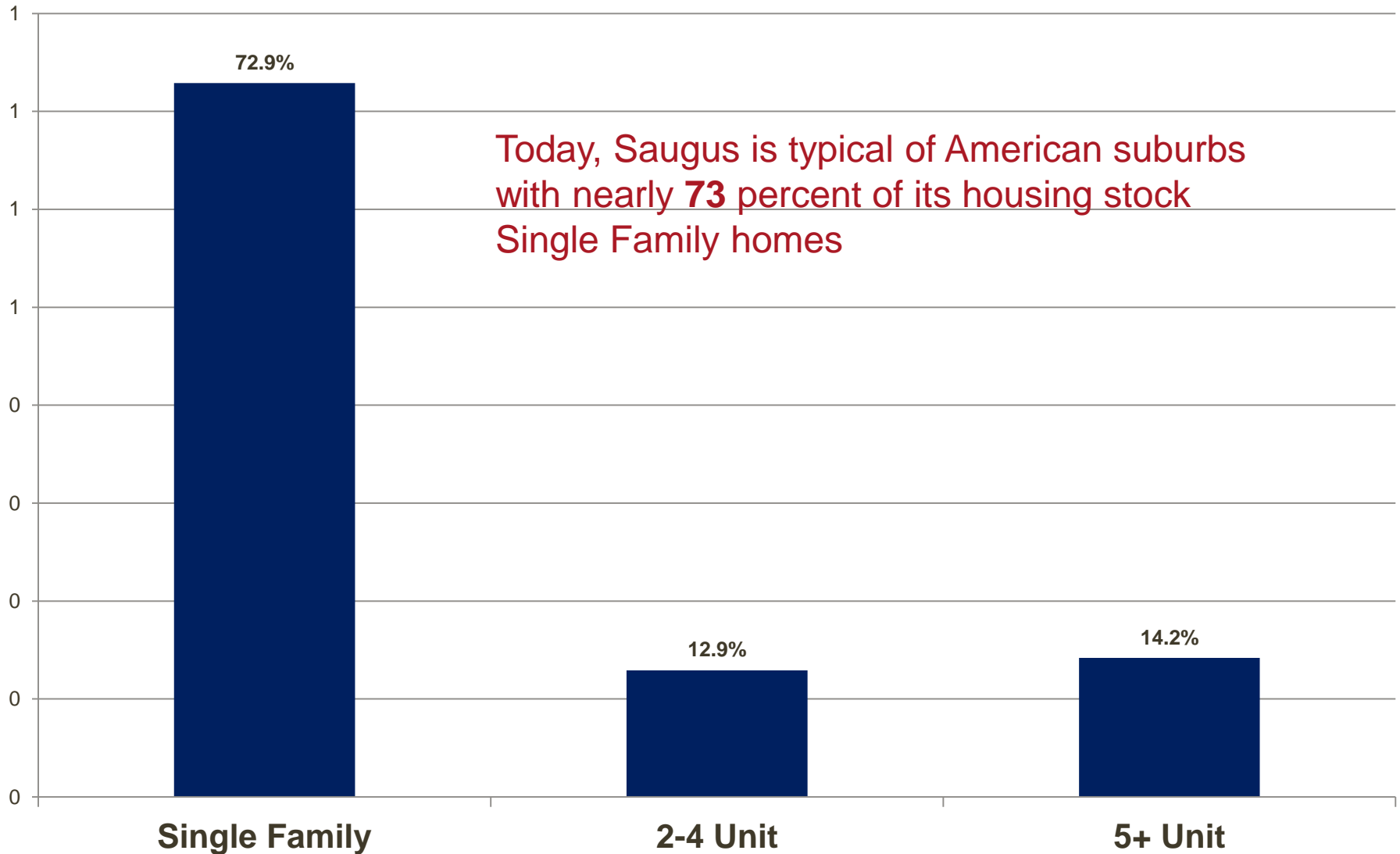
2010-2030

Status Quo Projection

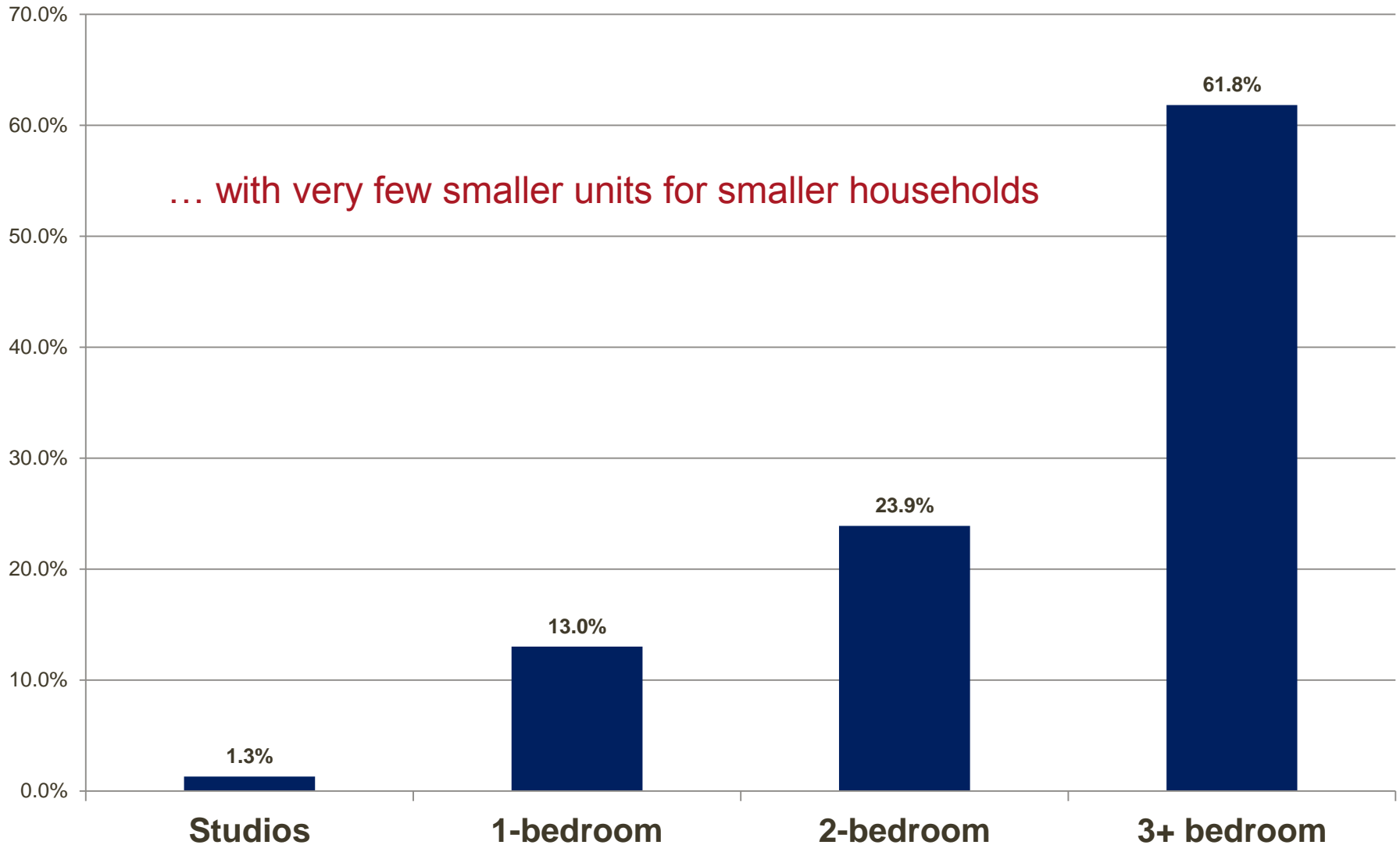


Saugus's Housing Stock Today

Town of Saugus Type of Housing



Town of Saugus Housing Unit Size



Shift in Housing Demand – Aging Baby Boomers

Aging Boomers may wish to “**age in place**” but not **in their current homes**

They may wish to **remain near friends** and familiar local community amenities

As such, they may **give up their large single family homes for smaller multi-family housing ... but in the communities where they now live**

Will they be able to stay in Saugus?

Shift in Housing Demand - Young Households

To attract younger households to Saugus, there may be the need for smaller housing units as well ... since many are delaying childbirth and many are planning on smaller families

Younger households may also wish to **live closer to the city or in village centers** – less so in far-flung suburbs

Can Saugus become attractive to younger households?

Shift in Housing Demand – Need for More Affordable Units

Declining incomes for renter households means we need to find **more affordable units** or they will face ever larger housing hurdles

This means we need to **free up rental housing for low and moderate income families**

And it means we need to **build more affordable units as part of new developments**

To meet our housing needs ...

- ❖ Need **zoning reform** to allow denser, transit-oriented multi-family housing
- ❖ Need to find ways to build **“Millennial Village” housing for graduate students, medical interns and residents, and other young professionals** to take pressure off of the older housing stock – 2-family/“Triple Deckers”, and garden apartments
- ❖ Need to **control building costs**



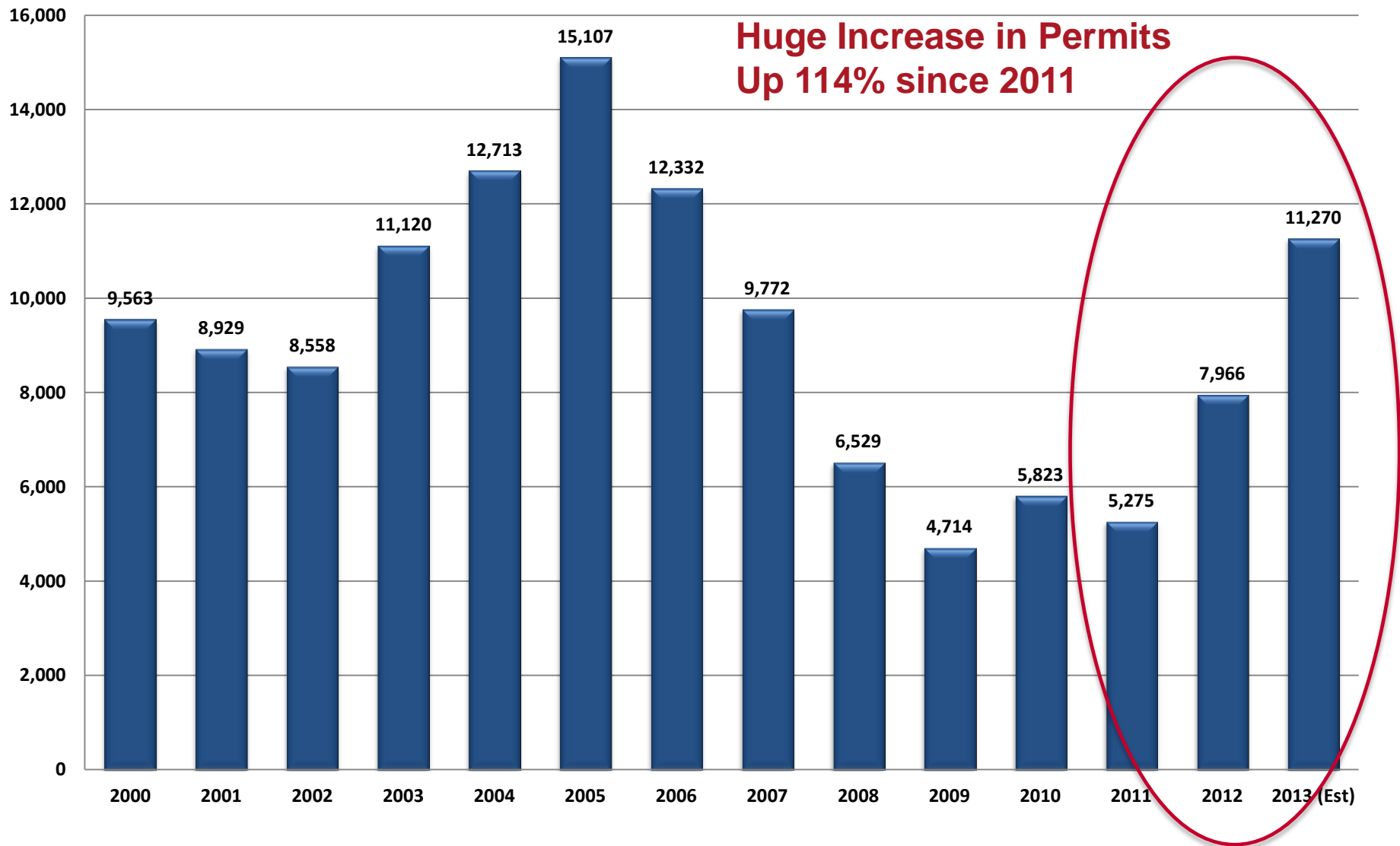
Housing Developers Respond ...

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Number of Housing Permits Issued in Greater Boston, 2000-2013



Proportion of Housing Permits by Type of Structure Greater Boston

	Single Family	2-4 unit	5+ Unit
2000-2002	64.7%	7.4%	27.8%
2011-2013	41.0%	4.2%	54.7%
2013 (Est)	34.0%	3.9%	62.2%

**Major Shift to the Production of the Multi-Unit Housing
we need for aging boomers and young Millennials**



But we have much more to do

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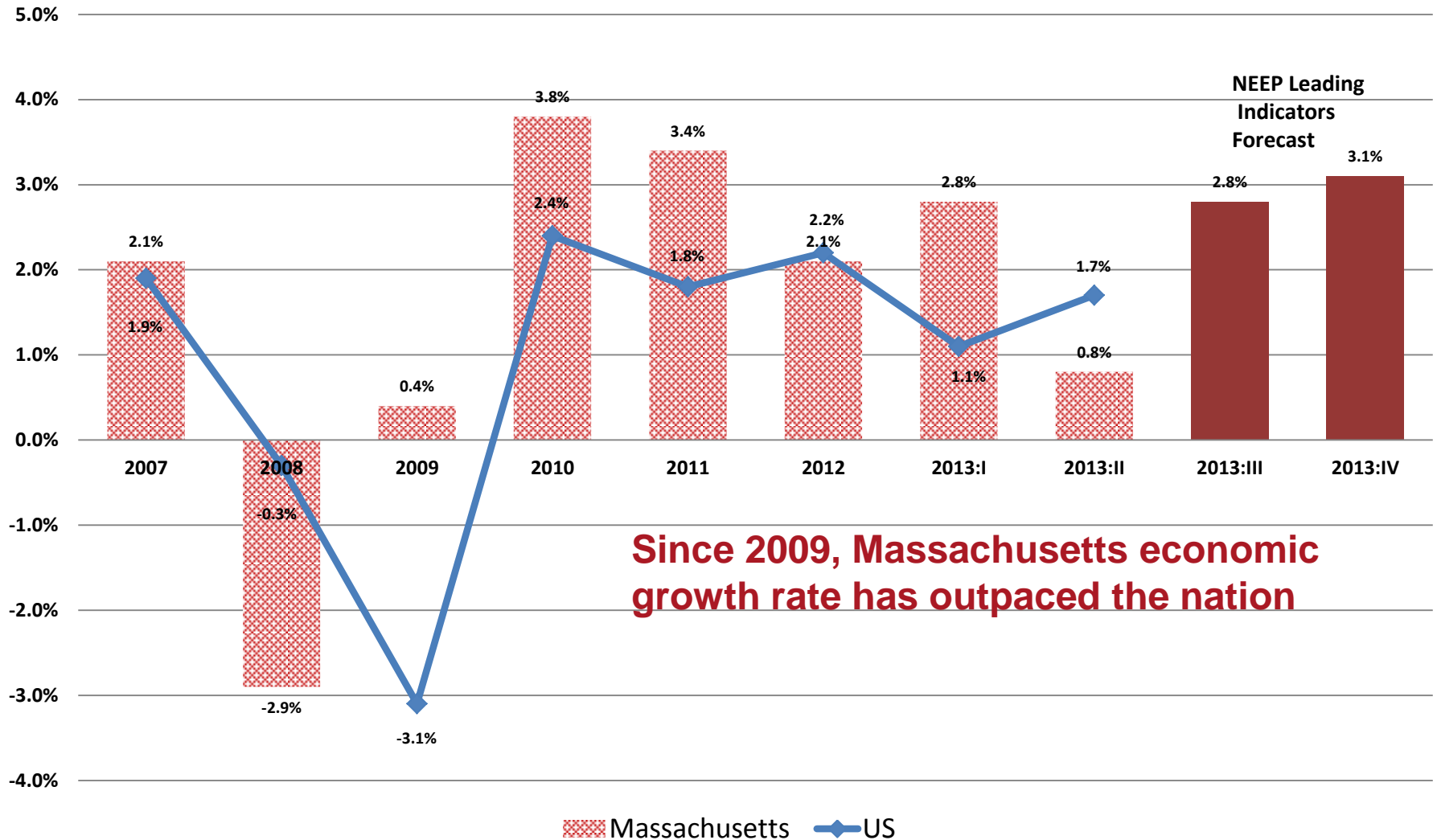
This is the Future of New Housing



Economic Development in Saugus

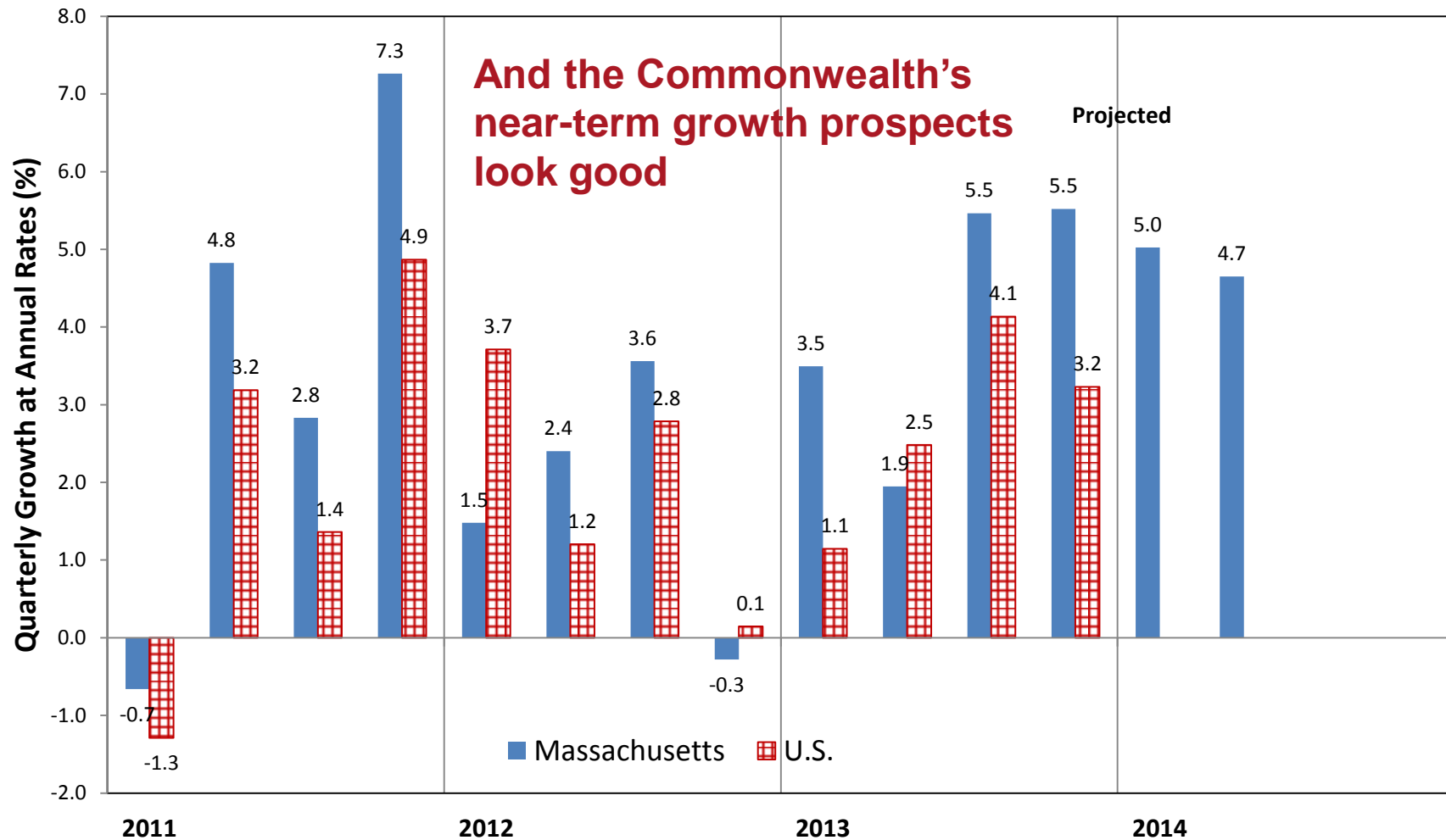
First, a look at the Massachusetts Economy

Annual Real GSP/GDP Growth Rates Massachusetts vs. U.S. 2007-2013:II with Projections through 2013:IV

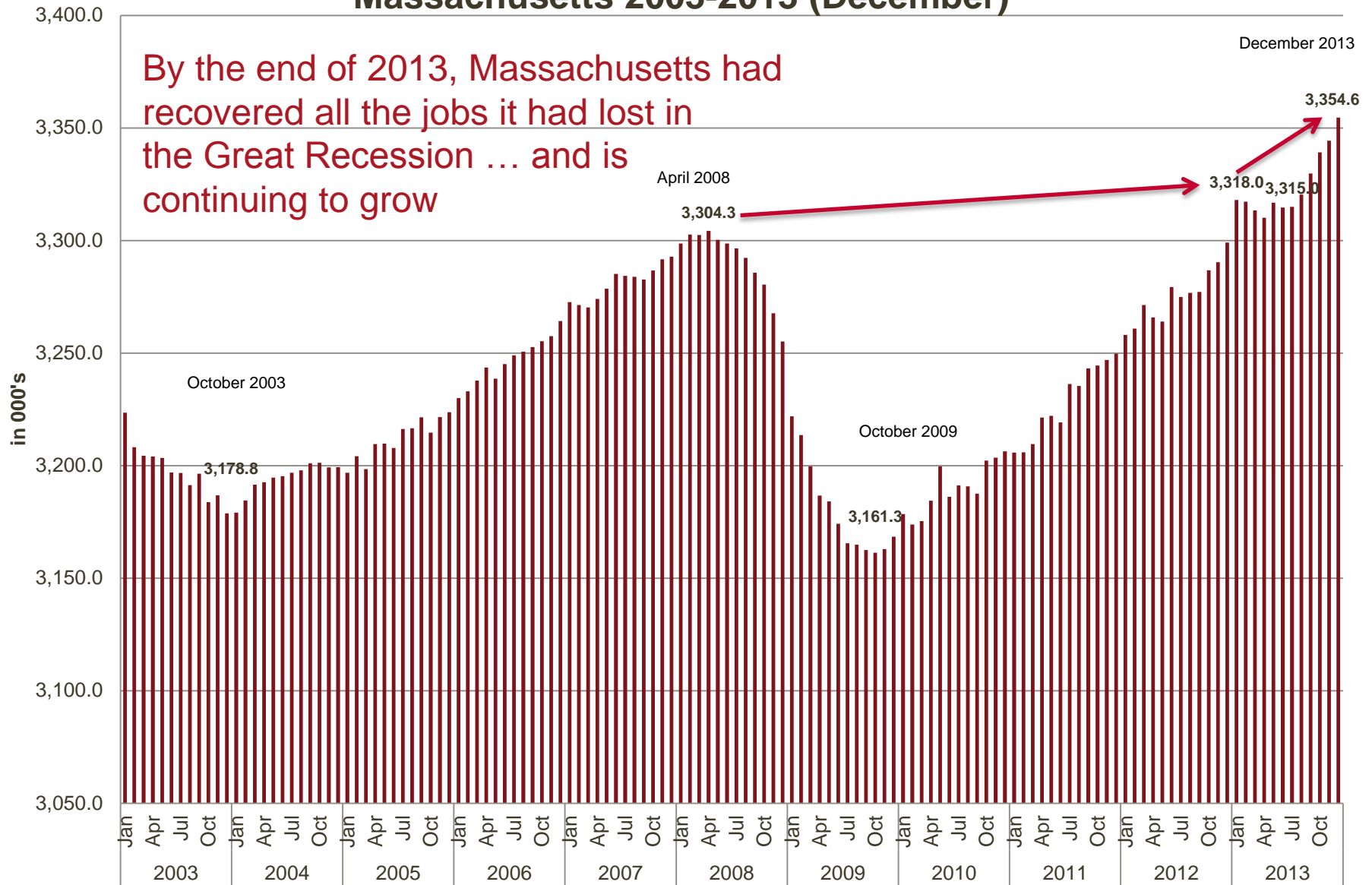


Growth in Real Product, Massachusetts vs. U.S.

Source: U.S., Bureau of Economic Analysis; Massachusetts: MassBenchmarks

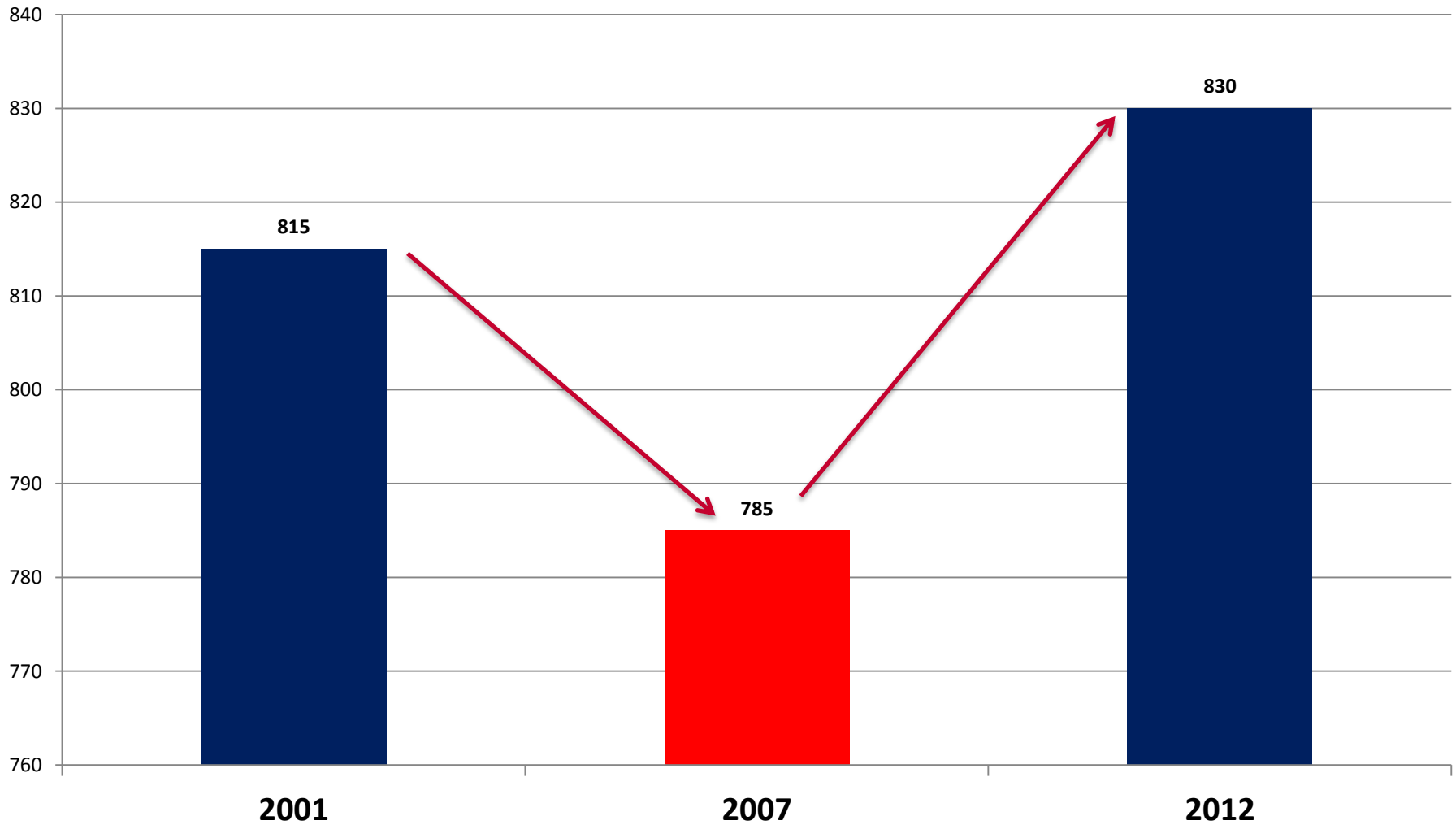


Total Non-Farm Employment - Seasonally-Adjusted Massachusetts 2003-2013 (December)

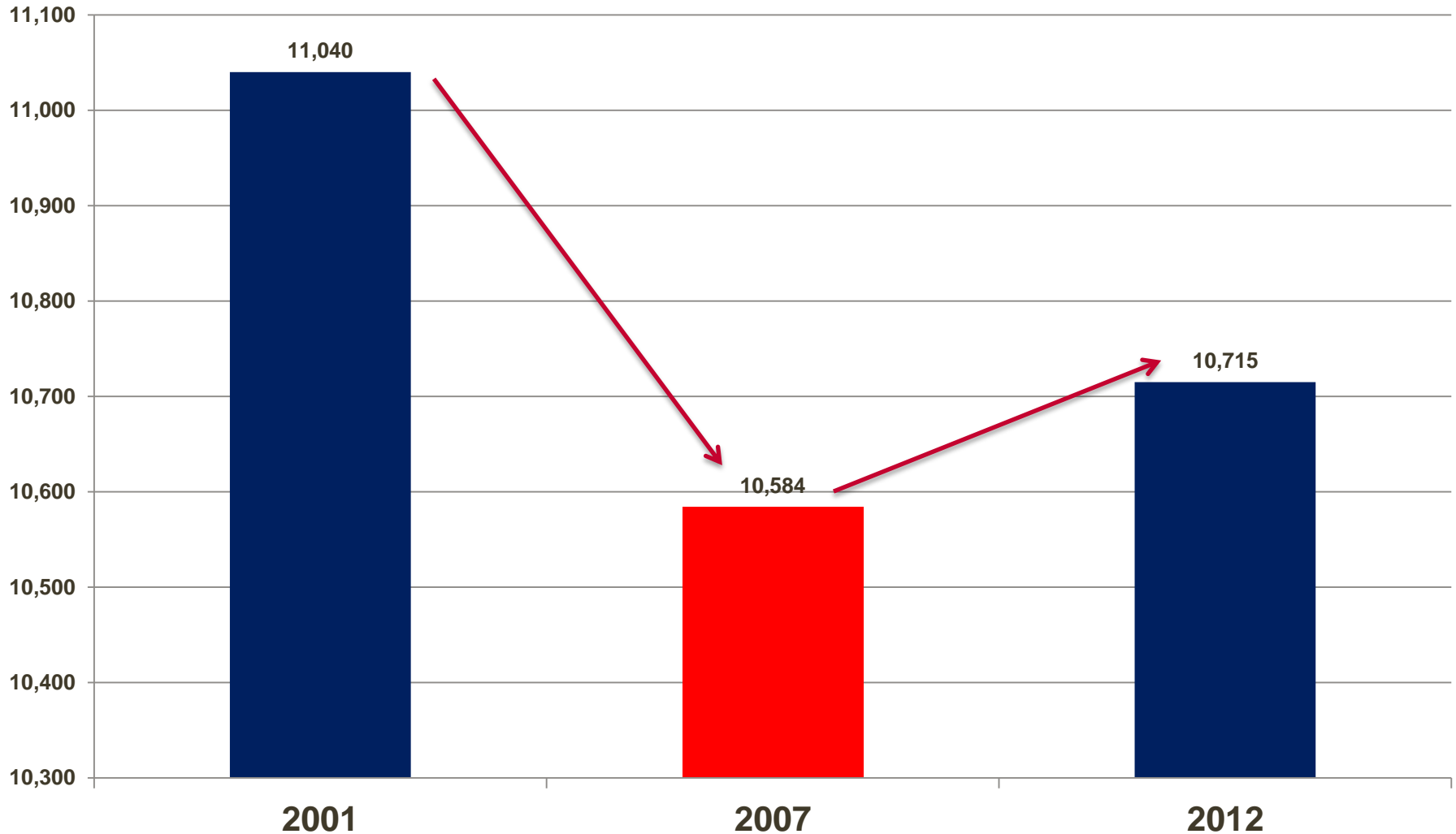


Town of Saugus Employment

**Town of Saugus
Number of Establishments
2001-2012**



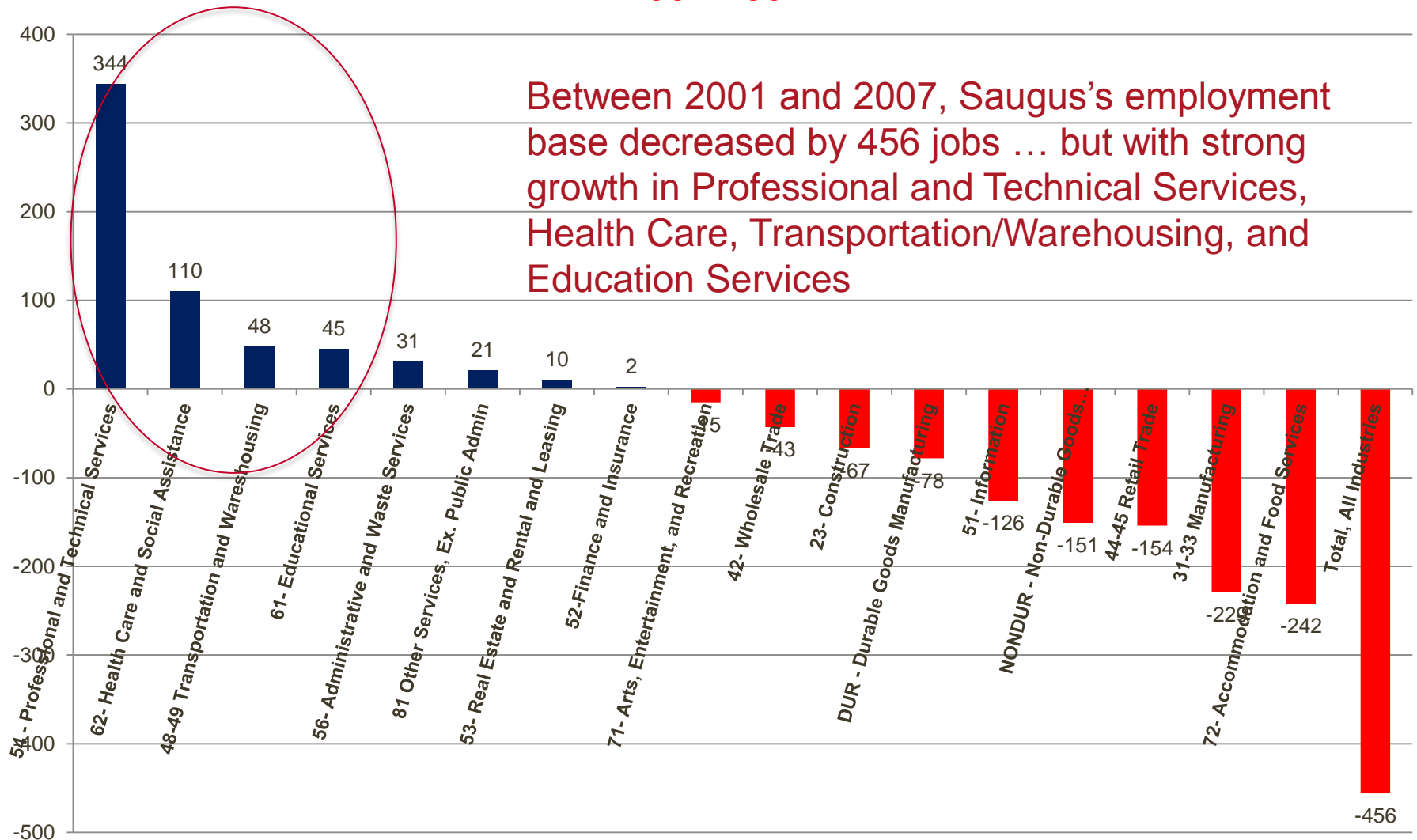
Town of Saugus Total Employment 2001-2012



Town of Saugus

Change in Employment by Industry Sector

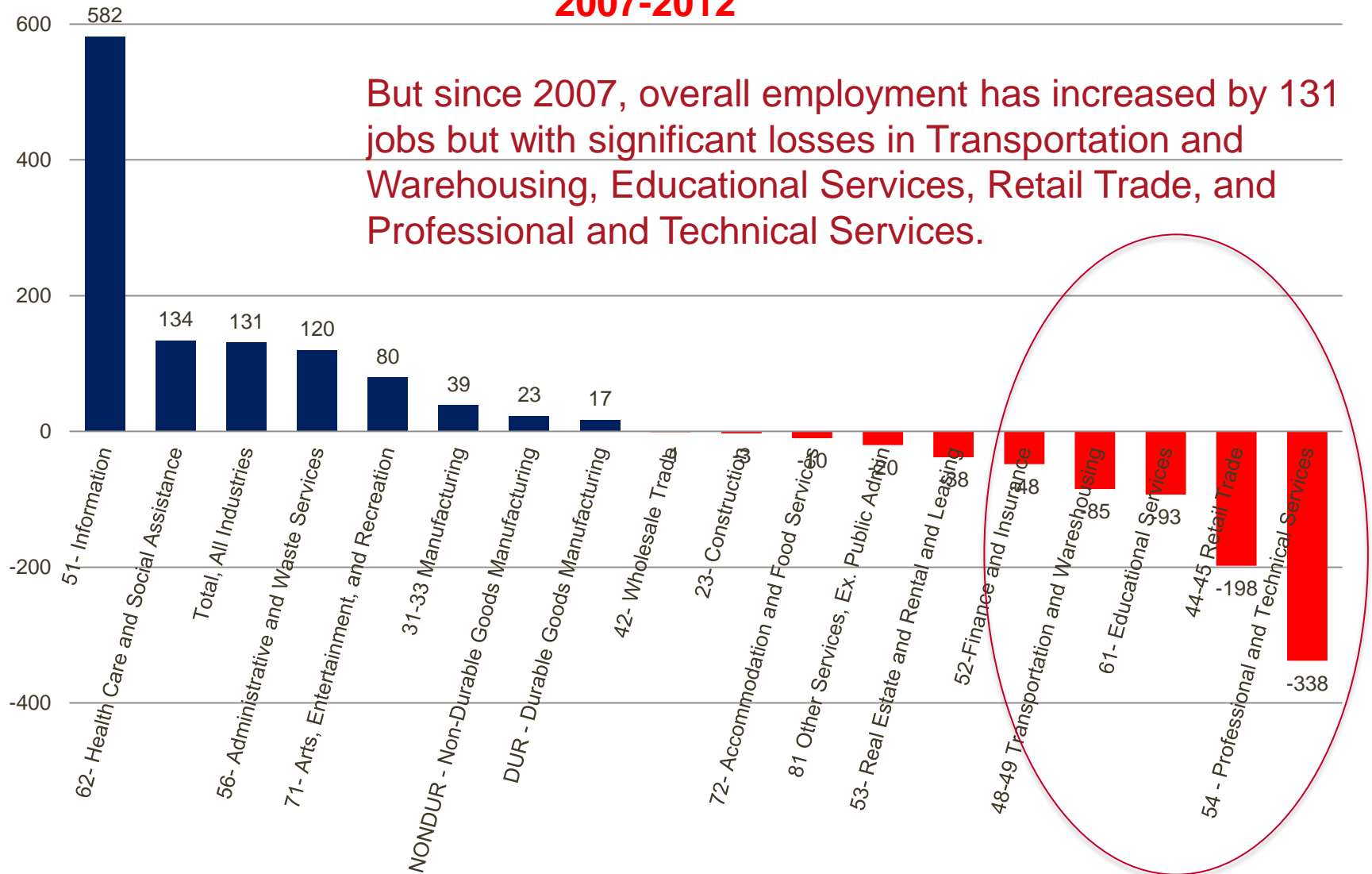
2001-2007



Town of Saugus

Change in Employment by Industry Sector

2007-2012





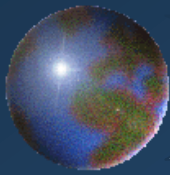
Promoting Economic Development in Saugus



Practical Strategies to Attract and Retain Economic Investment: Learning from EDSAT

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FOR RESEARCH
& INNOVATION

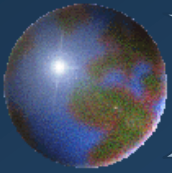


Economic Development is a collaborative
process that builds strong, adaptive
economies
and *requires leadership*

Companies move to municipalities, not states

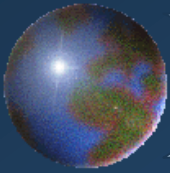
Municipal Officials

must play a critical role in attracting business
investment, jobs, and a strong tax base



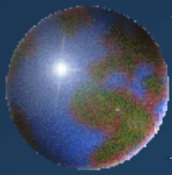
Local Communities on their Own

- ✚ With rising **federal deficits** and a bipartisan drive to cut the federal debt ... and at the same time a call for **tax cuts**, there will be little additional aid to local communities from the federal government



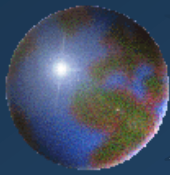
States in Crisis

- ✚ With states facing **structural budget deficits**, local aid from state governments will be in short supply in many states



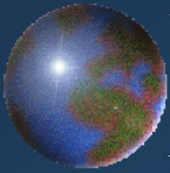
Local Economic Development

- ✚ In this new environment of fiscal constraint, local communities will prosper only if they are successful in finding new sources of revenue ... and the **best way to do this is to attract business enterprise to town**



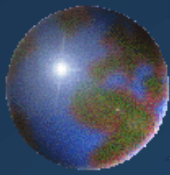
*Be the **CEO** for Economic Development*

- ❖ Municipal leaders must initiate and support the development process
- ❖ Begin by assessing your municipality's strengths and weakness
- ❖ Change what you have **control** over
- ❖ Collaborate with others on what you can **influence**



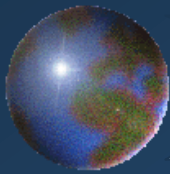
Fundamental Proposition

Cities and towns have the ability to create their own destiny, and they can benefit from having sophisticated partners who can help them develop tools and information to compete successfully.



Development of EDSAT

- ✚ We surveyed corporate real estate and development professionals on location decisions
NAIOP (National and Massachusetts Chapter)
CoreNet Global
- ✚ Based on the NAIOP/CoreNet survey the Economic Development Self-Assessment Tool (EDSAT) for municipal leaders was created



Sample

NAIOP

CoreNet

Project type selected

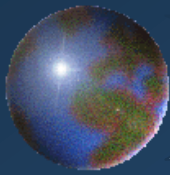
General Industrial	40.0%
Commercial / Profess.	38.8%
Mixed-use	8.8%
R& D Facility	5.0%
Retail	5.0%
Manufacturing	2.5%

Office / Headquarters	68.5%
Manufacturing	10.4%
Retail	10.4%
Mixed-use	5.7%
R&D Facility	2.8%
Distribution / Warehouse	1.9%

Geographic area in which do most of work

Pacific	18.9%
Middle Atlantic	18.9%
South Atlantic	18.9%
East North Central	8.8%
International	7.6%
East South Central	6.3%
West North Central	6.3%
New England	5.0%
West South Central	5.0%
Mountain	3.8%

International	38.3%
Pacific	32.7%
Middle Atlantic	28.0%
West South Central	21.4%
East North Central	20.5%
South Atlantic	19.6%
New England	19.6%
West North Central	15.8%
East South Central	15.8%
Mountain	11.2%



Deal Breakers



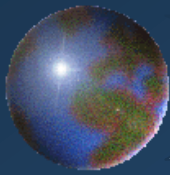
City Self-Assessment



City Action

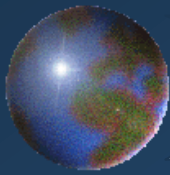


Deal Makers



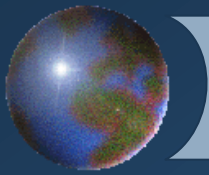
Deal Breakers

- ❖ Ignorance of Changing Market Conditions – “Time to Market”
- ❖ Uncorrected “Cognitive Maps”
- ❖ Too Little Attention to Site Deficiencies
- ❖ Slow Municipal Processes
- ❖ Too much reliance on Tax Breaks



NAIOP/CoreNet Survey Categories

- ⊗ Permitting Processes
- ⊗ Labor
- ⊗ Development and Operating Costs
- ⊗ Business Environment
- ⊗ Transportation and Access
- ⊗ Quality of Life/Social Environment



The Self-Assessment Tool (EDSAT)

The self-assessment tool includes sections on:

1. Access to Customers/Markets
2. Concentration of Businesses and Services (Agglomeration)
3. Cost of Land (Implicit/Explicit)
4. Labor
5. Municipal Process
6. Quality of Life (Community)
7. Quality of Life (Site Amenities)
8. Business Incentives
9. Tax Rates
10. Access to Information

Key EDSAT Results for Saugus

How does Saugus fare on the EDSAT questions relative to Comparable Group Municipalities (CGMs)?

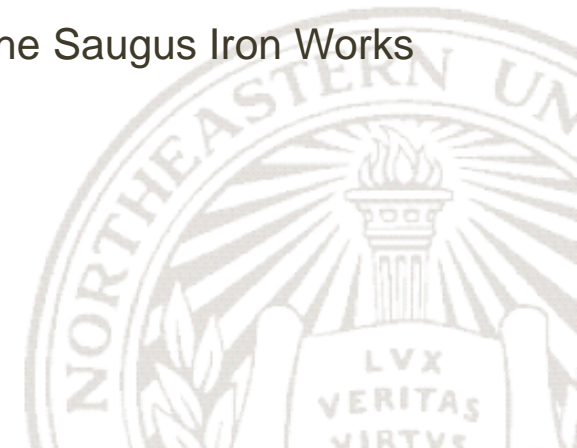
Saugus's Strengths

- **Rents:** Saugus has a very large proportion of available Class A office space.
- **Workforce Composition:** Saugus's workforce is comprised of a high percentage of managerial skilled workers.
- **Public Transit:** A high percentage of Saugus's available manufacturing and general office space sites are within a quarter mile of public transit.
- **Physical Attractiveness:** Saugus offers a web form to report code violations and maintenance needs within the jurisdiction, and has much of its land reserved for parks.



Saugus's Strengths (Con't)

- **Crime:** Saugus's crime rates in terms of robbery, auto theft, and homicide are notably low.
- **Quality of Available Space:** Saugus has a very small percentage of both contaminated sites and vacant or severely underutilized shopping centers.
- **Citizen Participation in the Review Process:** Saugus's elected officials expedite development by facilitating dialogue with community groups at a much higher level than do CGM officials.
- **Cultural and Recreational Amenities:** Saugus is home to the Saugus Iron Works National Historic Site, a major historical museum.



Saugus's Strengths (Con't)

- **Housing:** Saugus has a higher homeownership rate than the CGM.
- **Local Schools:** A higher percentage of Saugus's high school students tested proficient in Math and English on the MCAS and went on to attend four-year colleges after graduation than those in the CGM. Additionally, Saugus features a charter school.
- **Amenities:** A large proportion of Saugus's existing development sites are within one mile of fine dining establishments.
- **State (Business Incentives):** Businesses in Saugus are eligible for significantly more special **state** tax incentives than those in the other states.



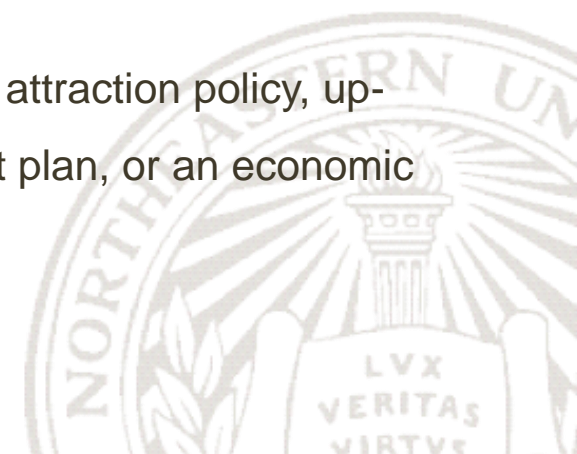
Saugus's Strengths (Con't)

- **Airport:** Saugus is less than 10 miles from Logan International Airport.
- **Proximity to Universities and Research:** Several major public or private four-year colleges or universities are located within ten miles of Saugus.
- **Permitting Ombudsman:** Saugus's Town Manager plays a significant role in ensuring the efficiency of the permitting process.
- **Website:** Saugus's website features slightly more information than the CGM's website.



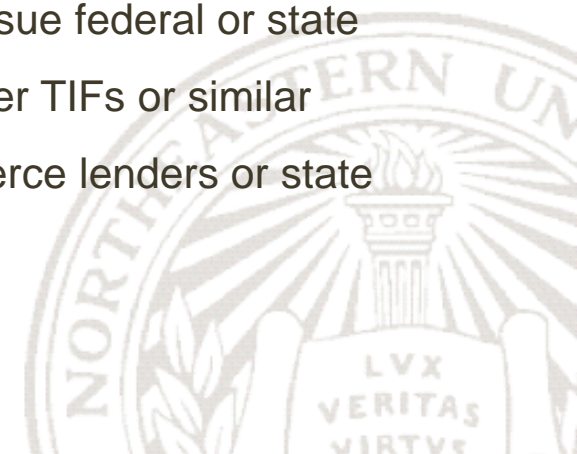
Saugus's Weaknesses

- **Timeliness of Approvals:** Compared to the CGM, Saugus takes an average of four weeks longer to process Site Plan Reviews and Zoning Variances and an average of eight weeks longer to review the Appeals Process.
- **Traffic:** Rush hour traffic in Saugus is rated extremely congested.
- **Rents:** Retail and manufacturing rents in Saugus are considerably higher than the CGM. The town also offers little Class B office space throughout the jurisdiction and does not have any Class A or B space in either the highway or central business districts.
- **Critical Mass Firms:** Saugus does not feature an industrial attraction policy, up-to-date development strategy, overall economic development plan, or an economic development plan within its master plan.



Saugus Weaknesses (Con't)

- **Physical Attractiveness:** Saugus “weakly” enforces codes and regulations on abandoned properties, abandoned vehicles, and rubbish, as well as “weakly” maintains streets, sidewalks, and parks, etc. near development sites.
- **Predictable Permits:** Saugus does not provide a checklist of permitting requirements to prospective developers and businesses.
- **Cross Marketing:** Saugus does not engage state agencies and organizations to participate in marketing the town.
- **Local (Business Incentives):** Saugus does not actively pursue federal or state programs designed to help attract and retain businesses, offer TIFs or similar programs, or assist businesses secure financing with commerce lenders or state finance mechanisms.



Saugus Weaknesses (Con't)

- **Amenities:** Only some of Saugus's existing development sites have day care facilities within one mile.
- **Local (Tax Rates):** Saugus taxes both industrial/commercial and residential properties at a significantly higher rate than does the CGM.
- **Quality of Available Space:** A significantly smaller proportion of Saugus's available sites are considered unused open land or greenfield sites relative to the CGM.
- **Permitting Ombudsman:** Saugus does not empower local officials to ensure the efficiency of the local permitting process, feature a "development team" to review major developments, or provide technical assistance to businesses looking to attain federal or state permits.



But What Really Matters?

Factors Correlated with Greater Establishment Growth

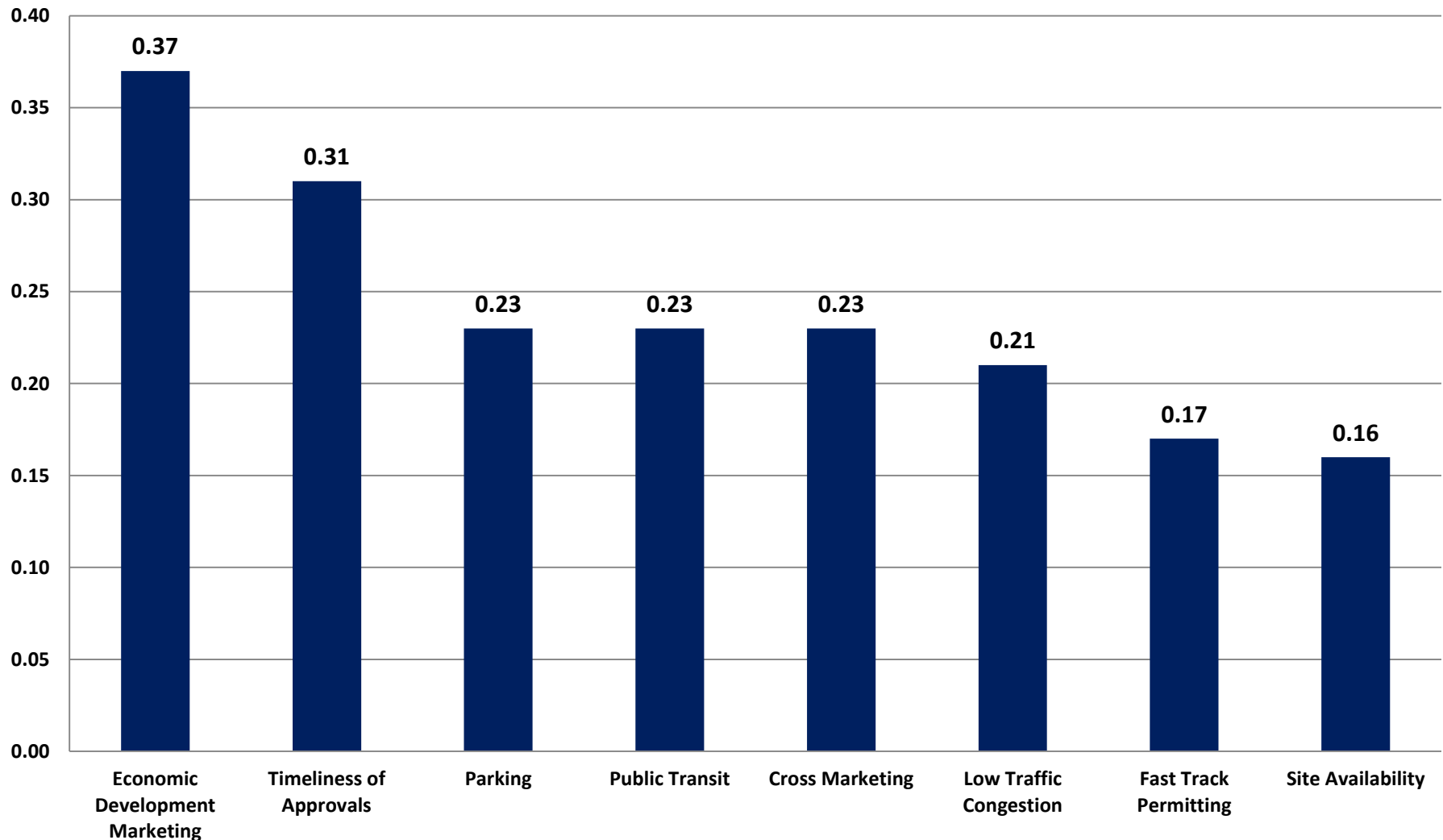


**CORRELATIONS BETWEEN
ESTABLISHMENT GROWTH
AND
EDSAT VARIABLES**

2001-2011

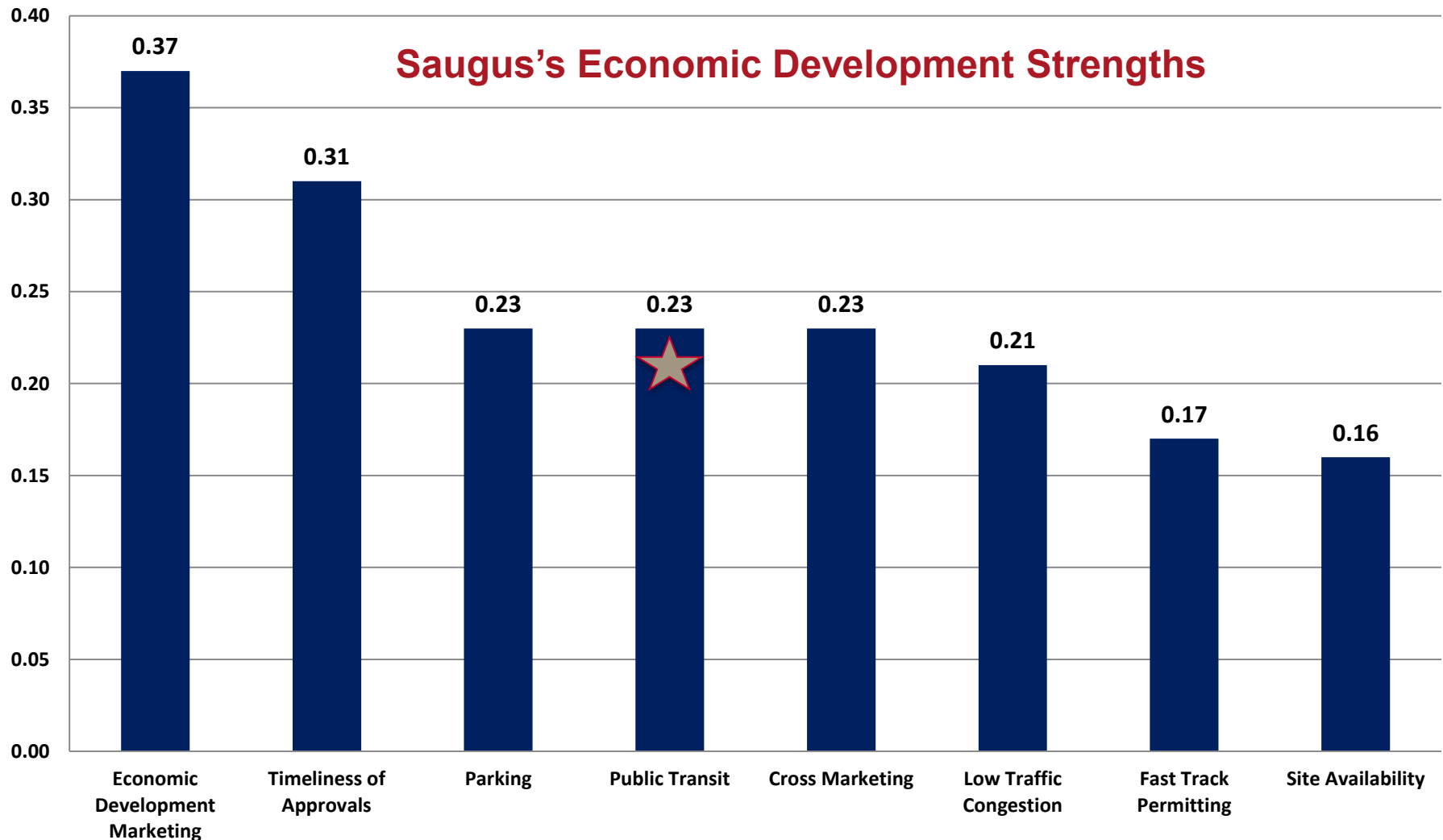
ES-202 DATA

50 Massachusetts Municipalities - Factors Most Highly Correlated with Increase in Establishments 2001-2011



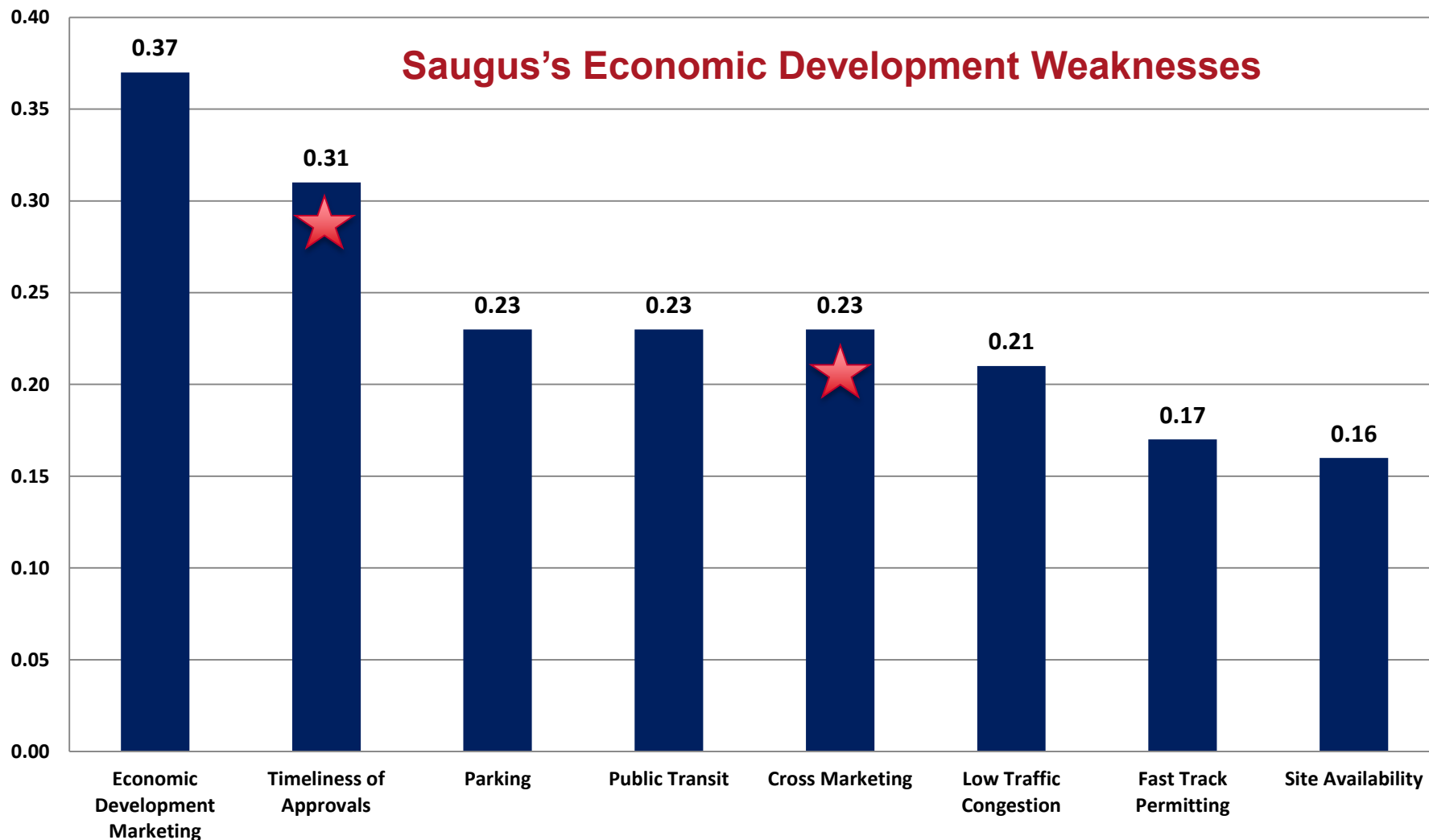
50 Massachusetts Municipalities - Factors Most Highly Correlated with Increase in Establishments 2001-2011

Saugus's Economic Development Strengths



50 Massachusetts Municipalities - Factors Most Highly Correlated with
Increase in **Establishments**
2001-2011

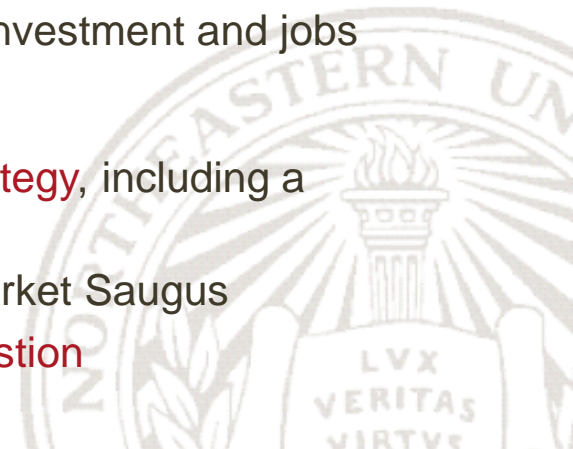
Saugus's Economic Development Weaknesses



Conclusions

Things to Think About

- **Permitting** – Address the causes of slower permitting review process
- **Millennials** – Need to find ways of encouraging the production of appropriate housing for young workers and their smaller families
- **Economic Development** - Saugus has a lot of good things going for it:
 - Available Class A Office Space
 - Manufacturing and Office Sites Near Public Transit
 - Sufficient Infrastructure Capacity for growth and Reliable Service
 - Faster Processing Times for Special Permits
- But you could be better positioned to attract more business investment and jobs by:
 - Creating a comprehensive **Economic Development Strategy**, including a commercial and industrial attraction policy
 - Craft a collaborative marketing and branding plan to market Saugus
 - Consult a transportation expert to **alleviate traffic congestion**





Thank You!

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