



Amesbury

Mayor C. Kenneth Gray
City Hall, 62 Friend Street
Amesbury, MA 01913-2884

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April 14, 2014

Joseph W. McMilleon
Council President – District 5
City Clerk - City Hall
62 Friend Street
City of Amesbury, Mass 01913

Dear Council President McMilleon;

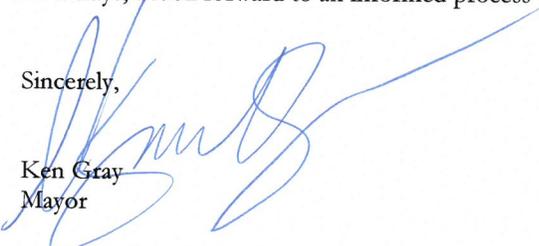
I respectfully submit for Council consideration the attached report titled; *"The Golden Triangle, A Land Use Option to Extend the City's Economic Reach"*. The Incentives Strategy document, currently before the Council, outlines the need for Incentives Guidelines. The document recommends we work with property owners and determine the highest and best land uses to facilitate economic growth. Following those recommendations the Deputy Director of the Office of Community and Economic Development has continued the relationship with the Chamber of Commerce, and property owners, to generate the attached analysis toward establishing a target land use, for the Golden Triangle, through which can expand our economic reach.

I want to sustain our approach to provide the Council with an early overview of important programs such as the attached. Therefore, I will respectfully request Councilor McClure, as Chair of the Finance Committee, allow this matter on the agenda for the Finance Committee meeting on the 22nd. This will allow an introduction of the program well in advance of the request for action. A letter from the Deputy Director outlining the report and process is attached to this correspondence. A letter from Rick Bartley, the Chair of the Economic Development Committee of the Chamber of Commerce, outlines their support. As we move forward with a zoning proposal we will return to the Chamber Board of Directors for a recommendation on the zoning proposal.

While it would be easy to relax in wake of working on the Incentives Program we should not rest, the economy works when all the components of the picture are in place. Establishing incentives for a community and not preparing the foundation for a favorable land use makes our current efforts moot. Alexander Graham Bell once said: *Before anything else, preparation is the key to success.* We have the opportunity to prepare the City for success, the attached report and adoption of applicable zoning is another step in that process.

As always, I look forward to an informed process where we work in unison to reach the best outcome possible.

Sincerely,


Ken Gray
Mayor

Enc: Letter Deputy Director
Letters of Support ED Chamber
A Land Use Option to Extend the City's Economic Reach



Amesbury

William Scott
Deputy Director Office of Community Development
City Hall, 62 Friend Street
Amesbury, MA 01913-2884

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scottw@amesburyma.gov

April 14, 2014

Mayor Ken Gray
City Hall
City of Amesbury
62 Friend Street
Amesbury Massachusetts 01913

Dear Mayor Gray,

The attached report titled; *"The Golden Triangle: A Land Use Option to Increase the City's Economic Reach, April 2014,"* is a report to establish the viability of a Fashion Retail use at the confluence of interstates, 95 and 495. The report outlines how this business sector can extend the City's economic market area by reaching a broader geographic customer base.

The type of use indicated in the report allows the City to become a destination through which our existing businesses can benefit by a larger population of visitors. Based on prior studies the City's market reach is limited to 10 miles. The report demonstrates that the City could double that geographic reach and thereby increase access to both greater population and a larger number of households with higher incomes.

This transmittal includes the report with a letter of support from the Chamber Economic Development Committee. The zoning proposal will be developed as outlined by the attached schedule. To sustain the approach of providing ample time for review and the initial introductory presentation should be considered for the April 22nd Finance Committee meeting if possible.

Sincerely,


William J. Scott

Recommended Process for Zoning Review by Council

The below schedule is a recommendation to include all of the parameters of the Economic Reach report and Zoning Adoption. Please understand we will work within any process that the Council deems appropriate and the below is only a recommendation to facilitate coordination and sequencing of the components.

1. Presentation April 22nd City Council Finance Committee: This presentation will provide an overview to the Council and demonstrate the support for the program. The intent is to set the stage for dialogue. This meeting does not require that the Council immediately engage in the decision process on the first evening.
2. Planning Board: Present TIF and Economic Reach: This meeting will introduce both the TIF concept and Economic Reach report and begin discussions on the Zoning. The Zoning should be in draft form at this time. The Planning Board review schedule will be established at this meeting.
3. May 5th Submit Zoning to City Council for May 13th meeting.
4. May 12th Second Meeting with the Planning Board to consider suggestions and post hearing date for June 9th.
5. Council Meeting May 13th, First Reading: This would be the first reading of the order and a review of ideas, needs, and amendments as maybe expressed by the Council. The zoning would be submitted the week prior as per protocol.
6. June 9th Planning Board holds hearing and tables pending City Council meeting.
7. Council Meeting June 10, Second Reading: Any amendments will be provided by staff in the packet for this meeting. It is hoped that the Council will vote to adopt. This will ensure that the outcome of the Incentives program is available with the Zoning Adoption.
8. June 23rd Planning Board votes to recommend.
9. July 8th City Council Adopts pending recommendation.



April 10, 2014

Mayor C. Kenneth Gray
City of Amesbury
City Hall
62 Friend Street
Amesbury, Massachusetts 01913

Dear Mayor Gray:

The Economic Development Committee of the Amesbury Chamber of Commerce & Industrial Foundation, Inc., has voted to support the report titled "*A Land Use Option to Increase the City's Economic Reach*", which was presented to the Board at our regular meeting on April 2nd, 2014. The report was created in cooperation with the Office of Community and Economic Development as part of our efforts to partner with the City.

The report is an extension of the Incentives Strategies report which outlined a need to determine the most optimum land uses for key economic growth parcels. The Golden Triangle represents an opportunity that has more potential with the advent of the Incentives Strategy. However, if we are to realize a higher potential then we need to target the land uses which are viable and create an economic advantage for the community. The attached report outlines the Fashion Retail Shopping Center as an option.

After review of the zoning ordinance it is apparent that the Office Park zoning of the Golden Triangle area does not allow this type of use. We respectfully request that the City move forward with an applicable amendment that will facilitate a use which meets the objectives of the report. We look forward to working with the City and continuing support of an outcome to facilitate an effective zoning amendment.

We have premium highway access to the Golden Triangle site, a pending incentives program to provide options for economic development, and now with this report and a zoning amendment we have the opportunity to target the use to a viable and beneficial outcome.

Sincerely,

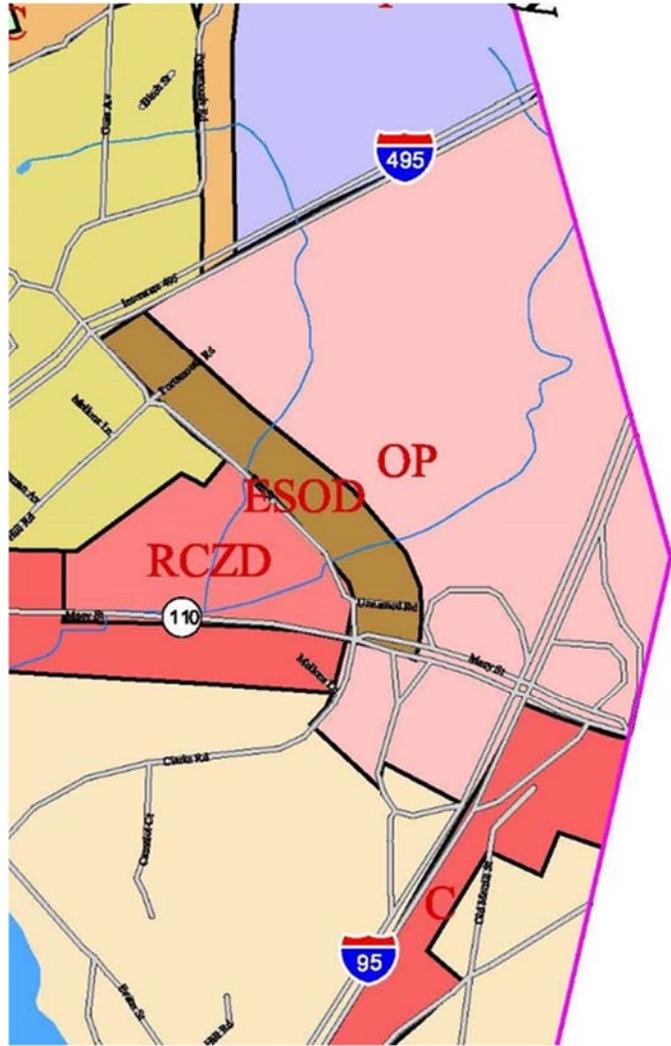
A handwritten signature in black ink, appearing to read "Rick Bartley".

Rick Bartley, Chair
Economic Development Committee
Amesbury Chamber of Commerce and Industrial Foundation

Introduction: What we Know and What We Should Consider

Over the years, there have been a multitude of studies that outline the development potential of the Golden Triangle site. However, one issue that requires a closer analysis is the site's clear ability to expand the City's market reach. The May 2007 study titled *The Golden Triangle Route 110 Economic Development Study* states in the executive summary (page 6 Recommendations), "*Since no market analysis was completed as part of this project, it is likely that the proposed development would differ substantially from the land use plans presented,*" further the report points to a development proposal (Executive Summary page 1 Methodology section) with 407,000 square feet of retail and 113,000 square feet of office, in early 2006, which was of "*a magnitude that appealed to Town officials.*" This study's objective was to evaluate impacts, adhering to a development of the above type and size, and determine the mitigation program. The 2007 analysis is a necessary test of the sites development potential. The issue we face today, with continued lack of development at the Golden Triangle, is the need for an approach that is economically viable and considers the market issues.

The confluence of two interstate highways provide an opportunity to draw from a larger market area than the land uses that the current zoning facilitates. The current Office Park (OP) zoning is predominantly targeted to a limited number of uses including office, Hotel/Motel, light manufacturing, Bakery, Data Warehousing, as well as research and development areas. This limits the options for the City to attract an appropriate retail opportunity, which would make a greater use of the City's highway access advantage and expand the City's market reach. Specifically, the site does not allow the development of specialty shopping retail centers, which requires highway access and draws from a wider geographic region. A retail use that draws well beyond the City's geographic market reach would create a stronger rip-



ple effect for other uses in the community. The use which best takes advantage of the clear site benefits and delivers a greater geographic market is not allowed under the current zoning. In this regard, this memorandum is meant to outline a possible use that should be considered for the Golden Triangle to expand the City's market reach and create opportunities for a single development scenario for the site.

Market Reach, the Further the Better

The table, on the next page, from the International Council of Shopping Centers outlines the types of shopping centers by size, impact, and regional draw. The table indicates several categories that draw from an area of less than 10 miles, such as those that currently operate in the City today. Therefore, retail uses with limited regional draw would not make full use of the highway access nor increase any substantive

U.S. Shopping-Center Classification and Characteristics

Type of Shopping Center	Concept	Center Count	Aggregate GLA (Sq. Ft.)	% Share of Industry GLA	Average Size (Sq. Ft.)	Typical Range (Sq. Ft.)	Acres	# of Anchors	% Anchor GLA	Typical Number of Tenants	Typical Type of Anchors	Trade Area Size
General-Purpose Centers												
		111,502										
Super-Regional Mall	Similar in concept to regional malls, but offering more variety and assortment.	680	833,812,001	11.1%	1,228,194	800,000+	60-120	3+	50-70%	NA	Full-line or junior department store, mass merchant, discount department store and/or fashion apparel store.	5-25 miles
Regional Mall	General merchandise or fashion-oriented offerings. Typically, enclosed with inward-facing stores connected by a common walkway. Parking surrounds the outside perimeter.	831	488,594,847	6.5%	587,960	400,000-800,000	40-100	2+	50-70%	40-80 stores	Full-line or junior department store, mass merchant, discount department store and/or fashion apparel store.	5-15 miles
Community Center ("Large Neighborhood Center")	General merchandise or convenience-oriented offerings. Wider range of apparel and other soft goods offerings than neighborhood centers. The center is usually configured in a straight line as a strip, or may be laid out in an L or U shape, depending on the site and design.	9,562	1,884,308,441	25.2%	197,062	125,000-400,000	10-40	2+	40-60%	15-40 stores	Discount store, supermarket, drug, large-specialty discount (toys, books, electronics, home improvement/furnishings or sporting goods, etc.).	3-5 miles
Neighborhood Center	Convenience oriented.	32,301	2,322,119,720	31.0%	71,890	30,000-125,000	3-5	1+	30-50%	5-20 stores	Supermarket	3 miles
Strip/Convenience	Attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores. Open canopies may connect the store fronts, but a strip center does not have enclosed walkways linking the stores. A strip center may be configured in a straight line, or have an "L" or "U" shape. A convenience center is among the smallest of the centers, whose tenants provide a narrow mix of goods and personal services to a very limited trade area.	68,128	895,886,415	12.0%	13,150	< 30,000	<3	AKA: No-iss or a small convenience-store anchor.	NA	NA	Convenience store, such as a mini-mart	<1 mile
Specialized-Purpose Centers												
		2,944										
Power Center	Category-dominant anchors, including discount department stores, off-price stores, wholesale clubs, with only a few small tenants.	2,028	827,923,296	11.1%	408,246	250,000-800,000	25-80	3+	70-90%	NA	Category killers, such as home improvement, discount department, warehouse club and off-price stores	5-10 miles
Lifestyle	Upscale national-chain specialty stores with dining and entertainment in an outdoor setting.	368	126,247,790	1.7%	317,206	150,000-500,000	10-40	0-2	0-50%	NA	Large format upscale specialty	8-12 miles
Factory Outlet	Manufacturers' and retailers' outlet stores selling brand-name goods at a discount.	340	76,259,181	1.0%	224,292	50,000-400,000	10-50	NA	NA	NA	Manufacturers' and retailers' outlets	25-75 miles
Theme/Festival	Leisure, tourist, retail and service-oriented offerings with entertainment as a unifying theme. Often located in urban areas, they may be adapted from older--sometimes historic--buildings and can be part of a mixed-use project.	178	26,161,261	0.3%	146,973	80,000-250,000	5-20	Unspecified	NA	NA	Restaurants, entertainment	25-75 miles
Limited-Purpose Property												
		40										
Airport Retail	Consolidation of retail stores located within a commercial airport	40	6,126,596	0.1%	153,164	75,000-300,000	NA	NA	NA	NA	No anchors; retail includes specialty retail and restaurants	NA
Total Industry												
		114,486										
Total Industry	Traditional + Specialty + Special Purpose	114,486	7,487,439,518	100.0%	65,400							

Sources: Appraisal Institute, CoStar and the International Council of Shopping Centers. Copyrighted, ICSC, January 2014

ripple effect for existing uses. To encourage economic expansion, the City needs to embrace the theory that by drawing from a greater geographical range, the City benefits from exposure to a greater population. For instance, as shown in the table, a Regional Mall or a Super-Regional has the capability of drawing from up to 15 and 25 miles, respectively. Thus creating a larger geographic draw, bringing new consumers to existing local business, while not offering competitive products.

Expanded Draw = Larger Population and Greater Access to Income

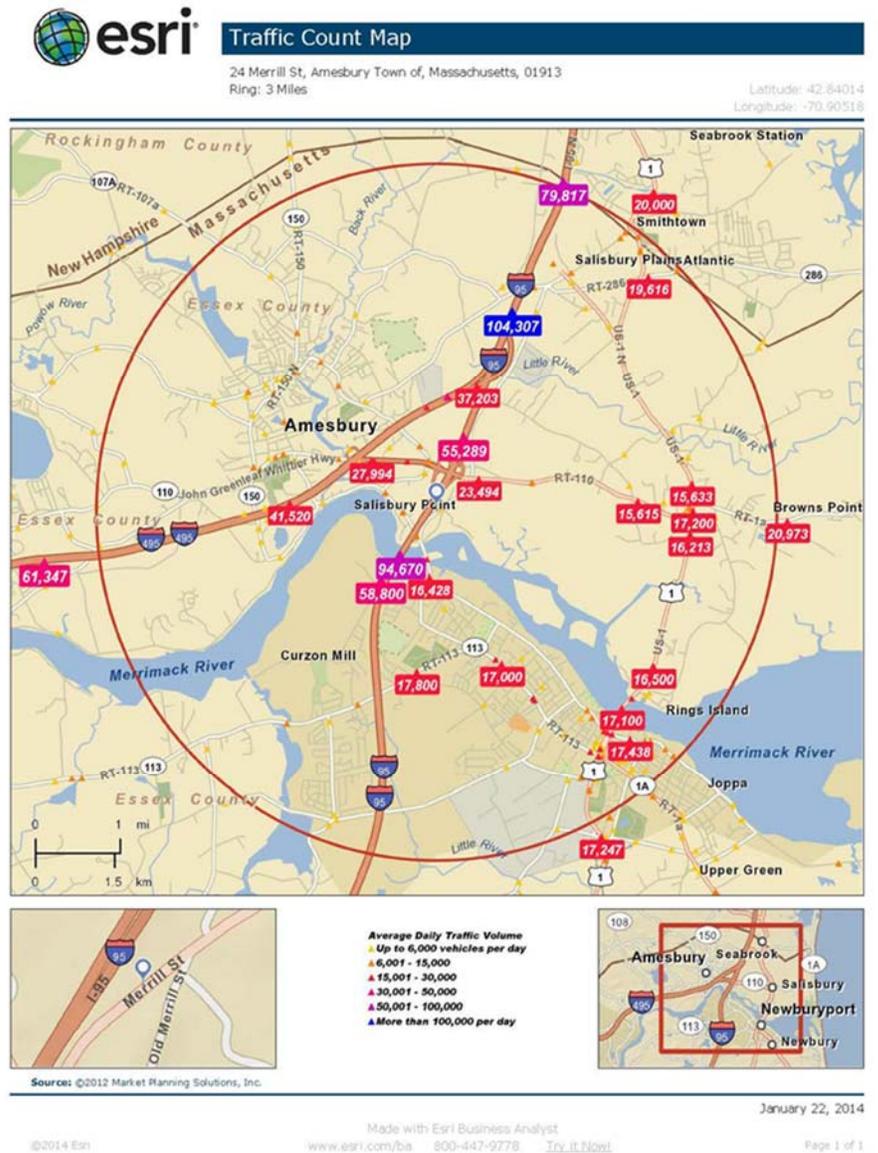
Obviously, the more expansive the regional draw, the more the City is accessible to high-income households. In this regard, we have been able to obtain the Environmental Systems Research Institute (ESRI) tables “Demographic and Income Comparison Profile” (see Appendix A) which outlines the population and other demographic data within 10, 20 and 30 miles from the Golden Triangle site at 297 Elm Street. The data clearly indicates the obvious; an expanded region from 10 to 20 and then 30 miles creates an expanded access to population. At the 10 mile range, which could be construed as within the region of some existing uses in the City the population is 155,017. However, extend beyond the City’s typical reach of 10 miles to include populations at 20 and 30 miles and the number increases to 676,753 and 1,839,211 respectively. A business with an expanded draw will increase the City’s access to an expanded market, which is over four times greater at 20 miles, and almost twelve times greater at 30 miles. Additionally, the households with income in excess of \$75,000 increases from 30,300 households within a 10 mile range to 325,490

households at 30 miles. This increase is over 11 times the population when comparing the 10 mile and 30 mile regions.

Lastly, while attractions such as the regional beaches and tourist economy of the region helps the City in the summer season, a regional retail center can create a year-round draw. This is a consistent advantage over periodic and seasonal tourist traffic.

The Potential for Retail Growth

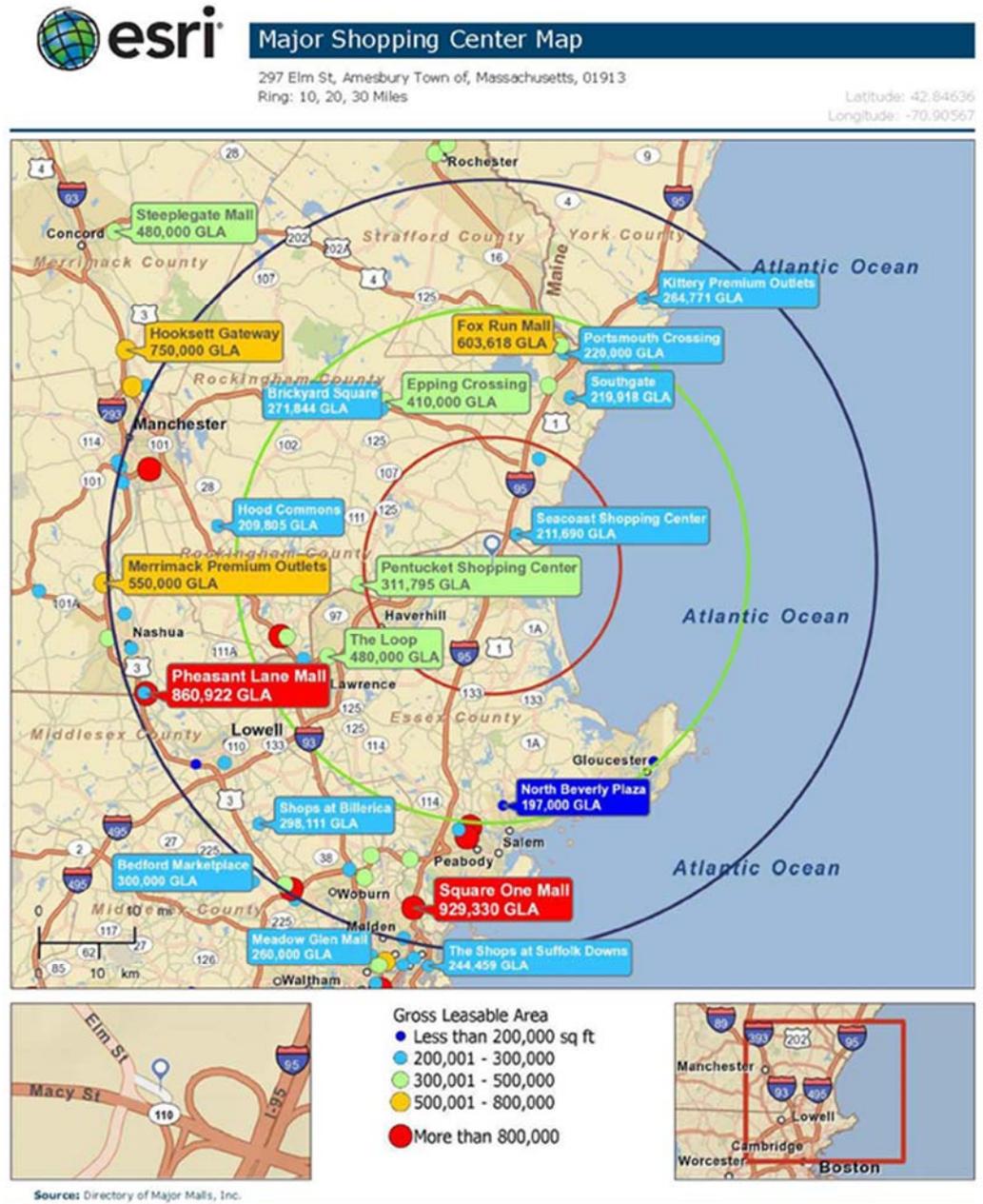
The predominant requirement for a retail location is the presence of high traffic counts within proximi-



ty to the retail center. The ESRI Traffic Count maps in Appendix B outline the traffic counts at interstate locations where there is a high retail presence. Essentially, the data reverse engineers the formula for successful retail by comparing the access and traffic at existing successful locations to demonstrate that Amesbury (below map) is similar to many retail locations serving larger regions.

The commonality of all these locations is a traffic count that exceeds 50,000 trips per day within a 3 mile proximity to a highway exit. Amesbury demonstrates the ability to carry a retail center given the adjacent traffic counts and the City clearly provides highway access equal to or beyond traffic counts at other comparable Regional or Super-Regional retail centers.

Further refining this information to include the nearest competitive centers in the adjacent Major Shopping Centers Map, the data depicts that Amesbury is distanced at least 20 miles away from Regional and Super-Regional retail centers. Given the traffic counts and distance from potential competition, the possibility exists that a Regional or a Super-Regional retail center would meet all of the typical tests for a location at the Golden Triangle. Some would argue that the environment for retail in northeastern Massachusetts has the inherent disadvantage of competing against New Hampshire's sales tax free market-



March 18, 2014

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place. However, one could counter that Massachusetts only charges sales tax on individual items of clothing costing \$175 or more. Given the traffic counts, distances to other retailers, and highway proximity the Amesbury, the Golden Triangle site provides a viable alternative for clothing-based retail centers.

Fashion-Oriented Regional Retail Centers (400,000+ SF)



In this regard if clothing is the primary retail approach then the below map showing the locations of Fashion Oriented Regional Retail Centers indicates that the gap in competing centers widens. If the draw is 15 miles for these centers then the majority of the uses are outside that region creating an opportunity for this region. Given the highway access of Amesbury that need could easily be filled by the Golden Triangle.

One Developer = Coordinated Mitigation

Beyond the geographic draw and population, a development must create a uniform approach that addresses the entire mitigation program with one development plan. Small, individual developments do not create enough capital to address all of the traffic impacts that a site of the size of the Golden Triangle would generate at build out. The May 2007 analysis titled The Golden Triangle Route 110 Economic Development Study provides multiple recommendations and site plans as options for the site including the presence of “Big Box” platforms and a strip mall approach combined with housing (see adjacent plan). The second alternative (next page) provides a retail and office mix, again showing the “Big Box” pads mixed in with office pads and strip retail.



In a positive market, without competition from the retailers in sales-tax free New Hampshire, and on a site with no constraints, the program may become viable. However, the 2007 program requires a considerable amount of infrastructure spread out over possibly a multi-developer team. The result is a phasing program that becomes problematic as key issues such as traffic and wetlands cannot be solved on a piecemeal basis. With development of individual pads, it becomes difficult to cover an entire mitigation package unless one developer plans a project large enough to attract the appropriate public/private financing.

Very few developers are capable of funding the infrastructure to support an entire development of vacant pad sites that may or may not become viable.

Today, the only development that is occurring is a frontage lot with no infrastructure demands. To move a project forward, the City needs to attract a developer who will create one project and construct the entire mitigation scope as one phase.

Conclusions and Recommendations

While a community may view land use decisions from the perspective of the carrying capacity of a site, a business may view the decision based on the market viability. The City can and should approach the issue from both sides of the equation due to the considerable amount of analysis of the Golden Triangle site, indicating constraints from different land uses and examples of prior development approaches.

The City should consider zoning using an overlay method to attract businesses with the following profile:

- A use which will provide a substantial increase in tax revenue over the current vacant land.
- A use which will provide job creation opportunities.



- A regional draw that exceeds the geographic market reach of businesses in the area.
- A thematic building plan, with no “big-box” tenants, master-planned, employing a thoughtful wetland mitigation approach.
- A use that can demonstrate that the site is a viable location.
- A use that will take full advantage of the highway resources to the extent they will extend through the region and enhance the City of Amesbury’s reputation as an economic center.
- A use that is not redundant to the land uses in the community in the region.

The City has an opportunity to provide an option that will provide local business with an expanded geographic draw while fully developing the Golden Triangle site to address revenue demands. That opportunity should not be lost on a need to overanalyze the past studies and their relationship with this report. The opportunity exists to target a land use, which meets the above parameters and market the site with the opportunity to increase revenue and the City of Amesbury geographic reach.

**Appendix A: Demographic and
Income Comparison Profile
Tables ESRI**



Demographic and Income Comparison Profile

297 Elm St, Amesbury Town of, Massachusetts, 01913
Rings: 10, 20, 30 mile radii

Latitude: 42.84636
Longitude: -70.90567

	10 miles	20 miles	30 miles
Census 2010 Summary			
Population	155,017	676,753	1,839,211
Households	62,623	257,632	708,085
Families	41,161	174,929	469,863
Average Household Size	2.43	2.56	2.54
Owner Occupied Housing Units	46,088	179,090	470,875
Renter Occupied Housing Units	16,535	78,542	237,209
Median Age	44.0	40.9	40.1
2013 Summary			
Population	155,572	681,999	1,850,739
Households	63,303	260,475	715,120
Families	41,519	176,529	473,598
Average Household Size	2.42	2.56	2.53
Owner Occupied Housing Units	46,270	180,237	473,849
Renter Occupied Housing Units	17,033	80,239	241,271
Median Age	45.2	41.7	40.7
Median Household Income	\$71,820	\$69,367	\$66,346
Average Household Income	\$93,786	\$94,560	\$89,487
2018 Summary			
Population	158,812	696,831	1,890,432
Households	64,859	267,036	732,704
Families	42,336	180,186	483,042
Average Household Size	2.42	2.55	2.53
Owner Occupied Housing Units	47,756	186,445	490,367
Renter Occupied Housing Units	17,103	80,591	242,337
Median Age	46.3	42.3	41.2
Median Household Income	\$82,532	\$80,774	\$77,555
Average Household Income	\$109,229	\$110,734	\$103,823
Trends: 2013-2018 Annual Rate			
Population	0.41%	0.43%	0.43%
Households	0.49%	0.50%	0.49%
Families	0.39%	0.41%	0.40%
Owner Households	0.63%	0.68%	0.69%
Median Household Income	2.82%	3.09%	3.17%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

March 18, 2014



Demographic and Income Comparison Profile

297 Elm St, Amesbury Town of, Massachusetts, 01913
 Rings: 10, 20, 30 mile radii

Latitude: 42.84636
 Longitude: -70.90567

2013 Households by Income	10 miles		20 miles		30 miles	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	5,424	8.6%	26,766	10.3%	73,676	10.3%
\$15,000 - \$24,999	4,208	6.6%	17,215	6.6%	48,358	6.8%
\$25,000 - \$34,999	4,785	7.6%	21,799	8.4%	61,022	8.5%
\$35,000 - \$49,999	7,584	12.0%	30,026	11.5%	87,931	12.3%
\$50,000 - \$74,999	10,643	16.8%	41,518	15.9%	118,644	16.6%
\$75,000 - \$99,999	8,031	12.7%	30,941	11.9%	91,640	12.8%
\$100,000 - \$149,999	13,009	20.6%	49,609	19.0%	133,151	18.6%
\$150,000 - \$199,000	5,211	8.2%	21,878	8.4%	54,587	7.6%
\$200,000+	4,409	7.0%	20,724	8.0%	46,112	6.4%
Median Household Income	\$71,820		\$69,367		\$66,346	
Average Household Income	\$93,786		\$94,560		\$89,487	
Per Capita Income	\$38,350		\$36,539		\$34,947	

2018 Households by Income	10 miles		20 miles		30 miles	
	Number	Percent	Number	Percent	Number	Percent
<\$15,000	5,076	7.8%	25,553	9.6%	70,996	9.7%
\$15,000 - \$24,999	3,349	5.2%	13,811	5.2%	38,953	5.3%
\$25,000 - \$34,999	3,419	5.3%	15,911	6.0%	44,973	6.1%
\$35,000 - \$49,999	7,459	11.5%	29,452	11.0%	85,980	11.7%
\$50,000 - \$74,999	9,865	15.2%	38,931	14.6%	111,474	15.2%
\$75,000 - \$99,999	8,933	13.8%	34,620	13.0%	104,569	14.3%
\$100,000 - \$149,999	14,061	21.7%	53,387	20.0%	144,690	19.7%
\$150,000 - \$199,000	7,346	11.3%	30,597	11.5%	75,820	10.3%
\$200,000+	5,351	8.3%	24,773	9.3%	55,249	7.5%
Median Household Income	\$82,532		\$80,774		\$77,555	
Average Household Income	\$109,229		\$110,734		\$103,823	
Per Capita Income	\$44,782		\$42,847		\$40,601	

Data Note: Income is expressed in current dollars.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

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**Appendix B: Traffic Count
Maps for Retail Centers ESRI**



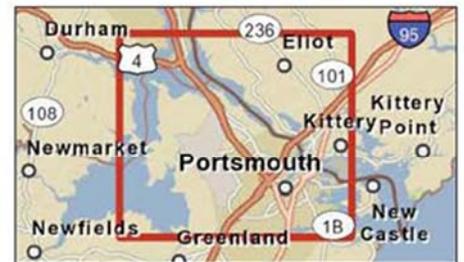
Traffic Count Map

3 Newington Park, Newington, New Hampshire, 03801
 Ring: 3 Miles

Latitude: 43.09556
 Longitude: -70.80409



- Average Daily Traffic Volume**
- ▲ Up to 6,000 vehicles per day
 - ▲ 6,001 - 15,000
 - ▲ 15,001 - 30,000
 - ▲ 30,001 - 50,000
 - ▲ 50,001 - 100,000
 - ▲ More than 100,000 per day



Source: ©2012 Market Planning Solutions, Inc.

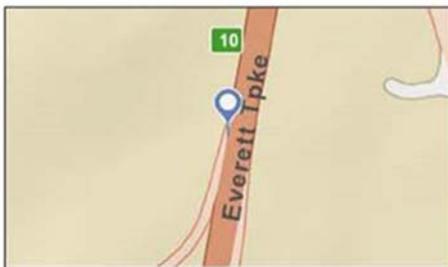
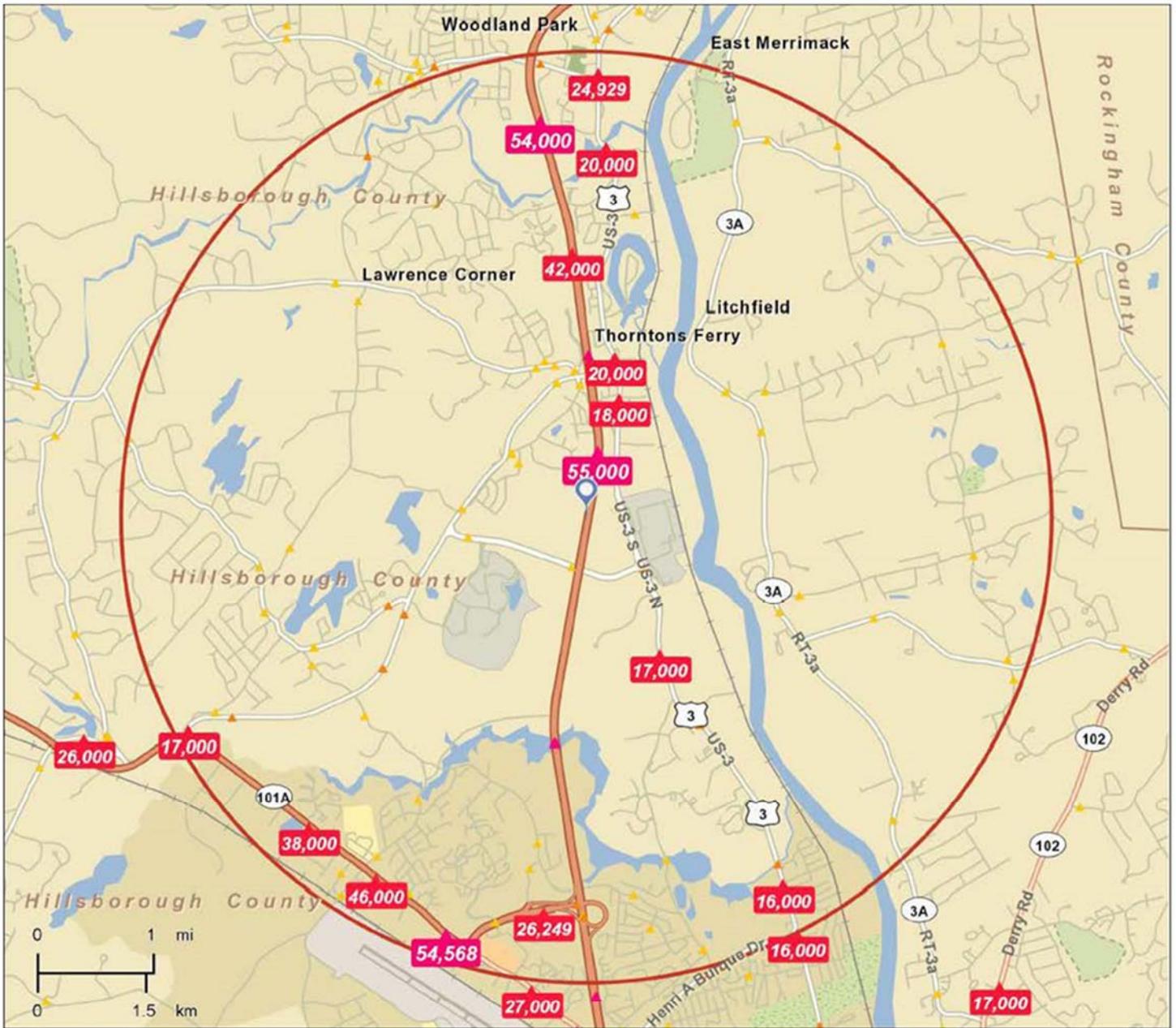
March 19, 2014



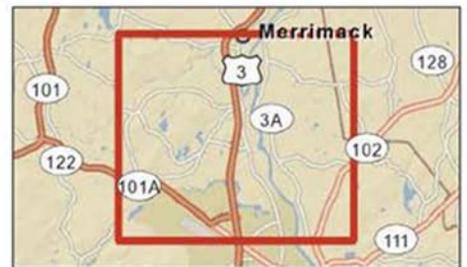
Traffic Count Map

10, Merrimack, New Hampshire, 03054
Ring: 3 Miles

Latitude: 42.82583
Longitude: -71.49498



- Average Daily Traffic Volume**
- ▲ Up to 6,000 vehicles per day
 - ▲ 6,001 - 15,000
 - ▲ 15,001 - 30,000
 - ▲ 30,001 - 50,000
 - ▲ 50,001 - 100,000
 - ▲ More than 100,000 per day



Source: ©2012 Market Planning Solutions, Inc.

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