



**TOWN OF TEWKSBURY
ECONOMIC DEVELOPMENT COMMITTEE**

Meeting Minutes

March 4, 2014

Present: Patty Lelos, Marco Duffy, Larry Sanford, Mike Monahan, David Plunkett

Absent: David Gay, Brian Linder

Guests: Richard Montuori, Steve Sadwick, Brian Cohen, of Transwestern

COMMERCIAL BROKER PRESENTATION ON SITE SELECTION

Mr. Sadwick introduced Mr. Cohen for a presentation regarding site selection from a company's perspective. Mr. Cohen mentioned that he previously worked on the Converse Company's look at the former Avid Technology properties in the Ames Pond area of Tewksbury for their worldwide headquarters. The company ultimately chose the downtown Boston site across the O'Neill tunnel from the Garden. His presentation will focus on what happens when a company starts looking for a new location ending with what the Town can do when it gets the call.

Mr. Cohen went over a slide presentation from Investment Consulting Associates. There are 4 steps that occur internally at a company before they consider a relocation. At the front end, there has to be an event within the company that leads to a search. This event could be a lease expiration, reaching or exceeding capacity at the current location. This is usually an 18 month look ahead as to what the needs will be. The company then goes through an initial screening of locations. It looks at the universe of location candidates and runs the list through various screens internally. Mr. Cohen explained a case study that he was aware of. Namely, that a company that serviced Latinos was located in Boston and Colorado and was looking for a new site to add. The company started with 265 Core-Based Statistical Areas (Metro Area). The first screen was that the CBSA had to have a strong Spanish speaking population, followed by a certain educational level, compensation, allow for continuity of operations, specifically not being located in California due to previous experiences and market size for customer service. This screening process led to a short-list of 8 metropolitan areas in the country. It is at this point of the short-list that the potential relocating company would start to reach out.

90% of the relocation effort is internal to the firm and something a community does not see.

At the point of reaching out, the company goes through the field validation and cost modeling processes. Relocating companies typically work through statewide or regional organizations like counties. In Massachusetts, calls would come into the Mass Office of Business Development and Mass Econ. The cost modeling would include such items as economic development incentives and labor costs. The relocating company would be looking at permitting timelines. Being a

MGL Chapter 43D expedited permitting community with reduced permitting timelines are important. Field validation would also include interviews with other employers in the area. The end of the process is final negotiations and location selection.

The following is a list of factors that relocating businesses look at:

- 1- Labor market skills, talents
- 2- Labor and operating costs
- 3- Partners, customers, vendors
- 4- Transportation and access
- 5- Utilities and other infrastructure
- 6- Real estate and facilities
- 7- Business environment and taxation
- 8- Quality of life

Mr. Cohen went on to explain that businesses look to reduce the travel time of employees. He mentioned that business environment does not necessarily mean that community's give things away to business; it means how businesses are treated. He mentioned his personal experience in meeting with Steve Sadwick and Richard Montuori with a potential tenant and how well the company was treated.

Cohen's presentation then turned to the questions of "how do you make it on the radar screen and what to do when you get the call".

To prepare for the call you need to do the things that you can control. How a community responds can be a night and day difference. The community does not necessarily need to open the coffers. Communities that do well speak with a common voice across the municipality. The Commonwealth has a reputation of segmentation and turf battles. This can be evident at the local level and does not bode well for economic development. Everyone needs to be at the table from planning, zoning, building, public safety and public works. Companies are usually behind the eight ball by the time they are talking to the municipal staff so permitting timeframes become extremely important. Staff should provide best case and worst case scenarios for permitting.

A question was asked as to how do you get companies to make the call to Tewksbury. Mr. Cohen responded that over time site selectors begin to realize the Town's efforts. The Town needs to establish relationships with Mass Econ and the local commercial brokers. Having a good relationship with MOBD is also very important. Mr. Montuori mentioned that the Town has a very good relationship with Peter Milano of MOBD and he is frequently contacting Steve and

Richard with potential relocations. Mr. Cohen mentioned that the State needs to elevate its marketing efforts.

Mr. Plunkett mentioned the marketing efforts that Lowell and Chelmsford have undertaken for economic development. Mr. Cohen responded that regional marketing is probably a better bet since so many of the surrounding communities share similarities. Local individuals cannot reach the national markets. Regions usually have business clusters such as manufacturing, medical devices, etc.

Mr. Cohen recommended that the Town should call and have an ongoing relationship with the 50 largest employers in the community. He clearly stated that businesses do not relocate because they receive cold calls for brokers or communities.

Mr. Monahan asked if the Town should call site selectors. Mr. Cohen said that national site selectors are more likely to take calls from states.

Mr. Duffy asked if businesses look at Town websites. Mr. Cohen stated that they do as part of their research and pointed out that the Town's website should have a welcome message for businesses. Mr. Montuori responded that he is in the process of updating the website. He knows that we can do better and pointed to the good job that Chelmsford did on their website. Mr. Cohen mentioned contact names on the website are very important. Mr. Montuori pointed out permitting speed, clear and easy to understand process worked well in Devens.

Mr. Cohen mentioned that planned unit developments in Lexington worked well for the former Raytheon site. Town Meeting approved the zoning; a general special permit was issued and Schire had flexibility to development within that special permit.

Mr. Monahan asked if companies were looking for new or existing sites. Mr. Cohen stated that right now firms are looking for existing sites as rents cannot justify new construction in the 495 beltway, with some noted exceptions. High market rents in the market are running \$20/sf; to cover new construction costs, rents would have to be closer to \$30/sf.

Mr. Montuori asked about companies investing in infrastructure. It was agreed that relocating would prefer not to build out infrastructure. Mr. Cohen stated that from the Town side, it should be fairly easy to evaluate proposals and their effect on the infrastructure. It becomes a simple math problem. In the end, the company's opinion is if you want us, you build it. Mr. Montuori noted that the State has been providing infrastructure funding for economic development.

Mr. Duffy noted that the primary focus of tonight's discussion was on large economic development projects. He was wondering if we should focus on Rt. 38 or other places. Mr. Montuori stated that since the new Economic Development Committee there have been 3 meetings. The first was a brief introduction; the second was a discussion with Marc Ginsburg and his visions for Rt. 38. Tonight's meeting was with a commercial broker to give the committee an understanding of how the larger market works. The next meeting will be with Peter Milano of the Mass. Office of Business Development and the final presentation meeting with the Northern Middlesex Council of Governments.

Mr. Montuori does see a role for the committee in assisting with a vision for Rt 38 and advancing economic development efforts along Main Street.

Mr. Montuori mentioned that he and Mr. Sadwick just met with Legette- McCall this week and TriTower, the new purchaser of 100 and 200 Ames Pond. TriTower may buy 300 Ames Pond Drive but is looking at housing. Mr. Plunkett mentioned that the Town loses when commercial properties are converted to housing. He stated that 300 Ames Pond Drive should be a destination with its views on the Pond. The casino or something that draws people to the site is preferable over housing. Mr. Monahan mentioned that there is a need for retail in north Tewksbury.

Mr. Montuori mentioned that he tried to interest them in the old Heath Brook Plaza on Main Street. This site is more amenable to mixed use development. Even discussions regarding the Caswell come back to mixed use and housing. The Town needs to step forward and lead by example.

There was a question as to getting the schools involved in beautification efforts. Mr. Montuori responded that over the summer 5 college students will be hired to help clean up town and paint hydrants and other public facilities. He also mentioned that he has met with the head of the inmate program and the Town will continue to participate in this program for the free labor.

Next meeting will be based upon Mr. Sadwick arranging for Mr. Milano's presentation.

7:20 pm Mr. Sanford made a motion to adjourn; seconded by Mr. Monahan; unanimously approved.

Approved: 4/9/14

No documents submitted for 3/4/14 Agenda