

## Draft Report Outline: EDC to Select Board March 14, 2022

The Economic Development Committee (EDC) was constituted in 2020 to provide information and recommendations to the Select Board regarding opportunities for economic development in Lancaster. ~~We offer this first report on our activities.~~

### Background

According to the Mission Statement, the EDC would work with the Town of Lancaster's Planning Director, business, and real estate development communities to promote responsible business and residential development in Lancaster.

One designated task is to analyze barriers to economic development and support the creation of bylaws, policies, regulations, and zoning to address those barriers, foster economic growth, and strengthen the local economy consistent with the goals of Lancaster's Master Plan.

Until recently, the committee's efforts have focused primarily on the proposed Capital Group development of the parcel behind McGovern Boulevard in North Lancaster. When originally submitted to the Planning Board in 2019, a major element of the project included a large auto auction and storage facility. There were a host of environmental concerns and eventually, this element of the project was ruled out.

- The next iteration of the project called for several large warehouses, the largest being approximately 1.2 million square feet, two or three smaller warehouses, assorted commercial and retail facilities, and a 40B housing development that would include up to 600 residential units. We held several additional open meetings discussing the proposed zoning implications and received many resident comments about the project, including many from the areas that would be most heavily impacted by the development. The majority of these were opposed to the Capital Group project. Following were the most frequently cited concerns:

- Increased traffic – there were many concerns from residents about the accuracy of the traffic impact study and the following peer review. Many believed that the estimates were too low. Especially when considered alongside several other storage and distribution centers planned for Lancaster and the immediate vicinity, it appears that a regional traffic impact study is an absolute necessity.
- Environmental concerns – including noise, light pollution, increased air pollution (especially diesel truck emissions), impact on the ACEC and critical wildlife habitat
- Economic – some expressed the opinion that this development would decrease the value of their homes. The economic analysis done for the town by RKG was unable to comment on this.

**Property Taxes and Service Costs** – Estimated property taxes for the Project’s proposed buildings, prior to any costs or other adjustments, total \$2.8 million dollars at full buildout.<sup>2</sup> Approximately 71% of those taxes are derived from the industrial component, another 8% from the retail component and the remaining 21% from the residential component.

- Once adjusted for an estimated \$169,169 in Town service costs (not including education), the resulting property tax revenue is \$2,706,277.
- On the positive side, the development projects tax revenues for the town amounting to two to three million dollars per year. (see figure 2)

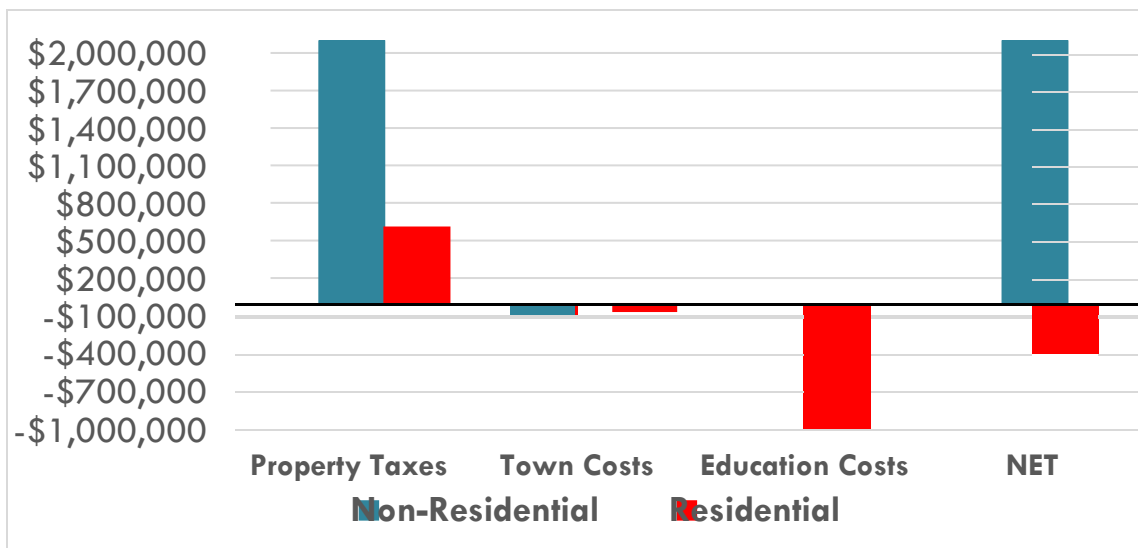
**Table 1 – Proposed Project - Baseline Metrics “as is”**

Proposed Project	Acres	Built SF	FY 2021 Value	Per Acre / SF	FY 2021 Taxes (1)
390 - Vacant land (accessory)	366.95		\$ 2,752,100	\$ 7,500	\$ 54,987
132 - Vacant land (undevelopable)	12.00		\$ 12,000	\$ 1,000	\$ 240
Development		3,010	\$ 215,300	\$ 71.53	\$ 4,302
<b>TOTAL</b>	<b>378.95</b>	<b>3,010</b>	<b>\$ 2,979,400</b>		<b>\$ 59,528</b>

Source : Lancaster, MA Assessor and RKG (2021)

(1) FY 2021 tax rate of \$19.98 per \$1,000

**Figure 2 – Reconciliation of Fiscal Impacts by Use – Phase 1 of Proposed Project**



Source: RKG (2021)

### **Affordable Housing: 40B vs 40R**

Massachusetts requires every town in the Commonwealth to provide at least 10% of their housing stock as deed-restricted affordable housing. If a town's affordable housing stock falls below that 10% threshold then that town can be forced to accept development plans under section 40B of the Commonwealth's zoning regulations. 40B is considered to be a blunt instrument in that all 40B projects, while they must contain at least 25% affordable units, are completely excluded from all of the Town's zoning regulations, other than environmental regulations enforced by the Conservation Commission. Under 40B regulations, projects of up to 200 units could be put almost everywhere in Lancaster as long as the Town's affordable housing stock remains under 10%. Based on 2020 census data, meeting that 10% threshold requires 279 affordable units, but at present Lancaster only has 140 units, so a shortfall of 139 units.

40B housing developments can be extremely disruptive to a town, and planned affordable housing, providing much greater local control of the project, is a far better idea. 40R zoning was passed into law in 2021 along with a number of Governor Baker's other plans to support the creation of more affordable housing in Massachusetts. To investigate this option the EDC held several joint meetings with the Lancaster Affordable Housing Trust (AHT). Instead of possibly ending up with a large 40B housing development, the AHT recommended creating a new 40R zone which would have a mix of affordable and market rate housing along with retail and commercial uses. AHT's proposed 40R zone is planned to accommodate 150 rental units and up to 49% retail and/or commercial uses. As 25% of these rental units would be deed restricted affordable units, all 150 units would qualify as a part of Lancaster's stock of deed restricted affordable housing, which would bring the Town over the 10% threshold until at least the next census in 2030.

In addition, the commercial and retail uses in the 40R could provide needed services to the residents of the northern part of Lancaster.

### **The EDC has established the following list of projects with a potential for economic impacts for Lancaster:**

1. N Lancaster, Capital Group Status Monitor: Phil E. upcoming Capital group Presentations January 12 and February 9 at 6PM web site: <https://thelandinglancaster.com/>
2. GFI (696 Fort Pond Rd., Chisholm Property) Status Monitor Phil E. FIA Fiscal Impact study (RKG) Authorized by GFI
3. Atlantic Union College sale Status Monitor: No new information Lenay Yorke
4. Lunenburg, 1263 Reservoir Rd. (Traffic Impact) Status Monitor: Rebecca Y. Jones
5. One North Central (26 Town regional study Plan for development, Plan is on the EDC Web page) Status Monitor: George Frantz
6. Possible Regional Traffic study (Funding and study plan) Status Monitor: Phil Eugene
7. DCAM Status Monitor: Joe D'Eramo

8. Unified Packaging (Old Rockport) building Status Monitor: ??
9. Shirley Rd "Thrive" Pot store Status Monitor: building currently under construction. Open some time in 2022
10. Old Boy Scout building to a "Jeep Dealer Ship" Status Monitor: ??
11. Powell sand and gravel, Keating trucking traffic Status Monitor: ?? [Type here]  
C:\Users\Phil\Documents\Lancaster\_economc\_dev\2021\_LEDC\EDC\_Project\_list.docx
12. Kalon Farms Status Monitor: Request for re-zoning and special permits denied.
13. Proposed 40B on sterling Rd. "Goodrich" project Status Monitor: ??
14. Hawthorne Hill (George Hill Rd) Status Monitor: Sold, private sale, not currently intended to become a commercial property.

We will begin accumulating information on these projects and will provide updates to the Select Board periodically (probably quarterly).

In addition, a local resident offered some suggestions, including working proactively to encourage businesses to consider operating in Lancaster. (We will discuss this at our next meeting.)