
Town of Essex Economic Development Plan

Funding provided by:
Direct Local Technical Assistance
Planning for MetroFuture Technical Assistance
Town of Essex

Prepared for
Town of Essex
30 Martin St
Essex, MA 01929



Prepared by
Metropolitan Area
Planning Council
60 Temple Place, 6th Floor
Boston, Massachusetts 02111
www.mapc.org



Acknowledgements

This document was produced with input from the Town of Essex residents, the Essex Merchants Group, the Essex Economic Development Committee, and Town Staff.

Professional technical assistance was provided by the Metropolitan Area Planning Council: Raul Gonzalez, Senior Planner, Alex Koppelman and Jenn Kaplan, Economic Development Planner.

This project was undertaken with funds from Direct Local Technical Assistance. MAPC wishes to express our thanks to the Governor and the members of the Legislature for their continued support and funding of this program.

Metropolitan Area Planning Council

Officers

President Erin Wortman

Vice President Adam Chapdelaine

Secretary Sandra Hackman

Treasurer Sam Seidel

Executive Director Marc Draisen

Town of Essex

Town Staff

Chair Ruth Pereen

Town Administrator Brendhan Zubricki

Town Planner Matt Coogan

Economic Development Committee Chair Martha Mazzarino

TABLE OF CONTENTS

Acknowledgements

Contents	Page
I. Summary of Recommendations	5
II. Study Timeline & Activities	6
III. Market Study Context	10
IV. Residential Analysis	12
V. Essex Housing Analysis	14
VI. Retail, Food Service, & Spending Analysis	23
VII. Business Analysis	29
VIII. Essex Public Outreach	33
IX. Recommendations	44

I. Summary of Recommendations

The Town of Essex, its community partners, and the Metropolitan Area Planning Council, through research, outreach, and analysis, have worked to create the following Economic Development Action Plan. Within this study, the input of residents, businesses, and the Economic Development Committee were incorporated.

Research included demographic, housing, transportation, and business data, with consumer spending habits, and market potential, and expenditures incorporated within the study. Additionally, the Town of Essex Economic Development Plan held multiple community engagement sessions, with a town-wide open house, a Business Roundtable, a town-wide survey, in to a post-COVID-19 business questionnaire.

Through research, interviews, and public outreach, a list of nine recommendations were created. These recommendations build upon the strengths of Essex's history, its restaurant community, its active boards and committees, its stunning location, and its distinctive neighborhood businesses. A full breakdown these recommendations can be found at the end of the study. The recommendations are as follows:

1. Assist local businesses that have been hardest hit by the effects of the current pandemic and interruption of day-to-day life.
2. Create guidelines to assist businesses in locating and expanding in Essex.
3. Attract new businesses to respond to the needs of residents, residents from surrounding communities, and visitors to the area.
4. Increase the customer base in Town to support downtown businesses by adding housing and marketing the village to residents and visitors.
5. Enhance the look, feel, and safety of town to maintain a vibrant and walkable downtown and create a sense of place where all can gather.
6. Increase community-building events in town to create an energetic downtown with a strong sense of community.
7. Increase the customer base in Town and support the local workforce by adding a wider range of housing options.
8. Work with a consultant to draft a housing production plan (HPP).
9. Increase capacity for housing planning and production.
10. Expand Town capabilities and resources to achieve these goals.

II. Study Timeline & Activities

The Town of Essex is a community of approximately 3,835 residents as of 2018, and is a historic, beautiful town with an excellent sense of community, with well-maintained open space, attractive residential neighborhoods, a downtown that is a draw from people throughout Massachusetts, unique and active downtown, and a strong sense of community. Essex is best known for its spectacular scenery, its New England charm, and a storied shipbuilding history.

In 2019, MAPC awarded the Town of Essex a technical assistance grant to create an Economic Development Action Plan for Essex's Economic Future. Additionally, Essex provided funding for key components of the study. Matt Coogan, Town Planner, and Brendhan Zubricki, Town Administrator, acted as the local points of contact. They helped coordinate meetings, helped with community engagement activities and outreach initiatives, and assisted in the analysis of the data and community feedback.

Engagement activities included meetings with town staff and partners, an economic development survey, a business roundtable, a COVID-19 questionnaire, and a public open house event. These allowed community members to share insights and feedback with the town. Community members' ideas and statements are documented in this report, and they form the foundation of the analysis and other elements of the study.

The community survey collected over 200 responses. About 40 people participated in the open house and 12 within the roundtables. There were many in-depth conversations and comprehensive feedback. Thanks to the public participation, this plan reflects the values community members hope will guide the town into the future.

The Effects of COVID-19 on the Study

As social isolation measures continue to be extended and expanded in the state, businesses in the region are facing an uncertain future. The order for all non-essential businesses to close temporarily is most visible in downtowns and commercial areas and it is unclear what the ripple effect of these measures will have on other business sectors that are critical drivers of our region's economy.

It is therefore important to note that the framing of this study, as well as the various business analysis and roundtable discussions, were done in the period leading up to the COVID-19 pandemic. It is quite possible that many of the assumptions, recommendations, and data points will not reflect the aftermath of the effects of the virus, quarantine, and shuttering (and subsequent reopening) of businesses.

This plan was adopted by the Essex Economic Development Committee in October 2020 in the midst of the COVID-19 pandemic. It is anticipated that certain recommended strategies or actions would need to be altered, changed, or revisited based on the pandemic's continued affect on the local economy.

Additionally, although most of the demographic information has remained the same, there may be instances where business size and consumer behavior may shift. The references and recommendations take this into account and have remained the same from the pre-COVID-19 time. The success of Essex depends in large part on a healthy business community, and hopefully this project can be a source of assistance and a snapshot of Essex business health pre-COVID.

A reopening plan should include specific requirements and benchmarks for the reopening of the Town's small neighborhood businesses. These businesses are critical to Essex's economy and they face significant challenges in being able to survive past the early phases of this crisis. A reopening plan should give clear benchmarks, guidance, and procedures necessary for reopening, in order to ensure the safety of employees and customers.

Many local businesses will need technical assistance to follow new guidelines including state and local support in obtaining needed PPE, cleaning supplies, and access to testing, as well workforce development support for businesses that have lost employees. Additionally, grants, loans, forbearance on certain debts, tax abatements, temporary regulatory relief, and other creative solutions are all essential, and will likely need to go beyond whatever relief is provided through federal programs.

Key Steps for Municipal Implementation During COVID-19

1. Ensure adequate staffing, particularly for regulatory functions.
2. Compile data
 - a. Access the latest dataset on the small businesses in the town. While not a complete reflection of the current number of small businesses, this will provide a baseline understanding of the number, type and size of businesses.
 - b. Conduct a baseline survey of businesses, expanding upon the survey that was conducted for this project.
3. Continue engaging a working group of small business leaders, financial institutions, small business support providers to advise implementation.
4. Develop a decision-making framework to determine how support will be allocated and to which businesses
 - a. Decisions should be made considering questions regarding:
 - i. What are the goals of the assistance: Job preservation? Business preservation? Downtown revitalization?
 - ii. Are there particular business types that Essex should target?
 - iii. What is the current municipal capacity to provide support currently and what will it be in the next fiscal year?
 - iv. What is the capacity of our partners to provide support?
5. Develop an evaluation framework.
 - a. Determine key metrics to track.
 - i. Key quantitative metrics such as sales tax, meals tax, number of permits, licenses, number of inspections and number of health, safety violations.
 - ii. Key qualitative metrics such as, business owner confidence in future, perception of current conditions, business owner needs, and consumer confidence, feeling of safety while engaging in commerce.
 - b. Develop data collection and analysis process

- i. Determine staffing to be utilized for this effort.
 - ii. Partner organizations to assist with data collection
 - iii. Develop qualitative data collection tools and expanding the COVID-19 Business Survey.
 - iv. Determine frequency.
 - v. Create or adapt a database.
 - vi. Develop reporting process.
- c. These temporary measures should be well-documented and evaluated to determine effectiveness for the future
 - i. Future reopening processes if physical distancing is required for future control of COVID-19.
 - ii. Future regulatory reform to make temporary relief measures permanent.
- d. Regulatory improvements should be made considering future use.
 - i. Wherever possible, system improvements should be designed to allow for future improvements.

Municipal Goals Relative to COVID-19

1. Protect health and safety of customers, owners, and employees

- a. Provide technical assistance to help small businesses adapt to new state regulations, including support to secure PPE, access to testing sites, printable signage for physical distancing requirements, and webinars and online information on regulations and guidance.
- b. A phased approach of reopening will inform what standard safety and health metrics must be met before opening any type of small business to the public. State regulations can be informed by best practices from other states and countries, such as the following guidelines for small businesses:

2. Increase small business revenue

a. Expand opportunities for businesses to sell goods and services

- i. Allow for sidewalk or street vending without special permit or waive permit fee. If the sidewalk width is not sufficient to allow for vending activity while complying with ADA regulations, curbside parking should be removed to allow for retail activity on the street.
- ii. Allow for outdoor seating for restaurants without special permit or waive permit fee. If the sidewalk width is not sufficient to allow for seating while complying with ADA regulations, curbside parking should be removed to allow for parklets and additional seating on the street.

- iii. Remove parking to make more room for people to walk, bike, and patronize businesses and services. Businesses can extend outside store fronts into the curb parking (or travel lane)
- iv. Utilize private parking lots for outdoor dining and shopping to create open air cafes and increase the number of patrons an establishment can serve safely. Such changes would require negotiation with owners and abutters.
- v. Activate public areas (such as Memorial Park) for small businesses and restaurants to sell their products as outdoor markets
- vi. Cap the cost of restaurant delivery services to limit costs to small businesses.
- vii. Develop town partnerships with alternative processing platforms to encourage curbside pickup on host sites
- viii. Provide technical assistance to businesses interested in developing or expanding online sales.
- ix. Allow businesses to sell new products and services in demand (groceries, PPE, cleaning supplies).
- x. Partner with the Cape Ann Chamber and technical assistance providers to host webinars on ways businesses are adapting to changing customer habits and needs, resources available, etc.
- xi. Partner with pro-bono legal assistance organizations to offer lease negotiation workshops and support.
- xii. Provide connections to Career Centers and other workforce development organizations to assist with hiring.
- xiii. Refer businesses to lending institutions, including non-profit or public small business lenders.
- xiv. Implement a buy local campaign in partnership with the Cape Ann Chamber or the Essex Merchant's Association.

3. Decrease the cost of doing business

- a. Permit/License Fee waivers
 - i. Annual Business License: Prorate the fee
 - 1. Vending/Provision of goods outside of the establishment, such as take out, outdoor vending in public realm, and outdoor seating for restaurants.
 - ii. Permit/License waivers
 - 1. Permits for sale of additional goods, such as groceries, etc.
 - 2. Allow home-based businesses with online sales by right in accordance with health and safety regulations and physical distancing restrictions in place

for other brick and mortar businesses (i.e. product is picked up outdoors, masks and gloves worn, transaction conducted online, etc.).

iii. Tax abatements

1. Delayed payment of meals taxes.
2. Delayed payment of property taxes.

iv. Forbearance of certain debts

1. Taxes owed.
2. License, permit fees owed.

v. Loan forgiveness

1. Forgiveness of municipal loans (if any) to small businesses with documented hardship.

vi. Process Improvements

1. Online scheduling for needed inspections.
2. Virtual inspections where possible (via Zoom or FaceTime).
3. Coordinated inspections (all inspectional services inspect premises at same time, health, building, fire, etc.).
4. Online licensing/permitting for certain licenses and permits.

III. Market Study Context

A preliminary market assessment was undertaken as a component of the Market Study. The purpose of the assessment was to identify the potential for supportable commercial and office development in the study area and to better inform future planning decisions and development opportunities.

It is important to note that this preliminary assessment of market opportunities is not a prediction of what will occur on the site. It is a representation of what may be possible should policies and market interest align given current data, trends and projections for future household growth, spending potential and employment within and around the Town of Essex over the next 5 to 10 years.

The deliverables for the plan include:

1. Update of demographic information, review of town and regional market conditions, and identification of strategic growth locations (sector-based) in town.
2. Development of a townwide vision for economic development with goals and strategies.
3. Create an EDC five-year work plan that focuses on where the committee should focus its efforts.
4. Identify best practices amongst public/private initiatives as well as those in need of improvement.

Planning Efforts in the Study Area

Much has happened over the last two decades to create a more attractive, pedestrian friendly and vibrant Downtown Commercial District. The area's business community has benefited from substantial public and private investments. Below are some of the more important Planning efforts related to these changes

Essex Community Development Plan

In 2004, Essex was granted \$30,000 in planning services to create a Community Development Plan, pursuant to Executive Order 418. Executive Order 418 allowed communities to address future growth and development by disseminating information, and by creating visions, goals, and strategies in four topic areas: natural resources and open space, housing, economic development, and transportation. Four state agencies provided funding for this Plan: the Executive Office of Environmental Affairs, Department of Housing and Community Development, Executive Office of Transportation and Construction, and the Department of Economic Development. The town's Planning Board and Community Development Plan Committee held six public workshops to gather public input over the course of two years. In April 2004, the Committee and Planning Board presented a draft plan to the public and solicited feedback.

2005 Strategic Plan

This Plan has been developed through a series of seven two-hour workshops facilitated by staff from MAPC. Through these sessions, the Essex Strategic Planning Committee (SPC) on which we serve has worked to determine the Town's long-term priorities. The SPC is comprised of members from established Town Boards and Commissions, such as the Board of Selectmen, the Finance Committee, Planning Board and Conservation Commission, as well as representatives from key stakeholder groups such as the business and shell fishing communities. This diverse membership has ensured that a wide array of viewpoints was considered during the SPC's deliberations.

From this comprehensive dialogue, nine goals were agreed by the SPC, each underpinned by a set of actions to achieve those goals. These nine goals address a broad range of topic areas, from Town facilities to public safety, land conservation to school budgets. These goals were:

1. Renew and finance critical Town infrastructure by building a new public safety facility, replacing the Memorial School in Manchester and renovating the Essex Elementary School, replacing old water system components and maintaining the Town's ten-year-old sewer system.
2. Increase participation in Town government.
3. Maintain and develop a strong business community.
4. Increase the amount of protected land in Essex.
5. Improve the health of and access to Essex's rivers and lakes.
6. Expand the range of recreational opportunities and assets, particularly for young people.
7. Develop and deliver a fiscally responsible school budget consistent with multi-year forecasts.
8. Maintain the viability of the Town's call Fire Service.
9. Meet the housing needs of all Essex residents.

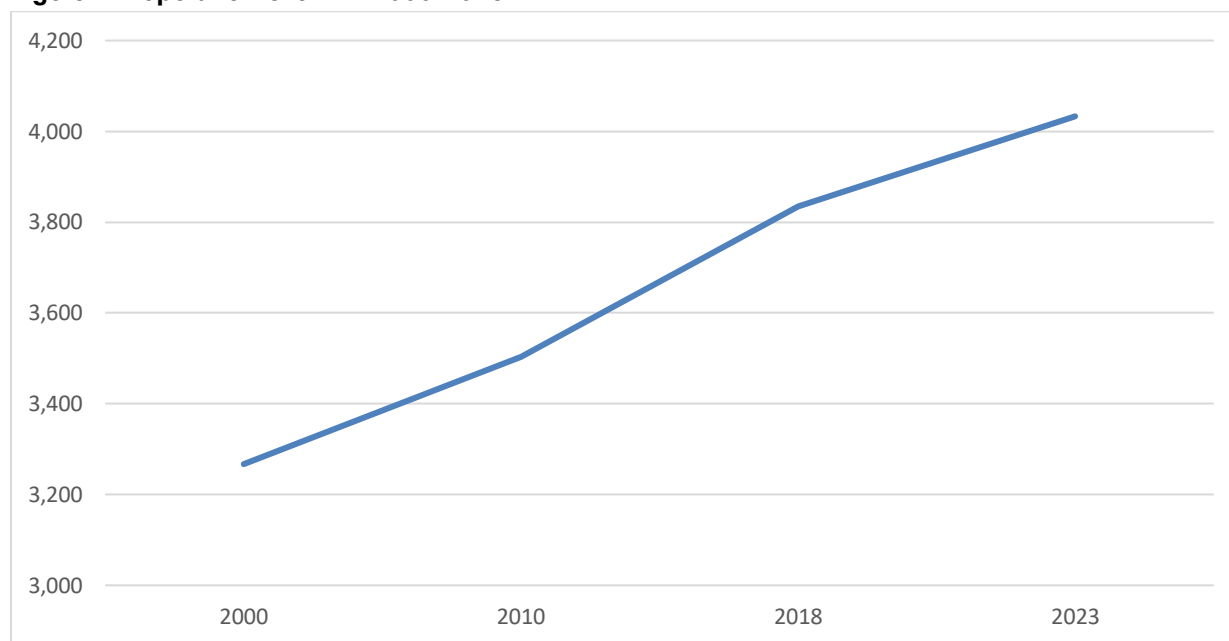
IV. Residential Analysis

Population

According to the American Community Survey, along with MAPC's projections, in 2018, the population of Essex was 3,835, with 1,525 households. The median age for Essex is 45.6, slightly below the state average of 40.2. The total daytime population, that is, the number of people who are present in an area during normal business hours, including workers, stood at 3,365. This includes 1,640 workers and 1,725 residents.

Between 2000 and 2018, Essex's population grew by 17% and is projected to grow another 5.16% between 2018 and 2023. The largest percentage decline is projected to occur within the population age between 25 and 34 at 3.8% drop, with the biggest percentage growth for those 45 to 54 at a 2.6% growth.

Figure 1: Population Growth: 2000-2023



Source: US Census, American Community Survey

Generationally, Essex's largest cohort falls within the Baby Boomer generation at 28.8%, followed by Millennials at 20.4% and Generation Z (Zoomers) at 20.1%. As shown in Table 1 on the next page, the Town of Essex is projected to grow by over 198 residents between 2018 and 2023. Most of the growth between 2010 and 2023 is projected to those under the age of 25 (657 people) and those between the ages of 35 and 64 (325 people).

Housing preferences for these Baby Boomers, Millennials, and Generation Z in many ways align. Both are increasingly interested in residing in dense pedestrian-oriented environments that offer many amenities and transportation options. The Town of Essex certainly has the potential to provide many of these options through the construction of additional housing units.

Table 1: Change by Age: 2010-2023

	2010	2018	2023	Change 2010-2023	% Change 2010-2023
0 - 4	661	799	807	145	22%
5 - 9	574	738	761	187	32%
10 - 14	501	639	761	260	52%
15 - 24	331	309	395	65	20%
25 - 34	412	355	276	-136	-33%
35 - 44	258	384	384	126	49%
45 - 54	184	268	345	160	87%
55 - 64	220	223	259	38	17%
65 - 74	494	320	308	-186	-38%
75 - 84	715	783	630	-85	-12%
85 +	1844	1598	1833	-11	-1%
18 +	46	48	50	4	9%
Total	3,504	3,835	4,033	198	5%

Housing

The median household income for Essex is \$98,707 in 2018 and is projected to grow to \$105,405 in 2023. Additionally, its per capita income will increase from \$50,097 to \$56,593 in 2023. However, the median home value in 2018 is at \$663,462, and will increase of to \$744,892 in 2023.

In 2000, the number of owner-occupied housing units was 63.3%. In 2018, that percentage shrank to 61.6%. That number is projected to decrease to 77% in 2023. Currently, 75% of all housing options are one-unit homes, followed by two-unit homes at 10 percent. Between 2000 and 2018, the percentage of rental units dropped from 27.5% to 25.9%.

MAPC's housing projections represent how changing trends in births, deaths, migration, and housing occupancy might result in higher population growth and greater housing demand. In order to assess the market potential for housing within a community, MAPC staff compare these projections with the number of units that have actually been permitted over the past ten years to understand how supply is aligning with demand. Because markets cross municipal boundaries, it is important to look at residential supply and demand across multiple communities.

A community may actually experience more or less market demand if surrounding communities are either not producing enough or producing significantly more housing than the demand projections indicate. For example, if a community adjacent to Essex is producing very limited housing, Essex may capture more of the regional market demand and thereby lower the individual demand within that adjacent community.

Additionally, some existing single family housing is likely to be freed up by older generations who are looking to downsize however, so there may not be a need to actually construct this much new single family

housing if existing units are being freed up to meet the market demand. There is unlikely to be a significant amount of single-family housing developed downtown.

V. Essex Housing Analysis

The Housing as an Economic Development Tool

Essex has recognized the importance of meeting its housing need in its 2015 Strategic Plan and public engagement initiatives. In 2019, the Town partnered with the Citizens Housing & Planning Association (CHAPA) to create a productive community dialogue to address the town's housing issues as a part of CHAPA's Municipal Engagement Initiative (MEI). This conversation has highlighted the importance of adding housing options throughout the town and particularly in the downtown area to support local businesses. With the understanding of housing's role in economic development, MAPC has highlighted concepts and strategies the Town can use when considering the benefits of housing as an economic development tool.

Ways in which a variety of housing options supports the local economy and improves the quality of life are described below. This chapter uses a variety of housing terms and concepts, see Appendix 1 for an explanation of these terms.

Retain Existing Patrons



As Essex residents age, their housing needs will change, and they may need to downsize into a home different than a single-family house. Providing existing residents with more housing options can help them remain in Essex and continue to support the local economy.

Attract New Amenities



Housing options that allow existing residents to stay in Essex also provide opportunities for new residents to settle in the town and support local businesses year-round. Particularly, families and young professionals have significant spending power. Additional housing can also make the market more attractive to developers interested in bringing new amenities to Essex, such as a grocery store.

Results from the community survey distributed throughout this planning process showed a strong preference for a grocery store in the downtown area. 101 participants indicated they would like to see a grocery store in the downtown area. 102 participants also said they would like to see more cafes, bakeries, and coffee shops.

Protect Local Industry

The increased spending power of residents in homes they can afford and the addition of new residents help protect local industries that make Essex unique.



Rule of Thumb

A corner grocery store with 15,000 square feet typically needs at least 1,000 households to support its customer base.

Support the Workforce



A variety of housing options supports Essex's workers who would benefit from the ability to live in town but cannot find a home to rent or one that's affordable to buy based on service industry wages.

In Essex, half of the renters are cost-burdened, spending more than 30% of their income on housing. Additionally, 38% of owners in town are cost-burdened (United States Census Bureau, American Community Survey, 2013-2017).



Rule of Thumb

A two-person household earning the Massachusetts minimum wage of \$12 per hour can afford a rental rate of approximately \$1,250 per month without being cost burdened.

Reduced Commuter Traffic



When housing allows employees to live and work in Essex, this reduces commuter traffic and associated congestion and pollution.

Improved Walkability

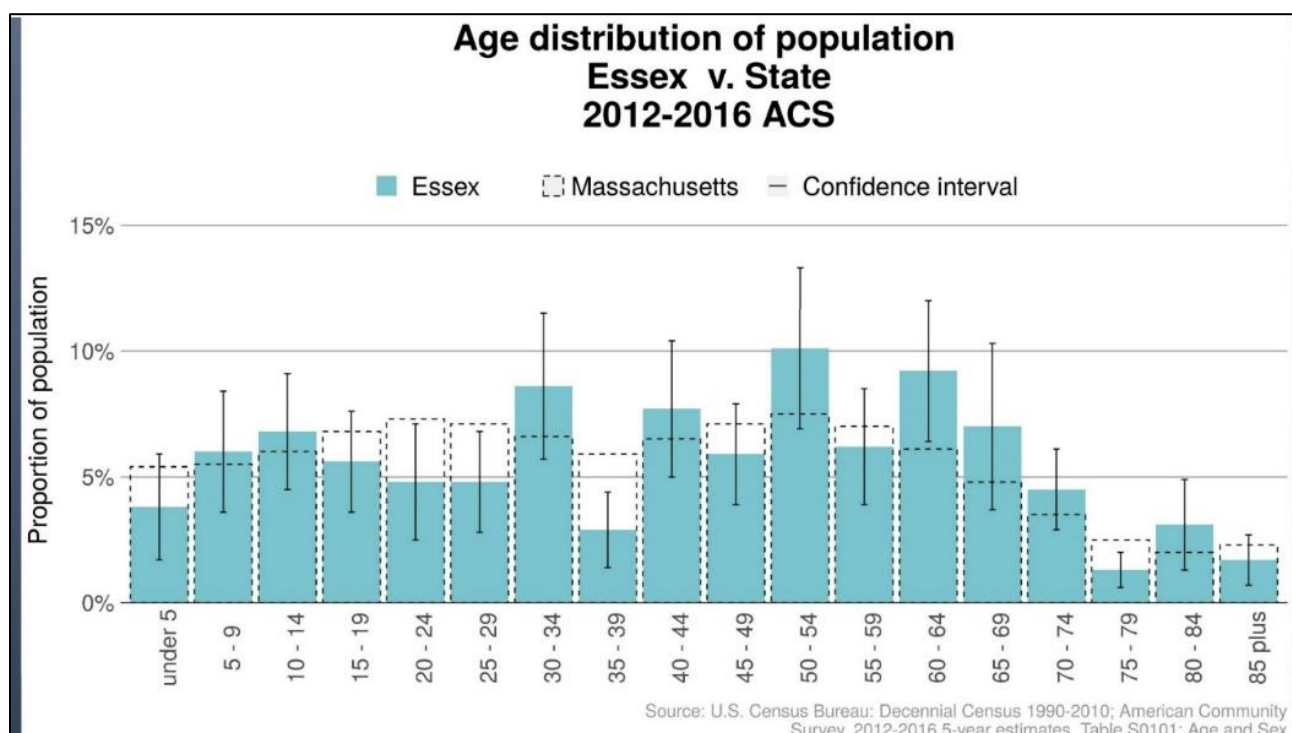
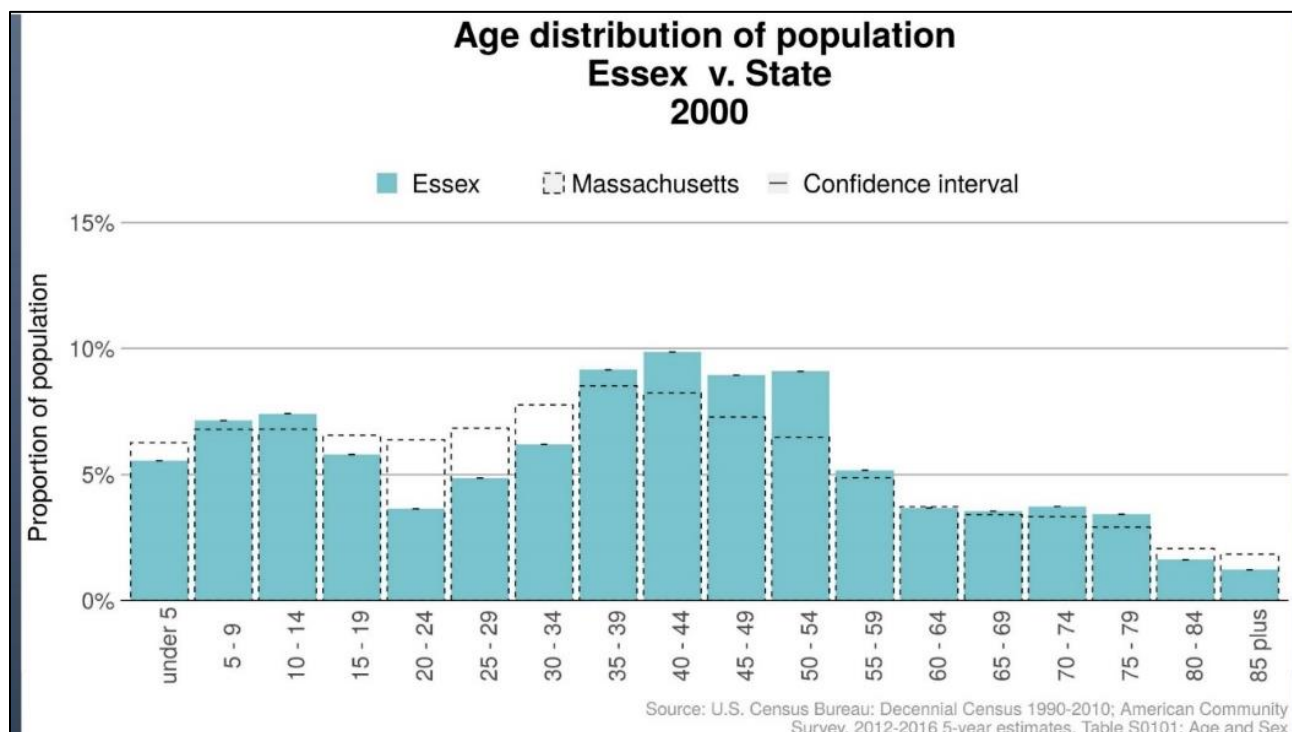


Housing near downtown, such as mixed-use housing, provides for a walkable environment, creating consistent foot traffic to support local businesses. Generally, when new development occurs, the Town can require developers to improve nearby pedestrian infrastructure.

Key Data on Housing Need

Aging Population

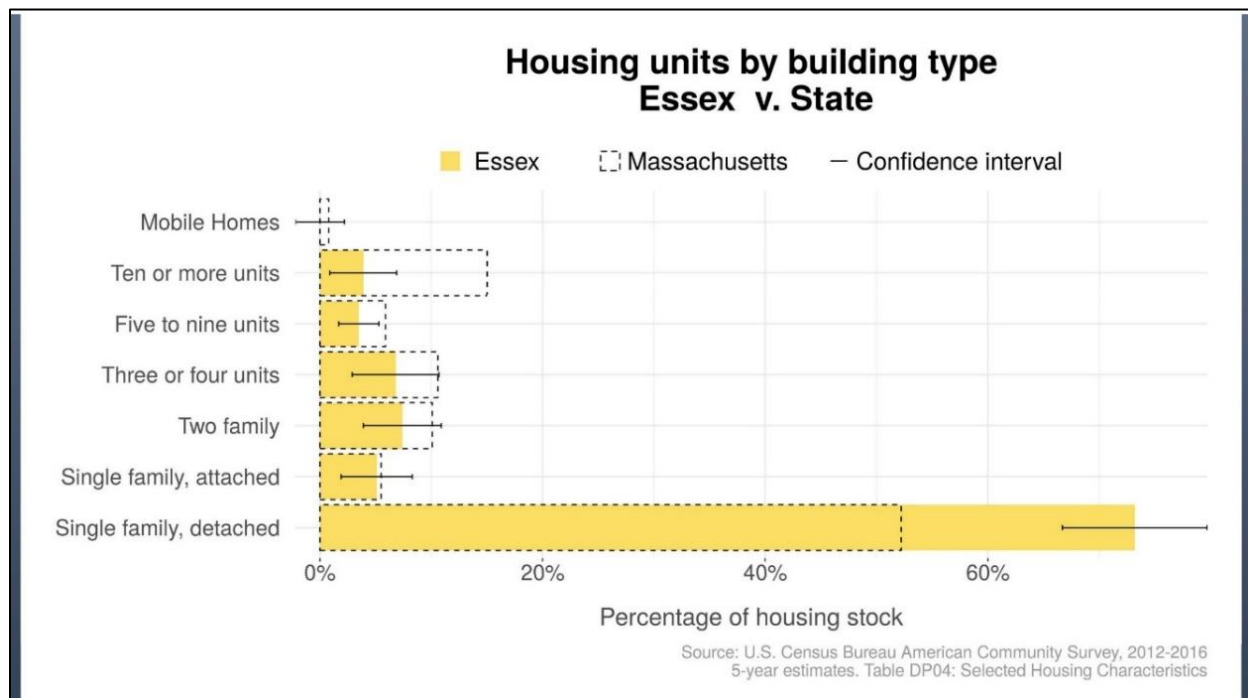
Compared to the Commonwealth, Essex's population is aging. Many households will have different housing needs and may want to downsize into a home that is easier to maintain or accommodates physical limitations brought on by aging. These households may also be looking for a home that they can afford after transitioning to a fixed-income during retirement.

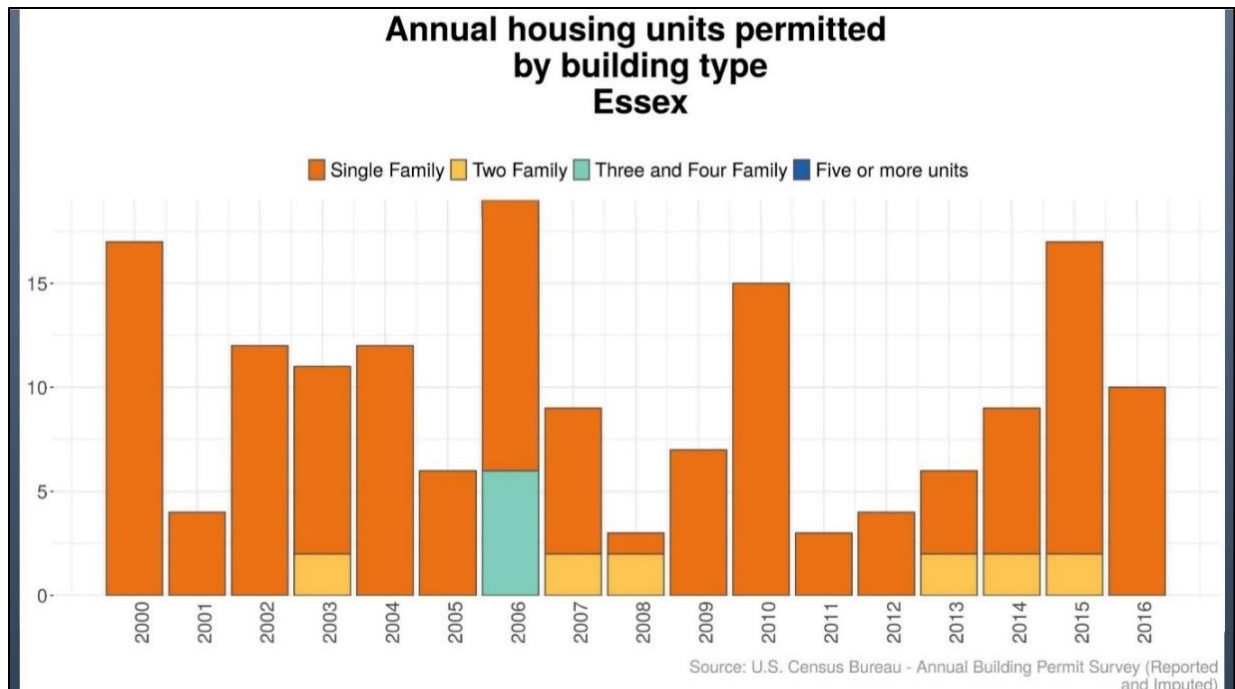


Providing housing options will allow aging households to remain in Essex and also ensures an important customer base will continue to support local businesses.

Housing Stock

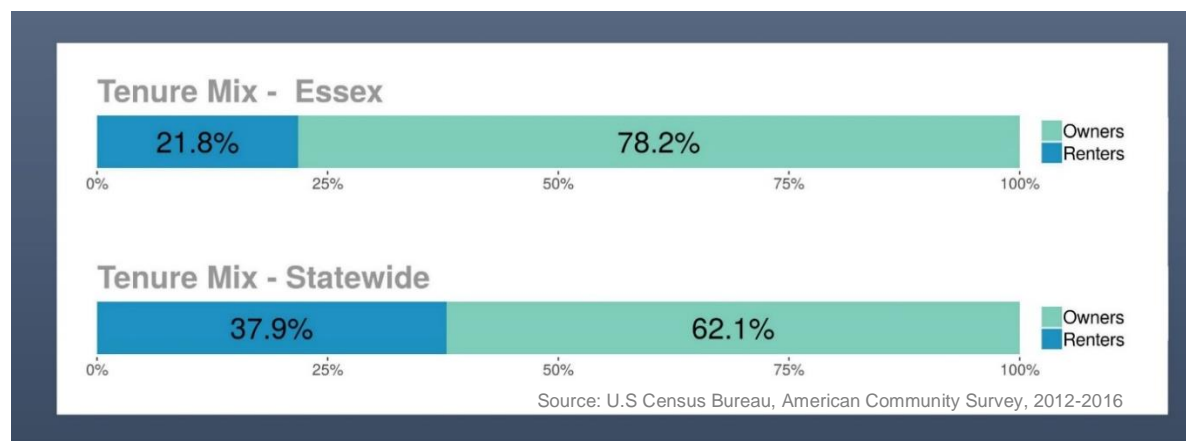
Almost 80% of Essex's housing stock is single-family homes and [based on locally reported data], no multifamily units have been permitted since 2006. The challenge of creating a variety of housing options in town is due to land-use regulations that limit what type of housing can be developed among other constraints, such as natural features, sewer capacity, and development costs.





Housing Affordability

There are fewer renters in Essex than the Commonwealth because a lack of housing types other than single-family homes does not provide many options to rent. This mismatch between housing needs and the town's housing stock makes it difficult for aging households to downsize and remain in Essex. It also makes it difficult for those that work in Essex to live in town. Most of the town's workers are employed in the service, administration, and manufacturing industries, which do not receive income that can cover local

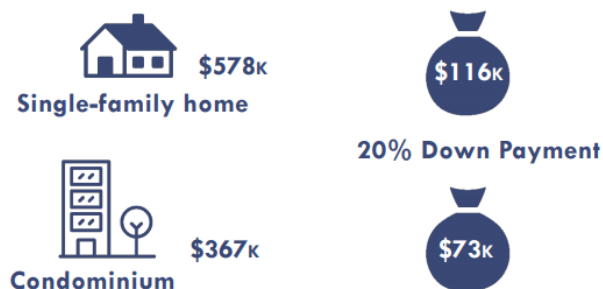


housing costs without being cost-burdened.

The amount of rental units in Essex hasn't changed much over the last two decades. In 2000, 28% of housing units were reported as renter-occupied (United States Census Bureau, 2000). In 2018, even fewer (26%) of units were renter-occupied (American Community Survey, 2014-2018). And a survey of

available online rental listings showed only 11 listings for a rental unit from 2017 to 2018 (MAPC Rental Database, 2018).

Based on the median prices for single-family homes and condominiums in Essex, a household would need to have saved more than \$70,000 to purchase a home in town. And since there are so few rentals in Essex (26% of total housing units), existing households looking to downsize to something smaller than a single-family home will have a difficult time relocating within the town and may need to move elsewhere. For similar reasons, many new households that would like to move to Essex and would support the local economy cannot live in town at all.



Source: The Warren Group, 2019 (Median Home Prices)

Public Engagement

The key data points described above were presented to the public at the Essex Economic Development Open House with 40 participants on January 8th and at the Essex Housing Coalition Committee meeting hosted by the Town and CHAPA on January 22nd with approximately 40 participants. At each of these public meetings, participants were asked which types of housing they would like to see encouraged in town to create a greater range of housing options.

Tallies from the first forum are shown by the green stickers on the board to the right, and tallies from the second forum are marked with push-pins. The results show support for most housing options, particularly cottage housing development with 12 total tallies, mixed-use housing with 10 total tallies, and detached accessory dwelling units with 9 total tallies.



Housing Goals and Recommendations

Goal 1: Increase the customer base in Town and support the local workforce by adding a wider range of housing options.

Strategy A: Review the town's zoning bylaws and consider changes that remove obstacles to creating a full range of housing types, including naturally occurring affordable housing (NOAH) and deed-restricted Affordable Housing.¹

Recommendations:

- i. Allow mixed-use housing downtown that increases spending power to support local businesses. Mixed-use housing should also be affordable to Essex's workforce and service industry and so mixed-use housing should be subject to a proposed inclusionary housing bylaw (described in recommendation iv).
- ii. Allow small and mid-sized housing that provides downsizing options for seniors, opportunities for first-time homebuyers, rental options for Essex's workforce and households that cannot afford large down payments to purchase a home.
 - At the Public Open House on January 8, 2020 and the Essex Housing Coalition event on January 22, participants showed support for a range of housing types. The most popular housing types were cottage housing clustered around open space, mixed-use housing, and detached accessory dwelling units.
- iii. Draft more flexible regulations to allow detached and attached accessory dwelling units, offer low-interest deferred municipal loans to support their development since most banks don't offer loans for these housing units, and work with organizations such as MassHousing on solutions to address sewer capacity limitations. One possible solution is to use individual septic systems for detached accessory dwelling units.
- iv. Draft a town-wide inclusionary housing bylaw that requires a set aside of deed-restricted Affordable Units to be affordable to households at certain income levels. Most households eligible for Affordable Housing earn 80% of the Area Median Income or less, but Essex can adjust these target income levels based on its specific housing needs. The housing bylaw should be drafted carefully to meet Essex's housing needs and not dampen development by using the appropriate requirements.

¹ Naturally occurring affordable housing is housing that's affordable on the market place. Housing is considered affordable if it costs a household no more than 30% of their income. Deed-restricted Affordable Housing, spelled with a capital A and H, is required to cost no more than 30% of a household's income. Generally, government programs use the Area Median Income (AMI), or median income for the Boston Metropolitan Area (\$113,300) to determine eligibility for Affordable Housing. Households earning 80% AMI or less are usually eligible for Affordable Housing. This figure varies by household size and is \$80,300 for a family of three.

- At the business round table and open house, participants frequently mentioned the difficulty for households to afford the housing in town. Housing data also shows a lack of rentals and owner-occupied homes that require large down payments.
- Since housing on the open market place is often not affordable to many households, it's important that the town work towards creating deed-restricted Affordable Housing. An inclusionary housing bylaw leverages private investment to create Affordable Housing at no cost to the town. If Essex would like to draft an inclusionary housing bylaw, funding may be available through the MAPC Technical Assistance Program.

Strategy B: Work with a consultant to draft a housing production plan (HPP).

Recommendations:

- i. Draft a housing production plan that focuses on crafting local policies to meet housing need and guides new housing development to appropriate areas of town.
 - Drafting a housing production plan can help the town get closer to the state goal of having 10% of its housing stock as subsidized housing (the town is currently at 2.7%). However, a housing production plan should focus on identifying Essex's specific housing needs so local policies can be drafted to effectively meet these needs. For example, data from a housing production plan will allow the town to identify appropriate income levels to target in the proposed inclusionary housing bylaw (Strategy A, Recommendation iv).
 - If the town would like to prepare a housing production plan, funding could be available through the MAPC Technical Assistance Program
- ii. Use the housing production plan to become eligible for Housing Choice Designation and Housing production grants.
 - Housing Choice Designation recognizes communities that have achieved production targets and have set policies that encourage future sustainable growth. In order to apply, municipalities need records of permitting over the past five years. Communities that grew at a more moderate pace must show evidence of best practice policies related to housing production.
 - Housing Choice communities may apply for housing production fiscal grants from the State Department of Housing and Community Development (DHCD).
- iii. The Town could also enter into a joint housing planning process with other nearby towns that have connected housing needs.

Strategy C: Increase capacity for housing planning and production.

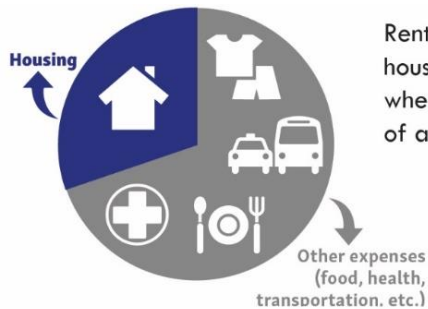
Recommendations:

- i. Explore ways to better utilize the Community Preservation Act for Affordable Housing.
 - The town should consider establishing a housing trust fund to dedicate funds from the CPA and other revenue sources to use specifically on Affordable Housing initiatives.
- ii. Create staff member that can focus on the town's housing initiatives.

Housing Terms and Concepts

Naturally occurring affordable housing

Naturally Occurring Affordable Housing (NOAH) is market-rate housing that is relatively affordable, often due to its smaller scale. Generally, housing that costs less than 30% of a household's income is considered affordable. This makes it possible for a household to afford other necessities such as food, clothing, healthcare, and transportation.



Rental or owner-occupied housing is “**affordable**” when it costs **30% or less** of a household's income.

Cost Burden

A household is considered cost-burdened when it spends more than 30% of its income on housing. When a household spends more than 50% of its income on housing, it's considered severely cost-burdened.



Deed-restricted Affordable Housing is for income-eligible households, and the cost is **never more than 30% of their income**.

Deed-restricted Affordable Housing

Deed-restricted Affordable Housing, spelled with a capital A and H, is legally required to cost no more than 30% of a household's income and available to income-eligible households only. The U.S. Department of Housing and Urban Development (HUD) defines eligible households as households with earnings that

amount to 80% of the Area Median Income.

VI. Retail, Food Service, & Spending Analysis

Trade Area

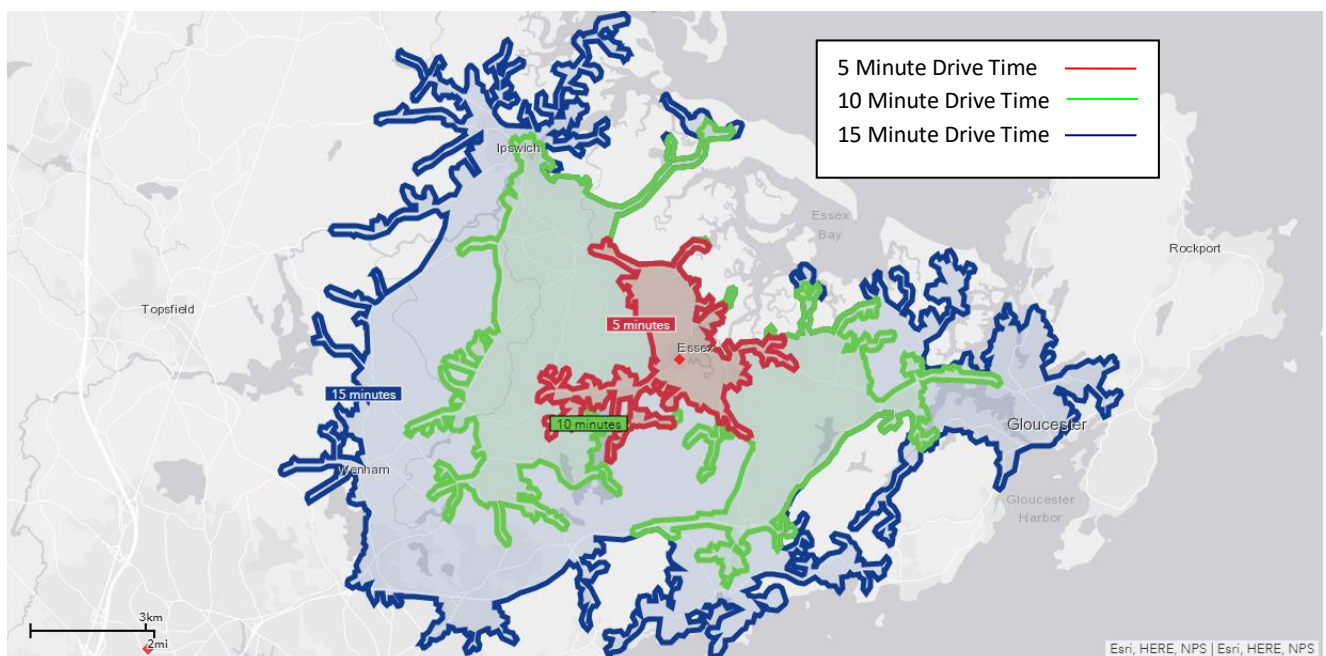
In order to estimate the amount of *additional* retail and food services businesses the town can support it is important to first identify a trade area. The trade area is the geographic area from which a retail establishment generates sales. There are many factors to consider when determining a primary trade area including the distance and time that people may be willing to travel in order to reach a destination, any physical or geographic barriers as well as regional competition. For the Essex study area, MAPC selected 80 Martin Street in downtown and looked at three drive times to define the trade area.

The ten-minute drive time is the primary market as it is reasonable to assume that people would be willing to travel this distance in order to attain goods and services within the study area. For comparison and to account for a more local and regional draw, MAPC staff also considered a secondary trade area of a fifteen-minute drive time and a local trade area of a five-minute drive time.

When considering a fifteen-minute drive time (or secondary trade area), the ability to support additional retail establishments downtown substantially decreases due to their being more businesses within the trade area, which reduces residential spending power. Instead, increasing the amount of residential within the local trade area would help to bolster retail market opportunities.

Drive times are displayed in the following map.

Figure 2: Retail Trade Area, Drive Times



Source: ESRI Business Analyst

The population of five-minute drive time, which is also the twenty to thirty minute walk time, includes the local market in downtown Essex, where about 2,045 people live. The per capita income in the area is \$56,214, above the national per capita income of \$32,621 and the state per capita income of \$41,794. The population within a ten-minute drive almost quadruples to 10,942, with individuals making \$55,074. People within a fifteen-minute drive, which stretches from Wenham, Ipswich, and Gloucester, made around \$47,846 with 48,000 residents.

Table 2: 2019 Trade Area Demographics

	LOCAL 5 MINUTE DRIVE	PRIMARY-REGIONAL 10 MINUTE DRIVE	SECONDARY-REGIONAL 15 MINUTE DRIVE
Population	2,045	10,942	48,929
Number of Households	798	4148	19,195
Median Household Disposable Income	\$82,585	\$79,552	\$62,357
Per Capita Income	\$56,214	\$55,074	\$47,846

Source: ESRI Business Analyst

Retail Opportunity Gap Analysis

MAPC staff analyzed ESRI Business Analyst data within the defined trade areas in order to conduct a retail gap analysis. A retail opportunity or gap analysis looks at the overall demand for retail goods and services within a designated trade area based on the spending potential of the households (demand), and the actual sales for those goods and services within the market area (supply). The difference between the demand and supply is called the retail “gap.” If the demand exceeds the supply, there is “leakage,” meaning that residents must travel outside the area to purchase those goods. In such cases, there is an opportunity to capture some of this spending within the market area to support new retail investment. When there is greater supply than demand, there is a “surplus,” meaning consumers from outside the market area are coming in to purchase these good and services. In such cases, there is limited or no opportunity for additional retail development. Thus, the retail gap analysis provides a snapshot of potential opportunities for retailers to locate within an area.

Below in Table 3 is a summary of the retail opportunity gap analysis by industry group and trade area. Figures in red are negative numbers that indicate there is a surplus of sales within the trade area. Figures in green are positive numbers that indicate a retail gap or leakage and represent potential opportunities for more retail in the area.

Table 3: Retail Opportunity Gap Analysis

		LOCAL TRADE AREA	PRIMARY TRADE AREA	SECONDARY TRADE AREA
		5 minute drive time	10 minute drive time	15 minute drive time
Industry Summary	NAICS			
Total Retail Trade and Food & Drink		\$26,160,221	\$93,914,384	\$414,927,498

Total Retail		\$28,521,767	\$89,647,902	\$390,100,771
Total Food & Drink		-\$2,361,546	\$4,266,481	\$24,826,727
Downtown and Mixed-Use Oriented Industry Groups		5 minute drive time	10 minute drive time	15 minute drive time
Furniture & Home Furnishings Stores	442	-\$11,763	\$4,589,965	\$17,375,977
Electronics & Appliance Stores	443	\$1,239,262	\$8,669,503	\$29,663,273
Building Materials, Garden Equip. & Supply	444	\$2,617,651	\$10,277,386	\$38,904,099
Food & Beverage Stores	445	\$6,732,703	\$25,937,823	\$20,341,288
Health and Personal Care	446, 4461	\$2,522,133	\$7,263,958	\$22,701,196
Clothing & Clothing Accessories	448	\$3,007,743	\$13,767,349	\$52,603,280
Sporting Goods, Hobby, Book and Music Stores	451	\$1,363,457	\$6,454,318	\$19,557,232
Miscellaneous Store Retailers	453	\$4,888,437	\$5,006,302	\$15,196,467
Food Services & Drinking Places	722	-\$2,361,546	\$4,266,481	\$24,826,727

Source: ESRI Business Analyst

Table 3 above indicates that that local and secondary trade areas present fairly limited opportunities for additional retail. The local walking area is likely over-food and drink serviced and in need of additional residential spending power in order to increase the market potential for additional restaurants and drinking establishments.

Potential Supportable Retail

MAPC staff uses a conservative capture rate to analyze the retail gap and understand the potential for additional establishments. This capture rate acknowledges that any single retail district will never be able to re-capture the full amount of retail leakage. Competition from regional shopping areas, as well as other local districts and online shopping will always draw business away from the study area. When analyzing the market potential within the trade areas, MAPC uses a 15% capture rate. Using this methodology, the market within each of the trade areas could likely support the industries detailed below.

It is important to note that the data below is not a prediction for what will occur within the study area, rather it is an opportunity or estimate of retail space that could be supported based on the gap analysis figure, average sales per square foot of different store types, average store sizes in downtown areas, and an estimated spending capture within each trade area.

As highlighted in the bullets below and in Table 3, Essex's experiences leakages (green figures in the table) and surpluses (red) in the following:

- **The town is strongest in restaurants, used merchandise stores, and furniture stores within the local market.** Although there is a gap within the larger drive times, the food service industry, particularly restaurants, are overrepresented in town. This is followed by used merchandise stores, which is also non-competitive within the larger drive times.

- **Essex's local market is underserved in food and beverage stores and miscellaneous store retailers.** The local market saw a gap for beer, wine, and liquor stores, specialty food stores, and most especially, grocery stores, with a gap of \$5.8 million in that market especially.
- **The local Essex market is generally underserved.** Outside of a surplus in restaurants, Essex's local market is underserved in all other industries.
- **The town has the most potential in clothing and building material/gardening stores when it comes to the secondary trade area.** Establishments in these sectors include stores with unique characteristics like florists and specialty clothing/designer stores. Given that these businesses are varied under this catchall, some businesses may do better than others.

It is important to note that there are many factors that influence whether or not a retail store or restaurant may want to locate in a particular area. Some of the additional factors that impact the decision to locate a new retail establishment include:

- Availability and quality of the retail space
- Size of the spaces available
- Location of the space- is this a place where many people are passing by?
- Foot traffic
- Rents and terms
- Parking- is it available nearby or within a short walk?
- Product or service price points
- Marketing
- Business plan and acumen
- Zoning and other regulatory obstacles
- Permitting and inspection processes

Although the potential exists for a limited amount of more retail, based on the numbers, the amount captured may be less, dependent on the above factors.

Consumer Spending Habits

Along with the likelihood of demand within the three trade areas in Essex, consumer spending habits for apparel display a higher than average purchasing pattern than the nation as a whole, according to ESRI's US Market Potential Index, a database that measures the likely demand for a product or service for the area. ESRI's U.S. Consumer Spending data is based on a combination of the latest consumer expenditure surveys from the Bureau of Labor Statistics. The Spending Potential Index (SPI) measures Essex's spending in comparison to the U.S. average of 100. That is, if Essex spends twice the national average, its SPI will be at 200. Furthermore, if there is half as much spending potential in Essex compared to the country, it will have an SPI of 50.

There is a relative likelihood of the adults or households in the specified trade areas to exhibit certain consumer behavior compared to the U.S. Both men and women's clothing and shoe sales were above the U.S. average for all three trade areas, showing the potential for these types of businesses to do well within the area.

However, competition with online retailers paints an uncertain future for the apparel industry, not only in Essex, but in the MAPC region and the nation as a whole. Traditional retailers, without their own brands, or without a focus on e-commerce or a dedication to specialty products that are not carried by online retailers, have been seeing a significant decline nationwide. These uses also typically require large tracts of land and locations proximate to major highways that provide direct regional access, with few options. Some potential may exist for smaller retailers; however, additional residential densities, along with transportation infrastructure improvements, would be required to support these establishments.

Table 4 - Trade Area Spending Habits and Retail Market Potential

Product/Consumer Behavior	Essex Adults Compared to the Nation					
	Local Area (5 Minute Drive)		Primary Area (10 Minute Drive)		Secondary Area (15 Minute Drive)	
	Avg No of Adults	SPI	Avg No of Adults	SPI	Avg No of Adults	SPI
Population 18+	1,657	-	8,670	-	39,494	-
Bought any men's clothing in last 12 months	800	102	4,259	104	19,238	103
Bought any women's clothing in last 12 months	737	104	3,940	106	17,694	104
Bought clothing for child <13 years in last 6 months	431	98	2,137	92	9,556	91
Bought any shoes in last 12 months	934	108	4,887	108	22,057	107
Homes had any home improvement in last 12 months	257	116	1,364	119	5,894	112
Usually buy based on quality - not price	298	95	1,686	102	7,933	106
Price is usually more important than brand name	413	91	2,172	91	10,300	95

Source: ESRI US Market Potential Index

Regarding consumer behavior, adults within the three trade areas are more likely than the national average to have home improvements during the last year. They also are more likely to buy items on credit and show greater interest to buy items that are environmentally friendly when compared to the rest of the country. They are also far more likely than the rest of the country to go on foreign trips by plane per year. The trade areas are almost twice as likely to subscribe to fiber optic than the rest of the country. They were far more likely to own stock, carry homeowner insurance, and use professional cleaning services.

On the other hand, adults in the trade areas were less likely than average to spend more than \$20 at convenience stores within the last month. The trade areas were far less likely than the national average to buy cigarettes at convenience store, only own a cell phone (no landline telephone), drink cola, and spend money at a convenience store.

Restaurant Market Potential

The trade area market potential for restaurants displayed higher than average beer/ale consumption for adults within all three trade areas. Moreover, there was a higher than average number of adults who went to a bar/pub/nightclub within the last year. People within the trade area are also more likely to dine at a family restaurant or steakhouse within the last six months. Along with the higher potential for leakage in

the food and beverage service industry, this could spur potential growth in the gastropub sector. The trade area experiences a lower than average number who went to fast food restaurants.

Table 5- Trade Area Restaurant Market Potential

Product/Consumer Behavior	Essex Adults Compared to the Nation					
	Local Area (5 Minute Drive)		Primary Area (10 Minute Drive)		Secondary Area (15 Minute Drive)	
	Avg No of Adults	SPI	Avg No of Adults	SPI	Avg No of Adults	SPI
Drank beer/ale in last 6 months	822	118	4,132	113	18,198	109
Went to a bar/night club in last 12 months	379	133	1,872	125	7,956	117
Dined out in last 12 months	1,051	122	5,548	123	23,774	116
Went to family restaurant in last 6 months	1,251	101	6,672	103	30,097	102
Went to family restaurant: 4+ times a month	412	94	2,278	99	10,397	99
Went to fast food/drive-in restaurant in last 6 months	1,493	99	7,859	100	35,754	100
Went to fast food/drive-in restaurant 9+ times/mo	581	89	3,104	91	14,184	91
Went to fine dining restaurant last month	341	196	1,614	177	6,508	157
Went to fine dining restaurant 3+ times last month	116	224	520	192	2,066	167

Spending habits at restaurants for the trade area located within a fifteen-minute drive time from Downtown Essex varied compared to the national average. About 16% of adults went to fine dining restaurants within the last month, about 5% went to a fine dining restaurant more than three times within the last month. By and large, the three areas saw average to above average spending habits in various restaurant types, with fine dining ranking higher than the rest of the nation. Restaurants that were frequently visited include places similar to Panera Bread, Starbucks, Chipotle, Baskin-Robbins, and, of course, Dunkin' Donuts.

VII. Business Analysis

Largest Employers

MAPC staff also analyzed data on the largest employers to determine which industries are the most represented amongst this group. Below in Table 6 are the ten largest employers in Essex. This data includes both full-time, part-time, and seasonal employees. As the table demonstrates, the largest employers consist of the Town of Essex along with schools and restaurants.

Table 6: Essex Largest Employers

Rank	Employer	Nature of Business	Number of Employees
1	Village Restaurant	Full-Service Restaurants	75
2	Essex Elementary School	Elementary & Secondary Schools	68
3	Manchester Essex Regional School District	Elementary & Secondary Schools	60
4	Essex Ambulance	Ambulance Services	50
5	Essex Fire Dept	Fire Protection	50
6	Mayer Tree Svc	Landscaping Services	50
7	Quinn Brothers Inc	Fabricated Structural Metal Manufacturing	50
8	Shea's Riverside Restaurant & Bar	Full-Service Restaurants	45
9	Carpenter & Mac Neille Architect	Architectural Services	30
10	Ck Pearl	Full-Service Restaurants	30

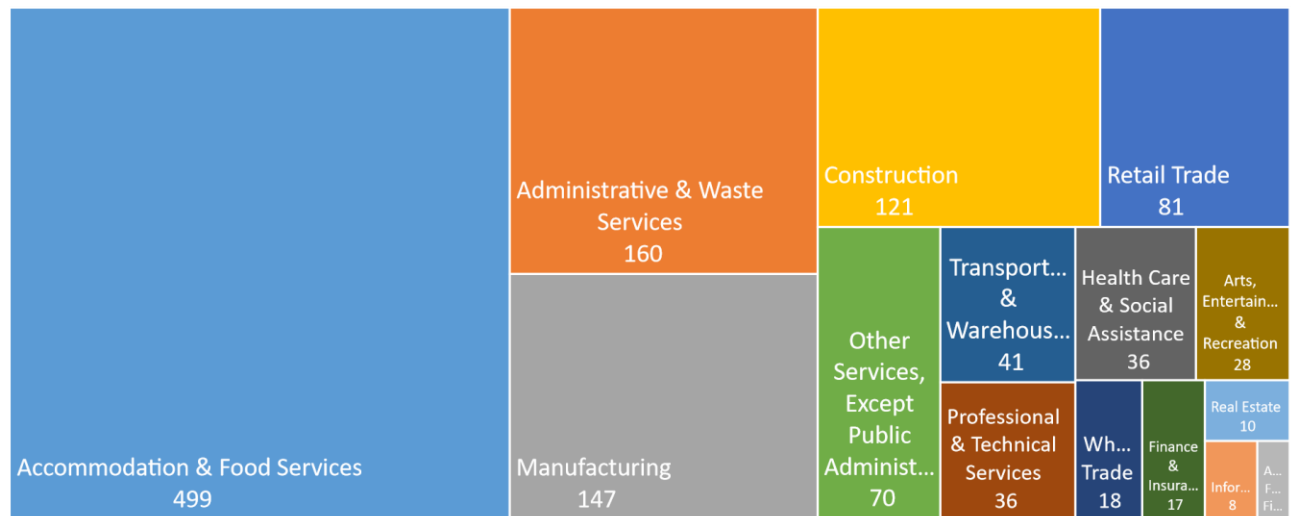
Source: MA Department of Labor and Workforce Development and Town of Essex

Largest Industries

The largest industries in Essex, by number of employees, are accommodation & food services, administration, and manufacturing. Essex is well known for its food service industry, particularly within downtown, and about one in three jobs in Town being within this trade (499 out of 1,454).

Administrative & waste services were the second largest industry at 160, with construction employing about 121 people. Additionally, the construction has the highest number of individual businesses at 26. This was followed by retail at 21, and accommodation & food services at 18.

Table 7: Largest Employers in Essex (2017)



Source: MA Department of Labor and Workforce Development

Highest Paying Industries

The five information businesses paid the most per week in Essex, at \$3,497 a week, this is followed by the nine wholesale trade businesses at \$2,266, and the fifteen professional & technical services businesses at \$1,751. Conversely, the fifteen health care & social assistance industry paid the lowest wages, at \$378 per week. This was followed by the eighteen accommodation & food services businesses at \$493. These industries tend to pull in various seasonal and part time positions as well.

Table 8: Average Per Month Number of Firms and Weekly Wages (2017)



Source: MA Department of Labor and Workforce Development

Economic Trends

Within the five-year period between 2013 and 2018, Essex saw a 7% growth in its employment numbers, from 1,357 jobs to 1,453. The largest growth in number of jobs was the accommodation and food services industry, which gained 110 positions, a 28% growth in five years. Manufacturing and administrative

services also saw larger numerical growth, gaining 19 positions each during the same time frame. Professional and technical assistance jobs saw a loss of about 25 positions since 2013, a 44% drop, whereas the information sector lost half of its employees in the same time period, from eight employees to four. Additionally, arts and entertainment, and wholesale trade also saw a drop in jobs since 2013.

Table 9 Essex Job Trends (ES-202 Data)		Essex Job Growth		
		2013	2018	%Change
23	Construction	110	122	11%
31-33	Manufacturing	127	146	15%
42	Wholesale Trade	21	18	-14%
44-45	Retail Trade	74	77	4%
51	Information	8	4	-50%
52	Finance and Insurance	13	16	23%
54	Professional and Technical Services	57	32	-44%
56	Administrative and Waste Services	138	157	14%
62	Health Care and Social Assistance	33	38	15%
71	Arts, Entertainment, and Recreation	34	26	-24%
72	Accommodation and Food Services	389	499	28%
81	Other Services, Except Public Administration	72	75	4%
Total, All Industries		1,453	1,357	7%

As for wages, Essex jobs saw an 11% increase in weekly wages (if adjusted for inflation) within the 2013 to 2018 timeframe. Information and wholesale businesses saw their average weekly wages triple at the same time, even as they lost positions. No other industry saw exponential growth, although retail, finance, professional services, health care & social services, arts & entertainment, and food service saw some growth. Conversely, both manufacturing and other services (which runs from repair and maintenance, to laundry and personal services, and civic organizations) saw decline within the five-year period, with manufacturing wages losing \$24 and other services losing \$57.

Table 10 Essex Wages Adjusted for Inflation (ES-202 Data)		Essex Job Growth		
		2013	2018	%Change
23	Construction	\$1,270	\$1,342	6%
31-33	Manufacturing	\$1,185	\$1,161	-2%
42	Wholesale Trade	\$648	\$2,013	211%
44-45	Retail Trade	\$573	\$747	30%
51	Information	\$1,557	\$5,080	226%
52	Finance and Insurance	\$1,120	\$1,447	29%
54	Professional and Technical Services	\$1,322	\$1,735	31%
56	Administrative and Waste Services	\$1,109	\$1,178	6%
62	Health Care and Social Assistance	\$390	\$445	14%
71	Arts, Entertainment, and Recreation	\$871	\$1,068	23%
72	Accommodation and Food Services	\$440	\$521	18%
81	Other Services, Except Public Administration	\$1,527	\$1,470	-4%
Total, All Industries		\$884	\$981	11%

Transportation

About 71% of Essex residents drove alone to work, 8.8% (predominantly) took public transportation, 6.3% carpooled, 3.6% walked to work, and, statistically 0.6% biked to work. There are no forms of public transit in Essex, with two commuter rail lines located in neighboring towns. Additionally, more than a quarter of Essex residents spent more than 45 minutes a day to travel to work and are considered extreme commuters.

Table 11: Where Essex Residents Work in 2017 (All Jobs)		
	Count	Share
All County Subdivisions	1,721	100.00%
Essex town (Essex, MA)	213	12.40%
Beverly city (Essex, MA)	176	10.20%
Gloucester city (Essex, MA)	155	9.00%
Boston city (Suffolk, MA)	144	8.40%
Danvers town (Essex, MA)	68	4.00%
Ipswich town (Essex, MA)	63	3.70%
Manchester-by-the-Sea town (Essex, MA)	54	3.10%
Peabody city (Essex, MA)	50	2.90%
Salem city (Essex, MA)	50	2.90%
Hamilton town (Essex, MA)	31	1.80%
All Other Locations	717	41.70%

Source: Longitudinal Employer-Household Dynamics, 2017

Most Essex residents travel outside of town to get to work, with only 12.4% of Essex residents working in town. Most residents traveled outside of town to go to work, with nearby Beverly being where one in ten Essex residents traveled to work. Beverly was followed by neighboring Gloucester and 33-mile away Boston. Boston was followed by Danvers and Ipswich to round out the top five.

Table 12: Where Essex Workers Live in 2017 (All Jobs)		
	Count	Share
All County Subdivisions	1,363	100.00%
Gloucester city (Essex, MA)	232	17.00%
Essex town (Essex, MA)	213	15.60%
Beverly city (Essex, MA)	102	7.50%
Ipswich town (Essex, MA)	78	5.70%
Hamilton town (Essex, MA)	74	5.40%
Salem city (Essex, MA)	49	3.60%
Peabody city (Essex, MA)	41	3.00%
Rockport town (Essex, MA)	40	2.90%
Danvers town (Essex, MA)	37	2.70%
Haverhill city (Essex, MA)	37	2.70%
All Other Locations	460	33.70%

Source: Longitudinal Employer-Household Dynamics, 2017

About 15.6% of the 15,944 Essex workers live in Essex. However, more workers lived in Gloucester, at 17%. This is followed by nearby Beverly (7.5%), Ipswich (5.7%), and Hamilton (5.4%). The top ten municipalities that Essex workers came from were generally from nearby municipalities, with Haverhill

being the furthest away at 2.7%. About one-third of Essex workers, however, did not come from these ten municipalities, but from many other municipalities.

VIII. Essex Public Outreach

The Town of Essex Economic Development Plan held multiple community engagement sessions, with a town-wide open house, a Business Roundtable, a town-wide survey, in addition to a post-COVID Business Survey. The Open House had about 40 participants, and the Business Roundtable had eight businesses represented. Furthermore, each event had a presentation from MAPC elaborating on the demographics and business profile for Essex, as well as information on each business district.

Essex Open House

Town of Essex staff and the Metropolitan Area Planning Council (MAPC) held an Open House public meeting on January 8, 2020 to engage the community and receive input for this study. Numerous residents and business owners attended the meeting, where the following goals were presented:

- Present to the community the economic development strategy process thus far.
- Develop an economic development community vision.
- Identify specific opportunities and challenges to economic development in Essex
- Prioritization of town economic development issues.



Participants at the event were actively engaged in the process - many staying up to two hours - and remained to discuss the plan with other attendees, Town officials, and MAPC staff.

The big takeaways from the evening were that there was widespread support for concentrating development in the existing economic corridors, including the desire for arts and culture space in town. There was also significant support for the current restaurant mix in town, providing food truck options, and around additional recreational options and performance spaces. Construction that blocks the marsh and additional restaurants were not desired.

Table 13: Public Use Space Preference Exercise

Preference Type	Upvote
Public Art	15
Small Park Areas	15



Seating Areas	14
Outdoor Performance Space	13
Athletic Events	10
Festive Lighting	10
Better Store Signage	9
Food Trucks	9
Wayfinding Signs	9
Street Festivals	8
Public Restrooms	7
Public Art	15
Public Transit (written in)	
Dog park, picnic tables (written in)	
Train station (written in)	
More Seating (written in)	



By far, people's favorite destination were the various restaurants in town, with Windward Grille and Farnham's ranking highest. For open space, Cogswell, Conomo Point, and Cox Reservation all ranked high as destinations. Furthermore, when asked what they think the town will need to help local businesses in the next 10 years, there were various responses, with ten stating parking as the biggest need. Other responses include adding public transit, boosting internet connectivity, and making the downtown more walkable.

Business Roundtable

On November 20th, 2019, at Town Hall, Essex held a business roundtable, with representatives from wineries, insurance agencies, and realtors, to name a few. As mentioned, MAPC presented some of the initial findings of the market study, and asked participants to engage in a discussion around the following questions.

1. How do Town services/processes positively affect your business?
2. How could the Town improve its services/processes? Are there opportunities for the Town to change certain processes or regulations to attract desired economic development?
3. Where should the town prioritize its economic development investments and what kind of economic development do you want to see in Essex?
4. Are there any issues that your employees have brought up?

When asked how the town should prioritize economic development in town, businesses remarked that the town should diversify its businesses. They also remarked there were challenges in growth, due to the protected open space throughout town, which they stated they would not want to take away from. Public transit issues and the difficulty in finding local employees.

Businesses thought that the town should target on recruiting recreational businesses, like kayaking and boating. The businesses also thought more event program led by the town would be helpful, including during the holidays. Much like at the open house, businesses stated the difficulties with parking in town and the lack of walkability in the town center were prominent.

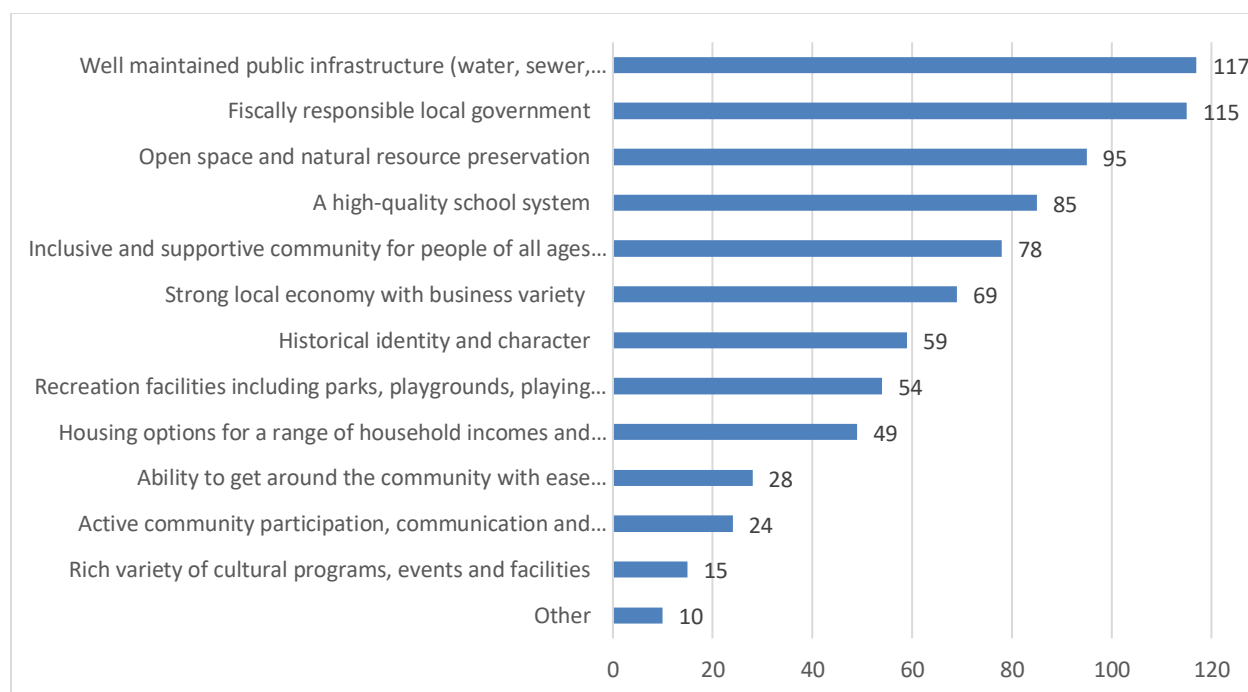
Overall, participants agreed that the diversity of businesses types, sizes, and efforts provide a lot of personality and the downtown area is walkable and beautiful. They also had great remarks on the scenery as well as the Town committees and the Merchants Association, which they considered to be well organized and effective.

Economic Development Survey

From November to December of 2019, the Town of Essex provided a survey to residents on their opinions on town services and community values. The survey consisted of 28 questions for residents and 28 separate questions for businesses. The survey also contained a comment box. At the close of the survey, the town received 245 responses, a substantial number for a small community. General results of the survey can be found in Appendix 2. A summary of the survey results is below.

Which of these community values are of the most importance to you?

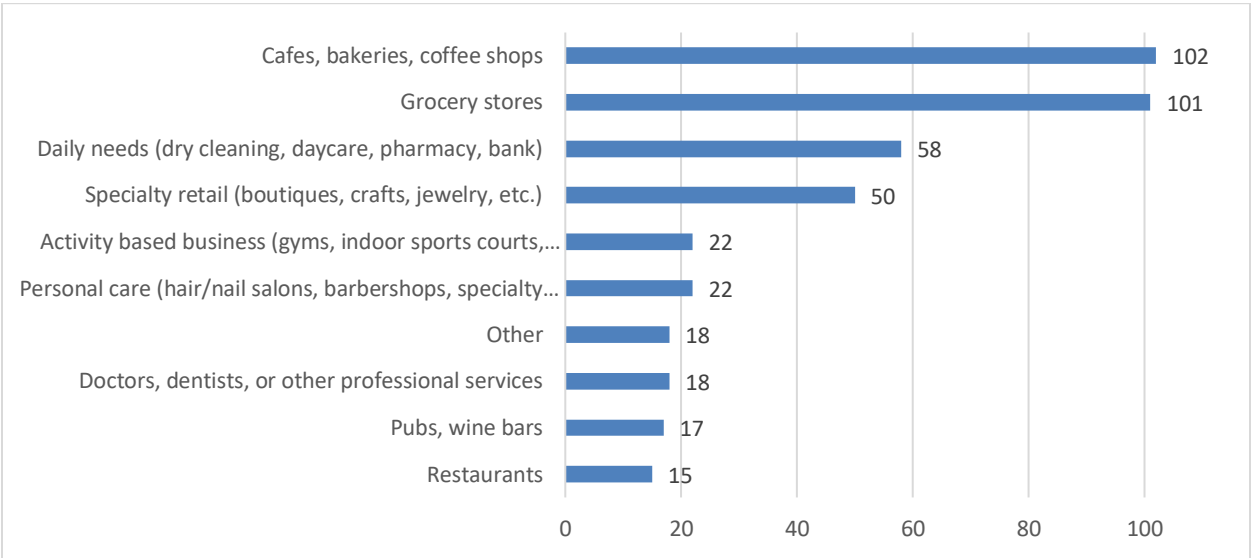
A vast majority of Essex residents valued infrastructure and fiscal responsibility over the other options. This was followed by open space preservation and a high-quality school system. Cultural program and community participation ranked lower than the rest.



Which types of businesses would you like to see more of in Essex?

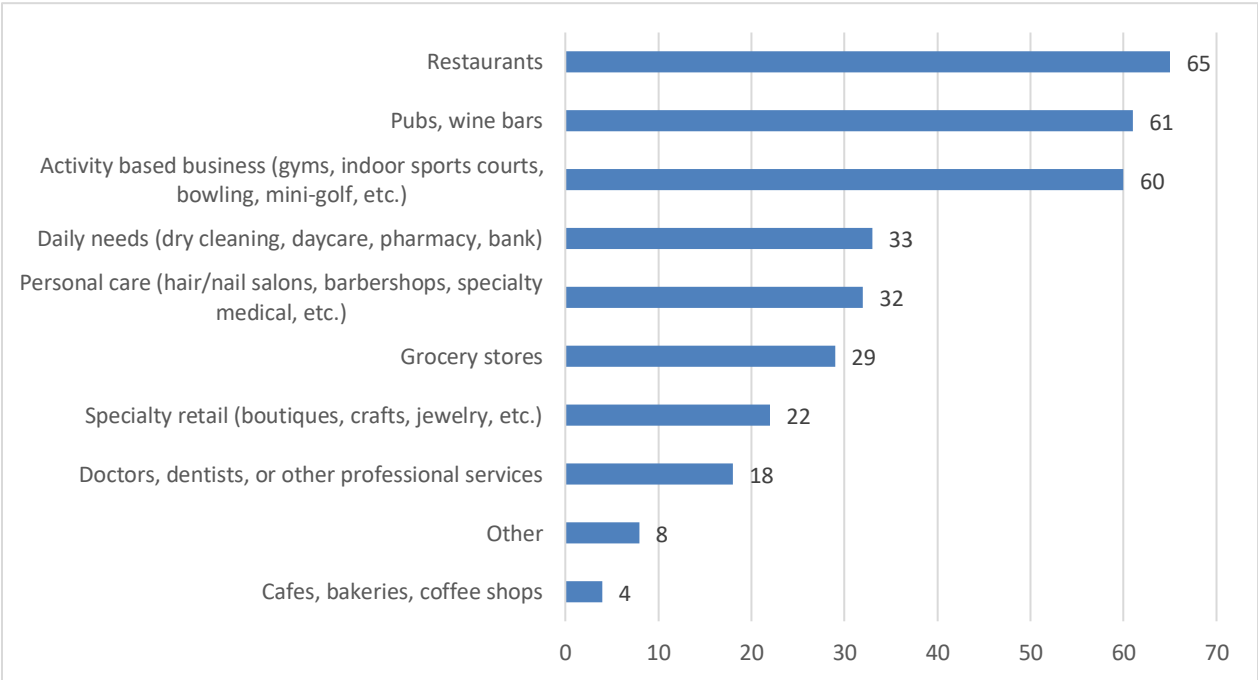
A quarter of respondents preferred cafes/bakeries and grocery stores, far more than all the other categories. As mentioned through the open house and backed up by the market analysis, survey

respondents noted that additional restaurants were not desired. Only 3.5% of respondents selected restaurants, and 4% selected bars.



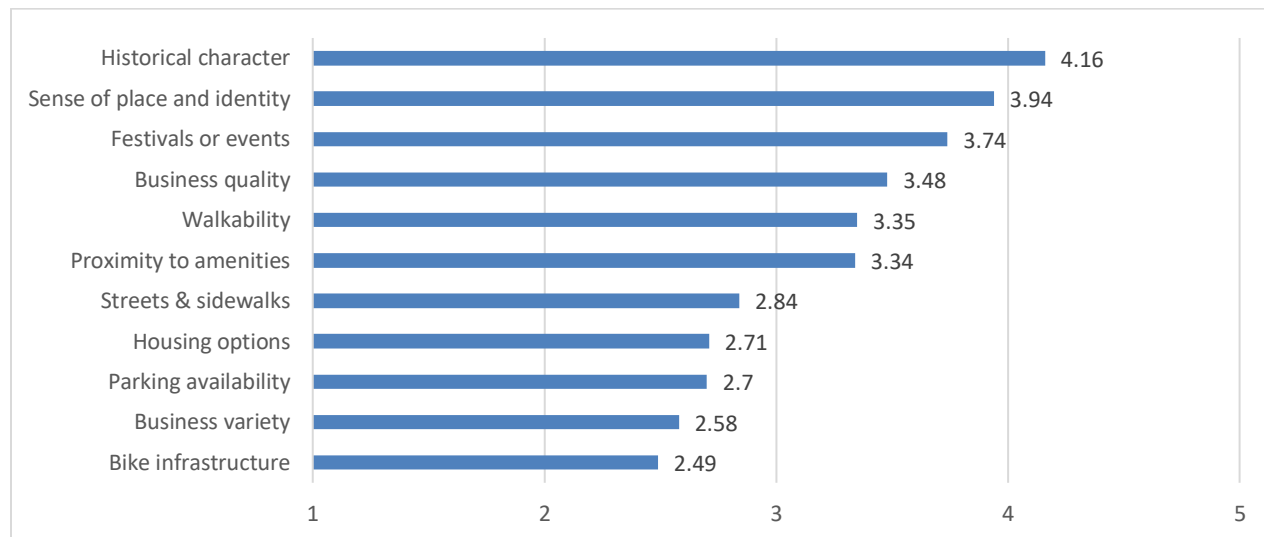
What kind of businesses would you not like to see or see more of in Essex?

Almost 20% of respondents stated that they did want restaurants or pubs/bars. Additionally, activity based businesses, such as gyms, bowling, or mini-golf were not favored.



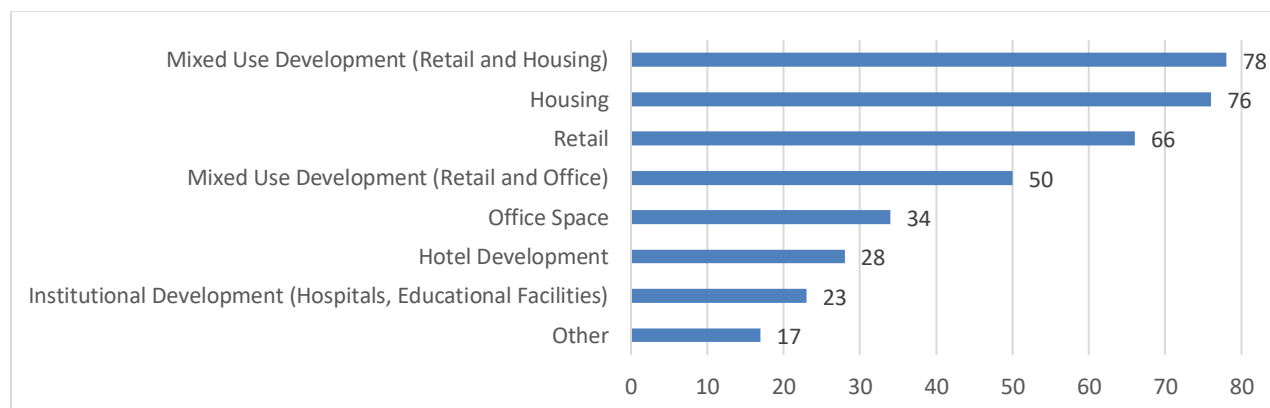
Please rank the strengths of Essex’s amenities on a scale from 1 to 5?

The following table displays the average score for multiple town amenities. The town's historical character ranked highest, at an average of 4.16. This was followed by "sense of place" and festivals/events in town. Bicycle infrastructure ranked the lowest at 2.49, below average. Second lowest was business variety, followed by parking availability in town.



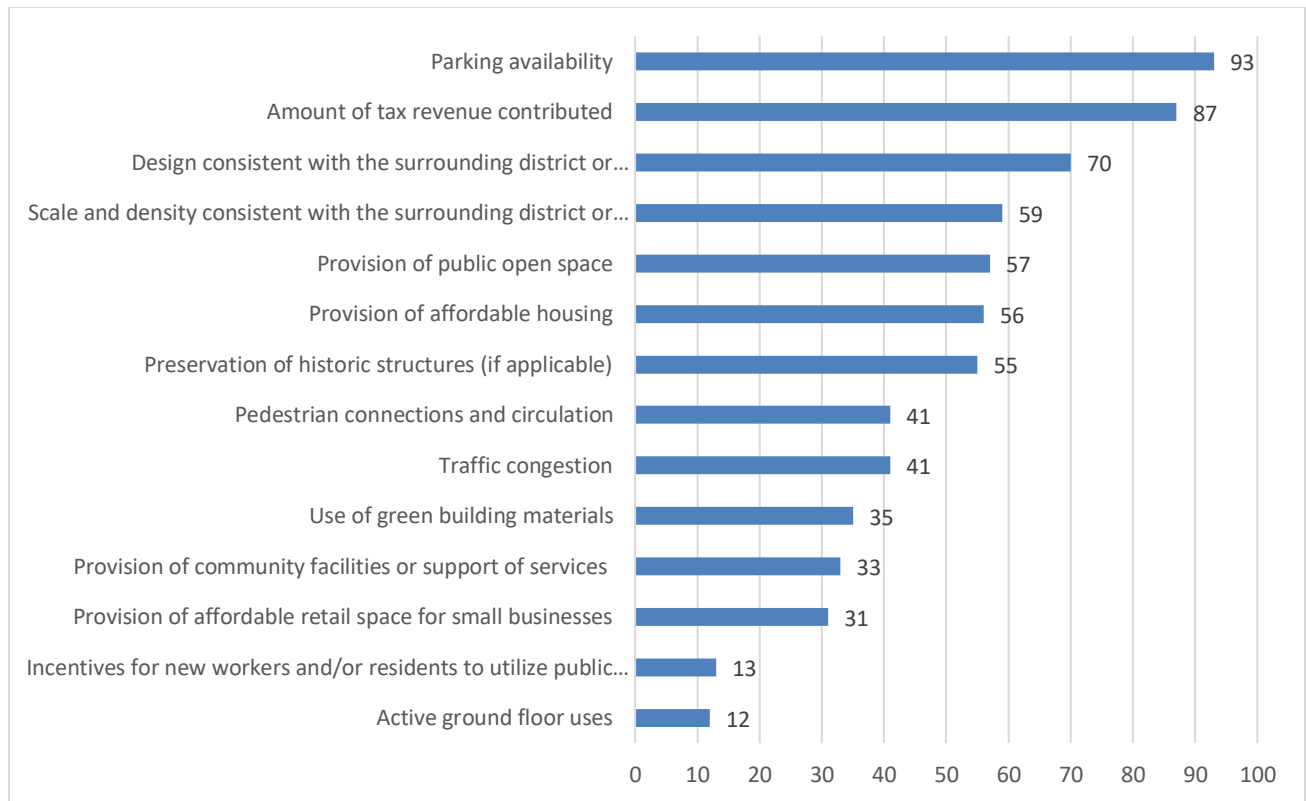
Which of the following types of development in Essex would you be supportive of?

Mixed use development, particularly of mixed retail and housing, ranked the highest out of survey respondents when it came to development in town. This was followed by housing and retail separately. Hotels and institutional development ranked the lowest.



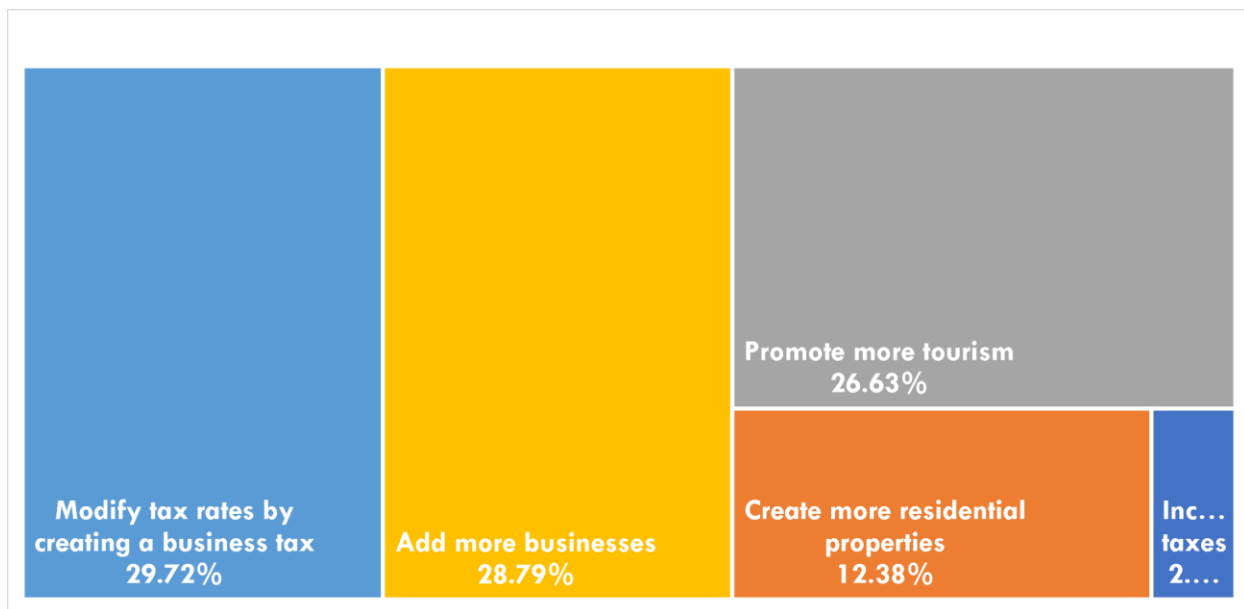
Please indicate what you feel are the top five issues that need to be addressed through any new development proposals in Essex

Survey participants were asked to rank what issues need to be addressed by the town. Respondents ranked parking availability as the most pressing issue, followed by the amount of tax revenue contributed. The design and the scale of neighborhood districts also ranked high amongst respondents. Active ground floor uses and incentives for workers and residents to utilize public transportation ranked the lowest.



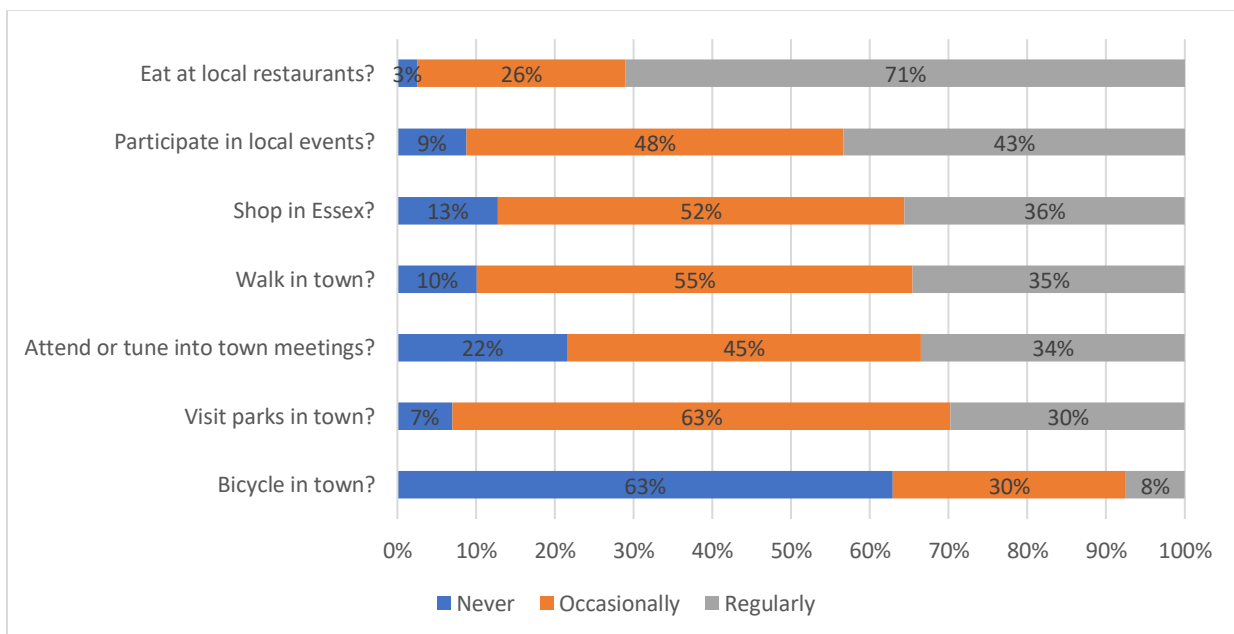
What do you believe should be done in order to grow tax revenue to meet current and future demands?

When asked how the town should increase revenue, respondents were split between creating a business tax (which ranked highest), adding more businesses, and promoting more tourism. What ranked the lowest was increase taxes, with only 2.5%.



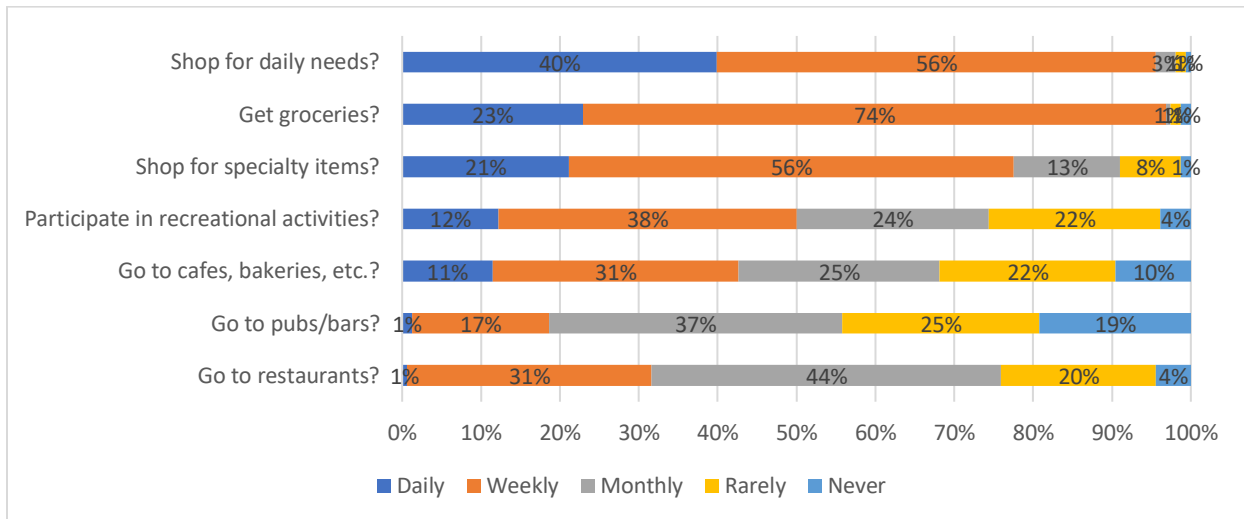
How often do you do the following?

Most respondents stated that they eat at local restaurants regularly, an exceptionally high number for a community of Essex's size. All other categories saw lower numbers of regular participants. About half of respondents stated that they occasionally participate in local events and shopped in town. Only 8% biked regularly in town with almost two-thirds saying they never biked in town.



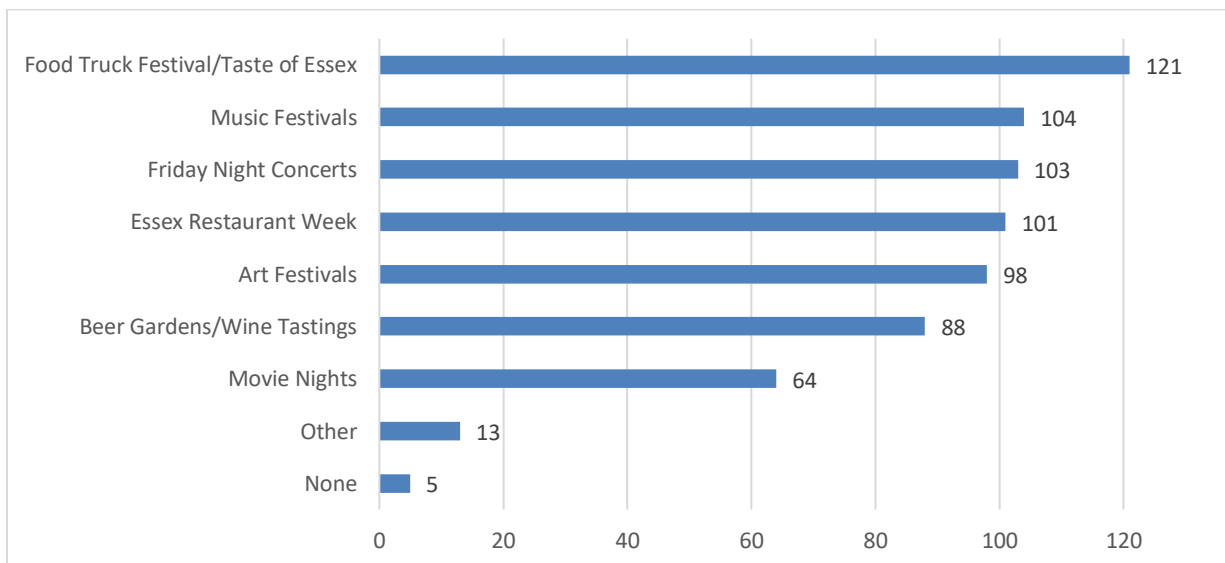
How often do you leave Essex to the following?

About 96% of Essex residents had to leave Essex at least weekly to shop for daily needs and get groceries. A majority of respondents leave Essex at least once a week to shop for specialty items and participate in recreational activities. Eating out in locations outside of Essex were less common, with over half saying they go to restaurants monthly, or even less.



What type of events would you support being held in Essex?

Survey respondents were in favor of a multitude of events in Essex. Food-related festivals were greatly supported by respondents. This was followed by music festivals, Friday night concerts, Essex restaurant week, and arts festivals, which were all fairly close in number of responses. Movie nights ranked lower and only five said “None”. Under “other” people stated support for historical displays and farmers markets.



Business COVID-19 Survey

In April and May of 2020, Town staff, the Economic Development Committee, the Merchants Association, and MAPC sent out a small business survey in response to COVID-19. Thirty-seven businesses responded to

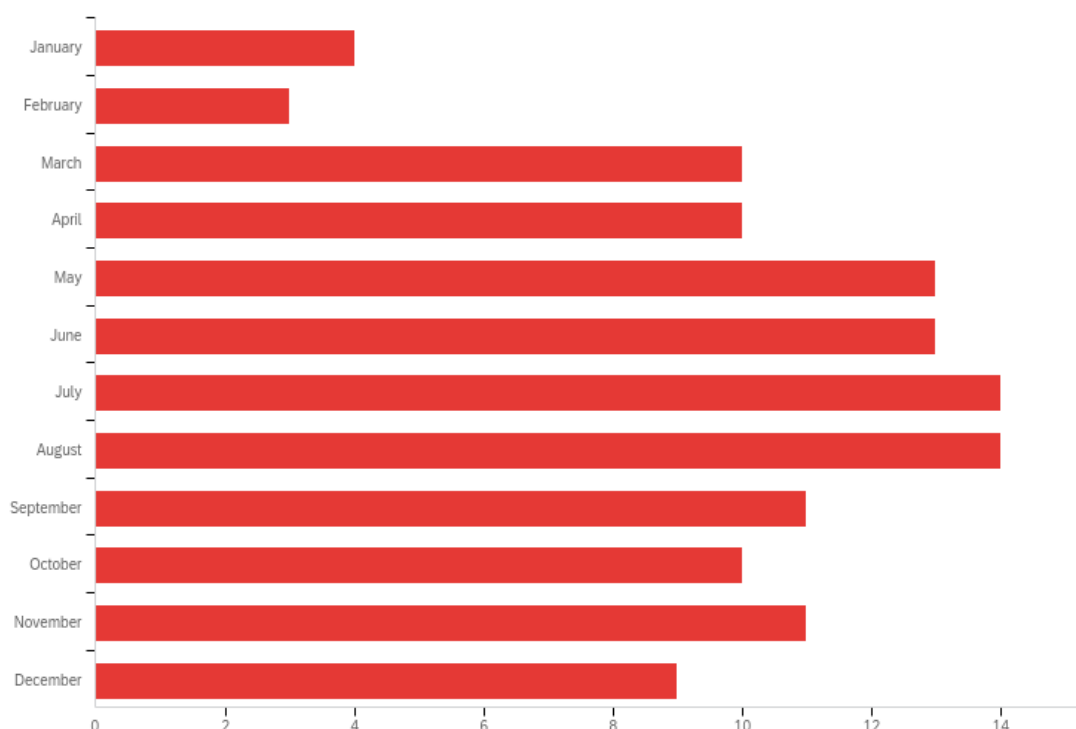
the survey, of which most respondents were business owners, with four being managers and two franchisees. The average length of business ownership was at 24.9 years.

Five businesses were in retail, for in non-food service businesses, three in food service. Of the nine that selected “other” there was representation from other businesses, from retail art, a museum, wellness, hospitality, and boat and fishing charters. Most businesses that responded were microenterprises, with 8 respondents being sole proprietors.

Most respondents owned their business and a majority of businesses were not declared essential, however, a vast majority stated that they did not have a work from home policy. About 70% of businesses had already closed, with the rest stating they could not stay in operation for the state of emergency if it lasted for the remainder of the year. Furthermore, most respondents did not apply for CARES Act assistance.

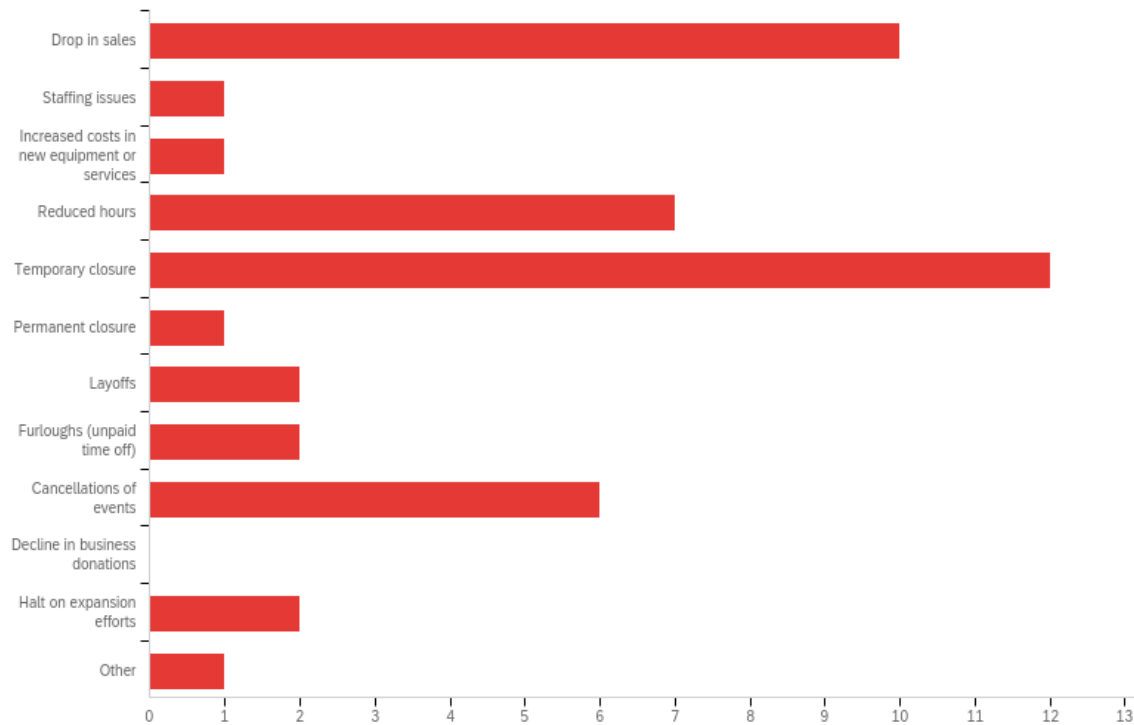
What is usually the busiest time of year for your business?

The summer months were the busiest times of years for Essex businesses, given its history as a seaside town with summer business. Respondents stated that July and August were their busiest times of year, followed by June and May. The least busy time of year were January and February.



How has COVID-19 affected your business?

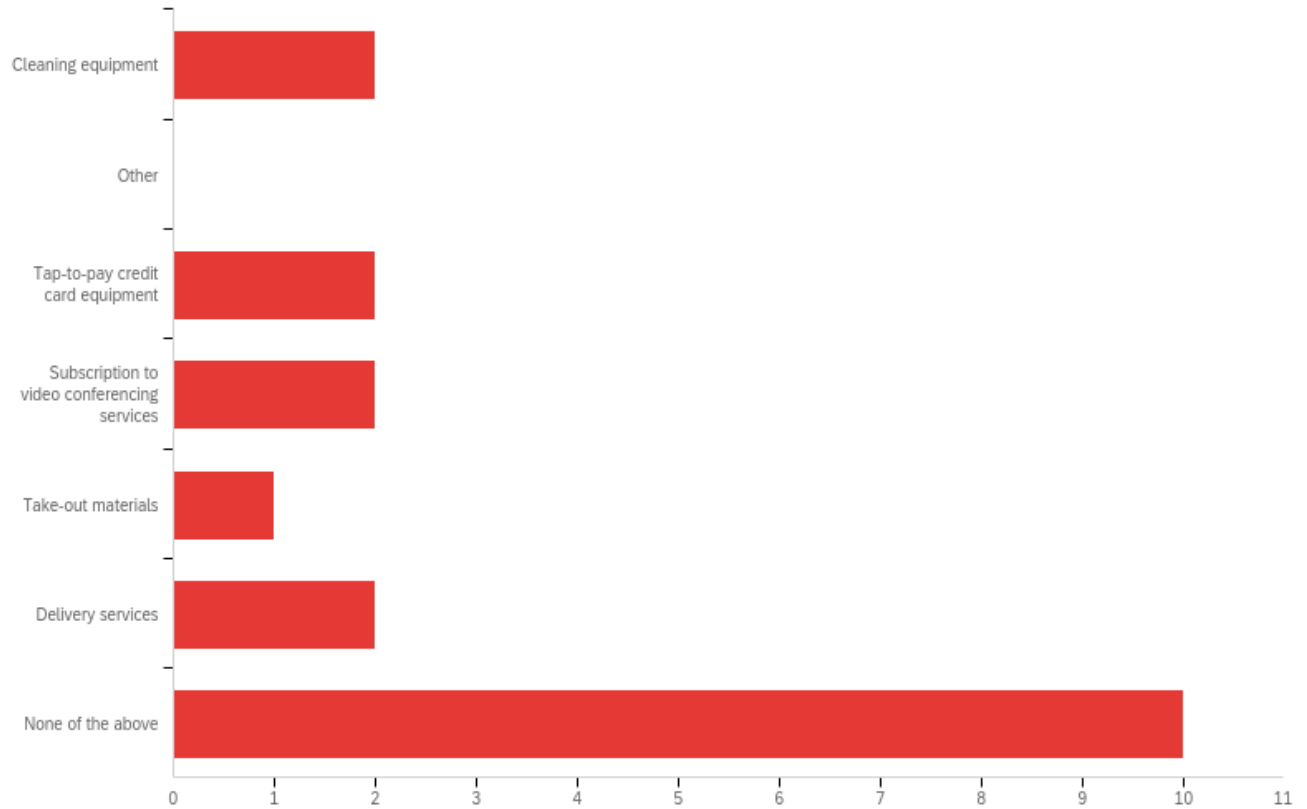
Much like throughout the state, most businesses in Essex had experienced temporary closures as well as noticing a drop in sales. A reduction in opening hours also occurred, with a cancellation of events being less common (at least by May).



What have you been spending more money on as a result of COVID-19?

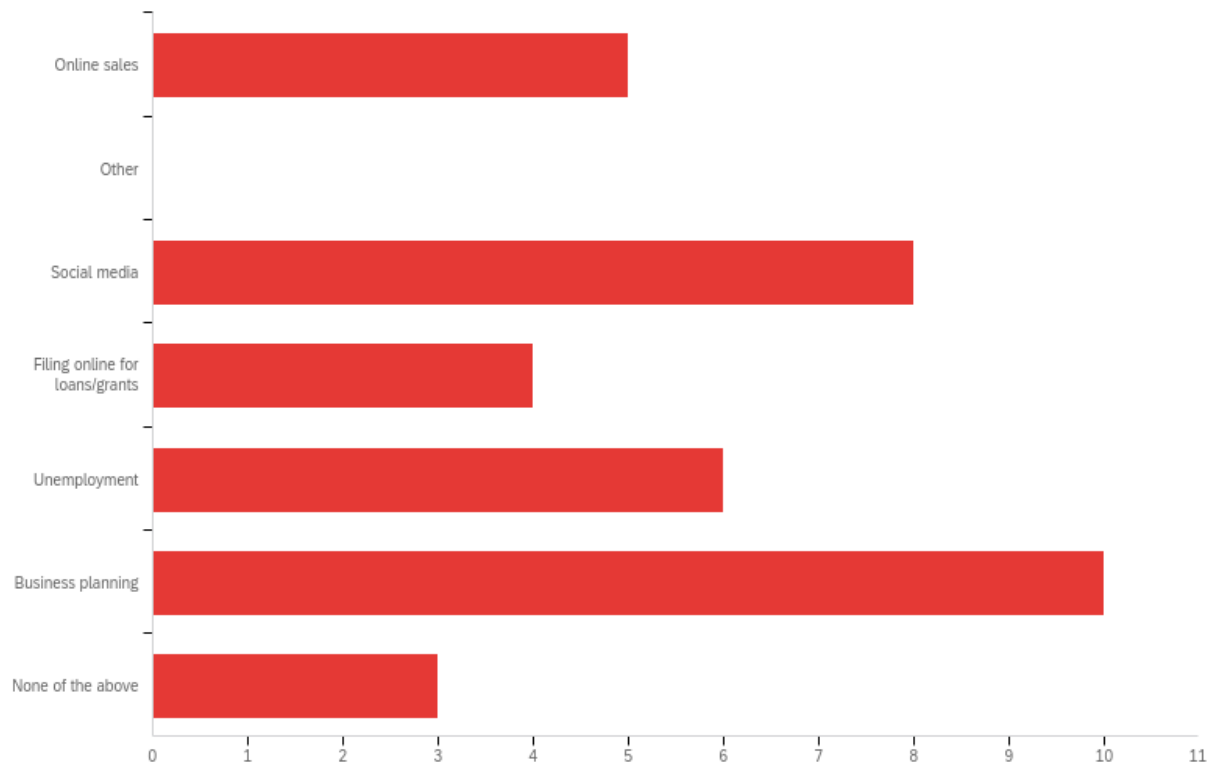
The additional costs of PPE and other equipment have added to the burden of businesses throughout the country in acquiring the necessary items to safely resume business. At the conclusion of the survey, when most businesses were still closed under the Commonwealth's phased reopening plan, there were nine responses stating the additional purchase of equipment and materials.

This included cleaning equipment, tap-to-pay credit card equipment, video conferencing subscriptions, delivery services, and take-out materials. The rest of the respondents stated they had not spent money on items.



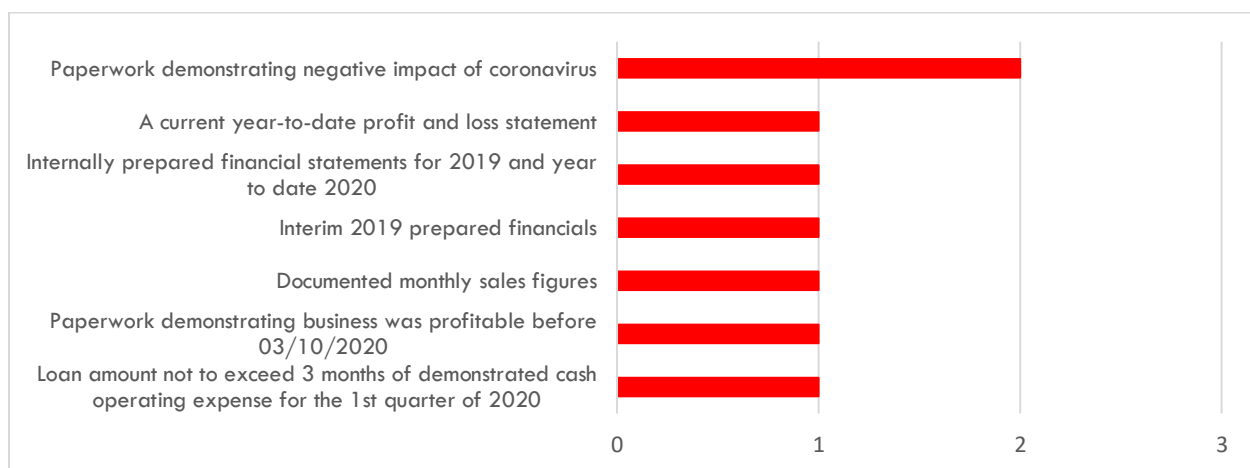
What have you been spending more time on as a result of COVID-19?

When asked what businesses planned on spending more time in response to COVID-19, respondents provided multiple responses. A little more than a quarter stated that their business planning efforts have had to change in response to the pandemic. An additional 22% have had to expand their social media efforts, followed by 16% who expanded unemployment efforts.



What would be a significant barrier to you?

In order to apply to funding from the federal government, particularly from its Paycheck Protection Program (PPP), applicants are required to provide impacts of the virus as well as business health documentation. Eight businesses reported barriers, with two stating the need to display the impact of COVID-19 on their businesses as a barrier.



IX. Recommendations

Based on the research and input from the community (through the Open House, Business Roundtable, and Economic Development Survey), a set of recommended goals were developed. These goals focus on marketing Essex's existing and potential future amenities to attract and retain business activity. This is while it is becoming increasingly apparent that the town's economic prosperity is linked to its ability to prevent, withstand, and recover from major economic shocks, while building an even closer relationship between the public, private, and nonprofit sectors.

1. Assist local businesses that have been hardest hit by the effects of the current pandemic and interruption of day-to-day life.

- a. Create a Business Impact Survey for current industries, led either by the town or the Merchants Association (if one has not been created already).
 - i. This survey can be as detailed as the [Central Square District Improvement District](#), or as simple as the [Town of Walpole's](#).
 1. It should contain a list of business information (name, business name, email) and a phone number that is not a business location phone number, should the business location be closed at the time.
 2. The survey should ask what type of services they provide, with additional questions for restaurants asking whether they offer take-out or delivery, and if they sell gift cards.
 - a. Provide links to gift cards on the Essex Merchants Group website.
 3. Ask a list of business impacts questions, including business health, what the town can do to support them, if they have insurance or a disaster recovery plan, or have noticed changes in their supply chain, and what their sale outlook is now.
 - b. Provide the businesses a list of resources for assisting them, including the [SBA Economic Injury Disaster Loan](#), as well as other emergency resources from the Massachusetts [SBDC](#), [SCORE](#), and the [National Restaurant Association](#).

2. Create guidelines to assist businesses in locating and expanding in Essex.

- a. Create "Essex Business Guide" (using the [Dedham Business Guide](#) as inspiration) to help small businesses and prospective developers to navigate the municipal process.
 - i. The guide should have an introduction, key contacts, office hours, ABCC licensing process/fees, building permitting information, business certificate and establishment licensing information, the site plan review, variances and the design review process.
 - ii. The guide should inform potential businesses of pre-application meeting between town staff and the business.
 - iii. Post a list of types of businesses that are permitted, do well, and, are attractive for Essex (using the results of the Economic Development Survey as a guide).

1. Create a list of supportive resources for businesses, including SBDC classes, ABCC links, and the role of town departments in the process.
2. Post sample business plans, budgeting mechanisms, and financial plans and include templates, when possible.
- b. Provide resources for home-based businesses, mobile businesses, co-working spaces, and brick-and mortar businesses.
- c. Provide categorized links and resources for different business types, including licensing, permits, and procedures.
- d. Create a digital and print out version of informational maps and have them available at prominent locations throughout town for customers who aren't sure exactly what they can get at every business.
- e. Upload updated guides and maps to town website, Essex Merchant's Association page and create print versions as well.
- 3. Attract new businesses to respond to the needs of residents, residents from surrounding communities, and visitors to the area.**
 - a. Review and update zoning
 - i. Explore re-zoning the Town.
 - ii. Explore modifying existing zoning regulations to:
 1. Increase parking flexibility through the following actions:
 - a. Reconsider parking minimums for businesses and residents in downtown.
 - b. Allow shared parking to meet requirements.
 - c. Allow change-of-use below a certain threshold.
 - d. Require bicycle parking.
 - e. Design considerations.
 - f. Limit curb cuts.
 - g. Minimum/maximum widths for driveways.
 - iii. Develop and adopt a Complete Streets policy that requires street design and construction to accommodate all users including cars, transit, bicyclists and pedestrians.
 - iv. Review and update licensing and permitting procedures for businesses, such as the one-day liquor license.
 - b. Improve downtown infrastructure.
 - i. Evaluate the need to expand sewer capacity; investigate the capacity of several key parcels to determine development options; based on findings, investigate scope, options, feasibility, and costs.

- ii. Review needed streetscape improvements such as crosswalks and other pedestrian amenities.
 - c. Connect current property owners and developers with prospective business owners, developers, and industry representatives of key needed and desired businesses to discuss options for adding housing, bringing in new businesses, and expanding current businesses that are reflective of the community vision.
 - d. Evaluate opportunities to help finance future development of new businesses utilizing District Increment Financing.
 - e. Identify areas for new growth for economic development, particularly the feasibility of creating a business park in town
 - f. Attract businesses that are identified via the
- 4. Increase the customer base in Town to support downtown businesses by adding housing and marketing the village to residents and visitors.**
- a. Add housing (see Recommendation 9).
 - i. Continue developing Town-wide strategies through the Essex Housing Collaborative and work with CHAPA.
 - ii. Pursue a Housing Production Plan for Essex.
 - b. Expand marketing efforts.
 - i. Work with business owners to create joint marketing materials and initiatives and strategy for advertising.
 - ii. Allocate Town funding to help marketing efforts
 - iii. Coordinate with the Merchant's Association and Cape Ann Chamber to market downtown activities. This could include:
 - 1. Direction and promotional signage
 - 2. Downtown parking arrangements to attract them to businesses in the downtown
 - 3. Update the Visit Essex website to include this information.
 - c. Improve parking and traffic management
 - i. Improve parking management downtown.
 - 1. Add signage and wayfinding tools
 - a. Create a parking map for the town website
 - 2. Pursue shared parking agreements
 - a. Pursue shared parking agreements within the downtown area.
 - b. Agreements can be for:
 - i. Select groups, i.e., residents or employees

- ii. General public
 - iii. Limited hours
- c. Provide services in exchange for open parking (i.e., plowing, signage, striping, signage, plantings, etc.)
- d. Provide examples of Shared Use Parking Agreements to local businesses (One can be found at: http://www.mapc.org/wp-content/uploads/2017/10/PortlandMetro_SharedParkingModelAgreement.pdf).
- 3. Explore establishing time limits for Downtown Parking.
 - a. Create 2-hour time limits for parking spaces.
 - i. Must be coupled with long-term parking option.
 - ii. Monitor and adjust.
 - b. Enforce time limits.
 - i. Considerations:
 - 1. First Ticket Free.
 - 2. Provide a parking map with tickets so drivers know where they can park.
- 4. Implement multimodal improvements.
 - a. Make a pedestrian-friendly walkway to public lots.
 - b. Add pedestrian-minded lighting throughout Main Street.
 - c. Add crosswalk with blinking light.
 - d. Add crosswalk lighting.
 - e. Bicycle racks.
 - ii. Explore traffic calming measures that are conducive to community building such as road and sidewalk design, pavement murals and stencils.
 - iii. Determine traffic management needs and potential solutions (signage, lane design, and markings, signalization, etc.)
- 5. Enhance the look, feel, and safety of town to maintain a vibrant and walkable downtown and create a sense of place where all can gather.**
 - a. Develop a public space improvement plan with design guidelines and establish key locations for improvements to ensure coordination.
 - b. Implement streetscape improvements.
 - i. Conduct a study to investigate the feasibility of grounding overhead utilities to improve the appearance and function of downtown spaces.

- ii. Make aesthetic improvements to sidewalks at key locations, including amenities such as benches, tables, trash receptacles, attractive warm lighting, kiosks, etc.
 - iii. Evaluate opportunity for additional sidewalks in key locations determined to have high foot and vehicular traffic.
 - iv. Commission local artists to paint murals on key sites downtown.
 - v. Explore the feasibility of installing solar-powered trash compactor bins that reduce hours spent on collection and maintain a vibrant downtown.
- c. Create an Essex Bike Plan and secure funds for provision of bike parking, bike racks, and bike lane markings.
- d. Implement improvements to the facades and signage of businesses in prominent locations.
- e. Install street banners to enhance the look of downtown to promote events.
- f. Improve Downtown lighting.
 - i. Improve the lighting near Town Hall and along Main Street.
 - ii. Use string lighting over the street or other decorative lighting to enhance the sense of place in downtown.
 - iii. Consider installing decorative or historical streetlamps along downtown Main Street.
- g. Install directional and promotional signage.
 - i. Install signage at key locations in Essex to direct visitors to the downtown.
 - ii. Install signage in the downtown with directions to key locations (parking, key amenities).
 - iii. Install a prominent town kiosk that can be a central information space for the community including historical information about Essex.
- h. Add plantings downtown with continued watering and maintenance, while ensuring that choice of plantings and watering procedures support and abide by water conservation guidelines.
 - i. Add potted aerial plants and planters with flowers in key locations throughout the downtown.
 - ii. Add groundcover plantings in front of or between key businesses downtown.
 - iii. Incentivize improved landscaping at private properties through small grants & low-key competitions/exhibitions for attractive displays.
- i. Install community amenities to create a sense of place and attract residents and visitors to the downtown.
 - i. Install benches at key locations downtown to increase gathering spaces for community members and visitors.
 - ii. Explore areas where pocket parks (approx. 100-600 sf) could be added to bring more activity and outdoor dining in town.

- iii. Explore the feasibility of expanding recreational areas/facilities.
 - j. Develop a plan for enhancing landscaping to allow sight of key historic buildings along Main St. to create a more attractive and pedestrian-scale feel.
- 6. Increase community-building events in town to create an energetic downtown with a strong sense of community.**
 - a. Develop additional events to bring local and regional visitors to Essex in the peak summer months, for example, Friday Night Concerts at Memorial Park, Food Truck events, and Music & Arts Festivals.
 - b. Work to increase the number of visitors to Essex during the shoulder seasons (spring and autumn) through improved program development, such as formulating an Essex Restaurant Week with local businesses.
 - c. Study feasibility and benefits of hosting larger regional sports tournaments, particularly during the shoulder seasons (fall and spring).
- 7. Increase the customer base in Town and support the local workforce by adding a wider range of housing options.**
 - a. Review the town's zoning bylaws and consider changes that remove obstacles to creating a full range of housing types, including naturally occurring affordable housing (also known as NOAH) and deed-restricted Affordable Housing.²:
 - i. Allow mixed-use housing downtown that increases spending power to support local businesses. Mixed-use housing should also be affordable to Essex's workforce and service industry and so mixed-use housing should be subject to a proposed inclusionary housing bylaw (described in recommendation iv).
 - ii. Allow small and mid-sized housing that provides downsizing options for seniors, opportunities for first-time homebuyers, rental options for Essex's workforce and households that cannot afford large down payments to purchase a home.
 - At the Public Open House on January 8, 2020 and the Essex Housing Coalition event on January 22, participants showed support for a range of housing types. The most popular housing types were cottage housing clustered around open space, mixed-use housing, and detached accessory dwelling units.
 - iii. Draft more flexible regulations to allow detached and attached accessory dwelling units and work with organizations such as MassHousing on solutions to address sewer capacity limitations.
 - iv. Draft a town-wide inclusionary housing bylaw that requires a set aside of deed-restricted Affordable Units to be affordable to households at certain income levels. Most households eligible for Affordable Housing earn 80% of the Area

² Naturally occurring affordable housing is housing that's affordable on the market place. Housing is considered affordable if it costs a household no more than 30% of their income. Deed-restricted Affordable Housing, spelled with a capital A and H, is required to cost no more than 30% of a household's income. Generally, government programs use the Area Median Income (AMI), or median income for the Boston Metropolitan Area (\$113,300) to determine eligibility for Affordable Housing. Households earning 80% AMI or less are usually eligible for Affordable Housing. This figure varies by household size and is \$80,300 for a family of three.

Media Income or less, but Essex can adjust these target income levels based on its specific housing needs. The housing bylaw should be drafted carefully to meet Essex's housing needs and not dampen development by using the appropriate requirements.

- At the business round table and open house, participants frequently mentioned the difficulty for households to afford the housing in town. Housing data also shows a lack of rentals and owner-occupied homes that require large down payments.

- Since housing on the open market place is often not affordable to many households, it's important that the town work towards creating deed-restricted Affordable Housing. An inclusionary housing bylaw leverages private investment to create Affordable Housing at no cost to the town. If Essex would like to draft an inclusionary housing bylaw, funding may be available through the MAPC Technical Assistance Program.

8. Work with a consultant to draft a housing production plan (HPP).

- a. Draft a housing production plan that focuses on crafting local policies to meet housing need and guides new housing development to appropriate areas of town.

- Drafting a housing production plan can help the town get closer to the state goal of having 10% of its housing stock as subsidized housing (the town is currently at 2.7%). However, a housing production plan should focus on identifying Essex's specific housing needs so local policies can be drafted to effectively meet these needs. For example, data from a housing production plan will allow the town to identify appropriate income levels to target in the proposed inclusionary housing bylaw (Strategy A, Recommendation iv).

- If the town would like to prepare a housing production plan, funding could be available through the MAPC Technical Assistance Program.

- b. Use the housing production plan to become eligible for Housing Choice Designation and Housing production grants.

- Housing Choice Designation recognizes communities that have achieved production targets and have set policies that encourage future sustainable growth. In order to apply, municipalities need records of permitting over the past five years. Communities that grew at a more moderate pace must show evidence of best practice policies related to housing production.

- Housing Choice communities may apply for housing production fiscal grants from the State Department of Housing and Community Development (DHCD).

- c. The Town could also enter into a joint housing planning process with other nearby towns that have connected housing needs.

9. Increase capacity for housing planning and production.

- a. Explore ways to better utilize the Community Preservation Act for Affordable Housing.

- The town should consider establishing a housing trust fund to dedicate funds from the CPA and other revenue sources to use specifically on Affordable Housing initiatives.
- b. Share staffing with neighboring communities (Like Manchester-by-the-Sea) to focus on the town's housing initiatives.

10. Expand Town capabilities and resources to achieve these goals.

- a. Increase Town Planner staff time with the goal of:
 - i. Coordinating town-wide planning efforts. This includes:
 - 1. Leading the implementation of this plan, in partnership with the Town Planner and the EDC.
 - 2. Leading efforts to address housing needs, such as a Housing Production Plan, and a review of affordable housing options beyond 40B. The planner should also incentivize housing options through a clear and easy permitting process that ensures the Town's development goals are achieved.
 - 3. Serving as a town Development Officer charged with attracting and engaging potential new businesses and activities, and with facilitating smooth, efficient processes for applicants working with various Town Departments.
 - 4. Developing an easy-to-follow guide to facilitate opening or expanding a business in Essex.
 - ii. Developing new funding sources through grant applications and other efforts.
 - 1. Consider increasing staff time, and utilize regional partners, (such as MAPC) to increase grant-writing efforts to assist in the timely application for available assistance with the State and others.
- b. Work with the Essex Merchant's Association to help support funding for projects in the downtown and assist with joint promotion and downtown revitalization efforts.
 - i. Serve as the main point-of-contact for businesses that are struggling from the effects (and aftereffects) of current closures.