

Groton Economic & Market Trends Analysis

Focus Group Discussion: Findings and Observations

Town of Groton, CT
October 29, 2015



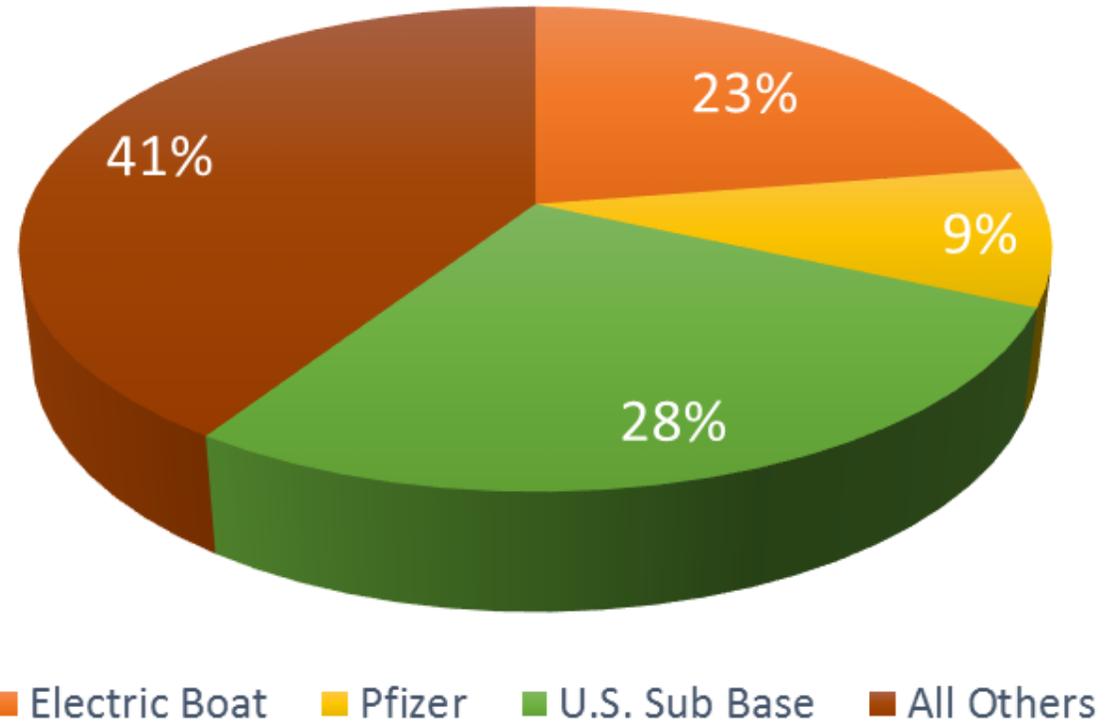
Tonight's Agenda

- Project update
 - Findings and observations
 - Zoning audit update
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Purpose & Need

- Diversification of the economic base
- Inform strategic decision-making
- Move from planning to action

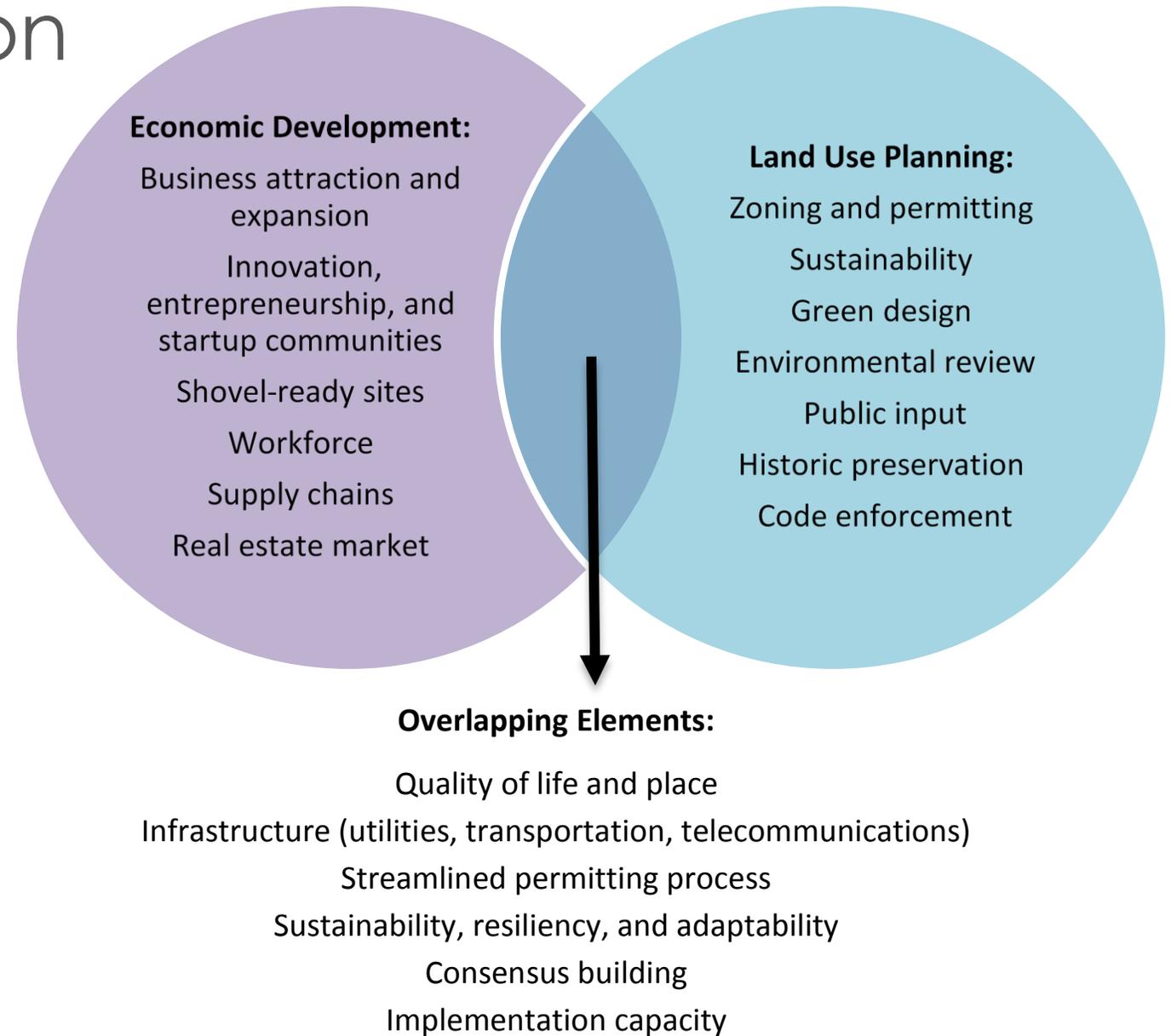
A Workforce Dominated by Giant Employers:
Portion of Groton's Jobs at "Big 3" vs. Other Employers



Our core focus in Groton

Blending land use and zoning with economic and market analysis.

- Zoning audit
- Economic development market analysis
 - Leading Industry Analysis
 - Real Estate Market Analysis



Leading Industry Analysis

- Included data and interviews to analyze:
 - Employment and occupations—trends, projections, concentrations, wages
 - Market trends—regional, global, national
 - Industry sector and subsectors identified
 - Tourism-Based (accommodations, retail, food services, entertainment & recreation)
 - Health Care & Life Sciences
 - Business & Professional Services (finance, insurance, real estate, and other professional services)
 - Manufacturing
 - Not a guarantee of the future
 - Not meant to find “lightning in a bottle”
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Real Estate Market Opportunity Analysis

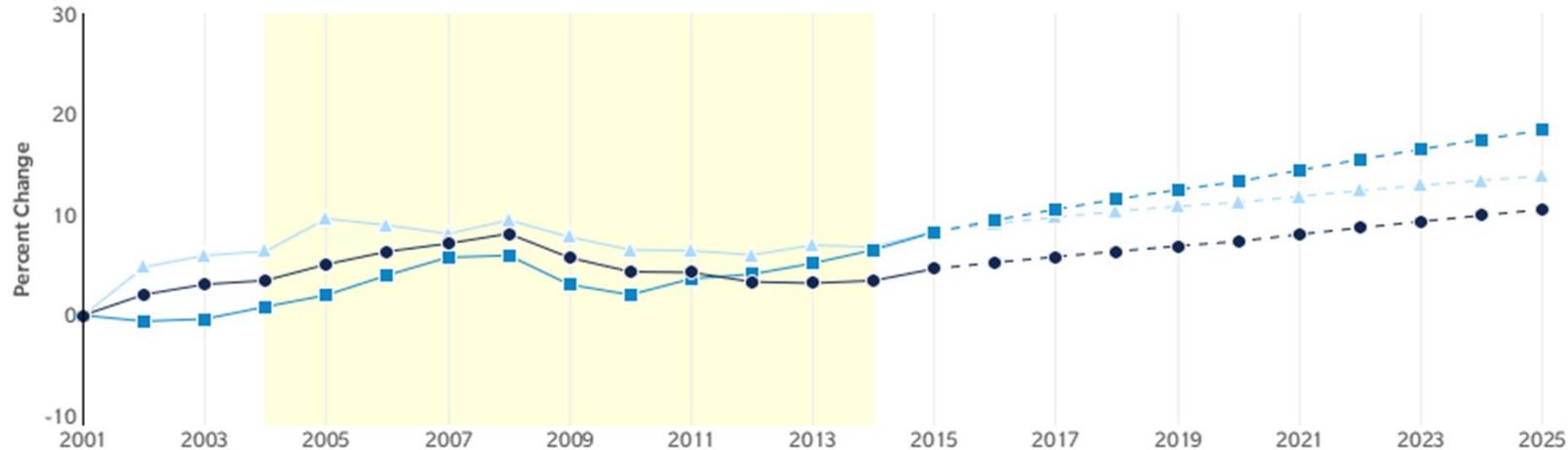
- Includes land and new building development, expansions, redevelopment, business parks, sites, districts, and corridors
 - Broken into categories of industrial/flex, office, retail, special (i.e. medical office lab, incubators), residential and mixed-use
 - Data and interviews to analyze:
 - Competitiveness—supply, demand, comparison to market competition
 - Needs—infrastructure, incentives, amenities
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Observations & Opportunities



Observation: Groton's slow-growing, stable economy has pros and cons

- **Positive:** Able to withstand regional and national economic cycles
- **Challenge:** Lack of growth resulting in soft real estate market



A significant focused, long-term effort toward growth and diversification is needed to unstick Groton's stagnant economy.

Region	2004 Jobs	2014 Jobs	% Change
● Region	185,276	185,252	0.0%
■ State	2,700,575	2,852,237	5.6% ✘
▲ Groton, CT Zip Codes	36,744	36,887	0.4% ✘

Observation: Quality of place (QoP) must be part of the economic development strategy

- One of the most important aspects of economic development because it drives where people want to live, work, and invest:
 - Workforce and talent attraction
 - Business attraction, expansion, retention
 - Entrepreneurship and Innovation
 - Includes: recreational and cultural assets, quality design, educational and housing opportunities, transportation alternatives, broadband infrastructure, niche retail, etc.
 - Reliance on Big 3 allowed Groton to overlook QoP as an economic development asset
 - Emerging as a central theme for Groton's economic development
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Observation: Segmentation of visitors and local consumers is a missed opportunity

- Visitors are isolated from rest of the town and vice-versa
- Tourism is a strength
- Existing retail is tired

Opportunities: Growth through integration

- Modern retail that targets both residents and visitors
- Mixed-use integrating residential and retail
- Strengthen internal and external marketing for tourism and community development
- New investment and dollars into the community through:
 - Increased spending and activity by locals remaining in the economy and increased visitation
 - Growing the workforce
 - Expanding existing businesses, and attracting new ones



Observation: Without action, retail market share will continue to slip

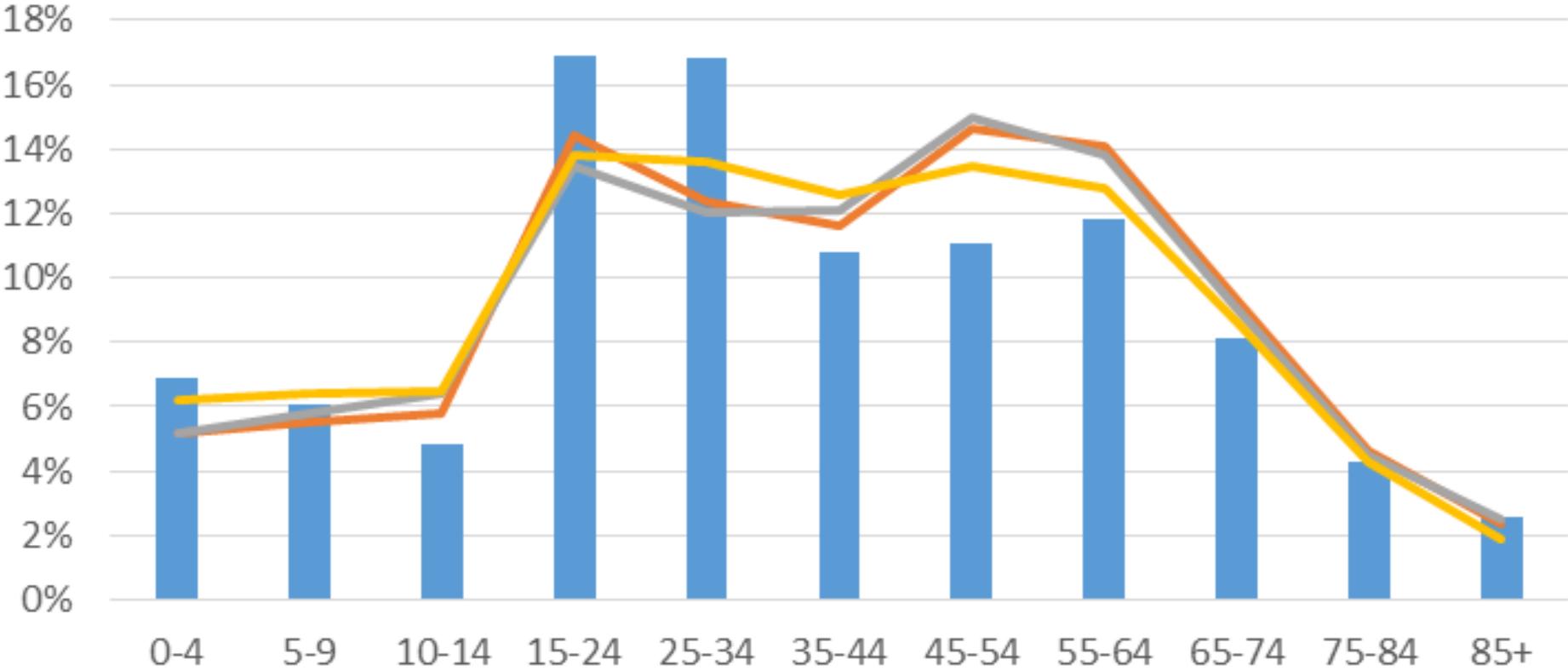
- Groton is losing retail employment faster than the region, suggesting disinvestment
- Retail offerings are generally very local, not attracting outside consumers (excluding Mystic)
- Regional competition is increasing
- Groton's retail needs a refresh

Opportunities: Retention through a refresh

- Retain existing retail spending through investment in downtown Groton area
- Integrate and enhance amenities such as pedestrian and bicycle connections to surrounding land uses through mixed-use development



Age Distribution, 2015



Source: ESRI

■ Groton — Region — State — U.S.

Groton's Population:

39,770

Observation: Aging population is driving demand for new uses

- Demographic shift – population is aging (in line with regional and national trends)
- Moderate- to high-income seniors are expected to drive growth
- Seeing investment in this sector currently

Opportunities: Housing & Medical Office Space

- **Housing:** Aging adults seeking lower-maintenance alternatives to their single-family homes are opting for apartment-style living
- **Goods & Services:** Increased demand for healthcare services is driving an increase in medical office real estate activity



Observation: Young adults present an emerging opportunity

- 25 to 34 year olds make up 34% of the town's population (13,400 people)
- As this group is starting to earn income, they are beginning to overtake baby boomers in driving market demand for housing as well as goods and services
- Portion of this age cohort will remain the same as students and sailors cycle through

Opportunities: Housing and amenities to serve this younger market

- **Housing:** Students and young professionals renting their first apartment at a lower price point – prefer low-maintenance lifestyles
- **Goods & Services:**
 - Quality dining options, grab-n-go
 - Technology is important to this group (Wi-Fi access)
 - Active lifestyles, seek out experiences and interesting places to spend time in work and play



Observations: Soft real estate market overall

- Not significant demand for any one use
- Maintaining status quo will lead to continued loss of market share to adjacent municipalities that are investing in QoP and quality of amenities and retail
- No action is not a viable option

Opportunities: Lead the market to mixed-use development

- Offer something different that is not in the market today
- Support 24/7 vibrancy of single-use areas and segregated nodes of activity
- Will require a catalytic, market leading project



Mixed-Use Target Markets:

- Up-scale apartments and condos targeted to empty nesters looking to downsize (ages 55-and-up) and young professionals
- Small scale, niche retail that offers an experience
- Class A medical office space

Other Potential Retail/Service Opportunities from “Gap” Analysis

- Full Service Restaurants
 - Building Materials & Supply Dealers
 - Electronics & Appliance Stores
 - Clothing Stores
 - Health & Personal Care Stores
 - Sporting Goods/Hobby/Musical Instrument Stores
 - Miscellaneous Store Retailers
 - Pet Stores
 - Flower Shop
 - Office Supplies
 - Gift Stores
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Observations: Strong regional focus on manufacturing with local strengths

- Southeast Connecticut Enterprise Region (seCTer) 2011 CEDS report specifically identified manufacturing as a priority
- Regional industry clusters: Defense, bioscience, tourism, maritime, creative, agriculture
- EB is primary driver of growth in this sector at a time when national manufacturing sectors are declining

Opportunities: Small- to Mid-scale Manufacturing

- By aligning with regional priorities and being proactive in identifying the future needs of manufacturers and industrial users, the town can grow and diversify its manufacturing sector.



Observations: Growth of entrepreneurial ecosystem has been suppressed

- While EB and Pfizer are innovative companies, new methods and products largely remain internal
- Reliance on the Big 3 has suppressed creation and growth of networks and environments in which entrepreneurs flourish
- Lack of focus on QoP and workforce exuberates the problem
- This is a common trend in communities with large institutions that offer well paying jobs

Opportunities: Support entrepreneurs and small to medium sized innovative businesses

- Refocusing on entrepreneurs and small to medium-sized innovative businesses that are growing will support diversification and growth



Next Steps



Questions & Discussion

