

2013 Town of Groton Plan of Conservation & Development & Municipal Coastal Plan Economic Development



August, 2013

Introduction

Existing conditions and characteristics of Groton's economy

- Relative to regional and State economy
- Change in tax base
- Future economic development potential
- Issues and suggested strategies

Labor Force

TABLE 1							
Trends in Population, Labor Force, Employment, and Unemployment							
Connecticut, Norwich-New London Labor Market Area, and the Town of Groton							
(By Place of Residence)							
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Connecticut							
Population	3,510,297	3,510,787	3,502,309	3,501,252	3,518,288	3,575,498	3,580,709
Labor Force	1,806,997	1,826,817	1,846,194	1,868,874	1,886,800	1,897,433	1,888,084
Employed	1,718,608	1,745,993	1,761,588	1,763,911	1,730,053	1,724,024	1,721,360
Unemployed	88,389	80,824	84,606	104,963	156,747	173,409	166,724
% Unemployed	4.9	4.4	4.6	5.6	8.3	9.1	8.8
Norwich-New London LMA							
Population	272,176	273,859	270,090	271,424	272,364	278,562	278,003
Labor Force	148,396	149,131	150,159	152,765	153,725	155,044	153,497
Employed	141,699	142,808	143,635	144,219	141,526	141,168	140,075
Unemployed	6,697	6,323	6,524	8,446	12,199	13,876	13,422
% Unemployed	4.5	4.2	4.3	5.5	7.9	8.9	8.7
Groton							
Population	39,880	42,555	39,205	39,346	39,551	40,109	40,038
Labor Force	19,606	18,996	20,230	19,272	19,517	19,555	19,407
Employed	18,718	18,176	19,363	18,195	17,896	17,724	17,599
Unemployed	888	820	867	1,077	1,621	1,831	1,808
% Unemployed	4.5	4.3	4.3	5.6	8.3	9.4	9.3
Sources:	Population Information - U.S. Census Bureau (July 1st reporting period)						
	Labor Information - Connecticut Dept. of Labor						

Labor Force – Change from 2005 - 2011

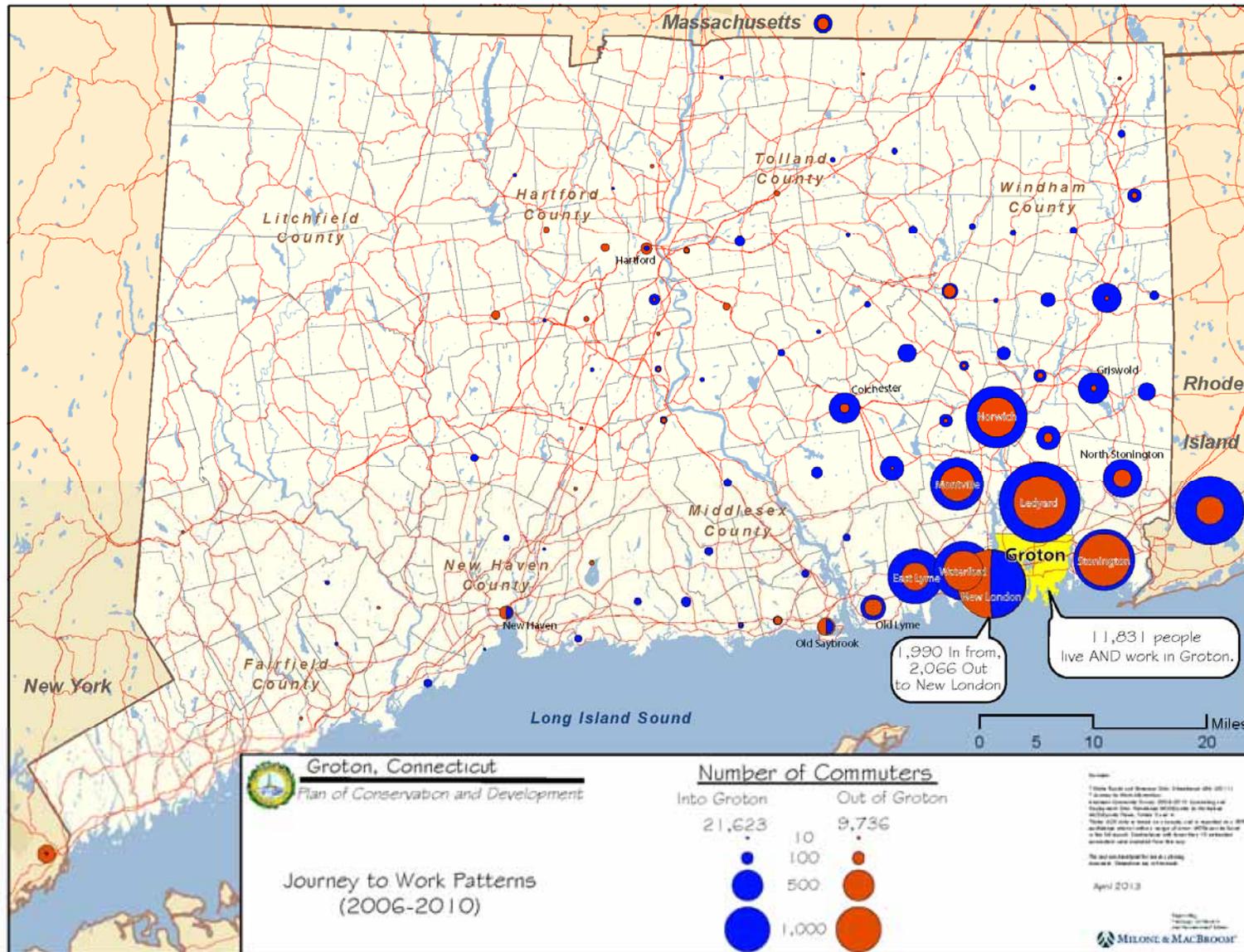
In Connecticut:

- Added 81,087 workers to labor force, while only adding 67,548 total pop. - *difference of 13,539*. Result of older workers remaining in workforce and entry of working-age immigrants.

In Groton:

- Resident labor force *decreased* by 199 workers, 1%.

Journey to Work Patterns



Journey to Work Patterns

Journey to Work Patterns (2006-2010)						
Top 10	Into Groton	Number	MOE	Out of Groton	Number	MOE
1	Ledyard, CT	2,793	401	New London, CT	2,066	373
2	New London, CT	1,990	330	Ledyard, CT	1,298	243
3	Norwich, CT	1,720	305	Stonington, CT	1,291	210
4	Stonington, CT	1,694	252	Waterford, CT	800	167
5	Waterford, CT	1,574	232	Norwich, CT	775	219
6	East Lyme, CT	1,401	210	Montville, CT	620	190
7	Montville, CT	1,338	272	East Lyme, CT	430	151
8	Westerly, RI	933	187	North Stonington, CT	200	98
9	North Stonington, CT	767	147	Old Saybrook, CT	191	117
10	Griswold, CT	509	160	Old Lyme, CT	189	112
	GROTON RESIDENTS	11,831		GROTON RESIDENTS	9,736	

Source: American Community Survey 2006-2010 Commuting and Employment Data:
Residence MCD/County to Workplace MCD/County Flows, Tables 3 and 4.
Note: ACS Data is based on a sample, and is reported as a 90% confidence interval within a Margin of Error (MOE).

- **Groton's economy relies heavily on:**
 - **local residents working in the community**
 - **Regional employment in New London, Ledyard, Stonington & Waterford.**
- **Home-work relationship heavily reliant on fortunes of local business.**

Employment Trends - Local

Net change

Total employment: more stability than region

- Service producing greatest growth
- Wholesale Trade (+)
- Transportation warehousing
- Professional & Technical
- Goods Producing greatest decline – mimicking trends in region

Groton Town Employment Trends								
Average Annual Employment: 2006 to 2011								
	2006	2007	2008	2009	2010	2011	Change, 2006-2011	% Change, 2006-2011
Total Non-Farm Employment	25,969	25,560	26,079	25,287	25,043	25,581	-388	-1.5%
Goods Producing	12,444	11,420	11,310	11,174	11,014	11,059	-1,385	-11.1%
Mining	0	0	0	0	0	0	0	0.0%
Construction	253	264	259	149	156	221	-32	-12.6%
Manufacturing	12,191	11,156	11,051	11,025	10,858	10,838	-1,353	-11.1%
Service Producing	13,504	13,761	14,752	14,095	14,012	14,499	995	7.4%
Utilities	*	*	*	*	*	*	N/A	N/A
Retail Trade	2,178	2,179	2,131	1,988	2,047	2,033	-145	-6.7%
Wholesale Trade	178	*	572	543	521	524	346	194.4%
Trans. & Warehousing	462	604	762	773	785	792	330	71.4%
Information	76	82	76	98	74	69	-7	-9.2%
FIRE	650	653	664	662	671	656	6	0.9%
Professional and Technical	1,129	1,268	1,242	1,285	1,466	1,892	763	67.6%
Mgmt. Of Companies	*	*	*	*	*	*	N/A	N/A
Admin. & Waste Management	313	339	428	282	259	240	-73	-23.3%
Education	119	112	114	105	104	86	-33	-27.7%
Health Care/Social Assistance	1,767	1,802	1,866	1,592	1,671	1,750	-17	-1.0%
Arts, Entertainment & Rec.	198	195	198	204	192	178	-20	-10.1%
Accommodation & Food Service	2,075	2,172	2,337	2,208	2,101	2,136	61	2.9%
Other Services	637	630	599	563	547	553	-84	-13.2%
Government	3,722	3,725	3,763	3,792	3,574	3,590	-132	-3.5%
Nonclassified	*	*	0	0	0	0	N/A	N/A
Farm Employment	*	*	*	*	*	*	N/A	N/A

* Disclosure provisions of Connecticut's Unemployment Insurance Law prohibit the release of figures which tend to reveal data reported by individual firms.

Source: CT Dept. of Labor, OCEW Program Data, 2006-2011

Employment

Trends -

Regional

Net change

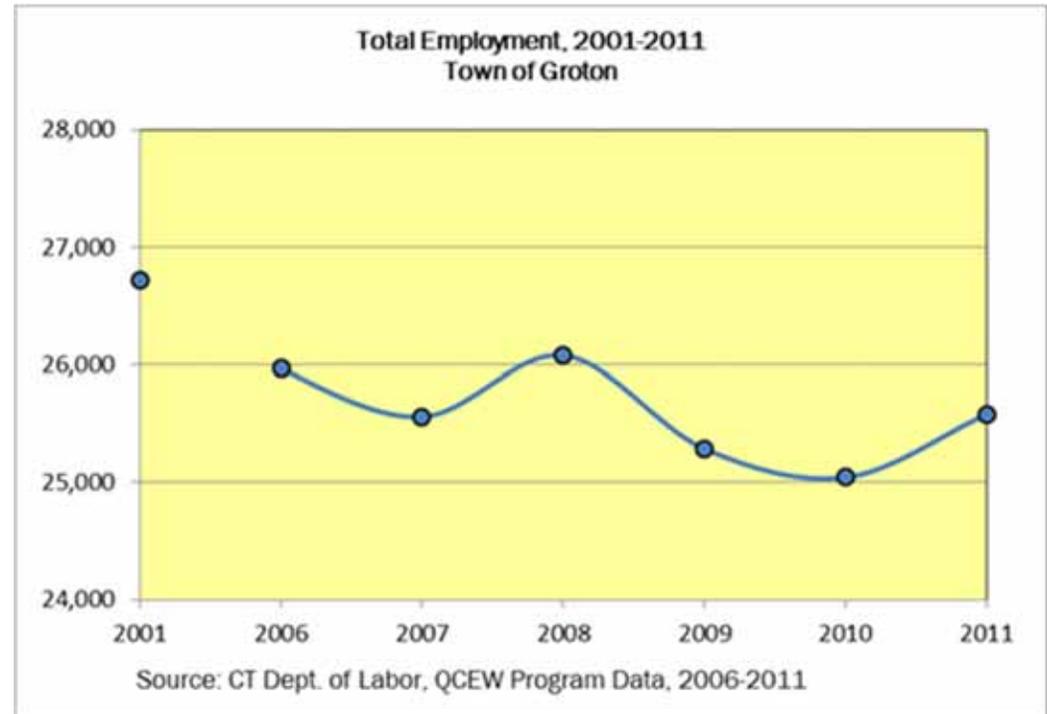
New London County Employment Trends								
Average Annual Employment: 2006 to 2011								
	2006	2007	2008	2009	2010	2011	Change, 2006-2011	% Change, 2006-2011
Total Non-Farm Employment	128,194	128,683	129,874	125,117	123,124	122,502	-5,692	-4.4%
Goods Producing	21,005	19,855	19,529	17,991	17,686	17,862	-3,143	-15.0%
Mining	89	89	90	76	63	55	-34	-38.2%
Construction	3,990	4,081	4,137	3,220	3,263	3,560	-430	-10.8%
Manufacturing	16,926	15,685	15,302	14,695	14,360	14,247	-2,679	-15.8%
Service Producing	105,791	107,449	108,891	105,657	103,830	103,147	-2,644	-2.5%
Utilities	*	*	*	*	*	*	N/A	N/A
Retail Trade	14,628	14,722	14,126	13,611	13,722	13,905	-723	-4.9%
Wholesale Trade	2,095	2,315	2,870	2,749	2,622	2,729	634	30.3%
Trans. & Warehousing	2,814	3,228	3,376	3,353	3,345	3,323	509	18.1%
Information	1,786	1,746	1,605	1,511	1,387	1,261	-525	-29.4%
FIRE	3,227	3,133	2,938	2,837	2,845	2,800	-427	-13.2%
Professional and Technical	5,792	5,896	6,081	5,900	5,739	5,537	-255	-4.4%
Mgmt. Of Companies	480	509	524	502	610	657	177	36.9%
Admin. & Waste Management	3,221	3,220	3,021	2,594	2,403	2,453	-768	-23.8%
Education	2,444	2,409	2,429	2,458	2,378	2,417	-27	-1.1%
Health Care/Social Assistance	14,937	15,535	15,787	15,770	16,088	16,587	1,650	11.0%
Arts, Entertainment & Rec.	1,878	1,969	1,908	1,783	1,712	1,747	-131	-7.0%
Accommodation & Food Service	10,168	10,593	11,234	11,391	11,121	11,547	1,379	13.6%
Other Services	3,424	3,500	3,450	3,298	3,304	3,278	-146	-4.3%
Government	38,897	38,674	39,542	37,900	36,554	34,906	-3,991	-10.3%
Nonclassified	*	*	*	*	*	*	N/A	N/A
Farm Employment	1,159	1,052	1,007	974	966	1,201	42	3.6%

*Disclosure provisions of Connecticut's Unemployment Insurance Law prohibit the release of figures which tend to reveal data reported by individual firms.

Source: CT Dept. of Labor, QCEW Program Data, 2006-2011

Employment Trends - Local

- Employment in Groton had declined for the past decade – recession and changing markets.
- Remains a significant State employment center.
- Transition from goods-producing to service-based economy.



Employers

Groton Employers by Number of Employees and Industry Category							
Category	# of Employees						
	Total	1 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100+
Forestry, fishing, hunting and agriculture support	1	1	0	0	0	0	0
Construction	50	40	5	1	4	0	0
Manufacturing	24	11	5	3	2	0	3
Wholesale Trade	35	18	7	8	1	1	0
Retail Trade	233	118	64	25	17	5	4
Transportation & warehousing	14	7	1	1	4	1	0
Information	13	6	1	4	1	0	1
Finance & insurance	65	30	21	8	3	3	0
Real estate and rental and leasing	46	35	6	3	2	0	0
Professional, scientific & technical services	121	81	15	11	5	5	4
Management of companies & enterprises	2	1	0	1	0	0	0
Administrative & support, waste management & remediation	37	28	2	4	1	1	1
Educational services	9	4	1	3	0	1	0
Health care & social assistance	134	44	31	37	10	6	6
Arts, entertainment & recreation	35	14	8	9	2	0	2
Accommodation & food services	158	46	30	37	33	11	1
Other services	119	65	31	17	5	1	0
Industries not classified	2	2	0	0	0	0	0
TOTAL	1,098	551	228	172	90	35	22

Source: 2010 ZIP Code Business Patterns, U.S. Census Bureau. Zip codes 06340, 06349 and 06355.

Mix of small businesses with several key large-scale industrial enterprises

Employers

Major Employers 2003 & 2012

Name	Nature of Business	2012			2003			Change	
		Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment	Total Change	Percentage Change
U.S. Navy Submarine Base	Military Base	9,710	1	35.5	9,900	1	35.0	-190	0.5
Electric Boat Corporation	Submarine Mfg/R&D	5,897	2	21.6	8,600	2	30.4	-2,703	-8.8
Pfizer, Inc.	Pharmaceutical	4,013	3	14.7	5,231	3	18.5	-1,218	-3.8
Town of Groton	Municipality	952	4	3.5	1,022	4	3.6	-70	-0.1
Theater Aviation Sustainment Maintenance Group	Helicopter repair	502	5	1.8	339	5	1.2	163	0.6
City of Groton	Municipality	227	6	0.8	180	7	0.6	47	0.2
PCC Structurals (1)	Manufacturer	180	7	0.7	245	6	0.9	-65	-0.2
Mystic Marriott	Hotel/Conference Center	216	8	0.8				216	x
Lawrence & Memorial Facilities	Hospital	198	9	0.7				198	x
Doncasters Precision Castings	Manufacturer	125	10	0.5	90	10	0.3	35	0.2
Anteon Corporation	Engineering/Technology				120	8	0.4	-120	x
Proto-Power Corporation	Engineering/Design				105	9	0.4	-105	x
Total		22,020		80.6	25,832		91.3	-3,812	-10.7

(1) Formerly known as Wyman Gordon Company

Source: Groton Comprehensive Annual Financial Report, June 30, 2012, Table 13

- Employment at top 5 businesses declined by over 4,000 employees in ten years.
- Businesses new to the list are in hospitality and medical industries – movement to service sector.

Labor Force

- Net importer of labor – 34,702 total people employed in Town.
- 22% in educational, health care, and social assistance.
- 17.2% in arts, entertainment, recreation, and food service.
- 17.1% in manufacturing.
- 10.8% in retail.

Industry of Employment for <i>Civilian</i> Labor Force		
Industry Category	Number of Residents	% of Total
Agriculture, forestry, fishing, hunting and mining	33	0.2%
Construction	655	3.7%
Manufacturing	3,068	17.1%
Wholesale trade	229	1.3%
Retail trade	1,927	10.8%
Transportation, warehousing and utilities	509	2.8%
Information	224	1.3%
FIRE	781	4.4%
Professional, scientific, management, administrative and waste management	1,599	8.9%
Educational, health care and social assistance services	3,871	21.6%
Arts, entertainment, recreation accommodations and food services	3,082	17.2%
Other services	747	4.2%
Public administration	1,174	6.6%
TOTAL	17,899	100.0%

Source: 2010 ACS 5-Year Estimates, U.S. Census Bureau.

Grand List

- Residential property has grown as a percentage of total taxable assessed value
 - 55% to 59%
 - Value risen 81.3%
- Commercial property declined as a percentage
 - 33% to 31%
 - Value risen 60.2%

Groton's Taxable Assessed Value 2003-2012					
Fiscal Year	Real Property		Commercial Property	%	Total Taxable Assessed Value
	Residential Property	%			
2003**	\$1,337,947	55	\$787,520	33	\$2,415,040
2004	\$1,344,379	55	\$816,332	33	\$2,450,282
2005	\$1,367,849	55	\$826,284	33	\$2,501,875
2006	\$1,374,504	53	\$845,102	33	\$2,580,928
2007	\$1,392,856	51	\$865,827	32	\$2,719,702
2008**	\$1,713,224	54	\$1,009,245	32	\$3,195,147
2009	\$2,059,143	56	\$1,110,085	30	\$3,692,260
2010	\$2,397,057	58	\$1,257,988	31	\$4,107,371
2011	\$2,411,954	59	\$1,261,987	31	\$4,103,933
2012	\$2,425,700	59	\$1,261,870	31	\$4,110,602

Note: By state law, property is assessed at 70% of actual value with periodic revaluation of real property.

** Denotes years in which a revaluation of real estate properties occurred.

Source: Groton Comprehensive Annual Financial Report, June 30, 2012

Grand List – Regional Comparison

Tax Base Comparison (ranked by 2011 Population)				
State Rank By Population	Town	Population	Equalized Net Grand List	Equalized Net Grand List/capita
20	Middletown	47,749	\$4.963B	\$108,287
21	Wallingford	45,062	\$5.959B	\$147,461
22	Enfield	44,686	\$4.158B	\$105,553
23	Southington	43,103	\$5.622B	\$133,771
24	Norwich	40,408	\$2.942B	\$77,905
25	Groton	40,038	\$5.219B	\$149,196
26	Shelton	39,954	\$6.465B	\$170,645
27	Trumbull	36,376	\$6.674B	\$178,448
28	Torrington	36,167	\$3.280B	\$93,530
29	Glastonbury	34,454	\$5.718B	\$168,420
30	Naugatuck	31,810	\$2.503B	\$83,534
State Average				\$150,019
State Median				\$138,977
Source: Connecticut Office of Policy & Management				
Equalized New Grand List is an estimate of all taxable property in a municipality by OPM				

- Other than Shelton and Trumbull, Groton's equalized net grand list is comparable or exceeds other municipalities in this population category.

Grand List – Major Businesses

Comparison of Ranking of Major Businesses by Taxable Assessed Value

Taxpayer	Nature of Business	2012			2003		
		Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List	Taxable Assessed Value	Rank	Percentage of Gross Taxable Assessed Grand List
Pfizer, Inc.	Pharmaceutical	\$543,405	1	13.3	\$338,486	1	14.2
Electric Boat Corp.	Submarine Mfg./R&D	\$194,463	2	4.8	\$156,493	2	6.5
Exit 88 Hotel LLC	Mystic Marriott Hotel	\$27,889	3	0.7			
LCOR Groton Apartments LLC	Ledges Apartments	\$21,636	4	0.5			
Groton Devel. Assoc. Ltd.	Country Glen Apartments	\$20,537	5	0.5	\$11,354	3	0.5
CW Groton Square LLC	Groton Square Shopping Center	\$17,670	6	0.4	\$10,484	5	0.4
ELK La Triuphe LLC	LaTriumphe Apartments	\$17,437	7	0.4	\$9,421	7	0.4
Groton Estates LLC	Colonial Manor Apartments	\$13,081	8	0.3	\$8,340	9	0.4
Groton Shoppers Mart LLC	Shopping Center	\$12,184	9	0.3			
Cedar Groton LLC	Shopping Center	\$11,506	10	0.3			
CSC Outsourcing	Leased Equipment at Electric Boat				\$11,023	4	0.5
Branford Manor Assoc.	Apartment Complex				\$10,026	6	0.4
Groton Assoc. of CT LP	Convalescent Home				\$8,447	8	0.4
Mall, Inc.	Shopping Center				\$7,478	10	0.3
Total:		\$879,808		21.5	\$571,552		24

Source: Town Assessor's office

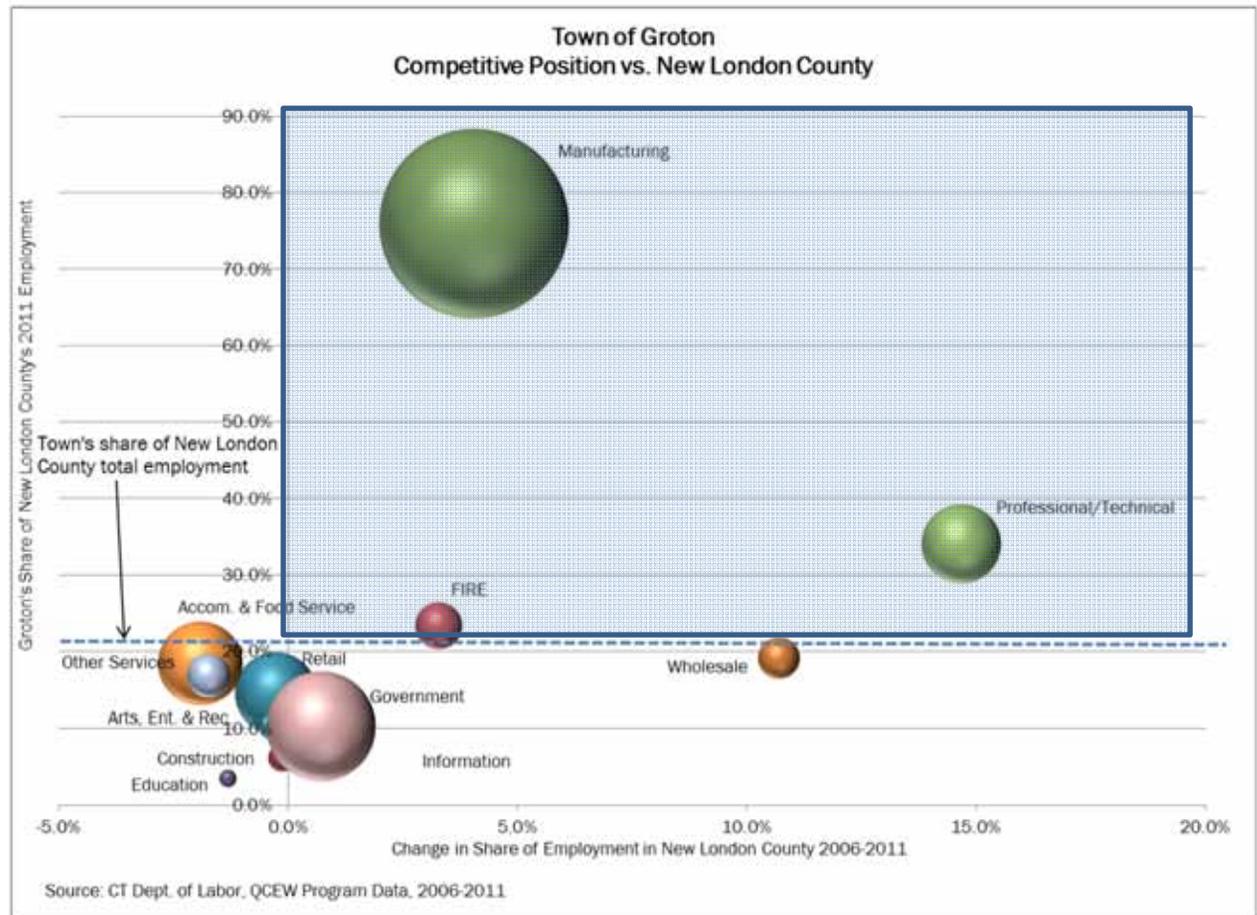
Groton Comprehensive Annual Financial Report, June 30, 2012, table 6

- Six of the top 14 taxpayers have remained the same.
- 21.5% of Grand List vs. 24% in 2003.

Future Economic Development Potential

- Bigger bubbles signify larger total employment.
- Bubbles in blue chart area represent industries with a comparative competitive advantage in New London County.

Greater Current Share (2011)



Greater Growth (2006-2011)

Strategic Economic Development Plan (SEDP)

Four core objectives from 2006 Strategic Economic Development Plan:

- Diversify Town's Economy
- Redevelop Downtown Groton
- Improve Ability to Compete for Tourist Activity
- Improve Overall Quality of Life

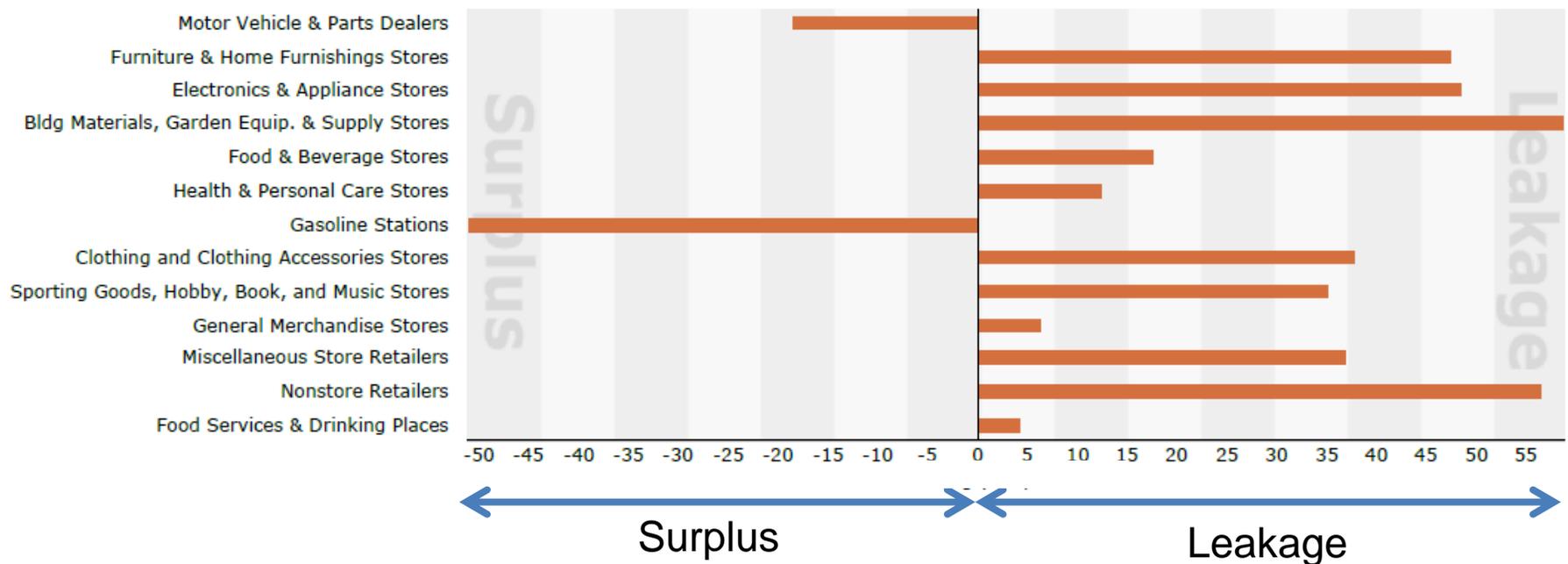
SEDP On-going Major Economic Initiatives

Ten Economic Development Policies:

- Diversify local economy: attract, retain, and startup businesses
- Become proactive in creating economic development sites
- Zone with economic development in mind
- Improve aesthetics and image of Groton
- Improve circulation and access
- Work with property owners to spur redevelopment
- Preserve and enhance resources as local and tourist amenities
- Improve marketing of existing tourist attractions
- Bolster community pride and image

Retail Marketplace Profile

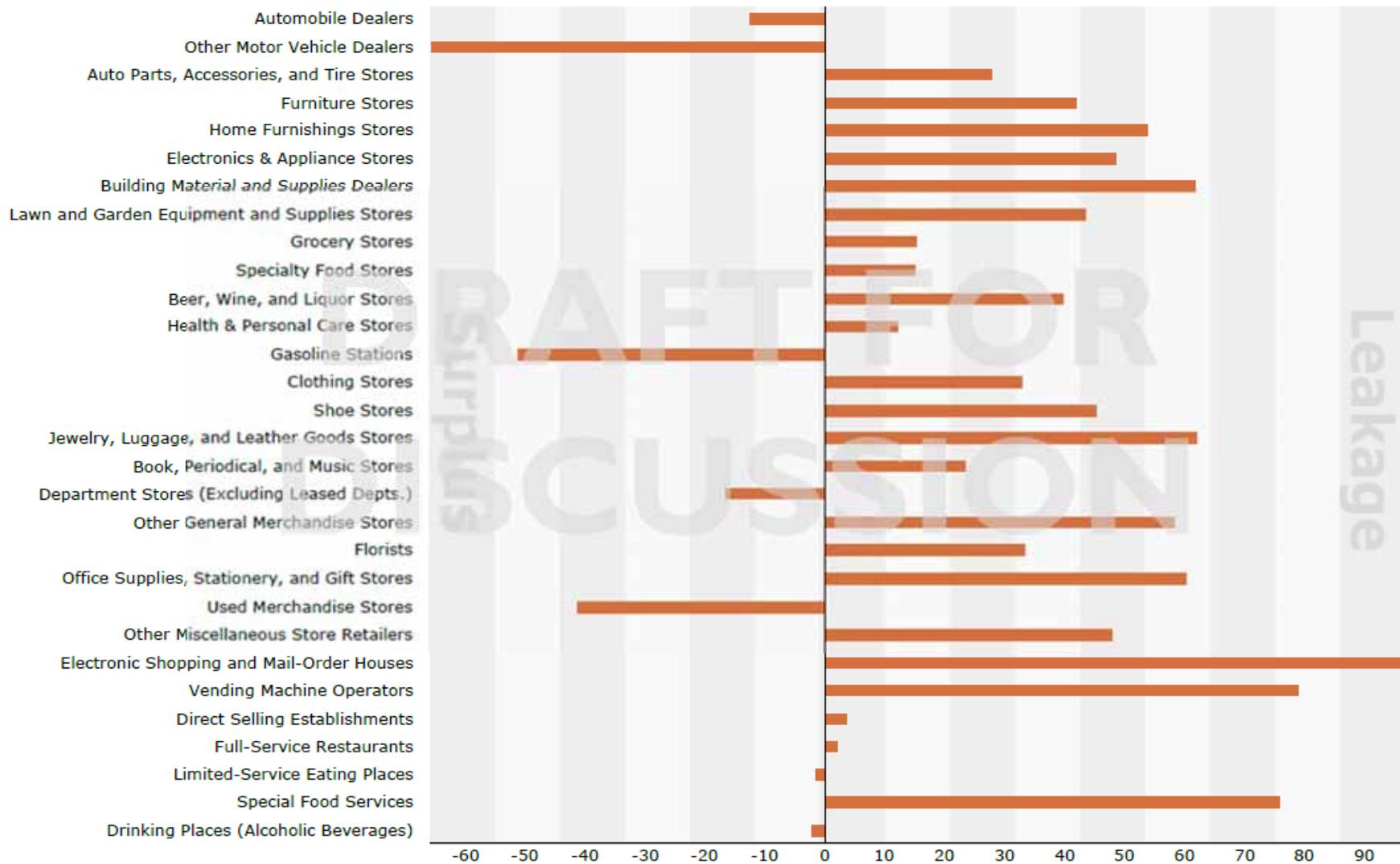
Leakage/Surplus Factor by Industry Subsector Source: ESRI and Dun & Bradstreet



Based on retail demand and actual retail sales, a leakage/surplus factor can determine industries that are over- or under-supplied in the community.

Retail Marketplace Profile

Leakage/Surplus Factor by Industry Group Source: Esri and Dun & Bradstreet



Surplus

Leakage

Discussion