GROTON PLAN OF CONSERVATION AND DEVELOPMENT/ MUNICIPAL COASTAL PROGRAM UPDATE

ECONOMIC DEVELOPMENT

February, 2014

Prepared for:
Town of Groton
Planning Commission

Prepared by:
Milone & MacBroom®

Table of Contents

ECONOMIC DEVELOPMENT

The purpose of this memorandum is to describe the existing conditions and characteristics of Groton's economy relative to the regional and State economies, discuss the changes in Groton's economic base since the preparation of the previous Plan of Conservation and Development, describe Groton's future economic development potential and provide a discussion of economic development issues and suggested strategies to achieve identified goals.

ECONOMIC CHARACTERISTICS

During the past ten years, the Connecticut economy has provided most residents with a high economic standard of living, enabled by one of the highest per capita income levels in the United States. Table 1, Trends in Population, Labor Force, Employment and Unemployment describes how Groton and the Norwich-New London Labor Market Area (LMA) function within Connecticut's economy.

POPULATION CHANGES

From July of 2005 through the 2010 Census, the population of Connecticut grew by only 1.9%, adding 67,548 people. Over the same time period the population of the Norwich-New London LMA grew by 2.3%, adding 6,386 people. The Norwich-New London LMA, which accounted for 7.8% of the State's population in 2005, recorded 9.5% of the State's population growth between 2005 and 2010. By comparison, the population of Groton grew by only 229 people (0.6%) between 2005 and 2010.

LABOR FORCE

On the statewide level, despite the low rate of population growth and the aging of Connecticut's population, the total labor force increased in size between 2005 and 2011. The state added 81,087 workers to its labor force (a 4.5% increase) while only adding 67,548 people to its population total. These seemingly contradictory figures can be explained to a certain degree by the fact that many older workers are choosing to remain in the workforce well past the traditional age range for retirement, and that many immigrants entering the state are of working age. In contrast, the Norwich-New London Labor Market Area had an increase of only 5,101 workers between 2005 and 2011, while adding 6,386 people to the population total. The resident labor force of Groton actually decreased by -199 workers (-1.0%) between 2005 and 2011.

Implications: Groton's static population and labor force figures are indicative of a situation where significant economic development based solely upon the local population is quite difficult to achieve. Since World War II Groton's economic development fortunes have been driven by large national corporations and the military and the ebb and flow of their production decisions that are beyond local ability to influence. This reality continues to drive large scale economic development in the Town today.

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)	2005	2006	2007	2008	2009	2010	2011
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						

JOURNEY TO WORK PATTERNS

The United States Census Bureau provides data for analyzing commuting patterns within and between local communities with the American Community Survey (ACS). In contrast to the Decennial Census, which aims for 100% coverage of the United States, the ACS is a smaller, more targeted census from a smaller sample size. While the ACS can ask more detailed questions, its smaller sample size may introduce sampling errors. Numbers reported are estimates with 90% confidence plus or minus a margin of error. The most current Journey to Work data available is from 2006-2010, an average over a five-year period. This data is helpful in understanding a general concept of traffic flows into and out of a community generated by daily trips to and from the workplace.

Commuting Out

The Town of Groton has an estimated 21,567 workers, of which about 55% (11,831) are employed in Groton itself. The residents of Groton tend to work fairly close to home, with about 22% commuting to the directly neighboring towns of New London (2,066), Ledyard (1,298), and Stonington (1,291), and a further 15% commuting to somewhere else in New London County. Almost 92% (19,726) of workers stay within New London County.

About 5% (1,085) of workers work in other counties in Connecticut, lead by Hartford (350) and Middlesex (291) Counties. About 3.5% (756) commute out of Connecticut for work, mostly to nearby Rhode Island (453) and the employment centers in New York (148).

Commuting In

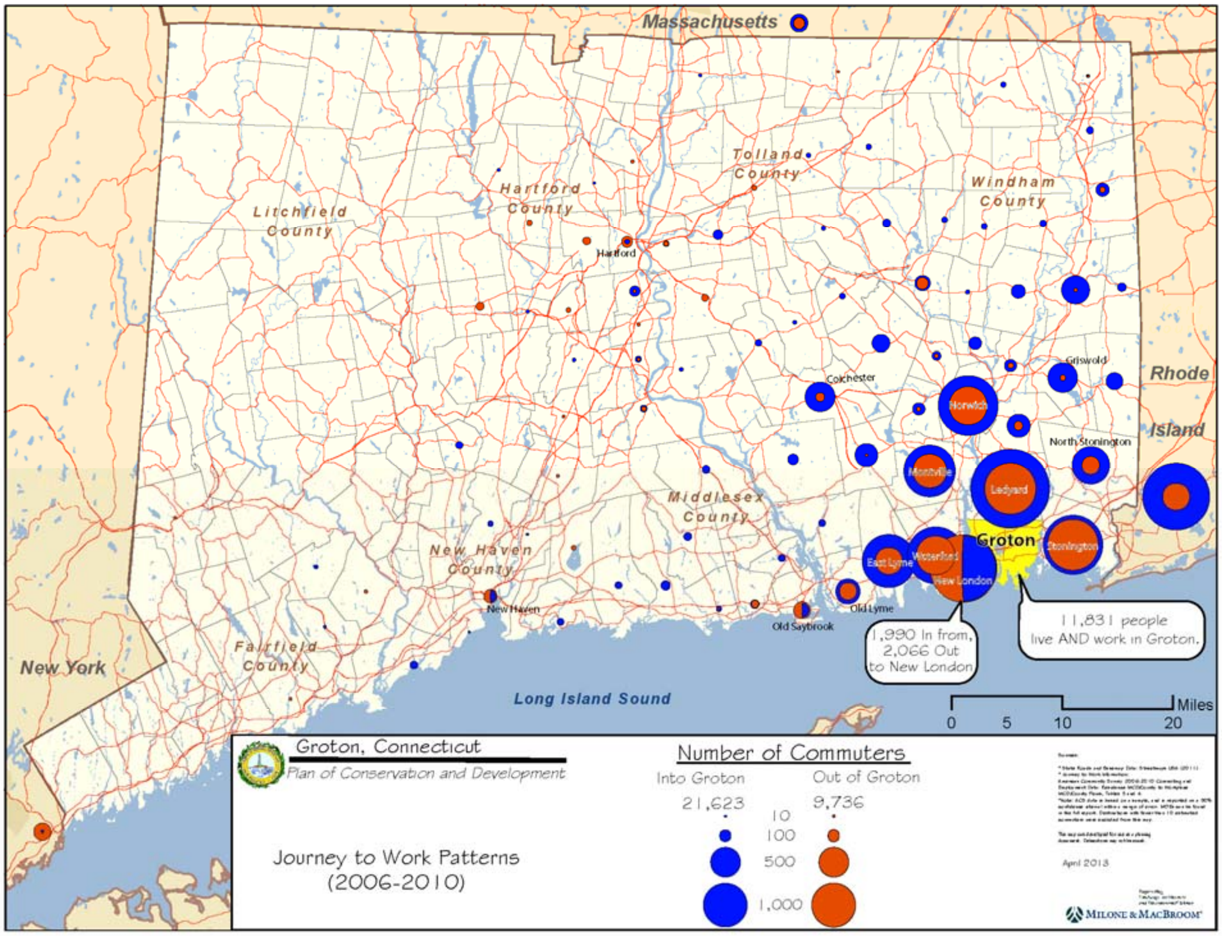
The Town of Groton draws in more people than commute outwards for work. About 33,454 people work in Groton, with about 35% being residents (11,831). The adjacent towns of New London (1,990), Ledyard (2,793) and Stonington (1,694) account for about 19% of workers commuting into Groton. About 84% (27,948) of Groton's workforce originates within New London County. About 8% (2,735) of workers commute to Groton from other counties in Connecticut, with nearly half coming from northern adjacent Windham County (1,160). About another 8% (2,771) of commuters come from out of state to work in Groton, nearly all of them from nearby Rhode Island (2,235).

Table 4

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).						

Implications: Groton's economy relies heavily upon local residents working in the community, while the balance of Groton's workforce population is economically connected to outside employment centers such as New London, Ledyard, Stonington and Waterford. This home-work relationship makes the Town heavily dependent upon the fortunes of local business.

Figure 1



EMPLOYMENT TRENDS

Over the past several years, New London County has seen its total employment decline by -4.4% as the region struggled through the most recent economic recession. The goods producing industries of construction and manufacturing were particularly hard hit, experiencing employment declines of -10.8% and -15.8%, respectively. Service producing industries as a whole only declined by -2.5%, although specific industries within the service producing realm saw much more significant declines. Information services had a decrease in employment of -29.4% between 2006 and 2011, and administrative & waste management; finance, insurance and real estate (FIRE); and government sectors all experienced significant declines in employment as well.

There were several economic bright spots in this data, however. The management of companies sector grew by 36.9% during the recession, and the wholesale trade sector increased its employment total by 30.3%. The transportation & warehousing; health care & social assistance; and accommodation& food service sectors also experienced strong gains in employment. The health care and social assistance sector had the largest numerical increase, adding 1,650 new jobs. Finally, the farming sector experienced a 3.6% increase in employment, although the raw number of new employees was still quite small in comparison to other larger employment sectors.

Table 5

New London County Employment Trends Average Annual Employment: 2006 to 2012									
	2006	2007	2008	2009	2010	2011	2012	Change, 2006-2012	% Change, 2006-2012
Total Non-Farm Employment	128,194	128,683	129,874	125,117	123,124	122,502	122,866	-5,328	-4.2%
Goods Producing	21,005	19,855	19,529	17,991	17,686	17,862	17,233	-3,772	-18.0%
Mining	89	89	90	76	63	55	60	-29	-32.6%
Construction	3,990	4,081	4,137	3,220	3,263	3,560	3,323	-667	-16.7%
Manufacturing	16,926	15,685	15,302	14,695	14,360	14,247	13,850	-3,076	-18.2%
Service Producing	105,791	107,449	108,891	105,657	103,830	103,147	103,235	-2,556	-2.4%
Utilities	*	*	*	*	*	*	*	N/A	N/A
Retail Trade	14,628	14,722	14,126	13,611	13,722	13,905	13,995	-633	-4.3%
Wholesale Trade	2,095	2,315	2,870	2,749	2,622	2,729	2,981	886	42.3%
Trans. & Warehousing	2,814	3,228	3,376	3,353	3,345	3,323	3,395	581	20.6%
Information	1,786	1,746	1,605	1,511	1,387	1,261	1,216	-570	-31.9%
FIRE	3,227	3,133	2,938	2,837	2,845	2,800	2,788	-439	-13.6%
Professional and Technical	5,792	5,896	6,081	5,900	5,739	5,537	5,342	-450	-7.8%
Mgmt. Of Companies	480	509	524	502	610	657	692	212	44.2%
Admin. & Waste Management	3,221	3,220	3,021	2,594	2,403	2,453	2,401	-820	-25.5%
Education	2,444	2,409	2,429	2,458	2,378	2,417	2,231	-213	-8.7%
Health Care/Social Assistance	14,937	15,535	15,787	15,770	16,088	16,587	16,904	1,967	13.2%
Arts, Entertainment & Rec.	1,878	1,969	1,908	1,783	1,712	1,747	1,855	-23	-1.2%
Accommodation & Food Service	10,168	10,593	11,234	11,391	11,121	11,547	11,816	1,648	16.2%
Other Services	3,424	3,500	3,450	3,298	3,304	3,278	3,323	-101	-2.9%
Government	38,897	38,674	39,542	37,900	36,554	34,906	34,296	-4,601	-11.8%
Nonclassified	*	*	*	*	*	*	*	N/A	N/A
Farm Employment	1,159	1,052	1,007	974	966	1,201	1,108	-51	-4.4%

*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

GROTON'S ECONOMIC BASE

Economic activity within Groton is generated by the demand for goods and services by residents, workers, businesses and visitors to the Town. The overall health of Groton's economic base is also influenced by market conditions in the larger Norwich-New London market area. In turn, the economic health of these larger market areas is linked to the health of the state and national economies.

CHANGING CHARACTERISTICS OF GROTON'S EMPLOYMENT BASE

During the period of 2006 to 2012, the Town of Groton experienced a -0.8% decline in employment, losing 215 jobs. This was the result of significant decreases in construction and manufacturing employment offsetting generally solid gains in service sector employment. Groton experienced strong gains in employment in the wholesale trade, transportation and warehousing, and professional and technical services sectors, contrasted with declines in administrative and waste management services, education, other services and arts, entertainment and recreation services.

Table 6

Groton Town Employment Trends Average Annual Employment: 2006 to 2012									
	2006	2007	2008	2009	2010	2011	2012	Change, 2006-2012	% Change, 2006-2012
Total Non-Farm Employment	25,969	25,560	26,079	25,287	25,043	25,581	25,754	-215	-0.8%
Goods Producing	12,444	11,420	11,310	11,174	11,014	11,059	10,646	-1,798	-14.4%
Mining	0	0	0	0	0	0	0	0	0.0%
Construction	253	264	259	149	156	221	192	-61	-24.1%
Manufacturing	12,191	11,156	11,051	11,025	10,858	10,838	10,454*	-1,737	-14.2%
Service Producing	13,504	13,761	14,752	14,095	14,012	14,499	15,107	1,603	11.9%
Utilities	*	*	*	*	*	*	*	N/A	N/A
Retail Trade	2,178	2,179	2,131	1,988	2,047	2,033	2,052	-126	-5.8%
Wholesale Trade	178	*	572	543	521	524	477	299	168.2%
Trans. & Warehousing	462	604	762	773	785	792	908	446	96.6%
Information	76	82	76	98	74	69	66	-10	-13.3%
FIRE	650	653	664	662	671	656	657	7	1.1%
Professional and Technical	1,129	1,268	1,242	1,285	1,466	1,892	2,259	1,130	100.1%
Mgmt. Of Companies	*	*	*	*	*	*	*	N/A	N/A
Admin. & Waste Management	313	339	428	282	259	240	248	-65	-20.9%
Education	119	112	114	105	104	86	81	-38	-31.6%
Health Care/Social Assistance	1,767	1,802	1,866	1,592	1,671	1,750	1,830	63	3.6%
Arts, Entertainment & Rec.	198	195	198	204	192	178	182	-16	-8.0%
Accommodation & Food Service	2,075	2,172	2,337	2,208	2,101	2,136	2,175	100	4.8%
Other Services	637	630	599	563	547	553	576	-61	-9.6%
Government	3,722	3,725	3,763	3,792	3,574	3,590	3,594	-128	-3.4%
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.

For 2012 data, Manufacturing information was withheld. The figure reported on the table is an estimate based on the difference between the total employment numbers less all given figures. As such, the Manufacturing estimate is likely to be high due to the inclusion of the suppressed Utilities and Mgmt. of Companies, Nonclassified, and Farm Employment categories.

Source: CT Dept. of Labor, QCEW Program Data, 2006-2012

In Groton's immediate market area of surrounding communities as shown in Table 7, Groton continues to be the largest employment center with 25,581 jobs, followed distantly by Norwich, New London and Montville. Groton is fourth in total employment with 1,527 jobs. All of the surrounding communities now have economies dominated by service sector employment, with Groton being the only town with a significant manufacturing component to its economy. In relation to the surrounding region, Groton has a significant level of jobs in the professional and technical services, retail trade, and accommodation and food services sectors.

Table 7

Groton's Immediate Market Area							
Employment by Town - 2012							
	Groton	Ledyard	Montville	New London	Norwich	Stonington	Waterford
Total Non-Farm Employment	25,754	12,195	13,901	14,128	16,702	7,131	11,010
Goods Producing	10,646	190	681	583	954	1,083	147
Mining	0	*	*	0	0	0	*
Construction	192	84	267	176	410	268	*
Manufacturing	*10,454	106	414	407	544	815	147
Service Producing	15,107	11,809	12,990	13,425	15,595	6,017	9,344
Utilities	*	0	*	*	0	0	*
Retail Trade	2,052	143	905	1,384	1,947	871	3,432
Wholesale Trade	477	38	102	277	694	176	191
Trans. & Warehousing	908	*	121	273	851	84	475
Information	66	*	*	418	191	106	141
FIRE	657	69	98	408	672	159	201
Professional and Technical	2,259	92	77	724	687	396	476
Mgmt. Of Companies	*	*	*	50	39	*	73
Admin. & Waste Management	248	73	54	502	337	158	262
Education	81	16	*	1,139	413	97	77
Health Care/Social Assistance	1,830	300	492	4,481	4,949	825	1,554
Arts, Entertainment & Rec.	182	49	10	135	*	834	138
Accommodation & Food Service	2,175	1,038	1,300	1,185	1,290	1,340	1,117
Other Services	576	131	238	510	680	259	238
Government	3,594	9,861	9,593	1,939	2,845	713	968
Nonclassified	*	0	*	0	*	0	*
Farm Employment	*	51	0	*	*	17	0
*Disclosure provisions of Connecticut's Unemployment Insurance Law prohibit the release of figures which tend to reveal data reported by individual firms.							

For 2012 data, Manufacturing information was withheld. The figure reported on the table is an estimate based on the difference between the total employment numbers less all given figures. As such, the Manufacturing estimate is likely to be high due to the inclusion of the suppressed Utilities and Mgmt. of Companies, Nonclassified, and Farm Employment categories.

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

Figure 2

Implications: Employment in Groton has been in a declining trend for the past decade as major employers adjust their operations to recessionary pressures and changing markets. However, Groton remains a significant State employment center in spite of a 4.5% employment decline over the decade. In addition, the economy continues to slowly transition from goods producing to a service-based economy.

ESTABLISHMENTS AND INDUSTRIES

The fluctuations in the size and composition of the business entities in a community's economic base over time are often good indicators of the community's overall economic health. Data from the State of Connecticut's Department of Labor (CTDOL) for 2011 indicates that Groton's economy contained 1,033 business entities employing 25,581 people. According to data from the U.S. Census 2010 ZIP Code Business Patterns, there are 1,098 businesses in the three zip codes that comprise Groton combined. ZIP Code 06355 covers parts of the Town of Stonington, which likely accounts for the higher number of business establishments identified in comparison to the CTDOL data. Approximately 58.8%% (See table 8) of the businesses in Groton are within the industry categories of retail; health care & social assistance; accommodations & food services; and professional, scientific and technical services. In addition, 70.9% of the businesses in Groton have fewer than 10 employees and only 22 businesses employ more than 100 people. This data, summarized in Table 8, clearly shows that the Town's economy is heavily rooted in a diverse mix of small businesses combined with several key large-scale industrial enterprises.

Table8

Groton Employers by Number of Employees and Industry Category							
				# of Employees			
Category	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 which includes a portion of the Town of Stonington.							

Table 9 presents a comparison of major employers over the past decade. The top five employers remain the same over the decade lead by Groton's big three – Submarine Base, Electric Boat and Pfizer. However, employment at these five businesses declined by over 4,000 employees and their share of total top ten employees declined by 1.4% over the decade. Businesses new to the 2012 list were from the hospitality and medical sectors. This transition is consistent with the movement of business to the service sector. The Town is slightly less dependant upon its top ten employers as employment in those businesses declined to 80.6% from 91.3% over the past decade

At the beginning of 2014, announcements by Electric Boat and Pfizer point to a return to relative employment stability for the near term. Electric Boat plans a $100 million upgrade to its facilities in Groton to accommodate construction or refitting four types of submarines over the next decade. Virginia-class submarines will have new modules installed, two Los Angeles-call submarines will be converted to training platforms and work on a new class of ballistic-missile submarine gets underway. Pfizer announced that it anticipated maintaining its workforce of 6,500 at its research and development campus in Groton for the foreseeable future. It is also working with the State and CURE (Connecticut United for Research Excellence) to make available unused research buildings for bioscience start-ups.

Table 9

Major Employers 2003 & 2012							
		2012			2003		
Name	Nature of Business	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
U.S. Navy Submarine Base	Military Base	9,710	1	35.5	9,900	1	35.0
Electric Boat Corporation	Submarine Mfg/R&D	5,897	2	21.6	8,600	2	30.4
Pfizer, Inc.	Pharmaceutical	4,013	3	14.7	5,231	3	18.5
Town of Groton	Municipality	952	4	3.5	1,022	4	3.6
Theater Aviation Sustainment Maintenance Group	Helicopter repair	502	5	1.8	339	5	1.2
City of Groton	Municipality	227	6	0.8	180	7	0.6
PCC Structurals (1)	Manufacturer	180	7	0.7	245	6	0.9
Mystic Marriott	Hotel/Conference Center	216	8	0.8			
Lawrence & Memorial Facilities	Hospital	198	9	0.7			
Doncasters Precision Castings	Manufacturer	125	10	0.5	90	10	0.3
Anteon Corporation	Engineering/Technology				120	8	0.4
Proto-Power Corporation	Engineering/Design				105	9	0.4
Total		22,020		80.6	25,832		91.3
(1) Formerly known as Wyman Gordon Company							
Source: Groton Comprehensive Annual Financial Report, June 30, 2012,Table 13							

GROTON'S RESIDENT LABOR FORCE

In 2011, the labor force generated by residents of the Town of Groton was 17,899 people, representing only about one-half of the 34,702 people employed in the Town. Thus, Groton is a net importer of labor from the surrounding region and beyond.

These statistics reflect a middle class, moderately-educated labor force that provides the potential for a variety of economic activities and business investment. As shown in Table 10, Groton's labor force is quite varied in the industries represented. Nearly twenty-two percent of the civil labor force is employed in the educational, health care and social assistance services fields, while 17.2% are employed in the arts, entertainment, recreation and food service industries. Manufacturing constitutes a significant proportion of the labor force at 17.1%, followed by retail trade at 10.8%.

Table 10

Industry of Employment for Civilian 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.		

GROTON'S GRAND LIST

Groton's total taxable assessed value has increased by 70.2 percent between FY2003 and FY2012. The split between residential property and commercial property has changed from 55% and 33% in FY2003 to 59% and 31% in FY2012. Therefore, residential property has grown as a percentage of total taxable assessed value while commercial property has declined over the past decade. The taxable assessed value of residential property has risen by 81.3% over the decade while commercial property has risen by 60.2%. Maintaining a grand list with a substantial commercial property component is key to a favorable tax revenue position. Table 11 presents the changes over the ten year period.

Table 11

Groton's Taxable Assessed Value 2012					
	Real Property				
Fiscal Year	Residential Property	%	Commercial Property	%	Total Taxable Assessed Value
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					

Groton is Connecticut's 25th most populated municipality. Table 12 compares Groton's equalized net grand list and equalized mill rate to the five next larger and smaller municipalities. Other than Shelton and Trumbull, Groton's equalized net grand list is comparable to or exceeds the other municipalities in its population category. These communities also largely represent Connecticut's older, industrialized, mid-sized municipalities with land use characteristics similar to Groton. Groton ranks 146th in Connecticut in equalized mill rate, lower than all of the municipalities in its population category. Only 22 municipalities in Connecticut have a lower equalized mill rate than Groton.

Table 12

Tax Base Comparison (ranked by 2011 Population)					
State Rank By Population	Town	Population	2010 Equalized Net Grand List	Equalized Net Grand List/Capita	FY 2011 Equalized Mill Rates
20	Middletown	47,749	$4.963B	$108,287	19.59
21	Wallingford	45,062	$5.959B	$147,461	15.64
22	Enfield	44,686	$4.158B	$105,553	16.08
23	Southington	43,103	$5.622B	$133,771	16.71
24	Norwich	40,408	$2.942B	$77,905	18.11
25	**Groton**	**40,038**	**$5.219B**	**$149,196**	**12.77**
26	Shelton	39,954	$6.465B	$170,645	14.19
27	Trumbull	36,376	$6.674B	$178,448	19.24
28	Torrington	36,167	$3.280B	$93,530	22.24
29	Glastonbury	34,454	$5.718B	$168,420	21.06
30	Naugatuck	31,810	$2.503B	$83,534	24.31
	State Average			**$150,019**	**16.72**
	State Median			**$138,977**	**17.16**

Source: Connecticut Office of Policy & Management

Equalized New Grand List is an estimate of all taxable property in a municipality by OPM

The contribution of the top ten major businesses to the gross taxable grand list declined by 2.5% over the decade. These ten businesses provided 21.5% of the gross taxable assessed grand list of the Town in 2012. Six of the top businesses have remained the same over the decade as shown in Table 13. In addition to the two dominant manufacturers of Pfizer and Electric Boat, the 2012 list consists of one hospitality property, four apartment complexes, and three shopping centers. Apartment complexes have grown in importance among the top ten businesses over the decade rising from 6.8% of taxable assessed value in 2003 to 8.3% in 2012.

Table 13

Comparison of Ranking of Major Businesses by Taxable Assessed Value							
		2012			2003		
Taxpayer	Nature of Business	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							

REGIONAL ECONOMIC CHARACTERISTICS

The Comprehensive Economic Development Strategy (CEDS) for the Region was updated in 2011 and provides important observations and direction for Town consideration. The report is comprehensive in scope and should be consulted for its many detailed recommendations. The following excerpts from the 2011 CEDS are relevant to gaining an understanding of Groton's overall economic status.

Challenges to the area:

- Pfizer reorganization listed as the major economic change in the area.
- Retaining scientists from Pfizer in the area – need provisions for incubator space and financial support, including venture capital.

Industries/Assets in Groton:

- National Guard Aviation Classification and Repair Depot (military facilities/defense industry)
- General Dynamics/Electric Boat (defense industry/manufacturing, employs ~8,300)
- Constitution Bio-Fuels (Bio-Science industry)
- University of CT at Avery Point (Maritime)

- Navy Subase (military defense since 1916)
- Groton Submarine Force Museum (tourism)
- PCC Structurals (manufacturing, employs 265)
- DonCasters Precision Casting (manufacturing, employs 132)
- Regional Marine Magnet High School in Groton was opened in August 2011 – opportunity for the region to capitalize on Maritime strengths. Likewise, Ella T. Grasso Technical High School in Groton prepares students for STEM jobs.

Other CEDS observations concerning Groton:

- Groton-New London Airport (GON) ended commercial service in the 2000s, continues to serve corporate and general aviation needs.
- Groton is listed as an Enterprise Zone.
- Groton Utilities developed a regional Drinking Water Quality Management Plan (DWQMP) in 2008.
- Demographics: Groton's Hispanic population has grown from 2,001 people in 2000 to 3,575 in 2010 (increase of 1,574 people in 10 years). Groton's Asian population has grown from 1,396 people in 2000 to 2,502 people in 2010 (increase of 1,106 people in 10 years). This follows trends throughout the region of increasing Hispanic and Asian populations.
- When building activity increased in the period of 2003-2005, most of the multi-family units built were located in Norwich and Groton.
- A regional trail for walking and biking is being explored from Preston to Bluff Point State Park in Groton.

Projects /Goals from the CEDS affecting Groton:

- Supporting the continued strength of the region's defense-related facilities and companies (especially the Subase) is listed as a priority goal.
- Vital Regional Projects:
    - Groton would be affected by a plan to improve I-95 from East Lyme to the Rhode Island Border – Est. $765.5 million over 10+ years.
- Create a regional leadership group to encourage continued and expanded college student, Coast Guard, Navy personnel engagement in community activities and organizations. Responsibility: Chambers of Commerce; colleges; USCGA; Subase New London. Priority: High. Time Frame: 1 year.
- (under Goal One, D.1.a.)

RECENT ECONOMIC DEVELOPMENT ACTIVITY

Since the last POCD was adopted in 2002 numerous investments have been made that impact the economy of the Town. This section presents those investments by district within the Town.

Route 184/117 Commercial Corridor

Development in this area-focused on healthcare, manufacturing and hospitality uses. Examples include:

- L&M Pequot Health Center expansion 36,000+/- SF addition

- LBI- approval for 24,000 SF metal building at 973 North Road (LBI Commercial Park- Building II)
- Hilton Garden- 224 Gold Star Highway
- Walmart super store expansion
- Medical & Wellness center at 620 Gold Star highway 06.12.02 2,772 SF building

Route 1 “Downtown” Commercial Corridor

The trend in this area was reinvestment in existing retail commercial centers and multi-family housing. Examples include:

- Groton Shoppers Mart/Big Y
- Fashion Plaza (renovation)
- Gabriel’s Martial Arts & Home Wellness Center
- Webster Bank 2004
- CT Center Massage Therapy 1154 Poquonnock Road, 9,840 SF; construction & expansion
- Renovation to Long Meadow Landing, 45 South Road, apartment complex
- The Ledges 2003 multi-family development
- Groton Shoppers Mart expansion & renovation- 923 Poquonnock Road
- Wyman-Gordon Castings site mods approved 04.09.02 (160,909 SF/25.3 acres)

Route 12 Commercial Corridor

In this area development included modifications and expansions of retail uses, restaurants, and hotels and auto dealerships. Examples include:

- Advanced Auto Parts store approved 12.12.2006 6,889 SF
- Taco Bell reconstruction approval 5.27.2008
- Best Western Olympic Inn modification to pool 22,975 SF 03.25.03
- Cardinal Honda 14,298 SF site plan approval 11.12.02
- Dunkin’ Donuts rehabilitation and drive thru

Electric Boat, Navy and Pfizer

Examples include:

- Upgrades to infrastructure at Navy Base (State funded)
- Balfour Beatty military housing redevelopment
- Sub Base gateway project grant approval and design for improvements to front gate Crystal Lake Road and traffic signalization

Old Mystic/Mystic/Noank

The trend in this area includes combinations of various commercial and industrial uses and significant public investment in Downtown Mystic infrastructure. Examples include:

- Downtown Mystic Streetscape Project Phase I & repairs & upgrades to drawbridge completed
- Upton Bass- reconstruction of historic barn at 159 Packer Road
- Mystic Business Park- under construction in 2004 & 2009 aerial photographs
- Haley Brook Plaza, 2414 Gold Star Highway, 3 buildings, 17,700 SF, approved in 2004
- Four Paws Vet Clinic 151 Cow Hill Road, Mystic
- Fields of Fire, 715 Noank Ledyard Road
- Precious Memories- expansion of Daycare facility on Sandy Hollow Road 12.13.05
- Hummingbird Hollow- stables, paddocks, etc. on 110 New London Road, 2010 (completed)

Thames Street and the Riverfront (City of Groton)

Improvements have been focused on infrastructure improvements at the City of Groton and State facilities. Examples include:

- CT DEEP dock
- Streetscape reconstruction on Thames Street
- Bridge Street Streetscape project
- Marine Sciences Building at UCONN Avery Point campus
- Project Oceanography/campus center building

Groton-New London Airport Area

- Completion of Master Plan revision for Groton New London Airport (GON)
- Transfer of GON to Connecticut Airport Authority
- Hangars at GON
- Airport Business Park 2003 +/- industrial redevelopment; construction of flex space
- Tilcon- construction of new baghouse & exhaust chimney 05.10.05 approval 38,000 SF

FUTURE ECONOMIC DEVELOPMENT POTENTIAL

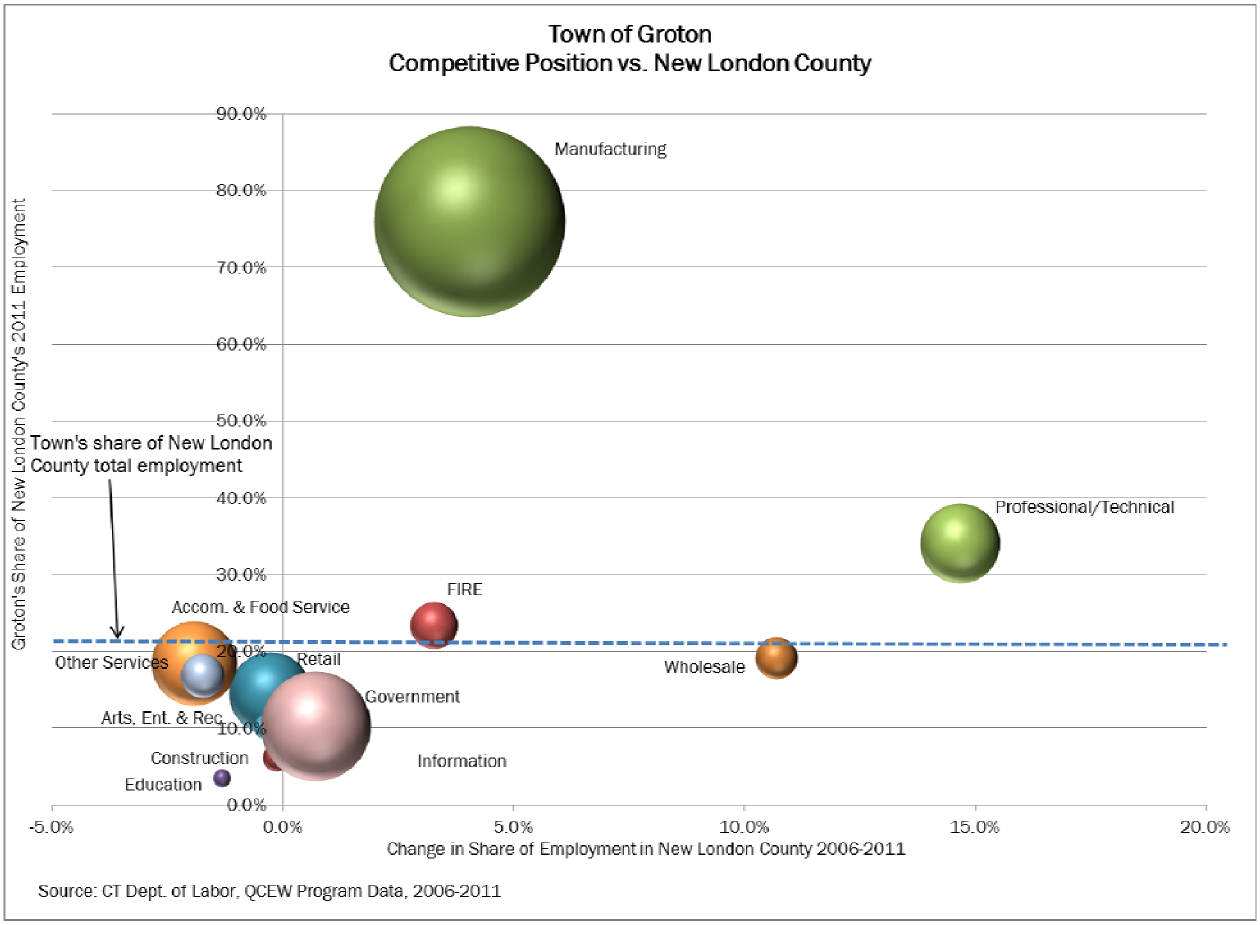
ECONOMIC COMPETITIVENESS

As is the case in many communities, the Town of Groton has certain industries in which its economy demonstrates a competitive advantage. These industries often appear as "clusters", with several businesses in the same industry category being located in the same community. These clusters are often accompanied by related and supporting industries which help create a mutually reinforcing structure to the community's economy.

The following chart illustrates the various industries in Groton and compares how competitive they are versus the balance of New London County. The x-axis (horizontal line) indicates the growth or decline in percentage points of each industry in Groton's share of employment in New London County between 2006 and 2011. For example, the manufacturing sector in Groton has increased its share of total manufacturing employment in the county by 4.0 percentage points between 2006 and 2011. The y-axis (vertical line) indicates the percentage share of New London County's total employment for each industry in Groton for 2011. For example, the manufacturing sector in Groton accounts for 76.0% of the total employment in the manufacturing sector in New London County. The blue dashed line represents the Town's share of the total employment in New London County in 2011, which is 20.9%. Bubble size is proportionally representative of the relative size of each industry category in Groton's economy. In other words, the larger the bubble, the larger the total employment in the corresponding industry sector in the Town.

Therefore, those bubbles that lie above the blue dashed line and to the right of the y-axis are industries in which Groton has been gaining a competitive advantage in comparison to the balance of New London County. Those bubbles that lie below the blue dashed line and to the left of the y-axis are industries that constitute a small percentage of New London County's economic base and are industries where the balance of the county has gained a competitive edge over Groton during the five-year period examined.

Figure 3



The conclusions that can be drawn from this chart are that the manufacturing; professional and technical; and finance, insurance and real estate (FIRE) sectors are all industries where Groton has an edge over its neighboring communities. These industry sectors, therefore, are logical starting points for developing industry clusters in the Town that will succeed in enhancing the local tax base.

GOODS PRODUCING & SERVICE-BASED ECONOMIC DEVELOPMENT

The manufacturing sectors dominance in Groton's economy should be exploited to generate new business development. While defense industry procurement practices limit the potential to attract related businesses to the Town, the highly skilled labor pool creates an opportunity to attract businesses that also utilize these skill sets.

The diverse skills needed for the defense and pharmacuitical industries are valuable to other industry types. Identifying the business types that can utilize these local labor skills can form the basis for soliciting new businesses to loocate in Groton.

Assistance is available to local businesses interested in selling their their products or services to federal, state and local governmental agencies. The Procurement Technical Assistance Program (PTAP) administered by seCTer provides customized bid matching, counseling, seminars, bid/proposal preparation, assistance with central contractor registration and specialized marketing assessments. The Connecticut Department of Administration Services also provides similar assistance.

LOCAL POPULATION DEPENDENT ECONOMIC DEVELOPMENT

This component of the Town's economic activity is driven by household expenditures of local residents. Total Groton household budget expenditures exceed $1.1 billion for all categories of goods and services. Housing expenditures, consisting of shelter and utility costs, dominate annual household spending at 31.8%. followed by transportation at 13.9 % and food at 12.1%. Refer to the Household Budget Expenditures table in the appendix.

Also in the appendix is a Retail Market Profile. This table estimates retail sales to consumers by 301 Groton retail businesses. The table identifies the amount of retail sales that go outside of the Town and are potential opportunities to promote for new development investment within the Town. The table identifies a significant number of retail types that have support by current Groton household expenditures.

TOURISM

Groton either contains or is in close proximity to numerous regional tourist attractions. These attractions include Fort Griswold, the historic Submarine Nautilus and the Submarine Force Museum, the Mystic Aquarium and the Institute for Exploration, Mystic Seaport, the Mystic River Historical Society, Downtown Mystic, and Project Oceanology. Groton also benefits from other regional attractions located in other Southeastern Connecticut communities, such as the two casinos, Ocean Beach Park in New London, the beaches in nearby Rhode Island, waterfront rental properties and several museums and historical attractions.

This sector holds much promise for futher development in Groton because of the geography and history of the Town and the diversity of business types and sizes that fit within this sector. Groton's coastal, historic and scenic assets make possible a variety of tourism related business opportunities such as bed and breakfasts in unique buildings, small paddle boat and trail bike rentals, harbor tours, charter fishing, marine accessory and service businesses, eco & historic tour businesses and the many associated business types. Reactiviting the Maritime Heritage Parks proposal in New London Harbor may now be appropriate with the recent announcement of the US Coast Guard Museum. Linking the several historic sites on the Thames River could create a new feature attraction and promote overnight visitor stays that substantially increase tourist spending in the area.

A component of the tourism sector is recreational boating. Groton has over two thousand slips and moorings within its jurisdiction contained in sixteen marinas. They attract a continual stream of non-residents during the boating season that support a variety of service jobs and businesses in the Town. This concentration of marine businesses along the Mystic River is among the largest in Connecticut and therein lies the potential to create linkages among marine businesses and promote new ventures. In addition, this boating activity creates the maritime atmosphere that non-boating visitors expect to find when visiting coastal communities. Therefore, supporting and encouraging this component of the tourism sector can provide multiple benefits to the Town's micro-economy. Outreach to the local maritime business community could be a first step to learn if local regulations impede investment or if some type of municipal assistance could stimulate new private investment in the business sector.

ON-GOING MAJOR ECONOMIC INITIATIVES

Groton has maintained an economic development capacity for many years in the form of its Economic Development Commission and dedicated staff position. In 2006, after an extensive community dialogue, a Strategic Economic Development Plan was released. Four core objectives emerged from the process that have guided the Town to date. The objectives are:

- Diversify the town's economy, both from the standpoint of the industry mix as well as the degree of dependence upon military spending and the pharmaceutical industry.
- Redeveloping Downtown Groton in a manner that unlocks its latent economic potential while revitalizing the civic core of the community.
- Improving the Town's ability to compete for tourist activity and spending.
- Improving the Town's overall quality of life, which speaks directly to its attractiveness as a place to live and to operate a business.

These objectives led to ten economic development policies:

1. Diversify the local economy by attracting new businesss, retaining and growing existing businesses, and assisting with the startup of new business.
2. Take a proactive approach to creating sites for economic development.
3. Enhance economic development capacity at the town level and through regional partnership.
4. Zone with economic development in mind. The Strategic Economic Development Plan recommended the creation of a new mixed-use, neo-traditional floating zone or zoning provision applicable to large sites. The zoning provision would provide for walkable, mixed-use development created under specific design standards. It also called for a continuation of the nodal development framework called for in the POCD.
5. Improve the aesthetics and image of Groton's highway business corridors, including Downtown Groton.
6. Improve circulation and access in Downtown Groton and throughout the Town
7. Work with property owners to spur the redevelopment of Downtown Groton.
8. Preserve and enhance the Town's historic, scenic, and open space resources to create both local and tourist amenties.
9. Improve the packaging and marketing of existing tourist attractions.
10. Undertake projects and plans which bolster community pride and image.

These objectives and policies will need to be revisited to ensure their relevance for inclusion in the Plan of Conservation and Development for the next decade.

ECONOMIC DEVELOPMENT OPPORTUNITIES IN GROTON

The Town developed a Strategic Economic Development Plan (SEDP) in 2006 that continues to have relevance for economic investment in the Town. Recommendations to improve the economic climate in Groton from the regional CEDS and Groton's SEDP are presented here by geographic location within the Town.

Route 184/117 Commercial Corridor

- Mixed use zoning provision for Industrial Park zoned areas
- Flanders Road infrastructure installation and improvements in Town of Groton. $14 million. Jan. 2012-Jan. 2015. Flanders Rd currently has a small business park with small start-up and second stage manufacturers and service businesses.
- Facilitate the expansion of "turnkey" industrial/commercial/flex sites
- Consider setting aside land for an expanded commerce park adjacent to the Mystic Marriot
- Expand the amount of incubator space in Groton

Route 1 "Downtown" Commercial Corridor

- Implement Downtown Gateway and Streetscape Improvements Strategy. Responsibility: Town of Groton. Priority: High. Time Frame: 1-5 years.
- Implement new form-based zoning standards for the Downtown DDD district as well as mixed use development
- Undertake streetscape improvements along Route 1
- Work with property owners to provide landscaping along Plaza Court and enhance visibility and access
- Promote infill development opportunities such as mixed use of Class A office, residential and retail
- Enhance the Town-owned open space at Route 1 and Poquonnock Road including upgraded pedestrian crossings
- Improve pedestrian and bicycle connections between Downtown and adjoining neighborhoods
- Groton Rail extension- new station in downtown Groton

Route 12 Commercial Corridor

- Implement new signage standards
- Improve gateways to the historic ship Nautilus and Submarine Force Museum as well as gateway to the U.S. Submarine Base
- Military Highway linear park

Electric Boat, Navy and Pfizer

- Continue to work with these major employers as they adjust their business models to current economic conditions

Mystic/Noank

- Implement recommendations of Mystic Mobility Study as priorities are determined. Responsibility: Town of Stonington; Town of Groton; Mystic Seaport; ECTD; other private sector interests. Priority: High. Time Frame: 1-3 years. Performance Measure: Phase 1- Establishment of Mystic Trolley.

- Adapt Mystic Education Center for mixed use including possible incubator space. Its excellent access to I-95 makes the parcel developable. Responsibility: Town of Groton; DECD; seCTer; Private Sector. Priority: Medium. Time Frame: 1-10 years. Performance Measure: Phase 1-Acquisition. Phase 2- Feasibility Study.
- Solicit Private Sector investment in sightseeing and/or Ferry Service on Thames and other regional waterways. Responsibility: TMC; ECTD; seCTer; Private Sector. Priority: High. Time Frame: 1-5 years. Performance Measure: Establishment of sightseeing service on Thames.
- Develop and support new and improved recreational opportunities on rivers (Mystic,) Responsibility: Private sector; municipalities; TMC; ECTD. Priority: High. Time Frame: 1-5 years. Performance Measure: Establishment of at least one new river outfitter or rental firm by year 2 on at least one river.
- Rail extension- commuter service to station in Mystic
- Promote more B & B's in Historic Downtown Mystic

Thames Street and the Riverfront (City of Groton)

- Solicit Private Sector investment in sightseeing and/or Ferry Service on Thames and other regional waterways. Responsibility: Economic Development Commission; seCTer; Private Sector. Priority: High. Time Frame: 1-5 years. Performance Measure: Establishment of sightseeing service on Thames.
- Develop and support new and improved recreational opportunities on rivers (Thames) Responsibility: Private sector; municipalities; Economic Development Commission. Priority: High. Time Frame: 1-5 years. Performance Measure: Establishment of at least one new river outfitter or rental firm by year 2 on at least one river.
- Reposition Thames Street as a counterpoint to historic Downtown Mystic
- Continue to pursue the Heritage Park concept for Thames River attractions
- Promote more B & B's along and near Thames Street
- Coast Guard museum linkage opportunities

Avery Point

- Pursue creation of a center for excellence in maritime security
- Promote growth and/or linkage with the business incubator at Avery Point

Groton-New London Airport Area

- Explore transitioning residential areas subject to flooding to flex-space industrial use
- Access federally owned land for possible economic development

ECONOMIC DEVELOPMENT CONSTRAINTS

Groton has only 6.9% of its land area in commercial or industrial use and 826 acres currently undeveloped and zoned for commercial or industrial uses although it has ample water and sewer capacities on a town-wide basis. However, there are industrially and commercially zoned areas that do not yet have utilities accessible and that lack of infrastructure should be examined in light of the zoning designation.

The dominance of Groton's prime industries impacts local labor rates and labor availability. Its extensive waterfront has very limited open land for growing new marine businesses thereby largely confining water dependent businesses to existing locations. With limited suitable land area available for new non-residential development, attention needs to shift to promotion of investment in existing commercial properties to mazimize their use potential and repurposing areas with declining property values and physical condition.

ECONOMIC DEVELOPMENT APPROACH

A three-part approach to economic development policy is proposed for the Town of Groton. These parts are defined as Physical, Structural and Socio-Political. Each part has a number of subtopics under its heading that address individual issues of concern that should be concentrated on as part of the Town's economic development strategy.

PHYSICAL

Nodal Approach

The 2002 POCD identified a series of nodes in its Community Structure Plan that reinforced historical development patterns and are the areas where more intense development activity should be focused. This concept has proven workable over the past decade and should continue to guide growth for the duration of this POCD update.

The continued development of these areas should be reinforced through the utilization of LEED Neighborhood Development (ND) principles and guidelines, such as the mixing of uses, pedestrian-friendly streets and green buildings; low impact development (LID) techniques such as the disconnection of impervious surfaces and cutting-edge stormwater management methods; and elements of Traditional Neighborhood Development (TND) such as compact built forms and centers of activities. The creation of the MX zone regulation facilitates development using these principles.

Zoning

The Town's Zoning Regulations should continue to be reviewed to determine what elements of the regulations are providing positive incentives for economic development and what regulations could be hindering creativeness and dynamic economic development. If necessary, the Zoning Regulations should be revised to assure a clear, concise and expeditious pathway for appropriate development projects while still protecting and enhancing the Town's unique features and overall character.

Infrastructure

The Town has ample supplies of water and sanitary sewer capacity. Insuring this capacity is available in areas designated for economic development should be an economic development priority. Review of the areas with industrial and commercial zone district designations and the availability of infrastructure in those areas should be conducted. Business location decisions weigh favorably those sites that are ready to build with the fewest factors that could slow becoming operational.

Availability of natural gas is becoming increasingly important to business location decisions. Groton has good gas availability and capacity in its long established business areas. The ability to expand gas service to those areas with industrial and commercial zone district designations should be a component of the review proposed above. The Town needs to ensure that infrastructure is in place at the level needed for current and projected business operations.

STRUCTURAL

Business retention and expansion

One of the critical components for the successful economic development strategy is an effective business retention and expansion strategy. Emphasis should be placed on assisting existing businesses and creating a friendly environment for local entrepreneurs. Working in concert with regional and state economic development groups, keeping in close contact with the area Chambers of Commerce and helping them become even more robust will be a critical task.

The Town may also be helpful to existing businesses by assisting them in assessing what “stage” they are in their growth and evolution and tailoring the type of assistance available depending upon this assessment. For example, the Town could help connect local businesses and entrepreneurs who are just starting out with support programs for small businesses, organizations that perform feasibility analyses for businesses or potential business ideas, and assistance in becoming incorporated. More mature, growth oriented businesses could be assisted through services such as mentoring, help with improving their business model or researching customer base expansion. Other services that the Town could help local businesses include market research assistance through partner organizations, avenues for networking and financing for expansion. This “economic gardening” approach is becoming widely used in local economic development initiatives and is yielding favorable reactions from entrepreneurs.

Clusters & Specialties

The emergence of incubator space in industrial areas of the Town encourages small business growth and investment. Availability of flexible business space is important to the Town’s small business promotion efforts. The Town should monitor the types of businesses being attracted to these spaces and offer supportive services that promote growth of these companies. Also, if patterns emerge the Town may wish to orient some of its economic development services to emerging business types.

The esistence of a substantial cluster of marine recreational businesses and tourist businesses in the Town create opportunities to increase the growth and capture of regional market share. Assisting businesses with reaching new markets and broadening products and services and facilitating collaboration among compatible business types strenthens this business sector. As this sector consists largely of small businesses, promoting collaboration advances growth while working within the limited footprints and scattered locations of these businesses that are important to the historic scale of of the Town’s coastal areas. Direct outreach by the Town to the businesses in this sector is required to identify what actions the Town can take to stimulate new private investment in this sector.

Creative Economy

The creative economy is a good focal point because it can be developed and nurtured at a small scale but still have important impacts. It also dovetails with the idea of promoting greater entrepreneurship, as the creative economy is a move away from a focus on industry concerns and more of a focus on individuals and ideas. This idea is supported by the job clusters of existing residents discussed earlier. The creative economy includes a wide range of activities, from arts and artisans to scientists and engineers to cultural/heritage tourism. An important component for developing the community’s creative economy is fostering the networking and collective idea generation that is essential. The SEDP called for exploration of creating a multipurpose, Town-owned arts center to support and grow local arts organizations.

The town should support workshops, classes and community events as a way to foster collaboration and networking. Additionally, support and collaboration can be promoted by the town through streamlining of Home Occupation zoning regulations and support of non-traditional shared spaces and incubators, such as shared studio spaces or co-working spaces, where renters formally share expensive equipment and informally share knowledge and support. The recently formed Southeastern Connecticut Cultural Coalition should have a strong Groton participation as it attempts to grow the arts and heritage capacity of the region.

SOCIO-POLITICAL

Promotion of Entrepreneurship

The promotion of entrepreneurship should be a key component of Groton’s economic development program.

Groton has a wealth of engineering and scientific intellectual capital within its borders that has the potential to create a strong entrepreneurial environment. The economic development staff can assist in nurturing business growth in the Town by creating linkages between potential entrepreneurs and mentors, along with providing access to economic data and market analysis. The Town would ideally work in concert with the Chambers and SECTER to promote economic development and recruit new businesses/start-ups. They would provide a better communication channel between the Town and entrepreneurs to assess needs and provide solutions. Providing connections to potential sources of financing for new start-ups and small businesses is a critical step that the Town and SECTER working together could accomplish.

While traditional economic development offices are often focused on business attraction, Groton should target direct services to entrepreneurs because of the potential to incubate business from within Town that best fit the community character and best capitalize on the existing capital. Working in conjunction with other surrounding communities, Groton could help start a regional business accelerator program or a start-up "competition", where entrepreneurs with ideas for businesses could be assisted.

Any program for entrepreneurial development must maintain clear goals and realistic expectations; Economic development and entrepreneurial development programs need to focus on small gains and successes. However, successes should be highlighted and celebrated in order to build a positive outlook on the economic environment of the Town.

Focus on Regionalism

Groton should not view its economy as a stand-alone system in a vacuum. Rather, the Town needs to look at itself as part of a larger regional economic system. In a world of global competitiveness towns are too small an entity to produce significant economic development that is locally-dependent only.

Focusing economic analysis to all of New London County or to the greater Groton-New London area would provide a more complete cluster for general economic analysis. A regional view could provide important sector linkages for expanding or creating new industries.

Groton needs to consider its place within the region and what the Town's competitive advantages are. Groton should look for ways in which it can collaborate with the State and surrounding communities to develop economic development networks.

Connection to Housing

A key underpinning of good economic development policy is the existence of or creation of housing that is affordable to current and future workers in a community. This relationship is at least partially responsible for Groton's success as a regional employment center. It must be recognized that economic growth requires housing that is affordable to new employees, and that there must be some nexus between wages paid and the price of housing. Groton has done a creditable job in this area but should remain mindful that its economic future is directly linked to its ability to provide a housing stock that meets a diverse set of household needs and economic means. The Town should continue to take steps to increase its supply of housing that correlates to the economic development it desires.

esri

Retail MarketPlace Profile

Groton town
Groton town, CT (0901134250)
Geography: County Subdivision

Summary Demographics						
2012 Population						39,430
2012 Households						15,483
2012 Median Disposable Income						$44,830
2012 Per Capita Income						$31,879
Industry Summary	**NAICS**	**Demand** (Retail Potential)	**Supply** (Retail Sales)	**Retail Gap**	**Leakage/Surplus Factor**	**Number of Businesses**
Total Retail Trade and Food & Drink	44-45,722	$475,392,395	$474,039,649	$1,352,746	0.1	301
Total Retail Trade	44-45	$427,498,304	$430,184,541	-$2,686,237	-0.3	234
Total Food & Drink	722	$47,894,091	$43,855,108	$4,038,983	4.4	67
Industry Group	**NAICS**	**Demand** (Retail Potential)	**Supply** (Retail Sales)	**Retail Gap**	**Leakage/Surplus Factor**	**Number of Businesses**
Motor Vehicle & Parts Dealers	441	$82,959,881	$120,280,353	-$37,320,472	-18.4	27
Automobile Dealers	4411	$71,875,345	$92,490,225	-$20,614,880	-12.5	8
Other Motor Vehicle Dealers	4412	$5,035,370	$24,389,246	-$19,353,876	-65.8	13
Auto Parts, Accessories & Tire Stores	4413	$6,049,166	$3,400,882	$2,648,284	28.0	6
Furniture & Home Furnishings Stores	442	$10,333,420	$3,680,296	$6,653,124	47.5	14
Furniture Stores	4421	$5,497,233	$2,232,000	$3,265,233	42.2	5
Home Furnishings Stores	4422	$4,836,187	$1,448,296	$3,387,891	53.9	9
Electronics & Appliance Stores	4431	$13,619,705	$4,711,568	$8,908,137	48.6	14
Bldg Materials, Garden Equip. & Supply Stores	444	$13,307,944	$3,447,919	$9,860,025	58.8	9
Bldg Material & Supplies Dealers	4441	$11,276,795	$2,650,187	$8,626,608	61.9	6
Lawn & Garden Equip & Supply Stores	4442	$2,031,149	$797,732	$1,233,417	43.6	3
Food & Beverage Stores	445	$84,834,654	$59,325,996	$25,508,658	17.7	30
Grocery Stores	4451	$74,523,417	$54,388,428	$20,134,989	15.6	12
Specialty Food Stores	4452	$1,630,116	$1,194,986	$435,130	15.4	12
Beer, Wine & Liquor Stores	4453	$8,681,121	$3,742,582	$4,938,539	39.8	6
Health & Personal Care Stores	446,4461	$41,293,245	$32,188,935	$9,104,310	12.4	15
Gasoline Stations	447,4471	$39,570,671	$122,189,128	-$82,618,457	-51.1	7
Clothing & Clothing Accessories Stores	448	$30,330,177	$13,672,953	$16,657,224	37.9	24
Clothing Stores	4481	$22,615,355	$11,335,951	$11,279,404	33.2	18
Shoe Stores	4482	$3,734,096	$1,404,944	$2,329,152	45.3	2
Jewelry, Luggage & Leather Goods Stores	4483	$3,980,726	$932,058	$3,048,668	62.1	4
Sporting Goods, Hobby, Book & Music Stores	451	$11,361,546	$5,443,718	$5,917,828	35.2	20
Sporting Goods/Hobby/Musical Instr Stores	4511	$9,082,791	$4,037,841	$5,044,950	38.5	15
Book, Periodical & Music Stores	4512	$2,278,755	$1,405,877	$872,878	23.7	5
General Merchandise Stores	452	$58,207,734	$51,179,527	$7,028,207	6.4	11
Department Stores Excluding Leased Depts.	4521	$31,665,964	$44,225,785	-$12,559,821	-16.5	6
Other General Merchandise Stores	4529	$26,541,770	$6,953,742	$19,588,028	58.5	5
Miscellaneous Store Retailers	453	$13,857,423	$6,351,935	$7,505,488	37.1	50
Florists	4531	$662,910	$329,566	$333,344	33.6	3
Office Supplies, Stationery & Gift Stores	4532	$4,045,344	$994,808	$3,050,536	60.5	14
Used Merchandise Stores	4533	$891,528	$2,129,165	-$1,237,637	-41.0	12
Other Miscellaneous Store Retailers	4539	$8,257,641	$2,898,396	$5,359,245	48.0	21
Nonstore Retailers	454	$27,821,904	$7,712,213	$20,109,691	56.6	13
Electronic Shopping & Mail-Order Houses	4541	$19,016,732	$342,415	$18,674,317	96.5	2
Vending Machine Operators	4542	$962,980	$112,891	$850,089	79.0	1
Direct Selling Establishments	4543	$7,842,192	$7,256,907	$585,285	3.9	10
Food Services & Drinking Places	722	$47,894,091	$43,855,108	$4,038,983	4.4	67
Full-Service Restaurants	7221	$20,252,325	$19,327,778	$924,547	2.3	30
Limited-Service Eating Places	7222	$22,133,078	$22,801,706	-$668,628	-1.5	27
Special Food Services	7223	$4,428,804	$600,105	$3,828,699	76.1	4
Drinking Places - Alcoholic Beverages	7224	$1,079,884	$1,125,519	-$45,635	-2.1	6

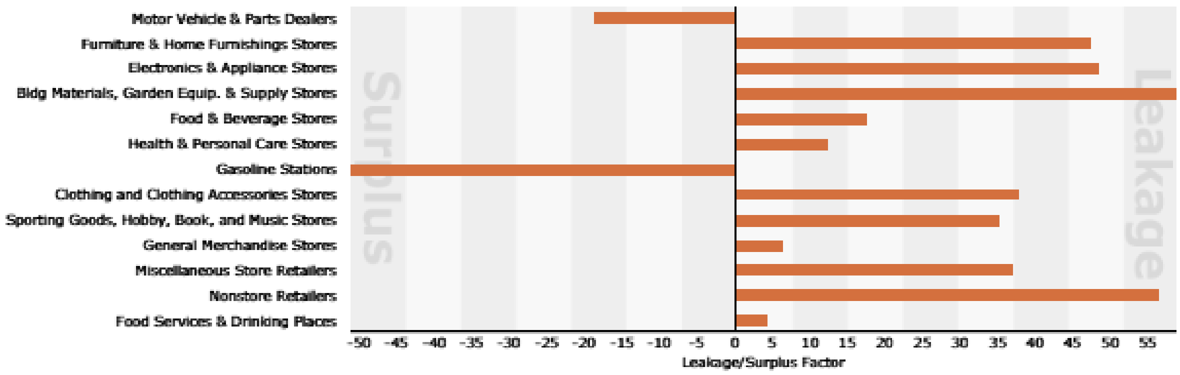
Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please view the methodology statement at http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf.

Source: Esri and Dun & Bradstreet.

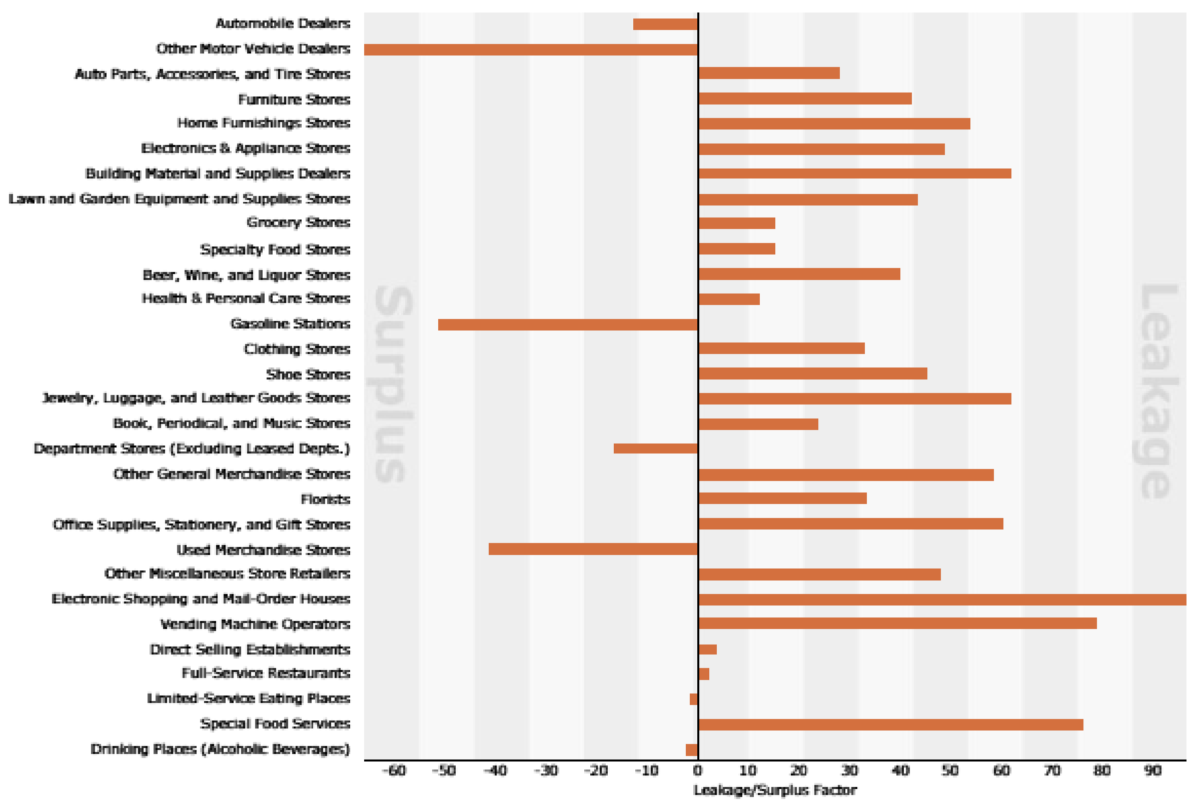
Retail MarketPlace Profile

Groton town
Groton town, CT (0901134250)
Geography: County Subdivision

Leakage/Surplus Factor by Industry Subsector



Leakage/Surplus Factor by Industry Group



Source: Esri and Dun & Bradstreet.

Household Budget Expenditures

Groton town
Groton town, CT (0901134250)
Geography: County Subdivision

Demographic Summary			2012	2017
Population			39,430	39,039
Households			15,483	15,422
Families			9,329	9,245
Median Age			33.4	34.0
Median Household Income			$55,857	$66,292
	Spending Index	Average Amount Spent	Total	Percent
Total Expenditures	111	$72,809.72	$1,127,312,868	100.0%
Food	113	$8,791.81	$136,123,651	12.1%
Food at Home	111	$5,315.98	$82,307,302	7.3%
Food Away from Home	115	$3,475.83	$53,816,349	4.8%
Alcoholic Beverages	118	$595.92	$9,226,667	0.8%
Housing	114	$23,126.16	$358,062,266	31.8%
Shelter	116	$17,887.98	$276,959,596	24.6%
Utilities, Fuel and Public Services	109	$5,238.18	$81,102,669	7.2%
Household Operations	111	$1,829.13	$28,320,343	2.5%
Housekeeping Supplies	109	$734.15	$11,366,880	1.0%
Household Furnishings and Equipment	99	$1,689.45	$26,157,787	2.3%
Apparel and Services	77	$1,653.45	$25,600,434	2.3%
Transportation	111	$10,154.39	$157,220,485	13.9%
Travel	112	$1,954.86	$30,267,068	2.7%
Health Care	107	$4,508.29	$69,801,907	6.2%
Entertainment and Recreation	113	$3,502.46	$54,228,548	4.8%
Personal Care Products & Services	113	$795.12	$12,310,816	1.1%
Education	120	$1,660.93	$25,716,188	2.3%
Smoking Products	107	$492.57	$7,626,445	0.7%
Miscellaneous (1)	107	$1,192.41	$18,462,019	1.6%
Support Payments/Cash Contributions/Gifts in Kind	109	$2,368.79	$36,675,946	3.3%
Life/Other Insurance	102	$420.80	$6,515,223	0.6%
Pensions and Social Security	112	$7,339.03	$113,630,195	10.1%

Data Note: The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100. Detail may not sum to totals due to rounding.
(1) Miscellaneous includes lotteries, pari-mutuel losses, legal fees, funeral expenses, safe deposit box rentals, checking account/banking service charges, cemetery lots/vaults/maintenance fees, accounting fees, miscellaneous personal services/advertising/fines, finance charges excluding mortgage & vehicle, occupational expenses, expenses for other properties, credit card membership fees, and shopping club membership fees.
Source: Esri forecasts for 2012 and 2017; Consumer Spending data are derived from the 2010 and 2011 Consumer Expenditure Surveys, Bureau of Labor Statistics.