

# Economic & Market Trends Analysis Town of Groton, CT

Final Draft: June 7, 2016

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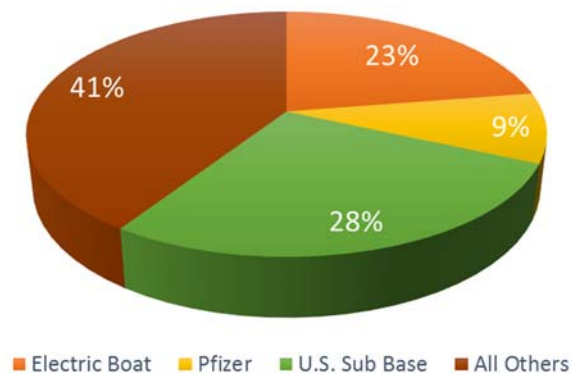
# Executive Summary Report

# Purpose: The Need for Action

The Town of Groton, along with neighboring New London, is regarded as the “economic engine” for southeastern Connecticut. Strategically located between New York City and Boston, the town is afforded excellent regional highway (Interstate 95 and 395) and rail (Amtrak Northeast Corridor) access, a deep water port, an airport, a foreign trade zone, and an enterprise zone. With a total workforce around 38,000 jobs, Groton is home to the U.S. Navy Submarine Base (10,150 employees), the General Dynamics Electric Boat Corporation (8,300 employees), Pfizer Pharmaceutical (3,400 employees), and Avery Point (75 staff, 30 full-time faculty, and many part-time instructors), a regional campus of the University of Connecticut. The town’s strengths lie in these large legacy companies and establishments that dominate its manufacturing industry, defense industry, and the biotech and life sciences industry. Referred to as the “Big 3” (The Base, EB, and Pfizer), these employers make up nearly 60% of the town’s workforce. Apart from these employers, there is little activity within their respective industry sectors in the town. In other words, there is not a boat building cluster or a biotechnical cluster in Groton, these industry sectors are dominated by a single large employer and its supply chain.

The lack of diversity in the local economy is a concerning situation because, as the town has experienced in the past, when one of these Big 3 employers ramps up or down, a significant portion of the local economy is affected. Beyond the Big 3, Groton has a stable marine trade industry and strong public and private historic/cultural and open space resources with a growing recreation and fitness-focused economic sector that offers opportunities for the future.

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



## An Integrated Approach | Economic Development + Land Use Planning



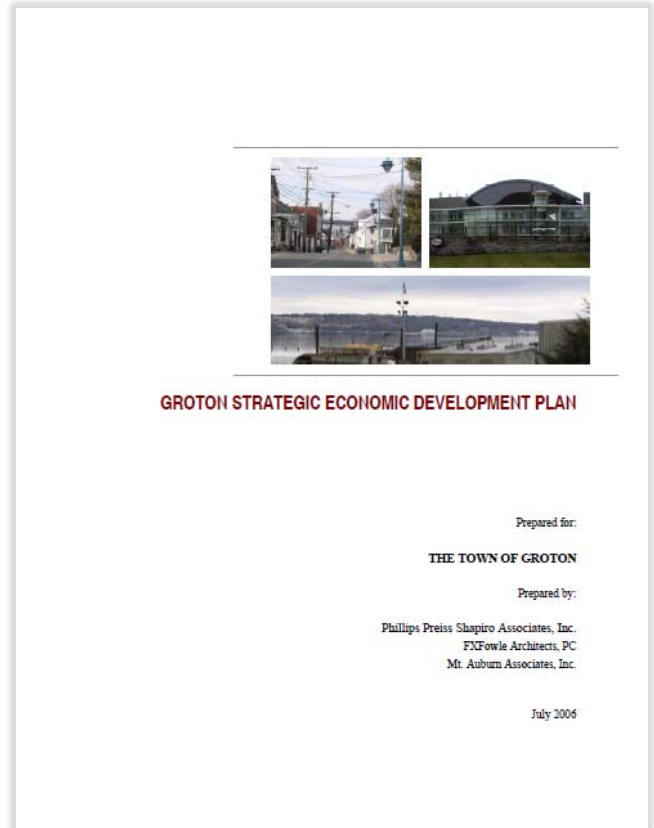
The Town of Groton Planning and Development staff together with the Town’s Economic Development Commission (EDC) have developed a dynamic, robust approach to strengthening Groton’s economy and boosting its tax revenues. The innovative approach includes a review of current zoning regulations to simplify and streamline the development review process grounded in thorough market research and analysis of the local economy.

Groton has grown comfortable in relying on these large employers to drive the economy; however, this is not a viable strategy into the future. Recent economic shifts including Base Realignment and Closure (BRAC) initiatives, the downsizing of Pfizer, the contraction and then expansion of Electric Boat, and bioscience and other small- to medium-sized manufacturing firms looking to grow their businesses in town have placed a priority on proactive planning to better position the town for economic development through a more diversified economy.

Diversifying the local economy is not a new idea for Groton. In fact, almost every initiative presented in the *Groton Strategic Economic Development Plan (2006)* is designed to focus economic development efforts on growing the local economy to include a healthier mix of businesses and workforce assets.

**However, until recently, implementation capacity and lack of consensus on approach has largely impeded real action to address this approach.**

The purpose of this economic and market trends analysis is to inform strategic decision-making and develop focused strategies that move Groton from planning to action. This will be achieved by defining Groton’s market opportunities and developing strategies and actions designed to capitalize on those opportunities.

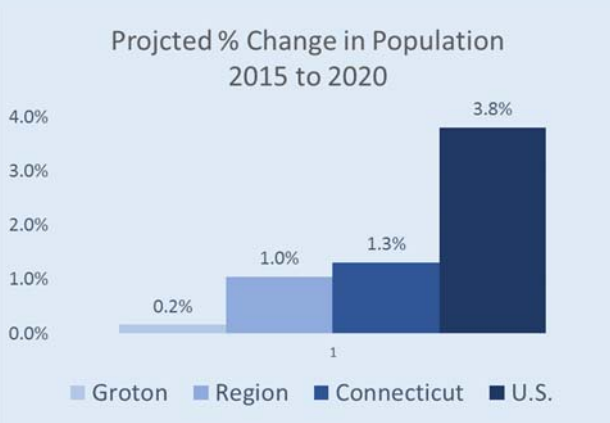


# Economic & Market Trends Summary

Camoin Associates conducted a thorough analysis of Groton’s current economic situation. To inform this analysis, we assessed how the town compares with the region<sup>1</sup>, state, and nation as a whole. The composition of the economic analysis includes an economic base analysis, workforce analysis, stakeholder and business/industry interviews, and leading industry analysis. Notable findings from this research and analysis are summarized in the graphics below. The full report is provided in the attached *Economic & Market Trends Analysis*.

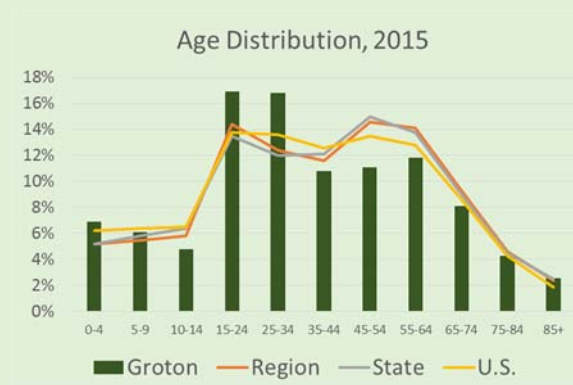
## Population

The population of Groton is expected to remain relatively constant over the next five years while the region and state grow modestly.



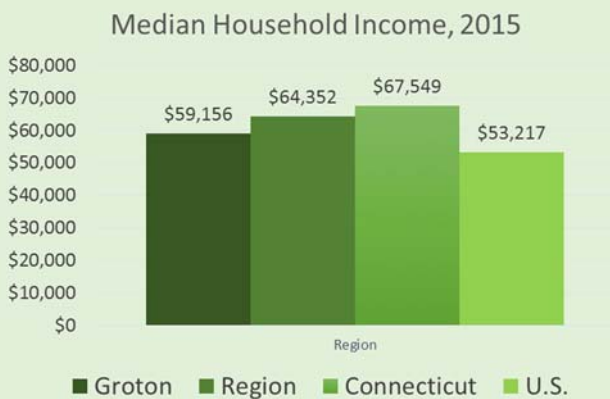
## Age Distribution

Groton is significantly younger on average than the region and Connecticut. The town has a substantial concentration of residents in the 15-34 age group (32%), especially those in the 25-34 range.



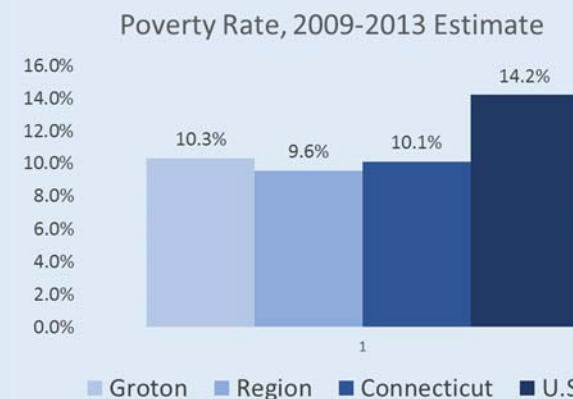
## Income

Household income in Groton is below both the region and the state. Within the town, higher income households are concentrated along the southern coast and the eastern side of the town near Mystic.



## Poverty

Groton has a slightly higher poverty rate than the region or state; 10.3% of the town’s population is living in poverty.

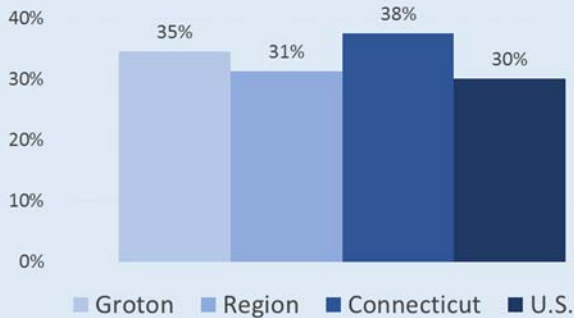


<sup>1</sup> Groton Economic Region includes towns within New London County plus Windham, which recently became part of the same Economic District as Groton. It also includes Westerly, RI due to the close economic ties between the town and Groton. See “Geographies Studied” below for additional information.

### Education Attainment

35% of Groton’s residents have at least a Bachelor’s degree. While this is a higher concentration than that of the region or the nation, it is slightly lower than the state.

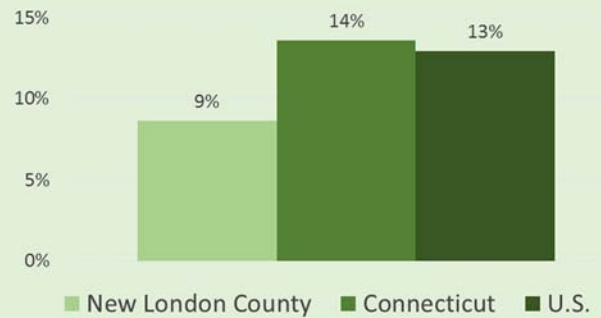
Population with a Bachelor's degree or Higher



### Foreign Born Population

New London County has a smaller percentage of foreign born residents than the state or the U.S. Of the county’s foreign born residents, a higher percentage are U.S. citizens than in the state or country.

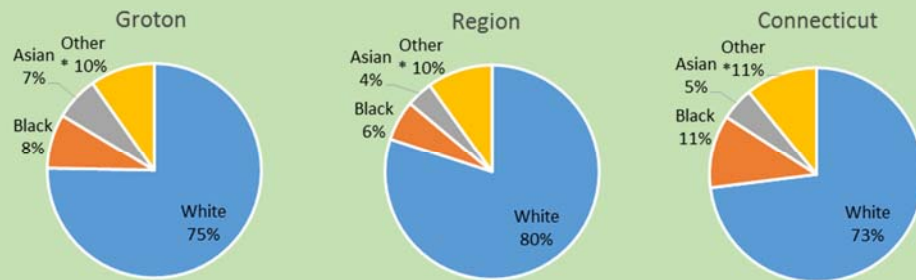
Foreign Born Population, 2009-2013 Estimate



### Racial & Ethnic Diversity

Groton is slightly more diverse than the region with 25% of its residents being non-white compared to 20% of regional residents. The racial composition of Groton is generally in line with the statewide population.

### Race and Ethnicity

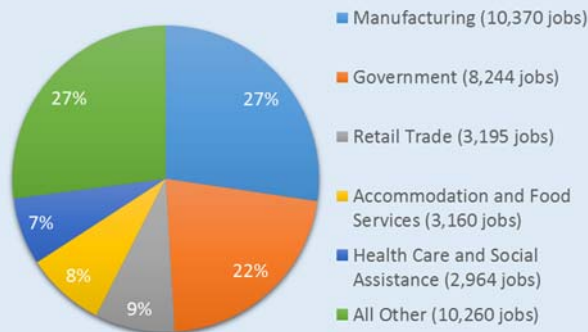


\* Includes people of two or more races  
Source: ESRI

### Largest Industries in Groton

In 2014, total employment in Groton was 37,929. The largest industry in the town is Manufacturing with 10,370 jobs, over 27% of employment, followed by Government with 8,200 jobs, 22% of employment, and Retail with nearly 3,200 jobs, 8% of employment.

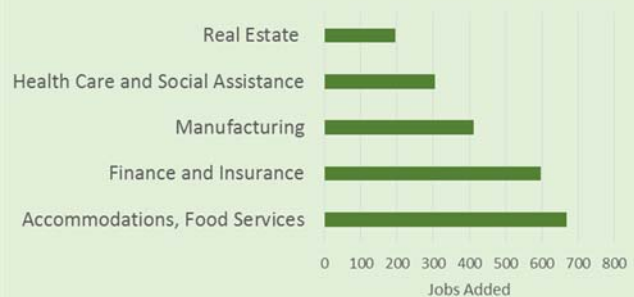
Groton's Largest Industry Sectors, 2015



### Industry Growth in Groton

In the past 10 years, the industries with significant growth include Accommodation & Food Services (669 jobs), Finance and Insurance (597 jobs), and Manufacturing (411 jobs).

Fastest Growing Industries in Groton, 2005-2014



### Regional Industry Performance

Groton's Economic Region<sup>2</sup> outperformed the state in Wholesale Trade and Transportation as well as in the Finance Insurance industry, but lost jobs in the Professional, Scientific, and Technical Services industry while the state had modest gains.

### Sectors Growing Both Locally & Regionally

The four groups growing in both Groton and the Economic Region include:

- Ship and Boat Manufacturing
- Retail and Restaurant
- Financial and Office
- Healthcare

The groups currently experiencing growth and are projected to continue growing in the future.



<sup>2</sup> Groton Economic Region includes towns within New London County plus Windham, which recently became part of the same Economic District as Groton. It also includes Westerly, RI due to the close economic ties between the town and Groton. See "Geographies Studied" below for additional information.



### Occupational Trends

Groton has seen strong growth in **production** occupations adding 377 new jobs despite an overall decline in the region, state, and the nation. **Sales and Related** occupations grew strongly in recent years in both Groton and the region. Occupations related to **Finance and Real Estate** as well as **food-related** occupations are expected to grow the most in the town and region.

### Industry Concentration

Groton has a significant concentration of jobs in the industries of **Manufacturing; Arts, Entertainment, and Recreation; and Government**. The region also has a relatively strong concentration in **Government and Manufacturing**.

Specific sub-sectors concentrated in Groton include **Ship and Boat Building; Museums; Historical Sites and Similar Institutions; Foundries; and Pharmaceutical and Medicine Manufacturing**.

### Driving Demand for Space

Industries driving demand for space in Groton include **tourism-related** sectors, **health care, business professional services, and manufacturing**. These are the industry groups that Groton should consider in making land-use decisions.



# Observations & Opportunities

## The interviews, research, and data analysis are telling us...

While there are some specific sectors that are growing, the economy overall is stable with only modest growth. This means that while real estate transactions will continue to be a significant component of the town's economic development, Groton must be proactive in stimulating its economy by broadening its efforts to include both traditional economic development that focuses on the built environment, attracting industry through shovel ready sites, infrastructure investments, tax incentives, and subsidies while also focusing on "new" economic development approaches around:

- **Quality of place**
  - **Refreshing retail**
  - **Continued growth of accommodations**
  - **New housing options**
- **Innovation in entrepreneurship**
- **Supply chain and related services**
- **Growth in health care**

What follows is a brief discussion of notable observations and opportunities for Groton based on the market research.

### ► Slow-growing, stable economy has pros and cons

Groton's economy has been relatively stable over the last 10 years; the number of jobs in the town increased by less than a half-percent. Economic stability can be viewed from two angles: while Groton's economy is not growing, it is not shrinking either. Without a significant focused, long-term effort toward growth and diversification, Groton's economy will likely continue to creep along as it has been doing.

**The Positive:** The makeup of Groton's economy allows it to withstand regional and national economic cycles. For example, the town shed some jobs in the 2008 recession (particularly in Government and Retail sectors); however, overall the town was less affected compared to other regions that are heavily reliant on financial, housing, and service sectors.

**The Challenge:** The lack of significant economic growth in Groton and the region contributes to a soft real estate market across most types of uses. This is a challenge both for the real estate market as well as municipal governments whose budgets are reliant on property tax revenue. Additionally, due to lack of diversity, one event affecting any of the Big 3 employers can turn a stable economy into a shrinking economy further impacting markets in the town and region.

## ► Quality of place must be part of the economic development strategy

Quality of place was once thought of as “nice to have” in the context of economic development. However, as workers and business rely less on direct access to natural resources and a greater emphasis is put on access to talent, quality of place has become one of the most important aspects of economic development today. Quality of place encompasses all the things that make a community and a region a place where business wants to be, including recreational and cultural assets, quality design, educational and housing opportunities, transportation alternatives, broadband infrastructure, niche retail, etc. Quality of place drives locational decisions for growing businesses and talented workers—who have lots of choices. Diverse, welcoming communities with stimulating built and natural environments are seeing the greatest success in both growing from within and attracting new businesses, workers, and residents.

With the Big 3 supporting the local economy, Groton has been able to largely overlook quality of place as a core element of economic development. **Nearly 80% of Groton’s workforce commutes from outside the town.** Said in another manner, the significant majority of Groton’s workforce chooses to live somewhere else in the region. With the campus-style sites of the town’s largest employers, there is little interaction between Groton’s workforce and the community at large. This is a missed opportunity for the town as workers, for the most part, are not spending time in the town and patronizing Groton businesses or considering Groton as a place to reside.

**The opportunity is there.** A renewed focus on quality of place is especially critical for Groton to be successful in diversifying its economy and becoming less reliant on the Big 3. Groton has many existing amenities to build upon and by better integrating tourism activity with the rest of the town it stands to greatly improve its quality of place, which will ultimately help the town attract new residents, workers, businesses, and investment.

If Groton is going to compete in the modern economy where entrepreneurs and small-to-mid sized businesses are leading growth and innovation, it will need to prioritize improving its quality of place. Today, talented workers are attracted to places with a high quality of life and businesses know they need to be located in communities with the amenities and characteristics demanded by these workers. Some of the key things that workers are looking for include safe, walkable and bikeable communities. That means not only having the infrastructure (think sidewalks, bike lanes and paths, etc.) but also land use policies that encourage compact, mixed-use development with quality transportation options. Access to open space, parks, and recreation are also a key component of quality of place.

Community character is also an important facet of quality of place. Character can be enhanced, in part, by deterring sprawl development, encouraging investment in the existing building and housing stock, incentivizing redevelopment, and making strategic public investments.

**Quality of place represents a central theme.** The town has numerous opportunities to enhance its quality of place with many amenities to improve and build upon. Improving the town’s quality of place will also present an opportunity to reinvent the town’s image and allow the town to market itself to new employers. Observations and recommendations outlined below profile Groton’s community culture and offer detailed recommendations on how to cultivate greater quality of place for residents, businesses, and workers in the future.

## ► Segmentation of visitors and local consumers

Groton is strong in tourism, but visitors are generally isolated from the rest of the town and vice-versa – visitors are not spending time or money in Groton outside of Mystic. Businesses in Mystic primarily cater to visitors yet many locals rarely visit the village. Most residents do their shopping in the aging, strip-style retail along Route 1, which is considered Downtown Groton. Few local businesses serve both markets.

With the separation of tourist areas from the rest of the town, there is a missed opportunity to support existing and potentially new retail areas in the town. It is also critical to supporting entrepreneurs who place a high demand on quality of place and local amenities.

The town would benefit by integrating tourism and visitation with retail amenities. That means new modern retail development that targets both residents and visitors. One of the best ways to accomplish this is to encourage mixed-use development, especially integrating residential and retail uses.

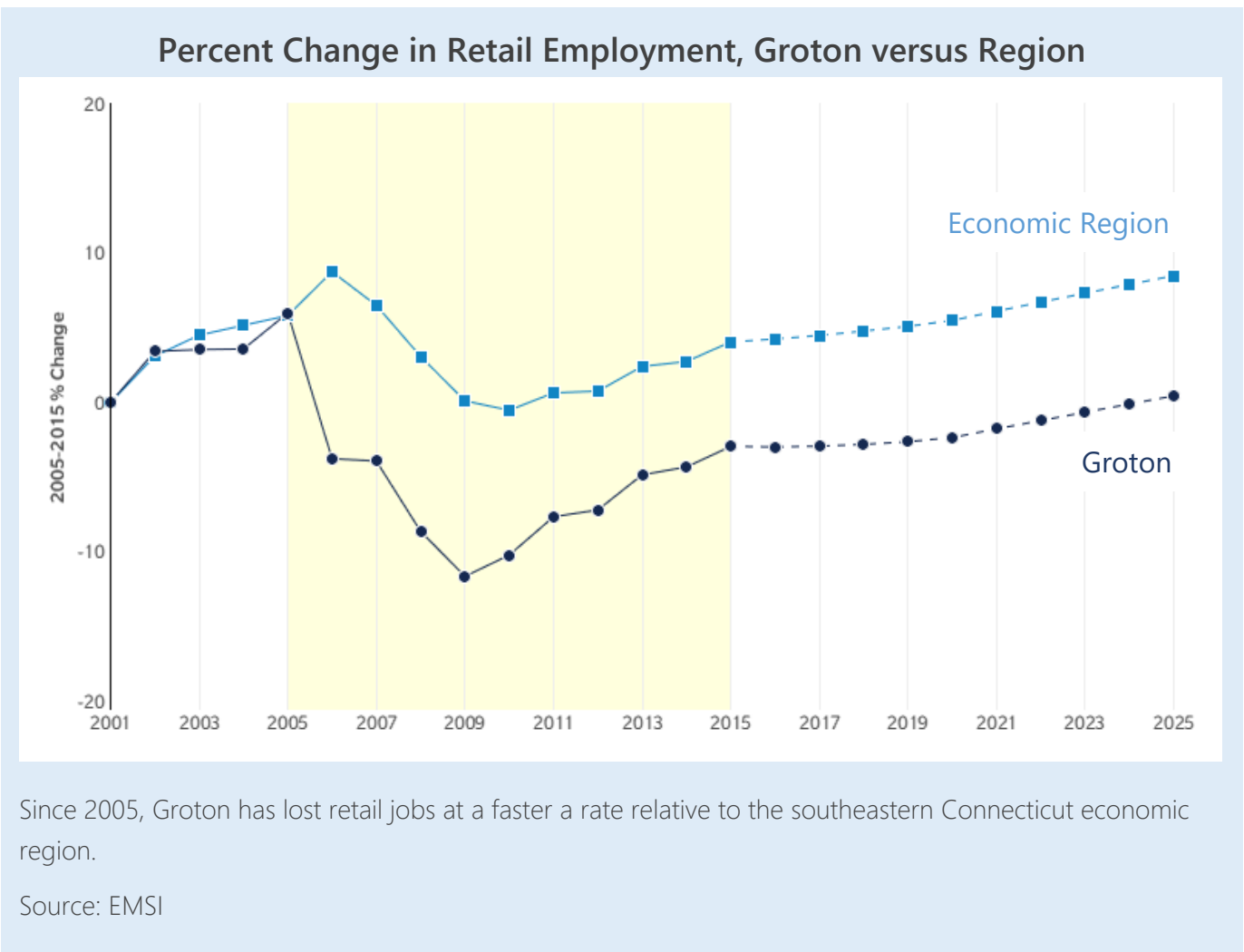
By improving quality of place, especially in the downtown area, the town could begin to draw increasing numbers of visitors to the area, which would benefit local restaurants and retail establishments.

Groton also has many amenities that it could better market as tourist activities and destinations. The Mystic portion of Groton is well known as a tourist destination, but other locations throughout the town could also be positioned to draw tourists.

**A focused effort to attract and support mixed use development could bring new investment and dollars into the community through increased visitation/tourism, increased spending and activity by locals remaining in the economy, growing the workforce, expanding existing businesses, and attracting new ones.**

► Without action, retail market share will continue to slip

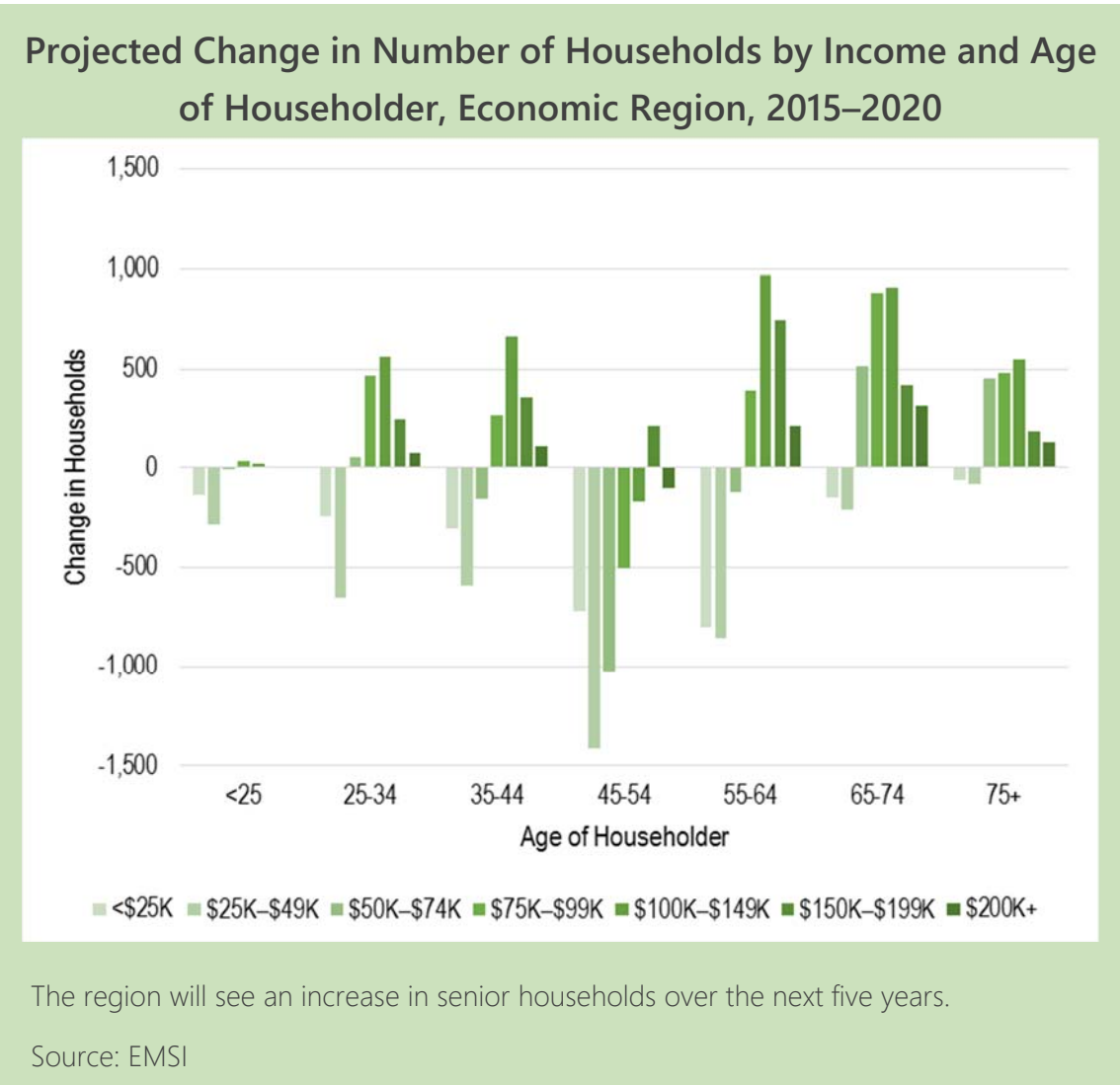
As shown in the chart below, Groton has lost retail employment at a faster rate than the region overall, indicating a disproportionate disinvestment in retail in the town. Aside from the tourist-oriented retail that dominates Mystic, Groton’s retail offerings are generally very local in reach and do not attract customers from beyond the town’s borders. Moreover, a number of new and proposed retail offerings in the region present significant competition to the town in terms of attracting new destination retail tenants. Simply put: Groton’s retail appears tired and in need of a refresh.



The town’s retail can be made more attractive to both customers and potential new tenants by integrating it with other uses and creating a more enjoyable shopping environment. Downtown Groton, the town’s primary existing retail center is a collection of dated strip malls that are isolated from residential, office, civic, recreational, and other land uses. Integrating these other uses by reconfiguring or redeveloping these strip malls and enhancing pedestrian and bicycle connections to surrounding land uses can help to foster a mixed-use environment.

► Aging population driving demand for new uses

Mirroring a trend that is playing out nationally, southeastern Connecticut is undergoing a demographic shift in the age of its population, with seniors expected to account for an increasing share in the coming years (see chart below). Moreover, moderate- to high-income seniors are expected to drive growth in the number of households, which will have implications for the regional housing market and demand for goods and services.



**Housing Implications**

The unique housing needs of seniors present an opportunity for Groton to integrate senior residences into new mixed-use projects. Seniors seeking lower-maintenance alternatives to their single-family homes are opting for apartment-style living, which is conducive to the higher-density style of development of that typically characterizes mixed-use projects.

## Demand for Goods & Services

The aging population is also affecting the demand for health care services, and thus medical office real estate. While Groton does not have a hospital, it is home to a number of ambulatory health care offices. Employment in ambulatory health care within both the town and region is expected to grow over the next decade, which indicates potential demand for new medical office space. Medical offices tend to work well as part of mixed-use developments.

## ► Young Adults Present an Emerging Opportunity

Individuals aged 15 to 34 years old make up 34% of the town's population or 13,500 people. This large market segment is at the stage in their lives where they have completed most of their education and are beginning to earn significant income.<sup>3</sup> They are beginning to overtake baby boomers in driving market demand for housing and goods and services.

## Housing Implications

Many young adults – frequently referred to as millennials – are entering the housing market for the first time. This new generation of homebuyers is faced with a variety of factors affecting their housing preferences, some of which include:

- Tighter lending policies following the financial crisis are making it more difficult to qualify for loans and make loans more expensive.
- In many markets across the country, fast rising home prices are making it difficult to find affordable options within good proximity to work or good schools. Groton has an advantage in this space as its median home values are slightly below the region and state and could make it more attractive to young adults looking to purchase their first home.
- Rents are also increasing as we emerge from the financial crisis, making it difficult to save money for a down payment. This is a challenge in Groton where the median rent is about \$130 higher than the region.
- Student loan debt is at an all-time high and some studies suggest that this is discouraging homeownership among young adults.
- Millennials saw what happened to their parents with the mortgage and foreclosure crisis and many families are still stuck in houses worth less than the mortgage.
- By waiting longer to get married, having fewer kids, and focusing on building careers, many Millennials do not have a need for larger homes.

As a result of these trends, a single-family home is unattainable or simply undesirable for many individuals, even if they have decent full-time jobs. Therefore, many Millennials are looking towards more affordable and realistic, if not smaller, options, including apartments or condominiums.



<sup>3</sup> It is worth noting that a portion of this age cohort in Groton – about 2,000 to 3,000 people - will remain the same age as students and sailors cycle through local education programs.

## Demand for Goods and Services

The tradeoff for a smaller living space is countered with greater access to amenities and services located in a convenient geography that caters to their active lifestyles. Young adults prefer quality dining options but do not want to sit down for a 2-hour meal - they want grab-n-go options. Technology is especially important to this group as it is how they engage personally and professionally and they seek out interesting establishments that offer Wi-Fi access.



## What do all of these market observations about retail, aging residents, young adults and quality of place mean?

These trends tell us that Groton is caught in a situation where there is not significant demand for any one use; however, maintaining the status quo will lead to continued loss of market share to adjacent municipalities. No action is not a viable option. Groton must find a way to respond to these small market segments collectively.

### **OPPORTUNITY: Lead the market to mixed-use development**

A new, high-quality product that is completely different from anything currently available is needed to retain current tenants/users and steer future investment in a new direction. Instead of a project that responds to market demand that simply does not exist, a catalytic, market-leading mixed-use project is needed.

A mixed-use approach offers several advantages: it supports 24/7 vibrancy of space, it allows development to occur when demand has been lean for one or more uses, and it diversifies the real estate investment by allowing it to better perform (financially) when demand in any one use is cyclic. Additionally, mixed-use development will help to add vibrancy to single-use areas of Groton. The current segregation of activity nodes within the town, and the segregation of land uses within those nodes, contributes to a lack of cohesive identity.

Potential target markets for a mixed-use project include:

- Up-scale apartments and condos targeted to empty nesters looking to downsize (55-and-up age cohorts)
- Modern, market-rate apartments for students and young professionals designed to accommodate an active lifestyle
- Small scale, niche retail that offers an experience (e.g., sporting goods store that lets you try out equipment before purchasing)
- Class A medical office space

Acting on “early” or “weak” trends that are difficult to see in a traditional market analysis can be a big risk for the private sector – there is a lot of uncertainty and inherent risk in acting on early trends. The Town’s land use policy and economic development initiatives should focus on incentivizing this type of catalytic project. Strong public-private partnerships will be critical for successful projects. Consider the use of Tax Increment Financing (TIF) and other financing tools to incentivize private-sector development (see Appendix G for a list of development incentives available in Connecticut).

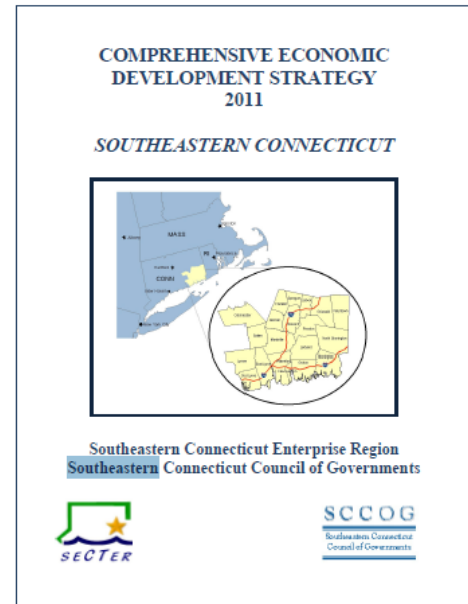
## ► Regional focus on manufacturing

The Southeast Connecticut Enterprise Region (seCTer) 2011 Comprehensive Economic Development Strategy (CEDS) report specifically identified manufacturing as a priority through its “Support the Vitality of the Regional Manufacturing Base” strategy. Among the major manufacturing companies that make up this base are several identified in Groton including General Dynamics/Electric Boat, PCC Structurals, and DonCasters Precision Casting. The CEDS SWOT analysis identified manufacturing as a key competency for Southeastern Connecticut.

The CEDS report does not focus in depth on manufacturing, but does provide some pieces of information that shed light on challenges and opportunities. For example, one of the issues it identified is a shortage of available “shovel-ready” and “green” land for development. This may indicate a potential need or opportunity to create shovel-ready sites in the town (a point confirmed by Groton’s staff).

The CEDS is organized around six industry clusters including the following:

- Defense
- Bioscience
- Tourism
- Maritime
- Creative
- Agriculture



Manufacturing is discussed, albeit limitedly, in the context of the defense, bioscience, and maritime clusters. Specific manufacturing industries identified were Shipbuilding (listed as a Legacy/Foundation Industry) while Electronics Manufacturing was identified as a driver industry. The manufacturing component of the regional defense cluster includes the subsectors of ship building and repairing, aircraft engine and engine parts manufacturing, and parts and auxiliary equipment manufacturing.

Within the bioscience cluster, the major manufacturing subsectors included pharmaceutical preparation, medicinal and botanical, plastics material and resin, fertilizer, and surgical appliance and supplies manufacturing. The CEDS notes that since 2004, the bioscience cluster in southeastern Connecticut has weakened considerably, led by the closure of Pfizer’s manufacturing facility. There was an expectation, however, that the closure may result in a “local burst of entrepreneurship” of small manufacturing firms started by laid-off employees.

The maritime industry is dominated by the ship and boat building and repairing subsector, which – as discussed in the Economic Analysis – is a significant industry sector for Groton. According to one business owner, much of their business comes from the Newport Shipyard in Newport, Rhode Island.

No other manufacturing related sectors were specifically identified and no specific manufacturing projects or action items were included in the 2011 CEDS.

The 2014 CEDS Status Report provides an update on the progress of action items in the 2011 CEDS and proposed several new projects. It also summarizes trends since the previous update including some negative developments related to manufacturing including the downsizing within Pfizer and the closure of Fusion Paperboard in Sprague. With these setbacks, however, came new retraining programs for these workers and their placement in other regional manufacturing companies. On the bright side, new contracts secured by Electric Boat ensured continued growth in the ship and boat manufacturing sub-sector.

The report also notes that the State had plans to open an incubator and research space for bioscience and technology startups in the region. Through strong partnerships, this initiative is making significant progress and the CURE Innovation Commons – located right in Groton - will soon start leasing lab and office space to startups and growing businesses.<sup>4</sup>

In its update of action items, the report included two specific action items related to supporting the regional manufacturing base. These were to establish both a Manufacturers' Council and a Technology Council. In 2012 the Quinebaug Manufacturers Institute (QMI) in northeastern Connecticut joined with a group from the southeastern part of the state to form the Eastern Advanced Manufacturers Alliance (EAMA) that is primarily focused on workforce issues.

### ► Local manufacturing base strong, but diversity needed

This trend was noted in the introduction but is worth emphasizing again. Groton has a stable manufacturing base primarily due to Electric Boat. The company's presence has allowed the town to increase the number of jobs in its manufacturing sector at a time when the region and state both lost a significant portion of their manufacturing employment. While the ship and boat building subsector is strong and is expected to remain strong into the future, it represents a disproportionately large component of the town's overall economy. Therefore, it is important for the town to work to diversify its manufacturing and industrial sectors as a way to avoid being over-dependent on one sector, and in this case, one major employer.

There are regional strengths in manufacturing that the town can look to. The pharmaceutical and medicine manufacturing industry sector is highly concentrated within the region led by Pfizer. Fabric mills, electric equipment manufacturing, mineral product manufacturing, nonferrous metal production, and metalworking machinery manufacturing are also subsectors that are highly concentrated. Food manufacturing, chemical manufacturing, and paper manufacturing also have a presence in the region. However, one of the top challenges for Groton is that it does not currently have many sites or buildings able to accommodate growth in these sectors. Current regulatory issues related to zoning and the Water Resources Protection District (WRPD) also impede growth in the manufacturing sector.



<sup>4</sup> CURE Innovation Commons: <http://curecommons.org/>

The town should also focus on smaller manufacturers. While there are only 13 manufacturing establishments with more than 100 employees in New London County, there are another 159 smaller establishments.<sup>5</sup> As these firms grow and expand, having shovel-ready sites available may attract some of these companies to the town, especially given the town's advantage of having both a land and water port and the potential airport development zone under consideration. The lack of shovel ready sites has been identified as an issue by Town staff.

Smaller "niche" manufacturers typically require smaller flex spaces that can be expanded as these companies grow. This is an important offering that currently is not available in the Groton real estate market and, therefore, Groton is not "in the game" when it comes to attracting small manufacturers looking for the opportunity to grow-in-place.

### **OPPORTUNITY: Small-scale manufacturing**

Manufacturing has traditionally been strong in the town, but the sector has been dependent largely on ship and boat building, and more specifically, Electric Boat, to sustain itself. Otherwise manufacturing in the town has been minor, despite a regional strength and focus on manufacturing. By aligning with regional priorities and being proactive in identifying the future needs of manufacturers and industrial users, working to fill workforce skills gaps, and adapting regulations to accommodate private investment, the town can grow and diversify its manufacturing sector.

### **OPPORTUNITY: Support entrepreneurs and small to medium-sized innovative businesses**

While EB and Pfizer are innovative companies, new methods and products they develop largely remain internal and their presence has not led to a creative entrepreneurial community. In fact, the community's reliance on the Big 3 has actually suppressed creation and growth of networks and environments in which entrepreneurs flourish. This trend is further exacerbated by a lack of focus on quality of place and a commuter workforce. This is a fairly typical trend in communities that have well-paying jobs at large institutions that drive the base economy (think mill towns). A refocus on entrepreneurs and small to medium-sized innovative businesses that are growing is needed in order to diversify and grow Groton's economy.



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<sup>5</sup> US Census Bureau; County Business Patterns (2013)

# Action Plan

The key to successful economic growth is building greater connections and strengthening the network between local and regional economic development organizations and the business community. The importance of networks for economic development is explained as follows: <sup>6</sup>

*There are three different types of economies that are in churn and mixed together for the first time in history. The first is the very last stages of an Industrial Economy based on hierarchies, economies of scale, mechanization, and predictability. The second is a transitional economic phase known as the Knowledge Economy which started around 2000 and is based on knowledge creation and diffusion. The third is the emerging Creative Molecular Economy (CME) in which biological principles are forming the framework for future economic organization and operation.*

*A key characteristic of the emerging molecular economy is that initiatives, innovation, decisions and implementation are no longer made by a select few through hierarchical processes but rather by self-organizing, open, interlocking networks of individuals sharing knowledge and responsibility. In this system there are not easily definable stakeholders, and authority and control by one organization does not result in successful strategy development and implementation. For the economic developer, success in this creative molecular system of networks requires understanding the motivations, talents, and skills of individuals in these networks and continually distributing and sharing resources and information so informed strategies and initiatives can emerge and be implemented.*



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<sup>6</sup> [Searching for a New Dynamic: Rethinking Economic Development](#); Smyre, Rick and Damicis, Jim; Blog Post, June 2011



It is within this context that the action plan for Groton was developed. The plan includes a balance of “traditional” economic development initiatives and new ideas. The following table summarizes these initiatives, which have been customized to focus the Town’s planning and economic development activities on actions that will strengthen Groton’s economy through diversification, increase its tax base by investing in quality, and ensure a sustainable economic future for Groton’s businesses, residents, and workforce.

### Groton’s Action Plan: Summary of Project & Initiatives

Projects	Initiatives	Priority
Establish communication channels for effective digital marketing	Create a stand-alone economic development website for marketing Groton.	High
	Grow email lists and implement a robust email marketing campaign.	High
	Set-up social media accounts and develop high-quality content to drive traffic to Groton's website.	Medium
Increase collaboration, connectivity, and networking	Start a formal business visitation program.	Medium
	Issue an annual economic development scorecard.	Medium
	Play an active role in the education and workforce development system.	Medium
	Work with regional and state partners on attraction.	Low
	Strengthen relationships with partner organizations.	Medium
Re-invigorate the built environment with a focus on quality	Make the Route 1 corridor a place.	High
	Create a re-investment incentive program to encourage business owners to update their properties.	Medium
	Re-examine a referendum to bring water and sewer to underserved industrially zoned properties along I-95.	Low
Re-define what it means to do business in Groton	Create a project champions program.	High
	Develop and implement a campaign to re-define Groton's brand as a great place to do business today and in the future.	Medium
	Engage in a frank discussion about removing complex layers of government and service areas.	Low

## Initiative: Establish digital marketing and communication channels

Create a stand-alone economic development website for marketing Groton.

### Rationale

When businesses or investors want to learn about Groton, the first place they look is on the web.

Groton's Town website serves many important purposes, but it is ineffective as a marketing tool for economic and community development. The overall design is unorganized and outdated and information about economic development is buried deep within the planning department sub-page. The town needs a stand-alone website dedicated solely to marketing the community as a great place to work, invest, and reside.

From a search engine optimization perspective, Groton is not "on the map" for economic development. Economic development websites that are housed within municipal websites see as little as 1/10<sup>th</sup> of visitor traffic compared to stand-alone economic development websites.<sup>7</sup>

In order to effectively do their job, economic developers need an online portal where they can prominently display important information about available properties, incentives, business climate, workforce, quality of life, and other key indicators site selectors and business leaders use to make locational decisions.

### Actions

- Reserve appropriate funds
- Designate someone on-staff to manage the project
- Issue an RFP directed at design firms that specialize in economic development websites and select a firm



<sup>7</sup> Cited by Community Systems – a leading economic development marketing firm – based on experience of their clients’.



## Suggestions

- Recognize the importance of designing a new website and dedicate ample staff time. While the development team will lead the process, designing a new website is a significant undertaking that requires a talented team leader that can work closely with the design team to craft the right design and message.
- In addition to identifying a firm that creates innovative websites, choose a firm that fits the culture and work-style of the staff.
- Do not use the town seal for digital marketing. It was not designed for and does not work on social media or other online channels. Not only is the image too small and detailed to make out clearly, using the seal sends a message that Groton is stuck in the past and un-innovative. Consider using the interior of the seal to design a modern, recognizable logo for Groton that will help strengthen its brand.
- Make a big deal out of the new website once it is complete. Hold a launch party and invite Groton's economic development partners to explore the new site and help promote it.
- Never consider the website "done". Review it once a month and update with current data, images, activities, active links, correct formatting, etc. When deciding what type of information to include on the website, aim to provide information about Groton that is not easy to locate through other sources, for example, data tables from this report on industry trends and workforce. Use human-scale pictures that demonstrate the high quality of life in Groton (i.e. show people doing things vs. an image of a building or skyline - pictures of empty streetscapes give a negative impression of emptiness and lack of activity). Annually provide updates on the progress of implementing the strategy in a scorecard-style format (see recommendation below).
- Track activity on the website monthly using Google Analytics (free).

## Inspiration

- [Allentown Economic Development Corporation](#)
- [Town of Parker Colorado Economic Development Department](#)

Grow email lists and implement a robust email marketing campaign.

### Rationale

Email marketing is one of the most effective ways to stay in touch with business owners, economic development partners, and potential investors. The inbox is personal, which makes it arguably the strongest communication channel to inform and engage the target audiences with custom content. Social media platforms will come and go but an email list is yours. Because people sign-up, an email list represents individuals that are interested in Groton's economic growth. Providing quality content to this network will create an internal buzz around economic development activity happening in the community and will help drive traffic to the Town's economic development website.

### Actions

- Choose a provider
- Design a simple template using high-quality imagery
- Import emails
- Segment email subscribers based on type of emails to be sent. For example:
  - **General economic development** – Primary list that includes all subscribers. Send a monthly or quarterly eNewsletter update on all things related to Groton's economic development. Once a frequency is determined, be consistent. Make this list public allowing anyone to subscribe to the updates. Post links to the updates on Groton's economic development website.
  - **Real estate development community** – (Including Real estate brokers, Developers, Site locator, etc.) Send this group emails with detailed data and information about available properties, invites to fam tours, and/or stories about new projects or investment in Groton. The purpose is to give this group content they can use to help market Groton. This list might also include economic development partners such as CURE and SECTER (alternatively, create a separate ED Partner list to allow more flexibility in customizing content).
  - **Local business owners** – This list is about strengthening a network among the local business community. Send them specialized information about upcoming events, training, changes to regulations, or projects that will help them succeed.
  - **Route 1 Corridor stakeholders** - Might include nearby residents, business owners, property owners, etc. who get first-hand updates about the work being done in this area.

## Suggestions

- [Mail Chimp](#) and [Constant Contact](#) are two leading email marketing services. Try them both to get a feel for what works best for the Town's needs before settling on one. It is free to start with most platforms (up to about 2,000 emails).
- After importing an email list – design a highly-visual email that welcomes people to the list and explains what it will be used for. Ask them to be a part Groton's economic growth and give them a link to where they can sign up for the email lists that are of interest to them. (Some will unsubscribe, but that is okay. The people that subscribe are the Town's biggest advocates.)
- Segment subscribers into different lists from the get-go. Even if the separate segments are not used right away, it is much easier to do when the list is small and manageable.
- Work with the website design team to develop a strategy for capturing email addresses through the new economic development website.

## Inspiration

- [In the Zone](#) – Allentown Economic Development Corporation's eNewsletter



Set-up social media accounts and develop high-quality content to drive traffic to Groton's website.

### **Rationale**

Groton needs to tell its story and social media is the ideal place to do that through descriptive narrative, pictures, infographics, and videos. Use social media to:

- Showcase available sites and properties
- Feature local businesses
- Profile entrepreneurs and startups
- Highlight what it is like to work and do business in Groton

Through active social media campaigns, Groton can invite its residents, businesses, and other stakeholders to help tell their own stories and share experiences about living and working in Groton. The goal is not to simply disseminate information but to be part of and contribute to the conversation that is already taking place.

### **Actions**

- Work with staff to select appropriate social media platforms.
- Set up accounts with high-quality icons and header images representing Groton.
- Develop a content strategy and posting schedule. The core of the strategy should focus around showcasing Groton's quality of place.

### **Suggestions**

- Consider starting with Facebook and Twitter. Secondary options might be Instagram and YouTube.
- Avoid opening an account and abandoning it. Take time to consider who will manage the account(s) and what their capacity is to run a high-quality campaign. Start small.

**Initiative:** Increase collaboration, connectivity, and networking with a focus on high-quality development and business retention and expansion.

Start a formal business visitation program.

### **Rationale**

A business visitation program is about making connections between businesses or with other resources in the community for business retention and expansion (BR&E). For example, information about a manufacturer's goals for innovation can be used to connect the business with faculty from a local college that has related research specialties or lab space.

Through discussions with business leaders, this program should seek to understand constraints and opportunities of existing businesses, their plans for growth, and constraints on that growth. In particular, pay attention to workforce needs, buildings and space, innovation goals and challenges, infrastructure needs (i.e. water, sewer, and power), regulations, taxes, incentives, etc. Also look to understand their supply chains and ask what specific companies or types of businesses they would like to see have a local presence.

Findings from the business visitation program can also be used as topics for future economic development newsletters and in social media posts.

### **Actions**

1. Develop a business visitation team within Economic Development department and 2-3 others from the economic development community to assist with getting this program started (team of about 6 total to begin). This can be built upon as the program is tweaked and proving successful, but it is important to start small.
2. Identify businesses to visit. Resources will not be available to visit all businesses each year so an annual target list should be developed that represents a variety of types and sizes of businesses which can reasonably be visited given staff resources. This can then be supplemented by larger group meetings open to all businesses. Focus first on leading industry sectors:
  - Tourism-Based (accommodations, retail, food services, entertainment and recreation)
  - Health Care
  - Business and Professional Services (finance, insurance, real estate, and professional services)
  - Manufacturing
3. Develop visitation questions. Keep the questions simple and short and focus on information that will be used.

4. Conduct business visits. Review questions, document answers, get to know the business and business owners.
5. Tabulate and analyze the results.
6. Act upon anything that can easily be addressed to meet businesses' needs.
7. Share results with stakeholders. Develop or adjust strategies to address issues or concerns and then implement new strategies.
8. Revise the program as warranted and repeat.

### Suggestions

There is no one best method for conducting a business visitation program. Some common "best practice" themes include:

- Running the program through partnerships with multiple economic development related entities to share the work, cost, information, and avoid overlap.
- Using surveys that capture key information but are not overly burdensome to business.
- Conducting immediate follow-up to resolve any issue identified by the businesses.
- Integrating findings into ongoing strategic economic development planning.
- Utilizing software to make the process more efficient and operationalize results.
- Training volunteers that become involved in the program.

### Inspiration

- **Stafford Virginia** - Makes information available about the program and its purpose on the website, includes partners in visits, and has a pre-meeting questionnaire that is also available on the website. <http://www.gostaffordva.com/existing-business-support/business-retention-expansion-bre/business-visitation-program/>
- **Oak Forest, IL** - Lays out the case for the purpose of the program on website, using data to support businesses but also as part of economic development planning. <http://www.oak-forest.org/201/Retention-Expansion>
- **Colorado Springs** - Utilizes Synchronist software to support the effort. [http://www.coloradospringsbusinessalliance.com/library/Economy\\_Weekly/Report\\_Copies/10-9-13\\_Issue3.pdf](http://www.coloradospringsbusinessalliance.com/library/Economy_Weekly/Report_Copies/10-9-13_Issue3.pdf)

Issue an annual economic development scorecard.

### Rationale

Benchmarking annual progress in economic development is critical for setting realistic expectations, identifying progress, and making adjustments. Additionally, it helps provide an opportunity for regular communication and generating awareness about economic development.

A brief (2-5 page) highly visual annual update that works across online and hard-copy channels is the best way to communicate actions, strategies, and needs to Groton's economic development stakeholders.

### Actions

- Select metrics to measure and projects to feature in the report.
- Create a highly visual template that can be updated annually with minor modifications.
- Prepare the report annually and share it via the Town website, social media, and email newsletters.

### Suggestions

- Select a few strategic metric to showcase, keep it simple.
- Do not shy away from showing losses or failures. Show how you will use these as learning experiences and adjust strategies to mitigate weaknesses. This approach builds trust among stakeholders.

### Inspiration

Smaller scale examples (similar to the recommendation for Groton):

- Loudoun Virginia Annual Report: [BEST. YEAR. EVER.](#)
- Charleston South Carolina [Regional Economic Scorecard](#)

More robust examples:

- [Portland, ME Economic Scorecard](#)
- [Rhode Island Innovation Index](#)



Play an active role in the education and workforce development system.

#### **Rationale**

Workforce is critical both in terms of retaining and expanding existing business and attracting future businesses. Groton is fortunate to be served by a very strong workforce board, the [Eastern Connecticut Workforce Investment Board](#) (EWIB) that is leading job seeker, employer, and youth services in the region. Groton is also well served by its K-12 school system. These are critical partners in the workforce development pipeline and the Town needs to be actively involved in supporting their efforts particularly as they relate to marine trade, entrepreneurship, small businesses, and growth in other key sectors.

#### **Actions**

- Partner with the EWIB on projects specifically to meet Groton's current and future workforce needs.
- Work closely with K-12 education leaders around preparing youth for jobs of the future.

Work with regional and state partners on attraction.

#### **Rationale**

In order to support business attraction, Groton first needs to implement the strategies and recommendations outlined above. Strengthening networks for economic development and engaging with the business community will build capacity in Groton and the region, and will actually help Groton market for business attraction.

#### **Actions**

- Regularly engage with regional and state leaders in economic development to update them on implementation of the strategies outlined in this report.
- Ensure these partners have information they need to market Groton effectively, such as information about available sites, workforce assets, quality of life amenities, etc. Check-in with state and regional economic development partners regularly to make sure they have the most up-to-date information available.

Strengthen relationships with partner organizations.

### Rationale

As the introduction to the Action Plan explains, there is a great need in economic development to develop a connective community culture that deepens the collaboration of multiple points of view, diverse people, and organizations.

### Actions

- Actively participate and support business attraction efforts of regional and state partner agencies, responding swiftly and proactively to questions and issues where the Town can play a significant role.
- Work with airport staff to make them fully aware of economic development projects and opportunities in Groton so they can act as ambassadors for the community.
- Develop a stronger relationship with the City of New London and begin marketing the Thames River harbor area collectively. The two communities share one harbor and neither are doing an effective job marketing this resource. Significant changes on the horizon in the Maritime Trade industry with the widening of the Panama Canal may create opportunities for smaller ports and coastal communities.
- Work with CURE to plan and promote events for the entrepreneurial and small business community. Innovation communities grow around networks and interactions – the Town can play a role in helping to foster this environment.
- Businesses in Mystic tend to feel like they are on their own. Work together with the Town of Stonington to better support Mystic Village as a whole. Coordinate business visitation efforts and share findings with counterparts in Stonington.

## Initiative: Reinvigorate the built environment with a focus on quality.

Make the Route 1 corridor a place.

### Rationale

Talented workers are attracted to places with a high quality of life and businesses know they need to be located in communities with the amenities and characteristics demanded by these workers – interesting, diverse, safe, walkable/bikeable communities. **The Route 1 Corridor could become this place.**

Enhancing the physical appearance and visitor experience of opportunity sites along the Route 1 Corridor could be the necessary catalyst for transforming the surrounding area and lead future development and reinvestment in the area to create a modern, mixed-use environment that brings diverse people together. However, in the current weak real estate market environment, this transformation will not happen without leadership by the public sector.

### Actions

- Build an engaged, energized community of business owners, land owners, and developers that have a vested interest in the Route 1 Corridor. This community **MUST** be involved throughout any future studies and planning efforts.
- Work with this group to refine and advance the preliminary plan prepared by VHB as part of this effort. Develop a consistent brand for the Route 1 Corridor including design elements and overall vision. Retain members of the working group to implement the brand.
- Implement the recommendations about mixed-use and subdivision regulations presented in the accompanying zoning audit.
- Take the lead on any necessary infrastructure planning and development.
- Develop a tax increment financing (TIF) district to serve as one source of funding for Town related costs as well as incentives.

### Suggestions

- Ensure opportunities for a variety of housing options can be accommodated through land use regulations; including high-quality rental housing that is increasing in popularity.
- Focus on ways to incorporate amenities and accommodations that cater to both residents and visitors such as integrating residential and retail uses.
- Guide typical “big box” retail businesses interested in locating along the corridor to consider design elements that take a more community center approach (mixed use, “small box”, shared parking, smaller setbacks, etc.).
- Refine regulations to accommodate new uses and businesses emerging in the sharing economy such as Airbnb, Home Away, Uber, etc.

Create a re-investment incentive program to encourage business owners to update their properties.

### **Rationale**

As the dated retail spaces in Groton age, local retailers will continue to lose market share to adjacent communities that offer a better shopping experience. The real estate market in the region is relatively weak and most local businesses do not have the capital to invest in a large upgrade to their property.

### **Actions**

- Based on the needs of the Route 1 Corridor working group and information obtained from the business visitation program, design a development incentive program to encourage investment into the existing properties with a focus on refreshing retail properties.
- Explore the feasibility of expanding the existing Economic Assistance Fund.
- Once the program is updated, introduce the program through business visitation and digital marketing efforts. Profile businesses that utilize the program to promote it and encourage others to consider.

Re-examine a referendum to bring water and sewer to underserved industrially zoned properties along I-95.

### **Rationale**

According to Zoom Prospector, a GIS site selection portal, Groton has only one industrially zoned property available for sale or lease that is over 5 acres. While the industrial real estate market in the region is not incredibly active, it is tightening with increasing demand for sites that can accommodate 10,000 to 50,000 square foot buildings. Without shovel-ready properties in the market, Groton is not even on the radar of businesses considering a move to southeastern Connecticut.

The severe lack of readily available industrial properties is also a concern from a business retention perspective. Local businesses looking to expand may need to look elsewhere if they are unable to find suitable shovel-ready sites locally.

### **Actions**

- Engage property owners that would benefit from the project and work closely with them to plan a project. Retain professional engineers as necessary to obtain updated cost estimates.
- Keep town councilors and other key decision makers informed and design a strong public relations campaign.
- Utilize Tax Increment Financing (TIF) to support a portion of the funding for these action items.

### **Suggestions**

- Much of economic development is about making strategic investments to incentivize or spur private development. In the past, Groton has never had to "do" economic development and the community as a whole is not as familiar or comfortable with the process. Successful implementation of this initiative will require strategic engagement and communications to educate, inform, and generate support.
- Consider an economic and fiscal impact study showing what return on investment would be for the Town if it made an investment in infrastructure. Acknowledge that the initial investment is significant and nothing is a guarantee, but also demonstrate the potential impacts in terms of job creation and growing the tax base.
- Be creative to find a win-win solution. Work with property owners that would benefit from this project to structure a deal where they re-pay the Town a portion of the expense once their properties are developed. These deals can take a long time to arrange and they begin by building trust between the various parties. Meet with property owners regularly to discuss their needs and keep them informed. This could be in addition to or integrated within a Tax Increment Financing (TIF) as well.
- Identify other actions and take the necessary steps to ensure these sites are "shovel ready".

## Initiative: Change perceptions. Re-define what it means to do business in Groton.

Create a project champions program.

### Rationale

Groton is known among the development community as being a difficult community to work in – this needs to change.

Developers have an especially difficult time navigating Groton’s complex layers of government and associated development review and permitting process. For those that have gone through it, many note that the lack of coordination, understanding, and clarity while undergoing the process drove up costs and delayed projects. Several noted that having a single point-of-contact to answer questions, coordinate the review process, and shepherd their project through the development review and permitting process would be a much welcomed improvement.

### Actions

- Develop a mantra among the staff to be committed to the delivery of quality economic development.
- Create a protocol to be followed for each project, which includes assigning a single member of the Town staff to take the lead on each project – the “project champion”.
- Train staff on the program prior to launch. On an annual basis, host a workshop with Town staff to assess, brush up on training, share lessons learned, etc.
- After each project, conduct an internal audit of the process to identify where improvements can be made. Ask for input from the application and adjust the program as needed.
- Promote the program through digital marketing channels and a hard copy cut-sheet.

### Inspiration

- South Ayrshire Council – Single Point of Contact for Economic Development Proposals:  
<http://www.south-ayrshire.gov.uk/documents/draft%20single%20point%20of%20contact.pdf>

Develop and implement a campaign to re-define Groton's brand as a great place to do business today and in the future.

### Rationale

The negative perception of Groton's business environment is changing, but slowly. A deliberate, consistent message about what it means to work and invest in Groton is needed to ignite a conversation about change and what Groton's role will be in the future economy.

### Actions

- Design a 1-year marketing and engagement campaign that focuses on what it is like to do business in Groton; promote the advantages of doing business here.
- Take a holistic perspective, integrating promotion of quality of life assets – particularly unique assets such as Bluff Point and the Submarine Force Museum.
- Recruit economic development and business partners to help implement the campaign.
  - Obtain testimonials from local business leaders
  - Ask chambers to share/promote materials through their networks. The Chamber of Commerce of Eastern Connecticut will be a strong partner.

### Suggestions

Design a 2-way campaign - instead of simply promoting the town, pose a question and invite others to provide their perspective using any type of media they prefer (narrative, short video, image, infographic, picture, etc.). Solicit responses from a diverse range of stakeholders. Make it fun.

### Inspiration

- [\*The Power of Place in Connecticut\*](#)



Engage in a frank discussion about removing complex layers of government and service areas.

### **Rationale**

Local residents, public officials, and business owners often joke about the layers upon layers of government and oversight in Groton, noting that "...if Groton hasn't done it three times, we haven't done it."

To an outsider, it is chaos. Each layer of government or review adds another layer of uncertainty and increases time to market. This is a significant impediment to investment. An unintended consequence of the current system is that investors interested in the region tend to skip over Groton and focus on adjacent communities, which come across as much more welcoming and business friendly. Groton's neighbors are seeing more private investment and economic development activity as a result. This is an unsustainable model.

### **Actions**

- Form a committee to take a hard look at this complex issue and determine if there support to complete a detailed dissolution study.



# Economic & Market Trends Analysis

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## **Economic & Market Trends Analysis**

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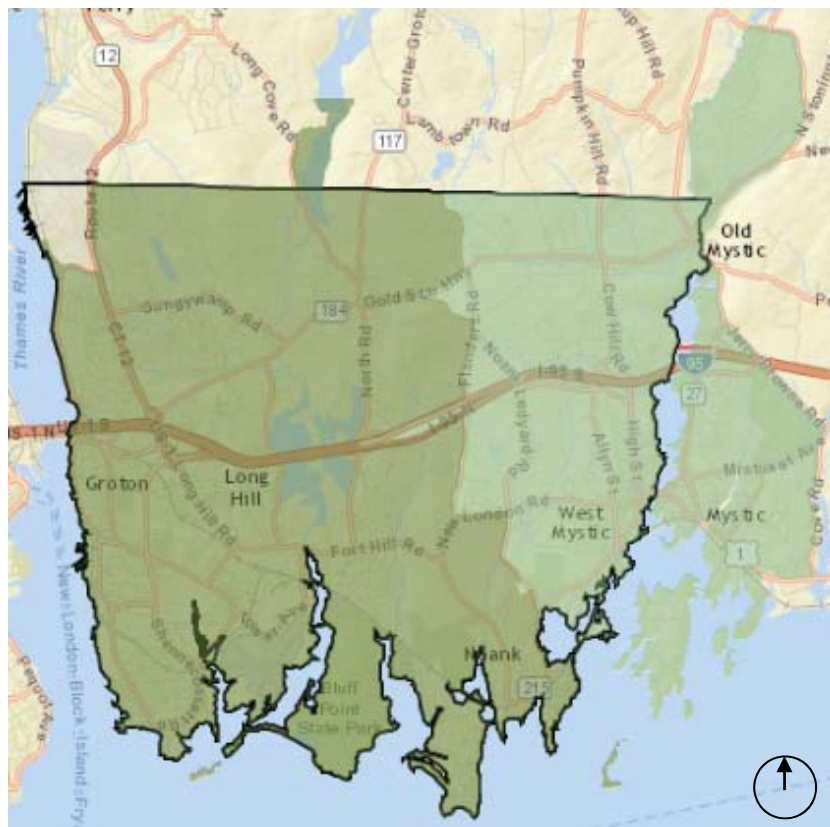
# Introduction

Camoin Associates gathered data to understand the existing conditions in the town in terms of demographics and the economic base. The following chapter includes a socioeconomic characterization and an economic analysis. The purpose of the analysis is to identify characteristics and trends that will impact future demand of certain types of space and what types of development the town should encourage through land-use decisions.

This data analysis was conducted to identify existing conditions and trends within industry sectors that make up the town’s economy in comparison to the regional, state, and national economies. Data was collected for the town, region, state, and nation. The town and regional geographies are defined in further detail below.

**Town of Groton ZIP Code:** The Town of Groton ZIP Code was used to analyze industry data because EMSI provides data at the ZIP code level. The Town of Groton ZIP Code Area is defined by ZIP codes 06340 and 06355. The ZIP code boundary is illustrated below. The town boundary is shown in the black line and the two ZIP codes represented by the two shades of green.

Groton ZIP Code



Source: ESRI

- Key:
- ZIP 06340
  - ZIP 06355

**Groton Economic Region:** The Groton Economic Region is shown in the image below. It includes towns within New London County plus Windham, which recently became part of the same Economic District as Groton. It also includes Westerly, RI due to the close economic ties between the town and Groton. Note that for the economic analysis a “best fit” ZIP code area was used to represent trends in the region because industry data is available at the ZIP code level, rather than the individual town level. The ZIP code area is shown in the second image below.

Groton Economic Region



Key:  
 Economic Region  
 Groton Town Boundary

Source: ESRI

Groton Economic Region ZIP Code Region



Key:  
 Economic Region  
 Groton Town Boundary

Source: ESRI

# Demographic and Socioeconomic Profile

In order to understand current and future market conditions in Groton, it is important to understand the current and projected socioeconomic conditions in the town, region, and the state. The following section highlights some important socioeconomic characteristics of Groton.

## Basic Demographics

Groton's population was approximately 40,000 in 2015. There were nearly 15,800 households, with an average household size of 2.3. The town's median age was 34, the lowest of the geographies analyzed. The town's median household income of just over \$59,000 is high compared to the US, however, it trails the median household incomes in the region and the state.

2015 Basic Demographic Profile

	Groton	Region	Connecticut	U.S.
Population	39,773	324,405	3,610,945	318,536,439
Households	15,789	127,257	1,388,063	120,746,349
Average Household Size	2.30	2.42	2.52	2.57
Median Age	34.0	40.9	41.0	37.9
Median Household Income	\$59,156	\$64,352	\$67,549	\$53,217

Source: ESRI

Based on historic population growth trends, it is projected that the population will remain relatively stable over the next 5 years and grow by only 63 people or 0.2%. The region and state are anticipated to have modest population gains that slightly outpace the rate of growth in Groton. That is, Groton is expected to grow slower than the region and state. Similarly, the growth rate of households and families over the next 5 years is effectively zero.

While Groton, the region, and state are projected to grow only modestly, the U.S. population is projected to grow by 3.8% by 2020.

It should also be noted that the median age is significantly younger than in the region and Connecticut. The median age of 34, however, is expected to increase nearly 3% to 35.<sup>8</sup> Operations of the Submarine Learning Center and Naval Submarine School at the Naval Submarine Base New London in Groton contribute to Groton's lower median age.



<sup>8</sup> This projection may be overstated because of the stable concentration of a younger demographic at the submarine base. Between 2000 and 2010 there was a 2.2% increase in the median age of the Town of Groton representing an annual increase of only 0.2%.

## Population Change

<b>Groton</b>	<b>2015</b>	<b>2020</b>	<b># Change</b>	<b>% Change</b>
Population	39,773	39,836	63	0.2%
Households	15,789	15,852	63	0.4%
Families	9,494	9,510	16	0.2%
Median Age	34.0	35.0	1.0	2.9%
<b>Region</b>	<b>2015</b>	<b>2020</b>	<b># Change</b>	<b>% Change</b>
Population	324,405	327,801	3,396	1.0%
Households	127,257	128,839	1,582	1.2%
Families	82,110	82,981	871	1.1%
Median Age	40.9	41.5	0.6	1.5%
<b>Connecticut</b>	<b>2015</b>	<b>2020</b>	<b># Change</b>	<b>% Change</b>
Population	3,610,945	3,658,150	47,205	1.3%
Households	1,388,063	1,406,988	18,925	1.4%
Families	917,225	928,125	10,900	1.2%
Median Age	41	42	0.7	1.7%
<b>U.S.</b>	<b>2015</b>	<b>2020</b>	<b># Change</b>	<b>% Change</b>
Population	318,536,439	330,622,575	12,086,136	3.8%
Households	120,746,349	125,477,562	4,731,213	3.9%
Families	79,691,683	82,498,212	2,806,529	3.5%
Median Age	38	42	3.8	10.0%

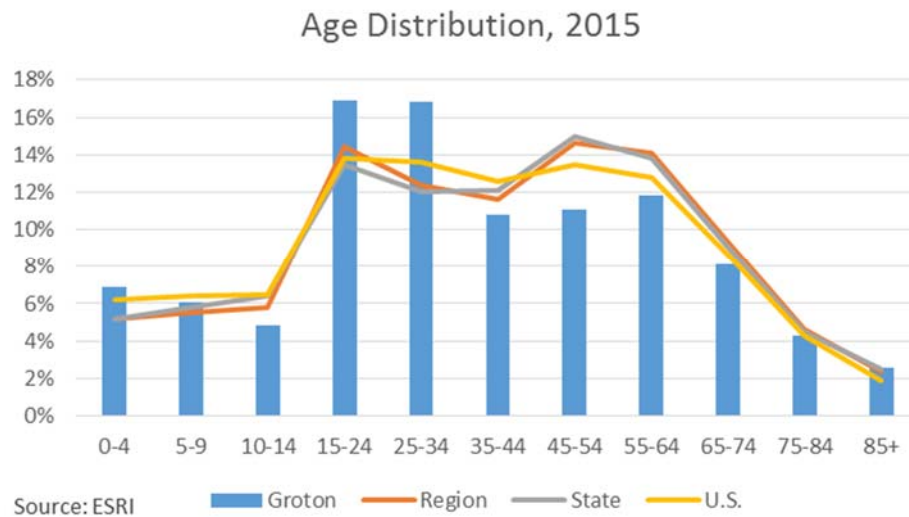
Source: ESRI



## Age Distribution

The following chart shows population distribution by age. Groton's two largest population segments are the 15 to 24 year olds and the 25 to 34 year olds with about 17% of the town's population or 6,700 people in each group. Together, these two age cohorts make up 34% of the town's population, which is a much larger percentage compared to the region and the state. Conversely, Groton has a much lower portion of 35 to 64 year olds compared to the other geographies.

Over 6,000 military personnel work at Naval Submarine Base New London. While the age distribution and other demographic information specifically for the naval base is not publically available, it is reasonable to assume that a significant portion of its military personnel fall within the 25 to 34 age range.





## Income

Information related to income levels can serve as powerful indicators of an area’s economic climate and market potential. Median household income in Groton is just over \$59,000 as of 2015. That is about \$5,000 under the regional median household income and \$8,400 under the overall state median household income but above the median income in the U.S. Similarly, the town’s average household income and per capital income are below the region and state and above the U.S. The average household income in Connecticut of about \$94,000 is well above the average of \$75,000 in Groton.

Looking ahead to the next five years, income levels are expected to rise in Groton at a pace generally on par with the region and the state (see table below). In other words, the town will continue to have a lower household income compared to the region and the state. Of the geographies analyzed, incomes in Groton are expected to grow at the lowest rates.

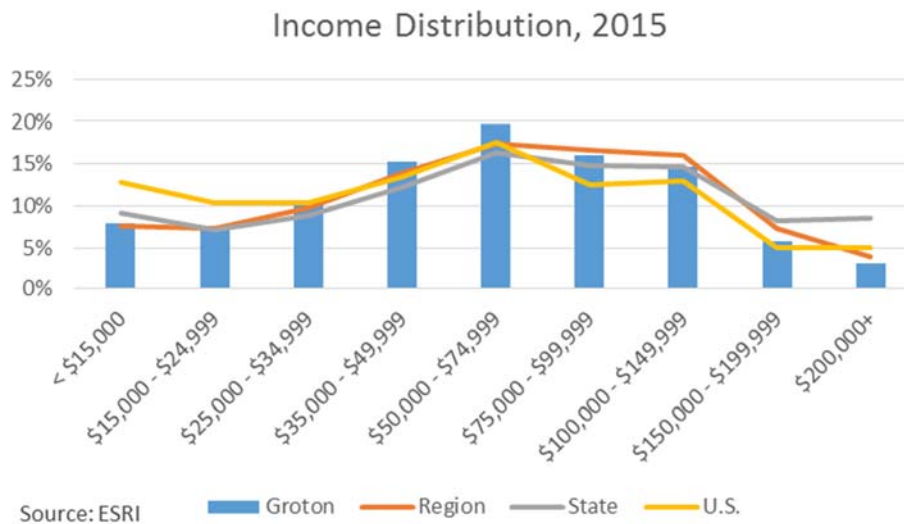
### Income Trends

<b>Groton</b>	<b>2015</b>	<b>2020</b>	<b># Change</b>	<b>% Change</b>
Median Household Income	\$59,156	\$67,156	\$8,000	13.5%
Average Household Income	\$75,030	\$83,640	\$8,610	11.5%
Per Capita Income	\$30,912	\$34,430	\$3,518	11.4%
<b>Region</b>	<b>2015</b>	<b>2020</b>	<b># Change</b>	<b>% Change</b>
Median Household Income	\$64,352	\$75,064	\$10,712	16.6%
Average Household Income	\$80,901	\$90,344	\$9,443	11.7%
Per Capita Income	\$32,372	\$36,151	\$3,779	11.7%
<b>Connecticut</b>	<b>2015</b>	<b>2020</b>	<b># Change</b>	<b>% Change</b>
Median Household Income	\$67,549	\$77,402	\$9,853	14.6%
Average Household Income	\$93,959	\$106,445	\$12,486	13.3%
Per Capita Income	\$36,537	\$41,362	\$4,825	13.2%
<b>U.S.</b>	<b>2015</b>	<b>2020</b>	<b># Change</b>	<b>% Change</b>
Median Household Income	\$53,217	\$60,683	\$7,466	14.0%
Average Household Income	\$74,699	\$84,910	\$10,211	13.7%
Per Capita Income	\$28,597	\$32,501	\$3,904	13.7%

Source: ESRI

The following chart shows the percent of households for each income range in Groton, the region, the state, and U.S. Groton has a more substantial concentration of households in the \$50,000 to \$75,000 income range compared to both the region and the state. In the ranges above \$75,000, however, Groton trails the region. The town, region, and state have a smaller percentage of households in the lowest income brackets (<\$24,999) than the U.S. The graph also shows that neither the region or Groton has the same concentration of extremely high income households as the state, as reflected in the \$200,000-plus range.

The income distribution data illustrate how income levels in Groton are more concentrated than the larger regions – nearly 20% or 3,160 households fall within the \$50,000 to \$70,000 range. This suggests that there is less diversity in household/family structure in Groton, which is likely linked to the lack of diversity in the local economy.



Compared to the U.S., Groton, the region, and state have a lower rate of households living below the poverty level (see table below). However, excluding the U.S., Groton has the highest percentage of households living below the poverty level of the geographies analyzed.

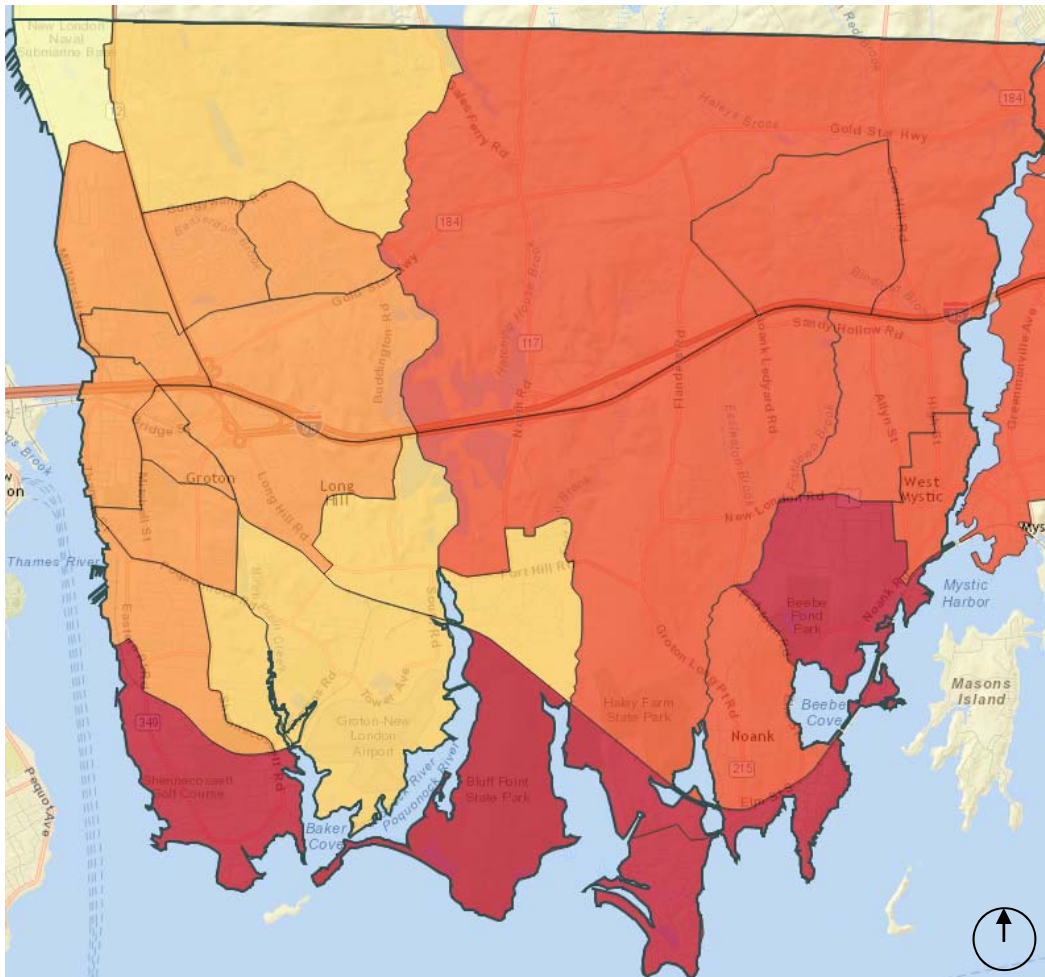
#### Households with Income below Poverty Level

	% of Households
Groton	10.3%
Region	9.6%
Connecticut	10.1%
U.S.	14.2%

Source: 2009-2013  
ACS

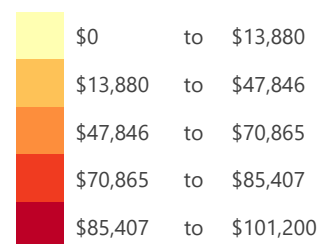
A common theme from the stakeholder interviews was that Groton is segregated geographically in terms of income levels. The following image helps to illustrate these trends by showing median household income data by block group across the town. The highest income block groups are along the southern coast, which are also the block groups that are generally less populated. A clear pattern emerges with the western side of Groton having lower household incomes compared to the eastern (and southern) portions of Groton.

Median Household Income by Block Group



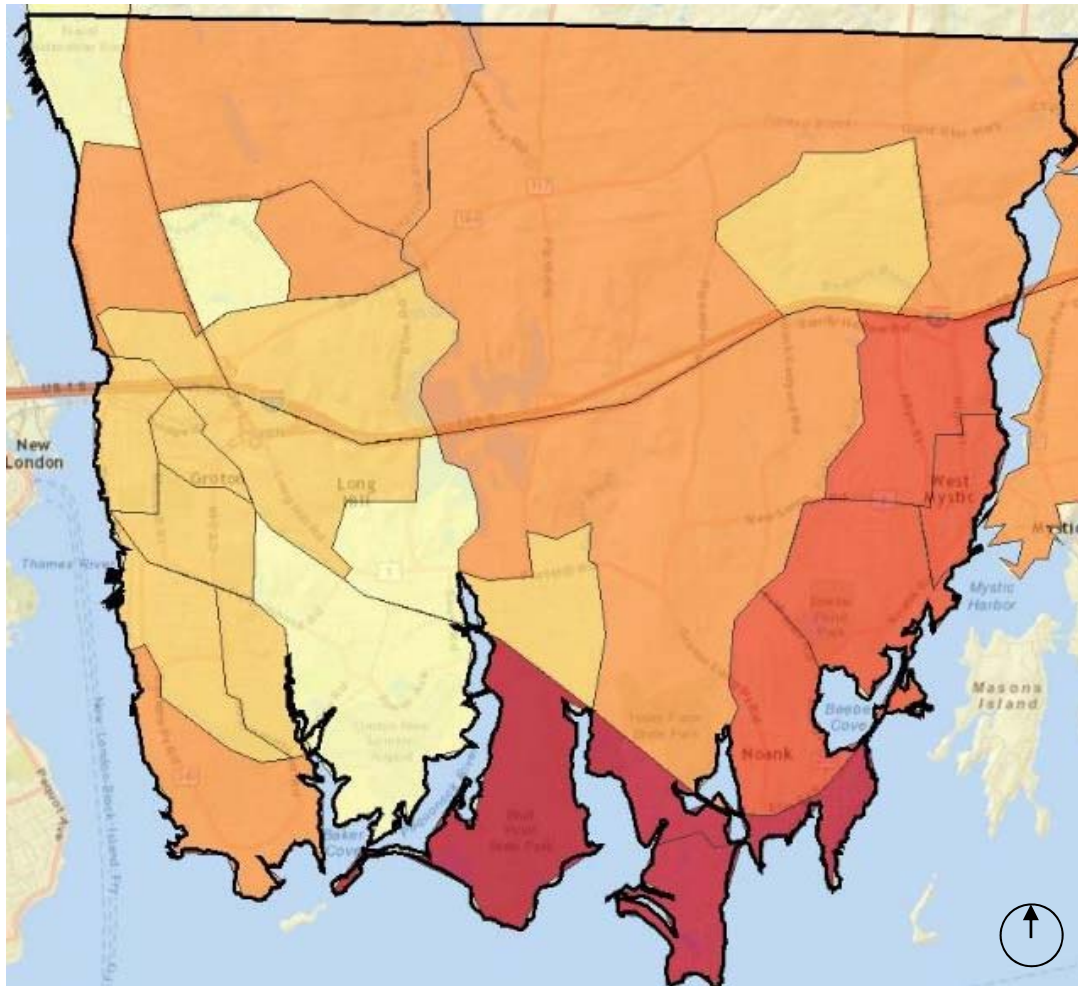
Source: ESRI

Key: 2015 Median Household Income (Esri) by Block Groups



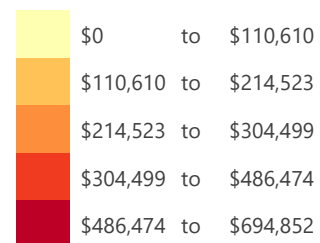
The following image shows the geographic differences in home values within the Town of Groton. The patterns are similar to those in the above image illustrating income. Areas near the southern shore and on the east side of the town towards Mystic have concentrations of relatively expensive homes. The least expensive homes in Town are generally found on the western edge of town towards New London in and around the City of Groton.

Median Home Value by Block Group



Source: ESRI

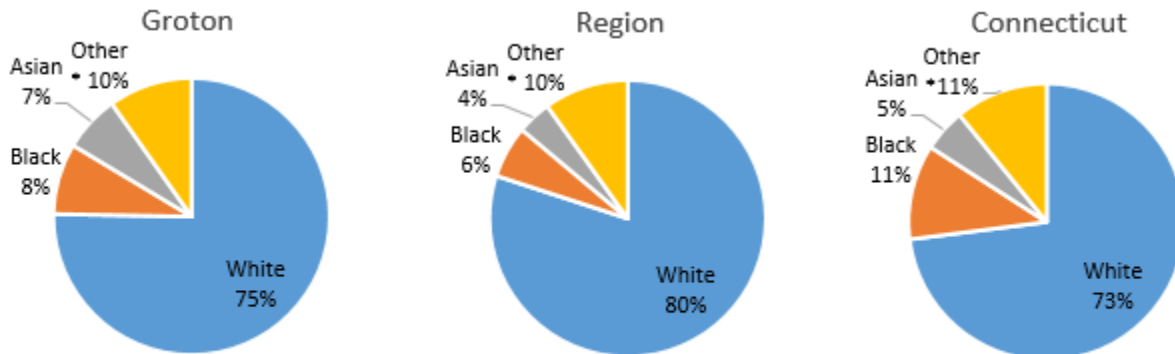
Key: 2015 Median Home Value  
(Esri) by Block Groups



## Race and Ethnicity

Groton is slightly more diverse than the region with 25% of its residents being non-white compared to 20% of regional residents. The racial composition of Groton is generally in line with the statewide population with a slightly greater percentage of population in the Asian demographic and a slightly lower percentage in the black demographic.

Race and Ethnicity, 2015



\* Includes people of two or more races  
Source: ESRI

Compared to the U.S. and Connecticut, New London County has a lower percentage of foreign born residents (see chart below). Of the over 23,600 foreign born residents, over half are naturalized U.S. citizens, while nearly 48% are not U.S. citizens. In the U.S. and state, the ratio is reversed, with over half of foreign born residents not having U.S. citizenship.

### Foreign Born Population

	# Foreign Born	% of Total Population	Of Foreign Born	
			% U.S. Citizen	% Not US Citizen
New London County*	23,656	8.6%	52.4%	47.6%
Connecticut	487,187	13.6%	47.7%	52.3%
U.S.	40,341,898	12.9%	45.1%	54.9%

Source: 2009-2013 ACS

\*Data presented for New London County, not the economic region

\*\*Data not available at the town level

## Education

Overall, Groton’s educational attainment is generally in line with the region and state and higher than educational attainment in the U.S. (see chart and data below). Approximately 35% of Groton residents (over age 25) have earned at least a college degree, with 19% having earned a Bachelor’s degree and 15% having earned an advanced graduate or professional degree. This is slightly above the region, where about 31% of the population has earned at least a Bachelor’s degree. However, both Groton and the region trail the state, where 38% of the population has at least a Bachelor’s degree

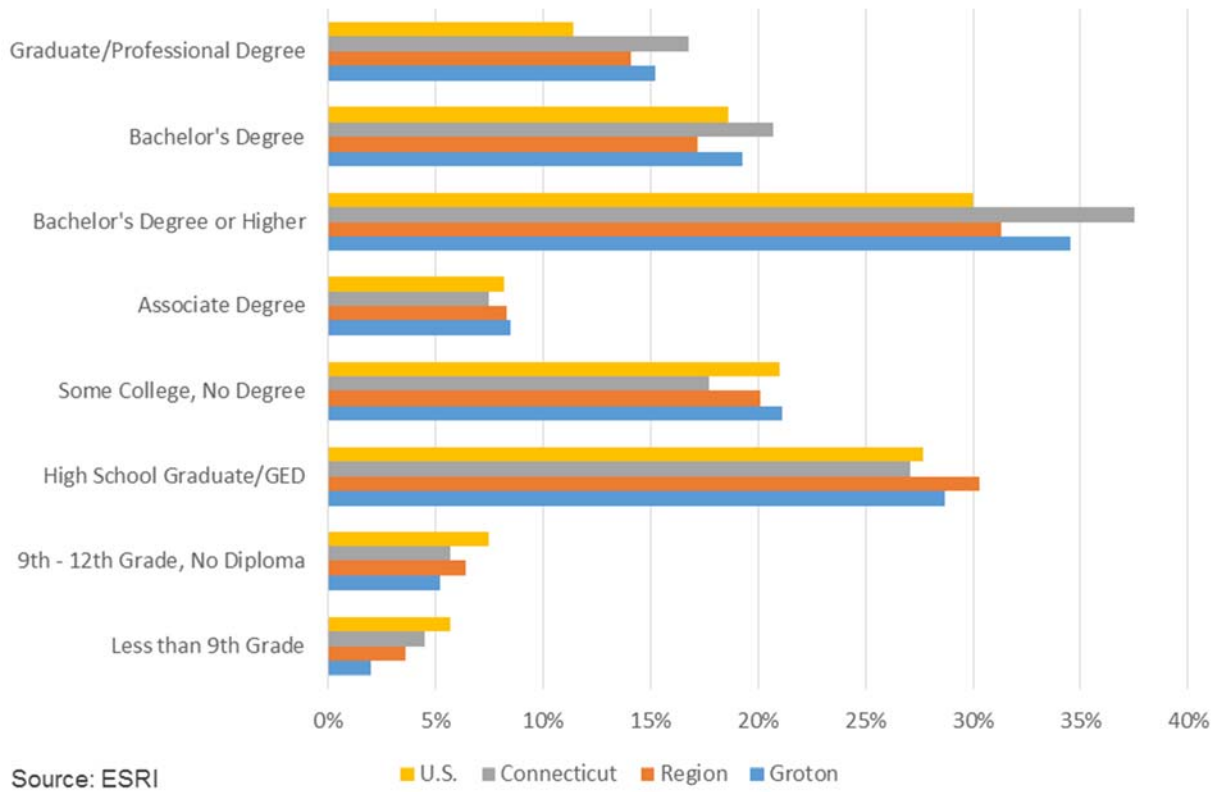
At the other end of the spectrum, Groton has the least of the geographies studied in the number of residents with less than a high school diploma. While 7% of Groton’s population has not earned a high school diploma, 10% of the region’s population, 11% of the state’s population, and 14% of the U.S.’ population do not have a high school diploma or equivalent degree.

### Highest Educational Attainment, 2015

	Groton	Region	Connecticut	U.S.
Less than 9th Grade	2%	4%	5%	6%
9th - 12th Grade, No Diploma	5%	6%	6%	8%
High School Graduate/GED	29%	30%	27%	28%
Some College, No Degree	21%	20%	18%	21%
Associate Degree	9%	8%	8%	8%
Bachelor's Degree or Higher	35%	31%	38%	30%
Bachelor's Degree	19%	17%	21%	19%
Graduate/Professional Degree	15%	14%	17%	11%

Source: ESRI

## Highest Educational Attainment, 2015



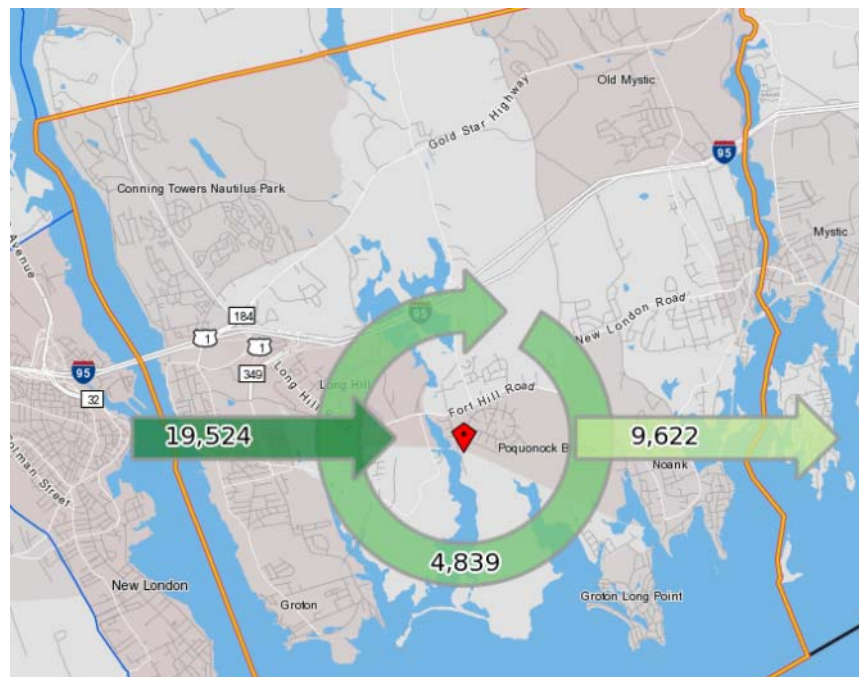


## Commuting Patterns

The Town of Groton is a net importer of labor, which means most of its labor force lives outside of the town. There are over 24,000 primary jobs<sup>9</sup> in the town, but – as illustrate by the green circle in the graphic below – only 4,800 of those jobs are held by residents of Groton. Over 19,500 workers from other towns and cities commute to Groton for their primary jobs to fill about 80% of the available jobs (illustrate by the dark green arrow on the left pointing into the town). The top sources of workers in Groton (excluding New London County) are Washington County, RI, Windham County, CT, and Middlesex County, CT.

Groton’s resident labor force - workers who live in town – is 14,400. About 4,800 of Groton’s resident labor force also works in town and about 9,600 workers commute to other towns and cities for their primary jobs (residents that commute out-of-town for work are shown in the graphic below as the light green arrow pointing away from the town).

Inflow-Outflow of Groton’s Workforce, Primary Jobs 2013



Source: OnTheMap, 2013 Data, Primary Jobs Only



<sup>9</sup> **Primary Job:** Dominant job for an individual that earned the most money. Source: U.S. Census Bureau, OnTheMap: <http://onthemap.ces.census.gov/>



As shown in the table below, most of the commuting to and from Groton occurs within New London County. Outside of New London County, the top work destinations for Groton residents are Harford, New Haven, and Middlesex Counties.

### Where Groton Workers Live and Work

Top 10 Counties Where Groton Workers Live			Top 10 Counties Where Groton Residents Work		
County of Residence	Number of Workers	Share	County of Residence	Number of Residents	Share
New London County, CT	16,864	69.2%	New London County, CT	10,459	72.3%
Washington County, RI	1,776	7.3%	Hartford County, CT	1,172	8.1%
Windham County, CT	1,035	4.2%	New Haven County, CT	735	5.1%
Middlesex County, CT	836	3.4%	Middlesex County, CT	532	3.7%
New Haven County, CT	740	3.0%	Fairfield County, CT	355	2.5%
Hartford County, CT	671	2.8%	Washington County, RI	243	1.7%
Kent County, RI	450	1.8%	Windham County, CT	199	1.4%
Fairfield County, CT	393	1.6%	Tolland County, CT	149	1.0%
Tolland County, CT	274	1.1%	Providence County, RI	111	0.8%
Providence County, RI	265	1.1%	Suffolk County, NY	95	0.7%
Suffolk County, NY	129	0.5%	Kent County, RI	64	0.4%

Source: LEHD OnTheMap

## Migration Patterns

New London County has a positive net migration rate, with 958 new residents moving to the town over the past 5 years (see table below). A total of 17,000 people moved to Groton, about 10,785 of whom moved from a different state while the remaining 6,200 moved from within Connecticut. 16,000 residents migrated out of the town over the same period, most of whom moved to a different state.

### New London County Migration Patterns

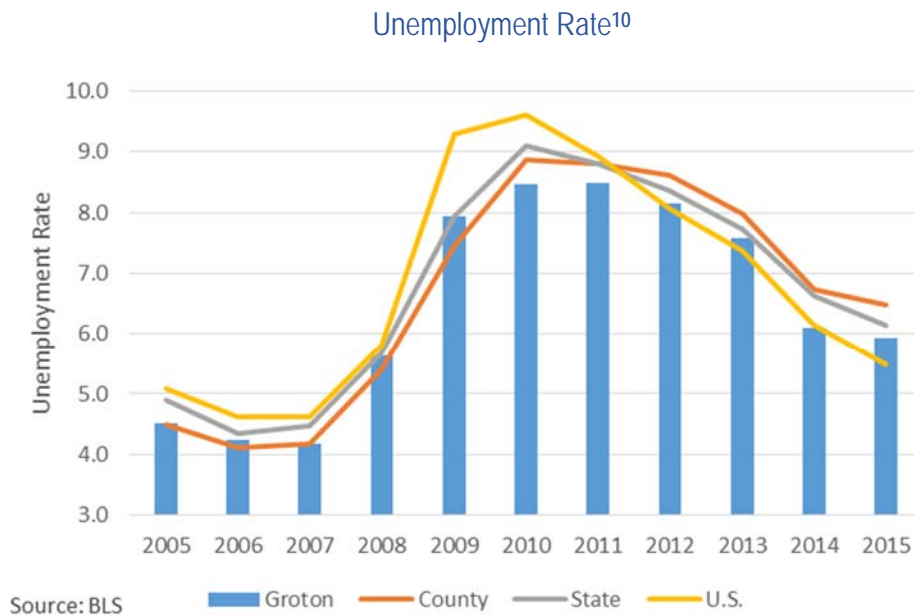
	# of Migrants
Movers from a Different State	10,785
Movers from a Different County (same state)	6,264
<b>Total In-Migrants</b>	<b>17,049</b>
Movers to a Different State	10,463
Movers to a Different County (same state)	5,628
<b>Total Out-Migrants</b>	<b>16,091</b>
<b>Net Migration</b>	<b>958</b>

Source: 2009-2013 ACS

## Unemployment

As illustrate in the chart below, the unemployment rate in Groton has historically been lower than both the county and state. For the first 6 months of 2015, the average unemployment rate in Groton (5.9%) was below the County of New London (6.5%) and the state (6.2%). Groton also experienced a lower unemployment rate than the county and state on average in 2014 with a rate of 6.1% compared to 6.7% for the county and 6.6% for the state.

The 2015 unemployment rate in Groton, New London County, and the state are lower than unemployment during the recent recession. As the economy has recovered, unemployment rates have dropped, with the U.S. unemployment rate dipping below the comparison geographies beginning in 2012. Note that unemployment data provided by the Bureau of Labor Statistics is not available at the regional level so New London County is shown as a close proxy for regional trends.



<sup>10</sup> Note that 2015 includes January through June only.

# Economic Trends

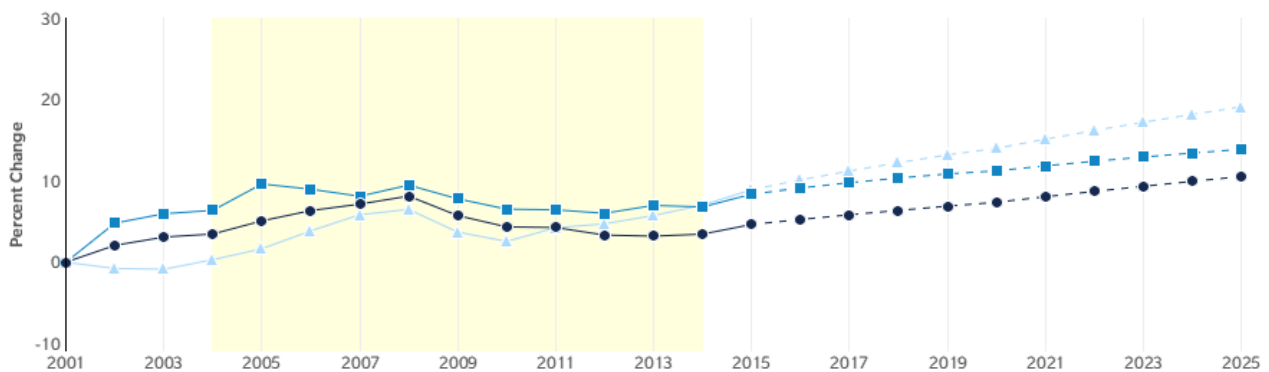
To analyze the economy of the county, industry data organized by the North American Industrial Classification System (NAICS) are assessed. NAICS codes are maintained by the U.S. Census Bureau and are the standard used by Federal statistical agencies in classifying business establishments. 2-digit codes are the highest aggregate NAICS code level and represent broad categories such as “retail,” whereas 4-digit industry codes present a finer level of detail such as “grocery stores.”

Note: As mentioned in the Executive Summary, the U.S. Naval Submarine Base New London is a significant employer in Groton and falls under the “Government” sector in the industry data below. For security purposes, the U.S. Government does not provide detailed data on military employment and the job counts reported by the proprietary data providers used for this analysis under-report the military presence in Groton. Please refer to Appendix B for additional information about how this is addressed in the analysis.

## Economic Growth – Past and Projected

Overall Groton and the Economic Region are lagging behind the pace of job growth in the State of Connecticut (see chart below). The number of jobs in the state grew by 7% between 2004 and 2014 while the region added no new jobs and Groton saw less than a half-percent increase in jobs over the ten-year period. Looking ahead to job projections over the next 10 years, both Groton and the Region are expected to continue to trail the rest of the state in job growth. The slow and steady growth rate in Groton and the region is not necessarily a bad thing. Many communities and regions throughout the U.S. had dramatic losses in employment during the recession and many are still recovering.

Percent Change in Number of Jobs



Region	2004 Jobs	2014 Jobs	Change	% Change
● Region	185,276	185,252	-24	0.0%
■ Groton, CT Zip Codes	36,744	36,887	143	0.4%
▲ Connecticut	2,108,015	2,249,203	141,188	6.7%

Source: EMSI

## Overview of Establishments and Jobs by Business Stage

Establishment data provided by YourEconomy.org (YE)<sup>11</sup> shows business activity and job creation trends. YE data is subdivided into five business stages based on employment size:

- **Self-employed** – 1 employee
- **Stage 1** – 2 - 9 employees
- **Stage 2** – 10 - 99 employees
- **Stage 3** – 100 - 499 employees
- **Stage 4** – 500 or more employees

The reason we examine establishments by size is because different sized companies have different needs. As startups grow to mature companies, their needs change as they face different operational and management issues at different stages of growth. Stage 2 companies are of special interest because they tend to be the most significant drivers of economic growth (i.e. job creation and revenue growth).<sup>12</sup> They also tend to have well-established national and global supply chains and markets, which bring money into their communities.

The following tables show a comparison of the number of establishments in each stage for New London County, Connecticut, and the nation. The composition of establishments by stage is similar across the three geographies. The county has a slightly greater percentage of self-employed establishments relative to the state and slightly fewer Stage 1 companies than the state. The percent of Stage 2 companies is essentially the same across all three geographies.

### Establishments by Size, 2013

Establishment Size	New London County		Connecticut		U.S.	
	#	%	#	%	#	%
Self-employed (1 job)	6,068	31%	91,822	30%	5,616,142	25%
<b>Stage 1 (2-9 jobs)</b>	<b>11,433</b>	<b>58%</b>	<b>177,317</b>	<b>58%</b>	<b>14,116,860</b>	<b>63%</b>
<b>Stage 2 (10-99 jobs)</b>	<b>2,103</b>	<b>11%</b>	<b>31,769</b>	<b>10%</b>	<b>2,546,841</b>	<b>11%</b>
Stage 3 (100-499 jobs)	183	1%	2,777	1%	219,441	1%
Stage 4 (500+ jobs)	15	0%	356	0%	24,813	0%
Total	19,802	100%	304,041	100%	22,524,097	100%

Source: YourEconomy

The table below shows a similar comparison only with number of jobs, rather than number of establishments. When jobs are considered, the county trails the state and the nation in the portion of employees in Stage 1 and 2 companies. The county has a substantially greater percentage of jobs found in Stage 4 companies compared to the state and the nation. The lower job numbers in Stage 2 companies



<sup>11</sup> Data provided by Edward Lowe Foundation

<sup>12</sup> Additional information about the role of Stage 2 companies can be found in a report by the Edward Lowe Foundation, *The significance of second stage*, <http://edwardlowe.org/edlowenetwp/wp-content/uploads/2015/09/Second-Stage.pdf>

in New London County emphasizes the need to diversify the regional economy through a focus on small to medium size companies. Stage 2 companies are known to drive opportunities future economic growth and relate to regional innovation and entrepreneurship. According to the Edward Lowe Foundation, Stage 2 companies account for about 11.6% of establishments nationwide, while accounting for 34.5% of jobs and sales.<sup>13</sup>

### Jobs by Establishment Size, 2013

Establishment Size	New London County		Connecticut		U.S.	
	#	%	#	%	#	%
Self-employed (1 job)	6,068	3%	91,822	4%	5,616,142	3%
<b>Stage 1 (2-9 jobs)</b>	<b>35,557</b>	<b>19%</b>	<b>540,310</b>	<b>22%</b>	<b>43,540,000</b>	<b>24%</b>
<b>Stage 2 (10-99 jobs)</b>	<b>53,004</b>	<b>29%</b>	<b>801,237</b>	<b>32%</b>	<b>64,929,469</b>	<b>35%</b>
Stage 3 (100-499 jobs)	34,740	19%	490,506	20%	38,702,153	21%
Stage 4 (500+ jobs)	54,030	29%	562,107	23%	32,000,515	17%
Total	183,399	100%	2,485,982	100%	184,788,279	100%

Source: YourEconomy

Over the 5-year span from 2009 to 2013, the number of self-employed establishments in New London County dropped by 15% where the number of stage one, two, and three companies all increased. Compared to the state, New London County added Stage 3 companies at a faster rate, and the state added Stage 4 companies faster.

### Establishment Growth in New London County, 2009-2013

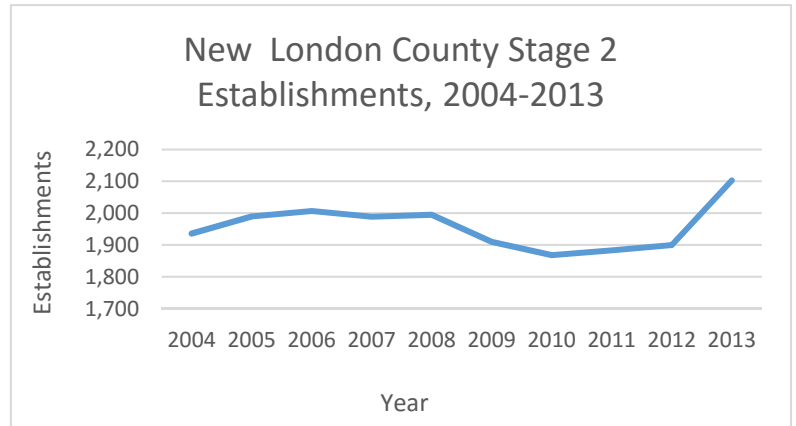
Establishment Size	2009	2013	# Change	% Change	CT % Change
Self-employed (1 job)	7,239	6,068	-1,171	-16%	-15%
<b>Stage 1 (2-9 jobs)</b>	<b>10,611</b>	<b>11,433</b>	<b>822</b>	<b>8%</b>	<b>8%</b>
<b>Stage 2 (10-99 jobs)</b>	<b>1,910</b>	<b>2,103</b>	<b>193</b>	<b>10%</b>	<b>10%</b>
Stage 3 (100-499 jobs)	164	183	19	12%	5%
Stage 4 (500+ jobs)	15	15	0	0%	11%
Total	19,939	19,802	-137	-1%	0%

Source: YourEconomy



<sup>13</sup> Edward Lowe Foundation. (2015, August 28). Why It's Important: Edward Lowe Foundation. Retrieved from Edward Lowe Foundation: <http://edwardlowe.org/why-it-is-important/>

As shown in the chart, while the overall regional economy weathered the 2008 recession quite well, the number of Stage 2 companies in the region declined from 2008-2010, was relatively flat through 2012 and rebounded in 2013.



Source: EMSI

## Average Jobs per Establishment by Industry

The following table shows the average number of jobs per establishment by 2-digit NAICS sector in New London County. This provides an idea of establishment size and space needs for business in the region by industry sector. Utilities has the highest number of jobs per establishment, with 99, followed by Manufacturing with 78. Average jobs per establishment for other key sectors in Groton include Health Care and Social Assistance, 23; Retail, 14; and Accommodation and Food Services, 17.

### Average Jobs per Establishment by Industry, New London County, 2014

NAICS	Description	Average Jobs per Establishment
11	Crop and Animal Production	18
21	Mining, Quarrying, and Oil and Gas Extraction	8
22	Utilities	99
23	Construction	6
31	Manufacturing	78
42	Wholesale Trade	8
44	Retail Trade	14
48	Transportation and Warehousing	28
51	Information	13
52	Finance and Insurance	7
53	Real Estate and Rental and Leasing	4
54	Professional, Scientific, and Technical Services	7
55	Management of Companies and Enterprises	21
56	Administrative and Support and Waste Management	7
61	Educational Services	24
62	Health Care and Social Assistance	23
71	Arts, Entertainment, and Recreation	15
72	Accommodation and Food Services	17
81	Other Services (except Public Administration)	4
90	Government	73

Source: EMSI QCEW Employment

## Largest Industries

The following table summarizes 2015 employment of 2-digit NAICS sectors in the Town of Groton ZIP code region, Economic Region, State of Connecticut, and the U.S. The data is sorted by number of jobs in 2015 in Groton, with top five largest industries by employment for each geography highlighted in blue.<sup>14</sup>

At the 2-digit level, the largest industries in Groton are currently Manufacturing, Government, Retail Trade, Accommodation and Food Services, and Health Care and Social Assistance. Though not in the same order, the same industries make up the top five in the region and the nation.



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<sup>14</sup> Note that these job counts include four categories of employment: (1) all workers counted by the Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW); (2) certain military and federal government workers who are not accounted for in the QCEW; (3) self-employed workers who count their self-employed work as their primary source of income; and (4) extended proprietors, which includes workers who are counted as proprietors but classify the income as peripheral to their primary employment. Extended proprietors are especially common in the oil & gas extraction, finance & insurance, and real estate industries, and include individuals who are considered sole proprietors or part of a partnership, yet may have little or no involvement or income in the venture.

## Industries by Employment

NAICS	Description	Groton		Region		State		U.S.	
		2015 Jobs	% Total	2015 Jobs	% Total	2015 Jobs	% Total	2015 Jobs	% Total
31	Manufacturing	10,185	27%	15,844	8%	168,172	7%	13,075,059	7%
90	Government	8,130	21%	43,426	23%	257,435	11%	24,135,944	13%
72	Accommodation and Food Services	3,221	8%	15,454	8%	140,080	6%	13,810,278	7%
44	Retail Trade	3,160	8%	20,814	11%	222,499	10%	18,758,474	10%
62	Health Care and Social Assistance	2,718	7%	24,473	13%	305,977	13%	21,361,288	11%
54	Professional, Scientific, and Technical Services	1,822	5%	9,459	5%	161,585	7%	13,062,992	7%
81	Other Services (except Public Administration)	1,537	4%	8,165	4%	116,858	5%	10,563,968	6%
52	Finance and Insurance*	1,480	4%	7,465	4%	214,892	9%	10,588,199	6%
71	Arts, Entertainment, and Recreation	1,447	4%	4,444	2%	56,486	2%	4,279,658	2%
53	Real Estate and Rental and Leasing	1,055	3%	6,919	4%	107,623	5%	8,562,517	5%
56	Administrative and Support and Waste Management and	594	2%	5,011	3%	122,031	5%	12,003,557	6%
23	Construction	525	1%	7,843	4%	110,045	5%	9,850,212	5%
42	Wholesale Trade	485	1%	3,527	2%	70,428	3%	6,524,435	3%
48	Transportation and Warehousing	392	1%	3,868	2%	55,787	2%	6,378,322	3%
51	Information	203	1%	2,090	1%	39,849	2%	3,404,259	2%
11	Crop and Animal Production	191	0%	2,172	1%	11,639	1%	3,532,145	2%
61	Educational Services	172	0%	3,488	2%	81,980	4%	4,564,575	2%
21	Mining, Quarrying, and Oil and Gas Extraction	59	0%	617	0%	3,900	0%	1,695,113	1%
55	Management of Companies and Enterprises	52	0%	972	1%	34,617	2%	2,374,923	1%
22	Utilities	<10	0%	1,297	1%	6,488	0%	580,731	0%
99	Unclassified Industry	<10	0%	28	0%	505	0%	201,480	0%
<b>Total</b>		<b>38,327</b>	<b>100%</b>	<b>187,374</b>	<b>100%</b>	<b>2,288,876</b>	<b>100%</b>	<b>#####</b>	<b>100%</b>

Source: EMSI

Designates top five largest industries.

\* Finance and Insurance growth is due to the extended proprietors, not primary positions.



## Historic Industry Growth

The following table summarizes job growth from 2005 to 2014 of 2-digit NAICS sectors in the Town of Groton ZIP code region. The data is sorted by number of jobs in 2014.

Over the past ten years, there was significant growth in Accommodation and Food Services, Manufacturing, and Health Care and Social Assistance (as measured by change in the number of jobs). Both Government and Retail Trade declined over the past ten years.

### Historic Job Growth – Groton

NAICS	Description	2005 Jobs	2014 Jobs	Job Change	% Change
31	Manufacturing	9,959	10,370	411	4%
90	Government	10,149	8,244	-1,905	-19%
44	Retail Trade	3,450	3,195	-255	-7%
72	Accommodation and Food Services	2,491	3,160	669	27%
62	Health Care and Social Assistance	2,389	2,694	305	13%
54	Professional, Scientific, and Technical Services	1,894	1,875	-19	-1%
81	Other Services (except Public Administration)	1,462	1,552	90	6%
52	Finance and Insurance*	938	1,535	597	64%
71	Arts, Entertainment, and Recreation	1,399	1,488	89	6%
53	Real Estate and Rental and Leasing*	952	1,148	196	21%
56	Administrative and Support and Waste Management	632	597	-35	-6%
23	Construction	782	517	-265	-34%
42	Wholesale Trade	318	482	164	52%
48	Transportation and Warehousing	345	419	74	21%
51	Information	270	198	-72	-27%
11	Crop and Animal Production	224	186	-38	-17%
61	Educational Services	146	177	31	21%
55	Management of Companies and Enterprises	34	47	13	38%
21	Mining, Quarrying, and Oil and Gas Extraction	10	39	29	290%
22	Utilities	0	0	0	0%
99	Unclassified Industry	<10	<10	Insf. Data	Insf. Data
<b>Total</b>		<b>37,847</b>	<b>37,929</b>	<b>79</b>	<b>0.2%</b>

\*Note that employment growth in these industries is primarily a result of an increase in extended proprietors, and does not indicate growth in primary employment positions. See explanation of extended proprietors in footnote 14.

Source: EMSI

The following table compares historic industry growth at the 2-digit NAICS level across Groton, the Economic Region, Connecticut, and the U.S. Compared to the region, Groton grew substantially more in Manufacturing, gaining 411 jobs, while the region lost 2,500 jobs in Manufacturing. Groton also outperformed the region in the Finance and Insurance Industry with 64% growth (597 jobs) compared to still strong growth of 52% for the region (2,289 jobs).<sup>15</sup> Groton's Health Care and Social Assistance industry added jobs at a slower rate compared to the region (13% in Groton compared to 17% in the region).

When looking at the region compared to the State of Connecticut, the region grew significantly faster in the Wholesale Trade and Transportation and Warehousing sectors and outpaced the state's growth rate in the Finance Insurance industry. However, the region lost jobs in the Professional, Scientific, and Technical Services industry while the state experienced modest gains. The region also lost jobs in Educational Services while the state gained jobs overall.

Compared to the U.S., the region grew faster in the Wholesale Trade and Transportation and Warehousing sectors relative to the nation. The region lost jobs in the Information industry at a faster rate than the U.S. The region also lost jobs in the Professional, Scientific, and Technical Services industry (2% decline) while the U.S. gained jobs in the sector (21% growth).



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<sup>15</sup> Note that the majority of this growth is due to extended proprietors, not primary positions.

## Historic Employment Change

NAICS	Description	Groton		Region		State		U.S.	
		2005-2014 Change	2005-2014 % Change	2005-2014 Change	2005-2014 % Change	2005-2014 Change	2005-2014 % Change	2005-2014 Change	2005-2014 % Change
72	Accommodation and Food Services	669	27%	2747	23%	27,591	25%	2,313,449	21%
52	Finance and Insurance*	597	64%	2505	52%	54,242	33%	2,634,147	33%
31	Manufacturing	411	4%	(2897)	-15%	(30,699)	-15%	(1,879,242)	-13%
62	Health Care and Social Assistance	305	13%	3747	19%	52,067	21%	4,724,487	29%
53	Real Estate and Rental and Leasing	196	21%	1599	31%	30,876	38%	2,256,210	35%
42	Wholesale Trade	164	52%	1008	41%	767	1%	356,305	6%
81	Other Services (except Public Administration)	90	6%	478	6%	13,685	13%	1,107,999	12%
71	Arts, Entertainment, and Recreation	89	6%	392	10%	10,701	24%	864,932	26%
48	Transportation and Warehousing	74	21%	564	17%	5,900	12%	820,233	15%
61	Educational Services	31	21%	(225)	-6%	11,118	16%	986,924	28%
21	Mining, Quarrying, and Oil and Gas Extraction	29	290%	296	109%	839	45%	637,729	82%
55	Management of Companies and Enterprises	13	38%	97	11%	6,449	24%	538,289	30%
22	Utilities	0	0%	(216)	-13%	(2,337)	-27%	(5,559)	-1%
54	Professional, Scientific, and Technical Services	(19)	-1%	(228)	-2%	9,655	6%	2,208,464	21%
56	Administrative and Support and Waste Management	(35)	-6%	(359)	-7%	4,736	4%	1,522,279	15%
11	Crop and Animal Production	(38)	-17%	(350)	-14%	381	3%	68,467	2%
51	Information	(72)	-27%	(626)	-23%	(5,742)	-13%	(215,644)	-6%
44	Retail Trade	(255)	-7%	(485)	-2%	(997)	0%	390,779	2%
23	Construction	(265)	-34%	(767)	-9%	(9,623)	-8%	(850,841)	-8%
90	Government	(1905)	-19%	(7318)	-14%	3,413	1%	448,547	2%
99	Unclassified Industry	Insf. Data	Insf. Data	15	83%	280	101%	(43,086)	-18%

Source: EMSI

Designates top five fastest growing industries.

\* Finance and Insurance growth is due to the extended proprietors, not primary positions.

The following table shows a more detailed look at specific 4-digit NAICS industries that have experienced the most growth in Groton between 2004 and 2014. In general, sectors in the categories of ship and boat manufacturing; food; finance; and health services have performed well. Economic growth within Groton and the Economic Region is deeply aligned. Sectors in bold below are the few that are not ranked in the top 25 growing industries in the region. In other words, these sub sectors are experiencing growth locally but not significant drivers of growth in the regional economy.

#### Historic Job Growth – Groton: Top 25 (4-digit NAICS)

NAICS	Description	2004 Jobs	2014 Jobs	Job Change	% Change
3366	Ship and Boat Building	7,554	9,184	1,630	22%
7225	Restaurants and Other Eating Places	1,627	2,218	591	36%
5239	Other Financial Investment Activities	326	845	519	159%
5311	Lessors of Real Estate	355	625	270	76%
7223	Special Food Services	109	219	110	101%
6213	Offices of Other Health Practitioners	198	308	110	56%
4451	Grocery Stores	629	737	108	17%
6241	Individual and Family Services	75	165	90	120%
4251	Wholesale Electronic Markets and Agents and Brokers	35	125	90	257%
6233	Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	168	248	80	48%
6211	Offices of Physicians	370	448	78	21%
4539	Other Miscellaneous Store Retailers	57	134	77	135%
5617	Services to Buildings and Dwellings	221	287	66	30%
8141	Private Households	137	201	64	47%
<b>4881</b>	<b>Support Activities for Air Transportation</b>	<b>152</b>	<b>211</b>	<b>59</b>	<b>39%</b>
6243	Vocational Rehabilitation Services	95	154	59	62%
8121	Personal Care Services	346	404	58	17%
<b>7121</b>	<b>Museums, Historical Sites, and Similar Institutions</b>	<b>560</b>	<b>617</b>	<b>57</b>	<b>10%</b>
<b>9011</b>	<b>Federal Government, Civilian</b>	<b>509</b>	<b>563</b>	<b>54</b>	<b>11%</b>
5242	Agencies, Brokerages, and Other Insurance Related Activities	143	192	49	34%
<b>5312</b>	<b>Offices of Real Estate Agents and Brokers</b>	<b>366</b>	<b>412</b>	<b>46</b>	<b>13%</b>
4244	Grocery and Related Product Merchant Wholesalers	53	99	46	87%
<b>5415</b>	<b>Computer Systems Design and Related Services</b>	<b>388</b>	<b>433</b>	<b>45</b>	<b>12%</b>
4529	Other General Merchandise Stores	55	98	43	78%
<b>5416</b>	<b>Management, Scientific, and Technical Consulting Services</b>	<b>136</b>	<b>174</b>	<b>38</b>	<b>28%</b>

Source: EMSI

The top 25 sub-sectors within the region that added the most jobs over the past 10 years are shown in the following table. Restaurants and Other Eating Places experienced the greatest growth followed by Other Financial Investment activities and Lessors of Real Estate. Ship and Boat Building ranked fourth followed closely by Other General Merchandise Stores.

#### Historic Job Growth – Region: Top 25 (4-digit NAICS)

NAICS	Description	2004 Jobs	2014 Jobs	Job Change	% Change
7225	Restaurants and Other Eating Places	8,711	11,234	2,523	29%
5239	Other Financial Investment Activities	1,370	3,590	2,220	162%
5311	Lessors of Real Estate	2,108	3,300	1,192	57%
3366	Ship and Boat Building	7,740	8,831	1,091	14%
6241	Individual and Family Services	1,287	2,371	1,084	84%
4529	Other General Merchandise Stores	1,214	2,228	1,014	84%
9026	Education and Hospitals (State Government)	1,662	2,584	922	55%
4931	Warehousing and Storage	29	786	757	2610%
6243	Vocational Rehabilitation Services	902	1,565	663	74%
4451	Grocery Stores	2,810	3,311	501	18%
6211	Offices of Physicians	2,404	2,878	474	20%
8141	Private Households	877	1,333	456	52%
6213	Offices of Other Health Practitioners	1,007	1,456	449	45%
5313	Activities Related to Real Estate	1,169	1,604	435	37%
4251	Wholesale Electronic Markets and Agents and Brokers	181	559	378	209%
2371	Utility System Construction	62	439	377	608%
4244	Grocery and Related Product Merchant Wholesalers	220	590	370	168%
6214	Outpatient Care Centers	469	800	331	71%
5617	Services to Buildings and Dwellings	1,832	2,149	317	17%
8121	Personal Care Services	1,365	1,668	303	22%
5416	Management, Scientific, and Technical Consulting Services	866	1,152	286	33%
4239	Miscellaneous Durable Goods Merchant Wholesalers	404	688	284	70%
5242	Agencies, Brokerages, and Other Insurance Related Activities	898	1,177	279	31%
6116	Other Schools and Instruction	733	1,010	277	38%
7223	Special Food Services	738	1,008	270	37%

Source: EMSI



The table below shows a similar analysis for Connecticut. The state's top performing 4-digit NAICS sectors are Other Financial Investment Activities, Restaurants and Other Eating Places, Lessors of Real Estate, Individual and Family Services, and Activities Related to Real Estate.

#### Historic Job Growth – Connecticut: Top 25 (4-digit NAICS)

NAICS	Description	2004 Jobs	2014 Jobs	Job Change	% Change
5239	Other Financial Investment Activities	31,919	88,310	56,391	177%
7225	Restaurants and Other Eating Places	82,210	104,571	22,361	27%
5311	Lessors of Real Estate	32,588	54,364	21,776	67%
6241	Individual and Family Services	17,791	31,626	13,835	78%
5313	Activities Related to Real Estate	18,617	26,072	7,455	40%
5416	Management, Scientific, and Technical Consulting Services	20,732	28,073	7,341	35%
6213	Offices of Other Health Practitioners	14,948	22,198	7,250	49%
5511	Management of Companies and Enterprises	26,967	33,416	6,449	24%
5617	Services to Buildings and Dwellings	41,170	47,597	6,427	16%
9026	Education and Hospitals (State Government)	26,908	33,099	6,191	23%
8141	Private Households	12,964	19,012	6,048	47%
8121	Personal Care Services	15,324	21,368	6,044	39%
6211	Offices of Physicians	32,826	38,535	5,709	17%
6221	General Medical and Surgical Hospitals	52,701	58,317	5,616	11%
7139	Other Amusement and Recreation Industries	20,665	26,205	5,540	27%
9029	State Government, Excluding Education and Hospitals	35,535	40,243	4,708	13%
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	9,982	14,462	4,480	45%
7223	Special Food Services	14,461	18,894	4,433	31%
6113	Colleges, Universities, and Professional Schools	34,411	38,589	4,178	12%
6116	Other Schools and Instruction	10,167	14,176	4,009	39%
5242	Agencies, Brokerages, and Other Insurance Related Activities	20,208	24,146	3,938	19%
6214	Outpatient Care Centers	5,324	9,240	3,916	74%
6216	Home Health Care Services	16,378	20,078	3,700	23%
5312	Offices of Real Estate Agents and Brokers	21,654	25,104	3,450	16%
9036	Education and Hospitals (Local Government)	88,387	91,581	3,194	4%

Source: EMSI

## Projected Industry Growth

The following table highlights the anticipated growth of the 2-digit NAICS sectors in the Town of Groton. The data is sorted by job change from 2015 to 2024.

The Health Care and Social Assistance and Manufacturing are expected to experience the strongest growth locally adding over 400 jobs each. Finance and Insurance is projected to add 370 jobs. Accommodation and Food Services is projected to add nearly 300 jobs and Wholesale Trade is projected to add nearly 170 jobs.

### Projected Job Growth – Groton (2-digit NAICS)

NAICS	Description	2015 Jobs	2024 Jobs	Job Change	% Change
31	Manufacturing	10,185	10,634	449	4%
62	Health Care and Social Assistance	2,718	3,076	358	13%
52	Finance and Insurance	1,480	1,831	351	24%
72	Accommodation and Food Services	3,221	3,483	262	8%
42	Wholesale Trade	485	630	145	30%
81	Other Services (except Public Administration)	1,537	1,653	116	8%
44	Retail Trade	3,160	3,252	92	3%
48	Transportation and Warehousing	392	481	89	23%
53	Real Estate and Rental and Leasing	1,055	1,122	67	6%
51	Information	203	235	32	16%
21	Mining, Quarrying, and Oil and Gas Extraction	59	86	27	46%
56	Administrative and Support and Waste Management and Remediation Services	594	621	27	5%
71	Arts, Entertainment, and Recreation	1,447	1,468	21	1%
55	Management of Companies and Enterprises	52	60	8	15%
61	Educational Services	172	173	1	1%
54	Professional, Scientific, and Technical Services	1,822	1,809	-13	-1%
11	Crop and Animal Production	191	177	-14	-7%
23	Construction	525	441	-84	-16%
90	Government	8,130	7,940	-190	-2%
22	Utilities	<10	<10	Insf. Data	Insf. Data
99	Unclassified Industry	<10	<10	Insf. Data	Insf. Data
<b>Total</b>		<b>38,327</b>	<b>40,785</b>	<b>2,458</b>	<b>6.0%</b>

Source: EMSI

The table on the following page compares the projected job growth through 2024 across Groton, the Economic Region, Connecticut, and the U.S. at the 2-digit NAICS level.

The manufacturing industry in Groton is projected to perform strongly growing by 4% while in the region manufacturing industry is actually projected to decline by about 4%. Manufacturing is also expected to decline at the state-level.

Groton is expected to substantially outpace the region in the Transportation and Warehousing and the Professional, Scientific, and Technical Services industries in terms of job growth. Groton's projected job growth in the Transportation and Warehousing sector is anticipated to also be well above the rate of the state. Both Groton and the Region are projected to be strong in Wholesale Trade. Job growth in the sector will be significantly greater than compared to the state overall.

The region, however, will slightly outpace the state in job growth within the Finance and Insurance sector but will lag well behind the state in the Professional, Scientific, and Technical Services industry.



## Future Employment Change

NAICS	Description	Groton		Region		State		U.S.	
		2015-2024 Change	2015-2024 % Change	2015-2024 Change	2015-2024 % Change	2015-2024 Change	2015-2024 % Change	2015-2024 Change	2015-2024 % Change
62	Health Care and Social Assistance	438	16%	4,190	17%	55,117	18%	3,988,253	18%
31	Manufacturing	417	4%	(694)	-4%	(4,071)	-2%	453,308	4%
52	Finance and Insurance*	370	23%	1,931	26%	45,535	20%	2,209,964	20%
72	Accommodation and Food Services	279	9%	1,300	8%	11,347	8%	1,595,968	11%
42	Wholesale Trade	166	32%	972	28%	5,351	7%	739,593	11%
54	Professional, Scientific, and Technical Services	157	8%	122	1%	16,437	10%	1,989,317	15%
53	Real Estate and Rental and Leasing	146	12%	734	11%	17,963	16%	1,440,950	16%
81	Other Services (except Public Administration)	144	9%	661	8%	12,603	11%	1,294,554	12%
48	Transportation and Warehousing	125	28%	327	8%	5,373	10%	711,521	11%
44	Retail Trade	123	4%	771	4%	10,523	5%	1,426,271	8%
56	Administrative and Support and Waste Management and Remediation Services	63	10%	(94)	-2%	11,740	10%	1,934,623	16%
71	Arts, Entertainment, and Recreation	53	4%	310	7%	6,778	12%	621,103	14%
51	Information	27	13%	(26)	-1%	1,047	3%	207,133	6%
61	Educational Services	25	14%	(104)	-3%	9,260	11%	674,019	15%
21	Mining, Quarrying, and Oil and Gas Extraction	10	24%	297	48%	273	10%	214,062	15%
55	Management of Companies and Enterprises	6	12%	126	13%	1,309	4%	195,814	8%
22	Utilities	0	0%	(783)	-60%	(819)	-13%	(5,010)	-1%
90	Government	(9)	0%	(574)	-1%	6,038	2%	985,544	4%
11	Crop and Animal Production	(15)	-8%	(145)	-7%	609	5%	20,765	1%
23	Construction	(63)	-13%	173	2%	10,231	10%	1,229,140	13%
99	Unclassified Industry	Insf. Data	Insf. Data	9	32%	(117)	-23%	(35,031)	-19%

Source: EMSI

Designates top five fastest growing industries.

\* Finance and Insurance growth is due to the extended proprietors, not primary positions.

The following table summarizes projected job growth in Groton at the detailed 4-digit sub-sector level.

In General, Groton and the region will be strong in Finance, Real Estate, and Health-related sectors in the near future. Major industry growth in the town and the region is projected for the following sectors: Ship and Boat Building; Financial Investment Activities; Restaurants; Lessors of Real Estate; and Offices of Physicians.

The table below shows the top 25 4-digit NAICS sectors in Groton measured by projected job growth. Ship and Boat Building is projected to continue to be strong with nearly 650 new jobs expected. Other Financial Investment Activities will grow by an estimated 38% or 310 jobs. In terms of percent growth, Support Activities for Air Transportation is projected to experience the among the greatest job gains with a 61% increase and this sector ranks fifth in overall job change (119 new jobs projected).

#### Projected Job Growth – Groton: Top 25 (4-digit NAICS)

NAICS	Description	2015 Jobs	2024 Jobs	Job Change	% Change
3366	Ship and Boat Building	9,060	9,708	648	7%
5239	Other Financial Investment Activities	823	1,133	310	38%
7225	Restaurants and Other Eating Places	2,227	2,481	254	11%
5311	Lessors of Real Estate	587	730	143	24%
4881	Support Activities for Air Transportation	196	315	119	61%
6211	Offices of Physicians	452	548	96	21%
6241	Individual and Family Services	178	253	75	42%
4244	Grocery and Related Product Merchant Wholesalers	110	177	67	61%
4539	Other Miscellaneous Store Retailers	142	207	65	46%
5415	Computer Systems Design and Related Services	444	503	59	13%
6213	Offices of Other Health Practitioners	301	358	57	19%
8121	Personal Care Services	408	454	46	11%
7223	Special Food Services	221	266	45	20%
4532	Office Supplies, Stationery, and Gift Stores	191	231	40	21%
6243	Vocational Rehabilitation Services	169	209	40	24%
5612	Facilities Support Services	50	89	39	78%
4451	Grocery Stores	744	782	38	5%
4251	Wholesale Electronic Markets and Agents and Brokers	124	158	34	27%
8141	Private Households	198	232	34	17%
7139	Other Amusement and Recreation Industries	422	455	33	8%
6244	Child Day Care Services	290	320	30	10%
5617	Services to Buildings and Dwellings	291	320	29	10%
6212	Offices of Dentists	166	192	26	16%
4237	Hardware, and Plumbing and Heating Equipment and Supplies Merchant Wholesalers	48	74	26	54%
5242	Agencies, Brokerages, and Other Insurance Related Activities	186	210	24	13%

Source: EMSI

Within the Economic Region, other Financial Investment Activities is projected to see the greatest job gains with nearly 1,600 new jobs in the sector representing 42% growth. Restaurants and Other Eating Places along with Individual and Family Services are also projected to have strong growth with 1,204 new jobs and 1,163 new jobs, respectively. The sectors bolded in the table below are those that are not in the Top 25 sectors for Groton.

Projected Job Growth – Region: Top 25 (4-digit NAICS)

NAICS	Description	2015 Jobs	2024 Jobs	Job Change	% Change
5239	Other Financial Investment Activities	3,736	5,314	1,578	42%
7225	Restaurants and Other Eating Places	11,546	12,750	1,204	10%
6241	Individual and Family Services	2,554	3,717	1,163	46%
5311	Lessors of Real Estate	3,386	4,189	803	24%
3366	Ship and Boat Building	9,066	9,708	642	7%
6211	Offices of Physicians	3,003	3,592	589	20%
<b>6221</b>	<b>General Medical and Surgical Hospitals</b>	<b>5,196</b>	<b>5,759</b>	<b>563</b>	<b>11%</b>
<b>4529</b>	<b>Other General Merchandise Stores</b>	<b>2,306</b>	<b>2,782</b>	<b>476</b>	<b>21%</b>
4244	Grocery and Related Product Merchant Wholesalers	645	1,041	396	61%
6243	Vocational Rehabilitation Services	1,655	2,043	388	23%
<b>2362</b>	<b>Nonresidential Building Construction</b>	<b>829</b>	<b>1,149</b>	<b>320</b>	<b>39%</b>
6213	Offices of Other Health Practitioners	1,514	1,821	307	20%
7139	Other Amusement and Recreation Industries	2,041	2,303	262	13%
<b>4239</b>	<b>Miscellaneous Durable Goods Merchant Wholesalers</b>	<b>671</b>	<b>928</b>	<b>257</b>	<b>38%</b>
<b>2371</b>	<b>Utility System Construction</b>	<b>473</b>	<b>727</b>	<b>254</b>	<b>54%</b>
8121	Personal Care Services	1,691	1,920	229	14%
8141	Private Households	1,290	1,516	226	18%
<b>6216</b>	<b>Home Health Care Services</b>	<b>1,089</b>	<b>1,310</b>	<b>221</b>	<b>20%</b>
<b>4931</b>	<b>Warehousing and Storage</b>	<b>815</b>	<b>1,035</b>	<b>220</b>	<b>27%</b>
6214	Outpatient Care Centers	838	1,054	216	26%
<b>5242</b>	<b>Agencies, Brokerages, and Other Insurance Related Activities</b>	<b>1,216</b>	<b>1,424</b>	<b>208</b>	<b>17%</b>
<b>4461</b>	<b>Health and Personal Care Stores</b>	<b>1,214</b>	<b>1,399</b>	<b>185</b>	<b>15%</b>
<b>6212</b>	<b>Offices of Dentists</b>	<b>1,196</b>	<b>1,371</b>	<b>175</b>	<b>15%</b>
4451	Grocery Stores	3,361	3,522	161	5%
<b>2111</b>	<b>Oil and Gas Extraction</b>	<b>370</b>	<b>531</b>	<b>161</b>	<b>44%</b>

Source: EMSI

At the state level, Other Financial Investment Activities will also be strong along with Lessors of Real Estate and Individual and Family Services. Sectors related to health care will also be strong going into the future. The table below shows the top 25 4-digit NAICS sectors ranked by projected job growth.

### Projected Job Growth – Connecticut: Top 25 (4-digit NAICS)

NAICS	Description	2015 Jobs	2024 Jobs	Job Change	% Change
5239	Other Financial Investment Activities	96,059	131,221	35,162	37%
5311	Lessors of Real Estate	57,414	71,507	14,093	25%
6241	Individual and Family Services	33,780	45,686	11,906	35%
7225	Restaurants and Other Eating Places	106,591	114,232	7,641	7%
6221	General Medical and Surgical Hospitals	59,731	67,325	7,594	13%
6211	Offices of Physicians	39,639	47,109	7,470	19%
5415	Computer Systems Design and Related Services	29,715	35,878	6,163	21%
9036	Education and Hospitals (Local Government)	92,179	97,537	5,358	6%
6113	Colleges, Universities, and Professional Schools	39,371	44,373	5,002	13%
5617	Services to Buildings and Dwellings	48,399	53,075	4,676	10%
6213	Offices of Other Health Practitioners	23,121	27,762	4,641	20%
6216	Home Health Care Services	20,764	25,121	4,357	21%
2382	Building Equipment Contractors	27,404	31,669	4,265	16%
5416	Management, Scientific, and Technical Consulting Services	28,791	32,945	4,154	14%
8121	Personal Care Services	22,183	26,093	3,910	18%
5613	Employment Services	28,098	32,002	3,904	14%
5231	Securities and Commodity Contracts Intermediation and Brokerage	17,037	20,894	3,857	23%
7139	Other Amusement and Recreation Industries	26,885	30,550	3,665	14%
5313	Activities Related to Real Estate	26,830	30,269	3,439	13%
6244	Child Day Care Services	22,121	25,420	3,299	15%
5242	Agencies, Brokerages, and Other Insurance Related Activities	24,767	27,914	3,147	13%
8141	Private Households	19,740	22,715	2,975	15%
5251	Insurance and Employee Benefit Funds	9,367	12,290	2,923	31%
6214	Outpatient Care Centers	9,778	12,658	2,880	29%
7223	Special Food Services	19,367	21,927	2,560	13%

Source: EMSI

## Concentrated Industries: Location Quotient Analysis

Location Quotient (LQ) analysis compares a specific geographic region to a larger reference area by quantifying how concentrated a particular industry, demographic group, or other variable is as compared to the larger geography. In this section, employment by industry in Groton, the Region, and State is compared to the U.S. to identify which industries are more highly concentrated in the region than at the national level.

LQ is calculated by dividing the percent of jobs within each industry locally by the percent of jobs in the same industry at the national level. For example, if the finance and insurance industry accounts for 2% of jobs in a community and at the national level this industry has 1% of the total jobs, the community has a

LQ of 2.0 ( $0.02 \div 0.01 = 2$ ). In this example, the local community employs twice as many individuals in the industry as expected based on national employment patterns. Industries with a high LQ and high employment numbers are assumed to produce more than what is needed locally (i.e. a surplus) and export their products and services.

The following table shows the LQ for Groton, the Region, and the State at the 2-digit NAICS level, sorted by the highest LQ in Groton to the lowest. Groton has a very high LQ (3.96) in manufacturing both in absolute terms and relative to the region and state. Arts, Entertainment, and Recreation also has a stronger LQ in Groton. Other industries with a LQ over 1.00 include Government (1.68) and Accommodation and Food Services (1.15).

### 2014 Location Quotient

NAICS	Description	Groton	Region	State
31	Manufacturing	3.96	1.23	1.10
71	Arts, Entertainment, and Recreation	1.74	1.03	1.09
90	Government	1.68	1.81	0.87
72	Accommodation and Food Services	1.15	1.11	0.84
44	Retail Trade	0.85	1.12	0.99
81	Other Services (except Public Administration)	0.73	0.78	0.92
54	Professional, Scientific, and Technical Services	0.72	0.74	1.02
52	Finance and Insurance	0.71	0.71	1.66
53	Real Estate and Rental and Leasing	0.65	0.82	1.04
62	Health Care and Social Assistance	0.63	1.14	1.17
42	Wholesale Trade	0.37	0.54	0.91
48	Transportation and Warehousing	0.33	0.62	0.73
51	Information	0.29	0.62	0.97
23	Construction	0.27	0.82	0.92
11	Crop and Animal Production	0.26	0.62	0.27
56	Administrative and Support and Waste Management	0.25	0.42	0.83
61	Educational Services	0.19	0.79	1.47
99	Unclassified Industry	0.15	0.16	0.23
21	Mining, Quarrying, and Oil and Gas Extraction	0.14	0.35	0.16
55	Management of Companies and Enterprises	0.10	0.41	1.18
22	Utilities	0.00	2.42	0.92

Source: EMSI

Taking a more detailed look at the 4-digit NAICS level, there are a few very highly concentrated industries in Groton. Ship and Boat Building is extremely concentrated relative to the U.S. with an LQ of 320 that is off the charts. Other concentrated sectors include Museums, Historical Sites, and Similar Institutions (18.47); Foundries (10.97); and Pharmaceutical and Medicine Manufacturing (10.29).

Other significantly concentrated industries with LQ's above 3.0 include:

- Support Activities for Air Transportation
- Electronic and Precision Equipment Repair and Maintenance
- Scientific Research and Development Services
- Local Government, Excluding Education and Hospitals
- Spring and Wire Product Manufacturing
- Federal Government, Military
- Scenic and Sightseeing Transportation, Water

#### Groton – 2014 Location Quotient: Top 25 (4-digit NAICS)

NAICS	Description	LQ
3366	Ship and Boat Building	320.01
7121	Museums, Historical Sites, and Similar Institutions	18.47
3315	Foundries	10.97
3254	Pharmaceutical and Medicine Manufacturing	10.29
4881	Support Activities for Air Transportation	5.18
8112	Electronic and Precision Equipment Repair and Maintenance	4.82
5417	Scientific Research and Development Services	4.57
9039	Local Government, Excluding Education and Hospitals	4.05
3326	Spring and Wire Product Manufacturing	3.74
9012	Federal Government, Military	3.33
4872	Scenic and Sightseeing Transportation, Water	3.18
1132	Forest Nurseries and Gathering of Forest Products	2.96
4453	Beer, Wine, and Liquor Stores	2.52
4412	Other Motor Vehicle Dealers	2.51
2372	Land Subdivision	2.34
6243	Vocational Rehabilitation Services	2.21
4532	Office Supplies, Stationery, and Gift Stores	2.07
6231	Nursing Care Facilities (Skilled Nursing Facilities)	2.00
7211	Traveler Accommodation	1.85
4483	Jewelry, Luggage, and Leather Goods Stores	1.76
2379	Other Heavy and Civil Engineering Construction	1.71
3335	Metalworking Machinery Manufacturing	1.70
7115	Independent Artists, Writers, and Performers	1.69
9029	State Government, Excluding Education and Hospitals	1.67
4854	School and Employee Bus Transportation	1.62

Source: EMSI

While Groton has a significant concentration of jobs in the Support Activities for Air Transportation, as shown in the table below, this sector does not rank in the top 25 for the region. Scientific Research and Development Services is also highly concentrated in Groton while it does not rank among the top 25 in the region. Otherwise, Groton is generally in line with regional concentrations.

Region – 2014 Location Quotient: Top 25 (4-digit NAICS)

NAICS	Description	LQ
3366	Ship and Boat Building	63.78
3254	Pharmaceutical and Medicine Manufacturing	6.60
4831	Deep Sea, Coastal, and Great Lakes Water Transportation	4.54
6243	Vocational Rehabilitation Services	4.30
7121	Museums, Historical Sites, and Similar Institutions	4.19
9012	Federal Government, Military	3.67
9039	Local Government, Excluding Education and Hospitals	3.47
1132	Forest Nurseries and Gathering of Forest Products	3.35
4854	School and Employee Bus Transportation	3.35
2211	Electric Power Generation, Transmission and Distribution	3.26
3132	Fabric Mills	3.16
3359	Other Electrical Equipment and Component Manufacturing	2.96
3279	Other Nonmetallic Mineral Product Manufacturing	2.78
4872	Scenic and Sightseeing Transportation, Water	2.59
4453	Beer, Wine, and Liquor Stores	2.54
3315	Foundries	2.22
3314	Nonferrous Metal (except Aluminum) Production and Processing	1.99
7212	RV (Recreational Vehicle) Parks and Recreational Camps	1.95
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	1.92
3335	Metalworking Machinery Manufacturing	1.89
6231	Nursing Care Facilities (Skilled Nursing Facilities)	1.86
1141	Fishing	1.70
4442	Lawn and Garden Equipment and Supplies Stores	1.66
8141	Private Households	1.54
4532	Office Supplies, Stationery, and Gift Stores	1.54

Source: EMSI

At the State level, there is still a significant concentration in ship and boat building, as shown in the table below. Hardware Manufacturing ranks first, followed by Ship and Boat Building and then Cable and Other Subscription Programming. In general, Groton, the region, and the state are strong in manufacturing sectors.

State – 2014 Location Quotient: Top 25 (4-digit NAICS)

NAICS	Description	LQ
3325	Hardware Manufacturing	6.09
3366	Ship and Boat Building	5.30
5152	Cable and Other Subscription Programming	5.03
3364	Aerospace Product and Parts Manufacturing	4.65
3321	Forging and Stamping	3.50
4854	School and Employee Bus Transportation	3.27
3359	Other Electrical Equipment and Component Manufacturing	3.14
3322	Cutlery and Handtool Manufacturing	3.04
5241	Insurance Carriers	2.93
5331	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	2.78
5251	Insurance and Employee Benefit Funds	2.50
3333	Commercial and Service Industry Machinery Manufacturing	2.44
4851	Urban Transit Systems	2.36
3326	Spring and Wire Product Manufacturing	2.32
5239	Other Financial Investment Activities	2.30
3328	Coating, Engraving, Heat Treating, and Allied Activities	2.17
4855	Charter Bus Industry	2.16
4453	Beer, Wine, and Liquor Stores	2.13
6243	Vocational Rehabilitation Services	2.09
3314	Nonferrous Metal (except Aluminum) Production and Processing	1.96
3335	Metalworking Machinery Manufacturing	1.94
6231	Nursing Care Facilities (Skilled Nursing Facilities)	1.84
5629	Remediation and Other Waste Management Services	1.84
8141	Private Households	1.83
6232	Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	1.82

Source: EMSI



## Competitive Industries: Shift Share Analysis

Shift Share Analysis distinguishes an industry's employment growth in a specific area that is attributable to local competitive advantages or disadvantages from growth which is attributable to overall national employment trends or national employment trends in that industry.

The shift share analysis helps to answer the question of "*Why is employment growing or declining in this local industry?*" To do this, shift share analysis splits regional job growth into three components: the national change effect, industrial mix effect, and regional competitiveness effect. The following tables shows whether Groton has a particular competitive advantage compared to the other geographies (past and projected). A shift share analysis is based on four factors:

- **Industrial Mix Effect** – The industrial mix effect represents the share of regional industry growth explained by the growth of the specific industry at the national level. To arrive at this number, the national growth rate of the total economy is subtracted from the national growth rate of the specific industry, and this growth percentage is applied to the regional jobs in that industry.
- **National Growth Effect** – The national growth effect explains how much of the regional industry's growth is explained by the overall growth of the national economy: if the nation's whole economy is growing, you would generally expect to see some positive change in each industry in your local region (the proverbial "rising tide that lifts all boats" analogy).
- **Expected Change** – This is simply the rate of growth of the particular industry at the national level. Algebraically, the expected change is the sum of the industrial mix and the national growth.
- **Regional Competitive Effect** – The regional competitive effect is the most interesting of the three indicators. It explains how much of the change in a given industry is due to some unique competitive advantage that the region possesses, because the growth cannot be explained by national trends in that industry or the economy as whole. This effect is calculated by taking the total regional growth of the given industry and subtracting the national growth for that same industry. Note that this effect can be positive even as regional employment in the industry declines. This would indicate that regional decline is less than the national decline.

The shift share analysis reaffirms that Groton is lagging behind in overall economic activity based on how industries throughout the Country and performing. Groton's negative competitive effect indicates that taking into account the Great Recession and other economic trends of 2004–2014, the economy in Groton performed poorer than would be expected.

The Manufacturing and Government sectors are skewing the competitive effect; however, the historic competitive effect of these two sectors is around 2,200 jobs, which means that they effectively cancel each other out in terms of overall competitiveness.

- Groton's Manufacturing industry significantly outperformed the market during the historic timeframe (2004-2014) and is expected to continue to outperform the national market. As

discussed above, this strength in Manufacturing is being driven by a single company – Electric Boat – and is not the result of a diverse manufacturing sector.

- Government as an industry sector can sometimes skew a shift share analysis in terms of a local economy’s overall competitiveness, especially if there is a strong military presence or many government entities within the economy being analyzed – both of which are true for Groton.

### 2005 - 2014 Shift Share Analysis - Groton (Jobs by 2-digit NAICS)

NAICS	Description	Ind. Mix Effect	Nat'l Growth Effect	Expected Change	Competitive Effect
11	Crop and Animal Production	-11	9	-2	-24
21	Mining, Quarrying, and Oil and Gas Extraction	1	0	1	0
22	Utilities	0	0	0	0
23	Construction	-97	28	-69	-66
31	Manufacturing	-1819	460	-1359	2263
42	Wholesale Trade	-10	17	7	84
44	Retail Trade	-117	145	28	-296
48	Transportation and Warehousing	16	22	38	-70
51	Information	-31	10	-21	-67
52	Finance and Insurance	-44	26	-18	4
53	Real Estate and Rental and Leasing	-23	13	-10	-19
54	Professional, Scientific, and Technical Services	377	118	495	-846
55	Management of Companies and Enterprises	7	2	9	-2
56	Administrative and Support and Waste Management and Remediation Services	20	21	41	-74
61	Educational Services	27	7	34	-80
62	Health Care and Social Assistance	417	101	518	-215
71	Arts, Entertainment, and Recreation	79	50	129	-170
72	Accommodation and Food Services	324	129	453	87
81	Other Services (except Public Administration)	-28	56	28	-14
90	Government	-349	505	156	-2170
99	Unclassified Industry	0	0	0	4
		-1263	1718	455	-1671

Source: EMSI

### 2015 - 2024 Shift Share Analysis - Groton (2-digit NAICS)

NAICS	Description	Ind. Mix Effect	Nat'l Growth Effect	Expected Change	Competitive Effect
11	Crop and Animal Production	-19	17	-2	9
21	Mining, Quarrying, and Oil and Gas Extraction	0	0	0	3
22	Utilities	0	0	0	0
23	Construction	8	45	53	-131
31	Manufacturing	-1219	1118	-101	2175
42	Wholesale Trade	-7	43	36	8
44	Retail Trade	-65	282	217	-195
48	Transportation and Warehousing	0	40	40	-35
51	Information	-7	11	4	-28
52	Finance and Insurance	-9	50	41	-75
53	Real Estate and Rental and Leasing	-10	25	15	-30
54	Professional, Scientific, and Technical Services	166	208	374	-726
55	Management of Companies and Enterprises	0	5	5	6
56	Administrative and Support and Waste Management and Remediation Services	23	40	63	-53
61	Educational Services	4	10	14	-12
62	Health Care and Social Assistance	260	245	505	-281
71	Arts, Entertainment, and Recreation	27	99	126	-118
72	Accommodation and Food Services	68	335	403	-183
81	Other Services (except Public Administration)	-23	120	97	-41
90	Government	-466	837	371	-789
99	Unclassified Industry	1	1	2	2
		-1270	3528	2258	-495

# Occupation Analysis

In addition to looking at employment by industry, Camoin Associates analyzed employment by occupation. Occupations refer not to the product or service provided, but by the defined set of tasks of the employee in question. Occupations are classified using the Standard Occupational Classification (SOC) system. This is the system used by Federal statistical agencies to classify workers into one of 840 occupational categories. For more detail on occupations and the “Standard Occupational Classification” system (SOC), we refer the reader to <http://www.bls.gov/soc/>.

All occupation data for this report was collected from EMSI Complete Employment.

Occupational data are helpful in evaluating how the skills, education, and certifications of a particular community’s residents match up with the area’s occupational needs of the future. The report identifies the top occupations and fastest-growing occupations within each geography.

The following table contains the results of the occupation analysis including employment in occupations at the 2-digit level and the top 25 largest occupations at the 4-digit level. Occupation data can provide insights into what type of commercial or industrial space is in demand now and will be in demand in the future.

## Largest Occupations

As of 2014, the most common 2-digit occupation in Groton is Production Occupations with 4,186 jobs. Office and Administrative Support Occupations ranks second with just over 4,100 jobs. These occupations are also significant at the regional level. Both Groton and the region have a significant number of jobs in the occupations of Sales and Related Occupations, Management, and Business and Financial Operations. The following table shows the number of jobs for each of the 2-digit occupation categories in Groton and the region.

## 2014 Occupations: Groton and Region

SOC	Description	Groton		Region	
		# of Jobs	% of All Jobs	# of Jobs	% of All Jobs
51-0000	Production Occupations	4,186	11.0%	8,827	4.8%
43-0000	Office and Administrative Support Occupations	4,108	10.8%	21,491	11.6%
41-0000	Sales and Related Occupations	3,411	9.0%	22,005	11.9%
35-0000	Food Preparation and Serving Related Occupations	2,812	7.4%	14,478	7.8%
11-0000	Management Occupations	2,571	6.8%	12,749	6.9%
13-0000	Business and Financial Operations Occupations	2,014	5.3%	9,258	5.0%
47-0000	Construction and Extraction Occupations	1,893	5.0%	8,360	4.5%
17-0000	Architecture and Engineering Occupations	1,838	4.8%	3,857	2.1%
39-0000	Personal Care and Service Occupations	1,559	4.1%	8,700	4.7%
33-0000	Protective Service Occupations	1,528	4.0%	6,780	3.7%
49-0000	Installation, Maintenance, and Repair Occupations	1,361	3.6%	5,589	3.0%
55-0000	Military occupations	1,356	3.6%	7,518	4.1%
25-0000	Education, Training, and Library Occupations	1,291	3.4%	10,690	5.8%
53-0000	Transportation and Material Moving Occupations	1,201	3.2%	7,828	4.2%
37-0000	Building and Grounds Cleaning and Maintenance Occupations	1,152	3.0%	6,481	3.5%
29-0000	Healthcare Practitioners and Technical Occupations	1,040	2.7%	9,319	5.0%
27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	733	1.9%	4,651	2.5%
31-0000	Healthcare Support Occupations	650	1.7%	4,611	2.5%
15-0000	Computer and Mathematical Occupations	637	1.7%	2,697	1.5%
21-0000	Community and Social Service Occupations	557	1.5%	3,953	2.1%
19-0000	Life, Physical, and Social Science Occupations	543	1.4%	2,002	1.1%
23-0000	Legal Occupations	268	0.7%	1,649	0.9%
45-0000	Farming, Fishing, and Forestry Occupations	104	0.3%	1,062	0.6%
99-0000	Unclassified Occupation	73	0.2%	697	0.4%

Source: EMSI

## Historic Occupation Growth

The following table compares the changes in occupations across Groton, the Economic Region, Connecticut, and the U.S. overall. Production Occupations experienced the greatest growth between 2004 and 2014 adding 377 jobs representing 9% growth. However, in the region, state, and nation, the number of jobs in the Production Occupations category declined. Groton also saw significant occupation growth in Sales and Related Occupations (373 jobs) and Business and Financial Operations (333 jobs).

In the region, Food Preparation and Service experienced the most significant growth with over 2,500 new jobs. Sales and Related occupations ranked second followed by Sales and Related Occupations.

## Historic Occupation Change

SOC	Description	Groton		Region		State		U.S.	
		2004-2014 Change	2004-2014 % Change	2004-2014 Change	2004-2014 % Change	2004-2014 Change	2004-2014 % Change	2004-2014 Change	2004-2014 % Change
11-0000	Management Occupations	161	7%	352	3%	20,907	14%	1,744,688	16%
13-0000	Business and Financial Operations Occupations	333	20%	1,105	14%	33,822	27%	2,130,149	25%
15-0000	Computer and Mathematical Occupations	(33)	-5%	(361)	-12%	1,195	2%	636,643	17%
17-0000	Architecture and Engineering Occupations	171	10%	(240)	-6%	(2,872)	-7%	39,928	1%
19-0000	Life, Physical, and Social Science Occupations	(63)	-10%	(457)	-19%	2,066	12%	241,039	18%
21-0000	Community and Social Service Occupations	(48)	-8%	123	3%	6,870	21%	350,373	16%
23-0000	Legal Occupations	(36)	-12%	(205)	-11%	457	2%	100,751	7%
25-0000	Education, Training, and Library Occupations	12	1%	382	4%	14,550	12%	827,576	10%
27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	23	3%	54	1%	8,187	12%	844,460	18%
29-0000	Healthcare Practitioners and Technical Occupations	85	9%	793	9%	14,317	14%	1,351,108	18%
31-0000	Healthcare Support Occupations	12	2%	356	8%	7,332	14%	1,069,788	29%
33-0000	Protective Service Occupations	(435)	-23%	(1,970)	-23%	297	1%	262,961	8%
35-0000	Food Preparation and Serving Related Occupations	590	25%	2,555	21%	24,899	21%	2,034,440	19%
37-0000	Building and Grounds Cleaning and Maintenance Occupations	39	3%	402	7%	11,266	14%	1,078,679	18%
39-0000	Personal Care and Service Occupations	88	5%	1,260	17%	26,732	31%	2,172,413	33%
41-0000	Sales and Related Occupations	373	11%	1,590	8%	37,607	14%	2,872,742	13%
43-0000	Office and Administrative Support Occupations	(263)	-6%	(1,696)	-7%	(9,999)	-3%	816,432	3%
45-0000	Farming, Fishing, and Forestry Occupations	(28)	-22%	(284)	-21%	(268)	-5%	34,567	3%
47-0000	Construction and Extraction Occupations	38	2%	(788)	-9%	(5,386)	-6%	(320,994)	-4%
49-0000	Installation, Maintenance, and Repair Occupations	(28)	-2%	(603)	-10%	(2,401)	-4%	312,288	5%
51-0000	Production Occupations	377	9%	(1,434)	-14%	(16,530)	-13%	(918,055)	-9%
53-0000	Transportation and Material Moving Occupations	(52)	-4%	(59)	-1%	1,667	2%	650,691	6%
55-0000	Military occupations	(139)	-9%	(1,106)	-13%	(968)	-6%	(22,971)	-1%
99-0000	Unclassified Occupation	25	47%	208	43%	9,556	89%	575,174	69%

Source: EMSI

The following table contains an analysis of Groton at the 4-digit SOC level and shows that of all occupation categories, Financial Analysts and Advisors saw the greatest growth over the past 10 years with 258 new jobs or over 100% growth. The only other category with more than 100% growth was Securities, Commodities, and Financial Services Sales Agents, which added 141 jobs. The table below shows the top 25 performing occupations over the past 10 years in Groton.

#### Historic Occupation Growth – Groton: Top 25 (4-digit SOC)

SOC	Description	2004 Occupations	2014 Occupations	Occupation Change	% Change
13-2050	Financial Analysts and Advisors	232	490	258	111%
41-9020	Real Estate Brokers and Sales Agents	460	678	218	47%
35-3030	Waiters and Waitresses	565	728	163	29%
41-3030	Securities, Commodities, and Financial Services Sales Agents	126	267	141	112%
35-3020	Fast Food and Counter Workers	457	574	117	26%
35-2010	Cooks	407	520	113	28%
51-2090	Miscellaneous Assemblers and Fabricators	662	756	94	14%
39-9020	Personal Care Aides	127	214	87	69%
17-2140	Mechanical Engineers	444	529	85	19%
51-4040	Machinists	321	404	83	26%
11-9140	Property, Real Estate, and Community Association Managers	135	212	77	57%
51-4120	Welding, Soldering, and Brazing Workers	486	561	75	15%
51-1010	First-Line Supervisors of Production and Operating Workers	505	572	67	13%
17-3010	Drafters	380	431	51	13%
35-1010	Supervisors of Food Preparation and Serving Workers	183	232	49	27%
47-2150	Pipelayers, Plumbers, Pipefitters, and Steamfitters	300	347	47	16%
51-2040	Structural Metal Fabricators and Fitters	201	244	43	21%
41-3020	Insurance Sales Agents	74	115	41	55%
11-3030	Financial Managers	197	236	39	20%
35-2020	Food Preparation Workers	230	266	36	16%
41-4010	Sales Representatives, Wholesale and Manufacturing	179	215	36	20%
11-9050	Food Service Managers	70	105	35	50%
35-9020	Dishwashers	122	154	32	26%
51-9120	Painting Workers	181	213	32	18%
43-5060	Production, Planning, and Expediting Clerks	209	241	32	15%

Source: EMSI



Within the region, Financial Analysts and Advisors was also the category with the greatest growth adding over 1,100 jobs. Also similar to Groton, the Economic Region's second fastest growing occupation was Real Estate Brokers and Sales Agents. Personal Care Aids ranked third (see table below).

#### Historic Occupation Growth – Region: Top 25 (4-digit SOC)

SOC	Description	2004 Occupations	2014 Occupations	Occupation Change	% Change
13-2050	Financial Analysts and Advisors	1,039	2,148	1,109	107%
41-9020	Real Estate Brokers and Sales Agents	2,838	3,854	1,016	36%
39-9020	Personal Care Aides	1,260	2,188	928	74%
35-3020	Fast Food and Counter Workers	3,087	3,715	628	20%
35-3030	Waiters and Waitresses	2,350	2,977	627	27%
41-3030	Securities, Commodities, and Financial Services Sales Agents	572	1,181	609	106%
35-2010	Cooks	2,302	2,843	541	24%
11-9140	Property, Real Estate, and Community Association Managers	817	1,231	414	51%
25-1090	Postsecondary Teachers	957	1,255	298	31%
37-2010	Building Cleaning Workers	4,009	4,304	295	7%
11-9190	Miscellaneous Managers	1,404	1,639	235	17%
41-3020	Insurance Sales Agents	487	715	228	47%
41-2010	Cashiers	3,798	4,015	217	6%
99-9990	Unclassified Occupation	489	697	208	43%
35-1010	Supervisors of Food Preparation and Serving Workers	969	1,170	201	21%
47-2060	Construction Laborers	1,101	1,278	177	16%
21-1010	Counselors	1,042	1,216	174	17%
39-5010	Barbers, Hairdressers, Hairstylists and Cosmetologists	759	911	152	20%
31-1010	Nursing, Psychiatric, and Home Health Aides	2,706	2,849	143	5%
13-1110	Management Analysts	944	1,080	136	14%
37-3010	Grounds Maintenance Workers	1,520	1,654	134	9%
29-1120	Therapists	747	878	131	18%
35-9020	Dishwashers	516	643	127	25%
29-1140	Registered Nurses	2,716	2,837	121	4%
35-2020	Food Preparation Workers	947	1,067	120	13%

Source:  
EMSI

## Future Occupation Growth

Looking ahead at the 10-year period from 2015 to 2024, the top two performing categories (Financial Analysts and Advisors and Real Estate Brokers and Sales Agents) over the past 10 years will continue to be the top growing occupations in the future (see table below). Other Finance-related occupations will have strong growth as well. Food-related occupations including Waiters and Waitresses and Cooks will also be especially strong.

### Future Occupation Growth – Groton: Top 25 (4-digit SOC)

SOC	Description	2015 Occupations	2024 Occupations	Occupation Change	% Change
13-2050	Financial Analysts and Advisors	523	690	167	32%
41-9020	Real Estate Brokers and Sales Agents	700	801	101	14%
35-3030	Waiters and Waitresses	747	815	68	9%
35-2010	Cooks	535	597	62	12%
41-3030	Securities, Commodities, and Financial Services Sales Agents	285	347	62	22%
39-9020	Personal Care Aides	226	280	54	24%
51-4120	Welding, Soldering, and Brazing Workers	571	621	50	9%
51-4040	Machinists	411	457	46	11%
41-1010	First-Line Supervisors of Sales Workers	513	557	44	9%
41-2030	Retail Salespersons	792	836	44	6%
35-3020	Fast Food and Counter Workers	583	627	44	8%
11-9140	Property, Real Estate, and Community Association Managers	219	263	44	20%
41-4010	Sales Representatives, Wholesale and Manufacturing	224	268	44	20%
37-2010	Building Cleaning Workers	763	800	37	5%
43-6010	Secretaries and Administrative Assistants	736	773	37	5%
53-7060	Laborers and Material Movers, Hand	409	446	37	9%
11-3030	Financial Managers	241	277	36	15%
51-2090	Miscellaneous Assemblers and Fabricators	763	796	33	4%
37-3010	Grounds Maintenance Workers	341	373	32	9%
31-1010	Nursing, Psychiatric, and Home Health Aides	419	450	31	7%
49-3010	Aircraft Mechanics and Service Technicians	52	83	31	60%
43-4050	Customer Service Representatives	273	304	31	11%
15-1130	Software Developers and Programmers	247	278	31	13%
53-3030	Driver/Sales Workers and Truck Drivers	261	288	27	10%
25-2010	Preschool and Kindergarten Teachers	122	149	27	22%

Source:  
EMSI

At the regional level, shown in the table below, many of the same patterns in Groton are found with finance and real estate related occupations performing well. Also similarly, food-related occupations are expected to experience strong growth. Occupations in healthcare are also anticipated to grow strongly over the next 10 years.

#### Future Occupation Growth – Region: Top 25 (4-digit SOC)

SOC	Description	2015 Occupations	2024 Occupations	Occupation Change	% Change
13-2050	Financial Analysts and Advisors	2,219	3,067	848	38%
39-9020	Personal Care Aides	2,280	2,875	595	26%
41-9020	Real Estate Brokers and Sales Agents	3,895	4,321	426	11%
41-3030	Securities, Commodities, and Financial Services Sales Agents	1,216	1,557	341	28%
35-3020	Fast Food and Counter Workers	3,824	4,165	341	9%
41-2030	Retail Salespersons	5,499	5,834	335	6%
31-1010	Nursing, Psychiatric, and Home Health Aides	2,894	3,225	331	11%
29-1140	Registered Nurses	2,865	3,177	312	11%
35-3030	Waiters and Waitresses	3,076	3,366	290	9%
35-2010	Cooks	2,925	3,200	275	9%
53-7060	Laborers and Material Movers, Hand	2,585	2,836	251	10%
11-9140	Property, Real Estate, and Community Association Managers	1,253	1,490	237	19%
31-9090	Miscellaneous Healthcare Support Occupations	1,386	1,583	197	14%
41-1010	First-Line Supervisors of Sales Workers	3,125	3,317	192	6%
37-2010	Building Cleaning Workers	4,353	4,542	189	4%
99-9990	Unclassified Occupation	722	895	173	24%
41-3020	Insurance Sales Agents	739	907	168	23%
53-3030	Driver/Sales Workers and Truck Drivers	2,202	2,368	166	8%
37-3010	Grounds Maintenance Workers	1,696	1,861	165	10%
41-4010	Sales Representatives, Wholesale and Manufacturing	1,155	1,318	163	14%
21-1090	Miscellaneous Community and Social Service Specialists	1,355	1,505	150	11%
21-1010	Counselors	1,243	1,391	148	12%
11-3030	Financial Managers	1,046	1,180	134	13%
39-5010	Barbers, Hairdressers, Hairstylists and Cosmetologists	924	1,058	134	15%
29-1120	Therapists	898	1,028	130	14%

Source: EMSI



## Earnings by Occupation

The following table compares average earnings by occupation type in Groton, the Economic Region, State of Connecticut, and the Nation. Overall, Groton has a higher average hourly earnings than the Region and Nation but is lower than the State.

2014 Average Hourly Earnings by Occupation (2-digit SOC)

SOC	Description	Groton	Region	State	Nation
11-0000	Management Occupations	\$53.33	\$49.64	\$56.75	\$48.10
13-0000	Business and Financial Operations Occupations	\$32.44	\$32.37	\$37.33	\$34.45
15-0000	Computer and Mathematical Occupations	\$37.36	\$36.50	\$40.73	\$39.75
17-0000	Architecture and Engineering Occupations	\$36.97	\$37.07	\$38.74	\$38.89
19-0000	Life, Physical, and Social Science Occupations	\$41.20	\$38.78	\$39.14	\$33.63
21-0000	Community and Social Service Occupations	\$23.55	\$22.82	\$25.13	\$21.76
23-0000	Legal Occupations	\$44.29	\$42.32	\$47.23	\$46.89
25-0000	Education, Training, and Library Occupations	\$24.03	\$25.30	\$28.65	\$24.62
27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	\$21.18	\$20.58	\$24.64	\$23.96
29-0000	Healthcare Practitioners and Technical Occupations	\$37.92	\$38.06	\$40.80	\$36.97
31-0000	Healthcare Support Occupations	\$15.49	\$15.28	\$16.19	\$13.85
33-0000	Protective Service Occupations	\$24.81	\$24.52	\$23.79	\$21.27
35-0000	Food Preparation and Serving Related Occupations	\$11.43	\$11.37	\$11.90	\$10.74
37-0000	Building and Grounds Cleaning and Maintenance Occupations	\$13.12	\$13.17	\$14.34	\$12.31
39-0000	Personal Care and Service Occupations	\$12.84	\$12.62	\$13.11	\$11.45
41-0000	Sales and Related Occupations	\$16.94	\$16.48	\$21.19	\$18.61
43-0000	Office and Administrative Support Occupations	\$18.07	\$17.78	\$19.66	\$17.15
45-0000	Farming, Fishing, and Forestry Occupations	\$16.21	\$15.47	\$14.39	\$12.46
47-0000	Construction and Extraction Occupations	\$23.74	\$21.53	\$22.65	\$20.74
49-0000	Installation, Maintenance, and Repair Occupations	\$22.34	\$22.50	\$23.45	\$21.21
51-0000	Production Occupations	\$20.71	\$19.96	\$19.67	\$17.07
53-0000	Transportation and Material Moving Occupations	\$17.05	\$16.71	\$17.29	\$16.56
	Overall Average	\$23.89	\$22.59	\$25.62	\$22.16

Source: EMSI

# Maritime Industry Overview

The maritime industry is one of the oldest industries in Groton and merits a deeper dive into its role in the local economy today. The town's commercial waterfront originally evolved around ship and boat building and flourished into trade, transportation, and recreational boating. With the exception of Electric Boat, the manufacturing aspect of the maritime industry has died out. However, other facets of the industry remain important components of the local, regional, and statewide economy.

## Marine Trade

It is a very interesting time for the global marine trade industry. With the widening of the Panama Canal nearly complete, ports up and down the eastern seaboard are investing million into their facilities to accommodate larger ships that will soon be able to pass through the canal. This will likely have a ripple effect on smaller ports, who are expected to see more traffic from smaller ships as they are pushed out of the larger ports.

While other small and mid-sized ports are seeing an uptick in activity, the State of Connecticut has experienced an 80% decline in cargo volume since 2006 in part due to the recession and in part due to a lack of focus on this industry. Recognizing the missed opportunity, the State of Connecticut is demonstrating a renewed interest in supporting and growing this industry. In the summer of 2014, the State established the Connecticut Port Authority (CPA) and charged it with marketing the State's three deep-water ports - Bridgeport, New Haven, and New London - as well as small and mid-sized harbors throughout the state.<sup>16</sup>

New Haven is leading as the highest volume port on the Long Island Sound. New London is the lowest performer of the three but has been noted as having the greatest growth potential because it has so far to climb. The presence of Naval Submarine Base New London gives the Thames River Harbor an advantage over the others as costly dredging operations to keep waterways open are handled by the Navy.

New London handles some dry bulk and has petroleum storage that serves localized demand. New London and New Haven host two of the three National Strategic Heating Oil Reserve Sites. Ferry services at Bridgeport and New London transport nearly 2 million passengers and more than 500,000 vehicles annually. Wood Pellet exports were identified as an opportunity for New London.<sup>17</sup>



<sup>16</sup> Source: [http://www.ct.gov/ecd/lib/ecd/Connecticut\\_Port\\_Authority\\_Report\\_to\\_the\\_Governor\\_and\\_Assembly\\_022715.pdf](http://www.ct.gov/ecd/lib/ecd/Connecticut_Port_Authority_Report_to_the_Governor_and_Assembly_022715.pdf)

<sup>17</sup> Source: <http://www.nhregister.com/general-news/20150509/new-connecticut-port-authority-to-focus-on-boosting-maritime-economy>



## Marine Recreation & Tourism

The recreational side of the maritime industry has remained relatively steady over the past several years with a dip in employment during the recession. Pre-recession the industry employed roughly 10-11,000 while today the workforce is just over 7,000 statewide.

Top challenges for the recreational boating industry include the shrinking talent pipeline and significant competition from nearby states with more favorable tax rates on boat purchases. Resiliency is also an issue for these businesses; the increasing intensity and frequency of large storms like Irene and Sandy are driving up maintenance and repair costs for shoreline facilities as well as insurance and other operational costs.

Cruise ships have docked in New London intermittently over the past decade, bringing tourists to popular destinations such as Mystic Seaport, Mystic Aquarium, and the U.S. Navy Submarine Museum. The growing retirement population nationally is expected to support growth in the cruise line industry, which could present a local opportunity for Groton and New London to attract more ships annually.

The Thames River Heritage Park is an important asset for this sector. The water taxi service scheduled to launch in 2016 will be a unique amenity for the region as well.

# Targeted Industry Groups

The following matrix table summarizes the strengths and weaknesses of industry groups to determine what industries and what types of development are likely to be in demand in the near future and are appropriate to drive land-use planning decisions. Industry groups with strength in a particular category are indicated in green, those with a weakness are in red, and those that are generally neutral for a category are yellow. The following categories were considered:

- **Size:** as measured by total number of jobs. Larger industries are more likely to drive demand for space in the future than those that are smaller.
- **Past Growth:** as measured by job growth since 2005. Industries that have been experiencing job growth in recent years are more likely to have demand for additional space. Businesses in these industries may already have expansion needs or plans.
- **Projected Growth:** as measured by projected job growth. Job growth translates into space needs differently depending on the industry. By understanding job growth projections and the type of space demanded by those industries, it is possible to gauge the type and quantity of space demand in the future.
- **Concentration:** as measured by location quotient. Concentrated industries typically have a competitive advantage and are therefore more likely to thrive than others. It is important that businesses in these industries have adequate space to grow and expand into.
- **Strong Regional Alignment:** as measured by job growth and concentration. Industries that follow similar regional patterns are important to consider because they are drivers of the regional economy.
- **Strong State Alignment:** as measured by job growth and concentration. Similarly, industries in Groton that align with the state's industry trends are important to consider.
- **Drive Demand for Space:** Some industries tend to drive new development more than others because of the nature of the businesses in those industries. Industries more likely to generate demand for space carry a greater weight in terms of land use planning efforts.

## Targeted Industry Groups

Industry Types	Space Demands	Size	Past Growth	Projected Growth	Concentration	Strong Regional Alignment	Strong State Alignment	Drive Demand for Space	Overall
Tourism Based - Retail, Accommodation and Food Services, and Arts, Entertainment, Recreation	Commercial Retail	Green	Yellow	Green	Green	Green	Green	Yellow	Green
Finance, Insurance, Real Estate	Office	Green	Green	Green	Yellow	Green	Green	Green	Green
Health Care and Social Assistance	Office/Medical Office	Green	Green	Green	Red	Green	Green	Yellow	Green
Manufacturing	Industrial	Green	Yellow	Green	Green	Yellow	Yellow	Green	Green
Transportation, Warehousing and Wholesale Trade	Industrial	Red	Green	Green	Red	Yellow	Yellow	Green	Yellow
Management of Companies and Enterprises and Administrative and Support	Office	Red	Red	Yellow	Red	Yellow	Green	Yellow	Yellow
Information, Professional, and Scientific Technical Services, other services	Office	Yellow	Red	Green	Yellow	Yellow	Green	Green	Yellow
Government and Educational Services	Institutional	Green	Red	Red	Yellow	Yellow	Green	Red	Red
Resource Based Industries	Limited	Red	Red	Yellow	Red	Yellow	Red	Red	Red
Construction	Limited	Yellow	Red	Red	Red	Red	Red	Red	Red

Industries driving demand for space include those that have been growing and projected to continue to grow and/or those where there are regional and local specialties:

- **Tourism-Based (accommodations, retail, food services, entertainment & recreation)**
- **Health Care**
- **Business Professional Services (finance, insurance, real estate, and other professional services)**
- **Manufacturing**

While these industries are driving demand for space, Groton’s economy is generally stable and slow growing. This means that the town must find new opportunities to spur growth. Future land-use planning efforts should consider not only the above industry groups, but also how planning efforts can help the town capitalize on opportunities to grow the local economy including:

- Innovation in entrepreneurship
- Supply chain and related services
- Growth in health care
- Refresh of retail and continued growth of accommodations
- Enhancing quality of place



## Residential Market Analysis

The following real estate market analysis assesses the demand for and supply of various use types in Groton and the surrounding region. The analysis builds off the findings from the demographic and economic base analyses and examines use types that could potentially be a good fit for Groton moving forward. The uses explored include residential, retail (including recreation and tourism), office, and light industrial/flex space.

### Groton Housing Profile

In 2015, there were approximately 18,200 housing units in the Town, 86.9% of which were occupied (see table below). The proportion of vacant units in the Town was on par with that of the region, but considerably higher than that of Connecticut. Some of this difference is explained by the presence of many seasonal homes in the Town—close to 700 units—which are considered vacant if not physically occupied at the time of the survey. Occupied units in the Town were split roughly evenly between owner-occupied and renter-occupied, while in the region and state, there were relatively more owner-occupied homes.

Housing Units by Occupancy Status and Tenure, 2015

Unit Type	Groton No. of Units	Groton Pct. of Total	Region Pct. of Total	CT Pct. of Total
Owner-Occupied Units	7,763	42.7%	55.8%	59.6%
Renter-Occupied Units	8,026	44.2%	31.5%	32.2%
Vacant Units	2,373	13.1%	12.6%	8.2%
<b>Total</b>	<b>18,162</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: ESRI Housing Profile

## Owner-Occupied Homes

According to 2013 American Community Survey data shown in the table below, the median home value for owner-occupied homes in the Town of Groton was \$247,100, which was in line with home values for the region, and about \$32,000 less than Connecticut home values overall.

### Median Home Value of Owner-Occupied Homes

	Median Home Value
Town of Groton	\$247,100
Groton Economic Region	\$251,051
Connecticut	\$278,900

Source: ESRI - 2009-2013 ACS Estimates

The distribution of Groton home values generally follows that of the region and state, though Groton has proportionally fewer homes in the \$300,000 to \$400,000 range. The Town also has proportionally fewer homes at higher end of the spectrum relative to Connecticut overall, as shown in the following chart.

### Owner-Occupied Housing Units by Home Value



Source: ESRI - 2009-2013 ACS Estimate

## Renter-Occupied Homes

The table below shows that the median monthly rent in Groton was \$976 for renter-occupied units, over \$130 higher than that of the region, and close to \$100 more than the median for Connecticut.

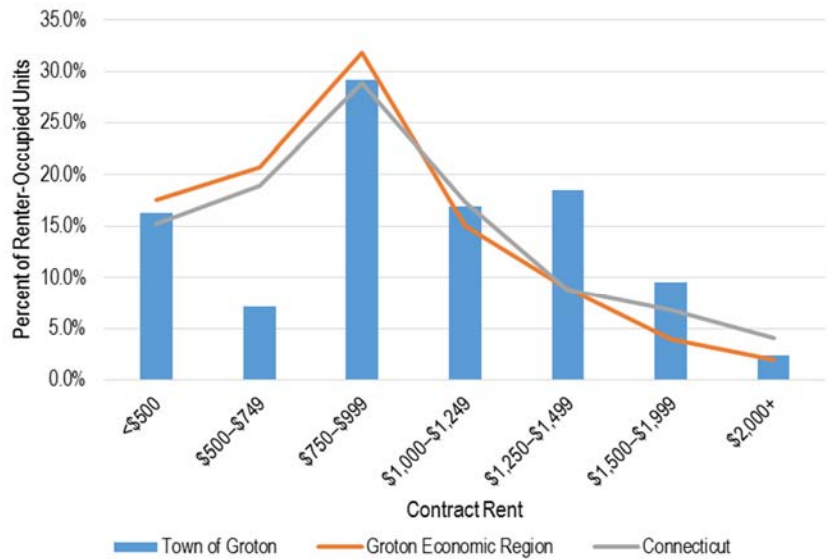
### Median Rent of Renter-Occupied Units

	Median Rent
Town of Groton	\$976
Groton Economic Region	\$844
Connecticut	\$880

Source: ESRI - 2009-2013 ACS Estimates

As shown in the chart below, compared to the region and state, there were significantly fewer Groton renters paying between \$500 and \$749 for rent, while considerably more renters paid between \$1,250 and \$1,999.

### Renter-Occupied Housing Units by Rent



Source: ESRI - 2009-2013 ACS Estimate

## Age of Housing Stock

The age of Groton's housing stock is generally newer than that of the region and state. As shown in the table below, about 13% of Groton housing units were built after 1990, compared to 9% in the region and 7% in Connecticut. In addition, about one-third of units in Groton were built prior to 1960, compared to 43% of the region's homes and 45% of Connecticut homes.

### Housing Units by Year Structure Built

Year Built	Groton No. of Units	Groton Pct. of Total	Region Pct. of Total	CT Pct. of Total
Built 2010 or later	155	0.9%	0.5%	0.3%
Built 2000 to 2009	2,256	12.5%	8.6%	6.9%
Built 1990 to 1999	1,883	10.4%	8.8%	7.5%
Built 1980 to 1989	2,336	12.9%	12.7%	12.9%
Built 1970 to 1979	2,596	14.4%	13.5%	13.5%
Built 1960 to 1969	2,809	15.6%	13.4%	13.5%
Built 1950 to 1959	1,851	10.2%	12.1%	15.6%
Built 1940 to 1949	939	5.2%	4.7%	7.1%
Built 1939 or earlier	3,235	17.9%	25.7%	22.6%
<b>Total</b>	<b>18,060</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: ESRI - 2009-2013 ACS Estimates

## Units in Structure

Groton's housing stock has relatively fewer single-family homes in relatively more multifamily homes compared to the region and state (see table). About half of Groton housing units are single-family detached homes, compared to 64% in the region and 59% statewide. Approximately 16% of Groton housing units are in multifamily structures with at least 10 units, compared to 8% in the region and 12% in Connecticut.

### Housing Units by Number of Units in Structure

Units in Structure	Groton No. of Units	Groton Pct. of Total	Region Pct. of Total	CT Pct. of Total
1, detached	8,596	47.6%	64.2%	59.3%
1, attached	1,379	7.6%	4.1%	5.4%
2	1,296	7.2%	7.7%	8.0%
3 or 4	2,067	11.4%	7.7%	8.9%
5 to 9	1,225	6.8%	5.6%	5.4%
10 to 19	957	5.3%	3.3%	3.7%
20 to 49	1,173	6.5%	2.2%	3.5%
50 or more	816	4.5%	2.6%	4.9%
Mobile home	457	2.5%	2.3%	0.8%
Boat, RV, van, etc.	94	0.5%	0.1%	0.0%
<b>Total</b>	<b>18,060</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: ESRI - 2009-2013 ACS Estimates

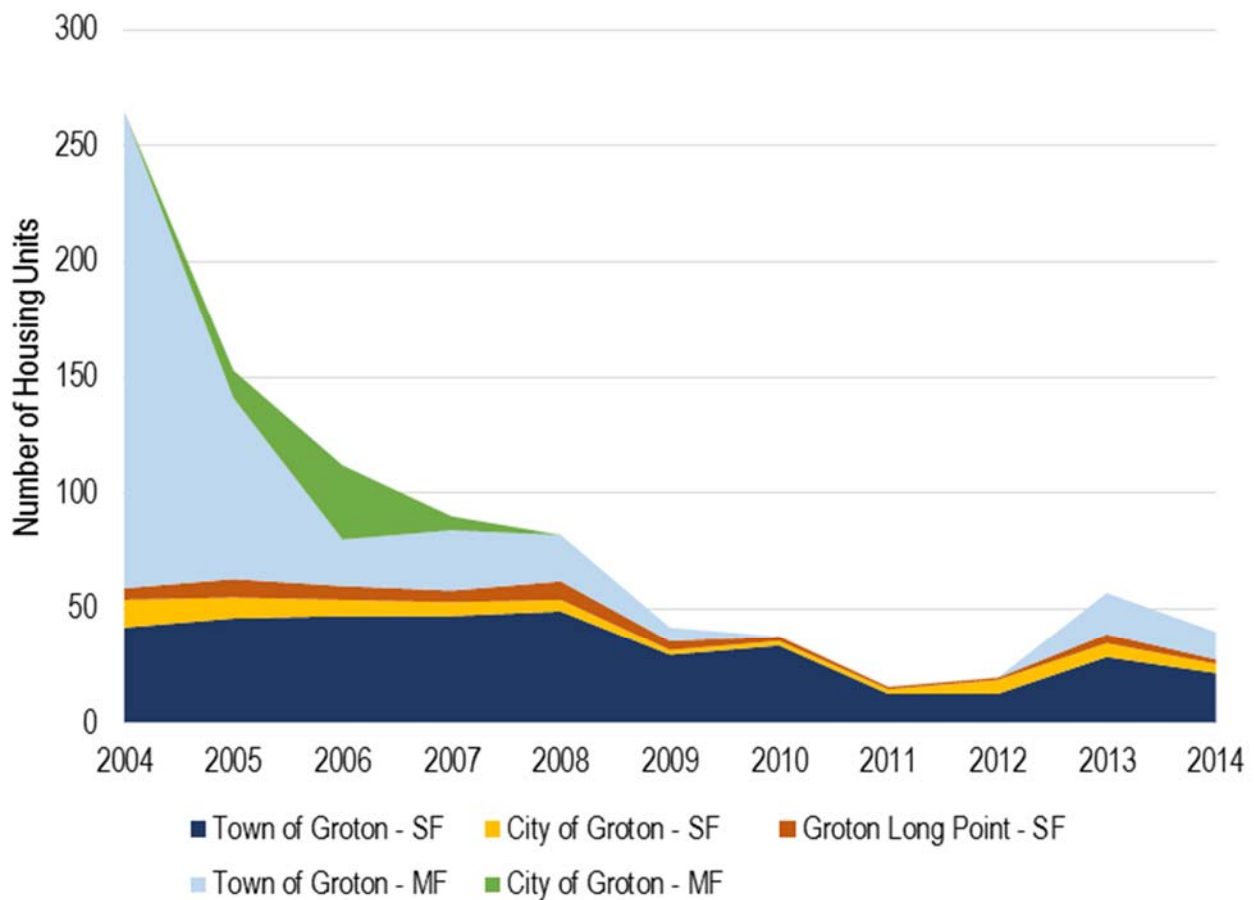
# Housing Market

## Recently Constructed Units

The chart below shows the number of housing units for which building permits were issued by Town of Groton, City of Groton, and Groton Long Point between 2004 and 2014. Overall, the number of new units constructed has fallen significantly, with the majority of the decline driven by multifamily units.

Construction began on 206 multifamily units in 2004, and another 90 units in 2005, compared to just 12 units in 2014. Single-family unit construction has rebounded slightly from its low of 16 units in 2011 to 28 units in 2014. Since 2010, permits have been issued for about 170 units, total.

Building Permits Issued for Single- and Multifamily Residential Units in Groton



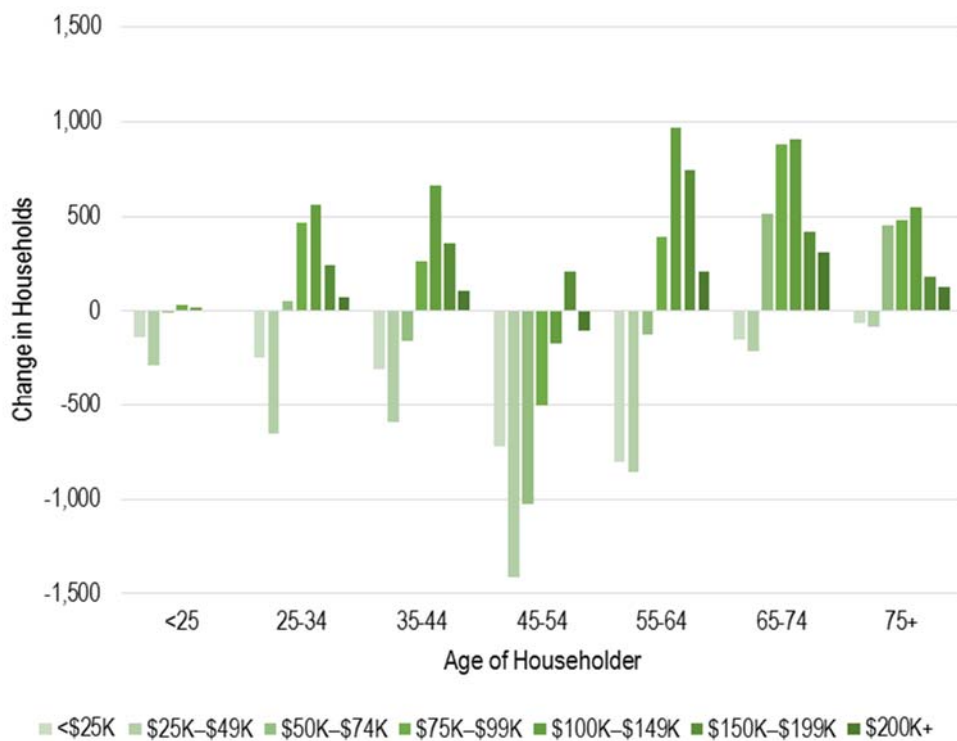
Source: US Census Building Permits Survey

In New London County overall, building permits were issued for 1,862 units between 2010 and 2014, with Groton accounting for 9% of those. Meanwhile, Groton accounts for 15% of the county's total housing units, indicating that the Town has lagged behind other parts of the county in attracting new residential development activity.

## Future Demand

To estimate potential future demand for housing in Groton, Camoin analyzed the projected change in number of households in the Town by income and age of householder (see chart below). On net, the Town is expected to add about 1,580 households by 2020. Almost all of these households will be in the 25-to-44 and 55-and-up age cohorts. The Town is expected to experience significant net losses in the 45-to-54 cohort. Across age cohorts, households with incomes in the \$75,000-to-\$200,000 range will comprise the bulk of household growth. These projections assume that current population trends continue into the future.

Projected Change in Number of Households by Income and Age of Householder, Groton Economic Region, 2015–2020



Source: ESRI Household Income Profile

## Residential Market: Opportunities and Challenges for Groton

- The presence of the Navy base in Groton accounts for the town's disproportionate share of young people relative to the region overall. **Just over one third of the population is between the ages of 15 and 35, compared to 27% in the larger economic region.** This concentration of young people presents an opportunity for Groton to become a regional hub of amenities and attractions—such as bars and restaurants, beaches, parks, nightlife, fairs and festivals, and other recreational activities—that appeal to this younger generation. Moreover, the 1,900 undergraduates at Connecticut College and 900 cadets at the U.S. Coast Guard Academy, both just across the river in New London, are an untapped market of active young people who could contribute to a livelier scene within the town.
- In the next five years, the group that will contribute most to regional growth in number of households will be higher-income seniors. This presents opportunities for a diverse array of senior housing options for seniors who are looking to age in place. The Town has an opportunity to capture this increased need for senior housing, including active/independent living communities and assisting living centers.
- Ensuring an adequate supply of rental housing at affordable price points is needed to make Groton a realistic option for young people looking for housing in the region. The fact the Groton's median rent is over \$100 more expensive than the economic region overall means that non-military young people will be more likely to settle in other communities where cheaper alternatives are available.
- Multifamily construction has been very limited in Groton since the onset of the recession. Prospective tenants looking for new product in the region will be unlikely to choose Groton due to its lack of new inventory.

# Retail Market Analysis

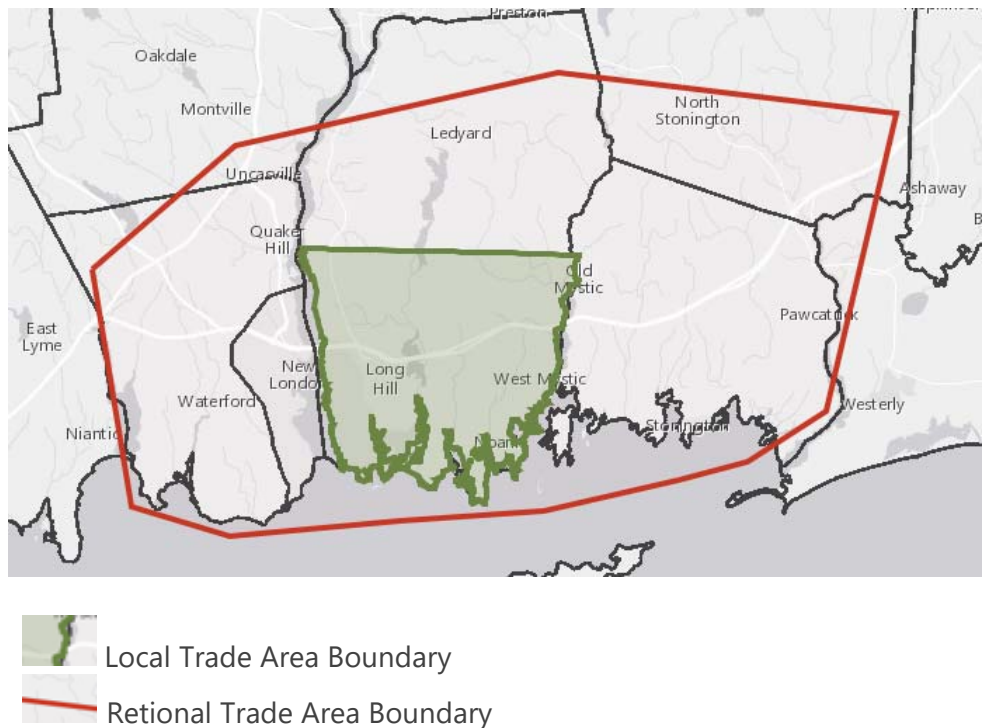
The goal of a retail market analysis is to examine the supply and demand for goods and services within a particular region. This process also helps to identify the unique shopping characteristics and amenities that can be expanded upon. The market analysis outlines consumer habits within the region, estimates retail demand, classifies household characteristics of the consumer market, and can help identify business opportunities or niche markets that are not being served by current retail offerings.

In community economic development, the retail trade area is the geographic extent within which a community generates the majority of its customers. Generally, 65-75% of customers of local businesses reside in the trade area. The adjacent image delineates two retail trade areas for Groton, a local trade area (green) and a regional trade area (red).

**Local trade area** - the trade area for Groton retail establishments that serve day-to-day needs of customers and offer convenience-type products and services. The local trade area applies to businesses such as supermarkets, gas stations, pharmacies, nail salons, coffee shops, etc. This is the area within a 10-minute drive of Groton's commercial centers, and more or less aligns with the town's boundaries.

**Regional trade area** - applies to businesses that sell "destination" products and services. Consumers are willing to travel farther to frequent these businesses, which include car dealerships, clothing shops, department stores, specialty shops, and restaurants. Groton's regional trade area is within a 15- to 20-minute drive of the town, and extends into the towns of Ledyard, Stonington, North Stonington, New London, and Waterford. While Groton does not currently have a significant number of retail establishments with regional drawing power, this is the region from which such establishments would be likely to attract customers given the current mix and location of retailers in the Southeast Connecticut region. Residents of areas beyond the regional trade area generally tend to shop in other towns.

Local and Regional Trade Areas



Source: ESRI



## Groton Retail Profile

Retail offerings within the Town of Groton are largely limited to neighborhood convenience retail stores that do not attract customers from beyond the town limits. The primary shopping district within the Town is the downtown Groton area along the Route 1/Long Hill Road/Poquonnock Road corridor. This node consists of four small to mid-size strip malls, as well as a number of standalone retail buildings. Key retail tenants include CVS, Walgreens, TJMaxx, Big Y, and Benny's variety store. There are also a number of national chain restaurants, laundromats, salons, gyms, banks, and dry cleaners.

Groton Square is another retail cluster in the town, located at the I-95/Route 12/Route 184 interchange. The anchor tenants at this shopping center are Walmart, Kohl's, and Super Stop & Shop. The Walmart is likely one of the few stores in the town with a significant non-resident customer base, drawing from Ledyard and Stonington to the north and east.

Mystic makes up a third retail district within Groton. In contrast to downtown Groton and Groton Square, Mystic is characterized by small, locally owned shops arranged along a traditional main street. This area is geared toward visitors who frequent the Mystic tourist attractions and does not generally cater to Groton residents.

## Regional Retail Profile

In the greater region, the most significant cluster of retail establishments is the "Golden Triangle" area in Waterford, in the vicinity of I-95, I-395, and Route 85. This area is about a 10-minute drive west of downtown Groton and is home to the 783,000-SF Crystal Mall, a regional enclosed mall with anchors including Macy's, JCPenney, and Sears. Also in the area are Cross Roads Center, a 215,000-SF power center that includes Walmart Supercenter and Lowe's, and Waterford Commons, a 315,000-SF strip center in the area that includes Dick's Sporting Goods, Best Buy, and Michaels.

There are number of significant new retail centers that have been recently completed or are in planning stages:

- The 300,000-SF Tanger Outlets at Foxwoods opened in May 2015 and is home to 82 upscale retailers.
- A 600,000-SF shopping center known as Liberty Crossing has been in the works for close to a decade for a 68-acre site near I-95 and Route 2 in Stonington, at Exit 92. As of April 2016, this project is on hold indefinitely as major retail anchors have withdrawn their commitments, suggests a weakening of the regional retail market.
- Mohegan Sun's Downtown District 200,000-SF expansion project was recently put on hold but if completed would bring 50 new stores to the casino.

Westerly, Rhode Island, is a nearby shopping area just outside the regional trade area. It is about a 15 minute drive east of Groton and has a quaint New England style downtown setting with a mix of specialty retail and services.

## Trade Area Demographics

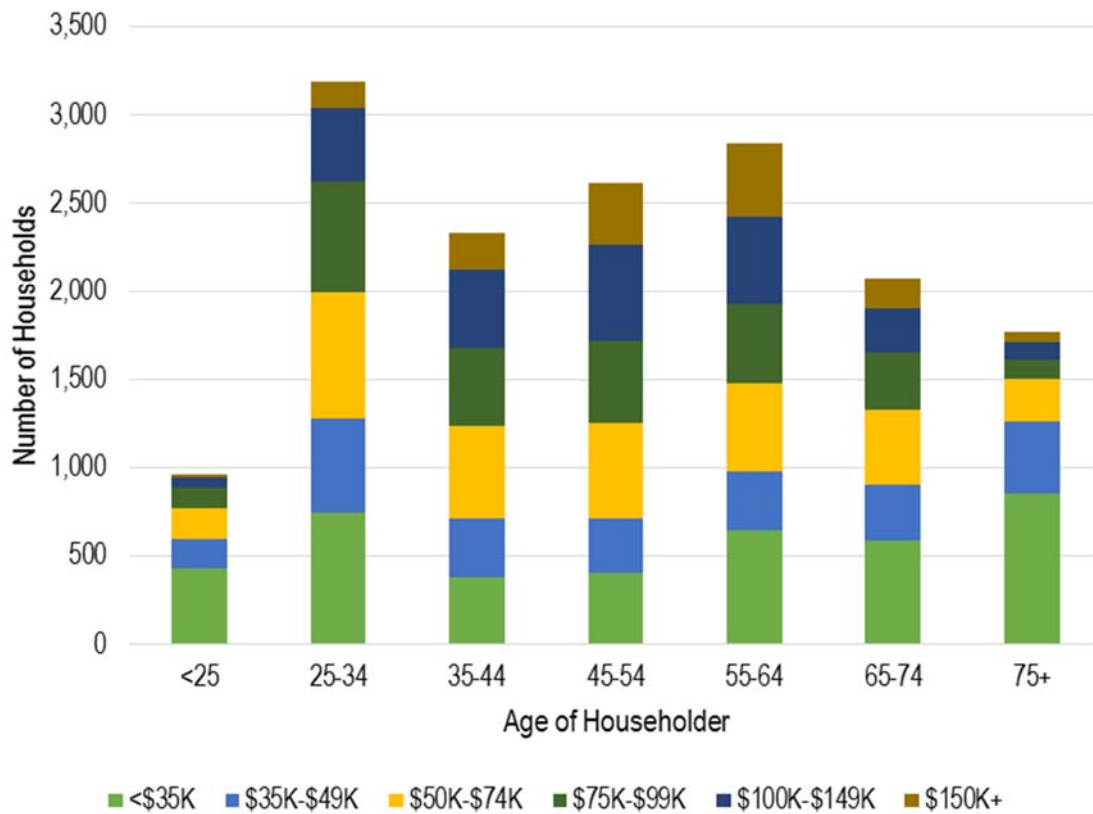
As shown in the table and chart below, approximately 15,800 households live in the local trade area (the town). The age cohort with the most households is the 25-to-34 segment, followed by the 55-to-64 segment. Average household income across segments is about \$75,000.

Local Trade Area: Household Income by Age of Householder, 2015

	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
Number of Households	962	3,191	2,335	2,616	2,840	2,076	1,767	15,787
Average HH Income	\$48,569	\$68,001	\$82,814	\$90,391	\$89,220	\$72,878	\$48,823	\$75,030

Source: ESRI Household Income Profile

Local Trade Area: Households by Income and Age of Householder, 2015



Source: ESRI Household Income Profile

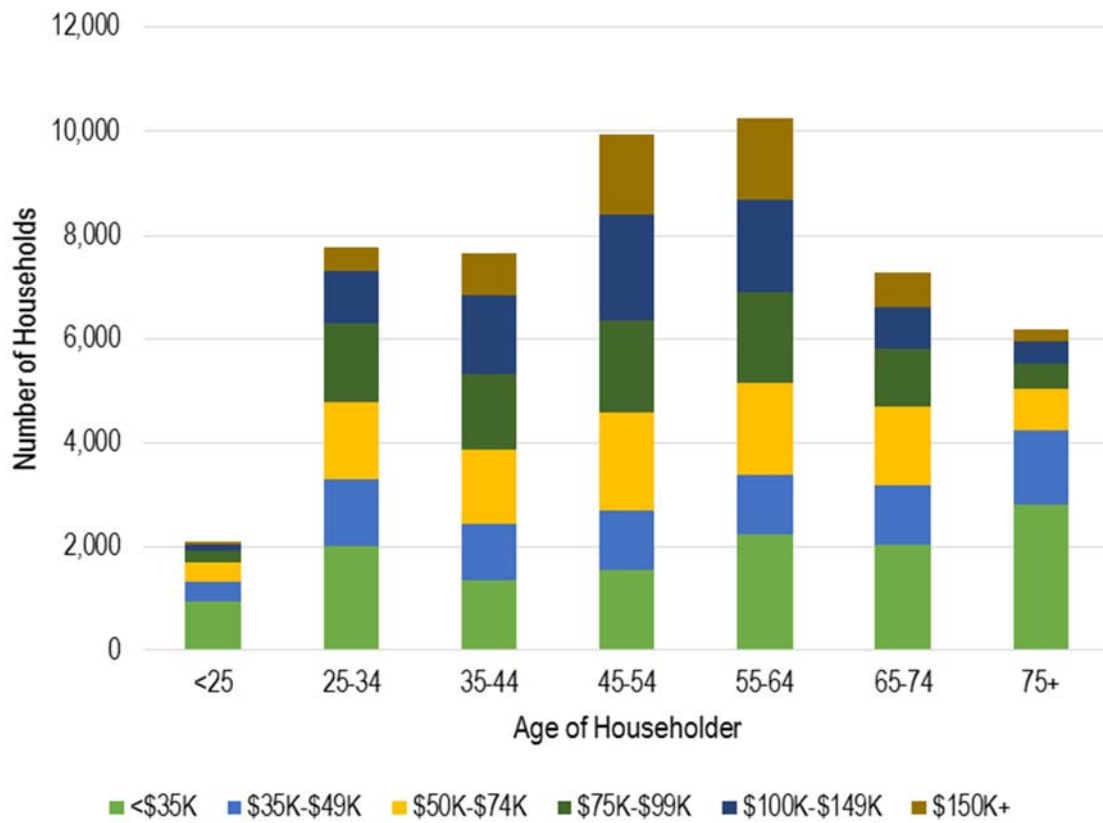
As shown in the table and chart below, there are 52,000 households living in the regional trade area. The largest age cohort are the 55-to-64 population, with the 45-to-54 segment a close second. Average income across households is slightly higher than that of the local trade area, at \$78,000.

### Regional Trade Area: Household Income by Age of Householder, 2015

	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
Number of Households	2,091	7,780	7,664	9,949	10,239	7,293	6,179	51,195
Average HH Income	\$48,337	\$69,708	\$84,441	\$92,965	\$89,449	\$75,474	\$52,122	\$78,207

Source: ESRI Household Income Profile

### Regional Trade Area: Households by Income and Age of Householder, 2015



Source: ESRI Household Income Profile

## Tapestry Segmentation

Tapestry segmentation is a tool used by retail site selectors and decision makers to help determine if a particular trade area has the appropriate characteristics for their business and precisely target their customers. It is a standard classification of consumers according to demographic, socioeconomic, housing, and lifestyle characteristics.

Tapestry segmentation is based on the concept that people with similar demographic characteristics, purchasing habits, and media preferences naturally gravitate toward each other and into the same communities. Every household in the U.S. falls into one of 67 lifestyle segments. Businesses utilize tapestry segmentation to understand their customers' lifestyle choices, purchasing preferences, and how they spend their free time. For example, a retailer may not have even heard of your community, but if you tell them that it is dominated by "Exurbanites" they immediately know that the community has consumers that are approaching retirement but maintain active lifestyles, live in proximity to large metropolitan centers but prefer more expansive homes in less crowded neighborhoods, prefer late model luxury cars, support arts and public media, prefer organic products, etc. This is not to say that every individual within a given trade area meets the precise description of each market segment.

Market segmentation data for the Groton local and regional retail trade areas were obtained from ESRI's Tapestry segmentation model. (Additional information about ESRI's model can be found here: <http://www.esri.com/landing-pages/tapestry>).

It is important to recognize that the classifications and labels for defined market segments are generalizations. The descriptions of each segment are based on comparisons with the U.S. as a whole and reflect the propensity of households within that segment to exhibit certain demographic, lifestyle, and consumer characteristics relative to the overall population. The purpose of this exercise is to compare local consumer trends to those of consumers across the U.S. so businesses and developers not familiar with Groton understand what the town has to offer in terms of consumer demand.

### Local Trade Area (Groton)

The top ESRI Tapestry segments for the Local Trade Area are listed in the table below, which is followed by profiles of each segment.

#### Local Trade Area Market Segmentation

Tapestry Segment	Percent of Households in Groton
Exurbanites	12.7%
Old and Newcomers	11.7%
Bright Young Professionals	9.5%
Front Porches	9.4%

Source: ESRI Tapestry

**Exurbanites (12.7%)** – Exurbanites are now approaching retirement but showing few signs of slowing down. They are active in their communities, generous in their donations, and seasoned travelers. They take advantage of their proximity to large metropolitan centers to support the arts, but prefer a more expansive home style in less crowded neighborhoods. They have cultivated a lifestyle that is both affluent and urbane.

- Exurbanites residents' preferred vehicles are late model luxury cars or SUVs.
- They are active supporters of the arts and public television/radio.
- Attentive to ingredients, they prefer natural or organic products.
- Gardening and home improvement are priorities, but they also use a number of services, from home care and maintenance to personal care.
- Financially active with wide-ranging investments, these investors rely on financial planners, extensive reading, and the Internet to handle their money.

**Old and Newcomers (11.7%)** – This market features singles' lifestyles, on a budget. The focus is more on convenience than consumerism, economy over acquisition. Old and Newcomers is composed of neighborhoods in transition, populated by renters who are just beginning their careers or retiring. Some are still in college; some are taking adult education classes. They support environmental causes and Starbucks. Age is not always obvious from their choices.

- Residents are strong supporters of environmental organizations.
- They prefer cell phones to landlines.
- Entertainment features the Internet (dating sites and games), movies at home, country music, and newspapers.
- Vehicles are basically just a means of transportation.
- Food features convenience, frozen and fast food.
- They do banking as likely in person as online.

**Bright Young Professionals (9.5%)** – Bright Young Professionals is a large market, primarily located in urban outskirts of large metropolitan areas. These communities are home to young, educated, working professionals. One out of three householders is under the age of 35. Slightly more diverse couples dominate this market, with more renters than homeowners. More than two-fifths of the households live in single-family homes; over a third live in 5+ unit buildings. Labor force participation is high, generally white-collar work, with a mix of food service and part-time jobs (among the college students). Median household income, median home value, and average rent are close to the US values. Residents of this segment are physically active and up on the latest technology.

- Own US savings bonds.
- Own newer computers (desktop, laptop, or both), iPods, and 2+ TVs.
- Go online to do banking, access YouTube or Facebook, visit blogs, and play games.

- Use cell phones to text, redeem mobile coupons, listen to music, and check for news and financial information.
- Find leisure going to bars/clubs, attending concerts, going to the zoo, and renting DVDs from Redbox or Netflix.
- Eat out often at fast-food and family restaurants.

**Front Porches (9.4%)** – Front Porches blends household types, with more young families with children or single households than average. This group is also more diverse than the US. Half of householders are renters, and many of the homes are older town homes or duplexes. Friends and family are central to Front Porches residents and help to influence household buying decisions. Residents enjoy their automobiles and like cars that are fun to drive. Income and net worth are well below the US average, and many families have taken out loans to make ends meet.

- Go online for gaming, online dating, and chat rooms.
- Use their cell phones to redeem mobile coupons and listen to hip hop and R&B music.
- Drink energy and sports drinks.
- Participate in leisure activities including sports, indoor water parks, bingo, and video games.

## Regional Trade Area

The top ESRI Tapestry segments for the Regional Trade Area are listed in the table below, which is followed by profiles of each segment.

### Regional Trade Area Market Segmentation

Tapestry Segment	Percent of Households
Exurbanites	12.6%
Green Acres	9.2%
Golden Years	8.4%
Front Porches	8.0%

Source: ESRI Tapestry

**Exurbanites (12.6%)** – Described in previous section.

**Green Acres (9.2%)** – The Green Acres lifestyle features country living and self-reliance. They are avid do-it-yourselfers, maintaining and remodeling their homes, with all the necessary power tools to accomplish the jobs. Gardening, especially growing vegetables, is also a priority, again with the right tools, tillers, tractors, and riding mowers. Outdoor living also features a variety of sports: hunting and fishing, motorcycling, hiking and camping, and even golf. Self-described conservatives, residents of Green Acres remain pessimistic about the near future yet are heavily invested in it.

- Purchasing choices reflect Green Acres residents' country life, including a variety of vehicles from trucks and SUVs to ATVs and motorcycles, preferably late model.
- Homeowners favor DIY home improvement projects and gardening.
- Media of choice are provided by satellite service, radio, and television, also with an emphasis on country and home and garden.
- Green Acres residents pursue physical fitness vigorously, from working out on home exercise equipment to playing a variety of sports.
- Residents are active in their communities and a variety of social organizations, from fraternal orders to veterans' clubs.

**Golden Years (8.4%)** – Independent, active seniors nearing the end of their careers or already in retirement best describes Golden Years residents. This market is primarily singles living alone or empty nesters. Those still active in the labor force are employed in professional occupations; however, these consumers are actively pursuing a variety of leisure interests—travel, sports, dining out, museums, and concerts. They are involved, focused on physical fitness, and enjoying their lives. This market is smaller, but growing, and financially secure.

- Avid readers, they regularly read daily newspapers, particularly the Sunday edition.
- They subscribe to cable TV; news and sports programs are popular as well as on-demand movies.
- They use professional services to maintain their homes inside and out and minimize their chores.
- Leisure time is spent on sports (tennis, golf, boating, and fishing) or simple exercise like walking.
- Good health is a priority; they believe in healthy eating, coupled with vitamins and dietary supplements.
- Active social lives include travel, especially abroad, plus going to concerts and museums.
- Residents maintain actively managed financial portfolios that include a range of instruments such as common stock and certificates of deposit (more than six months).

**Front Porches (8.0%)** – Described in previous section.

## Retail Gap Analysis

In a retail gap analysis, the existing retail sales (“supply”) of trade area businesses are compared to the estimated retail spending of trade area residents (“demand”). The difference between demand and supply is referred to as the retail gap. Note that existing retail sales are specific to the defined trade area whereas retail spending is an estimate of gross spending by residents living in the trade area regardless of where the retail spending occurs.

The retail gap can be positive or negative. When the demand (spending by trade area residents) for goods and services is greater than sales at trade area businesses, sales are said to “leak out” of the trade area creating a **positive retail gap** (i.e. sales leakage). Conversely, if the supply of goods sold (trade area

sales) exceeds trade area demand (spending by trade area residents), it is assumed that non-residents are coming into the trade area and spending money, creating a **negative retail gap** (i.e. sales surplus).

Sales leakage and sales surplus carry different implications. In many cases, sales leakage presents an opportunity to capture unmet demand in a trade area since a percentage of residential spending occurs outside the trade area. This demand can be met within the trade area by opening new businesses or expanding existing businesses within retail sectors that show sales leakage. However, not all retail categories that exhibit sales leakage within a particular trade area are a good fit for the region.

A sales surplus might exist for several reasons. For example, the region might be a popular shopping destination for tourists and other out-of-towners, or a cluster of competing businesses offering a similar product or service may be located within the trade area, creating a specialty cluster that draws in spending by households from outside the trade area. Alternatively, a sales surplus could be an indicator of market saturation.

The following Retail Gap Analysis tables contain a list of industry groups sorted by 3- and 4-digit NAICS codes and includes figures for sales demand (estimated spending by trade area residents), sales supply (existing retail sales within the trade area), retail gap (demand minus supply), and number of existing businesses in the respective trade areas. Retail categories with **sales leakage are in green**, and those with **sales surplus are in red**.

There are many retail categories in the local and regional trade area with sales leakage, meaning that Groton residents are leaving the town to make purchases in these categories:

- Auto parts, accessories, and tire stores
- Furniture and home furnishings stores
- Electronics and appliance stores
- Building materials, garden equipment, and supplies stores
- Health and personal care stores
- Shoe and clothing stores
- Sporting goods, hobby, book, and movie stores
- Office supplies, stationery, and gift stores

The following retail categories show significant leakage when examining the regional trade area:

- Auto parts, accessories, and tire stores
- Furniture and home furnishings stores
- Electronics and appliance stores
- Building materials, garden equipment, and supplies stores
- Health and personal care stores



## Retail Leakage Analysis: Local Trade Area

Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Existing Businesses
Motor Vehicle & Parts Dealers	441	\$93,734,846	\$147,052,095	-\$53,317,249	31
Automobile Dealers	4411	\$81,562,633	\$116,212,136	-\$34,649,503	9
Other Motor Vehicle Dealers	4412	\$6,160,989	\$27,181,935	-\$21,020,946	15
Auto Parts, Accessories & Tire	4413	\$6,011,224	\$3,658,024	\$2,353,200	7
Furniture & Home Furnishings	442	\$11,012,337	\$5,603,091	\$5,409,246	15
Furniture Stores	4421	\$5,738,651	\$2,971,198	\$2,767,453	5
Home Furnishings Stores	4422	\$5,273,686	\$2,631,893	\$2,641,793	10
Electronics & Appliance Stores	443	\$13,798,943	\$1,843,837	\$11,955,106	9
Building Materials, Garden Equip. & Supply Stores	444	\$14,482,318	\$3,781,733	\$10,700,585	11
Building Material & Supplies Dealers	4441	\$12,036,434	\$2,621,838	\$9,414,596	7
Lawn & Garden Equip & Supply	4442	\$2,445,884	\$1,159,895	\$1,285,989	4
Food & Beverage Stores	445	\$94,778,883	\$94,604,157	\$174,726	41
Grocery Stores	4451	\$84,211,533	\$88,175,043	-\$3,963,510	23
Specialty Food Stores	4452	\$1,525,228	\$1,062,619	\$462,609	10
Beer, Wine & Liquor Stores	4453	\$9,042,122	\$5,366,495	\$3,675,627	8
Health & Personal Care Stores	446,4461	\$41,868,546	\$28,819,387	\$13,049,159	14
Gasoline Stations	447,4471	\$38,449,163	\$97,012,525	-\$58,563,362	5
Clothing & Clothing Accessories	448	\$32,795,428	\$15,656,915	\$17,138,513	20
Clothing Stores	4481	\$24,396,790	\$13,924,089	\$10,472,701	15
Shoe Stores	4482	\$3,940,401	\$521,491	\$3,418,910	1
Jewelry, Luggage & Leather Goods Stores	4483	\$4,458,237	\$1,211,335	\$3,246,902	4
Sporting Goods, Hobby, Book & Music Stores	451	\$10,862,937	\$4,856,787	\$6,006,150	20
Sporting Goods/Hobby/Musical Instrument Stores	4511	\$8,527,863	\$3,365,592	\$5,162,271	15
Book, Periodical & Music Stores	4512	\$2,335,074	\$1,491,195	\$843,879	5
General Merchandise Stores	452	\$54,616,084	\$94,426,591	-\$39,810,507	13
Department Stores Excluding Leased Depts.	4521	\$28,817,676	\$42,192,436	-\$13,374,760	7
Other General Merchandise Stores	4529	\$25,798,408	\$52,234,155	-\$26,435,747	6
Miscellaneous Store Retailers	453	\$14,147,403	\$5,047,686	\$9,099,717	42
Florists	4531	\$569,073	\$215,232	\$353,841	3
Office Supplies, Stationery & Gift Stores	4532	\$4,287,601	\$759,157	\$3,528,444	12
Used Merchandise Stores	4533	\$931,009	\$2,336,450	-\$1,405,441	9
Other Miscellaneous Store Retailers	4539	\$8,359,720	\$1,736,847	\$6,622,873	18
Food Services & Drinking Places	722	\$51,353,138	\$54,914,636	-\$3,561,498	77
Full-Service Restaurants	7221	\$21,463,376	\$23,250,463	-\$1,787,087	32
Limited-Service Eating Places	7222	\$23,800,638	\$29,668,284	-\$5,867,646	32
Special Food Services	7223	\$4,610,988	\$378,807	\$4,232,181	3
Drinking Places - Alcoholic Beverages	7224	\$1,478,136	\$1,617,082	-\$138,946	10

Source: ESRI Retail Marketplace Profile

## Retail Leakage Analysis: Regional Trade Area

Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Existing Businesses
Motor Vehicle & Parts Dealers	441	\$174,798,637	\$403,590,914	-\$161,157,535	82
Automobile Dealers	4411	\$152,004,525	\$357,788,896	-\$125,558,277	30
Other Motor Vehicle Dealers	4412	\$11,555,974	\$32,079,748	-\$39,447,796	28
Auto Parts, Accessories & Tire	4413	\$11,238,138	\$13,722,269	\$3,848,537	24
Furniture & Home Furnishings	442	\$20,571,933	\$26,459,372	\$1,840,684	53
Furniture Stores	4421	\$10,668,057	\$11,098,606	\$1,771,740	19
Home Furnishings Stores	4422	\$9,903,876	\$15,360,766	\$68,944	34
Electronics & Appliance Stores	443	\$25,737,817	\$34,335,874	\$4,509,616	37
Building Materials, Garden Equip. & Supply Stores	444	\$26,958,414	\$26,958,569	\$8,327,021	53
Building Material & Supplies Dealers	4441	\$22,309,814	\$25,590,761	\$5,975,577	41
Lawn & Garden Equip & Supply	4442	\$4,648,600	\$1,367,808	\$2,351,443	12
Food & Beverage Stores	445	\$177,476,817	\$202,571,073	-\$8,212,290	153
Grocery Stores	4451	\$157,765,084	\$180,309,290	-\$9,239,203	82
Specialty Food Stores	4452	\$2,857,864	\$3,331,172	\$955,186	35
Beer, Wine & Liquor Stores	4453	\$16,853,870	\$18,930,611	\$71,728	36
Health & Personal Care Stores	446,4461	\$78,303,136	\$92,340,816	\$26,079,306	54
Gasoline Stations	447,4471	\$71,860,735	\$128,207,350	-\$37,669,822	32
Clothing & Clothing Accessories Stores	448	\$61,345,414	\$134,215,075	-\$44,395,761	120
Clothing Stores	4481	\$45,704,231	\$118,749,418	-\$51,631,949	87
Shoe Stores	4482	\$7,398,130	\$8,107,753	\$4,094,416	9
Jewelry, Luggage & Leather Goods Stores	4483	\$8,243,053	\$7,357,904	\$3,141,772	24
Sporting Goods, Hobby, Book & Music Stores	451	\$20,265,980	\$50,479,769	-\$20,654,828	92
Sporting Goods/Hobby/Musical Instrument Stores	4511	\$15,937,730	\$44,250,679	-\$21,939,385	72
Book, Periodical & Music Stores	4512	\$4,328,250	\$6,229,090	\$1,284,557	20
General Merchandise Stores	452	\$102,084,673	\$264,140,172	-\$106,869,180	40
Department Stores Excluding Leased Depts.	4521	\$53,791,885	\$91,387,326	-\$2,401,066	20
Other General Merchandise Stores	4529	\$48,292,787	\$172,752,846	-\$104,468,114	20
Miscellaneous Store Retailers	453	\$26,488,972	\$24,480,289	\$13,860,517	207
Florists	4531	\$1,075,574	\$1,848,569	-\$745,256	25
Office Supplies, Stationery & Gift Stores	4532	\$8,001,613	\$6,451,956	\$4,111,307	60
Used Merchandise Stores	4533	\$1,736,308	\$4,203,784	-\$2,771,612	40
Other Miscellaneous Store Retailers	4539	\$15,675,478	\$11,975,979	\$13,266,076	82
Food Services & Drinking Places	722	\$95,718,205	\$129,500,980	\$2,532,975	244
Full-Service Restaurants	7221	\$39,982,936	\$48,651,253	\$6,920,283	99
Limited-Service Eating Places	7222	\$44,350,012	\$66,140,519	-\$8,107,803	108
Special Food Services	7223	\$8,636,628	\$11,308,114	\$2,705,924	10
Drinking Places - Alcoholic Beverages	7224	\$2,748,629	\$3,401,094	\$1,014,570	27

## Retail Opportunities

While there are a number of industry sectors that are experiencing sales leakage, it does not necessarily indicate that new businesses in these industries would succeed in Groton. Comparing the retail gaps shown by these retail categories to the average sales of similar businesses in the Connecticut, we can identify which of the industries with sales leakage may have enough demand to warrant opening a new store or expanding existing stores. This analysis will help the Town target businesses that will be successful by capturing a large enough portion of the current sales leakage to be profitable. The table below identifies the number of new businesses that, theoretically, could be supported in the town, assuming:

- 25% of the sales leakage is recaptured (25% of the retail gap), and
- New businesses have sales comparable to the average sales of all Connecticut businesses in the same retail category.

### Retail Opportunities – Local Trade Area

Industry Group	NAICS	Retail Gap	25% Leakage Recapture	Avg. Sales per Business (CT)	Potential Businesses
Auto Parts, Accessories & Tire Stores	4413	\$2,353,200	\$588,300	\$925,951	0.6
Furniture Stores	4421	\$2,767,453	\$691,863	\$1,212,635	0.6
Home Furnishings Stores	4422	\$2,641,793	\$660,448	\$469,572	1.4
Electronics & Appliance Stores	443	\$11,955,106	\$2,988,777	\$955,795	3.1
Building Material & Supplies Dealers	4441	\$9,414,596	\$2,353,649	\$819,382	2.9
Lawn & Garden Equip & Supply Stores	4442	\$1,285,989	\$321,497	\$795,544	0.4
Specialty Food Stores	4452	\$462,609	\$115,652	\$165,733	0.7
Beer, Wine & Liquor Stores	4453	\$3,675,627	\$918,907	\$795,646	1.2
Health & Personal Care Stores	4461	\$13,049,159	\$3,262,290	\$2,748,550	1.2
Clothing Stores	4481	\$10,472,701	\$2,618,175	\$1,202,052	2.2
Shoe Stores	4482	\$3,418,910	\$854,728	\$1,067,030	0.8
Jewelry, Luggage & Leather Goods Stores	4483	\$3,246,902	\$811,726	\$682,110	1.2
Sporting Goods/Hobby/Musical Instr Stores	4511	\$5,162,271	\$1,290,568	\$515,868	2.5
Book, Periodical & Music Stores	4512	\$843,879	\$210,970	\$579,686	0.4
Florists	4531	\$353,841	\$88,460	\$129,990	0.7
Office Supplies, Stationery & Gift Stores	4532	\$3,528,444	\$882,111	\$307,664	2.9
Other Miscellaneous Store Retailers	4539	\$6,622,873	\$1,655,718	\$255,699	6.5
Special Food Services	7223	\$4,232,181	\$1,058,045	\$717,835	1.5

Source: ESRI Retail Marketplace Profile

## Retail Opportunities – Regional Trade Area

Industry Group	NAICS	Retail Gap	25% Leakage Recapture	Avg. Sales per Business (CT)	Potential Businesses
Auto Parts, Accessories & Tire Stores	4413	\$3,848,537	\$962,134	\$925,951	1.0
Furniture Stores	4421	\$1,771,740	\$442,935	\$1,212,635	0.4
Home Furnishings Stores	4422	\$68,944	\$17,236	\$469,572	0.0
Electronics & Appliance Stores	443	\$4,509,616	\$1,127,404	\$955,795	1.2
Building Material & Supplies Dealers	4441	\$5,975,577	\$1,493,894	\$819,382	1.8
Lawn & Garden Equip & Supply Stores	4442	\$2,351,443	\$587,861	\$795,544	0.7
Specialty Food Stores	4452	\$955,186	\$238,797	\$165,733	1.4
Beer, Wine & Liquor Stores	4453	\$71,728	\$17,932	\$795,646	0.0
Health & Personal Care Stores	4461	\$26,079,306	\$6,519,827	\$2,748,550	2.4
Shoe Stores	4482	\$4,094,416	\$1,023,604	\$1,067,030	1.0
Jewelry, Luggage & Leather Goods Stores	4483	\$3,141,772	\$785,443	\$682,110	1.2
Book, Periodical & Music Stores	4512	\$1,284,557	\$321,139	\$579,686	0.6
Other Miscellaneous Store Retailers	4539	\$13,266,076	\$3,316,519	\$255,699	13.0
Full-Service Restaurants	7221	\$6,920,283	\$1,730,071	\$808,801	2.1
Special Food Services	7223	\$2,705,924	\$676,481	\$717,835	0.9
Drinking Places - Alcoholic Beverages	7224	\$1,014,570	\$253,643	\$250,841	1.0

Source: ESRI Retail Marketplace Profile

The local trade area could support additional retail establishments with a community-wide reach in the following categories:

- Electronics and appliance stores – 3
- Building material and supplies dealers – 2
- Sporting goods, hobby, book, and movie stores – 2
- Office supplies, stationery, and gift stores – 2

Stores with a regional reach in the following retail categories could be supported:

- Health and personal care stores – 2
- Full-service restaurants – 2
- Specialty food stores – 1

## Recreation and Tourism

Groton prides itself on its diversity of recreational and tourism opportunities, ranging from its beaches and state parks, Mystic, and the USS Nautilus and Submarine Force Museum. Groton has seen significant recreation-focused development in the recent past:

- Mystic Indoor Sports – indoor tennis facility
- Advantage Personal Training – personal training business
- Fields of Fire – paint ball field and aerial ropes and zip-line course
- The Sandbox – indoor sand volleyball facility
- Fearless Flyers Academy – trapeze school and trampoline center

- Some of the town’s other recreation-related assets include:
- Mystic Schooners – New England collegiate baseball league operating out of Fitch Senior High School
- Sharkfest – 1,500-meter swim event at Mystic Seaport
- Mystic Half Marathon – qualifying event for the Hartford Marathon
- State Parks – Bluff Point State Park, Haley Farm State Park, Fort Griswold Battlefield State Park

The Connecticut Office of Tourism places Groton in the “Mystic Country” tourist region, comprising 42 towns in Eastern Connecticut. According to a 2013 study by Tourism Economics, Mystic Country accounted for 28.9% of Connecticut traveler spending, the most of any of the state’s five tourist regions.<sup>18</sup> While the Mystic portion of Groton is well known as a tourist destination, Groton’s many other assets are not billed as attractions for tourists. Groton has the opportunity to better position itself as a recreation destination and draw Mystic tourists to other parts of the town.

## Retail Market: Opportunities and Challenges for Groton

- There are a number of new and proposed retail offerings in the region that present significant competition to Groton in terms of attracting new destination retail tenants. The casinos, the Crystal Mall area, and the proposed Liberty Crossing project in Stonington<sup>19</sup>—all within a short distance of the town—offer major retail chains that currently do not have a presence in Groton. Because these other areas are already well established as known shopping destinations, it would be very difficult for Groton to break into this market.
- The many sub-areas of the town (Mystic, Noank, Groton Long Point, City of Groton, Downtown Groton, Center Groton, etc.) are disparate and lack a sense of cohesion, presenting a challenge for Groton to establish a sense of place and a strong brand for the town as a whole. For example, Mystic has a very strong brand that is recognizable throughout the northeast, but many people that “know” Mystic have not heard of Groton. **A stronger sense of place is needed** to make Groton a desirable retail destination for customers who live beyond the town borders.
- Retail serving the local market, primarily strip malls in Downtown Groton, is tired and outdated. The deteriorating quality of retail space in town is having a negative effect on the retail sector in Groton. Without an update to these structures, customers will be lost to other communities with more pleasant shopping environments. Groton can reverse this trend by **re-investing and updating existing retail space**.
- **Tourist spending**—primarily in Mystic—is vital to the town’s economy. Capturing tourist spending potential through marketing other recreation-oriented amenities in other parts of the town is a missed opportunity.



<sup>18</sup> The Economic Impact of Travel in Connecticut. 2013. Tourism Economics.  
[http://www.cultureandtourism.org/cct/lib/cct/tourism/stats/conn\\_tourism\\_economic\\_impact\\_report-cy2013.pdf](http://www.cultureandtourism.org/cct/lib/cct/tourism/stats/conn_tourism_economic_impact_report-cy2013.pdf)

<sup>19</sup> As of April 2016, the Liberty Crossing project is on hold as anchor tenants have withdrawn their commitments.

# Office Space Market Analysis

## Regional Growth of Office-Utilizing Industries

To evaluate the potential for new office space in Groton, we analyze the future demand for office space in the Office Market Area, defined as the Groton economic region.

The following table shows projected employment for all 2-digit NAICS industries in the Office Market Area, with office-utilizing industries highlighted in blue. Office-utilizing industries are expected to show only marginal employment growth over the next ten years, adding fewer than 50 jobs for an increase of just 0.1%.

Employment Growth in Office-Utilizing Industries, Office Market Area

NAICS	Description	2015 Jobs	2025 Jobs	2015 - 2025 Change	2015 - 2025 % Change
11	Crop and Animal Production	1,157	984	(173)	(15%)
21	Mining, Quarrying, and Oil and Gas Extraction	65	75	10	15%
22	Utilities	1,266	440	(826)	(65%)
23	Construction	4,184	4,871	687	16%
31	Manufacturing	15,144	14,255	(889)	(6%)
42	Wholesale Trade	3,082	4,049	967	31%
44	Retail Trade	17,639	18,538	899	5%
48	Transportation and Warehousing	3,407	3,709	302	9%
51	Information	1,382	1,103	(279)	(20%)
52	Finance and Insurance	2,702	2,839	137	5%
53	Real Estate and Rental and Leasing	1,177	1,258	81	7%
54	Professional, Scientific, and Technical Services	5,278	5,306	28	1%
55	Management of Companies and Enterprises	968	1,099	131	14%
56	Administrative and Support Services	3,006	2,996	(10)	(0%)
61	Educational Services	2,592	2,418	(174)	(7%)
62	Health Care and Social Assistance	22,180	26,601	4,421	20%
71	Arts, Entertainment, and Recreation	2,374	2,513	139	6%
72	Accommodation and Food Services	14,655	15,920	1,265	9%
81	Other Services (except Public Administration)	5,064	5,589	525	10%
90	Government	43,426	42,854	(572)	(1%)
99	Unclassified Industry	28	38	10	36%
<b>Total for Office-Utilizing Industries</b>		<b>63,002</b>	<b>63,044</b>	<b>42</b>	<b>0.1%</b>
<b>Total for All Industries</b>		<b>150,778</b>	<b>157,456</b>	<b>6,678</b>	<b>4.4%</b>

Source: EMSI, excludes Self-Employed workers

These employment projections indicate very limited demand for office space in the region over the next decade. Under the conservative assumption that each new worker will require 175 rentable square feet (RSF) of office space,<sup>20</sup> new demand for office space in the region will be just 7,000 RSF.

## Medical Office Buildings (MOB)

Aside from traditional office space, Medical Office Buildings (MOBs) are another classification of commercial space that could have potential in Groton. MOBs have particular characteristics and therefore have a different market than the office space referred to in the previous section.

According to Colliers International's 2015 Medical Office Outlook, nationally, medical office vacancy rates are at their lowest level since the 2008 recession, and are continuing on a downward trend, as there continues to be strong tenant demand but slowed construction activity.<sup>21</sup> While the full ramifications of the Affordable Care Act cannot yet be evaluated fully, the expected increase in patients has driven demand for healthcare real estate. Additionally, the aging population will continue to tax the healthcare system and force hospitals and their affiliates to expand their square footage if they are to keep up with the demand from the population. Colliers also reports that the healthcare sector was one of the few that managed to add jobs throughout the recession. As well, the Outpatient Care Centers subsector has expanded 4% to 6% for the last three years. This confirms the trend in lower-cost outpatient facilities closer to the target consumer base.

During the recession, MOBs were more stable than suburban or CBD office space, due in part to relatively long term leases of 7 to 10 years. Colliers International, as well as other real estate developers, note that medical office buildings are becoming more common as investment properties.

Other significant trends in the field of MOBs include: the necessity for flexibility space and multi-specialty offices, which has resulted in the overall increasing size of MOBs. Due to technology advances and the growing amount of technological equipment being used in procedures and follow-ups, space must allow for the technology to be used efficiently. Flexible space opens the possibility for adaptability when technology changes or the needs of the patient change.

While paper records once took up large portions of an office, many hospitals and MOBs have gone, or are going digital, so hard copy records are no longer maintained and stored. Although some space may be saved by digital records, the overall size of MOBs is increasing due to a variety of specialties being housed together under one roof. This can increase cost and operating efficiency, as overhead costs are lower per physician with a larger group, and if a patient needs to see multiple specialists they do not have



20 A 2010 report from the U.S. General Services Administration, "Workspace Utilization and Allocation Benchmark," found average rentable office space per employee to be 230 square feet. As a result of efforts to implement more efficient design standards, the typical office standard has declined from around 250 square feet per workstation in the early 2000s to around 190 square feet or less. In addition, a trend toward less personal workspace in favor of larger group space, as well as an increase in teleworking will likely contribute to continued declines in office space per employee.

21 Colliers International, Medical office Highlights, 2015 Outlook, 2015, [http://www.colliers.com/-/media/files/marketresearch/unitedstates/2015-market-reports/1HMedicalOffice\\_d10\\_FINAL.pdf](http://www.colliers.com/-/media/files/marketresearch/unitedstates/2015-market-reports/1HMedicalOffice_d10_FINAL.pdf)



to drive to different locations. As a result, whereas average MOB used to be 30,000 to 60,000 SF, newer construction has been closer to 100,000 SF.<sup>22</sup>

To estimate the future demand for MOB in Groton, we examined employment projections for ambulatory care services both within in the town and in the greater region. In Groton, employment in this sector is projected to grow by 190 positions over the next 10 years. Assuming an average of 175 RSF per employee, this amounts to 33,250 SF of medical office space needed. In the greater economic region, ambulatory health care services will add 1,564 positions, which indicates potential demand for almost 240,000 SF of medical space region-wide.

## Office Market: Opportunities and Challenges for Groton

- Projected growth in the health care sector indicates future demand for medical office space in the southeastern Connecticut region. Groton has an opportunity to grow its inventory of ambulatory health care space.
- Limited growth in demand for traditional office space is projected for the region in the next ten years, which means little to no need for new office space in Groton, except perhaps to replace functionally obsolete space.



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22 Ashok Selvam, "Medical office buildings grow in girth", Modern Healthcare, September 2012  
<http://www.modernhealthcare.com/article/20120915/MAGAZINE/309159938>



# Industrial/Flex Space Market Analysis

As enumerated in the town's 2006 Economic Development Plan, Groton has a number of assets that make it a viable option for industry:

- Highly skilled workforce
- Effective local economic development programs
- Access to markets between New York and Boston
- Transportation infrastructure (I-95, Groton–New London Airport, shoreline freight railroads, port facilities in New London)
- Local municipal utility company
- Large water supply
- Good telecommunications infrastructure

However, a lack of existing space and shovel-ready sites for industrial uses continues to be a major challenge in attracting new users.

## Local Industrial Market

Locally, the industrial real estate market is not particularly active. According to conversations with realtors, while much of the excess supply in the southeastern Connecticut area has been consumed in recent years, a general lack of demand has obviated any need for new construction in the area.

The small size of the market makes it difficult to identify any trends in the types of users that have recently sought space, though realtors have pointed to several small manufacturers seeking manufacturing and warehousing space. The local industrial market is characterized by one-off transactions and a potpourri of users depending on the needs of companies located in the area. For this reason, it is difficult to predict the kinds of space that have the potential for absorption in the future.

Medium-sized spaces in the 10,000 to 50,000 SF range are seeing the most activity as users take advantage of softer market conditions. Low rents currently make new construction infeasible from a financial perspective. Until more product is absorbed, tightening supply and raising rents, new construction will not pencil out.

Groton's lack of industrial space inventory means that it will have to wait for market conditions to improve before it can hope to attract new industrial space users. While the Airport Business Park is built out and leased up, there is very limited industrial space elsewhere in the town. Mystic Business Park on Flanders Road was recently developed and has 60 business tenants, but it was done without public water and sewer infrastructure.

This lack of infrastructure is a major impediment to future development of industrial space in Groton. As the supply of space regionally becomes more constrained, Groton should position itself so that it has utility-served developable sites that are ready for construction once market conditions support new build.

## Connecticut and Rhode Island Industrial Market

While Groton and southeastern Connecticut are not considered a major real estate market, the town is in relatively close proximity of the Hartford, New Haven, and Providence/Rhode Island markets. Absorption and vacancy trends in these markets certainly affect the demand for space in Groton.

The Greater Hartford industrial market experienced 844,000 SF of positive absorption in 2014, causing vacancy rates to fall from 13.2% at year-end 2013 to 12.3% at year-end 2014. The region has recovered 100% of the negative absorption realized in 2009 and 2010. Leasing of small and medium-sized blocks of space drove absorption in the past year, accounting for about 60% of space absorbed in the market.

The market saw a lack of new construction in 2014. Still, Connecticut remains in demand and under consideration for several large-format industrial facilities, with several users seeking built-to-suit buildings in 2014.

Asking rents in suburban Hartford for industrial space ranged between \$3.50 and \$5.50 per SF, with the southern and eastern submarkets (the areas closest to Groton) on the lower end of that range. Note that Groton is 50+ miles away from the Hartford market.

CBRE projects that absorption in the Hartford market in 2015 may approach 1 million SF, with vacancy rates continuing to drop. Rental rates do not currently support new speculative construction; however, if market fundamentals continue on a positive trend there may be limited speculative construction by 2016.

In the New Haven market, the vacancy rate held steady at 13.9% in 2014 relative to the previous year. Most of the industrial product in this market is in the western and northern submarkets, with more limited supply on the eastern side (closer to Groton). CBRE projects future leasing activity to be strongest in the west, which benefits from its closer proximity to Fairfield County and New York City population centers.

The Rhode Island market, the industrial vacancy rate was 7.8%, considerably lower than rates in the Connecticut markets. There was 618,000 SF of absorption, with the market size itself increasing by approximately 300,000 SF. Absorption was driven by existing manufacturing companies seeking strong infrastructure and more modern industrial space.

Rhode Island's tightening industrial market presents a significant challenge, as the lack of permitted land sites and modern building inventory precludes the state as a viable option for many large space users. Across size categories, industrial space is dated, with 35% of inventory built before 1950 and 94% built before 2000.

The southern submarket, which generally coincides with Washington County, includes Westerly. This is the least developed of Rhode Island's submarkets, with the smallest inventory of space and a dearth of permitted land and infrastructure needed for industrial uses.

## Industrial Market: Opportunities and Challenges for Groton

- While there will be limited demand for new industrial space in the short term due to adequate supply, the market is tightening and rents are expected to reach a level that will support new construction in the next few years.
- Many sites in the northern areas of town near I-95 and along Flanders Road lack water and sewer. Groton should ensure that high-priority industrial sites are adequately served by utilities and are shovel-ready so that once the market can support new construction, Groton will be seen as a competitive option relative to other communities in the region. **Without basic infrastructure, these sites will not be considered by site locators.**

The page features a dark blue header bar at the top. On the left side, there is a light grey square and a thin green vertical line. At the bottom, there is a decorative graphic consisting of several overlapping, curved bands in shades of blue, green, and light blue, creating a wave-like effect.

## Appendices

# Appendix A: Data & Information Sources

## Data Sources

### EMSI

EMSI compiles data from several sources, including the U.S. Census Bureau and U.S. Departments of Health and Labor using specialized proprietary processes and models to estimate current statistics and predict future trends.

### IBISWorld

IBISWorld is one of the world's leading publishers of business intelligence, specializing in industry and procurement research. IBISWorld provides insight into market conditions for targeted industries, helps to identify major suppliers or supply chain, and provides an understanding of competitor activity.

### DataMyne

DataMyne provides access to global import export data to that sheds light on the opportunities that might be available for attracting global business to a region. Information on trade flows, product origins and destinations, and trading parties helps to identify how a region might capitalize on supply chain expansion opportunities.

### YourEconomy.org

YourEconomy.org (YE) tracks more than 54 million U.S. businesses from 1995 through the most recent calendar year. Data includes detailed information about jobs, sales, and establishment growth broken down into 13 indicators and by business stage based on the number of employees.

### ESRI Business Analyst Online

ESRI BAO, a web-based solution that combines GIS technology with extensive demographic, consumer spending, housing and business data for the entire United States.

## Interviews

Targeted economic strengths and opportunities can best be identified by using the data analysis in concert with research gained through interviews and conversations with industry and economic development stakeholders. This “on the ground” perspective reveals the strengths of relationships between firms, service providers and other stakeholders involved in a local and regional economy and identifies opportunities for private and public investment that cannot be derived solely through data analysis. Moreover, key industry leaders and stakeholders can help to create community buy-in for the strategies developed in the plan.

Camoin Associates spent two full days on-site in Groton conducting over twenty, one-hour interviews with area professionals, industry and business leaders, elected officials, and stakeholders. The majority of these interviews were conducted in person; those that could not be easily scheduled will be conducted by

phone. Camoin Associates, worked with Town staff to develop and refine an interview contact list. Town staff provided an initial key contact list and together we refined the list based on preliminary observations from the data analysis.

These interviews provided both internal and external perspectives of Groton's strengths, challenges, and opportunities and were used to solicit information for various components of the plan. The interviews were structured to provide first-hand insight related to each component of this analysis.

The knowledge gained from these interviews was crucial to the development of targeted strategies and the Town staff would like to thank those individuals who participated in interviews for contributing your invaluable knowledge and expertise to this project.

## Appendix B: Measuring the Military Community

Federal Government military jobs are not covered by the Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW). Camoin proprietary data provider EMSI attempts to cover jobs that falls under an employer-employee relationship but are not covered by QCEW.

In Groton, EMSI reports "Government" jobs as:

### Federal Government

- Civilian: 421
- Military: 857

### State Government

- Education and Hospitals: 30
- State Government, Excluding Education and Hospitals: 710

### Local Government

- Education and Hospitals: 1,020
- Local Government, Excluding Education and Hospitals: 4,185

Based on conversations with representatives of the U.S. Naval Submarine Base New London, and reviewing data from the Commander, Navy Installations Command (CNIC) website, we know that EMSI is significantly under-reporting Federal Government military jobs in Groton. This is typical where the U.S. government has large military installations and for security reasons, employment and occupation data is not publically available.

According to the CNIC website, personnel at Naval Submarine Base New London includes:

- 6,500 military personnel (EMSI is under-reporting this group by over 5,000 jobs)  
Note the 2014 Demographics: Profile of the Military Community reports 6,022 military personnel (<http://download.militaryonesource.mil/12038/MOS/Reports/2014-Demographics-Report.pdf>)
- More than 300 drilling Reservists (EMSI data captures this group in their primary jobs outside of the military)
- Approximately 12,000 family members
- 1,000 civilian employees (EMSI is under-reporting this group by about half)
- More than 1,000 civilian contractors (EMSI data captures this group in their respective industry sectors)

Here is a summary of demographic information available in a public SUBASE Overview document:

- 1,895 housing units on-base
- 9 Barracks
- 65% Single (4,225)
- 35% married (2,275)
- 4% single parents (260)
- 40% live on base (2,600)
- 60% live off-base (3,900)

- 35% live in local community (2,275)
- 25% live in Balfour Beatty Communities – Military Family Housing (1,625)

In the context of the economic analysis, the under-reporting of the military presence in Groton is not critical. In fact, one of the underlying themes driving this work is understanding what else is going on in Groton's economy in addition to the Submarine Base, Electric Boat, and Pfizer. In other words, the Town is not going to develop strategies and action items to grow the naval base or the Government industry.

Understanding the military presence is important in the context of the real estate market analysis, particularly around understanding consumer preferences of this group. For the nearly 4,000 military personnel and their families that live off-base in Groton and surrounding trade area, their consumer information is reported like any other household. It is important to note that they receive a Basic Allowance for Housing (BAH), which varies by rank and family makeup but ranges \$1,000 to \$2,000 per month.<sup>23</sup>

The approximately 2,600 individuals that live on-base are recorded by the census as "group quarters" and consumer information such as household income, spending, etc. is not counted by the U.S. Census. Most of the individuals that live on-base in group housing are primarily young 18-25 year old men just out of boot camp and in Groton for training at the Submarine Learning Center and the Naval Submarine School. They do not receive BAH. Only a handful of families live on-base.



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<sup>23</sup> Basic Housing Allowance by rank: <http://militarybenefits.info/bah-rates-state/connecticut/>





## Appendix C: Development Trends

The Town's current and upcoming economic development projects are focused on facilitating development in the town through regulatory and infrastructure changes. Regulatory projects include water resource protection and the potential creation of an Airport Development Zone. Infrastructure projects feature streetscaping, utility extension projects, and brownfield-related projects.

There are a variety of development projects either already permitted or in stages of the permitting process. Overall, there are three general types of projects that are the most common within the town: housing, office, and recreation. There are several senior housing related projects including the second phase of an assisted living development, which is adding 17 new units. There are several projects including new Class A office space and a project featuring 22,000 SF of co-working space, offices, and lab space. The recreation projects include two private indoor sports facilities and an outdoor adventure course. The full list of development projects is included below.

### Groton Economic Development projects

Departmental Projects: Funded/In-progress

#### **Market Analysis & Zoning and Subdivision Regulatory Audit**

The Town is working with a team of consultants from VHB and Camoin Associates to complete three projects: 1. A Zoning and Subdivision Regulatory Audit which will identify any inconsistencies, confusing and vague language, formatting and organization issues, out-of-date provisions, best practices, consistency with draft POCD and barriers to efficient permitting; 2. A Market Analysis which will include an analysis of demographic and socioeconomic trends and several economic trends analyses: economic analysis; workforce analysis; leading industry analysis; residential market analysis; and retail & restaurant market analysis; and 3. An Analysis of Opportunity Areas which will provide the Town with a more focused approach for geographic-based opportunity areas with specific recommendations to better target those areas with the greatest potential for job and tax based growth.

#### **Brownfield assessment- two municipal properties**

The Town received a \$200,000 brownfield assessment grant in 2014 from DECD's Office of Brownfields to complete Phase I and II assessments for the former Groton Heights Elementary School and a site on Route 1 that was formerly occupied by a gas station. The Town acquired the gas station site through a tax auction. A consultant has been selected and contract negotiations and scope of work are being finalized.

#### **Water Resource Protection District Regulations Revisions**

The Water Resource Protection District, established as a zoning overlay district in 1988, currently covers approximately 40% of the town, including a significant amount of commercially and industrially zoned land. The original district was designed to protect the existing surface water reservoir which serves several communities in southeastern Connecticut and prohibits a number of uses. A consultant has been selected to revise the regulations to reflect the most current technology, low impact development practices, and take into account a particular site's location in the watershed.

## Departmental Projects: Upcoming/Pipeline

### **Airport Development Zone**

The Town has been pursuing an Airport Development Zone designation which would create a 2-mile radius economic benefit area surrounding the general aviation Groton-New London Airport to promote economic growth. As of April 2016, the Town is finalizing an application to the State Department of Economic and Community Development.

### **Potential EDA grant- utility extension up Rote 117 to Route 184 and beyond**

The Town of Groton has begun conversations with the Town of Ledyard to consider applying for a Federal Economic Development Agency (EDA) grant to explore the installation of sewer and gas lines up Route 117 from the area near the Mystic Marriott to the interchange with Route 184, continuing up Route 117 to Ledyard Center. An initial grant request will be made in order to complete construction drawings and associated studies. A future grant request may be made for the project construction.

### **Phase III- Mystic Streetscape (upcoming)**

Conversations have begun to determine the level of funding still available for a third phase of the streetscape project in downtown Mystic, and then to determine how the funds would be expended.

### **Future brownfield grant**

Staff has been discussing the potential for a few brownfield grants (EPA or CT Office of Brownfields): a cleanup grant that would remedy the contamination identified in the above referenced Brownfield assessments; and a series of assessment grants of that will determine the level of contamination at priority development sites within town.

## Permitted and Under Construction

### **Mystic Business Park (Flanders Road)**

Phase 2 of this industrial flex space business park expansion will see the construction of several new buildings. A Certificate of Occupancy has been issued for the first building and construction is underway for two others.

### **Fairview Estates & Oddfellows Home**

Fairview Estates: 17 assisted living units are under construction in Phase 2 of this development, which is creating a continuum of care at the facility.

### **Mystic Indoor Sports (Welles Road)**

This indoor tennis facility was purchased and renovated early in 2015. Now, a 28,000 SF addition is under construction to create a clubhouse and indoor multi-sport turf field. A December opening is anticipated.

### **Maxwell Boatyard (Pearl Street, Noank)**

A 2,500 SF building is under construction to house bathroom facilities for the boating population at the boatyard; offices for maritime based businesses and storage for the boatyard.

### **Doncasters (Poquonnock Road) – APRIL 2016 UPDATE: Project Complete**

This manufacturing company has proposed four small additions that total 10,000SF to its Poquonnock Road facility that will enable expansion of the production floor, efficiencies in their production process and will require additional employees.

### **Fields of Fire Adventure Park (Noank Ledyard Road) - APRIL 2016 UPDATE: Project Complete**

This is a new aerial ropes and zip-lining course which will complement an existing paint ball park.

### **Mystic River Residential Care (Godfrey Street) - APRIL 2016 UPDATE: Project Complete**

This is a complete reconstruction of an existing 25 bed residential care facility to bring the building up to new Public Health codes that will transform the existing one story structure to two stories and provide amenities to the residents.

### **Pequot Village - APRIL 2016 UPDATE: Project Complete**

The Town received \$800,000 in CDBG funding for renovations and rehabilitation of elderly housing to bring units up to current code and meet ADA requirements.

### **In Permitting Process**

#### **Building 114 (former Pfizer building) - APRIL 2016 UPDATE: Project Complete**

A local business owner has purchased this building, which is located across Eastern Point Road from the main Pfizer campus, and is in the process of renovating the interior as Class A office space. He is going through permitting process with the City of Groton right now and is in talks with potential tenants for an anticipated opening date of Fall 2015.

#### **CURE Commons (former Pfizer building) - APRIL 2016 UPDATE: Project Complete**

Connecticut United for Research Excellence (CURE) is in the process of converting a former Pfizer building to 22,000 SF of dedicated and co-working space, offices and laboratories. They are recruiting startup biotech businesses and are anticipating a fall 2015 opening date.

### **9 Kings Highway**

Electric Boat recently purchased this former Caldor location from Pfizer and leased back a portion to Pfizer. The 83,000 SF facility is undergoing a complete renovation and will eventually house between 600 and 800 employees.

### **1500 Gold Star Highway- indoor beach volleyball facility - APRIL 2016 UPDATE: Permitted**

Indoor beach volleyball facility planned for property formerly owned by the Town. The owner had successfully run a similar indoor facility at Mystic Indoor Sports and runs summer beach volleyball programs in Groton and New London.

### **Cardinal Honda, 531 Route 12 - APRIL 2016 UPDATE: Approved**

Cardinal Honda recently purchased 2.76 acres of land south of their existing building. They are applying for approvals to expand their automobile display area onto this land as the first phase of an overall expansion of their facility. The building expansion will wait until the Water Resource Protection District zoning regulations are reviewed and revised.

### **In Pre-application Process/Discussion**

#### **Route 1 corridor (downtown Groton)**

Retail redevelopment and/or façade improvements

Several conversations have occurred over the last 12 months about façade renovations and redevelopment of a few of the shopping centers along the Route 1 corridor.

#### **Vacant Land, 187 Gold Star Highway (formerly Gold Star Motors)**

Staff has had meetings and several conversations regarding the construction of a 3 story, 50,000 square foot U-Haul Moving and Storage Facility.

#### **Mystic Shipyard**

Staff anticipates an application for the demolition of a 22,000 SF storage building and the construction of a 35,000 SF storage and repair building.

### **1425 Gold Star Highway - APRIL 2016 UPDATE: Complete & Occupied**

Several meetings with new owners of the former Tee's Plus building regarding substantial upgrades to the existing building to accommodate a number of small businesses in a mixed-use setting.

#### **894 Route 12 (former Mariner Motel)**

Discussions regarding the construction of a 5,000 SF office building to serve contractors working at the Subase.

#### **401 Noank Road (former Grossman's Seafood)**

Discussions regarding the reuse of the building as a new branch of The Mystic Soup Company.

#### **0 Mardie Lane (former Grove Avenue Subdivision)**

Discussions regarding a zone change from RS-12 to a multi-family zone to allow construction of apartments.

# Appendix D: Documents Reviewed

## Summary: 2006 Groton Economic Development Strategic Plan

The 2006 Economic Development Strategic Plan (EDSP) prepared for the Town of Groton was focused around four key objectives:

- Diversifying the local economy, including the degree of dependence on the defense and pharmaceutical industries
- Redeveloping Downtown Groton to unlock its unmet economic potential and revitalize the core of the community
- Improving the Town's ability to compete for tourist activity and spending
- Improving the Town's overall quality of life

Some of the key issues facing Groton at the time of the plan included:

- High-wages in the manufacturing sector, but instability with major layoffs
- An economy heavily dependent on several major companies and the two casinos.
- Constraints to develop included high land costs, limited land availability, and higher utility costs
- Groton has a lack of developable commercial and industrial land served by roadways and utilities
- Older retail areas are underperforming as large-format retails continue to move into the town

The economic plan proposed several policies:

- **Diversify the local economy.** Improve outreach to local businesses, interview businesses leaving Groton, market the town's incentive programs, pursue local niches in maritime security and nuclear engineering.
- **Take a proactive approach to creating sites for economic development.** Facilitate the expansion of "turnkey" industrial/commercial/flex sites through investments in infrastructure. Set aside land for a true commerce park. Expand the amount of incubator space. Plan for the reuse of the Mystic Education Center site.
- Enhance economic development capacity through regional partnerships.
- Update the Town's marketing materials, update inventory of available sites, adopt a specific tax abatement policy, and consider the creation of a Groton Economic Development Corporation.
- **Zone with economic development in mind.** Implement new form-based zoning standards for development. Promoted mixed-use in downtown. Only conditionally permit big box retail to occupy space in industrial zones. Promote a variety of housing types.
- **Improve the aesthetics and image of Groton's highway business corridors, including Downtown Groton.** Undertake streetscape improvements along Route 1, enhance town-owned open space. Implement revised signage standards.
- **Improve circulation and access in Downtown Groton and throughout the town.** Open up the interior of the downtown with enhanced visibility and access. Connect downtown with adjacent neighborhoods and developments. Facilitate pedestrian and bicycle circulation. Plan for a new rail station in Downtown Groton.

- **Work with property owners to spur the redevelopment of downtown Groton.** Use public investments as a catalyst for private investments. Work with property owners to create infill development opportunities.
- **Preserve and enhance the Town's historic, scenic, and open space resources to create both local and tourist amenities.** Reposition Thames Street as a complimentary counterpoint to historic downtown Mystic. Designate more scenic byways. Pursue new greenways/bikeways. Improve access to existing parks. Promote the preservation of Groton's historic heritage.
- **Improve the packaging and marketing of existing tourist attractions.** Focus on the weekend getaway market for tourism. Pursue the heritage park concept for Thames River. Improve gateways to the Nautilus Museum. Promote more B&B's in historic Mystic and along Thames Street. Prepare a Groton-specific tourist map and guide to local attractions. Promote local events. Implement a comprehensive system of wayfinding.
- **Undertake projects and plans which bolster community pride and image.** Encourage community-wide events. Make downtown Groton a place for the whole community to come together. Create a new regional tourism event centered in Groton.

## Appendix E: Workforce Development

The Eastern Connecticut Workforce Investment Board (EWIB) covers 41 towns in the eastern portion of Connecticut, including Groton, overseeing a network of workforce-related programs funded from a variety of sources including the operations of four America's Job Centers.

Manufacturing is a primary area of focus for EWIB, aligning with key economic development opportunities for Groton, and EWIB will continue to be a valuable partner for the Town moving forward.

Four Connecticut counties (Hartford, New London, Middlesex, and Tolland) were recently designated as an Advanced Manufacturing Communities (AMC) Region by the U.S. EDA's Investing in Manufacturing Communities Partnership. The region has been a leader in the aerospace and shipbuilding industries for more than 100 years, which have become pillars of the Connecticut economy. The Connecticut Department of Economic and Community Development (DECD) and an Advisory Board will oversee a \$30-million Manufacturing Innovation Fund to support the modernization and innovation of processes, equipment, and workforce for manufacturers.

The workforce strategy involves developing the region's workforce to support Electric Boat's expanded submarine programs and Pratt & Whitney's development of the F-135 aircraft and other engines. The region will also seek to expand and modernize regional Advanced Manufacturing Centers in the community colleges and technical high school system and to create a future pipeline of trained workers by enhancing programs that expose students to careers in manufacturing.

A key partner in implementation of the strategy is the Eastern Advanced Manufacturing Alliance, which includes 46 manufacturing companies in the eastern Connecticut region, including Electric Boat. These manufacturers continue to work with EWIB to implement initiatives and programs aimed at ensuring the workforce needs of the region's manufacturing industry are met.

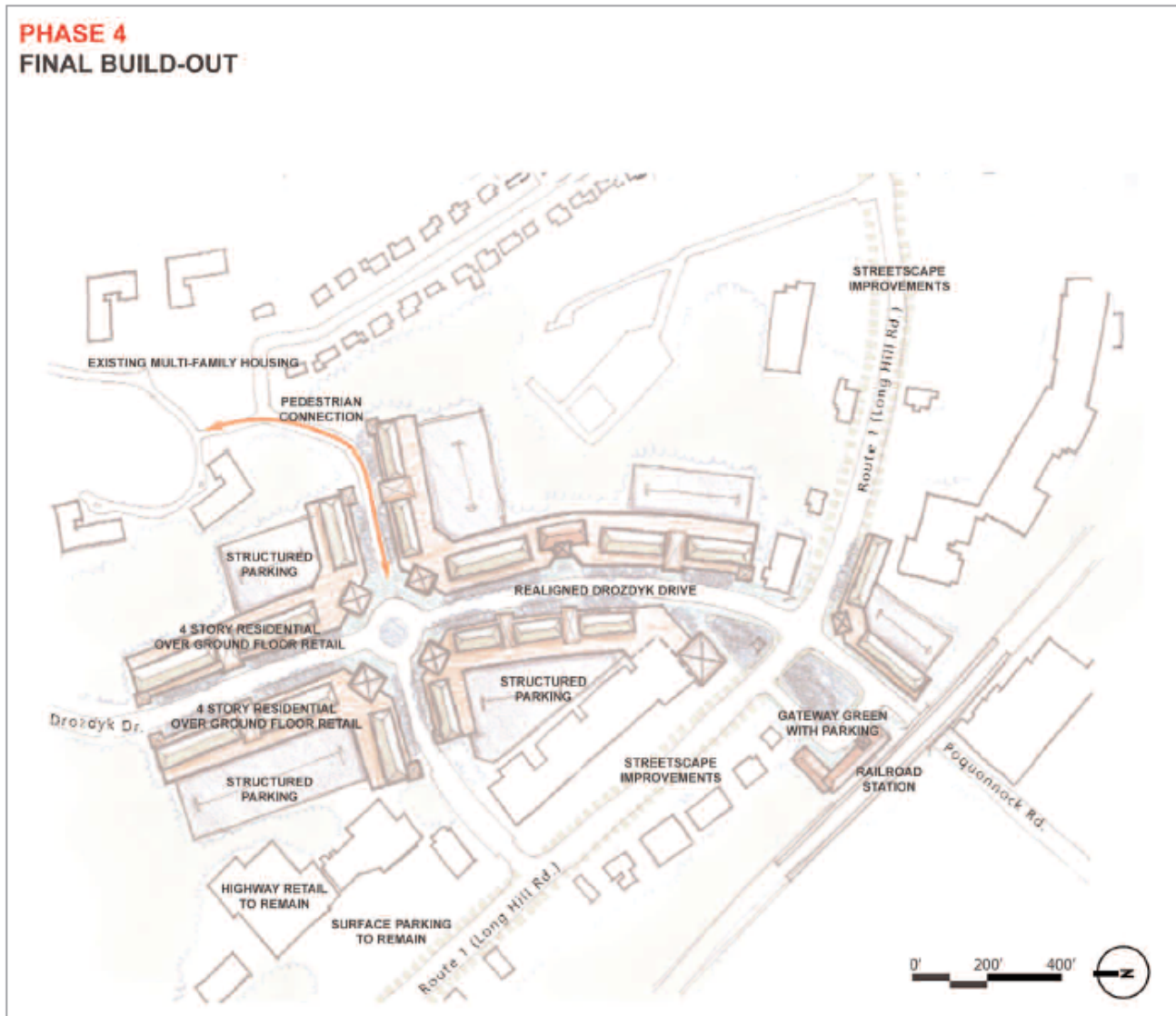
## Appendix F: Creating Quality of Place

The US-1 Corridor between Route 349 and Buddington Road is the area of town known as “Downtown Groton.” It is the commercial center of the community, with an assortment of highway and strip retail serving residents’ everyday shopping needs. The area can currently be characterized as functional, but lacking from an experiential perspective—it provides customers with easy access to a variety of convenience-retail type stores with ample parking, but is not a place where people gather and spend time.

The town’s 2006 Economic Development Plan proposed a phased redevelopment concept for the Groton Shopping Center and Plaza that called for converting these strip malls into mixed-use ground-floor retail with multi-story housing development that resembles a traditional downtown—buildings framing streets and public areas and an emphasis on walkability. A new public street would be developed through the center of the new Downtown Groton, opening up the interior of the downtown to greater through traffic, increasing the visibility of retailers, and creating new frontages. The introduction of new housing in addition to the new street and major aesthetic improvements would allow the retail tenanting to change from its current convenience orientation to a more specialty assortment, including unique shops and dining.



The diagram on the following page shows the completed redevelopment concept.



An in-progress example of the converting of a highway retail corridor into a true town center built around traditional downtown design principles can be found in Brookfield, Connecticut. The “Four Corners” in Brookfield is a well-known community landmarked so named primarily because it is the historic junction of state routes 7 and 25. The name is also associated with the four gas stations occupying the four corners of this intersection. When a highway bypass of Route 7 was finally completed around the Four Corners, traffic along the very busy corridor was significantly reduced to the point that it could accommodate the development of a more traditional town center in place of the existing highway commercial.

Similar to Downtown Groton, the existing mix of retail included an abundance of franchise and big-box convenience retail and a lack of full-service restaurants and unique specialty shops. The Four Corners plan

calls for targeting more restaurant and dining options; specialty retail such as a coffee shop and bakery, art galleries, and outdoor sports equipment; hotel or bed and breakfast; antique shops; and a brew pub or wine bar. This retail mix emphasizes creating a place where people gather and linger, rather than make their purchases and leave. This retail would be developed in conjunction with residential and office uses to contribute to the ongoing activity and vitality in the area. It will work to strengthen the sense of community in Brookfield, which currently lacks a hub that can be considered “downtown.”

Brookfield’s four-pronged implementation strategy for the Four Corners continues to be instrumental in the successful transition of the area from highway to downtown.

- **Community Form** – a core strategy of encouraging redevelopment which creates a traditional downtown environment with multi-story buildings oriented to the street, sidewalks in front, and well-designed, right-sized parking behind, and a mix of small- to medium-scale uses
- **Marketing** – a core strategy of undertaking a marketing program to attract investors, businesses, and residents to the Four Corners. Launched with a branding program linking the area history and future, as well as a targeted business attraction program
- **Complete Streets** – a core strategy of rebalancing the transportation network to include a cohesively connected sidewalk and greenway system, strategically located on-street parking, pedestrian amenities, and bicycle ways.
- **Cultural Civic Enhancement** - a core strategy of locating at least two community gathering destinations in the Four Corners, potentially a library and a community theater and include some public gathering spaces such as outdoor plazas.

# Appendix G: Development Incentives

The following is a summary of incentives

## Municipal Tax Abatements

Each municipality in the state has the ability to offer, on a sliding scale depending on level of investment, local tax abatements for both real estate and manufacturing machinery and equipment.

Additional Information:

- [http://www.ct.gov/ecd/lib/ecd/sec\\_12-65\\_\(b\).pdf](http://www.ct.gov/ecd/lib/ecd/sec_12-65_(b).pdf)
- <http://www.town.wallingford.ct.us/images/customer-files//RealPropTaxIncAgree15F121613.pdf>

## Urban and Industrial Sites Reinvestment Tax Credit Program

An eligible Urban Site Investment Project is defined as an investment that will add significant new economic activity, increase employment in a new facility and generate significant additional tax revenues to the municipality and the state.

Communities that may participate in the Urban Site Investment Tax Credit Program are those that have an enterprise zone, have been designated as a distressed municipality or have a population in excess of one hundred thousand.

An eligible Industrial Site Investment Project is defined as an investment made in real property, or in improvements to real property, located within Connecticut that has been subject to environmental contamination. The investment will return the property to a viable business condition that will add significant new economic activity, increase employment and generate additional tax revenue to the state and the municipality in which the property is located.

The real property of an "eligible industrial site investment project" or an "eligible urban reinvestment project" may be eligible to receive a 50% property tax abatement on that portion of the property tax due that is attributable to the increased value of such property as a result of the approved remediation, construction or other development.

Additional Information: <http://www.ct.gov/ecd/cwp/view.asp?a=3690&q=249842>

## Enterprise Zone Benefits

Groton is a designated Enterprise Zone municipality by way of special legislation due to the impact of severe defense industry cutbacks, each representing a minimum of 2,000 lost positions.

There are basically two business incentives associated with an Enterprise Zone location:

- A five-year, 80% abatement of local property taxes on qualifying real and personal property, subject to the property being new to the grand list of the municipality as a direct result of a business expansion or renovation project, or in the case of an existing building, having met the

vacancy requirement. The property tax abatement is for a full five-year period and takes effect with the start of the first full assessment year following the issuance of a "Certificate of Eligibility." Statutory reference to these benefits can be found in CGS 32-9p, 32-9r, 32-9s, 12-81(59) and 12-81(60).

- A ten-year, 25% credit on that portion of the state's corporation business tax that is directly attributable to a business expansion or renovation project as determined by the Connecticut Department of Revenue Services. The corporation tax credit is available for a full ten-year period and takes effect with the start of the business' first full fiscal year following the issuance of a "Certificate of Eligibility." The corporate tax credit increases to 50% if a minimum of 30% of the new full-time positions are filled by either zone residents or are residents of the municipality and are WIA eligible. The statutory reference for this benefit is CGS 12-217(e).
- Newly formed corporations located in a zone qualify for a 100% corporate tax credit for their first three taxable years and a 50% tax credit for the next seven taxable years. The corporation must have: (1) at least 375 employees - at least 40% of which are either zone residents or are residents of the municipality and who qualify for the Workforce Investment Act, or (2) has less than 375 employees - at least 150 of which are zone residents or are residents of the municipality and who qualify for the Workforce Investment Act.

Any businesses engaged in biotechnology, pharmaceutical, or photonics research, development or production, with not more than three hundred employees, are eligible for Enterprise Zone benefits if they are located anywhere in a municipality with (1) a major research university with programs in biotechnology, pharmaceuticals or photonics and (2) an Enterprise Zone. Benefits are subject to the same conditions as those for businesses located in an Enterprise Zone.

Additional Information: <http://www.ct.gov/ecd/cwp/view.asp?a=1097&q=249762>

## Entertainment District

A municipality with a designated Enterprise Zone, such as Groton, is defined as a Targeted Investment Community. The community can therefore designate other areas within the municipality "as having the equivalent of Enterprise Zone-level benefits. This includes designating an Entertainment District, under certain circumstances. In the event that an eligible entertainment-related project takes place within the boundaries of the designated Entertainment District, the municipality has the option of providing a 100% property tax abatement for the eligible project for up to seven years, rather than the standard tax abatement of 80% for five years.

Additional Information: <http://www.ct.gov/ecd/cwp/view.asp?a=1097&q=249762>

## Incentive Housing Zone

An Incentive Housing Zone is an area which has a zoning overlay that allows developers to increase housing density in exchange for creating mixed-income housing. The program provides municipalities with complete control over the location, amount, type and design of the homes created, while also offering a tool that allows all residents of a town to have input into housing decisions: where it should be built, what it should look like, or whether it should be created at all.

Towns that choose to create more housing using the HOMEConnecticut program can create an Incentive Housing Zone (IHZ) with only two requirements:

- That at least 20% of the units in the zone be affordable for households earning 80% of the area median income or less, and
- That the zoning allows at least 6 single-family, 10 townhomes or duplexes, or 20 multifamily housing units per acre. (Rural towns and developments in which all of the units are affordable may request a density waiver from OPM.)

When an IHZ is created, towns then qualify for:

- Zone Adoption Incentives of \$20,000 when the zone is approved by OPM.
- Building Permit Incentives between \$15,000 and \$50,000, when housing is built in the IHZ.

Towns may use Incentive money for any purpose.

Additional Information: <http://www.pschohousing.org/homeconnecticut-program>

## Sales and Use Tax Exemption

Sales and use tax relief on the purchase of tangible personal property for qualifying retention and expansion projects or projects that significantly contribute to a targeted industry cluster. The minimum investment in eligible property must equal \$5 million and a total award must not exceed \$10,000 per new job created and \$2,000 for each retained position.

## Tax Increment Financing (TIF)

Bill 677: An Act establishing Tax Incremental Financing Districts was recently passed into law in June 2015. According to the Connecticut Chapter of the American Planning Association the new TIF law will make TIF's a flexible tool where tax increments could be used for a variety of purposes such as downtown revitalization projects, transit-oriented development, incentive housing developments, and even park and streetscape improvements. TIFs will now be able to be used for districts like downtown neighborhoods rather than individual development projects. TIF's will also be able to be used for smaller projects in small towns.

Additional Information: [http://www.ccapa.org/wp-content/uploads/2015/04/HB\\_677\\_Position\\_Statement.pdf](http://www.ccapa.org/wp-content/uploads/2015/04/HB_677_Position_Statement.pdf)

## New Market Tax Credits

The New Market Tax Credit (NMTC) program attracts capital to low income communities by providing private investors with a federal tax credit for investments made in businesses or economic development projects located in some of the most distressed communities in the nation – census tracts where the individual poverty rate is at least 20 percent or where median family income does not exceed 80 percent of the area median.

A NMTC investor receives a tax credit equal to 39 percent of the total Qualified Equity Investment (QEI) made in a Community Development Entity (CDE) and the Credit is realized over a seven-year period, 5 percent annually for the first three years and 6 percent in years four through seven. If an investor redeems a NMTC investment before the seven-year term has run its course, all Credits taken to date will be recaptured with interest.

## Urban Sites Remedial Action Program

The Urban Sites Remedial Action Program was created for DEEP and DECD to address a key constraint to the conveyance and reuse of contaminated properties – the fear purchasers and investors have of assuming environmental liability for pollution created by others. The Urban Sites Remedial Action Program facilitates the transfer, reuse and redevelopment of potentially polluted commercial and industrial real property which otherwise would remain vacant and unproductive for the economy of the municipality, region and State. When necessary, the State can commit public funds to prepare the planning and implementation of the site remediation. Eligible sites must be located in either a [distressed community](#), as defined in CGS Section 32-9p, or a target investment community, and the site must have a high economic development potential as determined by DECD. These funds are intended as "seed capital" to expedite the project. Recovery of state funds committed to a project will be sought.

- Dedicated staff resources are available to address the environmental issues at underutilized or abandoned urban industrial facilities.
- DEEP can expedite review of site remediation plans prepared by responsible parties willing and able to work with DEEP.
- Bond funds are available to hire private consultants to undertake site assessments and remedial measure when the responsible party(ies) are unwilling or unable to undertake the work in a timely manner. DEEP and DECD may seek cost recovery for expended funds.
- DEEP Oversight
- CGS Section 22a-133m

Additional Information:

[http://www.ct.gov/deep/cwp/view.asp?a=2715&q=489000&depNav\\_GID=1626#UrbanSitesProgram](http://www.ct.gov/deep/cwp/view.asp?a=2715&q=489000&depNav_GID=1626#UrbanSitesProgram)

## Municipal Brownfield Liability Relief Program

- The program is open to any municipality or economic development agency, nonprofit economic development corporation, or nonstock corporation or limited liability company established by a municipality to address redevelopment.
- Qualified applicants must apply to DEEP on the designated Municipal Brownfield Liability Relief Program Application Form ([Word](#) / [PDF](#)) for liability relief associated with a certain Brownfield property and certify that they:
  - intend to acquire title to such brownfield for the purpose of redeveloping or facilitating the redevelopment of such brownfield;
  - did not establish or create a facility or condition at or on such brownfield that can reasonably be expected to create a source of pollution;
  - are not affiliated with any person responsible for such pollution; and
  - are not otherwise required to remediate such
- Provides state and third party liability relief for any pre-existing contamination.
- Provides exemption from the Property Transfer Act.
- Once in the program, municipalities are not required to fully investigate or cleanup the Brownfield but are required to serve as good stewards of the land

Additional Information: [http://www.ct.gov/deep/cwp/view.asp?a=2715&q=489000&depNav\\_GID=1626](http://www.ct.gov/deep/cwp/view.asp?a=2715&q=489000&depNav_GID=1626)

## Other Traditional Incentives

- Site development assurance to deal with environmental issues and remediation
- Funding for infrastructure - roads sewer, fiber, water, etc.
- Density bonus (above what is allowed by right)
- Relief from building height restrictions
- Public Private Partnerships
- Expedited review of permitting for development review
- Relief from other zoning regulations such as building setbacks, floor heights, lot area, parking requirements, or number of dwellings.