# **Economic Development**

## Introduction

Economic development is coordinated strategic planning, involving the municipal government, businesses, and the community, to stimulate long-term investment and sustainable economic growth. As a first step in identifying the best economic development strategy for Sterling, it is critical to develop an understanding of baseline demographic and economic conditions.

This chapter provides regional context, followed by a summary of local conditions in relation to population, education, income, businesses, employment, tax policy, and economic development resources.

## **Baseline Conditions Analyses**

## **Regional Context**

The Montachusett Regional Planning Commission (MRPC) consists of 22 member communities located in North Central Massachusetts. While some of these member communities have mixed-use suburban and urban districts, most of the region possesses a low-density, rural character.

MRPC, one of the state's 14 regional planning agencies, carries out comprehensive planning at the regional level. In 2019, MRPC prepared the most recent Comprehensive Economic Development Strategy (CEDS) for the region, identifying key trends with an impact on the regional economy.

The report highlights several positive trends. For instance, the population of the region is increasing at a steady pace, driven by high-growth towns such as Ayer, Groton, Lunenburg, and Leominster – and as the population grows, it is becoming more diverse. The workforce is also getting stronger, as educational attainment continues to improve.

The CEDS report emphasizes the importance of three job categories driving the region's economic activity, and showing the most significant growth as a share of the region's jobs:

- Arts, entertainment, recreation, accommodation, and food services;
- Professional, scientific, and management, and administrative and waste management services; and
- Educational services, health care, and social assistance.

The health of the manufacturing sector should also be noted. Although the number of manufacturing jobs fell region-wide by 33% from 2000 to 2017, it still represents a much higher share of jobs than statewide or nationwide averages. A key advantage of manufacturing is that it offers a career pipeline for unskilled labor, and thus helps reduce income inequality.

The report also highlights enduring regional challenges, including:

- Physical infrastructure, especially horizontal infrastructure like roads and bridges, are in poor condition throughout the region;
- The supply of quality housing is limited, and it is weighted too heavily toward detached, single-family units; and
- The median age is significantly higher than the state or the nation and will continue to increase over the coming decades.

In response to these and other enduring challenges, MRPC has identified a series of strategic initiatives to move the region forward into the new decade. Chief among them is to push for targeted investment in the region's failing infrastructure, by identifying and prioritizing strategic projects, pursuing federal dollars for improvements, and working with municipalities to mobilize projects.

Additionally, MRPC is working to maintain and develop support services and resources to strengthen the region's business ecosystem. This includes enhanced regional cooperation and promotion of the regional "brand."

## **Local Context**

By many measures, Sterling's local economy is doing well. For example, in 2017, according to MRPC's 2019 CEDS Report, Sterling had the third-highest median household income in the region. It also had the third-highest percentage of residents with a bachelor's degree or higher (over 50%), and the third highest median home value (\$340,500). Sterling's median household income in 2018 was \$107,348 – notably higher than the county (higher by 49.3%) and the state (higher by 38.7%). Additionally, in 2017, Sterling's unemployment rate was 3.8% - significantly lower than the county (5.4%) and the state (5.5%).

The following sections further describe economic conditions and impact factors associated with Sterling's local economy.

## **Population**

The Town of Sterling grew at a relatively consistent pace throughout the 20<sup>th</sup> century, with residential development peaking in the 1970's. In recent years, although residential

development has slowed, the population has continued to grow at a steady pace. Between 2010 and 2018, Sterling's population grew by 333 people, or 4.3%. For reference, over the same eight-year period, Worcester County's population grew by 3.8%, and the population of Massachusetts grew by 5.6%. Population growth is important for a local economy, as it expands the tax base and allows for greater investment in shared resources.

Sterling's population trends older. Whereas the median age in 2018 was 39.4 across Massachusetts, it was significantly higher in Sterling at 47. This trend has myriad impacts on the local economy, as there is a lower prevalence of employed residents and a higher prevalence of residents with specialized needs for housing and services.

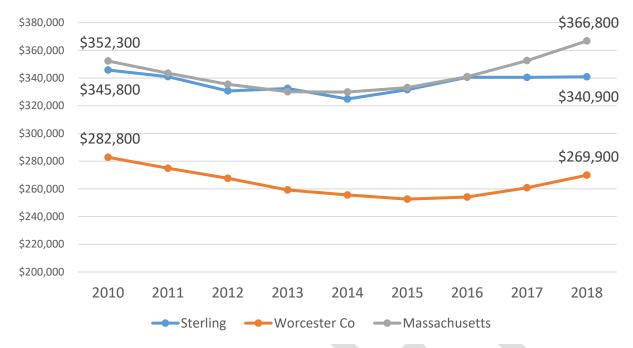
Many of Sterling's residents are well-educated and live comfortably in high-income households. However, Sterling's low-income residents, many of whom are not highly educated, and some of whom are unemployed, cannot be overlooked. As of 2018, 253 persons or 3.2% of the population for whom poverty status is determined, were living below the poverty level.

## Housing

Housing options are very limited in Sterling, primarily due to zoning restrictions and lack of infrastructure (e.g., public sewer) – these factors are further described later in this chapter under *Geography and Infrastructure*. In fact, as of 2018, Sterling only had 45 housing units located in buildings with five or more units; 85.2% of the housing units in town were single-family detached housing and 76.6% of the housing stock consisted of units with three or more bedrooms. With the prevalence of larger, detached units, Sterling's housing inventory is ideal for large, family households – but nationwide, households are getting smaller, and the share of householders who live alone is increasing.

As reported earlier, Sterling has a high median home value relative to its region. The median home value in Sterling is significantly higher than Worcester County and roughly equal to the state (See **Figure 2-1**). While values have continued to increase in the past few years statewide, values appear to have stabilized in Sterling. Meanwhile, Sterling's residential property tax rate in fiscal year 2021 was \$16.52 per thousand dollars of valuation. In the same year, the average residential tax rate in the state was \$15.24 per thousand dollars of valuation.

Relatedly, low-income households in Sterling (in addition to many middle-income households) struggle to meet the challenges associated with rising property values. In fact, 71.9% of households in Sterling are cost-burdened, which refers to households that spend more than 30% of their income on housing costs.



Source: US Census, 2014-2018 American Community Survey, 5-Year Estimates

Figure 2-1. Median Home Value; Town of Sterling, Worcester County, State of Massachusetts (2010 to 2018)

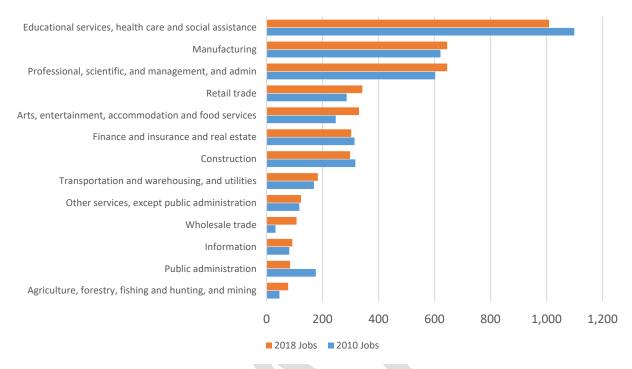
## **Businesses and Employment**

Very few of Sterling's residents (307 or 7.4% of the working population) are employed within the town. The remaining 3,863 of Sterling's working residents work outside of town. The number of working people who live outside of Sterling, but are employed in Sterling is significantly lower, at 2,131. Thus, there are more people commuting away from Sterling than there are commuting into Sterling. These data points reflect the community's perception of employment opportunities in Sterling, as 47.8% of respondents to Public Survey #2 felt that such employment opportunities were "not at all" or "not so impactful" (i.e., positively contribute) to their quality of life (see **Appendix A**).

In 2018, educational services, health care, and social assistance was the top industry among the employed population (16 years and over) in Sterling, with 1,009 jobs (see **Figure 2-2**). This includes, for example, employees of nursing homes such as Sterling Village – the largest employer in Sterling with 260 employees – as well as teachers at the elementary and middle school levels.

Manufacturing was also very strong in Sterling with 645 jobs reported in 2018, a figure that grew nearly 4.0% since 2010, as was professional, scientific, and management, and administrative and waste management services with another 645 jobs. The fastest-growing job categories among Sterling's residents between 2010 and 2018 were:

- Wholesale trade (234%);
- Agriculture, forestry, fishing and hunting, and mining (67%), and
- Arts, entertainment, accommodation, and food services (34%).



Source: US Census, 2014-2018 American Community Survey, 5-Year Estimates

Figure 2-2. Jobs by Industry; Town of Sterling (2010 and 2018)

Agriculture plays a particularly special role in Sterling. The town has made a point of recognizing the value that agricultural land use provides to the community. Not only do Sterling's agricultural activities showcase the town's history and provide an idyllic landscape that attracts residents and visitors alike, but they also have a positive net fiscal impact on the local economy. In the summer of 2009, a report from the American Farmland Trust estimated that the net impact of Sterling's agricultural activities to the local economy was almost \$20 million annually, with gross revenues generated per acre of \$4,851.

The recent growth in the number of jobs in Wholesale Trade (i.e., the sale of merchandise that is outputted from manufacturing, agriculture, mining, publishing, and information industries, as defined by the Bureau of Labor Statistics) is of particular interest, considering that the earnings typically associated with that industry are high in Sterling. In 2019, the median earnings for individuals working in Wholesale Trade was \$72,697, 182% higher than the overall median earnings among all employed people in Sterling (\$39,952).

In Sterling, in 2019, median earnings for people employed in each sector were as follows:

<sup>&</sup>lt;sup>1</sup> American Farmland Trust. (2009). The Economic and Fiscal Contribution of Farm and Open Land in Sterling, Massachusetts.

Table 2-1. Median Earnings by Industry; Town of Sterling (2019)

487	<b>100%</b> 59%
	59%
500	
	151%
625	122%
697	182%
250	41%
063	195%
250	171%
176	166%
578	132%
266	93%
26	21%
	063 250 176 578 266

Source: US Census Data

Sterling Village, with 260 jobs is Sterling's largest employer. It is a 143-bed nursing home, providing medical, nursing, and rehabilitative care for senior residents. Northeast Poly Bag on Northeast Boulevard is also a large employer, with 150 employees. **Table 2-2** lists the largest employers (with at least 60 employees) in Sterling by number of employees.

Table 2-2. Largest Employers with At Least 60 Employees; Town of Sterling (2019)

Employer Name	Address	# of Employees
Sterling Village Nursing Home	Dana Hill Road	260
Northeast Poly Bag	Northeast Boulevard	150
Houghton Elementary School	Boutelle Road	90
Anderson Power Products Inc	Pratts Junction Road	85
Barbers Crossing North	Leominster Road	85
Chocksett Middle School	Boutelle Road	60

Source: Esri Community Analyst, 2019

As shown in **Figure 2-3**, the largest cluster of jobs are located in the northern section of Sterling, in the vicinity of the intersection of 190, 12, and 62. Jobs in this area primarily involve a mix of manufacturing, industrial, distribution, and auto repair activities.

As Sterling's businesses know, coordination between businesses is a vital component of local economic development strategy. The Wachusett Area Chamber of Commerce (operating across seven towns, including Sterling) and the North Central Massachusetts

Chamber of Commerce (operating across seventeen towns, including Sterling) are major players in this regard. These groups organize local programing events and acts as a shared platform for information-sharing and coordinated advertising resources.

At the local level, the Sterling Economic Development Committee (EDC), created in 2012, plays an active role in advancing the local economy. In addition to organizing events and bringing the business community together, the EDC defines broad economic development initiatives, and seeks funding from outside sources to support businesses and invest in the built environment. Additionally, the Sterling Business Forum, which first convened in 2019 and again in 2020, is a platform for local business owners to discuss shared concerns and define collective strategies for sustainable growth.

## Geography and Infrastructure

The majority of land in Sterling is zoned as Rural Residential and Farming (see **Figure 2-4**) and consists of large agricultural properties. Interstate 190 and Route 12 bisect the town's pastoral landscape and form a north-south corridor, connecting Sterling with Leominster to the north, and Holden, West Boylston, and Worcester to the south. This north-south corridor is developed in clusters, primarily distributed between the Neighborhood Residential, Light Industrial, or Town Center zoning districts.

The southernmost cluster is centered around the Sterling Village Nursing Home on Dana Hill Road and at Chocksett Middle School, areas that include historical homes, as well as several small business and retail operations. Moving north, the Sterling Center Historic District also contains a mix of suburban homes, small businesses, restaurants, and churches. And along the northeastern corner of town is the largest cluster of economic activity, centered around the intersection of Interstate 190 and Route 12, which includes several dozen businesses, restaurants, retail operations, and light industry.

Although there is a variety of uses within the north-south corridor, the town has developed at a very low density. This character is reinforced by Sterling's Protective Bylaws, in which no building taller than 36' is permissible by right (excluding churches), commercial and light industrial zones are restricted to floor area ratios of 0.5 and 0.4, respectively, and Aquifer and Water Protection district covering much of the town places operational restrictions on commercial and industrial activity (see **Figure 2-5**).<sup>2</sup>

For a more comprehensive discussion of the Sterling's zoning districts and Protective Bylaws, see Chapter 1, *Land Use*.

<sup>2</sup> At the 2021 Annual Town Meeting, the community approved replacing the existing Aquifer and Water Resource Protection district with a new Groundwater Protection district based on the Massachusetts Department of Environmental Protection's Model Groundwater Protective Bylaws.

## **Town of Sterling Master Plan**

Figure 2-3. Businesses and Employment

## Legend

Parcel Boundaries

All Businesses

Number of Employees

•

•

• 10

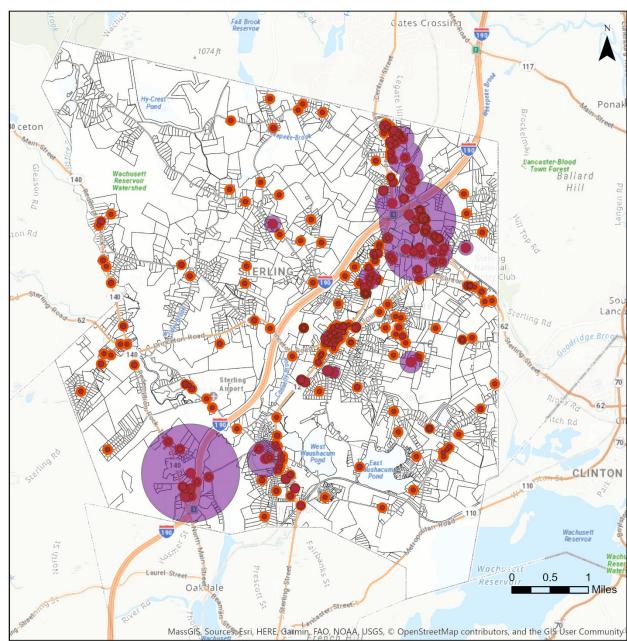
50

100



Date Created: 02/09/2021 Date Revised: XX/XX/XXXX

Reference System: NAD 1983 State Plane Massachusetts Mainland FIPS 2001

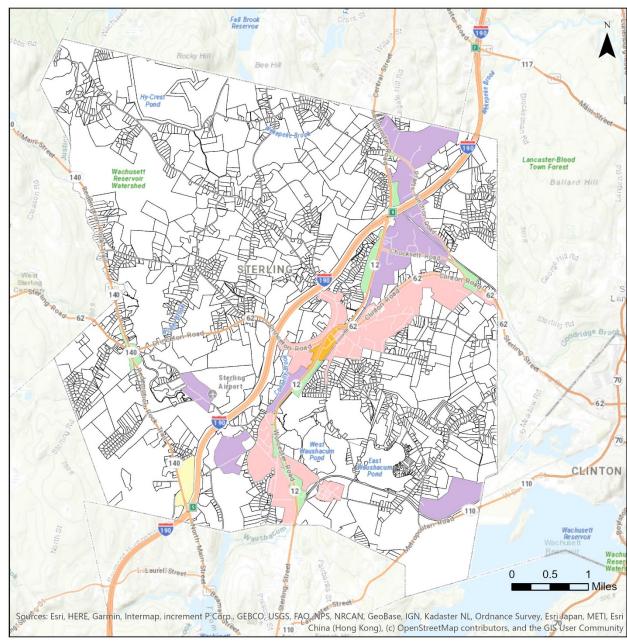


# Town of Sterling Master Plan Figure 2-4. Base Zoning Districts Legend Parcel Boundaries Zoning Districts (Base) Commercial Light Industrial Neighborhood Residential Performance Zone I Rural Residential and Farming Town Center District



Date Created: 02/09/2021 Date Revised: XX/XX/XXXX

Reference System: NAD 1983 State Plane Massachusetts Mainland FIPS 2001



## **Town of Sterling Master Plan**

Figure 2-5. Groundwater Protection District

## Legend

Parcel Boundaries

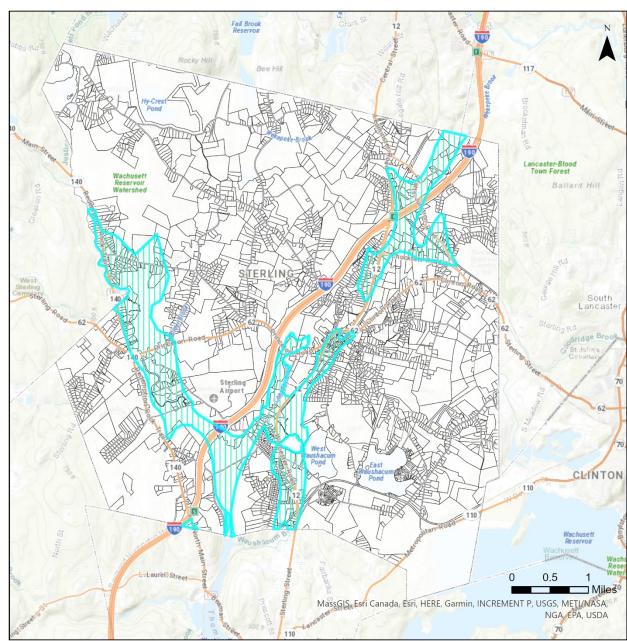
Zoning Districts (Overlay)

Groundwater Protection



Date Created: 02/09/2021 Date Revised: 08/31/2021

Reference System: NAD 1983 State Plane Massachusetts Mainland FIPS 2001



Sterling's low-density character is further reinforced by a lack of infrastructure. For instance, there is no public sewer system in town, which presents significant challenges to developers wishing to build commercial, institutional, or research and development facilities, and likely keeps Sterling out of the running regionally for large-scale economic development projects. This also inhibits development within the town center, limiting this area's economic vitality and viability.

Economic vitality is also supported by robust pedestrian and bicycle infrastructure. In Sterling, this type of infrastructure is limited. According to Walk Score (<a href="www.walkscore.com">www.walkscore.com</a>), the town center area of Sterling has a Walk Score of 47 (on a scale of 0 to 100), indicative of a neighborhood that is "Car-Dependent" where most errands require a personal vehicle, and a Bike Score of 21 (on a scale of 0 to 100), indicative of a neighborhood that is "Somewhat Bikeable" where bike infrastructure is minimal.<sup>3</sup>

## **Opportunity Sites**

Sterling can leverage its position of economic well-being, as well as its community-identified strengths of possessing a rural character, natural and scenic beauty, and a strong school system (see the results of Public Survey #2 in **Appendix A**), and invest in creative ideas to support continued economic growth. This could take any number of forms; for instance, a business incubator, a new life-sciences cluster, a mixed-use village, or a food co-op with apartments on the second and/or third floors. These are all great ideas that have emerged from passionate dialogue among Sterling's business community.

There are a number of specific sites in Sterling that present development opportunities and would provide economic benefit to the broader community. Some sites are natural locations for mixed-use development, including dense housing typologies, while others may be better suited to support retail uses that celebrate Sterling's unique agricultural character. Similarly, whereas some sites are largely vacant, others are already built out but have potential for redevelopment. Whatever form continued economic growth takes, the town has a demonstrated commitment to the principles of smart growth. For Sterling, this means promoting mixed-use development, preserving natural spaces, and encouraging community collaboration.

In consultation with the community, Sterling has identified the following development opportunity sites as being its most prominent. Although this is not a complete list, it does identify those sites with the greatest potential for transformative development. For each site, further investigation and planning is needed to verify the true development potential. Sterling may also look deeper into which categories of federal, state, and/or regional, financial incentive programs are applicable for each of these sites.

<sup>&</sup>lt;sup>3</sup> Walk Score. (2020). Walk Score for Sterling, MA – Town Center Area. Retrieved February 9, 2021, from <a href="https://www.walkscore.com/score/sterling-massachusetts">https://www.walkscore.com/score/sterling-massachusetts</a>.

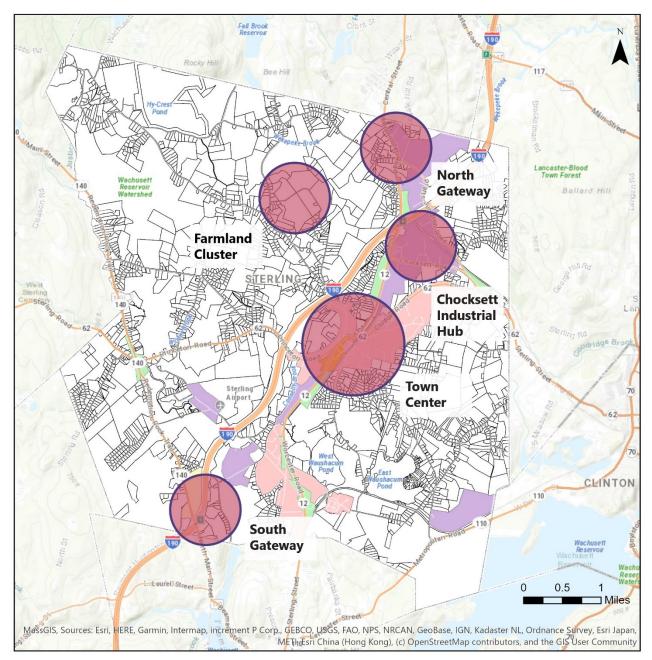


Figure 2-3. Opportunity Sites, Town of Sterling

## **North Gateway**

The North Gateway is a primarily industrial district that welcomes those arriving at Sterling from Leominster to the north, along Route 12. Currently, this area is home to roughly a dozen industrial properties positioned between Route 12 and Legate Hill Road, including auto repair shops, building material suppliers, and a few medical offices. Additionally, the Black Sheep Tavern provides dining at the intersection with North Row Road.

As a gateway to Sterling, the area is rich in potential for industrial redevelopment, with some potential for expanded commercial and retail uses. The area is not densely developed enough to encourage pedestrian or bicycle activity, but commercial uses catering to vehicle

drivers would help to enhance the visual experience of arriving in Sterling and could potentially strengthen nearby industrial property values. As mentioned in Chapter 1, *Land Use and Development Patterns*, there are many split-zoned or landlocked parcels in this general area.

## South Gateway

Located at the other end of town, close to the Dana Hill Road/I-190 underpass, is Sterling's South Gateway. Many vehicles coming to town from the south (including Jefferson, Holden, West Boylston, and Worcester), arrive at this location. Although this area is home to a greenery, a nursing home, and a medical supply company, it lacks a cohesive sense of place. There is great potential for expanded commercial uses in this area – particularly uses that require medium- to large-sized properties.

To that end, in 2021, the town sought to re-zone a portion of Performance Zone district to the Commercial zoning district. This measure was not approved at the Annual Town Meeting that year. Located close to (and highly visible from) Interstate 190, this is a great location for a commercial cluster of a lab, office, or retail character. The town will need to collaborate with current landowners to develop a concept for the South Gateway and communicate with potential investors.

Further study of the area's potential is warranted, including an analysis of development constraints such as extant wetlands.

## **Town Center**

Sterling's town center, running along Routes 12 and 62, is home to a vibrant mix of municipal facilities (e.g., the public library and fire department), restaurants, businesses, professional offices, and single-family residences. This area functions as a hub of social activity and a cultural nexus for the community, as it hosts a variety of community-building events throughout the year.

The town center is also home to underdeveloped and vacant properties, which weighs down property values and dampens the visitor experience. Notably, south of Waushacum Road along Route 12 is Sterling's most visible vacant building, the old Sterling Inn. Sterling desires to attract investors to the town center, such that it can become more active and vibrant. Ideally, the redevelopment of the Sterling Inn will catalyze more active, intensive uses in nearby properties along the Route 12 corridor.

The 1835 Building (former Sterling Town Hall) holds appeal as a center for fun and family-friendly activity. There is potential to lease the space on the ground floor for a café, ice cream, or candy shop, and the space on the second floor as a performance venue. The purpose of this and any other development based in the town center will be to make this area more of a destination, not only for residents of Sterling, but also for people from further afield. Aside from fun and family-friendly activities, the 1835 Building also holds potential to house more municipal office space and a collaborative workspace hub.

## Farmland Cluster

Sterling is known for its pastoral landscapes and productive farmlands. In addition to strengthening the tax base, many of Sterling's farms attract visitors to visit, recreate, and buy products direct from the source. There is a cluster of farms located along Tuttle Road that have developed a reputation for providing rural/agricultural tourism programming and events. This is complemented by farms in other locations around town, including Davis Farmland, Clearview Farms, and Meadowbrook Orchards to name a few.

Sterling will continue to explore opportunities to partner with local farms with regard to Community Sponsored Agriculture (CSA) programs, farmer's markets, and tie-ins with other local businesses.

## Chocksett Industrial Hub

The intersection of Pratts Junction and Chocksett Road is the center of an industrial district, home to automotive, building material, landscaping, and other commercial and industrial properties. While some of these businesses are thriving, the district is also characterized by underutilized properties.

Sterling has the opportunity to assess this district's needs in order to catalyze investment and/or reinvestment in the district's properties. Although the district is not within walking distance of any commercial or retail districts, there are opportunities for creative placemaking, branding, and investment in pedestrian and/or bicycle infrastructure.

## **Goals and Actions**

Goal 1: Advance effort to keep and attract younger residents and families. Sterling's median age is 47 years old, seven years older than the statewide median. Sterling should find ways to enhance the town's appeal for younger populations, who can support the next wave of retail and commercial investment and provide long-term economic vitality.

**Action #1:** Encourage Sterling's younger residents/families to play active roles in local government, boards and committees, volunteer groups, and civic organizations. For example, by creating a Youth Council that would partake in municipal decision-making, provide education to how the local government works, and promote community service.

**Action #2:** Enhance local infrastructure in a visible way to demonstrate Sterling's enthusiasm for new trends (e.g., expanded sidewalks, bicycle lanes, traffic-calming devices, public wi-fi, electric vehicle charging stations, carsharing).

**Action #3:** Engage younger populations from around the region to identify opportunities and barriers for attracting them to (or keeping them in) Sterling (e.g., availability and attainability of diverse housing types, public school performance, retail, and dining options, etc.).

**Action #4:** Define – and promote – the types of commercial developments that hold appeal for younger populations, including art and culture, "experience"-based retail, cafes, microbreweries, etc.

**Action #5:** Create and promote entrepreneurial opportunities, for instance, produce markets (potentially in partnership with local farmers), pop-up retail stores, publicly-accessible makerspaces, business incubators, and shared/collaborative workspaces.

**Action #6:** Establish partnerships between Sterling's business community and the local/regional student population, to promote paths toward successful employment and careers.

Goal 2: Bring more visitors into town, focusing on the activities within the town center and the farmland attractions. The population of the region is growing, driven by high growth communities like Ayer, Groton, Leominster, Lunenburg, and Worcester. Capitalize on this regional growth by promoting commercial and recreational activities in Sterling and developing a fresh narrative around what makes Sterling special.

**Action #1:** Leverage the town's willingness to make public space in the "1835 Town Hall" building available for retail, dining, or pop-up spaces, to showcase Sterling's historic fabric while promoting a spirit of communal enjoyment.

Action #2: Identify and pursue state and/or federal grant opportunities to improve

streetscapes (e.g., more pedestrian and bicycle accommodations, streetlights, landscaping, custom pavers, etc.), or conduct site-readiness work.

Potential sources of funding include MassWorks, MassDevelopment, and the Department of Housing and Community Development.

**Action #3:** Explore opportunities to limit vehicle activity in the town center at strategic times throughout the year, to enhance the pedestrian experience.

As part of this Master Plan's second community survey, when asked "what type of future economic development do you feel is most needed in Sterling," the top ranked choice was "small retail," followed by "restaurants."

**Action #4:** Complete and enact the Design Review

Guidelines that will provide recommendations on the design of signage and facades in building projects taking place in the town center. Consider making them regulatory, as opposed to advisory.

Action #5: Revitalize the town center by promoting investment that attracts shoppers and visitors from Sterling and beyond, including new or redeveloped dining establishments, bars, cafes, and ice cream shops. Provide and/or allow for more sidewalk and outdoor dining.

**Action #6:** Create marketing materials (e.g., pamphlets, videos, social media, and other web content) to promote the town's assets/resources throughout the region and state.

Goal 3: Focus on opportunities to unlock Sterling's industrial and commercial districts. Encourage the growth of "market clusters," where nearby businesses can complement and support one another and become greater than the sum of their parts. Advance strategies that promote strategic development opportunities with the potential for widespread economic benefits.

**Action #1:** Work with local property owners and regional partners to identify prime development sites throughout the town and develop clear visions and marketing strategies for their redevelopment. Explore statewide resources for promoting development sites, such as those sponsored by MassDevelopment and MassEcon.

Action #2: Engage regional partners to conduct an economic development study to understand how Sterling performs against, and complements, other communities within the region. Identify opportunities to cross-promote economic development with other municipalities, potentially including a focus on the Montachusett region's significant manufacturing employment base.

**Action #3:** In coordination with the Land Use and Development Patterns Chapter, explore opportunities to expand upon the supply of parcels available for industrial development, within proximity of existing industrial districts (e.g., Chocksett, the North Gateway, etc.).

**Action #4:** Work with local and regional organizations to develop strategies for building upon the strength of Sterling's agricultural businesses (e.g., farm-to-table, CSA programs, food research, etc.).

**Action #5:** To encourage the growth of small businesses in alignment with envisioned economic development, create a Sterling Development Guide. Such guidance may identify and describe local resources, permitting and zoning processes, tax policies, and available financing (e.g., business loans and/or grant opportunities).

**Action #6:** In coordination with the Public Facilities and Services Chapter explore opportunities to implement public sewer, especially in the town center area.

Goal 4: Get organized to drive economic development opportunities throughout Sterling. Keep the conversation moving forward, so that Sterling can benefit from collaborative enthusiasm and shared ideas.

**Action #1:** Leverage the positive and productive energy of the Sterling Economic Development Committee to continue to build the narrative presented in this chapter. The EDC can determine action items, and assign roles and responsibilities, for carrying out the Master Plan's recommended strategies, tapping into other departments and committees, as necessary.

Action #2: Continue tapping into the regional network through active participation in the Wachusett Area Chamber of Commerce and North Central Massachusetts Chamber of Commerce. These cross-municipal partnerships will drive economic growth in a powerful way.

**Action #3:** Explore possible collaboration/agreements with neighboring towns for mutual beneficial utility expansions and development at town boundaries. For example, the development of a potential business park at the Clinton town on vacant lands on Metropolitan Road line zoned for light industrial.

**Action #4:** Encourage the Sterling Business Association to keep up momentum and meet on a regular basis.