



Northeastern University
*Kitty and Michael Dukakis Center
for Urban and Regional Policy*

Holyoke and Economic Development: Moving from Surviving to Thriving

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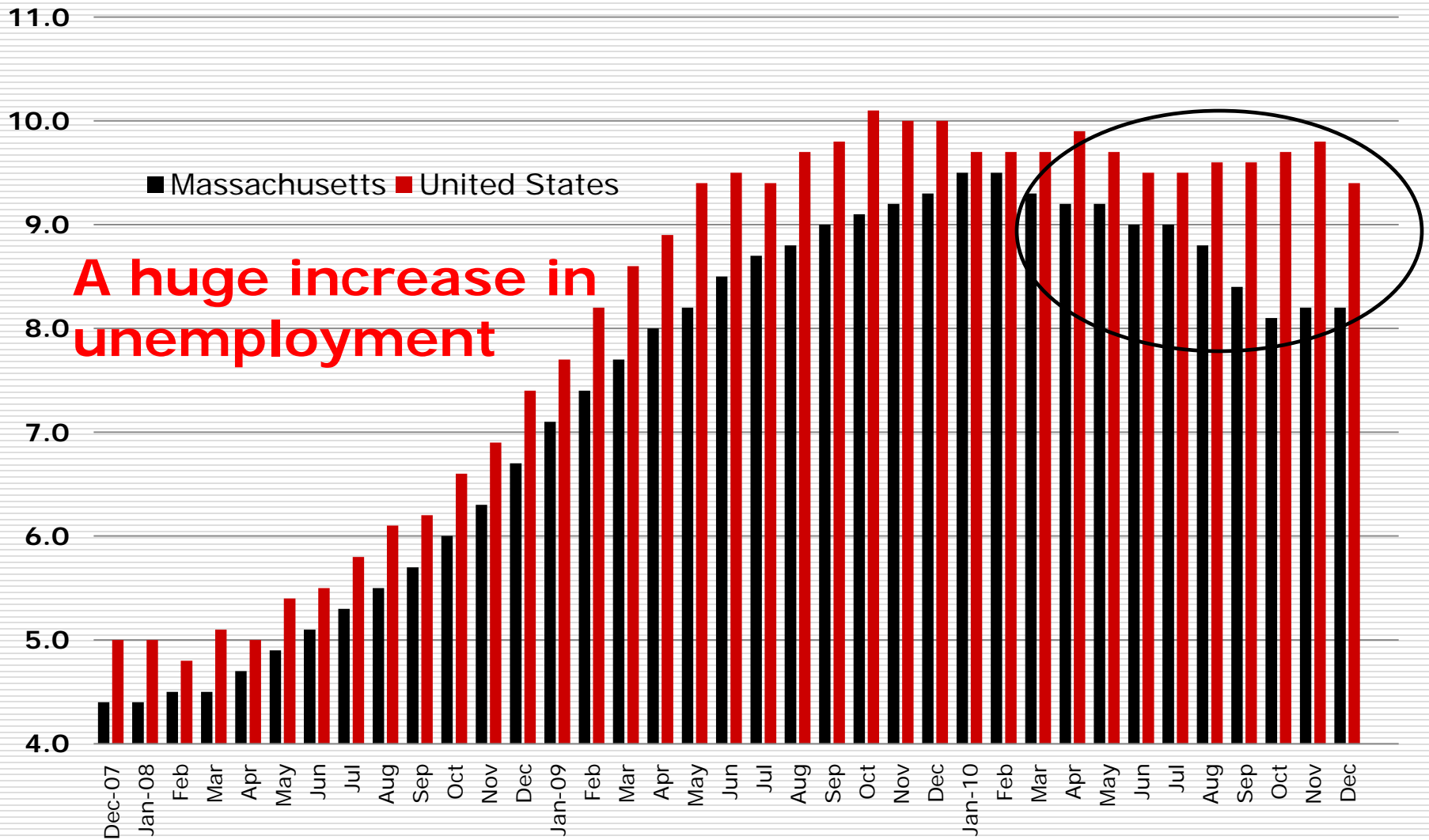
February 9, 2011
Holyoke, MA

Today's Agenda

- ❑ Economic Conditions
- ❑ Demographic Trends
- ❑ State and Local Fiscal Conditions
- ❑ Economic Development for Cities
- ❑ Holyoke's Strengths and Weaknesses

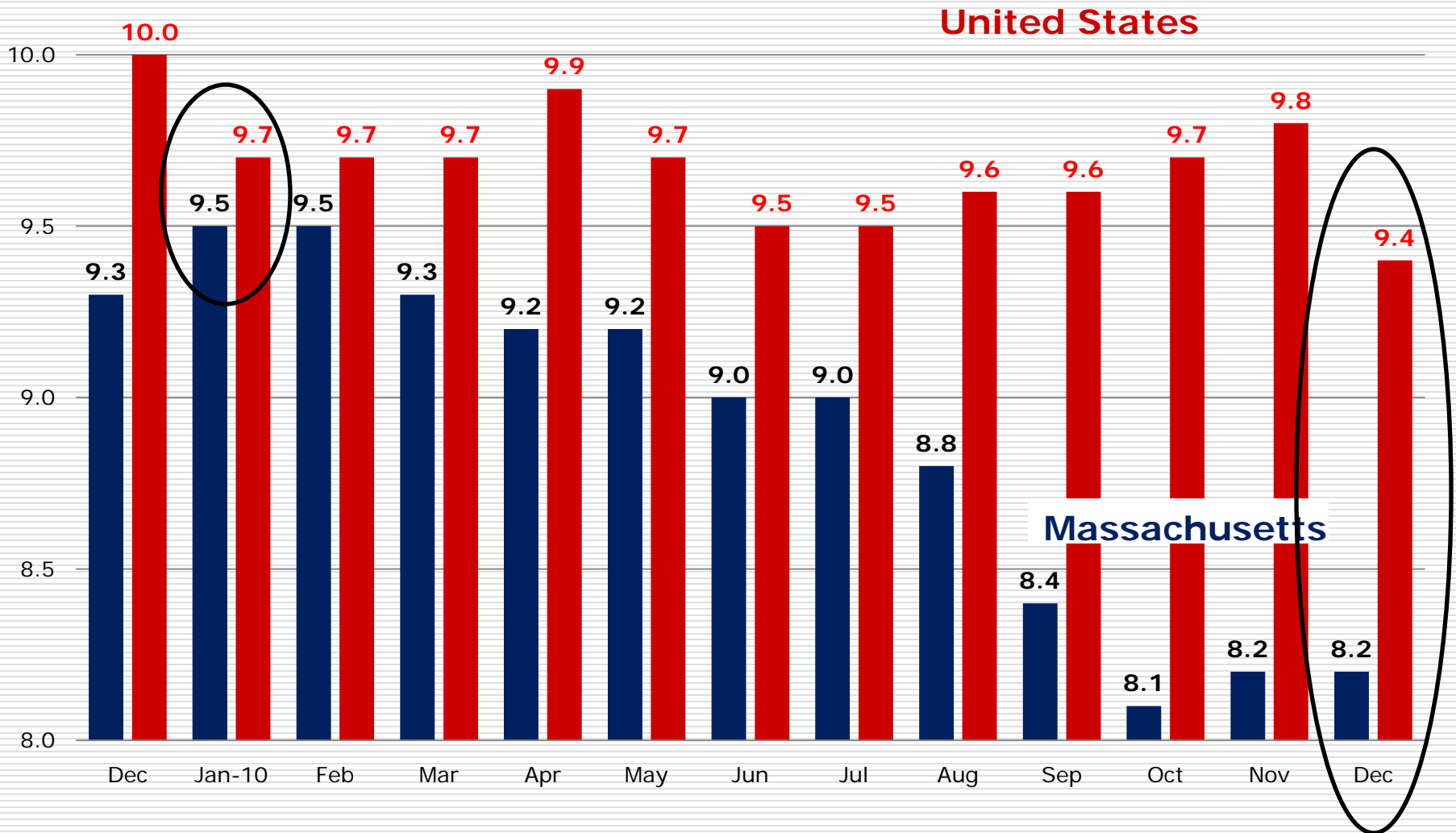
ECONOMIC CONDITIONS

Massachusetts vs. U.S. Unemployment Rates December 2007 - December 2010

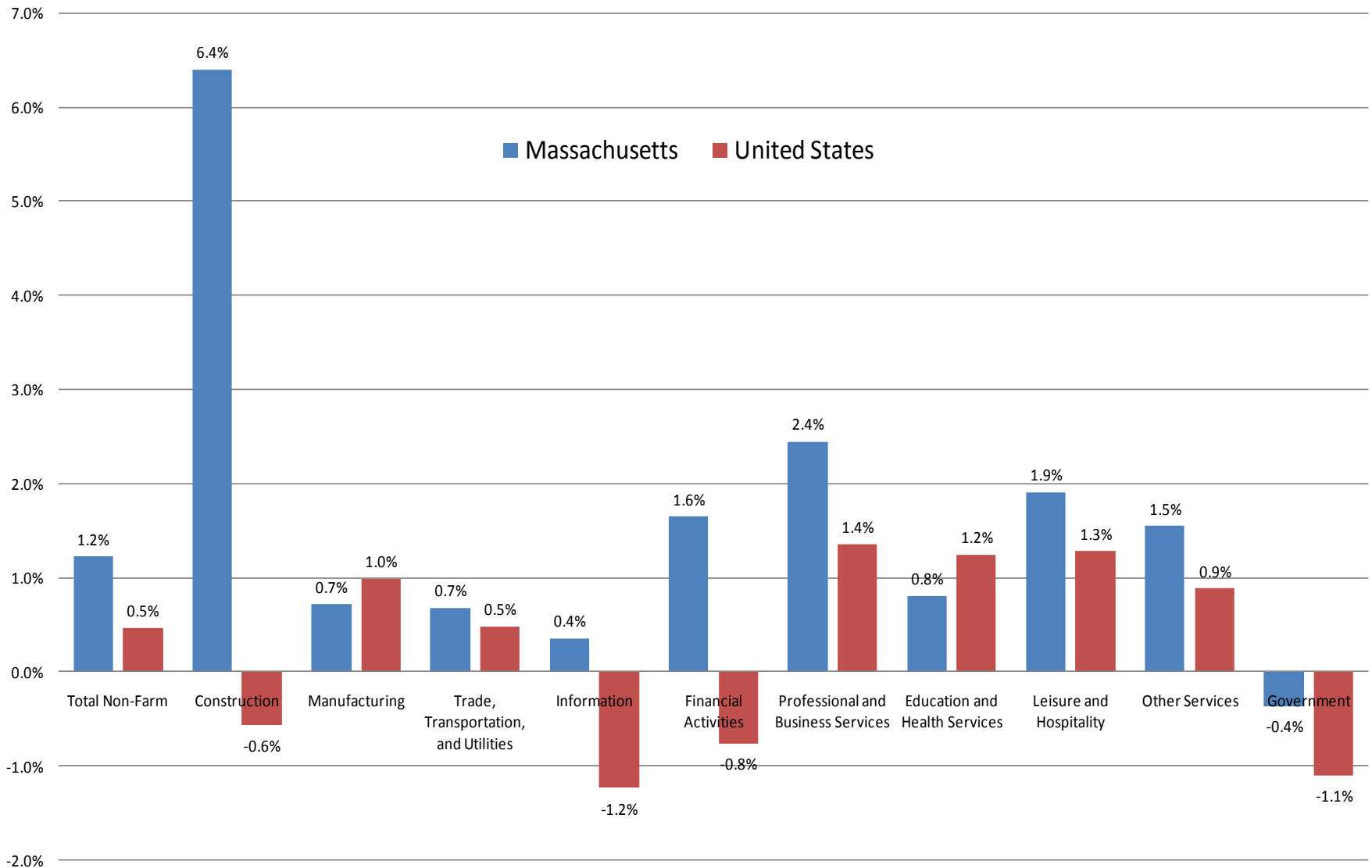


Massachusetts vs. U.S. Unemployment Rates December 2009 - December 2010

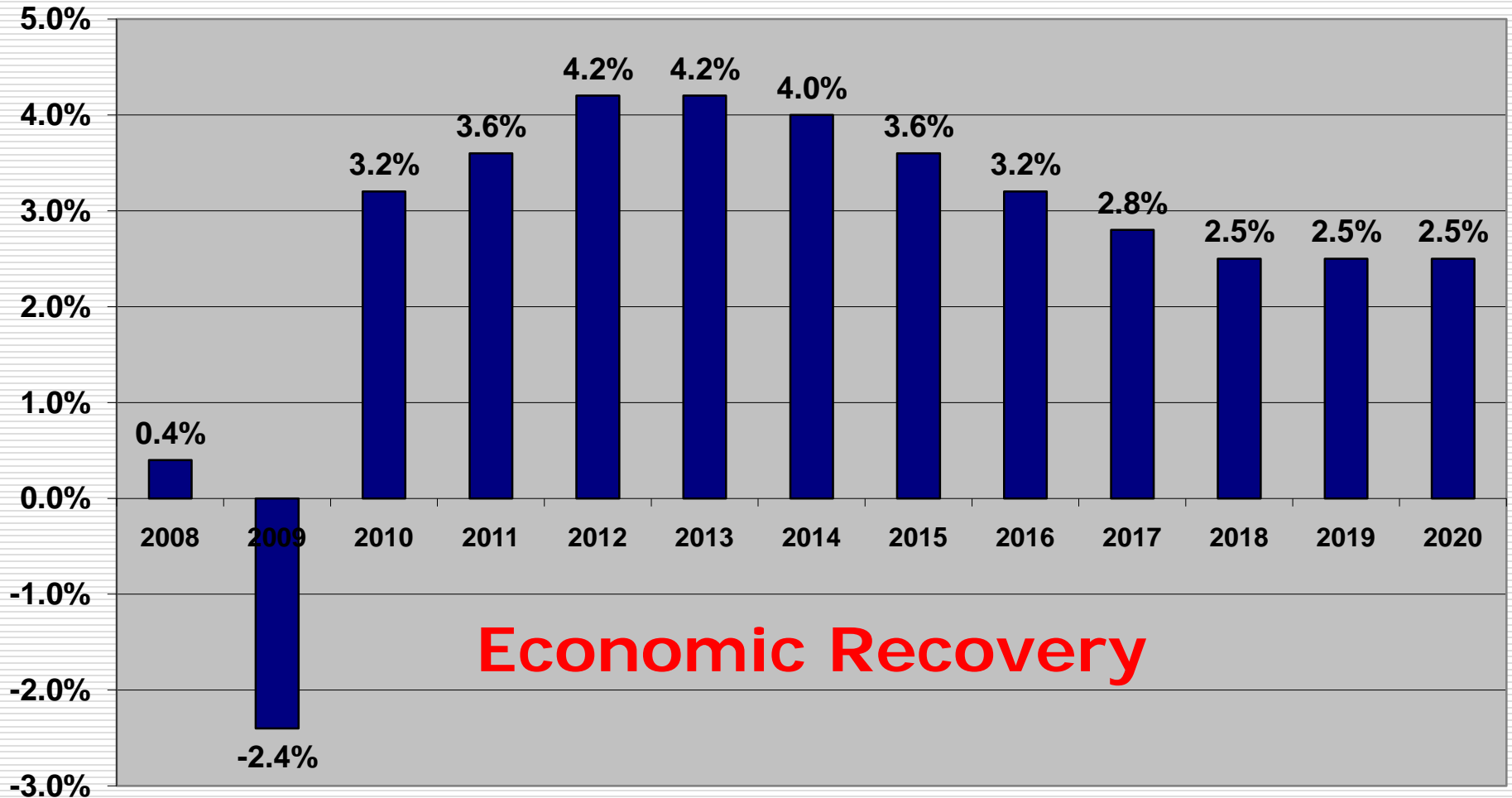
... although Massachusetts is doing better



Percentage Change in Employment - January 2010 - September 2010 Massachusetts vs. U.S.

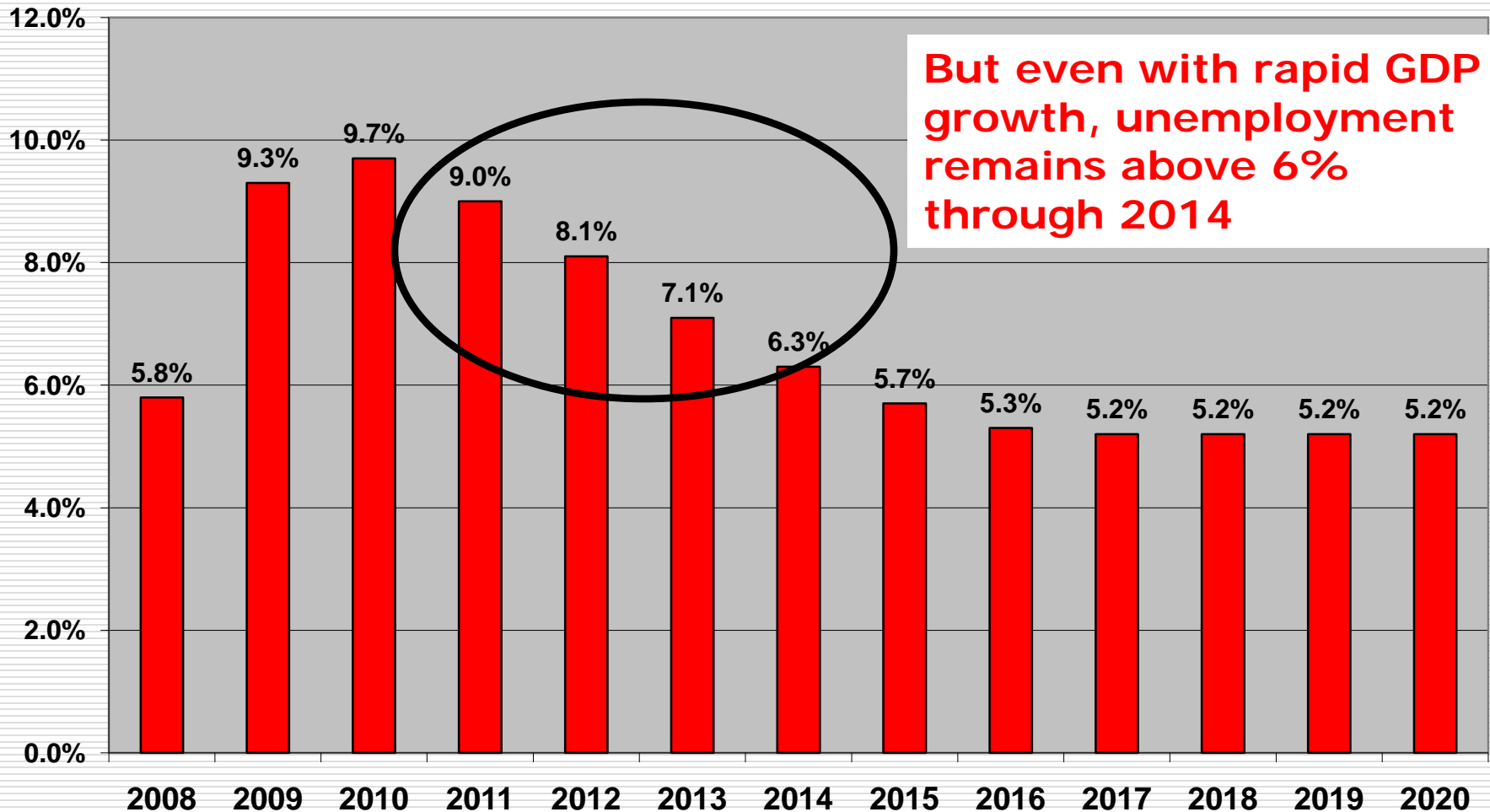


Projected Growth in Real GDP (2008-2020)




Source: U.S. Office of Management and Budget

Projected Civilian Unemployment Rate (2008-2020)

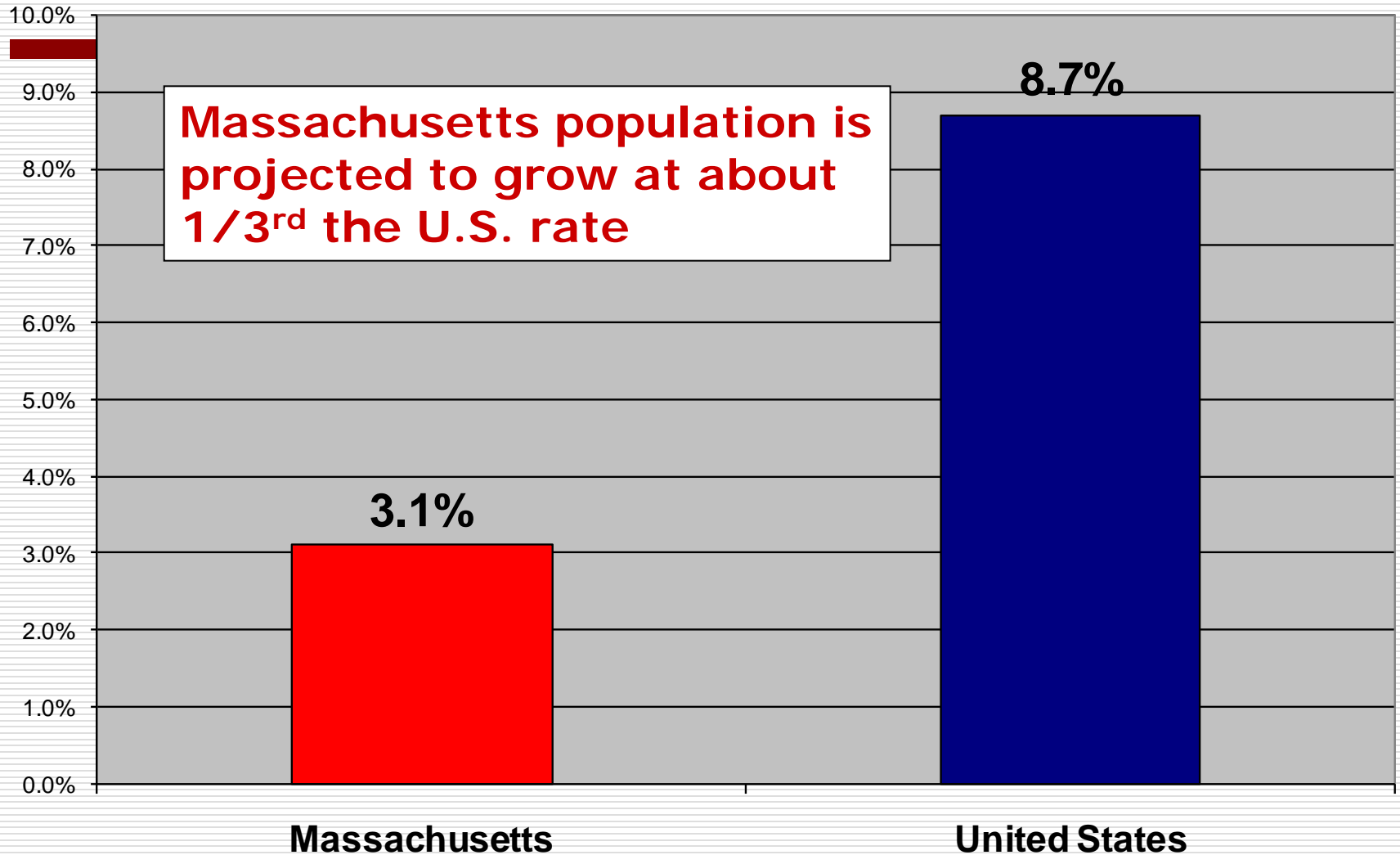


Source: U.S. Office of Management and Budget



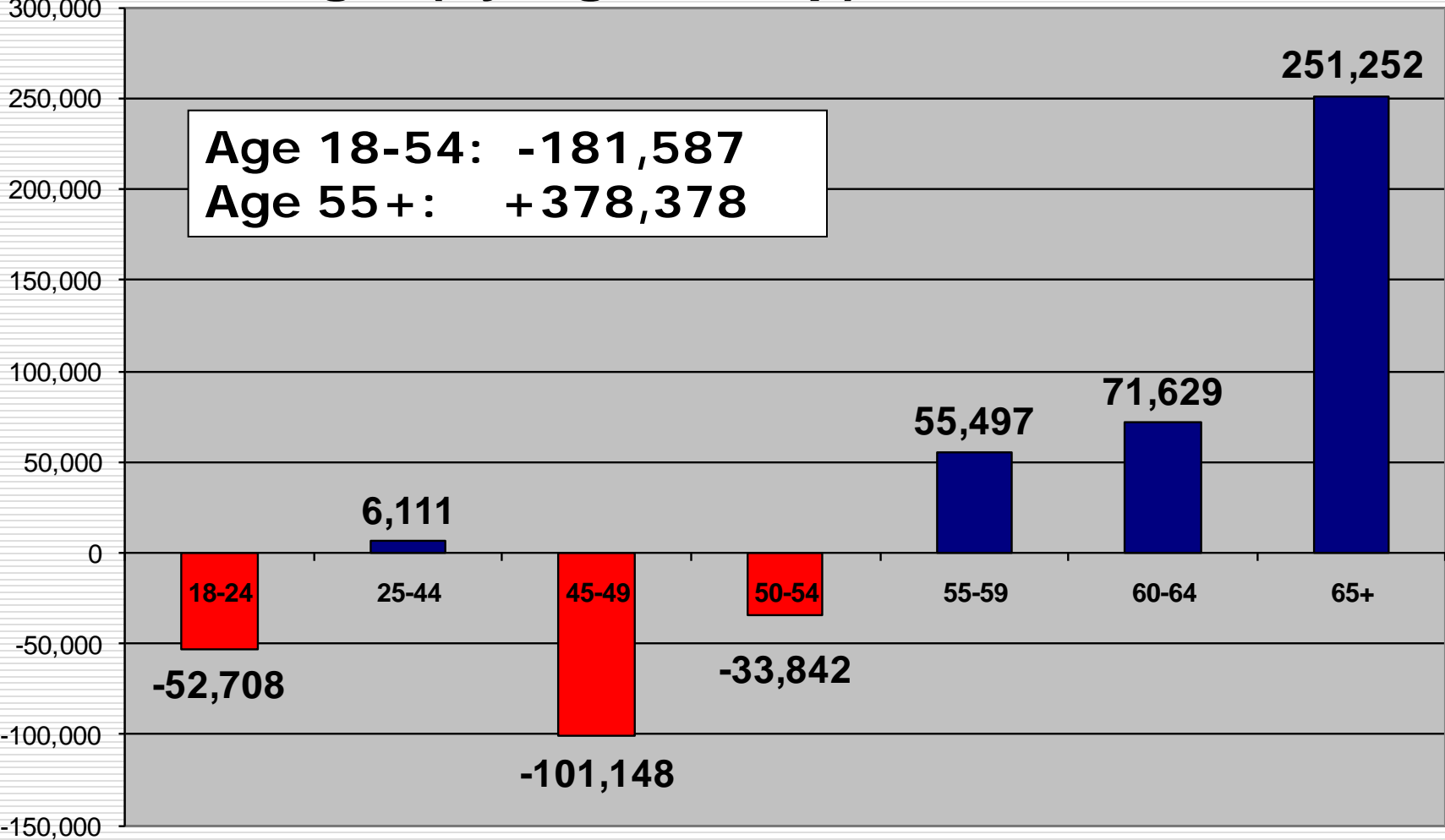
THE DEMOGRAPHIC CHALLENGE

Population Growth Projection 2010 - 2020



Source: U.S. Census

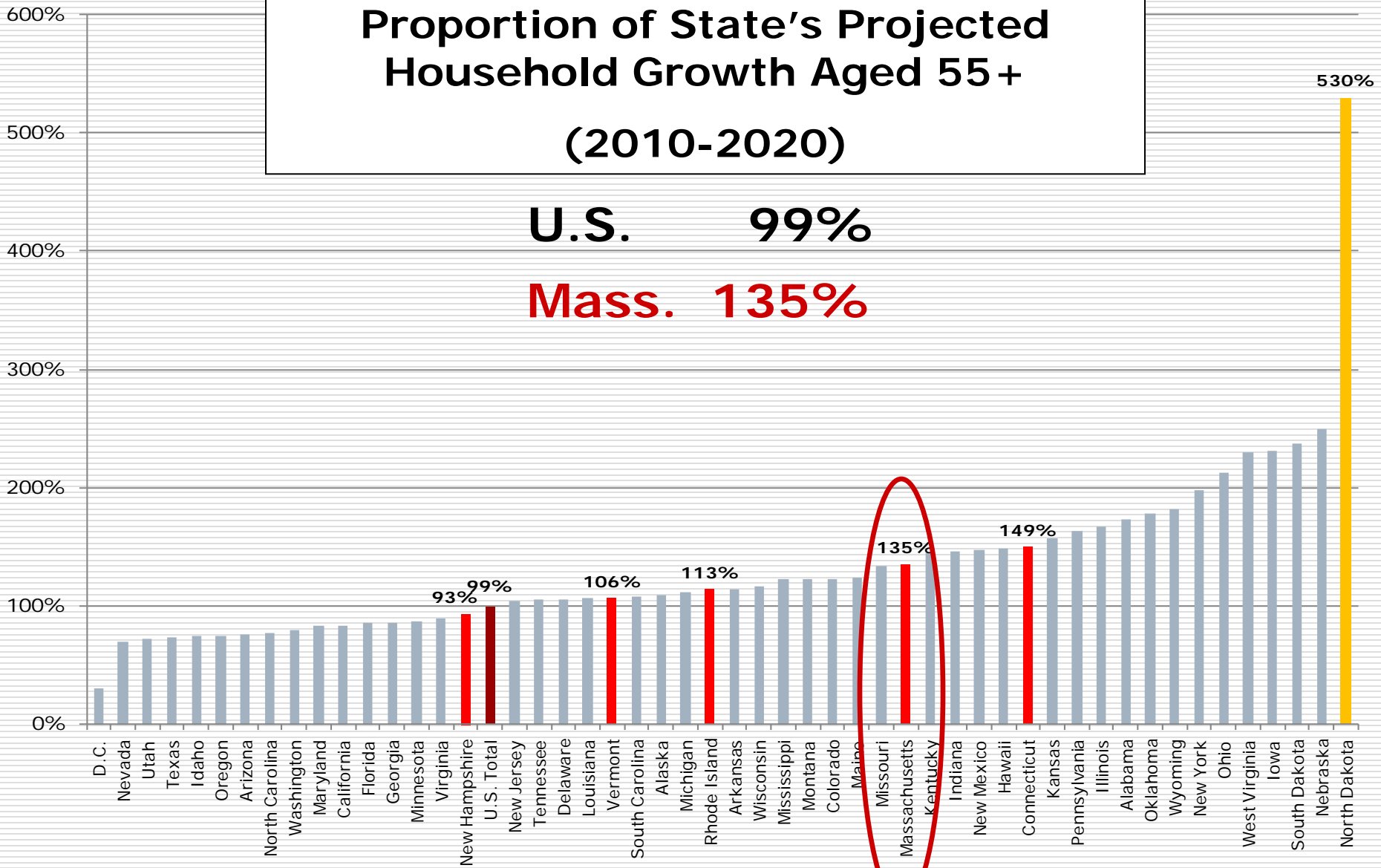
Projected Massachusetts Population Change (by Age Group) 2010-2020



Source: U.S. Census

Proportion of State's Projected Household Growth Aged 55+ (2010-2020)

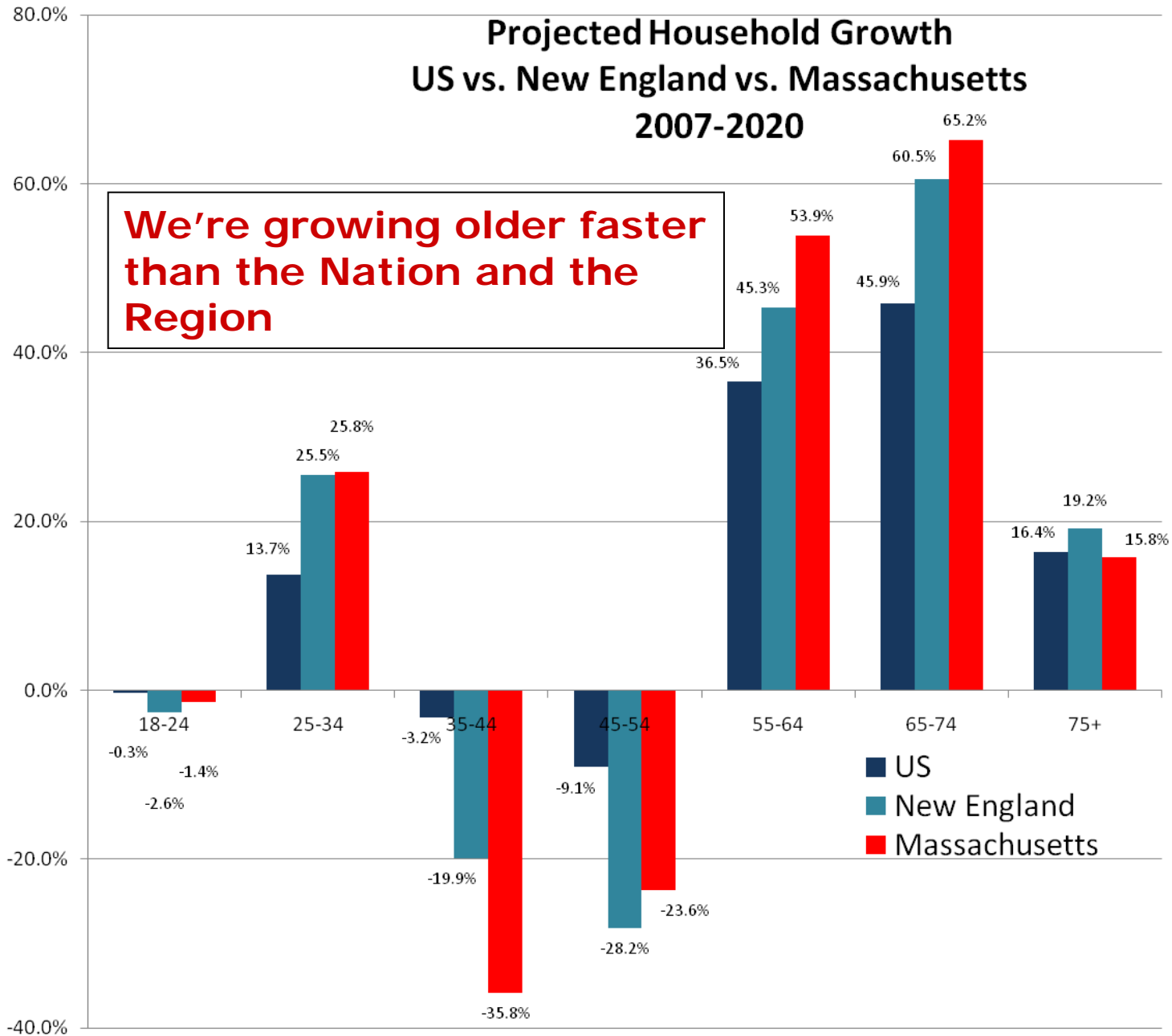
U.S. 99%
Mass. 135%



Source: U.S. Census

Projected Household Growth US vs. New England vs. Massachusetts 2007-2020

**We're growing older faster
than the Nation and the
Region**



Impact on State and Local Government

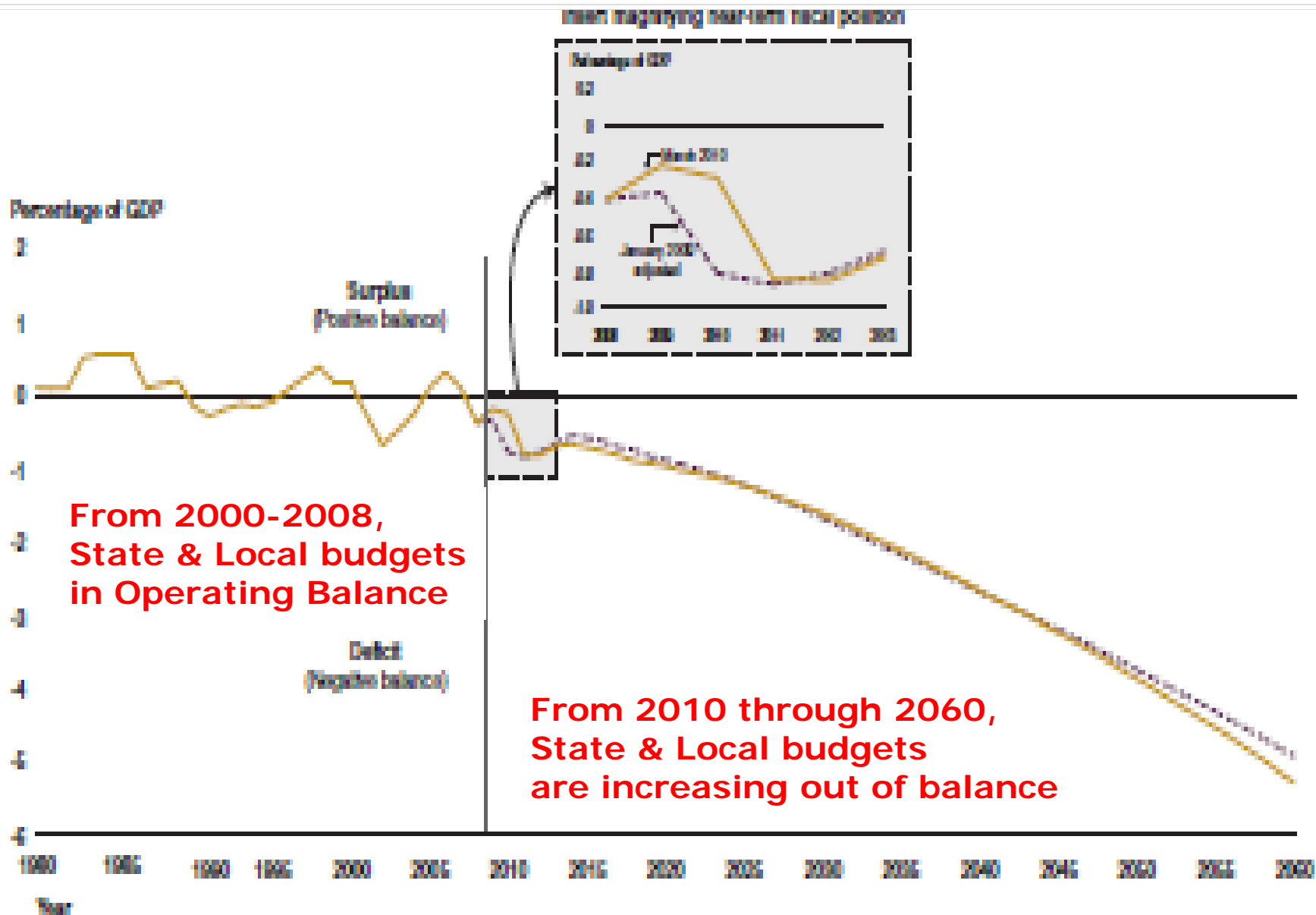
Will the aging of the population

- Have a major adverse effect on state and local revenue?
- Lead to an increased need for state and local public services?
- And the retirement of public employee workforce create a drain on state and local budgets?

Stubbornly high unemployment means

- ❑ Sluggish recovery in state and local revenue
 - ❑ Continued high unemployment insurance costs
 - ❑ Continued high Medicaid costs
-

State and Local Operating Balance as % of GDP



Source: GAO State and Local Governments' Fiscal Outlook, March 2010

GAO State and Local Study

- "Because most state and local governments are required to balance their operating budgets, ***the declining fiscal conditions in our simulations reveal the fiscal pressures the sector faces and foreshadows the extent to which these governments will need to make substantial policy changes and other adjustments to avoid growing fiscal imbalances.***"

ECONOMIC DEVELOPMENT TO CLOSE THE FISCAL GAP

Closing the Fiscal Gap

- ❑ From the GAO analysis, it is clear that ways must be found to **control health care costs**
- ❑ Providing **local services more effectively and efficiently** will also help to close the fiscal gap
- ❑ **Regionalizing some local services** can also help gain scale economies that help to make the gap manageable

But the Real Answer to Fiscal Health is ...

- Boosting local economic development**
 - Attracting business investment and jobs**
 - Generating additional tax revenue from new and expanded business for vital public services**
-

HOW TO BOOST ECONOMIC DEVELOPMENT IN HOLYOKE

5 Steps to becoming the “CEO for Economic Development”

1. Become **SWOT** aware
2. **Capitalize on strengths**; mitigate weaknesses
3. **Identify appropriate industry** sectors
4. **Know the language** and requirements of businesses
5. Build a **business friendly environment**

Economic Development Self Assessment Tool

- ❑ Grew from study to rejuvenate older industrial cities
- ❑ Weighting of location factors based on survey of NAIOP and CoreNet Global
- ❑ Online questionnaire; written analysis; collaborative effort
- ❑ Foundation for economic development SWOT
- ❑ Basis for practical steps towards economic development

EDSAT Analysis Examines These Location Themes

1. Access to Customers/Markets
2. Concentration of Businesses (Agglomeration)
3. Cost of Land (Implicit/Explicit)
4. Labor
5. Municipal Process
6. Quality of Life (Community)
7. Quality of Life (Site)
8. Business Incentives
9. Tax Rates
10. Access to Information

Holyoke's Strengths

- ❑ Efficient **permitting process**
- ❑ Still, permitting can be **streamlined more** with single presentation format
- ❑ **Lower electricity rates**
- ❑ Proactive in using state and federal grants for **parking facilities**
- ❑ Larger proportion of workforce are **professionals**

Holyoke's Weaknesses

- ❑ More vacant commercial buildings
- ❑ More dilapidated housing stock
- ❑ More Class C and Class B office space; less Class A
- ❑ Fewer manufacturing and general office space sites with on site parking
- ❑ Higher parking fees
- ❑ Higher rents, especially at uptown sites
- ❑ Workforce appears less educated

Changes in Strengths from 2006 to 2011

- ❑ Stronger enforcement of codes and regulations on abandoned buildings, trash, etc.
- ❑ Increase in proportion of greenfield sites
- ❑ Increase in proportion of commercial sites 5 acres or larger
- ❑ Increase in home ownership rate

Changes in Weaknesses from 2006 to 2011

- Increase of vacant commercial buildings by 5%
- Increase of rent by about \$4-\$5/sq. ft. in uptown (Ingleside) and downtown
- Increase in crime rate (burglary, robbery, and homicide); decrease in auto thefts
- Decrease in the percentage of high school students proficient in English and Math

Questions?



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Thank you!

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