

Wilmington Route 38-Main Street Corridor Market Study

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UMASS DONAHUE INSTITUTE
Economic & Public
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Wilmington Route 38-Main Street Corridor Market Study

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Introduction

A retail market study on the Route 38-Main Street Corridor was commissioned by the Town of Wilmington as part of an effort to collect and analyze data to identify reasons why the particular area is seeing numerous vacancies despite a relatively strong economy and to inform how the town (focusing on the Corridor) can better meet the retail and restaurant preferences of its residents. The report examines the socioeconomic characteristics of Wilmington and compares it to a group of surrounding towns as well as to Massachusetts and the United States. The socioeconomic analysis is followed by a retail leakage (gaps in current retail market) analysis for Wilmington, revealing the types of retail that may have the most business potential in the town. Finally, based on research and interviews, the report identifies and describes the key issues facing the corridor and town that are contributing to it not fully meeting the shopping needs and preferences of Wilmington residents as well as recommendations to improve the retail and restaurant environment in Wilmington. The report provides a foundation of data to better understand the trends affecting the town's retail industry and identify potential retail needs, issues, and opportunities.

Key findings include:

- Wilmington's economy and demographics are solid and a number of indicators demonstrate that the town should be able to support a more diversified retail and restaurant base.
 - Since 2010, population and jobs growth has exceeded Massachusetts and U.S. averages.
 - Wilmington has a particular concentration of residents in the mid-to-older working age group.
 - Wilmington is comparatively highly-educated and affluent.
- Retail gaps in Wilmington are in categories where residents would like to see more options - clothing, food, and gathering spaces (specialty food stores, drinking places, restaurants, and book/music stores).
- Commercial property taxes in Wilmington are high and may keep certain prospective retailers and restaurants from shortlisting the town for a location.
- Wilmington and the Corridor have opportunities to better cater to the preferences of modern consumers, notably an educated population with buying power, with "experiential" retail and services.
- A tighter vision of where Wilmington would like to be in the future could serve as a foundation for introducing changes that would make Wilmington more attractive for the types of shopping and restaurant options that residents would like to see.

Socioeconomic Context for Wilmington's Route 38 Main Street Corridor

To analyze market conditions and opportunities for the Main Street Corridor, UMDI took a summary look at Wilmington's population, household characteristics, and employment trends. Current and projected demographic, lifestyle, and consumer spending data about Wilmington will help inform the types of retail that would be suitable for the town and its overall attractiveness to retailers as a site to either expand or develop a business. The data presented in this section should only be considered a starting point for a more in-depth analysis of Wilmington's demographic trends and how they may reflect on the business and real estate development opportunities available in the Town.

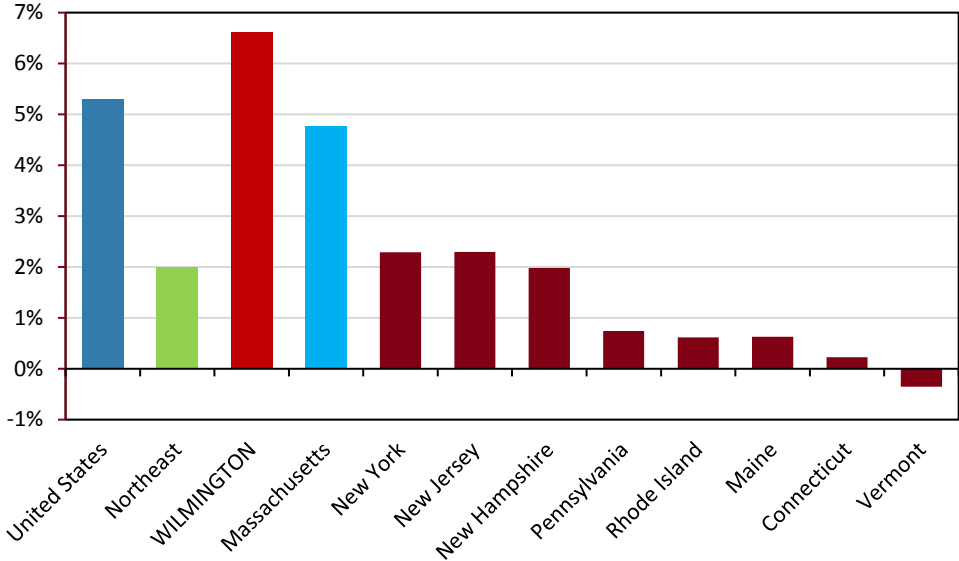
Initial takeaways concerning Wilmington's socioeconomic trends are largely positive and further corroborated by commercial real estate developers, the chamber of commerce, and town officials. These include:

- Young families;
- Large, populous and growing catchment area should translate to high customer volumes;
- Proximity to Boston;
- Relative affordability;
- Relatively low levels of congestion;
- Low crime;
- Well-functioning government.

Local Population and Economic Trends

Without documented population growth, it would be far more difficult for Wilmington or any other town to attract the interest of retailers. In recent years, Wilmington has experienced fairly robust growth, an attribute that should help the town. After sluggish growth in the 2000s, Massachusetts, since the recession has become the fastest growing state in the Northeast (see Figure 1). The state's growth spurt is focused on Boston and its metropolitan region, a trend that is also clearly reflected in Wilmington's growing population base. With a growth rate above six percent, Wilmington has been growing at a faster pace than either Massachusetts or the United States since 2010.

Figure 1. Massachusetts Is the Fastest Growing State in the Northeast and Wilmington’s Population Growth Rate Exceeds the State’s and Nation’s (Population Growth, in Percent, 2010-2017)



Source: U.S. Census Bureau, Annual Estimates of the Resident Population, April 1, 2010 to July 1, 2017

Wilmington’s experience with population growth (+6.6 percent, 2010-2017) is somewhat slower than the neighboring benchmark communities selected for this analysis (see Table 1), with all exceeding the growth average for Massachusetts (+4.8 percent) since 2010. Growing even more quickly is the city of Boston and the cities along the Red Line Corridor which accounted for about one-third of Massachusetts’ population increase since 2010. Boston and the urban core surrounding it are benefiting from a wider U.S. trend in the rising popularity of amenity-rich cities like New York, Washington, D.C., Seattle, Portland, and San Francisco. Only 16 miles away from Boston, Wilmington is also benefiting from Boston’s increasing pull as both a place to live and to work. Anecdotally, Wilmington’s population is also being pushed up as people sell higher priced homes closer to the city and buy in Wilmington.

Table 1. Total Resident Population

Total Resident Population	2000	2010	2017	Percent Change, 2010-2017	Percent Change, 2000-2017
WILMINGTON	21,363	22,325	23,803	6.6%	11.4%
Benchmark Towns	171,042	178,138	193,105	8.4%	12.9%
Andover	31,247	33,201	35,937	8.2%	15.0%
Burlington	22,876	24,498	27,176	10.9%	18.8%
Billerica	38,981	40,243	43,962	9.2%	12.8%
Lynnfield	11,542	11,596	12,942	11.6%	12.1%
North Reading	13,837	14,892	15,735	5.7%	13.7%
Reading	23,708	24,747	26,106	5.5%	10.1%
Tewksbury	28,851	28,961	31,247	7.9%	8.3%
Massachusetts	6,349,098	6,547,629	6,859,819	4.8%	8.0%
United States	281,424,600	309,338,421	325,719,178	5.3%	15.7%

Source: U.S. Census Bureau, Annual Estimates of the Resident Population, April 1, 2000 to July 1, 2017

Population growth is important to prospective retailers and another consideration is age. Age is an important factor to consider because personal expenditures change as individuals grow older. Peoples' needs and tastes change as they progress through different life cycles. Table 2 compares Wilmington's age distribution to the United States, Massachusetts, and the eight benchmark communities. Wilmington, today, shows two stand-out attributes: (1) it is younger (at least compared to the surrounding towns); and (2) Wilmington and the surrounding communities have pronounced shares of middle-to-older working age individuals (those between 40 and 64). On the younger end of the spectrum, toy stores, day care centers, and stores with baby care items do well in areas with many children and infants. Clothing stores and fast food restaurants tend to be favored by teenagers. Looking at where Wilmington is strongest, in the 40 to 64 age group, retailers in Wilmington should cater to the needs and preferences of two generations – Baby Boomers (1946-1964) and Generation X (1965-1981). These groups are in the highest earning years of their lives but can get overlooked by retailers looking at the large Millennial generation (post 1981) who are spending considerably on household formation. The relatively small size of the 18 to 39 demographic, in fact, may be one reason Wilmington is not getting the attention of retailers. Healthcare, entertainment, and dining are examples of the types of retail services that would fit the middle-to-older demographic which is also in the highest earning years of their lifetimes.

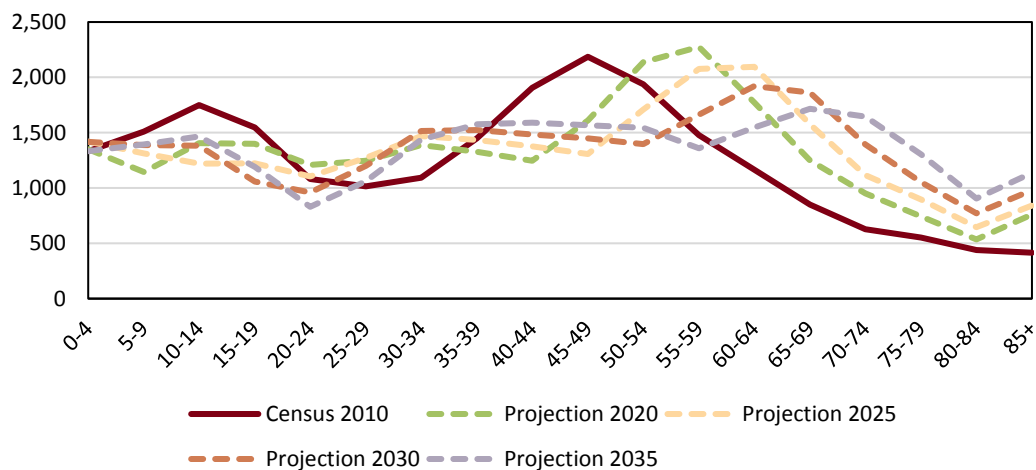
Table 2. Total Resident Population by Age, Wilmington Compared to Benchmark Towns

Percent of Population by Age, 2016					
% of Pop. By Age	US	Massachusetts	WILMINGTON	Lynnfield	Billerica
17 and Under	23.1%	20.6%	23.0%	21.9%	20.3%
18-24	9.8%	10.4%	8.2%	7.4%	9.2%
25-39	19.9%	19.7%	16.2%	12.0%	19.9%
40-64	32.7%	34.2%	37.9%	39.1%	36.7%
65+	14.5%	15.1%	14.8%	19.6%	13.9%
% of Pop. By Age	Burlington	North Reading	Reading	Tewksbury	Andover
17 and Under	20.8%	22.3%	24.4%	19.9%	25.3%
18-24	6.9%	6.3%	6.3%	8.0%	9.7%
25-39	19.0%	14.6%	17.9%	15.3%	12.5%
40-64	34.9%	42.4%	36.8%	39.2%	38.7%
65+	18.3%	14.4%	14.6%	17.5%	13.8%

Source: U.S. Census Bureau ACS 2016 5-YR, Series B01001

Looking into the future, retail services will need to address the needs of an aging population while continuing to suit the preferences of younger workers. Figure 2 shows past and future estimates of the population of Wilmington by age. A clear peak in population is seen at 45-49 years in 2010. That peak moves noticeably rightward in every future estimate. By 2035, the largest population cohort will be those of 65-69 years. Coming in behind this aging of adults is the aging of today's youth. The second highest number of people in 2010 is among 10-14 year olds who age to 40-44 year olds by 2035. If the projections hold correct, the top segments for retailers heading into the future will be seniors and younger workers.

Figure 2. Wilmington Population by Age, 2010-2035



Source: UMass Donahue Institute, Population Estimates Program

Just as Massachusetts has become more of a draw for people, it has also become a magnet for jobs – with the two concepts obviously intertwined. Economic opportunity, manifested in the form of jobs, helps retain existing residents and attracts others. Similar to the population trends shown in Figure 1, Massachusetts has also experienced faster jobs growth than any other northeastern state since 2010, and almost all of this growth is taking place in and around Boston.

Since 2010, Wilmington and its surrounding communities have seen faster jobs growth (see Table 3), 14.5 percent and 14.0 percent, respectively than either Massachusetts or the United States, overall. The post-recession employment growth represents a positive change for Wilmington following a period declining jobs from 2001 to 2010 largely due to electronics-related manufacturing. The recent growth in Massachusetts, Wilmington, and its neighbors underscores that the town is part of an economically dynamic region that also should garner the attention of retailers for entrepreneurship or expansion opportunities.

Table 3. Jobs Growth, 2001-2017, Wilmington Compared to Benchmark Towns

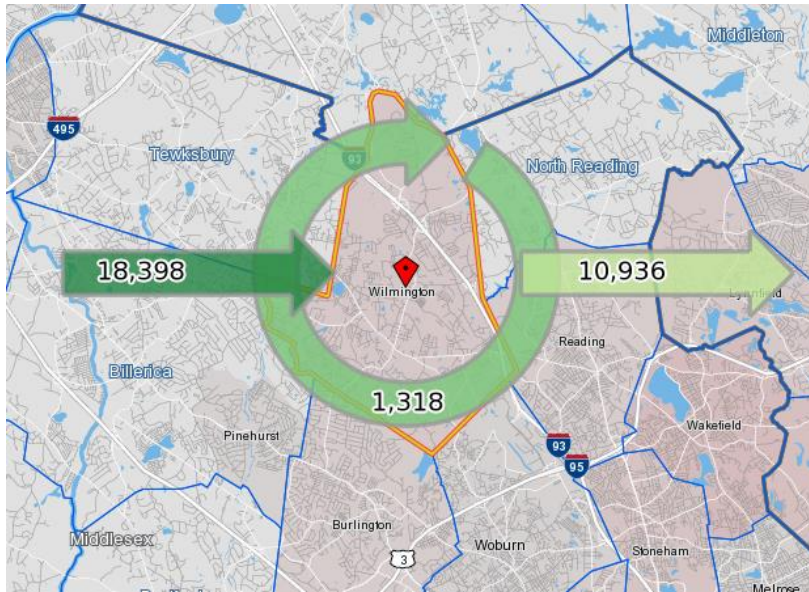
Total Nonfarm Employment	2001	2010	2017	Percent Change, 2010-2017	Percent Change, 2000-2017
WILMINGTON	22,430	18,430	21,106	14.5%	-5.9%
Benchmark Towns	134,650	125,028	142,590	14.0%	5.9%
Andover	34,528	31,615	35,108	11.0%	1.7%
Burlington	39,125	39,475	44,329	12.3%	13.3%
Billerica	25,615	19,930	24,864	24.8%	-2.9%
Lynnfield	5,168	5,678	5,750	1.3%	11.3%
North Reading	6,794	6,743	9,024	33.8%	32.8%
Reading	7,312	6,505	7,233	11.2%	-1.1%
Tewksbury	16,108	15,082	16,282	8.0%	1.1%
Massachusetts	3,276,103	3,151,206	3,544,095	12.5%	8.2%
United States	132,094,917	130,352,667	146,624,250	12.5%	11.0%

Source: Mass. Executive Office of Labor and Workforce Development ES-202, Bureau of Labor Statistics Quarterly Census of Employment and Wages

In addition to Wilmington’s growth in jobs, another factor that is in the town’s favor as a retail location is the large influx of commuters coming into the town on a daily basis for work. In 2015 (the latest year available), some 18,400 workers commuted into Wilmington for their jobs. The scale of this influx indicates that Wilmington acts as a regional jobs hub for its area. With the relocation of Analog Devices’ global headquarters from Norwood to Wilmington, adding to that company’s already substantial presence in Wilmington, the town’s role as a jobs center will continue into the future. For retail, this type of jobs and corporate growth should introduce substantial new opportunities into Wilmington, including restaurants, entertainment, healthcare, and other personal services. The challenge for the Main Street/Route 38 Corridor will be attracting the Town’s job-holders, old and new, to the area. Analog Devices poses a particular challenge as many of its workers (likely well-paid) will be/are accessing

the headquarters site via I-93, meaning that the Main Street would need a significant draw that does not duplicate what they already have in their own communities (e.g., CVS, Market Basket, McDonald's) to bring them to the area. Experiential retail options and/or the right restaurant, bakery, wellness service, and entertainment options might get them to drive the three miles to the Main Street/Route 38 Corridor.

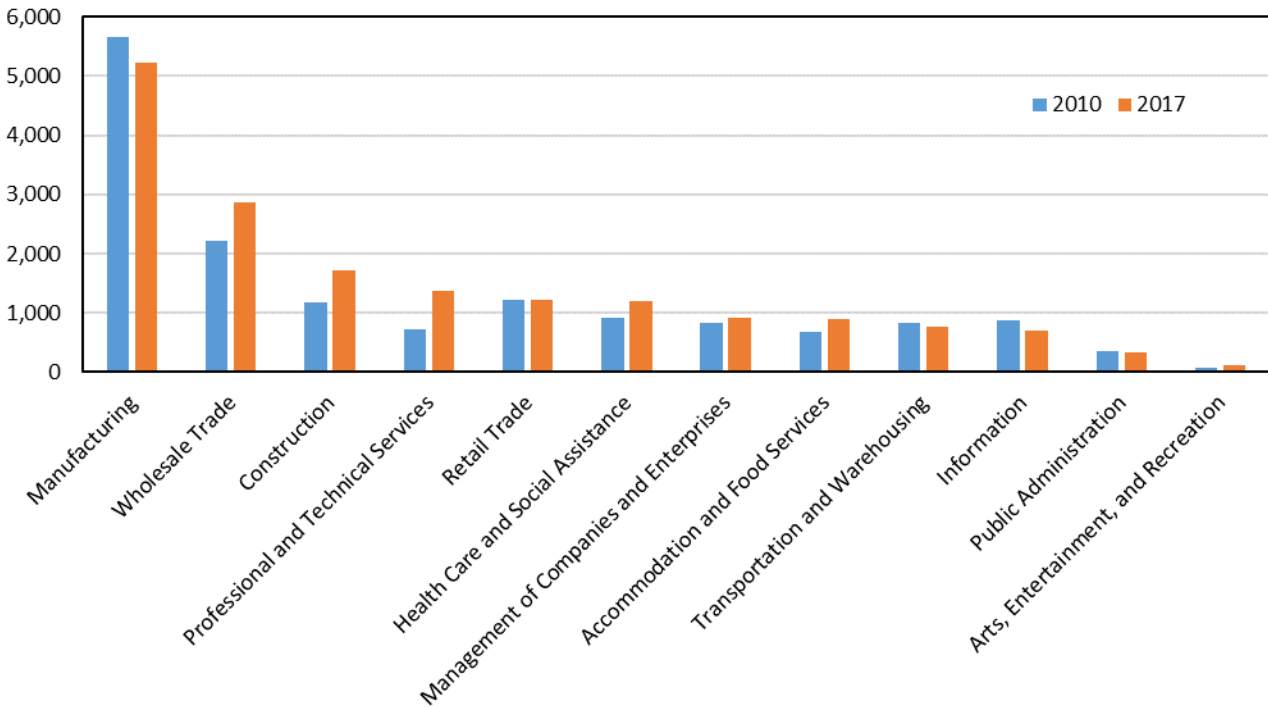
Figure 3. Wilmington Has a Sizable Net Inflow of Workers Commuting into the Town



Source: U.S. Census Bureau, On the Map Application, Longitudinal Employer-Household Dynamics LEHD data 2015

Led by manufacturing, Wilmington has a diversified economy and has seen growth across nearly most major economic sectors since 2010 (see Figure 4). Jobs increases have been led by wholesale trade and construction while manufacturing has seen a slight decline. Strength in the town's "professional and technical services" and a manufacturing sector focused on advanced machinery and electronics attest to Wilmington's role as a jobs center for Massachusetts' renowned high-technology economy. Again, this level of industry concentration in high technology in Wilmington is an asset that can be leveraged more fully to further develop the town's retail and restaurant offerings. The development and expansion of Analog Devices global headquarters in Wilmington, as mentioned previously, further underscores retail and restaurant potential.

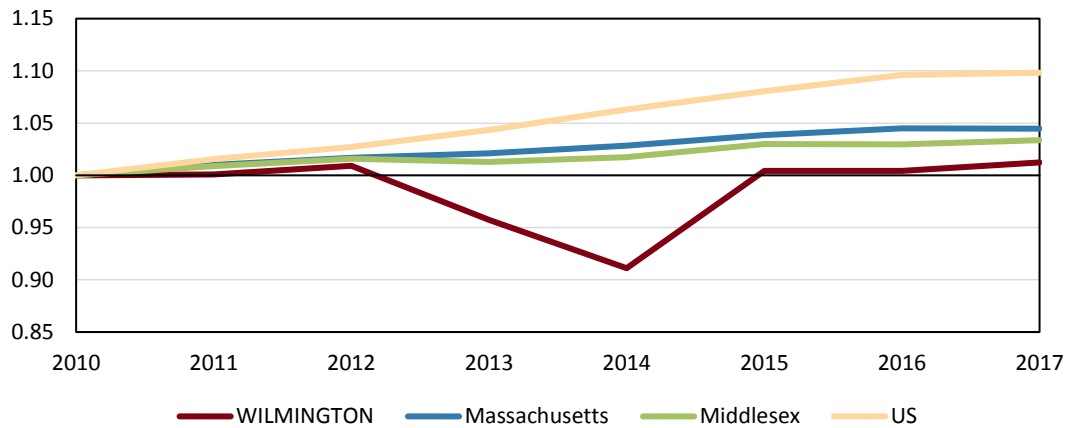
Figure 4. Change in Wilmington Employment by Industry, 2010 vs. 2017



Source: Massachusetts Executive Office of Labor and Workforce Development, ES-202

Wilmington’s retail sector employed 1,230 people in 2017, making it the 5th largest employer in the town. As can be seen in Figure 5, retail employment in Wilmington since 2010 has essentially remained flat while Massachusetts, Middlesex County, and the U.S., overall have experienced growth. In Massachusetts, retail is the second largest employer, only surpassed by the healthcare industry. The disparity in retail employment concentration between Wilmington and Massachusetts indicates that Wilmington may be “under-retailed” with some room for the right type of retailers to expand into the community and fill a void.

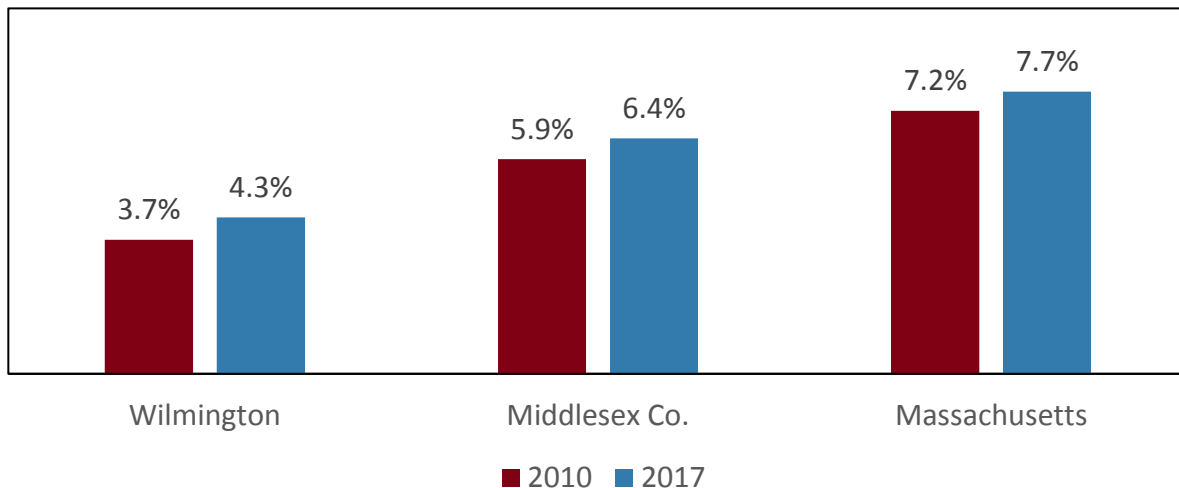
Figure 5. Change in Retail Sector Employment, Indexed to 2010, Wilmington Compared to U.S., Massachusetts, and Middlesex County



Source: Mass. Executive Office of Labor and Workforce Development ES-202, Bureau of Labor Statistics Quarterly Census of Employment and Wages.

Although there has been growth in Wilmington’s “food and drinking places” (i.e., restaurants and bars) since 2010 and the town has outpaced Massachusetts in growth, the industry remains far less concentrated in Wilmington than the state. In 2017, Wilmington’s 900 jobs in this industry accounted for just over 4.3 percent of all jobs in the town compared to approximately 7.7 percent for the state. Similar to the findings for retail, this low jobs concentration also may suggest that the supply of restaurant and bar offerings in Wilmington could better meet demand.

Figure 6. The Share of Jobs in “Food and Drinking Places” Is Relatively Low in Wilmington Compared to Middlesex County and Massachusetts



Source: Mass. Executive Office of Labor and Workforce Development ES-202, Bureau of Labor Statistics Quarterly Census of Employment and Wages.

Income levels represent an indicator of residents’ spending power for a municipality or region. Looking at both median home value (see Table 4) as a proxy for income and actual median household income (see Table 5), Wilmington and its neighbors would generally be considered “affluent”. When evaluating a market, retailers look at the median or average household income in an area and will analyze whether there are a sufficient number of households in an income category before establishing a business. For instance, some specialty fashion stores target incomes above \$100,000.

Table 4. Median Home Value – Wilmington Compared, 2016

Median Home Value in 2016 (2017 \$s)	
Geography	Value
United States	\$ 188,635
Massachusetts	\$ 348,265
WILMINGTON	\$ 399,125
Andover	\$ 592,356
Lynnfield	\$ 603,999
Billerica	\$ 366,137
Burlington	\$ 448,761
North Reading	\$ 461,936
Reading	\$ 483,383
Tewksbury	\$ 352,656

Source: U.S. Census Bureau ACS 2016 5-YR, Series B25077

Wilmington’s median household income of \$104,480 is high and indicates general affluence. This higher income type of household represents one of the fastest growing segments in the United States. With buying power, these households tend to be strong consumers. With these wealth levels, Wilmington can gear a portion of its retail and restaurant mix toward this segment. Higher end households are consumers of upscale restaurants and tend to emphasize experience over things (note that the importance of experiential retail is included among the upcoming recommendations). Convenience and saving time are also critical to higher income households which would support cafes, bakeries (including places that sell prepared meals), and, again, restaurants in Wilmington.

Table 5. Median Household Income – Wilmington Compared, 2016

Median Household Income in 2016 (2017 \$'s)	
Geography	Value
United States	\$ 56,501
Massachusetts	\$ 72,466
WILMINGTON	\$ 104,480
Andover	\$ 137,495
Lynnfield	\$ 119,748
Billerica	\$ 102,625
Burlington	\$ 94,104
North Reading	\$ 122,488
Reading	\$ 111,214
Tewksbury	\$ 94,876

Source: U.S. Census Bureau ACS 2016 5-YR, Series B19013

The housing ownership and rate of housing turnover is also a factor considered by retailers. Wilmington as well as most of its surrounding towns have very high home-ownership rates (see Table 6, the share of households that are owner-occupied). Home ownership directly correlates with expenditures for home furnishings and home equipment. Furniture, appliances, hardware, paint/wallpaper, floor covering, garden centers and other home improvement products all prosper in active housing markets. Today, retailers are looking, particularly, at where Millennials (those born between 1981 and 1997) are establishing homes but that group continues to remain relatively small in Wilmington (see Table 2).

Table 6. Share of Households that Are Owner-Occupied – Wilmington Compared, 2016

Share of Households that Are Owner-Occupied, 2016	
Geography	Share
United States	63.6%
Massachusetts	62.1%
WILMINGTON	85.2%
Andover	79.9%
Lynnfield	85.1%
Billerica	81.9%
Burlington	69.7%
North Reading	86.6%
Reading	79.4%
Tewksbury	86.4%

Source: U.S. Census Bureau ACS 2016 5-YR, Series B25003

Education levels also figure into retailers’ decision-making as income increases with advancing educational attainment. Similar to the preferences of higher income households, areas with high levels of educational attainment tend to prefer quality, and they, too, have a preference for shopping at smaller, non-chain specialty retail stores located in downtown areas (note that for less-educated households, the opposite is true, as they have a greater tendency to shop at retail outlets and chain stores). People with higher educational attainment are shown to prefer healthier eating options indicating that health food stores, juicerries, and restaurants with higher nutrition menus may do well in Wilmington. People with a bachelor’s degree or higher also report spending more than people with less than a college degree on personal care products and services. These spending habits could fuel an increased market for boutique shops selling higher end cosmetic and skincare products, for example, as well as personal care related services. The highly educated also have a much higher propensity to patronize cultural establishments like museums and theaters. Massachusetts is the most highly educated state in the country and Wilmington is situated in a part of the state, between Route 128 and Route 495, with a particularly high concentration of highly educated people. Retailers look at this favorably and Wilmington can use this as a tool to help draw a more diverse collection of stores and restaurants to the Town.

Wilmington’s combination of growth, employment base, and income levels should make the town at least a somewhat compelling location for retailers and restaurants to expand or literally set up shop. In terms of the factors that may constrain the diversification of the town’s retail and restaurant offerings, is a high commercial property tax rate (see Table 7). At \$32.46 per \$1,000 valuation, only 17 of Massachusetts’ 351 communities (including neighboring Billerica) had a higher commercial property tax than Wilmington in 2018. That said, towns such as Andover have commercial property tax rates that are only marginally lower (and with higher property valuations which would increase the overall tax burden) than Wilmington’s and do manage to sustain a range of shops and food places. Wilmington’s high commercial property taxes may or may not be dissuading retailers but do offer a cautionary message that the Town should be mindful that prospective businesses could be weighing these costs as a location factor.

Table 7. Approved Property Tax Rates – Wilmington Compared to Benchmark Communities, 2018

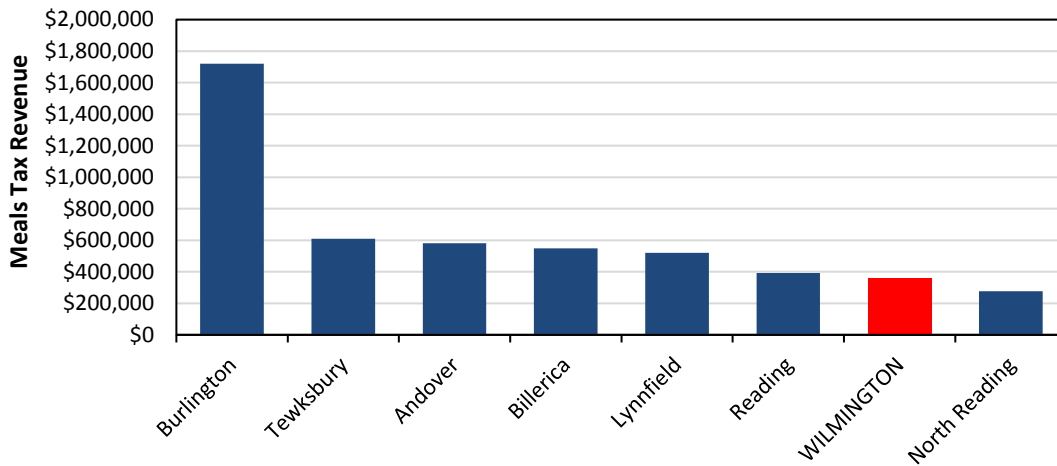
City or Town	Residential	Commercial	Industrial
WILMINGTON	14.41	32.46	32.46
Andover	15.64	27.61	27.61
Burlington	10.62	27.56	27.56
Billerica	14.19	33.65	33.65
Lynnfield	13.76	17.08	17.08
North Reading	16.34	16.34	16.34
Reading	13.87	13.92	13.92
Tewksbury	16.13	27.74	27.74

Source: Massachusetts Department of Revenue

Meals taxes are an additional source of revenue for the Commonwealth and its cities and towns. Considering the size of its population and the number of jobs within the community, Wilmington receives relatively low meal tax revenues (see Figure 7). The meals tax rate in Massachusetts maxes out

at 7.0 percent and is divided into two parts. One is the 6.25 percent that goes to the Commonwealth’s coffers, and the other is a local option 0.75 percent going to the community in which the restaurant resides. The “local option” meals tax provides an additional means for bringing in new revenues to communities. In terms of meal tax revenue, the Town of Wilmington reaped almost \$360,000 in 2016. Increasing these types of revenues, through expansions of restaurant sales via more business at existing locations and the establishment of new eating places, represents an opportunity for the Town.

Figure 7. Meal Tax Revenues for Wilmington and Benchmark Towns, 2016



Source: Massachusetts Department of Revenue, Division of Local Services Municipal Databank

Wilmington Retail Gap Analysis

To envision types of businesses that could be featured in a redeveloped Main Street, it is helpful to know what Wilmington residents are currently spending money on and where they are spending that money. In other words, how do residents meet their consumption demands? Business Analyst, a data product of Esri, allows users to evaluate both the retail supply and retail demand of a city or town and thereby illuminate any local gaps between the two. Beginning with data on the number and type of retail establishments in the area, Esri estimates retail sales across 40 different retail categories (i.e., retail supply) including everything from various food and beverage establishments to furniture, building materials, books and music, and grocery stores. Then Esri uses data on the number and characteristics of the households of the area to estimate total retail purchases across these same 40 categories (i.e., retail demand). By comparing the value of retail sales to the value of retail demand, Esri, via Business Analyst, can estimate the share of local demand that is, or at least can be, satisfied locally and the share that must necessarily be satisfied outside of the town. Given this capability, Business Analyst is widely used by site selectors, commercial property brokers, and developers.

The value of this gap analysis lies not only in its ability to identify opportunities for local investment but to identify low-hanging opportunities for investment. If the data shows that local retail demand exceeds local supply in a particular category then it also shows a category that can be targeted for recapture. The benefit of targeting recapture spending is that the town is not asking its residents to spend any more than they already are or to spend money in a category that they are not. In other words, by targeting recapture, a town is not asking its residents to change their household budgets or consumption choices but rather to change only the physical location of their spending. Additionally, because recapture focuses on local residents, it does not rely on asking people to go to a place they have no preexisting reason to visit. Wilmington residents have an obvious reason to be in Wilmington every day. As a result of these various factors, driving economic development through recapture is a simpler objective than relying on the inducement of changes to household budgets, consumption preferences, or travel patterns.

Table 8: Retail Gaps in Wilmington and Surrounding Communities, Summarized Industry Sectors

Industry Summary	NAICS	Wilmington Gap	Surrounding Gap
Motor Vehicle & Parts Dealers	441	\$45,667,762	\$23,744,269
Furniture & Home Furnishings Stores	442	\$3,443,458	(\$36,419,538)
Bldg Materials, Garden Equip. & Supply Stores	444	\$9,484,103	\$30,663,210
Food & Beverage Stores	445	\$453,801	(\$242,178,631)
Clothing & Clothing Accessories Stores	448	\$25,794,535	(\$52,277,772)
Sporting Goods, Hobby, Book & Music Stores	451	\$7,294,865	\$31,552,844
General Merchandise Stores	452	\$9,253,530	\$6,196,592
Miscellaneous Store Retailers	453	\$2,563,459	\$31,129,912
Nonstore Retailers	454	\$11,264,466	(\$105,940,021)
Food Services & Drinking Places	722	\$5,872,519	(\$3,458,691)
Total		\$121,092,498	(\$316,987,826)

Source: Esri Business Analyst



Of the 40 retail sectors that Business Analyst examines, Wilmington has gaps in 29, which are summarized into ten major groups in Table 8. The table also shows the gap in Wilmington’s surrounding communities, whether positive (demand exceeds supply) or negative (supply exceeds demand). Many of the industries where Wilmington is undersupplied are also undersupplied in its neighboring cities and towns suggesting greater opportunities. Although this table highlights every group that has a supply gap in Wilmington, it makes no distinction between those that are attractive for the redevelopment of Main Street and those that are not. For example, motor vehicle and parts dealers have the largest amount of undersupply in Wilmington but this sector does not have the land use characteristics or street front presence that may be desired for Main Street’s further redevelopment. Similarly, nonstore retailers are not suitable because by definition they have no storefront and would be better suited to locations elsewhere in the town.

Table 9 shows detailed retail sectors that are both undersupplied in Wilmington and suitable for the desired environment of a redeveloped Main Street. Clothing stores are the most undersupplied of this group. This category of retail along with all the other non-food retailers can be groomed to the needs of the area. They do not have to be large chain stores but rather could be smaller scale boutiques. The retail gap analysis does not distinguish between mass market and curated retail, leaving Wilmington the opportunity to steer the look and feel of Main Street. Similarly, the restaurants can be of any type allowing some flexibility in choosing a look and feel for Main Street. Interestingly, the “target sectors” shown in Table 10 coincide well with the types of retail that Wilmington residents may like to see, notably more options for clothing, food, and gathering spaces (specialty food stores, drinking places, restaurants, and book/music stores).

Table 9: Possible Target Sectors for Main Street Redevelopment

Industry Group	NAICS	Retail Gap
Clothing Stores	4481	\$18,691,703
Sporting Goods/Hobby/Musical Instr Stores	4511	\$5,279,226
Specialty Food Stores	4452	\$4,270,730
Jewelry, Luggage & Leather Goods Stores	4483	\$3,827,689
Shoe Stores	4482	\$3,275,143
Drinking Places - Alcoholic Beverages	7224	\$2,531,485
Restaurants/Other Eating Places	7225	\$2,531,373
Book, Periodical & Music Stores	4512	\$2,015,639
Special Food Services	7223	\$809,661

Source: Esri Business Analyst and author’s analysis

The spending available for recapture also implies a corresponding amount of space required to support those sales. The International Council of Shopping Centers (ICSC) collects data on the average amount of sales per square foot for different categories of retail. While the data focuses on stores within a shopping center, it remains informative for the analysis of stand-alone establishments. Dividing the retail gap data in Table 9 by the sales per square foot data in Table 10 yields the potential total square footage of new retail space that could be supported with recapture (also shown in Table 10). For example, the \$2.5 million gap in restaurants could support roughly 5,263 square feet of space. This

space and recaptured spending could be divided among a few small cafes and bakeries or could be consumed almost entirely by one larger restaurant.

Table 10: Potential Square Feet of Retail Space Supported by Retail Gap

Industry Group	NAICS	Sales per Sq. Ft.	Potential Sq. Ft.
Clothing Stores	4481	\$352	53,101
Sporting Goods/Hobby/Musical Instr Stores	4511	\$336	15,712
Specialty Food Stores	4452	\$558	7,654
Jewelry, Luggage & Leather Goods Stores	4483	\$990	3,866
Shoe Stores	4482	\$403	8,135
Drinking Places - Alcoholic Beverages	7224	\$481	5,263
Restaurants/Other Eating Places	7225	\$481	5,263
Book, Periodical & Music Stores	4512	\$205	9,832

Source: Esri Business Analyst, ICSC Research, and author's calculations

A final word of caution is required when interpreting the retail gap data. These analyses highlight the total amount of money available for recapture but provide no guarantee that all this money will be recaptured. Furthermore, the retail categories showing the largest gaps may not be the same ones that ultimately appear in a redeveloped/reimagined Main Street. The final retail mix will depend on the initiative of entrepreneurs, the risk tolerance of property owners, and the local regulatory environment. The last is especially important when potential business owners weigh the risks of starting a new business. If zoning and planning regulations make permitting and construction too time-consuming and costly or if the application of these policies feels inconsistent then the business case for investment rapidly deteriorates.

Wilmington's Retail Market – Issues and Recommendations for the Main Street Corridor

Challenges

The research team, through interviews and data collection identified numerous areas or issues that present challenges for Wilmington and the Main Street Corridor to meet the greater potential of meeting residential needs.

Wilmington Is Seeing the Effects of Structural Shifts in Retail that Are Universal

With the ease of Internet (e-commerce) sales changing how people buy things, retail buying patterns have changed dramatically in the last 25 years. As a result, fixtures like Sears are declining and declaring bankruptcy while many of the nation's malls are shutting down. As such, Wilmington's struggle with retail and attracting the types of options its residents want, is felt universally by other communities in Massachusetts and around the country. That said, online behemoths like Amazon are getting into bricks and mortar retail (hence the purchase of Whole Foods) for a reason – namely, there is and will always remain a need for fast and first-hand contact to meet a wide range of customer needs. The challenge is that there is a need to work hard (at all levels – entrepreneurs, developers, property managers, and municipalities) at identifying the concepts, often with a focus on convenience and ease, that will bring foot traffic to properties and prove resilient to internet competition. Places like the Main Street Corridor in Wilmington need to explore diversifying options – moving to medical (including urgent care), personal fitness, and into numerous other areas that would also help serve as gathering points for the town (farm-to-table restaurants, bakeries, coffee shops, ice cream stores, brew pubs, entertainment venues, etc.). All of these options cannot be substituted by online e-commerce and thus point to a direction for retail in Wilmington and along the Main Street Corridor. Successful new shopping areas like Lynnfield's Market Street, too, are emphasizing lifestyle over pure retail.

Wilmington's Location Is Peripheral to "Hot" Retail Growth Markets

While growth in Wilmington's proximate area is moderate in terms of jobs and population, the area is not necessarily on the radar screen for major retailers who are now, at least initially, are focusing on the "inside 128" market in the Boston area while also putting significant attention on fast-growing metropolitan areas like Phoenix and Atlanta. In Massachusetts, growth is concentrating in and around Boston, with a core group of "Red Line" cities (plus Chelsea) commanding one-third of the state's population growth since 2010. Additionally, Wilmington's location is "stuck in the middle" between the Burlington, Lynnfield, and Woburn concentrated retail activity on one side, and the Tewksbury/495 retail concentration on the other.

In response, Wilmington would need to emphasize to potential major or national retailers that the area is growing and offers relatively high income levels within a short drive of the town. A major retailer would check to make sure they are not cannibalizing from another location and would likely be more interested in a Route 93 intersection location than the Main Street Corridor.

Perhaps more importantly than the attraction of major brands and chains, Wilmington's jobs, population, and income should be able to support the smaller enterprises, like bakeries, coffee shops, work spaces, specialty food and clothing stores, brew pubs, exercise studios, and restaurants (like farm-to-table) that the town needs to attract to add a greater sense of community and better meet resident needs.

Wilmington's Commercial Property Taxes Are High

On the margin, commercial property tax rates may be dissuading some retailers and eateries from taking a closer look at locating in Wilmington. At \$32.46 per \$1,000 valuation, only 17 of Massachusetts' 351 communities had a higher commercial property tax than Wilmington in 2018. When retailers and commercial property developers, and management companies look at baseline costs (also known as "triple net lease"), they combine rent (of the property), maintenance, real estate taxes, and insurance. If initial decision-making is based on spreadsheet models, it is possible that higher costs could prevent some commercial establishments from shortlisting Wilmington as a prospective location to operate or expand a business.

Recommendations

Wilmington is a town with the material capacity to support the existing retail as well as expand its commercial base on Main Street which is already benefiting from the catchment (large scale stream of customers) generated by Market Basket. The town is not aiming to compete with nearby Burlington or Lynnfield for large retail complexes like the Burlington Mall or Market Street; instead, the town should focus on retail opportunities that will lead to an increased sense of community.

With much of the street-side space devoted to parking lots, and buildings spaced out along Main Street, retail in this section of Wilmington is geared toward car traffic over pedestrians. Town administrators can still work with this current configuration to highlight the pre-existing local businesses that it has, and encourage creative use of vacant space to create retail opportunities that encourage community building.

Encourage "Experiential" Retail and Services

Capitalizing on the increasing demand for health and wellness experiences and opportunities may be another way Wilmington can increase its retail opportunities and create connections with its residents. Boutique fitness studios that offer only one form of exercise, like spinning, barre, or boxing, are gaining popularity over traditional gyms. In addition to offering an intense workout, these facilities, along with yoga studios, present health and wellness as a communal experience that can be shared with friends. On the food side, experiential retail would include cooking classes and wine tastings available at restaurants. In entertainment, theatres are introducing wine and meal service, often in cooperation with adjoining restaurants.

West Acton Villageworks is one example of a successful experiential retail project in a town similar in size and demographics to Wilmington. This project is an association of local businesses that are located in a block-long development that is designed to spur community engagement. The development hosts myriad community events, from gallery openings to craft shows, to theatrical performances. The development contains yoga studios, cafes and restaurants, as well as professional services offices.

Despite the disparate offerings in West Acton Villageworks, the design clearly considered the values important to Acton residents – health, wellness, community, learning, etc. – and brought it together in one central location.

- **Create Locally-owned Eateries that Are Alternatives to Chain Restaurants.** Casual dining chain restaurants like Chili’s, Buffalo Wild Wings, and many others, are gradually falling out of favor or failing nationwide, as evidenced by the recent closures of Chili’s restaurants in both Wilmington and even Burlington, a major retail hub for the region. The rise of fast-casual chains like Five Guys, Panera and Chipotle, as well as the miscalculation of millennial diners’ tastes and what they want from a dining experience are contributing factors to the slowed growth. Although fast casual giants like Panera are popular, investing in more of these chains means less ability to control the success of a local location. The management decisions are made at the corporate level, leaving little to no meaningful connection to Wilmington or its residents. That said, the introduction of smaller chains like Five Guys or Boston Burger would still bring Wilmington some diversity in its retail by introducing options beyond global chains like McDonald’s. On the higher-end of the scale, there may be an opportunity to attract a contemporary, upscale restaurant or steakhouse in Wilmington as that may serve a niche currently lacking in both Wilmington and Tewksbury. A new, larger restaurant would have the added benefit of providing Wilmington with more meeting space options for local organizations.

A focus on cafes and eateries with local appeal and roots might mean attracting a café with 2 – 3 established locations in the Greater Boston area, or it might mean developing relationships with entrepreneurs looking to get their small pastry shop (or other specialty foods) or farm-to-table restaurant off the ground.

Within a mile radius of Norwood’s town center, there are five locations of national coffee chains. In that same area, however, three independently owned local bakery/cafés also flourish. In Norwood, which has roughly the same population as Wilmington, there is clearly enough demand to sustain all of these options. Local options, particularly local coffee shops (including on-site roasting in some instances), help establish a sense of community. Local coffee shops and restaurants may also host other community-building events, like live music, book readings, and other social gatherings.

- **Taprooms Replacing More Vacant Industrial and Commercial Space.** Craft beer breweries and taprooms are another trend that Wilmington may want to investigate. Small batch breweries are popping up in towns and cities across the country, creatively reinventing former industrial and warehouse space, as well as empty storefronts. These spaces attract groups of people, who often make visiting an afternoon activity, and can encourage partnerships with local eateries and food trucks, as breweries often do not have on-site kitchens. Attracting one or more craft breweries may be an option for empty retail space on Main Street, along with industrial commercial spaces in other parts of Wilmington.

Medusa Brewing Company opened in 2015 in Hudson in empty storefront space. The brewery has been popular with residents in Hudson and the surrounding towns, and is so successful that it is now looking to build a 10,000 square-foot production brewery and taproom on a vacant lot near its current operation. Medusa also regularly hosts community events, including trivia

nights, yoga classes, and open mic nights. Medusa’s founder recently invested in another local taproom and craft brewery, Timberyard Brewing Company, which recently opened in East Brookfield.

Improve Marketing of Wilmington’s Available Storefronts

A “one-stop shop” that would include an inventory of available storefronts, rents, contacts, pertinent zoning, and leasing options in Wilmington would allow prospective retailers to know about the spaces that would be available to them for opening up a new store, food place, or restaurant. A one-stop shop would ease the process for finding and leasing space, and help to expedite the siting of new retailers in Wilmington. Such a one-stop shop could be developed as part of a cooperative effort between the Town of Wilmington and Chamber of Commerce.

Streamline Permitting Process

Streamlining the permitting process may also help Wilmington to attract retailers, particularly small businesses. Making the zoning process as simple as possible, lowering costs where possible, and maintaining transparency about the permitting process, fees, and other necessary steps for business owners may give Wilmington a competitive advantage over neighboring cities and towns whose process is more difficult and potentially more expensive.

There are opportunities to update and reframe the New Business Guide to make it a more positive introduction to opening a business in Wilmington. This could include more promotional language about the advantages of Wilmington as a location and the diversity of usages that are possible in the town’s business districts. A reframed guide, including a greater use of online links to key materials, would be a simple fix that could more readily portray Wilmington as open to working with new businesses.

Wilmington may also explore the special permit process. Even if, by practice, some businesspeople familiar with Wilmington do not consider the special permit process to be unduly onerous, others who have not conducted business in Wilmington may set their sights on other locations that offer “zoning by right” (projects that would be permitted under current zoning rather than requiring an appeal for a special permit). Interviews with retail developers and design firms across the country have shown that negotiating the zoning process in many municipalities can be “a huge problem,”¹ and that developers prefer municipalities that plan for multi-use zoning instead of requiring meetings where individual projects must go through a meeting and voting process. The meeting process is time consuming and introduces a greater risk of failure to prospective retailers, developers, and restaurants. Minimizing the steps in the process by eliminating special permits wherever possible may spur developer interest and interest from smaller scale entrepreneurs.

Improve Traffic Circulation

An immediate concern on the Main Street/Route 38 Corridor is traffic circulation. If potential customers perceive safety and congestion issues within the actual area, it could push them to shift shopping destinations. Ingress and egress from Route 38 is a specific issue as well as internal traffic circulation,

¹ National Real Estate Investor, 2002

off or Route 38, within the shopping areas. Parking lots and internal roadways used by shoppers are now stopping at property lines, forcing vehicles back onto the main roadway (Main Street), exacerbating traffic, rather than following more convenient and logical paths. Businesses and property owners need to work together, along with the Town, to address these issues. Ideally, an improved circulation pattern could culminate in a secondary Main Street which would add to the appeal of the Main Street/Route 38 Corridor to shoppers and retailers, alike. On its own, improved traffic circulation will not solve Wilmington's retail issues but longer-term, it could add to the town's overall attractiveness as a retail destination which would only help to draw the types of retailers that Wilmington's residents would like to see.

Create a Comprehensive Vision for Wilmington

The Town of Wilmington has considerable assets, including a strong jobs base, a growing population, recreational venues, and history. The town generally follows a suburban and sprawling land use pattern with few areas of higher density. Looking into the future, there is an opportunity for Wilmington to better capitalize on its assets and develop a clearer identity among residents, jobholders, and visitors as a place. Placemaking through a visioning process is a step to facilitate the more desirable types of development, including diverse retail and restaurant options, many would like to see on the Main Street/Route 38 Corridor. Today, there is a national movement to higher density developments, including defined downtown areas, and walkable communities – which are preferences for younger workers. These developments, amply seen in the Boston area, often go hand-in-hand with the types of restaurants and experiential retail and services, like the example shown in Acton (Acton Villageworks), that Wilmington residents are seeking for its retail options.

- **Create a Main Streets program to improve buildings and create a cohesive community feel.**

Despite there being no singular “downtown” area in Wilmington, the Main Street/Route 38 Corridor could benefit from an approach similar to a Main Streets program. Such programs invest in projects to help small businesses, improve the curbside aesthetic of downtown areas, including landscaping and attractive sidewalks, and invest in art installations and historic building restoration, all with a goal of creating a sense of cohesion and revitalized community space. If town leadership believes these priorities are worth funding, and residents get excited about such efforts, not only would the community be invested in positive outcomes, but the improvements would attract investment in retail spending from non-Wilmington residents as well.

- **Improve wayfinding around Wilmington to highlight attractions**

Once the groundwork has been laid, it is important to commit to marketing the changes in a way that alerts employees of Wilmington-based companies, as well as residents of surrounding communities, that the town has further developed and buttressed the Main Street/Route 38 retail district. One potential way to do so would be improving wayfinding by adding signs at highway exits and along major thoroughfares in the area that alert drivers as to what shops lie ahead (highlighting local businesses).

Analog Devices, Pepsi Beverages Co. and other surrounding businesses near I-93 are less than a 10-minute drive from the Main Street Corridor. Office parks are increasingly offering amenities

beyond parking and convenience to transportation in order to attract top talent. A workplace near restaurants, retail, and entertainment are all draws for top talent. Wilmington can take advantage of the fact that there are few such amenities within walking distance of the I-93 office / industrial area by creating signage around the 93 exit and the streets surrounding the offices highlighting the amenities (once developed) on the Main Street Corridor. Another possibility of attracting workers to the Main Street/Route 38 Corridor is working with the Wilmington-Tewksbury Chamber of Commerce and local businesses to create and distribute lunch deals, service promotions and other coupons to employees working in the I-93 area.

A vision for Wilmington would be produced collaboratively with civic participation and would seek to retain what Wilmington residents like while introducing enhancements that are in line with resident expectations concerning what they would like to see in the future. The vision would help to establish the types of changes that would be needed, whether higher densities, enhanced streetscapes, or transportation improvements for Wilmington to better fulfill the preferences of its citizens, including land use patterns that would help attract diversified food and shopping options.