PLAN: Newmarket
Defining 21st Century Industry Update
MEETING RECORDING

At the request of community members, this event will be recorded posted on the PLAN: Newmarket project webpage at http://bostonplans.org/PlanNewmarket for those who are unable to attend the Zoom event live.

Also, it is possible that participants may be recording the meeting with their phone cameras or other devices. If you do not wish to be recorded during the meeting, please turn off your microphone and camera.

If your camera and microphone are off, you can still participate through the text chat feature at the end of the presentation.
MEETING FORMAT

- Presentation followed by Q & A and comments.
- During the presentation, all microphones will be muted.
- Once the presentation is over, we will take questions and comments in two ways:
  
  Through the **Q&A tab** at the bottom of your screen; or

  **You can raise your hand** and we will take your questions in the order that hands were raised.
Here are some tips on using Zoom for first-time users. Your controls are at the bottom of the screen.

- **Use the chat to type a comment or ask a question at any time** – Members of the PLAN: Newmarket team will enable the chat at the end.

- **To raise your hand**, click on “Participants” at the bottom of your screen, and then choose the “Raise Hand” option in the participant box.

- **Mute/unmute** – Participants will be muted during the presentation – the host will unmute you during discussion if you raise your hand and it is your turn to talk.

- **Turns your video on/off**
ZOOM ETIQUETTE

● Please remain muted until called on. If you’d like to speak during this time please use the “Raise Hand” function in Zoom.

● The chat function will be enabled during the discussion agenda item. (In keeping with convention from in-person meetings.)

● Please be respectful of each other’s time.

● We ask that participants limit their questions so that others may participate in the discussion. If you have more questions, please wait until all others attending have an opportunity to ask questions.

● If we are unable to get to your question at this meeting please put them in the Chat at the end or email Arreen.l.Andrew@boston.gov
AGENDA

9:00–9:15  Welcome and Introductions
9:15-9:20  Where we are
9:20-9:45  Presentation
    What we’ve heard-- Stakeholder Interviews
    Defining 21st Century Industry
9:45-10:20 Discussion
10:20-10:25 Next Steps & Timeline
10:25-10:30 Final Questions

Please reach out to Arreen Andrew (Arreen.l.Andrew@boston.gov) for follow-questions
Where we are
PROCESS

Tasks

Economic Policy
- Define 21st century industry
- Preserve arts-related uses
- Implementation plan

Land Use
- Land use compatibility
- Integrate addiction/recovery services
- Last-mile distribution impacts

Climate Resilience
- Climate resilience recommendations
- Newmarket specific strategies

Mobility
- Define study area
- Hierarchy of streets
- Improve multimodal transit

Public Realm & Urban Design
- Mixed-use prototypes
- Define sub-areas & character
- Development options
- Street typologies
- Public Realm Improvements
- Newmarket specific strategies
What we've heard
What combination of industrial sectors in Newmarket is most likely to achieve BPDA’s economic development and equity goals?

• Economic development
  • Stable, well-paying jobs with strong career pathways

• Equitable job access
  • Access to quality jobs for nearby communities of color and low-income communities, including along the Fairmount Line
## Core PLAN: Newmarket Considerations

- Maintain traditional industrial jobs
- Attract industries of tomorrow
- Promote job equity and access
- Support growth of arts, creative economy, and makerspace
- Prevent displacement of addiction and recovery service providers

## Additional Considerations

- Retain essential distribution services in Boston
- Support urban resilience by reinforcing local manufacturing and supply chains
- Increase job density and total jobs
- Generate positive fiscal impacts – given business tax generation and policy interventions needed
DEFINING 21\textsuperscript{ST} CENTURY INDUSTRY: PURPOSE

The goal of defining “21\textsuperscript{st} Century Industry” is to identify the remaining viable “legacy” industrial uses and emerging industrial uses that are projected to grow in urban areas and Newmarket that achieve policy goals.

$21\textsuperscript{st}$ Century Industry = Viable Legacy Uses + Emerging Uses

Images: Fortune, Forbes
The combination of trajectories chosen will define 21st Century Industry for Newmarket.
21ST CENTURY INDUSTRY: INTERVIEWS COMPLETED TO DATE

Building on the BPDA’s extensive outreach to date, HR&A and Utile – with the BPDA - have interviewed representatives of 15 businesses and organizations to date.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Sector</th>
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</thead>
<tbody>
<tr>
<td>Abbott Investments</td>
<td>Real Estate</td>
</tr>
<tr>
<td>Action4Equity</td>
<td>Community Advocates</td>
</tr>
<tr>
<td>Boston Cab Dispatch</td>
<td>Transportation</td>
</tr>
<tr>
<td>CityFresh Foods</td>
<td>Food Manufacturing/Distribution</td>
</tr>
<tr>
<td>Cloud Kitchen</td>
<td>Food Manufacturing/Distribution</td>
</tr>
<tr>
<td>Eversource</td>
<td>Utilities</td>
</tr>
<tr>
<td>The Greater Boston Food Bank</td>
<td>Food Distribution</td>
</tr>
<tr>
<td>Industry Lab</td>
<td>Makerspace (Somerville)</td>
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<tr>
<td>Metro Credit Union</td>
<td>Banking</td>
</tr>
<tr>
<td>National Development</td>
<td>Real Estate</td>
</tr>
<tr>
<td>New England Culinary Arts Training</td>
<td>Culinary Job Training and Placement</td>
</tr>
<tr>
<td>Newmarket Business Association</td>
<td>Business Association</td>
</tr>
<tr>
<td>The Record Co.</td>
<td>Arts Non-Profit</td>
</tr>
<tr>
<td>Reenergy</td>
<td>Renewable Energy</td>
</tr>
<tr>
<td>Waldwin Group</td>
<td>Food Manufacturing/Distribution</td>
</tr>
</tbody>
</table>
Defining 21st Century Industry
WHY DEFINE 21st CENTURY INDUSTRY?

Existing industrial classifications are outdated and do not reflect the extensive structural shifts in the economy over the past several decades – especially in the urban economy.

- The *North American Industry Classification System* (NAICS) was established in 1997 as the successor to the Standard Industrial Classification (SIC) system that had been in place since 1937.

- However, NAICS does not reflect the *nuances of 21st century urban industrial activities*.

- *Technology, urban development, and globalization* have dramatically reshaped urban industry, and the line between industry and other sectors is increasingly blurred.

Images: Foursquare, Boston Seaport

Digital materials fabrication (Autodesk, Boston)

Manufacturing & retail hybrids (Trillium Brewing, Boston)
DEFINING INDUSTRY

Industrial businesses can generally be defined by their **preference for space in industrial zones**, typically with **lower rents, larger floorplates**, and **separation from residential uses**.

Industrial sectors can be broken down into **three high-level categories**:

- **Production**
- **Distribution**
- **Repair & Rental**

Images: Forbes, Nick Saltmarsh, CarGurus
TAXONOMY OF PRODUCTION, DISTRIBUTION, AND REPAIR/RENTAL (PDR)

PDR can be broken down into 7 sectors and 19 subsectors.

Tier 1

Production

Distribution

Repair & Rental

Tier 2

Manufacturing

Creative Production

Construction

Transportation

Wholesale & E-Commerce

Waste & Utilities

Repair & Rental

Tier 3

Advanced Manufacturing

Film & Recording

Passenger Transportation

Food Wholesale

Auto Repair

Consumer Goods Manufacturing

Arts & Makers*

Freight Transportation

Consumer Goods Wholesale

Equipment & Goods Repair

Heavy Manufacturing

Warehousing & Storage

Materials Wholesale

Rental

Food Manufacturing

E-Commerce

Mining and oil/gas operations are excluded.

*Arts & Makers jobs are not included in subsequent data and figures due to classification issues, but are included here conceptually.
URBAN INDUSTRY: LOCATIONAL DRIVERS

Given the **costs and inefficiencies** of locating in urban areas, industry chooses to locate in cities only when the **advantages of proximity** outweigh the disadvantages.
In cities across the country, a number of emerging uses has begun to appear in industrial districts that benefit from urban industry’s key locational drivers, including:

**Niche/creative manufacturing**

Manufacturing businesses continue to leave cities, but some remain that are driven by **creativity and consumer demand for niche products**. These tend to be in **specialized, high-end, low-impact, and/or small-scale sectors** like food and consumer goods, and often include **accessory retail**.

**Tech/R&D-driven production**

Some urban manufacturing is driven by **technology and proximity to R&D in urban areas**. This includes industries like **advanced manufacturing and prototyping** which support the start-up phase of production and **urban agriculture** that benefits from proximity to consumers and life sciences R&D.

**E-commerce**

COVID-19 has **accelerated the growth of e-commerce** and its impact on urban industry. The sector is reshaping the industrial market, with **last-mile distribution centers** driving rents and land costs higher. These distribution hubs seek proximity to urban populations and transportation infrastructure.

Images: Raleigh Denim Workshop/Jenny Love, Apparel Resources, ROI Revolution
In the early months of COVID-19, the product design company 10XBeta partnered with New Lab, a technology center in the Brooklyn Navy Yard, to rapidly design affordable ventilators and produce them at a Boyce Technologies fabrication facility in Queens. The design was based on one created by an M.I.T. class in 2010, refined in early 2020 through extensive collaboration between M.I.T. faculty, students, and alumni and the other project partners.
DEFINING BOSTON’S URBAN INDUSTRIAL TRADE AREA AND THE REGION

To better understand urban industry in the Boston area, we developed a custom boundary for Boston’s urban industrial trade area – areas where urban industry is likely to seek to locate – to compare to Newmarket and the non-urban MSA.
The Boston MSA is the 11th-largest in the country by employment, with almost 3 million total jobs. Around 1/3 of these jobs are within the urban industrial trade area, and about 1 in every 125 jobs in the trade area is in Newmarket.
SECTOR DISTRIBUTION IN NEWMARKET, THE TRADE AREA, AND THE REGION

Newmarket’s share of industrial jobs is higher than that of the other geographies.

### Industrial and Non-Industrial Jobs (2020)

<table>
<thead>
<tr>
<th>Area</th>
<th>Industrial Jobs</th>
<th>Non-Industrial Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>NM Study Area</td>
<td>73%</td>
<td>27%</td>
</tr>
<tr>
<td>7.5K Total Jobs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade Area</td>
<td>88%</td>
<td>12%</td>
</tr>
<tr>
<td>950K Total Jobs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rest of MSA</td>
<td>78%</td>
<td>22%</td>
</tr>
<tr>
<td>2M Total Jobs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: InfoUSA, EMSI. Notes: Wholesale category includes e-commerce; 500 of the 735 construction jobs in Newmarket are Suffolk Construction employees, most of which are likely to be office workers at the company’s headquarters.
INDUSTRY IN NEWMARKET, THE TRADE AREA, AND THE REGION

**Distribution**, which seeks to be near urban population centers, constitutes a higher share of industrial jobs in the trade area and Newmarket than in the rest of the MSA, which has a greater share of **Production** jobs.

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**Industrial Jobs (2020)**

<table>
<thead>
<tr>
<th></th>
<th>NM Study Area</th>
<th>Trade Area</th>
<th>Rest of MSA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Jobs</strong></td>
<td>7.5K</td>
<td>950K</td>
<td>2M</td>
</tr>
<tr>
<td><strong>Manufacturing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Creative Production</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Wholesale</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Waste &amp; Utilities</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Repair &amp; Rental</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Source: InfoUSA, EMSI. Notes: Wholesale category includes e-commerce; 500 of the 735 construction jobs in Newmarket are Suffolk Construction employees, most of which are likely to be office workers at the company’s headquarters.
Newmarket Today
EMPLOYMENT IN NEWMARKET

Public administration is the largest jobs sector in Newmarket today. The largest industrial sectors are construction, wholesale trade, and manufacturing.

Newmarket Jobs by Sector (2020)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Jobs 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Administration</td>
<td>2,604</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>1,147</td>
</tr>
<tr>
<td>Construction</td>
<td>735</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>728</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>560</td>
</tr>
<tr>
<td>Arts, Entertainment, and Recreation</td>
<td>291</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>265</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>205</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>187</td>
</tr>
<tr>
<td>Other</td>
<td>690</td>
</tr>
</tbody>
</table>

Source: InfoUSA. Note: 500 of the 735 construction jobs in Newmarket are Suffolk Construction employees, most of which are likely to be office workers at the company’s headquarters.
INDUSTRY IN NEWMARKET

Reflecting its strategic advantages and history, industry in Newmarket is dominated by Distribution, particularly food distribution, though it also has significant food manufacturing.

![Industry Breakdown]

Source: InfoUSA. Note: 500 of the 735 construction jobs in Newmarket are Suffolk Construction employees, most of which are likely to be office workers at the company’s headquarters.
WORKERS IN NEWMARKET

While fewer workers in Newmarket have 4-year degrees than in Boston as a whole, Newmarket jobs play slightly more.

### Workers by Educational Attainment

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Newmarket</th>
<th>Boston</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than High School</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Completed High School or Equivalent, No College Degree</td>
<td>21%</td>
<td>18%</td>
</tr>
<tr>
<td>Associates Degree or Some College</td>
<td>29%</td>
<td>26%</td>
</tr>
<tr>
<td>Bachelor’s Degree or Advanced Degree</td>
<td>38%</td>
<td>46%</td>
</tr>
</tbody>
</table>


### Workers by Monthly Earnings

<table>
<thead>
<tr>
<th>Monthly Earnings</th>
<th>Newmarket</th>
<th>Boston</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $1,250</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>$1,251 to $3,333</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>&gt; $3,333</td>
<td>74%</td>
<td>71%</td>
</tr>
</tbody>
</table>
WORKERS IN NEWMARKET

The workforce that works in Newmarket is more racially and ethnically diverse than in Boston as a whole, and the majority live within 10 miles.

### Race of Workers

<table>
<thead>
<tr>
<th></th>
<th>Black or African American</th>
<th>White</th>
<th>Asian</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newmarket</td>
<td>70%</td>
<td>22%</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Boston</td>
<td>75%</td>
<td>13%</td>
<td>9%</td>
<td></td>
</tr>
</tbody>
</table>

### Ethnicity of Workers

<table>
<thead>
<tr>
<th></th>
<th>Not Hispanic or Latino</th>
<th>Hispanic or Latino</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newmarket</td>
<td>87%</td>
<td>13%</td>
</tr>
<tr>
<td>Boston</td>
<td>89%</td>
<td>11%</td>
</tr>
</tbody>
</table>

### Proximity of Newmarket Workers’ Residences

- **Live less than 10 miles away from Newmarket**: 63%
- **Live 10-24 miles away from Newmarket**: 20%
- **Live 25 to 50 miles away from Newmarket**: 12%
- **Live more than 50 miles away from Newmarket**: 5%

WHAT WE HEARD: TRADITIONAL INDUSTRY IN NEWMARKET

Newmarket is uniquely positioned for Distribution and food-related sectors.

- **Unique central location.** Newmarket’s central location within Boston and access to major transportation routes provide access to customers throughout Boston and Eastern Mass.

- **Industrial character.** Businesses have located here due to industrial building stock – affordable until recently – and industrial zoning.

- **Workforce access.** Newmarket offers proximity and transit connections to a workforce in Roxbury and Dorchester.

- **Food history.** Newmarket’s decades-long history as a food production and distribution hub is a defining feature, with a concentration of both legacy and new food-related businesses.
WHAT WE HEARD: ARTS AND CREATIVE MAKERS IN NEWMARKET

Newmarket began to attract painters, sculptors, and cabinetmakers in the 1980’s. However, many arts uses have been lost over time.

- **Flexible, historically affordable industrial space.**
  - When Fort Point was rezoned, many creatives located there began to move to Newmarket, which offered affordable industrial space in a central location.
  - However, in more recent years, many arts uses have been squeezed out due to market pressures.
  - The Record Co., a not-for-profit recording studio, has been able to stay only by negotiating a below-market lease as an anchor tenant when its building was repositioned.
WHAT WE HEARD: SOCIAL SERVICES IN NEWMARKET

Newmarket has become a hub for critical addiction and recovery services that serve some of Boston’s most vulnerable residents.

- **Location separate from other uses.** Addiction and recovery have few places to locate given zoning regulations and residents’ opposition to having these facilities located in their neighborhoods.

- **Co-locating to better provide support.** Locating service providers close to shelters and sober homes improves access to these services.
Since 2019, industrial vacancy has plummeted to below 1% in Newmarket, while industrial rents have more than doubled in both Newmarket and the trade area since 2015.

**WHAT WE HEARD: NEWMARKET CHALLENGES**

Increasingly costly, constrained space in Newmarket threatens to displace industry, arts, and social services.

- **Space and rents.** Rising rents, competition for space, speculation, and a small land area have combined to place intense financial pressure on Newmarket businesses – especially those who rent rather than own their space.

Source: CoStar
WHAT WE HEARD: NEWMARKET CHALLENGES

Outreach has identified a series of additional local and citywide challenges.

Local challenges

• **Safety.** Business' and workers' perceived lack of safety due to the concentration of social services and the creation of a new shelter on Southampton Street in 2015.

• **Residential conflicts.** Nearby residential neighborhoods can also be sources of complaints about industrial operations.

Citywide challenges

• **Congestion.** Increasing traffic and congestion threatens business viability and efficiency, particularly for Distribution sectors.

• **Permitting and regulations.** Permitting processes were described as burdensome and confusing, including for heavier industrial business operations as well as new business models that do not fit traditional use categories (e.g., cloud kitchens).
Next Steps
What combination of industrial sectors in Newmarket is most likely to achieve BPDA’s economic development and equity goals?

Which policy tools are most effective and implementable to shape the trajectory of 21st Century Industry in Newmarket?
# ADVISORY GROUP SCHEDULE

<table>
<thead>
<tr>
<th>Date</th>
<th>Subject</th>
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</thead>
<tbody>
<tr>
<td>March 10, 2021</td>
<td>Introduction &amp; Project Overview</td>
</tr>
<tr>
<td>April 21, 2021</td>
<td>Defining 21st Century Industries</td>
</tr>
<tr>
<td>May 19, 2021</td>
<td>Public Workshop</td>
</tr>
<tr>
<td>June 9, 2021</td>
<td>Character and Sub-Areas</td>
</tr>
<tr>
<td>July 21, 2021</td>
<td>Public Realm and Urban Design</td>
</tr>
<tr>
<td>September 8, 2021</td>
<td>Mobility</td>
</tr>
<tr>
<td>October 20, 2021</td>
<td>Climate Resiliency</td>
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</tbody>
</table>

Meeting dates and subjects are tentative and subject to change. Advisory Group members will be provided with schedule updates as the project progresses. Extra meetings may be required and will be discussed in advance with the Advisory Group.
THANK YOU