STRATEGIES FOR CREATING
EFFECTIVE INDUSTRIAL DEVELOPMENT CORPORATIONS:
THREE MASSACHUSETTS CASE STUDIES

by

NANCY E. CZAPEK
Sc.B. Mechanical Engineering, Brown University (1979)

SUBMITTED TO THE DEPARTMENT OF
URBAN STUDIES AND PLANNING
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF

MASTERS IN CITY PLANNING

at the

MASSACHUSETTS INSTITUTE OF TECHNOLOGY
May 1990

© Nancy E. Czapek

The author hereby grants to MIT permission to reproduce and
to distribute copies of this thesis document in whole or in part.

Signature of Author ____________________________

Department of Urban Studies and Planning

Certified by ____________________________

Lynne B. Sagalyn
Associate Professor of Planning and Real Estate Development
Thesis Supervisor

Accepted by ____________________________

Professor Donald Schon
Chair, M.C.P. Committee
To my parents

for their love and support
ABSTRACT

Many towns and cities are faced with unemployment or underemployment, underutilized or blighted areas, and tax bases not expanding as quickly as service needs. These challenges have led many municipalities to create Industrial Development Corporations. To achieve the desired goals of job creation and retention, expansion of the tax base, and an improved use of underutilized or blighted areas requires a successful implementation strategy by this organization. An effective implementation strategy is influenced by three main factors: the initial conditions and resources, the tools empowered to the Industrial Development Corporation, and organizational factors.

Three Massachusetts case studies, Boston, Lynn, and Wareham, were examined to determine the important elements of each of these three factors. While the powers an Industrial Development Corporation has and the organizational factors it requires are similar for each town or city, each has its own unique set of circumstances and environment. Because of this, each municipality requires a tailor-made implementation strategy. The important environmental elements that differentiate the strategies include: size, location, access, industrial base, macro-economic trends, land availability, and stage of growth of the Industrial Development Corporation.
ACKNOWLEDGEMENTS

I wish to acknowledge with gratitude my advisor Lynne Sagalyn and reader Richard Schramm who encouraged me to explore all the different avenues of this thesis topic. I took to heart their many concerns and suggestions.

I could not have done this thesis without the help of all those interviewed who were generous with their time: George Seybolt, Marilyn Swartz Lloyd, Brian Dacey, Elizabeth March, Robert Baker, Peter DeVeau, Paul Horn, Edward Murray, Peter Roth, and Carolyn Britt. I owe a special debt of gratitude to Michael Westgate and Gus Yankopoulos who, in addition, read my first draft and made critical comments and suggestions.

I am indebted to Christine Roberts and Richard Turner for their help in my many edits.

And finally, I owe many thanks to my sister Isabel for her unfailing morale support and my roommate Jane who lived through it all.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>ii</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>iii</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>vi</td>
</tr>
<tr>
<td>ABBREVIATIONS</td>
<td>vii</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>8</td>
</tr>
<tr>
<td>A. Organization of Thesis</td>
<td>9</td>
</tr>
<tr>
<td>CHAPTER I: ECONOMIC DEVELOPMENT</td>
<td>12</td>
</tr>
<tr>
<td>A. Economic Development</td>
<td>12</td>
</tr>
<tr>
<td>B. Choice of Economic Development Organization</td>
<td>14</td>
</tr>
<tr>
<td>C. Implementation</td>
<td>19</td>
</tr>
<tr>
<td>D. Evaluation</td>
<td>21</td>
</tr>
<tr>
<td>CHAPTER II: INDUSTRIAL DEVELOPMENT</td>
<td>24</td>
</tr>
<tr>
<td>A. Manufacturing Needs</td>
<td>25</td>
</tr>
<tr>
<td>CHAPTER III: ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATIONS</td>
<td>31</td>
</tr>
<tr>
<td>A. Initial Conditions</td>
<td>31</td>
</tr>
<tr>
<td>B. Goals</td>
<td>33</td>
</tr>
<tr>
<td>C. Legislation</td>
<td>33</td>
</tr>
<tr>
<td>D. Powers</td>
<td>36</td>
</tr>
<tr>
<td>CHAPTER IV: THREE MASSACHUSETTS CASE STUDIES</td>
<td>39</td>
</tr>
<tr>
<td>A. Boston</td>
<td>39</td>
</tr>
<tr>
<td>Creation</td>
<td></td>
</tr>
<tr>
<td>Projects</td>
<td></td>
</tr>
<tr>
<td>Structure and Programs</td>
<td></td>
</tr>
<tr>
<td>B. Lynn</td>
<td>51</td>
</tr>
<tr>
<td>Creation</td>
<td></td>
</tr>
<tr>
<td>Structure and Projects</td>
<td></td>
</tr>
<tr>
<td>Programs</td>
<td></td>
</tr>
</tbody>
</table>
LIST OF TABLES

Figure 1  Comparison of Environmental Factors..............65
Figure 2  Tools Used by the EDIC..........................67
Figure 3  Measurement of Effectiveness.....................69
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMIP</td>
<td>Boston Marine Industrial Park</td>
</tr>
<tr>
<td>BRA</td>
<td>Boston Redevelopment Authority</td>
</tr>
<tr>
<td>BTC</td>
<td>Boston Training Center</td>
</tr>
<tr>
<td>CDC</td>
<td>Community Development Corporation</td>
</tr>
<tr>
<td>CDD</td>
<td>Community Development Department</td>
</tr>
<tr>
<td>EDIC</td>
<td>Economic Development and Industrial Corporation</td>
</tr>
<tr>
<td>EOCD</td>
<td>Executive Office of Communities and Development</td>
</tr>
<tr>
<td>IDFA</td>
<td>Industrial Development Finance Authority</td>
</tr>
<tr>
<td>LDC</td>
<td>Local Development Corporation</td>
</tr>
<tr>
<td>MIFA</td>
<td>Massachusetts Industrial Finance Agency</td>
</tr>
<tr>
<td>SBA</td>
<td>Small Business Administration</td>
</tr>
</tbody>
</table>
INTRODUCTION

The manufacturing base in the nation is declining, and with it goes an important source of high quality jobs, particularly for those without a college education. Part of the economic development strategy employed by many cities to ameliorate the community impact of job loss is to establish an Industrial Development Corporation.

In Massachusetts the term Economic Development and Industrial Corporation (EDIC) is used for Industrial Development Corporations. These are quasi-public agencies with a mandate to generate jobs, increase the tax base, and improve blighted areas. EDICs accomplish this by designing projects that are attractive to private businesses needs. Through a variety of services an EDIC promotes community growth by supporting industrial development activities that might not have occurred without public intervention. This is a difficult task particularly because it is counter to the national economic trends leading to the deindustrialization of the United States.

EDICs are an important tool in the economic development process, and their charter and resources greatly influence their capacity to achieve success. If the goals of the EDIC
are to be accomplished, understanding the key factors in the implementation process is crucial. Therefore, the goal of this analysis is to identify the important factors in an EDIC's strategy that make implementation effective.

An organization's strategy is the process it follows to plan, implement, and ultimately achieve a goal. There are three factors that influence the strategy a municipality must follow to implement an EDIC effectively—environmental factors, tools, and organizational factors. First, each EDIC has certain constraints and initial resources defined by the environment in which it exists. Second, the enabling legislation empowers an EDIC with certain tools which can be used to leverage these resources to help reach its goals. And third, there are organizational factors necessary for successful implementation. Given differences in the environment, the available powers and their subsequent use, and the organizational context, each EDIC will pursue its industrial development goals in different ways. The objective of this thesis is to show the relationship of these three factors with an EDIC's implementation strategy and to indicate the implications of these relationships to newly created EDICs.

**Organization of Thesis**

In the first chapter economic development is defined as a basis for understanding why there is public intervention. Also included are arguments why EDICs are chosen as an
economic development organization. The last two subsections of this chapter define implementation and evaluation of economic development programs and provide the conceptual framework used to analyze the case studies.

In Chapter II the reasons why industrial development is an important economic development strategy are examined. The important characteristics of industrial development are outlined as a way of understanding what is needed for an EDIC to attract firms to ensure a successful industrial development. This lays the groundwork for understanding the use of the various powers of an EDIC and the impact of the different environmental factors.

In the following chapter, EDICs are more fully examined. Their creation, goals, functions, and organizational structure are described. This provides a basis to examine the three case studies in the next chapter.

Three EDIC case studies--Boston, Lynn, and Wareham--are described in Chapter IV and were chosen to represent the range of EDICs in Massachusetts. These cases have been developed through interviews and review of legislation and other material. The EDICs are examined as they change over time and analyzed with respect to their environment and use of powers.

By examining how they have evolved and used their powers, common elements are identified in Chapter V which indicate successful implementation. The relative success of each and their contributions and problems will be evaluated at this
time. The analysis will consider what is unique or unusual about each case, what patterns can be seen, and what can be learned from their experiences. A municipality implementing an EDIC must develop its own unique strategy; however, heeding the examples of other EDICs as outlined here can lead to the avoidance of pitfalls and an easier path to success.
CHAPTER I

ECONOMIC DEVELOPMENT

It may be helpful initially to define economic development because economic development strategies may assume many different forms. The goal of economic development is the improvement of both the standard of living and the quality of life of the citizens of a community. Economic development can be further defined as changing and improving the economic base of the city. This improvement of the economic base is accomplished through investment of the existing resources—financial, social, political, intellectual, or physical. Given limited resources to invest, the public objective becomes the ability to expand optimally the current assets of the city, thus increasing its economic base.

Within this context, the inherent question of efficiency versus equity must be examined. For instance, if a city considers redevelopment of a site as part of its economic development program, it must understand its ultimate goals. The site may not be currently at its "highest and best" use and there may be a way to make better use of the property. However, there may also be a greater social benefit to redeveloping the site based on a different distribution of
resources. For example, choosing efficiency may generate more property taxes by promoting the redevelopment to its "highest and best" use. Whereas, equity may promote more and better paying jobs if a different alternative for use is chosen.

In particular, this distinction, which each EDIC must address either implicitly or explicitly when planning its implementation strategy, manifests itself in the issue of increasing tax revenues and increasing job creation. Efficiency and equity are not necessarily compatible. Primarily, increasing tax revenues is a wealth creation problem, whereas job creation is a distributional problem. Creating jobs and broadening the tax base are the two goals cited in all the EDIC programs examined. Although there are benefits to choosing either one of these goals, there are also tradeoffs. For instance, a site may be used for a warehouse because it is the use that pays the most for the land. Some jobs may be created; however, they are fewer in number and relatively lower paying than other alternatives. This is because the space a warehouse needs is great compared to the number of workers employed there, so the space per employee is higher than for most other uses. Also, there may be other negative impacts on the neighboring community, such as more truck traffic than an alternative use.

Since the wages of high-quality jobs are the basis for a worker's standard of living, one important aspect of economic development is access to these jobs. High-quality jobs are
those which offer security, high wages, benefits (such as health insurance), and room for advancement. In addition, the places of operation, both in physical and operational manners, must be acceptable to the municipality. In other words, the municipality wants to ensure its citizens not only jobs, but also a safe and healthy environment. The municipality also desires an adequate tax base to be able to provide services needed to promote a good quality of life for its citizens.

**Choice of Economic Development Organization**

There are, in fact, a number of different forms of economic development organizations. Each organization has a different set of powers, tools, ways to obtain funding, and tasks that will affect the local economy in a unique way. Depending on the reason a city feels it is not obtaining its goals or what a city believes to be the obstacle to achieving its goals will ultimately determine which organizational form it chooses. This section first outlines the issues that must be considered in choosing among these different types of organizations. Next, it details the reasons why an EDIC would be chosen.

In choosing an economic development prototype, it is important to understand the reasons why the private sector is not investing as would be expected or desired. For instance, the private sector would choose to develop a site to the "highest and best" use which is the wealth maximizing choice. This may not take into account the benefits that another use
may bring to the site, such as an increase in the number of high-quality jobs available to the community. These jobs may mean more to the community, as a whole, than the "highest and best" use would; therefore, some form of public intervention may be required to realize these benefits.

Another aspect is that many cities have become public entrepreneurs and land developers primarily as a way to leverage private sector investment for economic development. There are advantages and disadvantages in being a public developer. For instance, one advantage of a private developer versus a public developer is the ability to make quicker decisions. The public sector, even when using a quasi-public agency, is still subject to certain procedures for accountability which can result in a longer decision making process. On the other hand private money is not as patient as public money.

The goals of the public and private sector are different. Whereas, the private sector is motivated by profit maximization, the public sector has the public welfare in mind and is often trying to stimulate private sector investment. The public sector gets involved with projects that would not necessarily get done with the most public benefit, or would not get done at all.

When a city engages in real estate development, it needs to make business-based decisions. Public-private development decisions evolve from complicated negotiations which are based
on confidentiality and proprietary information. This confidentiality is needed to secure private sector involvement. However, this is a problem when public money is involved, because a closed process may preclude accountability and public review and evaluation.

Once public intervention has been accepted, a city must consider the following factors when considering an economic development structure. The first factor is understanding the barriers to the access of resources. Sometimes access is all that is needed. An example is providing access to jobs outside the neighborhood. Information, transportation, job referrals or job training may be the means to achieve this. A job training program may be the organizational answer to increasing access to jobs. Another example is access to financing. Since financing facilitates the investment process, the ability to obtain funds from such sources as banks or foundations can be instrumental for some small businesses. An Industrial Development Finance Corporation or Local Finance Corporation may give the necessary access to funds.

Yet another factor that is important to consider when choosing an economic development strategy is the needs of the city. In particular, what jobs are needed, and, in turn, what skills and resources are underutilized and need to be developed. In addition, it is important to understand the political framework within which the organization implementing
the strategy is working. There must be the appropriate commitment, support, and coordination from other community departments and agencies.

Other factors that influence the choice of the economic development organization include:

- size and capacity of a city—a large city may need more organizations to carry out all of the activities it needs;
- economic circumstances and priorities;
- level of commitment of the public and private sectors to economic development;
- actors in the process, including the skills and expertise available;
- stage of planning and implementation;
- economic development strategy and tools needed;
- political environment;
- regional issues;
- resources available, in particular financial.3

It is assumed in this thesis that an analysis has been performed to determine the type of organization needed for the objectives desired, and that an EDIC is the appropriate choice. EDICs, which are mandated to create and retain jobs, increase the tax base, improve blighted areas, and respond to the concerns of private businesses, are chosen for their powers to develop and manage industrial sites. These powers will be outlined further in Chapter III.
There are organizations other than EDICs which can perform public development; however, none have the same broad combination of powers or as focused a goal. (See Appendix A for a chart comparing the various powers of the different organizations which do public development.) The organization with the most similar powers is a Redevelopment Authority (RA). Often an EDIC is chosen instead of, or in addition to, an RA because RAs have developed poor public images over the years from urban renewal.

An EDIC is a quasi-public agency, and as such has many of the same powers as a public agency, such as eminent domain. The prime difference is that it is more immune to political pressure than a city agency. Consequently, a quasi-public agency is better able to make business-based decisions.

In addition, quasi-public agencies have more flexibility in staffing since their salaries for professionals are competitive with the private sector. Specific expertise in development or finance may be necessary, and it is easier for a quasi-public agency than a public agency to assemble this. Another advantage is that public authorities can use financial markets to raise capital from the private sector for investment in public amenities. Basically, public authorities "are corporations without stockholders, political jurisdictions without voters or taxpayers."*
Implementation

This section will explain implementation to provide a framework for future analysis. Implementation, as defined in Webster's New Collegiate Dictionary, means "to carry out: ACCOMPLISH; esp : to give practical effect to and ensure of actual fulfillment by concrete measures". Pressman and Wildavsky further define implementation to be "the ability to achieve the predicted consequences after the initial conditions have been met"\(^5\), and as a "process of interaction between the setting of goals and actions geared to achieving them."\(^6\) The achievement of the objective is actually determined either by a successful or faulty policy decision and by a successful or faulty implementation.

Therefore, assuming that the underlying theory for the creation of EDICs is correct, the implementation of the program becomes critical to the success of the program to alleviate the specified societal problems. And, while policy is transformed by implementation through the use of resources and the interpretation of objectives, implementation is shaped by policy which defines the playing arena, identifies the participants and range of tools permissible, and supplies the resources.

When evaluating implementation, Pressman and Wildavsky contend that the achievement of the desired results depends upon intrinsic qualities and external conditions.\(^7\) Implementation can be hindered by delays, poor policy, and a
lack of participant cooperation. Delays stem from the number of decision points and the participants at each of the decision points. Each of these participants has their own priorities, intensity of preference in the level of agreement, level of resources, and control over the process and resources. As the quantity and dispersion of each of these items becomes larger, the likelihood for delay and lack of completion becomes greater.\(^8\)

Correspondingly, when a program manager does not control participants whose cooperation or assistance is required, a serious problem for implementation can ensue. The link between the adoption of a policy and its operation is weak, this too causes problems.\(^9\)

This complexity implies that the axiom Keep It Simple is important. However, the more automatic the tool and the easier it is to administer, the less effective the program is in achieving the objectives and the less political support can be expected for the project. Also, the ability to learn from previous mistakes and the political feasibility and responsiveness are important ingredients to successful implementation.\(^10\)

EDICs are actually delivery systems of a set of tools to achieve the desired objectives. An EDIC is empowered with certain tools which enables it to achieve desired objectives. A different organization would have different tools to attain the goals.\(^11\)
Evaluation

Effectiveness is defined by the ability to reach the assigned objective. This is accomplished by expanding the existing capacities, including all skills, resources, and information, through influence and control. The efficiency of an EDIC is defined in two ways, through cost-effectiveness and through the contribution to the overall social welfare.\textsuperscript{12}

While this thesis does not analyze if an EDIC is the most effective organization to obtain the goals desired, it is important to understand the issues that go into the evaluation, if not the methodology. The success of a program depends heavily on how the goals and objectives are defined and by whom and for whom they are made. The goals and objectives of the program should reflect the values of the community. For instance, not only can quantity be important, but quality also can define how well goals are achieved. In particular, the number of jobs created by a program or organization is important, but just as important is the quality of these jobs. Are they high paying? Do they offer long term security? Do they offer benefits? Are these jobs in a safe environment? Also, while the realization of the goal--such as the creation of good jobs--is an important factor, so is the timeliness of the result and its cost.

When evaluating economic development programs, the most common evaluation is the number of jobs promised by the program versus the number connected with its completion.
This, however, can give an overly favorable picture of the program. Two reasons for overly optimistic evaluations are cause and effect and opportunity costs.

First, a firm's decision to locate in a specific location, develop a new product or expand may not be the direct result of the program, yet they still receive the benefits of the program for doing what they would have done without it.

The second reason for an overly optimistic picture is that even when the program affects the decision, there are opportunity costs elsewhere. The decision to use resources in a particular program decreases the resources available for other programs. The actual net affect of the program is not the total number of jobs created, but the total change in the economy, such as the total number of jobs created, minus the affect on the economy of the most feasible alternative.

Markets, labor cost and availability, transportation access and costs, availability of raw materials, and the cost of land are all important considerations to a firm's initial decision to relocate or expand and then where to do this. Therefore, many economic development programs, particularly financial ones, only occasionally influence the choice of a specific site. And this occurs only where it will locate within a given region. However, the effectiveness of these programs can affect economic growth by stimulating the expansion and growth of existing firms in the region that may not have done so otherwise.
EDICs evaluate themselves primarily through the number of jobs they create and by the increase in the tax base. They rarely explicitly examine the quality of the jobs they create, although they target the industrial and manufacturing base in an effort to create high-quality jobs. Although EDICs target industrial and manufacturing firms which historically have high wages, they also target small businesses to diversify the economic base of the community. Small new businesses often offer few or no benefits and low wages. They also offer little security since almost 65% of new businesses fail within their first year. This contradiction in goals can lead to difficulty in assessing the success or failure of the program.

In this chapter the reasons for public intervention, the choice for the type of intervention, and why an EDIC might be chosen by a city are examined. Implementation and effectiveness are discussed as background for the analysis of the case studies. In the next chapter, the needs of manufacturing firms are identified.
CHAPTER II
INDUSTRIAL DEVELOPMENT

In this chapter industrial development is examined to better understand why cities want to nurture and promote manufacturing firms and how the city can attract and retain these firms. A cities' implementation strategy depends upon meeting the needs of the firms as outlined here.

Promoting industrial development and the reuse of unused or underused industrial sites is part of the economic development picture. Jobs promote growth in the standard of living and strengthen the local economy. In order to find ways to create and retain jobs and to increase the tax base, communities have looked to industrial development.

Specifically, most heavy manufacturing positions are relatively high paying in comparison to those in the service sector. Not only do service positions pay less than comparable manufacturing positions, but blue collar workers do not have the necessary skills for the high paying service positions. It is also much more difficult to advance to higher paying positions in the service sector primarily due to dichotomized job opportunities, job opportunities that are either high-wage and high-skilled or low-waged and low-
skilled. Without the skills for high-wage jobs, heads of households are relegated to low-wage jobs.\textsuperscript{15}

When manufacturing leaves, the workers, site, and buildings are often left underutilized. Tax base is not maximized, and the empty and boarded up site leaves a big scar that can affect the whole area. Disinvestment can lead to more disinvestment and result in a spiral of decline for the area. These sites can be in critical locations, near transportation access and close to the waterfront, increasing the loss to the community.

**Manufacturing Needs**

As mentioned in the Chapter I, a city or town chooses industrial development as a strategy for economic development. Industrial development strategies include attracting and promoting new business, retaining industry in the community, and expanding existing firms.\textsuperscript{16} In order to attract, retain, or expand businesses in the area, municipalities must understand and meet their needs. Since most firms are located in industrial parks or industrially zoned areas, it is important to identify the characteristics these parks and areas need.

The characteristics of an industrial park which attract businesses are:

- access to highway, rail, airport, and water;
- infrastructure;
- available labor with the appropriate skills and wage
rate;
  o support services;
  o cheap properly zoned land and low property taxes;
  o enough land for future growth;
  o be in or near the market place (seventy-mile radius);
  o visibility; and
  o amenities and incentives."

Other characteristics include proximity to the CEO's home and education and housing for management and employees.

Manufacturers move because of these same characteristics. Interface, a New York City research organization surveyed sixty-two manufacturing firms in 1985 "to develop factually-derived policy recommendations to improve the quality and effectiveness of New York's assistance to its remaining manufacturers." They reported that 48% of the firms cited the need for space to expand/start a new operation as one of their decisions to move. Rent increases, at 31%, were the second most cited reason for moving. Businesses move to areas which address these needs, the most important, not surprisingly, being the cost and amount of space. The relocation choice is usually within close proximity to the market place, i.e. they move no further than the suburbs. In the Interface survey, 68% of the firms cited the proximity to Manhattan as one of their reasons for moving to New Jersey.

Location can be a very important decision for the use of a site or area of a city/region. Real estate cannot be moved.
If it is in the wrong location for current demands, if it is adjacent to incompatible use, or if it is environmentally problematic, its potential uses can be limited. Location is very important since it is a main determinant to the value of the land. Different uses can afford different land costs; and industrial space requires cheap land, particularly in relation to office space.\textsuperscript{21}

Access is a critical ingredient in the locational issue. Location near the labor market and needed services is among the most important factors leading to site location decisions by manufacturing firms.\textsuperscript{22}

Some cities and towns begin with an existing industrial base which they want to support, while others have little or none. The problems faced with trying to retain industry and reuse underutilized industrial space versus trying to attract new industry to a clear site have some similar characteristics. To start with, both require infrastructure, low crime, low cost of space, and a low cost of doing business. However, the reuse of an underutilized industrial site has restrictions that clear land does not.

If the land has never been used for industry, attracting new industry to the area may be constrained by zoning and neighborhood objections, whereas an underutilized site has a different set of constraints. Many of the industrial sites are located in an area with all the infrastructure in place and often already used to capacity. The existing buildings,
due to size and type, place restrictions on the ability for adaptation. Zoning restrictions and public opinion can also create problems when trying to reuse the site, although, as will be seen in the case of Boston Marine Industrial Park, sometimes it can help the site.

Another constraint is that existing industrial facilities almost always come with some form of environmental problem such as asbestos, Polychlorinated Byphenyls (PCBs), lead, or a chemical spill, which can be extremely costly to rectify, driving up the cost of the property dramatically. As a result of these types of environmental problems, the original firm has the legal liability to clean up the site; however, they often do not have the resources or economic motivation to clean up the site for reuse. Unfortunately, cities often have little available cleared space appropriate for industrial use and must rely upon the reuse of an industrial site for their projects.

If a city has vacant industrial land, the reuse of industrial sites 300,000 square feet or smaller is handled relatively well by the private sector. Real estate brokers are able to market these size spaces fairly easily. Light manufacturing, warehouses and incubators do not have space needs of more than 300,000 square feet; they are actually more often in the 30,000 - 100,000 square-foot range. Breaking up large industrial space for smaller tenants is a possibility, but only accounts for a quarter of the market. Single tenant
buildings account for 73% of the national market. In order to increase the value of a large industrial site for a firm that plans to close it down, a workable reuse plan with community support is needed. It is rare to find a single tenant for any facility 300,000 square feet or larger. Public support is a crucial ingredient for this plan in order to get the cooperation needed for implementing it, for instance for zoning or use changes. Public incentives contribute to the strength of the deal and leverage of other private investment.

Leveraging the private sector in local economic development is fairly widespread. Over the course of the past twenty years the burden of public sector incentives for private investment has shifted from the federal government to municipalities. Much of the theory behind an EDIC is based on this premise, to encourage industry not only to come back in the inner city, but not to leave in the first place; thus, retaining as well as creating jobs and increasing the tax base.

Manufacturing jobs have been targeted by many cities as a source of high-quality jobs. In order to attract manufacturing firms to an area there are certain needs of these firms that must be addressed which include location, access, existing industrial base, and other constraints such as land availability, zoning, and environmental problems. These needs determine the strategy a city follows based on its
environmental factors.

EDICs were created specifically for industrial development. The next chapter examines the EDIC in detail, focusing on the conditions leading to an EDIC, its mandated goals, and its powers.
CHAPTER III
ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATIONS

Changing economic conditions in Massachusetts in the last several decades has contributed to the increased popularity and formation of EDICs. These changes include increasing unemployment and changes in the composition of the labor force. In this chapter, the changes are outlined and seen in relation to the formation of EDICs. The goals, legislation, and powers are described.

Initial Conditions

Massachusetts, and particularly Boston, encountered economic stagnation in the 1960s and early 1970s. The urban population was decreasing and unemployment increasing. Boston's population decreased 8.0% from 1960 to 1970 and 12.2% from 1970 to 1980\(^26\). While the suburbs grew rapidly. Unemployment for Boston in 1970 was 4.9%, but by 1975 had risen to 12.8%. Massachusetts' unemployment similarly increased from 4.6% in 1970 to 11.2% in 1975. Both of these 1975 unemployment rates were substantially higher than the national average of 8.5%\(^27\). These unusually high unemployment rates were in part exacerbated by a national recession in the mid 1970s.
Concurrently, there was an underlying change in the composition of the labor force. What was happening to Boston was not unique; these trends were linked to national economic changes, in particular, the change to a service-based rather than manufacturing-based economy. In 1949, 33% of all employees nationally were employed in manufacturing, 12% were employed in the service industries (health, education, business, social, professional, repair, amusement, lodging, and personal services), and 25.3% worked in broadly defined services (transportation communications, public utilities, finance, insurance, and real estate). By 1979, only 23.4% were employed in the manufacturing sector, while the service industry accounted for 19.1% and broad services accounted for 30.3%. In Boston between 1960 and 1975, manufacturing declined 42.9%, from 88,102 jobs to 50,334 jobs.

These economic conditions in Boston stimulated the creation of the first EDIC in the state in 1971. Wareham followed a year later, with the help of the Executive Office of Community Development (EOCD), because of the town selectmen's desire to improve the historically low income levels of families in the town, at that time fourth lowest in the state behind Boston, Chelsea, and Gay Head. Lynn had similar declines in the manufacturing base as Boston, but it did not establish an EDIC until 1978 when the latter was needed to develop a specific industrial project.
Goals

As was the case in the three examples just given, EDICs are created as part of a strategy for economic development. As specifically stated in the legislation, an EDIC is the implementing organization of an economic development plan for "the elimination of substandard conditions and the prevention of their recurrence [which] is necessary to retain existing industries, and attract new industries, and promote the sound economic growth of the city." This is to be done because of the "persistent unemployment and underemployment... caused in part by industrial and manufacturing companies moving from the city." Also noted in the legislation, is that the private sector has not and cannot provide the industrial sites necessary without public intervention. Another reason for creating an EDIC is to increase the tax base of the city. However, as employment in the manufacturing sector declines, an EDIC can hope to improve only some of the business conditions for manufacturing firms and stem the tide of outmigration; they have little power to reverse trends influencing improved technology and automation, imports, and nation-wide shifts towards a service-based economy.

Legislation

The boundaries of an EDIC are constantly in question as to the line between strictly industrial projects and those that complement and supplement but are not industrial and manufacturing projects. Each city has interpreted the
legislation in its own way for its own set of circumstances, just as Lynn did for the Heritage State Park, a project which provided no industrial jobs directly.

The first EDIC in Massachusetts was established in Boston in 1971 under home-rule petition. Of the nineteen EDICs currently active, Boston is among only three which were established through home-rule petition by a Special Act of the Legislature; the other two being Lynn and Leominster. The remaining EDICs, including Wareham, were created through Chapter 121C of the Massachusetts General Laws. (See Appendix B for a list of EDICs.)

The legislative origin has made very little practical difference in operation. However, in order to use Chapter 121C legislation the municipality must be able to show substantial unemployment (as defined by the Department of Labor). Since the early 1980s, it has been difficult to meet the thresholds established by the Department of Labor because Massachusetts has not had substantial unemployment throughout most of the 1980s. Rather than unemployment, there are the persistent problems of underemployment, blighted areas, and the need for an increased tax base; hence, it becomes necessary to use special legislation to create an EDIC. Cities also prefer this because it is easier to get through the process than Chapter 121C. Also, special legislation does not require review by the Executive Office of Economic Development (EOCD) and allows the municipality to determine
the composition of the board of directors. Due to less specific interpretation of economic development, the special legislation allows for a more liberal interpretation of the tasks and projects permitted.

Most EDICs created have been for individual towns or cities. However, Chapter 121C section 3 allows for two or more municipalities to form a regional EDIC. Northfield/Erving is the only known one and it has become inactive by allowing all board members' terms to expire. Regional EDICs were originally designed to encourage more regional planning efforts and to address and improve the region's overall economic development, particularly in the siting of industrial sites. Creation of regional EDICs, it was thought, would offer opportunities for cities to share the costs of technical assistance and marketing, increase cooperation in infrastructure provision, prevent the excessive use of eminent domain to assemble sites, and reduce the ability of firms to get public sector concessions by playing one neighboring municipality against the other.

While very promising in concept, regional EDICs can be problematic. This is because most cities cannot agree on what is best for the region if they don't see specific local advantages. It is also a problem because tax base sharing is prohibited by Massachusetts State Law.
Powers

EDICs enjoy the strongest development powers of the various entities created under Massachusetts State Laws. EDICs have the capability to assemble land, and develop, finance, and manage the sites. While other economic development organization possess some combination of these powers, none perform them all. (See Appendix A for a comparison of the powers.) In fact, the main function of an EDIC is industrial real estate development; so, while it has more expansive development powers, it is much more focused than the other entities. In particular, EDICs have the power to:

- prepare economic development project plans;
- acquire land, by eminent domain if needed and only through a two-thirds vote of the municipality, or as otherwise stipulated in the legislation;
- make improvements necessary for the development of the site in accordance with the economic development plan;
- develop, sell, convey, lease, mortgage, transfer, exchange, or otherwise dispose of property;
- borrow and invest money, and issue bonds of the corporation and revenue bonds;
- accept and receive grants, loans, or advances from any federal, state or municipal agency;
- finance pollution control facilities;
- construct and improve facilities;
- manage projects, and enter into agreements with public or
private interests for managing the project; and

- act as an Urban Redevelopment Corporation under Chapter 121A.

The EDIC must develop a plan that receives approval of the municipality. This plan must include site boundaries, land acquisition, structures to be demolished, removed, or rehabilitated, redevelopment and general public improvements, zoning changes if applicable, method of financing and proposed land uses, maximum densities and building requirements. The plan must be submitted to the municipality and have a public hearing, which is advertised in newspapers. Notice of the hearing also must be given to organizations and persons who have made a written request to receive notice, to the Secretary of the Executive Office of Communities and Development (EOCD), to any agency that has an interest in the plan, to the State Senators/Representatives who represent the economic development area, and to each community group supported by public funds whose territory coincides with the economic development area. 33

Eminent domain is not encouraged, and as per Chapter 121C, section 5, part 1, requires a two-thirds vote of the city council with the approval of the mayor of the city. A public hearing must be held prior to approval with the advice of the Department of Commerce and Development and the Secretary of EOCD.

After an affirmative vote from the municipality and the
establishment of an EDIC, the board of directors must be appointed. The composition of the seven person board varies slightly from Chapter 121C and special legislation EDICs. Cities using special legislation can choose the representation of the board. The Chapter 121C board, as determined in the legislation, must be comprised of:

- one member experienced in industrial development;
- one member experienced in financial matters;
- one member experienced in real estate matters;
- one member experienced in municipal government;
- at least one member representative of low-income people;
- two other members with no specific qualifications.

The appointing municipality designates one of these board members as chairman and another as vice-chairman. The board is appointed with staggered terms of three years.

Each municipality creates its own organization, with staff based on its specific circumstances. Most hire minimal staff, often working with the economic development department of that municipality.

In summary, the important functions an EDIC can perform and tools it can use include planning, land assembly, eminent domain, infrastructure and facility development, promotion and marketing, management of property, and financing, including issuance of bonds, borrowing, and investing funds. In addition, some EDICs offer technical assistance and job training. In the next chapter three case studies are examined and their use of these powers is compared.
This chapter presents the case studies (Boston, Lynn, and Wareham) that serve as a basis for comparing the different approaches to EDICs. The development of each case and the changes that occurred over time are explained and in the last section of this chapter the cases are summarized and compared.

**Boston**

**Creation**

As noted earlier, the EDIC of Boston started in a time of high unemployment and generally poor economic conditions. George Seybolt was the first chairman of the EDIC Board, and one of the founding fathers. Then Chief Executive Officer of the Wm. Underwood Co., Chairman of the Chamber of Commerce, and board member on numerous other organizations, Seybolt saw the plight of Boston manifested by the exodus of blue-collar jobs. According to him, the backbone of Boston's economy was the blue-collar worker who lived in triple-deckers, paid the taxes, voted, and cared about the schools and other services. The number of these Boston workers declined by 43% between 1960 and 1975.  

The political situation was changing at that time. More
power was shifting from the Mayor of Boston to the Statehouse. Also, more regulations were applied to businesses and there were changes in zoning making the cost of doing business in the area higher than ever before. Seybolt realized that neither the Chamber of Commerce nor any city agency was effective in meeting the needs of businesses that employed blue-collar workers. He wanted more political support in order to stem the flow of industry out of Boston.

Seybolt met with Kevin White, then Mayor of Boston, and gained political support for his idea. In 1969 White convinced the City Council to establish the Development and Industrial Commission. The Commission, composed of fifteen businessmen and a small staff and headed by Seybolt, began examining other models from cities such as Saint Louis, Chicago, and New York. The Commission concluded that an Industrial Development Corporation was the most appropriate vehicle to retain businesses and create an atmosphere that would promote growth. The Commission drafted the bylaws of the EDIC specifying powers of eminent domain, bond issuance, and land acquisition and sale. It excluded any control over zoning, knowing that this would never be approved by the City Council.

It took six months for the home-rule petition to go from start to finish before the Legislature passes it in 1971. This was the start of the first EDIC in Massachusetts. A year later, in 1972, state-wide enabling legislation was
established in Chapter 121C of the Massachusetts General Laws.

Seybolt had a strong influence on the direction the EDIC took. Although the board hired the staff and developed the strategy, Seybolt's influence was strong and evident. Originally there was a staff of only six people. Although there was little money from the city council, this suited Seybolt who wanted the EDIC to be self-sufficient: the less money received, the fewer favors owed, for instance, in hiring staff. Currently, Boston EDIC staff is totally supported by the revenues from projects, primarily the Boston Marine Industrial Park (BMIP), and receives no city funds for operating expenses or salaries.

Projects

Even though many studies were commissioned, the Boston EDIC acquired no real estate prior to Westgate becoming Executive Director in 1975. Both candidates for Mayor (White and Timulty) had announced their intent to disband the EDIC after the 1975 election. It became apparent that a major project, such as the reuse of the Boston Naval Shipyard in South Boston, would be needed to make the organization self-sufficient and to create jobs. (The Boston Naval Shipyard in South Boston was closed in the early 1970s for political reasons and subsequently sold in mid-1975 by the United States Navy.)

There was little unused space available anywhere in Boston, and there were still fewer sites where neighbors would allow
industrial activities. This made the South Boston Naval Annex, just one mile from downtown Boston and located on prime waterfront property, all the more attractive since the currently underutilized land was viewed as industrial by the neighboring South Boston community as well as by the rest of Boston. In fact, the property was zoned for industrial use. There were industrial facilities located on and near the premise, and the local South Boston community supported any prospect of jobs. Interregional expressways were easily accessible, an important consideration for industrial properties. Site security was relatively easy to establish. And lastly, the site's proximity to Logan International Airport prevented conversion to residential or recreational uses.

Massport, EDIC, and, for a while, the BRA, all struggled for control over the South Boston Naval Annex. Then Mayor White forced the different agencies to compete for the right to develop this site. Despite the interest of these public agencies, private developers did not want to develop the site. The world shipbuilding market was poor, the site was in poor condition and required costly up-grading, and the price for the property was considered too high for speculation. EDIC saw an opportunity to create an industrial park in an area close to the center of Boston that would otherwise remain dormant and underutilized.

EDIC assumed control of the site from the US Navy under a
Protection and Maintenance Agreement on September 1, 1975, and its first tenants moved in two months later. Ultimately, EDIC purchased approximately 100 acres for $5 to $6 million in 1977 and created the Boston Marine Industrial Park (BMIP). It had the financial backing and general support of federal, state, and local agencies: the U.S. Economic Development Administration, General Services Administration, Office of Economic Adjustment, Massachusetts' Land Bank, Mayor's Office of Community Development, and the Boston Redevelopment Authority (BRA).

As described in the plan for the BMIP, Boston's EDIC saw its three main objectives as:

1. Encourage types of development, consistent with the public interest, which will maximize employment opportunities for the unemployed and underemployed;

2. Return to productive use those public and private land areas and buildings which are now vacant or underutilized; and

3. Utilize those resources within the framework of a balanced program designed to conserve and expand existing commerce and industry as well as create and attract new industrial and commercial activity which will have the greatest economic impact on the City of Boston.

As indicated here, one of the EDIC's main concerns was to stem the flow of manufacturing jobs away from Boston by redeveloping a blighted area and creating projects that
ultimately involve the private sector. There were three parts to its original plan for BMIP: the acquisition of the land, the renovation of the existing site and buildings, and the marketing of the site to private industry. Its goal was to turn the site into a job-producing and self-sufficient industrial park as soon as possible and to up-grade the facility's infrastructure and buildings to ensure long-term viability.

The strategy also was to lease the land rather than sell it, in order to generate the cash flow to accomplish other projects, much as a private developer might. Currently the EDIC is self-sufficient, with an annual budget of approximately $4 million and total assets of over $80 million.

The EDIC of Boston was fortunate that the Massachusetts’ Land Bank had been organized just prior to the purchase of the Boston Naval Shipyard. With the Massachusetts Land Bank eager to do its first project, and also in part due to the strong financial background of Westgate, then director of the EDIC, Boston’s EDIC secured favorable terms on the mortgage: 6% for forty years and a moratorium on the first two years' payments. This below-market rate mortgage provided the ability to start the initial work on infrastructure and the flexibility to locate and negotiate acceptable deals with tenants. The EDIC of Boston was also able to obtain additional funding from the federal government at a time when such funding was more readily available. However, despite this relatively cheap
money, the first mortgage payments to the Mass Land Bank were
difficult to meet.

The initial work on the infrastructure consisted of
upgrading the facility, including the utilities, piers, dry
docks, and buildings. The site conditions were generally very
poor since the Navy did little maintenance from the time it
decided to decommission the site until the time it sold the
site. The first step was to make the facility safe and
useable. This would allow the EDIC to lease space and
generate revenues which would in turn go towards more long-
term upgrading projects. The EDIC sold tax credits to obtain
the money for the improvements, spending approximately $2.5
million on repairs and upgrades. These improvements provided
enough capacity for growth and expansion of the site.

The target tenants for the space were primarily heavy
industry, particularly shipbuilding and repair, but included
sheet metal work, food product machinery, warehousing and
wholesaling, and light manufacturing (such as the garment
industry, typesetting, and publishing and printing). The EDIC
also considered secondary office space to complement and
service the primary industrial uses and because this provides
more jobs per square foot than industrial uses.

To locate these tenants, the EDIC began a recruiting
program, with efforts in the Boston, regional, and national
markets. Most of the sales and marketing was done via cold
calls. It recruited heavily from other parts of Boston to
stop firms from leaving the area. Areas of controversy and areas where rehabilitation and commercial speculation would drive rents too high for industrial use were specific targets of the recruitment.

The lease was structured to promote employment of Boston residents, women, and various ethnic groups. The more Boston residents employed by a firm, the better its lease. According to the leasing agent for the EDIC, rents are now at or below comparable rents in the area, and the services and costs per square foot are what attract the tenants to the site. Tenants leave because of either expansion or financial difficulties. Neither the lease structure of the recruitment practices have substantially changed over the years.

Most of the BMIP space is currently leased by marine related or industrial firms. Unfortunately, the largest dry dock on the site has not been used successfully. The original plan was to model it after the successful public dry dock, in Portland, Oregon, which is rented on a gross ton per day, on a first serve basis. This has not worked well in Boston, and every year for the past four the director of the EDIC has seriously considered closing it. There is much opposition to the closing of the dry dock and, as of yet, no other use for the dry dock has been found.

Including the Boston Design Center as a tenant in BMIP was controversial. The Design Center does not fit directly into industrial or marine-related categories, it does not provide
blue-collar jobs, nor does it offer services to the primary industry on the site. The Design Center is a collection of showrooms for interior furnishings; they were included in the industrial park because they were forced out of their space due to rent increases caused by commercial speculation. The Design Center needed space and might have moved out of Boston had they not located at BMIP. The Design Center leases approximately one third of the 1,651,200 square foot Army Base building. (In 1983 the EDIC purchased the Army Base adjacent to the Boston Naval Shipyard, effectively doubling the square footage.) Its rent covers much of the cost of protecting and maintaining the site and provides jobs, even if not blue-collar positions. It also has provided attractive public spaces, improving the image of the industrial park.

Including the Design Center, really more service than industrial related, is a good indication of the changes taking place in the macroeconomy and in Boston. In the Boston Globe (April 29, 1986) an article on the Design Center referred to it as a "metaphor for the change that has occurred generally in the past generation, from an industrial city to a city of services - from a city of gritty production to one of glittering consumption." Even in a place that is trying to mitigate the damage of the changes in the macroeconomy, facing change can not be stopped.

Other EDIC projects include Alsen-Mapes in Dorchester (1976) and the Crosstown Industrial Park in Roxbury (including
Digital Equipment Corporation, 1978). Currently they are working on two projects with the MBTA: Jackson Square and the old Car Barn site in East Boston. The Newmarket Industrial District Plan is on hold due to the inability of obtaining funding from the State. This "mega-master plan" did not receive financing because of political reasons and the state's fiscal crisis.

**Structure and Programs**

Besides these development projects, Boston's EDIC has a brokerage arm which identifies available space for prospective businesses. It also gives technical and financial advice to many businesses, which includes supporting the Boston Local Development Corporation (BLDC) and the Boston Industrial Development Financing Authority (BIDFA). Both BLDC and BIDFA are legally separate entities with separate boards. BLDC does financing for small businesses, particularly Small Business Administration loans (501C). BIDFA issues industrial development bonds.

The EDIC started a job training program in 1977, originally providing training in the heavy trades, such as welding and pile-driving. This was a critical need because those jobs tended to be filled by non-Boston residents. The Boston Technical Center is now a separate organization in order to take advantage of Pell Grants. Also, it has adapted its training program to the changing needs of the community and work place.
In order to strengthen Boston's industrial base, other programs were initiated through the years including: (1) a Trade Mission to Japan, Taiwan, and South Korea for Boston firms funded by a grant from the U.S. Economic Development Administration, (2) a "Buy Boston" campaign, organized in the late 1970s, urging Boston companies to buy from each other and for the City's Purchasing Agent to exercise a preference in buying from Boston firms, and (3) an export assistance program. These were all part of a general strategy of bringing new life to Boston's industrial base.

The EDIC of Boston uses the BMIP as the cornerstone of its strategy. Revenues from these long-term leases finance the agency's overhead and staff, as well as other projects. This strategy also ensures the land is preserved for industrial purposes. The EDIC does not plan to sell the land, although it is considering joint partnerships with private developers for the remaining projects on the site and has sold at least some of the sites located in its other industrial parks.

Over time the Boston EDIC has expanded its vision to include attacking the negative smokestack image of industry. By establishing an attractive and inviting environment in its industrial parks, Boston residents will develop a positive image of the industrial parks and industry will be attracted to Boston. The BMIP is to be a model of this and originally design guidelines were to be developed to achieve this. Due to budget cuts these guidelines have never been completed.
The inclusion of the Harborwalk in BMIP is part of this image-building and portions of the Harborwalk are already in place. There are also public spaces at the Design Center and improved and landscaped roads and sidewalks. Both of these have made a marked improvement in the appeal of the public areas. In fact, in the past year, BMIP has won three awards for design.

Although the Boston EDIC has become a much more "enlightened" organization by expanding its vision of how to achieve its goal by making industrial parks more appealing, it has become much less of a risk taker. Where once its board really pushed it for results, the current board is much more cautious, especially on its approach to financial management.

Over the years, the board has changed and the EDIC has gotten much larger and bureaucratic. As the organization grew, more controls, such as accounting and personnel systems, systemized leasing, and audited reports, were instituted for accountability purposes. Now there are more barriers and decision points to pass to initiate a project. It is especially difficult to be innovative since the real estate slow down has caused them to cut back many programs including much of their research and development and their program to develop industrial park design guidelines.
Lynn

Creation

The economic conditions facing Lynn in the mid to late 1970s were similar to Boston's—fairly bleak. Although General Electric, the largest employer in Lynn since 1935, employed nearly 14,000 in 1977 and paid very well, there was little left of the industrial base of what was once considered an industrial city. The shoe factories, which had been strong in Lynn, had dwindled due to modern manufacturing techniques and relocated either south or to international shores.

Concurrently, as Lynn's industrial sector deteriorated, its younger population left. Consequently, more households met HUD's very low income standards. This trend precipitated a higher demand in services from the city at the same time the tax base of the city was shrinking.

Part of Lynn's economic development strategies stemmed from the problem caused by its dependence on the manufacturing sector, especially the shoe industry. Due to a decline of 15% in the manufacturing sector from 1974 to 1982 and an increase in the service sector of 21% in the same time span, many displaced manufacturing workers were employed in the service sector. And, although the service sector was growing, there were fewer service jobs available in absolute numbers than there were displaced manufacturing workers. The unemployment rate of nearly 9% in 1981 reflected this problem.

Lynn's strategy was to create and retain jobs by broadening
the tax base and encouraging local business expansion, diversifying the economic base of the city, fostering new and small industrial businesses, and boosting the image of the city. An Industrial Development Commission (IDC) was formed, but the group had no power, authority, or budget. Bob Baker was the Executive Director of the IDC. In order to get the power and authority to act aggressively, an EDIC was created in 1978, modeled after the one in Boston. The EDIC was formed in response to this need for an organization with capabilities and skills in real estate development and also to attract federal money for economic development projects.

At the time there was a specific project, an 85-acre waterfront site owned by Massachusetts Electric and Boston Gas, which Lynn wanted to develop for marine related waterfront uses for economic development purposes. An EDIC was needed for this project, called the America East Project, because it would have eminent domain powers. Lynn had no urban renewal authority with these powers, nor could the City use its eminent domain powers for economic development purposes where the land taken was to be used for private purposes.

The America East project was never completed due to problems in land procurement, mainly environmental. Although the project failed, the EDIC was formed and remained a viable agency. As for Boston, Lynn's EDIC was created through a special act in the Legislature (Chapter 1140 of 1978) with the
EOCD helping to draft and approve the legislation.

Structure and Projects

The EDIC is part of Lynn's Office of Economic Development (LOED) and is funded like any other city agency. There are currently three full-time staff members whose salaries and operating expenses are paid by the city. These include the Executive Director, Deputy Director, and Administrative Assistant. There are also five people on contract to the EDIC, funded by previous projects. It also uses money received from UDAG and other grants (CDAGs, PWEDs, the state Coastal Facilities Improvement Program, along with some private investment). Its total budget is approximately $750,000 and it has $9 million in assets.

Unlike Boston, Lynn's EDIC is not totally self-supporting from its projects, but receives $131,000 per year from the city towards its operating budget to supplement the rest it obtain from the EDIC operations. These EDIC funds from operations, like Boston, are generated primarily from leases rather than from selling the land. Unlike Boston however, it rarely manages its property, preferring to have a private operating company or developer manage them. In one case at least, this may be because the project is not industrial in nature.

There are three other economic development/financing organizations also under LOED which interact with the EDIC. They were all started about the same time. This was done to
offer as many services to the business community as possible, while efficiently using their resources by sharing staff and space. Because of this, it is difficult to distinguish the lines between the organizations.

The Lynn Capital Investment Corporation (LCIC) is for Small Business Administration (SBA) loans and its work is fed by the staff of the EDIC. It is made up of 11 board members and approves loans recommended by the EDIC. The Lynn Municipal Finance Corporation (LMFC) is made up of a board that makes small loans to the business community. Formerly it was staffed with two loan officers, but only one remains. LMFC has a revolving loan fund of approximately $900,000 from a block grant. It also provide technical assistance in financial plans and recommends small businesses to banks. The Lynn Industrial Finance Authority (LIFA) can issue industrial bonds. Currently it is not very active, primarily due to the 1986 Tax Act which cut back eligible private-purpose activities that could be funded by tax-exempt bonds. Earlier, these bonds were considered a good deal for capital for expansion by providing money which was offered at a lower rate because lenders were not taxed on the interest payments they received from the bonds. The Lynn EDIC also has bonding powers, but has never floated a bond. Supposedly this was due to political reasons.

Of all the organizations under the LOED, the EDIC is the largest and generates the most cash, with specific powers to
make loans, lease space, and use eminent domain in the appropriate circumstances. The Lynn EDIC did not restrict itself to industrial sites. It also pursued economic development projects which indirectly affect industrial development. In particular, it acquired the land by eminent domain for Heritage Park and transferred it to the state (Department of Environmental Management). This park was part of a state program aimed at developing recreational parks which would act as catalysts for economic development, targeting commercial and residential, but not industrial markets.

Another example of the liberal interpretation of the legislation is the 412 units of affordable housing that the EDIC owns. Actually, it owns the land and the shell of the building, but did not develop or manage it. Originally it planned the site to be mixed use, including light manufacturing, but that did not work out. The EDIC decided it was economically best to use the site, with a grant from UDAG for economic development, for affordable housing and lease the site to a developer.

The EDIC also owns, but does not manage, an incubator building. The 120,000 square foot J.B. Blood Building is primarily for small and start-up businesses. The EDIC used private financing to purchase the building and some state grants to refurbish it. Like the 412 residential units, it owns but does not manage the building. The purpose of this
incubator building is to nurture small industrial businesses to alleviate economic and physical distress in the community. The total development cost of the building was $1,716,500, of which $734,000 was for the building and site. Funding was obtained through public and private sources. Many of the original tenants were obtained from those displaced by a 1981 fire that destroyed many of the city’s downtown mill buildings.

The EDIC also has the Waterfront Industrial Park, Commercial Pier, and Marshall Wharf II. Commercial Pier is on the waterfront, off the Lynnway, and is geared to lobstermen, but not for tourists. It is the only one of the EDIC projects that the EDIC manages. Marshall Wharf II has 140,000 square feet of industrial space built with the insurance proceeds from the 1981 fire that destroyed the Marshall Wharf I project.

There is no existing vacant land that can be used for future projects in Lynn at this time. Lynn has always lacked adequate space for industrial development and has had to use eminent domain to obtain land three times--for the America East Project, the Lynnway Waterfront Industrial Park (land owned by Massachusetts Electric), and the Heritage State Park. These takings have not been friendly and have resulted in numerous law suits.

Programs

Lynn’s EDIC’s goals have not changed, but their strategy
has. In particular, due to the set of circumstances they faced and choose to pursue, they have focused on a broadened vision of the legislation to achieve the goal, doing less and less industrial development.

The goal, to attract and retain business, continues to be difficult, especially with no land available for industrial development. Road access is poor and although Lynn does have commuter rail, there isn't MBTA access. According to Peter DeVeau, Deputy Director of Lynn EDIC, the EDIC is most effective with large projects, fifteen acres or larger, but there are currently none around. It is spending proportionately less time on actual industrial development projects, and more on its affiliates, particularly LCIC and LMFC. Ex-Director Baker indicated that even when the EDIC was first created a main focus was to nurture its base and to facilitate expansion by offering access to affordable capital. Three examples of this strategy are West Lynn Creamery, Harvard Box, and U.S. Plastics. Therefore, its impact on jobs and tax base comes, not directly from jobs created or retained in projects it develops, but from businesses it is helping with technical and financial support.

This may change with Norelco, one of the five top employers in Lynn, closing its facility and General Electric cutting back at its. This may open up land for industrial development and, with the loss of so many jobs, the impetus to do so. Obtaining the funds from a private lending institution will
require careful planning and research.

Wareham

Creation

Wareham is a much smaller community than either Boston or Lynn, with a population of approximately 18,000 in the 1980 census (versus 563,000 for Boston and 74,000 for Lynn). Wareham, historically one of Massachusetts poorest cities or towns only behind Boston, Chelsea, and Gay Head18, has chronically had high unemployment. According to Constantine Yankopoulos, Chairman of Wareham’s Community Development Authority and Department (CDA & CDD) and Director of Wareham’s EDIC, Wareham has had a long history of economic development originating in the early 1970s. Its focus from the beginning was on job creation and increasing tax base. To this end, the town focused on industrial development rather than encouraging residential development, the backbone of neighboring Cape Cod’s economic development.

Wareham’s EDIC was established through Chapter 121C of the General Laws in 1972. Originally there was a lack of direction, with no staff and no one to follow through on the actions or recommendations of the board. In 1975 the EDIC Board obtained funds from the town ($10,000) and matched by the EOCD ($10,000), using them to hire a full-time person with expertise and direction to pursue federal and state grants. Soon thereafter the economic development director obtained funds to buy 60 acres of land for an industrial park. The
town spent $400,000 for the land, and another $400,000 for infrastructure improvements came from the federal government.

Projects

The EDIC was desperate to get businesses in the park, so it took a calculated risk to attract industry to this unproven market by conveying the first six-acre parcel for one dollar. A fifteen-year restriction was placed on the deed that recently has come into play. The EDIC used the deed restriction to leverage a $15,000 contribution for the relocation and upgrading of the Wareham Child Care Center located in the industrial park. Now all but one of the sites have been sold off.

Wareham EDIC has since bought a near-by 70 acres for $100,000 for phase two. The price was very low since this was a bank foreclosure. Of the $100,000 sales price, the state paid for 30%. The necessary access road was developed with a Public Works Economic Development (PWED) Grant. Currently, the Director is considering selling part of this site to the CDA for affordable housing development due its location adjacent to a residential area. This would be consistent with this Director's desire to have a more balanced economic development strategy, including residential growth. (This strategy is not necessarily shared by others in Wareham.)

The decision to sell the sites in the industrial park, rather than lease them, is very different than the strategy followed by the Boston or Lynn EDICs. According to
Yankopoulos, Wareham chose this route because it felt that the market in its area was not strong enough for industrial land leases, particularly since businesses wanting to move to that area wanted to own their own building and land. The Wareham CDD, the operating arm of the EDIC and CDA, maintains tight control over who it sells the sites to and also has developed a set of covenants governing the type of growth and environment of the industrial parks.

In particular, the EDIC has targeted light manufacturing for their Phase I Industrial Park. The Phase II Industrial Park can not handle as intense development due to the insufficient infrastructure, so the EDIC is promoting warehouse and distribution in this industrial park. Wareham EDIC has been criticized for not attracting large employers like Digital in Boston’s Crosstown Industrial Park or high-tech firms. However, these firms would not necessarily find Wareham attractive, mainly due to the lack of availability of large numbers of highly educated, high-tech workers locally.

The land in the industrial park is kept at affordable prices, competitive in the marketplace. This does pose problems for future development, since when it sells off all of its land it will potentially go out of business. This is especially problematic since obtaining funds for future acquisitions is becoming more difficult. Of course, once the goal is accomplished, why continue?

This strategy, to sell the land versus lease, is very
important to the EDIC’s future since the EDIC bankrolls all of the CDA’s operations including salaries. The CDA was established in 1977 by a town so strongly committed to economic development it adopted all organizational structures that existed for economic development. Although there are many overlapping functions and powers in their charters, there are enough differences in the direction and specific goals that allow room for both organizations.

Back in 1980, when Proposition 2 1/2 came into existence, Wareham needed to cut its budget. Prior to that, the town had an opportunity to buy a defunct golf course (bankrupt and owing taxes). The town thought this would be an ideal site for an inn/conference center. It hoped this would increase its tourist economic base, since there was no real hotel in Wareham and its tourism consisted only of day-trippers. The town’s leadership thought this would be more advantageous than a residential development proposed by private developers. The golf course was maintained with CETA (Comprehensive Employment Training Act) employees.

When Proposition 2 1/2 came into effect Wareham’s leadership saw this as a chance to get the golf course off the town tax roll by giving the golf course to the EDIC. The golf course and the sales of the industrial park land would give the EDIC the ability to fund the CDA. Other sources of funds for the CDA include state and federal grants, bank loans, industrial loan repayments, and housing rehab loan repayments.
The EDIC's sources of funds are state and federal grants, sale of land at the industrial parks and bank loans.

The golf course has since been sold to a private owner with provisions to keep the golf course public. The inn/conference center is planned for a 1991 construction start. To date, a new $1.2 million club house was built, as well as luxury condominiums. Also, since the golf course was sold, over $750,000 has been put into renovating it, something the town could do on its own with or without the EDIC and CDA.

Structure

The EDIC has no staff and depends upon the Community Development Department (CDD) for all actions and implementations. The CDA and CDD were created under Massachusetts General Laws, Chapter 270 in 1977. The CDA is an operating agency and an urban renewal agency within the meaning of Chapter 121B of the General Laws. It is controlled by a three-member board, two appointed by the selectmen and one appointed by the EOCD. The Director of the CDA also serves as chairman.

Two board members on the CDA are also on the EDIC board, and the director of the CDA serves as the director of the EDIC. The director of the EDIC only provides services to the EDIC and is not on the board of the EDIC, although he does control the financial operations.

The CDD, the operating arm for the CDA and the EDIC, has four staff including the Director, an Assistant Director, a
Fiscal Manager, and an Office Manager. In total, they spend the equivalent of one and one-half full-time employees on EDIC tasks. Because of the relationship of the director of the CDA to the EDIC and the CDD, the State Ethics Commission required that the Director be appointed as a "Special Employee" in order to avoid any violation of the conflict of interest laws.

Wareham also had a Wareham Development Corporation (WDC), created under Chapter 180 of the General Laws, which was started following the Small Business Administration 502 program guidelines. It was a non-profit local development organization, capitalized by grants from the CDA. The board of directors was the same as the EDIC, but as the EDIC board is appointed by the town selectmen and the elected terms between the two organizations differed, the membership has diversified. The WDC was recently dissolved and the assets recaptured by the CDA. The Wareham Industrial Development Authority was also disbanded because it was viewed as redundant to Massachusetts Industrial Finance Authority and had been inactive.

One of the objectives of the EDIC and CDA is to keep the economic development decisions as separate from the political arena as possible. They strongly feel the importance of maintaining confidentiality in business deals, and therefore positioning the EDIC in a non-political environment. They want to see decisions made outside the political context, and made for purely business/economic development reasons. Their
weekly meetings where decisions, plans, and strategy are made have managed to remain business oriented. However, the economic development plan still must pass before the town selectmen, which is very political process. Once it has passed the CDD is free to implement the plan without further review.

SUMMARY

Boston was the first EDIC in Massachusetts, upon which all others in the state were modeled. The Boston EDIC is the biggest and most complex, with the widest range of services. Lynn's EDIC uses the most liberal interpretation of the legislation, as indicated by the projects it has chosen to pursue. Wareham is the smallest of the three and the most rural. Also, where Boston and Lynn are trying to retain and expand their industrial bases, Wareham is trying to create an industrial base from scratch.

Boston is the largest of the three municipalities, and the size of its EDIC reflects this. The Boston EDIC has ninety-seven full-time employees, one hundred and eight total and an operating budget of close to $4 million. Its assets are $39.1 million, not including the buildings. A value of $80+ million would more properly reflect the total assets. Lynn has three full-time employees and five on contract. Its operating budget is approximately $750,000, of which $131,000 is from the city; its assets are $9 million. The percent of time Wareham's four CDD employees, including the director, spend
on EDIC tasks is equivalent to one and one-half full-time employees. The director spends 50% of his time on EDIC work and 50% on CDA work. Wareham’s EDIC budget is $571,563 and its assets are approximately $2.6 million. (See Table 1)

| TABLE 1 | Comparison of Environmental Factors |
|-----------------|-----------------|-----------------|
| Boston | Lynn | Wareham |
| Size: | | | |
| 1980 population | 562,994 | 78,741 | 18,457 |
| Area in square miles | 45.40 | 11.21 | 38.03 |
| Location: | | | |
| Transportation access | good | poor | fair |
| Miles from Boston CBD | 0 | 15 | 55 |
| Land availability | fair | poor | fair |
| EDIC Legislation | Special | Special | 121C |
| Existing Industrial Base | yes | yes | no |
| Year started: | | | |
| Board | 1971 | 1978 | 1972 |
| First director | 1975 | 1978 | 1976 |
| EDIC: | | | |
| # full-time employees | 97 | 8 | 1.5 |
| Budget | $3,890,784 | $750,000 | $571,563 |
| Assets | $80 million | $9 mil | $2.5 mil |

Source: Massachusetts Municipal Profiles 1989-1990

In terms of market area, which is centered at the Boston central business district (CBD), Wareham is the furthest away at a fifty-five-mile distance. However, Lynn has more transportation problems than Wareham or Boston since it is not located on a major highway. Also, Lynn has the least amount of land currently available for industrial development.

Boston was the original EDIC in the state, but did not develop its first property until four years after it was created. Similarly, Wareham’s first funding came in 1976,
four years after the EDIC was created. As mentioned earlier, Wareham used $10,000 from the town budget and $10,000 from the EOCD to hire a director, who promptly obtained funding for Wareham's first industrial park. Just a year later, Lynn appropriated twice that amount, $40,000, for its first year of operation. Lynn hired a director when it created the EDIC, and a project existed when the EDIC was created. Neither Boston's nor Wareham's EDICs were created in conjunction with a specific project; however, neither accomplished any of the goals until they did start one.

Wareham was the only one of the three case studies to be created under 121C legislation. This does not influence the EDIC greatly. For instance, special legislation, as was the case for Boston's and Lynn's EDIC, does not require EOCD approval for plans as does 121C; however, the EOCD has not interfered with any of Wareham's plans. Nor has it stopped Wareham's EDIC from taking control of a golf course, something definitely not industrial in nature, and selling it off for economic development purposes. The only constraint special legislation has posed on Wareham has been the inability to float bonds due to a flaw in the legislation.

EDICs were chosen as the economic development organization in each of these cases because of its specific powers. Although all three EDICs have the same set of tools and powers at their disposal, they have not all used them to the same
degree. (See Table 2) The reasons why these differences exist are examined in the next chapter.

**TABLE 2**  
Tools used by the EDIC

<table>
<thead>
<tr>
<th>Tools used</th>
<th>Boston</th>
<th>Lynn</th>
<th>Wareham</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic development plan</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Land assembly</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Eminent domain</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Infrastructure improvements</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Construct and improve facilities</td>
<td>yes</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Develop and dispose of properties</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Primarily lease or sell</td>
<td>lease</td>
<td>lease</td>
<td>sell</td>
</tr>
<tr>
<td>Finance:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond</td>
<td>yes</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Grants</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Borrow</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Manage projects</td>
<td>yes</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Marketing</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical assistance</td>
<td>yes</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Job training</td>
<td>yes</td>
<td>no</td>
<td>no</td>
</tr>
</tbody>
</table>

67
CHAPTER V
ANALYSIS AND CONCLUSION

The analysis in this chapter will identify the important factors in an implementation strategy that make an EDIC effective. These include identifying: (1) the environmental factors, including the constraints and initial resources that will affect the outcome, (2) the tools embodied in the legislation that can be used effectively to achieve the desired goal, and (3) the organizational factors. The success of the three EDICs is examined prior to the analysis.

Effectiveness

Each of the three communities outlined in the case studies has had some measure of success in implementation since they attained the desired objective. Although none of the EDICs examined set specific levels to attain or a time frame to achieve the goals in, they all created jobs, maintained or increased the tax base, and improved blighted areas. Pressman and Wildavsky define successful implementation as generally serving the purpose of the goal if not the exact letter of the instructions. Each of the EDICs had some program or project that was only marginally related to industrial development for achieving the goals. However, as noted, these other programs
did create or retain jobs, increase the tax base, and improve blighted areas, so they did fit the agencies' mandate. This definition best matches the interviewed directors' definitions of success. As a measure of effectiveness, Boston claims the retention or addition of over 4000 jobs, Lynn 1100 jobs, and Wareham 600 jobs in their Phase I Industrial Park. (See Table 3)

**TABLE 3**
Measurements of Effectiveness

<table>
<thead>
<tr>
<th></th>
<th>Boston</th>
<th>Lynn</th>
<th>Wareham</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs created</td>
<td>4000+</td>
<td>1000+</td>
<td>600</td>
</tr>
<tr>
<td>Increase in tax base:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dollars</td>
<td>N/A</td>
<td>N/A</td>
<td>$11,800,000</td>
</tr>
<tr>
<td>Percent</td>
<td>N/A</td>
<td>N/A</td>
<td>2,500%</td>
</tr>
<tr>
<td>Physical revitalization</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
</tbody>
</table>


Comparing the level of effectiveness of the three cases creates many problems as pointed out in the Introduction. For instance, have jobs just moved from one area of town to another? Would these jobs have been created with or without the EDIC? Are these the direct jobs that have resulted from the development of the industrial park or are secondary jobs included in the numbers? What type of jobs are these? Are they high-quality jobs or low-quality jobs?

To try to keep the numbers comparable, only jobs connected to projects were included in the "jobs created" line in Table 3. The Wareham numbers are only for one project and do
not include any of its other programs or any other manufacturing jobs that may have been stimulated by the Phase I Industrial Park. The Boston numbers include its three industrial parks, but not any attributable from its programs. Lynn's numbers are from the J.B. Blood Building, Waterfront Industrial Park, and construction of the city's first commercial fishing pier.

Only Wareham attempted to quantify the tax base improvement, the other two EDICs felt it was too hard to calculate the impact of their programs on the tax base. In Wareham's case there was no industrial base initially, which accounts for such a large percent increase, so calculating the change due to their efforts was fairly straightforward.

The physical revitalization in Boston covered 200 acres which was composed of the three industrial parks. Boston has won three design awards for its efforts. Lynn's physical revitalization includes four projects. Wareham has developed one industrial park and is in the process of a second. However, its industrial parks are on virgin land, not in what was once blighted areas.

Environmental Factors

As mentioned earlier, implementation is affected by intrinsic qualities and external conditions. Each of these three case studies has a unique set of starting conditions and resources. These differences, which impact implementation, include the size of the city, location, historical context,
and other resources and capacities.

The size of the city is an important differentiating element because it affects the budget available, the pool of talent for the staff, and the need and scope of services required. The more a city has to invest, and if it does so wisely, the more it can expect in return. A larger city generally has more to spend in absolute dollars; it is also more likely to have more sophisticated constituents and staff and more complicated needs. For these reasons, the size of a city impacts the strategy choice an EDIC makes to accomplish its objectives.

EDIC funding influences the staff budget, both as to the number and their respective qualifications. The difference in the initial ability to fund the EDIC also affects its growth and the type of projects it is able to undertake. There is a minimum level of cost that all EDICs must meet.

As mentioned, staffing is constrained by the pool of applicants and the budget, and is affected by the size of the city. Wareham has experienced staff in economic development, but feels that the political powers and the citizens of the town are not as sophisticated. This means they must spend extra time educating the public on the current economic development issues. Wareham has difficulty finding student interns for small projects because the town is so far from the majority of the college and university campuses in the Boston metropolitan region. They also have a lower pay scale than
Boston. Boston has a large, talented pool of applicants for staff EDIC jobs. Generally Boston has more qualified applicants than open positions. Boston's size provides the resources--intellectual, social, political, and business--that its EDIC can call upon when necessary.

The size of the city also affects the organizational structure. Whereas Boston's EDIC is totally separate from the other economic development organizations in Boston, both Lynn's and Wareham's EDICs are integrated with their economic development departments. Boston's size requires many different agencies to handle all the services, and each agency is independent, although they do cooperate. Therefore, Boston must interact with many more parties to accomplish its goals, often complicating the process. Wareham and Lynn can not afford another agency or more staff. Wareham and Lynn must make efficient use of existing staff by having them perform a number of tasks for various organizations. Therefore, their hiring strategy will be different than Boston's.

**Location** is a major constraint on industrial development and there are some important differences in the three case studied. The differences in location between the three case studies is a major determining factor for what type of firms the respective municipalities should target for their industrial parks and their various programs. This shapes their strategy.

Boston is the hub, the center of the metropolitan market
area. Firms locating here will be close to their customers and suppliers. Access to transportation, i.e. highway, rail and waterway, is already present, although there are areas within the city that have some accessibility and traffic problems. Lynn, closer to Boston than Wareham, has the poorest transportation access, with the main highway, I-95, approximately ten miles away. Nor does Lynn have access to a MBTA line, but there are the Commuter Rail and even rail spurs for other industrial sites.

Wareham is the most rural of the three locations and is the farthest from the metropolitan market area. Wareham is near the edge of the seventy-mile radius of the Boston metropolitan market area. As mentioned earlier, distance from the market area is a factor in firms' locational decisions, with most firms wanting to locate within a seventy-mile radius of their market area. Wareham is at the intersection of two main highways, I-195 and I-495, and though fifty-five miles from Boston, it is an easy one and a quarter hour drive.

Location is also an important consideration for industrial firms because it determines the supply of qualified workers. High-tech firms willing to locate in Boston would not consider Wareham due to the lack of qualified high-tech workers in the area.

Another element of location which impacts the industrial market is whether the space can be rented or sold. Wareham must approach the industrial parks it develop in a much
different vein than Boston or Lynn. Wareham is less able to lease space and use the cash flow to cover overhead costs. Instead, it must sell the lots and use the money both to pay the overhead of the CDD, CDA, and EDIC, and to help finance any other operations or projects. This obviously impacts its ability for long-term implementation of strategy and for accomplishment of goals. Since there is little extra money to finance other projects, eventually, when all the lots are sold, the EDIC will close. Even now it cannot locate funds to provide a second and necessary road for the Phase II Industrial Park. Boston, and Lynn to a lesser extent, currently has a solid cash flow, which allows the agency to grow and to leverage other projects. This provides the ability to be more forward thinking.

A critical decision criterion for firms considering relocation is access. However, access has multiple components for cities: (1) location near the firm's market, suppliers and labor force, as just described; (2) access of the workers to jobs; and (3) access to financial and technical information.

Boston is the only one of the three agencies which actively addresses the second component. While none of the three case studies provides transportation to jobs outside its area, Boston does provide a job training program to ensure that its workers have the proper skills for the firms in the area. Boston began the job training program when a Revere man was pictured in the Boston Globe repairing ships at BMIP. The
EDIC was criticized for not finding a Boston resident with that skill for the job (or for the picture). In its search to find out why there was not a Boston resident pictured, the need for job training became apparent.

All three EDICs are involved in providing firms access to financial and technical help. Often this financial help comes through the support of a subsidiary organization, such as an IDFA, rather than directly from the EDIC.

Historically, Wareham has the smallest industrial base and is actually trying to establish a base to help raise the income level of the town. Whereas it is trying to ensure that firms locate in Wareham versus other towns in the region and therefore market themselves on a regional level, Boston is trying to stem the flow of manufacturing firms out of the city to the suburbs and to other regions of the United States and foreign countries. Boston considers more macroeconomic issues when planning its strategy as indicated by its export program and Trade Mission to Asia. Boston's competition for firms are other major metropolitan areas, foreign as well as national, and the cities and towns of the region. It is affected directly by macroeconomic trends that change the conditions for a firm doing business in one region or another. Due to their size, Wareham and Lynn do not impact other metropolitan areas in the way Boston does. While the macro economic trends affect them, they are still competing with their region's towns and cities for their share. In addition, Wareham and
Lynn do not have the budget to do much national, let alone international recruitment of industry.

One of Boston's main concerns is that office space is taking over space originally occupied by industrial firms, driving rents higher than the industrial sector is willing to pay. Therefore, its strategy addresses this issue directly. In particular, the firms recruited to its industrial parks are from these areas. In fact, Boston even leased space to the Design Center because it was being forced out of its space due to increased rents from office space speculation.

Like Boston, Lynn is trying to retain its industrial base which it is losing due to technological changes and movement of firms to areas with lower manufacturing and labor costs. Its strategy is to supply cheap capital (long-term and tax-exempt), by supporting the other agencies within the LOED, to nurture local firms and help them expand. West Lynn Creamery is one of its success stories. At the same time it wants to nurture its existing businesses, it also wants to diversify its industrial base so, Lynn is not too dependent on any one industry.

As has been shown, these differences lead the EDICs to different strategies to obtain their goal of creating and retaining jobs and broadening the tax base. In particular, Boston has been much more active in developing projects such as its export assistance program and job training program. Boston still has a relatively stable economy despite the
a decreasing number of manufacturing firms because it has such a strong office market. This strong office market implies that increasing the tax base is not as important as job retention and creation. Because Boston has one of the lowest income per family levels in the state, its goal is to create as many high-quality jobs for its constituents as possible.

Lynn and Wareham do not have a replacement for loss or lack of an industrial base. Therefore, both have a strong need to broaden the tax base, as well as create and retain jobs for their constituents. This is exemplified in Lynn's case where a diminishing tax base and increasing need for services makes an increased tax base that much more important to its economic viability. Because of this issue, Boston will spend more on a job training program than either Lynn or Wareham. Although Lynn and Wareham want their workers to have access to jobs, they also would rather spend their limited resources on projects that both increase jobs and the tax base. A job training program does nothing to increase the tax base.

Having land as a resource, that can be developed, is another important differentiating character between the three cases. While Boston was hurt by the closing of the South Boston Naval Annex, the Boston Army Base, and the Charlestown Navy Shipyard, these sites have given Boston a golden opportunity for redevelopment and at relatively reasonable prices. These sites offer plenty of space without the need for the use of eminent domain; also, they are industrial in
nature and do not require rezoning, and therefore are unlikely to encounter much public opposition. In addition, much of the infrastructure necessary for industrial use, such as rail spurs, cranes, and dry docks is in place. Much of this land has unique properties, such as the BMIP with its waterfront location and dry docks. Boston's strategy reflects the use of this resource by the amount of effort and funds spent on developing BMIP. It is also reflected in Boston's EDIC's reliance on BMIP for the majority of its cash flow.

Not only has Boston had the advantage of obtaining land from closed military sites, but it has also been working with the MBTA to develop parcels of land. The MBTA has land it does not need and must either sell it to the highest bidder, which is often unacceptable to the neighboring community, or transfer it to another public agency. These sites open up new possibilities for industrial development in a time when land is becoming prohibitively expensive for the EDICs to purchase.

Lynn lacks this resource of land. It has had much more difficulty putting together parcels of land for industrial development. Thus shortage of industrial land may change with Norelco closing its Lynn facility and GE cutting back at its. However, this land, being privately owned and coming after the Boston metropolitan area real estate boom, may be much more expensive for Lynn to purchase than was the South Boston Naval Annex and Boston Army Base for Boston, or even relatively more than the foreclosed property that Wareham bought for its Phase
II Industrial Park. Lynn’s strategy to rely more on working with its LOED counterparts than developing industrial land is a by-product of this lack of developable land.

Currently, Wareham is finishing the development of their first industrial park and proceeding on their second. However, there is little space remaining zoned for industrial because much of the town had been previously zoned and developed as residential. What land it does use is virgin land, never developed before, which is unlike Boston and Lynn. Its strategy is to establish an industrial base, and therefore its energies are spent towards marketing Wareham to industrial firms and developing the two industrial parks.

Another element of the respective EDIC strategies is their stage of growth. In turn, this has been determined by their past strategy of investment of their resources. Both Lynn and Wareham are not at as advanced a stage of growth as Boston, as indicated by their concern over their cash flow. In particular, they have more concern over whether they will have the revenues necessary to continue covering their costs. For instance, Lynn has five staff members on contract, paid from EDIC project cash flows, they are not permanent staff. It is important to note that both Wareham and Lynn have been successful at covering their costs for at least ten years. Another indication of their stage of growth is that both are still small, simple organizations.

Boston’s later stage of growth is indicated by its much
larger organization and use of functional managers that handle many of the duties performed by the directors of the other two EDICs. Boston has evolved over time into an organization which is much more complex and intricate. When Marilyn Swartz Lloyd became director in 1984, Boston's EDIC was evolving from an entrepreneurial stage where month-to-month survival was the important concern, to one where financial and operational controls and management were becoming necessary for continued growth.

Also during her tenure the EDIC enlarged its vision for its industrial parks to address the aesthetic and physical impacts of an industrial area on a community. This is something neither of the other two EDICs have considered doing, even as a solution to a negative image problem.

Boston is also, if not the most broad, one of the most broad Industrial Development Corporations in the country in terms of the number and scope of subsidiary organizations and departments it has. As mentioned earlier, it has many organizations under its auspices, all of which have their own boards, and the EDIC itself is a totally separate organization. One of the organizations under the EDIC is the Boston Training Center. A job training program is not included in any other EDIC and it is questionable whether it related to the EDIC mandate of industrial development. Regularly the directors of the Boston EDIC have gotten questioned over the years by their board as to why a job
training program should be run by a development organization. However, the job training program is a very visible and important part of Boston's strategy. Not only is it a selling tool used to attract firms by helping them find skilled workers locally, but it gives the graduate trainees access to more jobs. It should be noted that the Boston EDIC fell into this program by default rather than by planning and following through on their strategy.

As mentioned, the Lynn and Wareham EDICs are not nearly as large or complicated as Boston's. In particular, Wareham's EDIC is the mainstay of Wareham's economic development program and is integrated with the other town departments and agencies involved. Lynn, while it does have many of the same affiliates as Boston, still has a very minimal staff for operation. Its strategy is to most efficiently use its staff for the many overlapping functions that the various organizations have.

The elements described above set the stage for how and what can be done through implementation. These intrinsic qualities and external conditions directly affect the implementation process and outcome. They also, at least partially, dictate which tools will be used by the different EDICs. As seen, the environment sets the stage for and dictates the direction of the implementation strategy. The powers given the EDICs are the tools they use to implement the strategy.
Tools

In Chapter III the powers of an EDIC are described. It is these powers that enable the EDIC to implement its strategy and ultimately achieve its goals. In Table 2, the powers used by an EDIC, given its individual circumstances, are outlined. It is the difference in their respective environments that dictate this choice.

For instance, Lynn has little land available for industrial development. It is more likely to use eminent domain to obtain the property to achieve its public purpose than either of the other two cases. In fact, Lynn used eminent domain three times, for three out of their five major projects. Boston used eminent domain only once, on the Digital site, and it was not contested as in Lynn. It was done as an expeditious way to obtain the land with clear title.

Not all the EDICs choose to construct and improve facilities. Wareham, unlike Boston, does not have existing buildings to improve. Nor does Wareham desire to lease, manage, or construct industrial buildings. Its market dictates that they sell the land to businesses who will build and manage the site.

Boston is the most active in managing and operating projects. Lynn only manages its commercial fishing pier, it contracts management companies to do the other projects. Of course, Lynn has a much smaller staff and operating budget which may influence this decision.
All the EDICs have obtained grants and borrowed capital to fund projects, but only Boston has floated bonds. Boston had two projects strong enough to support the bonds--for the Army Base building and for Digital in the Crosstown Industrial Park. In Wareham there may have been another complication, the 121C legislation is flawed. Wareham's Ex-Director Jack Healey had considered floating a bond but didn't do so because of this problem. In general, floating a bond is very difficult unless there is a strong project, which has strong backing with a reasonable pay-back. This is similar to how the private sector finances projects.

There are certain tools which all three EDICs choose to use. All three developed economic development plans which defined the actions to be pursued for different projects. They all did some infrastructure improvements. These were necessary to attract businesses to the industrial parks. Even Wareham needed to construct roads and other site improvements. And all three needed some form of marketing to find and attract the firms they wanted.

Although not explicitly defined in the legislation, Boston also provided technical assistance and job training to accomplish its goals. Because of the circumstances in Boston, these two areas were logical extensions of their strategy. Lynn also offered technical assistance.

While eminent domain and bonding are the first EDIC powers listed by directors describing EDIC capabilities, they are
not necessarily the ones that make a major impact on an EDICs’ success. An EDIC differs from other public authorities, for example Port or Transportation Authorities, which depend heavily on these powers. An EDIC is not usually assembling as large a parcel of land or trying to raise as much capital since its projects tend to be smaller and more contained; therefore, it is easier for an EDIC to find alternative solutions. It is the broad combination of development powers, from land assembly to management, that makes them unique from other economic development agencies and gives them the ability to succeed.

Each EDIC’s strategy is influenced by environmental factors, which also determine the tools used by the EDICs for their respective implementation. Above and beyond these two areas, there is an overlay of factors that impact the success of an EDIC. These are described next.

**Organizational Factors**

Throughout the numerous interviews, certain organizational factors in the implementation process predominated, indicating success or failure. Therefore, incorporating these factors into the strategy ensures successful implementation. These include attracting the appropriate leadership and skills, maintaining flexibility and adaptability, capacity building, and working well within the political framework. Although not necessarily organizational factors, finding a good project, targeting appropriate businesses, and financing have been
included here because these issues also must be addressed by the organization to ensure success.

Because an EDIC is formed principally for its industrial development capabilities, it is logical that finding a **good project** is a crucial element. A successful project is important for a number of reasons. First, it can directly accomplish the goal by supplying needed jobs and tax base dollars. Second, the excess cash flow from a successful project can be used to leverage other projects and programs to support the goal. Third, it brings credibility to and improves the image of the city, the EDIC, and the industrial area, which indirectly draws more support and ultimately more resources to the city.

The important question becomes what makes a good project. As indicated by the case studies, there are certain elements that characterize a good project. These include: size and location, ability to reach self-sufficiency, manageability, and cost-efficiency.

Size and location are important because of a need for visibility. When the project is large enough to have a big impact on the area and/or is in a very visible location, the project becomes easier to promote. Promotion helps gather political, business, and public support to build the resources. Location is also an important because it is a main determinant in a firm's decision to move to an area.

Boston's BMIP is a good example of this. Not only is this
project very visible from downtown Boston, but the size in terms of firms (over 80 tenants) and jobs (approximately 4000) located in the park is high, garnering political, business and public support for its success.

Another characteristic of a good project is the ability to reach self-sufficiency as soon as possible. In an era of budget problems, a project that pays for itself and also generates a positive cash flow to start other projects, brings credibility and more support. Again, BMIP is a good example since its cash flow covers costs of the park and the operations of the EDIC.

Manageability is also an important element of a good project. The project should be accomplished in workable pieces. The BMIP was successful, in part because they broke the project down into small pieces, incrementally building the park into what it is today. The Boston EDIC failed to do this with its Newmarket Industrial Project.

Lastly, a good project is cost-effective at achieving its goal. The object is to produce the goals at a cost that does not exceed the benefits of the project. Lynn was unable to complete the America East Project, the first one attempted, because of unanticipated environmental clean-up costs. Lynn did not have the funds, nor could they justify raising the funds to cover these additional costs when comparing them to the benefit of the completed project to the community.

Another component of successful implementation strategy is
targeting appropriate businesses. There are two main elements. The first is finding firms that match the needs of the community. This happens when the mandated goals of the EDIC are achieved and there is a net positive impact on the environment and quality of life of the town’s citizens. The second characteristic is responding to the needs of these businesses, whether in providing services, infrastructure, lower rent, technical help, or financing, so as to attract and nurture the businesses.

Wareham carefully analyzed its competitive advantages and disadvantages to determine the type of industrial firms it could expect to attract to help build its industrial base. Wareham did not try to attract large, high-tech firms, nor did it try to attract tenants to lease the space rather than buy it. Instead, Wareham targeted light manufacturing for the Phase I Industrial Park and warehouses and distribution centers for their Phase II Industrial Park. The industrial park’s covenants help maintain the environment and quality of life the town desires.

Leadership, particularly at the very early stages of the EDIC’s creation, has a crucial role. A previous Boston EDIC director mentioned that Chicago has been trying to establish an EDIC for years but has never had the leader to put it all together. Boston very definitely had such a leader in George Seybolt, the original chairman of the Boston EDIC board.

At the inception stage, the organization depends on and is
built by its creator and leader. The creator's vision, energy, and skills bring an EDIC into existence. Seybolt was the driving force that nurtured Boston’s EDIC during the first crucial years. It was through his close personal friendship with Mayor Kevin White and his ties with the business community that gave the EDIC the leverage to succeed and grow. Until approximately 1976 the survival of the EDIC was uncertain, but Seybolt's determination kept it alive. This can be a double edged sword, as was the case here, because the EDIC became known as Seybolt's pet project and initially did not gain the respect of the city government as a separate and viable agency.

Wareham is also a good example of the need for leadership. Until 1976, Wareham had a board of directors, but no staff to follow through on their recommendations. In 1976 it obtained the funds to hire a director and were finally able to accomplish their goals. Shortly after the director was hired, he obtained the funds to buy land for the EDIC's first industrial park.

The leader of an EDIC plays the role of cheerleader and promoter. The leader must assume resource building and coordinating roles, amassing all the talent and resources together and encouraging them to grow. It is the leader who ultimately must develop, carry out and promote the strategy.

Another important factor in the implementation of EDICs is attracting the proper skills to finance, market, and develop
projects. Every director interviewed mentioned that having a skilled and varied staff was crucial to the EDIC's survival. If the skills are not available to implement the strategy, the chances of success are reduced.

Since financing can make or break the development of a property, having the expertise to plan and obtain financing is crucial. In Boston's case, Michael Westgate, the EDIC Director from 1975 to 1978, had a strong financial background, which helped him obtain good terms on the mortgage for the BMIP. Currently BMIP generates the majority of the cash flow for Boston's EDIC.

Financing is not the only skill necessary. Other skills include marketing, development, property management, and economic development. Wareham has a skilled director in economic development, who is an ex-EOCD staff planner and who had worked on EOCD's EDIC programs and understood how the grant process worked.

As just indicated, financing EDIC carrying costs and projects is also a crucial factor in implementation. Without funds there can be no development, so obviously it is a crucial element of the implementation strategy. These three cases were all created during the 1970's when federal and state funds were still available and they all took full advantage of them. Now their primary source of funds is their cash flow. When projects are to be done, public financing cannot be counted on, as Boston's failure with their Newmarket
project affirms. Private financing is necessary which means that the projects are done for their economic merits and must show a profit despite their public purpose.

Maintaining flexibility and innovativeness have also helped make for successful implementation. With changes over time and unforeseen events, the ability to adapt becomes increasingly important for survival. One such event was the Tax Reform Act in 1986 which severely limited the use of industrial revenue bonds as a means to arrange for inexpensive capital for expansion. And, as finding funds becomes harder, creativity will be all that much more important for EDICs to obtain needed funding for projects. Fewer projects have been initiated since 1986.

Another example of flexibility can be seen in Lynn. Lynn has liberally interpreted the legislation of EDICs and focused on any development that might improve industrial development, even if only indirectly. For instance their use of the EDIC and the powers of eminent domain for the Heritage Park does not directly involve industrial development. However, it is a catalyst for economic development which would benefit industry as well as the more direct benefactors of the commercial and residential markets.

Lynn’s adaptability was also demonstrated when one of its projects, originally planned as mixed use for clean, light manufacturing, did not prove feasible. Instead, the land was leased to a private developer who developed the land and
buildings and now manages 412 units of affordable housing.

Boston's job training program, export assistance program, and in its joint efforts with the MBTA to develop land are examples of its flexibility. The job training program itself has changed over the years to include not only the heavy trades, but also courses for medical secretaries and for business machine repair and for basic English and math.

Therefore, a strategy must be robust, with the ability to survive change and to adapt to new circumstances and unforeseen events. The ability to be creative with its solutions gives the EDIC the ability to survive within this environment. When developing a strategy, this robustness, flexibility, and creativity should be fostered.

**Capacity building** is important not only to achieve the goals, but to enable businesses and citizens of the town to grow on their own. The directors interviewed cultivated and expanded the existing resources. Much of this includes ensuring political, business, and constituent support. With limited resources at their disposal, it becomes increasingly important to leverage whatever support they can to achieve their goals.

Because of the lack of sophistication of Wareham's citizens and politicians, the Wareham CDD staff feels the need to educate the town in economic development and often has an advisory role. Lynn has spent much energy promoting and helping small business growth, with such projects as the J.B.
Blood incubator building, to create a more diversified economic base. Boston has also had a number of capacity building programs, including its job training program, an export assistance program, and roundtable meetings with the neighborhoods surrounding the projects.

Lastly, political support is required. All the directors and ex-directors interviewed mentioned this as an important factor to success. In particular, political support without interference is crucial. Boston is a prime example of this, with the relationship of Seybolt and ex-Mayor White. The Boston EDIC has had adversarial roles with the BRA and Massport for many years. Over time these relationships have been improved. However, because there is a history of an adversarial relationship between the state legislature and the mayor of Boston, the EDIC must negotiate carefully to keep everyone happy and get their support.

Conclusion

EDICs are faced with many obstacles to implementation, none more prevalent than the fact that their strategy is in direct opposition to the national economic trends leading to the deindustrialization of the United States. Despite this, an EDIC can be successful, as indicated by the case studies.

When planning an implementation strategy three sets of factors must be evaluated. The first set--environmental--includes the initial conditions and constraints that impact the available resources. These environmental elements
influence which and how EDIC powers get used. These powers are the second set of factors, and ultimately it is these tools that perform the tasks that achieve the desired objectives. Lastly, the third set of factors--organizational factors--are an overlay on the implementation strategy process, without which there would not be success.

Each strategy must be tailor-made to fit the environmental factors of the given city. The elements that differentiate the implementation strategy include: size, location, access, industrial base, macroeconomic trends, land availability, and stage of growth of the EDIC.

In order to ensure that a desired goal is achieved, it is important to have a clear strategy in mind. Often, this is not the case and EDICs respond to circumstances rather than proactively planning and implementing projects and programs. For instance, Boston has been actively searching for other projects and has realized that it doesn't have to act in a vacuum when trying to acquire land. It has found a way to exchange resources with the MBTA--MBTA land and EDIC development expertise. Lynn on the other hand has not developed an active plan to develop projects and instead supports other economic development organizations. Soon Lynn will have an abundance of underutilized industrial space and no strategy to deal with it. Although the EDIC is not required or even able to deal with every industrial property that comes on the market, certain key firms and sites need to
be addressed. With the Norelco plant closing and General Electric cutting back in its facility, Lynn has two prime candidates.

In conclusion, there are certain elements of this process that warrant mentioning. The first is that leadership is necessary to influence and guide the efforts and to execute the implementation strategy. It is not enough to have a board of directors. As in the cases of Wareham and Boston, until a director was in place little was accomplished. Leadership provides the daily commitment that a board of directors lacks. The directors are paid and given day-to-day responsibility of accomplishing the tasks set out in the implementation strategy. Boards of directors are unpaid and are chosen for different reasons than the directors are chosen. Their function is to provide direction and to act as a resource (i.e. financial or political). In contrast, a director often is chosen for his/her emotional dedication to the organization.

Each municipality has its own specific set of goals when establishing an EDIC, and understanding this motivation helps define the strategy. For instance, Boston has a strong need to supply jobs for its underutilized workers, but its tax base is relatively stable due to office space speculation. Wareham and Lynn on the other hand are motivated by increasing the tax base as well as creating and retaining jobs. This means that they will choose a strategy that will balance the two goals while Boston will choose one that directs itself to
supplying jobs to workers.

When planning an implementation strategy, an EDIC should determine the initial conditions and resources. These environmental factors indicate the competitive advantages of a city and the obstacles it must face in order to achieve success. They influence the use of the available powers to accomplish the desired objective.

Another element in the implementation process is that the EDICs do not depend on their powers of eminent domain or bond issuance for success, but rather it is their broad combination of development powers that has helped them succeed. EDICs have a full range of powers for development that no other public or quasi-public agency has. To make the most effective use of an EDIC, the development tools that best leverage the existing conditions towards the desired goals are chosen. Boston has acquired and sold land, constructed facilities and infrastructure, and managed property. Wareham’s industrial market cannot support the lease of industrial space, so it has acquired and sold land and made infrastructure improvements, but has not constructed facilities or managed property. An EDIC is mandated to nurture and expand businesses and does so through its development powers.

The public sector has become involved in industrial development as a way to leverage private sector involvement. If the process did not have barriers, such as financial and political, then the private sector would be involved.
However, the process is complex and has barriers that keep the private sector from entering, so the public sector intervenes. The private sector sees the projects an EDIC is set up to do as high risk, with low return. Thus, an EDIC is taking a risk that the private sector is not willing to take.

However, EDICs are not necessarily taking the risks they were set up to take. Because they are becoming increasingly dependent on private sector financing, they must act more like a private developer. Motivation for private financing decisions are based on profits, and this will not always result in the same decisions as ones that are based on public benefits. Therefore, EDICs find themselves in a dilemma of being created to take risks, but being constrained from doing so by their financing.

Often this lack of risk taking manifests itself in the choice of projects undertaken. An EDIC is set up for development and therefore concentrates its efforts on this function. The projects must meet the private sectors levels of approval to obtain financing. EDICs search for such projects as a focus of the investment of the town’s limited resources. These projects should also have the ability to be self-sufficient, be manageable and cost-effective, and have good visibility in terms of size and location.

An EDIC is ultimately attempting to nurture and grow businesses through industrial development so it is critical to analyze the market to (a) find an appropriate match of
business to city goals, and (b) determine what needs to be done to attract and retain these firms. The development process will not reach the desired goals unless this research has been done and acted upon.

Lastly, because the development process is so complex, it is necessary to secure political, business, and public support. This support is necessary to build resources and survive the delays and obstacles along the way.

Despite the fact there are many obstacles in the way of an EDIC's success, an EDIC can achieve its desired goals as seen by the three case studies. Through careful planning of its strategy and proper implementation, EDICs can provide the public benefits they were designed to provide.
B. LIST OF ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATIONS IN MASSACHUSETTS

Agawam                              Lawrence
Athol                                Leominster
Boston                               Lynn
Brockton                             Montague
Deerfield                            Newburyport
Falmouth                             Peabody
Gardner                              Quincy
Gloucester                           Wareham
Haverhill                            Whitman
Holyoke

Source: Executive Office of Community Development
NOTES


2. These can be quasi-public agencies such as an Economic Development and Industrial Corporation (EDIC), public agencies such as the city planning department, non-profit organizations such as community development corporations, and private businesses and organizations. Other organizations include community development departments, development and industrial commissions, industrial development finance authorities, redevelopment authorities, urban redevelopment corporations, local development corporations, chambers of commerce, and private, non-profit development organizations. These other organizations are outlined in the handbook Organizing for Economic Development: Municipal and Regional Options. Source: Mount Auburn Associates. Organizing for Economic Development: Municipal and Regional Options, a handbook funded by an Incentive Aid Grant from the Municipal Division of the Massachusetts Executive Office of Communities and Development (September 1988), pp. 19-39.


6. Ibid., p. xxi.

7. Ibid., 183.

8. Ibid., 87-124.


10. Ibid.

11. Ibid.

12. Ibid.


19. Ibid., 10.

20. Ibid., 14.

21. William Wheaton, Class lecture on industrial development for Massachusetts Institute of Technology, Course No. 11.433, Real Estate Economics, 8 May 1990.


23. William Wheaton, Class lecture on industrial space cycles for Massachusetts Institute of Technology, Course No. 11.433, Real Estate Economics, 13 March 1990.


102
forthcoming publication of the Urban Land Institute, Boston Redevelopment Authority Research Department, August 1986. p 6a, Table 4: Population and Labor Force Characteristics 1930-1980, City of Boston.

27. Ibid., p 7a, Table 6: Unemployment Rates for Boston, and Comparisons with the Metro area, state, region, and the United States.

28. Ibid., p 9a, Table 8: Wage and Salary Employment in the United States.


31. MGLA, Chap. 121C, sec 2.

32. Ibid.


35. Westgate and Dacey, personal interviews, 1990.


BIBLIOGRAPHY


Boston Redevelopment Authority. "Preliminary Analysis of Industrial Land Use in the City of Boston." Boston Redevelopment Authority. 1972.


INTERVIEWS

Baker, Robert, ex-Director, Lynn EDIC, Lynn, April 4, 1990.

Bassett, Tim, Director, Massachusetts Land Bank, Boston, January 25, 1990.

Bonkowski, Steve, Director, Boston Training Center, phone interview, 1988

Britt, Carolyn, EOCD, Boston, March 6, 1990.

Clifford, Gail, Leasing agent, Boston EDIC, phone interview, 1988

Dacey, Brian, ex-Director, EDIC of Boston, Boston, March 22, 1990.


Horn, Paul, Director of Special Projects, Boston EDIC, March 5, 1990.

King, Craig, Project Manager, Massachusetts Land Bank, Boston, January 23, 1990


Mammoli, Lawrence, Director of Program Engineering, Boston EDIC, December 1988.


Norton, William, Director, Everett Community Development Department, January 23, 1990.

Roth, Peter, Corporate Properties Ltd., Cambridge, March 12, 1990.

Seybolt, George, ex-Chairman of the Board, EDIC, Dedham, March 11, 1990.

Swartz Lloyd, Marilyn, ex-Director, Boston EDIC, Boston, April 5, 1990.

Westgate, Michael, ex-Director Boston EDIC, Boston, March 5, 1990.

Yankopoulus, Constantine, Director, Wareham EDIC, Wareham, March 7, 1990.