



CSX SITE MASTER PLAN STUDY

JUNE 2019



SOURCE: GOOGLE EARTH

Prepared for
The City of Brockton
MassDevelopment

Prepared by
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Study Area



Figure 1: Study Area

EXECUTIVE SUMMARY

INTRODUCTION

The CSX Site is the a former railyard for freight rail, bisected by Trout Brook. This site is within Downtown Brockton, Massachusetts and is generally located between the MBTA Commuter Rail Tracks on the west and Parker Street on the east. Portions extend north from Elliot Street towards Puffer Playground and south along Plymouth Street towards Snow Park.

This area has some industrial uses but is mostly vacant, and it separates the Downtown from existing residential neighborhoods. This site is not contributing to the economic health of the Downtown, nor is it an asset for the adjacent neighborhoods. However, in addition to being adjacent to the Downtown, much of the Study Area is within easy walking distance of Brockton Station (the commuter rail) and the Brockton Area Transit Centre (bus station).

The purpose of this study was to evaluate future development possibilities for the site by understanding existing conditions – physical, environmental, and economic – and scenario planning to examine, as a high level, different mixes of land uses, including industrial, commercial, and residential. Research on the current conditions and the preparation of maps and other analysis followed the guidelines of 760 CMR 12.00 (as revised in May 2018) as the City anticipated that this planning process might lead to the development of an urban renewal plan under Chapter 121B of the Massachusetts General Laws.

PLANNING PROCESS

The City of Brockton and MassDevelopment sponsored this process. The consultant team was led by Harriman, a design and planning firm, and included RKG Associates, specialists in market analysis.

The goals of the planning process are as follows:

- Research existing regulatory, physical conditions, and market conditions

- Work with the Master Planning Committee to understand nuances of current conditions
- Explore different concepts for future development
- Develop a final report for the City, documenting the process and future potential

The City appointed a Master Planning Committee to provide information to the consultant team and review progress throughout the process. This committee met in October and November 2018 and February 2019 prior to the preparation of this draft report.

The City also appointed a Working Group, which included members of staff, representatives from MassDevelopment, and members of the consultant team. This group participated in regular conference calls to discuss the project and prepare for the Open House and meetings of the Master Plan Committee.

The City sponsored an open house in March 2019 to test various scenarios with members of the public. Feedback from that open house has been incorporated into this report. After the Open House, the City decided to expand this planning process into one appropriate for a full urban renewal plan. This report will be followed by a complete draft urban renewal plan for approval in Autumn 2019.

FINDINGS RELATIVE TO FUTURE DEVELOPMENT

Future development in the Study Area is limited as a result of physical, environmental, regulatory, and market conditions. The land within the Study Area is bisected by Trout Brook, a regulatory floodway, and has some environmental contamination from previous uses on the site. The parcels range in size and shape, and the ownership is spread among many owners. The Study Area has good connections to surrounding communities and Boston via public transit (rail and bus) and state highways. However, the local access is poor for industrial uses; the historic bridges are too low for standard tractor-trailers.

Access to public transit is very good, with both commuter rail and regional bus stations within walking distance of most of the site. The proximity to the Downtown and to existing neighborhoods would allow development on the site to supplement an existing mixed-use environment.

However, demographic trends present challenges for redevelopment. Brockton's slow population growth, relatively low incomes, and low property values make it a challenging location for new ground-up development of all types.

The following section summarizes the information about existing conditions provided in Appendix A and B.

SUMMARY OF EXISTING CONDITIONS

PHYSICAL, ENVIRONMENTAL, AND REGULATORY

Appendix A contains the full report from Harriman on the existing physical, environmental, and regulatory conditions in the Study Area. The key findings from that report are as follows:

History

- The CSX property was the location of the Brockton freight yard, which acted as a secondary freight rail facility for CSX. CSX relocated its rail yard activities near Boston to Worcester (for intermodal containers) and Westborough (for bulk/carload shipments), and the site has not been used as a rail yard since the 1980s. A warehouse facility that received freight rail service at the site also ended operations many years ago.
- The Elliot Street Bridge (BRO.930)¹ and the Court Street Bridge (BRO.931), also known as the Old Colony Railroad Bridge and Brockton Viaduct, were constructed in 1896 and designed by architects Holbrook, Cabot, and Daly.

Ownership

¹ The reference numbers are to MACRIS, the online Massachusetts Cultural Resource Information System maintained by the Massachusetts Historical Commission.

- The Study Area contains 47 parcels, mostly undeveloped, approximately 66.1 acres and valued at \$14 million.
- The 47 parcels have 26 different owners. Consolidated Rail Corp is the largest land owner. (two parcels, 31.4 acres). The City of Brockton owns eight parcels of 6.4 acres. "Evans Daniel R Jr Trustee" (six parcels, almost 2.5 acres) is the third largest property owner.
- Easements within the Study Area include passageways, gas, and sewer.

Land Use

- Trout Brook divides the Study Area into two – west and east. The western side is adjacent to the downtown; the eastern side to the existing neighborhoods.
- Existing land uses include residential, commercial, and industrial. The largest parcel in the Study Area is identified as undeveloped land.
- There is no designated open space for active or passive recreation within the Study Area. The Study Area does link to two City parks: Puffer Playground and Snow Park.
- Fiber optic lines running from New York to Boston daylight near the Study Area which could make the area attractive for office uses.

Zoning and Other Regulatory Requirements

- The zoning districts in this redevelopment area are Single-family Residential, low-density Multi-family Residential, and General Industrial.
- Single-family zoning creates a development pattern typically associated with suburban communities.
- The multi-family residential zones include categories for two-family and three-family housing, and for moderate densities.
- The I-2 zone within the Study Area allows a wide-variety of commercial uses including light manufacturing and heavier manufacturing, distribution, contractor yards and other uses.
- The Floodplain District includes all special flood hazard

areas designated by FEMA as Zone A or AE. Trout Brook and the land alongside are designated as FEMA Zone AE.

- Part of the Study Area is included within the Downtown Brockton DIF.

Transportation and Circulation

- The Brockton commuter rail station platform is approximately a quarter-mile from the center of the site.
- The BAT Intermodal Transportation Centre, which includes commuter parking, is adjacent to the Brockton station and therefore within reasonable walking distance of most of the Study Area.
- The Study Area is generally bordered by Elliot Street to the north, Palmer Street to the east, Court Street to the south and the rail tracks to the west. Truck circulation is limited by the height of the historic bridges at Court and Elliot Streets.
- Regional access is provided by Route 28/Montello Street and Route 123/Centre Street. Route 28 is a north-south connection, linking Cape Cod to the New Hampshire border. Route 123 is an east-west connection, linking Rhode Island to Scituate. The Study area is approximately 2.25 miles from the interchange with Highway 24, which connects to I-93 in just under eight miles and I-495 in just under five miles.
- Logan International Airport is approximately 25 miles away. T.F. Green Airport in Rhode Island is approximately 53 miles from Brockton. The closest regional airport is Norwood Memorial Airport, approximately 18 miles away.
- CSX runs one train per day during the week at off-peak hours (so as not to conflict with commuter rail operations). No current freight operations take place within the Study Area.

Environmental Conditions

- Trout Brook and the area on either side of it are within the Federal Emergency Management Agency (FEMA) AE flood zone, which carries a 1% probability of flooding every year. In addition, Trout Brook is considered a regulatory floodway in the Flood Insurance Rate Map

(FIRM) of Plymouth County.

- An existing 25-foot boundary along Trout Brook supports vegetation and wildlife. The cleared but disturbed land on the CSX site supports additional wildlife species, including song birds and small mammals.
- MassDEP identifies a proposed Activity and Use Limitation (AUL) at the former Brockton Freight Yard (part of the CSX site). The proposed AUL is divided into two areas, AUL 1 and AUL 2. AUL 1 is the historic fill area and AUL 2 is the disposal site/impact area).
- MassDEP also identifies a Phase IV Remedy Implementation Plan (RIP) at 45 Freight Street (the Brockton Iron Works). Soil conditions include the presence of heavy metals and other environmental contaminants.
- 16 private wells for a variety of uses were identified in the Study Area. Uses include monitoring, domestic, irrigation, geoconstruction, and unknown.

MARKET

Appendix B contains the full report from RKG Associates on the existing conditions and market analysis of the Study Area. The key findings from that report are as follows:

- Brockton is reported to be a challenging market for ground-up development of almost any type due to the area's below-median incomes and real and perceived quality of life issues. These factors are reported to be especially pronounced in the immediate area around the study site.
- The area has seen several high-profile multi-family residential projects take root in recent years, led by firms that have relied heavily upon creative financing mechanisms. While absorption of units in these apartment buildings has been extremely quick and new buildings are reported to be 100 percent occupied, prevailing market rents are likely still too low to attract most for-profit developers. Asking market rents are in many cases very close to income-restricted affordability thresholds, making it difficult for investors to reach required profit margins despite strong demand for low- and middle-income downtown units.

- The Brockton office and industrial markets have seen very little development activity in the last two decades, with few Class A spaces to offer benchmarks for achievable rents. With reported vacancies around 27 percent, Downtown Brockton’s highest-end office spaces have asking rents between \$16 and \$18 per square foot. The city’s industrial businesses are almost exclusively small-scale operations involved in “legacy manufacturing,” storage, warehousing and distribution. The study area, as discussed in a previous report, has numerous road-related encumbrances that would likely preclude it from any distribution-intensive industrial activity.
- While there may be some value for a limited quantity of retail or restaurant frontage along Court Street, other downtown development projects have struggled to lease new space. State employment projections suggest Brockton will not be immune from a shrinking number of jobs in retail.
- Brockton’s strength as regional center for health care has led to over 13,700 local jobs, making it the city’s largest employment sector. That number rose significantly from 2010 to 2016 and is projected by the State to expand further in the decade to come. An expanded medical field, dealing with occupations from patient care to family assistance professionals, will likely increase demand for offices within short distances of the city’s two major hospitals. These healthcare jobs can play a role in growing the city’s working-age population, which has mostly stagnated when compared to a rapidly growing elderly population. Leveraging Downtown Brockton’s lower cost of living, train connectivity, and availability of space will be key to attracting working professionals that may find the study area’s location attractive.

SCENARIO DEVELOPMENT

Based on the existing conditions and implications of those conditions on future land uses and potential development strategies, the consultant team developed three scenarios to test a mix of land uses, division of land into parcels, and public amenities.

- Scenario 1: Multifamily and Commercial Flex
- Scenario 2: Townhouses, Commercial Flex, and Mixed-Use (with two sub-scenarios 2A and 2B)
- Scenario 3: Single-family, Commercial Flex, and Mixed-Use

ASSUMPTIONS

All three scenarios had certain assumptions for the physical design in common. These assumptions were developed partly from the research into existing conditions and the resulting analysis from the consultant team and partly from input provided by the Master Plan Committee. The assumptions included public improvements to the Trout Brook area to connect existing neighborhoods to recreation space to the north and south of the Study Area, improvements to address existing flooding and resulting damage, and new development to support jobs, businesses, and housing. The Study Area had been proposed in a previous planning study as a potential site for a public safety campus; this was also incorporated into the development of the scenarios. The specific assumptions are as follows:

- Pedestrian path along Trout Brook from Puffer Playground to Snow Park, accessible from the neighborhoods to the east
- Additional connections to strengthen neighborhood pattern and provide a walkable environment to public transit
- Commercial Flex development to support a mix of job and business types near the Downtown and public transit. Commercial Flex space allows potential tenants to shift easily between light industrial, non-retail commercial, and office uses in response to shifting market demands
- New market rate housing to support the Downtown
- Expanded stormwater management/flood storage area
- Acquisition of parcels that suffer regular flood damage
- Potential location of public safety buildings
- The development of the pro forma analysis for each scenario type included the following additional assumptions:

Examples: Apartments



Examples: Commercial Flex



Examples: Multifamily/Mixed-Use



Examples: Single-Family/Townhouses



Figure 2: Examples of Development Types



Development in Scenario 1

- Residential Apartments: 400-600 units (5-10 years); monthly rent: \$1,350-\$1,900/month
- Commercial Flex: 170,000-200,000 square feet; annual rent: \$8-10/square foot

Figure 4: Illustrative Plan of Scenario 1

SCENARIO 2A: TOWNHOUSES/COMMERCIAL FLEX AND MIXED-USE

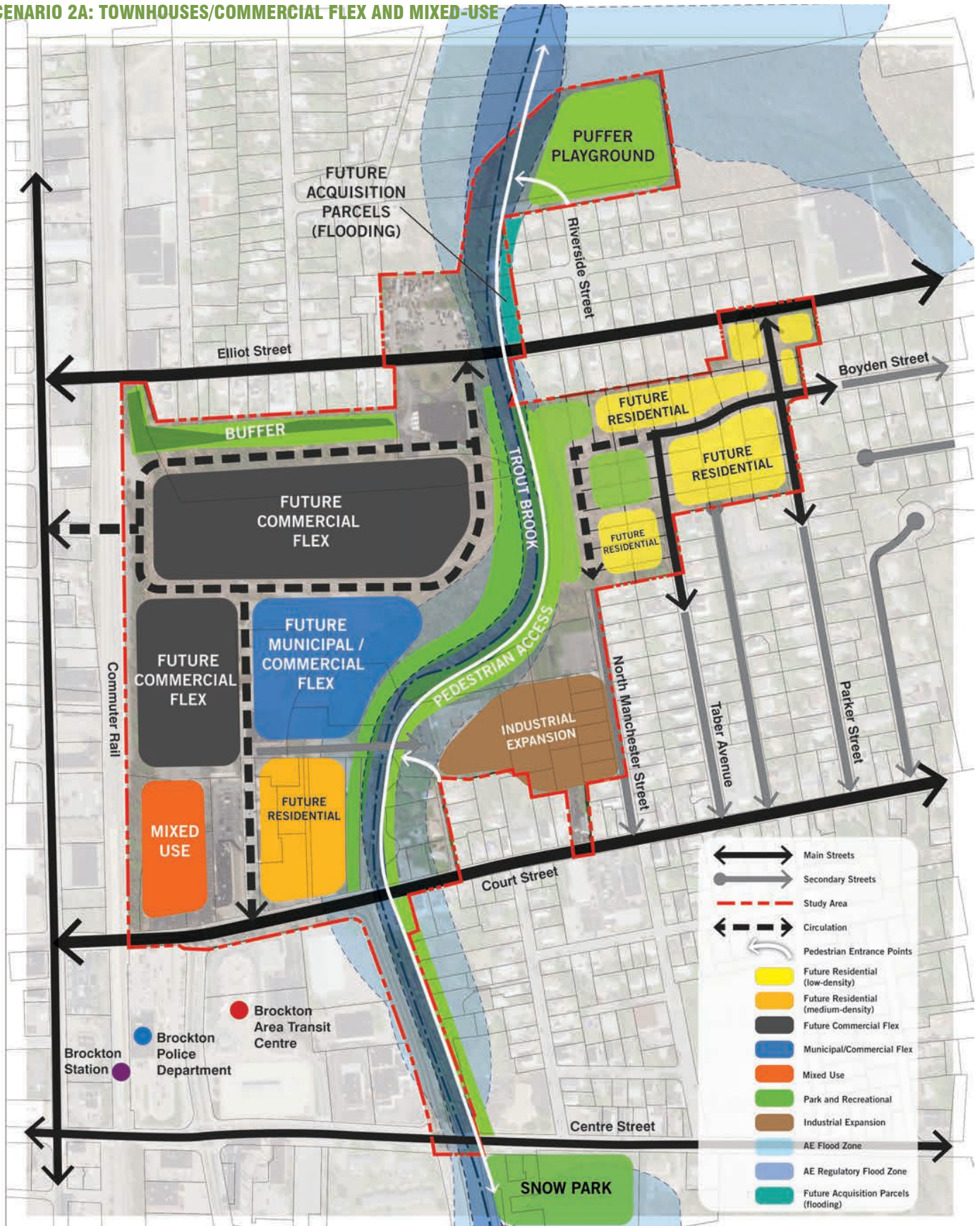
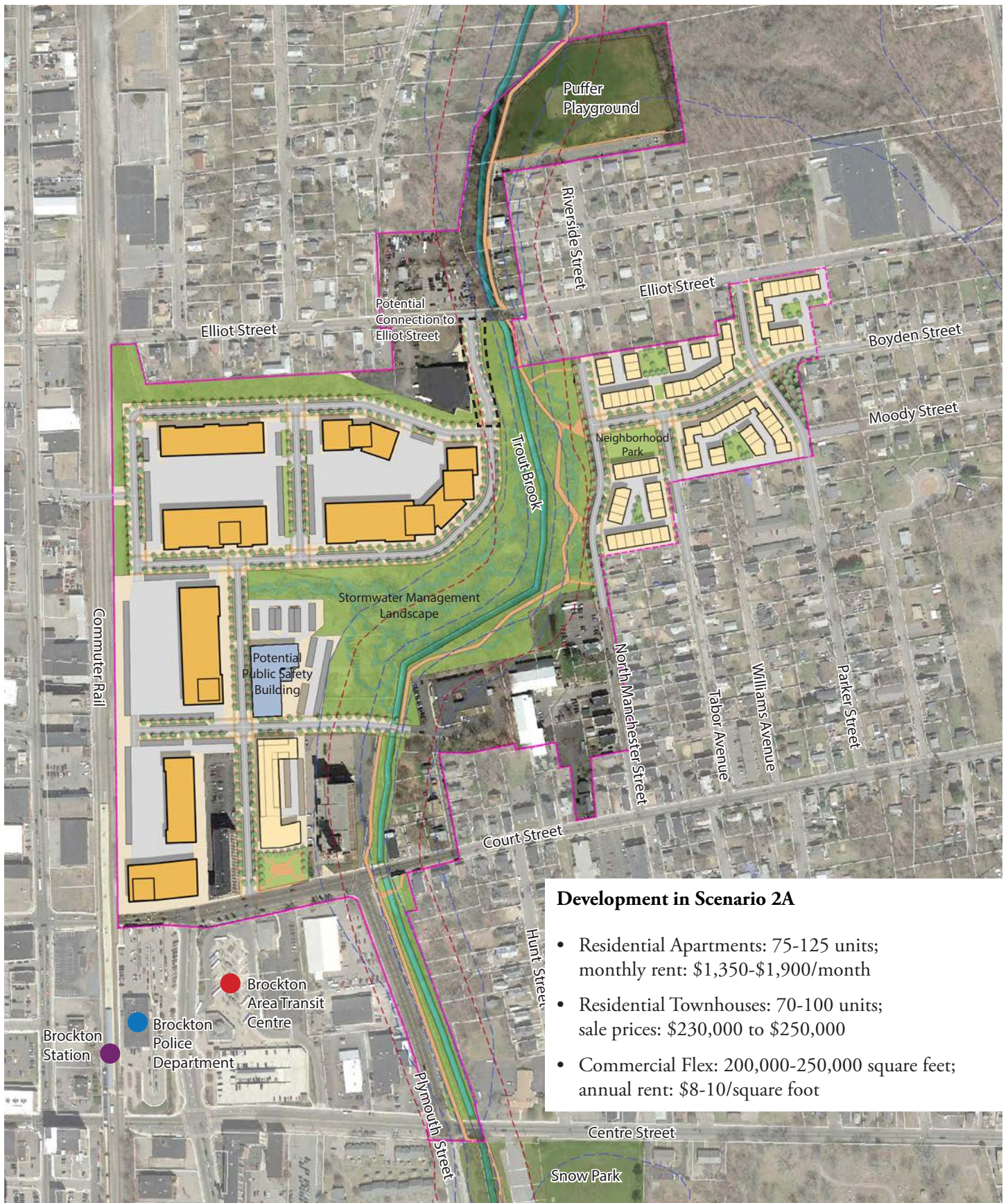


Figure 5: Bubble Diagram of Scenario 2



Development in Scenario 2A

- Residential Apartments: 75-125 units; monthly rent: \$1,350-\$1,900/month
- Residential Townhouses: 70-100 units; sale prices: \$230,000 to \$250,000
- Commercial Flex: 200,000-250,000 square feet; annual rent: \$8-10/square foot

Figure 6: Illustrative Plan of Scenario 2A

SCENARIO 2B: TOWNHOUSES/COMMERCIAL FLEX AND MIXED-USE

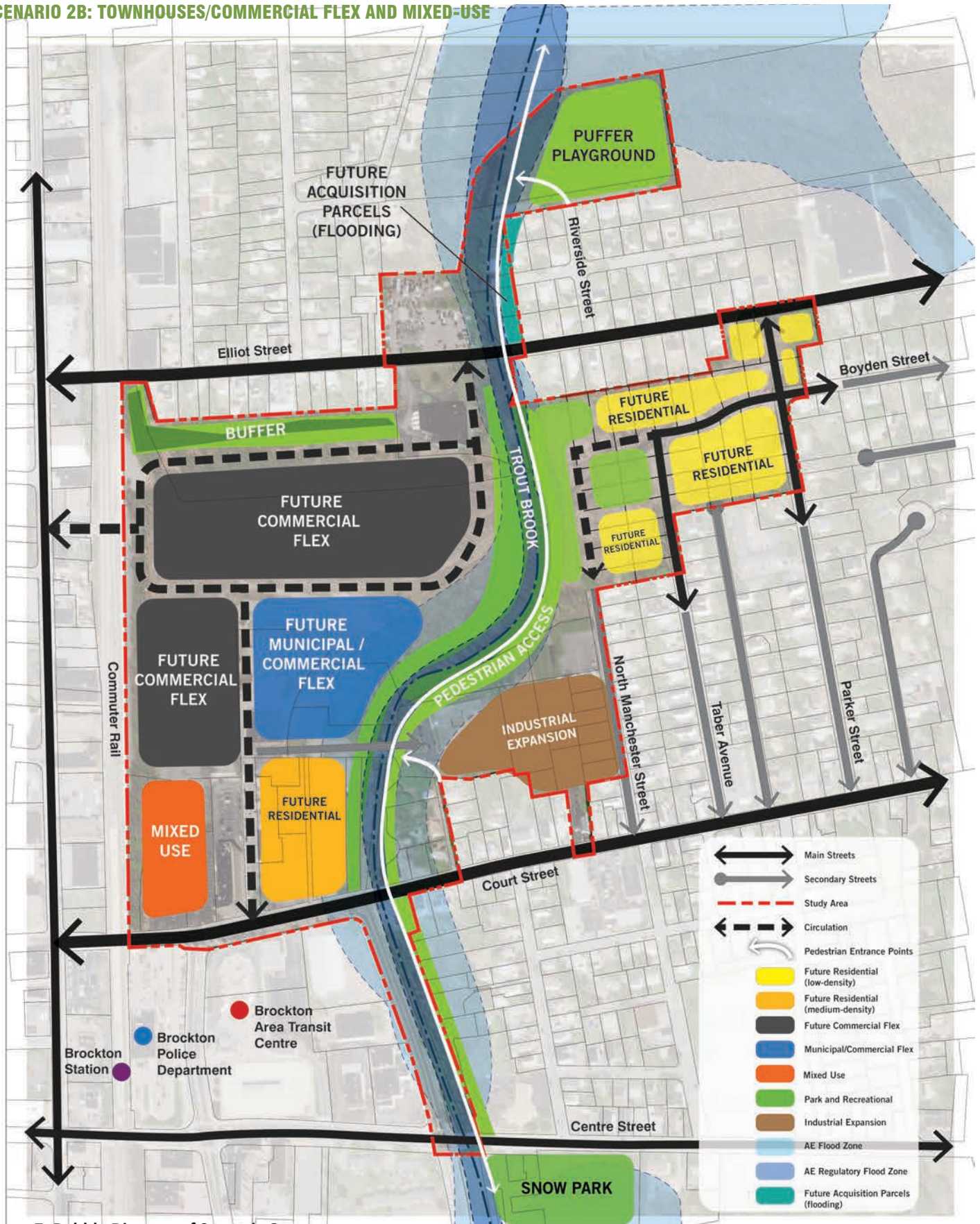


Figure 7: Bubble Diagram of Scenario 2



Figure 8: Illustrative Plan of Scenario 2B

SCENARIO 3: SINGLE-FAMILY, COMMERCIAL FLEX AND MIXED-USE

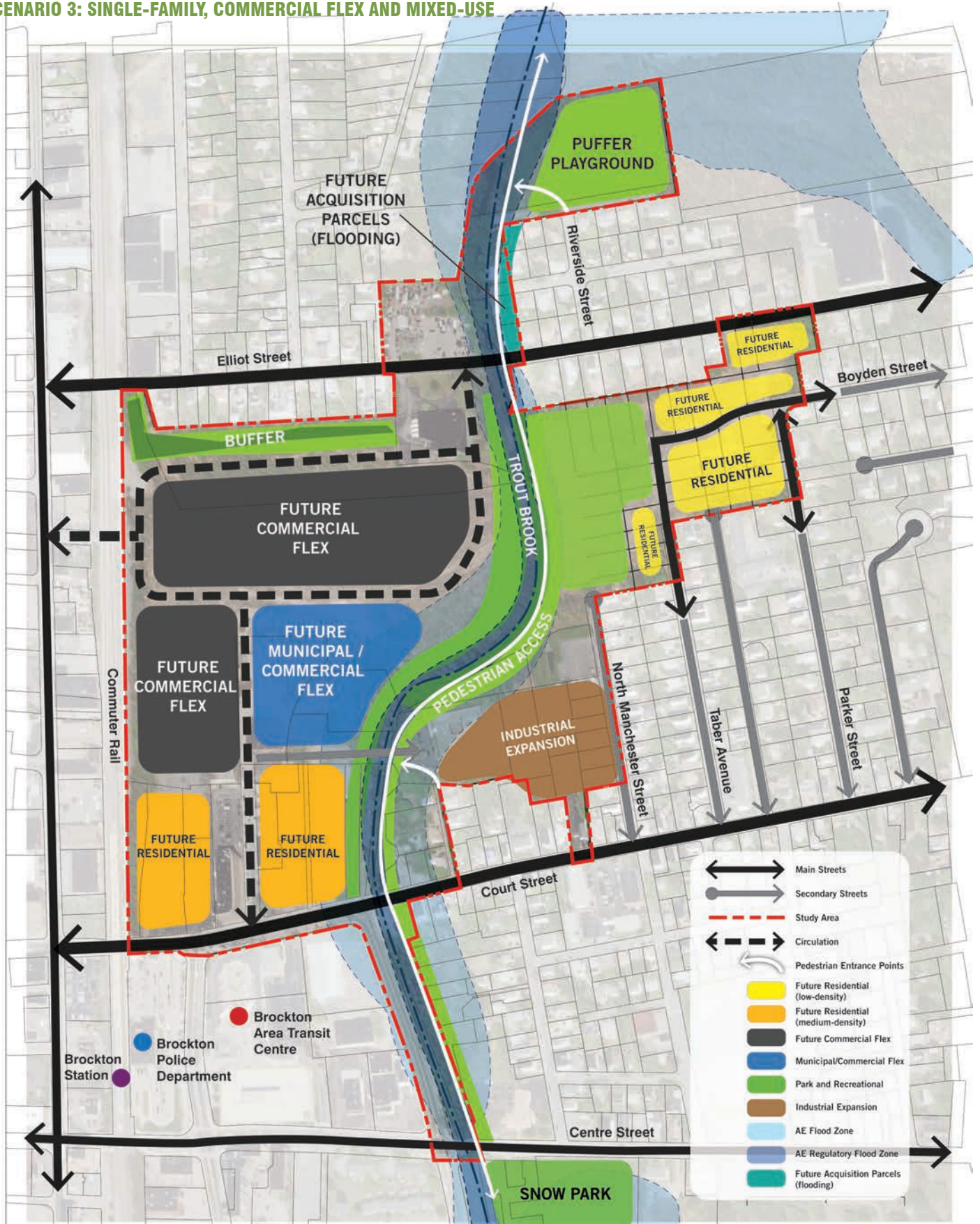
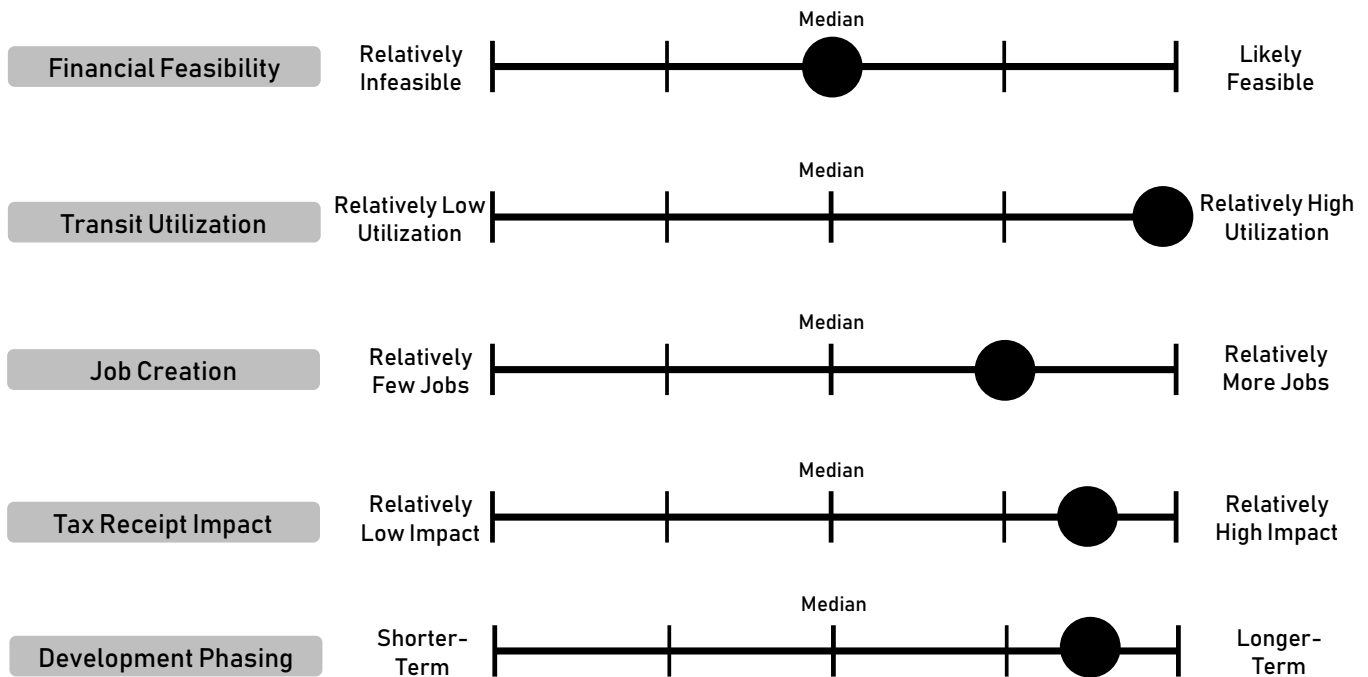


Figure 9: Bubble Diagram of Scenario 3



Figure 10: Illustrative Plan of Scenario 3

SCENARIO 1: MULTIFAMILY/COMMERCIAL FLEX



SCENARIO 2A: TOWNHOUSES/COMMERCIAL FLEX AND MIXED-USE

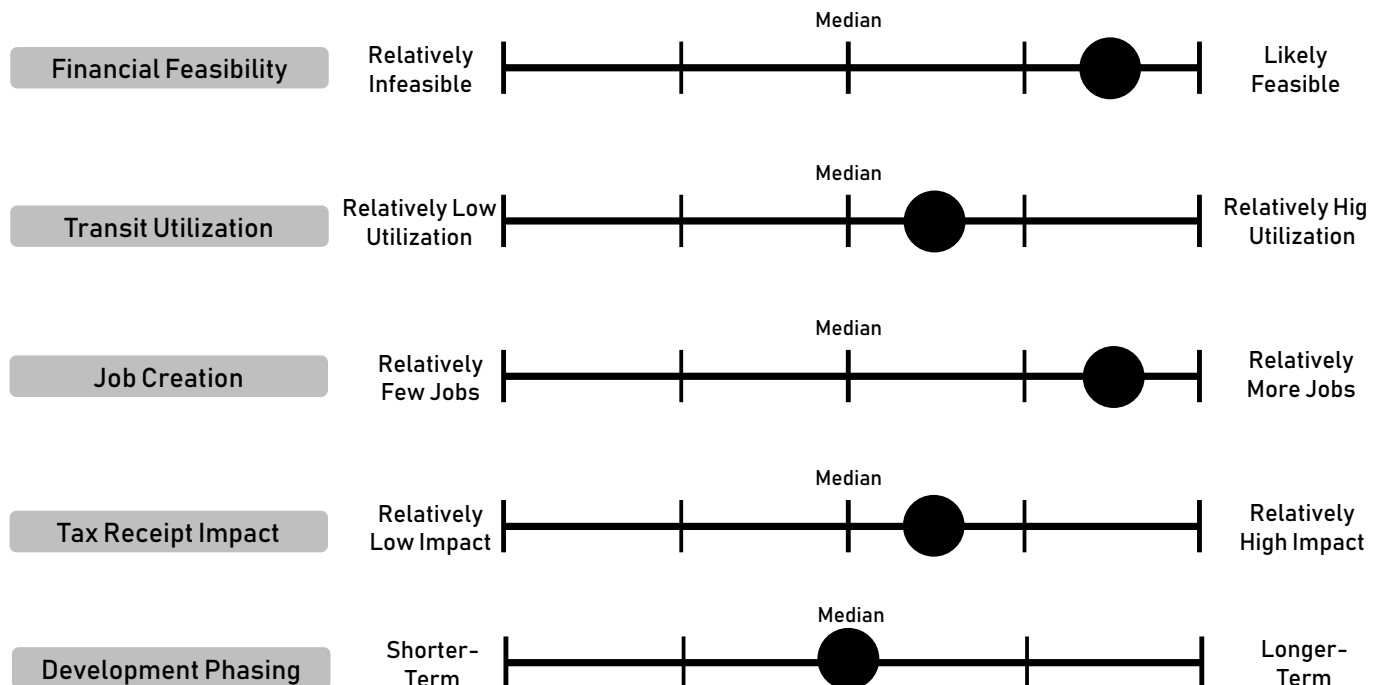
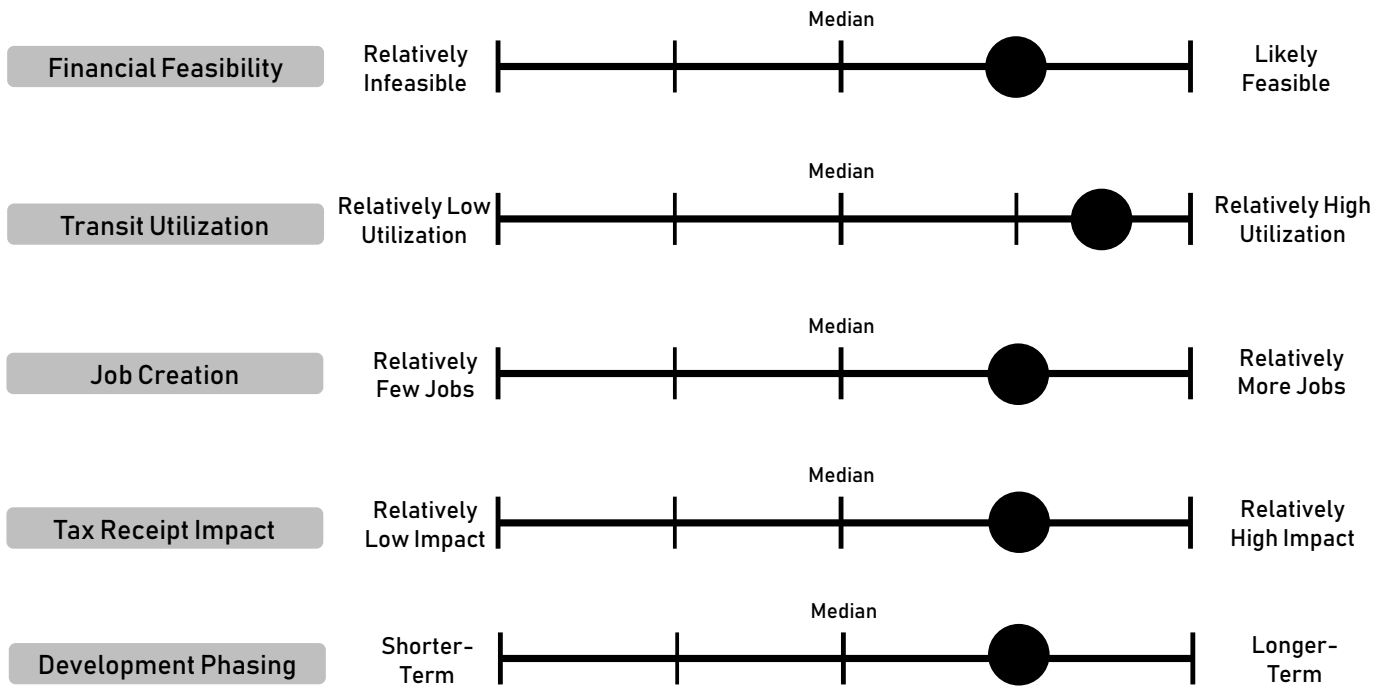
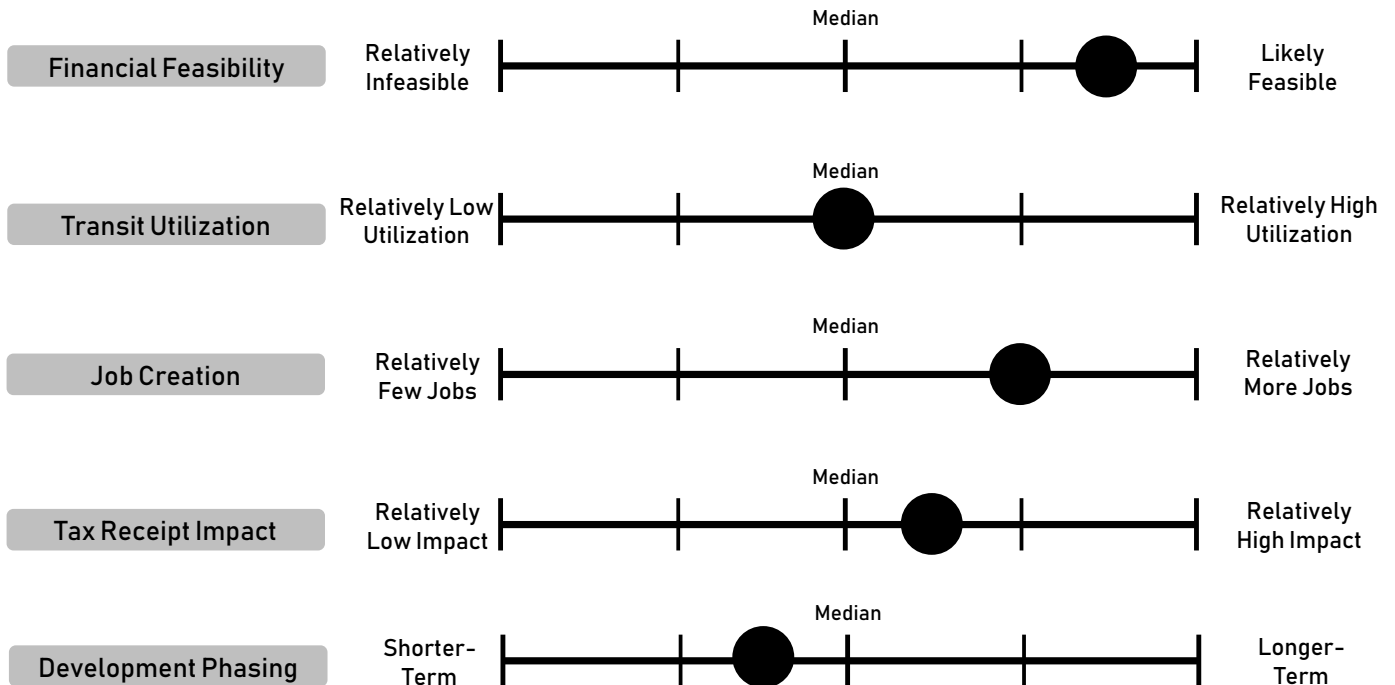


Figure 11: Comparison of Metrics Across All Scenarios

SCENARIO 2B: TOWNHOUSES/COMMERCIAL FLEX AND MIXED-USE



SCENARIO 3: SINGLE-FAMILY, COMMERCIAL FLEX AND MIXED-USE



- Brockton’s multi-family residential market is showing momentum – but the depth of demand remains unknown.
- Industrial rents are strongest near highways. Demand further away is unclear.
- The City’s ability to assemble parcels is key to maximizing its potential.
- In Brockton, it’s often difficult to achieve project returns that would attract developers/investors to any development type.

Each scenario was presented as a bubble diagram showing the approximate land uses; an illustrative plan providing more detail about potential parcelization (division of larger parcels into smaller ones), road layouts, and general building footprints; a basic pro forma that provided information about the impacts of each mix of uses, and a sliding scale that allowed a visual comparison of each scenario on five different measures. In addition, examples of the proposed development types were provided for reference.

MARKET IMPLICATIONS FOR SCENARIOS

While the three development scenarios each have their own strengths and weaknesses from a community-building standpoint, a financial analysis was performed to examine the feasibility of each in light of local market conditions. In general, Brockton’s current real estate market makes any new ground-up development – an increasingly expensive undertaking – difficult and dependent upon creative financing assistance. However, different uses on the site would likely be built by different developers, and would therefore face different financial conditions. Downtown Brockton’s relative unknowns – the depth of demand for market rate, multi-family residential and commercial/flex space – create a situation where those uses may rely more heavily on development subsidies compared to single-family homes or townhouses.

The three development scenarios were analyzed through the lens of the completed Market Study report (included in this document as Appendix B). Sample development pro formas were created to examine the feasibility and likelihood of each scenario given a set of market assumptions. In most cases, this involved identifying a “financing gap,” or investment

shortfall that would need to be closed through the inclusion of incentives, grants, or other forms of assistance. Key assumptions involved forecasted rents and sale prices, construction costs, and the rate of absorption. This last assumption proved especially influential, as the level of new development activity in Downtown Brockton in recent years meant that the depth of the city’s market for certain uses remained somewhat unknown. All development feasibility analyses examined a project’s ability to reach an overall project return of between 8 and 12 percent, typically the minimum that would attract outside developer or investor interest.

Industrial/commercial flex space is perhaps the use type which has been least tested in Downtown Brockton’s marketplace. Traditional light industrial, distribution, and warehousing operations tend to place high value on highway accessibility and truck access, two amenities that the study area lacks compared to other locations within the city. Even in a strong market, these are relatively low value activities on a rent or cost per square foot basis – thus their rarity in most urban downtown locations. Without easy highway access and with low bridges limiting truck access to the site, achievable rents are forecasted at the low end of the market for new industrial/commercial flex space at \$8 to \$10 per square foot per year. This is compared to industrial lease rates of \$15 per square foot per year on Brockton’s west side near Route 24. Even while building out basic industrial/commercial flex spaces is a relatively inexpensive undertaking, low projected rents mean that a developer would likely face a financial gap of \$1 million to \$2 million if building out the envisioned 185,000 square feet. Building spaces that are truly flexible, both in terms of size and use (light industrial, office, contractor bays, or even retail) can help the owner appeal to different types of users as market needs change over time.

Downtown Brockton and the surrounding neighborhoods have more examples of recent residential development to serve as points of comparison and help establish price point ranges. As included in the three development scenarios, the market feasibility analysis examined three different types of residential construction: multi-family apartments, ownership Townhouses, and single-family homes. The desired (or most likely) development scenario may include a combination of these typologies. Recent multi-family construction in Downtown Brockton, while heavily reliant on tax incentives and other subsidies, has reportedly seen strong demand, with

100 percent occupancy and rents ranging from \$1,350 to \$1,900 per month. Conversations with local brokers indicated that development of up to 100 market rate multi-family apartments would have no trouble leasing at these rents. The question remains whether the market has the depth to support additional units beyond the first 100. A well-planned phasing strategy can allow for the site to accommodate more or fewer apartments over time, depending upon demonstrated demand. That said, gap financing will still be necessary as high construction costs, roughly equal to Boston's, make development difficult when the rent differential between market rate and affordable apartments is minimal. The apartment-heavy program in Scenario 1 may have a financing gap of between \$6 and \$9 million; with fewer units, as included in Scenarios 2 and 3, the gap may shrink to \$2 to \$4 million, but with roughly the same potential project return on investment.

Townhouses and single-family homes may be more immediately feasible for a number of reasons, although these lower density product types run the risk of not maximizing the sites proximity to the commuter rail station. Ownership units have a more established market in Brockton than new multi-family apartments and may achieve a higher financial return for developers as there are no ongoing operating costs with these types of for-sale units. Both Townhouses and single-family homes have seen relatively strong sales in the Brockton area in recent months, although with limited activity in immediate vicinity of the study area. Conversations with brokers suggested conservative estimates for sale prices could reach \$230,000 to \$245,000 for Townhouses, and \$295,000 to \$320,000 for single-family homes. Even using conservative sale prices, sample pro formas suggest that new construction could achieve project returns of 8 to 12 percent, and stronger returns with higher prices, which would likely attract investment if the appropriate infrastructure were in place.

Infrastructure investments, including necessary brownfield remediation, site work, roadways, and utility extensions will be critical to making the study area attractive to developers and reducing overall development costs. The financial scenarios examined do not include any costs for these infrastructure investments, nor for the acquisition of the underlying land. This approach sought to answer the question: even with heavy assistance and land assemblage done by the City,

would development be feasible for developers? This analysis shows that apartments and commercial/flex space on the site would likely require further subsidy beyond infrastructure and land costs, and that ownership residential units may be more feasible as a short-term option for parts of the study area. Future analysis will be needed to determine the impacts upon feasibility if developers were to bear some or all of the infrastructure and/or land costs associated with development. These investments would likely be rolled out over a multi-phased, long-term process.

PUBLIC INPUT

Among those who attended the Open House and filled out the comment cards, Scenario 3 was the preferred choice. Of the 17 cards that were returned, eight people identified this scenario as their preferred choice and another three said they would support that scenario. Many respondents expressed concerns about density, others were concerned about traffic, and some stated a preference for market-rate housing and/or ownership over rentals. A few noted that townhouses were not a good option for Brockton as the prices were unfavorable compared to new single-family homes. A minority did prefer a higher density of housing with a mix of uses.

Attendees at the Open House were asked to rate the importance to them of several components of the scenarios. The components were as follows:

- Mix of market rate and affordable housing options
- Multifamily housing
- Pedestrian path connecting Puffer Playground and Snow Park
- Commercial Flex uses
- Mixed-use along Court Street
- Landscape treatments for stormwater/flood storage
- Clean-up of Trout Brook

Fourteen people rated Landscape treatments for stormwater/flood storage and thirteen people rated Clean-up of Trout Brook and Pedestrian path connecting Puffer Playground and Snow Park as Very Important. Ten people rated Commercial Flex uses as Very Important. Nine people rated Multifamily

housing as Not Important, which is consistent with the preferences noted above. General comments include a preference for a police station in the Study Area and having a mix of businesses. Some people were excited by the greenway; one person was not. One person wanted the opportunity for current residents who abutted the Study Area to buy additional land to expand their property.

PREFERRED PLAN

After the Open House, the scenarios were revisited to develop a single preferred plan (Figure 13). This preferred plan combines several land uses to transition the area from the density of the downtown to the lower density of the neighborhood.

PLAN OBJECTIVES

The objectives of this plan are as follows:

- Develop a major underutilized site that is adjacent to the Downtown, within walking distance of multimodal public transit, and currently separate existing neighborhoods from the Downtown
- Mitigate existing environmental contamination to the level appropriate for the type of development
- Add a mix of commercial flex uses and residential uses to this area to support jobs and market-rate housing, strengthening the existing neighborhoods and increasing the ability to revitalize the Downtown
- Create a multi-use path (Figure 12) that connects Puffer Playground to Snow Park along the eastern edge of Trout Brook to provide an amenity for a neighborhood that does not have access to public open space
- Expand open space along the regulatory floodway to provide stormwater management and flood storage capacity for an area that regularly floods
- Remove invasive species from the 25-foot buffer along Trout Brook

The BRA intends to acquire the appropriate land, seek funding sources to close financing gaps, and work with one or more developers to achieve the objectives of this plan. This plan will be developed into an urban renewal plan under Massachusetts

General Laws 121B and 760 CMR 12.00, as amended in May 2018, to achieve these objectives.

PROPOSED LAND USES

Along the rail tracks, commercial flex will add additional space for businesses and jobs to support the overall economy of the City and the specific economy of the downtown by providing demand for food, goods, and services.

Multifamily development along Court Street provides residential units within easy walking distance of commuter rail and bus services. The demand for goods and services from the residents of these units will also help support further revitalization of the businesses along Main Street. Active ground floor uses, such as a café or small convenience store could support the needs of both residents and commuters.

In this area, a site has been reserved for a potential public safety building for a new police station. This site is one of two that the City is considering. If this site is not used for a municipal purpose, it could also become commercial flex. The presence of hazardous materials, as those conditions are understood today, would prevent residential uses without additional environmental remediation of the site.

Trout Brook becomes a significant asset to this area. Removing



Figure 12: Cross-Section of Multi-use Path



Preferred Plan

- Residential Apartments: 250-300 units (3-6 years); monthly rent: \$1,350-\$1,900/month
- Single-Family Detached Houses: 31 lots; sale price: \$305,000 to \$335,000
- Commercial Flex: ~185,000 square feet; annual rent: \$8/square foot/year triple net
- Retail/Office Ground Floor: 14,150 SF

Figure 13: Preferred Plan

trans and invasive plants will help restore the function of the brook. To the west of Trout Brook, this plan identifies flood storage areas to help mitigate existing and anticipated flood conditions. The east side of the Brook would become a shared pathway for pedestrians and bicyclists. This pathway would connect Puffer Playground to the north of the CSX site and Snow Park to the south of the site. This pathway becomes a significant amenity for several neighborhoods in the area.

To the east of the pathway, the preferred plan includes a local playground, connected to the multi-use path, an single-family development that knits the existing neighborhood together by extending streets now unconnected to each other. The additional connections will create more access to public transit by fostering a better pedestrian network.

PROPOSED DEVELOPMENT VOLUME

The anticipated development scenarios are shown in Figure 13. Note that under current market conditions, some of these proposed uses may require additional subsidies and/or creative financing to stimulate redevelopment. In particular, additional multifamily units will create higher risk and a longer absorption period.

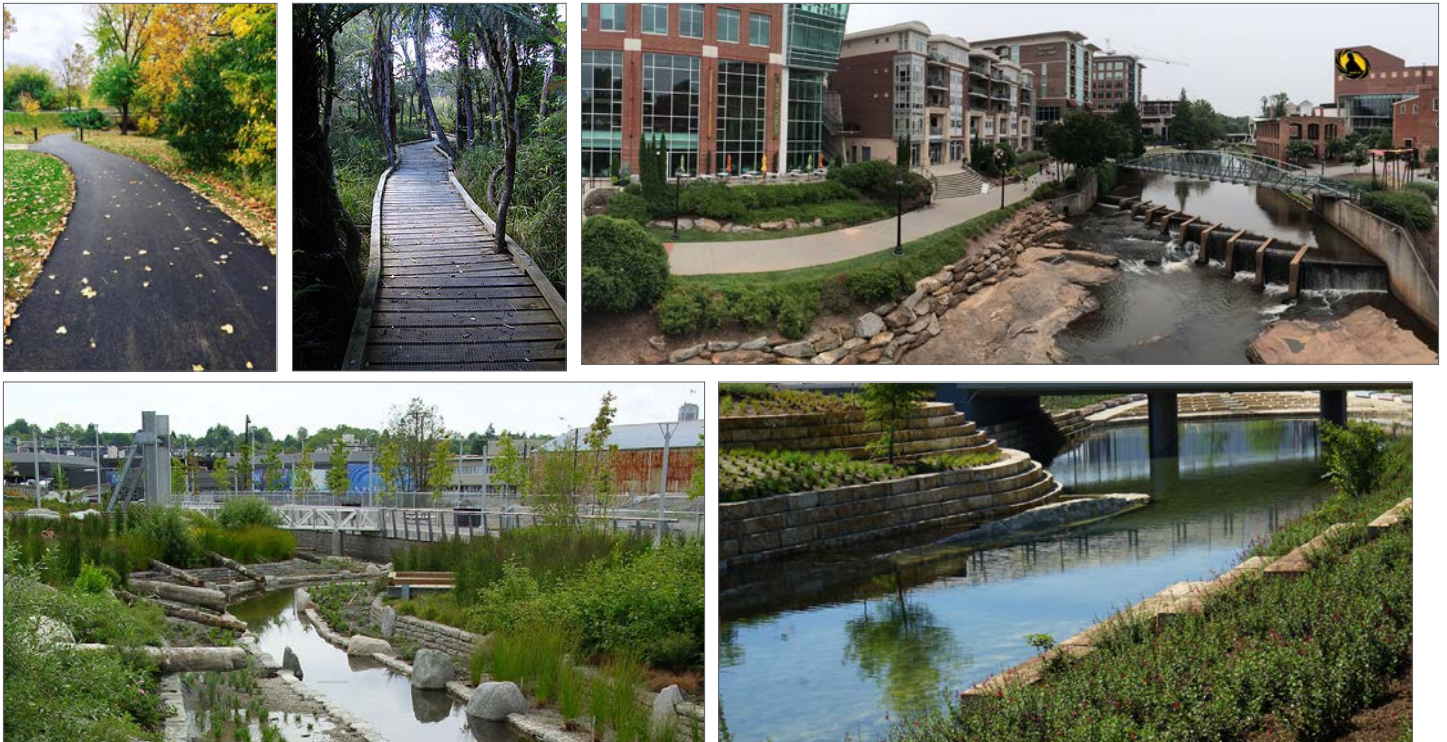
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- Commercial Flex: ~185,000 square feet; annual rent: \$8/square foot/year triple net
- Retail/Office Ground Floor: 14,150 SF

NEXT STEPS

The City should consider the following steps to take advantage of the analysis in this document.

- Transform this report into a full urban renewal plan under M.G.L. Chapter 121B and 760 CMR 12.00. The skeleton of such a plan is provided in the next section, but additional work and analysis is required to turn this document into a full plan. Specific potential acquisitions must be identified, and a more complete financial plan is required.
- Continue planning and public engagement to determine preferences for the Trout Brook Walkway. The pedestrian path connecting Puffer Playground and Snow Park along Trout Brook received positive feedback at the Open House. These illustrative plans do not show a significant level of detail; missing pieces include the pathway width, material, specific location, and appropriate street furniture, lighting, and landscaping. The walkway plan could also include planning to integrate the flood storage area envisioned adjacent to the regulatory floodway.
- Work with potential developers to gauge interest in these scenarios. The scenarios shown here represent mix-and-match possibilities for several different land uses and parcel and building configurations. The City can use this report as a tool to initiate discussions with developers, property owners, and business owners about future development in this area.
- Continue conversations with CSX about the future of the land. The City has been in contact with CSX during this process, but those conversations should continue.
- Investigate funding sources for remediation and redevelopment. Funds exist for brownfield redevelopment, park creation, flood/stormwater management, public infrastructure, and other actions envisioned by this plan. For certain development possibilities, a financing gap exists. The City should work with developers, MassDevelopment, and other organizations with access to funds to create a finance package to support future development.

Examples: Multi-use Paths



Example: Cross-Section of Conceptual Crosswalk

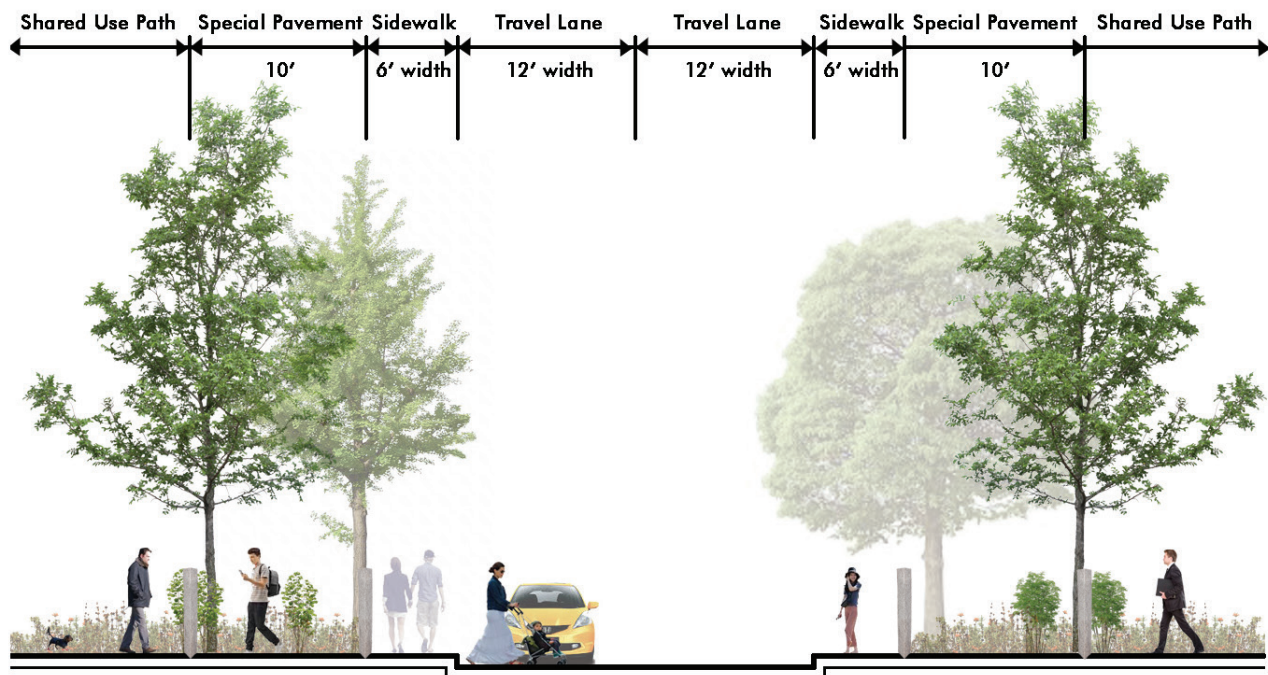


Figure 14: Examples of Pedestrian Improvements



CSX SITE MASTER PLAN STUDY APPENDIX A: EXISTING CONDITIONS JUNE 2019



**Prepared for
The City of Brockton
MassDevelopment**

**Prepared by
Harriman
RKG Associates**

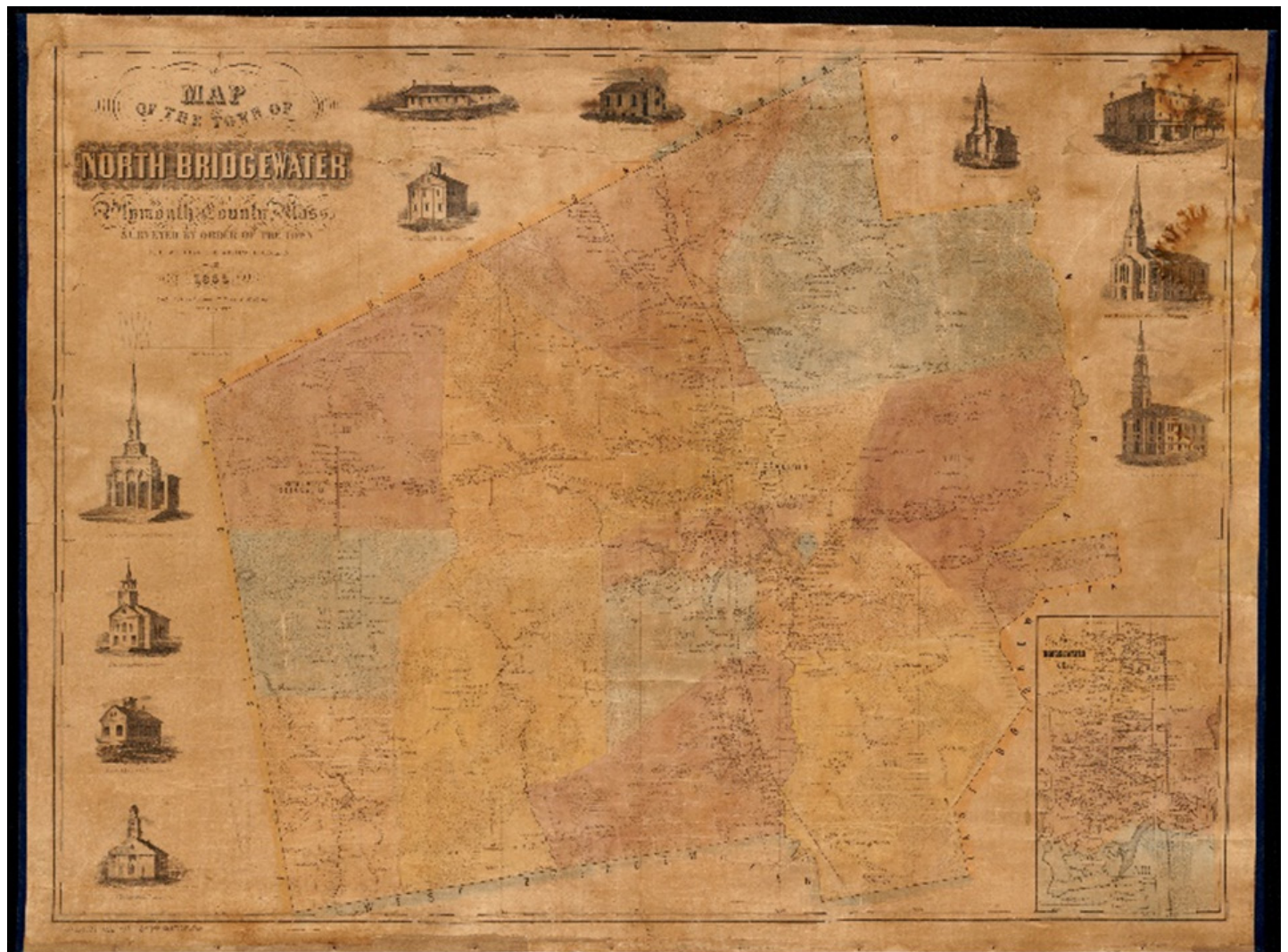


Figure A-1: 1853 North Bridgewater Map

SOURCE: NORMAN B. LEVENTHAL MAP CENTER COLLECTION

EXISTING CONDITIONS

DESCRIPTION OF THE PLAN AREA

The CSX Site is the a former railyard for freight rail, bisected by Trout Brook. This site is within Downtown Brockton, Massachusetts and is generally located between the MBTA Commuter Rail Tracks on the west and Parker Street on the east. Portions extend north from Elliot Street towards Puffer Playground and south along Plymouth Street towards Snow Park.

Table 1 provides a summary comparison of the Study Area’s parcels with respect to the City of Brockton, overall. The 66.1-acre Study Area is composed of 47 generally undeveloped parcels (Figure 16). The majority of built structures are located within the southern portion of the area.

Table A-1: CSX/Trout Brook Study Area Snapshot

	Proposed Study Area	City of Brockton	Study Area as % of City of Brockton
Total Number of Properties	47	3,015	1.6%
Total Acres (not including public road or rights-of-way)	66.1	11,428.6	0.6%
Total Valuation (\$000s)	14,063.0	6,685,792.5	0.2%

Source: City of Brockton Office of the Assessor (2016)

HISTORY OF THE AREA

Brockton, formerly North Bridgewater, was generally an agricultural community from its founding in the 17th century until the 19th century and became a center of manufacturing during the industrial revolution of the 19th century. The Fall River Railroad, seen in Figure 12 running parallel to Main Street and Montello Street, was put into operation through North Bridgewater’s town center in December 1846. The current CSX site was near North Bridgewater Village. The town and its villages had become a well-known shoe and boot

manufacturing center by the Civil War era, and the town of Brockton and its villages were assembled and incorporated as a city in 1881.

During the height of success for the manufacturing facilities and following the passage of the Massachusetts Grade Crossing Act in 1890, Brockton removed all of the city’s grade crossings. Ten masonry arches were constructed in 1896; these arches appear on the Inventory of Historic Assets of the Commonwealth. The Massachusetts Cultural Resource Information System (MACRIS) lists two structures just outside the boundary of the Study Area. The Elliot Street Bridge (BRO.930) and the Court Street Bridge (BRO.931), also known as the Old Colony Railroad Bridge and Brockton Viaduct, were constructed in 1896 and designed by architects Holbrook, Cabot, and Daly.

The CSX property was the location of the Brockton freight yard, which acted as a secondary freight rail facility for CSX. As the manufacturing base faded throughout the 1900s, infrastructure for automobiles increased, such as linkages to the interstate network with Route 24 and its interchanges. By the late 1900s, many former commercial and industrial areas were substantially underused. CSX relocated its rail yard activities near Boston to Worcester (for intermodal containers) and Westborough (for bulk/carload shipments), and the site has not been used as a rail yard since the 1980s. A warehouse facility that received freight rail service at the site also ended operations many years ago.

INVENTORY AND OWNERSHIP

The database maintained by the City’s Assessors office provides information about the ownership and valuation of land and buildings within the city. The 47 parcels within the Study Area are owned by 26 different entities (see Figure 16). The City of Brockton (eight parcels, 6.4 acres) and “Evans Daniel R Jr Trustee” (six parcels, almost 2.5 acres) own the greatest number of parcels. Consolidated Rail Corp is the largest land owner (two parcels, 31.4 acres) within the Study Area.

Table 2 contains data from the City’s Assessors Office on a parcel-by-parcel basis, including data on the age, size, ownership, and valuation of the buildings and land.

Table A-2: Ownership and Parcel Characteristics within Study Area

Parcel ID	Address	Ownership	Lot Size (Acres)	Building Size (Square Feet)	Building Year	Assessed Value (\$)	Condition
151-010	0 Centre St	City of Brockton	0.05		0	2,180	
151-009	0 Court St	City of Brockton	0.38		0	12,260	
151-030	189 Court St	Assc of Brockton Charities Inc	0.13	5,730	1910	120,730	
163-015	188 Court St	One Eighty Eight Court	0.17	2,832	1930	135,100	
163-016	0 Court St	Barnes Gwendolyn W	0.14		0	1,900	
163-017	202 Court St	Barnes Gwendolyn W	0.15		1925	215,000	
163-011	170 Court St	Club National Franco American	0.65	3,600	1983	248,060	
163-003	0 Court St	Borgatti Raoul F Jr Tr	0.64		0	134,830	
163-018	10 Peckham St	Olitsky Benjamin J	0.52		1925	202,600	
163-003R	0 Court St	Borgatti Raoul F Jr Tr	0.34		0	11,670	
163-600-671	146 Court St #206	Interstate Services Corp	0.99		2006	89,180	
163-010	27 Freight St	Kelly Michael J Trustee	0.42	6,636	1976	211,300	
163-020	22 Peckham St	Olitsky Benjamin J	0.27		1882	146,400	
163-002	132 Court St	Borgatti Raoul F Jr Tr	1.40	17,584	1957	360,000	
163-273	0 Court St	Evans Daniel R Jr Trustee	0.15		0	69,000	
163-038	18 N Manchester St	Walker Caren	0.15		1925	294,400	
163-009	35 Freight St	Briscoe Baling Corp	0.25	4,800	1976	164,900	
163-255	20 Putnam St	Parker Brian C Trustee	0.33	4,480	1967	225,200	
163-012	180 Court St	Verizon New England Inc	1.96	111,370	1980	5,067,770	
163-013	0 Court St	City of Brockton	0.19		0	6,790	
163-014	0 Court St	City of Brockton	0.33		0	3,200	
163-032	238 Court St	Fiske Grenier Inc	0.53	7,373	1920	508,000	
163-039	22 N Manchester St	Pires John	0.15		1925	291,600	
163-263	0 N Manchester St	Evans Daniel R Jr Trustee	0.13		0	1,800	
163-040	26 N Manchester St	Depina Joao B	0.14		1925	293,600	
163-254	0 Court St	Verizon New England Inc	0.93		0	207,430	
163-042	0 N Manchester St	Evans Daniel R Jr Trustee	0.14		0	68,300	
163-021	204 Court St	Haitian Assembly F God Brockton Inc	2.04	15,790	1975	576,800	
163-041R	32 N Manchester St	Evans Daniel R Jr Trustee	0.97	12,246	1930	362,600	

Parcel ID	Address	Ownership	Lot Size (Acres)	Building Size (Square Feet)	Building Year	Assessed Value (\$)	Condition
163-264	0 N Manchester St	Evans Daniel R Jr Trustee	0.31		0	4,300	
163-043	42 N Manchester St	Augustin Jaques	0.14		1925	255,900	
163-007	0 Freight St	Briscoe Baling Corp	1.20		0	41,890	
163-044R	0 N Manchester St	City Of Brockton	0.63		0	26,070	
163-006	0 Freight St	Briscoe Baling Corp	1.93	10,696	1930	294,900	
163-044	46 N Manchester St	Evans Daniel R Jr Trustee	0.76		0	108,440	
163-256	0 Freight St	Fenton Associates LLC	5.36		0	343,960	
163-193	135 Elliot St	Fenton Associates LLC	2.66	19,893	1971	565,300	
163-207	158 Elliot St	Desruisseaux Marie	0.15		1962	181,000	
163-192R	0 Elliot St	Consolidated Rail Corp	30.81		0	978,680	
163-206	0 Elliot St	City of Brockton	0.18		0	4,600	
163-214	11 Carter St	Watson Barbara Desilus	0.16		1976	139,100	
162-081	130 Elliot St	Savino Joseph W Trustee	1.73	3,920	1940	348,600	
163-216	12 Carter St	Lantimo Gerty	0.14		1964	166,900	

Parcel ID	Address	Ownership	Lot Size (Acres)	Building Size (Square Feet)	Building Year	Assessed Value (\$)	Condition
163-223	3 Teele St	Diliddo Joseph	0.09		1972	154,800	
163-215	0 Carter St	City of Brockton	0.54		0	7,600	
163-224	0 Teele St	City of Brockton	4.12		0	392,940	
163-001	0 Court St	Consolidated Rail Corp	0.57		0	15,400	

Source: City of Brockton Office of the Assessor (2016)

EASEMENTS

Public rights-of-way (Figure 15) provide access to the Study Area from Elliot Street in the north, Parker Street and Boyden Street in the eastern portion of the area, and from Plymouth Street and several dead-end streets off of Court Street in the southern portion. The western boundary of the Study Area is a railroad right-of-way. Several easements for passageways, sewer, gas, and Trout Brook are found throughout Study Area.

PUBLIC TRANSPORTATION

The City of Brockton has three commuter rail stations on the Middleborough/Lakeville Line: Brockton, Campello, and Montello. The Brockton station is closest to the Study Area; the platform is approximately a quarter-mile from the center

of the site. Brockton is Zone 4; a monthly pass costs \$263 and a one-way ticket is \$8.25. Parking is managed by the Brockton Area Transit Authority (BAT) and \$4 per day.

On weekdays, the commuter rail has 12 inbound trips to South Station per day, beginning at 5:41 am and ending at 9:46 pm. A one-way trip is approximately 35 minutes. The last train from South Station leaves at 11:04 pm. On weekends, there are eight inbound trips, beginning at 7:11 am and ending at 9:44 pm. The final trip from South Station is 11:11 pm. A one-way trip is approximately 23 minutes.

BAT also provides bus service in this area. The BAT Intermodal Transportation Centre, which includes commuter parking, is adjacent to the Brockton station and therefore within reasonable walking distance of most of the Study Area.

Residents and employees within the Study Area have access to all the BAT routes, including those to Boston (Ashmont Station), Stoughton, and Rockland. BAT also offers DIAL-A-BAT and ADA Door to Door services to help elderly and disabled customers. Fares for local buses are \$1.50 per ride, with for full fare, students, and reduced fare for the elderly and disabled. BAT buses also accept the CharlieCard.

VEHICULAR TRANSPORTATION

The Study Area is generally bordered by Elliot Street to the north, North Cary Street to the east, Court Street to the south and the rail tracks to the west. Two streets (Moody and Boyden) connect the interior of the site to North Cary Street. Eight streets (Freight Street, Putnam Street, Peckham Avenue, North Manchester Street, Taber Avenue, William Avenue, Parker Street, and Gardner Avenue) connect the interior of the site to Court Street. Plymouth Street connects the southern portion of the site to Court Street. The majority of these streets serve residential neighborhoods; Freight Street, Putnam Street, Peckham Avenue, North Manchester Street also serve industrial and commercial uses.

Route 28/Montello Street runs to the west of the rail tracks and is the closest major road to the site. Route 123/Centre Street runs parallel to the Study Area about a block to the south. Vehicular access to the BAT Intermodal Transportation Centre and the commuter rail station is available from either Route 123/Centre Street or Court Street. Route 28 is a north-south connection, linking Cape Cod to the New Hampshire border. Route 123 is an east-west connection, linking Rhode Island to Scituate. Both routes provide access to truck traffic. The Study area is approximately 2.25 miles from the interchange with Highway 24, which connects to I-93 in just under eight miles.

Truck circulation is limited by the height of the historic bridges at Court and Elliot Streets.

AIR TRANSPORT

Brockton no longer has an active airport. Logan International Airport is approximately 25 miles away. T.F. Green Airport in Rhode Island is approximately 53 miles from Brockton.

The closest regional airport is Norwood Memorial Airport, approximately 18 miles away.

FREIGHT

CSX runs one train per day during the week at off-peak hours (so as not to conflict with commuter rail operations). No current freight operations take place within the Study Area.

EXISTING USES

The redevelopment area has a variety of land uses, as identified by the City's geographic information system (GIS) layers: residential, commercial, forest, industrial, open land, and water (see Figure 17).

Residential uses are found within the southern portion of the redevelopment area. Multi-family residential buildings are found on Court Street. Additional residential buildings are found adjacent to the southeastern portion of the study area, and along Elliot Street, Carter Street, and Teele Street.

A small amount of commercial use is found within the Study Area on North Manchester Street, and adjacent to the Study Area on Court Street.

A significant portion of the largest parcel within the Study Area is identified as being forested land. However, CSX Transportation worked with the City to clear the forested land during the summer of 2016. The City's GIS data does not reflect this land use change.

Industrial uses are found along Freight Street, North Manchester Street, and Court Street within the southern portion of the Study Area, and two parcels along Elliot Street. A few additional industrial uses are found adjacent to the Study Area along Elliot Street, Court Street, and Plymouth Street.

The City's GIS data indicates open land is found along the northern portion of the Study Area and a small portion at the end of North Manchester Street. The location on North Manchester Street is a parking lot serving the neighboring industrial use. The forested land within the Consolidated Rail Corp parcel adjacent to the Elliot Street parcel with open land

could be recategorized as open land following the vegetation clearance in 2016.

The current land uses within the Study Area include undeveloped land; however, there is no designated open space for active or passive recreation within the Study Area; however, the Study Area near two parks, Puffer Playground to the north and Snow Park to the south.

CURRENT ZONING

The zoning districts in this redevelopment area are Single-family Residential, Multi-family Residential, and General Industrial. The location of these three districts is depicted in Figure 18. Table 3 and Table 4 describe the dimensional standards and the permitted uses, respectively.

Brockton’s zoning ordinance includes three single-family zoning districts. The associated dimensional standards provide for relatively low densities and a development pattern typically associated with suburban communities.

The multi-family residential zones include categories for two-family and three-family housing, and for greater densities.

The four industrial zoning districts correspond to increasing intensity of uses and potential impacts. The I-2 zone within the Study Area allows a wide-variety of commercial uses including light manufacturing and heavier manufacturing, distribution, contractor yards and other uses.

Table A-3: Dimensional Standards within the CSX Study Area

	R-1C	R-3	I-2
Principal Building Height	2½ stories or 35 feet	3 stories or 45 feet*	5 stories or 60 feet
Minimum lot size (square feet)	30,000 single family	7,500 single family 10,000 two-family 12,000 for first three units in multifamily and then 2,000 for each additional unit over 3	None
Minimum lot frontage (feet)	175	100	None
Front/Side/Rear Yard Minimum (feet)	30/15/30	20/10/25 One, two and three family; 35/20/50 Multi-family	20/none, except abutting Residential Zones, then 10 feet/ none, except abutting Residential Zones, then 35 feet
Maximum lot coverage	25%	30% One, two and three family; 25% Multi-family	75%
Off-street parking	1 space per housing unit	2 spaces per housing unit	Specified by use; manufacturing, industrial and general commercial uses not otherwise specified 1 space for each 5 employees in the maximum working shift
Minimum Green Space	25%	25%	5%

Table A-4: Permitted Uses and Special Uses within the CSX Study Area

R-1C	R-3	I-2
Permitted Uses		
<p>Single-family detached dwellings; Public, private and business schools, parochial schools, libraries and public museums; Churches and similar places of worship, parish houses, convents and cemeteries; Public parks and playgrounds; Family day care homes</p>	<p>R-1C uses; Two- and three-family dwellings; Multi-family</p>	<p>Wholesale business, storage and warehousing; New vehicles sales and service; Woodworking, furniture repair and custom upholster, metal working, painting contracting, electrical contracting, plumbing contracting, dye casting and manufacturing; Wholesale bakeries, dairy processing plants, bottling plants; Boat sales; Manufacturing of awnings, venetian blinds and shades; Truck terminals; Large scale laundry, dry cleaning and dyeing plant; Business service shop; Offices; Banks or lending institutions; Parking lot or parking garage; Radio and television broadcasting stations, studios and offices; Testing or research laboratory; Printing or engraving; Public utility services and structures; Governmental or public service uses; Light manufacturing; Manufacture of food products; manufacture, assembly, packing or treatment of articles or merchandise from previously prepared materials, except fertilizers; Distribution plants, parcel delivery and similar service industries; Glass and textile manufacturers; Lumber and building material sales and storage yards; Contractors equipment, sales and service; Tool, die and pattern making and other machine shop operations; Bulk storage of petroleum and similar fluids; Boat building; Railroad yards or terminal facilities; Alternative energy or renewal energy research and development facilities; Alternative energy or renewal energy manufacturing facilities; Alternative energy or renewal energy generation, except for biomass</p>
Permitted Special Uses		
<p>Municipal buildings; Public utility installations; Philanthropic and eleemosynary uses or institutions; Private and nonsectarian licensed day nursery, nursery school and kindergarten; Kennels; Pay telephones; Family day care home; Mobile home elderly community</p>	<p>R-1C special uses; Hospitals and nursing homes; Family day care home; Large family day care home</p>	<p>Restaurants to serve the employees of the principal uses in the area; Retail sales of goods manufactured or processed on the premises; Uses accessory to, and necessary in connection with, scientific development or related production when such principal use is permitted as of right; Pay telephones; Retail store or shop; Gasoline stations; Any extractive industry involving removal of natural resources</p>

OTHER REGULATORY REQUIREMENTS

DOWNTOWN IMPROVEMENT FINANCING DISTRICT (DIF)

The City established the Downtown Brockton DIF (Figure 19) in 2015 to promote redevelopment in the downtown. Funds from improvement to properties within the DIF support public investment in the downtown to improve the streetscape, provide off-street parking, and enhance services to the area.

FLOODPLAIN DISTRICT

The Floodplain District includes all special flood hazard areas designated by FEMA as Zone A or AE (Figure 20). The Environmental Conditions section, below, shows Trout Brook and the land along side are designated as FEMA Zone AE. The permitted uses within the Floodplain, Watershed and Wetlands Protection Zone include conservation of water, plants and wildlife; outdoor recreation not requiring development or landscape alteration in conflict with the purposes of the zone; and using land in the district to meet up to 60% of the lot area requirements for uses allowed in the underlying zone.

In addition to complying with the Floodplain, Watershed and Wetlands Protection Zone, all development must comply with Chapter 131, Section 40 of the Massachusetts General Laws; sections of the Massachusetts State Building Code (780 CMR) which address floodplain and coastal high hazard areas; Wetlands Protection Regulations, Department of Environmental Protection (DEP); Inland Wetlands Restriction, DEP; and Minimum Requirements for the Subsurface Disposal of Sanitary Sewage, DEP.

WETLANDS AND FLOOD ZONES

The Study Area is bisected by Trout Brook (see Figure 20). Both the water body and the area on either side of it are within the Federal Emergency Management Agency (FEMA) AE flood zone, which carries an 1% probability of flooding every year.

In addition, Trout Brook is considered a regulatory floodway in the Flood Insurance Rate Map (FIRM) of Plymouth County.

CSX preserved a 25-foot boundary along Trout Brook that supports vegetation and wildlife. The cleared but disturbed land on the CSX site supports additional wildlife species, including song birds and small mammals.

ACTIVITY AND USE LIMITATIONS

MassDEP identifies a proposed Activity and Use Limitation (AUL) at the former Brockton Freight Yard (part of the CSX site). MassDEP also identifies a Phase IV Remedy Implementation Plan (RIP) at 45 Freight Street (the Brockton Iron Works). (See Figure 21)

For the former Brockton Freight Yard (Release Tracking Number 4-20771), the proposed AUL is divided into two areas, AUL 1 and AUL 2. AUL 1 is the historic fill area and AUL 2 is the disposal site/impact area). The uses allowed in AUL 1 include the following:

- Commercial and/or industrial uses
- Emergency repair and maintenance of existing utilities within utility easements
- Construction /excavation work managed through the use of a Health and Safety Plan
- Gardening of agricultural crops for human consumption in raised beds with imported clean soil

In AUL 2, the uses allowed include the following:

- Residential uses
- Uses that include exposure by children to the soil either in high-frequency or high-intensity situations such as playgrounds, day care, schools, parks, etc.
- Other private, public, commercial, industrial, or construction activities not permitted in AUL 1.

The proposed AUL includes additional conditions and requirements for both the uses above and proposed changes in uses that should be considered during redevelopment.

The Phase IV RIP at 45 Freight Street (Release Tracking

Number 4-22881 covers Brockton Iron & Steel, a scrap metal facility. Soil conditions include the presence of heavy metals and other environmental contaminants. The Phase IV RIP outlines the remediation actions required; once those are complete, an AUL will be registered that identifies the allowable uses.

PRIVATE WELLS

Table 5 provides a list of private wells within or abutting the Study Area from the Well Driller Portal managed by the Massachusetts Executive Office of Energy & Environmental Affairs (EEA). Additional wells sites may be present; not all were identified by address.

Table A-5: Private Wells

Well Number	Address	Type	Depth (in feet)
			Total/Depth to Bedrock/to Water Level
2843	120 Court Street	Monitoring	13/0/6
133034	146 Court Street	Monitoring	12/0/4
146976	146 Court Street	Geoconstruction	0/0/9
289624	180 Court Street	Monitoring	15/0/8
289748	180 Court Street	Monitoring	15/0/8
290960	170 Court Street	?	205/72/0
109839	135 Elliot Street	Monitoring	14/0/0
250467	1 Freight Street	Monitoring	22/0/10
290812	Moody Street	Domestic	32/13/8
290811	Moody Street	Domestic	42/13/10
289736	99 North Cary Street	Irrigation	200/30/8
290202	Parker Street	?	15.67/0/0
290738	Taber Avenue	Domestic	160/25/20
290736	Taber Avenue	Domestic	320/16/20
290832	Taber Avenue	Domestic	100/29/14
290816	Williams Avenue	Domestic	220/48/14

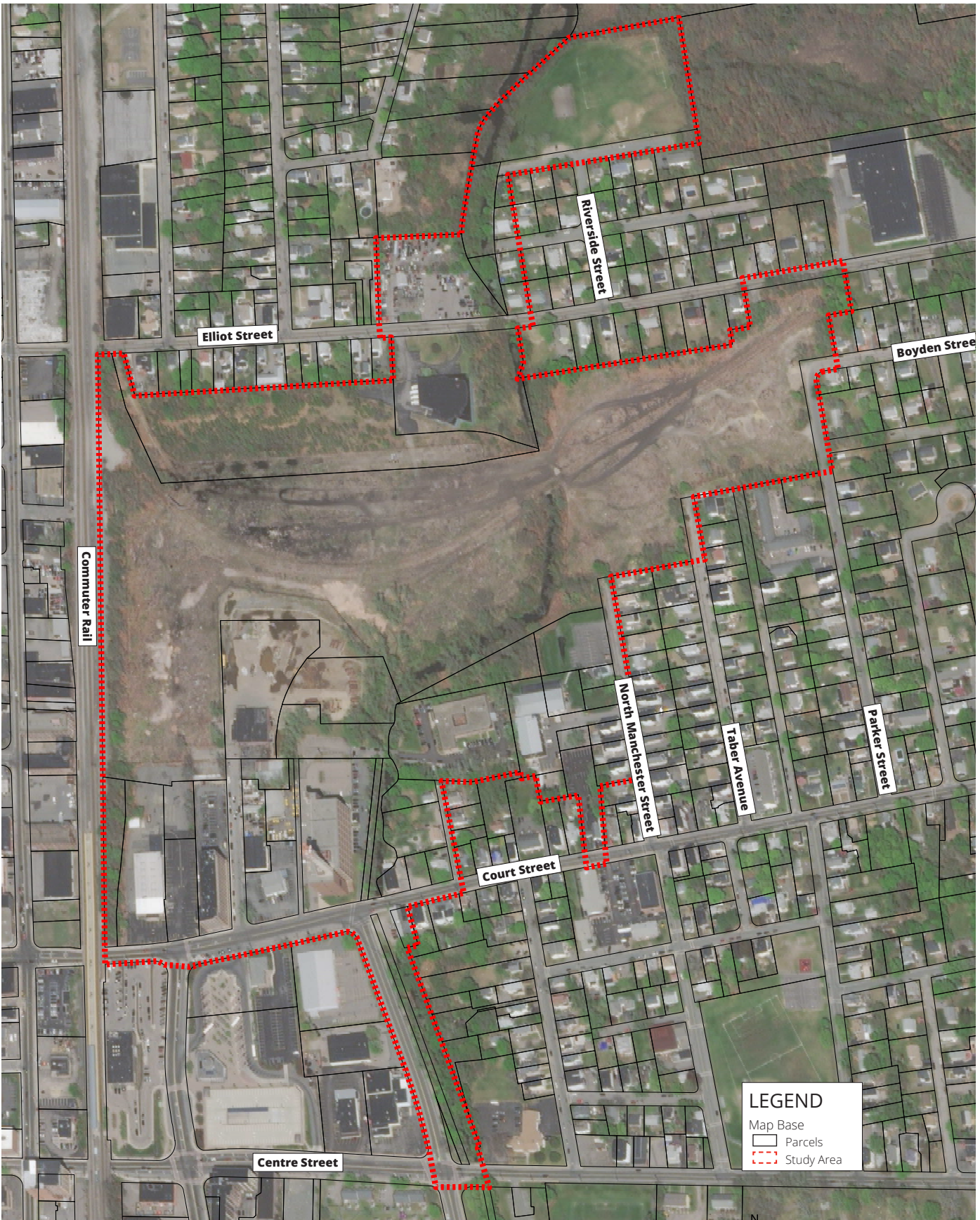


Figure A- 2: Study Area



Figure A-3: Property Lines and the Footprint of Buildings

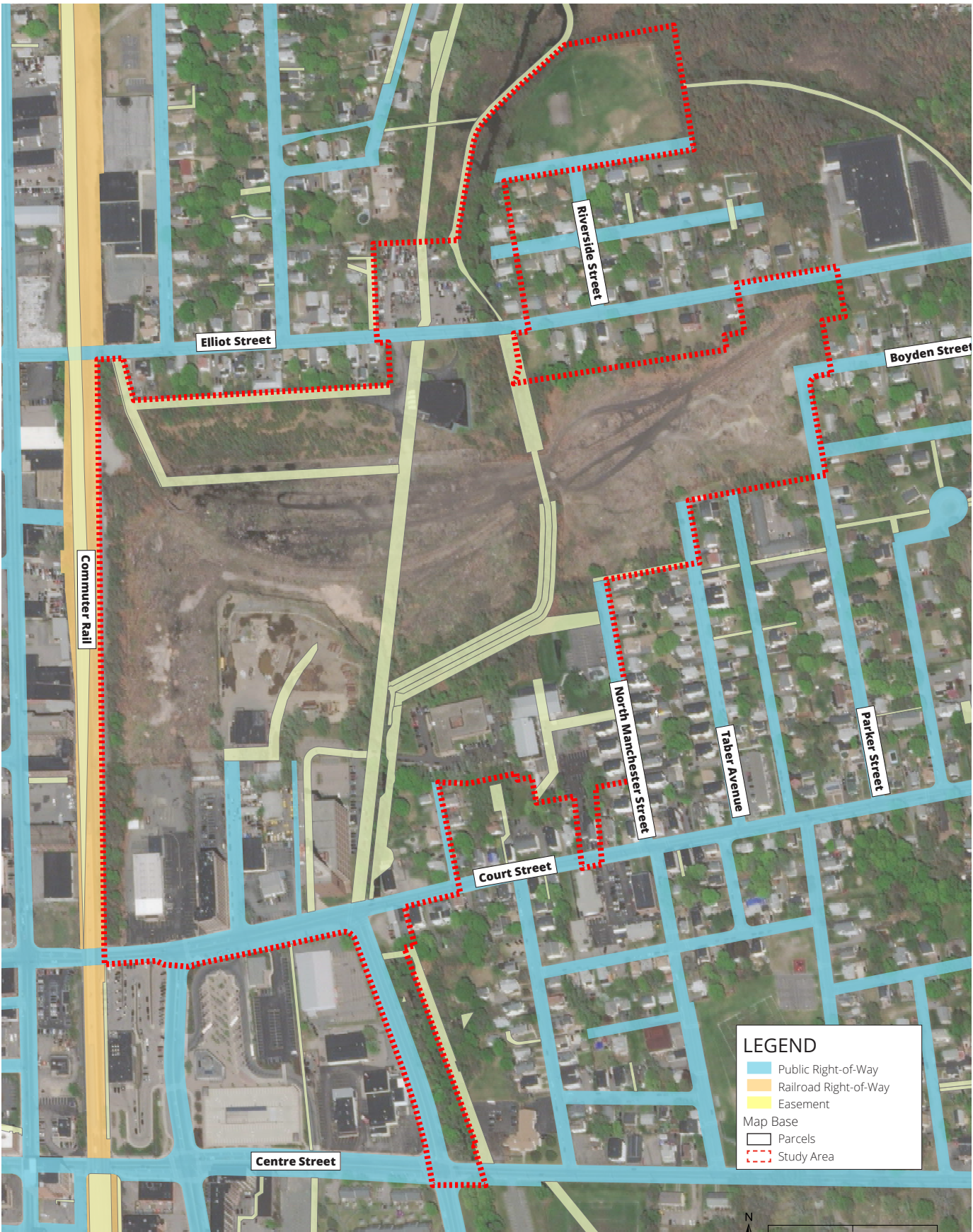


Figure A-4: Thoroughfares, Public Rights-of-Way, and Easements

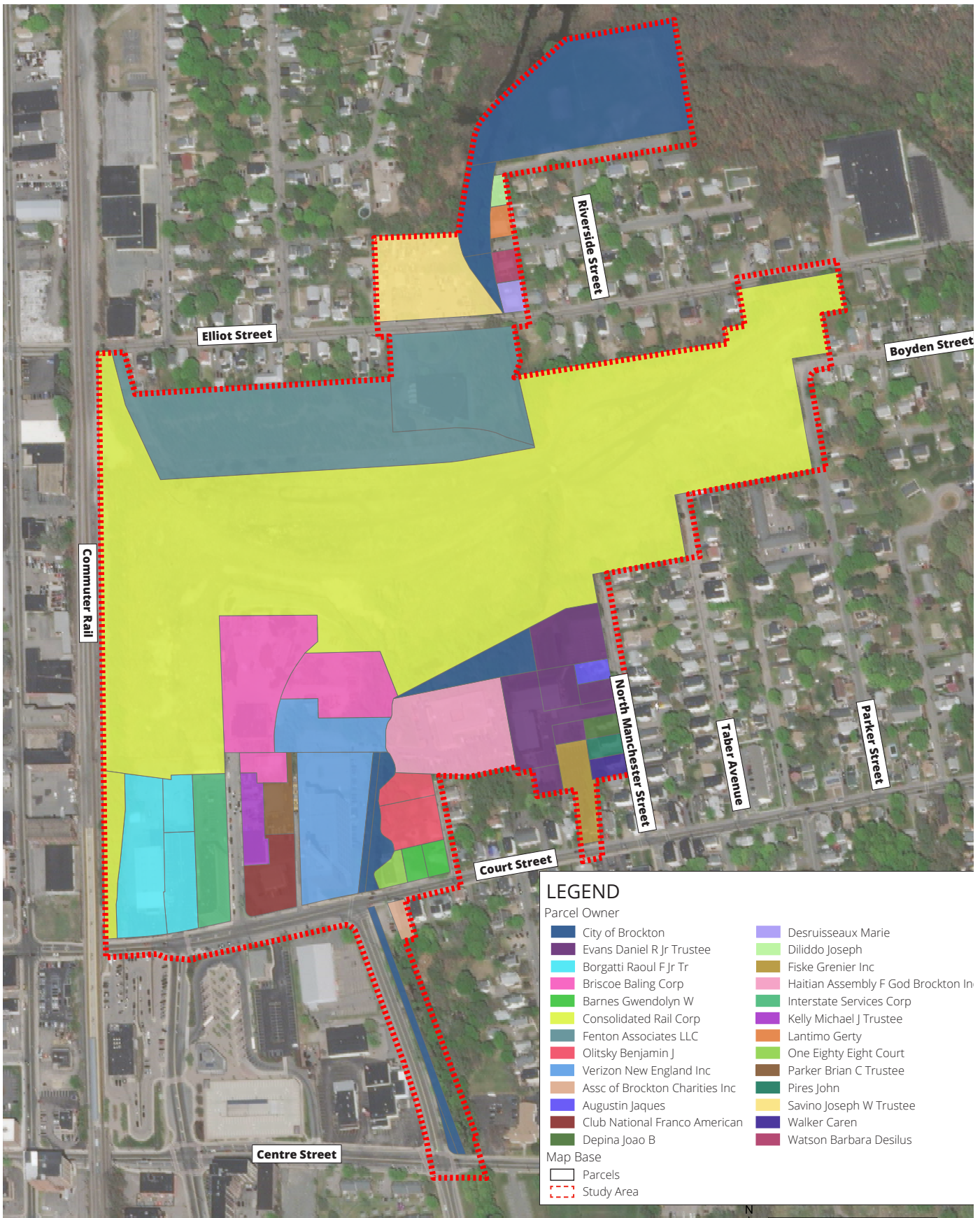


Figure A-5: Parcel Ownership within CSX Study Area

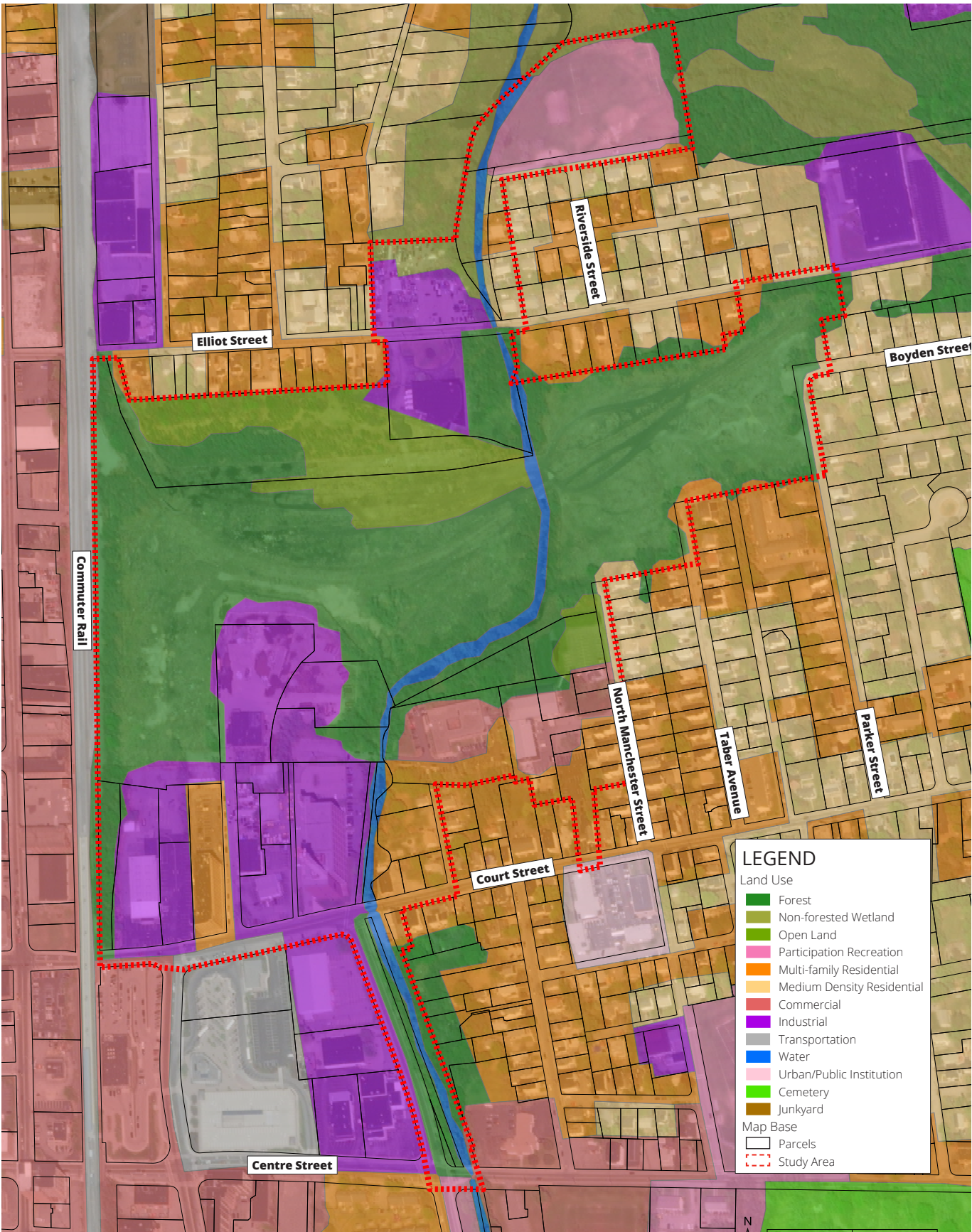


Figure A-6: Existing Land Uses

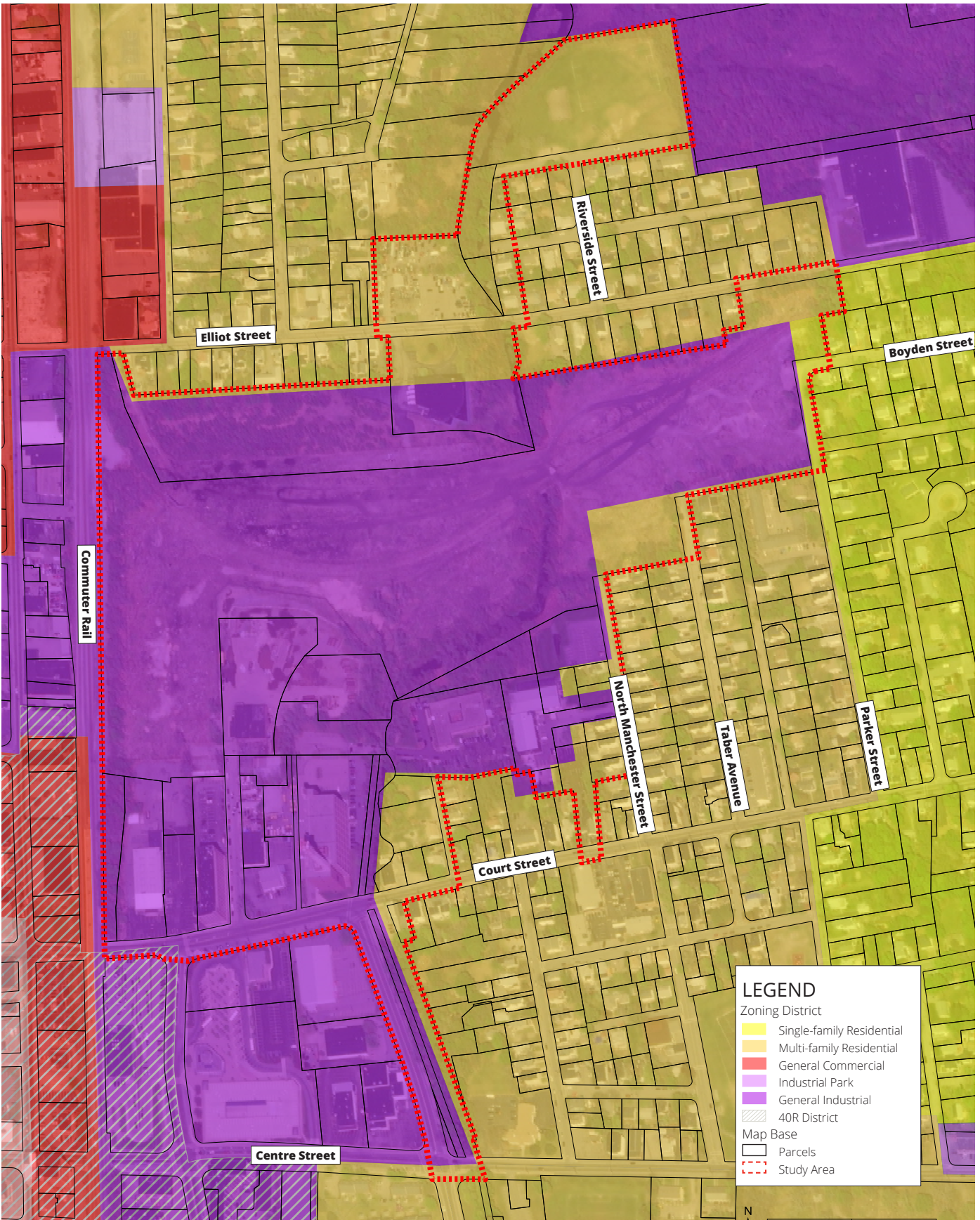


Figure A-7: Current Zoning

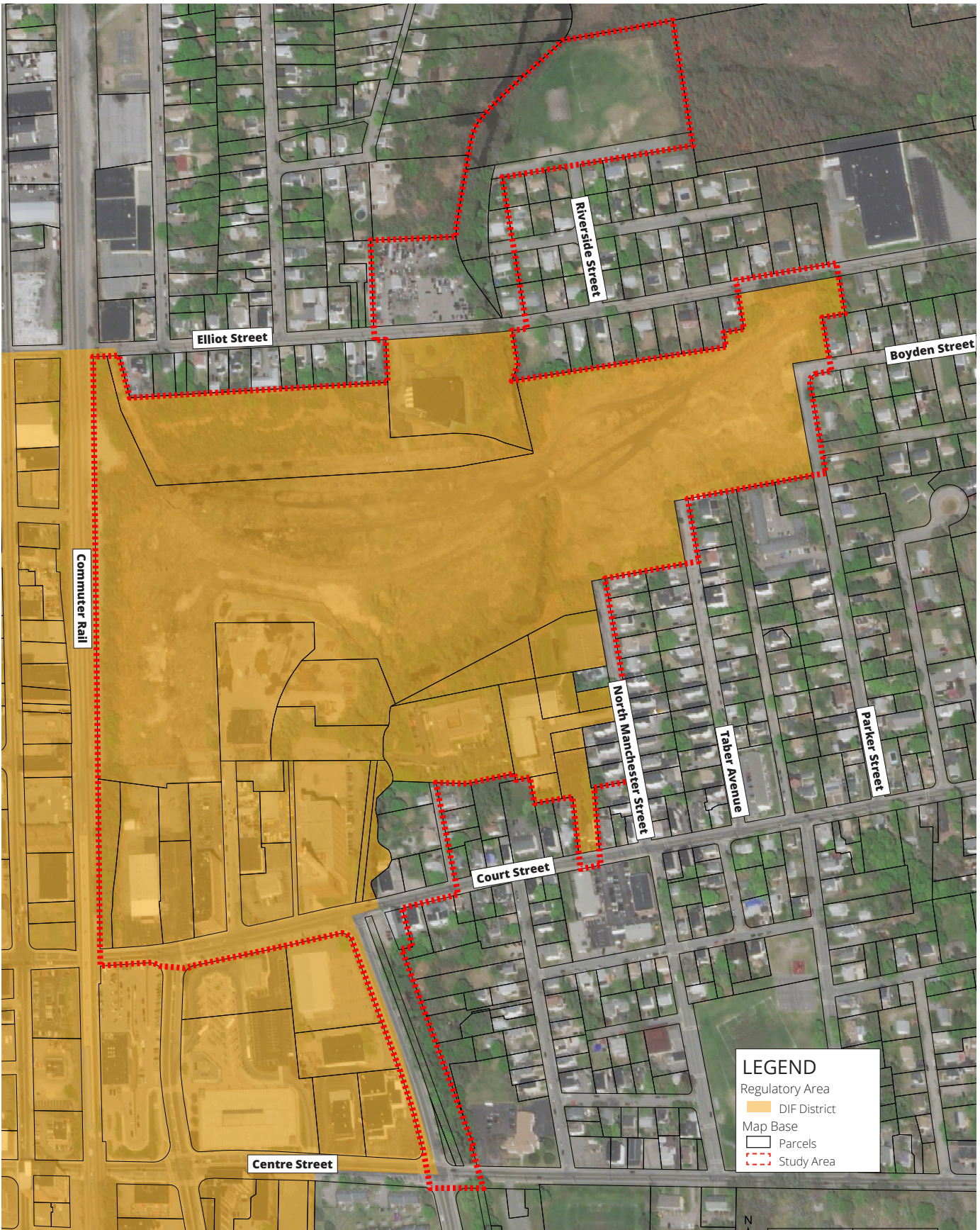


Figure A-8: DIF District



Figure A-9: FEMA Flood Zones



Figure A-10: Environmental Conditions



CSX SITE MASTER PLAN STUDY APPENDIX B: MARKET ANALYSIS JUNE 2019



SOURCE: GOOGLE EARTH

**Prepared for
The City of Brockton
MassDevelopment**

**Prepared by
Harriman
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BROCKTON CSX MASTER PLANNING STUDY


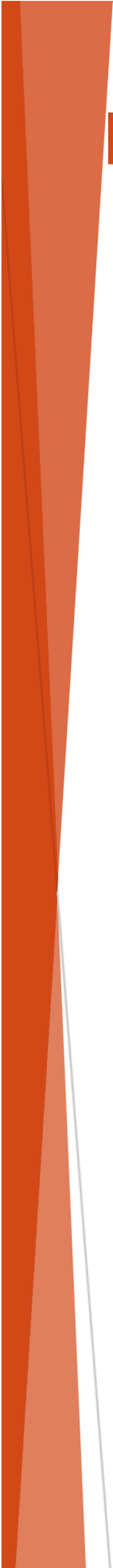
Existing Conditions and Market Analysis

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RKG is headquartered in Alexandria, VA, and has offices in Boston, Atlanta, Dallas, and Durham, NH.

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EXECUTIVE SUMMARY

RKG Associates was retained Harriman, in partnership with the City of Brockton, and MassDevelopment, to complete an economic analysis of the “CSX Site” and 35 adjacent parcels (together, the “Study Area”).

This first deliverable consists of an analysis of existing demographic and economic conditions for Brockton, and the market conditions for a variety of uses in the city and specifically in its downtown. It includes an analysis of broad demographic and economic trends, a review of real estate development trends in Brockton, and summaries of the potential markets for industrial, residential, and commercial uses on the site.

KEY FINDINGS

Brockton is reported to be a challenging market for ground-up development of almost any type due to the area’s below-median incomes and real and perceived quality of life issues. These factors are reported to be especially pronounced in the immediate area around the study site.

The area has seen several high-profile multi-family residential projects take root in recent years, led by firms that have relied heavily upon creative financing mechanisms. While absorption of units in these apartment buildings has been extremely quick and new buildings are reported to be 100 percent occupied, prevailing market rents are likely still too low to attract most for-profit developers. Asking market rents are in many cases very close to income-restricted affordability thresholds, making it difficult for investors to reach required profit margins despite strong demand for low- and middle-income downtown units.

The Brockton office and industrial markets have seen very little development activity in the last two decades, with few Class A spaces to offer benchmarks for achievable rents. With reported vacancies around 27 percent, Downtown Brockton’s highest-end office spaces have asking rents between \$16 and \$18 per square foot. The city’s industrial businesses are almost exclusively small-scale operations involved in “legacy manufacturing,” storage, warehousing and distribution. The study area, as discussed in a previous report, has numerous road-related encumbrances that would likely preclude it from any distribution-intensive industrial activity.

While there may be some value for a limited quantity of retail or restaurant frontage along Court Street, other downtown development projects have struggled to lease new space. State employment projections suggest Brockton will not be immune from a shrinking number of jobs in retail.

Brockton’s strength as regional center for health care has led to over 13,700 local jobs, making it the city’s largest employment sector. That number rose significantly from 2010 to 2016 and is projected by the State to expand further in the decade to come. An expanded medical field, dealing with occupations from patient care to family assistance professionals, will likely increase demand for offices within short distances of the city’s two major hospitals. These healthcare jobs can play a role in

growing the city's working-age population, which has mostly stagnated when compared to a rapidly growing elderly population. Leveraging Downtown Brockton's lower cost of living, train connectivity, and availability of space will be key to attracting working professionals that may find the study area's location attractive.

INTRODUCTION & PURPOSE

RKG Associates was retained by the lead consultant, Harriman, to complete a series of economic analyses related to the “Brockton CSX Study.” The work will be delivered in three parts. This first deliverable, a Market Analysis, will assess the potential for different uses on the subject property given the city of Brockton’s economic and demographic profiles. It includes a review of recent development activity in Brockton, as well as prevailing asking rents and prices for real estate. A second deliverable will provide a more in-depth financial feasibility analysis for three potential development alternatives, and the project’s final economic deliverable will provide an action plan and recommendations for the site’s best and most feasible uses.

SITE & LOCATION CHARACTERISTICS

On a November 2018 visit to Brockton, the RKG team visited the study area and surveyed the City’s downtown to document business composition, vacancy, and conditions. The following site description is based upon our own observations as well as materials provided by the City.

The study site consists of a number of privately-owned parcels across 30-plus acres immediately adjacent to Downtown Brockton and its MBTA Commuter Rail station. It is roughly bounded by the MBTA Commuter Rail line to the west, Elliot Street to the north, Court Street to the south, and a staircase-shaped property line to the east. The study area’s easternmost point is roughly even with Parker Street.

The study area represents a critical opportunity for economic development within Brockton. The CSX-owned parcel that anchors the site is one of the largest undeveloped swathes of land in any large downtown in Massachusetts. Its position directly adjacent to a busy commuter rail station adds to its importance, especially in light of the state’s renewed focus on transit-oriented development. The site’s proximity to Brockton’s tight downtown grid presents challenges for trucking, especially with low-height crossings at the MBTA rail overpass.

While this market study examines the potential for all major types of land use, the site’s potential is defined in many ways by the low-density residential neighborhoods that line its north and east edges, and part of its southern edge. The site has an industrial legacy, as a former rail yard, and light industrial uses still comprise much of its southwestern corner, nearest to the MBTA station. Separate from the vacant, sprawling CSX-owned parcel, the study area is home to several commercial parcels with disparate ownership and an array of active business operations. For the purposes of this study, the site’s access to all major utilities, including water, sewer, electric, natural gas, and telecommunications infrastructure does not preclude it from any specific land use.

The study site is in the General Industrial (I-2) zoning district. The zoning supports a diversity of uses, either by right or by special permit.¹ The I-2 zoning allows, by right, for the development of offices, storage and warehouses, business service shops, and an array of manufacturing uses. Restaurants and retail uses are allowed by special permit. No residential uses are currently permitted, neither by right nor by special permit.

REGIONAL CONTEXT

Brockton is the largest city in Plymouth County, and shares the county seat with Plymouth. It is the center and economic focal point of both the eight-municipality “Brockton NECTA” (New England City and Town Area) and the ten-municipality “Brockton Workforce Development Area” as defined by Massachusetts’ Executive Office of Labor and Workforce Development (EOLWD). These designations suggest that while very much a part of the Metro Boston macroeconomy, Brockton and its neighbors in many ways function as their own independent economic ecosystem. The Brockton Workforce Development Area (WDA) is home to over 96,000 jobs and nearly 8,000 business establishments.² Employment in the WDA grew by 8 percent from 2010 to 2017, led by growth in the Construction, Health Care, and Transportation/Warehousing sectors.

Today, the area’s jobs are highly diverse, with Health Care & Social Assistance (21 percent), Retail (14 percent) and Educational Services (10 percent) representing the largest sectors. Manufacturing jobs account for 6 percent of all jobs in the WDA.

Figure 1: Brockton & the Brockton NECTA



¹ City of Brockton, The Revised Ordinances of The City of Brockton – Appendix C Article IV Permitted Uses

² Massachusetts Executive Office of Labor and Workforce Development, ES-202 Report 2017

SOCIODEMOGRAPHICS

POPULATION

In 2016, the population of Brockton was estimated to be 94,813 people, a 1.0 percent increase since the 2010 Census. This growth rate was less than half of that of any other municipality within the Brockton NECTA.³ The region itself saw its population grow by a modest 2.3 percent, less than the state growth rate of 3.0 percent over that period. Projections from the University of Massachusetts' Donahue Institute estimate that the city's slow growth will continue at rates substantially below the state's.⁴ Where the state's population is projected to grow by 2.3 percent from 2015 to 2020 and a further 2.2 percent from 2020 to 2025, Brockton may grow by just 1.3 percent and 0.9 percent over the same periods.

Table 1: Brockton Projected Population Growth by Age Cohort

	2010 to 2015	2015 to 2020	2020 to 2025
20 to 59-year-olds	1.5%	-3.1%	-2.9%
Over 70-year-olds	6.6%	10.3%	9.0%

Sources: UMass Donahue Institute Population Estimates Program; RKG Associates

Much of the future population growth both in Brockton and in the region is expected to occur in the 70 and older cohort, with Brockton's over-70 population projected to grow by 10-plus percent from 2015 to 2020 and a further 9 percent from 2020 to 2025. Brockton's working-age population, roughly defined as from ages 20 to 59, is projected to shrink over the same periods.

The nationwide phenomenon of ageing suburban populations means that more urban areas like Brockton are somewhat isolated from the most severe effects of the trend. While Brockton's recent demographic changes are significant and will require planning to address, the city's population has aged slower than the more suburban-oriented NECTA that surrounds it. Brockton's relatively diverse housing stock, which includes many market affordable units and ample rental opportunities, may be a factor in drawing and maintaining a more age-diverse population than wealthier nearby suburbs.

³ The Brockton NECTA is comprised of: Easton, Avon, Bridgewater, Brockton, East Bridgewater, Hanson, West Bridgewater, and Whitman.

⁴ UMass Donahue Institute Population Estimates Program

Table 2: Population Growth, 2010 to 2016

	Brockton		NECTA	
	2016	2010-2016 % Change	2016	2010-2016 % Change
Total Population	94,813	+ 1.0%	196,950	+ 2.3%
14 years and under	20,387	+ 2.0%	37,354	- 1.9%
15 to 19 years	6,434	- 11.9%	15,546	- 6.8%
20 to 29 years	12,798	- 1.5%	27,086	+ 6.4%
30 to 49 years	24,605	- 7.0%	50,516	- 8.3%
50 to 69 years	22,114	+ 12.5%	48,298	+ 13.1%
70 years and over	8,475	+ 13.5%	18,150	+ 24.8%

Sources: US Census Bureau American Community Survey, 2012-2016 5-Year Estimates; RKG Associates

Brockton is also an outlier within its NECTA and Plymouth County in terms of its racial and ethnic makeup. Where no other municipality in the Brockton NECTA has a minority population share of greater than 26 percent, Brockton is a majority-minority community; just 40 percent of its population is white. The city is experiencing rapid demographic change, with a shrinking white population and an increasingly black one. Hispanic/Latino residents make up roughly 10 percent of Brockton's population, representing a 2.4 percent rise from 2010 to 2016.

Table 3: Population Growth by Race, 2010 to 2016

	Brockton			NECTA		
	2016 % Share	2016 Population	2010-2016 % Change	2016 % Share	2016 Population	2010-2016 % Change
Total Population	100%	94,813	+ 1.0%	100%	196,950	+ 2.3%
White	40%	37,501	- 14.5%	65%	128,153	- 4.7%
Black	39%	37,449	+ 18.2%	21%	41,565	+ 21.5%
Asian	2%	1,673	- 20.7%	2%	3,351	+ 10.3%
Latino/Hispanic	10%	9,610	+ 2.4%	6%	12,733	+ 3.9%
Mixed-Race & All Other	9%	8,580	+ 25.3%	6%	11,148	- 4.7%

Sources: US Census Bureau American Community Survey, 2012-2016 5-Year Estimates; RKG Associates

HOUSING & HOUSEHOLDS

Brockton and the surrounding NECTA saw a decrease in the number of households from 2010 to 2016. This is an anomaly versus the Greater Boston region and the US as a whole. Demographic changes across the country have tended to result in a rapidly growing number of households, typically outpacing population growth. This is due in large part to citizens choosing to live in smaller households, often delaying “household formation” by marrying and/or having children later in life, or remaining single. In Brockton, however, the number of households decreased by 1,790 from 2010 to 2016, a drop of 5.3 percent. Losses were seen among almost every type of household: family and non-family households, married and non-married couples, single-resident households and non-family “roommate” households.

While in many cases this development is surely the simple result of households leaving Brockton for other communities, the city’s net gain in population from 2010 to 2016 indicates that many residents are reorganizing themselves into larger and fewer households. This may especially be the case among non-family, multi-resident households, or those of unrelated roommates. As many Brockton citizens have continued to struggle with economic hardship, households may be taking on additional roommates or moving in with relatives to save on housing costs.

An extremely limited amount of new housing development may be compounding this phenomenon, as an ageing housing stock has reduced options for residents of all types that wish to stay in Brockton. Between 2010 and 2016 the city lost a staggering 4.6 percent of its total housing units, which now number less than 35,000. Vacancy remained high, growing from 7.3 percent in 2010 to 8.0 percent in 2016, suggesting that many units are in disrepair and in dire need of investment to make them habitable. The recent losses of housing units were seen across building typologies. According to the US Census Bureau, Brockton lost 1,035 single-family detached homes from 2010 to 2016, and 1,005 units in structures with between 10 and 49 units. Despite some new units in high-profile downtown multi-family developments like the Station Lofts and 50 Centre Street, the city had 1,691 fewer units in 2016 than it did in 2010. The vast majority of losses were sustained in owner-occupied housing; large new downtown projects actually helped the renter-occupied housing stock to grow by 5.3 percent. These made up most of Brockton’s estimated 205 new housing units created between 2010 and 2016.

Despite an increasing number of renters, Brockton’s housing stock remained majority owner-occupied (54.1 percent of all occupied units) in 2016. Even as the city functions as a low-cost rental community for many of the area’s most economically vulnerable, affordable homeownership remains an attractive option for low- and middle-incomes that cannot afford to buy closer to Boston. While likely not yet captured in data from the US Census Bureau, recent news reports have highlighted African-American households that have been priced out of traditionally black neighborhoods in urban Boston, like

Roxbury and Dorchester, and subsequently relocated to Brockton.⁵ At least some of these were homeowners in Boston, who despite being unable to face mounting property taxes, now have cash to invest after selling their property. The displacement of residents from one of the country's urban economic engines is a severely worrying development – but could represent a market opportunity for Brockton to attract lower-middle- and middle-class residents with lower-cost housing. According to the Massachusetts Association of Realtors, the average single-family home in Roxbury, Boston was \$680,000 in November 2018, while in Brockton the average was less than half that amount, \$297,000.⁶

Table 4: Housing Characteristics, 2010-2016						
	Brockton			NECTA		
	<i>Census 2010</i>	<i>Estimate 2016</i>	<i>'10 - '16 Growth</i>	<i>Census 2010</i>	<i>Estimate 2016</i>	<i>'10 - '16 Growth</i>
Total Housing Units	36,482	34,791	- 1.1%	70,675	69,880	- 1.1%
Occupied Units	33,781	31,991	- 5.3%	66,443	65,627	- 1.2%
Owner-Occupied Units (% of occ.)	19,836	17,311	- 12.7%	46,375	44,200	+ 6.8%
Renter-Occupied Units (% of occ.)	13,945	14,680	+ 5.3%	20,068	21,427	- 4.7%
Vacant Units	2,701	2,800	+ 3.7%	4,232	4,253	+ 0.4%
Units Built 2000 or After	1,270	1,475	+205 units	4,240	5,035	+795 units
Median HH Value	\$272,000	\$226,800	- 17%	\$341,900	\$306,600	- 10%
<i>*Average of municipal medians</i>						
<i>Sources: US Census Bureau American Community Survey, 2012-2016 5-Year Estimates; RKG Associates</i>						

⁵ Martin, Tina. *Housing Prices Displace Roxbury Residents to Brockton*. WGBH-Boston. 13 November 2018.

⁶ Ibid

Figure 2: Change in Median Home Values, 2010-2016

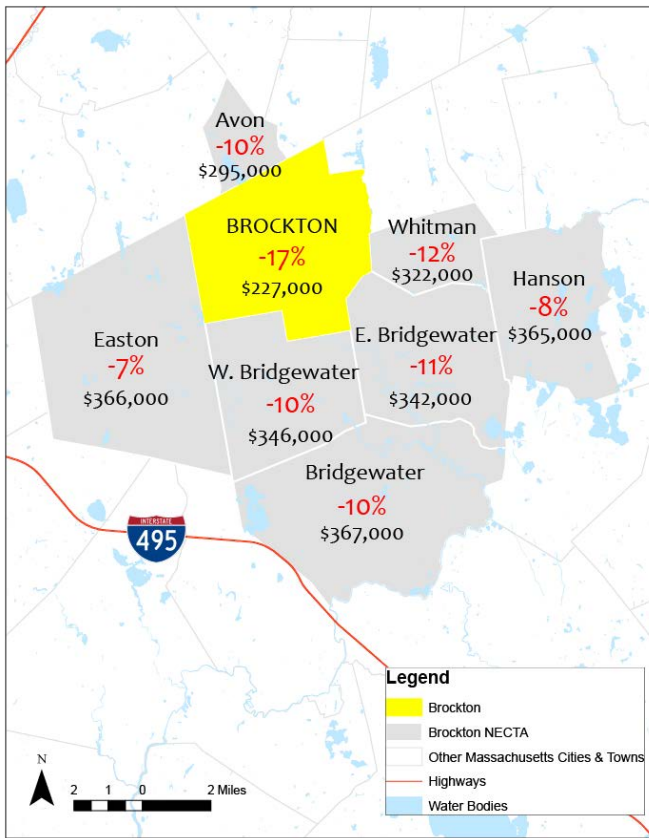
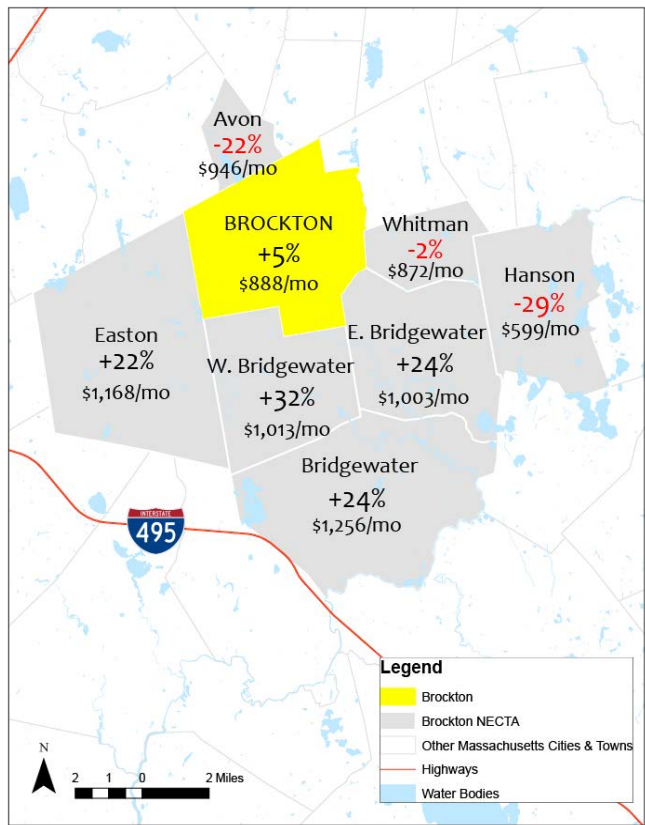


Figure 3: Change in Median Monthly Rent, 2010-2016



Just 795 new housing units were estimated to have been built between 2010 and 2016 in the Brockton NECTA, even as the area’s population added nearly 4,400 new residents and lost large swathes of older housing. Declining home values across the region offer at least a partial explanation for the low number of housing starts. The median home value in 2016 was lower than the 2010 median in every one of the NECTA’s eight municipalities. Brockton’s median home value fell from \$272,000 to \$226,800 – the NECTA’s largest drop, 16.6 percent. The loss in housing value was felt more acutely in the city’s heavily-aged, pre-war housing units, as well as in homes built in the 1980’s. Homes built after 2000 tended to lose value, but at a far lesser rate.

While Brockton’s home values tend to be lower than those in the NECTA’s other communities, rents are largely in line with those of the broader region. This is likely due to the relatively low quantity of renter-occupied housing in Brockton’s surrounding communities, and a lack of investment in those rental properties that do exist. Median contract rents rose in most of the NECTA’s communities, including Brockton, where the median rent rose from \$848 per month in 2010 to \$888 per month in 2016 (+ 4.7 percent). The city remains a highly affordable alternative to rents in Boston and nearby cities.

INCOME

Brockton’s median household income was virtually stagnant between 2010 and 2016, as few of the city’s residents saw the positive effects of Greater Boston’s booming economy. Brockton’s 0.1 percent income growth was well behind that of its neighbors (+ 5.3 percent on average), even as home values declined in the Brockton NECTA overall. This NECTA figure was well below the state’s income growth rate of 10.0 percent over that period, but highlights the economic struggles uniquely faced in Brockton, even relative to a NECTA with below-state-median incomes.

Brockton’s 2016 median household income of \$49,956 per year was significantly lower than the state median of \$70,954. 18.2 percent of Brockton residents had incomes that placed them below the federal poverty line in 2016, compared to 11.8 percent of NECTA residents. 50 percent of Brockton’s households earned less than \$50,000 in 2016, the same percentage that did so in 2010. The city’s household income composition has shifted very little in recent years, even as some neighboring municipalities saw an increasing proportion of higher-income households and a decrease in the proportion of lower-earning households.

Figure 4: Change in Median Household Income, 2010-2016

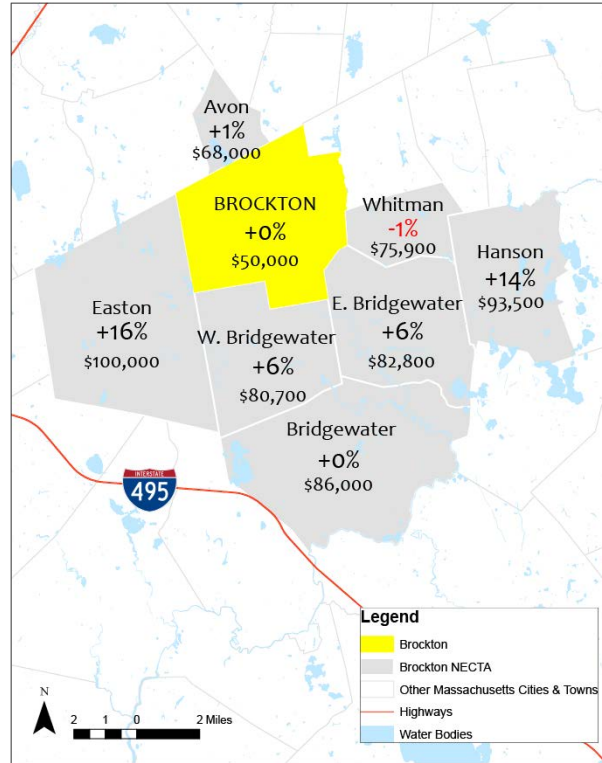
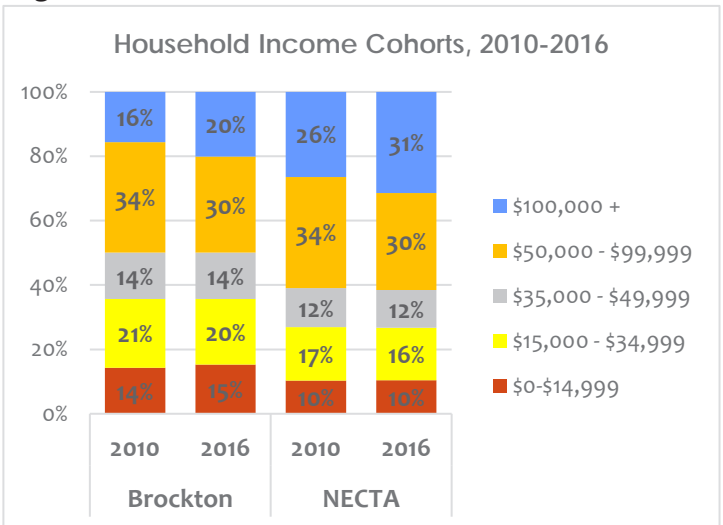


Figure 5



EDUCATIONAL ATTAINMENT

Brockton’s changes in education attainment did not keep pace with the NECTA as a whole from 2010 to 2016. The proportion of residents over the age of 25 that held at least a bachelor’s degree dropped

from 18 percent to 17 percent, while the NECTA’s share of degree holders grew faster than the overall 25-plus population growth rate.

Table 5: Educational Attainment, 2010 and 2016

	Brockton			NECTA		
	2016 % Share	2016 Population*	2010-2016 % Change	2016 % Share	2016 Population	2010-2016 % Change
Total Population	100%	61,409	+ 2.5%	100%	196,950	+ 2.3%
Less than High school	19%	11,407	- 2.2%	12%	15,729	- 0.1%
High school or GED	35%	21,649	+ 4.7%	32%	41,602	+ 1.8%
Some College/Associate Degree	29%	17,747	+ 5.3%	29%	37,574	+ 3.7%
Bachelor’s Degree	12%	7,362	- 5.8%	18%	22,977	+ 6.0%
Advanced Degree	5%	3,244	+ 11.2%	8%	10,911	+ 5.9%

*“Working age population” over age of 25

Sources: US Census Bureau American Community Survey, 2012-2016 5-Year Estimates; RKG Associates

ECONOMIC INDICATORS

The following section presents selected trends in employment, business establishments, commuting inflows and outflows, and average wages for Brockton and the broader Brockton Workforce Development Area (WDA). The Brockton WDA, while similar to the Brockton NECTA, is used here for consistency with the Massachusetts Executive Office of Labor and Workforce and Development’s employment research and projections. The WDA has the same eight cities and towns as the Brockton NECTA, plus Stoughton and Abington.

Figure 6: Brockton & the Brockton WDA



EMPLOYMENT

Despite Brockton's difficulties in growing residents' incomes, the city grew its employment base by 8.5 percent (+3,126 jobs) from 2010 to 2017, making it home to an estimated 39,939 jobs at the end of that period.⁷ Brockton's employment growth outperformed the Brockton WDA's, which saw 8.1 percent job growth. Three quarters of Brockton's employment growth was driven by hiring within the Health Care and Social Assistance sector. Already the largest local employment sector in 2010, Health Care jobs now account for 34 percent of all positions in Brockton. The next largest employment category, with just 12 percent of Brockton employees, is retail, which grew by 7 percent to reach 4,930 jobs in 2017.

Table 6: Jobs by Selected Sectors, 2010 and 2017

NAICS	Industry Sector	Brockton			WDA		
		Jobs 2010	Jobs 2017	'10 - '17 % Growth	Jobs 2010	Jobs 2017	'10 - '17 % Growth
-	All Industries	36,813	39,939	8%	89,058	96,229	8%
62	Health Care and Social Assistance	11,295	13,701	21%	16,184	20,053	24%
44-45	Retail Trade	4,601	4,930	7%	12,893	13,497	5%
61	Educational Services	3,377	3,596	6%	9,674	10,004	3%
72	Accommodation and Food Services	2,295	2,443	6%	7,118	7,934	11%
81	Other Services, Ex. Public Admin	2,443	2,242	-8%	5,031	4,631	-8%
31-33	Manufacturing	2,010	2,124	6%	6,721	6,100	-9%
48-49	Transportation and Warehousing	1,619	1,723	6%	3,778	4,645	23%
56	Administrative and Waste Services	2,186	1,721	-21%	5,167	5,155	0%
92	Public Administration	1,489	1,579	6%	3,494	3,601	3%
23	Construction	923	1,246	35%	4,968	7,304	47%
42	Wholesale Trade	1,018	1,182	16%	4,837	4,016	-17%
55	Management of Companies	522	860	65%	1,261	1,540	22%
54	Professional and Technical Services	778	673	-13%	2,820	2,567	-9%
52	Finance and Insurance	801	615	-23%	1,995	1,865	-7%
22	Utilities	395	422	7%	439	469	7%
53	Real Estate and Rental and Leasing	274	309	13%	911	1,059	16%
71	Arts, Entertainment, and Recreation	279	291	4%	773	956	24%
51	Information	510	275	-46%	897	746	-17%

Source: Mass Executive Office of Labor and Workforce Development ES-202 Report, RKG Associates

⁷ Massachusetts Executive Office of Labor and Workforce Development, ES-202 Report 2017

Despite evidence of organic growth, a portion of the rise in Health Care and Social Assistance jobs was likely due to a change in the Massachusetts Executive Office of Labor and Workforce Development’s accounting practices. In Q1 2013, Employment in Private Households (NAICS 814110) data was transferred to Services for Elderly Persons and Persons with Disabilities (NAICS 624120), moving data for 33,690 Massachusetts employees from the “Other Services” (NAICS 81) subtotal to the “Health Care/Social Assistance” (NAICS 62) subtotal. While Brockton’s Health Care sector has added 2,406 jobs since 2010, nearly 1,100 of those have been since the 2013 shift, indicating significant organic growth regardless of accounting changes.

Brockton is home to a Veterans Affairs (VA) Hospital, Signature Hospital, Good Samaritan Medical Center, the Norfolk Center for Cancer Care, and other health care assets that set it apart as a leader in the region.

LOCATION QUOTIENTS

Location quotient analysis is a method of comparing a local economy’s employment strengths and weaknesses relative to its larger economic region – in Brockton’s case, the Brockton Workforce Development Area (WDA). While a location quotient of 0.8 to 1.2 indicates sector-specific employment that is roughly in line with the larger region, a quotient over 1.2 suggests that a given industry sector is an area of strength. Likewise, a quotient less than 0.8 would indicate that the City is relatively under-developed in a specific employment sector.

As shown in Table 7, Brockton enjoys strong employment relative to the broader WDA in a number of sectors, notably in Health Care & Social Assistance. While this data may suggest that Brockton’s economy already has a disproportionately large number of jobs in Health Care relative to the city’s overall economy, the category’s strength may also suggest opportunities for further enhancement. Brockton may look to continue growing its health cluster as part of an effort to establish itself as the center of patient care within southeastern Massachusetts.

Also worth noting is the emergence of jobs in the Management sector. Category employment grew by 65 percent from 2010 to 2017 in Brockton, ending with 860 jobs. In the process, local employment in Management of Companies grew from being roughly proportional to employment in the rest of the WDA to being a strong regional cluster with a location quotient of 1.35. Downtown Brockton’s historic building stock and train access may make it an attractive, lower-cost alternative for small firms looking to locate in Metro Boston.

Jobs in the Utilities sector show strong relative employment in Brockton, but represent a relatively small number overall.

Table 7: Location Quotients by Selected Sectors, 2010 and 2017

Brockton

NAICS	Industry Sector	Quotient 2010	Quotient 2017
62	Health Care and Social Assistance	1.68	1.65
44-45	Retail Trade	0.86	0.88
61	Educational Services	0.84	0.87
72	Accommodation and Food Services	0.78	0.74
81	Other Services, Except Public Administration	1.17	1.17
31-33	Manufacturing	0.72	0.84
48-49	Transportation and Warehousing	1.03	0.89
56	Administrative and Waste Services	1.02	0.80
92	Public Administration	1.03	1.06
23	Construction	0.45	0.41
42	Wholesale Trade	0.51	0.71
55	Management of Companies and Enterprises	1.00	1.35
54	Professional and Technical Services	0.66	0.63
52	Finance and Insurance	0.97	0.79
22	Utilities	2.17	2.17
53	Real Estate and Rental and Leasing	0.72	0.70
71	Arts, Entertainment, and Recreation	0.87	0.73

Source: Mass Executive Office of Labor and Workforce Development ES-202 Report, RKG Associates

ESTABLISHMENTS

The number of business establishments operating in both Brockton and the Brockton WDA increased from 2010 to 2017. As with employment data in a previous section, establishment counts throughout the state were affected by an accounting change within the Health Care and Other Services sectors between 2012 and 2013. As many of the relevant employees within the out-patient and elderly care subsectors are sole practitioners, this change drastically affected the number of firms operating in those sectors.

Outside the Health Care and Other Services sectors affected by the accounting change, business establishment growth was modest from 2010 to 2017: a net gain of 49 establishments in Brockton (+3.8 percent) and a net gain of 207 establishments in the Brockton WDA region (+4.6 percent). Consistent with other parts of Metro Boston, local manufacturing firms continued a trend towards consolidation. Brockton's number of manufacturing firms shrank by 15 from 2010 to 2017 even as the category added more than 110 jobs during that period.

Table 8: Establishments by Selected Sectors, 2010 and 2017

NAICS	Industry Sector	Brockton			WDA		
		2010	2017	'10 - '17 % Growth	2010	2017	'10 - '17 % Growth
-	All Industries	2,379	3,198	34%	6,549	7,696	18%
62	Health Care and Social Assistance	272	1,640	503%	541	2,357	336%
44-45	Retail Trade	313	317	1%	802	794	-1%
81	Other Services, Ex. Public Admin	812	214	-74%	1,484	608	-59%
72	Accommodation and Food Services	152	161	6%	437	473	8%
23	Construction	132	147	11%	714	759	6%
54	Professional and Technical Services	167	142	-15%	509	533	5%
56	Administrative and Waste Services	80	102	28%	354	413	17%
48-49	Transportation and Warehousing	52	76	46%	187	240	28%
42	Wholesale Trade	74	73	-1%	380	343	-10%
31-33	Manufacturing	85	70	-18%	313	263	-16%
52	Finance and Insurance	80	67	-16%	245	245	0%
53	Real Estate and Rental and Leasing	51	56	10%	156	191	22%
92	Public Administration	27	41	52%	111	147	32%
51	Information	18	26	44%	73	87	19%
61	Educational Services	22	22	0%	96	94	-2%
71	Arts, Entertainment, and Recreation	16	21	31%	74	88	19%
55	Management of Companies	20	16	-20%	44	36	-18%
22	Utilities	6	6	0%	14	12	-14%

Source: Mass Executive Office of Labor and Workforce Development ES-202 Report, RKG Associates

WAGES

The average wage for Brockton workers grew to \$49,660 in 2017, a 14 percent increase from 2010. Despite remaining lower than the WDA average wage of \$50,284, Brockton's growth rate was comparable to the WDA's 15 percent wage growth. The fastest growing wage categories in Brockton were primarily service industries: Construction (+25 percent), Information (+27 percent) and Management of Companies (+23 percent), among others.

Brockton's wage growth highlights the divergent fortunes of those living in Brockton and those that commute in to work there. Data show that most working-age Brockton residents do not work within the city, and those that do tend to hold low-wage positions. Meanwhile, higher-earning workers commute into the city – which despite economic troubles still functions as the region's commerce

engine – and then depart. In addition to improvements in education, workforce training, and hiring practices that could help local residents, Brockton may seek to create new housing and amenities that could entice higher-earning employees to live nearer their workplace and subsequently spend their dollars in town.

Table 9: Average Annual Wages by Selected Sectors, 2010 and 2017

NAICS	Industry Sector	Brockton			WDA		
		2010	2017	'10 - '17 % Growth	2010	2017	'10 - '17 % Growth
-	All Industries	\$43,420	\$49,660	14%	\$43,888	\$50,284	15%
23	Construction	\$61,204	\$76,440	25%	\$63,232	\$79,196	25%
31-33	Manufacturing	\$45,396	\$53,768	18%	\$52,520	\$60,164	15%
22	Utilities	\$93,288	\$109,044	17%	\$90,220	\$105,144	17%
42	Wholesale Trade	\$60,736	\$67,288	11%	\$65,988	\$72,072	9%
44-45	Retail Trade	\$27,664	\$33,748	22%	\$27,820	\$33,176	19%
48-49	Transportation and Warehousing	\$47,216	\$49,608	5%	\$44,096	\$44,252	0%
51	Information	\$58,656	\$74,360	27%	\$55,744	\$61,828	11%
52	Finance and Insurance	\$51,376	\$60,840	18%	\$58,708	\$72,644	24%
53	Real Estate and Rental and Leasing	\$40,404	\$48,724	21%	\$43,264	\$55,536	28%
54	Professional and Technical Services	\$56,524	\$61,828	9%	\$65,676	\$62,868	-4%
55	Management of Companies	\$73,944	\$91,000	23%	\$89,492	\$100,100	12%
56	Administrative and Waste Services	\$27,716	\$27,300	-2%	\$28,600	\$38,896	36%
61	Educational Services	\$48,204	\$56,940	18%	\$46,280	\$56,524	22%
62	Health Care and Social Assistance	\$49,972	\$51,428	3%	\$48,724	\$49,296	1%
71	Arts, Entertainment, and Recreation	\$19,708	\$22,516	14%	\$17,368	\$20,644	19%
72	Accommodation and Food Services	\$16,484	\$19,396	18%	\$15,028	\$18,876	26%
81	Other Services, Ex. Public Admin	\$22,516	\$29,276	30%	\$22,932	\$30,160	32%

Source: Mass Executive Office of Labor and Workforce Development ES-202 Report, RKG Associates

EMPLOYMENT PROJECTIONS

Data from the US Bureau of Labor Statistics (BLS) offers insight on which employment categories can expect to see the most job growth in the decade ahead. In Brockton, projections suggest that the city's existing strength in the Health Care sector will drive the majority of job growth until at least 2028. All five of the employment categories (4-digit NAICS level, at least 100 jobs in 2017) projected to see the highest percentage growth in jobs are in healthcare: Psychiatric and Substance Abuse Hospitals (+68 percent), Outpatient Care Centers (+62 percent), Continuing Care Retirement Communities & Assisted Living (+56 percent), Home Health Care Services (+54 percent), and Offices of Other Health Practitioners (+50 percent). These job categories can offer employment to workers with a range of academic backgrounds. With an average wage of nearly \$57,000 per year across these five fastest-growing sectors, local workers may have increased access to jobs that pay above the current \$49,660 per year average.

Table 10: Top Projected Job Growth Sectors, 2017 to 2028*

		Brockton		
NAICS	Industry Sector	2017	Projected 2028	'17 - '28 % Growth
6222	Psychiatric & Substance Abuse Hospitals	298	501	68%
6214	Outpatient Care Centers	928	1,499	62%
6233	Continuing Care & Assisted Living Facilities for the Elderly	193	302	56%
6216	Home Health Care Services	1,070	1,645	54%
6213	Offices of Other Health Care Practitioners	329	492	50%
8129	Other Personal Services	112	165	47%
3114	Fruit and Vegetable Preserving and Specialty Food Manufacturing	164	236	44%
4237	Hardware Supplies Merchant Wholesalers	116	156	34%
6241	Individual and Family Services	1,003	1,348	34%
3341	Computer and Peripheral Equipment Manufacturing	170	223	31%
5242	Agencies, Brokerages and Other Insurance-Related Activities	241	316	31%

*Sectors with more than 100 employees in 2017

Source: Mass Executive Office of Labor and Workforce Development ES-202 Report, RKG Associates

The US BLS projects that Brockton will experience declines in categories including traditional retail employment over the ten years to 2028. Clothing Stores (-31 percent), Electronics and Appliance Stores (-29 percent), Department Stores (-9 percent) and others will likely reflect the nationwide reorganization of brick-and-mortar retail, as fewer, more competitive stores survive. Other employment sectors slated to shrink in the decade ahead include paper and print-related activities, vocational rehabilitation services, and tax preparers.

Table 11: Top Projected Job Loss Sectors, 2017 to 2028*

		Brockton		
NAICS	Industry Sector	2017	Projected 2028	'17 - '28 % Growth
3231	Printing and Related Support Activities	102	27	-74%
6243	Vocational Rehabilitation Services	265	96	-64%
4241	Paper and Paper Product Merchant Wholesalers	110	48	-56%
4481	Clothing Stores	219	152	-31%
4431	Electronics and Appliance Stores	154	110	-29%
5412	Accounting, Tax Preparation, Bookkeeping and Payroll Services	122	90	-26%
4251	Wholesale Electronic Markets, Agents & Brokers	100	79	-21%
4854	School and Employee Bus Transportation	121	96	-21%
5613	Employment Services	786	668	-15%
5221	Depository Credit Intermediation	418	360	-14%

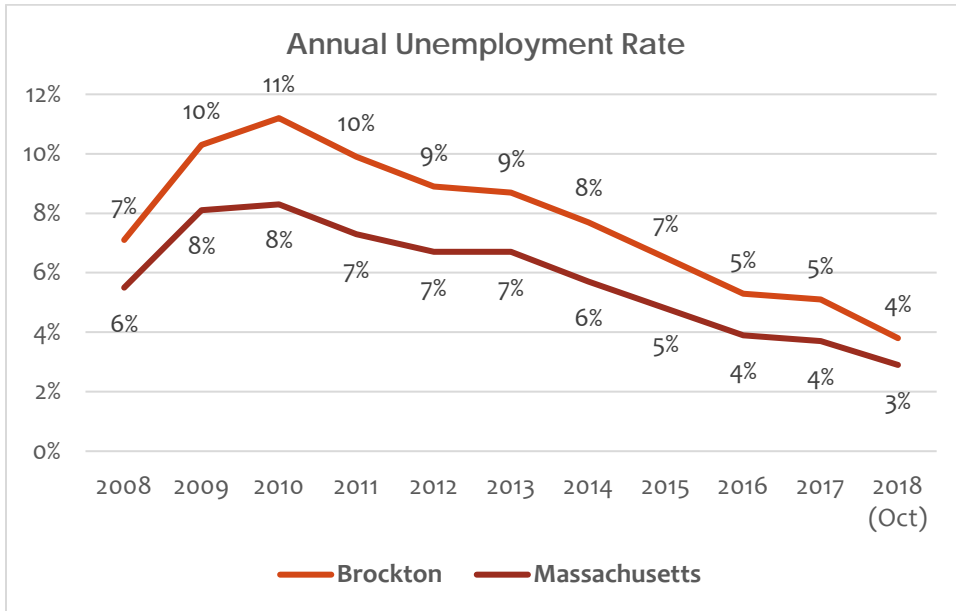
*Sectors with more than 100 employees in 2017

Source: Mass Executive Office of Labor and Workforce Development ES-202 Report, RKG Associates

UNEMPLOYMENT TRENDS

Unemployment in Brockton has fully recovered from the 2008 recession, reaching a new post-2000 low of 3.8 percent in October 2018. While still higher than the state's unemployment rate, Brockton has closed the gap with Massachusetts' unemployment over the now 8 years of economic recovery. Brockton unemployment is now just 0.9 percent higher than the state's.

Figure 7



COMMUTING INFLOWS AND OUTFLOWS

The US Census' Longitudinal Employer-Household Dynamics analysis estimated that in 2015, 28 percent of Brockton's employees lived in the city itself.⁸ This proportion is high compared with neighboring cities and towns; in Stoughton, just 12 percent of workers live locally, 12 percent in Randolph, and 23 percent in Taunton. This may indicate that Brockton businesses have been able to fill more roles with the local talent pool, although some workers may be choosing to live in Brockton's relatively affordable housing while remaining close to work. This balance of affordability and access could be included as a selling point when attempting to market the study area to prospective businesses or developers.

The remaining 72 percent of Brockton employees, roughly 28,100 workers, commuted in from outside the city. Brockton's out-of-town employees were drawn from Boston (4 percent), Taunton (3.5 percent), and small quantities from a wide array of other cities and towns. Relatedly, 77 percent of Brockton's resident working population travels to work outside the city. Brockton residents mostly commute to Boston (15 percent), Quincy (3 percent), Braintree (3 percent), and Weymouth (2 percent), among others. With a large majority of Brockton resident workers traveling to jobs outside the city, there is potential for new businesses at the study area to draw employees from inside Brockton, offering a much shorter commute time for city residents.

MARKET & DEVELOPMENT ACTIVITY

The following section presents data and analysis on Brockton's real estate market. The city's existing real estate inventory, as captured by the most recent assessors' database, is examined to understand

⁸ US Census, Longitudinal Employer-Household Dynamics database, 2015

changes in value, density, and land use over time and across locations. Recent market data on vacancy, absorption, and prevailing rents/prices for new construction provide perspective on where demand exists in Brockton today. Finally, comparison properties are evaluated to assess the market potential for different uses within the study area.

DEVELOPMENT TRENDS ANALYSIS

According to an Assessors’ Database provided by Brockton’s Planning Department, the city was home to 58.4 million square feet of developed space in fiscal year 2016. Excluding vacant and exempt parcels, Brockton’s 7,701 acres of taxable land were developed at a floor-area-ratio of 0.16. This ratio, or “FAR,” means that the typical Brockton property has built square footage equal to 16 percent of its ground acreage. An FAR of 0.16 is typical of very low density American suburbs – and not of “gateway cities” like Brockton that serve as regional economic engines. The city’s low density is likely a result of a lack of investment in new properties in recent decades, a preponderance of single-family homes near Downtown, and the high quantity of vacant lots and/or parking facilities in downtown areas that would typically be home to the highest development densities.

Table 12: Brockton’s Built Inventory, FY 2016

	Properties	Acreage	Built SF	FAR
Single-Family Residential	16,814	4,720	22,767,391	0.11
Multi-Family Residential	4,154	984	15,006,783	0.35
Commercial	1,220	1,162	8,176,831	0.16
Industrial	359	782	7,088,887	0.21
Total Taxable	22,671	7,701	53,356,932	0.16

Sources: Brockton Assessors Database; RKG Associates

Brockton’s quantity of multi-family residential properties is a key differentiator versus the housing stocks of neighboring communities. Multi-family units’ average assessed value per square foot is, as in most American cities, well below the per square foot value of single-family residential in Brockton. Still, the value of density (from an assessed value and therefore a tax receipts viewpoint) is clear: despite occupying just 12.8 percent of Brockton’s taxed acreage, multi-family makes up 23.8 percent of the city’s built value. Single-family residential, meanwhile, trends the opposite direction, occupying 61.2 percent of Brockton’s taxed acreage, and delivering just 59.7 percent of its built value. With the construction of higher-value multi-family projects like the Station Lofts taking root in Downtown, future development of apartments and condos could make this valuation gap even more pronounced.

Properties classified as industrial typically have the lowest value per built square foot. This by itself is expected, but Brockton’s industrial inventory has an especially low per-square-foot valuation relative to other commercial uses. This likely indicates an ageing, antiquated building stock. Brockton’s industrial properties tend to be related to lower-value “legacy industries” like traditional light manufacturing, storage and warehousing, distribution, and utilities. Among Brockton’s

industrial parcels, those related to utilities have the highest average value. The average industrial structure in Brockton is just under 20,000 square feet. The Assessors' Database indicates that zero new industrial properties were developed in Brockton from 2013 to 2016.

Contrary to some other Massachusetts gateway cities, development in Brockton has not taken place at higher densities (nor higher values) in recent years. Properties developed from 2013 to 2016 had a lower FAR than those developed from 2008 to 2012, which in turn were less dense than those built from 2003 to 2007.

Development activity in general has slowed. The number of square feet developed in Brockton from 2013-2016 and from 2008-2012 were each roughly one-third the number developed from 2003 to 2007.

Table 13: Brockton's Built Inventory by Year Built, FY 2016

	Properties	Acreage	Built SF	FAR
1997 & Earlier	20,703	6170	49,189,863	0.18
1998-2002	316	258	1,495,944	0.13
2003-2007	441	206	1,493,608	0.17
2008-2012	154	76	513,531	0.16
2013 & Later	146	104	581,788	0.13

Sources: Brockton Assessors Database; RKG Associates

Commercial properties have seen limited development activity since 2013, with a reported 71,000 new square feet coming online. Average density, square footage, and assessed value per square foot varies greatly by type of commercial use. The highest property valuations in all of Brockton are for private hospitals and nursing homes, typically large structures that require considerable upfront investment.

Table 14: Brockton's Commercial Built Inventory by Type, FY 2016

	Properties	Acreage	Built SF	FAR
Commercial	1220	1,162	8,176,831	0.16
Banks, Prof., Med & Other Office	210	203	1,993,508	0.22
Commercial Land	287	163	55,821	0.01
Cultural, Entertainment & Recreational	6	140	64,855	0.01
Gas/Auto Sales, Service & Supply	301	200	1,040,952	0.12
Hotels, Motels & Other Lodging	5	14	268,343	0.45
Mixed Use - Primarily Commercial	44	11	214,734	0.44
Private Hospitals & Nursing Homes	5	49	202,531	0.10
Public Service Properties (non-exempt)	14	6	68,029	0.27
Retail Stores & Restaurants	348	377	4,268,058	0.26

Sources: Brockton Assessors Database; RKG Associates

DEVELOPMENT PIPELINE & BUILDING PERMITS

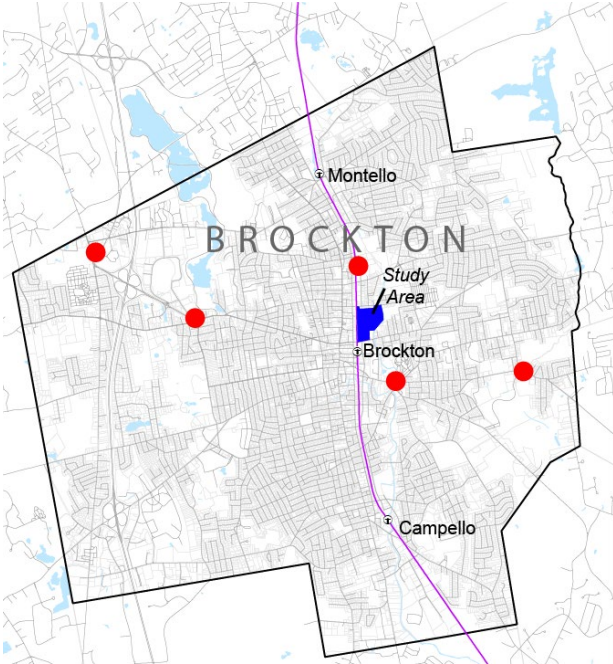
Proposals brought to the planning board or economic development agency in 2017 and 2018 have included:

- 51 units of housing and 2,470sf of commercial/retail at 93 Centre Street (near study area)
- Food production adaptive re-use project at 121 Liberty Street
- 24-unit residential conversion project at 75 Commercial Street
- 25-unit residential conversion project at 69 N. Montello Street (near study area)
- A residential conversion project at 75 Commercial Street (near study area)
- Several former school conversions to housing/mixed-use properties

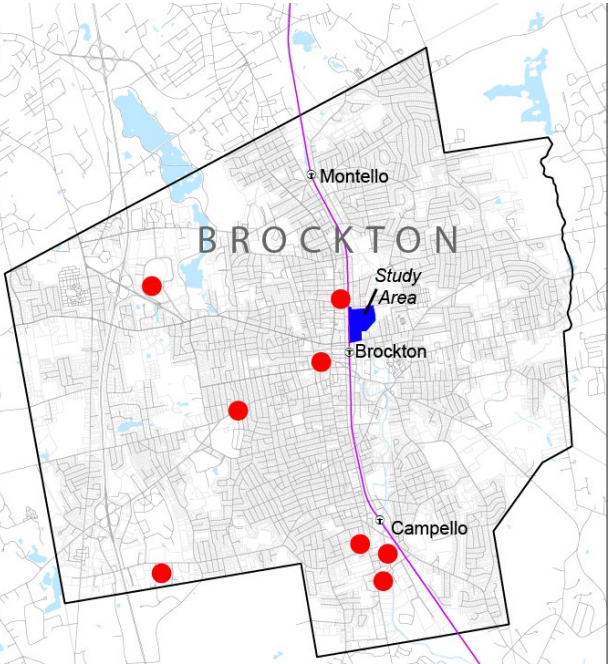
While these projects are not guaranteed to come to fruition, studying the geography of planning board cases over time can provide valuable information on where there is interest among businesses and developers. On the following page, available planning board cases from 2014 to 2017 (which includes cases through May of 2018) show, at the very least, a shift from potential investment being scattered across the city to it being concentrated near the MBTA corridor and downtown. The list of recent planning board cases includes a number of adaptive re-use residential proposals close to the study area. Interest in these often-expensive undertakings could indicate a number of market trends: a belief that recent projects at Station Lofts and at Standard Modern Co. Residences have offered a proof of a market for a higher-end multi-family product; that transit-oriented development can be successful in downtowns that have not seen significant redevelopment activity to date; or that outside capital is more likely to be attracted to a new development project if it has the scale that urban density can afford.

Figure 8

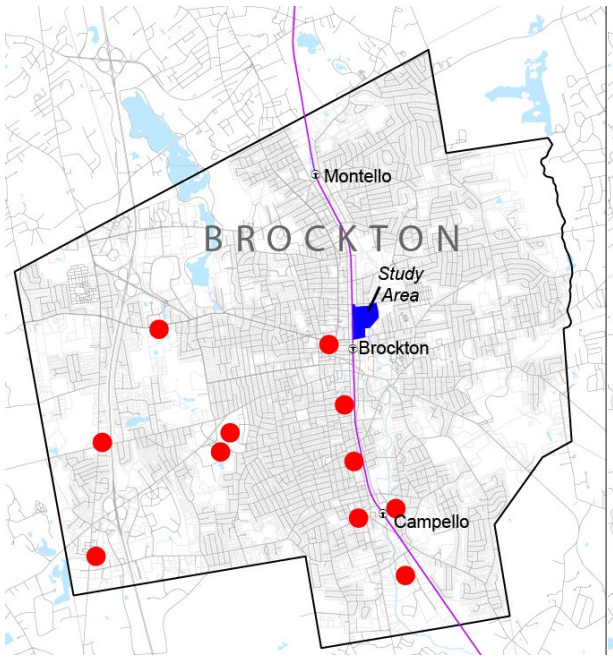
Planning Board Cases
2014



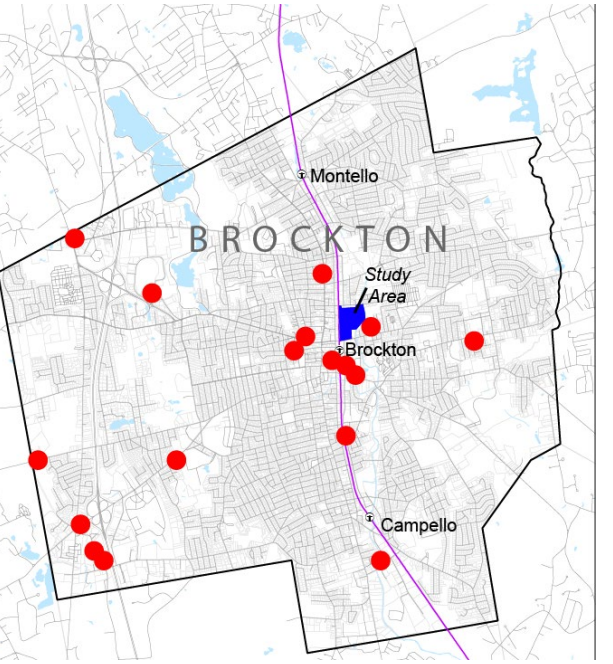
Planning Board Cases
2015



Planning Board Cases
2016



Planning Board Cases
2017/18



RESIDENTIAL MARKET

Brockton's low housing costs continue to make it an attractive option for lower- and middle-income households unable to afford units closer to Boston.

Recent activity in Downtown Brockton, led by Trinity Financial's mixed-income tax credit project at 50 Centre Street, the Station Lofts historic rehabilitation project, and South Shore Property Management's renovation of the Standard Modern building, have shown an increasing interest in walkable, transit-connected living. According to the 2015 Downtown Brockton Urban Revitalization Plan, an estimated 14 percent of Brockton households "had no vehicle available," and "many 2-adult households" had "only one vehicle available," highlighting the importance of locating new housing near transportation. A reported 602 qualified households applied for just 14 units of affordable housing at the Station Lofts in 2013, making clear the demand for urban housing.⁹

However, ground-up development and historic rehabilitation both remain a challenge in Brockton due to its low market rents. Projects like the Standard Modern Co. apartments and 50 Centre Street relied heavily upon an array of tax credits and loans to become feasible. The programs that provide credits and loans typically require a certain percentage of units to be set aside as "affordable" – a benchmark that is especially difficult to reach in areas with low median household incomes. In most cases, unlocking mixed-income and affordable housing credits can only be justified by developers if the market rate units can rent at rates high enough to offset losses elsewhere and earn a profit. In Brockton and similar cities, however, market rates are often very close to the "affordable" threshold, making projects extremely reliant upon other creative funding sources. The Standard Modern renovation was given a \$3.3 million low-interest loan from MassDevelopment, the state's economic development authority¹⁰, and Trinity Financial leaned on New Market Tax Credits, among others, to make their project "pencil out."

Downtown apartments are clearly in demand; the Trinity project at 50 Centre Street is reportedly at 100 percent occupancy, according to broker interviews. Yet until achievable market rents see growth that reflects this significant demand, most of those looking to invest in downtown multi-family projects will rely upon a credit and subsidy-based model that can only go so far.

While the city's vacancy rate remains stubbornly high at 8 percent, vacancy in new and refurbished downtown apartments is "next to zero," according to one broker.

A non-scientific online survey of rental listings showed zero units available for rent in Trinity's 50 Centre St. project, with asking rents ranging from \$1.25/sf/month to \$1.60/sf/mo on 1-bedrooms and 2-bedrooms. Initial asking rents for the recently-completed Standard Modern Residences are aiming

⁹ True, Morgan. "Brockton's Station Lofts housing lottery draws hundreds of applicants." *The Enterprise*. 16 Aug 2013.

¹⁰ Larocque, Marc. "Developer Finishing 'Unique' High-End Luxury Apartments in Downtown Brockton." *The Enterprise*. 4 Feb 2018

higher, nearer to \$2.00/sf for 1-bedroom and 2-bedroom units (\$1,300 to \$1,450 for 1-bedrooms, \$1,650 to \$1,800 for 2-bedrooms).¹¹

Conversations with brokers suggested that the market in Downtown Brockton today could sustain market-rate rents of \$1,350-\$1,500 for a new or refurbished 1-bedroom and \$1,800-\$1,900 for a 2-bedroom. These rents are not significantly different from rents that would be deemed “affordable” for households earning 80 percent of the Area Median Income: roughly \$1,325 for a 1-bedroom and \$1,500 for a 2-bedroom.

OFFICE MARKET

Brockton has just over 1,100 acres of commercial land, with 200 acres specifically coded as Banks, Professional and Medical Office, and Other Office.¹² These 200 acres of land currently hold just under 2 million square feet of office uses. Over the last twenty years, there has only been 240,000 square feet of new office space constructed in the city, which represents about 13 percent of the city’s 2 million square feet. Over the last ten years, there has only been 50,000 square feet of office space constructed, representing 3 percent of the total. In general, many of the office spaces in the city tend to be smaller in size (less than 50,000 square feet) and divided up into multi-tenant buildings to support the needs of professional and medical office users.

The larger Route 495 South regional office market, which includes Brockton, has seen positive net absorption of space through the third quarter of 2018 with just over 90,000 square feet occupied. Average asking gross rents in this regional market are \$18.02 per square foot, which is lower than many of the regional office markets closer to Boston. Much of the positive market activity this quarter was the result of 90,000 square feet leased in Mansfield to a food service supply company.¹³

Discussions with local commercial brokers operating in Brockton indicated that its office spaces tend to support doctors and health practitioners, home health related businesses, social services and non-profits, and legal professionals supporting the court functions in Brockton. These users are looking to lease or purchase smaller spaces in the range of 1,000 to 2,500 square feet. Two newer properties with office spaces on the market, 60 Main Street and 88 Lincoln Street, have similar tenant mixes supporting businesses in the medical, social service, and legal business sectors.

RENTS, VACANCY AND ABSORPTION

A review of broker listings in Brockton showed approximately 70,000 square feet of office space currently available for lease with an average space size of 5,300 square feet.¹⁴ Many brokers that are

¹¹ Apartments.com, RKG Associates

¹² Brockton Assessment Database, 2018.

¹³ CBRE Boston Suburban Office Market Report, Quarter 3, 2018.

¹⁴ REIS Office Comparables, 2018. Loop Net, November 2018, Commercial Broker Interviews.

listing spaces in existing multi-tenant buildings are willing to break up larger spaces to accommodate smaller users. The average vacancy rate for office buildings in Brockton with space available for lease is 27 percent. Average rent for spaces listed for lease is \$13.00 per square foot per year, with some listed as triple-net (no utilities included) and others listed as gross rent. The average rent for spaces in Downtown Brockton is around \$14 per square foot. Newer office spaces at 60 Main Street and 88 Lincoln Street are leasing in the range of \$12 to \$18 per square foot per year. It is important to note that these two buildings have undergone substantial renovations in the last three to four years and represent space at the top of the market for Downtown. Using these two properties as recent examples, each had an average absorption of 22 to 25 percent of the available office space per year.

INDUSTRIAL MARKET

Brockton has just over 689 acres of land classified as industrial, flex, R&D, distribution, and utilities.¹⁵ These 689 acres of land currently hold just over 7 million square feet of industrial uses. Similar to the construction trends in the office market, only 850,000 square feet of new industrial space has been constructed in the city over the last twenty years which represents about 12 percent of all industrial built space. Over the last ten years, there has only been 96,000 square feet of industrial space constructed, representing 1.4 percent of the total.

The larger Route 495 South regional industrial market has seen negative net absorption of space through the third quarter of 2018 with just over 35,359 square feet remaining on the market. The negative absorption was the result of several larger properties coming onto the market including a 132,000 Trader Joe's facility in Middleborough. Even so, vacancy rates remain low at 5.3 percent and average asking rents rose again to \$6.67 per square foot.¹⁶

Information from local brokers and online listings show very few industrial spaces available for lease in the Brockton market. Several industrial properties have changed hands through sales in 2018. As of November 2018, eleven industrial properties have sold in Brockton at an average price of \$61.78 per square foot. The average was driven up by several properties built after 1990, which sold for between \$83.00 and \$136.00 per square foot. Older properties sold for closer to \$38.00 per square foot on average.

RENTS, VACANCY AND ABSORPTION

A review of broker listings in Brockton showed approximately 124,000 square feet of industrial space currently available for lease or sale with an average space size of 17,728 square feet.¹⁷ Three of the four spaces listed for lease are within a multi-tenant building with an average of 15,000 square feet available. The average vacancy rate for these industrial buildings with space available for lease is 44

¹⁵ Brockton Assessment Database, 2018.

¹⁶ CBRE Boston Suburban Office Market Report, Quarter 3, 2018.

¹⁷ REIS Office Comparables, 2018. Loop Net, November 2018, Commercial Broker Interviews.

percent, which includes a building at 45 Industrial Way with the entire 46,000 square feet available. Rent prices per square foot range from \$7.00 to \$15.00 per square foot per year.

RETAIL MARKET

As the largest city in the NECTA and a regional center for suburbs south of Boston, Brockton functions as a draw for retail spending from neighboring municipalities. Its status as a regional retail draw is confirmed by data in a “retail leakage analysis.”

The retail leakage analysis that follows examines the difference between the supply (existing establishment sales) and the demand (consumer household spending) for a variety of different types of retail stores and merchandise categories within Brockton. The results of the analysis will indicate if there are any retail “gaps” that can be filled by new store openings, if the City has the economic ability to support them.

Data on Brockton’s existing retail sales and consumer spending habits are drawn from ESRI Business Analyst, a geospatial data analytics program. The demand data indicate the level of consumer spending occurring for households within the city, based upon their income levels and spending patterns within the different retail categories. The supply data shows the dollar value of sales captured for each retail category based on the reported sales from local establishments within the city of Brockton.

Comparing the demand and supply data can help identify opportunities for Brockton to encourage existing retailers to expand and/or to attract new retailers to the area via increased marketing or incentives. This demand-supply comparison identifies “sales leakage.” Sales leakage occurs when local consumer demand for retail goods exceeds the amount of sales that are captured by local retail establishments. High sales leakage generally indicates that the local marketplace is underserved in that specific retail category, oftentimes with an insufficient number or quality of product lines and/or fewer businesses than can be supported.

That said, it is normal for consumers to make retail purchases outside their home municipality. Realistically, it is not possible to stop all sales leakage because people shop outside their primary market for reasons of convenience. They will, for example, shop while at work, which may be outside their primary market. In addition, a growing share of retail demand is being captured by online retailers, which often do not have a physical location. Accordingly, recapturing 100 percent of an area’s leaked consumer spending is not a realistic objective. Some of this sales leakage could be recaptured by new or existing businesses if they expand their product lines or if new businesses open and capture this unmet spending potential.

In contrast, an area has a “sales surplus” when local sales receipts (supply) exceed local demand. These situations often indicate that the retail market area has a cluster or concentration of businesses, importing sales from outside the primary market. Market clusters attract consumers from outside the

competitive retail market areas, as they become known for a specific niche or for having a wide variety of shops from which to choose. While in some cases a sales surplus could indicate that a community is saturated with a certain type of business and would be unlikely to benefit from further expansion, often this clustering of retailers can draw shoppers from across the region who know it as “the place” for a certain shopping or dining experience.

Table 15: Retail Supply & Demand, City of Brockton, 2017

	Demand	Supply	Leakage / (Surplus)	# of Businesses
Total	\$1,030m	\$1,391m	(\$361m)	646
Total Retail	\$926m	\$1,290m	(\$364m)	471
Total Food & Drink	\$103m	\$100m	\$3m	175

Source: ESRI Business Analyst Retail MarketPlace Profile 2018; RKG Associates

As is typical of the largest city within a region, Brockton is a net importer of retail spending, in part driven by the Westgate Mall. Brockton has a surplus of retail establishments, with sales receipts outpacing the demand of Brockton residents by over \$364 million per year. As noted in other studies throughout the region, however, the changing face of retail around the world is already having challenging effects on Brockton retailers, and will continue to do so. For traditional retailers to remain viable, they will need to evolve and cater to consumer demands for more experiential and curated shopping experiences. While the impacts of this trend may be felt less acutely in lower-income retail areas like Brockton (where residents may be less likely to do an increasing share of shopping online), new retail concepts will remain critical to the success of its downtown. In smaller scale, walkable commercial centers like Downtown Brockton, consumers generally need to feel they are having a unique, vibrant experience in order to choose them over larger, parking-laden shopping centers. Successful future expansion of the retail inventory in Downtown Brockton will likely rely upon business owners’ and developers’ abilities to create these innovative retail spaces that can attract a higher level of spending.

Interestingly, Brockton’s status as a retail center within southeast Massachusetts does not extend to food and drink establishments. The city actually “leaks” nearly \$3 million a year to other municipalities. This suggests that the market may be underserved with restaurant, bar, and/or nightlife destinations, and new concepts or locations could tap into unmet demand.

The largest drivers of Brockton’s retail surplus are auto dealers and grocery stores. 47 businesses are registered as automobile dealers, bringing over \$361 million in annual sales into Brockton – an amount roughly double the amount that Brockton residents spend on cars each year. Many of these dealerships are clustered near the intersection of Route 123 and Route 24, and on Main Street south of Downtown. While the sector’s strength likely has a positive impact on Brockton’s tax rolls, further expansion would be unlikely to have a significant positive impact on the quality of life of residents. Brockton’s grocery stores vary greatly in size and scope, and are well-spread throughout the city. The

68 businesses classified as grocery stores range from full-service outlets like Shaw’s, Stop & Shop, and Market Basket to smaller, centrally-located businesses like Casimir Market, Court Street Market, and Universal Grocery Food Market. Given the proximity and quantity of grocery stores near the study area, it is unlikely that the local market would exist to sustain an additional outlet.

Table 16: Retail Supply & Demand: Select Surplus Categories City of Brockton, 2017

	Demand	Supply	Leakage / (Surplus)	# of Businesses	Local Examples
Automobile Dealers	\$154m	\$361m	(\$207m)	47	Nissan 24, McGovern Honda, Copeland Chevrolet
Grocery Stores	\$160m	\$276m	(\$116m)	68	Market Basket, Shaw’s, Vicente’s Supermarket
Office Supplies, Stationery and Gift Stores	\$12m	\$66m	(\$54m)	10	Staples, City Wide Office Supplies, Dollar Tree, WB Mason outlet

Source: ESRI Business Analyst Retail MarketPlace Profile 2018; RKG Associates

Despite Brockton’s retail assets, the city “leaks” retail spending to other municipalities in a number of categories. “General merchandise stores,” a category primarily comprised of stores like Walmart, Target, and others, has the largest amount of leakage from Brockton. While the Walmart at 700 Oak Street likely captures most local spending in this category, some spending may be being captured by the Target stores in nearby Abington and Stoughton. These types of stores are typically large-scale, land-intensive businesses that require significant market demand to justify construction; capturing a portion of Brockton’s \$35m in leaked sales would likely not be a large enough “prize” to attract such a business to the subject property. Clothing and furniture spending within Brockton is dominated by Westgate Mall. While small-scale clothing stores could play an important role in revitalizing Downtown’s shopping scene, the lack of local spending power and daytime population mean clothing stores may be more feasible in a later stage of Downtown’s evolution.

Table 17: Retail Supply & Demand: Select Leakage Categories City of Brockton, 2017

	Demand	Supply	Leakage / (Surplus)	# of Businesses	Local Examples
General Merchandise Stores	\$115m	\$80m	\$35m	36	WalMart, Sears
Clothing Stores	\$49m	\$35m	\$18m	48	Old Navy, Rainbow, Uptown Unlimited
Furniture Stores	\$14m	\$4m	\$10m	4	Rent-A-Center, Aaron’s, Main Street Furniture

Source: ESRI Business Analyst Retail MarketPlace Profile 2018; RKG Associates

Attracting a critical mass of new retailers to Downtown Brockton remains a challenging proposition due to the area's relatively low-income profile. Ground-up downtown construction that includes retail elements on the ground floor typically requires tenants that can pay a rent premium versus tenants in older spaces. At this time, most existing Brockton retailers would be unlikely to pay higher rents to remain Downtown, and higher-end retailers would be unlikely to set up shop in Brockton without demographic changes.

Given these challenges, market demand is likely insufficient to justify large-scale investment in retail space on the subject property, with the possible exception of small-scale spaces where the area fronts Court Street and the adjacent MBTA station. A unique restaurant concept may have the greatest chance of success given the unmet market demand and the space's high visibility from the Brockton station, especially if and when other parcels near the train station are developed.

KEY REFERENCES

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