

# MARKET ANALYSIS OF EXIT 18 DEVELOPMENT AND LIFE SCIENCE INDUSTRY OPTIONS IN BROCKTON

Prepared for Metro South Chamber of Commerce  
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## Introduction

The Good Samaritan Medical Center (GSMC) is located right off of Rt. 24 at the Rt. 27 interchange. It is a major Brockton area employer and critical health care institution. Surrounding the medical facility are a mix of uses and undeveloped land in an area bounded by North Pearl Street, Oak Street, Rt. 24 and Rt. 27. This area includes some privately owned commercial activity in the northwest corner along with Harbor One Bank in the northeast corner. Lovett Brook is also located in this study area and could present some development limitations as wetlands. The broader study area also includes land on the other side of Rt. 24 such as the Walmart location and potential long-term re-use options at the Westgate Mall.

The purpose of this market study is to better understand the potential for new development on land surrounding GSMC and the Exit 18 area, and also to gain information on broader life science and medical office opportunities in Brockton. The market study is evaluating a variety of potential uses such as medical office space, R&D opportunities, bio-tech, bio-manufacturing, and other commercial and residential uses.

To conduct this assessment, Hodge Economic Consulting (HEC) was engaged by the Metro South Chamber of Commerce to:

- Research the study area conditions and characteristics, including land ownership, property value and tax revenue, transportation access, and site readiness for redevelopment;
- Interview a wide-range of public, non-profit, and private sector development experts and stakeholders at the local, regional and state levels to gain a range of perspectives and ideas about the most viable development options;
- Research the life science and bio-tech industry in terms of Brockton's market readiness and the most viable life science opportunities in the area;
- Develop a short-list of potential development options for the GSMC study area, with an assessment of the strengths and weaknesses of each option; and
- Recommend a series of possible next steps for the City, GSMC and other partners to advance development towards a "highest and best use" for Brockton.

It should be noted and clearly understood that the largest amount of land in the study area (about 41 acres across three parcels) is privately held by a real estate investment trust (REIT) leased to GSMC (Steward). Therefore, this report represents an initial development analysis to help the City, the business community (Chamber) and others to better understand the study area, how it could potentially be effectively redeveloped over time, and Brockton's market positioning for life sciences industry opportunities. The remainder of this report is organized into sections covering: a) existing site and market conditions; b) findings from interviews with development experts; c) assessment of two development options; and d) potential next steps to advance development.

## Existing Study Area Conditions

The information in this section of the report focuses on the physical study area conditions at the GSMC hospital facility and surrounding area.

**GSMC land use and property values.** The GSMC hospital facility sits on a site of approximately 41 acres. Surrounding the existing structures (hospital and office buildings) and the parking lots are a mix of wooded land and wetlands. There are four (4) identified wetlands areas on the site totaling about 4 acres of land ranging in size from 0.2 to 2.5 acres in size. (See Figure 1 below) As shown below in Table 1 and Figure 2, there are numerous smaller scale parcels in this study area with a wide mix of ownership and use (vacant, residential, and commercial). Of note, the HarborOne Bank headquarters are located in the eastern edge of the study area on a site of 3.1 acres. In total, the land area bounded by Rt. 24, North Pearl Street and Oak Street is approximately 59 acres.

In terms of property values and property tax payments to the City of Brockton, the GSMC hospital is far and away the largest with almost \$65 million in assessed property value and a FY 2018 estimated tax payment of \$2.2 million (when combined with other parcels operated by Steward and owned by the real estate investment trust). The next largest property value is \$8.8 million for the HarborOne Bank property, leading to about \$295,000 in annual property tax payments to the City. All other annual property tax payments for study area parcels are less than \$80,000.

In addition, the City of Brockton owns about 81 acres of land on the west side of Rt. 27 (North Pearl Street). This land is a mix of existing cemetery use along with woods and wetlands, and could be a potential location for wetlands replication (see below).

**East of Rt. 24**, but very close to GSMC in straight line distance, is the Walmart site which totals about 15 acres. This includes the store, a large parking lot and a vacant sub-lot assessed at almost \$12 million with annual tax payments of \$395,000. The city of Brockton's comprehensive plan identifies this entire area (including the Westgate Mall) as a future Opportunity Area for redevelopment (along with the Fairgrounds, Downtown, Montello and Campello areas, etc.). This area is accessible via auto (or bike/walk) from the GSMC site via Oak Street. The Westgate Mall totals approximately 40 acres (owned by the New England Development with an assessed property value (land and buildings) of almost \$30 million resulting in estimated annual tax payments of \$992,000 to the City of Brockton.

**Wetlands Replication.** One of the ideas put forward during stakeholder interviews is that the approximately 4 acres of wetlands could be "replicated" in another part of the city to help allow for greater development capacity in the land surrounding GSMC. Based on research and email communications with city and state officials (Mass DEP), replication is fairly straight-forward for small areas (less than 5,000 SF) but becomes much more complicated when the land area is larger than that. And all of the wetland areas surrounding GSMC are larger than 5,000 SF. So, replication is possible and a rough rule of thumb is to replicate at a 2:1 or 3:1 ratio to satisfy various local, regional and state conservation commissions. But, this is not necessarily an easy process and would likely

require a fair amount of time and coordination with the City to plan for the replication approvals and where that would occur (such as west of Rt. 27 on city-owned land).

**Transportation.** The study area has relatively good highway and transit access with regular scheduled Brockton Area Transit Authority (BAT) bus service right to the hospital front entrance. And with Rt. 24 so nearby, the study area has great highway access with the ability to serve regional customers, workers and visitors. The Montello commuter rail station is about 2.5 miles, which is not far for car trips, but too distant for walking (although a service expansion planned for the near future would improve the public transit connection from the study area to commuter rail). Bike connectivity is not ideal given the major roadways, but is possible via North Oak Street.

**Utilities.** Given the presence of GSMC, the study area has strong utility connections with electric, gas, water, and sewer. In general, Brockton has significant excess sewer capacity but is still determining how best to meet future water needs (such as the potential purchase of the desalination plant). Many bio-tech firms (labs, manufacturing) need a significant amount of water as part of their operations so resolving the water supply issue is an important component of supporting the life science industry in Brockton more broadly.

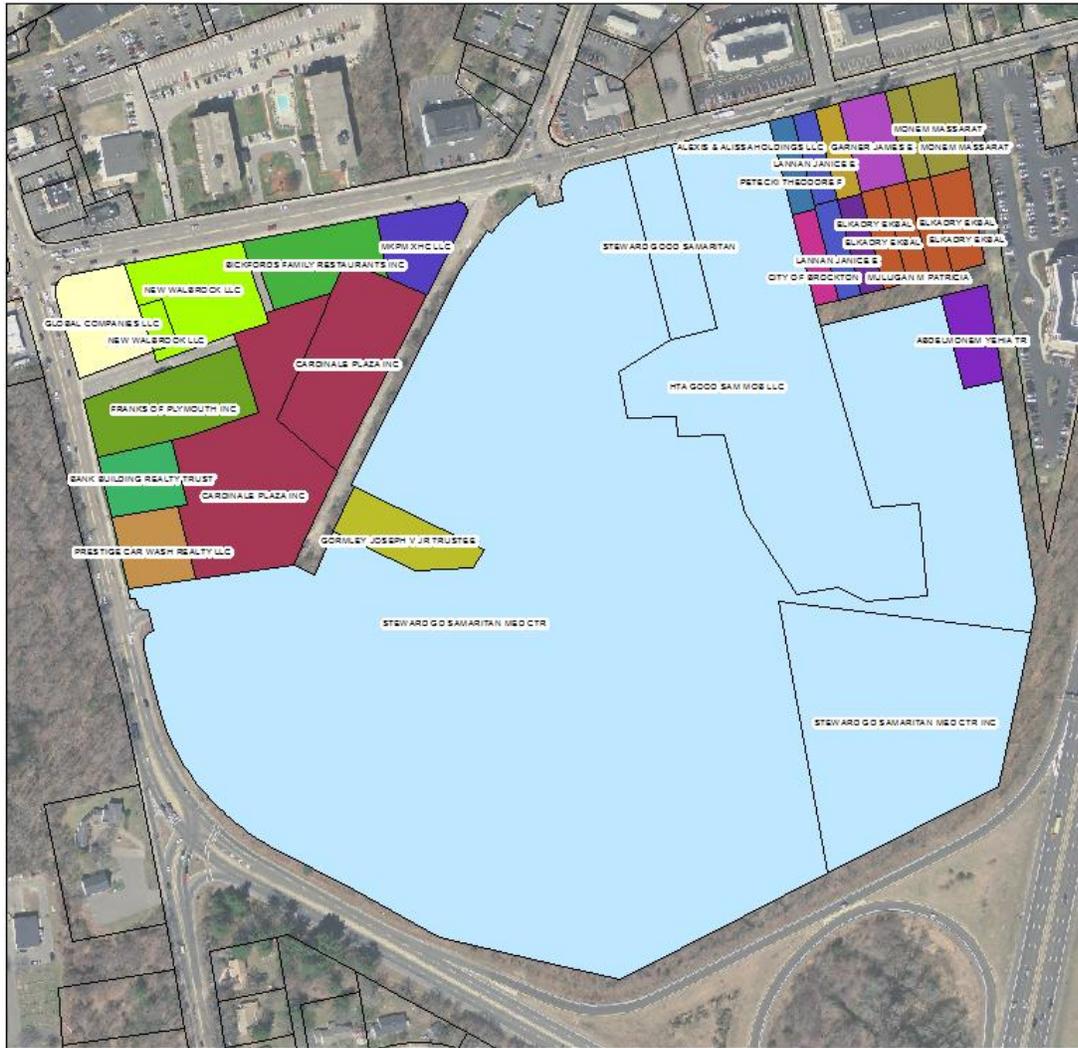
**Table 1. Parcel Information for Exit 18 Study Area – Major Parcels and Total Acreage**

MAP_PAR_ID	LOT_SIZE	LAND_OWNER	Zoning	Land Use Classification
013-112R	4.3	STEWARD GD SAMARITAN MED CTR INC	C5	Developable Land-Commercial
013-037	36.1	STEWARD GD SAMARITAN MED CTR	C5	Private Hospitals
013-010	0.9	STEWARD GOOD SAMARITAN	R3	General Office
013-033	1.1	FRANKS OF PLYMOUTH INC	C2	Eating & Drinking Estab
013-015	2.5	CARDINALE PLAZA INC	C2	Developable Land-Commercial
013-016	1.4	CARDINALE PLAZA INC	C2	Shopping Center
014-006	3.1	HARBORONE CREDIT UNION	C2	General Office
014-001	14.8	WAL-MART REAL ESTATE BUSINESS TRUST	I1	Discount Stores
	5.5	Other Commercial Properties (9)		
	3.9	Residential Properties (14)		
	73.6	TOTAL		

Source: City of Brockton Assessor Data



**Figure 2. GSMC Study Area Property Ownership**



**Legend**

<b>Good SamAssessors</b>	CARDINALE PLAZA INC	GORMLEY JOSEPH V JR TRUSTEE	NEW WALBROOK LLC
<b>OWNER1</b>	CITY OF BROCKTON	HTA GOOD SAM MOB LLC	NEW WALBROOK LLC
ABDELMONEM YEHIATR	ELKADRY EKBAL	LANNAN JANICE E	PETECKI THEODORE F
ALEXIS & ALISSA HOLDINGS LLC	FRANKS OF PLYMOUTH INC	MKPM X HC LLC	PRESTIGE CAR WASH REALTY LLC
BANK BUILDING REALTY TRUST	GARNER JAMES E	MONEM MASSARAT	STEWARD GD SAMARITAN MED CTR
BICKFORDS FAMILY RESTAURANTS INC	GLOBAL COMPANIES LLC	MULLIGAN M PATRICIA	STEWARD GD SAMARITAN MED CTR II
			STEWARD GOOD SAMARITAN

Source: City of Brockton, Planning Department

**Site Attributes for Redevelopment**

If and when the GSMC site and surrounding study area will be developed, it is in relatively strong condition based on the following attributes:

- The site is very flat and includes access to all utilities;

- Unlike many larger sites in Massachusetts that formerly hosted industrial users, informal assessments are that the study area is relatively “clean” with relatively little need for environmental remediation;
- The site (and Brockton in general) has adequate water supply, abundant sewer treatment capacity, as well as strong fiber for telecommunications (internet, phone);
- Brockton’s primary electricity provider is National Grid, whose costs tend to be approximately in line with average state rates (which are relatively high compared to U.S. averages but similar to other New England states), with natural gas provided by Columbia Gas;
- The study area is directly accessible from Rt. 24, has BAT public transit service, and the hospital already draws workforce from professionals in a broad regional catchment area; and
- The site is approximately 22 miles from Boston, and it’s been estimated that half of Massachusetts’ population is within 30 minutes of the Metro South region.<sup>1</sup>

## Local / Regional Economic Conditions

The City of Brockton has approximately 95,600 residents (as of July 2017) and is classified as a Gateway City based on its size, relatively low household income, and lower than average college education attainment. As shown in Table 2, Brockton’s economic indicators generally lag state averages and the median household income remains stubbornly low. But, the strong state and national economies has improved economic conditions in Brockton with a low unemployment rate (4.8%) and impressive nine percent job growth since 2009 (just below the state growth rate).

Of note, even though Brockton is generally considered to be an economic center for the Metro South region of Massachusetts, it has a relatively low jobs to population ratio of 0.42.<sup>2</sup> This indicator measures establishment-based jobs in Brockton (where people work rather than where they live), and likely reflects: a) the dual role of Brockton to also function as a “bedroom community” to Boston given its relative proximity and commuter rail options; and b) the region’s jobs and businesses are generally not clustered in Brockton but rather spread over the region.

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<sup>1</sup> See <http://www.metrosothchamber.com/region/aboutregion>

<sup>2</sup> As a comparison, larger regional Gateway Cities like Worcester and Springfield have ratios above 0.5 but the city of Lowell has a lower jobs/population ratio at 0.31. Lowell has similar commuting options and proximity into the Boston area as Brockton.

**Table 2. Brockton Economic Conditions – Select Data Indicators**

<b>Data Indicator</b>	<b>Brockton</b>	<b>Massachusetts</b>
Unemployment Rate	4.8%	4.1%
Median HH Income	\$ 49,956	\$ 70,954
Jobs / Pop Ratio	0.42	0.51
Job Growth	8.7%	11.4%
% Bachelor's Degree	17.3%	41.2%

Source: Executive Office of Labor and Workforce Development, American Community Survey (2012-2016), Massachusetts Department of Revenue

Notes: Unemployment rate from June 2017 to May 2018; Job growth from depth of recession (2009) to 2016 (latest year of industry data available).

Economic conditions in the surrounding region are generally stronger as the unemployment rate was only 3.9% (for the year June 2017 to May 2018), and median household income and home values are higher in surrounding towns than Brockton, and more in line with state averages.

In terms of workforce, Brockton has relatively low educational attainment compared to statewide averages with just 17.3% of the adult population possessing a bachelor's degree (or higher) versus over 41% in Massachusetts overall. Similarly, the high school educational attainment rate is lower in Brockton (81.4%) compared to statewide (90.1%). So, attracting bio-tech or life science companies that required highly skilled chemists, biologists, pharmacists, and other positions could be challenging.

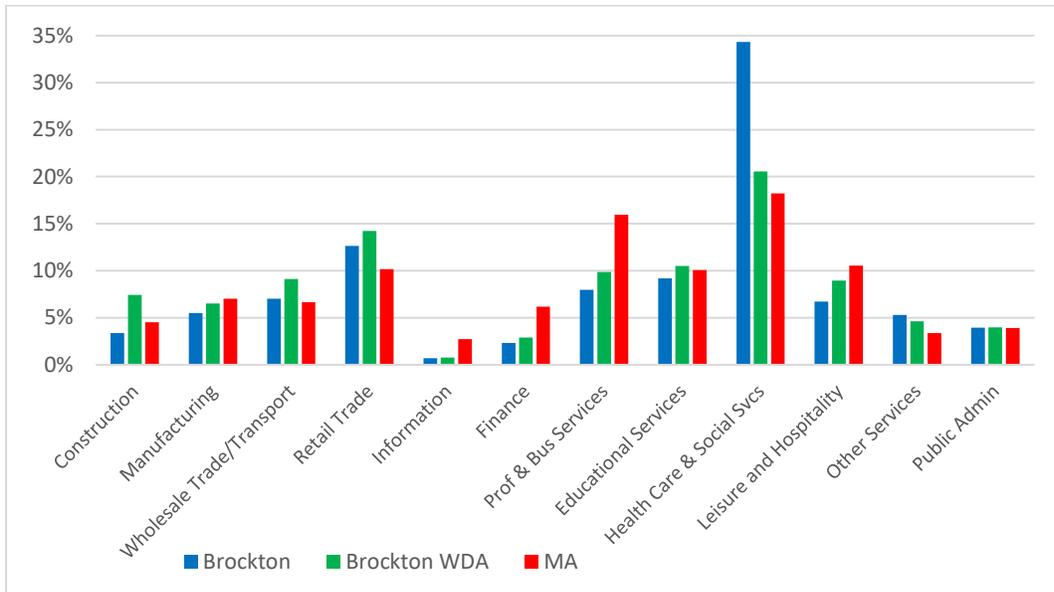
That said, at least four factors could help mitigate this perceived weakness. First, labor markets are inherently regional so any company considering Brockton for location would likely focus more on the regional workforce attributes. And the college educational attainment rates are significantly higher in the towns surrounding Brockton ranging from 26% in Bridgewater to 48% in Easton and 55% in nearby Canton. Second, based on an interview of a life sciences pharmaceutical manufacturing and R&D company located in Brockton, they have had great success obtaining and training Brockton-based workers for a wide-range of hourly positions. These are typically high school graduates, many from an immigrant background, who are successful working in production positions.

Third, the Brockton Area Workforce Investment Board (BAWIB) and CareerWorks are well-known for their strong leadership and collaboration tailoring workforce training to business hiring needs and are a strong asset to build on as the Brockton area seeks to grow its life sciences industry. Fourth, the Brockton area does have multiple higher education institutions producing college graduates such as Stonehill College, Bridgewater State University, Massasoit Community College, the Brockton Hospital Nursing School, and Fisher College.

**Industry Mix.** When contemplating economic development opportunities, it's important to understand the current industry mix in Brockton and the surrounding metropolitan

region, and how that compares to Massachusetts. Figure 3 (below) shows the share of employment by industry for Brockton, the regional workforce development area, and statewide in 2016. Brockton's industry mix is dominated by the health care and social assistance sector at almost 35% of all jobs in the City. This reflects a combination of major health care employers (e.g., Good Samaritan Medical Center, Signature Health Care, and the Veterans Affairs Hospital in Brockton) but also a wide range of social service providers that often tend to cluster in long distressed urban markets.

**Figure 3. 2016 Share of Employment by Industry – Brockton, Workforce Area, Massachusetts**



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

Note: The Brockton workforce development area (WDA) in this graph is based on Brockton, Abington, Avon, Bridgewater, East Bridgewater, Easton, Hanson, Stoughton, West Bridgewater and Whitman

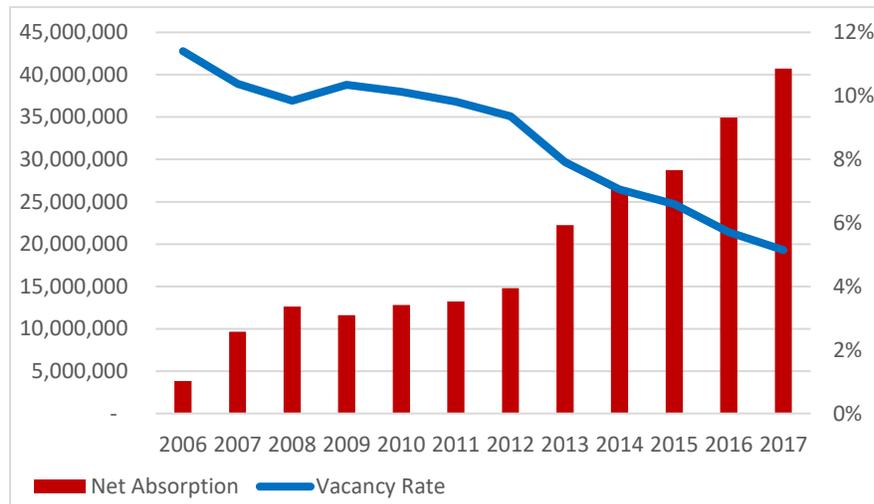
Brockton and the surrounding region have fairly similar levels of manufacturing, wholesale trade, and transportation/warehousing as Massachusetts. The biggest difference is that the Brockton area's manufacturing is led by non-durable manufacturers (food, beverage, candy) with twice as many jobs in those sectors as durable manufacturers. The Metro South region, and Brockton in particular, trails the state in terms of the share of jobs in higher-skill, higher-pay industries like information, professional and business services, and finance.

## Industrial and Office Markets

**Industrial Market Analysis.** Despite a longer-term decline in manufacturing, the Brockton region maintains a solid inventory of industrial real estate properties, with a relatively low vacancy rate. To place the industrial real estate market in context, Figure 4 shows the vacancy rate and net absorption of industrial properties in the broader Boston region

from 2006 to 2017. In general, we see the vacancy rate for industrial space (manufacturing, “flex” space, and warehousing) declining steadily from 11 percent in 2006 to 5 percent in 2017. Demonstrating the growing demand for industrial space, net absorption has been steadily increasing over this time period with the Greater Boston region adding a net positive of 40.7 million square feet of occupied space. Almost ¾ of this market growth has been for warehousing and distribution space.

**Figure 4. Boston Area Industrial Market Vacancy Rate and Cumulative Net Absorption 2006 to 2017**



Source: CoStar Boston Industrial Market Report provided by MassDevelopment

Turning to the Brockton region, CoStar defines a number of sub-markets in Greater Boston including the “Route 128 South Market” which includes Brockton and other Rt. 24 areas along with Quincy, Braintree and other Rt. 3 and Rt. 1 industrial areas. This area has 1,399 industrial buildings, 53 million SF of industrial space, and a vacancy rate of 6.2 percent with a quoted lease rate of \$6.30 per SF (a little bit below the region average of \$7.54). Two other nearby regional markets are the Attleboro/New Bedford area and the I-495 South industrial market. These markets have slightly lower vacancy rates and quoted lease rates also below the Boston market average.

It's not obvious what industrial users would be most relevant in the GSMC study area. Interviews with local development leaders confirmed an overall strong market for warehousing, contractor yards and some manufacturing but most industrial uses would not be compatible with GSMC. It's possible that a small-mid sized bio-tech manufacturer could locate near GSMC or other areas near Exit 18 but most seek to locate in existing buildings or require more land (20 to 50 acres) than are currently available to develop in the study area.

**Table 3. Southeastern MA Industrial Sub Markets (1<sup>st</sup> Quarter 2018)**

Market	Existing Inventory		Vacancy	Quoted
	# Blds	Total RBA	Rate	Rates
Attleboro/New Bedford Ind	1,359	64,122,549	4.3%	\$5.59
Route 128 South Ind	1,399	52,966,736	6.2%	\$6.30
Route 495 South Ind	1,010	35,770,378	5.7%	\$6.71
<b>Greater Boston Totals</b>	<b>12,988</b>	<b>527,792,789</b>	<b>5.3%</b>	<b>\$7.54</b>

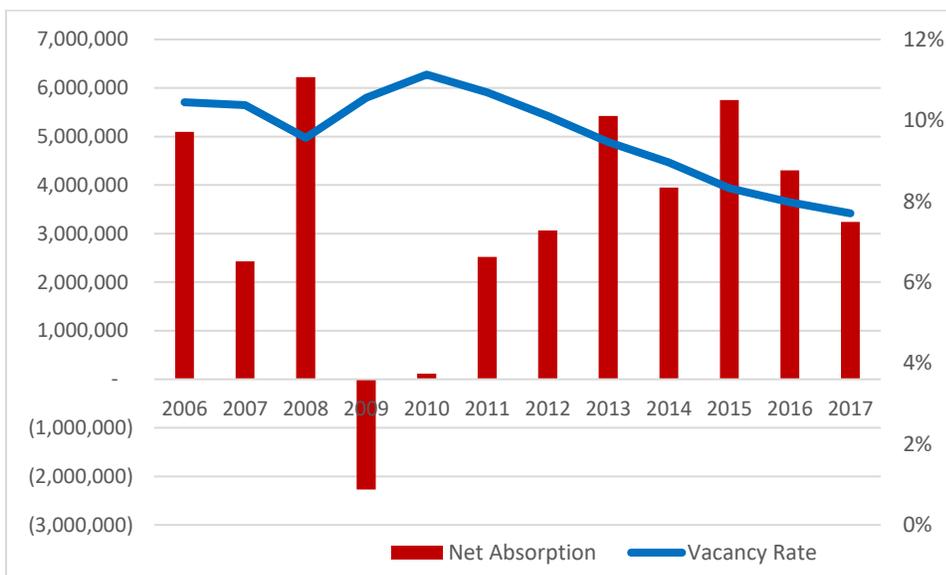
Source: CoStar Boston Industrial Market Report provided by MassDevelopment

**Office Market Analysis.** A more likely use in the GSMC study area may be office, which could include medical office space, labs, or other health-care related office and commercial uses. Office use would be consistent with the vision of development from the city's long-term comprehensive master plan for the area, and would be compatible with current hospital, medical office, and corporate office users in the area.

Looking first at the broader Greater Boston office market, Figure 5 shows how the vacancy rate for office space has trended downward since the Great Recession (2009-2010) with vacancy at about 8% regionally and positive net absorption over the past seven years during the economic recovery from the noticeable downturn in 2009-2010.

Of note, the quoted lease rates for office space are only now reaching pre-recession levels demonstrating that the office market demand is not as strong as you might think this far into an economic recovery. For example, the 2008 average office lease rate was \$23.14 per SF, dipped down to about \$20/SF from 2009 to 2016 and reached above \$23 per SF in the first quarter of 2018 (according to CoStar data).

**Figure 5. Boston Area Office Market Vacancy Rate and Net Absorption 2006 to 2017**



Source: CoStar Boston Office Market Report provided by MassDevelopment

Turning to the Brockton region, the broadly defined Route 128 South market has almost 30 million SF of rentable space with a vacancy rate still near 10%. The lease rate is about \$19.50 per SF, well below the regional rate of \$23 and even further below office lease rates in Boston and Cambridge (about \$50 per SF). Lease rates tend to be higher for Class A office space (about \$5/SF in Brockton area) but lower lease rates make it very difficult and speculative to build new office space in Southeastern Massachusetts.

**Table 4. Southeastern MA Office Sub Markets (1<sup>st</sup> Quarter 2018)**

Market	Existing Inventory		Vacancy	Quoted
	# Blds	Total RBA	Rate	Rates
Attleboro/New Bedford	1,117	12,679,748	5.3%	\$18.08
Route 128 South	1,443	29,706,883	9.6%	\$19.53
Route 495 South	813	9,949,566	5.1%	\$20.29
<b>Greater Boston Totals</b>	<b>14,054</b>	<b>404,754,557</b>	<b>7.8%</b>	<b>\$23.10</b>

Source: CoStar Boston Office Market Report provided by MassDevelopment

To guide and inform this assessment of development and industry opportunities for the GSMC study area, HEC conducted interviews with local, regional and state development experts and stakeholders during the spring/summer of 2018. A partial list of the people and organizations interviewed as part of this study is listed in Table 5. Key points and ideas shared by interview participants are outlined below.

## Findings from Interviews with Development Experts

**Table 5. Interviews Conducted with Development Experts and Stakeholders**

Name	Position and Organization
Rob May	City Planner, City of Brockton
Victoria Maguire	MassDevelopment
Elizabeth Steele	MassBio
Philip Tarallo	Lyne Laboratories
Mark Donahue	Real Estate, Donahue Associates
Pat Ciaramella and Bruce Hughes	Old Colony Planning Council
Harry Bane	Good Samaritan Medical Center
Brian Droukas	Real Estate Broker/Developer

- Medical office space near GSMC is an obvious development opportunity, and one of the areas of office space resulting in new construction activities throughout Massachusetts. But there already is some medical office space in the study area

(though the building is a bit outdated), and medical office nearby at Washington Place in Easton and the mostly empty medical office space near the Signature Brockton Hospital point to a saturated market for generic medical office space.

- The Walmart site on the other side of Rt. 24 could eventually be a redevelopment opportunity (if Walmart eventually departs) but the vacant pad site near Oak Street is unlikely to be anything other than a small retail/convenience store in the near-term.
- Research and development (R&D) might be a better opportunity near GSMC than manufacturing given the size of parcels and compatibility with surrounding uses.
- There is some pharmaceutical and medical instrument manufacturing in Brockton (along with R&D) near the border with West Bridgewater. Unlike Kendall Square in Cambridge or the Seaport District in Boston, the Brockton area's industry success has been in more suburban locations with good highway access (like the Exit 18 study area).
- The commercial and industrial real estate market may be the strongest it has been in 30 years with low vacancy rates. One niche opportunity is contractor yards but this is not a likely fit near GSMC.
- One challenge for Brockton is relatively high commercial and industrial property tax rates compared to most surrounding towns. The 2018 Brockton property tax rate is \$33.23 per \$1,000 in value compared to \$16 to 25 in most surrounding towns (exceptions include Avon at \$35, Holbrook at over \$38 and Randolph at \$30).
- The near-term market opportunities for life sciences and bio-tech related industries appears much more limited. A 2018 MIT study called "Building Life Sciences Capabilities in Gateway Cities" placed Brockton at the early stage of developing a life sciences cluster (asset building). The report identified a small number of existing life sciences companies but noted that Brockton's firms are not interconnected and that the economy is generally more localized within the broader regional economy. The report suggested a focus on: a) workforce development and education for STEM; b) developing real estate assets; and c) building staff/organizational capacity and expertise to pursue life sciences opportunities.
- There is about 20,000 SF of empty office space in the GSMC study area (about 1 and ½ floors).
- While it may be a complex process, there are policies and regulations that allow development of wetlands with replication of wetlands in other areas. Typically this is done through the City's Conservation Commission but there is also a Taunton River Watershed provision for regional wetlands replication projects. So, to develop more comprehensively at the GSMC site, it will likely require detailed work to determine the best path forward for a replication strategy.

- Possible health care-related uses near the GSMC hospital could include:
  - A senior-supportive housing facility
  - A health care recovery facility with rehabilitation services for patients that don't require overnight stays in the hospital
  - A day care center that could serve the needs of GSMC's 1,900 employees
- The City identified GSMC and the Westgate Mall as a longer-term mixed use development opportunity in its recent comprehensive master plan. One idea is that over time, the retail uses east of Rt. 24 may not be needed which could open the possibility to a broader redevelopment vision with higher density highway access development.
  - This area of Brockton was also designated as an Opportunity Zone under the new Federal policy that encourages growth and private investment in lower income communities through the use of tax credits.<sup>3</sup>
  - Other possible development tools and incentives include district improvement financing (DIF) whereby Brockton could fund upfront infrastructure improvements in the study area based on anticipated future property tax increases (from development), or tax increment financing (TIF) which is available as a city property tax abatement tool for business expansion or relocation projects.
- The City has identified city-owned land on the west side of Rt. 27 that could be used for wetland replication (typically done at the ratio of 2:1 with more wetlands acreage created). A master plan for the area could lead to an urban renewal area with land use and parcel control authority to facilitate future development.
- BAT could do a bus service directly from the Montello Station to the Westgate Mall area and hospital to better connect those assets.
- The regional office market is pushing south to Quincy, Weymouth and Braintree so an area with good visibility directly off of Rt. 24 could offer strong future office market potential.
- To attract serious interest from a bio-tech company, you either need ready to go build-to-suit land (pre-permitted) or an existing building that can easily be customized for business needs.
- The MassDevelopment Site Readiness Program can fund site assembly initiatives which could be helpful in the GSMC study area given the wide-range of property owners and large number of smaller parcels.
- The Myles Standish Industrial Park in Taunton has been pursuing R&D or lab space tenants in a designated area but has not had luck yet attracting that kind of end

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<sup>3</sup> <https://www.mass.gov/opportunity-zone-program>

user. While Taunton is further from Boston, it may be indicative of some of the near-term challenges of attracting life science companies to Brockton.

- The bio-tech industry continues to grow statewide and should provide more and more opportunities over time including suppliers (lab), contract research and manufacturing organizations that don't need to be in Cambridge/Boston.
- Bio-manufacturing could be a possibility in Brockton, but often requires a significant amount of land (20 or more acres) that is fully ready for the market. And there are not that many bio-manufacturing opportunities per year (~5) in Massachusetts so this is also not an obvious fit for the study area in the near-term. That said, there are also small-mid sized contract manufacturing companies that could be a better fit in the GSMC area. Research and development (R&D) or laboratory space is also possible, but is still clustered closer to Boston and requires a highly skilled and educated workforce.
- To attain the Platinum BioReady community status from MassBio, Brockton would need a shovel ready (with no buildings/parking to demolish), pre-permitted site or 20,000 SF or more of available space. Available land and buildings on the GSMC site(s) could be configured or positioned to meet this designation.
- In addition to the GSMC study area, other parts of Brockton could also be viable for life sciences industry opportunities such as the long-vacant CSX site near downtown or the Fairgrounds (if and when it is redeveloped).
- Lyne Laboratories is a good example of an existing life sciences company located in Brockton. They moved to Brockton in 1995 and conduct a range of activities including pharmaceutical manufacturing (some of it contract), research and development (R&D), and drug development to the FDA. They employ about 90 and own two buildings – one is almost 80,000 SF and the other was an expansion across the street for an R&D facility of 16,500 SF. They enjoy their location near the West Bridgewater line and intentionally moved into an existing building to help with “time to market” and so they could customize for their needs and operations.
- In terms of workforce, some area companies have a harder time filling highly-educated positions for in-demand chemists and pharmacists as it can be more difficult to attract them to Brockton given the competing job opportunities and the perceived reputation of Brockton. Brockton does have relatively lower housing costs than most of the region and great access throughout the region as assets to help draw talent.
- The suburban character of the Exit 18 / Rt. 24 area could be more attractive to a range of bio-tech businesses, especially if on-site amenities (gym, walking trails, café, etc.) can be integrated.

## Assessment of Redevelopment Options

Based on research and interviews conducted to-date, there are two primary redevelopment pathways for the study area of land near and surrounding the GSMC hospital facility:

- 1) **Phased expansion of GSMC campus with synergistic business opportunities.** As discussed with GSMC, there might be business opportunities that are closely aligned with the GSMC hospital facility that could be pursued strategically over the next 5 to 10 years to provide additional economic opportunity, job creation and property tax revenue for Brockton. This could include (but is not limited to):
  - a. Senior housing – this could be a mixed use senior supportive housing development similar to other projects in Massachusetts (and consistent with the Baker Administration's efforts to expand housing production throughout Massachusetts).
  - b. Recovery Center – a new facility to help patients with recovery and rehabilitation that no longer require a hospital bed.
  - c. Day care center – this could be a very appealing amenity for the 1,900 employees currently working at GSMC.
  - d. Bio-tech R&D/lab space – may be a longer-term opportunity for the area but with positive momentum and site assembly, this could make sense in the future and the GSMC area has the assets to support it.

Development along these lines would likely require: a) a strategic master plan with priorities for business expansion; b) partnership with a local/regional developer; c) property acquisition and site assembly to increase the land available for these projects; and d) partnership with the City on wetlands mitigation/replication, and other infrastructure (as needed). This type of redevelopment option could be initiated in the near-term and might benefit from a site assembly grant from the state's Site Readiness Program (see below) as that aspect of the project remains uncertain in terms of the willingness of property owners to sell.

- 2) **Long-term redevelopment with master plan and urban renewal area.** The city of Brockton has identified the GSMC study area and Westgate Mall as a long-term redevelopment opportunity for Brockton. Between the hospital facility and highway access as assets and the uncertainty of traditional mall uses in the longer-term, the City would like to see higher levels of development, including office buildings and mixed use development. Achieving this type of vision might take a number of years with the first step being a detailed master plan for the area. The master plan could then lay the groundwork for an Urban Renewal Area which would allow bigger changes such as property acquisition (via eminent domain if need be) and wetlands replication.

This redevelopment option would require very close collaboration with the City and could take 10-20 years to be realized. And the timing of redevelopment of

the Westgate Mall is a major uncertainty, but could have significant future real estate value and provide strong economic impacts for Brockton in the long-term. As discussed above, the current bio-tech market is not particularly favorable for Brockton but this longer-term plan could allow the city and regional partners more time to enhance its workforce and education programs and be better positioned to realize future private sector investment opportunities.

In addition to these two redevelopment pathways, there are at least three other next steps for consideration:

**Site readiness program application for site assembly.** Massachusetts started a new industrial and commercial real estate program recently called the Site Readiness Program.<sup>4</sup> Ideally with partnership between the city and GSMC, one of the key areas of work allowed under this grant-funded program by MassDevelopment is site assembly. Given the variety of property owners in the study area, it could be very helpful to have expert consulting and MassDevelopment support to better define the land for redevelopment, key/strategic parcels to target for acquisition, and how to navigate, local and state policies and regulations.

**BioReady status.** Brockton is currently at the Gold-level of BioReady communities in Massachusetts.<sup>5</sup> There has been some discussion of whether or not Brockton should try to obtain the Platinum-level to enhance its readiness for bio-tech industry growth. To do this, Brockton would need to complete these steps:

- Municipality's Board of Health has adopted the National Institutes of Health guidelines on rDNA activity as part of its regulations.
- Municipality includes a building or buildings that are already permitted for biotech uses and have 20,000 square feet or more of available space for biotech uses.

OR

- Municipality has a shovel-ready pre-permitted land site with completed MEPA review and municipal water and sewer capacity to meet additional demand.

Based on research and interviews, it's not clear how necessary this step is for Brockton and that the City may want to focus on workforce/education initiatives and local capacity to engage with the industry and the broader industry cluster to discuss business opportunities. That said, the parcel (almost 5 acres) in the southeastern area of the GSMC properties could be targeted for shovel ready, pre-permitted status, and the 20,000 empty SF of office space could be configured for bio-tech uses to help Brockton achieve Platinum status in the near-term to help with business attraction.

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<sup>4</sup> <https://www.massdevelopment.com/what-we-offer/real-estate-services/site-readiness/>

<sup>5</sup> <https://www.massbio.org/why-massachusetts/supercluster/bioready-communities>

**Initiate regional life sciences council/coalition.** The MIT study on life sciences in Gateway Cities suggested creation of a new Greater Brockton Life Sciences Coordinating Council:

“The motivation for this strategy is the recognition of all that Brockton already has going for it, in terms of locational advantages, low cost, some existing life sciences activities, and proximity to major players. But ultimately, there still seems to be a lack of awareness of these great factors. According to stakeholders in Brockton, the key challenge is a lack of coordinating capacity across local leaders, as well as a lack of connections to industry outside of Brockton.”

And the goals of this council would be to:

- Build capacity for industry-targeted economic development;
- Develop a unified life sciences promotional strategy based on local and regional strengths; and
- Coordinate execution of promotional strategies and specific company deals.

These sound like reasonable, high-level strategies but before the formal initiation of a new entity (with the Metro South Chamber identified by the MIT study to convene this group), it would be wise to organize informal meetings with economic development leaders of the region (city/town) to determine if this can and should be a new regional priority with opportunities for positive collaboration. And then decide if/how to sustain this kind of regional life sciences coalition.

## **Recommended Next Steps**

Based on the research, interviews and market analysis, this report concludes with potential next steps to advance development in the GSMC / Exit 18 area and position Brockton for life sciences opportunities. While this market study is focused on development opportunities near Exit 18 and life sciences industry potential in Brockton, it's important to recognize the region's economic and workforce assets, and the potential to support and grow a life sciences industry cluster in greater Brockton. Future studies and research could build on this work (and the MIT study on life sciences in Gateway Cities) with greater depth on the region's workforce assets and existing bio-tech companies.

- In partnership with GSMC, the City, Metro South Chamber of Commerce and other development leaders should pursue a strategy of phased expansion of the GSMC facility, seeking near-term “wins” that are aligned and compatible with the hospital and medical office uses in the study area. Critical to this idea is that GSMC needs a strategic master plan to guide the highest priority development opportunities in the areas surrounding their hospital (e.g., senior housing, day care center, recovery center, etc.).

- These partners should engage MassDevelopment on this development idea and position itself to apply for the next round of Site Readiness grants. In particular, a site readiness grant application should focus on:
  - Detailed strategies and implementation for site assembly to enlarge the land available for development surrounding the GSMC hospital;
  - Practical plans for wetlands replication to remove the current limitations on development in the GSMC study area; and
  - Aligning GSMC's master plans for expansion (including space targeted for future bio-tech uses) with the available land and site assembly opportunities.
- Continue to engage with the Massachusetts Life Sciences Center (MLSC) on education and workforce training initiatives in Brockton, including partnerships with BAWIB and CareerWorks (operated by the UMass Donahue Institute) to ensure Brockton is able to provide the STEM workforce for bio-tech and life science opportunities.
- The Metro South Chamber of Commerce should engage its local economic development partners to explore if/how they can work together regionally to strengthen the life sciences industry. To be successful, this would likely require meaningful participation from existing private sector life sciences companies in the area, and might start with an emphasis on workforce development and collaborative pursuit of workforce training grants.<sup>6</sup>
- Consider targeting available land and vacant office space in the GSMC study area to meet the Platinum BioReady Community status, and engage with the City and MassBio to try to make this happen.
- Explore how to best leverage the Opportunity Zone designation for this area of Brockton to encourage private investment in tangible economic development projects, as well as other tools such as DIF to fund upfront infrastructure improvements or city-led TIFs to mitigate property tax concerns.
- Identify and promote other areas of the City (e.g., CSX site, Fairgrounds, etc.) that should be targeted as possible sites for life sciences and what steps would need to be taken to better position them for bio-tech.

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<sup>6</sup> For example, the Workforce Training Fund Program: <https://www.mass.gov/service-details/workforce-training-fund-programs-wtftp>