

# MARKET ANALYSIS OF RE-USE OPTIONS AT BROCKTON FAIRGROUNDS

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## Introduction

The Brockton Fairgrounds is a large-scale (approximately 65 acres) site in a key area of Brockton along Forest Avenue and Rt. 123, and near Campanelli Stadium, the Brockton High School, and a wide range of commercial and residential markets. The site's relatively large size and location near Rt. 24 means that it has the potential for positive economic contributions to both the city of Brockton and the broader region. Most recently, it was targeted for a planned resort casino which would have represented the one Southeastern Massachusetts resort casino facility. But, that planned re-use may no longer be viable as the Mass Gaming Commission rejected Brockton's bid for a resort casino in April 2016.<sup>1</sup>

While those plans are currently on-hold as legal issues persist concerning the planned tribal casino in nearby Taunton, the proposed Brockton casino project has "opened the door" to examine alternative redevelopment opportunities for this long underutilized site if the casino plan ultimately remains unrealized. Along these lines, there are some indications that the Carney family, while still holding out hope for the casino project, is interested in developing or selling the site, helping to ensure a productive re-use.

The objective of this study, therefore, is to conduct a market analysis of the strengths, weaknesses, and opportunities of different re-use options at the Brockton Fairgrounds to inform the City and its partners as it considers how to proceed on this critical site. Aside from what might happen organically if the site redevelops similar nearby retail-focused uses, this study is focused on evaluating different future uses that could provide greater levels of economic value, employment, and property tax revenue to the City of Brockton.

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

- Research the site 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 re-use options;
- Develop a short-list of redevelopment options for the Fairgrounds, with an assessment of the strengths and weaknesses of each option; and
- Recommend a series of possible next steps as the City and other partners try to work with the property owner to advance potential redevelopment towards a "highest and best use" for Brockton.

It should be noted and clearly understood that the Fairgrounds site (a group of multiple parcels) is privately held (as of September 2016). Therefore, this report represents an initial

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<sup>1</sup> See <https://www.bostonglobe.com/metro/2016/04/28/brockton-casino-shot-down-gambling-commission/xNOU6aqjg6WRZVINaBhD3O/story.html>

redevelopment analysis to help the City, the business community (Chamber) and others to better understand the site and how it could potentially be effectively redeveloped over time. The remainder of this report is organized into sections covering: a) existing site conditions; b) findings from interviews with development experts; c) assessment of redevelopment options; and d) summary of findings and potential next steps for redevelopment.

## Existing Site Conditions

The Brockton Fairgrounds is a collection of six parcels, all owned by the Carney family, totaling just under 66 acres (see Table 1). Some of the parcels, including the largest parcel (over 45 acres), are owned by the Brockton Agricultural Society, a non-profit managed by the Carney family to operate the Fairgrounds. The entire collection of parcels is zoned as general commercial (C2).

**Table 1. Parcel Information for Brockton Fairgrounds**

Property ID	Lot Size	Use Code	FY2015 Assessed Value	Prop. Taxes
029-044	1.8	Vacant / Developable	\$ 341,070	\$ 10,921
026-116R	0.9	Charitable / Other	tax exempt	N/A
026-116	45.5	Charitable / Other	tax exempt	\$ 50,000
026-120	2.1	Gen Office Bldgs	\$ 3,578,000	\$ 114,568
026-117	14.1	Gen Office Bldgs	\$ 5,474,800	\$ 175,303
029-045	1.6	Vacant / Developable	\$ 580,045	\$ 18,573
TOTAL	65.9		\$ 9,973,915	\$ 369,365

Source: City of Brockton Assessor Data

Notes: The City of Brockton is conducting a 2016 re-assessment of this site and these assessed values are likely to change. The \$50,000 amount for the 45.5 acre site represents an agreement between the Carney family and the City for a payment on that site (similar to a payment in lieu of taxes sometimes paid by non-profits when they don't otherwise owe property taxes).

Just over 46 acres of the Fairgrounds area is under the use code of "charitable" which means that it is tax exempt. Another 16 acres of the Fairgrounds are "general office buildings" which includes at least two active office buildings on parcels that were not included in the resort casino application.<sup>2</sup> And two smaller parcels (3.4 acres total) listed as vacant/developable are also within the broader Fairgrounds area. The estimate of total property taxes paid in FY 2015 for the 65 acre Fairgrounds was \$369,365.

The Fairgrounds site is located along Belmont Street (Rt. 123), bordering Forest Ave to the south, and Thurber Ave to the east (see Figure 2 below). It is approximately 1.5 miles from downtown Brockton to the northeast, and just over one mile from Rt. 24 to the southwest. The surrounding uses include a variety of retail activity and commercial businesses along

<sup>2</sup> Also included in the land that was outside of the casino application is the largely dilapidated state house exhibition building. That building is not on the state's registry of historic spaces.

Belmont Street, with residential areas generally to the east and north, and Campanelli Stadium and the Shaw's Center very nearby (just beyond Forest Avenue).

The site also includes:

- A horse racing track, multiple horse stalls and related buildings;
- A variety of surface level parking facilities;
- Open space in a variety of areas along with interior minor roadways and pathways; and
- A few buildings nearer to Rt. 123 (including the active office building).

**Figure 1. Aerial View of Brockton Fairgrounds and Surrounding Area**



Source: Old Colony Planning Council

Based on interviews with a large number of development experts, the site has long been underutilized, with recent activity including the once a year (roughly 10 days) Brockton Fair and on-again, off-again horse racing on a limited basis.<sup>3</sup> The site also hosts the Brockton Fairgrounds Farmers Market on Saturdays from July through October.

<sup>3</sup> For information on the Brockton Fair, see: <http://brocktonfair.net/index.html> For information on the potential return of horse racing, with decisions pending by the Mass Gaming Commission,

## Local / Regional Economic Conditions

The City of Brockton has approximately 94,000 residents 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 with higher unemployment rates, lower job growth (though positive over the past 5 to 6 years) and higher poverty rates. The unemployment rate has been falling in 2016 (the numbers shown in the table are for 2015 - the latest full year of data) with the July 2016 unemployment rates down to 5.9% for the city of Brockton, 4.7% for the region, and 3.8% statewide.

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 0.41.<sup>4</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 not clustered in Brockton but rather spread over the region.

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

<b>Data Indicator</b>	<b>Brockton</b>	<b>Massachusetts</b>
Unemployment Rate	7.0%	5.0%
Median HH Income	\$ 48,569	\$ 67,846
Jobs / Pop Ratio	0.41	0.50
Job Growth	7.8%	9.3%
Assessed Value Growth	-3.0%	6.7%

Source: Executive Office of Labor and Workforce Development, American Community Survey (2010-2014), Massachusetts Department of Revenue

Notes: Unemployment rate from 2015; Job growth from depth of recession (2009) to 2015; Assessed value growth from 2011 to 2015.

Economic conditions in the surrounding region are generally stronger as the unemployment rate is only 5.5%, and median household income and home values are higher in surrounding towns than Brockton, and more in line with state averages.

When contemplating economic development opportunities for the Fairgrounds site, it's important to understand the current industry mix in Brockton and the surrounding metropolitan region, and how that compares to Massachusetts. Figure 2 (below) shows

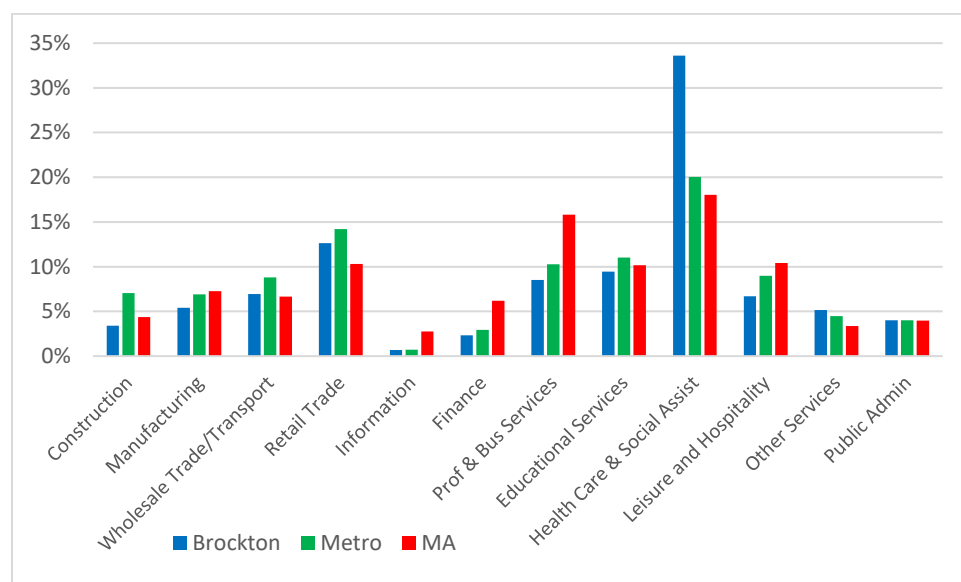
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see: <http://www.enterpriseneews.com/news/20160801/massachusetts-gaming-commission-considers-new-proposal-for-brockton-horse-racing>

<sup>4</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.

the share of employment by industry for Brockton, the metro area, and statewide in 2015. 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., Signature Health Care and Good Samaritan Medical Center) but also a wide range of social service providers that often tend to cluster in long distressed urban markets.

**Figure 2. 2015 Share of Employment by Industry – Brockton, Metro Area, Massachusetts**



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

Note: The Brockton metro area in this graph is based on the workforce investment area which includes 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 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.

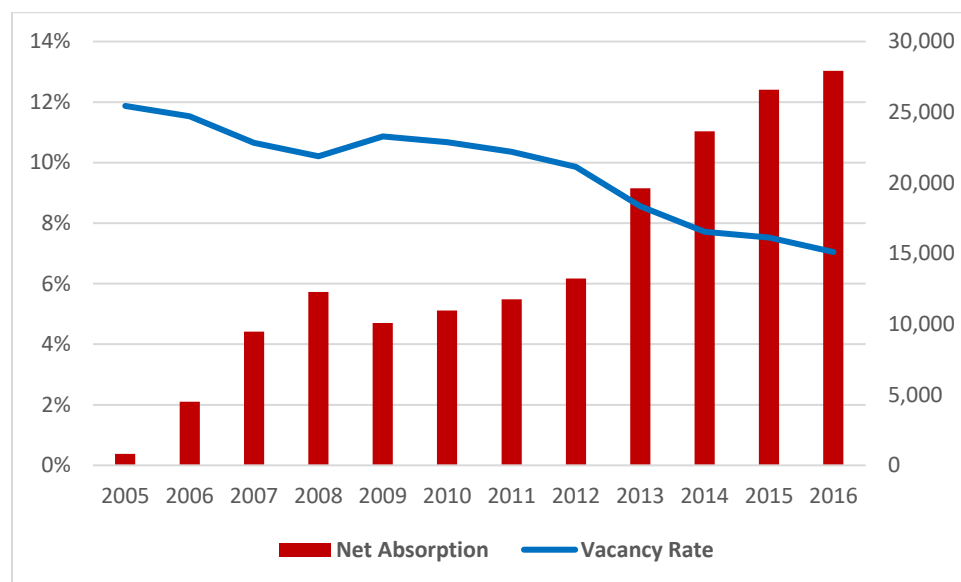
## Industrial and Retail Markets

**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 3 shows the vacancy rate and net absorption of industrial properties in the broader Boston region. In general, we see the vacancy rate for industrial space (manufacturing, "flex" space, and



warehousing) declining steadily from almost 12 percent in 2005 to 7 percent in 2016. Demonstrating the growing demand for industrial space, net absorption has been steadily increasing over this time period with the region adding a net positive of 28 million square feet of occupied space.

**Figure 3. Boston Industrial Market Vacancy Rate and Cumulative Net Absorption 2005 to 2016**

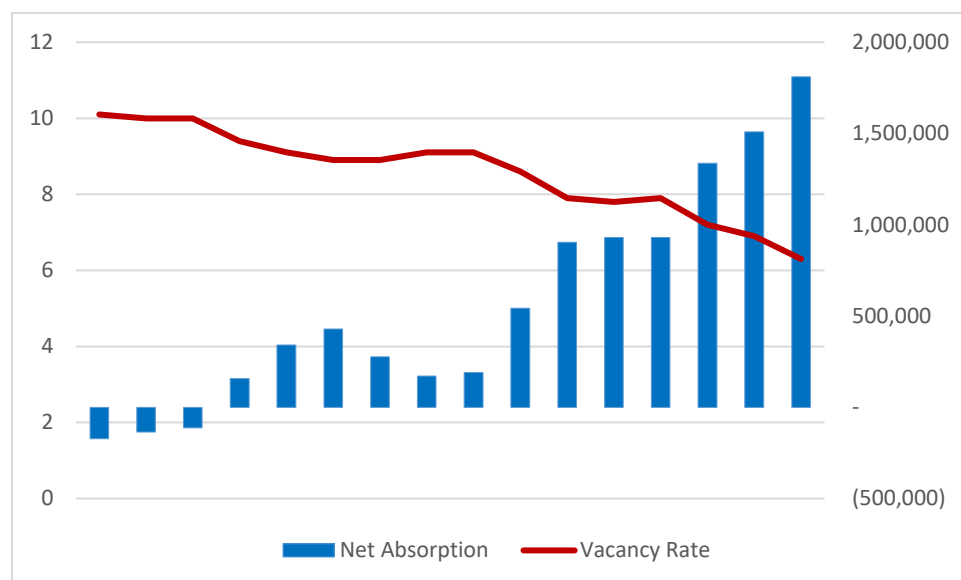


Source: CoStar Boston Industrial Market Report (Mid-2016) provided by MassDevelopment  
 Note: 2016 data represents a half year of data for January to July

Turning to the Brockton region, CoStar defines a "Route 128 South Market" that includes Brockton and other Rt. 24 areas along with Quincy, Braintree and other Rt. 3 and Rt. 1 industrial areas. This area has 1,382 industrial buildings, 52.5 million SF of industrial space, and a vacancy rate of just 6.3 percent with a quoted lease rate of \$5.80 per SF (a little bit below the region average of \$6.65). Similar to the broader regional trends, this south of Boston region has experienced a measurable decline in industrial vacancy rates from 10.1 percent in 2012 to 6.3 percent in 2016, with a growing net absorption over these last few years of 1.8 million SF. (see Figure 4 below) The more detailed Route 24 Industrial area in mid-year 2016 was host to 530 industrial buildings, 19.6 million SF of space, a vacancy rate of 6.3 percent and year-to-date net absorption of 211,733 SF of new occupied space with a quoted lease rate of \$5.04 per SF.

While it is difficult to translate recent industrial market data into definitive projections of future demand, the data generally indicates a strong and improving market that has the potential to absorb additional space over time. Combined with the success reported at area industrial parks with a growing business base (though it often takes time to achieve build-out), the available evidence highlights industrial uses as a potential redevelopment option at the Fairgrounds. Uncertainties include the market lease rates (lower than average in the Brockton area) and the wide-range of factors that could slow the pace of industrial demand in the future.

**Figure 4. Route 128 South Industrial Market from 3<sup>rd</sup> Quarter 2012 to 2<sup>nd</sup> Quarter 2016 (Vacancy Rate and Cumulative Net Absorption)**



Source: CoStar Boston Industrial Market Report (Mid-2016) provided by MassDevelopment

**Retail Market Analysis.** The business activity surrounding the Fairgrounds is largely dominated by a mix of retail and local service providing companies, most notably along Belmont St. (Rt. 123) and to a lesser degree along Forest Avenue. Given these nearby uses and past proposals to locate big box stores at the Fairgrounds, it's worth examining data on the local retail market in terms of supply and demand factors. Data presented in Table 3 provides a high-level overview of some key data indicators that drive consumer demand, as well as analysis of the local supply of retail, service and food & drink businesses. Generated by staff at the Old Colony Planning Council, this data highlights the population, households and income within various drive times of the Fairgrounds site. For example, the population within a fifteen minute drive time of the Fairgrounds (160,330) is more than five times larger than the population within a five minute drive time (29,950).

The median household income, consistent with Brockton's overall socioeconomic conditions, is relatively low at about \$50,000 within a 10 minute drive time (compared to over \$67,000 statewide). This is one indicator that retail-oriented companies examine when considering new locations for businesses. Perhaps more telling is the analysis of retail trade gaps or surpluses which estimate supply and demand for a range of industries and consumption categories. As shown, when focused on a five minute drive, the area appears to be under-served in general with demand estimated to exceed supply by \$1.4 million for retail trade, and over \$10 million for food & drink establishments. The largest individual categories of demand exceeding supply are: 1) department stores; 2) electronics and appliances; and 3) full-service restaurants.



**Table 3. Retail Market Data Indicators for 5, 10, and 15 Minute Drive Times**

	5 min	10 min	15 min
Population	29,950	81,500	160,330
Households	10,109	28,184	56,662
Median Household Income	\$51,109	\$49,120	\$60,178
Retail Trade Gap	\$1.4	(\$555.3)	(\$764.2)
Food & Drink Gap	\$10.3	(\$11.9)	(\$7.7)

Source: ESRI demographic, income and retail market profiles, data reports generated by Old Colony Planning Council

Notes: Data estimates for 2016; retail trade and food & drink gaps in millions of dollars with a positive number meaning that demand exceeds supply, and a negative number (in red) meaning that supply exceeds demand.

When expanding the drive time slightly to 10 minutes, the retail trade surplus/gap looks much different as supply is estimated to exceed demand by \$555 million. And even the food & drink category has flipped to a negative \$11.9 million (meaning that existing supply exceeds demand). This story holds true for the 15 minute drive time as well. Among the different factors that can explain why this looks so different for 5 and 10 minute drive times is access to Westgate Mall. Based on maps provided by the OCPC, it appears that the Westgate Mall and related shopping areas are accessible within 10 minutes of the Fairgrounds (but not 5 minutes). Still, various sub-categories of consumer demand do appear to be opportunities with demand exceeding supply for: full-service restaurants, electronics/appliances, furniture stores, and general merchandise.

## Transportation Access and Assets

The Fairgrounds site has fairly strong transportation access with the biggest asset being its proximity to Rt. 24, the major six-lane limited access highway that connects Brockton north to Boston and south towards Fall River, New Bedford, Cape Cod and the rest of Southeastern Massachusetts. Rt. 123 (Belmont Street) is an officially designated truck route, meaning that the Fairgrounds site has fairly good truck accessibility to Rt. 24 as well as towards downtown Brockton.

The section of Rt. 123 from Rt. 24 is going through series of improvements to traffic lights, drainage, sidewalks (near the Veterans Affairs health care center). Recent funding for localized roadway improvements includes \$6.5 million through the Old Colony Planning Council (OCPC) in partnership with the Massachusetts Department of Transportation (MassDOT), as well as other improvements being pursued by the OCPC for a Phase 3 of work (currently under engineering design and study).

The Fairgrounds site does have transit access through the Brockton Area Transit (BAT) bus system (Route #3) which runs along Belmont Street on twenty (20) minute frequency, and

connects to downtown. The site is not (easily) walkable to the city's commuter rail stations.

### **Site Attributes for Redevelopment**

If and when the Fairgrounds site will be redeveloped for alternative use(s), it is in relatively strong condition based on the following attributes:

- The site is very flat and includes no wetlands<sup>5</sup>;
- Unlike many larger sites in Massachusetts that formerly hosted industrial users, informal assessments are that the Fairgrounds site is relatively "clean" with little to no need for environmental remediation;
- The site (and Brockton in general) has abundant water and 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);
- Sites of this size (65 acres) are very rare in the densely populated eastern Massachusetts / Greater Boston area; and
- The site is approximately 25 miles from Boston, and it's been estimated that half of Massachusetts' population is within 30 minutes of the Metro South region.<sup>6</sup>

### **Findings from Interviews with Development Experts**

To guide and inform this assessment of redevelopment opportunities for the Fairgrounds, HEC conducted 13 interviews with local, regional and state development experts and stakeholders during the summer of 2016. A list of the people and organizations interviewed as part of this study is listed in Table 4. The following represents a summary of findings and ideas shared by interview participants.

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<sup>5</sup> This was noted in multiple locations of the casino report application documents filed with the Commonwealth of Massachusetts.

<sup>6</sup> See <http://www.metroouthchamber.com/region/aboutregion>

**Table 4. Interviews Conducted with Redevelopment Experts and Stakeholders**

Name	Position and Organization
Rob May	City Planner, City of Brockton
Bill Carpenter	Mayor, City of Brockton
Michael Gallerani	Brockton 21st Century Corporation
Richard Henderson and Real Estate Services	MassDevelopment
Jason Korb	Developer, Capstone Communities
Ken Olivieri	Property Owner, Olivieri Insurance
Mark Donahue	Real Estate, Donahue Associates
Pat Ciaramella and Charles Kilmer	Old Colony Planning Council
Mark Trusheim	President, Co-Bio Consulting
Secretary Jay Ash	Executive Office of Housing and Economic Development
Jill Wiley	Community faith advocate, Cultural Council (2003-2013)
Doug Karp	President, New England Development
James Keefe	Principal, Trinity Financial

- Multiple respondents were disappointed that the casino plan was rejected as they envisioned the positive economic benefits of increased jobs, visitation, and tax revenue that would stem from the project. As discussed below, given the lingering uncertainty in the plans for the Taunton casino, it's possible that Brockton will get another shot at applying for a resort casino. If so, the City should ensure that they enhance the earlier application to address various concerns raised by the Mass Gaming Commission.
  - One of the most appealing aspects of the casino proposal was that it would include higher end restaurants and retail, entertainment, and conference event space that would be a "draw" for Brockton and regional residents. In other words, providing a destination that would give people a reason to go to Brockton.
  - One of the critiques of the casino was that it did not appear to be well-integrated into the surrounding area, in particular regarding sidewalk connections, signage, and the how it would fit with nearby uses such as the Brockton campus for the Veterans Affairs (VA) health care facility.
- Interview respondents generally agreed that the Fairgrounds site represents an economically strategic site, with opportunities to focus on private sector job development, increased tax revenue, and developing a place where businesses would like to locate.
  - The fact that a group of parcels totaling over 65 acres is controlled by a single property owner is a site advantage. In Massachusetts, there are

relatively few sites of this size available for redevelopment, and to obtain something of this size, often requires working with multiple land owners.<sup>7</sup>

- There was minimal concern that redevelopment of the Fairgrounds would in any way limit or negatively impact initiatives to boost Brockton's downtown. While it seems possible that a residential and retail-focused re-use of the Fairgrounds could compete with efforts to revitalize Downtown, most respondents viewed these areas separately and didn't expect that success at the Fairgrounds would draw residents and visitors away from Downtown.
- At the same time, respondents acknowledged some of the challenges of the site's location in terms of being separate from Downtown, distant from commuter rail, and still 1.1 miles from Rt. 24, meaning that the site does not have visibility from the highway. And the surrounding retail-focused uses along Rt. 123 are generally low- to mid-range offerings with "strip malls" and auto-oriented uses.
- Respondents were very mixed in terms of residential development opportunities at the Fairgrounds site. A couple of development experts envisioned a mixed use development plan, with multi-family housing (e.g., town homes and 3-4 story condo buildings) a key component along with retail and restaurant offerings. Others simply didn't think that housing was the right use on this site, as they tended to argue that: a) Brockton's housing efforts should be more focused in existing neighborhoods and Downtown; b) housing prices and apartment rental prices in Brockton are too low to support new construction without subsidy for affordable housing; c) abutters are wary of low-income housing; and/or d) a strategic site like this should be used for business-led economic development.
  - It's worth noting that one of the alternative development plans for the Fairgrounds that was included in the casino application was a residential-focused mixed use development plan. This alternative plan, required as part of the Massachusetts Environmental Policy Act (MEPA) documents submitted for review included eleven (11) four-story residential buildings and seven (7) retail sites on the 46 acre site.
- It was widely acknowledged that the office market is generally weak in Brockton and the surrounding area, and there was little enthusiasm for a re-use plan focused on office development. One developer noted that office lease rates in downtown Brockton are approximately \$11-12 per square foot, though many of these spaces are below Class A quality office space. Meanwhile, to re-coup new construction costs often requires lease rates around \$20 to 25 per SF. While it's possible that new, higher quality office space near Rt. 24 could generate higher lease rates than Downtown, it would most likely require use of various public subsidies to come close to being successful as an office venture.

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<sup>7</sup> For example, the MGM Springfield casino plan required a complex site acquisition plan, working with many land owners and building tenants to gain site control.

- The majority of respondents thought that developing a business/technology park was the best long-term economic development opportunity for the site. While 65 acres is not large in terms of other industrial parks (e.g., Myles Standish Industrial Park in Taunton is 809 acres), it is large enough to host a number of businesses if the site could be re-positioned for that kind of use. Development experts were generally in agreement that a business park could attract and host a variety of uses such as light industrial, research and development, back office users, bio-manufacturing, etc. This re-use option was greatly favored by development experts who prioritized higher-wage job opportunities, business ventures that would not crowd out other local businesses (unlike some retail), and increasing tax revenues for the City from this site.
  - Bio-manufacturing (as opposed to bio-tech or life sciences R&D) was a frequently mentioned target use for the site. Bio-tech industry experts generally thought this was a more realistic opportunity in Brockton, as individual sites for bio-manufacturing might be 10-20 acres and employ 50 or more people. And Brockton is rated as a Gold-level bio-ready community by MassBio.<sup>8</sup> But it was also noted that there are relatively few bio-manufacturing site opportunities per year so a redevelopment plan could not focus solely on this market.
  - Respondents emphasized that to be successful with a tech/business park would require a fair amount of work to: a) position and pre-permit the site for market ready uses, including a new road layout and other infrastructure connections; b) design and landscape the park to be attractive to potential tenants<sup>9</sup>; c) market, promote and brand the park to help draw tenants; and d) be patient and think long-term as opportunities will likely arise over time. In essence, the guidance was to be ready when tenants do come along and to have a location and set of amenities that are highly attractive to business as they will not want to start from scratch.
- Interview respondents were also mixed in terms of retail and restaurant business viability at the Fairgrounds. On the one hand, the nearby retail uses (including a CVS pharmacy and Shaw's grocery store) suggest that additional retail could fit into this area, and it's widely known that a Walmart was considering a portion of the Fairgrounds for a major retail site. In addition, many local stakeholders were hopeful that a casino (or other entertainment/cultural draw) could help bring the area higher-end retail chains and restaurants that could serve the region. But, lacking that obvious draw or attractor, other respondents focused on: a) the lack of direct highway visibility given its location over a mile from Rt. 24; and b) a

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<sup>8</sup> <https://www.massbio.org/why-massachusetts/supercluster/bioready-communities>

<sup>9</sup> Examples of nicely designed and landscaped redevelopment projects (albeit with a residential focus and larger scale), include Union Point (formerly Southfield Commons) in Weymouth: <http://unionpointma.com/> and Village Hill in Northampton: <http://www.villagehillnorthampton.com/>

generally weak-moderate retail market in Brockton already served by grocery stores and other retail facilities (e.g., Westgate Mall). In other words, lacking a major attractor, it's not clear that many new retail tenants are looking to locate in Brockton.

- When brainstorming ideas for the Fairgrounds, many interviewees mentioned the possibility of an athletic/sports complex at the Fairgrounds. The logic and appeal behind this idea is that: a) athletic complexes, including indoor/outdoor soccer fields, are being developed throughout the state so there appears to be demand; b) a new athletic complex could help draw athletes and families to Brockton; c) there could be positive synergy with the nearby Campanelli Stadium; and d) athletic complexes require some land but many are 25 acres or less leaving room for other development (such as retail/restaurant, residential, business) to co-locate on the site. Key attributes of a facility might include soccer, lacrosse, track, rock wall climbing, and other activities. On the downside, there are many nearby competitors and the City was looking to develop an athletic venue on the north side of the City (issued an RFP). In addition, these facilities tend to generate relatively few jobs and property taxes per acre, with very modest spillover economic activity.
- A few respondents noted that with a site as large as the Fairgrounds that the City could try to develop a destination facility or activity that doesn't currently exist in Brockton. At this point, it's unclear what that would be (if not a casino) or how to attract a developer for a unique idea. One proposed idea was to create a cultural and tourist-focused area to emphasize Brockton's industrial history (e.g., shoe making) and connections to crafts (e.g., the Fuller Craft Museum). Others have mentioned an entertainment facility of some kind, potentially an amusement park akin to 6 Flags in Agawam or the Wolf Lodge in Fitchburg.
- An interesting idea that came up in two different interviews was to try to do some kind of land swap with the Veterans Affairs (VA) health care facility which is located much closer to Rt. 24. This is an extremely challenging idea to implement, that would likely take years of work, but from a pure planning perspective it does have some logic. This idea would open up land for commercial development (perhaps an office park) where it would be much more marketable (very near Rt. 24) and re-locate a VA facility to a new site (the Fairgrounds) where direct highway accessibility may not be as critical, and a new modern facility could be constructed. Given the complexity of arranging and financing this kind of deal with the federal government, this idea was not vetted more fully but was worth mentioning.
- Since the site is owned by a private party and the City does not have site control, many interviewees focused on how to implement a redevelopment plan. Interestingly, as long as the site is still being considered for a casino, that provides a window of time to develop a preferred redevelopment option. Key near-term steps could include:



- Communicating the findings from this report to a wide-range of stakeholders and determining a preferred redevelopment vision for the Fairgrounds (potentially with a back-up plan);
- Working in collaboration with state development leaders to gain cooperation and participation of the property owner in the redevelopment vision;
- Creating an urban planning district (or interim planning overlay district<sup>10</sup>) for the Fairgrounds to give the City a chance to help master the plan the site, revise/update zoning, and work with the property owner on preferred re-use options;
- Determining who will be the lead redevelopment partner, such as attracting a proven large-site/tech park developer to partner with the current property owner;
- Outlining near-term site needs (e.g., roadway infrastructure, parcel development), completing preliminary site master plan/design work, and gaining approval for rezoning for non-commercial uses (as appropriate); and
- Determining how best to distinguish the site as an attractive location for business, such as establishing a site-specific 43D expedited permitting, applying for MassWorks infrastructure grants, or tapping into a new fund from the 2016 Economic Development Bill focused on site assembly and pre-development work for commercial/industrial parks.

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<sup>10</sup> An interim planning overlay district would need to be approved by the Brockton city council and essentially gives the City a chance to revise zoning and guide redevelopment options. It has been used effectively in other Massachusetts communities (e.g., Chelsea and Boston) but needs to be pursued carefully as property owners may not agree with the City's priorities.

## Assessment of Redevelopment Options

Based on the site conditions, transportation access, economic environment, and interviews with redevelopment experts and stakeholders, five (5) different redevelopment scenarios were assessed. Two of these redevelopment alternatives are considered to be “less preferred”, primarily due to weaker market conditions and a lower expected economic impact (jobs, tax base): 1) retail-focused redevelopment; and 2) residential, mixed use development.<sup>11</sup>

The three redevelopment options recommended for further consideration are: 1) a revised and enhanced resort casino plan; 2) a technology/business park; and 3) an athletic complex with other uses (such as residential, retail or a smaller-scale tech/business park).

### Less Preferred Redevelopment Options

Based on market conditions and lower opportunities for job and property tax growth, the following two options are considered less preferred redevelopment alternatives for the Fairgrounds.

**Retail-focused redevelopment.** This redevelopment option is defined as a Fairgrounds re-use focused on retail and restaurant businesses. It could include one or more “big box” stores (e.g., Target, Walmart) and other small to mid-sized retail and restaurant businesses. This redevelopment use would be consistent with existing zoning (general commercial) and would fit with nearby retail uses (most prominent along Rt. 123). It's possible that this kind of development could also include a movie theater complex, bowling alley or other entertainment options. From the perspective of the land owner, it may provide the fastest path towards redevelopment and increases in property value.

In addition, it's possible that a retail-focused redevelopment could take advantage of the roadside visibility and access along Belmont Street and Forest Avenue (with curb cuts). Plus, given the size of the site, it would be possible to include some housing (near Thurber Avenue) to help transition from the existing neighborhoods. That said, the primary reasons that this option is less preferred from the perspective of the City are:

- It's not clear that there is a strong enough retail market in Brockton to make this the focus of redevelopment. Based on interviews and available data, the market within a 10 or 15 minute drive is well-served in terms of overall retail trade (with supply exceeding market demand). Opportunities may exist with full-service restaurants and a few other sub-categories of retail trade.
- Related, the lack of highway visibility (more than one mile from Rt. 24) is a deterrent to private investment in a major retail/entertainment development project.

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<sup>11</sup> There is not sufficient information or broad support to assess other redevelopment options, such as a culturally-focused tourism facility, at this time.

- Retail and restaurant jobs tend to pay lower than average wages and Brockton very much could use more average to above-average paying job opportunities.
- Big box stores tend to require lots of land and parking, and provide lower-paying jobs. For such a large and strategic site, the City and partners should seek re-use options that result in more and better-paying jobs.
- Development experts think that it could be very challenging to find a private developer interested in this site for an entertainment facility (movies, bowling).

**Residential, mixed use development.** This redevelopment option is defined as being primarily focused on residential housing, and creating a community that could link to other nearby residential areas (e.g., along Thurber Avenue to the east). As mentioned earlier, the submitted casino plan included a mixed used development option that featured eleven four-story residential buildings along with supporting retail uses. Development experts tended to think that shorter story multi-family housing (2-3 stories, townhomes) that could be built from wood (rather than steel) would be more cost-effective and blend more naturally with surrounding residential uses. Similar to the casino plan option (which was rejected largely because of parking needs, automobile traffic and lower economic impacts), a residential-focused redevelopment could include some retail or related services. And at least one developer focused on how residential property values tend to increase closer to Rt. 24. However, the primary reasons that this option is less preferred are:

- Factoring in various site attributes, most development experts simply didn't think that the Fairgrounds was a good site for residential development.
- Multiple respondents felt that residential development in Brockton should be prioritized in the downtown area, closer to commuter rail stations, and in revitalizing existing residential neighborhoods.
- A residential, mixed use development would not likely lead to many direct and permanent economic and job opportunities for Brockton (though it would generate near-term construction economic impacts).<sup>12</sup>
- Privately-funded new residential construction can be expensive and require relatively high sales prices and/or apartment rental rates that might extend beyond the market's willingness to pay. For example, one developer speculated that it would require apartment rental rates of \$2,000 to \$2,500 per month which is hard to get in Brockton.
- Concerns were raised about the willingness of the City and nearby abutters to build more affordable housing in that part of the City. At the same time, some

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<sup>12</sup> Residential-based growth could help with workforce development, local spending on retail and services, and other areas but would not provide the kind of employment impacts of a business-driven redevelopment option.

worried that more residential units could result in more school-age children and a greater drain on existing resources for school and municipal services.

- Depending on other planned redevelopment, it's possible that there could be a transitional residential development (e.g., new townhomes or single family houses) on the eastern edge of the site that could act as a buffer between existing residential neighborhoods and business uses on other parts of the site).

### **Redevelopment Options Recommended for Further Consideration**

Based on stronger long-term economic opportunities for job and property tax growth and the unique assets of the Fairgrounds site, the following three options are recommended redevelopment scenarios for additional consideration at the Fairgrounds.

**Revised resort casino plan.** The uncertainty surrounding the tribal Taunton casino plan<sup>13</sup> leaves the door open for Brockton to re-consider a resort casino at the Fairgrounds. All indications are that the property owner (Carney family) and City leaders still view a resort casino as their preferred redevelopment scenario primarily based on the near-term, well-defined plan for private investment to develop a major facility that would include a casino, hotel, retail, restaurants, and other site amenities such as landscaped walking paths with on-site security. It's widely agreed that the proposed Taunton casino was a major factor in the rejection by the Mass Gaming Commission (MGC) of a casino in Brockton. So, until a Taunton casino is fully under-construction and legal appeals are over, it's likely that the Fairgrounds property owner will hold out hope that Brockton will get a second chance to bid on a southeastern Massachusetts casino license.

While the Taunton casino plan was likely integral to the Brockton casino plan rejection, commentary by MGC commissioners about their decision suggest that there were other factors about the plan that did not meet their standards. Consequently, the City and the casino developers would be wise to come up with agreed upon enhancements to the plan that would score better if the casino plan is re-considered by MGC. In particular:

- Re-assess the site plan to try to increase the economic opportunities on the site and how the casino could leverage other assets, such as:
  - Include the full 65 acres (rather than 45 acres) of Fairgrounds-related land to allow for additional uses.
  - Potential inclusion of horse racing and related activities at the site as the Mass Gaming Commission appears to favor ways to support this industry as part of its broader mission. Related, a recent study by UMass outlined a vision for a potential horse racing and equestrian center for the Commonwealth that would have a substantial economic impact.<sup>14</sup>

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<sup>13</sup> In particular, see a recent judicial ruling against the opportunity for the Mashpee-Wampanoag casino plan: <http://www.wbur.org/news/2016/07/28/ruling-taunton-casino>

<sup>14</sup> [http://www.berkshireeagle.com/news/ci\\_30208629/vision-takes-shape-equestrian-center](http://www.berkshireeagle.com/news/ci_30208629/vision-takes-shape-equestrian-center)

- Enhance the resort casino's integration with the broader surrounding area, including connected sidewalks, improved signage, and partnering on other physical improvements beyond the site's footprint.
  - Provide increased space for convention/exhibition space, performance space, and commercial development.
- Re-assess the building design to provide a bigger "wow" factor, including the potential to increase the building height (which can generate more activity per acre and allow for other on-site uses).

**Technology/Business Park.** This redevelopment option is defined as the development of a business park which could include a variety of uses (light industrial, bio-manufacturing, back office, research & development, etc.). Most commonly known as an industrial park, this redevelopment would likely produce the biggest gains in terms of good-paying jobs and increased property tax base. Rather than focusing on a single type of use, the emphasis would be placed on creating a well-designed business park with market ready, pre-permitted sites for a range of business uses. Accomplishing this would take considerable effort (re-zoning, upfront infrastructure improvements, marketing and promotion, etc.) as well as a committed development partner. On the plus side, the lingering uncertainty surrounding a casino may provide time to better develop a plan focused on a tech/business park. Based on the breadth of support from development experts, low vacancy rates in the region for industrial properties, and the longer-term economic potential of this redevelopment option, it appears to be the most preferred scenario at the Fairgrounds if the casino plan ends.

Key strengths and considerations of this option include:

- Virtually all development experts agreed that this was a viable option for the site, especially if:
  - Business uses avoid high truck traffic businesses (e.g., not a distribution center) given the travel and traffic on Rt. 123 to connect to Rt. 24.
  - Developers take a patient, long-term approach to the economic opportunity, recognizing that a tech/business park would not be fully occupied right away.
  - The business park was a well-designed facility, with attractive landscaping, buffering from other uses (residential), and included dedicated marketing, branding and promotion.<sup>15</sup>

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<sup>15</sup> As an example, the former South Weymouth air base recently announced that an electronics manufacturer (Prodrive Technologies) will occupy a 7.5 acre site, building a 300,000 SF complex to employ 300 people by 2020: <https://www.bostonglobe.com/business/2016/09/13/former-south-weymouth-base-lands-its-first-big-commercial-tenant/oNuklNbKBAJHVq2apNtwxL/story.html>

- The business park allowed for flexible uses of different sizes (the building “pads” don’t all have to be equal) while focusing on uses that would add economic value and jobs to Brockton.
- Business parks can be expensive to develop, even with the strong assets on site (e.g., flat land, no wetlands, and good utilities). Working with experienced developers of industrial parks (including MassDevelopment) to further refine these ideas and help find interested developers for investment partnership would likely be critical to obtain the upfront funding needed.
  - Additionally, the City could work with the property owner to obtain special designations such as 43D expedited permitting for the site, defining it as an Economic Opportunity Area<sup>16</sup>, or pursue funding from the new MassDevelopment Site Readiness program to help fund pre-development activities.<sup>17</sup>
  - For infrastructure improvements, MassWorks is the most relevant, catch-all state funding program that connects a wide variety of infrastructure improvements to specific economic development opportunities.
- There are many successful industrial and/or business parks in the Metro South region, including Myles Standish Park in Taunton (809 acres), Avon Industrial Park (300 acres), Easton Industrial Park (207 acres), and Raynham’s Woods Commerce Center (330 acres).<sup>18</sup> While the Fairgrounds site is relatively small compared to these (and other) examples parks, the full 65 plus acres appears to be developable. Based on some assessments and comparisons of acres and businesses at other parks, a business/tech park could still include a meaningful number of companies. For example:
  - If just 25% of the acreage is dedicated to buildings, that would result in over 717,000 SF of first floor building space. If the average number of stories per building was 1.8 (with a mix of first floor industrial/tech buildings and 2-3 story back-office and other commercial buildings), then the park could generate approximately 1.3 million SF.
  - You could easily fit two to three larger industrial users (average of 10 acres), plus a larger number of small to mid-sized businesses. Bio-manufacturers are often 10 to 15 acres in size with 50-100 employees.
  - Based on Avon’s acreage and the number of businesses (2.36 acres per business), you could fit approximately 25 business at the Fairgrounds. Based on estimates of businesses, jobs and acres at the Avon and Taunton

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<sup>16</sup> See: <http://www.mass.gov/hed/economic/eohed/bd/econ-development/eligibility/etaeoa/>

<sup>17</sup> See: <http://www.mass.gov/governor/press-office/press-releases/fy2017/governor-baker-signs-economic-development-legislation.html>

<sup>18</sup> The Old Colony Planning Council’s Comprehensive Economic Development Strategy (CEDS) provides a long list of business and industrial parks.



industrial parks, the Fairgrounds could support approximately 600 to 800 jobs upon build-out.

- Based on a scan of industrial buildings for sale in Brockton and nearby (or comparable towns), 1 million square feet of development could generate over \$47 million in property value gain. Based on Brockton's millage rate, this would equate to over \$1.5 million in property taxes or over four (4) times the current level of property taxes collected.
- Brockton's water/sewer capacity is a huge regional advantage as other nearby parks (Avon and Easton) are directly limited by their lack of sewer.
- The actual design layout of the park, including internal roadways and landscaping, would determine the business opportunities, and is needed to think through a master plan that would allow for a mix of smaller and larger sites which is probably needed to be ready for different tenant opportunities. In particular, some green space buffering and inclusion of walking trails could increase the acceptance and support by local residents.
- Consistent with the City's overall economic and fiscal objectives, this option appears to provide the greatest impact for Brockton. It allows businesses to take advantage of site strengths (strong utilities, water/sewer, proximity to Rt. 24) while not being as negatively impacted by slight weaknesses (1.1 miles to Rt. 24 which limits opportunities for other businesses).

**Athletic complex with other uses.** This redevelopment option is defined as including a significant athletic complex (up to 30 acres) with space for additional retail, residential or business users. This option could potentially include a higher level of green space for walking and bike trails, and landscape buffering from other uses. As this redevelopment idea had fairly broad support, and could be combined with other productive uses, it makes sense to keep it "on the table" in redevelopment discussions. That said, because it is also widely acknowledged to result in lower job impacts, lower tax base benefits, and lower economic spillover effects (most athletes simply attend events and then leave), it should be considered more of a back-up plan to the technology/business park concept. Additional considerations include:

- There does appear to be a growing trend of business-led athletic complexes being developed both in the region (Forekicks in Taunton, Northborough baseball complex, New England Sports Village in Attleboro) and throughout New England. Further, there is strong demand for soccer (in particular) and many interviewees have had good experiences at nearby facilities.
- With the exception of New England Sports Village (105 acres), other athletic complexes appear to be 25 to 30 acres (or less), allowing for additional redevelopment space at the Fairgrounds.

- Additional redevelopment of the remaining 35-40 acres could be more mixed used (residential with some retail), or a smaller-scale business/technology park.
- Depending on the type of athletic facilities, this type of development could be considered a form of “land banking” by seeking near-term, private sector uses on the land (which increase property taxes), while holding out the possibility of higher value, higher job generator tech park uses over time.
- These complexes often seek to fill a specific niche or role (e.g., baseball in Northborough, soccer at Taunton) while gradually building out facilities for other sports (field hockey, lacrosse, etc.) and training grounds.
- The on-site hotels, restaurants, and retail uses at other athletic complexes appear to be modest economic generators and most visitors attend events and games, and then go home. In other words, an athletic complex is unlikely to lead to other significant business opportunities. That said, it would be privately developed and thus expected to increase property tax revenue above current levels.
- Athletic facilities (including indoor soccer) can exist next to virtually any kind of use, increasing the flexibility of nearby on-site development. In Northampton, the indoor soccer facility (1 full-size field, 1 mid-size field for kids, training areas) resides within an active Fairgrounds property but is only open for business during colder season months. Other facilities in Massachusetts (such as Plymouth) are located in formerly industrial areas, and they do not require immediate highway access.

**Hybrid redevelopment of residential with new sites for business.** A final redevelopment consideration is to try to combine the revenue maximizing interest of the property owner with the economic development and fiscal interests of the City. For example, the City could negotiate to allow residential development along the west side of Thurber Avenue (east edge of the Fairgrounds site), while working to gain (or acquire) public control of other parts of the site that are best suited for business development. The residential development could include 30-40 homes that would blend into the existing residential neighborhood on the opposite side of the street. This would provide a near-term revenue boost for the property owner (as well as new property taxes), in an area (near Rt. 24) that tends to attract higher home sales values. The remaining 30-45 acres (depending on whether the existing office buildings are retained) could then be concentrated on a mix of business uses with strong road frontage. Additional considerations include:

- Based on recent anecdotal evidence and observation, a residential use along Thurber Avenue could result in 30-40 single family homes with sales prices of approximately \$400,000 per home.
  - The residential development could effectively “mirror” the residential uses existing on the east side of Thurber Avenue and also include some

landscape buffering on the backside to separate it from other planned on-site business uses.

- Retaining the 30-45 acres for business development might require some form of public sector ownership and/or site control to ensure a coherent layout for new business opportunities. This could be a scaled down version of the business technology park concept, or could emphasize retail uses along the road frontage while retaining land for at least one larger user (e.g., a major back-office development).
- Limiting the physical size of the business park could lower public infrastructure costs to upgrade the site (e.g., might not need a new internal road), as well as lowering costs to acquire site control.
- This type of negotiated redevelopment could prove more practical in the near-term by recognizing the current property owner's assets and opportunities while trying to avoid a more haphazard development that might occur otherwise (e.g., rather than randomly sub-dividing the site based on new offers being presented to the property owner).

## **Summary of Findings and Potential Next Steps**

Based on the research, interviews and market analysis, this report concludes with a summary of findings and potential next steps for redevelopment.

### **Summary of Findings**

- The Fairgrounds is a large (over 65 acres) site, based on a collection of contiguous parcels under single private ownership, representing a key but underutilized asset in the city of Brockton.
  - It is important to keep in mind that because the multi-parcel site is privately owned, implementation of a redevelopment plan will require some combination of collaboration with the property owner and/or public acquisition of parts or the full site.
- The site has many positive attributes such as the availability of water/sewer and other infrastructure, the absence of wetlands or other major environmental constraints, proximity to Rt. 24, and accessibility to the Boston market.
- At the same time, the lack of redevelopment of a long under-utilized site is likely an indicator of both the generally weak Brockton real estate market, and the fact that the site is neither downtown (1.5 miles away) or directly accessible from the highway (1.1 miles away).
- Market analysis indicates that industrial properties in the Boston and Brockton regions are now at a 10-year low in terms of vacancy rates with steady increases

in net absorption, demonstrating market demand for a variety of industrial uses. Market analysis also shows some localized need for additional retail trade, with full-service restaurants a particularly under-served market.

- The continuing uncertainty regarding the Mashpee-Wampanoag tribal casino plan in Taunton is likely to keep a resort casino plan at the Fairgrounds as the preferred option for the property owner, City leadership and other stakeholders. This process could easily take a year to be sorted out in terms of legal challenges and appeals in Taunton, and the potential to re-open up a bid process with the Mass Gaming Commission.
- During this time, the City and other leaders would be wise to continue to advance alternative redevelopment priorities and action steps in the event that the casino plan is ultimately unsuccessful at the Fairgrounds.
- Based on the study findings and objectives to increase economic opportunities, good paying jobs and higher tax base, the preferred redevelopment scenario is to create a business/technology park at the Fairgrounds.
  - While creating a business/technology park can be an expensive undertaking, the keys are to: a) partner with a proven developer of similar types of facilities; and b) tap into the various existing and new programs to help access public funding for infrastructure (MassWorks), and other pre-development activities.
  - City leaders and developers need to be prepared to take a patient approach to development, design a high-quality, well-landscaped park that is attractive to businesses, and maintain flexibility in terms of end users in the areas of light industrial, bio-manufacturing, back-office uses, etc.
  - While full build-out may take some years, the full 65 plus acres of the Fairgrounds could lead to up 1.3 million SF of development, 600 to 800 jobs, and property tax revenue at least four times higher than current levels.
- An alternative redevelopment scenario (or back-up plan), could focus on attracting a private developer of an athletic complex (up to 30 acres). These facilities are increasingly popular, could meet the growing demand in and around Brockton for soccer and other sports facilities, and could help attract new visitors to Brockton. This alternative plan would increase property tax collections while still leaving considerable room (35-40 acres) for other redevelopment uses.
- Finally, it's important to keep in mind more practical approaches that could benefit both the current property owner as well as the City and broader public. For example, a plan that allows near-term residential development along Thurber Avenue (east edge of the site) could provide near-term revenue to the property owner. That could still allow for 30 or more acres of new site development along Belmont Street and Forrest Avenue with great road access. This could include some retail uses (given surrounding uses and current zoning) but might also allow

for a few larger commercial or light industrial uses consistent with the technology park concept.

### **Potential Next Steps for Redevelopment**

As City leaders await greater clarity about a potential re-bid of a resort casino plan at the Fairgrounds (pending legal actions regarding the Taunton tribal casino plan), key near-term steps could include:

- Communicating the findings from this report to a wide-range of stakeholders and determining a preferred redevelopment vision for the Fairgrounds (potentially with a back-up plan);
- Developing visual graphics (sketch design and/or rough site layout) for alternative redevelopment options;
- Ensuring that any new redevelopment plan is attractive and acceptable to abutters, and that the history of the Fairgrounds is explicitly integrated into a re-use plan;
- Working in collaboration with state development leaders, such as the Secretary of the Executive Office of Housing and Economic Development and top officials from MassDevelopment, to gain cooperation and participation of the property owner in the redevelopment vision;
- Determining the City's preferred approach to working with the property owner on redevelopment which could include: a) negotiating different land uses to help avoid a chaotic, disjointed mix of uses; b) helping the property owner find a redevelopment partner, such as attracting a proven large-site/tech park developer to partner with the current property owner; or c) attempting a planning overlay district.
- Outlining near-term site needs (e.g., roadway infrastructure, parcel development), and completing preliminary site master plan/design work;
- Determining if and when zoning changes need to be approved for revised uses (current zoning is for general commercial), and whether or not to pursue an interim planning overlay district designation to increase the City's role in redevelopment; and
- Determining how best to distinguish the site as an attractive location for business, such as establishing a site-specific 43D expedited permitting, applying for MassWorks infrastructure grants, or tapping into a new site readiness fund from the 2016 Economic Development Bill focused on pre-development work for commercial/industrial parks.