1. **Welcome** - Richard Reed, Bedford Town Manager
2. **Middlesex 3 Transportation Committee** - Rob Nagi, Principal, Transportation Planning and Operations at VHB
3. **Choosing Massachusetts for Business: Key Factors in Location Decision-Making** - Susan Houston, Executive Director at MassEcon and Mark Melnik, Director, Economic & Public Policy Research at UMass Donahue Institute
4. **Middlesex 3 Update** - Stephanie Cronin, Executive Director at Middlesex 3 Coalition
   - Middlesex 3 Transportation Community Compact Update (Chris Curry, NMCOG/LRTA Transit Program Manager)
   - M3 Transportation Management Association (Cody Case, Client Services at TransAction)
   - Other Middlesex 3 Updates
5. **Future Topics for the Transportation Committee**
6. **Upcoming Meetings**
7. **Adjournment**
The Middlesex 3 Coalition was incorporated in 2012 as a regional collaboration among public and private leaders along Route 3 in Middlesex County.

Middlesex 3 communities include:

- Town of Bedford
- Town of Billerica
- Town of Burlington
- Town of Chelmsford
- Town of Lexington
- City of Lowell
- Town of Tewksbury
- Town of Tyngsborough
- Town of Westford
**Middlesex 3 Coalition** is a 501(c)6 non-profit entity comprised of regional stakeholders including leaders in finance, education, medical, real estate development, engineering, non-profits and the community at large.
The Middlesex 3 Coalition has 16 member Board of Directors, consisting of six municipal chief executives and ten regional leaders from Middlesex 3 companies and educational institutions.

- Richard Reed
  Bedford Town Manager

- John Curran
  Billerica Town Manager

- John Petrin
  Burlington Town Administrator

- Paul Cohen
  Chelmsford Town Manager

- Kevin Murphy
  Lowell City Manager

- Matt Hanson
  Tyngsborough Town Manager

- Judy Burke
  Middlesex Community College

- Mark Reardon
  CBRE

- Pamela Anastasi
  Enterprise Bank

- Steven Tello
  UMass Lowell

- Robert Buckley
  Riemer & Braunstein

- Scott Weiss
  Gutierrez Company

- Michelle Snyder
  Lahey Health

- Michelle Davis
  Lowell General Hospital

- Dean LaMothe
  E Ink

- Katie Enright
  Howard Stein Hudson
Choosing MA for Business: Key Factors in Location Decision-Making

Presentation for the Middlesex 3 Coalition
October 17, 2017
Today’s Discussion

- Background: Focus of study and methodology

- Summary findings
  - Survey results
    - Statewide
    - Regional
    - Multi-state
    - Industry

- Business interview

- Policy recommendations
Develop a deeper understanding of why “growth” companies choose Massachusetts

- What factors were critical in the decision making?
- What “works” about doing business in MA?
- What challenges exist?

The research consisted of:

- A detailed survey with 74 businesses
- 15 in-depth interviews with CEO/top decision makers
Who were the respondents?

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>35</td>
<td>47%</td>
</tr>
<tr>
<td>Research &amp; Development, including Life Sciences</td>
<td>16</td>
<td>22%</td>
</tr>
<tr>
<td>Software Development and Technology</td>
<td>14</td>
<td>19%</td>
</tr>
<tr>
<td>Professional Services and Communications</td>
<td>6</td>
<td>8%</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>74</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

74 respondents

- Greater Boston: 23 respondents
- MetroWest: 14 respondents
- Southeast: 10 respondents
- Western: 10 respondents
- Northeast: 8 respondents
- Central: 9 respondents
Companies revealed stories of the state’s economic strengths, while at the same time highlighting important challenges.

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>SECTOR</th>
<th>REGION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accurounds</td>
<td>Precision Manufacturing</td>
<td>Southeast</td>
</tr>
<tr>
<td>Anonymous</td>
<td>Anonymous</td>
<td>Greater Boston/ West Mass</td>
</tr>
<tr>
<td>Asahi/America</td>
<td>Plastics Manufacturing and R&amp;D</td>
<td>Northeast</td>
</tr>
<tr>
<td>Carbonite</td>
<td>Software Development</td>
<td>Greater Boston</td>
</tr>
<tr>
<td>Dassault Systèmes</td>
<td>Software Development</td>
<td>Greater Boston</td>
</tr>
<tr>
<td>eClinicalWorks</td>
<td>Healthcare Software</td>
<td>Central</td>
</tr>
<tr>
<td>EF Education First</td>
<td>Educational Services</td>
<td>Greater Boston</td>
</tr>
<tr>
<td>EMD Serono</td>
<td>Bio-tech/Pharma</td>
<td>Southeast</td>
</tr>
<tr>
<td>GE Healthcare</td>
<td>Bio-tech/Pharma</td>
<td>MetroWest</td>
</tr>
<tr>
<td>General Dynamics</td>
<td>Defense Manufacturing</td>
<td>Berkshire</td>
</tr>
<tr>
<td>IBM</td>
<td>Software Development</td>
<td>MetroWest</td>
</tr>
<tr>
<td>Jarvis Surgical</td>
<td>Medical Device Manufacturing</td>
<td>West Mass</td>
</tr>
<tr>
<td>Menck Windows</td>
<td>Precision Manufacturing</td>
<td>West Mass</td>
</tr>
<tr>
<td>SanDisk</td>
<td>Software Development</td>
<td>MetroWest</td>
</tr>
<tr>
<td>Shire</td>
<td>Bio-tech/Pharma</td>
<td>Greater Boston</td>
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</tbody>
</table>
Summary

Massachusetts provides a strong business environment...

- 96% of companies cite workforce as an important factor in choosing MA
- 77% of companies would expand in MA if faced with that decision again
- 64% rated MA as a “good” or “very good” place to do business
- Industry clusters considered one of top three strengths of doing business

But concerns remain...

- Transportation both asset and challenge
- Cost and supply of housing a barrier to recruiting talent
- Clarity of economic development system
- Health care, energy, and labor costs
- Recruiting and retaining talent outside of Greater Boston
Key Survey Findings
Key trend #1: Workforce availability, quality, and skill, as well as infrastructure were the most important factors in choosing Massachusetts.

Source: MassEcon data on expansion and relocation projects, UMDI analysis
Survey Results: Statewide Analysis

Key trend #1: Workforce availability, quality, and skill, as well as infrastructure were the most important factors in choosing Massachusetts.

What was important in choosing Massachusetts?

Source: MassEcon data on expansion and relocation projects, UMDI analysis
Key trend #2: Labor and health care are the most significant operating cost challenges to business in Massachusetts.

What costs are challenges to doing business in Massachusetts?

<table>
<thead>
<tr>
<th>Cost</th>
<th>A major challenge</th>
<th>A minor challenge</th>
<th>Not a challenge</th>
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<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
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<tr>
<td>Health care costs</td>
<td>38</td>
<td>51%</td>
<td>25</td>
</tr>
<tr>
<td>Labor costs</td>
<td>33</td>
<td>45%</td>
<td>32</td>
</tr>
<tr>
<td>Energy costs</td>
<td>32</td>
<td>43%</td>
<td>26</td>
</tr>
<tr>
<td>Taxes, permitting fees, etc.</td>
<td>29</td>
<td>39%</td>
<td>30</td>
</tr>
<tr>
<td>Real estate and/or land costs</td>
<td>29</td>
<td>39%</td>
<td>30</td>
</tr>
<tr>
<td>Transportation costs</td>
<td>13</td>
<td>18%</td>
<td>33</td>
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Source: MassEcon data on expansion and relocation projects, UMDI analysis
Key trend #2: Labor and health care are the most significant operating cost challenges to business in Massachusetts.

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</tr>
</tbody>
</table>

Source: MassEcon data on expansion and relocation projects, UMDI analysis
Survey Results: Statewide Analysis

Key trend #3: Local businesses count on educational partnerships to develop and maintain the workforce talent pipeline.

Importance of Education Partnership Factors

<table>
<thead>
<tr>
<th>Education Partnership Factor</th>
<th>Important %</th>
<th>Unimportant %</th>
<th>Neither %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training/skills development of existing employees</td>
<td>60%</td>
<td>7%</td>
<td>33%</td>
</tr>
<tr>
<td>Developing a pipeline of talent with specific skills</td>
<td>93%</td>
<td>0%</td>
<td>7%</td>
</tr>
<tr>
<td>Partnering with academic researchers on R&amp;D initiatives</td>
<td>73%</td>
<td>7%</td>
<td>20%</td>
</tr>
<tr>
<td>Licensing or commercializing university-developed technologies/research</td>
<td>53%</td>
<td>27%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Source: MassEcon data on expansion and relocation projects, UMDI analysis
Survey Results: Statewide Analysis

Key trend #4: Local and state officials play an important role in supporting companies in choosing Massachusetts, with some mixed experiences working with economic development officials.

Experience with State/Local Economic Development System

<table>
<thead>
<tr>
<th>Satisfaction in Working with Local Officials</th>
<th>Yes</th>
<th>Somewhat</th>
<th>No</th>
<th>Not applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Was there coordination between local and state officials?</td>
<td>47%</td>
<td>27%</td>
<td>25%</td>
<td>0%</td>
</tr>
<tr>
<td>Were development officials responsive with permitting and other “time to market” issues?</td>
<td>57%</td>
<td>21%</td>
<td>22%</td>
<td>0%</td>
</tr>
<tr>
<td>Were you satisfied with the effectiveness of development officials in support of your project?</td>
<td>55%</td>
<td>26%</td>
<td>19%</td>
<td>0%</td>
</tr>
<tr>
<td>Were there a sufficient number of available properties for you to consider?</td>
<td>35%</td>
<td>30%</td>
<td>16%</td>
<td>19%</td>
</tr>
<tr>
<td>Were potential incentives, infrastructure, and other development programs competitive with other states?</td>
<td>13%</td>
<td>19%</td>
<td>29%</td>
<td>39%</td>
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Source: MassEcon data on expansion and relocation projects, UMDI analysis
Key trend #5: Factors most important for location decisions vary significantly between inside and outside of Greater Boston.

Top Regional Differences on Importance by Region of Massachusetts

Source: MassEcon data on expansion and relocation projects, UMDI analysis
Key trend #5: Factors most important for location decisions vary significantly between inside and outside of Greater Boston.

Source: MassEcon data on expansion and relocation projects, UMDI analysis
Survey Results: Regional Analysis

Key trend #5: Factors most important for location decisions vary significantly between inside and outside of Greater Boston.

Top Regional Differences on Importance by Region of Massachusetts

Source: MassEcon data on expansion and relocation projects, UMDI analysis
**Survey Results: Regional Analysis**

**Key trend #6: Key cost concerns starkly differ for regions of Massachusetts.**

### Business Cost Challenges by Region of Massachusetts

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Key trend #6: Key cost concerns starkly differ for regions of Massachusetts.

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Source: MassEcon data on expansion and relocation projects, UMDI analysis
Other Survey Findings

- Companies that conducted multi-state searches placed great importance on educational partnerships and industry cluster factors and were less concerned about business cost issues.

- Manufacturers found labor costs, responsiveness of public development officials, and proximity to major highways as more important than other industries.

- Manufacturers were also more sensitive to various cost issues.

- Research & development, technology, and life science firms all placed importance on access to higher education, local industry clusters, and public transit.

- Job candidates with advanced education are of critical importance across all industry sectors, though, there was still critical need for middle skill workers with technical and vocational skills across all industries.
Key Interview Findings
Advantages:

- Retaining current workforce and ability to recruit new talent are critical factors for expansion and relocation projects.
- Companies place a high value on locating within strong industry clusters.
- Cultural and natural amenities contribute to the Massachusetts image as a place to do business.
- Available incentives and economic development support were highly valued by companies.
- Transportation needs vary, but were important factors in location decisions.
Business Interview Findings

Challenges:

- High housing costs and housing availability are a major concern.
- Difficult to attract and retain younger workforce in some areas of the state.
- Highway congestion and lack of reliable transit service viewed as a negative by many eastern Massachusetts businesses.
- Relatively high business costs, especially energy and health care, were cited as a challenge by most companies.
- The economic development system and permitting processes present difficulties for many companies to navigate.

Outside the Greater Boston core, “last mile” challenges persisted, as well as difficulty attracting young talent.
Policy Recommendations
Policy Recommendations

- Develop and invest in best-in-class workforce training initiatives
- Support policies to increasing housing production
- Invest in transportation infrastructure
- Reduce complexity of economic development delivery system
- Tailor strategies to unique regional needs – and develop strategies to link regions
- Enhance internal and external marketing of statewide and regional assets
- A lot of businesses wanted to stay in MA due to existing history---take care of your “own”.

Maintaining the state’s position as a pre-eminent location for business growth requires attending to our challenges.
Transportation In-depth

- Transportation as an asset
  - Proximity to existing transportation and quality and length of commute were important factors
  - Interstate connectivity
  - Logan International Airport

- Transportation as a challenge
  - Constraints as a current and future concern, especially as it relates to access to labor
  - Highway congestion
  - Lack of competitive public transit options outside the “urban core”
  - MBTA reliability
  - Future investment

- Close link between housing and transportation as an economic development issue, especially in Greater Boston
Contacts

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MassEcon
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617-924-4600

Mark Melnik, Ph.D.
Director
Economic and Public Policy Research
UMass Donahue Institute
mmelnik@donahue.umassp.edu
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Middlesex 3 Target Issues

- Promote and Market Route 3 Corridor
- Improve Regional Transportation
  - Short-Term Improvements and Resources (M3 TMA)
  - Long-Term Improvements and Resources
- Promote Educational and Workforce Resources and Grants
- Promote Infrastructure, Utility & Permitting Improvements
- Encourage Real Estate Development
- Promote Regional Health Care
- Connect Business Leaders to Key Contacts in the Region
UPCOMING EVENTS

November 2, 2017
8:30-10:00 AM
What's Happening in Middlesex 3-Town of Billerica
Location: EMD Serono, Billerica
Join us in the Town of Billerica as part of our What's Happening in Middlesex 3 series. This roundtable with the Town of Billerica leaders will highlight current economic development initiatives and projects happening in Billerica and at EMD Serono.

This includes discussion on:
- Economic development initiatives,
- Business expansion,
- New development projects.

December 8, 2017
8:30-10:00 AM
What’s Happening in Middlesex 3-Kronos
Location: Kronos, 900 Chelmsford Street, Lowell
Please join us at M3 business member, Kronos, for our next What's Happening in Middlesex 3. Kronos is a leading provider of workforce management and human capital management cloud solutions. Kronos industry-centric workforce applications are purpose-built for businesses, healthcare providers, educational institutions, and government agencies of all sizes.

This roundtable will include:
- Introduction to Kronos;
- Overview of their Current and Future Business Initiatives;
- Tour of their New Headquarters in Lowell.

December 15, 2017
8:30-10:00 AM
Middlesex 3 Coalition Legislative Breakfast
Location: Cross Point, 900 Chelmsford Street, Lowell
The purpose of this meeting is to bring together state and federal legislators with Middlesex 3 Coalition municipal, educational and business leaders for a roundtable discussion about key economic development initiatives and business concerns in the Middlesex 3 region.