

Section 4

Economic Development

Goals: To provide commercial services which meet the demands of Hanover's residents and relieve the residential tax burden.

To continue to support revitalization of Hanover's industrial area to promote job creation, improved aesthetics and broader tax base.

INTRODUCTION

Presently, Hanover's local economy is somewhat unstable, lagging behind the slight upswing and cautious optimism that similar suburban communities are experiencing in New England. The latest available 1992 U.S. Economic Census shows only slight overall growth in the number of business establishments (2%) with losses in employment (13%) and in sales and receipts (7%) since 1987. Within the region, Hanover continues to fare better than most communities, ranking third in new business growth and near the middle in employment growth between 1985 and 1993, according to the Plymouth County Business Update.

It appears that a floundering retail sector has slowed Hanover's comeback from the late 80's and 90's recession. Retail is the economic base of Hanover and provides more than one-half of all jobs in the Town. However, retail is historically low-paying and very sensitive to regional competition and the overall health of the local economy. Vacancies at the Hanover Mall and along Route 53 are evidence of this. Additionally, higher-wage manufacturing jobs have recently left Hanover and the growing service sector can't replace them fast enough. As a result, the struggling wholesale sector and a shrinking retail base are left to try support Hanover's commercial and industrial economy.

Hanover residents find themselves desiring a stronger tax base, while they do not wish to expand the geographic extents of the commercial zone. The threat of unattractive strip development along Route 53 and traffic problems are a significant part of the problem. As there are many vacancies in Hanover, emphasis should be made on filling vacancies and improving existing areas as opposed to developing new or expanded commercial/industrial areas.

Figure 4-1:

DEVELOPMENT POTENTIAL

- *There is a limited supply of readily developable land for new building construction, but there are plenty of empty buildings of various sizes along the retail corridor and in the industrial areas to accommodate locating or expanding business and industry.*

The availability of readily developable land and vacant buildings is often a catalyst for business and industry growth in a community. An available inventory of sites and office space can help a locating or expanding company quickly find a number of potential places that will best suit their space needs. It is usually municipalities that are proactive in this area, aggressively marketing sites and buildings, that are most successful in attracting new or expanding companies. From a corporate perspective, this can not only save time but money spent finding the “right” place.

Land

Without available land for business and industry, expansion or growth of the local economy is usually limited. Further, land with poor location qualities or lack of basic utility services (minimum reasonable requirements sought by a locating or expanding firm) typically will not generate business and industrial development. The number of firms seeking to relocate is vastly smaller than the number of communities seeking new business, so a community must be competitive in attracting desirable business and industry.

Vacant commercial properties in Hanover are located primarily along Routes 53 and 139. There are 47 vacant parcels with lot sizes ranging from 0.14 acres to 94.66 acres. In all, there are approximately 270 acres of vacant commercial land. Utilizing a lot size of one acre, this land could be expected to yield another 160± lots. Applying an estimate of 5,800 gross square feet (gsf) per acre (13.3%) for commercial land in Hanover, the Town has the potential to attract an additional 928,000 sf of commercial space.

The physical reality of the vacant land, however, tempers the estimate of what is actually “readily developable” for commercial use. The most visible and sizable vacant parcel of commercially zoned land, located at the junction of Routes 3 and 53, has many development constraints. The land is landlocked which means that it lacks frontage on a road and therefore a road would have to be built to the site in order to gain legal access. Additionally, the land is surrounded by residential land uses which would likely complicate the approval process during plan review.

Other vacant land along Route 53 is located in the Town’s Water Resource Protection District, which effectively prohibits commercial uses that may harm the water supply and limits allowable density. Occasional wetlands along Routes 53 and 139 will further constrain development of other vacant parcels. These factors, combined with Hanover resident’s disinterest in expanding the geographic extents of the non-residential area support a strong case for focusing on the improvement and revitalization of the Route 53 Corridor, especially the mall, and the existing Industrial area in the south west portion of Town.

Approximately 144 acres of vacant industrial land remains in Hanover with an estimated buildout of 79 one-acre lots. However, this estimate may be high as many industrial users require greater than one acre. Much of the available vacant land is located in the recently subdivided Factory Pond Road subdivision (17 lots totaling 62.4 acres with lots ranging from one to 11 acres). Brockton Edison owns other parcels that may never be developed (7 parcels totaling 28.2 acres and ranging from 0.1 to 18 acres). If these factors are applied, a total of only 28 new lots are possible. This assumes that Brockton Edison controls land that might otherwise support 17 potential lots and that the Factory Pond Road subdivision which contains 19 existing vacant lots will not be re-subdivided to larger or smaller lots. At 12,000 sf per buildable acre it is estimated that just under one million additional sf of industrial space could be anticipated in Hanover, as follows.

Potential in Factory Pond Subdivision	675,000 sf
<u>Potential on other vacant lots</u>	<u>280,000 sf</u>
Total	955,000 sf

It should be noted that a significantly larger buildout could occur if all industrial properties were improved or expanded to the maximum allowed by regulation. Note that in 1994 the estimated industrial buildout was 3.5 million square feet (*Hanover Industrial Area Revitalization Study*).

As with the commercial land in Hanover, the actual amount of developable land for industrial purposes in Town is also limited by natural constraints. The development potential of prime industrially zoned land off of Route 53 is limited by the presence of gravel pits and formidable topography. Land off Winter Street, next to Factory Pond is contains wetlands and therefore is most likely only marginally buildable. Other areas behind Route 53 near Third Herring Brook are wetlands and in the Town's Aquifer Protection Zone, prohibiting commercial uses harmful to the water supply. Wet areas are also located on industrially zoned parcels located in Hanover's main industrial area in the vicinity of Circuit Street, Mayflower, King and Winter Streets. It should be noted however, that this area of industrially zoned land contains vacant land that is appropriate for new industry or expansion. Those parcels which are not environmentally restricted from development could be sensitively developed in keeping with the community's interests.

An additional factor to consider with potentially developable land, especially near existing industry, is soil contamination by hazardous materials classifying the parcel as a "21E" site. Many businesses and/or lenders are extremely hesitant to purchase or develop these properties due to potential liability issues. Properties identified as having chemical contamination problems that may not be readily available for sale or lease are included in the appendices of this Plan.

Overall, the amount of prime commercial and industrial land in Hanover is limited, with a definite lack of "readily developable" vacant and sizable parcels in Town. Some of the potentially developable land is restricted by overlay zoning districts (e.g., Water Resource Protection District) which would prohibit many likely uses of the lot. Hanover could facilitate

the re-development of vacant lots by encouraging the demolition of existing vacant structures. Otherwise Hanover may have to consider re-zoning other areas of Town if a larger inventory of readily developable vacant parcels is desired to market to locating and expanding companies. At the current time, however, this is not in the best interests of the community which would be better served by focusing the effort on the preservation and revitalization of existing commercial and industrial areas.

Buildings

A ready inventory of building types and sizes in business and industrial areas is valuable in attracting locating and expanding business. Being able to direct a firm to an available structure that meets their space needs saves start-up costs involved with purchasing a site and building on it. Moving into an existing vacant building leaves fewer uncertainties with regard to the permitting and approval process, construction schedule, and date of occupancy.

The number of vacant buildings in Hanover has decreased somewhat over the last five years, primarily due to the recovery of the economy from the recession of the late 80's and early 90's. Although there were no specific estimates of a local vacancy rate, Hanover has upwards of 150,000 sf of vacant commercial and industrial building space located primarily along its main business corridor (Route 53) and in the West Hanover Industrial Park. In particular, there are a few large retail properties that make up nearly 100,000 sf of this empty space and are located on Route 53: Fretter (35,000 sf), Purity Supreme (20,000 sf), and Calverts (32,000 sf), in addition to 36,000 sf of available floor space at the Hanover Mall. Approximately 134,000 sf of available space is located on Route 53, mostly toward Route 3; upwards of 12,000 sf of empty space is available in the West Hanover industrial area; and approximately 7,000 sf of vacant space is present on Route 139. A general market study conducted for the Hanover Industrial Area Revitalization Study estimated overall vacancy rates at about 10-15% in the region.

Disregarding the space of the larger stores there is only about 50,000 square feet available. Normally, there is a baseline level of vacant space in most areas, even in tight markets. This may lead one to believe, as stated earlier in the Location section of this element, that most of the vacancies in Hanover may be caused by the competitive forces of the market, especially in retail. In this age of extreme competition with downsizing, mergers, re-engineering, and everyone competing for the same market niches, many businesses have become casualties in the war for the disposable income of the consumer.

An area of particular concern for Hanover in expanding its economic base is the West Hanover industrial area. The 1995 revitalization study¹ offered a number of recommendations to improve the attractiveness and marketability of the area. The general sentiment was that the area has potential for reuse and possible expansion based on what was characterized as an "active market" in the region, with regard to industrial building and site sales. Hanover should continue to implement the action plan outlined in this report in expanding its industrial base with higher paying manufacturing, and research and development jobs in the future.

¹ *Hanover Industrial Area Revitalization Study*, Beals and Thomas, Inc., Final Report -January 1995.

LABOR

- *There will continue to be a steady supply of educated, quality white-collar workers to meet local business and industry demands.*

The second most important consideration of locating industry following access to markets is access to labor (within a given area, other factors will determine the final choice of municipality and site). This is becoming more true as transport costs for materials and goods are becoming less important due to the decline in economic activity of material intensive industries and rise in per pound value of more sophisticated and lighter manufactured goods. Typically, companies will not readily locate in an area that cannot provide a skillful and knowledgeable work force able to perform or be trained.

Overall, Hanover has a strong local labor force, with a steady supply of educated, quality white collar workers to draw from now and in the future. This is a good sign for the local economy as far as supplying workers to new and expanding business and industry. The only concern is the aging trend of Hanover's workforce and the current corporate policies that favor layoffs and early retirements for these workers in order to maximize their bottom line.

Availability

According to the 1990 U.S. Census, Hanover's labor force totals 6,380 people, which includes 335 unemployed individuals (5%). This unemployment rate is below the statewide average (6.7%), Approximately 89% of Hanover's total working-aged population is employed, which shows that 11% of those who can work are available. Somewhere between 5% and 11% is probably a more realistic estimate of available labor as some unemployed voluntarily leave the work force.

The total number of working age people (20-64) in Hanover is 7,142. This number is expected to increase to 7,488 people in the year 2000, and drop off slightly to 7,364 people in 2010. These changes reflect an anticipated increase and decrease in total population. Generally, these figures indicate a steady supply of workers to the local labor pool in the coming years, which offers a prospective employer a good idea of long term labor availability in Hanover.

Wage Rates

The median household income in Hanover is \$54,759, 148% of the state average of \$37,000. It is logical from this statistic to make the assumption that Hanover households earn more due to higher paying jobs generally held by suburban families. This is further supported by statistics that show that nearly three-quarters (69%) of residents hold managerial and technical positions, which are typically senior level type jobs that are compensated at higher rates than service or entry level positions.

The fastest growing segment of the population in Hanover are those 45 and older, which has an implication for wage rates. This population is projected to increase at a rate of 36% from 1990-2000 and increase at a lesser rate of 12% by the year 2010. This expected aging trend could raise the median income noticeably at its peak, with older, more experienced workers typically commanding higher salaries. At the same time, however, the current corporate trend of replacing experienced highly paid workers with younger, lower paid workers could temper or even lower the median income in Hanover, depending on the state of the economy.

Table 4-1: Population Projections By Age Cohort

Year	Ages 0-19	Ages 20-44	Ages 45-64	Ages 65-84	Ages 85+	All Ages
1970	4,641	3,381	1,570	475	40	10,107
1980	4,536	4,123	2,024	605	70	11,358
1990	3,678	4,625	2,517	1,010	81	11,911
2000	3,175	4,103	3,385	1,323	206	12,192
2010	2,581	3,917	3,447	1,745	310	12,000

Source: Projection of the Population: Massachusetts Cities and Towns, Year 2000 and 2010 by Massachusetts Institute for Social and Economic Research, December 1994.

Quality

Most employed working age residents (89% of Hanover's total population) earn their living in the Service (32%), Retail (21%), and Manufacturing (13%) industries. The top occupations held within those industries are managerial and technical which accounts for 69% of all jobs. This figure indicates that Hanover's labor force is made up in large part of professional employees which indicates a high quality workforce.

Table 4-2: Employed Persons by Industry

Industry	1980	1990
Agriculture	68	60
Construction	447	564
Manufacturing	890	824
Transportation	191	189
Public Utilities	162	136
Wholesale	168	328
Retail	1,132	1,314
Finance	473	677
Services	1,545	2,063
Public Administration	174	225
Total	5,250	6,380

Source: 1980 & 1990 U.S. Census

Over 90% of Hanover's population has completed some type of education beyond secondary schooling, with 26% earning a Bachelor's Degree or higher. This census data item is used as a rough measure of labor-force quality and indicates that Hanover has an above average pool of labor for business and industry to choose from. However, this link between education and job performance is not entirely reliable, especially since the statistic is not available by occupation.

Table 4-3: Employed Persons by Occupation

Occupation	1980	1990
Managerial	1,559	2,039
Technical	1,656	2,379
Service	665	682
Agriculture	35	71
Production	754	697
Laborers	581	512
Total	5,250	6,380

Source: 1980 & 1990 U.S. Census

MARKET

- *The local economic market is lagging in its total recovery, with a strong rebuilt and growing manufacturing sector and a strong and moderately growing service sector offsetting the still struggling retail and wholesale sectors.*

Evaluating the growth and general activity of specific market sectors (such as manufacturing, retail, wholesale, and service) offers insight into the health and stability of the local economy. Identifying trends and reviewing the performance of these sectors over time can roughly show which businesses and industries may do better in one locality than others. Using this information, the economic base (that solid cluster of industries with the most stability and growth) may be expanded by channeling resources to encourage the development of weaker sectors, or to create a market niche.

Hanover is an suburban bedroom community with limited highway access that lacks the many different types of businesses that are found in employment centers in Greater Boston and communities along the Route 128 technology belt. With the Hanover Mall as its centerpiece, Hanover is a retail center with a strong presence of these and other service industries along Route 53. This is the most visible sector of the local economy and provides over one-half of the jobs located in the Town. As such, most of the larger employers in Hanover can be classified in the retail and service sectors. It should be noted that vacancies in the Hanover Mall create cause for concern and a need to focus on revitalization of the Mall and other existing non-residential areas to maintain a competitive advantage.

Name	Production	Employees
Hanover Mall (1)	Retail Stores	1,245
P. A. Landers	Construction	210
Sears Roebuck & Co. (2)	Department Store	170
Filenes (2)	Department Store	150
Shaws	Food Market	148
Somerville Lumber	Hardware Store	140
Cardinal Cushing School	Training School	130
Macy's (2)	Department Store	110
Ames (2)	Department Store	75
Columbia Motor Cars Co. Inc.	Automotive	68
MVP Sports	Sports Equipment	50
Circuit City	Electronics Store	42
Cri-Tech	Manufacturing	42

- (1) *Includes over 100 stores, including Sears, Macy's, Ames and Filenes (employees listed separately).*
 (2) *These numbers are not included in the Hanover Mall figure. Source: Town of Hanover, April 1996.*

Based on the latest available U. S. Census statistics for establishment, employment and sales growth, the economy in Hanover saw only slight growth and was still slumping, mired in a recession. The only real positive number in terms of growth from 1987-1992 was the small 7% increase in sales and receipts, which is an indicator of growth that should probably be slightly tempered to account for inflation over that time period. Another strong growth indicator, change in employment, saw a 13% decrease over the same five year span and showed that although business was better, it was not good enough to generate company growth and new jobs. Sales and receipts per employee also dropped a substantial 18%, due to a particularly bad performance of the Wholesale Sector that substantial increases in other sectors were unable to overcome. Although the number of establishments increased a marginal 2%, this is a moderate indicator of growth and suggested a few more business openings than closings in Hanover in a mild local economy. This diagnosis of the local economy is not entirely bad when it's considered that these statistics were taken from a recession period, and that since then things have improved some.

Table 4-5: Sector Establishment and Employment Growth, 1987-1992

Sector	Establishments			Employment		
	1987	1992	Change	1987	1992	Change
Wholesale	43	47	+9%	220	297	+35%
Service	128	149	+16%	921	894	-3%
Manufacturing	47	39	-17%	1,200	1,100	-8%
Retail	237	227	-4%	3,633	2,936	-19%
Total	455	462	+2%	5,974	5,227	-13%

Source: 1987 & 1992 U.S. Census of Manufactures, Wholesale Trade, Retail Trade and Service Industries.

The best indicator of growth in local sectors is the bottom line - sales and receipts, which if increasing often leads to new employment opportunities, followed by increasing consumer confidence, and ultimately by the establishment of new businesses. Within the local economy there are some sectors of the market doing better, and as a result growing faster, than others. The manufacturing (+64%) and service (+49%) sectors saw a very significant jump in sales from 1987-1992, a definite positive. Although the good fortune hadn't led to any job increases but did spawn an increase in service establishments. The Town saw decreases in sales in its retail (-4%) and wholesale (-17%) sectors that further hurt a slumping retail industry that lost jobs and establishments, although the wholesale sector did gain four new businesses and employment.

There is various speculation as to why some sectors may have performed better than others during this time period. A possible explanation for the incredible growth in sales of manufacturing is the arrival of new technology, with newer, lighter and more sophisticated manufactured goods that appeared on the market with a higher per-pound value. Such industry includes businesses such as Cri-Tech who has developed a high tech adhesive. The increase of sales in the service sector could be explained by the birth of the nation as service-oriented society, as a means of earning an income and in living, with specialized niches providing

services to maintain a fast-paced lifestyle. The retail and wholesale sectors decrease during the recession can best be accounted for by less available disposable income to spend on goods, decreasing consumer confidence, and an increasingly competitive regional market.

The health of the local sectors is reflected in the sales and receipts per employee, which measures worker productivity. Manufacturing (+79%) and service (+52%) were the most productive sectors (in terms of sales) by far, even with small losses of employees for both, which could have been early signs of the corporate downsizing that continued after the recession. Retail (+19) saw its only positive number, an increase in productivity, while wholesale (-39%) suffered the only sector loss in productivity, due to increasing employees and decreasing sales. Increased productivity during a recession may have been expected as companies cut back on help and got more aggressive in marketing and sales to capture market shares and just survive.

Table 4-6: Sector Sales and Receipts, 1987-1992

Sector	Sales and Receipts			Sales and Receipts Per Employee		
	1987	1992	Change	1987	1992	Change
Manufacturing	83,700,000	137,400,000	+64%	69,750	124,909	+79%
Service	33,242,000	49,159,000	+49%	36,093	54,988	+52%
Retail	309,615,000	298,665,000	-4%	85,223	101,725	+19%
Wholesale	130,224,000	107,946,000	-17%	591,927	363,455	-39%
Total	556,781,000	593,170,000	+7%	782,993	645,077	-18%

Source: 1987 & 1992 U.S. Census of Manufactures, Wholesale Trade, Retail Trade and Service Industries.

These statistics, when taken together, pinpoint particular strengths and weaknesses in sectors of the local economy. In Hanover's business landscape it is obvious that the strongest growing sectors are the manufacturing and service sectors with significant increases in sales, and slight employment decreases attributed to recession downsizing. Sectors that suffered the most through the recession were retail and wholesale, with slight to moderate sales losses indicating local economic instability and lack of consumer confidence. Since 1992, with the recovery of the national and regional economies, Hanover's local economy has more than likely improved. Statistics due out in 1997 from the U. S. Economic Census should confirm a local economy in Hanover with continued growth in manufacturing, a strong service sector, and wholesale and retail sectors still trying to stabilize with slight decreases in growth.

INFRASTRUCTURE

- *Highway access and excess water capacity remain competitive advantages for economic growth, while the lack of sewer and freight rail service, specifically in the industrial area, will hinder the attraction of certain types of business and industry.*

Infrastructure, providing access to markets and needed services, is the basison which a sound economy is built. The location, condition, and capacity of transportation corridors and utilities lay the groundwork for attracting business and industry. Access to markets via transportation and the presence of water and sewer, in that order of importance, can often be determining factors on where the firm might locate. The provision of other utilities and services, such as solid waste disposal & natural gas, are often minor but sometimes determining factors to a firm when all other considerations are equal. In addition, the improvement of the infrastructure along existing business corridors and industrial areas can increase the capacity of development that land can support and prevent future environmental problems.

Transportation

Access to major metropolitan areas is of vital importance for local business and industry in moving goods and providing services. Providing a variety of efficient transportation alternatives effectively enlarges the trade areas a community can access, and often determines a locality's ability to expand its economic base. The proximity to an interstate highway, freight rail, sea port, aviation facility, and pipeline provides local companies with different ways to reach markets outside their region, some which may be more cost effective and timely for certain businesses and industries than others.

Access to Markets. Access to local markets and beyond from Hanover is via the Southeast Expressway (Route 3), which passes through the northeast tip of town and continues north to Route 93 in Boston and south to Cape Cod. The Town's main business corridor is located along Washington Street (Route 53) and is the only major road with direct access to the Southeast Expressway (exit 13). Hanover's main industrial area is located in the western part of town, off of Hanover Street (Route 139), where a mix of residences, businesses, and government buildings line the street. It is not conveniently located for transportation demanding businesses. The other major roadway in the community is Webster Street (Route 123), which is primarily lined with single family homes with some businesses near its intersection with Route 53.

Location. Route 53's location right off of Route 3 has enabled Hanover to attract many retail and service oriented businesses that have located on this main retail strip, including the Hanover Mall. The easy on-off access to the strip allows retailers to capture the business of those from outside of the region who may be passing through on business or pleasure. As long as the economy remains healthy and people have a fair amount of disposable income, the locational aspect of this corridor should always allow the right mix of retail and business to do reasonably well here. The proposed widening of Route 53 will help to ease peak hour traffic congestion. Currently, it seems to be the local and regional competition from rival retailers and businesses

that have forced some business closings. A good case in point is the opening of the Circuit City electronics store near Route 3 and the Mall which may have played a part in the closing of the Fretter electronics store further down Route 53.

By the same token, the location of Hanover’s main industrial area in the western part of Town, with no immediate access to Route 3, has hurt it in attracting businesses there. The remoteness of the area to a major highway makes it more difficult for manufacturing companies transporting materials and goods over local roads, and for professional service firms who need visibility and ease of access in attracting clientele. The area is better suited for companies that do minimal motor freight shipping and receiving or don’t depend on heavy customer traffic for survival. As noted in the previous study, the Industrial Park is more suited to locally driven industry. Hampered by its location, Hanover will have to implement more aggressive strategies for this industrial area to do better.²

Motor Freight

The movement of most products is accomplished by a network of local, regional, and national motor freight carriers. Hanover business and industry moves goods to the regional and national consumer marketplaces by local motor freight and parcel delivery companies. There is only one trucking company located in Town that makes regional deliveries (Rich’s South Shore Express), with a number of other national carriers located in neighboring towns to take products beyond the Massachusetts and New England borders. A number of small parcel delivery services, in addition to the larger, nationally known companies are all located in surrounding towns and are also available to handle the shipping of goods for local companies.

Table 4-7: Local Motor Freight Carriers	
Name	Location
ABF Freight System, Inc.	Avon
Cape Cod Express, Inc.	Wareham
Carbone Trucking, Inc.	Halifax
Coles Express	Seekonk
Deehan’s Express, Inc.	Whitman
Jenkins & Simmons Trans. Co., Inc.	Abington
Parkers Express, Inc.	Avon
Preston Trucking Co.	Abington
Rich’s South Shore Express	Hanover
Yellow Freight System, Inc.	Abington

Source: NYNEX Information Resources Company, 1996.

The general condition and construction of local and state roads can have an affect on the safety and efficiency of motor freight transportation. Poor structural, drainage, and intersection

² “Industrial Area Revitalization Study,” Beals and Thomas, Inc. 1995.

conditions on heavily traveled Hanover roads contribute to accidents, delays, and ultimately congestion, impairing traffic flow and slowing the delivery of goods and products. It should also be noted that roadway problems can have a positive effect on consumers, slowing them down enough to see stores as they drive by. Roadways frequently traveled by motor freight vehicles that have problems are Route 53 (poor pavement conditions, problem intersections, and congestion), Route 139 (fair pavement conditions and problem intersections), the King Street/Circuit Street intersection (poor design), and Circuit Street (poor pavement conditions) as described in the Transportation/Circulation section..

In making transportation over the roadways more efficient, road and bridge repair, expansion, and construction can help alleviate structural, safety, and congestion problems. Future projects that are scheduled in Hanover that will benefit economic development include continuing Route 53 improvements, the repair of the Route 53 North River Bridge, and the repaving of Circuit Street. A project under consideration by the State that would also improve motor transportation is the proposed expansion of Route 3, from Weymouth to Duxbury.

Freight Rail

Access to markets via freight rail, which has a lower cost per mile than trucking, is provided to the Circuit Street industrial area in West Hanover by the Bay Colony Railroad. In the recent past, service has not been provided to the area due to lack of demand. Presently, no service is provided because of ongoing construction of the MBTA's Plymouth Line to provide commuter rail service to the area. With the current condition of the rails and bed for the West Hanover spur, a sizable initial investment would be required to improve the corridor for service again. A substantial user would be needed to justify private or public investment for these improvements. If property owners in the Industrial Park were to show an interest in commencing freight rail service to the area it would potentially expand the types of industry locating there. In addition, the MBTA provides commuter services to Hanover via bus service with the Plymouth and Brockton Street Railway Company, and in the future will provide commuter rail service on its new Plymouth Line, a spur of the resurrected Old Colony Line.

Air Freight

The movement of goods from Hanover beyond New England to other major markets in the United States by air freight, the most rapid mode of transportation, is available at Boston's Logan International Airport. There are a number of carriers that have their own terminals at the airport, from special delivery to parcel delivery companies, that can provide same day service to any city in the country and most cities in the world. For service-oriented firms that depend on the delivery of timely products, Logan is located less than 25 miles away by motor transportation. Additionally, a small general aviation field, Marshfield Airport, is located six miles away in Marshfield and is primarily used for pleasure and commuter flying.

Other Modes

Other modes of transportation are available to Hanover residents that would primarily assist commuters that work in Boston. The MBTA provides subway service on the Red Line from Braintree and Quincy, both of which have parking garages and are located twenty minutes from

Hanover by car or by the MBTA's bus service on the Plymouth and Brockton Street Railway Company. Commuter boat services provide a seven minute trip to Boston are offered by the Boston Harbor Commuter Services and Mass Bay Lines companies from Hingham, located fifteen minutes from Hanover.

Water Supply

A reliable, clean water supply is essential to all communities, including most businesses and industries; from those that use it for everyday needs to those that use it specifically for industrial and manufacturing processes. Only the largest firms can afford to develop their own water sources, with most businesses relying on public water supplies commonly found along business corridors and industrial areas. On-site water is typically desired by most firms due to cost savings and the availability of larger flow capacities.

Presently, Hanover has more than adequate capacity of water to handle average and peak daily requirements for all existing residential and commercial areas. As discussed in the Public Services and Facilities section, the Town of Hanover has proposed five wells that would add an additional 1.8 mgd to the current capacity (4.5 mgd) to create a total of 6.3 mgd of available water. This new total capacity would easily accommodate the projected need of 3.3 mgd for average daily flow, and start to approach the projected need of 7.2 mgd for peak daily flow under full build-out conditions in Town. With these new wells on-line and no future well closings, water needs of new and expanding business and industry should be able to be accommodated. Also, several existing wells could have their water chemically treated to improve quality, which would increase their capacity.

With water presently in ample supply, one of the only ways water could limit the expansion of the local economy in Hanover is through local regulations aimed at protecting the existing supply from harmful activities and uses. The Town has three well protection zones and an aquifer protection zone that preserve water resources by prohibiting land uses that could potentially contaminate the water. Portions of the Pond Street and Broadway well protection zones contain parcels of land zoned for commercial and business uses, respectively. Business development alternatives for this land will be limited, as the Town Zoning By-law prohibits a number of uses deemed hazardous to the water supply such as auto service and parts shops, gas stations, trucking/bus terminals, dry cleaner/laundromat, hairdressers, electronic and semiconductor manufacturers, printers, etc. The location of proposed wells and protection zones are not expected to limit business or industry development in any way, as they are remote from the existing industrial and commercial districts.

Sewage Disposal

The availability of a public sewer system in a municipality can encourage business and industrial development due to the potential for increased density and the initial cost savings. Sewer provides a ready way to handle waste off-site, so that an immediate cost savings is realized by not having to construct an on-site system. It also allows for higher development densities typically found in retail and office parks, where limiting Title 5 regulations for on-site sewage disposal systems do not have to be met. Even more than a public water supply, the presence of a public sewer system can be a particularly strong determining factor in attracting business and industry to a locality.

There is no sewer service currently provided in Hanover; wastewater treatment is handled with individual septic systems. The one exception is the Hanover Mall which is serviced by a package treatment plant (see Public Services and Facilities). Although there are no plans to sewer Hanover in the near future, most of the 66% of the Chamber of Commerce Survey respondents that favored sewerage the Town felt that Route 53 was a priority area for such a project. The Hanover Board of Health agreed, stating that it is one of the five areas in Town most in need of enhanced wastewater treatment due to the development intensity and high flow volumes (see Section 7, Table 7-4).

The lack of public sewage disposal in Hanover will likely discourage large business and industry from moving into Town, due to the fact that Title 5 flow regulations for on-site sewage disposal systems (10,000 gallons per day [gpd] per use on one lot) result in a limitation on the number of employees and/or size of a facility. Following are different commercial uses and the maximum allowable size for facilities under Title 5 Regulations:

Table 4-8: Maximum User Consistent with Current Title 5 Regulations		
<i>Maximum Flow per Day with 10,000 gpd Septic System</i>		
Use	Gallons Per Day/Unit	Maximum Size
Factory or Industrial Plant: with Cafeteria without Cafeteria	20 gpd per person 15 gpd per person	500 employees 666 employees
Office Building	75 gpd per 1,000 sq. ft.	133,333 sq. ft.
Retail Establishment	50 gpd per 1,000 sq. ft.	200,000 sq. ft.
Restaurants: Traditional Fast Food	35 gpd per seat 20 gpd per seat	285 seats 500 seats
Multi-family Residential	110 gpd per bedroom	90 Bedrooms
Housing for the Elderly Nursing/Rest Home	150 gpd per unit 150 gpd per bed	66 Units

Source: 310 CMR 15.203, effective 3/31/95, revised 3/24/95.

The maximum flows are further reduced to 110 gpd of sewage flow per 10,000 s.f. of land area in aquifer protection zones resulting in significant limitations on land included within Hanover's Water Resource Protection District. Areas of commercially zoned land along Routes 53 and 139 are located within the Water Resource Protection District, therefore future development will be constrained by Title 5 requirements. Any development along most of Route 53 and some of Route 139 will likely be limited to smaller businesses unless a package treatment plant is constructed. The innovative and alternative sewerage techniques discussed in the Public Services and Facilities section (Section 7) may also allow for increased flow.

The provision of sewer service could allow Hanover to more aggressively pursue expansion of its economic base. The Town of Rockland offers an opportunity to service the western portion of Town, including the industrial area, at reasonable costs. Another option would be to pursue wastewater treatment options in certain sections of Hanover, utilizing alternative systems.

Other Utilities and Services

Other utilities important to business and industry development that are provided in Hanover, including Electricity by Eastern Edison Company and natural gas by Bay State Gas Company. With the impending deregulation of power companies in Massachusetts, Hanover and other municipalities may well have more than one provider of electricity to choose from in the future, which could result in lower rates. By the same token, any significant increases in petroleum prices could give natural gas the same type of cost advantage that it enjoyed in the 1970's during the energy crisis.

The provision of solid waste disposal services is also important for economic development. If provisions are not made for managing long-term waste disposal, areas will not grow and expand - constrained by environmental regulations and the high cost of disposing of its own waste. This becomes even more important for material intensive businesses and industry that have much more waste that needs to be handled. The way it is handled by the locality and the extent of recycling efforts will also affect the cost of waste disposal.

Solid waste disposal for private companies in Hanover is contracted individually by property managers or business owners, which is the norm for this service in most places. A container is provided by the waste carrier, either a dumpster or compactor, which is emptied as needed. Rates for disposal depend upon the type of container leased, as generally a smaller container such as a dumpster will be less expensive than a larger container, such as a compactor. In Hanover, waste carriers bring refuse to their own transfer station or landfill facility, as the Hanover Transfer Station is not used for commercial solid waste disposal. This operating cost for local business is fairly competitive, with rates chiefly dependent upon the waste carrier and volume of refuse handled.

Since contracts with disposal companies are negotiated individually, a cost advantage might be available to companies located in the Industrial Park or shopping centers, where a property manager may receive a bulk rate discount for having the whole park serviced.

GOVERNMENT IMPACT

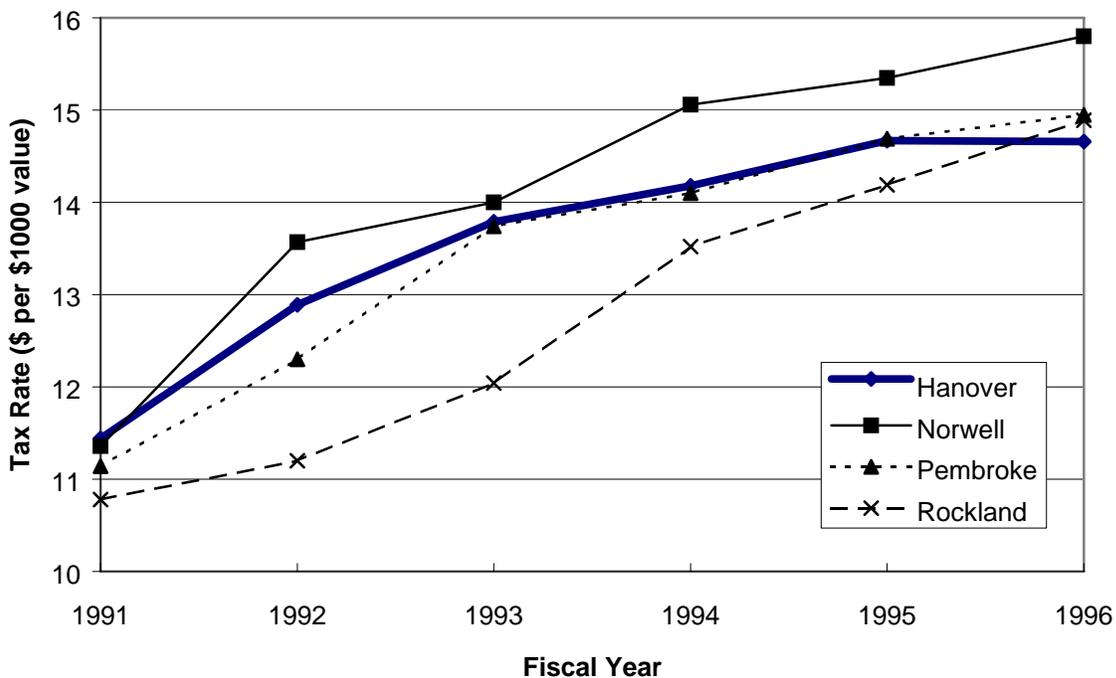
- *Increased government assistance to foster economic development and a decreasing tax rate are positives for business and industry growth, but development requirements may be a competitive disadvantage in facilitating easy business expansion and new development.*

Beyond the provision of infrastructure and services, the ease of locating or expanding and the cost of doing business in a community are important considerations for business and industry. A pro-business attitude with regard to technical assistance, fair land use controls, a streamlined permitting process, and comparable commercial taxes go a long way toward attracting and retaining new and existing business and industry.

Taxes

Hanover’s tax rate, like many communities, has risen since 1990, but the rate of increase decreased each year until 1996. When comparing Hanover’s tax rate with those of Norwell, Pembroke, and Rockland (communities with similar market conditions), the Town’s 1996 rate was the lowest. The stabilization of Hanover’s tax rate may prove to be positive for new and expanding business and industry, particularly if the rate remains stable.

Comparison of Tax Rates in Hanover Area



Source: Towns of Hanover, Norwell, Pembroke, and Rockland Assessors, 1996.

The breakdown of the tax base since 1990 has remained fairly static: Residential - 75%; Commercial - 20%; and Industrial - 5%. Business and industry in Hanover are responsible for contributing only one-quarter of the funds necessary to operate the Town, with the rest of this burden shouldered by homeowners. Also, since 1993, the commercial and industrial tax base in Hanover has begun to shrink slightly, causing a further imbalance and perhaps indicating a decrease in activity within the local economy.

Table 4-9: Hanover Tax Levies (\$), 1990-1995

	1990	1991	1992	1993	1994	1995
Residential	7,656,000	8,752,000	8,923,000	9,514,000	9,985,000	10,552,000
Open Space	7,000	10,000	11,000	11,000	12,000	11,000
Commercial	2,054,000	2,352,000	2,611,000	2,460,000	2,558,000	2,682,000
Industrial	475,000	564,000	600,000	583,000	599,000	612,000
Personal	148,000	169,000	182,000	218,000	217,000	229,000
Total	10,340,000	11,847,000	12,327,000	12,786,000	13,371,000	14,086,000

Source: Town of Hanover Assessor, 1996

Fees

Hanover has a number of common business license fees that it charges annually for the privilege of conducting certain activities. The most typical of these is a common victuallers license for selling goods, for which the Town charges \$25 or \$50, depending on the business. Liquor licenses are also common and range anywhere from \$50 for a one day event to \$1,500 for a package store. Other fees were charged for Sunday entertainment, Cable TV, and some recreation oriented activities (bowling alley, pool table, golf, go-carts, water boats, etc.), in addition to street opening permits and fire department permits (gasoline storage and tank removal).

Regulatory Oversight

Hanover has typical controls in its zoning by-law regulating non-residential growth. The applicable regulations vary depending on the zoning district and the proposed use, and generally include standard dimensional, parking, and signage requirements in addition to Site Plan Approval or overlay district restrictions.

The site plan approval process plays an integral part in the review of proposed development and expansion, requiring that certain technical information be provided and design standards met before approval. New structures exceeding 8,000 s.f. or expansions exceeding 5,000 s.f., require the preparation and submission of a detailed development impact statement that assesses traffic, environmental, fiscal, and community impacts of the project. Also, beyond a site plan, a landscape plan may be needed to show that buffering and planting requirements have been met.

Development in business, commercial, and industrial zones in East Hanover are also regulated by overlay districts in the Zoning By-law. The Water Resource District was established to

protect the water supply by limiting and prohibiting certain types of land use and development that might be potentially harmful to the water supply. The Pond Street Well Protection Zone, which extends to Pond and Washington Street, has the highest potential for impacting commercial and industrial development.

Assistance

The Chamber of Commerce is one of two primary organizations that serves to promote economic development in Hanover. Its goal is to maintain the community identity and character while providing services and employment opportunities. The organization accomplishes this by providing a public forum for ongoing communication with town officials and the community at large, facilitating helpful business-government relationships. The other important pro-business activity that the Chamber undertakes is to acquaint prospective new businesses to Hanover, selling them on the positive attributes of locating in Town.

The Hanover Economic Development Commission (EDC) was formed in 1995 to implement recommendations of the Industrial Area Revitalization Study. The body consists of volunteer members appointed by the Board of Selectmen is charged with promoting, coordinating, and acting as an advocate for economic development in Hanover, and specifically the West Hanover Industrial Park. The EDC also utilizes the assistance of Town staff to carry out the revitalization strategy in applying for grants, undertaking studies, and preparing promotional materials.

QUALITY OF LIFE

- *The characteristics, amenities and services of a suburban bedroom community are positive factors in attracting and retaining business and industry.*

Beyond other locational factors whose bottom lines translate into dollar amounts, the perception of a community for living, working, and playing is often the deciding factor when communities compete for a firm. All else being equal, business owners want to do business in a place where they and their employees will be the happiest and most secure. What this generally comes down to is the provision of local services, from safety to recreation opportunities, and to a lesser extent the affordability of housing (for relocating employees of larger firms). Aesthetics and other unique aspects of a community can also sway location decisions.

RECOMMENDATIONS

The following recommended actions have been formulated with the Town's economic development goals in mind. Each of these recommendations are intended to apply to existing areas of industrial and commercial development. Geographic expansion of these areas is not desired by Hanover residents; however, revitalization or improvement of existing areas is in the community's best interest.

1. Revitalize and develop the West Hanover Industrial Area.
 - EDC should implement signage and landscape improvements in the industrial area, as per the 1995 revitalization study
 - EDC/Chamber of Commerce should work with realtors in marketing space in the area.
 - Investigate the provision and cost of public sewer from the Town of Rockland.
2. Consider changes to regulatory requirements.
 - Work with business owners to revise sign regulations so as to make the regulations more “business-friendly”, while ensuring attractive, readable signs.
 - Work with business owners to determine how or if site plan requirements can be made more “business-friendly.”
3. Maintain and improve the Town’s infrastructure.
 - Continue with local road improvement projects, especially on Route 53 and near the industrial park.
 - Gauge interest in the provision of freight rail services from industry owners and investigate with Bay Colony.
4. Maintain a positive business environment by improving traffic conditions on Route 53 and Route 139
 - Prepare a corridor study for both Route 53 and Route 139 which, at a minimum, offers recommendations on appropriate design standards and locations and numbers of curb cuts.
 - Implement design standards that will deter “strip mall” development along Route 139 so as to avoid this roadway becoming another Route 53.
5. Work to market vacant buildings and lots.
 - Prioritize reuse or redevelopment of existing commercial/industrial buildings within existing non-residential areas.
 - Actively seek out environmentally friendly businesses to locate on vacant parcels in the well protection zones.
 - Actively work with building owners to lease/sell large vacant buildings on Route 53.
6. Lend greater effort to the attraction and retention of locating and expanding business.
 - Keep the Economic Development Commission (EDC) active; focusing not only on industrial revitalization but marketing for other sectors.
 - Expand the Chamber of Commerce’s role to conduct outreach to home businesses and to foster a business incubator environment for small business wishing to move out of the home.