



Economic Development

BACKGROUND

Traditionally, economic development has centered on job creation, especially those jobs that through “multiplier effects” will result in still more jobs for the target area, or jobs serving those who otherwise would have limited opportunities for employment. More recently, in metropolitan areas, the search for job growth has been motivated by concerns over support for municipal finances. Still more recently, the motivations for economic development efforts have often been questioned sharply by residents who view the negative impacts of business activity as threatening to the local quality of life. All of those motivations are in play in Lexington. The challenge is to serve all of them.

Jobs in Lexington

Lexington is often characterized as a “bedroom suburb,” but in fact it is rich in local jobs. With about 20,000 jobs located in Lexington and only a little more than half of Lexington’s 30,000 persons in the labor force, there are about a third more jobs in Lexington than there are job-holding residents (see Tables E1 and E2 and Chart E1). Some neighboring communities are even more “job-heavy” than Lexington, notably Burlington, with more than three jobs per resident worker. Others are notably more “resident-heavy,” such as Arlington, with perhaps as few as a third as many local jobs as resident workers, but with an appearance that seems more business-centered than Lexington’s, as a result of differences in the types and locations of the jobs between the two towns.

Jobs and travel

Despite there being more local jobs than locally resident workers, the great majority of Lexington residents commute out of town for work. In 1990, the most recent year for which there is reliable data, fewer than one out of five of Lexington’s resident workers were employed within Lexington, the other four workers commuting outward. In 1990, Lexington residents held barely more than one out of ten local jobs. To gain one job for a Lexington resident, the Town would

have to expect to add ten jobs overall. The effects of dispersion of where people work, on means of travel to work, are clear. Eighty-five percent of Lexington workers in 1990 drove alone to get to work. The share is almost exactly the same for those working within Lexington as it is for those commuting from Lexington to elsewhere.

Job types and locations

Types and locations of jobs in Lexington have changed dramatically over the years, despite relatively modest overall change in the total number of jobs. As shown on Chart E2, from 1985 through 2000, jobs in Lexington have risen and fallen within a narrow range, reflecting the regional economy. Individual sectors, however, have experienced large change. In common with Massachusetts and the US, jobs in manufacturing have steadily declined. Jobs in wholesale and retail trade have also fallen steadily, but those declines have been more than offset by growth in employment in services, much of it technical and professional.

Jobs in Lexington Center have probably declined, while jobs visually less prominent along Hayden and Hartwell Avenues have grown by large amounts, with the jobs focus moving from the Center outwards, just as is happening at a larger scale for the metropolitan area as a whole.

Serving the Town: Retailing

Retail sales and services are of special significance in Lexington. Retailing serves not only as a job source and a fiscal support, but it also provides convenient and valued service to residents. Through location and design, retailing is the most visible sector of the local economy, and the one with which residents have the most contact. For those reasons, it is a major element in shaping the perceived character of the community, and of its business sector, despite representing only about 10% of local employment.

Retail sales per capita in Lexington in 1997 were less than half the statewide level, despite high local incomes (see Table E4). Even for so-called “convenience goods,” such as food and beverage sales, purchases within Lexington by all customers are far lower than the amounts spent by Lexington residents at all locations. The sole sales category for which that is not true is health and personal care. As reported in US Census figures, retail sales in Lexington fell by nearly a quarter between the 1987 and 1997 censuses of retail trade, even measured in current dollars. Lexington’s jobs in retailing fell even more over that same period. Clearly, there has been a major shift in resident’s shopping patterns. The result is not distressed real estate, but rather changing functional patterns. Land on Bedford Street, where residents formerly bought 2x4s and shingles, now accommodates many more employees, but they work in offices providing services, not in retail sales. Resident’s shopping needs, even for groceries, are increasingly met in other communities, more than offsetting any growth in sales here to people from away.

Jobs and taxes

The impacts of economic activity on municipal finance are subtle and complex. On average, over the last decade or more, business property has paid about a quarter of the Lexington tax levy. That is somewhat less than the average for businesses across the Commonwealth’s communities, despite Lexington’s high employment level in relation to population. That difference is probably

the result of Lexington's residential property values being so high. As allowed by statute, Lexington applies a higher tax rate to business than to dwellings, and the use of that device has reduced the fiscal swings that otherwise would have resulted from real estate value fluctuations over recent years. For example, in 1990, the non-residential share of assessed valuations was 22%, but by 1997, that had fallen to less than 13% as residential property values boomed and business property values in many cases declined.

The municipal costs of servicing business are commonly documented to be less than the taxes business pays, though the margin differs between types of development. Because of that, growth in local business accommodations not only provides "new growth" benefits under Proposition 2 ½, as would any new development, but also helps to reduce the residential share of the tax levy. Analyses made for 2020 pointed out how limited the possible fiscal gains from business growth are because of spatial limitations¹. However, as noted below, the real limitation results from rules the Town has chosen for controlling such development, not from basic limitations inherent in location or the land.

Land for business

Business commonly occupies about 10% or less of a community's developed land area. Consistent with that, about 900 of Lexington's 11,000 acres of land, or 8%, is zoned for business. Roughly 4.5 million square feet of business floor area has been developed within those districts. Few vacant lots exist within them, and most of those remaining parcels are limited by virtue of public or institutional ownership or land qualities. However, many parcels now developed for business have a substantial expansion capacity remaining within zoning limits. In the five major business areas that largely serve a wider than local area, nearly 4 million square feet of business floor area exists (see Table E6 and Chart E4). Under current zoning, if floor area per job were to remain constant, about another one million square feet of floor area could theoretically be added within those districts, enough to add another 4,000 jobs to the 20,000 jobs existing in Lexington.

The key limitation on the ability for business floor area to expand in the Center is parking. Development on none of the lots there currently completely fills the "envelope" of floor area allowed by zoning. Elsewhere, the key limitation on added business development is the allowed ratio of building floor area to lot area, or "FAR." All other requirements of allowable building coverage, setbacks, parking, and height are much more easily met than the FAR rules. We modeled a test of regulatory change to explore the limits. Increasing allowable FAR by 50% in outlying business districts greatly increased allowable floor area, despite no other regulatory changes being made. In the Center, removing on-site parking requirements and changing nothing else resulted in the ability of properties to reach the allowable ratio of floor area to lot area, almost tripling the floor area feasible under current zoning. Between them, those two changes would more than double the potential for new business development in Lexington, without change in the zoning map.

¹ "Managing Fiscal Stability," Final Report, June 8, 2000, page 13 and citations there.

Resources for Guiding Change

Despite its business centers being largely “built out,” and having many constraints ranging from locational through technical to political, Lexington has a strong capacity for directing its own economic future. It has done so in the past. When decades ago the Town declined rezoning for a shopping center (now in Burlington) at Routes 2 and 128, it took a giant step towards shaping the Town’s present economic structure. It reinforced that with the planning and infrastructure actions (and selected inactions) taken a few years later in reshaping Lexington Center. Further reinforcement came in the Town creating large-lot industrial and office districts along Hartwell and Hayden Avenues, but excluding retailing from them. Lexington’s zoning limits business development far below the level that the market would support if regulations permitted. That gives the Town the capacity to choose what it wants and where it wants it. The power of land use controls under these circumstances is awesome.

Less dramatically, but still powerfully, other actions can shape the Town’s economic future. Fiscal policy can be powerful. Raising business taxes, as high as is allowed and aggressively imposing development and operations fees at levels, as high as possible, would have a very different impact on the economic future of the Town than would a more moderate set of fiscal approaches. The Town’s relatively new Economic Development Office is another resource. It sees its mission as largely that which elsewhere is sometimes termed “economic gardening,” more importantly, working to support businesses already here rather than reaching out to induce new arrivals. Finally, Town infrastructure and service efforts can be instrumental in shaping the Town’s economic future. Once that meant extending sewerage. Recently, it has meant facilitating broadband communications. Tomorrow, it may have meaning as unimaginable currently, as “broadband” was a few short years ago.

Table E1.

LEXINGTON JOBS, HOUSING AND FLOOR AREA

1/12/02

Year	Labor Force	Housing units	Workers/ hsing unit	Local Jobs	Jobs/ labor force	Business floor area	
						Total	Per job*
1985	16,936	10,144	1.67	18,846	1.11		
1990	15,735	10,841	1.45	19,411	1.23		
1995	15,462	11,224	1.38	17,838	1.15		
2000	16,007	11,347	1.41	21,600	1.35	4,500,000	260
2005	16,270	11,533	1.41	21,954	1.35		
2010	16,461	11,669	1.41	22,213	1.35		
2015	16,589	11,760	1.41	22,385	1.35		
2020	16,677	11,822	1.41	22,505	1.35	5,900,000	260

* Includes only jobs occupying busines floor area, estimated at 80% of total jobs.

Sources: Jobs & labor force - DET
 Housing units: US Census Decennial reports & building permit data.
 Business floor area: Herr Associates estimate.
 Projections: Herr & James Associates.

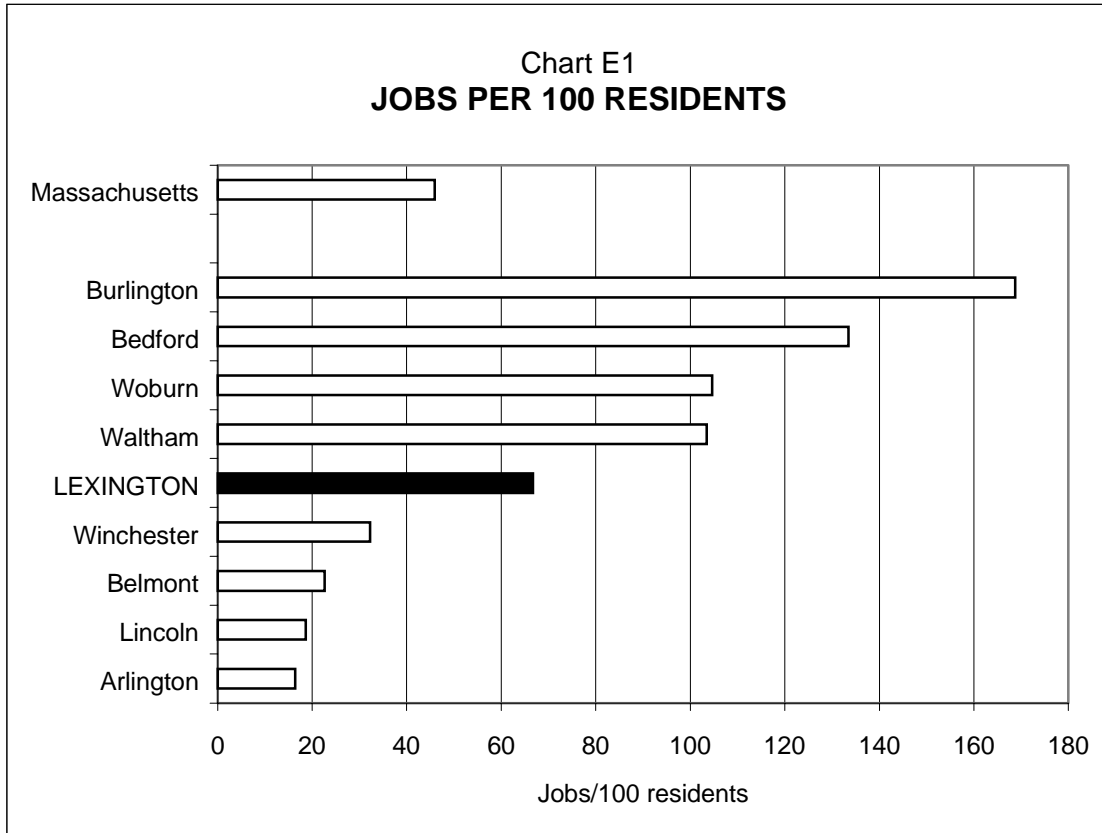


Table E2.
JOB/POPULATION COMPARISONS, 2000

Municipality	Resident Population	Local Jobs	Jobs per 100 residents
Arlington	42,389	6,949	16.4
Lincoln	8,056	1,502	18.6
Belmont	24,194	5,466	22.6
Winchester	20,810	6,714	32.3
LEXINGTON	30,355	20,265	66.8
Waltham	59,226	61,289	103.5
Woburn	37,258	38,985	104.6
Bedford	12,595	16,810	133.5
Burlington	22,876	38,591	168.7
Massachusetts	6,349,097	2,915,478	45.9

Sources:

Population: US Census of Population, 2000.

Local jobs: MA DET website, 4th Quarter, 2000. Excludes Government.

Table E3

EMPLOYMENT IN LEXINGTON

1/12/02

Year	EMPLOYMENT								
	Total	Agriculture Forestry Fishing	Government	Const- ruction	Manufac- turing	TCPU	Trade	FIRE	Services
1985	18,846	65	1,361	670	4,701	261	5,504	643	5,641
1986	18,457	59	1,370	718	4,383	146	4,695	864	6,223
1987	18,197	75	1,366	449	4,963	306	4,440	838	5,760
1988	18,803	75	1,386	443	5,141	360	4,412	931	6,055
1989	19,428	80	1,389	421	5,143	380	4,749	877	6,389
1990	19,411	84	1,393	309	5,007	495	4,072	997	7,054
1991	16,823	83	1,362	271	4,630	439	3,462	1,112	5,464
1992	15,838	79	1,254	240	4,158	434	2,794	1,225	5,654
1993	16,153	82	1,416	237	3,978	293	2,815	1,320	6,012
1994	16,335	89	1,484	373	3,623	302	2,758	1,377	6,329
1995	17,838	99	1,514	329	3,515	335	2,466	580	9,000
1996	18,037	99	1,578	296	3,150	354	2,363	629	9,568
1997	19,078	109	1,647	302	2,966	325	2,663	667	10,399
1998	20,566	106	1,658	308	2,623	408	2,860	683	11,920
1999	21,427	123	1,693	328	2,342	448	3,110	715	12,668
2000	21,600	161	1,700	426	2,155	539	2,662	757	13,172

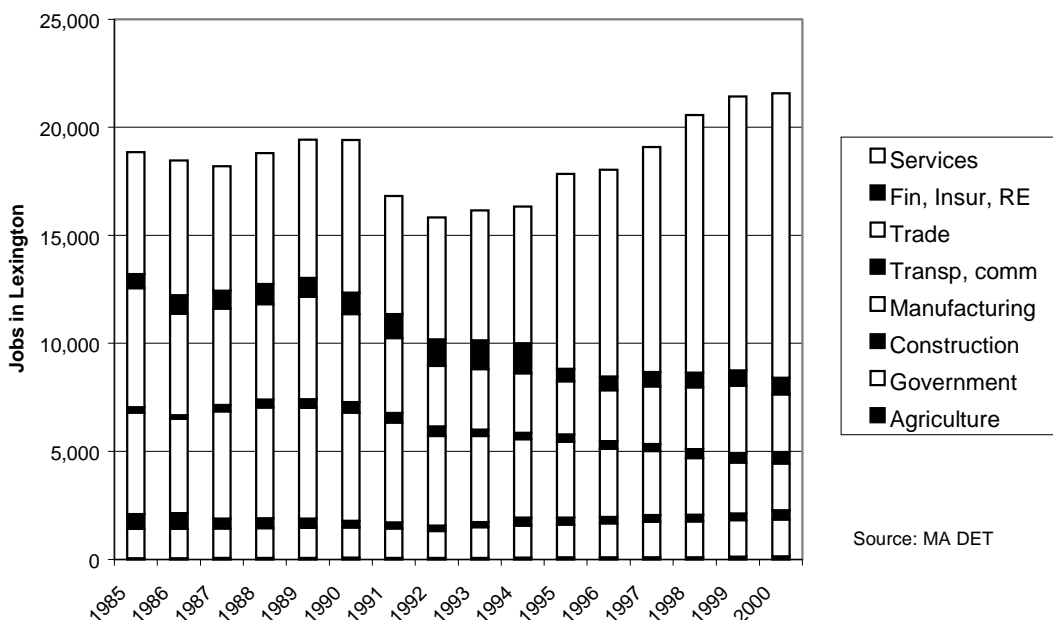
TCPU = Transportation, Communications, and Public Utilities.

FIRE = Finance, Insurance and Real Estate.

Changes in industry definitions in 1988 and 1997 limit comparability with earlier data.

Source: MA Division of Employment and Training, except 2000 Government estimated by Herr & James.

Chart E2.
JOBS IN LEXINGTON
1985 - 2000



Source: MA DET

Table E4.

LEXINGTON RETAIL SALES, 1997

	Sales in 1997		Per capita sales		
	Lexington x1000	MA x1,000,000	Lexington	MA	Lex % of MA
Furniture, furnishings	\$ 8,448	\$ 1,857	\$ 278	\$ 292	95%
Electronics, appliances	\$ 1,099	\$ 1,574	\$ 36	\$ 248	15%
Building materials, garden	\$ 2,731	\$ 5,053	\$ 90	\$ 796	11%
Food & beverage	\$ 21,251	\$ 11,294	\$ 700	\$ 1,779	39%
Health & personal care	\$ 18,948	\$ 3,520	\$ 624	\$ 554	113%
Gasoline	\$ 12,655	\$ 3,814	\$ 417	\$ 601	69%
Clothing	\$ 11,387	\$ 4,309	\$ 375	\$ 679	55%
Sporting goods, books, etc.	\$ 7,335	\$ 1,904	\$ 242	\$ 300	81%
Other	\$ 47,546	\$ 25,253	\$ 1,566	\$ 3,977	39%
Total sales 1997	\$ 131,400	\$ 58,578	\$ 4,329	\$ 9,226	47%
Total sales 1987	\$ 172,027	\$ 44,818	\$ 5,937	\$ 7,876	75%
Population 2000			30,355	6,349,097	
Population 1990			28,974	5,690,369	

Sources:

Retail sales: US Census of Retail Trade, 1997 and 1987.

Population: US Census of Population, 2000 and 1980.

Table E5..

LEXINGTON FISCAL BACKGROUND

16-Jul-01

Year	Residential	Commercial	Industrial	Personal Prop	Total	% Resid	Other %
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ASSESSED VALUATION BY CLASS

1990	2,928,897,300	628,404,800	169,707,600	45,372,200	3,772,381,900	77.6	22.4
1991	2,620,862,100	453,302,000	111,683,000	21,635,600	3,207,482,700	81.7	18.3
1992	2,519,321,000	379,126,000	98,899,000	54,052,800	3,051,398,800	82.6	17.4
1993	2,574,645,700	329,673,000	89,196,000	41,747,200	3,035,261,900	84.8	15.2
1994	2,633,197,000	300,199,000	77,172,000	43,156,200	3,053,724,200	86.2	13.8
1995	2,801,492,000	297,404,000	72,673,000	45,468,200	3,217,037,200	87.1	12.9
1996	2,975,007,040	310,888,960	76,259,000	46,710,800	3,408,865,800	87.3	12.7
1997	3,099,278,410	313,486,740	82,025,000	50,047,000	3,544,837,150	87.4	12.6
1998	3,300,687,100	345,212,000	85,747,000	63,451,360	3,795,097,460	87.0	13.0
1999	3,523,737,000	399,289,000	102,171,000	64,517,160	4,089,714,160	86.2	13.8
2000	3,761,567,000	541,307,000	114,841,000	88,562,290	4,506,277,290	83.5	16.5
2001	4,200,706,000	582,453,000	124,645,000	107,509,290	5,015,313,290	83.8	16.2

TAX LEVY BY CLASS

1990	26,945,855	10,016,773	2,705,139	723,233	40,391,000	66.7	33.3
1991	29,248,821	10,099,569	2,488,297	482,041	42,318,728	69.1	30.9
1992	30,811,296	9,023,199	2,353,796	1,286,457	43,474,748	70.9	29.1
1993	35,118,167	8,766,005	2,371,722	1,110,058	47,365,952	74.1	25.9
1994	37,286,070	8,138,395	2,092,133	1,169,965	48,686,562	76.6	23.4
1995	39,220,888	7,902,024	1,930,922	1,208,090	50,261,924	78.0	22.0
1996	41,679,849	8,244,775	2,022,389	1,238,770	53,185,783	78.4	21.6
1997	43,017,984	8,229,027	2,153,156	1,313,734	54,713,901	78.6	21.4
1998	44,328,228	8,806,358	2,187,406	1,618,644	56,940,636	77.8	22.2
1999	45,068,596	9,778,588	2,502,168	1,580,025	58,929,377	76.5	23.5
2000	46,079,196	11,037,250	2,341,608	1,805,785	61,263,839	75.2	24.8
2001	50,870,550	12,773,194	2,733,465	2,357,679	68,734,888	74.0	26.0

TAX RATES BY CLASS

	(Composite)					(Shift factor)
1990	9.20	15.94	15.94	15.94	10.71	149%
1991	11.16	22.28	22.28	22.28	13.19	169%
1992	12.23	23.80	23.80	23.80	14.25	167%
1993	13.64	26.59	26.59	26.59	15.61	170%
1994	14.16	27.11	27.11	27.11	15.94	170%
1995	14.00	26.57	26.57	26.57	15.62	170%
1996	14.01	26.52	26.52	26.52	15.60	170%
1997	13.88	26.25	26.25	26.25	15.43	170%
1998	13.43	25.51	25.51	25.51	15.00	170%
1999	12.79	24.49	24.49	24.49	14.41	170%
2000	12.25	20.39	20.39	20.39	13.59	150%
2001	12.11	21.93	21.93	21.93	13.71	160%

Chart E3.
ASSESSED VALUATIONS
Lexington

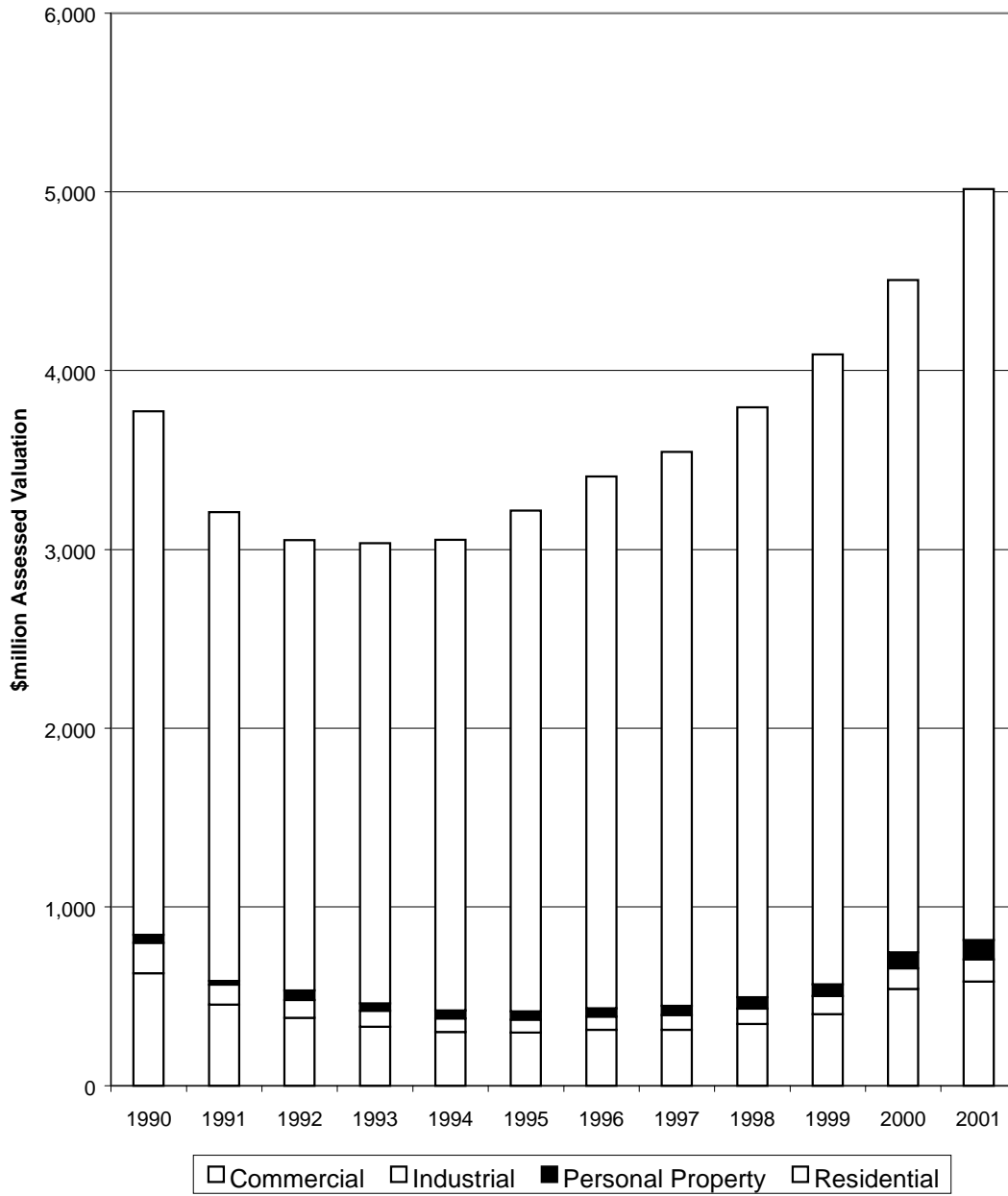


Table E6A

1/12/02

COMMERCIAL BUILD-OUT SUMMARY: 2001 zoning

Location	Lot area (sq. ft.)	Floor area (square feet)			
		Existing	Allowed by zoning	Potential	
				Increase	Total
Hartwell Ave.	11,060,000	2,020,000	1,570,000	280,000	2,300,000
Hayden Ave.	9,180,000	1,010,000	1,360,000	480,000	1,480,000
Lexington Center	560,000	390,000	420,000	140,000	520,000
Bedford/Worthen	1,070,000	270,000	340,000	130,000	400,000
Rte. 2A/Mass Ave	1,130,000	170,000	180,000	10,000	180,000
TOTAL	23,000,000	3,860,000	3,870,000	1,040,000	4,880,000

Table E6B

COMMERCIAL BUILD-OUT SUMMARY: "TEST" zoning

Location	Lot area (sq. ft.)	Floor area (square feet)				Test zoning added
		Existing	Allowed by zoning	Potential		
				Increase	Total	
Hartwell Ave.	11,060,000	2,020,000	2,320,000	670,000	2,690,000	390,000
Hayden Ave.	9,180,000	1,010,000	1,920,000	940,000	1,950,000	460,000
Lexington Center	560,000	390,000	1,120,000	740,000	1,120,000	600,000
Bedford/Worthen	1,070,000	270,000	460,000	210,000	480,000	80,000
Rte. 2A/Mass Ave	1,130,000	170,000	200,000	30,000	200,000	20,000
TOTAL	23,000,000	3,860,000	6,020,000	2,590,000	6,440,000	1,550,000

Land in residential use or districts and lots in public or institutional ownership excluded.
Land in CD districts assumed to be restricted to existing floor area.

2001 Zoning: all rules as current 7/01

Floor area constrained by FAR limit except in CB where floor area is constrained largely by parking requirements and a low height limit*.

TEST Zoning

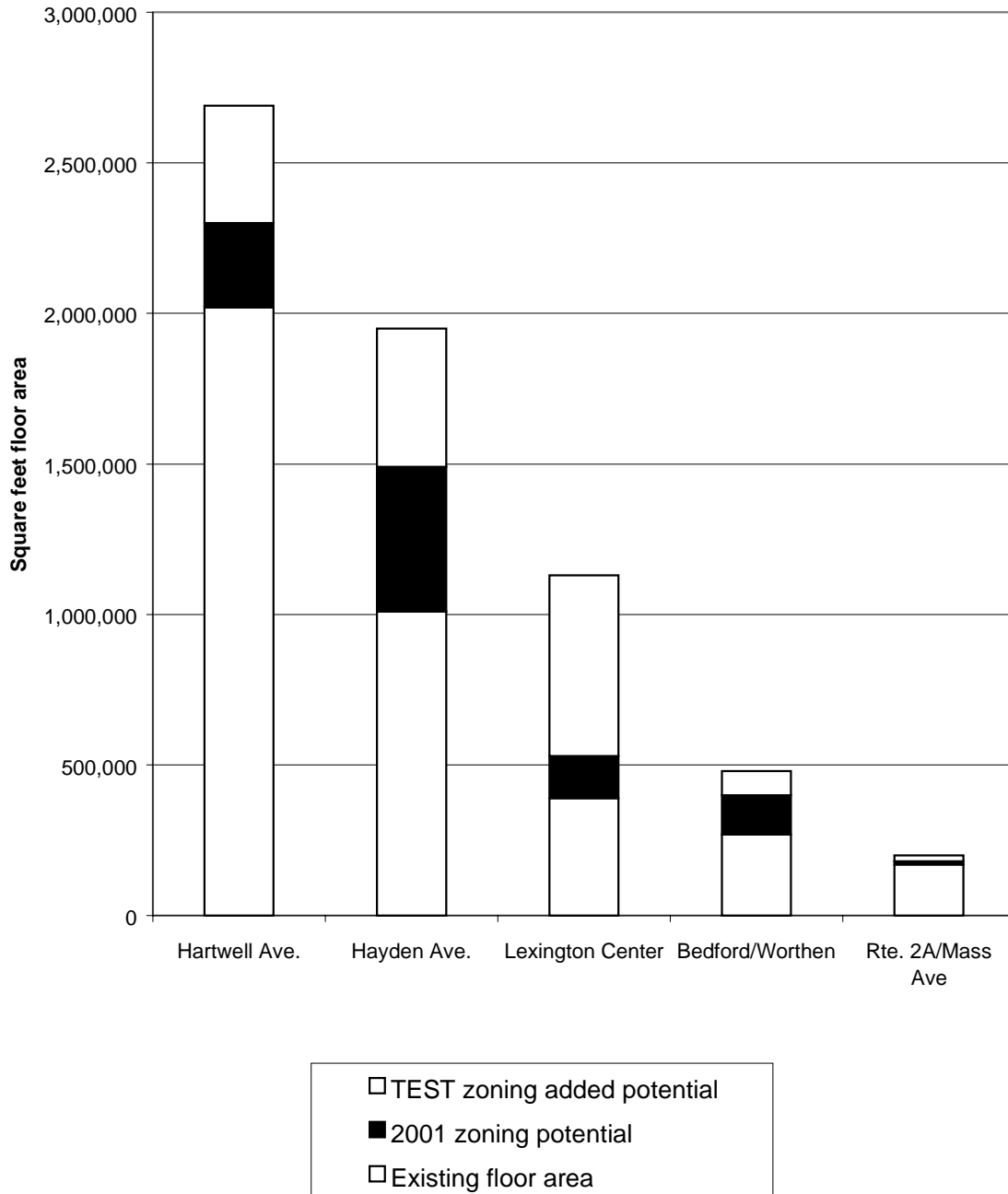
FAR increased 50% except in CB and CD districts.

In CB no offstreet parking required.

Potential not reduced to reflect site circumstances such as wetlands.

* Rather than being determined by the FAR of 2.0, the assumption for the preceding commercial buildout in CB is that half the buildings had two stories and half had one.

Chart E4.
COMMERCIAL BUILD-OUT
Lexington major commercial areas



GOALS AND OBJECTIVES

Better, not Bigger is the title of a book currently popular among planners². That might be the bumper sticker for the intent of economic development in Lexington at this point. There is no envy here of the neighboring communities that have more jobs or higher job-to-resident ratios than Lexington, nor would we choose to emulate the more purely “bedroom-like” places in the region. What we **do** want to do is to join with the business community that is here to find ways of making this a better community for residents, workers, and enterprises, taking advantage of the wonderful benefits conferred on the Town by its location and legacy.

Four goals stand out as the reasons for the Town to engage in economic development.

- First, a strong local economy can help provide necessary fiscal support for the high level of public services residents of Lexington seek. Tax support from business in Lexington fell in the weak economy of the mid-nineties, even as more business floor area was being added. Helping business to thrive here helps the municipal economy, with or without physical expansion of land or building area devoted to business.
- Second, some of the businesses here provide important services and opportunities for Lexington residents. Having to travel to other communities for goods and services is a loss to the local quality of life and sense of community, so, defending and building local service opportunities is an important goal.
- Third, nearby jobs play an important role for some whose mobility or time is limited. For kids, seniors, the handicapped, and any whose employment is part-time, having jobs nearby is a major concern. Having jobs easily accessible for Lexington residents is an important goal, even (or especially) in an auto-centered and Internet-connected world. It benefits those who thus are facilitated in getting and holding jobs. It benefits everyone by reducing, to some extent, the amount of travel involved in connecting jobs and homes and with that, the inconvenience imposed on others, dependence on fossil fuels, and degradation of air quality.
- Fourth, economic change can strengthen Lexington’s sense of place and community. Having locations that we all commonly use, and within which we can enjoy the benefits of serendipitous exchange and multi-purpose visits, is an important element in building neighborhood and town identity and community. Current trends are eroding that. Economic development efforts, if appropriately directed towards creation of real centers of community and neighborhood activity, can perhaps achieve a reversal.

STRATEGIC APPROACH

Not only is the selection of goals important, but so too is the selection of strategies for approaching those goals and identification of constraints within which efforts should fall, since the strategies themselves have important consequences for broader community objectives.

² Eben Fodor, *New Society Publishers*, Gabriola Island, BC, Canada, 1999.

- ❖ While business invigoration is an essential part of any set of economic development strategies, emulating Burlington within Lexington is neither necessary nor sought-after. Clearly economic growth should not overburden transportation or other infrastructure, or transform the carefully established image of the community. Current zoning would theoretically allow addition of about a million square feet of business floor area. In actuality, somewhat less is probably feasible.

The Town's zoned potential for housing growth allows another 700 or so housing units, accommodating about 1,000 workers given household size and labor force participation rates similar to the present. The Town now has about one-third more local jobs than it has locally resident workers, offset by net in-commuting. To maintain that relationship from now until "build-out" would mean adding about 1,300 jobs. About 20% of Lexington-based jobs are not located in business buildings, but rather in schools, houses and many other non-commercial places. Adding 1,300 jobs overall would therefore mean adding about 1,100 jobs in business quarters, requiring about 280,000 square feet of added business floor area. The current zoning could accommodate more than triple that amount before accounting for some "spreading out" to occupy more floor area per worker. After accounting for growth, in space per worker and theoretical capacity, that is unrealistic to achieve on the ground, current zoning appears to be adequate to accommodate the present relationship of jobs to housing at residential build-out, with a modest margin to spare.

That analysis suggests that current zoning is very close to perfectly balanced, for a policy of accommodating growth in jobs, within Lexington, in proportion with the anticipated growth in resident workers in Lexington. In turn, that suggests a balanced approach to change in business regulation. The aim of any regulatory change should be better growth than current zoning would be likely to result in, but not more growth than would now be allowable and expected.

- ❖ Any removal of regulatory and other constraints on economic development must be joined with measures to assure that any harmful impacts of the resulting activity increases, such as traffic burdens, will be avoided or fully mitigated.
- ❖ Efforts should importantly include support for businesses already here in Lexington, since they are (or should become) part of our community, and are critical to our achieving the goals we seek.
- ❖ Efforts should reflect and take advantage of the profound interconnectedness of economic activities and initiatives, within Lexington, and those in the surrounding region.
- ❖ In this topical area, no less than in others, respect for the principles of sustainability should guide our initiatives. Those efforts can be proactive in providing support for economic activity that is healing in its effects, not merely benign. When workers who formerly drove to work commute by foot, or, when a "green-committed" Lexington business achieves a niche in a market lacking such approaches, there is a net gain for a multitude of interests: economic, environmental, and social, both locally and more widely.

- ❖ A key aspect of our approach should be to recognize the value of the high demand for business location in Lexington, and to work with that demand to help achieve the goals articulated, including “better, not bigger.” With care and skill, that can be achieved.

IMPLEMENTING ACTIONS

1. Better accessibility, less auto dependence.

Encourage economic development that will moderate auto usage and promote accessibility for Lexington residents to jobs and services. That will reduce traffic impacts, the single objection to business growth most commonly cited locally. It also will strengthen positive connections between business and the Lexington resident population, and reduce dependence on fossil fuels. Moderating auto usage can be approached both through how business activities are located within the Town, and by strengthening how they are operated.

“Mixed use” is an old idea having new currency for these purposes, whether mixed within a building, within a site, within contiguous sites, or within a district.

- 1.1 More generously allow use of homes for work as well as residing. Home-based business is the ultimate mixed use, now sometimes termed “zero-commute housing.” An extreme version is live/work arrangements, where neither residential nor business use is accessory to the other and therefore limited, but rather there is flexibility over time in the allocation of space within the building for either. Lexington’s home occupation rules reflect a long-ago era. They urgently require modernization to reflect contemporary technology and work patterns, to enable economic growth with minimal adverse impacts, and to accommodate an emerging lifestyle shift. Supporting home-based business also means making efforts to assure the timely availability now and in the future for state-of-the-art telecommunications.
- 1.2 Explore revising zoning to allow residential use in Lexington Center. The transportation benefits of mixed functions in close proximity is exemplified by Lexington Center, where a single vehicle trip provides access to multiple activities within easy and attractive walking distance. Over the years, residential functions have been pushed to the periphery of the Center, in part by real estate economics, but also by zoning. Modifying zoning to allow and facilitate residential use in the Center Business district could substantially benefit economic development, housing, and transportation. The Massachusetts Downtown Initiative website features a large photo of Lexington Center opposite its “Seven Basic Building Blocks of Downtown Revitalization.” Lexington scores well on six of those seven building blocks. “Living downtown” is the seventh, and on that, the Center doesn’t meet the guideline³.
- 1.3 Review Zoning to identify impediments to mixed use elsewhere. Compact multi-functional development could occur elsewhere in Lexington, given supportive

³ www.state.ma.us/dhcd/components/dcs/downtown.

encouragement by the Town in its regulations and facilitation efforts, again producing proximity that enables moderation of the auto impacts of business to the extent that walking replaces driving.

- 1.4 Modernize CN District regulations. Neighborhood stores, by definition, provide mix by being near the residents they serve and often near the residences of some of their staff. Regulatory impediments to such enterprises should be identified and remedies proposed, such as modernizing the regulations on allowable categories of use in neighborhood commercial (CN) districts, and perhaps revising the zoning map to create new CN or similar districts.

Even without pedestrian-scaled proximity between business and related activities, it is possible to have economic development without the usually expected level of traffic impact. Strengthening Transportation Demand Management (TDM) can do that. Zoning (§ 12.3.4) authorizes the requirement of such efforts in certain cases, but more could be done.

- 1.5 Explore a requirement that no large trip-producing use shall be allowed unless it documents that the trips it will generate will be a specified amount, below that customarily expected from that type of use. Reductions could be the result of employer-arranged ride-sharing, vanpools, and similar efforts or, failing that, through compensatory reduction in potential trip generation, through reserving open space on that or other sites.
- 1.6 As a less forceful fallback alternative to the above imperative, such trip-limiting efforts might be encouraged, rather than required. Incentives might be offered in return for excellence in similar transportation demand management efforts.
- 1.7 Explore transit-oriented design rules for commercial and industrial districts, especially Manufacturing and Regional Office districts, such as those along Hartwell and Hayden Avenues. Current rules there make efficient operation of vanpools or mini-buses as difficult as possible. Clustering of adjacent buildings is prohibited by wide side and rear yard requirements, and front yard rules force buildings to be distant from the street, frustrating trip efficiency for vehicles picking up and leaving off passengers. Sixteen pages of zoning text and graphics specify, in fine detail, parking and traffic arrangements, with barely a mention of pedestrians or bicycles. Revision is overdue.
- 1.8 Explore further ways of reducing job-related travel. Even without facilitation by the Town, private businesses have begun providing van links for their employees, often connecting to Alewife. There is a wonderful potential there and perhaps elsewhere, such as Lowell and Montachusett, for two-way van links, such as Lexington resident commuters being brought to Alewife on their way Downtown, and in-town residents being brought from Alewife to Lexington jobs.

2. Strengthen Lexington Center's retail service function.

Lexington Center's economic health is unquestionable. However, the Center no longer, as strongly as before, plays the traditional role of being the unique place where all residents come for a variety of goods and services and, through that, being the place of shared experience, supporting both serendipitous and planned meetings and exchange. Trends in the retail industry, real estate economics, and transportation, all contribute to the shift from retailing that chiefly serves a local market to specialty retailing, serving a broader region and to non-retail activities. What is at stake is not just a nostalgic wish for things to be as they were, but rather the preservation of a vital element in the mix of things that have made Lexington such a cohesive community.

- 2.1 Focus administrative efforts towards this objective. The Economic Development Office and others should be supported in their efforts to facilitate the establishment and healthy continuation of the types of business that promotes the vibrant activity center that is sought. That means, most importantly, serving Lexington residents, supported in doing so through welcomed business from tourists and from participants in a possible strengthening of the Center, as a place for evening leisure activities.
- 2.2 Facilitate flexibility in changes of land use. Shifts between categories of retail use, even within the same floor area, are made difficult in Lexington Center because of the regulatory system, especially regarding parking. That affects retail use particularly, since permit-triggering change is more frequent for that use than for office or financial uses. Further, since retailing is a more intensive use than are most others, those obstacles are more likely inhibitions for retailing, than for other uses. That inadvertently promotes less intensive office or financial uses in its place, the opposite of what would benefit the Center's traditional role. Rules inhibiting the uses we want should be systematically identified and remedied.
- 2.3 Support an initiative of the business community, should it come, to create a Business Improvement District ("BID"). Such a district, if petitioned by a majority of affected property owners and approved by the Town, can perform a variety of functions on behalf of the businesses collectively. In Lexington, that might critically include provision of solid waste management services, creative approaches to parking, organizing transportation demand management efforts, and various other supporting programs better enabling Center interests to enhance their district. A BID might be the ideal entity to explore the possibility of a regional recycling program for commercial wastes. Fees, assessed through the Town but managed by the participating businesses, would support the efforts of the district. Such districts are authorized under Chapter 40-O of the Massachusetts General Laws.

3. Manage economic development in other ways to protect our shared environment.

- 3.1 Explore creation of a system for non-residential "Developments with Significant Public Benefit," parallel to the Zoning § 9.6 provisions for residential development. Section 9.6 specifies, with detail and clarity, what the Town expects from residential

development that seeks flexible treatment, bonuses, or other discretionary approvals. The same could be done for business development, with a simplified and expedited decision process as one possible incentive. In addition to items mentioned earlier in this set of implementing measures, “significant public benefits” might include:

- (a) Scoring sufficiently high on an objective environmental sensitivity scoring system, such as the LEED (Leadership in Energy and Environmental Design) Green Building Rating System or the MA environmental tax credit system proposed in 2001 House Bill 3840, “A Green Building Income Tax Credit.”
 - (b) Conducting “eco-friendly operations.” The above two are “scoring systems” centered on the development itself, not what is done inside of it. A company whose primary inputs are materials, otherwise likely to be waste, and whose products are environmentally no worse than benign, might earn credits for providing significant community benefit, over and above any benefit from having a building whose use of resources in construction and operation is noteworthy.
 - (c) Achieving trip reduction significantly exceeding the levels required under other measures.
- 3.2 Maintain a well-structured overview of change, and refine course accordingly. It is critical in times of rapid change that there is an ongoing systematic reexamination of the consistency between the municipality’s actions and its stated policies. Two items are of special significance.
- (a) Assure that over time, business floor area and trip generation increases, authorized by rezoning or special permit are offset by commensurate resulting decreases in floor area and trip generation expectations elsewhere, in order to maintain the “balance” between residential and non-residential growth, cited as a basic strategy above. If over time, it frequently seems appropriate to approve departures from the policy, the policy itself should be revisited and, following public discussion, either revised or better adhered to.
 - (b) Periodically review tax rate policy. Lexington has chosen to “classify” its tax levy or to utilize a “split tax rate” in order to maintain an appropriate balance between residential and non-residential tax burdens. The share of the tax levy to be borne by business is annually set to reflect Town policy. It appears that variations in the “split,” over time, have been used to mitigate fluctuations in the residential tax burden that might otherwise occur because of differences in rate of change between residential and non-residential real estate values and the resulting change in shares of the Town’s assessed valuation. Those annually reconsidered shifts also send a signal to business, and influence the kinds of business that can prosper in Lexington. There are also a few other tax policy options affecting business, including optional exclusion of business from the Community Preservation Act tax surcharge, should the Town approve use of that Act locally. Tax policy should be explicit, accessible, and frequently revisited.