

2017-05-04

Economy Working Group #1

Committee Attendees

Chris Barr, Dave Holtz, Denise Jillson, Daniel Shenfeld, Daniel Lander, Jay Kiely, Ty Wilson, Gina Plata, Sarah Gallop, Ruth Ryals

Staff / Consultant Present

Staff: Melissa Peters, Gary Chan, Wendell Joseph, Lisa Hemmerle, Christina DiLisio, Susan Mintz, Allison Allen

Utile: Nupoor Monani

HR&A: Kyle Vangel

Committee Members Absent

Anthony (Tony) Brooks, Josh Gerber, Theresa Hamacher, Ivy Moylan, Ottavio Siani, Saul Tannenbaum, Mary Ting Hyatt, Ebi Poweigha

Two members of the public present.

Meeting overview

Gary Chan provided a process overview followed by Kyle Vangel presenting a summary of existing conditions, issues and opportunities, and goals related to the economy in Cambridge.

Committee Discussion

- Referring to slides 19 and 20 which illustrate the concentration of Cambridge's key industry clusters, members asked how these ratios benchmark against other urban areas rather than the state or nation. Consultant team responds that it is not a part of the current analysis but would be interesting to know.
- Members asked if there are medians available for annual wages by sector. Consultant team responded that it is not available, but the average annual wage for the city is about \$103k which may be a helpful benchmark.
- Members requested to see the no. of family households by poverty rate presented for neighboring cities as well and broken down by neighborhood for Cambridge. They also asked that the economic impacts of cost of childcare and eldercare should be looked at with a finer point in relation to the incomes and households in poverty.
- Members asked to see the class-wise distribution of deliveries and net absorption over time in GSF and by neighborhood. Team responded this is not currently calculated but seems to be trending towards Class A in most neighborhoods. They further requested to see a breakdown of Class B and Class C office spaces by neighborhood to see options for startups moving out of Kendall Square.
- Members were interested to know whether or not startups stay in Cambridge as they grow. Team responded that this is best assessed anecdotally.
- Members wanted to see the change in no. of retail jobs separately from 2001-2010 and 2010-2015 guessing that 2010-2015 would see a greater share of the loss in Cambridge.
- Members discussed the role non-store retailers play in Cambridge and asked the planning team about how they are contributing to the economy -- Do they have distribution centers, real estate in the city? Provide jobs? And do they contribute to livability, walkability in the city?

Goals Discussion

- Responding to “residents” in Goal 1, members wondered if and what the City’s responsibility should be towards non-Cambridge residents, especially those from surrounding communities in lower wage service jobs. They would like to know how “living wage” is defined and understand if this is adequate for living in Cambridge.
- Members wanted to learn more about the tools and strategies available to local governments to achieve some of the goals. The City team responded that the team decided to keep this out of the goals discussion. Although City programs may be based on best practices they should be reinforced by goals. This information will be shared ahead of WG meeting #2.
- Members recounted the time of a rezoning in the 90s of Cambridgeport which pushed out many manufacturing jobs in the area and observed that zoning and land use are important tools to maintain economic diversity. In Cambridgeport, MIT was able to retain some manufacturing spaces and adapt them to advanced manufacturing. They would like the plan to propose zoning amendments that address to the lack of manufacturing spaces and jobs.
- Members asked if the City could in any shape or form require or encourage jobs at the lower end of the wage spectrum.
- Some members felt that economic diversification (Goal 3) was the strongest and most important for weathering recessions in any particular sectors. They wanted to think further about how the City can create opportunities for diversification of job sectors.
 - In response another member observed that the nature of 21st century cities is changing and trending towards sectoral concentrations in their economic base. They asked if there is indeed room in Cambridge for more than 3 types of economic clusters.
 - New York City presents a case for diversification. Finance, media are well-established sectors but the City has recently made a big effort to grow biotech through VC funding. Biotech however remains much smaller than finance and media. Members conclude that it is important to calibrate the diversification carefully such that it reduces vulnerability to recessions while still retaining job density that enables employees to move around in a single industry.
- Members wanted to know more about the types of manufacturing jobs that can support diversification. The City team responded that this is a focus in Alewife and the team and the team is exploring options for advanced light manufacturing and warehousing.
- Members expressed concern that they did not see an emphasis on creating jobs and as the goals allude to retaining jobs. They wanted to see a goal about growing the city’s economy. They further observed that goals feel very Cambridge based. They asked that the goals recognize that the city is a global economic hub and reflect this expanding position and communicate that Cambridge is “open for business.”
- Members asked if the economic growth of Cambridge should help residents across the region and if this is a goal of the plan. City staff agreed that this is important but reiterated that there is a great need for economic development in Cambridge too.
- The idea of growing light industrial jobs resonated with members. They wanted to know how the plan accounts for job automation in low wage sectors and whether there are entry-level jobs within stable and growing sectors. City staff responded that entry-level jobs such as security or food services in growing sectors are most filled through contracting agencies and may not pay living wage for Cambridge.
- Members observe that jobs like plumbers and electricians are needed in a city but currently being supplied from surrounding communities. They asked if these could be accommodated within Cambridge, specifically in Alewife.

- Members remarked that there is a need to invest in tools and resources for workforce development. Just A Start received 200 applications for Biomedical Careers Program. They further emphasized the need to incentivize Cambridge residents to participate in these programs.
- Another member also observed that there is a gap between high school education and jobs training. As an example, Biogen training program is seeing people coming from surrounding communities but not Cambridge.
- Members asked the planning team to address other factors contributing to economic security and opportunity like access to healthcare, education as a part of the plan.
- Members discussed how the goals account for the growing “gig-economy.” They suggested that “strengthen social infrastructure” be added to the goals to address workers that don’t have classical support structures through employer benefits. Providing citywide broadband services may be a strategy to consider here.
- Members wanted to know transportation ties in as a factor linked to economic opportunity. The planning team responded that content from the other working groups will be shared with the economy group.
- Members would like to clarify the benefits / desired outcomes of having a certain percentage of Cambridge residents living and working in the city, and set a target for a percentage that maximizes these benefits and outcomes.
- WRT goal 5, members asked the team to be aware of nationwide trends in retail to stay ahead of that curve. They propose creating business districts which support the quality of life in the city. They would also like to see a clear focus on helping and growing small businesses.
- Phrases to consider:
 - Goal 1: “shared community prosperity”, “educational background and socio economic status”,
 - Goal 2: “Create pathways, pipeline to economic prosperity, training”
 - “Erase the race and gender differential”

Public comment

- Members emphasized that retail is tied to livability and quality of life. These are core values of the plan and should link back to the need to support retail businesses. They noted that local retail also provides many entry level jobs.

Additional comments from absent committee members

- Goal 1: “Provide opportunities for Cambridge residents of all educational backgrounds and socioeconomic statuses to access jobs that pay a living wage so that they are directly tied to the success of Cambridge’s businesses and can share in the City’s prosperity.”
- Add strategies for “digital inclusion” such as affordable Broadband to the discussion in further meetings.
- Goal 2: “Provide Cambridge’s most vulnerable residents with the tools and resources they need to achieve economic security and thrive, make sure that those tools improve their lives in measurable ways and that they are used”
- Goal 3: “Take Cambridge from a center of the global knowledge economy to ***the center*** of the global knowledge economy in addition to diversifying its economic base”
- Goal 5: “Preserve and enhance the distinctive identity of Cambridge’s mixed-use districts, build their customer base and provide local businesses with the tools they need to adapt and change to demands of Cambridge’s residents.”

- Brainstorm ways the city can help bridge the income and social gap between less educated, lower wage earners and highly educated, high wage earners. They would also like the process to set a target for a percentage of Cambridge residents that are employed in the city set which is set based on maximum benefit to the residents. They would like the City to set up a certification process for residents learning to use software technology that can lead to high paying employment.