

2018-05-01

**Economy Working Group #5**

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Committee Attendees

Sarah Gallop, Josh Gerber, Ruth Ryals

Staff / Consultant Present

Staff: Gary Chan, Lisa Hemmerle, Christina DiLisio, Sue Walsh, Susan Mintz

Utile: Nupoor Monani

HR&A: Kyle Vangel

Committee Members Absent

Chris Barr, Theresa Hamacher, Dave Holtz, Denise Jillson, Jay Kiely, Daniel Lander, Ivy Moylan, Gina Plata, Daniel Shenfeld, Ottavio Siani, Saul Tannenbaum, Mary Ting Hyatt, Ty Wilson, Ebi Poweigha

Two members of the public present.

**Meeting overview**

Gary Chan presented an overview of feedback received at the March Joint Working Group meeting and led the group through a discussion of priority actions identified by the City. Thereafter, Kyle Vangel led the group through a discussion of economy indicators and targets. The presentation and priority actions are available online.

The meeting's presentation is online [here](#). The draft implementation action plan is [here](#).

**Committee discussion**

**Implementation plan**

- A member voiced support for actions supporting small businesses. They asked if there were any existing strategies to relocate small businesses who are displaced during reconstruction on a temporary basis.
- Another member commented that the implementation plan does not include actions that streamline review and permitting for small businesses, noting that this was a big part of the discussion in early meetings. If not through Envision Cambridge, they wondered if a special task force could be appointed to study this and make recommendations to the City.
  - City staff responded that certain city offices are already looking at moving their permitting process online and coordinating between departments.
- Related to this, a member asked about the status of the use code re-classifications proposed by the retail strategy study.
  - City staff responded that they are a few months away from proposing changes to the Land Use tables to the Ordinance Committee. Presently, they are resolving the conflicts in requirements for compatible uses.
- A member asked how the small business-related actions tie into the City's annual budget.
  - City staff responded that they have started working on expanding some grant programs for small businesses. They further mentioned the City doesn't have any Community Development Corporations that could provide additional funding, but resources are available through the state and MassDevelopment.
- A member asked if the City was hiring additional staff to create capacity for implementing actions recommended through Envision Cambridge. On a similar note, another member asked who was keeping track of the funds and staff required to implement the shortlisted actions.

- City staff responded that the City Manager's FY19 budget recommends one FTE for the Economic Development Division. Expenses for other Envision Cambridge actions will similarly be considered in future budgeting cycles. The consultant team further mentioned that they are tracking criteria such as capital and operating costs, and FTE requirements for all actions considered to date. This has been developed in conjunction with the City and would be maintained by the City moving forward.
- One member noted that the Joint Working Group meeting did not have any representation from property owners or the business community. Another member added to this observing that the business community is less active compared to housing advocates in the city. They wondered if the City plans to conduct more focused outreach.
  - City staff responded that actions developed through past WG meetings have already been informed by these interests.
  - The consultant team recalled their experience with the Alewife Working group. They noted that despite the strong voices within the housing advocacy community, the City did a good job of balancing the input of these various groups.

### **Indicators and targets**

#### Job growth by sector and wage

- A member asked if, instead of the state and nation, the comparison should be with peer cities that have similar job sector concentrations as Cambridge.
  - City staff responded that they look at other comparable cities like Palo Alto in their ongoing work for bond evaluation, Life Sciences Corridor, etc. For Envision Cambridge, the group decided to continue using national and statewide figures.
- A member noted that measuring job growth by wage and sector does not necessarily measure economic opportunity, which is a WG goal, because not all jobs are held by Cambridge residents. They asked if there was a way to break this apart.
  - Another member chimed in noting that in their experience, a greater share of the staff at their Cambridge local business had been moving away from the City because of increasing unaffordability.
  - City staff responded to the data question and noted that the Census reports the number of Cambridge residents and where they work, based on zip codes, as a percentage of the workforce. This is commonly used as a transportation metric. In recent years this percentage has dropped for Cambridge. They noted it may be possible to arrive at this breakdown through propriety data sources.

#### Disparities in median income by race/ethnicity, gender, and disability status

- The group discussed the effectiveness of this indicator in measuring economic opportunity.
  - A member of City staff noted that workforce participation rates for demographic groups, particularly by disability status. They noted that Asians and Hispanics have income distributions closer to white populations. They also noted that some of this could be skewed by student population that are low- and middle-income by choice.

#### Percentage of graduates of workforce-related programs working in a field that meets program objectives one year after program completion

- A staff member commented that this indicator was limited in scope, and not broad based enough to represent all Cambridge residents.

#### Number of minority- and women-owned businesses engaged by City through the procurement process

- A staff member similarly commented that this indicator was too limited and is not appropriate to track broad participation. They recommended using Census data which provides the number of women and minority owned businesses by tract gathered through a 5-year survey. Additionally, they recommended measuring the total number of women and minority owned businesses in total, along with those receiving city assistance. Growth of small businesses (less than 20 employees) in Cambridge
- A WG member asked why small businesses were identified by establishment size and not revenue. They were concerned that the results would be skewed by high-revenue generating businesses like hedge funds which may have a few employees but do not contribute to the quality of life or economic opportunity in the imagined way. They suggested looking at data from Cambridge Local First or separating out independently owned businesses.
  - The consultant team responded that data is only available to measure by establishment size.
  - Another WG member supported this noting that number of employees is closer to the common imagination of a “small business,” noting that 20 employees is typically the cutoff for government programs and assistance.
  - A member suggested separately identifying small retail businesses within this indicator. Measuring small retail businesses has an additional value as being an indicator of urban vibrancy, and quality of life, both goals of the Envision Cambridge plan.
  - The group agreed to break the indicator down into < 20 employees, 20-50 employees, and vary it by type of business to identify retail and restaurants.

#### Median household income growth

- Members discussed whether this was a true measure of economic mobility or displacement. After some discussion, they deferred to a similar indicator developed by the housing group which tracks the percentage distribution of residents by grouped by household incomes.