

City of Chelsea



Community Development Plan

June 2004



Chelsea, 1903 USGS 15 minute series

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A Vision for Chelsea's Future



Located two (2) miles from the City of Boston, the City of Chelsea is a richly diverse, waterfront community that has historically welcomed immigrants of all ethnicities to its neighborhoods. The City, like most urban communities, has its share of difficult challenges and societal maladies. Nonetheless, the City has tremendous assets leading to its current rejuvenation and realistic expectations for an even brighter future. Its proud working class population combined with a prime location, multi-modal transportation links, new schools, large-scale redevelopment sites, and historic resources all contribute to a burgeoning enthusiasm about Chelsea's "seemingly-unlimited potential."

Chelsea's greatest strengths are its people and its diversity. The City seeks to preserve this diversity as it improves the quality of life for its residents in a variety of ways. Continuing to foster partnerships and increasing cooperation among government, community based organizations, the business community and local residents will be accomplished through frequent and honest communication, mutual education and shared visioning. Together, these stakeholders are working and will further commit to developing broad-based consensus around priorities for improvement, and will use this foundation as a launching pad for Chelsea's continued revitalization.

Chelsea's vision, as set out by its stakeholders and embraced by its government, depicts a community with affordable housing for all, abundant youth programs, well-maintained properties and streets, a vibrant and aesthetically pleasing Downtown, greater economic development, convenient and reliable public transportation, a contiguous park system providing greenway corridors that traverse the City's neighborhoods, and expanding historic preservation and cultural activities. Most of all, though, Chelsea seeks to actively engage its citizenry in promoting a local agenda that serves each and every resident of city. To fulfill this vision, the community will pursue a number of specific policies and strategies, including:

- Preserving and creating of affordable housing opportunities through funding and technical support for non- and for-profit housing developers, advocacy for the creation of a local Affordable Housing Trust Fund, consider the adoption of inclusionary zoning or other zoning techniques, solicitation of voluntary contributions from developers, and/or other methods;

- Embracing local efforts to **address youth and, especially, at-risk youth issues** by expanding Community Schools and implementing CHAMPION (CHelsea’s AMerica’s Promise Initiative ON) Youth initiatives;
- Pursuing problem properties in the community through strict policing of negligent absentee landlords and uncaring business owners, including developing plans through a “Five Most Wanted” Program directed at housing scofflaws, while also addressing litter, blight and pollution problems through cooperative efforts that include the “Keep Chelsea Beautiful” initiative and other efforts being waged by environmental justice advocates;
- Adopting design guidelines, storefront signage, and streetscape improvements, especially in the downtown district and improving signage, including welcoming signage, throughout the community;
- Capitalizing on Chelsea’s proximity to Logan Airport and to Downtown Boston to foster greater economic development, thereby expanding the local tax base to provide for municipal programs and services, while also increasing local job opportunities, especially in the City’s urban renewal district;
- Improving public transportation options through enhancing current service and advocating for new service, like the Urban Ring, and addressing other transportation related issues, like reducing the impact of truck traffic throughout the city, identifying parking solutions in densely populated neighborhoods, examining problems with Tobin Bridge and Route 1 on- and off-ramp configurations and making the City more pedestrian-friendly;
- Enhancing the City’s open space by improving existing parks and creating new parks, including those promoting better, safer and great access to the City’s waterfront;
- Promoting Chelsea’s historical preservation and expanding cultural activities through the support of Cultural Council initiatives and the dedication of non-financial municipal resources to foster greater awareness, participation and success of community cultural events; and
- Increasing the commitment to Chelsea’s stakeholders by creating and encouraging local residents to join civic participation exercises, from voter registration drives to new resident orientations to a “Conference of Civic Health,” and fostering improved communication, especially multi-lingual outreach, through the City’s various public documents.

Community Development Planning

Chelsea has a number of guidance documents it uses to direct City land use and community development planning efforts. Some of these plans are summarized here in order to gain a full understanding of how the City will carry forward the vision its residents seek to implement. Specific recommendations made pursuant to these plans, if they retain their relevancy to current goals and objectives, will become part of the implementation table featured as part of the “Putting It All Together” section of this document.

OPEN SPACE
&
RECREATION
PLAN UPDATE,
AUGUST 2003

Having an updated, State-approved Open Space and Recreation Plan is a prerequisite for eligibility to participate in several grant opportunities. The 2002 version of the Open Space and Recreation Plans updates and builds upon the goals of and success produced through the 1994 version of the plan.

Completed over a six-month period through discussions by the Open Space Working Committee (which consisted of the Chelsea Planning and Development Department, Department of Public Works, Community School, Health and Human Services Department, and other local community organizations) and two public meetings, this plan sets forth a five-year action agenda that prioritizes several key improvements in open space, park rehabilitation, policies and programs. Below is a list of these, which are described in detail in the Plan:

Proposed New Open Spaces

- Chelsea Creek Access Study
- Mill Creek*
- Forbes Park*
- Park on Salt Storage Parcel at the end of Pearl Street
- Shipyard Park*
- Land for New Open Space Serving Addison Orange
- New Soccer League Fields
- New Public Open Space in Redevelopment Area
- Skateboard Park

Programs and Policies

- Festival Program
- Ranger Program
- Traffic Calming Pilot Program
- More Police Involvement/Oversight of Parks
- Use Weed & Seed Program to Involve Neighbors in Park Rehab
- Vendor Policy
- Chelsea Creek Waterfront Access

Park Rehabilitations

- Mace Playground
- Quigley Park
- MDC/Vietnam Veteran’s Pool
- Northeast Petroleum Walkway Improvement
- Ciepiella Park
- Malone Park
- Dever Park
- Washington Park Plantings
- Eastern Avenue Streetscape & Pedestrian Improvements

Representatives from human service organizations, housing developers, City, State, Regional, and Federal agencies, and elected officials met to explore the State of Housing in Chelsea. Affordability, unhealthy living conditions, abandoned/dilapidated properties, short supply of certain types of housing (SRO's, assisted living, transitional, well-managed rentals, etc) are some the issues raised here. Among the recommendations made for City action are:

- Small exterior repair program for the elderly
- Possibly renovating one of the CHA's elderly housing projects into an assisted living facility
- A Single Room Occupancy Program that targets poorly managed properties for receivership & new management
- Supporting HarborCov. in development of a transitional housing program
- Pursuing funds for a Healthy Homes program that targets housing code violations for rehabilitation
- Continuing programs that target bad landlords (Five Most Wanted, Problem Properties)
- Continue Receivership Program and enforcement of Nuisance Ordinance
- Increase supply of affordable housing for working families
- Create a homeownership program for families at or above \$85,000/year income
- Monitor foreclosures among families that have purchased homes through the homeownership program
- Apply for grants to help people de-lead homes and rental properties

The plan to advance the Everett Avenue Urban Revitalization & Development Project was submitted to and approved by the State (DHCD). The plan proposes several actions to spur redevelopment of this area (64.8 acres):

- Clear 10.19 acres (15.7% of the area)
- Adopt new zoning to permit office, retail, and hotel/conference center uses
- Undertake infrastructure improvements and
- Adopt economic incentive programs for the area

An updated, State-approved Community Action Statement (CAS) is required for expenditure of Community Development Block Grant (CDBG) funding. Ranging in topics from financial planning to zoning to public health, the CAS is an assessment of the City’s existing conditions and needs.

Among planning and zoning needs are:

- Streamline permitting process
- Increase utilization of GIS for problem solving
- Integrate larger, underutilized sites into community fabric through master planning/design process
- Create more flexible zoning to promote redevelopment of underutilized, larger sites (incl. multi-use)
- Promote healthy downtown and neighborhood retail districts to improve availability of services and appearance of districts
- Establish design/development guidelines to provide direction to developers
- Increase and diversify open space to meet various recreational needs
- Promote public access and recreation along Chelsea’s waterfront
- Expand supply of urban street trees and greenery
- Create linkages to tie open spaces and facilities together

The Development Potential Analysis analyzes all land use in the City. The following summary of major development opportunities continues to drive land use actions:

Location	Acres	Recommended Uses
Murray Industrial Area	180	Office/Retail, Possible Housing
Airport Overlay District	150	Airport-Related Industrial
Parkway Plaza	25	Mid-Rise Residential, Neighborhood Retail
Winnisimmet Landing	18	Mid-Rise Residential
Marginal Street Waterfront	42	Airport-Related Industrial

The Chelsea Initiative finds that the local economy is based in food-related companies, metals, transportation services, wholesale trade, printing and publishing, cataloguing and mailing, and social services. The strategy recommended future economic development activities that are generally related to land use and planning, including:

- Development of a comprehensive strategy for traffic, transportation, and street improvements
- Development of a program to address utility costs and usage
- Promotion of further development of food-related industry
- Promotion of development of activity related to Logan Airport
- Promotion of development of a Research and Development center related to recycling
- Development of an incubator for artisans and commercial artists

Specific recommendations include:

- Reduce fragmented ownership of the 1973 Fire Site and enhance the area's physical quality to maximize commercial and industrial redevelopment
- Encourage water-related uses in the Waterfront District that are oriented to Chelsea's neighborhoods (new residential development and recreational facilities, a community park, and limited office and commercial development)
- Take advantage of the location of the Industrial Triangle and build upon access to Logan and international trade exports

Housing



Chelsea is fortunate to have engaged activists, policy makers, managers, non-profit organizations, and developers interested in addressing a variety of housing needs in the City. In the City’s Department of Planning & Development, there is a staff of four dedicated to housing issues, including a Director of Housing, a Senior Housing Development Manager, a Construction Manager, and a Housing Rehabilitation Specialist. The City, often in collaboration with its community partners, is able to offer several programs targeted to assist its residents in finding appropriate housing, including a first-time homebuyer program, lead paint abatement assistance, foreclosure prevention, and housing rehabilitation. In addition, the Chelsea Housing Authority offers affordable rental and elderly housing.

Among the non-profit groups that offer housing services are:

Chelsea Neighborhood Housing Services – Operating since 1979, CNHS owns and manages 128 units of housing and serves an estimated 900-1000 people each year through housing development and management, rehab lending, and community outreach programs. CNHS also offers the Secure Housing for Independent Elderly Living (SHIELD) Program, aimed at assisting elderly homeowners in maintaining and managing their homes while simultaneously placing vacant units on the market to support the community’s affordable housing needs. Additionally, CNHS works with the City on acquiring and rehabilitating problem residential properties.

Chelsea Human Services Collaborative/Chelsea Housing Issues Committee – Comprised of housing activists, administrators, residents, and community leaders, this advocacy organization works to identify housing problems in Chelsea and presses for viable solutions.

Chelsea Restoration Corporation – This non-profit organization offers First Time Homebuyer classes in English and Spanish. CRC also provides down payment assistance and soft second mortgages through cooperation with the City and the North Suburban Consortium. Like CNHS, CRC works with the City on acquiring and rehabilitating problem residential properties. CRC, for example, has been particularly active in the City’s housing receivership efforts.

HarborCOV – Dedicated to ending domestic violence, HarborCOV provides assistance and temporary housing to survivors of domestic violence. Through its Community Housing Initiative, HarborCOV is presently working to develop and provide fifty-units of transitional and/or permanent housing locally.

Facts and Trends

Housing Type & Size

- Seventy-one percent (71%) of households in Chelsea rent; twenty-nine percent (29%) own their homes.
- Most of the housing stock in Chelsea consists of more than two (2) units per building. Therefore, a large share of the housing stock is rental or condominium.
- Seventy-five percent (75%) of rental households have two (2) bedrooms or less (65% of ownership units). Only 479 rental units have four (4) or more bedrooms, while there are 1,565 large (five or more people) households that rent.

Housing Affordability

- The condition of housing in Chelsea is getting better. The number of building permits pulled for home improvements doubled between 2002 and 2003.
- At the same time, three percent (3%) of households still live in units lacking complete plumbing or kitchen facilities (this is a substantial increase since the 1990 Census.)
- Many low-income families are sharing their apartments with friends and other family members, further exacerbating overcrowding issues. Some immigrants live ten (10) to twelve (12) people in an apartment to keep housing costs down. Youth struggle to find places to study and play.
- Many families are paying a high percentage of their incomes on rent, some over fifty percent (50%) of their monthly income. Over forty percent (40%) of renters are paying more than thirty percent (30%) of their income on housing.
- According to local realtors, current market rents average \$1,000/month for a one-bedroom and \$1,200-\$1,400 for two-bedrooms. A household income of \$40,000 - \$56,000 is needed to afford these rates. In the year 2000, sixty-two percent (62%) of households could not afford a \$1,000/month rent. Long-time residents are being forced to move out of Chelsea due to rising rents.
- While some suggest that rents are beginning to level or decrease, pressures from gentrification are still threatening affordability for low-income households.
- Between 1999 and 2002, the average selling price of single-family homes rose by seventy percent (70%), while the Boston area median income, during the same period, increased only ten percent (10%).

- Single family homes are currently priced from \$250,000 to \$379,000, with condos ranging from \$170,000 to \$250,000. Most Chelsea families cannot afford to buy a home in the city (approximately 10% of Chelsea renters and 35% of current homeowners would be able to purchase a home at today's prices).
- Chelsea is not alone in a housing crisis, as the metropolitan Boston area and much of Massachusetts has witnessed dramatic increases in housing costs. Housing supply is scarce nearly everywhere, and there is little available land for development.
- Chelsea is the smallest city in the state, at 1.8 square miles. What land in Chelsea that could be developed, mostly conversions from heavy commercial/industrial uses, often has environmental issues that prohibit housing or require expensive clean-ups to allow for housing to take place. Escalating land values favor office and hotel development, or high-end residential development.
- Non-profit housing development corporations have not had the capacity, including financial and staffing, to create affordable housing.

Housing Forum/ Goals and Objectives

On November 21, 2003, the City hosted a forum focused on housing at the Williams Middle School. With approximately twenty-five (25) people in attendance, the discussion covered the breadth of housing-related issues, from general supply and demand observations, to specific strategies to encourage the production of additional affordable units.

Overall, several key priorities for action emerged:

- There is an urgent need for additional affordable housing units. Family housing, with three (3) or more bedrooms per unit, was often cited as being in highest demand, but small units for singles (i.e. studios) was also mentioned as a priority. In addition, there was support for housing that would meet “a wide spectrum” of types and cost, including housing for the life cycle, that would offer progressive opportunities that breach the rent or own dichotomy; rent-to-own, and co-housing. Fostering a greater percentage of owner-occupants could encourage greater financial stability, an increased sense of investment in maintaining properties and greater community pride.
- The need for better communication and information dissemination of existing housing assistance programs to residents was a top priority cited by forum attendees. In order to broaden the reach of current efforts, several suggestions were offered: post notices/brochures in Spanish and English at the supermarket, “mom and pop” stores, check-cashing places, in excise tax mailings, and at local community-based organizations. A desire for more effective ways of assessing the need for housing was also emphasized, and that perhaps a door to door survey or other method of outreach was necessary.
- The poor condition of existing housing stock was seen as a primary obstacle to meeting resident needs for safe and affordable homes. The cost of renovating units to meet building code, coupled with the challenge of finding responsible, affordable contractors, can be overwhelming. From a contractors perspective, the costs associated with licensing, proper employee training, and

inspection and permitting fees drive the cost of housing. A database of reliable contractors, a streamlined permitting process, and housing rehabilitation education and funding were all mentioned as high priorities. Absentee landlords contribute to the problem of unsafe housing, and efforts to hold them accountable for code violations should continue to be a top priority of the City.

Goals and Actions

The following goals and actions were developed as a result of the Housing Issues Forum.

1. Increase the number of affordable housing units in Chelsea.
 - a. Create and maintain a list of potential sites for development of new housing
 - b. Develop a zoning incentive that will encourage developers to construct affordable units
 - c. Use the affordable housing trust fund to finance new unit production
 - d. Examine present zoning to assess any opportunities for additional housing development (i.e. mixed use zones, increases in density, co-housing options, etc.)
 - e. Assess the use of Tax Increment Financing (TIF) for affordable unit production for notoriously hard-to-develop properties.
2. Preserve existing housing stock (especially affordable units) and work to ensure safety and code compliance for all housing units.
 - a. Develop a plan to address the potential loss of units through “expiring use”
 - b. Continue to offer home rehabilitation funding and advisory assistance; work with advocacy organizations to develop and publicize a list of licensed, responsible contractors
 - c. Consider offering incentives for absentee landlords to maintain their properties and meet building codes/administer penalties for non-compliance; set goals and timeframes for code enforcement
 - d. Develop policy regarding condo conversions that protect tenants from untimely eviction; explore opportunities for creation of affordable units via the conversion process (i.e. purchase price buy downs)
 - e. Assess permitting procedures to determine if streamlining for housing projects is possible; consider waiver or reduced fees for affordable projects.
3. Enhance communication and information outreach regarding housing needs and opportunities.
 - a. Provide housing program information in property and excise tax mailings

- b. Provide housing program information in local stores and supermarkets; track the number of information sheets/brochures that are taken to assess the method
 - c. Develop an effective, regular method of obtaining resident input on housing needs.
- 4. Provide a range of housing opportunities to address a wider spectrum of options and a progressive transition for a variety of financial profiles and life stages.
 - a. Evaluate the potential for non-traditional housing types in the zoning ordinance; amend ordinance as necessary
 - b. Encourage an increase in home ownership through aggressive outreach and counseling to renters that are good prospects for homeownership
 - c. Consider adding unit configuration as a criteria for incentive zoning.

Housing Gap Analysis

As outlined in the guidelines for an Executive Order 418 Community Development Plan, the housing component of the Community Development Plan should be “designed to provide communities with a base level of information...to determine proactively how increasing the supply of housing can meet the needs of current and future residents in a way that preserves both quality of life and sense of place.” One of the main goals of this effort is to assess current and future housing demand, supply, cost and affordability in order to identify potential gaps for supply of housing for individuals and households of a variety of incomes.

Chelsea is an active member of the North Suburban HOME Consortium, a regional organization that works to use HOME program funding to promote affordable housing opportunities in its communities. The Consortium meets monthly, and has prepared a Consolidated Plan 2000-2005 that summarizes existing and future demand for housing, lists goals and objectives for affordable housing development, and outlines strategies for accomplishing these goals.

To fulfill the requirements of Executive Order 418, the focus of this section is to provide an expanded housing analysis with particular focus on the gap between housing supply, demand, and affordability.

Incomes

The following income levels are based on the 2002 area-wide median income for a family of four for the Boston MSA (of which Chelsea is a part) of \$74,200.¹

¹ According to HUD, the median income for 2002 is \$80,800 (see Appendix 5). This figure is used for many housing subsidy programs, however DHCD has chosen to retain the 2000 median income figure for EO418 planning purposes.

Table 1: 2002 Income Definitions for 30-150% Area Median Income

Household Size		1	2	3	4	5	6	7
HH size adjustment factor		0.7	0.8	0.9	1.0	1.08	1.16	1.24
Very Low Income	30% AMI	15,582	17,808	20,034	22,260	24,041	25,822	27,602
Low Income	50% AMI	25,970	29,680	33,390	37,100	40,068	43,036	46,004
Moderate Income	80% AMI	41,552	47,488	53,424	59,360	64,109	68,858	73,606
Middle Income	95% AMI	49,343	56,392	63,441	70,490	76,129	81,768	87,408
“	110% AMI	57,134	65,296	73,458	81,620	88,150	94,679	101,209
“	135% AMI	70,119	80,136	90,153	100,170	108,184	116,197	124,211
“	150% AMI	77,910	89,040	100,170	111,300	120,204	129,108	138,012

Source: 2000 Census

The latest year for which income data is available on a town-wide basis is 2000. The median household income in the Boston MSA in 2000 was \$57,158, compared to \$30,161 for Chelsea. For simplicity, we use the median income for the region in 2000 to estimate the number of households in each income range.

The majority of Chelsea residents are very low to moderate income. A small percentage are middle (80-150% AMI) or upper (over 150% AMI) income. Seventy-one percent (71%) of households in Chelsea rent, while only twenty-one percent (29%) own their homes. Renters typically have lower incomes than homeowners, with approximately forty-two percent (42%) of renters in the very low income category and thirty-eight percent (38%) having low to moderate incomes. In contrast, fifteen percent (15%) of homeowners have very low incomes, while thirty-six percent (36%) have low to moderate incomes.

Table 2: Chelsea Households – Tenure by Household Income in 1999

Income	Owner occupied:	Renter occupied:	Total households	% who rent	% all renters	% all owners	% all HHs	Income Category 2-4 Persons
Less than \$5,000	108	995	1,103	90%	12%	3%	9%	Very Low Income Approx. 30%
\$5,000 to \$9,999	142	1,048	1,190	88%	12%	4%	10%	
\$10,000 to \$14,999	150	849	999	85%	10%	4%	8%	
\$15,000 to \$19,999	124	693	817	85%	8%	4%	7%	Low Income Approx. 15%
\$20,000 to \$24,999	251	654	905	72%	8%	7%	8%	
\$25,000 to \$34,999	469	1164	1,633	71%	14%	14%	14%	Moderate Income. Approx. 20%
\$35,000 to \$49,999	532	1317	1,849	71%	16%	15%	16%	
\$50,000 to \$74,999	733	1100	1,833	60%	13%	21%	15%	Middle Income Approx. 20%
\$75,000 to \$99,999	424	367	791	46%	4%	12%	7%	
\$100,000 to \$149,999	363	220	583	38%	3%	11%	5%	
\$150,000 or more	152	33	185	18%	0%	4%	2%	Upper Income Approx. 15%
Total:	3,448	8,440	11,888	71%	100%	100%	100%	

Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data - HCT11 Universe: Occupied housing units

Household size

The distribution of household size between renters and homeowners is fairly even, with the only significant exception that a higher proportion of single family households rent, while a greater proportion of two-family households own, as shown in Table 3. Over fifty percent (50%) of households have one (1) or two (2) members, while over eighty percent (80%) have four (4) persons or less.

Table 3: Chelsea Household Size by Tenure – 2000 Census (SF 1)

Household size	Renter	Owner	Total	% of all renters	% of all owners	% of all HHs
1	2,588	836	3,424	31%	24%	29%
2	1,715	1,046	2,761	20%	30%	23%
3	1,328	552	1,880	16%	16%	16%
4	1,244	403	1,647	15%	12%	14%
Subtotal	6,875	2,837	9,712	81%	82%	82%
5	812	329	1,141	10%	10%	10%
6	358	129	487	4%	4%	4%
7+	395	153	548	5%	4%	5%
TOTAL	8,440	3,448	11,888	100%	100%	100%

Unit size, on the other hand, is not evenly distributed between owners and renters. Owners occupy a higher proportion of larger housing units than renters. Seventy-five percent (75%) of rental housing units have two (2) bedrooms or less, compared to sixty-five percent (65%) of ownership units. Only 479, or five percent (5%) of rental units have four (4) or more bedrooms, while there are 1,565 large households (with five or more persons) who rent their homes. Of ownership units, over twenty-five percent (25%) have four (4) or more bedrooms, while less than twenty percent (20%) of households have five (5) or more persons. This indicates that overcrowding is far more prevalent among rental housing than ownership housing.

Table 4: Tenure by Unit Size (Occupied housing units)

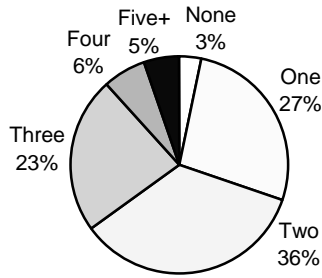
	Owner occupied	Renter occupied	total	% total	% renter	% owner
	3,448	8,440	11,888	100%	100%	100%
No bedroom	33	386	419	1%	5%	4%
1 bedroom	265	2,975	3,240	8%	35%	27%
2 bedrooms	1,115	2,972	4,087	32%	35%	34%
3 bedrooms	1,121	1,628	2,749	33%	19%	23%
4 bedrooms	400	376	776	12%	4%	7%
5 or more bedrooms	514	103	617	15%	1%	5%

Data Set: Census 2000 Summary File 3 (SF 3) - Sample Data – Table H42

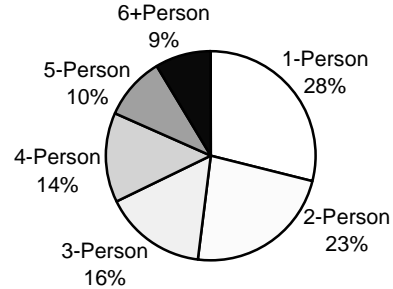
The number of small dwelling units in Chelsea, having zero (0) to two (2) bedrooms, is ample to serve the number of small households in the city. Homes with four (4) to five (5) bedrooms are in short supply to meet the needs of Chelsea’s population.

Figure 1 : Housing Size Compared to Household Size

Number of Bedrooms per Household, 2000



Household Size Distribution, 2000



Demographics

Among Chelsea households, sixty-five percent (65%) are occupied by families, or a total of 7,686 families. Of these, subfamilies were present in 438 households. Homeowners are slightly more likely to be family households, however there are many more renters with children than homeowners, particularly single parent families. A higher proportion of homeowners than renters are elderly, however there is a large number of renter households that consist of elderly women living alone.

Table 5: Characteristics of Households - 2000 Estimate

	Renters	%	Owners	%	Total	%
Families with children	3,389	40%	953	28%	4,342	37%
1 parent	1,672	20%	179	5%	1,851	16%
2 parents	1,717	20%	774	22%	2,491	21%
Elderly households (age 65 and over)	1,404	17%	1,002	29%	2,406	20%
Family/Not living alone	392	5%	667	19%	1,059	9%
Living alone	1,012*	12%	335	10%	1,347	11%
Other	3,647	43%	1,493	43%	5,140	43%
Family	1,506	18%	800	23%	2,306	19%
Non-family	2,141	25%	693	20%	2,834	24%
Grand Total	8,440	100%	3,448	100%	11,888	100%

Source: 2000 Census

* Note: Of elderly renters living alone, almost 75% (751) are women.

Thirty-nine percent (39%) or 12,674 of Chelsea residents were born outside of the United States, primarily from Latin America. Approximately half of the population has lived in the same house since 1995; approximately one third of the population lived outside of Chelsea five years ago.

Housing Problems

Households experiencing “housing problems” are defined as those living in housing units as having at least one of the following conditions: (1) lacking complete plumbing facilities, (2) lacking complete kitchen facilities, (3) with 1.00 or more occupants

Half of all households in Chelsea experience some type of housing problem. Lack of affordable housing and overcrowding are the greatest concerns. According to City officials, overcrowding has increased since the 2000 Census.

per room, (4) selected monthly owner costs or gross rent as a percentage of household income in 1999 greater than thirty percent (30%). Half of all housing units have one or more such conditions, including 4,642 units, or fifty-five percent (55%) of rental housing units and 1,294 units, or thirty-eight percent (38%) of ownership housing units.

Table 6: Estimated Incidence of Housing Problems

	Renters	% of Renters	Owners	% of Owners	Total	% of Total
With One Selected Condition	3,747	44%	1,225	36%	4,972	42%
With Two Selected Conditions	738	9%	52	2%	790	7%
With Three Selected Conditions	119	1%	17	0.5%	136	1%
With Four Selected Conditions	38	0.5%	0	0.0%	38	0.3%
Total Units with Housing Problems	4,642	55%	1,294	38%	5,936	50%
Housing Units without Problems	3,798	45%	2,154	62%	5,952	50%
Total Households	8,440		3,448		11,888	

Source: 2000 Census

Information on combinations of conditions that constitute housing problems or characteristics of households experiencing problems is not available, however we can examine the incidence of specific problem housing conditions individually. High cost burden is the cause of the greatest majority of housing problems, particularly for renters, while overcrowding is also a substantial concern for both renters and homeowners. The degree of overcrowding in rental housing reflects the discrepancy between the number of large households and supply of larger housing units previously noted.

Table 7: Problem Housing Conditions

	Renters	% of Renters	Owners	% of Owners	Total	% of Total
High Cost Burden (>30% of household income)	3,613	43%	1,175	34%	4,788	40%
Lacking Kitchen Facilities	367	4%	17	0.5%	384	3%
Lacking Plumbing Facilities	311	4%	23	1%	334	3%
Overcrowded (1.0 + persons per room)	1,665	20%	245	7%	1,910	16%

Source: 2000 Census

Over forty percent (40%) of renters are paying more than thirty percent (30%) of their income on housing. This alone contributes to the bulk of housing problems for renters in the city. Of these households, many are paying more than thirty-five percent (35%) of their income on housing. A smaller proportion of homeowners, thirty-four percent (34%), have high cost burdens, but of those who do, two thirds have severe high cost burdens. Most of these households with severe cost burdens are in the very low income category, earning less than \$20,000 per year, with the majority of the remaining households in the low income category, earning less than \$35,000.

Table 8: 1999 Chelsea Rent Burdens (1999 Gross Rent as a Percentage of Household Income in 1999)

Income Range	No. of Renters Paying X% of Income in Housing Costs				
	Less than 20%	20%-24%	25%-29%	30%-34%	35% or more
Less than \$10,000	61	84	155	128	1,078
\$10,000 to \$19,999	175	121	122	74	1,004
\$20,000 to \$34,999	160	168	327	358	751
\$35,000 to \$49,999	385	354	372	146	51
\$50,000 to \$74,999	841	167	35	16	7
\$75,000 to \$99,999	355	12	0	0	0
\$100,000 or more	245	0	0	0	0
Total	2,222	906	1,011	722	2,891
	26%	11%	12%	9%	34%
Not Computed	683				
Units represented in sample	8,435				

Source: U.S. Census 2000

Severe cost burden is not as much of a concern for homeowners as it is renters. However, twenty-three percent (23%) of those owners sampled by the Census are paying more than thirty percent (30%) of their income on housing; still a concerning statistic. Overall, a substantial number of homeowners in the middle income range have very low cost burdens, of less than twenty percent (20%) of their income.

Table 9: Homeowner Costs² as Percentage of Income, 1999

Income Range	No. of Homeowners Paying X% of Income in Housing Costs				
	Less than 20%	20%-24%	25%-29%	30%-34%	35% or more
Less than \$10,000	0	0	0	24	36
\$10,000 to \$19,999	6	11	17	7	6
\$20,000 to \$34,999	58	37	29	33	57
\$35,000 to \$49,999	80	0	20	16	44
\$50,000 to \$74,999	77	64	32	19	0
\$75,000 to \$99,999	129	22	8	0	0
\$100,000 to \$149,999	123	31	15	0	0
\$150,000 or more	56	0	0	0	0
Total	529	165	121	99	143
	50%	16%	11%	9%	14%
Not Computed	36				
Units represented in sample	1,057				

Source: U.S. Census 2000, Specified owner-occupied housing units

A sizeable number of homeowners, approximately forty percent (40%), do not have mortgages as part of their monthly housing cost, yet a small portion of these households also have high cost burdens.

² According to the U.S. Census: "Selected monthly owner costs are the sum of payments for mortgages, deeds of trust, contracts to purchase, or similar debts on the property (including payments for the first mortgage, second mortgage, home equity loans, and other junior mortgages); real estate taxes; fire, hazard, and flood insurance on the property; utilities (electricity, gas, and water and sewer); and fuels (oil, coal, kerosene, wood, etc.). It also includes, where appropriate, the monthly condominium fees or mobile home costs (installment loan payments, personal property taxes, site rent, registration fees, and license fees)."

Table 10: Cost Burden – Single-Unit Homeowners, 1999 (U.S. Census)

	Number of Households	Median cost burden as % of income	Owners paying ≥ 30%*		Owners paying ≥ 50%	
Mortgage	638	21.1%	84	13%	58	9%
No Mortgage	419	14.0%	47	11%	17	4%

* Out of “Specified Owner-Occupied Units”, which include 1,057 out of 3,448 total Owner-Occupied Units.

The proportion of renters that reported high rent burdens actually decreased slightly between 1989 and 1999. In 1989, forty-six percent (46%) of renter households paid more than thirty percent (30%) of their income, compared to forty-three percent (43%) of households in 1999. However, the high number of units not computed (8% of the units in sample in 1999, 3% in 1989) could skew the results, so that the change in the proportion of rent burdens may be questioned.

Table 11: 1989 Chelsea Rent Burdens (1989 Gross Rent as a Percentage of Household Income in 1989)

Income Range	No. of Renters Paying X% of Income in Housing Costs				
	Less than 20%	20%-24%	25%-29%	30%-34%	35% or more
Less than \$10,000	127	286	287	140	1,351
\$10,000 to \$19,999	172	63	81	149	1,047
\$20,000 to \$34,999	241	349	438	374	370
\$35,000 to \$49,999	497	228	254	46	23
\$50,000 or more	662	117	26	0	0
Total	1,699	1,043	1,086	709	2,791
	22%	14%	14%	9%	37%
Not Computed	257				
Units represented in sample	7,585				

Source: U.S. Census 2000

The proportion of homeowners with high cost burdens also decreased between 1989 (30%) and 1999 (23%). (Homeowner costs were computed for nearly all units in the sample.) The number of “specified owner-occupied units” (which mainly include owner-occupied single family homes, excluding condos and homes with two or more units) did not change, although the total number of owner-occupied units rose from 2,968 to 3,448 over this decade. Thus, nearly all of the new units created during this time were condos or multifamily homes, and it is likely that the cost of these types of owner-occupied units may have increased relative to household income, particularly if more of these units were sold to new owners.

Table 12: Homeowner Costs as Percentage of Income, 1989

Income Range	No. of Homeowners Paying X% of Income in Housing Costs				
	Less than 20%	20%-24%	25%-29%	30%-34%	35% or more
Less than \$10,000	0	19	0	6	33
\$10,000 to \$19,999	9	4	19	14	55
\$20,000 to \$34,999	60	26	8	24	54
\$35,000 to \$49,999	112	18	38	42	41
\$50,000 or more	310	80	42	18	24
Total	491	147	107	104	207
	46%	14%	10%	10%	20%
Not Computed	0				
Units represented in sample	1,056				

Source: U.S. Census 2000, Specified owner-occupied housing units

Rental Affordability

While the Census reports an average rent of \$695 in 2000, the actual market rent for two-bedroom apartments was at least \$1,000³. Conversations with local realtors indicate that two-bedrooms currently rent for \$1,200-\$1,400, while a one bedroom rents for around \$1,000. A household income of \$40,000-\$56,000 is needed to be able to afford apartments in Chelsea at these rates. Approximately Sixty-two percent (62%) of households in 2000 were below the income level to be able to afford \$1,000 per month rent. In 2000, market rent would have been affordable to four-person households within the moderate income range. However, two-person households earning less than median income for the Boston Metropolitan Statistical Area (MSA) would likely have had to spend more than thirty percent (30%) of their income for an apartment at market rent.

Table 13: Affordability of Rental Prices for 4-Person Households

Income Group	Maximum Affordable Home*	Renter Households in Income Range		Renter-Occupied Units in Price Range				Deficit (-) or Surplus (+)	Cumulative Deficit/Surplus
		Total	%	Total	%	Cumulative	Cumulative %		
Very Low Income	\$429	3,125	37%	2,175	26%	2,175	26%	-950	-950
Low Income	\$714	1,780	21%	2,200	26%	4,375	52%	+420	-530
Moderate Income	\$1,143	1,510	18%	3,432	41%	7,807	93%	+1922	+1,392
Middle Income*	\$1,429	805	10%	555	7%	8,362	99%	-250	+1,142
Upper Income	>\$1,429	1,220	14%	73	1%	8,440	100%	-1,147	0

Source: U.S. Census 2000

* DHCD defines the middle income range for renters as households earning up to 100% of median income; homeowners may earn up to 150% of median income to be considered middle income.

The greatest gap in rental housing is in the range affordable to very low income households. Comparing the number of households in each income range to the apartments affordable at each income level, there would appear to be an actual surplus in the number of units affordable to low and

³ Source: Center for Urban and Regional Policy, Northeastern University: [The Greater Boston Housing Report Card 2002](#)

moderate income families. However, low cost apartments may be occupied by households earning higher incomes, while below-market rents are often not transferable to new households. As indicated in Table 11, approximately 2,000 very low income renters, 700 low income renters, and 200 moderate income renters are paying more than thirty percent (30%) of their income on housing.

Table 14: Affordability of Home Prices for 4-Person Households

Income Group	Maximum Affordable Home*	Households in Income Range				Owner-Occupied Units in Price Range			
		Owners	Renters	Total	% of Households	Number	% of Owner Units	Cumulative	Cumulative %
Very Low Income	\$34,550	475	3,125	3,600	30%	59	2%	59	2%
Low Income	\$77,750	520	1,780	2,300	20%	188	5%	247	7%
Moderate Income	\$142,500	740	1,510	2,250	19%	1,012	30%	1,259	37%
Middle Income	\$235,000	898	1,522	2,420	20%	1,732	50%	2,991	87%
Upper Income	>\$235,000	815	503	1,318	11%	457	13%	3,448	100%

* Price calculated for 30 year mortgage at 6.25% rate with 5% down payment and \$200/month for mortgage insurance and property taxes, such that monthly housing costs do not exceed 30% of income.

Homeownership Affordability

According to the U.S. Census, the median value of owner-occupied housing units in 1999 was \$163,200. The majority of owner-occupied homes, eight percent (80%), were in the value range affordable to moderate and middle income households. While fifty percent (50%) of households had very low to low incomes, less than ten percent (10%) of homes were valued in a range affordable to these households. Moreover, these homes would likely cost much more to homebuyers if they were sold.

If smaller household size is taken into account, the gap in affordable owner-occupied housing is more pronounced. Most of the housing is valued in the range affordable to middle income families, while there is insufficient housing for households with incomes outside this range. Approximately twenty percent (21%) of homes are affordable to households with very low to moderate incomes, which comprise fifty-nine (59%) of the households in the city.

Table 15: Affordability of Home Prices for 2-Person Households

Income Group	Maximum Affordable Home*	Households in Income Range				Owner-Occupied Units in Price Range			
		Owners	Renters	Total	% of Households	Number	% of Owner Units	Cumulative	Cumulative %
Very Low Income	\$21,600	375	2,692	3,067	26%	18	1%	59	1%
Low Income	\$56,150	274	1,218	1,492	13%	125	4%	143	5%
Moderate Income	\$108,000	627	1,810	2,437	20%	566	16%	709	21%
Middle Income	\$228,900	1,000	1,800	2,800	24%	2,182	63%	2,891	84%
Upper Income	>\$228,900	1,172	920	2,092	18%	557	16%	3,448	100%

* Price calculated for 30 year mortgage at 6.25% rate with 5% down payment and \$200/month for mortgage insurance and property taxes, such that monthly housing costs do not exceed 30% of income.

As indicated in Table 12, approximately 240 mostly very low to moderate income homeowner households are paying more than thirty percent (30%) of their income on housing. The high cost of ownership housing is of greatest concern to would-be first time homebuyers. As of 2000, only twenty-nine percent (29%) of households in Chelsea owned their own homes. While a portion of households at all income levels would prefer to rent, there is a shortage of homeownership opportunities at all price ranges. First time homebuyers earning between eighty to one hundred fifty percent (80-150%) of median income for the Boston MSA have less difficulty finding homes, but many more would-be homeowners do not make sufficient income to buy homes in Chelsea. The selling price for homes often exceeds the estimated value of the home (reported in the Census), hence if they become available for sale, homes reported as affordable in the Census may not be affordable to new homebuyers. Meanwhile, recent new residential development in Chelsea consists primarily of lofts converted from former industrial buildings, which sell in the range of \$230,000-\$250,000 for a 1,000 square foot unit (falling within the middle income cost range by 2003 income levels).

Who is buying homes in Chelsea today?

- There is currently ample supply of homes on the market in Chelsea, with single-families listing for \$250K-\$379K, and condos between \$170K-\$250K.
- Approximately 10% of Chelsea renters and 35% of Chelsea homeowners can afford to buy these homes.
- Traditionally many prospective homebuyers come from outside Chelsea to buy single family homes, but these buyers are now looking to other communities.

This analysis likely underestimates current conditions. Between 1999 and 2002, the average selling price of single-family homes rose by seventy percent (70%) (\$138,000 in 1999, \$235,000 in 2002), while over this same period the median income in the Boston metropolitan area increased by approximately ten percent (10%)⁴. In order to afford the median 2002 selling price of single-family homes in Chelsea, a household must have an annual income of \$70,000. To purchase a median priced condo at \$184,000, a household income of \$57,000 is required.

Housing Opportunities Map

Identifying sites for additional housing development in Chelsea is challenging – not only are the residential neighborhoods densely developed, most potential sites that can be characterized as “developable” for housing have other obstacles that must be overcome prior to construction. Some are too small to make the development of affordable housing cost effective, and others may be sites identified for another use, such as a pocket park. Planning for new housing in areas that already feature dense development requires thorough consideration of site planning issues.

Figure 2 depicts potential for housing developments in Chelsea’s neighborhoods, as determined by land use classification codes assigned by the Assessor. Parcels deemed “developable and potentially developable” residential land are shown in yellow, while parcels assessed as “undevelopable” residential land are featured in red. Taken together, residential land that may be developable comprises about twenty-one (21) acres, or about 1.8% of the all parcels. Chelsea’s residential development pattern indicates a density of housing units of approximately twenty-four (24)

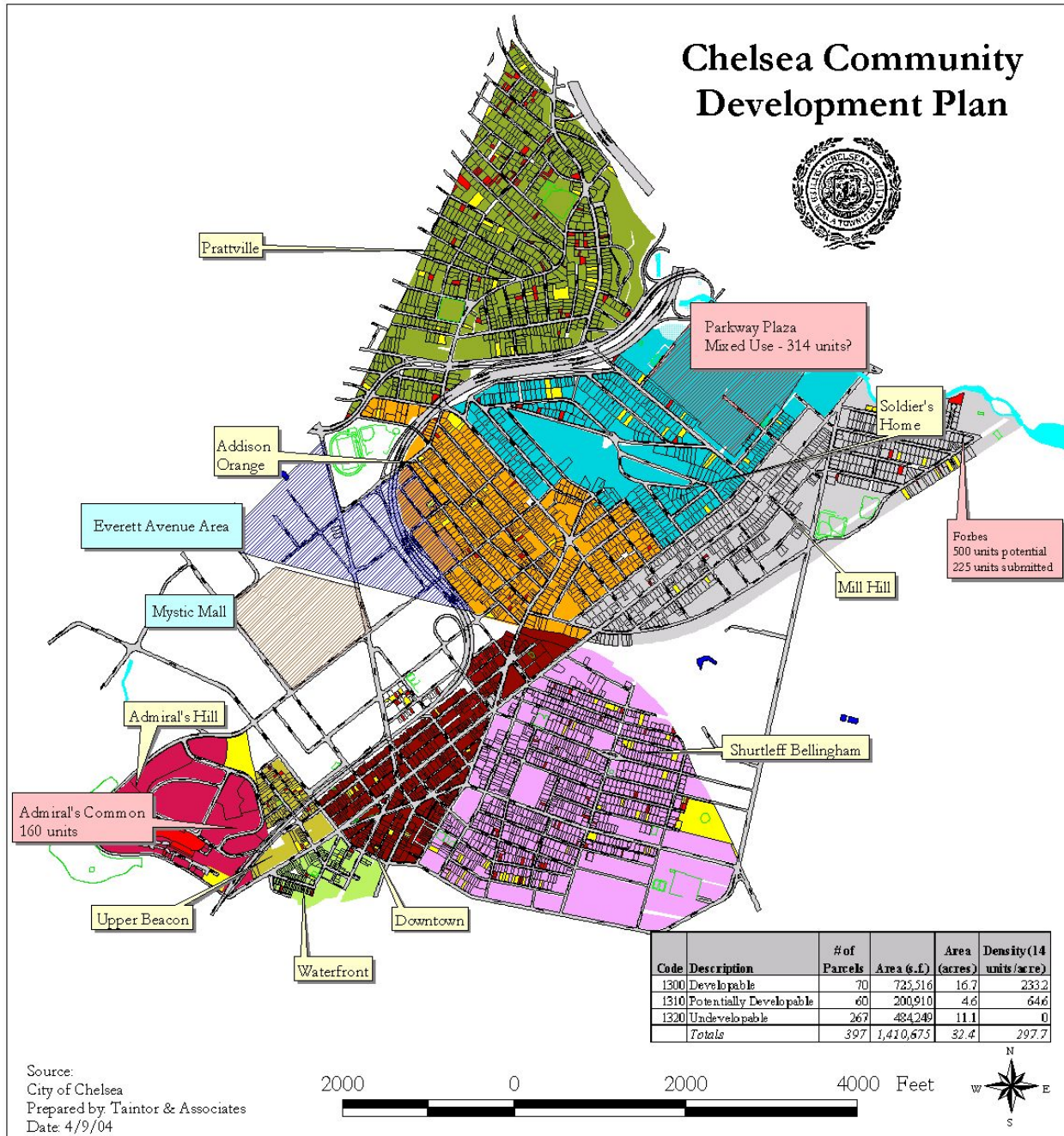
⁴ Home prices from Banker and Tradesman, estimated median incomes from HUD Income limits for 2000 and 2003.

per acre (considering only land dedicated to housing use), or about eleven (11) units per acre calculated over the entire City's land area. Using a conservative benchmark of fourteen (14) units per acre⁵ and applying it to the potentially developable land, development of these parcels could support an additional 300 units of housing. In addition, while the Parkway Plaza is currently planned to be redeveloped with a Home Depot, the EOEIA buildout analysis indicated a potential for 314 new units alongside commercial use of the site.

This map takes neither redevelopment nor development of housing in areas not currently zoned for housing into account. This is important to note since past studies have considered mixed uses for redevelopment areas, including land presently located in the Airport Overlay District and Industrial zones. In light of the fact that less than fifty percent (50%) of Chelsea's land area is dedicated to residential use, and that there are non-residential areas that are both underutilized and of low density, the pool of potential housing sites could change substantially with any number of changes in public policies, regulations, and the economy.

⁵ Chelsea's residentially-developed land is developed with approximately 23 units/acre; over the entire City, this averages out to about 10 units/acre. The density of 14/acre may be low, but remaining sites are generally small, and located amid densely-developed neighborhoods. Redevelopment sites are not considered.

Figure 2: Potential Housing Opportunities Map



Potentially Developable & Undevelopable Residential Land

Residential/Mixed Use Redevelopment

Commercial Redevelopment

↗ PARK/REC Neighborhood

Residential Parcels Code 1 Assessing Classification

1300 - 1310: Developable & Potentially Developable Land

1320: Undevelopable Land

Economic Development



Promoting economic development is a fundamental means of ensuring the health and vitality of places by creating jobs, providing needed goods and services, contributing to municipal tax revenue, and generally supporting quality of life through prosperity. In addition, local businesses are often at the core of a community's social environment, and can play a large role in identity-building. Planning for economic development frequently involves examining the larger markets that influence local economies, and considers transportation and housing as they influence and are influenced by business location and use.

Chelsea is a city of transformations. Humbly beginning as a trading post, it has been successively a manorial estate, an agricultural community, a ferry landing, a summer resort, a residential suburb and finally an industrial city.

-- WPA Guide to Massachusetts, 1937

ECONOMIC PROFILE: HIGHLIGHTS

Within the past decade, Chelsea has begun to capitalize upon its location, transportation facilities, and its strongest, long-time businesses to grow its local economy. Its recent successes include development of the Wyndham Hotel on Everett Avenue, completion of the Harbour Executive Park, the new Stop & Shop, redevelopment of the BioMed building by Alkermes, the expansion of Kayem, additional space for Pillsbury, among many others (Muffin Town, On-Time Mailing, etc.). Clearly, the City's existing strategies to attract and expand economic development are working, and should remain at the heart of its effort as additional incentives are identified and pursued.

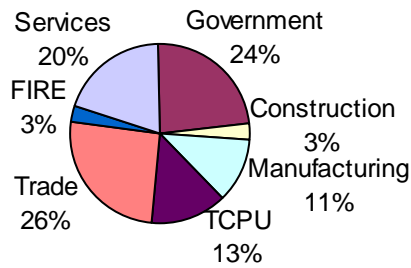
Proximity to Boston is and will continue to be a key feature of Chelsea's economic development profile:

- ◆ Adjacent to Logan Airport – less than two (2) miles from Everett Avenue
- ◆ Major roads going through Chelsea include Route 1 and Route 16
- ◆ Northeast/southwest access on Route 109
- ◆ Commuter rail service, with one stop in Chelsea

- ◆ Between 1990 and 2000, the number of establishments in Chelsea grew by twenty-five (25) employers, or just three percent (3%), raising the total from 716 to 741 (Mass. DET). Establishments are now hiring many more employees than they were ten years ago, averaging eighteen (18) employees per establishment in 2000, compared to fourteen (14) in 1990.

Job Opportunities in Chelsea: Do Chelsea residents have access to the jobs and wage rates they want?

Figure 3, Employment in Chelsea, 2001



- ◆ Total employment in Chelsea has increased steadily over the past fifteen years, lead by growth in the Government, Transportation, Communication and Public Utilities (TCPU), and Services Industries.
- ◆ Over the past five years there has been a steady loss in manufacturing jobs after reaching a high point through the late 1990s.

Table 17: Employment by Industry in Chelsea, 2001

Industry	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Government	1,313	1,220	1,433	1,440	1,459	1,670	1,803	2,262	2,499	3,232
Construction	342	237	258	302	264	253	259	334	353	366
Manufacturing	1,897	2,374	2,484	2,544	2,504	2,517	2,251	1,907	1,782	1,563
TCPU	540	667	737	911	943	1,137	1,144	1,676	1,885	1,792
Trade	3,481	3,881	3,991	3,473	3,493	3,476	3,499	3,373	3,393	3,492
FIRE	442	422	417	402	400	392	379	375	373	401
Services	1,309	1,734	1,782	1,765	1,921	2,057	2,050	2,324	2,831	2,767
Total Employees	9,331	10,543	11,111	10,845	10,992	11,512	11,394	12,260	13,124	13,622
Establishments	701	707	710	737	742	707	729	764	741	756
Total Annual Payroll	252,423,415	278,999,414	301,280,933	315,519,245	336,346,669	364,924,208	364,691,421	405,662,474	457,352,153	504,539,148

AFF: Agriculture, Forestry, Fishing; TCPU: Transportation, Communication and Public Utilities; FIRE: Finance, Insurance and Real Estate

Source: Mass Division of Employment and Training (DET)

Table 18, Average Wage by Industry in Chelsea, 2001

Industry	Employees	Avg. Annual Wage	Avg. Wage Statewide
Government	1,304	\$46,800	\$44,772
Construction	380	\$50,076	\$50,076
Manufacturing	1,554	\$36,608	\$54,444
Wholesale Trade	1,370	\$56,264	\$61,880
Retail Trade	1,305	\$30,784	\$24,804
TCPU	3,007	\$38,250	\$53,240
FIRE	289	\$34,362	\$78,780
Services	5,662	\$28,185	\$39,234
Total/Average Annual Wage	13,610	\$37,039	\$44,980

Source: Mass Division of Employment and Training (DET), from one-digit NAICS, with some categories combined.

- ◆ Average wages are generally lower in Chelsea than across the State. Particularly the FIRE, TCPU, and Manufacturing industries, which together provide about thirty-six percent (36%) of the jobs in Chelsea, provide wages that are significantly lower than these jobs offer statewide.
- ◆ Two industry sectors, Retail Trade and Government, notably provide higher than average wages. The State is the largest government employer in Chelsea, although data on how many people are employed by various government agencies is not available.
- ◆ Within the retail sector, two types of retailers account for most of the higher income jobs: specialty food stores, which provide an average of \$43,000 per year, and direct selling establishments, which provide an average of \$55,000 annually. Together these two categories include approximately twenty (20) establishments, supporting thirty-five percent (35%) of retail jobs. Outside of these two categories, average wages in the retail field fall closer to \$20,000 per year.
- ◆ Several of the largest employers in Chelsea are related to health and nursing care, government administration, and public education and services. Chelsea is a regional center for processing and wholesale of petroleum products; while in manufacturing, the largest employers are food processing and commercial equipment. There is also a concentration of transportation-related businesses, with several trucking companies and taxi services located in the City.

Table 19, Largest Employers in Chelsea

Employer	2 digit NAICS	Type of Business
1,000 – 4,999 employees		
HP Hood Inc	31, 42, 54	Dairy processors, wholesalers, distributors
City of Chelsea	9	City government, schools, fire, police, etc.
250 – 499 employees		
Catamount Holdings/ Gibbs Oil Co., Gulf	31, 55, 42, 44	Milk Manufacturing Petroleum wholesale and retail
Commonwealth of Massachusetts	92	State government
Eastpointe Rehabilitation	62	Nursing care, convalescent home
Kayem Foods	31, 42, 54	Meat processing, wholesale and marketing
L F Quigley	62	Retirement home/congregate care
Market Basket	54	Grocery store
MGH Chelsea Healthcare Center	62	Physicians
North Suffolk Mental Health	62	Mental health
Paul Revere Transportation	48	Trucking transportation
Soldiers Home	61, 62, 92	Hospital, nursing care facility
100 – 249 employees		
Alliance Express	42	Fuel oil wholesale
AM San New England	42	Paper products wholesale
Chelsea Jewish Nursing Home	62	Nursing care facilities
Dav-el Reservations	48	Limousine service
Elite Protective Service	56	Security guards
Glen Mor Fuel Oil	42	Fuel oil wholesale
Hopedale	42, 23	Fuel oil wholesale and heating contractors
On Broadway Nursing Rehab	62	Nursing care facilities
White Fuel	42	Fuel oil wholesalers
Work Helpers Inc	56	Temporary help services

Source: Reference USA

Journey to Work Where do Chelsea residents travel to find work?/ Who works in Chelsea?

- ◆ Chelsea is part of the Greater Boston economic area. About twenty-two percent (22%) of residents work in Chelsea, while thirty-five percent (35%) find work in Boston. An additional twenty-one percent (21%) of Chelsea’s resident labor force find work in neighboring communities, including Cambridge, Everett, Revere, Malden, Somerville, Woburn, Medford, and Lynn (2000 US Census).

- ◆ Twenty-one percent (21%) of employees in Chelsea in 2000 were residents of the city. A large proportion of employees came from Boston (17%), Revere (8%), and other neighboring communities including Everett, Lynn, Winthrop, Malden, Saugus, Somerville, and Medford (19% combined).

Table 20: Journey to Work

Workplace of Chelsea Residents				Residence of Chelsea Employees			
	1990	2000	% change		1990	2000	% change
Boston	4,035	4,345	8%	Chelsea	3,690	2,814	-24%
Chelsea	3,690	2,814	-24%	Boston	1,245	2,250	81%
Cambridge	585	704	20%	Revere	874	1,106	27%
Everett	372	367	-1%	Everett	697	569	-18%
Revere	293	345	18%	Lynn	332	490	48%
Malden	339	340	0%	Winthrop	216	387	79%
Somerville	169	293	73%	Malden	340	297	-13%
Woburn	222	248	12%	Saugus	240	270	13%
Medford	195	179	-8%	Somerville	268	260	-3%
Lynn	138	148	7%	Medford	257	256	0%
Other Cities	1,624	2,791	72%	Other Cities	3,488	3,875	11%
Total	11,662	12,574	8%	Total	11,647	13,441	15%

Source: US Census

Despite the fact that employers in Chelsea are offering more jobs than there were in 1990, fewer Chelsea residents are occupying those jobs. Instead, Chelsea residents are increasingly finding work in nearby cities and towns such as Boston, Cambridge and Somerville. Meanwhile an influx of workers have come from Boston, Revere, Lynn and Winthrop.

How far do Chelsea residents travel to work and by what means?

- ◆ Despite the fact that more jobs are available the City of Chelsea fewer Chelsea residents are working in their own community than a decade ago. More Chelsea residents are traveling to other cities, and thus are traveling farther for work than in 1990.

Table 21: Travel Time to Work

	1990 Census		2000 Census		Change 1990 to 2000	
	Number	%	Number	%	Number	%
Work at home	183	2%	261	2%	78	43%
Less than 5 minutes	376	3%	189	1%	-187	-50%
5 to 9 minutes	1,295	11%	1,102	9%	-193	-15%
10 to 14 minutes	1,832	16%	1,361	11%	-471	-26%
15 to 29 minutes	3,484	30%	3,272	26%	-212	-6%
30 to 45 minutes	3,359	23%	3,359	27%	711	27%
45 to 59 minutes	960	8%	1,443	12%	483	50%
More than 60 minutes	936	8%	1,587	13%	651	70%
Total	11,714	100%	12,574	100%	860	7%
Mean travel time to work (minutes)	25.8		31.3		5.5	

Source: Census Transportation Planning Package 2000

- ◆ The percentage of people who travel to work by car or by public transportation⁶ has increased over the past decade, while the percentage of people who bicycle or walk has decreased. Among those using public transportation, the increase was primarily in persons traveling by bus. The number taking the subway or train actually decreased over this time. (Census Transportation Planning Package 2000)

Table 22: Means of Transportation to Work

	1990	2000
Car, Truck or Van	64%	65%
Public Transportation	23%	25%
Bicycle or Walk	10%	7%
Other	2%	1%
Worked at Home	2%	2%

Source: US Census

Existing and Projected Commercial Development in Chelsea

- ◆ Within the city of Chelsea, approximately fourteen percent (14%) of the land area is covered by commercial uses, and twenty percent (20%) by industrial uses. Commercial and industrial development is concentrated in the southern half of the city, along the commuter rail line and the coast and outer perimeter.
- ◆ The Zoning primarily reflects existing development and plans for redevelopment throughout the city.

⁶ Approximately 27% of those who traveled by car, car-pooled.

- The downtown area and some neighborhood centers have **Retail Business** zoning, which allows business appropriate to an urban downtown, as well as upper floor residences and apartments.
- Two areas – off of Route 1 and along Broadway – have **Highway Business Zoning**, which caters to non-pedestrian sales or services, including automotive. Businesses are limited to operating between 7 AM and 7 PM, unless otherwise permitted by the license. Various dimensional requirements for frontage and setbacks apply to this district.

- The **Shopping Center District** applies to two large areas of the city: Parkway Plaza, a thirty-seven (37) acre site bordered by Revere Beach Parkway, Route 1, Webster Avenue and Gillooly Road, and Mystic Mall, a twenty-five (25) acre site located between Everett Avenue, Spruce Street, Second Street and the commuter rail tracks. The district allows for the development of shopping plazas with shared common facilities and onsite parking. An Interim Planning Overlay District (IPOD) has been implemented at Parkway Plaza to allow planners to review and economic development officials to encourage a broader spectrum of land uses.

Purpose for IPOD District: to maintain a proper balance between competing land uses in portions of Chelsea’s waterfront in anticipation of the State’s further review of Designated Port Area (DPA) boundaries and additional planning by the City to respond to economic trends, changes in land use patterns, and airport and port related projects. The IPOD is intended to assure that: visual, traffic, vibration and noise impacts on residential neighborhoods and historic resources; the desires of the City’s residents to reclaim reasonable public and visual access to its waterfront resources; and the need to encourage an economically sound mix of commercial, general industrial, and water-dependent industrial uses; are all taken into greater account in future land use decisions, pending further rezoning. The existing underlying Waterfront District zoning has served the purposes of stabilizing a declining area and preventing further uncontrolled development and land uses that are incompatible with the adjacent residential neighborhoods and the health, safety, and general welfare of the people of the City. The IPOD is intended to encourage a broader spectrum of water dependent and support DPA uses in anticipation of the Waterfront IPOD study areas becoming thriving areas that are essential to the revitalization of the City.

- The **Waterfront District** runs all along the waterfront from Route 1 in the southwest corner to the Commuter Rail line in the northeast. This area provides for uses that are water related and/or which benefit from proximity to the airport or the harbor, and is meant to encourage public access to the waterfront. It allows multi-family residences, hotels, and various retail uses (Although these uses are in conflict with State Designated Port Area allowable uses.) Much of this area, fronting Eastern Avenue, is in the **Waterfront Industrial Overlay District**. In that district, current uses, such as petroleum storage tanks, as well as other marine-industrial uses permitted under DPA regulations are allowed. Of the two remaining portions of the Waterfront District, the Historic Waterfront located along Marginal Street is covered by an **Interim Planning Overlay District (IPOD)**. (The “Mill Hill Waterfront Neighborhood”, which contains the Forbes Industrial Park, was also designated as part of the IPOD, but the overlay designation was removed in 1997). The IPOD allows airport and marine-related uses in addition to other uses allowed in the underlying zoning district. Site plan approval and design review guidelines apply to some development within the IPOD.

- Opposite the Waterfront on Eastern Avenue, and along the southwestern portion of Route 1, the **Industrial District** provides for research, manufacturing, wholesaling, and distribution activities in locations with suitable access and where residential activities will not be impacted.

- Redevelopment of the site of the former Naval Hospital, now Admirals Hill and along the waterfront to the west of Route 1, is regulated through the **Naval Hospital Development District**. The majority of the area is slated for residential development, except for an **Industrial/Commercial** section adjacent to the industrial district. This area allows office uses, neighborhood retail and service uses, hotels, as well as certain marine-related uses.
- The Waterfront and adjacent Industrial Districts are also designated as suitable locations for airport related uses through the **Airport Related Overlay District**. Such uses include storage and handling of cargo and freight, storage and repair of trucks and equipment, food handling and preparation facilities, and airport-related parking.
- A **Business District** (Everett Avenue Urban Renewal District) provides areas for professional, business and governmental offices. A **Light Industrial/Office District** (Everett Avenue Urban Renewal District) provides for office, light industry, research and development, wholesale and related distribution activities in locations with suitable access and where they will not impact residential areas. Both of these districts are regulated under the **Everett Avenue Urban Renewal District**. Within this district, significant development projects are required to undergo design review. Design guidelines are provided in the Zoning Ordinance, requiring buildings to support the area's image of a revitalized historic area, with red brick buildings and pedestrian-oriented site design and landscaping features.
- ◆ In lieu of conducting a customary buildout analysis for the City, the Executive Office of Environmental Affairs (EOEA) in 2001 summarized the development capacity within three target areas identified by the City.
 - The Parkway Plaza Redevelopment District consists of 37 acres of land area. Redevelopment of this district at its maximum capacity would result in 366,000 square feet of office space and hotel, and 314 dwelling units (apartments and townhouses).
 - The Everett Avenue Urban Redevelopment District (65 acres), which currently contains ten (10) dwelling units and one (1) million square feet of commercial, would accommodate at maximum buildout 656,000 square feet of new retail, office and hotel space, plus a parking garage, as well as reuse of much underutilized space.
 - The Mystic Mall Redevelopment District (33.9 acres) has 300,000 square feet of existing development, and could accommodate 150,000 square feet of new commercial space at its maximum capacity.

Indicators of Chelsea's Economic Vitality

Unemployment

- ◆ The 2002 unemployment rate for Chelsea is 8.1%, compared to 5.3% for the state. These percentages are up from the 2000 rates of 3.9% and 2.6%, respectively. Chelsea has historically had higher unemployment rates than the region and state.

Chelsea's Household Incomes

- ◆ A comparison of the local overall average annual wage (\$34,839) to the median household income (\$31,161) for 2001 indicates that Chelsea residents do not typically occupy many of the high paying jobs in the city.
- ◆ Chelsea's median income in 2000 of \$31,161 was well below the statewide median household income of \$50,502.

Educational Achievement

- ◆ The amount of schooling one has directly affects the earning potential of that individual.
- ◆ In Massachusetts, in 1979, a family headed by a college graduate earned 2.2 times more than families headed by a high school dropout; the ratio stands at 3.1 in 1999.
- ◆ During the past 20 years the average incomes of high school dropouts have decreased 21%, for high school graduates the median incomes decreased by 1% and for college graduates the incomes increased by 11%.
- ◆ Chelsea High School reported a 10.1% dropout rate in 2001, fluctuating between 4% and 16% over the past decade. Close to half of the high school seniors took the SAT, with a combined average score of 872. 64% of the seniors in 2003 passed the MCAS exams (compared to Boston, where 70% of seniors passed).
- ◆ Of the graduating class in 2001, 76% planned to continue with some form of post-secondary education, of which approximately half planned to attend a four-year college, and half attending a two year college. An additional 6% had plans to enter the military, and 17% starting work.

Changing Family Structure And Importance Of Dual Family Incomes And Related Social Services

- ◆ Chelsea has 7,686 families; 60% are married couples, 9% are male headed households, and 31% are female headed households (2000 Census).
- ◆ Of the 4,603 married couples, 40% of the households have two earners (husband and wife or other family members), husband or wife (1 worker) works in 23% of the households, neither work 18% of the time, and 19% of the households have more than two earners.
- ◆ Of the 3,083 other families, 81% have one or more workers, while 19% have no workers.
- ◆ 1,582 families in Chelsea fall below the poverty line (21% of all families); of families in poverty, a little over one third are married couples (36%) and over half are female-headed households (54%).
- ◆ The median income for a male in Chelsea is \$22,138, for a female this figure drops to \$18,280.
- ◆ Chelsea's family structure reflects state-wide trends. State-wide the typical married couple earned \$45,000 more than then typical female headed family; in Chelsea this figure is close to \$20,000 (**Table 23**). (US Census.)

- ◆ Families are working longer hours to reach the middle and upper classes; increased time away from families, especially children, necessitate that proper social services be in place to accommodate for the lack of parental supervision (MassINC).

Table 23, Median Household Incomes by Family Type and Presence of Children in Chelsea

	Married-couple family	Other family types		All types
		Male-headed family (no wife)	Female-headed family (no husband)	
With children under 18	\$42,105	\$19,559	\$19,478	
Without children under 18	\$41,875	\$37,361	\$27,516	
Average	\$42,045	\$30,000	\$21,727	
Total average	\$42,045	\$23,992		\$32,130

Regional Market

- ◆ In comparison with neighboring cities, Chelsea has a fairly strong manufacturing base. Approximately one tenth of the manufacturing in all of Suffolk County (which includes Boston, Chelsea, Revere and Winthrop) is located in Chelsea.
- ◆ While Chelsea has a substantial retail industry, its statistics are a little less than average among North Suburban Consortium communities, and the city hosts an insignificant share of the retail industry in Suffolk County.
- ◆ Chelsea’s share of business in the region’s service sector is fairly small.

Table 24: Regional Market Comparison

City	Arlington	Chelsea	Everett	Malden	Medford	Melrose	Revere	Avg of NSC Communities	Total Suffolk County
Manufacturing									
Establishments	-	62	77	63	52	-	-	64	624
Payroll (\$000)	-	65,953	82,079	63,838	24,852	-	-	59,181	745,390
Employees	-	2,084	2,216	1,929	924	-	-	1,788	21,366
Retail Trade									
Establishments	103	98	85	161	185	73	140	121	2,543
Sales (\$000)	240,333	241,404	123,901	364,628	547,441	130,195	302,783	278,669	4,842,469
Payroll (\$000)	22,843	24,648	11,390	31,932	50,314	14,158	31,273	26,651	532,221
Employees	1,148	1,260	595	1,869	2,918	818	1,882	1,499	30,091
Professional, Scientific & Technical Services									
Establishments	109	34	29	71	85	76	35	63	3,140
Sales (\$000)	39,500	37,581	16,282	29,450	52,326	29,892	10,141	30,739	7,923,241
Payroll (\$000)	19,675	14,593	7,414	12,702	20,248	11,887	3,685	12,886	2,969,347
Employees	330	342	251	715	429	336	760	452	50,260
Administrative & Support & Waste Management & Remediation Services									
Establishments	38	19	24	49	48	20	28	32	977
Sales (\$000)	17,668	16,237	28,728	111,968	128,509	15,063	64,252	54,632	1,632,098
Payroll (\$000)	7,015	7,005	15,779	68,344	25,809	7,775	23,395	22,160	720
Employees	393	284	2,692	2,290	1,259	314	720	1,136	37,190
Educational Services									
Establishments	7	4	5	4	7	5	5	5	123
Sales (\$000)	2,647	-	451	1,208	1,745	334	678	1,177	125,345
Payroll (\$000)	1,360	-	185	397	375	127	172	436	29,667
Employees	33	-	9	22	22	17	22	21	1,355
Health Care & Social Services									
Establishments	84	23	551	93	88	76	50	138	1,067

City	Arlington	Chelsea	Everett	Malden	Medford	Melrose	Revere	Avg of NSC Communities	Total Suffolk County
Sales (\$000)	52,660	26,776	20,153	70,901	60,599	69,888	34,251	47,890	1,517,055
Payroll (\$000)	24,449	11,856	9,754	31,286	30,455	40,081	15,148	23,290	736,994
Employees	1,518	577	327	1,051	1,525	1,035	710	963	20,943

Source: Mass DET

Growth Projections-

- ◆ MAPC projects an employment growth rate locally of approximately 40% by 2025, reaching a total of approximately 19,000 jobs. (Projections based on local employment in 2001 of 13,613.) Employment growth is expected to take place in the government, TCPU (transportation, communications, utilities) and services industries, with losses in manufacturing, construction, trade, and FIRE (finance, insurance and real estate).
- ◆ The three redevelopment sites identified for the EOEA Buildout Analysis can accommodate up to 656,000 square feet of new commercial space, and the reuse of approximately 2 million square feet of existing underutilized space, as well as the addition of 785 dwelling units. Commercial growth within these redevelopment areas is expected to be mostly office, retail and hotel.

Tax Base

Residential uses form approximately 70% of the city's tax base. Commercial property represents close to 20% of valuation in the city, while industrial property, which occupies 20% of the land area of the city (MassGIS), contributes less than 10% of the valuation.

Table 25: Chelsea Tax Base (FY 02)

Tax Classification	Assessed Valuation	% of Total Valuation	Tax Rate (per \$1,000)	Tax Levy	% of Total Tax Levy
Residential	\$825,837,480	69.5%	14.52	\$10,505,200	46.6%
Commercial	\$222,478,320	18.7%	33.18	\$7,381,831	32.8%
Industrial	\$99,345,100	8.4%	33.18	\$3,296,270	14.6%
Personal Property	\$40,520,720	3.4%	33.18	\$1,344,478	6.0%
Total Taxable Property	\$1,188,181,620	100.0%		\$22,527,779	100.0%

Source: Massachusetts Division of Local Services

Total tax revenue from commercial/industrial/personal property (CIP) uses comprises 53% of the tax levy which is raised by local property taxes. Commercial and Industrial property owners pay more

than twice the tax rate as homeowners and are assessed at the maximum property tax shift allowed by law. However, the significant increase in residential property values in recent years is resulting in a shift of the overall tax burden, reducing the percentage of tax levy assessed to the CIP classification and increasing the percentage paid by residential taxpayers. The City offers owner-occupants a 20% residential exemption on tax bills, the maximum allowed by law. The adoption of the maximum shift and residential exemption is meant to make homeownership more affordable locally.

Some of the City’s highest commercial and industrial valuations are:

Table 26: Chelsea’s Top Commercial and Industrial Valuations

	Owner	Location	Total Valuation	Use
1	GRIFFIN WAY LLC	2 GRIFFIN WY	\$18,072,700	OFFICE BLD
2	CHELSEA DEVELOPMENT ASSOC'TS	270 CENTRAL AV	\$14,570,700	PARK GAR
3	NEW ENGLAND PRODUCE CTR	300 BEACHAM ST	\$8,598,300	COMM WHSE
4	BLACK STANTON ETALS	143 WILLIAMS ST	\$7,362,700	FACTORY
5	CATAMOUNT PETROLEUM LTD	123 EASTERN AV	\$6,731,900	RTL OIL ST
6	CHELSEA SANDWICH LLC	11 BROADWAY	\$6,516,000	RTL OIL ST
7	HARBOR EXECUTIVE PARK	151 EVERETT AV	\$5,848,300	PROF BLDG
8	TOBIN MARK & WILLIAM FREID	253 CENTRAL AV	\$5,428,100	NURSING HM
9	SIMBOLI ANTHONY TRUSTEE	70 EVERETT AV	\$5,340,000	OFFICE BLD
10	MONKIEWICZ FRANK V ETAL TRS	75 ARLINGTON ST	\$5,258,900	FACTORY
11	LIPKIN MARJORIE B TRUSTEE	22 WILLOW ST	\$4,147,000	FACTORY
12	WEDGE HOTELS III TRUSTEE CORP	201 EVERETT AV	\$4,125,600	HOTELS
13	METROPOLITAN CREDIT UNION	200 REVERE BEACH PKWY	\$4,123,400	BANK BLDG
14	CHELSEA CREEK REDVLPMT CO LLC	111 EASTERN AV	\$3,840,900	PARK LOT
15	GREENHOUSE ASSOCIATES LOAN #73	154 PEARL ST	\$3,625,500	STORE/SHOP
16	EVERETT REALTY LLC	343 VALE ST	\$3,526,800	SUPERMKT
17	COTTAGE MANOR ASSOC'TS	932 BROADWAY	\$3,451,200	NURSING HM
18	GLYNN PATRICK J TRUSTEE	1100 REVERE BEACH PKWY	\$3,448,200	SHOPNGMALL
19	CASSANO DELIA TRUSTEE	260 SECOND ST	\$2,866,300	FACTORY
20	C F PROPERTIES INC	280 EASTERN AV	\$2,690,400	TRK TERM
21	CAREY C WILLIAM ETAL TRS	100 REVERE BEACH PKWY	\$2,566,100	FACTORY
22	PRENCIPE REALTY ASSOCIATES	300 THIRD ST	\$2,506,300	FACTORY
23	ANDERSON JOHN P TRUSTEE	130 CRESCENT AV	\$2,441,600	FACTORY
24	SIMBOLI ANTHONY C	160 SECOND ST	\$2,330,500	IND WHSES
25	OBRIEN JOHN M TRUSTEE	140 EASTERN AV	\$2,302,400	TRK TERM

Source: Chelsea Assessors Database

Regional Position – Average Commercial Tax Rate

- ◆ In 2002, Chelsea ranked second out of the seven towns in the North Suburban Consortium (NSC) in the percentage of commercial/industrial/property (CIP) valuation (see Table 27). CIP properties comprise 30% of the total valuation in Chelsea, compared to 50% in Everett. Medford, Malden and Revere each have 15% CIP in their total valuation, while Arlington and Melrose each have less than 10%.

- ◆ All of the communities except Arlington have a CIP shift; meaning that nonresidential property owners pay a higher tax rate than residential property owners. Chelsea's CIP shift is the highest among NSC communities, followed by Everett.
- ◆ Chelsea receives just over half of its tax revenue from Commercial, Industrial and Personal property, while Everett receives almost three-fourths of its tax revenue from CIP property. Residences pay the bulk of the tax levies in all the other NSC communities.

Table 27: Valuation, Tax Rates and Shifts for Commercial, Industrial, and Personal (CIP) Property (FY02)

	CIP as % of Total Valuation	CIP Shift	Actual CIP Tax Rate	CIP % of Total Tax Levy
Arlington	7.0	-	13.85	7.0
<i>Chelsea</i>	<i>30.5</i>	<i>18.66</i>	<i>33.18</i>	<i>53.4</i>
Everett	49.5	17.31	27.55	72.5
Malden	14.6	13.63	27.17	25.5
Medford	14.6	12.96	25.81	25.6
Melrose	6.3	7.19	20.20	9.5
Revere	14.6	12.97	25.86	25.5
Average of NSC communities	19.6	13.79	24.80	31.3

Source: Massachusetts Division of Local Services

The table below shows that total tax revenues represent 20% of municipal revenues, which is significantly lower than other communities in the NSC region and the statewide average. Chelsea receives the greatest portion of its budget from State aid, higher than any of the other communities. Malden comes closest, receiving 41% of its budget from State aid, compared to 55% in Chelsea. The most significant State aid receipt is Chapter 70 School Aid, which by law must be spent on educational purposes.

Chelsea receives approximately one-quarter of its budget from local receipts. Those receipts include: motor vehicle excise tax; "other charges for services" such as revenue from nursing homes, ambulance services, municipal light services and charges for water services; penalties; interest on taxes; payment in lieu of taxes; water, sewer and trash revenue; licenses and permits and investment incomes.

Table 28: Municipal Revenues By Source FY02

	Total Receipts	Tax Levy as % of Total Revenue	State Aid	Local Receipts	All Other
Arlington	\$99,100,870	59.63	19.03	16.22	5.12
<i>Chelsea</i>	\$113,003,317	<i>19.94</i>	<i>55.00</i>	<i>17.59</i>	<i>7.48</i>
Everett	\$101,184,997	46.13	33.61	15.44	4.83
Malden	\$120,069,109	36.93	41.32	20.17	1.58
Medford	\$120,977,460	48.74	27.64	20.80	2.82
Melrose	\$61,755,159	50.67	22.92	18.91	7.49
Revere	\$97,894,486	40.88	38.89	17.44	2.79
Average of NSC communities	\$101,997,914	43.27	34.06	18.08	4.59
State Averages		49.41	28.06	16.98	5.55

Source: Massachusetts Department Of Revenue Division Of Local Services Municipal Data Bank

- ◆ Chelsea's 2002 expenditures were \$93,756,972 while the city's revenue was \$113,003,317, resulting in a total surplus of \$19,246,345.

It is essential that Chelsea continue to maintain both a balanced mix of land uses as well as ensure the highest reasonable revenue to ensure sufficient taxes to cover the expense of municipal services and education.

Land Use Patterns in Commercial and Industrial Areas

Chelsea has clearly delineated commercial and industrial areas that are physically and characteristically distinct from its densely-developed residential areas. However, as a result of the limited land area of the City, these areas abut each other, often with little or no buffer, requiring careful planning to avoid friction between uses located at district edges.

The Economic Development Opportunities Map (Figure 4) shows the current commercial and industrial land use in the three districts zoned for these uses.

Determining how much commercial development is appropriate requires looking at both the needs of the City and the available options of where to locate what types of businesses.

The Buildout Analysis includes redevelopment potential for the Parkway Plaza, Everett Avenue, and Mystic Mall Redevelopment Districts. Other areas that might have reuse potential include the waterfront and downtown, discussed further in the pages to follow.

Table 29: Summary of Commercial/Industrial Zoning Districts Uses and Functions

Zoning District	Location	Primary Purpose/Character Uses as of Right
Retail Business	Downtown, neighborhood centers	Allows businesses appropriate to an urban downtown, as well as upper floor residences and apartments.
Highway Business	Off Route 1, along Broadway	Caters to non-pedestrian sales or services, including automotive.
Shopping Center District	Everett Ave/Spruce Street, Second Street	Allows for development of shopping plazas with shared common facilities and onsite parking.
Waterfront District	Along waterfront	Provides for uses which are water related and/or benefit from proximity to airport or harbor, meant to encourage public access to the waterfront. Allows multi-family residences, hotels, and various retail uses.
Waterfront Industrial Overlay District	Waterfront District on Eastern Avenue	Currently contains industrial waterfront uses such as oil and petroleum storage tanks.
Interim Planning Overlay District	Historic Waterfront area on Marginal Street	Allows airport and marine-related uses in addition to other uses allowed in the underlying zoning district. Site plan approval and design guidelines apply.
Industrial District	Opposite Waterfront District on Eastern Ave	Provides for research, manufacturing, wholesaling, and distribution activities.
Naval Hospital Development District	Industrial/Commercial portion adjacent to Industrial District	Redevelopment of former Naval Hospital. Industrial/Commercial portion allows office uses, neighborhood retail and service uses, hotels, and certain marine-related uses.
Airport Related Overlay District	Waterfront and adjacent Industrial Districts	Encourages airport-related uses such as storage and handling of cargo and freight, storage and repair of trucks and equipment, and food handling and preparation facilities.
Business District	Everett Avenue redevelopment area	Provides areas for professional, business and governmental offices.
Light Industrial/Office District	Everett Avenue redevelopment area	Provides for office, light industry, research and development, and wholesale and related distribution activities.
Everett Avenue Urban Renewal District	Business District and Light Industrial/Office District	Significant development projects required to undergo design review. Design guidelines support image of a revitalized historic area with red brick buildings and pedestrian-oriented site design and landscaping features.

Source: Chelsea Zoning, May 2003

Existing Economic Development Strategy

The City aims to emphasize conversion of its older, heavy industrial base into higher and better uses that broaden the sectors of the economy doing business in the city and lead to an overall improvement of the image of the city. To achieve this goal, Chelsea has implemented a three-pronged strategy: to oversee the redevelopment of selected parcels through the Anchor Projects

Program, to encourage investment in key industry sectors through the Sector Strategy, and by offering tax incentives to selected businesses that wish to relocate or expand in the city through the Tax Incentive for the Retention and Expansion of Business (TIRE) Program.

Beyond these three strategies, the City also undertook some additional economic development activities to support small businesses, encourage housing initiatives in mixed use redevelopment areas, promote transportation improvements, and signage marking commercial areas.

Anchor Projects Program

The City seeks to encourage and, where necessary, initiate conversion of underdeveloped or underperforming commercial/industrial properties into higher and better uses. Anchor Project areas specifically include the Everett Avenue Urban Renewal District, the Chelsea Waterfront District, and Parkway Plaza. Additionally, the Mystic Mall, an underperforming retail center in the former Murray Industrial Park Urban Renewal District, is eyed for redevelopment.

EVERETT
AVENUE
URBAN
RENEWAL
DISTRICT
(EAURD)

In 1998, the City created this 65-acre focus area along Everett Avenue which contained a warehouse, used motor storage building, heavy truck repair center, six acres of junk car yards, an abandoned lumber yard, a 100,000 s.f. vacant and rundown manufacturing space, and a handful of blighted businesses. One contaminated parcel, the former Lawrence Metals site, is being cleaned, capped and made into parking lot to support development throughout the EAURD. The City made a strategic acquisition and, with the sale of Chelsea Gateway, will then have disposed of ten-acres within the district to jumpstart development. The City has and continues to promote private development within the remaining 55 acres.

In 1999 the City acquired 10 acres and instituted a three-phased plan for its redevelopment. Phase I was the development of the Chelsea Wyndham Hotel, completed in 2001. The 7-story, 180-room, 4-star hotel replaced a former junkyard. In FY02, the City derived nearly \$400,000 in tax revenues, far in excess of the \$30,000 the City received in taxes from the property prior to the adoption of the EAURD.

Phase II is the Emerald Block. The City sold the Emerald Block to local developer ACS Development in November of 2003. The City is now collaborating with the new owner on a revision of the current redevelopment plans. The new plan could lead to the development of up to 250,000 square feet of office space in accordance with the master plan developed by the City as part of EUARD plan. The Emerald Block formerly three parcels that were home to used auto parts, janitorial supplies and used motors.

Phase III is Chelsea Gateway. The City has recently re-issued a RFP for office or hotel development of the former machining facility. A tentative developer is expected to be selected as early as August of 2004.

There has also been some major private investment within the EAURD. In 2001, Stop & Shop opened a new supermarket, replacing vacant lumber yards in Chelsea and Everett. This development resulted in a major infrastructure improvement, the opening of Vale Street. Once

closed by a pile of debris on the Everett side of the roadway, this street now carries motorists between Revere Beach Parkway and Everett Avenue, opening up additional development opportunities on the former junkyards that once dominated area.

A second major investment is the redevelopment of former BioMed Building into a biopharmaceutical manufacturing facility by Alkermes. The project resulted in significant investment in what was the largest vacant building (100,000 s.f.) in the area prior to the adoption of the EAURD. The project also gives the City a toehold in the potentially expanding biotech market.

Other projects have included the clearing and temporary occupancies of six additional acres, and marketing of at least another 4 acres.

The recent improvements within this urban renewal district, together with the former Murray Industrial Park Urban Renewal District, and investment sparked beyond the district boundaries, is leading to the emergence of Everett Avenue as a major commerce and industry corridor. In addition to the Chelsea Wyndham, Stop & Shop and Alkermes developments, completed projects along Everett Avenue include: the expansion of Kayem, the Fire Station reuse project, façade improvements at Today’s Auto Body, the Rosev Dairy/Amsan building, the Pillsbury purchase and expansion, and the recently completed Harbour Executive Park. Mystic Mall, also in this corridor, is a focus for future redevelopment.

C H E L S E A
W A T E R F R O N T
D I S T R I C T

The Chelsea Waterfront District runs roughly along Marginal Street and Eastern Avenue. The district is characterized by waterfront parcels that have supported bulk storage of petroleum products and road salt, and inland parcels on which heavy trucking and aging industrial uses can be found.

These land uses, polluted land, and inflexible State waterfront zoning have provided obstacles to achieving what the City believes are the highest and best uses for area. Those potential uses include: office buildings, hotels, residential dwellings, restaurants, retail outlets, marinas and open space, resulting in a more inviting accessible and upscale waterfront.

Several projects have been considered or undertaken in this district. Last year marked the completion and opening of the new 200,000 square foot MWRA headquarters on Griffin Way. That \$20 million, fully taxable facility located on a former salvage yard, has brought more than 500 employees to the city. The development replaced a potential heavy trucking terminal.

The Forbes Industrial Park, a 17+ acre waterfront parcel once home to the printing company Forbes Lithograph is the next top priority parcel. Most of the existing 400,000 square foot building is currently occupied by warehousing. The property has a terrific view of the Boston skyline, and provides an excellent opportunity for mixed use, residential/light industrial redevelopment. The current property owner solicited redeveloper interest in 2001, and has recently signed a P&S that could lead to the City realizing its development goals there. A redevelopment scheme for a mixed-use development is currently under review.

A 77-unit condominium at a site that had been envisioned for even greater residential development in early 1980s is preparing to break ground. The project is the second of what was

originally planned to be a three-phase Mill Creek Condominium. It is likely that the third phase will go forward.

**WATERFRONT
DISTRICT
CONCERNS**

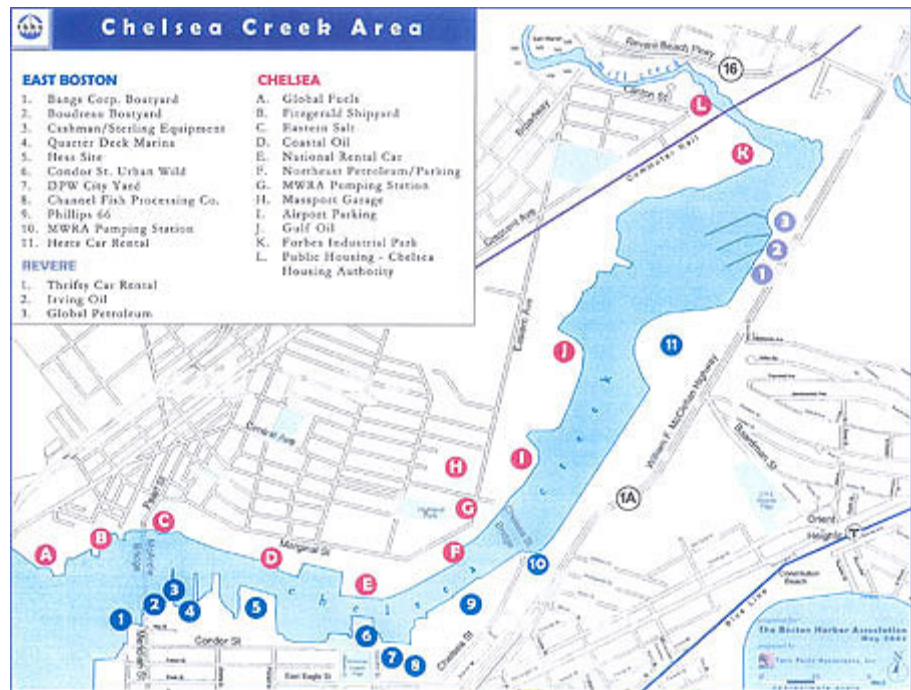
The City’s hope for a clean waterfront is likely to be a long-term pursuit. In the mean time, the City may look at extending its short-term strategy of promoting interim uses on parcels that may take longer to remediate than originally estimated. There have also been discussions with interested parties regarding future of State zoning on waterfront, and the City is currently assessing the level of commitment that may be necessary to engage in multi-party waterfront study

Remediation continues to prepare more than 50 acres of other prime property within the waterfront district for redevelopment. The City is concerned about environmental conditions confronting much of the acreage. In past years more than a dozen former oil storage tanks have been razed, opening up potential for waterfront to entire community. Still, for the potential to be realized, decades of contamination caused by oil and other contaminants seeping into ground must be remediated. Clean-up is ongoing, but continuing more slowly than had been hoped. The city will enter into formal discussion this year with several large property owners to understand current environmental issues and project for future interim and long-term uses.

Meanwhile interim uses at some brownfield sites were permitted during mid 1990s. At one site for instance, a property that was formerly a contaminated wasteland became the center of airport related parking activity that is now producing revenues for the City. The City will examine the impacts that current interim uses have had on local neighborhoods, the importance of revenues being generated at the sites on the local municipal budget, and the scenarios under which current interim uses may be permitted under a long-term redevelopment strategy.

**CHELSEA
CREEK
DESIGNATED
PORT AREA
(DPA)**

The Chelsea Creek Designated Port Area (DPA) was established in 1978 by the Massachusetts Office of Coastal Zone Management, under federal mandate. For both environmental and economic reasons,



Source: Boston Harbor Association

DPA's were established to focus and encourage maritime business development within harbor areas that have already been altered extensively to meet the unique operational and physical requirements of port-related commerce. To satisfy requirements of marine industrial use, land must have three essential components: a waterway and associated developed waterfront, backlands with the capability to support industrial facilities and operations, and land-based transportation and utilities capable of supporting industrial purposes. "As a matter of state policy it is not desirable to allow these scarce and non-renewable resources of the marine economy to be irretrievably committed to, or otherwise significantly impaired by, non-industrial or non-water-dependent types of development which enjoy a far greater range of local options."⁷ Waterfront development is also subject to Chapter 91 waterways regulations⁸, Massachusetts Department of Environmental Protection (DEP) restrictions, and local zoning.

DPA's in the Boston area benefit the local and regional economy through port-related industries such as shipping, cruises, and fish processing, importing and exporting activities, and allow flexibility in responding to unforeseen future marine industrial demand. The Chelsea Creek DPA contains vital regional infrastructure, including energy supply and road salt.

Regulations allow only limited types of land uses within the DPA, including marine industrial uses and supporting uses. Supporting uses are defined as industrial or commercial uses that provide water dependent industrial uses in the DPA with direct economic or operational support, specifically excludes residential development, and cannot account for more than 25% of the area of any parcel within DPA except as provided for in a DPA master plan. Guidelines allow for other temporary uses if water-dependent or supporting uses can't be found.

Chelsea Creek receives almost 20% of New England's gasoline imports, 15% of its heating oil, 15% of its diesel fuel, 5% of its residual oil, and over 20% of its jet fuel. Terminals have the capacity to store two billion gallons of petroleum products, and terminals account for 16% of total New England storage capacity and 50% of Massachusetts storage capacity. Recent years have seen a decrease in demand for heating oil due to increase in demand for natural gas, which mainly goes into the Mystic River DPA in Boston and Everett, rather than Chelsea Creek.

In addition, between 300,000 and 500,000 metric tons of road salt pass through Chelsea's waterfront each winter season, accounting for 75% of road salt used in Massachusetts. Eastern Minerals (also known as Eastern Salt) has a mound of salt on the docks at Marginal Street covering more than 5 acres. This presence of this uncovered, uncontained salt pile has been the subject of considerable controversy in the community. Neighbors and City residents are unhappy with the unsightly operation, the truck traffic it brings, and the potential health hazard the salt poses for the nearby congested neighborhood. Meanwhile DEP has not forced Eastern

⁷ 301 CMR 25.01(2)

⁸ Chapter 91 seeks to protect and promote tidelands for water-dependent uses, and to provide greater control over private development of waterways and filled tidelands to ensure appropriate areas are available for public use and enjoyment by promoting pedestrian activity along water's edge, encouraging year-round public access, and incorporating water-dependent components into non-water dependent projects.

Salt to adjust its practices, perhaps out of concern for the communities across the state that depend on the salt that comes through this facility.

The controversy over Eastern Salt is exemplary of the problems associated with the industrial designation of the city’s waterfront. However important for the regional economy, the burden of maintaining the entire waterfront area for marine industrial uses imposes a severe cost on the surrounding community. Such industrial uses are not compatible with neighboring land uses – particularly residential, or with allowing public access to the waterfront and waterways.

One of the challenges to promoting economic development within the DPA is that the regulations leave inherent disincentives to small-scale marine industrial investment. Vacant land often is contaminated and/or needs infrastructure upgrades to be usable which are not feasible for individual businesses. Besides, property owners are at a financial disadvantage due to lower value of land that is restricted to marine industrial uses. There is an incentive for property owners to leave land vacant because of the possibility that land not in use for marine industry for a long period of time can have its port designation reviewed (although dedesignation is unlikely).

Marine industrial development in DPA properties was eligible for a number of financial incentives when the program was first created, including loans, grants and limited tax credits, but in subsequent years these financial programs were left unfunded.

Finally it is challenging to undertake comprehensive master planning for the entire DPA. By statute, DPA master plans must be initiated and led at municipal level, not regional. However the Chelsea Creek DPA crosses municipal boundaries, falling partly in the City of Boston and in the City of Revere. Nevertheless, the increased revenues being generated by successful redevelopment projects within the Chelsea Creek Redevelopment District are allowing City to begin planning for creek’s long-term redevelopment. Infrastructure enhancements and relationships between DPA regulations and City’s future economic development and open space goals are likely to be explored. The City recently applied for a joint grant with Revere to prepare a “shared vision” for Chelsea Creek to begin long range planning for this area.

PARKWAY
PLAZA /
MYSTIC MALL

Parkway Plaza is a 37-acre nearly vacant retail center off Route 16. Once the home of Stop & Shop, Burger King, Bradlees, a cinema, a restaurant, a bank, and other establishments, it suffered an economic downturn brought on by a combination of factors leading to a chain reaction of deterioration. It has since been plagued with lack of maintenance, graffiti, and illegal dumping.

The site is adjacent to the 48-acre Mill Creek – the only part of Chelsea Creek that is not lined by industrial sites. The Chelsea Green Space and Recreation Committee has \$140,000 grant for wetland restoration including access from plaza to nearby Mill Creek. The City recently applied for a joint grant with the City of Revere to prepare a shared vision for Chelsea Creek to begin long range planning for this area. The application is being reviewed by the State.

The City has attracted Home Depot to the site, where they will construct a new facility as well as renovate existing business space. As part of the project, Home Depot has committed funding

to rehabilitate the Little League fields, and will contribute to the creation of a public access walkway along Mill Creek. Remaining land is planned to be used for housing and open space. Cautious about the impact of such a store on the surrounding neighborhood, the City adopted a zoning overlay district that requires such users to secure a Special Permit for development.

The City continues to focus on redevelopment of some early projects, most notably Mystic Mall, a 25+ acre underperforming retail center owned by Market Basket. Much of the mall is vacant, and the neighboring Pizza Hut building was razed in 2002, clearing the way for major redevelopment. Discussions with the owners are ongoing, hoping for a clear redevelopment plan.

MURRAY
INDUSTRIAL
PARK URBAN
RENEWAL
DISTRICT
(FORMER)

Adopted in early 1970's, this urban renewal district sought the clearance of older scrap businesses and blighting conditions in favor of higher and better development. It was the site of a great fire in 1973 that consumed 18 city blocks, including 360 businesses and residences, much of which had already been slated for urban renewal before fire. The district is now completely built out, and contains Patriot Office Park, Kayem Foods, Mystic Mall, MGH Health Center, Massachusetts Information Technology Center and much more. The last phase of development was the recent completion and opening of 100,000 square foot office building in Harbour Executive Park. All together, the renewal district created nearly \$300 million worth of investment increasing quantity and quality of jobs in the area, enhancing tax revenues, attracting complementary commercial development and enhancing image of Chelsea.

Sector Strategy

Through its Sector Strategy, the City is prioritizing investment in five key sectors that have been identified as important to the local economy: food, back office, airport related, health related, and downtown support.

The food sector is the most active of five sectors on which the city focuses. The 2002 completion of the Pillsbury expansion has continued a long list of significant expansions and relocations of food businesses within the city. Pillsbury is cooperating with the City and members of the development community to be compatible with the Admirals Commons residential development. Other food sector investments within the past five years have included Restaurant Depot (1998), Katz Bagels (opening its first dedicated manufacturing plant in 1999), the expansion of Kayem foods, the city's largest private employer (1999), Muffin Town, and Rosev Dairy (2000, co-tenants with Amsan in 70,000 square foot project).

The back office sector remains slow under the current economic climate across the region. The development of the Harbor Executive Park that completed the Murray Industrial Park development added an attractive new five-story office building to the city's skyline. The Emerald Block and Chelsea Gateway provide another significant opportunity to collaborate on expansion of what is now a nearly 1,000,000 square foot office market along Everett Ave. Most recently (November, 2003) Corinthian Colleges recently announced their leasing of 30,000 s.f. of office space at 70 Everett Avenue, and their plans to use this new branch campus to serve approximately 400 students.

The City's first commercial high-rise was approved for development in 1998. ACS Development is planning to develop 10-story office building in commercial center along Everett Avenue.

Successful projects in the airport related sector have been the Wyndham Hotel and multiple auto facilities and other related businesses supporting Logan Airport. The promise of a second major hotel in the city at Chelsea Gateway further positions the City as a convenient quality and cost-sensitive alternative to Logan Airport and Downtown Boston. Back in 1998, the City negotiated a development agreement with Massport, including provisions to provide \$2.5 million in total payments to the city to help pay for joint initiatives relating to traffic studies, dredging projects and increased employment opportunities at Logan Airport for local residents. The 5-year contract was to initiate a cooperative economic development initiative designed to encourage a mix of airport-related businesses from flight kitchens to hotels to locate and grow in Chelsea. Financial restrictions placed on MassPort after the events of September 11, 2001 have made it impossible for the agency to complete the agreement.

In the works in the airport-related sector is the Admirals Hill Marina, which has been considered for redevelopment with hotel/residential.

In the health-related and downtown-support sectors, some recent successes have been the expansion of the MGH Health Center, addition of Florence Chavetz Home for Specialized Care completed in 2002, and the completion of the Alkermes facility.

TIRE Program

The TIRE program (Tax Incentive for the Retention and Expansion of Business), based upon State's Economic Development Incentive Program (EDIP), allows authorized municipalities to enter into state income and local property tax relief agreements with qualifying businesses that make a combination of investment and job creation within community. TIRE entails 45% tax relief in property taxes during a ten-year period after which they pay the full commercial tax rate. The company also qualifies for 5% tax relief from state.

As of 2003, 21 business have participated in the program over five years, totalling \$64 million in private investment, preserving more than 1,000 jobs and adding \$1 million annual income to the City's revenue stream. Several of these developments have been part of the Anchor projects program, and/or are in priority sectors. Other more modest projects that promote historic preservation, blight eradication, façade improvements, brownfields cleanups, back tax recovery and artist supports have also been advanced through TIRE.

The most recent participant has been On-Time Mailing, which plans to open a 30,000 square foot, \$2.5 million facility on Crescent Avenue in 2004. On Time, which manufactures credit cards and other cards for a number of national companies, employs 30 workers full time, and another 15 to 50 temp workers each day. The 10-year tax incentive offered through TIRE enabled the Winthrop-based business to relocate into Chelsea, where they were able to find a site that met their needs and could negotiate a favorable deal with the City. Meanwhile, the City benefited by the improvement of a formerly blighted parcel.

The Pillsbury expansion was also advanced through TIRE and partnership with the City, resulting in company purchasing property, making long-term financial commitment to the City which it had been adverse to making, and doubling the size of its operation. Meanwhile the City recovered \$2.8 million in back taxes owed by a previous owner, and created several new development sites.

TIRE has helped to ensure that the City's revitalization objectives could be reached as advanced by Anchor Projects and Sector Strategy. It makes otherwise challenging projects financially doable, helping the City to attract investment during a difficult economy. Over the past several years the City promoted several projects, including conversion of former auto repair center into an ambulance dispatch and training center, and a vacant warehouse into a statue manufacturing/artist workspace shop.

Other Economic Development Activities

Small Business Support

The City facilitated a partnership between the Salem State College Small Business Assistance Center and the Chamber of Commerce to provide assistance to small businesses. The City also provides technical assistance to dozens of local small businesses, for example, hosting a Getting Started in Small Business workshop coordinated by the Small Business Development Center at UMASS Boston.

Housing Redevelopment

Several major housing initiatives that will help to improve blighted commercial areas include reuse of the Emerson Textile building, the former Mary C. Burke Schoolhouse, permitting of 77 units at the Mill Creek Condominiums, planned mixed-use redevelopment of Forbes Industrial Park, a proposed 160 unit rental development at Admirals Hill, and proposed mixed use at Parkway Plaza.

Public Transportation

The City is advocating a number of large-scale infrastructure projects, including the Urban Ring and the East Boston Haul Road, as well as reconstruction of the Chelsea Street Bridge, Eastern Avenue and Beacham/Williams Streets. All of these projects are still in preconstruction phases, with host of design, finance permitting and other issues needing to be resolved.

The Urban Ring would provide public transportation access along a new corridor created around and through City of Boston and neighboring communities including Everett, Somerville, Cambridge and Brookline, with stops in major employment centers such as Logan Airport, South Station, Assembly Square, Memorial Drive, Longwood Medical area and JFK/Umass Boston. Chelsea is among the top 10 communities in the state to use public transportation to get to work – 25% of the workforce, or 3,133 of city's 11,888 commuters according to 2000 Census. Car ownership per capita is lower than in other communities because of income and close proximity to many destinations.

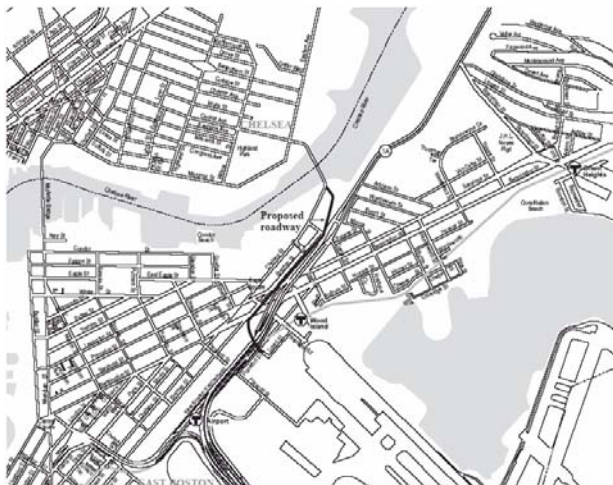
East Boston Haul Road Project/Chelsea Truck Route, Meridian Street Bridge, and Chelsea Street Bridge will help connect Chelsea with downtown Boston and Logan Airport. Featured in the Boston MPO Regional Transportation Plan 2004-2025, this route will provide an alternative to the Route 1A/Chelsea Street Bridge connection, which will provide a more direct connection to Logan Airport while removing truck traffic from neighborhood streets. The bypass would be constructed on an unused CSX rail right-of-way from Frankfort Street to the Chelsea Street bridge, and will be exclusively used by freight trucks, rental cars, Park & Fly buses, and MBTA buses.

The Eastern Avenue, Beacham/Williams Streets Reconstruction Projects will impact commercial viability of properties along those roadways and around the region, although both these projects face uncertainty because of funding and administrative issues at State level. Eastern Ave expected to begin in late 2004 or early 2005, then Beacham Street, providing State funding is available for both projects.

In addition, the Ted Williams Tunnel may present Chelsea with an emerging opportunity for economic development that views its 5 minute access to South Station as advantageous. The City may seek to exploit this transportation link in the future.

Gateway Sign Program

The signage program will make Chelsea more drivable for first-time or infrequent visitors, improve public safety and reduce neighborhood inconvenience by keeping motorists on preordained routes. New signage is planned for 11 major entranceways to city and dozens of secondary locations. In 2001 the City applied for and received a grant from Mass Turnpike Authority to undertake the Gateway Signage Program, and expects to have series of welcoming gateway signs and secondary interior directional signs in place by end of this year.



Source: MPO Regional Transportation Plan

Job Development

The Department of Planning and Development has compiled a list of public and private resources in the community that can assist in matching the City’s workforce with available jobs in the region. Many of the programs listed in this packet are targeted to help non-English-

speaking and minority residents. Job development programs for individuals include adult education, career development (job training and placement), citizenship classes, ESL, and technology and training. The City and State provide many job development resources, including community colleges, CAPIC (family network), CareerSource, Centro Latino, Chelsea Adult Education, Inc., Choice Thru Education, LARE Training Center, Massachusetts DET and DTA. There are also many programs to support small businesses, including the US Small Business Administration, Community Development Corporations, local Chambers of Commerce, grant

funding, financial institutions, legal assistance, minority and specialized business assistance, site finding, and training & technical assistance.

Talent Search

Finally, toward expediting the planning and permitting of economic development projects, the City has made an effort to recruit growing numbers of professionals who have come to live in Chelsea thanks to gentrification and the sense that Chelsea is revitalizing, to serve on volunteer boards and committees. This enables the city to use local expertise rather than having to hire consultants to help them face certain issues, and to offer a more credible response to developers.

Regional Growth/Opportunities for Chelsea

Regional assets to attract commercial and industrial business include:

- Large, experienced labor force
- Proximity to Eastern Massachusetts regional markets

Regional Job Growth⁹

The Massachusetts DET report, *SDA Long-Term Job Outlook Through 2008*, predicts regional trends in 16 regional sections of Massachusetts. Chelsea is considered a part of the Metro North SDA (Service Delivery Area, created for the purpose of allocating federal job training funds), which includes all of the North Suburban Consortium, as well as other communities ranging from Watertown and Cambridge to North Reading and Burlington, totaling 20 cities and towns. It is expected that in the region, 46,000 new jobs will be created and 97,000 replacement jobs will open up by the year 2008. The Metro North region, the third largest in the state after Boston and Metro South/West, has 20% of the high tech jobs in the state, and is expected to have the third largest job growth in the State.

⁹ Much of the data in this section is collected from the Massachusetts Division of Employment and Training's report titled: "SDA Long-Term Job Outlook Through 2008".

Table 30: Projected Wage and Salary Job Openings by SDA and Industry

	1998 Wage and Salary Jobs	Projected 2008 Wage and Salary Jobs	Projected New Jobs	Growth Rate
Construction	14,260	14,220	(40)	0%
Manufacturing	44,340	40,170	(4,170)	-9%
TCU	15,120	16,180	1,060	7%
Trade	84,750	87,640	2,890	3%
FIRE	16,890	17,530	640	4%
Services	182,250	222,980	40,730	22%
Government	35,310	36,880	1,570	4%
Total (Nonfarm)	392,920	435,600	42,680	11%

TCU = Transportation, Communications & Utilities, FIRE = Finance, Insurance & Real Estate

Source: Mass DET

- Employment is expected to grow by 11%, and 13% of the total new jobs in the state are expected to be generated in the region.
- Services are expected to account for 95% of the new wage and salary jobs in the region. The greatest number of new jobs is expected to be in computer engineering and support services (14,470 jobs), and health and social services (2,680 jobs). Major new job growth is also expected in managerial and executive occupations (1,230), biotech industry (1,210 jobs), sales/marketing/business services (1,400 jobs), education (especially early childhood, 1,150 new jobs), and some other occupations. New job growth projected for the region includes many traditionally low-skilled service-industry occupations, such as home health aid (710 jobs), truck driving (620 jobs), security guard (590 jobs), and teachers' aids (570 jobs).
- Wholesale and retail trade is expected to diminish relatively in the amount of new jobs it creates, but these sectors are expected to remain as the SDA's second largest employer.
- Construction jobs are slowing in all SDA's, and are expected to decline slightly in the Metro North region, in contrast to a growth in this industry during the 1990s.
- Local and state government growth is predicted to follow growth in population and business, while federal government job growth is expected to decline.
- Manufacturing is expected to decline in the decade, although not as rapidly as it has been in the past years. However, the Metro North region will continue to be an important center

of high-tech manufacturing as defense spending increases and continued advances are made in computer, semiconductors, telecommunications and pharmaceuticals take place.

- TCU jobs are expected to generate 2-3% of all of Metro North’s new growth, mainly due to increased transportation-related jobs.
- FIRE jobs are expected to increase moderately, and Metro North's proximity to Boston helps ensure the continued growth of this occupation.

Table 31: Employment by Occupation

	1998 Distribution	2008 Distribution
Exec, Admin, Managerial	10.2	10.4
Professional Specialty	29.4	32.7
Marketing and Sales	11.7	11.3
Admin Support and Clerical	16.4	15.1
Service	14.5	14.2
Production	17.8	16.3

Source: Mass DET

Impact on Workers

According to the Massachusetts Division of Employment and Training:

- ◆ Demand for professional and technical workers should increase the fastest and create the most jobs, accounting for 64% of the forecasted new jobs in the Metro North region
- ◆ 34% of the professional and technical workers are expected to be for computer professionals.
- ◆ Demand for service workers will create the second largest number of new jobs in the Metro North SDA, at 12% of new jobs.
- ◆ Much of the service-related growth is fueled by health services.
- ◆ Marketing and sales should gain the third largest amount of new jobs in the region, with much of the growth accounted for by managerial and administrative workers rather than by sales workers.

Workforce Development

Some Chelsea businesses have taken advantage of workforce development programs in order to train local employees in skills that are needed for emerging industries. Funded via the State’s unemployment insurance tax on employers since 1998, the Workforce Training Fund offers three types of matching grant programs for employers:

- WTF Training Grant: \$2,000-\$250,000
- WTF Technical Assistance Grants: \$5,000-\$25,000
- WTF Express Grants: \$3,000/employee; up to \$15,000/year/employer. For small employers (less than 50 employees) and designed for quick turn around with pre-approved types of training.

In 2003, the State awarded \$18.8 million to train more than 29,500 workers, and distributed \$93,000 in technical assistance grants. During fiscal years 2002 and 2003, Chelsea businesses received grants in excess of \$251,000 to train workers.

Table 32: Chelsea Workforce Development Grant Recipients

Applicant	Grant Amount	# Trainees	Occupation	Industry	Training Description
Dennis K. Burke, Inc.	\$7,520	14 Total: 3 Managerial 4 Mkt/Sales 2 Clerical 5 Service	Retail Trade	Impact Management	
Kayem Foods, Inc.	\$54,723	100 Total: 5 Managerial 95 Production			Manufacturing, ESL, Cross-Cultural Communications, Train-the-Trainer
Carbone Sheet Metal	\$154,000	55 Total: 7 Professionals 1 mkt/sales 40 Production/ Construction	Manufacturing		ISO 9001 documentation facilitation, implementation and, design criteria management software
Synthon Industries	\$34,800	n/a	Textile-related		
Totals	\$251,043	169+			

Source: www.detma.org

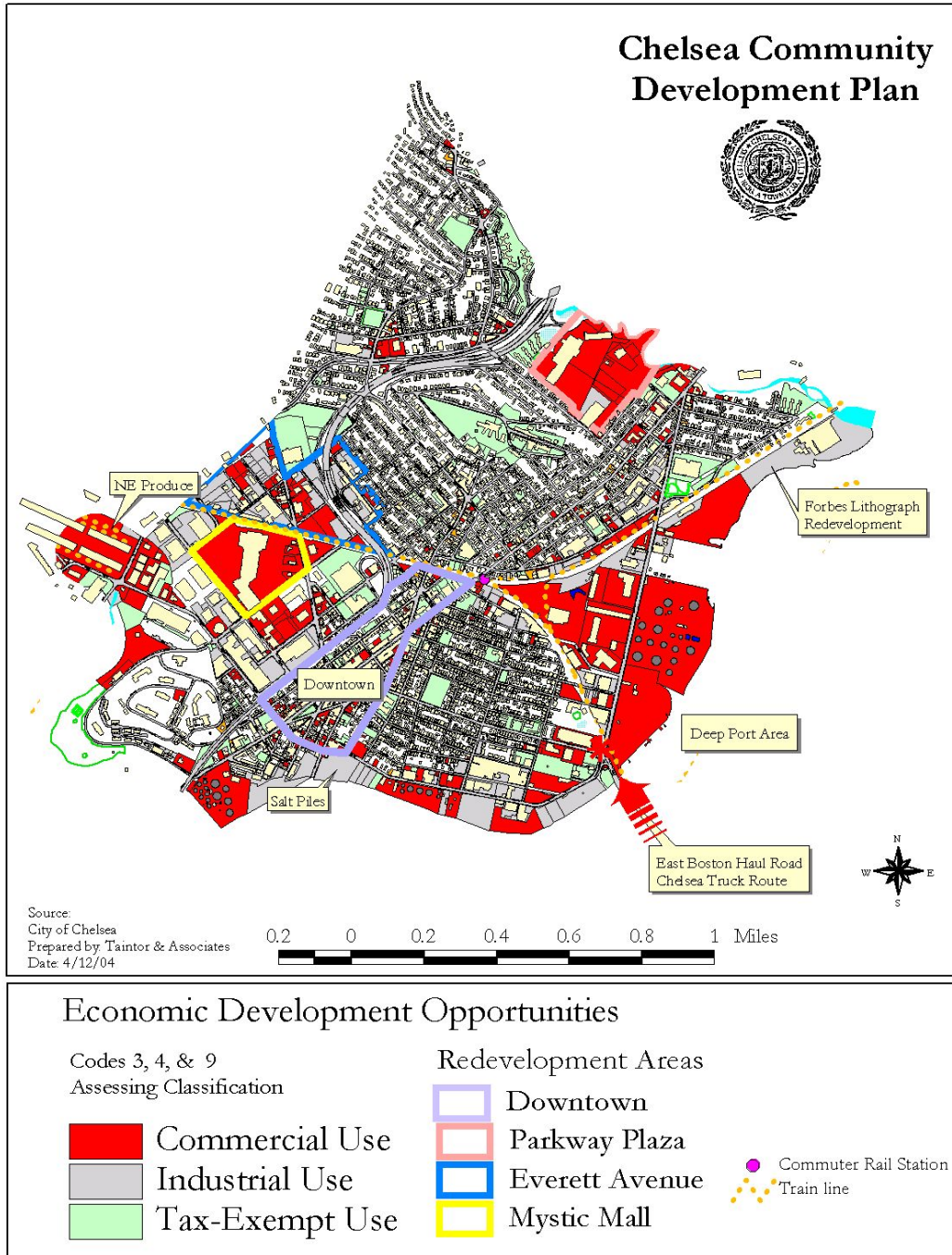
Workforce development is an important tool Chelsea can use to help its residents maximize their potential to find local jobs.

Economic Development Map

The map featured in Figure 4 depicts all existing parcels that have commercial (red) and industrial (gray) land use classifications assigned by the Assessor. In addition, tax exempt parcels are shown in green, highlighted to illustrate the use of some of the City’s larger parcels that are not included as part

of the housing map, and would not be part of a commercial/industrial grouping.¹⁰ Major redevelopment areas and initiatives are shown.

Figure 4: Economic Development Opportunities Map



¹⁰ These parcels tend to be publicly-owned, or are in non-profit ownership. Many of the non-profit owned parcels are also in residential use.

Economic Development Goals, Objectives, and Strategies

A recent study (April 2004) by the Center for Urban and Regional Policy entitled *The Rebirth of Older Cities: Exciting Opportunities for Private Sector Investment* examines Chelsea as one of five Massachusetts older industrial cities that are interested in attracting new development to spur the revitalization of their communities. Drawing upon interviews with business leaders and commercial real estate professionals, five key barriers to investment were identified:

- ...municipal leaders often lack complete, up-to-date information regarding the specific location needs of particular industries and the recruitment efforts of competing locations. As a result, they are not always fully prepared to assist firms in a timely and effective manner...
- ...perceptions or expectations about the attributes of and opportunities in older industrial cities...can adversely affect the way they think about locating in these urban locations.
- Specific urban site deficiencies can add excessive costs to doing business in older industrial cities.
- State and local review processes can add excessive costs to doing business in older industrial cities.
- Traditional public sector financial tools such as tax abatements, tax credits, and subsidies, while often strategically important as a deal closer, are not sufficient to attract high value business investment if previous deal breakers are not overcome.

In response, this analysis offers several strategies to overcome these obstacles, and suggests a number of actions steps that older industrial cities can take to improve their competitive position.

GOAL ED-1: Sustain a **healthy and diversified local economy** serving the commercial, service, financial, and employment needs of the community, and including a mix of large- and small-scale businesses.

Objective: Continue to build on Chelsea's existing strengths by pursuing a sector strategy targeting produce, airport-related, back office, health-related, and downtown support uses.

- Continue to offer tax incentives to businesses that wish to relocate or expand in the city through the Tax Incentive for the Retention and Expansion of Business (TIRE) program.

Objective: Support independent small businesses as a significant component of the City's overall business mix.

- Continue to provide technical assistance and training to small businesses through partnerships with local academic institutions, the Chamber of Commerce, and other private organizations.

Objective: Continue to attract anchor projects that will produce positive economic and environmental benefits for the City.

- Continue to support development of the Everett Avenue area as a commercial and industrial center.
- Continue to pursue redevelopment of the Mystic Mall.
- Consider implementing a “one-stop” permitting process for anchor projects that would expedite desirable proposals while offering ample opportunity for community involvement.

GOAL ED-2: Continue to redevelop and enhance commercial and industrial areas throughout the City.

Objective: Promote redevelopment of existing commercial areas that upgrades the quality of development and increases the mix of uses.

- Improve the site plan review process to clearly outline the City’s expectations for high-quality development and site design.
- Continue to consider proposals for residential reuse of commercial properties when appropriate as part of economic revitalization efforts.

Objective: Continue to pursue a long-term vision for redevelopment of the Chelsea Creek waterfront.

- Pursue development of a waterfront remediation and development study.
- Continue to pursue clean-up of contaminated sites.
 - Consider extending the short-term strategy allowing interim uses on parcels that may take longer to remediate than originally estimated.
- Promote mixed-use redevelopment at prime locations.
- Create recreational open space uses along the water.

Objective: Enhance the vitality and attractiveness of the downtown.

- Support small business and retail uses downtown by increasing pedestrian activity through a comprehensive area improvement strategy.

GOAL ED-3: Provide **job opportunities** for Chelsea’s residents and labor supply for local businesses through work force recruitment and development.

Objective: Improve access to job skills training programs for Chelsea residents.

- Use regional industry and job growth projections to inform programming.
- Develop public-private partnerships to provide job skills workshops and training to residents.
- Maintain and update a list of public and private resources in the community that can assist in matching the City’s workforce with available jobs in the region.

GOAL ED-4: Provide **infrastructure** to support economic development.

Objective: Pursue transportation enhancement projects that will spark future economic development.

- Work with the City of Boston and neighboring communities of Everett, Somerville, Cambridge, and Brookline to support the *Urban Ring* project to provide expanded public transportation access.
- Pursue funding and completion of the *East Boston Haul Road Project/Chelsea Truck Route* to help connect Chelsea with downtown Boston and Logan Airport.
- Continue to support and advocate for completion of the *Eastern Avenue, Beacham/Williams Streets Reconstruction*.

Objective: Develop and promote methods for public and private investment to support infrastructure improvements.

- Consider the use of District Improvement Financing to assist projects in need of infrastructure investment in order to be successful.
- Continue implementation of the gateway signs program.

GOAL ED-5: Demonstrate a government attitude of positive support toward local businesses.

- Use the City web site to provide information pertinent to businesses seeking to relocate or expand, and for promoting Chelsea as a “business-friendly” place.

- Continue “All Chelsea” recognition program for businesses that acknowledges their contribution to the community and publicizes their success in Chelsea.

Putting It All Together

As an older, urban industrial city, Chelsea is confronted with competing needs for its densely-developed land resources. Striking a fair and fiscally-prudent balance between residential, commercial, and open space uses amid its 1.8 square miles will require regular evaluation.

The City is at a turning point in its history. Through the collective effort of its residents, business leaders, City staff and elected officials, and the leadership of its City Manager, the City has left receivership behind and is enjoying increasingly successful fiscal balance sheets. As home prices increase and new people move into the City, pressure for improved services and new amenities will likely increase, while on-going struggles to adequately house and provide employment for existing residents will continue. Managing these changes through balanced public policies that are developed with the public's input will continue to require the diligent efforts of City officials, staff, and community leaders.



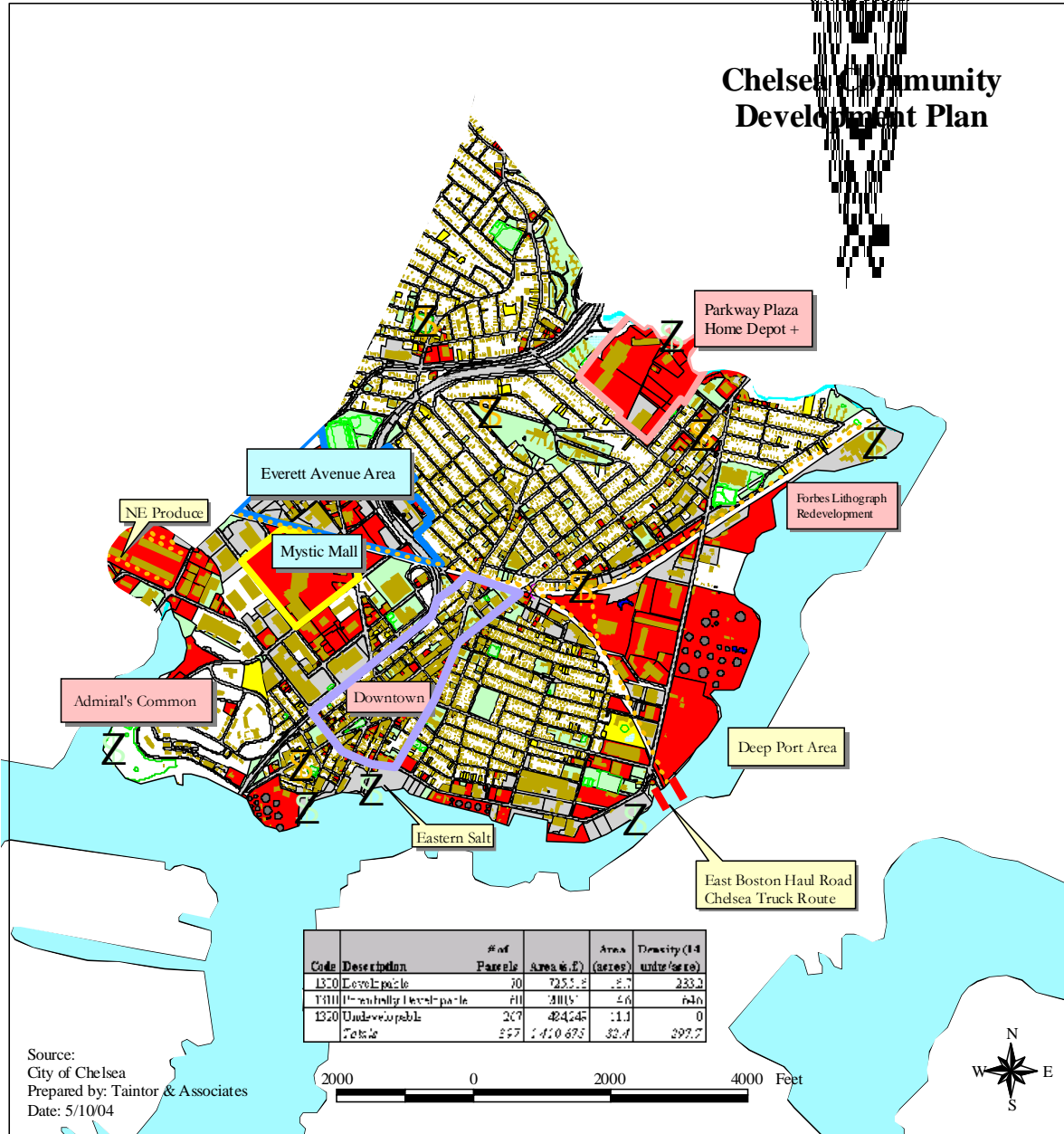
The waterfront is Chelsea's top underutilized resource, recognized by civic leaders and residents alike. While DPA advocates argue that maritime-associated use of Chelsea Creek results in compelling regional benefits, Chelsea should not be prevented from realizing substantial economic and recreational benefit from its waterfront.

Although industrial uses are expected to remain in concert with the Designated Port Area, numerous opportunities for enhancement exist. To this end, the City should persist in identifying these areas, and planning for the appropriate co-existence of industrial uses with increased public access to the waterfront. In addition, the City should strongly advocate for changes to current DPA regulations and policies that contribute to the underutilization of waterfront property. If proximity to Boston and its waterfront are two of its top physical strengths, Chelsea's residents form a strong, diverse community that distinguishes the city from other communities near Boston. Municipal policies and projects will continue to place decent and affordable housing, public safety, employment, education, and enhanced recreational opportunities at the forefront of their agendas. The City should continue to seek the input of its community members as it designs and implements its programs in order to effectively target its resources.

Figure 5 depicts a summary of Chelsea's Open Space, Housing, Economic Development, and Transportation initiatives discussed in this plan as well as in the Equivalency documents submitted under the Executive Order 418 program. The map features:

- Sites deemed “developable or potentially developable” for residential use per Chelsea's Assessing data;
- Several economic development target areas;
- Improvements to the Chelsea Street bridge featured in the Lower North Shore Transportation Improvement Study; and
- Key new park and park rehabilitations featured in the Open Space and Recreation 5-year action plan.

Figure 5: Putting It All Together Map



Putting It All Together

Assessing Classification

- Developable & Potentially Developable Residential Land
- Commercial Use
- Industrial Use
- Tax-Exempt Use

Redevelopment Areas

- Downtown
- Parkway Plaza
- Everett Avenue
- Mystic Mall

- Commuter Rail Station
- Train line
- Park Rehab
- New Park
- Commercial Redevelopment
- Residential/Mixed Use Redevelopment
- Park/Recreation Area

Implementation Plan

The following table details the tasks identified in this plan, prioritizes each, and assigns responsibilities and feasible timeframes for completion. Priorities are ranked simply, using a numerical system of 1-3, where 1 equals “high priority,” 2 is “medium priority,” and 3 is relatively “low priority.” This table is intended to be a guidance document, subject to revision by the community as progress on the plan is made.

Goals/Objectives/Strategies	Priority (1-3)	Time table	Responsibility
GOAL H-1: INCREASE THE NUMBER OF AFFORDABLE HOUSING UNITS IN CHELSEA			
Create and maintain a list of potential sites for development of new housing	1	2004	Planning & Development; Non-profit housing organizations
Develop a zoning incentive that will encourage developers to construct affordable units	3	2005	Planning & Development Planning Board City Council
Use the affordable housing trust fund to finance new unit production	2	on-going	Planning & Development
Examine present zoning to assess any opportunities for additional housing development (i.e. mixed use zones, increases in density, co-housing options, etc.	2	2004-2006	Planning & Development Planning Board City Council
Assess the use of Tax Increment Financing (TIF) for affordable unit production for notoriously hard-to-develop properties.	3	on-going	Planning & Development; Assessor City Manager, City Council
GOAL H-2: PRESERVE EXISTING HOUSING STOCK (ESPECIALLY AFFORDABLE UNITS) AND WORK TO ENSURE SAFETY AND CODE COMPLIANCE FOR ALL HOUSING UNITS.			
Develop a plan to address the potential loss of units through “expiring use”	1	2004-2006	Planning & Development; Non-profit housing organizations

Goals/Objectives/Strategies	Priority (1-3)	Time table	Responsibility
Continue to offer home rehabilitation funding and advisory assistance; work with advocacy organizations to develop and publicize a list of licensed, responsible contractors	2	on-going	Planning & Development; Non-profit housing organizations
Consider offering incentives for absentee landlords to maintain their properties and meet building codes/administer penalties for non-compliance; set goals and timeframes for code enforcement	2	2004-2006	Planning & Development; Building Inspector City Council
Develop policy regarding condo conversions that protect tenants from untimely eviction; explore opportunities for creation of affordable units via the conversion process (i.e. purchase price buy downs)	1	2004-2005	Planning & Development; City Council
Assess permitting procedures to determine if streamlining for housing projects is possible; consider waiver or reduced fees for affordable projects.	3	2004-2005	Planning & Development; Building Inspector
GOAL H-3: ENHANCE COMMUNICATION AND INFORMATION OUTREACH REGARDING HOUSING NEEDS AND OPPORTUNITIES			
Provide housing program information in excise tax mailings	3	2004	Planning & Development; Assessor
Provide housing program information in tax bill mailings	3	2004	Planning & Development; Assessor
Provide housing program information in local stores and supermarkets; track the number of information sheets/brochures are taken to assess method	3	2004	Planning & Development;
Develop an effective, regular method of obtaining resident input on housing needs	2	2004	

Goals/ Objectives	Strategies	Priority	Time table	Responsibility
GOAL ED-1: SUSTAIN A HEALTHY AND DIVERSIFIED LOCAL ECONOMY SERVING THE COMMERCIAL, SERVICE, FINANCIAL, AND EMPLOYMENT NEEDS OF THE COMMUNITY, AND INCLUDING A MIX OF LARGE- AND SMALL-SCALE BUSINESSES.				
Continue to build on Chelsea's existing strengths by pursuing a sector strategy targeting produce, airport-related, back office, health-related, and downtown support uses.	➤ Continue to offer tax incentives to businesses that wish to relocate or expand in the city through the Tax Incentive for the Retention and Expansion of Business (TIRE) program.	1	on-going	City Manager, Assessor
Support independent small businesses as a significant component of the City's overall business mix.	➤ Continue to provide technical assistance and training to small businesses through partnerships with local academic institutions, the Chamber of Commerce, and other private organizations.	3	on-going	Planning & Development
Continue to attract anchor projects that will produce positive economic and environmental benefits for the City.	➤ Continue to support development of the Everett Avenue area as a commercial and industrial center	1	on-going	Planning & Development
	➤ Continue to pursue redevelopment of the Mystic Mall.	2	2004-2006	Planning & Development
	➤ Consider implementing a "one-stop" permitting process for anchor projects that would expedite desirable proposals while offering ample opportunity for community involvement.	3	2004-2006	Planning & Development Planning Board Zoning Board Conservation Commission Building Inspector

Goals/ Objectives	Strategies	Priority	Time table	Responsibility
GOAL ED-2: CONTINUE TO REDEVELOP AND ENHANCE COMMERCIAL AND INDUSTRIAL AREAS THROUGHOUT THE CITY.				
Promote redevelopment of existing commercial areas that upgrades the quality of development and increases the mix of uses.	➤ Improve the site plan review process to clearly outline the City's expectations for high-quality development and site design.	2	2004-2006	Planning & Development Planning Board
	➤ Continue to consider proposals for residential reuse of commercial properties when appropriate as part of economic revitalization efforts.	2	on-going	Planning & Development Planning Board
Continue to pursue a long-term vision for redevelopment of the Chelsea Creek waterfront.	➤ Pursue development of a waterfront remediation and development study.	2	2004-	Planning & Development
	➤ Continue to pursue clean-up of contaminated sites.	2	on-going	Planning & Development
	➤ Consider extending the short-term strategy allowing interim uses on parcels that may take longer to remediate than originally estimated.	2	on-going	Planning & Development Planning Board
	➤ Promote mixed-use redevelopment at prime locations.	1	2004-	Planning & Development Planning Board
	➤ Create recreational open space uses along the water.	1	2004-	Planning & Development
Enhance the vitality and attractiveness of the downtown.	➤ Support small business and retail uses downtown by increasing pedestrian activity through a comprehensive area improvement strategy.	2	2004-2006	Planning & Development Public Works Chamber of Commerce local businesses

Goals/ Objectives	Strategies	Priority	Time table	Responsibility
GOAL ED-3: PROVIDE JOB OPPORTUNITIES FOR CHELSEA'S RESIDENTS AND LABOR SUPPLY FOR LOCAL BUSINESSES THROUGH WORK FORCE RECRUITMENT AND DEVELOPMENT.				
Improve access to job skills training programs for Chelsea residents.	➤ Use regional industry and job growth projections to inform programming.	3	2004-	Planning & Development
	➤ Develop public-private partnerships to provide job skills workshops and training to residents.	3	2004-	City Manager Planning & Development local businesses
	➤ Maintain and update a list of public and private resources in the community that can assist in matching the City's workforce with available jobs in the region.	2	2004- 2005	Planning & Development
GOAL ED-4: PROVIDE INFRASTRUCTURE TO SUPPORT ECONOMIC DEVELOPMENT.				
Pursue transportation enhancement projects that will spark future economic development.	➤ Work with the City of Boston and neighboring communities of Everett, Somerville, Cambridge, and Brookline to support the <i>Urban Ring</i> project to provide expanded public transportation access.	3	on- going	City Manager Planning & Development
	➤ Pursue funding and completion of the <i>East Boston Haul Road Project/Chelsea Truck Route</i> to help connect Chelsea with downtown Boston and Logan Airport.	1	2004-	City Manager Planning & Development
	➤ Continue to support and advocate for completion of the <i>Eastern Avenue, Beacham/Williams Streets Reconstruction</i> .	1	2004-	City Manager Planning & Development

Goals/ Objectives	Strategies	Priority	Time table	Responsibility
Develop and promote methods for public and private investment to support infrastructure improvements.	➤ Consider the use of District Improvement Financing to assist projects in need of infrastructure investment in order to be successful.	3	2004-	City Manager City Council Planning & Development
	➤ Continue implementation of the gateway signs program.	3	on- going	Planning & Development
GOAL ED-5: DEMONSTRATE A GOVERNMENT ATTITUDE OF POSITIVE SUPPORT TOWARD LOCAL BUSINESSES.				
Use the City web site to provide information pertinent to businesses seeking to relocate or expand, and for promoting Chelsea as a “business-friendly” place.		2	2005-	City Manager Planning & Development
Continue “All Chelsea” recognition program for businesses that acknowledges their contribution to the community and publicizes their success in Chelsea.		2	2005-	City Manager