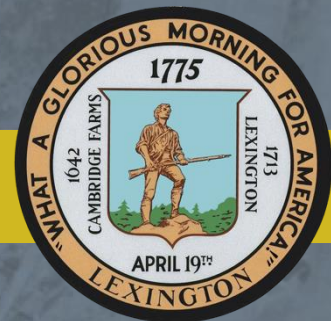


LEXINGTON TRENDS REPORT

Economic Development



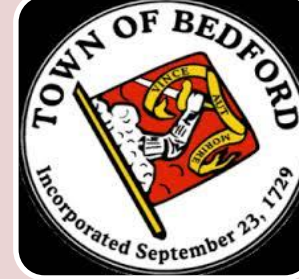
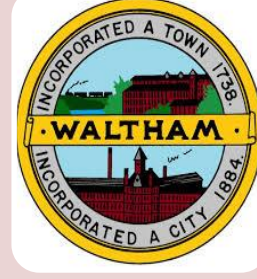


What is Economic Development ?

INDEX

1. Commercial Environment: Existing Land use & Buildings
2. Economic Metrics: Businesses & Employment
3. Real Estate Market: Vacancy & Rents
4. Assessed Values & Tax Revenue
5. How we spend money?
6. Growing sector: visitor-based economy

Peers & Comparables



Lexington
Population:
33,110

Area:
16.5 sq. miles

Tax Rate:
Split

Residential:
\$14.30

Commercial:
\$27.69

Needham
Population:
30,999

Area:
12.7 sq. miles

Tax Rate:
Split

Residential:
\$12.39

Commercial:
\$24.42

Burlington
Population:
24,489

Area:
11.9 sq. miles

Tax Rate:
Split

Residential:
\$10.48

Commercial:
\$27.22

Waltham
Population:
62,442

Area:
13.6 sq. miles

Tax rate:
Split

Residential:
\$12.66

Commercial:
\$26.45

Bedford
Population:
13,320

Area:
13.9 sq. miles

Tax Rate:
Split

Residential:
\$12.96

Commercial:
\$28.42

Concord
Population:
17,699

Area:
26.02 sq. miles

Tax Rate:
Not Split
\$14.19

Arlington
Population:
42,844

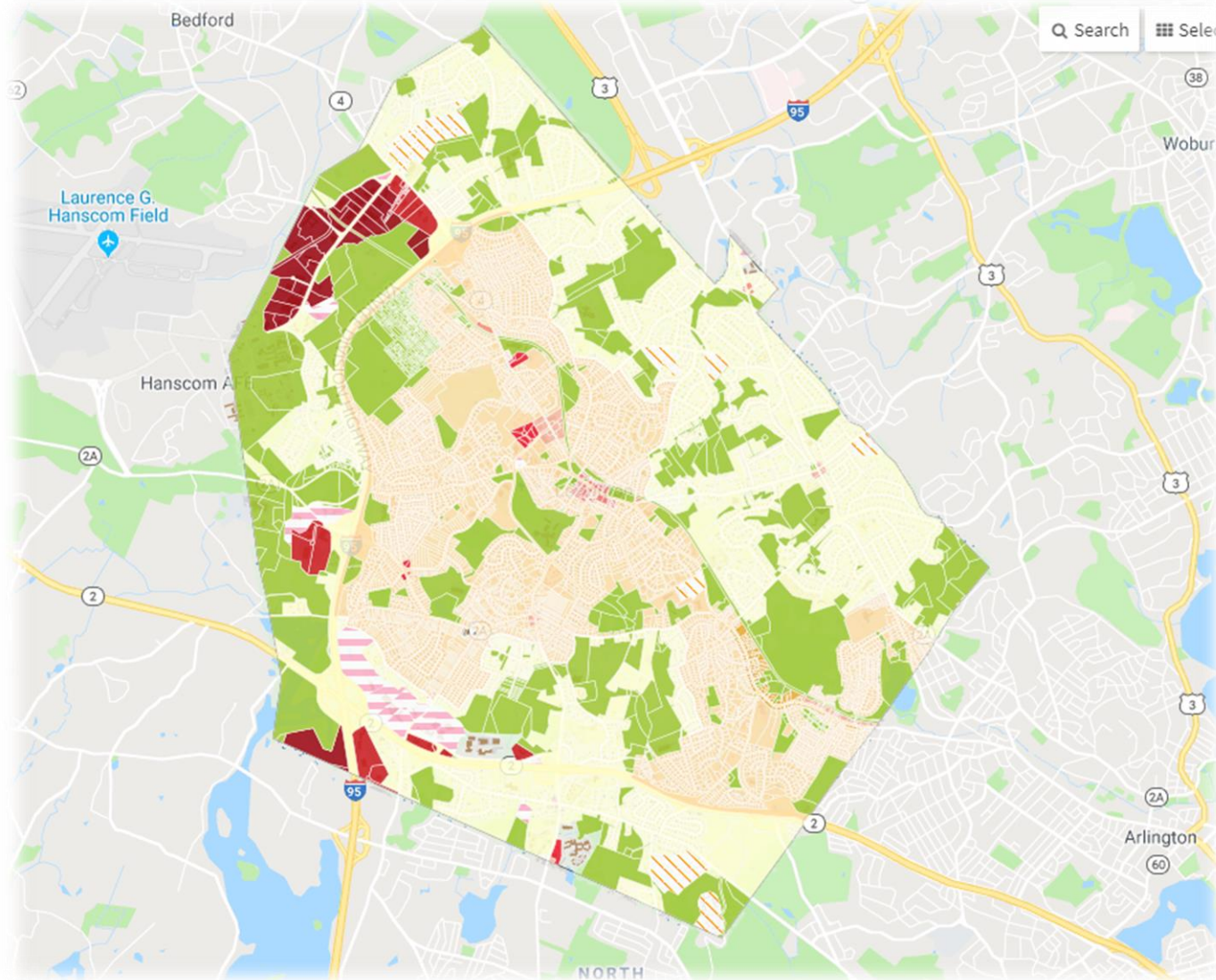
Area:
5.9 sq. miles

Tax Rate:
Not Split
\$11.26



Commercial Environment: Existing Land Use & Buildings

Lexington's Land Use Map

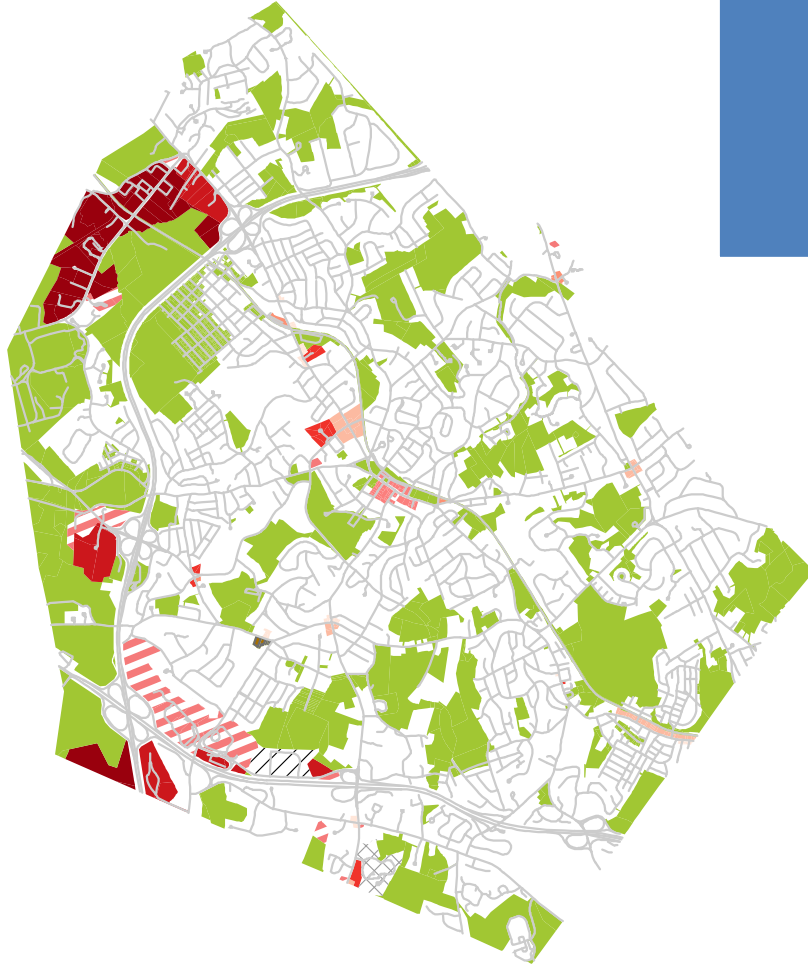


Town size:
16
square miles

Lexington's Commercial Districts

9 different
commercial zoning districts

492
commercial parcels



RESIDENTIAL DISTRICTS

CSX

PD-2

PD-1

COMMERCIAL / INDUSTRIAL DISTRICTS

CB - Central Business

CLO - Local Office

CM - Manufacturing

CN - Neighborhood Business

CRO - Regional Office

CRS - Retail Shopping

CS - Service Business

OTHER

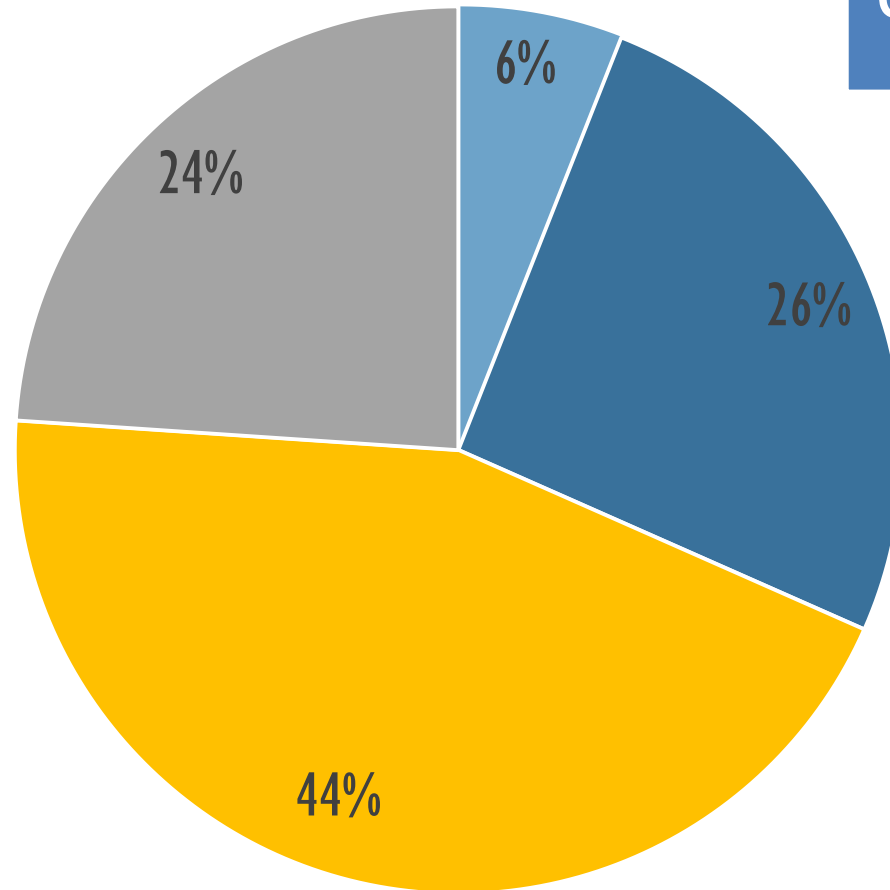
GC - Government Civic

PLANNED DEVELOPMENT DISTRICTS

CD - Planned Commercial

LAND USE PERCENTAGE

Percent of Land Zoned by Use



6%
zoned for
commercial uses

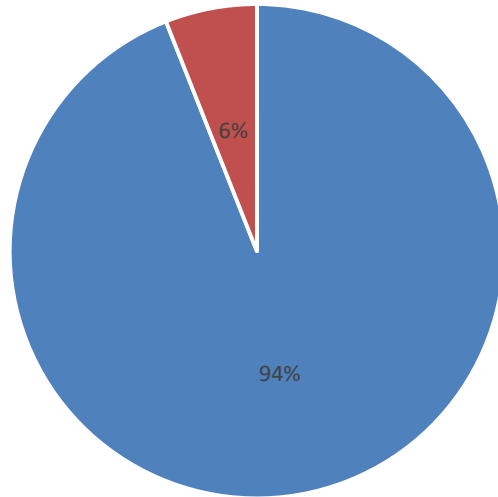
- Commercial
- Open Space
- Residential
- Government/Civic

COMMERCIAL LAND USE IN OTHER COMMUNITIES

Total area: 5 sq. miles

6% zoned commercial

Arlington, MA

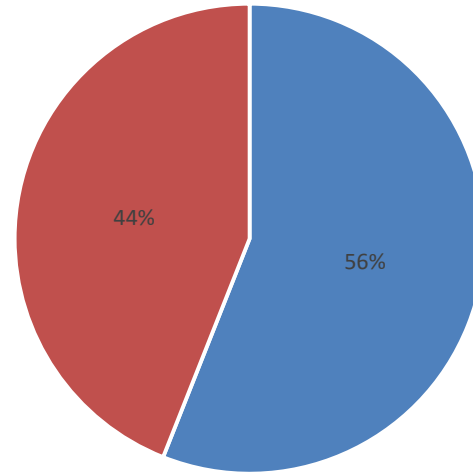


■ Other ■ Commercial

Total area: 12 sq miles

44% zoned commercial

Burlington, MA

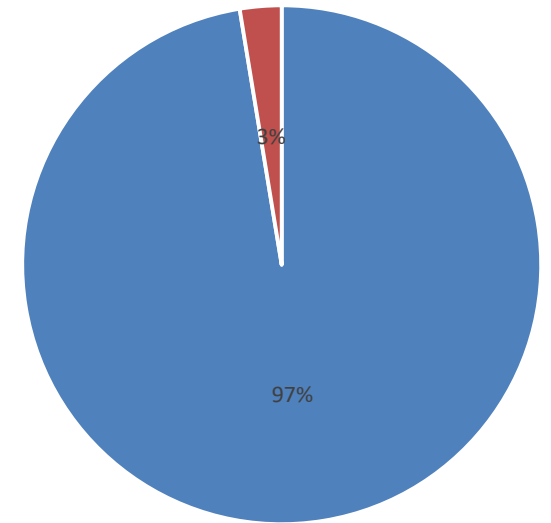


■ Other ■ Commercial

Total area: 26 sq miles

2.4% zoned commercial

Concord, MA



■ Other ■ Commercial

Hartwell Avenue



- One of the leading defense and life science industry clusters in the Boston area
- Bordered by Hanscom Field and Route 128/195
- 36 Parcels
- 107 Businesses

Forbes Road/Route 2A

- Lexington's newest hotels and globally connected, high-tech businesses
- Both life science users as well as suburban offices
- 19 Businesses
- 5 Parcels



Hayden Avenue



- Home to the biotech giant Takeda
- Located adjacent to the intersection of Routes 128 and 2
- Conveniently located to access suburbs, Cambridge and Boston
- 18 Parcels
- 56 Businesses



Countryside

Lexington Center



- Lexington's charming center is home to numerous restaurants and retail establishments
- Includes the historic Lexington Battle Green, and numerous historical landmarks
- Adjacent to the Minuteman Bikeway, one of the first rail trails in the country
- 58 Parcels
- 253 Businesses



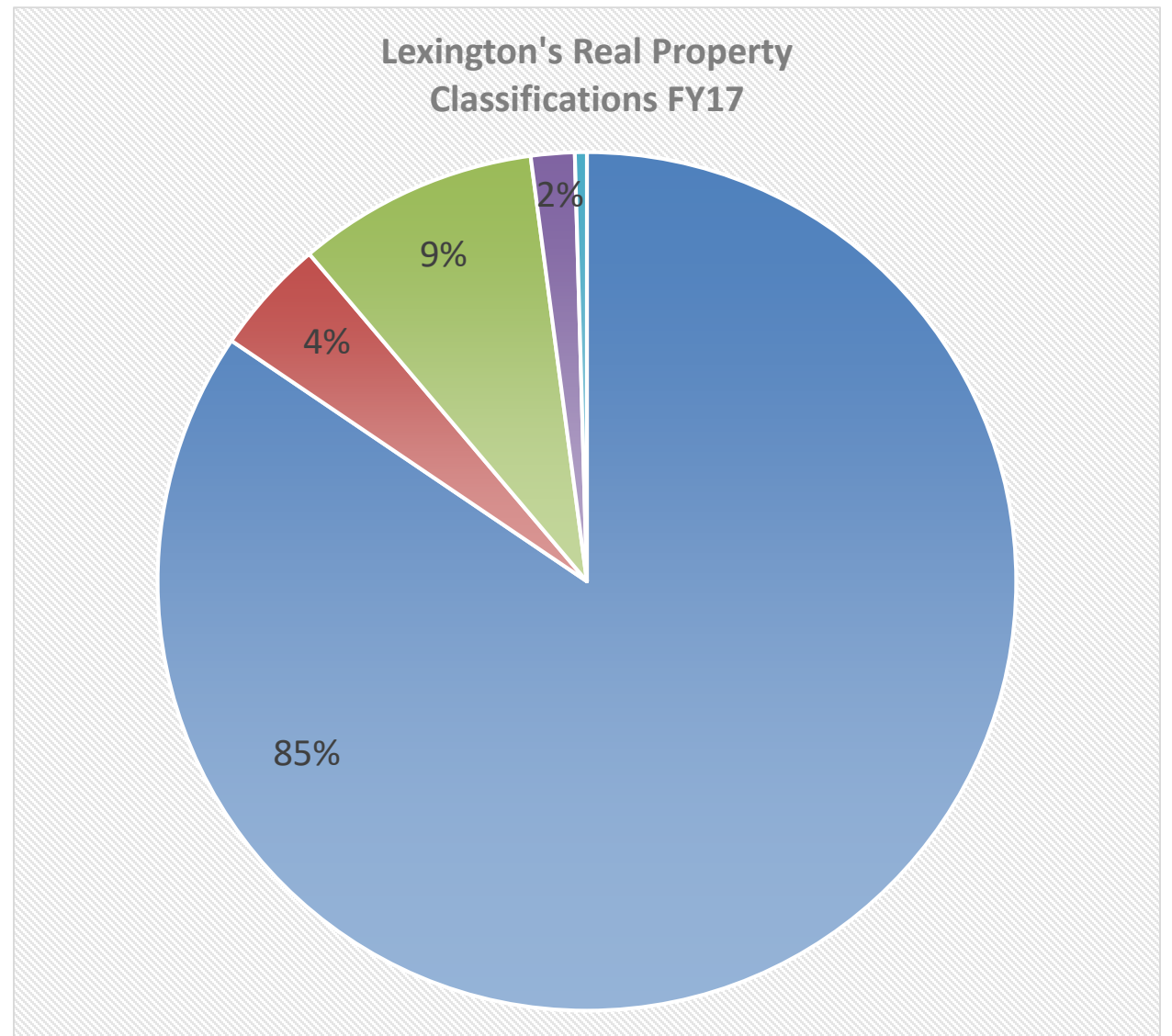
East Lexington



Marrett Square

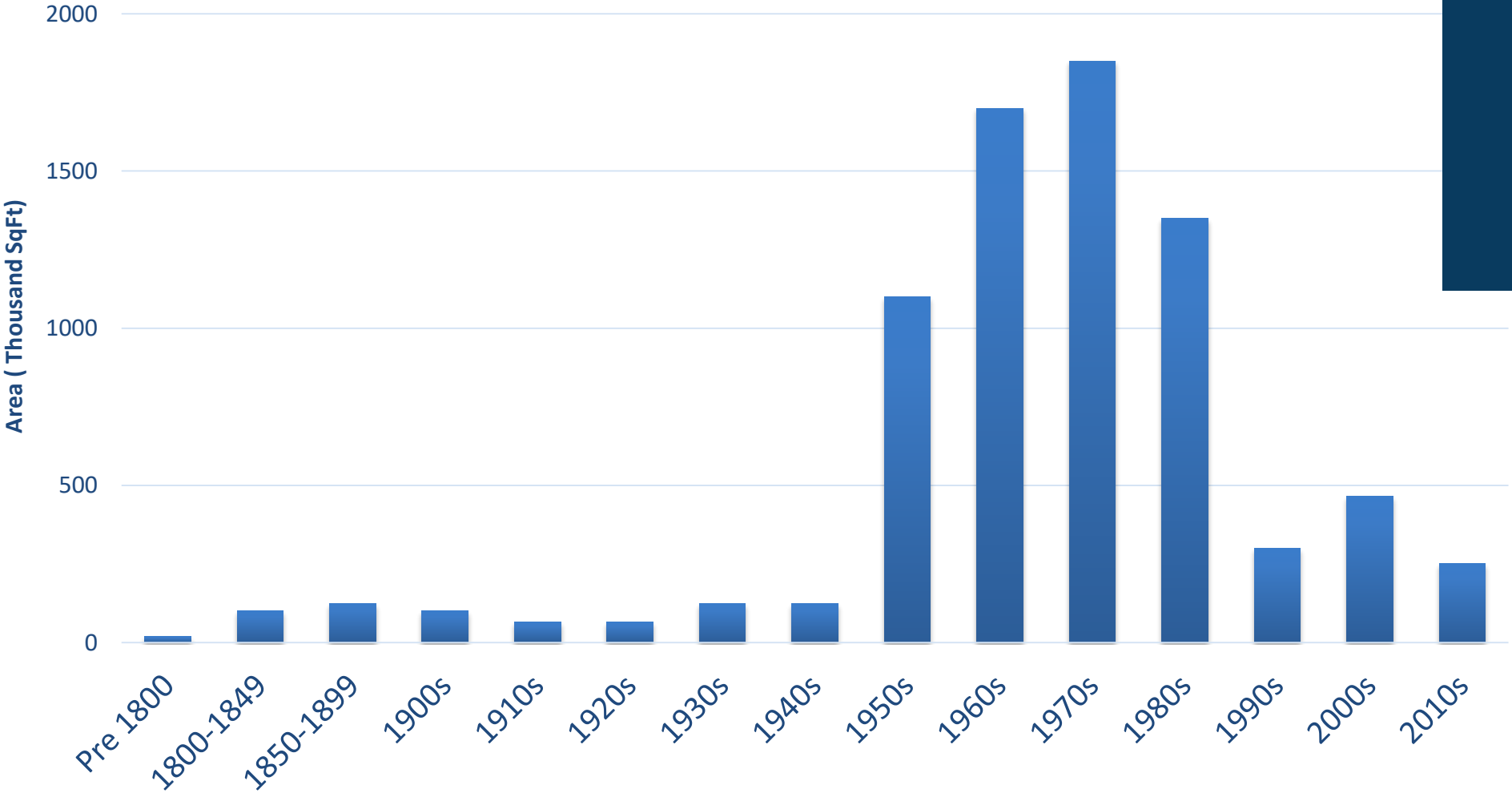


Real Property Assessor Classification Report (LA4) FY 2017		
Single Family Homes	9,026	85%
Commercial/Industrial Buildings	463	4%
Condos	972	9%
Two-Family and Three Family	176	2%
Apartments/Multi-buildings	48	
NOTE: Excludes farm, exempt other, and land only		
Exempt	1198	



COMMERCIAL PERMIT DATA

New Commercial Construction

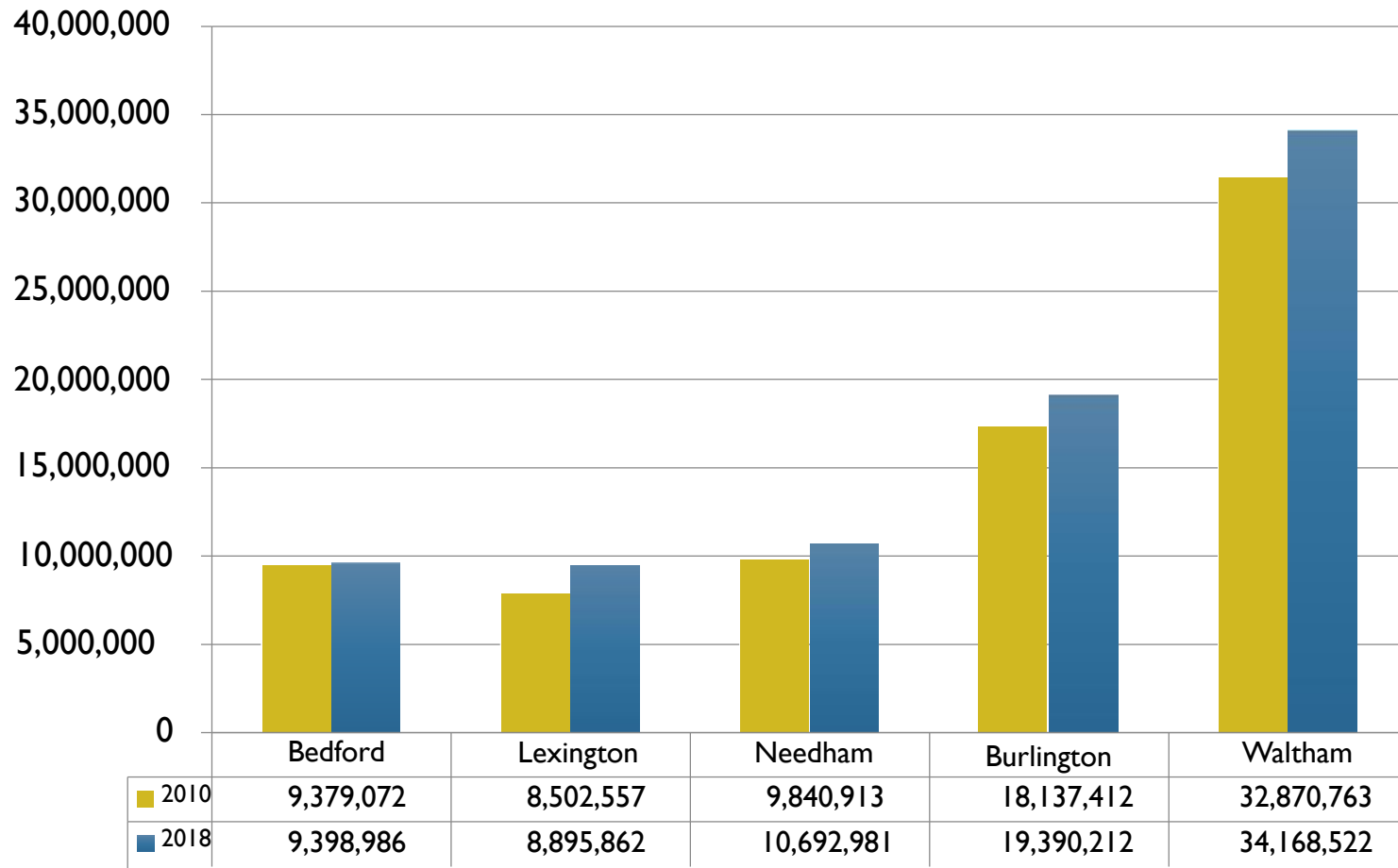


**1960-1970's
Most Commercial
Built**

**Significant drop
after the 1980's**

TOTAL COMMERCIAL SF 2010 vs 2018

Total Commercial SF 2010 vs 2018



Today Lexington has 8.89M square feet of commercial space; an increase of approximately 393K SF in 8 years

Burlington & Waltham increased commercial space by 2.5M square feet in 8 years



Economic Metrics: Businesses & Employment

EMPLOYMENT HIGHLIGHTS

Top 5 Private Employers	
MIT Lincoln Lab	3,500
Takeda	2,400
BAE Systems	530
Brookhaven	220
Cotting School	182

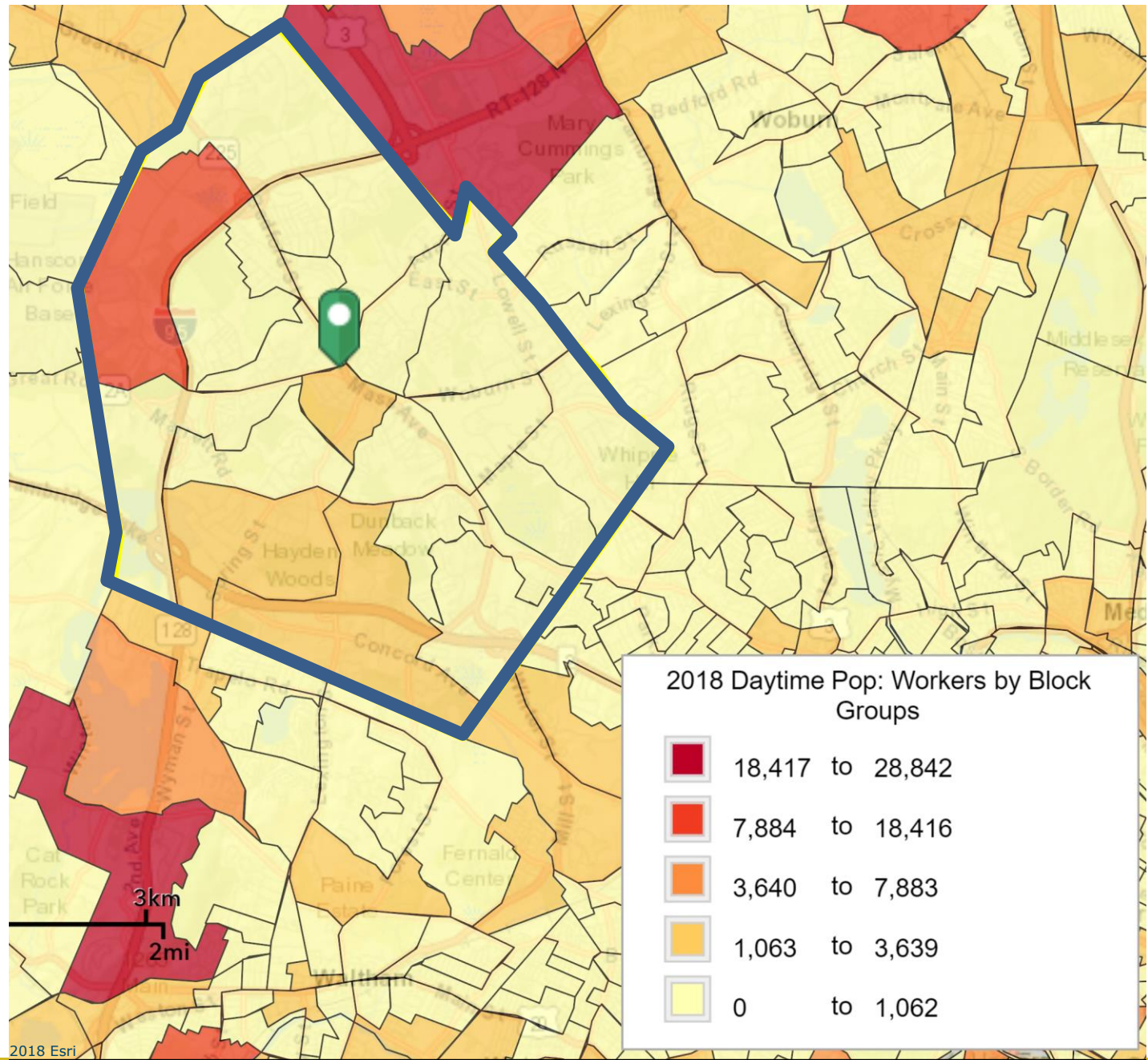
22,567 Jobs

1,346
Business
Establishments

Hanscom Airforce Base
18,000-20,000 employees
90% civilian
720 units of housing

Job Density

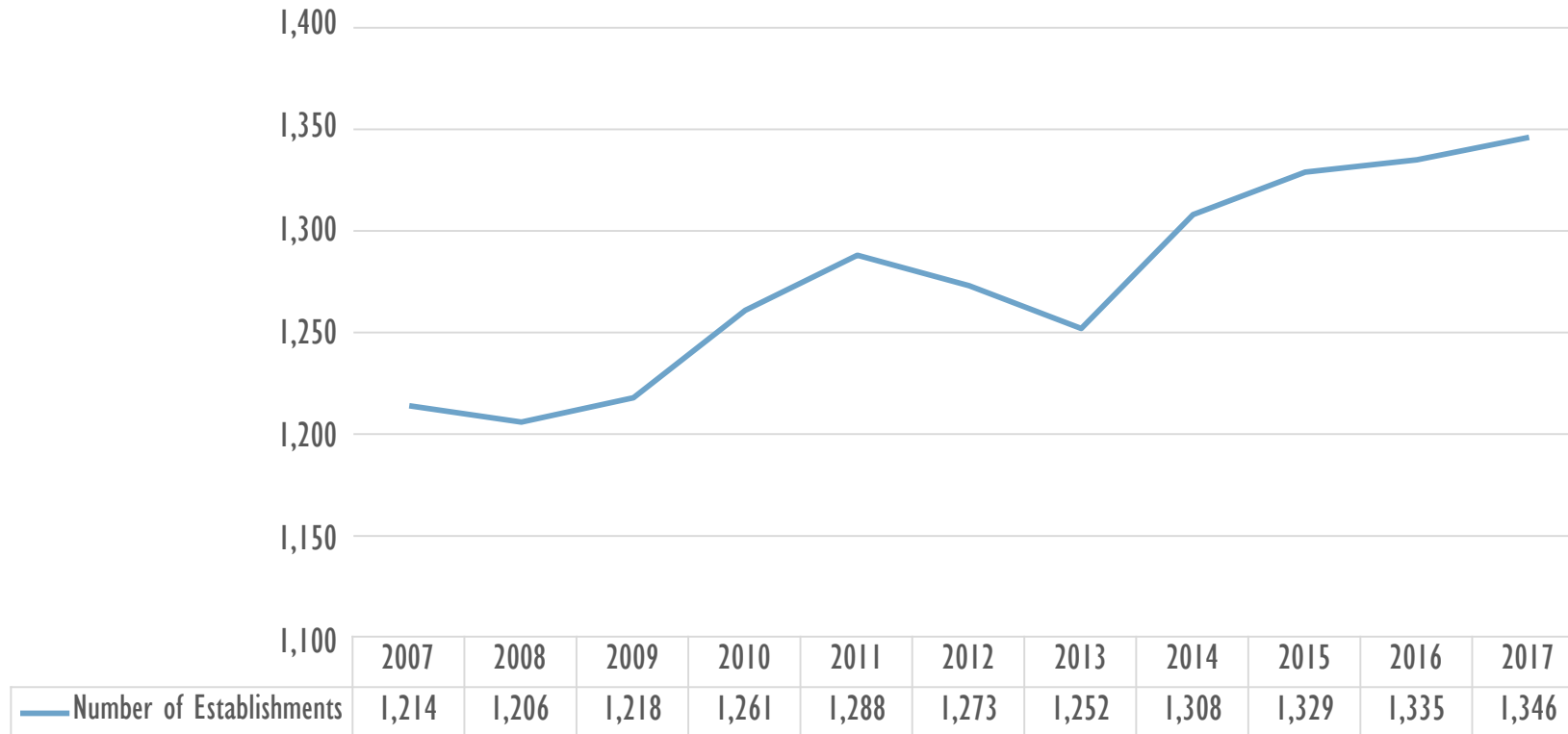
Hartwell area
has the
highest job density



Source: Lexington Economic Development Office; and ESRI Community Analyst 2019

BUSINESS ESTABLISHMENTS

Number of Business Establishments in Lexington
2007 - 2017



11% growth from
2007-2017

Source: Lexington Economic Development Office 2019; and Executive Office of Labor and Workforce Development

EMPLOYMENT BY INDUSTRY

Average Employment by Industry
All Ownership Lexington

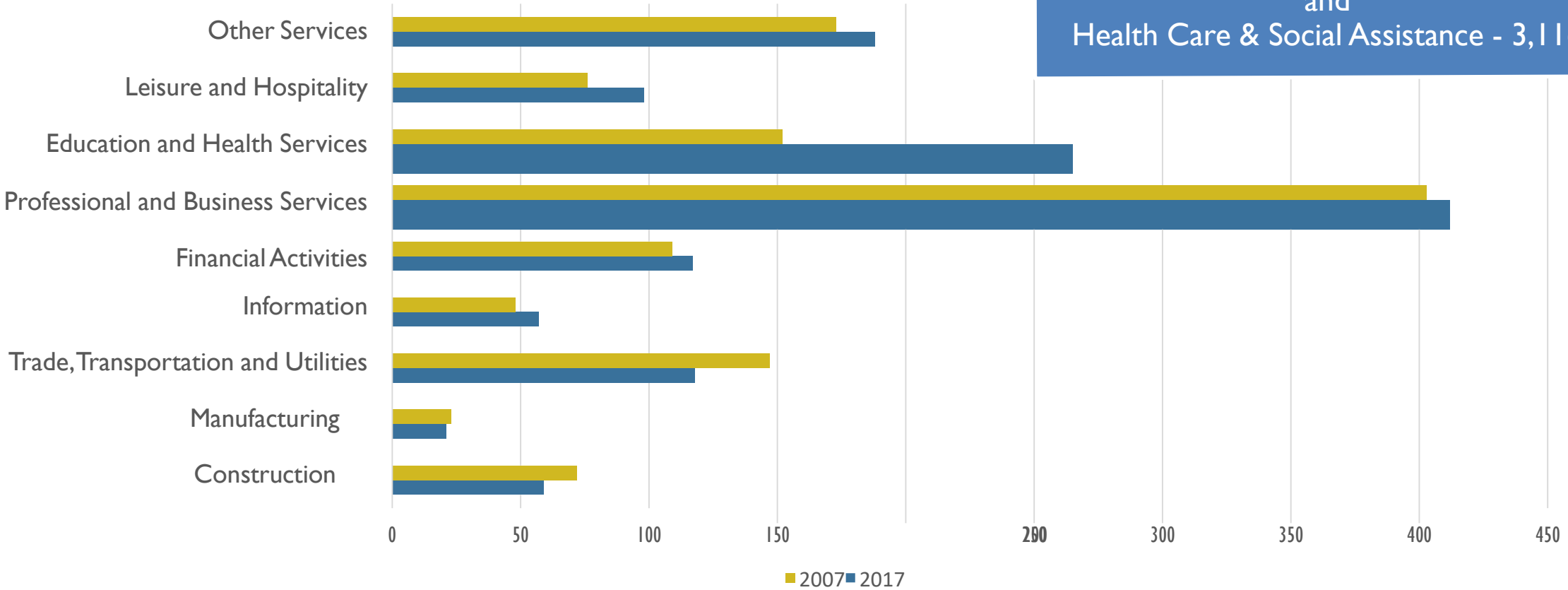
INDUSTRY	ESTABLISHMENTS	AVERAGE EMPLOYMENT
Construction	59	274
Manufacturing	21	758
Wholesale Trade	46	432
Retail Trade	62	802
Transportation and Warehousing	8	155
Information	57	1,276
Finance and Insurance	74	579
Real Estate and Rental and Leasing	43	143
Professional and Technical Services	359	9,795
Management of Companies and Enterprises	7	244
Administrative and Waste Services	46	261
Educational Services	46	2,171
Health Care and Social Assistance	219	3,116
Arts, Entertainment, and Recreation	28	298
Accommodation and Food Services	70	1,206
Other Services, Except Public Administration	188	574
Total, All Industries	1,346	22,567

TYPE OF BUSINESS

Number of Businesses in Lexington

Within the two largest business types
the most employees are in:

Scientific R&D - 6,404
and
Health Care & Social Assistance - 3,116



Source: Executive Office of Labor and Workforce Development; and ESRI Community Analyst

TOP PRIVATE EMPLOYERS

2019 TOP EMPLOYERS

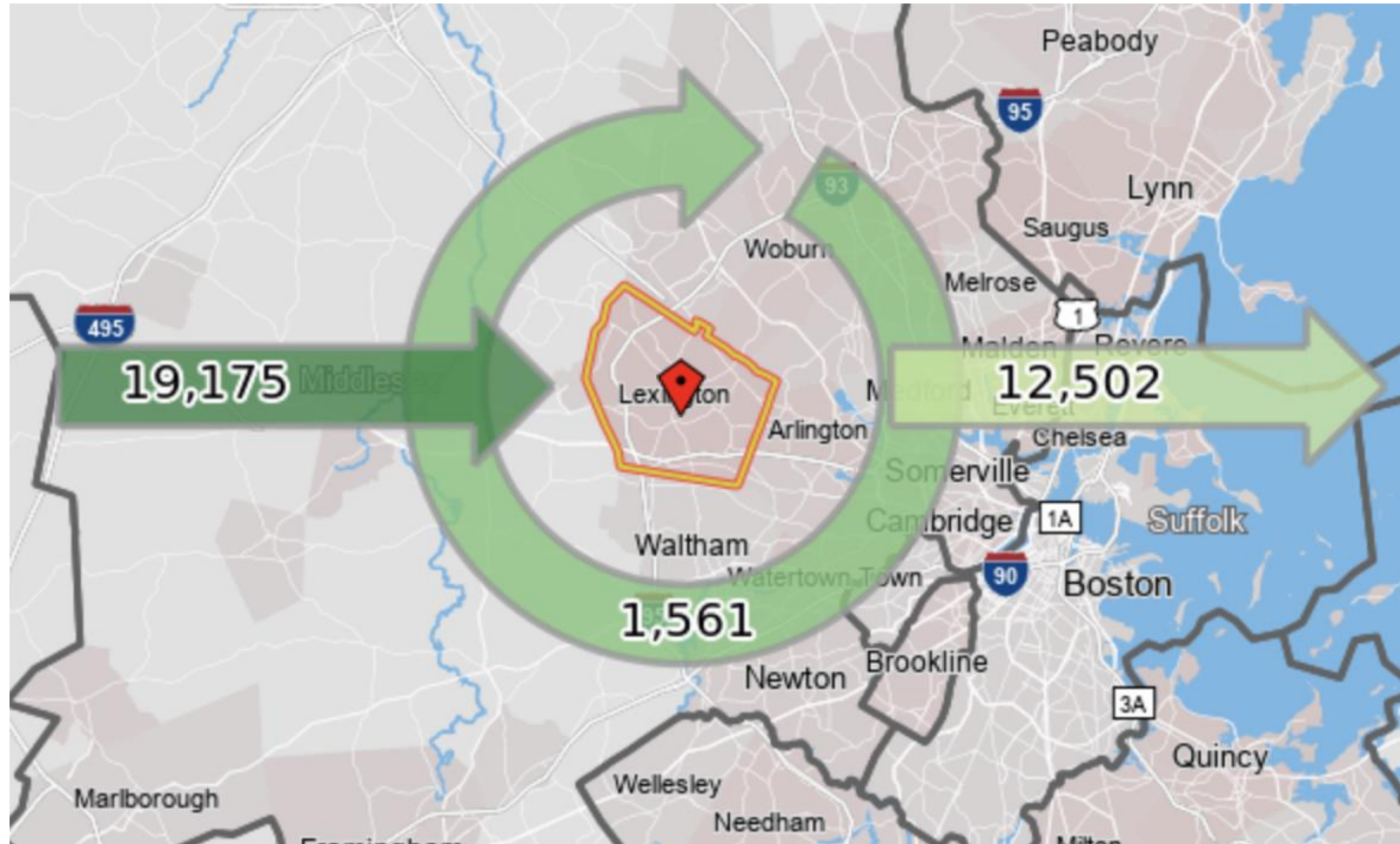
COMPANY NAME	PRODUCT/FUNCTION	JANUARY 2018
MIT Lincoln Laboratory	Research/Communications	3,500
Takeda	Biotech & Pharmaceutical	2,400
BAE Systems	Sensor Systems	530
Brookhaven at Lexington	Health Care	220
Cotting School	Education	182
Beth Israel Deaconess Medical Center/Children's Hospital	Health Care	175
Wilson Farm	Produce and Plants	170
Pine Knoll Nursing Center	Health Care	116
IHS (Formerly: Global Insight)	Economic forecasting	104
Stop & Shop	Grocery Retail	100
Oasis Systems	Information Technology	100
Ab Initio	Software	100
CareOne (Formerly: Lexington Health Care Center)	Health Care	100
Lahey Clinic	Biotech & Pharmaceutical	95
Tiax LLC	Technology processing	90
Boston Sports Club	Sports Club/Gym	85
Innosight	Management Consulting	80
Agenus	Biotech & Pharmaceutical	80
Agilent Technologies	Scientific Instruments	70
Fractyl	Biotech & Pharmaceutical	50
TOTAL		8,377

Source: Lexington Economic Development Office 2019; and Executive Office of Labor and Workforce Development

COMMUTER PATTERNS

22,567 jobs in Lexington

Commuter Inflow:
1,408 from Boston
747 from Arlington
733 from Cambridge



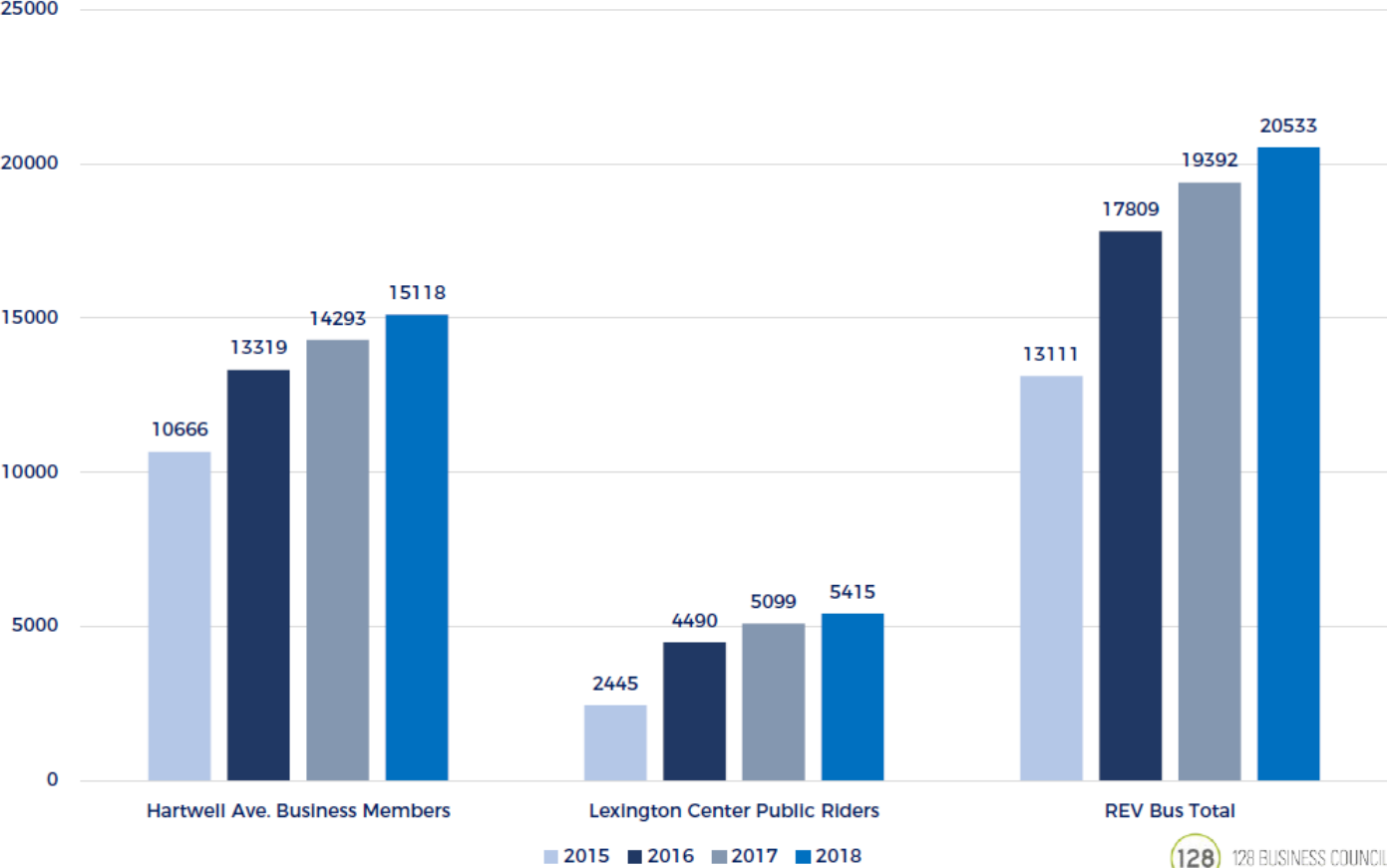
Commuter Outflow:
3,136 to Boston
1,735 to Cambridge
857 to Waltham

COMMUTER SHUTTLE



REV BUS Hartwell Area Shuttle

Four-Year Ridership Comparison
2015-2018



20,533 Rides
in 2018

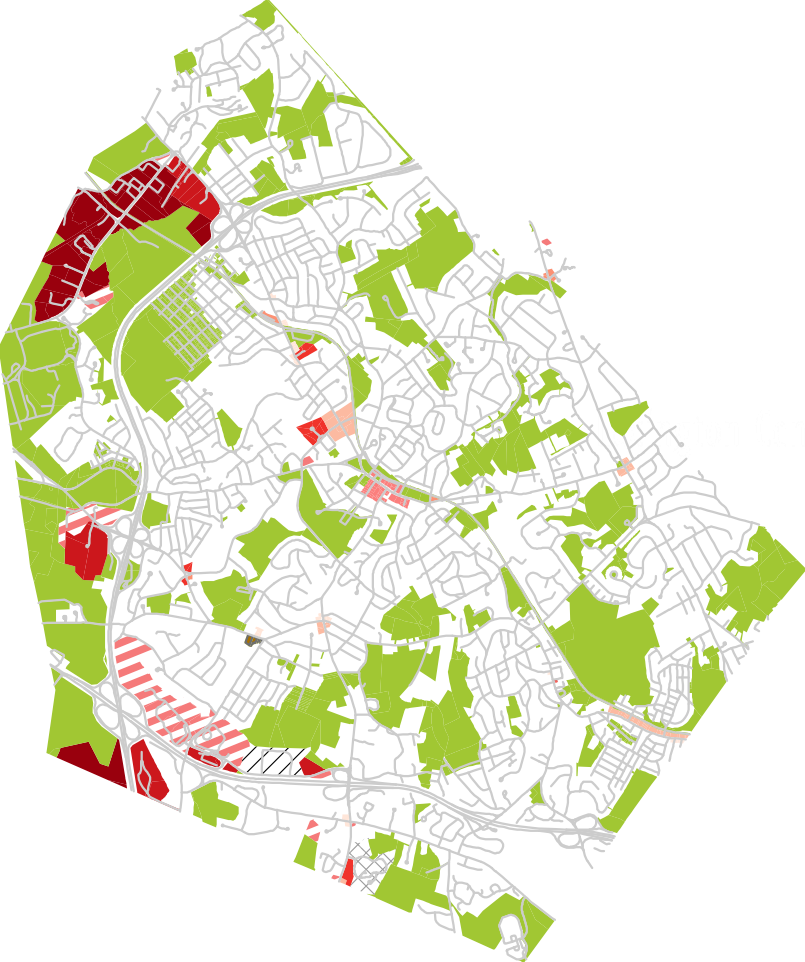
56% increase
2015-2018





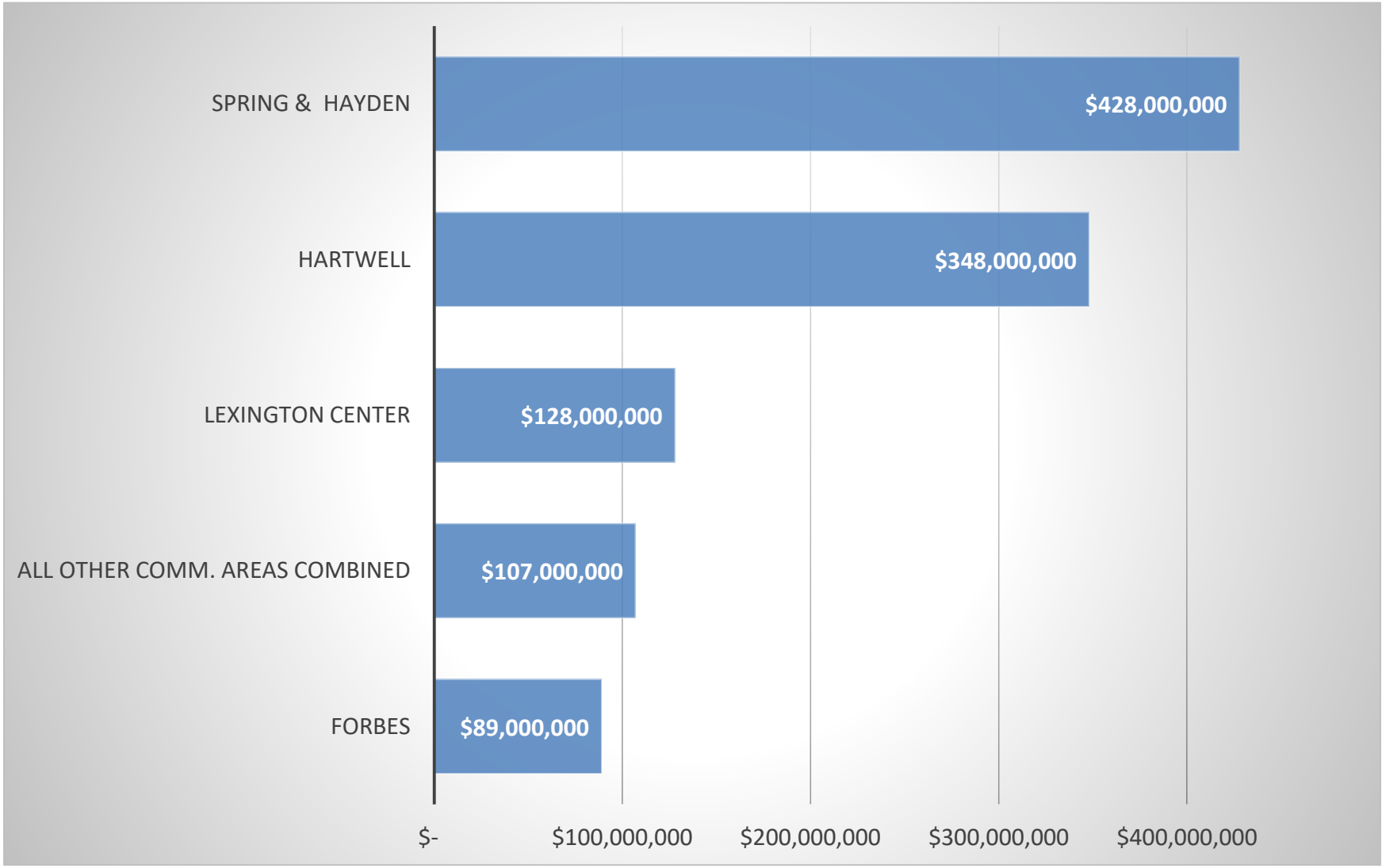
Assessed Values & Tax Revenue

Lexington's Commercial Districts



- RESIDENTIAL DISTRICTS
 - CSX
 - PD-2
 - PD-1
- COMMERCIAL / INDUSTRIAL DISTRICTS
 - CB - Central Business
 - CLO - Local Office
 - CM - Manufacturing
 - CN - Neighborhood Business
 - CRO - Regional Office
 - CRS - Retail Shopping
 - CS - Service Business
- OTHER
 - GC - Government Civic
- PLANNED DEVELOPMENT DISTRICTS
 - CD - Planned Commercial

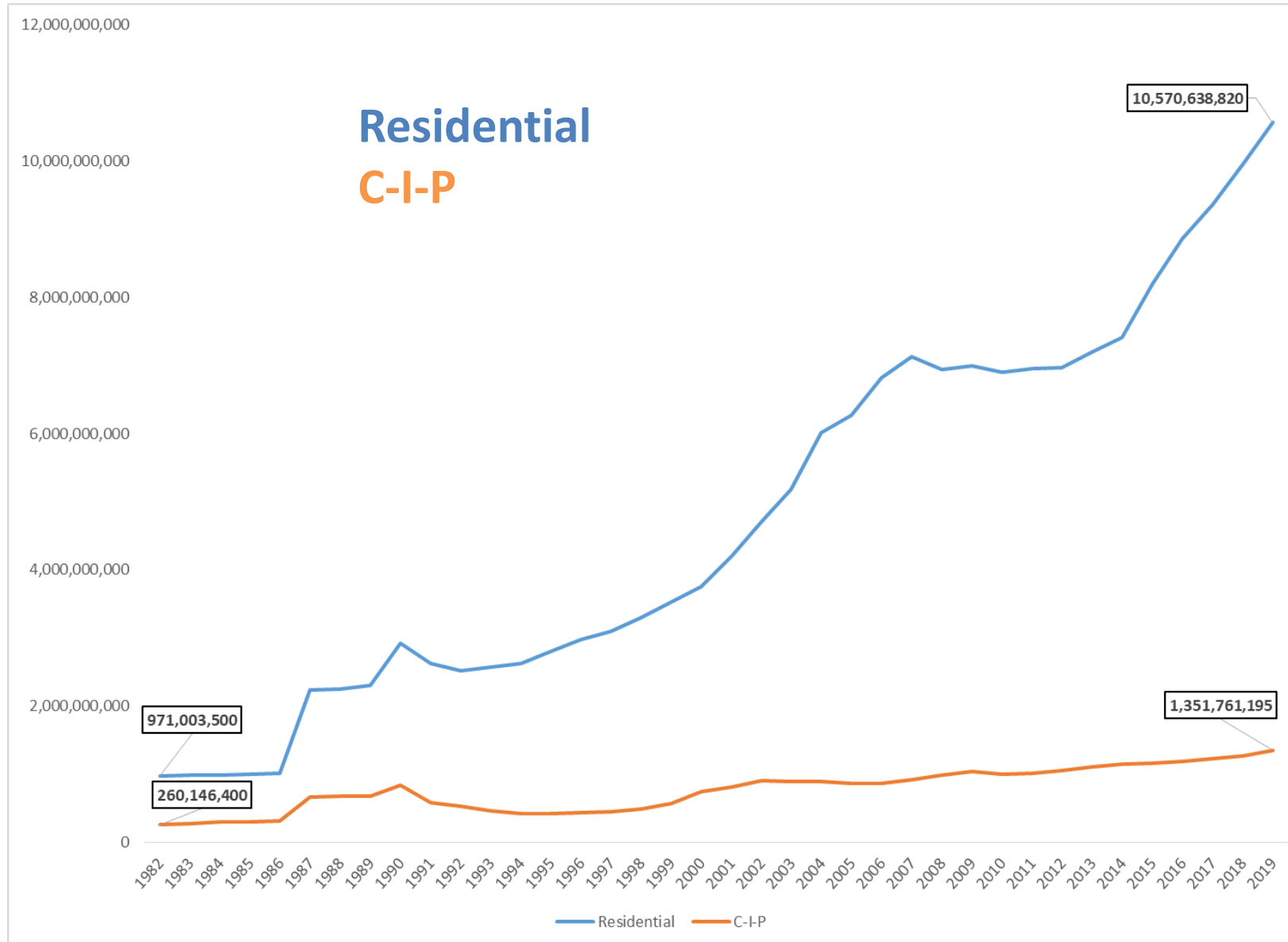
ASSESSED COMMERCIAL VALUE BY AREA FY19



Source: Lexington Assessor's Office 2019

Total Value Residential vs. Commercial-industrial-Personal

11x 1982-2019

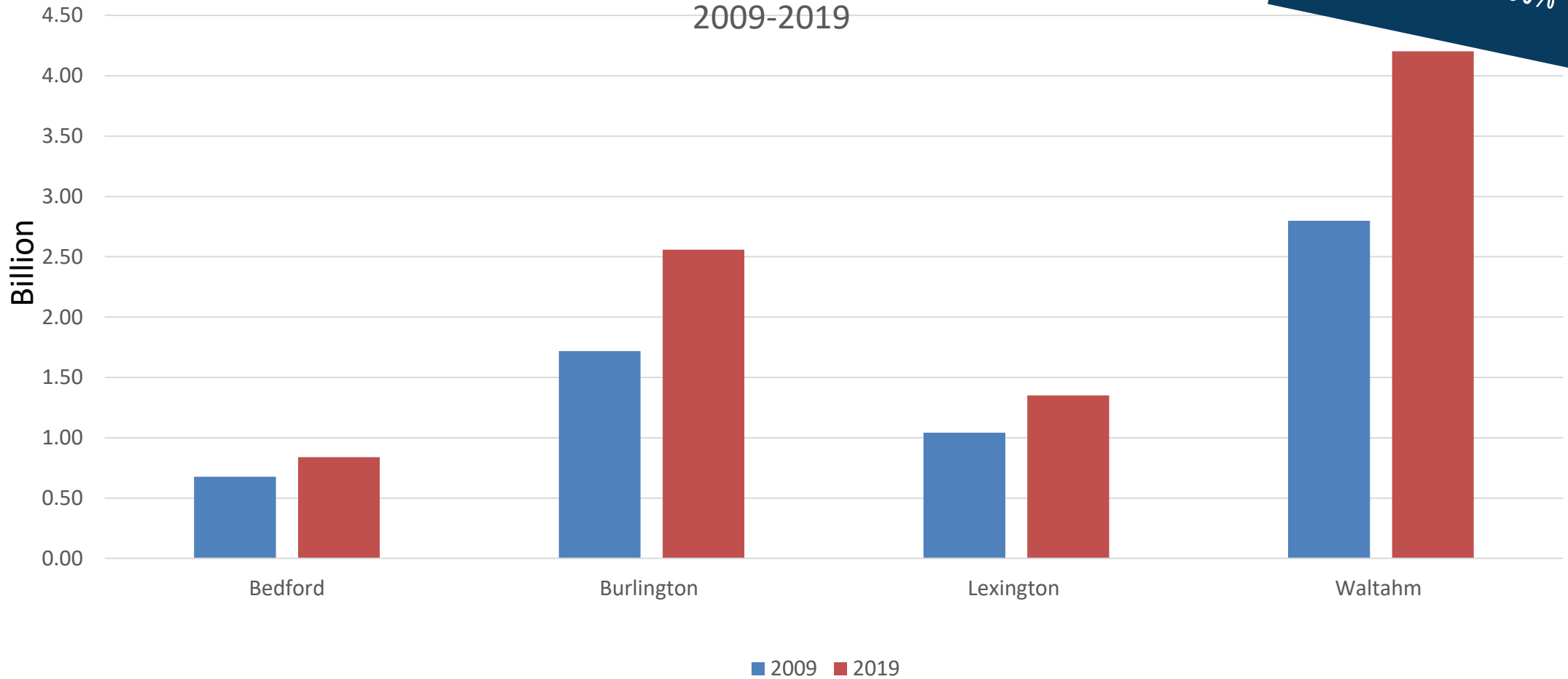


For C-I-P to have kept the same proportion in 2019 as 1982 (20.95%) – it would have needed to be \$2.5 billion or \$1.15 billion higher which equates to an 85% increase in C-I-P value...

5x 1982-2019

CIP ASSESSED VALUE COMPARISON

Total CIP Assessed Value Compared
2009-2019

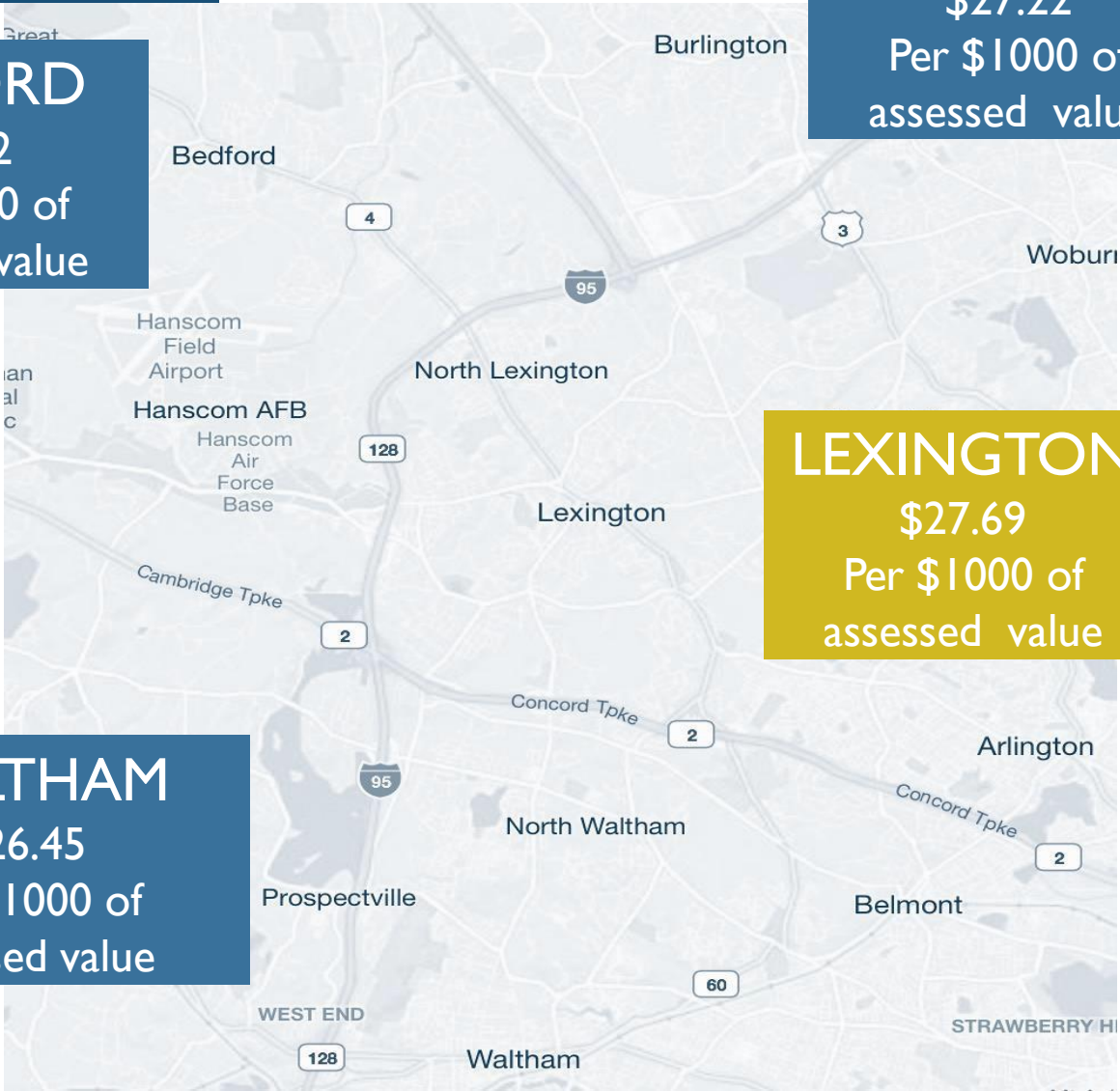


Increased CIP Values:
Bedford 24%
Burlington 49%
Waltham 50%
Lexington 30%

COMMERCIAL TAX RATE IN SURROUNDING AREAS

BEDFORD
\$28.42
Per \$1000 of assessed value

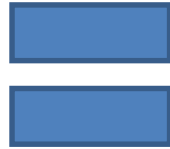
BURLINGTON
\$27.22
Per \$1000 of assessed value



LEXINGTON
\$27.69
Per \$1000 of assessed value

WALTHAM
\$26.45
Per \$1000 of assessed value

COMMERCIAL TAX RATE



2019 Tax Rates
Commercial = \$27.69
Residential = \$14.30

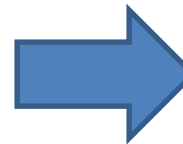
Small & Independent
Businesses pay the
same as large
corporate entities

Split tax rate adopted
in 1980

Value vs. Revenue FY19

Commercial properties account for 9% of value but contribute 17% of the tax revenue due to the split tax rate

Property Type	Assessed Value	% of Total
Commercial & Industrial	\$1.1B	9%
Personal Property	\$197M	2%
Residential	\$10.5B	89%
Total	\$11.8B	



Property Type	Tax Revenue Billed	% of Total
Commercial & Industrial	\$31.5M	17%
Personal Property	\$5.3M	3%
Residential	\$149M	80%
Total	\$185.8M	



How we spend our money

BASIC DEMOGRAPHICS

33,110
POPULATION

48
MEDIAN AGE

\$162,506
MEDIAN HOUSEHOLD
INCOME

11,531
HOUSEHOLDS



\$936,700
MEDIAN HOME VALUE

2.70
AVERAGE HOUSEHOLD
SIZE

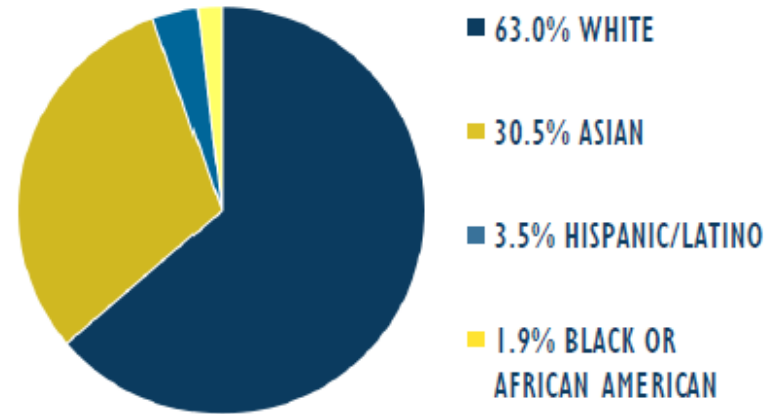
75%
OWNER OCCUPIED
HOUSING

EDUCATION STATISTICS



2%	6%	10%	82%
NO HIGH SCHOOL DIPLOMA	HIGH SCHOOL GRADUATE	SOME COLLEGE	BACHELOR'S/GRAD/PROF DEGREE

DIVERSITY



HOUSEHOLD SPENDING

ANNUAL HOUSEHOLD SPENDING



\$13,985
HEALTH CARE



\$11,406
GROCERIES



\$8,508
EATING OUT



\$5,440
APPAREL &
SERVICES



\$429
COMPUTERS &
HARDWARE

ANNUAL LIFESTYLE SPENDING



\$6,434,
TRAVEL



\$221
THEATRE/OPERAS/
CONCERTS



\$212
MOVIES/MUSEUMS/
PARKS



\$181
SPORTS
EVENTS



\$11
ONLINE
GAMES

Retail Marketplace Profile

High Leakage	Factor
Drinking Places	96
Other General Merchandise Stores	96
Building Material & Supplies	88
Books, Periodicals, & Music Stores	78
Specialty Food Stores	70

Leakage/Surplus Looks at:

- Supply = retail sales
- Demand = retail potential
- Uses the North American Industry Classification System (NAICS) to classify business by activity

Provides:

- Leakage/Surplus factor
 - +100 total leakage/- 100 total surplus

Low Leakage	Factor
Lawn & Garden Equipment and Supplies	15
Health and Personal Care Stores	16
Automobile Dealers	27
Restaurants/Other Eating Places	45
Shoe Stores	47



Real Estate Market: Vacancy & Rents

Average Lease Costs

Current Average Lease Cost Per SF by Type Lexington v Cambridge - 2019

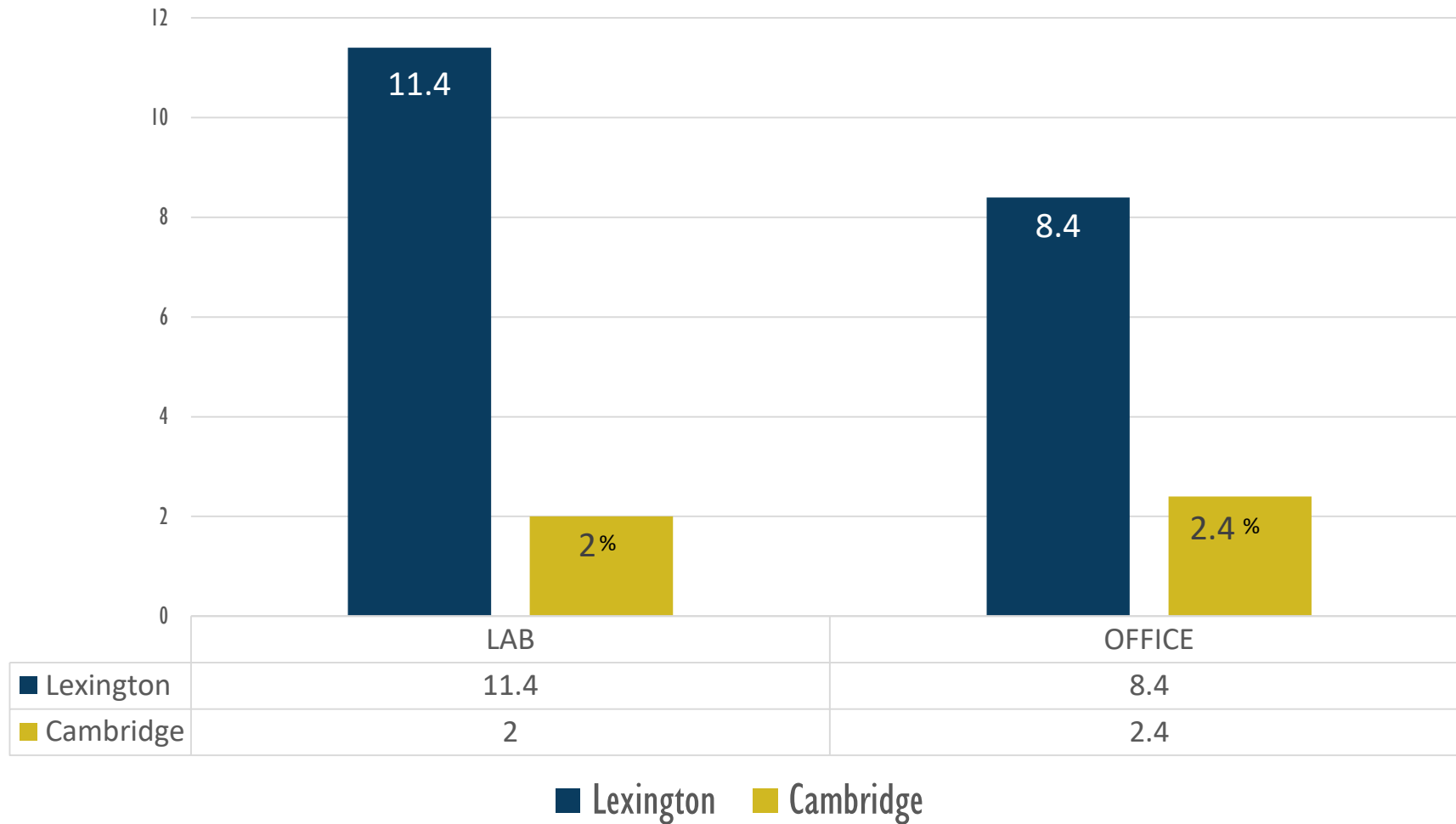


Lexington's commercial is generally half the cost per sf than Cambridge

■ Lexington ■ Cambridge

AVERAGE LEASE AND VACANCY

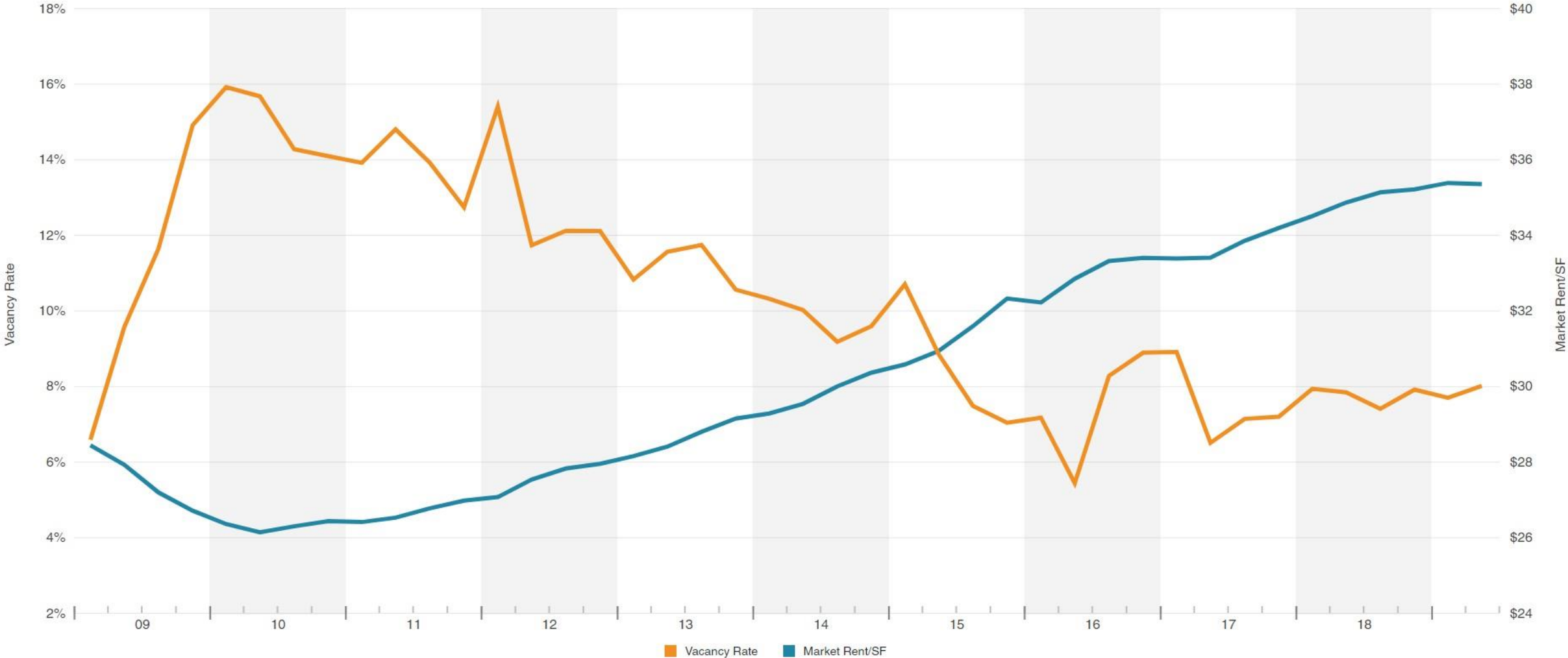
Vacancy by Type and Location- 2019



LEXINGTON'S VACANCY & MARKET RATES

Vacancy & Market Rent Per SF

History 1Y 3Y 5Y 10Y All





Growing Sector: Visitor-based economy



Hotel Tax
\$902,617



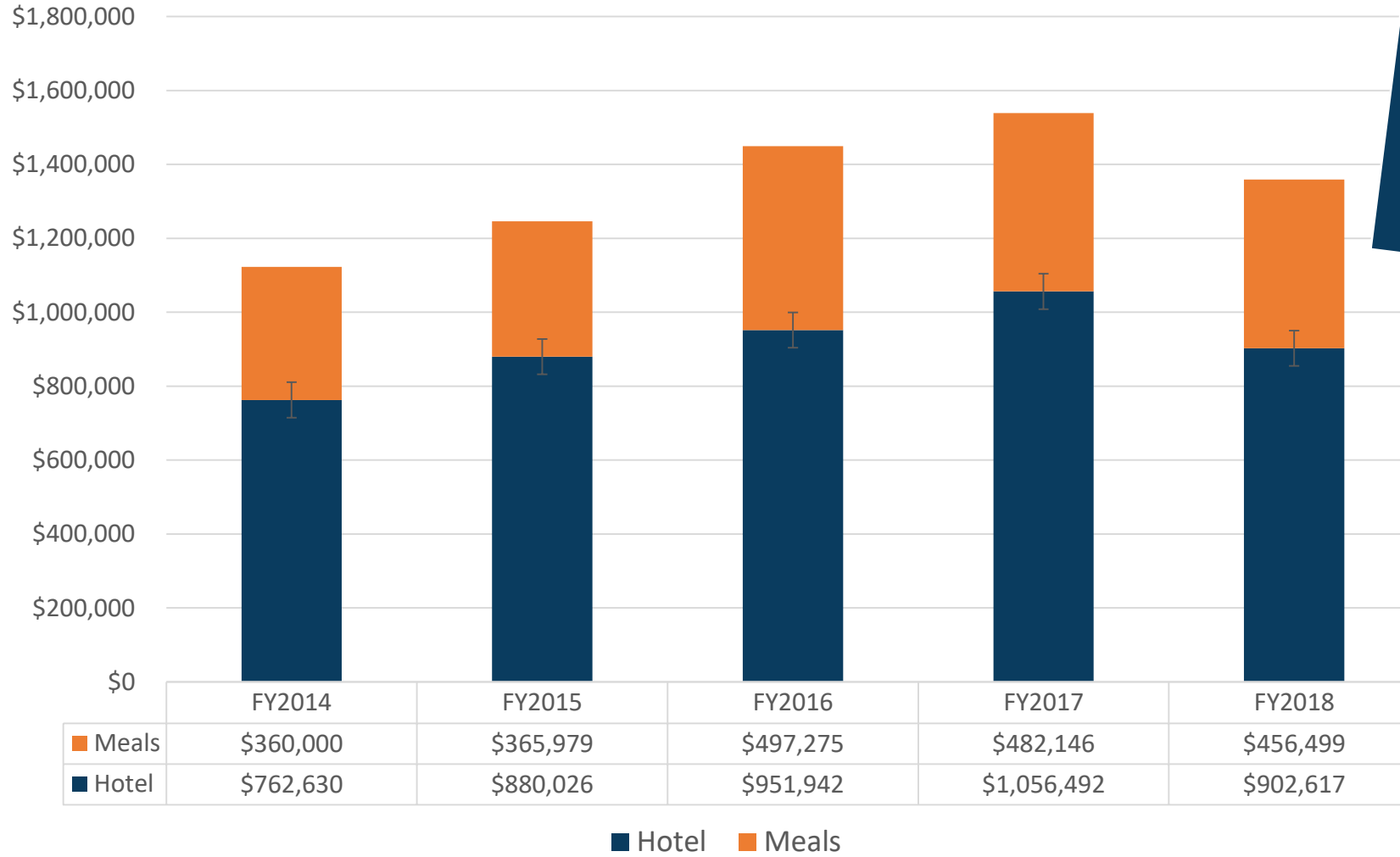
Meals Tax
\$456,499



**Annual
FY18 Total
\$1.36M**

Hotel & Meals Tax Revenues

Hotel & Meals Tax Revenue in Lexington



\$1.34M per year avg
Hotel & Meals

68% Hotels
32% Meals

Yearly average based on
FY14-FY18

Other Tourism and Cultural Programs



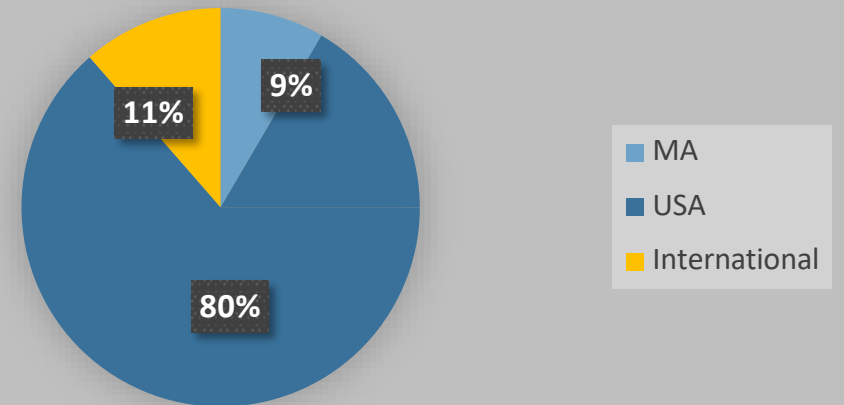
Visitors Center Visitorship



120,000 people

Visitor Center Annual Average

Visitors Center Guestbook General Destination Breakdown



TOWN OF LEXINGTON MASSACHUSETTS

Economic Development Office
1625 Massachusetts Avenue
Lexington, MA 02420
781-862-0500

mtintocalis@lexingtonma.gov

