



4

Economic Development

Commercial and industrial land uses are crucial to Watertown's overall fiscal health. Maintaining and growing businesses not only provides residents with jobs but also shops and restaurants to patronize, influencing the quality of life in town.

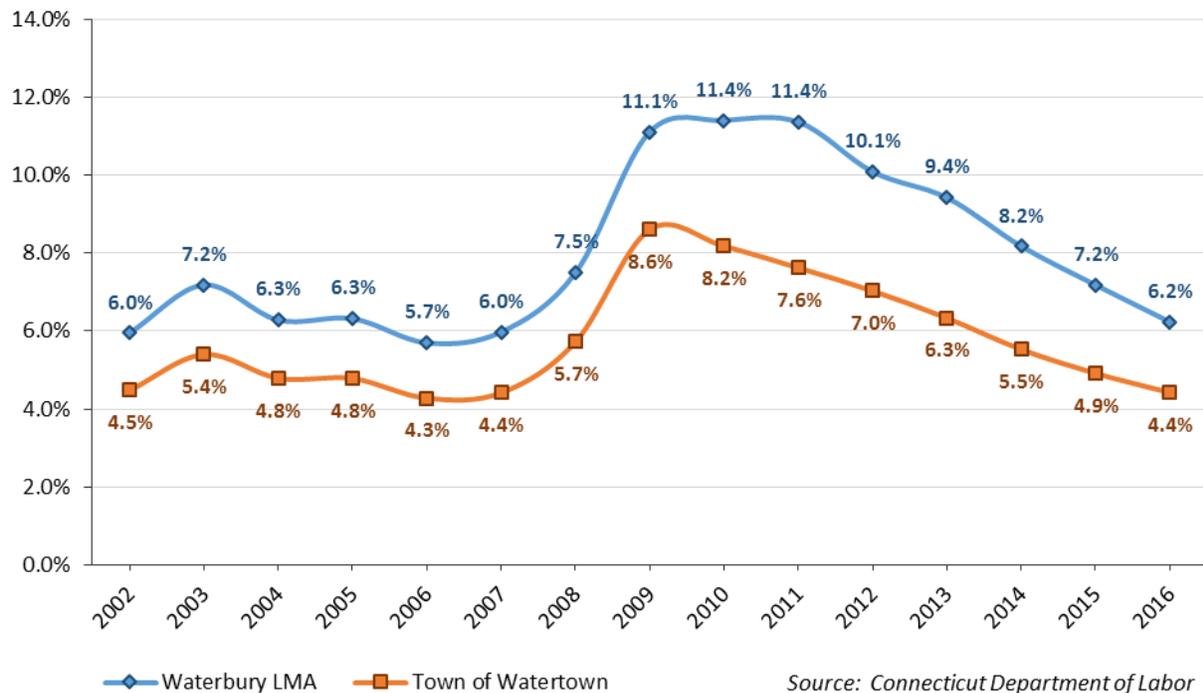
Like the state and nation as a whole, Watertown's economy has undergone a structural shift from manufacturing to services over the last several decades. However, manufacturing remains an important part of the local economy. Watertown's economy is closely linked to state and regional economic conditions. Many residents commute to jobs in other parts of the state, and similarly, many Watertown businesses employ workers who live in nearby towns and cities. Therefore, it is important to view the economy through a regional lens. Watertown is part of the larger Waterbury Labor Market Area (LMA), which also includes Beacon Falls, Bethlehem, Middlebury, Naugatuck, Prospect, Waterbury, Wolcott, and Woodbury.

Labor Force and Employment

Watertown's labor force consists of residents age 16 and older who are employed or are unemployed and looking for work. As of 2016, there were 12,965 residents in the labor force. There are 12,392 employed residents and 573 unemployed residents, resulting in an unemployment rate of 4.4%, which is below both that of the state (5.1%) and LMA (6.2%) and mirrors both state and regional trends. The unemployment rate rose sharply between 2007 and 2009, peaking at 8.6% during the height of the Great Recession. The unemployment rate has dropped each year since its 2009 peak, reaching 4.4% in 2016, a level not seen since the mid 2000s. Over the last decade, the Waterbury LMA has had the highest unemployment rate of any LMA in the state. However, Watertown's unemployment rate has historically been between 2% and 3% lower than the Waterbury LMA as a whole.

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Figure 4-1. Local, State, and Regional Unemployment Trends: 2005 to 2016



Workforce

According to 2016 data from the Connecticut Department of Labor, Watertown is home to 569 businesses and 8,265 total jobs. Manufacturing is the largest sector in the local economy, making up 27.3% of all jobs in Watertown. The next largest sectors are Retail Trade (16.4%), Health Care and Social Assistance (10.2%), and Government (9.3%). The average wage for Watertown workers is \$47,591 per year, which is about 27% lower than the state average wage of \$65,526. The highest paid sectors in Watertown are Construction (\$74,444), Wholesale Trade (\$69,130), and Manufacturing (\$62,353). A complete breakdown of average wages by sector can be seen in Figure 4-2.

Like all communities across the state and nation, Watertown businesses were adversely impacted by the recession of the late 2000s and early 2010s. Watertown's employment declined from 8,784 jobs in 2007 to 7,631 jobs in 2010. However, Watertown has added jobs each year since 2010, growing at an average rate of 1.3% annually during that period.

Watertown has yet to recover to prerecession employment levels. As of 2016, Watertown still has 520 fewer jobs than it did in 2007, a decline of 5.9%. However, the recovery has been uneven across sectors as shown in Figure 4-3. Manufacturing jobs declined by 855 jobs or 27.5% between 2007 and 2016. Most manufacturing jobs were lost between 2007 and 2010, and employment has remained stable since 2010. Other sectors that lost jobs between 2007 and 2016 include construction (loss of 87 jobs), information (loss of 35 jobs), and wholesale trade (loss of 35 jobs). The four sectors that lost the most jobs also happen to be the four highest-paid sectors of the local economy. As discussed in Chapter 3, more Watertown residents are working outside of Watertown than in the past. The loss of local jobs

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may be one of the contributing factors to this shift as residents who have lost local jobs may now commute to jobs elsewhere in Connecticut, leading to increased commute times.

Other sectors have rebounded to prerecession levels, including accommodation and food services (gain of 297 jobs) and retail trade (gain of 159 jobs) with average wages well below the town average. The replacement of high-paying jobs with low-paying jobs may ultimately lead to a decrease in consumer spending and result in negative impacts to tertiary sectors of the economy such as retail, food services, and personal services.

Figure 4-2. Average Annual Wage in Watertown, by Sector: 2016

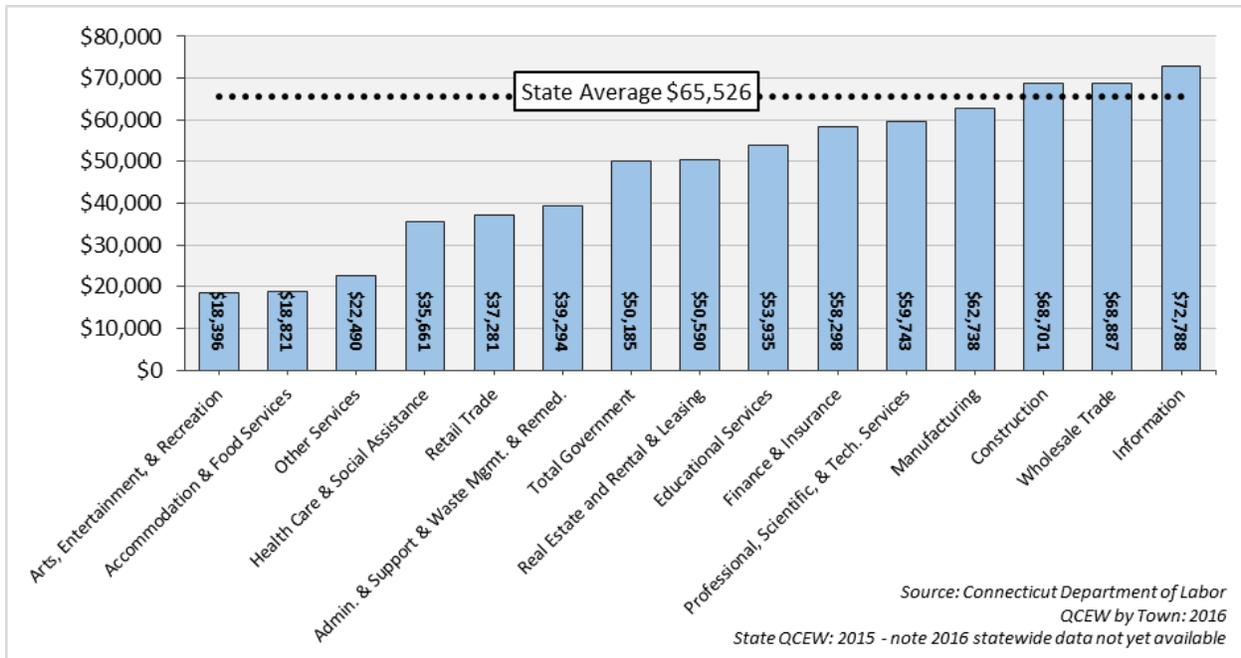
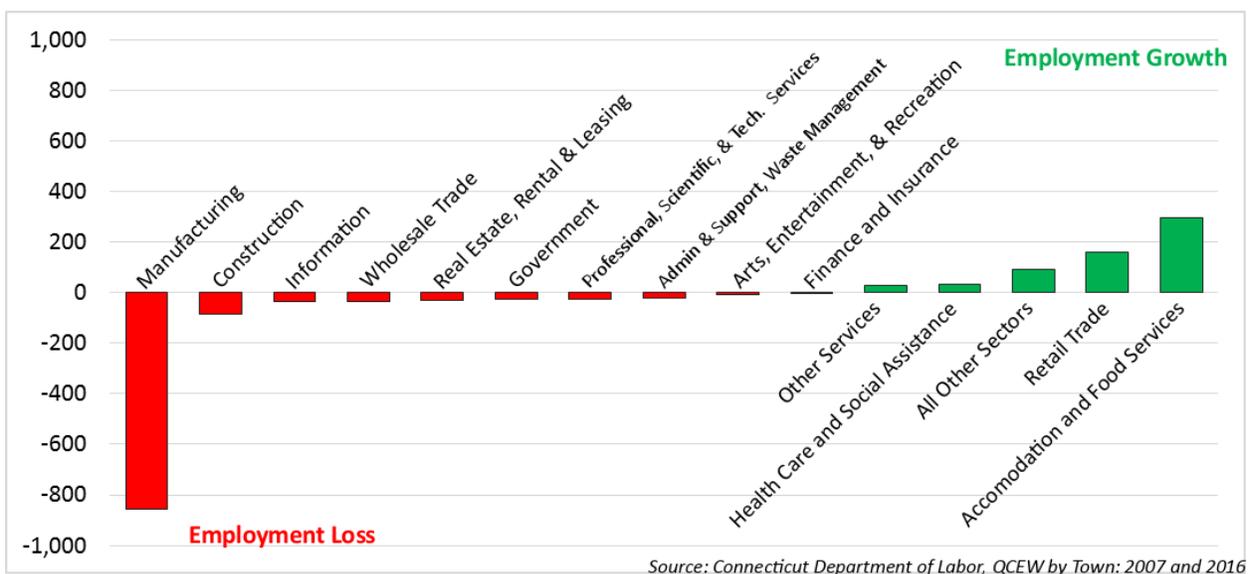
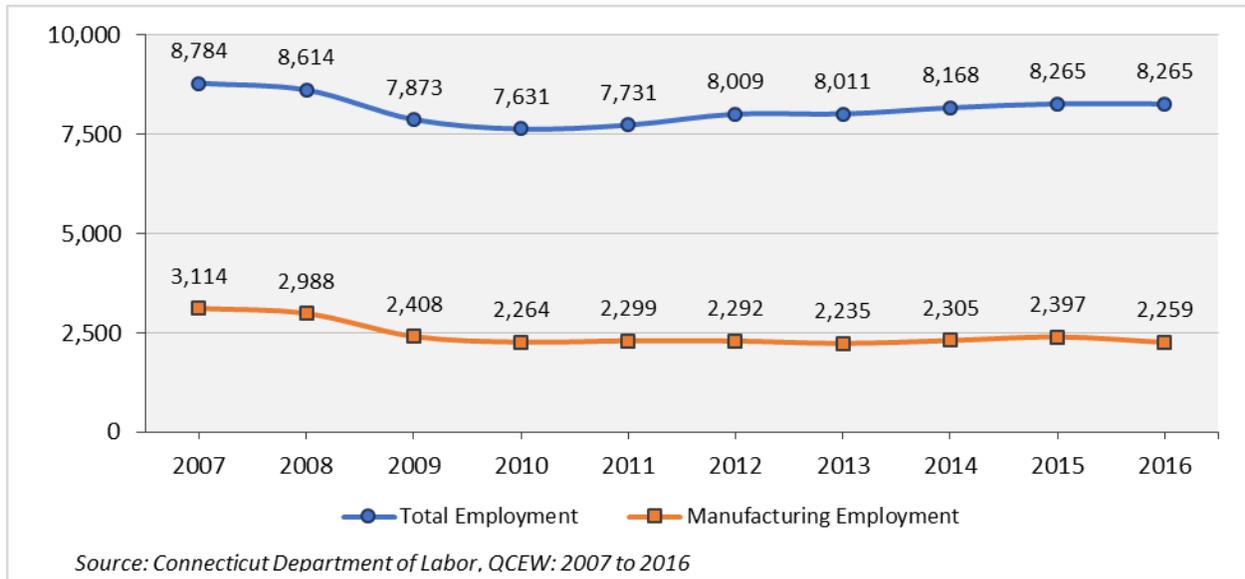


Figure 4-3. Change in Number of Jobs in Watertown, by Sector: 2007 to 2016



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Figure 4-4. Total Employment and Manufacturing Employment in Watertown: 2007 to 2016



Local government, including the Watertown Board of Education, has 600 employees, making it the largest employer in town. The Watertown Board of Education employs 467 persons while an additional 133 persons work in town government. However, most of the workers in Watertown work for private-sector businesses. Table 4-1 shows the top 10 private-sector employers in Watertown for 2007 and 2016. As of 2016, seven of the top 10 largest private employers are manufacturers, led by Global Steering Systems (338 employees), the Siemon Company (300 employees), and Albea (300 employees). The largest nonmanufacturing employers are Taft School (235 employees) and Super Stop & Shop (180 employees). Only four of the top 10 private businesses were among the top private employers in 2007.

Table 4-1. Principal Employers in Watertown: 2007 and 2016

Business Name	Nature of Business	2016		2007	
		Employees	Rank	Employees	Rank
Global Steering Systems	Manufacturer	338	1	-	-
The Siemon Company	Manufacturer	300	2	400	2
Albea	Manufacturer	300	2	-	-
The Taft School	Private School	235	4	250	3
Crystal Rock	Manufacturer - Bottled Water	230	5	-	-
Super Stop & Shop	Supermarket	180	6	200	6
PM Engineered Solutions	Manufacturer	175	7	-	-
Braxton Manufacturing	Manufacturer	165	8	170	7
Apple Rehab	Health Care	125	9	-	-
Turelove & Maclean	Manufacturer	120	10	-	-
LaBonnes Market	Supermarket	-	-	165	9
Eyelematic Manufacturing Company	Metal Stamping Manufacturer	-	-	203	5
Bristol Babcock Corporation	Instrumentation Devices	-	-	220	4
Engineered Sinterings & Plastics, Inc.	Thermosetting Material	-	-	165	8
Waterbury Extended Care	Health Care	-	-	130	10
Timken Co.	Manufacturer	-	-	505	1

Source: Town of Watertown, Comprehensive Annual Financial Report: June 30, 2016

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As discussed in Chapter 3, Watertown businesses rely on a regional workforce to fill their positions. As of 2014, only 22% of Watertown jobs were filled by Watertown residents, and the remaining 78% of employees live in surrounding towns and cities.

Grand List Trends

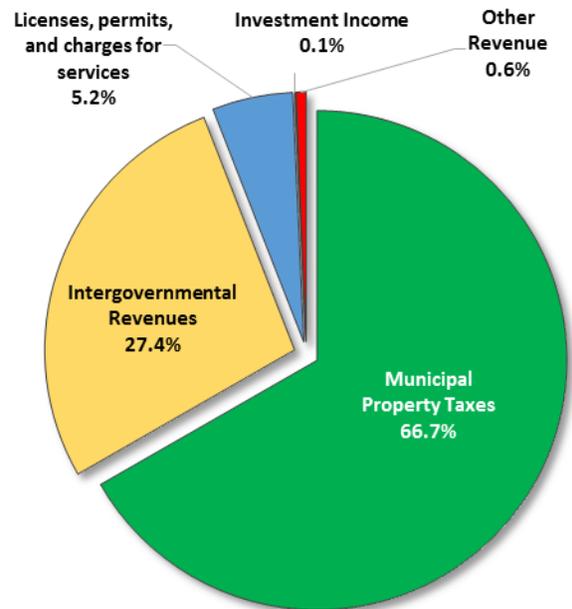
As of Fiscal Year (FY) 2016, Watertown received a total of \$78.8 million dollars in revenue. Municipal property taxes are the primary source of revenue for the Town of Watertown, accounting for 66.7% of all revenues. Intergovernmental revenues such as state and federal grants, and payments in lieu of taxes (PILOT) account for an additional 27.3% of revenues. Licenses, permits, and charges for services comprise 5.2% of revenues while investment income and other revenue account for 0.1% and 0.6% of revenues, respectively.

Municipal property taxes comprise the largest portion of the town's annual revenue with residential uses and apartments comprising 68.6% of the town's total property tax revenue. Commercial, industrial, and utility properties make up an additional 13.0% of property tax revenue. The remaining revenues are split between personal property (8.2%) and motor vehicle taxes (10.1%).

Equalized grand lists and equalized mill rates are normalized to account for differences in revaluation years and assessment ratios by applying an "equalization factor." The equalization factor divides total assessed value by the total market value. The result is the equalized net grand list, which is the total market value of all property in a municipality. Figure 4-7 compares Watertown's equalized net grand list to Connecticut as a whole. Overall, Watertown has a similar grand list composition to other communities in Connecticut.

As of FY 2016, Watertown's equalized mill rate was 30.10, which ranked 95th out of 169

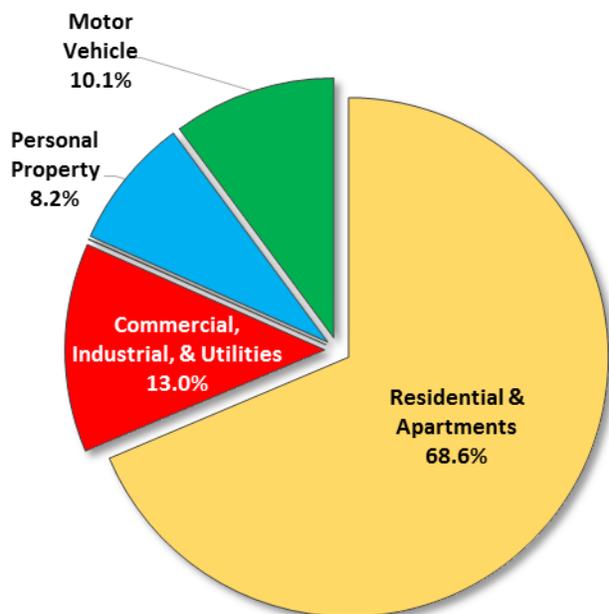
Figure 4-5 FY2016 Revenues by Funding Source



Total Revenue: \$78,828,370

Source: Town of Watertown Comprehensive Annual Financial Report, 2016

Figure 4-6 FY2016 Gross Grand List, by Property Type



Total Gross Grand List: \$1,796,982,000

Source: Town of Watertown Comprehensive Annual Financial Report, 2016

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municipalities in Connecticut. The mill rate is strongly correlated with property values. Municipalities with high property values usually have lower property tax rates than municipalities with low property values. Recent changes in the real estate market have also influenced local property tax rates. During the last revaluation between FY2014 and FY2015, Watertown's net grand list dropped by \$244 million or 12.4%. The drop in property values was primarily caused by the national depreciation of real estate values in the wake of the late 2000s recession and housing bubble. To compensate for the smaller net grand list, the mill rate rose from 25.09 to 29.12, an increase of 16.1%. Over the next decade, Watertown will need to grow its grand list in order to keep its mill rate stable.

Figure 4-7. Comparison of Watertown and Connecticut Equalized Net Grand List

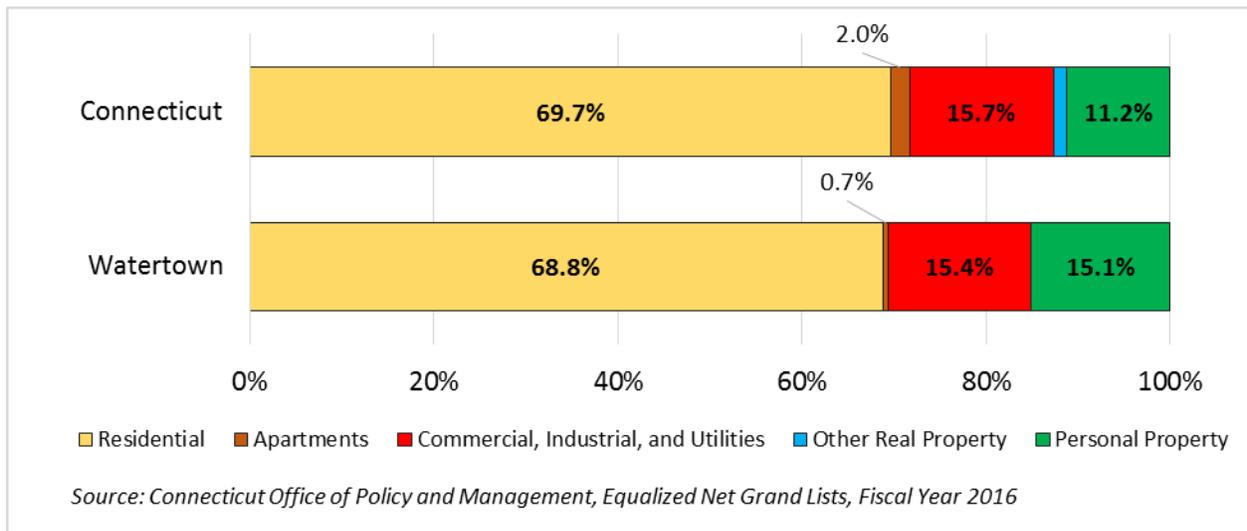
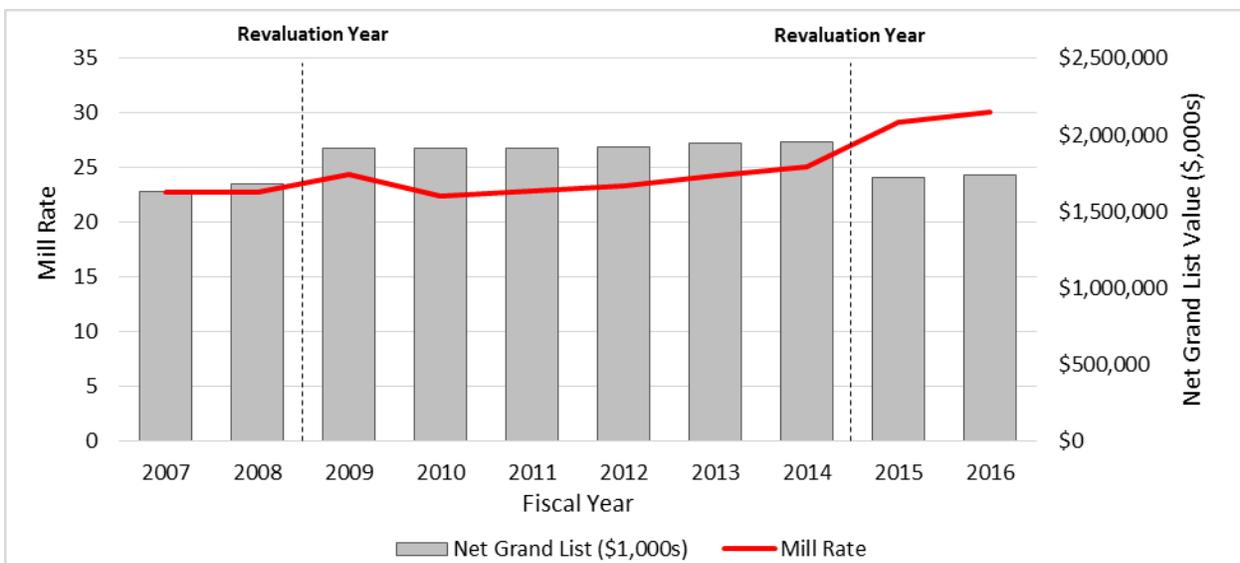


Figure 4-7. Watertown Mill Rate and Grand List Trends: FY2007 to FY2016



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Table 4-2. Principal Property Taxpayers as of October 1, 2014

Rank	Taxpayer	Nature of Business	Taxable Assessed Value (\$1,000)	Percentage of Net Taxable Assessed Value
1	Connecticut Light & Power	Utility	\$26,797	1.54%
2	The Siemon Company	Manufacturing	\$19,700	1.13%
3	Siemon Realty Company	Real Estate	\$7,905	0.45%
4	JSD Partners	Manufacturing	\$7,884	0.45%
5	Global Steering System	Manufacturing	\$7,444	0.43%
6	Greenbriar Associates, LLC	Real Estate	\$7,222	0.42%
7	ANSTRO Manufacturing Co.	Manufacturing	\$6,989	0.40%
8	Truelove & MacLean, Inc.	Manufacturing	\$6,767	0.39%
9	Straits Commercial Association, LTD	Supermarket	\$5,950	0.34%
10	Yankee Gas	Utility	\$5,177	0.30%
Total Top 10			\$101,835	5.86%

Source: Town of Watertown Comprehensive Annual Financial Report, FY2016

Watertown's 10 largest taxpayers, which are seen in Table 4-2, together comprise nearly 5.9% of the town's total property tax base. Connecticut Light & Power is Watertown's largest taxpayer and owns 1.54% of the town's taxable property.

Local Initiatives

Brownfields Redevelopment

Brownfield remediation and redevelopment remain priorities for the town. Watertown is a member of the Regional Brownfields Partnership (RBP) of West Central CT, which allocates state and federal funds for the assessment and remediation of brownfield sites in Watertown and 26 surrounding communities. Since 1996, the RBP has funded for four projects in Watertown as described in Table 4-3.

Table 4-3. List of Projects Funded through the Regional Brownfields Partnership (RBP)

Project Name	Project Location	Description
Greenway Park	Main Street	Assessment of 3 acre former rail line intended for the Steel Brooke Greenway Trail
Steele Brook Greenway	0 French Street	Ongoing Phase I and Phase II investigations of two former rail line properties
Watertown Landfill	Old Baird Road	Former municipal landfill and current transfer station
Old Pin Shop Pond	Main Street	Phase I ESA completed on sediment upstream of Pin Shop Pond dam

Source: Naugatuck Valley Council of Governments

Other contaminated properties, such as the Sealy site, have also received state and federal environmental funds for remediation. The Sealy site covers two properties totaling 9.35 acres located at 25 Hillside Avenue in the center of Oakville. The site was formerly used as an office space, warehousing facility, and mattress assembly plant. To date, there has been substantial cleanup of the property including soil remediation, asbestos abatement, and the demolition of a vacant manufacturing building.

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Remediation is ongoing at the Sealy site. While some buildings have been demolished, the building on the upper portion of the site remains. One of the challenges to redeveloping the Sealy property is the restrictive underlying zoning regulations. The property is currently in the Oakville Central Business (B-C) district, which only allows principal uses with a gross floor area of 20,000 square feet or less. The current building has nearly 100,000 square feet of gross floor area. If the building were demolished, a new building only one-fifth the size could be built in place. The town should consider granting additional zoning flexibility to brownfield properties in order to remove one of the barriers to redevelopment.

Route 262 and Echo Lake Road Industrial Area

Watertown's largest tracts of developable nonresidential land are found in Watertown's industrial zones along Route 262 and Echo Lake Road. While this area has excellent access to Route 8, the lack of sanitary sewer and water infrastructure has impeded industrial development in the past. However, over the last few years, the state has made improvements to infrastructure in this area as part of the CT Transit Bus Maintenance Facility project on Frost Bridge Road. Water service was extended to Frost Bridge Road via a 12-inch water main along Echo Lake Road. Sanitary sewer service was also extended to Frost Bridge Road via Route 262. Like the 2007 plan, the 2017 plan recommends that the town undertake a special economic development study of this area that would include market feasibility, development strategies, cost estimates for site work and infrastructure improvements, available financing and resources, and marketing strategies.

Watertown Oakville Chamber of Commerce

The Watertown Oakville Chamber of Commerce is a division of the Waterbury Regional Chamber of Commerce, which serves Watertown and 112 surrounding communities. The Chamber provides a variety of resources to businesses in the region, including promotion and networking, legislative advocacy, professional development, and business development.

Community Events

The Town of Watertown hosts special events throughout the year that support local businesses, including parades, festivals, and other special events. The Parks & Recreation Department hosts "Night Out on Main Street" events four times per year. These events bring together local businesses, residents, visitors, and entertainment.



"Night Out on Main Street" events bring together local businesses, residents, visitors, and entertainment.

Economic Development Commission

At the local level, the town has an Economic Development Commission comprised of seven members appointed by the Town Council. The town has a part-time economic development coordinator to assist in promoting business development, guiding business owners through the permitting process, and retaining businesses in Watertown.