



# KEY TAKEAWAYS • ECONOMIC DEVELOPMENT.

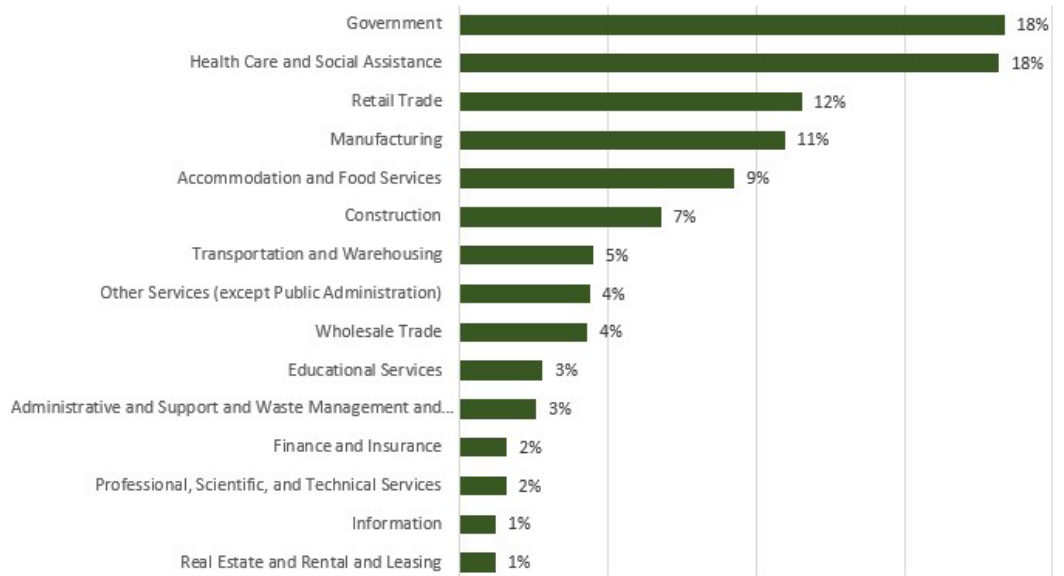
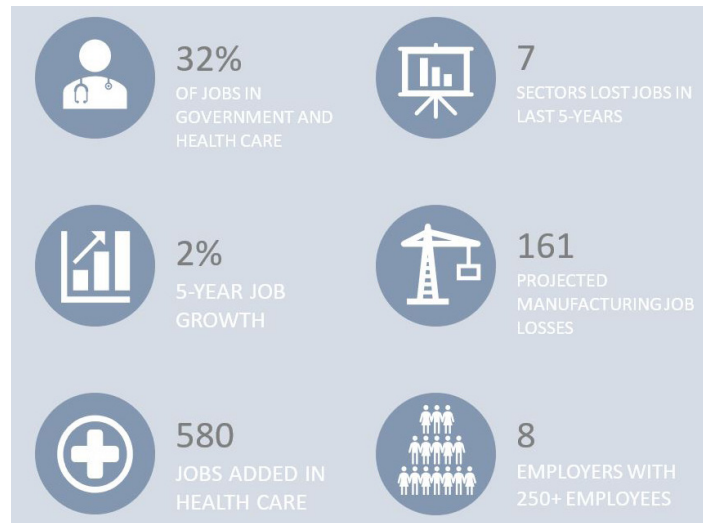
## WHY ECONOMIC DEVELOPMENT MATTERS

Economic development is the source of a community’s wealth and well-being. This requires continual investment that enhances its human, built, and natural resources. A community that invests in education and training, housing, infrastructure, and public services sets the stage for its economic success. An economically healthy community supports its employers and maintains the day-to-day services that contribute to the quality of life for its residents.

### INDUSTRY SECTORS

Historically, job growth in Chicopee kept pace with Massachusetts from 2008 to 2014. Since 2014, however, the City’s employment growth has slowed and now lags behind the Commonwealth while remaining similar to the MSA. Over the last five years, Health Care—and to a lesser extent, Accommodation and Food Services, Transportation and Warehousing, and Construction—have driven job growth in Chicopee. Over the next five years, through 2023, Health Care is expected to continue to add the most jobs while Manufacturing is anticipated to shed more jobs.

Chicopee’s largest industry sectors in terms of jobs include Government and Health Care/Social Assistance, each of which comprise about 18% of the City’s employment base. Government positions in Chicopee span City, Commonwealth, and federal levels. Other top sectors include Retail Trade (12% of jobs) and Manufacturing (11% of jobs). Notably, manufacturing makes up a larger proportion of employment in Chicopee than in the broader MSA, the Commonwealth, and the nation. While manufacturing employment has trended downward, it remains a key contributor to the City’s gross regional product (GRP).



## SKILLED LABOR FORCE

A lower percentage of Chicopee’s residents hold a bachelor’s degree (18.8%) compared to residents of the MSA (33.6%), the Commonwealth (44.1%), and the nation (32.5%). From a workforce perspective, this means that Chicopee is currently best positioned to grow and attract industries less reliant on a highly educated labor force, such as manufacturing, construction trades, transportation/logistics, retail, and hospitality. However, the entire region is struggling to attract the skilled workforce needed for advanced manufacturing and other modern industries. Investments in improving educational levels and workforce training in Chicopee can only help expand job opportunities for residents and attract and maintain employers.

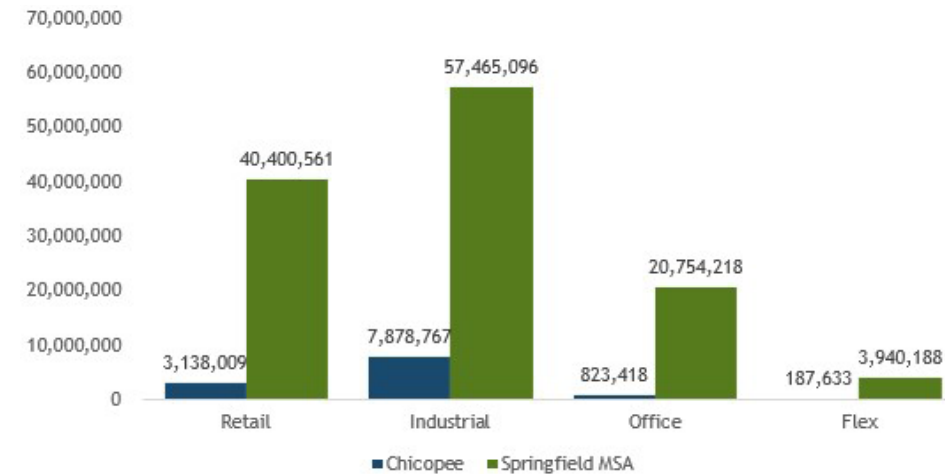
## COMMERCIAL VACANCIES

Commercial vacancy rates in Chicopee are low. As of the end of 2019, the vacancy rate in the retail, industrial, office, and flex real estate markets were all below 3.5% and are lower than vacancy rates in the broader MSA. These rates have trended downward over the last decade. While vacancies are low, very little new inventory has been delivered in recent years, with only about 20,000 SF of net new space was added across all commercial real estate types since 2014. All this new inventory has been in retail space, with no additional industrial or flex space, and a small decrease in office space. This points to a soft market with both limited demand and limited supply. In many cases, rents are not high enough to support new construction or significant renovations of existing commercial buildings, while limited availability of existing space may hinder the City’s ability to attract new commercial space users.

### Commercial Vacancy Summary

Geography	Inventory - Buildings	Inventory - SF	New Inventory 2014-YTD	Vacant SF	Vacancy Rate
<b>Retail Market</b>					
Chicopee	390	3,138,009	23,517	44,721	1.4%
Springfield MSA	3,784	40,400,561	152,038	1,203,906	3.0%
<b>Industrial Market</b>					
Chicopee	135	7,878,767	0	228,325	2.9%
Springfield MSA	1,293	57,465,096	242,850	2,572,792	4.5%
<b>Office Market</b>					
Chicopee	89	823,418	(3,500)	27,822	3.4%
Springfield MSA	1,258	20,754,218	166,815	1,520,809	7.3%
<b>Flex Market</b>					
Chicopee	5	187,633	0	4,484	2.4%
Springfield MSA	115	3,940,188	(11,230)	124,682	3.2%

Source: CoStar



Source: CoStar

### Commercial Inventory (square footage)

## LEADING ECONOMIC DEVELOPMENT

Chicopee does not have a dedicated person or department specifically charged to spearhead economic development in the City. In the absence of one, the City’s Office of Community Development and Department of Planning and Development play important roles championing economic development efforts from the municipal side. Several non-municipal organizations play an important role in Chicopee’s economic development activities, these include the Economic Development Council of Western Massachusetts (EDC), Westmass Area Development Corporation (Westmass), Westover Metropolitan Development Corporation (WMDC), and MassDevelopment.