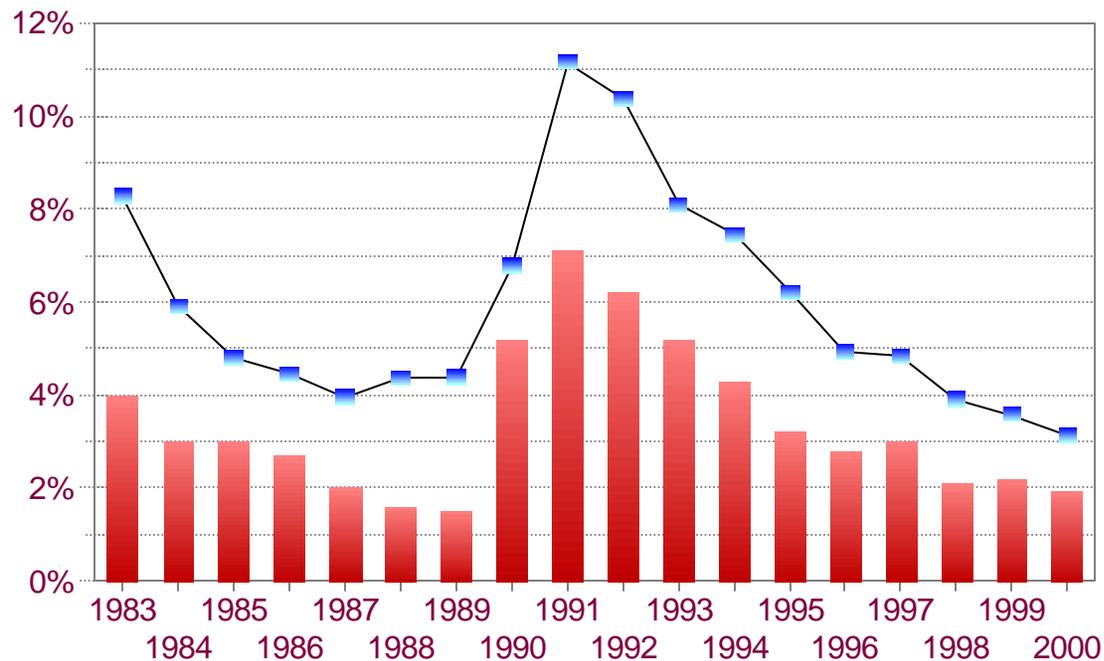


Economy & Employment

Local and regional unemployment

Unemployment Rate Trends (1983-2001)

Williamstown & Berkshire Co.



- The rate of unemployment among Williamstown residents has historically averaged 2 to 4 percentage points lower than the County average
- Local unemployment has averaged below 2% since 1998

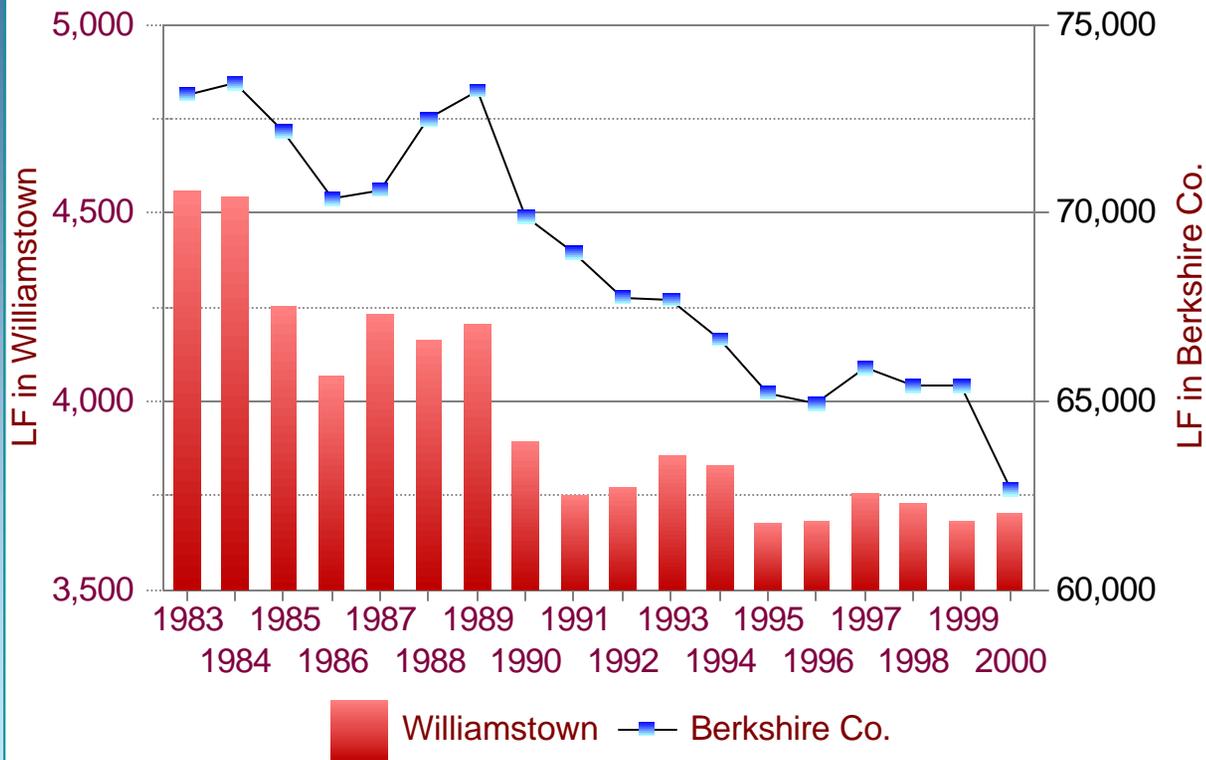
Source: MA DET

Williamstown — Berkshire Co.

Labor Force

Labor Force Trends (1983-2001)

Williamstown & Berkshire Co., MA



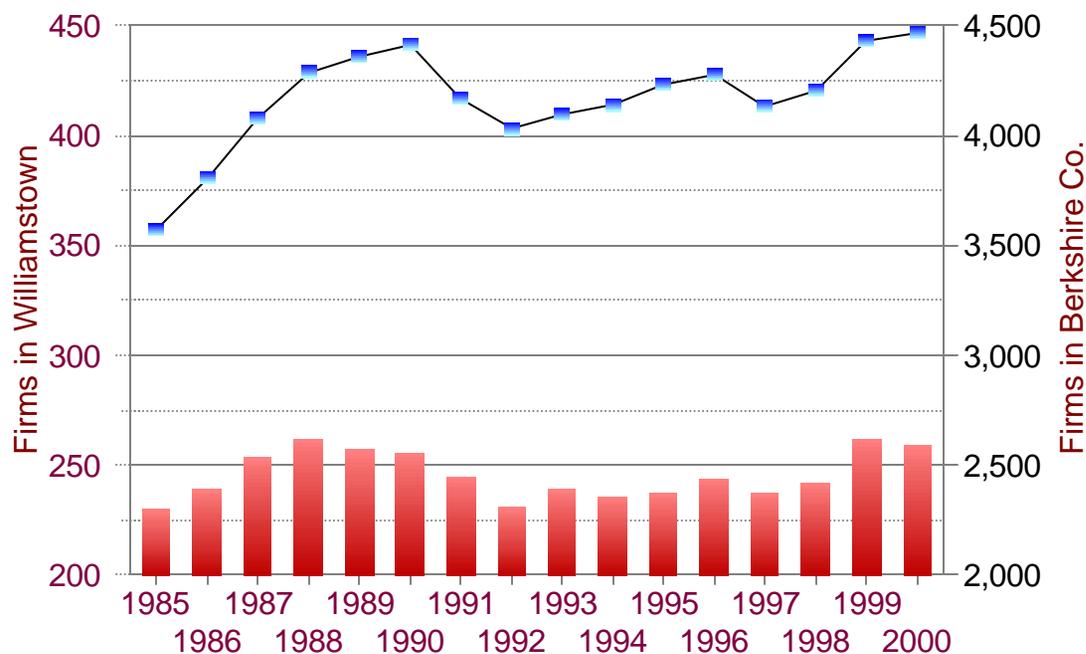
Source: MA DET

- Declining local and regional unemployment rates have been more a function of labor force declines than job growth
- The number of working Williamstown residents has declined by more than 750 since the mid-1980s

Business Formations

Establishment Trends (1985-2000)

Williamstown & Berkshire Co., MA



Source: MA DET

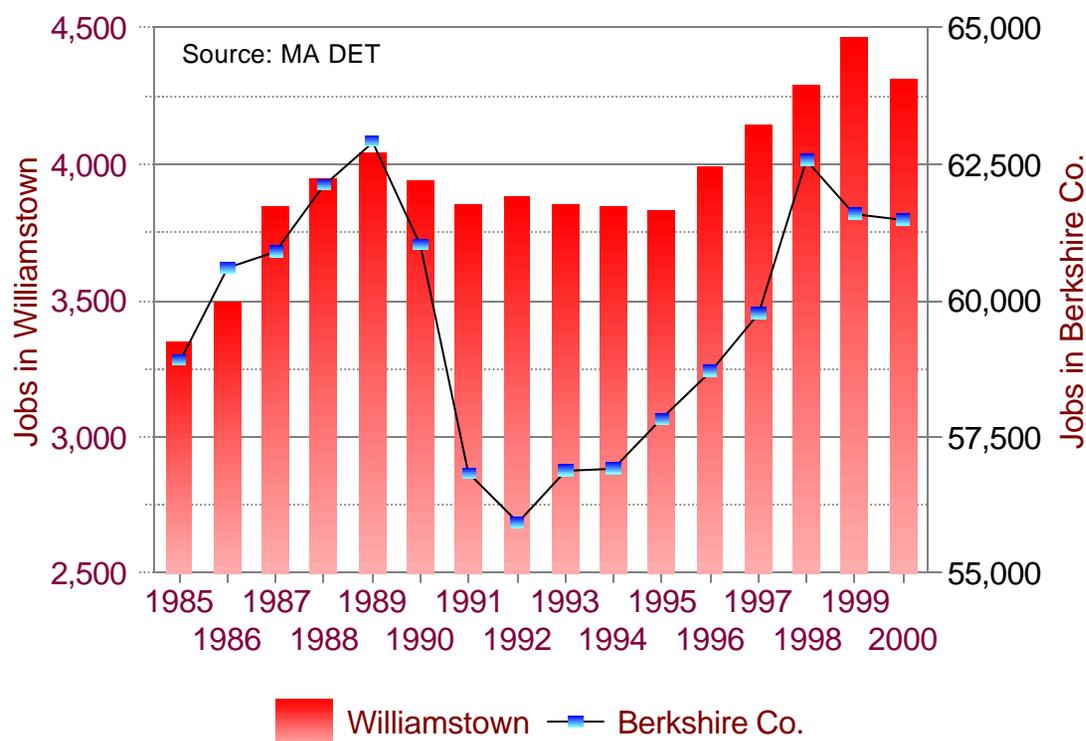
Williamstown — Berkshire Co.

- The number of businesses in Williamstown totals slightly above 250, the same number which existed in 1988
- The number of businesses in Berkshire County also recently exceeded pre-1990 levels

Employment Trends

At Place Employment Trends

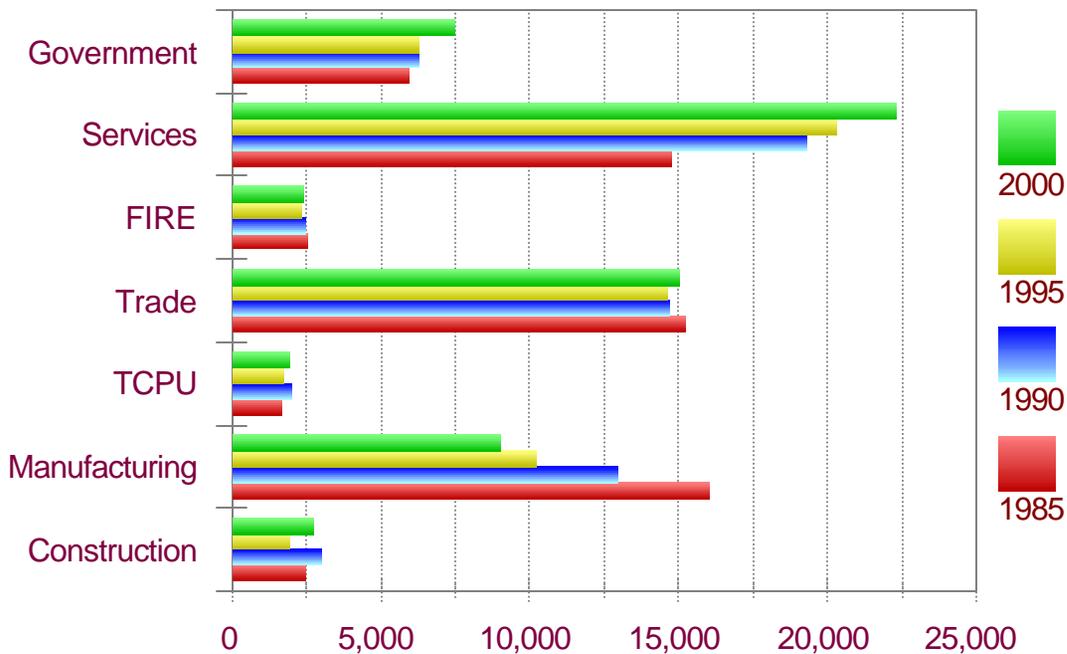
Williamstown & Berkshire Co: 1985-00



- ❑ Despite relatively slow rate of business formations, Williamstown employers have steadily increased payroll employment, adding about 500 jobs since 1995
 - Average payroll employment exceeded 4,300 in 2000
- ❑ Total employment in the County has yet to return to pre-1990 levels

Berkshire County Employment by Industry

Employment Distribution
by Industry Sector: Berkshire Co.

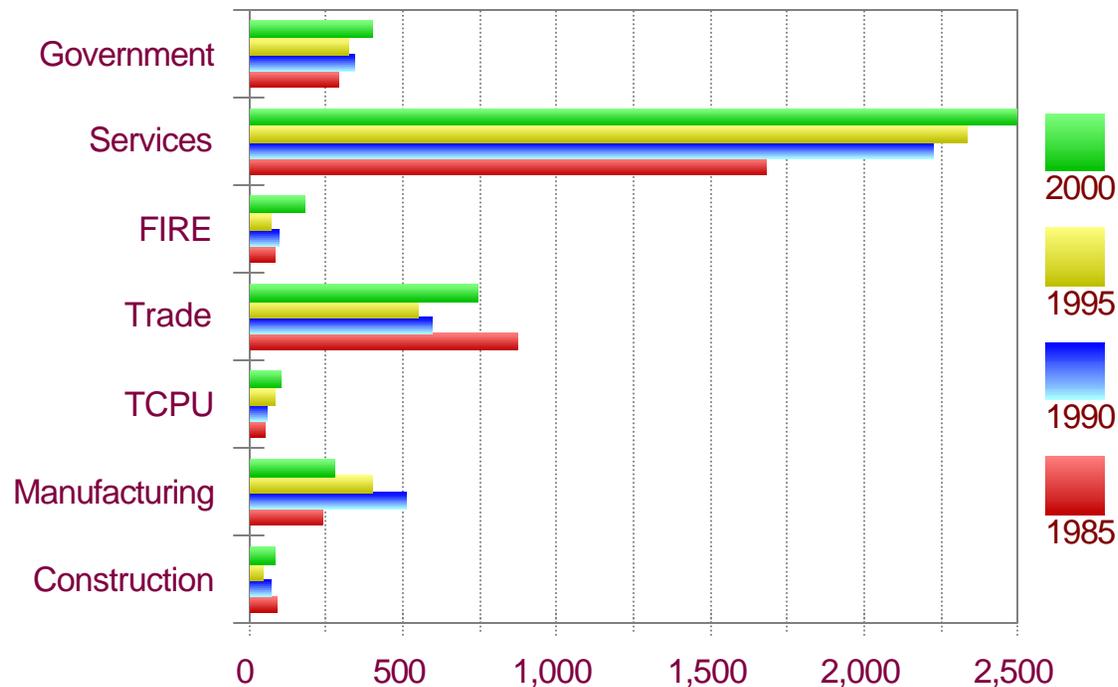


Source: MA DET

- Berkshire County has recovered manufacturing job losses with employment gains in services, government, and trade

Williamstown Employment

Employment Distribution by Industry: Williamstown, MA



Source: MA DET

- Williamstown has a much higher representation of service sector employment than the County as a whole
- 58% of the Town's payroll employment is provided by service sector firms

Largest employers

Williamstown Largest Employers		
Williams College	Private Education	950
Sweetbrook Nursing Home	Health Care	290
Willowood Nursing Home	Health Care	220
Steinerfilm	Manufacturing	208
Williamstown Medical Center	Health Care	100
Litchfield-Textron	Financial	88
Williams Inn	Country Inn	71
Total		1,927

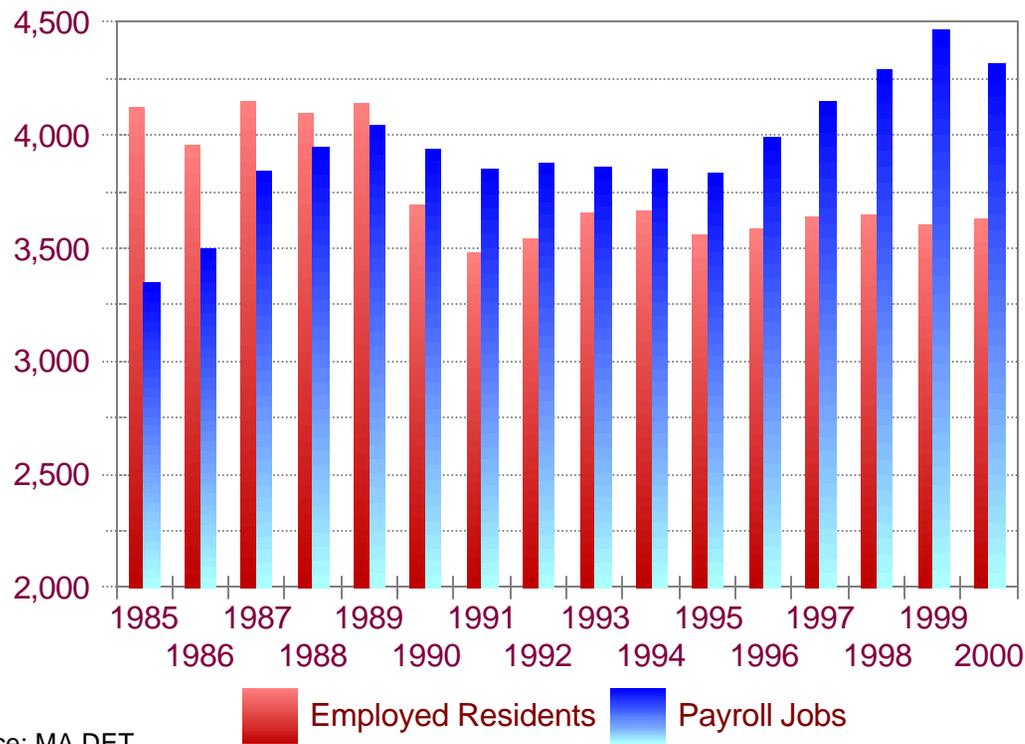
□ Williams College directly accounts for roughly 22% of local employment

□ The Town's 7 largest employers account for nearly 45% of local jobs.

Comparison of Labor Force and Employment Trends

Employed Residents and Local Jobs

Williamstown, MA (1985-2000)



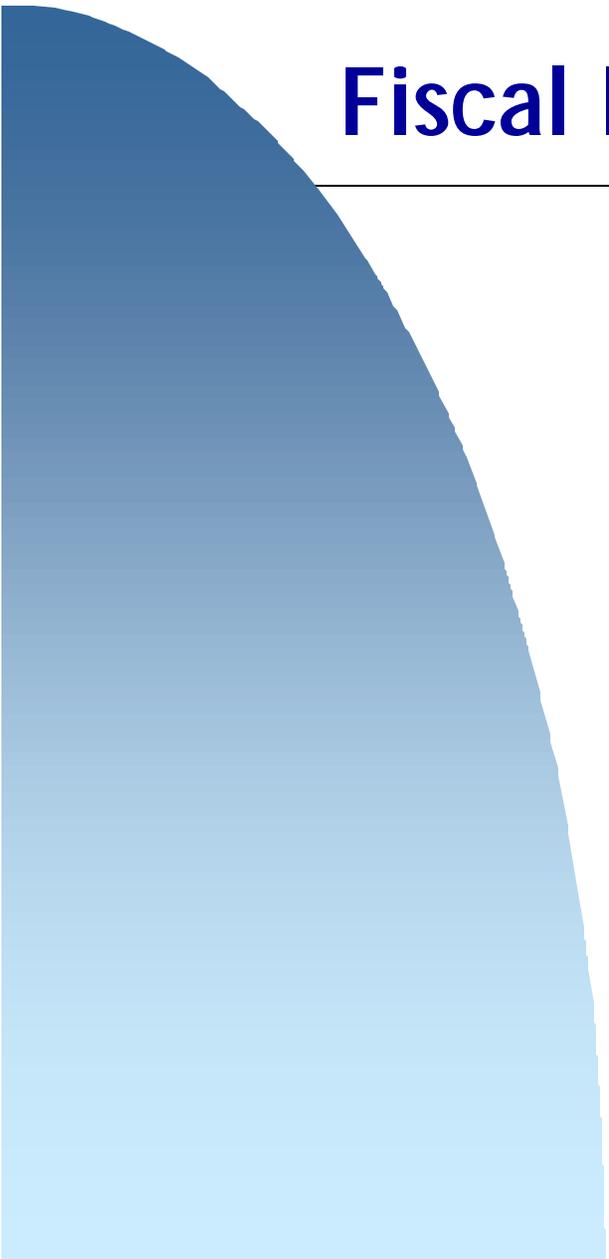
- ❑ Williamstown is a net “importer” of labor, with local businesses providing nearly 700 more jobs than the Town’s resident labor force
- ❑ The “gap” between local job creation and labor force availability has been widening in recent years
- ❑ Williamstown is a regionally significant employment center

Nearly 81% of the total net gain in County-wide payroll employment during the 1990s occurred in Williamstown

Summary

Town of Williamstown and Berkshire County						
Selected Socio-Economic Indicators (1990-2000)						
and Preliminary 20-year Forecasts						
Williamstown			Change 1990-2000		Forecasts [1]	
Unit	1990	2000	Number	%	2010	2020
Population	8,220	8,424	204	2.5%	8,610	9,370
Households	2,689	2,753	64	2.4%	2,928	3,372
Median Hhold \$	\$33,924	\$44,291	\$10,367	30.6%		
Housing Units	2,979	3,053	74	2.5%		
Laborforce	3,895	3,705	(190)	-4.9%		
Unemployment Rate	5.2%	1.9%	-3.3%			
Total Firms	256	259	3	1.2%		
Payroll Jobs	3,944	4,314	370	9.4%		
<i>Employment</i>	5,425	5,898	473	8.7%	6,269	6,486
Berkshire Cty			Change 1990-2000		Forecasts [1]	
Unit	1990	2000	Number	%	2010	2020
Population	139,352	134,953	(4,399)	-3.2%	134,020	139,950
Households	54,315	56,006	1,691	3.1%	53,481	57,253
Median Hhold \$	\$30,541	\$41,819	\$11,278	36.9%		
Housing Units	64,324	66,301	1,977	3.1%		
Laborforce	69,913	62,681	(7,232)	-10.3%		
Unemployment Rate	6.8%	3.1%	-3.6%			
Total Firms	4,414	4,467	53	1.2%		
Payroll Jobs	61,023	61,482	459	0.8%		
<i>Employment</i>	77,524	78,729	1,205	1.6%	81,488	82,638
NOTES:						
[1] the middle range is presented						
Source: US Census, Claritas, Inc., MA DET, & Berkshire Regional Planning Commission						

Nearly 1,600 local jobs are not classified as payroll employment.

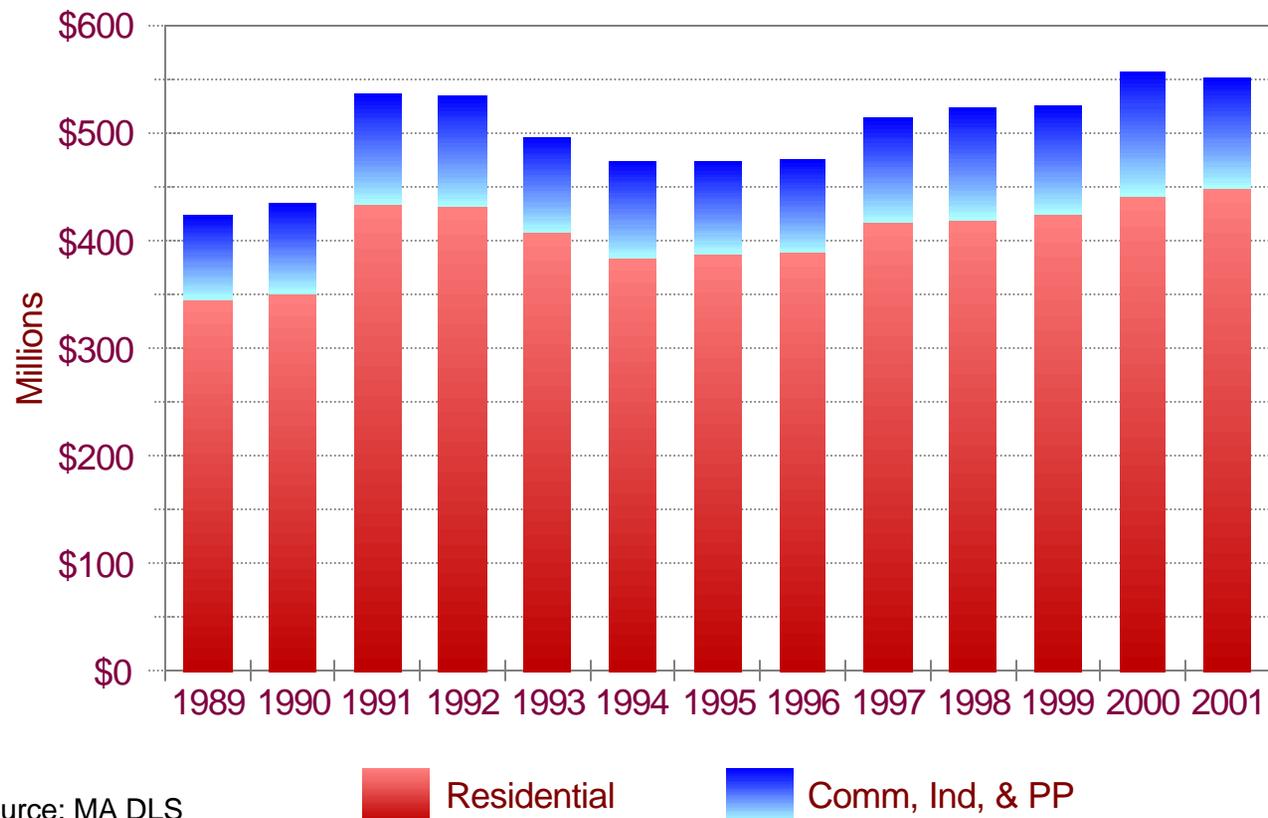


Fiscal Indicators

Trends in Property Valuations

- Nearly 82% of the Town's tax base is residential

Local Assessed Valuation by Property Type: Williamstown, MA



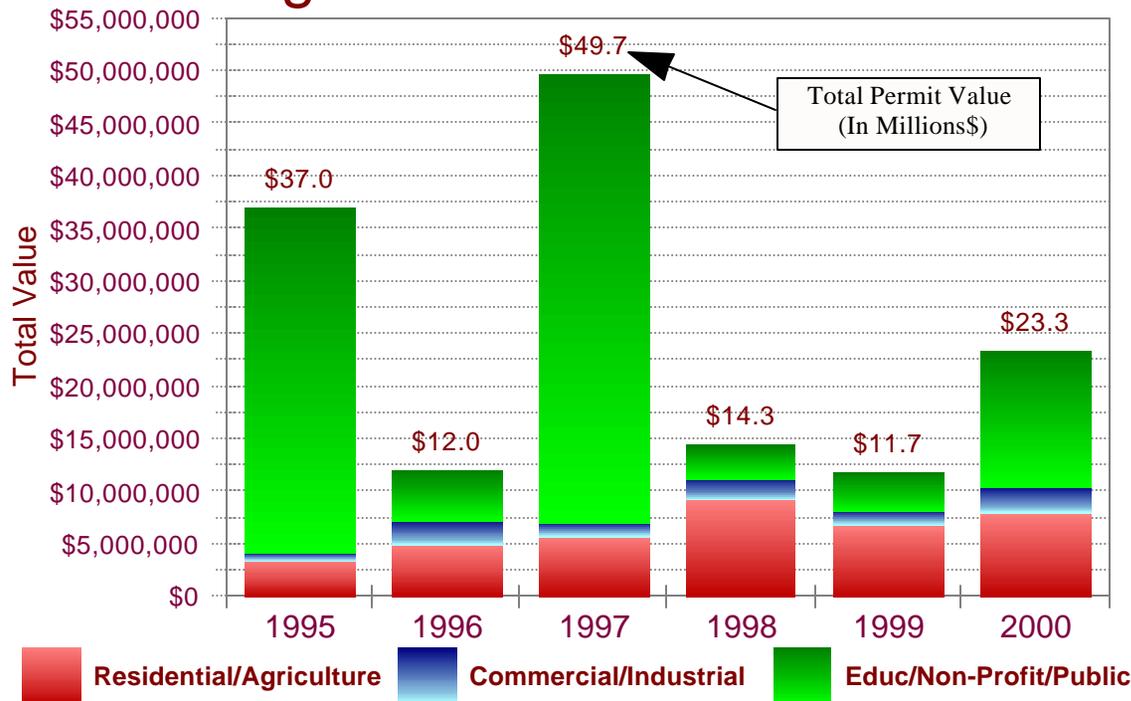
Source: MA DLS

Trends in Construction Activity

- ❑ Outside of the institutional sector, new residential & commercial construction has been limited

- ❑ Institutional and public buildings have accounted for more than 67% of all construction activity in Williamstown (measured by value) since 1995
- ❑ Residential construction spending (on new dwellings and additions) has averaged \$6.3 million/year
- ❑ Commercial/industrial construction has averaged \$1.6 million/year

Reported Value of Williamstown Building Permits Issued: 1995-00

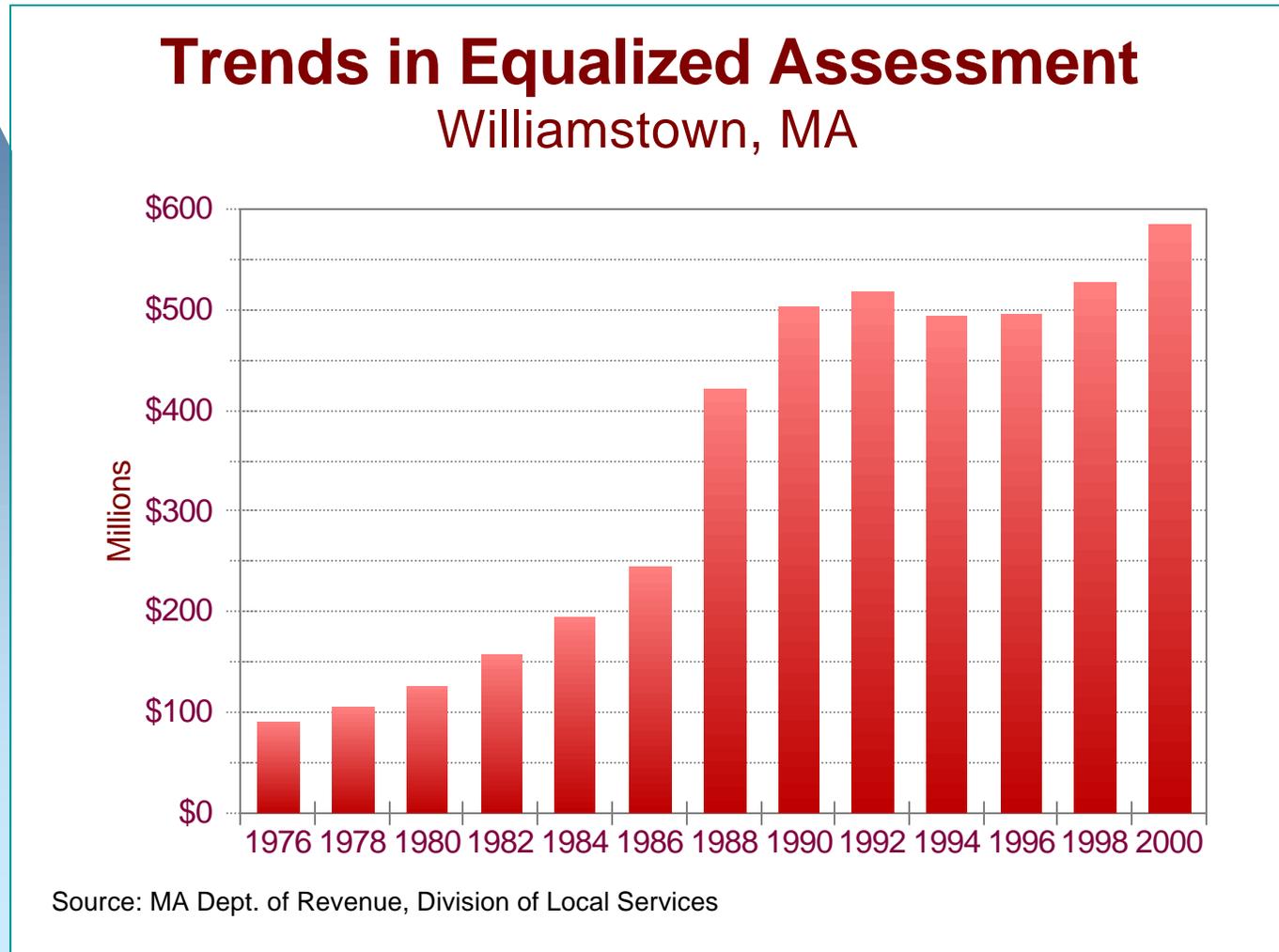


Values include new construction, alterations and additions.

Source: Williamstown Building Department Records

Trends in Equalized Valuation

- Equalized property values have increased sharply since 1996



Distribution of Williamstown Land Area and Tax Base by Major Use

- ❑ Less than 22% of Williamstown's land area has been developed for residential, commercial or industrial use
- ❑ More than 70% of the town's land area is tax exempt or in Chapter 61
 - 11,938 tax exempt acres
- ❑ More than 2,300 developable acres are available for residential development
- ❑ Only 11 privately owned acres are vacant and available for industrial or commercial development

Summary Distribution of Williamstown Tax Parcels and Acreage by Land Use: FY01

Property Classification:	Total	Total	Net Taxable	Average Assessed Value[2]		Percent of Land Area
	Parcels	Acres	Value [1]	/Parcel	/Acre	
Developed Residential	2,175	5,734.5	\$413,458,000	\$190,096	\$72,100	19.4%
Developed Commercial/Industrial	140	706.6	\$74,507,000	\$532,193	\$105,448	2.4%
Developable Residential Land	214	2,305.9	\$19,425,000	\$90,771	\$8,424	7.8%
Developable Comm/Ind Land	12	11.1	\$1,185,000	\$98,750	\$107,201	0.0%
Undevelopable Land, Chapter 61	208	8,820.2	\$50,521,000	\$242,889	\$5,728	29.9%
Public & Tax Exempt	209	11,938.2	N/A	N/A	N/A	40.4%
TOTALS:	2,958	29,516.4	\$559,096,000	\$203,382	\$31,806	100.0%

NOTES:

[1] Taxable value is net of most exemptions.

[2] Average values per parcel and acre are for non-tax exempt properties only.

SOURCES: Williamstown property tax assessment records and RKG Associates, Inc.

Selected Characteristics of Single Family Homes

- ❑ The average FY02 assessed value of all Williamstown homes exceeds \$192,000
 - **Median value of \$150,000**
- ❑ The average assessed value of all homes built since 1990 approaches \$336,000
 - **Median value of \$265,000**
- ❑ Average floor area and lot size have steadily increased
- ❑ More than 37% of local homes are assessed below \$125,000
- ❑ “Affordable” homes tend to be on lots under 1.5 acres and have less than 1,600 SF of living area

Assessed Value	Number Properties	Average Lot Size (AC)	Average Living Area (SF)
Under \$100,000	339	0.74	1,137
\$100,000-\$124,999	324	1.04	1,283
\$125,000-\$149,999	225	1.26	1,562
\$150,000-\$199,999	309	1.56	1,796
\$200,000-\$299,999	320	3.30	2,252
\$300,000-\$499,999	207	6.66	2,980
\$500,000 +	56	12.14	4,642
TOTALS: All Properties	1,780	2.51	1,863

SOURCE: Property tax assessment records & RKG Associates, Inc.

Year Built	Number Properties	Average Lot Size (AC)	Average Living Area (SF)	Average FY 02 Total Value
Prior 1900	268	4.26	2,142	\$203,813
1900-1949	512	1.61	1,756	\$163,957
1950-1959	415	1.21	1,540	\$149,689
1960-1969	216	1.88	1,703	\$191,074
1970-1979	144	3.99	1,950	\$231,208
1980-1989	132	4.71	2,219	\$269,462
1990-1994	32	5.03	2,724	\$354,094
1995-2000[1]	57	3.73	2,695	\$333,912
TOTALS:	1,780	2.51	1,863	\$192,110

NOTE:
[1] Averages exclude some partially built homes started in 2000

Selected Value Characteristics of Commercial & Industrial Properties

- ❑ Most commercial land uses are valued between \$60-\$70/SF of building area
 - **Mfg & warehousing uses have much lower values of \$25/SF**
- ❑ Banks, offices, nursing homes, restaurants & lodging facilities have the highest values/acre and /building SF

Land Use [1]	Total Parcels	Total Acres	Gross Bldg. Area (SF)	FY 02 Assessed Value		Average Assessed Value		
				Land	Total	/Parcel	/Acre	/Bldg SF
Hotels/Motels/Inns	13	33.21	195,508	\$3,145,100	\$13,281,000	\$1,021,615	\$399,862	\$67.93
Manufacturing & Warehousing	6	86.20	444,607	\$1,665,100	\$10,986,000	\$1,831,000	\$127,448	\$24.71
Commercial/Mixed Use	33	31.31	167,171	\$3,381,000	\$10,066,000	\$305,030	\$321,495	\$60.21
Small Retail	17	13.49	107,162	\$1,852,400	\$6,479,000	\$381,118	\$480,353	\$60.46
Nursing Homes	1	8.75	61,409	\$877,000	\$6,093,000	\$6,093,000	\$696,025	\$99.22
Office Bldg	14	19.64	74,496	\$2,044,500	\$5,825,000	\$416,071	\$296,664	\$78.19
Banks	5	6.67	34,657	\$1,206,900	\$4,394,000	\$878,800	\$659,166	\$126.79
Eating & Drinking Places	13	24.65	59,033	\$1,591,100	\$4,118,000	\$316,769	\$167,059	\$69.76
All Other Commercial [2]	6	387.68	21,484	\$1,414,200	\$3,301,000	\$550,167	\$8,515	\$153.65
Discount Store	7	17.20	42,644	\$958,200	\$2,610,000	\$372,857	\$151,718	\$61.20
Medical Office	5	5.96	23,157	\$706,100	\$2,536,000	\$507,200	\$425,361	\$109.51
Automotive/Gas	9	31.28	36,909	\$871,600	\$2,235,000	\$248,333	\$71,451	\$60.55
Lumber/Building Materials	4	37.69	17,352	\$597,500	\$1,228,000	\$307,000	\$32,582	\$70.77
Utilities	4	0.81	3,512	\$235,300	\$694,000	\$173,500	\$856,790	\$197.61
Comm. WHS/Stor.	3	2.04	25,845	\$273,700	\$661,000	\$220,333	\$324,816	\$25.58
Totals: All Comm/Ind:	140	706.58	1,314,946	\$20,819,700	\$74,507,000	\$532,193	\$105,448	\$56.66

NOTES:

[1] Data excludes tax exempt and commercially classified apartments.

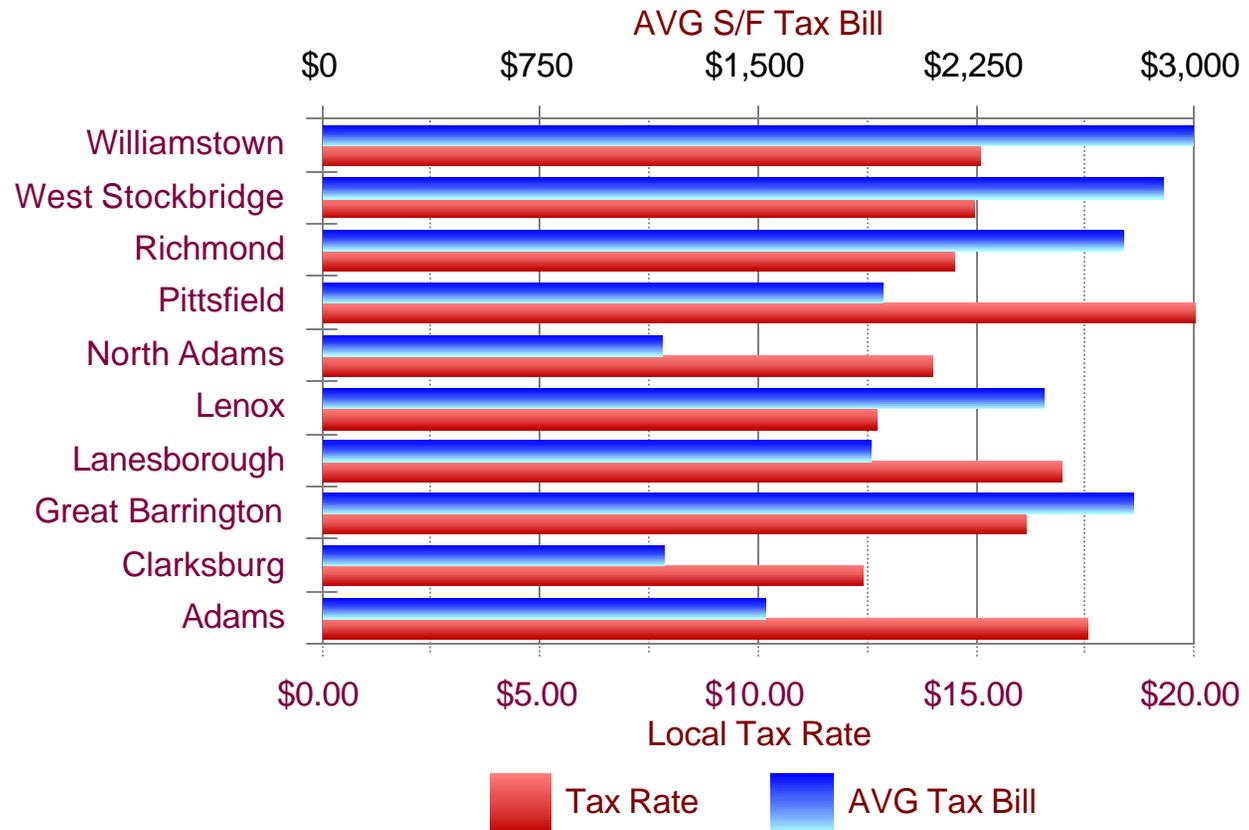
[2] Includes funeral homes, farmstands, camp grounds, greenhouses, etc.

SOURCE: Williamstown Property Tax Assessment Records and RKG Associates, Inc.

Comparative Property Tax Burden

- Due in part to high values, SF home owners in Williamstown have the highest average tax burdens in the region

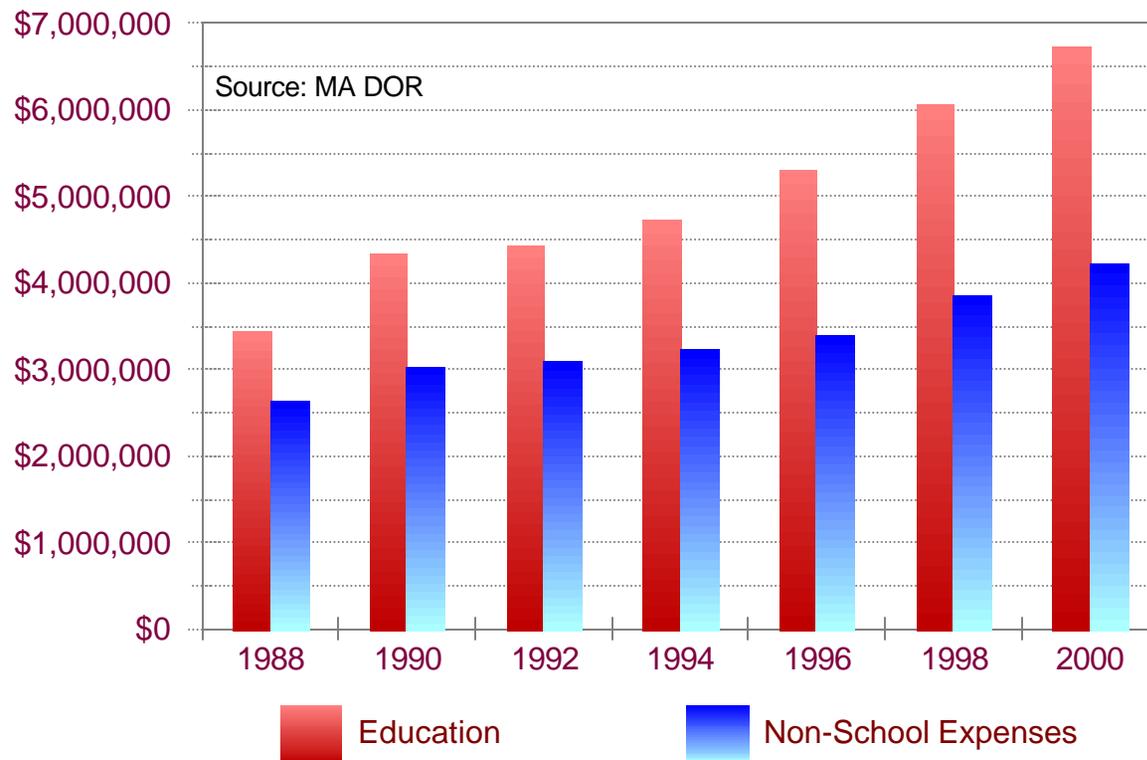
Comparative Single Family Tax Burden Williamstown & Selected Communities



Trends in General Fund Expenditures

- Despite a stable population and declining school enrollments, municipal expenditures have been growing at a near 7% annual rate

Annual School & Non-School Operating Expenses: Town of Williamstown



Summary Budget History

Town of Williamstown, MA						
Summary of General Fund Revenues, Expenditures and Changes in Fund Balances [1]						
Fiscal Years Ending June 30						
Revenues	1996	1997	1998	1999	2000	C.A.G.R.
Property Tax Levy	\$7,243,408	\$7,410,199	\$7,602,712	\$8,609,155	\$9,012,500	5.6%
Intergovernmental	\$1,488,986	\$1,521,666	\$1,710,306	\$1,894,638	\$2,057,067	8.4%
Department receipts, licences, permits & misc.	\$310,804	\$261,045	\$280,920	\$183,465	\$210,911	-9.2%
Charges for Services	\$40,978	\$273,026	\$144,413	\$140,182	\$132,241	34.0%
Earnings on investment	\$163,199	\$128,875	\$211,905	\$91,255	\$239,014	10.0%
Total Revenues	\$9,247,375	\$9,594,811	\$9,950,256	\$10,918,695	\$11,651,733	5.9%
Expenditures						
General Government	\$728,869	\$786,877	\$935,102	\$818,660	\$965,143	7.3%
Public Safety	\$751,798	\$769,930	\$846,428	\$834,382	\$858,003	3.4%
Public Works/Highways & Streets	\$1,067,898	\$1,082,977	\$1,378,630	\$1,045,563	\$1,095,962	0.7%
Human Services	\$251,069	\$246,576	\$281,788	\$279,569	\$278,620	2.6%
Culture & recreation	\$160,517	\$0	\$0	\$0	\$0	N/A
Education	\$5,309,472	\$5,796,191	\$6,075,359	\$6,324,593	\$6,610,215	5.6%
Library	\$0	\$170,095	\$181,110	\$182,140	\$233,383	N/A
Cemeteries	\$0	\$195,731	\$247,095	\$239,024	\$547,614	N/A
State & County assessments	\$79,487	\$82,482	\$81,268	\$95,725	\$86,252	2.1%
Debt Service	\$162,137	\$129,509	\$149,758	\$322,744	\$313,874	18.0%
Employee Benefits, Pensions & insurance	\$570,432	\$651,557	\$681,763	\$752,308	\$862,305	10.9%
Total Expenditures	\$9,081,679	\$9,911,925	\$10,858,301	\$10,894,708	\$11,851,371	6.9%
Fund Balance (Deficits) at beginning of year	\$2,329,846	\$2,645,295	\$2,495,419	\$1,432,523	\$1,331,225	-13.1%
Fund Balance (Deficits) at end of year	\$2,645,295	\$2,495,419	\$1,432,523	\$1,331,225	\$1,764,064	-9.6%
[1] Extracted from the audited financial statements prepared by Adelson and Company, PC, Certified Public Accountants						
Source: Notice of Sale and Preliminary Official Statement Dated July 26, 2001 (\$3,325,000 - Town of Williamstown, MA - General Obligation Bonds)						

Summary Observations

- ❑ Williamstown appears to be one of few communities in the Berkshires to have experienced net job growth during the 1990s
- ❑ Local employers are becoming increasingly reliant on non-resident labor--this trend is likely to become more pronounced in the future
- ❑ The Town's stable population base has not resulted in stable municipal service costs
 - **Recent rates of spending growth do not appear to be sustainable**
- ❑ Nearly a third of the Town's household population is low/moderate income and qualifies for housing assistance
 - **Almost 40% of that population is over 60**

Summary Observations

- ❑ Unless housing supply increases in the future, Williamstown is likely to lose population during the next decade
 - **Prospects are for declining enrollment and excess school capacity**
 - **Williamstown can support some level of new residential growth with minimal marginal service cost impacts**
- ❑ A significant portion of the Town's housing stock is owned by elderly householders and can be expected to be placed on the market at some point in the future