

DRAFT Economy Technical Bulletin

This guidance is intended to clarify how the Economy Goal and Objectives of the Regional Policy Plan (RPP) are to be applied and interpreted in Cape Cod Commission Development of Regional Impact (DRI) project review. This technical bulletin presents specific methods by which a project can meet these goals and objectives.

Economy Goal: To promote a sustainable regional economy comprised of a broad range of businesses providing employment opportunities to a diverse workforce.

- **Objective EC1** – Protect and build on the Cape’s competitive advantages
- **Objective EC2** – Use resources and infrastructure efficiently
- **Objective EC3** – Foster a balanced and diverse mix of business and industry
- **Objective EC4** – Encourage industries that provide living wage jobs to a diverse workforce
- **Objective EC5** – Expand economic activity and regional wealth through exports, value added, import substitution, and local ownership

The applicability and materiality of these goals and objectives to a project will be determined on a case-by-case basis considering a number of factors including the location, context (as defined by the Placetype of the location), scale, use, and other characteristics of a project.

The Role of Cape Cod Placetypes

The RPP incorporates *a framework for regional land use policies and regulations based on local form and context* as identified through categories of Placetypes found and desired on Cape Cod.

The Placetypes are determined in two ways: some are depicted on a map adopted by the Commission as part of the Technical Guidance for review of DRIs, which may be amended from time to time as land use patterns and regional land use priorities change, and the remainder are determined using the character descriptions set forth in Section 8 of the RPP and the Technical Guidance.

The project context, as defined by the Placetype of the location, provides the lens through which the Commission will review the project under the RPP. Additional detail can be found in the Cape Cod Placetypes section of the Technical Guidance.



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INTRODUCTION

The stated purposes of the Cape Cod Commission Act (“the Act”) acknowledge that our regional economy is inextricably linked to the health and appeal of our natural and built environment by calling for the Commission to “maintain and enhance sound local and regional economies, and to ensure balanced economic development” while protecting the unique values of the region. To achieve these purposes set forth in the Act, the Commission is charged with “promot[ing] the expansion of employment opportunities; implement[ing] a balanced and sustainable economic development strategy for Cape Cod capable of absorbing the effects of seasonal fluctuations in economic activity,” and “establish[ing] a process and procedures to site and develop capital facilities and developments of regional impact which are necessary to ensure a balanced economy.”

This technical bulletin serves to clarify the goals and objectives of the Regional Policy Plan (RPP) that pertain to the Cape Cod economy. Its purpose is to help applicants for development projects interpret and apply the basic economic principles contained in the RPP Economy Goal and Objectives. This guidance presents a variety of methods, a project can meet this Goal and related Objectives.

SUMMARY OF METHODS

Goal: To promote a sustainable regional economy comprised of a broad range of businesses providing employment opportunities to a diverse workforce.

Objective EC1 – Protect and build on the Cape’s competitive advantages

Methods

- Reinforce historic development patterns through community design
- Cluster development to preserve high-quality open space
- Incorporate uses that promote walkability and/or use multiple modes of transportation
- Improve the design and function of commercial roadway corridors
- Preserve historic structures or buildings, areas, and/or landscapes
- Project proposes adaptive re-use, including re-use of historic structures
- Preserve agricultural lands and operations
- Preserve or complement the continued operation of working waterfronts
- Preserve or expand public access to the coast and natural areas for passive recreation
- Preserve access to and the continued viability of working shell/fin fishing grounds
- Restore and/or protect open space in Natural Areas

Objective EC1 - Areas of Emphasis by Placetype

<i>Natural Areas</i>	Protect these areas from development; as part of development proposal, remove development in these areas to restore rural character and improve resilience
<i>Rural Development Areas</i>	Cluster development at appropriate scale to preserve rural character; protect agricultural, cultural and historic resources
<i>Suburban Development Areas</i>	Re-development encourage to focus development in areas with infrastructure
<i>Historic Areas</i>	Protect, restore and re-use historic structures; development should complement the scale of historic structures and landscapes
<i>Maritime Areas</i>	Preserve maritime industries and working waterfront uses
<i>Community Activity Centers</i>	Encourage uses with high pedestrian activity; encourage development of mixed use and multi-family housing
<i>Industrial Activity Centers</i>	Encourage uses involved in the creation and production of goods, technology, or other products
<i>Military and Transportation Areas</i>	Development should not conflict with the continued use of these areas for their specialized purposes

Objective EC2 – Use resources and infrastructure efficiently

Methods

- Re-use or redevelop existing structures
- Includes infill and/or redevelopment
- Accessible by multiple modes of transportation
- Includes mixed-use buildings and/or a mix of uses on site
- Cluster development to reduce the cost of providing infrastructure
- Shares onsite infrastructure with proximate developments
- Provides renewable energy generation onsite that serves uses on and proximate to the site
- Expands last-mile connections to open access telecommunication networks
- Project undergrounds new utilities to reduce storm outages
- Project undergrounds existing overhead utility infrastructure
- Encourages extension or expansion of public transit
- Avoids development of infrastructure in Natural Areas

Objective EC2 - Areas of Emphasis by Placetype

<i>Natural Areas</i>	Preserve, protect and restore natural resources such as wetlands, salt marshes that provide ecosystems services and improve community resilience
<i>Rural Development Areas</i>	Cluster development on a portion of the site to protect resources, share infrastructure, and create a smaller development footprint
<i>Suburban Development Areas</i>	Focus development and encourage infill and/or reuse where infrastructure is available; restore degraded natural resources
<i>Historic Areas</i>	Provide infrastructure in these areas at appropriate scale; protect historic, maritime, and cultural resources
<i>Maritime Areas</i>	
<i>Community Activity Centers</i>	Focus infrastructure and capital facilities development in these areas; encourage development of multi-family housing and mixed-use commercial space
<i>Industrial Activity Centers</i>	Encourage generation of renewable energy on impervious areas or otherwise disturbed areas; encourage use of shared infrastructure
<i>Military and Transportation Areas</i>	

Objective EC3 – Foster a balanced and diverse mix of business and industry

Methods

- Provide employment opportunities in emerging industry clusters, including marine science and technology industries
- Support entrepreneurship and the development of new businesses, technologies and/or products
- Support artist and other creative occupations
- Building design accommodates a range of uses

Objective EC4 – Support industries that provide living wage jobs to a diverse workforce

Methods

- Create jobs, with an emphasis on year-round jobs
- Create jobs, with an emphasis on jobs that pay above-average wages relative to similar occupations and industries in the region and relative to the region as a whole
- Provide employees with training for career advancement
- Provide employees with paid sick, vacation, medical and disability benefits
- Provide affordable housing for employees (year-round and/or seasonal)

Objective EC5 – Expand economic activity and regional wealth through exports, value added, import substitution, and local ownership

Methods

- Project provides space for small local businesses
- Project enhances or supports research and development activities
- Support businesses selling locally grown or produced products
- Support businesses that export goods
- Support businesses developing goods locally that were previously imported
- Support businesses that add value to local raw materials

DETAILED DISCUSSION OF METHODS FOR OBJECTIVE EC1

Objective EC1 – Protect and build on the Cape’s competitive advantages

This Economy objective is based on the principles of competitive advantage – attributes and characteristics that make Cape Cod unique and economically viable. According to the 2014 Comprehensive Economic Development Strategy, Cape Cod’s core economic asset is our natural environment, followed closely by our historic villages. In the past, the natural environment directly provided for the region’s economy through farming, fishing, and maritime occupations. Today, the coastal environment and historic villages continue to play a vital role in making Cape Cod a coveted destination for tourists, second-home owners, and retirees.

The intent of objective EC1 is to maintain and enhance natural areas that provide vital ecosystem services, and to encourage development and emerging industries that leverage these natural assets into growing regional wealth. In order to preserve and protect the assets that make Cape Cod a desirable region for residents and visitors alike, the vision of this RPP is to restore these environments through infrastructure investments, protecting open space, and preserving the region’s historic and cultural resources. The methods identified under this objective focus on ways redevelopment and new development can protect the region’s key competitive advantages to meet Objective EC1.

Development location and design are also important factors in maintaining the region’s economic health. The methods in EC1 are focused on the design of development to minimize sprawl, improve walkability and use of multiple forms of transit, increasing mixed use development, clustering development within a site, and preserving natural and sensitive areas. The Community Design and Cultural Heritage technical bulletins provide additional information on how to locate and design developments to complement the Cape’s historic development pattern, building designs, and scale.

Several methods focus on the protection of traditional natural resources-based assets, specifically agricultural lands, harbors, and shell or fin fishing grounds. These areas continue to be important to community health and to our competitive advantage as a destination.

Areas of Emphasis by Placetype

Natural Areas

Natural Areas are important economic assets that should be restored and preserved. New regional-scale commercial and residential development should avoid these areas altogether unless there is an overriding justification for locating in these sensitive areas. Where avoiding these areas is not possible, applicants should seek to remove existing development and/or restore sensitive natural resources present in these areas.

Rural Development Areas

In Rural Development Areas, development should seek to cluster residential development at an appropriate scale to preserve rural character of these areas, and to protect the region’s valuable agricultural, cultural and historic resources.

Community Activity Centers

For Community Activity Centers to be truly vibrant and desirable locations to live, work, and visit, they must have a wide array of uses and a walkable urban form. Development that generates high pedestrian activity and/or includes a housing component are encouraged in these areas, as well as businesses that provide local services for both residents and visitors.

Historic Areas

Many centers of activity are also historic areas on Cape Cod. Development in these areas should therefore protect, restore and re-use historic structures. Where new structures are proposed, they should complement the scale of historic structures and landscapes.

Suburban Development Areas

Suburban Development Areas were primarily developed to accommodate the automobile and fit national business models. The Cape economy will see long-term benefits from the redevelopment of these areas to reflect more compact land use patterns. Development in these areas should seek to improve the design of these areas to focus development in areas with infrastructure, including access to transit and bicycle networks.

Industrial Activity Centers

Industrial Activity Centers are important economic assets, preserving land specifically to accommodate uses that are best separated from residential and other commercial activities, such as manufacturing, assembly, warehousing, and utilities. Development in these areas should be clustered to reduce their overall development footprint and preserve forested areas and natural resource assets.

Maritime Areas & Military and Transportation Areas

Maritime Areas and Military & Transportation Areas have unique roles in the regional economy that new development and redevelopment should reinforce through compatible development and uses that complement and support the continued use of these areas for their specialized purposes such as fishing, agriculture, compatible military training and regional transportation facilities.

DETAILED DISCUSSION OF METHODS FOR OBJECTIVE EC2

Objective EC2 – Use resources and infrastructure efficiently

Development relies on infrastructure to provide energy, waste management, transportation and communications services. The region's existing land use pattern and lack of available infrastructure are significant challenges to economic development. To retain the region's competitive advantage, development is strongly encouraged to locate in areas served by public transit, water and wastewater. In addition, development should use available resources efficiently by developing in a compact form and including a mix of uses to encourage pedestrian activity. If new infrastructure is proposed as part of a development, it should be designed to encourage shared use by adjacent development. Finally, development should invest in renewable sources of energy on-site and underground utilities whenever possible to reduce demand on the electrical grid and reduce storm outages.

Objective EC2 - Areas of Emphasis by Placetype

Natural Areas

Natural Areas contain valuable natural resources that absorb the by-products of human activity and provide beneficial ecosystem services. Projects should be designed to avoid development of new infrastructure in these areas.

Rural Development Areas

In order to protect valuable historic and/or cultural resources, development in Rural Development Areas should seek to cluster development on a portion of the site to reduce the development footprint, protect resources and reduce the cost of providing infrastructure, and/or seek opportunities to share infrastructure with nearby developments.

Suburban Development Areas

Development in these areas should be focused on areas with adequate infrastructure. Infill development is encouraged where infrastructure exists to reduce costs of infrastructure and facilitate non-auto transportation options. Restoration of degraded or impacted natural resources is also encouraged.

Historic Areas and Maritime Areas

In Historic Areas and Maritime Areas, development should focus on redevelopment, infill and/or re-use of historic structures. Infrastructure should be designed at an appropriate scale in these areas to protect historic, maritime, and cultural resources.

Community Activity Centers

Development is encouraged to provide or support existing infrastructure in these areas for the development of multi-family housing, mixed-use commercial space, and other uses in a compact, walkable environment.

Industrial Activity Centers and Military & Transportation Areas

Industrial Activity Centers and Military & Transportation Areas may present an opportunity to advance the generation of renewable energy using existing impervious or otherwise disturbed areas. Building rooftops and parking areas should be considered for solar and other renewable sources of energy where appropriate. Renewable energy generation in combination with appropriate industrial uses are strongly encouraged to reduce industry's reliance on fossil fuels and to support the development of new technologies.

DETAILED DISCUSSION OF METHODS FOR OBJECTIVE EC3

Objective EC3 – Foster a balanced and diverse mix of business and industry

Development that helps diversify the region's economic mix and are flexible to changes in markets will best serve Cape residents over the long term. Projects that provide high-quality employment opportunities while building flexible spaces can help support new and emerging industries, entrepreneurship (especially where it results in technologies or products that can restore our natural environment), and/or artistic or creative occupations will provide greater economic diversity and resiliency.

DETAILED DISCUSSION OF METHODS FOR OBJECTIVE EC4

Objective EC4 – Support industries that provide living wage jobs to a diverse workforce

The cost of living and heavy demand for leisure related services and housing limit both workforce and business diversity in the region. Current employers have difficulty retaining and attracting labor to this region as the cost of living far outstrips the average wage in the top industries. As a result, current employers offering both low and high skill jobs, have difficulty retaining and attracting labor to this region. While these challenges are systemic and individual development projects cannot fix them, development can offer the wages, job benefits, opportunities for employment and improvement, and the economic diversity that will help move the region closer to the goal of a sustainable, diverse, and resilient economy.

Development can show they support long-term workforce diversity by documenting how the project will provide high-quality employment opportunities or how the project will address the region's high cost of living. Projects could provide workers with housing or housing vouchers for example or contribute indirectly by building more affordable housing in areas easily accessed by transit.

DETAILED DISCUSSION OF METHODS FOR OBJECTIVE EC5

Objective EC5 – Expand economic activity and regional wealth through exports, value added, import substitution, and local ownership

The regional economy expands when products made locally, are sold to non-residents (that is, exported), or when goods previously imported are made and sold locally (known as import substitution). The size of the economy is also impacted by business ownership; locally-owned businesses retain and circulate money within the regional economy to a greater degree than non-local businesses.

An applicant may document ways in which the development will reduce the need for goods or services from off-Cape, add value to local products, or export local products to other regions. An applicant could also show how they will support research and development that could lead to a net increase in regional economic activity. Another way to achieve this objective is for projects to accommodate space for locally-owned businesses.

APPLICATION REQUIREMENTS

All applicants must provide an Economic Narrative with their initial DRI application. The narrative should include a brief description of the project and describe the methods by which the applicant will meet the Economy Goal and Objectives. Depending on various factors such as project location, geographic context (as defined by the Placetypes), scale, and proposed use, an applicant may be required to complete a full Economic Impact Assessment (EIA), in addition to the Economic Narrative. The required elements of these documents are outlined below.

Economic Narrative

An Economic Narrative should include the following:

- Brief description of the proposed development project, including a description of the products or services that the project will provide and the customers this project will primarily serve (for example, residents of the region, summer residents/second homeowners, tourists, or customers located outside the region);
- Description of the basic elements of the development project, how much it will cost to construct (i.e. total investment including all design and permitting costs), and how many jobs will be created, and expected wages and salaries;
- Narrative describing the methods used to meet the Economy Goal and related Objectives.

Economic Impact Assessment (EIA)

An EIA should provide detailed information and data on the project, the employment opportunities related to the project, and the expected fiscal impact of the project on the community and the region as a whole.

In addition to the data and information requested below, applicants are welcome to provide economic analyses commonly used to show how the proposed project is favorable to the regional economy. This could include simple location-quotients and shift-share analyses to more complex impact assessments using in-input/output multipliers, econometric models, and/or fiscal impact models.

An EIA must include the following information:

1. Locus Map(s): Provide a map or maps showing the location of the project relative to:
 - a. Community Activity Centers
 - b. Direct competitors
 - c. Suppliers
 - d. Customers
2. Market Niche: Detailed description of the products or services that the project will provide and the customers this project will primarily serve
3. Corporate and/or Ownership Information: Provide documentation of the following as appropriate:
 - a. Incorporation type for tax purposes
 - b. State of incorporation

- c. Location of corporate headquarters
- 4. Estimated Cost of the Project: Provide the following information on the estimated investment required to complete the proposed project:
 - a. Total investment required to complete the building of the project including construction materials, labor costs, and related development services
 - b. Total investment required to acquire the land and any existing buildings located on the property being developed
- 5. Employment Information: Employment information for the last three years (if applicable) and estimated employment for three years following completion of the project as follows:
 - a. Short-term, Construction-phase Employment:
 - i. Total work hours estimated to complete the project
 - ii. Total labor costs for construction
 - iii. Average wage(s)/salary(ies) anticipated
 - b. Workforce Data:
 - i. Total number of individuals to be employed at the site after construction has been completed and specify how many will be full-time, part-time, temporary, and/or seasonal.
 - ii. Full-time Equivalent Employment: Provide the total number of full-time equivalents (FTEs) to be employed at the site after construction has been completed based on a standard work week (40 hours).

For each category, please specify if these employees will be working on a full or part-time basis.

- 6. Wage Data:
 - a. Total Payroll: Provide the total wages to be paid annually to all employees.
 - b. Net New Payroll: Provide a three-year average of the total payroll and payroll per FTE generated at the site by the applicant.
 - c. Wages: Provide the average wage, median wage, and maximum and minimum wage to be paid to employees working at the site after construction has been completed. For salaried employees, provide the annual salary and the standard number of hours worked per week for full-time employees. Unless otherwise noted, 40 hours will be used as the standard week.
- 7. d. Employee Benefits Data: Provide official company documentation regarding the following:
 - a. Types of benefits: Provide a list of all the benefits offered to employees (i.e. medical, dental, vision, retirement, disability.)
 - b. Eligibility for Benefits: Provide the policies regarding the eligibility of employees for benefits as determined by hours worked, employment classifications, or other qualifying factors. Provide the number and percent of employees meeting these eligibility requirements.
 - c. Cost of benefits: Provide the total cost of the benefit package provided to employees including the percent paid by the employer and the percent paid by the employee
 - d. Career Advancement & Training Data: Provide documentation outlining programs and funding allocated to the following:
 - On-site or In-service Training
 - Apprentice Programs
 - Tuition Reimbursement

Additional Resources

Links to assist with identifying Emerging Industry Clusters:

- STATS America: <http://www.statsamerica.org/>
- Innovation in American Regions - Industries: <http://www.statsamerica.org/innovation/anydata/>
- Cluster Mapping: <http://www.clustermapping.us/>

General Economic Resource links:

- STATS Cape Cod: <https://www.statscapecod.org/>
- American Fact Finder: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>
- Data USA: <https://datausa.io/>

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