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JUNE 30, 2016

Ms. Linda Cruz-Carnall, Regional Director  
Economic Development Administration  
U.S. Department of Commerce  
Philadelphia Regional Office  
The Curtis Center, Suite 140 South  
601 Walnut Street  
Philadelphia, Pennsylvania 19106-3323

Dear Ms. Cruz-Carnall :

Please accept the enclosed Cape Cod Comprehensive Economic Development Strategy (CEDS) Annual Report for Year 2 of our 2014 CEDS 5-Year Plan. The Annual Report has been approved by the CEDS Strategy Committee (the Cape Cod Economic Development Council) and by the Cape Cod Commission.

The CEDS continues to give focus to the region's economic development efforts and spur collaboration among stakeholders across the region. Our success is in part due to the support of EDA through three short-term planning grants, designation as a Economic Distress District (EDD), and a subsequent partnership planning grant. Past EDA funding has been paired with increased investment by Barnstable County for the implementation of the CEDS.

The enclosed Annual Report documents our progress over the past year towards strengthening our regional economy and implementing the CEDS strategy. The report tracks the health of the regional economy, the effectiveness of the CEDS planning process to develop regional partnerships, and the accomplishments over the past year in terms of the implementation plan and the regional priority projects.

We look forward to your review of the Annual Report and thank you for your support of our local process.

Sincerely,

Paul Niedzwiecki  
Executive Director

Richard Roy  
Commission Chair





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# Cape Cod Comprehensive Economic Development Strategy (CEDS) 2016 Annual Report (Year 2)

June 30, 2016



Submitted To:  
US Department of Commerce Economic Development Administration

Submitted By:  
Leslie Richardson, Chief Economic Development Officer  
Cape Cod Commission, Barnstable County, Massachusetts

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## Table of Contents

	PAGE
EXECUTIVE SUMMARY	3
CHAPTER 1: CEDS STRUCTURE & PROCESS	
The Cape Cod Region	1-1
The Legal & Philosophical Basis of the CEDS	1-1
The CEDS Planning Structure	1-3
CHAPTER 2: CEDS VISION	
Background	2-1
<b>The Region's Growth Policy</b>	2-2
<b>The Region's Economic Development Vision</b>	2-2
<b>The Region's Economic Development Goals</b>	2-4
<b>The Region's Goal for the CEDS and CEDS Process</b>	2-8
CHAPTER 3: CEDS EVALUATION	
<b>Evaluating the Region's Progress</b>	3-1
Evaluating the CEDS Planning Process	3-17
Evaluating the CEDS Implementation Plan	3-19
Evaluating progress on the CEDS Regional Priority Project	3-24
Local Priority Projects - Updates	3-32
APPENDICES	
APPENDIX 1: ECONOMIC DEVELOPMENT DISTRICT LETTER	
APPENDIX 2: CEDS STRATEGY COMMITTEE MEETING AGENDA & MINUTES	
APPENDIX 3: CEDS 5-YEAR PLANNING PROCESS SUMMARY	
APPENDIX 4: FINAL FEASIBILITY REPORT – CAPE COD CAPITAL TRUST FUND	
APPENDIX 5: CEDS APPROVAL PRESENTATION	
APPENDIX 6: CEDS APPROVAL BY THE CAPE COD COMMISSION	



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## Executive Summary

The Comprehensive Economic Development Strategy (CEDS) for Cape Cod is an economic development blueprint for the region that is consistent with the Regional Policy Plan. The CEDS is a planning process as well as a plan. The process is led by the CEDS Strategy Committee and includes stakeholders across regional and local organizations with an interest in economic development. The CEDS document lays out a vision and goals for economic development on Cape Cod as well as an action plan for achieving those goals. Leadership and collaboration are essential to the implementation of this plan. The following annual report outlines the regions progress towards implementation of the most recent five-year plan completed in 2014.

### SUMMARY BY CHAPTER

#### CEDS STRUCTURE AND PROCESS

The Cape Cod Commission is the regional planning agency for Barnstable County. The Commission is charged, under the Cape Cod Commission Act (1989 state legislation), to **“ensure balanced economic development”** that will provide quality jobs today and preserve the natural resources, beauty, and heritage of Cape Cod for generations of tomorrow.

The Cape Cod Commission Act calls for the development of a Regional Policy Plan (RPP) to outline a coherent set of planning policies and development standards to guide growth on Cape Cod and to protect its resources. The RPP establishes the basis for economic development planning on Cape Cod, envisioning synergy between economic development and the protection and preservation of the **Cape’s resources and heritage**. The CEDS incorporates the regional growth policy and economic development goals of the RPP.

The CEDS is built on the Cape Cod Regional Policy Plan (RPP); it incorporates the regional growth policy and economic development goals of the RPP.



## CAPE COD COMMISSION

The Cape Cod Commission staffs the development and implementation of the CEDS while the Cape Cod Economic Development Council (EDC) serves as the CEDS Strategy Committee for Barnstable County. The EDC is a 14-member advisory council to Barnstable County. The EDC, together with the Cape Cod Commission members, represent the economic development constituencies called for in the federal EDA guidelines.

This annual report was prepared by the Commission's Chief Economic Development Officer, reviewed and endorsed by the EDC/CEDS Strategy Committee, and approved by the full 18 member Cape Cod Commission.

### CEDS VISION

Economic development on Cape Cod begins with the protection of the natural, built, and cultural assets that make this region unique. The importance of being unique should not be underestimated in this era of standardization. Cape Cod has the enviable advantage of having near global name recognition and a reputation for being a special place of great beauty. The Cape Cod character has attracted not only tourists, retirees, and second homeowners, but also scientists, entrepreneurs, artists, and professionals to live and work in this otherwise remote location.

The region's economic strategy is based on four core economic development principles:

- **Protect and build on your competitive advantage** – For the Cape, this is the region's unique natural environment, historic village character, working agricultural land, harbors, and cultural heritage.
- **Use your resources efficiently** – Resources include natural assets, capital facilities, infrastructure, and human capital. Population and land use patterns affect efficiency.
- **Foster balance and diversity** – Economic strength and sustainability benefit from a mixture of industries, businesses, workers, ownership types, and employment options.
- **Expand opportunity and regional wealth** – Methods include increasing exports, substituting imports locally, attracting capital, and fostering local ownership.

Cape Cod's long-term economic Vision Statement is based on these principles and the principle of sustainability – the opportunities of today shall not undermine the opportunities of future generations:



*Cape Cod is a mosaic of historic villages, dynamic economic centers, and healthy natural areas where a diverse array of viable employment and business opportunities exist that retain and attract income to the region and are supported by reliable infrastructure designed to serve a modern economy and protect the natural assets and historic character of the region.*

There are five goals included in the CEDS. The first four are directly from the Cape Cod Regional Policy Plan that governs land use policy at the regional level. The fifth goal pertains to the CEDS process specifically. The goals are:

Goal - ED1: Low-impact and Compatible Development

To promote the design and location of development and **redevelopment to preserve the Cape's environment and cultural heritage**, use infrastructure efficiently, minimize adverse impacts, and enhance the quality of life for Cape Codders.

Goal - ED2: A Balanced Economy

To promote a balanced regional economy with a broad business, industry, employment, cultural and demographic mix capable of supporting year-round and quality employment opportunities.

Goal - ED3: Regional Income Growth

To promote economic activity that retains and attracts income to the region and benefits residents, thus increasing economic opportunity for all.

Goal – ED4: Infrastructure Capacity

To provide adequate capital facilities and infrastructure that meet community and regional needs, expand community access to services, and improve the reliability and quality of services.

Goal – CEDS1: Regional Collaboration & Joint Commitment

To provide a forum for local and regional organizations to be actively involved in determining and executing economic development policies and projects



## CEDS EVALUATION

The impact of the CEDS is evaluated using a set of measures to gauge regional economic progress and track program and project implementation.

### Evaluating Distress

The first metric is established by EDA and is based on unemployment rates and per capita income relative to the United States. Using this metric, thirteen of the fifty-six census tracts on Cape Cod qualify as distressed. These include census tracts in Provincetown, Wellfleet, Eastham, Harwich, Dennis, Yarmouth, Barnstable, Mashpee, Falmouth and Bourne as well as Joint Base Cape Cod. The total population in these distressed tracts is 40,848, representing 36% of the total population of Cape Cod. Relative to the resident population of Cape Cod as a whole, residents living in distressed census tracts are:

- More likely to be non-white
- More likely to have lower educational attainment
- More likely to live in non-family households or live alone
- More likely to live in poverty, particularly if they are over age 65
- **More likely walk or use “other means” to get to work and are more likely to work closer to home**
- More likely to be employed in farming, fishing, and forestry

In addition to these household characteristics, Census Tracts indicating distress have a larger share of rental housing; over half (55%) of the rentals available on Cape Cod are located in these tracts. Multi-family housing is also concentrated in census tracts categorized as distressed and 66% of the homes built before 1940 are located in these areas. Interestingly, a significantly higher than expected share of seasonal homes are also located in distressed census tracts (66% of all seasonal homes on Cape Cod are in distressed census tracts).

### Evaluating the Region’s Progress

The Regional Benchmarks created by the Cape Cod Commission are the metrics used to track the performance of the regional economy over time. The benchmarks use standard economic data to compare the region’s



performance to Massachusetts and the Nation to get a sense of relative prosperity and progress.

- While college age populations and adults in their early career years are less represented on the Cape, trends show that a larger than average share of adults over thirty-five are living and working in the region after they have completed school and started their careers.
- **The significant population growth on Cape Cod from the 1960's through the 1990's was driven by** people retiring to the region; this age cohort is over 10% higher on Cape Cod than in the US as a share of the total resident population.
- With population growth, the Cape has seen strong job growth, businesses growth, and workforce growth. The recession eroded some of this growth but trends are again moving upwards.
- **The Cape's economy is less seasonal than during the 1990's but** still depends heavily on the doubling of the population in the summer and spending by second homeowners and visitors.
- While the payroll of businesses on the Cape has risen as the number of businesses and jobs has grown, average weekly wages when controlled for inflation have not increased since 1990 on Cape Cod or indeed in Massachusetts or the US.
- Within the tourism cluster wages are comparable with the state and the US but overall, the wages on the Cape average \$8,000 to \$15,000 a year lower than wages in the US and the gap is even greater when compared to wages state-wide.
- Since 1990, the share of households with incomes above \$150,000 per year has grown by over 1,000% while the total number of households has only increased by 21.5%. Nevertheless, over half of the households on the Cape are still in the lowest two income brackets with incomes of less than \$75,000 per year.
- **Barnstable County's** Gross Regional Product is \$9.7 billion in 2014, a 5½% increase over 2001. Regional output began to decline sharply in 2005 hitting bottom in 2009. Declines in the number of working residents lagged declines in output but then took a significant drop in 2010. Growth in output of over 10% in the last three years should hopefully translate into labor force growth soon.



### Evaluating the CEDS Planning Process

The third set of metrics is designed to evaluate the impact of the CEDS planning process. The goal of the CEDS planning process is to provide a forum where local and regional organizations impacting economic development can work together to form policies and execute projects. The CEDS process has been very successful in forming strong new partnerships between regional organizations that, in the past, were typically considered adversaries, and between regional organizations and towns that, in the past, were often at odds. Efforts to disseminate information and increase understanding of what economic development means on Cape Cod continue. CEDS efforts have been successful in channeling and increasing public funds towards the implementation of CEDS priorities and projects. Matching private funding is only beginning to be realized.

Highlights of this past year include being awarded a three year partnership planning grant from the EDA as a result of being designated an Economic Distress District. The grant provides \$70,000 per year with the Commission providing a 50% match.

### Evaluating the CEDS Implementation Plan

Each year the EDC/CEDS Strategy Committee and the Cape Cod Commission agree to a work plan the implementation of which is funded jointly by the EDC, Cape Cod Commission, and EDA through the partnership planning grant. The work plan includes economic development planning, research and public outreach, data dissemination, implementation of regional priority projects and economic development assistance to towns through the RESET program. Some of these activities are on-going while others were completed within the year.

Highlights of the past year include a full up-date of the demographic and economic data available on the STATSCapeCod website; the new Barnstable Area Regional Trends program providing in-depth analysis of demographic and economic data; continued build-out of the regional GIS database with data for capital planning; continued progress towards establishing commuter rail between Bourne and Boston with a pilot starting this summer; the completion of a feasibility study for establishing a regional infrastructure bank; and the successful completion of three major technical assistance RESET projects in Falmouth, Mashpee, and Orleans. New RESET projects are underway in Barnstable and Falmouth.





### Evaluating progress on the CEDS Regional Priority Project

The following table lists the ten regional priority projects selected for inclusion in the CEDS 5-year plan (2014-2019). The table includes the long-term goals of the project, when it might be expected to be achieved, and how far along the region is towards achieving the goal. More details on the work accomplished over the past year are included in Chapter 3 for each project.

<b>Regional Priority Project Name</b>	<b>Project Goal</b>	<b>Estimated Year for meeting Goal</b>	<b>Estimated Percent Complete</b>
Cape Cod Capital Trust Fund	New funding for long-overdue infrastructure	2020	40%
Wastewater in Growth Centers	Improve water quality & enable econ. growth	2040	40%
Integrated Infrastructure Plng.	Regional strategy to reduce long-term costs	2017	15%
Commuter Rail Impact Analysis	Establish appropriate train service to Boston	2017	30%
SIO Regional Services	Reduce costs; increase consistency & efficiency	2025	30%
Climate Change Impacts	Improve resiliency and reduce costs & impacts	2018	35%
Last Mile Broadband	Maximize use of Open-Cape fiber backbone	2025	15%
Business Dev. Revolving Loan	Strengthen businesses & entrepreneurship	2020	5%
Expedited Permitting	Target growth to limit environmental impacts	2030	40%
Harbor Planning	Preserve & strengthen maritime industries	2018	0%



## Chapter 1: CEDS Structure & Process

### THE CAPE COD REGION

The Cape Cod region consists of Barnstable County, which in turn consists of 15 incorporated towns:

- Barnstable
- Bourne
- Brewster
- Chatham
- Dennis
- Eastham
- Falmouth
- Harwich
- Mashpee
- Orleans
- Provincetown
- Sandwich
- Truro
- Wellfleet
- Yarmouth

The CEDS is built on the Cape Cod Regional Policy Plan (RPP); it incorporates the economic development goals and regional growth policy from the RPP.

### THE LEGAL AND PHILOSOPHICAL BASIS FOR THE CEDS

The Cape Cod Commission is charged, under the Cape Cod Commission Act (1989 state legislation), to **“ensure balanced economic development”** that will provide quality jobs today and preserve the natural resources, beauty, and heritage of Cape Cod for the next generation.

### THE CAPE COD COMMISSION ACT

The Cape Cod Commission was established in 1990 through an Act of the Massachusetts State Legislature (1989) and a countywide referendum. The Cape Cod Commission Act outlines the agency’s role as follows:

*The purpose of the Cape Cod Commission shall be to further: the conservation and preservation of natural undeveloped areas, wildlife, flora and habitats for endangered species; the preservation of coastal resources including aquaculture; the protection of groundwater,*



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*surface water and ocean water quality; as well as the other natural resources of Cape Cod; balanced economic growth; the provision of adequate capital facilities, including transportation, water supply, and solid, sanitary and hazardous waste disposal facilities; the coordination of the provision of adequate capital facilities with the achievement of other goals; the development of adequate supply of fair affordable housing; and the preservation of historical, cultural, archeological, architectural, and recreational values.*

In fulfilling this mission, the Cape Cod Commission is authorized (1) to regulate developments that are considered to have regional impact, (2) oversee land use planning on Cape Cod, and (3) recommend the designation of areas as Districts of Critical Planning Concern (DCPC), among other duties.

**The Act specifies that the Commission shall “promote the expansion of employment opportunities; and implement a balanced and sustainable economic development strategy for Cape Cod capable of absorbing the effects of seasonal fluctuations in economic activity.” The Commission Act and the Regional Policy Plan recognize that the Cape’s economy is inextricably linked to the health and beauty of our natural and built environment, the preservation of which will provide positive and durable returns both in terms of private investment and public benefit.**

#### THE REGIONAL POLICY PLAN

The Cape Cod Commission Act calls for the development of a Regional Policy Plan (RPP) to outline a coherent set of planning policies and objectives to guide development on Cape Cod and to protect its resources. The Act requires that the Regional Policy Plan identify the Cape's critical resources and management needs, establish a growth policy for the Cape, set regional goals, and develop a policy for coordinating local, regional, and other planning activities. The RPP establishes a basis for economic development planning on Cape Cod, envisioning synergy between **economic development and the protection and preservation of the Cape’s resources and heritage.**



## CAPE COD ECONOMIC DEVELOPMENT DISTRICT (EDD)

Cape Cod was designated an Economic Development District (EDD) by the EDA on December 19th, 2013. The district is comprised of the 15 towns that make up Barnstable County. In conferring this designation the EDA has committed to providing financial assistance to economic development in distressed communities on Cape Cod. EDA assistance was essential in obtaining the EDD designation as well as completing and implementing the CEDS. Potential future funding will be instrumental in reducing distress in this region.

## THE CEDS PLANNING STRUCTURE

### THE CEDS LEAD AGENCY

The Cape Cod Commission is the regional planning authority for the Cape Cod region. The Commission is charged with promoting sustainable development. It is a department of Barnstable County but with independent powers established under the Cape Cod Commission Act (outlined above).

**The Commission's** 19- members represent each town on Cape Cod, the County of Barnstable, the Governor, and the Native American and minority communities on Cape Cod (see sidebar to right). The Commission is supported by a staff of full-time planners and technical specialists in the areas of water resources,

### **The Cape Cod Commission - Organizational Structure**

#### Commission Members (19)

- 15 Members representing each town on Cape Cod
- 1 Member representing the Governor
- 1 Member representing the County Commissioners
- 1 Member representing Native Americans
- 1 Member representing minority populations

#### Economic Development Staff (3.5)

- Chief Economic Development Officer (CEDS Manager)
- Environmental Economist
- Special Projects Coordinator
- Economic Development Council Administrative Assistant (0.5 FTE)

#### Other Staff (~40 total)

- Executive Director
- Deputy Directors (2)
- Technical Services Director
- Chief Planner
- Chief Regulatory Officer
- Land Use, Community Design, and Natural Resource Planners
- Transportation Engineers & Planners
- Hydro-geologists & Hydrologists
- Regulatory Officers



transportation, housing, natural resources, community design, and economic development. The Chief Economic Development Officer is the CEDS Project Manager.

#### THE CEDS STRATEGY COMMITTEE

The Cape Cod Economic Development Council (EDC) serves as the CEDS Strategy Committee for Barnstable County. The EDC is a 14-member advisory council to Barnstable County. The EDC, together with the Cape Cod Commission members, represent the economic development constituencies called for in the federal EDA guidelines. The mission of the EDC is to improve the quality of life of the residents of Barnstable County by fostering a stronger year-round economy. To focus their efforts, the EDC has adopted a four-pronged strategy:

- Create a more educated and skilled workforce
- Expand artistic/cultural and intellectual capital
- Promote healthcare, technology, environmental science, and marine/coastal industry clusters
- **Identify “choke points” involving physical infrastructure** that limit options for economic development

The EDC administers the Cape and Islands License Plate Grant Program offering approximately \$400,000 in grants annually. The program was established in 1997-1998 to address the need for an additional regional funding source for non-profit and town-based projects that strengthen the Cape's year-round economy.

#### **The Cape Cod Economic Development Council - Organizational Structure**

##### Council Members (14)

- 11 private-sector members representing important areas of the Cape's economy such as finance, media, healthcare, transportation, and housing
- 3 governmental members representing:
  - Barnstable County Commissioners
  - Barnstable County Assembly of Delegates
  - Cape Cod Commission



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#### THE CEDS ANNUAL REPORT APPROVAL PROCESS

The CEDS Strategy Committee (the Cape Cod EDC), endorsed and the Cape Cod Commission adopted the CEDS Annual Report on behalf of Barnstable County, as follows:

- Cape Cod Economic Development Council (June 2, 2016)  
Endorsed the CEDS Annual Report and recommended adoption by the Cape Cod Commission on behalf of Barnstable County
- Cape Cod Commission (June 9, 2016)  
Approved the CEDS Annual Report for submission to EDA on behalf of Barnstable County



## Chapter 2: CEDS Vision

### CHANGES OR UPDATES TO THE CEDS VISION

The foundation of the CEDS is the Regional Policy Plan (RPP) which the Cape Cod Commission updates on a five year cycle, most recently just prior to the 2009 Five-Year Update of the CEDS. No changes were made to the economic development section in the last update of the Regional Policy Plan so this section has not changed.

### BACKGROUND

Economic development on Cape Cod begins with the protection of the natural, built, and cultural assets that make this region unique. The importance of being unique should not be underestimated in this era of standardization. Cape Cod has the enviable advantage of having near global name recognition and a reputation for being a special place of great beauty. The Cape Cod character has attracted not only tourists, retirees, and second homeowners, but also scientists, entrepreneurs, artists, and professionals to live and work in this otherwise remote location.

**The Cape's traditional industries, such as cranberry cultivation** and fin fishing, are also dependent on the health of **the region's** ecosystems and have been the first to suffer from our failure to see the links between the economy, land use, and environment. The decline of these traditional industries, combined with the use of suburban-style zoning and the **entrance of national formula businesses, threaten the Cape's unique** character and our ability to make a living in significant traditional ways.

The Regional Policy Plan (RPP), upon which the CEDS is built, looks at economic development from a land use and resource protection perspective, recognizing that these issues determine the mix and size of economic activities on the Cape. Land use is seldom the first thing that comes to mind in discussions of economic development. The focus is usually on job creation or quality, workforce availability, or how to attract a certain kind of business without realizing that if land use policy and



zoning are not aligned with these goals, the goals are unlikely to be realized.

## THE REGION'S GROWTH POLICY

The Cape Cod Commission lacks the authority to dictate local zoning or regulations, but, through the Regional Policy Plan does establish a growth policy for the region. Local and regional plans, including the CEDS, must be consistent with this policy and is herein adopted to guide the CEDS action plan and implementation.

### THE GROWTH POLICY FOR CAPE COD

The growth policy for Barnstable County, expressed throughout the 2009 Regional Policy Plan, is to guide growth toward areas that are adequately supported by infrastructure and away from areas that must be protected for ecological, historical, or other reasons.

This policy is reflected in the comprehensive set of goals, planning actions, and regional regulations in the RPP that cover land use, economic development, water resources, natural resources, coastal resources, energy, historic and architectural resources, affordable housing, and transportation.

## THE REGION'S ECONOMIC DEVELOPMENT VISION

The RPP recognizes that our economy is a public-private partnership in which government policy creates the frame and the private sector creates the content. The framework of the RPP, particularly the economic development section, is focused on the adequacy of public infrastructure and the role of land use in supporting or inhibiting different types of business activity. The economic development planning actions outlined in the RPP focus on improving the business climate, which includes the quality, clarity, and fair application of regulations, taxes, and fees.





The Regional Policy Plan defines the purpose of economic development as creating an environment in which individuals and businesses may prosper over the long term without depleting public resources or undermining the **region's competitive advantage** in the marketplace. Unlike business development, economic development focuses not on individual businesses, but on the business environment.

The RPP outlines four core economic development principles:

- **Protect and build on your competitive advantage** – For the Cape, **this is the region's unique natural environment, historic village** character, working agricultural land, harbors, and cultural heritage.
- **Use your resources efficiently** – Resources include natural assets, capital facilities, infrastructure, and human capital. Population and land use patterns affect efficiency.
- **Foster balance and diversity** – Economic strength and sustainability benefit from a mixture of industries, businesses, workers, ownership types, and employment options.
- **Expand opportunity and regional wealth** – Methods include increasing exports, substituting imports locally, attracting capital, and fostering local ownership.

These principles guide the economic goals, recommended planning actions, and regulatory standards of the RPP. **Cape Cod's long-term** economic vision is based on these principles and the principle of sustainability – the opportunities of today shall not undermine the opportunities of future generations.

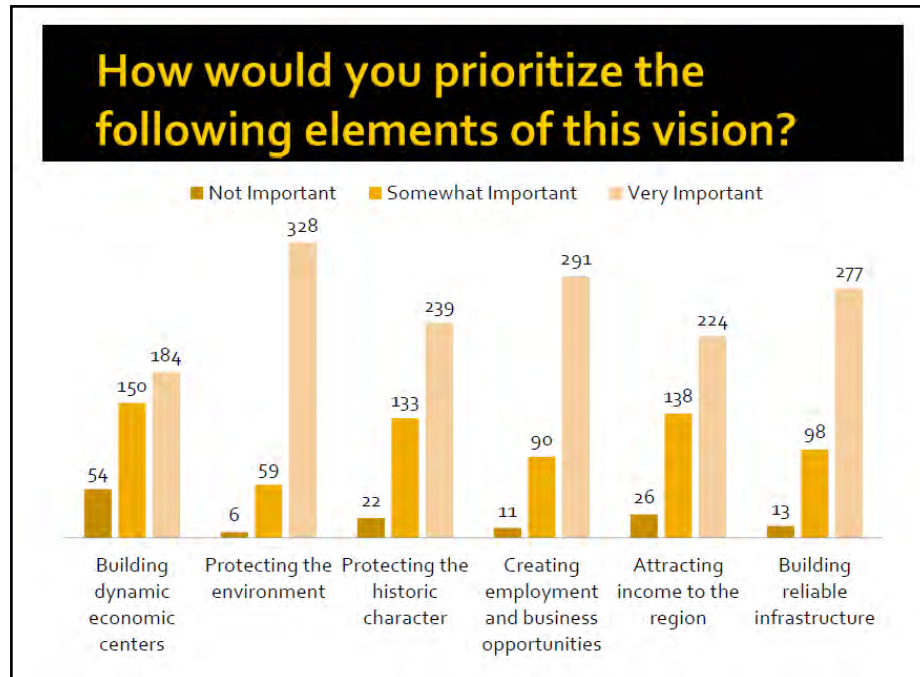
### A VISION FOR CAPE COD

Cape Cod is a mosaic of historic villages, dynamic economic centers, and healthy natural areas where a diverse array of viable employment and business opportunities exist that retain and attract income to the region and are supported by reliable infrastructure designed to serve a modern economy and protect the natural assets and historic character of the region.

The CEDS Stakeholder Survey, conducted in February 2014, asked respondents to prioritize the different elements included in this vision.



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## THE REGION'S ECONOMIC DEVELOPMENT GOALS

Four economic development goals are in the Regional Policy Plan and, by extension, in the CEDS. The first directly addresses the link between land use and economic development. The second focuses on the benefits of economic diversity, the third on regional income flows, and the fourth on the vital role of infrastructure in the development of an economy.

### *Goal - ED1: Low-impact and Compatible Development*

To promote the design and location of development and redevelopment to **preserve the Cape's environment and** cultural heritage, use infrastructure efficiently, minimize adverse impacts, and enhance the quality of life for Cape Codders.



The Low-impact and Compatible Development Goal for economic development is based on the principles of competitive advantage and efficiency: land use policy and development should complement the strengths that make Cape Cod unique and economically viable without taxing built, human, and natural resources beyond their capacity. As in the business world, regional economic success is built upon differentiating your product from that of your competitors and maximizing profits by running an efficient operation.

Achieving the goal of compatible development for Cape Cod requires creativity and innovation. Economic development tactics with significant impact on the long-term prosperity of the Cape are (1) strategic investments in wastewater infrastructure, (2) elimination of large-lot strip and subdivision zoning in favor of mixed-use, village style zoning, and (3) a system of transferable development rights under which a shift in development patterns becomes economically viable. Combined with targeted regulation, these tools may reduce impacts of high land prices on small businesses, the workforce, and economic diversity on Cape Cod. The new Regional Policy Plan addresses these issues.

Specific objectives under this goal are:

- Historic areas, structures, and scenic vistas are not destroyed or degraded by tear downs, visual obstructions, or other inappropriate development.
- Development and redevelopment is located in accordance with the RPP Growth Policy and Regional Land Use Vision Map.
- Infrastructure investments primarily serve those areas designated for development and redevelopment.

*Goal - ED2: A Balanced Economy*

To promote a balanced regional economy with a broad business, industry, employment, cultural and demographic mix capable of supporting year-round and quality employment opportunities.

There is a fine balance in regional economics between capitalizing on an **area's competitive** advantage and having enough economic diversity to



withstand changes in the market. The Cape has seen industries come and go with changes in tastes, technology, and the emergence of competitors. Industries that today seem to define the Cape—for example, tourism—could persist or they could die out, as did leading regional industries of the past, such as salt production, whaling, and glass manufacturing. The Cape Cod Commission encourages flexible policies and development projects that can provide high-quality employment opportunities today and lend themselves to multiple uses over time.

Specific objectives under this goal are:

- Greater demographic diversity
- More year-round employment opportunities that pay wages consistent with the cost of living
- Less dependence on the seasonal tourism economy
- Strong base of locally owned businesses able to pay wages consistent with state and national averages

<i>Goal - ED3: Regional Income Growth</i>
To promote economic activity that retains and attracts income to the region and benefits residents, thus increasing economic opportunity for all.

**A regional economy such as Cape Cod's can be equated to a pie with** money as the filling. When money is added to the pie it gets larger; when it is removed the pie shrinks. The regional income goal seeks to enlarge the pie while giving everyone a chance to earn a bigger slice. Money is added to the economic pie when products made locally are sold to non-residents (i.e., exported) or goods previously imported are made and sold locally (i.e., import substitution). The size of the pie is also impacted by business ownership; locally owned businesses retain and circulate money within the pie to a greater degree than non-local businesses that naturally draw their profits back to their home office location and are more likely to use non-local suppliers of goods and services.



Specific objectives under this goal are:

- A strong tourism and second-home economy with fewer negative impacts on the environment, community, and infrastructure
- Increased export of products and services originating on Cape Cod
- Increase in value added locally to products harvested, designed, or built locally
- Increased quality and quantity of locally owned businesses that meet both the needs of residents and visitors

*Goal – ED4: Infrastructure Capacity*

To provide adequate capital facilities and infrastructure that meet community and regional needs, expand community access to services, and improve the reliability and quality of services.

Adequate, high-quality facilities and infrastructure are vital to a competitive economy and an engaged community. Capital facilities and infrastructure include everything from schools and libraries to high-speed telecommunication networks and public transit. Efficient facilities and reliable services are critical. They enable economic progress and civic participation, open new markets and educational opportunities, and protect communities from man-made and natural disasters. Cape Cod faces significant challenges to reach this goal. For example, the region currently lacks reliable energy service, sufficient high-speed and redundant telecommunication services at competitive prices, and wastewater infrastructure – all necessary for economic growth.

Specific objectives under this goal are:

- Symmetrical broadband service that allows as much data to be up-loaded and sent off Cape as can be downloaded from elsewhere
- Reliable energy supply that does not require generators and other mechanisms to protect against brown-outs
- Wastewater infrastructure that protects the environment while allowing development and redevelopment to occur only in those areas designated for growth



## THE REGION'S GOAL FOR THE CEDS AND CEDS PROCESS

The process undertaken to complete this five-year update is unprecedented in the amount and quality of public participation. The overall goal for the CEDS process is for future CEDS updates and annual reports to have the same or even greater public participation.

<i>Goal – CEDS1: Regional Collaboration &amp; Joint Commitment</i>
To provide a forum for local and regional organizations to be actively involved in determining and executing economic development policies and projects.

**This year's CEDS process was much more focused and action-oriented** than in the past and included greater participation. Through this process, existing partnerships were strengthened and new partnerships are enthusiastically being formed. We see tremendous momentum in the collaborative discussions to move projects forward and anticipate great success and prosperity over the next five-year period. The Cape Cod Commission and the Cape Cod Economic Development Council have gained unprecedented support for the CEDS process, for the proposed projects, and for greater collaboration in future implementation. Thus, the goal for the CEDS process is to facilitate this level of collaboration throughout the implementation of the Action Plan.

Specific objectives under this goal are:

- Attract public and private investment to the region and for the CEDS priority projects
- Create year-round jobs with competitive wages consistent with the cost of living on Cape Cod
- Strengthen and create new partnerships between organizations traditionally involved in economic development and others
- Improve regional awareness of economic development concepts and challenges specific to the Cape
- Improve availability of information and data on different aspects of the region and towns therein



## Chapter 3: CEDS Evaluation

Implementation is the greatest challenge in planning. A well designed review process helps to move implementation forward and make necessary adjustments along the way. CEDS implementation is evaluated on an annual basis culminating in an Annual Report delivered to the US Economic Development Administration on June 30<sup>th</sup> of each year.

Evaluation of CEDS implementation happens at four levels:

1. Evaluating the Region's **Progress**
2. Evaluating the CEDS Planning Process
3. Evaluating the CEDS Implementation Plan
4. Evaluating progress on the CEDS Regional Priority Projects

Each aspect of the evaluation process involves the Strategy Committee and often other stakeholders involved in both CEDS planning and implementation. Quantitative and qualitative measures are used to gauge progress towards the CEDS goals overall or towards the goals of specific projects.

### EVALUATING THE REGION'S PROGRESS

The land area of Cape Cod is 253,701 acres with 560 linear miles of shoreline in 15 towns:

- |              |                |            |
|--------------|----------------|------------|
| • Barnstable | • Bourne       | • Brewster |
| • Chatham    | • Dennis       | • Eastham  |
| • Falmouth   | • Harwich      | • Mashpee  |
| • Orleans    | • Provincetown | • Sandwich |
| • Truro      | • Wellfleet    | • Yarmouth |

The Cape is a region of great wealth and real poverty. The economy depends heavily on the disposable income of retirees, second home-owners and visitor but provides relatively low wages to those making a living here. The cost of living far outstrips average wages, particularly when it comes to housing.

## REGIONAL DISTRESS INDICATORS

The EDA uses unemployment and income metrics to determine distress within census tracts<sup>1</sup>. The two criteria that the EDA uses to determine distress are

- (1) Unemployment rate that, averaged over the most recent 24 month period for which data are available, are at least 1% greater than the national unemployment rate (9.2%) for the same period; and
- (2) Per capita income<sup>2</sup> that, for the most recent period for which data are available, is 80% or less of the national average per capita income (\$28,555/year) for the same time period.

This table was generated using the website developed by [STATSAmerica.org](http://STATSAmerica.org) with funding from the EDA. It shows the thirteen census tracts in Barnstable County that, according to these metrics, are distressed. There are a total of fifty-six census tracts in the county. Keep in mind that this data is based on year-round residents only; second home owners and seasonal workers are not included.

Census Tracts Qualifying as Distressed						
Census Tract	Village (Generally)	Town	24 mo. Unemp. Rate	Percent over/under US Rate	2014 ACS PCMI	Percent of US PCMI
0101.00	Provincetown	Provincetown	14.6	5.4	\$45,910	160.8
0102.06	Wellfleet	Wellfleet	14.3	5.1	\$34,711	121.6
0103.06	N. Eastham	Eastham	12.8	3.6	\$34,339	120.3
0110.02	NW. Harwich	Harwich	10.7	1.5	\$34,079	119.3
0116.00	Dennisport	Dennis	14.2	5.0	\$28,132	98.5
0120.02	S. Yarmouth (S)	Yarmouth	13.1	3.9	\$27,990	98.0
0125.02	Hyannisport	Barnstable	11.8	2.6	\$32,399	113.5

<sup>1</sup> Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Source: US Census Bureau

<sup>2</sup> Per capita income is derived by dividing the total income of all people 15 years old and over in a geographic area by the total population in that area. Source: US Census Bureau





Census Tracts Qualifying as Distressed						
Census Tract	Village (Generally)	Town	24 mo. Unemp. Rate	Percent over/under US Rate	2014 ACS PCMI	Percent of US PCMI
0126.02	Hyannis (Residential)	Barnstable	13.3	4.1	\$19,344	67.7
0137.00	Buzzards Bay	Bourne	10.4	1.2	\$30,534	106.9
0141.00	JBCC	JBCC	2	-7.2	\$17,773	62.2
0146.00	E. Falmouth	Falmouth	12.2	3.0	\$32,501	113.8
0152.00	Mashpee (S)	Mashpee	10.7	1.5	\$57,104	200
0153.00	Hyannis (Commercial)	Barnstable	8.9	-0.3	\$22,622	79.2

JBCC = Joint Base Cape Cod

Sources: U.S. Bureau of Census (American Community Survey, 5-year estimates ending in 2014), Labor Statistics, and Economic Analysis; Calculations generated by StatsAmerica.

The total population in these distressed tracts is 40,848, representing 36% of the total population of Cape Cod. Relative to the resident population of Cape Cod as a whole, residents living in distressed census tracts are:

- More likely to be non-white

*83% of the region's Native American population, 74% of the population identifying as black, and 67% of the population identifying as Asian live in distressed census tracts.*

- More likely to have lower educational attainment

*The share of residents with educational attainment below a high school degree is 19% higher in distressed census tracts than would be expected in a typical Barnstable County census tract.*

- More likely to live in non-family households or live alone

*The share of residents living in non-family households or alone is 12 % higher in distressed census tracts than would be expected in a typical Barnstable County census tract.*



- More likely to live in poverty, particularly if they are over age 65

*The share of residents living in poverty is 19 % higher in distressed census tracts than would be expected in a typical Barnstable County census tract.*

- More likely to work closer to home and are more likely walk or use “other means” to get to work

*The mean travel time to work for residents in distressed tracts is 42% lower than is typical for Cape Cod.; the share of residents walking to work is 23 % higher in distressed census tracts than would be expected in a typical Barnstable County census tract.*

- More likely to be employed in farming, fishing, and forestry

*The share of residents with the occupations of farming, fishing, and forestry is 28% higher in distressed census tracts than would be expected in a typical Barnstable County census tract.*

In addition to these household characteristics, census tracts indicating distress have a larger share of rental housing; over half (55%) of the rentals available on Cape Cod are located in these tracts. Multi-family housing is also concentrated in census tracts categorized as distressed and 66% of the homes built before 1940 are located in these areas. Interestingly, a significantly higher than expected share of seasonal homes are also located in distressed census tracts (66% of all seasonal homes on Cape Cod are in distressed census tracts).



## BALANCED ECONOMY BENCHMARKS

The Commission has been working to develop a set of measures to **benchmark the progress of the region's economy and** the economic well-being of its residents. These benchmarks are available on the Cape Cod Commission's web site [STATSCapeCod.org](http://STATSCapeCod.org) along with much of the data presented in this chapter. The measures are designed around the four principles of economic development:

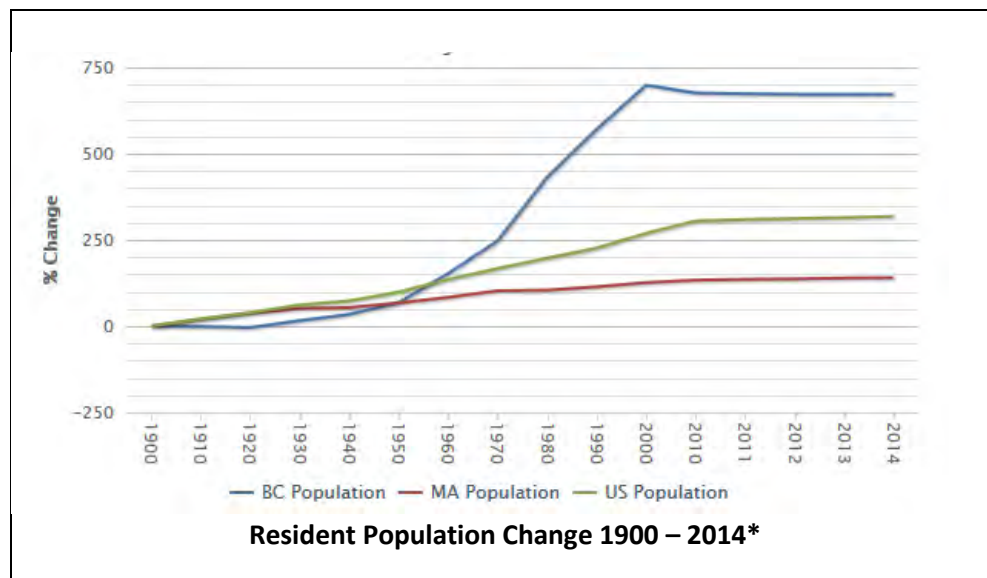
- **Protect and build on your competitive advantage** – The Cape's competitive advantage is its unique natural environment, historic village character, working agricultural land, harbors, and cultural heritage.
- **Use your resources efficiently** – Resources include natural assets, capital facilities, infrastructure, and human capital. Population and land use patterns affect efficiency.
- **Foster balance and diversity** – Economic strength and sustainability benefit from a mixture of industries, businesses, workers, ownership types, and employment options.
- **Expand opportunity and regional wealth** – Methods include increasing exports, substituting imports locally, attracting capital, and fostering local ownership.

Thus far measures focus on the last two of these principles: economic balance and regional wealth. These principles correspond to CEDS goals 2: A Balanced Economy and 3: Regional Income Growth. Economic strength and sustainability benefit from a diverse mixture of industries, businesses, workers, ownership types, and employment options.

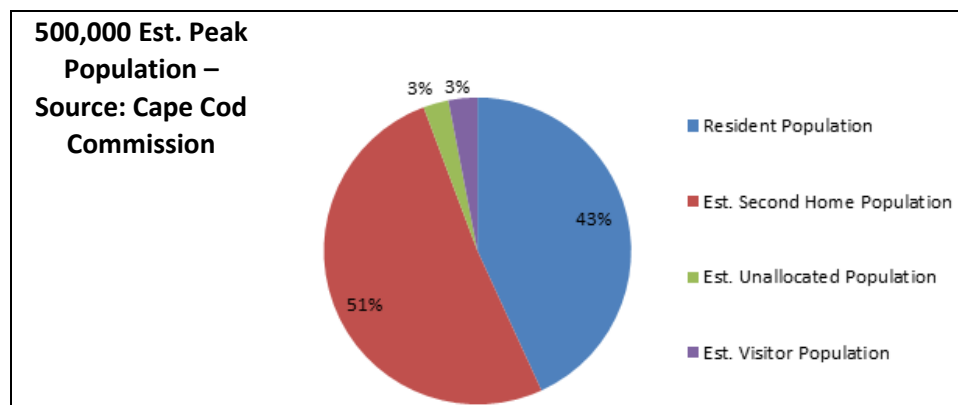
The following benchmarks look specifically at the population and workforce over time, employment trends, and wages and income. The final measure is gross regional output and labor productivity, which is a function of regional output per employed member of the labor force living on Cape Cod. In most cases, Barnstable County is compared to the state and the nation relative to a base year. The base year is determined by the availability of the data. The regional and national context is necessary to recognizing how this region differs from the larger economic environment.

## Population & Workforce Trends: Resident and Seasonal Population

The most telling graph for understanding the economy and development issues on Cape Cod is simply resident population change over time. While Cape Cod was first discovered as destination for tourists and second homeowners around 1900, the resident population stayed flat through the 1950s. Retirees began moving here permanently in the 1960s and 70s but the real population explosion happened between 1980 and 2000. In just a few decades, the resident population in some towns more than doubled and in Mashpee grew by over 1,000%. The region as a whole grew by almost 700% in just 40 years. Meanwhile, visitors and second homeowners roughly double population on the Cape in the summers.



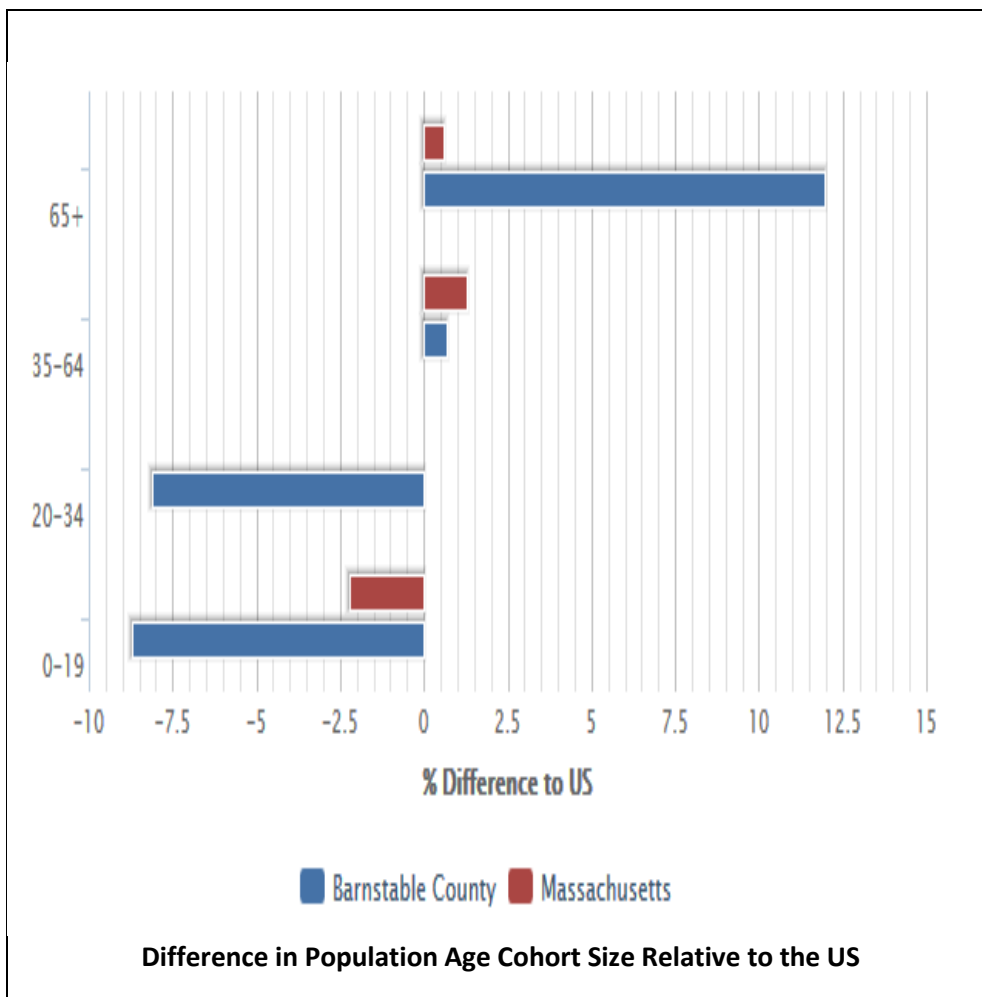
\* Non-decennial years are population estimates; Source: US Census Bureau





### Population & Workforce Trends: Age Diversity

A smaller share **of the Cape's population, 55%, is of working age** (20-64) than in Massachusetts (61%) and the US (60%). The residents of Barnstable County cover all ages but are most likely to be in the later working age bracket (35 years – 64 years) or in the retirement age bracket (over 65) relative to the US population. At the other end of the age spectrum, the Cape has a smaller than typical share of young children and young adult than found in the US as a whole. The young adult cohort is often lower in non-urban communities that are not college towns. Trends suggest that adults over thirty migrate to the Cape after they have completed school and started their careers.

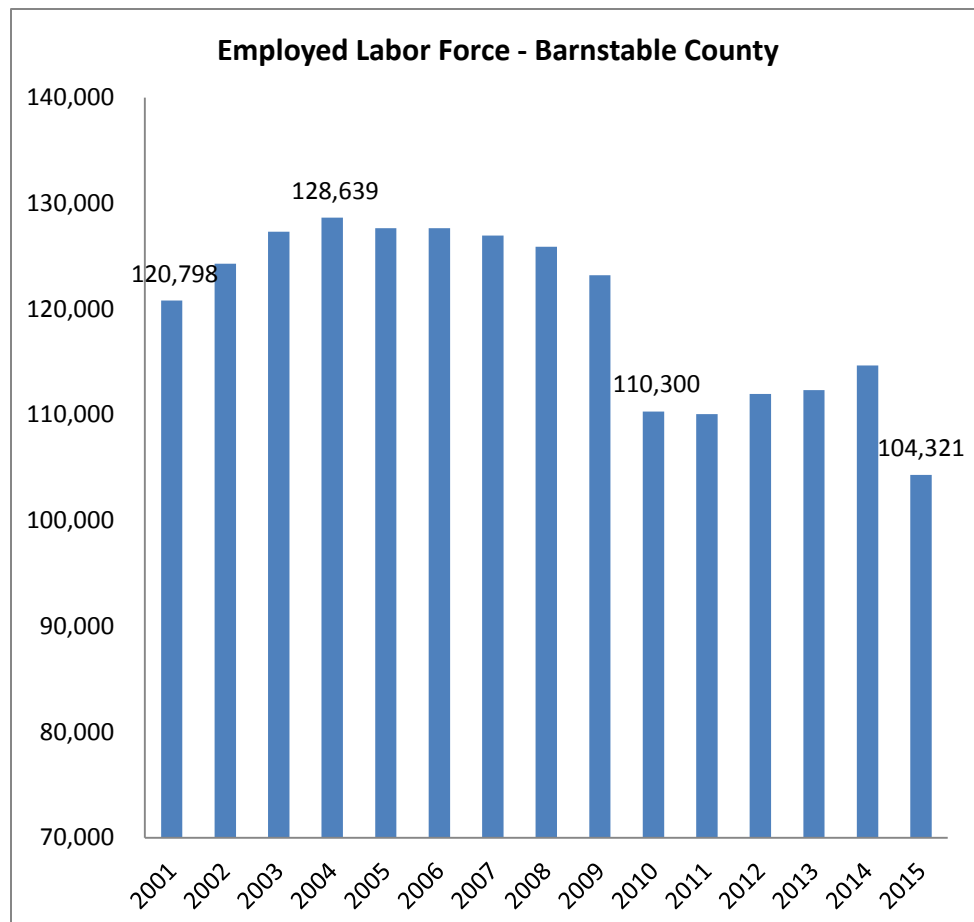


Source: Census Bureau, American Community Survey 5-year estimates ending in 2014



### Population & Workforce Trends: Labor Force Size

**The size of the Cape's labor force peaked in 2004 at almost 129,000** residents employed. The current (2015) annual average for the size of the total labor force is 111,332 with 104,321 employed. Over the past ten years, that is a decline of almost 9% in the total labor pool and 10% in the number residents employed. While the unemployment rate is significantly lower than five years ago, it is 29% higher than ten years ago when more people were in the labor force. This is not consistent with national trends; the US unemployment rate only increased by 4% in ten years and, rather than declining, the labor force also increased by over 5% over that period.

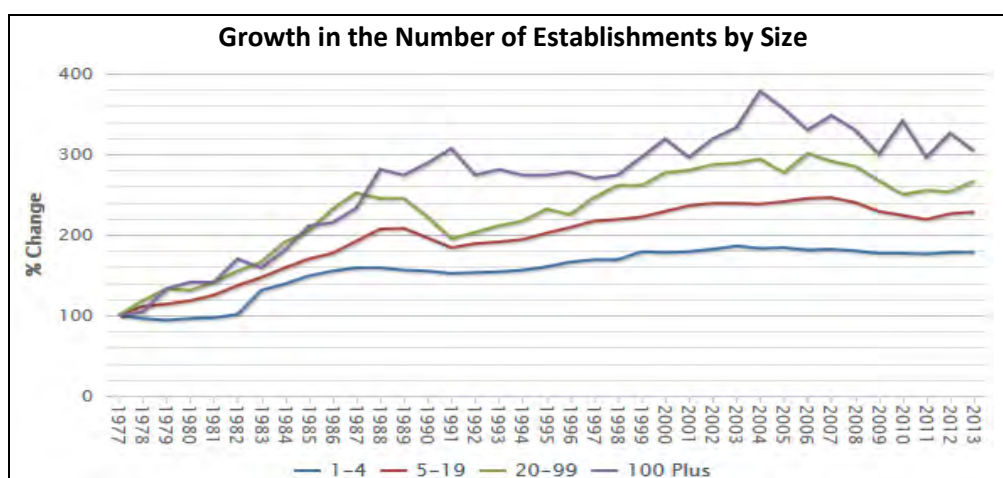


Source: US Bureau of Labor Statistics



### Employment Trends: Employers

The number of business establishments on Cape Cod has more than doubled since 1977, mirroring the growth in year-round population and jobs. As of 2013, there were 8,323 establishments in Barnstable County, down by about 400 from the 2003 peak. Businesses with fewer than five employees have consistently made up over 60% of all businesses since 1977. Businesses with between five and nineteen employees consistently hovered around 30% of the total. Growth rates since 1977 show the number of establishments with over 100 employees has grown the fastest but still only represent 1% of all the establishments in the region.



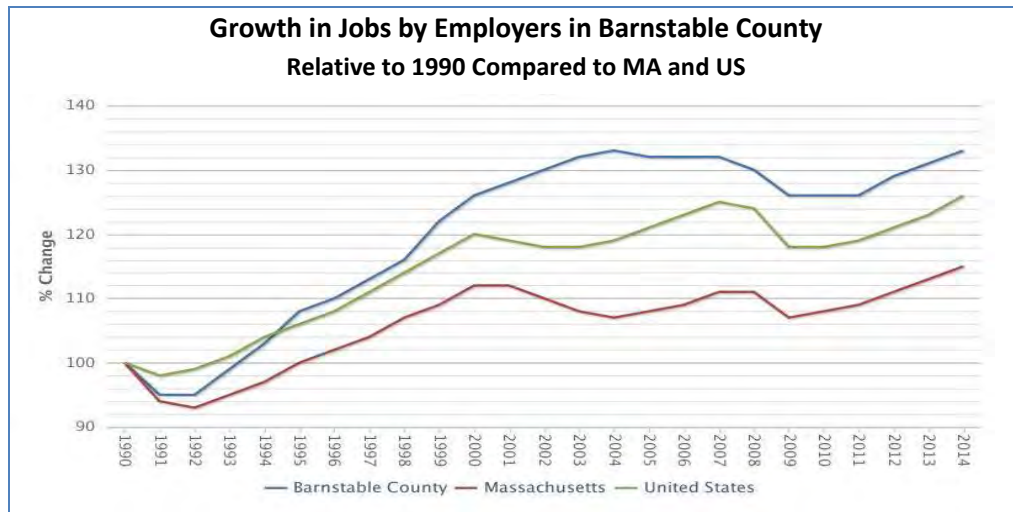
Source: U.S. Census Bureau, County Business Patterns

### Employment trends: Job creation

In 2014, the number of people employed by firms located in Barnstable County exceeded the 2004 peak. Local employers provided an annual average of 93,599 jobs. Relative to 1990, the number of jobs located on Cape Cod has increased by 133% while jobs in the US grew by 126% and in Massachusetts by 115%. **The Cape's** employment patterns have typically mirrored state and national trends except during the housing boom from 2000-2007. Interestingly, while recent population counts have indicated a decline in the number of year-round residents, the number of jobs has continued to increase since 2000 and 2010. It is possible that the population decline is due to retirees shifting their residency to their winter home for tax purposes rather than their home on the Cape.



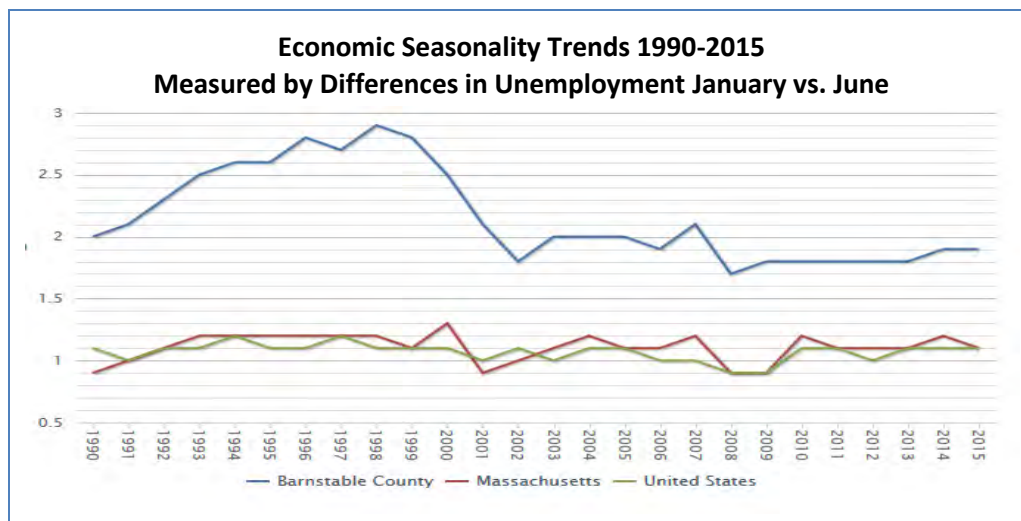
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Source: U.S. Bureau of Labor Statistics, Covered Employment & Wages

### Employment trends: Seasonality

The Cape economy is driven by tourism, second home owners, and **retirees that are on Cape only part of the year. Thus, the region's** economy is more seasonal than the state or the national economy. However, data showing the difference between January and June unemployment rates indicate that the region is less seasonal than it has been in the past. The greatest difference, almost 3%, between winter and summer unemployment in 1989; since 2001 the difference has hovered around two percentage points.



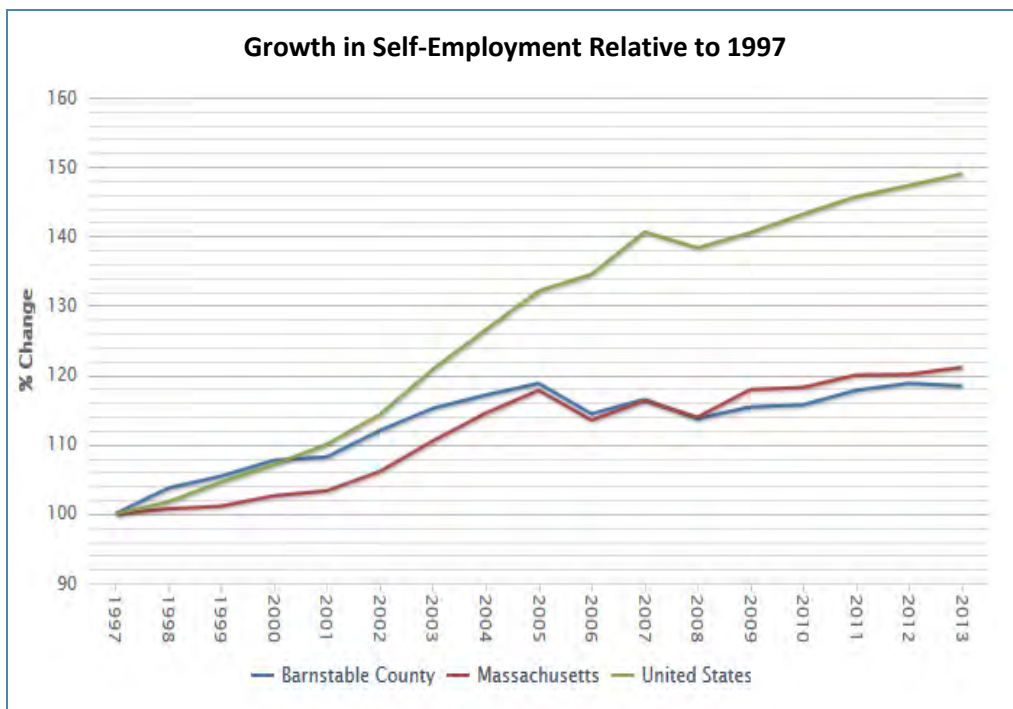
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Survey (LAUS)





### Employment trends: Self-employment

In 2013, almost 25,000 people on Cape Cod were self-employed, equal to **almost a quarter of the Cape's** employed labor force (24% versus 15% US; 14% MA). Self-employment has grown by almost 50% since 1997 in the US as a whole. The growth rate locally has been slower but nevertheless significant at 18% on Cape Cod and 21% in Massachusetts since 1997.



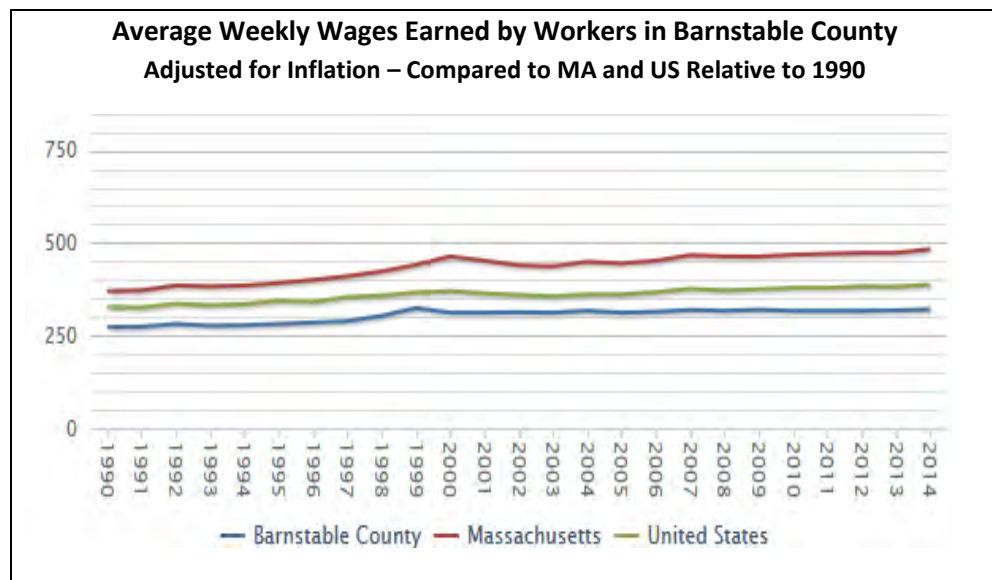
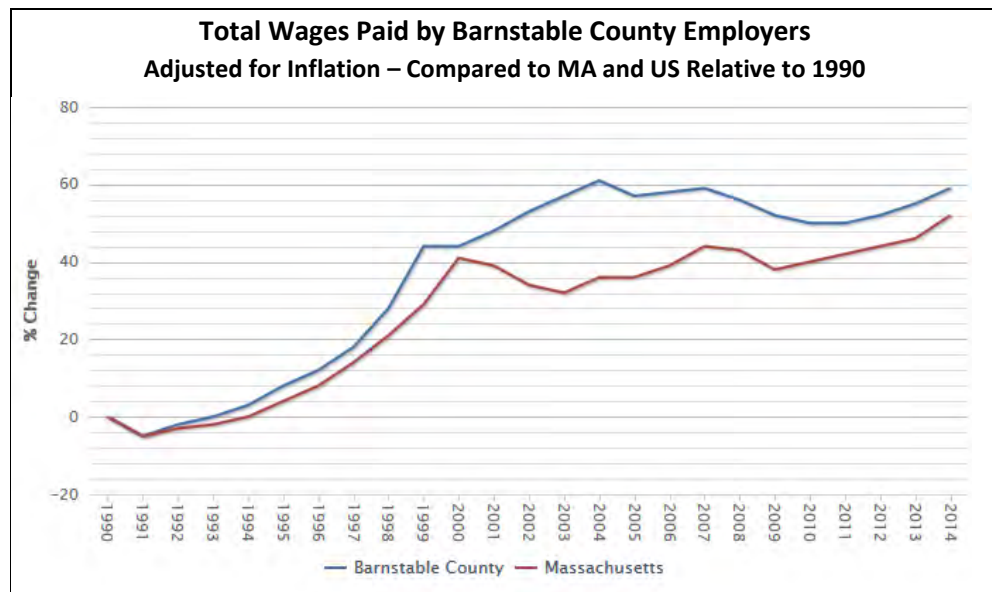
Source: Census Bureau, Non-employer Statistics



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### Wage & Income trends: Total Wages in Real Terms

Since 1990, the payroll of employers on Cape Cod has risen by 59% versus 52% in Massachusetts after controlling for inflation. Unfortunately for employees, this increase has been mostly due to job growth rather than wage growth. At first it may appear that on average the weekly wage per worker has gone up, however, once they are adjusted for inflation, growth has been flat across the board.

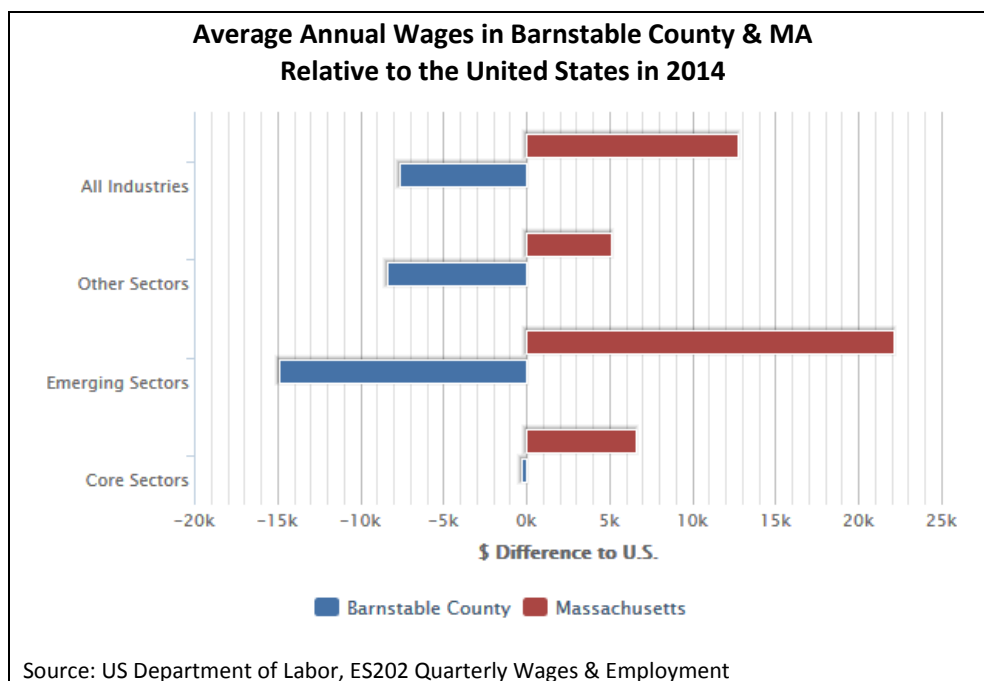




### Wage & Income trends: Wages by Industry cluster

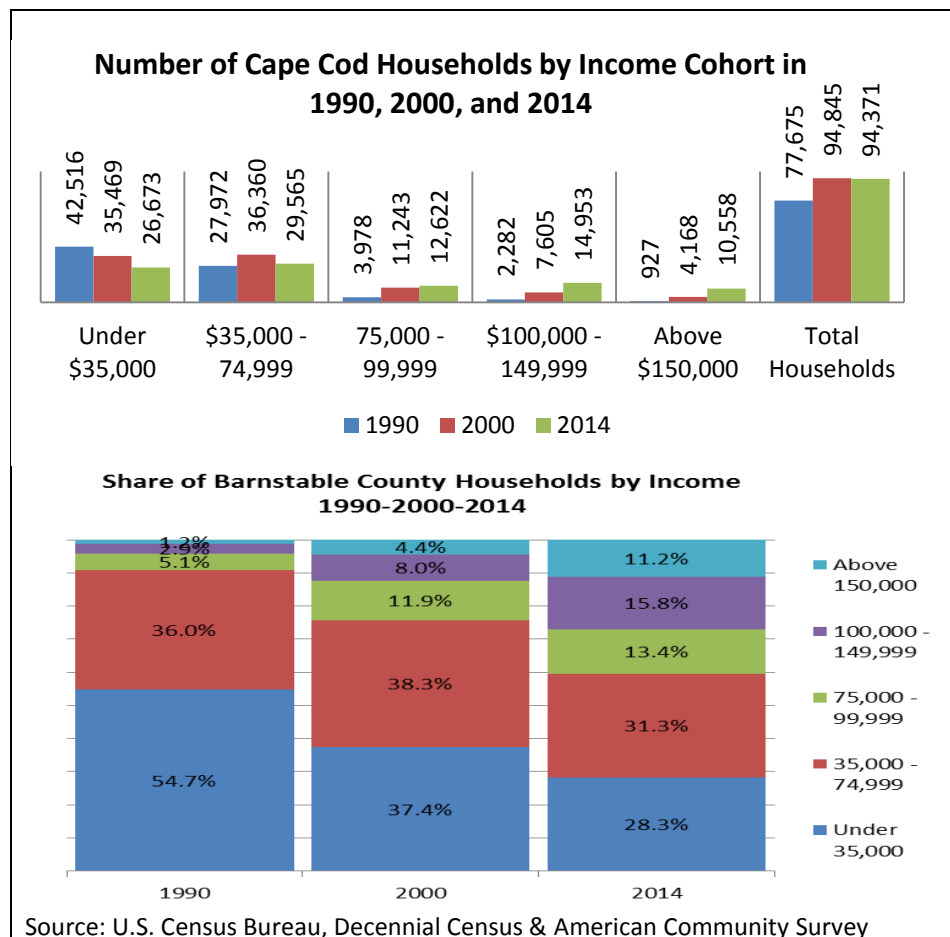
In addition to not growing over time, the average annual wage on Cape Cod (\$41,000) is lower than the US average (\$48,000) and significantly lower than the Massachusetts average (\$61,000) for all industries combined. Breaking industries down into groups - Core, Emerging, and Other – gives a more nuanced picture.

Together, local wages in core industries are comparable to the US. These industries include those related to tourism as well as health care, fishing, and construction. Sixty-one percent of those working on Cape Cod, work in these core industries versus 51% in Massachusetts and 52% in the US. With exceptions in construction and healthcare, core industry wages are lower than wages in the other two industry groupings. Emerging industries include Art & Culture, Educational Services, Finance & Insurance, Information, and Professional, Scientific & Technical Services. The average annual wage in emerging industries on Cape Cod is about \$54,000; \$18,000 a year higher than in the Core sector group. Yet, emerging sectors on the Cape pay almost \$15,000 less than the US **average and only 22% of the Cape's workers** are in these industries versus 29% of the US workforce. Massachusetts has more workers and higher wages in emerging industries than both the US and Cape Cod.



### Wage & Income trends: Household Income

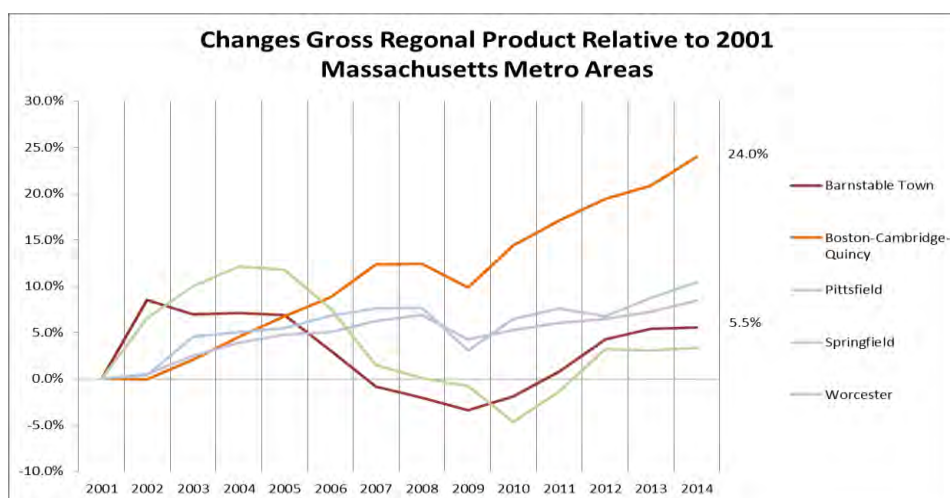
Without controlling for inflation, there appears to be a shift towards higher income households on the Cape between 1990 and 2014. In 1990 only 1.2% of all households had incomes over \$150,000 per year; by 2014 this percentage was over 11% of all households; growing by over 1,000%. The total number of households on Cape Cod only grew by 21½ % during that same period. The number of households in the lowest income bracket declined by almost 16,000 since 1990 and the top income cohort grew by over 9,000 households. It is difficult to determine the cause of this shift. Are Cape residents doing better than they were in 1990 or have different people with higher incomes moved in while low income households have left? Either is possible but what is certain is that over half of all Cape households are still in the lowest two income brackets. Meanwhile, the Cape's poverty rate is almost 2% higher today than in 1990.





## Wage & Income trends: Regional Income

**Barnstable County's Gross Regional Product** is \$9.7 billion in 2014, a 5½% increase over 2001. The Boston metro area has significantly **outpaced the other metro areas in Massachusetts**. Cape Cod's regional product was stronger in the first half of this decade, but dropped below 2001 levels in 2007. Some uplift is evident towards the end of the decade but the region has yet to recover to the levels prior to the recession.



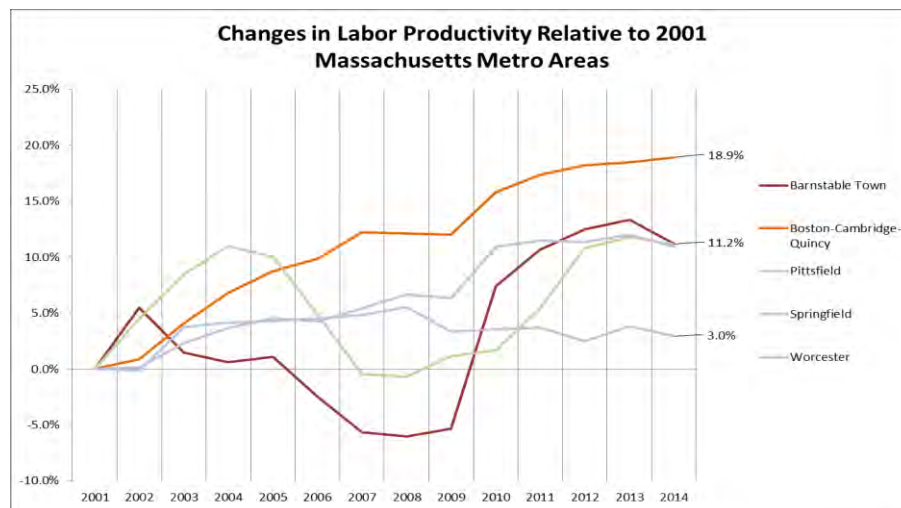
Source: Bureau of Economic Analysis

Gross Regional Product (millions of chained 2005 dollars) By Metro Areas					
Year	Barnstable Town	Boston-Cambridge-Quincy	Pittsfield	Springfield	Worcester
2001	9,155	285,254	5,474	21,123	31,830
2002	9,935	285,143	5,830	21,230	31,937
2003	9,792	291,120	6,022	21,645	33,267
2004	9,808	298,297	6,140	21,951	33,445
2005	9,783	304,487	6,120	22,129	33,564
2006	9,435	310,406	5,891	22,190	33,990
2007	9,078	320,435	5,554	22,439	34,242
2008	8,967	320,598	5,477	22,585	34,268
2009	8,841	313,322	5,433	22,021	32,811
2010	8,979	326,445	5,218	22,237	33,885
2011	9,229	334,070	5,401	22,394	34,252
2012	9,546	340,791	5,648	22,490	33,977
2013	9,649	344,756	5,642	22,656	34,618
2014	9,663	353,710	5,655	22,913	35,160

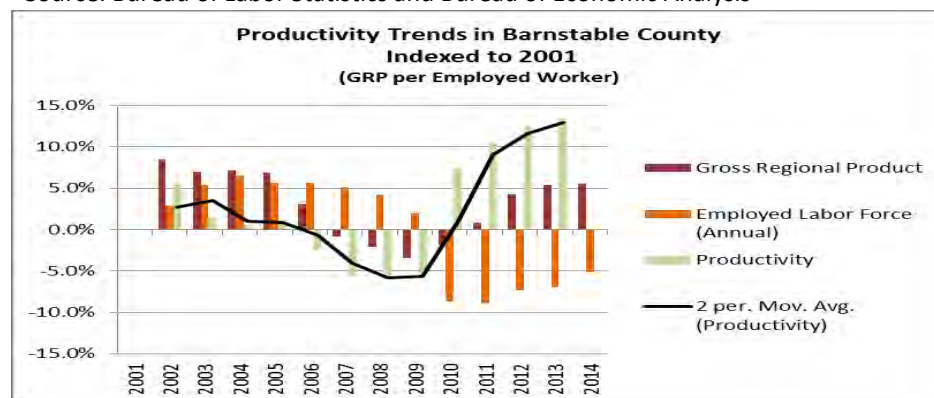


### Wage & Income trends: Labor Productivity Metric

A standard measure of productivity is to divide an area's output by the number of workers in the area. Unfortunately, there is no perfect data set with which to calculate this; here we have used gross regional product by metro area (see pervious graph and table) divided by the employed labor force for each metro area. Based on this metric, productivity in Barnstable County is 11.2% higher in 2014 than it was in 2001 but there have been some dramatic ups and downs. The fluctuation is largely due a delay in reducing labor after the 2008 recession; the gross regional project plummeted in 2008 but the employed labor force on Cape Cod did not shrink substantially until 2010.



Source: Bureau of Labor Statistics and Bureau of Economic Analysis





## EVALUATING THE CEDS PLANNING PROCESS

Evaluating the CEDS process focuses specifically on how well we have achieved the CEDS Process goal:

### *Goal – CEDS1: Regional Collaboration & Joint Commitment*

To provide a forum for local and regional organizations to be actively involved in determining and executing economic development policies and projects.

The measures of success in implementing this goal are both process measures and outcome measures. They track the work put into the process and wherever possible the results of that work. Often, the outcome measures are the hardest to quantify and to track but every effort is made to do so.

The following table outlines some of the successes in reaching the goal of regional collaboration and joint commitment.

<b>CEDS Process – Measures of Success – Accomplishments for Year 2</b>				
Objective	Process/In-put Measures		Outcome Measures	
	Measure	Results	Measure	Results
Capital Investment	# of Grants Submitted: \$\$ of Funds Awarded	1 grant proposal submitted; 1 in process EDA EDD Funding awarded for 3 years - \$70K/yr.	\$\$ of Private Investment Leveraged	TBD
Understanding of ED	# of Presentations given # of Reports published # of Articles written	5 presentations 3 RESET Reports Published; 1 Priority Project Final Report 1 Article – Orleans Village Center	Town Actions on Wastewater and Zoning Necessary for Economic Development	Wastewater Infrastructure Built: 4 Towns Funded: 3 Towns Smart Growth Zoning Adopted: 3 Towns

CEDS Process – Measures of Success – Accomplishments for Year 2				
Objective	Process/In-put Measures		Outcome Measures	
Strong Partnerships	# of Partnerships # of new Partnerships	Initiating new partnership with UMass Dartmouth and WHOI	Formal Partnerships	SmarterCape Partnership (8 entities) CDP Board Member
Easy Access to Information	STATSCapeCod Management	Site fully updated	STATSCapeCod user statistics	

The CEDS process goals for Year 2 are listed in the following table.

CEDS Process – Measures of Success – Goals for Year 3				
Objective	Process/In-put Measures	Goal	Outcome Measures	Goal
Capital Investment	# of Grants Submitted: \$\$ of Funds Awarded	1 grant submitted	\$\$ of Private Investment Leveraged	TBD
Understanding of ED	# of Presentations given # of Reports published # of Articles written	5 presentations 2 RESET Reports 1 Article	Town Actions on Wastewater and Zoning Necessary for Economic Development	Wastewater Infrastructure Built: +1 Funded: +3 Smart Growth Zoning Adopted: +1
Strong Partnerships	# of Partnerships # of new Partnerships	Continue existing	Formal Partnerships	Continue existing +1 (UMass D)
Easy Access to Information	Progress made on STATSCapeCod	Maintain site; upgrade look	STATSCapeCod user statistics	Increase by 10%





## EVALUATING THE IMPLEMENTATION PLAN

Each year the implementation plan is fully vetted by the Strategy Committee both in terms of what is included for a given year and how **much progress was made on the previous year's workplan.** The implementation plan included the following areas:

- Economic Development Planning
- Research & Public Outreach
- Data Dissemination
- Regional Priority Projects led by the Cape Cod Commission
- RESET: Direct Technical Assistance to Towns

The following table outlines the activities slotted for Year 2 and the progress made towards completing those actions within the year. This represents the complete scope of work in the area of economic development undertaken by the Cape Cod Commission.

Cape Cod Commission Economic Development Work Plan – Year 2 Accomplishments					
Action	Activities	Done	On-going	Post-poned	Comments
Economic Development Planning	Update the Regional Policy Plan (RPP)		x		Ongoing
	Developments of Regional Impact, Local Comp. Plans, Regional Planning Tools		x		On-going activity dependent on the amount of large development being proposed on Cape Cod and on Town actions.
	Coordinate EDC/CEDS Strategy Committee	x			Monthly Meetings; Grant Administration
	Complete CEDS Annual Report	x			Year 2



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Cape Cod Commission Economic Development Work Plan – Year 2 Accomplishments					
Action	Activities	Done	On-going	Post-poned	Comments
Research & Data Dissemination	Environmental Econ. Research	x			
	<a href="http://STATSCapeCod.org">STATSCapeCod.org</a>	x			Site fully updated with most recent data available
	<a href="#">BART</a>	x			In depth data analysis of Cape Cod's second home owners impact on the regional economy
Outreach	Conference			x	Postponed to October 2016
	Reporting on CEDS activities		x		On-going reporting to strategy committee; Updates to partners, Barnstable County Commissioners, and the Cape Cod Commission
Regional Priority Projects – Lead	Wastewater in Economic Centers	x			Submitted a grant proposal to EDA for Wastewater Treatment Plant to serve Buzzards Bay, Bourne.
	Commuter Rail Impact Analysis	x			Pilot service schedule for this summer
	Expedited Permitting	x			Continued roll-out of e-permitting in towns; Regional Regulatory Relief Assessment Completed for Mashpee
	Cape Cod Capital Trust Fund	x			Feasibility Report Completed; Next steps: draft legislation for Cape Cod Infrastructure Bank
	Strategic Information Office	x			Cape-wide Planimetric data layer completed



Cape Cod Commission Economic Development Work Plan – Year 2 Accomplishments					
Action	Activities	Done	On-going	Post-poned	Comments
RESET	Intensive Multi-disciplinary Town Technical Assistance	x			RESET projects completed in Mashpee, Falmouth, and Orleans

The following table outlines the new work plan for Year 3 of the CEDS implementation including whether each item is a new activity or an ongoing activity. This work plan was approved by the Economic Development Council/CEDS Strategy Committee in December 2015. Also approved by the EDC was funding (\$290,000) to support the implementation of the work plan. The EDC support is approximately 26% of the total effort with the rest covered by the EDA Partnership Planning Grant (6%) and the Cape Cod Commission (68%).

FINAL - Cape Cod Commission Economic Development Work Plan FY2017 (Yr.3)					
Activity	Projects	Consultant/ Staff	Funding Source	New or Ongoing	Comments
Economic Development Planning	Update & Implement the Regional Policy Plan Economic Development Section	Staff	CCC	Ongoing	Update ED section; Bring ED angle to use of special CCC land use planning and regulatory tools
	Coordinate EDC/CEDS Strategy Committee	Staff	EDC	Ongoing	Monthly Meetings; Administrative Support; planning guidance and reporting
	Complete CEDS Annual Report	Staff	EDA	Ongoing	Evaluate CEDS Implementation to maintain EDA certification and EDD designation



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FINAL - Cape Cod Commission Economic Development Work Plan FY2017 (Yr.3)					
Activity	Projects	Consultant/ Staff	Funding Source	New or Ongoing	Comments
	Mashpee Wampanoag Tribal CEDS	Staff	EDA	Ongoing	Technical assistance to the Tribe on CEDS development
	Integrate housing affordability into economic development planning	Staff	CCC	New	CCC in collaboration with the SmarterCape Partners
Research & Data Dissemination	Second Home- owner Survey	Staff/ Consultant	CCC	New	Update and expand 2008 Survey
	Environmental Economics Applied Research	Staff	CCC	New	Impact of environmental damage on property values; economic value of natural systems relative to climate change;
	STATSCapeCod	Staff/ Consultant	EDC	Ongoing	Regular maintenance and upgrades
Outreach	Annual SmarterCape Conference	Staff	CCC	Ongoing	In collaboration with the SmarterCape Partners; based on CEDS goals & priorities
	Reporting on CEDS activities	Staff	CCC	Ongoing	Project updates; Articles; Annual Report Presentations



FINAL - Cape Cod Commission Economic Development Work Plan FY2017 (Yr.3)					
Activity	Projects	Consultant/ Staff	Funding Source	New or Ongoing	Comments
CEDS Regional Priority Projects	Wastewater in Economic Centers	Staff	EDC/CCC	Ongoing	Seek funding to build treatment facilities
	Climate Change Economic Impact Assessment	Staff/ Consultant	EDC/CCC	New	Scope and methodology for research into the economic impact of climate change; begin research
	Expedited Permitting	Staff	EDC/CCC	Ongoing	Continue to work with towns to streamline local and regional permitting
	Cape Cod Capital Trust Fund	Staff/ Consultant	EDC/CCC	Ongoing	Move towards establishing Cape Cod Infrastructure Bank
	Strategic Information Office	Staff/ Consultant	EDC/CCC	Ongoing	
RESET	Intensive Multi- disciplinary Town Technical Assistance	Staff	EDC/CCC	Ongoing	ID impediments to ED & opportunities in areas designated for growth



## EVALUATING THE REGIONAL PRIORITY PROJECTS

<b>Regional Priority Project Name</b>	<b>Project Goal</b>	<b>Estimated Year for meeting Goal</b>	<b>Estimated Percent Complete</b>
Cape Cod Capital Trust Fund	New funding for long-overdue infrastructure	2020	40%
Wastewater in Growth Centers	Improve water quality & enable econ. growth	2040	40%
Integrated Infrastructure PIng.	Regional strategy to reduce long-term costs	2017	15%
Commuter Rail Impact Analysis	Establish appropriate train service to Boston	2017	30%
SIO Regional Services	Reduce costs; increase consistency & efficiency	2025	30%
Climate Change Impacts	Improve resiliency and reduce costs & impacts	2018	35%
Last Mile Broadband	Maximize use of Open-Cape fiber backbone	2025	15%
Business Dev. Revolving Loan	Strengthen businesses & entrepreneurship	2020	5%
Expedited Permitting	Target growth to limit environmental impacts	2030	40%
Harbor Planning	Preserve & strengthen maritime industries	2018	0%



## 1. Cape Cod Capital Trust Fund for infrastructure financing

Funding would be sought to establish a Cape Cod Capital Trust Fund, a revolving loan fund to finance infrastructure development particularly in the areas of wastewater, telecommunications, and renewable energy.

<b>Long-term Measures of Success</b>	<b>Quantitative:</b> <ul style="list-style-type: none"><li>• Trust Fund Balance</li><li>• Number of Loans Issued</li><li>• Interest Rate/Credit Rating</li><li>• Infrastructure designed and constructed</li><li>• Nitrogen reductions in sensitive embayments</li><li>• Amount of energy from renewable resources</li><li>• Last-mile OpenCape connections</li></ul>
	<b>Qualitative:</b> <ul style="list-style-type: none"><li>• Stronger partnership between the county and the towns</li></ul>

Project Status: The Cape Cod Commission and the Barnstable County Wastewater Collaborative are the lead agencies on this project. They hired the Sycamore Group, experts in public finance, to complete a feasibility analysis. The analysis sought to answer the following research questions:

1. What staff expertise would be needed to administer the Fund?
2. What sort of governance board would be needed to guide the Funds priorities and operations?
3. Would state legislation be needed to establish the Fund or could this be done under **the County's existing authority**?
4. What would be an optimal fund balance needed to provide meaningful loans to communities or districts for the purposes outlined above?
5. What financing tools would be the most appropriate → revolving loan fund, loan guarantees, other?
6. Are there case studies of similar entities being established at such a small regional scale?

The feasibility analysis was completed in April 2016 and recommended the creation of a Cape Cod Infrastructure Bank (similar to a typical state or city bond bank). Commission staff has outlined the



statutory elements needed and bond council will draft legislation as the entity must be enabled by state law. Commission staff has also researched and outlined a number of potential funding sources with which to secure and pay off bonds issued by this entity. The goal is to introduce and pass the necessary legislation within the next three to five years. The final report from the Sycamore Group is included in the appendix.

## 2. Wastewater infrastructure and planning for identified growth areas

Funding would be sought from the US Economic Development Administration and other federal, state, and regional sources to design and build capital infrastructure for wastewater treatment serving regionally identified growth areas.

<b>Long-term Measures of Success</b>	Quantitative: <ul style="list-style-type: none"><li>• Number of interventions built to reduce nitrogen in sensitive watersheds</li><li>• Nitrogen concentrations in sensitive embayments</li><li>• Number of businesses served by nitrogen reducing wastewater treatment systems</li></ul>
	Qualitative: <ul style="list-style-type: none"><li>• Increased partnerships between the county and towns</li><li>• Increased town to town partnerships</li></ul>

Project Status: The Cape Cod Commission is the lead agency on this project working closely with the 15 towns that make up Barnstable County, the State Department of Environmental Protection (DEP), and the US Environmental Protection Agency (EPA). The year has focused on the initial implementation steps of the Section 208 Water Quality Plan recently approved by DEP and EPA. The Commission is working with towns to develop scenarios for reducing nitrogen in embayments that have total maximum daily load limits. The Commission is also working with stakeholders to establish a water quality monitoring program that will track the effectiveness of different approaches to reducing nitrogen. The 208 plan can be found at: <http://cape20.org/>.





### 3. Integrated infrastructure planning

Staff time and funding will be dedicated to developing a regional infrastructure plan to coordinate the development of new infrastructure and upgrades to existing infrastructure in a manner consistent with land use goals and resiliency to climate change.

<b>Long-term Measures of Success</b>	Quantitative: <ul style="list-style-type: none"><li>• Miles of Utility lines buried</li><li>• Number of road openings and services addressed by road openings</li><li>• Cost of infrastructure maintenance over time</li></ul>
	Qualitative: <ul style="list-style-type: none"><li>• Improve partnerships between towns and various utilities</li><li>• Advance asset management efforts by towns</li><li>• Improve county-town partnerships</li></ul>

Project Status: The Cape Cod Commission is developing a regional capital infrastructure plan to assess gaps in infrastructure availability, capacity, or quality and to guide infrastructure investment in the region. Eventually, the regional plan will include specific infrastructure projects nominated by towns for funding by the Cape Cod Infrastructure Bank (see first regional priority project). The Commission will evaluate projects using the goals of the Regional Policy Plan and any criteria set out in the infrastructure plan.

### 4. Commuter rail impact analysis

CEDS stakeholders have identified the provision of commuter rail between Cape Cod and Boston as a high priority – this project would investigate the economic, transportation, and land use impacts of commuter service on Cape Cod.

<b>Long-term Measures of Success</b>	Quantitative: <ul style="list-style-type: none"><li>• Report for distribution to towns, rail providers, chambers and public decision makers</li><li>• Availability of Commuter Rail and frequency</li></ul>
	Qualitative: <ul style="list-style-type: none"><li>• Partnerships between towns, county, and chambers</li><li>• Information to developers about opportunities afforded by potential rail services</li><li>• Information for Public policy makers on the pros and cons of developing commuter rail to the Cape</li></ul>



Project Status: The Massachusetts Department of Transportation and the MBTA ultimately control the outcome of this project; the Cape Cod Commission is the lead agency locally. The first phase of this project was the completion of the Buzzards Bay Commuter Rail Extension Local Impact Report in April 2015. The study included:

- Two detailed parking scenarios
- Intersection impacts evaluations at Academy Drive/Main Street, the entrance and exits to the parking areas, and **St. Margaret's Street/Main Street**
- Traffic impacts assessments for the Main Street corridor **between Academy Drive and St. Margaret's Street**
- An economic impact analysis based on case studies
- A draft parking policy for the Army Corps Canal Viewing lot, on-street parking, and other existing parking lots
- A cost estimate for the Town of Bourne to join the MBTA district to allow commuter rail to Buzzards Bay

Public outreach was an important part of this impact study. Outreach included presentations at the Bourne Transportation Advisory Committee meetings, discussion of the project at the Bourne Board of Selectmen Meetings, and coverage of the project by several local newspapers.

Since this report was completed, the Town of Bourne has joined the MBTA and a commuter rail pilot project providing service from Buzzards Bay to Boston via Middleboro should begin this summer. The Cape Cod Commission recently prepared a survey to gauge roughly the amount and nature of demand for this service.

## **5. Strategic Information Office regional services**

The Strategic Information Office of the Cape Cod Commission will apply staff time and resources to the identification and pursuit of regionalized services, including e-permitting, which increase efficiencies and decrease costs to municipalities on Cape Cod.



<b>Long-term Measures of Success</b>	Quantitative: <ul style="list-style-type: none"><li>• Number of services provided</li><li>• Number of towns participating</li><li>• Reduction in total costs for services</li></ul>
	Qualitative: <ul style="list-style-type: none"><li>• Partnerships between the county and the towns</li><li>• Town to town collaboration</li></ul>

Project Status: The Commission continues to support the establishment of a region-wide e-permitting system. Thus far 4 towns are establishing e-permitting programs for building and other local permits. The regional GIS database continues to be built.

## 6. Climate change economic impacts assessment

Funding will be sought to support planning for resiliency to climate change and understanding the economic impacts of no action.

<b>Long-term Measures of Success</b>	Quantitative: <ul style="list-style-type: none"><li>• Towns participating in the planning process</li><li>• Economic Assets identified and mitigation efforts undertaken to protect the asset</li></ul>
	Qualitative: <ul style="list-style-type: none"><li>• Improved coordination among governmental units</li><li>• Faster response time in a disaster event</li></ul>

Project Status: The Cape Cod Commission has developed a sea level rise viewer using GIS to help towns understand the impact of climate change on key infrastructure, homes and businesses. The Cape Cod Commission provides on-going technical assistance to towns to develop local Multi-hazard Mitigation Plans to FEMA.

The National Oceanographic and Atmospheric Administration (NOAA) awarded a three-year, \$780,000 grant to the Cape Cod Commission and partners to develop a tool and public outreach program to investigate the environmental and socio-economic effects of local and regional coastal resiliency strategies.

As lead agency for the grant, the Commission will develop a tool to translate technical data into understandable and actionable language, estimate loss of individual and government assets, communicate adaptation strategies and their costs and benefits, communicate the need for action and engage the public in selecting and implementing site-specific strategies.

## 7. Last mile broadband build-out

The OpenCape middle-mile network, funded through federal and state grants, has been completed. Funding will be sought to complete a regional area network for municipalities and encourage last-mile build out to areas designated for growth.

<b>Long-term Measures of Success</b>	Quantitative: <ul style="list-style-type: none"> <li>• Number of last-mile connections achieved</li> <li>• Cost of connections</li> </ul>
	Qualitative: <ul style="list-style-type: none"> <li>• Collaboration between County and towns</li> <li>• Competition with Comcast and Verizon</li> </ul>

Project Status: The Commission and the County provided technical and financial support to towns to establish a Regional Area Network. All but one town is participating in this project. Open Cape is in the process of developing a new approach to providing last mile connections to its broadband network.

## 8. Business development revolving loan fund

Funding will be sought from the Economic Development Administration to seed a new revolving loan fund for small business and entrepreneurial development.

<b>Long-term Measures of Success</b>	Quantitative: <ul style="list-style-type: none"> <li>• Increase in income for loan recipients</li> <li>• Jobs created by loan recipients</li> </ul>
	Qualitative: <ul style="list-style-type: none"> <li>• Sense of empowerment and increased creativity</li> <li>• Increased consumer choice</li> </ul>

Project Status: NO CHANGE. Commission staff reached out to Coastal Community Capital and Community Development Partnership last year about the EDA revolving loan program. Unfortunately, neither of these entities or the County can provide the 50% match at this time and they also have concerns about reporting and administrative costs.

## 9. Expedited permitting in identified growth areas

The Commission will work actively with Towns to improve regional and local permitting processes in areas identified for growth.



<b>Long-term Measures of Success</b>	Quantitative: <ul style="list-style-type: none"><li>• New business development in strategic industries</li><li>• Business development in growth centers</li><li>• Reduction in commercial sprawl</li><li>• Job creation</li></ul>
	Qualitative: <ul style="list-style-type: none"><li>• Collaborations between county and towns</li><li>• Public participation/understanding of development challenges &amp; opportunities on Cape Cod</li></ul>

Project Status: The Cape Cod Commission completed projects in Orleans, Mashpee and Falmouth evaluate local by-laws relative to the **town's economic development goals**. This work has illustrated the need for changes in zoning density limits, dimensional standards, and parking requirements to allow developers to provide residential and commercial space that is affordable while still earning a return on their investment. Such changes would be focused in designated activity centers only where appropriate infrastructure exists or is planned. The update of the Regional Policy Plan will designate these activity centers and change planning, regulatory, and funding practices to focus on these areas as the recipients of future growth.

## 10. Regional Harbor Planning and Infrastructure Evaluation

Funding will be sought by the Commission and other regional partner agencies to support regional and local planning to maintain active fishing harbors and fishing assets for both commercial and recreational fishing.

<b>Long-term Measures of Success</b>	Quantitative: <ul style="list-style-type: none"><li>• Size of the Commercial Fishing Fleet</li><li>• Size of the Commercial Catch by species</li><li>• Jobs created and retained</li><li>• Number of water access points serving fishing fleet and recreational fishing</li></ul>
	Qualitative: <ul style="list-style-type: none"><li>• Maintain traditional industry the defines the Cape as a special place</li><li>• Increase awareness of the importance of the fishing industry to Cape Cod</li></ul>

Project Status: NO CHANGE



## LOCAL PRIORITY PROJECTS - UPDATES

<b>Project Title</b>	<b>Hyannis National Guard Armory Revitalization</b>
<b>Town</b>	Town of Barnstable
<b>Goal of the Project</b>	Upgrade and revitalize this historic building to accommodate arts, civic, historic, and general event programming. Space upgrades to provide new assembly space, creative economy work and retail spaces, and a home for a JFK Museum related exhibit commemorating the armory building's history as the location of John F. Kennedy's presidential acceptance speech on election night November 8, 1960.
<b>Description</b>	The building components need significant updates and remediation, but the critical architectural and structural pieces are in excellent condition and are well-suited to the intended use. In 2012 designLAB architects performed a site visit at the Hyannis Armory to document existing conditions, assess the work needed to make the building code compliant, and develop preliminary design ideas for transforming the building into a performing arts and events space.
<b>Overall Project Benefits</b>	The Armory and its site have many features that would support future uses such as gallery, performance, events, and artist studios. The building code classification already supports these functions. The property is strategically located within the HyArts Cultural District - a state designated district hosting a collection of art institutions, performance venues, and creative economy initiatives in Hyannis. Existing networks of professional and amateur artists, musicians, and performers are currently without a venue of the Armory's size and capacity, and would benefit immensely from this project.
<b>Estimated Job Creation</b>	Construction: unknown at this time
	Permanent: unknown at this time



<b>Measures of Success</b>	Quantitative: Increase civic and event space; new visitor attraction; additional creative economy incubator space; additional performing arts space. Increasing these programming options will bring additional revenue to the local economy and have a stimulus effect for Hyannis restaurants, shops, and accommodations.		
	Qualitative: Enhance quality of life for Hyannis residents and visitors by increasing access to cultural, historic, and civic events. Provide further support for the creative economy sector, and revitalize an underused yet highly significant building in the Hyannis core area - the Hub of Cape Cod -stimulating additional investments.		
<b>Estimated Duration</b>	Estimated 12 – 18 month construction period depending on phasing plan chosen.		
<b>Estimated Total Cost</b>	Total Cost:	Public Share:	Private Share:
	\$7,200,000	\$5,070,000	\$2,130,00

<b>Project Title</b>	<b>Cape Cod Rail Trail Extension - Station Avenue (Yarmouth) To Route 132 (Barnstable)</b>
<b>Town</b>	Town of Barnstable
<b>Goal of the Project</b>	<p>The Town of Barnstable and the Town of Yarmouth have recognized that upon completion of the Cape Cod Rail Trail Extension project (in Dennis and Yarmouth, scheduled for completion in 2016, there will be limited shared-use path connectivity between Yarmouth and Barnstable. To correct this deficiency, they are planning the design and construction of a new shared-use path in combination with upgrades to existing shared-use paths to complete a new connection from the terminus of the trail in Yarmouth to Route 132 in Barnstable.</p> <p>The existing Cape Cod Rail Trail, owned and maintained by the Department of Conservation and Recreation, extends from South Wellfleet to Route 134 in Dennis. An extension of the trail in the Towns of Dennis and Yarmouth will be complete by Federal fiscal year 2016.</p> <p>One of the objectives of the extension is to continue to</p>



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	develop projects to ultimately connect the shared-use path to the Regional Transportation Center located on Main Street in Hyannis. The westerly trail head located on Route 132 will ultimately provide connections to the Regional Transportation Center via Route 132 and Bearses Way.
<b>Description</b>	<p>This project proposes the development of a shared-use path from the future terminus of the Cape Cod Rail Trail west of Station Avenue in Yarmouth to an ending point at Route 132 in Barnstable.</p> <p>The proposed design of the shared-use path aims to meet all recommended national standards, specifically two six foot travel lanes with a minimum design speed of 20-30 miles per hour, three foot shoulders and adequate drainage and sight distances. The project includes the construction of a new pedestrian bridge to be constructed over Willow Street and the adjacent railroad corridor.</p>
<b>Overall Project Benefits</b>	<p>The extension of the Cape Cod Rail Trail from Yarmouth to Barnstable will provide new connectivity between these communities for recreational and commuting purposes. It will also provide greater multi-modal accessibility to existing recreational facilities in Yarmouth and Barnstable. The proposed shared-use path will provide an exclusive route for pedestrians and cyclists commuting between the towns of Yarmouth and Barnstable and from the existing Cape Cod Rail Trail, increasing safety for roadway users, pedestrians, and cyclists.</p> <p>The introduction of a new shared-use path facility typically encourages development of services including temporary and permanent food vendors and bicycle shops.</p> <p>A small air quality benefit can be gained as commuters leave their motor vehicles at home and cycle to work or school; thereby reducing gas emissions.</p>
<b>Estimated Job Creation</b>	Construction: 30
	Permanent: 5
<b>Measures of Success</b>	<p>Quantitative:</p> <ul style="list-style-type: none"> <li>• Number of shared-use path users (estimated 40 users/peak hour in summer months)</li> <li>• Number of new supportive service businesses and jobs</li> <li>• Increased retail sales to nearby local restaurants, lodging establishments and retail stores.</li> <li>• Enhancement of nearby property values along areas</li> </ul>





	that feature bike paths and trails.		
	Qualitative: <ul style="list-style-type: none"> <li>• Perceptible public access and public safety improvements for persons of all modality</li> <li>• Increase in tourism and economic activity associated with additional recreational opportunities</li> <li>• Increases in environmental quality, quality of life, and community health</li> </ul>		
<b>Estimated Duration</b>	2017 start to 2020 completion (start & end dates or on-going)		
<b>Estimated Total Cost</b> (If on-going insert annual cost)	\$8,100,000	Public Share: \$8,100,000	Private Share: \$8,100,000

<b>Project Title</b>	<b>Cape Cod Maritime Museum and STEM Gains STEAM Education Center (Hyannis)</b>
<b>Town</b>	Town of Barnstable
<b>Goal of the Project</b>	A multi-use education center on the Hyannis inner harbor enabling complimentary organizations to join the Museum to protect, preserve and promote maritime arts, sciences, artifacts and local cultural skills and traditions.
<b>Description</b>	This project is presently conducting a feasibility study identifying both a design and scope of financial support for a 21st century LEED certified museum display and hands-on immersive education center.
<b>Overall Project Benefits</b>	<p>The expansion of the existing multi-use educational center at the Hyannis inner harbor would be a significant contribution to the ongoing Strategic Economic Development Zone where the current Museum has grown for 9 years. With a 91 year lease and more than 60,000 visitors to museums within 300 yards this new gateway from Nantucket Sound to Main Street will catalyze existing and future business activity along the depressed inner harbor.</p> <p>As visitors and local inhabitants seek new ways to connect our shared maritime past with a technologically driven future, the Maritime Museum and its education and non-profit partners will leverage this proposed cultural facility to</p>



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	expand and scale existing services. These services include training, research and education in maritime, science, technology, engineering, math, and arts focused curriculum for local youth, special needs students, adults, retirees, professionals and educators. Its unique waterfront location not only presents an opportunity to remind us of our centuries old link to the sea but also builds a sense of pride and connection to our community today.		
<b>Estimated Job Creation</b>	Construction: Unknown at this time		
	Permanent: Unknown at this time		
<b>Measures of Success</b>	Quantitative: Increase in hospitality, restaurant, retail, entertainment and marine related retail and wholesale businesses from new visitors and local inhabitants spending more time on the inner harbor. Increased income for local teachers of marine STEM classes including new economic opportunities for displaced workers particularly fisherman and fishing related businesses effected by the closing of many fisheries.		
	Qualitative: Revitalization of a previously developed site not currently operating with 21st century efficiency and safety norms, and create additional space to meet the needs of its existing visitors and stake holders. Enhanced quality of life for Barnstable and Cape Cod residents, tourists and special needs populations including the autistic and homeless.		
<b>Estimated Duration</b>	(start & end dates or on-going) Unknown at this time		
<b>Estimated Total Cost</b>  (If on-going insert annual cost)	Unknown at this time	Public Share:	Private Share:

<b>Project Title</b>	<b>Redevelopment of (former) Yarmouth Drive-In Site</b>
<b>Town</b>	Yarmouth
<b>Goal of the Project</b>	Public investment in infrastructure to encourage private development at the site of the former Yarmouth Drive-In.



<b>Description</b>	The Town of Yarmouth continues with ongoing efforts to promote utilization and development at 669 Route 28, the site of the former Yarmouth Drive In. The Town is currently pursuing a phased development approach including a waterfront pedestrian park. The May 2016 Annual Town Meeting approved \$84,000 for a feasibility analysis of this park and an associated Boardwalk that would connect the site with Seagull Beach. A subdivision of the property may allow for continued public use through the waterfront park and private development on the balance of the site. Taken in conjunction with the physical improvements to the nearby Parkers River Bridge and the scheduled June 2016 opening of the high profile Whydah Pirate Museum located opposite the Drive In Site, this site presents a great opportunity for development that will help to stimulate other development along Route 28, Yarmouth's primary commercial corridor.		
<b>Overall Project Benefits</b>	Creation of usable public space and aesthetic improvements to blighted property.		
<b>Estimated Job Creation</b>	Construction -- 15-25		
	Permanent -- na		
<b>Measures of Success</b>	Quantitative: On- and off-site private investment.		
	Qualitative: Community pride; attractiveness; and demonstrates public commitment to corridor and business community. Increased "marketability" of Yarmouth as a destination for visitors and residents.		
<b>Estimated Duration</b>	3-5 years		
<b>Estimated Total Cost</b> (If on-going insert annual cost)	\$2 million	Public Share: \$2 million	Private Share: \$5-10 million leveraged

<b>Project Title</b>	<b>Parkers River Bridge Improvements</b>
<b>Town</b>	Yarmouth
<b>Goal of the Project</b>	Encourage redevelopment and investment by demonstrating public commitment through the creation of a "gateway" that emphasizes Yarmouth's seaside character along the densely developed and heavily traveled Route 28 corridor.



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<b>Description</b>	Aesthetic improvements to supplement base plans including: additional decorative lighting and granite curbing, decorative banners, planters and plantings, street trees, concrete sidewalks, and colored and/or textured crosswalk treatments. This project is consistent with Cape Cod Commission recommendations for Route 28.		
<b>Overall Project Benefits</b>	This project will benefit the Town and region with improvements to the environment (via improved flushing on the Parkers River), community character (by creating a gateway that offers residents AND visitors a sense of place) and economic development (through public investment in streetscape improvements that will help to encourage private investment).		
<b>Estimated Job Creation</b>	Construction: 20		
	Permanent: na		
<b>Measures of Success</b>	Quantitative: Private investment in nearby properties.		
	Qualitative: Community pride; attractiveness; and demonstrates public commitment to corridor and business community. Increased “marketability” of Yarmouth as a destination for visitors and residents.		
<b>Estimated Duration</b>	3-5 years		
<b>Estimated Total Cost</b> (If on-going insert annual cost)	\$500,000	Public Share: \$3.75 Million (\$3.4m has been funded by US Fish & Wildlife)	Private Share: N/A

<b>Project Title</b>	<b>Route 28– Winslow Gray Intersection Improvement</b>
<b>Town</b>	Yarmouth
<b>Goal of the Project</b>	Safety Improvements Route 28 Corridor



<b>Description</b>	The relocation of the Winslow-Gray Road/Route 28 Intersection represents the first phase of comprehensive improvements to Yarmouth's Route 28 corridor. While funding for road improvements will likely be sought through MassDOT and the TIP, additional funding will be required to make streetscape improvements (i.e. trees, sidewalk treatments, street furniture, and decorative lighting) that are generally not covered through traditional highway funding. This project is consistent with and based upon recommendations made by the Cape Cod Commission.		
<b>Overall Project Benefits</b>	This project will benefit the Town and region with improvements to community character (by creating a complete streetscape design that offers residents AND visitors a sense of place) and economic development (through public investment in streetscape improvements that will help to encourage private investment).		
<b>Estimated Job Creation</b>	Construction: 35		
	Permanent: na		
<b>Measures of Success</b>	Quantitative: Private investment in nearby properties.		
	Qualitative: Community pride; attractiveness; and demonstrates public commitment to corridor and business community. Increased "marketability" of Yarmouth as a destination for visitors and residents.		
<b>Estimated Duration</b>	3-5 years		
<b>Estimated Total Cost</b> (If on-going insert annual cost)	\$3.25 million	Public Share \$3.25 million:	Private Share: n/a

-END-





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Appendices

CEDS Annual Report – Year 2 (2016)







## Table of Appendices

APPENDIX 1: ECONOMIC DEVELOPMENT DISTRICT LETTER
APPENDIX 2: CEDS STRATEGY COMMITTEE MEETING AGENDA & MINUTES
APPENDIX 3: CEDS 5-YEAR PLANNING PROCESS SUMMARY
APPENDIX 4: FINAL FEASIBILITY REPORT – CAPE COD TRUST FUND
APPENDIX 5: CEDS APPROVAL PRESENTATION
APPENDIX 6: CEDS APPROVAL BY THE CAPE COD COMMISSION



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## Appendix 1: Economic Development District Designation Letter



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Economic Development Administration**  
Washington, D.C. 20230

December 19, 2013

Mr. Paul Niedzwiecki  
Executive Director  
Cape Cod Commission  
3225 Main Street  
Post Office Box 226  
Barnstable, MA 02630

Dear Mr. Niedzwiecki:

I am pleased to inform you that the U.S. Economic Development Administration (EDA) has approved the Cape Cod Economic Development District's request for designation as an Economic Development District (EDD). The EDD is comprised of the 15 towns located within Barnstable County.

President Obama is committed to ensuring that no community or demographic group is excluded from the opportunity to achieve the American Dream. To that end, this EDA designation will serve as a foundation for future economic successes that will benefit both families and businesses in your region. EDA is committed to providing financial assistance to meet the economic development needs of distressed communities throughout the United States. Our mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.

I trust that this designation will strengthen the economies of the Cape Cod region, and wish you every success in carrying out your economic development activities. Bill Good, of EDA's Philadelphia regional office, will remain your primary point of contact regarding this designation and may be contacted by telephone at (215) 597-0505, or email at [www.wgood@eda.gov](mailto:www.wgood@eda.gov).

Your ongoing efforts to stimulate growth and business expansion through local economic development programs are greatly appreciated.

Sincerely,

Matthew S. Erskine  
Deputy Assistant Secretary of Commerce  
for Economic Development  
and Chief Operating Officer

Enclosure



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Economic Development Administration**  
Washington, D.C. 20230

**MEMORANDUM OF DESIGNATION OF**  
**AN ECONOMIC DEVELOPMENT DISTRICT**

In accordance with Section 401 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3171 et seq.), I hereby designate the region identified below as an Economic Development District:

**Name of District Organization** Cape Cod Economic Development District

**State** Massachusetts

**Regional Definition** Barnstable County, consisting of the towns of Barnstable, Bourne, Brewster, Chatham, Dennis, Eastham, Falmouth, Harwich, Mashpee, Orleans, Provincetown, Sandwich, Truro, Wellfleet, and Yarmouth.

Matthew S. Erskine  
Deputy Assistant Secretary of Commerce  
for Economic Development  
and Chief Operating Officer

Date: December 19, 2013



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## Appendix 2: CEDS Strategy Committee Agendas & Minutes



## Cape Cod Economic Development Council (CCEDC)

3225 Main Street, PO Box 226, Barnstable, MA 02630

**Date:** June 2, 2016  
**Time:** 5:00 pm  
**Location:** Cape Cod Commission  
3225 Main Street, Barnstable, MA 02630

1. Board Minutes
  - Potential vote to approve April 7 and May 5, 2016 draft minutes
2. Resource Committee
  - Update and possible discussion on the current status of the License Plate Funds  
–*Felicia Penn*
3. Grants Committee
  - Report and possible discussion on grant administration – *Felicia Penn*
4. Comprehensive Economic Development Strategy (CEDS) Implementation
  - Report, discussion, and potential endorsement of the CEDS annual report.
5. Topics not reasonably anticipated by the Chair prior to the time of posting notice

If you are deaf or hard of hearing or a person with a disability who requires an accommodation, contact the Cape Cod Commission at 508-362-3828 or TTY 508-362-5885. Notice of at least 24 hours prior to the meeting is helpful.

*Caso estas informações sejam necessárias em outro idioma, por favor, contate o Coordenador de Título VI da MPO pelo telefone 508-362-3828.*



**Cape Cod Economic Development Council (CCEDC)**  
3225 Main Street, PO Box 226, Barnstable, MA 02630

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**Minutes, June 2, 2016**

**Present:**

Ken Cirillo, John Kilroy, Felicia Penn, Rick Presbrey, David Willard

**Absent:**

Mary Pat Flynn, Brian Mannal, Barbara Milligan, Richard Roy, Sheryl Walsh, Allen White, Dan Wolf

**Also Attending:**

CCC Staff: Leslie Richardson, Taree McIntyre

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Felicia Penn called the meeting to order at 5:03 pm in the conference room of the Cape Cod Commission. Approval of the draft minutes of the April 7, 2016 and May 5, 2016 meetings was continued to a future meeting due to the lack of a quorum.

Leslie Richardson presented a PowerPoint (attached) which summarized the Comprehensive Economic Development Strategy (CEDS) annual report for Fiscal Year 2016. The annual report must be submitted to the Economic Development Administration by June 30, 2016, for the Cape Cod Commission to receive funding assistance for Fiscal Year 2017. The presentation focused on the CEDS planning process, vision and goals, and the progress evaluation of Fiscal Year 2016 workplan and regional priority projects. After a brief discussion, Council members recommended forwarding the report to the Cape Cod Commission Board for final approval.

Ms. Penn made the following announcements:

- The C&I License Plate revenue increased for the fourth quarter of FY16 and the Cape Cod Commission grant funds have been released in full.
- The next marketing meeting for the C&I License Plate has not been scheduled.
- The SmarterCape Summit is scheduled for October 17, 2016 at the New Seabury Country Club, Mashpee.

The meeting was adjourned at 5:56 pm.





## Cape Cod Economic Development Council (CCEDC)

3225 Main Street, PO Box 226, Barnstable, MA 02630

**Date:** May 5, 2016  
**Time:** 5:00 pm  
**Location:** Cape Cod Commission  
3225 Main Street, Barnstable, MA 02630

1. Board Minutes
  - Potential vote to approve April 7, 2016 draft minutes
2. Council Chair's Report
  - Dan Ward, Ward Aquafarms, speaking on the development, diversification, and expansion of local aquaculture via the farming of bay scallops
3. Resource Committee
  - Report and discussion on April 29, 2016 License Plate Marketing Committee meeting - *Felicia Penn*
  - Report and discussion on CCEDC finances – *Felicia Penn*
4. CEDS Implementation
  - Report and discussion on the progress of the FY16 CEDS Annual Report – *Leslie Richardson*
5. Public Outreach
  - Report and discussion on planning for the SmarterCape Summit Fall/2016 – *Felicia Penn*
6. Topics not reasonably anticipated by the Chair prior to the time of posting notice

If you are deaf or hard of hearing or a person with a disability who requires an accommodation, contact the Cape Cod Commission at 508-362-3828 or TTY 508-362-5885. Notice of at least 24 hours prior to the meeting is helpful.

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**Cape Cod Economic Development Council (CCEDC)**  
3225 Main Street, PO Box 226, Barnstable, MA 02630

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Minutes, May 5, 2016

**Present:**

Ken Cirillo, Felicia Penn, Richard Roy, Sheryl Walsh, Allen White,

**Absent:**

Mary Pat Flynn, John Kilroy, Brian Mannal, Barbara Milligan, Rick Presbrey, David Willard, Dan Wolf

**Also Attending:**

CCC Staff: Leslie Richardson, Taree McIntyre

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Felicia Penn called the meeting to order at 5:00 pm in the conference room of the Cape Cod Commission. Approval of the draft minutes of the April 7, 2016 meeting was continued due to a quorum deficiency.

Felicia Penn introduced Dan Ward of Ward Aquafarms who recently won the Request for Quotes (RFQ) bid for scallop farming. Mr. Ward presented the attached PowerPoint which provided his credentials, the location of the project, and the process for scallop farming. The presentation included the functionality of the downweller created to contain the scallop crop during the growth cycle versus oysters that are grown using an upweller since they remain immobile. The presentation also included a preview of Mr. Ward's new environmental sensor that allows thousands of sensors to connect to a LoRa (long range, low power) network without the cost of an internet connection. The sensors supply real time data every 30 minutes on temperature, flow, etc., to measure fluctuations in environmental characteristics and gradients which will help us better understand our estuaries.

Ms. Penn reported that she recently attended a C&I License Plate marketing committee meeting. She noted that Paul Rumul will be transitioning off the committee over the next six months because of his increasing responsibilities with the Davenport Companies. The committee is considering an auction for the low numbered IC plates, a redesign of the plate, and making commercial and vanity plates available. Ms. Penn, Rick Presbrey, and Allen White will represent the CCEDC in these discussions. The next marketing committee meeting will be held in June.

Ms. Penn stated that Barnstable County will issue a Request for Proposals (RFP) for the marketing of the C&I License Plate to meet Mass 30(B) laws requiring a vendor contract in place before funds are released. To avoid the RFP process yearly, the CCEDC is requesting Barnstable County Commissioners' approval to award a three year contract with the option for 2 renewals.

Leslie Richardson reported that she recently attended a very worthwhile Economic Administration (EDA) conference in Washington DC focused on entrepreneurship and innovation. She also informed the Council that the deadline to submit the Comprehensive Economic Development Strategy (CEDS) annual report was extended from June 1, 2016 to July 1, 2016. The draft report will be completed and distributed to the CCEDC by May 19, 2016, allowing Council members enough time to review the document before a potential endorsement at the June 2, 2016 meeting.

Ms. Penn announced that the SmarterCape Partnership will be hosting the SmarterCape Summit on October 17, 2016 at the New Seabury Resort and Conference Center.

The meeting was adjourned at 6:40 pm.



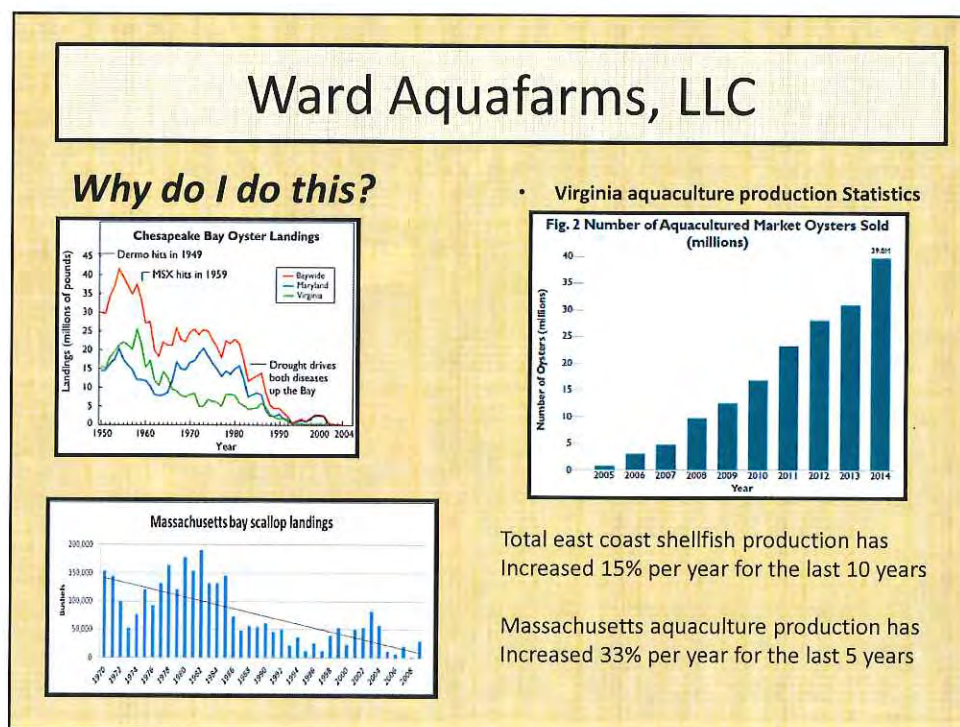
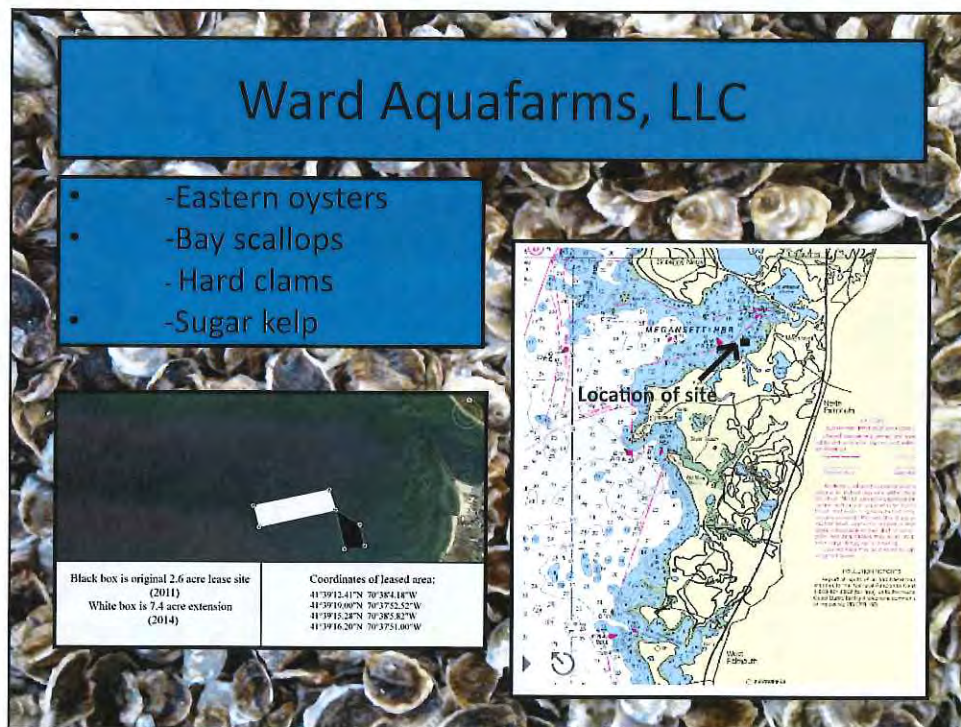


### A little bit about me...

- Jen, Emily (6), Sarah (4)
- BS Marine Affairs (URI)
- MS Zoology (UNH)
- PhD Environmental Science and Biology (URI)
- USDA NIFA Postdoctoral Fellowship (UConn)
- Marine Biological Laboratory: Whitman Fellowship Scientist









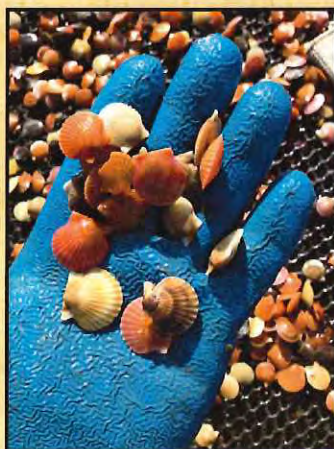
## Ward Aquafarms, LLC

- -Bay scallops



## Ward Aquafarms, LLC

- -Nursery



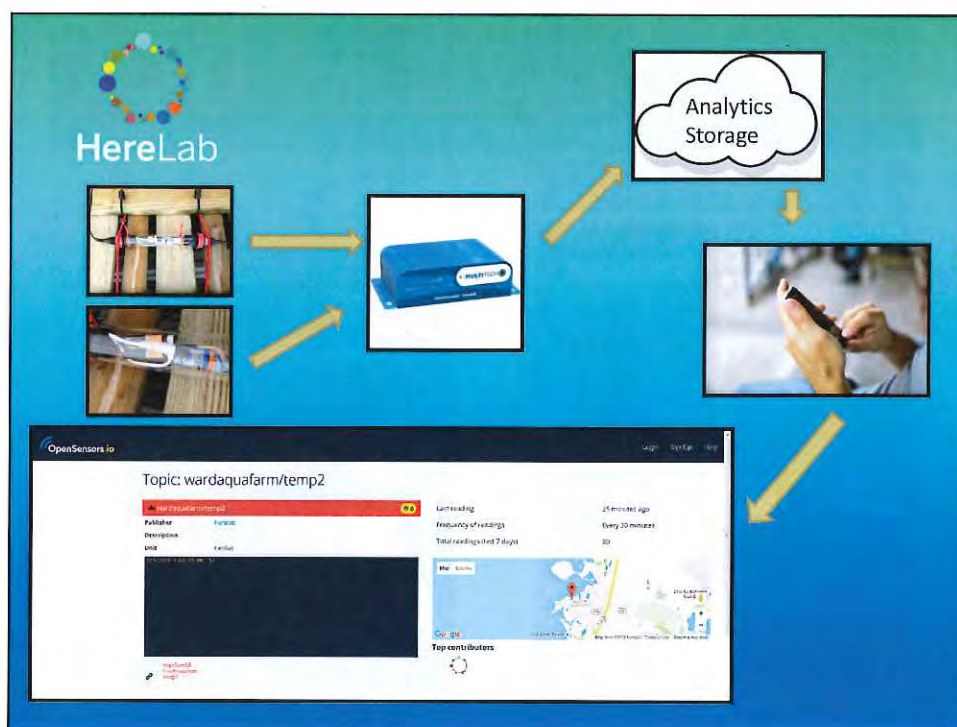


# Ward Aquafarms, LLC

## 2015 Growout



## 2016 Growout plans





## Cape Cod Economic Development Council (CCEDC)

3225 Main Street, PO Box 226, Barnstable, MA 02630

### REVISED AGENDA

**Date:** April 7, 2016  
**Time:** 5:00 pm  
**Location:** **Innovation Room, Open Cape Building  
Barnstable County Campus  
3195 Main Street, Barnstable, MA 02630**

1. Board Minutes
  - Potential vote to approve March 3, 2016 draft minutes
2. Council Chair's Report
  - Introduction of new County Administrator, Jack Yunits, speaking on his initiation to Barnstable County
3. Resource Committee
  - Discussion on new accounting measures for License Plate Funds by Barnstable County Finance
  - Discussion on future plans for the Rte. 6 rest area
  - Discussion on strategic planning and alliances
  - Discussion on suggestions to the License Plate Marketing Committee to increase sales
4. Topics not reasonably anticipated by the Chair prior to the time of posting notice

If you are deaf or hard of hearing or a person with a disability who requires an accommodation, contact the Cape Cod Commission at 508-362-3828 or TTY 508-362-5885. Notice of at least 24 hours prior to the meeting is helpful.

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**Cape Cod Economic Development Council (CCEDC)**  
3225 Main Street, PO Box 226, Barnstable, MA 02630

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**Minutes, April 7, 2016**

**Present:**

Mary Pat Flynn, John Kilroy, Barbara Milligan, Felicia Penn, Richard Roy, Sheryl Walsh, Allen White, David Willard,

**Absent:**

Ken Cirillo, Brian Mannal, Rick Presbrey, Dan Wolf

**Also Attending:**

CCC Staff: Taree McIntyre

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Felicia Penn called the meeting to order at 5:03 pm in the Innovation Room at the Barnstable County Complex. Upon a motion by David Willard, second by John Kilroy the minutes of the March 3, 2016 meeting were approved.

Jack Yunits, County Administrator, did not attend the meeting and will be invited to a future meeting.

Ms. Penn stated that the new County Finance Administrator, Mary McIsaac, has decided the License Plate Fund will go to a cash accounting system rather than the accrual accounting system used in the past. A previous grant to the Cape Cod Commission (CCC) for \$290,000.00 was funded in full earlier this year almost depleting the account. Of the four grants recently awarded to OpenCape Corporation, Ward Aquafarms, Lewis Bay Research, and Cape Cod Community College and approved by the County Commissioners, only OpenCape Corporation has been funded. Funds will be temporarily returned from the CCC so that Lewis Bay Research and the Community College will receive their awards. The Ward Aquafarms grant was deemed ineligible because of Mass 30B laws. Instead, a Request for Quotes (RFQ) has been issued for the same scallop project with a deadline to submit bids by Monday, April 11, 2016.

Ms. Penn announced that the local Chambers of Commerce were outraged when the CCEDC recommended the closing of the Route 6 East rest area between exits 6 and 7. The County Commissioners have agreed to keep the rest area open for the 2016 tourist season while attempting to formulate a plan for the future. Jack Yunits, County Administrator, has been meeting with the Chambers and Steve Tebo, Facilities Director, to discuss revenue sources to cover the current maintenance expense of \$42,000 yearly. The Chambers are hoping to enlist many of their members to donate time, labor, and materials for the enhancement of the decrepit facility. Commissioner Mary Pat Flynn stated that maintenance of the facility is not an appropriate use of License Plate Funds and she does not believe the CCEDC will be funding the expense for the upcoming season.

Ms. Penn presented a list of marketing recommendations (attached), which were discussed at the March, CCEDC meeting, as a means to bolster the declining License Plate Revenue. Allen White, CCEDC representative to the marketing committee, will present the list at their next meeting.

The meeting was adjourned at 5:50 pm.



## Cape Cod Economic Development Council

3225 Main Street, PO Box 226, Barnstable, MA 02630

**Date:** March 3, 2016  
**Time:** 5:00 pm  
**Location:** Cape Cod Commission  
3225 Main Street, Barnstable, MA 02630

1. Board Minutes
  - Potential vote to approve January 7, 2016 and February 4, 2016 draft minutes
2. Council Chair's Report
  - Discussion with Cape Cod Chamber regarding the marketing of the Cape and Island License Plate – *Chamber Representatives*
3. Grants Committee
  - Potential vote on grant proposals selected by the committee to be recommended to the County Commissioners for grant awards – *Felicia Penn*
  - Discussion on the International Oyster Symposium 6 marketing grant – *Felicia Penn*
4. Resource Committee:
  - Discussion on the progress of Rte. 6 rest area closure – *Felicia Penn*
5. CEDS Implementation
  - Discussion on the outreach plan for the FY16 CEDS Annual Report – *Leslie Richardson*
6. Continued discussion on an action plan for housing issues on Cape Cod
7. Topics not reasonably anticipated by the Chair prior to the time of posting notice

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**Cape Cod Economic Development Council (CCEDC)**  
3225 Main Street, PO Box 226, Barnstable, MA 02630

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**Minutes, March 3, 2016**

**Present:**

Ken Cirillo, Mary Pat Flynn, John Kilroy, Felicia Penn, Rick Presbrey, Richard Roy, Sheryl Walsh, David Willard

**Absent:**

Brian Mannal, Barbara Milligan, Allen White, Dan Wolf

**Also Attending:**

CCC Staff: Leslie Richardson, Gail Coyne, Taree McIntyre  
Cape Cod Chamber: Wendy Northcross, Kristen Mitchell-Hughes

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Felicia Penn called the meeting to order at 5:01 pm in the conference room of the Cape Cod Commission. Upon a motion by David Willard, second by Rick Presbrey, the minutes of the January, 7, 2016 and February 4, 2016 meetings were approved. Ken Cirillo and Sheryl Walsh abstained from the vote.

Kristen Mitchell-Hughes presented the FY16 C&I License Plate Marketing Plan and Budget (attached). It was noted that the plate is dated and a redesign could boost interest in both the CI and IC plate. With Nantucket now marketing its own license plate, it was suggested that a CC plate for Cape Cod could renew interest. The availability of vanity, commercial, and government plate editions would open up a new market but needs approval from the Mass Department of Motor Vehicles (DMV). Better education of the plate's purpose for DMV employees could increase sales, as well as, incentives for car sales personnel who sell plates. Strategies for making the less desired IC plate more marketable were discussed, including an auction of the low numbered plates currently in storage. Wendy Northcross will research the availability of sales information comparing new sales to renewals, by town or zip code, and a means of targeting second home owners. It was decided that a working group should be formed to accomplish goals versus swapping ideas.

Felicia Penn stated that communications with the Mass Department of Transportation confirmed that there is no contract or agreement obligating the county to the maintenance of the Route 6 rest area eastbound between exits 6 and 7. Ms. Penn presented a draft letter abdicating the responsibility which will be presented to the County Commissioners for discussion and potential execution at their next meeting (attached).



Leslie Richardson presented an Outreach Plan for information gathering purposes as part of the CEDS Annual Report (attached). This year, the plan must be approved by the CCEDC and the Cape Cod Commission Board during May, making the plan very aggressive for a shortened timeframe. It was suggested that the two workshops could be combined and the Local Project Updates along with Middle Income/Workforce Housing are the most important to consider.

Felicia Penn presented a summary of the grant proposals selected by the Grant Committee to recommend for License Plate Revenue funding to the County Commissioners (attached). David Willard motioned to approve the recommendation as presented, seconded by John Kilroy, and approved by all. Ms. Penn suggested that the CCEDC would be interested in more information on the Ward Aquafarm project of optimizing scallop growing methods for water quality, food production, and sustainable farming jobs on Cape Cod. He will be invited to a future meeting.

The housing discussion was continued to a future meeting. The meeting was adjourned at 6:15.

## CEDS Annual Report – Outreach Ideas

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1. Call for Local Project Updates & Survey Towns
  - Directed to town planners, administrators, possibly public works directors
  - Would send summaries of local projects included in 2014 5-year Plan
  - Survey – local successes; regional assistance that might be useful; rank regional priority projects
  
2. Sub-regional Workshop: Economic Development & Land Use Planning/Zoning
  - Invite
    - Town boards – selectmen, planning, economic development
    - Town planners and administrators
    - Regional partner organizations
    - Public
  - Partner with CDP on the Outer Cape
  - Partner with \_\_\_\_ on the Mid Cape
  - Partner with Town EDICs on Upper Cape?
  
3. SmarterCape Spring CEDS Workshop: Middle Income/Workforce Housing
  - Invite
    - Town boards – selectmen, planning, economic development
    - Town planners and administrators
    - Regional partner organizations
    - Builders, developers and realtors
    - Public
  - Obstacles
    - Housing unit density
    - Parking requirements
    - Fear
  - Opportunities
    - Form based code
    - Design standards
    - Scale limitations

Steps	March		April		May	
Call for Projects & Survey						
Sub-regional Workshops						
SmarterCape Spring CEDS Workshop						
Draft Report						
Approval by EDC						
Approval by CCC						

TO: CCEDC

FROM: Grant Committee

Felicia Penn, Chair; Ken Cirillo, David Willard, Barbara Milligan, (Allen White)

RE: Report to Recommend to County Commissioners

Date: March 3, 2016

Following the initial Letters of Intent, eight agencies were selected to submit full grants for review. Out of the eight, four were selected for monetary awards. A total of \$75,000 was available for distribution.

The committee met Tuesday, February 16, 2016 to rank and discuss the applications.

The committee presents the following grants for recommendation to the County Commissioners for approval:

**Ward Aquafarm:** Development, diversification and expansion of local aquaculture via the advancement of (farming of) bay scallops. Dan Ward, PhD has devised methods for growing bay scallops, and plans to devise and document successful methods for creating a new local aqua farm industry. He will be sharing his success throughout the Cape so others may benefit in the region. **\$15,000** (requested \$15,000)

**Cape Cod Community College:** SMART Education Initiative that results in an industry certificate in CAD. This is a two-semester course involving high school and college students, with particular attention being paid to inclusionary students. The course will utilize the OpenCape platform. Grant funds will cover tuition for high school students so the class is "free" to them. **\$18,000** (requested \$18,523)

**OpenCape:** Last Mile Fiber to the Home Buildout: CrowdFiber sponsorship. **\$12,000** (requested \$15,000 for three years or \$45,000). The committee chose not to encumber dollars that we are not absolutely sure we will have in the future. Future funding for this project contingent on interim and final reports, and re-applying.)

**Lewis Bay Research Center:** algae based resource recovery pilot project. **\$30,000** (80% of his request of \$35,000)

**Cumulative Total Granted: \$75,000.**



## Cape Cod Economic Development Council

3225 Main Street, PO Box 226, Barnstable, MA 02630

**Date:** February 4, 2016  
**Time:** 5:00 pm  
**Location:** Cape Cod Commission  
3225 Main Street, Barnstable, MA 02630

1. Board Minutes
  - Potential vote to approve January 7, 2016 draft minutes
2. Council Chair's Report
  - Guest speaker, Jay Coburn, Cape Cod Business Roundtable (BRT), to discuss draft white paper on the Cape's housing issues
  - Discussion on CCEDC role helping SmarterCape Partnership subcommittee on model Accessory Dwelling Units (ADU) implementation in towns - *Felicia Penn*
  - Discussion on other roles for CCEDC regional housing efforts – *Felicia Penn*
3. Resource Committee
  - Discussion on recommendations to the County Commissioners regarding the future of the Route 6 Rest Area – *Felicia Penn*
4. CEDS Implementation
  - Review of the EDA Partnership Planning Funding Mid-Year Progress Report which includes year-end planning actions, the status of RESET projects providing technical assistance to towns, and public outreach – *Leslie Richardson*
5. Topics not reasonably anticipated by the Chair prior to the time of posting notice

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**Cape Cod Economic Development Council (CCEDC)**  
3225 Main Street, PO Box 226, Barnstable, MA 02630

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**Minutes, February 4, 2016**

**Present:**

Mary Pat Flynn, John Kilroy, Barbara Milligan, Felicia Penn, Rick Presbrey, David Willard

**Absent:**

Ken Cirillo, Brian Mannal, Richard Roy, Sheryl Walsh, Allen White, Dan Wolf

**Also Attending:**

Community Development Partnership: Jay Coburn, Glen Ohlund  
Assoc. to Preserve Cape Cod: Ed DeWitt  
C&I Board of Realtors: Ryan Castle  
Cape Cod Chamber: Wendy Northcross  
CC Home Builders Assoc.: Chris Duren  
CCC Staff: Leslie Richardson, Taree McIntyre

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Felicia Penn called the meeting to order at 5:01 pm in the conference room of the Cape Cod Commission. The approval of draft minutes was postponed to a future meeting for lack of a quorum.

Jay Coburn, Executive Director of Community Development Partnership, and Glen Ohlund, Director of Economic Development for Community Development Partnership, attended the meeting representing the Business Roundtable (BRT) to speak on Cape Cod's housing issues. The BRT was initially convened by the Association to Preserve Cape Cod to provide a forum for local business owners and environmentalists to discuss shared interests and concerns regarding the future of Cape Cod. The BRT continues today as an informal meeting of a subset of its original membership. Mr. Coburn presented a statement (attached) speaking to housing affordability issues on Cape Cod prepared by the BRT. The statement included a 6 step action plan for short and long term changes to address the need for housing that is affordable to middle and lower income residents. A broad discussion followed about the availability of resources, leadership and funding, as well as the need for changes to local land use rules/zoning.

Ryan Castle, Executive Director of the C&I Board of Realtors and Chair of the Cape Cod Young Professionals (CCYP) Housing Subcommittee, updated the Council on CCYP's efforts to promote the Model Zoning Provisions for Accessory Dwelling Units (ADU) created by the Cape Cod Commission. CCYP is currently testing messages to promote acceptance of the model. This provision will be placed on Town Warrants for discussion at the Annual Town Meetings and local community meetings may also be scheduled.

Leslie Richardson, Chief Economic Development Officer of the Cape Cod Commission, outlined the mid-year progress report she prepared for the FY2016 Economic Development Administration (EDA) Partnership Planning Grant. The report provides an overview of work completed between July 1 and December 31, 2015. Ms. Richardson stated that the CEDS Annual Report will need to be approved May, rather than June. She will outline the report and possible methods of outreach at the next meeting.

Ms. Penn stated that the Chamber of Commerce concurs with the CCEDC on closing the Rte. 6 rest area. The CCEDC will investigate the process for Barnstable County to notify MassDOT of their intent to no longer maintain the property.

The Cape Cod Chamber will attend the March 3, 2016 meeting to discuss new marketing approaches and alternative revenue streams for the C&I License Plate.

The meeting was adjourned at 6:26 pm.



### **HOUSING CAPE COD - 2015**

As the Cape Cod Times pointed out in its recent housing series Cape Cod knows it has a housing problem. In the last year the Cape Cod Young Professional's Shape the Cape Study and the Smarter Cape Summit in May also underscored the serious state of housing affecting most all Cape Codders. This is not news but housing is in a critical state. The Cape must take immediate and long term actions toward solutions.

A home is the primary investment for most middle class families and the investment that best supports their economic independence and upward mobility. Housing stock is an infrastructure system and must be managed comprehensively – not just through deed restrictions and tax credits - but by incentivizing sustainable development in appropriate locations using a density and form best fitting our ability to provide infrastructure and protect natural systems.

*To create more housing stock, the governor urged communities to look at more downtown developments and higher density projects... "I'm also a big believer in downtown development. We're going to do a series of things to provide incentives and support for communities that want to do more downtown development."*

*- Governor Baker, Smarter Cape Summit 2015*

To incentivize this sustainable type of development zoning must be changed to allow more dense development and funds allocated to help pay for the supporting wastewater infrastructure. These dense developments could partner with the town to develop a wastewater management system for that village center - progress on both fronts.

*From the monthly mortgage and rent data and the income data ... at least half of all the survey respondents are "housing cost burdened"... As such, housing costs are a second reason that may explain the decline of young households on the Cape.*

*-Cape Cod Young Professionals, Shaping the Cape's Future. A Report and Analysis from the Dukakis Center June 2014*

We know many Cape Codders expend more than 30 percent of their income on shelter costs, primarily as mortgage payments. Potential new residents and long-time residents – at all income levels - are dismayed at the unattainable cost of housing. With very few multi-family buildings options are largely limited to single-family rental or purchase with their high shelter costs leaving little household budget for medical costs,

education, the local economy, or retirement security. To support our residents and workers in their pursuit of economic stability we must address that most basic need – a home.

The Cape Cod Business Roundtable urges comprehensive action on housing. Business, civic, and government leaders must work in partnership to achieve short and long term change.

## **ACTIONS**

1. Adopt zoning incentives allowing more compact and dense residential and mixed use development in and around existing village centers. Compact development fosters efficient and cost effective infrastructure deployment while protecting open spaces, historic settings, and natural landscapes.
2. Adopt zoning incentives to ensure that accessory apartments are less complicated to permit.
3. Implement incentives that ensure that an adequate stock of good quality affordable and workforce rental housing is maintained despite market fluctuations.
4. Establish a regional capital investment fund to assist with financing for new multi-unit housing and housing infill incentive zoning locations.
5. Analyze and identify the revenue streams necessary to develop or stabilize year round rental and ownership housing costs to specifically sustain affordability.
6. Develop a housing tool-kit to provide by-law models, tools, and technical support for towns to foster implementation of modern village centers, transit corridors, and improved zoning.

There is broad agreement on our Cape Cod housing problem. From now until solutions are in place, housing Cape Codders must remain a primary concern. Only a coordinated effort led by a broad partnership can accomplish these actions. New collaborations must quickly establish to prioritize specific housing needs, determine best practices, and begin implementation.

Elliott Carr and Alan McClennen  
Co-chairs Cape Cod Business Roundtable



## Cape Cod Economic Development Council

3225 Main Street, PO Box 226, Barnstable, MA 02630

**Date:** January 7, 2016  
**Time:** 5:00 pm  
**Location:** Cape Cod Commission  
3225 Main Street, Barnstable, MA 02630

1. Board Minutes
  - Potential vote to approve December 3, 2015 draft minutes
2. Nominating Committee
  - Potential vote on 2016 Council officers
  - Discussion on vacant Council seat
3. Grants Committee
  - Discussion on status of current grant round including proposal deadline, scheduled proposal selection meeting, and scheduled interview meeting
4. Council Chair's Report
  - Discussion on formulating an action plan for housing issues on Cape Cod
5. Topics not reasonably anticipated by the Chair prior to the time of posting notice

If you are deaf or hard of hearing or a person with a disability who requires an accommodation, contact the Cape Cod Commission at 508-362-3828 or TTY 508-362-5885. Notice of at least 24 hours prior to the meeting is helpful.

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## Cape Cod Economic Development Council

3225 Main Street, PO Box 226, Barnstable, MA 02630

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### Minutes, January 7, 2016

**Present:**

Ken Cirillo, Barbara Milligan, Felicia Penn, Richard Roy, Sheryl Walsh, David Willard, Dan Wolf

**Absent:**

Mary Pat Flynn, John Kilroy, Brian Mannal, Rick Presbrey, Allen White

**Also Attending:**

CCC Staff: Leslie Richardson, Taree McIntyre

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Felicia Penn called the meeting to order at 5:04 pm in the conference room of the Cape Cod Commission. Upon a motion by David Willard, second by Sheryl Walsh, the minutes of the December 3, 2015 meeting were approved.

Nominating Committee

Speaking for the Nominating Committee, David Willard motioned that Felicia Penn remain Chair and Ken Cirillo remain Vice Chair for the 2016 calendar year, seconded by Barbara Milligan, and approved by all. Felicia Penn announced that Ross Balboni resigned from the CCEDC and was pursuing an opportunity in Indiana.

Grants Committee

Ms. Penn summarized the status of the current grant round. The committee received 15 Letters of Intent for consideration. The committee met December 16, 2015 and ranked the proposals with 7 being rejected and 8 moving forward to the submission of full grant proposals. The deadline for the proposals to be submitted is February 8, 2016. The committee is scheduled to meet February 16, 2016 to rank the proposals and decide which organizations will be invited to discuss their proposals with the committee on February 24, 2016.

Housing Action Plan

There was an extensive discussion on housing issues on Cape Cod. Dan Wolf stated that the Business Round Table is creating a white paper on the Cape's housing issues and it would be beneficial to invite Ed DeWitt, Executive Director of the Association to Preserve Cape Cod (APCC), to share their findings with the CCEDC at the next meeting. Ms. Penn presented model zoning provisions for Accessory Dwelling Units (ADUs) that were created by the Cape Cod Commission and shared with the SmarterCape Partnership. The adoption of these zoning provisions by municipalities would increase the number and diversity of housing options with little or no impact to the character of residential areas. Ms. Penn expressed the importance of the CCEDC educating themselves on all aspects of the Cape's housing issues before approaching the County Commissioners with any recommendations.

#### Other Business

Leslie Richardson announced that the Cape Cod Commission recently received an award from the Massachusetts Chapter of the American Planners Association for the Orleans RESET (Regional Economic Strategy Executive Team) project. The team evaluated existing zoning regulations and the land use, streetscape, and transportation conditions along the Route 6A corridor relative to the goals of the Orleans Local Comprehensive Plan.

Ms. Richardson will present the Cape Cod Commission's Regional Policy Plan planning actions to the CCEDC after they have been reviewed by the Cape Cod Commission's Board.

The meeting was adjourned at 6:12.

CAPE COD COMMISSION  
MODEL ZONING PROVISIONS FOR ACCESSORY DWELLING UNITS (ADUs)

Introduction

All 15 Cape towns have adopted zoning that allows for the creation of dwelling units accessory to principal single family dwellings (e.g. accessory dwelling units, accessory apartments, affordable accessory dwelling units or family apartments). The primary purpose of these zoning bylaws and ordinances is to permit the creation of a greater number and variety of housing units, in terms of size and price, which can be integrated into single family residential properties with little or no negative impact on the character of their surrounding neighborhoods.

Current zoning bylaws and ordinances include various restrictions intended to mitigate potential negative impacts of accessory units. Town planners across the Cape report that some of these restrictions have discouraged the creation of new accessory units. This model limits zoning restrictions to encourage the creation of more accessory units, while including those limitations (primarily regarding site and building design) necessary to protect community character.

This model proposes that accessory dwelling units (ADUs) should be allowed as a "by right" accessory use to a principal single family dwelling use. It proposes that dimensional considerations for ADUs should be addressed by general standards required of all buildings and uses contained in the zoning.

This model does not include an owner occupancy requirement for either the principal or accessory dwelling unit, and it therefore allows for the rental of both or either of the units, so long as the ownership of the units is not severed into legally separate units. Owner occupancy can be difficult to enforce, and the literature does not necessarily support the proposition that owner occupancy is necessary to protect neighborhood character.

The italicized comments appearing throughout are not intended to be part of the draft model, and are provided for the reader's consideration.

MODEL ZONING – Accessory Dwelling Units (ADUs)

A. Purpose and Intent.

The intent of permitting Accessory Dwelling Units is to:

- a. Add moderately priced rental units to the housing stock to meet the needs of smaller households and make housing units available to moderate income households who might otherwise have difficulty finding housing;
- b. Develop housing units on single-family residential properties that are appropriate for households at a variety of stages in their life cycle;
- c. Increase the number of small dwelling units available for rent in Town, and increase the range of choice of housing accommodations;
- d. Encourage greater diversity of population with particular attention to young adults and senior citizens; and



- e. Encourage a more economic and energy-efficient use of the Town's housing supply while maintaining the appearance and character of the Town's single-family neighborhoods; and
- f. Provide older homeowners with a means of obtaining rental income, companionship, security, and services, thereby enabling them to stay more comfortably in homes and neighborhoods they might otherwise be forced to leave;

## B. Definitions.

The following definitions shall be applicable to this section:

Accessory Dwelling Unit (ADU) An Accessory Dwelling Unit is a Dwelling Unit incorporated within a lawful principal single-family dwelling or within a detached building accessory to and on the same lot as a lawful principal single-family dwelling use, which ADU shall be clearly subordinate in design to that principal single-family dwelling use to which it is accessory.

Dwelling Unit: One or more rooms designed, occupied or intended for occupancy as separate living quarters, with cooking, sleeping and sanitary facilities provided within the dwelling unit for the exclusive use of a single family maintaining a household. This definition does not include a mobile home trailer, however mounted.

*COMMENT: Having fewer or no restrictions on accessory dwelling unit tenants gives greater control over the unit to the homeowner while offering more diverse housing opportunities, and eases burdens of local administration and enforcement.*

*Note, that the definition of "Dwelling Unit" limits use to a 'household' unit, which would help maintain the single family residential use of the property.*

*COMMENT: A Town may want to ensure that its general zoning contains clear definitions for terms used herein such as "building" and/or "structure," "attached building/ structure," "detached building/ structure," "single family dwelling," "accessory use" and "principal use."*

## C. Procedural Requirements/ Administration and Enforcement:

- a. An ADU shall be permitted as a "By Right" use accessory to a lawful single family dwelling use.
- b. The Building Commissioner/ Chief Zoning Officer shall administer and enforce the provisions of this section.
- c. ADUs shall not be eligible for zoning use variances, or for zoning dimensional variance relief proposing to increase the allowable number of ADUs on a lot.
- d. The construction of any accessory dwelling unit must be in conformity with the State Building Code, Title V of the State Sanitary Code and lawful under all other provisions of applicable town health, building, zoning and other local laws and regulations.

- e. Prior to issuance of a building permit for an ADU, site plans, floor plans and elevations shall be submitted showing the proposed interior and exterior changes to existing buildings or new building and improvements on a lot associated with a proposed ADU.

*COMMENT: Permitting and review could also be through Special Permit; Conditional Use; Site Plan Review; or Design Review processes, or some combination thereof to the extent they exist or may be created under zoning.*

#### D. Use and Dimensional Requirements:

The Building Commissioner may issue a Building Permit authorizing the installation and use of an Accessory Dwelling Unit within a lawful existing or new single-family dwelling to which the ADU is accessory, or in a new or existing detached building accessory to and on the same lot as the principal dwelling subject to the following:

*COMMENT: This provision allows accessory dwelling units accessory to any lawful new or existing principal single-family dwelling, regardless of whether the principal single family property is conforming or nonconforming. There may be situations where the Zoning Board of Appeals has Special Permit jurisdiction over construction of an ADU because of the non-conforming nature of the residential property on which it is proposed.*

- a. The ADU shall be a complete, separate housekeeping unit containing both kitchen and bath.
- b. No more than one (1) Accessory Dwelling Unit may be created per lot.
- c. If the primary entrance of an ADU is not proposed to be shared with that of the principal dwelling, such entrance shall be less visible from the street view of the principal dwelling than the main entrance of the principal dwelling.

*COMMENT: A town could require that any new separate outside entrance serving an accessory dwelling unit shall be located on the side or in the rear of the building.*

- d. An ADU shall be clearly subordinate in use, size and design to the principal single family dwelling. An ADU shall be designed so that, to the maximum extent practical, the appearance of the property on which it is to be located remains that of a single-family residential property and the privacy of abutting properties is maintained, considering the following: building architectural details, roof design, building spacing and orientation, building screening, door and window location, and building materials.
- e. The ADU shall contain no more than two bedrooms and no greater than a maximum habitable floor area of 50% of the habitable floor area of the principal single family dwelling unit, but in no event greater than 1000 square feet. Garages, unfinished attics and basements, common entries, porches and decks shall not be included in the floor area calculations. Once an ADU has been added to a single-family dwelling or lot, the accessory dwelling unit shall not be enlarged beyond the square footage allowed by this section.

*Comment: A town could require that the owner execute/ record a deed rider or restriction limiting the number of bedrooms in and size of an ADU.*

- f. At least one (1) off street parking space in addition to that required for the principal single family dwelling is required for an ADU.
- g. The Board of Health must have documented to the Building Commissioner that sewage disposal will be satisfactorily provided for in accordance with the provisions of Title 5 and local Board of Health regulations, including provisions for an appropriate reserve area on the site. The principal dwelling unit and accessory apartment shall meet all wastewater requirements for the combined number of bedrooms/ wastewater flow on the lot.
- h. An ADU is not intended for sale. The principal dwelling and ADU and lot on which they are located shall remain in common or single ownership, and shall not be severed in ownership, including that the lot or buildings thereon shall not be placed in a condominium form of ownership.
- i. An ADU shall not be used for boarding and lodging, or other commercial use. An ADU and principal dwelling to which it is accessory may be rented for periods not shorter than one month at a time, and are prohibited from any use as rental units on a weekly or daily basis.
- j. An ADU and principal dwelling shall share common septic/ wastewater and water service facilities.



## Cape Cod Economic Development Council

3225 Main Street, PO Box 226, Barnstable, MA 02630

**Date:** December 3, 2015  
**Time:** 5:00 pm  
**Location:** Cape Cod Commission  
3225 Main Street, Barnstable, MA 02630

1. Board Minutes
  - Potential vote to approve November 5, 2015 draft minutes
2. Council Chair's Report
  - Potential discussion with Senator Dan Wolf and/or Representative Brian Mannel on economic development at the state level
3. Finance Committee
  - Discussion and potential vote on the Chair of the Finance Committee – Felicia Penn
4. Grants Committee
  - Discussion on the status of the current grant round – Felicia Penn
5. Nominating Committee
  - Discussion and potential vote on the renewal of expiring terms and filling vacated board seats – Felicia Penn
6. CEDS Implementation
  - Discussion and potential vote on the draft Cape Cod Commission FY17 Work Plan  
– *Leslie Richardson*
7. Topics not reasonably anticipated by the Chair prior to the time of posting notice

If you are deaf or hard of hearing or a person with a disability who requires an accommodation, contact the Cape Cod Commission at 508-362-3828 or TTY 508-362-5885. Notice of at least 24 hours prior to the meeting is helpful.

*Caso estas informações sejam necessárias em outro idioma, por favor, contate o Coordenador de Título VI da MPO pelo telefone 508-362-3828.*



## Cape Cod Economic Development Council

3225 Main Street, PO Box 226, Barnstable, MA 02630

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### Minutes, December 3, 2015

**Present:**

Ken Cirillo, John Kilroy, Brian Mannal, Barbara Milligan, Felicia Penn, Rick Presbrey, Richard Roy, Allen White, David Willard

**Absent:**

Mary Pat Flynn, Sheryl Walsh, Dan Wolf

**Also Attending:**

CCC Staff: Leslie Richardson, Taree McIntyre

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Felicia Penn called the meeting to order at 5:00 pm in the conference room of the Cape Cod Commission. Upon a motion by Allen White, second by David Willard, the minutes of the November 5, 2015 meeting were approved.

Finance Committee

Ms. Penn announced that Rick Presbrey agreed to Chair the Finance Committee replacing Paul Rumul who resigned in August. The Finance Committee will now be called the Resource Committee.

Grants Committee

Ms. Penn stated that the Cape's media sources were unresponsive to the CCEDC press release announcing the current grant round with the exception of one radio station. The deadline to submit *Letters of Interest* is noon, December 8, 2015. The Grant Committee will meet December 16, 2015 to select the organizations that will continue on to submit full grant proposals.

Nominating Committee

David Willard presented a memo recommending that the Council vote to recommend to the County Commissioners that Ross Balboni be appointed to fill the vacated seat of Paul Rumul for a three year term beginning January 1, 2016 through December 31, 2018 and that Felicia Penn and Rick Presbrey be reappointed to new three year terms for the same time period. Brian Mannal motioned to approve the recommendation as stated, seconded by John Kilroy, and approved by all. Upon County Commissioner approval, Mr. Balboni has agreed to serve on the Resource Committee.

#### Comprehensive Economic Development Strategy (CEDS) Implementation

Leslie Richardson presented a revised summary of the Cape Cod Commission (CCC) FY17 Economic Development Workplan which included previous accomplishments on CEDS Implementation and RESET (Regional Economic Strategy Executive Team) projects funded by the CCEDC and staffed by the CCC. Paul Niedzwiecki lauded the collaboration of the CCEDC and the CCC and the benefits the collaboration has provided to the entire region. Upon a motion by David Willard, second by Rick Presbrey, and approval by all, the Cape Cod Economic Council voted to recommend to the County Commissioners that License Plate Revenue fund the proposed FY17 Economic Development Workplan of the Cape Cod Commission in an amount up to \$290,000.00 for programming and administrative expenses. The amount equals level funding with last year.

#### Council Chair's Report

Representative Brian Mannal provided copies of a Bill Summary of the MA Joint Committee on Economic Development and Emerging Technologies along with the Economic Developments FY16 Budget for later review by Council members. Mr. Mannal stated that the most pressing issues for the state are opiate addiction and affordable housing. A lengthy discussion on the Cape's affordable housing issues ensued where it was suggested that the County is in a position to take the lead to address the issue but other stakeholders need to collaborate to provide expertise and funding. Ms. Penn stated that the CCEDC will continue the discussion at each meeting to put together a working group to identify stakeholders and begin formulating an action plan.

The meeting was adjourned at 6:45 pm.

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## MEMORANDUM

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**TO:** Cape Cod Economic Development Council  
**FROM:** Nominating Committee  
**RE:** Recommendations  
**DATE:** December 3, 2015

The Legislation forming the Council permits up to 11 voting members. We have presently have 10 with the resignation of Paul Rumul.

**The Committee is recommending Ross Balboni to fill that one opening, for three years.**

The current terms of present members Felicia Penn and Rick Presbrey expire this year.

**The Nominating Committee is recommending both be re-elected for another three year term.**

As you know we are advisory to the County Commissioners. This means any vote we take is a recommendation to the County Commissioners, which we will forward to them for final determination.

Nomination Committee  
Felicia Penn  
David Willard

### HISTORICAL PERSPECTIVE

I thought we would find it interesting to have a listing of when each present Council member was first elected. Thanks to Taree and Felicia digging through old records, we feel the following is an accurate representation. Since Taree couldn't find records prior to 2003, Felicia recalled that five members have been on the EDC since 1998. I didn't have time to add the date of expiration of the members. I will update that in the next couple of weeks and send it out.

David.

Name	Year Appointed
Ken Cirillo	09/02/2004
John Kilroy	10/04/2004
Brian Mannal	01/01/2010
Barbara Milligan	05/05/2014
Felicia Penn	10/05/1998
Rick Presbrey	10/05/1998
Cheryl Walsh	01/01/2015
Allen White	10/04/1998
David Willard	10/04/1998
Dan Wolf	01/01/1998

5/14/14

5/14/14

## *Economic Development FY17 Workplan Detail for EDC & Previous Accomplishments*

Activity	Consultant/ Staff	Funding Source	EDC \$\$	FY 2017 Projects
CEDS Planning & Management	Staff	EDC/EDA	\$52K	Coordinate EDC/CEDS Strategy Committee, CEDS Annual Rpt.

### Responsibilities (ongoing)

- Monthly Meetings
- Sub-Committee Meetings
- Grant Rounds
- Financial Management
- Facilitate leadership and decision making on CEDS Planning
- Report Progress on CEDS Implementation

### Accomplishments

- Economic Development District designation
- 3-Year EDD Funding
- Three previous EDA Planning Grants
- Two Five-Year Updates of the CEDS
- Five CEDS Annual Reports
- Ongoing administrative support

Activity	Consultant/ Staff	Funding Source	EDC \$\$	FY 2017 Projects
Research & Data Dissemination	Staff/ Consultant	EDC/CCC	\$27K	STATSCapeCod, BART

### Responsibilities (FY 2017)

- STATS Cape Cod – update data; develop new balanced economy benchmarks
- *BART (Barnstable Area Regional Trends) – detailed research into economic trends*
- *Surveys, research studies, and model development – second-home survey update; environmental economic applied research into the economic value of natural systems*

### Accomplishments

- STATSCapeCod website development and maintenance
- Balanced Economy Benchmarks development
- 2012 Business Climate Survey
- 2013 Market Analysis
- 2014 Homeowners Survey
- Town Fiscal Impact Models – Bourne, Barnstable, Sandwich, Yarmouth, Dennis, Mashpee



## *Economic Development FY17 Workplan Detail for EDC & Previous Accomplishments*

- FRED – development and presentation at SmarterCape
- Myth & Fact Series: Chain Stores, Kids and Taxes, Density, and Cost of Sprawl
- BART: Seasonality and Second Home Economy
- Three Bays Study: the impact of water quality on property values

Activity	Consultant/ Staff	Funding Source	EDC \$\$	FY 2017 Projects
CEDS Regional Priority Project Implementation	Staff/ Consultant	EDC/CCC	\$100K	<ul style="list-style-type: none"><li>• Wastewater in ECs</li><li>• Climate Change Econ Impact</li><li>• Expedited Permitting</li><li>• CC Capital Trust Fund</li><li>• SIO</li></ul>

### Responsibilities (FY 2-2017)

- Wastewater in Economic Centers: Assist towns in obtaining funding to build wastewater treatment facilities – most likely towns include Bourne (Buzzards Bay) and Orleans (Village Center)
- Climate Change Economic Impact: Assess the economic impacts of climate change and resiliency measures under consideration – develop full scope of work and study methodology; begin analysis.
- Expedited Permitting: Identify areas that would benefit from the establishment of a Growth Incentive Zone, a DRI thresholds change under Chapter H, or an economic development DCPC to align local by-laws with long-term economic goals; prioritize these locations and educate the town on their options
- Cape Cod Capital Trust Fund: Conclude design study and start with establishment of the fund
- SIO: Continue to roll-out electronic town permitting systems, data sharing programs with towns, regional GIS licensing, and identification of other regional service opportunities through annual survey based on Interile study.

### Accomplishments

- Wastewater in Economic Centers:
  - a. Watershed MVP initial development for wastewater planning
  - b. Wastewater financing model development and municipal funding capacity study
- Strategic Information Office established and funded by the County
  - a. Regional Area Network - 1Gbps shared connectivity to the Internet at no cost to the 13 participating towns
  - b. E-Permitting Initiative: Chatham, Yarmouth, Harwich, Provincetown currently under development
- Integrated Infrastructure Planning
  - a. Undergrounding Utilities Feasibility Assessment

## *Economic Development FY17 Workplan Detail for EDC & Previous Accomplishments*

- b. Regional Fly-over to build a GIS planimetric dataset for the entire county that maps all types of infrastructure
- Commuter Rail Impact Analysis:
  - a. Completed an impact assessment for the extension of commuter rail to Buzzards Bay
- Climate Change:
  - a. Sea-level Rise Viewer for climate change planning – helps to identify at risk properties and infrastructure
  - b. Local Hazard Mitigation Planning – provides necessary data to evaluate the economic ramifications of climate change
- Regional Harbor Planning:
  - a. Completed a set of case studies on working harbors on Cape Cod
  - b. Concept plan for Wychmere Harbor
- Cape Cod Capital Trust Fund
  - a. Completed a feasibility analysis of a regional redevelopment authority and concluded a trust fund structure would work better for this region

Activity	Consultant/ Staff	Funding Source	EDC \$\$	FY 2017 Projects
RESET	Staff	EDC/CCC	\$111K	<ul style="list-style-type: none"><li>• Barnstable</li><li>• Falmouth</li><li>• TBD</li></ul>

### Responsibilities

- The purpose of the RESET program is to provide targeted technical assistance to Towns to overcome obstacles to economic development
- Barnstable: Implement recommendations from RESET project currently underway
- Falmouth: Complete the second phase of the Spring Bars Road RESET Project
- Undertake new RESET projects as requested by the towns

### Accomplishments

- Yarmouth RESET: Resulted in zoning changes and redevelopment of vacant public site
- Bourne RESET: Resulted in establishment of a GIZ in Buzzards Bay, Chapter H DRI threshold change in their industrial area to encourage high-skill, high-wage jobs in key emerging sectors, an infrastructure development plan for wastewater, and funding through the TIP for transportation improvements
- Falmouth
  - a. Spring Bars Road RESET: Resulted in a redevelopment strategy for town owned property and planning priorities for surrounding area

## *Economic Development FY17 Workplan Detail for EDC & Previous Accomplishments*

- b. Olympic Village Visioning RESET: (underway) Facilitation of a public planning process around the development of a specific parcel in North Falmouth; economic feasibility and resource impact assessment of preferred development alternative
- Sandwich RESET: Resulted in Chapter H DRI threshold change in their Industrial Park to encourage high-skill, high-wage jobs in key emerging sectors and the development of a fiscal impact model to assess the impact on town tax revenues and costs associated with different development and redevelopment options
- Orleans RESET: (just completed) Staff provided a complete set of recommendations for aligning future development and redevelopment within the Rt. 6A corridor with the land use and economic development goals of the Towns Local Comprehensive Plan.
- Barnstable RESET: (ongoing) Resulted in concept plans for the redevelopment of regional retail centers along Rt. 132 and recommendations for zoning changes that would improve redevelopment opportunities on these properties.
- Mashpee RESET: (ongoing) Will result in a fiscal impact model to assess the impact on town tax revenues and costs associated with different development and redevelopment options and a set of land use recommendations based on the market feasibility of different development options.



FINAL - Cape Cod Commission Economic Development Work Plan FY2017						
Activity	Projects	Consultant/ Staff	Funding Source	New or Ongoing	Comments	Estimated Cost
Economic Development Planning	Review Developments of Regional Impact, Local Comprehensive Plans, Growth Incentive Zones and Districts of Critical Planning Concern	Staff	CCC	Ongoing	Bring ED angle to use of special CCC land use planning and regulatory tools	\$ 18,330
	Coordinate EDC/CEDS Strategy Committee	Staff	EDC	Ongoing	Monthly Meetings; Administrative Support; planning guidance and reporting	\$ 51,675
	Complete CEDS Annual Report	Staff	EDA	Ongoing	Evaluate CEDS Implementation in order to maintain EDA certification of the CEDS and EDD designation	\$ 36,660
	Mashpee Wampanouag Tribal CEDS	Staff	EDA	Ongoing	Provide technical assistance to the Tribe as they complete a Comprehensive Economic Development Strategy for the Tribe to submit to EDA for certification.	\$ 36,660
	Integrate housing affordability into coordinated economic development planning	Staff	CCC	New	CCC in collaboration with the SmarterCape Partners	\$ 36,660
Research & Data Dissemination	Second Home-owner Survey	Staff/ Consultant	CCC	New	The last second home survey was completed in 2008. This survey will carry over many of the questions and add new ones in order to better understand this important segment of our economy	\$ 27,495
	Environmental Economics Applied Research	Staff	CCC	New	Understanding the impact of environmental damage on property values and the economic value of natural systems in mitigating the impacts of development and climate change; Includes data acquisition	\$ 183,300
	STATSCapeCod	Staff/ Consultant	EDC	Ongoing	Regular maintenance and improvements to content	\$ 27,495
Outreach	Annual SmarterCape Conference	Staff	CCC	Ongoing	Done in collaboration with the SmarterCape Partners	\$ 36,660
	Reporting on CEDS activities	Staff	CCC	Ongoing	EDC, CCC, County Commissioners, and AOD, etc.	\$ 36,660
CEDS Regional Priority Projects	Wastewater in Economic Centers	Staff	EDC/CCC	Ongoing	Seek funding to build ww treatment facilities	\$ 18,330
	Climate Change Economic Impact Assessment	Staff/ Consultant	EDC/CCC	New	Scope and methodology for research into the economic impact of climate change; begin research	\$ 91,650
	Expedited Permitting	Staff	EDC/CCC	Ongoing	Continue to work with towns to streamline local permitting through improved zoning and work on GIZ and Chapter H designations	\$ 183,300
	Cape Cod Capital Trust Fund	Staff/ Consultant	EDC/CCC	Ongoing	Implementation of a potential regional infrastructure grant and loan fund	\$ 54,990
	Strategic Information Office	Staff/ Consultant	EDC/CCC	Ongoing	E-permitting, Integrated Infrastructure Planning, Continued development of Regional Database; RWAN, Performance Management	\$ 91,650
RESET	Intensive Multi-disciplinary Town Technical Assistance	Staff	EDC/CCC	Ongoing	Identify development and redevelopment impediments and opportunities in areas designated for growth	\$ 183,300
In addition to funds allocated here, economic development initiatives leverage funds from state & federal sources						\$ 1,114,815



## Cape Cod Economic Development Council

3225 Main Street, PO Box 226, Barnstable, MA 02630

**Date:** November 5, 2015  
**Time:** 5:00 pm  
**Location:** Cape Cod Commission  
3225 Main Street, Barnstable, MA 02630

1. Board Minutes
  - Potential approval of October 1, 2015 draft minutes
2. Council Chair's Report
  - Guest Speaker – Steven Johnston, Executive Director of Open Cape, will discuss future plans for the organization
3. Grants Committee
  - Discussion on the press release, timeline, and submission guidelines for the next grant round – *Felicia Penn*
4. CEDS Implementation
  - Discussion on the draft Cape Cod Commission FY17 Work Plan – *Leslie Richardson*
5. Topics not reasonably anticipated by the Chair prior to the time of posting notice

If you are deaf or hard of hearing or a person with a disability who requires an accommodation, contact the Cape Cod Commission at 508-362-3828 or TTY 508-362-5885. Notice of at least 24 hours prior to the meeting is helpful.

*Caso estas informações sejam necessárias em outro idioma, por favor, contate o Coordenador de Título*

*VI da MPO pelo telefone 508-362-3828.*



## Cape Cod Economic Development Council

3225 Main Street, PO Box 226, Barnstable, MA 02630

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### Minutes, November 4, 2015

**Present:**

Barbara Milligan, Felicia Penn, Rick Presbrey, Sheryl Walsh, Allen White, David Willard,

**Absent:**

Ken Cirillo, Mary Pat Flynn, John Kilroy, Brian Mannel, Richard Roy, Dan Wolf

**Also Attending:**

CCC Staff: Leslie Richardson, Taree McIntyre

**Public:**

Steve Johnston: Open Cape

Ross Balboni: The Davenport Companies

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Felicia Penn called the meeting to order at 5:00 pm in the conference room of the Cape Cod Commission. Upon a motion by Rick Presbrey, second by Allen White, the minutes of the October 1, 2015 meeting were approved.

Steve Johnston, Executive Director of Open Cape, provided a brief overview of Open Cape from its inception through the installation of the fiber optic network. The attached presentation focused on the future of Open Cape and the establishment of last mile connections for all stakeholders which include municipalities, businesses, and residents of Cape Cod.

Ms. Penn stated that a notice was released to the press on November 3, 2015 announcing the availability of up to \$75,000 in grant funds. The notice was also sent to approximately 250 municipalities and organizations across the Cape. Ms. Penn demonstrated the revised online application for the filing of *letters of intent*. The deadline for submission is December 8, 2015. The Grant Committee will meet December 16, 2015, 8:00 am to review the applications.

Leslie Richardson presented the attached draft Fiscal Year 2017 Cape Cod Commission Work Plan for the Council's review. Accomplishments from the previous work plans are outlined in the CCEDC Annual Reports. The Council requested that Ms. Richardson send out more details on the CCEDC portions of the work plan for discussion at the next meeting.

The meeting was adjourned at 5:58 pm.

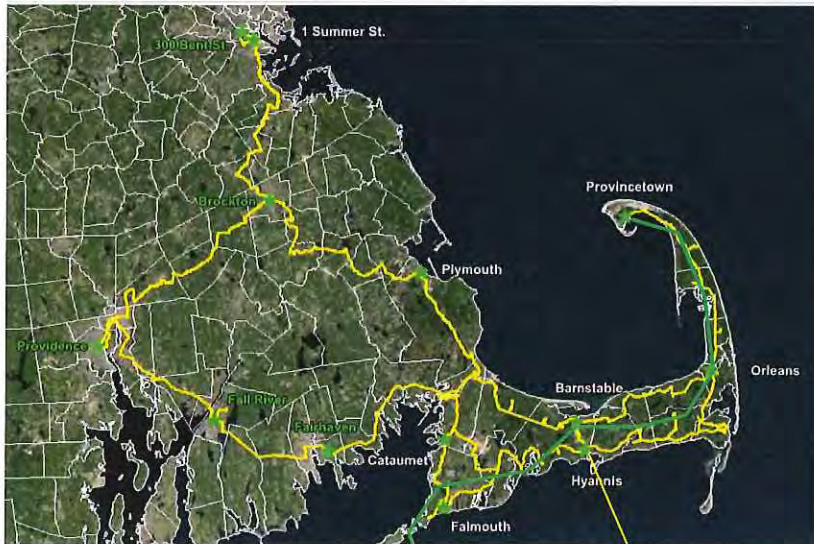




## ACCELERATING THE PACE:

Overview Strategy, Tactics and Vision for Moving Forward

November 2015



**TWO STATES**

**SIX COUNTIES**

**40+ TOWNS & 50+ NEAR NETWORK**

**CONNECTING 120+ ANCHOR INSTITUTIONS**

**MICROWAVE NETWORK**

**60+ MOBILE TOWERS**



November 2015



**BETTER SERVE CAPE & ISLANDS VIA PROVIDING CHOICE**

**CLEARLY COMMUNICATE GOALS, OBJECTIVES & OPPORTUNITIES**

**LEADERSHIP & ADVISORS SHARING OUR PASSION & COMMITMENT**

**LEAD DISCUSSION WITH TOWNS, MUNICIPALITIES & COUNTIES**

**COLLABORATE WITH EXISTING PARTNERS & STAKEHOLDERS**

**ENSURE INTEGRITY & SUSTAINABILITY OF NETWORK**

**DIVERSIFY REVENUE STREAMS**

**HOOK UP COMMUNITIES**



November 2015

## CONNECTING COMMUNITIES



### STEP 1: UNDERSTANDING

Clarify misinformation and OpenCape's role moving forward

- Communication
- Summit
- Face to Face
- Online Engagement
- Partnerships



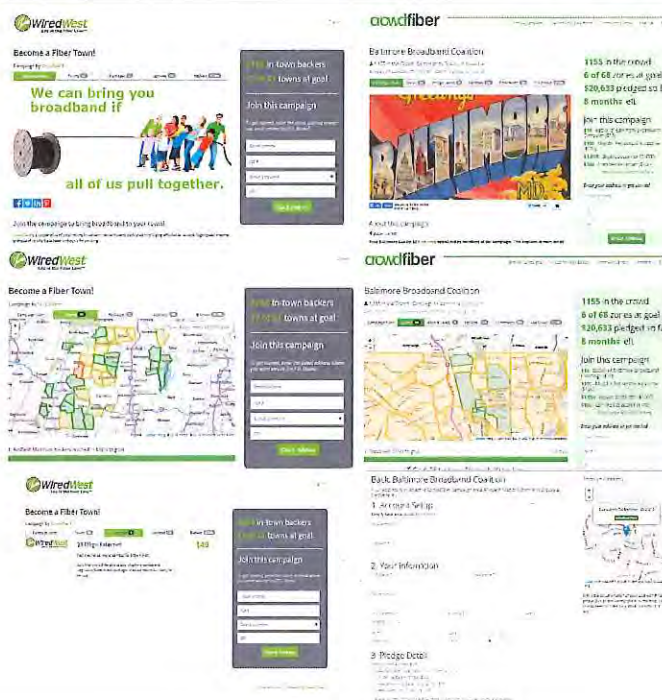
November 2015



## CROWD FIBER

**What is Crowd Fiber and how will it help us?**

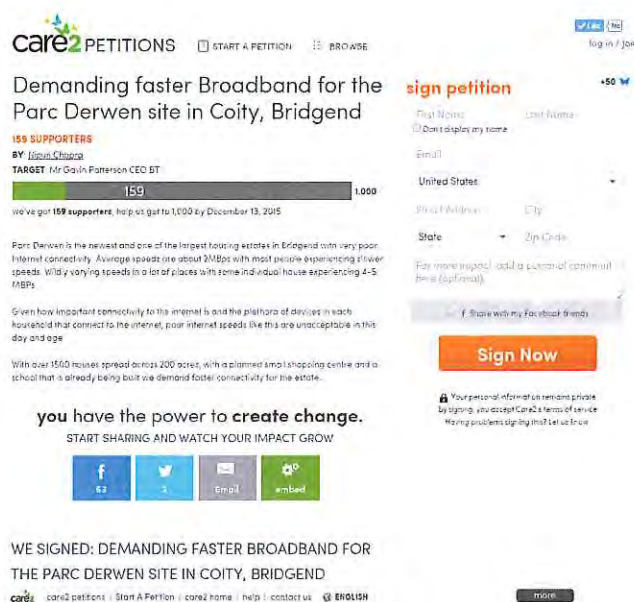
Crowd Fiber will allow us to plan Network expansion based on actual customer demand. It can help gather pre-registrations, organize and aggregate service demand, and prioritize network build-out allowing us to build our market before building the network, it can even help steer donations to the project if we choose to.



## ADVOCACY

**An opportunity for Towns, Municipalities & Residents to initiate & share desire**

By utilizing petitions as a tool to indicate a preference for service, OpenCape will be providing a valuable service for towns to help move forward the discussion of becoming a connected community



## CONNECTING COMMUNITIES

**INTERACTION & ENGAGEMENT**

**LIST GROWTH & HEAT MAPS**

**COMMUNICATIONS**

**DONORS & INVESTORS**

**AWARENESS**



Steve Johnston  
Executive Director  
OpenCape Corporation  
M 508-524-5905  
[sjohnston@opencape.org](mailto:sjohnston@opencape.org)

FINAL - Cape Cod Commission Economic Development Work Plan FY2017						
Action	Activities	Consultant/Staff	Funding Source	Status: New or Ongoing	Comments	Cost
Economic Development Planning	Review Developments of Regional Impact, Local Comprehensive Plans, Growth Incentive Zones and Districts of Critical Planning Concern	Staff	CCC	Ongoing	Bring ED angle to use of special CCC land use planning and regulatory tools	\$ 18,330
	Coordinate EDC/CEDS Strategy Committee	Staff	EDC/EDA	Ongoing	Monthly Meetings; Administrative Support	\$ 51,675
	Complete CEDS Annual Report	Staff	EDA	Ongoing	Evaluate CEDS Implementation in order to maintain EDA certification of the CEDS and EDD designation	\$ 36,660
	Mashpee Wampanouag Tribal CEDS	Staff	EDA	Ongoing	Provide technical assistance to the Tribe as they complete a Comprehensive Economic Development Strategy for the Tribe to submit to EDA for certification.	\$ 36,660
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Research	Second Home-owner Survey	Staff	CCC	New	The last second home survey was completed in 2008. This survey will carry over many of the questions and add new ones in order to better understand this important segment of our economy	\$ 27,495
Research	Environmental Economic Applied Research	Staff	CCC	New	Understanding the impact of environmental damage on property values and the economic value of natural systems in mitigating the impacts of development and climate change; Includes data acquisition	\$ 183,300
Outreach	Annual SmarterCape Conference	Staff	EDC/CCC/EDA	Ongoing	Done in collaboration with the SmarterCape Partners	\$ 36,660
	Reporting on CEDS activities	Staff	CCC	Ongoing	EDC, CCC, County Commissioners, and AOD, etc.	\$ 36,660
Data Dissemination	STATSCapeCod	Consultant	EDC/CCC	Ongoing	Regular maintenance and improvements to content	\$ 27,495
CEDS Regional Priority Projects	Wastewater in Economic Centers	Staff/Consultant	EDC/CCC	Ongoing	Economic modeling of action scenarios and no action	\$ 18,330
	Climate Change Economic Impact Assessment	Staff/Consultant	EDC/CCC	New	Seek funding to support resiliency planning and understand the potential economic impacts of climate change	\$ 91,650
	Expedited Permitting	Staff/Consultant	EDC/CCC	Ongoing	Continue to work with towns to streamline local permitting through improved zoning and work on GIZ and Chapter H designations	\$ 183,300
	Cape Cod Capital Trust Fund	Staff/Consultant	EDC/CCC	Ongoing	Implementation of a potential regional infrastructure grant and loan fund	\$ 54,990
	Strategic Information Office	Staff/Consultant	EDC/CCC	Ongoing	E-permitting, Integrated Infrastructure Planning, Continued development of Regional Database; RWAN, Performance Management	\$ 91,650
RESET	Intensive Multi-disciplinary Town Technical Assistance	Staff	EDC/CCC	Ongoing	Identify development and redevelopment impediments and opportunities in areas designated for growth	\$ 183,300
						<b>\$ 1,114,815</b>

In addition to funds allocated here, economic development initiatives leverage funds from state & federal sources





## Cape Cod Economic Development Council

3225 Main Street, PO Box 226, Barnstable, MA 02630

### Monthly Meeting Agenda

**Date:** October 1, 2015  
**Time:** 5:00 pm  
**Location:** Cape Cod Commission  
3225 Main Street, Barnstable, MA 02630

1. Board Minutes
  - Approval of September 3, 2015 draft minutes
2. Council Chair's Report
  - Report on the progress of Regional E-permitting project and the results of the Barnstable County update to the 2012 Regional Technology Audit by Interisle Consulting – *Kristy Senatori and David Sullivan, Cape Cod Commission*
  - Report on discussion with Barnstable County Commissioners regarding options for the Rte. 6 rest area, Paul Rumul's resignation from the EDC, *areas of interest* for the upcoming grant round, EDC response to Bridgewater State University's negative report on the Cape's economic planning – *Felicia Penn*
  - Report on discussion with Bridgewater State University regarding the Cape's economic planning – *Felicia Penn*
3. Grant Committee
  - Summary assessment of the 2014 Grant Round comparing the goals and budgets of the submitted proposals to the mid-year and final reports – *Sberyl Walsh and John Kilroy*
4. Topics not reasonably anticipated by the Chair prior to the time of posting notice

If you are deaf or hard of hearing or a person with a disability who requires an accommodation, contact the Cape Cod Commission at 508-362-3828 or TTY 508-362-5885. Notice of at least 24 hours prior to the meeting is helpful.

*Caso estas informações sejam necessárias em outro idioma, por favor, contate o Coordenador de Título VI da MPO pelo telefone 508-362-3828.*



## Cape Cod Economic Development Council

3225 Main Street, PO Box 226, Barnstable, MA 02630

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Minutes, October 1, 2015

**Present:**

Mary Pat Flynn, John Kilroy, Barbara Milligan, Felicia Penn, Rick Presbrey, Richard Roy, Sheryl Walsh, Allen White, David Willard

**Absent:**

Ken Cirillo, Brian Mannal, Dan Wolf

**Also Attending:**

CCC Staff: Paul Niedzwiecki, Kristy Senatori, David Sullivan, Taree McIntyre

**Public:**

Ross Balboni, The Davenport Companies

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Felicia Penn called the meeting to order at 5:00 pm in the conference room of the Cape Cod Commission. Upon a motion by Rick Presbrey, second by Sheryl Walsh, the minutes of the September 3, 2015 meeting were approved.

E-permitting and Regional Technology Update

David Sullivan, Applications Implementation Manager for the Cape Cod Commission, presented the attached PowerPoint detailing the towns currently utilizing the e-permitting process and the departmental services that are available. The benefits of the project to the municipalities and the public were reviewed along with the *next steps* for the program.

Kristy Senatori, Deputy Director of the Cape Cod Commission, reviewed the process for the recent update to the 2012 Barnstable County Information Technology Survey. Data collected in 2012 was returned to each municipality with a request to document changes to hardware and software. Thirteen of the fifteen towns have responded to date.

9/30/15 Barnstable County Commissioners Meeting Update

Ms. Penn stated that the CCEDC budget for FY16 was not approved at the September 30, 2015 Barnstable County Commissioners meeting. There was some confusion on the layout and line item descriptions of the budget which will be addressed before resubmitting for the next meeting on October 14, 2015.

Ms. Penn stated that she made a recommendation to the County Commissioners to close the Route 6 Rest Area permanently or to cap the cost of the maintenance funded by the CCEDC to \$20,000 yearly. The Commissioners agreed to take the recommendation under advisement. Mary Pat Flynn, Barnstable County Commissioner, acknowledged the discussion from the Commissioners meeting and will contact the State to find out the process for requesting the closure of the facility. Ms. Penn will write a letter in support of the closure.

#### 2015/2016 Grant Round

Ms. Penn stated that the next grant round will be announced in early November and the areas of interest will be aquaculture, smarter education, STEM (science, technology, engineering, and math), and the Open Cape fiber optic network last mile installation. Ms. Penn will invite Steve Johnston, the new Executive Director of Open Cape, to the next meeting to discuss the future of Open Cape.

#### Bridgewater State University's (BSU) report on Cape economics

Ms. Penn reviewed a conversation with Dr. Elmore Alexander of BSU regarding his negative comments on the Cape's economy. Dr. Elmore responded to Ms. Penn's letter by stating that the Cape Cod Times reporter took his comments out of context. Ms. Penn suggested that Dr. Alexander read the Comprehensive Economic Development Strategy (CEDS), attend a SmarterCape Partnership meeting, and for BSU to partner in the Cape's economic growth.

#### CEDS Implementation: draft Cape Cod Commission FY17 Workplan

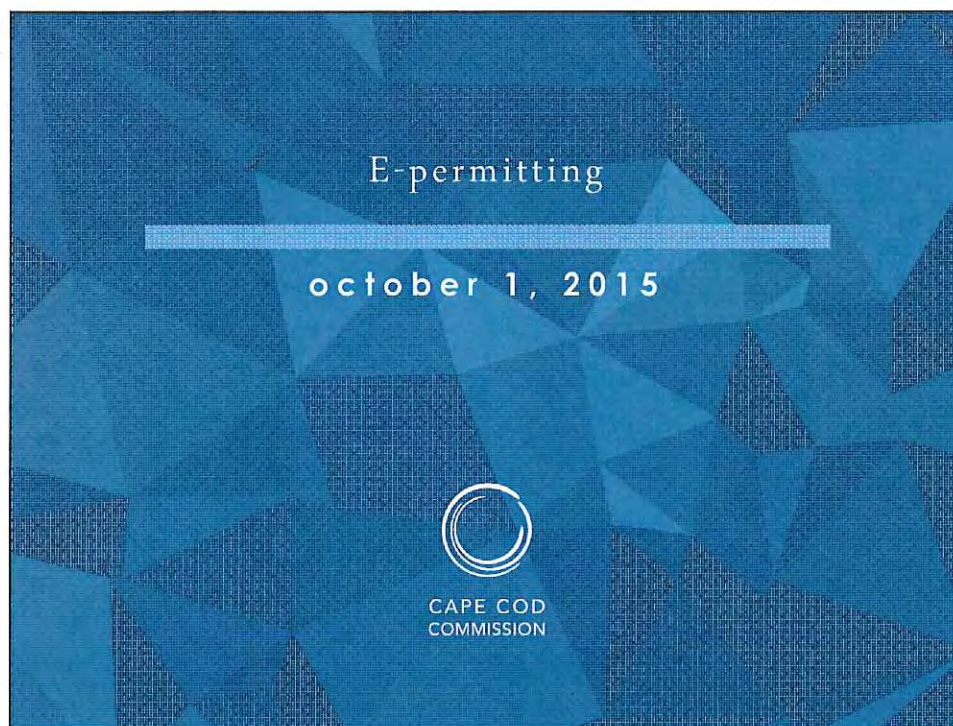
This topic was continued until the next meeting.

#### Summary Assessment of 2014 Grant Round:

Sheryl Walsh summarized the results of the 2014 Grant Round after she and John Kilroy compared the grant proposals to the mid-year and final reports. Grants to Cape Cod Community College, Community Development Partnership, and the Town of Falmouth were deemed successful and worthy of continued funding if requested. The grant to the Coonamessett Farms Foundation did not address the state regulatory process for shellfishing nor recommend a model for streamlining the process. Ms. Penn will draft a letter to the foundation inquiring about how the project went off track and if there is a draft model for improving the state regulation process. Final reports for the Federated Church and the Town of Yarmouth will be provided to the review team at a later date.

The meeting was adjourned at 6:27 pm.





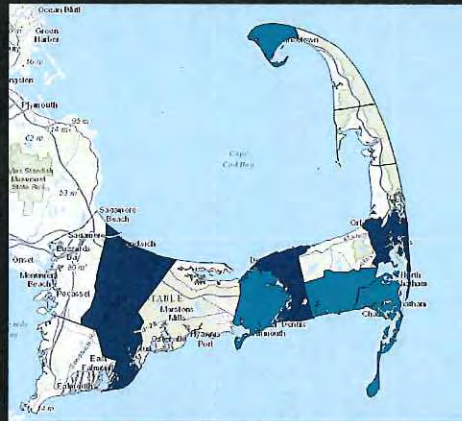
## PARTICIPANTS

### TOWNS USING ACCELA

Chatham  
Yarmouth  
Harwich  
Provincetown

### GeoTMS TOWNS

Orleans  
Dennis  
Sandwich  
Mashpee





## services

### CURRENT LIVE MODULES

- Health
- Building
- Licensing
- Planning
- Zoning
- Conservation
- Enforcement
- Historic

### OTHER MODULES

- Fire
- Public Works
- Harbor Master

### ASSET MANAGEMENT

- Street Signs
- Drainage Asset



## health



## USED FOR...

- 21E
- Disposal Installer
- Disposal System Construction
  - Perc Test
- Variance Hearing
- Food Establishments
- Funeral Director
  - Lodging
  - Poultry
- Recreation Camp
- Refuse Collector
- Rental Certificate
- Septage Haulers
- Septage Tank Pumping
  - Sheep Goats
  - Stables
  - Sun Tanning
  - Swimming Pool
  - Temporary Food
- Title 5 Official Letter
  - Tobacco

1

2

3

4

5

## BUILDING



## USED FOR...

- Parcel Detail
- 1&2 Family
- Building Lot Inquiry
- Certificate of Inspection
  - Electrical
- Express Permit
  - Gas
- Gas Water Heater Replacement
- Mechanical
- Multi-Family Inquiry
  - Plumbing
  - Pool Spa
- Sheet Metal
  - Sign
  - Trench
- Zoning Determination
- Use and Occupancy

1

2

3

4

5

## LICENSES



### USED FOR...

- Alcohol
- Amusement
- Automatic Amusement
  - Bowling
- Christmas Tree Sales
  - Class I or II
- House Move
  - Taxis
- Pedicabs
- Misc. License
- Mobile Vendor
  - Pool Tables
- Special Alcohol
- Special Entertainment
- Sunday Entertainment
- Transient Vendor
  - Parking lots
- Town Hall Events



## Service requests



### USED FOR...

- Animal Nuisance
- Fence Dispute
  - Grading
- Home Occupation
- Illegal Occupancy
- Junk on Property
- Sub-Standard Property
  - Vacant Building
- Working Without a Permit
  - Trash Removal
  - Graffiti
- Excessive Noise
  - Illegal Sign
  - Pothole
- Snow Removal
- Street Flooding
  - Street Light
- Tall Grass and Weeds
- Tree Maintenance
- Abandoned Vehicle
- Leaking Fire Hydrant
- Park Maintenance





fire



## USED FOR...

- Repair C/O System
- Permit to install temporary tent heater
- Temporary tank out of service
- Above ground tank removal
- Agricultural Burning Permit
- Above ground storage tank - removal
- Bonfire permit
- Burning Permit MGL
- Ceremonial Bonfires
- Install Carbon Monoxide Alarms
- Install F/A-C/O System
- Install Fire Alarm System
- Repair Fire Alarm System
- Fireworks &/or Spec. Effects

1

2

3

4

5

fire



## USED FOR...

- Grill cooking with Propane
- Install kitchen hood suppression
- Install Propane Tank
- Storage of LPG
- Install Oil Burning Equipment / Tanks
- To Maintain an Existing / New Storage Tank
- Install Sprinkler System
- Repair Sprinkler System
- Special Seasonal Decorations
- Tank Truck Inspection
- Underground Tank Removal
- Unvented Gas Heater Installation
- Cutting & Welding Permit
- Smoke Detector Inspections

1

2

3

4

5

## AND MORE:



### PLANNING

- Covenant Release Request
- Master Sign Plan
- Special Permit & Site Plan Review
- Subdivision

### CONSERVATION

- Admin Review
  - ANOI
  - ANRAD
  - NOI
  - RDA

### ZONING

- ZBA Variance Request

### HISTORIC

- Sign Permit
- Like Kind Replacement
  - Structural
  - Demolition

6

7

8

9

## BENEFITS TO USERS



### WEB



### KIOSK



### MOBILE

- View Active Permit/Licenses
- Apply and Pay for Permits/Licenses
- Renew and Pay for Licenses Online
- Working with Local Contractors



## BENEFITS TO USERS



**WEB**



**KIOSK**



**MOBILE**

- Apply and Pay for Building Permits
- Renew and Pay for Licenses
- Apply and Pay for Beach and Disposal Stickers, Animal Licenses

## BENEFITS TO USERS



**WEB**



**KIOSK**



**MOBILE**

- Inspectors use Tablets to quickly complete, submit inspections
- Schedule/reschedule inspections
- Onsite Plan Review, including side-by-side plan comparison



System integration

DPS

DPL

MUNICIPAL  
FINANCE  
PROGRAMS

ASSESSING  
SOFTWARE

- Building
- Engineering
- Board of Health
  - Trades
  - Munis
  - PK
  - Vision

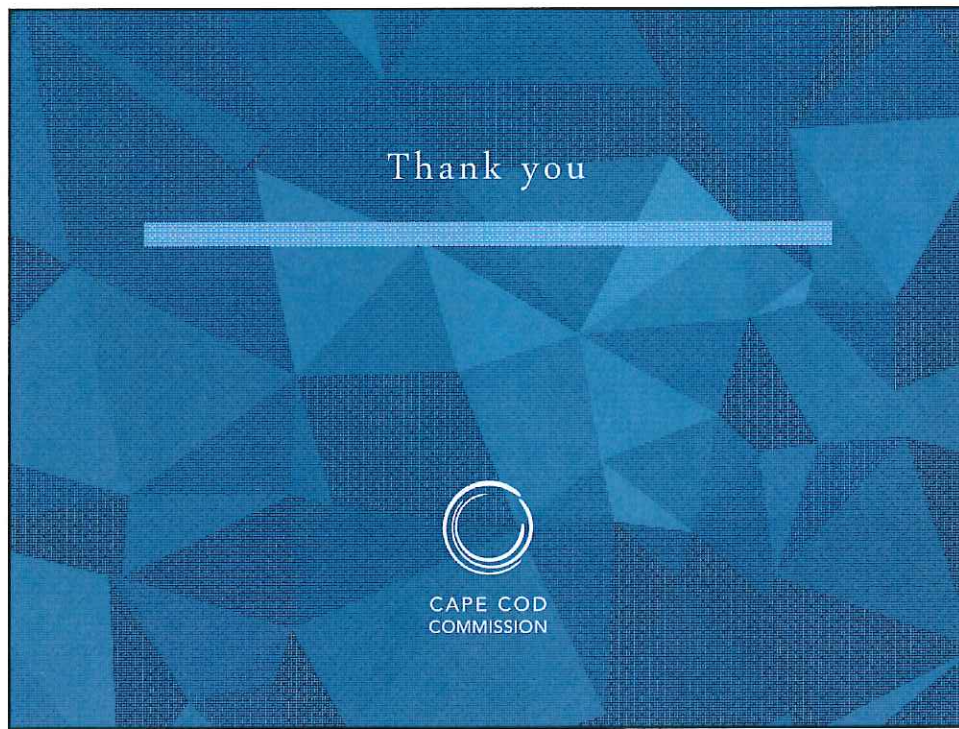
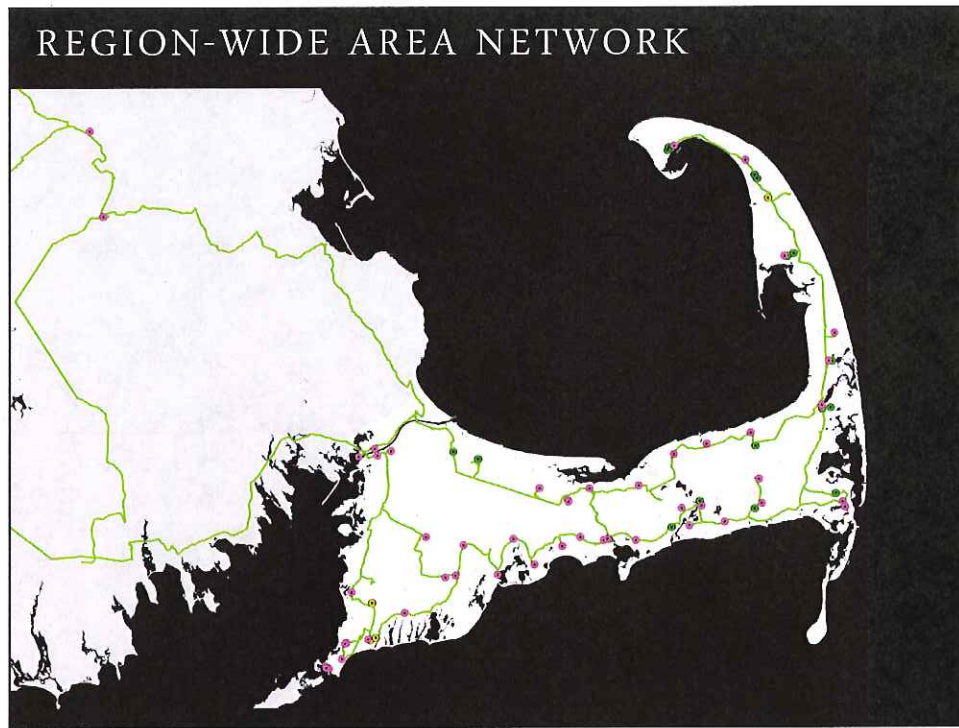
System integration

DMV

DOI

*FUTURE*

- Vehicle Stickers
- Workman's Compensation

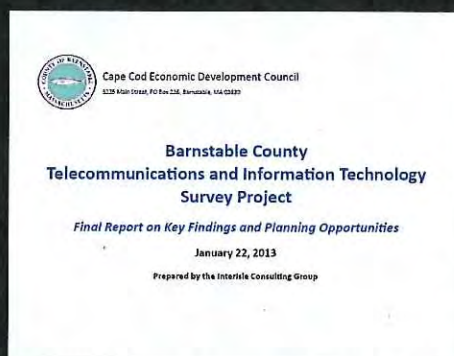




## What's next

- Accela releasing a major upgrade
- Regional template is easily transferable to both
  - GeoTMS legacy towns
  - Towns without permitting software
- Asset Management and other modules
  - Stormwater basins per EPA regulations
  - Sign reflectometry

## Interisle report



- Inventory of hardware/software
- Originally completed 2013
- CCC/BCIT updated 2015
- Next Steps:
  - RWAN
  - Unified Communications (VOIP, email)
  - Performance Management
  - ePermitting expansion







# Cape Cod Economic Development Council

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## Monthly Meeting Agenda

**Date:** September 3, 2015  
**Time:** 5:00 pm  
**Location:** Cape Cod Commission  
3225 Main Street, Barnstable, MA 02630

1. Board Minutes
  - Approval of August 6, 2015 draft minutes
  - Approval of August 14, 2015 Finance Committee minutes
2. Finance Committee
  - Review of draft FY16 Budget with potential vote for recommendation to the Barnstable County Commissioners
3. Council Chair's Report
  - Announcement of new Open Cape Executive Director
4. Grants Committee
  - Discussion of Fall Grant Round Planning
5. Topics not reasonably anticipated by the Chair prior to the time of posting notice

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## Cape Cod Economic Development Council

3225 Main Street, PO Box 226, Barnstable, MA 02630

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### Minutes, September 3, 2015

**Present:**

Ken Cirillo, John Kilroy, Barbara Milligan, Felicia Penn, Rick Presbrey, Sheryl Walsh, Allen White, David Willard

**Absent:**

M. Pat Flynn, Brian Mannal, Richard Roy, Dan Wolf

**Also Attending:**

Cape Cod Commission Staff: Leslie Richardson, Gail Coyne, Taree McIntyre

**Public:**

Ross Balboni, The Davenport Companies

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Felicia Penn called the meeting to order at 5:00 PM in the conference room of the Cape Cod Commission. Upon a motion by Allen White, second by John Kilroy, the minutes of the August 6, 2015, CCEDC meeting and the August 14, 2015, Finance Subcommittee meeting were approved.

Finance Committee

The draft FY16 budget prepared by the Finance Subcommittee on August 14, 2015, was presented to the Council for approval. Gail Coyne was available to answer questions related to the account reporting from the county's Munis finance software. Upon a motion by Ken Cirillo, second by David Willard, members voted to recommend to the Barnstable County Commissioners that they approve the draft FY16 CCEDC budget (attached). Allen White abstained from the vote. After a brief discussion regarding the Route 6 rest area maintenance, Ms. Penn formed a subcommittee with Rick Presbrey and Allen White to investigate the escalating costs and consider alternative solutions. Due to the steady decline in license plate revenue, the need for new marketing ideas for the license plate was also discussed.

Council Chair's Report

Ms. Penn announced that the Open Cape Board recently appointed Steven Johnston as their new Executive Director. Ms. Penn will be meeting with Mr. Johnston to discuss the role of the CCEDC in the last mile buildout of the new fiber optic network.

Ms. Penn provided notes from a conference call (attached) with broadband professionals who were attending a conference in Woods Hole. The focus of the call was the Open Cape buildout.

#### Grant Committee

Ms. Penn plans to attend a Barnstable County Commissioners meeting this month to discuss *areas of interest* for the next grant round. The summary review to determine the success of the Spring/2014 grant round will be presented at the October CCEDC meeting. Leslie Richardson gave a brief status update on the active RESET projects financed through the Cape Cod Commission FY16 Work Plan Grant.

#### Other Business

Ms. Penn stated that she will also speak with the Barnstable County Commissioners regarding a Cape Cod Times article reporting on an address by Dr. Elmore Alexander, Dean of the Ricciardi College of Business at Bridgewater State University (BSU), to the Barnstable Economic Development Commission which greatly disparaged economic planning on Cape Cod. Rebuttal letters submitted to the newspaper by Ms. Penn, representing the CCEDC, and Wendy Northcross, representing the Cape Cod Chamber, have not been published as of this date.\* Ms. Penn will contact Dr. Alexander and Fred Clark, President of BSU, to discuss the matter and offer to integrate BSU in the Cape's economic future. Ms. Penn will contact all of the Cape's economic groups to inform them of actions being taken. Ms. Penn will also contact the newspaper reporter to offer him an opportunity to report on the positive aspects of the Cape's economic planning.

The meeting was adjourned at 6:05 pm.

\*Both rebuttals were published shortly after the meeting in the *My View* section of the Cape Cod Times.



# Cape Cod Economic Development Council

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## Monthly Meeting Agenda

**Date:** August 6, 2015  
**Time:** 5:00 pm  
**Location:** Cape Cod Commission  
3225 Main Street, Barnstable, MA 02630

1. Board Minutes
  - Approval of June 4, 2015 draft minutes
2. Council Chair's Report
  - Discussion of Open Cape - *Last Mile Connections*
3. Grants Committee
  - Discussion of fall grant round planning
4. Finance Committee
  - Discussion of final FY15 budget
5. Nominating Committee
  - Discussion of any new candidates for committee consideration
6. Topics not reasonably anticipated by the Chair prior to the time of posting notice

### Attachments:

*June 4, 2015 draft minutes*

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## Cape Cod Economic Development Council

3225 Main Street, PO Box 226, Barnstable, MA 02630

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### Minutes, August 6, 2015

**Present:**

John Kilroy, Felicia Penn, Paul Rumul, Sheryl Walsh, Allen White, David Willard

**Absent:**

Ken Cirillo, M. Pat Flynn, Brian Mannal, Barbara Milligan, Rick Presbrey, Richard Roy, Dan Wolf

**Also Attending:**

CCC Staff: Leslie Richardson, Taree McIntyre

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Felicia Penn called the meeting to order at 5:03 PM in the conference room of the Cape Cod Commission. Upon a motion by Paul Rumul and second by Allen White, the minutes of the June 4, 2015 meeting were approved.

**Open Cape – *Last Mile Connections***

Ms. Penn reported on a conversation with Bill Kelly of CapeNet regarding the challenges faced in completing the last mile buildout of Open Cape including lack of public funding, sufficient commercial density, and regional coordination.

**Grant Committee – *Fall Grant Round Planning***

The assessment of the final grant reports from the Spring, 2014 Grant Round was incomplete and was tabled until a later meeting. Ms. Penn stated that more follow up was needed on the Cape Cod Community College grant for online engineering courses through the Open Cape network as they are hoping for continued funding to expand the program. Ms. Penn reported that the Grant Committee met with Sia Karplus who managed the Town of Falmouth aquaculture project. The committee was hoping that the success of this project could be used to build a model that could be made available to other towns. Ms. Karplus explained that every pond is site specific for conditions related to tides, flush, solidity, etc., making it impossible to have one model. Ms. Penn stated that, to date, STEM and aquaculture projects are top areas of interest for the next grant round. Ms. Penn reminded members of the upcoming International Oyster Symposium scheduled for October on Cape Cod.

**Finance Committee – *Discussion of FY15 Budget***

Paul Rumul presented a report showing the final FY15 License Plate Fund revenue and expenses with a projection of the same for FY16. The Finance Committee will prepare a draft FY16 budget to be presented at the September meeting. The Facilities Department will be asked for more detailed information regarding the escalating costs of maintaining the Rte. 6 rest area. It was suggested that maintaining the rest area might be assigned to a sheriff's detail.

Leslie Richardson announced that the Cape Cod Commission was contacted by the Economic Development Administration (EDA) and asked to submit the paperwork needed to be granted \$70,000 a year for the next 3 years as a result of the recent designation of Barnstable County as an Economic Development District (EDD). This grant must be matched in full and will be used for the Comprehensive Economic Development Strategy (CEDS) planning and implementation.

Nominating Committee – *Discussion of potential candidates for consideration*

Paul Rumul announced that he was resigning effective August 31, 2015, due to an increased workload at The Davenport Companies. Ms. Penn requested that members send new candidate suggestions to her by email.

Other Business

Ms. Penn stated that she is willing to give up representing the CCEDC on the SmarterCape Partnership if another member would like to take over that position. The SmarterCape Partnership meets every 2 weeks at noon, weekly closer to the SmarterCape Summit, and is comprised of representatives from the Cape Cod Chamber, the Cape Cod Commission, the Tech Council, Open Cape, the Cape Cod Young Professionals, the Cape Cod Homebuilders Association, the Cape & Islands Board of Realtors, and the Cape Cod Community College. The SmarterCape Partnership is currently considering different ideas for the annual SmarterCape Summit usually held in May.

The meeting was adjourned at 5:50 pm.



## **Cape Cod Economic Development Council**

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### **Monthly Meeting Agenda**

## **Cape Cod Economic Development Council Meeting**

**Scheduled**  
**Thursday, July 2, 2015, 5:00 pm**

at the  
Cape Cod Commission  
3225 Main Street, Barnstable, MA 02630

**Is Cancelled**





CAPE COD  
COMMISSION

## Appendix 3: CEDS 5-Year Planning process summary



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## Development of the CEDS five-Year Plan (2014)

The Cape Cod Commission and the Cape Cod Economic Development Council devoted an unprecedented amount of financial and staff resources to the development of the 2009 five-year plan and its implementation. This support continues with the 2014 five-year update.

As with the 2009 five-year update, this strategy is based on the Cape Cod Regional Policy Plan (RPP). Each issue area in the RPP has a set of goals; the economic development goals are the same in the CEDS as those included in the RPP. The visioning and public participation efforts around the development of these goals are conducted as part of the regular update of the Regional Policy Plan. Therefore, the CEDS planning process focused primarily on the development of regional and local priority projects given the regional economic context outlined in Chapter 3 of this document.

### THE CEDS CALL FOR PROJECTS

The first step in the update process was to solicit project ideas from the 15 towns that make up Cape Cod. A letter was sent out to each Town Administrator requesting local projects they felt would facilitate economic development in their community. Eight towns responded with forty priority projects the details of which are included in Chapter 4.

### THE CEDS SURVEY

The Cape Cod Commission designed and issued a CEDS Survey for the five-year update of the CEDS document. The survey instrument and the final results are included in the appendix. Included in the survey were specific questions about potential regional priority projects. The 397



## CAPE COD COMMISSION

respondents ranked the projects according to how important they felt they were to the regional economy with the results as follows:

1. Seasonal Passenger Rail Service from Boston
2. Regional Infrastructure Financing Authority to fund construction of Wastewater Infrastructure
3. Commuter Rail Service to Boston
4. Entrepreneurship Training & Business Support
5. Conference Center
6. Regional Performing Arts Center
7. Third Bridge across the Canal
8. Redevelopment Authority to Aggregate Commercial Land for Redevelopment
9. Large Sporting Fields Facility

An open ended question was included in the survey also so that respondents could nominate other ideas for regional priority projects.

The survey also affirmed the principles underpinning the CEDS vision placing protecting the environment and creating employment and business opportunities as the most important aspects of that vision.

Some universal themes throughout the survey include the need for more rental apartments.

- 62% see a need for more rental housing
- 94% rated the high cost of housing as a moderate or significant problem

**In terms of the Cape's built environment, 63% of survey respondents believe that there is too little or not the right kind of commercial development, 37% believe it's just right or too much.**

- 17% Too Much
- 31% Too Little
- 20% Just Right
- 32% Not the right kind

As for the types of commercial development, survey respondents see the greatest need for more laboratory/research and development space (71%)



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and light manufacturing (60%). Low on their priorities was warehouses (11%) and medical offices (18%).

**Respondents were split on whether “big box” retail development had a place on Cape Cod.** While 49% said they did not support such uses, those indicating support were qualified in their responses.

- **49% do not support “big box” retail**
- 23% support it anywhere on Cape
- **10% support “big box” retail west of Bass River**
- 19% support such uses only in Hyannis

## THE CEDS WORKSHOP

The third step in the CEDS planning process was to hold a workshop inviting regional and local partners from chambers of commerce to town officials to regional non-profits related to economic development. The invitation went out to over 150 people; the list of attendees is included in Appendix \*\*\*.

The agenda of the workshop included a presentation on the recently conferred Economic Development District Designation, and two group exercises to complete a SWOT<sup>1</sup> analysis and nominate priority projects. The results of the SWOT analysis are included in Chapter 3 and the regional priority projects are outlined in Chapter 4.

The priority projects submitted by towns and those nominated at the workshop were then vetted by the strategy committee to identify those that would become regional priorities for the Cape Cod Commission and partner organizations to take the lead on over the next five years. The regional priority projects were also chosen based on the likelihood that they would be eligible for funding from the EDA through their grant programs.

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<sup>1</sup> A SWOT analysis allows participants to identify the strengths and weaknesses of economic development on Cape Cod and the opportunities and threats to the regional economy from outside the region.



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## THE CEDS FOCUS GROUPS

Once a short list of regional priority projects was agreed to by the Strategy Committee the list was brought to a series of three focus groups. The purpose of the focus groups was to ensure that the projects made sense given the needs of the business community and the public. The three focus groups were:

1. Large and Small Businesses
2. Municipal Staff
3. Elected Officials

Participants were asked to rank the new options for this five year update according to importance and answer a set of questions regarding the projects expected impact on the economy. Each person had an opportunity to share their reactions. The session lasted an hour and a half.

The presentation used in the focus groups is included in the appendix to this report. The findings will be discussed in Chapter 4 with the presentation of the final regional priority projects.

## THE SMARTER ECONOMY CONFERENCE

The Smarter Economy Conference was an opportunity to understand the workings of the Cape Cod economy and form policies to continue to improve its vibrancy. The conference built on previous SmarterCape summits that sought to leverage technology, particularly broadband, to move policies forward that would enhance Cape Cod communities, including their environment, economy, governance, and education.

This **year's focus on the economy included keynote speakers and panels** sharing research and experience that shed light on the economic opportunities and challenges that face Cape Cod. With this information, participants had a chance to weigh in on the essential question of how to manage our land use in a way that will bring us the greatest economic return without harming our key asset, the natural environment. The material gathered during this interactive session will inform the Cape Cod



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Regional Policy Plan and has been used in writing the Cape Cod Comprehensive Economic Development Strategy. Participants and materials from the conference are included in the appendix.

## THE CEDS APPROVAL PROCESS

The CEDS Strategy Committee (the Cape Cod EDC), endorsed and the Cape Cod Commission adopted the CEDS on behalf of Barnstable County, as follows:

- Public Comment Period (May 6<sup>th</sup> – May 23<sup>rd</sup>)
- Cape Cod Commission Planning Committee (June 2, 2014)  
Reviewed the CEDS chapters and priority projects; recommended approval by the full Commission.
- Cape Cod Economic Development Council (June 13, 2014)  
Endorsed CEDS and recommended adoption by the Cape Cod Commission on behalf of Barnstable County; incorporated CEDS implementation into work plan.
- Cape Cod Commission (June 19, 2014)  
Certified the CEDS as consistent with Regional Policy Plan and adopted it for implementation.





CAPE COD  
COMMISSION

## Appendix 4: Final Feasibility Report – Cape Cod Capital Trust Fund Regional Priority Project



## **Memorandum**

**To: Andrew Gottlieb, Project Manager, Cape Cod Water Protection Collaborative**  
**Paul Niedzwiecki, Executive Director, Cape Cod Commission**  
**Kristy Senatori, Deputy Director, Cape Cod Commission**  
**Leslie Richardson, Chief Economic Development Officer, Cape Cod Commission**

**From: Sycamore Advisors**

**Re: Options and Considerations for Creating a Regional Wastewater Financing Entity**

**Date: April 25, 2016**

---

### **I. Executive Summary and Recommendations**

The Cape Cod Water Protection Collaborative (the “CCWPC”) and the Cape Cod Commission (the “CCC”) asked Sycamore Advisors to develop recommendations for financing wastewater infrastructure and treatment solutions on Cape Cod, including exploring the feasibility of creating a regional wastewater financing entity for Barnstable County, recommendations for the structure of such an entity and possible revenue streams to support financing through a regional entity.

Sycamore provided the CCWPC with a memorandum highlighting case studies of regional financing entities from other areas of the country, followed by a memorandum on structural and organizational issues for a possible regional financing entity. The latter memorandum also included ten potential new or enhanced revenue sources that might support bond financing through a regional entity on Cape Cod. The memorandum attached to this Executive Summary details Sycamore’s complete analysis and findings.

**Sycamore recommends that the CCWPC and CCC pursue the following:**

1. Meet with Massachusetts’ Bond Counsel. Sycamore provided the CCWPC and the CCC with a memorandum entitled “Recommendations on Structure and Potential Revenue Streams for a Regional Wastewater Financing Entity” dated March 10, 2016. This memorandum should be shared with Bond Counsel for the Massachusetts State Revolving Fund (“SRF”) (or other Massachusetts’ Bond Counsel selected by the CCWPC and CCC); a meeting with Bond Counsel and representatives from the CCWPC

and CCC would provide an opportunity to share and discuss the structuring recommendations presented by Sycamore, as well as other options which may be preferable under Massachusetts' law and/or ensure that the language is consistent with the statutory and programmatic framework of SRF. Bond Counsel can also advise the CCWPC on approach and language that will be necessary for state legislation creating a regional financing entity for Cape Cod.

2. **Develop a Regional Capital Plan.** An essential element in developing a financing mechanism and a companion Plan of Finance, is a basic understanding of the proposed capital improvement plan ("CIP"). The CIP drives not only the sizing and timing of the projected financings but also guides what sorts of funding "tools" will be needed as well as the level of resources that will be required and at what points in time. Also, because there are tax considerations to certain types of investments (e.g. "private activity" considerations, eligibility of the projects for tax-exempt financing, weighted average life of the assets), understanding what needs to be paid for can assist in determining the scope of legal authority needed. For instance, will a Debt Service Reserve Fund be useful? Will principal forgiveness be an option? What level of subsidy is desirable or required to meet affordability goals? Being able to quantify these estimates on even a preliminary or nascent basis provides greater clarity to the powers and purpose of the proposed entity. Although detailed information from each participating community on needs, estimated costs, and construction timelines is not available at this stage of the process, ultimately having that information can make bond financing more efficient and cost-effective, especially if the financing is to be sized to avoid negative arbitrage and capitalized interest costs. The CCC and the CCWPC can begin regional capital planning by simply incorporating the available comprehensive wastewater capital plans ("CWMPs") and the costs associated with such plans for communities that are far enough in their planning efforts to have specific wastewater capital needs in the next three-five years. The body of this memorandum provides additional detail and recommendations on how to proceed with a regional capital plan for Cape Cod.
3. **Create a Regional Bond Bank for Financing Infrastructure on Cape Cod.** The CCWPC should seek special legislation at the state (General Court) level to create a regional bond bank or similarly financing structure that has the ability to issue on a stand-alone basis as well as to issue on behalf of qualified communities to provide credit support or other financial incentives for underlying borrowers; as well as receive fees and funds from special districts and other sources within Barnstable County and from the state. The principal benefits of a bond bank structure are that it can (1) lower borrowing costs and/or provide principal forgiveness for participating/qualifying entities (the 15 towns in the County); (2) provide enhanced access to credit; (3) streamline borrowing processes; and (4) finance a number of different types of infrastructure (wastewater,

water, transportation, fiber optics, etc.). **Initially, the financing authority should be an umbrella structure focused on wastewater infrastructure financing, using a number of different financing tools and revenue streams to help communities pay for wastewater infrastructure (septic, wastewater, and alternative technologies), ultimately reducing the number of housing units on septic systems from 85% to 50% Cape-wide. For the purposes of this memorandum, this regional financing entity will be referred to as the Cape Cod Regional Infrastructure Bond Bank (“CCRIBB”).**

The following core elements should be part of the CCRIBB:

- Benefits to and Expectations for Participating Communities – Principal Forgiveness. The CCRIBB should be able to finance loans for individual communities on the Cape, as well as groups of communities. Communities must be Section 208 compliant and must have a completed CWMP or be actively working on one. While communities are not expected to have to pledge their full faith and credit for loans from the CCRIBB, they are expected to have an identified, local revenue source to pay for the majority of the loan. The CCRIBB should offer credit enhancement and principal forgiveness, but only up to a certain percentage (25-30%) of the total loan amount, subject to available resources. The CCRIBB should also be able to offer grants for design and planning work that is not eligible for SRF funding, and for Section 208 monitoring needs that cannot be financed practicably through other means. The Bank should be agnostic with respect to the type of funding to support capital for septic improvements/ replacement, versus the use of new alternative technologies or more traditional AWT systems – the purpose is to fund the most appropriate technology to meet the requirements of the Plan.
- Debt Service Reserve Fund Support. The CCRIBB should have the power to fund a debt service reserve fund for an individual community loan/bond, for a pooled financing and for a financing through the SRF. This power should extend to purchasing sureties (bond insurance) to fulfill DSRF requirements and bond insurance for an individual transaction or a pooled financing.
- State Moral Obligation Support. The Commonwealth should provide its moral obligation to CCRIBB financing under certain circumstances and with prior notice of the use of the moral obligation to the Commonwealth. A State Moral Obligation pledge would not require funds from the state at the outset of a financing; rather, if principal and interest payments were missed in an individual or pooled financing and the DSRF was drawn upon, the CCRIBB would make a request to the Governor and the Legislature to restore the DSRF. The moral obligation is not a legally binding

commitment but is instead a contractual obligation; the CCRIBB fulfills its obligation by making the request to the Governor and the Legislature. If the Legislature failed to replenish the DSRF, then the bonds would likely accelerate and the state's credit rating would be substantially impacted.

- Funding for the CCRIBB. The CCRIBB should have maximum flexibility to accept funds from a variety of sources, including fees imposed in regional special districts, revenue streams that are intercepted and aggregated on a regional level that are not available to the towns, grants from the state and federal government and not for profit entities, SRF funds, and redirection of programs and funds such as the Septic Loan Fund Program.
  - Eligibility for the CCRIBB. The CCRIBB would be able to lend to towns, provide a pooled bond issue for a number of towns, combined districts and special districts within Barnstable County.
  - Eligibility for SRF. The CCRIBB should be eligible to borrow from SRF on a direct basis or as a conduit borrower for an eligible underlying community.
  - Board Governance, Advisory Board and Staff of the CCRIBB. The CCRIBB should be governed by a small board with strong representation from the Cape, including three sub regional Cape representatives, one at large Cape representative and one member appointed by the Governor (if the state is willing to include state moral obligation authority in the statute of the CCRIBB). The Cape Cod Commission, the Collaborative and the Mass. Department of Environmental Protection should each have an ex officio, non-voting member on the Board. The CCRIBB should also have an Advisory Board, which would provide technical review of proposals and recommendations for financing. The Advisory Board should include a selectman from each of the 15 towns on the Cape, as well as the Commission, Collaborative and DEP serving in an ex officio capacity. Finally, staff for the CCRIBB should be minimal initially. The Board and Advisory Board should develop an operating budget for the CCRIBB that would provide clear funding for the CCRIBB to actively manage its debt, including post issuance tax compliance, continuing disclosure, investor relations and other activities associated with bond issues.
4. **Explore Revenue Enhancements and Potential New Revenues to Support Financing Through the CCRIBB.** While this memorandum and Sycamore's March 10, 2016 memorandum list a number of new and/or expanded revenue sources to support financing through the CCRIBB, we recommend that the CCWPC and CCC focus on the following three options. These three options are either already in existence and can be used with

minor modifications, or they have been used successfully in similar circumstances. *For all revenue funds that the CCWPC and the CCC consider, it is critical that the enabling legislation create a closed loop system, so that funds collected can only be used for wastewater infrastructure on the Cape, ensuring that other entities could not temporarily ‘borrow’ funds for other uses.*

- A. Municipal Water Infrastructure Investment Fund – currently optional at the town level. Under 2014 legislation, Massachusetts communities may adopt a surcharge on real property taxes to help finance water and wastewater infrastructure projects. Pursuant to M.G.L. ch. 40, sec. 39M, a town “may impose a water infrastructure surcharge on real property at a rate up to, but not exceeding, 3 per cent of the real estate tax levy against real property, as determined annually by the board of assessors. The amount of the surcharge shall not be included in a calculation of total taxes assessed for purposes of section 21C of said chapter 59.” **This last sentence is critical, because revenues collected through the surcharge are not counted for the purpose of establishing the limit on the local tax levy imposed by Proposition 2½.** All revenues collected must be deposited in an account named the Municipal Water Infrastructure Investment Fund.

The law provides that “the expenditures of revenues from the fund shall be exclusively used for maintenance, improvements and investments to municipal drinking, wastewater and stormwater infrastructure assets.” The local legislative body is responsible for expenditures under the Fund, and implementation requires a two-step process. First, the local legislative body must accept the statute; approve the surcharge and the amount of the surcharge by a majority. Second, voters must accept it on a ballot question at the next regular municipal or state election. Legislation at the state level could aggregate all of these funds at the CCRIBB; communities could be given the option of implementing it at the full or a partial level or the legislation could require implementation at a certain level to participate in financings under the CCRIBB.

- B. Septic Loan Program Fund – Barnstable County. This fund is already active, loaning funds to homeowners with Title 5 septic systems. The Fund had a balance of approximately \$24 million at the end of 2013, according to the 2014 Barnstable County CAFR, but this may have included operational expenses and loan funds, as well. This program/fund could be brought under the CCRIBB and expanded, providing a Septic Insurance Fund for the region. Septic owners would pay into the fund each year, and the fund would pay for an ongoing pumping and replacement program. Approximately 1/3 of the 120,000 septic systems on the Cape would be pumped out each year, and failing systems would be replaced by the Fund. State



legislation would likely be necessary to transfer this fund and program to the CCRIBB and expand its purpose to a regional insurance fund.

- C. Regional Clean Water Flat Fee/Assessment. This would be a regional assessment on both wastewater treatment users and septic system users, modeled after the Chesapeake Bay Restoration Fund. Authorized by the Maryland General Assembly in 2004, the Bay Restoration Fund is a dedicated fund financed by wastewater treatment plant users for the purpose of upgrading Maryland's wastewater plans to meet enhanced nutrient removal technology standards. A similar fee paid by septic system users and applied to their property tax bills is utilized to upgrade onsite septic systems and implement cover crops. The benefit to this fee/assessment is that it equally assesses sewer and septic users, so there is no economic preference for one approach versus the other.

Similar to the Cape, the Chesapeake Bay has experienced significant decline in water quality due to over enrichment of nutrients (mainly phosphorus and nitrogen) in the watershed. The Bay Restoration Fee (also known in Maryland as the "flush tax") is a flat fee assessed at \$5.00 per month per household or "Equivalent Dwelling Unit" ("EDU") assessment for commercial and industrial users based on water or sewer usage per month, with one EDU equating to 250 gallons of flow per day. All Maryland citizens and businesses, except for local governments or those meeting an economic hardship test, pay the 'flush tax' regardless of whether or not they have sewer, septic or well service, although certain counties where wastewater does not drain into the Chesapeake or coastal bay watersheds are only subject to the initial \$2.50 per EDU or household fee.

Funds collected are used to improve the health of the Chesapeake Bay by (1) upgrading the state's 67 major sewer treatment plants that discharge into tidal waters; (2) upgrading failing septic systems; and (3) funding cover crops for fields. Fees are either collected by the local utility or the tax is applied to the property tax bills of homeowners using septic systems. According to the Maryland Department of Legislative Services, the tax produced \$108 million in revenues in fiscal 2015. A similar \$5.00 per housing unit (or nominal type of monthly charge), assuming 160,000 housing units on the Cape were assessed (including seasonal residences), would produce roughly \$9.6 million per year in revenue from residential customers on the Cape. This does not include commercial establishments, and we would need an estimate of those cape-wide to calculate a total with commercial establishments.

5. **Create a Partnership with the Massachusetts Clean Water Trust.** The Massachusetts Clean Water Trust (the "Trust") administers the Commonwealth's clean water and drinking water state revolving loan funds ("SRF"), allowing Massachusetts communities

to access less expensive long-term financing through the Trust's AAA rated credit. According to the Clean Water and Drinking Water 2015 Annual Report, the Trust provided \$327 million in commitments for low interest loans to cities and towns throughout Massachusetts in FY 2015. As part of this, the Trust issued \$228 million in Green Bonds to finance environmentally friendly water and wastewater infrastructure projects throughout the state. The Massachusetts Department of Environmental Management manages project development and approval while the Trust manages the flow of money to the communities. Consistent with other SRF programs around the country, an Intended Use Plan of projects is prepared each year as required by the US Environmental Protection Agency.

In FY 2015, the Trust provided binding commitments for 40 clean water projects statewide, including the Community Septic Management Program (CSMP), totaling over \$246.2 million, and 25 drinking water projects totaling \$81.0 million. While it is unlikely that the Cape could rely on the SRF program for the majority of its financing, the CCRIBB should work with the Trust to take advantage of low and zero percent financing when at all possible; the CCRIBB would then be the next line of financing for Cape communities.

Wastewater infrastructure financing needs for Cape Cod will change over the next several decades as technology improves and communities gain experience dealing with wastewater infrastructure. The estimated need of \$3.7 Billion in financing just to provide traditional wastewater infrastructure (sewers) in the highest priority watersheds on the Cape can seem overwhelming. These recommendations provide a roadmap for starting the process and building on it as the Cape demonstrates success with regional planning, financing and construction.

## **II. Forward**

The Cape Cod Water Protection Collaborative and the Cape Cod Commission have asked Sycamore Advisors, LLC ("Sycamore") to explore the feasibility of creating a regional wastewater financing entity for Barnstable County, and recommending an appropriate structure. Sycamore is a Midwest-based, women-owned Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. Sycamore provides independent advice to municipal and state governments and governmental entities, strategically focusing on projects and financings involving water, wastewater, stormwater and transportation infrastructure. Since 2004, Sycamore Advisors has served as financial advisor on bond transactions for municipal governments totaling over \$3.6 billion. Sycamore's involvement with its clients goes far beyond the aspects of a single transaction or deal, with multiple long-term strategic and financial consulting assignments for Issuers. These contracts involve over \$5 billion in long term capital projects, including identifying and structuring revenue streams and rate

structures, as well as the sizing and timing of the capital plan. Further details on Sycamore Advisors are included in the report appendix.

The Cape Cod Water Protection Collaborative and the Cape Cod Commission asked Sycamore to undertake the following analyses and develop recommendations for financing wastewater infrastructure and treatment solutions on Cape Cod:

- Review and identify successful models for financing entities from elsewhere in the United States which contain elements which would meet Cape Cod’s needs, given its geographic, economic, and demographic characteristics.
- Recommend a structure for a regional (Barnstable County) financing entity (subject to bond counsel approval) and necessary powers for the financing entity which would meet Cape Cod’s needs, including recommendations on staffing, board governance, long-term operations of the entity, whether legislation would be required to implement the entity and financing tools.
- Research possible new and supplemental revenue streams which could be utilized to support wastewater financings through a new regional financing entity.

### **III. Background – The Problem**

Over the past few decades, surface water quality on Cape Cod has declined as a result of over development and lack of wastewater infrastructure. The number of housing units on the Cape doubled between 1970 and 1990.<sup>1</sup> Approximately 85% of Cape Cod’s 160,000 housing units rely on septic systems which, even when new and properly functioning, do not remove nutrients such as nitrogen and phosphorous. According to the Cape Cod Water Quality Management Plan Update (the “Section 208 Plan Update”); approximately 80% of the nutrients that enter Cape Cod’s watersheds are from septic systems. These nutrients negatively impact the region’s fresh ponds and salt water estuaries, which in turn impacts fishing, tourism, property values and ultimately affordability. The Cape Cod Aquifer, which supplies 100% of the drinking water on the Cape (85% through municipal wells and 15% through private wells), is also at risk.

Over the past decade, the Massachusetts Department of Environmental Protection, the Cape Cod Commission and the Massachusetts Estuaries Project at the University of Massachusetts-Dartmouth have worked with the 15 Towns on Cape Cod to research and quantify the nitrogen

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<sup>1</sup> Cape Cod Commission Regional Policy Plan 5 year Update video, [www.capecodcommission.org](http://www.capecodcommission.org)

problem and establish limits (total maximum daily loads or TMDLs) on the amount of nitrogen Cape Cod marine ecosystems can accept without impacting water quality. The cost for bringing Cape Cod into compliance with nitrogen limits through traditional wastewater infrastructure, however, far exceeds the present capacity of residents to pay for it.

#### **IV. Capital Infrastructure Planning Process**

The Section 208 Plan Update observes that *“Restored coastal water quality is an environmental and economic imperative; however, the current planning and regulatory environment makes it difficult for communities to identify cost effective, implementable solutions.”* The ‘current planning and regulatory environment’ referenced by the Section 208 Update involves myriad layers of federal, state and local laws, regulations, planning processes and approvals. It is beyond the scope of this memorandum to detail those laws and processes here, but it is critical to recognize that efforts to rectify degraded water sources on Cape Cod are typically preceded by years of planning at the local, regional and state levels, and planning is typically required before construction can be approved. Sycamore spoke with several community leaders during our work on this project; 8-10 years of planning was typical before any infrastructure was built.

At the local level, each of the 15 communities in Barnstable County are at different places in their respective local Comprehensive Wastewater Management Plans (“CWMPs”), which are developed within town boundaries:

- Chatham and Provincetown have completed their CWMPs and are under construction or have completed projects using SRF and town meeting funds (Chatham has a Clean Water SRF commitment for 2015 for two projects);
- Mashpee and Falmouth have completed their respective CWMPs and Falmouth had three projects funded through SRF in 2014, two from Clean Water and one from Drinking Water, all of which had some principal forgiveness components; however, both are in need of additional financing;
- Orleans had a \$152mm, 6 phase plan for traditional wastewater infrastructure construction; Phase I was \$35mm, with \$3.5 in design work, but town did not pass - \$1mm in design work focused on alternative solutions, then \$1.5mm in design working with AECOM – working to qualify for 0% SRF;
- Harwich is nearly complete with its CWMP planning and will need financing;
- Barnstable received a 2014 Drinking Water SRF loan with principal forgiveness but is undertaking additional planning and will need financing;
- Brewster is implementing plans for non-construction projects but will need financing; and
- All other communities are still in the planning phases of the CWMP.

The Massachusetts Department of Environmental Protection will only consider municipal permits and financing after it has conducted a state level scoping review under the Mass. Environmental Policy Act. CWMPs have traditionally recommended conventional wastewater sewer collection and treatment facilities, which require groundwater discharge permits and sewer construction permits.

With respect to regional planning, The Cape Cod Commission Act requires the development of a Regional Policy Plan (RPP), which outlines planning policies and objectives to guide development on Cape Cod and to protect its resources. The Cape Cod Commission Regional Policy Plan was first adopted in 1991 and was later amended in 1996, 2002 and 2009. Local CWMPs must be approved by the Commission; this has historically been based on consistency with the goals and standards of the RPP. In the future, CWMPs will be required to be consistent with the Cape Cod Water Quality Management Plan Update (the “Section 208 Plan Update”).

The Section 208 Plan update was prepared by the Cape Cod Commission and approved by US EPA in September 2015. The update contains extensive research and implementation guidance on alternative technologies, recognizing that running sewer lines through the entire Cape is undesirable, unnecessary, and financially unrealistic. One of the goals of the Section 208 Plan Update was to provide the flexibility necessary to use a combination of traditional and alternative construction and technologies to best address the nutrient problems.

Currently, there is no regional capital planning process, or even combination of local capital plans to develop a rough estimate of immediate regional needs.

## **V. Financial Need**

On Cape Cod, the cost to build sewers to achieve the required TMDLs for nitrogen **in the most impacted watersheds on Cape Cod** has been estimated at between \$2.7 and 3.1 Billion.<sup>2</sup> Most communities will use some combination of traditional wastewater treatment infrastructure, such as sewers and wastewater treatment plants, and non-traditional or alternative wastewater treatment methods and technologies.

The Massachusetts Water Infrastructure Finance Commission released a report in 2012 entitled “Massachusetts’ Water Infrastructure: Toward Financial Sustainability.” The Report cited an \$18 Billion shortfall in stormwater infrastructure financing and an \$11.2 Billion shortfall in wastewater infrastructure financing for the Commonwealth of Massachusetts over the next 25 years. These estimates are conservative and include capital investment, repair and replacement, O & M and debt service.<sup>3</sup> The State Commission’s report also cited the estimated \$3 Billion of

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<sup>2</sup> “Simple Phasing Plan” spreadsheet developed by Cape Cod Commission.

<sup>3</sup> Massachusetts Water Infrastructure Finance Commission, February 2012, “Massachusetts’ Water Infrastructure: Toward Financial Sustainability.”

wastewater infrastructure needed on Cape Cod to comply with regulatory and environmental concerns.<sup>4</sup>

While estimates of total cost are useful for planning purposes, the need for wastewater treatment capital infrastructure for Barnstable County must be quantified in more detail so as to identify both the amount of funding needed and a timeframe for demand for funding; for instance, in the “Simple Phasing Plan”<sup>5</sup> there is an estimate that \$150 million in Design funding will be needed in the first 5 years. The highest priority watersheds under the Simple Phasing Plan are Waquoit Bay, Popponesset Bay and Salt Pond in the Upper Cape; Rushy Marsh and Parkers River in the Mid Cape; and Swan Pond River in the Lower Cape. These types of projections will facilitate development of a Plan of Finance and better quantify the need for and timing of future bond financings.

A critical component of establishing a regional wastewater financing entity is contemporaneously developing a region-wide Capital Improvement Plan (“CIP”). The Government Finance Officers Association (“GFOA”) issued a best practices policy memorandum on capital planning in September 2013.<sup>6</sup> The GFOA noted that “effective policies can also help a government to assure the sustainability of its infrastructure by establishing a process for addressing maintenance, replacement, and proper fixed asset accounting over the full life of capital assets. In addition, capital planning policies can strengthen a government’s borrowing position by demonstrating sound fiscal management and showing the jurisdiction’s commitment to maximizing benefit to the public within its resource constraints.” GFOA recommends that a capital planning process incorporate the following:

1. A description of how an organization will approach capital planning, including how stakeholder departments will collaborate to prepare a plan that best meets the operational and financial needs of the organization.
2. A clear definition of what constitutes a capital improvement project.
3. Establishment of a capital improvement program review committee and identification of members (for example, the finance officer or budget officer, representatives from planning, engineering, and project management, and, as deemed appropriate, operations departments most affected by capital plans, along with a description of the responsibilities of the committee and its members.)

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<sup>4</sup> Massachusetts Water Infrastructure Finance Commission, February 2012, “Massachusetts’ Water Infrastructure: Toward Financial Sustainability,” pp. 31-32.

<sup>5</sup> Prepared by the Cape Cod Commission, the Simple Phasing Plan illustrates overall capital planning needs by watershed and prioritizes watersheds (upper, middle, lower and other) based on a number of factors, including overall habitat and load, potential for nitrogen removal, CWMP status and others.

<sup>6</sup> <http://www.gfoa.org/capital-planning-policies>



4. A description of the role of the public and other external stakeholders in the process. (The level and type of public participation should be consistent with community expectations and past experiences.)
5. Identification of how decisions will be made in the capital planning process including a structured process for prioritizing need and allocating limited resources.
6. A requirement that the planning process includes an assessment of the government's fiscal capacity so that the final capital plan is based on what can realistically be funded by the government rather than being simply a wish list of unfunded needs.
7. A procedure for accumulating necessary capital reserves for both new and replacement purchases.
8. A policy for linking funding strategies with useful life of the asset including identifying when debt can be issued and any restrictions on the length of debt.<sup>3</sup>
9. A requirement that a multi-year capital improvement plan be developed and that it include long term financing considerations and strategies.
10. A process for funding to ensure that capital project funding is consistent with legal requirements regarding full funding, multi-year funding, or phased approaches to funding.
11. A requirement that the plan include significant capital maintenance projects.
12. Provisions for monitoring and oversight of the CIP program, including reporting requirements and how to handle changes and amendments to the plan.

While an initial CIP may only go out three to five years, it should be revised on a rolling basis each year as communities develop specific projects that are ready for funding and as a regional capital planning framework is established and utilized as part of the CCCTF. Plans for the 2015 Regional Policy Plan note that it will include a framework for regional capital planning - this may be a good place to integrate the regional capital planning process for wastewater infrastructure. In the meantime, several pieces of information are available from different sources which could be used to develop an initial three-five year regional Capital Infrastructure Plan for wastewater. These include:

- Cost estimates developed through the Barnstable County Wastewater Cost Taskforce
- Town Comprehensive Wastewater Management Plans ("CWMPs") – completed or in draft
- Watershed Priorities provided by the Cape Cod Commission and based on the following factors:
  - Median Overall Habitat Rank (MEP)
  - Percent Septic N Removal
  - Percent of Aggregated Natural Attenuation
  - Attenuated N Load

- CWMP Status
- Regional Opportunities

The Taskforce prepared a report in 2010 entitled “Comparison of Costs for Wastewater Management Systems Applicable to Cape Cod - Guidance to Cape Cod Towns Undertaking Comprehensive Wastewater Management Planning.” The engineering firm that assisted with this document “*developed cost estimates for a wide range of wastewater system sizes and types to help Cape Cod towns fairly compare available options.*” The Taskforce noted that “*the choice of wastewater management approach is an essential element of a town's Comprehensive Wastewater Management Plan (CWMP), and this report was prepared to provide general guidance to the towns who are preparing CWMPs.*”<sup>7</sup> The report was updated in 2014 by AECOM as part of the Section 208 Plan Update. The 2014 update provides:

- Adjustments for the costs estimated in 2010 based on the current Engineering News Record (ENR) Index;
- Additional projects as part of the Wastewater Treatment Facilities Project and Operation and Maintenance Costs; and
- A new section on the various non-traditional technologies being considered.

The report provides cost estimates for various technologies and O & M that communities can use to develop their own capital plans but generally leaves it to the communities to select their unique approach and then quantify costs using the estimates in the reports.

Communities which have completed or nearly completed their CWMPs (and conversations with the communities themselves) are the best existing source of data regarding capital needs for wastewater infrastructure and the timing of those needs. Necessarily, this will only include a handful of communities at this point until others have enough specifics in their planning to be part of a regional capital plan.

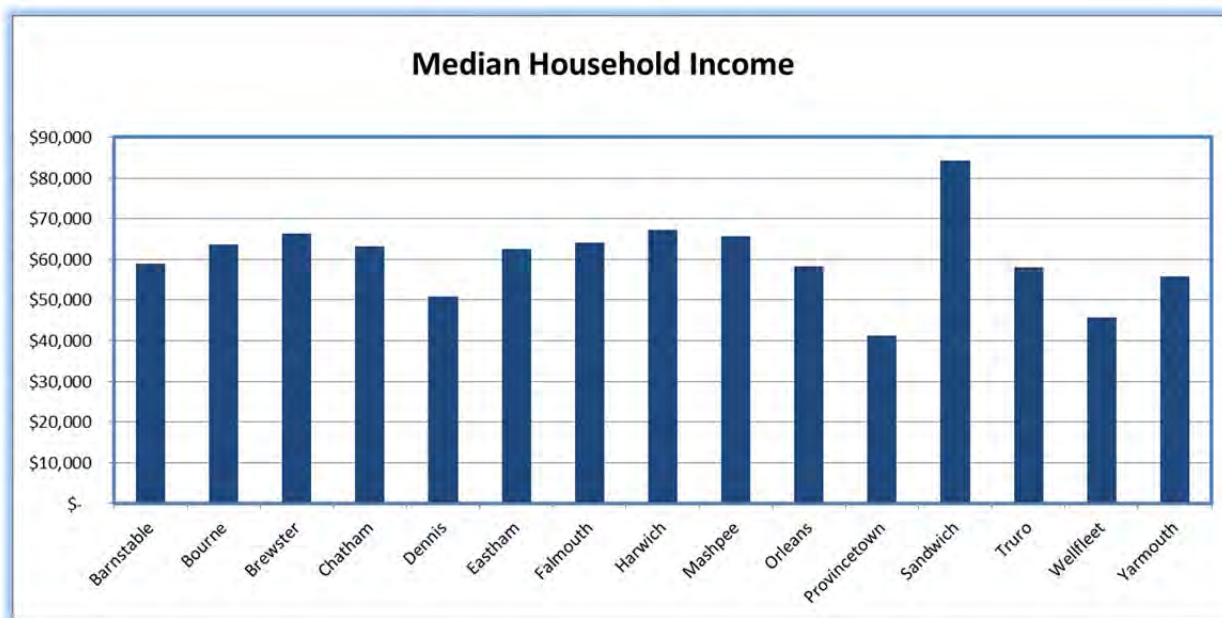
## **VI. Affordability and Local Capacity**

Affordability is a critical issue with respect to financing long-term wastewater capital infrastructure on Cape Cod; it is simply impossible for full-time residents to absorb the full burden of financing the infrastructure necessary to reduce nitrogen levels and reach TMDLs. All who use and enjoy the Cape’s resources must be involved in paying for the wastewater treatment necessary to restore surface waters.

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<sup>7</sup> Comparison of Costs for Wastewater Management Systems Applicable to Cape Cod - Guidance to Cape Cod Towns Undertaking Comprehensive Wastewater Management Planning

The average Median Household Income (“MHI”) among the 15 Cape Cod communities is approximately \$60,000 a year, but that amount varies greatly by community. Sandwich, for example, is well over \$80,000. The chart below illustrates MHI by community.



US Census Bureau, 2014 American Community Survey

MHI is an important indicator and one that is commonly used by US EPA when assessing how much financing capacity a community has for adopting needed sewer improvements. This is typically done under a Financial Capability Analysis (“FCA”), and a 2% residential indicator is typically the point at which the proposed capital expenditures allow the community to consider implementation over a longer timeframe because of the projected financial impact. This discussion is critical for a community where so many tourists and second home owners use the resources and contribute to the problem; year-round residents will not ever be able to afford the costs of bringing waters into compliance with TMDLs.

The University of Massachusetts’ Donahue Institute conducted a study in November 2012 (using 2010 numbers) for the Cape Cod Commission entitled “Financing a Cape Cod Wastewater System.” The report evaluated the “ability of municipalities on Cape Cod to pay for the wastewater treatment needed to address eutrophication of the Cape’s coastal waters and fresh water ponds.” The report uses a \$4 Billion figure (not including financing or operating costs) and also assumes 2% interest on all funds borrowed. This is currently the lowest rate of funding provided by the state SRF and is not likely to be available for this amount of financing.

With respect to borrowing capacity, the UMass report found the following:

*In 2010 the total debt limit on the Cape, using five percent of equalized value, was more than \$4.5 billion. Communities on the Cape had more than \$600 million in outstanding debt, leaving almost \$4 billion available under their debt limit without petitioning the Municipal Oversight Board. Borrowing this amount would nevertheless require*

*successful passage of debt exclusion ballot measures worth significant sums. The borrowing and debt service proposal suggested by the Cape Cod Commission for a \$4 billion wastewater treatment plant requires Cape communities to have at most an outstanding loan balance of \$1.318 million.*<sup>8</sup>

The report found that the average per capita municipal debt was nearly \$2,800 in FY 2010 on Cape Cod, compared to only \$1,800 per capita (on average) statewide. Provincetown's per capita debt was about \$9,500 - the highest in Barnstable County – while the lowest debt per capita was Dennis at \$1,300 per capita. Interestingly, the report noted that if the first of 25 installments of \$160 million (for a \$4 billion wastewater system) had been borrowed in FY 2010, the debt per capita would have increased to \$3,535.

## VII. Options for Financing Entity

Part of Sycamore's scope of work was to explore and analyze various financing entity structures around the country and determine whether any of those structures, or a combination of elements from a number of structures, could meet Cape Cod's needs. The benefits of a regional entity include pooling of resources, economies of scale, and a multijurisdictional perspective on projects. A larger regional entity will typically have a higher credit rating and greater access to the market than individual cities and towns. However, the entity contemplated for Barnstable County would be much smaller than most regional financing entities – attention must be paid to ensuring that the entity is able to properly manage its debt obligations (continuing disclosure, arbitrage rebate, use of proceeds) while not creating large staffing obligations that it cannot meet in the future.

Sycamore presented a case study memorandum to the Cape Cod Water Protection Collaborative in April 2015 detailing several options for a financing entity using real communities as examples. During the case study analysis and discussions regarding the options presented, several key components/goals emerged as critical elements for any regional wastewater financing entity for Cape Cod. (For purposes of the remainder of this memorandum, the regional financing entity will be referred to as the **Cape Cod Regional Infrastructure Bond Bank (“CCRIBB”)**). These include:

- Towns' Ability to Borrow without Incurring Full Faith and Credit Debt – Towns in Barnstable County should be able to borrow from the CCRIBB without incurring debt requiring the full faith and credit support of the town. Depending on the structure, the local governmental borrower would be primarily responsible for repayment of the debt, but with a repayment source that is not at the 'full faith and credit' level; or the regional financing entity would be primarily responsible, if a regional tax were supporting the debt payments and the debt was structured with that type of repayment. A limited general

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<sup>8</sup>University of Massachusetts' Donahue Institute "Financing a Cape Cod Wastewater System" November 2012, P. 19.

obligation tax backup (or ‘double-barreled bond’) may be an option if approved by bond counsel, and the local aid intercept mechanism could also be part of the structure. This means that a revenue stream would be the first course of repayment for the debt, but if the amount available fell short, towns could support a debt issue for their community with a limited tax backup, where they would promise to raise taxes under certain circumstances and only to a certain amount.

- Utilization of State or Local Support – The CCRIBB must have the ability to provide credit and other types of financial support, such as funding part or all of a debt service reserve fund, funding a letter or line of credit facility, providing a moral obligation pledge, buying down interest rates, providing a loan guarantee or offering principal forgiveness and offering interim financing for design and planning work, prior to construction.
- Flexibility in Issuing Debt - The CCRIBB must be able to issue bonds and other indebtedness in a manner that meets the needs of Barnstable County borrowers. Planning and design costs must be eligible projects for financing, including interim financing such as a Bond Anticipation Note (BAN). The CCRIBB must also allow the County to attract additional subsidies to buy down the interest rate for participating towns. In this situation, the County may be able to pledge MADS (maximum annual debt service) to a debt service reserve, which could help lower the overall cost of financing.
- Realistic Revenue Source(s) – The CCRIBB will require one or more dedicated revenue sources that do not rely on the full faith and credit of the towns or Barnstable County. Ideally, the revenue sources would be viewed as equitable, in that fees paid would reflect the impact or use of the local natural resources and therefore include not only full-time residents but also capture use by businesses, part-time residents and tourists. The revenue sources must be politically viable and ease of administration is an important consideration.
- Partnership with Massachusetts SRF – The CCRIBB must provide a benefit or benefits to communities in Barnstable County that are not directly available through the state SRF and complement rather than compete with the SRF. The SRF is potentially the largest funding source for wastewater capital expenditures and offers the lowest cost loans possible – the goal should be to have communities borrow as much as possible from SRF. The CCRIBB can offer the next “layer” of funding/lending, when SRF is not available or sufficient to meet the communities funding needs. as well as offering additional support such as funding a Debt Service Reserve Fund, funding for Due Diligence and SRF loan application assistance and interim funding (prior to or in the early stages of construction).

We discussed a number of options in the case study analysis presented to you in 2015, including:

- (1) A **bond bank structure**, which typically has the power to provide a “Moral Obligation” pledge on debt that it secures or supports (or alternatively, the ability to fund a debt service reserve fund without use of the “M.O.”). A bond bank is often a body corporate and politic, created to exercise essential public functions. The benefit of a bond bank structure is that it can lower borrowing costs for participating entities, provide access to credit and streamline borrowing processes. It also typically provides financing for a variety of uses. When the M.O. structure is utilized, a draw on the debt service reserve fund triggers the contractual obligation to seek an appropriation, but only to replenish the debt service reserve fund. The bond issue remains outstanding and the appropriation is only sought when the debt service reserve fund is tapped. If the required Debt Service Reserve Fund drops below a certain level (for example, if the bond bank had to step in and make a payment because one of the underlying borrowers could not), a process is triggered for the bond bank to request replenishment of the Debt Service Reserve Fund from the Governor and the Legislature. The Legislature is not legally bound to appropriate these funds, but the credit rating of the bond bank and the state would suffer significantly if the Debt Service Reserve Fund was not replenished. A lower-risk structure would be funding a Debt Service Reserve Fund, likely at Maximum Annual Debt Service (“MADS”), with no ongoing obligation to replenish it if drawn upon. This is a one-time payment equivalent to one year of principal and interest payments on the bonds (usually the ‘maximum’ annual debt service if debt service is not level each year the bonds are outstanding). Compare this to a moral obligation, where there may be no need to pay if the debt service reserve fund is not tapped, or a moral obligation to pay the entire amount of principal and interest due. The former may be one of the clearest ways a county government could assist local communities.

*Massachusetts Bond Bank* – There is a bill in the 189<sup>th</sup> General Court of the Commonwealth of Massachusetts which would create the Massachusetts Municipal Bond Bank. This bill, S.216, would create a “body corporate and politic, an independent entity exercising essential public functions.” The purpose language of the statute is to: “promote and advance the commonwealth’s public interests by: (1) fostering and promoting by all reasonable means the provision of adequate capital markets and facilities for borrowing money by local governmental units and to finance their respective public improvements and other municipal purposes within the commonwealth from proceeds of bonds, notes, any other form of debt or leases issued by those governmental units; (2) to assist those governmental units in fulfilling their needs for such purposes by use of creation of indebtedness; (3) to the extent possible, to reduce the costs of indebtedness to taxpayers and residents of the Commonwealth and to encourage continued investor interest in the purchase of bonds or notes of those local governmental units as sound and preferred securities for investment; and (4) to encourage its governmental units to continue their independent undertakings of public improvements and other municipal purposes and the financing thereof and to assist them in those



activities by making funds available at reduced interest costs for orderly financing of those purposes, especially during periods of restricted credit or money supply, particularly for those local governmental units not otherwise able to borrow for those purposes.”

The bill was sent to the Joint Committee on Economic Development and Emerging Technologies for a hearing on August 7, 2015.<sup>9</sup> The proposed language of the bill in its entirety is included in Appendix B to this memorandum for use as a comparison to local bond bank language bond counsel may develop.

- (2) An alternative structure is a quasi-governmental entity, which means that it mimics state or local government in certain ways (i.e. subject to the open door and records laws, subject to governmental ethics laws and employees are public employees) and differs from it in others (may not be subject to procurement laws, more flexibility). The entity derives its powers from its enabling statute, which often concentrates financing on certain areas of focus (i.e. health facilities, economic development, housing, drinking water and sewer).

A quasi-governmental entity may issue bonds as a conduit issuer, meaning that neither it nor local and state governments have an obligation to repay the bonds – they are repaid by private entities or by underlying loans from cities or towns participating in a financing program. Alternatively, it may issue bonds where it has an underlying obligation to repay (utilizing a regional revenue stream or pooled local revenue streams) – it all depends on the powers it has in its enabling statute and how a particular transaction is structured. This sort of entity would typically have very broad (and broadly-interpreted) powers around a set of core topics, with the ability to accept all grants and loans and provide numerous different types of financing depending on what is required in a particular situation.

- (3) **Special districts** have been used by many communities to finance specific projects which will improve a public resource, such as transportation, water infrastructure and fire protection. According to the Census Bureau, Massachusetts has approximately 420 special districts and governmental entities<sup>10</sup> – these include districts such as Burncoat Pond Watershed District, for example, which was created by special legislation and landowner referendum. Property owners set assessments that are collected by the district, and the district can issue bonds. Other types of districts in Massachusetts include conservation districts (soil conservation established by state DNR with landowner

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<sup>9</sup> <https://malegislature.gov/Bills/189/Senate/S216>

<sup>10</sup> <http://www2.census.gov/govs/cog/2007/ma.pdf>

approvals); fire and/or water districts (typically established by individual acts and subject to local referendum); improvement districts; model sewer and water commissions (with the ability to create a regional district with the power to issue bonds; restoration and preservation districts; transportation and road maintenance districts; sewer districts; and water pollution abatement district, which may be regional but are only allowed to issue G.O. debt, with costs apportioned to participating towns. Special districts are either generally authorized by a state statute giving local communities the power to create a local district around a particular topic, or the creation requires special legislation at the state level.

The Upper Cape Regional Water Supply Cooperative is another example of a special district. This cooperative was authorized by special act. The town of Falmouth and the water districts of Bourne, Mashpee, and Sandwich were permitted to create and participate in this cooperative. The cooperative is governed by a board of managers consisting of two members appointed by each participating entity. The cooperative may set fees, rates, rents and other charges. The cooperative may, with the approval of two-thirds of the participating entities, issue bonds and levy assessments against the entities.

Rating Agency Considerations. Rating agencies (Standard & Poor's, Moody's, Fitch and Kroll) provide ratings on individual municipal bond issues and on the issuing entities themselves (an Issuer Credit Rating). The ratings are an assessment of the risk of default – how likely is it that the borrower will repay the debt? There will be rating differentials between differing structures, and the focus of the rating agency will depend on the type of bond issue contemplated. For general obligation and Issuer Credit Ratings, ratings for governmental entities are based on four factors: an area's local economy, debt burden, financial profile, and management capacity. These factors are common to all agencies, although the weighting of each factor and nuanced interpretation and methodology all differ. Local economic characteristics include labor force data; tax base information such as concentration of large taxpayers, industrial and residential composition, estimates of tax burden and growth of tax base; and regional and local wealth levels as measured by per capita incomes and other demographic data. Financial indicators include revenue diversity; net asset position and history of surplus or deficit in major funds; expenditure flexibility including the presence of collective bargaining agreements; fund balances; and liquidity metrics.

For revenue bonds, which are secured by a specified revenue stream, the focus is on the revenue stream itself – historical revenue, collection rates and trend (increasing or decreasing overall amounts collected). Rating agencies will also analyze coverage – how much revenue does the issuer have to cover debt service, with something left over. A net revenues pledge is common, where the issuer pays Operation and Maintenance expenses first, and then pays debt service. The coverage ratio illustrates the ‘cushion’ available after debt service is paid. For example, many revenue bonds have a 1.25X coverage requirement, meaning that the issuer must show that it has enough to pay debt service plus 0.25 extra. This is often expressed in a covenant in the bond documents to maintain this coverage level (and to increase fees or revenues if it drops below) and in an additional bonds test. Coverage must be at 1.25X AFTER new bonds are issued.

### **VIII. Options for New or Supplemental Revenue Sources**

According to the Section 208 Plan Update, more than 30% of the housing stock in the region is seasonal, with figures as high as 60% in some communities. The Update notes that this “*creates a peak-flow pricing issue for most towns because facilities are sized for a peak flow which occurs only four weeks a year - the last two weeks of July and the first two weeks of August. Less than 4% of the state’s population lives on Cape Cod yet the region is home to 20% of the Title 5 systems.*” The Cape is unique in that it is a national treasure, heavily visited by tourists during a relatively short part of the year. New or supplemental revenue sources to fund wastewater infrastructure must be considered with these unique circumstances in mind.

New or supplemental revenue streams should be analyzed under a matrix that considers several key issues to the Commission and the Collaborative, including:

- (1) the equity of the new revenue stream (does it capture the use by part-time residents and tourists or just full-time residents);
- (2) political considerations (how likely is implementation of the new revenue stream);
- (3) equity among towns (dollars collected in each town compared to projects undertaken in each town); and
- (4) administrative ease (i.e. is the Massachusetts Department of Revenue equipped to collect and administer the new source).

The revenue streams below represent some of the options for funding long-term wastewater infrastructure investment on the Cape:

#### **a. Regional Clean Water Assessment**

Similar to the Cape, the Chesapeake Bay has experienced significant decline in water quality due to over enrichment of nutrients (mainly phosphorus and nitrogen) in the

watershed. Effluent from wastewater treatment plans is one of three major contributors, with urban and agricultural runoff the other two. In 2004, the Bay Restoration Fund (“BRF”) was passed by the Maryland General Assembly establishing a dedicated fund, financed by wastewater treatment plant users, to upgrade Maryland’s wastewater plans to meet enhanced nutrient removal (“ENR”) technology standards. A similar fee paid by septic system users and applied to their property tax bills is utilized to upgrade onsite septic systems and implement cover crops.

The Bay Restoration Fee (also known in Maryland as the “flush tax”) is a flat fee assessed at \$5.00 per month per household or “Equivalent Dwelling Unit” (“EDU”) assessment for commercial and industrial users based on water or sewer usage per month, with one EDU equating to 250 gallons of flow per day. All Maryland citizens and businesses, except for local governments or those meeting an economic hardship test, pay the ‘flush tax’ regardless of whether or not they have sewer, septic or well service, although certain counties where wastewater does not drain in to the Chesapeake or coastal bay watersheds are only subject to the initial \$2.50 per EDU or household fee.

Funds collected are used to improve the health of the Chesapeake Bay by (1) upgrading the state’s 67 major sewer treatment plants that discharge into tidal waters; (2) upgrading failing septic systems, and (3) funding cover crops for fields. Fees are either collected by the local utility, or for those not on sewers, property tax bills are levied at the county level, with monies remitted to the state comptroller quarterly. In St. Mary’s County (bordering Chesapeake Bay), the flush tax is applied to the property tax bills of homeowners using septic systems. A \$5 fee is added to the monthly bills for customers of the St. Mary’s Metropolitan Commission, which operates public water and sewer systems. Additional fees of approximately \$4.50 per month are added for residential customers to cover the costs of maintaining the systems. Of the approximately 37,000 households in St. Mary’s County, approximately 70% are on septic systems.

According to the Maryland Department of Legislative Services, the flush tax was projected to produce \$60 to \$70 million in revenues per year and in fiscal 2015, produced \$108 million in revenues. As of January 2015, the Comptroller had deposited a total of approximately \$620 million in the Wastewater Treatment Plant fund, \$83 million to the Septic Systems Upgrade fund, and \$54 million to the Cover Crop Program fund, for a total of \$767 million Bay Restoration Fees. Funds from the BRF to date have supported over \$954 million in grant awards for project funding. Upgrades to 35 major sewage treatments plants have been completed to meet the ENR standards and 20 upgrades are under construction. The Fund financed 6,550 upgrades to septic systems to meet the Best Available Technology (“BAT”) standards for nutrient removal.

A similar \$5.00 per household (or nominal type of monthly charge), assuming all 160,000 housing units on the Cape were assessed including seasonal residences, would produce roughly \$9.6 million per year in revenue from residential customers on the Cape. Determining the potential revenue from an assessment on businesses and commercial establishments will require further information, but clearly the ‘flush tax’ has precedent in terms of legislative history as well as meeting specific watershed nutrient removal goals and has been tested by the rating agencies as a financing mechanism.

b. Municipal Water Infrastructure Investment Fund

Under new legislation passed in 2014, Massachusetts communities may adopt a surcharge on real property taxes to help finance water and wastewater infrastructure projects. Pursuant to M.G.L. ch. 40, sec. 39M, a town “may impose a water infrastructure surcharge on real property at a rate up to, but not exceeding, 3 per cent of the real estate tax levy against real property, as determined annually by the board of assessors. The amount of the surcharge shall not be included in a calculation of total taxes assessed for purposes of section 21C of said chapter 59.” This last sentence is critical, because revenues collected through the surcharge are not counted for the purpose of establishing the limit on the local tax levy imposed by Proposition 2½. All revenues collected must be deposited in an account named the Municipal Water Infrastructure Investment Fund. The law provides that “the expenditures of revenues from the fund shall be exclusively used for maintenance, improvements and investments to municipal drinking, wastewater and stormwater infrastructure assets.”<sup>11</sup> The local legislative body is responsible for expenditures under the Fund.

While this is current law in Massachusetts, implementation requires a two-step process. First, the local legislative body must accept the statute; approve the surcharge and the amount of the surcharge by a majority. Second, voters must accept it on a ballot question at the next regular municipal or state election.

It would likely require state legislative action to allow this type of tax to be adopted (and funds to be utilized) on a regional basis.

c. Septic Loan Program Fund – Barnstable County

This fund is already active, loaning funds to homeowners with Title 5 systems. The Fund had a balance of approximately \$24mm according to the 2014 Barnstable County CAFR, but this may include operating and other expenses. This program/fund could be brought under the CCRIBB and expanded, providing a Septic Insurance Fund for the region. Septic owners would pay into the fund each year, and the fund would pay for an ongoing pumping and replacement program. Approximately 1/3 of the 120,000 septic systems

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<sup>11</sup> M.G.L. ch.40, sec. 39M(e).

would be pumped out each year, and failing systems would be replaced by the Fund. State legislation would likely be necessary to transfer this fund and program to the CCRIBB and expand its purpose to a regional insurance fund.

d. Regional Funding Through Massachusetts SRF

The Massachusetts Clean Water Trust (the “Trust”) administers the Commonwealth’s clean water and drinking water state revolving loan funds (“SRF”), allowing Massachusetts communities to access less expensive long-term financing through the Trust’s AAA rated credit. According to the Clean Water and Drinking Water 2015 Annual Report, the Trust provided \$327 million in commitments for low interest loans to cities and towns throughout Massachusetts in FY 2015. As part of this, the Trust issued \$228 million in Green Bonds to finance environmentally friendly water and wastewater infrastructure projects throughout the state. Mass. Department of Environmental Management manages project development and approval while the Trust manages the flow of money to the communities. Consistent with other SRF programs around the country, an Intended Use Plan of projects is prepared each year as required by the US Environmental Protection Agency.

In FY 2015, the Trust provided binding commitments for 40 clean water projects, including the Community Septic Management Program (CSMP), totaling over \$246.2 million, and 25 drinking water projects totaling \$81.0 million. It is important to note that these were commitments made, not necessarily funds disbursed, which are reported separately. This total amount reflects projects around the commonwealth and is representative of the amounts issued annually by SRF projects. It is unlikely that the Cape could rely on the SRF program for the majority of its financing (i.e. accessing \$100 million annually of SRF funds at the lowest interest rate provided). Our financing model involves assuming a specific (but smaller) percentage of very low interest rate SRF financing, combined with a larger percentage of open market, slightly higher interest rate financing through a bond issue from a regional entity.

e. Local Option Room and Meal Taxes

Room Tax

Massachusetts imposes a room occupancy excise tax of 5.7 percent on rooms rented for \$15 or more per day for less than 90 days, funds that are collected by and retained at the state. Each town has the option of levying up to an additional 6 percent tax (6.5 percent in the city of Boston), which would stay with the local community, if they adopt the Local



Option Room Tax.<sup>12</sup> To impose the local option room occupancy excise, a city or town must determine the new rate of the local excise, and then must notify the Department of Revenue's Division of Local Services of its acceptance of the local excise, the rate at which the local excise is to be imposed, and the effective date of the rate change.<sup>13</sup>

All 15 towns in Barnstable County have adopted the Local Option Room Tax. Revenue from the Local Option Room Tax for all of Barnstable County has steadily increased since 2008, from \$9.0 million in 2008 to nearly \$13.3 million in 2015. While only half of the collections are in from 2016, totals are on target to exceed those of 2015. The following chart is a snapshot of Local Option Room Tax revenue collected in each Barnstable County town in September, December (2014), January and March (2015) by town.

**2015 Local Option Room Tax Revenue for Calendar Year 2015 by Quarter  
(Sept, Dec, March and June) by Town**

Barnstable	2015	1,085,274	1,080,267	235,069	286,885	2,687,495
Bourne	2015	31,463	24,384	9,145	20,317	85,309
Brewster	2015	453,486	516,065	59,212	71,215	1,099,978
Chatham	2015	530,530	608,223	81,996	67,120	1,287,869
Dennis	2015	185,568	219,960	3,047	8,086	416,661
Eastham	2015	119,590	133,164	12,695	22,643	288,092
Falmouth	2015	445,411	467,983	90,321	81,710	1,085,425
Harwich	2015	267,386	288,895	18,146	17,805	592,232
Mashpee	2015	29,903	33,125	5,471	5,568	74,067
Orleans	2015	92,647	104,615	8,050	10,898	216,210
Provincetown	2015	849,508	942,922	80,944	106,894	1,980,268
Sandwich	2015	78,133	81,279	24,572	30,911	214,895
Truro	2015	159,360	194,542	67,315	1,271	422,488
Wellfleet	2015	55,018	60,132	72	3,525	118,747
Yarmouth	2015	1,192,430	1,202,949	135,595	182,665	2,713,639
<b>Total 2015</b>						<b>13,283,375</b>

This tax produces over \$2.5 million annually for Yarmouth and Barnstable, and nearly \$2 million for Provincetown. Note that the September and December (first and second columns) collections are much higher than the March and June collections, reflecting tourism in the summer and fall months. While this revenue is already being utilized for other purposes by the participating communities, it is instructive for modeling purposes to determine how much a certain percentage of room tax could produce in revenues

<sup>12</sup> <http://www.mass.gov/dor/businesses/current-tax-info/guide-to-employer-tax-obligations/trustee-and-excise-taxes-requiring-registration/room-occupancy-tax.html>; M.G.L. ch. 64L; M.G.L. ch. 64G.

<sup>13</sup> <http://www.mass.gov/dor/all-taxes/excise-and-property/local-option-meals-and-room-occupancy/>

dedicated to wastewater infrastructure. If all towns are at the 6% max, producing \$13.2 million in 2015, a supplement of an additional 3% room tax could produce at least \$6.5 million.

### Meal Tax

The Commonwealth of Massachusetts imposes a sales tax on meals sold by or purchased from restaurants or any part of a store considered by Massachusetts law to be a restaurant, including 'to go' or carryout items prepared in the store or restaurant. Effective August 1, 2009, the tax is 6.25 percent of the sales price of the meal.<sup>14</sup>

In 2009, the Legislature added Chapter 64L, "Local Option Meals Excise," to the General Laws. Under this chapter, a city or town that accepts the provisions of this chapter in the manner provided by M.G.L. Ch. 4, sec. 4, may impose a local sales tax on the sales of restaurant meals originating with the city or town by a vendor at the rate of .75 percent of the gross receipts of the vendor from the sale of restaurant meals.<sup>15</sup>

13 of the 15 towns in Barnstable County have adopted the Local Option Meals Tax, with revenues countywide at approximately \$5.86 million in 2015. The chart below illustrates the quarterly collections by town for 2015.

## **2015 Local Option Meals Tax Revenue for Calendar Year 2015 by Quarter (Sept, Dec, March and June) by Town**

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<sup>14</sup> <http://www.mass.gov/dor/individuals/taxpayer-help-and-resources/tax-guides/meals-tax-guide.html>

<sup>15</sup> M.G.L. Ch. 64L, sec. 2(a).

Barnstable	2015	459,473	438,647	242,877	228,766	0	1,369,763
Bourne	2015	47,772	114,729	70,098	70,741	0	303,340
Brewster	2015	64,104	61,374	13,917	11,475	0	150,870
Chatham	2015	150,441	147,503	41,938	35,581	0	375,463
Dennis	2015	190,012	181,092	60,219	64,629	0	495,952
Eastham	2015	0	0	0	0	0	0
Falmouth	2015	290,018	282,166	121,517	122,454	0	816,155
Harwich	2015	137,553	127,428	41,085	41,240	0	347,306
Mashpee	2015	0	0	0	0	0	0
Orleans	2015	107,920	106,047	54,492	45,497	0	313,956
Provincetown	2015	234,552	252,871	30,095	35,808	0	553,326
Sandwich	2015	99,559	94,490	66,241	52,346	0	312,636
Truro	2015	16,763	21,054	3,639	3,299	0	44,755
Wellfleet	2015	104,175	95,597	6,940	30,403	0	237,115
Yarmouth	2015	184,241	188,375	82,551	87,708	0	542,875
<b>Total 2015</b>							<b>5,863,512</b>

According to the Massachusetts Municipal Association, “the maximum tax that can be enacted on meals in Massachusetts compares favorably to that in other New England states. Connecticut’s meals tax is 6.35 percent, followed by Massachusetts and Maine at 7 percent, then Rhode Island at 8 percent, New Hampshire at 9 percent, and Vermont at 10 percent.”<sup>16</sup> While towns are already using revenues from this tax to cover budget shortfalls and on community needs such as parks and sidewalk repair, the overall meal tax in communities that have adopted the local option meal tax is still below neighboring states of Rhode Island, New Hampshire and Vermont. The total above (\$5.86 million) illustrates what revenue might be possible if all 15 towns adopted a \$0.75 cent tax (on a meal of \$100) and directed revenues to a regional fund for wastewater infrastructure.

f. Regional Sales Tax

Under current law, the State of Massachusetts assesses a statewide tax of 6.25% on certain retail goods and the use of out of state goods. Pursuant to M.G.L. Ch. 64H, the Massachusetts state sales tax is “6.25 percent of the sales price or rental charge of tangible personal property or certain telecommunications services sold or rented in the Commonwealth.” The Massachusetts use tax is “6.25 percent of the sales price or rental charge on tangible personal property (including phone and mail order items or items purchased over the Internet) or certain telecommunications services on which no sales tax, or a sales tax rate less than the 6.25 percent Massachusetts rate, was paid and which is to be used, stored or consumed in the Commonwealth.” Food (groceries), clothing under a certain amount, utilities and other items are exempt.

g. Stormwater Management Fees

<sup>16</sup> <https://www.mma.org/economic-a-community-development/11960-nearly-half-of-mass-communities-have-adopted-local-option-meals-tax>

While we understand that the Collaborative and the Commission do not want to focus on stormwater management fees and districts at this time, we wanted to provide some information for consideration at a later date.

In Maryland, related to the Chesapeake Bay restoration, the state legislature established the Chesapeake and Atlantic Coastal Bays 2010 Trust Fund in an effort to provide state support for nonpoint source pollution control projects. Knowing that this would not be sufficient, the legislature passed additional legislation requiring each county and municipality subject to an MS4 permit to adopt a stormwater remediation fee and a local watershed protection and restoration fund by July 1, 2013.<sup>17</sup> These fees were projected to produce \$109.8 million in 2014 for Baltimore City and the nine most populous counties. Stormwater fees are often based on the amount of impervious surface on a piece of property, so that the property owner contributes more if it has higher percentages of impervious surface and is therefore using more stormwater resources. Residential driveways would be counted as impervious surfaces, where decks, for example, may or may not be.

In North Carolina, each county must have a single storm water system. In Mecklenburg County, the system is operated by Charlotte-Mecklenburg Storm Water Services with staff from the City (approximately 60% of employees) and the County. A storm water advisory committee comprised of nine citizens appointed by the City Council, the County Commission and the respective Town Commissions reviews policies, hears appeals, makes decisions on violations/fee credits, evaluates capital and operational programs and budgets, and makes recommendations to elected officials. Citizens receive one bill that covers water (usage and fees), sewer (usage and fees) and stormwater (fee), all on separate line items. The storm water fee is paid to the entity where the property is located (the City, the County, or one of the six towns). It comprises several elements, including an administrative fee and a fee to help pay for capital, which varies depending on where the property is located. Single-family homes are grouped into one of four Storm Water Services billing tiers based on the amount of impervious surface on the property. According to the City's CAFR, the City of Charlotte received \$56.8 million in storm water fees in FY 2014.

#### h. Real Estate Transfer Tax

The sale/transfer of real property in Massachusetts requires the purchase of a Massachusetts Excise Tax Stamp, often referred to as a transfer tax. Massachusetts home sellers must pay a tax on selling their property. In most counties in Massachusetts, the

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<sup>17</sup> [http://dls.state.md.us/data/polanasubare/polanasubare\\_natresenvntra/Cleaning-Up-the-Bay.pdf](http://dls.state.md.us/data/polanasubare/polanasubare_natresenvntra/Cleaning-Up-the-Bay.pdf)

Cleaning up the Chesapeake Bay: Maryland's Current Policy Framework, Progress and Implementation Costs, Maryland Department of Legislative Services, p. 8.

tax is \$4.56 per thousand dollars of the purchase price on the deed (i.e. a \$500,000 sale produces a \$2,280 tax bill). In Barnstable County, the tax is higher - \$6.20 per thousand dollars. There is a bill in the 189<sup>th</sup> General Court of the Commonwealth of Massachusetts, Bill H.3300, which would establish a 0.5% real estate transfer fee for the Town of Provincetown. The first \$250,000 each year would be deposited in the Town's Capital Improvement Stabilization Fund, with the remainder to the Town's General Fund.<sup>18</sup>

The National Conference of State Legislatures has a comparison of real estate transfer taxes by state.<sup>19</sup> Notably, fees generated from this tax are used for a variety of projects, including the purchase of open space, and a number of states have a local option transfer tax. Connecticut, for example, has both a state and a municipal transfer tax.

While all of these fees, taxes and potential new taxes may ultimately be useful as support for financings through the CCRIBB, Sycamore has recommended (see Executive Summary and Recommendations) that the CCWPC pursue the Regional Clean Water Assessment, the Municipal Water Infrastructure Investment Fund and the Septic Loan Fund as the three most likely sources of revenue support.

## **APPENDIX A**

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<sup>18</sup> <https://malegislature.gov/Bills/189/House/H3300>

<sup>19</sup> <http://www.ncsl.org/research/fiscal-policy/real-estate-transfer-taxes.aspx>

## Sycamore Advisors Capabilities Statement

Sycamore's professionals have all served as issuers for local and state governments, and Sycamore's president worked extensively with Indiana's SRF program (among others) while she served as Public Finance Director for the State of Indiana. Recently, Sycamore served as the municipal advisor for the Gary/Chicago International Airport Authority runway expansion transaction, which won *The Bond Buyer's* 2015 Midwest Deal of the Year award.

We have been involved in virtually all facets of water, wastewater and stormwater infrastructure programs, including partnering with engineering firms in long-term financial and capital planning; a practice we believe is unique among financial advisory firms. Developing specific project cash flows and understanding the timing and sequencing of projects facilitates a much closer matching of debt issuance to projected expenditures, reducing the impact of negative arbitrage and the need for capitalized interest.

Examples of current and recent water/wastewater clients include the City of Indianapolis/Indianapolis Bond Bank (Sanitary, Stormwater and Transportation Districts); Pittsburgh Water and Sewer Authority; the State of Wisconsin; River Ridge Development Authority (water utility rate study and 2015 refunding/new money financing); the City of Westfield, IN (sale of its water and sewer utilities to Citizens Energy Group); River Ridge Development Authority (water utility rate study, 2015 refunding/new money financing and exploration of 2016 financing); the Indiana Finance Authority (review of SRF loans); the City of Jeffersonville, IN (FCA revision/analysis and evaluation of financing options); and the Metropolitan Water Reclamation District of Greater Chicago (recently selected to municipal advisor pool; evaluating several projects). We have highlighted our work for several clients below:

### City of Indianapolis - Sanitary District

Our long-term relationship with the Sanitary District provided Sycamore the opportunity to serve this client on multiple projects from 2005 through the asset sale in late 2011. The City of Indianapolis, Department of Public Works, engaged Sycamore in 2005 as the Financial Advisor to a cross-disciplinary team ("The Clean Stream Team") of engineers, contractors, financial advisors, CPAs and City personnel to develop the Long Term Control Plan ("LTCP") and negotiate a binding Consent Decree with U.S. EPA. Sycamore was a significant contributor to the Financial Capability Assessment (FCA) which became the basis for establishing the implementation schedule for the LTCP, and the Consent Decree was filed with the court in 2006.

Subsequent to the adoption of the Consent Decree, Sycamore assisted in establishing the rate model to fund the initial three year CIP of \$320 million, assisted the engineering team with the development of project costs at the time of construction, and modeled project cash flows. The cash flows were then incorporated into a rate model to develop a three-year tiered rate increase and the initiation of a Connection Fee Charge to support the capital projects mandated by the



Consent Decree. Sycamore helped draft the rate and bond ordinances and assisted with presentations to the City-County Council and Board of Public Works. The rate increases were adopted by the City-County Council on a 27-1 vote. Sycamore then worked on the issuance of the series of bond issues totaling \$320 million over the 2005-2008 period, sequencing, sizing and issuing the bond financing to pay for the capital plan.

Since 2008, Sycamore has worked closely with the engineering staff to develop and model the second phase of long-term revenue requirements associated with the \$3.5 billion long-term capital plan to meet federal regulatory requirements. This 2009-2013 “stepped” series phase of rate increases was tied to a five-year capital plan, driven by EPA-mandated implementation deadlines for completion of essential phases of the LTCP by 2013 with an estimated \$560 million in capital expenditures. The rate increases were adopted unanimously by the City-County Council.

#### Pittsburgh Water and Sewer Authority

Our original assignment for this complex water and sewer utility resulted in Sycamore’s subsequent engagement on two additional projects for our client in 2013. In 2012, Sycamore was engaged by Veolia N.A. (in connection with its role as operating manager of PWSA) to evaluate PWSA’s outstanding debt portfolio, including its interest rate swaps, determine available debt capacity and recommend innovative options for financing new capital investments. PWSA had and continues to have an extremely complex debt portfolio which included roughly \$722 million in debt outstanding with both senior and subordinated variable and fixed rate debt, \$403 million in long-dated interest swaps, which were significantly underwater, limited debt capacity, very restrictive covenants, an outdated (20 year old) Indenture, weak coverage and very expensive credit facilities with significant concentration of counterparty risk.

Sycamore made a series of recommendations to PWSA and Veolia about (1) proceeding with a competitive solicitation from banks to replace the roughly \$300 million in LOC facilities expiring in the next two years; (2) modernizing its Indenture, including closing off the senior lien; restructuring certain debt to take advantage of refunding opportunities to reduce debt service costs in the near term and create a more “rational” debt structure; (3) considering a termination of swaps in the short end of the curve; and (4) converting variable rate debt to fixed rate debt where possible.

Following our initial evaluation and recommendations, Sycamore was hired to manage two competitive RFP processes for PWSA for the selection of professionals.

In May of 2013, Sycamore was asked to conduct a rate study for PWSA’s water and sewer conveyance utilities, something which hadn’t been done since 2006. Like many utilities, PWSA faces enormous capital improvement needs with strained debt capacity under existing revenue streams. The study addressed a number of challenging issues, including PWSA’s relationship with a regional sewer collection and treatment utility, its upcoming but still unquantified obligations under its long term control plan, an antiquated requirement that required PWSA to subsidize private water customers in the Pittsburgh City limits, and substantial database issues.

The final recommendations of the rate study – including transitioning to American Water Works Association (AWWA) meter equivalency and relatively substantial rate increases among certain user groups – were adopted unanimously by PWSA’s Board of Directors in October, 2013.

#### City of Indianapolis - Stormwater District

Sycamore has had the opportunity to serve the Stormwater District in a number of ways during our long-term relationship with this client. In early 2012, the Stormwater District identified approximately \$320 million in long-term capital improvement requirements with no existing source of funding. With user fees among the lowest in the Midwest, Sycamore was tasked with developing a rate study that would result in sufficient revenues to cover the Stormwater District’s sizable capital and operating needs. Sycamore also teamed with the engineers to develop an asset valuation inventory of the Stormwater District’s capital assets.

Because of the size of the capital plan and the Stormwater District’s request to look at a long-term, 20-year horizon for the rate study, Sycamore modeled the revenue requirements for various financing scenarios, including different mixtures of cash-funding and bond-funding, short-term and long-term debt, 20- and 30- year debt, etc. From a revenue requirement standpoint, rates can be very sensitive to financing assumptions for a capital plan this size. After countless scenarios, Sycamore ultimately recommended an initial unit rate of \$1.10 for every 1,000 square feet of impervious surface area for all residential and non-residential parcels. This structure not only introduces equity among residential customers, but also between residential and non-residential customers. This project is ongoing and the rate ordinances are currently before the Indianapolis City-County Council.

#### State of Wisconsin

Sycamore conducted a comprehensive review of all aspects of the State’s Environmental Improvement Fund (“EIF”), including the State’s drinking water and clean water revolving loan programs, as well as other programs which address water pollution control and brownfields issues. The scope of work included a review of the State’s financial commitments and exposure to these programs, the current debt structure of EIF debt, program processes (statutory, administrative rule and day to day procedures), investment portfolio, risk analysis and areas of strength and weakness identified by the Rating Agencies. We also analyzed Best Management Practices in other states with successful SRF programs and evaluated the application of those BMPs to the State of Wisconsin, as well as running pricing comparisons between the State’s EIF debt and similarly-rated debt. We provided recommendations to the State, and the State is in the process of implementing a number of those recommendations.

## **APPENDIX B**

S.216: Language of proposed Massachusetts Municipal Bond Bank legislation (Bryan Joyce, Sponsor):

“SECTION 1. The General Laws are hereby amended by inserting after chapter 44B the following chapter:-

## CHAPTER 44C

### Massachusetts Municipal Bond Bank

#### Section 1. Definitions

As used in this chapter, the following words shall, unless the context clearly requires otherwise, have the following meanings:

“Bank”, the Massachusetts Municipal Bond Bank established by section 2.

“Board”, the board of directors of the bank.

“Bonds”, when used in reference to the bank, any bonds, notes, debentures, interim certificates or other financial undertakings for the purpose of raising capital, including, but not limited to, lines of credit, forward purchase agreements, investment agreements and other banking or financial arrangements.

“Capital project”, any application or loan proceeds authorized by chapter 44 of the general laws or any general or special law authorizing borrowing by a local governmental unit.

“Loan”, a form of financial assistance subject to repayment in whole or in part which is provided by the bank to a local governmental unit for all or any part of the cost of a capital project. A loan may (i) provide for planning, construction, bridge or permanent financing; (ii) be disbursed in anticipation of reimbursement of or direct payment of costs of a project or take the form of a guarantee, line of credit, bond purchase agreement, or other form of financial assistance; and (iii) may be issued at such rates of interest including, without limitation, variable rates and zero interest, may mature at such times and be redeemable at the option of the board or the local governmental unit.

“Loan agreement”, an agreement entered into between the bank and a local governmental unit or other eligible borrower pertaining to a loan or the purchase and delivery of local governmental obligations or other instruments evidencing or securing a loan. The term “loan agreement” shall include, without limitation, a loan agreement, trust agreement, trust indenture, security agreement, reimbursement agreement, guarantee agreement, bond or note resolution, loan order or similar instrument whether secured or unsecured.

“Local government obligations”, bonds, notes or other evidence of indebtedness issued by a local government unit to evidence a loan.

“Local governmental unit”, a town, city, district, commission, agency, authority, board or other instrumentality of the commonwealth or of any of its political subdivisions, including any regional local governmental unit.

“Trust agreement”, any agreement entered into by the bank providing for the issuance, security and payment of bonds. The term “trust agreement” shall include a trust agreement, trust indenture, security agreement, reimbursement agreement, currency or interest rate exchange agreement, bond or note resolution or other similar instrument.

## Section 2. Massachusetts Municipal Bond Bank

a) There is hereby established a body politic and corporate to be known as the Massachusetts Municipal Bond Bank. The bank is hereby constituted a public instrumentality and the exercise by the bank of the powers conferred by this chapter shall be considered to be the performance of an essential governmental function.

The bank shall promote and advance the commonwealth’s public interests by: (1) fostering and promoting by all reasonable means the provision of adequate capital markets and facilities for borrowing money by local governmental units and to finance their respective public improvements and other municipal purposes within the commonwealth from proceeds of bonds, notes, any other form of debt or leases issued by those governmental units; (2) to assist those governmental units in fulfilling their needs for such purposes by use of creation of indebtedness; (3) to the extent possible, to reduce the costs of indebtedness to taxpayers and residents of the Commonwealth and to encourage continued investor interest in the purchase of bonds or notes of those local governmental units as sound and preferred securities for investment; and (4) to encourage its governmental units to continue their independent undertakings of public improvements and other municipal purposes and the financing thereof and to assist them in those activities by making funds available at reduced interest costs for orderly financing of those purposes, especially during periods of restricted credit or money supply, particularly for those local governmental units not otherwise able to borrow for those purposes.

(b) The bank shall be governed and its corporate powers exercised by a board of directors consisting of 8 directors: 1 of whom shall be the Treasurer of the Commonwealth or his designee; 1 of whom shall be the secretary of housing and economic development or his designee; 1 of whom shall be the secretary of administration and finance or his designee; and 5 of whom shall be appointed by the Treasurer for a term of six years, each of whom shall be

experienced in at least one of the following fields: public finance law, capital market operations, project finance, municipal management or labor relations. A director shall be eligible for reappointment. A person appointed to fill a vacancy in the office of an appointed director of the board shall be appointed in a like matter and shall serve for only the unexpired term of the director.

(c) Six directors shall constitute a quorum and the affirmative vote of a majority of directors present at a duly-called meeting where a quorum is present shall be necessary for any action to be taken by the board. An action required or permitted to be taken at a meeting of the directors may be taken without a meeting if all of the directors consent in writing to such action and such written consents are filed with the records of the minutes of the meeting of the board. Such consents shall be treated for all purposes as a vote at a meeting.

The directors of the board shall serve without compensation.

(d) Chapter 268A shall apply to all directors.

(e) The board may appoint and employ an executive director, and fix his compensation and conditions of employment. The executive director shall have experience in the municipal finance industry. The executive director shall be the chief executive, administrative and operational officer of the bank and shall direct and supervise the administrative affairs and the general management of the bank. The executive director may, subject to the general supervision of the board, employ other employees, consultants, agents, including legal counsel and advisors, and shall attend meetings of the board.

(f) The board shall elect a secretary and a treasurer. The secretary shall keep a record of the proceedings of the board and shall be the custodian of all books, documents and papers filed by the board and of its minute book and seal. The secretary shall cause copies to be made of all minutes and other records and documents of the bank and shall certify that such copies are true copies, and all persons dealing with the bank may rely upon such certification. The treasurer shall be the chief financial and accounting officer of the bank and shall be in charge of its funds, books of account and accounting records.

(g) All officers and employees of the bank having access to its cash or negotiable securities shall give bond to the bank, at its expense, in such amounts and with such surety as the board may prescribe. The persons required to give bond may be included in 1 or more blanket or scheduled bonds.

(h) The directors and officers of the board who are not compensated employees of the bank shall not be liable to the commonwealth, to the bank or to any other person as a result of their

activities, whether ministerial or discretionary, as such directors or officers except for willful dishonesty or intentional violations of law. Neither members of the bank nor any person executing bonds or policies of insurance shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof. The board of directors may purchase liability insurance for board members, officers and employees and may indemnify said persons against claims by others.

(i) The bank shall continue as long as it shall have bonds or notes outstanding and until its existence is terminated by law.

(j) An action of the bank may take effect immediately and need not be published or posted unless otherwise provided by law. Meetings of the board shall be subject to sections 18-25 of chapter 30A; but said sections 18-25 shall not apply to any meeting of members of the bank serving ex officio in the exercise of their duties as officers of the commonwealth so long as no matters relating to the official business of the bank are discussed and decided at the meeting. The bank shall be subject to all other provisions of said chapter 30A, and records pertaining to the administration of the bank shall be subject to section 42 of chapter 30 and section 10 of chapter 66. All moneys of the bank shall be considered to be public funds for purposes of chapter 12A. The operations of the bank shall be subject to chapters 268A and 268B and all other operational or administrative standards or requirements to the same extent as the office of state treasurer. Unless otherwise specified, all monies of the bank, from whatever source derived, shall be paid to the treasurer of the bank. Such monies shall be deposited, in the first instance, by the treasurer in national banks, in trust companies, savings banks and cooperative banks chartered under the laws of the commonwealth, or in other banking companies in compliance with section 34 of chapter 29.

### Section 3. General Powers

(a) The bank shall have all powers necessary or convenient to carry out and effectuate its purposes, including, without limiting the generality of the foregoing, the powers:

(1) to adopt and amend bylaws, regulations and procedures for the governance of its affairs and the conduct of its business without regard to chapter 30A;

(2) to adopt an official seal and a functional name;

(3) to maintain offices at places within the commonwealth as it may determine and to conduct meetings of the bank in accordance with its by-laws and the second paragraph of section 59 of chapter 156B;



- (4) to sue and be sued, to prosecute and defend actions relating to its properties and affairs, and to be liable in tort in the same manner as a private person; provided however, that the bank is not authorized to become a debtor under the United States Bankruptcy Code;
- (5) to appoint officers and employees and to engage consultants, agents and advisors;
- (6) to appear in its own behalf before boards, commissions, departments or other agencies of municipal, state or federal government;
- (7) to apply for and accept subventions, grants, advances and contributions from any source of money, property, labor or other things of value, to be held, used and applied for its corporate purposes;
- (8) to provide and pay for such advisory services and technical assistance as may be necessary or desired to carry out the purposes of this chapter;
- (9) to exercise any other powers of a corporation organized under chapter 156B;
- (10) to engage accountants, architects, attorneys, engineers, planners, real estate experts and other consultants as may be necessary in its judgment to carry out the purposes of this act and fix their compensation;
- (11) to establish and collect such fees and charges as the bank without further appropriation shall determine to be reasonable, and to receive and apply revenues from fees and charges to the purposes of the bank or allotment by the commonwealth or any political subdivision thereof;
- (12) to prepare, publish and distribute, with or without charge, as the bank may determine, such studies, reports and bulletins and other material as the bank deems appropriate;
- (13) to enter into agreements or other transactions with any person, including without limitation any public entity or other governmental instrumentality or agency or local governmental unit in connection with its powers and duties under this chapter;
- (14) to take any actions necessary or convenient to the exercise of any power or the discharge of any duty provided for by this act;
- (15) to make loans and issue bonds in accordance with section 4 and section 5.
- (16) to administer the fund in accordance with section 8.

#### Section 4. Loans to Local Governmental Units

a) Any local governmental unit may apply to the bank for a loan to assist in financing any capital project. At the option of the bank, loans may be unsecured or may be secured by local governmental obligations for delivery to the bank to evidence the loan. Each loan shall be made pursuant to a loan agreement between the bank and the local governmental unit acting by and through the officer or officers, board, committee or other body authorized by law, or otherwise its chief executive officer.

(b) A local government unit may receive, apply, pledge, assign and grant security interests in, its general revenues or any special revenues to secure its obligations under loans and local governmental obligations as provided in this chapter and may fix, revise, charge and collect fees, rates, rents, assessments and other charges of general or special application for the operation or services made possible by the financing of a capital project.

(c) For entering into a loan and establishing the authorized terms and conditions thereof, and for issuing any local government obligations a local governmental unit shall be deemed to have the powers expressly granted to local governmental units in this chapter and the powers granted to that local governmental unit in any bond act applicable to it specifically or as a member of a class of governmental instrumentalities. Liberal construction shall be given in support of the broadest interpretation of local government unit powers derived from either this chapter or any general or special law, provided that nothing in this chapter shall be construed as affecting the manner of voting and other procedures relating to, or otherwise required by any general or special law for, the authorization of indebtedness of any local governmental unit by the governing body thereof or any limitations on indebtedness of local governmental units.

(d) In reviewing loan applications submitted by local governmental units, the bank shall apply the rules and regulations it develops pursuant to section 7.

(e) Notwithstanding any general or special law to the contrary, when authorized by a two-thirds vote as defined in section one of chapter forty-four or by such other vote as is authorized by the applicable general or special law, any local governmental obligations may be secured by one or more security agreements between the local governmental unit and a corporate trustee or directly between the bank and the local governmental unit. Any such security agreement shall be in such form and shall be executed as provided in the applicable loan agreement or as otherwise agreed to between the board and the local governmental unit. Any security agreement directly or indirectly securing local governmental obligations may pledge or assign, and create security interests in, all or any part of the general revenues or

special revenues of the local governmental unit. Any security agreement may contain such provisions for protecting and enforcing the rights, security and remedies of the bank, or other holders of the local governmental obligations, as may be determined by the board and the local governmental unit, including without limitation provisions defining defaults and providing for remedies, including without limitation, the acceleration of maturities and, in the case of local governmental obligations issued under said section fourteen, the appointment of a receiver of the project financed thereby, the covenants setting forth the duties of, and limitations on, the local governmental unit in relation to the custody, safeguarding, investment and application of monies, including general revenues or special revenues, the issue of additional and refunding local governmental obligations and other bonds, notes or obligations on a parity or superior thereto, the establishment of reserves, the establishment of sinking funds for the payment of local governmental obligations, and the use of surplus proceeds. Any local governmental obligations may also be secured by insurance or by letters or lines of credit or other credit facilities and a local governmental unit may pledge or assign any of its general revenues or special revenues as security for payments made thereon. Any pledge of general revenues or special revenues made by a local governmental unit shall be valid and binding and shall be deemed continuously perfected for the purpose of chapter one hundred and six and any other law from the time made. The general revenues, special revenues, monies, rights and proceeds so pledged and then held or thereafter acquired or received by the local governmental unit shall immediately be subject to the lien of such pledge without any physical delivery or segregation thereof or further act, and the lien of such pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise, regardless of whether such parties have notice thereof. Neither the security agreement or any other agreement by which a pledge is created need be filed or recorded except in the records of the local governmental unit and no filing need be made under the provisions of said chapter one hundred and six. A pledge of general revenues in accordance with this chapter shall constitute a sufficient appropriation thereof for the purposes of any provision for appropriation for so long as such pledge shall be in effect and, notwithstanding any general or special law to the contrary, such revenues shall be applied as required by the pledge and the security agreement evidencing the same without further appropriation.

(f) If a local governmental unit defaults in the payment of interest on or principal of any loan owned or held by the bank when due and payable by the governmental unit, the bank shall proceed to enforce payment under applicable provisions of law of the interest or principal or other amounts then due and payable.

## Section 5. Issuance of Bonds and Notes

(a) The board may provide by resolution for the issuance from time to time of bonds for any

purpose of the bank, which bonds may be issued as general obligations of the bank or as special obligations payable solely from particular revenues or monies of the bank. The bonds of each issue may be dated, may bear interest at such rate or rates, including rates variable from time to time, and may mature or otherwise be payable or redeemable at such times as the board may determine. The board shall determine the denominations of bonds, the details of their execution and authentication and their places of payment within or without the commonwealth. Prior to initial issuance of each series of bonds the board shall advise the state finance and governance board established under section 97 of chapter 6 of the terms of the bonds and the timing of their issuance. In case any trustee or officer whose signature appears on any bonds shall cease to be such officer before their delivery, the signature shall nevertheless be valid and sufficient as if the officer had remained in office until delivery. Bonds may be issued in certificated or uncertificated form, payable to bearer or registered owners, and, if notes, may be made payable to bearer or to order. The board may sell the bonds of the bank at public or private sale at par or for such premium or discount price as it may determine. The board may by resolution delegate to any trustee or officer of the bank the power to determine any of the matters set forth in this section.

(b) Bonds of the bank may be secured by a trust agreement between the bank and the bond owners or a corporate trustee which may be any trust company or other entity having the powers of a trust company within or without the commonwealth. A trust agreement may pledge or assign, in whole or in part, any loan agreements and local governmental obligations, and the revenues, funds and other assets or property held or to be received by the bank, including without limitation all monies and investments on deposit from time to time in the bank or any account thereof and any contract or other rights to receive the same, whether then existing or thereafter coming into existence and whether then held or thereafter acquired by the bank, and the proceeds thereof. A trust agreement may contain, without limitation, provisions for protecting and enforcing the rights, security and remedies of the bondholders, provisions defining defaults and establishing remedies, which may include acceleration and may also contain restrictions on the remedies by individual bondholders. A trust agreement may also contain covenants of the bank concerning the custody, investment and application of monies, the enforcement of loan agreements and local governmental obligations, the issue of additional or refunding bonds, the use of any surplus bond proceeds, the establishment of reserves and the regulation of other matters customarily treated in trust agreements. At the request of the board, the state treasurer shall and is hereby authorized to join in any trust agreement or to otherwise agree with the bank, any lender or any trustee for bondholders to hold the bank in compliance with any covenants and provisions relating to the bank contained in any trust agreement.

(c) Bonds may be issued by the bank in the form of lines of credit or other banking arrangements under terms and conditions determined by the board. In addition to other lawful

security, bonds may be secured, in whole or in part, by financial guarantees, by insurance, by letters or lines of credit or by other credit enhancement issued to the bank or to a trustee or other person, by any financial institution, within or without the commonwealth; the bank may pledge or assign, in whole or in part, any loan agreements and local governmental obligations and the revenues, funds and other assets and property held or to be received by the bank, and any contract or other rights to receive the same, whether then existing or thereafter coming into existence and whether then held or thereafter acquired by the bank, and the proceeds thereof, as security for such guarantees or insurance or for the reimbursement to any issuer of a line or letter of credit.

(d) The board may by resolution provide for the issue by the bank of interim receipts or temporary bonds, exchangeable for definitive bonds when the bonds are executed and are available for delivery. The board may also provide for replacement of mutilated, destroyed or lost bonds. The bank may purchase and invite offers to tender for purchase any outstanding bonds; provided, however, that no purchase by the bank shall be made at a price, exclusive of accrued interest, if any, exceeding the bond's principal amount or, if greater, its redemption price when next redeemable at the option of the bank. The bank may resell any bonds it purchases in such manner and for such price as it may determine.

(e) The board may also provide for issue by the bank of temporary notes in anticipation of grants, revenues or appropriations to the bank. The issue of such notes shall be governed by the applicable provisions of this chapter relating to the issue of bonds; provided, however, that notes issued in anticipation of revenues shall mature no later than one year from their respective dates, or the date of expected receipt of such revenues, if later, and notes issued in anticipation of grants shall mature no later than six months after the expected date of receipt of such grant. The board may also issue refunding bonds of the bank for the purpose of paying any bonds at or prior to maturity. Refunding bonds may be issued at any time at or prior to the maturity or redemption or purchase of the refunded bonds. Refunding bonds may be issued in sufficient amounts to pay or provide for payment of the principal of the bonds being refunded, together with any redemption premium thereon, any interest or discount accrued or to accrue to the date of payment, costs of issuance and other expenses and reserves reasonably necessary to achieve the refunding.

(f) Bonds of the bank are (i) securities in which public officers and agencies, insurance companies, financial institutions, investment companies, executors, administrators, trustees and others may properly invest funds including capital within their control, and (ii) securities which may be deposited with any public officer or any agency for any purpose for which the deposit of bonds is authorized by law.

(g) Bonds issued by the bank shall not be deemed to be a debt or a pledge of the faith and

credit of the commonwealth or of any of its political subdivisions, but shall be payable solely from the revenues and monies of the bank and other monies and rights pledged to their payment. Bonds shall recite that neither the commonwealth nor any political subdivision thereof shall be obligated to pay the same and neither the faith and credit nor the taxing power of the commonwealth or any political subdivision is pledged to their payment. Every bond shall recite whether it is a general obligation of the bank or a special obligation payable solely from particular revenues, funds, assets or other property.

(h) Bonds of the bank shall be deemed to be investment securities under chapter one hundred and six. Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be exempt from taxation by and within the commonwealth. The bank shall not be required to pay any taxes, assessments or excises upon its income, existence, operation, or assets, monies or revenues.

(i) It shall be lawful for any trust company other entity having the powers of a trust company to act as a depository of the fund or trustee under a trust agreement, provided it furnishes indemnification and reasonable security as the board may require. Any assignment or pledge of revenues, funds and other assets and property made by the bank shall be valid and binding and shall be deemed continuously perfected for the purposes of chapter one hundred and six and other laws when made. The revenues, funds and other assets and property, rights therein and thereto and proceeds so pledged and then held or thereafter acquired or received by the bank shall immediately be subject to the lien of such pledge without any physical delivery or segregation or further act, and the lien of any such pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the trust, whether or not such parties have notice thereof. The trust agreement by which a pledge is created need not be filed or recorded to perfect the pledge except in the records of the board and no filing need be made pursuant to said chapter one hundred and six. Any pledge or assignment made by the bank is an exercise of its political and governmental powers, and loan agreements, local governmental obligations, revenues, funds, assets, property and contract or other rights to receive the same and the proceeds thereof which are subject to the lien of a pledge or assignment created under this chapter shall not be applied to any purposes not permitted by the pledge or assignment. Any holder of a bond and any trustee under a trust agreement, except to the extent its rights may be restricted by the trust agreement, may bring suit upon the bonds and may pursue any other legal action to protect and enforce its rights and compel performance of all duties required to be performed by the bank and the board.

## Section 6. Annual Reports & Audit

(a) The bank shall publish not later than August 15 a report setting forth a description of (1) its operations and an account of its expenditures and receipts, assets and liabilities; (2) the



terms of each of the loans made by the bank over the previous twelve months and the purpose to which the proceeds of such loans are to be or have been applied; (3) the financial condition of each of the local governmental units that received loans from the bank; (4) a summary of the underwriting standards used by the bank in determining the credit quality of its borrowers; (5) a discussion of the capital market conditions facing the commonwealth's local governmental units over the previous twelve months; (6) any recommendations for improving the statutory rules governing the operations of the bank or the borrowing and capital spending of the local governmental units in the Commonwealth; (7) any additional information considered relevant to inform the general court and the governor about issues relevant to municipal financing in the commonwealth. The bank's annual report shall be delivered not later than August 15 to the governor and the clerks of the house and senate, who shall forward the same to the house and senate committees on ways and means, the house and senate committees on bonding, capital expenditures and state assets and the joint committee on municipalities and regional government.

(b) The books and records of the bank shall be subject to a biennial audit by the auditor of the commonwealth.

#### Section 7. Municipal Finance Oversight and Best Practices

(a) The bank shall establish and publish rules and regulations regarding best practices for municipal borrowers. These rules and regulations shall be reviewed and updated biennially. The bank shall establish said rules and regulations based upon, but not limited to, the following sources:

(1) recommendations from the treasurer of the commonwealth;

(2) best practices used by municipalities with a credit rating of AA+ or higher, both within and without the commonwealth;

(3) credit rating standards established by Standard & Poor's, Moody's Investors Service, and Fitch Ratings; and

(4) any recommendations regarding municipal borrowing provided by any commonwealth advisory committee currently in existence or created in the future;

(b) The bank shall base credit decisions regarding municipal loan applications based on a municipality's compliance with the rules and regulations established in subsection (a).

#### Section 8. Massachusetts Municipal Infrastructure Trust Fund

(a) There is hereby established and placed within the bank a separate fund to be known as the Massachusetts Municipal Infrastructure Trust Fund, hereinafter referred to as the trust fund. The bank shall hold the trust fund in an account or accounts separate from other funds and shall not assign the assets of the trust fund as security for any obligation of the bank. There shall be credited to the trust fund any amounts appropriated by the commonwealth. All amounts credited to the trust fund shall be held in trust and used solely for activities and expenditures consistent with the public purpose of the trust fund as set forth in subsection (b), including the ordinary and necessary expenses of administration and operation associated with the trust fund.

(b) The bank may make expenditures from the trust fund for the public purpose of providing grants to local governmental units in order to: (i) reduce the principle or interest that would otherwise be applicable on loans made to local government units that meet the standards of section 3 of chapter 23A of the General; or (ii) provide training and financial consulting services to local government units to promote the rules and regulations developed pursuant to section 7



CAPE COD  
COMMISSION

## Appendix 5: CEDS Approval Presentation

Cape Cod Comprehensive Economic Development Strategy (2014-2019)

# **2016 Annual Report (Year 2)**

# What is the CEDS?

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The Cape Cod  
Comprehensive Economic Development  
Strategy

A regional planning process  
resulting in a five-year strategic plan  
that is updated annually.

The current 5-Year CEDS spans 2014-2019

# Why have the CEDS?

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- Solidify Regional Consensus
- Expand Regional Collaboration
- Focus Regional Resources
- Evaluate Regional Progress
- Attract Investment



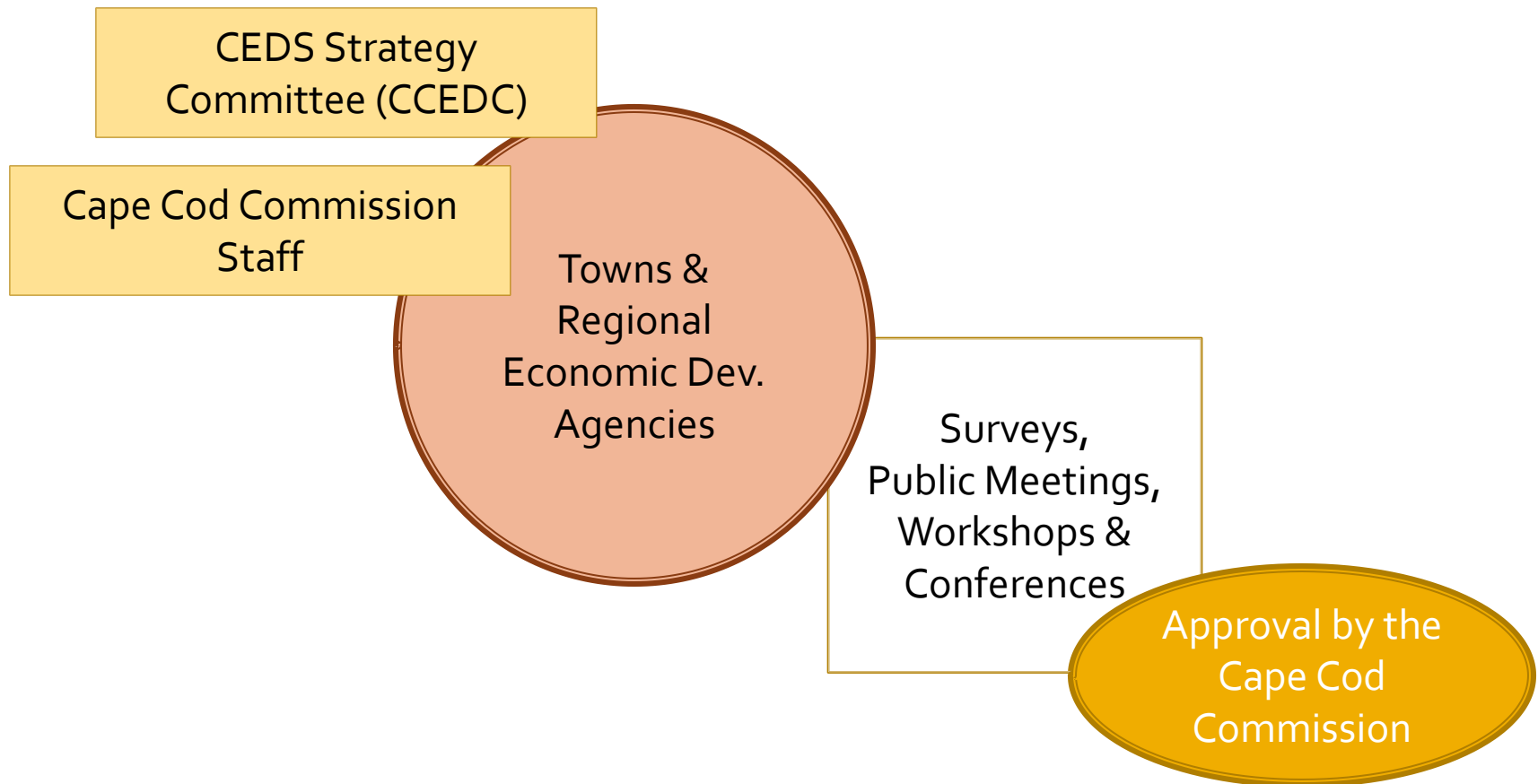
# How are we progressing?

- Contents of a CEDS Annual Report
  1. CEDS Planning Structure
  2. CEDS Vision & Goals
  3. CEDS Evaluation
    - The Regional Economy
    - The Annual Work Plan
    - Goals for Year 3

# The CEDS Planning Process

Capturing the Regional Perspective

# CEDS Process



# The CEDS Vision & Goals

Based on the Regional Policy Plan

# The CEDS Vision

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Cape Cod is a mosaic of historic villages, dynamic economic centers, and healthy natural areas where a diverse array of viable employment and business opportunities exist that retain and attract income to the region and are supported by reliable infrastructure designed to serve a modern economy and protect the natural assets and historic character of the region.

# CEDS Goals

- 1: Low Impact & Compatible Development
- 2: A Balanced Economy
- 3: Regional Income Growth
- 4: Infrastructure Capacity
- 5: Regional Collaboration & Joint Commitment





# Priority Issue Areas

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- Housing Affordability
- Demographic Diversity
- Entrepreneurship/Research & Development
- Wastewater Infrastructure
- Transportation Infrastructure
- Telecommunications Infrastructure
- Energy Infrastructure

# The CEDS Evaluation

What have we accomplished this year and what are our plans for next year

# Evaluating the Region

## ■ Distressed Census Tracts

### ■ EDA Definition

1. Unemployment rate at least 1% point higher than US average
2. Per capita income at 80% or less of the US average

13 Tracts out of 56  
housing over 1/4 of  
year-round  
population

#### Distressed Census Tracts

Provincetown

Wellfleet

North Eastham

NW. Harwich

Dennisport

South Yarmouth

Hyannisport

Hyannis (Residential)\*\*

Hyannis (Commercial)\*

S. Mashpee

E. Falmouth

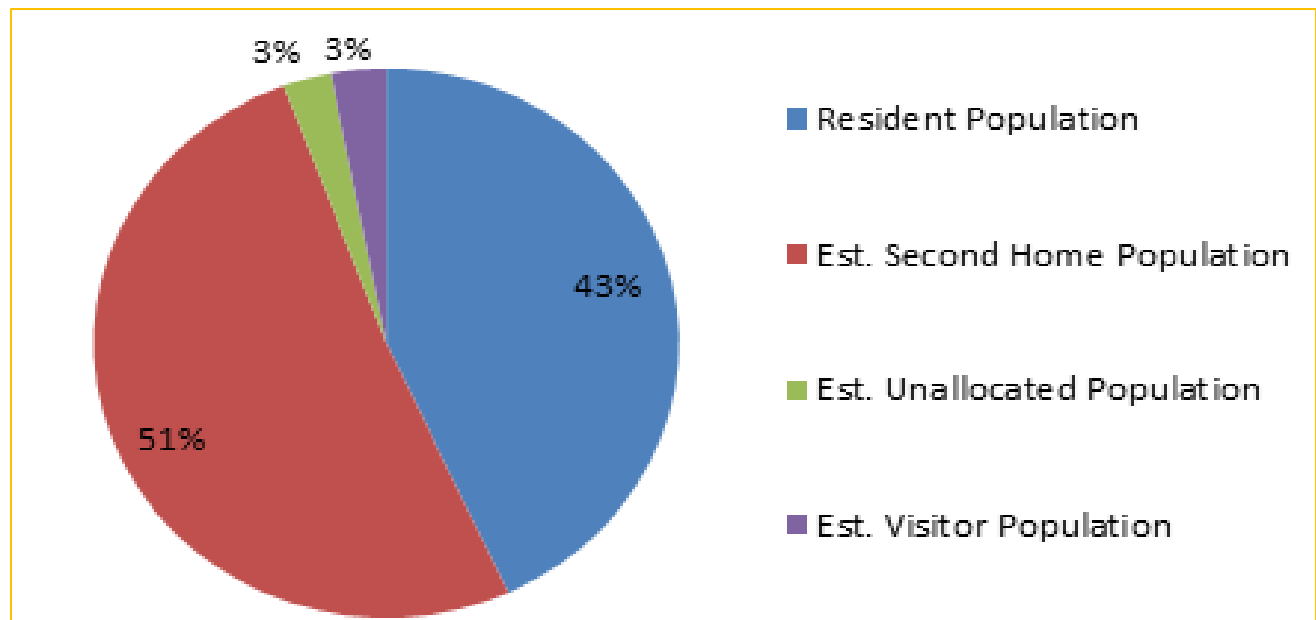
Joint Base Cape Cod\*

Buzzards Bay

# Evaluating the Region

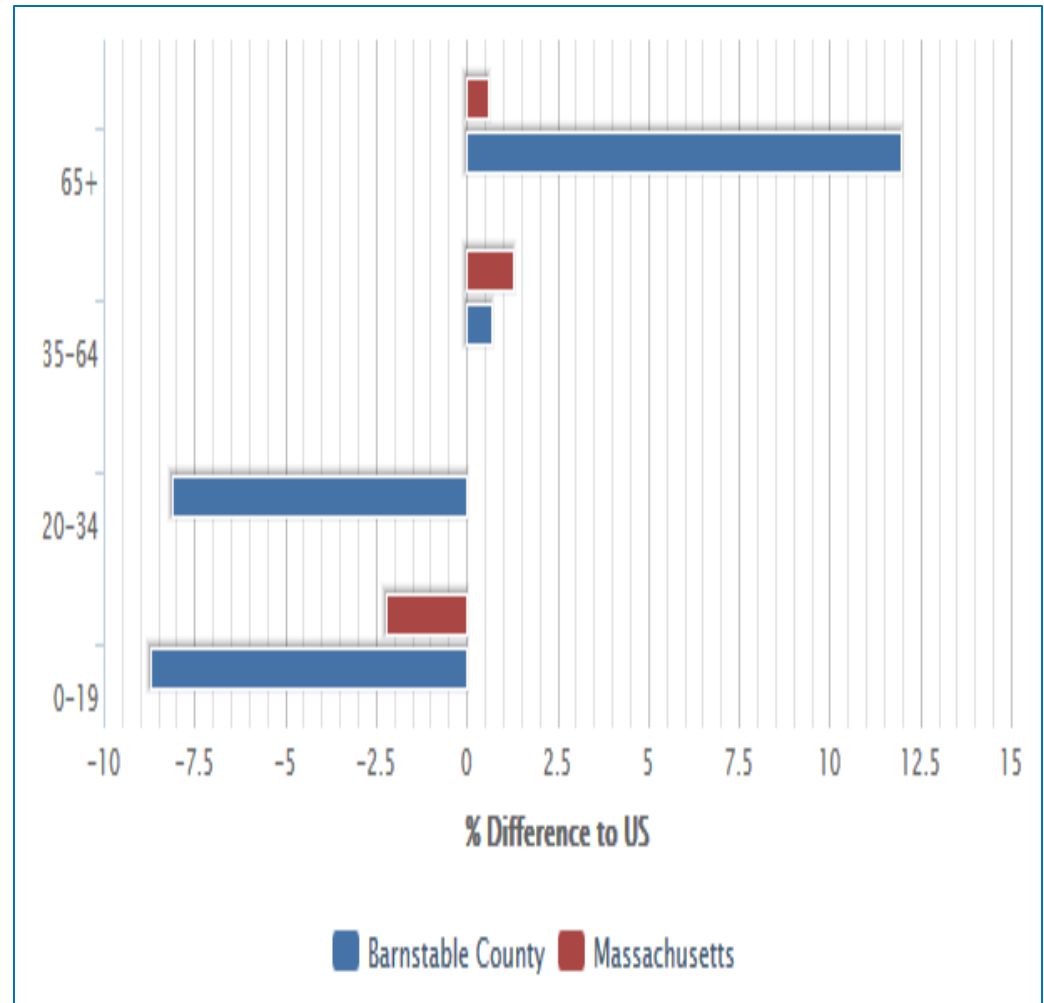
## ■ Demographics

- Resident Population Growth flat since 2000
- Summer Peak Population Est.: 500,000 people



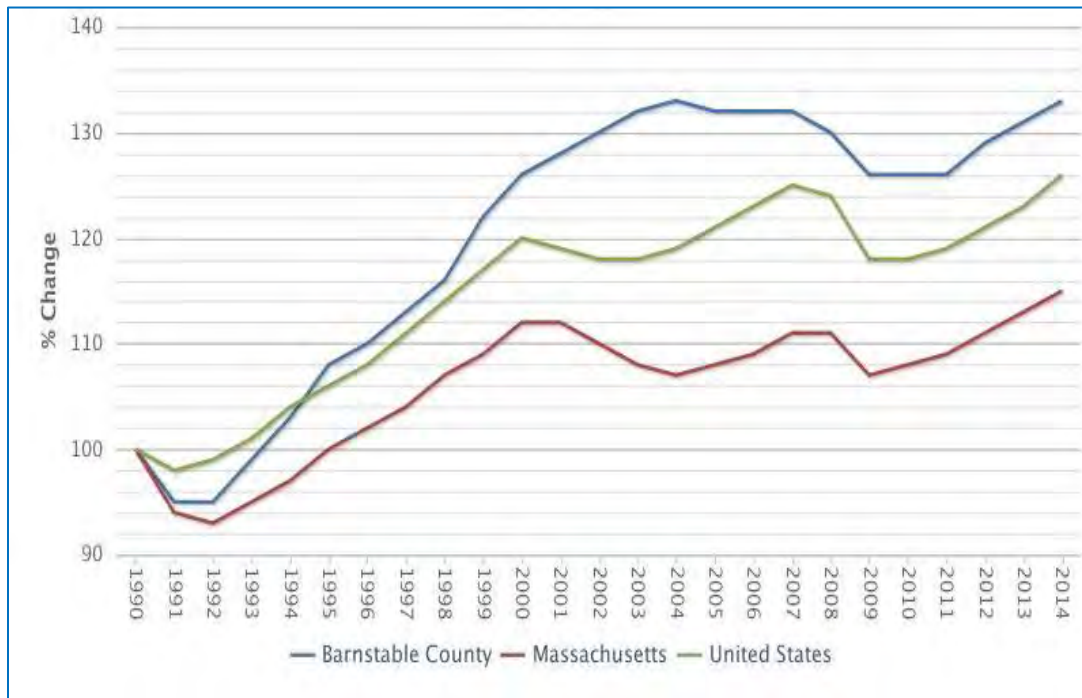
# Evaluating the Region

- Resident Population by Age Cohort
  - Relative to the Age Distribution of the US



# Evaluating the Region

- Employment by Barnstable Employers
  - Higher Growth Rates than MA and US



400 above 2004 peak

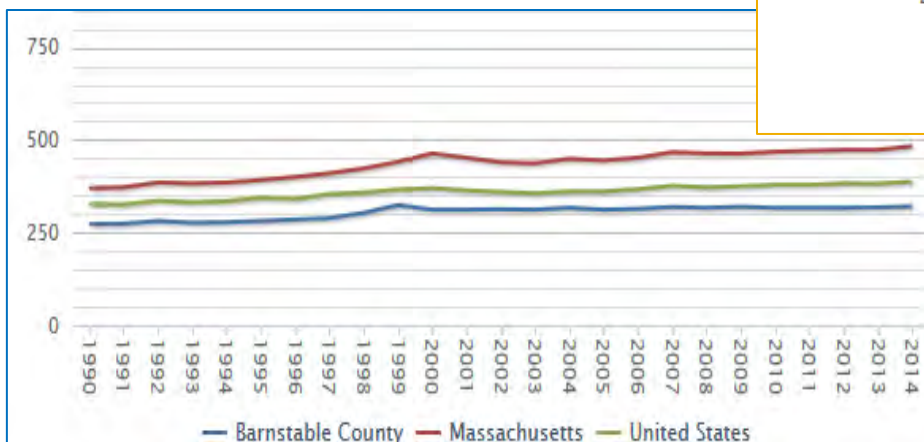
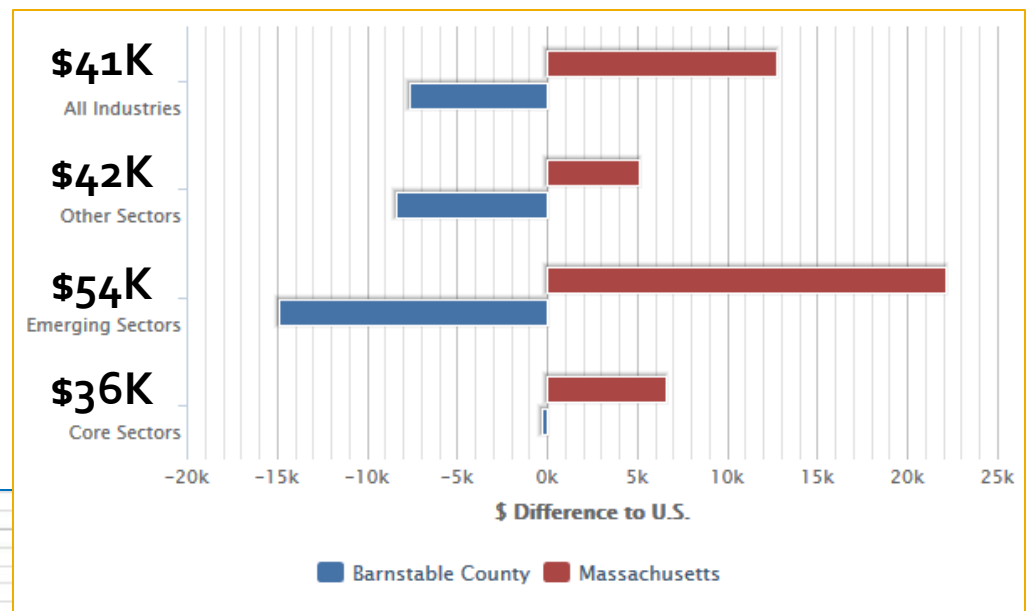
93,600



# Evaluating the Region

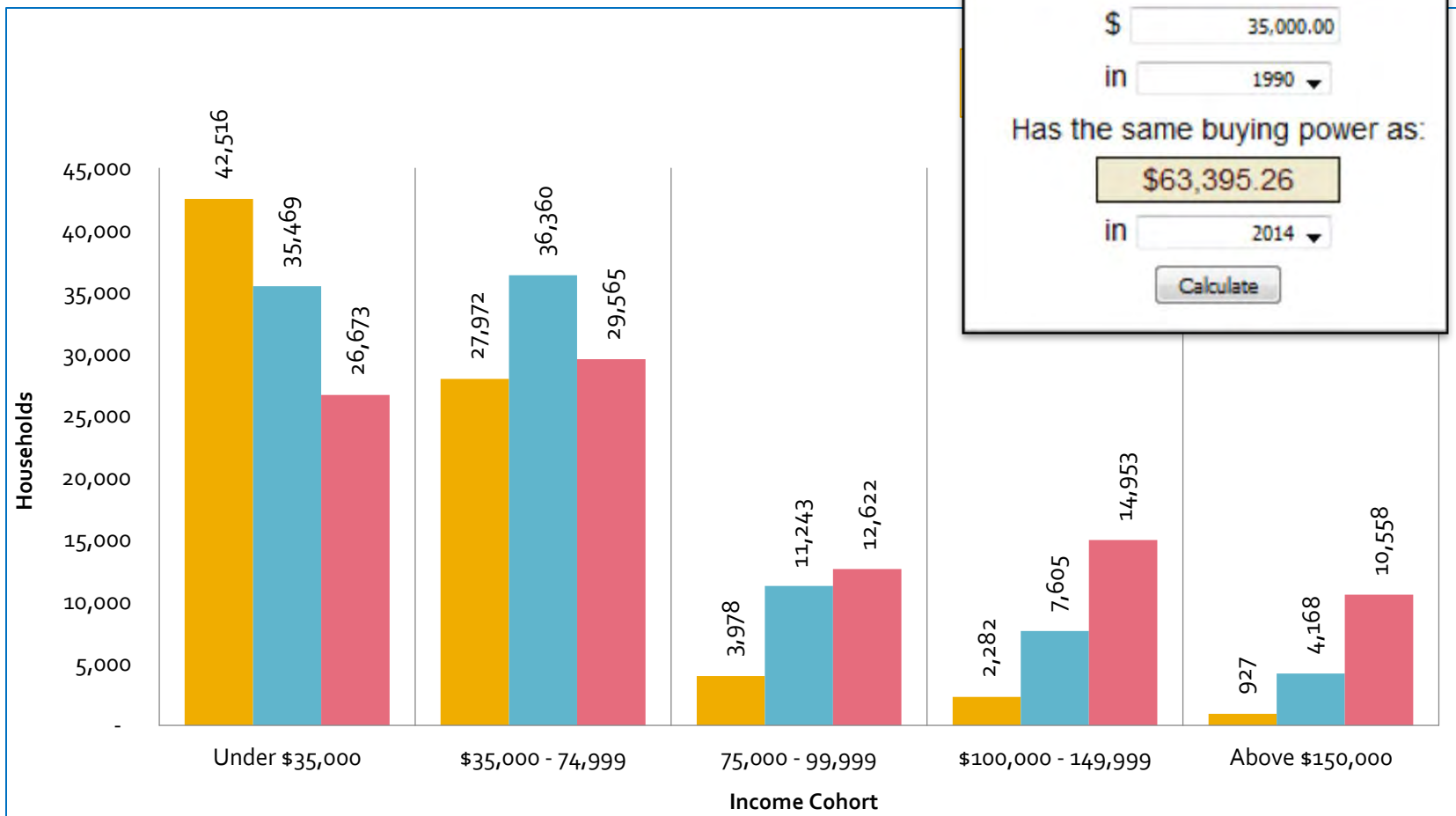
## ■ Wages paid by Barnstable Employers

- Wage by Industry Group Relative to the US
- Average Weekly Wage Adjusted for Inflation



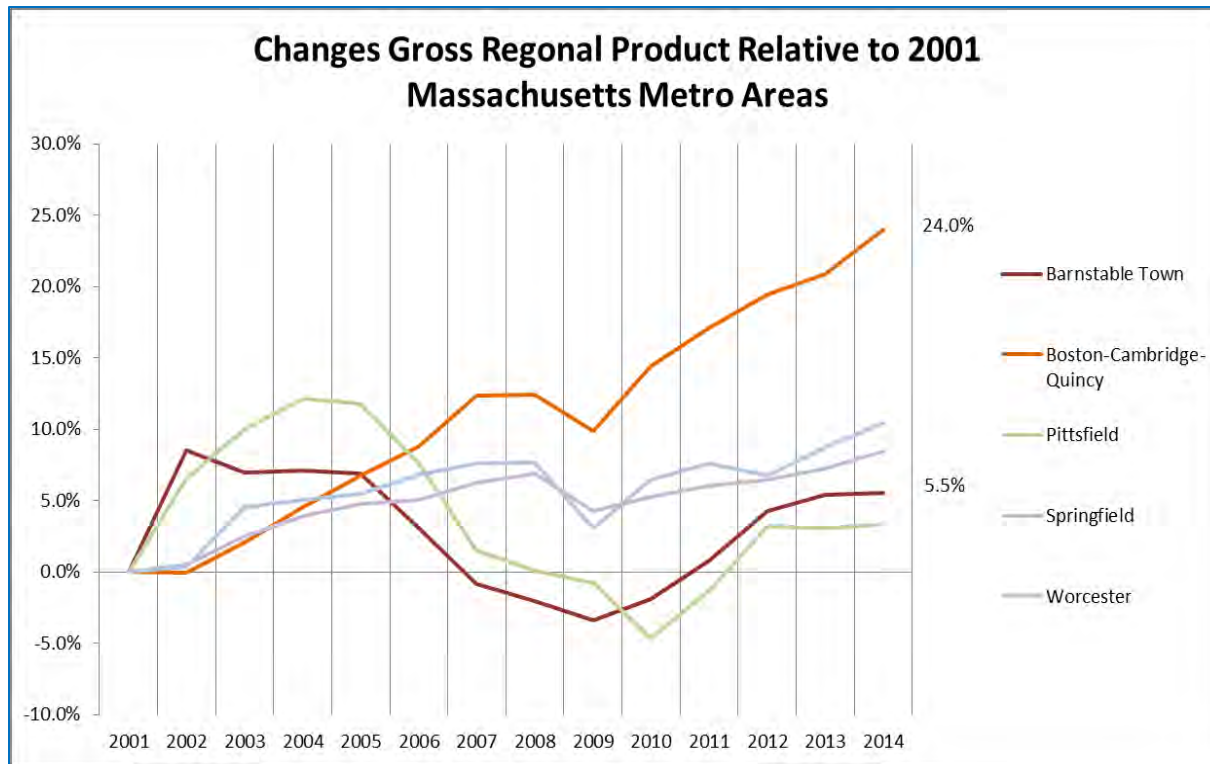
# Evaluating the Region

## ■ Household Income Distribution



# Evaluating the Region

## ■ Gross Regional Product



2 million below 2002 peak

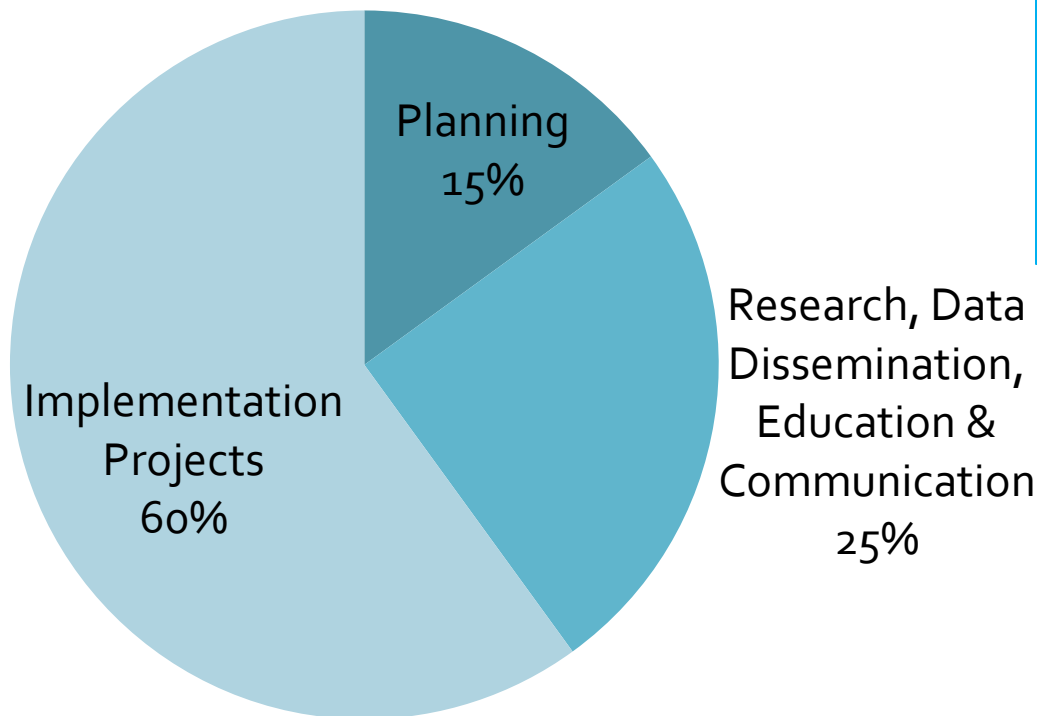
**9.7 Billion**

# Evaluating the Annual Work Plan

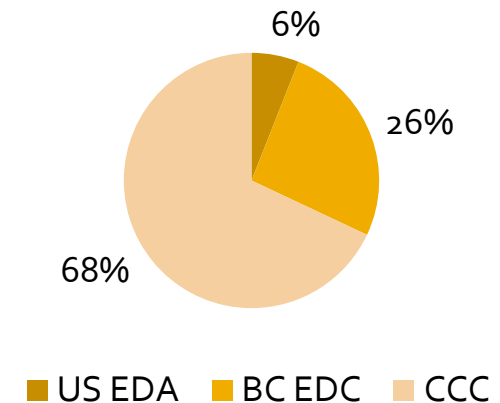
- Planning
  - Regional Plans: RPP, CEDS
  - Planning Assistance to Towns and the Tribe
- Research, Data Dissemination & Outreach
  - STATSCapeCod.org
  - BART
- Implementation Projects
  - Regional Priority Projects
  - RESET – Targeted Town Technical Assistance

# Evaluating the Annual Work Plan

Level of Effort

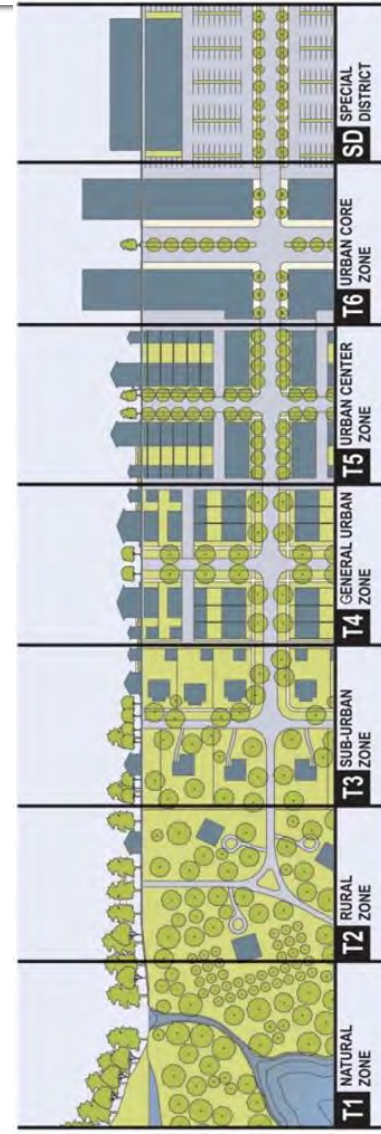


Implementation Funding



# Evaluating the Annual Work Plan

- Planning
  - Regional Policy Plan
    - Activity Center Mapping
    - Regional Capital Planning
    - ED & Affordable Housing Planning Drafts
  - Misc. Planning Assistance
    - Assisting Wampanoag Tribe with CEDS
    - Dennis 4oR
    - Affordable Housing Consolidated Plan





# Evaluating the Annual Work Plan

- Research, Data Dissemination & Outreach

- STATSCapeCod

- Regular Maintenance
- Initiated Upgrade & Re-design



- BART:

- Second Home Economy Analysis;
- Development Patterns Analysis



- Second Home Owner Research RFP Issued

# Evaluating the Annual Work Plan

- Implementation Projects - Highlights
  - Regional Priority Projects



Commuter Rail Impact Analysis



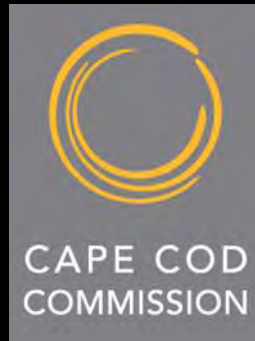
# Evaluating the Annual Work Plan

- Implementation Projects - Highlights
  - RESET Projects



# Selected Goals for Year 3

- RESET Projects in Falmouth, Hyannis
- STATSCapeCod Upgrade
- Pursue EDA Grant Funding for Wastewater Infrastructure & Entrepreneurship
- Cape Cod Infrastructure Bank - outreach & draft legislative language
- Targeted Investment Strategy based on the Regional Land Use Vision Map and the Regional Capital Infrastructure Plan
- Climate Change Resiliency Planning and Economic Impact



The CEDS Annual Report will be available on the Commission website

**[www.capecodcommission.org](http://www.capecodcommission.org)**





CAPE COD  
COMMISSION

## Appendix 6: CEDS Approval by the Cape Cod Commission



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BARNSTABLE, MASSACHUSETTS 02630



CAPE COD  
COMMISSION

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JUNE 30, 2016

Ms. Linda Cruz-Carnall, Regional Director  
Economic Development Administration  
U.S. Department of Commerce  
Philadelphia Regional Office  
The Curtis Center, Suite 140 South  
601 Walnut Street  
Philadelphia, Pennsylvania 19106-3323

Dear Ms. Cruz-Carnall :

Please accept the enclosed Cape Cod Comprehensive Economic Development Strategy (CEDS) Annual Report for Year 2 of our 2014 CEDS 5-Year Plan. The Annual Report has been approved by the CEDS Strategy Committee (the Cape Cod Economic Development Council) and by the Cape Cod Commission.

The CEDS continues to give focus to the region's economic development efforts and spur collaboration among stakeholders across the region. Our success is in part due to the support of EDA through three short-term planning grants, designation as a Economic Distress District (EDD), and a subsequent partnership planning grant. Past EDA funding has been paired with increased investment by Barnstable County for the implementation of the CEDS.

The enclosed Annual Report documents our progress over the past year towards strengthening our regional economy and implementing the CEDS strategy. The report tracks the health of the regional economy, the effectiveness of the CEDS planning process to develop regional partnerships, and the accomplishments over the past year in terms of the implementation plan and the regional priority projects.

We look forward to your review of the Annual Report and thank you for your support of our local process.

Sincerely,

Paul Niedzwiecki  
Executive Director

Richard Roy  
Commission Chair



## CAPE COD COMMISSION

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