



Local Economy

1. **BACKGROUND**: The following provides a brief overview of general data and trends related to our local economy which is a critical factor in the financial vitality of our community. Links to websites and programs for more in-depth information are embedded throughout the text.

Data/Trends:

- Seasonal tourism dominates our economy with many lower wage service jobs. Our economy is also strongly related to services for second home owners and retirees.
- Retail trades, accommodations/lodging, food services/drinking establishments, health care, and construction are the dominant industries in Yarmouth.
- Job numbers have recovered in Yarmouth since the Great Recession of 2008 but growth lags behind both the State and Barnstable County.
- Median household income in Yarmouth trails behind Barnstable County and the State.
- Little to no population growth is anticipated in Yarmouth (or the Cape overall), with trends toward fewer children, fewer working age adults (25-64) and gains in older adults, resulting in a declining labor supply which can impact business development and expansion.
- Limited affordable housing impacts competition for and availability of workers, which impacts the economy and increases traffic congestion as workers commute from off-cape.
- Attractiveness for housing in Yarmouth as a second home and as a business model (Airbnb) reduces availability of year round affordable housing.
- New Growth (investments in major improvements, expansions or new development as a percentage of total property tax levy) is less than 1% in Yarmouth, whereas the average in Massachusetts is about 2%. Higher new growth rates often indicate a location's appeal for businesses investment. Doubling Yarmouth's new growth rate would add over \$400,000 annually to the property tax revenue without impacting the tax rate.
- Yarmouth relies heavily on residential tax revenues, with a stagnant 7% commercial tax base in Yarmouth (compared to 10% in Barnstable, and 15% in Provincetown). New growth and larger scale investments in commercial/industrial properties is needed to shift this dynamic.
- New Growth in Yarmouth is hampered by lack of wastewater infrastructure. The economic benefits of wastewater was analyzed in a [Wastewater Infrastructure's Effect on Economic Opportunity in Yarmouth](#) Report prepared by the UMass Donahue Institute in November 2018. These benefits include increased private and public investment, increased property tax base, job creation, more affordable housing, and preservation of our valuable environmental resources that fuels our tourism economy and quality of life. Construction of the municipal system itself will result in significant direct and indirect economic benefits.
- Meals and Rooms tax contribute \$3.5 million to our annual Town revenue. Although Barnstable and Yarmouth generate about the same in annual room tax revenues, Barnstable generates higher revenue per establishment, which may be related to some of the aging hotel/motel stock in Yarmouth which is not keeping pace with vacationer expectations.
- On-line hotel bookings are increasing price competition resulting in lower net revenues.
- With a short tourism season, our economy is vulnerable to weather and natural disasters.
- COVID-19 has had serious impacts on our businesses and our economy. There is the potential for significant impacts to local revenues such as meals and rooms tax, fees, licenses and



permits for Fiscal Year 2021 (FY21). With this in mind, the FY21 budget was developed assuming a 33% reduction in local receipts and a 20% reduction in state aid, which could have an impact on Town services and projects in the coming year.

- OpenCape fiber optic broadband is available all along Route 28, offering faster and more reliable handling of data for businesses and telecommunication.

Studies and Reports: Additional information can be found at:

- **Housing Production Plan (HPP):** The 2016 HPP contains general information on demographic and employment data, in addition to housing specific goals and objectives.
- **STATSCapeCod:** This website provides an overview of all Massachusetts Towns including data on demographics, housing, workforce and industries.
- **LCP Economy Development Chapter 10:** Although the Economic Development Chapter of the Local Comprehensive Plan (LCP) was completed in 1999, this Chapter still contains relevant information on economic goals, assets, obstacles and strategies, as well as highlighting the progress we've made in many areas.

2. EXISTING PROGRAMS/PROJECTS/INITIATIVES: Yarmouth has many different programs and initiatives that promote economic development in our community.

- **Tourism Revenue Preservation Funds (TRPF):** Established in 2008 and overseen by the Community and Economic Development Committee (CEDC), the TRPF is funded from a portion of local rooms and meal tax receipts and is used to support and grow Yarmouth's tourism industry including grants for Physical Improvements, Marketing and Special Events. These funds have been used to contract with the **Yarmouth Chamber of Commerce** to expand marketing efforts and to provide visitor services and event coordination.
- **CPA Public Investment:** The Community Preservation Act (CPA) is funded through a surcharge on property taxes. These funds are used to support affordable housing, historic preservation, open space and recreation and is often used as seed money to match other grant opportunities. These public investments in our community help to make us a more desirable community for our residents and encourage business opportunities.
- **Opportunity Zone (OZ):** An Opportunity Zone has been designated in South Yarmouth which stretches from Parker's River to Bass River and includes Route 28 and South Shore Drive. The Opportunity Zone Program provides incentives for investment by offering favorable tax treatment on capital gains for those investing in designated OZ areas.
- **Business Permitting Guide:** The Town created a Business Permitting Guide to help business owners navigate the municipal permitting and licensing process. This user-friendly guide enables the public to better understand the various permit processes and the key departments and contacts who can help them.
- **Zoning Opportunities:** Yarmouth's zoning bylaw, specifically our optional overlay districts, provides many opportunities for higher density housing and mixed use projects that include design standards and affordability requirements.
- **Growth Incentive Zone (GIZ):** Yarmouth's GIZ currently encompasses 35 motel properties along Route 28 and allows for larger redevelopment without going through the Cape Cod Commission (CCC) Development of Regional Impact (DRI) review process which can be costly and time consuming.
- **Municipal Wastewater:** The Town and Water Resources Advisory Committee (WRAC) have been working diligently on evaluating options for a municipal wastewater system including a regional collaboration through a Dennis/Harwich/Yarmouth (DHY) partnership, reviewing cost recovery plans, developing educational materials and conducting public outreach meetings, including regular updates to the Board of Selectmen. The WRAC webpage contains a



significant amount of information on the Town's ongoing municipal wastewater initiative to promote clean water for our community and promote redevelopment.

- **PACE Financing:** Yarmouth recently became the first Town on Cape Cod to opt into the Property Assessed Clean Energy (PACE) program offered by MassDevelopment. PACE is a new mechanism to finance energy improvements on commercial and industrial properties in Massachusetts. The program allows for financing of comprehensive energy upgrades through a betterment assessment which allows for a longer payback period of up to 20 years.
- **Community Development Block Grants (CDBG):** CDBG funds can be used for activities that help prevent or eliminate blight. This can be useful along our commercial corridors to assist property owners in removing or improving deteriorated structures or properties.

3. WHAT'S IN THE WORKS:

- **Municipal Wastewater and Land Use Controls:** As documented in the UMass Donahue Institute Report, municipal wastewater is a key ingredient to unleashing pent-up redevelopment demand which would generate new growth revenue for the Town and spur economic revitalization. The Town is moving forward with a municipal wastewater system and looking at a cost saving regional approach. Anticipated for the 2020 Fall Town Meeting are multiple Articles related to various ways to fund the wastewater initiative. Initial funding for design and permitting of a wastewater system was approved at the 2020 Annual Town Meeting. While the project is being designed, the Town will be working on Land Use Controls that limit and regulate sewer allocations and growth to remain within our estimated build-out projections. These could include modifications to the Zoning Bylaw, new Board of Health Regulations and new Sewer Use Rules & Regulations.
- **Local Comprehensive Plan (LCP) Update:** A LCP certified by the Cape Cod Commission (CCC) would allow the Town to modify or create a new Growth Incentive Zone (GIZ) in areas with infrastructure. A GIZ modifies the CCC DRI review thresholds making it easier and less costly for developers to move forward with their projects. A key component of the LCP will be a capital infrastructure plan, with an emphasis on our wastewater planning. The Town is starting the update to our LCP with a Visioning Process in 2020/2021.
- **Riverwalk Park:** The Drive-In Site Utilization Committee (DISUC) worked for years to identify uses for the vacant 22 acre former drive-in site at 669 Route 28 before settling on the creation of a Riverwalk Park, Boardwalk and open Event Space. As our economy is heavily reliant on tourism, having high quality recreation destinations in the heart of our commercial corridor along Route 28 will encourage people to come to Yarmouth and enjoy what our businesses and community has to offer. COVID-19 created an interim business opportunity for the site as a drive-in venue showing drive-in movies/live shows throughout the 2020 summer/fall seasons. These events have been an economic draw for Yarmouth during a truncated tourist season and provided a unique pilot study opportunity to evaluate future special event uses for the site.

4. THINGS TO THINK ABOUT: Now that you have had an opportunity to learn a little bit about our Economy in Yarmouth, bring your thoughts and ideas to the Workshops or include them in your Survey responses. Some things to think about include:

- What strengths do we have regarding our Economy?
- What economic initiatives are we doing successfully?
- What challenges do you see related to our Economy?
- Are there issues and influences holding us back?
- What opportunities could we tap into to address these challenges?
- Is the Town spending its time and resources on the right projects or initiatives?
- If not, where should we be spending our time and resources?
- How does our Economy impact your vision for Yarmouth's future?

