

ECONOMICS

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6. ECONOMICS

Overview

Chatham's economy is similar to the region's in its high percentage of households with retirement income and its high percentages of persons employed in retail trade and services; but, there are differences. Chatham has twice the Cape Cod average of self-employed persons, a higher-than-regional average number of fishermen, and more highly valued residential properties.

Residents are employed in diverse occupations and businesses. All sources of data indicate that the dominant employment sector in Chatham is services. In part, this is because government employment reports include so many occupations within this category and, in part, because Chatham has numerous over-night accommodations, health-care facilities, and professionals, all of which are classified as service industries. Although numbers vary by source, the second largest employment sector is retail trade, including restaurants. The fishery industries, construction, banking and real estate sectors are just behind services and retail trade in employment importance, with the numbers among these sectors about equal.

The pattern of Chatham's personal income illustrates the town's demographics: the percentage of Chatham households with income from social security is twice the state-wide average, and a far higher percentage have income from pensions. The high percentage of retirement households in Chatham is an economic strength since their income brings funds to Chatham from outside sources. An income statistic of concern is that Chatham's median family income is lower than state and county averages, reflecting heavy employment in service and retail jobs characterized by low wages. The town's economy as a whole has offsetting assets, but families with below-average-incomes do not.

Among Chatham's assets are its residential properties. Residential property owners pay more than 90 percent of the town's taxes, and valuations are increasing. Chatham's tax base is one of the state's highest. The town's average, single-family house value is almost one and one-half times the state average. Because there are over 3000 houses that are occupied only seasonally, (more than one-half of the houses in town), combined with the reasonable assumption that those who can afford second homes have above-average incomes, it can be assumed that second home owners comprise a significant, although undocumented, portion of the town's economy. Besides being the primary support for town government, and its almost 300 employees, residential property also contribute through household purchases of retail goods and services and through payments to local building contractors for construction of new houses and alterations to existing ones. Construction of new houses on vacant lots was slower

in the 1990s than during previous decades, but in 2002, the amount of money invested in both new houses and alterations to existing houses was \$46 million, more than twice what was spent only five years earlier.

During the year 2000, reported Chatham fish landings were almost \$15 million, and the town's 2001 shellfish harvest was \$5.6 million. Both fisheries face threats — the fin fishery from federal restrictions and harbor access and shellfishing from closures because of pollution and from a possible federal closure of the Monomoy flats. Chatham's fishermen remain an important resource not only for the town but for the entire New England region.

To year-round residents it may not ring true, but Chatham is correctly described as a "resort community." This is, after all, a town whose population is estimated to be three times greater during mid-summer than mid-winter. It could well be that the primary economic contribution of short-term, summer, visitors is their pattern of liking what they see, returning for extended stays, buying a vacation house and, (for many), making this house their retirement home. Unfortunately, there is no statistical source for the number of Chatham's day-trippers or the amounts they spend locally, but we do know, via room occupancy tax revenues, that year 2001 payments for over-night accommodations were roughly \$12 million. The down side of the growing summer population is the congestion it brings to the town's streets and parking spaces. On the positive side is the extent to which it gives the town "an easily absorbed source of growth...and financial growth year after year." (Chamber of Commerce, 1997.)

In summary, this is a town that does not need to undertake drastic actions to turn its economy around, or even to promote expansion, yet there are challenges which town policies and actions need to address. We cannot expect this small town, located on a peninsula jutting 60 miles out to sea, to have it all, but there should be recognition of the elements of its economy that need strengthening, and commitment to do something about them. For one thing, the preservation of the town's natural resources and physical attractiveness should be fundamental in an economy with a large numbers of retirees and second homeowners, (who can live wherever they want), and with a large segment of its employment in businesses catering to visitors.

The following Goals and Policies are key to sustaining Chatham's healthy economy and to addressing identified issues.

Goals & Policies

6.0 Overall Goal

Maintenance of a vital economy that will benefit all residents.

6.1. Goal

Preservation and protection of the town's natural resources and unique character which are vital to maintaining the town's economic viability, including its attractiveness to retirees and second-home owners who are a mainstay of the local economy.

Policies:

A. Preserve the town's environmental quality in view of its importance to the economy of the town.

1. Support provisions of this comprehensive plan proposed to protect drinking water supplies. (EE1)
2. Support provisions of this plan proposed to protect coastal water quality. (EE2)
3. Support provisions of this plan concerning the disposal of waste water and solid waste. (EE3)
4. Support provisions of this plan managing the use and development of commercial properties. (EE4)

Preserve the community's character in view of its importance to the economy.

1. Preserve Chatham's walking downtown, one of the few remaining on the Cape, with its attractive store fronts and an interesting mix of retail businesses. (EE5)
 - a. Support the recommendations set forth in the Community Facilities and Open Space and Recreation elements for upgrading safety and facilities for visitors downtown.
 - b. Encourage local ownership of commercial properties
 - c. Encourage public-private partnerships to address downtown issues.
 - d. Preserve the appearance through limiting outdoor display of commercial goods.
2. Support the provisions of this comprehensive plan proposed to protect community character, including implementing the neighborhood center concept, requiring off-street parking to the side or rear of buildings, controlling the size and scale of buildings, improving the appearance of commercial signage and providing service roads with limited access to Rte. 28 regulating site grading and clearing. (EE6)
3. Prevent commercial sprawl along Rte. 28 through the following: (EE7)
 - a. Support the provisions of this plan aimed at concentrating retail stores and services to already developed areas or neighborhood centers. (EE7)
 - b. Support the provisions of this plan calling for rezoning of areas between proposed neighborhood centers to residential. (EE7)
4. Preserve the appearance of Rte. 28 through limiting of outdoor display of commercial goods. (EE8)

5. Support provisions in this plan proposed to protect historic properties. (EE9)
6. Maintain the present boundaries of industrial areas except that expansion of the district into adjacent lands may be recommended to Town Meeting by the Planning Board provided that the land is found to be suitable for industrial use and that detrimental impact to adjacent properties can be adequately mitigated. (See Land Use section) (EE10)

6.2 Goal

Continued viability of the fishing industries and preservation of the town's maritime heritage.

POLICIES:

A. Provide facilities to serve the fishing fleet.

1. Continue to provide and operate mooring areas and facilities at Aunt Lydia's Cove for the fishing fleet and ensure that the channel is maintained to the Fish Pier at Aunt Lydia's Cove. (EE11)
2. Continue to maintain safe mooring areas and support facilities in Ryder's Cove and Stage Harbor for fishing vessels. (EE12)

B. Support regional and local efforts to maintain the viability of the fishing industry.

1. Support efforts of local fishermen to shape regulation of the fishing industry. (EE13)
2. Implement provisions of this plan proposed to protect the water quality of the town's harbors and embayments. (EE14)
3. Continue to support regional efforts to improve the marketing of local fish by participating in the programs and sponsoring or supporting grant applications and other program funding efforts. (EE15)

C. Provide support to the shellfish industry.

1. Continue and expand the town's shellfish seeding and propagation programs to sustain resources. (EE16)
2. Implement policies in the Stage Harbor Management Plan and maintain and improve town landings to serve the shellfish industry. (EE17)

Explore the appropriateness and economic viability of aquaculture in support of the fishing industry. (EE18)

6.3 Goal

Harmonious co-existence of tourism and residential uses.

POLICIES:

- A. Support the Chamber of Commerce's efforts to manage rather than promote tourism. (EE19)**
- B. Support the provisions of this plan to improve parking facilities, institute shuttles to landings and beaches, and construct toilet facilities. (EE20)**
- C. Provide town financial assistance to activities performed by the Chamber of Commerce that benefit the town as a whole. (EE21)**
- D. Ensure that rental units, including summer rentals, are kept in safe and decent condition by establishing a mandatory rental inspection program. (EE22)**

6.4 Goal

Improvements in incomes and housing prospects of low-wage Chatham workers.

POLICIES:

- A. Continue to actively work with the Lower Cape Cod Community Development Corporation in providing technical assistance and micro-loans to the area's small businesses. (EE23)**
- B. Implement the proposals in this plan for increasing affordable housing in order to assist in improving economic conditions and job opportunities. (EE24)**
- C. Encourage businesses to provide housing for their seasonal employees. (EE25)**

- D. Encourage home occupations to the extent that they are in keeping with other provisions of this plan. (EE26)**
- E. Encourage Cape Cod Community College and other agencies to provide programs meeting the educational and retraining needs of area residents and to establish satellite facilities for the convenience of Lower Cape residents. (EE27)**
- F. Support the provisions of this plan for zoning changes and programs to meet the community's need for affordable housing. (EE28)**
- G. Develop information to assist businesses in understanding and navigating the permit approval processes required by the town. (EE29)**
- H. Recognize the need of fishermen to use their property for storage of equipment in active use. (EE30)**

6.5 Goal

Implementation of the provisions of this plan addressing economic issues and coordination with economic development efforts of the area's regional agencies.

POLICIES:

- A. Establish an Economic Development Committee to coordinate activities addressing the town's economic issues as identified in this plan. Specifically, the Task Force would: (EE31)**
 - 1. Work toward promoting year-round employment for Chatham residents. (EE31)
 - 2. Work toward seeing that services needed by Chatham residents are available. (EE31)
 - 3. Publicize town and regional programs to increase local participation and benefit. (EE31)
- B. Continue to participate in the area's regional agencies involved in economic development to ensure that their programs are designed and geared to address Chatham's economic issues. (EE32)**

