

Economic Development



Snow's, Orleans Village Center

6. Economic Development

6.1 Overview

The purpose of this chapter is to identify strategies that will improve year-round employment opportunities and balance the needs of businesses and consumers, while maintaining the character of the town. It is the intention of this Plan to improve the quality of business activity, not to encourage new growth.

The essential economic nature of Orleans is that of a cross-road town with a wide range of established small businesses and services. It is, and most likely will continue to be, an economic center for surrounding towns as other communities' commercial centers are less well developed and have a narrower range of products and services.

Orleans has a seasonal economy that is affected by shifts in the population during various times of the year. These seasonal fluctuations are common throughout Cape Cod and can be broken down into three primary groups of people: year round residents, seasonal residents and summer visitors. The summer population is estimated to triple from the base population for Orleans.

From an economic standpoint the calendar year can be divided into 3 separate and distinct periods.

- Peak season: June through August. The economy is functioning at its highest volume of trade. The base population of 6,692 (2004 Town Clerk) triples during peak season to reach over 20,000.
- Spring and Fall: September through December and May through June. The volume of economic activity is moderate. Population estimates for this time period are difficult to determine because the population is transient during these months.
- Winter: January through April. The amount of economic activity is at its lowest with a base population of approximately 6,692, as of 2004. In addition, an increasingly, large component of the population spends part of the winter in warmer climates.

Seasonal fluctuations in population impact the types of businesses that locate in Orleans and the times of their operation (both hours and months). This in turn, impacts employment opportunities and the diversity of services available.

The town is economically influenced by the relative desirability of the community as a place to live, work and visit. The Town's geography and environment provide the primary magnet for a residential location, more so than economic opportunity. For many, however, the choice of

Orleans as a residence is influenced by the range and quality of products and services provided by the business community.

Orleans has other characteristics which contribute to its economic well-being such as highway accessibility, a variety of business types as well as a number of the same type of business for comparison shopping and cultural and sports *venues* such as Snow Library, the Academy of Performing Arts, and the Eldredge Park field.

Overall, Orleans has a relatively healthy economic base. The nonresidential tax base is a higher percentage of the total assessed value than our surrounding communities but equal to the Cape Cod average. The high percentage of seasonal homes helps keep the cost of municipal services down; and when this is combined with a strong nonresidential base, the Town is able to maintain a relatively low tax rate. Unemployment levels fluctuate seasonally but have been consistently lower than the monthly averages for Barnstable County. In addition, the monthly unemployment rate during the winter season has decreased in recent years as the labor force has increased, indicating a strong job market overall.

Orleans' economic prosperity primarily comes through revenue generated by consumer spending by residents (retired, year-round and summer), tourists, and regional shoppers as well as residential development, regional commercial services, and a small industrial base.

6.2 Goals & Policies

Goal

To promote business and a level of activity that is compatible with Orleans' environmental, cultural, and economic strengths in order to ensure balanced economic development.

Policies

- Village centers should be maintained by concentrating small-scale retail, office, and community activities within these areas.
- Larger retail and other commercial activities should be concentrated where adequate infrastructure is available.
- Economic development should contribute to the existing character of the Town.
- Resource-based economically productive areas including agricultural land, harbors, fishing grounds, and recreational areas should be maintained. The Town should recognize the benefits of traditional occupations and continue to foster their viability.
- Tourism that builds on the historic, natural and recreational resources of Orleans and the surrounding towns should continue to be a component of the Town's economy.

Goal

To direct future development to locations that can support those activities and not adversely impact the environment.

Policies

- Industrial development should only be accommodated in the Industrial District.
- Business development should be located in designated nodes of activity.
- Compact forms of development and redevelopment and, where appropriate, mixed use residential/commercial development, should be encouraged in order to minimize land consumption to protect open space and to direct development to activity nodes.

Goal

To encourage the creation and diversification of employment opportunities.

Policies

- The Town should facilitate businesses that provide quality year-round employment.
- The Town should accommodate and support home-based businesses that are compatible with residential neighborhoods.
- Improvements to the telecommunications infrastructure should be encouraged and supported.

6.3 Inventory

6.3.1 Economic Profile

Business Locations

Commercial development in Orleans is primarily located in the northwest area of town. The largest concentration of commercial development is located along Route 6A from the Brewster line to the Eastham Rotary. This area is zoned primarily as General Business [GB] or Limited Business [LB]. The Town also has three village areas. The Village Center is located along Main Street and Route 6A. The East Orleans Village is further east along Main Street where it merges with Beach Road. Finally, the South Orleans Village, which is the smallest of the village centers, is situated at the intersection of Route 28, Route 39, and Quanset Road in the southern end of

the Town. The Village Center is zoned VC while the East and South Orleans villages are zoned Rural Business [RB].

The Industrial District is located south of Finlay Road, to the east of Route 6. The area is a mixture of wholesale, warehousing and light manufacturing businesses. This area contains the greatest potential for increasing nonresidential land uses that contribute to the tax base and provide employment opportunities. This issue is examined in greater detail in the Business Potential section of this chapter.

Number of Businesses/Demographics

The Massachusetts Department of Employment and Training (DET) publishes information regarding employment and wages in Massachusetts communities. This information represents the jobs available in various sectors within a particular town but does not indicate whether or not these jobs are held by Orleans residents. The data are for establishments that are subject to unemployment compensation laws, and thus exclude very small businesses and self-employed persons. Firms that either hire no employees or have only part time workers may not show up in the data.

According to DET there were 479 establishments subject to unemployment compensation laws located in Orleans in 2003, while in 1993 there were 404 such establishments. This is an overall increase of 75 establishments in the last 10 years, or an average of 7.5 new businesses per year. The table below shows the last decade of employment and wage data for comparison.

Table 6- A: Employment and Wages in Orleans
(establishments subject to compensation laws)

Year	Number of Establishments	Total Employment	Total Annual Payroll	Average Annual Wage
1993	404	3505	\$69,916,813	\$19,948
1994	420	3527	\$73,283,182	\$20,778
1995	440	3722	\$80,073,539	\$21,514
1996	455	3743	\$85,167,885	\$22,754
1997	465	3909	\$93,050,198	\$23,804
1998	487	4091	\$104,208,859	\$25,473
1999	483	4268	\$114,131,200	\$26,741
2000	467	4391	\$121,966,590	\$27,776
2001	467	4366	\$126,464,343	\$29,016
2002	472	4312	\$129,735,767	\$30,108
2003	479	4357	\$134,783,756	\$30,940

Source: Massachusetts Department of Employment and Training, 2003.

Wholesale & Retail Trade

There are 14 establishments within the wholesale trade SIC code. The retail SIC classification is a large component of Orleans' economic base with 103 establishments. This category includes retail establishments that cater to local residents, tourists, and some businesses. These types of businesses are located throughout Orleans in village areas and in more intensive business zones.

One of the most significant components of the retail classification is eating and drinking establishments.

Services

The services sector consists of the largest number of businesses. The largest segments of this sector are business services (photocopying, building maintenance and computer services, etc.) health services, and personal services (dry cleaners, beauty/barber shops, diet centers, etc.).

Manufacturing/Transportation & Communication

There are a total of 14 manufacturing businesses in Orleans, most of which are located in the Industrial District or along Route 6A. These primarily include business such as fiberglass boat construction and fabrication businesses.

Construction & Landscaping

The number of construction establishments and corresponding employment levels are significantly impacted by economic cycles. During strong economic times construction activity increases with the addition of new homes and businesses. Landscaping is a seasonal industry in Orleans, though much of the work may be performed during the "shoulder seasons" when people are opening or closing businesses and homes. There are 58 construction establishments. These businesses include electricians, painters, and plumbing and heating services.

Fishing/ Farming¹

The town has a well established fishing industry made up of commercial fishermen and a charter fleet of deep sea fishing boats for hire. This industry is not a major factor in the economy, but it does provide employment and is a tourist attraction. It is part of the fabric of the community and should be encouraged to remain economically viable. Several lobster and fishing boats are stationed in Nauset Harbor and Pleasant Bay. In addition, Rock Harbor contains the largest charter fishing fleet on Cape Cod.

¹ *The Commonwealth's judicial system has recently classified aquaculture as farming, not fishing. However, for continuity within this Plan, we classify aquaculture as fishing.*

Shellfishing plays an important role in the community. In 2003, there were 198 commercial and 1,051 recreational shellfishing permits issued. It is estimated that commercial shellfishing provides full-time employment for approximately 50-75 residents. The Town currently has 24 acres of tidal fishing flatlands granted for aquaculture (a total of 24 grant holders). These grants bring in revenue dollars to the town's economy through sale of shellfish to local and non-local markets (*see the Natural Resources chapter*)

Tourism

Tourism plays a significant role in the Cape Cod economy. Many visitors come to enjoy the beaches, the quiet pace of the Cape, seasonal art shows and cultural performances.

The types of businesses that can be categorized as "the tourism industry" vary from one community to the next and encompass a variety of SIC categories. In Orleans the key tourism economic sectors are retail and service which account for roughly 311 establishments. If the construction industry is also considered, which mainly serves the second home market, another 58 establishments can be added to the total. While many of the establishments cater to year-round residents, in addition to seasonal residents and seasonal visitors, the tourism industry plays a substantial role in the success of a business in Orleans.

Retiree Population

Orleans has the oldest population in the Commonwealth with a median age of 55, and is home to many retirees'. Studies suggest that the spending of each retiree household is the equivalent of 3.7 factory jobs in dollars added to the local economy². From a statistical standpoint, retirement households do not require as many tax-supported services as do young families with school-age children. Tax-supported social and health services, however, do tend to increase with a retiree population.

Retiree households generally require more home maintenance services, such as housekeeping, lawn maintenance, and home upkeep. In addition, retirees contribute to the labor pool usually as part-time employees. They often seek limited hours to avoid exceeding Social Security salary caps. In balance, the retiree population in Orleans contributes a significant value to the year-round economic health of the community.

6.3.2 Employment

Employment in Orleans Businesses

The following table shows the latest available trends in different SIC sectors or business and employment categories. Over the years, the number of establishments subject to unemployment

² Charles F. Longino, Jr., Sociology professor at Wake Forest University

compensation laws continues to rise with the largest growth in the Wholesale and Retail Trade sectors. .

Table 6- B: Employment by Sector in Orleans 1993-2001

Year	Establishments	Total Employment	All Govt.	Construction	Manufacturing	Transp Comm Utilities	Wholesale & Retail Trade	FIRE	Services
1993	404	3505	478	107	234	111	1611	293	648
1994	420	3527	496	115	234	107	1651	252	646
1995	440	3722	522	105	241	102	1792	277	711
1996	455	3743	552	113	230	93	1709	284	716
1997	465	3909	553	118	242	103	1777	284	783
1998	487	4091	581	129	242	74	1898	284	834
1999	483	4268	604	149	238	77	1962	304	880
2000	467	4391	628	154	224	83	2040	308	885
2001	479	4366	645	164	208	85	2022	301	876

FIRE= Finance, Insurance, and Real Estate

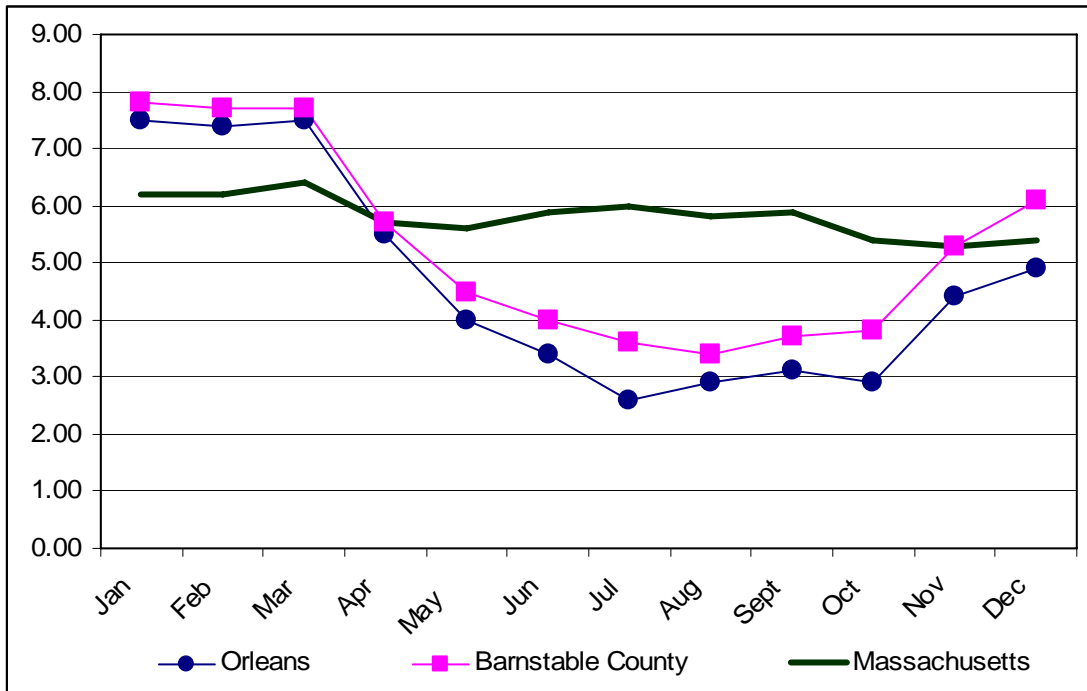
Source: Massachusetts Division of Employment and Training

In general, Cape and Islands economy is based on small businesses 63% of the region's companies employ fewer than 20 people. By dividing the total number of employees by the number of establishments, the average company size in Orleans for the year 2001 was calculated to include about 9 employees. It is important to note that the total number of establishments includes government entities as well as private businesses. Since data is not available on the number of establishments per sector in Orleans, it is not completely clear how many establishments might be represented by the government sector. For purposes of this analysis, it is assumed that the government sector consists of three establishments (federal, state and local). If the total employment is reduced by the number of government employees and the number of establishments reduced by 3, the average company size in 2001 is calculated to include 8 employees.

Employment and Unemployment Rates

Many businesses in Orleans have wide seasonal employment fluctuations due to the cyclical nature of tourism. Even in the best of times, employment falls off in the winter. Unemployment fluctuates at a level normal for a seasonal community and in recent years has generally been lower than other towns on the Cape. As shown below, the unemployment rate in Orleans in 2003 was lower than that of Barnstable County. Both the Town and County unemployment rates varied according to season, while in comparison, the State unemployment rate remained relatively steady throughout the year. The unemployment rates for both Orleans and the County were below the rate for the State during the summer months, and higher during the winter season.

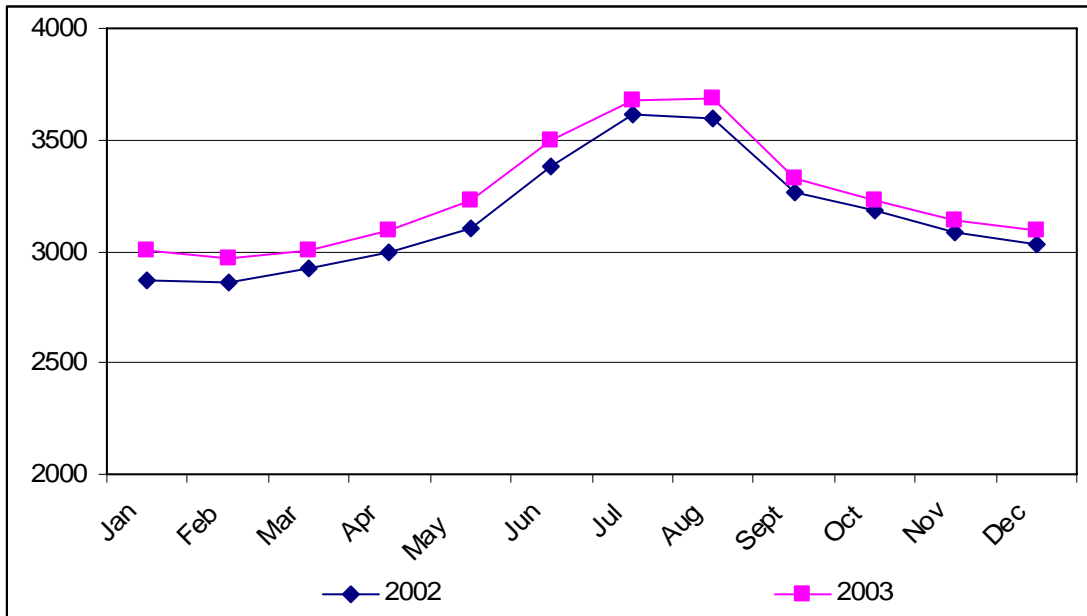
Figure 6 - A: Unemployment Rates by Month for 2003



Source: Massachusetts Division of Employment and Training

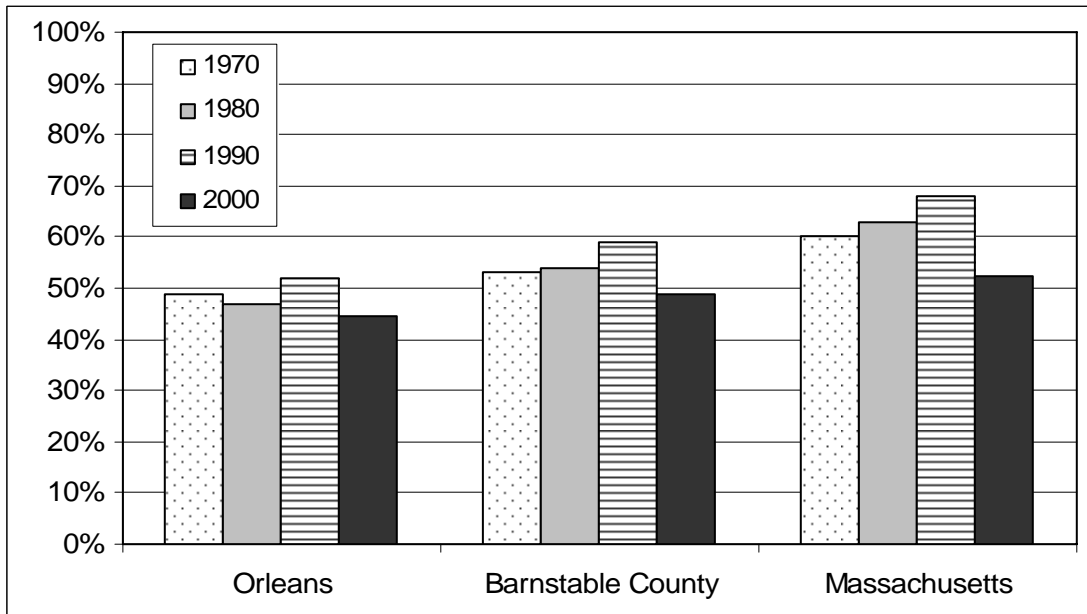
The analysis of employment and unemployment trends is complicated by the fact that many non-residents come to Orleans during the summer months to take advantage of seasonal employment opportunities. This is reflected in the varying sizes of the labor force during the summer months. The labor force is defined as the number of persons employed or actively seeking work. As indicated below, the Town's labor force expands during the summer as seasonal businesses open and attract non-resident employees. Overall, the size of the labor force increased in 2003 and yet unemployment levels decreased, indicating a stronger economy for employment opportunities than in 2002.

Figure 6 - B: Orleans' Labor Force by Month, 2002-2003



In comparison with Barnstable County and the State, a smaller percentage of Orleans' population participated in the labor force. This can be attributed to the relatively large size of the retiree population as a percentage of the total population.

Figure 6 - C: Percent of Population in Labor Force, 1970-2000



Source: 2000 U.S. Census / Cape Trends

Between 1990 and 2000, the percentage of the population participating in the labor force decreased in Orleans, the County and the State. The decrease in the percentage of the population participating in the work force in Orleans a function of the high retiree component of the population. After all, Orleans has the oldest population in the state and 6 out of the 10 oldest communities in the state are located in Barnstable County.

Home Occupations

According to the U.S. Census, there has been an increase in the number of persons working at home in Orleans, Barnstable County and the State. In, 1980 , 74 people worked at home, in 1990 239 people worked at home and in 2000, 205 people worked at home. These figures are significant as they represent 8% of the work force in 2000. Orleans has a large share of stay at home workers as compared to Barnstable County (2.8%) and in Massachusetts (3.1%). Changes in work life due to technological advances lead to an expectation that this trend will increase.

Commuting Patterns

A common trend shared by Orleans, the County and the State is the increase in the number of workers using private automobiles. There is an increase in the number of people driving alone to work and a decrease in the number of people car-pooling.

Table 6 - C: Means of Transportation to Work for Orleans Residents 16 years and Older

Means of Transportation	Number	Percent
Automobile (drove alone)	1981	80.7%
Automobile (carpooled)	88	3.6%
Public Transportation	28	1.1%
Bicycle	5	.2%
Walking	115	4.7%
Other Means	34	1.4%
Worked at Home	205	8.3%

Source: 2000 U.S. Census

As shown below, 47% of employed residents worked in Orleans in 2000 while the rest primarily worked in other Cape Cod towns. Only 6.2% commuted to areas off-Cape. This is comparable to the commuting patterns of the last decade as nearly half of the Town's residents continue to work in Town.

Table 6 - D: Commuting Destinations
of Orleans Residents, 2000

Destination	Number	Percent
Orleans	1,159	47.2%
Brewster	196	8.0%
Barnstable	156	6.3%
Eastham	118	4.8%
Chatham	66	2.7%
Harwich	80	3.3%
Dennis	63	2.6%
Yarmouth	220	9.0%
Wellfleet	109	4.4%
Falmouth	23	0.9%
Other Cape Towns	72	4.0%
Off-Cape	152	6.2%
Total Workers	2,455	100.0%

Source: US Census, 2000

As shown below, only 32% of local jobs are held by local residents (includes self-employment). The largest shares of nonresident employees come from the surrounding towns of Brewster, Eastham and Harwich, a travel pattern that has existed for over 10 years.

Table 6 - E: Commuting Origins of Orleans Workers, 2000

Origin	Number	Percent
Orleans	1,159	31.8%
Brewster	583	16.0%
Eastham	455	12.5%
Harwich	277	7.6%
Chatham	103	2.8%
Barnstable	179	4.9%
Dennis	208	5.7%
Wellfleet	104	2.9%
Yarmouth	149	4.1%
Sandwich	56	1.5%
Bourne	75	2.1%
Falmouth	70	1.9%

Mashpee	41	1.1%
Off Cape	176	4.8%
Total Workers	3,635	100.0%

Source: US Census, 2000

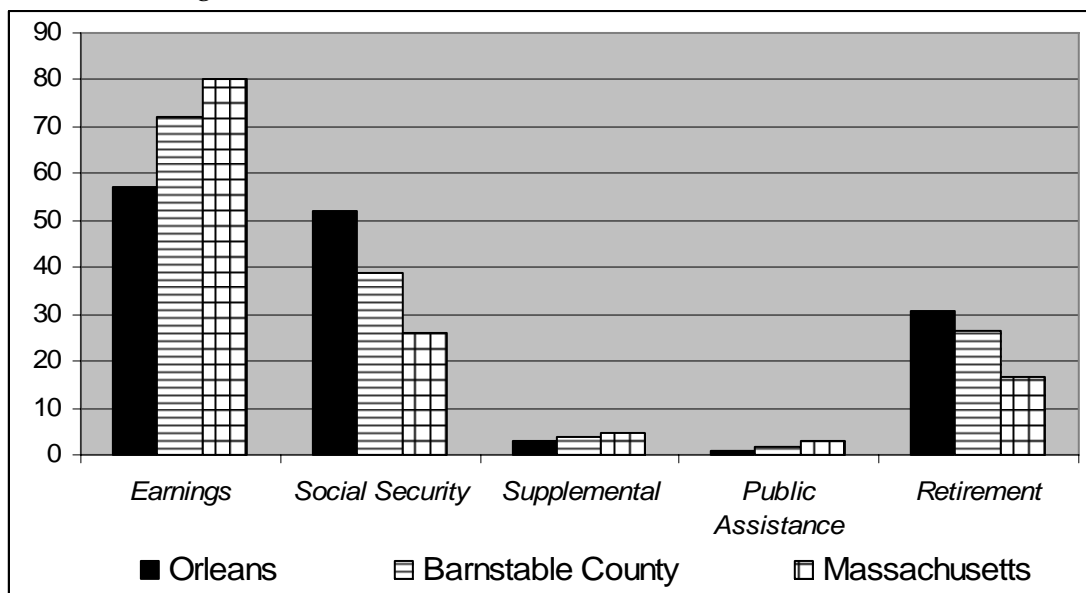
6.3.3 Income and Wages

Residents of Orleans receive income from sources which include wages and salary, self-employment income, social security income, retirement income (including investment income), rental income, and public assistance. Household incomes may include payments from one or several of these sources. For example, a household may have a combination of retired, employed and self-employed persons.

The following Figure compares sources of income for the Town of Orleans and Barnstable County and State according to the 2000 U.S. Census. Compared to Barnstable County, a greater percentage of households in Orleans received income from social security, rental and retirement income. Conversely, 72% of households in Barnstable County received wage or salary income compared to 57% of households in Orleans. These differences are attributable to the higher median age of Orleans residents and the corresponding higher proportion of retirees.

The percentage of households receiving public assistance was relatively low for both Orleans and Barnstable County, with 2% of Barnstable County households and less than 1% of Orleans households receiving income from public assistance.

Figure 6 - D: Sources of Income for Orleans Residents, 2000



Source: 2000 U.S. Census

6.3.4 Tax Base Trends

The FY 2004 tax rate of \$4.41 generated a total tax levy of \$13,796,000. The total assessed value for the Town that year was \$3,128,390,680. In the recent past, the Town has experienced a significant rise in all real estate values. The table below shows the tax value for residential, commercial and industrial properties over the last 3 years. In that time period the highest rate of increase is amongst the residential properties. This increase includes both increased value and new growth added to the Town.

Table 6 - F: Summary of Orleans' Tax Value, Levy, and Rate
in Thousands of Dollars

	2002 (X 1000)	2003 (X 1000)	2004 (X 1000)	% Increase 2002 to 2004
Residential	\$2,135,454	\$2,294,011	\$2,879,108	35%
Comm. / Ind.	\$139,675	\$154,250	\$172,381	23%
Personal Property	\$33,714	\$34,052	\$39,453	17%
Total Assessment	\$2,335,951	\$2,512,449	\$3,128,391	34%
Tax Levy	\$12,521	\$12,864	\$13,796	10%
Tax Rate	\$5.36	\$5.12	\$4.41	

Source: Town of Orleans

6.3.5 Marketing Advisory Groups

Chamber of Commerce

The Orleans Chamber of Commerce is the only non-governmental economic development organization in town. The Chamber consists of approximately 300 members. The Chamber has been able to receive funding from Town Meeting for specific projects such as the following:

- Salaries for staffing, production of pamphlets, and capital improvements to the Information Center;
- Route 6 signs;
- Financial support of beautification projects sponsored by the Orleans Improvement Association.
- Web promotion of accommodations, local dining establishments, and local events.

Other Groups

At a regional level, several organizations have been established to deal with economic issues on Cape Cod. The Lower Cape Cod Community Development Corporation (CDC), of which Orleans is a part, has developed a small business loan pool, a seafood marketing campaign, and

a Cape Cod products catalogue and has been active in housing projects. The Cape Cod Center for the Environment and a Sustainable Economy has encouraged programs demonstrating how environmental protection can work in conjunction with economic development in areas such as eco-tourism, environmental technology, and sustainable food production. Other active groups include the Cape Cod Chamber, Cape Cod Technology Council, and the Business Roundtable.

The Cape Cod Economic Development Council is responsible for marketing the industrial areas and vacant commercial space on Cape Cod. In addition, the Council, Lower Cape Community Development Corporation, Cape Cod Community College, and Service Corps of Retired Executives are expanding efforts to provide technical and financing assistance to existing and prospective businesses.

6.4 Analysis

6.4.1 Economic Development Benefits

Economic development serves three basic purposes in a community: providing jobs and income, providing services desired by residents and visitors, and providing a tax base that helps to pay for the provision of public services and facilities. These three aspects of economic development are analyzed below in order to determine Orleans' priorities.

Providing Jobs and Income

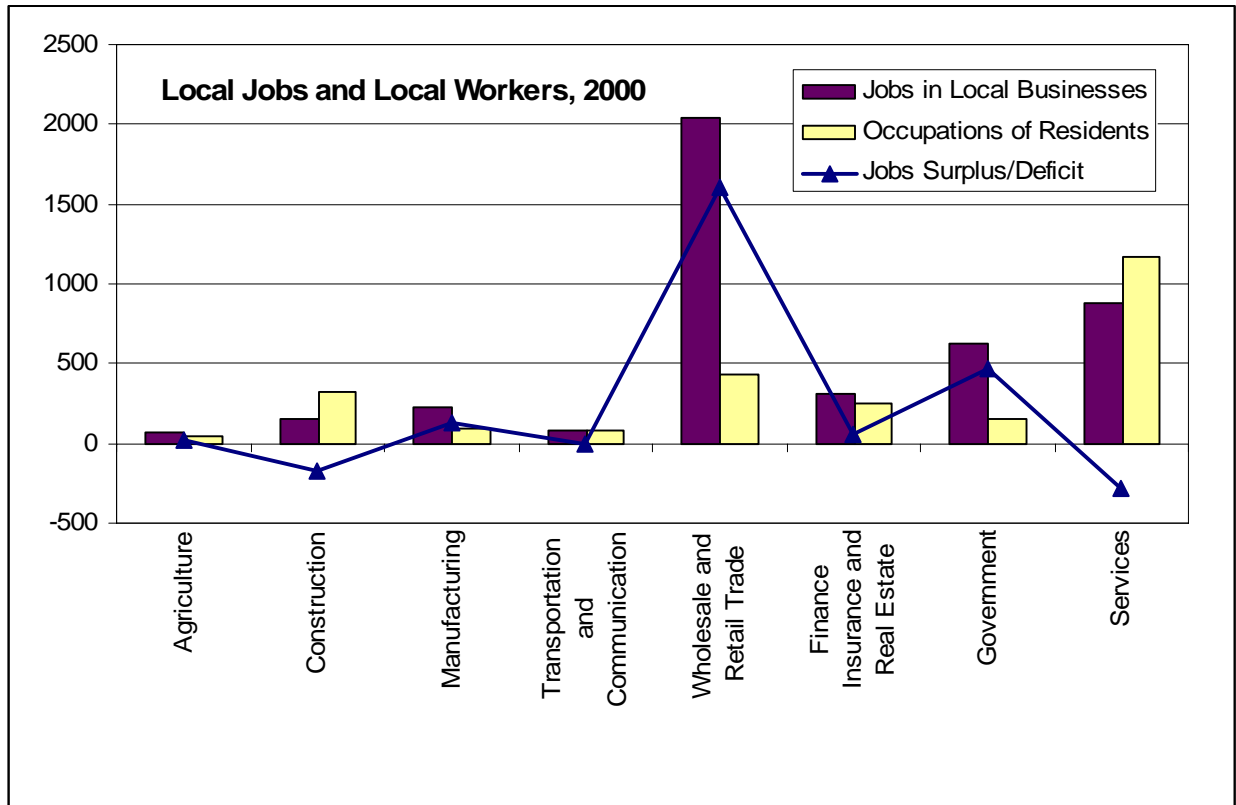
As described in the inventory of employment section, the total number of jobs available in Orleans in 2000 was 4,391, and the average unemployment rate was lower than for the Cape as a whole. Based on these statistics, Orleans' economy is currently providing sufficient employment for its labor force. However, it should be noted that the skills of the labor force may not match the available jobs. In addition, since the town's economy is an integral part of the regional economy, the jobs-to-worker relationship should be examined on a larger scale. It should be noted that due to the availability of more jobs than there are local workers, Orleans "imports" employees.

Only 57% of the population depends upon wages for income due to the high number of retirees in Orleans. Therefore, less than 2/3 of Orleans' population is dependent upon local employment opportunities as a source of income.

In order to begin to assess the degree of match between worker skills and available employment, the occupation of residents can be compared to the number of establishments by sector. The figure below presents the average number of jobs in each sector that existed in Orleans in 2000 (total employment of 4,391) and the number of Orleans residents who were working in each sector in the same year (total employed of 2,555). The line represents the differences between the jobs in Orleans and the occupations of Orleans residents in each sector. Positive values mean that there were more jobs in Orleans than residents working in that sector (i.e. a job "surplus" in that sector), while the negative values mean that there were more Orleans

residents working in the sector than jobs available in the town. There were job surpluses in the Trade, FIRE (Finance Insurance & Real Estate), Government and Services sectors, indicating that non-residents were filling many of these positions. The high number of jobs in the Wholesale/Retail Trade sector may be due to the relatively high number of shopping centers and restaurants in Orleans as compared to other areas. The surplus in the Government sector may be attributable to the presence of the Nauset Regional School District, which has both the Middle School and Administrative Offices in Orleans.

Figure 6 - E: Job Surplus and Deficit in Orleans, 2000



In contrast, there are more residents employed in the Construction and Service sectors than there are jobs in Orleans for these sectors.

Once again, it should be noted that the seasonal nature of employment opportunities in the Cape Cod region results in fluctuating unemployment rates throughout the year. One of the objectives of the Town should be to encourage more year-round employment opportunities through encouragement of businesses that have a more stable year-round market, and which therefore serve the needs of year-round employees. (ED-1)

Seasonal businesses have a problem finding qualified labor during the busy season. Housing costs on Cape Cod are high in the summer, making it difficult for workers to find seasonal housing. Affordable housing strategies are discussed in the Affordable Housing Chapter which could improve this situation.

Providing Services

As noted above, Orleans is relatively self-sufficient in providing goods and services to residents and visitors due to its cross-roads location and the variety of the type and scale of commercial uses. The village center provides small restaurants and specialty shops as well as municipal services and other convenience goods. The larger commercial areas cater to both local and regional customers by providing grocery stores, retail chains and more intensive commercial services.

Providing a Diverse Tax Base

The 2004 commercial and industrial portion of Orleans' property tax base is 7%, slightly higher than surrounding towns of Eastham and Brewster but less than other Cape towns like Provincetown, Yarmouth, Bourne and Barnstable. On average, the Cape Cod commercial and industrial tax base for FY 2004 comprises 7% of a community's total tax base while at the State level it comprises 24% of the total tax base.

The Town's financial strategy is enhanced by the number of residential properties that are only occupied during the summer months, thereby reducing the year-round demand on municipal services. According to the 2000 U.S. Census, 60% of housing units are classified as "year-round" while 40% are seasonal (in addition many of the year-round units are not actually occupied during the winter months). Thus, about 40% of the residential tax base does not represent a year-round demand for most municipal services, including education, the costliest single municipal function. Therefore, from the perspective of municipal finance, these seasonally occupied properties have a fiscal impact similar to the commercial and industrial tax base.

It is important for the Town to recognize the value of viable commercial and industrial districts, and work to ensure that local businesses have the opportunity to succeed. To this end, Commercial and Industrial property value trends should be monitored.

6.4.2 Business Potential

The needs and desires for economic development within Orleans are consistent with the objectives identified within the Cape Cod Commission Regional Policy Plan (RPP). The RPP describes a strategy that focuses on the main sectors of Cape Cod's economic base such as promoting off-season tourism, especially activities related to the Cape's environment and history. Managing tourism means targeting an upgrading of the tourist's experience. Investment in the town and how it appears, operates, and accommodates our visiting population will help create a quality tourist experience and keep them returning to Orleans to vacation.

Residents and business owners at the Village Center Workshop expressed a strong desire to create an attractive Village Center oriented toward a pedestrian shopping experience. When asked if they would support the Town be actively involved in shaping the future of business and activities in the downtown 87% of residents and taxpayers agreed (*2006 Resident/Taxpayer*

Survey). The recommended market study should focus on developing a village “identity” that will attract people to the Village Center. (ED-2)

As discussed in the buildout analysis section of the Land Use and Growth Management Chapter, there is 2,097,348 square feet of potentially developable space in Orleans’ business and industrial districts. A large part of this potential increase in space represents the un-built second stories of structures in the business zoning districts. See *Land Use Chapter for description of zoning districts*.

An inventory and assessment of all business zoned land was conducted and the results can be seen below. The results of the analysis indicated that there were approximately 548 acres of commercial property at that time, 46 of which were vacant.

Table 6 - G: Business and Industrial Property, 2004

Zoning District	Total # Lots	Total Acres	Total Vacant Lots	Vacant Acres
General Business*	125	177	12	11
Limited Business	127	140	10	7
Rural Business	44	33	7	3
Industrial	90	98	17	13
Village Center	106	92	0	0
Marine Business	9	8	0	0
Total	501	548	46	34

Source: Orleans 2004 Assessor’s Records

Improvements

The Commercial and Industrial Districts have potential for further development, especially re-development. Much of this development potential is possible through infill or more intensive development of existing business properties. Although constraints such as environmental issues, lack of wastewater management systems and traffic management concerns do exist, and may limit infill, development and redevelopment has been occurring.

Commercial additions and alterations have increased in recent years as many of the existing commercial properties undergo updates. From 1983 to 2004 alterations to commercial properties have been steady at an average of 18 alterations a year. From 1995 to 2004 the Town has seen that level of activity rise to an average of 31 alterations a year (for further information on Commercial and Industrial Build-out potential see the Land Use Chapter).

The appearance of the districts could be improved through landscaping and screening (HC-16) as described in the Design Guidelines section of the Historic Preservation and Community Character chapter. Many properties have made such improvements as part of the Site Plan Review process as they have undergone re-development.

Access improvements are being planned and implemented where possible to alleviate traffic and safety issues and improve the attractiveness of the commercial and industrial districts. The re-design of Skaket corners (see Transportation section) will provide decreased delays at the Town's busiest intersection. Planned improvements to Lots Hollow Road and Eldredge Park Way would improve truck and heavy vehicle access from Rt 6A and Rt 6 to the Town's Industrial District, landfill, and public skating rink. The pending re-design and construction of Rt 28 and Finlay/Pond Road will improve safety and access to the Industrial District from the east.

Consistent with efforts to promote infill development and build-out of the Industrial District, the Town should consider designating the Industrial District as an Economic Opportunity Area in order to provide business development incentives. (See discussion of EOAs below as well as recommendation. (ED-4)

The General Business District also contains many parcels with moderate to high development potential. This district should contain more concentrated business nodes rather than continuing the pattern of commercial strip development that has emerged. Three major existing nodes of development have been identified. Skaket Corners, Cranberry Plaza, and the Village Center are all considered to be nodes along the commercial strip of the Business corridor that runs along Route 6A. In 2001, the area between Skaket Corners and the Village Center was reclassified as a limited business district to discourage "commercial strip" development. The areas between Village Center and the Cranberry Cove Plaza should be considered for "downzoning" to a more restrictive business zone (i.e. General Business to Limited Business), so that the current uses are maintained without creating a non-conformity with the zoning. This will help larger new developments locate in the more permissive zone that exists in the nodes identified above. (ED-5)

The Village Center contains no vacant land. However, new development and redevelopment has been occurring. Zoning should allow this area to remain a vital part of the community. Development policies should discourage strip mall development and promote a pedestrian friendly environment. This means ensuring that buildings are sited close to the street, with parking to the side or rear, and that sidewalks, pathways, and crosswalks are designed to facilitate pedestrian movement. (ED-6) The amount of activity can be enhanced by encouraging the mixed use of structures (ED-7) and allowing outdoor cafe style seating for restaurants (ED-8). Infrastructure improvements such as wastewater management systems should be implemented as described in the Comprehensive Wastewater Management Plan. Further suggestions for enhancing this area are included in the Design Guidelines section of the Historic Preservation and Community Character chapter.

The Town should explore a variety of financing and business incentive options in order to take advantage of the remaining business development potential, and to encourage re-investment in existing properties. Specific strategies could include the creation of business loan pools, facade improvement programs, tax increment financing, and the establishment of the Village Center as an Economic Opportunity Area. (ED-4, ED-9, ED-10, ED-11)

An Economic Opportunity Area (EOA) is a State designation of an area with a particular economic need or priority for development. The purpose of an EOA is to encourage businesses

to expand, relocate, or build new facilities in order to create permanent new jobs within the Area. Municipalities must offer such businesses local real estate tax incentives, either a Special Tax Assessment or Tax Increment Financing.

Projects within EOAs benefit in the following ways:

- 5% State Investment Tax Credit;
- 10% Abandoned Building Tax Credit;
- Priority for State capital funding
- Municipal Tax Incentives

A Special Tax Assessment is a five-year program that phases in the payment of property taxes on new facilities. This relieves the business of some costs during the early years of operation. Tax Increment Financing (TIF) is an agreement between the municipality and the land owner that exempts property taxes for up to twenty years, based on the value of new construction being added. Such agreement may include a percentage tax reduction or a payment in lieu of taxes, and must be coupled with an agreement by the business to a certain level of construction activity within the time period.

Construction & Landscaping

The need to improve permitting processes has been documented. Some areas that can be improved include accessibility, efficiency, consistency, and public comprehension of the permitting processes. (ED-12)

Fishing / Farming

Off-shore fishing, shellfishing, and aquaculture, have had a significant influence on Orleans' history. Recent surveys and other public input indicate that these activities should be nurtured in the future to help maintain the character of the Town. The industry is part of the fabric of the community, and should be encouraged so that it remains economically viable. To this end, the Town has endorsed the Pleasant Bay Management Plan and has re-established its Shellfish Advisory Committee.

It will be important to increase the shellfish stocks to ensure that shellfishing is a sustainable industry in the future. The current policies for shellfish grants should be reviewed and updated where appropriate. (ED-13)

Home Occupations

Due to the improvement in technology and infrastructure, a sizable retirement population, and the desire to live in Orleans, home occupations have become an increasingly common business option. Many retiree's move to Orleans and often remain working out of their homes as part time consultants.

The current Town Bylaw defines a home occupation as including:

“carpenters, electricians, painters, plumbers, paperhangers, shellfish opening and the storage of fishing equipment as customarily carried out in the town, masons, radio and television repairs, dressmaking, hand laundering, home handicrafts, home cooking, lawn mower and bicycle repairs, the practice of any recognized profession and any other similar nature which may be approved on Special Permit by the Board of Appeals, provided that there is no outside display of goods.”

The specific nature of this list of occupations should be flexible enough to accommodate changes in technology and business types, but restrictive enough to protect the residential character of the neighborhoods. Occupations and professions that may be conducted as a home occupation should be identified. A home occupation should be authorized as a secondary use of a residence. (ED-14)

6.4.3 Tourism Economy

Tourism is largely based on the attractiveness and appeal of a particular destination. Therefore, it is important to protect the “product” (i.e., the town) that one is attempting to sell. Places that are attractions in and of themselves, such as the Village Center and beaches, are what people want to visit, rather than a particular store or restaurant. Therefore, it is important to consider the preservation of the Town character and the environment as vital components of tourism in Orleans.

The Chamber of Commerce estimates that 25,000 people come to its Information Center each year between June and November. The beaches, Rock Harbor, the Village Center, and the newly extended Cape Cod Rail Trail are just some of the attractions in Orleans which draw visitors. In addition, Orleans also serves as a gateway town for the Cape Cod National Seashore and its 2.5 million annual visitors, as well as Nickerson State Park that operates at full capacity during the summer months.

Although it is evident that tourism is an important part of the town’s economy, it is difficult to arrive at a firm estimate of exactly how much of Orleans’ total economic activity is attributable to the tourism industry. The inventory section of this chapter indicates that almost 50% of the businesses in Orleans could be categorized as being at least partially dependent on the tourism industry. Eating establishments and hotels/motels are most directly impacted by the tourism economy. As of FY2003, the State room occupancy tax resulted in a total revenue to the Town of \$315,954, a 6% increase from FY2002.

Many residents have expressed concerns regarding the increase in traffic volumes during the tourist season. This is especially true in the Village Center. The issue of traffic and its ramifications are discussed in detail in the Transportation Chapter.

A recent trend that may impact tourism in Orleans is the conversion of overnight accommodation to multi-family housing. In some instances hotels that have become old and “functionally obsolete” have been converted to owner occupied housing units. If this continues

to happen it could have a significant impact on vacancy rates during the summer season and possibly room tax revenue. Ultimately as the properties go from being part of the commercial tax base to the residential tax base it could cost the community in increased services.

6.4.4 Marketing & Outreach

Educational Opportunities

Better education and job training are essential to economic development. High-quality work skills can enable a worker to take advantage of new occupational opportunities as they arise. A high-quality work force is also an attractive asset for a business to consider in locating in a particular community. Cape Cod Community College, Massachusetts Maritime Academy, college extension programs available throughout Cape Cod, and local school systems need to focus on teaching the skills that are needed in today's work world.³

A significant proportion of Orleans' local economy is retail or service related. Additional job training for the service-related industry to cater to the town's summer visitors would be beneficial to the work force. Such "awareness" programs have been offered in the past by the Chamber of Commerce. In addition, training for specialized services which meet the needs of the elderly would be useful (e.g., home health care and computer technology).

6.4.5 Economic Development Issues & Concerns

Orleans is fortunate in that it is relatively self sufficient as an economic unit because most goods and services are available locally. In contrast, most of the surrounding communities (Brewster, Eastham, Wellfleet and Truro) contain small scale business and service uses that cater primarily to tourists. They must rely on establishments located in Orleans to provide larger scale operations such as grocery stores and retail chains. The limited commercial character of the surrounding communities is likely to remain much as it is, although East Harwich offers a large supermarket and significant specialty retail outlets. While there may be an increase in commercial activities in these communities, many residents throughout the region will still travel to Orleans for basic products and services. While the community is divided as to whether or not Orleans should pursue a role as a regional hub, this Plan recognizes that regional shopping establishments exist. The town should ensure that these regional shopping businesses are managed in such a way that they do not detract from the town's character.

The Town recognizes that the quality of the environment is the most important factor in its economic well being. Consequently, future economic development must adhere to environmentally sensitive practices in order to preserve the natural qualities of Orleans.

³Cape Cod Commission Regional Policy Plan, 1996, page 61.

A number of residents perceive the town's main business area as a conglomeration of commercial and service buildings searching for some degree of coherence. To others, Route 6A is a less than attractive main road with a series of unattractive parking lots. A comparison of residential and commercial build-out has shown that business districts are larger than needed. These districts have led to strip development along the principal streets and a clutter of signs and lighting configurations which do not add to the attractiveness of the town. Detailed analysis should be performed to: 1) obtain an accurate current business inventory, and 2) determine possibilities for creating more concentrated business nodes. (ED-15) A public wastewater management system will be necessary in order for desirable village densities to be reached in these areas (refer to Community Facilities and Natural Resources Chapters).

The nonresidential portion of the tax base has remained relatively stable over time. The nonresidential portion of the tax base can increase in two ways: (1) by increasing the number of nonresidential properties through new development; and (2) by increasing the value of existing properties. Orleans' primary objective is to maintain stable non-residential property values through encouraging infill development within business nodes and reinvestment in existing property. It is important for the Town to continue to monitor tax base trends so that high quality municipal services can be maintained.

Traffic continues to increase as the population increases and businesses develop. As discussed in the Transportation Chapter, traffic congestion is a major concern in the Village Center. Options for reducing traffic flow were suggested during the Village Center Workshop and participants agreed that there is a need for more directional signs in the Village Center to direct people to appropriate parking locations, to beaches, and to connecting roadways. (ED-6) Orleans needs to develop a strategy to effectively address traffic congestion.

Although Orleans is a cross-roads community, the distance to major urban centers can be a deterrent to some larger businesses. However, due to improvements in technology, Orleans can overcome many of the region's traditional geographic barriers to doing business in a national and even international marketplace.

The seasonal nature of the regional economy results in higher unemployment levels during the off-season. While unemployment levels have been decreasing during the winter months, the encouragement of more year-round employment opportunities should be pursued. There is potential for addressing this issue within the Industrial District.

The local economy relies heavily on building construction and home services, and as the community grows there will be a need for space from which to operate such businesses. The Industrial District should be oriented toward meeting the business needs of small, owner operated service businesses.

6.5 Implementation Program

	Action	Time for Completion	Resources Required	Lead Responsible Agency
ED-1	Develop a plan to attract enterprises that have a year-round customer base.	FY 07-10	M	Planning Department
ED-2	Perform a market feasibility study to determine the types of desirable businesses for Orleans.	FY 07-10	M	Planning Department
<i>ED-3</i>	<i>Perform a consumer preferences study to determine what viable businesses or services are needed.</i>	<i>Addressed See Appendix</i>	<i>M</i>	<i>Planning Department</i>
<i>ED-4</i>	<i>Explore the feasibility of establishing as an Economic Opportunity Area (EOA) the business district on Route 6A from the Eastham line to the intersection of Route 6A & Route 28, and for the Industrial District, to allow the Town to participate in State economic development programs.</i>	<i>Addressed See Appendix</i>	<i>L</i>	<i>Planning Department</i>
ED-5	Focus the concentration of business growth to established commercial nodes by amending the Zoning Map to limit growth on Route 6A, particularly between Skaket Corners and Orleans Marketplace.	Ongoing	M	Planning Board
ED-6	Develop a cohesive Village Center Plan to address such issues as traffic, parking, signs, streetscape, pedestrian linkages, and building facades.	FY 07-10	H	Planning Department
ED-7	Amend Zoning Bylaws to encourage mixed use of downtown buildings by allowing retail, office, service and residential uses on different floors of the same structure.	FY 07-10	L	Zoning Bylaw Task Force
ED-8	Revise applicable regulations to increase opportunities for seasonal outdoor cafe style seating for food service establishments.	FY 07-10	L	Board of Health
ED-9	Seek funds for commercial rehabilitation appearance loans through community development grants and other funding alternatives.	FY 07-10	L	Planning Department
<i>ED-10</i>	<i>Investigate and identify Tax-Incentive/Financing programs available to attract investment in existing properties.</i>	<i>Addressed See Appendix</i>	<i>L</i>	<i>EDC</i>
ED-11	Investigate Town-sponsored business development programs to support new and existing enterprises, e.g. loan programs, tax incentives, review of existing rules/regulations, bylaws and fee structures.	FY 07-10	L	Planning Department
ED-12	Improve accessibility, efficiency, consistency, and public comprehension of Town permitting processes.	Ongoing	L	Planning Department

ED-13	Review and update shellfish grant policies to encourage the shellfish industry.	FY 07-10	L	Harbormaster
ED-14	Revise the Zoning Bylaws to provide opportunities for home occupations that are consistent with the Town's character.	FY 07-10	L	Zoning Bylaw Task Force
ED-15	<i>Perform a detailed analysis of all business districts to obtain an accurate inventory of existing uses as well as to determine planning potential, and to build a database.</i>	<i>Addressed See Appendix</i>	<i>M</i>	<i>Planning Department</i>
ED-16	<i>Continue to work with the Chamber of Commerce to plan special events and focus marketing efforts on activities that lengthen the annual tourist season.</i>	<i>Addressed See Appendix</i>	<i>L</i>	<i>Board of Selectmen</i>
ED-17	<i>Consider the designation of the Village Center as a Growth/Activity Center to foster a development style that is consistent with a small, focused community area to minimize further land consumption and preserve open space.</i>	<i>Addressed See Appendix</i>	<i>L</i>	<i>Planning Board</i>