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Memorandum

To	George Meservey, Director of Planning and Community Development Michael Domenica, PE, Program Manager
CC	Betsy Shreve, AICP, AECOM Project Director Aaron Weieneth, AICP, AECOM
Subject	**Town of Orleans, MA** **Water Quality and Wastewater Planning** **Task Number 1.b – Downtown Planning** **Technical Memorandum on Updated Downtown Build-Out Analysis and Land Use/Market Conditions and Development Constraints – Final**
Project Number	60476644
From	Thomas Parece, P.E., AECOM Project Manager
Date	March 13, 2016 (Revised May 4, 2016)

1. Background

This Technical Memorandum on Updated Downtown Build-Out Analysis and Land Use / Market Conditions and Development Constraints presents the results of an updated economic conditions and market trend analysis for the Town Center Study Area, as well as the methodology and results for an updated build-out analysis of the Town Center Study Area based on existing Town regulations and zoning.

2. Introduction

The goal of the Downtown Planning task of the Town of Orleans Water Quality and Wastewater Planning project is to conduct planning and engineering services for development of a Town Center plan that will support water quality and wastewater planning on a sub-watershed basis. The area addressed in this task is the Town Center Study Area, which includes the business districts along the Route 6A corridor as well as some residential use (see Figure 1).

This Technical Memorandum presents the results of two subtasks: (a) updated economic conditions and market trend analysis; and (b) updated build-out-analysis for the Town Center Study Area. The economic conditions and market trend analysis reflects an update to the 2010 Orleans Village Center Economic Analysis conducted by FinePoint Associates, and an expansion of the analysis to include the new Town Center Study Area identified in Figure 1. The build-out analysis is based on existing land use conditions and zoning for the study area, and it is conducted on a parcel basis and categorized by sub-watershed area.

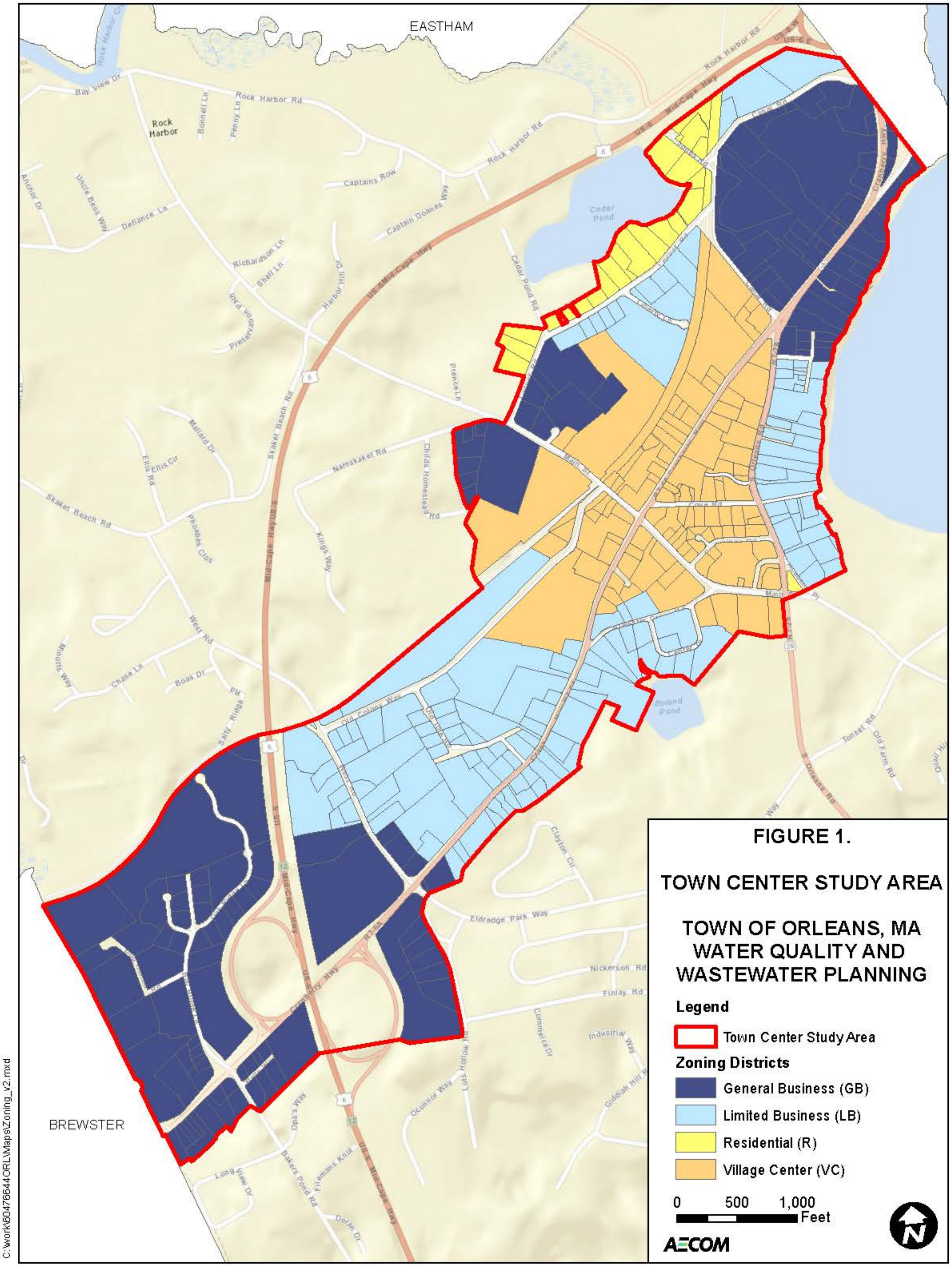
FIGURE 1.
TOWN CENTER STUDY AREA
TOWN OF ORLEANS, MA
WATER QUALITY AND
WASTEWATER PLANNING
Legend
Town Center Study Area
Zoning Districts
General Business (GB)
Limited Business (LB)
Residential (R)
Village Center (VC)
0
500
1,000
Feet
AECOM
EASTHAM
BREWSTER
Rock Harbor
Cedar Pond
Boland Pond
C:\work\60476644ORL\Maps\Zoning_v2.mxd

3. Updated Economic Conditions and Market Trend Analysis

In 2010, FinePoint Associates conducted an economic analysis of the Orleans Village Center and worked collaboratively with the Planning Department, Planning Board, Chamber of Commerce, and interested citizens to develop a set of 24 strategy recommendations along with potential action steps to consider. Many of these recommendations have since been implemented or are underway. As part of the Downtown Planning Task of the Town of Orleans Water Quality and Wastewater Planning project, FinePoint Associates, as a subcontractor to AECOM, conducted an updated economic analysis for the Town Center Study Area, which incorporates the Village Center. This analysis resulted in the production of an *Orleans Town Center Economic Analysis Primer*, which provides information and analysis pertaining to economic conditions and other factors that will inform the Town and appropriate Boards or Committees as they complete the following task: Reassess/reconfirm the vision for the Town Center and selected strategy recommendations that came out of the 2010 economic analysis (particularly those that impact future development and therefore wastewater planning) as well as review any new strategy considerations arising from the 2015 economic analysis.

The Economic Analysis Primer is comprised of three parts:

- Real Estate and Business Conditions;
- Understanding of the Year Round and Seasonal Retail Market; and
- Other Conditions Pertinent to Town Center Planning.

Bulleted highlights from each part of the analysis are provided below, and the Primer is included in its entirety in Appendix A.

a. Real Estate and Business Conditions

Highlights regarding the real estate and business conditions in the Town Center are provided below:

- Over 1.1 million square feet (sf) of commercial space in the Town Center, with a 4 percent vacancy rate;
- 320 businesses, most relatively small (median size is 1,500 sf);
- Most businesses stable or growing; and
- Several restaurants indicated they would like to expand if they could (obstacles cited: wastewater, regulatory or permitting issues, and space constraints).

b. Understanding of the Year Round and Seasonal Retail Market

1) Market Segment Characteristics

Businesses located in the Town Center have the opportunity to attract two major market segments: (a) year-round residents in the surrounding area; and (b) seasonal home population and visitors in the surrounding area. Detail on each market segment is provided below.

- Year-round Customer Base
  - Primary Trade Area: Orleans, Eastham, and a portion of Brewster – 15,000 people;
  - Secondary Trade Area: Harwich to Provincetown – 46,000 people;
  - Wide range of income levels; median household income for the Primary Trade Area is 5 percent lower than Massachusetts, and per capita income is 13 percent higher; and
  - The Primary Trade Areas is well educated and older; 37 percent over age 65 compared to 15 percent for Massachusetts.
- Seasonal Customer Base
  - Day-trippers and motel visitors;
  - Seasonal homeowners and guests: Primary Trade Area – 7,000 seasonal home;
  - Secondary Trade Area – 24,700 seasonal homes; and
  - Seasonal customer base is very important for supporting local businesses (e.g. Orleans year-round population alone could support less than one-third of the businesses in Orleans).

2) Demand vs. Supply (retail and restaurants)

A sales leakage analysis compares the annual sales of businesses within the trade area to the amount and type of annual purchases that trade area residents make. If the expenditures exceed the sales, this indicates that local supply is not entirely meeting local demand. The difference between what the residents spend and what the local businesses are capturing is called “leakage”. This is also sometimes referred to as the “retail gap”. The leakage indicates the amount of market demand that is not being captured; i.e. the amount of sales that are being lost because trade area residents are going outside of the trade area to make purchases. A summary of the leakage analysis results for retail and restaurants is provided below:

- No glaring retail gaps – supply seems close to meeting demand in most categories in Primary Trade Area;
- Clothing and Accessories – showed sales leakage but local apparel;
- General Merchandise category (department stores) – significant sales leakage but limited site opportunity and community interest for large footprint retailers;
- Other categories with modest sales leakage (Secondary Trade Area) – sporting goods/hobby, health and personal care, electronics; and
- Restaurants – did not show sales leakage but we sense there might be market opportunity based on: (a) several local restaurants believe there is adequate market support to expand; and (b) the leakage analysis did not include expenditures of day-trippers and motel visitors –typically high spenders in restaurant category.

c. Other Conditions Pertinent to Town Center Planning

Key considerations regarding the Town's demographic profile and trends as well as housing supply and needs are identified below.

1) Orleans Demographic Profile and Trends

- Approximately 5,700 people live year-round in Orleans;
- Population has declined from a high figure of 6,797 in 2004;
- 43 percent of the population is age 65 or older;
- There is a distinct diversity of household income levels;
- Median household income 5 percent lower than Massachusetts, per capita income is 22 percent higher;
- Small household size – 1.95 (compared to 2.5 in Massachusetts); and
- Aging population and loss of young workers:
  - Over the last 15 years – 34 percent drop in 25- 44 year olds, meanwhile senior population grew by 8 percent; and
  - Young people leave due to lack of: job opportunities, higher education options, social options, housing they can afford.

2) Housing Supply and Needs

- Almost as many seasonal homes as year-round homes;
- Little variety in housing choice;
  - 80 percent single family, 20 percent condos and apartments (compared to 52 percent and 48 percent, respectively, in Massachusetts);
  - 77 percent homeowner, 23 percent rental (compared to 62 percent and 38 percent, respectively, in Massachusetts); and
  - Very low vacancy in rental market.
- High housing cost;
  - Median home value close to $600,000, which is 55 percent higher compared to Cape Cod as a whole (while median household income is only 4 percent higher compared to Cape Cod).
- Housing Needs; and
  - Maintenance-free homes in close proximity to services (condos and apartments) – older population downsizing, do not want maintenance, looking to drive less (cost may be issue for some, for others more about no maintenance and location); and

- Entry-level housing, workforce housing – lower priced homes, more rentals and condos, affordable to young singles and families.

- Continuing Expansion of Arts and Culture.

  - Establishment of cultural district, expansion of programming and facilities.

4. Updated Town Center Study Area Build-out Analysis

a. Build-out Approach

The Town Center Study Area build-out analysis was initiated by reviewing previous relevant planning studies and build-out analyses for the Town, including the following:

- 2004 Orleans Town Center Transportation Study by Judith Nitsch Engineering Inc.);
- 2005 Buildout by the Town of Orleans;
- 2006 Comprehensive Plan by the Town of Orleans;
- 2009 Village Center Vision Statement by the Town of Orleans;
- 2010 Economic Analysis of the Village Center by FinePoint Associates;
- 2010 Comprehensive Wastewater Management Plan by Wright-Peirce;
- 2011 Orleans Village Center Streetscape Plan by the Cape Cod Commission;
- 2012 Cape Wide Buildout Analysis to Support Regional Wastewater Planning by the Cape Cod Commission;
- 2015 Route 6A Orleans RESET by the Cape Cod Commission;
- 2015 Town Center Business Inventory by FinePoint Associates and
- 2015 Orleans Town Center Economic Analysis Primer by FinePoint Associates.

The following information was also collected and reviewed to aid in the build-out analysis:

- Fiscal Year 2016 Assessors Database;
- Orleans Zoning Bylaws and Regulations;
- Orleans 2011 Zoning Map;
- Orleans 2009 Nutrient Management Regulations;
- Historic parcel water use data for 2014 and 2015; and
- State Environmental Code Title 5 (310 CMR 15.000).

An ESRI ArcMap geodatabase and Excel spreadsheet were developed by AECOM to allow for organization and subsequent calculation of relevant information on a parcel basis.

Following review and organization of available information, the Orleans Downtown Planning Workshop No. 1 was convened with the Board of Selectmen and other invited stakeholders on December 15, 2015. The purpose of this workshop was to:

- Confirm the Vision for the Downtown as stated in the 2006 Orleans Comprehensive Plan;
- Confirm the 2009 Vision Statement for Village Center; and
- Review/revisit the recommendations from the 2010 Economic Analysis of the Village Center prepared by FinePoint Associates and modify as needed based on findings of updated economic analysis.

A breakout group approach was used for Workshop No. 1. Each group was provided a facilitator and was guided through a list of questions, including a review of the Town Vision Statement and the Village Center Vision Statement. All groups were in general agreement with both vision statements. A summary of key takeaways related to Town Center future development questions that were posed to the groups is provided below. A list of the questions and a complete breakout group discussion summary is provided in Appendix B.

- General Priorities:
  - Prioritize year-round residents and uses that serve them, while also serving seasonal market needs
  - Reverse decline of year-round population and young worker segment
- Layout Considerations:
  - Target less sporadic and spread out commercial development; cluster in three nodes generally defined as Skaket Corners, the Village Center, and the area near the Orleans Rotary
  - Higher density in the heart of the Village Center, transitioning to lower density
  - Prioritize first floor space in the core of the Village Center for uses that attract significant walk-in trade and operate at similar hours
- Parking Considerations:
  - Parking issues addressed through creative approaches while maintaining street edge continuity and enhancing aesthetics and function
  - Reduction of on-site parking requirements where possible to not inhibit development of desirable uses
- Residential Development:
  - Increase in variety of available housing styles and prices
  - Modest growth in single family houses
  - More growth in multi-unit housing
  - More growth in rental units

- Target a strong percentage of new housing for year-round residents

- Expand the concept of housing to condos/apartments mixed in, behind, and nearby commercial use as long as the commercial street face continuity can be maintained in core areas

- Commercial Development:

  - Modest growth of retail and personal services

  - More growth and expanded variety of enrichment, recreation, and restaurant uses

  - More growth of professional services that provide year-round jobs

  - One or two anchor/magnet uses that will have a destination draw and increase market opportunities for other businesses (education, arts/culture, recreation/entertainment)

After Workshop No. 1, AECOM utilized output from the workshop and coordinated with the Town's Planning Department and subconsultant FinePoint Associates to develop an updated build-out for the Town Center Study Area and a range of future growth / build-out scenarios. Then, the Orleans Downtown Planning Workshop No. 2 was convened with the Board of Selectmen and other invited stakeholders on February 4, 2016. The purpose of this workshop was to:

- Summarize input and key takeaways from Workshop No. 1;

- Present assumptions and results for the Town Center Study Area build-out scenarios; and

- Conduct a group discussion to obtain input on the build-out scenarios.

The Workshop No. 2 participants reconfirmed the Town Vision Statement and the Village Center Vision Statement. The key items discussed related to the vision statements included: prioritize year-round residents and uses, reverse decline of year-round population and youth, target increased growth and higher density of residential uses, and target lesser increase in non-residential square footage. It was also noted that it is important to maintain continuity of non-residential space in the Town Center Study Area and avoid dead space in between non-residential uses.

Detail on the assumptions and results for the updated build-out for the Town Center Study Area was presented and is provided below. The range of future growth / build-out scenarios will be presented in a subsequent Downtown Planning Technical Memorandum.

b. Updated Build-out for the Town Center Study Area

1) 2015 Existing Conditions

Existing conditions for the Town Center Study Area were initially determined to provide a baseline from which to develop potential growth scenarios. Baseline values for the number of dwelling units, non-residential development (i.e. non-residential square footage), and wastewater generation within the Town Center Study Area were developed as explained below:

- Dwelling Units for Residential District Parcels - Number of existing dwelling units for each parcel determined by use of the following sources: assessors database, water account records, and online research (Google Earth, etc.).

- Dwelling Units for Business District (Limited Business, General Business, Village Center) Parcels - Number of existing dwelling units for each parcel determined by use of the following sources: assessors database, water account records, FinePoint Associates 2015 Town Center Business Inventory, and online research (Google Earth, etc.).

- Non-Residential Development - Total non-residential square footage in the Town Center Study Area determined for each parcel by use of the following sources: assessors database, FinePoint Associates 2015 Town Center Business Inventory, and online research (Google Earth, etc.).

- Wastewater Generation

  - Average daily wastewater generation (gallons per day, or gpd) determined for each parcel by use of historic water account data for 2014 and 2015; and

  - A factor of 0.95 was applied to the average daily water use to arrive at an estimated wastewater generation value for each parcel.

This process resulted in the 2015 Existing Conditions results presented in Table 1 and Table 2.

2) Updated Build-out

Following completion of the 2015 Existing Conditions analysis, an updated build-out scenario assuming no change to land use patterns or zoning regulations was developed. The scenario was then evaluated in light of three options:

- Scenario Option 0a: Full Build-out under Current Zoning with Existing Wastewater Limitations;

- Scenario Option 0b: Full Build-out under Current Zoning with Existing Wastewater Limitations and Title 5 Septic Systems Constructed under Parking; and

- Scenario Option 0c: Full Build-out under Current Zoning with Wastewater Limitations, Title 5 Constructed under Parking, and Local Nutrient Management Regulations Removed.

Each scenario option is described below. The results for all scenario options are presented in Table 1 and Table 2.

Table 1. Orleans Town Center Study Area Updated Build-out Results by Sub-watershed

Sub-watershed	2015 Existing Conditions		Scenario Option 0a[1]		Scenario Option 0b[1]		Scenario Option 0c[1]	
	Residential (dwelling units)	Non-Residential (sf)	Residential (dwelling units)	Non-Residential (sf)	Residential (dwelling units)	Non-Residential (sf)	Residential (dwelling units)	Non-Residential (sf)
Town Cove	181	718,297	196	755,361	196	755,953	196	755,953
Boat Meadow River	5	-	5	-	5	-	5	-
Rock Harbor Stream	1	-	1	-	1	-	1	-
Cedar Pond	98	301,286	107	347,078	107	351,358	110	360,382
Rock Harbor Main	368	78,326	368	78,912	368	79,368	368	79,368
Boland Pond	1	17,121	1	17,121	1	17,121	1	17,121
Little Namskaket	128	218,907	150	464,919	150	545,369	163	670,250
Namskaket Main	10	89,762	22	198,411	22	235,200	22	235,200
Namskaket Stream	8	50,429	26	133,555	26	164,667	26	164,667
Total	*800*	*1,474,128*	*876*	*1,995,357*	*876*	*2,149,037*	*892*	*2,282,941*

Notes:
1. Scenario 0 descriptions:
- Option 0a: Full Build-out under Current Zoning with Existing Wastewater Limitations
- Option 0b: Full Build-out under Current Zoning with Existing Wastewater Limitations and Title 5 Septic Systems Constructed under Parking
- Option 0c: Full Build-out under Current Zoning with Wastewater Limitations, Title 5 Constructed under Parking, and Local Nutrient Management Regulations Removed

Table 2. Orleans Town Center Study Area Wastewater Flows by Sub-watershed (gpd)

Sub-watershed	2015 Existing Conditions	Scenario Option 0a[1]	Scenario Option 0b[1]	Scenario Option 0c[1]
Town Cove	61,178	66,268	66,312	66,312
Boat Meadow River	837	837	837	837
Rock Harbor Stream	53	53	53	53
Cedar Pond	26,277	31,086	31,407	32,579
Rock Harbor Main	29,705	29,749	29,783	29,783
Boland Pond	2,603	2,603	2,603	2,603
Little Namskaket	21,699	43,670	49,704	61,050
Namskaket Main	5,252	15,381	18,140	18,140
Namskaket Stream	4,252	13,456	15,790	15,790
Total	*151,855*	*203,102*	*214,628*	*227,146*

Notes:
1. Scenario 0 descriptions:
- Option 0a: Full Build-out under Current Zoning with Existing Wastewater Limitations
- Option 0b: Full Build-out under Current Zoning with Existing Wastewater Limitations and Title 5 Septic Systems Constructed under Parking
- Option 0c: Full Build-out under Current Zoning with Wastewater Limitations, Title 5 Constructed under Parking, and Local Nutrient Management Regulations Removed

Scenario Option 0a – Full Build-out under Current Zoning with Wastewater Limitations

Scenario Option 0a assumes on-site wastewater management continues to be required and a variance would not be issued by the Board of Health to allow construction of new or expanded Title 5 systems under parking areas. The assumptions used for estimating residential and non-residential build-out for each parcel and associated wastewater generation are provided below.

- Dwelling Units for Residential District (R) Parcels:
  - For parcels with a total area of 40,000 sf (i.e. minimum lot size) or less, assume no separate residential structures can be built;
  - For parcels with a conforming lot size of 40,000 sf or more, assume an accessory dwelling unit can be added if the Title 5 nitrogen loading limitation of 440 gpd / acre is not exceeded in Nitrogen Sensitive Areas designated in 310 CMR 15.215, or the Town's Nutrient Management Regulations wastewater limitation of 440 gpd / 40,000 sf is not exceeded for undesignated areas. The Title 5 design flow standard of 110 gpd / bedroom is used for this assessment. For non-conforming lots, assume no accessory dwelling units can be added;

- For parcels with total area greater than 40,000 sf, parcel size was evaluated using the 40,000 sf of buildable upland (i.e. contiguous area outside wetland resource areas and FEMA 100-year floor zone) minimum requirement to see if additional residential structures could be built by subdividing the property. Note: This does not apply to any parcels in the Town Center Study Area;

- Assume no tear downs and reconstruction resulting in greater number of dwelling units on a parcel; and

- Assume tax exempt properties (i.e. properties with a State Classification Code 9) would not support dwelling units in the future.

• Dwelling Units for Business District (LB, GB, VC) Parcels:

  - Zoning regulations were reviewed for each parcel to determine if additional dwelling units could be added. Assume apartment regulations are applicable to condominium uses;

  - Assume that under buildout conditions, business district parcels would max out allowed dwelling units (i.e. four units for parcels in the Village Center District, assuming all buildings would have 3-stories; two dwelling units for parcels in other business districts) if it is determined there is no on-site wastewater limitation. Note: See description of determination of wastewater limitation below under the Non-Residential Development heading;

  - Assume commercial condominiums (based on state class description) can support dwelling units;

  - Assume current uses do not change (e.g. do not account for removal of a business and replacement with apartment complex or condo, or conversion of a motel to dwelling units);

  - Assume tax exempt properties (i.e. properties with a State Classification Code 9) would not support dwellings in the future;

  - For existing apartment and condominium developments, confirm number of existing units (using sources identified above) and assume up to full density / number of units identified in Section 164-31 Apartment Development of the Town's Zoning Bylaw are built if it is determined there is no on-site wastewater limitation; and

  - For non-conforming lots with state class descriptions of single-family, multiple houses, two- family, or three-family, assume no accessory dwelling units can be added.

• Non-Residential Development:

  - Determine estimated remaining / future developable floor area by calculating buildout potential for each LB, GB, and VC parcel based on existing floor area ratio (FAR) compared to max allowed FAR in the Town's zoning regulations (GB and LB: 40 percent; VC: 100 percent). Existing FAR determined by dividing the current gross floor area (as reported in the FinePoint Associates 2015 Town Center Business Inventory or the Town's assessors database) by the lot area (as calculated using the Town's GIS parcel data layer);

- Assume square footage expansion would be lateral;

- Reduce build-out potential for each parcel as needed due to on-site wastewater limitation;

- Estimate wastewater limitation using the following approach:

  - Estimate remaining developable lot area for a parcel by deducting approximate lot setback requirements, Title 5 setback requirements, and existing building coverage from the buildable upland area value (i.e. contiguous area outside wetland resource areas and FEMA 100-year floor zone); and

  - Estimate the total additional wastewater flow (gpd) for a parcel by calculating flow associated with the remaining developable floor area square footage (using a representative 75 gpd/1,000 sf Title 5 design flow standard for typical office building use; see wastewater generation discussion below for additional detail) and new dwelling units (assuming an average 1.5 bedrooms per new unit and Title 5's factor of 110 gpd per bedroom), if applicable.

  - Estimate the area requirements for the new Title 5 system required to handle the projected flows for each parcel, as well as area requirements for additional parking required for the additional development. Assume that the Title 5 system would not be constructed beneath parking, which requires a variance from the Board of Health. Note that if it is determined that less than 6 off-street parking spaces are required to support the additional development, then no additional parking spaces are required per Section 164-34.B.(1) of the Town's zoning regulations. These values are deducted from the remaining developable lot area estimated for each parcel (see first bullet) to determine if adequate area is available to support the additional development. If adequate area is available, then assume no wastewater limitation factor needs to be applied. If adequate area is not available (or if projected wastewater flow generation would exceed the Title 5 nitrogen loading limitation of 440 gpd / acre in Nitrogen Sensitive Areas designated in 310 CMR 15.215, or the Town's Nutrient Management Regulations wastewater limitation of 440 gpd / 40,000 sf for undesignated areas), additional development is scaled back to reflect a wastewater limitation and what could be supported on the parcel.

- Wastewater Generation:

  - Residential dwelling unit wastewater flows are generated based on 110 gpd per bedroom based on Title 5's design flow standard for most residential uses. Accessory dwelling units are assumed to have one bedroom within the Residential district and an average of 1.5 bedrooms within the Business districts. If a parcel within the Business district could only support a maximum of a one bedroom unit due to site constraints, this value is used to generate wastewater flows. Additional residential structures (i.e. new single family houses) are assumed to have an average of three bedrooms. Note: There were no additional residential structures predicted in the Town Center Study Area; and

- Non-residential wastewater flows are generated based on 75 gpd/1,000 sf based on Title 5's design flow standard for typical office building use. The 75 gpd/1,000 sf factor is similar to the existing average wastewater usage rate for parcels with office building and retail store uses (69 gpd/1,000 sf and 75 gpd/1,000 sf, respectively), suggesting it is an appropriate representative factor to use for build-out estimating purposes. It is acknowledged that not all existing non-residential uses are office buildings, nor will all future non-residential uses be office buildings. However, the 75 gpd/1,000 sf is applied as a representative Title 5 design flow standard since it is not possible to predict when existing non-residential uses might change and to what type of use, nor is it possible to predict the type of future non-residential development that will occur in the Town Center Study Area.

Scenario Option 0b – Full Build-out under Current Zoning with Wastewater Limitation and Title 5 Systems Constructed under Parking

Scenario Option 0b applies the same approach / assumptions as used for Scenario Option 0a, except it assumes a variance would be issued by the Board of Health to allow construction of new or expanded Title 5 systems under parking areas. This scenario was created as a result of input received at Orleans Downtown Planning Workshop No. 2.

Scenario Option 0c – Full Build-out under Current Zoning with Wastewater Limitation, Title 5 Systems Constructed under Parking, and Nutrient Management Regulations Removed

Scenario Option 0c applies the same approach / assumptions as used for Scenario Option 0b, except it assumes the Town's Nutrient Management Regulations would not be applicable to any parcel in the study area. This scenario was created as a result of input received at Orleans Downtown Planning Workshop No. 2.

5. Next Steps

The following Downtown Planning tasks will be completed:

- Develop range of future build-out scenarios (including high, low, and moderate growth) and consideration of market demand conditions;
- Prepare Technical Memorandum on Downtown Future Growth Scenarios, Strategies to Limit Growth, and Draft Regulations to Obtain Zero Interest Financing;
- Prepare Technical Memorandum on Implications for Wastewater Loading Impacts and Other Community Impacts in the Downtown; and
- Prepare Technical Memorandum on Management of Future Downtown Wastewater Flows and Biosolids.

Appendix A

Orleans Town Center: Economic Analysis Primer

Orleans Town Center: Economic Analysis Primer

December, 2015

Prepared for and in Collaboration with:

Town of Orleans
George Meservey, Planning Director

Under contract to:

AECOM
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Prepared by:

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Peg Barringer, Partner

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Background

In 2010, FinePoint Associates conducted an economic analysis of the Orleans Village Center and worked collaboratively with the Planning Department, Planning Board, Chamber of Commerce and interested citizens to develop a set of 24 strategy recommendations along with potential action steps to consider. Many of these recommendations have since been implemented or are in process.

This document provides an up to date economic analysis for an expanded study area – the Town Center Study Area that incorporates the Village Center. The purpose of this document is to provide information and analysis pertaining to economic conditions and other factors that will inform the Town and appropriate Boards or Committees as they complete the following task:

- ☑ Reassess/reconfirm the vision for the Town Center and selected strategy recommendations that came out of the 2010 study (particularly those that impact future development and therefore wastewater planning) as well as review any new strategy considerations arising from the 2015 economic analysis.

The input and findings resulting from this process will then be used to inform the water quality and wastewater planning efforts that are being carried out for the Town Center.

This document is comprised of three parts:

I. Real Estate and Business Conditions
II. Understanding of the Year Round and Seasonal Retail Market
III. Other Conditions Pertinent to Town Center Planning
(Orleans demographics, housing, and continuing expansion of arts and culture)

Figure 1. Village Center Study Area 2010

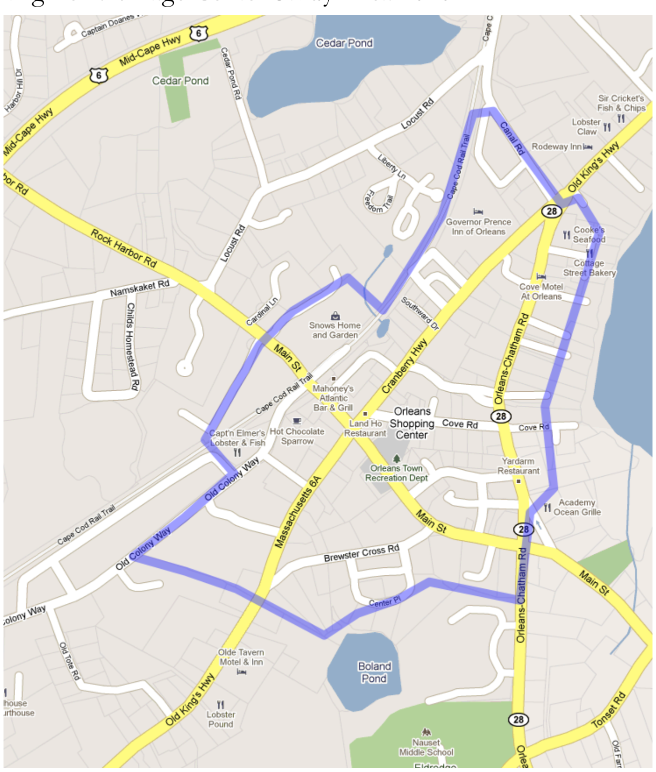
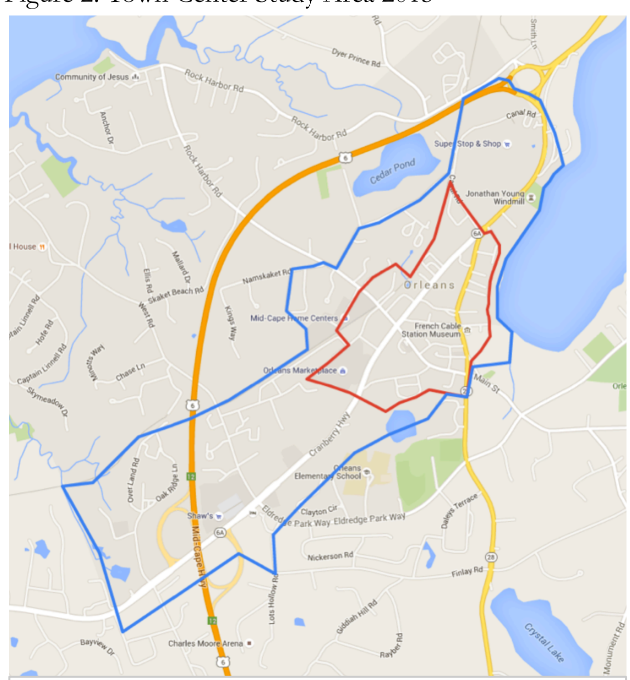


Figure 2. Town Center Study Area 2015



2015 Town Center Study Area
Includes Village Center Study Area

Part I. Real Estate and Business Conditions

A. Real Estate Conditions

- In total, the Town Center contains over 1.1 million s.f.* of commercial space "under roof". To put this in perspective, this is 1.4 times the amount of space in the Cape Cod Mall. The vast majority of commercial space in the Town Center is located on the first floor; less than 5% is located on other floors.
- There are 353 commercial units within the district; 334 have a first floor presence and 19 are located entirely on other floors. The median unit size is around 1,500 s.f.
- At the time of the inventory (November, 2015), approximately 4% of the square footage and about 9% of the units were vacant, including 26 units that contain first floor space and 7 units with no first floor presence. *(Vacancy rates fluctuate and can change quickly.)*
- For analysis purposes, we can look at The Town Center as comprised of two subareas – the Village Center (VC) and the Outer Village Center (OVC) area. The VC is the central compact, more walkable node with the highest commercial density. The VC has the largest amount of commercial units and also the smallest median unit size. While there are a few large establishments such as the Mid Cape Home Center, Snow's and Staples, there is also an abundance of very small businesses. In contrast, the OVC has larger commercial foot prints and a more auto-oriented layout. The OVC contains two large shopping plazas anchored by supermarkets.

Figure 3. Town Center Sub Areas

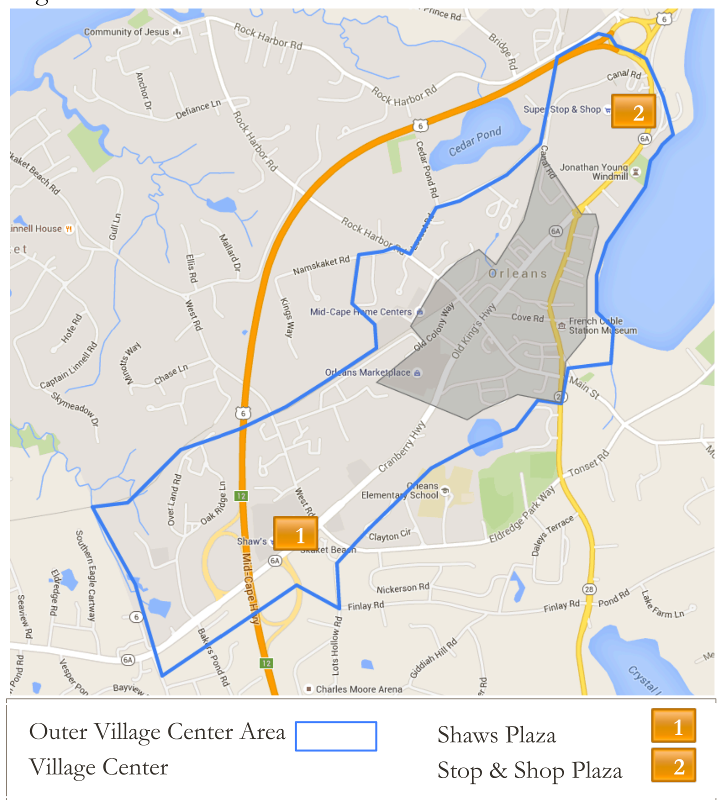


Figure 3. Commercial Centers (s.f.)

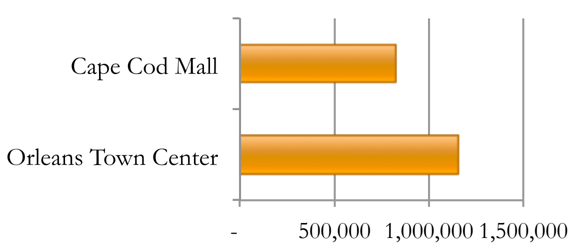


Figure 5. Establishments by Size (s.f.)

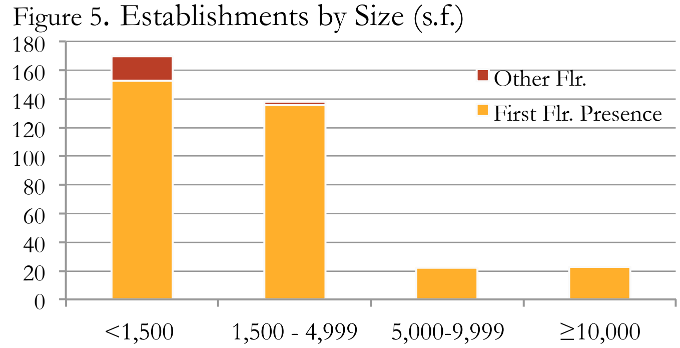


Table 1. Units & Establishments by Sub Area

	Commercial Units				Estabs
	#	Avg. sf	Median sf	Vacant	#
VC	221	2,684	1,355	26	194
OVC	132	4,252	2,555	7	125
Total	**353**	**2,868**	**1,555**	**33**	**320**

*Source Notes: Part I-A and B of this document are based on a business inventory conducted by FinePoint, November 2015. 1)Square footage has been estimated. 2)While we tried to be as accurate as practical, there may have been minor oversights, particularly for businesses and spaces with interior entrances.

B. Business District Composition

1. Business Mix

- The Town center is home to approximately 320 establishments; 308 establishments have a first floor presence. For the purposes of this study, we define "establishment" as any non residential entity. As noted, most of the establishments are small with the median size at around 1,500 s.f., however, the Town Center also contains several large retailers and community institutions including supermarkets, home and garden centers, discount department stores, community library, office supply store and motels.
- Slightly more than 40% of the establishments (42%) in Town Center are retailers while just under 40% are services. 16% are restaurants and recreation establishments and 5% are other businesses such as contractors.
- The three most represented industry subsectors based on the number of establishments include: Eating & Drinking Places, Miscellaneous Retail (i.e., gift stores, art galleries and used merchandise), and Professional, Scientific & Technology.

≥ 50,000 s.f.
Super Stop & Shop
Shaw's
30,000 – 49,999 s.f.
Snow's Home and Garden
Mid Cape Home Center
20,000 – 29,999 s.f.
Seashore Park Inn
T.J. Maxx
Orleans Snow Library
Staples
15,000 – 19,999 s.f.
Christmas Tree Shop
Skaket Beach Motel

Table 2.

Top Ten Most Frequently Found Establishments

Rank	Industry Subsector	No.
1	Eating and Drinking Places	39
2	Misc. Retail (incl. gifts, galleries, used goods)	36
3	Professional, Scientific & Tech.	30
4	Personal Care & Laundry	26
5	Clothing and Accessories	21
6	Health Care & Social Assist.	20
7	Sporting Goods, Hobby, Books	19
8	Finance & Insurance	16
9	Real Estate and Rental/Leasing	14
10	Food & Beverage Stores	12

Figure 6.

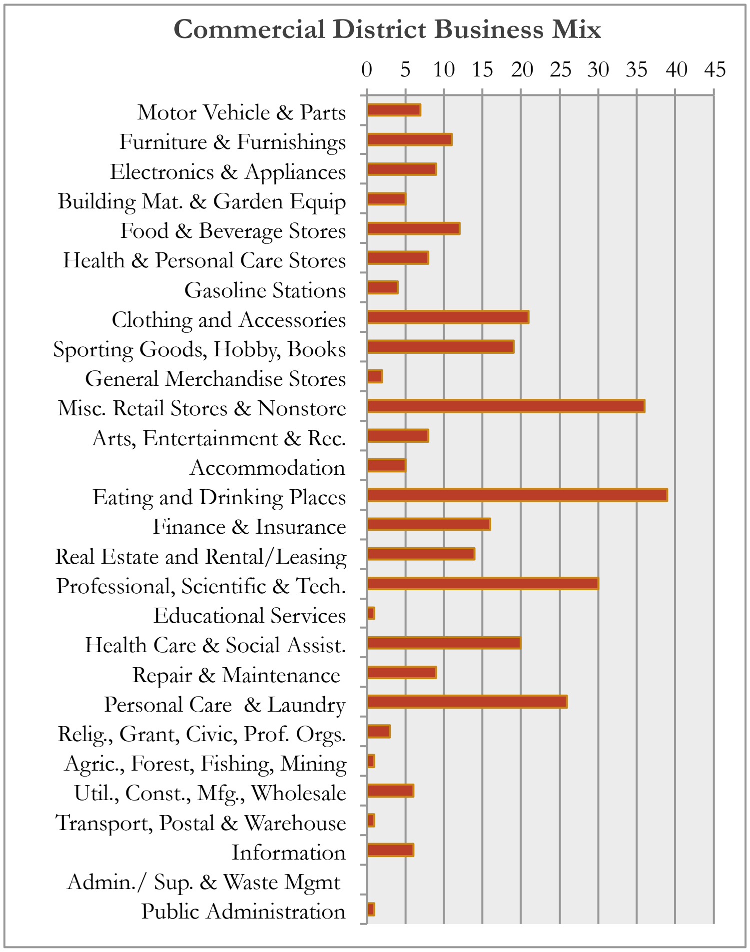


Figure 7.
Business Mix (# of establishments)

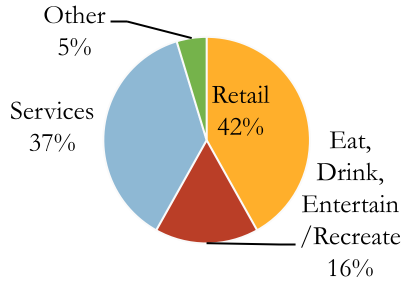


Table 3.

Establishment Type	#	S.F.
Retail	**134**	**598,461**
Motor Vehicle & Parts	7	30,228
Furniture & Furnishings	11	47,853
Electronics & Appliances	9	19,489
Building Mat. & Garden Equip	5	77,250
Food & Beverage Stores	12	163,817
Health & Personal Care Stores	8	36,956
Gasoline Stations	4	10,595
Clothing and Accessories	21	53,200
Sporting Goods, Hobby, Books	19	49,164
General Merchandise Stores	2	25,059
Misc. Retail Stores & Nonstore	36	84,850 *
Eating, Entertainment & Lodging	**52**	**236,204**
Arts, Entertainment & Recreation	8	39,194
Accommodation	5	79,662
Eating and Drinking Places	39	117,348
Services	**119**	**208,400**
Finance & Insurance	16	43,908
Real Estate and Rental/Leasing	14	22,365
Professional, Scientific & Tech.	30	52,468
Educational Services	1	2,250
Health Care & Social Assist.	20	29,139
Repair & Maintenance	9	22,672
Personal Care & Laundry	26	30,014
Relig., Grant, Civic, Prof. Orgs.	3	5,584
Other	**15**	**61,579**
Agric., Forest, Fishing, Mining	1	900
Util., Const., Mfg., Wholesale	6	9,526
Transport, Postal & Warehouse	1	3,965
Information	6	43,320
Admin./Sup. & Waste Mgmt	0	-
Public Administration	1	3,868
Total	**320**	**1,104,644**

2, Business Clusters

Orleans Town Center has several crossover, comparative and market segment business clusters.

- **Crossover Business Clusters** are groups of enterprises that offer goods or services that might be purchased during the same shopping trip providing consumers convenience and efficiency. Comparative Business Clusters are groups of enterprises that offer similar goods or services providing consumers with greater variety and selection in one location. Crossover and Comparative Business Clusters in the Town Center include:
  - Restaurants, Entertainment/Recreation and Accommodation
  - Women's Clothing and Accessories (also clusters with Vintage)
  - Art Galleries and Gift Stores
  - Home Improvement and Furnishings
  - Sporting and Recreation Goods
  - Grocery, Beverage and Specialty Food
  - Vintage, Used Merchandise, Consignment
  - Healthcare
- **Market Segment Business Clusters** are groups of related enterprises that offer merchandise and services targeted to specific customer groups. Market Segment Business Clusters in the Town Center include:
  - Tourists/Visitors
  - Children/Families/Grandparents

3. Independent Businesses vs. Chains and Franchises

- While there are several national chains and franchises represented in the Town Center such as T.J. Maxx, Olympia Sports, Sleepy's, Staples, Shaws, Stop & Shop, CVS, Dunkin Donuts and Wendy's, the vast majority of businesses are independently-owned one-of-a-kind businesses.
- Formula restaurants are prohibited in the Village Center and require a special permit in other areas.

* Misc. Retail Stores include: 14 art galleries, 11 used merchandise stores, 8 gift and novelty shops, an office supply store and florist.

4. Changes in the Village Center Composition 2010 to 2015

We can look at the changes in the VC over the last 5 years because we have the 2010 data.

- Approximately one-quarter of the commercial units in the VC have turned over since 2010. It appears that about 46 of the businesses are new or operating under new management with a new name. In a few cases, businesses changed locations within the VC.
- The business mix with regard to type of business has remained fairly consistent. The most significant change is the increase in retail stores including sporting goods, clothing and especially used goods (under misc. retail). The number of vintage/consignment stores in the VC has doubled since 2010 for a total of ten. Wicked Thrift that opened on Main Street is an example of a new kind of used goods store. This attractive and well-curated vintage boutique has outlets in West Yarmouth and West Dennis and is now finding a niche in Orleans. The manager said that customers come from Orleans as well throughout the Lower Cape and often visit several thrifts/ vintage stores during a shopping trip.
- The number of vacancies has increased slightly. The 2010 business inventory reported 16 vacant first floor units; the 2015 inventory shows 19. There appears to be a couple of vacant units being held vacant for potential development near the intersection of Main Street and 6A (that were occupied in 2010). The largest vacancy in the VC is the former Citizens Bank at 58 Main Street.
- Note: The small increase in total number of businesses and units shown in the 2015 inventory is mostly due to the fact that some commercial spaces were discovered that were not reported in the 2010 inventory, mostly professional offices.. (It can be difficult to ascertain information about interior and upper floor space.)

Figure 7. Village Center Misc. Retail Category 2010 - 2015

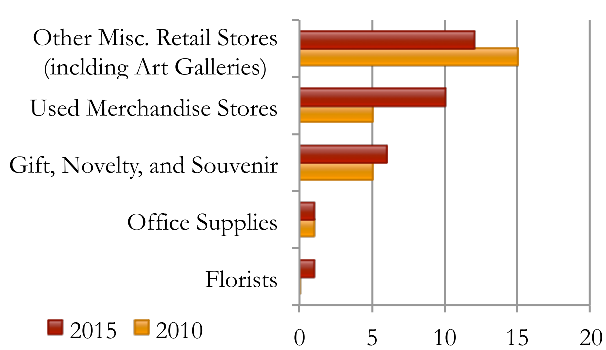


Table 4. Village Center Business Mix 2010 vs. 2015

Village Center	2010	2015
Retail	**85**	**92**
Motor Vehicle & Parts	1	1
Furniture & Furnishings	6	5
Electronics & Appliances	5	6
Building Mat. & Garden Equip	4	4
Food & Beverage Stores	5	5
Health & Personal Care Stores	4	4
Gasoline Stations	3	3
Clothing and Accessories	19	20
Sporting Goods, Hobby, Books	10	12
General Merchandise Stores	0	1
Misc. Retail Stores & Nonstore	28	31
Eating, Entertainment & Lodging	**27**	**26**
Arts, Entertainment & Recreation	3	3
Accommodation	1	1
Eating and Drinking Places	23	22
Services	**66**	**69**
Finance & Insurance	12	10
Real Estate and Rental/Leasing	9	8
Professional, Scientific & Tech.	18	21
Educational Services	0	0
Health Care & Social Assist.	5	6
Repair & Maintenance	2	2
Personal Care & Laundry	15	19
Relig., Grant, Civic, Prof. Orgs.	5	3
Other	**10**	**8**
Agric., Forest, Fishing, Mining	0	0
Util., Const., Mfg., Wholesale	5	3
Transport, Postal & Warehouse	1	1
Information	2	3
Admin./Sup. & Waste Mgmt	1	0
Public Administration	1	1
Total	**188**	**195**

Table 5. Village Center Real Estate 2010 vs. 2015

	2010			2015		
	Units		Estabs.	Units		Estabs.
	#	Vacant		#	Vacant	
First Flr. Presence	204	16	188	207	19	188
No First Flr. Presence	2	2	0	14	7	7
Total	**206**	**18**	**188**	**221**	**26**	**195**

5. Business Listing by Category

Furnishings, Appliances, Electronics Home Improvement
Sleepy's
Artworks
Cape Cod Interiors Inc
Cape Cod Vacuum Mart, Inc
Cardi's Furniture
Carpets Of Cape Cod & More
Christmas Tree Shop
Computers Of Cape Cod
Continuum Antiques
Crane Appliance/Sound Vision
Frame Center
Gladstone Furniture
Island Lifestyles
Kemp Pottery
Mid Cape Home Centers
Nauset Lantern Shop
New Farm
Orleans Camera and Video
Radioshack
Sears Hometown Store
Sherwin Williams Paint
Snow's Home And Garden
Surfside Software
True Value Hardware
Wireless Zone

Food & Beverage Stores
Super Stop & Shop
Friends Market
Fullers Package Store
Main Street Gourmet
Main Street Wine & Gourmet
Nauset Fish & Lobster Pool
Orleans Whole Food Store
Orleans Wine And Spirits
Phoenix Fruit Inc
Shaws
Tedeschi Food
Windmill Liquor & Fine Wine

Drug Stores, Optical & Health
Bass River Optometrics
Ciacco Optometrist
CVS Pharmacy (2)
GNC
Nauset Optical
Orleans Optical
Rite Aid Pharmacy

Clothing, Accessories, Shoes, Jewelry
Watson's Mens
Argonauta Design
Beth Bishop
Billingsgate Fox
Canteberry Leather
Cuffy's
Designs By S&R
Frances Francis Designs
Gigi's Shoe Store
Homegrown Trades
If The Shoe Fits
Judy's Unuque Boutique
Karol Richardson
Kid & Kaboodle
Maglebee's
Oceana
Ragg Time, Ltd
Savvy On Main
Stephen Gallant Jewelers
The Red Barn
Westies Shoe Outlet

Sporting, Recreation Goods
Goose Hummock Shop
Bait Shack
Birdwatchers General Store
Idle Times Bike Shop, Inc.
Nauset Surf Shop
Olympia Sports
Orleans Cycle, Inc.
Pump House Surf Shop
The Hook-Up!
Vic Surfboards

Hobby, Toy, Books
Red Balloon Toy Shop
A Stitch In Thyme Yarn
All Wound Up
Annie's Book Stop
Booksmith Musicsmith
Lee Coin & Stamp
Main Street Books
Mark's Music
Murray's Fabrics

Gift & Flowers
Flowers By Mary
Cape Coole Gifts
Cape House Shop
Gotland Horse/Moppet Shop
Honey Candle Co.
Pleasant Bay Trading Company
The Sparrow Store
Tradewinds Gift Shop
Yak Arts

Art Galleries
Jeepers Tree's Place, Inc
Silver And Clay Handmade Art
8 Cummings Rd LLC
Addison Art Gallery
Alice Mongeau Galley & Studio
Barroso Tauros Co.
Cape Cod Photo Art And Framing
Coastal Craft Gallery
Collins Galleries
Eastwind Gallery
Fleming Fine Art
Gallery 31 Fine Art
Left Bank Art Gallery
Local Craftsmen
Munn Fine Art

General Merchandise & Office Supply
T.J. Maxx
Staples The Office Superstore

Business Listing by Category (cont'd)

Vintage, Consignment
Time To Teens Fashion Exchange
Clothes Den
Greg's Used Book Store
Jayne Consignment
Local Color Resale Boutique
Orleans Community Exchange
The Thrift Shop
Vintage In Vogue
Vintage Vogue Clothes
Wicked Thrift

Eating & Drinking
Abba
Academy Ocean Grill
Bangkok Cuisine
Beacon Room
Capt'n Elmer's Lobster & Fish
Cooke's Seafood
Corner Store
Cottage Street Bakery
Double Dragon Inn
Dunkin Donuts
Emack & Bolio's Ice Cream
Grand Old Deli
Guapa's Tortilla Shack
Hearth And Kettle
Hillcrest Pizza
Hole In One Donut Shop
Homeport Restaurant
Hot Chocolate Sparrow
Hunan Gourmet
Ice Cream Café
Jo Mama's Coffee Shop
Land Ho Restaurant
Lobster Claw
Local Scoop
Mahoney's Atlantic Bar & Grill
Mandy's Cape Creamery
Nauset Grill
Old Jailhouse Tavern
Orleans Lobster Pond
Orleans Public House Restaurant
Orleans Villa Pizza
Papa Gino's
Sir Cricket's Fish And Chips
Starbucks
Sunbird Restaurant
The Knack
The Lost Dog
Wendy's
Yardarm Restaurant

Entertainment & Recreation
French Cable Station Museum
Body Strong
Cape Escape Adventure Golf
Cross-Fit
Fitness Revolution Orleans
Koko Fit Club
Orleans Bowling Center
Orleans Yoga

Accommodations
Seashore Park Inn
Governor Prence Motel
Old Tavern Motor Inn
Orleans Waterfront Inn
Skaket Beach Motel

Hair, Skin, Nails & Personal Care
Anahaya Tan
Ambercrombe Hair Design
Changes Salon
Coastal Cuts Hair Salon
Donna Marie Coiffures
Elegant Nails
Fancy Nails
H Carlton Neuben
Heaven Scent You
Heavenly Nails
Ideal Weight Loss
Image Makers, Hair & Tanning
La Sirena
Mr. Ken's Barber Shop
New York Hair Co.
Off The Top
Pro Cuts
Ramzi Barber Shop
Salon At 16 West
Silhoette Salon
Supple Apothecary
To Dye For Salon
Tranquil Touch
Welstar, LLC

Dry Cleaning & Tailoring
Prestige Dry Cleaners
Perfect Fit Tailors

Banks & Financial Services
Sovereign Bank
Bank Of America
Bayside Community Mortgage
Cape Cod Five Cents Savings Bank, Inc
Cape Cod Five Trust And Asset Management
Citizens Bank
First Citizens Federal Credit Union
H&R Block
Investment Capital Mortgage, L.L.C.
Mcintyre Friedman & Flynn Investment Advisors
Michael Galer CPA
Radius Mortgage
Rockland Trust Co
TD Banknorth
Tonnison & Co. CPA

Insurance
Nicholas Pangakis Insurance
Pike Insurance
Rogers And Gray Insurance Agency
Safe Harbor Insurance

Business Listing by Category (cont'd)

Real Estate
Cape Cod Rentals
Cape Cod Title And Escrow Real Estate
Cove Road Real Estate
James Trainor & Assoc.
Kinlin Grover Real Estate
Monomoy Real Estate
Oldcape Realty
Pike Properties
Realty By The Sea
Surfside Advantage, LLC
Unique Properties Real Estate, Inc.

Legal
Christopher Miner Law Office
Guzzeau Law Offices
Hallisey John
James O'Brien Attorney
Jane B Romney
Laraja & Kanaga PC
Latanzi, Spaulding & Landreth
Law Offices Of Jennifer Thyng
Leonard E Enos III
Mark Berson Meditation
Mccormick & Mccormick
Michael Flores
Neal Satran Atty
Orleans Legal Associates
Shepherd Henry L
Shirley Lotuff Law Offices

Healthcare
Spaulding Outpatient Center
Barbara Murphy APRN
Cape Cod Healthcare Labs
Cardiovascular Consultants Of Cape Cod
Deveuve Chiropractic
Dr. Arthur Hannigan Dental Implants
Dr. Margaret Rappaport Psychotherapy
Hearing Center Of Cape Cod
Jeffrey Magnavita
Kathleen Kalill PhD
Mass Audiology
Matthew W Ruble
Nauset Family Practice
Novacare Rehabilitation
Orleans Dermatology
Orleans Mental Health
Orleans Psychotherapy Associates
Quest Diagnostics
Rhci Rehabilitation Center
Sand Dollar Psych

Architecture, Engineering & Design
Coastal Engineering
Aline Architects
Architectural Design Inc.
Conklin & Dedecker
Core Computers, Inc.
East Cape Engineering
Focalpoint Studio
Jay J Horowitz
Shift Home Eco Interiors
Surroundings, Inc

Vehicle Parts, Sales, Rental & Service
Orleans Auto
Bill's Sunoco
Cape And Islands Tire
Cape Cod Car
Cumberland Farms #2352
Enterprise Rent-A-Car
Fine Auto Detailing
Frank's Citgo
Gills Automotive
Maritime Information Systems
Marshall's Mechanics
Mobil
Nappa Auto Parts
Nauset Auto Service
Nauset Marine
One-Stop Oil Change
Orleans Auto Supply
Ted's Garage
Thrifty Auto Rental
Tinknocker Collision

Utilities, Contractors, Manufacturing, Wholesale
Bentoli, Inc.
Homes By Sisson, Inc.
Kane And Carpenter Forms Inc
Nicholas Willoughby
Orleans Gold And Silver
Supply New England
Von Thaden Builders, Inc.

Community Institutions
Orleans Post Office
Orleans Snow Library
Orleans Town Recreation Department

Other
Lower Cape Outreach Council
Big Brothers Big Sisters
Comcast Service Center
Connected, Inc
Dan's Power & Repair Sales & Service
Life Center
Orleans Church Building Foundation
Perry's Professional Services
Radio Station WKPE
Snow's Fuel Oil & LP Gas
The Cape Codder
The Partnership School
Verizon

C. Business Interviews

We conducted interviews with 32 businesses in the Town Center during November of 2015 (approximately 10% of businesses). Most businesses appeared to fall into one of three groups: 1)new businesses enthusiastic about their ventures and happy with the early attention they are getting from customers, 2)more established businesses, many interested in expansion but coming up against space constraints, septic or permitting issues, and 3)older business owners contemplating retirement and possibly closing their business.

- Business appears to be stable or growing for most of the businesses, with only 7% reporting a decline in sales. The businesses citing sales decline were all retailers.
- It appears that the shoulder season and off-season might be growing: 19% of businesses claimed they were getting more off-season customers, whereas only 3% claimed the offseason had become slower.
- When asked what portion of their customers were year round residents, the responses ranged from 20% to 70%. The average among all the respondents was 54% year round and 47% seasonal. About three quarters of the business representatives said that the mix of seasonal vs. year round customers had stayed the same over last 5 years, 15% cited a higher percentage of year round locals and 8% said there was a higher portion of seasonal customers.
- About 40% of the businesses said they thought there was sufficient market demand to expand capacity of their business.
- About one-third of the business cited their own capacity/workload, advanced age, or thoughts of retirement as the main barriers to expansion; one business mentioned lack of skilled labor.
- More than half of the food businesses interviewed were interested in expanding their seating or outdoor dining. The main obstacles to expansion among the foodservice businesses were wastewater and permitting issues.

Figure 9.

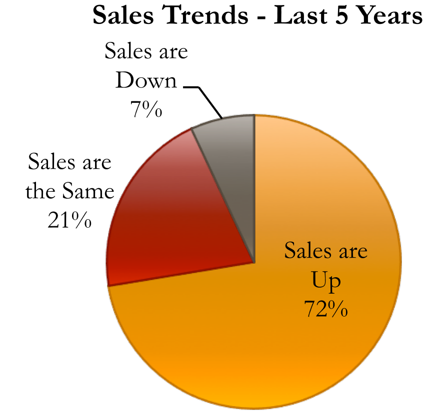


Figure 10.

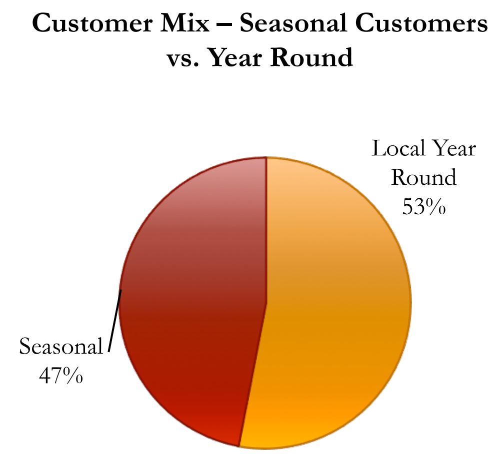
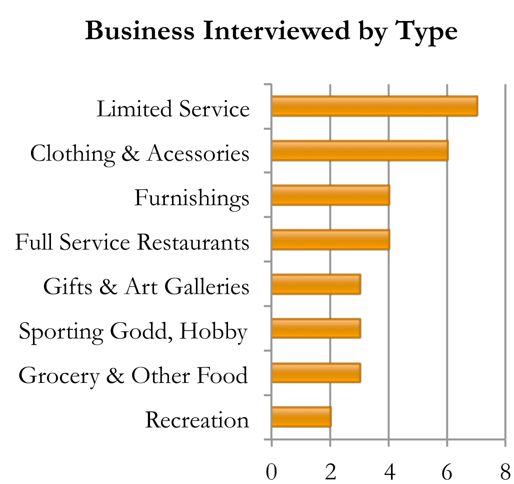


Figure 11.



Part II. Understanding the Year Round and Seasonal Retail Market

A. Overview of Market Segments and Trade Area Delineation

1. Overview of Market Segments

Businesses located in the Town Center have the opportunity to attract two major market segments: 1) Year Round Residents in the Surrounding Area, and 2) Seasonal Home Population and Visitors in the Surrounding Area

Year Round Residents of the Surrounding Area

A major potential customer base for the Town Center is the adjacent residential population. The identified primary trade area (where most of the repeat business is expected to be derived) contains approximately 14,800 year round residents. The secondary trade area is identified as the 3-mile radius, containing approximately 46,300 residents. The rationale for the trade area delineation and the demographic and consumer characteristics of the population in each trade area are described in detail later in this report.

Seasonal Home Population and Visitors

Cape Cod is a tourist destination and attracts a large volume of seasonal residents and visitors. The visitor segment is comprised of three sub-segments:

1) Seasonal home population - temporary residents/guests staying at seasonal homes,
2) Motel visitors - staying at motels, hotels and inns, and
3) Day-trip visitors -visiting the area for the day.

The seasonal home population constitutes the largest of the sub segments and the characteristics of this segment are described later in this report. This study does not address the motel visitor or day-tripper visitor segments. Very little secondary data is available on these segments and the primary data collection that would be required is beyond the scope of this study.

2. Trade Area Delineation

Defining the trade area is the first step in determining market potential for a commercial district. Once the trade area is defined, we can quantify the amount of potential customers that live within the area as well as examine their characteristics and purchasing habits to provide a picture of the potential market.

The term retail trade area refers to the geographic area from which a retail entity generates its sales. The primary trade area for a commercial center, such as a downtown, business district or shopping plaza is the area from which most of the steady, repeat business is derived (typically, where 65-80% of the total sales are generated). A combination of factors determines the size and boundaries of the primary trade area.

The trade areas were determined during the 2010 study. After discussing consumers patterns with business owners, residents, Planning Board Members and staff, and reviewing location of existing commercial facilities, travel times, and circulation routes it was determined that the likely potential **Primary Trade Area** for the business district consists of the Towns of Orleans, Eastham and part of Brewster (see Figure 12). This area roughly corresponds with a 10-minute drive time (computer-generated).

It was also determined that there is a **Secondary Trade Area** from which it would be reasonable to expect that businesses in the Town Center could attract customers from (although the capture rate would not be expected to be as high as in the primary trade area). This secondary trade area extends past Eastham out to Provincetown and also includes Chatham, Harwich and the rest of Brewster.

The ability to attract customers would depend on the uniqueness and quality of the merchandise or services being offered. The lack of large-scale commercial competition was the rationale for extending the boundaries to Provincetown. Residents of Provincetown, Truro and Wellfleet regularly come into Orleans to do weekly grocery shopping, so it seems reasonable that they might travel that distance to acquire other goods and services. Extending the boundaries to the east to include Chatham and Harwich is justified by the fact that these areas fall within about a 15-minute drive time, which is a reasonable duration for a shopping trip in a semi-rural environment.

The demographic and consumer characteristics of the population in these trade areas is described throughout the following section.

Figure 12. Trade Area Map

Map provided by Orleans Planning Department

B. Market Segment Characteristics

1. Year Round Residents of the Trade Areas

Primary Trade Area (TA1)

There are approximately 14,800 people living within the primary trade area. The population is predominantly middle to upper income, well educated and White.

- The estimated median household income for 2015 is $64,845, which is 5% lower than the state-wide median. However, the per capita income is $41,044, which is 13% higher than the state average. (Due to the below average number of persons in the household, the income has to support few individuals.)

- Approximately one-half of the population over the age of 25 has a Bachelor's Degree or higher (compared to 39% in Massachusetts and 29% in the United States).

- The population is predominantly white (96%), with a very small portion comprised of Asians (1%), Black/African Americans (1%) and other races. Approximately 2% of the population is Hispanic compared to 11% in the State. The highest cultural concentrations by ancestry are Irish (16%) and English (14%) compared to 7% and 6% respectively in the United States.

Compared to Massachusetts overall, the primary trade area population, on average, is significantly older, more likely to own their home and have a car and, much less likely to have children under 18 in the household.

- The median age is 58.6, about 48% higher than in Massachusetts and 55% higher than in the US. 37% of the population is 65 years of age or older compared to 15% in the state and the U.S.

- 82% of the occupied homes are owner-occupied compared to 62% state-wide.

- The vast majority of the market is mobile with access to a private vehicle for acquiring goods and services. Only a very small portion of households (3%) are dependent on public transportation or walking to acquire goods and services. In fact, over 60% of the households have 2 cars or more.

- Average household size is smaller -- 2.06 persons per household compared to 2.5 statewide. Only 16% of the households contain children under the age of 18, compared to to 31% statewide and 33% in the U.S.

The year round population and number of households has declined since the year 2000. According to population projections obtained from Nielsen, if current conditions persist, the population is expected to continue to decline slightly (around one-half percent) over the next 5 years, while the number of households is expected to increase very slightly (less than one-half percent). However, findings from a UMASS Donahue Institute survey (in 2008) suggest that a significant portion (23%) of Lower Cape seasonal homeowners plan to convert to full time residents between 2009 and 2024.

Secondary Trade Area (TA2)

There are approximately 46,342 people living within the secondary trade area. The characteristics of this population are very similar to the primary trade area. The population is slightly younger (median age 57 versus 58.6) with slightly higher per capita income ($42,189 versus $41,044) and a slightly lower homeownership rate (78% versus 82%).

The year round population has declined since the year 2000, however the number of households has increased. According to projections obtained from Nielsen, the population is expected to increase very slightly (by less than one-half percent) over the next 5 years and the number of households is expected to increase by just over one percent.

Year Round Residents – Data Charts

Figure 13. Population by Age

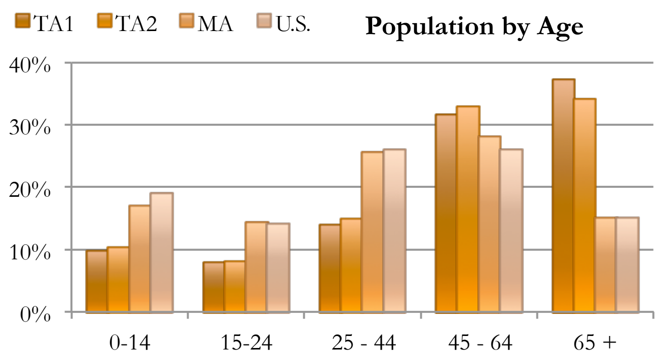
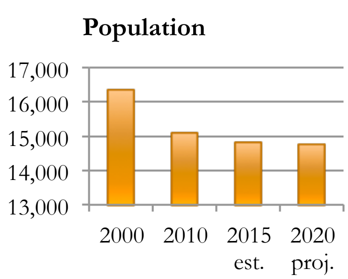
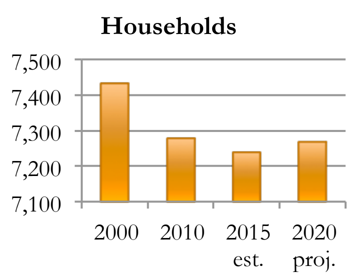


Figure 14. Population and Household Growth Trends

Primary Trade Area (TA1)

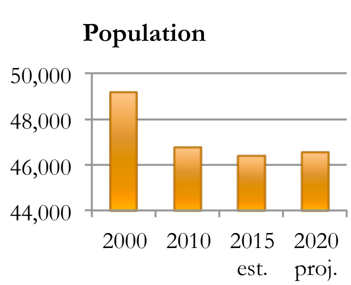
2015 Population	2015 Households
14,808	7,238





Secondary Trade Area (TA1)

2015 Population	2015 Households
46,342	22,642



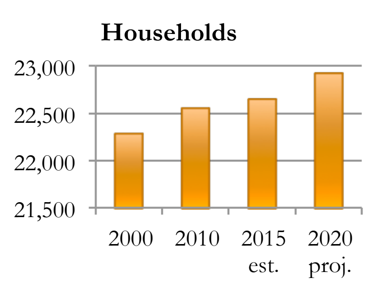


Table 6. Demographic Profile

Year Round Trade Area Population 2015	TA1	TA2
Population & Households		
Population	14,808	46,342
Households	7,238	22,642
Median Age	58.6	57.0
Avg. Household Size	2.03	2.02
Households with Children	16%	17%
Owner-Occupied	82%	78%
Income		
Median Household Income	$64,845	$64,345
Average Household Income	$83,965	$86,350
Per Capita Income	$41,044	$42,189
Education		
Associates Degree or Higher	57%	55%
Bachelor Degree or Higher	48%	47%
Race & Ethnicity		
White	96%	95%
African American	1%	2%
Asian	1%	1%
Other/>1 Race	2%	3%
Hispanic Origin	2%	2%
Age		
0 - 14	10%	10%
15- 24	8%	8%
25-44	14%	15%
45-64	32%	33%
65+	37%	34%

Sources: The Nielsen Company, U.S. Census,

Table 7. Additional Demographics Data

Est. Population by Age	TA1		TA2		MA	U.S.
	14,808	%	46,342	%	%	%
Age 0 - 4	457	3	1,457	3	5	6
Age 5 - 9	477	3	1,544	3	6	6
Age 10 - 14	498	3	1,732	4	6	6
Age 15 - 17	359	2	1,186	3	4	4
Age 18 - 20	341	2	1,094	2	5	4
Age 21 - 24	457	3	1,456	3	6	6
Age 25 - 34	1,042	7	3,280	7	13	13
Age 35 - 44	1,012	7	3,581	8	12	13
Age 45 - 54	1,682	11	6,015	13	15	14
Age 55 - 64	2,986	20	9,205	20	13	13
Age 65 - 74	2,901	20	8,331	18	9	8
Age 75 - 84	1,773	12	4,959	11	4	4
Age 85 and over	823	6	2,502	5	2	2

Est. Households by Size	TA1		TA2		MA	U.S.
	7,238	%	22,642	%	%	%
1-persons	2,501	35	8,263	36	29	27
2-persons	3,147	43	9,395	41	32	32
3-persons	840	12	2,510	11	16	16
4-persons	506	7	1,661	7	14	13
5-persons	167	2	571	3	6	6
6 or more	76	1	242	1	3	5

Est. Households by Income	TA1		TA2	%	MA %	U.S.%
< $15,000	507	7	2,001	9	12	13
$15,000 - $24,999	657	9	2,320	10	9	11
$25,000 - $34,999	682	9	1,932	9	8	10
$35,000 - $49,999	941	13	2,630	12	11	14
$50,000 - $74,999	1,401	19	4,249	19	16	18
$75,000 - $99,999	1,013	14	2,986	13	13	12
$100,000 - $124,999	707	10	2,070	9	10	8
$125,000 - $149,999	407	6	1,305	6	7	5
$150,000 - $199,999	484	7	1,560	7	8	5
$200,000 - $249,999	194	3	614	3	3	2
$250,000 - $499,999	194	3	702	3	4	2
$500,000+	51	1	273	1	2	1
Med. Household Income	64,845		64,345		67,928	53,706

Avg. Length of Residence (Years)	TA1	TA2	MA	US
Homeowners	18	19	19	17
Renters	9	9	9	8

Est. Population 16+ by Employment Status	TA1-%	TA2-%	MA %	US %
In Labor Force	54	96	67	64
Employed	49	52	61	58
Self-employed	19	23	9	10
Unemployed	4	5	6	6

Est. Population 16+ by Occupation	TA1-%	TA2-%	MA %	US %
Architect/Engineer	2	1	2	2
Arts/Entertain/Sports	3	3	2	2
Building Grounds Maint	7	5	3	4
Business/Financial Ops	3	3	6	5
Community/Soc Svcs	2	4	2	2
Computer/Math	1	1	4	3
Construction/Extract	7	8	4	5
Edu/Training/Library	7	6	7	6
Farm/Fish/Forestry	1	1	0	1
Food Prep/Serving	8	5	5	6
Health Practitioner/Tec	6	6	7	6
Healthcare Support	2	2	3	3
Maintenance Repair	3	2	3	3
Legal	1	1	1	1
Life/Phys/Soc Science	1	1	2	1
Management	9	12	11	10
Office/Admin Support	10	11	13	14
Production	3	2	4	6
Protective Svcs	2	1	2	2
Sales/Related	16	16	10	11
Personal Care/Svc	3	3	4	4
Transportation/Moving	5	4	4	6

Est. Population Age 25+ by Education	TA1-%	TA2-%	MA %	US %
Less than 9th grade	1	1	5	6
Some High School	2	3	6	8
High School Grad/GE)	22	22	26	28
Some College, no degree	19	18	17	21
Associate Degree	9	9	8	8
Bachelor's Degree	27	26	22	18
Master's Degree	16	15	12	8
Professional School Degree	4	4	3	2
Doctorate Degree	2	2	2	1

Sources: The Nielsen Company, U.S. Census

2. Seasonal Home Residents

Primary Trade Area (TA1) Seasonal Home Units and Population

There are approximately 7,026 seasonal homes in the primary trade area, constituting 49% of all housing units in the trade area. This represents a higher concentration of seasonal homes compared to 36% on the Cape overall.

Given the usage characteristics of Lower Cape seasonal homes (as reported in the UMASS Donahue survey), the temporary population is equivalent to an additional 8,581 full time residents when averaged across the year.

Secondary Trade Area (TA2) Seasonal Home Units and Population

There are approximately 24,723 seasonal homes in the primary trade area, constituting 51% of all housing units in the trade area, compared to 36% on the Cape overall.

Given the usage characteristics of Lower Cape seasonal homes, the temporary population is equivalent to an additional 30,195 full time residents when averaged across the year.

Seasonal Home Use and Resident Characteristics

Research completed by the Cape Cod Commission and the UMASS Donahue Institute has produced some interesting findings about seasonal homeowners.

Second Homeowner Characteristics

- Median Age is 60
- 75% have at least a Bachelors degrees, 48% have graduate degrees
- 58% have a household income over $100,000
- Typical second home family has 2 adults and no children under 18

Seasonal Home Usage

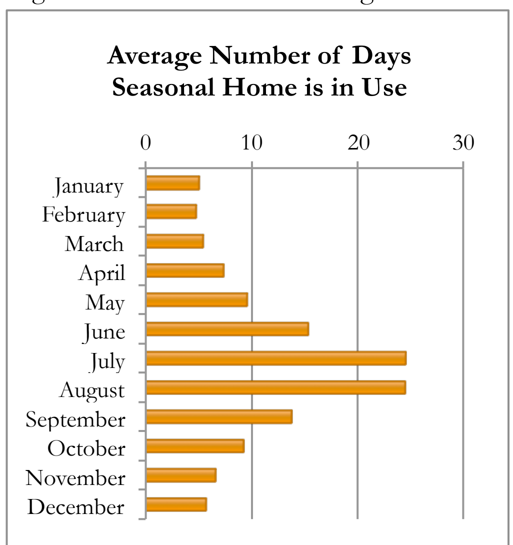
- 26% rent their home for at least part of the year while 74% only make personal use of it
- The use is more intense in summer months. . . on the Lower Cape, in July and August, homes are used by 4.6 people for an average of 24.5 days
- Seasonal homeowners spend most of their long weekends at their seasonal home throughout the year
- A growing number of owners have offices in their seasonal home and frequently telecommute, allowing them to stay Thursday to Monday

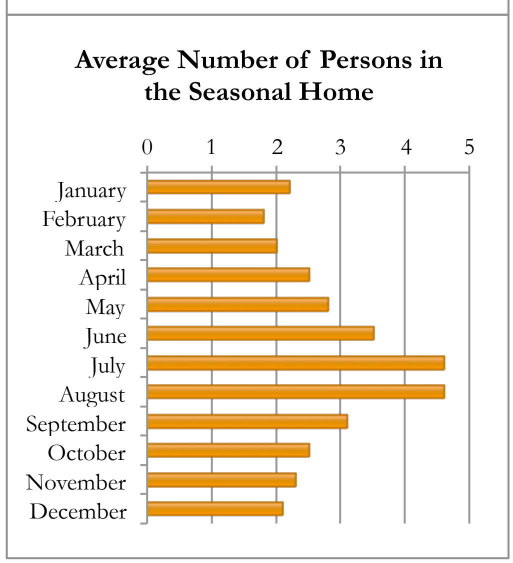
Potential Use Conversion

- In 2008, almost 25% of Lower Cape seasonal homeowners said they expect to convert their seasonal home to a full time residence between 2008 and 2023.

Sources: Cape Cod Commission, UMASS Donahue Institute Survey of Cape Cod Second Homeowners 2008, "What to Expect on the Second Home Front", Luxx Cape Cod, November, 2014, FinePoint Associates calculations

Figure 15. Seasonal Home Usage





C. Market Demand and Sales Capture

1. Market Demand

Year Round Residents - Given the demographic, lifestyle and other consumer characteristics of the trade area year round population (presented in the previous section), their total annual expenditures for a variety of retail goods and services can be estimated. Year round residents in the Primary Trade Area (TA1) spend a total of $208 million at stores and restaurants not including vehicle and gas purchases. Year round residents in the Secondary Trade Area (TA2) spend $646 million. Estimated expenditures by category is presented in Table 8.

Seasonal Home Residents – In addition to year round residents, expenditures made by residents of seasonal homes have a substantial impact on the local economy. Quantifying the market demand associated with seasonal residents is challenging due to the lack of specific buying pattern data. We have estimated expenditures for this segment based upon the number of days the seasonal home is in use and the number of inhabitants. Seasonal residents in the Primary Trade Area (TA1) spend approximately $120 million at stores and restaurants not including vehicle and gas purchases. Seasonal residents in the Secondary Trade Area (TA2) spend approximately $421 million. Table 8 shows combined expenditures for year round and seasonal residents.

Motel Visitors and Day-Trip Visitors - As previously noted, this study does not address these visitor segments and therefore, the associated market demand has nor been estimated.

Table 8. Year Round and Seasonal Market Demand by Category

Market Demand – Estimated Annual Expenditures				
	Primary Trade Area (TA1)		Secondary Trade Area (TA2)	
	Year Round Residents	Year Round & Seasonal Residents	Year Round Residents	Year Round & Seasonal Residents
Furniture & Home Furnishings Stores-442	**$6,804,520**	**$10,751,141**	**$21,234,714**	**$35,070,591**
Furniture Stores-4421	$3,560,160	$5,625,052	$11,151,817	$18,417,993
Home Furnishing Stores-4422	$3,244,360	$5,126,089	$10,082,897	$16,652,598
Electronics & Appliances Stores-443	**$5,749,040**	**$9,083,483**	**$18,125,161**	**$29,934,950**
Building Material, Garden Equipment Stores -444	**$37,543,069**	**$59,318,050**	**$115,572,819**	**$190,876,459**
Building Material & Supply Dealers-4441	$32,448,012	$51,267,859	$100,031,618	$165,209,096
Lawn/Garden Equipment/Supplies Stores-4442	$5,095,057	$8,050,190	$15,541,201	$25,667,362
Food & Beverage Stores-445	**$41,642,014**	**$65,794,382**	**$129,534,667**	**$213,935,411**
Grocery Stores-4451	$26,928,560	$42,547,124	$83,637,314	$138,132,776
Specialty Food Stores-4452	$3,258,634	$5,148,642	$10,149,671	$16,762,880
Beer, Wine & Liquor Stores-4453	$11,454,820	$18,098,616	$35,747,682	$59,039,755
Health & Personal Care Stores-446	**$20,667,574**	**$32,654,768**	**$62,195,582**	**$102,720,281**
Pharmacies & Drug Stores-44611	$16,598,433	$26,225,524	$49,885,351	$82,389,088
Cosmetics, Beauty Supplies Stores-44612	$1,462,696	$2,311,060	$4,382,942	$7,238,730
Optical Goods Stores-44613	$766,854	$1,211,629	$2,393,693	$3,953,349
Other Health & Personal Care Stores-44619	$1,839,591	$2,906,554	$5,533,596	$9,139,114
Clothing & Clothing Accessories Stores-448	**$14,241,562**	**$22,501,668**	**$45,206,459**	**$74,661,576**
Clothing Stores-4481	$6,686,335	$10,564,409	$21,372,087	$35,297,471
Shoe Stores-4482	$889,089	$1,404,760	$2,879,266	$4,755,306
Jewelry, Luggage, Leather Goods Stores-4483	$6,666,138	$10,532,498	$20,955,106	$34,608,799
Sporting Goods, Hobby, Book, Music Stores-451	**$5,313,573**	**$8,395,445**	**$16,818,892**	**$27,777,557**
Sporting Goods, Hobby, Musical Instrument Stores-4511	$4,528,072	$7,154,354	$14,312,861	$23,638,674
Book, Periodical & Music Stores-4512	$785,501	$1,241,091	$2,506,031	$4,138,883
General Merchandise Stores-452	**$35,986,356**	**$56,858,443**	**$112,427,951**	**$185,682,493**
Department Stores, Excluding Leased Departments-4521	$14,533,996	$22,963,713	$45,674,997	$75,435,399
Other General Merchandise Stores-4529	$21,452,360	$33,894,729	$66,752,954	$110,247,094
Miscellaneous Store Retailers-453	**$8,882,784**	**$14,034,798**	**$27,884,403**	**$46,053,009**
Florists-4531	$368,686	$582,523	$1,137,301	$1,878,331
Office Supplies, Stationery, Gift Stores-4532	$4,236,400	$6,693,512	$13,241,553	$21,869,335
Used Merchandise Stores-4533	$596,068	$941,787	$1,898,705	$3,135,842
Other Miscellaneous Store Retailers-4539	$3,681,630	$5,816,975	$11,606,844	$19,169,501
Foodservice & Drinking Places-722	**$31,034,415**	**$49,034,376**	**$97,323,923**	**$160,737,152**
Full-Service Restaurants-7221	$15,806,336	$24,974,011	$49,566,710	$81,862,830
Limited-Service Eating Places-7222	$13,756,746	$21,735,659	$43,150,549	$71,266,099
Drinking Places -Alcoholic Beverages-7224	$1,471,333	$2,324,706	$4,606,664	$7,608,222
	$207,864,906	**$328,426,552**	**$646,324,571**	**$1,067,449,478**

Sources: The Nielsen Company, U.S. Census, FinePoint Associates calculations based on seasonal home usage data from UMASS Donahue Institute Survey of Cape Cod Second Homeowners 2008

2. Supply versus Demand – Sales Leakage/Opportunity Analysis

A sales leakage analysis compares the annual sales of businesses within the trade area to the amount and type of annual purchases that trade area residents make. If the expenditures exceed the sales, this indicates that local supply is not entirely meeting local demand.

The difference between what the residents spend and what the local businesses are capturing is called "leakage". This is also sometimes referred to as the **retail gap**. The leakage indicates the amount of market demand that is not being captured – the amount of sales that are being lost because trade area residents are going outside of the trade area to make purchases.

If the analysis shows significant leakage within specific retail categories, it points to possible opportunities for new businesses or expansion of existing businesses within those categories. It is not expected that businesses within a trade area would necessarily achieve 100% capture; much depends on the quality and proximity of available offerings beyond the trade area. However, categories showing sales leakage represent market opportunities that could be further explored. It might be possible to capture those sales if comparable offerings were available.

When the leakage is presented as a negative number, this indicates a **retail surplus**. In these categories, the amount of current business sales exceeds the amount required to meet the demand of trade area residents. In most cases, the likely explanation for negative leakage (retail surplus) is that the expenditures of other market segments have not been accounted for -- in this instance, motel and day-trip visitor expenditures have not been included. Another likely reason for negative leakage is that the businesses might be drawing sales from outside of the identified trade areas as well as other market segments such as business-to-business sales and area employees. In any case, in these categories, there is no specific evidence of unmet demand.

In categories showing little or no leakage, it does not necessarily mean that there is no opportunity. There might be opportunity depending on the ability of local businesses to attract expenditures from outside of the identified trade, non-resident market segments and/or overtake trade from existing competition within the trade area by offering more desirable products or services.

Year Round Resident Demand vs. Supply – Figure 16 compares year round resident demand with local business sales. It appears that local supply is meeting local year round demand in most categories. Figure 16 shows leakage only in the categories of General Merchandise (e.g., typically department store) and Clothing and Accessories. In fact, leakage in the Clothing and Accessories category may be over stated because many local businesses that are classified as galleries (and therefore fall under the miscellaneous retail category) also sell jewelry and clothing.

Seasonal and Year Round Demand versus Supply – Figure 17 compares seasonal and year round resident demand with local business sales; this shows leakage in a few more categories. Both trade areas show leakage in the categories of General Merchandise and Clothing and Accessories (which may be overstated as described above). TA2 also shows modest leakage in Electronics, Health and Personal Care Stores and Sporting Goods and Hobby. The food service and drinking category does not show any sales leakage, however, it should be noted that motel and day-trip visitor expenditures have not been included in the analysis and it is these categories which are most impacted from the motel and day-tripper segments.

Notes About Sales Leakage

1)In addition to the businesses located in the Town Center, there are numerous businesses located within the identified trade area. The trade area sales illustrated in the following table include all of the businesses in the trade area, not just those of the businesses in the Town Center.

2)This analysis is based on the most current information available however businesses could have moved into the area or left since these figures were compiled.

Figure 16.

Year Round Resident Demand Compared to Business Sales

Expenditures (Spending Power)

TA1	TA2	
$6.8	$21.2	Furniture & Home Furnishings
$5.7	$18.1	Electronics & Appliances
$37.5	$115.6	Bldg. Materials, Garden Equip. & Supply*
$41.6	$129.5	Food & Beverage Stores
$20.7	$62.2	Health & Personal Care Stores
$14.2	$45.2	Clothing & Accessories
$5.3	$16.8	Sporting Gds., Hobby, Books, Music
$36.0	$112.4	General Merchandise
$8.9	$27.9	Misc. Store Retailers
$31.0	$97.3	Food Service & Drinking (excl. spec. foodservices)

$ millions

Figure 17.

Year Round & Seasonal Resident Demand Compared to Business Sales

Expenditures (Spending Power)

TA1	TA2	
$10.8	$35.1	Furniture & Home Furnishings
$9.1	$29.9	Electronics & Appliances
$59.3	$190.9	Bldg. Materials, Garden Equip. & Supply*
$65.8	$213.9	Food & Beverage Stores
$32.7	$102.7	Health & Personal Care Stores
$22.5	$74.7	Clothing & Accessories
$8.4	$27.8	Sporting Gds., Hobby, Books, Music
$56.9	$185.7	General Merchandise
$14.0	$46.1	Misc. Store Retailers
$49.0	$160.7	Food Service & Drinking (excl. spec. foodservices)

$ millions

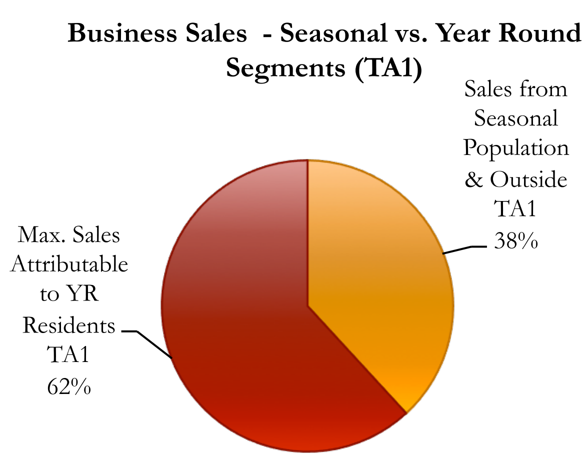
Sources: The Nielsen Company, U.S. Census, InfoUSA, FinePoint Associates calculations

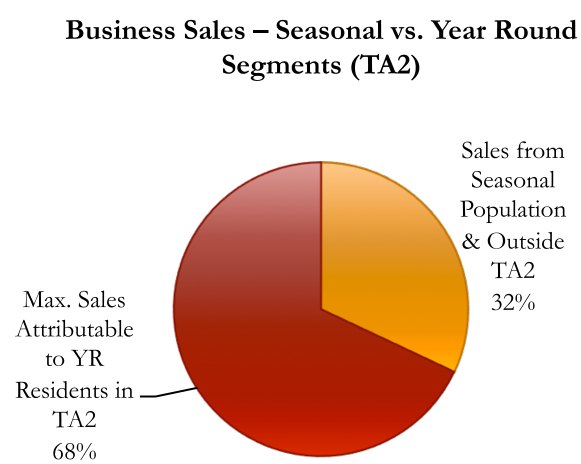
3. Importance of the Seasonal Market Segment

Trade Area - Seasonal Market Impact

One thing that can be clearly deduced from this analysis is how important the seasonal home population and visitor market segments are to maintaining support for the current level of retail and restaurant development. In the primary trade area, the estimated annual sales of the businesses (not including vehicles and gas) are approximately $128 million more than the expenditures of the year-round residents. In the secondary trade area, the estimated annual sales of the retail and restaurant businesses are approximately $301 million greater than the expenditures of the year-round residents. In the primary trade area (TA1), the maximum sales attributable to year round residents is 62%; the actual percentage of sales coming from this segment is likely less because TA1 residents do not do all of their purchasing within the trade area. In the secondary trade area (TA2), the maximum sales attributable to year round residents is 68%

Figure 18.





✓ Less than two-thirds of Existing Retail and Restaurants could be Supported by Year Round Residents Alone

✓ Without Seasonal Home Users and Visitors, there would be Less than half as many Restaurants

Orleans-Specific Seasonal Market Impact

The charts on the previous page refer to the trade area businesses and population. It is also interesting to look specifically at the Town of Orleans to determine how much of the sales generated by Orleans businesses might be attributable to Orleans residents. It is very evident how important the seasonal market segment as well as year round residents from outside of Orleans are to maintaining support for the current level of retail and restaurant development in the Town. The estimated annual sales of the Orleans businesses (not including vehicles and gas) are approximately $162 million greater than the expenditures made by Orleans year-round residents. The maximum sales attributable to Orleans year round residents is 33%. The actual percentage of sales coming from this segment is likely less because Orleans residents do not do all of their purchasing within the Town.

Interviews with a sampling of Town Center businesses (conducted by FinePoint in November, 2015) showed a wide variation among businesses with regard to what percentage of their customers were seasonal vs. year round residents. On average, the businesses estimate about 53% of their customers are year round "locals" and 47% are seasonal. "Locals" in this case could mean year round residents of Orleans or the surrounding towns.

Figure 19.

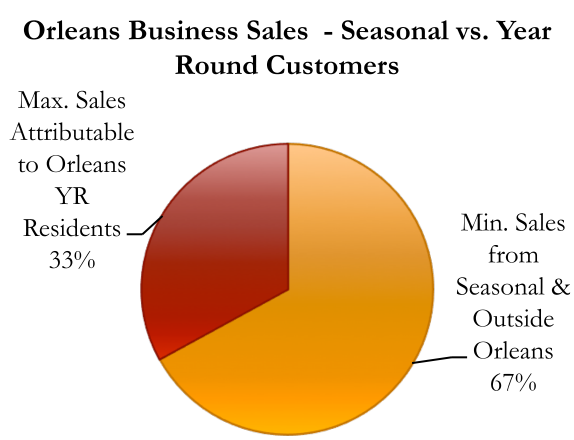
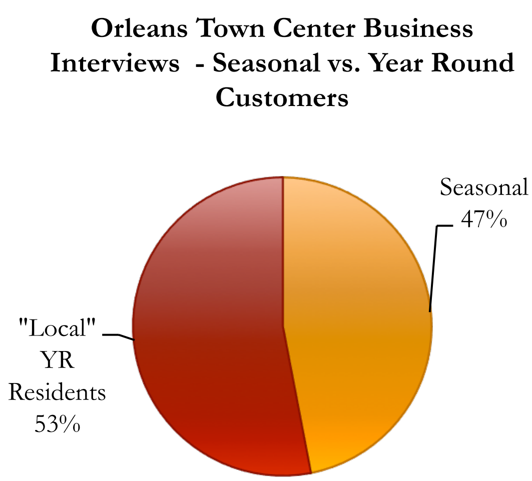


Figure 20.



Part III. Other Conditions Pertinent to Town Center Planning

A. Orleans Demographic Profile and Trends

1. Population and Household Characteristics

- There are approximately 5,666 people living in Orleans.
- The estimated median household income for 2015 is $64,389, which is 5% lower than the state-wide median. However, the per capita income is $44,305, which is 22% higher than the state.
- Approximately one-half of the population over the age of 25 has a Bachelor's Degree or higher (compared to 39% in Massachusetts and 29% in the United States).
- The median age is 61.5, about 55% higher than in Massachusetts and 62% higher than in the US. 43% of the population is 65 years of age or older compared to 15% in the state and the U.S.
- The average household size is small – 1.95 persons per household compared to 2.5 statewide. Only 13% of the households contain children under the age of 18, compared to to 31% statewide and 33% in the U.S.

2. Population Growth

The population and number of households has declined since the year 2000. According to population projections obtained from Nielsen, if current conditions persist, the population is expected to continue to decline around 2% between 2015 and 2020. However, as previously noted, findings from a UMASS Donahue Institute survey suggested that 23% of seasonal homeowners plan to convert to primary residents between 2009 and 2024.

Table 9.

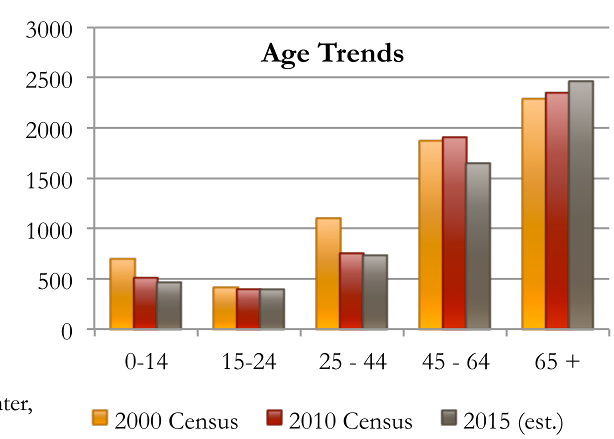
Orleans Demographic Profile 2015	
Population & Households	
Population	5,666
Households	2,863
Median Age	61.5
Avg. Household Size	1.95
Households with Children	13%
Owner-Occupied	77%
Income	
Median Household Income	$64,389
Average Household Income	$87,681
Per Capita Income	$44,305
Education	
Associates Degree or Higher	62%
Bachelor Degree or Higher	52%
Race & Ethnicity	
White	96%
African American	1%
Asian	1%
Other/>1 Race	2%
Hispanic Origin	2%
Age	
0 - 14	8%
15- 24	7%
25-44	13%
45-64	29%
65+	43%

3. Aging Population and Loss of Young Workers

Orleans has been leaking young workers for the last 15 years, experiencing a 34% drop since 2000. While over the same time period, Orleans senior population (over 65) has grown by 8% and the population over 85 has grown by 31%. A survey conducted by Northeastern's Dukakis Center (in 2014) found the most common reasons cited by 25 – 44 year olds for leaving the Cape were as follows:

- Lack of job opportunities (26%)
- Lack of higher education options(14%)
- Lack of social options (14%)
- Not being paid enough to afford the housing (14%)
- The cost of housing (13%)

Figure 21.



Sources: "Shaping the Cape's Future", Northeastern University Dukakis Center, The Nielsen Company, U.S. Census, FinePoint Associates calculations

B. Housing Supply and Needs

1. Housing Supply

Housing Units
According to ACS 2009 -2013 there are approximately 5,111 housing units in Orleans (The Nielsen estimate is slightly higher at 5,286). A very large portion of the units are seasonal homes and only 54% are occupied year round.

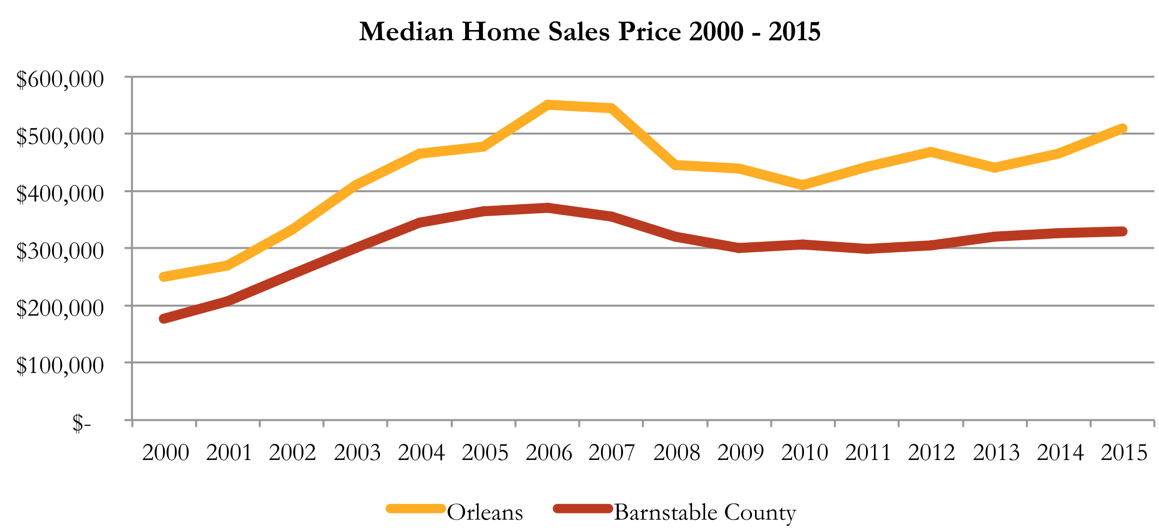
Vacancy
The homeownership vacancy rate is estimated to be about 1.5% and the rental vacancy rate is approximately 1.4% (according to ACS 2009-2013). The rental vacancy rate is significantly below what is considered to be a healthy market and is indicative of a short supply. A homeownership vacancy rate of 1.5% and a rental vacancy rate of 7% is typically considered natural vacancy rates in a healthy market. Low vacancy rates can put pressure on housing price. (source: Basic Housing Needs Assessment, MAPC).

Housing Options
There is not much variety in housing choice. 80% of the the housing units in Orleans are single family detached homes and 20% are condos, townhomes, apartments or other multi-unit dwellings. This ratio of single to multi-unit dwellings is similar to the Cape overall but markedly different from Massachusetts overall where only 52% are single family homes.

77% of the occupied units in Orleans are homeowner units and 23% are rental units. Again, this mix is similar to the Cape overall but significantly different from Massachusetts (62% homeowner, 38% rental).

Housing Cost
The cost of housing in Orleans is quite high. The median home value among occupied units in Orleans is estimated at $597,353 compared to $382,501 Cape-wide and $349,573 in the state. According to data from the Warren Group, the median sales price in 2015 (Jan.-Oct.) was $510,000, 55% higher than the selling price on the Cape overall.

Figure 22.



Sources: The Warren Group, American Community Survey 2009-2013, The Nielsen Company, FinePoint Associates calculations

2. Housing Needs

There might be a need for more housing options that could be accommodated within the Town Center study area.

Maintenance-Free Homes within Close Proximity to Services

Over 40% of the population in Orleans is over 65. About one-half of this segment is between 65 and 74, the other half is 75 or older. Average household size has declined to 1.96. Given the aging population and trend toward fewer people in the household, there may be a demand for smaller, maintenance-free homes (condos, townhomes or apartments where landscaping and other maintenance services are provided communally). This market segment also seeks locations within walking distance or close proximity to goods and services as they plan to drive less frequently.

Entry-level Housing Options, Workforce Housing

While the median home value is estimated at 55% higher than the Cape overall, the median household income is only 4% higher. A median income household in Orleans could not afford a median priced home. The generally accepted standard for affordability is housing costs of no more than 30% of household income. 52% of Orleans households with a mortgage and 24% of households without a mortgage are paying more than 30% of their income for housing, indeed the vast majority of these households are paying more than 35%. The housing cost burden is even greater among renters. 63% of households are paying rent more than 30% of their income and a full 55% are paying more than 35% of their income.

The housing conditions suggest that Orleans may not be able to support entry-level housing needs, particularly renters and first time homebuyers. When a community has housing that is available and affordable for younger families to rent or buy, it helps to ensure a stable workforce for year round businesses. When there is not housing available for the workforce, year-round businesses may be less likely to locate or stay in the community. As previously noted, a recent survey by the Dukakis Center, indicated that housing costs were one of the frequent reasons cited by young workers (age 25 - 44) for leaving the Cape.

Sources: The Warren Group, American Community Survey 2009-2013, The Nielsen Company, FinePoint Associates calculations

C. Continuing Expansion of Arts and Culture

Orleans Community Partnership and Orleans Village Center Cultural District

The Orleans Community Partnership was created on August 26, 2011 stemming from and for the purpose of following-up on recommendations made by the Village Center Initiative sponsored by the Town of Orleans and its Planning Board, and the Orleans Chamber of Commerce, with the dedicated assistance of local citizens, businesses and community organizations. (source: www.orleanscommunitypartnership.org)

Since its inception, the Orleans Community Partnership (OCP) has worked collaboratively with the town, Chamber and other stakeholders to champion many initiatives to promote arts, culture and community in Orleans, including the "It's All in Orleans" campaign, creation of a unified community cultural calendar and turning a firehouse into a community center, just to name a few. The OCP spear-headed the process to establish the state-designated Orleans Village Center Cultural District, part of a program sponsored by the Massachusetts Cultural Council. The Orleans Village Center Cultural District received official designation in 2013.

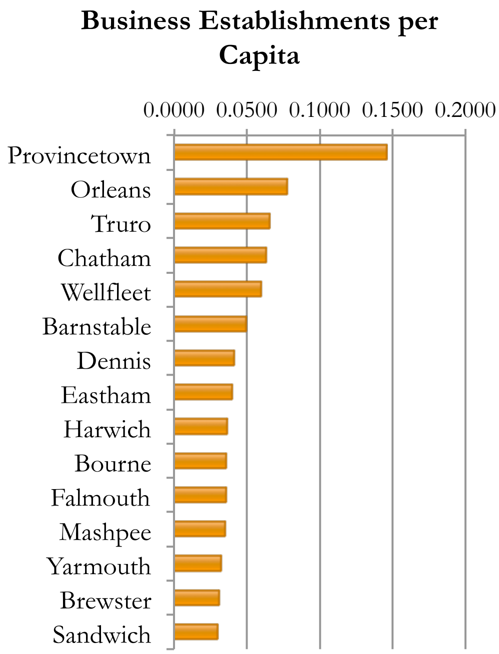
Description of the Orleans Village Cultural District (excerpted from www.massculuralcouncil.org) . . .
Anchored by the Old Firehouse and Parish Park, the Orleans Village Center Cultural District is a walkable network of attractions starting with Theresa's Way and extending through a necklace of pocket parks, public spaces, greenbelts, and vistas. Maritime heritage meets modern hospitality, art galleries and boutiques line the pathways, and iconic shops are around every corner. Performing arts, entertainment, lifetime learning, and countless recreational opportunities beckon year-round at the Academy Playhouse and School. And community celebrations abound, including "Spring into Summer" in May, Orleans Heritage Month in August—which culminates with a performance by the Orleans Pops featuring the Cape Cod Symphony Orchestra, "Celebrate Our Waters" in September, Ukulele Cabaret and Plein Air painters during "Capture the Cape," in October, and much more.

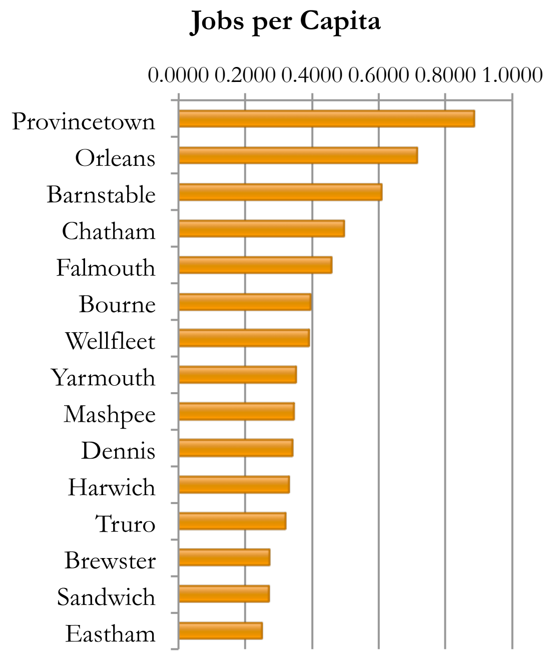
In general, the objectives of establishing a Cultural District are to:

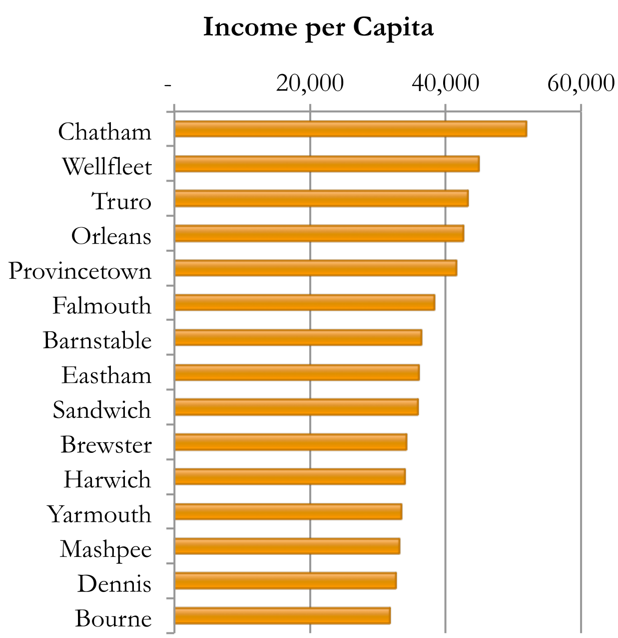
- Foster local cultural development
- Attract artists and cultural enterprises
- Encourage business and job development
- Establish the district as a tourist destination
- Preserve and reuse historic buildings

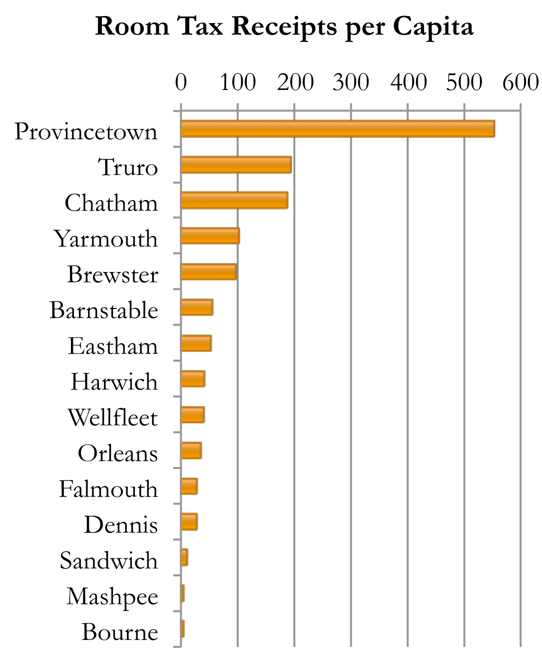
Appendix:

Orleans Economic Indicators Compared to Other Cape Cod Towns









Source: Calculations based upon data from STATSCapeCod, Cape Cod Commission and 2013 population estimates

Appendix B

Orleans Downtown Planning Workshop No. 1 Breakout Group Summary

December 15, 2015 Orleans Downtown Planning Workshop
Breakout Group Discussion Summary

Part One: Vision Statement Review

Instructions: Review attached Vision Statements, briefly discuss & record suggested modifications, if any. Then take straw poll among the members & record levels of agreement with **bolded statement.**

Statement A accurately conveys our vision for the Village Center………………………………………………
Suggested modifications, if any: Group 1 • Without wastewater infrastructure provided, the vision is not attainable. Adequate parking is also needed. • Historically, there was more density in the Village Center; we should honor the past and make the center a dense, walkable community. Increasing density could lead to a conflict between residential and commercial uses, so special consideration needs to be given to compatible uses. Group 2 • Had issue with the words "small town" – thinking more of Norman Rockwell type place than as a vibrant community – might prefer "market town". Also not comfortable with the word "seaside". • Statement should not include unattainable goals – such as parking. • Group wants a lively, more densely populated Village Center. • Add phrasing like "art-based cluster with boutiques and specialty shops" • Group agrees with the intention of the statement, but thinks a true vision statement should be more concise; few sentences at most. Group 3 • Liked first paragraph, idea of providing housing, and placement of utilities underground (as long as opportunity to do so at a reasonable cost). • Liked Idea of traditional village, but often traditional village done piecemeal. Challenge will be to have homogeneous village with what could be rapid change. Group 4 • Vibrant Community should be a strongly stated "Goal" • Lack of wastewater impacting downtown growth. • Don't be like a Nantucket or Chatham. • Make Village Center more welcoming to visitors. Group 5 • Utilities should be relocated belowground. • Add a community mobile broadband, modern telecommunications; public WiFi hot spots. • Creation of homes over stores really hasn't been happening in the Village Center; broaden the vision; i.e. the homes can be free-standing; don't need to be on top of some other use. • Question: "What are the jobs that are going to bring in the young population?" In order to bring in young people, need to provide for 3 needs: socializing, housing, and wages. Group 6 • Statement should reference need to maintain environmental sustainability, support local businesses, and attract young people.

Statement B accurately conveys our vision for the Town…………………………………………………………………..

Suggested modifications, if any:

Group 1

- Focus should be on the residents first, and then attract seasonal visitors / vacationers.
- Overly zoned for commercial use as compared to residential use; redevelopment is needed.
- Need to have a social draw to the downtown; mentioned another movie theater would be nice.

Group 2

- Group took issue with "semi-rural seaside character" and would like to see revision reflecting desire to become a marketplace for the region – a "mini-urban area".
- Group wants Orleans to enter the 21st century – high-speed internet with WiFi hotspots throughout the Town – creating places for people to gather.
- Need an action item for creating good paying jobs in order to attract young people (and so they can afford homes).
- Group members would delete the sentence "It will maintain its maritime heritage and traditional occupations" as they see this as salt mining and other activities no longer done.
- Group member wants to strike the sentence "Orleans will be a family vacation destination with ready access to its open spaces, recreational facilities and beaches." Would prefer to see phrasing where year-round residents are at the forefront.

Group 3

- Liked idea of family vacation destination – access to beaches, water resources, etc.
- Concerns there are not enough jobs and affordable housing for the young, so they are moving out.
- Town boards need to organize, coordinate, and change philosophy to help businesses grow and not throw out roadblocks.

Group 4

- Lack of wastewater infrastructure is impacting natural resources.
- Make Orleans affordable year round.

Group 5

- Bring in businesses that pay more than minimum wages (e.g., educational, medical).
- Some concern expressed with the "status quo" elements of the vision; i.e. need change rather than "maintain".

Group 6

- All strongly agree; no wording changes.

Vision Statements

Statement A: Village Center Vision Statement (2009)

"The Orleans Village Center is, and will continue to be, a vibrant commercial and community center for the town, and will develop into a focal point for community and cultural activities and services for residents and visitors. The small-town character of the village will be maintained and enhanced. Mixed-use and other appropriate development will be encouraged through changes to the zoning bylaws. Street trees and decorative landscaping will be encouraged. Improved sidewalks, lighting, street furniture and the placement of utility lines underground will be pursued.

Consistent with a traditional village development pattern that will be safe and attractive for pedestrians, it will be desirable to have small shops lining the streets with parking provided to the rear of the buildings where possible. Sidewalk cafés will be encouraged. The scale and materials used for new construction in the village will be in keeping with the village character, and property owners will be encouraged to improve the appearance of existing buildings. Residential units above storefronts will be encouraged. Provisions will be made to accommodate the flow of vehicular traffic, but not at the expense of providing a safe and attractive pedestrian environment. Appropriate parking to serve businesses and village residents will be provided for.

Statement B: Town Vision Statement (2006)

Orleans in 2020 will be a thriving community that has preserved its semi-rural seaside character, maintained the health of its abundant natural resources, and carefully managed its residential and commercial growth, thereby enhancing the quality of life for its citizens and visitors. It will maintain its maritime heritage and traditional occupations. It will have an attractive, readily accessible business center, and a business and professional community that provides diverse year-round employment and a wide variety of goods and services. Orleans will be a family vacation destination with ready access to its open spaces, recreational facilities, and beaches. Orleans will be a desirable home for people of diverse backgrounds and a good place in which to raise children. Its people will continue to participate in town government, civic activities, and be generous in their support of education and the arts. It is the policy of this Town to ensure that future growth is at a level and in such a manner that will have no or minimal adverse effect upon semi-rural character and environmental integrity of the Town. Tracts of land that are currently developable should be preserved permanently through public and private action to attain a goal of at least 400 acres of additional open space. Future residential housing development should be designed to preserve open lands where practicable, should be away from environmentally sensitive areas, and should contribute to meeting the needs of the community for affordable housing. Future business activities should be oriented primarily in village areas and strip commercial development prevented.

Part Two: Discussion of Selected Strategies

Instructions: Review strategy recommendation, briefly discuss & record comments or qualifiers, if any. Then take a straw poll among members & record levels of agreement with **bolded statement**.

A. Encourage increased density in the Village Center. Concentrate businesses & community facilities/ activities in the Village Center that will be compatible, add vitality and establish a critical mass. Possible actions: land use/zoning policies to encourage density, multilevel, mixed use in VC, create three strong business nodes (VC, Shaws Node, Stop & Shop node) and limited intervening business

Comments or Qualifiers, if any:

Group 1

- All generally agree.
- Need to have a commitment to wastewater infrastructure to achieve this.
- Need to be considerate of aesthetics (setbacks, height, etc.) and conflicting uses.

Group 2

- In general agree with recommendation, but don't make it too small.
- Encourage the 25-45 year old demographic with better paying jobs and more affordable homes.

Group 3

- All strongly agree.
- This topic is an area with great differences of opinion. People and decision makers need to be open minded and not fight change.

Group 4

- All agree.
- No "big box" stores or "chain" stores.
- Maximum two story development.
- Set back stores for outside activities with parking in the rear.
- Provide wastewater infrastructure but need to control development by reasonable rules and regulations.
- Create residential via rentals (2nd floor) and condos via back lots.

Group 5

- All agree.
- Allow for free-standing multi-unit homes in Village Center (i.e. don't necessarily need to restrict homes to 2nd/3rd floor of shops, restaurants, offices).

Group 6

- All strongly agree but have couple of suggestions:
    - Provide parking in the right locations.
    - Current zoning sometimes constrains use and needs to be modified to allow greater density but limit footprint.

B. Prioritize first floor space in the core of the business district for retail and restaurant uses that have similar operating hours and generate walk-in trade.

Possible actions: prioritize uses in planning documents, consider implementing zoning restrictions.

Comments or Qualifiers, if any:

Group 1

- All generally agree.
- Workforce is limited; many store owners do not have enough staff to keep stores open later or year-round.

Group 2

- Generally agree.
- Want independent businesses – no chains / franchises.
- Evening hours should be encouraged for businesses in this district – perhaps an ordinance requiring it?
- Disagree that uses should be limited to retail and restaurants – professional offices should also be encouraged to develop a "one stop shopping" location (lawyers, financial planners, etc).

Group 3

- Not addressed.

Group 4

- All strongly agree.
- No offices.
- Promote more shops, restaurants, pubs, etc.

Group 5

- Not addressed.

Group 6

- All strongly agree, but think clarification on professional use vs retail use would be helpful.
- Thought clarification on policy on hours for opening would be helpful (retail versus other businesses).

C. Explore and recruit destination "magnet uses" that would attract customers to the Village Center. Encourage increased density in the Village Center. Possible actions: Explore potential for recruiting educational institution/college satellite, movie theater/entertainment use, attractions (e.g., aquarium, museum, etc.)
Comments or Qualifiers, if any: <u>Group 1</u> • Strongly agree. • An educational institution would be a great addition. • Other good draws would be a movie theater and an activity / recreation center that can be used year-round. <u>Group 2</u> • Group generally agrees with this. • They all would love to see a cultural or community center (similar to the Cultural Center of Cape Cod in Yarmouth or the space in Harwich. • Would love to see a continuing education space, but currently no building is suitable. • Movie theater would also be encouraged. <u>Group 3</u> • All strongly agree. • Movie theater and medical offices. <u>Group 4</u> • All strongly agree. • Bring back the movie theater. • Establish small college campus. • Develop the high speed internet – "One Cape" via CCC. • Create poor weather locations / attractions. • Attract music venues. • Longer business hours during the summer. <u>Group 5</u> • All strongly agree with concept, but wish to clarify that some, but not all, of the above would be desirable (no objection to any individual use, but concerned that if *all* of the identified uses were to come, it would be 'too much'). <u>Group 6</u> • 2 strongly agree, 3 agree. • All voiced support for restoring the old movie theater. • Suggested developing a "Learning Center" which would provide life time opportunity for additional education (college courses, et c.).

D. Attract more residents in and near the Village Center.
Benefits: increase market support for businesses, bring vitality, with more people on the street, area may be perceived as livelier, more inviting.

Comments or Qualifiers, if any:

Group 1
- All strongly agree.
- More public restrooms are needed; cleanliness is important.
- Social engagement and green spaces are needed (mentioned Depot Square Park, Parish Park, and Village Green as good examples).
- Bring in street vendors.

Group 2
- In general all agree.
- Would all like to see more residential property in the Village Center – both affordable for the younger professionals as well as high end for the older people looking to downsize and for low maintenance.
- Would also like to see rental properties which would encourage young professionals.

Group 3
- All strongly agree.
- Need to coordinate growth between the Village Center and corridors outside the Village Center such as Shaws, Midas to Tedeschi's (Zoned Limited Business).

Group 4
- All strongly agree.
- Shut down (foot traffic only) Main Street (and others) 1 night per week during the summer.

Group 5
- All strongly agree.
- Concern that residents of a "senior living community" do not utilize downtown; recognize the needs of an aging population, but don't necessarily aspire to be the destination for retiring seniors.
- Need to emphasize affordable rentals.
- Emphasize rental homes to attract younger people (who typically start first in an rental unit, rather than purchase a condo/house).

Group 6
- All strongly agree.
- No additional comments.

E. Increase Housing Options for Year Round residents.
Potential types: Smaller maintenance-free homes (condos/townhomes with communal maintenance), rental units, workforce/entry level housing

Comments or Qualifiers, if any:

Group 1
- All strongly agree.
- There is a need for down-sizing, low maintenance options.
- Workforce housing is important.

Group 2
- All agree in theory. Think this is a noble ambition, but how to execute?
- Would like to see new residential and commercial properties as mixed-use and combined, not separate. This would encourage a vibrant community.

Group 3
- All agree.
- Need for spectrum of housing. Housing for young families with lower income, not just high end housing.

Group 4
- All strongly agree.
- Create more rentals and condos, but need jobs to support it.
- Additional affordable housing, but Orleans currently above 9%.

Group 5
- All strongly agree.
- Emphasize studio apartments (targeting younger population), emphasis on affordability.
- Consider ensuring that the housing include exercise facilities (again, presumed to be on the 'must have' list for younger people).

Group 6
- 4 strongly agree; 1 agree.
- Recommend having bracket housing to provide sufficient variety to attract wider range of potential renter/owner (both income and housing type).
- Recommend greater number of rental units.

F. Increase outdoor/sidewalk dining options.
Possible actions: Explore inhibiting conditions, review and amend permitting procedure as appropriate.

Comments or Qualifiers, if any:

Group 1
- All strongly agree.
- Need to have adequate setback requirements that allow for sidewalk use.

Group 2
- All agree.
- Think number of seats should not be limited due to resources.
- Don't limit number of outdoor seats or put restrictions on the way food can be served (imposing more a "take-out" approach than an actual outdoor dining experience).
- Need to be creative about the use of resources (i.e. water and wastewater).

Group 3
- All agree.
- No strong opinions or comments.

Group 4
- All strongly agree.
- Lack of wastewater infrastructure is negatively impacting restaurants (total seating interior and exterior).
- Create locations with a view of the water.

Group 5
- All strongly agree with the strategy, but recognized that there are some challenges that may not be easily overcome (e.g. where would Land Ho! expand to…there is no adjacent space/sidewalk available).
- Acknowledged that adding such dining options is inhibited by "self-imposed" (and some state) regulations.

Group 6
- All strongly agree.

G. Facilitate business development/expansion that will provide year round employment.

Comments or Qualifiers, if any:

Group 1

- All strongly agree.
- Need to invest in wastewater infrastructure.
- Additional housing is also needed to support business and employment growth.

Group 2

- Group agrees – and thinks this key.
- Would like to see a "pool" created to assist with economic development.
- Would encourage the creation of an economic development committee, agency, board etc. that would support businesses.

Group 3

- All agree.
- Need to apply to all business districts.
- Believe best if Town incrementally changes zoning.

Group 4

- All strongly agree; see previous comments.

Group 5

- All strongly agree.
- But it has to be in the right place, and has to pay the right salaries.
- In general, the group questioned "What do we have to offer"; i.e. why would a business (re)locate here?
- Group was concerned that 'cost of living' is an impediment without a solution.
- Recommended that employment options need to be sought/championed by a regional approach (i.e. Orleans can't do it alone).

Group 6

- 3 strongly agree; 2 agree.
- Need right mix of people to support year-round businesses.
- Provide moderately priced housing; this will attract people who would be more likely to stay year round (as opposed to the high income people who leave for warmer climates for winter months).
- Moderate income people would shop year round.

H. Other (may be identified during session) . . .
Comments or Qualifiers, if any: <u>Group 1</u> • None. <u>Group 2</u> • Group feels the Town needs to be ready to change zoning laws to reach goals. • Strongly want mixed, combined uses and not separate zones. • WiFi hotspots STRONGLY encouraged. • Need a plan for the future. <u>Group 3</u> • Need to balance and coordinate changes to Village Center and Business Center. Will not work well if only pay attention to one area or the other. <u>Group 4</u> • Require a consistent architectural look that fits into the Cape aesthetics. • Restrict Village Center in type of development – no “box” or “chain” stores. • Change planning bylaw with regards to number of parking areas required – reduce as well as to modify existing “paved” areas to “green” areas. <u>Group 5</u> • None. <u>Group 6</u> • None.