



## WHAT IS THE ECONOMIC IMPACT OF WASTEWATER INFRASTRUCTURE?

In 2018 the Town of Yarmouth commissioned a report from the UMass Dartmouth Institute of Economic & Public Policy Research regarding wastewater infrastructure's effects on economic opportunity in Yarmouth.

The [published report](#) revealed important insights into the town's future economic vitality. Some key points are highlighted below:

### CURRENT CONDITIONS IN YARMOUTH



- **Yarmouth's tax base is becoming increasingly reliant on residential properties**, demonstrating an opportunity to diversify the tax base through the expansion of commercial and industrial enterprises.
- There is a pent up demand for development in Yarmouth that has gone untapped for many years.
- Restaurants, hotels, and motels are constrained from reaching their market potential due to lack of municipal wastewater treatment.
- Most businesses do not want to be in the wastewater treatment business and will therefore be reluctant to invest in their properties (in some cases resulting in **property deterioration**).
- At least one major hotel investment is on hold due to concern that other commercial property owners are not similarly investing in their properties.
- Because of these existing conditions, **job growth in Yarmouth lags behind** both the state and Barnstable County.

### COMMERCIAL TAX BASE



- A measure of Yarmouth's overall competitiveness on Cape Cod is its ability to generate tax revenues and reduce its dependence on residential property taxes to support municipal services. Yarmouth's new property tax growth is only 0.77% annually which is about half of the new property tax growth in other Cape Cod communities.
- In terms of assessed value, residential property types accounted for 92% of Yarmouth's total property valuation in 2018, with **commercial/industrial property contributing 7%**.
- 30+ years ago Yarmouth had a more diversified taxbase, with commercial/industrial properties approaching **20%** of total assessed property values.
- Identified prospective projects in Yarmouth could bring hundred of millions of dollars in new investment to the Town, adding significantly to the tax base. \$100 million of redevelopment in town translates to approximately \$1 million per year. This revenue can fund new infrastructure and **reduce the burden of the residential taxpayer**.



## ECONOMIC ADVANTAGES FOR MUNICIPAL WASTEWATER SERVICES

- Municipal wastewater treatment provides for redevelopment opportunities, revenue from which could **help with cost recovery for the improved infrastructure.**

The report referred to a recent study of 87 sewer and water projects found that every dollar (1990\$) spent on construction of a sewer/water project:

- Resulted in nearly \$15 of private investment
- Generated \$2 in public investment
- Increased the property tax base by \$14
- Every \$10,000 in construction costs saved or created 5.75 jobs



Photo Credit: Scott Lundegren

## POTENTIAL NEGATIVE CONSEQUENCES OF HAVING NO WASTEWATER INFRASTRUCTURE

- **Poor water quality** resulting in beach closures and an onerous traffic situation can turn visitors off from future visits to Yarmouth.
- With uncertainty over wastewater, existing lodging owners may be unwilling to invest in their properties and allow them to deteriorate.
- Antiquated and obsolete lodging facilities will join traffic congestion and water pollution as threats to Yarmouth's image as a destination.
- Lower water quality, foul smelling bays/ponds, and a lack of investment in commercial properties could result in **lower property values** for neighboring areas.
- Without municipal wastewater treatment, about 10,000 single-family properties could be faced with a combined, up-front cost of almost **\$200 million** to install on-site nitrogen removal systems.