

6

FUTURE CAPE COD COALITION

February 22, 2019

Board of Selectmen, Town of Bourne

RE: Meeting municipal infrastructure and community investment needs with rental tax revenue

Dear Chairman Meier and Members of the Board,

Bourne is poised to receive a once-in-a-generation revenue infusion due to the inclusion of short-term rentals in the new occupancy tax law. We have one opportunity to ensure new revenue is used for long-agreed-upon, yet chronically underfunded infrastructure and community investment that Cape Codders need to thrive, now and into the future.

Our organizations, the Association to Preserve Cape Cod (APCC), Cape Cod Chamber of Commerce, Cape Cod & Islands Association of REALTORS® (CCIAOR), and Housing Assistance Corporation (HAC), have come together because we share a belief that the future of Cape Cod depends heavily on infrastructure improvements and community investment for future economic stability and environmental improvement. Now is the perfect time for local government to establish infrastructure banks and direct resources to long-term community investment. **We ask Bourne to adopt a local bylaw this spring directing at least 50% of the local option rooms excise tax to a discrete stabilization fund, earmarking that revenue for housing, wastewater, broadband, transportation, and competitive marketing of Cape Cod.** Making long-term investments will dictate the economic viability and sustainability of Cape Cod and defer the use of property tax revenues for these needed projects, saving Cape Codders money.

To do this, we have crafted a model bylaw, enclosed, to segregate and protect new revenue exclusively for such long-term investments. Setting aside the new revenue before it gets absorbed into general operating budgets and before the ability to invest strategically in long-term municipal needs is lost is critical. We therefore ask you to exercise your authority to put this model bylaw on the Spring 2019 Town Meeting warrant.

Adoption of this bylaw will achieve three goals:

1. Create a sustainable source of investment in long-term needs that are traditionally underfunded and vital to the sustainability of the community;
2. Ensure that critical investments are addressed without burdening taxpayers with increased property taxes. This will simultaneously increase property values, improve

- the environment and quality of life, and produce economic opportunity for all; and
3. Support your commercial and industrial property tax base with the potential to grow that base with activities that increase employment and businesses in your town.

Unless the new rental tax revenues are protected, residents will not see any property tax relief. Dedicating this new money to long-term spending provides the town with more budget predictability and the ability to avoid relying on a fluctuating revenue source to fund fixed operating costs.

We must act now to ensure that year-round Cape Codders have access to housing, wastewater infrastructure is built swiftly, businesses and residents have access to high speed broadband, people can move around efficiently and reliably, and we invest in the region's tourism market share, in order to maintain this revenue stream.

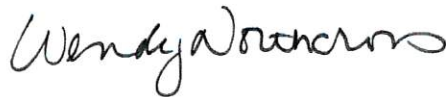
We understand the timing of your warrant is tight. With your discretion to add this topic for consideration, you can make an impact of long-standing investment and return for the town of Bourne. We would welcome the opportunity for one of us to meet with your Board and can also set up a meeting with Chairman Meier and Mr. Guerino, which can be coordinated through Stefanie Coxe at 508-360-9074 or stefanie@nexuswerx.com and of course, please don't hesitate to call any of us directly.

Thank you for your consideration and leadership in this matter.

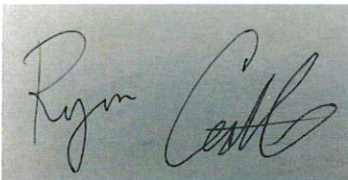
Sincerely,



Andrew Gottlieb, Executive Director
Association to Preserve Cape Cod



Wendy Northcross, CEO
Cape Cod Chamber of Commerce



Ryan Castle, CEO
Cape Cod & Islands Association of REALTORS®



Alisa Galazzi, CEO
Housing Assistance Corporation

FUTURE CAPE COD

Model Bylaw

Article to direct a portion of rooms tax to stabilization for certain capital expenses

To see if the Town will vote to accept Paragraph 4 of Chapter 40, Section 5B of the General Laws and dedicate, without further appropriation, into a special purpose Infrastructure and Community Investment Stabilization Fund, created herein for the purposes of meeting housing needs, implementation of the Town's wastewater management program, broadband infrastructure, transportation improvement, and competitive marketing of Cape Cod , fifty percent of the local option rooms excise tax that the Town receives on the transfer of occupancy of a room in a bed and breakfast establishment, hotel, lodging house, short-term rental or motel, pursuant to its acceptance of General Laws Chapter 64G, Section 3A, as amended by Chapter 337 of the Acts of 2018; provided that said dedication shall take effect beginning in Fiscal Year 2020 which begins on July 1, 2019; and provided further that the Town may not revoke its acceptance of this Act for at least three fiscal years; or to take any other action relative thereto.

Explanation: The Municipal Modernization Act in 2016 allows a Town which accepts G.L. c. 40, §5B, to dedicate not less than 25% of the local rooms excise tax to any stabilization fund. This would include any new revenue generated from short-term rentals. The Town must accept paragraph 4 of §5B at Town Meeting (or by a vote of the Town Council), establish the stabilization fund (if an appropriate one does not already exist), and designate the percentage of the room excise (not less than 25%) to be deposited in the stabilization fund. No further appropriation into the fund is required to dedicate the funds. As with any appropriation from a stabilization fund, a two-thirds vote is required by Town Meeting (or Town Council). Once a town accepts the statute, the Town cannot revoke its acceptance for at least three fiscal years. This article creates a special purpose stabilization fund for housing needs, wastewater management, broadband infrastructure, transportation improvement, and competitive marketing of Cape Cod and directs 50% of receipts to this fund to offset the cost of them on the property tax.