

ECONOMIC DEVELOPMENT

Residents might say or think: *We don't want Economic Development; after-all, Rochester is a "bedroom" community and we don't want much commercialism in our residential "hideaway".* Reality is however that, unless we properly provide for a source of tax revenues, our bedroom community will become unaffordable to the average person.

WHAT DRIVES THE ECONOMY OF ROCHESTER

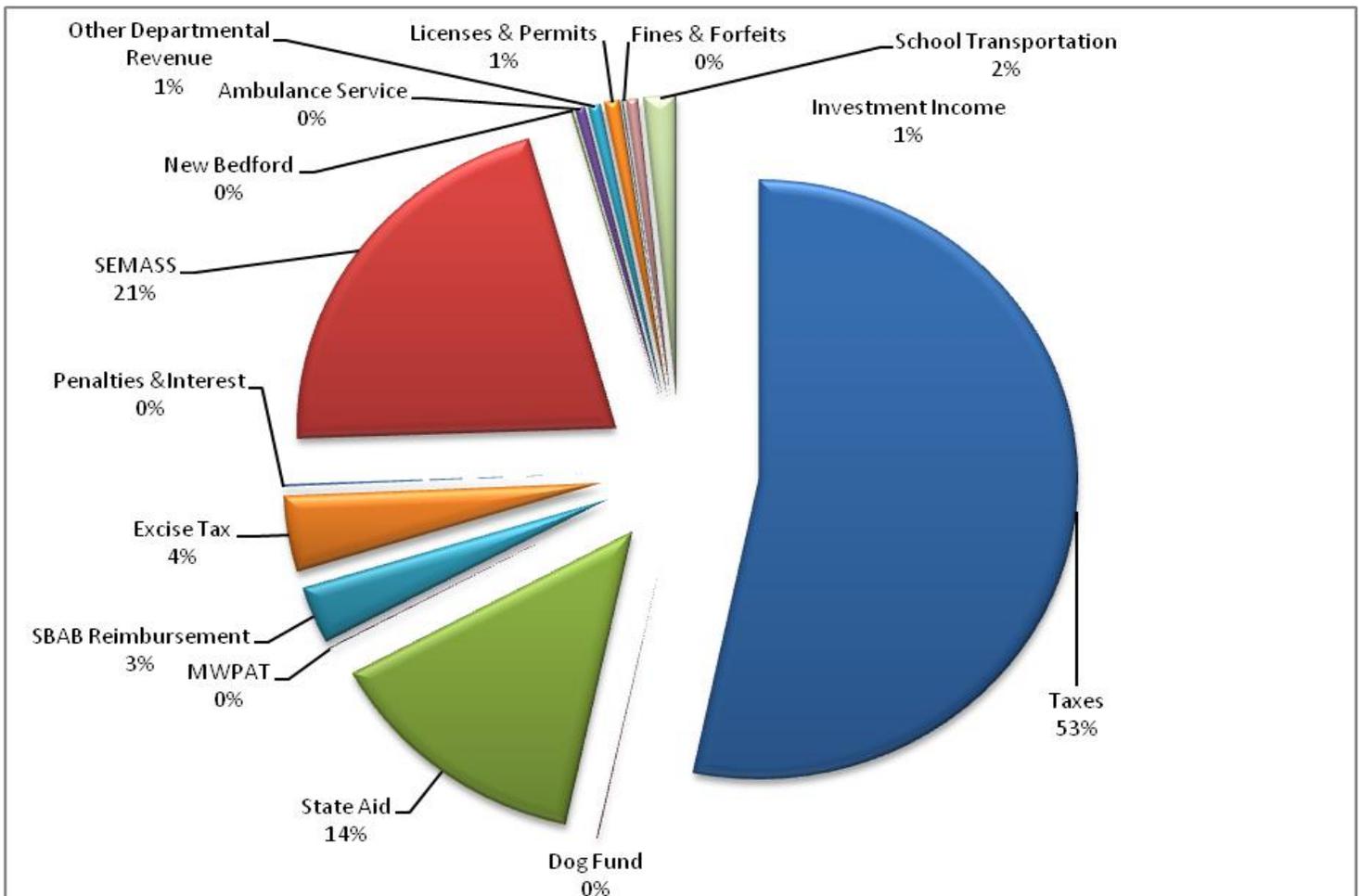
Rochester's economy on a macro scale, like that of any city or town, is driven by income and expenses. Our economy is

really not much different than the management of our personal finances or that of any business anywhere in the world. In very simple terms, our economy is driven by our ability to produce income and to control our expenses. In order to plan for our economic development we all must have a full understanding of our sources of income and the nature of our expenses.

WHERE THE MONEY COMES FROM

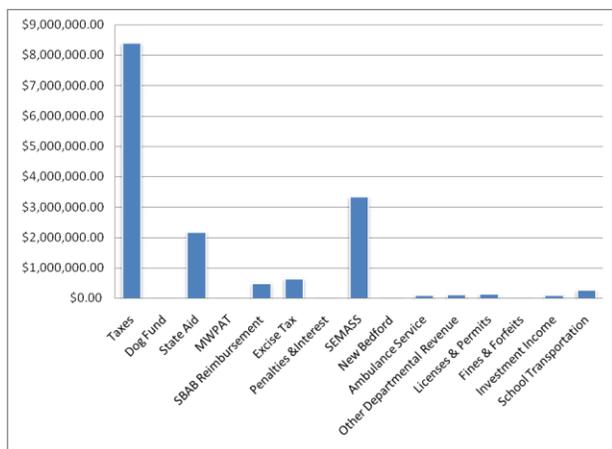
On the income side of the ledger, we have property taxes (or payment in lieu of taxes), excise taxes, fees from licenses and permit applications and reimbursements from state programs.

The chart below shows a breakdown of



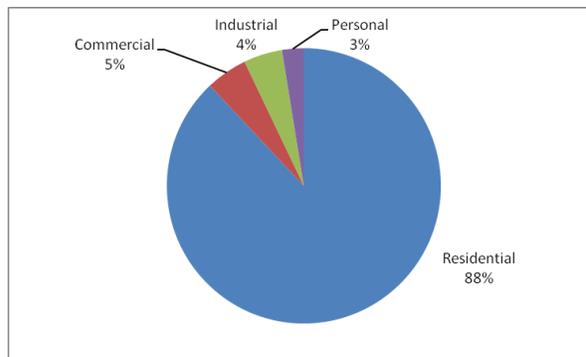
the fiscal year 2007 income. As can be seen, there are several sources of revenue to the town. However, five categories comprise approximately 95% of all revenue with three of those accounting for 88% alone. The 88% consists of real estate taxes, which account for approximately 53% of all income; payments in lieu of taxes from SEMASS at about 21%; and state aid accounts for approximately 14% of our revenue. The other two major revenue streams are significantly lower with excise taxes accounting for 4% and reimbursements from the School Building Assistance Bureau accounting for 3%. The remainder of the revenue streams generally represent 1% or less of the entire town budget.

The following chart presents the actual values for each of the categories discussed above.



As the following chart shows, of the approximately \$8 million that is generated through property taxes, 88% (or approximately \$7 million) comes from residential property taxes. The other 12% of our property tax revenues consist of commercial property at 5%, industrial property at 4%, and personal property

taxes at 3%. Clearly, this information demonstrates that the town of Rochester is highly dependent on residential taxes as a source of revenue to operate the town.



The information also shows the relatively high percentage of total revenue contribution (21%) by the SEMASS facility. It is a clear example of the advantage of attracting "tax friendly" industry to the town to provide a balance to our sources of economic funding. It is part of the essence of economic planning, to diversify your income sources so that no single source carries a disproportionate burden. It is however, also an example of poor business practice to place such a high reliance on a single revenue source. Should for some unforeseen reason major revenue source decrease significantly, the town would find itself in financial hardship due to the loss of such a significant source of its revenue.

This data clearly presents the need for more comprehensive planning in the town, particularly as it relates to economic development and financial matters.

WHERE THE MONEY GOES

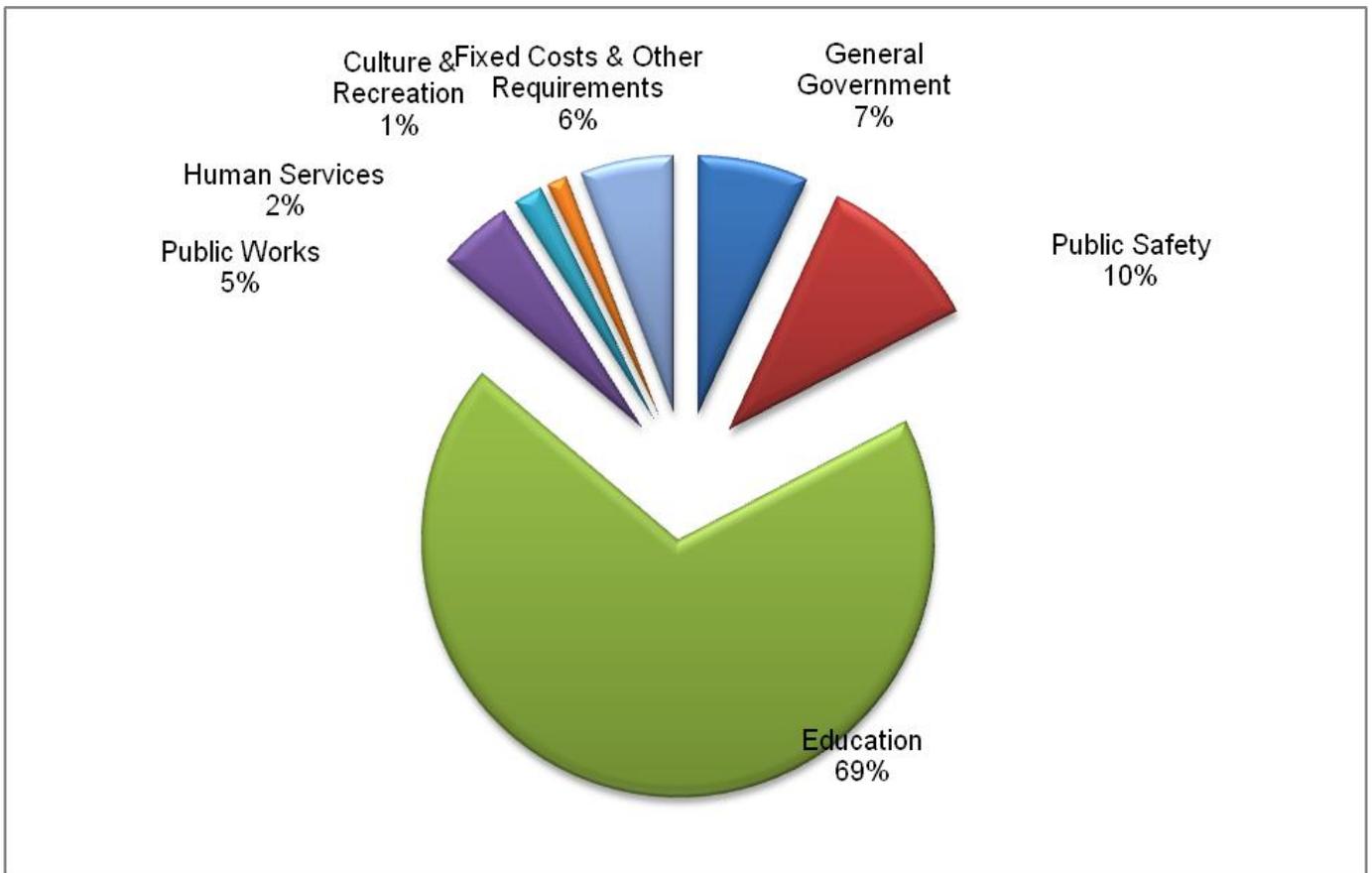
Evaluation of the expense side of the ledger reveals an interesting story. The graph below has been developed based on fiscal year 2007 expenditures. As can be seen, the predominant expenditure in the town of Rochester is for education where we spend approximately 69% of all of our funds. Public safety (10%), general government (7%) and public works (5%) are the next highest categories of expenditures.

While this distribution is somewhat uncharacteristic for the average community in Massachusetts, it is not uncharacteristic for smaller and evolving communities. The town of Rochester has been very frugal with its expenditures, focusing on the need to educate the children in the community. A lot of the

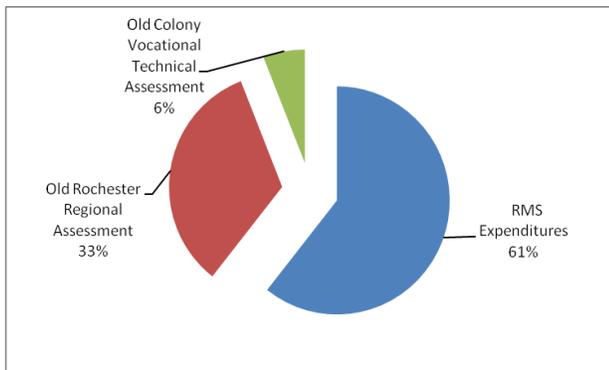
governmental functions have historically been provided by volunteers or by part-time individuals.

Unfortunately, the town's future growth is most likely to be residential and as that grows the demands on education will also increase. With town budgets already reaching the levy limit under the Proposition 2 1/2, it is not likely that enough funds will be available to meet all demands unless some sort of economic stimulus is provided.

Focusing on the educational expenditures, because it is the largest percentage of the entire budget, helps us to understand the delicate balance going forward.



The following graph shows the approximate breakdown of the town spending under the general educational category. As can be seen, expenditures for the Rochester Memorial School (Grades K-6) represents 61% of all expenditure for education with ORR expenditures representing 33%.



Old Colony Regional Vocational High School and the Old Rochester Regional (ORR) Junior High and High Schools have more than adequate capacity within the existing buildings. The upgrades to the ORR facility ensure that it is likely that no significant expenditures on infrastructure will be required within the next 20 years.

The conditions at Rochester Memorial School, however, are significantly different. As presented in the *Community Facilities, Circulation & Infrastructure* section of this Master Plan, the school is woefully inadequate for the existing student population and at a minimum the building will need to be expanded. The potential exists that to be eligible for state funding and to provide for adequate capacity in the long run, a separate building may need to be constructed. Per student expenditures at the Rochester Memorial School are already approximately 30% higher than that for

the ORR students (\$11,500 vs. \$9000) and will likely rise as a result of new building construction.

While it is not possible to place an exact number on the cost associated with new residential housing that produces additional students in our school systems, it is clear that existing costs are between \$9000 and \$11,500 per student. Further, we know that additional students entering our system will require at a minimum, significant expenditures at the Rochester Memorial School.

Based on this discussion, it should be clear that for the town's economic health, we need to encourage new development to consist of the types of uses that would not place demands on our educational system. Traditionally, this means commercial or industrial uses.

Realistically, we need to expand this category to include residential housing for singles, newly married, "empty-nesters", retirees and the elderly. We should also evaluate recreational types of uses that will both produce revenue and attract tourists to the community.

WHERE WE HAVE BEEN

The Master Plan of 2000 identified 700 acres of the total 23,000 acres in Rochester as zoned for industrial or commercial development and that a small percentage of the population worked in town. This has not changed. That Plan suggested encouraging businesses to capitalize on waste energy from SEMASS, mixed use zoning to bring business along with housing people could afford, and an aggressive plan to encourage business growth, especially businesses compatible with farming and farming operations. It recommended reactivation of a defunct

Industrial Development Commission and expansion of the towns industrially zoned property.

Little has been achieved although some opportunities were explored relative to synergistic businesses to complement SEMASS and a brief “flurry” of attention to the Industrial Development Commission. We actually took steps backwards with regards to our industrially zoned property by changing the zoning designation on 60 acres of usable industrial property (representing approximately 10% of the total in town) from industrial to residential. This rezoned parcel was accessed off High Street and adjacent to A D Makepeace Bogs.

WHERE ARE WE NOW?

As of early 2007, Rochester has a modest sized Industrial District and a tiny General Commercial District in the West Wareham section, now mostly developed. We also have a very modest sized Limited Commercial District in the town center comprised of the Plumb Corner Market and what was once the Gibbs Dairy. *(Note: Districts are defined on the Zoning Map which is included in the Figures section. The publication entitled Town of Rochester Zoning By-Law available at the Town Hall Annex or the Rochester website includes Lot Dimensions, the Permitted Uses and uses Permitted by Special Permit for each District.* So currently, aside from extensive cranberry businesses and a few other commercial ventures, Rochester is a bedroom community.

WHERE ARE WE HEADED?

It is clear that Rochester will be primarily a residential community. We do not have the infrastructure in the form of roads, water supply or sewerage disposal to attract light or heavy industrial users to locate in our town. The only areas suitable for that type of use have almost been completely developed based on the available upland land (or non-wetland) that can be used.

Due to the lack of any significant highway system running through the town linking us with densely developed areas, it is highly unlikely that any substantial commercial development will occur. It is likely that commercial development within the town will be limited to that which the population of the town can support. We can expect development in the form of small shops and convenience stores. However, these will not generate significant tax dollars nor will it produce significant jobs for our residents.

Because our tax rate will climb to support the governmental and educational structures necessary to accommodate the continued growth of the town, a lot of the larger parcels of land will be developed either because the owners cannot afford to pay the taxes or because the value of the land as development property is too good to pass up. This in turn will drive up the taxes in order to accommodate the growth. It's kind of a vicious cycle and unless we develop a plan for economic stability within the context of what we expect the town to become, we will see our town become so expensive a place to live that most modest-income citizens will not be able to afford to live here.

Opportunities for expanded commercial activity, if it can be attracted to Rochester, is most likely to be successful in proximity with existing businesses. This suggests the possibility of some commercial zoning adjacent to “grandfathered” current businesses such as Lloyd’s Market at Cushman and Hartley Roads, adjacent to Adrian’s at Mary’s Pond and County, possibly extending to the Marion line, and County Road, possibly from the railroad to the Middleboro line. In addition, existing Plumb Corner commercial zoning might be expanded in the town center.

There is little likelihood of successful commercial business in other locations. Any zoning changes should be preceded by a town-wide assessment of the needs and appetite for expanded commercial zones.

WHAT CAN WE DO?

The town of Rochester's fate to be the farmland and bedroom type community was sealed several hundred years ago when our two villages that contained the waterfront and the location on the major highway (Route 6) connecting several densely developed communities became the towns of Marion and Mattapoisett. For decades now, many people within the town have been insisting that we develop industrial and commercial areas.

The reality, however, is that we will likely not see any significant industrial or commercial development due simply to the lack of access, infrastructure and demographics. There has been some industrial and commercial development in the north end of town along Route 28 in the Industrial District. As previously stated, however, most of the land that has not been developed is either wetland or not developable for an assortment of other

reasons. Another reality is that people live in areas that have been designated for industrial or commercial use and they do not choose to have those uses occur on their property or adjacent to their properties and as such, voice their opinions when the potential for change occurs. Our efforts would be best placed to recognize that we will be primarily a residential community and to encourage the types of residential uses that will have the least demand on town services. We should spend less of our effort in trying to completely change the natural progression of events and spend more of our effort on trying to shape the way that things progress.

Examples of things which may shape the way things are:

1. Encourage developments for “over age 55” such as the current Special Residential Development.
2. Allow modest two bedroom, non-expandable units in dense configurations with offsetting larger lots in “hard to perk” locations, thus limiting build-out.
3. Plan for Inventoried Affordable housing per the Commonwealth Department of Housing and Communities Development criteria sponsored by the Town through “LIP” (Local Initiative Petition to the State).
4. Buy more open space
5. Protect known agricultural resources for locally grown produce.

Many of us tend to think of commercial activity as incompatible with residential use. In the great swing of history, however, this is a recent perception. Until quite recently, a family made its living at or very

near where it lived. Only with cheap fuel and extensive public roads did the bedroom community mentality take hold.

Rochester has many examples of cottage industry as provided under Permitted Uses in the Zoning By-Law. These are one or two person businesses run from home. They are interspersed throughout Rochester and part of the town's unique character. Many other towns facing similar situations have decided that it is better to find a way to encourage and accommodate this cottage industry. As technologies progress, it becomes easier, for example, to work out of their homes rather than spending hours commuting to crowded offices. This enhances people's quality of life and provides for a sense of community.

A more concentrated version of this cottage industry concept is often called Mixed-Use which should be considered for inclusion in the Zoning By-Law. This name usually implies two-story buildings with living units over commercial establishments, whether retail or artisan's shops or artists lofts. It can also mean stand-alone individual or condominium facilities with light commercial interspersed with residential.

Mixed use as so defined can be an ideal location for Inventoried Affordable Housing per the Commonwealth Department of Housing and Communities Development criteria or just plain housing the average family can afford (See the *HOUSING* chapter).

As more people live in town, it is likely that there will be a demand for some commercial development in the town. We should develop bylaws to encourage the development in areas appropriate for that

use. This will in turn enhance and preserve the quality of life that people who live here chose as part of the process of selecting their residence.

It is possible that Rochester may attract a large company or institution wishing to create a campus like atmosphere to support its needs. That attraction will be possible if we preserve that which is important to everyone and maintain the qualities of the town that we all find important.

IMPLEMENTING ACTION TASKS:

PLANNING BOARD RESPONSIBILITIES:

1. Develop a comprehensive land-use plan for the town based on the existing physical characteristics (i.e. surface topography, water supply, sewage disposal capabilities, roadway capacities and important physical features to preserve).
2. From the land-use plan identify areas that would be suitable to support one bedroom apartment or condominiums that can provide modest, cost effective housing for people while placing very little demand on municipal services.
3. Recommend a variety of new commercial venues through redistricting and/or creation of zoning overlay districts.
4. Reevaluate the Permitted Uses allowed in commercial/industrial zones to make them more conducive to business. Make recommendations.
5. Conduct a town-wide forum to discuss expansion of commercial

zoning and to identify Permitted Uses in any such expansion. Of course, existing residential uses would be fully “grandfathered” for all residential privileges.

6. Recommend a Mixed Use by-law and creation of Mixed-Use overlay districts.
7. Consider forming a Special Commercial/Agricultural District to allow unobtrusive commercial activity as well as agriculture in the areas where growers retain non-bog real estate.

BOARD OF SELECTMEN:

Reenergize the Rochester Economic Development Commission and Industrial Development Commission to be proactive about attracting revenue producing developments for Rochester.

Expand jurisdiction of Industrial Development Commission to include all potential Commercial activity

***BOARD OF SELECTMEN/
AGRICULTURAL COMMISSION TASKS:***

Growing food may become a local “growth industry” should the “oil crisis” exacerbate. In conjunction with the Agricultural Commission, evaluate need to preserve areas of known agricultural capability.