# Exhibit 15 - Economic Narrative/Analysis

## Introduction

The subject property is located at 21 Hunters Brook Road and the development is known as Canal Street Crossing. The 10.95-acre property was purchased in the spring of 2017 by 21 Hunters Brook Road, Inc. The owners/developers have strong ties to the Town of Bourne with deep roots in the Sagamore Beach community. Canal Street Crossing is located within the only designated Senior Care Overlay District (SCOD) in Sagamore Beach, MA. The property is also presently zoned within the business (B-2) and residential (R-40) districts. Canal Street Crossing is proposed as an over 55 community and medical office facility that can offer services to meet our senior population's needs both on location and within the local region. By developing anover 55 community (32 residential units) and medical office space it will help contribute to much needed housing inventory in the Town of Bourne for the work force and first-time home buyers by freeing up inventory.

## Project Summary

The development will consist of a 35,380 square foot, 2-floor, medical office building and 32 townhomes that will range between 1,186 sf to 1,273 sf per home (20 two-bedroom and 12 one-bedroom units are presently proposed). By adding the proposed townhomes to the home inventory in Bourne, it is likely that this will lead to more homes in the nearby community being listed for purchase, thus providing the opportunity for younger professional community migrate into the community.

The four-story Continued Care Retirement Facility which was previously approved by the DRI is no longer being proposed. The two-story medical office building will include medical offices

such as primary care, specialty care and other medically related uses. The townhome community will consist of approximately 32 units of age-restricted condominiums for residents that are over 55 years of age. The location was chosen due to its close proximity to local services and exceptional pedestrian access to the Cape Cod Canal and surrounding activities.

**Project Related Jobs**

The project is projected to break ground in the Spring of 2025 and will continue through winter of 2026. The total development cost is projected to be $30-40M. The development will create approximately fifty (50) full-time construction jobs during the two-year period onsite including trucking, construction, and local supplier benefits. The average burdened wage for these jobs will be $40-60/hour and will provide an influx of revenue to the neighboring businesses during this timeframe. Of the projected jobs, it is anticipated that at least 60% of labor will be by provided by residents in this South Coast region of Massachusetts.

The development and continued operations will also support many general services in perpetuity including but not limited to security, janitorial, carpentry, general maintenance, landscaping, and much more.

**Senior Housing Demand**

[1]Senior households are staying in their homes even though they are poorly maintained, inefficient, substandard and possibly dangerous simply because there is no place to go. The term “Aging in Place” is used to describe a lifestyle focused on the senior population’s ability to live freely in a community that offers a spectrum of services tailored to facility a healthy life even as their partners or their own needs change over time.

[1] Regional Housing Market Analysis, Barnstable County, Massachusetts. Crane Associates, Inc., 2017

In the Regional Housing Market Analysis, it expected that that two-thirds of The Cape's population will be over 45 years old.[2] The aging population of Bourne has been decreasing slightly over the last decade.[3] The reason for the decline in population can be partially attributed to the decrease of the birth-to-death ratio of the population of the county as the baby-boomer generation continues to age out of the child bearing years and into their retirement years. The 65 and older individuals has increased between 1980 and 2015 and is one of the fastest growing population segments on Cape Cod. Though much of these gains are due to natural aging, there is also a net migration of "retirees." As the general population continues to age, the elderly will constitute an increasing share of region's population base, making the "graying" of the Cape Cod a significant socio-economic development for the region. Increasing the supply of senior housing is probably the single most important action you can take to relieve housing cost stress across all households of all ages and incomes.[4]

Expanding options for developing retirement communities that will attract seniors out of their current, underutilized and oversized homes and into appropriately designed units is critical for the Cape today. Canal Street Crossing proposed townhomes will provide a more efficiently sized living environment for the over-55-year-old community. [5]The decline in average household size reflects longstanding social changes that have resulted in smaller families and the increasing share of total households by non-family households. The implication of smaller household size is increasingly responsible for greater housing unit need as the population grows with these new household characteristics. The result is potentially greater demand for smaller units, characteristic of households headed by persons aged 50 years and older.

[2] Regional Housing Market Analysis, Barnstable County, Massachusetts. Crane Associates, Inc., 2017
[3] Regional Housing Market Analysis, Barnstable County, Massachusetts. Crane Associates, Inc., 2017
[4] Regional Housing Market Analysis, Barnstable County, Massachusetts. Crane Associates, Inc., 2017
[5] Regional Housing Market Analysis, Barnstable County, Massachusetts. Crane Associates, Inc., 2017

[6]Single and two-person households over 65 years of age are the demographic group that will dominate the Cape in the next 20 years. The demographic that the Cape's economy needs to attract now but doesn't have is young professionals between 25 and 35 years of age working in non-tourist sectors such as finance, technology, science and engineering. The Canal Street Crossing Project not only will spark economic increases due to the influx of the younger professionals contributing the development during the project duration, but it will also produce a stabilized population growth in this demographic due to the operational job opportunities created upon the project's completion.

**Stabilized Job Creation**

Upon its completion, Canal Street Crossing will create many jobs associated with the operations and maintenance of the property. Property management will consist of a full-time positions performing day-to-day custodial maintenance on the property including landscaping position(s) and other employment opportunities (e.g. vendors, consultants, accountants, realtors, etc.). The medical office building will employ more than 10 to 20 nurses/assistants, 10-12 administrative positions and 10-15 physicians/physician assistants. All employees will be provided competitive salaries and benefits packages, and the aggregate will be above Barnstable county home-owner's current average annual wage income of $43,992+/-. This stimulus will positively impact the Town of Bourne and surrounding areas. It should be noted that Town of Bourne had the highest percentage of both individuals and families below the poverty on the Upper Cape per the US Census in 2017.

[6] Regional Housing Market Analysis, Barnstable County, Massachusetts. Crane Associates, Inc., 2017

**Patient and Resident Volume**

The medical office building's primary, internal, family and specialty practices will serve well over 100 patients per day which will consist predominantly of Bourne/local residents, providing enhanced access to today's most cutting-edge ambulatory health care services. This net increase meets the goals and initiatives set forth within the *Regional Housing Market Analysis, Barnstable County, Massachusetts. Crane Associates, Inc., 2017*

**Increased Tax Basis**

The projected development cost of Canal Street Crossing is $30-40M, which could increase the projected annual tax revenue to the Town of Bourne by $300-500k annually (see table below). Additionally, the project will incur permits fees for Building, Electrical, Plumbing, Health, Water, etc.

| | Value | | Rate | Tax Revenue |
|---|---|---|---|---|
| | Market | Assessed | | |
| Commercial | 35,380 sf x $200/sf=10.6M | 0.8x10.6M=8.49M | $24/1000 | $203,379/yr |
| Residential | 28 units x $600K=16.8M | 0.8 x 16.8=13.4M | $18/1000 | $241,920/yr |