

## **Strategy # 4: Build Regional Collaboration**

It is undeniably true that we should do more regionally in Metro Boston, and this strategy highlights the proposals, laws, and institutions that need to be established or strengthened in order to foster more regional collaboration and consolidation of service delivery.

### **A. Strengthen MAPC as a regional resource**

MAPC should expand the technical assistance it provides on land use issues, and to help cities and towns on matters such as joining the Group Insurance Commission (GIC), reforming municipal government, and developing regionalized service delivery. The Commonwealth should refrain from setting up organizations redundant of the role the RPAs currently play or might reasonably play given their strengths and future needs of the region.

#### **1) Strengthen the technical assistance capacity of regional planning agencies**

MAPC brings a unique perspective to technical assistance projects, as a public agency with a regional perspective. MAPC is also distinguished from conventional technical assistance providers by its familiarity with a wide range of municipal issues and by its robust legislative program.

However, MAPC's capacity to provide technical assistance is subject to the availability of funds from state technical assistance programs, and this funding is often unpredictable and inconsistent. The Executive Order 418 program, the Smart Growth Technical Assistance Fund, and the Priority Development Fund were three programs that allowed MAPC to help communities make great strides toward progressive planning, but the first program was a one-time effort and the latter two have been largely discontinued. The District Local Technical Assistance program now provides funds for general technical assistance in both land use and regionalization, but the continuation of this program is not guaranteed. With limited funds, MAPC cannot help all the communities who request assistance, and with unpredictable funding sources it is difficult to plan for multi-year efforts that would make major changes in local policies. Similar challenges face all RPAs in Massachusetts.

More broadly, the annual assessment paid to MAPC by cities and towns is governed by Proposition 2 ½, which limits annual increases to 2.5%, with no "override" mechanism. Although population is used to distribute the assessment among communities, there is no mechanism to increase the overall assessment as population grows. Since the median assessment is very low, even a doubling of the assessment would have virtually no impact on city or town budgets, while dramatically affecting the level of technical support MAPC could provide.

**1.a The Legislature should provide increased levels of support for the District Local Technical Assistance program in FY 2010**

**1.b The Massachusetts Association of Regional Planning Agencies and the Commonwealth should establish and maintain a regular**

**mechanism for interaction between state agency directors and directors of regional planning agencies**

**1.c Working with cities and towns in the region, the Commonwealth should consider increasing the annual assessment available to MAPC**

**2) Modernize enabling statutes for Regional Planning Agencies**

Regional planning agencies such as MAPC were formed in the 1960s and 1970s and their governing statutes should be reviewed to enable them to play a more substantial role in collaborative local government. MAPC is already working in areas not originally envisioned, such as leading the efforts to create an option for local governments to join the Commonwealth's Group Insurance Commission, or providing joint procurement services for tens of millions of dollars in goods and services annually. The potential to expand the role of MAPC as a vehicle for regionalized service delivery and to broadly promote regional collaboration is enormous.

An expanded and flexible role for MAPC will also make it unnecessary for the administration or legislature to set up additional, redundant organizations to conduct activities that regional planning agencies might conduct. For example, rather than creating new councils of government (COGs), regional planning agencies in Massachusetts should be retrofitted with an expanded list of powers and duties often associated with COGs.

MAPC performs much of its work through contracts with state agencies, to deliver technical assistance, conduct analysis, or administer program. However, inconsistencies in the enabling legislation often generate confusion about the contracting and procurement process between state agencies and MAPC or other regional planning agencies. Legislation is needed to resolve these inconsistencies.

**2.a The Legislature should adopt legislation that would enable regional planning agencies to provide a wider array of regional services as drafted by MARPA**

**2.b The Administration should issue an executive order and revise regulations to provide clear, uniform authority allowing state agencies to contract with regional planning agencies**

**B. Support regional collaboration, purchasing, and service delivery**

There are already many examples of shared services and facilities in Metro Boston, such as successful law enforcement councils that provide specialized services across member communities, regional educational collaboratives that allow school districts to provide special education services more efficiently, and regional library networks that allow local libraries to leverage the resources available to their users. In addition, there are many examples of shared facilities like regional vocational high schools and regional water and wastewater infrastructure through the Massachusetts Water Resources Authority and more localized joint wastewater facilities.

The Commonwealth recently adopted legislation allowing municipalities to enter into inter-municipal agreements without obtaining local legislative approval (such as Town Meeting approval). This recent change can help to facilitate a variety of collaborative actions, such as developing joint facilities, having one municipality provide services for another, or even consolidating departments.

As the state lowers barriers to regional collaboration, local officials will need the vision and leadership to creatively consider shared services, shared departments, and shared facilities. There are many departments that could collaborate more fully or even be consolidated. Easily, these include assessing departments, veterans services, weights and measures inspections, specialized public health duties, and public works. Furthermore, it is mainly political challenges that prevent increased collaboration in the provision of major local services such as firefighting. Creatively leveraging regional solutions will require leadership at the local and regional levels.

### **3) Establish regional collaboration as a priority for all Commonwealth policies and programs**

One of the Commonwealth's Sustainable Development Principles encourages communities to "plan regionally." There is an opportunity to promote such regional collaboration by steering state grants to municipalities that practice partnership and collaboration with neighboring cities and towns.

Whenever practical, state agencies should encourage cities and towns to submit joint applications, and to demonstrate the degree to which a joint application would reduce and/or increase public benefit. Applications from multiple communities should receive higher scores to reward and encourage regional collaboration.

The Commonwealth Capital system was recently modified to provide additional points to municipalities that pursue opportunities to work with their neighbors on a wide array of issues such as land use planning, joint development of facilities and infrastructure, and protection of natural resources across municipal boundaries. The new criteria is: "Execution of a compact or MOU, provision of funding, or regulatory change to attain a regional or intergovernmental goal"

The Governor can issue an executive order to make regional collaboration a priority across state government. Such an order—issued to all secretariats, agencies, commissions, and authorities—would ask them to evaluate every grant, loan, and technical assistance program for opportunities to promote cross-boundary cooperation, collaboration and regional service delivery.

#### **3.a The Governor should issue an Executive Order on Regionalism**

### **4) Increase joint procurement and service delivery through MAPC**

The vast majority of goods needed to operate local government are purchased on the local level, and the vast majority of services are provided by individual

municipalities, costing millions of dollars in redundant administration, equipment, supplies, facilities, and personnel. In many cases, substantial dollars could be saved – and the quality of services improved – by regionalizing purchasing or service delivery

MAPC coordinates regional purchasing consortiums through which 42 member municipalities can purchase vehicles, supplies, and services. Examples include public works and emergency response vehicles, highway maintenance materials and services, homeland security equipment, office supplies. MAPC develops bid specifications and conducts the purchasing in accordance with state procurement regulations. In 2007, the program conducted procurements worth over \$50 million, saving municipalities an estimated \$2 million. There are two elements to these savings: the high volume of purchases creates heightened competition among vendors, larger volume discounts, and a stronger negotiating position for the municipal participants; and MAPC's centralized contract management relieves municipal staff from the administrative burden of procurement, reducing staff requirements and allowing staff to focus on core functions.

In addition, MAPC manages the bulk purchasing efforts of the Greater Boston Police Council (GBPC), which covers hundreds of public and institutional buyers throughout New England.

As a regional public entity, MAPC serves as a neutral facilitator and provide the administrative support. As a result, municipalities need not cede authority to another municipality nor take on the added burden of program administration. Successful consortiums demonstrate geographic proximity and a manageable size (eight to 13 municipalities); these parameters create a stronger sense of shared identity and interest, and more efficient delivery of products and services. They also require strong local leadership and a general willingness to work together. Municipalities pay an annual administrative fee to participate in a consortium; by contrast, in the case of GBPC, MAPC receives no up-front fee, but is paid 1.5% of the price of all purchases. The chief administering officer of each participating city or town serves as a consortium trustee. Trustees meet regularly to develop an agenda for the program and identify new services that should be offered. This “bottom-up” approach ensures stronger buy-in from participating communities and produces solutions that are tailored to the particular geographic, demographic, and financial characteristics of member municipalities.

There are opportunities to expand the scope of MAPC's joint procurement activities. A simple legislative change would enable municipalities to purchase equipment, supplies, and services directly through contracts issued by MAPC, in the same way that they can purchase through the “statewide blanket contract” issued by the Commonwealth. This mechanism would provide yet another opportunity for cities and towns to purchase high-quality supplies or services at an excellent price without having to go through a redundant 30B procurement process at the municipal level.

**4.a Municipalities and MAPC should collaborate to develop additional purchasing consortiums in the region**

**4.b The Commonwealth should amend state law to allow municipalities to directly purchase goods and services through regional planning agency contracts**

**5) Strengthen incentives to foster inter-municipal collaboration**

While the fiscal and operational benefits of inter-municipal procurement and service delivery are well-documented, some communities may require transitional assistance to engage in and implement such programs. Massachusetts' history of local control invites potential local resistance to efforts towards regionalization. Additionally, some regionalization efforts, particularly those that require shared facilities, may require initial capital investments in order to achieve long-term financial efficiencies. Therefore, it is important that the Commonwealth provide upfront incentives to encourage regional efforts. Many promising models are in place in other states, including Connecticut, New York, Maine, and New Jersey. Such programs may provide technical assistance, grants, or increases in local aid to support joint procurement, regional service delivery, or even consolidation of small municipalities.

Massachusetts should consider creating a Regional Service Implementation Fund, drawing from the lessons learned in these other states.

**5.a The Administration and Legislature should create a Regional Service Implementation Fund to foster inter-municipal collaboration**

**6) Deliver regional public health services**

Metro Boston municipalities have a ready opportunity to improve public health service delivery, improve equity, and save costs through the regionalization of public health services. As with other services, a regional approach will help municipalities to share costs, benefit from a broader range of essential services, achieve economies of scale, and coordinate planning. A unique benefit of public health regionalization is that it also allows for more comprehensive and effective response to public health emergencies such as disease outbreaks that do not recognize municipal boundaries.

Massachusetts is one of the few states in the nation that has no county or regional public health system, and no direct state funding for local boards of health and health departments. Public health departments must compete with other essential services for limited local funds, often resulting in under-funded departments and lack of staff. At the same time, local health departments are facing increasing demands as a result of new mandates and emergency preparedness responsibilities.

The Massachusetts Public Health Regionalization Project has evaluated the need for regional health services, assessed existing efforts, and identified alternative

models for implementation. A “full district” approach involves two or more municipalities pooling resources to provide comprehensive public health services. Other approaches include the “shared services” model in which municipalities might jointly deliver specific services; or the “cafeteria” model in which a regional entity would provide a variety of services that towns could obtain via contract on an as-needed basis.

There are examples of such collaboration already existing in Massachusetts, such as the delivery of regionalized public health services through the Franklin Regional Council of Governments and Barnstable County. These programs demonstrate that public health services can be delivered regionally in a way that respects municipalities but provides both economies of scale and increased technical sophistication. MAPC has already been involved in public health issues in other ways, such as the development of emergency plan templates for DPH.

Increased regional public service delivery will require additional guidance and legislative changes. While existing Massachusetts law allows for the creation of regional health districts, it does not address important issues: home rule and local authority; workforce credential standards; and financial sustainability. The Public Health Regionalization Project Working Group has identified legislative recommendations to address these issues, and is currently developing recommendations for district minimum requirements, funding structures, and reorganization of the Department of Public Health to support regionalization.

**6.a The Legislature should adopt legislation specifically authorizing regional health districts and regional health officers**

**6.b DPH should reorganize its assets to support regionalization of public health services**

**6.c The Legislature should provide funding to support a “Full District” pilot project**

**7) Consider municipal mergers to increase efficiency and enhance the quality of services**

Every city and town in Metro Boston has a history rich in tradition. Still, a handful of municipalities are very small; the 2000 Census identified ten towns with populations under 6,000. It is very difficult to run an efficient government and to provide a full array of services with such a small population base. Others may be larger, but their working-class constituents may find it difficult to pay the high taxes needed to adequately fund local government. Even some of the region’s small cities face daunting financial challenges, and their populations often need high-cost services.

For such cities and towns, mergers into a single political unit may be the best way to go – and several municipalities seem to be summoning the political courage to consider such a move. Political unification is not for everyone, but in many cases it may allow a substantial reduction in overall administrative costs – money

which could be plowed back into basic services. Neighboring towns may find that they have similar needs, as well as complementary strengths. One may run a great school system, while their neighbors may excel in public works or public safety. Combinations can provide these benefits to a wider group of constituents, while simultaneously overcoming weaknesses.

**7.a The Division of Local Services in the Department of Revenue, working closely with MAPC, should help communities interested in merging to study the financial, service delivery, and land use implications of such a move, and then assist with implementation if the studies prove promising**

**7.b The Commonwealth should provide seed capital to merging municipalities to assist with the transition costs that often precede savings and enhanced services**

### **C. Work together to make a safer region**

#### **8) Regionalize emergency dispatch**

The development of regional emergency dispatch centers will allow municipalities to both save money and implement state-of-the art dispatch protocols. Regionalizing dispatch centers is an enormous, yet difficult to achieve, opportunity to consolidate services and move away from inefficient, often fragmented, local systems.

Currently, nearly every city and town has its own dispatch center with all the incumbent labor and capital costs that go along with such a facility. This model is inefficient because a single staff person may be unoccupied for long periods in between calls, yet unable to respond to multiple calls simultaneously. Individual cities and towns also find it difficult to pay for state-of-the-art equipment and software or advanced training in Emergency Medical Dispatch protocols. The state of New Hampshire currently operates with a single dispatch center.

Recent legislation reauthorizing 911 surcharges on all phone lines creates a new revenue stream to fund training and equipment purchases for “Public Safety Answering Points” (dispatch centers). The legislation also created a separate set of bonus grants available to regional dispatch centers. This bonus, proportional to the number of municipalities served, can be a strong incentive to regional dispatch. MAPC is playing a lead role in helping Essex County municipalities to set up a regional emergency dispatch center.

Municipalities should collaborate with one another to establish regional dispatch centers, with the assistance of MAPC and funding from the State 911 Department within the Executive Office of Public Safety and Security. The legislation also requires the Department to establish certification requirements for enhanced 911 telecommunicators that will include emergency medical dispatch and quality assurance of emergency medical dispatch programs. MAPC

may also be able to play a role in procuring training and quality assurance services for both local and regional dispatch centers.

**8.a Municipalities should collaborate with MAPC to establish regional emergency dispatch centers**

**9) Increase the use of mutual aid and mutual assistance agreements**

Mutual aid and mutual assistance agreements are formal arrangements that allow municipalities to share resources in the case of emergency. With these arrangements in place, municipalities have access to more resources when necessary, without having to maintain excess capacity on a daily basis. For example, mutual aid agreements for fire service allow municipalities to call on neighboring departments in case of a large fire or multiple incidents at once.

Mutual aid agreements for fire and police are common in Metro Boston but not comprehensive, and the model could also be applied to other public services that deal with emergencies, such as public health and public works. For example, disease outbreaks and flooding incidents may overwhelm the public health or public works resources of a city or town, even if the event does not constitute a declared emergency.

Mutual aid agreements for public health face a variety of challenges, including liability, authority, compensation, and reimbursement. These issues should be addressed and clarified by legislation.

In the area of public works, a municipal mutual assistance program for would facilitate sharing of public works resources across jurisdictional lines in the case of incidents that requires assistance from one or more additional municipalities. Recently, legislation was filed that would establish development of such a program through a comprehensive statewide agreement (rather than individual municipal or regional arrangements) entered into by participating governmental units.

**9.a The Legislature should adopt enabling legislation clarifying the establishment of mutual aid for public health**

**9.b MAPC should evaluate the need for a statewide municipal mutual assistance program and make a recommendation to the Legislature**

**10) Collaborate on emergency planning efforts and implementation of emergency preparedness, hazard mitigation, and climate change adaptation recommendations**

Because natural and man-made disasters (not to mention climate change impacts) do not respect municipal boundaries, it is critical to conduct “contingency planning” at a regional level. Such planning would include homeland security planning, pre-disaster mitigation planning, and climate change adaptation planning. Evacuation routes, transportation resources, medical resources, and communication resources can all be planned regionally.

Many regional emergency planning efforts are already underway with the assistance of MAPC and the Northeast Homeland Security Regional Advisory Council. MAPC helped to develop evacuation and sheltering plan templates to coordinate local efforts and multi-jurisdictional responses. MAPC also assisted with the creation of three regional caches of emergency response equipment, which can be loaned out to communities during emergencies or for regional drill exercises.

95% of municipalities in the MAPC region are preparing or have already completed pre-disaster mitigation plans with the assistance of MAPC and funding from the Federal Emergency Management Agency (FEMA). These plans include many specific recommendations related to infrastructure, communications, and planning. Municipalities should explore opportunities to collaborate on implementation of recommendations with regional impacts. For example, the cost of dam repairs or stormwater management infrastructure could be shared by all municipalities downstream of that structure.

Collaboration on many such efforts could be accomplished through use of the Environmental Joint Powers Agreement (EJPA -- Mass. Gen. L. c. 21A, §20), a statute that authorizes municipalities to establish an intergovernmental entity charged with the management, protection, and enhancement of natural resources. Inter-municipal districts based on watershed boundaries can conduct floodplain management and hazard mitigation efforts to consider the entire watershed not just the areas directly affected by flooding. The EJPA has been applied in the Mystic River Watershed and by the municipalities of Arlington, Belmont, and Cambridge. Municipalities seeking to address flooding issues on a regional basis can use the Environmental Joint Powers Agreement to establish regional stormwater utilities that could raise money (through fees and grants), develop capital and operational plans to manage flooding, and construct physical improvements. Such an arrangement would allow municipalities to share resources to make the most significant improvements, rather than focusing on limited improvements within their municipal boundaries.

**10.a MAPC should facilitate municipal use of Environmental Joint Powers Agreements to create regional stormwater utilities**

**D. Plan together for regional development**

**11) Establish advisory review process for border developments**

While MetroFuture recommends that authority for most land use decisions should remain at the local level, it also recognizes the need for a more cooperative approach to reviewing proposals that will have impact in multiple municipalities. An advisory review process would provide a mechanism for neighboring municipalities to voice concerns and recommend mitigation for potential impacts.

Currently, there are very few established avenues for municipalities to comment on proposed development on the border of an adjacent city or town. The lack of a formal comment process may frustrate neighboring municipalities, creating an adversarial relationship, impeding efforts for mutually beneficial alternatives, and possibly resulting in delays or legal action.

A formal advisory review process—beginning with land use planning, though zoning and development review—would provide neighboring municipalities with productive opportunities for comment and would encourage host municipalities to consider and accommodate the needs of neighboring municipalities. Similar to existing MEPA reviews, such a process would include thresholds for review, a scoping phase in which abutting municipalities would identify concerns and potential mitigation, evaluation of those issues by the host municipality, and documentation how the comments were considered. These efforts could begin before – and eventually run parallel to – the MEPA process, so they need not result in delays. The consultative process used by members of the MetroWest Growth Management Committee to conduct “regional impact reviews” has many hallmarks of such an advisory process.

**11.a MAPC should evaluate mechanisms for an advisory review process for regionally significant development**

**12) Develop and implement inter-municipal dispute resolution systems**

Municipalities can also develop more productive relationships through the use of Alternative Dispute Resolution (ADR) to address conflicts regarding such issues as boundary developments, traffic impacts, water supply, and others. ADR strategies include consensus building, facilitation, mediation, and neutral fact-finding. There are few things more vexing in municipal government than costly and acrimonious disputes with neighboring cities or towns. A well-designed ADR system can, first and foremost, encourage communities to consult with each other on actions that will obviously affect their neighbors, preventing disputes before they occur. If a dispute cannot be avoided, use of ADR mechanism will help to resolve disputes without the need for legal action.

Most ADR strategies involve the assistance of a third party neutral, who can assist with dispute resolution in various ways: facilitating the exchange of information, soliciting opinions and concerns, promoting a productive dialogue, encouraging flexibility, and urging the parties to create workable settlements. ADR provides a platform for municipal parties to reach mutually satisfactory solutions that will meet their fundamental interests. It generates more stable and sustainable outcomes since parties have tailored the solution to their needs. Most importantly, cooperative resolution of disputes helps to preserve productive relationships between cities and towns.

MAPC strives to maintain an image as an honest broker, so the agency may be in a good position to convene inter-municipal dispute resolution efforts and to provide assessment or assistance with technical issues. The Massachusetts Office

of Dispute Resolution is a state-level office with a focus on inter-organizational conflicts, primarily inter-governmental and inter-sectoral conflicts. MODR has strong in-house capacity in ADR and affiliations with many practitioners in the private sector.

**12.a MAPC will work with the Massachusetts Office of Dispute Resolution and other interested parties to establish a system that helps cities and towns to avoid and resolve inter-municipal disputes**

**13) Increase intermunicipal park/greenway/trail planning**

Just as large developments can have impacts on many municipalities, large or linear open spaces can also provide positive benefits for many cities and towns. Inter-municipal collaboration for park, greenway, and trail planning can maximize the local and regional benefits of open space resources. Municipalities can identify opportunities, pool resources, and make coordinated investments.

In most municipalities, open space planning primarily is undertaken as a local effort with a focus on maintaining a current open space and recreation plan that meets the requirements of the Division of Conservation Services and renders the community eligible to apply for grants. While some communities may be working with their neighbors on projects that cross municipal borders, many more opportunities may be missed because communities lack a “big picture” view of open space opportunities.

MAPC can help to introduce a regional perspective to open space planning by convening public and private sector open space advocates on a regional basis to identify opportunities for collaborative effort. Conducted on a regular basis, such meetings could provide an important and ongoing forum for exchange and coordination. They could also be the catalyst for the development of multi-municipality open space planning efforts. Such efforts might focus on a specific resource that spans multiple municipalities, such as planning efforts facilitated by MAPC and currently underway in the Lower Mystic River Watershed. The state can encourage regional open space planning by revising the grant selection process to prioritize proposals that are part of a multi-municipal plan.

**13.a MAPC should convene subregional working groups of open space advocates on an annual or biannual basis**

**13.b Municipalities should collaborate on multi-municipal open space planning efforts.**

**13.c The Division of Conservation Services should revise the grant selection process to give preference to acquisitions that are part of a multi-municipality plan**

**14) Pursue regional housing production and preservation efforts**

As indicated in Strategy #8 (Access to Housing), the region faces a serious shortage of housing – especially housing for households of modest means.

Despite the current slump in the housing market, a lack of adequate supply is a long-term and persistent characteristic of housing in Metro Boston. Although some communities are resistant to housing production, many increasingly realize that it is better to take pro-active steps to encourage housing growth than to await random applications by developers utilizing the Comprehensive Permit Statute (MGL Ch. 40B).

Unfortunately, many of these forward-looking communities are too small to hire a professional housing staff, and they often lack the services of community-based non-profits that exist in bigger cities. One way of addressing these challenges is for municipalities to regionalize their housing production efforts. It is possible for communities to combine their efforts in the pursuit and expenditure of federal housing dollars under the HOME program, or to apply jointly for CDBG funds distributed by DHCD. Municipalities can form regional housing trusts to create a non-profit housing production capacity, or they can jointly support creation of a community development corporation to serve several municipalities. MAPC can study and map housing needs in multiple communities and help them to create a housing production and preservation plan.

The state should create additional incentives to encourage such regional approaches. One step would be to encourage regional applications for a variety of state funding programs. By awarding extra points or additional funds for regional applications, municipalities will be encouraged to overcome their natural tendency “to go it alone.” DHCD could also encourage Housing Production Plans submitted and implemented by multiple municipalities – with all communities receiving the reprieve from 40B applications if the overall group meets the department’s housing production goals.

**14.a MAPC should work with municipalities to encourage regional approaches to the production and preservation of housing, especially housing that is affordable to low or moderate-income households.**

**14.b DHCD should establish procedures and incentives to encourage municipalities to regionalize their approach to housing production and preservation.**

## **E. Share costs and benefits of development**

Throughout Metro Boston, communities make land use decisions in geographic silos even though development, especially large-scale development, has impacts beyond municipal borders, and the property tax ramifications of development decisions will skew communities’ decisions.

### **15) Create tax-sharing districts for major developments**

Municipalities can work together to plan for large developments that span multiple municipalities through the use of tax sharing districts. Tax-sharing

districts are inter-municipal agreements to distribute the revenue from a designated area according to a mutually agreeable formula. The land use advantage of these agreements is that it allows municipalities to plan for large sites that span multiple municipalities without regard to municipal boundaries. Participating communities will have more flexibility to plan for growth where it makes sense from a land use perspective, rather than seeking to maximize tax revenue generation within the municipal boundaries.

Massachusetts has applied regional tax sharing solutions to land use and economic development challenges both at Fort Devens and the South Weymouth Naval Air Station. In both cases, special legislation created the governance structures for communities to plan together and to share the benefits of large-scale development on those redevelopment parcels.

Cross-municipal development sites and proposals large enough to merit a tax sharing district are not common in Metro Boston. However, they do exist and MAPC should be ready to support the use of this innovative tool to support sustainable planning on these sites. MAPC should identify sites where such a tool might be applied and conduct outreach to the appropriate municipalities.

**15.a MAPC should inventory potential tax-sharing districts and conduct outreach to appropriate municipalities**

**16) Establish a metropolitan tax sharing program**

A desire for increased property tax revenue colors almost every land use decision in Metro Boston, sometimes conflicting with other planning and economic development goals. Many of these decisions are driven by a perception that new residential development “costs” a municipality more in services than it generates in tax revenue, and vice versa for commercial and industrial development. This “fiscalization of land use,” as this problem is known, fosters unsustainable land use and unproductive competition among cities and towns. Communities may discourage moderately priced housing through large lot zoning, or encourage economic development when the transportation and water infrastructure is not available to support it. Regional inequity ensues, as the commercial and industrial tax base moves from urbanized areas to less developed locations, and state funding follows to pay for the infrastructure needed to support that growth.

Regional tax-base sharing offers one way to alleviate this problem. Under metropolitan tax-base sharing, all of the municipalities within a metropolitan area agree to share a portion of tax proceeds from new development. This reduces intra-regional competition; facilitates other planning goals such as preserving open space or maintaining a vibrant downtown; encourages suburbs and urban areas to cooperate on regional economic development goals; and leads to a more equitable distribution of tax burdens and public services.

Examples across the country show that tax sharing can help create cohesive, regional decisions related to development and environmental impacts. For

example, in 1972 the New Jersey Meadowlands Commission created a master plan that implemented tax sharing among 14 communities in the Meadowlands as a way to develop the region in an intelligent, cohesive way and that model stands as an example of forward-thinking land use in New Jersey.

The revenue subject to tax sharing could include either or both the commercial/industrial tax revenue and the “excess” residential tax revenue (the portion in excess of a certain value, such as 150% of the regional median home price). In order to prevent manipulation of contributions, municipalities would apply a metropolitan tax rate to the portion of the assessed value that is directed to the regional pool. The portion of the assessment retained locally would be assessed at a locally determined rate. The revenue collected in the regional pool would be allocated according to the fiscal capacity measure described in Strategy #1.

**16.a MAPC and allied organizations should develop a proposal for a metropolitan tax sharing program**