

Pawtucket–Central Falls

// Riverfront Corridor Market Analysis //

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The Pawtucket Foundation

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I. Summary Findings and Recommendations

Overview

- Symbolically and functionally, the Blackstone River is the most important component of future Riverfront Corridor redevelopment, and accelerated Downtown revitalization.
- The future National Historical Park focus on the Blackstone River and Canal system affords Pawtucket and Central Falls unique opportunities to rebuild economic and physical connections with the waterway that brought prosperity to the region.
- An updated community-wide economic development plan, with a specific downtown revitalization strategy, would provide the context, needs assessment and framework to determine economic impacts, municipal investments, and resource allocations.
- Conceptual development *pro forma* tests are favorable for potential new construction of rental residential units at the City-owned 45 Division Street site, and for retail uses at the privately-owned Apex property at 100 Main Street.
- The following table summarizes potential net absorption of commercial space, based on FXM analyses of historical and projected net absorption as well as employment growth forecasts.¹ Key assumptions underlying the low, mid, and high range estimates are noted.

Summary of Potential Average Annual Absorption of Commercial Space in Pawtucket, 2013-2015

	Low Range	Mid Range	High Range
Conventional Office Space	0	11,000	20,000
Contemporary Flex Space (office, industrial, retail, work-live)	25,000	45,000	65,000
Conventional Industrial/Warehouse Space	0	6,000	30,000
Retail Space	0	15,000	45,000

Key Assumptions

- **Low Range:** represents Co Star's projected net absorption specifically for Pawtucket, except for Contemporary Flex Space, which is adjusted higher to reflect findings of this study and a more inclusive definition of "flex" space compared to that used by Co Star. *The low range potential assumes no significant policy or public investment initiatives.*

¹ Sources include: latest available data (3rd Quarter 2012) from *Co Star Property Information Systems*; Rhode Island Department of Labor occupation & employment forecasts to 2018; data provided by The Pawtucket Foundation and property owners; and 10-year historical trend employment data by industry from the US Department of Commerce *Regional Economic Formation System (REIS)* and the US Department of Labor/Rhode Island Department of Labor ES-202 employment and wages series.

- **Mid Range:** represents mid-range employment growth forecasts and Pawtucket capturing projected net space absorption based on its current share of each space type regionally (which is higher than that projected by Co Star for Pawtucket alone). *The mid-range potential assumes some of the initiatives recommended in this study are undertaken within the Riverfront Corridor area, including at minimum: removal of brush that now obstructs views/awareness of the river; regular maintenance of City and privately-owned riverfront property; and improved physical access to the river for pedestrians.*
- **High Range:** represents mid-range employment growth forecasts and Pawtucket capturing a greater share of net space absorption projected for the region. *The high range assumes aggressive initiatives to improve the Riverfront Corridor, including at minimum: significantly improved property maintenance and public access to the river; significant expansion of river and riverfront investments, promotion, and activities, especially water-dependent uses; strategic outreach to prospective retail business types identified in the Retail Gap Analysis; and completion of the Pawtucket and Central Falls segments of the Bikeway & Greenway.*
- If Pawtucket achieves the High Range growth potential for commercial space absorption, after three years the City would realize more than \$995,000 per year in additional tax revenues at the current rate of \$24.54/\$1,000 commercial property valuation, compared to the Low Range estimate.

I.1 River Corridor Activity Centers

Blackstone River Bikeway

- Accelerate completion of design, funding and construction of Pawtucket segment of the Blackstone River Bikeway & Greenway.
- Explore near-term options to establish and demarcate physical and visual connections between the Blackstone-Seekonk River and downtown Pawtucket as well as the Chocolate Mill Gateway district in Central Falls.

Festival Pier

- Provide electrical upgrade, lighting, security, boat storage and other dock improvements that will allow expanded schedule of Blackstone River excursion and tour boat tours, estimated to cost approximately \$150,000.

Town Landing

- Construction of **Bridge Park East** will bring significant, near-term improvements for public access to the river and increased recreational activities. The City of Pawtucket and RIDOT are pursuing recommendations to create public access to the Blackstone River from Division Street through the construction of storm water retention and management areas on the east and west sides of the river.² The Bridge Park East schematic design plan includes a low flow channel and grass basin adjacent to Bridge 550 that could be open to the public and accessible via Division Street. The area is now graded with grass and City planning officials are working with RIDEM to create the small park with hidden drainage envisioned in the PDDP.

² Pawtucket Downtown Design Plan, Thurbow Small Architects et al and City of Pawtucket Planning Department (May 26, 2011)

- The **45 Division Street** priority redevelopment site is proximate to the proposed location of the Bridge Park West project, and its marketability would be enhanced by nearby access to the Blackstone River. The final City-RIDOT-RIDEM design and construction plans for Bridge Park West should be prepared during pre-development ('due diligence'), prior to developer solicitation for the 45 Division Street property.

Slater Mill Historic Site

- The Slater Mill Landmark Historic District, which includes the adjacent Wilkinson Mill, Sylvanus Brown House will be one of the locations in Pawtucket that is a component of the new National Historical Park. Future National Park related projects will begin in 2013 with fish ladder construction under the Main Street Bridge at the falls, and at Slater Mill falls for alewife, shad, salmon and other freshwater fish. This initial project is fully funded and expected to be in operation by 2015, according to the Blackstone Valley Tourism Council.
- Riverfront Corridor redevelopment planning should investigate the feasibility and economic/fiscal impacts of more intensive uses at the 175 Main Street property, including reuse/redevelopment of surface parking lot for cultural or educational institutions, such as a Sandra Feinstein-Gamm Theatre facility, or other revenue-generating uses.³
- The **Roosevelt Avenue Parking Lots** targeted redevelopment sites, across the street from Pawtucket City Hall, are proximate to this Riverfront Activity Center, and have been proposed in previous Downtown Pawtucket planning studies for new construction of high-density, mixed-use commercial and residential uses with structured parking.
- Pawtucket City Hall, located at 137 Roosevelt Avenue, is a signature building on a prime location next to Slater Mill. Large recurring maintenance expenses related to the leaking tower, have prompted City officials to consider alternative locations for municipal functions, which could offer opportunities to market the historic structure for reuse as a riverfront redevelopment site.

Armory Arts District

- Tolman High School, the Sandra Feinstein-Gamm Theatre, the historic Pawtucket Armory Arts Center and the Design Exchange are signature institutions that have positioned the district as an arts, education, entertainment and design cluster. Some industrial uses, including a profitable recycling center, remain in the district today. Key redevelopment opportunities include a mill property at 65 Blackstone Avenue, the former Classic Display Mill at 80 Fountain Street.

Chocolate Mill Overlook

- The **417 Roosevelt Avenue** redevelopment site, owned by Tai-O Group LLC and proposed for commercial reuse, is proximate to this Riverfront Corridor Activity Center.
- The mill building located at **558 Roosevelt Avenue** is a prospective redevelopment site proximate to this Riverfront Corridor Activity Center. The property is owned and advertised for sale by Storage America, which manages self-storage facilities and trucking terminal operations at the site.

³ A Case to Save the Blackstone Valley Visitor Center: A Hub for the Arts, a National Park, Transportation and the Gateway to Rhode Island's Blackstone River Valley, The Pawtucket Foundation (June 14, 2012)

Central Falls Landing

- Provide electrical upgrade, lighting, security and other dock improvements that will allow expanded schedule of **Blackstone Valley Explorer** riverboat tours, estimated to cost approximately \$150,000.
- A historic mill building at 1420 Broad Street and adjacent to the dock is an immediate redevelopment opportunity. The City of Central Falls is currently in the process of acquiring this structure from a private owner.

I.2 Commercial Real Estate Market Highlights

- Based on recent trends (past 5 years), markets for conventional office, industrial, and retail space are weak and limited net absorption is forecast locally or regionally over the next 2 years.
- Contemporary Flex space (combination office-industrial-retail-live work), such as that characterizing rehabilitated mill space, is the exception, especially in Pawtucket. Extremely low vacancy rates regionally suggest that additions to the current local supply of leaseable space may be warranted, and/or that absorption of currently vacant space can be improved.
- Based on an analysis of current gaps in consumer expenditures compared to local store sales, the Riverfront Corridor/Downtown area has significant opportunities to expand current retail uses, whether or not net new growth in population occurs locally or regionally.

I.3 Residential Real Estate Market Highlights

- The Riverfront Corridor Area offers excellent potential to absorb additional market rate rental apartments, especially those targeted to young professionals and empty nesters. According to data provided to FXM by The Pawtucket Foundation, recent historical absorption of housing units within the Riverfront Corridor area has averaged 60-80 units per year. The rate of average annual absorption could increase to 100-120 units per year under the High Growth scenario

I.4 Priority Redevelopment Sites

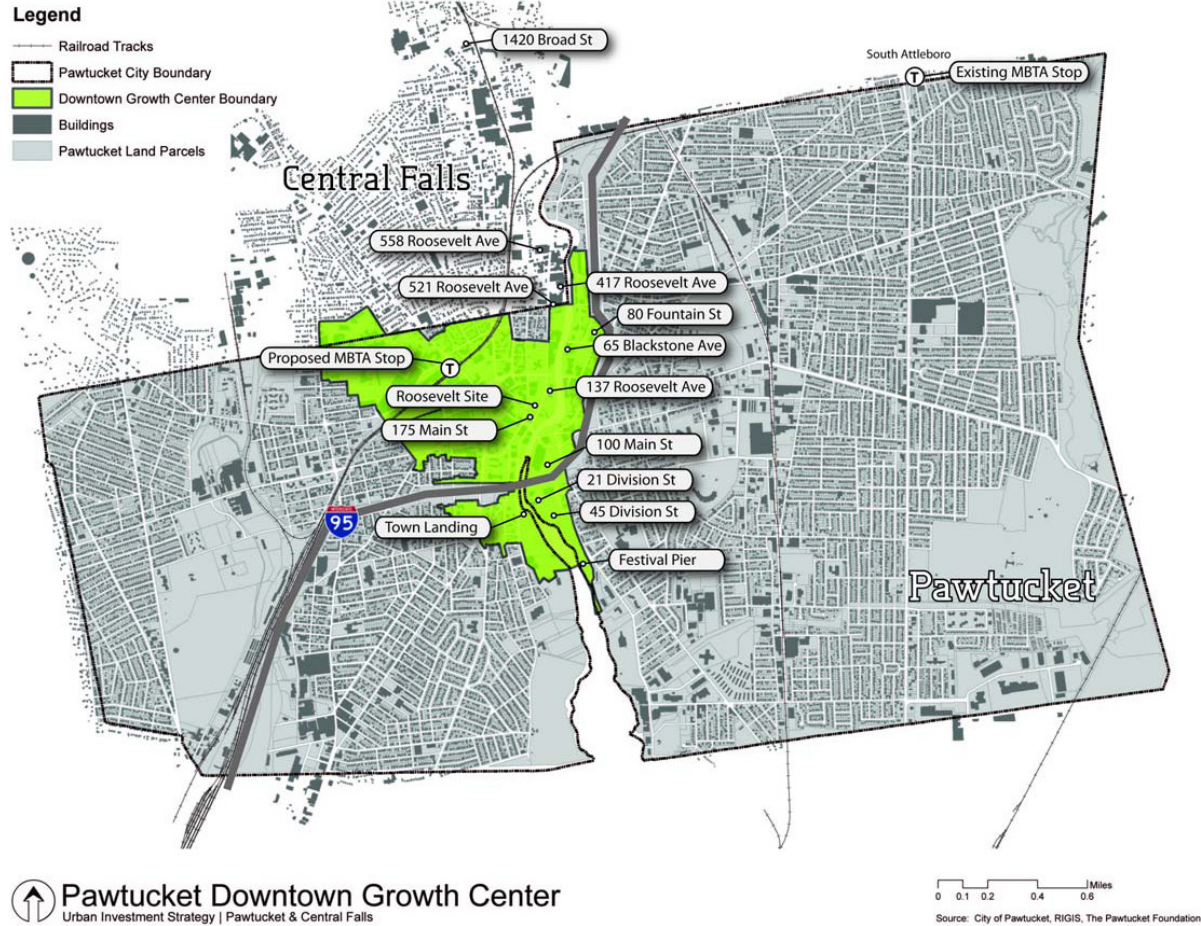
- The **45 Division Street** (and potentially 21 Division Street) redevelopment site, owned by the City of Pawtucket, has an exceptional location and sufficient capacity to capture near-term potential market support for rental housing. A conceptual pro forma analysis of potential income, capital and operating costs, meets thresholds of feasibility for market rate rental housing.
- A conceptual pro forma analysis for retail redevelopment for the Apex retail property at **100 Main Street** also meets thresholds of feasibility; retail uses the likely highest and best use at that site.

The following table and graphic list all sites that The Pawtucket Foundation has identified as strategic real estate redevelopment opportunities. Together, these sites comprise over 55 acres, over 900,000 square feet of building space, and about \$29,000,000 in assessed valuation. If all the existing building space listed were rehabilitated at an average cost of \$100 per square foot, valuation could increase by roughly \$91,000,000 and annual tax revenues to Pawtucket would increase by over \$2,000,000 per year at the current commercial property tax rate.

Activity Center	Description	Address	Owner of Record	Acres	Total SQ Ft	Total Assessed Value
Tidewater (east)	Festival Pier and recreation site (a.k.a. State Pier)	School Street and Tim Healey Way, Pawtucket	City of Pawtucket	5.11	NA	\$1,731,300
Tidewater (east)	Division Street Infill Site (7 acres developable)	45 Division Street, Pawtucket	City of Pawtucket	12.46	NA	\$1,223,700
Tidewater (east)	Tire Pros Site (Rehab or infill opportunity)	21 Division Street, Pawtucket	21 Division St, LLC	0.49	9,484	\$467,400
Tidewater (west)	Town Landing Recreational Site	Taft Street, Pawtucket	City of Pawtucket	5.35		603,200
Slater Mill Historic Site	Visitor Center and additional space	175 Main Street, Pawtucket	Pawtucket Redevelopment Agency	2.5	55,863	\$4,860,500
Slater Mill Historic Site	Office Building (For Sale) located on historic waterfall	150 Main Street, Pawtucket	ONE FIFTY MAIN INC & WB & Q LLC	0.31	17,020	\$486,200
Slater Mill Historic Site	Infill Site (parking lot across from City Hall)	150 Roosevelt Avenue, Pawtucket	City of Pawtucket	1.59	NA	\$1,152,600
Slater Mill Historic Site	Apex Property - large format retail opportunity	100 Main Street, Pawtucket	Apex Development Co, LLC	9.09	100,026	\$4,341,600
Slater Mill Historic Site	City Hall	137 Roosevelt Avenue, Pawtucket	City of Pawtucket	2.08	116,880	\$8,877,700
Chocolate Mill Overlook	Storage America - Mill Property for Sale	558 Roosevelt Avenue, Central Falls	Coastal Properties, Inc.	3.9	170,443	\$1,566,500
Chocolate Mill Overlook	Mill Property (Rehab opportunity-Housing)	521 Roosevelt Avenue, Central Falls	Tai-O Associates, LP	4.543	206,845	\$1,597,700
Chocolate Mill Overlook	Mill Property (Commercial Rehab opportunity)	417 (or 413) Roosevelt Avenue, Central Falls	Tai-O Associates, LP	2.96	121,039	\$858,300
Armory Arts District	Mill Property (Rehab in progress)	65 Blackstone Avenue, Pawtucket	Blackstone Pawtucket, LLC	0.85	22,654	\$302,300
Armory Arts District	Former Classic Display (Rehab opportunity)	80 Fountain Street, Pawtucket	80 Fountain Street, LLC	1.25	81,921	\$788,800
Front Street District	Recently remediated riverfront property	164 Front Street, Pawtucket	Collette Vacations	0.57	NA	72,600
Front Street District	Recently remediated riverfront property	182 Front Street, Pawtucket	Collette Vacations	0.57	NA	\$72,800
Central Falls Landing	Boat Launch & dock	1420 Broad Street, Central Falls	City of Central Falls	NA	NA	NA
Central Falls Landing	Mill Property (Rehab opportunity)	1420 Broad Street, Central Falls	Sojo Realty	0.941	10,120	\$360,600
TOTALS				54.564	912,295	\$29,363,800

Source: The Pawtucket Foundation, September 2012

Pawtucket Downtown Growth Center



II. Introduction

The Pawtucket Foundation retained FXM Associates to examine potential market support for near-term real estate development within the Pawtucket-Central Falls Riverfront Corridor area. The investigation focused on an assessment of potential market demand for commercial and residential real estate development/redevelopment within the Riverfront Corridor study area, Blackstone-Seekonk River waterway activities, targeted landside sites, and public sector actions to encourage more private property investment and facilitate redevelopment in the Riverfront Corridor. FXM retained Byrne McKinney Associates to assist preparation of conceptual development pro forma for selected target development/redevelopment sites.

This market assessment also provides a basis and framework for the City's preparation of the River Corridor Development Plan, and is intended "to help establish land use and density criteria, forecast housing and commercial demand, and guide potential business recruitment."⁴

II.1 Study Area

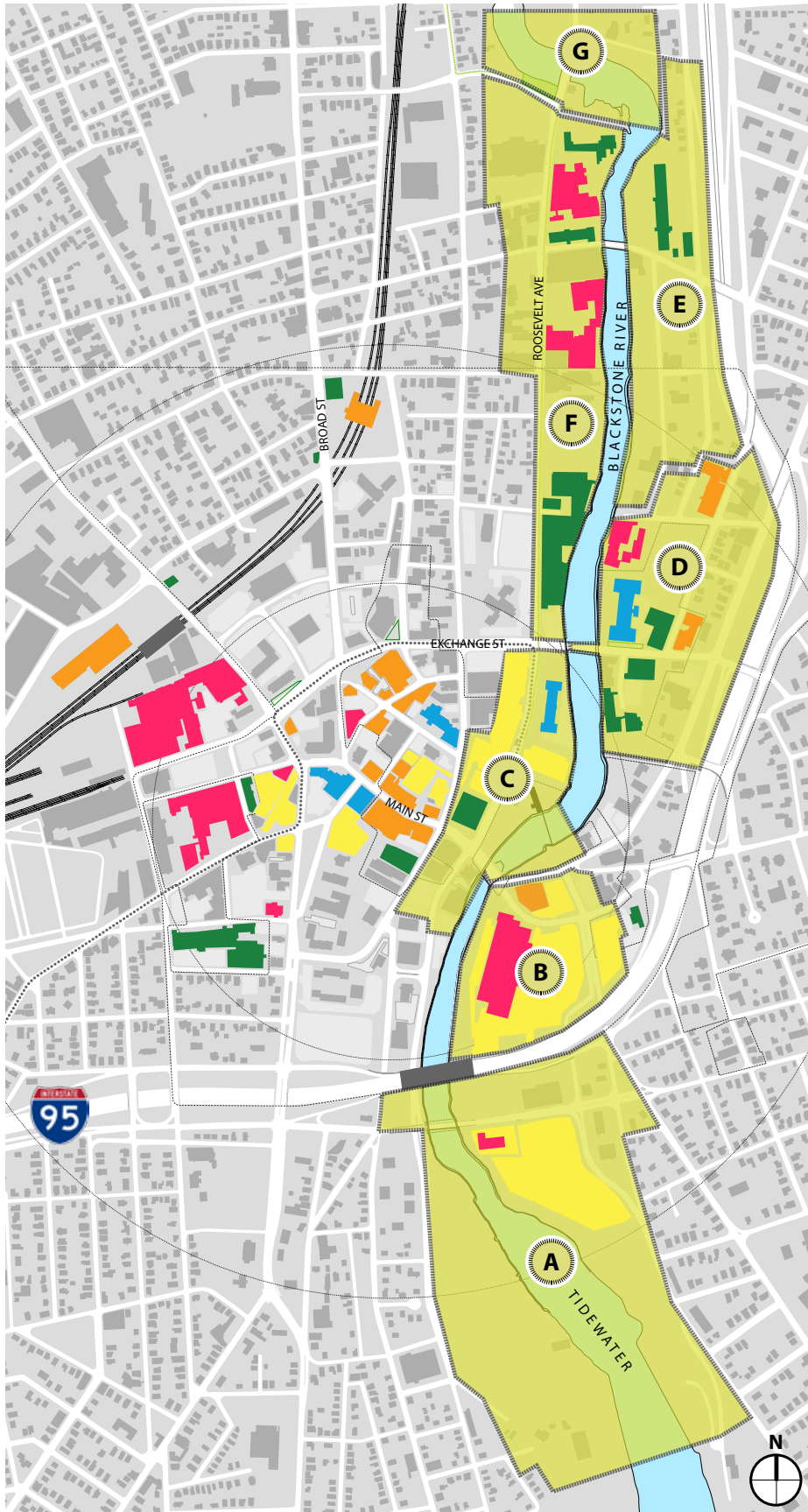
The Blackstone River ends in downtown Pawtucket where the Seekonk River begins as a long tidal estuary and continues flowing between Providence and East Providence to join the Providence River and into Providence Harbor.⁵ The Pawtucket-Central Falls Riverfront Corridor contains the Roosevelt Avenue District along the west shore of the Blackstone River to Exchange Street, the Armory Arts District and Riverfront Commons District across the river on the eastern shore to I-95, and the Tidewater District south of I-95 along both sides of the Seekonk/Pawtucket River.⁶ The Riverfront Corridor Study Area, including the Blackstone River, is part of the John. H. Chafee Blackstone River Valley Heritage Corridor, and the Slater Mill Historic Site and Lorraine Mill area in Pawtucket will be key components of the planned John. H. Chafee Blackstone River Valley National Historical Park. A portion of the Riverfront Corridor Study Area includes the Armory Arts District abutting the Blackstone River, and the upper Tidewater District. The Study Area is within the Pawtucket Downtown National Historic District, and state-designated Growth Incentive Zone.

The Riverfront Corridor encompasses more than 200 acres of under-utilized waterfront characterized by vacant property, overgrown riverbanks, and a largely inaccessible river. Many properties are blighted, restrict visual and physical access to the river, some are contaminated or have other environmental issues. A few new owners of mill and commercial buildings have rehabilitated or renovated space for existing businesses, residential units, live-work studios, and a variety of commercial enterprises. Riverfront Corridor planning initiatives have identified several private and public property owners interested in making improvements, including redevelopment sites located at 417 Roosevelt Avenue in Central Falls, 100 Main Street, and 45 Division Street in Pawtucket.

⁴ *River Corridor Development Plan Request for Proposals*, Department of Planning and Redevelopment, City of Pawtucket (May 2012)

⁵ *Blackstone River Valley Communities*, Blackstone River Valley Tourism Council at www.tourblackstone.com

⁶ *Roosevelt Avenue/Riverfront Project* at www.pawtucketfoundation.org



Pawtucket & Central Falls, RI River Corridor Study Area

LEGEND

- Redevelopment Site
- Highly Susceptible to Redevelopment
- Potential Infill Site
- Public Building
- Recently Developed
- Key River Corridor Districts
- A** Tidewater District
- B** Riverfront Commons
- C** Slater Mill District
- D** Armory Arts District
- E** Front Street District
- F** River Mill District
- G** Chocolate Mill Gateway

II.2 Analytic Approach, Methods and Sources

The primary data sources and methods for technical analyses used in this market study are summarized below, and other data sources and explanations are referenced as footnotes throughout the report.

- FXM utilizes two complimentary methods for assessing potential demand for commercial real estate development within local and regional markets. One approach tracks the historical inventory of leasable space, vacancies and vacancy rates, absorption, and average lease prices for each type of commercial space (office, flex, industrial/warehouse, and retail), and forecasts net absorption based on the most recent five-year trends as well as known development proposals. The primary data source for this method is *Co Star Property Information Systems*, a subscription service that is widely used by real estate brokers and analysts and is generally considered the most comprehensive and reliable source of commercial real estate data. The second approach is based on projected employment growth, which FXM converts to space demand using average square feet per employee data from a variety of empirical studies. The Rhode Island Department of Labor is the primary source of projected employment growth in this market analysis.
- Information from interviews with local real estate brokers, property owners/managers, and developers was also used to analyze recent historical trends and projections in prices and absorption for commercial space within the Riverfront Corridor, City, and regional market areas. These interviews probed beyond the secondary source data to reveal specific local attributes, opportunities, constraints and other factors influencing downtown Pawtucket commercial and residential development. The Pawtucket Foundation also provided FXM results of interviews and data collection efforts conducted during and prior to the current study effort.
- Business data from subscription and other public and private sources were used to prepare a retail opportunity/gap analysis specific to the Pawtucket Riverfront Corridor Study Area. This analysis indicates where consumer demand exceeds actual store or restaurant sales, and that an opportunity ("gap") may exist for specific types of new or expanded businesses to capture these sales "leaking" from the defined market areas. The dollar value of these identified retail "gaps" was converted into square footage of potential demand by specific store types based on median sales per square foot for each store type. Data for the median size of specific store types was used to estimate number of supportable stores by detailed retail category. The primary source of these data is A.C. Nielsen *SiteReports* 2011 data, which is the most recent available.
- The FXM proprietary *Housing Demand Model* was used to estimate market-rate rental housing demand in the Pawtucket market area. This model uses projected growth by householder age and income, propensity to own or rent by age of householder, and mobility rates by age of householder, to forecast average annual demand by rental price and householder age over the next five years (2012 to 2017). The market area demand was refined to ascertain potential residential demand in the Riverfront Corridor Study Area, based on the specific attributes of available properties and other factors influencing residential development potential.
- Conceptual development pro forma were prepared for two target properties by Byrne McKinney Associates using the above referenced market demand assessment as well as proprietary data maintained by Byrne McKinney for specific comparable developments. The City of Pawtucket, the City of Central Falls, and The Pawtucket Foundation provided additional site-specific information.

II.3 Organization of the Report

Following this Introduction section, this report includes: Section II., **Summary Findings**; Section III., **Riverfront Activity Centers**; Section IV., **Real Estate Market Assessment**; Section V., **Riverfront Corridor Redevelopment Sites**; and Section VI., **Redevelopment Priorities & Recommendations**.

Appendices include a list of persons contacted during the course of this assignment, and a detailed Technical Memorandum on population and employment characteristics, trends, and forecasts.

III. Riverfront Activity Centers

The Blackstone-Seekonk River is the most distinctive and important element of the Central Falls-Pawtucket Riverfront Corridor, and is generally recognized as a tremendous asset for attracting investment to redevelop under-utilized Study Area property. The most notable aspect of the river is that it is largely invisible, inaudible and inaccessible from the upland areas -- you have to know the river is there and how to reach the shores by car or foot on both sides. Increasing the amount and diversity of waterway uses, and making needed facility and public realm improvements at Riverfront Corridor activity centers can increase business sales, employment, and real estate development potential and economic stability of Central Falls and Pawtucket.

Historically, the rivers provided waterpower that spawned the 19th century industrialization of American machine tool, food, textile and paper production, and the Pawtucket-Central Falls region has a thriving economy. During the early to mid-20th century, steamboats were built in Pawtucket, vessels transported cargo as well as passengers on excursion tours and cruises to Newport and East Greenwich, and recreational boaters frequented riverfront marinas and the Pawtucket Yacht Club. Regional and national shipping and travel patterns changed with the arrival of railroads and interstate highways, leading to dramatically diminished Blackstone-Seekonk River activity with only remnants of the Pawtucket working waterfront infrastructure remaining. Currently, marine commerce is limited to seasonal excursion tours, occasional recreational boating use, river programs and events operated by the Blackstone Valley Tourism Council, the National Heritage Corridor partnership, and other public and private sponsors.⁷

The Seekonk/Pawtucket River provides direct access to Narragansett Bay via the Providence River, and extends 2.9 nautical miles from the vicinity of School Street/State Pier on the east side just south of Division Street to Cold Spring Point at the Providence River.⁸ The federal navigation channel is approximately 150 ft. wide with depths varying from 16 ft. MLW (Mean Low Water) to 6.7 ft. MLW; horizontal (50' to 100') and vertical (30' to 42') bridge clearances accommodate most vessels. The river was dredged in the 1940s and silting probably has reduced water depths, possibly limiting routes and docking facilities for certain vessels. The Tourism Council was advised that water-dependent commercial and recreational river activity must increase to warrant an ACOE evaluation of economic benefits related to dredging, and to ensure the 27-Green buoy remains in Pawtucket.⁹

⁷ *The Blackstone River Explorer* riverboat offers tours from May through October priced at \$8-\$10 and departs from Central Falls Landing; schedule details at www.rivertourblackstone.com

⁸ *Chapter 5 – Open space and recreation, Chapter 7 – Transportation*, Comprehensive Community Plan 2011 Update, City of Pawtucket, Rhode Island

⁹ This waterway marker identifies the federal navigation channel, and also is the northern most location of navigable water in Rhode Island. The Blackstone River Tourism Council successfully advocated against an ACOE decision to remove 27-Green Buoy due to waterway inactivity. Removal of this buoy would restrict commercial and recreational use of the Blackstone-Seekonk River based on national boating and marine safety standards. FXM Associates Interview with Robert Billington, President, Blackstone River Tourism Council (August 2012)

Many river-oriented activities are held regularly at venues within the Riverfront Corridor Study area, some seasonal, and sponsored by various local and regional entities and private businesses. Since 2000, river activities have included annual Chinese Dragonboat races for professional and amateur teams, RiverClassroom Programs aboard the *Blackstone Explorer* riverboat and other recreational and educational waterway experiences described at www.blackstonevalley.com. During the course of this study, there was insufficient data and time available to document Riverfront Corridor water-oriented uses, user/participant demographic profiles, or investigate possible program and facility expansion.

This market assessment identified Riverfront Corridor public facilities that offer near-term potential to increase commercial and recreational uses of the Blackstone-Seekonk River within the study area, thereby enhancing proposed redevelopment at target locations in Pawtucket and Central Falls.

III.1 Blackstone River Bikeway & Greenway

The Blackstone River Bikeway & Greenway off-road/on-road route from Worcester, Massachusetts to Providence, Rhode Island connects the 15 cities and towns within the National Heritage Corridor, and links the Blackstone River and Blackstone Canal to form the 'Riverway,' a bikeway corridor within the Corridor.¹⁰ In addition to history, natural resources and recreation, the Blackstone River Bikeway & Greenway also will connect to the already completed East Bay Bike Path, allowing users to reach Bristol and, ultimately, Newport.

The 48-mile Bikeway & Greenway traverses 21.5 miles in Rhode Island and 26.5 miles in Massachusetts; segment 3 of the eight project segments runs along the Blackstone River through Pawtucket and Central Falls.¹¹ RIDOT and RIDEM have completed 11.5 miles of continuous bike path in Cumberland, Lincoln and Woonsocket, RI, including scenic connections to parking areas. This section includes 3.5 miles along the river, canal, and historic towpath within the Blackstone River State Park. Four miles of the bikeway are under construction from Pawtucket Town Landing to Richmond Square in Providence, and sections still in design include 2.0 miles in Woonsocket and 4.0 miles in Pawtucket. The Pawtucket Comprehensive Plan 2011 Update reported that the City had completed agreements for more than 80% of the land required for the bike path, and is remediating a brownfield site which will comprise part of the Pawtucket segment.¹²

Waterside Improvements & Landside Redevelopment

- Accelerate completion of design, funding and construction of Pawtucket segment of the Blackstone River Bikeway & Greenway.
- Explore near-term options to establish and demarcate physical and visual connections between the Blackstone-Seekonk River and downtown Pawtucket as well as the Chocolate Mill Gateway district in Central Falls.

¹⁰ *Blackstone River Valley Bikeway* at www.blackstonevalleycorridor.org/explore The original Blackstone River Bikeway is now referred to as 'Greenway' to allow more flexible design standards and minimum impacts on sensitive areas, wetlands, forested land, historic or cultural resources. The Bikeway & Greenway is an off-road facility wherever possible and has on-road sections in some areas where that is the only feasible alternative.

¹¹ *Chapter 7 - Transportation*, Comprehensive Community Plan 2011 Update, City of Pawtucket, Rhode Island

¹² *Chapter 5 – Open Space and Recreation*, Comprehensive Community Plan 2012, City of Pawtucket, Rhode Island

III.2 Festival Pier

Also known as The Former State Pier, Festival Pier is a municipal docking facility located on the east side of the river on School Street and Tim Healey Way, and has a 700 linear foot granite bulkhead. The pier provides access to the Seekonk River, and is described as a largely undeveloped town park with a concrete slab boat ramp, a floating dock and large parking lot.¹³ This is a popular fishing site and can be used to launch trailered and land carried boats; however, the ramp's width, grade and sight-lines make it difficult to launch 17' kayaks. Water depth at this facility is estimated at ~ 12 ft., and this facility is the northern most point in Rhode Island to launch vessels. The site has no electricity/lighting, security, re-charging, pump-out station, or boat storage.

Waterside Improvements & Landside Redevelopment

Once the location of a privately operated marina, the City purchased the property and plans to redevelop state pier into a first-class waterfront recreational amenity.¹⁴ The City is undertaking the \$1.5 million Festival Pier rehabilitation project that will clean, repair and organize the parking lot, install lighting and open space improvements. The project includes a new boat ramp, and City officials expect design plans and contract bid award will be finalized in 2012 with construction scheduled from Spring through Summer 2013.

- The **Bridge Park (East)** construction will afford significant, near-term improvements for public access to the Blackstone River from Division Street. The City of Pawtucket and RIDOT are pursuing recommendations to create public access through the construction of storm water retention and management areas on the east and west sides of the river.¹⁵ The Bridge Park East schematic design plan includes a low flow channel and grass basin adjacent to Bridge 550 that could be open to the public and accessible via Division Street. The area is now graded with grass and City planning officials are working with RIDEM to create the small park envisioned in the PDDP.
- The **45 Division Street** priority redevelopment site is proximate to the proposed location of the Bridge Park East project and the Festival Pier. Its marketability would be enhanced by nearby access to the Blackstone River. The final City-RIDOT-RIDEM design and construction plans for Bridge Park West should be prepared during pre-development ('due diligence'), prior to developer solicitation for the 45 Division Street property.

III.3 Town Landing

This 100 ft. municipal dock is located on the west side of the Riverfront Corridor at Taft Street partially under the I-95 and Division Street bridges, has a concrete boat ramp for launching boats from trailers, canoes and kayaks, and provides access to the Seekonk River just below where the Blackstone River turns tidal and becomes the Seekonk River.¹⁶ Water depth is estimated at 12+ ft., and this location has a handicapped accessible fishing area; parking is available across the street and nearby but there is no on-site parking, electricity, lighting, recharging or pump-out station.

¹³ *School Street Pier*, Explore Rhode Island's Blueways and Greenways at www.exploreri.org

¹⁴ *Chapter 5 – Open Space and Recreation*, Comprehensive Community Plan 2012, City of Pawtucket, Rhode Island

¹⁵ *Pawtucket Downtown Design Plan*, Thurbow Small Architects et al and City of Pawtucket Planning Department (May 26, 2011)

¹⁶ *Pawtucket Town Landing*, Explore Rhode Island's Blueways and Greenways at www.exploreri.org

Waterside Improvements & Landside Redevelopment

- The City of Pawtucket has an on-going construction project to relocate and rebuild the dock, redevelop the landside area into walking paths¹⁷

III.4 Slater Mill Historic Site

The 'Birthplace of American Industry' is located at 67 Roosevelt Avenue on the west side of the river overlooking the falls and Blackstone River. The Slater Mill National Historic Landmark District and Historic Site consists of the wooden Slater Mill (1793), the Sylvanus Brown House (1758), a worker's home, the granite Wilkinson Mill (1810), a reconstructed and operating 16,000 lb. waterwheel (c. 1828), and the first dam built on the Blackstone River (1792).¹⁸ The **Blackstone Valley Visitors Center** is located across the street at 175 Main Street, and operated by the Blackstone Valley Tourism Council (BVTC), in collaboration with the National Park Service Blackstone Valley River Heritage Corridor Commission partnership.

The Blackstone River, its tributaries and the Blackstone Canal are the focus of the planned John H. Chafee Blackstone River Valley National Historical Park, as proposed in federal legislation and described in resource studies.¹⁹ Elected officials at a recent "Rally for the Valley" event to galvanize congressional support for the legislation, noted that this is the third time in 75 years the Blackstone River has been proposed as a national park, and its designation would direct resources to this area and possibly create jobs.²⁰

The BVTC manages the Visitors Center as a one-stop information resource that attracts about 100,000 visitors annually and displays more than 300 brochures advertising local businesses and organizations. The Center includes a 1,000 ft. art gallery, 90-seat state-of-the-art theater, gift shop operated by the Slater Museum Historic Site, and is available for meetings and events. The RIPTA transportation facility is located adjacent to the Visitors Center at Roosevelt Avenue and Main Street serves most of the Pawtucket bus routes, which averaged more than 11,000 weekday and 8,700 weekend bus riders in 2009.²¹

The Pawtucket Redevelopment Authority owns the 175 Main Street property consisting of the partially occupied Benjamin C. Chester Building (~48,500 SF of modern office space), and adjacent under-utilized parking lot. The City has engaged a commercial brokerage service to secure tenants for 23,500 SF of office space expected to be vacant within the next year. City officials and The Pawtucket Foundation are examining a range of options to generate more productive use and municipal revenue from the property, including 'higher and better' uses for the parking lot area.²²

¹⁷ Chapter 7 - Transportation, Comprehensive Community Plan 2011 Update, City of Pawtucket, Rhode Island

¹⁸ Welcome to Slater Mill at www.slatermill.org

¹⁹ The John H. Chafee Blackstone River Valley National Historical Park in Massachusetts and Rhode Island, Senate Bill 1708 and House Bill 3191, and Special Resource Study of the Blackstone River Valley, National Park Service (July 18, 2011):

²⁰ "Blackstone supporters rally for a national park," Susan Spencer, Worcester Telegram & Gazette (June 2, 2012)

²¹ Chapter 7 - Transportation, Comprehensive Community Plan 2011 Update, City of Pawtucket, Rhode Island

²² A Case to Save the Blackstone Valley Visitor Center: A Hub for the Arts, a National Park, Transportation and the Gateway to Rhode Island's Blackstone River Valley, The Pawtucket Foundation (June 14, 2012)

Waterside Improvements & Landside Redevelopment

- The Pawtucket components of the new National Historical Park will be the Slater Mill Landmark Historic District, and the Lorraine Mill and canal area. Future National Park related projects will begin in 2013 with fish ladder construction under the Main Street Bridge at the falls, and at Slater Mill falls for alewife, shad, salmon and other freshwater fish. This initial project is fully funded and expected to be in operation by 2015, according to the Blackstone River Valley Tourism Council.
- Riverfront Corridor redevelopment planning should investigate the feasibility and economic/fiscal impacts of more intensive uses at the 175 Main Street property, including reuse/redevelopment of surface parking lot for cultural or educational institutions, such as the new Gamm-Feinstein theater facility, or other revenue-generating uses.²³
- The **Roosevelt Avenue Parking Lots** targeted redevelopment site, across the street from Pawtucket City Hall, is proximate to this Riverfront Activity Center, and have been proposed in previous Downtown Pawtucket planning studies for new construction of high-density, mixed-use commercial and residential uses.

III.5 Armory Arts District

- Tolman High School, the Sandra Feinstein-Gamm Theatre, the historic Pawtucket Armory Arts Center and the Design Exchange are signature institutions that have positioned the district as an arts, education, entertainment and design cluster. Some industrial uses, including a profitable recycling center, remain in the district today. Key redevelopment opportunities include a mill property at 65 Blackstone Avenue, the former Classic Display Mill at 80 Fountain Street.
- The **Veterans Memorial Amphitheater**, located adjacent to City Hall, is a 225-seat outdoor performance venue overlooking the Blackstone River. The municipal facility is used for theatrical performances, concerts and other live entertainment. The Amphitheater and Veterans Memorial Park are open space that function as passive parkland, and City officials expect the area to be upgraded in future Riverfront Corridor redevelopment plans.

Waterside Improvements & Landside Redevelopment

- Capital project programmed to improve pedestrian amenities, crosswalk and bicycle infrastructure on Exchange Street.

III.6 Chocolate Mill Overlook

This landscaped park at Charles Street and Roosevelt Avenue in Central Falls celebrates one of North America's earliest water-powered chocolate mills built by William Wheating a decade before Slater Mill.²⁴ Completed in May 2012, this recreation area is situated on the west bank of the Blackstone River offering scenic views of the waterfalls, access to the river, fishing area, a stone stairway for kayak and canoe portage.

²³ *A Case to Save the Blackstone Valley Visitor Center: A Hub for the Arts, a National Park, Transportation and the Gateway to Rhode Island's Blackstone River Valley*, The Pawtucket Foundation (June 14, 2012)

²⁴ *Chocolate Mill Overlook* at www.chocolatemilloverlook.com

- The City of Central Falls and Blackstone Valley Tourism Council are working to “brand” this waterfront section of the Riverfront Corridor as ‘Chocolate Mill City’ and establish the **Chocolate Mill Gateway** district. This project will create a landscaped entrance to northern Pawtucket and Central Falls with I-95 signage and Exit 27 direct access. The dam built for the mill and original mill foundation still exist, but a \$12 million mill reconstruction plans to create a working chocolate factory/museum were stalled by the Great Recession.

Waterside Improvements & Landside Redevelopment

- The **417 Roosevelt Avenue** redevelopment site, owned by *Tai-O Group LLC* and proposed for commercial reuse, is proximate to this Riverfront Corridor Activity Center.
- The mill building located at **558 Roosevelt Avenue** is a prospective redevelopment site proximate to this Riverfront Corridor Activity Center. The property is owned and advertised for sale by Storage America, which manages self-storage facilities and trucking terminal operations at the site.

III.7 Central Falls Landing

This municipal dock is located slightly beyond the northern edge of the Riverfront Corridor Study Area at Broad Street & Madeira Avenue in Central Falls. This facility has dock space used seasonally by the Blackstone Valley Explorer riverboat, and has a public boat launch for small craft to access Valley Falls Pond and the Blackstone River.²⁵ Water depth estimated at ~12 ft MLW. The site has 30 parking spaces, limited power, lighting, and security, no pump-out station.

The Central Falls Landing encompasses a 40,956 square foot parcel of land upon which is situated a three-story building. The building footprint is approximately 3,600 square feet for a total size of 10,800 square feet. The site is located on Broad Street, contiguous to the Blackstone River, and less than 300 feet from Cumberland RI’s Town Hall.

Waterside Improvements & Landside Redevelopment

- Provide electrical upgrade, lighting, security and other dock improvements that will allow expanded schedule of **Blackstone Valley Explorer** riverboat tours, estimated to cost approximately \$150,000.
- Complete a planned recreational walking trail beginning at the Central Falls Landing site and continuing upriver to the Valley Falls Marshes, the largest Freshwater Marsh in Rhode Island. Funds have been allocated for this purpose through the RI Department of Environmental Management’s Trails Grant program
- Improve the parking lot, with a paved parking surface and with landscaping amenities. RIDOT funds earmarked for this site have been made available for this purpose (~\$500,000)
- Develop and expand the existing American Supply Co. mill. The City of Central Falls is acquiring the Central Falls Landing property via RIDEM, which has included acquisition costs in their budget and will be transferring ownership of the property to the city in the coming months. Consistent with the City of Central Falls’ goals to create job opportunities and promote private investment, city intends to issue an RFP for redevelopment proposals for non-residential uses that take advantage of the site’s historical significance and high-impact riverfront location. The city is prepared to offer significant Community Development Block Grant Funds to help with the redevelopment, given the right proposal.

²⁵ *Central Falls Landing, Explore Rhode Island’s Blueways and Greenways* at www.exploreri.org

IV. Real Estate Market Assessment

This market analysis provides quantitative and qualitative information for considering market-driven reuse of vacant and under-utilized property, and formulating an overall Riverfront Corridor redevelopment plan. These analyses provide estimated near-term (within 5 years) potential to achieve increased real estate investment and business development in the Pawtucket downtown area in general, as well as within the Riverfront Corridor Study Area. FXM examined factors in both the local and broader market areas influencing demand, and identified potential to capture additional retail sales, commercial and residential development.

Summary of Potential Demand for Commercial Space

In addition to the analyses presented subsequently in this section, FXM also assessed potential demand for commercial space based on employment forecasts done by the Rhode Island Department of Labor and FXM's independent analyses of historical trends in employment by industry type. Forecast employment growth was converted to potential space demand using empirical data on square feet per employee by employment type. The sources and methods used for the employment trends and projections forecasts are fully described in Technical Appendix VII.2. The combined methods produced widely-varied estimates of potential demand and absorption for each type of space. It should be noted that FXM adopted an expanded definition of “flex” space compared to that traditionally used in the real estate industry to account for the specific cases of rehabilitated mill space in Pawtucket, which is not conveniently classified as office, flex, or industrial space. The table below represents our best attempt to capture the variation in historical net absorption and employment growth forecasts, and key assumptions underlying the low, mid, and high range estimates are noted.

Summary of Potential Average Annual Absorption of Commercial Space in Pawtucket, 2013-2015

	Low Range	Mid Range	High Range
Conventional Office Space	0	11,000	20,000
Contemporary Flex Space (office,industrial,retail, work-live)	25,000	45,000	65,000
Conventional Industrial.Warehouse Space	0	6,000	30,000
Retail Space	0	15,000	45,000

Key Assumptions

- **Low Range:** Represents Co Star's projected net absorption for Pawtucket, except for Contemporary Flex Space, which is adjusted higher to reflect findings of this study and a more inclusive definition of “flex” space compared to that used by Co Star. *The low range forecast assumes no significant policy or public investment initiatives.*

- **Mid Range:** The higher of forecast net absorption for the Regional Market Area overall (rather than that now forecast specifically for Pawtucket) or mid-range employment growth forecasts, assuming Pawtucket captures its current share of space or employment. *The mid-range forecast assumes some of the initiatives recommended in this study are undertaken within the Riverfront Corridor area, including at minimum: removal of brush that now obstructs visual recognition of the river; regular maintenance of City and privately-owned riverfront property; and improved physical access to the river for pedestrians.*
- **High Range:** Assumes mid-range employment growth forecasts and that Pawtucket captures a greater share of regionally forecast space absorption. *The high range forecast assumes aggressive initiatives to improve the Riverfront Corridor, including at minimum: significantly improved property maintenance and public access to the river; significant expansion of river and riverfront investments, activities (including water-dependent uses), promotion; strategic outreach to prospective retail tenants (including those identified in the Retail Gap Analysis); and completion of the river corridor bikeway/pedestrian path.*

Rhode Island Real Estate Market Overview

A 2011 Rhode Island real estate survey found encouraging signs of growth and development in the commercial sector statewide with industrial and office markets showing significant increases over 2010 transaction levels but retail markets continued to suffer.²⁶

- *Industrial market* sales and lease prices stabilized and demand for smaller spaces began to improve; aggregate square footage and dollar volume of sales and leases in buildings larger than 15,000 SF increased over 2010; however substantial vacancy remained statewide.
- The Rhode Island industrial market is about 78 million SF, and the vacancy rate was 8% to 10% for the past few years, and 7-7.5% in 2011. The market for smaller leased space was more active, particularly Providence Metro and West Bay areas, and lease rates began to recover averaging \$4.70 NNN in 2011. Smaller users, who are one of the important drivers of the local economy, were absorbing spaces that were vacant for years.
- *Office market* sales nearly doubled from 2010, primarily driven by users/owners; companies moving to larger spaces for less money resulted in some reduction of statewide vacancy; buildings sold at prices substantially below assessed values; office leasing was soft with some spaces remaining vacant for over two years due to low tenant demand rather than price.
- The office market continued to have an over-supply of available space compared to demand. While the statewide vacancy rate dropped from 10% in 2010 to 9.1% in 2011, lease rates had not recovered and certain suburban areas had significant vacancy issues. The statewide Class A vacancy rate was 14.5% with Class B at 9.2% and Class C at 7%.
- *Retail markets* had not recovered in 2011 as well as the industrial and office markets, reflective of the retail market overall, the retail leasing market was sluggish and plagued with over-capacity and limited demand.

²⁶ The Capstone Report, Neil Amper, SIOR, Capstone Properties www.capstone-properties.com

Study Team Assessment

The following subsection **1V.1** includes analyses of historical conditions and trends in the inventory, vacancies, lease rates, and net absorption of commercial space in the City of Pawtucket, the City of Providence, and the Providence Regional Market. The regional real estate market is defined to include all of Rhode Island and portions of Massachusetts north to Attleboro and east to Fall River. Specific analyses are presented for each general category of commercial real estate: office space; flex space (hybrid of office and industrial), industrial space (including warehouse), and retail space. Within each of these categories, the analysis concludes with a range of projected square footage demand based on current and foreseeable trends in net space absorption forecast by *Co Star Property Information Systems*, and employment growth forecast by the Rhode Island Department of Labor. The specific special category of Creative Economy space is also addressed in this subsection.

Subsection **IV.2** assesses current opportunities to expand the supply of retail space within the Riverfront Corridor and Downtown areas generally, based on analysis of resident market expenditures and actual store sales within conventionally defined retail market trade areas. This analysis is intended to provide local brokers, property owners, City officials, and the Pawtucket Foundation with targeted opportunities to recruit new retailers based on the current “gap” between consumer demand and store sales within the defined trade areas.

Subsection **IV.3** presents the findings of the *FXM Housing Demand Model*, which assesses potential demand for rental units by householder age and income on an average annual basis over the next 5 years at prices between \$1,300 and \$2,300 per month. The low end of this range represents a typical rent now charged for residential units in recently rehabilitated mill properties in Pawtucket, while the higher end of the range would be necessary to support new construction of residential units.

Subsection **IV.4** is a synopsis of comments and observations reported to FXM senior staff in confidential interviews conducted during this research with property and business owners, real estate brokers, developers and managers, and public officials familiar with market conditions in the Riverfront Corridor and Central Falls-Pawtucket area. These interviews provided quantitative data reflecting specific local nuances needed to refine secondary source information, as well as qualitative input that informed priorities and public policy recommendations for riverfront redevelopment

IV.1 Assessment of Commercial Real Estate Markets

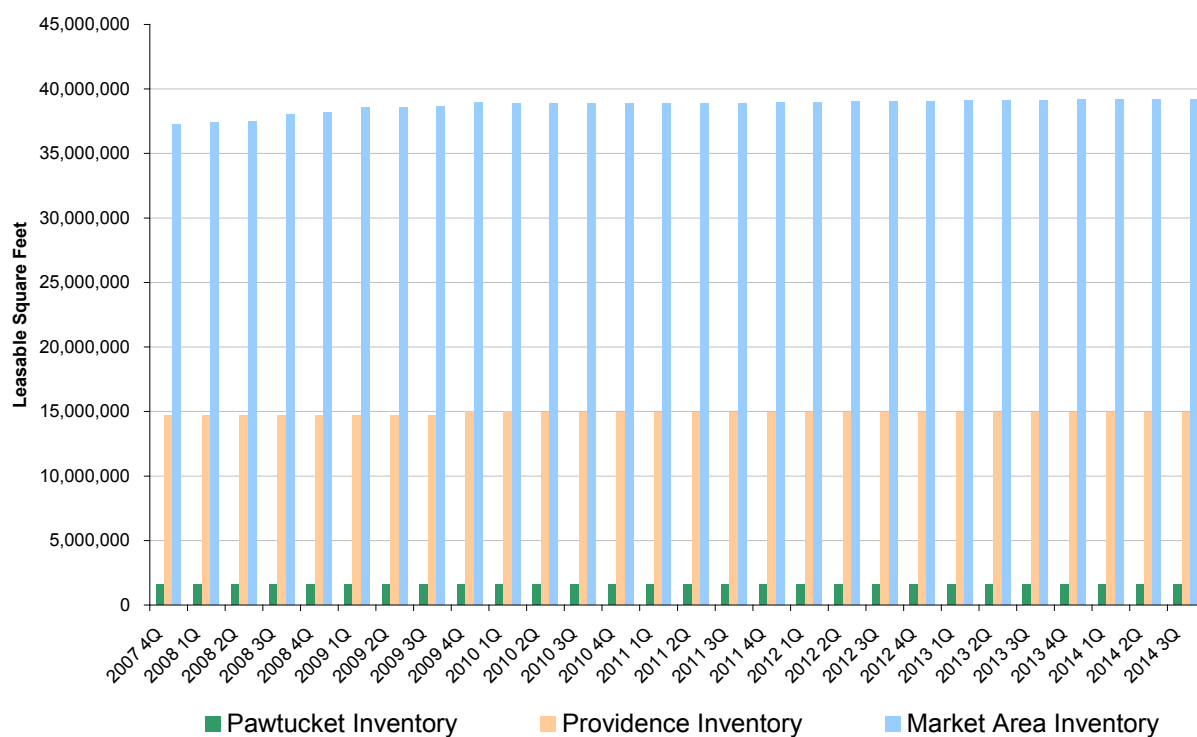
The intent of this subsection is to provide property owners, developers, City officials, and The Pawtucket Foundation with quantitative data characterizing historical and projected conditions and trends within each commercial real estate market category. In addition to data specific to the City of Pawtucket and the larger Providence area regional market, data for the City of Providence are also included since some of the brokers and other knowledgeable persons interviewed noted that Pawtucket competes with the City of Providence for certain types of space leasing.

It should be noted that while the analysis conforms to standard definitions of real estate market and space categories – office, flex, industrial, and retail – the distinction between these types of space is not as clear-cut in the contemporary economy. For example, in Pawtucket and elsewhere much of the space available in rehabilitated mill properties can be easily adapted to tenants seeking office, industrial, warehouse, and/or retail uses, or combinations of uses. Not all of this space would necessarily be classified as “flex” space in broker listings and transaction data that Co Star uses to compile its base data. Therefore, projected absorption and demand using forecast employment growth should be considered across space categories, as warranted by each property owner/developer.

IV.1.1. Office Space

Data in Figure IV.1.1 (A) shows the historical and projected inventory of leaseable **office** space within the City of Pawtucket, the City of Providence, and the Providence Area Regional Market.

Figure IV.1.1 (A): Historical & Forecast Inventory: Office Space

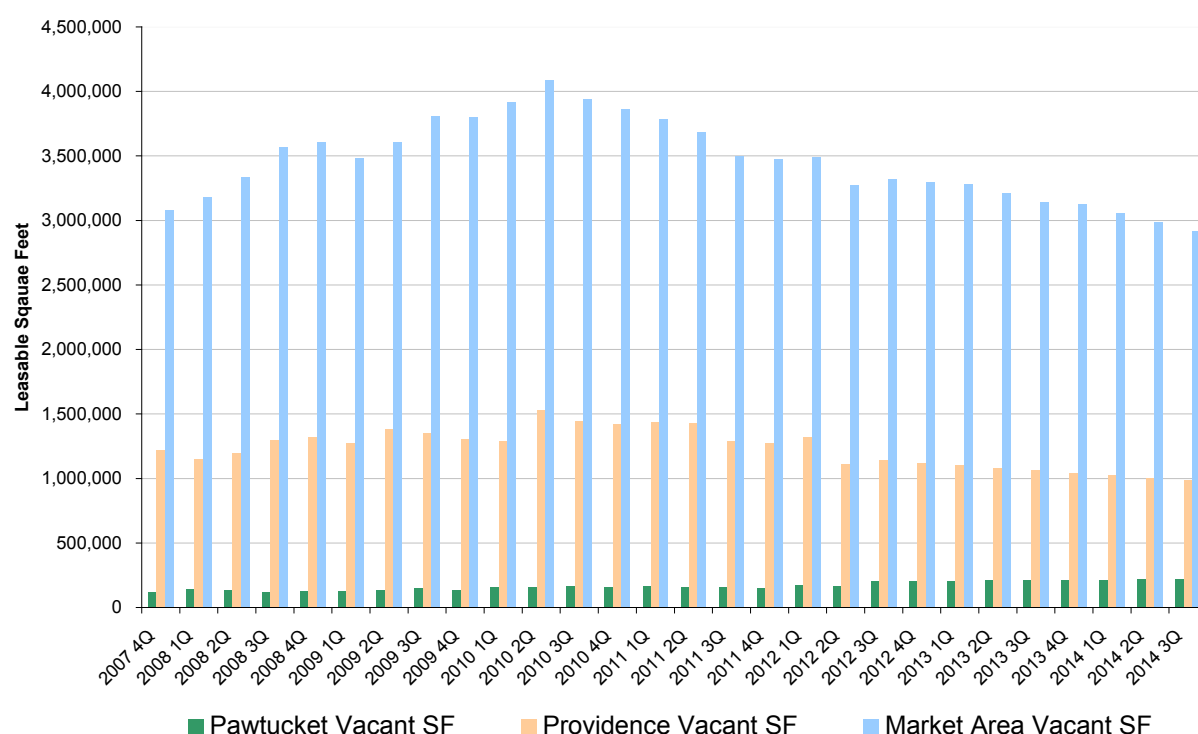


Source: Co Star Property Information Systems and FXM Associates

With an estimated 1,609,000 square feet of leaseable **office** space, Pawtucket currently holds a 4.1% share of the regional market inventory of leaseable office space.²⁷ The City of Providence currently holds 38.1% of the regional inventory of leaseable **office** space. Neither City's share is projected to change measurably over the next two years, and within the region overall about 155,000 square feet (SF) of net new inventory is projected over the next two years.

Figure IV.1.1. (B) displays historical and forecast vacant square feet of leaseable **office** space in Pawtucket, Providence, and the Regional Market, and Figure IV.1.1. (C) shows similar comparisons expressed as vacancy rates. As shown by the data in these graphs, both vacancies and vacancy rates are forecast to *increase* in Pawtucket and to *decrease* in both Providence and the Regional Market overall.

Figure IV.1.1. (B): Historical & Forecast Vacant SF: Office Space

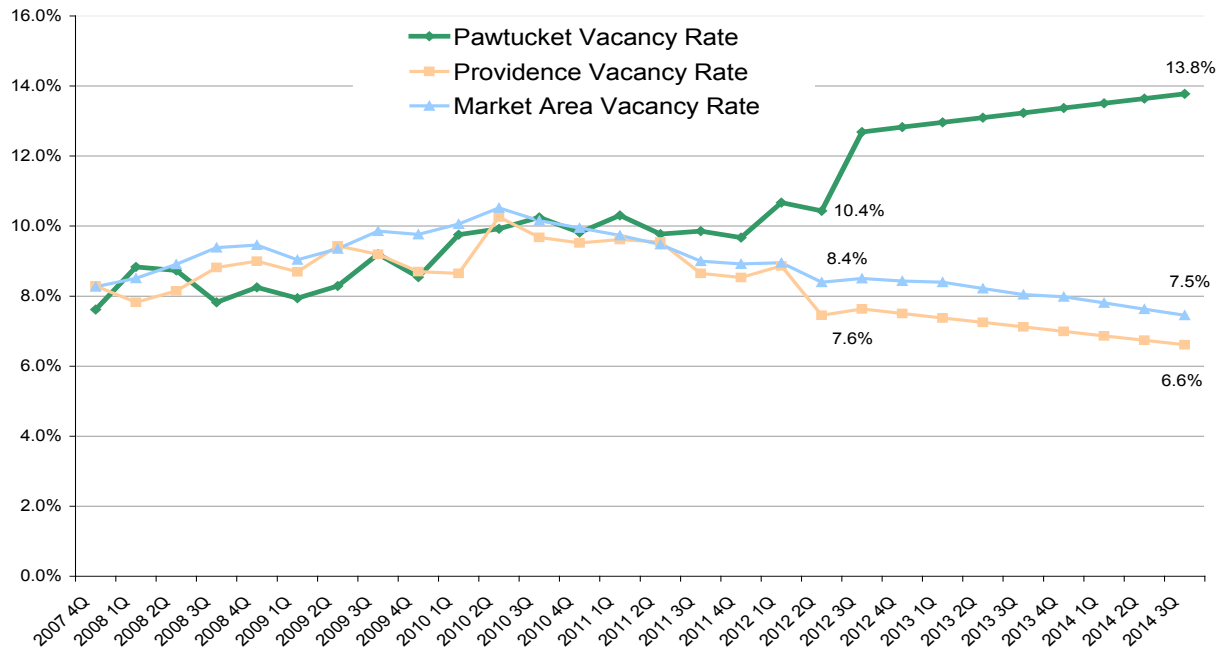


Source: Co Star Property Information Systems and FXM Associates

In the 3rd Quarter of 2012, vacant leaseable **office** space in Pawtucket is estimated at 204,000 square feet and is forecast to increase to 222,000 square feet by the 4th Quarter of 2014. The vacancy rate in Pawtucket is forecast to increase from 10.4% to 13.8% even as both vacant square footage and vacancy rates are forecast to decline in the City of Providence and the Regional Market overall.

²⁷ 3rd Quarter of 2012

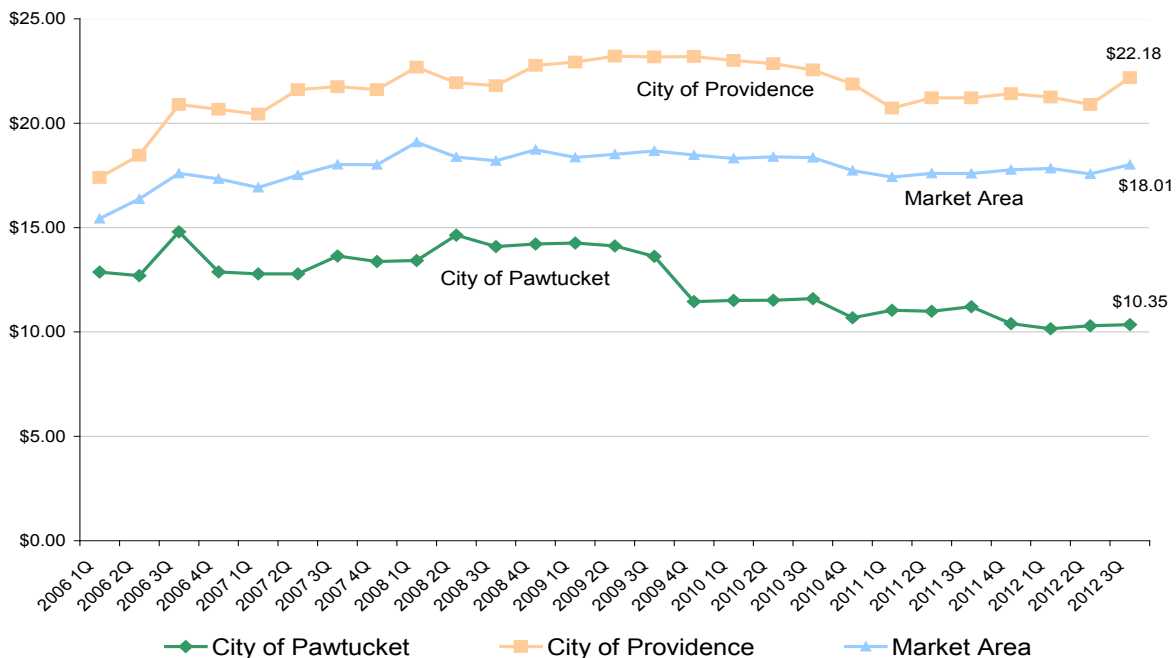
Figure IV.1.1. (C): Historical & Forecast Vacancy Rates: *Office Space*



Source: Co Star Property Information Systems and FXM Associates

Figure IV.1.1. (D) shows recent historical difference in the average annual per square foot lease rates for **office** space in Pawtucket, Providence, and the regional Market Area overall. As data in the chart indicate, the average lease rate for **office** space in Pawtucket (\$10.35/sf/yr) is less than half that within the City of Providence (\$22.18/sf/yr) and is also lower than the average lease rate in the regional Market Area overall (\$18.01/sf/yr).

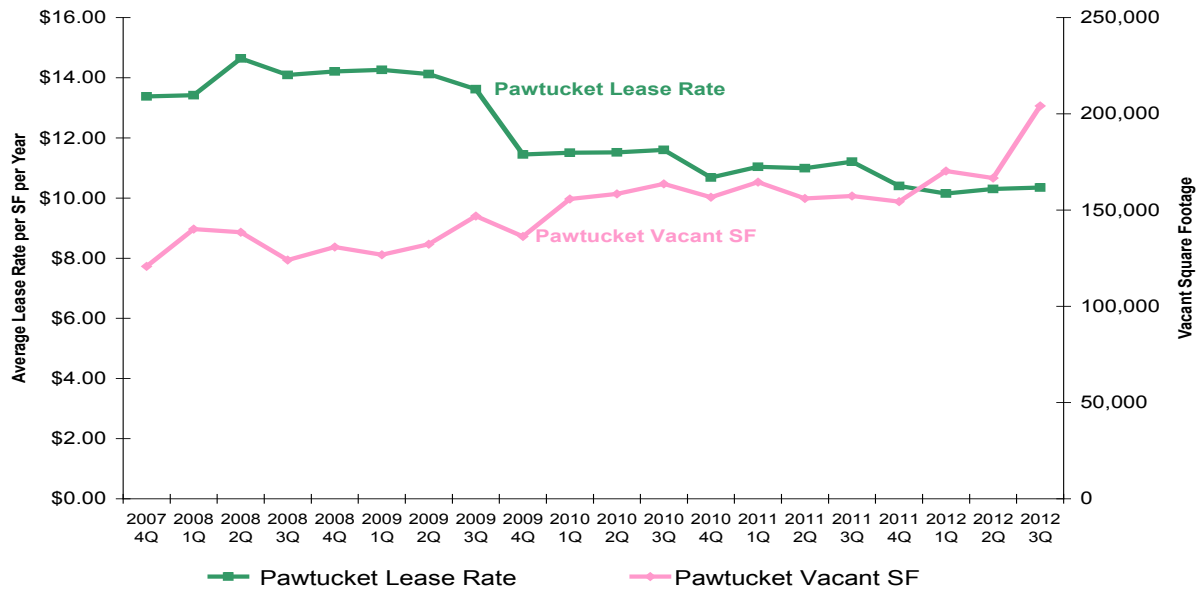
Figure IV.1.1. (D): Historical Average Lease Rates per Square Foot per Year: *Office Space*



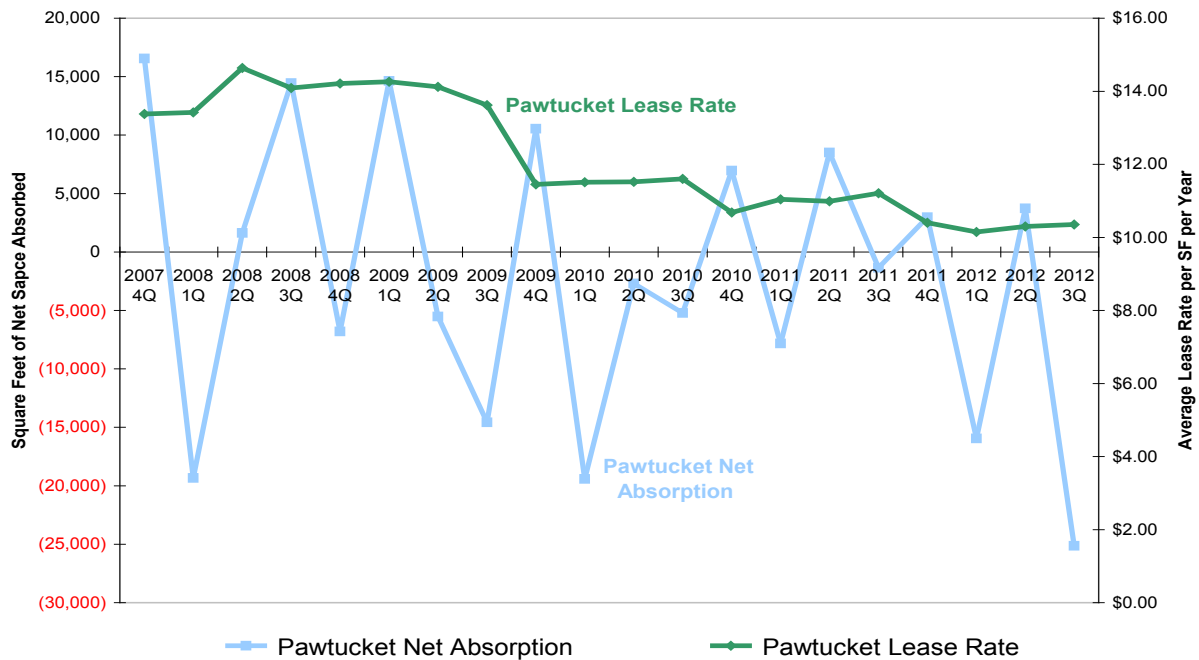
Source: Co Star Property Information Systems and FXM Associates

In spite of the significantly lower average lease rates, the vacancy rate for **office** space in Pawtucket is now higher than in either the City of Providence or the regional Market Area overall, as shown in the previous graph, Figure IV.1.1. (C). FXM tested the sensitivity of lease rates in Pawtucket to vacancies and net absorption of office space. The results are shown graphically in Figures IV.1.1. (E) and (F).

Figures IV.1.1. (E): Pawtucket Lease Rates Compared to Vacancies: Office Space



Figures IV.1.1. (F): Pawtucket Lease Rates Compared to Net Absorption: Office Space

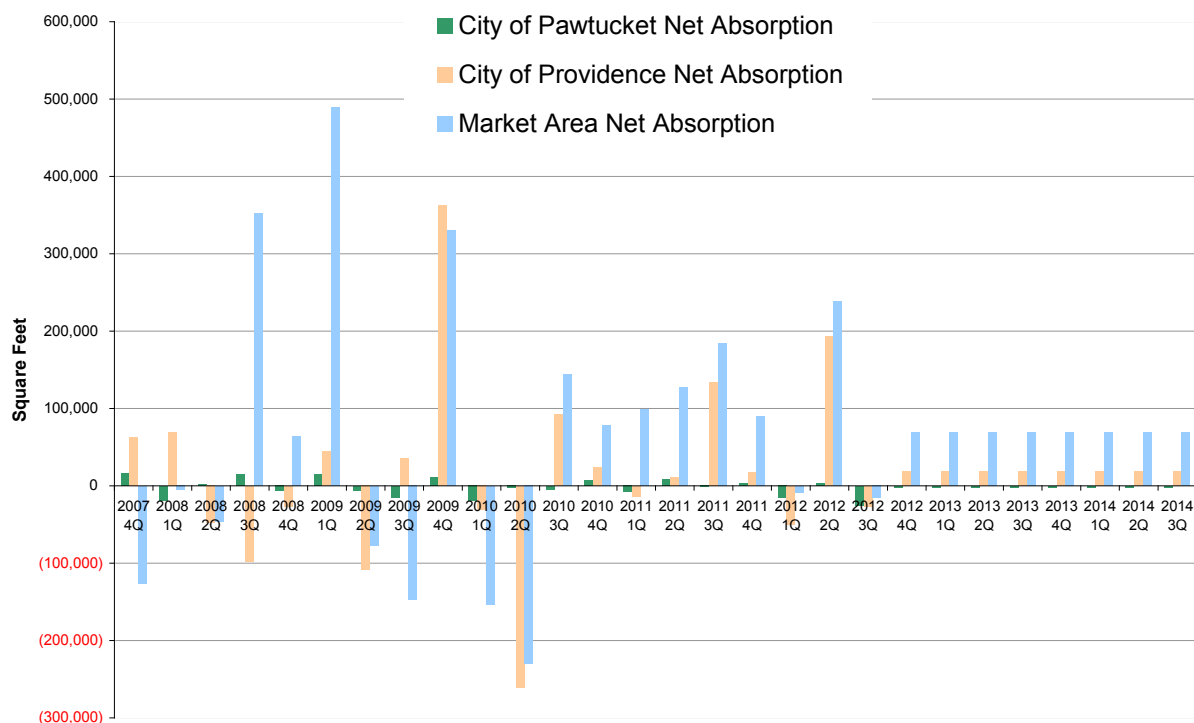


Source: Co Star Property Information Systems and FXM Associates

As shown graphically in these figures, there is no obvious relationship between lease prices for **office** space in Pawtucket and either vacancies or net absorption. There is some correlation, but statistical tests suggest that prices may account for no more than one-third of the variation in vacancies or net absorption.

Figure IV.1.1. (G) shows historical and projected net absorption (newly lease space minus vacated space) for Pawtucket, Providence, and the Regional Market Area overall.

Figure IV.1.1. (G): Historical & Forecast Net Absorption: Office Space



The text table below shows projected annual net absorption for Pawtucket, Providence, and the Regional Market Area overall over the next two years.

Projected Average Annual Net Absorption of Office Space, 2012-2014

	Pawtucket	Providence	Regional Market Area
Projected Net Absorption Square Feet/Year	(8,764)	76,248	277,560

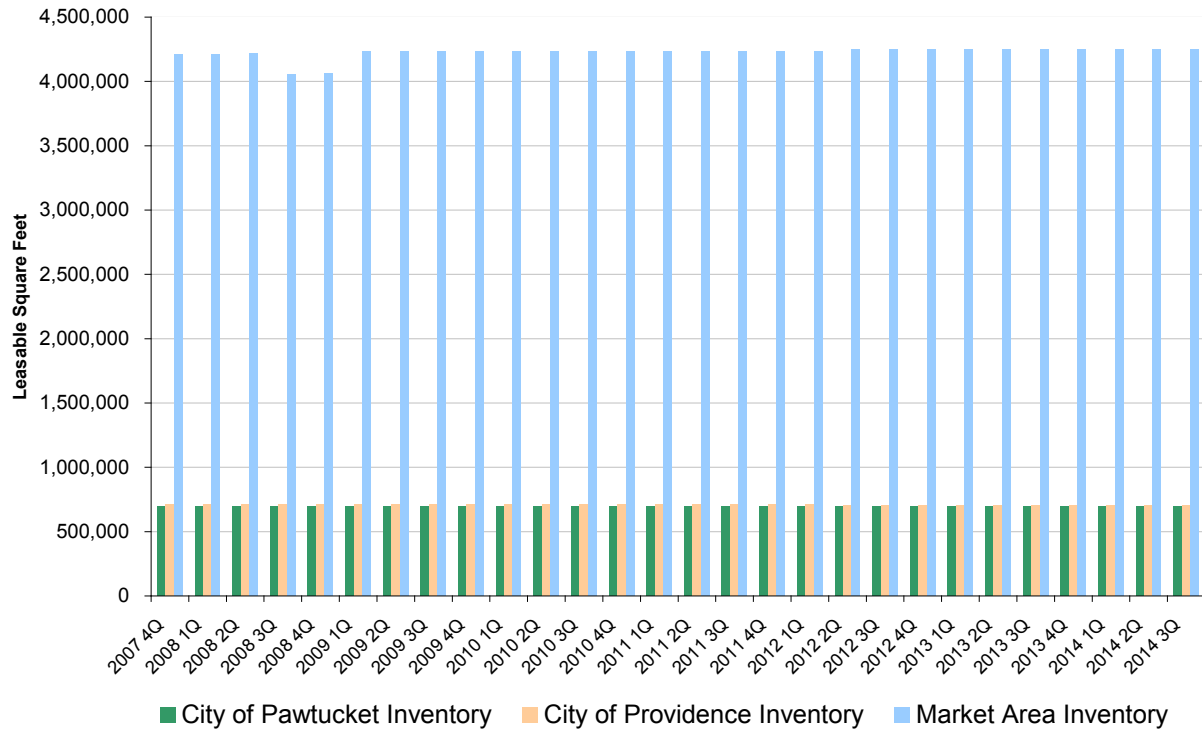
Source: Co Star Property Information Systems, August 2012

Co Star's projection is an extrapolation of average annual net absorption over the previous 5-years (20 quarters). It is not a *prediction* of what *could* happen in Pawtucket and it does suggest some growth in the regional market. Clearly, factors other than price are affecting Pawtucket's ability to compete for **office** space in the regional market.

IV.1.2. Flex Space

Data in Figure IV.1.2 (A) shows the historical and projected inventory of leaseable **flex** space within the City of Pawtucket, the City of Providence, and the Providence Area Regional Market.

Figure IV.1.2 (A): Historical & Projected Inventory: Flex Space

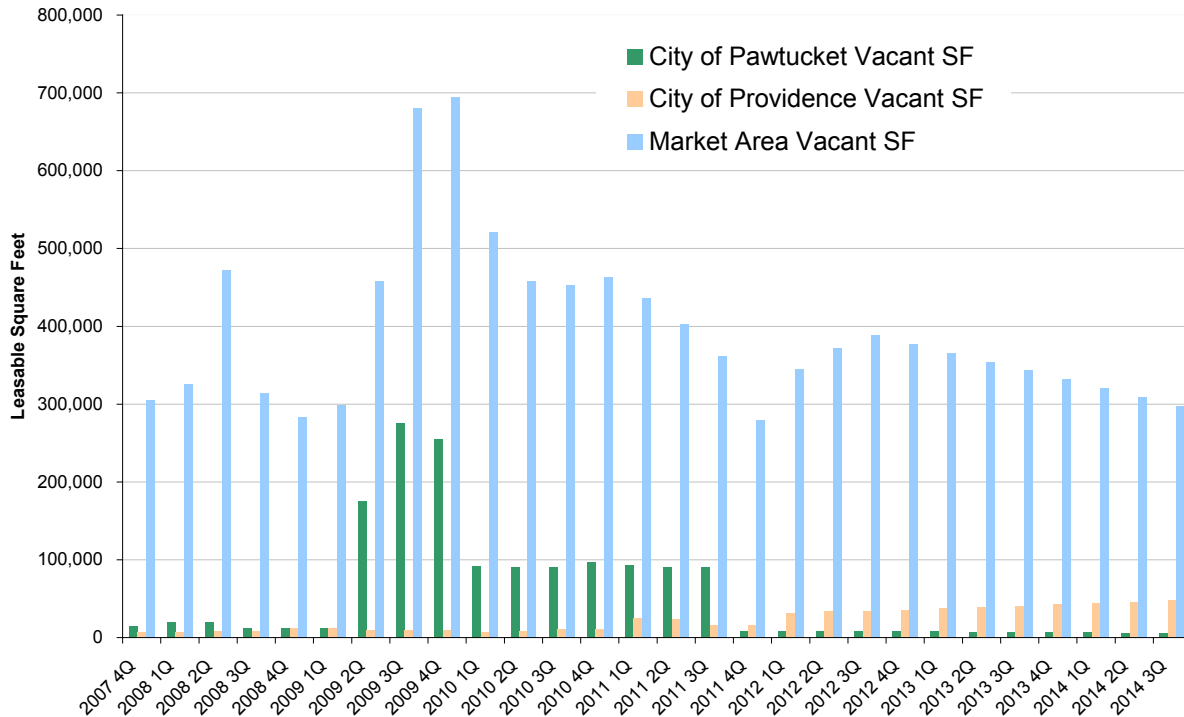


Source: Co Star Property Information Systems and FXM Associates

With an estimated 698,000 square feet of leaseable flex space, Pawtucket currently (3rd Quarter of 2012) holds a 16.4% share of the regional market inventory of leaseable **flex** space, similar to the share held by The City of Providence. Neither City nor the regional Market Area overall is expected to add additional **flex** space to the current inventory over the next two years.

Figure IV.1.2. (B) shows historical and forecast vacant square feet of leaseable **flex** space in Pawtucket, Providence, and the Regional Market, while Figure IV.1.2. (C) shows similar comparisons expressed as vacancy rates. As shown by the data in these graphs, both vacancies and vacancy rates are forecast to *decrease* in Pawtucket and within the regional Market Area overall. By contrast, vacancies in **flex** space are projected to increase in the City of Providence.

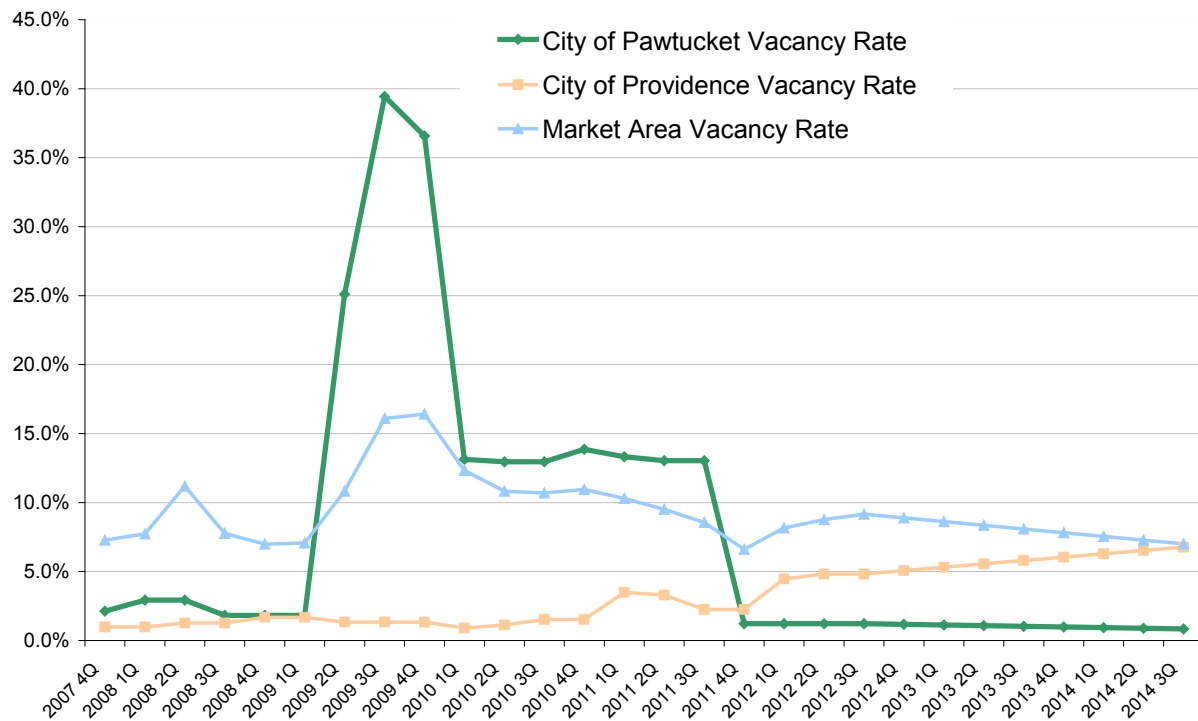
Figure IV.1.2. (B): Historical & Projected Vacant SF: *Flex Space*



Source: Co Star Property Information Systems and FXM Associates

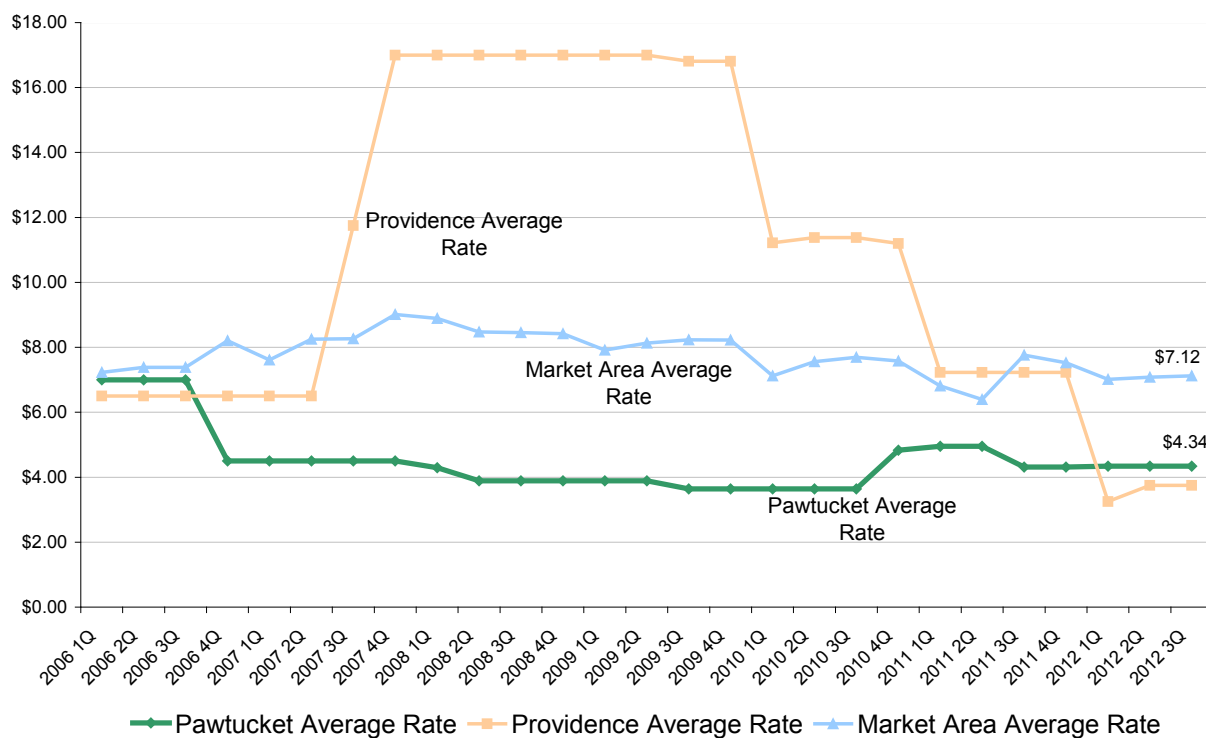
In the 3rd Quarter of 2012, vacant leaseable **flex** space in Pawtucket is estimated at 8,500 square feet and is forecast to *decrease* to 5,900 square feet by the 4th Quarter of 2014. The vacancy rate in Pawtucket is forecast to *decrease* over this period from 1.2% to 0.8%. Vacant square footage and vacancy rates for **flex** space are projected to increase in the City of Providence and decrease in the Regional Market overall.

Figure IV.1.2. (C): Historical & Projected Vacancy Rate: Flex Space



Source: Co Star Property Information Systems and FXM Associates

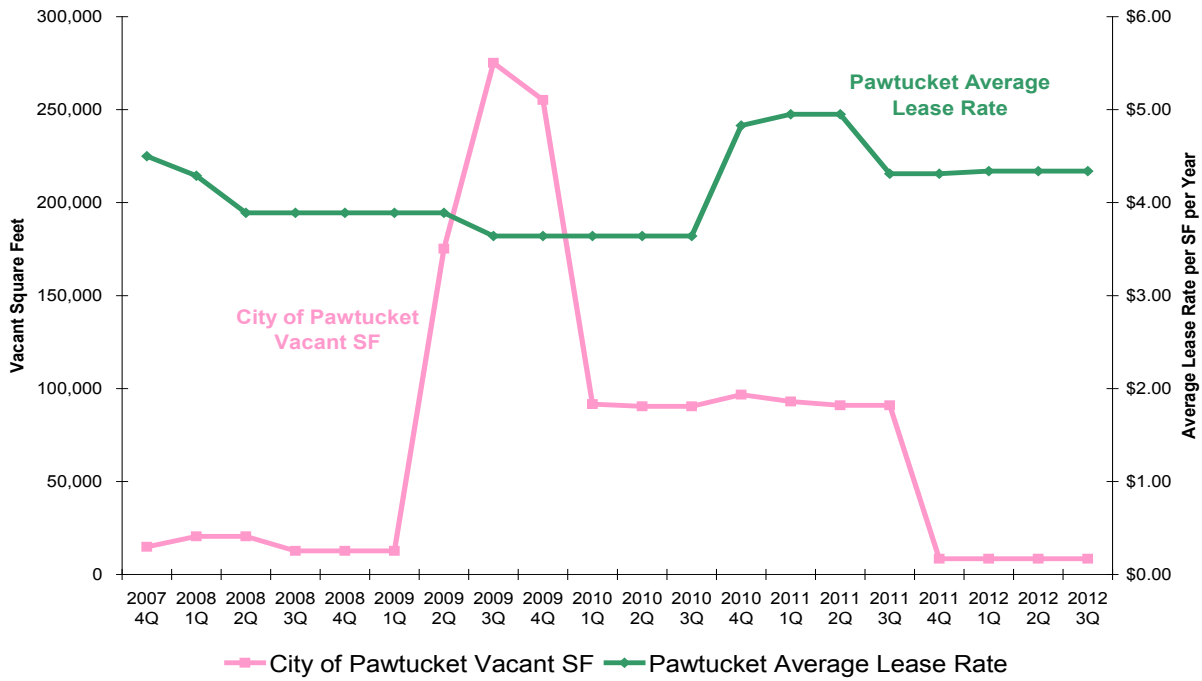
Figure IV.1.2. (D) shows recent historical differences in average annual per square foot lease rates for **flex** space in Pawtucket, Providence, and the Regional Market Area overall. As data in the chart indicate, in the 3rd Quarter of 2012 the average lease rate for **flex** space in Pawtucket (\$4.34/sf/yr) is significantly less than the average lease rate in the Regional Market Area overall (\$7.12/sf/yr). The average lease rate for **flex** space in Providence (\$3.75/sf/yr) is now less than average lease rates in either Pawtucket or the Regional Market Area overall.

Figure IV.1.2. (D): Historical Average Lease Rate per Square Foot per Year: *Flex Space*

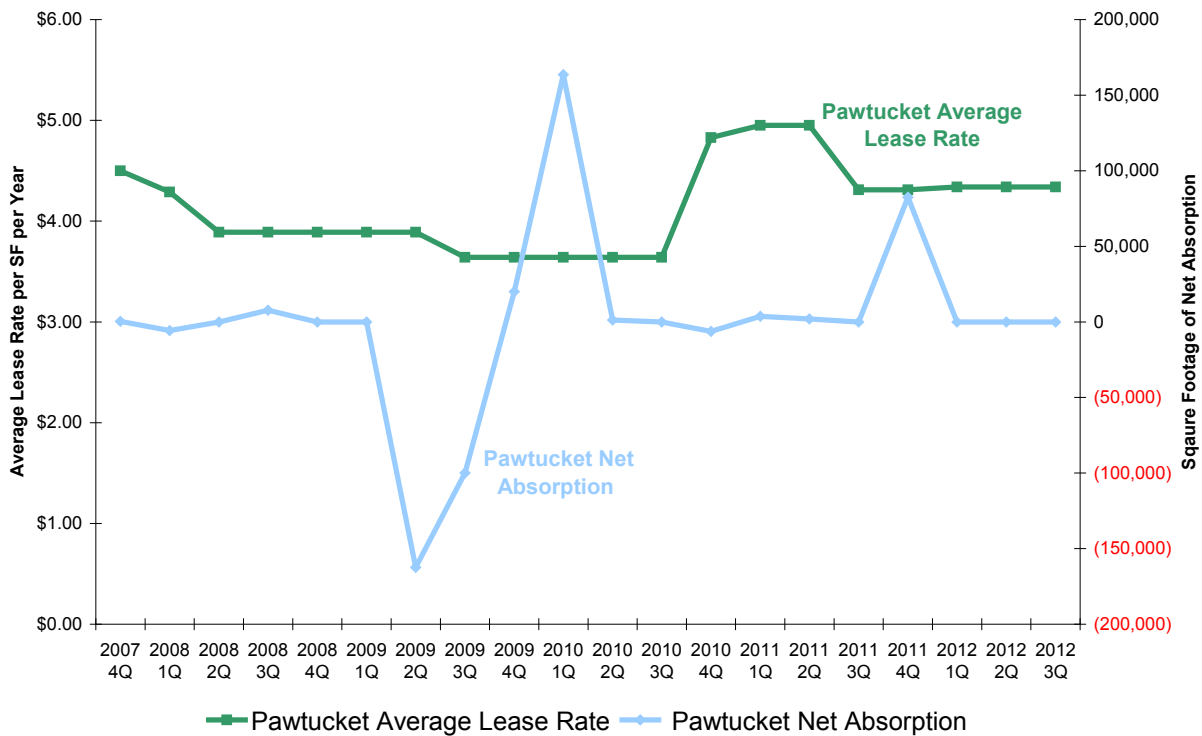
Source: Co Star Property Information Systems and FXM Associates

The vacancy rate for **flex** space in Pawtucket is now lower than in either the City of Providence or the regional Market Area overall, as shown in the previous graph, Figure IV.1.2. (C), FXM tested the sensitivity of lease rates in Pawtucket to vacancies and net absorption of **flex** space. The results are shown graphically in Figures IV.1.2. (E) and (F).

Figures IV.1.2. (E) and (F): Pawtucket Lease Rates Compared to Vacancies: *Flex Space*



Figures IV.1.2. (F): Pawtucket Lease Rates Compared to Net Absorption: *Flex Space*

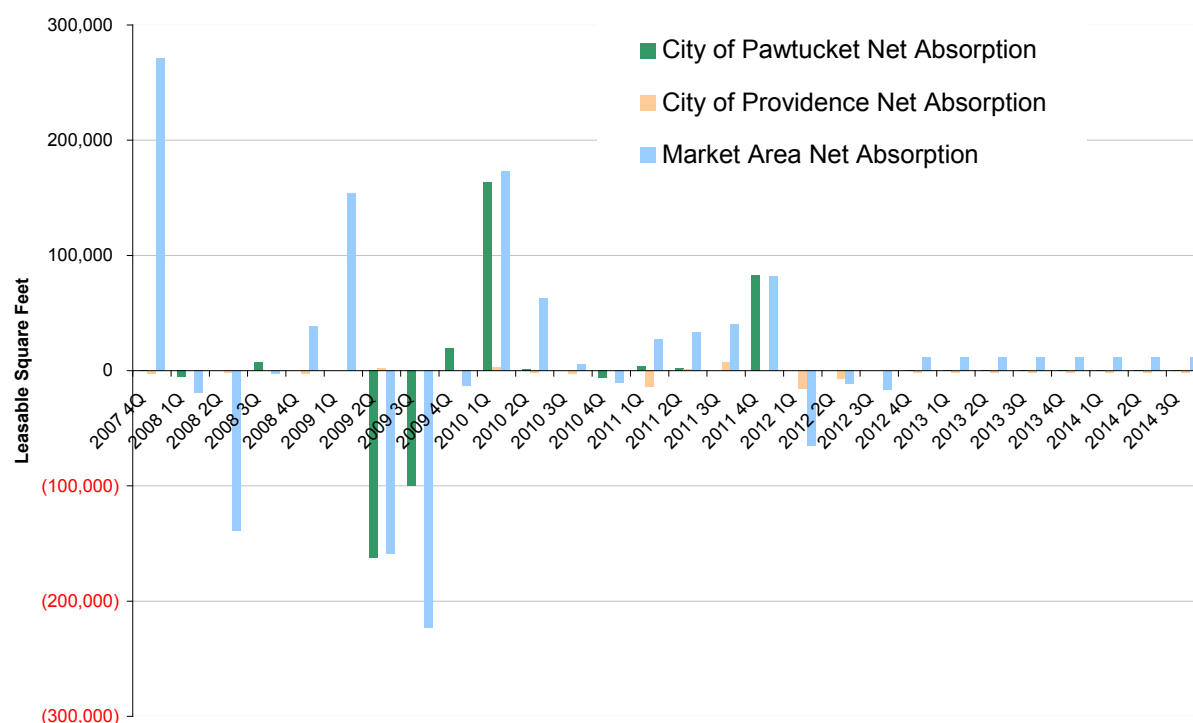


Source: Co Star Property Information Systems and FXM Associates

As shown graphically in these figures, the dynamics of the **flex** space market in Pawtucket are far different than those characterized in the previous section for office space. Pawtucket was able to maintain steady lease prices and at the same time experience a drop in vacancies. With very low vacancy rates, the lack of net absorption may be largely a reflection of the lack of supply.

Figure IV.1.2. (G) charts historical and projected net absorption (newly lease space minus vacated space) for Pawtucket, Providence, and the Regional Market Area overall.

Figure IV.1.2. (G): Historical & Proposed NET Absorption: *Flex Space*



The text table below shows projected annual net absorption of **flex** space for Pawtucket, Providence, and the Regional Market Area overall over the next two years:

Projected Average Annual Net Absorption of Flex Space, 2012-2014

	Pawtucket	Providence	Regional Market Area
Projected Net Absorption Square Feet/Year	1,320	(6,872)	45,496

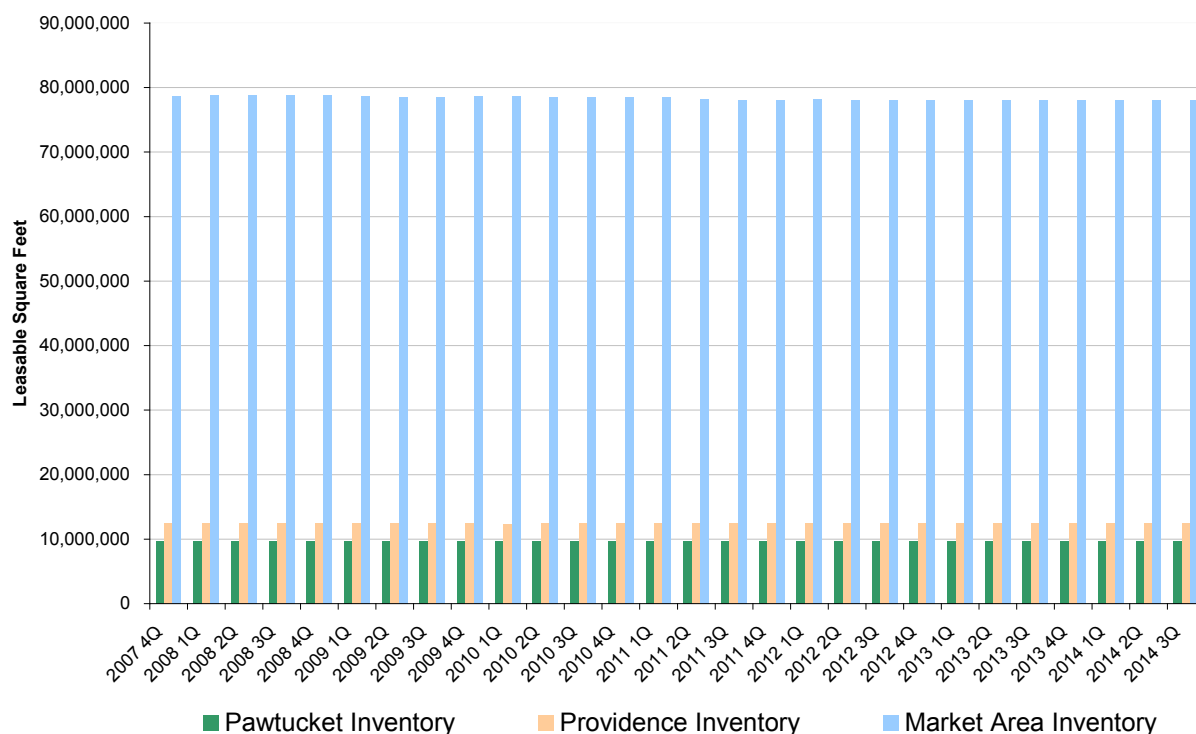
Source: *Co Star Property Information Systems*, August 2012

As previously noted, Co Star's projection is an extrapolation of average annual net absorption over the previous 5-years (20 quarters). It is not a *prediction* of what *could* happen in Pawtucket. Property owners and developers in Pawtucket have room to increase average lease prices for **flex** space and still remain competitive within the regional Market Area overall. Regionally as well as locally the limited projected net absorption may be more a function of lack of supply than lack of demand given very low vacancy rates.

IV.1.3. Industrial Space

Data in Figure IV.1.2 (A) shows the historical and projected inventory of leaseable **industrial** space within the City of Pawtucket, the City of Providence, and the Providence Area Regional Market. Industrial space includes manufacturing and warehouse uses.

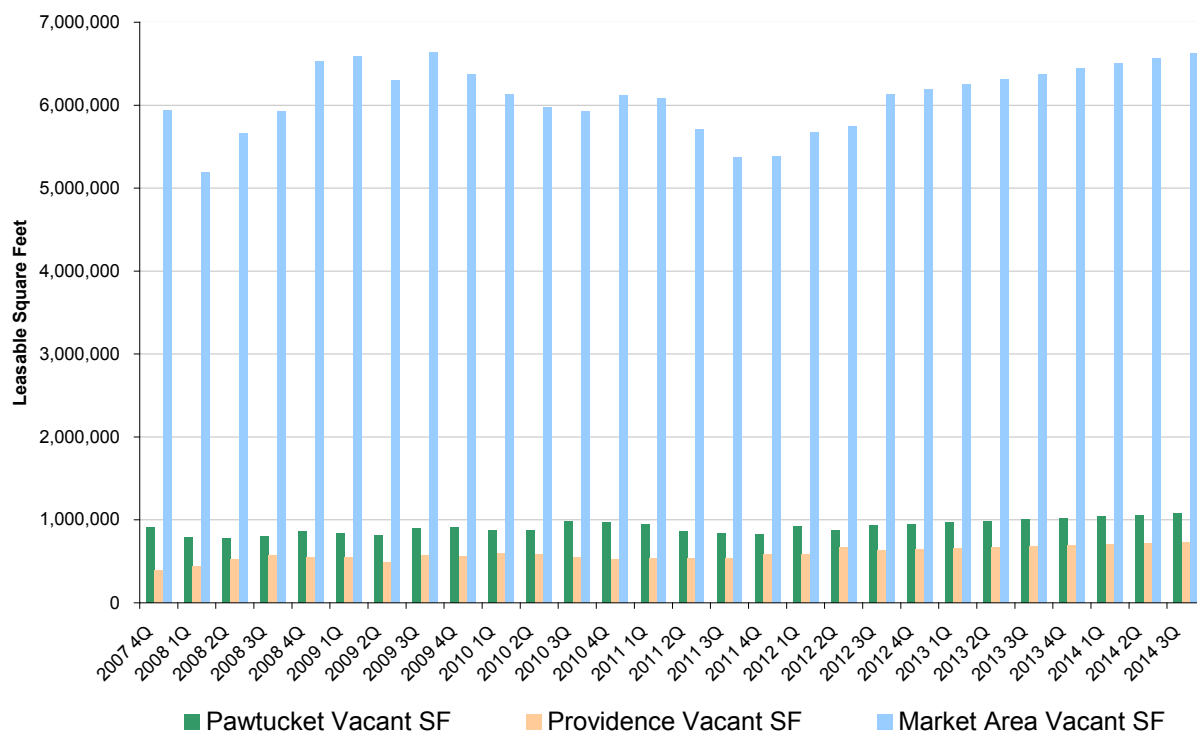
Figure IV.1.3 (A): Historical & Forecast Inventory: Industrial Space



Source: Co Star Property Information Systems and FXM Associates

With an estimated 9,700,000 square feet of leaseable **industrial** space, Pawtucket currently (3rd Quarter of 2012) holds a 12.4% share of the regional market inventory of leaseable **industrial** space, compared to the 16% share held by The City of Providence. Neither City nor the regional Market Area overall is expected to add additional industrial space to the current inventory over the next two years.

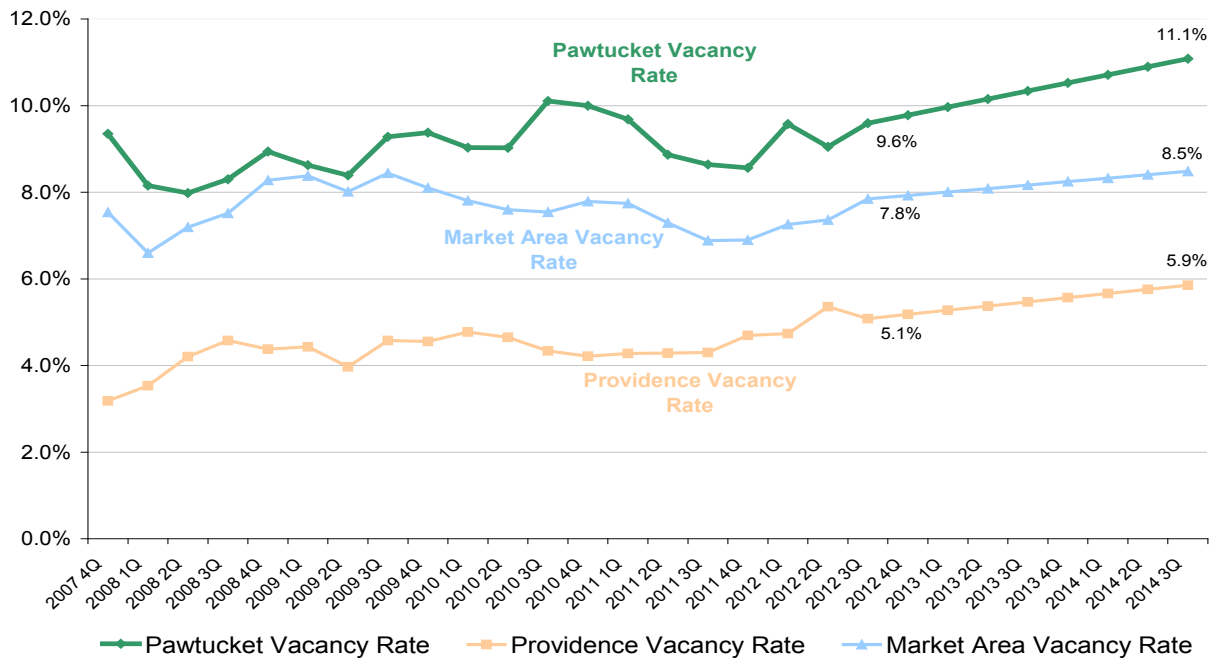
Figure IV.1.3. (B) charts historical and forecast vacant square feet of leaseable **industrial** space in Pawtucket, Providence, and the Regional Market, while Figure IV.1.3. (C) displays similar comparisons expressed as vacancy rates. As shown by the data in these graphs, both vacancies and vacancy rates are forecast to **increase** in Pawtucket, Providence, and the Regional Market Area overall. Pawtucket now has and is projected to continue to have a higher vacancy rate in **industrial** space than either Providence or the Regional Market Area.

Figure IV.1.3. (B): Historical & Forecast Vacant Square Feet: *Industrial Space*

Source: Co Star Property Information Systems and FXM Associates

In the 3rd Quarter of 2012, vacant leaseable **industrial** space in Pawtucket is estimated at 930,000 square feet and is forecast to increase to 1,074,000 square feet by the 4th Quarter of 2014. The vacancy rate in Pawtucket is forecast to increase over this period from 9.6% to 11.1%, and is significantly higher than the vacancy rates in Providence and the regional Market Area. Vacant square footage and vacancy rates for industrial space are projected to increase in both the City of Providence and the Regional Market overall, with over 6,600,000 vacant square feet of **industrial** space expected in the overall Regional Market Area by the 4th Quarter of 2014.

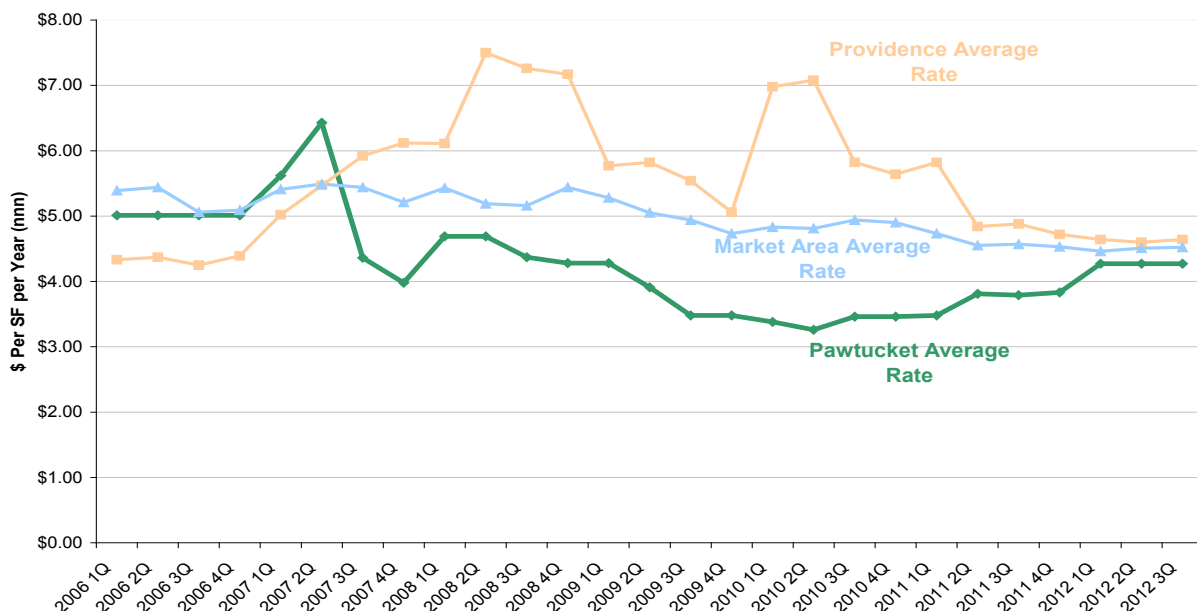
Figure IV.1.3. (C): Historical & Forecast Vacancy Rate: *Industrial Space*



Source: Co Star Property Information Systems and FXM Associates

Figure IV.1.3. (D) shows recent historical differences in the average annual per square foot lease rates for **industrial** space in Pawtucket, Providence, and the Regional Market Area overall. As data in the chart indicate, in the 3rd Quarter of 2012 the average lease rate for **industrial** space in Pawtucket (\$4.27/sf/yr) is substantially the same as the average lease rate for industrial space in Providence (\$4.64) and the Regional Market Area overall (\$4.52/sf/yr).

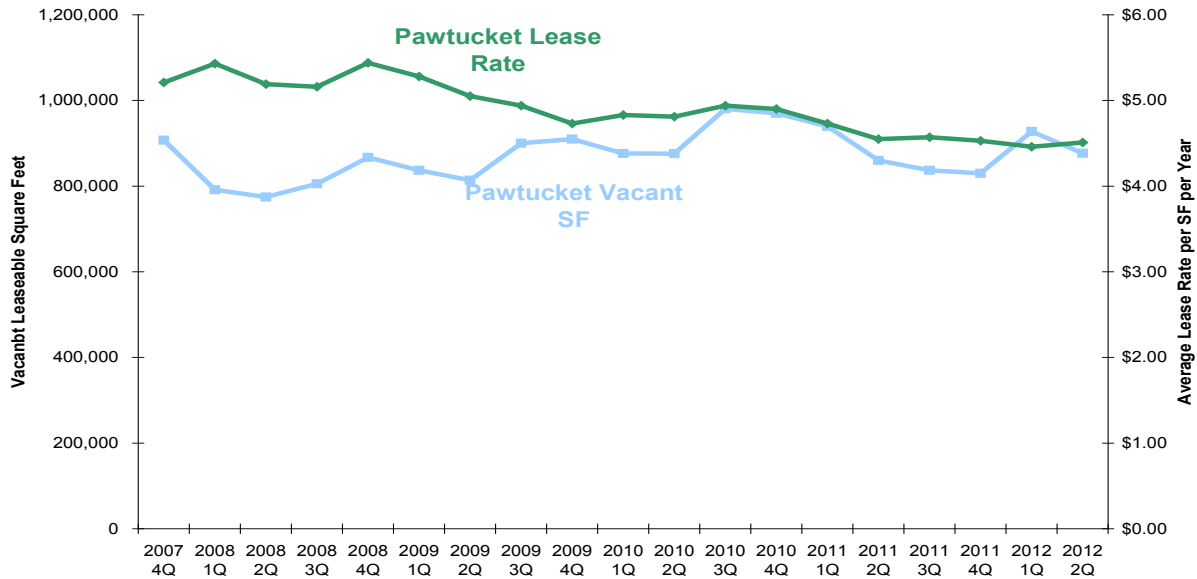
Figure IV.1.3. (D): Historical Average Lease Rates: *Industrial Space*



Source: Co Star Property Information Systems and FXM Associates

The vacancy rate for **industrial** space in Pawtucket is now higher than in either the City of Providence or the Regional Market Area overall, as shown in the previous graph, Figure IV.1.3. (C), FXM tested the sensitivity of lease rates in Pawtucket to vacancies and net absorption of **industrial** space. The results are shown graphically in Figure IV.1.3. (E) and Figure IV.1.3 (F).

Figures IV.1.3. (E): Pawtucket Lease Rate Compared to Vacancies: Industrial Space



Figures IV.1.3. (F): Pawtucket Lease Rate Compared to Net Absorption: Industrial Space

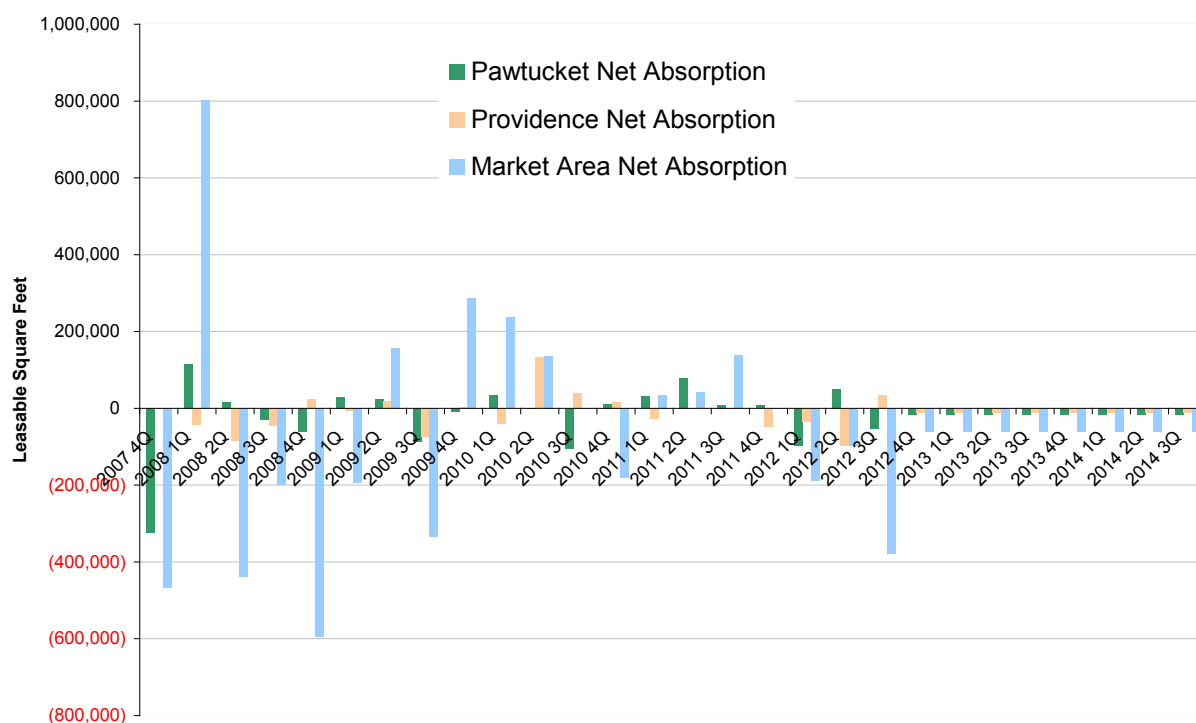


Source: Co Star Property Information Systems and FXM Associates

As shown graphically in these figures, and born out by statistical tests, there is a measurable negative correlation between average lease rates, vacancies and net absorption of **industrial** space in Pawtucket – essentially, lower prices in Pawtucket could mean fewer vacancies and better net absorption in the case of **industrial** space. The market for industrial space in Pawtucket is therefore unlike that for **office** space – where significantly lower prices have not led to greater absorption – and **flex** space – where prices are maintained and absorption remains positive. The users of **industrial** space (manufacturers, wholesalers, and distributors) appear to be less influenced (positively or negatively) by local non-price factors and have ample vacancies regionally to drive lease rate negotiations.

Figure IV.1.3. (G) displays historical and projected net absorption (newly lease space minus vacated space) for Pawtucket, Providence, and the Regional Market Area overall.

Figure IV.1.3. (G): Historical & Forecast Net Absorption: Industrial Space



Source: Co Star Property Information Systems and FXM Associates

The text table below shows projected annual net absorption of **industrial** space for Pawtucket, Providence, and the Regional Market Area overall over the next two years:

Projected Average Annual Net Absorption of Industrial Space, 2012-2014

	Pawtucket	Providence	Regional Market Area
Projected Net Absorption Square Feet/Year	(72,072)	(48,144)	(249,184)

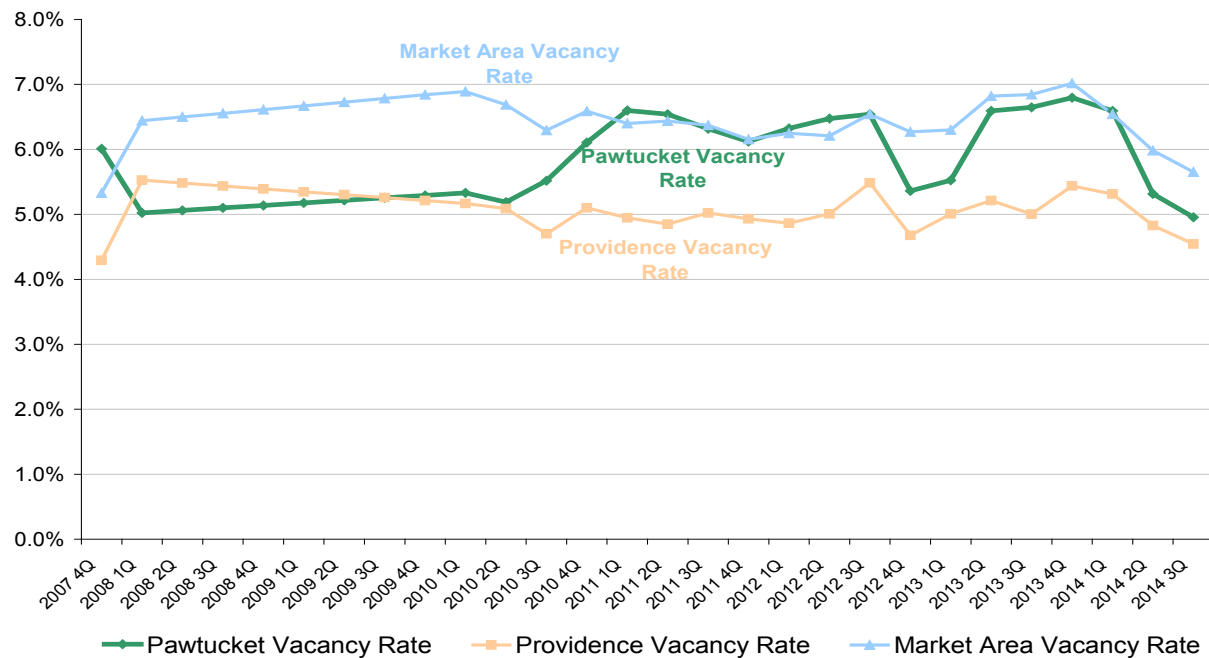
Source: Co Star Property Information Systems, August 2012

As previously noted, Co Star's projection is an extrapolation of average annual net absorption over the previous 5-years (20 quarters). It is not a *prediction* of what *could* happen in Pawtucket, but clearly the current market for conventional industrial/warehouse space is weak and is projected to remain so for at least the next two years. Vacancies are projected to increase with negative net absorption.

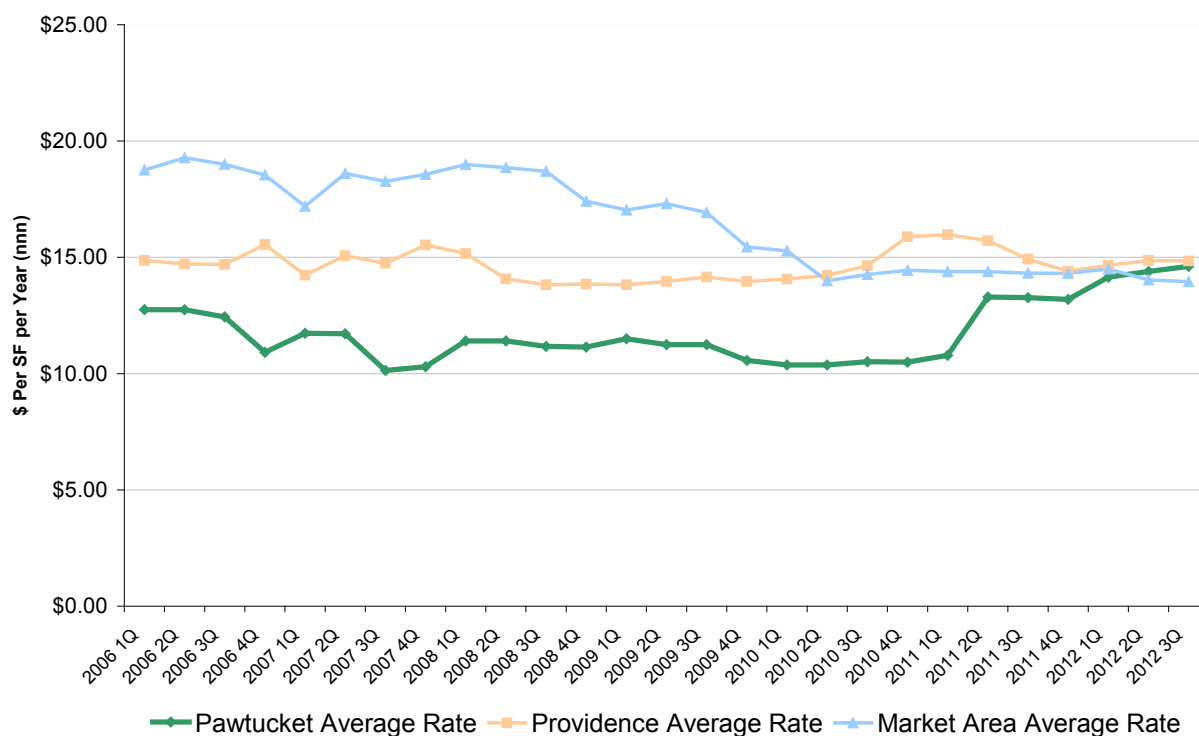
IV.1.4. Retail Space

Retail real estate markets are very different than those for office, flex, or industrial space. With a few noteworthy exceptions, such as high visibility brand chain stores, **retail** real estate serves local and not regional demand. The charts shown subsequently indicate that Pawtucket is doing about as well as Providence and the Regional Market Area overall in terms of vacancy rates and prices for **retail** space. Comparisons of inventory, vacant square feet, and net absorption reflect differences in local population dynamics and are not competitive factors relevant to **retail** real estate development potential in Pawtucket.

Figure IV.1.4. (A): Historical & Forecast Vacancy Rate: Retail Space



Source: Co Star Property Information Systems and FXM Associates

Figure IV.1.4. (B): Historical Average Lease Rates: *Retail Space*

Source: Co Star Property Information Systems and FXM Associates

The text table below shows current and projected characteristics of the **retail** space market in Pawtucket.

Retail Space in Pawtucket, 2012-2014

	3rd Quarter 2012	3rd Quarter 2014	Change 2012 - 2014
Leaseable Square Feet	2,879,515	2,879,515	0
Vacant Square Feet	188,377	142,647	(45,730)
Vacancy Rate	6.5%	5.0%	-1.6%

Source: Co Star Property Information Systems, August 2012

As indicated in the above table, the total inventory of leaseable square feet of **retail** space in Pawtucket is not projected to change over the next two years based on available information, while both vacant square feet and the vacancy rate are projected to decrease.

IV.1.5 Creative Economy Space

Real estate industry data sources do not identify Creative Economy space, which is a specialized niche likely to be reported in miscellaneous manufacturing, or professional, technical and business services categories. Real estate brokers and property managers familiar with the Pawtucket-Central Falls market area described a consistent demand for mill building and live-work commercial space with inquiries received mostly from the East Coast, and regularly from New York-New Jersey. Callers are attracted by the diverse

Creative Economy community in the Providence area, and discover Pawtucket commercial space is generally about \$2 per SF less expensive. Overall, it is estimated that about 70% of commercial occupants/tenants in Central Falls-Pawtucket area mill buildings are small businesses, artists/artisans, entrepreneurs, and computer-based companies.

Prices for commercial space used by Creative Economy enterprises range from \$4-\$5 SF for basic manufacturing space (unimproved) to live-work space at \$12-\$14 SF for upgraded rough space with kitchen area, bathroom but no granite, stainless appliances, etc. Large commercial spaces (5,000+ SF) lease prices average \$6-\$7.50 SF, and smaller commercial spaces (~1,200 SF) lease prices average \$10-\$12 SF.

Possible impediments to redeveloping unused Riverfront Corridor buildings were identified as owners waiting for their property values to appreciate from actions by others, and lack of municipal policy and assistance to address new state fire codes requiring industrial building upgrades for residential reuse.

IV.2 Riverfront Corridor/Downtown Pawtucket Retail Opportunity Analysis

A Retail Opportunity/Gap analysis is a tool used by virtually all major retailers and chain restaurants to gauge market demand and competition within a specified geographic area. The analysis represents a snapshot of current consumer expenditures within a geographic area and actual retail store sales matching those expenditures within the same geographic area. The retail gap analysis identifies current opportunities for retailers to locate new or expanded facilities, and is based on empirical evidence that people will purchase goods and services within the shortest available walking or drive-time from where they live.

The retail opportunity, or gap, analysis shows potential demand for various types of retail development within a defined market area by comparing estimated household expenditures in a range of retail store categories with actual store sales in those categories. Where expenditures by households in the market area exceed sales, a gap or opportunity exists for stores in the market area to “capture” more of those household expenditures. Conversely, where market area household expenditures are less than actual sales in particular retail categories, stores in the market area already attract consumer dollars from outside the market area, and opportunities for additional retail development are more limited.

Retailers define market areas in terms of drive-time distances, with a 15-minute drive-time considered the maximum market area for all but the largest stores and store types. Market support within a 5-minute drive-time is considered to be the reach of convenience stores; and, market support within a 10-minute drive-time is considered essential for most medium sized stores and restaurants – the types found in local commercial districts or strip malls, as well as destination retail shops and restaurants both stand-alone or in downtown centers. If a specific category of retail sales opportunity is shown for a 5-minute drive-time market area and also at the 10 and 15-minute market area, most retailers would consider market conditions favorable, from a demand standpoint, for locating or expanding a store within that market area.

Typically, smaller commercial establishments do not have the resources to prepare a retail gap analysis. Local officials, property owners, and real estate brokers often use results of a retail opportunity analysis to

recruit successful small retailers and restaurants to open another establishment in their community. The retail opportunity/gap analysis also may help prospective investors in a new establishment better understand market opportunities.

Data in Table IV.2.1 summarize the analysis of retail development potential based on gaps between consumer demand and actual store sales within the 5 and 10-minute drive-time market area centered on the Downtown/West End Study Area.

Table IV.2.1: Potential Retail Opportunities Based on 2011 Retail Gap

Pawtucket Riverfront Corridor/Downtown Areas

Business Type & NAICS Code	Retail Sales Opportunities within 5-10 Minute Drive Time	Supportable Square Feet: Hypothetical	Number of Stores: Hypothetical	Estimated Capture Potential: Square Feet	Estimated Capture Potential: Number of Stores
Home Furnishing Stores-4422	\$5,218,666	23,194	5	9,600	2
Household Appliances Stores-443111	\$3,652,844	20,294	6	6,800	2
Radio, Television, Electronics Stores-443112	\$16,067,577	65,582	23	8,400	3
Computer and Software Stores-44312	\$8,406,534	33,626	12	5,800	2
Camera and Photographic Equipment Stores-44313	\$1,000,806	4,170	3	1,500	1
Hardware Stores-44413	\$10,446,207	69,641	8	9,000	1
Nursery and Garden Centers-44422	\$13,668,936	73,886	15	10,000	2
Supermarkets, Grocery (Ex Conv) Stores-44511	\$61,101,322	169,726	3	49,000	1
Optical Goods Stores-44613	\$1,207,097	4,471	3	1,500	1
Other Health and Personal Care Stores-44619	\$2,761,133	13,806	10	2,800	2
Men's Clothing Stores-44811	\$1,833,156	8,729	2	3,500	1
Women's Clothing Stores-44812	\$2,985,112	16,584	4	8,000	2
Other Clothing Stores-44819	\$3,050,108	15,251	4	8,000	2
Shoe Stores-4482	\$3,680,991	21,034	6	3,500	1
Jewelry Stores-44831	\$1,644,547	3,575	3	2,400	2
Luggage and Leather Goods Stores-44832	\$1,130,722	4,523	2	2,500	1
Sporting Goods Stores-45111	\$7,764,989	35,295	6	12,000	2
Book Stores-451211	\$757,255	6,310	1	4,400	1
News Dealers and Newsstands-451212	\$503,706	1,028	1	700	1
Office Supplies and Stationery Stores-45321	\$4,505,345	32,181	3	10,500	1
Gift, Novelty and Souvenir Stores-45322	\$1,254,685	8,962	2	8,000	2
Other Miscellaneous Store Retailers-4539	\$6,214,489	31,072	12	10,000	4
Full-Service Restaurants-7221	\$12,964,000	43,213	8	20,800	4
Limited-Service Eating Places-7222	\$10,282,000	36,721	23	9,600	6
TOTALS	\$182,102,223	742,876	166	208,300	47

Source: *Nielsen SiteReports*, 2011 methodology, and FXM Associates

As shown by the data in Table IV.2.1, there are significant opportunities for expanding retail uses within the Downtown/Riverfront Corridor Study Area. Twenty-four (24) store types emerge for which potential additional retail absorption is indicated for the area based on analysis of 75 specific consumer expenditure categories.

Store types analyzed were those matching the store types showing a gap between consumer demand and actual store sales within the 5 and 10-minute drive time market areas in 2011. Although both local and regional market growth is projected to be extremely limited (negligible net absorption of retail space is forecast), some retailers may find a location within the Riverfront Corridor/Downtown Study Area attractive because of the competitive advantage it offers in certain types of consumer expenditures.

Caution must be taken in interpreting the results of a retail gap assessment. While demand is apparent for certain store types, some retailers rely on the level of pedestrian traffic generated in a shopping mall to garner a significant portion of their sales. Retailers in the Riverfront Corridor/Downtown Area are spread over a relatively wide geographic area and are separated by high traffic roadways, challenging pedestrian accessibility. Convenient parking is also essential, as are competitive rents and an attractive environment for daytime and evening shopping. The data shown in Table IV.2.1 can, however, be useful to property owners, brokers, and economic development professionals as part of a strategy to attract successful retailers within the region but outside the immediate market to locate an additional store or to expand within the study area. Smaller establishments do not typically have the resources to do a retail gap analysis on their own, and may find the apparent competitive market advantage an inducement, especially when shown these data as part of a package of incentives that would include favorable lease rates – at least for initial years of operation – joint promotion and advertising opportunities, and a supportive political and private sector business climate.

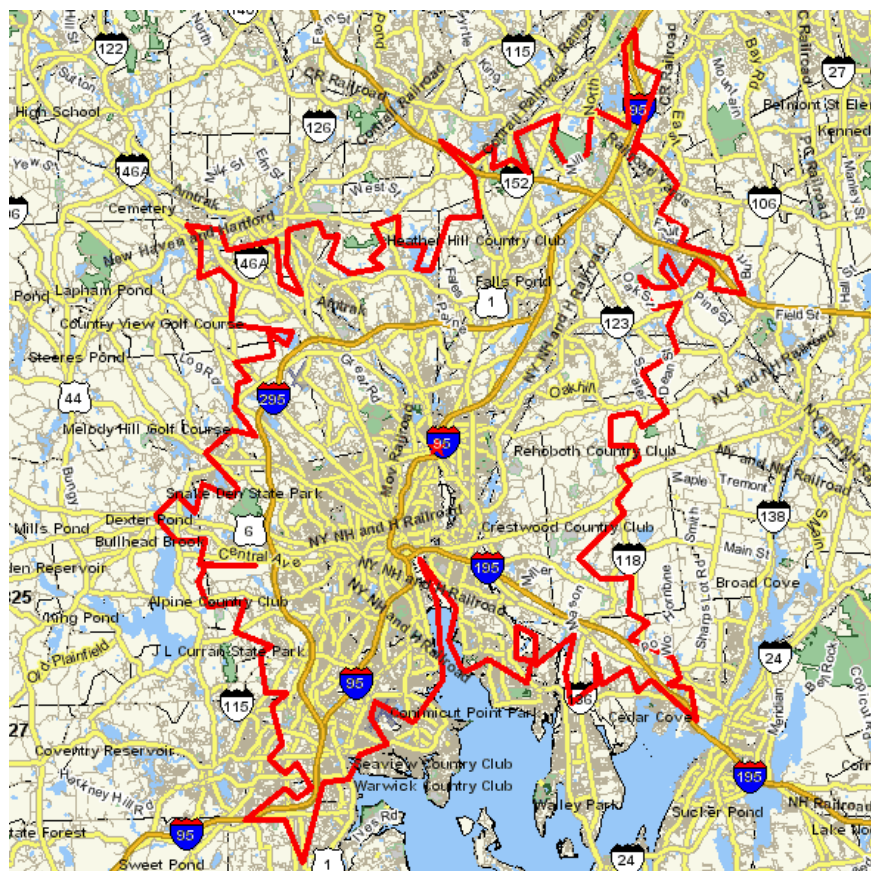
The retail opportunity/gap analysis is also not meant to define the only opportunities for expanding retail uses in the Riverfront Corridor/Downtown Area. A well-managed business with a successful retailing concept/product/service can succeed -- even where current store sales suggest that demand is already satisfied -- by out-competing its rivals. For example, an excellent restaurant – one that has quality food and service, variety in offerings, and responsive market pricing – could find the distinctive attributes of the study area and favorable lease terms attractive and be successful by attracting customers from a broader geographic area as well as those now frequenting existing restaurants. With improved access, attractions, and amenities along the Riverfront Corridor the potential for attracting additional retail uses within the downtown, as well as Riverfront Corridor, can significantly expand. The retail gaps analyzed can change, as new stores open or close, so this analysis should be updated within two years.

IV.3 Pawtucket Residential Market Overview

This analysis of potential demand for housing within the Riverfront Corridor Study Area defines the geographic market area as a 20-minute drive-time distance from the Pawtucket City Hall location at 137 Roosevelt Avenue. This definition is consistent with the generally accepted view of the primary geographic area where communities possess similar attributes, and constitute the competitive region for attracting jobs and households.

Figure IV.3 (A) shows the study area 20-minute drive-time residential market area.

Figure IV.3 (A): 20-Minute Drive Time Residential Market Area



FXM used Nielsen *SiteReports* subscription data to estimate the number of households by age and income ranges of householders in 2011 and projected to 2016.²⁸ FXM applied its proprietary *Housing Demand Model* to incorporate data on mobility rates by age of householder, propensity to own or rent by householder age, current and historical local rental and sales prices, current and projected number of households by age and income, and the qualifying income standards of leasing agents and commercial lenders. Income eligibility standards are based on a 30% of income allowance for gross rent or homeowner costs, and homeownership affordability includes estimated interest rate, local property taxes, and a 20% down payment. Given current and foreseeable market conditions, neither single family nor condominium sales are considered for the Riverfront Corridor study Area; the target residential product is rental housing. The target income groups for this analysis are householders who can afford rents ranging from \$1,300 to \$2,300 per month. The \$1,300 rent is typical of prices now charged for housing units in rehabilitated mill space within the Downtown/Riverfront Corridor. Higher rents are likely necessary to support new residential construction, and discussed in subsequent section on the selected target site.

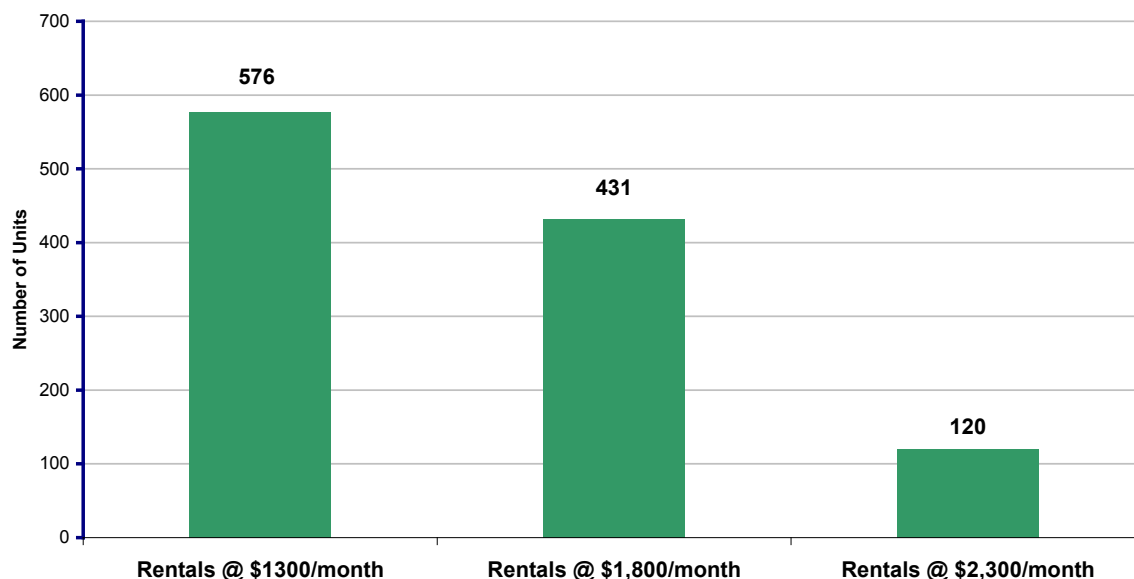
²⁸ *SiteReports* uses US Census and other data to estimate geospatially current year demographic characteristics, including number and type of households, age of householder, and income by age cohort, and projects these characteristics for a five-year period. *SiteReports* is the most frequently used source of local demographic and business data by professional real estate and economic development analysts.

Based on FXM experience over the past several years in the rehabilitation and new construction of residential products within urban areas and downtowns in particular, the primary target market segments are householders aged under age 35 and ages 55 to 74. These households have been least likely to have school aged children, and most likely to find the density, cultural/dining/shopping amenities and downtown pedestrian environment most attractive. The under-35 households include younger professionals and newly formed households, who are very mobile and show a high propensity to rent over home ownership. The over-55 households include “empty nesters” that in recent years have shown an increasing tendency to rent rather than purchase when they move from a larger home to a smaller dwelling in this region. The 55-74 year age group also is projected to have a substantial increase in numbers compared to other age cohorts, as will be shown in subsequent graphs. This is not to say, however, that households in other age groups would not be candidates for rental housing in the Riverfront Corridor/Downtown Market Area.

Figure IV.3 (B) summarizes estimated average annual demand for rentals by all household types with sufficient incomes to afford the estimated market-rate rental prices shown in the chart. More specific estimates by age of householder and income cohorts for rentals are shown in subsequent charts. Rental demand represents the income-qualified households with propensity to rent, and reflects mobility rates by age of householder applied to market area distribution of households by age. Average annual demand reflects the projected growth in number of households by income and age of householder between 2012 and 2017.

As shown by the data in Figure IV.3 (B), demand by all age cohorts for rentals is expected to be about 580 units per year for rentals priced at \$1,300 per month. About 75% of these households (430 per year) could also afford units renting at \$1,800 per month, and 20% could afford to pay \$2,300 per month (120 per year between 2012 and 2017). These demand numbers mostly reflect turnover within the existing supply rather than net new population growth.

The ability of the Riverfront Corridor/Downtown area to capture a significant share of this residential demand will depend on factors particular to specific development opportunities in the study area compared with potentially competitive projects elsewhere in the market area, as well as the existing supply of rental units. For example, suitability of location, site features and unit amenities, competitive pricing, accessibility to jobs, permitting and approval requirements, will determine the success of individual projects.

Figure IV.3 (B): Average Annual Demand for Rental Units by Price Category*Pawtucket Market Area: 2012-2017*

Demand by Age of Householder and Price Category

Figure IV.3 (C) shows average annual demand between 2012 and 2017 for rentals by price category and age of householder. The greatest source of demand for rental units within the market area is expected to come from householders under age 35, except for the higher price category of units (\$2,300 per month). These younger households have the highest average mobility (number moving each year) and the highest propensity to rent, as shown in subsequent charts.

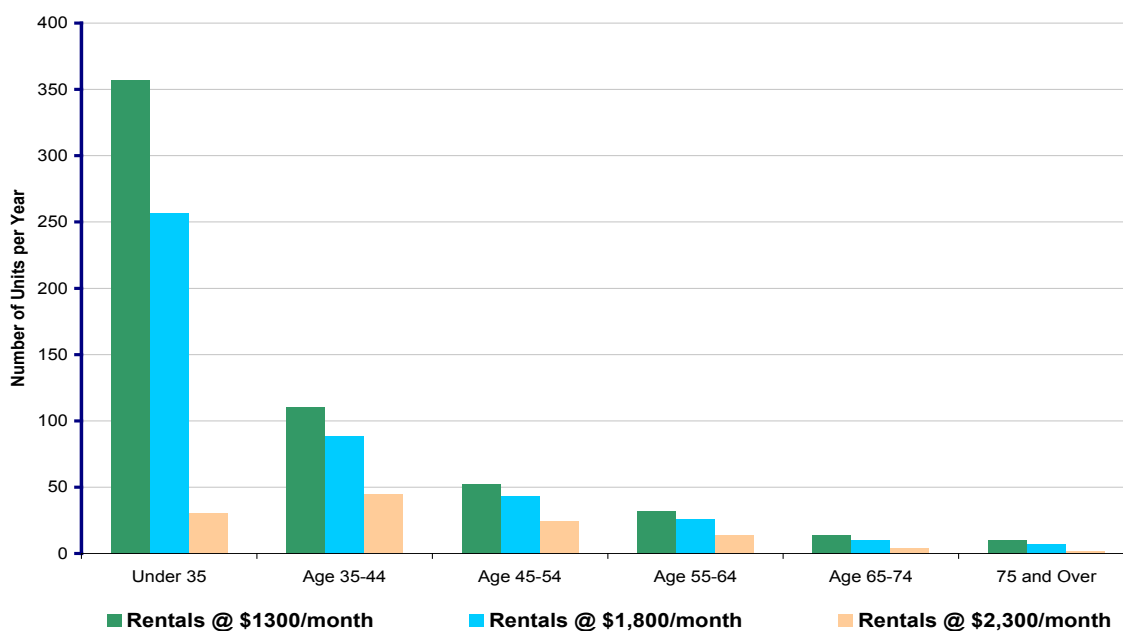
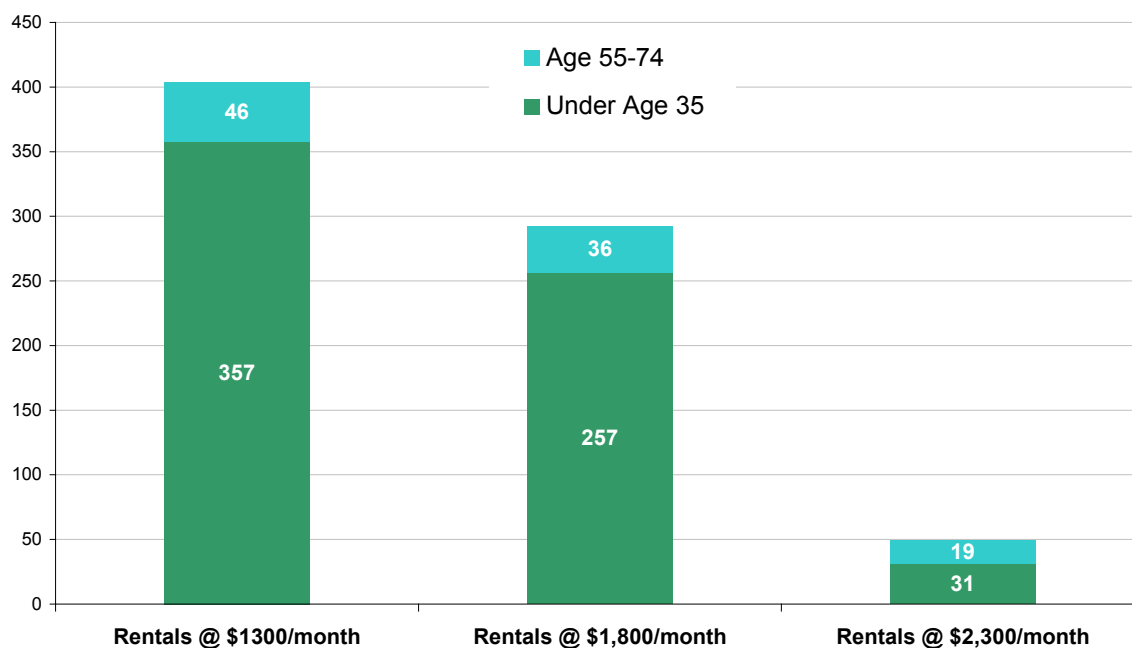
Figure IV.3 (C): Estimated Annual Demand for Rental Units by Price and Age of Householder:*Pawtucket Market Area: 2012-2017*

Figure IV.3 (D) shows average annual demand for the primary target market segments of householders under age 35 and aged 55-74. Householders within these age groups account for 70% of the average annual demand by all householder types for rentals priced at \$1,300 per month; 68% of the average annual demand by all householder types for rentals priced at \$1,800 per month; and 42% of the average annual demand by all householder types for rentals priced at \$2,300 per month.

Figure IV.2 (D): Average Annual Demand for Rentals:
Pawtucket Market Area 2012-2017 for Householders Under 35 and Ages 55 to 74

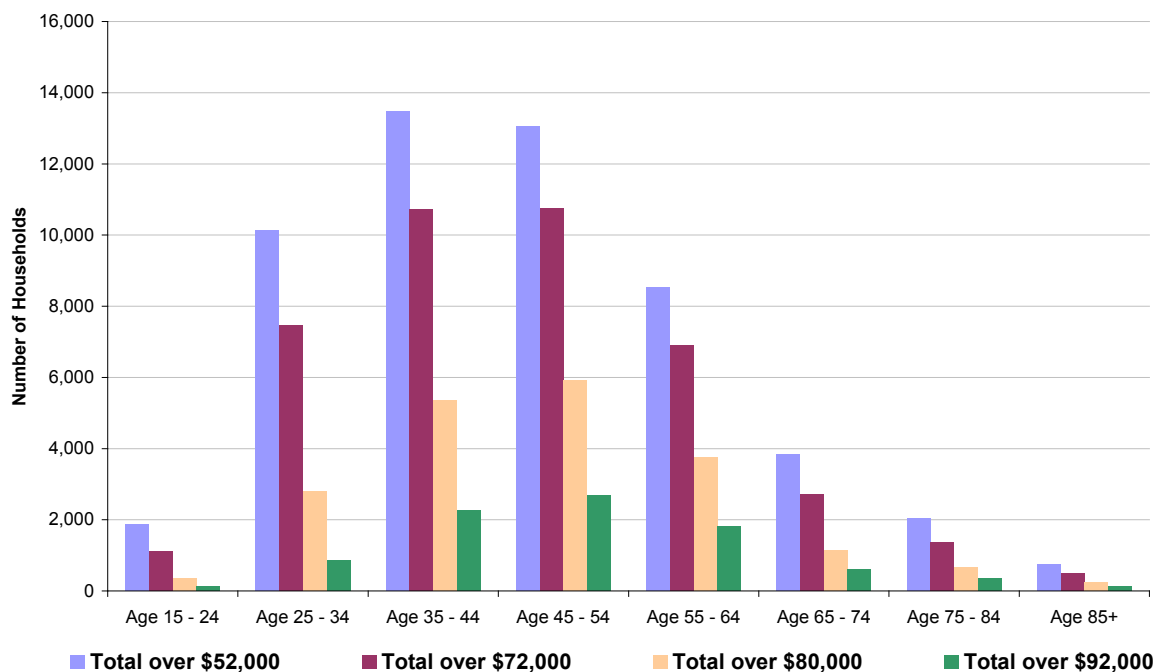


Projected Growth by Market Segment

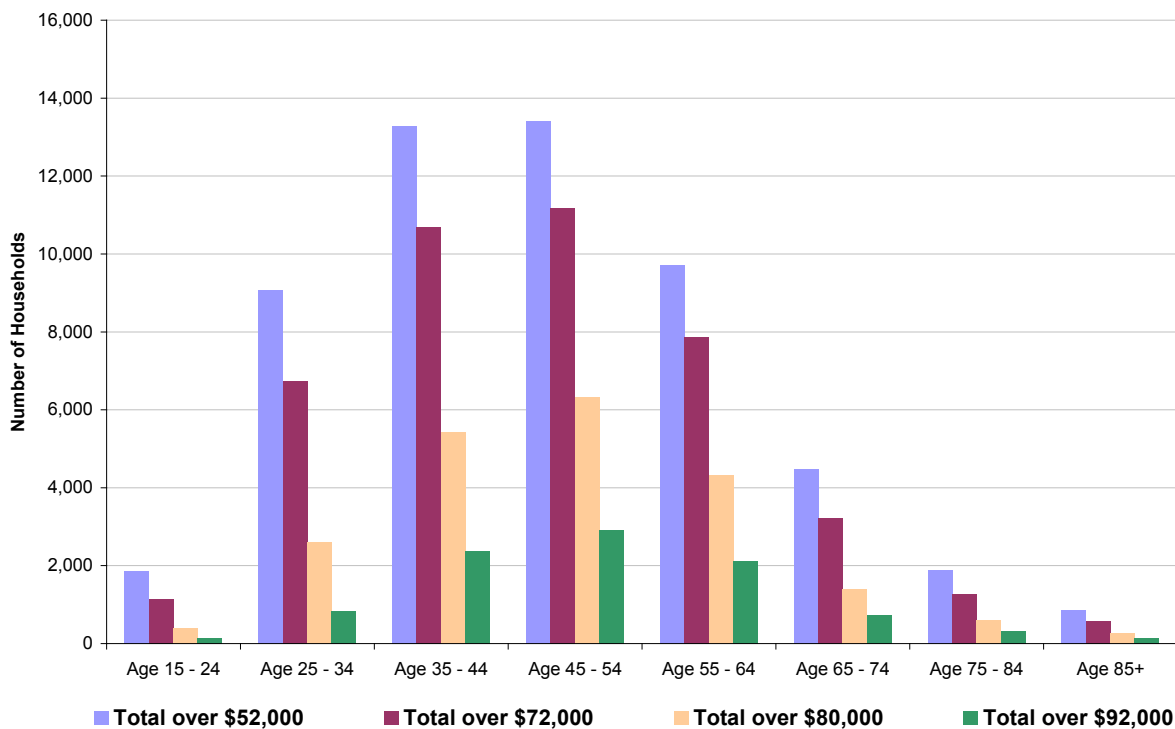
This analysis also determined that an annual household income of \$52,000 is the minimum needed to afford a \$1,300 per month rental price shown in previous charts. An annual household income of \$72,000 would be sufficient to afford the \$1,800 per month market rate rental price, and \$92,000 annual household income for the \$2,300 per month rental price presented in this analysis.

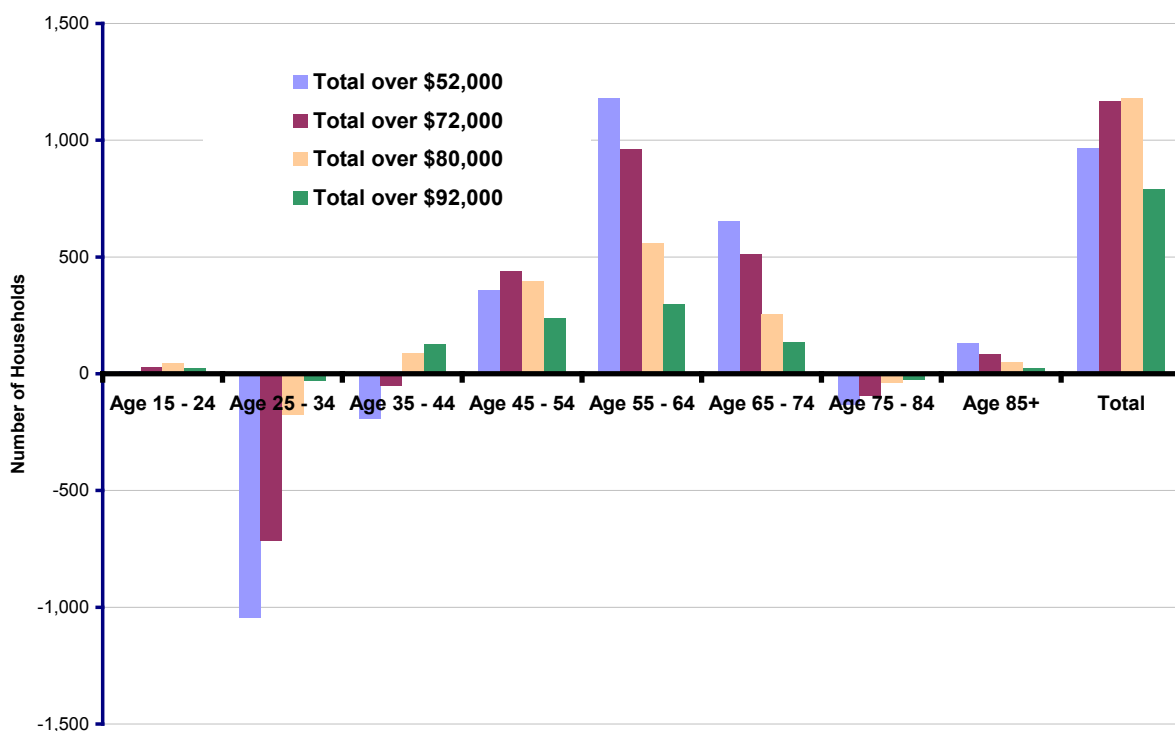
The subsequent graphs display findings from analyses of the FXM *Housing Demand Model*. Of particular note is the last graph, “Change in Number of Households by Age and Income Cohort,” which shows a substantial increase in the number of householders aged 55 and 74 between 2012 and 2017. This trend largely reflects the maturation of the “baby boomer” generation and the relatively lower number of younger households maturing into the former “boomer” age groups. The projected decline over this period in number of households under age 35 with qualifying incomes is not typical of FXM findings in other urban areas in New England, and may reflect a recent trend for households in this age group leaving the 20-minute drive-time market area for employment opportunities elsewhere. Nevertheless, their projected numbers and higher mobility with a greater propensity to rent results in this under age 35 age group comprising the largest share of demand for rental units compared to other age groups.

2011 Income by Age of Householder: Pawtucket Market Area



Projected 2016 Income by Age of Householder: Pawtucket Market Area

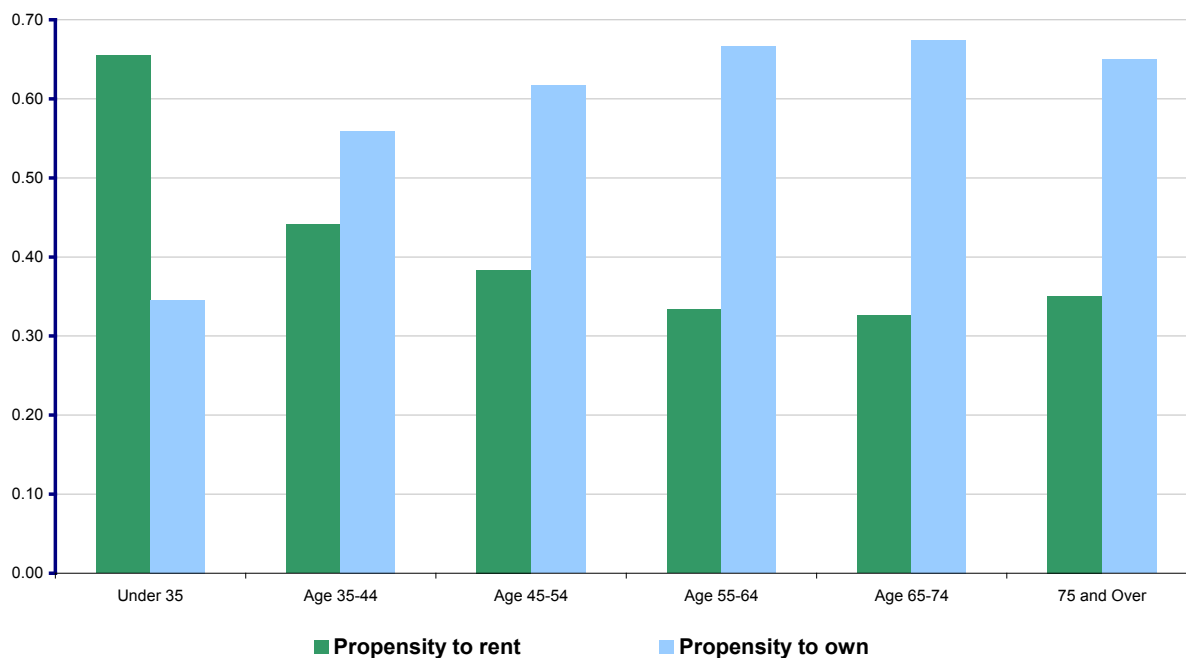


Change in Number of Households by Age and Income Cohorts: *Pawtucket Market Area 2012-2017*

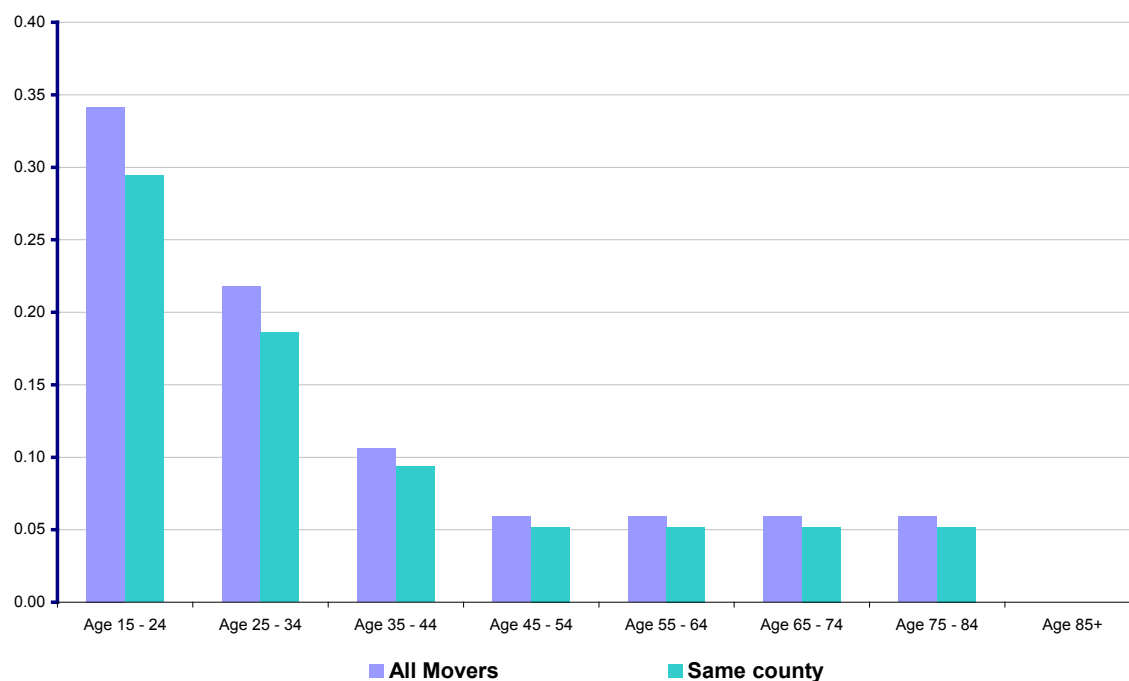
The final two graphs show propensities to own or rent by age of householder and mobility by age of householder. It should be noted that the most recent data on renting compared to homeownership by age of householder shows an increase from historical rent/own propensities in favor of rentals.

- Most analysts are predicting that this trend toward a higher proportion of renters is likely to continue, at least over the next five years, and may further apply to older age groups which have traditionally been more inclined to own rather than rent housing.
- Mobility rates have declined slightly in the past few years because of fewer job opportunities since the recession, but moves based on job changes comprise only a small proportion (less than 15%) of the reasons cited by households overall for changing residences.

Propensity to Own or Rent by Age of Householder



Annual Mobility Rates by Age of Householder



Implications for Riverfront Corridor/Downtown Study Area

The City of Pawtucket currently contains approximately 30% of all rental housing units within the 20-minute drive-time market area (about 15,400 rental units in Pawtucket compared to 56,000 within the overall market area). Assuming the City could capture a least that share of projected demand in the target price ranges previously assessed (see Figure IV.3 (B)), average annual absorption over the next five years would be about 175 units per year. This would include turnover in existing units as well as rehabilitated or newly constructed residential units. A higher capture rate is possible City-wide and a significant proportion of that absorption could be within the Riverfront Corridor area with the types of improvements and investments discussed elsewhere in this report. In Section V of this report potential absorption within a targeted site development is specifically analyzed.

IV.4 Synopsis of Interview Comments & Suggestions

FXM senior staff contacted more than 30 individuals and conducted numerous confidential interviews with property and business owners, real estate brokers, developers and managers, and public officials familiar with market conditions in the Riverfront Corridor and Central Falls-Pawtucket area. These interviews provided quantitative data reflecting specific local nuances needed to refine secondary source information, as well as qualitative input that informed priorities and public policy recommendations for riverfront redevelopment. This synopsis presents the range of observations and key themes communicated during these interviews.

Riverfront Corridor Assets, Attributes, Competitiveness

“About 400-500 people are living on the riverfront; people are attracted to living in Pawtucket and Central Falls by transportation service – RPITA bus service to Attleboro, express bus to Providence, MBTA (South Attleboro) commuter rail service.”

“Pawtucket is one of 11 statewide Tax Free Arts Districts, and benefits because the Armory has capacity to bring in large shows, attract patrons from all over southern New England.”

“One million people are within Providence-Attleboro area, the city’s competitive advantage is highway access, proximity to Boston and Providence; Onleyville neighborhood in Providence is most competitive location to Pawtucket downtown.”

“Pawtucket has unused waterfront assets, navigable waters, and six miles of riverfront land with potential and capacity for economic activity.”

“Providence was a preferred location but there wasn’t any downtown space available with convenient, inexpensive parking; Pawtucket is close enough to Providence, more affordable, still accessible from metro roads, easy and ample parking.”

“People don’t go downtown because they can’t park easily and developers have deferred when they run into the fire department with their inflexible regulations.”

"Roosevelt Avenue redevelopment is priority; there are mills along Roosevelt Avenue from one end of the city to the other; this area is the City's best chance to get productive redevelopment, primarily due to river access and I-95 access."

"When you look at the Corridor area, the Mill, Visitors Center, Tourism Council, Heritage River Corridor partnership ... you see collaboration among all stakeholders – that's our strength: working together is what makes it happen."

"National Park legislation status is 'quo' and needs more vigorous activity in Congress, constituent advocates lobbying; if you're betting money, it's reasonable that there'll be a national park here in the next year."

"A national park will create greater visibility, exposure to larger tourist segment, advertising, the popular 'Passport Program, and enhance Slater Mill programs."

Business & Redevelopment Opportunities

"Need to shift focus to riverfront water uses -- piers with 12+ ft. water at School Street, Town Landing, Central Falls Landing – these are under-used, under-valued assets with economic potential."

"Pawtucket is the last section of Narragansett Bay without major boating activity, or a working waterfront economy."

"City Hall has people who want to help but don't know how, there aren't enough of them & there're no guidelines for them to follow."

"There's no downtown association, coalition of businesses and landlords; everyone keeps information close to the vest because of previous bad experiences with City Hall & anything connected to the City is suspicious."

"It's a very difficult dynamic to keep existing businesses in mill buildings that area being renovated -- where in the City can you find manufacturing space @ \$4-\$5 SF, there's no listing or inventory or person with that knowledge."

"Pawtucket is a convenient location but biggest issue is lack of visibility in many mill buildings that have no sign out front with tenants identified and no street frontage."

"Doing business here is challenging -- the City isn't supportive in terms of laws, policy or attitudes; some in City Hall want to help but aren't allowed to act mainly due to officials who are comfortable and believe change is inherently bad."

"Small, growing and vocal groups are seeking positive change; City has many people who own property, are content with things the way they are, and see no benefit to be gained from redevelopment in the downtown area."

"Generally, people in this area only know Pawtucket for McCoy Stadium and the Gamm Theater -- we need new facilities, destinations near Downtown or Riverfront area."

"The Blackstone River? You can't see it, you don't know its even there or how to reach it."

"There's a market out there for river activities -- 10,000 people come to the day-long Dragonboat races every year – people are drawn to water-oriented activities."

Suggestions to Increase River & Riverfront Activities

“Keep the river in forefront of Corridor redevelopment, find ways to generate more commercial businesses, marine services; and more recreational boating; Rhode Island has large number of boaters but most aren’t very skilled, many can’t handle Block Island or Newport Harbor but they can navigate Blackstone River and the Bay.”

“Pawtucket needs to become a destination not just departure location; the key is bringing people upriver from the Bay – Henderson Bridge is only waterway restriction; people go to Newport from Massachusetts but struggle to find Pawtucket waterfront.”

“Riverfront area needs to have more activity, encourage uses that bring activity – for example, dormitory accommodating international schools, more students.”

“Pawtucket waterfront was once a haven for recreational boaters, place of refuge during storms, had marinas and a yacht club – a classy, well-managed marina might be feasible.”

“Festival (School Street) Pier has 700 lf. granite bulkhead – use it to attract (coastal) cruise ships, build secure boat storage for more riverboat excursion tours, others.”

“Focus efforts on other areas of Pawtucket where there is more near-term potential for business and job development than in Downtown or Riverfront Corridor, where property owners are interested, willing to invest and make improvements.”

“Provide more convenient parking, signage to find parking; offer property owner, developer relief from codes limiting economical building reuse; consider removing historic buildings that are an impediment to better access and circulation.”

“Complete, build, promote the riverfront bike path -- get the route, easements, design or whatever it is settled; bikeway will bring more people to the area, people like walking and jogging along the river, and activity happens day/evening through many months; bikeway near City Hall side of riverfront is place to provide public access using publicly-owned land.”

“Support and highlight Blossom Garden along the river near Exchange Street as example, prototype for using, activating other “infill” sites in Riverfront Corridor -- created by a public-private-RISD partnership.”

“City should buy buildings to allow better Downtown access, movement, it’s been 20 years of studies, and nothing has improved because historic organizations have resisted changes to fit contemporary business activity; we need to demolish buildings to alter the street pattern, you can’t have progress without change.”

“Encourage public access to the riverfront, attract more uses for more urban streets, residents and visitors, such as Chocolate Overlook Park at Roosevelt Avenue, and the Blackstone River Greenway bike path.”

“Recognize that Pawtucket is a *working* community – that’s its history and heritage, it’s industrial and it’s got to be what it is; keep redevelopment authentic – not too many fiberglass boats & cutesy benches; Pawtucket is gritty, more like New Bedford than Newport but difference is that New Bedford never lost its working waterfront.”

V. Riverfront Corridor Redevelopment Sites

The City of Pawtucket rezoned the land along the Blackstone/Seekonk River in 2005 to attract well-designed, compatible economic development, open space, recreation and residential uses.²⁹ The categories of riverfront development are: Riverfront Open Space, Riverfront Industrial, and Riverfront Mixed-Use with expanded uses in the Riverfront Commons District described in Section V.2 100 Main Street – Apex Retail Site. The Riverfront Commission serves in an advisory capacity to the Planning and Zoning Boards in matters related to improved public riverfront access and open space amenities. It is the City's stated goal to improve public access to the Blackstone/Seekonk River and create additional recreational activities linked to the river, such as passive parks, boat landings, dock facilities, fishing areas, bike paths and walkways.³⁰

V.1 45 Division Street

The 12-acre redevelopment site at 45 Division Street is owned by the Pawtucket Redevelopment Authority, zoned Riverfront Mixed-use.

South of the 45 Division Street site are 25 acres of property owned by the Narragansett Electric public-utility company (d/b/a National Grid) situated along the west side of the Seekonk River and bound by residential uses, a school and athletic fields.³¹ The former Tidewater Street Manufactured Gas Plant and Pawtucket Power Station is currently largely vacant but has an active natural gas regulating station, switching station and electric substation, and two National Grid transmission towers. This property is a Brownfield site with known contamination, but information describing specific remediation, required use limitations, or National Grid plans was not available during this study. This property and continuing uncertainty regarding its future status has been cited as a major challenge to successful, attractive redevelopment of the 45 Division Street site.³²

V.1.1 Conceptual Development Pro Forma Feasibility Analysis

Byrne McKinney Associates analyzed conceptual pro forma feasibility for potential development at the City-owned Division Street site, including rental apartments, retail, office, and hotel uses. Based on this analysis, rental apartments (with potential ground floor retail uses), are the highest and best use potential for this site under current and foreseeable market conditions.

The following summarizes assumptions and presents the pro forma analyses.

²⁹ Chapter 1 – Land use, Comprehensive Community Plan 2011 Update, City of Pawtucket Rhode Island

³⁰ Chapter 5 – Open Space and Recreation, Comprehensive Community Plan 2011 Update, City of Pawtucket, Rhode Island

³¹ Supplemental Site Investigation Work Plan Addendum, GZA Geoenvironmental Inc. to the Rhode Island Department of Environmental Management (August 12, 2011)

³² Chapter 1 – Land use, Comprehensive Community Plan 2011 Update, City of Pawtucket Rhode Island

Division Street Redevelopment Opportunity

Rental Apartment Redevelopment Parameters

Prospective Buyer Target:	Residential developer
Transaction Options:	Sale or ground lease (in whole only)
End-User Market Targets:	Young professional and empty-nesters; few children
Space Utilization:	Studio, one and two bedroom apartment mix
Typical Project Size Range:	100 to 300 units (with phasing above 150 units)
Typical FAR:	.5 to 1.0
Typical Parcel Size:	Over 5 acres is sufficient
Building Type/Class:	Stick-built TH and Midrise Product
Typical Floor Plate Range:	Under 25,000 SF
Stories:	2.5 stories for TH/up to 6 stories for midrise
Parking:	1.0 to 1.5 per unit Market norm is for surface parking only
Mixed Use Compatibility:	High; potential for mix with ground floor retail uses.
Development Economics:	Does support new construction
Current Market Rates:	Averaging \$1.75 per SF per month
Feasibility Surplus/ (Gap):	Value of New Construction Exceeds Production Cost By: 18% before land cost consideration
Threshold Conclusion:	Apartment development represents a strong redevelopment opportunity for the site

Pawtucket Proformas Division Street Site

Scenario Definition: **Apartment Only**

Program Summary

Acreage	12.46 Acres
Site Area	542,758 SF
Development Density	0.50 FAR
FAR	270,000 GSF
Average # Stories	2.5 TH/5 Midrise
Floor Plate	125,000 SF
Bldgs	8 6 TH Clusters/2 Midrise
Unit Types	TH & Flats
% Coverage	23%
Net:Gross SF	88% Efficiency
Net Rentable	237,600 NSF
Unit Count	238 Units (50 TH/188 Flats)
Units Per Acre	19
Avg Unit Size	1,000 Avg NSF
Avg Rent PSF/Mo.	\$1.75 Per NSF (incl. parking)
Parking Count	357 Spaces
Parking Land Area	142,800
% Surface Parking Area	26%
Open Space	274,958
% Open Space	51%

Revenues - Private	Units	Rate/SF/Mo.	Expense Base	Rent/Mo	Annual Rent
Apartment	238	\$1.75	\$0	\$1,750	\$4,998,000
Parking Spaces	0	\$0	\$0	\$0	\$0
Subtotal	238				\$4,998,000

Vacancy & Collection Losses 5.0% (\$249,900)

Effective Gross Income \$4,748,100

Non-Reimbursable Expenses

Operating Cost	\$6,500 Per Unit	\$1,547,000
Reserves	\$500 Per Unit	\$119,000
Parking Cost	\$0.15 per RSF	\$21,420
Subtotal		\$1,687,420

Net Operating Income \$3,060,680

Capitalized Value On Completion-At Stabilization

Capitalization Rate	7.0% Overall Rate	\$43,724,000
	Rounded	\$43,700,000
	Per RSF	\$184
	Per Unit	\$183,613

Development Cost - Without Premiums

Net:Gross SF Efficiency	88%	
Land	\$0 per unit	\$0
Hard Cost	\$110.00 per GSF	\$29,700,000
Site Work	\$5.00 per GSF	\$1,350,000
Soft Costs (includes financing, fee etc.)	15% of Hard Cost	\$4,657,500
	Rounded	\$35,700,000
	Per RSF	\$150
	Per Unit	\$150,000

Feasibility Surplus/(Gap)	Rounded	\$8,000,000
	Per RSF	\$33.67
	Rent Surplus/(Deficit)/RSF	\$2.36
	% Surplus/(Gap)	18%

Retail Redevelopment Parameters

Prospective Buyer Target:	Retail developer
Transaction Options:	Sale or ground lease (in whole only)
End-User Targets:	Community-serving and neighborhood serving retail tenants
Space Type:	Grocery/pharmacy anchors with in-line stores
Market Targets:	Community-serving retail
Space Utilization:	Anchored center (not enclosed)
Typical User Size Range:	2,500 to 75,000 SF
Typical FAR:	Under .3
Typical Parcel Size:	over 5 acres
Typical Floor Plate Range:	50,000 SF to 250,000 SF
Stories:	1 story typical
Parking:	4.0 to 6.0 per 1,000 GSF depending on tenant mix Market norm is for surface parking only
Mixed Use Compatibility:	High; potential for upper floor residential
Development Economics:	Does support new construction
Current Market Rents:	\$15.00 to \$25.00/SF, Gross depending on tenant type
Feasibility Surplus/ (Gap):	Value of New Construction Exceeds Production Cost By: 11% before land cost consideration
Threshold Conclusion:	Primary retail development is feasible at the site, however, residential use is seen as the highest and best use. If retail is pursued – most likely as ancillary to a larger residential program.

Pawtucket Proformas Division Street Site

Scenario Definition: Retail Only

Program Summary

Acreage	12.46 Acres
Site Area	542,758 SF
Development Density	0.25 FAR
FAR	140,000 GSF
Average # Stories	1
Floor Plate	140,000 SF
Bldgs	1 Anchor plus in-line
Anchor	75,000 SF grocery/pharmacy
% Coverage	26%
Net:Gross SF	95% Efficiency
Net Rentable	133,000 NSF
Store Count	13 Units
Units Per Acre	N/A
Avg Unit Size	11,000 Avg NSF
Avg Rent PSF/Mo.	\$1.50 Per NSF (incl. parking)
Parking Count	665 Spaces
Parking Land Area	266,000
% Surface Parking Area	49%
Open Space	136,758
% Open Space	25%

Revenues - Private	Units	Rate/SF/Mo.	Expense Base	Rent/Mo	Annual Rent
Retail	13	\$1.50	\$0	\$16,500	\$2,494,800
Parking Spaces	0	\$0	\$0	\$0	\$0
Subtotal	13				\$2,494,800

Vacancy & Collection Losses 5.0% (\$124,740)

Effective Gross Income \$2,370,060

Non-Reimbursable Expenses

Operating Cost	\$5.00 Per SF	\$665,000
Reserves	\$0.50 Per SF	\$66,500
Parking Cost	\$0.25 per SF	\$33,250
Subtotal		\$764,750

Net Operating Income \$1,605,310

Capitalized Value On Completion-At Stabilization

Capitalization Rate	8.5% Overall Rate	\$18,886,000
	Rounded	\$18,900,000
	Per RSF	\$142
	Per Unit	\$1,500,000

Development Cost

Net:Gross SF Efficiency	95%	
Land	\$0 per GSF	\$0
Hard Cost	\$100.00 per GSF	\$14,000,000
Site Work	\$5.00 per GSF	\$700,000
Soft Costs (includes financing, fee etc.)	15% of Hard Cost	\$2,205,000
	Rounded	\$16,900,000
	Per RSF	\$127
	Per Unit	\$1,341,270

Feasibility Surplus/(Gap) Rounded \$2,000,000
Per RSF \$15.04
Rent Surplus/(Deficit)/RSF \$1.28
% Surplus/(Gap) 11%

Office Redevelopment Parameters

Prospective Buyer Target:	Owner-occupant office user
Transaction Options:	Sale or ground lease (in whole only)
Market Targets:	Only owner-occupant or fully pre-leased buildings are seen as feasible now or for the foreseeable future.
Typical Space Utilization:	Professional or traditional FIRE
Typical User Size Range:	5,000 to 10,000 SF
Typical FAR:	Under .50
Typical Parcel Size:	Over 1 acre
Building Type/Class:	New Construction/Class A-B
Typical Floor Plate Range:	15,000 SF to 25,000 SF
Stories:	3 to 5 stories typical
Parking:	2.0 to 3.0 per 1,000 GSF depending on user employment density Market norm is for surface parking only
Mixed Use Compatibility:	High; potential for first floor retail
Development Economics:	Does NOT support new construction
Current Market Rents:	\$15.00 to \$20.00/SF, Gross depending on tenant type
Feasibility Surplus/ (Gap):	Production Cost Exceeds Value of New Construction By: 67% before land cost consideration
Threshold Conclusion:	Office development is not seen as probable use of the site, without a motivated owner occupant, willing to pay an above market cost of occupancy for a unique site.

Pawtucket Proformas Division Street Site

Scenario Definition: Office Only

Program Summary

Acreage	12.46 Acres
Site Area	542,758 SF
Development Density	0.50 FAR
FAR	270,000 GSF
Average # Stories	4
Floor Plate	67,500 SF
Bldgs	5
Anchor	50,000
% Coverage	12%
Net:Gross SF	95% Efficiency
Net Rentable	256,500 NSF
Tenant Numbers	5 Units
Units Per Acre	N/A
Avg Unit Size	51,000 Avg NSF
Avg Rent PSF/Mo.	\$1.50 Per NSF (incl. parking)
Parking Count	513 Spaces
Parking Land Area	205,200
% Surface Parking Area	38%
Open Space	270,058
% Open Space	50%

Revenues - Private	Units	Rate/SF/Mo.	Expense Base	Rent/Mo	Annual Rent
Offices	5	\$1.50	\$0	\$76,500	\$4,590,000
Parking Spaces	0	\$0	\$0	\$0	\$0
Subtotal	5				\$4,590,000

Vacancy & Collection Losses 5.0% (\$229,500)

Effective Gross Income \$4,360,500

Non-Reimbursable Expenses

Operating Cost	\$7.00 Per SF	\$1,795,500
Reserves	\$0.50 Per SF	\$128,250
Parking Cost	\$0.25 per SF	\$64,125
Subtotal		\$1,987,875

Net Operating Income \$2,372,625

Capitalized Value On Completion-At Stabilization

Capitalization Rate	8.5% Overall Rate	\$27,913,235
	Rounded	\$27,900,000
	Per RSF	\$109
	Per Unit	\$5,580,000

Development Cost

Net:Gross SF Efficiency	95%	
Land	\$0 per GSF	\$0
Hard Cost	\$125.00 per GSF	\$33,750,000
Tenant Work Letter	\$25.00 per GSF	\$6,750,000
Soft Costs (includes financing, fee etc.)	15% of Hard Cost	\$6,075,000
	Rounded	\$46,600,000
	Per RSF	\$182
	Per Unit	\$9,320,000

Feasibility Surplus/(Gap) Rounded (\$18,700,000)

Per RSF (\$72.90)

Rent Surplus/(Deficit)/RSF (\$6.20)

% Surplus/(Gap) -67%

Hotel Redevelopment Parameters

Prospective Buyer Target:	Hospitality developer
Transaction Options:	Sale or ground lease (in whole only)
Market Targets:	Highway; corporate transient
Space Utilization:	Corporate transient
Typical Project Size Range:	100 to 200 Keys
Typical FAR:	.25-.50 FAR
Typical Parcel Size:	Over 4 acres
Building Type/Class:	Limited service or extended-stay
Typical Floor Plate Range:	10,000 to 20,000 SF
Stories:	3 to 5 stories typical
Parking:	1.0 per key Market norm is for surface parking only
Development Economics:	Does NOT support new construction; but feasibility could enhanced by build out of other uses/demand sources in the market
Current Market Rates:	\$100-\$120/room night; 65% to 70% occupancy
Feasibility Surplus/ (Gap):	Production Cost Exceeds Value of New Construction By: 58% before land cost consideration
Threshold Conclusion:	Hotel development is not seen as probable use of the site today.

Pawtucket Proformas Division Street Site

Scenario Definition: Hotel

Program Summary

Acreage	12.46 Acres
Site Area	542,758 SF
Development Density	0.25 FAR
FAR	140,000 GSF
Average # Stories	4
Floor Plate	35,000 SF
Bldgs	1
Type	Select Service
% Coverage	6%
Net:Gross SF	50% Efficiency
Net Rentable	70,000 NSF
Keys	200 Rooms
Keys/Acres	16
Avg Room Size	350 Avg NSF
ADR	\$100 Per Room Night (incl. parking)
Occupancy	65%
Parking Count	200 Spaces
Parking Land Area	80,000
% Surface Parking Area	15%
Open Space	427,758
% Open Space	30%

Gross Potential Income

Revenues - Private	RSF	ADR	Occupancy	RevPar	Annual Revenue
Keys	200	\$100.00	65%	\$65.00	\$4,745,000
Parking Spaces	100	\$0.00	\$0.00	\$0.00	\$0
Subtotal	140,000 GSF			\$33.89	\$4,745,000

Expense Ratio

70% \$3,321,500

Net Operating Income

\$1,423,500

Capitalized Value On Completion-At Stabilization

Capitalization Rate	9.0% Overall Rate	\$15,816,667
	Rounded	\$15,800,000
	Per Key	\$79,000
	Per GSF	\$113

Development Cost - Without Premiums

Net:Gross SF Efficiency	50%	
Land	\$0 per GSF	\$0
Hard Cost	\$150.00 per GSF	\$21,000,000
Site Work	\$5.00 per GSF	\$700,000
Soft Costs (includes financing, fee etc.)	15% of Hard Cost	\$3,255,000
	Rounded	\$24,955,000
	Per Key	\$124,775
	Per GSF	\$178

Feasibility Surplus/(Gap)

Rounded	(\$9,155,000)
Per RSF	(\$65.39)
Per Key	(\$45,775)
% Surplus/(Gap)	-58%

V.2 100 Main Street/Apex Retail Site

This Corridor redevelopment site is bounded by Main Street, School Street, I-95, and extensive frontage along the east side of the Blackstone River. The property is owned by *Apex Development Company LLC*, contains a one-story structure of ~97,000 SF, and surface parking area with 400+ spaces

City officials consider the Apex site a prime redevelopment opportunity for more intensive commercial uses in the Riverfront Corridor that generates Downtown business activity, and an opportunity to provide meaningful public access to the Blackstone River. The City recently modified the Pawtucket Zoning ordinance to establish the Riverfront Commons District (RCD) with expanded commercial and residential uses and dimensions permitted. In addition to uses currently permitted by right in the Commercial General (CG) and Riverfront-Mixed Use (RD3) zones, RDC by right uses now include Multi-Residential, Educational Facilities, Art Galleries, Business and Personal Services, Offices, General Automotive Repairs (with river setback).

The following summarizes assumptions and presents Byrne McKinney's pro forma analysis for potential retail redevelopment of the Apex property, which is assessed as the highest and best use potential at this site under current and foreseeable market conditions.

Apex Site Redevelopment Opportunity

Retail Redevelopment Parameters

Prospective Buyer Target:	Retail developer
Transaction Options:	Sale or ground lease (in whole only)
End-User Targets:	Community-serving and neighborhood serving retail tenants
Space Type:	Grocery/pharmacy anchors with in-line stores
Market Targets:	Community-serving retail
Space Utilization:	Anchored center (not enclosed)
Typical User Size Range:	2,500 to 75,000 SF
Typical FAR:	Under .3
Typical Parcel Size:	over 5 acres
Typical Floor Plate Range:	50,000 SF to 250,000 SF
Stories:	1 story typical
Parking:	4.0 to 6.0 per 1,000 GSF depending on tenant mix Market norm is for surface parking only
Mixed Use Compatibility:	High; with potential for upper floor residential
Development Economics:	Does support new construction
Current Market Rents:	\$15.00 to \$25.00/SF, Gross depending on tenant type
Feasibility Surplus/ (Gap):	Value of New Construction Exceeds Production Cost By: 11% before land cost consideration
Threshold Conclusion:	Primary retail development is feasible at the site and is seen as the highest and best use.

Pawtucket Proformas Apex Site

Scenario Definition: Retail Only

Program Summary

Acreage	9.09 Acres
Site Area	395,960 SF
Development Density	0.43 FAR
FAR Density	168,672 GSF existing building
Average # Stories	1
Floor Plate	168,672 SF
Bldgs	1 Anchor plus in-line
Anchor	75,000 SF grocery/pharmacy
% Coverage	43%
Net:Gross SF	75% Efficiency
Net Rentable	126,259 NSF existig building
Store Count	11 Units
Units Per Acre	N/A
Avg Unit Size	11,000 Avg NSF
Avg Rent PSF/Mo.	\$2.00 Per NSF (incl. parking)
Parking Count	505 Spaces
Parking Land Area	176,763
% Surface Parking Area	45%
Open Space	50,525
% Open Space	13%

Revenues - Private	Units	Rate/SF/Mo.	Expense Base	Rent/Mo	Annual Rent
Retail	11	\$1.50	\$0	\$16,500	\$2,227,856
Parking Spaces	0	\$0	\$0	\$0	\$0
Subtotal	11				\$2,227,856

Vacancy & Collection Losses

5.0% (\$111,393)

Effective Gross Income

\$2,116,464

Non-Reimbursable Expenses

Operating Cost	\$5.00 Per SF	\$631,295
Reserves	\$0.50 Per SF	\$63,130
Parking Cost	\$0.25 per SF	\$31,565
Subtotal		\$725,989

Net Operating Income

\$1,390,474

Capitalized Value On Completion-At Stabilization

Capitalization Rate	8.5% Overall Rate	\$16,358,522
	Rounded	\$16,400,000
	Per RSF	\$130
	Per Unit	\$1,457,545

Development Cost

Net:Gross SF Efficiency	75%	
Land	\$0 per GSF	\$0
Hard Cost	\$65.00 per GSF	\$10,963,680
Site Work	\$5.00 per GSF	\$843,360
Soft Costs (includes financing, fee etc.)	15% of Hard Cost	\$1,771,056
	Rounded	\$13,600,000
	Per RSF	\$108
	Per Unit	\$1,208,695

Feasibility Surplus/(Gap)

Rounded	\$2,800,000
Per RSF	\$22.18
Rent Surplus/(Deficit)/RSF	\$1.89
% Surplus/(Gap)	17%

V.3 137 Roosevelt Avenue/Parking Lots

This site consists of two large vacant parcels along Roosevelt Avenue directly across from City Hall and the Slate Mill Historic Site, and boundaries are Roosevelt Avenue, High Street, Exchange Street. The property is owned by the City of Pawtucket, comprises 1.56 acres, and is within the Pawtucket Arts & Entertainment District. The site is under-utilized, and serves parking associated with City Hall, public safety vehicles, City Hall employees and visitors, and the general public. Possible future development will need to address these parking needs as well as parking required for new uses.

The City Hall site may be a key one to realizing the full potential of a Riverfront Corridor that can attract both residents and visitors to the downtown Pawtucket area, with benefits to existing and prospective new retail and other uses. Because it is an historic structure, there are inherent financial advantages for private redevelopment/reuse of the structure and surrounding site to be feasible. Further policy discussions and analyses, beyond the scope of this study, are required to investigate the potential relocating City hall occupants to currently vacant and potentially rehabilitated space in the Downtown Pawtucket area or elsewhere in the City and then selling or leasing the existing historic structure for reuse/redevelopment. Such a strategy worked effectively in the case of Boston's Old City Hall, for example. There may also be federal and state funding opportunities to build a new police and fire facility more strategically located in Pawtucket.

V.4 417 Roosevelt Avenue Mill

The *Tai-O Group Co. LLC* owns this mill building and is proposing mixed-us redevelopment for commercial uses, including and ethnic food marketplace, restaurant / beer garden, function hall, entertainment venue, and some residential units. This building is part of a mill complex being redeveloped by *Tai-O Group* that anchors the southern end of the Central Falls "Mill District" and Chocolate Mill Gateway to Central Falls and Pawtucket.

The proposed redevelopment project appears to be stalled as City officials await submission of development details and permit applications, and *Tai-O Group* anticipates state legislation that will allow the City to execute a 10-year tax stabilization (treaty) agreement, which both parties expect will be approved during the 2013 session.

VI. Redevelopment Priorities and Recommendations

VI.1 Blackstone-Seekonk River Activities & Accessibility

- Clear overgrown vegetation along riverbanks within the Riverfront Corridor, demarcate paths and install signs to the Blackstone-Seekonk River from streets and sidewalks in Pawtucket and Central Falls. The Pawtucket Land Trust and TPF Riverfront Committee formulate 'maintenance and renewal' plan and organize a coalition of Corridor property owners, businesses, residents, workers, and other volunteers to execute the plan. These efforts would bring "hands-on" attention to improve the riverfront environment, and foster civic stewardship of public realm asset.
- The Pawtucket Land Trust should explore options to utilize vacant infill sites or suitable parcels in the Riverfront Corridor for local community gardens, perhaps affiliated with the statewide food security initiative.
- Upgrade public docking facilities at Central Falls Landing and Festival Pier by providing adequate electricity, lighting, security, boat storage, and pump-out station for boaters.
- Prepare feasibility study to examine market support, financing options, business and operations plan, and economic impacts of developing a publicly owned marina at Festival Pier or other suitable Riverfront Corridor location.
- Investigate market conditions for marine industrial sectors to identify potential for marine commercial business development within the Riverfront Corridor study area, including small craft repair, and other marine services.
- Finalize design, land acquisition, funding appropriation needed to complete construction of Pawtucket segment of the Blackstone River Bikeway & Greenway.
- Explore ways to convey the sounds of the Blackstone-Seekonk River and nearby waterfalls to upland through strategic landscaping, building features or public art.

VI.2 Division Street Priority Redevelopment Site

- Prepare developer solicitation for lease or disposition of publicly-owned site for residential or mixed-use development consistent with market findings described in this study.

VI.3 Economic Development Planning Initiatives

- Consider extending Riverfront Corridor Study Area to include the Central Falls Mill District along the Blackstone River, and examine redevelopment potential of under-utilized property owned by Storage America, listed for sale in RI Site Finder, and used as a trucking terminal, and within proposed Chocolate Mill Gateway district.

- *New State Fire Code* -- Local property owners, developers and real estate brokers suggested in interviews that compliance with the new state fire code had increased statewide prices for flexible-use commercial space, and some of that cost is driven by local policy and procedures. Currently, Pawtucket (confirm: Central Falls) implement this state mandate on a site-specific, project and use-specific basis initiated by the property owner or developer, and generally, the state Fire Board has granted waiver requests, although city departments do not collect this data routinely. Reportedly, other Rhode Island communities have adopted more efficient, timely or cost-effective approaches, and it will be advantageous for Pawtucket-Central Falls to maintain competitive advantage, given that reuse of mill and commercial buildings comprise most of the near-term development potential.
- *Suggestion:* Collect/ review current data, and evaluate municipal policy, procedures to facilitate property owner and developer requests for technical or financial assistance relate to achieving compliance with new state fire codes, particular residential reuse of mill and commercial buildings. Examine effectiveness of other municipal approaches in terms of accessibility of useful information, predictability and duration of application review process, and consistency.
- City economic development efforts and interested private investors are stymied by a lack of accessible electronic data from relevant municipal sources (Assessor, Building Department, Public Works, City Clerk, and Planning Department).
- The City and TPF form a task force to solicit technical assistance and resources from major Rhode Island corporations and 'tech-savvy' Pawtucket businesses to establish and maintain electronic municipal records pertaining to economic development. This initiative could begin during the Riverfront Corridor Redevelopment Plan study in concert with inventory tasks outlined in the City's RFP and VHB consultant work plan. It may be feasible to organize one or more of the inventory tasks to assess existing electronic data systems, and create a prototype using data collected for the Riverfront Corridor area. Given the number of recent, permitted and planned mill building properties, it would be extremely beneficial fore economic development plans to generate an inventory mill and commercial buildings, updating the 1994 citywide mill building inventory.



Appendix A

List of Contacts & Interviews

Appendix A

List of Contacts & Interviews

Christopher Albert, Legislative Director, Office of Senator Jack Reed
Robert Billington, Director, *Blackstone Valley Tourism Council*
Gayle Corrigan, Chief of Staff, Central Falls Office of the Receiver
Ron DeCola, Principal, *Brady Sullivan Properties*
Eric daRosa, Vice President Operations, *Northeast Knitting*
Steven Devine, Chief Program Development, RIDOT Intermodal Planning,
Linda Dewing, Realtor, *Spaces & Places*
Michael Gazdacko Principal, *Urban Smart Growth LLC*
Arentha Gibbs, Director, RIEDC Growth Center Program
Barney Health, Acting Director, Pawtucket Planning & Redevelopment
Mark House, Principal, *Blackstone Pawtucket / Mad Dog Studios*
Richard Kazarian, Proprietor, *Richard Kazarian Antiques*
Chris Ladds, Principal, *LLB Architects / Design Exchange*
Stephen Larrick, Economic Development Coordinator, *Central Falls Planning Department*
Len Lavoie, Principal, *Rhode Island Commercial & Industrial Realty (RICIR)*
Jennifer McCann, Director, *Coastal Resources Center, University of Rhode Island*
Gene Monteiro, Proprietor, *CCRS*
Phyllis Nathanson, Real Estate Broker, *Blackstone Studios*
Sonny Ng, Partner, *Tai-O Group Co. LLC / Lenox Management*
Elaine Partridge, Grant Administrator, Central Falls Planning Department
Michelle L. Roberts, Executive Vice President, *Bristol County Savings Bank*
Patricia Simpson, Director Residential Real Estate, *Brady Sullivan Properties*
Maia Small, Principal, *Thurbow & Small*
Chris Starr, Principal, *Brady Sullivan Properties*
Sheila Spelman, Leasing Agent, *First Realty Management*
David M. Wax, Acting Executive Director, *Sandra Feinstein-Gamm Theatre*
Herb Weiss, Economic Development Officer, Pawtucket Planning & Redevelopment
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Sue Whitney, Director, *Slater Mill Historic Site & Museum*
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Appendix B

Population & Employment Characteristics, Trends & Projections

Appendix B

Population and Employment: Characteristics, Trends & Projections

Data Sources

Throughout the report there are quantitative estimates of population, households, number of businesses, jobs, and business sales in the City of Pawtucket, Providence County and the State of Rhode Island. The available data sources FXM used to obtain these numbers for specific analyses lack consistent definitions of jobs and business sales. None of these data can be used exclusively to provide reliable estimates of current conditions, trends, or forecasts. Specific data definitions and limitation are referenced in the text as warranted, in addition to the following major secondary data sources, definitions and limitations.

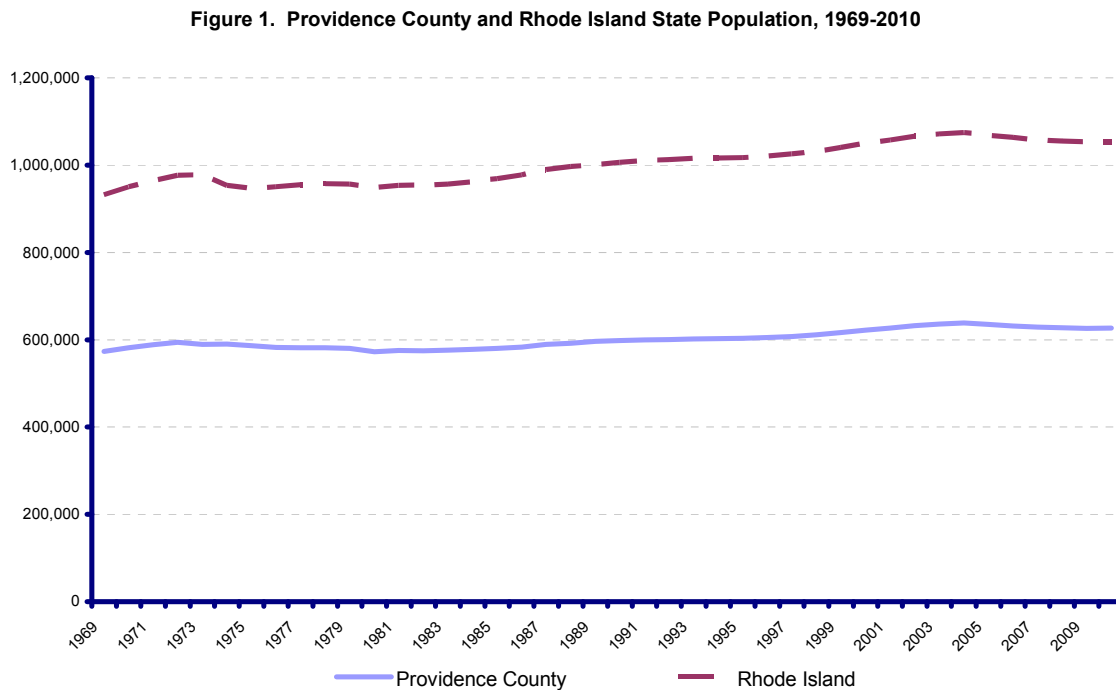
- The US Regional Economic Information System (REIS) is a comprehensive database of population, households, income, and jobs maintained by the US Department of Commerce, Bureau of Economic Analysis. REIS is considered the most reliable source of these data by academic researchers and practitioners, principally because it is the only data source with access to IRS records. However, REIS data is available only at the county and state levels, and reports generalized industry categories lacking the specificity of the Standard Industrial Classification (SIC) or North American Industry Classification System (NAICS) codes. REIS data are not available at the municipal or community level.
- Nielsen *SiteReports* provides the most recent available data (estimated 2011) of detailed demographic, employment and business characteristics at the community level. Nielsen *SiteReports* is a proprietary subscription data service that purports to use the most recent US Economic Census and “other” government and private data sources, including proprietary algorithms to disaggregate the REIS data to the community level. Nielsen *SiteReports* does not provide trend data beyond their current or most recent year estimates.
- The Rhode Island Department of Labor & Training (RI DOL) provides job and wage estimates for a generalized list of industries at the community level. The RI DOL job estimates (called ES-202 data series) are derived from the US Quarterly Census of Employment and Wages (QCEW), and are provided only for those jobs covered by unemployment insurance. This data does not include self-employed or part-time workers who are not covered by unemployment insurance. RI DOL job estimates are substantially below the estimates provided by REIS or Nielsen *SiteReports*, reflective of the many state industries comprised of small firms or individuals not covered by unemployment insurance (e.g. professional and technical services, retail and financial services). However, RI DOL does provide 10-year historical data at the community level (Pawtucket) that is not available from any other source.
- The RI DOL report, *2018 Opportunities – Occupational Outlook for 2018*, provided the most recent forecasts (2008) of future jobs by occupational category for the state as a whole.

These forecasts were used to estimate 2018 employment by industry category for Pawtucket and Providence County.

- These sources provided continuous data on population and employment characteristics at the county level from 1969 to 2000 by SIC industry grouping, and from 2001 to 2010 by NAICS industry group code. The SIC (Standard Industry Classification) was the employment classification system used by state and federal governments to track employment data by industry through year 2000. In 2001, the federal government adopted the North American Industry Classification System (NAICS) that established a common industry classification system for the US, Mexico and Canada.

Population and Employment Trends

Figure 1 illustrates long term population growth for Providence County and Rhode Island from 1969 through 2010. This graph shows that Providence County has had slower growth than the state as a whole, and both the state and the county have lost population since 2005.



Source: US Department of Commerce, REIS Database, Table CA30 and FXM Associates

Table A summarizes population and household growth for Pawtucket, Providence County and Rhode Island for the period 1990 to 2016. The 1990 and 2000 values were reported by the US Census; the 2011 estimates and 2016 projections are derived by Nielsen *SiteReports* using proprietary demographic techniques.

The 2011 Pawtucket population was estimated at 71,635 persons, about one-third of the total Providence County population of 217,451 as shown in **Table A**. The county accounts for about 20% of the statewide population of 1,052,852 persons. According to the Census, there was substantial growth in population and households in Providence County between 1990 and 2000 (19% and 22%, respectively) but growth had declined by 1-2% in 2011. Pawtucket experienced little growth from 1990 to 2000, and small decline through 2011. Nielsen *SiteReports* projects that Pawtucket will lose another 1-2% of its residents and households by 2016.

Table A. Regional Population and Households, 1990 - 2014

Population	Pawtucket City	Providence County	Rhode Island
1990 Census	72,834	186,605	1,003,464
2000 Census	73,161	222,230	1,048,319
2011 Estimate	71,635	217,451	1,052,852
2016 Projection	70,385	215,303	1,046,502
Growth 1990-2000	0.45%	19.09%	4.47%
Growth 2000-2011	-2.09%	-2.15%	0.43%
Growth 2010-2016	-1.74%	-0.99%	-0.60%

Households	Pawtucket City	Providence County	Rhode Island
1990 Census	22,634	77,586	377,977
2000 Census	23,126	94,822	408,424
2011 Estimate	23,100	93,686	412,524
2016 Projection	22,865	93,460	410,819
Growth 1990-2000	2.17%	22.22%	8.06%
Growth 2000-2011	-0.11%	-1.20%	1.00%
Growth 2010-2016	-1.02%	-0.24%	-0.41%

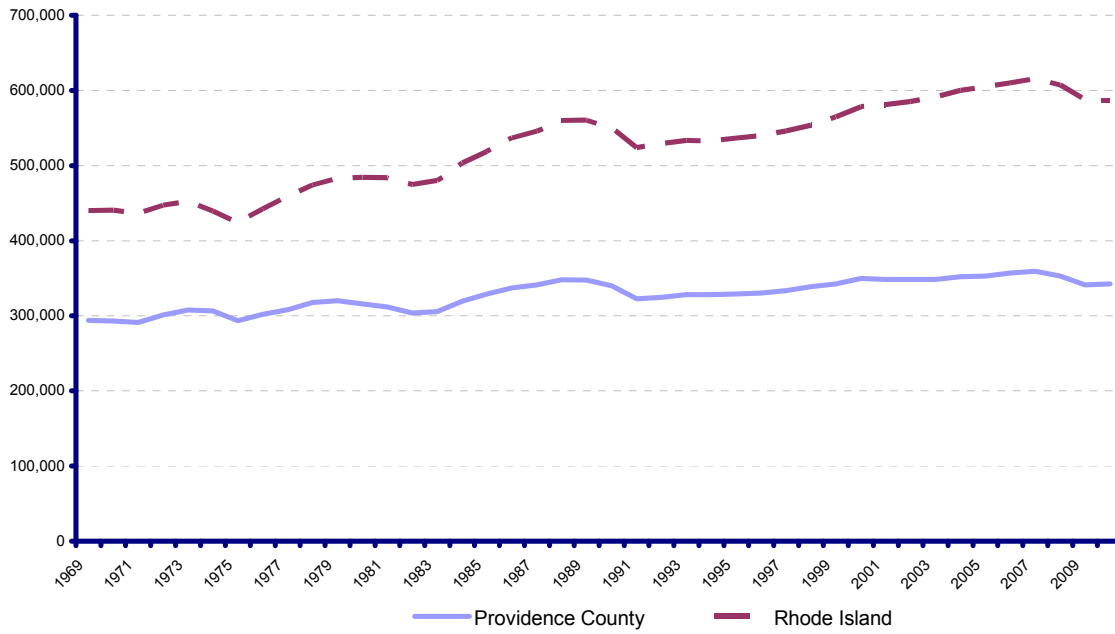
Source: Nielsen SiteReports, 2011.

Figure 2 shows that long term employment growth has been more robust than population increases in both Providence County and Rhode Island as a whole. The next section of this report Appendix, “REIS and ES-202 Employment Estimates,” presents additional information on employment growth.

One method commonly used to portray growth trends between two or more datasets is to create an index chart using a common base year and ratioing annual values to that base year. FXM selected 1990 as a common base year in this analysis for Providence County and Rhode Island. Population growth relative to 1990 is shown in **Figure 3**; this graph clearly shows that statewide and county populations have remained fairly constant since 1990 (+/- 1%). **Figure 4** illustrates total employment growth since 1990. The graph indicates there were sharp declines in 1991 and

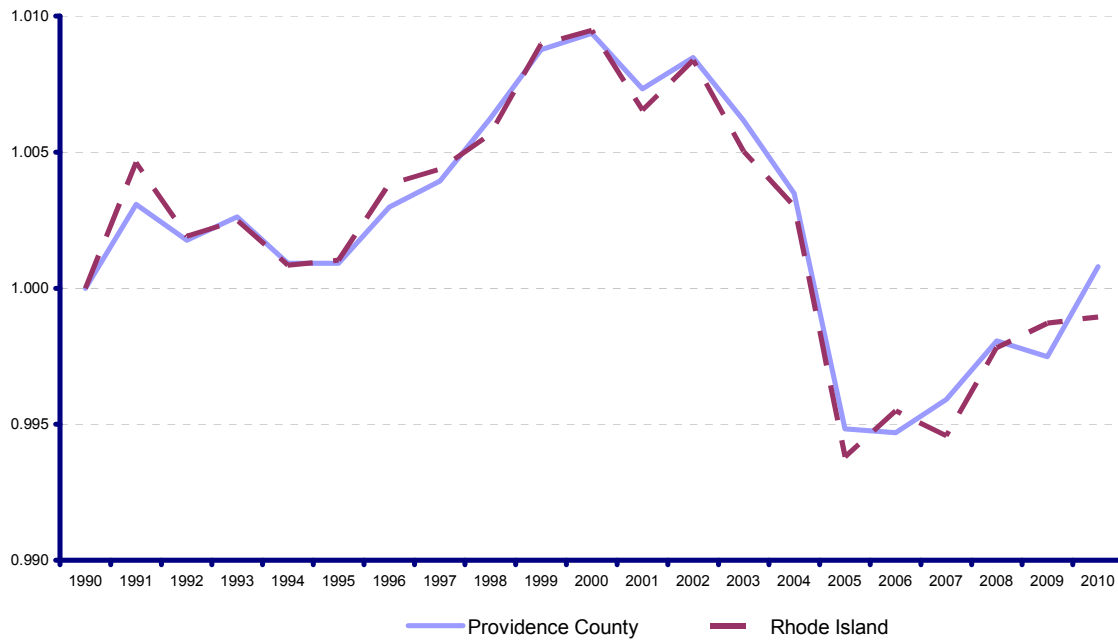
2007-2009, followed by rebounds in 1992 and 2010. Employment levels in 2010 were almost exactly the same as those in 1990 (index value close to 1.00).

Figure 2. Providence County and Rhode Island State Employment, 1969-2010



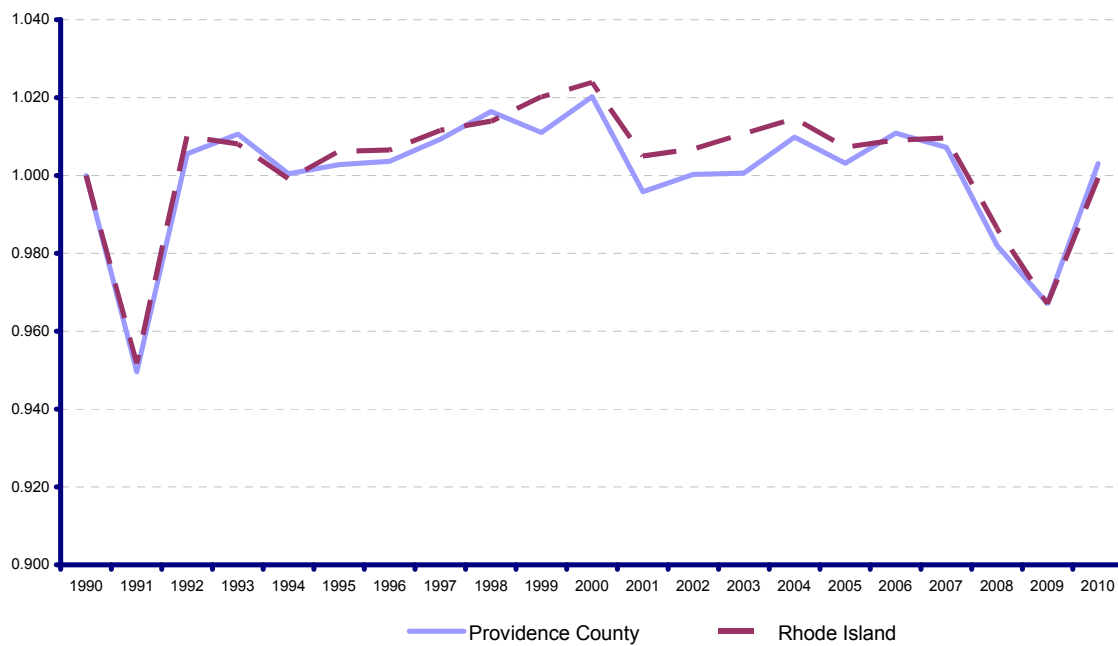
Source: US Department of Commerce, REIS Database, Table CA30 and FXM Associates

Figure 3. Providence County and Rhode Island Population Growth Index, 1990-2010 (1990 = 1.000)



Source: US Department of Commerce, REIS Database, Table CA30 and FXM Associates

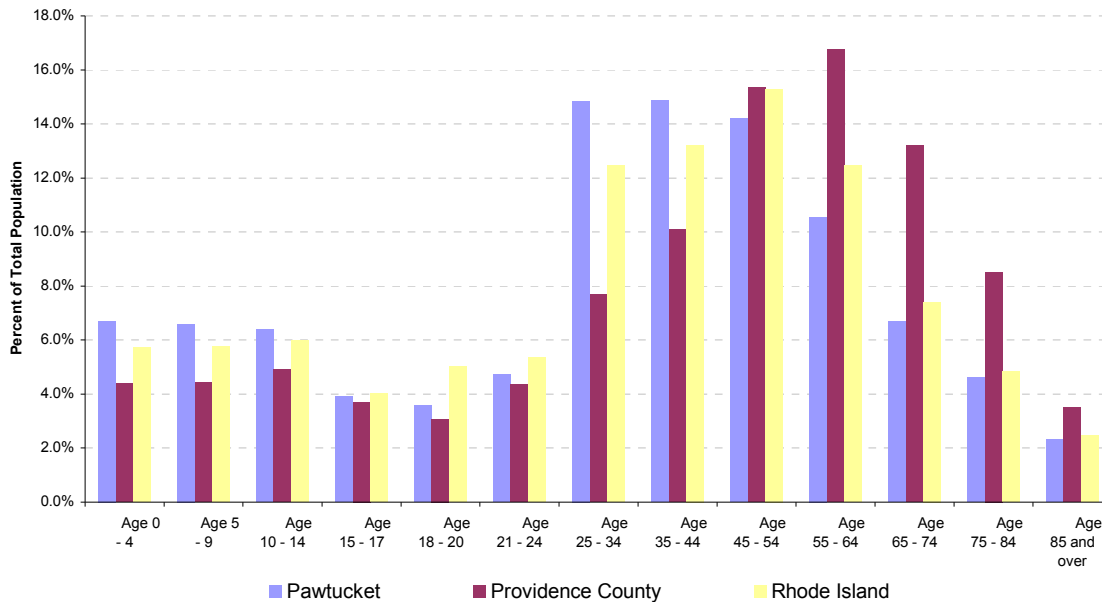
Figure 4. Providence County and Rhode Island Employment Growth Index, 1990-2010 (1990 = 1.000)



Source: US Department of Commerce, REIS Database, Table CA30 and FXM Associates

A key characteristic of a population is the distribution by age group (cohort). **Figure 5** illustrated the percentages of Providence County and Rhode Island 2011 population by age group in 5-year increments. Providence residents are considerably younger than those in the state as a whole, indicating a potentially larger than average labor force compared to the proportion of retired persons.

Figure 5. Population by Age Cohort, 2011



Source: Nielsen SiteReports 2011, and FXM Associates

Figure 6 shows the relative persons per household for Pawtucket, Providence County and Rhode Island. From 1990 to 2016. The trend toward smaller households is evident in all three jurisdictions but it is somewhat surprising in that the statewide average persons per household is significantly higher than either Pawtucket or the county.

Figure 6. Persons per Household, 1990-2016

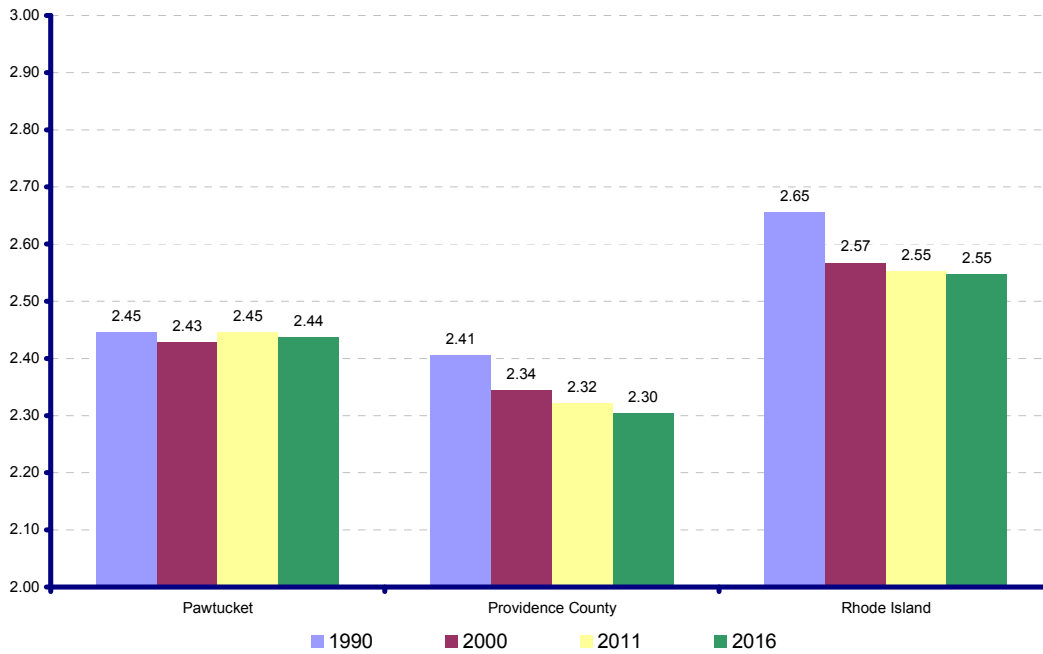
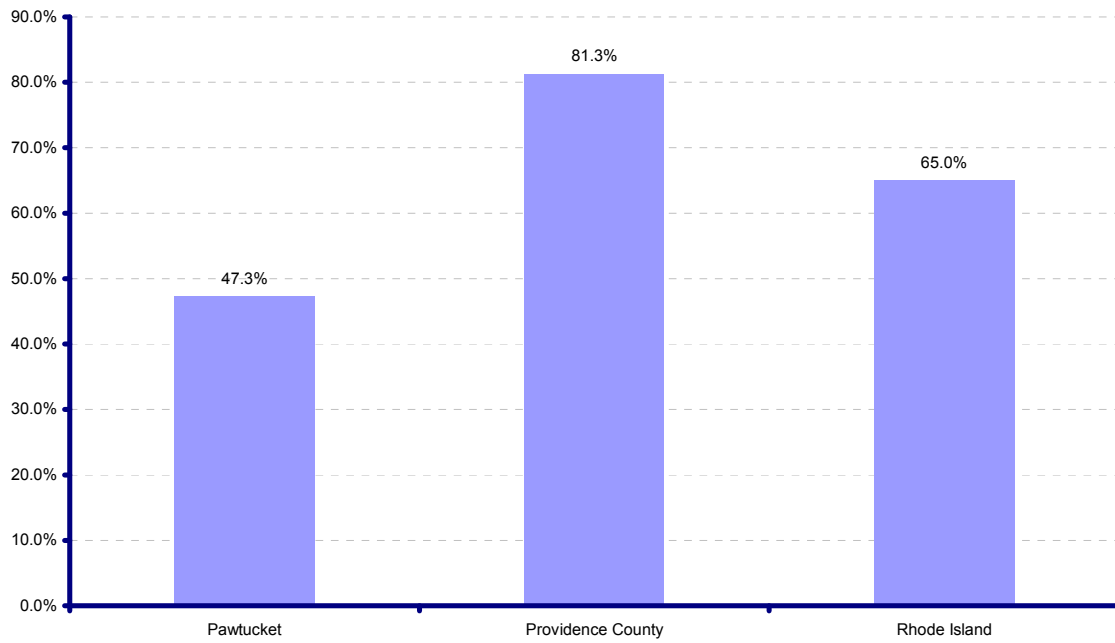


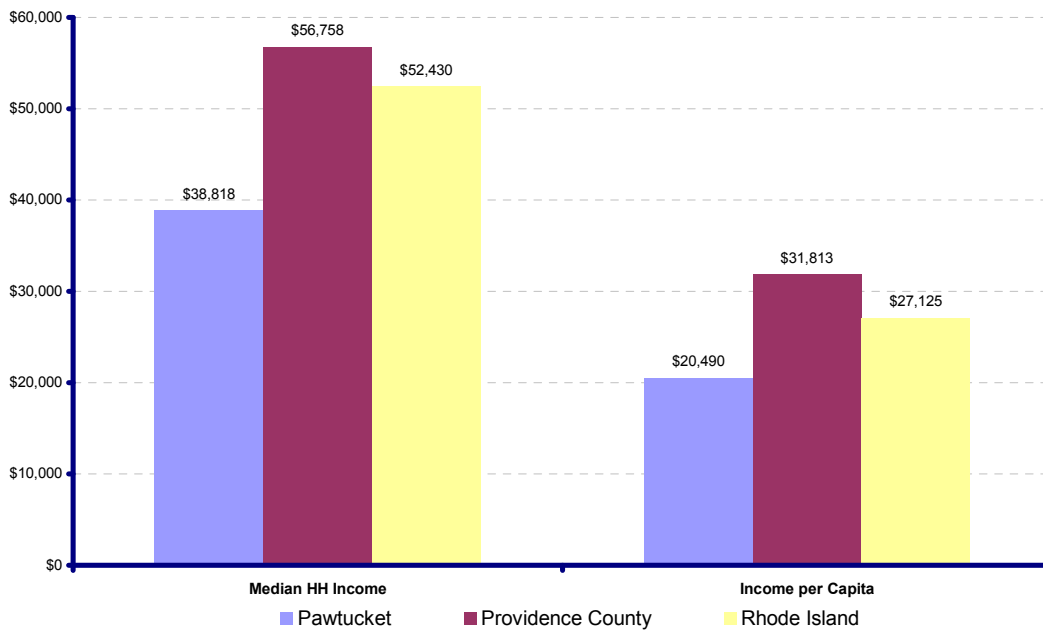
Figure 7 presents the percent of dwellings that are owner occupied; Pawtucket has substantially lower home ownership rate than either the county or state. **Figure 8** shows one reason for the lower home ownership rate – Pawtucket’s median household income is only slightly more than one-half that of Providence County (54%). Similarly, only 25% of Pawtucket residents have a college degree compared with 49% in Providence County as shown in **Figure 9**.

Figure 7. Percent of Dwellings Owner Occupied, 2010



Source: Nielsen Site Reports, 2011, and FXM Associates.

Figure 8. Income Comparison, 2011



Source: Nielsen Site Reports, 2010/11 and FXM Associates.

Figure 9. Percent of Residents With College Degrees, 2011

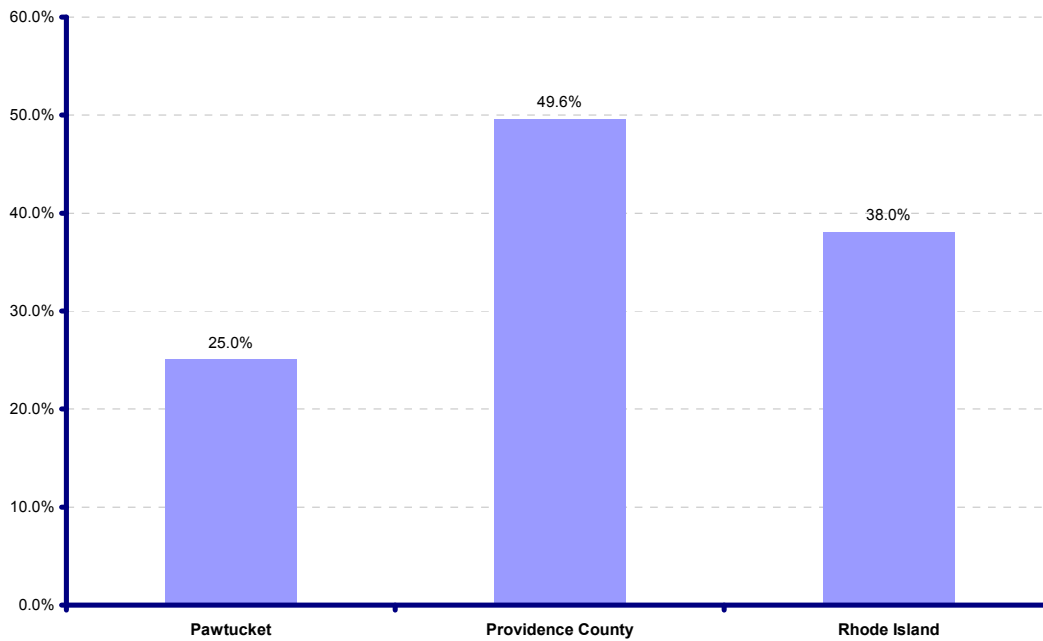
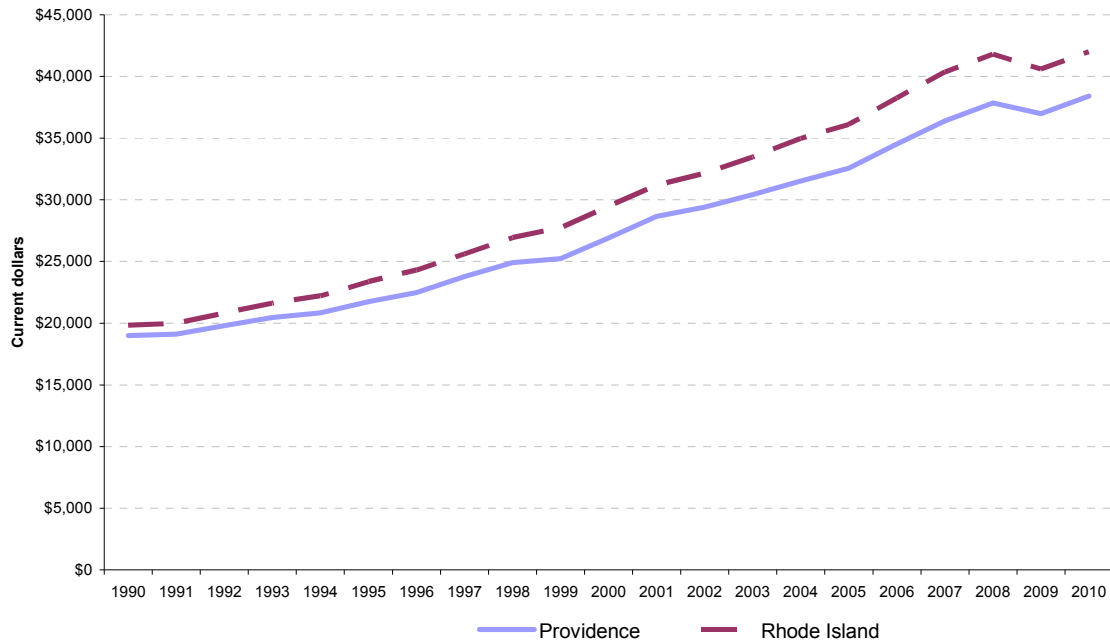


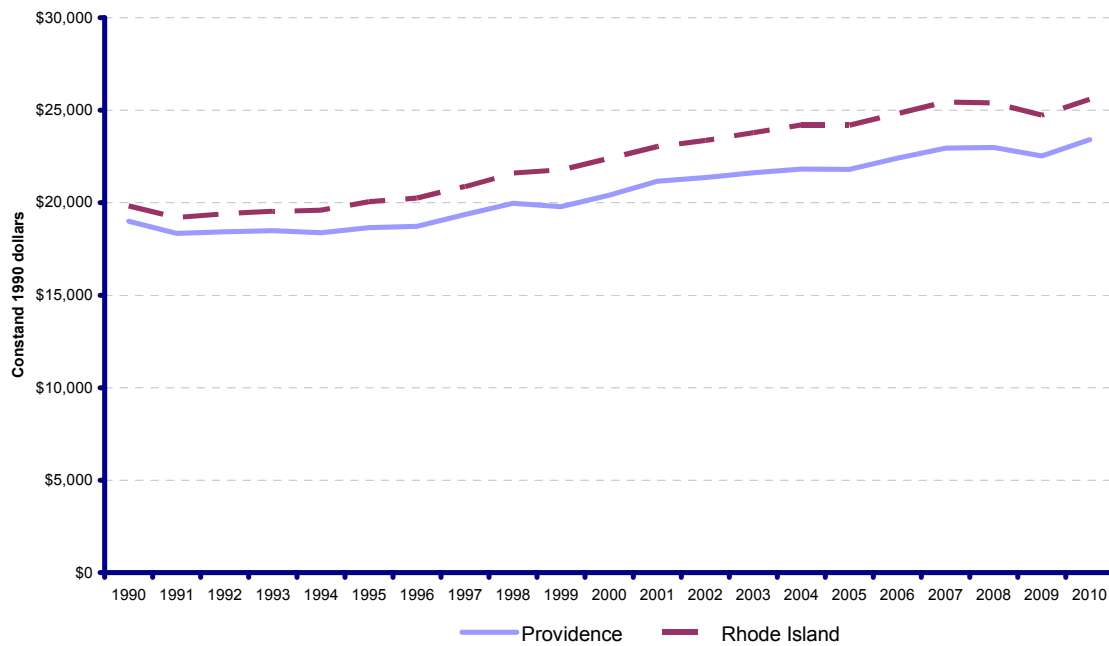
Figure 10 and **Figure 11** present personal income per capita for Providence County and Rhode Island in current and constant 1990 dollars, respectively. Incomes in Providence County are about 10 percent lower than the statewide averages. Real income per capita has risen by about 25% in both the county and state since 1990.

Figure 10. Per Capita Personal Incomes in Current Dollars



Source: US REIS Database, Table CA30 and FXM Associates

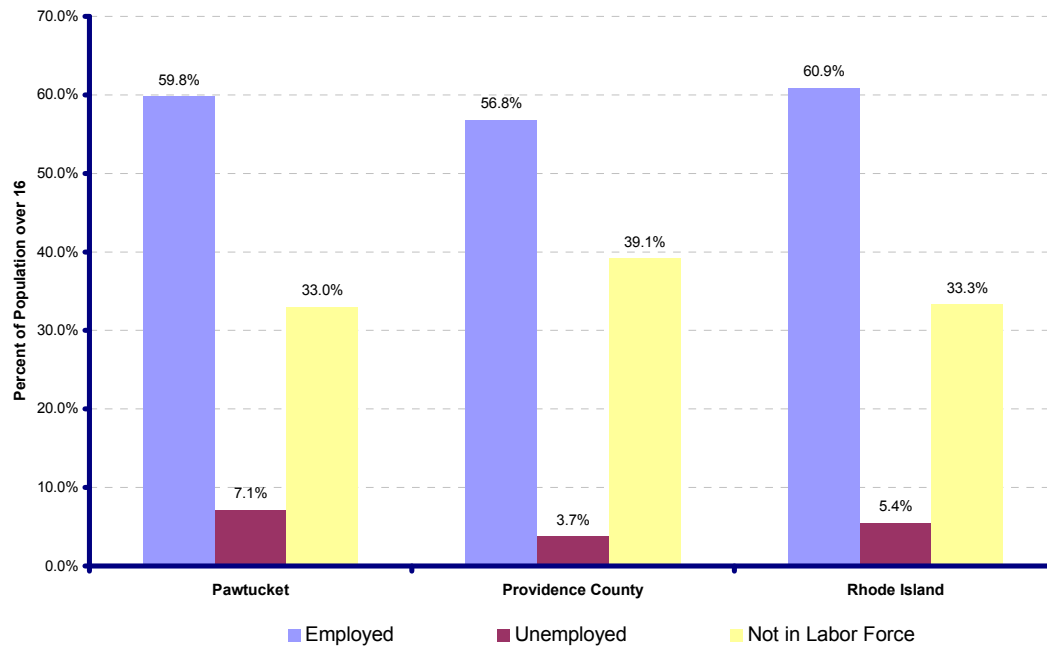
Figure 11. Per Capita Personal Incomes in Constant 1990 Dollars



Source: US REIS Database, Table CA30 and FXM Associates

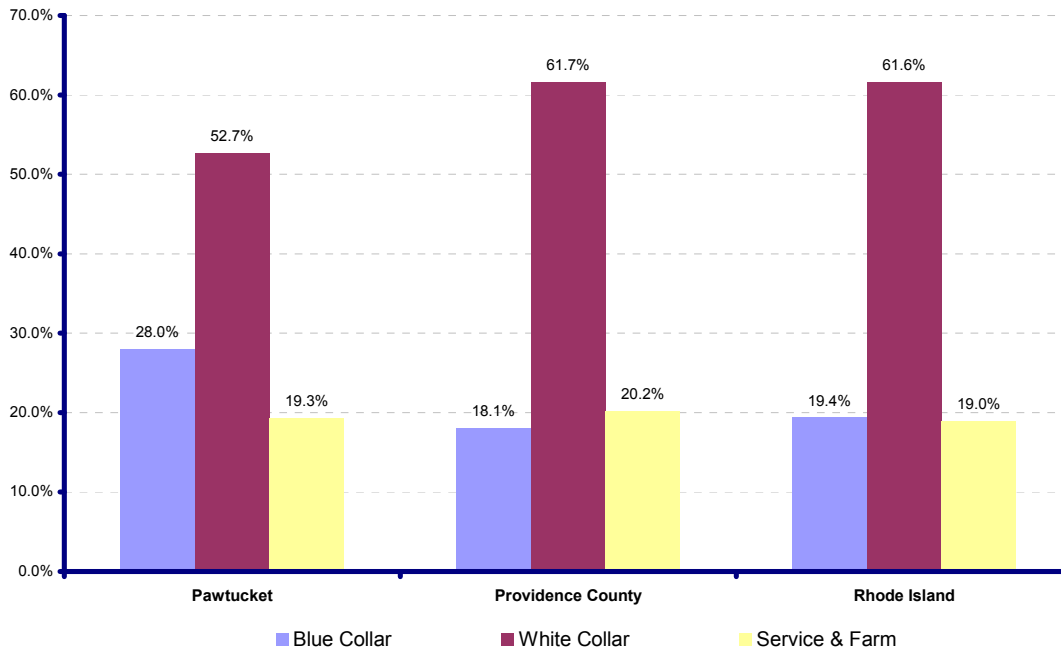
Figure 12 shows that about 60% of residents over 16 in Pawtucket are employed, about the same as in the county and state. Of the three jurisdictions, Pawtucket has the highest proportion (28%) in blue collar occupations, consistent with the lowest per capita income and lowest proportion of college educated residents shown in the previous charts. As indicated in **Figure 14**, the major occupations in Pawtucket are office/administrative support, production and sales.

Figure 12. Employment Status, 2011



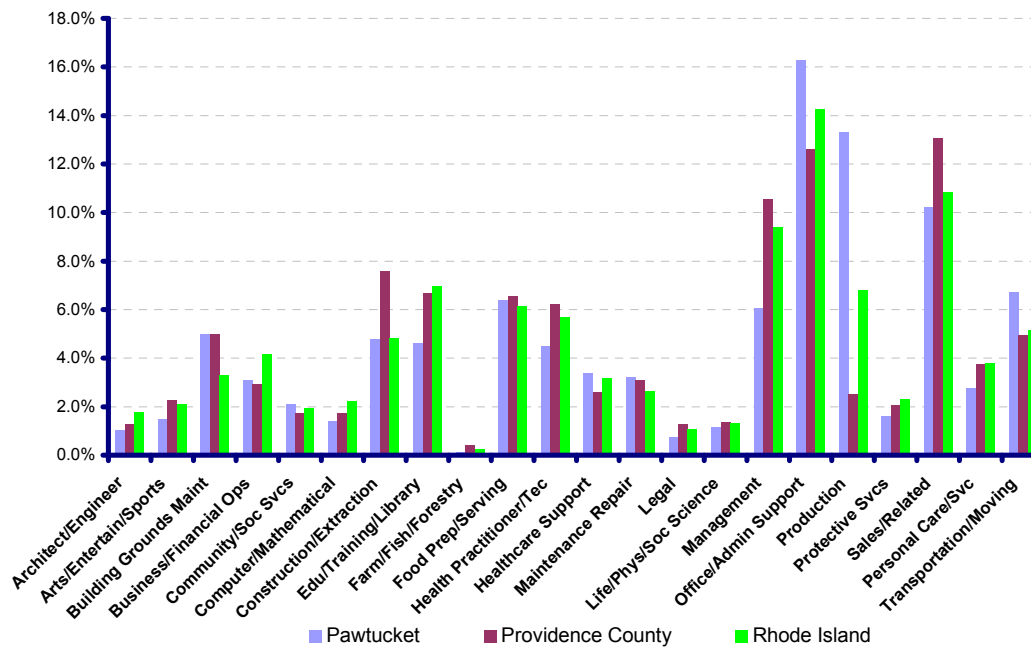
Source: Nielsen Site Reports, 2011, and FXM Associates.

Figure 13. Percent Occupation by Type, 2011



Source: Nielsen Site Reports, 2011, and FXM Associates.

Figure 14. Percent Occupation by Category, 2011



Source: Nielsen Site Reports, 2011, and FXM Associates.

Employment Data

Estimated employment for 2011 by major SIC categories is shown in **Table B**.

Table B. SIC Summary of Employment, 2011

Pawtucket Study Area

SIC Code	Business Description	Total Establishment	Total Employees	Sales (in Millions)	Sales Per Employee
TOT	All Industries	186	3,354	\$379	\$112,940
MAN	All Manufacturing (SIC 20-39)	17	202	\$22	\$110,396
RET	All Retailing (SIC 52-59)	17	129	\$10	\$78,295
SERV	All Services (SIC 70-89)	109	1,655	\$160	\$96,495
ADM	Public Administration (SIC 90-97)	10	465	\$0	\$0

Pawtucket City

SIC Code	Business Description	Total Establishment	Total Employees	Sales (in Millions)	Sales per Employee
TOT	All Industries	2,171	30,192	\$3,204	\$106,118
MAN	All Manufacturing (SIC 20-39)	192	7,181	\$567	\$78,972
RET	All Retailing (SIC 52-59)	454	3,545	\$387	\$109,168
SERV	All Services (SIC 70-89)	1,011	13,598	\$1,356	\$99,750
ADM	Public Administration (SIC 90-97)	22	544	\$0	\$0

Rhode Island

SIC Code	Business Description	Total Establishment	Total Employees	Sales (in Millions)	Sales per Employee
TOT	All Industries	42,932	556,636	\$58,334	\$104,797
MAN	All Manufacturing (SIC 20-39)	2,395	56,197	\$4,559	\$81,132
RET	All Retailing (SIC 52-59)	8,968	105,962	\$11,278	\$106,432
SERV	Services (SIC 70-89)	18,846	253,341	\$23,116	\$91,245
ADM	Public Administration (SIC 90-97)	1,247	28,640	\$0	\$0

Source: Nielsen SiteReports, 2011 and FXM Associates

Recent trends in total employment are shown in Figure 15 for Providence and Rhode Island since 1990. Employment in both Providence and Rhode Island peaked in 2007 with declines in 2008 and 2009, followed by a small uptick in 2010.

The following graphs show employment trends by category since 2001 in Providence County and Rhode Island. **Figure 16** shows that the drop off in retail employment began prior to the overall downturn in 2007; this retail employment decline matches closely the peaking of population growth in 2003. Accommodation and food service employment peaked in 2007, followed by declines in 2008 and 2009 followed by a rebound in 2010 (**Figure 17**). Real estate employment has been fairly constant since 2006 as shown in **Figure 18**. Health care employment is the only major category of jobs in Providence County and Rhode Island that has increased steadily since 2001; the growth index shown in **Figure 19** indicated a 15% to 17% increase since 2001.

Figure 15. Recent Trends in Employment, 1990 - 2010
REIS Data

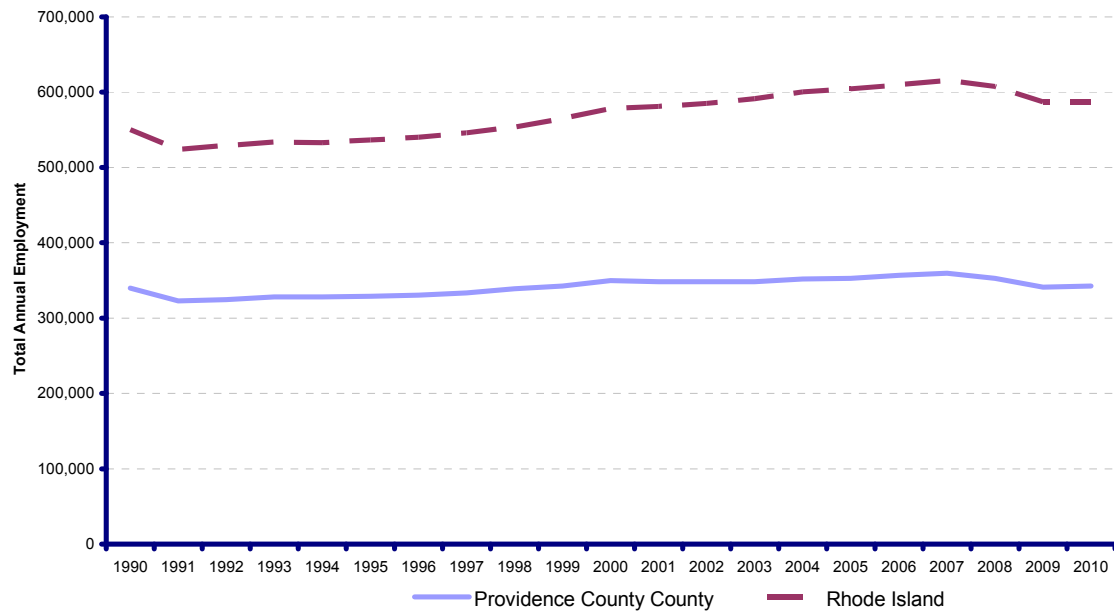
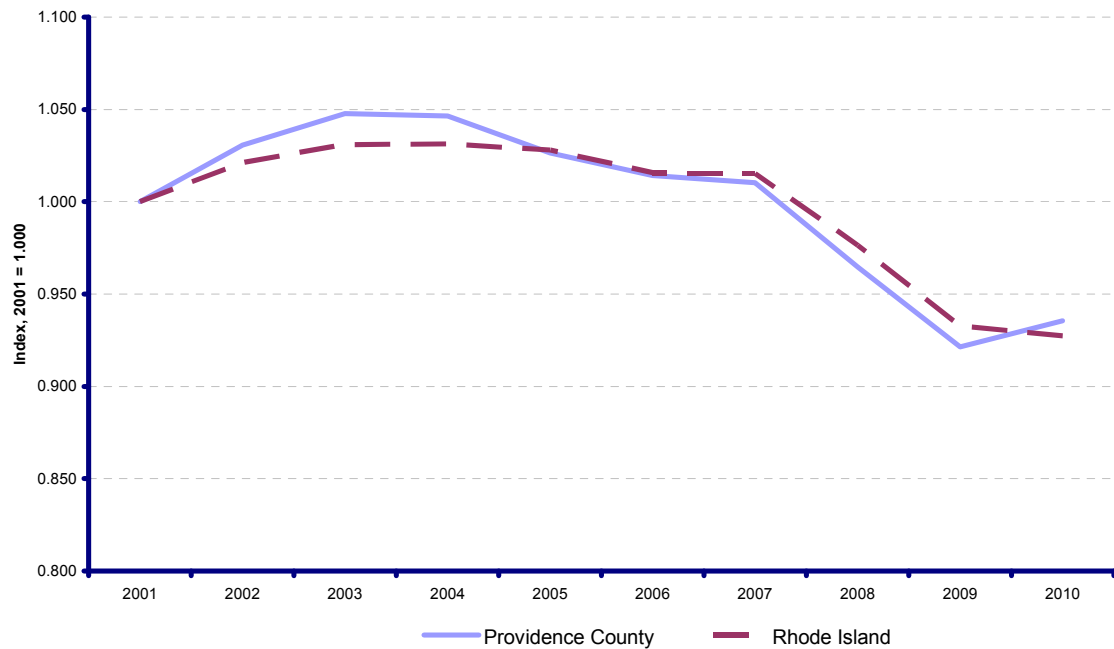
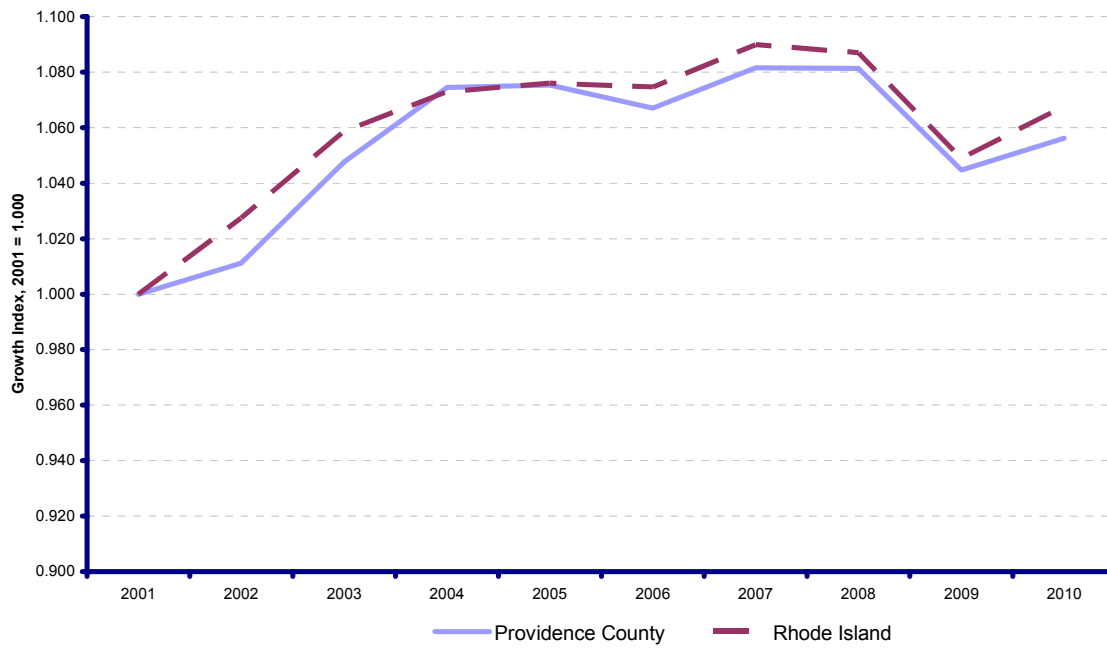


Figure 16. Retail Employment Index, 2001 = 1.000



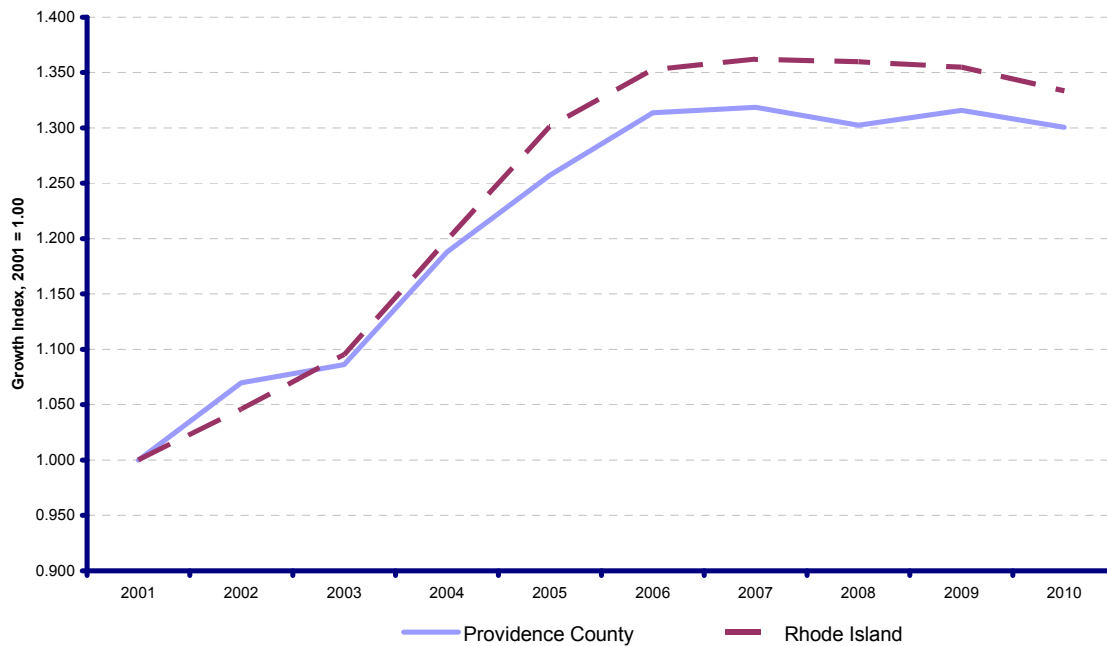
Source: US Department of Commerce, REIS Database, Table CA25, and FXM Associates

**Figure 17. Accommodation and Food Service Employment Index
2001 = 1.000**



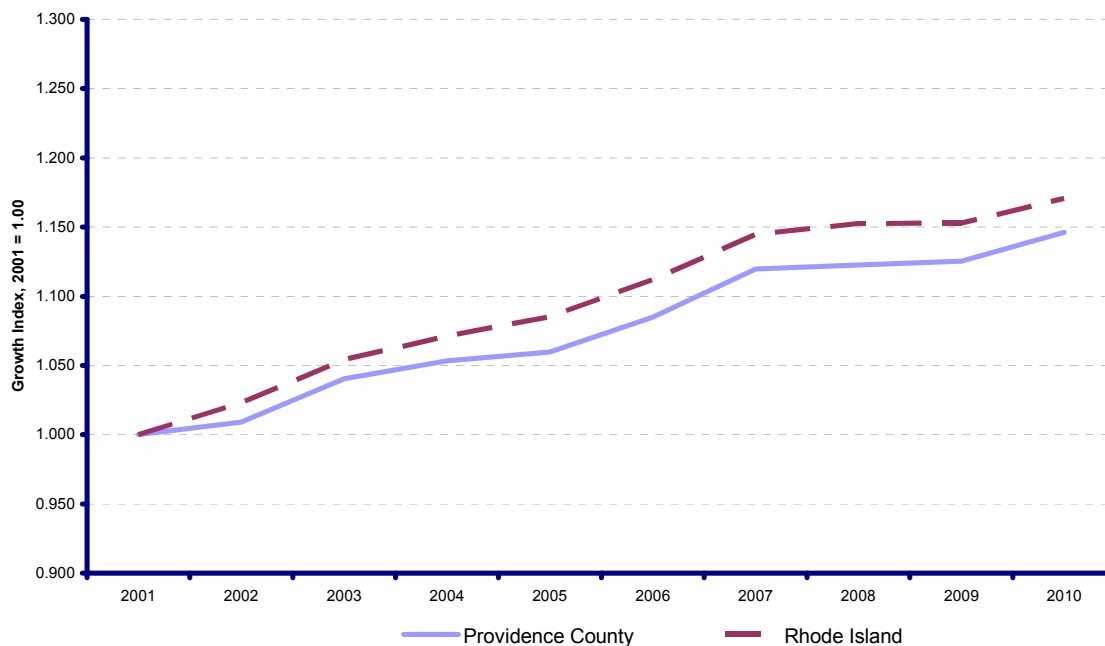
Source: US Department of Commerce, REIS Database, Table CA25, and FXM Associates

**Figure 18. Real Estate Employment Index
2001 = 1.000**



Source: US Department of Commerce, REIS Database, Table CA25, and FXM Associates

Figure 19. Health Care Employment Index
2001 = 1.000

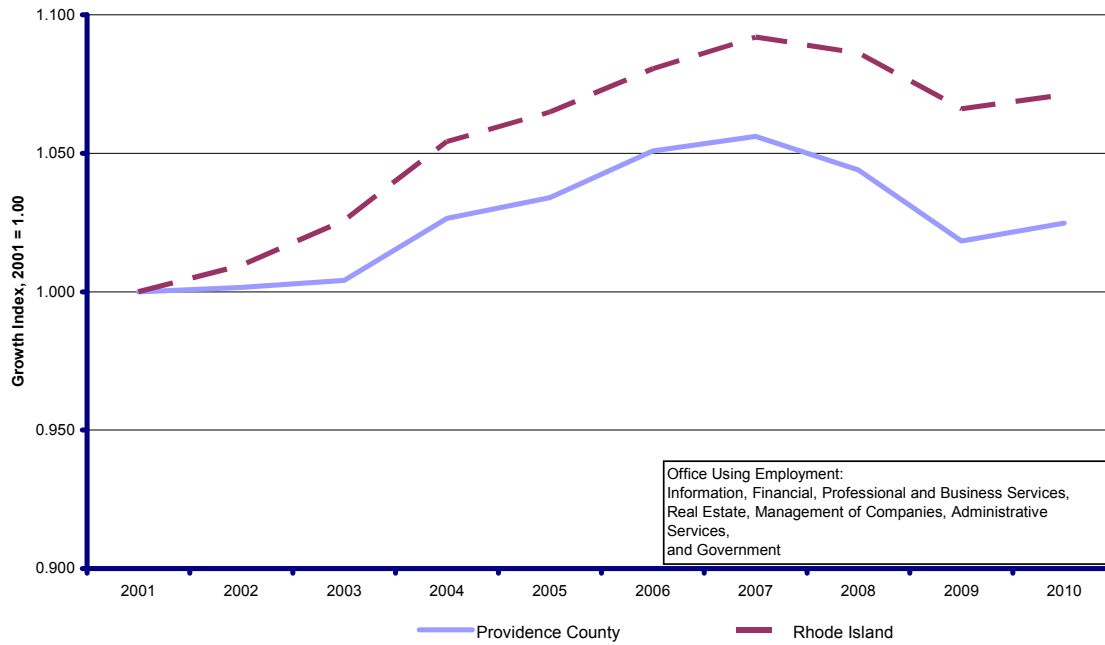


Source: US Department of Commerce, REIS Database, Table CA25, and FXM Associates

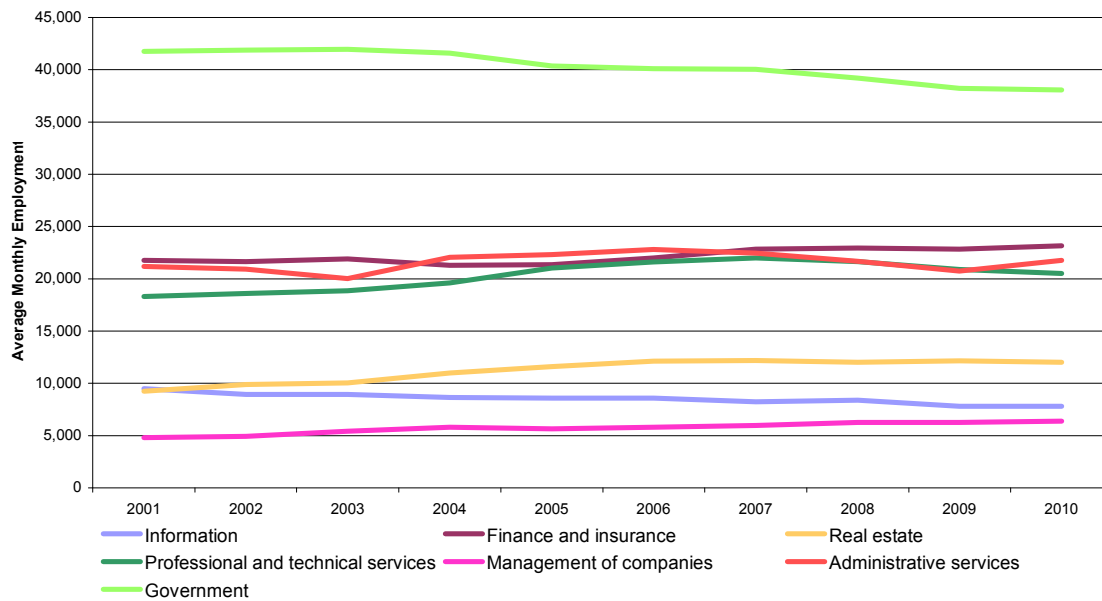
A major component of local economic growth is the demand for office-using employment. This broad category included information, financial, professional and business services, Real Estate, Management of Companies, Administrative Services, and Government jobs. Growth in this sector not only indicates a healthy economy but translates into a demand for commercial construction.

As **Figure 20** shows, employment in the office-using sector has followed the overall trend in total employment in Providence County and Rhode Island since 2001. Office-using employment peaked in 2007 followed by declines in 2008 and 2009 and a small recovery in 2010. **Figure 21** breaks down the category by individual industry components showing that the largest declines have been in the Government employment sector.

**Figure 20. Office Using Employment
2001 = 1.000**



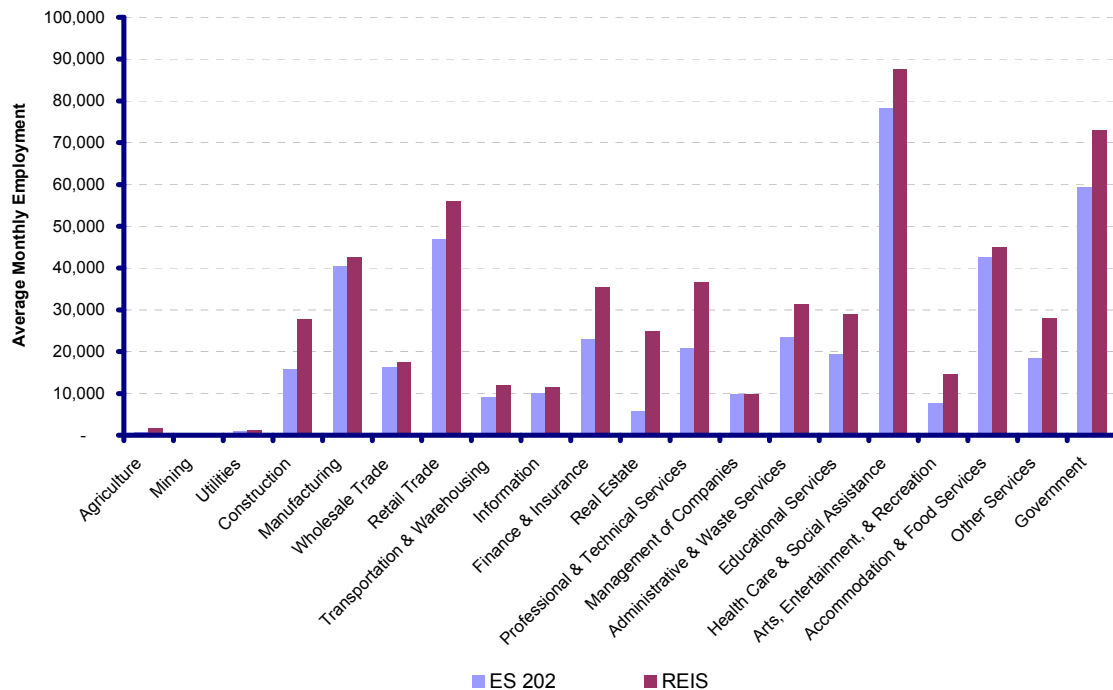
**Figure 21. Office Using Employment by Category, Providence County
2001 = 1.000**



REIS and ES 202 Employment Estimates

FXM used two basic data sources for employment trends: the US Department of Commerce Bureau of Economic Analysis (BEA) Regional Economic Information System (REIS); and the Rhode Island Department of Labor and Training, Quarterly Census of Employment and Wages (ES 202 Reports). **Figure 22** compares employment estimates from these two sources by category of employment. The principal difference is that the RI DOL ES-202 data includes only those workers covered by state unemployment insurance, while REIS includes all full-time and part-time employees and proprietors regardless of eligibility for unemployment compensation. These differences are found in jobs, which have a considerable amount of part-time seasonal employment (Agriculture-Fishing, Construction and Retail Trade) or self-employed workers (Finance and Insurance, Real Estate, and Professional and Technical Services).

Figure 22. Compare ES202 and REIS Employment, Rhode Island State, 2011



The Bureau of Economic Analysis does not disaggregate employment data below the county level; therefore, REIS employment estimates are not available for the City of Pawtucket. FXM relied on Rhode Island Department of Labor annual reports for Pawtucket employment data. In order to adjust the ES-202 data for part-time and proprietor employment, FXM derived factors by industry category based on the comparisons for REIS and ES-202 data for the State of Rhode Island (**Figure 22**). These factors were then applied to the ES-202 data for Pawtucket to yield estimated total employment by NAICS category as illustrated in Figure 23. The resulting estimates provide a reasonable basis for comparison and analysis purposes in this report.

Table C. State of Rhode Island Employment by Category

	ES 202	REIS	Diff	ES 202/REIS	Inverse
Agriculture	704	1,820	1,116	2.59	0.39
Mining	177	453	276	2.56	0.39
Utilities	1,077	1,177	100	1.09	0.92
Construction	15,681	27,786	12,105	1.77	0.56
Manufacturing	40,354	42,541	2,187	1.05	0.95
Wholesale Trade	16,173	17,553	1,380	1.09	0.92
Retail Trade	46,881	55,882	9,001	1.19	0.84
Transportation & Warehousing	9,164	11,971	2,807	1.31	0.77
Information	10,145	11,462	1,317	1.13	0.89
Finance & Insurance	23,041	35,345	12,304	1.53	0.65
Real Estate	5,645	24,857	19,212	4.40	0.23
Professional & Technical Services	20,948	36,534	15,586	1.74	0.57
Management of Companies	9,849	9,720	-129	0.99	1.01
Administrative & Waste Services	23,401	31,471	8,070	1.34	0.74
Educational Services	19,379	28,852	9,473	1.49	0.67
Health Care & Social Assistance	78,200	87,611	9,411	1.12	0.89
Arts, Entertainment, & Recreation	7,508	14,486	6,978	1.93	0.52
Accommodation & Food Services	42,565	44,855	2,290	1.05	0.95
Other Services	18,299	27,904	9,605	1.52	0.66
Government	59,293	73,090	13,797	1.23	0.81
Total, Private & Government:	448,484	585,370	136,886	1.31	0.77

Figure 23. Ratio of REIS to ES202 Employment, Rhode Island State, 2011

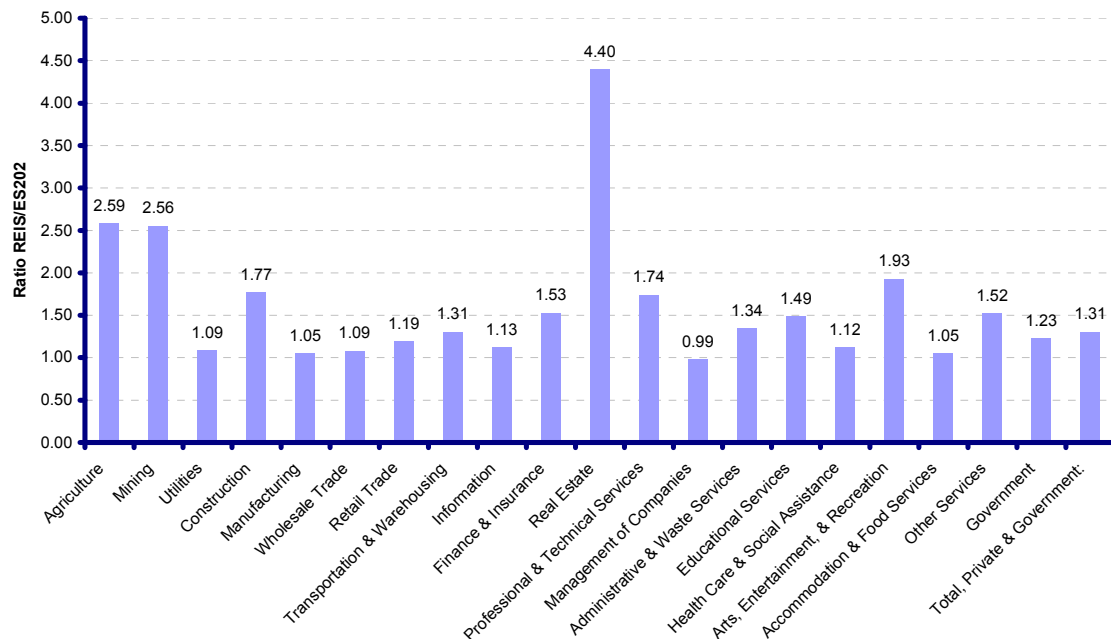


Figure 24 shows a comparison of ES 202 employment estimates for Pawtucket and Rhode Island for 2002 to 2011. Pawtucket employment has been steadily declining at least since 2002 and is trending towards continued lower employment in the future. Rhode Island statewide employment levels began declining in mid-2006, with indication of a slight increase in 2011.

Figure 25 shows adjusted employment estimates for Pawtucket based on the REIS/ES 202 factors in Figure 23. This data also shows a continued decline in employment levels.

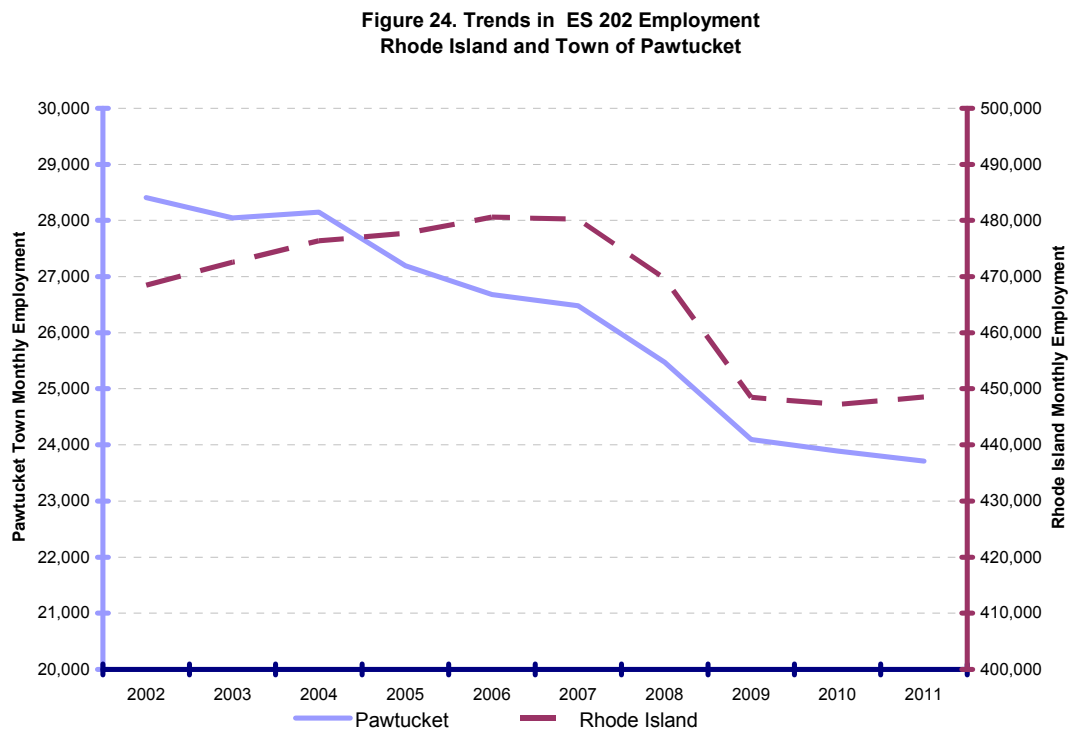
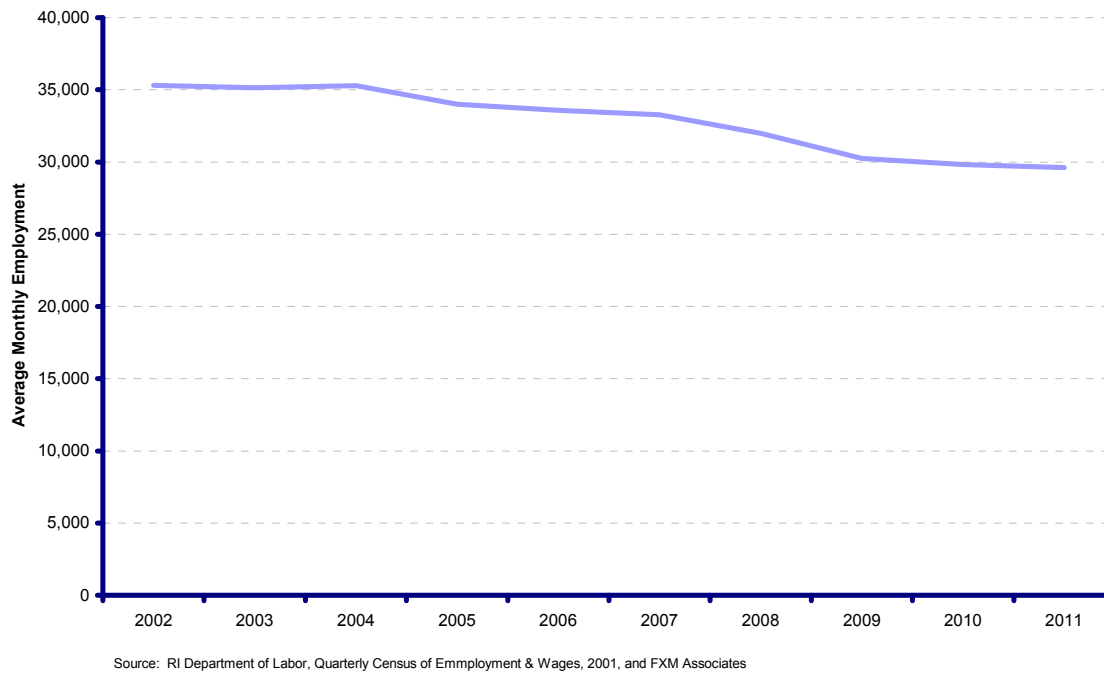
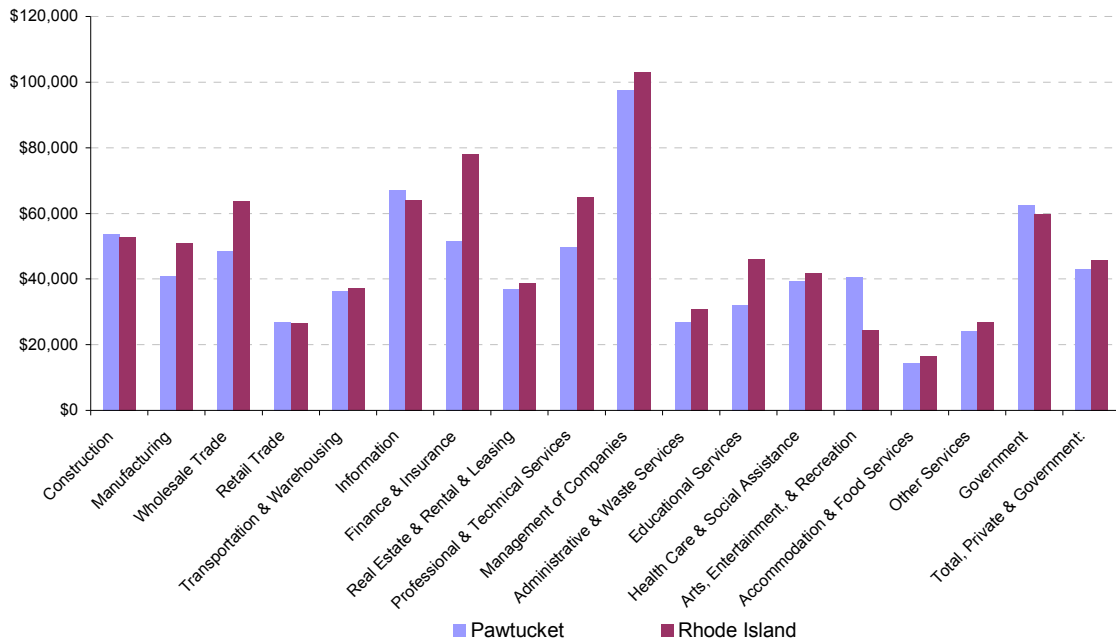


Figure 25. Pawtucket Adjusted Annual Employment



In addition to employment levels, ES 202 reports wages and other salary compensation by jurisdiction. **Figure 26** compares annual salaries of Pawtucket and Rhode Island employees by category for 2011. Generally, there is little difference between Pawtucket salaries and the averages statewide, except for a few categories where the statewide average salary is noticeably higher in Wholesale Trade, Finance and Insurance, Technical Services and Educational Services),.

Figure 26. Comparison of Annual Salaries



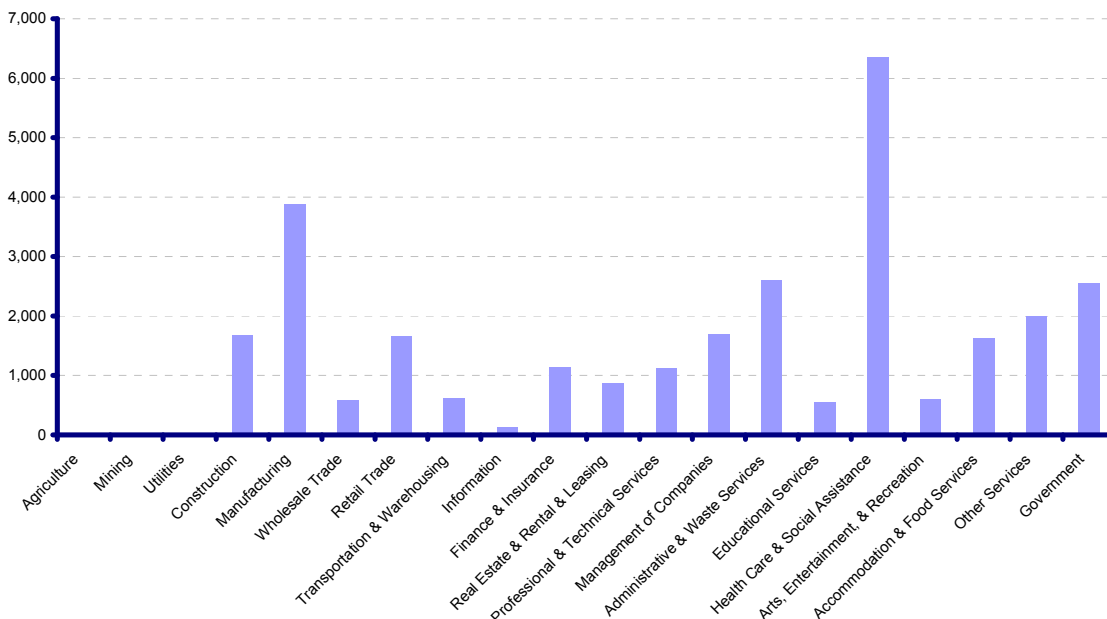
Source: RI Department of Labor, Quarterly Census of Employment & Wages, 2001, and FXM Associates

Table D and **Figure 27** show the distribution of Pawtucket employment by industry category using the REIS/ES -202 adjusted employment values. The top three industries are Health Care, Manufacturing and Administrative Services. As previously shown in **Figure 26**, only the Health Care sector had signs of growth in the 2002 – 2011 period.

Table D. Adjusted Pawtucket employment by category, 2011

Category	Average Monthly Employment
Agriculture	0
Mining	0
Utilities	0
Construction	1,667
Manufacturing	3,885
Wholesale Trade	584
Retail Trade	1,663
Transportation & Warehousing	618
Information	124
Finance & Insurance	1,132
Real Estate & Rental & Leasing	867
Professional & Technical Services	1,123
Management of Companies	1,695
Administrative & Waste Services	2,602
Educational Services	540
Health Care & Social Assistance	6,356
Arts, Entertainment, & Recreation	594
Accommodation & Food Services	1,623
Other Services	2,001
Government	2,543
Total Adjusted Employment	29,619

Figure 27. Pawtucket Employment by Category, 2011



Source: RI Department of Labor, Quarterly Census of Employment & Wages, 2001, and FXM Associates

Commercial Space Demand

The future demand for commercial office, industrial and other space in Providence County was based on estimates of future employment growth by employment sector. FXM used two methods to estimate low and high demand levels. The first method was a linear trend extrapolation of annual employment by category from the REIS database for the years 2001 through 2010.³³ The second method was a growth ratio derived from the RI DOL statewide 2018 employment forecast by industry category prepared in 2008 and shown in **Table E**.³⁴ The RI DOL report projected nearly 8% growth in statewide total employment between 2008 and 2018.

Table E. 2012 Rhode Island Employment Projections

Category	2008	2018	Difference	% Difference
Agriculture,	782	778	-4	-0.50%
Mining	220	240	20	9.10%
Utilities	1,111	995	-116	-10.40%
Construction	20,369	22,825	2,456	12.10%
Manufacturing	47,943	41,400	-6,543	-13.60%
Wholesale	16,883	17,400	517	3.10%
Retail	49,630	53,255	3,625	7.30%
Transportation	9,698	10,670	972	10.00%
Information	10,672	11,670	998	9.40%
Finance	25,080	26,805	1,725	6.90%
Real	6,462	6,510	48	0.70%
Professional,	21,643	27,975	6,332	29.30%
Management	9,299	10,500	1,201	12.90%
Administrative	23,922	26,800	2,878	12.00%
Educational	46,309	51,000	4,691	10.10%
Health	77,785	91,110	13,325	17.10%
Arts,	8,050	8,750	700	8.70%
Accommodation	42,833	46,300	3,467	8.10%
Other	18,250	20,100	1,850	10.10%
Government	32,978	32,340	-638	-1.90%
Total	471,927	509,441	37,504	7.95%

Source: 2018 Opportunities – Occupational Outlook for 2018,
Rhode Island Department of Labor & Training, 2008.

Providence County employment projections by category are shown in Table F for the trend forecast and the projection based on the state's 2018 forecast. The result yielded a range of 333,000 to 373,000 employees in the county for 2018 compared to 342,000 in 2010. The state forecasts assume that the county employment has bottomed out and will resume growth through

³³ US Department of Commerce, Bureau of Economic Analysis, *Regional Economic Information System*, 2012, Table CA 25 for Providence County and state of Rhode Island.

³⁴ Rhode Island Department of Labor and Training, *2018 Opportunities – Occupational Outlook for 2018*, 2008.

2018; the trend forecast continues the recent declines in manufacturing, retail trade and government but increases in other categories.

Table F. Providence County Employment Projections

Category	2001	2010	2018 Projections	
			Trend	State F'cast
Agriculture	231	220	n/a	n/a
Mining	185	181	n/a	n/a
Utilities	1,034	958	n/a	n/a
Construction	16,330	15,199	n/a	n/a
Manufacturing	43,871	24,064	6,867	24,387
Wholesale trade	11,603	10,903	10,906	11,751
Retail trade	31,000	29,001	26,578	32,090
Transportation and ware	6,240	6,347	6,582	13,228
Information	9,488	7,823	6,508	9,186
Finance and insurance	21,784	23,150	24,535	24,530
Real estate	9,232	12,008	15,388	12,109
Professional and techni	18,310	20,507	24,666	27,990
Management of compar	4,807	6,370	7,857	7,048
Administrative and wast	21,189	21,758	22,625	24,264
Educational services	16,824	20,858	24,791	23,833
Health care	51,057	58,518	65,636	67,126
Arts, entertainment, and	6,172	7,398	8,905	8,378
Accommodation and foc	20,818	21,988	23,394	24,334
Other services	15,928	16,596	23,394	24,334
Government and govern	41,749	38,072	34,456	38,461
Totals	347,852	341,919	333,087	373,051

FXM used the growth in employment to estimate total demand for new commercial space by industry category. Where projected employment declines, new space demand was assumed to be zero but negative space was not subtracted from the totals. **Table G** lists the commercial space per employee that FXM applied to the employment forecasts.

Table I summarizes annual and total commercial space demand for Pawtucket by major category. These projections are illustrated in **Figure 28** for total demand and **Figure 29** for annual space demand for 2010-2018.

Table G. Commercial Space Demand (Square Feet per Employee)

Category	Space per employee
Manufacturing	500
Wholesale trade	1,000
Retail trade	500
Transportation and warehousing	1000
Information	300
Finance and insurance	300
Real estate	300
Professional and technical services	300
Management of companies	300
Administrative and waste management	300
Educational services	1,000
Health care	400
Arts, entertainment, and recreation	400
Accommodation and food services	1,000
Other services	500
Government and government enterprises	300

The resulting commercial space demand by category is shown in **Table H** for 2018.

Table H. Summary of Providence County 2018 Space Demand

Category	Total 2018 Space Demand	
	Low	High
Manufacturing	0	161,632
Wholesale trade	3,303	848,338
Retail trade	0	1,544,606
Transportation and warehousing	117,473	3,440,250
Information	0	408,995
Finance and insurance	414,103	415,445
Real estate	30,352	1,013,860
Professional and technical services	1,247,607	2,244,771
Management of companies	203,504	446,015
Administrative and waste management	260,022	751,704
Educational services	2,975,347	3,932,764
Health care	2,847,268	3,443,362
Arts, entertainment, and recreation	391,804	602,844
Accommodation and food services	1,406,333	2,346,391
Other services	3,399,167	3,869,196
Government	0	116,726
Totals	13,296,283	25,586,897

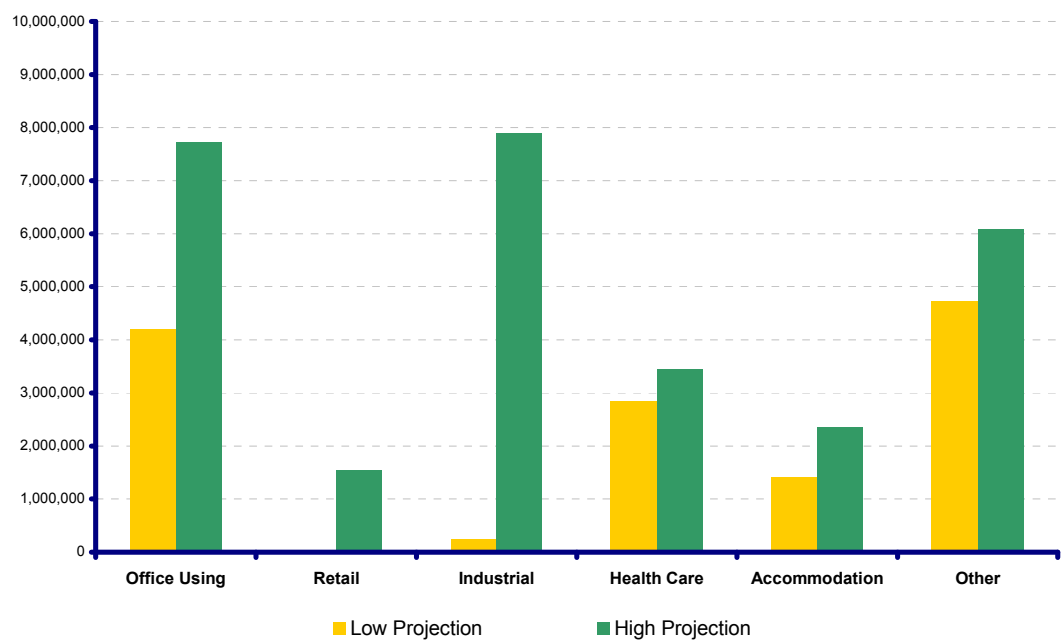
Table I summarizes projected future needs of Providence County for office-using, industrial and other commercial space. The largest component of the “other” category is health care-related industries.

Table I. Total 2018 Space Demand and Annual Demand for 2010-2018

Category	Total Demand	
	<i>Low Projection</i>	<i>High Projection</i>
Office Using	4,195,089	7,719,034
Retail	0	1,544,606
Industrial	238,248	7,890,470
Health Care	2,847,268	3,443,362
Accommodation	1,406,333	2,346,391
Other	4,726,817	6,083,285
Totals	13,413,756	29,027,147

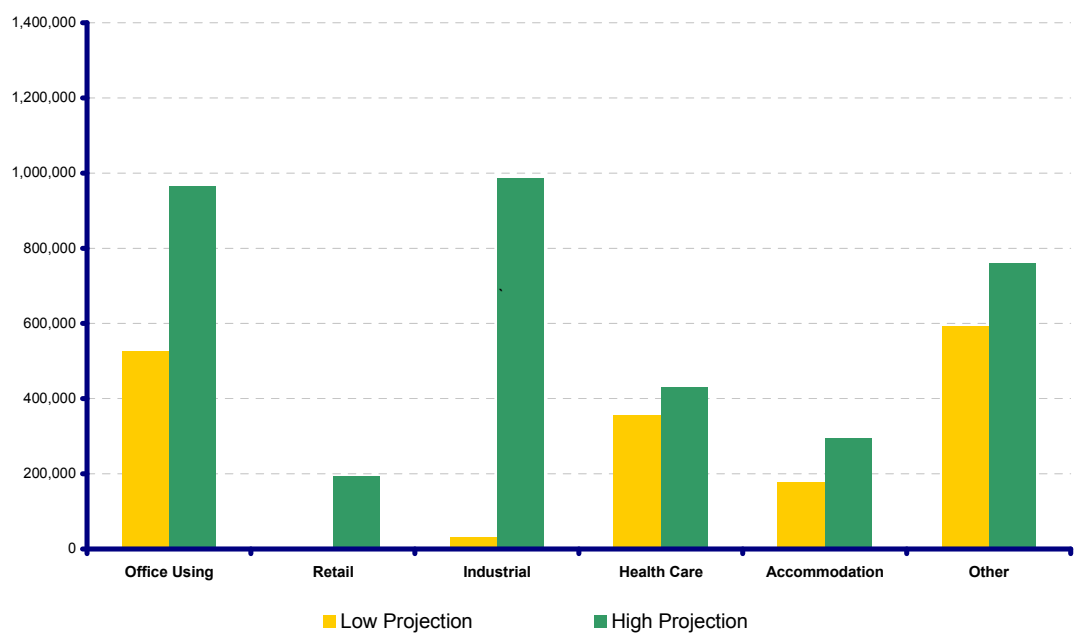
Category	Annual Demand	
	<i>Low Projection</i>	<i>High Projection</i>
Office Using	524,386	964,879
Retail	0	193,076
Industrial	29,781	986,309
Health Care	355,908	430,420
Accommodation	175,792	293,299
Other	590,852	760,411
Totals	1,676,719	3,628,393

Figure 28. Total Space Demand, 2010 - 2018




Source: FXM Space Demand Model, 2011

Figure 29. Annual Space Demand, 2010 - 2018



Source: FXM Space Demand Model, 2011



/// Appendix C ///

Socioeconomic Profile

**City of Pawtucket, Riverfront Corridor & Providence County
Population & Households**

	City of Pawtucket	% of City	Providence County	% of County	Riverfront Corridor	% of City
Population						
2016 Projection	70,385		625,848		1,349	1.9%
2011 Estimate	71,635		627,989		1,342	1.9%
2000 Census	73,161		621,602		1,304	1.8%
Growth 2011-2016	-1.74%		-0.34%		0.52%	
Growth 2000-2011	-2.09%		1.03%		2.91%	
2011 Average Age	38.1		38.3		40.9	
Households						
2016 Projection	28,884		240,167		581	2.0%
2011 Estimate	29,295		240,422		573	2.0%
2000 Census	30,129		239,936		549	1.8%
Growth 2011-2016	-1.40%		-0.11%		1.40%	
Growth 2000-2011	-2.77%		0.20%		4.37%	
2011 Average Household Size	2.4		2.5		2.1	
2011 Estimated Household Income	29,295		240,422		573	2.0%
Income Less than \$15,000	5,965	20.4%	40,780	17.0%	195	3.3%
Income \$15,000 - \$24,999	4,017	13.7%	28,902	12.0%	60	1.5%
Income \$25,000 - \$34,999	3,455	11.8%	25,591	10.6%	82	2.4%
Income \$35,000 - \$49,999	4,756	16.2%	34,822	14.5%	87	1.8%
Income \$50,000 - \$74,999	5,516	18.8%	44,606	18.6%	98	1.8%
Income \$75,000 - \$99,999	2,695	9.2%	27,476	11.4%	31	1.2%
Income \$100,000 - \$124,999	1,543	5.3%	17,058	7.1%	9	0.6%
Income \$125,000 - \$149,999	610	2.1%	8,487	3.5%	2	0.3%
Income \$150,000 - \$199,999	337	1.2%	6,417	2.7%	1	0.3%
Income \$200,000 - \$499,999	340	1.2%	5,176	2.2%	7	2.1%
Income \$500,000 and more	61	0.2%	1,107	0.5%	1	1.6%
Household Income Less Than \$25,000	9,982	34.1%	69,682	29.0%	255	2.6%
Household Income More Than \$150,00	738	2.5%	12,700	5.3%	9	1.2%
2011 Average Household Income	\$49,780		\$60,898		\$37,212	74.8%
2011 Median Household Income	\$38,818		\$45,742		\$28,775	74.1%
2011 Per Capita Income	\$20,490		\$23,676		\$16,584	80.9%
Family Households						
2016 Projection	17,699	61.3%	153,096	63.7%	290	1.6%
2011 Estimate	17,940	61.2%	152,982	63.6%	287	1.6%
2000 Census	18,565	61.6%	152,823	63.7%	282	1.5%
Growth 2011-2016	-1.34%		0.07%		1.05%	
2011 Families by Poverty Status						
2011 Families Below Poverty	2,601	14.5%	17,508	11.4%	51	2.0%

Source: A.C. Nielsen *SiteReports* 2011 and FXM Associates (June 2012)

**City of Pawtucket, Riverfront Corridor & Providence County
Housing & Occupancy**

	City of Pawtucket	% of City	Providence County	% of County	Riverfront Corridor	% of City
2011 Estimated Tenure of Occupied Housing Units	29,295	93.9%	240,422	94.2%	573	2.0%
Owner Occupied	13,853	47.3%	135,665	56.4%	168	1.2%
Renter Occupied	15,442	52.7%	104,757	43.6%	405	2.6%
2011 Owner Occ. upants: Average Length of Residence	17		18		8	
2011 Renter Occ. upnts: Average Length of Residence	8		8		7	
2011 Estimated Owner- Occupied Housing Values	13,853		135,665		168	1.2%
Value Less than \$20,000	51	0.4%	237	0.2%	0	0.0%
Value \$20,000 - \$39,999	138	1.0%	522	0.4%	0	0.0%
Value \$40,000 - \$59,999	67	0.5%	483	0.4%	0	0.0%
Value \$60,000 - \$79,999	149	1.1%	729	0.5%	1	0.7%
Value \$80,000 - \$99,999	129	0.9%	992	0.7%	1	0.8%
Value \$100,000 - \$149,999	1,692	12.2%	11,076	8.2%	48	2.8%
Value \$150,000 - \$199,999	5,535	40.0%	36,582	27.0%	47	0.8%
Value \$200,000 - \$299,999	5,272	38.1%	55,657	41.0%	42	0.8%
Value \$300,000 - \$399,999	601	4.3%	16,335	12.0%	26	4.3%
Value \$400,000 - \$499,999	101	0.7%	6,298	4.6%	4	0.0%
Value \$500,000 - \$749,999	87	0.6%	4,831	3.6%	0	0.0%
Value \$750,000 - \$999,999	10	0.1%	1,084	0.8%	0	0.0%
Value \$1,000,000 or more	21	0.2%	839	0.6%	0	0.0%
2011 Median Owner-Occupied Housing Value	\$192,462		\$230,924		\$186,590	96.9%
2011 Housing Units by Number of Units in Structure	31,212		255,125		630	2.0%
1 Unit Attached	559	1.8%	8,362	3.3%	7	1.3%
1 Unit Detached	10,081	32.3%	115,204	45.2%	61	0.6%
2 Units	5,445	17.4%	36,075	2.5%	76	1.4%
3 or 4 Units	8,184	26.2%	45,971	18.0%	177	2.2%
5 to 19 Units	4,187	13.4%	26,294	10.3%	146	3.5%
20 to 49 Units	743	2.4%	6,727	2.6%	28	3.8%
50 or More Units	1,590	5.1%	15,193	6.0%	135	8.5%
Mobile Home or Trailer	409	1.3%	1,223	0.5%	0	0.0%
Boat, RV, Van, etc.	14	0.0%	76	0.0%	1	7.1%
2011 Housing Units by Year Structure Built	31,212		255,125		630	2.0%
Housing Built 2000 or later	681	2.2%	12,074	4.7%	33	4.8%
Housing Built 1990 to 1999	684	2.2%	15,177	5.9%	17	2.5%
Housing Built 1980 to 1989	2,164	6.9%	24,390	9.6%	39	1.8%
Housing Built 1970 to 1979	2,598	8.3%	29,272	11.5%	31	1.2%
Housing Built 1960 to 1969	2,883	9.2%	28,721	11.3%	51	1.8%
Housing Built 1950 to 1959	4,787	15.3%	33,987	13.3%	32	0.7%
Housing Built 1940 to 1949	3,941	12.6%	23,932	9.4%	43	1.1%
Housing Built 1939 or Earlier	13,474	43.2%	87,572	34.3%	384	2.8%
2011 Estimated Households by Number of Vehicles	29,295		240,422		573	2.0%
No Vehicles	3,848	13.1%	26,992	11.2%	127	3.3%
1 Vehicle	13,000	44.4%	94,508	39.3%	235	1.8%
2 Vehicles	8,985	30.7%	82,069	34.1%	148	1.6%
3 Vehicles	2,479	8.5%	26,186	10.9%	36	1.5%
4 Vehicles	697	2.4%	7,649	3.2%	15	2.2%
5 or more Vehicles	286	1.0%	3,018	1.3%	13	8.5%
2011 Household Average Number of Vehicles	1.5		1.6		1.4	

 Sourer: A.C. Nielsen *SiteReports* 2011 and FXM Associates (June 2012)

**City of Pawtucket, Riverfront Corridor & Providence County
Businesses, Employment & Sales**

CITY OF PAWRUCKET

Industry Sector Summary	Number of Businesses	% of City	Number of Jobs	% of City	Annual Sales (Million \$)	% of City
All Industries	2,171		30,192		\$3,203.9	
All Manufacturing (SIC 20-39)	192	8.8%	7,181	23.8%	\$567.1	17.7%
All Retailing (SIC 52-59)	454	20.9%	3,545	11.7%	\$387.0	12.1%
All Service (SIC 70-89)	1,011	46.6%	13,598	45.0%	\$1,356.4	42.3%
Public Administration (SIC 90-97)	22	1.0%	544	1.8%	\$0.0	0.0%

PROVIDENCE COUNTY

Industry Sector Summary	Number of Businesses	% of County	Number of Jobs	% of County	Annual Sales (Million \$)	% of County
All Industries	23,765		349,212		\$36,539.9	
All Manufacturing (SIC 20-39)	1,505	6.3%	36,690	10.5%	\$3,074.4	8.4%
All Retailing (SIC 52-59)	4,778	20.1%	59,329	17.0%	\$6,173.5	16.9%
All Service (SIC 70-89)	10,816	45.5%	166,073	47.6%	\$15,495.3	42.4%
Public Administration (SIC 90-97)	643	2.7%	19,093	5.5%	\$0.0	0

Riverfront Corridor

Industry Sector Summary	Number of Businesses	% of City	Number of Jobs	% of City	Annual Sales (Million \$)	% of City
All Industries	186	8.6%	3,354	11.1%	\$378.8	11.8%
All Manufacturing (SIC 20-39)	17	8.9%	202	2.8%	\$22.3	3.9%
All Retailing (SIC 52-59)	17	3.7%	129	3.6%	\$10.1	2.6%
All Service (SIC 70-89)	109	10.8%	1,655	12.2%	\$159.7	11.8%
Public Administration (SIC 90-97)	10	45.5%	465	85.5%	\$0.0	0.0%

Source: A.C. Nielsen *SiteReports* 2011 and FXM Associates (June 2012)

**City of Pawtucket, Riverfront Corridor & Providence County
Education & Occupation**

	City of Pawtucket	% of City	Providence County	% of County	Riverfront Corridor	% of City
2011 Estimated Population. Age 25+ by Education Attainment	48,782		420,882		943	
Less than 9th grade	6,096	12.5%	41,121	9.8%	109	1.8%
Some High School, no diploma	6,534	13.4%	45,392	10.8%	192	2.9%
High School Graduate (or GED)	15,807	32.4%	123,757	29.4%	289	1.8%
Some College, no degree	8,143	16.7%	73,571	17.5%	125	1.5%
Associate Degree	3,732	7.7%	30,929	7.3%	57	1.5%
Bachelor's Degree	5,291	10.8%	65,896	15.7%	90	1.7%
Master's Degree	2,181	4.5%	27,473	6.5%	64	2.9%
Professional School Degree	656	1.3%	7,557	1.8%	9	1.4%
Doctorate Degree	342	0.7%	5,186	1.2%	9	2.6%
High School & Above	36,152	74.1%	334,369	79.4%	643	1.8%
Bachelor Degree & Above	8,470	17.4%	106,112	25.2%	172	2.0%
2011 Population Age 16+ by Employment Status	56,593		504,188		1,048	
In Armed Forces	79	0.1%	492	0.1%	1	1.3%
Civilian - Employed	33,836	59.8%	301,475	59.8%	587	1.7%
Civilian - Unemployed	4,021	7.1%	31,145	6.2%	94	2.3%
Not in Labor Force	18,657	33.0%	171,076	33.9%	366	2.0%
2011 Civilian Employed 16+ by Occupation	33,126		294,061		575	
Architect/Engineer	343	1.0%	3,964	1.3%	0	0.0%
Arts/Entertain/Sports	484	1.5%	5,986	2.0%	17	3.5%
Building Grounds Maint	1,647	5.0%	11,345	3.9%	12	0.7%
Business/Financial Ops	1,024	3.1%	11,479	3.9%	6	0.6%
Community/Soc Svcs	695	2.1%	6,056	2.1%	10	1.4%
Computer/Mathematical	469	1.4%	5,928	2.0%	9	-1.9%
Construction/Extraction	1,580	4.8%	13,417	4.6%	34	2.2%
Edu/Training/Library	1,527	4.6%	18,767	6.4%	9	0.6%
Farm/Fish/Forestry	47	0.1%	387	0.1%	1	2.1%
Food Prep/Serving	2,123	6.4%	18,542	6.3%	17	0.8%
Health Practitioner/Tec	1,492	4.5%	15,781	5.4%	15	1.0%
Healthcare Support	1,124	3.4%	10,034	3.4%	19	1.7%
Maintenance Repair	1,069	3.2%	7,761	2.6%	6	0.6%
Legal	249	0.8%	2,737	0.9%	0	0.0%
Life/Phys/Soc Science	385	1.2%	3,733	1.3%	1	0.3%
Management	2,000	6.0%	24,400	8.3%	49	2.5%
Office/Admin Support	5,396	16.3%	44,138	15.0%	129	2.4%
Production	4,406	13.3%	24,291	8.3%	120	2.7%
Protective Svcs	534	1.6%	6,299	2.1%	10	1.9%
Sales/Related	3,386	10.2%	30,575	10.4%	64	0.3%
Personal Care/Svc	922	2.8%	11,334	3.9%	18	2.0%
Transportation/Moving	2,224	6.7%	17,107	5.8%	29	6.0%
2011 Population 16+ by Occupation Classification	33,126		294,061		575	
Blue Collar	9,279	28.0%	62,576	21.3%	189	2.0%
White Collar	17,450	52.7%	173,544	59.0%	309	1.8%
Service and Farm	6,397	19.3%	57,941	19.7%	77	1.2%
2011 Workers Age 16+ Transportation to Work	32,175		285,493		574	
Drove Alone	24,799	77.1%	223,533	78.3%	420	1.7%
Car Pooled	3,839	11.9%	27,753	9.7%	90	2.3%
Public Transportation	1,356	4.2%	10,618	3.7%	19	1.4%
Walked	950	3.0%	10,557	3.7%	20	2.1%
Bicycle	148	0.5%	1,112	0.4%	7	4.7%
Other Means	372	1.2%	2,904	1.0%	2	0.5%
Worked at Home	711	2.2%	9,016	3.2%	16	2.3%
2011 Average Travel Time to Work in Minutes	25		25		25.36	

Sourer: A.C. Nielsen *SiteReports* 2011 and FXM Associates (June 2012)