

The following is a summary of impressions regarding redevelopment outlooks for downtown Pascoag. Research and analysis of market conditions has been focused on the identification of market niches that could be tapped as potential opportunities for future redevelopment. Key ideas about the type and character of those niches are outlined below.

Demographic Trends and Profiles

Development prospects for downtown Pascoag are driven by underlying local and regional demographic and economic factors. The following presents a current overview of this general economic context.

Population and Household Growth

After declining in the 1990s, Pascoag's population has increased from approximately 4,700 in 2000 to nearly 4,900 in 2004. Burrillville has followed a similar pattern. Following a decline in the 1990s, the town population has grown from 15,800 in 2000 to 16,700 in 2004.

While Pascoag's growth has lagged behind growth rates for Providence County and the State of Rhode Island, Burrillville's recent compounded annual growth rate of 1.3 percent exceeds corresponding growth rates for the County and State. These relationships are expected to continue over the next 10 years.

Table 4 – Population Trends and Projections for Selected Areas, 1990 – 2009

	Actual <u>1990</u>	Actual <u>2000</u>	Estimated <u>2004</u>	Projected <u>2009</u>	Projected <u>2014</u>
Pascoag	5,035	4,742	4,895	5,086	5,275
compounded annual growth rate		-0.6%	0.8%	0.8%	0.7%
Burrillville	16,230	15,796	16,659	17,710	18,769
compounded annual growth rate		-0.3%	1.3%	1.2%	1.2%
Providence County	596,269	621,602	645,010	672,848	701,104
compounded annual growth rate		0.4%	0.9%	0.8%	0.8%
Rhode Island	1,003,463	1,048,319	1,084,664	1,127,164	1,170,618
compounded annual growth rate		0.4%	0.9%	0.8%	0.8%

Source: Geovue, Inc.

As shown below, household growth patterns resemble population growth patterns: recent declines in the 1990s have been reversed in Pascoag and Burrillville, and Burrillville's growth is expected to outpace growth in Pascoag, Providence County and the State of Rhode Island.

Table 5 – Household Trends and Projections for Selected Areas, 1990 – 2009

	Actual 1990	Actual 2000	Estimated 2004	Projected 2009	Projected 2014
Pascoag compounded annual growth rate	1,724	1,668 -0.3%	1,739 1.0%	1,825 1.0%	1,910 0.9%
Burrillville compounded annual growth rate	5,313	5,559 0.5%	5,917 1.6%	6,351 1.4%	6,787 1.3%
Providence County compounded annual growth rate	226,361	239,936 0.6%	251,477 1.2%	265,055 1.1%	278,782 1.0%
Rhode Island compounded annual growth rate	377,977	408,424 0.8%	429,549 1.3%	454,402 1.1%	479,567 1.1%

Source: Geovue, Inc.

Age and Income Characteristics

The 25-to-44-year-old age brackets comprise the largest segments among Burrillville households. As shown below, these cohorts currently account for more than half of all households; over the next five years, however, the 55-to-64 cohort will achieve the highest growth. The 45-to-54 and 55-to-64 age cohorts collectively comprise the empty-nester niche; while anecdotes indicate that households with children have driven much of the recent demand for homes, the empty nester niches will comprise an increasing portion of the market.

Table 6 – Burrillville Households by Age of Householder: 2004-2009

Householder	2004		2009		Change	
Age	#	%	#	%	#	Average Annual
15-24	137	2.3%	151	2.4%	14	2.0%
25-34	795	13.4%	812	12.8%	17	0.4%
35-44	1,669	28.2%	1,696	26.7%	27	0.3%
45-54	1,539	26.0%	1,671	26.3%	132	1.7%
55-64	819	13.8%	977	15.4%	158	3.6%
65-74	479	8.1%	533	8.4%	54	2.2%
75+	477	8.1%	522	8.2%	45	1.8%
Total	5,915	100.0%	6,362	100.0%	447	1.5%

Source: Claritas, Inc.

As the local population ages, Burrillville is expected to grow in affluence. Burrillville's median income of \$56,768 exceeds the statewide median income of \$45,606 by 24 percent. Within the Town the largest income groups are households earning between \$50,000 to \$74,999 (25.4 percent) and \$25,000 to \$49,999 (23.2%).

However, by 2009 higher income households will comprise the greatest share of Burrillville's population. Overall, households earning less than \$75,000 will have decreased by 301 units and households earning \$75,000 or more will have increased by 748 units. Over the next five years the town's households with incomes of \$100,000 or more are expected to increase at a compounded rate of 9.4 percent annually, and this cohort will be the town's largest, accounting for 26.6 percent of all households.

Table 7 – Burrillville Households by Household Income: 2004-2009

Annual Income	2004		2009		Change	
	#	%	#	%	#	Average Annual
Less than \$24,999	955	16.1%	851	13.4%	(104)	-2.3%
\$25,000-\$49,999	1,373	23.2%	1,263	19.9%	(110)	-1.7%
\$50,000 - \$74,999	1,502	25.4%	1,415	22.2%	(87)	-1.2%
\$75,000 - \$99,999	1,002	16.9%	1,138	17.9%	136	2.6%
<u>\$100,000 +</u>	<u>1,083</u>	<u>18.3%</u>	<u>1,695</u>	<u>26.6%</u>	<u>612</u>	<u>9.4%</u>
Total	5,915	100.0%	6,362	100.0%	447	1.5%

Source: Claritas, Inc.

Combining age and income characteristics, *Table 8* shows that Burrillville's growth will be concentrated in high-income households, with the 35-54 age groups accounting for the largest shares.

Table 8 – Age- and Income Growth Sectors among Burrillville Households

Household Age	Annual Income	2004		2009		Change	
		#	%	#	%	#	Average Annual
25-34	Less than \$24,999	67	1.1%	52	0.8%	(15)	-4.9%
	\$25,000-\$49,999	170	2.9%	136	2.1%	(34)	-4.4%
	\$50,000 - \$74,999	287	4.9%	232	3.6%	(55)	-4.2%
	\$75,000 - \$99,999	168	2.8%	198	3.1%	30	3.3%
	<u>\$100,000 +</u>	<u>103</u>	<u>1.7%</u>	<u>194</u>	<u>3.0%</u>	<u>91</u>	<u>13.5%</u>
	Subtotal	795	13.4%	812	12.8%	66	0.4%
35-44	Less than \$24,999	129	2.2%	108	1.7%	(21)	-3.5%
	\$25,000-\$49,999	400	6.8%	263	4.1%	(137)	-8.0%
	\$50,000 - \$74,999	501	8.5%	504	7.9%	3	0.1%
	\$75,000 - \$99,999	333	5.6%	343	5.4%	10	0.6%
	<u>\$100,000 +</u>	<u>306</u>	<u>5.2%</u>	<u>478</u>	<u>7.5%</u>	<u>172</u>	<u>9.3%</u>
	Subtotal	1,669	28.2%	1,696	26.7%	185	0.3%
45-54	Less than \$24,999	114	1.9%	100	1.6%	(14)	-2.6%
	\$25,000-\$49,999	284	4.8%	272	4.3%	(12)	-0.9%
	\$50,000 - \$74,999	381	6.4%	303	4.8%	(78)	-4.5%
	\$75,000 - \$99,999	329	5.6%	356	5.6%	27	1.6%
	<u>\$100,000 +</u>	<u>431</u>	<u>7.3%</u>	<u>640</u>	<u>10.1%</u>	<u>209</u>	<u>8.2%</u>
	Subtotal	1,539	26.0%	1,671	26.3%	158	1.7%
55-64	Less than \$24,999	153	2.6%	149	2.3%	(4)	-0.5%
	\$25,000-\$49,999	173	2.9%	199	3.1%	26	2.8%
	\$50,000 - \$74,999	183	3.1%	175	2.8%	(8)	-0.9%
	\$75,000 - \$99,999	135	2.3%	163	2.6%	28	3.8%
	<u>\$100,000 +</u>	<u>175</u>	<u>3.0%</u>	<u>291</u>	<u>4.6%</u>	<u>116</u>	<u>10.7%</u>
	Subtotal	819	13.8%	977	15.4%	136	3.6%

Socio-Economic Profiles

The following describes general socio-economic profiles in Pascoag and Burrillville, as compared with surrounding communities. Demographic data provided by AGS – shown in *Table 9* – generally portray Burrillville as a blue collar community of modest but substantial means, slightly more affluent than the Connecticut communities to its west, but less affluent than the communities to the north (in Massachusetts), east and south.

- Pascoag and Burrillville maintain median household incomes of roughly \$53,000 and \$57,000, respectively. These exceed median incomes in the Connecticut communities to the west, as well as in the overall state of Rhode Island, but fall below those of neighboring Rhode Island and Massachusetts communities.
- Among persons age 25 or older, Pascoag and Burrillville show relatively low levels of education, as reflected in the percentage of persons holding bachelors' degrees or higher levels of attainment.
- Pascoag and Burrillville contain higher percentages of households with children than almost every other surrounding community, with the exception of the Massachusetts towns and Glocester, Rhode Island. This is consistent with anecdotal information indicating that families with children comprise increasing numbers of the local population.
- The Town of Burrillville's projected household growth exceeds that of the State of Rhode Island, while falling in the middle range among the surveyed municipalities.

Table 9 – Socioeconomic Indicators for Selected Areas

	Median Household <u>Income</u>	Bachelors Degree or <u>Higher</u>	HH's With <u>Children</u>	Annual HH Growth <u>'04-'09</u>
Pascoag	\$52,981	13.9%	40.1%	0.97%
Burrillville	\$56,768	16.2%	38.7%	1.43%
<i>to the east:</i>				
Smithfield, RI	\$60,488	29.3%	30.8%	1.03%
North Smithfield, RI	\$61,681	26.1%	32.6%	1.53%
<i>to the south:</i>				
Glocester, RI	\$62,211	27.3%	39.9%	1.66%
<i>to the west:</i>				
Thompson, CT	\$49,002	17.2%	34.4%	1.30%
Putnam, CT	\$46,760	16.9%	30.8%	0.93%
<i>to the north:</i>				
Douglas, MA	\$65,089	24.3%	44.5%	3.13%
Uxbridge, MA	\$64,394	26.6%	42.2%	1.44%
Rhode Island	\$45,606	25.7%	32.2%	1.13%
<i>Source: Geovue, Inc.</i>				

Lifestyle Segmentation Profiles

As a supplement to the statistical characteristics shown in the preceding table, the following paragraphs identify and describe the four largest groups as revealed in a “lifestyle segmentation” profile based on a “PRIZM Distribution Report” furnished by Claritas, Inc. PRIZM reports provide qualitative community profiles as a tool for businesses targeting communities for commercial product marketing. As such, they present generalized profiles and stereotypical labels to describe the dominant backgrounds and tendencies of the geographically defined areas:

Table 10 – Burrillville Lifestyle Market Segments – Key Characteristics

	<u>Consumer Group</u>	<u>% of Households</u>		<u>Household Characteristics</u>	<u>2004 Med Income</u>	<u>General Market Profile</u>
		Burrillville	U.S.			
1	Country Casuals	18.1%	1.4%	Married Couples /Early Empty Nesters /Dual Income	\$66,892	Middle-aged homeowners, empty nesters
2	Mayberryville	16.8%	2.2%	Married Couples/Early Empty Nesters	\$50,350	Homeowners, Hunt & Fish, Pick-Up Truck Owners
3	Traditional Times	10.8%	2.7%	Empty Nesters (60-84 Year Olds)	\$51,578	retirement, empty nesters, travelers (via campers)
4	New Homesteaders	9.0%	2.0%	Families w/ children/Dual Income	\$53,627	Homeowners, Child-Centered

Source: Claritas, Inc.

“Country Casuals” represent Burrillville’s largest lifestyle segment – accounting for 18.1 percent of total households. This group is characterized by dual-income households. Roughly 35 percent of households in this category maintain annual incomes between \$50,000 and \$99,999, and 23 percent receive more than \$100,000. Occupations in this group are concentrated most heavily in sales, administrative support, construction and production/manufacturing positions.

“Mayberryville” represent Burrillville’s second-largest (16.8 percent) segment. Favored activities among this group include outdoor pursuits such as fishing, hunting, boating (typically motorized) and camping. Similar in most regards to “Country Casuals,” this group maintains a slightly older and slightly lower income profile, with typical incomes ranging from \$35,000 to \$99,999 per year.

“Traditional Times,” comprise 10.8 percent of Burrillville’s households. This category is also similar to the “Country Casuals,” but is more heavily concentrated among retirees and empty nesters.

“New Homesteaders,” comprise 9 percent of the Town’s households; over half of these are concentrated in the Village of Pascoag. Like the above groups, this group features primarily dual-income families seeking the semi-rural environment of the suburban fringe. Compared with the above groups, households in this segment are concentrated in a younger 25-to-44 age bracket; nearly half include children. Occupations are concentrated most heavily in construction, production/manufacturing/transportation, and administrative support positions.

Economic Base

The four largest employment sectors in Burrillville, accounting for 68.1 percent of all jobs, include:

- Government (19.3 percent);
- Manufacturing (18.1 percent);
- Healthcare (16.6 percent); and,
- Accommodation and Food Services (14.9 percent)

This presents a sharp contrast relative to employment patterns in Providence County and the State of Rhode Island, which feature lower employment concentrations in manufacturing and government, with higher concentrations in retail and service-oriented jobs.

Table 11 – Employment by Industry

	Town of Burrillville		Providence County		State of Rhode Island	
	#	%	#	%	#	%
Agriculture/Forestry/Fishing	n/a	n/a	141	0.1%	956	0.2%
Mining	n/a	n/a	n/a	n/a	198	0.0%
Construction	234	8.1%	12,464	4.5%	22,360	4.7%
Manufacturing	524	18.1%	33,118	11.8%	56,447	11.8%
Wholesale Trade	53	1.8%	9,314	3.3%	16,436	3.4%
Retail Trade	167	5.8%	26,616	9.5%	52,709	11.0%
Transportation/Warehousing/Utilities	67	2.3%	4,863	1.7%	10,112	2.1%
Information	21	0.7%	7,315	2.6%	10,699	2.2%
FIRE	57	2.0%	21,123	7.5%	32,317	6.8%
Professional and Business Services	79	2.7%	33,934	12.1%	54,607	11.4%
Educational Services	n/a	n/a	12,142	4.3%	16,137	3.4%
Healthcare and Social Assistance	481	16.6%	48,518	17.3%	71,521	15.0%
Arts, Entertainment, & Recreation	102	3.5%	3,902	1.4%	9,003	1.9%
Accommodation & Food Services	433	14.9%	21,079	7.5%	45,887	9.6%
Other services	125	4.3%	11,022	3.9%	18,558	3.9%
Unclassified Establishments	n/a	n/a	57	0.0%	767	0.2%
Government	<u>560</u>	<u>19.3%</u>	<u>34,463</u>	<u>12.3%</u>	<u>58,642</u>	<u>12.3%</u>
Total	2,903	100.0%	280,071	100.0%	477,356	100.0%

Source: Rhode Island Department of Labor

While the Burrillville market does not offer sufficient volume to attract new service-providing businesses, ongoing local household growth – in Burrillville as well as in nearby towns – can eventually attract new service-providers.

Market Conditions and Development Influences

In downtown Pascoag, existing uses include a broad range of commercial businesses, residential homes, health care providers and civic uses (e.g., park, post office). This section discusses key conditions and factors that will shape business and development opportunities in the district.

Location Factors

Downtown Pascoag's location presents the following challenges for business development:

- *Vehicular Access*: Retail businesses seek access to major traffic flows. Among the primary roads serving downtown Pascoag, the highest average daily traffic (ADT) amounts to 9,200 vehicles on Pascoag Main Street to the east of its intersection with Sayles Avenue. In comparison, traffic counts on Route 102 show ADTs of 13,300 at its intersection with Route 107, and 14,900 in Chepachet. Traffic counts are substantially higher near major highways such as route 146 and interstate highway 295.
- *Market Scale and Critical Mass*: Small communities such as Burrillville and its surrounding communities do not generate volumes of demand sufficient to attract most franchise retailers. In such situations, retail centers can expand the reach and volume of their trade areas if they can offer a critical mass of destinations. Pascoag does not presently offer this type of critical mass, which is located in Greenville and to a lesser extent in Putnam.

Commercial Market Issues

Retailers generally seek locations in markets that exhibit growth, an existing lack of adequate service, and/or opportunity to penetrate broader markets. In assessing Pascoag's ability to offer such opportunities, the following present key qualitative and quantitative findings.

Commercial net lease rates in and around the project area range from approximately \$8 to \$12 per square foot for well-maintained properties, and this is roughly comparable with lease rates at nearby shopping centers such as the Bronco Crossing Shopping Center located on Route 102.

While Pascoag's various business proprietors serve varying trade areas, the local, regional, and visitor tiers fit the following general definitions:

- Local businesses such as small restaurants, drug stores, and fitness facilities serve a primarily local market comprising (approximately) the Town of Burrillville.
- Businesses providing goods and services such as groceries, health care, and social services can in some cases penetrate a region extending throughout northwestern Rhode Island as well as parts of Massachusetts and Connecticut, extending roughly ten to fifteen miles from Pascoag.

- The area's recreational features and amenities draw visitors, who provide additional support to local businesses. Most visitors come from within a general area encompassing Providence, all of northern Rhode Island, and extending well into eastern Connecticut and Massachusetts (as far as Worcester).

In serving these markets, competition is limited in Pascoag's local market, but formidable in its more far-reaching regional market.

In the local market – extending throughout and beyond Burrillville -- very little competition exists. Moreover, significant barriers to new competition render it likely that Pascoag will maintain the dominant market position. These include:

- Infrastructure: The Village of Chepachet in Glocester commands a strategic location at the intersection of Routes 102 and 44. The Town of Glocester, however, lacks water and sewer services, and the Glocester planning department reports no plans – or ability -- to install such infrastructure. Absent such service, Chepachet is unlikely to attract substantial new development.
- Zoning: while Route 102 carries heavier traffic than any of the roads through Pascoag, local zoning ordinances seek to limit or preclude commercial development on this route and direct such development to Burrillville's village centers.
- Amenities: In seeking to capitalize on local growth opportunities, downtown Pascoag's potential is enhanced by its waterfront park amenity and the availability of public parking. The area can gain further advantages through other recreational and aesthetic amenities (e.g., parks, public events, exhibits, festivals), as well as through an increased concentration of commercial service providers (e.g., health care, financial services, grocery store, restaurants).

In the regional market, Pascoag faces superior retail competition from major retail centers. Foremost among these are the centers located in Greenville, at the junction of Route 44 and I-295. On the west, big box retailers and anchor uses located near I-91 offer additional competition for large-scale retailers.

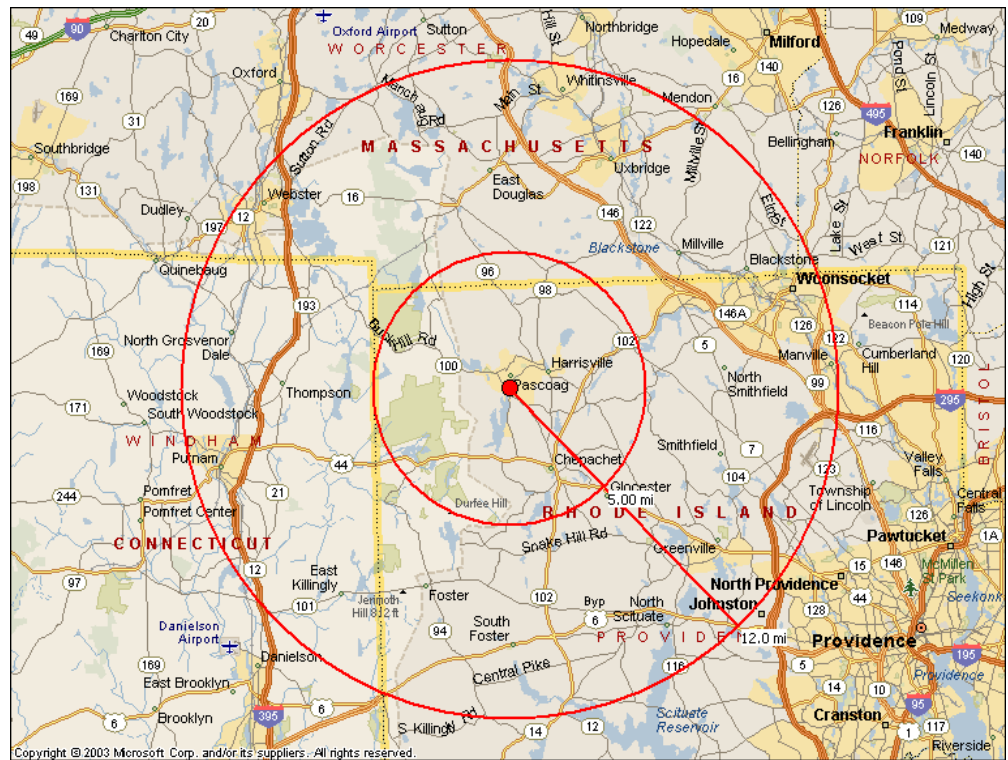
Overall, downtown Pascoag's competitive position is strong in relation to its local market, but weak in regard to broader regional markets.

Demand

The following tables present an “inflow/outflow” analysis that identifies market capacities and potential opportunities for Pascoag's local and regional markets.

These market areas are defined as: (1) a five-mile radius around Pascoag Village which contains most of Burrillville and parts of Glocester and southern Massachusetts; and (2) a twelve-mile radius, which encompasses major retail concentrations in Greenville, Smithfield, and Putnam, Connecticut.

Figure 4 – Five- and Twelve-Mile Radii Around Downtown Pascoag



The inflow/outflow analysis measures local residents' retail spending versus the sales captured by local retail stores. Where the former (local spending) exceeds the latter (sales at local stores), this indicates that local residents spend more of their money outside the market area than the area's stores draw from non-local households; i.e., there is a net *outflow* of retail spending. Conversely, where local spending falls below local sales, this indicates that the area attracts a net *inflow* of spending from outside the local market.

As shown in *Table 12*, the smaller 5-mile area sustains a substantial net outflow, with a market capture rate of 60 percent. In contrast, the 12-mile radius achieves a net inflow, capturing 149 percent of its residents' retail expenditures. This indicates that the area within the 5-mile radius around Pascoag Village is underserved: local residents must travel into other areas to meet their retail needs and preferences. Retail centers such as those in Greenville and Putnam currently serve these needs, as reflected in the spending inflow captured within the 12-mile radius.

This pattern is not uncommon for small rural communities, and does not in and of itself suggest an opportunity or lack thereof. More detailed breakdowns – presented in the following tables – help provide a better understanding of retail patterns.

Table 12 - Total Non-Auto Retail Spending vs. Retail Sales (\$ millions)

	<u>5-Mi. Radius</u>	<u>12-Mi. Radius</u>
Local Resident Retail Spending	\$124.3	\$1,144.0
Local Retail Sales	\$74.2	\$1,707.9
Market Capture	59.7%	149.3%
<i>Source: Claritas, Inc.; Geovue, Inc.; Bonz and Company, Inc.</i>		

Table 13 shows market capture rates for selected retail business categories. Not surprisingly, in most categories, the smaller 5-mile radius area sustains net outflows, while the 12-mile radius area captures net inflows.

Table 13 - Retail Spending vs. Retail Sales for Selected Retail Categories (\$ millions)

	<u>5-Mi. Radius</u>	<u>12-Mi. Radius</u>
Groceries	70.7%	79.3%
General Merchandise	1.6%	60.2%
Home Improvement	43.9%	302.5%
Home Furnishings	35.1%	158.2%
Eating & Drinking	86.8%	155.3%
Miscellaneous	153.8%	445.5%
<i>Source: Claritas, Inc.; Geovue, Inc.; Bonz and Company, Inc.</i>		

Among these various categories, three merit additional comment:

Food and Grocery: The five-mile radius achieves a 70.7 percent capture rate in the food & grocery category, sustaining a net outflow of \$11 million. Since most households buy groceries within convenient distances of home, most market areas should be able to achieve a capture rate approximating 100 percent.

In offering enhanced grocery options, Burrillville faces substantial obstacles. These include the critical mass of retailers in locations such as Putnam and Greenville, which draw households to these locations for grocery shopping trips.

Despite this disadvantage, the volume (\$11 million) of the spending outflow suggests that an opportunity exists for Pascoag: an expanded selection of food and grocery items in downtown Pascoag may create opportunities to capture a larger share of local households' spending.

Table 14 - Food and Grocery Spending vs. Retail Sales (\$ millions)

	<u>5-Mi. Radius</u>	<u>12-Mi. Radius</u>
Local Spending at Food/Grocery Stores	\$37	\$342
Sales at Food/Grocery Stores	\$26.2	\$270.9
Market Capture	70.7%	79.3%
<i>Source: Claritas, Inc.; Geovue, Inc.; Bonz and Company, Inc.</i>		

Eating and Drinking: The area within the five-mile radius achieves a capture rate of 87 percent, with a net spending outflow of roughly \$3 million. At this time, most of Burrillville’s eating and drinking places are independently operated establishments. In downtown Pascoag, these include a number of taverns and at least three pizza parlors; other businesses occupy scattered locations throughout the town.

While the existing capture rate does not signal a dramatically underserved market, other factors indicate that Pascoag Village offers potential for additional businesses. One consideration involves the fact that recently opened establishments (Dunkin’ Donuts, Subway sandwich shop) report strong sales. This indicates that such establishments may be complementary to – rather than competitive with – pre-existing businesses.

In addition, proprietors indicate that they have (1) identified Burrillville as an underserved location; and (2) identified downtown Pascoag as their preferred location in this underserved market. Both of these businesses generally serve tightly-defined (1-3 mile), localized markets.

Several other types of “quick serve” niches targeting similarly local markets. These might involve concepts such as: ice cream, Mexican/southwestern, Asian, Mediterranean, barbecue, and others.

Overall, based on recent trends – and assuming new improvements in the Village -- these and other similar businesses are likely to find attractive opportunities in downtown Pascoag; such opportunities will increase as Burrillville’s household growth continues to furnish additional demand.

Table 15 – Eating and Drinking Spending vs. Retail Sales (\$ millions)

	<u>5-Mi. Radius</u>	<u>12-Mi. Radius</u>
Local Spending at Eating/Drinking Establishments	\$20	\$181
Sales at Eating/Drinking Establishments	\$17.1	\$281.5
Market Capture	86.8%	155.3%
<i>Source: Claritas, Inc.; Geovue, Inc.; Bonz and Company, Inc.</i>		

Miscellaneous: This category encompasses a wide of goods and services. While large-format retailers have gained dominant positions in some of these merchandise lines (e.g., books, sporting goods, office supplies), the local market captures substantial inflows in subcategories such as sporting goods, records/tapes/CDs; this indicates that the local market may be able to support stores selling goods such as books, jewelry, hobbies/toys, and other underserved categories as shown in *Table 16*.

Table 16 – Market Capture Rates for Selected ‘Miscellaneous’ Subcategories for 5-Mile Radius Around Downtown Pascoag

<u>Category</u>	<u>Spending per HH</u>	<u>Total Spending</u>	<u>Sales</u>	<u>Market Capture</u>
Sewing/Craft	\$15	\$115,592	\$100,000	87%
Sporting Goods	\$217	\$1,670,347	\$4,200,000	251%
Book Stores	\$164	\$1,263,657	\$0	0%
Jewelry	\$135	\$1,038,865	\$0	0%
Hobby/Toy/Game	\$106	\$819,848	\$100,000	12%
Florists	\$22	\$171,039	\$100,000	58%
Record/Tape/CD	\$78	\$602,834	\$800,000	133%
Drugs	\$592	\$4,558,838	\$7,700,000	169%
Liquor	\$161	\$1,240,708	\$2,200,000	177%
Gift/souvenir	\$51	\$393,983	\$300,000	76%

Source: Claritas, Inc.; Geovue, Inc.; Bonz and Company, Inc.

Retail Outlook

Overall, downtown Pascoag maintains a strong competitive position in serving the local Burrillville market. Pascoag’s key advantages include an absence of substantial local competition, and a number of amenities unique to the district – which may be enhanced in accordance with the recommendations contained in this planning process.

The market is currently underserved in some niches (e.g., food, eating and drinking, various specialty goods), and anticipated local growth will increase the existing unserved demand.

Businesses likely to seek locations in downtown Pascoag will include independent businesses as well as franchise businesses that target local rather than regional markets.

Independent businesses will most likely seek spaces in older or less competitive properties and locations. Franchise businesses, on the other hand, will more often seek quality spaces (less than 5,000 square feet in most cases with the possible exception of a food/grocery establishment), and will be able to support lease rates for new and other high-quality space.

While Pascoag will not be able to attract large-format retailers or large-scale developers targeting regional markets, the potential for new retail is likely to support the incremental development of redeveloped or new buildings in prime locations in the downtown area.

Office/Professional Services Niche

Over the last ten years, employment in Burrillville has increased at a compounded annual rate of 2.6 percent. While the local economy is concentrated in sectors such as manufacturing and government (see *Table 11* above), gradual but ongoing demographic growth can fuel demand for professional, office-oriented businesses providing legal services, insurance, financial services, health care and other such services.

As shown below, employment growth in services and in the finance/insurance/real estate (“F.I.R.E.”) sectors has outpaced overall employment growth. This may reflect growing demand. Alternatively, it may simply indicate that the local market volume has grown sufficient to support new businesses. As shown in *Table 17*, these service sectors comprise considerably smaller portions of overall employment than in Providence County or the State of Rhode Island.

Table 17 – Burrillville Service Employment Growth, 1994-2004

	1994		2004		Change 1994-2004		% of Employment	
	#	% of empl	#	% of empl	#	Avg. Ann.	County	RI
F.I.R.E.	24	1.1%	57	2.0%	33	9.0%	7.5%	6.8%
Services	593	26.5%	787	27.1%	194	2.9%	35.2%	31.7%
Total	2,240	100.0%	2,903	100.0%	663	2.6%		

Source: Rhode Island Department of Labor; Bonz and Company, Inc.

New professional service providers locating in Burrillville and Pascoag would target household (rather than corporate) clientele, and would not occupy large spaces. Such businesses might include small offices for tax preparers, financial brokers, insurance agencies, real estate brokers, lawyers, health care providers, chiropractors, and other such businesses. To the extent that downtown Pascoag can provide an aesthetically attractive setting with nearby supplies and services (e.g., office supplies, restaurants, post office), over time such businesses may contribute to demand for small-scale commercial space in and around the project area.

Residential Overview

This section addresses the potential for the construction or redevelopment of new market-rate housing in the areas in and around downtown Pascoag.

In general, in recent years the housing market has been strong in Burrillville as well as its surroundings. Median sale prices for single-family homes in Burrillville have increased at a compounded rate of 18 percent per year, from roughly \$125,000 in 2000 to \$250,000 in 2004. In comparison, similar price appreciation has occurred in Glocester; more rapid appreciation has occurred in the more urban communities to the east, with lower appreciation in the communities to the north and west.

Table 18 - Median Sales Prices for Single-Family Homes

	<u>2000</u>	<u>2004</u>	<u>Compounded Annual Growth Rate</u>
Burrillville	\$126,750	\$247,000	18.2%
	\$80,000	\$180,000	22.5%
<i>to the east:</i>			
Smithfield, RI	\$130,000	\$304,900	23.8%
North Smithfield, RI	\$127,000	\$290,000	22.9%
<i>to the south:</i>			
Glocester, RI	\$137,500	\$282,000	19.7%
<i>to the west:</i>			
Thompson, CT	\$112,000	\$195,000	14.9%
Putnam, CT	\$97,500	\$170,000	14.9%
<i>to the north:</i>			
Douglas, MA	\$177,000	\$308,900	14.9%
Uxbridge, MA	\$209,500	\$327,250	11.8%
<i>Source: The Warren Group, Bonz and Company, Inc.</i>			

The volume of sales in Burrillville has also increased dramatically; the Warren Group reports that sales have increased from a range of 20-35 sales per year from 1999 to 2002 to a total of 163 sales in 2004. One local realtor reports that most buyers moving to the community come from the greater Providence area, with additional buyers from nearby Massachusetts communities.

Overall, local demand for market-rate homes will most likely offer new development opportunities. While such opportunities can be served throughout Burrillville, Pascoag's riverfront amenities, its lakefront proximity and its (potentially enhanced) downtown environment provide amenities that can give the overall village an excellent competitive location for single-family residential development.

Attached Residential Development Niches

Burrillville's condominium market offers a limited inventory, with a total of fewer than 200 units. The largest single complex is the Sanwood Estates property, located on Hill Road. Prices at this project currently approximate \$180,000. This represents an increase from a price range of \$80,000 in 2000, reflecting an annual compounded appreciation of 22.5 percent.

At this time, four additional condominium projects – containing a total of more than 100 new units – are proposed for development in the Stillwater Mills area. Three of these, however, will offer subsidized housing to address an affordable housing need. The fourth proposal would provide additional condominium units on the lakefront in the southern portion of the project area. While specific plans for this project have not emerged, it reflects the influence of the lakefront amenity as well as the presence of a market opportunity to support additional residential development in and around the project area.

Notwithstanding recent positive indicators, the local condominium housing market faces two significant constraints:

- The demographic profiles presented earlier show community preferences for rural/suburban lifestyles – typified by ample yards rather than proximity to urban amenities. Households seeking urban amenities can find ample condominium options in communities such as Providence and its more developed suburbs.
- Notwithstanding downtown Pascoag's existing and future amenities, the condominium market represents less than 5 percent of Burrillville's housing market. The market has been untested and of limited depth, and therefore its potential will not appeal to experienced developers, who will target projects of more substantial volume.

Rental Market Conditions: Burrillville's housing stock is predominantly owner-occupied. Renter-occupied units account for only 23 percent of all households, far less than the statewide rate of 40 percent. In both Burrillville and Pascoag most renters (59 and 60 percent, respectively) occupy structures containing between two and four units.

Although Pascoag accounts for only 29 percent of Burrillville's occupied homes, it accounts for approximately 44 percent of the Town's rentals and 89 percent of those in multi-family complexes with 20 or more units.

According to local real estate agents, most renters in Burrillville are either young couples or singles with no children, or elderly persons. Rents generally range from \$550 to \$750 for one- or two-bedroom units.

Table 19 - Selected Rental Housing Statistics - 2000

	Burrillville		Pascoag		Pascoag as a % of Burrillville
	#	%	#	%	
Total Occupied Units	5,559		1,619		29%
Rented Units	1,290	23%	574	35%	44%
<u>Rented Units By Type of Structure:</u>					
Single Family Detached	193	15%	58	10%	30%
Single Family Attached	37	3%	6	1%	16%
Multi Family (2-4 units)	764	59%	344	60%	45%
Multi Family (5-19 units)	172	13%	72	13%	42%
Multi Family (20 or more)	106	8%	94	16%	89%

Source: U.S. Census Bureau.

Given these prevailing leasing conditions, the predominance of single-family homeownership, and the limited scale of the market for market-rate development, most developers would seek more established, more profitable, and larger projects before seeking locations in the Burrillville market. While small-scale projects may be able to attract buyers, market-rate rental housing does not represent an opportunity for substantial new development or redevelopment projects.

Senior Housing Niches: Market-rate senior housing represents another residential development niche. A brief analysis, however, shows a total market of just 131 households age 75 and older that can meet income-eligibility thresholds of at least \$50,000 in annual incomes. Typical markets are able to penetrate 10 to 15 percent of this market; the likely demand for just 13 to 20 units is not likely to attract substantial development proposals.

Notwithstanding its limitations, downtown Pascoag and its immediate surroundings can offer attractive sites for residential development. While major developments (e.g., more than 20 dwelling units) do not offer a strong development opportunity at this time, the market is likely to absorb smaller increments of well conceived new attached (and detached) residential units.

Market Opportunities and Constraints

The following points summarize the key findings from the preceding analyses:

- Retail uses offer the strongest opportunities for new business and new development. This opportunity is shaped by the following factors:
 - Despite its access limitations, downtown Pascoag occupies a central location in a small but growing and underserved market.
 - As a local commercial center the village faces limited competition in the future.
 - Recent interest from franchise businesses reflects its potential to attract additional businesses providing goods and services in convenient proximity to a local market.
- Given the potential for franchise businesses, new retail uses are likely to support – and prefer – new, redeveloped, or high-quality space. Most new businesses would occupy small spaces (fewer than 5,000 square feet in most cases); supportable new commercial development or redevelopment would proceed in relatively small increments of roughly 5,000 to 15,000 square feet.
- In addition to retail space, as growth continues in the Town of Burrillville, professional office-oriented businesses providing financial services, insurance, design-related services, health care and others may also seek space in downtown Pascoag. These would most likely include independent as well as franchise businesses.
- While most franchise businesses are likely to target proven “mainstream” markets, it is important to recognize the limitations of this market analysis: in small-scale settings such as Pascoag, independent, entrepreneurial ventures can find inexpensive space, and – given the small scale of their surroundings -- can draw recognition to the area and exert profound impacts on local physical and economic environments. Such ventures elude the findings of traditional market analyses; rather, they are generated by individuals possessing creativity, unique visions, passion and energy. If possible, planning processes should reserve space for such ventures.
- As commercial development and public improvements are implemented, the village will offer enhanced prospects for residential development. At this time the strongest, most-tested market would involve single-family homes situated close to amenities -- including Pascoag’s waterfront, recreational and retail amenities. As developments proceed, the incremental development of attached as well as detached housing will offer opportunities, and such opportunities may increase as public improvements and new business growth add new enhancements to the village environment.