

Implementation of the redevelopment plan will require the ongoing effort of local and state authorities in the development and coordination of a series of strategies. Participation of local residents, businesses and institutions will also play a fundamental role in achieving the vision for the future of the village. The leading responsibility for timing and coordination of these strategies will largely rest on the BRA and the Town government, represented by its Planning Department.

This section of the plan document reviews ideas that have been expressed during the planning process, and mechanisms available to address four major relevant aspects of implementation: phasing (setting priorities), costs (estimating the costs of recommended improvements), funding (identifying financial sources and programs), and project management (setting directions and coordinating initiatives).

### Phasing

While downtown Pascoag may offer long-term potential for unique retail businesses and upscale residential development, initial revitalization phases should focus on additional public amenities and small-scale commercial development. In a short-term time frame, the area's park amenities provide its unique character and appeal; additional amenities will further enhance its ability to serve as a destination for visitors as well as businesses.

In augmenting the local amenities, commercial developments can begin to form a substantial base that can enable the area to gain recognition as a commercial district. Businesses offering the strongest short-term potential include small-scale businesses such as "quick-serve" franchise restaurant concepts, personal service providers, and other specialty retail niches. Such businesses would target small retail centers and freestanding locations with maximum traffic flows and reserved surface parking. Examples of potentially desirable sites include the vacant commercial building and gas station at the North Main/Pascoag Main Street intersection, sites along High Street and possibly South Main Street.

In seeking to maximize its long-term economic potential, the Town should promote the redevelopment of underutilized core locations – most notably parts of Pascoag Main Street adjacent to the park areas – for future commercial and/or mixed-use developments that can contribute to a unique environment that can attract visitors as well as local clientele. Under current conditions the town would face formidable obstacles in attracting high-end developers and businesses. While such obstacles may be surmounted through public subsidies and other interventions, over a longer-term time frame the creation of public amenities and a growing base of commercial businesses will strengthen the town's market conditions and enable the town to attract such investments without upfront subsidies.

Preliminary survey and engineer design, and environmental regulatory permits are critical first steps in the process of implementing additional amenities and facilitating small-scale commercial development. These could take up to several years for individual properties, particularly for those parcels affected by environmental issues. The BRA could work with the Rhode Island Department of Environmental Management (RIDEM) to initiate the permitting process for envisioned public improvements and selected redevelopment parcels

under one package, and benefit from the possibility of advancing a streamlined permitting process (more details about this option are discussed below).

The need to come up with funding to cover planning and design costs often represents one more obstacle to unlock the redevelopment process from the part of the public sector. Even in cases when state or federal funding may be available for construction, the preparation of preliminary assessments, surveying and engineering studies is often a prerequisite to grant applications that doesn't get covered by the grant itself. Many funding programs also require the provision of matching funds by the town or the local redevelopment agency. Consequently, the cost of hiring surveying and engineering services must be considered early on the initial stages of the process (a list of potential funding sources is provided under *Funding Strategy and Incentives* below).

### Permitting Process

An interesting approach discussed during the planning process identified opportunities for seeking a streamlined process in applying for the required environmental permits. Under this option, the review and approval of water, wastewater, wetlands, and hazardous waste materials permits (issued by RIDEM) could possibly be combined in one overall process. RIDEM has been working for several years to improve its performance on an ongoing basis, and one of the recommended strategies has been the streamlining of applications submission and review processes. Some of the steps considered include holding pre-application review meetings, and working directly with stakeholders to prepare and process information more efficiently.

A streamlined permitting effort could be led by the BRA working with RIDEM to obtain applicable permits even before final design projects are available for individual parcels (Preliminary Determination review), and it could provide an important incentive to attract developers and support property owners interested in improving their properties. In order to initiate this process, the BRA would need to prepare further analyses of potential development volumes and demand for utility services. This would require the preparation of surveying and engineering studies as indicated above.

This type of process could be helpful to expedite the redevelopment of the former Mobil gas station, in particular. This site is currently undergoing monitoring of underground water quality and remediation by RIDEM due to the presence of underground contaminants leaked from abandoned gasoline tanks on the property.

### **Estimated Public Costs**

Estimated public costs include concept-planning level costs for public investment that would be required to implement the proposed plan recommendations, and possibly acquiring specific properties for environmental permitting. These estimates are opinions of probable cost and are provided for planning purposes only (not for construction).

Public costs considered include the cost to relocate utilities along the east side of Pascoag Main Street, reconfigure the Routes 100/107 intersection, install pedestrian level

ornamental lighting, construct a new municipal parking lot with a play area in the vicinity of Pascoag Main Street, and potentially acquire land if needed to carry out these improvements. These cost estimates are conceptual and cannot forecast the fluctuation of design or construction costs that are dependent on the specific project context and timing.

### Utilities

Plan recommendations include consolidation of utilities along the east side of Pascoag Main Street between Sayles Avenue and Bridge Way. The cost to relocate these utilities was developed through discussions with Verizon (telephone service and owners of the poles), Pascoag Utility District (electrical service), and Cox Communications (telephone and cable service). Under the assumed scenario, five poles along the west side of the roadway would be removed and all aerial service would be strung from five new poles on the east side, along a 500-foot section of Pascoag Main Street. New connections would be made to 17 structures between and including Bank of America and the Pascoag Fire Department. Based on preliminary discussions with the utility companies, the preliminary opinion of probable cost to relocate service to the east side of Pascoag Main Street could be approximately \$1.3 million. This figure is a preliminary “order of magnitude” cost and would be subject to much further refinement during design. Costs for utility design and construction are typically handled through a Force Account, by the utilities.

As a longer-term option, the Town could consider undergrounding utilities along this 500-foot section of Pascoag Main Street. The cost would likely be double the cost to consolidate utilities on one side of the road. Should the Town wish to move forward with undergrounding utilities, the first step in the process would be to conduct an underground utility master plan. This study would identify current alignments of existing aerial and subsurface utilities in more detail, research the project area subsurface conditions (ledge), and include coordinating meetings with utilities and outreach to property owners. It would also provide an opportunity and framework for discussion of unique service issues, development of conceptual cost estimates, and identification of available federal, state and local funding sources (more information on potential funding sources is included under *Funding Strategy and Incentives* below).

The information compiled by the underground utility master plan would then be used by the Town or the BRA to procure funding. Upon receipt of funding, engineering consultants would be contracted to coordinate utility relocation design (which would be provided by the utility companies), conduit placement, and roadway reconstruction.

### Ornamental Pedestrian Lighting

With the consolidation or undergrounding of utilities, separate street lighting will be required. It is recommended that the Town extend existing pedestrian scale street lighting along Sayles Avenue to complete the pedestrian circuit throughout the village “triangle.” With pedestrian scale ornamental lighting spaced approximately 75 feet apart for approximately 500 additional linear feet, seven new fixtures and poles would be required at approximately \$5,000 each for a total cost of \$35,000. This figure could be reduced by attaching ornamental lighting to existing utility poles (similar to Pascoag Main Street).

Funding for ornamental lighting and other streetscape improvements could be considered through Transportation Enhancements (for more information see *Funding Strategy and Incentives*).

#### Intersection Reconfiguration

The cost to design and construct a modified Routes 100/107 intersection is estimated to be approximately \$160,000, exclusive of any land costs that may be associated. Partial acquisition of adjacent property may be required depending on the final layout and lane configuration.

Prior engineering studies (CME Associates, Inc.'s *Engineering Study for Downtown Pascoag Revitalization Project*) recommended the introduction of a traffic signal in order to improve safety at the intersection. However, subsequent analyses by RIDOT associated with the reconstruction of the High Street Bridge concluded that a traffic light is not necessary since traffic volumes at the intersection do not warrant the need for a signal.

Further assessment of needs may be required if traffic volumes increase in the future. For the time being, the provision of a stop sign at the bottom of High Street is recommended in order to slow down southbound traffic on Route 100 approaching the intersection.

#### Parking Lot Construction

Construction of an additional 23-space parking lot and play space in the vicinity of Pascoag Main Street (proposed at 38 Park Place), would involve land acquisition, demolition of an existing vacant structure, site preparation, construction of a 10,112-square foot parking lot with stormwater management, construction of a 2,350 square foot half basketball court, and installation of a landscaped buffer. A preliminary opinion of probable construction costs would be approximately \$400,000.

#### Potential Land Acquisition

In order to estimate potential land acquisition costs, a number of recent sales within the core “triangle” portion of downtown Pascoag were examined. Each property’s sales price was compared with its respective assessed value and found in each instance that the values very closely approximated one another. The property’s assessed value has been utilized in order to estimate the likely acquisition price for the potential sites that may be considered for acquisition.

Potential sites that may be considered include the vacant warehouse at Park Place, the vacant commercial building and gas station on North Main Street, and the vacant site on Pascoag Main Street where the former Music Hall was located (currently for sale). The estimated total acquisition cost for these properties is approximately \$280,000 (based on available assessor’s records).

In order to estimate land costs associated with easements and transportation improvements, recent property sales in the market and assessed values attributed to land have been analyzed. After considering adjustments for issues such as parcel size,

development intensity, net buildable area, locations, existing buildings, and other issues, a land value has been assigned within the central “triangle” block of approximately \$9.00 per square foot, assuming an allowable Floor Area Ratio (FAR) of 1.0. To the north of the “triangle”, land value has been estimated in a range of approximately \$1.00 for non-buildable terrain to \$4.00 per square foot for buildable grounds with street frontage. Allowable building density has been assumed to approximate that of a reasonable suburban development.

It is important to note that land acquisition may not be required in order to implement the majority of the plan recommendations. Private-public collaborative efforts could help minimize the need for public land acquisition. However, the Burrillville Redevelopment Agency has the ability to exercise its legal powers pursuant to R.I. General Laws 45-32-24 should land acquisition be needed.

#### Potential Demolition Costs

Limited demolition costs may need to be considered as part of the analysis of estimated costs associated with the redevelopment plan. This would be needed if a new parking lot is built in replacement of the underutilized warehouse at Park Place, or if the vacant former gas station on North Main Street is acquired for environmental permitting. The combined demolition cost of these two structures is estimated to be approximately \$35,000, exclusive of any site remediation.

This estimate is based on an assumed combined building volume of 87,000 cubic feet and demolition unit costs of \$0.40 per cubic foot (*Source: Burrillville Assessor’s Data, RS Means Demolition Cost Data*).

#### **Estimated Private Costs**

Estimated private costs analyzed in this section include costs associated with the recommended renovation and upgrading of existing buildings in need of repair, and the elimination of substandard and blighted conditions. Costs associated with potential new development or the redevelopment of existing properties have not been considered.

Many of the buildings in the redevelopment area have been identified by the Burrillville Assessors as being in “fair” condition. The condition of building stock reflects a pattern of disinvestment that has led to further deterioration as repairs and renovations have been deferred. Fifteen planning area structures have been identified as being in fair condition and are listed in *Table 21* below. The majority of these buildings are located on Pascoag Main Street, between the Routes 100/107 intersection and Bridge Way, and are characterized by their traditional design and contributing historic character. Of the total 17 structures along this section of Pascoag Main Street, nine are in fair condition and eight are in average condition, as identified by the Burrillville Assessor’s data.

As indicated in *Table 21*, buildings identified in fair condition include wood frame construction built between 1850 and 1935 (with the exception of the former Mobil gas station and a warehouse on Park Place). Buildings range from the single story 1,100-square

foot commercial structure currently leased by Amaze/Horizons to the three-story 7,542-square foot commercial (karate studio) and six-family residential building on the corner of Park Place. The assessed value of these properties generally ranges from \$100,000 to \$200,000.

*Table 21 - Building Rehabilitation Cost Ranges, Fair Condition Properties, Pascoag*

Address, Plat/Lot	Building Type, Year Built	Use	Building Size	Rehabilitation Cost, \$20 to \$40 per square foot	Assessed Value
60 Pascoag Main Street 175/035	1½-story wood frame, 1929	George's Pizza	4,384 sf	\$87,680 - \$175,360	\$154,600
66-70 Pascoag Main Street 175/045	2-story wood frame, 1987	Chum's Hardware	1,120 sf	\$44,800 - \$97,800	\$97,800 on two buildings
66-70 Pascoag Main Street 175/045	1-story wood frame, 1897	Amaze Horizons	1,100 sf	\$22,000 - \$44,000	
38 Park Place 175/059	1-story wood warehouse, 1950	Vacant warehouse	6,400 sf	\$128,000 - \$256,000	\$129,400
73-75 Pascoag Main Street 175/060	3-story wood frame, 1920	First floor Karate, 2-family above 4-family rear	7,542 sf	\$150,840 - \$301,680	\$195,800
85-87-89 Pascoag Main Street 175/061	1-story wood, brick façade, 1910	Nine Lives Thrift Shop	1,143 sf	\$22,860 - \$45,720	\$151,100 on two buildings
85-87-89 Pascoag Main Street 175/061	2½-story wood frame with commercial storefront, 1910	Vacant or minimally used	2,308 sf	\$46,160 - \$92,320	
88-90-90B-92 Pascoag Main St. 175/042	2-story wood frame, 1880	Tanning salon and police sub station first floor, residential above	2,676 sf	\$53,520 - \$107,040	\$105,600
96 Pascoag Main Street 175/041	2-story wood frame, 1935	Town Historic Storefront Rehabilitation Project	2,274 sf	\$45,480 - \$90,960	\$49,500
99 Pascoag Main St. 175/063	3½ story wood frame with commercial storefront, 1910	DP Printing and 2-family	4,168 sf	\$83,360 - \$166,720	\$158,800
125-127 Pascoag Main St. 175/072	2½-story wood frame, commercial storefront, 1880	Palmisciano's TV, 1 residential unit on floors 2 and 3	2,633 sf	\$52,650 - \$105,300	\$122,300
24 North Main Street 175/019	1-story cinder block, 1972	Vacant, former Mobil station	4,500 sf	\$90,000 - \$180,000	\$109,500

Address, Plat/Lot	Building Type, Year Built	Use	Building Size	Rehabilitation Cost, \$20 to \$40 per square foot	Assessed Value
17 Sayles Avenue 175/037	2-story brick with new connection to Bridge way bldg, 1890	Northwest Com. Nursing & Health Service	5,934 sf	\$118,680 - \$237,360	\$155,700
66-68 South Main Street 192/035	2½-story wood frame, 1900	3-family	3,568 sf	\$71,360 - \$142,720	\$220,300
91-95-97 South Main St. 192/037	2-story wood frame, 1890	2-family	2,744 sf	\$54,880 - \$109,760	\$116,000

*Note: Shading denotes location within Pascoag Main Street – Bridge Way – Sayles Avenue triangle.*

Most planning area properties have been renovated over time to reduce original storefront windows, to enclose porches, or to conduct necessary repairs. No interior inspection was conducted as part of this evaluation so no verification can be made of the extent of renovation and repair conducted to date. Information on roofing, heating, electrical and plumbing systems was not available to determine actual conditions and necessary repairs. However, it may be assumed that most of the buildings identified by the Burrillville Assessor as being in poor or fair condition (and many of the structures identified as average), may require extensive rehabilitation to bring these buildings up to building code standards, to improve aesthetics, or to improve property values.

An average cost to upgrade structures has been identified at \$20 to \$40 per square foot. For comparison, the cost of new construction in the Providence area for retail and apartment buildings of the size within the planning area is in the \$80 per square foot range (based on *RS Means Building Construction Cost Data 2005*). Table 21 presents a range of rehabilitation costs for buildings in fair condition in the planning area, based solely on the \$20 to \$40 cost per square foot range and the building size (including floor area on multiple floors) as indicated in Burrillville Assessor's data. It is important to recognize that the costs presented for rehabilitation do not reflect property inspection or contractor estimates and are presented solely as order-of-magnitude costs for preliminary redevelopment discussions. The total anticipated range of renovation costs for the 15 buildings identified in fair condition would be between \$1 and \$2 million.

Two of the 15 buildings identified in fair condition may be subject to demolition. By eliminating renovation costs for the former Mobil station and the Park Place warehouse, the overall anticipated range of renovation costs would be reduced to between \$830,000 and \$1.7 million.

#### Supportable Renovation Costs

Renovation costs rely upon specific knowledge of a building's condition and its intended use. Unlike for new construction costs, no "benchmark" per-square-foot cost models exist for renovations. Cost estimates must be developed relying on specific knowledge of the

building's shortcomings and requirements (e.g., enhanced load capacities), which furnish the bases for estimating costs for materials and labor.

In the absence of this type of guidance, the following provides a broad understanding of the approximate level of renovation costs that developers might be willing to bear. Essentially, the calculations assume a building's supportable value (excluding developer profit factors) and then subtract acquisition costs to identify a supportable renovation expense.

These calculations utilize the following assumptions and process (refer to *Table 22* below):

- Achievable net rents are based on general knowledge that ground-floor, new or renovated commercial space might support \$10 to \$11 in net lease revenues, while upper-story apartment units might support rents of \$800/month, or \$12/square foot/year before expenses. After allowing for vacancy losses and reasonable expenses, the hypothetical building's net operating income amounts to \$8.55 per square foot.
- Assigning a generally applicable capitalization rate of 10 percent to net operating income, building value is then estimated at \$86 per square foot. It should be noted that this value is roughly consistent with the costs that would be incurred for new building construction.
- Building acquisition costs are taken from records of past sales, viewed in juxtaposition with assessors' data allocating values between buildings and land. After reviewing this data, recent transactions indicate a typical value of \$25 per square foot in the downtown Pascoag area.

Subtracting acquisition costs from the estimated value of a new building, the difference of \$61 indicates the approximate costs that developers might be willing to assume in renovating older buildings. Such supportable costs might be lower in light of the greater level of uncertainty in renovating (as opposed to new construction), and in light of the compromises that renovation problems might impose on "ideal" configurations. However, given the estimated average costs to upgrade structures, noted previously as \$20 to \$40 per square foot, the renovation of the properties for rental uses may be feasible.

*Table 22 – Unit Renovation Costs*

New Space	per SF
Achievable net rent	\$8.55
Capitalized at 10%	\$86
Building Acquisition Cost	\$25
Supportable renovation cost	\$61

### Summary of Estimated Costs

The total for the estimated public and private costs in the near to mid-term future is approximately \$4 million (see *Table 23*). This tally is based on the consolidation option for the utilities (mid-term costs), potential land acquisition of two vacant properties, and the



maximum amount estimated for the rehabilitation of (13) buildings in “fair” condition. Over the long-term, an estimated cost of \$3 million may be considered to underground the utilities and provide streetscape improvements along Pascoag Main Street (between South Main Street and Bridge Way). Again, these estimated costs are conceptual at this stage. Design, engineering and contingency costs have not been included, and will be dependent on the specific context and timing. Typically these may run between 15% and 25% of the total projected construction costs depending on the particular circumstances of each project.

*Table 23 - Estimated Total of Public and Private Costs in the Mid- to Long-term*

Estimated Costs	Mid-term Costs	Additional Long-term Costs
Utilities	\$1.3 million for consolidation	\$2.6 million for undergrounding
Streetscape improvements	\$35,000 (ornamental lighting)	\$400,000 allowance for trees and sidewalk enhancements
Intersection improvements	\$160,000 (not including associated land cost)	
Demolition	\$35,000	
Parking Lot Construction	\$400,000	
Potential Land Acquisition	\$280,000	
Building Rehabilitation	\$1.7 million (13 buildings)	
<b>Estimated Total Costs*</b>	<b>\$4 million</b>	<b>\$3 million</b>

*\* Rounded to nearest million.*

### Funding Strategy and Incentives

This section includes a list of funding sources and mechanisms that could be available to finance the design, development and construction of the proposed public improvements, and create incentives for private redevelopment. Initial funding targets include:

- Park improvements, including public walking paths, park front building facades, and other improvements that might include active recreational uses, public art or monuments, and others.
- Public parking, roadway and transportation improvements.
- Building improvement programs.

### Funding Mechanisms and Incentive Programs

- *Tax Increment Financing (TIF):* Tax increment financing provides an important and proven tool for funding public improvements. Conceptually, TIF allows incremental revenue increases generated by increased property values to be used to fund public improvement costs. Within a designated and duly approved TIF district, the concept involves the identification of a fixed, “base-year” local tax base. As this tax base

increases in value, TIF programs raise funds through the tax “increment,” which is calculated as the difference between current year tax revenues and the revenues attributable to the base-year tax base. Tax revenues attributable to the fixed base continue to flow to the general fund; revenues in excess of this level – the “increment” – flow to a special fund to pay public improvement project costs in the district.

- *Community Development Block Grant (CDBG) Funding:* The U.S. Department of Housing and Urban Development’s (HUD) Community Development Block Grant Program continues to grant and loan funding for various economic development endeavors. In Burrillville, where individual communities are not “entitled” to CDBG funds, funds are administered and allocated through the Rhode Island Office of Municipal Affairs’ Small Cities CBDG program. Such programs would most likely be eligible through loans derived under HUD Section 108, whereby communities pledge Rhode Island CDBG funds as collateral for loans. Such loans may be used for economic development, property acquisition, property rehabilitation, site improvements, environmental cleanup, construction of new public facilities, and other such activities.
- *Transportation and Community and System Preservation (TCSP) Pilot Program:* The Federal Highway Administration’s TCSP is a comprehensive initiative of research and grants to investigate the relationships between transportation and community, system preservation, and private sector-based initiatives. Local governments are eligible for TCSP discretionary grants, authorized at \$270 million through 2009, to plan and implement strategies that improve the efficiency of the transportation system and reduce environmental impacts of transportation. These funds could be potentially used to finance the proposed transportation improvements and relocation of utilities. No local match is required for this funding program.
- *Transportation Enhancements (TE):* These are federally funded, community-based projects that expand travel choices and enhance the transportation experience by improving the cultural, historic, aesthetic and environmental aspects of our transportation infrastructure. Projects must be one of 12 eligible activities (including “landscaping and scenic beautification” related to lighting improvements) and relate to surface transportation improvements. Funds are administered by the Rhode Island Department of Transportation. The federal government generally reimburses up to 80% of the project cost. Applications for the next funding round should be made during fiscal year 2008/2009.
- *Business Improvement District (BID) programs:* Downtown areas nationwide have successfully achieved improved conditions through the creation and operation of Business Improvement Districts (BIDs). BIDs are created through the delineation of a proposed district and the vote of property owners located therein. BIDs function by imposing special assessments on their members and then applying such funds to maintenance programs, streetscape improvements, new signage, security measures,

festivals, marketing campaigns and other improvements. At this time, state legislation has authorized the creation of BIDs only in the City of Providence; new enabling legislation would be required for the creation of this type of district.

It is important to note that BID programs generate funding through the contribution of local businesses and, therefore, are feasible in cases where there is an ample base of contributing members. Unless the proposed redevelopment efforts succeed in bringing new businesses and more economic activity to downtown Pascoag, the creation of a BID would not necessarily provide a sustainable source of funding for public improvements. From this point of view, the creation of a TIF district would be more adequate. In the long term, however, should downtown businesses expand and develop as a result of successful revitalization efforts, the creation of a BID could provide funding for maintenance and upkeep of streetscape improvements, public amenities and future program events.

- *Tax Stabilization programs:* The purpose of these programs is to promote business expansion through the development of a property tax stabilization plan. Phased tax relief is provided by exempting portions of new added taxable assessment for a certain number of years. The portion of added assessment that is taxed increases progressively each year during the tax stabilization period. After this period, the new value is taxed at the normal rate. This benefits the Town and the community by providing incentives to business owners to locate or to improve and expand its facilities in a target area.

Tax stabilization by concept fits different purposes than Tax Increment Financing (it is intended to attract businesses rather than generating funds) and the two programs are not applicable simultaneously. However, tax stabilization could be considered as a potential alternative tool to incentive new business if necessary. These programs require the approval of a special ordinance or legislation (a Rhode Island precedent is the Commercial Tax Stabilization Program adopted by the City of East Providence).

#### Additional Funding Mechanisms

- *New Markets Tax Credit Program:* This federal program awards tax credits to certified local entities seeking to provide capital to support qualified investments in lower-income areas. Such Community Development Entities (CDEs) are eligible to receive awards to be allocated to a broad range of real estate or economic development projects, in amounts of up to 39 percent of the project's private investment cost. Private investors provide capital, for which they receive these tax credits (which they can take over seven year periods). The first step in this process involves the creation or identification of the requisite local entities, which must apply (to the U.S. Treasury Department's Community Development Financial Institutions Fund) first for CDE certification, and then for tax credit allocations.

- *IRBA/Bond Mortgage Insurance:* The Rhode Island Industrial-Recreational Building Authority (IRBA) insures payments on private loans as well as bonds issued by the Rhode Island Industrial Facilities Corporation. Such insurance is available for a broad range of activities including commercial and industrial developments, investments in equipment, and recreational facilities.
- *Other Loan Guarantee/Credit Enhancement Programs:* The general principle of the HUD Section 108 program involves the situation where planners target unconventional or unusual types of development, but lending institutions are uncomfortable with the risks associated with the unfamiliar aspects of such projects. In addition to the HUD program, duly authorized public agencies can organize funding mechanisms to guarantee conventionally financed loans, either partially or in their entirety. In a hypothetical example, the public agency might pledge funds to guarantee 75 percent of loans issued by a local bank. Depending on a variety of factors, the bank would require the agency to reserve only a certain specified percentage of the total loans. Given a “reserve requirement” of 33 percent, the agency in this example could use \$100,000 to guarantee \$300,000 in loans, which would insure \$400,000 of capital. This sort of loan guarantee program significantly improves a developer’s ability to obtain private financing. In addition, loan guarantee programs often result in below-market interest rates.
- *The Rhode Island Small Business Loan Fund Corporation (SBLFC):* This Corporation administers a direct, revolving loan fund to benefit existing businesses engaged in manufacturing, processing and selected services. SBLFC provides direct financing and participates as a subordinated lender with area financial institutions, serving small businesses that are unable to secure financing or the full amount of proceeds necessary from a conventional lender. This could be a possible source of funding for building improvements.
- *Other Small Business Assistance programs:* The Rhode Island Economic Development Corporation (RIEDC) provides financial and technical assistance to small business owners by facilitating access to over 50 business service resources throughout Rhode Island.
- *Linkage programs:* The town may want to consider the introduction of linkage provisions wherein developers or businesses can contribute funds or property to public improvements (e.g., parking, park amenities), in exchange for modified development requirements. Also known as development impact fees, this type of provisions are enabled under Chapter 45-22.4-2 of the Rhode Island General Laws and should be adopted by ordinance. While such ordinances must comply with broader public objectives in furtherance of the general public health, safety and welfare, linkages can be effective in instances where, for example, a developer’s contribution of public parking spaces can be linked to a reduction in the required number of spaces required for the development. In any case it is expected that the collection and expenditure of impact fees be reasonably related to the benefits accruing to the development paying the fees.

### Building Improvement Programs

Building improvement programs encourage property owners and commercial tenants to invest in exterior building improvements, thereby enhancing both the overall appearance and the market appeal of the downtown commercial district. Building improvement programs typically involve two elements:

- Grant or loan funding for eligible improvements, which typically include facades, entries, signage, and some interior finishes visible and accessible to the general public. Grants typically take the form of matching grants, which would be awarded in amounts as determined by building or facade area, subject to compliance with design guidelines for the area.
- Technical Assistance: Technical assistance with planning and design, construction and application processes would be provided on a limited basis. Services would focus on: documentation of existing conditions; design recommendations, cost estimating, signage design and construction engineering.

Most building improvement programs are based on the provision of grants for façade improvements, and focus on the exterior of the building (storefront and signage). In the particular case of downtown Pascoag, façade improvement grants should be made applicable to park-front as well as street front facades.

There are instances, however, in which interior improvements are eligible for program grants or loans; such eligible improvements have included improvements to areas visible or accessible from the outside, and building infrastructure improvements for code compliance. It should be noted, however, that programs that make such programs eligible generally offer only loan (rather than grant) funding; the use of public funds for private benefits may raise potentially complex legal issues.

Where the Town seeks to promote private investments in interior improvements, alternative approaches might target Rhode Island small business loan/grant programs, other economic development assistance, or tax abatement programs (which would not be appropriate where tax increment financing programs are in effect).

CDBG funding has been and continues to be an important source of funding for building and façade improvement programs. Federal and state Commercial Tax Credits and Historic Preservation Investment Tax Credits may also be available to owners of income-producing historic buildings (information is provided by the State of Rhode Island Historical Preservation and Heritage Commission).

In addition to public grants, sources of funding for building improvements might include the New Markets Tax Credit Program and the Rhode Island Small Business Loan Fund Corporation (SBLFC), described above. Some cities and towns, such as Cambridge, Massachusetts, have included budget line items to provide matching grants for façade and signage improvement programs. Other towns have been successful in getting local banks involved in providing low interest loans and financial assistance to downtown businesses for façade improvements and renovations. A publicly administered revolving fund may

also be used to guarantee financial obligations such as loans or property leases meeting certain specified criteria. Such use of the revolving fund would enable the Town to maximize its leverage in facilitating private business's access to private capital.

### Main Street Program

Local Main Street programs constitute another important resource to improve the image and physical appearance of business districts. They generally constitute local nonprofit organizations, although sometimes they may form part of another entity such as a community development corporation (CDC) or a business improvements district (BID). They are always volunteer-driven efforts with support and participation of a variety of public and private stakeholders.

Based on models developed by the National Trust for Historic Preservation, Main Street programs raise their own funds for projects and operations. Typical sources include the public sector (city or town, state, regional entities) and private sources, such as contributions from businesses, residents, small corporate or foundation grants, and earned income from promotional/fund-raising events.

The Woonsocket Main Street-Riverfront Initiative is an interesting precedent within the Northern Rhode Island region. Created by the City of Woonsocket and the Northern Rhode Island Chamber of Commerce in 1990, this nonprofit organization has provided funding and technical assistance for building façade restoration and small business development programs through the years.

### **Project Management**

Given the character of its mission and organization, the BRA is the leading entity with the power and capacity to manage and execute the implementation of this plan in coordination with local, state and federal officials. However, the BRA obligations and responsibilities, as well as those of the Town government, involve a much wider scope.

The hiring of a “downtown coordinator” or the creation of a comparable full/part time paid position to oversee and coordinate the implementation of this plan is recommended as an important resource to facilitate the redevelopment and revitalization processes.

Working directly with the BRA and the Burrillville Planning staff, this person would be instrumental in promoting the downtown to regional businesses and developers, coordinating the preparation of “packaged” permit applications, finding additional sources of funding, writing and submitting grant applications, acting as a liaison for property and business owners, hiring and coordinating consulting services, and performing other functions as needed. Eventually, coordination activities may also be extended to initiatives within other villages in the Town.

Based on the success of experiences in other towns and the region, this may be one of the most cost-effective measures that could have a direct influence in the implementation of the plan and the achievement of a successful downtown revitalization process.