Grow Smart Rhode Island
235 Promenade Street, Suite 550
Providence, RI 02908
401.273.5711
www.growsmartri.org

Initial printing: September 2010
Layout & Graphics: Jef Nickerson
Printing: The Copy Center at Crossroads

Cover Photos: Clockwise from top right: Nate Lafond; Jef Nickerson; Rhode Island Division of Planning; ICON Architects; Rhode Island Division of Planning; Michael Melford courtesy of the Providence-Warwick Convention and Visitors Bureau.

Photo credits: p. 3. top Pawtucket Foundation; middle RI Division of Planning; bottom www.narragansettbayshipping.com; p. 4. RI Division of Planning; p. 6. RI Division of Planning; p. 8. top RI Division of Planning; middle by Brian Smith courtesy of the South County Tourism Council; bottom RI Division of Planning; p. 10. top NuPTA; middle RIDOT; bottom, Nick Palizini; p. 12. top Elizabeth Debs courtesy of Housing Network of RI; middle HousingWorks RI; bottom Juan Gallo courtesy of HousingWorks RI; p. 14. top Farm Fresh RI; bottom The Nature Conservancy; p. 16. top Adriana Cal from stock.xchng; bottom Darren Shaw from stock.xchng; p. 18. left 2 photos Frank Mullin; right Gates, Leighton & Associates Inc.; p. 19. top Don Powers Architects; bottom Rhode Island Airport Corporation.

Grow Smart thanks the 2010 summer interns who assisted in researching and writing the Briefing Book: Laura Flynn, a Providence College graduate and third-year student at State University of New York at Buffalo Law School, and Brown graduate Tanya Bogaty.
Dear Candidate:

We are pleased to provide you with Grow Smart Rhode Island’s 2010 Briefing Book for Candidates.

You are running for office at a critical time. The State and many municipalities have been forced to make drastic cuts to balance budgets. Many Rhode Islanders are out of work. In these tough economic times, Rhode Island voters are looking for leadership, vision and something more dynamic than damage control. They want to elect candidates who have specific ideas for improving economic conditions by playing to our strengths, strengths such as the vitality, distinctiveness and charm of our individual communities.

Despite Rhode Island’s current difficulties, we believe our state has tremendous untapped potential. The Briefing Book considers seven areas on which we believe government should focus in order to tap that potential. It also offers many recommendations for specific policies that can be adopted and implemented at both the state and local levels, with some recommendations for federal action as well.

We hope that you will find the recommendations we offer useful as you formulate your own policy positions, and we welcome any questions you may have or requests for additional information. We look forward to working with you and other candidates to promote a policy agenda that capitalizes aggressively on Rhode Island’s underappreciated assets in order to provide more opportunity for all Rhode Islanders.

Sincerely,

Scott Wolf, Executive Director
Grow Smart Rhode Island
About Grow Smart Rhode Island

“We thank Grow Smart RI for advancing the public dialogue, for facing tough problems head-on, for sharing the results of its stellar research, and most of all for believing that Rhode Island’s assets far outweigh its liabilities.”

—The Rhode Island Foundation in the Providence Journal, May 7, 2008

Grow Smart Rhode Island Staff
Scott Wolf, Executive Director
Sheila Brush, Director of Programs
John Flaherty, Director of Research and Communications
Lauren Pendergast, Land Use Training Coordinator
Leslie Denomme, Executive Assistant for Finance
Dorothy Dauray, Office Assistant

Grow Smart Rhode Island represents a diverse alliance that includes the business, labor, academic, environmental, housing, development and preservation sectors. Since its establishment in 1998, Grow Smart has led its allies in calling for sustainable economic growth that builds upon and strengthens Rhode Island’s exceptional quality of place.

We work to achieve:
• Revitalized, walkable urban and town centers
• Responsible stewardship of natural resources
• Expanded transportation choices
• Housing options and affordability
• A viable and profitable agricultural sector

To accomplish these goals, Grow Smart
• Conducts research on the impacts of suburban sprawl and urban disinvestment and evaluates policies used elsewhere to combat inefficient and costly patterns of development.
• Advocates for policies and programs to steer future growth to revitalized urban, town and village centers and to reduce development pressures on farms and forestland.
• Provides training, conferences and forums to increase municipal and state capacity to shape growth.
• Builds public awareness of issues and resources by maintaining an extensive website, publishing a monthly e-newsletter and hosting a biennial Power of Place Summit.

Grow Smart’s advocacy and public education work benefits from close collaboration with many other Rhode Island organizations and agencies. In a number of cases, to focus on key issues, Grow Smart and its partners have formed coalitions. These coalitions are listed under Resources on pages 20-21.

Through involvement in national coalitions, Grow Smart brings cutting edge smart growth policy ideas and other resources to Rhode Island. Executive Director Scott Wolf serves on the Board of Directors of Smart Growth America, the smart growth movement’s national advocacy and communications organization. He is also a representative to the Brookings Institution’s national Blueprint for Prosperity Initiative, which promotes federal support for metropolitan wide approaches to issues such as transportation, housing and sustainable economic development.

A non-partisan, 501(c)(3) organization, Grow Smart receives general operating support from businesses, foundations, non-profit entities, universities and individuals. We also receive grants for specific programs including our Power of Place Summit and our Land Use Training Collaborative workshops.

Our work has been honored with awards from the US EPA, American Planning Association/RI Chapter, Rhode Island Housing, Preserve Rhode Island, the Providence Preservation Society, the Rhode Island Historical Preservation & Heritage Commission and the Environmental Business Council of New England.
How Rhode Island manages and invests in its physical assets will have a tremendous impact on future economic development. The state’s marketable coastal location within the populous Northeast Corridor and the diverse character and beauty of its built and natural surroundings are some of our greatest competitive advantages. Limited land area, on the other hand, is a challenge that we must overcome. Our ability to capitalize on our competitive advantages and to maximize the efficient use of our limited land will be just as important to achieving long-term sustainable economic growth as our ability to provide workforce training and reduce the costs and complexity of doing business in Rhode Island.

Some of our state’s greatest assets—the things that distinguish us from other places—can be found in our natural and built surroundings. They include:

• Compact development patterns that give us the opportunity to have by far the most energy efficient and walkable communities in America – at a time when both energy prices and fitness are front burner issues.
• Cities, towns and villages featuring historic neighborhoods and buildings, excellent housing and work spaces as well as world class cultural and culinary offerings.
• The abundant natural resources, natural beauty and recreational opportunities to be found in our shorelines and rivers, farmlands and forests, which can be easily reached and enjoyed from anywhere in the state.
• Some of the most highly productive agricultural land in America.
• A competitively positioned airport and seaports.

Rhode Island’s small size, however, gives us very little margin for error. We must use our land area and existing buildings carefully and creatively if we want to improve commercial and industrial growth, housing and transportation infrastructure, community and cultural facilities while at the same time ensuring that future generations will continue to enjoy the many benefits offered by green, undeveloped spaces and working farmland.

Grow Smart and its allies believe that the smart growth approach to development is the best way to make the most of our limited land area and protect and capitalize on our numerous natural and built assets. This Briefing Book details seven areas that we believe are key to sustainable economic growth.

For each topic area we offer specific policy recommendations for candidates to consider. A number of our recommendations require little or no public investment. We do, however, also call for targeted investments which we believe are necessary to tap the State’s full potential and generate sufficient long term economic growth to make a major dent in our persistent structural budget deficit. And we urge close monitoring of returns on investment so that we can retain effective strategies and eliminate those that don’t produce intended benefits.

Our “Smart Growth on the Ground” section (pp. 18-19) illustrates what we can achieve. With the right smart growth strategy and full appreciation of Rhode Island’s strengths, we are convinced that Rhode Island’s best days are still ahead.
Use Smart Growth to Develop Sustainably, Build on Assets

**Economic growth is essential for our state’s future,** and there is broad consensus in Rhode Island that growth must be sustainable. In other words, economic development should avoid consuming or damaging the resources and community livability that future generations will need for their own economic prosperity and quality of life.

Sustainable economic growth requires that we (1) provide sufficient space for new and expanding businesses, housing and economic activity around our seaports and airports and (2) avoid development on environmentally critical lands in order to protect natural resources and our quality of place. Our challenge is to achieve both those goals within a total land area of just over 1,000 square miles—far smaller than many counties in other states.

Smart growth is an approach to land use planning and development that offers a way to develop sustainably within Rhode Island’s limited land area. Smart growth gives balanced consideration to economic needs, environmental needs, and social needs and changes the terms of the development debate away from the traditional growth/no growth question to “how and where should new development be accommodated?”

Smart growth recommends concentrating new commercial and residential development in and adjacent to traditional urban, town and village centers and along already built-up corridors connecting those centers. It emphasizes re-development of existing vacant or underused properties and “infill” construction on vacant lots. It calls for continuing the compact mix of residential, commercial and government uses traditionally found in downtowns. This compact mix of uses enables people to walk and bike more and drive less, resulting in significant health and environmental benefits.

By prioritizing public and private investment in existing centers, smart growth helps to make full use of existing roads, sewers, water mains and utility lines rather than incurring the costs of new infrastructure in undeveloped areas.

Concentrating growth in centers lessens development pressure on undeveloped open spaces and working agricultural lands. It enables us to reserve forests and coastal features in their natural state, and thereby protect our drinking water, provide wildlife habitat, and create wetland buffers and open spaces to help prevent flooding. It preserves the places where Rhode Islanders like to hike, camp, swim, fish and hunt.

Perhaps most importantly, smart growth can give Rhode Island’s economic development initiatives a competitive edge. It creates walkable, livable downtowns and residential neighborhoods that are particularly attractive to knowledge economy start-up businesses, young workers and older workers seeking urban amenities. It reinforces our state’s energy-efficient development patterns as concerns increase about rising energy costs. And it retains our highly accessible recreational and natural places that are a strong attraction to business executives, employees and tourists.

Rhode Island state and municipal planning guidelines already lay out a smart growth approach to development. With broad-based stakeholder
input, the RI Division of Planning developed a forward-looking comprehensive statewide blueprint for smart growth called *Land-Use 2025*. Municipal local comprehensive plans also embody smart growth principles. And some excellent examples of smart growth development can already be found throughout Rhode Island.

However, further reversing the sprawling pattern of development that has prevailed in Rhode Island for most of the last six decades will not be easy. It will require strong leadership from the State’s executive and legislative branches and from mayors and councils.

Public infrastructure funding, state aid to municipalities for school and library construction, state and local economic development incentives, state and local regulations and permitting, taxation and public facilities siting all influence private development decisions. State and municipal officials must take the lead in revising policies to encourage compact, mixed-use development and discourage sprawl.

It is also up to our elected officials to ensure the necessary cooperation among federal, state, municipal and private entities. Finally, since many development decisions are made at the local level, it is critical that municipal planning staff have the resources needed to craft effective ordinances and that boards and commissions receive the training they need to perform their duties effectively.

### Policy Recommendations

#### At the State Level

- Establish a sub-cabinet in the Executive Branch that includes all state agency directors whose capital spending has an impact on land development. Task the sub-cabinet with coordinating capital spending and aligning state agency investments with smart growth strategies.
- Provide coordinated state permitting for development projects located in designated growth centers.
- Ensure planning coordination between state agencies and municipal governments.
- Provide technical assistance to municipalities in the areas of planning and ordinance development on approaches ranging from Tax Increment Financing and establishment of village zoning to Transfer of Development Rights and Conservation Development.
- Support public/private initiatives to provide capacity-building training for municipal boards and commissions.
- Support regional planning efforts by municipalities.

#### At the Municipal Level

- Encourage exploration and public discussion of innovative planning approaches that have been used successfully to spur redevelopment and well-designed new mixed-use development in existing centers and to lessen development pressures on open space and working agricultural lands.
- Participate in regional planning initiatives.
- Provide resources for board and commission members to attend capacity-building workshops.
- Provide resources for planning staff to attend professional development activities.
Rhode Island’s urban and town centers are vitally important to our state’s future well-being. Economic, environmental and demographic changes— as well as shifting lifestyle preferences—are all altering the definition of today’s American dream. There is mounting evidence that people are increasingly being drawn back to live in more traditional and walkable neighborhoods with easier and more efficient access to all of life’s essentials.

Businesses too have begun to recognize that the highly-valued cadre of younger talent puts a much greater value on workplaces located in vibrant, transit-friendly mixed-use centers and transit corridors. By contrast, more isolated modern office parks, while still an important part of a diversified economy, have relatively little appeal to these young workers. In addition, the continued growth of such “parks” contributes to the fragmenting of our landscape and increased public expenditures for costly extensions of infrastructure to serve them.

Indeed, it has become increasingly clear that 60 years of sprawl-style development has exacted a considerable toll on America that it can no longer afford, economically, environmentally or culturally. A recent report by Reuters\(^1\) suggests that the current national economic downturn has in fact spurred smart growth projects in centers and transit corridors around the country. For developers, homeowners, and governments, there are dollars to be saved and dollars to be made in revitalizing our centers and corridors.

Rhode Island’s town centers and many of its more than 350 villages, have capacity for additional growth or redevelopment. It’s important to emphasize that smart growth does not suggest a “one size fits all” solution. Rather, we need to work within the varied scales of existing cities, town centers and villages. Compact development in Peace Dale, for example, will look very different from compact development in Providence or Pawtucket.

The continued revitalization of our centers and corridors will require public leadership and private partnerships. Many investment policies at the state and local level have yet to catch up to or adapt to strategies recommended in Land-Use 2025, Rhode Island’s forward-thinking state land use plan. Even programs that have proven highly successful in achieving multiple tangible benefits for Rhode Islanders can be stifled due to lack of understanding or commitment to a long range vision.

One such example is the Rhode Island State Historic Preservation Tax Credit, established with the assistance of Grow Smart RI in 2002. Despite significant evidence of its value, it was halted for new enrollees by the General Assembly in 2008. It has been responsible for the redevelopment of hundreds of historic buildings and former brownfield sites in urban and town centers across the state. It has generated thousands of new construction and permanent jobs, tens of millions in new state and local tax revenue and overall is estimated to have leveraged $5.35 in total economic output for each dollar of state tax credit investment.

By putting an end to the many wasteful public subsidies of sprawl and instead focusing on incentives for future commercial and residential growth and re-growth in centers—where buildings, roads, utilities, and transportation infrastructure are already in place—we can capitalize on existing assets and reap the economic, environmental and community benefits of doing so.

\(^1\) Smart Money in Real Estate is in Smart Growth, Reuters, August 2010
Key Facts

- Rhode Island developed more of its land in the last 50 years (particularly in non-urban areas) than it did in the previous 325.  
- To accommodate suburbanization, Rhode Island built nearly 2,500 miles of new roads between 1958 and 2006.
- Household transportation costs for Rhode Islanders are the second highest family expense after housing.
- 61% of American homebuyers now prefer to purchase in traditional, walkable neighborhoods where they have easier access to services, over a sprawling community with larger lots, limited options for walking and a longer commute.
- As the 2nd most urbanized state in the nation, Rhode Island has an abundance of existing compact and traditional neighborhoods with access to transit.
- More than 20,000 buildings in Rhode Island are listed or eligible for listing on the National Register of Historic Buildings.
- The now halted State Historic Tax Credit program is credited with stimulating $1.2 billion of private investment rehabbing structures at 226 project sites in 22 of Rhode Island’s 39 cities and towns.
- Nearly 30% of Historic Tax Credit projects are also remediating contaminated brownfield sites in 15 RI communities—urban, suburban and rural.

Policy Recommendations

At the State Level

- Reinstall a targeted State Historic Tax Credit.
- Capitalize on funding opportunities available through the new HUD-DOT-EPA Federal Partnership for Sustainable Communities.
- Ensure that location-efficient, transit-friendly sites are highlighted in the state’s new economic development online site inventory.
- At no cost to the State, provide an incentive for municipalities to encourage location-efficient economic development by exempting from the property tax levy cap (S-3050) all or a portion of new property taxes generated in districts that meet state-approved Growth Center standards.
- Issue an Executive Order reminding department heads in state government to comply with a provision of the State Properties Committee statute (RIPL 37-6-2) giving preference to siting state offices and facilities in urban and/or economically distressed locations.
- Modify existing state economic development grants, loan programs, tax incentives and technical assistance to prioritize economic development in established centers and corridors with existing infrastructure capacity.
- Following the example of Massachusetts and Connecticut, adopt a Licensed Site Professional (LSP) program for oversight of brownfield remediation to expedite clean-up projects.

At the Municipal Level

- Define growth centers in municipal Comprehensive Plans and enact zoning to allow more compact, mixed-use development.
- Utilize Transfer of Development Rights in local zoning ordinances to balance land conservation with increased density in centers.
- Where practical, locate municipal buildings and facilities in urban and town centers.

At the Federal Level

- Support the proposed expansion of the Federal Historic Tax Credit program contained in H.R. 3715 and S. 1743.

---

4 Nat. Assoc. of REALTORS, 2004 Nat. Community Preference Survey
5 1990 U.S. Census
6 RI Historical Preservation & Heritage Commission
7 Rhode Island Historic Preservation Investment Tax Credit Economic & Fiscal Impact Analysis, 2007
8 RI Historical Preservation & Heritage Commission
Conserving forests and other undeveloped open spaces is just as important to our future as revitalizing cities and towns. Open space reduces susceptibility to flooding, protects drinking water and provides wildlife habitat. It provides scenic landscapes and recreational opportunities that contribute to our quality of life and attract out-of-state tourists. Effective land conservation policy requires state and municipal government to identify and prioritize land for protection, work with many public and private partners and pursue multiple strategies.

Some land protection can be achieved without public expense. State legislation enables Rhode Island municipalities to use planning tools such as Transfer of Development Rights (TDR) and Conservation Development. These planning approaches, carefully applied, can enable communities to permanently conserve land without incurring the public cost of purchasing land or development rights.

In order to protect a critical mass of land for open space or recreation, however, the state and municipalities will also need to purchase land outright or purchase development rights. State and municipal dollars can be stretched by partnering with the Federal government and with private conservation entities. But Federal funding requires state and local match. Rhode Island and most municipalities depend almost entirely on bond issues, which voters have consistently supported, but which do increase state and local debt. An alternative approach is to establish dedicated state and local funding sources for land conservation.

With proper management, Rhode Island’s relatively ample water supply can be a competitive economic advantage. However, our abundant annual rain and snowfall have created a false sense of security and resulted in our paying too little attention to water conservation. Recent years have seen a growing number of instances, particularly in summer months, when some areas had insufficient water to meet household needs for potable water, support industry and agriculture and maintain healthy river and stream ecosystems.

Passage of the 2009 RI Water Use and Efficiency Act was a substantial step toward better management of water supply. The Act calls for strategies to manage demand for potable water, reinvest in water supply infrastructure and preserve the health and ecological functioning of the state’s water resources. It also directs the Water Resources Board to set targets for reduced water demand and to define methods for achieving these targets. Implementing the Water Resources Board’s regulations will require cooperation from state agencies, municipal governments, and private interests.

Rhode Islanders work, play, travel and transport goods on Narragansett Bay. With careful planning and stewardship, we can have a healthy Bay that continues to serve the interests of fishermen, the maritime trades and recreational boating, commercial shipping, the tourist industry, and every Rhode Islander who values the Bay’s marine life, beauty and recreational opportunities. To do so, state and local governments must vigilantly protect public access to the coastline, zone waterfront land appropriately, and draw on the knowledge of all interested parties in planning for the Bay’s use and protection.
**Key Facts**

- Nearly 60% of Rhode Island’s land remains forested.\(^1\)
- In 1994, Rhode Island’s State Guide Plan called for “permanent protection of 35,000 acres by 2020, to be accomplished by a joint effort of the State, municipal, Federal and private entities.”\(^2\) In the 15-year period from 1995 to 2009, public and private partners protected almost 21,000 acres.\(^3\) If we maintain this pace for the next 10 years, we are on track to meet the goal of 35,000 acres.
- In a May, 2010 poll of likely Rhode Island voters, 87% agreed that “Parks, open space recreation facilities and protecting what farmland remains are important to enhancing the quality of life in Rhode Island not only for this generation but future generations.”\(^4\)
- Rhode Island was the only New England state in which combined state and local per capita expenditures for natural resources, parks and recreation declined between FY 1998 and FY 2008.\(^5\)
- Household water use in Rhode Island averages 58-72 gallons per person each day in winter. In summer, lawn and garden watering increases use by 30-50 gallons per person.\(^6\)

\(^1\) *Annual Report, Fiscal Year 2009, RI DEM Land Conservation and Acquisition Program*
\(^3\) *RIDEM, Land Acquisition Yearly Totals*
\(^4\) *Rhode Islanders Support Open Space, information publication by The Nature Conservancy et al.*
\(^5\) *How Rhode Island Compares, 2010 Edition, RI Public Expenditure Council*
\(^6\) *Water for Rhode Island: Today and Tomorrow, Environment Council of Rhode Island and the Rhode Island Water Resources Board.*

---

**Policy Recommendations**

**At the State Level**

- Update the state’s land conservation plan, which is now 16 years old. It is time to review goals and strategies to ensure that the state’s natural resources will be used as effectively as possible.
- Grow Smart supports the 2010 Open Space and Recreation Bond Issue. If the Bond Issue passes, we urge state and local elected officials to ensure full public participation in planning for future recreational and open space use of Rocky Point and the India Point parcel.
- Activate Rhode Island’s Housing and Conservation Trust Fund and provide a permanent funding stream for the Fund.
- Update the current system for reporting installation of new private wells.
- Invest in updating aging water system infrastructure.

**At the Municipal Level**

- Prioritize land for protection, working collaboratively with state government, neighboring municipalities and private conservation entities, to ensure that funds will be spent as efficiently and effectively as possible.
- Adopt a Conservation Development ordinance. Conservation Development provides for flexible siting of buildings on a parcel of land in order to preserve 50% of the parcel as meaningful open space and minimize the visual and environmental impacts of residential development.
- Be vigilant in enforcing regulations that protect wetlands and waterway buffers.
- Forge effective working partnerships with private land trusts, where possible offering them municipal assistance with mapping or legal work.
- Work with water suppliers to develop and implement effective water conservation policies and incentives.
- Consider incentives or requirements for homeowners to use drought-tolerant landscaping.
Investing responsibly in our state’s transportation infrastructure—including a 21st century mass transit system—is increasingly seen by civic and business leaders as essential to Rhode Island’s economic recovery and future prosperity.

Enhancing public transit and designing more walkable neighborhoods is also an effective way to address multiple issues that affect our overall quality of life. It means that our older citizens can remain independent longer and that our urban, town and village centers can accommodate more economic growth without increasing traffic and congestion. It means we can reduce our dependence of foreign oil and the resulting harm to our economy and environment. It means we can get out of our cars more often and lead more active and healthy lifestyles.

Like other states, Rhode Island’s transportation funding mechanism is unsustainable and inadequate to properly maintain infrastructure and to operate a public transit system. Continued borrowing and overreliance on declining gas tax revenue is simply not a viable solution. Decades of deferred maintenance on our highways and bridges has resulted in alarming deterioration. For a state trying to improve its economy, it is unacceptable that the Route 95 Pawtucket River Bridge will have been closed to trucks for nearly 6 years by the time a replacement bridge is completed.

The 2008 report of Governor Carcieri’s Blue Ribbon Panel on Transportation Funding warns of the dire “consequences of inaction.” The report concludes that “We must act now, for if we do not, the future costs to rebuild our infrastructure as well as the costs to our economy will only be higher.” Continued inaction is simply not an option if we expect to move our state in the right direction and compete in a 21st century economy.

Making better use of Rhode Island’s rail lines and port facilities would also ease traffic congestion, reduce road maintenance costs and air pollution while providing a more economical and competitive option for moving freight.

Rhode Islanders are fortunate that significant planning is already done or now underway for vastly improving how we get where we’re going. This includes the recently completed Metropolitan Transit Enhancement Study, the ongoing Aquidneck Island Transportation Study and an emerging study of transportation improvements by officials in the densely populated Blackstone Valley Corridor. These studies position the state well to take advantage of new federal funding opportunities.

The 40-member Coalition for Transportation Choices (which Grow Smart co-chairs) is leading a broad-based advocacy charge for development of a 21st century transportation system that’s a win for the environment, a win for the economy and a win for people looking to reduce their household transportation costs.

A transportation system dominated by single occupancy automobile travel is no longer viable—or competitive. The health, safety, and economic well-being of our citizens depend on the development of a more economically and environmentally sustainable transportation system.
Key Facts

- FY 2011 represents a critical tipping point in which more than 50% of RIDOT’s gas tax receipts will now be used for debt service on transportation related borrowing, leaving an ever decreasing amount for repair and maintenance.1
- The age of our infrastructure and deferred maintenance has resulted in Rhode Island having the worst record for bridge deficiencies of any state in the nation.2
- In 2008, Governor Carcieri’s Blue Ribbon Panel on Transportation Funding estimated that Rhode Island needs to invest an additional $285 million annually for 10 years to bring our existing roads and bridges into a state of good repair.3
- Based on gasoline prices of $3.00 per gallon, approximately $1 billion leaves the Rhode Island economy annually, representing the cost of crude oil and refining.4
- The transportation sector in Rhode Island is responsible for 37% of the state’s greenhouse gas emissions, more than any other individual sector, including electric, residential, commercial and industrial.5
- Ridership demand on RIPTA increased 33% between 1999 and 2008. 80% of the state’s population has access to RIPTA service.6
- Operational and financial audits have shown that RIPTA ranks among the highest in its peer group.7

Policy Recommendations

At the State Level

- Identify adequate, long range and sustainable funding sources for roads, bridges and public transportation and establish a dedicated Transportation Trust Fund.
- Grow Smart urges legislative action in 2011 to establish these sustainable transportation funding sources. However, in the meantime the immediate need to fund critical road and bridge repairs and RIPTA bus replacement must be met. Grow Smart therefore supports the 2010 Transportation Bond Referendum.
- Prioritize implementation of the Metropolitan Transit Enhancement Study recommendations to meet current demand and to grow the intermodal transit system.
- Provide meaningful incentives for employees (including state employees) to utilize public transit and disincentives to commute alone.
- Establish a standing Transportation Committee in the General Assembly, perhaps by expanding the scope of the existing Joint Committee on Highway Safety.
- Seriously consider implementation of strategic actions to be recommended in the Rhode Island Port Development Opportunities Study. The Study, a coordinated effort by the RI Bays, Rivers, and Watersheds Coordination Team and the Special Legislative Commission to Study Potential Economic Opportunities in the Development of Port Facilities, is scheduled for completion in January, 2011.

At the Municipal Level

- Modify local Comprehensive Plans and corresponding zoning regulations to encourage compact, transit-supportive development near bus and rail stops.
- Pursue opportunities to improve the safety of children walking and biking to school through the 100% federally-funded Safe Routes to School Program.
- Promote non-motorized mobility through “walkable” community planning strategies.

At the Federal Level

- Develop a new national transportation vision with objectives and accountability for meeting performance targets (H.R. 2724).
- Prioritize the Reauthorization of the Federal Transportation Funding bill that expired September 30, 2009.
- Support efforts to bring federal reimbursement for transit projects more in line with those of road and bridge projects.
- Support “Complete Streets” proposals that require most new transportation projects to accommodate needs of pedestrians, bicyclists and other non-auto modes of transportation (H.R. 1443 / S 584).

---

1 House Fiscal staff presentation to the RI House Finance Committee, March 10, 2010
2-3 Rhode Island’s Transportation Future, Governor’s Blue Ribbon Panel on Transportation Funding, December, 2008
4 New Public Transit Alliance, January 2008 estimate based on data from the U.S. Dept. of Energy
6-7 Abrams-Cherwony & Associates, Peer Group Review of RIPTA, April, 2007
Housing policies will have a major impact on economic growth, community and family stability and our ability to protect natural resources. Elected officials must address two critical questions:

- Where and how will future housing be located?
- What should the state and municipalities do to help ensure continued creation of rental and home ownership units with long-term affordability provisions?

Economic growth requires a workforce to meet a wide range of employment needs. Rhode Island’s high housing costs hinder our state’s ability to attract and retain that workforce. A study by the Federal Reserve Bank of Boston showed that in 2008 potential first-time homebuyers in Rhode Island earned only 75% of the income needed to afford a starter home. The high costs of home ownership, coupled with the availability of adjustable rate mortgages and subprime loans, led many households to take on large amounts of debt between 2000 and 2005. The foreclosure crisis has already hit Rhode Island hard, and many more Rhode Islanders who remain in their homes are cost-burdened and particularly vulnerable to job loss, reductions in income or escalations in mortgage rates.

The majority of the workers who fill low and moderate paying service industry jobs require rental housing. There is a severe shortage of affordable, safe and healthy rental housing for low and moderate income households—particularly families. The dislocation of hundreds of tenants living in foreclosed multi-family buildings has made the rental situation worse.

Foreclosures, high unemployment rates and the shortage of affordable rental units have driven increasing numbers of Rhode Island families into homelessness, affecting not only the people involved but our overall economic prospects. To have economic growth, workers need to be able to focus their attention on their jobs and on skill training—not on worrying about where their families will live. We cannot expect children to do well in school if they are homeless or moving frequently from one district to another.

Current housing conditions have additional negative impacts on the economy. The residential construction industry should be an economic engine for Rhode Island’s economy; instead, it has almost ground to a halt. Foreclosures mean lost property tax revenue for municipalities and declines in values for surrounding properties.

In recent decades, municipal zoning ordinances have created a sprawling pattern of residential development which emphasized single family homes on increasingly large lots. Many municipalities do not permit multi-family housing or even duplexes in the majority of their residential zones. These policies resulted in undeveloped land being consumed at a rapid rate and contributed to increased housing costs during the recent housing boom.

In order to contain overall housing costs and to protect the environment, state and municipal policies should incentivize developers to locate future residential growth in and around city, town and village centers and to create compact residential and mixed-use neighborhoods with smaller lots and more multi-family buildings.

---

Key Facts

- In 2010, the average rent for a two-bedroom apartment in Rhode Island is $1,120, an increase of $350, or 45 percent, from 2001 prices.¹
- In the one-year period from April, 2009 through March, 2010, 10,466 foreclosures were initiated in Rhode Island. In the 18-month period from January, 2009 through June, 2010, 4,475 actual foreclosures took place.²
- In 2006 Rhode Islanders voted by a two to one margin to support a $50 million bond issue to create low and moderate income housing.³ The bond issue was supported by a majority of voters in every city and town.
- The first $37.5 million from RI’s affordable housing bond is creating 828 units of affordable housing in 28 communities and generating about $600 million in total economic activity.⁴
- Construction activity supported by the affordable housing bond represented 48% of the total value of residential construction permitted in Rhode Island from 2007 to 2009.⁵
- The $50 million in affordable housing bond funding approved in 2006 will be fully committed by the end of 2010.
- In a March 2010 poll of likely Rhode Island voters, 69% favored continued state funding for affordable housing.⁶

Policy Recommendations

At the State Level

- Identify and enact a permanent funding source to fund the Housing and Conservation Trust Fund.
- Restore the State Historic Preservation Tax Credit, which helped to fund 596 low and moderate income housing units between 2002 and 2009.
- Continue to appropriate funds for the Neighborhood Opportunities Program (NOP). NOP was the first Rhode Island program established to provide funds to address the housing needs of low and moderate income Rhode Islanders and will be the only program remaining for this purpose after housing bond funds are spent out.

At the Municipal Level

- Review Local Comprehensive Plan low and moderate income housing creation strategies annually to evaluate their effectiveness and determine whether changes are necessary.
- Establish an Affordable Housing Commission to identify affordable housing opportunities and promote affordable housing in the municipality (16 Rhode Island communities already have such commissions).
- Grant reasonable variances to allow re-development of existing abandoned or under-utilized structures.
- Review and retool zoning and subdivision regulations to facilitate compact residential development appropriate to the municipality’s location, physical characteristics and current level of development.
- Adopt a Conservation Development Ordinance to allow developers more flexibility in subdivision of land and determining residential lot sizes.

¹ HousingWorks RI, 2010 Fact Book.
² All data from The Warren Group; data regarding actual foreclosures courtesy of HousingWorks RI in cooperation with Rhode Island Housing.
³ HousingWorks RI, 2007 Fact Book.
⁴ HousingWorks RI, Building Homes Rhode Island The Housing Bond: Year Three Status Report, August, 2010.
⁵ HousingWorks RI, 2010 Fact Book.
Rhode Island’s agricultural sector is a bright spot in the midst of Rhode Island’s sluggish economy. From every perspective, the state’s agricultural sector is growing—in numbers of farms, numbers of farmers, total acreage, revenue and product diversity.

The past few years have seen a revolution in the way Americans view their food. With concerns mounting over the effects of pesticides, fertilizers, and corporate farming on human health and the environment, more and more Americans want locally grown and organically produced foods. Rhode Island’s small family-owned farms, located close to—and sometimes in—urban areas, are uniquely positioned to take advantage of these trends.

Increased food security and the health benefits of readily available, fresh local food are only two of the multiple public benefits that Rhode Island’s family farms provide. Agricultural landscapes contribute to the quality of place in communities across the state. Additionally, agricultural lands protect natural resources and provide wildlife habitat.

Policy-makers can ensure that Rhode Islanders will continue to enjoy the many benefits provided by local farms. To do so, they will need to understand the risks and challenges inherent in the business of farming. Only then can we enact policies at the state and municipal levels to sustain Rhode Island’s many family-owned farms.

One of the biggest challenges is the high cost of land in Rhode Island. At $12,000 per acre, the value of agricultural land in Rhode Island is the second highest in the country. This often makes it impossible for new farmers to acquire land or for farm operations to expand. Rhode Island’s high property taxes can also escalate farming costs. Further economic hardship is incurred when farms pass from one generation to the next. High land values lead to high inheritance taxes, and frequently the only way for a farm family to raise the cash to pay the taxes is to sell land.

The spread of residential development into previously agricultural areas often leads to tensions between farmers and neighboring homeowners. Even though Rhode Island has a strong right to farm law, new residents’ objections to the noise, dust, and smells that are part of agriculture can cause problems for farmers.

A larger issue is that while many municipalities want to maintain agriculture, they do not have strong farm-supportive language in their local comprehensive plans and have not enacted zoning ordinances that clearly spell out what agricultural activities are permitted by right or by special use. Zoning is particularly out of date when it comes to new entrepreneurial efforts by farmers to realize revenue from their farms—ranging from expanded farmstands to agritourism.


**Policy Recommendations**

**At the State Level**
- Seriously consider implementing the recommendations for state action contained in the 5-Year Strategic Plan for Agriculture which is due to be completed at the end of 2010. The Plan is being developed by the Rhode Island Agricultural Partnership, with assistance from the American Farmland Trust and in close collaboration with the Rhode Island Division of Agriculture.
- Ensure that key portions of the 5-Year Strategic Plan for Agriculture are incorporated into appropriate Rhode Island State Guide Plan elements.
- Ease the estate-tax burden for farm families. A cap on the value of farms for Rhode Island estate tax purposes would avoid the next generation’s having to sell all or parts of their farms to cover taxes.
- Support Farm, Forest, and Open Space Act reforms which would provide for a reassessment of the recommended property tax rates to ensure they are appropriate and re-activate the Act’s Review Committee.
- Continue funding for the RI Agricultural Extension Agent within the URI College of The Environment and Life Sciences.

**At the Municipal Level**
- Ensure that farmers have a voice in local planning through establishment of a municipal Agricultural Commission.
- Include clear discussion of the importance of agriculture to the local economy, natural resource protection and community livability in the local comprehensive plan. Provide for appropriate scales of agriculture in local comprehensive plans, ordinances, and regulation. Address the specific needs of farmers within municipal ordinances.
- Consider establishing a Transfer of Development Rights Program.
- Use municipal and private land trusts to preserve agricultural land.
- Help protected land to remain in active agricultural use by crafting easements that provide the flexibility farms need to adapt to new opportunities, technologies and changing market conditions.

**At the Federal Level**
- Support the Family Farm Estate Tax Deferral Act of 2010 (S.3664), which would exempt family farms and ranches from the estate tax, and update existing estate tax incentives for voluntary, permanent protection of lands with conservation values.

---

**Key Facts**

- In 2007, Rhode Island ranked third in direct marketing sales on a per farm basis with direct market sales up nearly 50% since 2002.
- In 2007, Rhode Island farmers produced $65.9 million in revenue from sale of agricultural products, up 19% from 2002.
- The number of farms in Rhode Island increased by 42% between 2002 and 2007 – the sharpest increase in New England and perhaps in the entire country.
- Rhode Island farms provide full or part-time employment for approximately 1,000 farm operators plus many full and part-time farm workers. Many more Rhode Islanders are employed by markets, restaurants, produce distributors, and other businesses related to local agriculture.
- Twenty-six farms are currently on the waiting list to sell development rights to the Rhode Island Agricultural Lands Protection Program.
- At the end of FY2010, the RI office of the Natural Resources Conservation Service returned to the Federal government approximately $3.9 million in Farm and Ranchland Protection funding allocated for Rhode Island. Lack of sufficient state and municipal matching funds, together with decline in farmland values, contributed to Rhode Island’s inability to make full use of available Federal funds.

---

1,2,3 US Department of Agriculture, 2007 Census of Agriculture, 4 RIDEM, 5 Natural Resources Conservation Service.
Restructure the Tax System

Unless and until we overhaul our state and local tax structure, Rhode Island will not be able to fully seize the opportunities and address the challenges described in the preceding pages. While property tax reform is not a land use issue per se, the current tax structure’s heavy reliance on local property taxes for public education funding severely hinders Rhode Island’s ability to plan effectively for sustainable economic growth.

Spending on education services (including elementary, secondary and higher education, other education services and libraries) is the largest single budget item for state and local government. In Rhode Island spending for these services accounted for one third of all general expenditures in FY2008. More than most states, Rhode Island depends on the local property tax as the primary revenue source for public education.

In 1995, a study of eleven southern New England towns concluded that commercial/industrial activity costs about $.43 in services for every dollar of property tax generated. At the same time, largely due to school costs, residential development costs a town about $1.14 for every dollar paid in property tax. The widely reported study results made many municipalities leery of residential development that might add children to their school system. These concerns, while often greatly exaggerated or mistaken, have increased resistance to affordable housing and compact development.

Over-reliance on the local property tax also encourages wasteful competition among neighboring towns for commercial development and, in some cases, questionable siting decisions for such developments.

The State depends on corporate and individual income taxes for the majority of its revenues while municipalities depend on property taxes for the majority of their tax revenues. As a result, state and local government are often at odds when it comes to land-use planning and economic development. A classic example is the question of how waterfront property should be used. For a municipality, looking to expand its property tax base, the “best” use may be high-end residential housing targeted to adult households. For the state, looking to increase income tax revenue, the “best” use might be industrial or commercial development that would add jobs and therefore increase income tax revenues. Unless and until this conflict can be resolved, it will be difficult to implement coherent, long term land use and economic development strategies.

Another tax question that needs to be carefully considered and fully understood is the role that various tax incentives can play in promoting environmentally sound growth in places that can best accommodate and benefit from it. Grow Smart believes that incentive programs such as the Historic Preservation Tax Credit are powerful tools for economic growth. Legislation creating any tax incentive should include provisions requiring careful measurement of both costs and benefits. Ineffective programs can then be eliminated, and effective programs can be fine-tuned and expanded.

Any comprehensive review of our tax structure should also include an analysis of the impact of estate taxes on family farms and other small businesses.

1 Rhode Island Public Expenditure Council (RIPEC), How Rhode Island Compares: State and Local Expenditures, 2010 Edition.
Key Facts

- As of FY 2008, local revenues accounted for 58 cents of every dollar dedicated to education statewide. State sources accounted for 35 cents of every education dollar and federal support was 7 cents of every dollar.\(^1\)

- Rhode Island had the 5th highest property tax burden per $1,000 of personal income among the 50 states as of 2008.\(^2\)

- Rhode Island’s general sales tax burden per $1,000 of personal income is actually below the national average because we exempt many items from the sales tax.\(^3\)

- Rhode Island’s income tax burden per $1,000 of personal income ranked only 29th highest in the nation as of 2008.\(^4\)

- Rhode Island’s Payment in Lieu of Taxes (PILOT) Program requires the State to compensate municipalities that host major state facilities that don’t pay property taxes. By law, the state should pay a municipality 27% of the amount the municipality would otherwise realize in property taxes. In recent years, however, the state has only reimbursed 78% of the required amount. Thus state compensation to municipalities is only 21% of the property tax revenues that a municipality could expect to realize from facilities covered by the PILOT Program.\(^5\)

Policy Recommendations

- Grow Smart urges our State elected officers and legislators to begin in early 2011 a thorough review of the entire tax structure.

- Seriously consider at least three alternatives to the current tax structure:
  1. Link property tax reform with school funding reform by substituting a statewide property tax for some or all of the local property tax. This has been done in Vermont.
  2. Establish a regional property tax sharing system that pools some or all tax revenue from new commercial development in a designated region and distributes these funds to participating communities on a formula basis. Because of Rhode Island’s small size, consideration should be given to defining any property tax sharing region adopted here as the entire state. One model to consider is metropolitan Minneapolis-St. Paul (an area larger in population and land mass than Rhode Island), where a regional property tax sharing system has been in place for approximately 40 years. Closer to home, Maine has established several regional industrial parks in which the revenue from any given park is distributed on a formula basis to all of the municipalities participating in the regional economic cooperation agreement for the park.
  3. Transfer some of the burden for education funding from the local property tax to an existing state tax such as the income or sales tax.

---

\(^1\) RIPEC, Results: Education in Rhode Island 2010, April 2010.
\(^2,3,4\) RIPEC, How Rhode Island Compares: State and Local Revenues, July, 2010.
Examples of well-designed smart growth development can be found in a number of Rhode Island communities. Here are illustrations of just four examples. To view further Rhode Island smart growth case studies, go to www.growsmartri.org.

**Hope Artiste Village**  
*Pawtucket*

Between 1890 and 1930, the Hope Webbing Company constructed a massive complex of six interconnected buildings totaling 650,000 square feet (14 acres) to house its Pawtucket jute and leather bootstraps factory. Hope Webbing moved out in the mid 1990s, and for a decade the site stood largely vacant, a target for vandalism.

A decade later, attracted by Rhode Island’s Historic Preservation Tax Credit, Urban Smart Growth began rehabilitating the former Hope Webbing complex for mixed use. The result is Hope Artiste Village, which offers small scale artisan manufacturing space, a bakery and a coffee roaster, incubator office space, artistic and individualist retail space, live/work studios, bar/restaurants and music venues, and a highly successful Farmers’ Market. When the entire project is built out, it will include 146 housing units. The local community has strongly supported USG’s vision throughout the development process, and the project and its tenants’ entrepreneurial spirit are contributing to Pawtucket’s arts-oriented revitalization initiative.

**Stillwater Mill**  
*Burrillville*

Burrillville’s Stillwater Mill is located in the village of Harrisville, within walking distance of a number of homes, the Burrillville town hall, a post office, three schools and a daycare center. Built in 1829, it was once one of the largest employers in northwestern Rhode Island, but after closing in 1963, the complex became an eyesore in the midst of the village.

The Burrillville Redevelopment Agency, with broad community input, developed a phased master plan for the mill’s redevelopment that combined preservation of the best of the original mill buildings with new construction. Existing village sidewalks were linked to the Stillwater complex’s new pedestrian circulation system, allowing people to walk to the library from the village’s main commercial street. The complex also provides new amenities for the village, in the form of green space in the middle of the complex and a River Walk that offers public access to the Clear River.

The Library and Stillwater Heights, which provides 52 apartments for low and moderate income elderly, are already completed and the Clock Tower, with 47 mixed income rental units and 2,500 square feet of commercial space, is due to open in January. The master plan also calls for 35,000 sq. ft. of rehabilitated space for commercial use, but that project will only be feasible if the Historic Tax Credit is re-instated. Stillwater Mill underscores the importance of municipal leadership and illustrates how once-blighted properties can provide space for economic and residential growth while helping to revitalize an existing village center.
Sweetbriar
Barrington

The Sweetbriar community, developed by the East Bay Community Development Corporation, consists of 23 freestanding buildings containing one one-bedroom apartment, 17 two-bedroom apartments and 29 three-bedroom apartments. Sweetbriar provides rental housing affordable to households earning 50% or 60% of area median income. That means that in order to qualify for the housing, the total income for a family of four can be no more than $43,920 (60% of area median income) or $36,600 (50% of area median income.) East Bay CDC used a variety of sources to finance the project, including funding provided by the $50 million affordable housing bond approved by Rhode Island voters.

Located on the site of the former West Barrington Elementary School, Sweetbriar creates a very livable neighborhood for its residents. All the units have front porches and parking in the rear of the buildings, and a central common area provides a green setting for community activities. Sweetbriar also complements the surrounding area. Its duplex units share a single roof line, giving the impression of a single-family building, and the architectural styles, scale and detail reflect the single family homes found on adjacent streets. Once a target of intense community opposition, Sweetbriar's attractively designed and well cared for homes have won approval from many former nay-sayers.

InterLink
Warwick

Rhode Island's first intermodal transportation hub, officially named the InterLink, is scheduled to open for train service late this year. Located in Warwick, only 1,270 feet from the T.F. Green Airport terminal, the InterLink will serve MBTA commuter trains traveling between Warwick, Providence and Boston and will also provide service to Wickford Junction. There will also be a bus hub for local and intercity bus services and a facility housing all airport rental car operations. A 6 level parking garage will accommodate 1,800 spaces for rental car operators and 800 spaces for rail commuters. A key feature is the 1,200 foot enclosed skywalk, with moving sidewalks, which enables passengers to move quickly and easily between the InterLink and the airport terminal.
Resources

All of the following resources can be accessed online via the 2010 Briefing Book for Candidates link on Grow Smart’s home page: www.growsmartri.org

**Smart Growth**  
For further information from Grow Smart, contact:  
Scott Wolf, Executive Director,  
273-5711, ext. 4, swolf@growsmartri.org

- The Costs of Suburban Sprawl and Urban Decay in Rhode Island.  

- Rhode Island Citizens’ Guide to Smart Growth Terms and Concepts, Grow Smart RI Land-Use Training Collaborative,  
  2007

- Case Studies in Smart Growth, Grow Smart Rhode Island  
  Land-Use 2025: State Land Use Policies and Plan, RI Statewide Planning Program, April, 2006

- Blueprint for American Prosperity, Brookings Institution  
  2008

- Economic Development & Smart Growth: 8 Case Studies on the Connections Between Smart Growth Development & Jobs, Wealth and Quality of Life in Communities.  
  International Economic Development Council

- Smart Growth is Smart Business, Smart Growth Leadership Institute, 2004

- Smart money in real estate is on Smart Growth, Reuters, August 2010

- Rhode Island Division of Planning website  
  Aquidneck Island Planning Commission website  
  Washington County Regional Planning Council website  
  The Blackstone Valley Partnership website

**Concentrate Growth in Centers**  
For further information from Grow Smart, contact:  
John Flaherty, Director of Research and Communications,  
273-5711, ext. 5, jflaherty@growsmartri.org

- Handbook 16: State Guidelines for Designating Growth Centers, RI Statewide Planning Program

- 2004 National Community Preference Survey, National Association of REALTORS,


- RI Historic Tax Credit Law

- RI Historical Preservation & Heritage Commission Proposed Amendments to the Federal Rehabilitation Tax Credit (2009)

- Essential Smart Growth Fixes for Urban and Suburban Zoning Codes, U.S. EPA

- RI Industrial Property Remediation and Reuse Law (Brownfields)


- RIDEM Brownfields website

- RIEDC Brownfields website

- U.S. EPA Brownfields website

- Transfer of Development Rights Report, 2007 Grow Smart RI

- RI State Properties Committee Statute regarding Facility Siting

- RI Department of Education Smart Growth Guidelines for School Siting

- Rhode Island Tax Increment Financing Law

- Rhode Island State Building Rehab Code


**Protect Natural Resources**  
For further information from Grow Smart, contact:  
Sheila Brush, Director of Programs,  
273-5711, ext. 3, sbrush@growsmartri.org

- Annual Report, Fiscal Year 2009, RI DEM Land Conservation and Acquisition Program

- Rhode Islanders Support Open Space, information publication by The Nature Conservancy et al.

- RIDEM, Land Acquisition Yearly Totals

- South County Design Manual, RIDEM, 2001

- South County Greenspace Protection Strategy, RIDEM, 2003

- Woonasquatucket Greenspace Protection Strategy, RIDEM

- The Rhode Island Conservation Development Manual, RIDEM

- RI Transfer of Development Rights Manual, RIDEM

- Water for Rhode Island: Today and Tomorrow, Environment Council of Rhode Island and the Rhode Island Water Resources Board.


- Coalition for Water Security website

- Rhode Island Water Resources Board website

- Leadership in Energy Efficient Design (LEED) website, U.S. Green Building Council/RI Chapter website

**Expand Transportation Choices**  
For further information from Grow Smart, contact:  
John Flaherty, Director of Research and Communications,  
273-5711, ext. 5, jflaherty@growsmartri.org

- Grow Smart RI Public Transportation Statement of Principles, 2008

- Transportation Backgrounder, RI Coalition for Transportation Choices, 2010