

IV. ECONOMIC DEVELOPMENT ELEMENT

COMPREHENSIVE PLAN

TOWN OF SOUTH KINGSTOWN, RI

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A. Regional Economy

1. Definition

This analysis uses the State of Rhode Island as the regional context for examining and evaluating the South Kingstown economy. South Kingstown is located in Washington County in southern Rhode Island. Washington County comprises approximately one-third of the State's land area and is one of five counties. Because of the State's size, there is excellent access from South Kingstown to Providence, the State capital and major city, as well as to other locations in Rhode Island and adjacent states. The commuting patterns for residents of the Town are widespread. For this reason, it is appropriate to use the State as the regional context. However, comparative data will be cited for Washington County when available.

2. Employment Base

According to the State Department of Economic Development, employment in Rhode Island averaged 461,000 jobs in 1989. This represents an increase of 62,700 jobs, or 15.7 percent over the 1980 level. Figure 1 shows the long run trends in the State's employment level and composition. As of September 1990, total employment in the State was at 451,000, reflective of the current State and regional - if not national - recession.

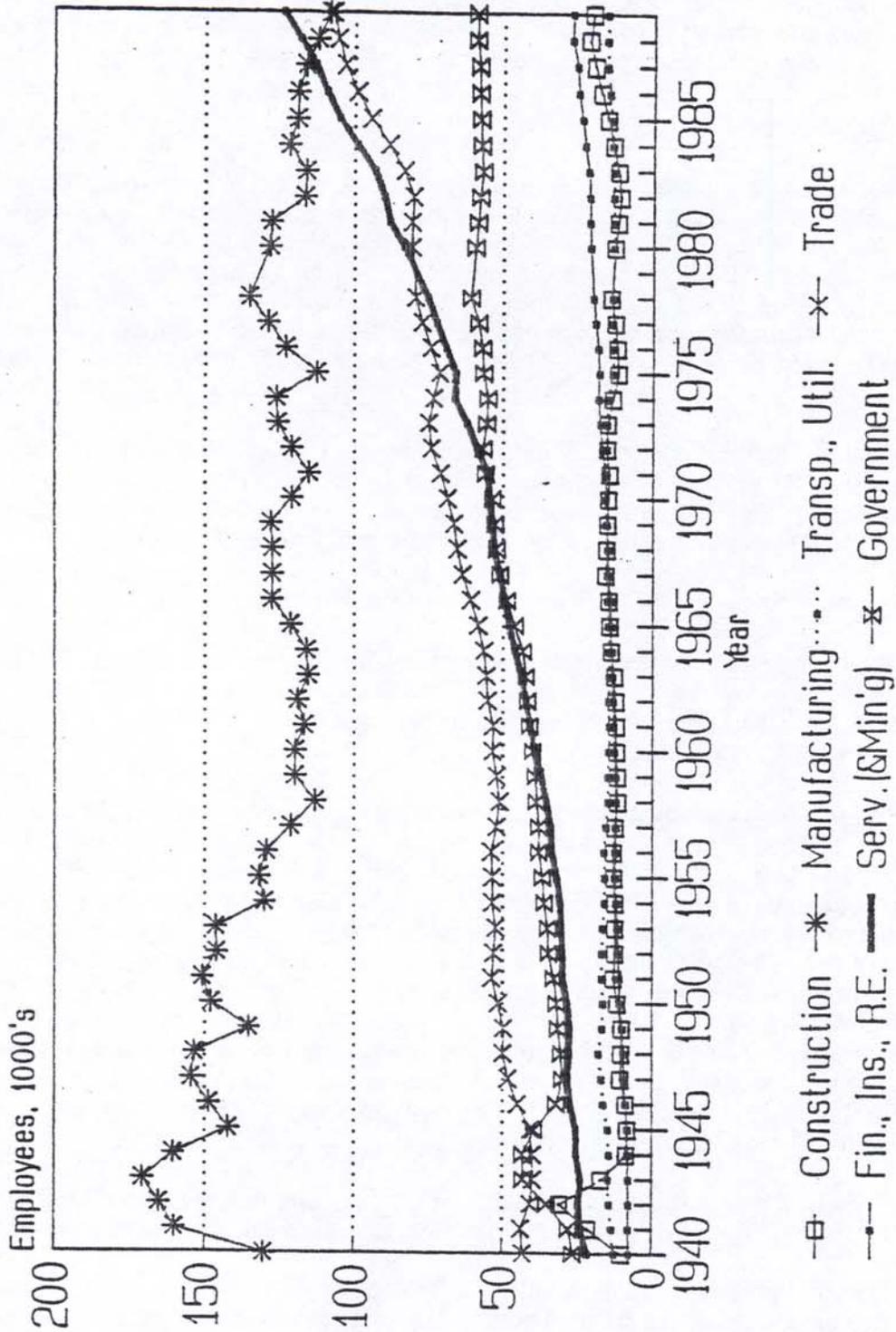
As measured by employment, the dominant economic activities in the State are services, manufacturing and trade (wholesale and retail combined). Similar to trends observed on a national level, manufacturing employment has declined both in absolute numbers and in percentage share, while service and trade employment have expanded. Within the manufacturing sector, the production of textiles and electronic/electrical equipment are two activities that have decreased significantly but which remain important in the State's economy. The dominant manufacturing activity, however, with 21,800 employees in 1989, is jewelry production. This industry has remained the largest manufacturing sector for years.

Rhode Island's production workers have narrowed the gap between their earnings and the national average, but the difference remains notable. In 1989 average hourly earnings for production workers in Rhode Island were \$9.07 compared with \$10.47 for the United States, a gap of 15 percent. In 1980 the difference between the State and national average was 30 percent.

3. Population and Resident Labor Force

The State's labor force numbered 513,500 in 1990, an increase of 9 percent over the 1980 level of 471,000. During the same time period, the number of jobs increased by 62,700. These trends produced a closer balance between the number of jobs and the number of workers, with the result that State unemployment declined. From 1980 through 1982 unemployment rates in Rhode Island were equal to or above the national average, but between 1983 and -1989, the State's average rate of unemployment was consistently

Figure 1
 R.I. Long Run Run Change
 Of Nonagricultural Employment



Source: U.S. Dept of Labor

below the national average. The 1990 unemployment rate was 5.9 percent in Rhode Island, compared to a U.S. rate of 5.3 percent. However, from January 1990 to October 1990, the State's unemployment rate exceeded the nation's.

4. Personal Income

Per capita, personal income in Rhode Island in 1989 was \$18,060, about \$500 above the national yearly average, but \$3,450 below the average of \$21,509 for the six New England States. (Personal income data are from the U.S. Department of Commerce, Bureau of Economic Analysis (BEA), as reported by the Rhode Island Department of Economic Development. The BEA income figures are not comparable with the per capita income figures for the Town, as reported in the section on Personal Income). Figure 2 depicts the State's per capita income as compared to that of New England and the United States in the 1980-89 period.

Over the 1980-1989 decade, residents of Rhode Island improved their personal income relative to the U.S. average, but lost ground relative to the New England average. Per capita income in Rhode Island increased by 89.8 percent between 1980 and 1989, compared with increases of 77.1 percent for the U.S. and 104.0 percent for New England.

5. Government Finances

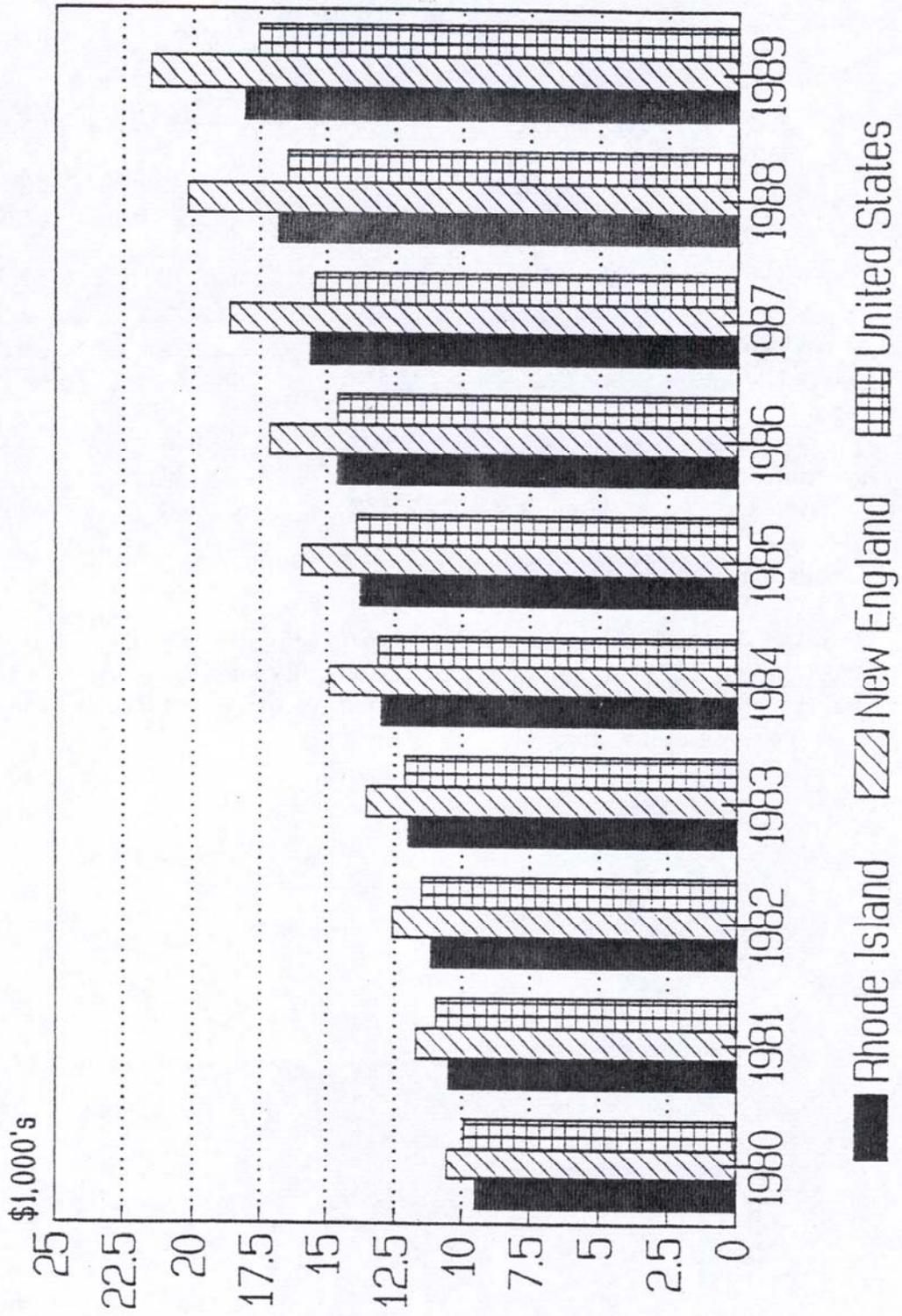
The General Fund of the State provides the financing for most of the operations of the State government, including the jointly financed State-Federal programs. The State-Federal Highway Construction Program and other major construction programs are financed, in general, through special funds.

Table 1 shows the major sources of local government revenues in Rhode Island over a ten year period, 1978 to 1988, as compared with an average for local governments for the entire United States. The most significant observation is that local governments in Rhode Island are more dependent on their own sources for revenues, specifically, local property taxes. As a source of revenues, the property tax increased its share from 54.7 percent in 1978 to 57.2 percent in 1988. The 1988 share in Rhode Island was almost double the national share of 29.3 percent. Moreover, the national trend has been for slightly less reliance on property taxes, in contrast to Rhode Island's increasing use of this revenue source. Table 1 shows clearly that outside of Rhode Island, local governments rely more and more on charges and miscellaneous as a local source of revenues. The national average is 23 percent compared with only 8.9 percent in Rhode Island. Table 2, with data from 1971 and 1988, demonstrates that these trends have developed over a long period.

A closer look at the property tax as a source of local government revenues is presented in Table 3 for Rhode Island. In the period from 1960 to 1988 there are three clear trends:

Industrial property has declined steadily and significantly as a source of local tax revenues, from a 12.5 percent contribution in 1960 to 4.6 percent in 1988.

Figure 2
Per Capita Personal Income
Comparison, 1980-1989



Source: R.I. DED

Table 1
Sources of Local General Revenue
Fiscal Years 1978 and 1988

<u>Source</u>	<u>Percent of Total</u>			
	<u>United States</u>		<u>Rhode Island</u>	
	<u>1978</u>	<u>1988</u>	<u>1978</u>	<u>1988</u>
Property Tax	32.9%	29.3%	54.7%	57.2%
Other Taxes	8.4%	10.2%	0.5%	1.0%
Charges and Miscellaneous	15.6%	23.0%	5.0%	8.9%
Total - Own Source	56.8%	62.5%	60.3%	67.0%
From Federal Government	10.0%	3.95%	14.0%	4.4%
From State Government	33.2%	33.5%	25.7%	28.6%
Total - Intergovernmental	43.2%	37.5%	39.7%	33.0%

Note: Totals may not add due to rounding.

Source: U.S. Department of Commerce, Government Finances in 1977-78 and 1987-88 and RIPEC calculations. See also the Expenditure Council's Tax Policy Primer (March, 1990) for a comparative analysis of Rhode Island's current revenue structure.

Table 2
Sources of Tax Revenue - Comparison of Distribution
for 1971 and 1988 Fiscal Years
Rhode Island General Fund

	<u>1971</u>	<u>1988</u>
Gasoline and Motor Vehicles	15.9%	6.2%
Retail Sales and Use	30.9%	34.6%
Cigarettes, Tobacco Products, Alcoholic Beverages and Pari-Mutual Betting	11.3%	4.7%
Other Taxes	3.5%	3.4%
Personal Income Taxes	15.8%	35.2%
Business Taxes (direct)	22.6%	15.9%

Source: Rhode Island Department of Economic Development - Research
Division, September, 1989

Table 3
Percent of Total Tax on RI Tangible Property
Contributed by Major Classes, 1960 to 1988

<u>Tax Roll</u>	<u>Residential</u>	<u>Commercial*</u>	<u>Motor Industrial*</u>	<u>All Vehicles</u>	<u>Other</u>
1960%	52.67%	15.21%	12.46%	8.10%	11.56%
1965%	53.80%	17.33%	11.20%	9.29%	8.38%
1970%	55.92%	17.09%	9.27%	10.29%	7.43%
1975%	56.81%	18.45%	7.90%	11.18%	5.66%
1980%	60.03%	18.18%	6.21%	10.77%	4.81%
1985%	66.07%	16.71%	4.60%	9.05%	3.57%
1988%	65.00%	18.95%	4.60%	8.75%	2.70%

*Includes real property and personal property.
Rhode Island Office of Municipal Affairs

Source:

B. Economic Base Analysis

1. Introduction

Like many New England communities, South Kingstown's economic heritage is rooted in agriculture. As noted in the Cultural Resources Element, agriculture was traditionally the dominant economic activity and farmsteads are still visible across the landscape of the town. Farming gave way to manufacturing during the nineteenth century. Grist mills and saw mills transformed villages such as Wakefield, Peace Dale and Rocky Brook into thriving communities. Later in the 1800's, textile mills and fulling mills were also established. Following this, the role of the shore gained prominence in the late 19th and early 20th centuries as it developed to serve a growing influx of summer visitors and residents. The Town became the home of a new railroad station and a new State university, two economic components still of notable significance.

In the more recent past, by virtually every economic performance measurement, it is clear that South Kingstown has shared in the general economic expansion and prosperity of the 1980's.

2. Establishment-Based Employment

Available data indicate that there are more than 10,000 jobs located in the Town of South Kingstown, consisting of approximately 7,000 employees in the private sector, and more than 3,000 employed by Federal, State and local governments.

The major employers in Town are engaged in service activities; the University of Rhode Island employs more than 3,200 persons, making it the dominant employer, and South County Hospital employs 600 persons (Table 4). The largest manufacturing firm is American Power Conversion, which employed 850 persons in February of 1994.

Trends in employment are available, by industry group, for private sector firms that are subject to the unemployment insurance tax (See Technical Appendix IV.A1.0). This employment increased by 56.5 percent between 1980 and 1989, from 4,170 to 6,528 jobs. Construction and wholesale trade had the largest percentage increases in employment, but the largest numerical gain was posted in retail trade, which added 901 jobs. The service industry added 846 jobs. As a result, South Kingstown is even more retail and service oriented than the State. Retail trade and service activities account for more than 70 percent of the private sector jobs in Town. However, manufacturing employment comprises only 13 percent of private sector jobs in South Kingstown, significantly less than the 27 percent of State private sector jobs which are in manufacturing.

Figure 3 illustrates the data in graphic form and shows the change in the make-up of employment in the 1980-89 period for South Kingstown. The figure depicts the growth in the absolute numbers of persons employed in the services and trade sectors of the Town's economy as well as the change in those sectors relative to others. By 1989 employment

T a b l e 4
Largest Employers in South Kingstown

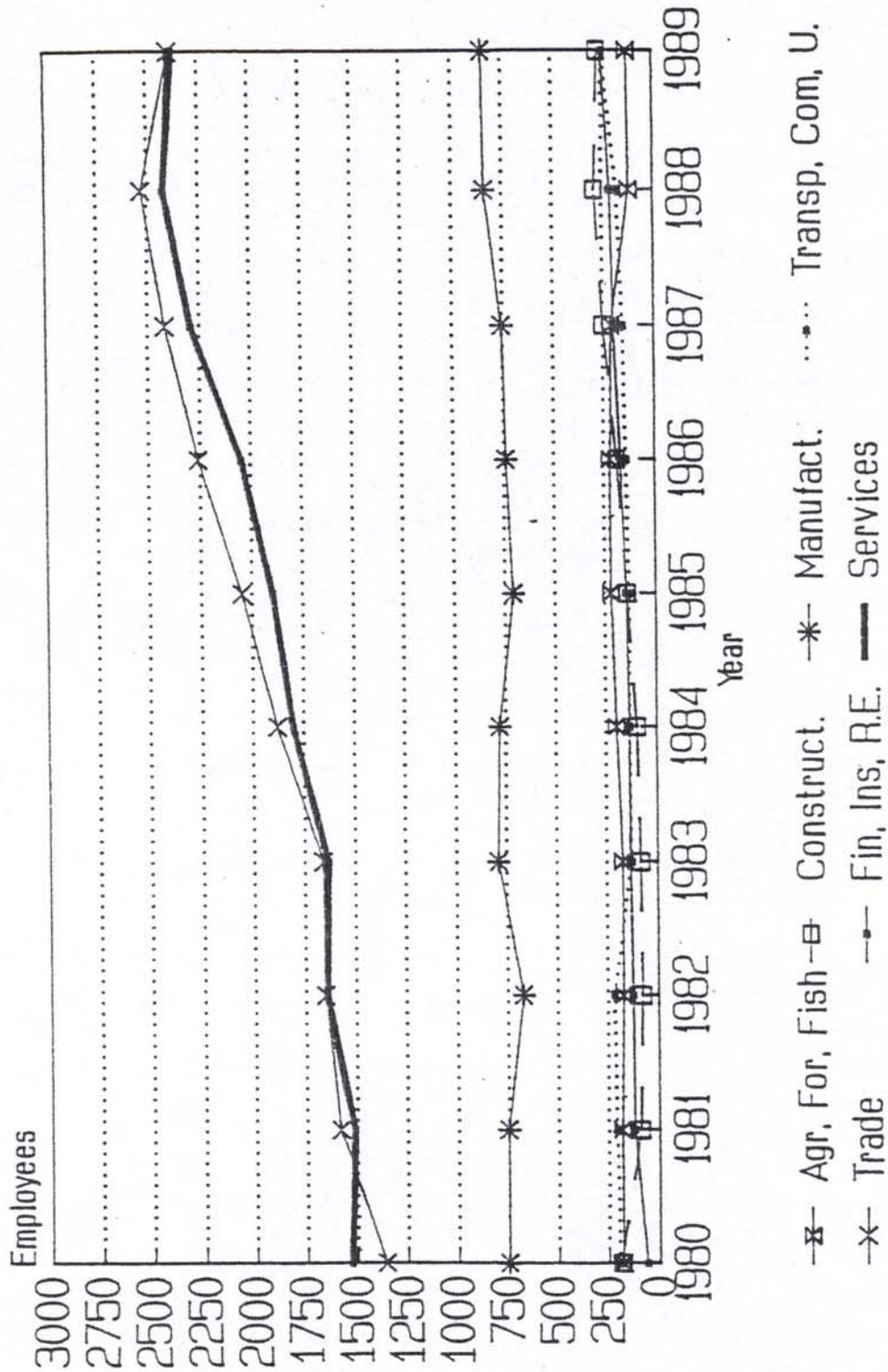
<u>Employer Name</u>	<u>Type of Business</u>	<u>Number of Employees</u>
University of Rhode Island	State University	3,257 (a)
South County Hospital	Hospital	600
Town of South Kingstown	Local Government	520 (b)
American Power Conversion	Manufacturer of Power Supplies	850 (c)
TRT Heating Products	Manufacturer of Comm. and Ind. Heating Equipment	124
N.E. Tel. and Tel.	Telephone Utility	120
108 House, Inc.	Restaurant	110

- (a) **This figure for URI includes about 600 graduate students who are not employees of the State of Rhode Island.**
- (b) **Town of South Kingstown**
- (c) **Correspondence from Edward W. Machala, Vice President for Manufacturing, APC, February 14, 1994**

Source: Rhode Island Department of Economic Development, June 1, 1989 (unless noted otherwise).

Figure 3

South Kingstown Private Employment
By Major Sector, 1980-89



Source: R.I. DED

in services and trade accounted for 73 percent of all private sector employment. While at the State and Town level manufacturing has a declining share of employment, the absolute number of manufacturing jobs in South Kingstown has remained stable, with an increase in the 1980's. This is atypical but can be attributed to the small size of this sector and the dramatic growth and impact of one particular firm, American Power Conversion located in West Kingstown.

3. Existing Economic Base

Economic base industries are those that bring in revenue which originates from outside the local area. Or, they may be support or supply activities so closely oriented to the base industries that they are classified as such. Most often base economic enterprises have their foundation in area natural resources, producing a competitive advantage due to simple geography. It is interesting to note that the Town's major employer, the University of Rhode Island, was founded as a land-grant college in 1892 because of the area's agricultural advantages of a century ago and designated a Sea Grant college in 1971 because of the area's maritime connections. Other basic economic activities stem from the natural resources of the coastal environment as well as the tourism industry associated with it. This path has led to a concentration in services and trade sectors and is documented in Technical Appendices VI.A2.0 and IV.A3.0. The tables present a hierarchy classification of the Town's economic activity.

South Kingstown is unique in the State by the complement of a summer-oriented tourism industry and the Town's most important single employer, URI, whose activities are more directed at the non-summer months. Whereas in most communities manufacturing is a base sector of the economy, this is not the case in South Kingstown because of the low concentration of employment in manufacturing.

Non-base economic activity is considered to be that which re-spends income which has originated from base activities, thereby creating subsequent rounds of income and employment in a multiplier effect. Typically, services and trade are classified as non-base economic activity unless they are associated with a tourism industry. In this case the retail trade and services become part of a basic visitor support sector of the local economy, in addition to serving as local support activities (eating and drinking establishments, clothing stores, real estate services, automobile service stations). Refer to Technical Appendix IV.A2.0 for a classification and ranking of South Kingstown's economic activities.

One reason for classifying economic activity as basic or non-basic is to be mindful of the economic foundation of the community. If that comparative advantage deteriorates, (for example if a particular natural resource is depleted), the economic foundation deteriorates with dramatic secondary effects in the non-basic sector.

The method used in developing the hierarchy of South Kingstown's basic employment, shown in Technical Appendix IV.A2.0, is a modified location quotient index. The location quotient is a straight forward measure which brings out the degree of unusual concentrations of local employment. It is the ratio of two percentages for each Standard Industrial Classification (SIC) grouping as indicated:

Percent of Total South Kingstown Employment_x

Percent of Total U.S. Employment_x

Where x is each two-digit SIC

Generally, the higher the ratio the more basic the industry is in the local area. This index was calculated for the Town for each two-digit SIC and then ranked from high to low. The derivation process is shown in Technical Appendix IV.A3.0. The results are shown in Technical Appendix IV.A2.0. The data shows that State government employment, which is made up almost entirely of the University of Rhode Island is the community's most basic employment sector followed by other basic activities related to the visitor-support economy referred to above: amusement and recreation services, eating and drinking establishments, personal services, gasoline service stations, apparel stores, real estate offices, water transportation, etc. Health services, which include South County Hospital, also rank high as a basic activity in South Kingstown.

Technical Appendices IV.A2.0 - IV.A4.0 also provide average wage data for 1989 and also to provide a report for each industry group showing the extent to which employment levels which fluctuate seasonally. This is reported as a ratio as expressed below:

Average Monthly Employment in South Kingstown for 1989_x

Peak Monthly Employment in South Kingstown for 1989_x

Clearly, the higher this ratio the more stable the industry and the lower the ratio the more seasonal the industry. Not surprisingly, construction and special trade contractors have a low load factor as well as water transportation, agriculture production, and lodging places.

In addition to the preceding characteristics, the local economic structure has the following attributes:

- It has stability in the level of employment across the months of the year, owing to a combination of tourism and the University of Rhode Island.
- The importance of visitor-support enterprises has concentrated employment in relatively low-paying and low-skilled occupations. Employees in private sector, base industries in South Kingstown can be expected to earn 13 percent less than the State's average annual wage of all private employment. From reference to Appendix IV.A3.0, it is apparent that employees in South Kingstown's most basic employment groupings (those having a location quotient above 1.00) earned an average of \$14,461 for 1989. By comparison the State's average earnings were \$16,590 per employee in the same year.
- Typically, the concentration of employment in a single large employer (URI) would be cause for concern. However, the University is not a corporation subject to market cycles, competitive pressures or going out of business on short notice.

- The structure of the economic base is energy-intensive and reliant on cheap energy, namely, gasoline. The tourism and visitor support sector are energy-intensive and dependent on ample supplies of low-priced gasoline, while being further subjective to national economic downturns in a recession.

4. Retail Trade and Service

- a. General Industry Data - Estimates of gross retail sales are provided by the State, derived from retail sales tax collections (Appendix IV.A5.0). The State emphasizes that these figures are not collected for the purpose of providing sales estimates, as they only reflect sales of items subject to the R.I. sales tax. Nevertheless, they are widely used for that purpose. These figures indicate retail sales in South Kingstown of \$226.4 million in 1989 up from \$174.1 million in 1985. This change represents a compound annual growth rate of 6.8 percent since 1985, greater than annual inflation in the period of 3.2 percent and indicative of real growth of 3.6 percent per year. However, total sales in Washington County increased at a greater rate of 10.7 percent per year which suggests a loss in South Kingstown's market share. Figure 4 depicts this loss.

Detailed retail sales data, by broad grouping of the types of goods sold, are available from the U.S. Department of Commerce in its Census of Business, taken at five-year intervals (Technical Appendix IV.A6.0). Data for 1982 and 1987 reveal an increase in sales of 55 percent, which is similar to the upward trend based on tax receipts, although at a lower rate.

Automobile dealers accounted for the most sales in 1987 with \$44 million, followed by food stores with \$33 million, and hardware/building supplies/garden supplies/mobile homes at \$22 million. The three categories that are used to measure an area's strength as a retail magnet, (general merchandise stores, apparel and accessory stores, and furniture and home furnishings stores) are among the smaller retail groups in South Kingstown. This indicates that South Kingstown may be losing sales of these comparison goods to larger retail centers where department stores and large chain stores are located. The data show that South Kingstown is reliant on trade from visitors and vacationers. Eating and drinking places and gasoline service stations rank 4th and 5th in retail volume. In contrast, statewide, eating and drinking places ranked fifth in sales, with gasoline service stations ranked seventh.

Census statistics on the service industry are more sketchy and less revealing (Technical Appendix IVA7.0). The mix of service industries tabulated changed between 1982 and 1987, making it difficult to analyze trends in a time series. Also, the small size of some industries dictated that some statistics be withheld to comply with the government guidelines for confidentiality and disclosure. The largest single service category reported was health services which grossed \$17.6 million in 1987 in 52 establishments. The 1982 receipts were \$8.9 million in 39 establishments. This group includes doctors, dentists, other health care professionals, clinics, hospitals, intermediate care facilities, and medical laboratories.

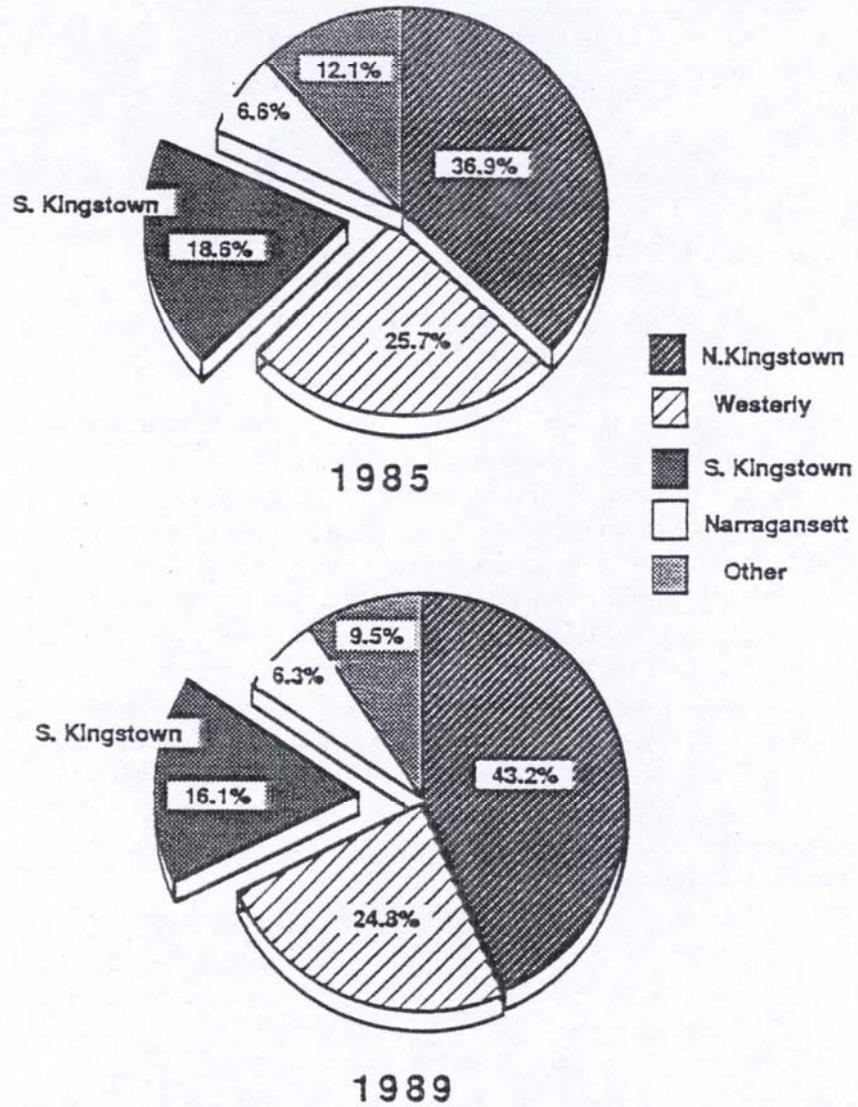
Lodging accommodations reported five establishments in both 1982 and 1987, with receipts of \$703,000 in 1982. Receipts for 1987 were not disclosed. Recreation services, which include movies, amusement parks, private museums and other facilities, reported 14 establishments with \$4.5 million in receipts in 1987. The increase over 1982 was 40 percent

for the number of establishments and 131 percent for receipts. The sales increase was the largest among all service categories for which figures were reported in both 1982 and 1987.

Many of the retail stores and service establishments are located in shopping malls and centers. Ten shopping centers are listed in South Kingstown with aggregate floor area upwards of 325,000 square feet: In retail terminology, all but one center are convenience or neighborhood centers. These are centers with no more than 50,000 square feet of floor area. A community shopping center has at least 100,000 square feet, and serves the entire Town. Regional centers are 500,000 square feet at a minimum and attract customers from a broad area. On this basis only the Wakefield Mall qualifies as a community center type of shopping facility and there are no regional centers in South Kingstown. For purpose of scale comparison, note that the closest regional malls would appear to be the R.I. Mall (575,000 sq. ft.) and Warwick Mall (1,100,000 sq. ft.) both located in Warwick.

Figure 4

Share of Gross Sales in Washington County for 1985 and 1989



Source: RI Dept. of Economic Development

Prepared by the South Kingstown Planning Department

Table 5
Shopping Centers Located in South Kingstown

Name	<u>Floor Area (S. F.)</u>	<u>Tenants</u>
Dale Carlia Shopping Center	18,200	5
Heritage Mall	17,000	9
Maine's Shopping Center	20,000	12
Old Colony Shopping Center	22,500	6
Quo Vadis Shopping Center	23,900	19
Wakefield Mall	128,100	14
Wakefield Plaza	26,100	2
Belmont Shopping Center	55,700	10
Cherry Branch	14,000	8
Kingston Emporium (incomplete data)	34,700	?

**Source: Rhode Island Department of Economic Development, 1987
South Kingstown Tax Assessor**

There is vacant retail and service space in South Kingstown, both in the shopping centers and the strip commercial areas. Aggregate vacancy data is not available, but local realtors feel that the vacancy level is high. Local realtors state that vacancies exist in most of the listed shopping centers, and point to Quo Vadis and South Kingstown Emporium as having particularly high vacancies. Retail vacancies also exist in buildings and storefronts that are not located in malls, such as some of the buildings on Main Street in Wakefield. Despite this, the realtors indicate that the real problem of vacancy or over-supply in South Kingstown is related to commercial office space rather than retail space. Some empirical vacancy information was gathered by the Consultant in early October, 1990 for the two major commercial districts in Town. The data was gathered by a walking survey of storefronts. The results are shown in Table 6 and indicate that the overall vacancy rate for the two areas does not appear burdensome, neither unusually low nor unusually high.

Table 6

South Kingstown - Commercial Vacancy Rates

<u>Dale Carlia</u>	<u># of Establishments</u>
Occupied	146 (86%)
Vacant	<u>24 (14%)</u>
	170 Total
<u>Main Street</u>	<u># of Establishments</u>
Occupied	157 (96%)
Vacant	<u>7 (4%)</u>
	164 Total
<u>Both Areas</u>	<u># of Establishments</u>
Occupied	303 (91%)
Vacant	<u>31 (9%)</u>
	334

Source: LBA walking survey conducted 10/12/90

b. Tourist-Related Activities - The report entitled A Tourism Profile of South Kingstown, was prepared in 1986 by the Department of Resource Economics at URI. The profile identifies five market segments for tourism: campers, overnight visitors, day-visitors, conference or tournament participants at URI, and seasonal home renters and visitors.

The tourism study makes the following analysis of the resources in South Kingstown which are responsible for attracting tourists.

- South Kingstown is a seasonal haven for visitors from throughout New England and elsewhere around the country. Following the categorization of attractions used by Tyrrell, et al. (1982), tourists and visitors to the Town may enjoy several fixed-spectator, fixed-recreational, and variable types of attractions. The historic charm of the Town is depicted in its well preserved 17th to 19th century houses, corn mills, and various other sites that serve as the fixed-spectator attractions.
- The major fixed-recreational, coastal attractions in South Kingstown are its beaches and ponds. Outdoor recreation may take the form of boating, fishing, swimming and hiking. Sufficient facilities also exist for camping and playing golf. Total acreage of land and water devoted to these activities is the highest among the five southern coastal towns of South County. A large portion (31.5 percent) of the 7,742 acres has been developed to foster these activities by the private sector.

- Among the five coastal towns, South Kingstown has also the highest number of outdoor recreation sites, of which 52 percent are private. The Great Swamp Management area is the largest State-owned site, while Aquapaug Camp (U.S. Boy Scout camp) and Tucker's campground are the largest private camps. For boaters, the Town offers numerous freshwater beachfront areas where dock facilities are available along the ponds and rivers dotting its southeastern area. The beaches in Green Hill and Matunuck villages provide the Town a saltwater beachfront comparable in size to that of the neighboring towns of Westerly and Charlestown. For summer hikers and winter skiers, the Great Swamp Management area offers the longest trails.

The study identifies retail trade, service, transportation and real estate industries as the major recipients of the tourists' expenditures. Estimates of the sales, jobs and wages resulting from these expenditures are also provided (Table 7). The 1986 estimate is \$45.8 million in sales (approximately one quarter of all sales in the Town), 1,053 jobs and \$9.5 million in wages. The 1977-1986 trend reported in the study shows a steady and strong upward movement.

Table 7

Tourism-Related Sales and Jobs in South Kingstown, 1877-1986

<u>Year</u>	<u>Sales (\$1,000)</u>	<u>Jobs (Equiv. #)</u>
1977	13,541	559
1978	15,649	584
1979	17,232	592
1980	19,253	622
1981	21,869	658
1982	24,141	683
1983	27,749	729
1984	32,290	814
1985	35,513	939
1986	45,753	1,053

Source: T. Tyrrell, Tourism Profile of South Kingstown, 1986

In conjunction with the State Department of Economic Development, the South County Tourism Council and neighboring towns, the Town of South Kingstown participated in a conference on tourism in March 1991. In order to coordinate local tourism policies as stated in the Comprehensive Plan, the conference recommended the following Vision Statement be included in the Economic Development Element of the comprehensive plans of each of the South County Towns, to be used as basis for development of local policies related to tourism:

VISION OF SOUTH COUNTY: Our vision of South County is a place that tourists choose because of its shoreline, its historic landmarks and its scenic character. It is a place where people can enjoy fishing, boating, swimming, hiking and camping, and shopping at local businesses in an atmosphere that is unspoiled, relaxed and unhurried.

We recognize that tourism is an important component of our economy. In order to develop this segment of our economy, we must create clean and attractive business areas and protect the area's natural assets and scenic beauty.

5. Construction Activity

The construction industry is considered to be part of the non-base sector of the economy, but is important as an indicator of activity in other sectors. Construction employment was 271 persons in 1989 and constituted 4.2 percent of the private sector jobs in South Kingstown in 1989.

Most of the decade's construction activity was in the commercial and residential markets (Table 8). A total of more than 362,000 square feet of commercial floor area was built in South Kingstown between 1980 and 1990. The latter part of the decade was more active than the earlier years - 1983 had no commercial construction. Almost one-third of the commercial space built in the decade was authorized for construction in 1986. In that year building permits were issued for 106,112 square feet of commercial floor area. Local realtors report that most of the new construction was speculative office space, most of which started to come on the market in 1988 and continues to the present. Currently this new commercial space is experiencing high levels of vacancy. The impetus for the surge in commercial construction may be related to changes in the federal income tax legislation, as part of the 1986 tax reform act, rather than having a foundation in a real increase in demand for office space. Overbuilding has generally occurred throughout New England and is in part due to the relaxation of credit standards by financial institutions in the latter half of the decade. Indeed, some analysts have shown that the boom in construction employment was able to mask fundamental weaknesses in the regional economy.

Most of the commercial projects in Town are small scale, (under 10,000 square feet), and are a mixture of additions to existing structures and new buildings. The largest projects were a 20,000 square-foot warehouse and a 15,000 square-foot office building developed in 1989.

Industrial construction was the smallest segment of the industry. Between 1980 and 1988, 76,725 square feet of space was added to the inventory. In six of the nine years reported, there was no industrial construction. Most of the new industrial space added, (59,400 square feet), was built by Ted Reed Thermal, a manufacturer of hot water heaters and related products. American Power Conversion has constructed an addition of approximately 60,000 sq. ft., which more than doubles the size of the facility on Fairgrounds Road.

Information on housing construction is found in the Housing Element.

Table 8
New Industrial, Commercial and Residential Construction

	<u>South Kingstown</u>				<u>Rhode Island</u>		
	Industrial Construction (Sq. Feet)	Commercial Construction (Sq. Feet)	Residential Construction (No. of Units)		Industrial Construction (Sq. Feet)	Commercial Construction (Sq. Feet)	Residential Construction (No. of Units)
1980	0	11,618	95		878,800	905,669	2,925
1981	21,600	35,208	84		876,690	1,200,346	3,152
1982	0	2,980	81		742,097	1,367,768	2,422
1983	0	0	128		594,190	1,726,765	3,777
1984	37,800	54,748	125		939,923	2,301,024	4,174
1985	0	5,650	249		1,198,275	2,974,870	5,375
1986	0	106,112	353		1,238,548	2,936,342	7,147
1987	0	54,299	331		1,081,453	3,504,457	7,140
1988	17,325	68,381	168		599,514	3,018,016	6,065
1989	468	29,832	184		871,228	1,156,329	3,865
1990	77,884	5,740	173				
Total (1980-1990)	155,077	374,568	1,971		9,020,718	21,091,586	46,042

Source: Town of South Kingstown, Building Department
Rhode Island Department of Economic Development, 1990
Louis Berger & Associates, Inc.

6. Labor Force

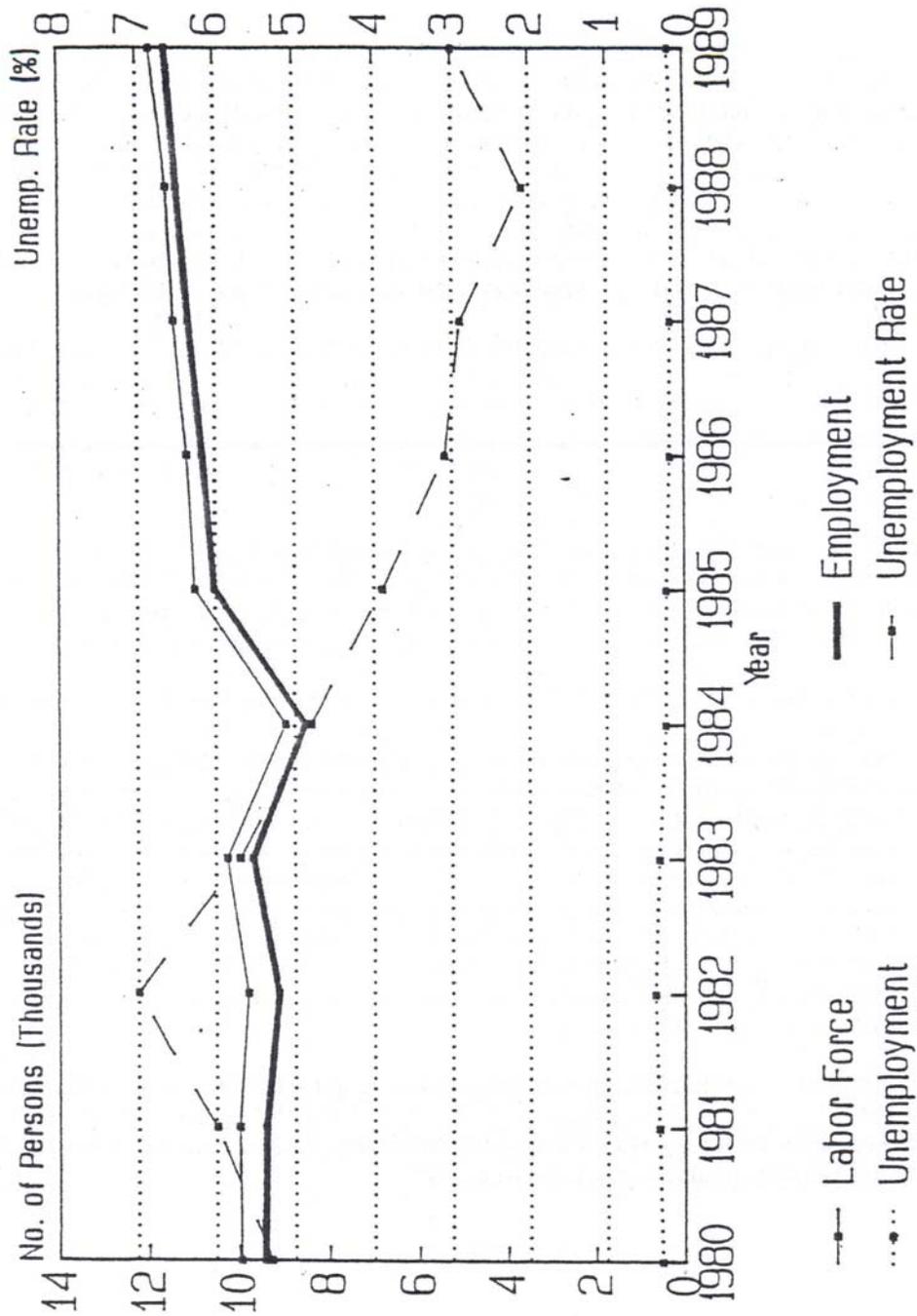
a. Resident Labor Force - During 1989 the South Kingstown labor force averaged 11,946 persons, of whom 11,589 were employed and 357 were unemployed, for an unemployment rate of 3.0 percent (Technical Appendix IVA8.0). The labor force increased by 19.9 percent from 1980 to 1989, with employed workers increasing by 22.7 percent and unemployed workers decreasing by 31.9 percent. Over the past decade, South Kingstown's unemployment rate has consistently been below both the State and national averages. Peak unemployment of 7.0 percent was recorded in 1982, a year in which the State's unemployment exceeded 10 percent. Figure 5 shows the trends in labor force, employment and unemployment for the Town in line graph form during the years 1980-1989.

b. Commuting Labor Force - South Kingstown has more than 10,000 jobs located within its borders, as noted earlier, and it has an employed labor force of 11,589. The two statistics are measuring different concepts of employment; establishment-based and resident-based. A statistic that links these two measures is the distribution of employed residents by their place of work (Table 9). These figures show that many of South Kingstown's residents are employed in locations other than South Kingstown.

In the 1980 Census there were 9,128 employed residents of South Kingstown, of whom 8,591 gave information about where their jobs were located. Approximately 15.8 percent worked in the City of Providence, and 13.4 percent worked in other locations throughout the Providence-Warwick-Pawtucket SMSA. The figures show that 54 percent of these residents, 4,636, worked in a four-town area consisting of Jamestown, Narragansett, North Kingstown and South Kingstown. The statistics do not permit the number working in South Kingstown to be identified directly. Nonetheless, an inference can be drawn with the following assumptions. Since approximately 36 percent of all commercial and industrial property in these four communities was situated in South Kingstown in the same year it is reasonable to expect that at least this fraction of the South Kingstown residents who worked in the four towns worked within South Kingstown. Employment data from the Town's largest employer, URI, enables us to further refine the estimation. The University was able to provide LBA with place of residence data for its 2,500+ permanent employees. The data are shown in Figure 6 and Table 10. If a simplifying assumption is made, namely, that the proportion of all URI employees living in South Kingstown is fairly stable over time (since 1980), an estimate of the overall proportion of the resident population who work in South Kingstown can be derived as shown in Technical Appendix IV.A9.0.

Our estimate of the overall proportion of the resident population who work in the Town is approximately one out of four individuals. This factor, 24 percent, becomes quite useful as a planning estimate of the coincident impact of residential growth which might be expected from commercial and industrial employment growth.

Figure 5
S.K. Labor Force, Employment & Unemployment.



Source: R.I. Dept of Employ. & Training

Table 9
Communication Patterns of Employed Residents
South Kingstown, 1980

		%
Workers 16 years and over	9,128	
Workers reporting on place of work	8,591	100.0%
Worked in Providence SMSA	7,147	83.2%
Providence City	1,360	15.8%
Pawtucket	214	2.5%
Warwick	354	4.1%
Cranston	73	0.8%
Area 07	57	0.7%
Area 08	64	0.7%
East Providence	33	0.4%
Woonsocket	34	0.4%
Area 11	17	0.2%
Massachusetts portion of SMSA	18	0.2%
Bristol County	100	1.2%
Area 15	187	2.2%
South Kingstown Area*	4,636	54.0%
Worked outside Providence SMSA	1,444	16.8%
Boston SMSA	51	0.6%
New Bedford-Fall River SMSA	35	0.4%
New London-Norwich SMSA	307	3.6%
Elsewhere	1,051	12.2%
Place of work not reported	684	

*South Kingstown, Jamestown, Narragansett, North Kingstown

Source: 1980 Census of Population

While some might suggest that commercial and industrial growth serves to drive residential growth within the community, this is not really the case. Conservatively-measured, a clear majority of residents, 76 percent, choose to live in South Kingstown while working elsewhere. This finding has important implications with respect to strategies of tax rate stabilization which are addressed subsequently in this Element.

The number of residents of South Kingstown who held jobs entirely beyond the metropolitan area was significant, 1,444 residents or 16.8 percent. More than 300 of these residents worked in the New London-Norwich area, 51 commuted to the Boston area and 35 worked in the New Bedford-Fall River area. Most of these long distance commuters, however, worked in unspecified locations beyond these areas. Their number was 1,051 or 12.2 percent of those reporting.

These statistics indicate that South Kingstown is a bedroom community but an atypical one. It now contains almost as many jobs within its borders as the number of employed residents. Yet it has been estimated that approximately three out of every four resident employees commute to work outside of Town. (Commuting and accessibility factors did not change significantly for most of the 1980's until the Route 4 extension was completed late in the decade.) This structure is being sustained by the continued net in-migration of population which is occurring on an annual basis.

7. Municipal Finance

Information on the municipal and school budget for South Kingstown is provided in Table 11 for the last five fiscal years (1987-88 to 1991-92). The municipal budget increased from \$7.75 million to \$11.52 million, or a growth of 49 percent. The school program increased from \$14.65 million in fiscal 1987-88 to \$20.86 million in fiscal 1991-92, or a growth of \$6.21 million or 42.4 percent. Table 11 also shows the relative contribution of property taxes, State aid, revenue sharing (federal), and local revenues to both the municipal and school budgets. South Kingstown is consistent with other municipalities in that the local property tax plays the principal role in providing funds, particularly for the school budget. Property taxes provided 69 percent of municipal revenues in FY 91-92, 74 percent of the school funds, and 72 percent of the combined budgets.

The sources of the Town's property tax revenues are shown in Table 13. During the four years covered by the table, residential property has constituted more than 75 percent of the property tax base in South Kingstown. Statewide, the average share of the property tax base contributed by the residential class was 66 percent. The second source of property taxes is the commercial group, which has averaged slightly over a 12 percent share of the tax base. Motor vehicles are the third largest category in the property tax roll, a share which has grown from 6.5 to 8.5 percent.

Figure 6
 Location of Residence for U.R.I. Employees.

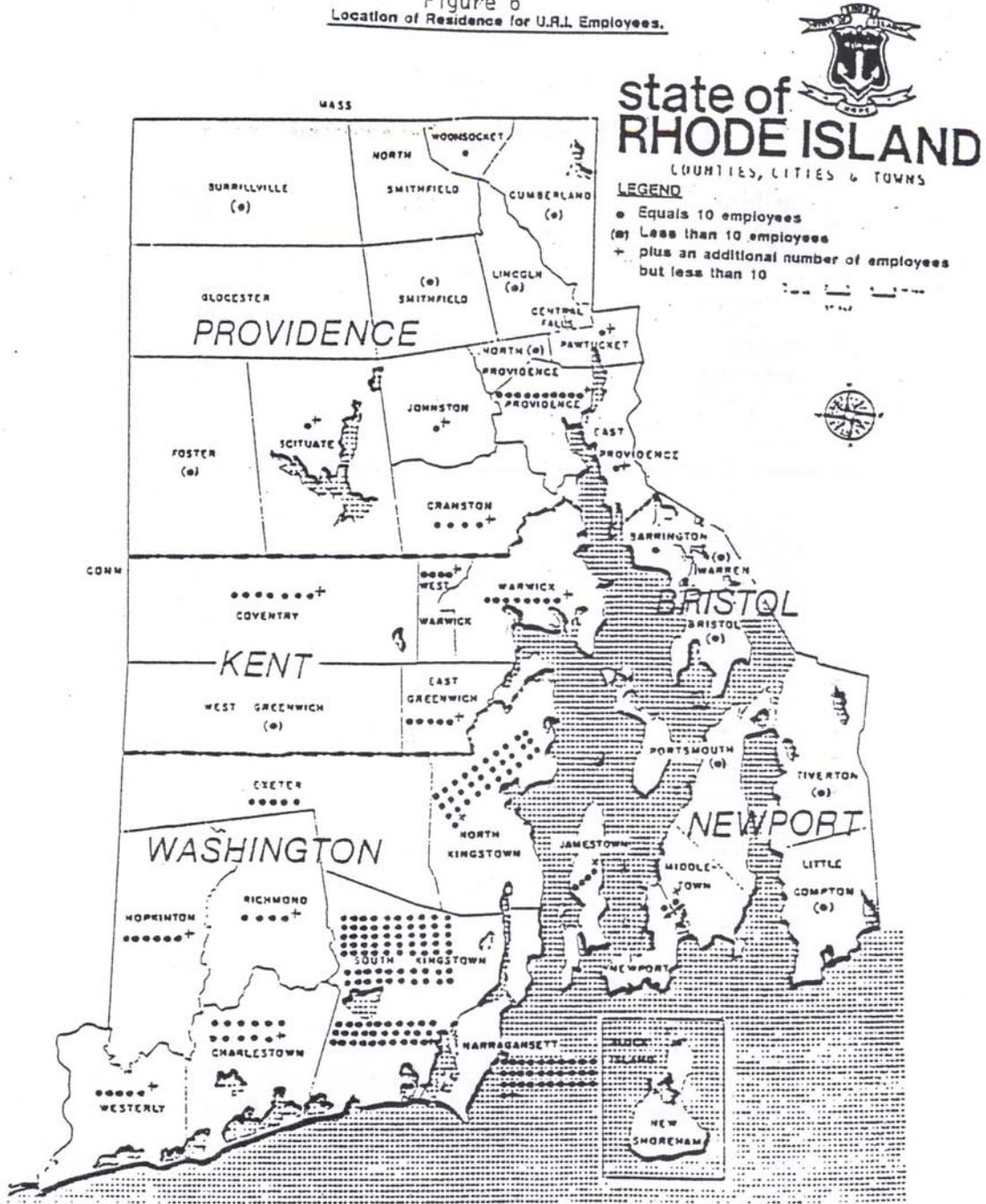


Table 10
Location of Residence and Number of URI Employees*

<u>City/Town</u>	<u>No. of Employees</u>
Barrington	10
Bristol	6
Burrillville	3
Charlestown	117
Coventry	72
Cranston	44
Cumberland	3
East Greenwich	57
East Providence	13
Exeter	50
Foster	5
Hopkinton	62
Jamestown	45
Johnston	15
Little Compton	1
Lincoln	1
Narragansett	319
Newport/Middletown	29
North Kingstown	316
North Providence	4
Pawtucket	19
Portsmouth	4
Providence	108
Richmond	47
Scituate	13
Smithfield	4
South Kingstown	997
Tiverton	4
Warren	1
Warwick	83
Westerly	55
West Greenwich	1
West Warwick	42
Woonsocket	10
TOTAL	2,560

*Includes full and part-time employees. Does not include graduate student workers or out-of-state employees, 32 of whom reside in Massachusetts and 18 in Connecticut.

Source: URI, Office of Employee Relations, 10/30/90.
Compiled by Louis Berger & Associates, Inc.

Table 12 also shows that the property tax base increased at an average annual rate of 4.43 percent between 1986 and 1990, contributing more than \$137 million in new property assessments to the tax roll. The growth in the tax base resulted primarily from residential construction which added over \$104 million in new assessments. Increases in motor vehicle valuations (\$26 million) and commercial property (\$4 million) accounted for the remainder of the growth. It is noted that the aggregate value of industrial property declined slightly over this period.

A list (Table 13) of the Town's largest property taxpayers shows, as is commonly the case, that the two largest taxpayers are utilities: Narragansett Electric and Wakefield Water Company. There are 18 firms on the list, which includes utilities, non-profit rental housing facilities, other commercial property and some manufacturers. In the aggregate, this group of large taxpayers barely exceeds five percent of the tax base. If the two residential rental properties are excluded, the total falls below five percent.

Despite this, homeowners and other property owners in South Kingstown fare relatively well when their tax rates are compared with other communities across the State. As Appendix IV.A10.0 shows, the 1990 property tax rate was \$24.54 per \$ 1,000 of assessed value, up from \$22.92 in 1989. On an equalized basis, South Kingstown's 1990 tax rate was \$14.34, which placed it 27th from the top among Rhode Island's 39 municipalities. North Kingstown ranked 19th, while Narragansett, Westerly and Jamestown all ranked below South Kingstown on a 1990 equalized basis.

A direct comparison of city and town property tax rates must be qualified by the fact that local governments do not provide the same range or level of services, that there is varying use of user fees to finance certain municipal services in lieu of general property tax support, and that in some communities special districts deliver a specific service financed under separate taxing authority. For example, South Kingstown does not provide municipal trash collection services, annual operating expenses for wastewater treatment are funded through sewer use fees, and there are three independent, volunteer fire districts that are empowered to levy taxes to pay for local fire protection services.

It is instructive to examine what is occurring with respect to South Kingstown's costs and revenues since 1980 and in comparison to surrounding towns and the State. Appendix IV.A11.0 shows that the South Kingstown total property tax levy increased from \$9.95 million in 1980 to \$24.4 million as of 1991 for a 7.6 percent compound annual rate of growth. By comparison the total county tax levy increased 7.2 percent per year; the State total property tax levy rose 6.2 percent annually; and, inflation (as measured by the U.S. GNP deflator) was a 4.4 percent per year.

Table 11
Town of South Kingstown Municipal Budget Trends

FISCAL YEAR Date of Assess.	1987-88 12/31/86	PERCENT SHARE	1988-89 12/31/87	PERCENT SHARE	1989-90 12/31/88	PERCENT SHARE	1990-91 12/31/89	PERCENT SHARE	1991-92 12/31/90	Percent Share	4 Year Inc. \$	Avg. Yr. Inc. \$	Avg. Yr. Inc. %
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MUNICIPAL REVENUE STATEMENT

Property Tax	4,715,450	60.83%	5,531,051	58.14%	6,142,625	63.07%	7,788,992	72.27%	7,932,259	68.84%	3,216,809	804,202	17.05%
State Aid	779,153	10.05%	1,048,425	11.02%	1,105,500	11.35%	446,949	4.15%	579,863	5.03%	-199,290	-49,823	-6.39%
Local Revenue	1,597,280	20.61%	1,759,380	18.49%	1,867,681	19.18%	1,959,081	18.18%	2,348,160	20.38%	750,880	187,720	11.75%
Revenue Sharing	77,100	0.99%	2,155	0.02%	1,048	0.01%	0	0.00%	0	0.00%	-77,100	-19,275	-25.00%
Funds Forwarded	582,770	7.52%	1,172,770	12.33%	622,770	6.39%	582,770	5.41%	662,770	5.75%	80,000	20,000	3.43%
Total Revenues	7,751,753	100.00%	9,513,781	100.00%	9,739,624	100.00%	10,777,792	100.00%	11,523,052	100.00%	3,771,299	942,824	12.16%
Revenue Increase	848,309	12.36%	1,762,028	22.73%	225,843	2.37%	1,038,168	10.66%	745,260	6.91%			

SCHOOL REVENUE STATEMENT

Property Tax	10,888,210	74.33%	11,843,769	74.32%	12,850,922	72.74%	13,252,188	67.12%	15,518,993	74.41%	4,630,783	1,157,696	10.63%
State Aid	3,441,762	23.50%	3,756,890	23.58%	4,359,198	24.67%	6,087,296	30.83%	4,680,621	22.44%	1,238,859	309,715	9.00%
Local Revenue	317,695	2.17%	334,516	2.10%	456,869	2.59%	404,860	2.05%	657,808	3.15%	340,113	85,028	26.76%
Total Revenues	14,647,667	100.00%	15,935,175	100.00%	17,666,989	100.00%	19,744,344	100.00%	20,857,422	100.00%	6,209,755	1,552,439	10.60%
Revenue Increase	1,633,904	12.36%	1,287,508	8.79%	1,731,814	10.87%	2,077,355	11.76%	1,113,078	5.64%			

COMBINED PROGRAM REVENUES

Property Taxes	15,603,660	69.66%	17,374,820	68.27%	18,993,547	69.30%	21,041,180	68.94%	23,451,252	72.42%	7,847,592	1,961,898	12.57%
State/Federal Aid	4,298,015	19.19%	4,805,315	18.88%	5,464,698	19.94%	6,534,245	21.41%	5,260,484	16.25%	962,469	240,617	5.60%
Local Revenue	2,497,745	11.15%	3,268,821	12.84%	2,948,368	10.76%	2,946,711	9.65%	3,668,738	11.33%	1,170,993	292,748	11.72%
TOTAL REVENUES	22,399,420	100.00%	25,448,956	100.00%	27,406,613	100.00%	30,522,136	100.00%	32,380,474	100.00%	9,981,054	2,495,264	11.14%

FISCAL YEAR Date of Assess.	1987-88 12/31/86	PERCENT SHARE	1988-89 12/31/87	PERCENT SHARE	1989-90 12/31/88	PERCENT SHARE	1990-91 12/31/89	PERCENT SHARE	1991-92 12/31/90	Percent Share	4 Year Inc. \$	Avg. Yr. Inc. \$	Avg. Yr. Inc. %
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PROPERTY TAX LEVY

Residential	596,697,860	77.10%	627,131,835	76.39%	651,861,075	75.86%	670,938,765	75.46%	701,313,940	76.97%	104,616,080	26,154,020	4.38%
Commercial	95,074,174	12.28%	98,750,000	12.03%	105,073,200	12.23%	109,291,780	12.29%	99,545,370	10.93%	4,471,196	1,117,799	1.18%
Industrial	9,402,900	1.21%	9,342,700	1.14%	8,701,000	1.01%	8,657,100	0.97%	8,761,500	0.96%	-641,400	-160,350	-1.71%
Utilities	16,204,260	2.09%	16,577,000	2.02%	16,992,830	1.98%	17,851,380	2.01%	18,115,590	1.99%	1,911,330	477,833	2.95%
Motor Vehicles	50,420,316	6.51%	62,679,377	7.63%	69,822,046	8.13%	75,496,068	8.49%	76,557,261	8.40%	26,136,945	6,534,236	12.96%
Others	6,147,250	0.79%	6,490,665	0.79%	6,799,865	0.79%	6,869,765	0.77%	6,869,765	0.75%	722,515	180,629	2.94%
Total Tax Roll	773,946,760	100.00%	820,971,577	100.00%	859,250,016	100.00%	889,104,858	100.00%	911,163,426	100.00%	137,216,666	34,304,167	4.43%
Less Exemptions	5,812,244	0.75%	5,555,537	0.62%	5,359,827	0.62%	5,045,002	0.57%	4,718,302	0.52%			
Net Taxable Roll	768,134,516		815,416,040		853,890,189		884,059,856		906,445,124		138,310,608	34,577,652	4.50%
LEVY INCREASE	37,895,660	4.93%	47,281,524	5.80%	38,474,149	4.51%	30,169,667	3.41%	22,385,268	2.47%			

PROPERTY TAX DISTRIBUTION

Municipal Share	4,141,394	25.70%	4,834,807	27.00%	5,264,519	26.90%	6,809,611	31.39%	6,830,865	27.99%	2,689,471	672,368	16.24%
School Share	11,442,166	71.00%	12,520,013	69.92%	13,728,028	70.14%	14,231,569	65.60%	16,620,387	68.11%	5,178,221	1,294,555	11.31%
Overlay	531,916	3.30%	551,721	108%	578,615	2.96%	653,654	3.01%	950,268	3.89%	418,352	104,588	19.66%
TOTAL LEVY	16,115,476	100.00%	17,906,541	100.00%	19,571,162	100.00%	21,694,834	100.00%	24,401,520	100.00%	8,286,044	2,071,511	12.85%
Levy Increase	2,211,721	15.91%	1,791,065	11.11%	1,684,621	9.30%	2,123,672	10.85%	2,706,686	12.48%			

TAX RATE DISTRIBUTION

Municipal Share	\$ 5.58	26.60%	\$ 6.12	27.87%	\$ 6.35	27.71%	\$ 7.94	32.36%	\$ 7.84	29.12%	\$ 2.26	\$ 0.57	10.13%
School Share	15.40	73.40%	15.84	72.13%	16.57	72.29%	16.60	67.64%	19.08	70.88%	3.68	0.92	5.97%
Total Tax Rate	\$ 20.98	100.00%	\$ 21.96	100.00%	\$ 22.92	100.00%	\$ 24.54	100.00%	\$ 26.92	100.00%	\$ 5.94	\$ 1.49	7.08%
Tax Rate Increase	\$ 1.94	10.19%	\$ 0.98	4.67%	\$ 0.96	4.37%	\$ 1.62	7.07%	\$ 2.38	9.70%			

MUNICIPAL EXPENDITURE PROGRAM

Municipal Expend.	6,539,297	35.08%	7,000,522	32.78%	7,602,158	33.65%	8,336,971	34.69%	8,833,440	32.67%	2,294,143	573,538	8.77%
School Transfer	10,888,210	58.41%	11,843,769	55.45%	12,850,922	56.89%	13,252,188	55.15%	15,518,993	57.39%	4,630,783	1,157,696	10.63%
Capital Budget	558,000	2.99%	1,390,300	6.51%	776,000	3.44%	798,000	3.32%	760,999	2.81%	202,999	50,750	9.09%
School Debt	654,456	3.51%	799,244	3.74%	1,000,106	4.43%	1,209,851	5.03%	1,420,795	5.25%	766,339	191,585	29.27%
Town Debt	0	0.00%	323,715	1.52%	360,360	1.60%	432,970	1.80%	507,818	1.88%	507,818	126,955	100.00%
GENERAL FUND	18,639,963	100.00%	21,357,550	100.00%	22,589,546	100.00%	24,029,980	100.00%	27,042,045	100.00%	8,402,082	2,100,524	11.27%
*3rd Party School	3,759,457	16.78%	4,091,406	16.08%	4,817,067	17.58%	6,492,156	21.27%	5,338,429	16.49%			
SCH/GEN. EXP.	22,399,420		25,448,956		27,406,613		0,522,136		32,380,474		9,981,054	2,495,264	11.14%
EXP. INCREASE	2,519,693	12.67%	3,049,536	13.61%	1,957,657	7.69%	3,115,523	11.37%	1,858,338	6.09%			

Table 13

Principal Tax Payers in South Kingstown, 1990

Company Name	Type of Business	Assessment	Taxes	% of Tax Roll
Narragansett Electric Company	(Utility)	\$ 8,527,800	\$202,646.41	0.00930
Wakefield Water Company	(Utility)	5,835,450	\$143,201.96	0.00630
Wakefield Mall Associates	(Retail Shopping)	4,134,100	\$101,941.61	0.00469
Peace Dale United Housing	(Private Elderly Housing)	3,636,000	\$89,227.44	0.00411
Allenwood Associates	(Apartments)	3,381,500	\$82,982.01	0.00382
South Farm Village Assoc.	(Private Elderly Housing)	3,076,200	\$75,489.95	0.00347
South County Sand and Gravel	(Cement and Gravel)	2,637,600	\$64,726.77	0.00298
Procaccianti Hotels, Inc.	(Hotel Operation)	2,189,000	\$53,718.06	0.00247
Belmont Shoppers Park, Inc.	(Shopping Center)	2,155,940	\$52,906.77	0.00244
American Power Conversion	(Manufacturer)	1,887,410	\$46,317.04	0.00213
Almac's, Inc.	(Food Supermarket)	1,782,860	\$43,751.38	0.00201
Kingston Emporium	(Retail Shopping)	1,669,500	\$40,969.53	0.00189
Arnold, Arthur .P	(Lumber Company)	1,567,120	\$38,386.09	0.00177
Heritage Communications	(Cable Television)	1,507,380	\$39,991.11	0.00171
J. T. O'Connell Realty Co.	(Lumber Company)	1,307,200	\$32,078.70	0.00148
Tuckertown Associates	(Manufactured Home Sales)	1,217,280	\$29,872.04	0.00138
NEES Energy Inc.	(Utility)	1,009,040	\$24,761.84	0.00100
Guarriello, Kevin & Gary	(Manufacturer)	1,005,400	\$24,672.51	0.00114

Source: Town Assessor's Office

Technical Appendix IV.A1 1.0 also shows changes in gross bonded indebtedness in 1991-92 versus 1980. The rate of change is of note. The Town's net bonded debt went from \$8.2 million in 1980 to \$24.3 million in 1988 which is growth faster than either the county or State.

An examination of the CIP shows clearly that the majority of capital improvements are directly related to services required by new residential growth. The suggestion that commercial and industrial development generates large capital investment needs is not reflected in South Kingstown.

To its advantage, the Town has been a leader (actually first in Rhode Island) in deriving and assessing an impact fee upon new residential construction. Impact fees have not been comprehensively tested in Rhode Island courts, yet some case decisions in other states have found the fees to be legal when they are clearly directed towards requisite infrastructure expansion (and not operating costs) which is attributable to new residents. This is the case in South Kingstown.

The pace of real estate development in South Kingstown clearly stems from its desirability as a place to live as well as a place to visit. The 20.7 percent growth of population in recent decades cannot be supported or explained on the basis of local job expansion or natural increase (births-deaths). This attraction to new residents is due to both the natural assets of the area as well as the high quality of Town services, particularly education.

8. Opportunities and Constraints: A Summary of Existing Conditions

- Although South Kingstown is still relatively land-rich, there are only about 6.8 acres of vacant developable commercially zoned land in Town (1991). This represents virtually zero percent of all undeveloped land. It is clear that this small stock of space will soon be exhausted. Signs indicative of this saturation are South Kingstown's loss in market share of total gross sales in South County in the latter half of the 1980's (refer to Figure 4), and the modest vacancy rates existing in the Town's business districts at present (refer to Table 6). The consequence of running out of commercial real estate is that the Town will continue to grow in housing stock and there would be little new commercial tax levy to help finance the costs of residential growth such as new schools. It may also prohibit existing businesses in the Town from expanding due to the lack of available land.
- The apparent availability of industrially-zoned land, (e.g., there are 107 acres of vacant developable land), is misleading. Of this inventory, the Town's only potential vacant industrial land is located in West Kingston, and consists of acreage which is restricted due to its location over a groundwater aquifer and a lack of public sewers and water. Unless the necessary infrastructure can be provided to this area, a predictable consequence will be minimal or no industrial growth. This will result in a continuing shift of the property tax burden onto residential property taxpayers to finance the projected costs imposed by an expanding population. The Town's use of residential (school) impact fees in this regard will help the situation, but these fees will only partially offset new debt expenditures and will not alleviate increases in operating costs.

Rhode Island communities must take a realistic view of industrial development. There is a great deal of inter-community competition for clean, higher paying industries. To be

competitive, South Kingstown must offer some choice sites which are serviced and realistically buildable.

- The University of Rhode Island offers significant potential for spin-off activities of more technical, higher-paying enterprises such as research and development. A proposal for the development of a URI Research Park was proposed in the 1980s but never reached fruition. This facility would have joined the interests of various State, local and private enterprises in the development of a facility that would provide space for growing businesses concentrating on University-related research. The economic feasibility of such a facility may become more realistic in the future. The Town should encourage the future development of such a research park in a manner which is consistent with this Comprehensive Plan.
- The Town's Central Business District (CBD) along "old" Main Street - despite being neglected in recent history - has great potential in these respects: a) it is compact, with a definite start and end and able to be walked; b) it has architectural elements of interest; c) most structures are small in scale and there is a definable streetscape; and, d) upcoming infrastructure improvements, although burdensome in the short-term, will undoubtedly improve the area's appearance as well as improving safety.
- Tourism has created and supported a retail/service industry which is growing strongly, but which does not require major commercial facilities. For the most part, the needs of tourists are food, lodging and convenience items as opposed to major retail purchases. Employment patterns in the area's tourist-related businesses are seasonal in nature, and tend to be lower-skilled and generate lower average earnings for employment relative to other employment categories. Additional municipal services are required from the Town to support tourist-related activities, such as traffic control, library and recreation services, solid waste disposal, etc. For these reasons, the Town government does not experience a sustained long-range financial benefit directly from the tourism industry.
- At the same time, as pointed out in the 1986 Tyrrell Tourism Profile for South Kingstown, the Town's quality of life as measured by its natural resources and open space, which have been the basis for its residential and non-residential development, must be guarded. As repeated many times elsewhere in this Plan, it is absolutely necessary that environmentally sensitive areas be forever protected.
- South County Hospital is the Town's second largest employer and offers opportunity for job growth both within the institution as well as in the form of medical offices, clinics and related activities in the community at large. Economic expansion is very often based on expansion of existing activities and does not always require new firms to move in from outside of Town. For example, the potential for medical centers and offices could be explored as a future economic development strategy.

9. Future Needs

A model has been developed to estimate the required growth in the Town's commercial and industrial property tax revenues (acreage) (see Technical Appendices IV.A12.0 and IV.A13.0), which would be needed to maintain the present distribution of the tax burden among the major classes of property (i.e., residential, commercial, industrial). The

projected housing stock growth is presented in the Housing Element of this Plan. By 1995 approximately 39 acres of new commercial land would need to be developed to maintain a tax rate comparable to the current level in real dollars (excluding inflation). This assumes that there will be no significant changes in current expenditure patterns or losses in revenue sources such as State aid. By the year 2000, a total of 89 acres would need to be developed and by 2010 approximately 207 acres.

The Land Use Element must deal with the assumptions underlying these projections. For example, the Town may not be willing to trade off the non-economic impacts associated with new commercial and industrial expansion (e.g., increases in traffic) for the economic benefits of new growth (e.g., diversified tax base). This model is suggested as a guide for future decision-making only, and not as a substitute for comprehensive planning. The acreages of commercial and industrial need are not intended to be a goal which must be met by the community, but as a guideline to suggest the extent of new growth which must be met in order to achieve one assumption: that the costs associated with new population growth should be offset by the taxes paid by new non-residential growth over the build-out period

The new acreage estimated for industrial growth is much less because manufacturing employment has been declining on a State, regional and national basis. Rather than expect no growth, or negative change in industrial activity for the Town, however, it is assumed that industrial growth would occur at a rate of change equal to one-half that of the 1980's for South Kingstown, which was a modest 1.3 percent per year. The balanced growth set aside for new industrial uses is then three (3) acres by 1995, six (6) acres by 2000, and fourteen- (14) acres by 2010. Again, these are targets to be used in the land-zoning process with the objective of maintaining tax distribution equilibrium and in response to the forecasted growth in population.

Upon having identified some tentative targets with respect to required reserves of vacant commercial and industrial-zoned lands, the outstanding question concerns their location in the Town. The initial step is to assess the suitability and feasibility of building on the sites that are presently vacant and have commercial and industrial development as permitted uses. As mentioned above this stock of vacant developable lands consists of roughly 6.8 acres of commercial land and 107 acres of industrial land. There is a need to examine the feasibility of extending water and sewer service to West Kingston without creating pressure for additional residential growth and without allowing industries having high water consumption to locate there. Adjustments to the stock must also account for blurring of the traditional lines between these two major land uses which is occurring regionally and nationally. For example, heavy industry is being displaced oftentimes by a more-regulated clean industry and some large commercial facilities such as corporate office parks do not appear much different than a manufacturing facility. For a discussion of the proposed locations of commercial and industrial land in the Town, refer to the Land Use Element.

The above analysis shows that the Town needs to reserve more undeveloped commercial and industrial land in order to maintain equilibrium in the distribution of the local property tax. The ramifications of such an assumption are discussed more fully in the Land Use Element. The Build-Out Analysis portion of the Land Use Element indicates that the above projection of needs for industrially-zoned land is invalid, and is not recommended to be carried out. The projection of need for vacant buildable commercially-zoned land was found to have

unacceptable ramifications on the Town's future character and environmental quality. The area designated for future commercial space was significantly reduced from the projections made in this Element.

A most significant principle of the comprehensive planning process is that the best way to manage the future is to create it. A fundamental objective in this regard for the Town of South Kingstown is that it takes a path of balanced growth leading ultimately to a mature community where environmental quality is safe-guarded, public health and safety are fostered, and its citizens are content with their surroundings.

C. GOALS, POLICIES, and IMPLEMENTATION

1. Consistency with State Guide Plan

Pursuant to Rhode Island's Comprehensive Planning and Land Use Regulation Act, the economic development element of the Comprehensive Plan must be consistent with:

- State Guide Plan Element 211, Economic Development Strategy and other State Guide Plan elements such as land use, transportation and airports. It is noted that the State Planning Committee amended the Rhode Island Overall Economic Development Program (OEDP) in 1993 to include the West Kingston Industrial Park sewer and water extensions as a Top Priority Project;
- the goals of this act, especially Goals (1) and (2);
- the economic development goals and programs of contiguous municipalities; and,
- internal consistency with other local plan elements.

2. Goals

Overall Goal of the Economic Development Element

To promote quality economic and employment opportunities while protecting the natural resources and cultural values of the Town.

Goal 1

To follow a path of balanced economic growth having the following attributes: a) protection of sensitive environmental areas; b) provision of economic opportunities; c) protection of the public health, safety, and welfare; and d) stabilization of an affordable municipal tax rate.

Policy 1.1 - The Town encourages the revitalization of the central business district on Old Main Street in Wakefield.

Policy 1.2 - The Town will diversify its economic base to raise the skill level and average wage of persons working in South Kingstown and will maintain a flexible economy which is not reliant on one type of industry.

Policy 1.3 - The Town opposes commercial strip development and supports the clustering/village concept of commercial development.

Policy 1.4 - The Town supports the contributions of the University of Rhode Island, e.g. ancillary research and development activities which may be related to engineering/robotics, plant and soil science, environmental resources, oceanography, and coastal management.

Policy 1.5 - The Town supports the development of the intermodal transportation facility at the Kingston railroad station in an effort to encourage the use of public transportation in South Kingstown. The Kingston station is second only to Providence in frequency of Rhode Island stops. Amtrak passenger trains pass through over a dozen communities between Boston and Connecticut, with Kingston being one of only three stops.

Policy 1.6 - The Town will provide sufficient commercial and industry zoned vacant, developable land to achieve stated goals.

Policy 1.7 - The Town supports the continuation of existing commercial waterfront zones and will work toward preventing their conversion to noncommercial uses.

Policy 1.8 - The Town supports the development of existing business facilities to the maximum extent feasible.

Policy 1.9 - The Town supports the continuation of a manufacturing zoning designation in the West Kingston area in order that existing businesses may continue to operate or to expand under certain conditions, and that new clean light industry may locate there.

Implementation

- The Town will revitalize the Wakefield central business district through a multifaceted program including rehabilitation programs, public and private initiatives, the use of Federal tax incentives, and flexible zoning.

Responsible Party: Town Council, Planning Department, and Planning Board, in conjunction with the Chamber of Commerce

- The Town will amend the zoning ordinance to prevent commercial strip development and to foster the clustering/village concept of commercial development.

Responsible Party: Town Council, Planning Department, and the Planning Board

- The Town will work with the State to market Amtrak and to increase the availability of public transportation.

Responsible Party: Town Manager's Office, and Planning Department

- The Zoning Ordinance and Map should be amended to increase the amount of industrially zoned land, particularly for light industry and heavy commercial uses, in areas without environmental constraints.

Responsible Party: Town Council, Planning Department, and Planning Board

- The Town will work with the University of Rhode Island as a resource for technical expertise to help realize the Town goals of economic development.

Responsible Party: Town Manager's Office and Planning Department

- The Town will identify vacant, developable land suitable for commercial use and provide the necessary zoning control to permit an orderly development.

Responsible Party: Planning Department and Tax Assessor

- The Town will identify vacant developable land suitable for industrial use with the necessary infrastructure in order to provide areas for new industry which are not located over groundwater resources or in other environmentally sensitive areas.

Responsible Party: Planning Department and Tax Assessor

- The Town should maintain current inventory of any commercial and industrial buildings which are underutilized or vacant. This inventory should be available to potential developers or business interests.

Responsible Party: Planning Department, Tax Assessor, and Chamber of Commerce

- The Town will revise the parking requirements in the Zoning Ordinance for commercial and industrial projects to avoid overpa^ying yet include appropriate parking ratios, and to require buffering and landscaping of parking areas.

Responsible Party: Town Council, Planning Department, and Planning Board

- The Town will provide infrastructure improvements to the West Kingston industrial area as required to sustain continued development of clean light industry without degrading groundwater resources or acting as a catalyst for increased residential or commercial development.

Responsible Party: Town Manager's Office, Departments of Public Works, Public Utilities, Finance, and Planning Department will coordinate with local utility companies.

Goal 2

To manage tourism on a regional basis in South County to both encourage economic development and to preserve and to enhance its environmental, scenic, and historic resources.

Policy 2.1 - The Town will promote sound local economics by protecting the area's unique resources from developments that may cause irreversible damage.

Policy 2.2 - The Town supports the creation of bikeways, walkways, and linear parkways to link South County communities.

Policy 2.3 - The Town supports the protection of historic resources, landmarks, and scenic landscapes as an important component of the tourist economy.

- The Town should work with the State, adjacent municipalities, and various conservation groups to promote a system of bikeways, walkways, and linear parks.

Responsible Party: Planning Department

- The Town should promote a regional approach to dealing with State agencies whose policies affect the scenic, historic, and natural resources of South County.

Responsible Party: Planning Department, Chamber of Commerce

- The Town should encourage continued cooperation among South County communities and the South County Tourism Council to support and package tourism through local meetings and workshops.

Responsible Party: Planning Department, Chamber of Commerce

- The Town should establish and support a network of volunteers whose work implements the plans and enhances the values the Town seeks to protect.

Responsible Party: Conservation Commission, Town Manager's Office and Planning Department

Note: For discussion of the implementation strategies for protecting the Town's cultural resources, refer to the Natural and Cultural Resources Element.

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