

ECONOMIC DEVELOPMENT

INTRODUCTION

Charlestown is a rural coastal community situated in southern Rhode Island, close to the border of Connecticut. Development in the town is focused along the coastal waterfront, inland adjacent to ponds, and in historic villages. The town is traversed by U.S. Route 1 which is a primary access route through the town, and an east-west connector across the state.

Charlestown is an attractive community characterized by open space, natural resources, and beautiful coastal areas, all of which attract tourists in the summer months. In 1990, the year-round population of the town was 6,478. The Charlestown Chamber of Commerce estimates that the daily summer population of the town swells to approximately 30,000. The town's seasonal population is characterized not only by day visitors, but also by New York, Connecticut and other New England seasonal residents occupying second homes. The seasonal population is therefore not transient, but typically returns to Charlestown year after year.

The town's main revenue source is from residential property taxes, a major share of which is generated by seasonal residents. This is advantageous to the town since these residents place a limited demand on the town's services and facilities (particularly schools) except for a short period during the summer. The tourist season runs from Memorial Day through Labor Day and continues moderately into the fall. The town's main attraction is its scenery, open space, and natural and cultural resources which need to be protected in order to encourage summer residents to stay and continue to return to the town.

Aside from the tourist industry, Charlestown has a limited employment base. There are a few commercial enterprises in the town, and only one major industrial concern. The town is essentially a commuter community: residents work in surrounding towns and throughout the state, as well as in eastern Connecticut. There appears to be no strong demand for commercial and industrial land in Charlestown, as evidenced by an excess of undeveloped industrially- and commercially-zoned land in the town. This could be attributed to the town's relative inaccessibility from the interstate highway (I-95), and the availability of industrial and commercial opportunities in neighboring communities. Thus the town's tourist industry and its summer residents are the greatest economic asset the town possesses.

This chapter presents goals and policies for economic development of the town, as expressed by the Comprehensive Plan Citizens Advisory Committee, by town officials, and by members of the general public who participated in the preparation of this Comprehensive Plan. The town's existing economic base is described, followed by an analysis of the town's revenues and expenditures. Opportunities for economic development are presented, including recommendations regarding a realistic economic future for Charlestown.

GOALS AND POLICIES

In discussions with the town government and residents, it is clear that the town wishes to develop the economic base of the community but does not want to detrimentally impact the quality of life or natural resources which characterize Charlestown. Therefore, economic development should be in scale with the rural character of the town and should be based on the town's existing assets.

Major Goals and Policies

Major Goals

To promote economic development that relies heavily on the town's natural, scenic, and historic amenities and protects the important resources of the town.

Major Supporting Policies

- Continue to protect and provide access to the natural and cultural resources and rural character of the town.
- Promote the development of appropriate recreational opportunities that focus on the town's natural and cultural resources, including organized sports, a community center, festivals, passive outdoor recreation, access to the shore, and commercial sports such as golf. Include sufficient controls to ensure that these uses protect the natural and cultural resources of town and the rural character.
- Encourage the development of a diversity of businesses that are in keeping with the village character.
- Explore other tax generating land uses that may be developed in keeping with the town's rural character.

EXISTING CONDITIONS

Economic Base

The town's economy is highly dependent on the tourism industry and associated activities. Tourism provides employment to local residents, revenues to local merchants, and property taxes on seasonal homes to the town. Commercial and industrial enterprises play a minor role in the local economy.

Tourism

Charlestown's beaches and coastal area have attracted tourists since before the turn of the century. In the 1890s, a waterfront hotel was built, regattas were held on Ninigret Pond, and summer settlements were developed on Quonochontaug and Charlestown Beaches. Day tripping from surrounding towns was popular, but the town did not develop into a major tourist attraction due to its relative inaccessibility and the lack of public transportation.

The construction of U.S. Route 1, just before the end of the last century, opened the town up to through traffic. This was followed by forest camps, shore communities, and businesses opening on Route 1 to cater to tourists. Development of seasonal homes began in earnest in the town around the turn of the century. Around this time, Arnolda, a summer village, was created along Ninigret Pond by Thomas Arnold: this encouraged the development of other summer homes. Charlestown also attracted residents to its inland hills and freshwater ponds including Watchaug Pond and the Kimball Wildlife Refuge, and its historic and cultural resources.

Waterfront development and recreational activities are still a key element of the town's character. Recreational activities attracting and supporting seasonal activities in the town include beaches, sailing, windsurfing on Ninigret Pond, and fishing. There are several annual activities for which the town is known. The Big Apple Circus held at Ninigret Park takes place on six days during July, drawing crowds totalling approximately 18,000 including visitors from neighboring communities as well as vacationers. The Charlestown Chamber of Commerce sponsors a day-long Seafood Festival also held at Ninigret Park including seafood booths, live entertainment, and children's rides. The sixth annual Charlestown Seafood Festival (1990) attracted 35,000 visitors. The town's year-round population of around 6,500 swells almost five times to 30,000 during the summer months. The majority of the summer population are residents of second or summer homes, who return annually.

The town has eleven inns and motels, and four bed and breakfast establishments.¹ Public campgrounds at Burlingame Park, Charlestown Breachway, Ninigret Conservation Area offer a total of 860 campsites: these and other private camps to serve the seasonal influx. According the preliminary results of the 1990 U.S. census, there were 1,540 seasonal rental properties in the town, over a third of the town's housing stock. There appears to be a lack of hotels and motels with special amenities such as tennis courts, swimming pools, restaurants or conference facilities. Most of the cabins or motels offer minimal services, and in some cases could be considerably upgraded.

There are several convenience food stores and restaurants, three art galleries and gift shops, and two marinas that are open during the summer months to respond to tourists' demands. There is no supermarket in the town, due to the lack of year-round demand. Seasonal and permanent residents use supermarkets in neighboring Westerly and South Kingstown.

Tourism is actively promoted by three organizations: the Rhode Island Department of Economic Development; South County Tourism Council, and the Charlestown Chamber of Commerce. The Department of Economic Development

^{1/}

South County Hotels and Bed & Breakfasts, 1990-1991, South County Tourism Council, Inc.

promotes tourism throughout the state and provides technical assistance to prospective new businesses. The town is a member of the South County Tourism Council, a non-profit corporation promoting tourism in Charlestown, Narragansett, South Kingstown, Westerly, North Kingstown, Hopkinton and Block Island. The organization produces and distributes promotional literature, organizes and advertises events, and hosts conferences.

In addition, the Charlestown Chamber of Commerce annually prints a brochure and map, which is distributed by request before the start of the tourist season. The information is also available at the Tourist Information Center, at the junction of Route 1 and Route 1A, which is open from Memorial Day to Columbus Day. The Charlestown Chamber of Commerce tracks the number of visitors using its Tourist Information Center. In the 1987 season, 20,000 people patronized the facility; this number has grown steadily to 25,000 in the 1990 season. Only a portion of Charlestown visitors use the Information Center since many visitors make straight for the waterfront without visiting the facility. Based on information gathered by the Chamber, over half of the visitors are from Connecticut and New York, however, in recent years a growing number of people from northern Rhode Island have been visiting the town. The town caters to both daytripper and overnight visitors. According to the Chamber of Commerce due to the reasonable accommodation rates offered by Charlestown's inns, motels, rental homes, and campgrounds, many people use Charlestown as a base for visiting the more expensive communities of Newport, Block Island, and Mystic.

Charlestown's tourist season produces both direct and indirect revenues for the town. Motels and inns charge state room tax, twenty percent of which is received by the town. Beach parking fees and other recreational fees are collected by the town and also contribute to the town's general fund. The town's main revenue source is from residential property taxes, a significant portion of which is generated by seasonal residents. This is a benefit to the town, since these residents place a limited demand on the town's school system, services and other facilities except for a short period during the summer.

Indirect revenues from employment opportunities in the restaurants, marinas, motels and inns and other activities associated with the tourist trade benefit the town. According to the South County Tourism Council, tourism in South County grew from \$95 million in direct sales in 1980, to \$289 million in 1988, an increase of 204 percent². While Block Island and Westerly accounted for the major portion of this increase, Charlestown also benefited from this trend.

Many Charlestown shopkeepers, restaurant owners, and motel operators rely on the tourist season for their annual income. Some businesses such as motels, art galleries, and restaurants close or have limited hours in the winter season. Tourism is also financially advantageous to the town of Charlestown, and should form the basis of the town's economic development strategy.

Commercial and Industrial Activities

According to the Monograph published by the Rhode Island Department of Economic Development, Charlestown is "predominantly a residential community with limited industrial or commercial potential."³ Commercial uses are concentrated in Cross Mills and along Routes 1 and 2. A few small businesses are scattered through the other villages in Charlestown. Less than one percent of the total land area of the town is currently a commercial land use. Industrial development is almost non-existent in the town, with the main industrial use being the Kenyon Piece and Dye Works located at the intersection of Route 2 and the Pawcatuck River.

In 1986 there were a total of 151 commercial and industrial establishments in Charlestown. Table 1 summarizes the various types of these activities in the town.

TABLE 1

COMMERCIAL AND INDUSTRIAL ESTABLISHMENTS CHARLESTOWN, RHODE ISLAND 1986

Establishment	Number
Agricultural Related	4
Fishing and Hunting Supplies	9
General Building Contractors	17
Special Trade Contractors	11
Wholesale Outlets	4
Food Stores	6
Car Dealers, Service Stations	8
Eating and Drinking Places	16
Retail Stores	8
Real Estate Offices	5
Personal Services	4
Business Services	6
Health Services	4
Other*	<u>49</u>
Total	151

* Includes enterprises from the above categories

Source: Rhode Island Department of Economic Development, Research Division

As shown in the table, restaurants and contractors are the largest categories among the commercial enterprises present in Charlestown. The food stores in the town are typically small convenience stores, most of which are seasonal. At present there is neither a supermarket nor a pharmacy in the town.

^{3/}

Town of Charlestown, Monograph, Rhode Island Department of Economic Development, Research Division, July 1987.

The pace of commercial and industrial development in Charlestown continues to be slow. Since 1980, a total of 83,347 square feet of industrial construction and 49,073 square feet of commercial development has occurred. This has primarily been expansion of existing motels and shops, and the construction of two small industrial concerns (jewelry and fabrics).

In order to promote economic development in the town, and to acknowledge existing land use characteristics provision was made to allow for commercial and industrial development in various locations in the town. Before 1984, commercial and industrial zoning reflected existing land use. Based on economic development policies of the 1984 Comprehensive Plan, recommendations were made that resulted in the expansion of commercial and industrial zoning. Charlestown has four commercial and industrial zoning designations. General Business accounts for 533 acres or 3 percent of the town's land; Planned Business accounts for 125 acres or less than one percent; Industrial Research and Development accounts for 1330 acres (6 percent); and Industrial accounts for 61 acres (less than one percent) of the town.⁴

At present there is an excess of commercial- and industrial-zoned land in the town. Of the 658 acres of land that is zoned for commercial purposes, approximately 110 acres are developed. Vacant commercial land is located around the intersection of Routes 2 and 112, and along Route 1, as well as in scattered pockets in the town. Commercially-zoned land is located in the vicinity of Cross Mills village and along Old Post Road. A planned business district is zoned for the land between Route 1 and Old Post Road. This land is currently only accessible off Route 1A, since Route 1 is a limited access highway which does not permit curb cuts. Most of the commercial zoning in the town is "strip-zoning" consisting of a 200 foot area from the roadway. This somewhat limits the site design and landscaping alternatives open to property owners. Concern has been raised by the CPCAC and other members of the public regarding the apparent haphazard form of current commercial development, particularly in relation to signage and varied architectural style.

There is an enormous surplus of industrially-zoned land in the town. A large parcel in the northern section was zoned for Industrial Research and Development purposes to attract development. This site, formerly used by the United Nuclear Corporation, has been identified by the town and the Rhode Island Department of Economic Development (RIDED) as a potential location for industrial activity. The United Nuclear site at One Narragansett Trail is approximately 1,100 acres in size. RIDED states that the entire site is available for development, however its development is somewhat limited due to market factors and site constraints. The United Nuclear site is located in a poorly accessible area of the state. The site is not close to Interstate 95 and does not have direct access from Route 1, an important east-west connector. Access off Route 1 is via roads that cannot accommodate the large trucks and machinery that would be needed to service significant industrial development. While the Boston to New York railroad passes through the site, the nearest train station is in neighboring Westerly. In addition to its location, portions of the site are environmentally constrained for development. Further limitations to the site are areas of wetlands, protected natural resources, and evidence of a hazardous material spill that occurred on the property when United Nuclear was operational. The Nuclear Regulatory Commission is expected to release its final report on the cleanup of the site in the near future. The site is not served by

municipal water or sewer. The availability of an appropriately trained labor force is also uncertain. Given these factors, the United Nuclear site appears, at this time, to be a difficult site to attract investors and financing.

However, the site could possibly be developed for non-industrial uses. Currently, a proposal is before the town for the United Nuclear parcel to be developed as a mixed-use development with the main component being a golf resort consisting of a hotel and spa and up to 54 holes of golf. Other uses proposed in the development include: residences, office space, research and development, warehouse and retail space, airstrip, and train station.⁵

Based on the above-mentioned factors, it appears that the potential for commercial and industrial development is limited. Industrial and large scale commercial development does not easily fit the rural character of Charlestown. A year-round population of approximately 6,500 people does not comprise a strong market for retail/commercial goods. The best evidence of this is the lack of a supermarket and pharmacy in the town. While the seasonal population makes a significant contribution to the town's financial well-being, the market generated by summer residents is also somewhat limited, although it has significant potential for expansion. Given the factors described above, it is unlikely that significant industrial or commercial activities will choose to locate in the town.

LABOR FORCE AND EMPLOYMENT

Labor Force of Charlestown

People who are employed and those people actively looking for employment make up the labor force of Charlestown. In the last two decades, the labor force has increased more rapidly than the population, reflecting the nationwide trend of more women entering into the work force.

TABLE 2

TOTAL LABOR FORCE CHARLESTOWN, RHODE ISLAND 1980, 1985 AND 1990

	1980	1985	1990
Total Employment	2,168	2,489	3,356
Unemployment	161	135	264
Labor Force	2,329	2,624	3,620
Unemployment Rate	6.9%	5.1%	7.3%

Source: Rhode Island Department of Economic Development, Town of Charlestown Monograph, March 27, 1991

In the past decade, unemployment for Charlestown's labor force peaked at 9.2 percent in 1982 and dropped to a low of 3.4 percent in 1988. Like the rest of the New England region, unemployment rates of Charlestown residents between 1986 and 1989 ranged from 3.4 to 4.4 percent, well below the national average

^{5/}

UNC Corporation, Wood River Preliminary Planning Study, 1991.

during this period. The increase in the unemployment rate to 7.3 percent in 1990 also followed the regional and national economic downturn. Unemployment is a function of the regional and state economy, and is seldom attributable to local economic factors, with the construction industry tending to reflect the characteristics of the regional economy.

The majority of the labor force of Charlestown is employed in construction, trade, and manufacturing. Compared with the neighboring communities of Westerly, Narragansett, South Kingstown and North Kingstown, Charlestown's labor force is not a large employment pool for potential new industry.

Employment in Charlestown

Table 3 below shows employment data for 1986 and 1989 in the Town of Charlestown. Jobs in Charlestown are mainly in trade and construction; however, with the downturn of the nation's economy, and the housing market, availability of construction jobs is decreasing. Since 1980, the town has been able to provide additional employment opportunities to community members,

TABLE 3

EMPLOYMENT CHARLESTOWN, RHODE ISLAND 1986 AND 1989

	1986			1989			Percent Change 1986-1989		
	Establish- ments	Employ- ment	Wages	Establish- ments	Employ- ment	Wages	Establish- ments	Employ- ment	Wages
Agriculture Forestry and Fisheries	16	83	\$1,334,329	8	13	\$ 156,375	-50.0%	-84.3%	-88.3%
Construction	29	71	1,037,120	37	94	2,105,042	27.6	32.4	103.0
Manufacturing	0	0	0	0	0	0	--	--	--
Transportation and Communication	0	0	0	4	19	196,480	--	--	--
Trade	46	271	1,991,726	51	303	2,926,346	10.9	11.8	46.9
Finance, Insurance and Real Estate	5	5	39,984	7	19	336,404	40.0	280.0	741.3
Service Industries	<u>33</u>	<u>139</u>	<u>1,663,383</u>	<u>41</u>	<u>202</u>	<u>3,083,412</u>	<u>24.2</u>	<u>45.3</u>	<u>145.5</u>
Total	133	875	\$11,931,195	151	1013	\$16,124,317	13.5%	15.7%	35.1%

Source: Rhode Island Department of Economic Development Research Division, Monograph Sheet, 2/8/91. **Column totals do not add due to rounding and withholding of data (to prevent disclosure).** The United States Consumer Price Index (CPI) relates the above wages to inflation. The CPI for 1986 and 1989 was 109.9 and 124.0, respectively (1982-1984=100).

but the majority of the work force commutes to out-of-town locations. Similarly, the total employment data for 1989 does not indicate how many jobs in Charlestown are actually filled by Charlestown residents.

Since 1980, growth has been seen in the construction, trade, finance/insurance/real estate, and service industries while agriculture and manufacturing have experienced declining employment.

In 1988, only 0.26 percent of all Rhode Island jobs were found in Charlestown, while the community comprised approximately .60 percent of the population. The town generally views itself as a commuter community and, according to the CPCAC and a recently conducted public opinion survey, does not see the need to greatly expand local employment opportunities. The State of Rhode Island Division of Planning estimates that employment in Charlestown will decrease in the future, at least until 2010⁶.

Seasonal Employment

The most distinctive employment trend in Charlestown is that of seasonal employment (see Table 4). The visitors that come to Charlestown each summer are the driving force behind an increased demand for goods and services. There was a 16.8 percent increase in overall employment between the first quarter (January-March) and third quarter (June-September) of 1989. The only significant growth sector was in the area of trade. The seasonal trend is most apparent in the trade sector, which includes retail and eating establishments, with a 47.2 percent increase in the same period. Table 4 below describes this phenomenon further. A slight decline in construction is seen, which correlates with the general downturn in the national and regional economy, and the housing market in 1990.

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Rhode Island Department of Economic Development Research Division, Monograph, February 1991.

TABLE 4

AVERAGE EMPLOYMENT BY QUARTER
CHARLESTOWN, RHODE ISLAND
1990

	First Quarter (Jan-Mar)	Second* Quarter (Apr-Jun)	Third* Quarter (Jul-Sep)	Fourth Quarter (Oct-Dec)
Agriculture, Forestry and Fisheries	10	13	17	11
Construction	100	94	98	83
Transportation and Communication	17	20	19	19
Trade	265	321	390	275
Finance	19	18	19	19
Services	<u>187</u>	<u>209</u>	<u>211</u>	<u>202</u>
Total Employed	934	1,048	1,091	978

* Please note: The second and third quarters bridge the timing of the tourist season.

Source: Rhode Island Department of Economic Development Research Division, Monograph Street, 2/8/91. Independent rounding and data withheld to prevent disclosure causes the totals to not add.

Seasonal employment is an important income generator in Charlestown. Beyond an increase in wages, an increase in seasonal employment translates to increased revenues for area businesses and shop owners during the summer season.

INCOME AND HOUSING PRICES

The town's average income level and price of housing are an indicator of the town's economic health and quality of life. Income reflects a town's spending power while housing is an indicator of the relative attractiveness of a community in terms of quality of life and housing stock.

Income

The median household income in Charlestown was \$34,677 in 1990. This amount is lower than the state's median household income of \$37,500 and lower than the median incomes of the neighboring communities of Richmond and Hopkinton.

TABLE 5

MEDIAN INCOME
CHARLESTOWN, RHODE ISLAND
1979 AND 1990

	Charlestown		Richmond		Hopkinton	
	1979	1990	1979	1990	1979	1990
Median Income	\$17,984	\$34,677	\$20,157	\$38,867	\$19,776	\$38,132
Rank in State*		33		23		27

Median Income in the State of Rhode Island: \$37,500

* 39 cities and towns in Rhode Island.

Source: Rhode Island Housing and Mortgage Finance Corp., updated with HUD State Median Family Income by year, 1990.

The median income of the year-round population was ranked 33 of 39 communities in the state. Not included in these data are the incomes of summer residents of Charlestown which otherwise would increase the median income level. This relatively low income level could be attributable to the demographic characteristics of households in Charlestown, including household size, age of head of household, and level of education.

Housing

In the decade between 1980 and 1990, Charlestown experienced the largest percentage population growth in the State of Rhode Island. This large percentage growth (34.96 percent) was from a small base population of 4,800 persons in 1980; in real number terms, growth during the last decade was 1,678 persons. During this period, housing prices increased as population grew.

Table 6 shows an overall increase in the median price of single family homes from 1980 to 1990 with a peak in 1988 of \$157,000. In the three year period between 1984 and 1987, the median sales price nearly doubled from \$69,315 to \$137,450. Prices continued to rise until reaching almost a 200 percent increase over 1980 prices in 1988, which well surpasses price increases attributable to inflation. This trend is illustrated in Figure 1.

The preliminary results of the housing study reveal that conversion of summer homes to year round residences is increasing. It is estimated that only 26 percent of the housing stock is used seasonally as compared with 49 percent in 1970 and 36 percent in 1980. Seasonal homes are a bonus to year round resident tax payers as they contribute property taxes to the community but do not draw on as many municipal services such as schools.

TABLE 6

MEDIAN SALES PRICE--SINGLE FAMILY HOMES
CHARLESTOWN, RHODE ISLAND
1980 - 1990

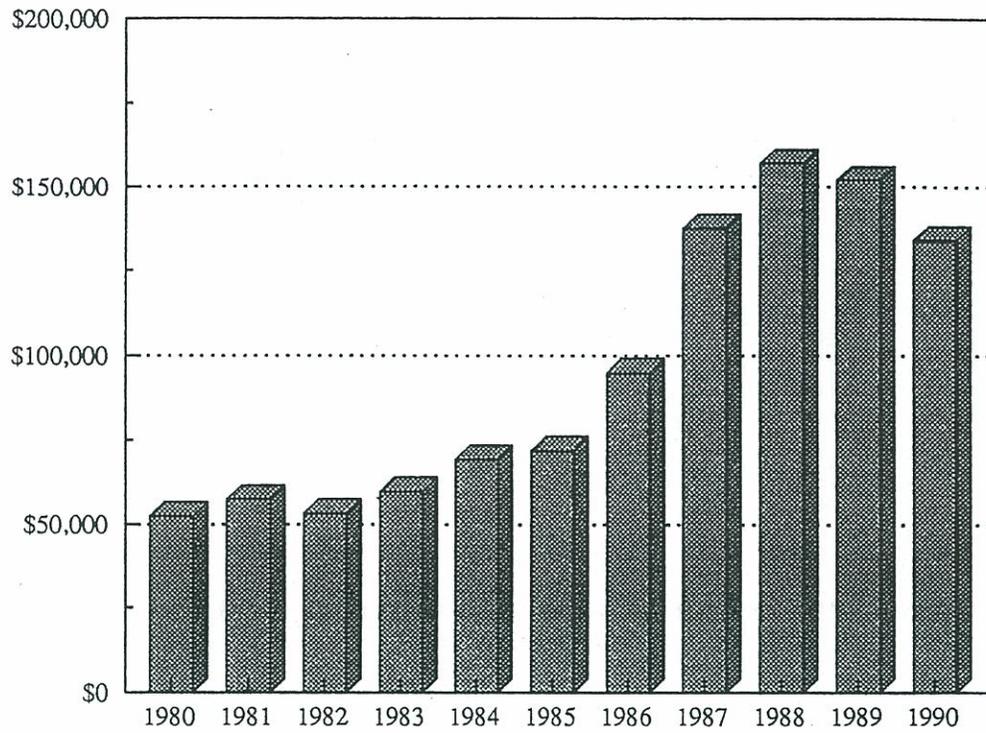
YEAR	MEDIAN PRICE	INCREASE IN VALUE AS A % OF 1980 PRICE
1990	\$ 133,900	155%
1989	152,000	190%
1988	157,000	199%
1987	137,450	162%
1986	95,000	81%
1985	72,000	37%
1984	69,315	32%
1983	59,900	14%
1982	53,250	2%
1981	57,500	10%
1980	52,450	--

Source:

Rhode Island Department of Economic Indicators, Town of Charlestown
Monograph, March 27, 1991; Report of Fiscal Indicators, Town of Charlestown,
December 17, 1990; and information received from Rhode Island Realtors Asso-
ciation.

FIGURE 1

MEDIAN SALES PRICE TRENDS--SINGLE FAMILY HOMES
CHARLESTOWN, RHODE ISLAND
1980-1990



Source: Rhode Island Department of Economic Indicators, Town of Charlestown Monograph, March 27, 1991; Report of Fiscal Indicators, Town of Charlestown, December 17, 1990; and information received from Rhode Island Realtors Association.

With a 1990 median income level in Charlestown of \$37,500, a prospective home buyer would typically be able to finance \$91,530 at interest rates of approximately 9.75 percent for a 30-year fixed mortgage. Monthly mortgage payments would total over \$1,000 which is over 32 percent of pre-tax median income. That, along with a 10 percent down payment of \$10,170 is equivalent to a \$101,700 home, a lower price than the 1990 median house sales price of \$133,900. This analysis would indicate that the average Charlestown resident cannot now afford to buy a home in Charlestown.

The recent slow down in the economy has negatively affected demand in the housing market. The drop in the median price of a home in Charlestown reflects this decreased demand. Another indicator of this demand is the number of building permits, which have also been decreasing since 1986 for new dwellings.

TABLE 7

**BUILDING PERMITS FOR NEW DWELLINGS
CHARLESTOWN, RHODE ISLAND
1986 - 1990**

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Building permits for new dwellings	176	133	104	79	60

Source: George Hibbard, Building Official, Town of Charlestown, February 27, 1991

Although overall demand has decreased, the CPCAC voiced a growing demand for starter homes and senior citizen housing in the town.

MUNICIPAL FINANCES

Overview

Municipal revenues are primarily derived from property taxes, fees, and government aid, and they are spent on government services, schools, and capital improvements. This section examines the fiscal resources of the town, and identifies sources of revenue and areas of expenditure.

Municipal Revenues

In fiscal year 1991 (FY 1991 - June 1990 - May 1991), total revenues for Charlestown were projected to be \$10,117,772. Locally-generated revenues accounted for approximately 83 percent of this total, with the remainder contributed by state and federal sources. As shown in Table 8, the largest portion of revenues generated is from property taxes, which accounted for approximately 73 percent of the town's revenue or \$7,435,333.

TABLE 8

MUNICIPAL REVENUES
CHARLESTOWN, RHODE ISLAND
FY 1991 Projection

	<u>Amount Received</u>	<u>Percent of Total Revenues</u>
Property Taxes	\$7,435,333	73
Inter-government aid	2,211,289	22
Department Receipts	287,200	3
Interest & Misc	97,000	1
Town Clerk Receipts	<u>86,900</u>	<u>1</u>
Total Revenues	\$10,117,772	100.0%

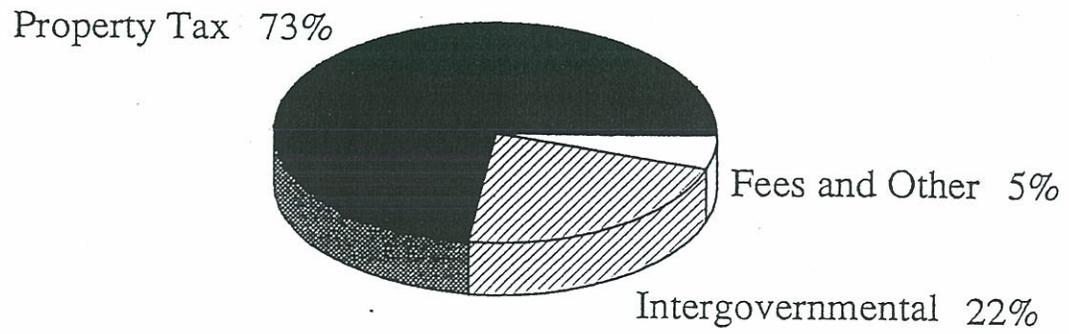
Source: Town of Charlestown, Fiscal Year 1991-1992 Budget Proposal, May 6, 1991

Property taxes include tax on residential, commercial and industrial property as well as automobiles and other taxable personal property. Intergovernmental aid is largely composed of school aid but also includes library aid, state parking fees, highway aid, telephone and hotel tax, and revenue sharing. Revenue collected for building permits, police fines, town beach parking, recreation fees, and the like make up departmental receipts. Town Clerk receipts include tax certificates, licences, fees, and transfer stamps. Total receipts are composed of these items along with interest income and past years surpluses.

Property tax collections have increased 169 percent since 1981 when property taxes totalled \$2,556,080 and accounted for approximately 90 percent of town revenues. Between 1981 and 1990, inter-governmental aid increased more than twenty-five fold. During the same period departmental receipts increased more than three fold from \$77,421 to \$287,200. Figure 2 illustrates the municipal revenues projected for fiscal year 1991.

FIGURE 2

FY 1991 MUNICIPAL REVENUES
CHARLESTOWN, RI



Source: Town of Charlestown, Fiscal Year 1991-1992 Budget Proposal, May 6, 1991

In recent years, property taxes have accounted for the greatest share of local revenues. Of these, residential property taxes contribute the greatest amount to the town's revenues. As shown in Table 9 and Figure 3, until 1987, (the most recent year for which disaggregated data are available) residential property taxes totalled around 85 percent of all town tax revenues. In 1987, commercial and industrial tax contributions increased, somewhat reducing the proportion contributed by residential property taxes. This increase in commercial contribution of property taxes is partially attributable to the completion of commercial development including Washington Trust Bank. Increases in the industrial contribution are partially attributable to additions to Kenyon Piece and Dye Works.

TABLE 9

TAX REVENUES
CHARLESTOWN, RHODE ISLAND
 1984 - 1987
 (In percent)

	<u>1987*</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>
Residential	54.47%	84.99%	85.88%	85.96%
Commercial	17.26	7.35	7.36	7.13
Industrial	13.90	0.45	0.48	0.50
Utilities & Railroads	2.22	1.65	1.72	1.78
Motor Vehicles	11.84	4.43	3.79	3.55
Other**	0.31	1.13	0.77	1.08
TOTAL	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

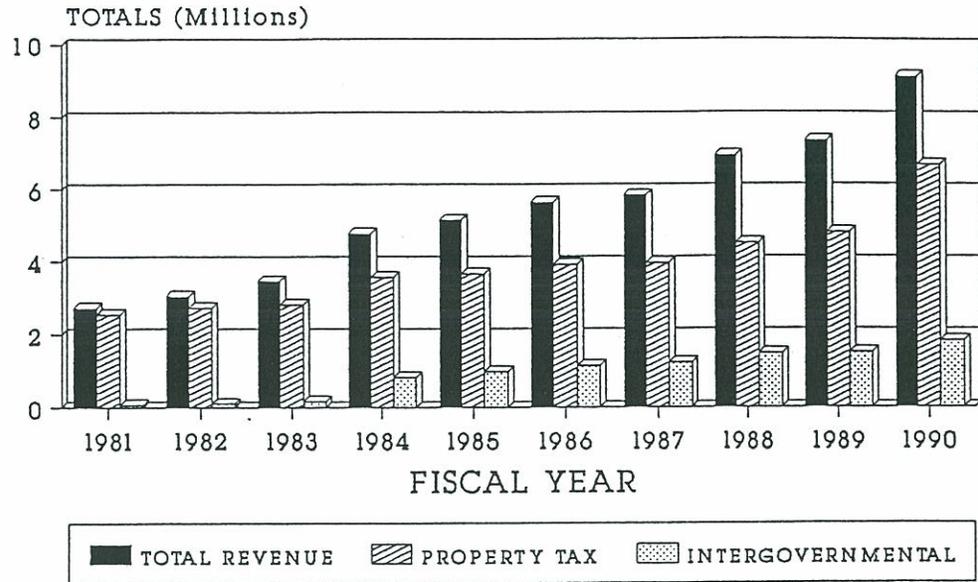
* 1987 is the most recent year for which disaggregated data are available

** "Other" includes taxable personal property and equipment.

Source: Annual Report on Local Government Finances & Tax Equalization, 1986 to 1989

FIGURE 3

REVENUE TREND
CHARLESTOWN, RHODE ISLAND
1981 - 1990



General Fund

Source: Report of Fiscal Indicators, Town of Charlestown, December 1990.

Tax Rate

In 1988, Charlestown had the lowest property tax rate of any Rhode Island community and is currently approximately half of the state average. Official tax rates for Charlestown and surrounding towns are shown in Table 10.

TABLE 10

TAX RATE PER \$1000
CHARLESTOWN, RHODE ISLAND
AND NEIGHBORING COMMUNITIES
1985 - 1991

	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>
Charlestown	\$15.55	15.91	\$14.78	11.38*	10.87	10.14	9.98
Hopkinton			32.28	29.70	31.25	30.15	31.40
Richmond			45.23	38.00	42.90	41.08	41.25
State Average			28.28	27.65	30.94	29.50	29.68

* Lowest in State

Source: Town of Charlestown, Report of Fiscal Indicators FY 81 - FY 90, December 17, 1990; Rhode Island Department of Economic Development, Research Division, March 1989.

Charlestown residents also pay fire district taxes which are separate from property taxes.

Municipal Expenditures

Charlestown is typical of smaller communities in its municipal budget expenditures in that the majority of expenditures are allocated to education expenses. Table 11 and Figure 4 show the Fiscal Year 1991 municipal expenditures by major category. The Town of Charlestown is a member of the Chariho school system, and a large percentage (68 percent) of the town's budget goes towards Chariho. After education, general government, public safety, and public works account for the largest share of expenditures.

TABLE 11

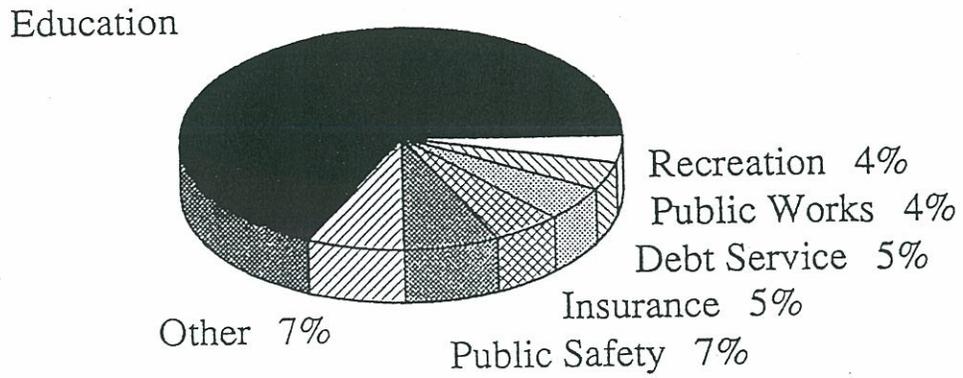
MUNICIPAL EXPENDITURES
CHARLESTOWN, RHODE ISLAND
FISCAL YEAR 1991

	<u>Amount Expended</u>	<u>Percent of Total Expenditures</u>
Education	\$6,904,827	68.2
General Government	512,593	5.1
Public Safety	713,371	7.1
Public Works	430,620	4.3
Culture & Recreation	233,368	2.3
Public Welfare	135,140	1.3
Debt Service	520,650	5.1
Employee/Town Insurance	549,750	5.3
Capital Improvements	<u>126,700</u>	<u>1.3</u>
Total Expenditures	\$10,127,091	100.0%

Source: Town of Charlestown, Fiscal Year 1991-1992 Budget Proposal, May 6, 1991

FIGURE 4

MUNICIPAL EXPENDITURES
CHARLESTOWN, RHODE ISLAND
FISCAL YEAR 1991

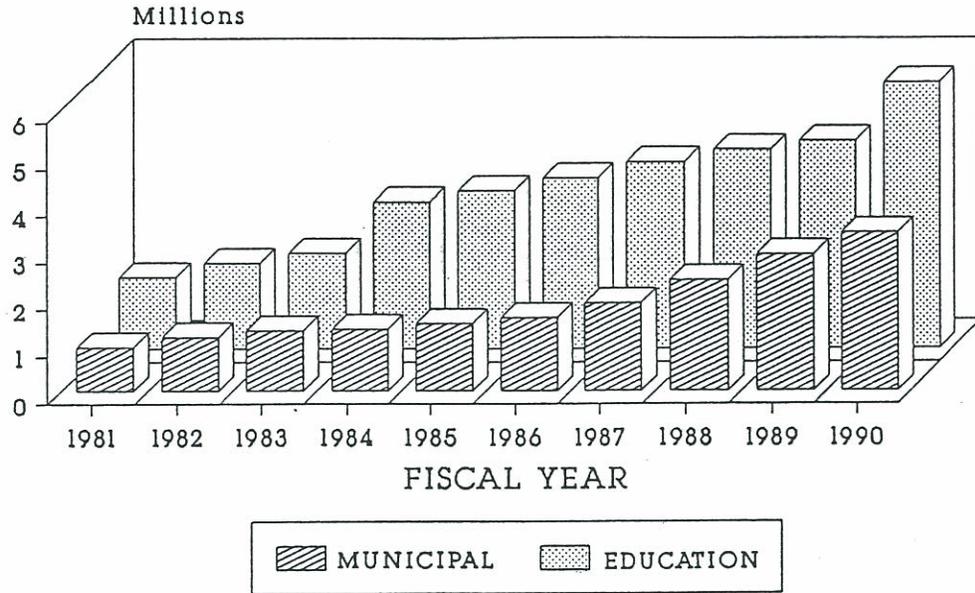


Source: Town of Charlestown, Fiscal Year 1991-1992 Budget Proposal, May 6, 1991

General government expenses are those expenses required to operate and support municipal positions such as the Town Administrator. Other general government expenditures are broken out by department such as Public Safety, Culture and Recreation, and Education. Other municipal expenses include employee and town insurance, debt service and capital improvements. The largest municipal expenses are related to education, accounting for 68 percent of the total municipal budget in Fiscal Year 1991. Figure 5 illustrates the increase in total expenditures between 1981 and 1990, comparing expenditures for municipal and educational purposes.

FIGURE 5

MUNICIPAL EXPENDITURES: EDUCATION VS. MUNICIPAL
CHARLESTOWN, RHODE ISLAND
1981-1990



Source: Report of Fiscal Indicators, Town of Charlestown, Rhode Island, December 1990.

As can be seen from the following table, per pupil cost for education has ranged between \$4,000 and \$5,000 between 1985 through 1988. It is anticipated that school costs will rise in the future.

TABLE 12

PER PUPIL COST
CHARLESTOWN, RHODE ISLAND
1985 - 1988

	<u>1985/86</u>	<u>1986/87</u>	<u>1987/88</u>
Number of Pupils	504	492	563
Local Contribution per pupil	\$ 3084	\$ 3754	\$ 3656
State Contribution per pupil	1014	1069	1124
Federal Aid per pupil	<u>0</u>	<u>1</u>	<u>3</u>
Total Cost per Pupil	\$ 4098	\$ 4824	\$ 4783
Total School Expenditure*	\$3,652,192	4,061,329	\$4,372,714

* Includes contribution to Chariho

Source: R.I. Department of Economic Development, Annual State Report on Local Government Finances and Tax Equalization, 1986 to 1989

Capital Improvement Plan

According to the Town of Charlestown, capital improvement planning is one of the most important processes local government can conduct. ⁷ The process seeks to combine the areas of planning and budgeting by developing a recommended schedule of physical improvements and acquisitions. The goal of the Capital Improvement Plan (CIP) is to establish a set of priorities of future capital improvement projects by considering their relative need and desirability as well as the financial capability of the Town. The Capital Improvement Plan process was first implemented in 1987. The CIP identifies major capital expenditures before they are required in order to earmark funds for that purpose in the years prior to the project. The CIP is updated annually and considers expenditure periods of one, four and ten years into the future. Typically capital expenditures over \$1,500 are identified including:

- Construction, renovation or expansion of new facilities
- Acquisition or replacement of equipment of property
- Procurement of professional services such as engineering studies and surveys

^{7/}

Town of Charlestown, Capital Improvement Plan, May 1990.

The Capital Improvement Program for Fiscal Year 1991 reflects the town's need for investments in roads, public safety, and public works equipment, as well as its goal of improving the town's economic well-being through developing recreational and open space resources. The planned capital planned for Fiscal Year 1991 included the open space acquisition of Blue Shutters Beach and the Kells Driving Range. The financing for these activities was to be derived from the general fund, bond anticipation notes, as well as grant monies.

In addition, the town typically prepares a Capital Improvement Program which focuses on the upcoming three years. Capital improvement projects considered for future implementation include the development of open space and recreational sites, the continuation of the infrastructure improvement program, and various public works projects.

An option the town has considered is the establishment of dedicated master capital improvement funds designed to use earmarked revenues for specific projects. For example, if a Parks and Recreational Capital Fund is established, all future recreation capital projects, such as acquisitions or park development, would be financed by a restricted or dedicated revenue source independent of the town's general fund. This mechanism would reduce the support of general fund dollars for these projects, and would shift the financing towards user fee supported revenues. This funding mechanism and other financing options are being considered by the town.

OPPORTUNITIES FOR ECONOMIC DEVELOPMENT

The first step in determining an appropriate economic development strategy for the Town of Charlestown is to identify the town's market potential for additional economic development opportunities. The town's natural resources, including its beaches, ponds and open spaces are a draw to local and out-of-town visitors. Seasonal residents are the town's greatest asset, attracted to the town for its natural beauty. Year-round residents are a small market, and the seasonal market is currently driving the town's economy. Consideration needs to be given on how to enhance and develop the seasonal tourism industry.

The town's rich coastal resources, rural character, and cultural and historical heritage, make tourism and associated activities the most appropriate area in which to devote economic development efforts. Ways of enhancing the existing tourism industry include development of recreation-based activities, summer activities, educational and entertainment facilities, all of which would enhance opportunities for seasonal residents and visitors.

The town has a small industrial base, with an excess of industrially-zoned land. The United Nuclear site is available, but industrial development of the site is constrained: it is not very accessible to major roadways, and the site has other environmental and infrastructure constraints. There is little or no demand for industrial land in the town, due to its location and limited available trained labor force. Based on these facts, industrial development does not seem appropriate likely in the near future.

Charlestown should recognize through its policies, the economic importance of preserving its natural resources and beauty.

RECOMMENDATIONS

Recommendations focus on supporting and expanding the existing economic base, the attraction of visitors and seasonal trade. Large-scale commercial and industrial development is not recommended for Charlestown. Other elements in this comprehensive plan were also considered when formulating these recommendations. It is recommended that the town's existing tourism base is augmented with the provision of additional attractions to visitors, extension of the tourist season, support of existing businesses and the development of businesses to complement existing activities. The following recommendations are proposed in order to enhance the economic base of the town.

Summer Activities Program

Expanding the summer activities program would encourage visitors to day trip to Charlestown, and would be a further amenity to year-round and seasonal residents. Events could include activities such as:

- Outdoor concerts;
- Fourth of July Parade with fireworks;
- Windsurfing tournament on Ninigret Pond;
- Arts festivals and antique fairs at Ninigret Park or other locations;
- Childrens activity programs;
- Educational and crafts classes;
- Auto shows;
- Continuation of the highly successful seafood festival and Big Apple circus..

These types of activities do not involve construction or major capital outlays, but they do require an organizational effort. The local Chamber of Commerce, local School Department, local business sponsors and the Charlestown Department of Parks and Recreation are all resources which could cooperate in creating this activity program. In addition, the South County Tourism Council could be requested to assist in publicizing this effort. Events could be scheduled before the beginning and after end of the traditional tourist season, and could extend the tourist season by a few weeks.

Historic and Natural Resources Attraction

Creation of a walking trail linking mill villages, historic homes and natural areas could add to the historic and cultural attraction of the town. In a newsletter made available at the Tourist information kiosk run by the Charlestown Chamber of Commerce, it would be possible to provide a map with the feature sites labelled and described. The migratory bird-watching activities, currently coordinated during the fall and winter months by the town's bed and breakfast establishments could be part of this effort. This trail would stimulate interest in all areas of Charlestown, and could encourage additional spending by visitors.

Develop Supporting Businesses

Although many retail opportunities may not be feasible for year-round business, there are enough summer visitors to make seasonal businesses viable. Provision of fishing supplies, boat supplies, and water sport equipment would attract visitors to the town for recreational purposes. Other examples may include a fish market, additional restaurants, art galleries and antique shops. These could be promoted by offering short-term leases and coordinated efforts possibly by a business group to bring consumers to Charlestown.

Cottage Industries

In order to provide additional goods for sale to seasonal visitors, the town should consider development of cottage industries to produce homemade, handcrafted goods. These goods are generally produced on a small scale by household members in their homes. To enable this type of activity, a skills bank study should be completed to identify community members who wish to participate. A store or market or roadside stand should be used to sell the goods to the public. Products should exemplify the town resources--smoked fish and textile products are two examples.

Golf Course Development

The town could consider the development of a golf course in order to provide an additional attraction to both seasonal residents, as well as local area golf enthusiasts--thus expanding the local tourism base. A golf course accomplishes many of the objectives of economic development including increasing the tax base, attraction of visitors, preserving open space, and providing a community sports facility, as well as employment opportunities.

No new golf courses have been developed in Rhode Island in the last twenty years, and the demand for golf facilities has increased over that time. The golf courses that exist in the state tend to be older facilities, many of which only offer nine hole courses. A golf course seems like a feasible development concept which fits the character and goals of Charlestown. It expands on limited entrepreneurial and employment opportunities in the area. The golf course would not only capture the market of the seasonal residents. According to the National Golf Foundation, golfers within a two-hour travelling distance are willing to drive more than 100 miles to play on a top-class course, thus allowing Charlestown to tap into the Rhode Island, Connecticut and Massachusetts market. Although there are 84 private golf courses, and 134 public golf courses within 60 miles of the town, there are few top quality 18-hole facilities in Washington County⁸.

Different alternatives ranging from municipal to private development of the golf course have been discussed by the town. Three specific sites have been proposed in the past for different types of golf course development. The options are described below:

- Municipal golf course;
- Private golf daily-fee course with club house and residential development;
- Private resort-type golf course with club house, residential development, and other facilities.

Municipal Golf Course - Ninigret Park

In the past, the town of Charlestown considered the development of a municipal golf course at Ninigret Park. One hundred forty of 227 acres of Ninigret Park, the town-owned former Navy airfield located in the southern portion of Charlestown on the shore of Ninigret Pond, were identified as a possible site for future golf facilities development. One proposal was that the remaining portions of Ninigret Park be used for community amenities including a senior citizen's center, nature center, baseball fields, tennis courts, basketball courts and a swimming area. The proposal generated considerable controversy over environmental issues and fiscal policy. The Town Council recently decided to return RIDEM grant monies for this development to DEM, effectively eliminating this golf course from the municipal agenda.

Private Golf Course - Osprey Course

Privately owned parcels make up a second proposed site which is located north of Route 1 on the moraine. The proposal included an 18-hole golf course along with a residential development. This site's size and shape constrains the golf course layout while the current five-acre residential zoning permits development of only a few houses and does not permit a restaurant. This zoning was put in place to protect a water supply source located down gradient from the site. This development requires the proponent to assemble ownership of the entire site area.

Private Golf Course/Resort - United Nuclear Site

A recent proposal by the UNC Corporation calls for reuse of the United Nuclear site as a mixed used development with emphasis on a golf resort aimed at New York and Boston business and corporate memberships. Along with up to 54 holes of golf, the proposal calls for residential, retail, office and warehouse development as well as a train station, landing strip and helipad. At this time, it is uncertain when the United Nuclear site will become available for development.

For any resort-type golf course to be developed in the town, it would be necessary for the town to rezone to permit restaurants and increase density and to allow planned-unit development (PUD) for specific sites. All golf course proposals should be subjected to detailed scrutiny of social, economic and environmental impacts. The financial feasibility of each option needs to be studied to determine what would work best for the municipality of Charlestown.

Public Access Improvement

As discussed in the Open Space and Recreation Natural Resources chapters, public access to beaches and other areas is of concern. There is insufficient parking at the town's beaches, and public launch areas are limited.

Site Plan Review

The community has raised concern over the apparent haphazard form of commercial development in the town. Signage and architectural styles while varied, are often aesthetically unappealing. Consideration could be given to developing guidelines designed to create a "Charlestown Style". These guidelines could address building materials, architectural style, signage and other features. Consideration should be given to landscaping of parking areas or other areas requiring screening. This would enhance the visual appeal of commercial development in the town.

Zoning Amendment

It is recommended that the town amend its zoning regulations to allow for more flexible commercial development than is currently permitted by the 200 foot strips along major roads. This could take the form of enlarging the commercially-zoned land along roads, or the creation of mixed use zones.

Life Care Communities

The town should consider the possibility of developing a life care community. Living situations in these communities can vary from independent to fully-staffed, medically-supported living alternatives providing a housing alternative for retired persons wishing to reside in Charlestown. Many would find this a desirable alternative to moving away from the community.

IMPLEMENTATION

Prioritized Recommendations

High Priorities

1. Continue focusing business development in the commercial zone east of the historic Cross Mills area on a scale and with design standards compatible with the surrounding area. Encourage development of a variety of businesses consistent with village settings in other village settlements.
2. Implement design standards to preserve the visual quality of the major roads and villages.
3. Designate the current Planned Business and Industrial Research and Development zones as Planned Development districts for less intensive and more appropriate uses.

4. Designate several commercial districts to encourage development of businesses appropriate to villages, roadsides, or the business center in current general business zones, thereby providing buffers between intensive uses and less intensive uses. (See Land Use section)
5. As discussed in the Land Use Priorities section, consider deepening commercial zones, especially along Route 1, to encourage the use of vegetated buffers and parking at the rear of establishments.
6. Continue to attract visitors through festivals at Ninigret Park.

Note: Priorities listed in previous sections concerning natural and cultural resources protection, preservation of the rural aesthetics, and recreation are equally priorities for economic development, as these resources support the economic base of the town.

Medium Priorities

7. Promote and recognize volunteer efforts that help maintain the rural qualities of the town and improve the business climate.
8. Continue to develop and market specific recreational opportunities that focus on Charlestown's unique attributes.

Lower Priorities

9. Consider allowing development of congregate care facilities.

5-Year Implementation Program

High Priorities

1. **Continue focusing business development in the commercial zone east of the historic Cross Mills area on a scale and with design standards compatible with the surrounding area. Encourage development of a variety of businesses consistent with village settings in other village settlements.**
 - This will help preserve the character of the town and thus the property values of residences and existing businesses. Village businesses will provide services in densely settled areas.
 - Commercial zones and design standards would be developed during revision of the zoning ordinance and map. Discussed in greater detail in Land Use Implementation.

Time Frame: Adopted by July 1, 1993.

Responsible Parties: Town Planner, Building Official, Town Solicitor, Planning Commission, Zoning Board of Review, Town Council. Outside assistance probably needed for mapping and possibly drafting of zoning language. Administered by Building Official, Zoning Board of Review, Town Planner, Planning Commission. Design review may require design review board.

2. Implement design standards to preserve the visual quality of the major roads and villages.

- Important areas to develop design criteria include the key entrance points to the town: Shannock, Carolina, Cross Mills, Route 1, Route 2, and the eastern end of Route 1A.
- Design standards developed during revision of zoning ordinance and map. Discussed in greater detail in Land Use Implementation

3. Designate the current Planned Business and Industrial Research and Development zones as **Planned Development districts for less intensive and more appropriate uses.**

- See Land Use section for discussion of inappropriate uses.
- Where appropriate elsewhere, consider commercial recreational uses.
- Zones developed during revision of zoning ordinance and map. Discussed in greater detail in Land Use Implementation.

4. Designate several commercial districts

- Zones developed during revision of zoning ordinance and map. Discussed in greater detail in Land Use Implementation.

5. Consider deepening commercial zones.

- Zones developed during revision of zoning ordinance and map. Discussed in greater detail in Land Use Implementation.

6. Continue to attract visitors through festivals at Ninigret Park.

- Consider other festivals and events, e.g., arts, antiques, July 4 celebration, or concerts.

Time Frame: On-going

Responsible Parties: Parks and Recreation Department Director, Chamber of Commerce, volunteer groups.

Moderate Priorities

7. Promote and recognize volunteer efforts:

- to improve village and rural aesthetics (e.g., landscaping, litter patrol, brush removal);
- to encourage cooperation among businesses, e.g., with reciprocal coupons for local businesses.

Time Frame: On-going as possible

8. Continue to develop and market specific recreational opportunities that focus on Charlestown's unique attributes.

- Charlestown's natural and cultural resources provide good opportunities for developing recreational packages or focuses , e.g., historic trails along the Pawcatuck River villages, hiking trails, or antiques/arts festivals.
- Development of such focuses should be linked with other programs where possible, e.g., open space preservation, linking state and town pathways, historic preservation, etc.

Parties Responsible: Chamber of Commerce, Parks and Recreation Department Director, Town Planner, Planning Commission, Conservation Commission, Historic Commission.

20-Year Implementation Program

Nos. 1-5 Zoning Changes: Continue reviewing and revising Land Use Plan and zoning ordinances periodically with involvement of the public, business community, and other interest groups.

Continue on-going programs: protecting and marketing natural and cultural resources, developing Ninigret Park activities, promoting volunteerism.

9. Consider allowing development of congregate care facilities.

Parties Responsible: Town Planner, Building Official, Department of Public Works Director, other Department/agency heads, Town Council, Planning Commission.