

ECONOMIC DEVELOPMENT ELEMENT

5.2.1 INTRODUCTION

Economic Development, for Foster residents, can have several meanings; jobs, broadening of the tax base, and growth. This Element of the Plan seeks to describe Foster's virtues for economic development and the parameters for a pro-active strategy to achieve seemingly elusive goals to meet local economic needs.

5.2.2 EXISTING ECONOMIC CONDITIONS

As a rural/suburban community on the fringes of the Providence metropolitan area, Foster lacks a well-defined economic character. From a regional perspective, the Town serves three major economic functions as follows:

- Foster provides a home base for those who commute to jobs outside of the community. Approximately 90 percent of those who are employed work elsewhere in the region; major destinations are the Providence area and employment centers to the south of Providence.
- Approximately one-third of the Scituate Reservoir watershed, encompassing 18,400 acres, is located in Foster. As a significant part of a reservoir system serving 600,000 Rhode Island residents, water is the major natural resource derived from the Town. Watershed and reservoir properties owned by the Providence Water Supply Board represent about 10 percent of Foster's tax base.
- Three of the four major sawmills in Rhode Island are located in Foster. They are Turnquist Lumber Company, Winsor Forest Products, Inc., and Hauser Wood Products. Their operations consist of pallet production; planing mills and general custom sawmill; and rough sawed and planed lumber, respectively. Foster Country Club is the largest private employer in Foster with approximately fifty seasonal employees. Turnquist Lumber Company, with about 18 employees, is now the second largest employer in the Town.

Other elements of the local economy include self-employed craftsmen and professionals working from their homes, retail and service businesses primarily oriented to transients along Route 6, scattered agricultural operations (many are part-time growers), several cottage-type industries and a golf course/restaurant open to the public. There are over 113 large and small businesses in Foster. Total employment in Foster, including 135 who are self-employed, is in the range of 650 to 700.

A more detailed discussion of economic conditions in Foster is contained in Comprehensive Plan Technical Report #1, *Socio-Economic Profile*, September 1990.

Tax Base

Table 1 provides a breakdown of real estate assessments by major land use category, for taxable properties only:

TABLE 1 - SUMMARY OF REAL ESTATE TAX ASSESSMENTS - FOSTER, RI 1989 and 2003.

USE	1989:		2003:	
	TOTAL	PERCENT	TOTAL	PERCENT
Single Family	\$ 83,553,685	70.0	\$118,916,511	78.0
Two-to-Five Family	1,256,850	1.0	1,479,500	1.0
Multi-Family	720,920	0.5	772,650	0.5
Commercial/Manufacturing	5,784,950	5.0	5,901,650	4.0
Farm	588,100	0.5	524,750	0.4
Utility	11,870,250	10.0	11,548,350	7.6
Miscellaneous	1,565,770	1.0	3,417,691	2.3
Vacant Land	13,749,785	12.0	9,435,525	6.2
Total	\$119,090,310	100.0	\$151,996,627	100.0

Source: Tax Assessor, Town of Foster - Totals as of 12/31/89 and 6/1/03

In 1989, ninety-two percent of Foster's real estate tax base is supported by three major land use categories; single family residential at 70 percent is dominant, followed by utilities at 10 percent and vacant land at 12 percent. Commercial use represents only 5 percent of the total. In 2003, the ninety-two percent tax base remains the same, however, a larger percent now comes from single family housing 78%, as opposed to utilities 7.6% and vacant land 6.2%. The substantial Scituate Reservoir holdings of the Providence Water Supply Board account for the relatively high percentage of tax assessments on utilities.

Future trends undoubtedly will show a reduction in the vacant land category and a corresponding increase in single-family assessments. Assuming no major changes in assessment policies as they relate to reservoir properties, utilities should continue to be an important portion of the tax base.

Most research on the tax base shows that single-family housing generally costs more to service per unit than the real estate tax revenues derived from the typical home - largely as the result of school costs. Commercial, multi-family (elderly), utility and vacant land on the other hand generate limited demands for municipal services.

In 1990, the property tax provided in excess of 80 percent of the revenues required to provide municipal services in Foster. In 2003 the number has been reduced to 73 percent. This change has resulted from a diversion of motor vehicle tax that is now collected by the State of Rhode Island and is provided back to the Town as State Aid.

5.2.3 ISSUES AND CONCERNS - Local and Regional Trends

Virtually all employment in Foster is of a small business nature and is not

subject to the whims of absentee owners. Individual (Yankee) ingenuity and independence seem to characterize the local economic scene. Although all businesses are affected by periods of recession and prosperity, it is better to have a diverse job base than one dominated by one or more major employers. *Foster has such diversity.*

Foster's attractive living environment will continue to draw those who seek a more rural lifestyle but will commute to employment opportunities elsewhere in the region. Incomes available from local employment, except for those who may be self-employed, generally will not support the cost of purchasing a new house in Foster. The economic growth of Rhode Island, however, is furthered by having reasonably accessible rural living areas to complement the closer-in suburban and urban environments.

Although, as revealed in the 1990 Foster Community Survey, local residents want a more diverse tax base, they also want to retain the rural qualities that are their native heritage or the feature that attracted them to the town in the first place. The 2003 survey shows a greater concern for slowing and managing growth with only ten percent of the survey respondents responding that the Town should encourage growth to increase the tax revenue.

From a regional perspective there appears to be limited opportunities to attract light industrial uses to Foster. The lack of public sewer and water services, the considerable distance from employment/housing centers in Rhode Island and Connecticut, and the constraints imposed by having 55 percent of the town within the Scituate Reservoir watershed limit the community's options. The *Scituate Reservoir Watershed Management Plan*, State Guide Plan Element 125, requires, that wherever possible, commercial, retail and light industrial uses be located outside of the watershed.

There are, however, economic development opportunities to explore, which are being promoted by neighboring communities in the form of tourism. These programs make use of the significant natural and scenic resources of the region as economic development tools.

5.2.4 APPROACH

Foster is not a hot-spot for economic development in the traditional sense. But the very forces that restrict the usual forms of economic growth, as we know them today, may provide the impetus for non-traditional approaches. The use of the town's natural resources in the form of water production, forestry, and agriculture will continue and are encouraged by the proposals of the Land Use Plan Element.

On a broader scale Foster has the potential to capitalize on combining existing resources such as visual qualities and historic areas with publicly and privately supported actions to make tourism and recreational activities a source of revenue and employment for local residents. The North - South Hiking Trail, for example, could serve as the nucleus for complementary private endeavors encouraged by local zoning regulations. As a border community, the prime market area for such activities includes both Rhode Island and Connecticut residents. For reasons which may be no more complicated than "the grass is always greener on the other side of the fence", Rhode Island appears

to have a unique attractiveness as a recreational destination for those living in the "Nutmeg State".

An active program is now underway through the Blackstone River National Heritage Corridor Commission and the Blackstone Valley Tourism Council to attract visitors from all parts of the country to northern Rhode Island. The Towns of western Rhode Island may wish to establish their own tourism council as a means of promoting the area and as a vehicle for working cooperatively with the Blackstone Valley.

In neighboring Connecticut, the Committee for a Quinebaug-Shetucket Rivers Heritage Corridor has been pursuing National Heritage Corridor designation for a twenty-five town river basin area. This group is a subcommittee of the Northeastern Connecticut Council of Governments, a regional planning agency. Preliminary funding for the Corridor has been approved by Congress. Both Killingly, Connecticut and Foster are located between the Blackstone and the Quinebaug-Shetucket corridors and they stand to benefit from the tourism both corridors will sustain in the region. Likewise, cooperation between a Western Rhode Island Tourism Council and the Northeast Connecticut Visitors District, which includes the Town of Killingly, could do much to further economic development in a manner consistent with preservation of natural, cultural and historic resources which towns within the region value highly.

Foster has a living and physical environment and a self-reliant population, which has and will encourage cottage-type industries to be established. A random sampling of opportunities, some of which are in existence today, include: greenhouse-nursery production, sugaring, organic farming, small orchards, berry farming, wood crafts, furniture making, antique shops, horse stables, bed and breakfasts, and small inns. Such activities would bring even greater diversity to the local economy without inducing suburban development. All would tend to complement the Town's attractiveness as a destination for those seeking "slow lane" recreational diversions from the "fast lanes" of their daily lives.

Due to a scattered population no commercial center has evolved in Foster. Most of the retail and commercial activity has been oriented toward travelers on Route 6. This is changing with the development of a small shopping complex on Route 6. As the population grows, there will be a demand for further convenience shops and services to serve the local residents. For both convenience, traffic safety, aesthetic, and economic reasons, such activities should be clustered in nodes of activity rather than strung out in an aimless strip along Route 6.

A primary planning tool for achieving economic development success in Foster will be the activities of the *Economic Development Advisory Commission* charged with a specific role in assisting the Town in achieving the following primary goals:

- Broaden the sources of Town revenues in order to assure a sound financial future and to assist the achievement of Town goals expressed in the Comprehensive Plan while concurrently achieving affordability and self-reliance.

- Assure that commercial, service and industrial land use growth be oriented to the rural character and the scale of existing character-defining features and natural resources of the town and that such development be designed to enhance these features and resources rather than compete with, detract from or adversely affect them.

The following are specific policies for action:

- Encourage retail commercial development necessary to provide convenient services to Foster residents within the confines of existing commercially zoned areas. Nodes of activity will be encouraged to prevent strip commercial development.
- Encourage compatible cottage-type industries in residential areas to reinforce rural self-reliance and ingenuity *provided performance standards (that protect the environment and rural character of the town) are met.*
- Encourage the continuation *and growth* of economic activities such as recreation, forestry, and agriculture, which are related to the natural resources of the town.
- Encourage a diversity of local employment opportunities, which relate to indigenous and rural resources and occupations. For a detailed list of potential development opportunities refer to Section 5.7 Historic and Scenic Resources Element.
- Encourage economic development that provides a rural living alternative attractive to wage earners preferring not to live and work in suburban or urban areas.
- Explore developing a list of preferred light industrial and commercial development and research facilities to attract to Foster. Designate suitable areas for preferred development to be located within the existing zones.
- Encourage through land use regulation, small-scale industrial and commercial development that is in scale with the rural character of the town and does not require infrastructure improvements or services not now available.
- Maintain and develop tax incentives to assist in achieving the environmental and economic development goals and policies.
- Hold annual seminar and field trip to attract principals interested in rural assisted living and senior housing development. Link achievements to affordable housing program.
 - Continue subsidies for over 65 property owners to encourage this age group, which demands little in the realm of community services to stay in town.
 - Reinforce and strengthen existing tax incentives aimed at retaining

open space and farms. Encourage Farm Forest and Open Space incentives. Reevaluate property tax assessments for farm and open space.

- Promote state rehabilitation tax credits for historic property owners to encourage historic preservation activities, which help achieve residential tax base stabilization. Such tax credits would be tied to achievable performance standards such as the Department of the Interior's guidelines and standards for the rehabilitation of historic buildings.
- Explore other local initiatives and means to promote privately funded rehabilitation.
- Support the activities of the *Economic Development Advisory Commission* to explore and solicit preferred development opportunities for location in Foster. The commission will provide Town boards and commissions, Town agencies and the Town Council with advisory opinions on economic development projects and strategies. If this commission is to be successful, it must have the support of the public and business interests of the town.
- Encourage the formation of a Western Rhode Island Tourism Council and explore mutually beneficial relationships with the Blackstone Valley Tourism Council and the Northeastern Connecticut Visitors District. Take advantage of the designation of the Blackstone Valley and the Quinebaug-Shetucket Rivers National Heritage Corridors in tourism development planning.
- Encourage expansion of cottage industry (customary home operation), which is in keeping with Zoning Regulations to increase the tax base while maintaining protection to the Scituate Reservoir Watershed.